

ASX RELEASE

## **Integrated Research Limited Announces First Half Results**

**Sydney, Australia, 17 February 2011** - Integrated Research (ASX:IRI), leading developer and provider of systems and application management solutions for high availability computing environments, today reported its consolidated results for the six-month period ending 31 December 2010.

The Company is pleased to announce first half revenue of \$20.5 million, representing an increase of 11% over the equivalent prior period. First half profit after tax was \$2.4 million, representing a 12% decrease. In constant currency, revenue would have been up 18% and profit after tax up 12%.

The highlights of the reporting period were solid licence sales growth in IP Telephony and HP NonStop product lines together with strong growth in consulting services revenue. Overall licence sales were up 16% to \$10.6M and consulting services up 93% to \$1.3 million over the equivalent prior period. The Company achieved positive cashflow from operations of \$5.7 million, representing an improvement of 59%.

The US achieved overall revenue growth of 29% and Europe 40%. Asia Pacific revenue was down 2%, although in constant currency there would have been positive growth. A high proportion of Asia Pacific billings are denominated in US dollars.

The Company continues to invest for growth with total expenses of \$16.8 million for the half. The Company significantly increased its investment in consulting services with a 60% increase in consulting personnel. Overall staff numbers at 31 December 2010 were 164 compared to 157 at 31 December 2009.

Mark Brayan, CEO of Integrated Research, said "The Company has continued its growth in revenue despite the challenges with the appreciation of the Australian dollar. I am particularly pleased with the strong growth in both the US and Europe representing our two major markets."

Steve Killelea, Chairman of Integrated Research, said “I am pleased to see the successful execution of the Company’s strategy. I am confident the Company’s future performance will be strong due to both our dominant position in the expanding IP Telephony market and our solid position in the HP NonStop market.”

The following table summarises the Company’s key revenue, expense and profit results compared to the corresponding half last year:

In thousands of AUD	Half Year ended		
	Dec 2010	Dec 2009	Percent Inc/(dec)
Revenue from license fees	10,581	9,118	16%
Revenue from maintenance fees	8,583	8,718	(2%)
Revenue from consulting	1,342	696	93%
<b>Total revenue and other income</b>	<b>20,506</b>	<b>18,532</b>	<b>11%</b>
Research & development expenses	(4,429)	(4,080)	9%
Sales, consulting & marketing expenses	(10,415)	(9,259)	12%
General & administration expenses	(1,989)	(1,857)	7%
Total expenses	(16,833)	(15,196)	11%
Other gains and losses (currency exchange)	(1,005)	(428)	(135%)
Financing income	174	184	(5%)
Net profit before income tax	<b>2,842</b>	<b>3,092</b>	<b>(8%)</b>
<b>Net profit after income tax</b>	<b>2,374</b>	<b>2,703</b>	<b>(12%)</b>

Directors have declared an interim dividend of 1.50 cents per share franked to 50% payable on 11 March 2011 to shareholders registered at the end of trading on 25 February 2011.

Integrated Research continues to maintain a strong financial position and remains free of debt with a total cash position at 31 December 2010 of \$8.7 million, after paying a final dividend for FY2010 of 1.0 cents per share in September 2010 (\$1.7 million).

- ends -

## About Integrated Research

[www.prognosis.com](http://www.prognosis.com)

Integrated Research – the people behind PROGNOSIS - is a publicly listed company with a 21-year heritage of providing performance monitoring software for business-critical computing and IP telephony environments.

The company services customers in more than 50 countries through direct sales offices in the USA, Europe, and Australia, and via a global channel-driven distribution network.

Customers include the world's largest bank, telecommunications company, stock exchange and computer hardware manufacturer.

### Press Contact:

Mark Brayan, Chief Executive Officer  
Integrated Research Ltd  
Level 9, 100 Pacific Hwy North Sydney, NSW 2060  
Australia  
Phone: (02) 9966 1066