



Integrated Research Limited

AGM Presentation

ABN: 76 003 558 449

Annual General Meeting
21st November 2011



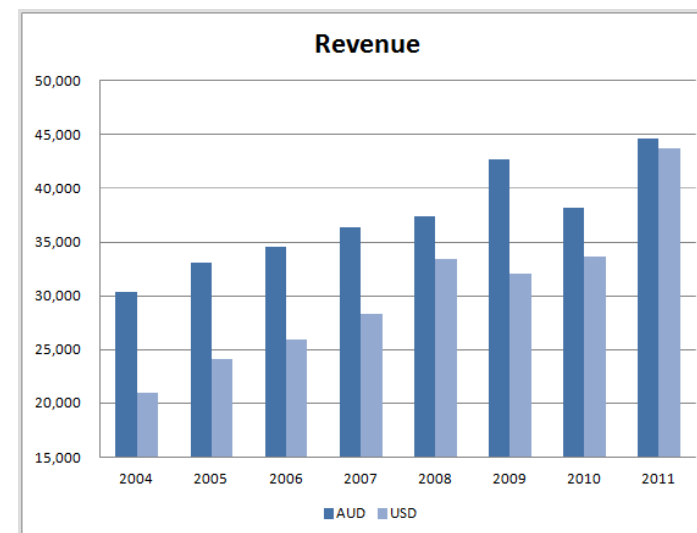
Providing Business Insight

A blurred photograph of several business professionals in a modern office hallway with large glass windows and a polished floor. The people are in motion, creating a sense of activity and movement.

Financial Results

FY11 Financial results

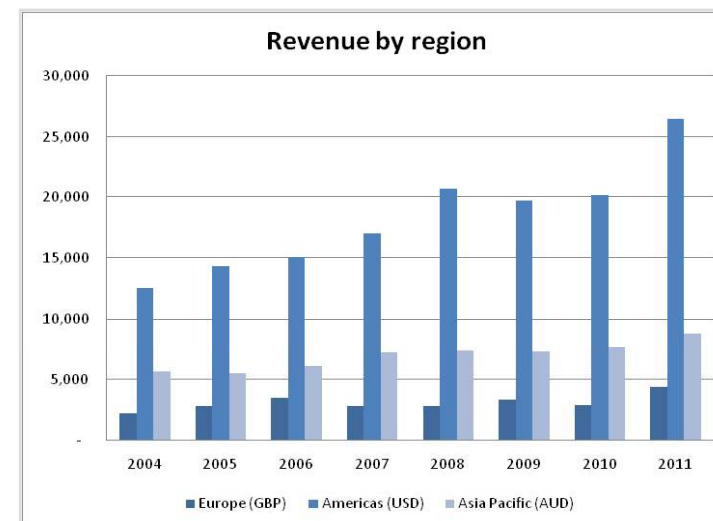
	30 June 2011 A\$000's	30 June 2010 A\$000's	% change
Licence fees	25,005	18,413	36%
Maintenance fees	16,941	17,789	(5%)
Consulting fees	2,646	1,999	32%
Total revenue	44,592	38,201	17%
R&D expenses - net	8,949	8,347	7%
Sales, consulting & marketing expenses	21,023	19,197	10%
General & Administrative expenses	4,137	4,599	(10%)
PBT	9,694	6,046	60%
PAT	7,465	5,401	38%



- License sales up 36% to \$25.0M
- Total revenue up 17% to \$44.6M
- NPAT up 38% to \$7.5M
- Total revenue up 28% on constant currency basis
- Maintenance fees up 5% on a constant currency basis
- Margin growth from 14% to 17%

FY11 Review of operations - regions

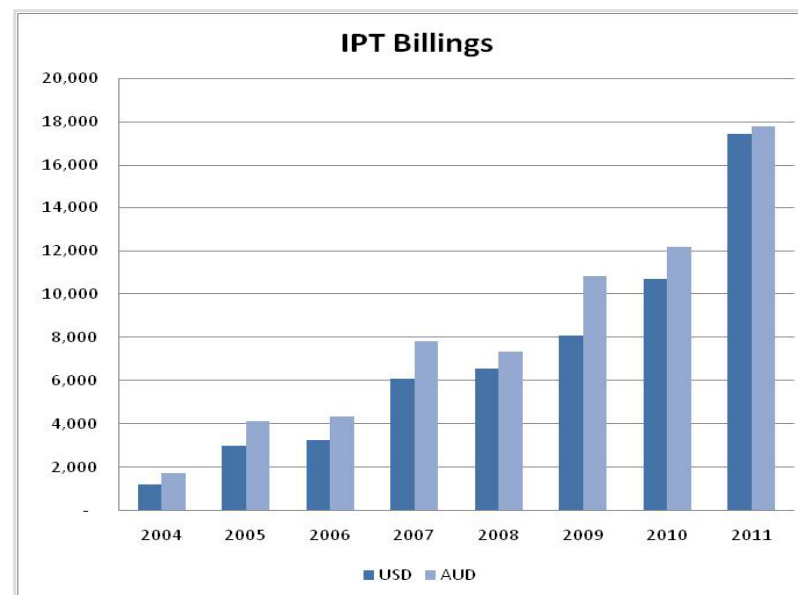
Revenue by Geographic region (In local currency)	30 June 2011 \$000's	30 June 2010 \$000's	% change
Americas (\$US)	26,489	20,160	31%
Europe (GBP)	4,416	2,940	50%
Asia Pacific (\$A)	8,858	7,677	15%



- Growth in all regions
- Europe up 50% on increased IPT sales
- Americas and Asia-Pacific up due to strong IPT and NonStop sales

FY11 Review of operations - products

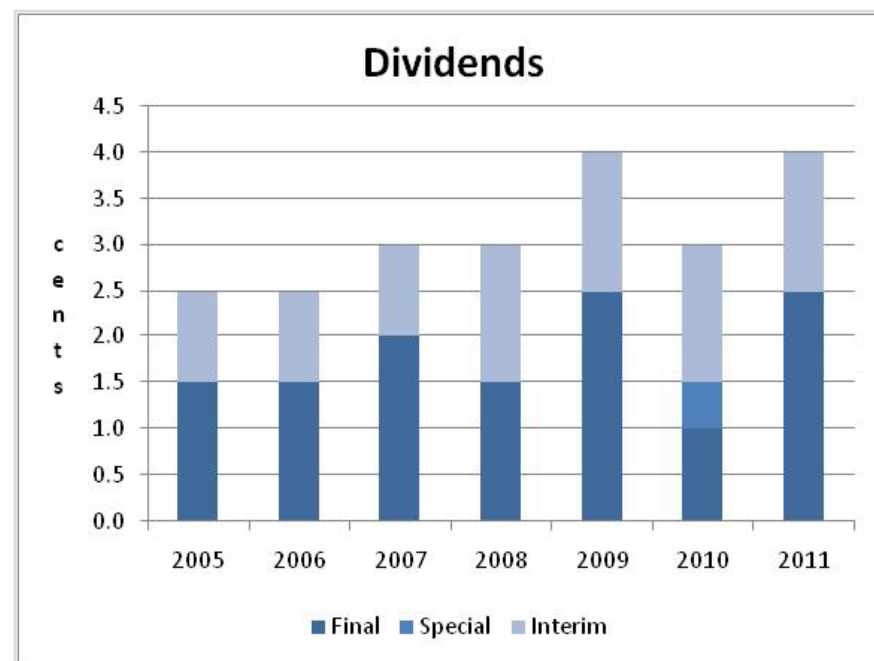
Billings by Product Line (\$A)	30 June 2011 \$000's	30 June 2010 \$000's	% change
NonStop/Infrastructure	18,830	18,749	1%
Payments	2,589	1,071	142%
IP Telephony / Communications	17,795	12,161	46%
Distributed Systems / Infrastructure	3,455	3,630	(5%)
Consulting Services	2,646	1,999	32%



- Strong growth in IPT
- Stable NonStop revenue
- High growth in Payments, validating investment
- Consulting growth continues

FY11 Balance sheet

	30 June 2011 \$000's	30 June 2010 \$000's
Cash at bank	11,635	8,396
Current Receivables	14,058	14,548
Development cap.	13,808	13,957
Deferred Revenue	9,259	10,748
Net assets	27,357	24,502



- No debt
- Net assets impacted by stronger AUD

FY11 R&D spending

	30 June 2011 A\$000's	30 June 2010 A\$000's	% Change
Gross spending	8,924	8,290	8%
Development – Capitalised	5,655	5,932	(5%)
Capitalised %	63%	72%	
Amortised	5,680	5,989	(5%)
Net Expense	8,949	8,347	7%
% of revenue	20%	22%	

- R&D investment in new products and features
- Increased R&D productivity
- Improved product quality and customer satisfaction
- Ongoing commitment to R&D at current levels

Risk management

Current Challenges

Movements in currency exchange rates

Volatility of global economic recovery

Proactive Management

Proactive approach to currency hedging

Diversification of risks through multiple product offerings and geographic spread

Focus on productivity increases



Growth Strategy

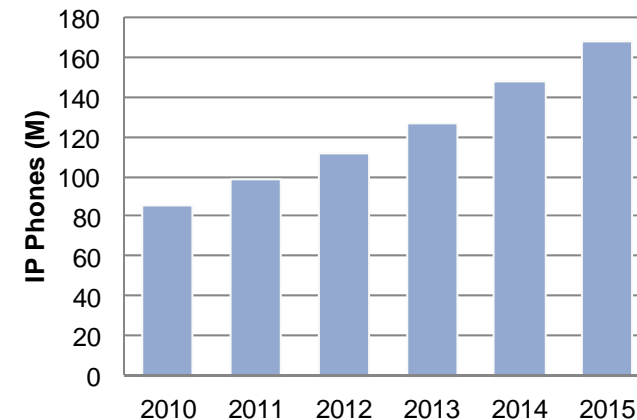
Unified Communications

Market Trends

- Growth in IPT phone deployment
- Shift to Unified Communications:
 - Voice
 - Video
 - Messaging
 - Mobility
 - Presence
- Increase in use of consumer devices and applications
- Increasing complexity and scalability of communications networks
- Greater need for management

Worldwide IP Phone Deployment

Source: Gartner Apr 2011

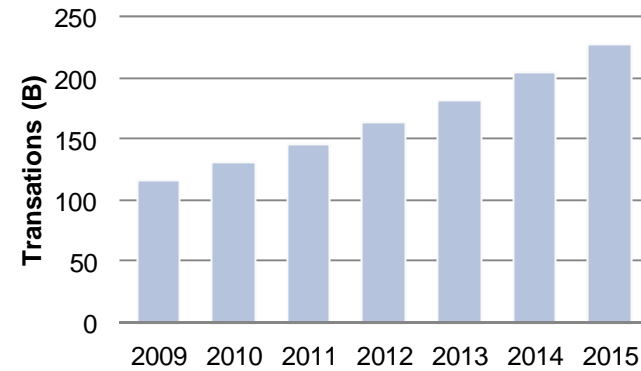


Payments

Market Trends

- Payments transaction growth increasing worldwide ~12% CAGR
- Rapid increase in advanced payments:
 - Internet
 - Mobile
 - Contactless
- Growth in developing economies
- Decreasing average payments value and fees
- Pressure on payments infrastructure requires greater efficiency
- Greater need for management

Worldwide Retail Purchase Transactions
Source: Nilson 2010



IT Infrastructure

Market Trends

- Growth in servers and power
- Increase in virtualization
- Cloud computing
 - Availability
 - Scalability
 - Cost saving
 - Hybrid environments
- Increase in use of consumer devices and applications
- Greater need for management

2009



2010



Server shipments +16.8%

Server revenue +13.3%

Source: Gartner 2010

Cloud Computing Market



100% of Global 2000 Companies predicted to use cloud computing by 2016

Source: Gartner 2011

Growth strategy - new products and services

3. Consulting services to increase product use and penetration, and develop repeatable solutions



2. Unique solutions in high-growth, highly complex, critical applications



1. Exploit Prognosis for real-time monitoring of high-end infrastructure

Consulting

- Implementation, integration and training services
- Customized development
- Unique and repeatable solutions



Communications

- Return on IPT investment
- Fast problem resolution
- Improve call quality
- Increase service levels



Payments

- Device and switch management
- Ensure maximum availability
- Improve customer service
- Reduce TCO



Infrastructure Management

- Real-time monitoring to maximize uptime
- Root cause analysis to reduce mean time to repair
- Dramatic cost savings with enterprise-class monitoring solution



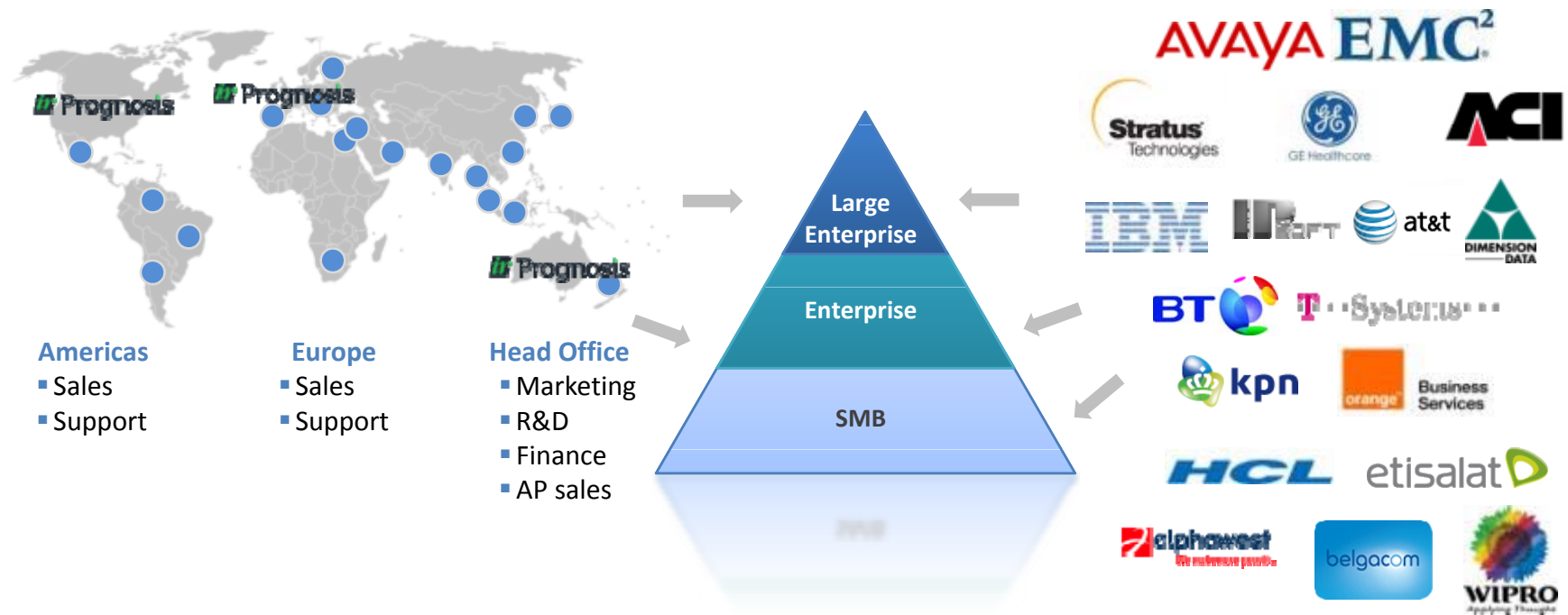
PROGNOSIS

REAL-TIME • SCALABLE • DEEP METRICS • FLEXIBLE

Growth strategy - more channels to market

Global network of IR offices and value-added resellers

Strategic alliances and managed service providers



FY11 summary

Financial strength

Profitable and debt-free

Improved conditions in FY11

New license sales up 36% to \$25.0M

Total revenue up 17% to \$44.6M

Net profit after tax up 38% to \$7.5M

Result impacted by stronger AUD

Revenue up 28% on constant currency basis

IP Telephony growth

Over 4.3 million phones monitored

21 new resellers signed

Sales up 52%

Payments growth

Investments in Payments yields 32% sales growth

New products

New IPT products released to support Unified Communications (voice, video, messaging, mobility, presence)

New Payments products released to support ACI alliance