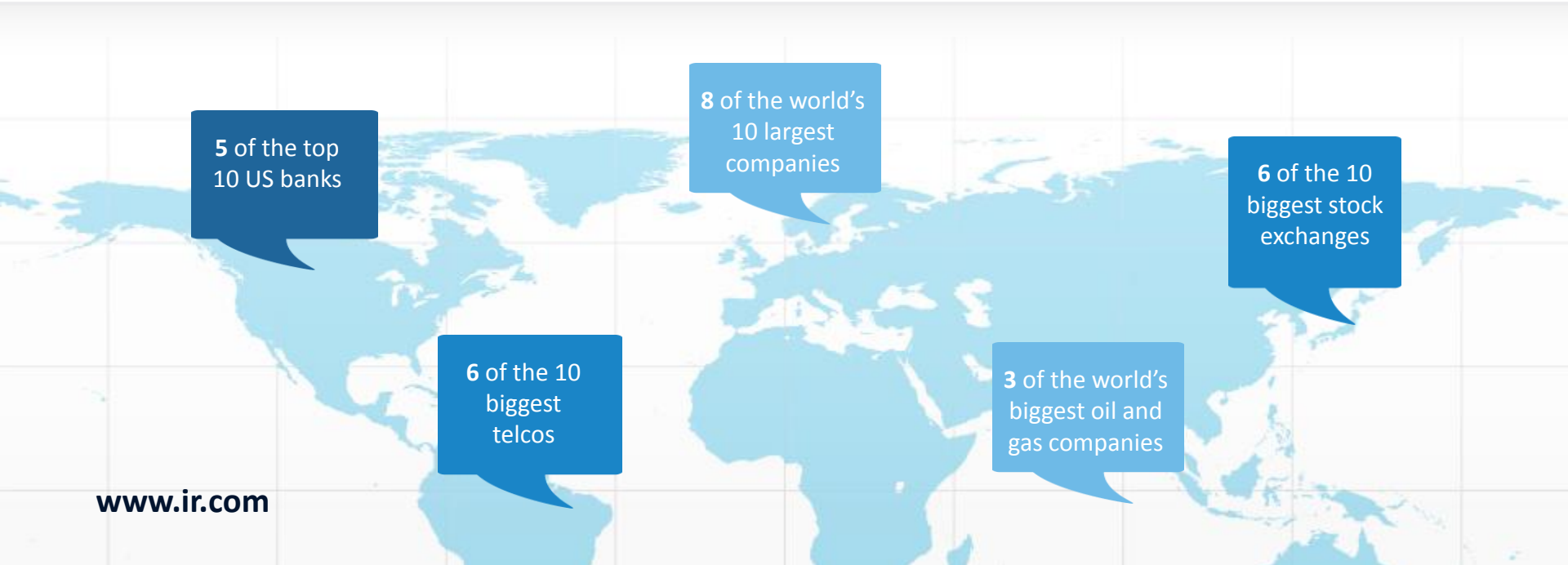


Integrated Research Limited

FY2012 Annual General Meeting

15 November 2012

ABN: 76 003 558 449



5 of the top
10 US banks

8 of the world's
10 largest
companies

6 of the 10
biggest stock
exchanges

6 of the 10
biggest
telcos

3 of the world's
biggest oil and
gas companies

Agenda

- **Chairman's Address**
- **Financial Results**
- **Growth Strategy**
- **Questions**

Steve Killelea

Peter Adams

Mark Brayan

Steve Killelea

Chairman's Address

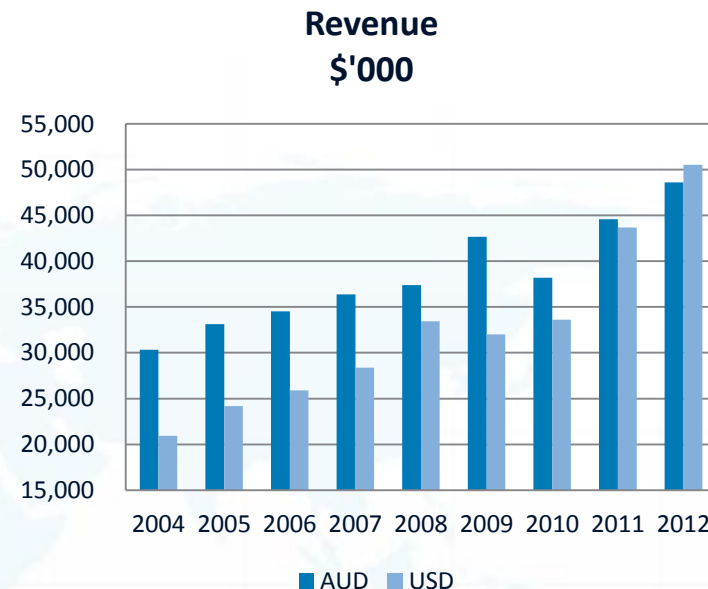


Financial Results



Financial Results

	30 June 2012 A\$000's	30 June 2011 A\$000's	% change	% change in constant currency
Licence fees	28,861	25,005	15%	19%
Maintenance fees	16,406	16,941	(3%)	2%
Consulting fees	3,341	2,646	26%	31%
Total revenue	48,608	44,592	9%	13%
R&D expenses - net	10,134	8,949	13%	
Sales, consulting & marketing expenses	23,004	21,023	9%	
General & Administrative expenses	4,278	4,137	3%	
PBT	11,568	9,694	19%	
PAT	9,035	7,465	21%	



- **Revenue growth – 4% stronger in constant currency**
- **Ongoing investment in R&D and Sales & Marketing**
- **Margin* increased from 17% to 19%**

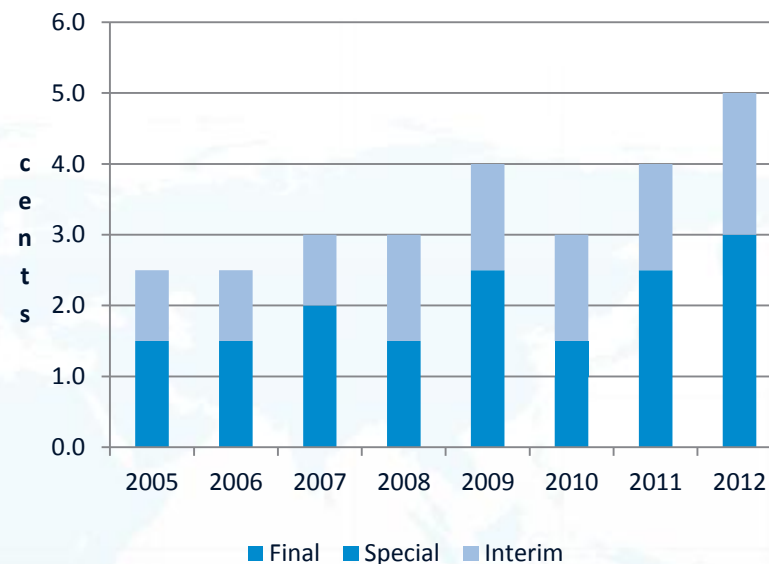
* PAT/Revenue

Balance Sheet

	30 June 2012 \$000's	30 June 2011 \$000's
Cash at bank	12,038*	11,635
Current Receivables	20,725	14,058
Development capitalization	13,849	13,808
Deferred Revenue	11,783	9,259
Net assets	29,233	27,357

* Cash at 31 July 12: \$15.9M

Dividends



Shareholder Returns

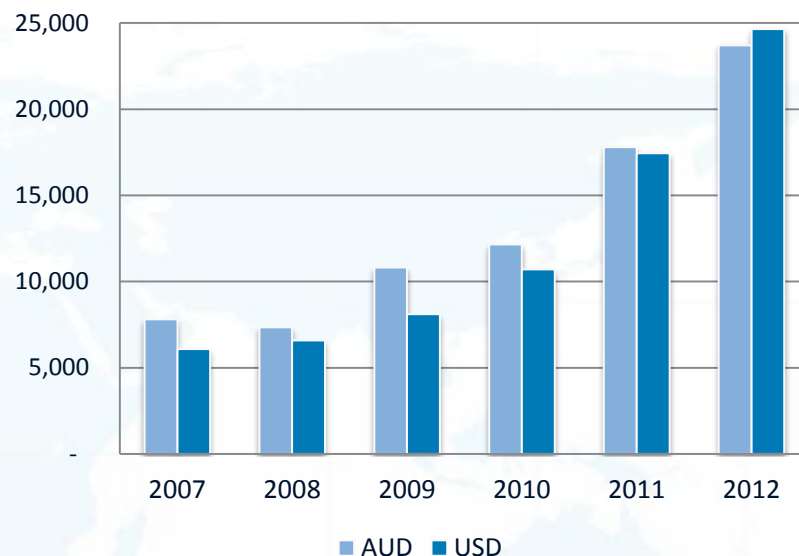
	2012	2011	2010
Basic earnings per share	5.41¢	4.47¢	3.24¢
Dividends per share (interim and final)	5.0¢	4.0¢	3.0¢
Franking percentage	58%	65%	19%
Return on equity	31%	27%	22%

Review of Operations - Products

Revenue by Product Line (\$A)	June 2012 \$000's	June 2011 \$000's	% change	% change in constant currency
Unified Communications (UC)	21,448	16,977	26%	31%
Infrastructure	20,558	22,504	(9%)	(5%)
Payments	3,261	2,465	32%	36%
Consulting Services	3,341	2,646	26%	31%
Total Revenue	48,608	44,592	9%	13%

*Excluding deferred revenue

Unified Communications Billings *



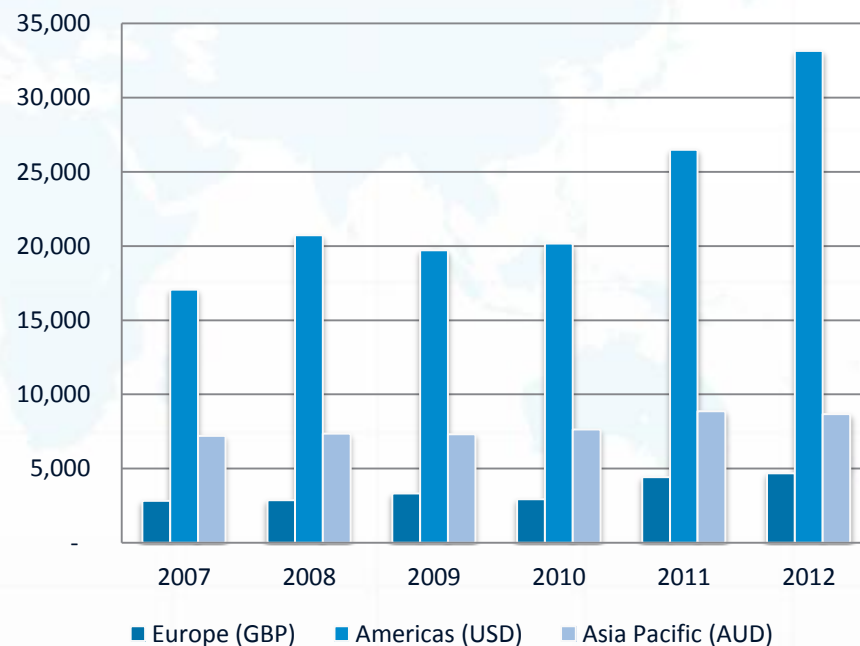
- **Strong growth in UC** - now the Company's highest revenue line
- **High Payments growth**, validating investment
- **NonStop sales up 2%**
- **Consulting growth continues**

Review of Operations - Regions

Revenue by Geographic region (In local currency)	30 June 2012 000's	30 June 2011 000's	% change
Americas (\$US)	33,137	26,489	25%
Europe (GBP)	4,687	4,416	6%
Asia Pacific (\$A)	8,668	8,858	(2%)

- Americas up 25% due to strong UC sales
- Europe up 6% on improved Payments sales
- Growth opportunity in Asia Pacific

Revenue by region ('000)



Growth Strategy



Growth Strategy

Create, sell and support Prognosis-based products and services



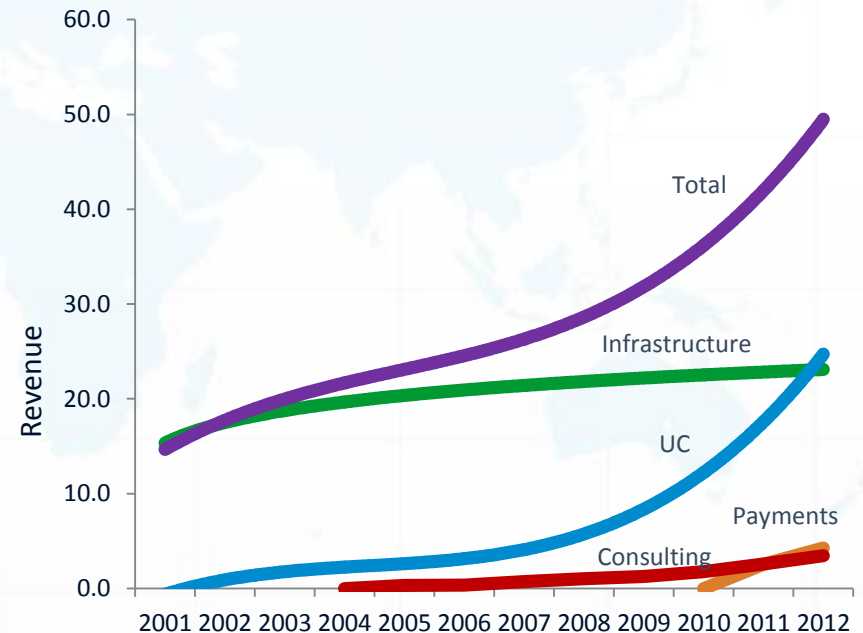
Deliver profitable growth from existing markets and customers























Create new products to open new markets



**IR Revenue Growth Trend
2001 – 2012**
\$ US M's



Growth Strategy – Customers

UC Growth

- 156 new customers
- Over 6.1 million phones licensed and monitored to Oct 2012
- Revenue up 26%

Payments Growth

- Investment in payments yields a further 32% increase in revenue

Infrastructure

- Sound result: \$20.5m revenue

Growth Strategy – Unified Communications

1

UC shipments increasing – accelerated by Microsoft Lync

2

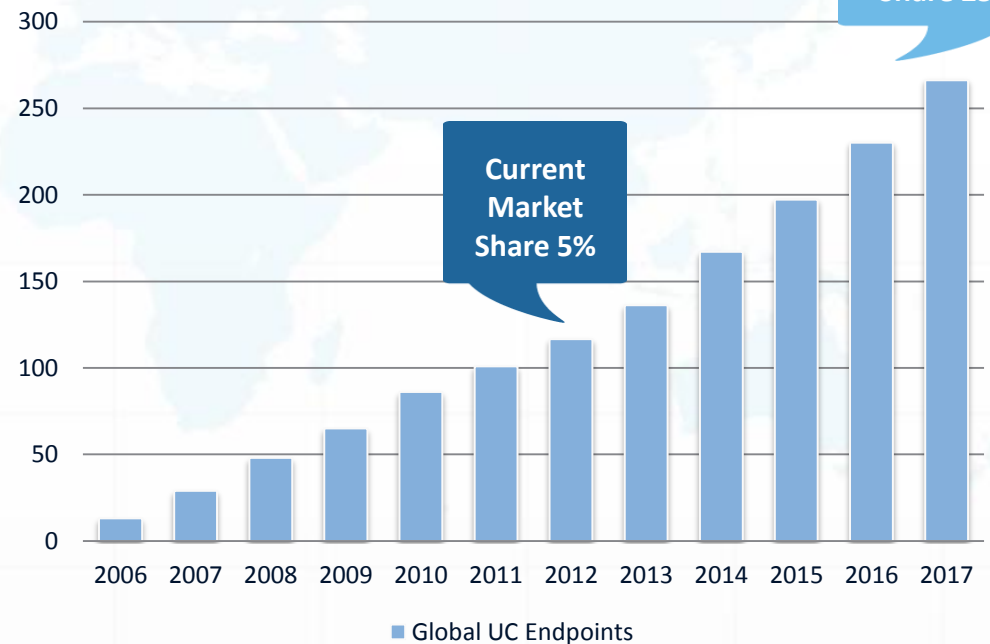
Expansion from Voice to UC applications increases market

3

Growth in size, complexity and criticality of networks = greater need for Performance Management

Global UC Endpoints (M's)

Source: Gartner



Growth Strategy – Payments

1

Increasing Payments transactions – fuelled by micropayments and developing economies

2

Greater Payments complexity – online, phone, cross-border ...

3

Increasing governance and regulation = Demand for Performance Management

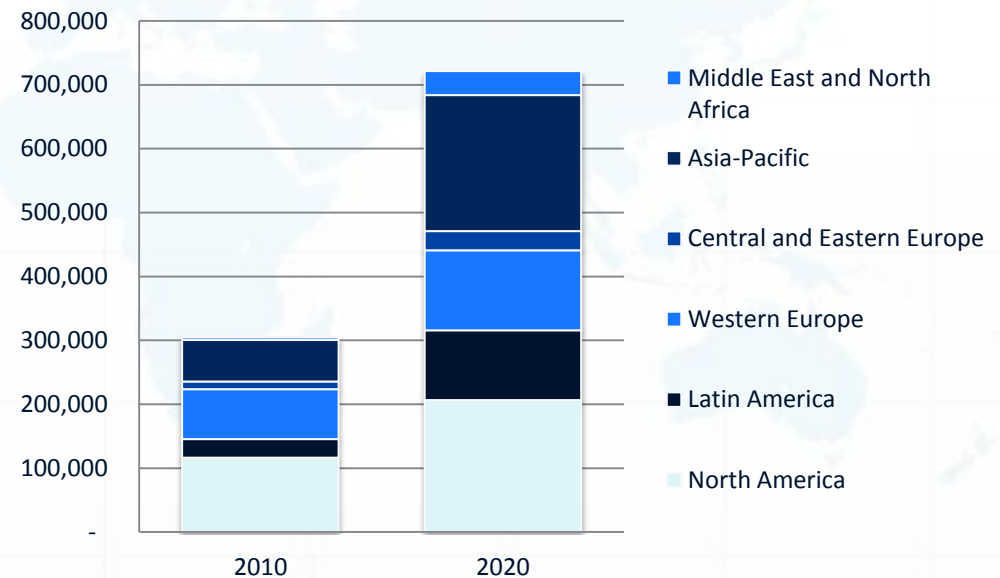
4

Greater need for Data Analytics

Global Payments Volumes

(M's Transactions)

Source: BCG



Growth Strategy – Infrastructure

1

HP continue to invest in NonStop – part of market leading Blade server family

2

Data Centre growth of \$101BN at 6% CAGR – fuels infrastructure monitoring

3

IR NonStop sales up 2% in FY12



Blade Server Market, Gartner 2012

Growth Strategy – Global



AMERICAS

- Maximize largest market
- Develop Latin America

EUROPE

- Increase global share of revenue
- Expand presence in Germany – focus on strong economy

APAC

- Maximize fastest growing market
- Open office in Singapore

Growth Strategy – R&D

	30 June 2012 A\$000's	30 June 2011 A\$000's	% Change
Gross spending	10,215	8,924	14%
Development – Capitalised	6,730	5,655	19%
Capitalised %	66%	63%	
Amortised	6,649	5,680	17%
Net Expense	10,134	8,949	13%
% of revenue	21%	20%	

- **Maintain investment in R&D – 21% of revenue**
- **New product development – expand vendor and application support**
- **People – graduate program and Agile development increase R&D capability**



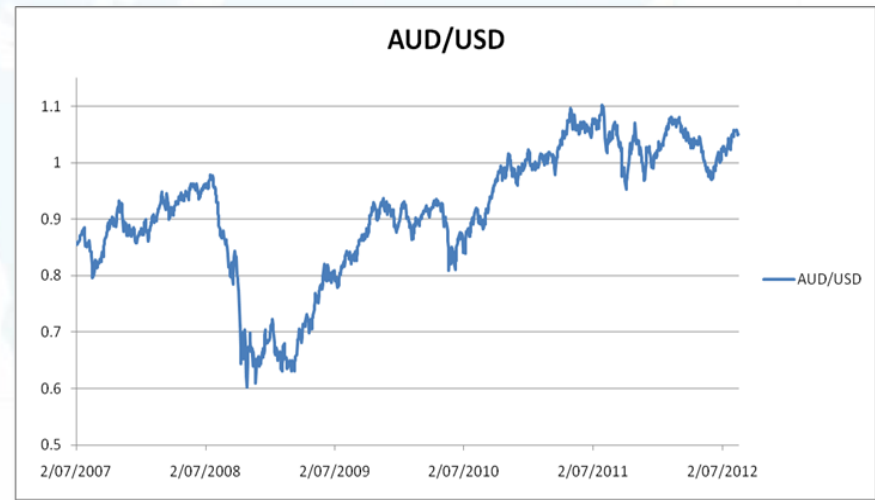
Growth Strategy - Risks

Risk and Challenges

- Currency exchange rate movements
- Global economic volatility

Proactive Management

- Hedging
- Diversification of product and services
- Geographic diversification
- Continuous productivity improvements:
 - Absorbs AUD increases
- Well positioned if AUD declines



FY2012 Summary

Financial Strength

- New Licence Sales \$28.9m up 15%
- Total Revenue \$48.6m up 9%
- Net Profit After Tax \$9.0m up 21%
- No debt

Currency Impact

In constant currency:

- New Licence Sales up 19%
- Total Revenue up 13%

UC Growth

- 156 new customers
- Over 6.1 million phones licensed and monitored to Oct 2012
- Revenue up 26%

Payments Growth

- Investment in payments yields a further 32% increase in revenue

Infrastructure

- Sound result: \$20.5m revenue

Thank You
Questions?

