

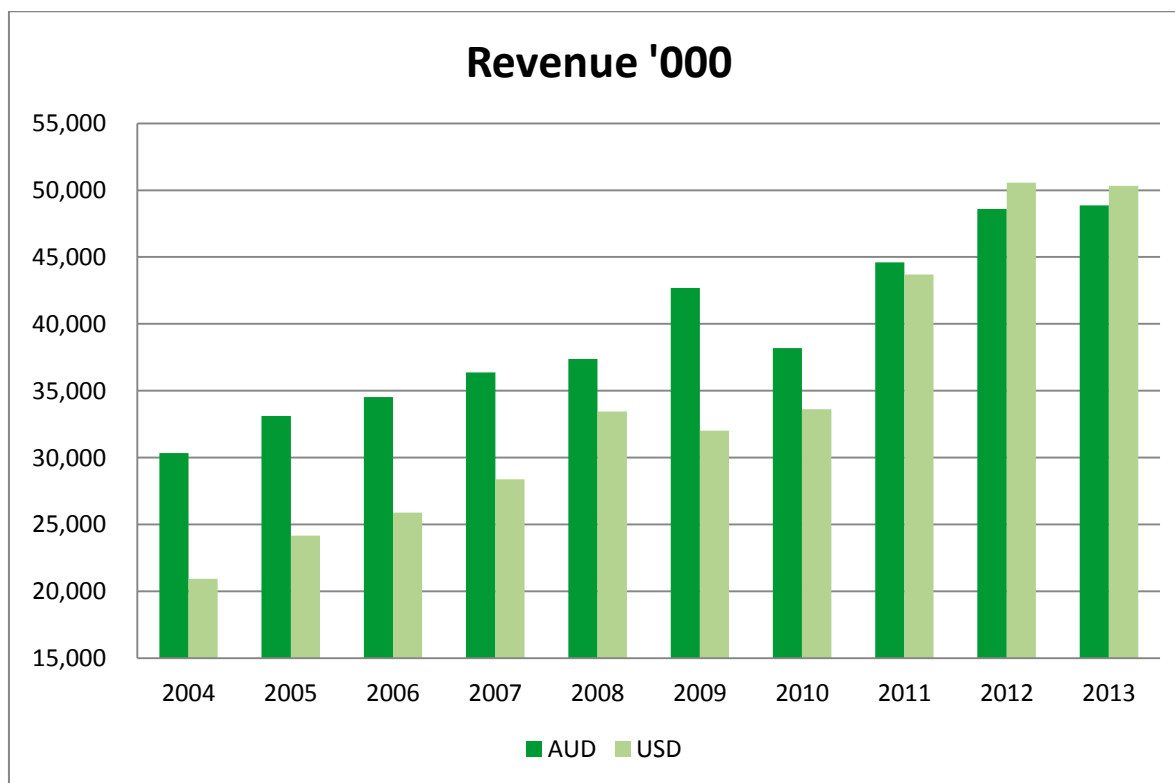
## 2013 Integrated Research Limited Financial Year Results

**Sydney, Australia, 15 August 2013** – Integrated Research (ASX:IRI) leading global provider of high availability performance monitoring, business intelligence and diagnostic software, today released its results for the financial year ending 30 June 2013.

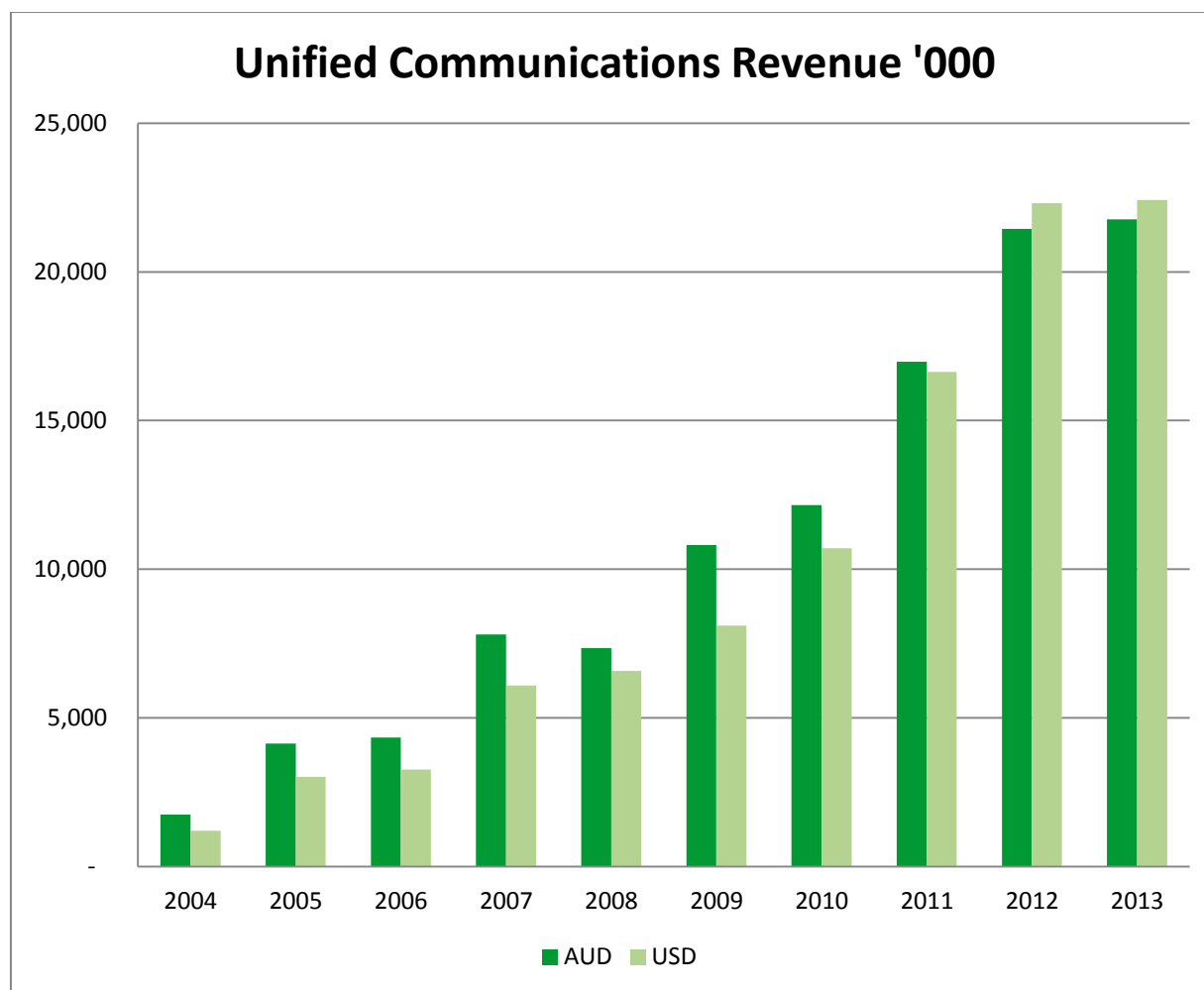
The Company achieved record second half profit of \$6.3 million representing growth of 16% when compared to the equivalent reporting period for the prior year. This turnaround reversed the first half decline in profit to enable a full year profit after tax result of \$9.1 million, marginally up against the prior year result of \$9.0 million. Company revenues were up 1% to \$48.9 million with recurring maintenance revenue up 8% to \$17.7 million on the back of strong customer retention (95%).

The Company achieved strong growth from consulting services for a fourth consecutive year, with revenue growing 35% to \$4.5 million as customers increasingly look to extend their Prognosis solution to provide greater insight into their Unified Communications and Infrastructure environments. Licence sales were down 8% to \$26.6 million as a consequence of Avaya's re-evaluation of their partner program. This was successfully concluded in March 2013 with Avaya selecting Prognosis for Unified Communications (UC) for inclusion into the Avaya DevConnect Select Product Program. This program gives Avaya clients direct access to Prognosis through the Avaya price book thereby lowering overheads, expanding reach and reducing the time to purchase.

The following chart shows Company revenue in both US and Australian currencies for the 2013 financial year and prior years. Using the prior year exchange rates, the Company's results would not be materially different from this year's reported results.



In June 2013, Avaya selected IR as its 2013 DevConnect Partner of the Year for its technology, innovation and excellence. IR was chosen for its award-winning Prognosis for UC real-time performance management and monitoring solutions. IR's Prognosis for UC was selected because it enables enterprises and service providers to achieve operational excellence through improved communications quality, service reliability and proactive issue resolution across multivendor UC platforms.



The high margin Infrastructure product line (including HP NonStop) remained steady during the year with revenue of \$19.6 million.

Revenue from the Payments product line was down by 7% when compared to the prior year to \$3.0 million because of the progression from a direct to an indirect sales model. Both IR and ACI are working closely together to increase Prognosis sales through the ACI channel with additional resources and focus.

Steve Killelea, Chairman of Integrated Research said, “The 2013 financial year can be viewed in two distinct halves. We were off to a slow start with first half profit down 23%. However, we made a strong recovery in the second half with profit up 16%. This growth together with a lower Australian dollar puts us in a good position leading into the 2014 financial year.”

Mark Brayan, CEO of Integrated Research said, “We look forward to the 2014 financial year with the much anticipated release of Prognosis 10 which will enable our customers to experience a powerful web-based, mobile user experience with intelligent alerting and greater business insight.”

The ratio of profit after tax to revenue remained steady at 19%, reflective of a stable cost base and minimal impact from currency exchange rates compared to the prior year.

Research and Development expenditure of \$10.8 million was 22% of revenue and slightly higher compared to historical averages. The major development initiative that occurred during the 2013 financial year was Prognosis 10 which is set to be released during the first half of the 2014 financial year.

The table below summarises the Company’s key revenue, expense and profit results compared to the prior year:

Financial result highlights (\$'000)	2013	2012	Inc/(Dec)
Revenue from licence fees	26,632	28,861	(7.7%)
Revenue from maintenance fees	17,717	16,406	8.0%
Revenue from consulting and other activities	4,510	3,341	35.0%
<b>Total revenue</b>	<b>48,859</b>	<b>48,608</b>	<b>0.5%</b>
Research & development expenses	(10,777)	(10,134)	6.3%
Sales, consulting & marketing expenses	(23,279)	(23,004)	1.2%
General and administrative expenses	(4,280)	(4,278)	0.0%
<b>Total expenses</b>	<b>(38,336)</b>	<b>(37,416)</b>	<b>2.4%</b>
Net profit before income tax	11,570	11,568	0.0%
<b>Net profit after income tax</b>	<b>9,078</b>	<b>9,035</b>	<b>0.5%</b>

## Dividends and Shareholder Returns

Directors have declared a final dividend of 3.0 cents per share franked to 40 percent. Integrated Research continues to maintain a strong financial position and remains free of debt with a total cash position at 30 June 2013 of \$14.8 million.

	2013	2012	2011	2010
Basic earnings per share	5.40¢	5.41¢	4.47¢	3.24¢
Dividends per share (interim and final)	5.0¢	5.0¢	4.0¢	3.0¢
Franking percentage	36%	58%	65%	19%
Return on equity	30%	31%	27%	22%

**About Integrated Research (IR)** - IR is a leading global provider of high availability performance monitoring, business intelligence and diagnostic software. The creator of award-winning Prognosis® – IR builds scalable, customizable solutions designed to manage continuity-critical IT infrastructure, payments and communications ecosystems. IR provides real time solutions that give customers the insight they need to run their business, reduce their operating costs, minimize risk, and gain competitive advantage.