


Integrated Research Limited

FY2013 Annual General Meeting

14 November 2013

ABN: 76 003 558 449



9 of the top
10 US banks

5 of the world's
10 largest
companies

4 of the 8
biggest stock
exchanges

8 of the 10
biggest
telcos

4 out of 5
biggest oil and
gas companies

Agenda

Chairman's Address

Financial Results

Growth Strategy

Questions

Steve Killelea

Peter Adams

Darc Rasmussen

Steve Killelea

Chairman's Address

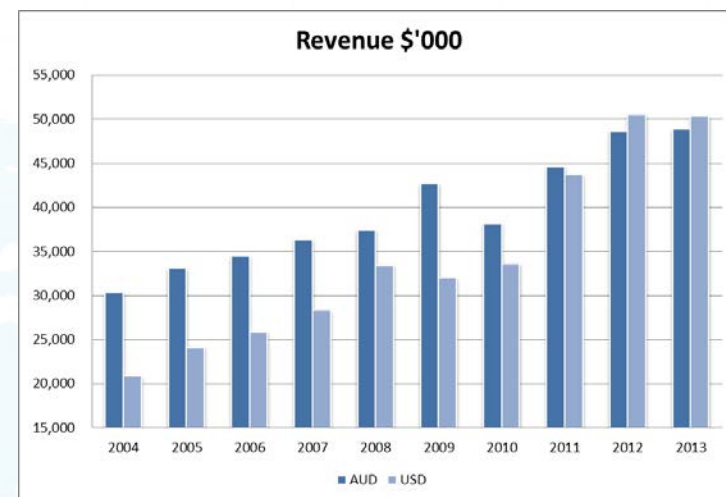


Financial Results



Financial Results

	30 June 2013 A\$000's	30 June 2012 A\$000's	% change
Licence fees	26,632	28,861	(7.7%)
Maintenance fees	17,717	16,406	8.0%
Consulting fees	4,510	3,341	35.0%
Total revenue	48,859	48,608	0.5%
R&D expenses - net	10,777	10,134	6.3%
Sales, consulting & marketing expenses	23,279	23,004	1.2%
General & Administrative expenses	4,280	4,278	0.0%
PBT	11,570	11,568	0.0%
PAT	9,078	9,035	0.5%



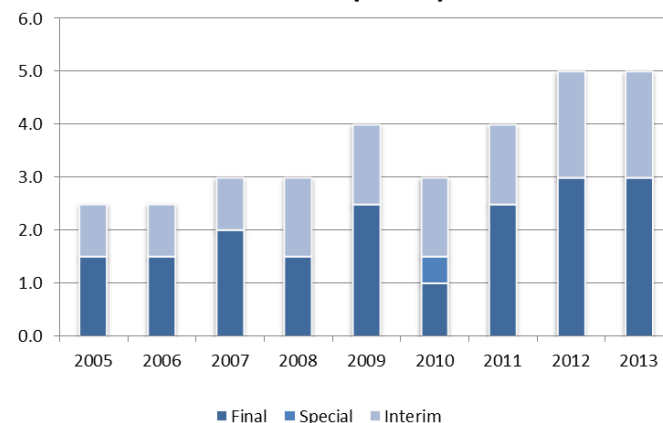
- **Strong second half profit growth of 16%**
- **Consulting growth – fourth consecutive year**
- **Cost base – continuing investment in R&D**

Balance Sheet

	30 June 2013 \$000's	30 June 2012 \$000's
Cash at bank	14,827*	12,038
Trade receivables	23,564	21,381
Intangible assets	15,040	13,849
Deferred revenue	14,729	11,885
Net assets	30,010	29,233

* Cash at 31 July 13: \$18.1M

Dividends (cents)



Shareholder Returns

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

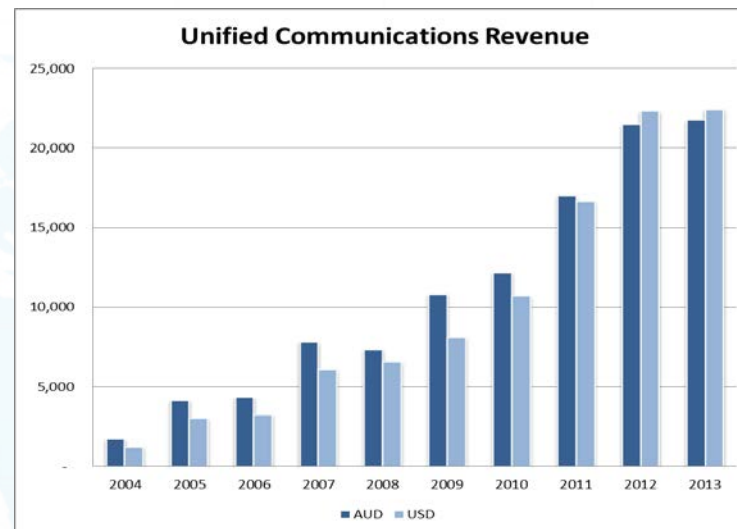
Review of Operations - Products

Revenue by Product Line (\$A)	June 2013 \$000's	June 2012 \$000's	% change
Unified Communications (UC)	21,760	21,448	1.5%
Infrastructure	19,566	20,558	(4.8%)
Payments	3,023	3,261	(7.3%)
Consulting Services	4,510	3,341	35.0%

Total Revenue	48,859	48,608	0.5%
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**2013 AVAYA DevConnect
TECHNOLOGY PARTNER
OF THE YEAR**

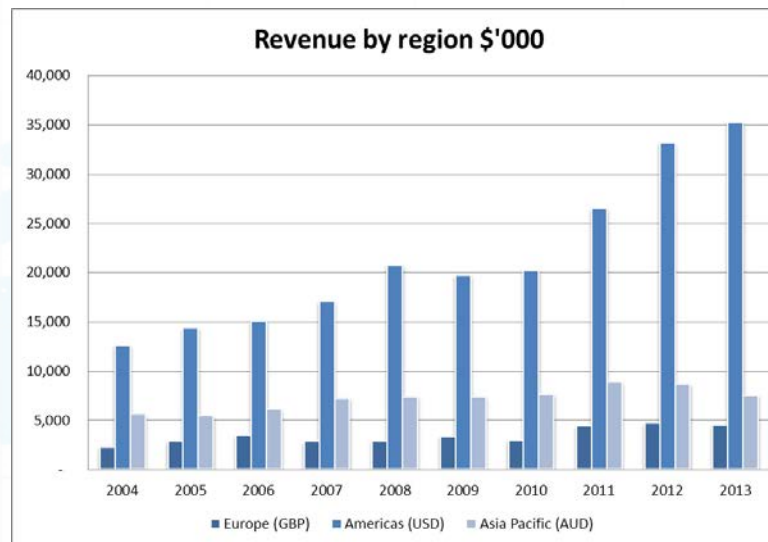
Visit Prognosis.com for more information



- UC revenue delayed by successful Avaya partner re-evaluation
- IR awarded Avaya DevConnect partner of the year
- Consulting 4th consecutive year of growth

Review of Operations - Regions

Revenue by Geographic region (In local currency)	30 June 2013 000's	30 June 2012 000's	% change
Americas (\$US)	35,247	33,137	6.4%
Europe (GBP)	4,519	4,687	(3.6%)
Asia Pacific (\$A)	7,496	8,668	(13.5%)



- **Americas up with strong second half.**
- **Europe recovery in second half.**
- **Asia Pacific pipeline building for FY14.**

Growth Strategy



WHO
WE ARE

Integrated Research

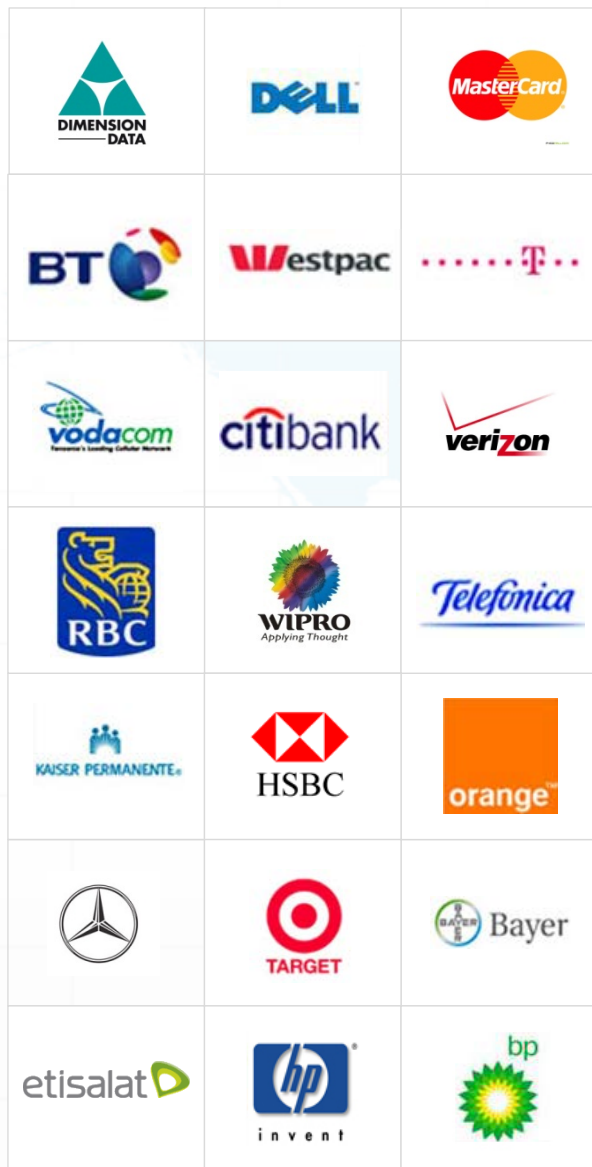
IR is the leading global provider of **Prognosis** for performance management solutions for Unified Communications, Payments and IT Infrastructure.

WHAT
WE DO

Capabilities

Prognosis provides availability and performance management, diagnostics and insight for mission critical systems





WHY WE SUCCEED

Competitive Advantage

- ✓ **IR has** a world-class R&D capability
- ✓ **Prognosis is** real-time, scalable, extensible and flexible
- ✓ **Prognosis supports** multiple platforms, vendors and applications
- ✓ **IR has** over 1,000 enterprise customers globally
- ✓ **IR is** profitable, debt-free and growing

WHY CUSTOMERS BUY

Value Proposition

Prognosis increases technology performance, minimizes outages, reduces cost and ensures user satisfaction

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



CEO : Initial Reflections

- Payments Market is growing
- Strength in changing & growing UC Market
- Growth Opportunity in Europe and Asia Pacific
- New Contact Centre Solution Market opportunity
- Game Changing Prognosis 10 Release
- Strategic Marketing

Growth Strategy – Payments

1

Growing Market

Asia Pacific – High growth from a high base
Americas – Very strong growth from a high base
Europe – Very strong growth from a solid base

2

ACI Strategic Partnership

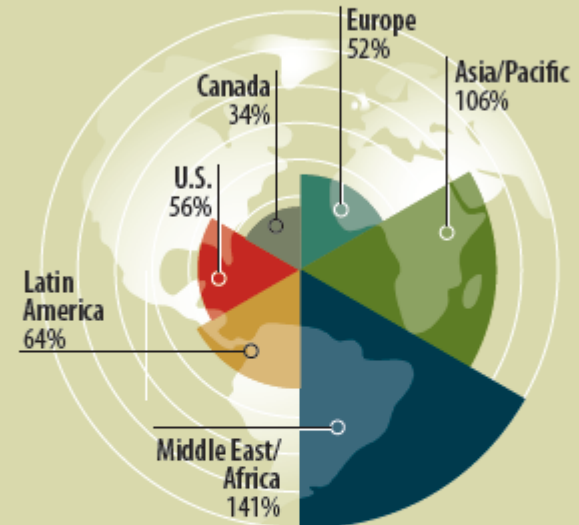
Joint Strategy
Structured Plan
Aligned Execution

3

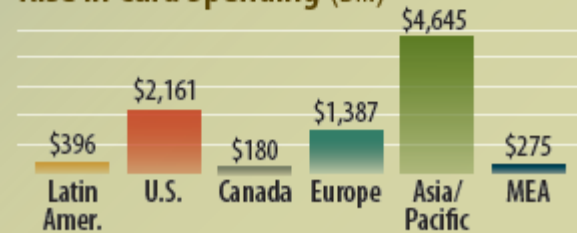
European & Asia Pacific Execution

Clear Strategy
New Leadership
Domain competency
Focused Execution

Purchase Volume Global Growth – 2011 to 2016 Five-Year Increase



Rise in Card Spending (Bil.)



©2013
The Nilson Report

UC Market Trends

Enterprise Telephony Equipment Market Share: % of Global Revenue

Vendor	CY2011	CY2012	Delta
Avaya	15.4%	14.6%	(5.2%)
Cisco	19.6%	19.0%	(3.1%)
Others (Largest 11%)	63.8%	64.6%	1.2%
Microsoft Lync	1.2%	1.8%	50%

- Microsoft on the move, Top Down & Bottom Up

Enterprise Telephony Seat Licenses: % of Global Market

Region	CY2011	CY2012
Americas	33.1%	32.4%
Europe	31.0%	29.9%
Asia Pacific (excl Japan)	20.2%	21.1%

- IR Opportunity in Europe & Asia Pacific

Prognosis 10

Foundation for innovation
for years to come

Early Adopter Program

- Release : November 2013
- 43 Customers
- Global program:
 - 50% Americas
 - 25% Europe
 - 25% APAC
- All product lines:
 - 55% UC
 - 10% Payments
 - 25% NonStop
 - 10% Distributed Systems



Biggest release in
company history

- 60 person years
- ~\$10M Investment
- 610+ person years
now in Prognosis



All new User Experience

HTTPS: secure
delivery



Mash up: business
specific



HTML 5: any device
Mobile: access
anywhere



Export: share
everything
Search: find anything



Other core elements:

64bit: for the highest
scalability & lowest
footprint



Insight: Big Data
Analytics



Contact Centre

New Market Opportunity

- Always business critical
- Clearly measurable ROI
- Spend 8x of Normal UC User

Contact Centre Market Share:

Vendor	CY2012
Avaya	32.6%
Cisco	15.1%

Market Size : \$2 Billion

Builds on Prognosis for UC

- Reduced Cost to develop, deliver & service
- Higher Speed to Market

Competitive Advantage

- Total Enterprise + Contact Centre solution

First Customers

- Presidio (IT Service Provider)
- Standard Bank of South Africa

- Avaya dominate market share
- Top 2 vendors ~50% of Market

Summary

Summary FY13

- Second half profit up 16%
- Total Revenue \$48.9 up 1%
- No debt
- Cashflow from operations up 19% to \$17.5m
- 128 new customers
- Consulting Revenue Growth of 35%
- Infrastructure : Solid result of \$19.6m Revenue

Looking forward

- Payments Market is growing
- Strength in changing & growing UC Market
- Prognosis 10 Released
- Growth Opportunity in Europe and Asia Pacific
- New Contact Centre Solution Market opportunity
- Strategic Marketing

Thank You
Questions?

