

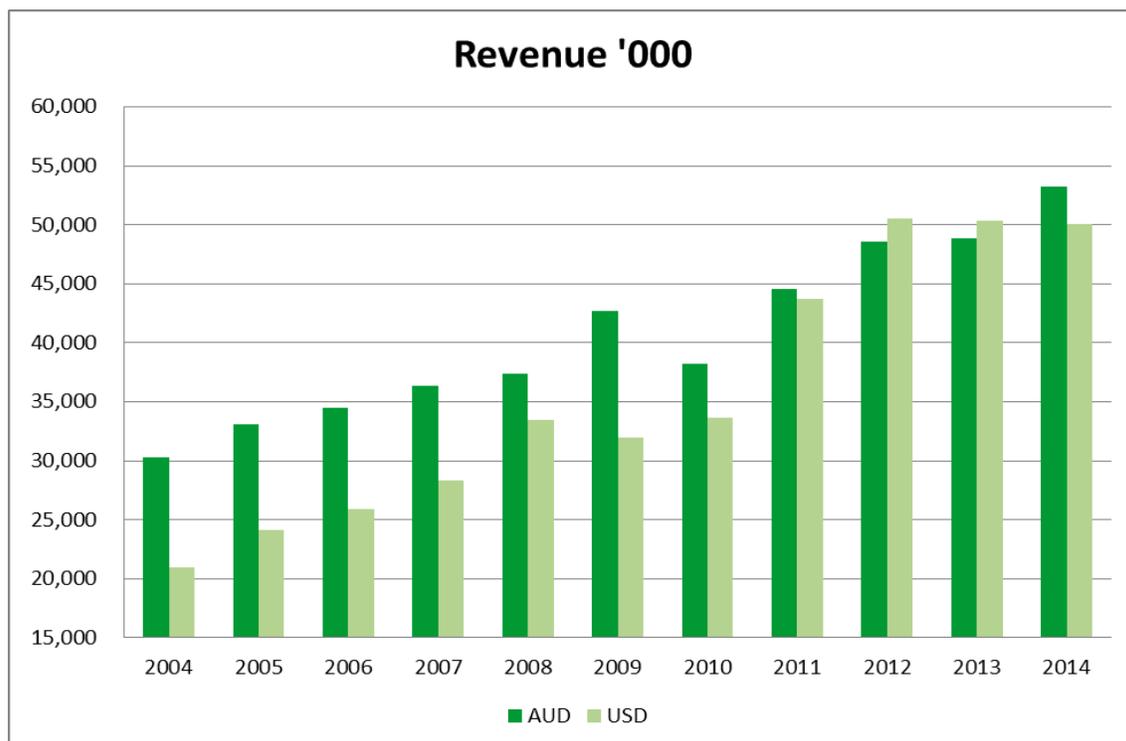
2014 Integrated Research Limited Financial Year Results

Sydney, Australia, 15 August 2014 – Integrated Research (ASX:IRI) leading global provider of high availability performance management, business intelligence and diagnostic software, today released its results for the financial year ended 30 June 2014.

The Company achieved annual revenue growth of 9% to \$53.2 million over the prior year, with licence sales increasing by 5% to \$28.0 million and maintenance revenues increasing by 16% to \$20.6 million. Annual net profit after tax decreased by 6% to \$8.5 million compared to the equivalent prior year of \$9.1 million. After reporting a strong first half performance, the momentum did not continue through the second half primarily due to the absence of large licence sale contracts, highlighting the lumpiness of the business.

Revenue from Unified Communications grew by 15% to \$25.1 million supported by the growing relationship with Avaya. Payments revenue of \$4.0 million, increased by 31% with strong licence sale growth coming from Europe and Asia Pacific while Infrastructure revenue of \$19.5 million was flat when compared to the prior year.

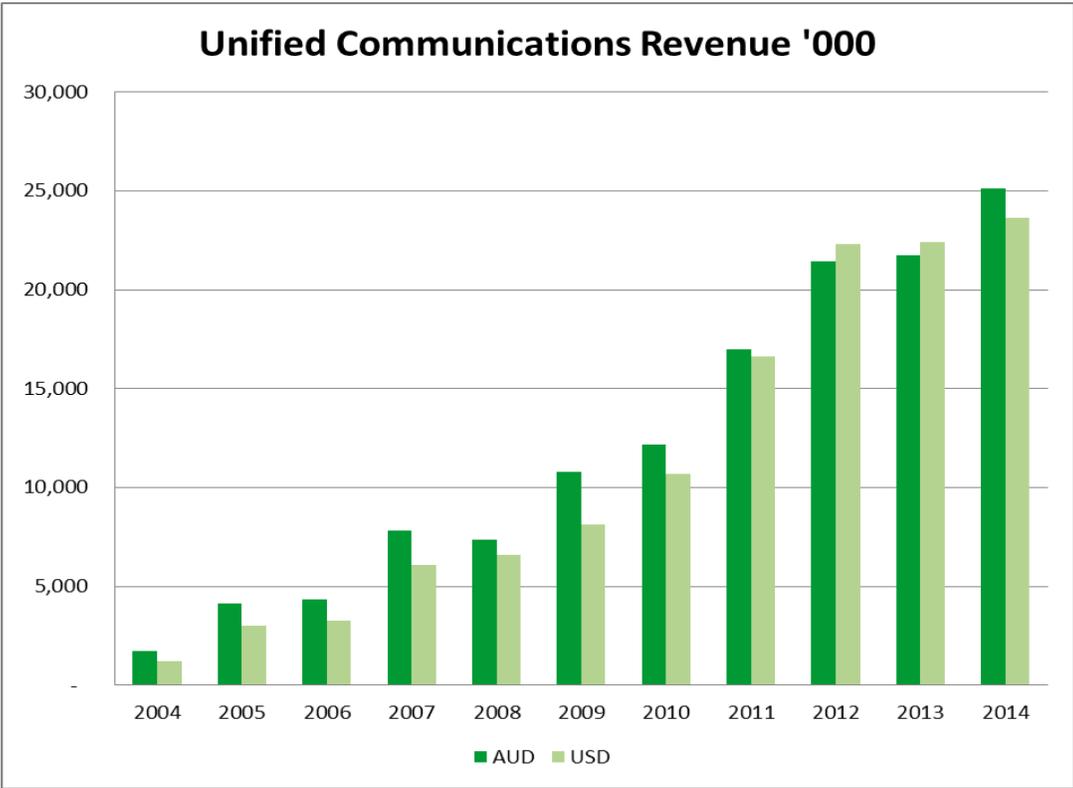
The following chart highlights the Company's revenue in both US and Australian currencies for the 2014 financial year and prior years:



Directors have declared a final dividend of 2.5 cents per share franked to 35% percent. This brings the full year dividend of 5.0 cents in line with the prior year. Integrated Research continues to maintain a strong financial position and remains free of debt with a total cash position at 30 June 2014 of \$13.3 million.

Unified Communications (UC) recorded healthy growth of 15% over the previous year to \$25.1 million. In the 4th quarter Avaya extended the territories in which it sells Prognosis to cover Europe and parts of Asia Pacific. From August 2014 Avaya will include a Prognosis trial licence with every order it ships to its customers, solidifying Prognosis as Avaya’s exclusive choice of performance management solution.

The overall Unified Communications market continues to evolve with Microsoft Lync significantly growing its market share. Integrated Research is well placed to take advantage of this market dynamic. Prognosis manages the largest Microsoft Lync customer in the world, which has deployed over 400,000 endpoints. Integrated Research is seeking to advance its lead through continuing dedicated innovation for Microsoft Lync.



The high margin Infrastructure product line (including HP NonStop) remained steady during the year with revenue of \$19.5 million. The Company anticipates stable revenues going forward, with Hewlett Packard continuing to innovate in HP NonStop with the release of a new product range supporting the x86 chip set. HP has invited the Company to participate in pre-release development that ensures it will be supported by Prognosis when released to the market in the second half of FY15.

Payments revenue rose 31% over the previous year to \$4.0 million as the Company continued progression from a direct to an indirect sales model. Both the Company and ACI continue to work together to develop and deliver new solutions; including new fraud management and money transfer systems that were delivered in the fourth quarter of FY14.

Consulting services showed growth for the fifth consecutive year, with revenue increasing 3% to \$4.6 million. Whilst revenue growth was modest, it is pleasing to report the Company’s Consulting backlog is 30% higher at the end of the financial year when compared to the end of the prior reporting period.

The maintenance retention rates remain high and among the best in the industry.

Product	Retention Rate
HP NonStop	97%
Distributed Systems*	71%
UC	97%
Payments	98%

**Distributed systems revenues represent 10% of total maintenance revenue.*

Steve Killelea, Chairman of Integrated Research said, “The Company has entered into a new and exciting phase, led by our new CEO, Darc Rasmussen. The continuing investment in new strategic solutions has enabled the Company to enter a new market, Contact Center Management, while the Company is ideally positioned for the high growth market in Microsoft Lync. These initiatives, along with investments in marketing, mean that the company is well positioned to achieve its strategic business objectives. Special priority will be placed on transforming the Company’s engagement with Partners to more effectively scale the business across the globe”.

Darc Rasmussen, CEO of Integrated Research said, “The 2015 financial year plan will deliver improved customer value through rapid solution development and strategic partner engagements. Growth will also be supported by refreshed customer centric marketing and effective sales execution. The Company has delivered two new releases of Prognosis in the second half of FY14 and is targeting three new releases and two new products during FY15. This will provide the platform for strong growth in the second half, with accelerated performance through new and existing strategic partners”.

The Company continues to invest in its future with record Research and Development expenditure of \$11.1 million in FY14, representing 21% of total revenue. The major development initiative during FY14 was Prognosis 10, which delivered a significant architectural upgrade, a new powerful web-based interface, mobile user experience and a powerful business insights module. The release positions the Company for rapid product development.

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

Financial result highlights (\$'000)	FY2014	FY2013	Inc/(Dec)
Revenue from licence fees	28,048	26,632	5.3%
Revenue from maintenance fees	20,562	17,717	16.1%
Revenue from consulting	4,633	4,510	2.7%
Total revenue	53,243	48,859	9.0%
Research & development expenses	(11,067)	(10,777)	2.7%
Sales, consulting & marketing expenses	(26,836)	(23,279)	15.3%
General and administrative expenses	(4,707)	(4,280)	10.0%
Total expenses	(42,610)	(38,336)	11.1%
Net profit before income tax	10,653	11,570	(7.9%)
Net profit after income tax	8,489	9,078	(6.4%)

Dividends and Shareholder Returns

Directors have declared a final dividend of 2.5 cents per share franked to 35% percent. Integrated Research continues to maintain a strong financial position and remains free of debt with a total cash position at 30 June 2014 of \$13.3 million.

	FY2014	FY2013	FY2012	FY2011
Basic earnings per share	5.03¢	5.40¢	5.41¢	4.47¢
Dividends per share (interim and final)	5.0¢	5.0¢	5.0¢	4.0¢
Franking percentage	33%	36%	58%	65%
Return on equity	28%	30%	31%	27%

Integrated Research (ASX: IRI) is a leading global provider of proactive performance management software for critical IT infrastructure, payments, Unified Communications and Contact Centre ecosystems, and the creator of the award-winning Prognosis® software. Organizations in over 50 countries—including some of the world's largest banks, airlines and telecommunication companies—rely on Prognosis to provide business-critical insights and ensure continuity-critical systems deliver high availability and performance for millions of their customers across the globe. For further information on Integrated Research and Prognosis® please visit www.ir.com.