

Integrated Research Limited

13 November 2014

ABN: 76 003 588 449

**8 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**

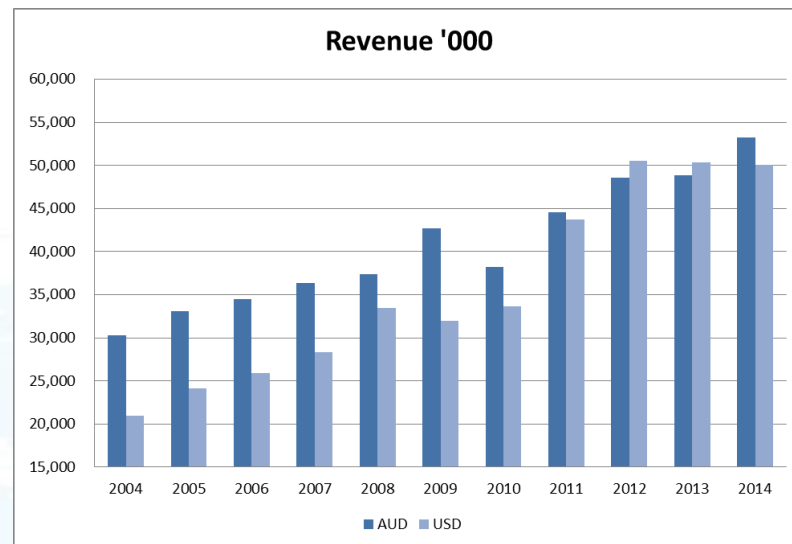
**4 out of 10
biggest oil and
gas companies**

Financial Results



Financial Results

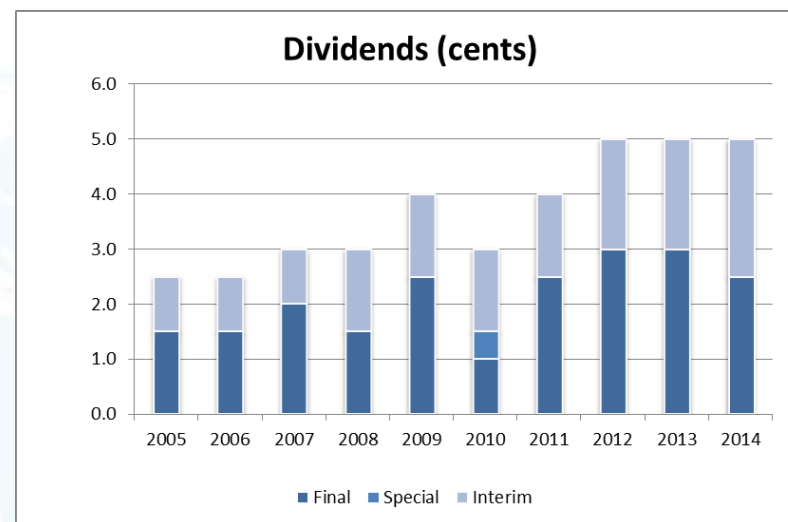
	30 June 2014 A\$000's	30 June 2013 A\$000's	% change
Licence fees	28,048	26,632	5.3%
Maintenance fees	20,562	17,717	16.1%
Consulting fees	4,633	4,510	2.7%
Total revenue	53,243	48,859	9.0%
R&D expenses - net	11,067	10,777	2.7%
Sales, consulting & marketing expenses	26,836	23,279	15.3%
General & Administrative expenses	4,707	4,280	10.0%
PBT	10,653	11,570	(7.9%)
PAT	8,489	9,078	(6.4%)



- **Record revenue:**
Surpasses \$50 million
- **Constant currency impact:**
Revenue flat on prior year
- **Large deal lumpiness:**
Impact 2nd half licence fees
- **Maintenance revenue:**
Strong retention rates at 95%
- **Investment:**
Continuing investment in R&D at 21% of revenue

Balance Sheet

	30 June 2014 A\$000's	30 June 2013 A\$000's
Cash at bank	13,300	14,827
Trade receivables	22,857	23,564
Intangible assets	16,257	15,040
Deferred revenue	16,369	14,729
Net assets	30,747	30,010

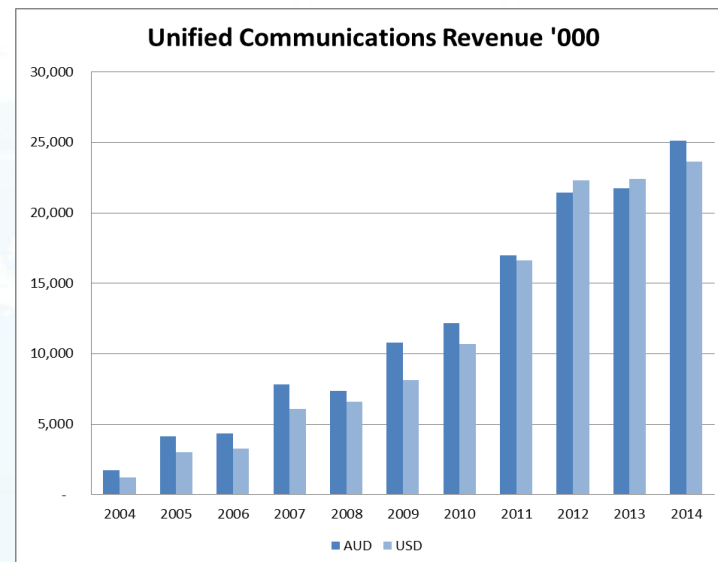


Shareholder Returns

	2014	2013	2012
Basic earnings per share	5.03¢	5.40¢	5.41¢
Dividends per share (interim and final)	5.0¢	5.0¢	5.0¢
Franking percentage	33%	36%	58%
Return on equity	28%	30%	31%

Review of Operations - Products

Revenue by Product Line	June 2014 A\$000's	June 2013 A\$000's	% change
Unified Communications (UC)	25,118	21,760	15%
Infrastructure	19,530	19,566	(0%)
Payments	3,962	3,023	31%
Consulting Services	4,633	4,510	3%
Total Revenue	53,243	48,859	9%



- **UC growth supported by**
 - Growing sales through Avaya channel
 - New Microsoft Lync solutions
- **Payments growth supported by**
 - Growing sales through ACI channel
 - New solution releases
- **Infrastructure**
 - Mature, stable & high margin line of business

Growth Strategy



WHO WE ARE

Integrated Research

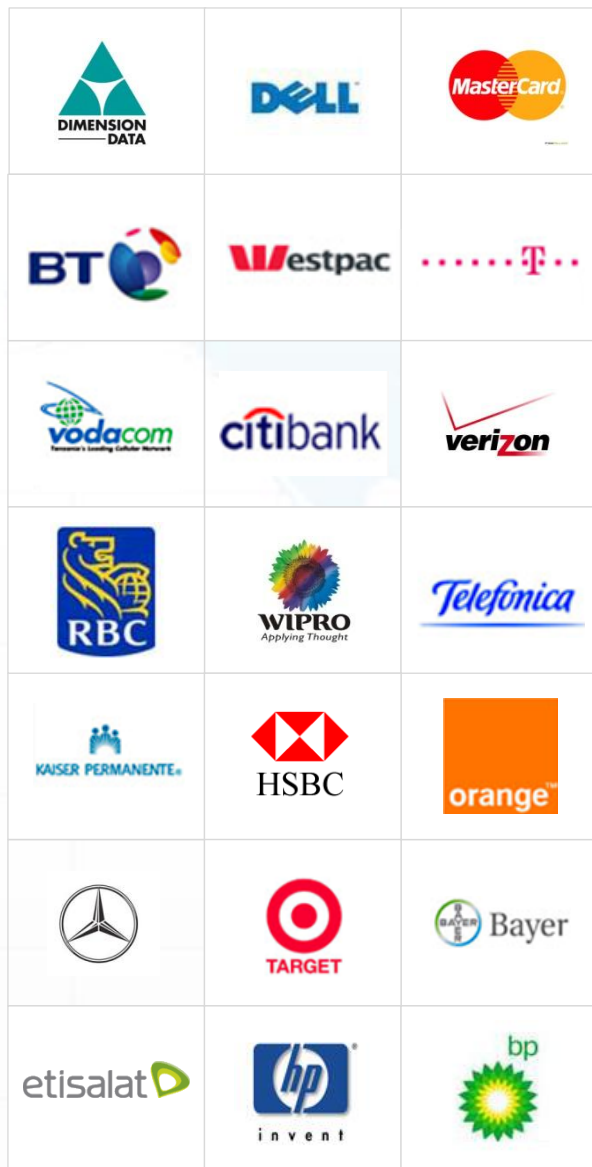
IR is the leading global provider of **Prognosis** for performance management solutions for Unified Communications, Payments and IT Infrastructure.

WHAT WE DO

Capabilities

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





WHY WE
SUCCEED

Competitive Advantage

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

WHY
CUSTOMERS
BUY

Value Proposition

Prognosis increases technology performance, minimizes outages, reduces cost, delivers business critical insight and ensures user satisfaction

Growth Initiatives

Solution Strategy



Strategic Marketing



**Regional Growth
Europe & Asia Pacific**



Partnering



Solution Strategy

Prognosis 10 – The Foundation for Innovation

Solution Highlights

- New Contact Center Solution
- New Microsoft Lync release
- New Prognosis Mobile delivered
- Prognosis now cloud enabled
- Rapid Innovation & Release Program in action

Strong Prognosis 10 Adoption

- 424 Prognosis 10 Customers
- All product lines
- 60% of UC Customers transitioned to P10*
- Overwhelming positive feedback

Prognosis 10 is the Foundation for:

**Rapid Innovation
New Solutions**

**High Speed Delivery
New Markets**

Prognosis Rapid Release Schedule

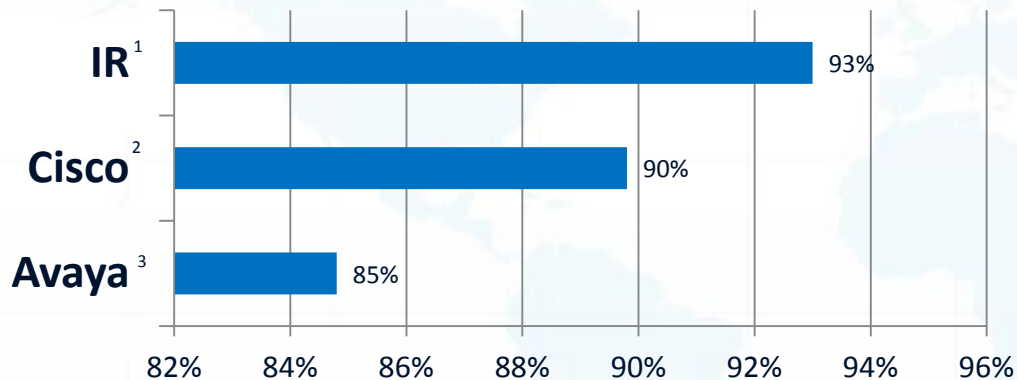


* Counted by # of phones implemented.

Customer Support

Satisfaction & Retention Rates

Customer Satisfaction Best in Class among Industry Leaders



Retention Rates By Product Area

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

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

Annual Recurring Maintenance Fees
\$21 million
39% of Total Revenue

Sources:

1. [IR 2014 Annual Maintenance Satisfaction Survey](#)
2. [Cisco Corporate Overview FY14](#)
3. [Avaya Global Support Services 2013 Client Satisfaction Annual Report](#)

Strategic Marketing

Leveraging IR's Leadership & World Class Customer Base for Growth

Integrated Research has built a base of world class customers without significant marketing focus. Management is building a smart, lean and effective “start-up” marketing strategy to fully leverage the leadership that Prognosis has in the market.

- **Rebuilt Organisational Capability**
- **Building Digital Marketing Capabilities**
- **Launched New Marketing Campaigns**
- **Completed Strategic Brand Review**
- **Brand re-fresh launch on 18 November 2014**



In Place and in Execution

- **New Marketing Team**
- **New Marketing Platform**
- **Accelerated Campaigns**
- **Brand Re-fresh Launch**

New Customers

Increasing number of Customers using multiple solutions

Summary

Solution Highlights

- New Prognosis 10 successfully released
- New Contact Center Solution
- New Microsoft Lync release
- New Prognosis Mobile delivered
- Prognosis now Cloud Enabled
- High Customer Satisfaction Rate at 93%
- UC Retention 97%, Payments Retention 96%

Operational Highlights

Strategic Marketing

- New Marketing Team & platform in place
- Re-inventing Marketing at IR
- Brand re-fresh launch

Regional Growth

- European re-structure complete
- New European & APAC Sales team in ramp-up
- Executing against European & Asia Pacific opportunity

Partnering

- Prognosis trial now ships with every Avaya order
- Avaya Alliance expanded into EMEA & Asia Pacific
- Prognosis module embedded in ACI Solution

Thank You
Questions?

