Integrated Research Limited (IRI)

FY2015 Annual General Meeting

13 November, 2015

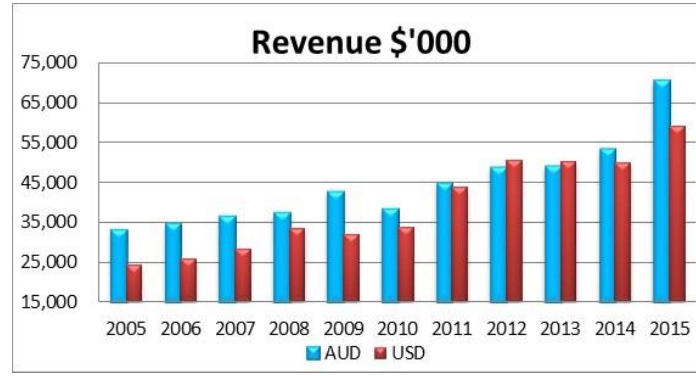
ABN: 76 003 588 449

Global Commerce Depends on IR

Financial Results

Financial Results

	30 June 2015 A$000's	30 June 2014 A$000's	% change	% change in constant currency
Licence fees	41,031	28,048	46%	
Maintenance fees	23,700	20,562	15%	
Consulting fees	5,548	4,633	20%	
Total revenue	70,279	53,243	32%	24%
R&D expenses - net	12,431	11,067	12%	
Sales, consulting & marketing expenses	35,161	26,836	31%	
General & Administrative expenses	5,220	4,707	11%	
Total expenses	52,812	42,610	24%	19%
Profit before tax	19,266	10,653	81%	
Profit after tax	14,251	8,489	68%	41%



- All regions growing
- All product lines growing
- Continuing investment in Product Development

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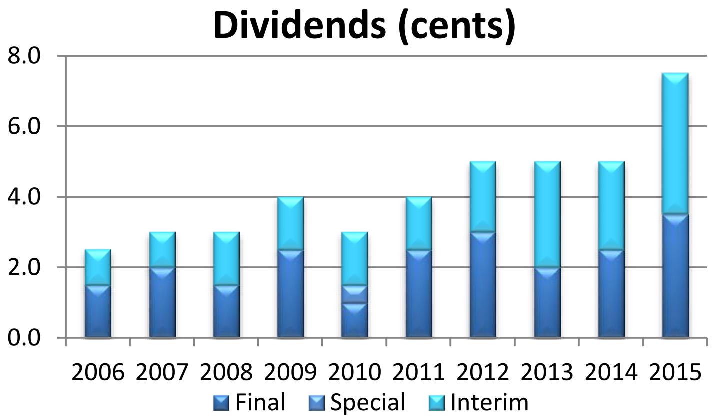
Balance Sheet

	30 June 2015 A$000's	30 June 2014 A$000's
Cash at bank	15,323	13,300
Receivables	38,272	22,857
Capitalised Development	17,020	16,257
Deferred Revenue	22,523	16,369
Net assets	36,132	30,747



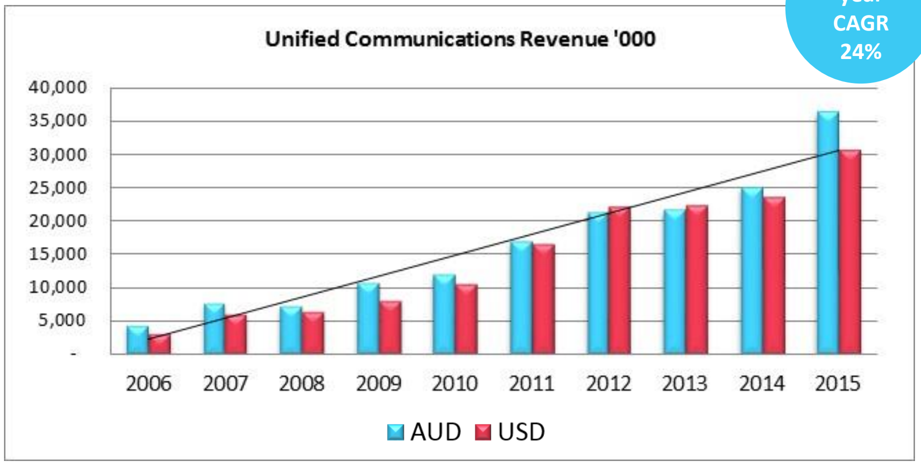
Shareholder Returns

	2015	2014	2013
Basic earnings per share	8.41¢	5.03¢	5.40¢
Dividends per share	7.5¢	5.0¢	5.0¢
Franking percentage	35%	33%	36%
Return on equity	39%	28%	30%

Product Line Performance

Revenue by Product Line ($A)	June 2015 A$000's	June 2014 A$000's	% change
Unified Communications	36,485	25,118	45%
Infrastructure	23,177	19,530	19%
Payments	5,069	3,962	28%
Consulting Services	5,548	4,633	20%
Total Revenue	70,279	53,243	32%

10 year CAGR 24%



- Strong growth across all product lines
- 10+ years of consecutive UC growth
- Six years of consecutive consulting growth

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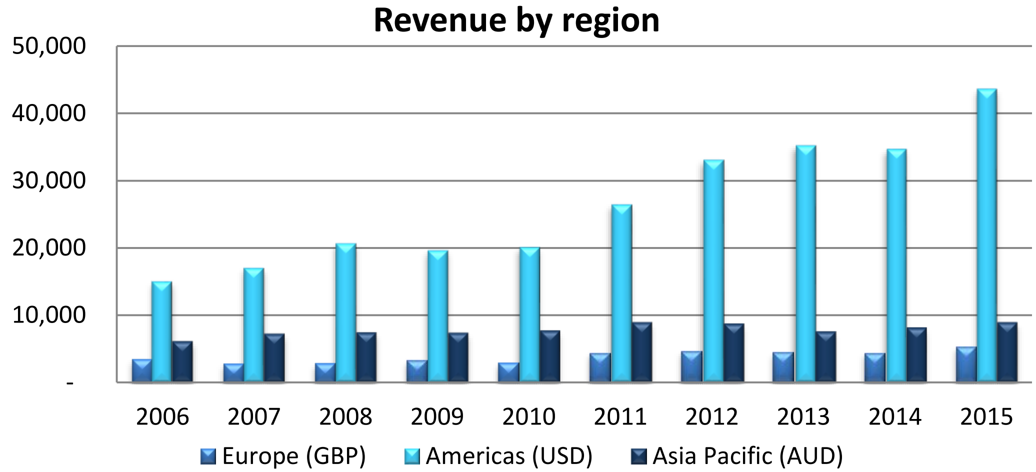
Regional Performance

Strong and diversified Americas growth

Americas represents 75% of Company revenue

Europe and APAC momentum building



Revenue by Geographic region (In local currency)	30 June 2015 $000's	30 June 2014 $000's	% change
Americas ($US)	43,621	34,759	25%
Asia Pacific ($A)	8,866	8,100	9%
Europe (£GBP)	5,338	4,415	21%

95% of revenue earned offshore
95% renewal rate

Growth Strategy Update

WHO WE ARE

IR

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

WHAT WE DO

Capabilities

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

WHY CUSTOMERS BUY

Value Proposition

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

WHY WE SUCCEED

Competitive Advantage

- ✓ Prognosis is real-time, scalable, extensible & flexible
- ✓ Prognosis supports multiple platforms, vendors and applications
- ✓ IR has 1,000+ enterprise customers globally
- ✓ IR has 120+ of the Fortune 500 customers
- ✓ IR has a world-class R&D capability
- ✓ IR is profitable and debt-free

Market & Technology Leadership

The Company: IR

- **Global, publically listed**, profitable and growing
- Over **1,000 enterprise customers** worldwide
- **120+ Fortune** 500 customers
- **5 of 6 'Leaders'** in the Gartner Communications Outsourcing Magic Quadrant

The Solution: Prognosis

- **UC & CC Market Leader -13+ million** managed endpoints
- **Avaya Sponsored & Recommended** solution
- **Microsoft Gold Partner** for Communications
- **Cisco Certified** Management Solution
- **Multiple 300,000+** user deployments

IR Strategic Initiatives

Regional Growth

Solution Strategy

Partnering

Strategic Marketing

Four Drivers of Growth

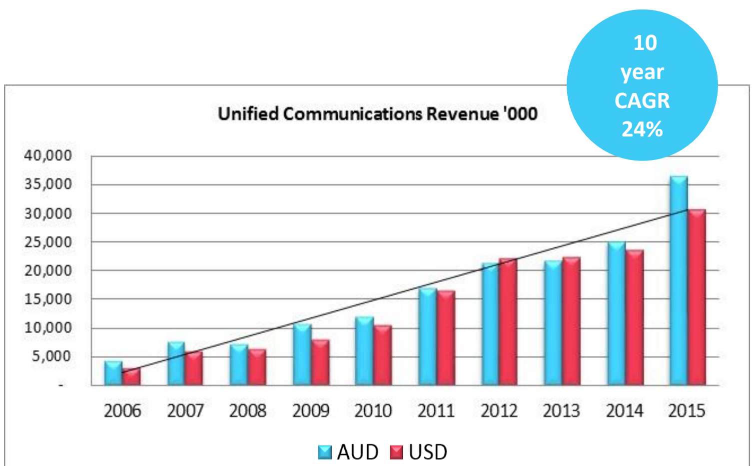
New Subscription Pricing

- Lower Approval Levels
  Approval by lower levels of management
- Easier Access to Budget
  No CapEx approval required
- Deferred Payment Terms
  Aligned with License term, usage and customer business cycle

Innovation (new and expanded solutions)

Four new products added to portfolio;

- Contact Center
- Call Recording Assurance
- StressTest® & Heartbeat®



Strategic Marketing

- Pipeline Building
- Thought Leadership
  Setting the tone for industry innovation
- Building Momentum
  Market becoming aware of IR and its industry leadership
- Broader Market Reach
  Expanding Demand Generation deeper and wider

Strategic Partner Engagement

- Leveraged Pipeline
- Access to Power & Budget Owners
  Through large Partner contacts
- Leveraged Marketing
  Using Partner channels and funding

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IR grows with UC Cloud Providers

UC Service Providers are aggressively building cloud-based Unified Communications as a Service (UCaaS) offerings

"In the North American UC market over the next five years, Gartner estimates that: UCaaS will experience compound annual growth rate (CAGR) of 20% to 25%"[1]

Gartner
Communications Outsourcing & Professional Services
2014 Magic Quadrant

5 out of 6 'Leaders' rely on

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to power their Communications Outsourcing Services

1. *Source: Gartner, Tech Go-to-Market: Selling Unified Communications in a Highly Disrupted Market, June 2014*

New Customers

Increasing number of New Customers using multiple solutions

Aflac	LPL Financial	U.S. Customs and Border Protection	EzeCastle Integration	DAL Deutsche Leasing Gruppe	Standard Chartered	Humana
Putnam Investments	MEDICA	Rain Bird	TELE2	AMTRAK	NRK	MITRE
Healthagen	vertex	MoMA The Museum of Modern Art	agoda	WILLIAMS-SONOMA	POLICE SCOTLAND Keeping people safe	CardinalHealth
COGNEX	Nature's Sunshine Quality, Service, Integrity	CDW	ZURICH	港燈 HK Electric	Stellar	MCKESSON
Smalley Steel Ring Company	AAA Ohio Auto Club	GROUPON	Armen Tel	Ministry of JUSTICE UK	VESTIA	Department of Veterans Affairs United States of America
First Technology Group	The Electric Company El Paso Electric	OPTUM	भारत इलेक्ट्रॉनिक्स BHARAT ELECTRONICS	MINISTRY OF MANPOWER	RAYMOND JAMES Investment Services	USAA usaa.com

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IQ Services Acquisition

Acquisition Summary

Effective 1 July 2015

US$1.5m Cash + Earn-Out capped at US$3.5m

FY16 projections EPS accretive

Integration Project well progressed

Joint Execution underway

Virtual Customer® Solution Methodology

Automated army of "secret shoppers" testing Unified Communications and Contact Centers to ensure high quality customer experience

- **Cloud based experience engine**
  Enables fully automated outside-in testing
- **StressTest®**
  Load testing on systems
  Ensure they can handle peak season or Go-Live
- **HeartBeat®**
  Regular (hourly, daily) testing to ensure customer experience is always performing as designed
- **Patented methodologies using Virtual Customer® process**

Market Growth Opportunity

- Expanded access to two major markets with a unique and market leading solution

Contact Center	**:**	**US$**	**1.7 billion annual spend[1]**
Unified Communications	**:**	**US$**	**13.7 billion annual spend[1]**

- First complete Communications Experience Management solution covering both proactive testing and real-time performance insight
- Leadership in testing new WebRTC, projected by 2019 to be utilized for 15% of enterprise voice & video communication, up from less than 1% today
- Expansion from current American market to Europe and Asia Pacific

[1] *Source : Gartner Forecast: Enterprise Communications Applications, Worldwide, 2012-2019, 2Q 2015 Update*

Summary

Product Innovation

Three new releases of Prognosis

- Skype for Business Real Time Visibility
- Cisco HCS Cloud Support
- Avaya IP Office for Cloud
- Cloud Security
- New Automation Framework
- Upgraded Analytics
- HP NonStop X Series Add-Ons
- Payments ATM enhancements

Four new products added to portfolio

- Contact Center
- Call Recording Assurance
- StressTest® & Heartbeat®

Operational Highlights

UC Growth

- Revenue up 45%
- Enterprise & Service Provider growth
- Skype for Business adoption growing
- Maintenance retention at 96%

Payments Growth

- Revenue up 28%
- Fraud Management adoption growing
- New payment types driving sales
- ACI partnership supporting growth

Infrastructure

- Revenue up 19%
- Consistent revenue performer
- High Profit margins

Best in Class Customer Satisfaction 92%

Thank you.
Questions?