



Integrated Research Limited 2015 Financial Year Results

Sydney, Australia, 20 August 2015 – Integrated Research (ASX:IRI) a leading global provider of high availability performance management, business intelligence and proactive diagnostic software today released its results for the financial year ended 30 June 2015.

The Company is pleased to announce a record financial year result with profit after tax increasing by 68% to \$14.3 million over the previous financial year. The result is within the guidance provided to the ASX on 9 July 2015. New licence sales increased by 46% to \$41.0 million and total revenue increased by 32% to \$70.3 million. All product lines recorded strong growth:

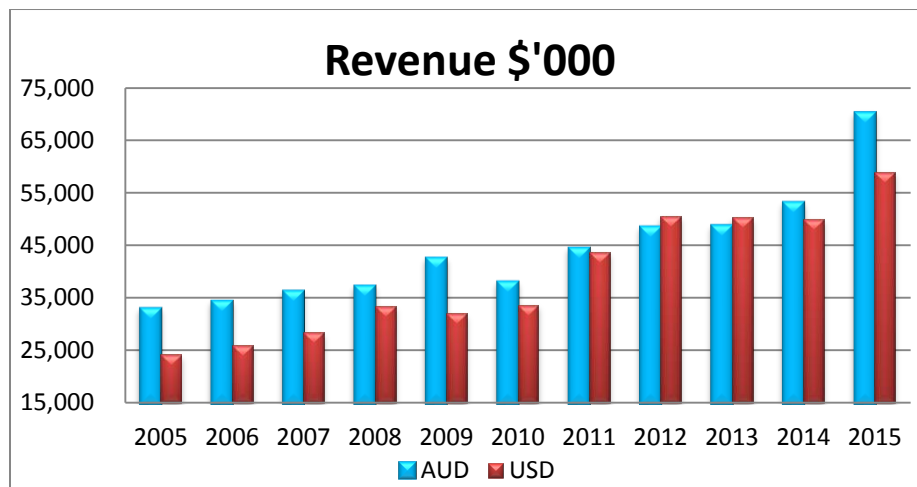
- Revenue from Unified Communications and Contact Centre increased by 45% to \$36.5 million.
- Revenue from Payments increased by 28% to \$5.1 million.
- Revenue from Infrastructure, which includes HP-Nonstop, increased by 19% to \$23.2 million.

Revenue from Consulting Services increased by 20% to \$5.5 million and represents the sixth consecutive year of growth.

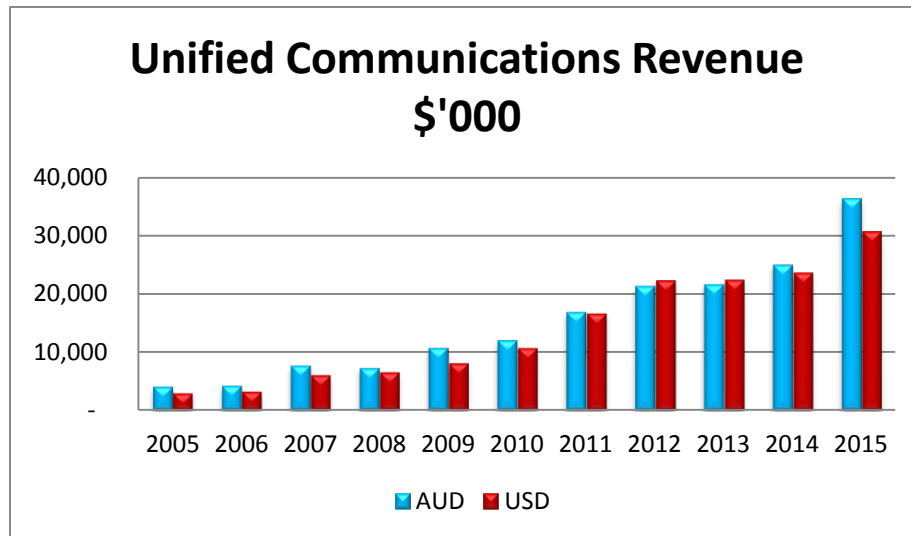
Steve Killelea, Chairman of Integrated Research said, “This is an especially pleasing result and underlies the strength of the Company with all major product lines recording significant growth. The Company’s strategy of broadening its product offering and focus on servicing the global Fortune 500 companies will provide further growth opportunities. The Company has placed emphasis on building a long term recurring revenue base which will also underpin future revenue streams.”

Over 95% of the Company’s revenue was derived from outside of Australia.

The following chart highlights the Company’s revenue growth in both Australian and US currencies for the 2015 financial year and the ten preceding years.



The Company's leading product line, Unified Communications and Contact Centre, grew by 45% over the previous year, supported by improved sales processes and solutions that drive compelling customer ROI. Some of the more significant sales included Citigroup, British Telecom, Dimension Data, General Motors, Presidio Managed Services, Standard Chartered Bank and Zurich Insurance Group.



Darc Rasmussen, CEO of Integrated Research said, "As part of IR's new strategic direction we have built market leading solutions for Contact Centre, Call Recording Assurance, Business and Operational Analytics and Skype for Business. We are excited about being the first to deliver leading edge capabilities that drive value for our customers including being the first to market with real-time visibility for Unified Communications. Our customers are achieving significant returns from their investments in Prognosis which are fuelling our growth."

The Company continues to invest in its future with total spending on research and development representing 18% of revenue. The Company's operating margin (i.e. profit/revenue) for the year was 20% compared to 16% for the previous financial year. The Company's maintenance retention rates remain strong at 95%.

During the year there were three significant new releases of Prognosis that contain additional functionality, opening new markets and benefitting customers across all product lines. Highlights include:

- A Call Recording Assurance product that assists customers particularly in the financial services industry to meet stringent regulatory requirements relating to financial transactions.
- Significant capability in the rapidly growing Skype for Business market.
- An automation framework that enables Prognosis to automatically rectify problems before they impact service.



On 1 July, 2015 IR completed the acquisition of US based IQ Services. This acquisition provides next generation testing capabilities that extend the existing product line to create the first fully integrated management and testing suite for Unified Communications and Contact Centres. These new capabilities empower Prognosis users to optimise Customer Experience Management, currently one of the top priorities for senior executives.

The results were assisted by a depreciating Australian dollar and when growth was adjusted to constant currency, new licence sales would have increased by 37%, revenue by 24%, and profit after tax by 41%.

The table below summarises the Company's key revenue, expense and profit results compared to the previous corresponding period:

Financial result highlights (A\$'000)	FY2015	FY2014	Change
Revenue from licence fees	41,031	28,048	46%
Revenue from maintenance fees	23,700	20,562	15%
Revenue from consulting	5,548	4,633	20%
Total revenue	70,279	53,243	32%
Research & development expenses	12,431	11,067	12%
Sales, consulting & marketing expenses	35,161	26,836	31%
General and administrative expenses	5,220	4,707	11%
Total expenses	52,812	42,610	24%
Net profit before income tax	19,266	10,653	81%
Net profit after income tax	14,251	8,489	68%

Dividends

Directors have declared a final dividend of 4.0 cents per share franked to 35 per cent. Integrated Research maintains a strong financial position and remains free of debt with a total cash position at 30 June 2015 of \$15.3 million.

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

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About Integrated Research (ASX:IRI) – Integrated Research is the leading global provider of proactive performance management software for critical IT infrastructure, payments and communications ecosystems. More than 1000 organizations in over 60 countries - including some of the world's largest banks, airlines and telecommunication companies rely on IR 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, visit www.ir.com

