

ASX Market Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

22 February 2017

IRESS LIMITED - INFORMATION FOR RELEASE TO THE MARKET

As required by the Listing Rules, IRESS encloses for release to the market a presentation to be provided to investors today at 09.30 relating to the company's 2016 Full Year results.

Yours sincerely,



Peter Ferguson

Group General Counsel
& Company Secretary



2016 Full Year Results

For the year ended 31 December 2016

22 February 2017

Andrew Walsh – Managing Director & CEO

John Harris - CFO

1. FY16 overview
2. Financial information
3. Q&A

FY16 overview

FY16 Overview

Result reflects **strategic, focused growth**

Strong performance in **key markets** including United Kingdom and Australia

Targeted investment in established segments and growth areas

Well positioned for sustainable growth and returns

FY16 Overview

Strong result underpinned by strategic, focused growth

On FY15

Operating revenue

+8%

(+13% on a constant currency basis)

Segment Profit

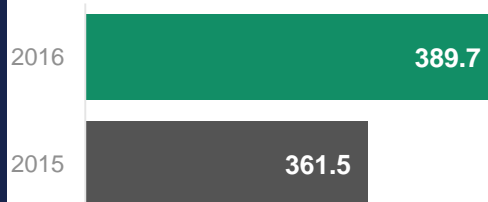
+4%

(+7% on a constant currency basis)

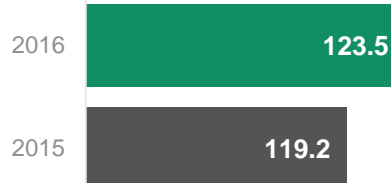
Reported NPAT

+7%

Reported Operating Revenue



Reported Segment Profit



Reported NPAT



FY16 Overview

Disciplined growth strategy delivering returns

\$Am	2015	2016	
Operating Revenue - reported	361.5	389.7	▲8%
Operating Revenue - constant currency basis ⁽¹⁾	361.5	409.9	▲13%
Segment Profit – reported ⁽²⁾	119.2	123.5	▲4%
Segment Profit - constant currency basis ⁽²⁾	119.2	127.8	▲7%
Segment Profit after SBP ⁽³⁾	109.3	112.7	▲3%
EBITDA ⁽⁴⁾	104.9	103.5	▼1%
Reported NPAT	55.4	59.5	▲7%
Basic EPS (<i>c per share</i>)	35.2	37.0	▲5%
Dividend (<i>c per share</i>)	42.7	44.0	▲3%

Unless otherwise stated all comparisons are with the prior corresponding period on a reported currency basis.

Financial information in this report is extracted or calculated from the half year & annual financial statements which have been subject to review or audit.

(1) Assumes 2016 is converted at the same average foreign exchange rate used to convert 2015

(2) Segment Profit represents earnings before interest, tax, depreciation, amortisation, share based payments, and non-recurring items – refer below for a reconciliation to NPAT

(3) Share Based Payments

(4) Earnings before interest, tax, depreciation and amortisation

2016 business highlights

Delivering value through innovation

- Major milestone achieved under a long-term partnership with prominent wealth manager Tilney Group to deliver an integrated private wealth technology platform bringing together portfolio management, trading, market data, revenue management, reporting, advice, and third-party integrations.
- Successful implementation of Mortgage Sourcing and Origination (MSO) solution for Atom Bank, the United Kingdom's first digital-only bank.
- Delivery of XPLAN Prime to Commonwealth Bank of Australia (CBA) progressing well. Solution showcased to CBA's advisors to positive review and will be rolled-out across advisor network in 2017.
- First stage of an integrated equities solution successfully delivered for Maybank in Singapore. Production deployment for pre-funded accounts.

Continuing wealth momentum

- Strong underlying revenue and earnings growth in the Australian, UK and South African wealth businesses as a result of successful implementations and continuing strong demand from new and existing clients
- IRESS appointed the strategic wealth technology partner for Close Brothers Asset Management, a leading financial services provider in the UK. Project to deliver an integrated and flexible private wealth solution underway.
- XPLAN voted the number one financial planning software in Australia for the ninth consecutive year, achieving the highest ever score in the history of the Investment Trends analysis.

Strong UK growth, no visible Brexit impact aside from FX

- Strong underlying revenue and earnings growth in the UK in 2016, augmented by a full year contribution from recent acquisitions. Positive momentum continues to be driven by sector growth, increasing regulatory complexity and change, and client demand for technology that reduces risk and costs.
- Other than FX, no visible Brexit impact on revenue to date. No change in client decisions or the fundamentals underlying the business, regulatory and economic dynamic.
- Strong strategic progress and momentum in the Lending business.

Acquisitions adding value

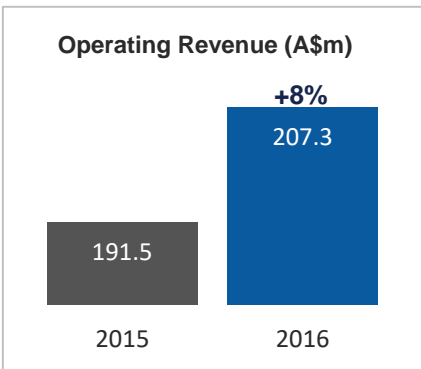
- Integration of Proquote and Pulse (both acquired in 2015) progressing. IRESS' ability to offer broader solutions continues to generate new client opportunities.
- Successful acquisition of Financial Synergy in Australia and INET BFA in South Africa. Both businesses broaden IRESS existing capabilities and create new client opportunities.
- All businesses acquired during 2015 and 2016 contributed positively to revenue and earnings in 2016

Overview by region



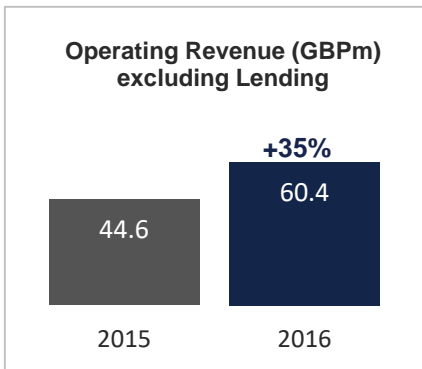
APAC

- Financial markets revenue growth amid ongoing challenging market conditions
- Continued double digit underlying wealth revenue growth (+11%) reflecting strong demand and delivery success
- XPLAN Prime deployment progressing well – to be rolled out in 2017
- Successful delivery of integrated equities solution for Maybank in Singapore
- Integration of XPLAN and Acurity Online accelerated to capitalise on strong interest



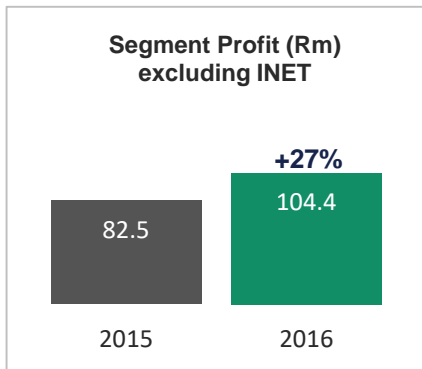
United Kingdom

- Strong underlying revenue and earnings growth driven by sustained demand and successful delivery
- Intermediary software ACV growth of 8.9% in 2H16, 14.8% for the year
- Major PWM milestone achieved for Tilney Bestinvest. Close Brothers Asset Management wealth project under way
- Successful completion of MSO V2 implementation for Atom Bank. TSB secured for V2 implementation in 2017
- Integration of 2015 acquisitions progressing well – both contributed to growth in 2016



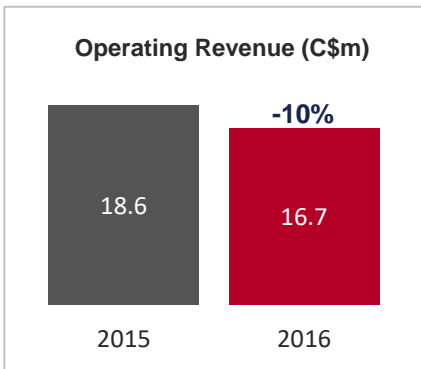
South Africa

- Strong underlying revenue (+15%) and earnings (+27%) growth reflects completed software migrations, strong take-up across product suite, and buoyant local trading volumes
- XPLAN migration for prominent tier one bank completed
- Well positioned to lead the move to multi-markets
- Viewpoint migration progressing well – expected complete in 2017
- INET acquisition extends product offering. Integration progressing well



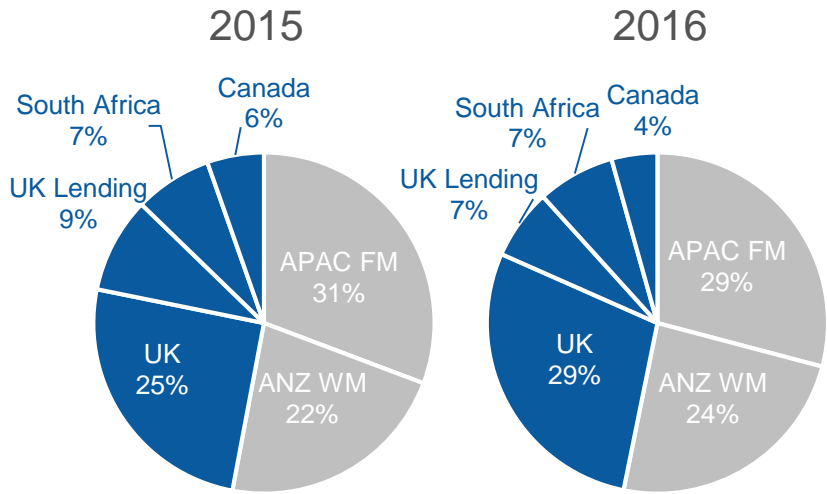
Canada

- Revenue impacted by market conditions which remain challenging
- Diversification into wealth continues – strong focus on delivering several wealth client projects in 2017
- MD Financial project discontinued late in 2016
- Margin impacted by investment in wealth

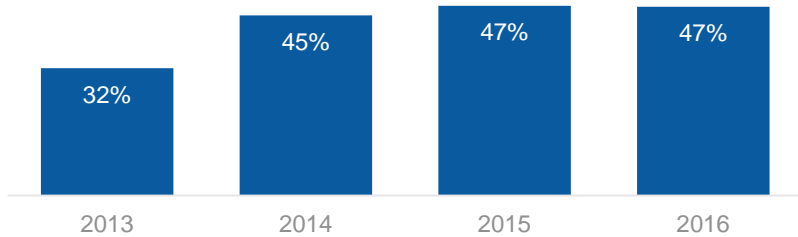


Diversification of revenue and earnings

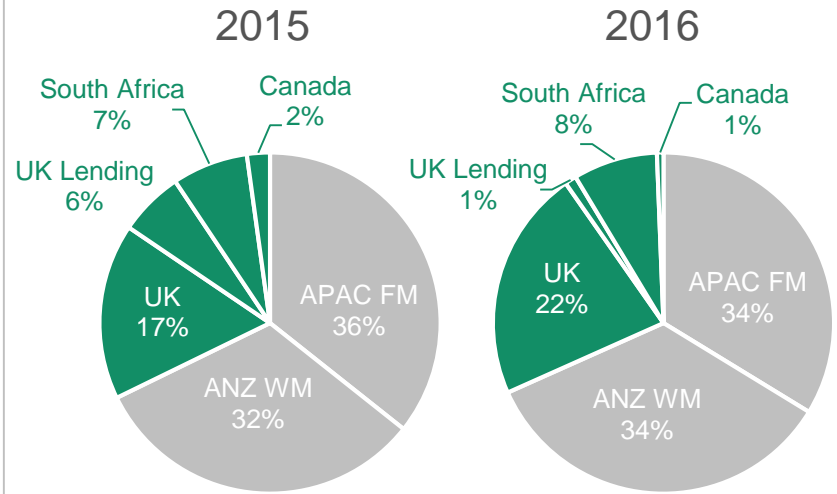
Operating Revenue



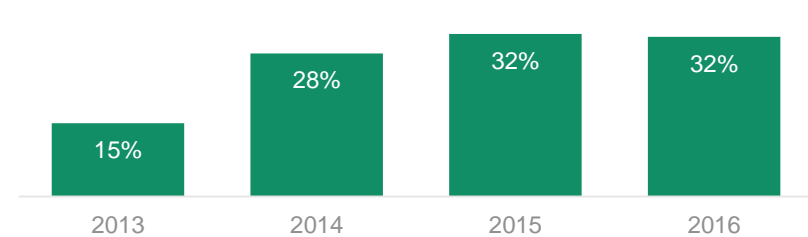
Operating Revenue generated outside APAC



Segment Profit



Segment Profit generated outside APAC



Note: APAC FM includes Asia, which was previously reported separately

Strategic and complementary acquisitions

Financial Synergy

- Leading independent provider of software to the Australian superannuation industry. Flagship product, Acuity, is the core registry system for leading industry and retail super funds and third party administrators.
- Extends IRESS' range and scale of services and solutions and provides opportunity to deliver scaled technology solutions that offer differentiation and efficiency opportunities for superannuation clients.
- Integration progressing well – initial focus on digital advice integration between Acuity Online and XPLAN with strong feedback already. Further product and technology opportunities underway that leverage combination.
- Purchase price of \$90m was funded through a successful institutional placement and share purchase plan.
- All people including senior management team, have been retained and continue to deliver superior service to clients.

INET BFA

- Leading provider of market data in the South African market.
- Extends IRESS' integrated market data, trading and portfolio services in South Africa.
- Opportunity to integrate INET's highly-respected solutions with IRESS' market-leading trading, information, and portfolio services.
- Further develops IRESS operations by expanding capability, client base and product suite.
- Addition of INET people to existing IRESS team strengthens local expertise and adds to established relationships in the South African market.
- Purchase price of R149.6m (A\$14.8m) funded from existing cash reserves.
- Integration progressing well with focus on back-end and data integration, and unified front-end opportunities

Delivering value through innovation

Product & Technology teams focused end-to-end needs of clients and users

- Capitalising on the value of broad functionality and comprehensive connectivity
- Ongoing integration of our product components and capability
- Leveraging compelling content and data
- Promoting passionate user experience
- Significant and sustained investment in maintaining and growing product relevance (c\$96 million investment in 2016)

During 2015 and 2016 we invested in new products and technologies and last year we delivered a number of these to clients:

XPLAN & PWM

- Significant extensions to XPLAN integrations to augment software solutions
- Multiple back-office / custodian integrations to PWM for account opening, transactional data and execution in UK and Canada.
- XPLAN Mortgage extends offering with integrated Protection advice. Deployed to over 2500 UK users.
- Enhanced user experience and design project releases to UK private wealth managers, with focus of delivering updates to all users in 2017.
- Major milestone achieved with prominent UK wealth manager Tilney Group following delivery of an integrated private wealth technology platform

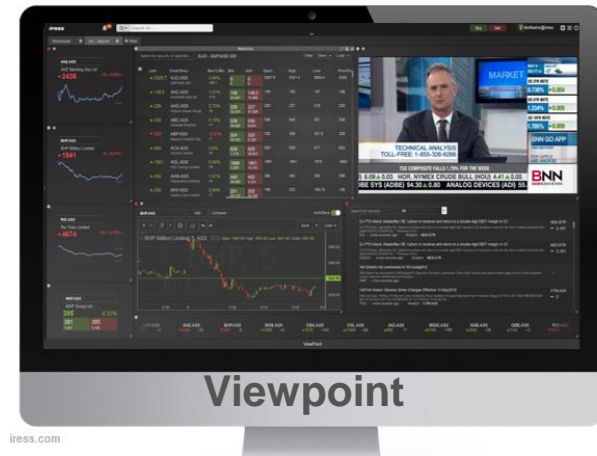
XPLAN PRIME

- Prime showcased with strong positive feedback
- Direct benefits of XPLAN Prime:
 - Facilitate provision of consistent, interactive and cost-effective financial advice
 - Underpins scaled objective-based advice model, with integrated and consistent advice channels.
 - Offers the scale, delivery, technical infrastructure and support necessary to meet expectations in digital advice
- Solution to be rolled out in 2017

During 2015 and 2016 we invested in new products and technologies and last year we delivered a number of these to clients:

VIEWPOINT

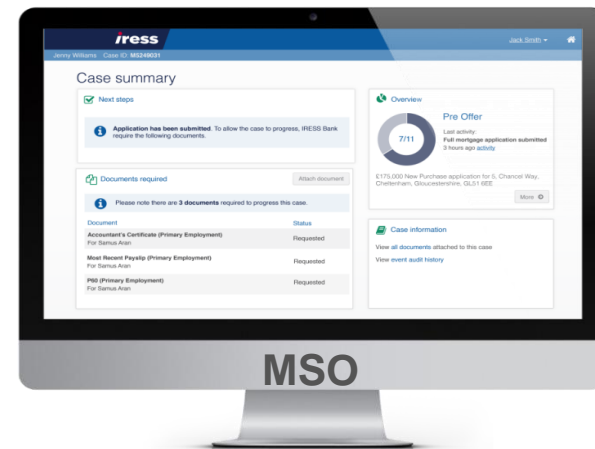
- ViewPoint delivers exceptional user experience with flexible and responsive HTML5.
- Fully integrated to IRESS core (IOS and market data)
- Modular options enabling third-party components and content
- Platform supports rapid and incremental deployment options matching expectations for resilience and dynamic features
- Viewpoint is permissionable for range of client segments
- Allows clients to develop and deliver specific content.
- Now deployed to tier-one banks in South Africa and Canada.
- Deployments underway with leading Asian bank.
- Australian clients upgrading from Trader to Viewpoint underway.



iress.com

MSO

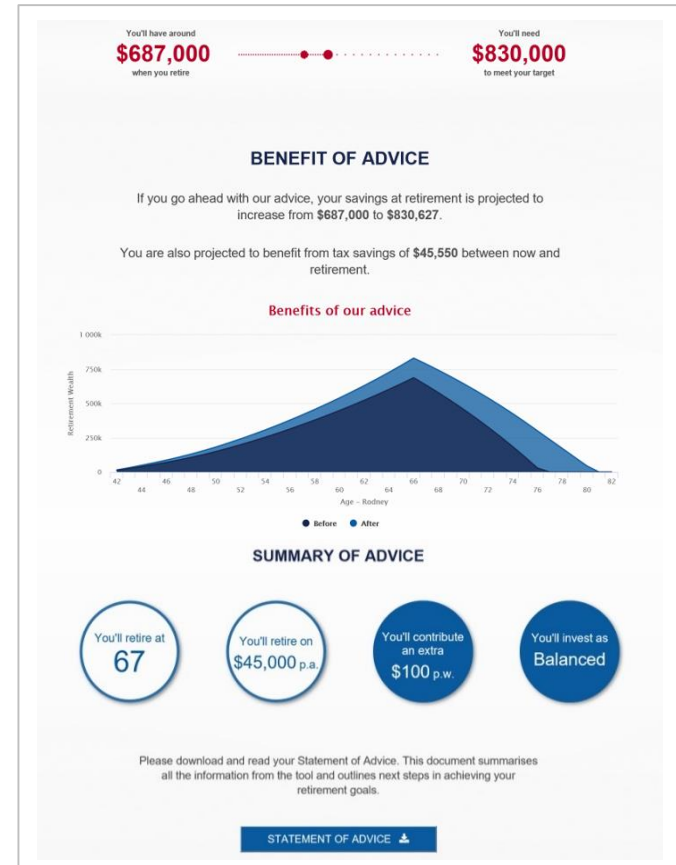
- ViewPoint delivers exceptional user experience with flexible and responsive HTML5.
- Specific sales channel products extended from lender to intermediary Launched with live client in November 2016
- Digital-first capability demonstrated with launch of MSO by Atom
- Integrated to over 12 3rd-party systems (MSO ecosystem) to enhance comprehensive solution set and lender operational efficiencies
- Significant investment to productise for scalable deployment, support and ongoing enhancement of MSO as a core lending platform.



Delivering value through innovation

SUPERANNUATION SOLUTIONS

- XPLAN's advice capability quickly leveraged to deliver an engaging member experience within existing Acuity Online member portal.
- By taking advantage of existing XPLAN API, IRESS enables superfunds to provide a consistent member experience from read-only, to member discovery, to self-directed advice
- A strong focus on user design throughout allows solution to be immediately leveraged
- Deep integration from core registry provides a significant benefit to superfunds without needing to manage a significant integration project. Actionable advice and productisation offers sustainable efficiency for digital advice.



Acuity Online capability for registry-integrated digital advice

Investing in our people

IRESS is investing in our workplace and technology to better support flexibility, collaboration and innovation

Key objectives of workplace investment

- Provide a great working environment for our people that is unique to IRESS and reflects our culture and diversity
- Continue to promote and physically support flexibility, productivity, communication and collaboration
- More efficient outcomes and responsiveness
- Support people and business growth

Headcount	2015	2016
Development & Product	783	879
Account Management	329	435
Operations & Market Data	202	303
Corporate Core	139	173
Total	1,453	1,790

Planned/completed activities

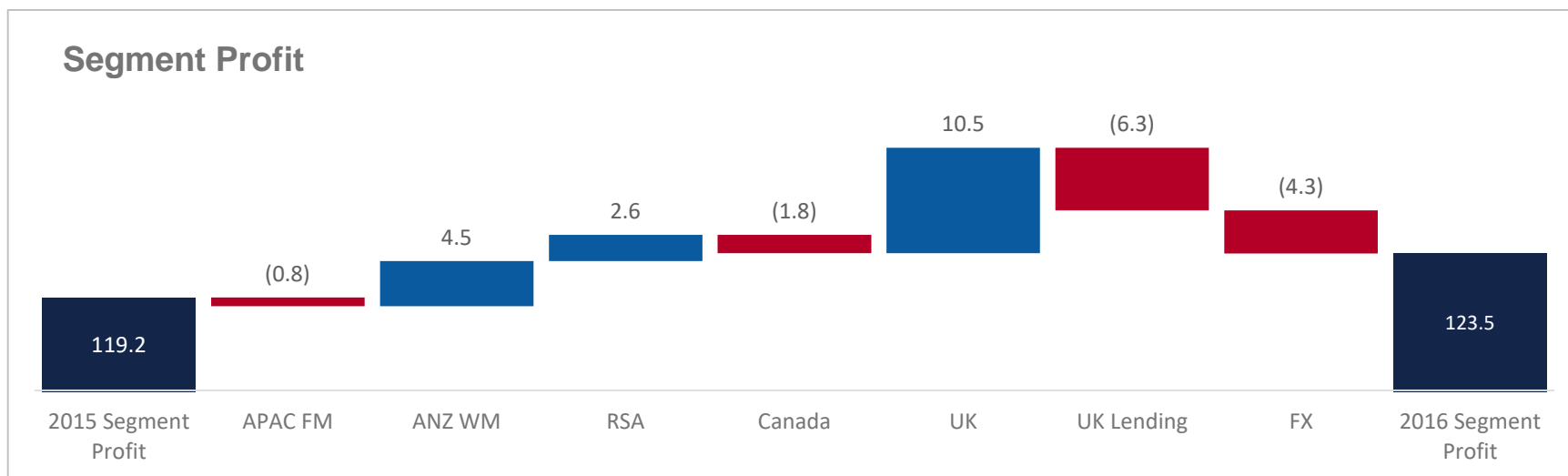
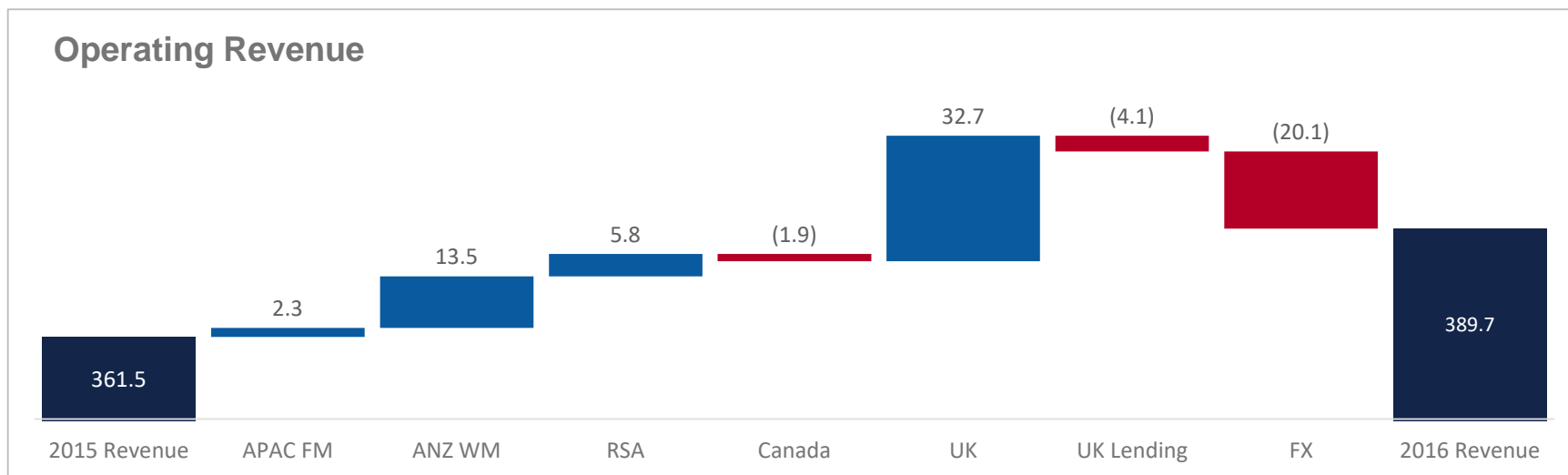
- London office relocated in early 2016 - Proquote office consolidated
- Consolidate IRESS and INET offices into one location in Johannesburg
- Relocate and expand Sydney office - new lease signed in Shelley Street
- Refurbish and extend Melbourne office, consolidate Financial Synergy office
- Continue to invest in technology to support improved mobility and strengthen communication and real time collaboration

Financial impacts

- Anticipate a cash outflow of approximately \$15.0m in relation to the fit-out during 2017 and 2018, funded from operating cashflows (no funding or anticipated dividend impact)
- Cash outflow to be depreciated over the useful life of assets acquired (will range from 3-7 years)
- Anticipate a increase in combined Melbourne and Sydney annualised occupancy costs, net of landlord incentives, of around \$2.0 - \$3.0m

Financial information

Sustainable revenue and segment profit growth



Note: APAC FM includes Asia, which was previously reported separately

Segment profit margins

Product and development teams are a material component of IRESS' cost base. Meaningful cost allocation is increasingly challenged by investment and operational activities across multiple products, geographies and periods.

% Operating Revenue		1H15	2H15	2015	1H16	2H16	2016
APAC FM	AUD	39%	38%	38%	39%	35%	37%
ANZ WM	AUD	46%	49%	48%	47%	44%	46%
UK	GBP	19%	24%	22%	23%	26%	25%
South Africa	ZAR	33%	33%	33%	33%	36%	35%
Canada	CAD	13%	13%	13%	8%	1%	4%
Group (ex UK Lending)	AUD	33%	35%	34%	34%	33%	34%
UK Lending	GBP	31%	12%	22%	19%	(17%)	4%
Group	AUD			33%	33%	31%	32%

- UK Lending margin reflects migration of the business to a subscription revenue model
- ANZ WM reflects inclusion of lower margin Financial Synergy business in 2H16
- APAC FM 2H16 reflects staff and wage increases
- Canadian margin reflects leverage of existing cost base to diversify into wealth

Evolving segment reporting and cost allocations

- Over 50% of IRESS' cost base is incurred in core functions, for which product and development is significant, and benefits all segments
- Functional costs have been allocated to date based on a combination of revenue, headcount and other drivers specific to the cost.
- The cost allocated to a particular segment reflects the relative size of the segment rather than the benefit obtained.
- The geographic and segmental benefit of specific product development varies over time, while cost allocation occurs when the cost was incurred or once a year. IRESS continues to expense product development.
- Although cost allocation in this way has to date been a useful proxy, it is increasingly difficult to assess performance based on segment profit margins derived this way.
- IRESS is intending to evolve the way it reports in future periods and will disclose revenue net of directly attributable costs (contribution margin) for each business segment and separately disclose the cost of core functions. This is considered a better reflection of the way our technology is developed and deployed, that is increasingly international.

Financial information

Statutory financial results

AUD (m)	2015	2016		
Operating Revenue	361.5	389.7	▲	8%
Operating Costs	(242.3)	(266.2)	▲	10%
Segment Profit	119.2	123.5	▲	4%
Share Based Payments	(9.9)	(10.8)	▲	10%
Segment Profit after SBP	109.3	112.7	▲	3%
Non Recurring Items	(6.7)	(8.5)	▲	28%
Unrealised FX Gain/(Loss)	2.3	(0.7)	▼	130%
EBITDA	104.9	103.5	▼	1%
D&A – Operational	(10.3)	(10.7)	▲	4%
D&A – Acquisition Related	(16.0)	(10.4)	▼	35%
EBIT	78.6	82.4	▲	5%
Net Interest and Financing Costs	(9.7)	(5.5)	▼	44%
Tax	(13.5)	(17.5)	▲	30%
NPAT	55.4	59.5	▲	7%
EPS	35.2	37.0	▲	5%
DPS	42.7	44.0	▲	3%

- 'Non-recurring items' are primarily costs associated with the acquisitions of Financial Synergy and INET in 2016 and integration cost associated with Proquote and Pulse acquired in 2015.
- Unrealised FX loss relates primarily to the translation of cash balances and intercompany loans held in dominations other than AUD (driven largely by movement in AUD/GBP).
- Lower acquisition related D&A as a result of Peresys software acquired in 2010 being fully written off in 2015, partially offset by increased charges on intangible assets acquired in 2015 (Proquote and Pulse) and 2016 (INET and Financial Synergy).
- Net interest and financing costs declined due to lower interest rates on renegotiated debt facilities and reduced debt levels as positive operating cash flow applied against borrowings. In addition, 2015 charge included \$1.8m write off of capitalised borrowing costs on the refinanced debt facility.
- Effective tax rate of 22.8% remains consistent with first half but unlikely to be repeated in 2017. 2016 is the last year of tax benefit from the Avelo acquisition (c. 4-5% positive impact on effective tax rate).

Strong balance sheet, conservatively geared

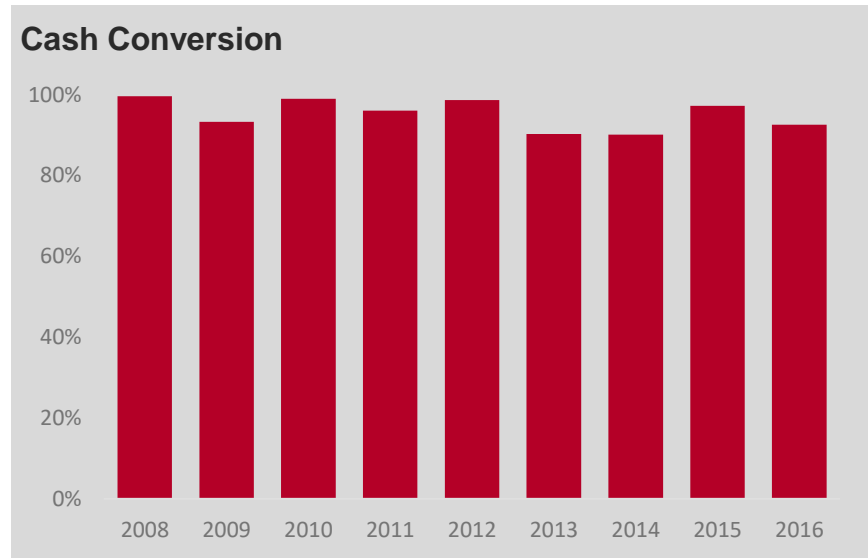
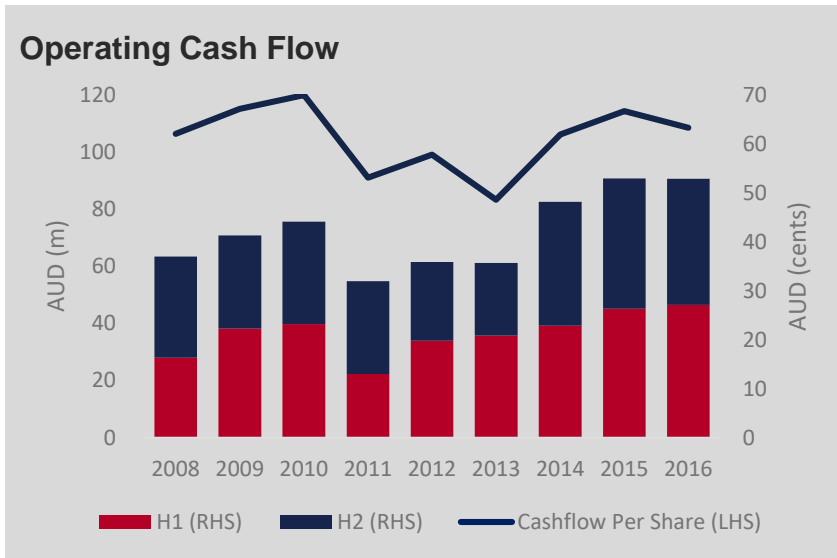
AUD (m)	Dec 2015	Dec 2016
Cash	39.2	23.0
Receivables and other assets	37.4	50.1
Total current assets	76.6	73.1
Intangibles	529.6	558.8
Plant and equipment	10.0	12.1
Deferred tax assets	26.2	18.1
Derivative assets	-	0.2
Total non-current assets	565.7	589.2
Total Assets	642.3	662.2
Payables and other liabilities	41.5	44.2
Provisions	8.7	11.0
Derivative liabilities	10.1	-
Total current liabilities	60.3	55.1
Payables and other liabilities	8.0	7.5
Provisions	7.6	8.0
Borrowings	200.5	177.8
Derivative liabilities	11.1	-
Deferred tax liabilities	15.6	12.9
Total non-current liabilities	242.7	206.3
Total Liabilities	303.0	261.4
Net Assets	339.3	400.8

AUD (m)	Dec 2015	Dec 2016
Cash	39.2	23.0
Bank borrowings ⁽¹⁾	(202.4)	(179.1)
Net bank debt	163.2	156.1

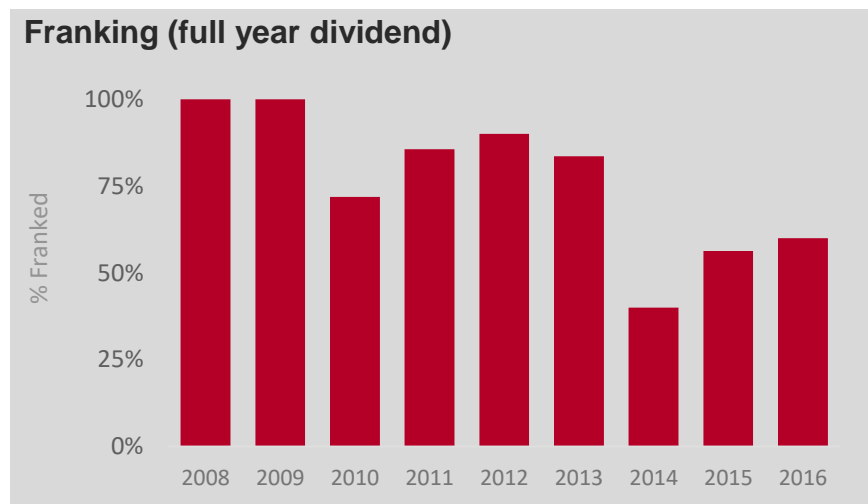
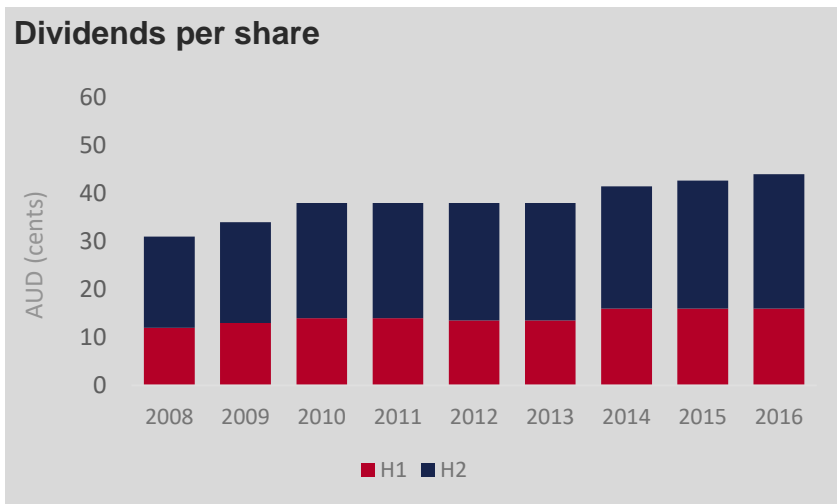
(1) Excludes capitalised borrowing costs (\$1.9m in 2015, \$1.3m in 2016)

- Strong operating cash flow and additional capital raised in 2016 used to reduce borrowings.
- Balance sheet remains conservatively geared with a net debt to Segment Profit ratio of 1.3x.
- Total debt facility: \$300m.

Strong and sustainable cash flow and dividends



(1) Cash conversion = (Operating cashflow + net interest paid + tax paid) / Segment Profit



Financial information

Depreciation & Amortisation

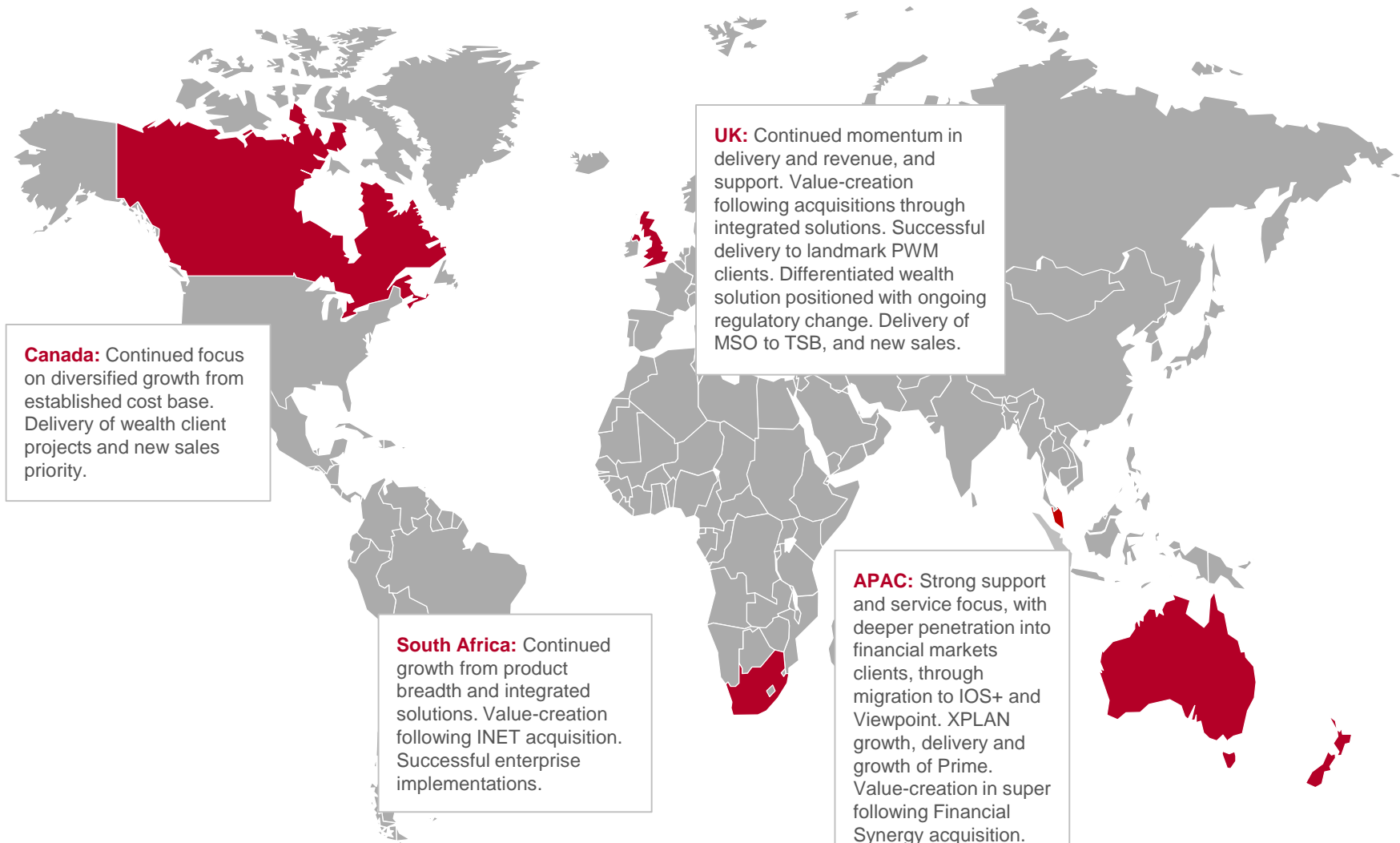
D&A - Operational	2015	2016
Depreciation		
Plant & Equipment	6.1	6.4
Amortisation		
Software (3 rd Party Purchased)	4.2	4.3
Total	10.3	10.7

D&A – Acquisition Related		1H16	2H16	1H17	2H17	1H18	2H18
Computer Software	Avelo	1.3	1.1	0.8	0.8	0.7	0.6
	Proquote & Pulse	0.3	0.5	0.4	0.4	0.4	0.4
	Financial Synergy	-	0.4	1.1	1.1	1.1	1.1
	INET	-	0.3	0.8	0.8	0.8	0.8
	Peresys	0.4	-	-	-	-	-
Customer Relationships	Avelo	1.6	1.5	1.5	1.5	1.1	0.7
	Financial Synergy	-	0.2	0.6	0.6	0.6	0.6
	Proquote & Pulse	1.5	1.2	1.1	1.1	1.1	1.1
Brands	Proquote & Pulse	0.1	0.1	0.1	0.1	0.1	0.1
Total		5.3	5.1	6.4	6.4	5.9	5.4

1H17 onwards converted at Dec 2016 foreign exchanges rates

Segment overview

Business focus areas in 2017



Canada: Continued focus on diversified growth from established cost base. Delivery of wealth client projects and new sales priority.

UK: Continued momentum in delivery and revenue, and support. Value-creation following acquisitions through integrated solutions. Successful delivery to landmark PWM clients. Differentiated wealth solution positioned with ongoing regulatory change. Delivery of MSO to TSB, and new sales.

South Africa: Continued growth from product breadth and integrated solutions. Value-creation following INET acquisition. Successful enterprise implementations.

APAC: Strong support and service focus, with deeper penetration into financial markets clients, through migration to IOS+ and Viewpoint. XPLAN growth, delivery and growth of Prime. Value-creation in super following Financial Synergy acquisition. In Asia, revenue growth focus – new sales of wealth and equity solutions.

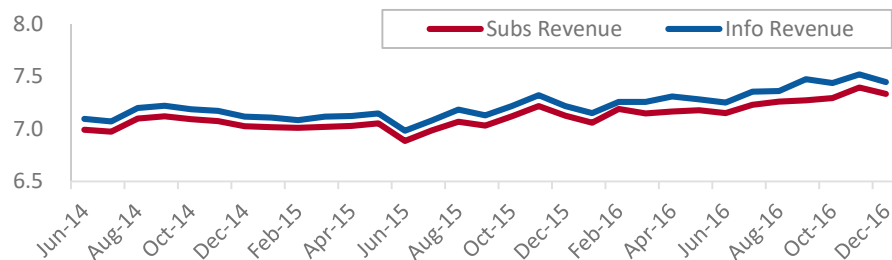
APAC Financial Markets

Revenue growth in Australia despite segment pressures; key client delivery in Singapore

AUD (m)	2015			2016			
	A&NZ	Asia	APAC	A&NZ	Asia	APAC	
Operating Revenue	108.6	2.5	111.1	110.8	2.6	113.5	▲ 2%
Segment Profit	46.6	(4.0)	42.5	46.1	(4.5)	41.7	▼ 2%
SP Margin	43%		38%	42%		37%	

- Revenue growth in Australia driven largely by increased sales of portfolio management solutions to existing and new buy-side clients. Sell-side cost pressures continue.
- ViewPoint deployment progressing - working closely with large Australian online retail brokers to transition in 2017. Ongoing ViewPoint feature development continuing supporting leading online trading platform in Australia.
- Transition from IOS Classic to IOS+ progressing well. Completed IOS+ upgrades will enable smooth transition to ASX Futures NTP scheduled for March 2017.
- Expansion of international content and increased global connectivity (increased international broker community) benefiting Australian buy-side clients with increasing international demand.
- NSX interface expected to be deployed in H1 2017 providing seamless whole of market access to NSX trading in addition to existing market data.
- Strong focus on delivery of enhanced Options trading in advance of Palion (GBST) end-of-life in 2017.
- Stable CFD revenue in Asia, reflecting product strength and quality of customer relationships.
- Successful delivery of initial stages of integrated equities solution for Maybank Kim Eng with go-live for pre-funded accounts in December. Important retail landmark client in Singapore and region.
- Small segment profit decline reflects technology investment deployed across IRESS' international businesses, wage inflation and corporate cost allocations.

Monthly total information revenue - APAC ⁽¹⁾



Annual Contract Value - APAC



Annual Contract Value = annualised recurring run-rate revenue + prior 12 months non-recurring

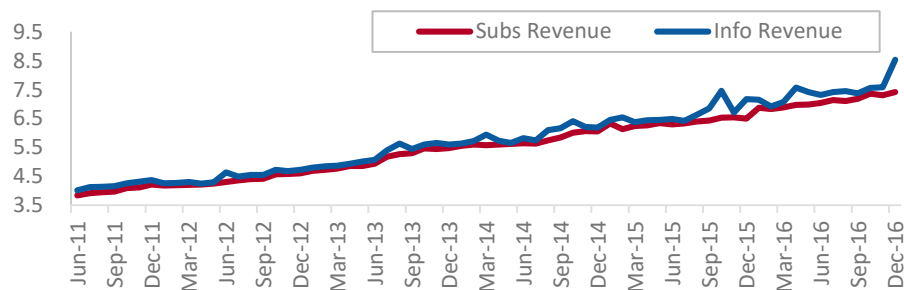
(1) Information revenue represents subscription revenue and other information revenue included within operating revenue and excludes recoveries for services such as news, market data costs and provision of client communication networks.

Australia & New Zealand - Wealth Management

Continuing strong technology demand; Prime on delivery path

AUD (m) (including Financial Synergy)	2015	2016	
Operating Revenue	80.3	93.8	▲ 17%
Segment Profit	38.3	42.7	▲ 12%
Segment Profit Margin	48%	46%	

Monthly total information revenue ⁽¹⁾ (excluding Financial Synergy)



Annual Contract Value (excluding Financial Synergy)



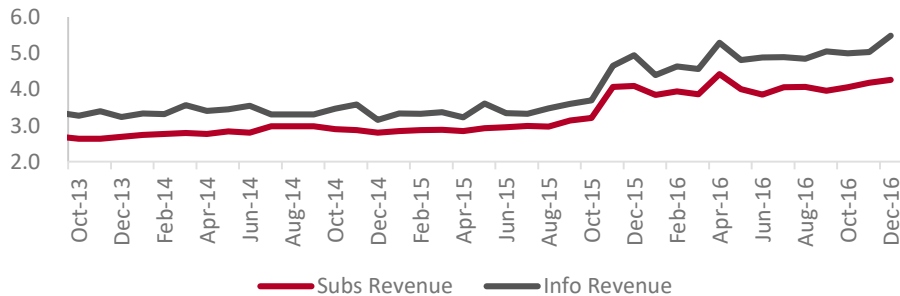
- Revenue growth reflects broad take-up from existing client base, key client projects, and contribution by Financial Synergy of \$4.4m (2 month contribution impacted by seasonality).
- Increasing dynamic of self-licensing by practices, high client retention and increasing demand for integrated solution, all key revenue themes in 2016. Over 90% of revenue is recurring.
- XPLAN Prime achieved key delivery milestone in H2 and receiving positive adviser feedback. Solution is in final stages of build and testing ahead of rollout in 2017.
- Prime continues to generate strong broad interest in retail and industry segments. Broader deployment also anticipated in 2017.
- XPLAN rollout to Securitor progressing well and expected to complete in 2017. IRESS presented as a key Westpac technology partner.
- Several important integrations to augment XPLAN productivity, efficiency and digital advice underway:
 - Integration with SuiteBox for online client meetings in production rollout.
 - Digital click-to-sign solution with SMS verification - important differentiator for end-end online advice authentication and efficiency.
 - Integration between Acuity Online and XPLAN for super-direct digital advice well underway, and positive feedback.
- XPLAN voted number one financial planning software in Australia for 9th consecutive year, with highest functional score in the 11 year history of the Investment Trends analysis.
- Strategic investment in product and technology platform brings range of initiatives in 2017 that continue to enhance advice platform for end user experience and efficiency, and increasing compliance oversight.
- Financial Synergy integration progressing well. Focus on client and product integration and proving digital advice opportunities. Further product and technology investment and opportunities by leveraging technology capacity of broader group.
- Strong support to ongoing Acuity implementation projects by IRESS.

United Kingdom

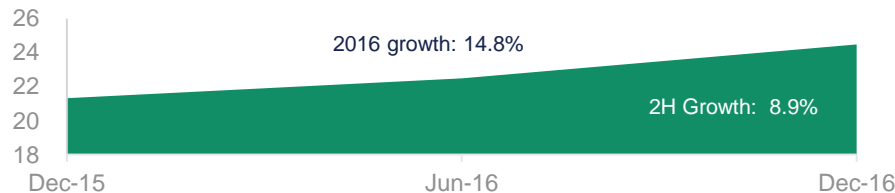
Strong demand and delivery success; no visible Brexit impact aside from FX

GBP (m)	2015	2016	
Operating Revenue	44.6	60.4	▲ 36%
Segment Profit	9.7	14.8	▲ 53%
Segment Profit Margin	22%	25%	

Monthly total information revenue



Annual Contract Value - WM Intermediary Software



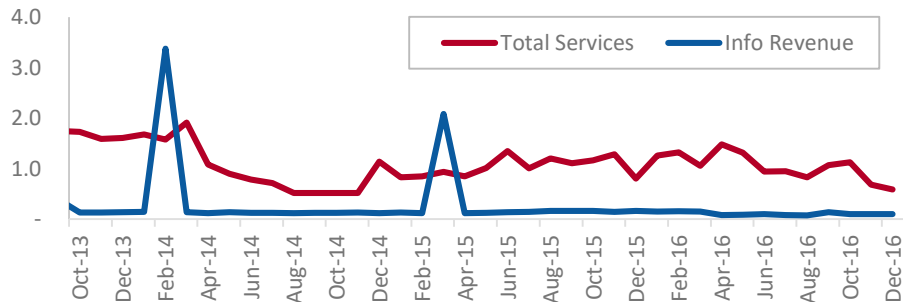
- Revenue growth reflects strong underlying demand, and full year contribution from Proquote and Pulse.
- Intermediary software growth driven by delivered XPLAN implementations, existing client take-up, and strong client retention.
- Recurring revenue represents 90+% of total segment revenue. XPLAN now represents 18% of total segment recurring run-rate revenue (Dec16) which equates to 44% of WM intermediary software revenue.
- Exchange portal revenue marginally softer in 2016 after slow start. H2 revenue up ~8% on H1. Represents ~35% of segment revenue.
- Major PWM milestone achieved in H2 with Tilney Group following delivery of integrated private wealth technology platform. Feedback positive with additional phases underway which will include technology unification with Towry. Proof of differentiated solution meeting technology need from consolidation and growth trends.
- Strategic acquisition value visible with integrated and broad PWM opportunity with Close Brothers Asset Management. Project fees contributed in 2016, licence fees expected in 2017.
- 18 XPLAN implementations current, ranging in size/timing for retail/private wealth. Implementation capability scaled to support growth.
- XPLAN Mortgage deployed to Intrinsic and proving attractive, with growing demand as proven and scaled next generation integrated broking and advice solution. Strong pipeline to drive future growth.
- Ongoing investment achievements: underwriting extensions for protection on Exchange; Provider welcome pack solution for comparative annuity quotes; re-architected business intelligence platform for big data offer across IRESS solutions; multi-asset class transactional integration to Pershing
- Separation of Proquote from LSE infrastructure complete. New London office opened H1 to bring IRESS people together
- Aside from FX, no visible impact of Brexit to date. No change in client decisions or strategic opportunity for IRESS in UK, with underlying regulatory and segment dynamics consistent.
- MIFID II effective Jan 2018 brings technology investment. Integrated data and reporting and alerting underlie opportunities to assist clients with regulatory data burdens.

United Kingdom - Lending

Successful MSO v2 delivery, strategic and financial momentum not reflected in 2016 results

GBP (m)	2015	2016	
Operating Revenue	16.1	14.0	▼ 13%
Segment Profit	3.6	0.6	▼ 85%
Segment Profit Margin	22%	4%	

Monthly revenue



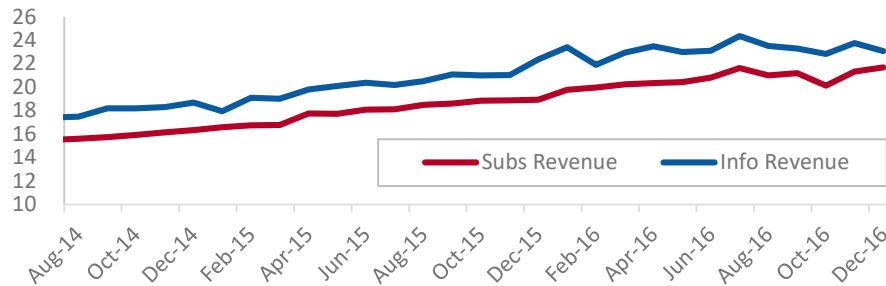
- As expected, the ongoing transition of the business from upfront and services revenue to a recurring licence fee model had an adverse impact on financial results in 2016.
- MSO has been re-engineered using the very latest technologies to deliver a highly configurable and functionally rich solution to support scalable and efficient end-to-end mortgage workflow.
- Productisation efforts proven with production deployment and electronic mortgage processing achieving industry leading metrics.
- Successful delivery to Atom Bank completed in H2 and is driving visible financial and customer experience benefits. Relevance of MSO to Atom as digital start-up is key proof point.
- Following success with Atom, TSB has contracted to implement MSO in 2017. Relevance of MSO to TSB as existing scaled lender looking for technology renewal is further proof point.
- Strong pipeline across all lending market segments.
- Financial results in 2016 reflect planned strategic milestone. Visible and strong MSO V2 demand will support 2017 outcomes and longer-term goals.
- Transition will continue in 2017 with financial results expected to be broadly in line with 2016. Management remains confident of the medium term growth opportunities for this business.

South Africa

Breadth of product offering and scaled capability driving strong growth

ZAR (m) (including INET)	2015	2016	
Operating Revenue	252.3	311.8	▲ 24%
Segment Profit	82.5	107.7	▲ 31%
Segment Profit Margin	33%	35%	

Monthly total information revenue (ex INET)



Annual Contract Value (ex INET)

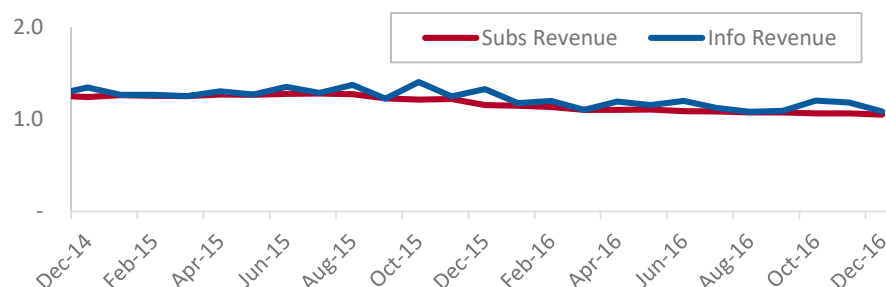


- Continuing strong revenue and segment profit growth of 24% and 31% respectively, following growth in 2015 of 15% and 31% respectively. Strong focus on product leverage and cost control to drive margin.
- Financial markets revenue growth driven by new market entrants and demand for trading and connectivity efficiency, increased market volume activity and broader uptake of IRESS solutions at existing client businesses. Growth in wealth driven by migrations from Spotlight to XPLAN (licence and implementation fees).
- Scaled vendor position demonstrating opportunity for broader leadership and global product delivery. A prominent tier-one bank announced it will replace its proprietary premium online trading solution with Viewpoint. International wealth experience assisting with wealth leadership as SA heads to regulatory change along FOFA & RSR lines.
- New licenses for trading venue competition have been delayed impacting A2X. New exchange license granted to ZARX and live issuance expected Q1. IRESS remains well positioned for multi-market enablement and leadership for broker compliance. Liquidity Pool and BMR deployed in 2016 for internalisation ahead of market changes.
- JSE Integrated Trading and Clearing (ITaC) project to integrate equities and derivatives trading progressing with IRESS support & responsiveness. IRESS opportunity for integrated order management and front-office trading solution in 2017.
- Local post-trade solution deployed with Strate anticipating multi-market trading and strategic product opportunities in securities lending workflow and automation.
- Demand for multi-asset class integration extending to mutual funds presenting opportunities and positive revenue momentum.
- Revenue contribution by INET of R21.0m (2 months). Integration progressing well with focus on backend synergies and integrated solutions for clients. Number of clients already seeking IRESS opportunity for integrated domestic and international market data with trading.

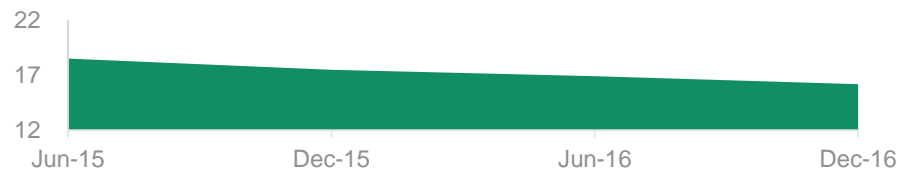
Challenging conditions; diversifying efforts continue and priority

CAD (m)	2015	2016	
Operating Revenue	18.6	16.7	▼ 10%
Segment Profit	2.5	0.7	▼ 70%
Segment Profit Margin	13%	4%	

Monthly total information revenue



Annual Contract Value



- Revenue reflects capital markets conditions that remain challenging, particularly for institutional equity brokers, with a number of firm closures, consolidations and cost reduction initiatives reducing services and competitive pricing.
- Number of investment dealers declined by 10% in 2016 (from 2015), making 18% decline from 2013, despite index and market volume performances.
- Ongoing venue competition maintains rate and pace of change, and cost implications for participants.
- Continue to deliver software improvements for institutional and retail segments in Canada, leveraging ongoing global investment in market data and trading product and technology.
- ViewPoint deployed to tier one bank in Canada positioning differentiated market data offer. IRESS first to innovate and deliver in support of Aequitas PTF launch. BMR continues to be investment area for trading smarts and performance.
- Towards the end of 2016, the implementation project with MD Financial was discontinued. However, business focus remains on delivery of a number of wealth client projects and a healthy pipeline of opportunities. These apply cumulative benefit from investment made to date in product for regionalisation and infrastructure, including back office integration.
- Investment in diversification of business to wealth continues. As a result, cost base reflects this suppressing short term margins and cost response otherwise.
- Opportunity remains in Canada for integrated technology that will be necessary to support wealth journey to address regulatory change and client value propositions. Wealth activity amongst participants heightened. Focus is on immediate delivery objectives.
- Expect 2017 revenue and segment profit to grow but not materially.

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