22 February 2012

The Manager
Company Announcements Office
Australian Stock Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

ELECTRONIC LODGEMENT

Dear Sir or Madam

IRESS 2011 Results - Media Release

Please find attached a media release relating to the company's full year financial results for the financial year ending 31 December 2011.

Yours sincerely,

Peter Ferguson
Company Secretary

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Media Release: 22 February 2012

Adjusted Group profit $59.8 million (2010: $58.4m), up 2.4%

Segment Profits up 3.4% on prior year

Resilient performance in all divisions

Reported Group profit $41.3 million (2010: $50.5m) down 18.1%

Final dividend of 24.0¢, 83% franked

IRESS today announced its results for the financial year ended 31 December 2011. The Company provided the following breakdown of its results.**

		Recurring Operational (a)			
		Financial Markets	**Wealth Management**	**Underlying Group (b)**	**Reported Group**
		(A$m)	**(A$m)**	**(A$m)**	**(A$m)**
Operating Revenue	**2011**	149.254	55.272	204.526	
	2010	128.639	51.171	179.810	
	2009	121.400	48.077	169.477	
Segment Profit (b)	**2011**	68.576	20.539	89.115	
	2010	66.161	19.984	86.145	
	2009	63.479	19.161	82.640	
Profit before tax (b)	**2011**	66.774	19.251	86.025	
	2010	66.574	17.474	84.048	
	2009	60.849	16.316	77.165	
Profit after tax (b)	**2011**	46.409	13.379	**59.788**	**41.341**
	2010	46.269	12.144	**58.413**	**50.479**
	2009	42.291	11.340	**53.631**	**42.807**

*** A more detailed breakdown of operating results is included as an attachment to this release and in the accompanying slide presentation.*
(a) IRESS considers inter-period comparability of results is best presented as the underlying operating results of the relevant businesses calculated excluding share based payments, non-recurring items, and strategic amortisation charges and has presented results consistently in this way for the past 7 years.
(b) A reconciliation of Segment Profits to reported group Profit After Tax is set out in the segment information note (Note 25) included in the Financial Statements accompanying this announcement.

IRESS Directors declared a final dividend of 24.0 cents per share, 83% franked at a 30% tax rate (2011: 24.0 cents per share 66% franked, 3.5 cents per share special unfranked dividend) payable on 29 March 2012.

Overall Group

IRESS Managing Director, Andrew Walsh said the company's 2011 financial result demonstrates resiliency in light of prolonged low equity volumes, uncertainty and volatility in global markets, and reaffirmed commitment to medium-term growth initiatives. "Group revenue growth over the course of 2011 fought against flat momentum and adverse currency movements, but was underpinned by our competitive solutions and a large number of concurrent client implementations. Our investment focus has remained fixed on these deliveries and our new growth opportunities, which together have moderated the financial outcome." Revenue and Segment Profit growth for the year were 13.7% and 3.4% respectively, including contribution from the Peresys acquisition in January, but before allowing for medium-term growth initiatives.

Trading into 2012 has been mixed, with maturing projects and newly commencing client technology initiatives, combined with a widespread focus on cost reductions throughout financial markets given the extended turbulent climate. Demand remains for our solutions, particularly in areas providing direct savings, and those with which our clients can enhance services and engagement with their end clients. However, we retain caution given the environment and expect conditions for at least the short term to moderate underlying financial growth, suggesting that flat 2012 segment profits before growth investments would represent a good result.

2012 will also see the full implementation of previously announced organic growth initiatives, most notably in the UK. Our confidence in the merit of these investments is undiminished despite the ongoing difficult environment. While having a short-term impact on group expenses, we remain convinced of the medium and long-term potential for strong growth, and have no doubt that in these cases, our approach is the best balance of risk and reward for creating shareholder value. Acquisitions where these make sense to bring forward growth, continue to be considered within the parameters of our longstanding risk profile.

Dividend

In November 2011, at the time of announcing IRESS' UK initiative, the board flagged its intent to reconsider dividend policy by considering an earnings basis that reflects the group's growth investments.

The IRESS dividend policy is to maintain a payout ratio of not less than 80% of underlying group earnings (including all growth investments). Where possible, and subject to accounting limitations, a higher payout ratio will be sought in order to partially offset the impact of growth investments.

Dividends will continue to be franked to the maximum extent possible. Taking into account our current business mix and outlook, the sustainable level of franking going forward is expected to be around 90% assuming a payout ratio of 80%.

In respect of second half earnings, directors declared a dividend of 24.0c, franked at 83%, bringing the full year dividend to 38.0c.

The 2011 final dividend brings the full year dividend payout to 80.7% of adjusted earnings, and this heightened payout adversely impacts the level of franking, below the expected 90%.

FINANCIAL MARKETS

Australia & New Zealand

Revenue growth was strongly associated with project deliveries in the commencing and final periods of the second half, aligned with client preparation for multiple trading venues. Revenue for our leading range of multi-markets products and services commenced once venue competition opened in October. In contrast, the impact of MF Global, and increased cancellations coming from the prolonged poor conditions, produced a flatter half on half result.

Investment in preparing and delivering solutions for transition and client positioning through the most significant change in Australia's trading micro-structure has been heightened. While it is early days in the gradual fragmentation of liquidity in Australia, IRESS is well prepared for the opportunities presented in this increased complexity for our client base.

The business grew revenue by 4.2% over the year, and additional investment in anticipation of deliveries and new revenue opportunities produced a Segment Profits decline of 4.4%.

Business Outlook:

Trading into this year has commenced with mixed experience, positive revenue momentum from late 2011, impacts of the prolonged and challenging conditions and increasing cost consciousness, together with demand for our solutions driven by regulatory change and client initiatives.

We continue to remain cautious given the trading climate and note the difficulty in predicting return to revenue growth beyond current levels. Our focus remains on product delivery and service, and we are pleased by opportunities presented by our comprehensive solutions that offer direct savings to clients and to enhance their services and client engagement.

Under a similar revenue profile, with no material change to staffing headcount but with the annualised impacts of staffing from 2011, expect to see flat to lower Segment Profits in the year.

Canada

Growth in Canada over the year has been resilient, with additional revenue associated with project completions, yet Canada continues to be affected by prolonged macro conditions producing growth well below historical levels. In the second half, with positive momentum from the first half, revenue grew by 10.9% (CAD) and a strong impact through to Segment Profit of 13.5% (CAD).

While the Canadian business grew revenue strongly in local currency terms, this result was moderated by strong currency movements translating to 2.0% revenue growth and Segment Profit of 4.5% in Australian dollars.

Business Outlook:

Trading into this year has commenced flat in aggregate as we experience mixed conditions. Opportunities continue to present in areas of differentiated product and where end client experiences can be improved or augmented, which is where our additional products in Canada are focussed. Despite very difficult conditions our target remains for positive Segment Profit growth for the twelve months to December 2012.

South Africa

The acquisition of Peresys was completed on 20 January 2011. Focus over the year has been to seed new product opportunities in response to client demand, and integrate business operations.

Revenue comprises approximately 90% subscription and the remainder generated by volume based services. With good growth in subscription revenue over the period across products, revenue overall has been influenced by volume levels and associated volatility. The macro climate and its impact on volumes and client businesses is no less relevant in South Africa.

In local currency, revenue growth in the second half was up 20.4% and corresponded to Segment Profit growth of 20.0%, recognising part of January missing from the H1 result. The Australian dollar result has been negatively impacted by currency movements to achieve a near flat Segment Profit growth in the second half.

Business Outlook:

Trading this year has commenced slightly ahead of average monthly revenue in the second half, with mixed impacts of volume based revenue. We anticipate numerous opportunities from our combined product range and service model over the course of this year, and will play a strategic role in South Africa by providing a seamless path for our clients through forthcoming changes to exchange infrastructure.

While we expect some costs in delivering and supporting new infrastructure, it is through these activities we expect solid Segment Profit growth in the future.

Asia

Revenue growth in Asian financial markets had been pleasing as we continued to build capability and respond to new opportunities. However, revenue was impacted late in the second half by MF Global. This was material for the division but we anticipate offsetting by surrounding opportunities.

Business Outlook:

Our cost base in Asian financial markets has been further established over 2011. We will continue to assess the appropriateness of the investment limit against the opportunities presented. In 2012, we expect to be on or around the limit of $2.0m pa other than timing of opportunities offsetting MF Global revenue.

Growth opportunities in the region may also include acquisitions where these make sense.

WEALTH MANAGEMENT

Australia & New Zealand

Wealth Management has continued to deliver good growth through differentiated product capability, demand for tangible efficiency savings through technology, and enhanced adviser workflow and end client experience. The resulting revenue growth over 2011 was 12.2%, with increase to Segment Profit of 8.7%.

Contributing to this growth have been numerous new and transitional rollouts that have presented new needs and opportunities, in addition to broad organic opportunities across the client base and product range as clients look to efficiency.

The wealth management sector is not immune from the economic climate and the secular changes driven by advice reform, which includes consolidation. But while it remains difficult to anticipate exactly how the segment will be impacted in the longer-term, our experience amidst current conditions has been positive and demonstrates our important role in providing flexible solutions allowing clients to reposition themselves for growth.

Business Outlook:

Trading in the first half of 2012 has continued with positive momentum from the previous half, and a number of opportunities and projects continue such that we expect to see positive Segment Profit growth over the coming year.

<u>South Africa</u>

The South African business continues to support its client base and the significant projects underway for migration to XPLAN, against the significant impact of client roll-offs previously flagged. While these offsets are small in a group sense, they represent material amounts for this business. Opportunities continue for our integrated advice platform that offers direct cost savings, efficiency and best practice opportunities for our clients.

Business Outlook:

We maintain positive outlook to medium term growth as we progress large-scale implementations of XPLAN to our major clients. In the short-term, revenue impacts will be stabilised ahead of these committed new rollouts, to produce flat Segment Profit in 2012.

<u>Asia</u>

Opportunities in the region continue to provide confidence in our medium-long term prospects that span various segments in wealth management from tied sales, to independent advice networks, to expatriate advice franchises and private banking. We continue to progress product and business building given our medium term outlook.

Business Outlook:

Our cost base for wealth management remains below its annualised limit of a $2.0m pa net loss, which will continue to be managed and reviewed against confidence in prospective opportunities and delivery requirements.

<u>United Kingdom</u>

In November 2011, IRESS announced the launch of its Wealth Management division in the United Kingdom on the back of its selection as strategic supplier of wealth management advice technology by the largest distributor of retail financial advice in the UK.

IRESS' goal is to establish a competitive and comprehensive advice platform to meet the needs of the UK advice market, and over time to build a business similar to its leading wealth management operations in other markets. The UK division has been initiated with a local management team, with the local team growing based on deliverables.

The new division is underpinned by a long-term supply agreement, with 2012 dedicated to localisation and commencement of rollout, and minimum fees payable from 2013. During the initial years of the rollout phase, the seed licence fee revenue will be insufficient to offset operational expenses as IRESS focuses on establishing its presence. IRESS' net Segment Profit operational funding requirement during the establishment phase will be fully expensed and limited to $5.0m per annum, subject to regular review.

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Detailed Results Analysis:

		Financial Markets					Wealth Management					Underlying Group	Strategic / Non Op Chgs	Group Total
		A&NZ (A$m)	Canada (C$m)(c)	RSA (Rm)(c)	Asia (A$m)	Total (A$m)	A&NZ (A$m)	UK (GBPm)	RSA (Rm)(c)	Asia (A$m)	Total (A$m)	(A$m)	(A$m)	(A$m)
Recurring Operational (a)														
Operating Rev	**2011**	108.919	24.606	114.210	1.061	149.254	49.122	-	44.323	0.159	55.272	204.526	-	204.526
	2010	104.538	22.189	-	0.613	128.639	43.783	-	47.327	0.317	51.171	179.810	-	179.810
	2009	99.095	19.667	-	0.202	121.400	41.291	-	44.244	-	48.077	169.477	-	169.477
Segment Profit	**2011**	56.289	8.423	41.838	(1.454)	68.576	20.289	(0.078)	12.592	(1.320)	20.539	89.115	-	89.115
	2010	58.904	7.423	-	(0.586)	66.161	18.637	-	16.542	(1.121)	19.984	86.145	-	86.145
	2009	56.635	6.243	-	(0.176)	63.479	16.929	-	14.536	-	19.161	82.640	-	82.640
Profit before tax (b)	**2011**	55.412	7.842	41.032	(1.706)	66.774	19.051	(0.078)	12.393	(1.341)	19.251	86.025	(17.827)	68.198
	2010	60.114	6.853	-	(0.780)	66.574	16.273	-	15.629	(1.131)	17.474	84.048	(9.560)	74.488
	2009	55.151	5.308	-	(0.268)	60.849	14.240	-	13.519	-	16.316	77.165	(13.916)	63.249
Profit after Tax (b)	**2011**	38.511	5.450	28.517	(1.185)	46.409	13.240	(0.054)	8.613	(0.932)	13.379	**59.788**	(12.390)	47.398
	2010	41.779	4.763	-	(0.542)	46.269	11.309	-	10.862	(0.786)	12.144	**58.413**	(6.644)	51.769
	2009	38.330	3.689	-	(0.186)	42.291	9.897	-	9.395	-	11.340	**53.631**	(9.672)	43.959
SBP & Non-Recurring:														
Share Based Pmts.	**2011**	-	-	-	-	-	-	-	-	-	-	(7.091)	-	(7.091)
	2010	-	-	-	-	-	-	-	-	-	-	(6.899)	-	(6.899)
	2009	-	-	-	-	-	-	-	-	-	-	(7.602)	-	(7.602)
Total Non-Rec Exp. Before Tax	**2011**	(0.364)	(0.229)	(1.063)	(0.014)	(0.743)	(0.202)	-	0.073	0.002	(0.212)	(0.955)	-	(0.955)
	2010	(0.181)	0.070	-	0.085	(0.024)	0.268	-	0.198	(0.035)	0.261	0.237	-	0.237
	2009	0.018	(0.090)	-	0.012	(0.071)	(0.001)	-	0.124	-	0.285	0.214	-	0.214
Tax on SBP & Non Recurring items	**2011**													1.988
	2010													5.372
	2009													6.236
Reported:														
Profit after tax	**2011**													**41.341**
	2010													**50.479**
	2009													**42.807**

(a) More commentary on operating results, share based payment ("SBP") expenses, non-recurring items and strategic charges are included in the accompanying slide presentation.
(b) The Recurring Operational totals have been calculated before SBP expenses as inter-period comparability is affected by changes in the vesting period of share grants.
(c) Please note figures in this column are reported in the underlying natural currency for this business segment.