

Trading update

In August 2017 IRESS provided guidance that second half revenue and Segment Profit growth would be strong and that this would, in turn, lead to strong full year growth on a constant currency basis.

Momentum of revenue growth has increased in the second half and IRESS expects full year 2017 revenue will be between \$435m and \$440m (on a constant currency basis¹), which represents 12-13% growth on 2016.

However, IRESS expects a softer Segment Profit result for the full year of between \$123m and \$128m on a constant currency basis. This is because in addition to normal operating costs during the year, investments were reasonably made during 2017 to achieve revenue above the top-end of the range indicated. Despite stronger levels of client activity and projects in the second half, the timing of client decisions means IRESS does not expect to achieve revenue over and above this range.

Cost growth in the second half has been moderate and largely reflects the impact of hiring decisions from the first half and annual salary adjustments.

IRESS CEO, Andrew Walsh, said: “Our integrated products are market-leading and long-term drivers of revenue and earnings growth and we continue to have a strong pipeline of short-medium term opportunities including in key markets, for 2018 and beyond. While period on period revenue and cost growth will always remain subject to the timing of client implementations and significant regulatory change, we continue to make investment decisions for the medium to long term.”

Ends

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¹ Using average full year 2016 FX rates