



## FULL YEAR RESULTS - DECEMBER 2011

**iress**

# IRESS 2011 RESULTS

- Underlying Group profit \$59.8 million (2010: \$58.4m, up 2.4%). Before growth investments \$62.0m (2010 \$59.7m, up 3.7%)
- Revenue growth softer in first half in line with market conditions.
- Continued headcount growth to support implementation of multimarket environments
- Appreciation of AUD impacted Canada and South Africa Australian dollar contribution
- Group (ex Investments & Peresys): Revenue up 5.1% and Group Segment Profit down 1.6% on 2010.
- Peresys Contribution: Revenue \$15.3m, Segment Profit \$5.5m
- Reported Group profit \$41.3m (2010: \$50.5m, down 18.1%).
- Final dividend of 24.0¢ 83% franked (2010: 24¢ 66% franked & 3.5¢ unfranked special).

# SEGMENT PERFORMANCE AGAINST PRIOR HALF

## FINANCIAL MARKETS

- Aust & NZ
  - Op Rev up 1.7% (up 4.2% on PY)
  - Seg Profit down 2.4% (down 4.4% on PY)
  - PAT down 2.8% (down 7.8% on PY)
- South Africa (ZAR) H2'11 (*no full prior half*)
  - Op Rev R62.4m AUD 8.0m
  - Seg Profit R22.8m AUD 2.9m
  - PAT R15.6m AUD 2.0m
- Canada (CAD)
  - Op Rev up 7.1% (up 10.9% on PY)
  - Seg Profit up 15.4% (up 13.5% on PY)
  - PAT up 15.4% (up 14.4% on PY)
- Asia (AUD) H2'11 (*start up phase*)
  - Op Rev \$0.5m H1'11: \$0.5m
  - Seg Profit \$(1.0)m H1'11: (\$0.5m)
  - PAT \$(0.8)m H1'11: (\$0.4m)

# SEGMENT PERFORMANCE AGAINST PRIOR HALF

## WEALTH MANAGEMENT

- Aust & NZ
  - Op Rev up 7.5% (up 12.2% on PY)
  - Seg Profit up 8.9% (up 8.7% on PY)
  - PAT up 9.2% (up 16.9% on PY)
- South Africa (ZAR)
  - Op Rev up 2.6% (down 6.3% on PY)
  - Seg Profit up 44.6% (down 23.9% PY)
  - PAT up 49.9% (down 20.7% PY)
- United Kingdom (GBP) (*start up phase*)
  - Op Rev \$ 0.0m
  - Seg Profit \$ (0.1)m
  - PAT \$ (0.1)m
- Asia (AUD)
  - Op Rev \$0.1m H1'11: \$0.1m
  - Seg Profit \$(0.7)m H1'11: (\$0.6m)
  - PAT \$(0.5)m H1'11: (\$0.4m)

# GROUP PERFORMANCE AGAINST PRIOR YEAR

|   |                                     |  |                          |
|---|-------------------------------------|--|--------------------------|
| • Underlying Group Profit                 | \$59.788 m                          |  |                          |
|   | Up \$1.375 m, up 2.4% on prior year |  |                          |
| • Segment Contribution against prior year | \$A                                 |  |                          |
| • Financial Markets Aust/NZ               | (3.268)                             |  |                          |
| • Financial Markets Canada                | 0.273                               |  |                          |
| • Financial Markets RSA                   | 3.778                               |  |                          |
| • Wealth Management Aust/NZ               | 1.914                               |  |                          |
| • Wealth Management RSA                   | <u>(0.467)</u>                      |  |                          |
| <i>sub-total</i>                          | 2.230                               |  |                          |
| • Financial Markets Asia                  | (0.626)                             | } Early phase organic<br>growth businesses |                          |
| • Wealth Management Asia                  | (0.146)                             |  |                          |
| • Wealth Management UK                    | <u>(0.083)</u>                      |  |                          |
|   | \$1.375                             |  |                          |
| • “Published” PAT                         | \$41.341                            |  | 18.1% down on prior year |



# GROUP SEGMENT PROFIT MARGINS

| Group Segment Profit Margin:% |           | H1 2010 | H2 2010 | H1 2011 | H2 2011 | 2009  | 2010  | 2011  |
|-------------------------------|-----------|---------|---------|---------|---------|-------|-------|-------|
| Revenue per Media Release     |           |         |         |         |         |       |       |       |
| Fin Mkts                      | Aust      | 56.3%   | 56.4%   | 52.7%   | 50.6%   | 57.2% | 56.3% | 51.7% |
|                               | Can (CAD) | 33.6%   | 33.3%   | 32.9%   | 35.4%   | 31.7% | 33.5% | 34.2% |
|                               | RSA (ZAR) |         |         | 36.7%   | 36.6%   |       |       | 36.6% |
| Wealth Mngt                   | Aust      | 42.5%   | 42.8%   | 41.0%   | 41.5%   | 41.0% | 42.6% | 41.3% |
|                               | RSA (ZAR) | 32.9%   | 37.0%   | 23.5%   | 33.2%   |       | 35.0% | 28.4% |

- Margins impacted by:
  - Flatter revenues
  - Increased headcount to support client projects
  - Investment for medium-term growth
  - Two sizeable bad debts

## STRATEGIC CHARGES

- \$17.827m for year (2010:\$9.560m)
  - Change primarily from \$9.125m of amortisation charges arising on assets recognised as part of transactions entered into with Peresys.

IRESS continued with:

- Amortisation of purchased intangibles such as Computer Software;
- No capitalisation of software development expenditure post-acquisition of business.

## NON-RECURRING EXPENSES

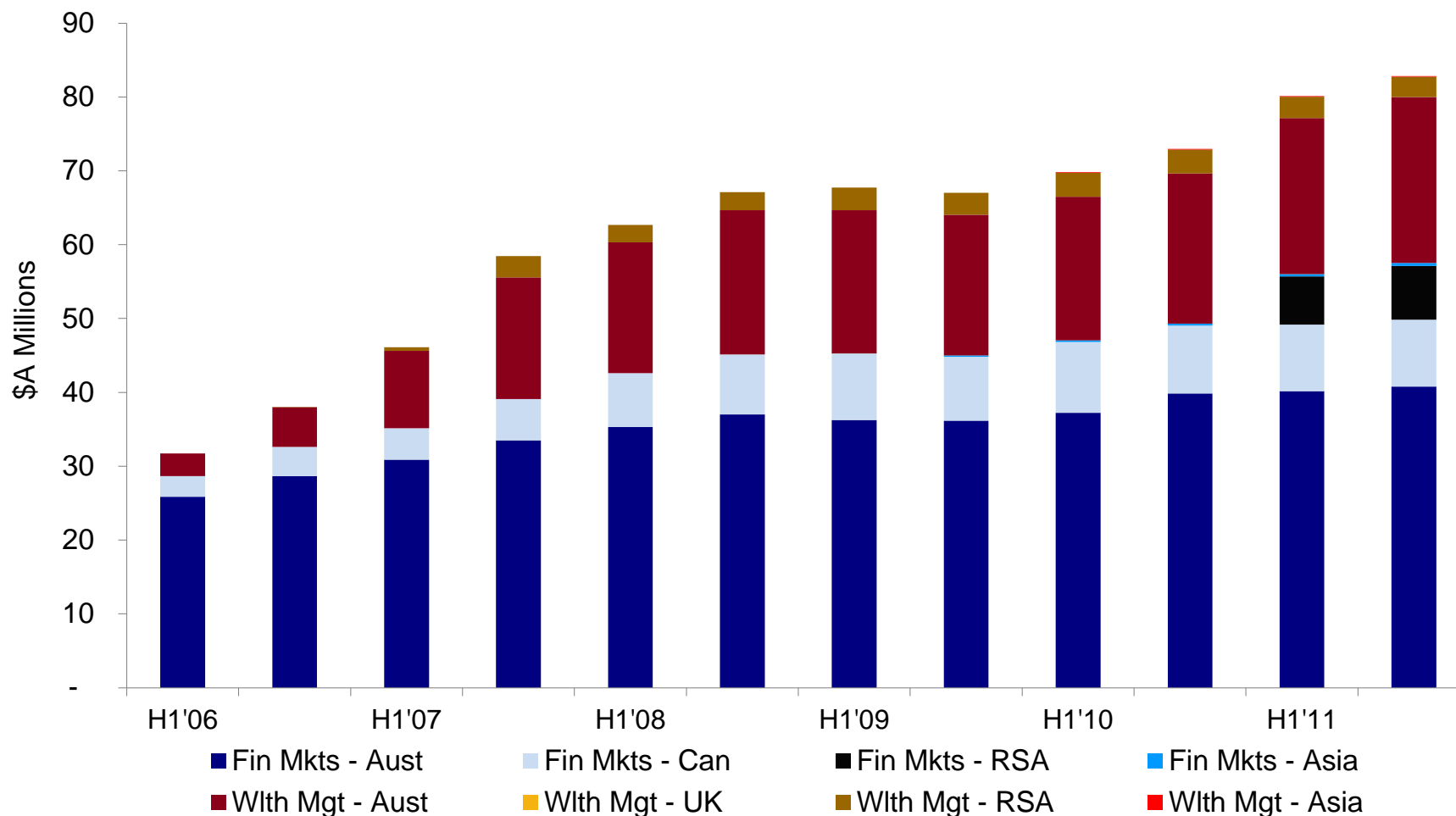
Net non-recurring expenses before tax of (\$0.955)m, includes:

- (0.793) acquisition costs
- (0.037) realised FX loss
- 0.155 other non-recurring contribution
- (0.280) other non-recurring expenses

## TAX EXPENSE

- Deductible costs associated with employee share plans reverted to normal in H1'11 after favourable impacts in H1'10, H1'09 and H1'08.

# GROUP RECURRING SUBSCRIPTION REVENUE\*

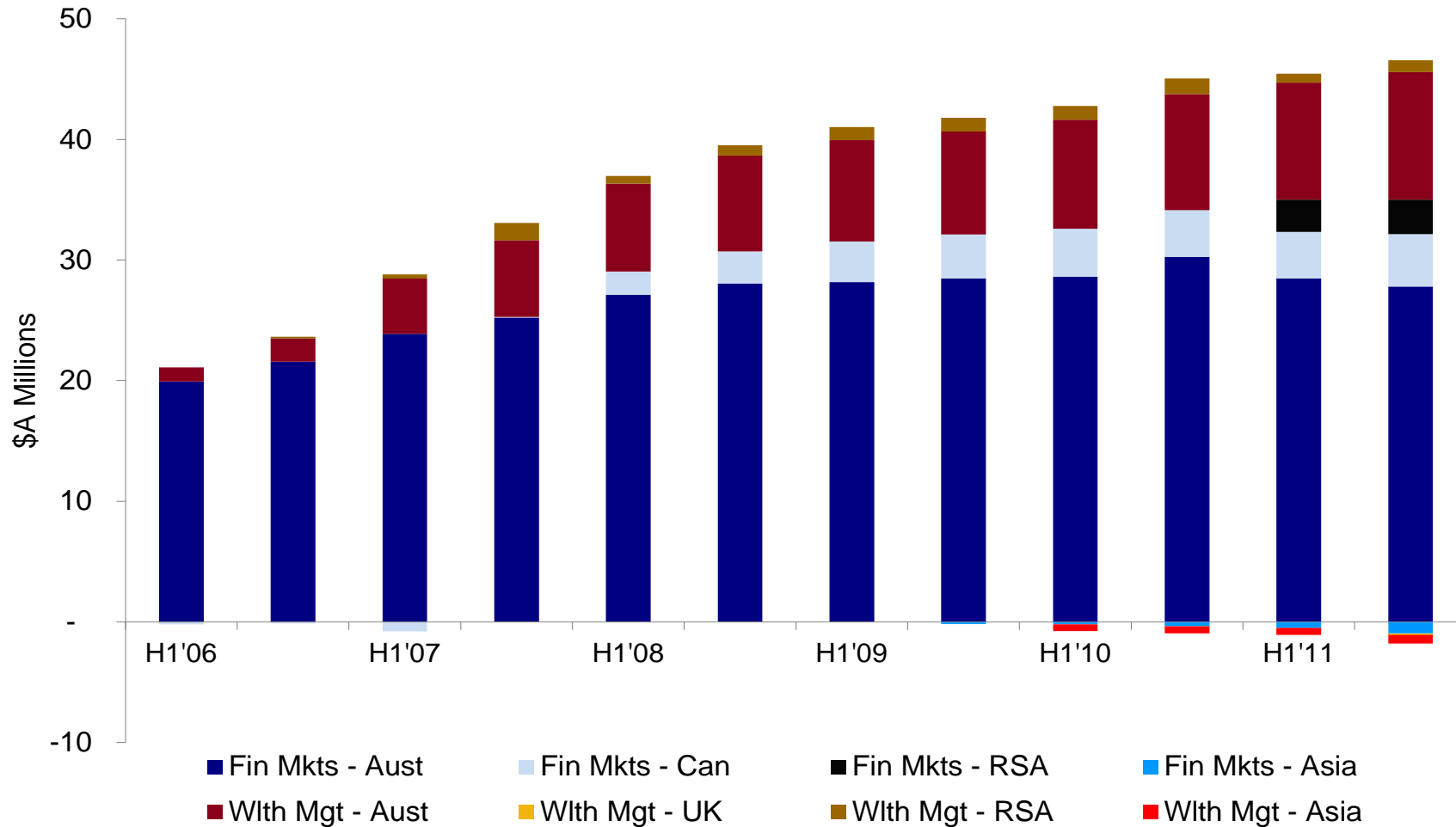


\* Excludes revenues on recoveries for services such as news, market data costs and provision of client communication networks





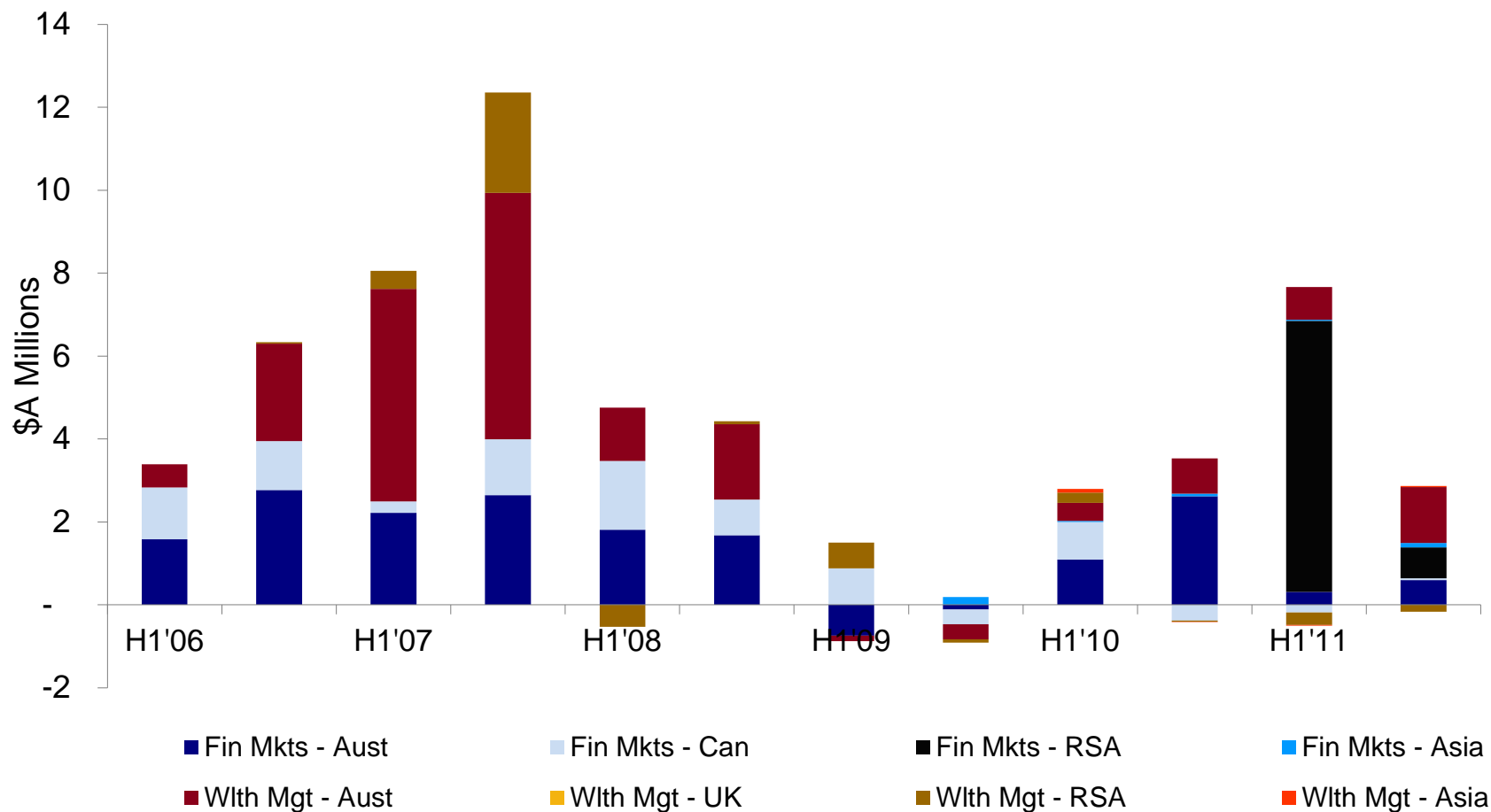
# GROUP SEGMENT PROFIT \*



\* Definition of Segment Profit as per IRESS Media Release



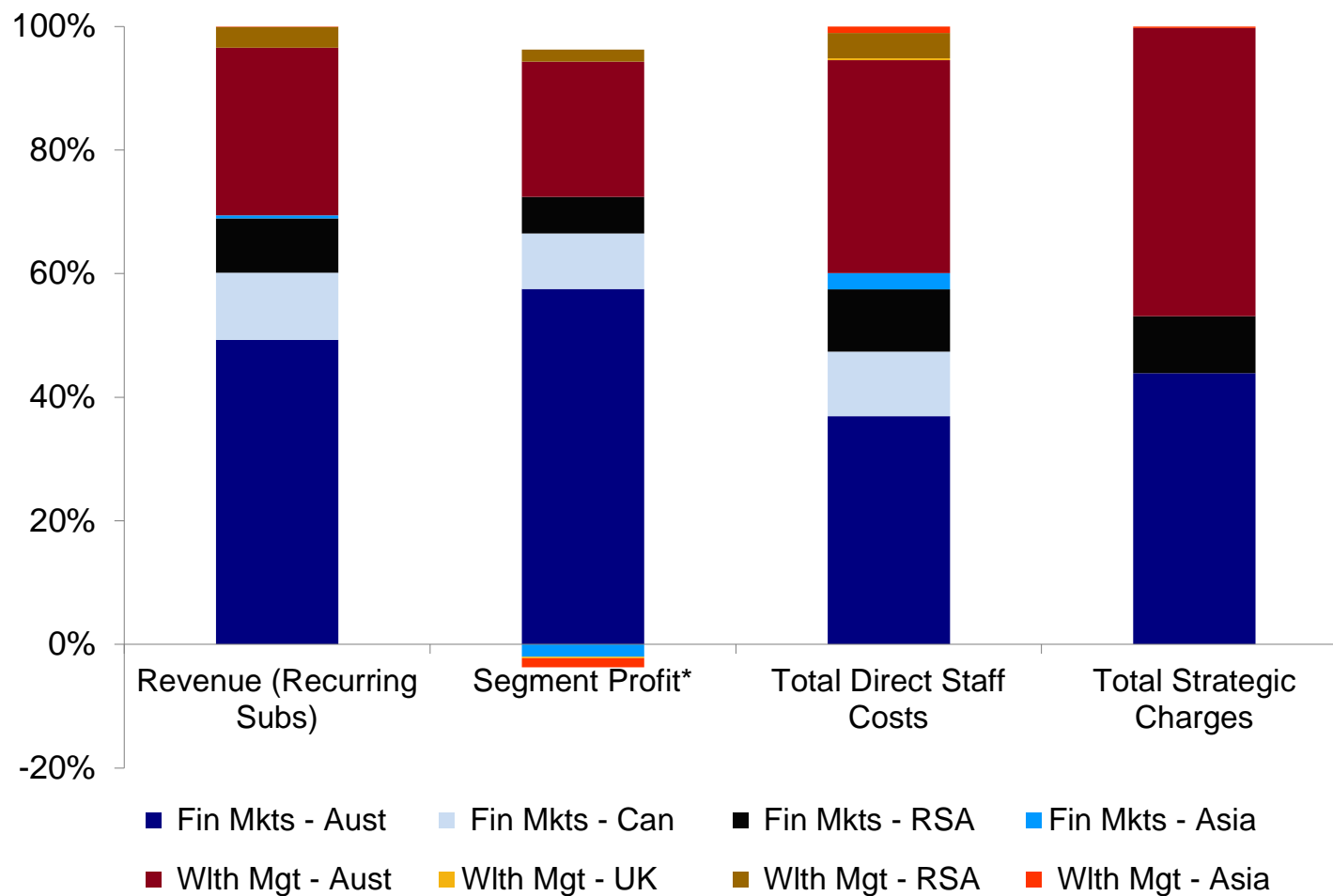
# CHANGE IN GROUP RECURRING SUBSCRIPTION REV.



\* Definition of Group Segment Profit as per IRESS Media Release



# RELATIVE IMPACT H2'11

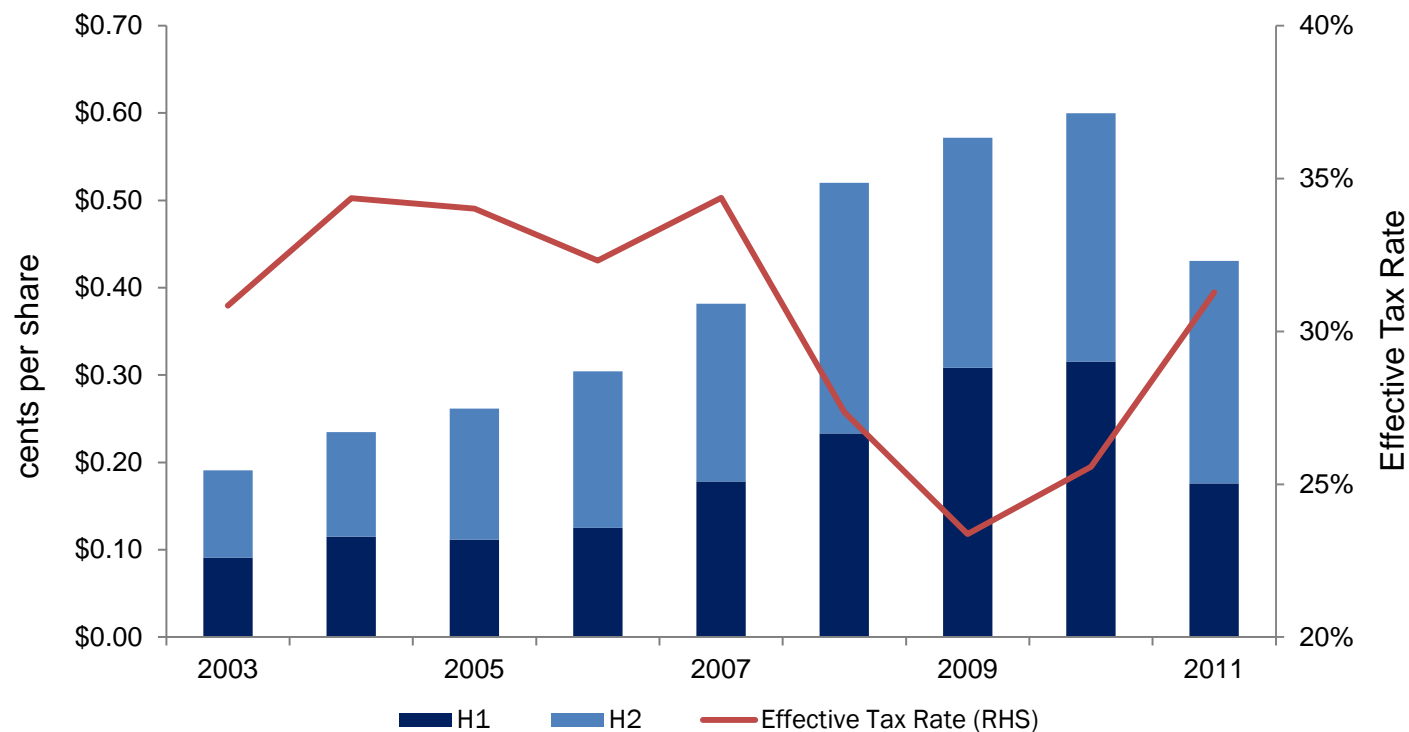


\* Definition of Segment Profit as per IRESS Media Release



# OPERATING CASHFLOW PER SHARE\*

- Cash generation from the business impacted by return to normal effective tax rate in H1'11

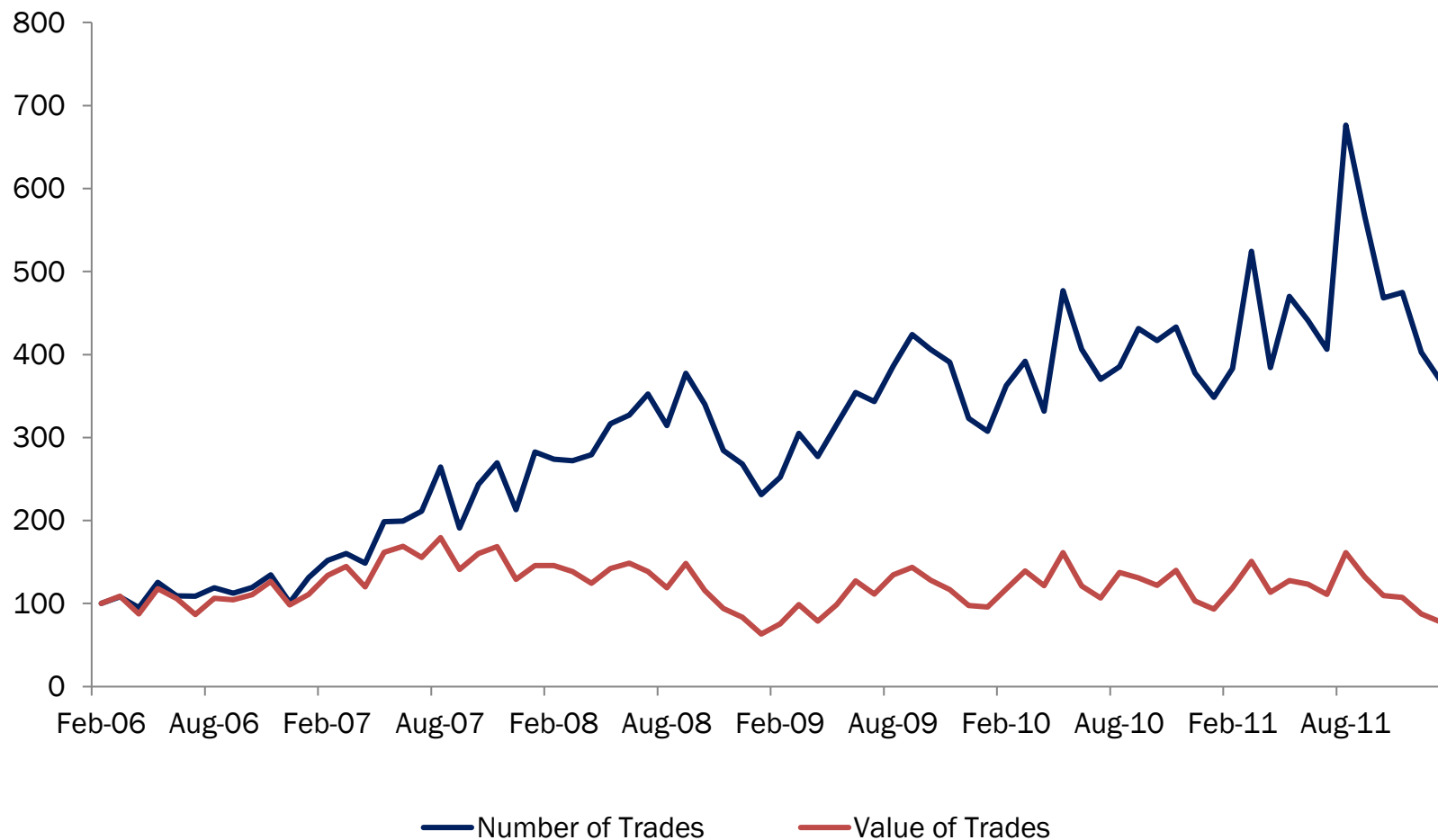


\* Calculated as Net Cash from Operations ÷ No. of shares on issue at end of period

# IRESS GROUP OUTLOOK

- Trading 2012
  - Ongoing challenging environment.
  - Mixed experience into first half, with both revenue commencing from projects, and widespread focus on cost savings at all levels.
  - Positive momentum from prior half, but flat aggregate experience over course of H1.
- Outlook
  - Demand for solutions remains, heightened in differentiated products and segments.
  - Growth moderated by cost and consolidation dynamics in prolonged poor market dynamics.
  - Net result anticipating flat to lower Group Segment Profit growth in FY 2012 (before investments), with a neutral target.
  - Committed to investment in medium and long term growth opportunities.

# DAILY TRADES ON THE ASX



## FINANCIAL MARKETS – AUSTRALIA & NZ

- Reduced H2 2011 result from flatter momentum and increased operating costs:
  - Revenue increased 1.7% on H1 2011 (up 2.3% pcp)
  - Segment Profit decreased 2.4% on H1 2011 (down 8.1% pcp)
- Net revenue growth higher in H2 than H1:
  - Growth in late H2 aligning to project activity, but few data points.
  - Server-based revenue primary contributor.
  - Still below historical levels
- Heavily invested in headcount, supporting large-scale transition and opportunities across client base.

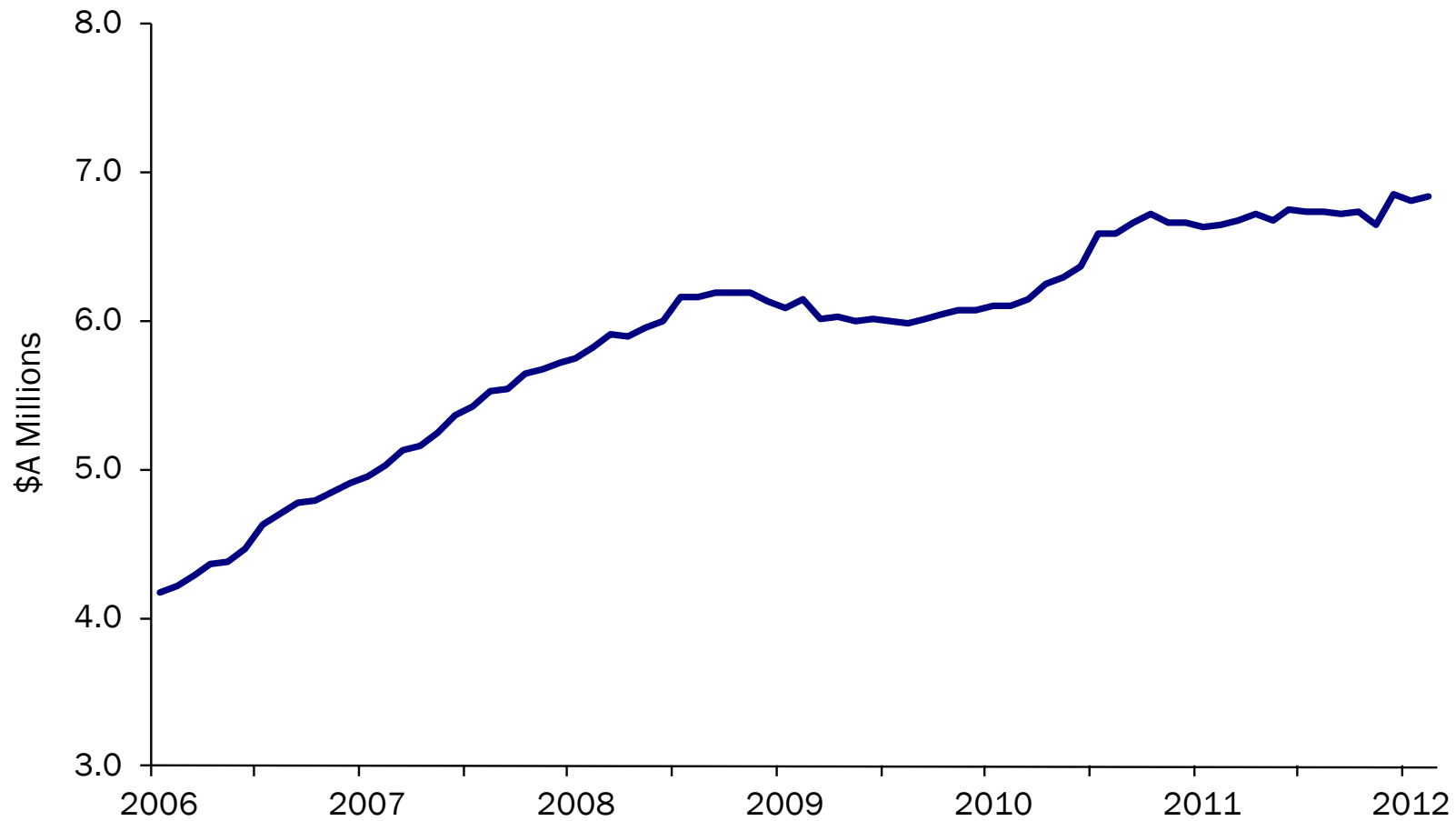
# FINANCIAL MARKETS - 2011

- Multi-markets transition/opportunities
  - 10,000 users upgraded for consolidated market data all venues
  - 19 of 22 brokers live on ChiX launch used IOS+
  - 59 IOS+ servers now in production multi-market featured
  - BMR in production with 15 clients
  - Liquidity view and trade-through analysis (best-ex) tools available
  - OTW trading terminal providing multi-market upgrade path for ITS users
  - ION 10GB low latency network established, used by 7 of top 10
  - Liquidity Pool and auto-crosser in production with 3 clients
- IOS+ key role in providing high capacity flexible order management across all venues.
- OTW+BMR standalone trading terminal with limited functionality to match ASX BEST.
- Low-latency IRESS eco-system offering superior technical and cost outcomes to clients.
- Extended retail product suite including new web and mobile (iphone, ipad, Android) offerings.





# FINANCIAL MARKETS – MONTHLY SUBSCRIPTION REVENUE



Up to February 2012



# FINANCIAL MARKETS - OUTLOOK

- 2012 outlook:
  - Revenue growth end H2/early H1 aligning to project deliveries.
  - Revenue losses from Minc & MF Global lowered run rate into 2012.
  - Continued level of client project activity demands delivery focus.
  - Transition to multi markets to continue during 2012.
  - Increase in cost consciousness after prolonged poor conditions and additional regulatory burdens. Impacting all participants.
- Expect at least short-term continuation of conditions and retain cautious position.
- Assuming revenue growth at similar levels, annualised impact of prior staff increases but without material headcount change, expect slightly reduced Segment Profit for the year.

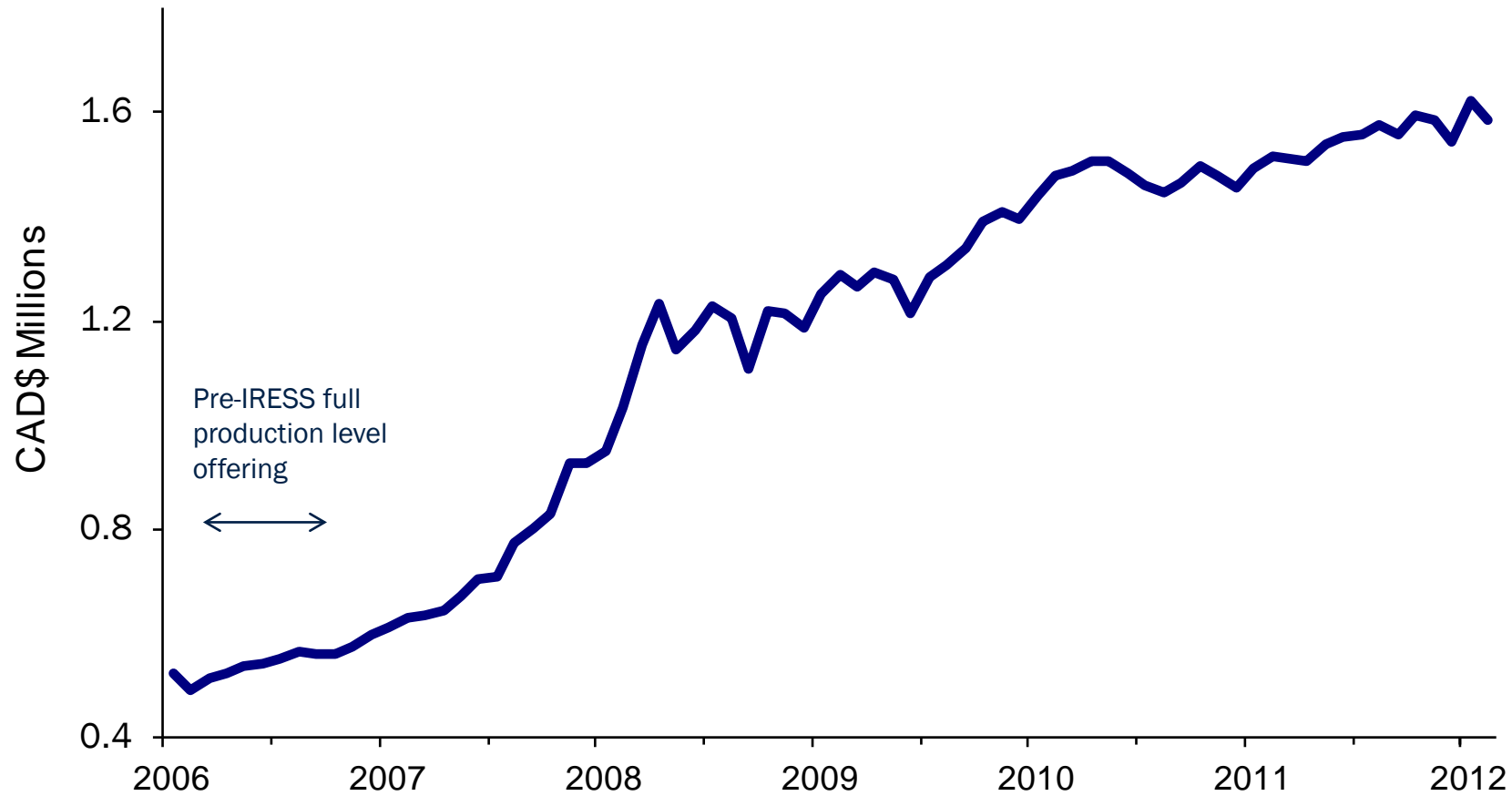
## CANADA - OVERVIEW

- Resilient result.
  - Revenue (CAD) increased 7.1% on H1 2011 (up 14.6% on pcp)
  - Segment Profit (CAD) increased 15.4% on H1 2011 (up 21.9% on pcp)
- Margin improvement from increased content cost recovery, and implementation project fees.
- AUD result impacted by adverse currency movements.
- Revenue growth strongly correlated to client projects and rollout.
- Prolonged conditions continue to increase pressure on clients and cost focus.
- Opportunities in differentiated market segments, client cost savings, and enhanced user workflow.

## CANADA – 2011

- Positive progress on institutional order management with clients and prospects. Now in broader client base rollout. Continues to be core strategic focus.
- IRESS BMR shows continued high performance delivery of trade-through compliance and advanced routing features. Lead indicator for Australian experience.
- Enhanced North American Trading Module “FXM” ready for production, offering high performance and further flexibility in cross border settlements.
- Competitively priced desk automation trading algorithms ready for production. Response to client demand and increasingly electronic environment.
- Market data desktop with analysis tools well received as essential in fragmented market.
- ION now deployed, enhancing ultra low latency trading ecosystem in Canada.
- IRESS infrastructure performed extremely well during record volatility and volume rates.
- Retail order management extensions now in rollout with seed client. Differentiating features and expect applications in many other firms.
- Retail online trading and market data suite differentiated competitively with a number of opportunities continuing.

# CANADA – MONTHLY SUBSCRIPTION REVENUE\*



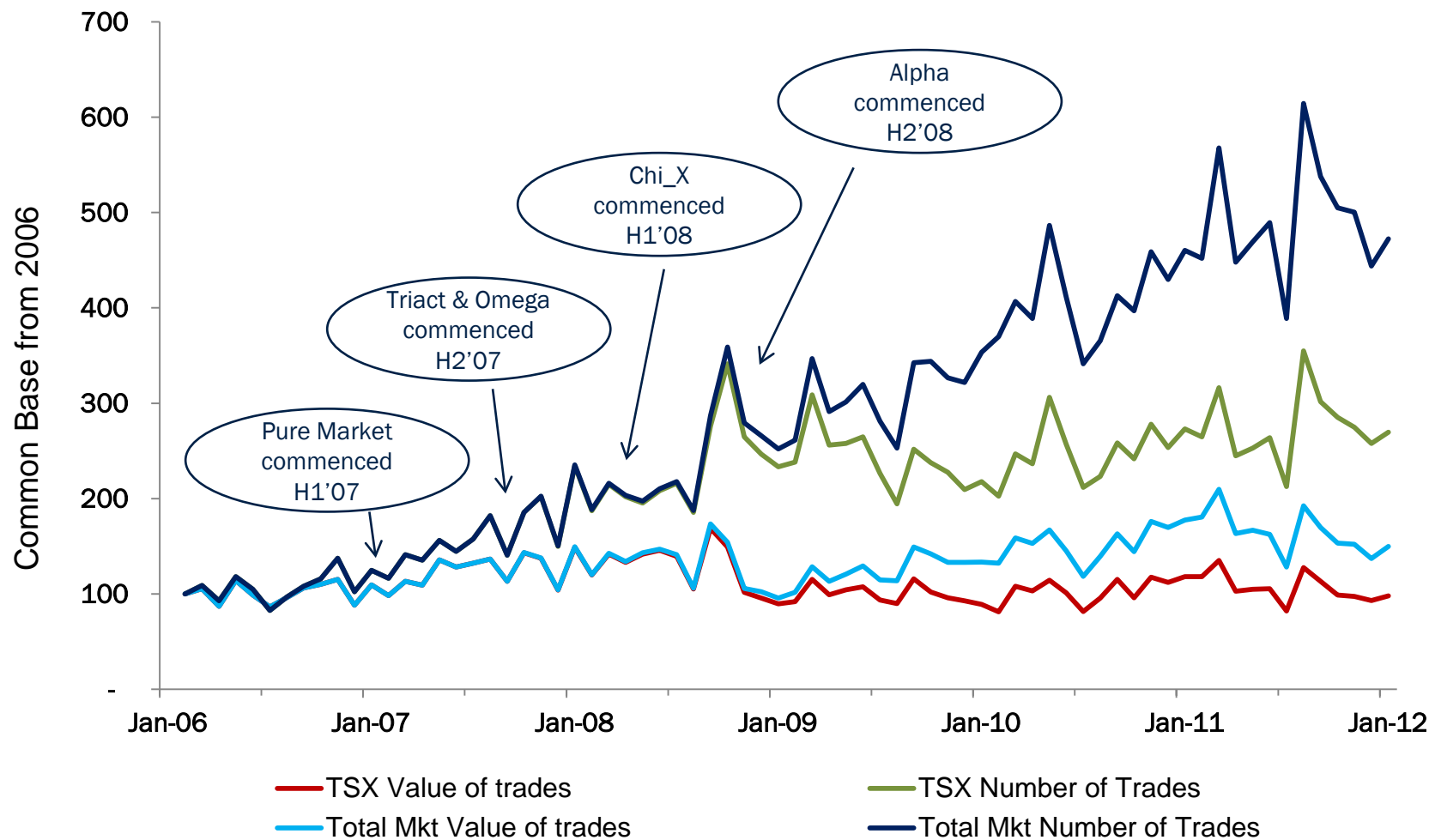
\*Assumes 100% ownership  
Up to February 2012



## CANADA - OUTLOOK

- 2012 outlook
  - Trading has commenced flat in aggregate in H1 in mixed conditions.
  - Continuing uncertainty with TMX/Alpha merger. Alpha status is now as full exchange, and will begin listing securities in April.
  - Extreme and prolonged low volume environment continues cost bias, with regulatory and competitive pressure ongoing.
  - Continued level of client project activity demands delivery focus.
  - In the short term the business continues to target positive Segment Profit growth in 2012.
- Opportunities exist in this environment as clients look to outsource, refocus on core business, and increase their client servicing activities.
- We continue to focus on new opportunities for growth including extensions to our product range and strategic operating segments.

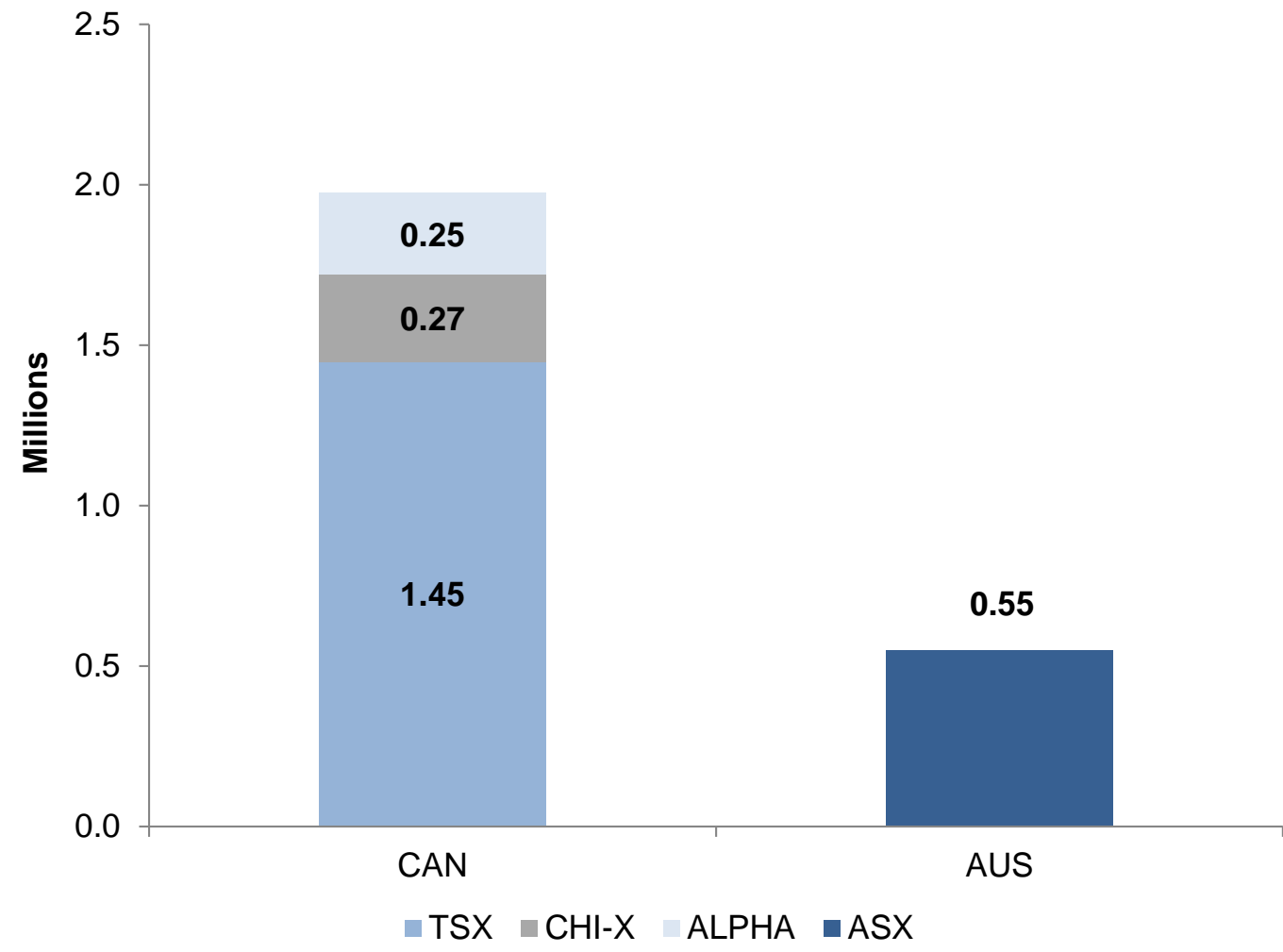
# DAILY TRADES IN CANADA\*



\* Common Base calculation has zero impact for initial start phase of new markets



# AVERAGE DAILY TRADES

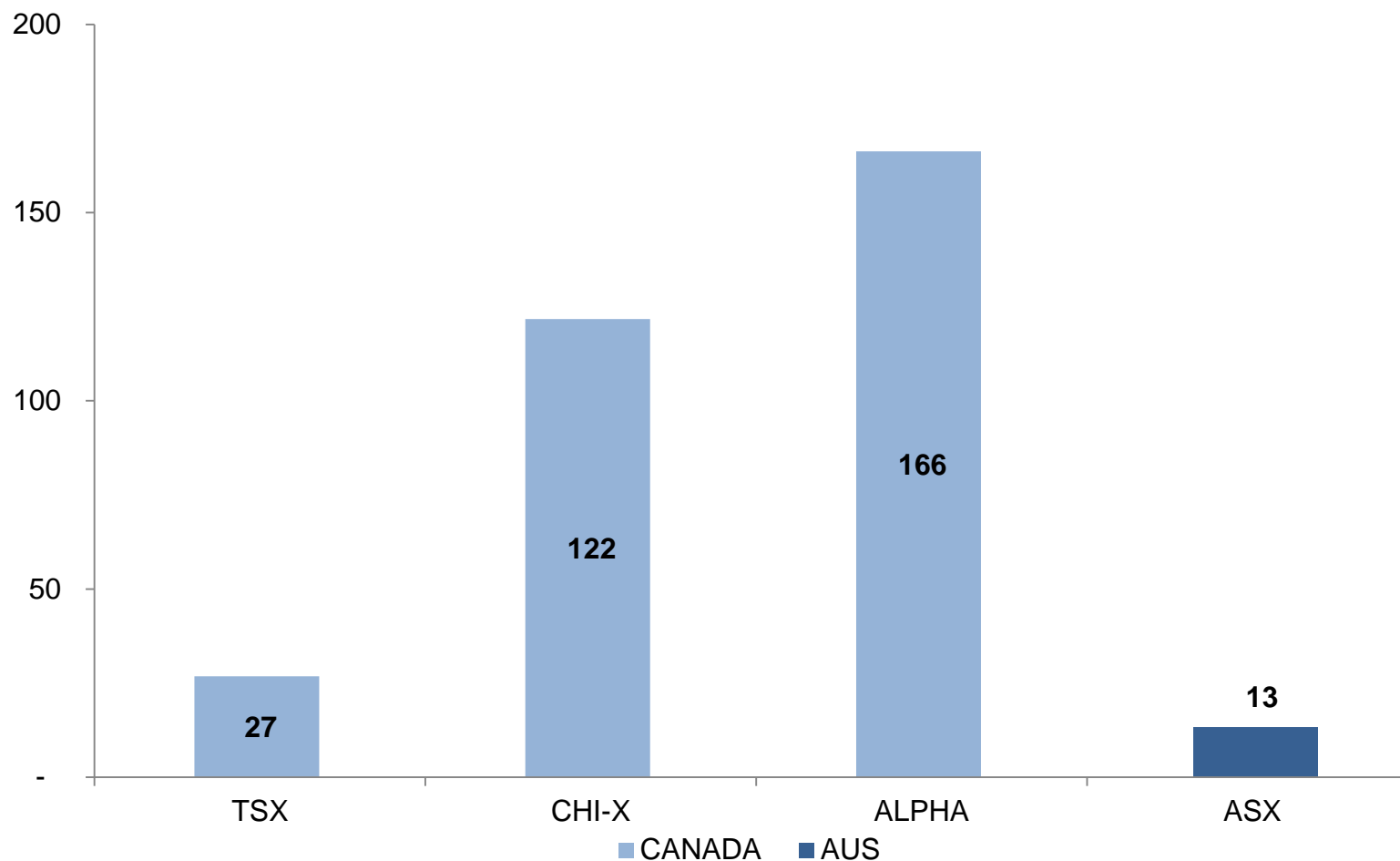


\* Measured over 8 weeks (excluding holidays) to 25 January 2012





# COMPARATIVE MESSAGE RATES (PER TRADE PER DESTINATION)



\* Measured over 8 weeks (excluding holidays) to 25 January 2012



## FINANCIAL MARKETS – ASIA

- Revenue growth over the year:
  - Progressing with growing exposure to new opportunities in the region (organic and through seed relationships).
  - Impact of MF Global material for division. Working to offset by surrounding opportunities in 2012.
- Positive project activity and opportunities:
  - Numerous new projects underway anticipating short term delivery H1'12.
  - Two new clients offering online CFD platforms in H1'12.
  - Further white-label opportunities regional through existing clients.
  - Local team expanded with regional business development focus.
- Costs carefully managed ahead of revenue. Other than revenue timing hole from MFG, net loss will be around \$2.0m in 2012.
- Open to acquisitions in the region.

## FINANCIAL MARKETS – RETAIL PRODUCT SUITE

- IRESS product set proving globally differentiated and very portable:
  - Rich multi-asset/currency/language online trading solution providing differentiation.
  - IRESSTrader & IOS+ combination for international execution live in Asia and UK.
  - Flexible solution across regions and proving portable by leveraging IRESS central infrastructure. IOS+ order routing flexibility core to opportunities.
  - iPhone, iPad now available for market data and soon trading, available across all IRESS clients. White label opportunity for retail brokers.
  - Anticipate further product initiatives and deliveries as business expands.
- Client demand for independence and vendor scale in support of new initiatives.
- Numerous opportunities in active trading, market data, CFD, hedge fund segments.
- Variety of in production deployments and opportunities across regions.
- Progressing opportunities in this segment internationally, currently within Asian cost base. Made possible through expanded local Asian teams.

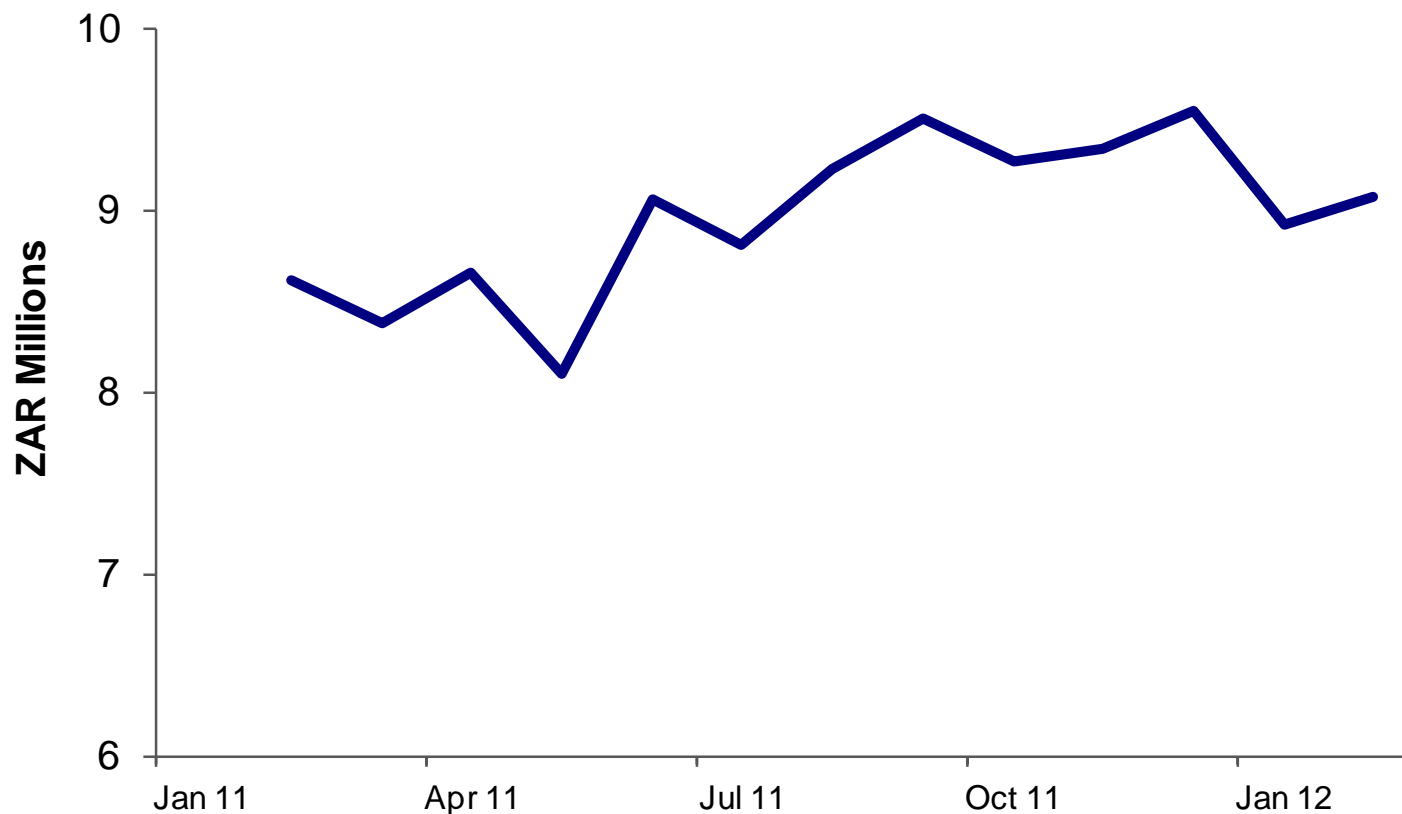
## SOUTH AFRICA - OVERVIEW

- Good growth result for the division after allowing for partial Jan 2011 contribution
  - Revenue (ZAR) increased 20.4% on H1 2011
  - Segment Profit (ZAR) increased 20.1% on H1 2011
- AUD result significantly impacted by adverse currency movements (~22% decline in ZAR over 2011).
- Stable software revenue performance in the conditions.
- Volatility in volume-based revenue:
  - Depressed volumes and extreme volatility generally
  - Secular changes in RSA influencing behaviour from SSFs to CFDs
- Current product initiatives are priority growth focus.

## SOUTH AFRICA – 2011

- Retail product suite (Trader/Investor/mobile) in production and well received
- Hedge fund EMS solution in production
- Trading architecture evolving, creating new opportunities
  - IRESS derivatives (SAFEX) gateway now deployed, demonstrable latency reductions.
  - JSE trading engine relocating and changing mid 2012.
  - Unique role to ASP solutions and smooth transition for clients.
  - ION to be deployed in RSA - key role to address bandwidth demands on clients.
  - IRESS infrastructure will open further opportunities for product such as IOS+ and LP.
- Integration between IRESS and local FIX order routing hub providing seamless transition for clients over exchange and topology changes, and new opportunities.
- Market data professional desktop progressing and key priority for 2012.
- Private wealth solution of combined XPLAN/IPS/IOS+ a key differentiator. Components already in production.

# SOUTH AFRICA – MONTHLY SUBSCRIPTION REVENUE\*



\*Revenue variances partly due to Message Volumes fluctuations  
Up to February 2012



## SOUTH AFRICA - OUTLOOK

- 2012 outlook
  - Trading has commenced with slight momentum in H1.
  - Numerous opportunities for combined product offering and service model.
  - Client project activity will be heightened in 2012 with evolving exchange infrastructure and opportunities created for IRESS. Delivery remains key.
  - With incremental costs in relation to additional infrastructure, products and opportunities, expect Segment Profit growth over the coming year. Short-term costs establishment to support solid future growth.

## WEALTH MANAGEMENT – AUSTRALIA & NZ

- Good growth from ongoing demand and delivery:
  - Revenue increased 7.5% on H1 2011 (up 13.2% on pcp)
  - Segment Profit increased 8.9% on H1 2011 (up 10.0% on pcp)
- Revenue growth consistent over the period as rollouts continue:
  - Growth from rollout progress and generating additional opportunities (particularly in compliance, engagement and scaled advice)
  - Organic growth across products as clients seek efficiencies and consolidate functions
  - Not immune from climate but underpinned by advice model/regulatory reform
  - Consolidation present in the sector, but to date in our favour
- Marginal headcount increases to support projects and transitions across client base.
- Important role in providing flexible solutions as clients reposition through advice reform.
- Product, independence, and scale continue to be differentiating characteristics.



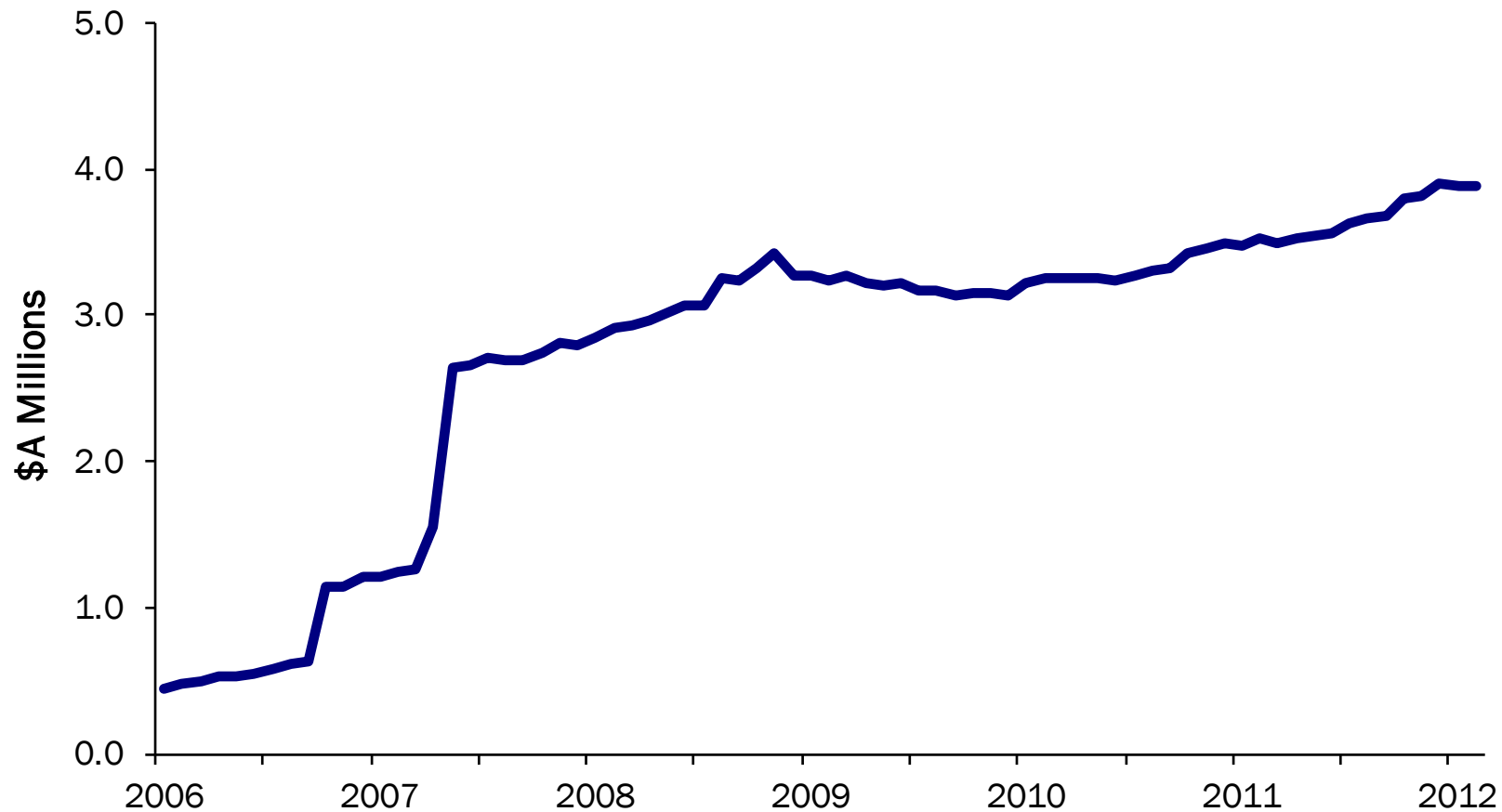
# WEALTH MANAGEMENT - 2011

- Clients and projects
  - Increased involvement in numerous institutional XPLAN transitions
  - Clients focussing on scalable advice platform and efficiencies
  - Private wealth management responding as differentiated segment
- Product is differentiating and proving portable
  - Actively responding to clients and opportunities
  - XPLAN 2 now deployed at 50% of sites, well received design and user experience
  - FoFA demanding integrated advice platform (efficiency and compliance eg CommPay)
  - XPLAN modules that ease compliance or enhance client experience in demand
- Industry
  - Advice reform driving common trends in global markets. IRESS leveraging synergy and leadership opportunities.
  - Trend from commission to advice driving focus on client management, marketing, engagement.
  - Long-term impacts difficult to predict. Technology is and will remain key enabler.
  - XPLAN continues to be ranked as most widely used and richest functionality

# WEALTH MANAGEMENT – PRIVATE WEALTH

- Private wealth management increasingly prominent
  - Global trend from commission/transaction to asset management/advice.
  - Desire for margin control, particularly boutique segment.
  - Client service differentiation, branding.
- Unique IRESS solution and positioning
  - Private bank solutions often biased to investment-only.
  - IRESS uniquely provides integrated whole of wealth solution.
    - Private wealth solution of combined XPLAN/IPS/IOS+ a key differentiator.
    - Multi-asset/currency/language portfolio and tax management, order management, CRM, advice.
    - Essential tools as clients seek complete service propositions.
- Progressing opportunities in this segment internationally.

# WEALTH MANAGEMENT – AUST & NZ MTHLY SUBSCRIPTION REV



Up to February 2012



# WEALTH MANAGEMENT OUTLOOK

- 2012 outlook:
  - Positive momentum from H2 to influence 2012 results, with early trading continuing this trend.
  - A number of institutional rollouts and new product initiatives underway with positive impacts. Supporting this growth will be marginal headcount increase.
  - Continue to be cautious amidst so much change, but anticipate short-term net Segment Profit outcome to be positive.

## WEALTH MANAGEMENT - SOUTH AFRICA

- Revenue up 2.6% and Segment Profit up 44.6 % on H1 2011 respectively (ZAR)
- Several institutional XPLAN transitions underway or commencing in 2012.
- Expect growth from rollout progress and additional opportunities.
- Client seeking to leverage integrated advice platform to manage multi-channel distribution and compliance, in cost efficient manner.
- XPLAN modules that bring compliance efficiency or enhance adviser capability and client experience in demand.
- Increasing focus on investment planning and assets under management.
- Regulation and education criteria having some impact on industry dynamics.
- Outlook
  - Stabilisation of impact of prior material revenue losses.
  - Large-scale implementations to offset declines in short-medium term.
  - Opportunities to expand, with margin improvement anticipated over medium term.

## WEALTH MANAGEMENT – ASIA

- Continuing exposure to opportunities in the region. Focus on product positioning and business building.
- Confidence in medium-long term growth segments across tied distribution, independent advice, expatriate franchises and private banking.
- Local team expanded with regional business development focus.
- A number of pre-billing implementations underway. Integration and data aggregation via IRESSnet are differentiating and keys to success.
- Strategic positioning by product and segment across region:
  - Tied and sales models: XLITE
  - Independent advice (networks, expat): XPLAN (incl IPS, IRESSnet, CommPay)
  - Private banking: XPLAN/IPS/IOS+
- Costs continue to be carefully managed and reviewed ahead of revenue opportunities.

## WEALTH MANAGEMENT – UK

- Strategic medium-long term growth initiative in UK commenced November 2011.
- Established with significant seed client and experienced team. Represents low risk profile compared to normal green fields operation without tangible client.
- Advice technology market in United Kingdom:
  - Advice segment and technology opportunity more than 2x Australia/NZ
  - Competitive marketplace, made up of niche providers lacking scale.
  - UK advice reforms similar to Australia impacting practice management, compliance, and technology. XPLAN well suited to address, with good feedback to date.
- Progress to date:
  - Core requirements progressing based on project priorities.
  - Integration projects and differentiable functionality well underway.
  - Some UK specific features, mostly re-deployment via flexibility of XPLAN architecture.
- Segment Profit funding requirement of up to \$5.0pa, subject to regular review.

# CONTACT IRESS

## AUSTRALIA

Melbourne | +61 3 9018 5800  
Sydney | +61 2 8273 7000  
Perth | +61 8 6211 5900  
Brisbane | +61 7 3011 4700  
Adelaide | +61 3 9018 5800

## NEW ZEALAND

Auckland | +64 9 300 5571  
Wellington | +64 4 462 6850

## ASIA

Hong Kong | +852 3965 3341  
Singapore | +65 6672 6288

## CANADA

Toronto | +41 6 907 9200

## SOUTH AFRICA

Johannesburg | +27 11 236 4700  
Durban | +27 31 203 7500  
Capetown | +27 21 657 8800

## UNITED KINGDOM

London | +44 203 397 4460

Email | [enquiries@iress.com](mailto:enquiries@iress.com)

Web | [www.iress.com](http://www.iress.com)

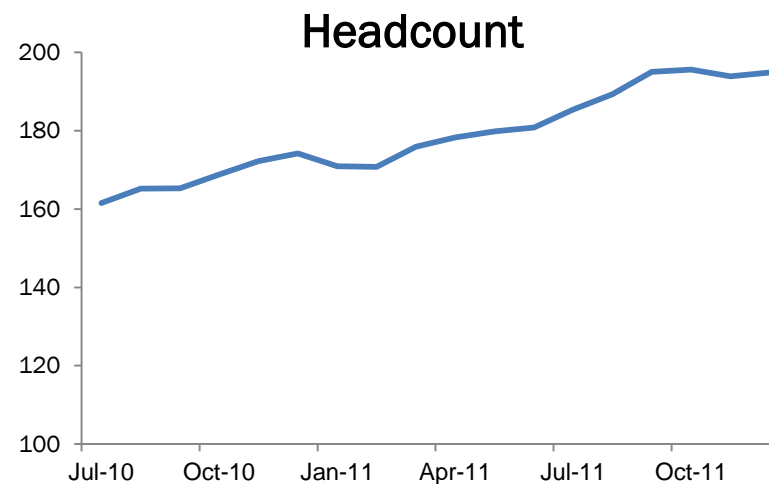
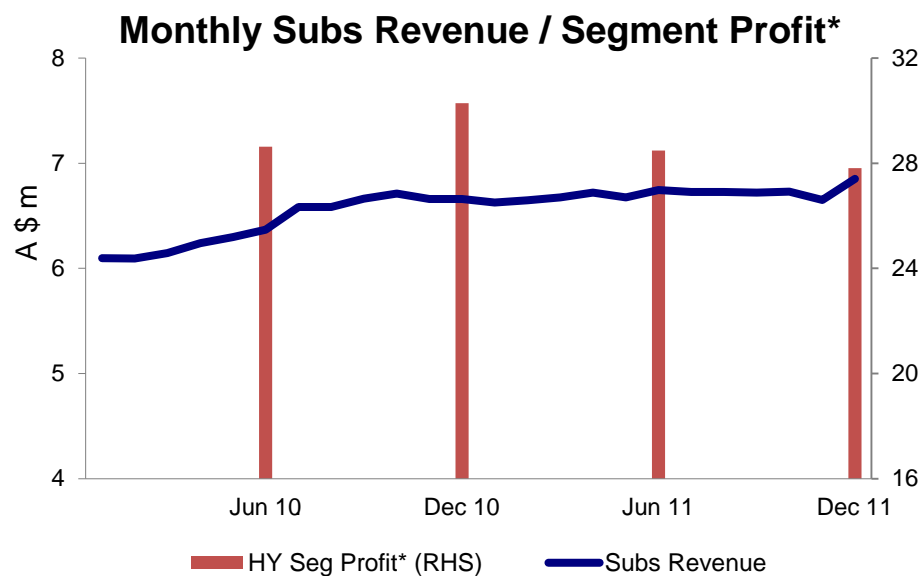
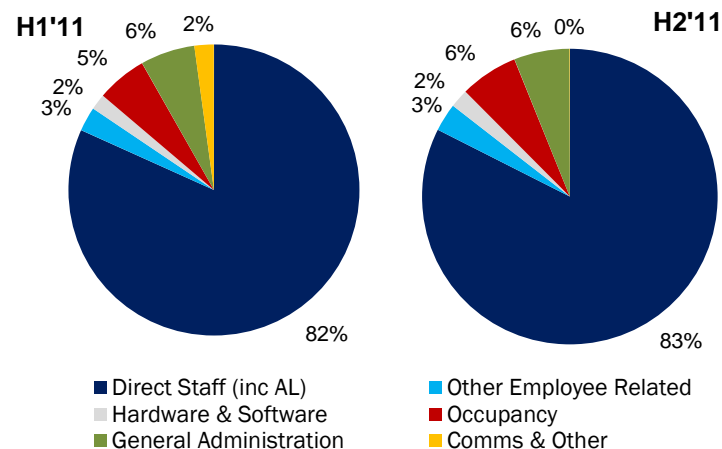


# SUPPLEMENTARY INFORMATION

- Divisional dashboards
- Strategic charges
- Tax expense & franking
- Share grants

# FINANCIAL MARKETS - AUSTRALIA

|                   | H1 2011   | H2 2011   | %Chg LC |
|-------------------|-----------|-----------|---------|
|                   | (A\$'000) | (A\$'000) |         |
| Operating Revenue | 54,008    | 54,910    | 2%      |
| Segment Profit*   | 28,479    | 27,810    | -2%     |
| PAT*              | 19,532    | 18,979    | -3%     |
| Non Recurring Exp | (631)     | 267       |         |
| Avg Headcount FTE | 176.1     | 192.3     | 9%      |

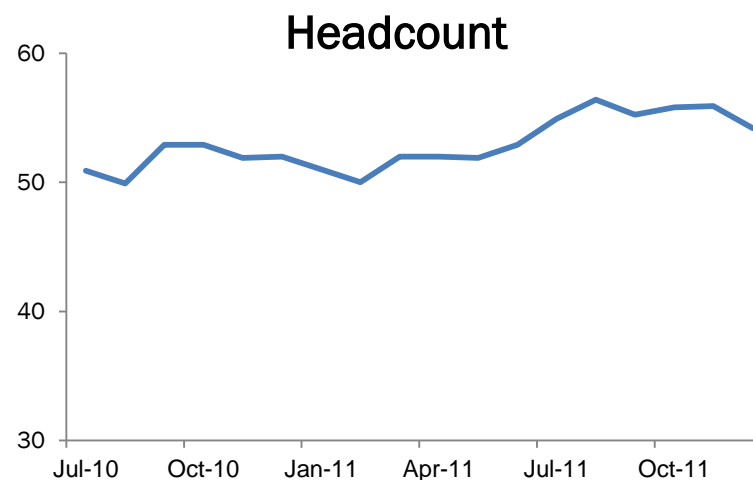
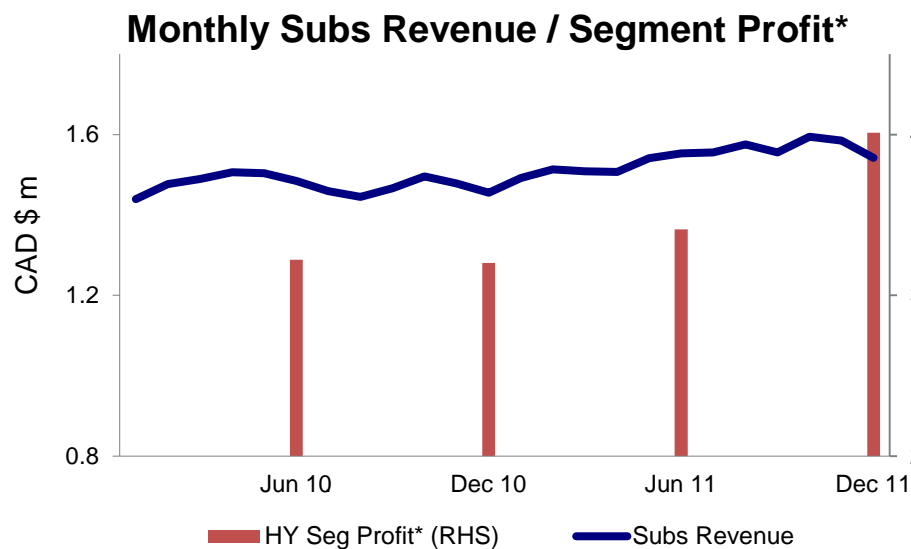
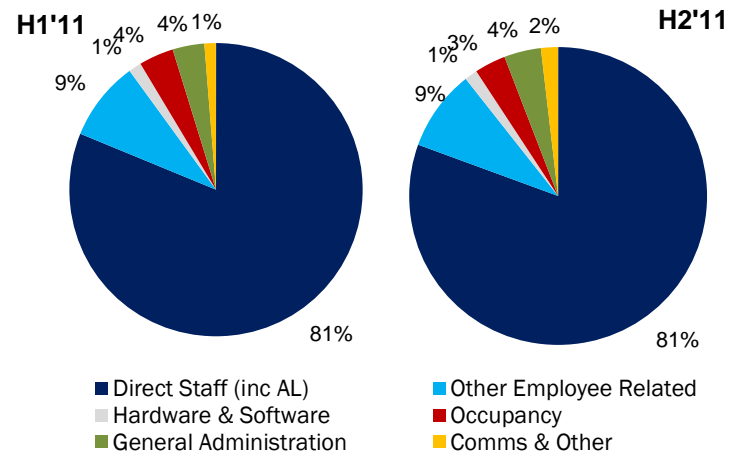


\*Definition of Segment Profit and PAT as per IRESS Media Release



# FINANCIAL MARKETS - CANADA

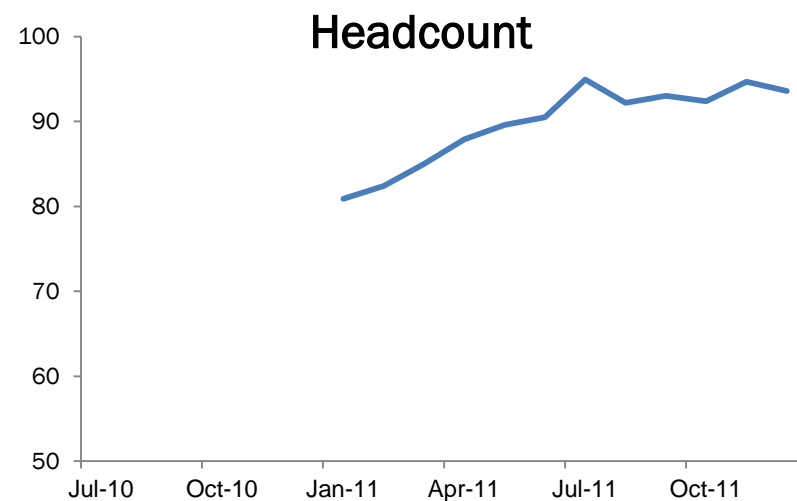
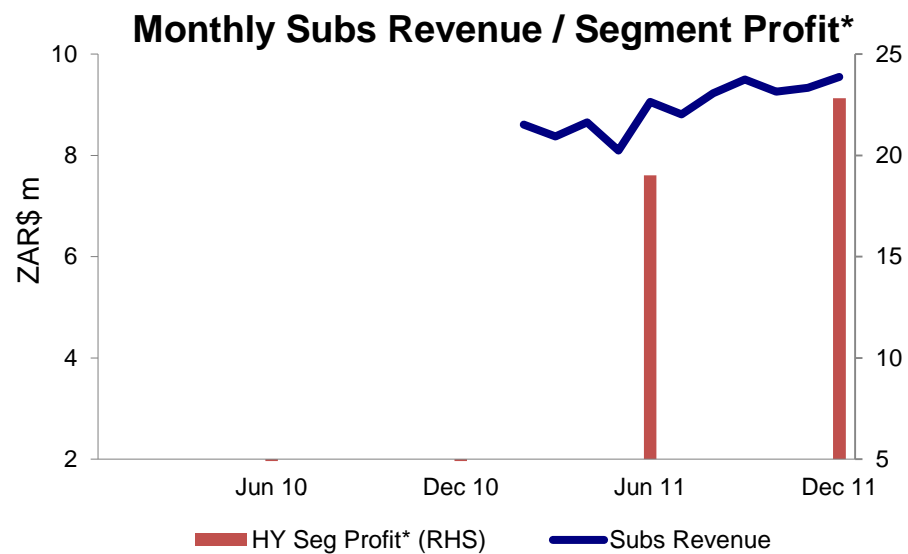
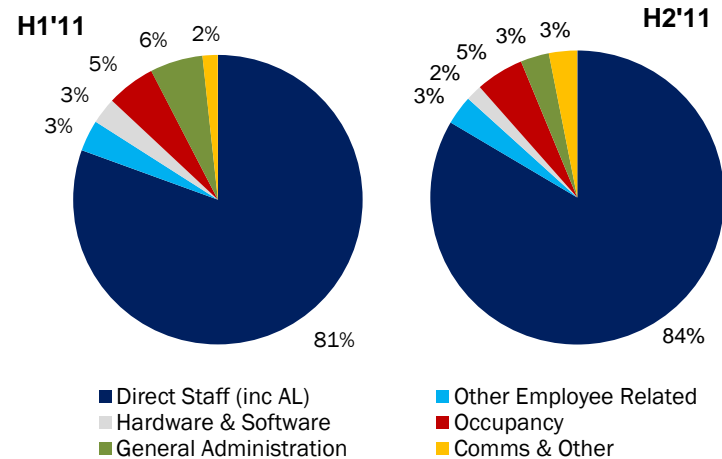
|                   | H1 2011     |           | H2 2011     |           | %Chg LC |
|-------------------|-------------|-----------|-------------|-----------|---------|
|                   | (CAD\$'000) | (A\$'000) | (CAD\$'000) | (A\$'000) |         |
| Operating Revenue | 11,878      | 11,719    | 12,727      | 12,235    | 7%      |
| Segment Profit*   | 3,911       | 3,856     | 4,512       | 4,341     | 15%     |
| PAT*              | 2,530       | 2,495     | 2,920       | 2,810     | 15%     |
| Non Recurring Exp | 30          | 30        | (259)       | (245)     |         |
| Avg Headcount FTE | 51.6        |           | 55.4        |           | 7%      |



\*Definition of Segment Profit and PAT as per IRESS Media Release

# FINANCIAL MARKETS - RSA

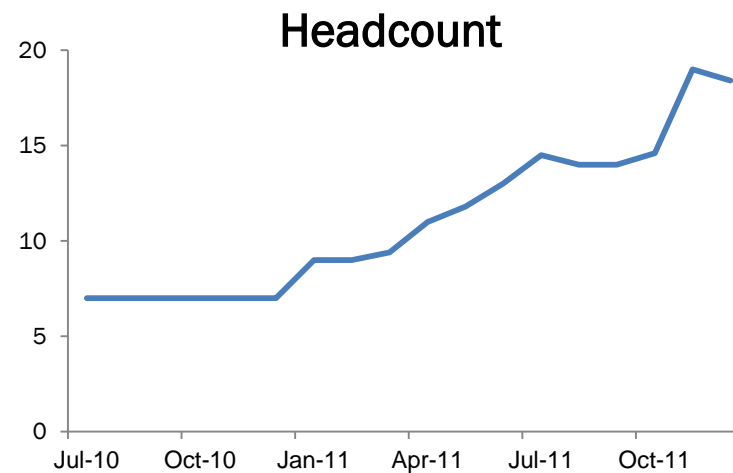
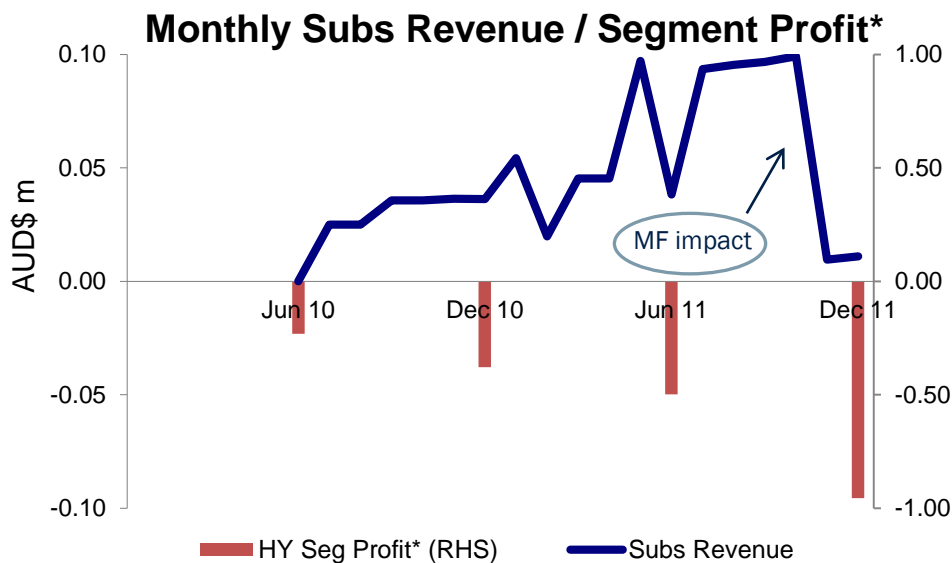
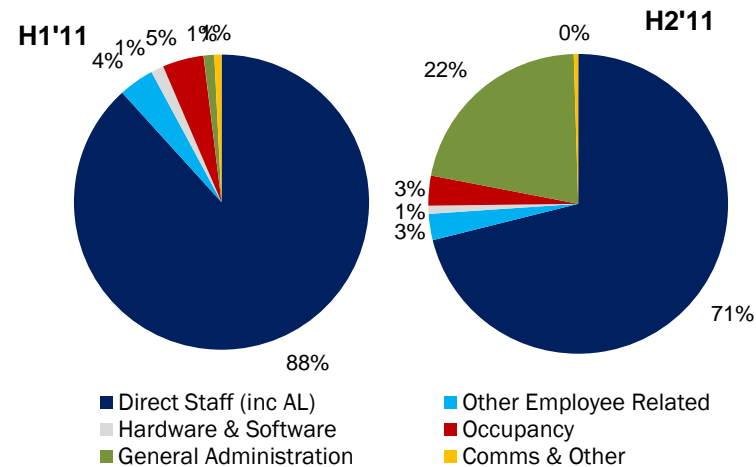
|                   | H1 2011     |           | H2 2011     |           | %Chg LC |
|-------------------|-------------|-----------|-------------|-----------|---------|
|                   | (ZAR\$'000) | (A\$'000) | (ZAR\$'000) | (A\$'000) |         |
| Operating Revenue | 51,819      | 7,281     | 62,391      | 8,040     | 20%     |
| Segment Profit*   | 19,010      | 2,674     | 22,827      | 2,870     | 20%     |
| PAT*              | 12,923      | 1,818     | 15,594      | 1,960     | 21%     |
| Non Recurring Exp | 113         | 16        | (1,176)     | (167)     |         |
| Avg Headcount FTE | 86.1        |           | 93.5        |           | 9%      |



\*Definition of Segment Profit and PAT as per IRESS Media Release

# FINANCIAL MARKETS - ASIA

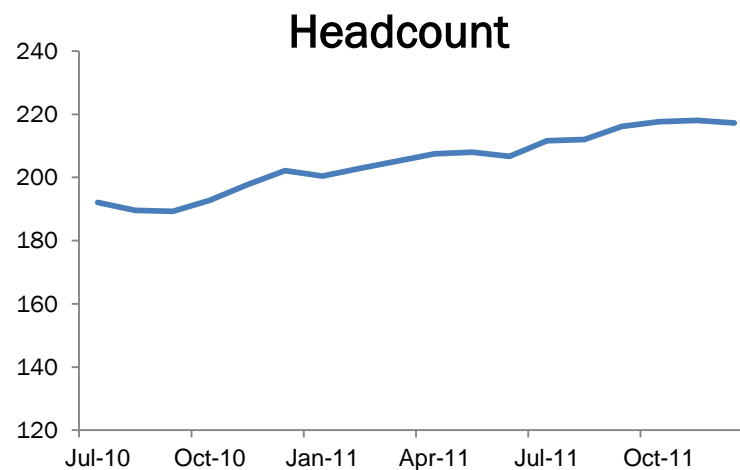
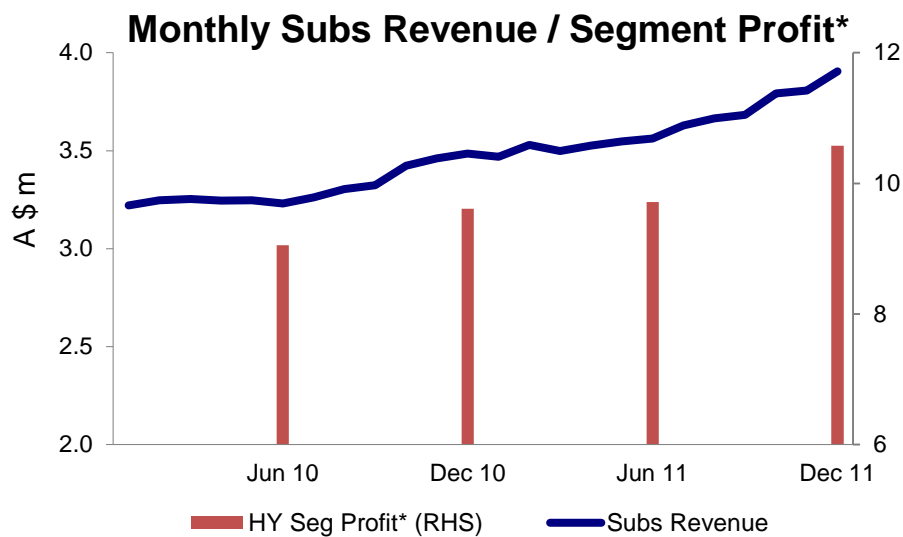
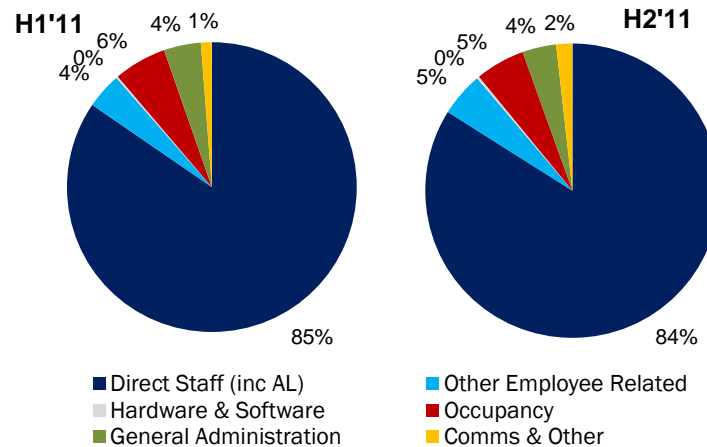
|                   | H1 2011   | H2 2011   | %Chg LC |
|-------------------|-----------|-----------|---------|
|                   | (A\$'000) | (A\$'000) |         |
| Operating Revenue | 517       | 544       | 5%      |
| Segment Profit*   | (498)     | (956)     | 92%     |
| PAT*              | (423)     | (762)     | 80%     |
| Non Recurring Exp | 139       | (153)     | -210%   |
| Avg Headcount FTE | 10.5      | 15.8      | 50%     |



\*Definition of Segment Profit and PAT as per IRESS Media Release

# WEALTH MANAGEMENT - AUSTRALIA

|                   | H1 2011   | H2 2011   | %Chg LC |
|-------------------|-----------|-----------|---------|
|                   | (A\$'000) | (A\$'000) |         |
| Operating Revenue | 23,672    | 25,451    | 8%      |
| Segment Profit*   | 9,714     | 10,574    | 9%      |
| PAT*              | 6,330     | 6,910     | 9%      |
| Non Recurring Exp | 82        | (284)     |         |
| Avg Headcount FTE | 205.1     | 215.5     | 5%      |

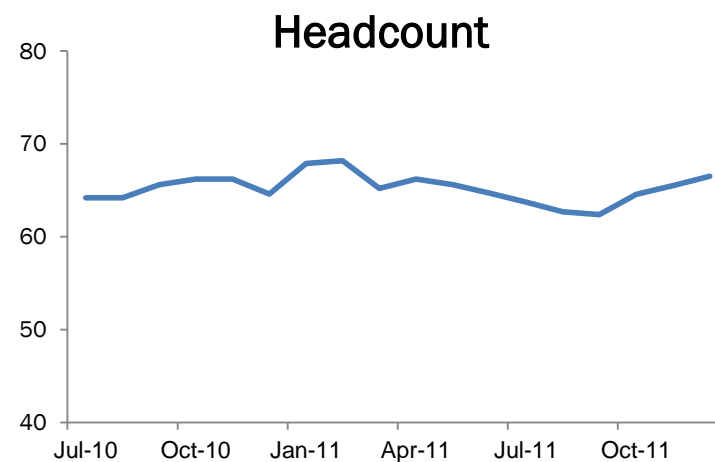
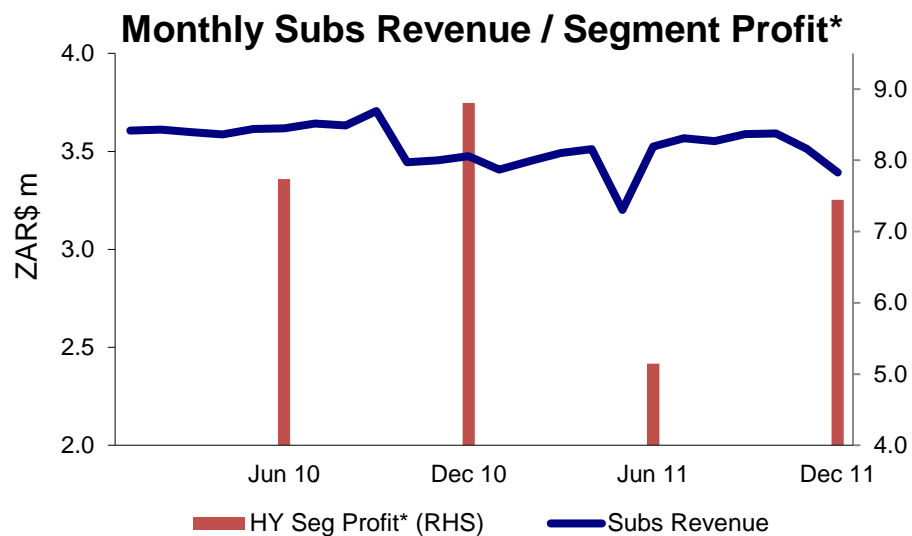
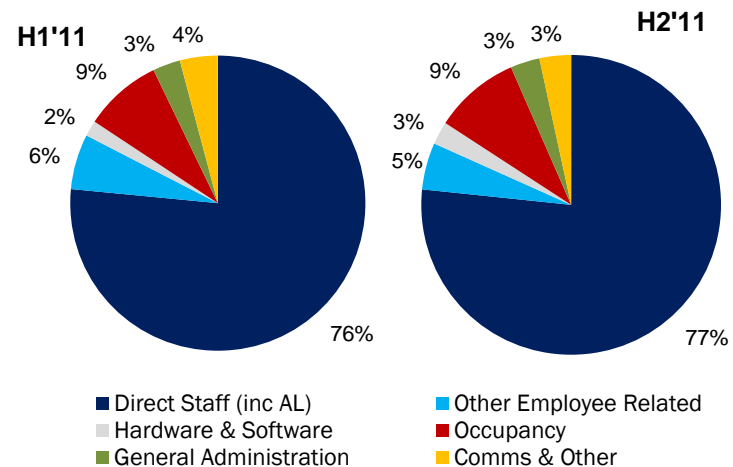


\*Definition of Segment Profit and PAT as per IRESS Media Release



# WEALTH MANAGEMENT - RSA

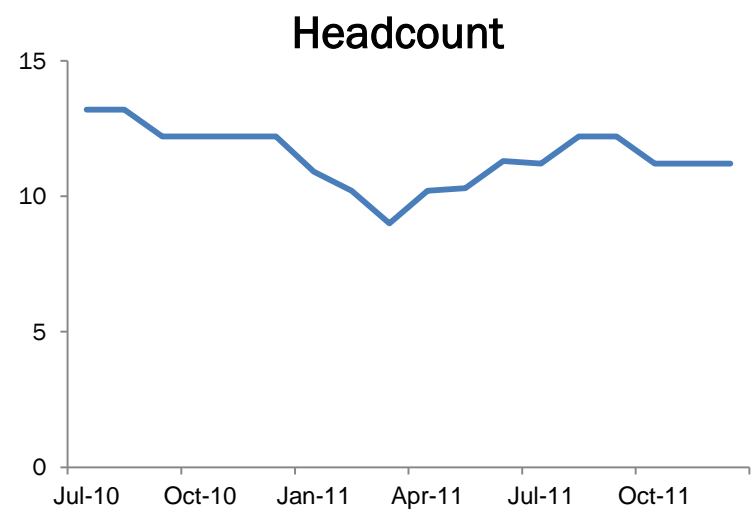
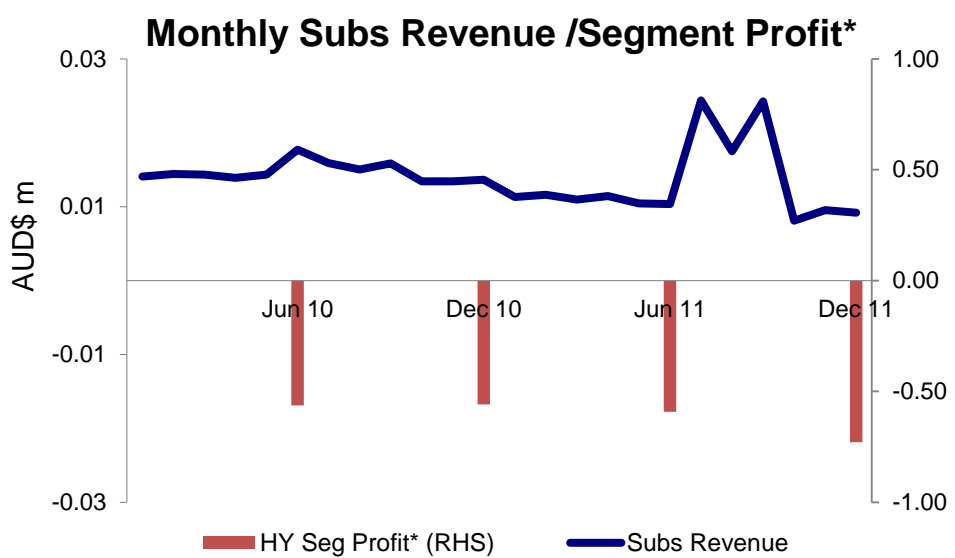
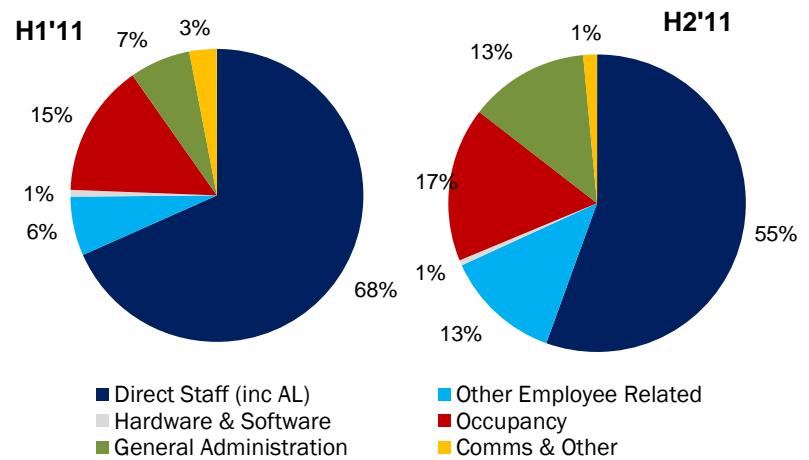
|                   | H1 2011     |           | H2 2011     |           | %Chg LC |
|-------------------|-------------|-----------|-------------|-----------|---------|
|                   | (ZAR\$'000) | (A\$'000) | (ZAR\$'000) | (A\$'000) |         |
| Operating Revenue | 21,880      | 3,091     | 22,442      | 2,900     | 3%      |
| Segment Profit*   | 5,147       | 729       | 7,445       | 960       | 45%     |
| PAT*              | 3,446       | 488       | 5,167       | 666       | 50%     |
| Non Recurring Exp | 15          | (12)      | 58          | 1         |         |
| Avg Headcount FTE | 66.3        |           | 64.2        |           | -3%     |



\*Definition of Segment Profit and PAT as per IRESS Media Release

# WEALTH MANAGEMENT – ASIA

|                   | H1 2011   | H2 2011   | %Chg LC |
|-------------------|-----------|-----------|---------|
|                   | (A\$'000) | (A\$'000) |         |
| Operating Revenue | 66        | 93        | 41%     |
| Segment Profit*   | (591)     | (729)     | 23%     |
| PAT*              | (415)     | (517)     | 25%     |
| Non Recurring Exp | (12)      | 15        |         |
| Avg Headcount FTE | 10.3      | 11.5      | 12%     |

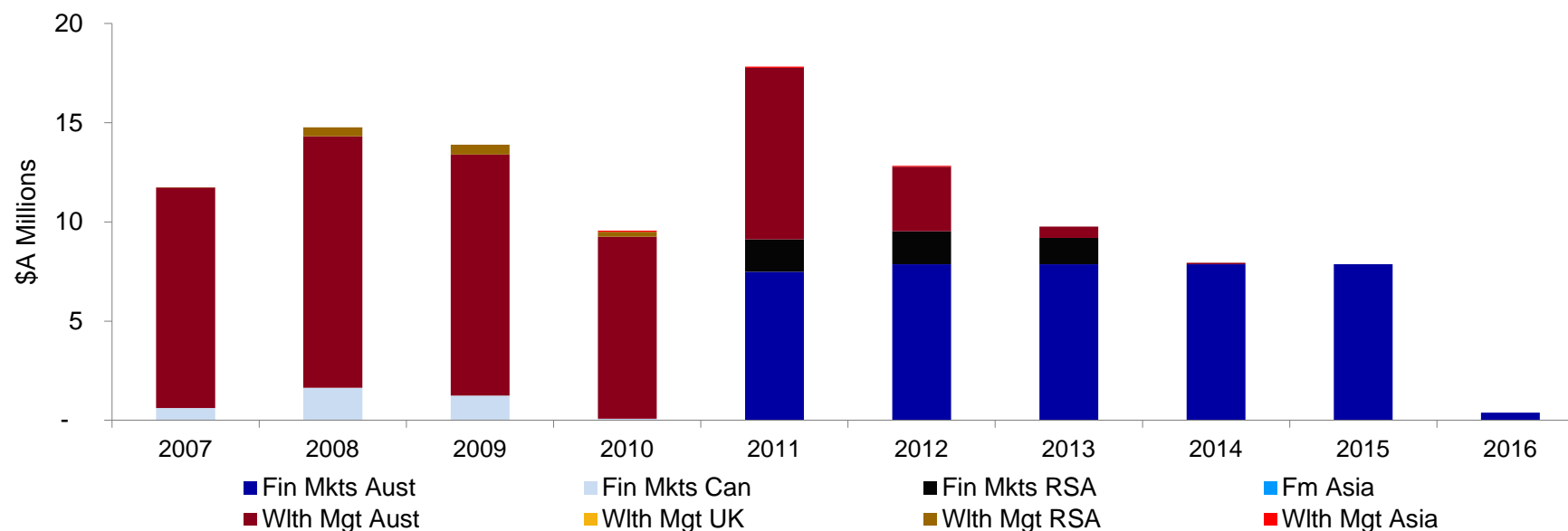


\*Definition of Segment Profit and PAT as per IRESS Media Release





# GROUP STRATEGIC CHARGES



| AUD \$ m               | Description           | H1'11        | H2'11        | H1'12        | H2'12        | H1'13        | H2'13        | H1'14        | H2'14        |
|------------------------|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Fin Mkts Aust</b>   | Peresys Software      | 3.553        | 3.934        | 3.934        | 3.934        | 3.934        | 3.934        | 3.934        | 3.934        |
| <b>Fin Mkts RSA</b>    | Peresys Customer List | 0.808        | 0.831        | 0.831        | 0.831        | 0.831        | 0.498        | -            | -            |
| <b>Wealth Mgt Aust</b> | Visiplan Software     | 3.671        | 3.671        | 2.286        | -            | -            | -            | -            | -            |
|                        | Transactive Software  | 0.181        | -            | -            | -            | -            | -            | -            | -            |
|                        | DMS Software          | 0.141        | 0.023        | -            | -            | -            | -            | -            | -            |
|                        | Fundclick Software    | 0.482        | 0.482        | 0.482        | 0.482        | 0.482        | 0.080        | 0.080        | -            |
| <b>Wealth Mgt Asia</b> | Sentryi Software      | 0.024        | 0.026        | 0.025        | 0.025        | -            | -            | -            | -            |
| <b>TOTAL</b>           |                       | <b>8.860</b> | <b>8.966</b> | <b>7.558</b> | <b>5.271</b> | <b>5.246</b> | <b>4.512</b> | <b>4.014</b> | <b>3.934</b> |



# NON-AMORTISING INTANGIBLES

|                 |                  | Cost (AUD)           |        | Amortisation period                           |
|-----------------|------------------|----------------------|--------|---|
|                 |                  | Description          | \$m    |   |
| Goodwill        | Canada Fin Mkts  | LP Goodwill          | 8.155  | Will be subject to regular impairment testing |
|                 | Fin Mkts RSA     | Peresys Goodwill     | 10.492 |   |
|                 | Wealth Mgt Aust  | Plantech Goodwill    | 3.157  |   |
|                 |                  | Visiplan Goodwill    | 10.695 |   |
|                 |                  | Transactive Goodwill | 0.285  |   |
|                 | Wealth Mgt RSA   | DMS Goodwill         | 1.042  |   |
|                 | Wealth Mgt RSA   | Spotlight Goodwill   | 4.403  |   |
| Wealth Mgt Asia | Sentryi Goodwill | 1.907                |        |   |
| TOTAL GOODWILL  |                  |                      | 40.137 |   |
| Database        | Wealth Mgt Aust  | FundData Database    | 1.540  |   |
| TOTAL DATABASE  |                  |                      | 1.540  |   |

# TAX EXPENSE & FRANKING

- Tax Expense
  - Effective tax rate increased to 31.3% in 2011 (up from 25.6% in 2010)
  - Rate change was flagged last year. Effective tax rate in prior periods was low following transition of share grants from performance rights to deferred shares, which resulted in a period of overlapping deductions (2008 to 2010)
  - Transition largely complete. Subject to ongoing vesting and share price, anticipate closer to full tax rates going forwards
- Franking Credits
  - As discussed at full year, surplus franking credits from prior periods have largely been monetised.
  - After allowing for tax effect of anticipated strategic charges, current business mix and outlook, anticipate franking of about 90% assuming a payout ratio of 80%.

# SHARE GRANTS

- Value of staff share grants made in May 2011 (excludes MD):
  - Deferred shares & Deferred Share Rights \$5.714m (2010: \$5.052m)
  - Performance Rights \$1.595m (2010: \$1.435m)
  - Increase aligns with headcount growth.
- Full allocation approved by shareholders at AGM issued to MD. Performance Rights subject to 4 year term.
- SBP Expense:
  - (P&L) in 2011 no longer affected by impact of the migration from 3 year performance rights to 2 year deferred shares (completed effective May 2010).
  - Lessened impact on tax expense for 2011 and beyond.
  - Tax expense will continue to be impacted by performance right vesting, and the IRE share price.
- Existing SBP expense commitments (subject to cancelations)

| Future Committed SBP  | Jun-11 | Dec-11 | Jun-12 | Dec-12 | Jun-13 | Dec-13 | Jun-14 | Dec-14 | Jun-15 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| SBP Expense (\$AUD m) | 3.295  | 3.797  | 3.337  | 2.340  | 1.760  | 0.487  | 0.404  | 0.220  | 0.154  |

