



HALF YEAR RESULTS - JUNE 2013

iress

IRESS H1 13 RESULTS

- Group revenue (before investments) up 1.1% on H2 12, up 1.1% pcp.
 - Outperformance by Wealth Management Australia
 - Resilient result in light of conditions.
- Group Segment Profit (before investments) down 0.8% on H2 12, down 2.6% pcp .
- Investments made in H1 13 were \$3.45m (H2 12: \$3.58m).
- Underlying Group profit
 - Underlying Group profit \$26.1m (H2 12: \$26.6m, down 1.9%).
 - Underlying Group profit (before investments) \$28.7m (H2 12:\$29.3m, down 2%)
- Reported Group profit \$17.8m (H2'12: \$19.6m, down 8.9%).
- Interim dividend of 13.5¢ 90% franked (2012: 13.5¢ 90% franked).
- Strong balance sheet

SEGMENT PERFORMANCE AGAINST PRIOR HALF

REGIONS

- **Fin Mkts: Aust & NZ**
 - Op Rev down 1.3% (down 1.9% on PY)
 - Seg Profit down 6.2% (down 6.2% on PY)
 - PAT down 8.1% (down 9.4% on PY)
- **Wealth Mngt : Aust & NZ**
 - Op Rev up 6.5% (up 13.5% on PY)
 - Seg Profit up 11.3% (up 12.7% on PY)
 - PAT up 11.1% (up 12.0% on PY)
- **Canada (CAD)**
 - Op Rev down 1.1% (down 10.8% on PY)
 - Seg Profit down 11.2% (down 26.3% on PY)
 - PAT down 12.3% (down 29.1% on PY)
- **South Africa(ZAR)**
 - Op Rev up 8.3% (up 12.3% on PY)
 - Seg Profit up 17.8% (up 12.5% on PY)
 - PAT up 18.6% (up 12.7% on PY)
- **United Kingdom (GBP) H1'13 (start up phase)**
 - Op Rev \$ 0.6m H2'12: \$0.2m
 - Seg Profit \$ (1.0)m H2'12: \$(1.1)m
 - PAT \$ (0.7)m H2'12: \$(0.7)m
- **Asia (AUD) H1'13 (start up phase)**
 - Op Rev \$0.7m H2'12: \$0.6m
 - Seg Profit \$(1.9)m H2'12: (\$1.9m)
 - PAT \$(1.4)m H2'12: (\$1.4m)



GROUP PERFORMANCE AGAINST PRIOR HALF

• Underlying Group Profit	\$26.116 m	
	Down \$0.512 m, down 1.9% on prior half	
• Segment Contribution against prior half	\$A	
• Financial Markets Aust/NZ	(1.448)	
• Wealth Management Aust/NZ	0.852	
• Canada	(0.220)	
• South Africa	<u>0.239</u>	
<i>sub-total</i>	(0.577)	
• Asia	0.006	} Early phase organic growth businesses
• UK	<u>0.059</u>	
	\$(0.512)	
• “Published” PAT	\$17.820	8.9% down on prior half

GROUP SEGMENT PROFIT MARGINS

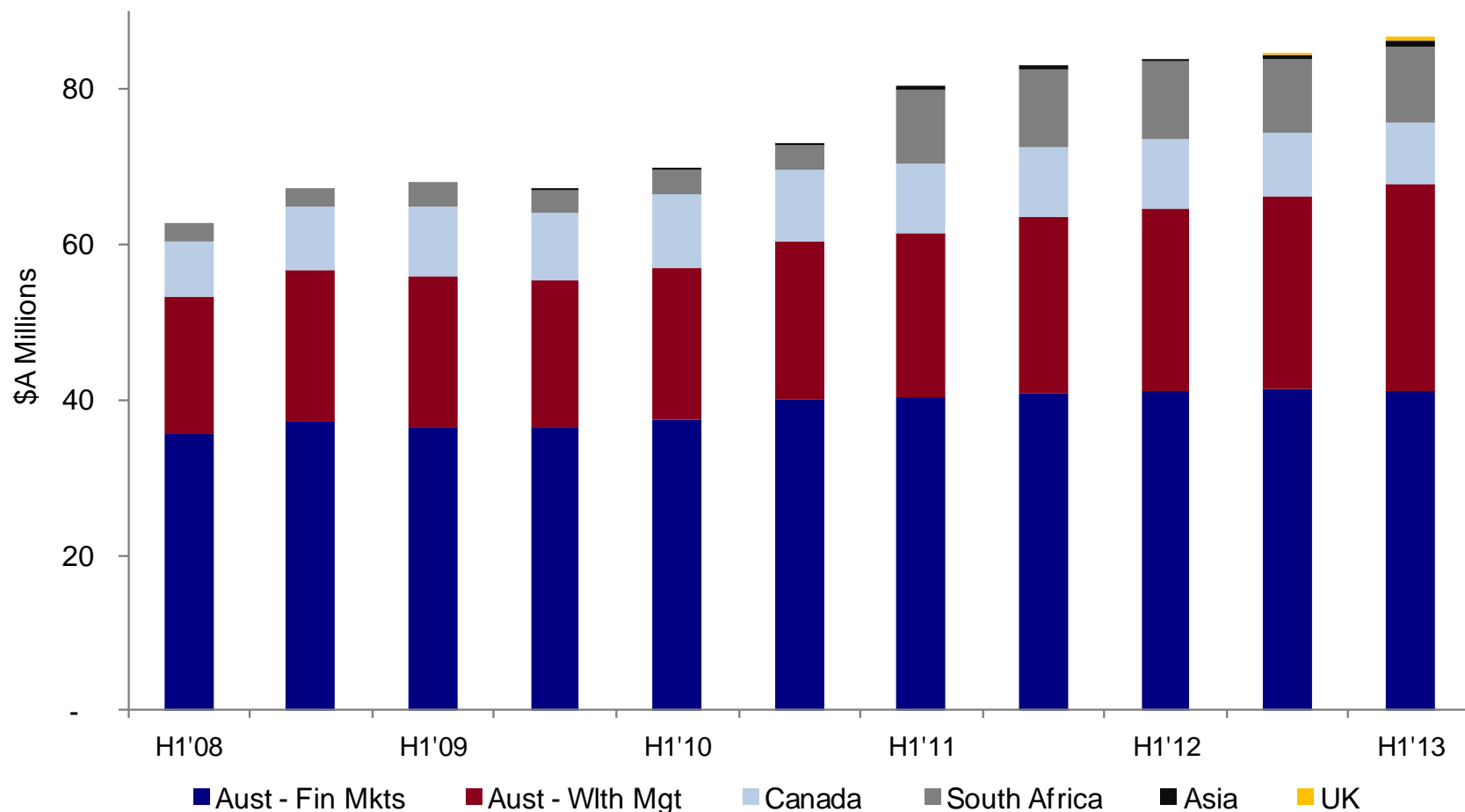
Segment Profit Margin:		H2 2011	H1 2012	H2 2012	H1 2013	2010	2011	2012
% Revenue per Media Release								
Fin Mkts	Aust	50.6%	49.7%	50.0%	47.5%	56.3%	51.7%	49.9%
	Can (CAD)	35.4%	30.3%	27.8%	25.0%	33.5%	34.2%	29.1%
	SA (ZAR)	36.6%	31.3%	30.7%	34.2%		36.6%	31.0%
Wealth Mngt	Aust	41.5%	44.5%	42.3%	44.2%	42.6%	41.3%	43.4%
	SA (ZAR)	33.2%	32.5%	24.2%	23.7%	35.0%	28.4%	28.5%

- Wealth Management showing leveraged growth
- Strong improvement in South African margins
- Margin in Australia Financial Markets partly impacted by once off rent accrual

NON-RECURRING & STRATEGIC CHARGES

- Non-recurring expenses before tax of (\$1.829)m, includes:
 - (2.220) acquisition and potential acquisition costs primarily relating to Avelo
 - 0.102 other non-recurring contribution
 - (0.071) other non-recurring expenses
 - 0.360 realised and unrealised FX loss
- Effective tax rate at 31.4% (H2 12: 31.1%)
- IRESS continued with:
 - Amortisation of purchased intangibles such as Computer Software;
 - No capitalisation of software development expenditure post-acquisition of business.
- Strategic charges of \$5.105 for half (H2 12:\$5.176m)

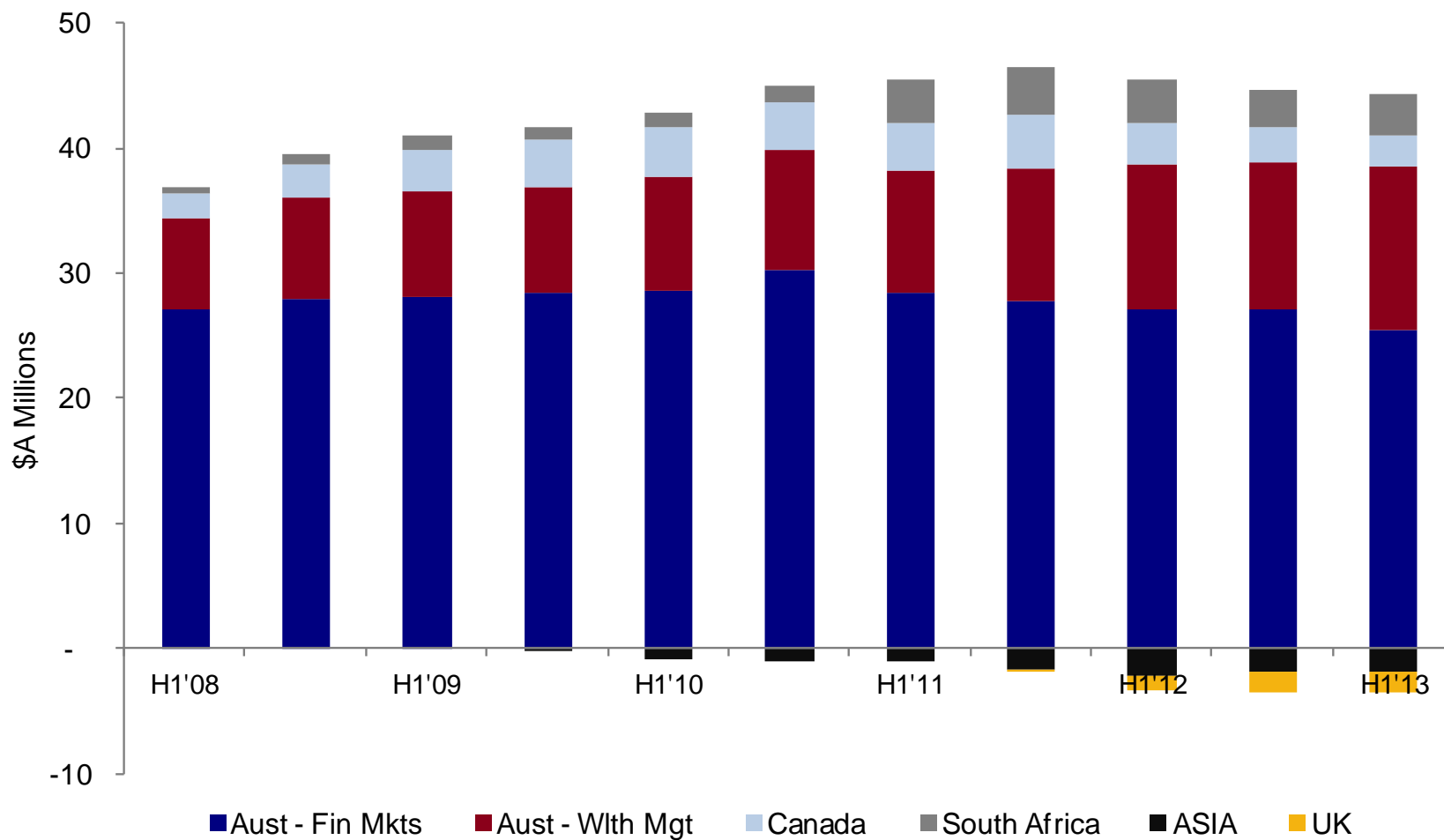
GROUP RECURRING SUBSCRIPTION REVENUE*



* Excludes revenues on recoveries for services such as news, market data costs and provision of client communication networks. Includes minority volume-based revenue in RSA.



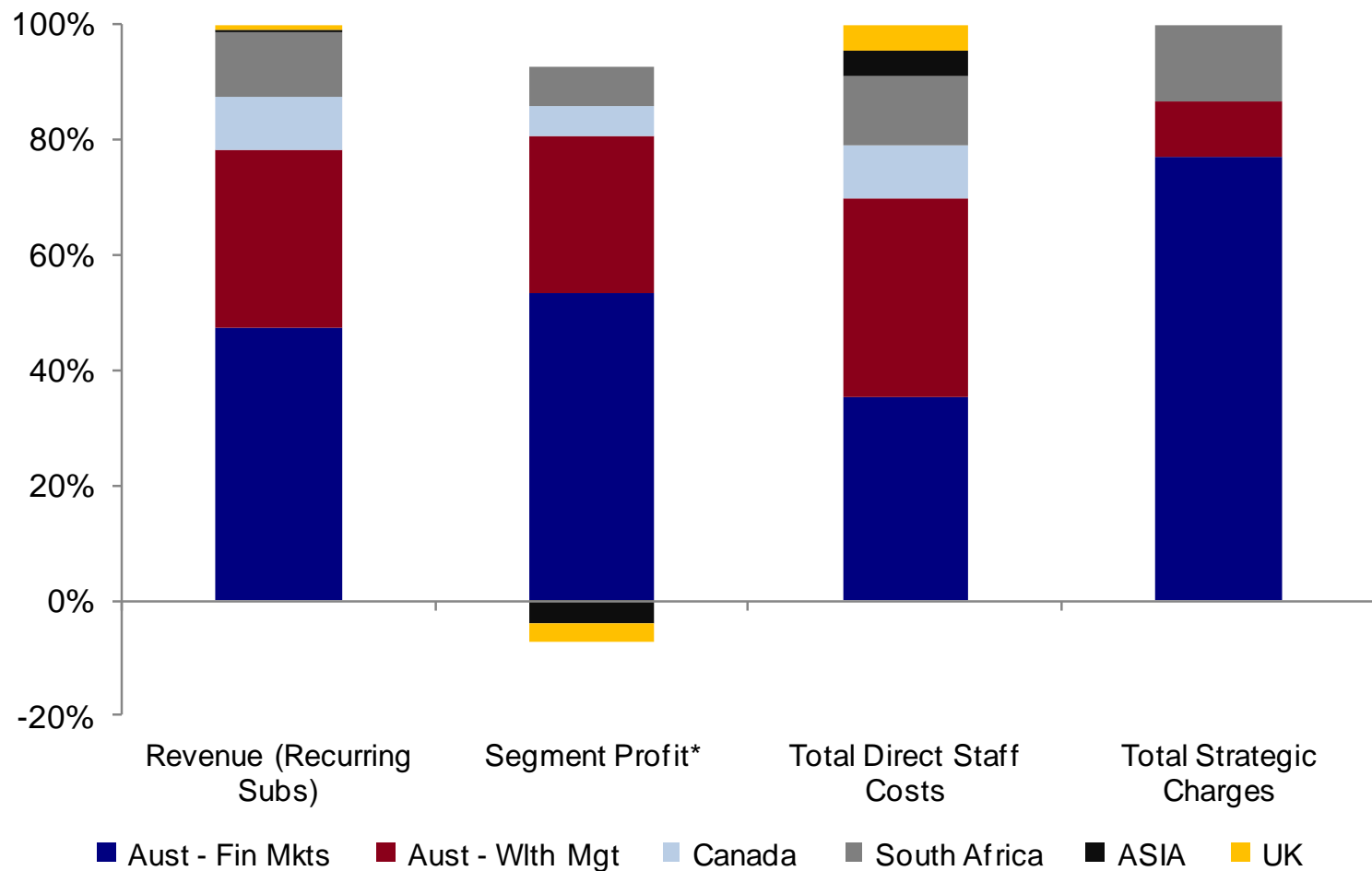
GROUP SEGMENT PROFIT *



* Definition of Segment Profit as per IRESS Media Release

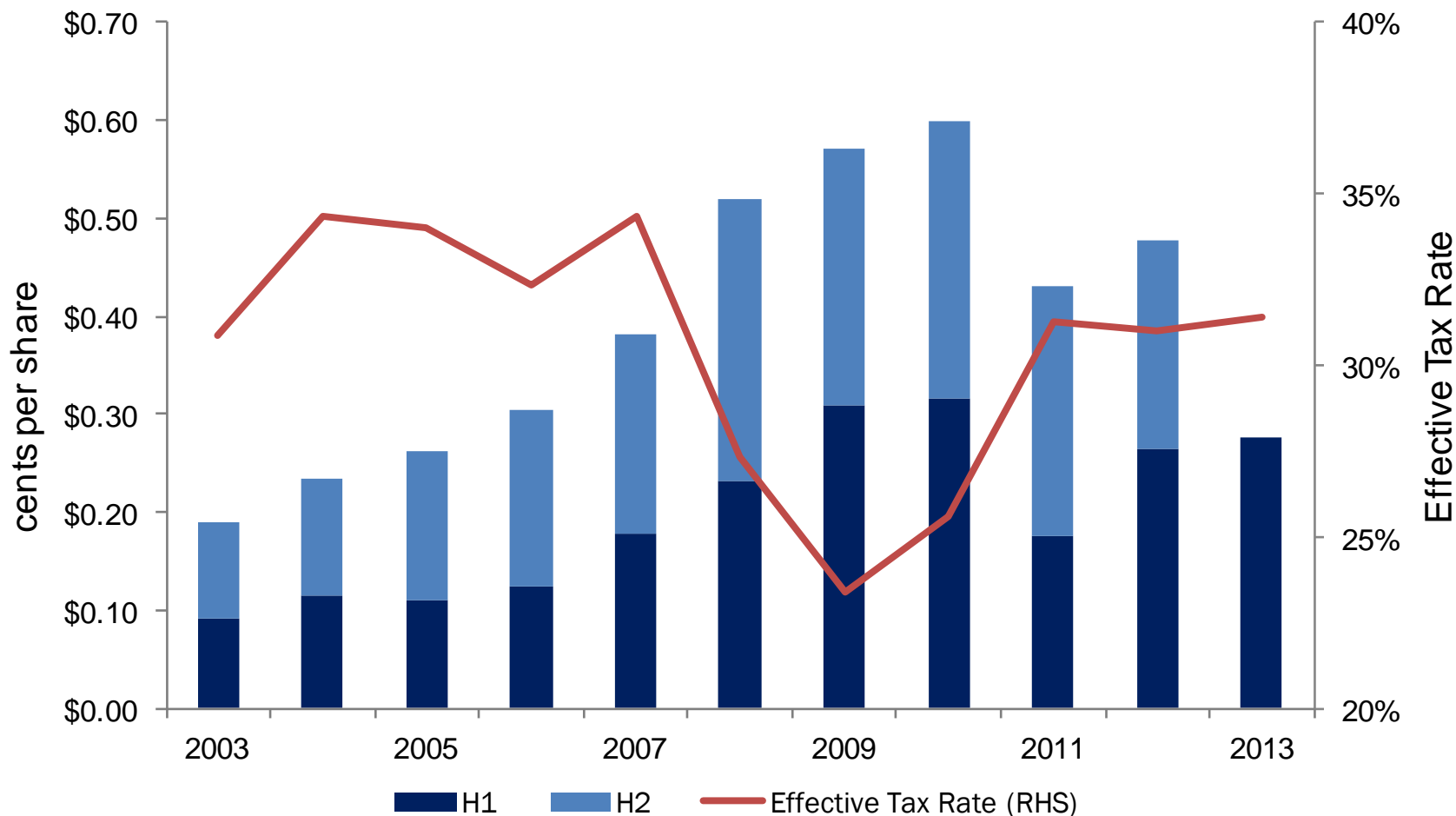


RELATIVE IMPACT H1 13



* Definition of Segment Profit as per IRESS Media Release

OPERATING CASHFLOW PER SHARE*



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



IRESS GROUP OUTLOOK

- Full year 2013 result (before impact of Avelo) will be impacted by:
 - Annualised impact of subscription revenue reductions in 2012.
 - Increases in our organic investments.
 - Stronger than expected growth in wealth management.
- Trading into the second half has commenced with positive momentum.
- A smaller decline in segment profit is expected in 2013 than in the prior year.
- IRESS announced today its acquisition of Avelo Financial Services in the UK.
 - Once regulatory approval has been received, Avelo is expected to make a meaningful positive contribution to the underlying financial performance of the group.
 - Contribution in 2013 will be impacted by one-off transaction and implementation costs.

AUSTRALIA & NZ: FINANCIAL MARKETS

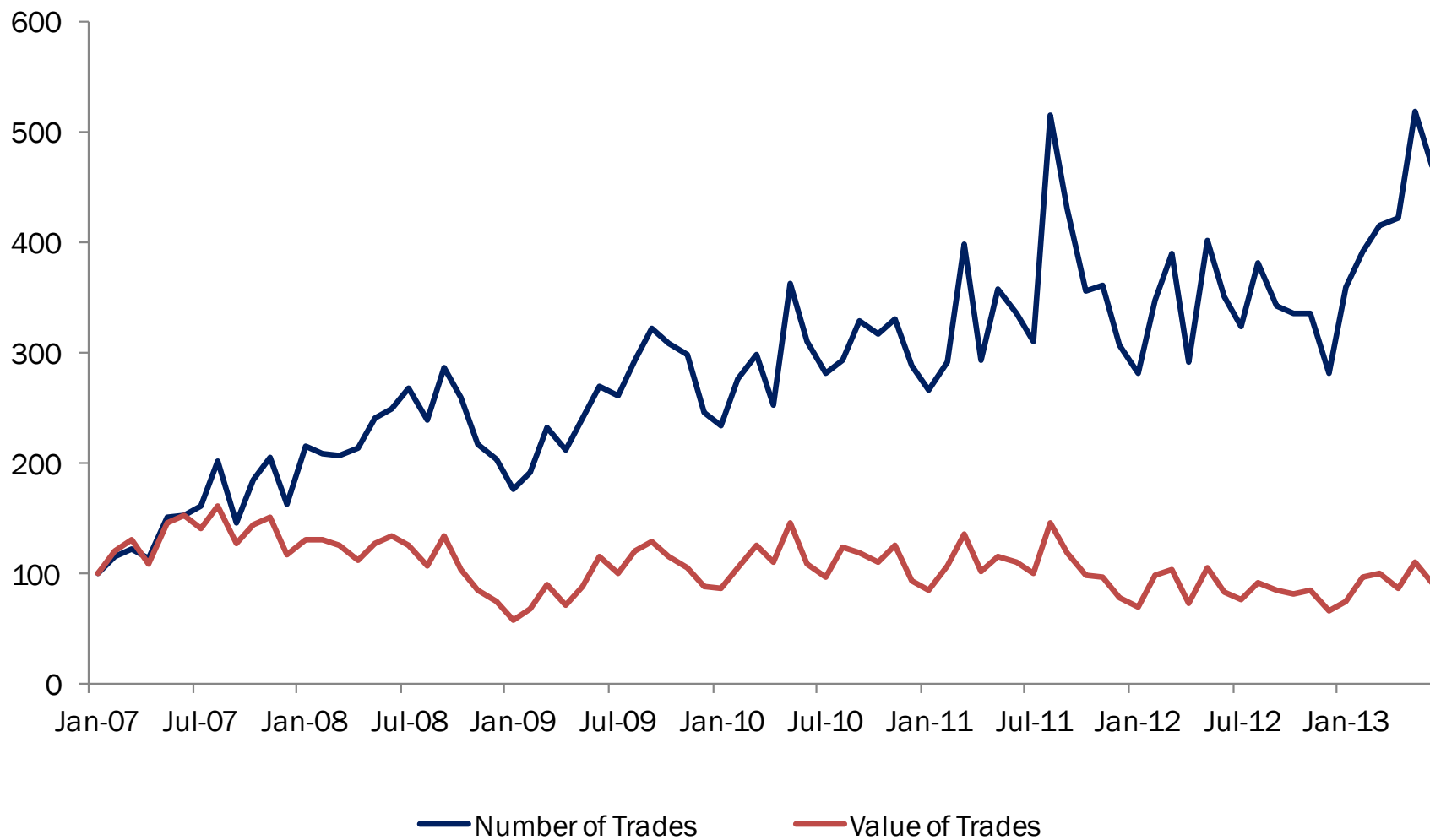
- Reduced H1 13 result from flatter revenue:
 - Revenue decreased 1.3% on H2 12 (down 1.9% pcp)
 - Segment Profit decreased 6.2% on H2 12 (down 6.2% pcp)
 - Segment Profit impacted by once off rent accrual in H1
- Revenue profile reflects resilient result:
 - Cancellations continue with gradual headcount reductions in client base.
 - Offsetting revenue from positive contribution by IOS+, BMR, HotSwap.
- Ongoing focus on delivery and support, especially in relation to regulatory and exchange changes.
- Dedicated Trading Solutions team, focused on multi-market trading support,.

AUSTRALIA & NZ: FINANCIAL MARKETS

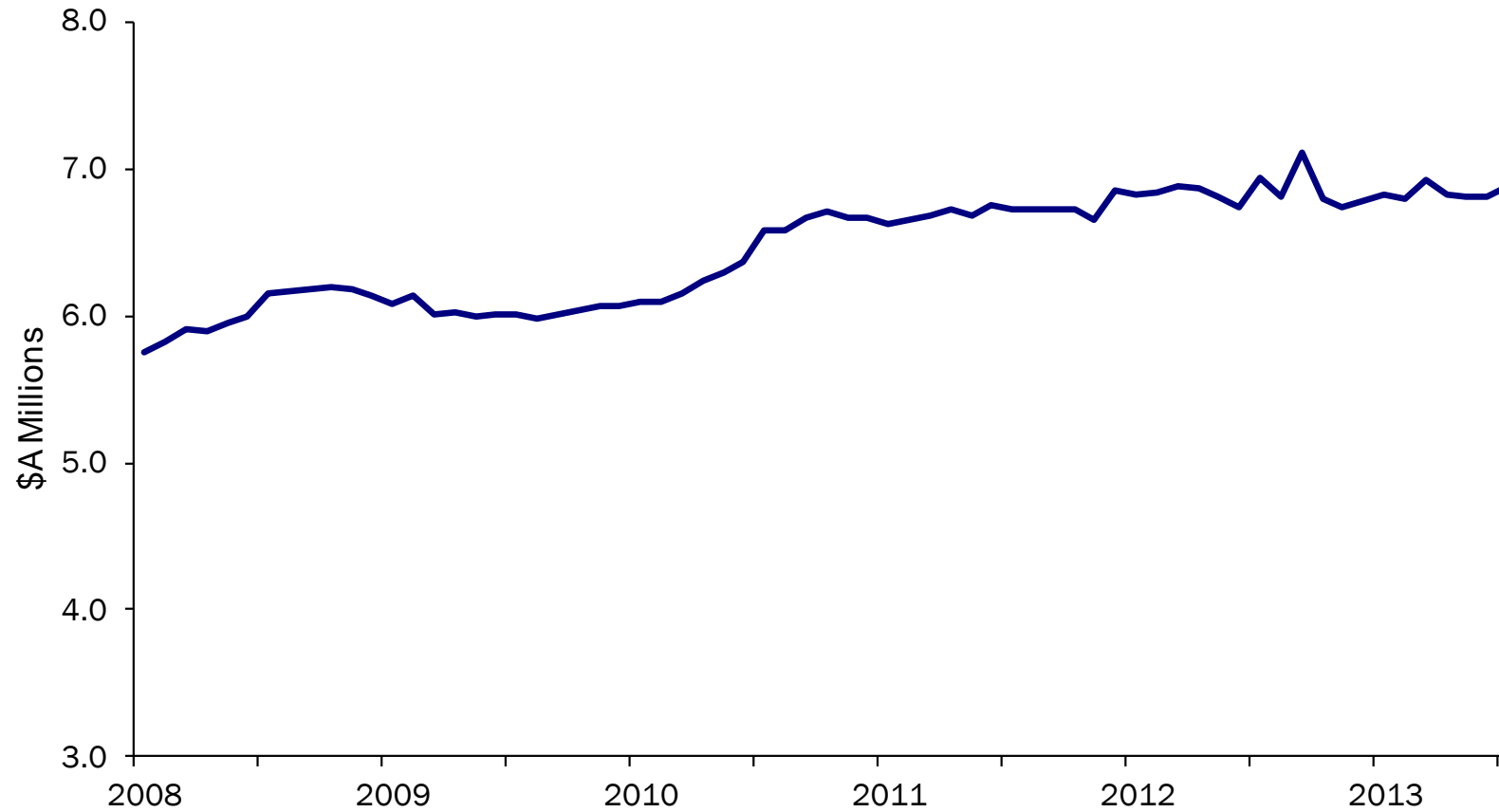
- Steady interest in multi-market deployments post ASIC best execution compliance in March.
- OTW popular as primary trading terminal replacing ASX ITS, in place of ASX Best.
- IRESS infrastructure and network solutions providing direct cost savings over third-party alternatives.
- Continuing strong demand for IPS across retail, managed account, and institutional.
- Next generation Trader solution in progress with HTML5 replacement of Java.
- Mobile product suite (iOS, Android) available free to all professional IRESS users. Mobile store rebranding available and popular feedback with good retail takeup
- 2013 Outlook
 - January's positive sentiment and trading activity did not continue during half, extending cost focus by all participants.
 - Participant focus remains upcoming regulatory and exchange changes, and opportunities for cost saving solutions for participants.
 - Expect conditions to continue for at least the remainder of 2013, and segment profit decline marginally improved on H1.



DAILY TRADES ON THE ASX



FINANCIAL MARKETS – SUBSCRIPTION REVENUE



Up to July 2013



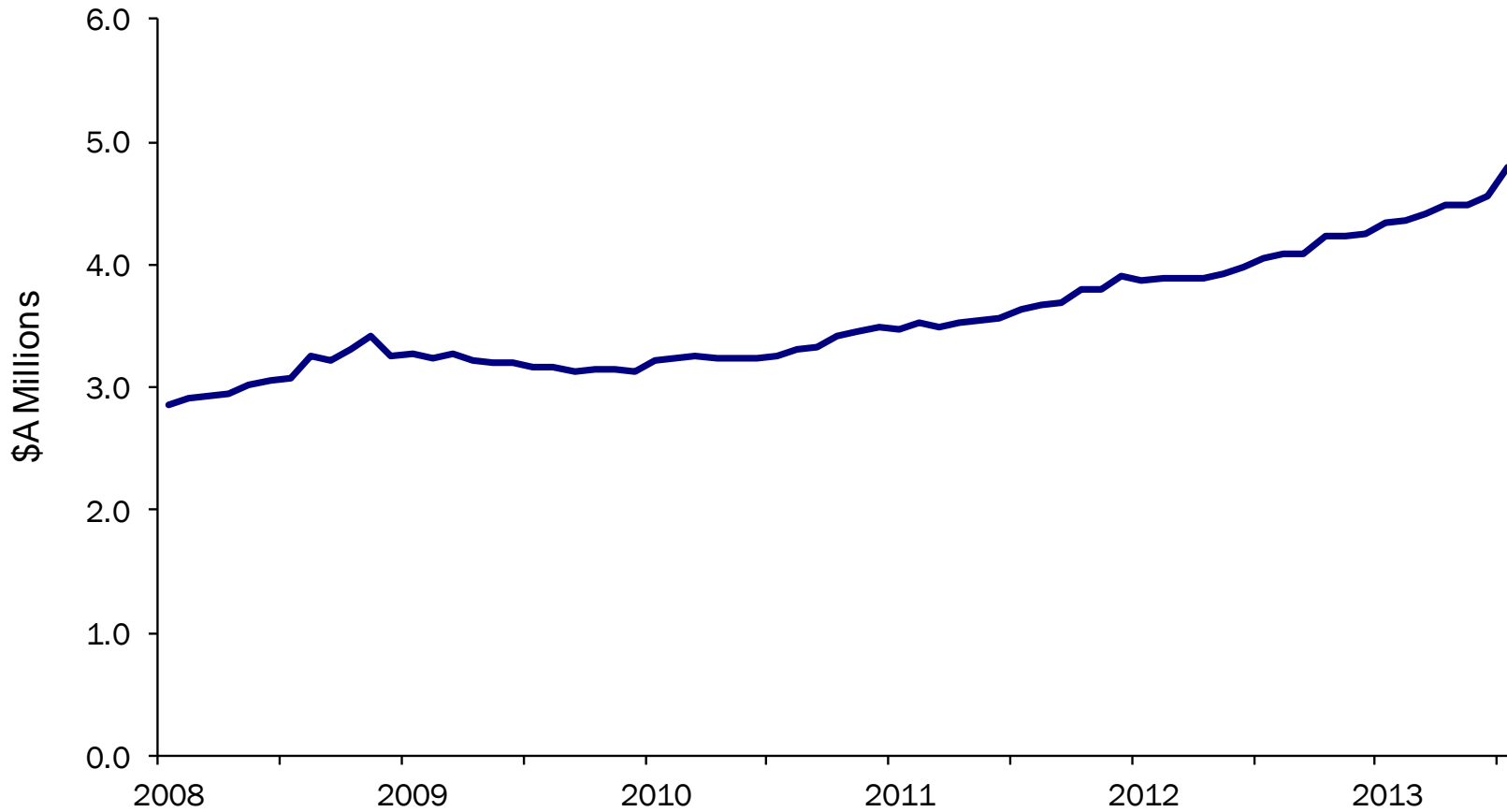
AUSTRALIA & NZ: WEALTH MANAGEMENT

- Very strong recurring revenue growth, delivery and integrated service continues to deliver:
 - Revenue increased 6.5% on H2 12 (up 13.5% on pcp)
 - Segment Profit increased 11.3% on H2 12 (up 12.7% on pcp)
- Broad market demand for remuneration back office solutions tightly integrated to XPLAN, and organic demand for FoFA related technology.
- Several institutional rollouts of XPLAN now complete.
- Regulatory changes continue to drive technology and solution demand. Technology has a significant role in facilitating the new face of financial advice.
- XPLAN is clear industry leader with the largest number of adviser relationships, according to InvestmentTrends (2013).

AUSTRALIA & NZ: WEALTH MANAGEMENT

- Integrated private wealth, advice and trading capability of PWM proving to be differentiated and competitive.
- Demand for Client Online Access is a key aspect of XPLAN and increasingly important to advice firms post FOFA.
- Several Direct to Consumer (D2C) propositions powered by XPLAN Engage across for industry and corporate super fund clients.
- XPLANtouch
 - End investor and adviser apps deployed with good takeup
 - Mobile store rebranding available and popular feedback.
- Outlook
 - Very strong revenue momentum expected to continue.
 - New client implementations and organic growth in the pipeline.
 - Current activity indicates similar strong segment profit growth in 2013 as in 2012.

WEALTH MANAGEMENT – SUBSCRIPTION REVENUE



Up to July 2013



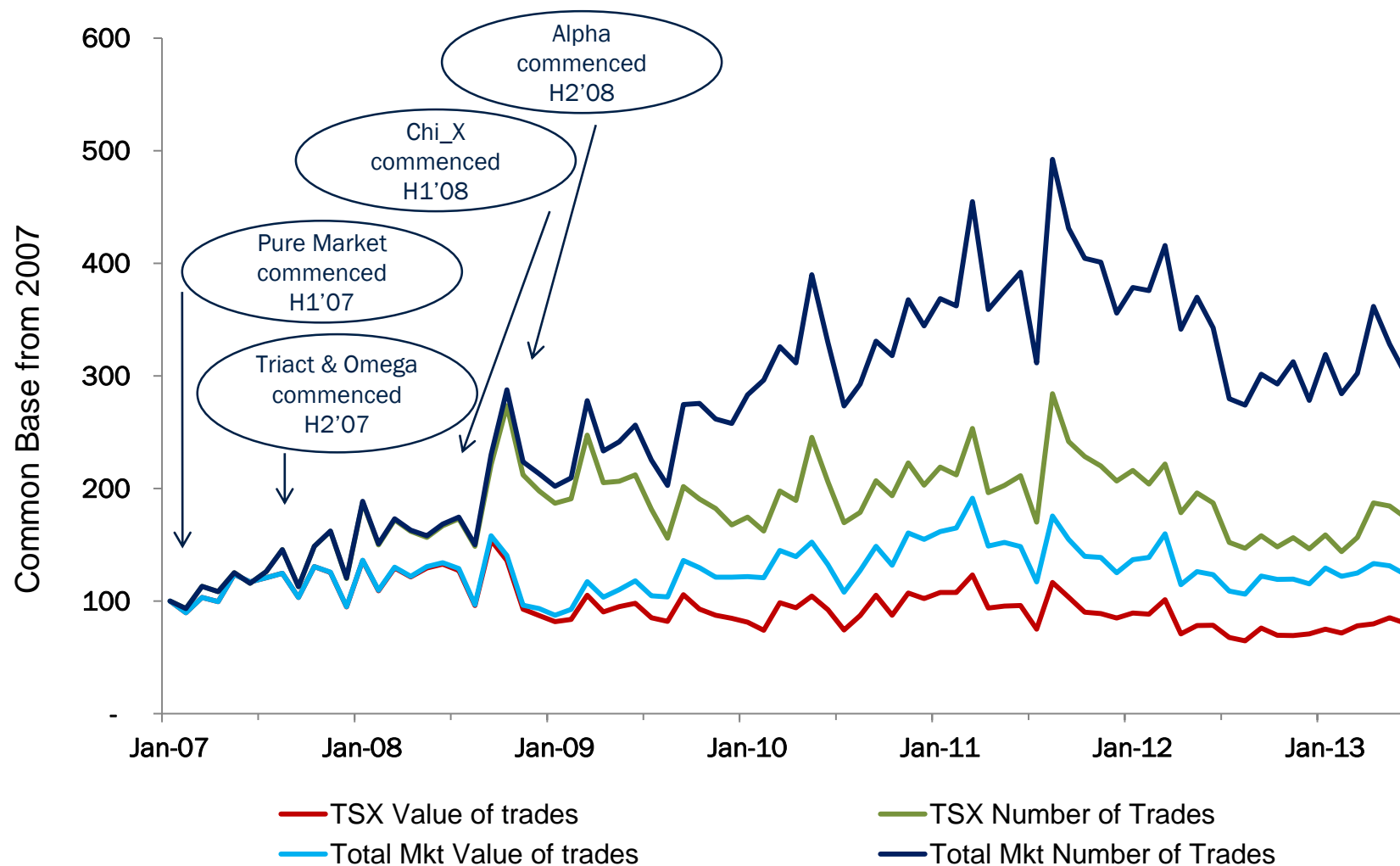
CANADA - OVERVIEW

- Continued pressure in client base reflected in financial result:
 - Revenue (CAD) decreased 1.1% on H2 12 (down 10.8% on pcp)
 - Segment Profit (CAD) decreased 11.2% on H2 12 (down 26.3% on pcp)
- Canadian trading volumes experiencing sustained declines. Considerable cost pressure across all Canadian clients resulting in cost rationalisation and consolidation.
- Cost pressures most evident in small to mid sized firms without asset class and business diversity.
- IRESS working closely with our Canadian clients to develop solutions that enhance workflow and realise cost benefits.
- Executing diversification strategy to extend our customer base through the deployment of broader range of IRESS products remains a top priority and is progressing.

CANADA - OVERVIEW

- Despite challenging markets, opportunities exist with large dealers to continue middle office automation to reveal business savings.
- Subsequent to TMX acquisition of ALPHA, new exchange being established by group of investors and brokers.
- Legacy KTA infrastructure now decommissioned with users migrated to IRESS.
- IRESS Professional continuing to progress in small-medium firms as competitive replacement product.
- Private Wealth Management implementation underway with seed client, as well as active engagement in several tenders.
- Outlook for 2013:
 - Trading at the start of H2 has shown no real sign of improvement. Canadian volumes continue to lag behind global markets.
 - We remain optimistic this will not be a long term phenomenon, however this sustained downturn will have significant negative impact in 2013 and 2014.

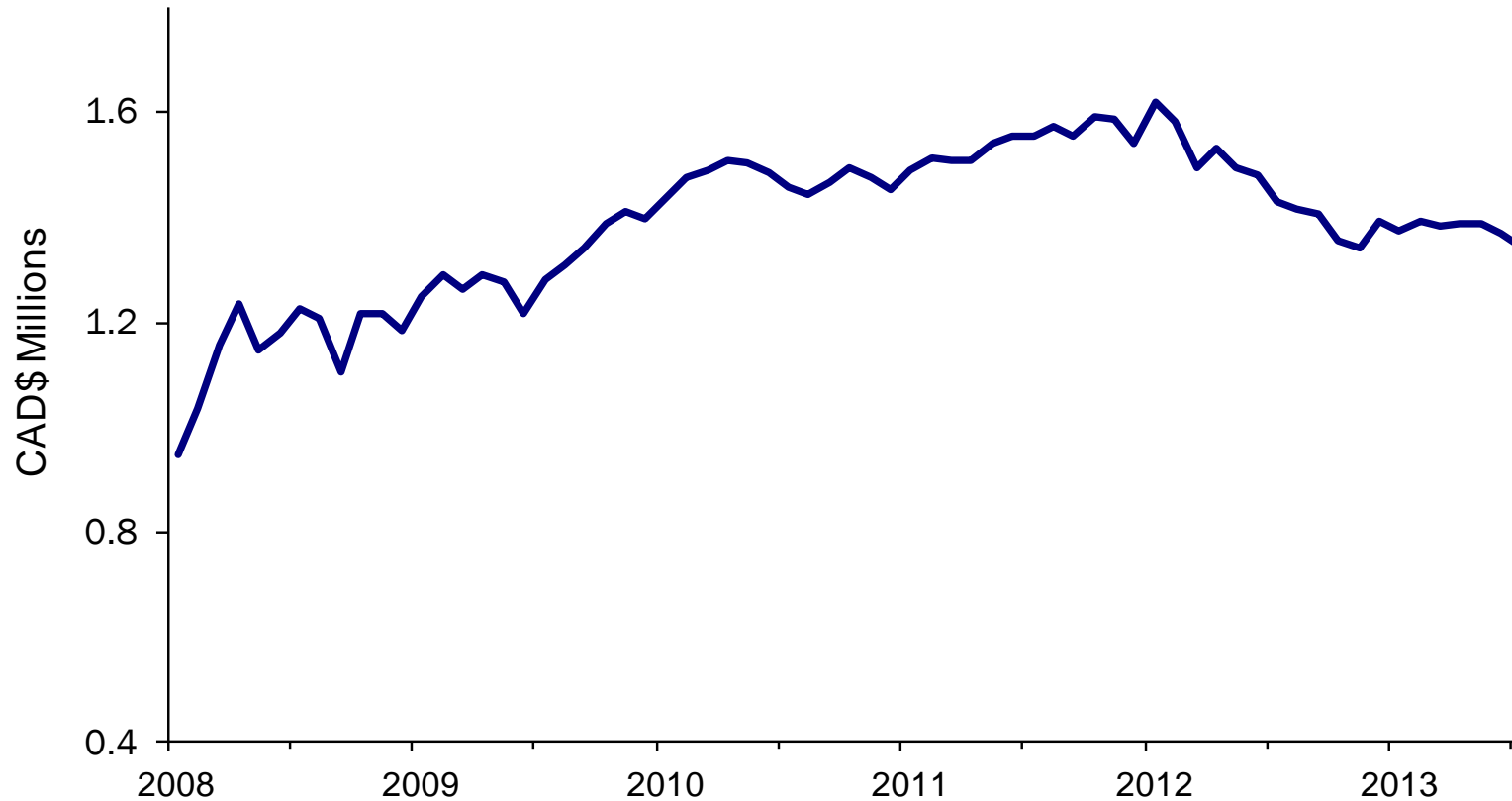
DAILY TRADES IN CANADA*



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



CANADA – MONTHLY SUBSCRIPTION REVENUE



*Assumes 100% ownership
Up to July 2013



SOUTH AFRICA

- Very strong South African result across segments:
 - Total revenue increased 8.3% (ZAR) on H2 12 (up 12.3% pcp)
 - Segment Profit increased 17.8% (ZAR) on H2 12 (up 12.5% pcp)
- Resilient subscription revenue over the period, with additive volume-based revenue.
- Minor impact to AUD result by adverse currency movement.
- 2013 outlook
 - Trading has commenced half with negative impact of short-term volumes.
 - Broadened product set and implementations occurring across segments realising revenue growth.
 - Expect solid revenue growth (ZAR) for 2013 but new premises costs impacting segment profit negatively.

SOUTH AFRICA

Financial Markets

- IRESS Pro desktop offering international market data and trading a key differentiator. Positive feedback against under-invested local vendors & expensive internationals.
- Additional services added to managed infrastructure in Johannesburg for takeup H2.
- Competitive positioning as vendor of scale and local focus.

Private Wealth Management

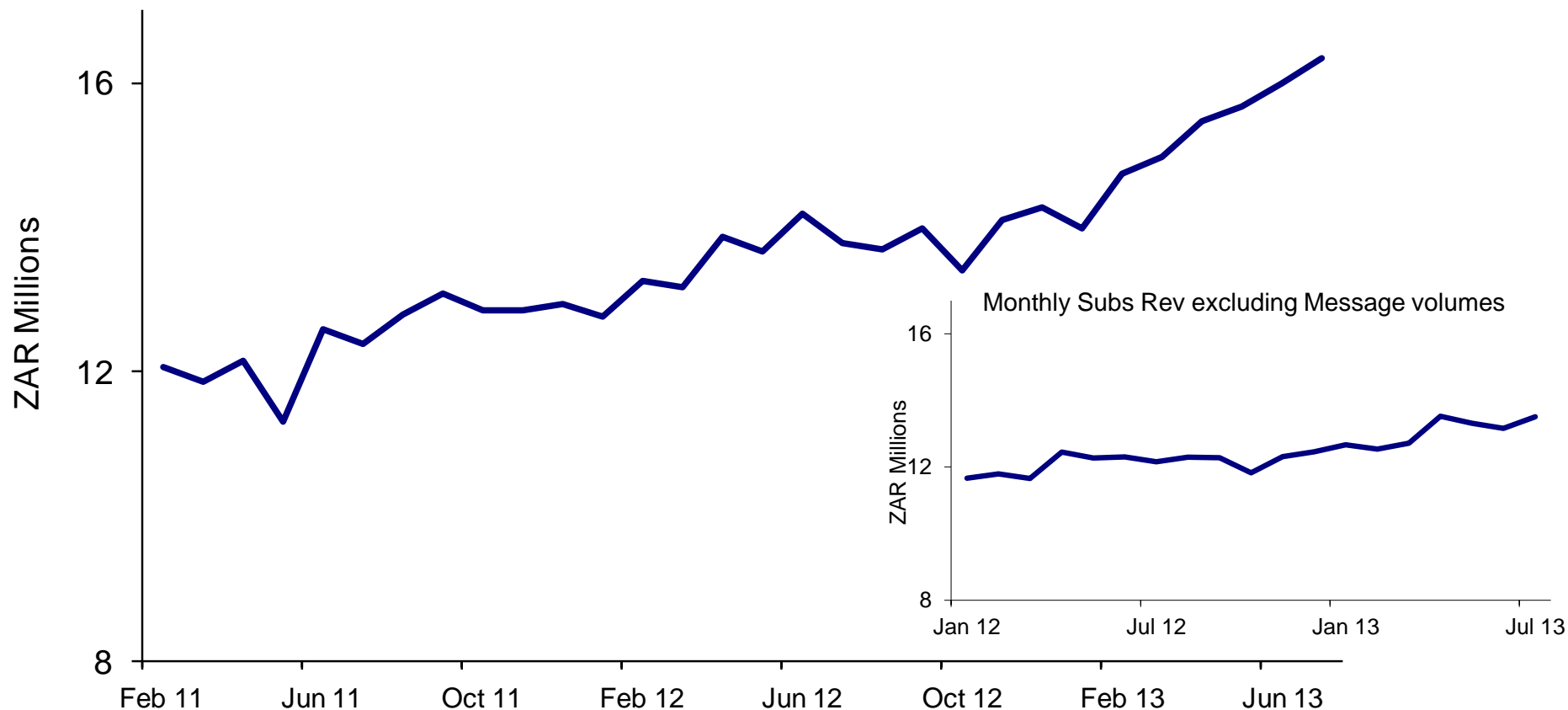
- Important upgrade for existing clients to access additional functionality and efficiencies. Numerous institutional implementations underway.
- New opportunities from unique, scaled position across financial markets and wealth.
- IRESSnet providing growing data normalisation role integrating many data sources.

Wealth Management

- Largest wealth rollout in SA now commencing.
- Regulatory anticipation high given global trends such as FoFA and RDR. Likely to impact SA in a form in time.
- Several implementations underway, new and desktop upgrades.



SOUTH AFRICA – MONTHLY SUBSCRIPTION REVENUE



Up to July 2013

Revenue variances partly due to Message Volumes fluctuations (Financial markets)



INVESTMENTS: ASIA

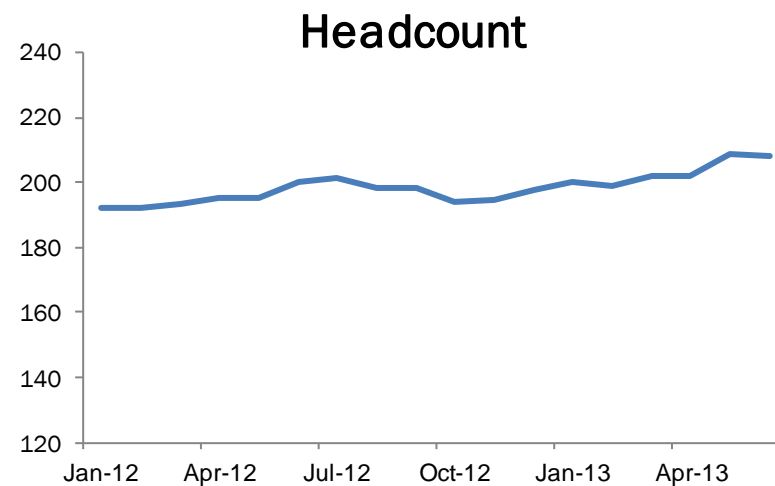
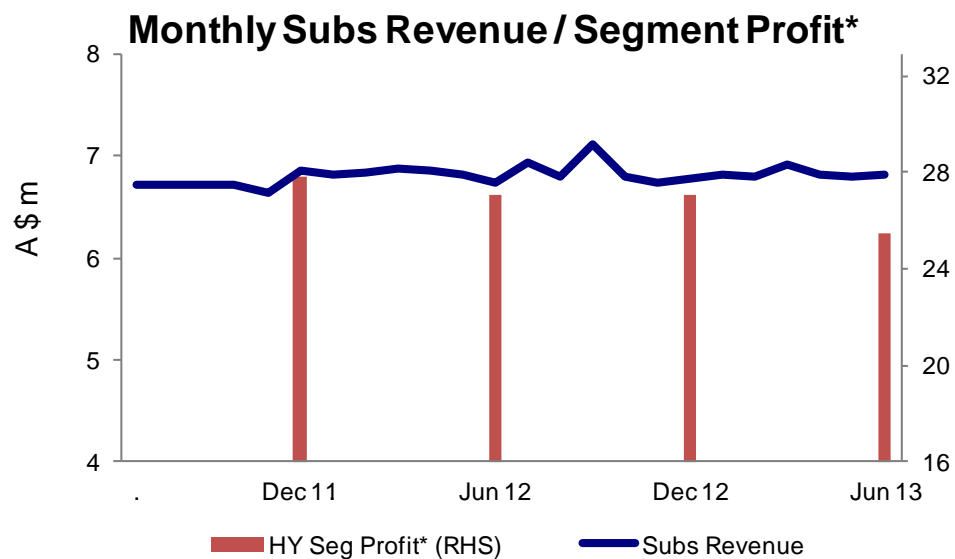
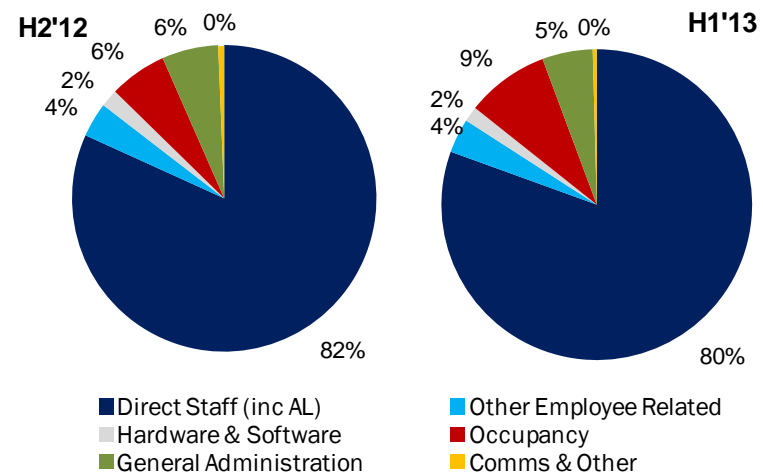
- Increased presence and awareness as footprint expands.
- CFD trading platform now entrenched amongst majority of local SG brokers.
- Seed broking client for front to back cash equities trading and market data. Key opening beyond CFD niche capability.
- Success with seed institutional wealth management client in Malaysia.
- Regional datafeeds in IRESSnet proving key competitive edge against under-invested vendors.
- Opportunities exist in private wealth as market looks for advantage with nimble global technology providers.
- Introduction of IRESS and XPLAN mobile solutions favourably received.
- Anticipate reduction in net loss as implementation projects progress to full billing cycle.
- Confident in medium-long term growth opportunities.

INVESTMENTS: UNITED KINGDOM

- Continued progress with SBG and Towry:
 - SBG expecting 2000 production users by end of 2013.
 - Implementation of CommPay backoffice now underway at SBG.
 - Cashflow planning XTOOL now in production at Towry with positive feedback.
 - Towry advice platform project continuing and on track.
- Several institutional and IFA prospects actively engaged. XPLAN continues to demonstrate competitive strength in the UK market.
- UK business outlook materially enhanced by acquisition of Avelo announced today.
 - Avelo is a unique and attractive opportunity to establish scale, revenue and relationship footprint in the UK.
 - Technology, independence, and scale are differentiating competitive characteristics for the enlarged IRESS UK business.
 - Refer Avelo media release released today.

AUSTRALIA - FINANCIAL MARKETS

	H2 2012	H1 2013	%Chg LC
	(A\$'000)	(A\$'000)	
Operating Revenue	54,206	53,521	-1%
Segment Profit*	27,110	25,434	-6%
Segment PAT*	17,886	16,438	-8%
Non Recurring Exp	(282)	(667)	
Avg Headcount FTE	197.4	203.3	3%

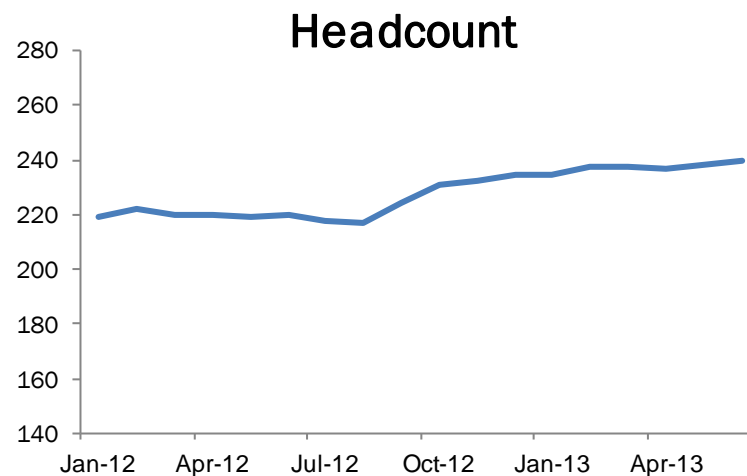
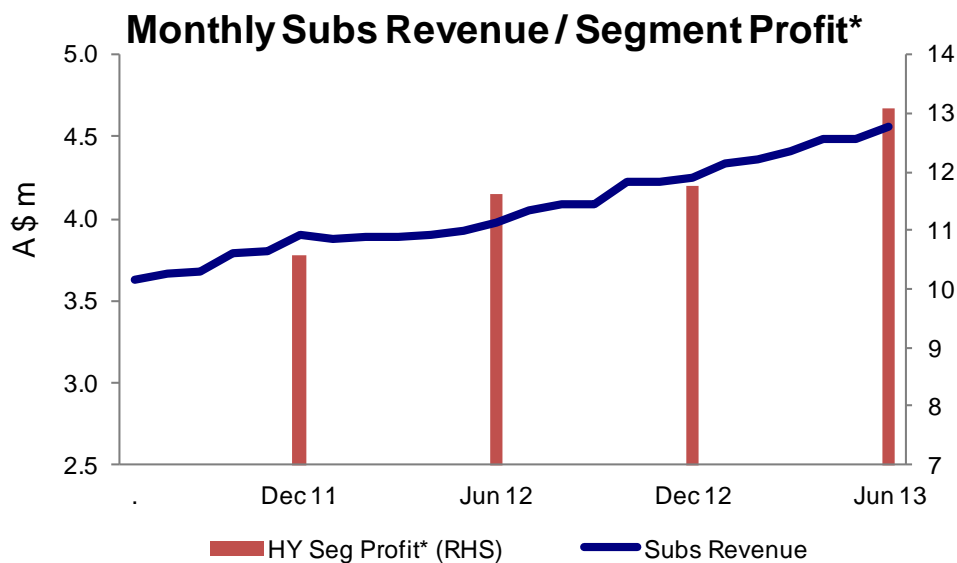
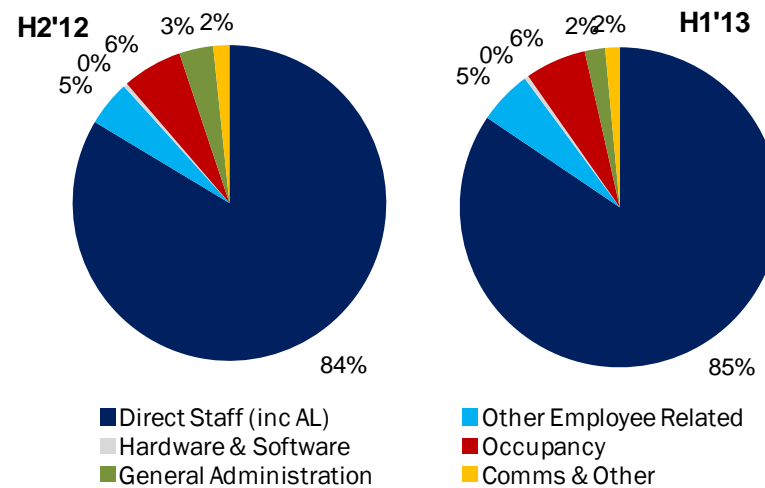


*Definition of Segment Profit and Segment PAT as per IRESS Media Release



AUSTRALIA - WEALTH MANAGEMENT

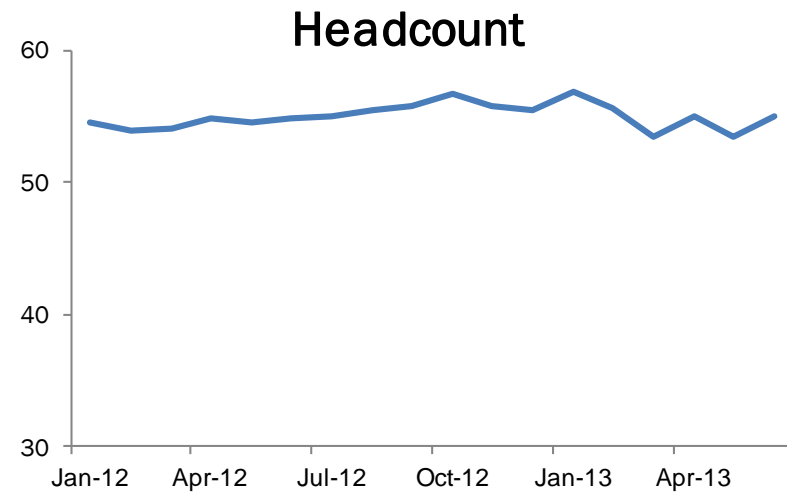
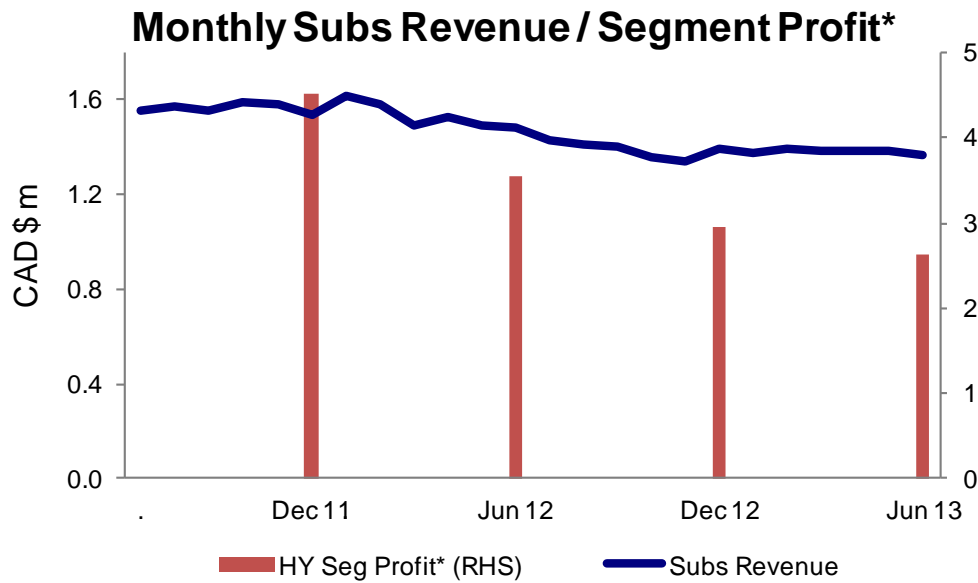
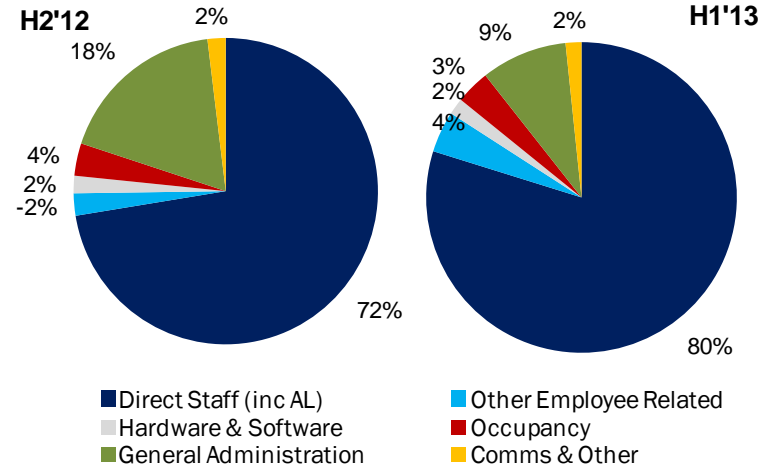
	H2 2012	H1 2013	%Chg LC
	(A\$'000)	(A\$'000)	
Operating Revenue	27,788	29,599	7%
Segment Profit*	11,759	13,084	11%
Segment PAT*	7,671	8,523	11%
Non Recurring Exp	(474)	(135)	
Avg Headcount FTE	226.2	237.5	5%



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

CANADA

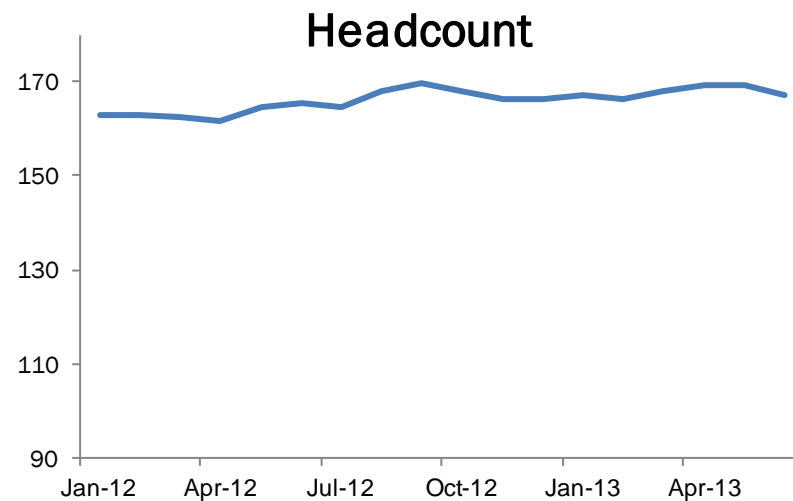
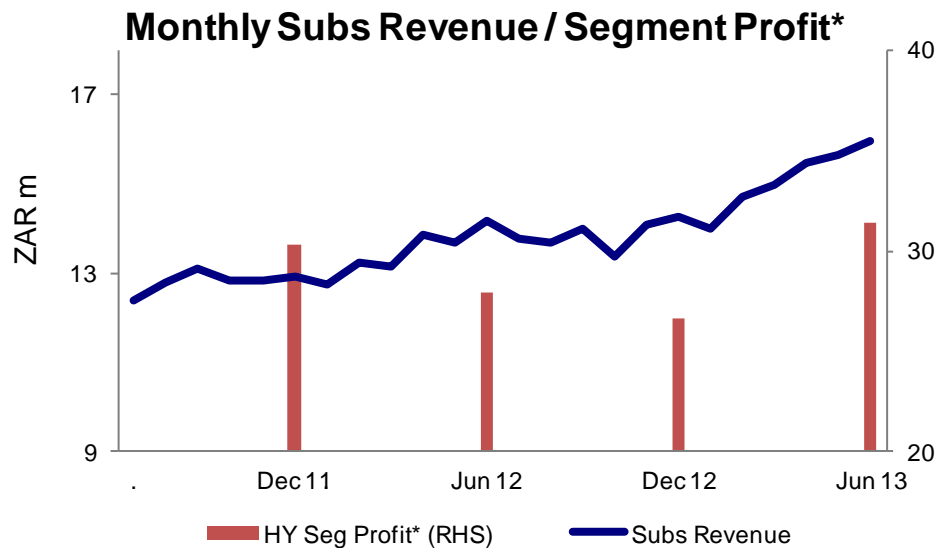
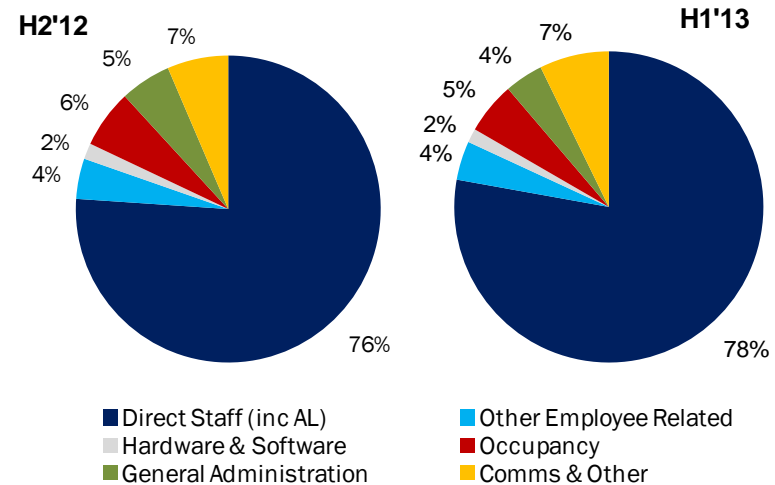
	H2 2012		H1 2013		%Chg LC
	(CAD\$'000)	(A\$'000)	(CAD\$'000)	(A\$'000)	
Operating Revenue	10,600	10,246	10,481	10,107	-1%
Segment Profit*	2,950	2,853	2,620	2,525	-11%
Segment PAT*	1,809	1,749	1,586	1,529	-12%
Non Recurring Exp	24	23	(8)	(7)	
Avg Headcount FTE	55.7		54.9		-1%



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

SOUTH AFRICA

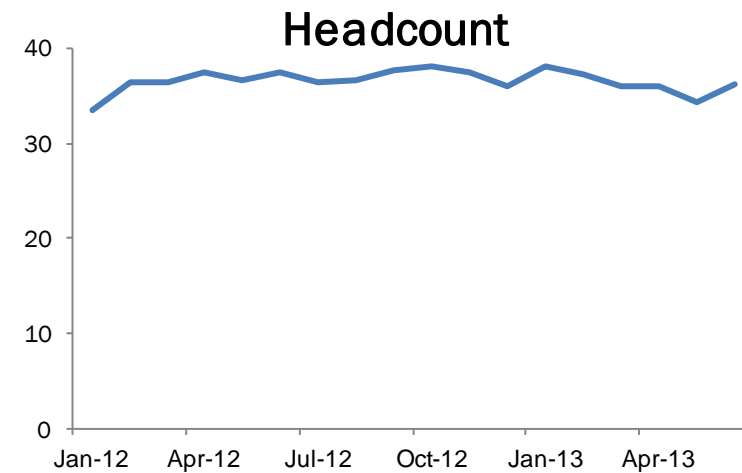
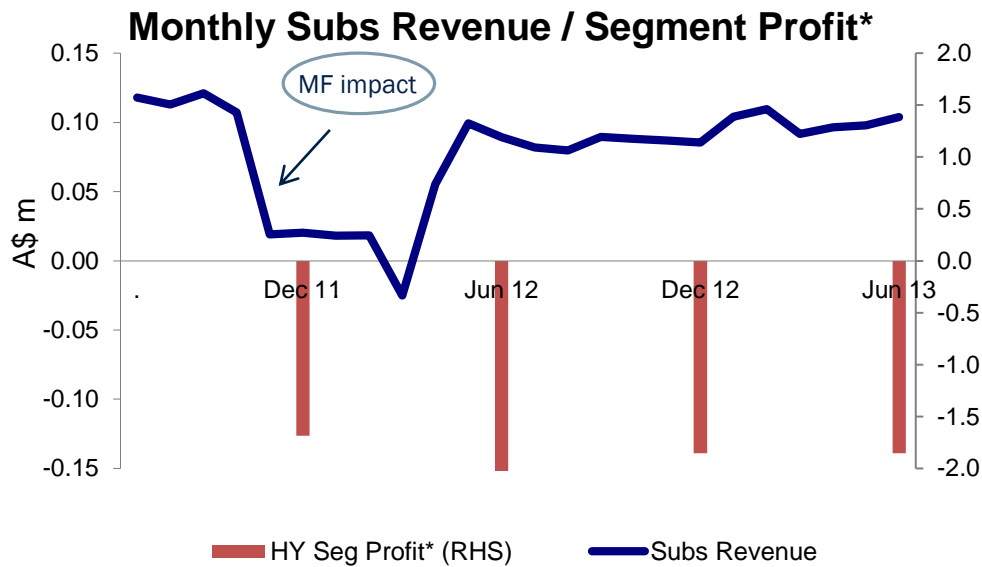
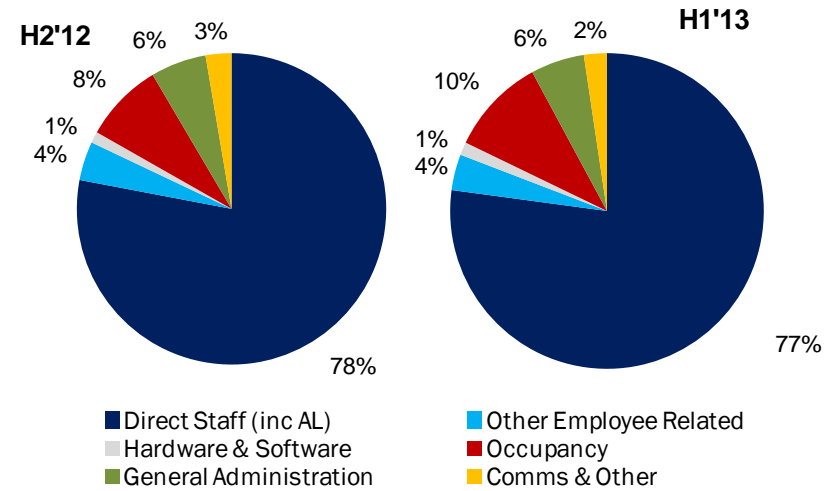
	H2 2012		H1 2013		%Chg LC
	(ZAR\$'000)	(A\$'000)	(ZAR\$'000)	(A\$'000)	
Operating Revenue	91,502	10,438	99,062	10,612	8%
Segment Profit*	26,651	3,016	31,396	3,350	18%
Segment PAT*	17,752	2,008	21,055	2,247	19%
Non Recurring Exp	1,496	(75)	(806)	(12)	
Avg Headcount FTE	167.2		167.9		0%



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

ASIA

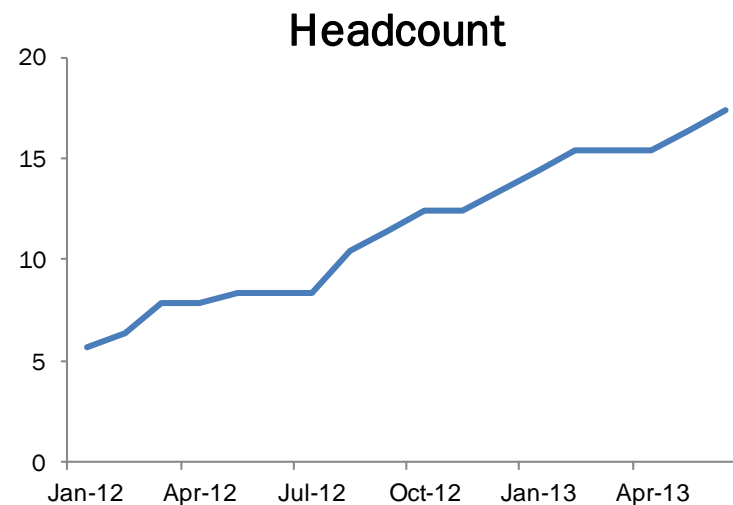
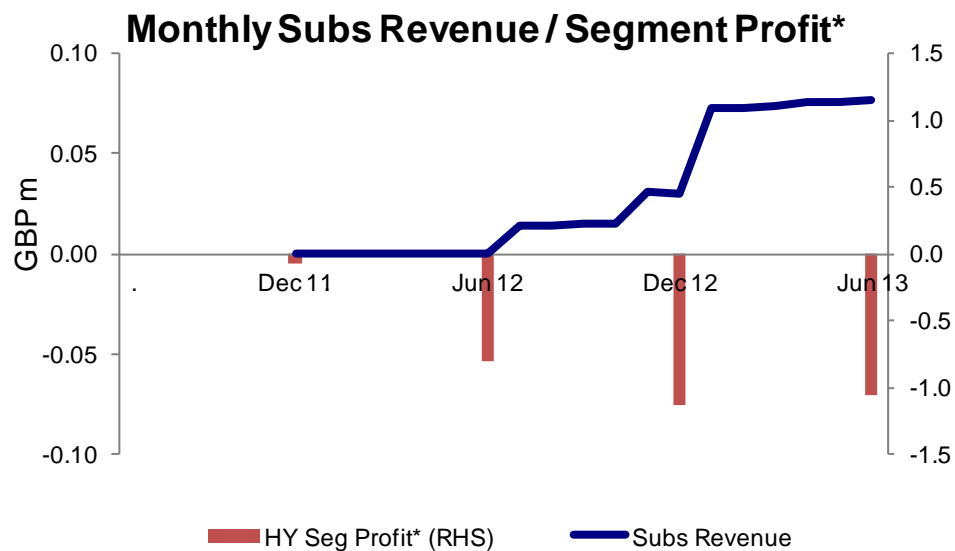
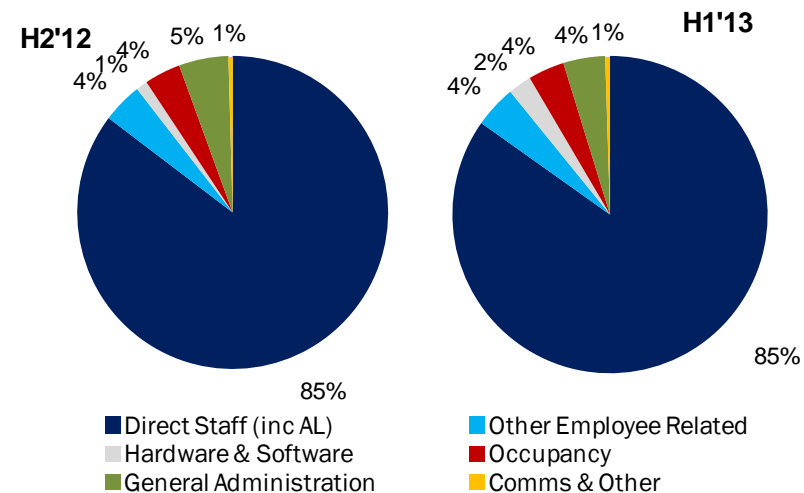
	H2 2012	H1 2013	%Chg LC
	(A\$'000)	(A\$'000)	
Operating Revenue	646	712	10%
Segment Profit*	(1,856)	(1,854)	0%
Segment PAT*	(1,422)	(1,416)	0%
Non Recurring Exp	(5)	(483)	
Avg Headcount FTE	37.1	36.4	-2%



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

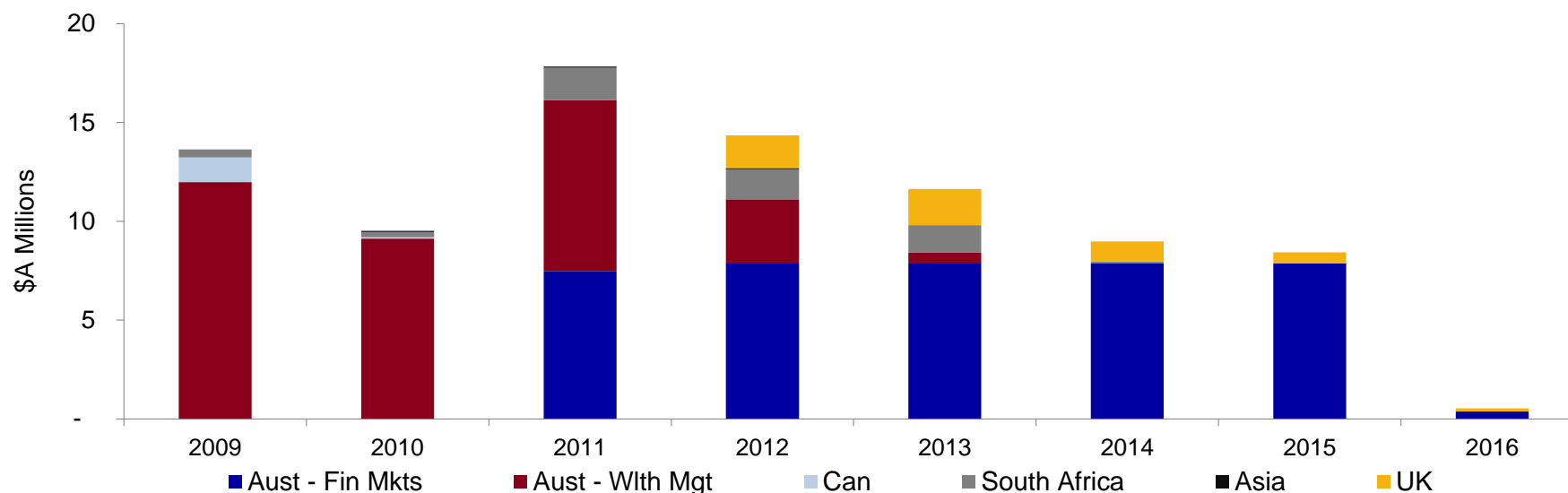
UNITED KINGDOM

	H2 2012		H1 2013		%Chg LC
	(GBP\$'000)	(A\$'000)	(GBP\$'000)	(A\$'000)	
Operating Revenue	201	309	553	841	
Segment Profit*	(1,125)	(1,725)	(1,053)	(1,597)	
Segment PAT*	(823)	(1,264)	(795)	(1,205)	
Non Recurring Exp	(21)	(35)	(23)	(40)	
Avg Headcount FTE	11.4		15.7		38%



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

GROUP STRATEGIC CHARGES



AUD \$ m	Description	H2'12	H1'13	H2'13	H1'14	H2'14	H1'15	H2'15	H1'16
Aust - Fin Mkts	Peresys Software	3.933	3.934	3.934	3.934	3.934	3.934	3.934	0.381
Aust - Wlth Mgt	Visiplan Software	-	-	-	-	-	-	-	-
	Fundclick Software	0.482	0.482	0.080	-	-	-	-	-
South Africa	Peresys Customer List	0.734	0.690	0.690	0.098	-	-	-	-
Asia	Sentryi Software	0.028	-	-	-	-	-	-	-
UK*	Business est. share grants	1.318	1.136	0.691	0.599	0.414	0.349	0.218	0.151
TOTAL		6.495	6.242	5.395	4.630	4.347	4.283	4.151	0.533

*UK grants also included in Share Grants slide

NON-AMORTISING INTANGIBLES

		Description	Cost (AUD) \$m	Amortisation period
Goodwill	Aust - Wlth Mgt	Plantech Goodwill	2.937	Will be subject to regular impairment testing
		Visiplan Goodwill	10.695	
		Transactive Goodwill	0.285	
		DMS Goodwill	1.042	
	Canada	LP Goodwill	8.890	
	South Africa	Peresys Goodwill	9.688	
		Spotlight Goodwill	4.066	
	Asia	Sentryi Goodwill	2.169	
TOTAL GOODWILL			39.772	
Database	Aust - Wlth Mgt	FundData Database	1.540	
TOTAL DATABASE			1.540	

SHARE GRANTS

- Value of staff share grants made in May 2013 (excludes MD):
 - 3 year term Deferred shares & Deferred Share Rights \$6.926m (2012: \$6.363m)
 - Performance Rights \$1.253m (2012: \$1.510m)
- Actual allocation issued to MD lower than maximum allowable allocation from AGM. Performance Rights subject to 4 year term.
 - Maximum allowed allocation of 160,000 Performance Rights and 65,000 Deferred Shares
 - Actual allocation of 130,000 Performance Rights and 55,000 Deferred Shares
- Prior Once-off 2012 share grant of \$5.215m linked to business establishment in UK.
 - Continues to impact P&L. Accounting treatment skews expense to earlier periods
 - Viewed as a Strategic Charge by IRESS.
- Existing SBP expense commitments (subject to cancelations):

Future Committed SBP (\$AUDm)	H2'12	H1'13	H2'13	H1'14	H2'14	H1'15	H2'15	H1'16	H2'16	H1'17
SBP Expense	3.199	3.527	3.631	3.366	2.922	2.488	1.602	1.138	0.080	0.055
UK business est. grants*	1.318	1.136	0.691	0.599	0.414	0.349	0.218	0.151	-	-

*UK grants also included in Strategic Charges slide



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 11 492 1111
Durban | +27 31 203 7500
Capetown | +27 21 657 8800

UNITED KINGDOM

London | +44 203 397 4660

Email | enquiries@iress.com

Web | www.iress.com