



2016 Half Year Results

30 June 2016

Andrew Walsh - Managing Director & CEO

John Harris - CFO

18 August 2016

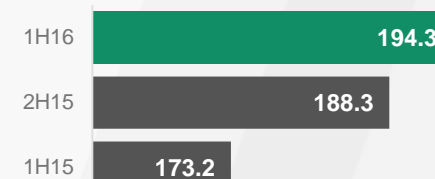


Financial summary

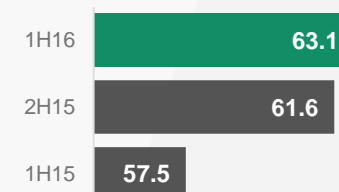
Strong performance, progress and delivery against strategy

\$Am	1H15	2H15	1H16	1H16 / 1H15 %	1H16 / 2H15 %
Operating Revenue	173.2	188.3	194.3	▲ 12%	▲ 3%
Constant currency basis ⁽³⁾	177.7	188.3	202.7	▲ 14%	▲ 8%
Segment Profit ⁽¹⁾	57.5	61.6	63.1	▲ 10%	▲ 2%
Constant currency basis ⁽³⁾	58.6	61.6	65.1	▲ 11%	▲ 6%
Segment Profit after SBP ⁽²⁾	52.5	56.8	57.9	▲ 10%	▲ 2%
Reported NPAT	28.5	26.9	32.7	▲ 15%	▲ 22%
Basic EPS (<i>c per share</i>)	18.1	17.1	20.7	▲ 14%	▲ 21%
Dividend (<i>c per share</i>)	16.0	26.7	16.0		

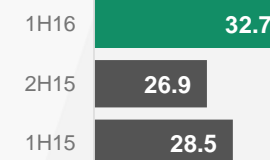
Operating Revenue



Segment Profit



NPAT



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) Segment Profit represents earnings before interest, tax, depreciation, amortisation, share based payments, non-recurring items and unrealised foreign exchange gains and losses
- (2) Share Based Payments
- (3) Assumes 1H15 and 1H16 are converted at the average foreign exchange rate used for 2H15

Segmental financial summary

Core business strength, supported by strong demand and acquisitions

Operating Revenue (local currency)	1H16 v 1H15		1H16 v 2H15	
A&NZ FM	1%	▲	1%	▲
A&NZ WM	12%	▲	5%	▲
UK (ex Lending)	44%	▲	21%	▲
UK Lending	5%	▼	8%	▲
South Africa	19%	▲	9%	▲
Canada	8%	▼	9%	▼
Asia	13%	▲	3%	▼

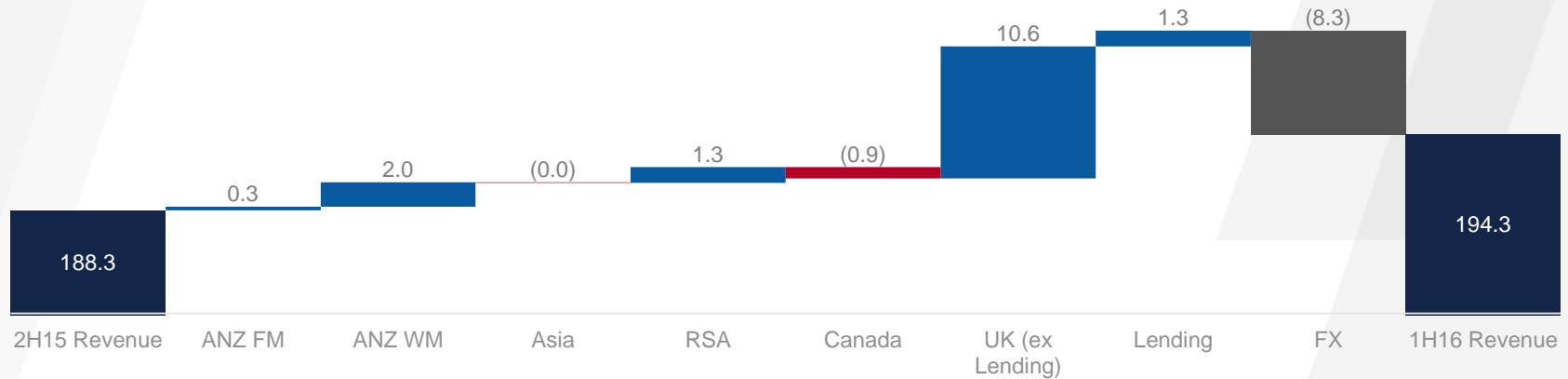
Segment Profit (local currency)	1H16 v 1H15		1H16 v 2H15	
A&NZ FM	1%	▲	3%	▲
A&NZ WM	14%	▲	1%	▲
UK (ex Lending)	73%	▲	12%	▲
UK Lending	43%	▼	63%	▲
South Africa	21%	▲	11%	▲
Canada	45%	▼	46%	▼
Asia	2%	▼	5%	▼

- Resilient Financial Markets Australia Revenue.
- Growth in Australian Wealth continues, reflecting broad demand. Strong full year expected.
- XPLAN Prime for scaled advice, on track for a Q4 rollout.
- UK (ex Lending) includes Proquote and Pulse contribution. Solid half of implementations to production and full pipeline in retail and private wealth. Expanded London premises and private wealth resourcing added in H1.
- UK Lending transition to recurring revenue model continues – expect thinly profitable full year.
- South African momentum across product suite continues reflecting new broking entrants and buoyant local volumes.
- Canada continues to reflect challenging sell-side market conditions. Ongoing investment in wealth aligned to retail opportunities. Implementation projects progressing, albeit delayed by some months impacting revenue.
- First stage of Maybank Kim Eng project successfully delivered.

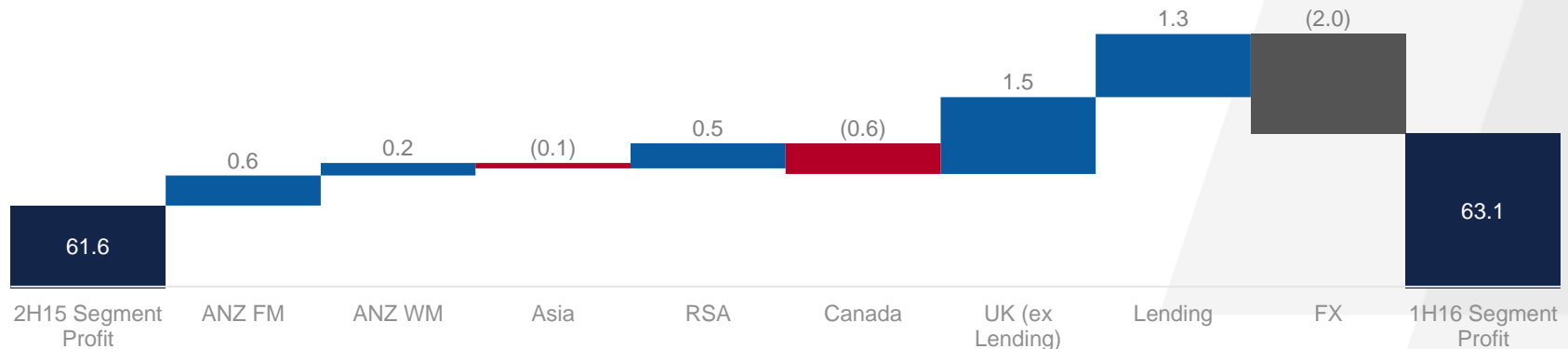
Contribution by segment

Sustainable underlying revenue and segment profit growth

Operating Revenue



Segment Profit



Segment profit margins

% Operating Revenue		1H14	2H14	2014	1H15	2H15	2015	1H16
ANZ FM	AUD	47%	46%	46%	43%	43%	43%	43%
ANZ WM	AUD	47%	44%	46%	46%	49%	48%	47%
UK (ex Lending)	GBP	20%	27%	23%	19%	24%	22%	23%
South Africa	ZAR	26%	32%	29%	33%	33%	33%	33%
Canada	CAD	30%	12%	21%	13%	13%	13%	8%
Group (ex UK Lending)	AUD	36%	36%	36%	33%	35%	34%	34%
UK Lending	GBP	29%	(26%)	13%	31%	12%	22%	19%
Group	AUD			34%			33%	33%

- UK (ex Lending) margin reflects timing of implementations, premises, and private wealth sales and implementation.
- UK Lending margin buoyed by MSOV1 revenue. Not reflective of full year “thinly profitable” expectation.
- Canadian margin reflects impacted financial markets revenue against investment for retail wealth opportunity.

Statutory financial results

Strong cash flow, reduced funding costs

AUD (m)	1H15	2H15	1H16	1H16 / 1H15	1H16 / 2H15
Operating Revenue	173.2	188.3	194.3	▲12%	▲3%
Operating Costs	115.6	126.6	131.3	▲13%	▲4%
Segment Profit	57.5	61.6	63.1	▲10%	▲2%
Share Based Payments	(5.0)	(4.8)	(5.2)	▲2%	▲7%
Segment Profit after SBP	52.5	56.8	57.9	▲10%	▲2%
Non-recurring items	(0.2)	(6.5)	(1.2)	n/a	n/a
Unrealised Foreign Exchange Gain/(Loss)	1.0	1.3	(2.9)	n/a	n/a
EBITDA	53.3	51.6	53.8	▲1%	▲4%
D&A – Operational	(5.0)	(5.3)	(5.2)	▲3%	▼2%
D&A – Acquisition Related	(7.5)	(8.5)	(5.3)	▼29%	▼38%
EBIT	40.8	37.8	43.4	▲6%	▲15%
Net Interest and Financing Costs	(4.9)	(4.8)	(1.5)	▼69%	▼69%
Tax	(7.4)	(6.1)	(9.1)	▲23%	▲50%
NPAT	28.5	26.9	32.7	▲15%	▲22%
EPS	18.1	17.1	20.7	▲14%	▲21%
DPS	16.0	26.7	16.0	-	n/a

- Non-recurring items primarily related to post acquisition integration projects and the implementation of a new People system. 2H15 included Proquote and Pulse transaction costs.
- Foreign exchange loss relates primarily to the translation of cash balances held in non-AUD dominations (driven largely by movement in AUD/GBP during the half).
- Net interest and financing costs declined due to:
 - Lower borrowing costs (renegotiated debt facilities, reduced debt levels with excess cash).
 - Net benefit from revaluation of non AUD debt and associated swaps.
- Effective H1 tax rate steady at 22%. Remains subject to evolving tax regimes.

Strong balance sheet, conservatively geared

AUD (m)	June 2015	Dec 2015	June 2016
Cash	75.0	39.2	33.3
Trade and other receivables	37.1	37.4	39.2
Total current assets	112.0	76.6	72.5
Plant and equipment	10.3	10.0	9.4
Intangibles	452.0	529.6	468.9
Deferred tax assets	26.6	28.4	23.0
Total non-current assets	488.9	568.0	501.3
Total Assets	600.9	644.6	573.8
Trade and other payables	30.8	41.5	40.5
Derivative liabilities	-	10.1	1.6
Provisions	7.5	8.7	11.8
Total current liabilities	38.3	60.3	53.9
Trade and other payables	-	8.0	6.9
Borrowings	178.8	200.5	189.0
Derivative liabilities	22.6	11.1	2.5
Provisions	4.8	7.6	4.7
Deferred tax liabilities	14.7	17.8	12.2
Total non-current liabilities	220.9	244.9	215.5
Total Liabilities	259.3	305.2	269.4
Net Assets	341.7	339.3	304.4

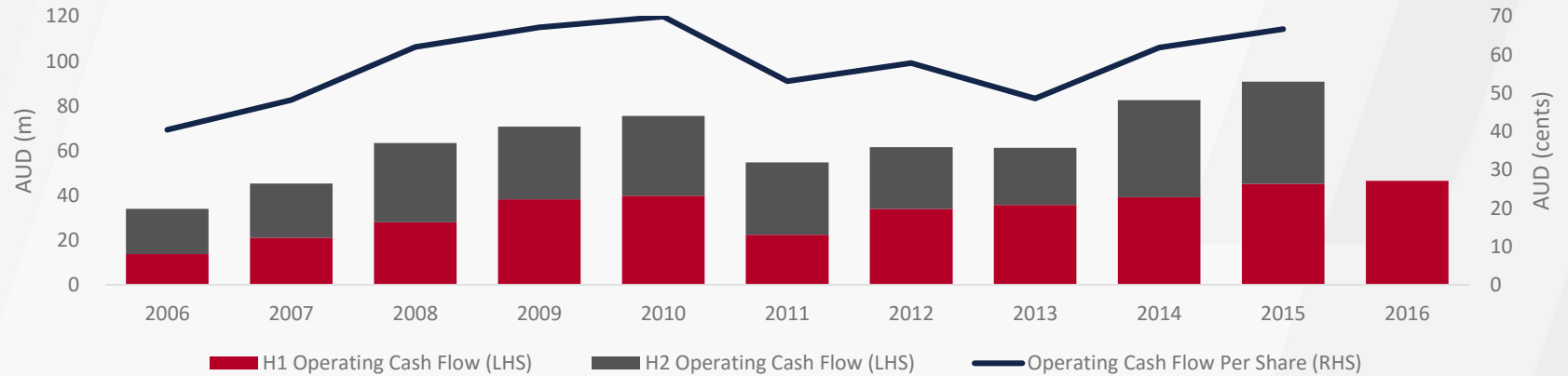
AUD (m)	Dec 15	June 16	
Cash	39.2	33.3	(5.9)
Borrowings ⁽¹⁾	(202.4)	(190.6)	(11.8)
Net debt	163.2	157.3	(5.9)

(1) Dec 15: Excludes capitalised borrowing costs (\$1.9m)
June 16: Excludes capitalised borrowing costs (\$1.6m)

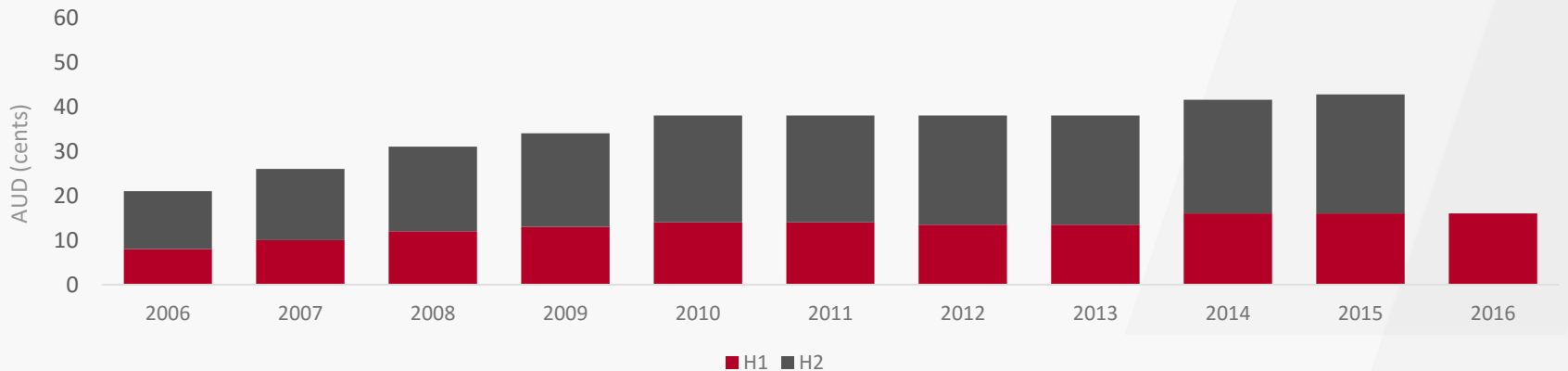
- Net debt decline in 1H16 reflects strong net operating cash flow (offset by high dividend payout).
- Balance sheet remains conservatively geared with a net debt to Segment Profit ratio of 1.3x. Total debt facility of \$300m.

Sustainable cashflow and dividends

Operating Cash Flow



Dividends per share



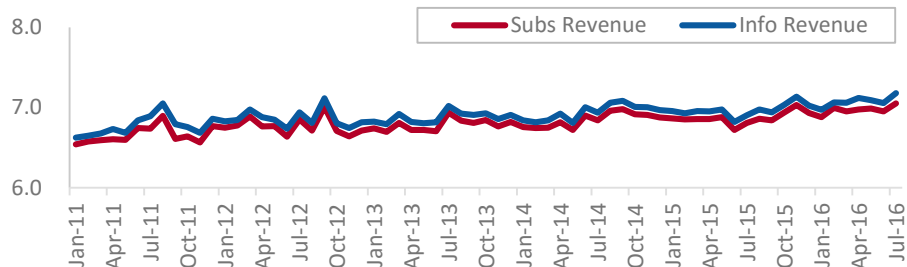
Segment overview

Australia & New Zealand - Financial markets

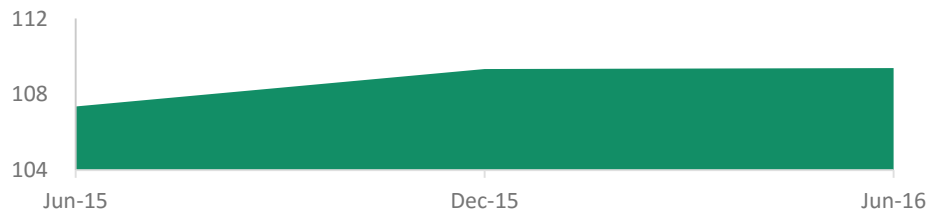
Pleasing ongoing revenue resilience

AUD (m)	1H15	2H15	1H16	1H16 / 1H15	1H16 / 2H15
Operating Revenue	54.2	54.4	54.7	▲ 1%	▲ 1%
Segment Profit	23.4	23.1	23.7	▲ 1%	▲ 3%
Segment Profit Margin	43%	43%	43%		

Monthly total information revenue ⁽¹⁾



Annual Contract Value (information revenue)



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.

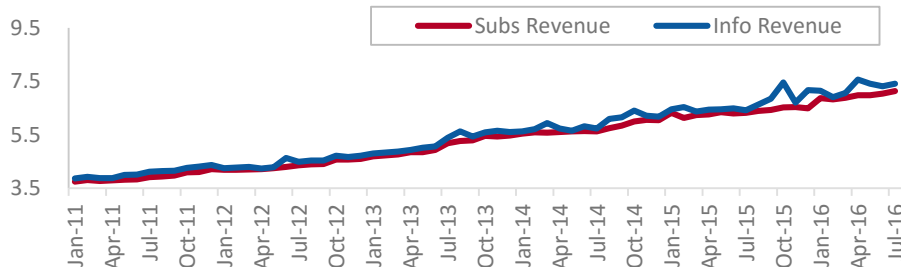
- Revenue resilience continues with growth experienced in H1. Opportunities in portfolio management in buy-side and retail administration, offsetting broader sell-side pressure.
- ViewPoint continues to generate positive feedback globally and deployment activity continues in Australia. Working with several large online trading clients to tailor product configuration and move from Trader to Viewpoint.
- IOS Classic to IOS+ transition momentum continuing, delivering simplicity and system consolidation. Transition now underway at Tier 1 bank.
- Investment in IRESS PRO continuing with material functional and client experience improvements into 2017.
- IRESS will integrate order entry capabilities for the National Stock Exchange (“NSX”) later in 2016. This completes IRESS’ trading connectivity coverage across all four Australian exchanges.
- ASX futures systems migration delayed to early 2017. ASX equities trading system migration deferred 3+ years. IRESS continues to work with clients to ensure smooth transitions.

Australia & New Zealand - Wealth management

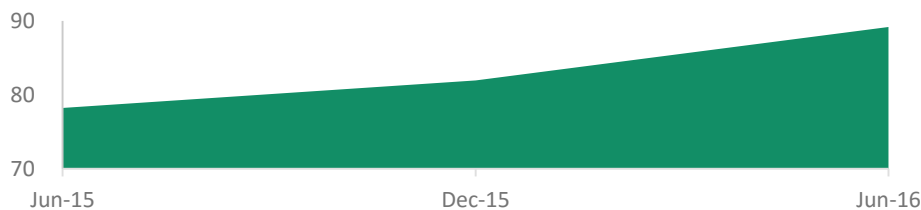
Strong, ongoing wealth management demand

AUD (m)	1H15	2H15	1H16	1H16 / 1H15	1H16 / 2H15
Operating Revenue	38.8	41.5	43.5	▲ 12%	▲ 5%
Segment Profit	18.0	20.3	20.5	▲ 14%	▲ 1%
Segment Profit Margin	46%	49%	47%		

Monthly total information revenue



Annual Contract Value (information revenue)



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

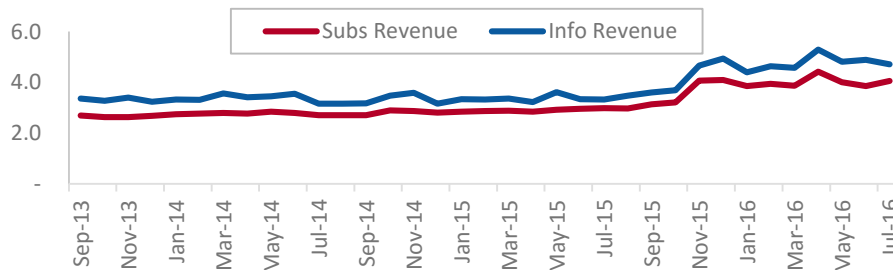
- Revenue reflects broad organic growth, new client wins, implementation revenue.
- Some revenue timing impact of implementations and internal cost allocations impacting H1 Segment Profit.
- Current pipeline and project timing to drive strong growth for 2016.
- Prime scaled advice solution on track for rollout commencement Q4. Scaled advice continues to be central to evolving advice landscape. Unified advice capability generating strong interest as IRESS' key differentiator.
- Rollout of XPLAN to Securitor (WBC) now underway following successful pilot program.
- CPA Australia has selected IRESS, positioning XPLAN as central to adviser offer.
- XPLAN product highlights includes:
 - Visualisation features supporting estate planning and holistic advice engagement with family tree capability, complimenting MindMap fact find
 - Growing activity for integrated account opening for adviser efficiency with CFS and NetWealth, others in pipeline.
 - Digital click-to-sign solution gathering strong interest for efficiency and relevance in digital advice reality.
 - End-to-end encryption and holistic range of information security enhancements.
- 66 of top 100 and 37 of top 50 Australian dealer groups are IRESS clients.

United Kingdom - (ex Lending)

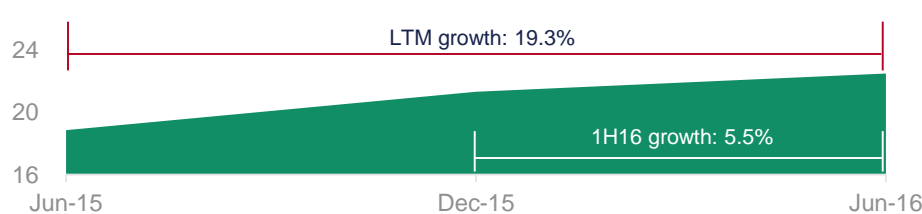
Delivery and momentum; contribution of acquisitions

GBP (m)	1H15	2H15	1H16	1H16 / 1H15	1H16 / 2H15
Operating Revenue	20.3	24.3	29.2	▲ 44%	▲ 21%
Segment Profit	3.8	5.9	6.6	▲ 73%	▲ 12%
Segment Profit Margin	19%	24%	23%		

Monthly total information revenue



Annual Contract Value - WM Intermediary Software



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

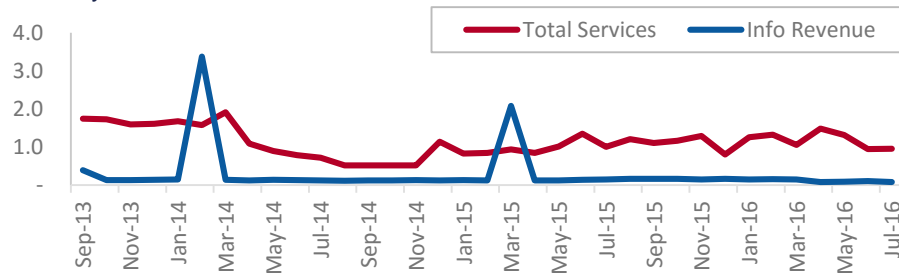
- Strong implementation momentum continues in H1, buoyed by the full half contribution of Proquote and Pulse. Recurring revenue represents 90+% of segment revenue.
- Excluding the impact of acquisitions, H1 reflects solid revenue growth for intermediary software (XPLAN), offset by softer Exchange portal revenue, expected to reverse in H2. Exchange revenue is ~35% of total segment revenue.
- Strong demand for XPLAN continues. Reported financials influenced by timing of client projects and resource investments. With anticipated projects and pipeline, a strong second half is expected. 19 implementations underway, ranging in size/timing for retail/private wealth.
- Integrated product offerings continue to generate new revenue opportunities. In July, Close Brothers Asset Management (existing Pulse client) confirmed project to implement IRESS' unified wealth technology platform – strategically significant following Pulse acquisition.
- Intrinsic to deploy XPLAN Mortgage to 2000 mortgage advisers demonstrating relevance of mortgage sourcing, advice, and originations.
- Efficiency enablers brought by IRESS scaled delivery and investment.
 - Pre and post trade integration with wholesale executing custodians ongoing priority. Pershing and SocGen integrations now enabled.
 - IRESS Investment Hub and e-apps integrating AO/XPLAN account opening with retail platforms and providers.
 - IRESS Lender Hub progressing - a key enabler for straight-through mortgage cases, improving efficiency of mortgage broking workflow.
 - Exchange underwriting for protection now embedded in quotation workflow for end users.
- Integration and separation project for Proquote on track with final LSE infrastructure separation to occur in H2.

United Kingdom - Lending

Strong sales momentum

GBP (m)	1H15	2H15	1H16	1H16 / 1H15	1H16 / 2H15
Operating Revenue	8.6	7.5	8.1	▼5%	▲8%
Segment Profit	2.7	0.9	1.5	▼43%	▲63%
Segment Profit Margin	31%	12%	19%		

Monthly total information revenue



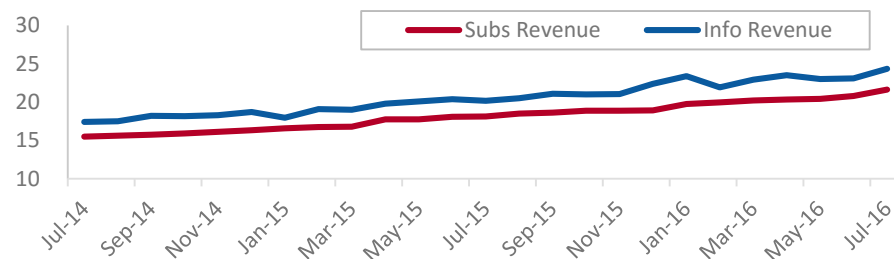
- First half result buoyed by MSO V1 revenue.
- MSO V2 sales and implementation activity remains strong. Working with a number of significant institutions on V2 projects.
- Transition to recurring licence model continues.
- Strong 1H16 Segment Profit performance not indicative of full year 'thinly profitable' expectation. Revenue and Segment Profit growth reflects strong MSO V1 revenue and early stage design fees associated with MSO V2 implementations.
- Atom (100% digital challenger bank) implementation progressing following some timing delays. Project in line with targets and currency in user acceptance testing.
- We remain confident in our strategy and the medium growth opportunities for this business.

South Africa

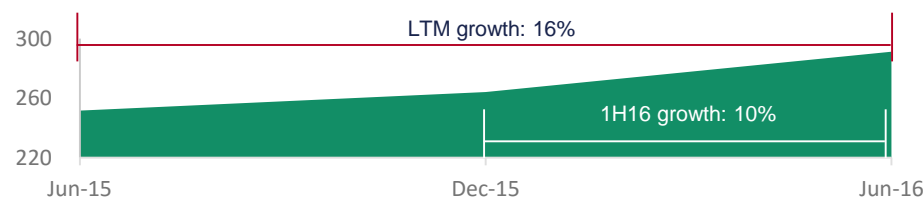
Sustained demand and growth across product suite

ZAR (m)	1H15	2H15	1H16	1H16 / 1H15	1H16 / 2H15
Operating Revenue	121.0	131.3	143.6	▲ 19%	▲ 9%
Segment Profit	39.6	42.9	47.8	▲ 21%	▲ 11%
Segment Profit Margin	33%	33%	33%		

Monthly total information revenue



Annual Contract Value - information revenue



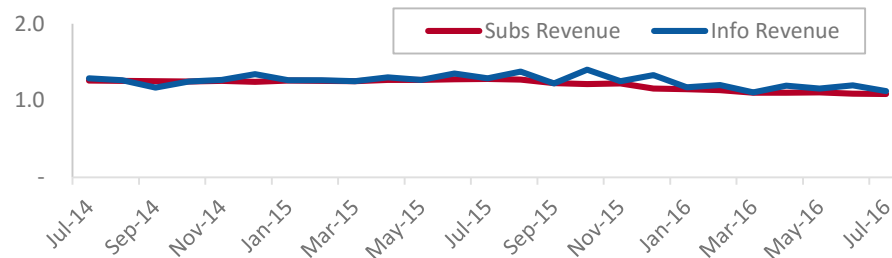
Annual Contract Value = annualised recurring run-rate revenue + prior 12 months non-recurring

- Continuing strong revenue and Segment Profit growth reflects ongoing momentum in the South African market and sustained demand for integrated suite of IRESS products across financial markets, retail wealth management and private wealth clients.
- Integrated solutions and strong local support key to relevance and role for regional clients.
- Strong H1 XPLAN growth from mid-tier corporate clients expanding services with uptake of modules associated with transition of Spotlight to XPLAN (now complete).
- Strong sales activity of integrated trading solutions and market data, including competitive wins and new trading entrant selection of order management systems.
- New and enhanced trading algo functionality and increased trading volumes maintaining strong variable revenue component.
- PWM sales and implementations progressing well, pipeline continues.
- ViewPoint implementations at retail clients generating positive feedback. Targeting migration of all Trader clients to Viewpoint by end of 2016.
- New trading exchange license applications in various stages of approval. IRESS well-positioned for multi-market enablement and leadership for broker best-execution compliance.
- JSE Integrated and Clearing (ITaC) project to integrate equities and derivatives trading on target. IRESS opportunity for integrated order management and front-office trading solution in late 2017.
- Account opening straight-through processing (e-apps) successfully deployed at tier 1 bank with significant efficiency and cost savings.

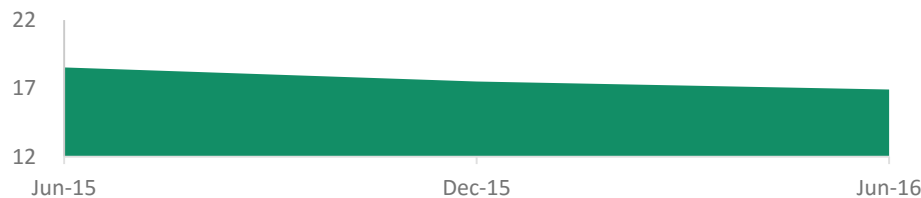
Challenging environment; diversifying efforts

CAD (m)	1H15	2H15	1H16	1H16 / 1H15	1H16 / 2H15
Operating Revenue	9.2	9.4	8.5	▼8%	▼9%
Segment Profit	1.2	1.2	0.7	▼45%	▼46%
Segment Profit Margin	13%	13%	8%		

Monthly total information revenue



Annual Contract Value - information revenue



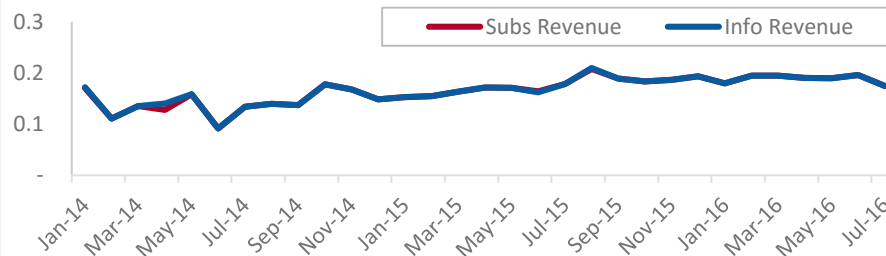
Annual Contract Value = annualised recurring run-rate revenue + prior 12 months non-recurring

- Financial Markets revenue decline reflects challenging industry conditions, particularly for institutional equity brokers, with a number of firm closures, consolidation and cost reduction initiatives reducing services.
- Total number of investment dealers has declined by 10% in 2016, despite index and market volume performances.
- Operational activity in retail wealth yet to be reflected in revenue, although activity heightened.
- When measured separately, financial markets Segment Profit margin remains stable. Overall margin impacted by investment in wealth.
- Key institutional implementation progressing well albeit with go-live slightly deferred. Given the significance of this project and importance of balancing client expectations and implementation risk, go-live targeting early 2017.
- Regulatory changes stimulate technology review and technology needs. CRM2 requirements for annual reporting to investors effective July 2016. Best Interest standard and commercial pressure for transition to fee-based transparency continue as focus areas for retail participants.
- Pre-sales activity heightened, and good representation of opportunities and potential.

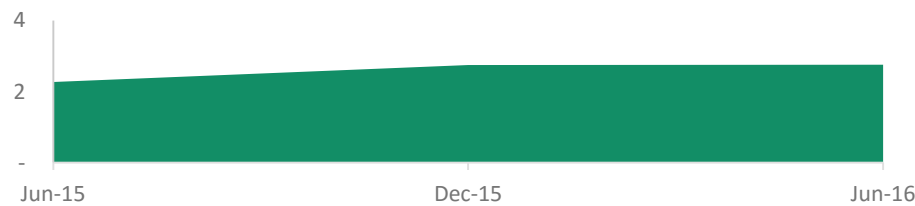
Key project progress

AUD (m)	1H15	2H15	1H16	1H16 / 1H15	1H16 / 2H15
Operating Revenue	1.2	1.4	1.3	▲ 13%	▼ 3%
Segment Profit	(2.1)	(2.0)	(2.1)	▼ 2%	▼ 5%

Monthly total information revenue



Annual Contract Value - information revenue



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

- Stable CFD revenue. Focus on key cash equity implementations and sales activity in first half.
- Maybank Kim Eng implementation remains key focus. First stage successfully delivered. Second stage on track for delivery later in 2016 and will generate additional revenue and important credentials.
- Increased tendering activity building pipeline of client opportunities within Singapore broking market.
- Pursuing private wealth management opportunities with private client advisory and smaller asset managers based in Singapore and Malaysia. Integrated PWM solution providing alternatives to under-served international solutions.
- Allocation of Group costs including market data (used globally) are a material component of business costs.

Appendices

Depreciation & Amortisation

D&A - Operational	1H15	2H15	1H16
Depreciation			
Plant & Equipment	3.0	3.1	3.1
Amortisation			
Software (3 rd Party Purchased)	2.0	2.1	2.1
Total	5.0	5.3	5.2

D&A – Acquisition Related		1H15	2H15	1H16	2H16	1H17	2H17	1H18	2H18
Computer Software	Avelo	1.9	2.1	1.3	1.1	0.9	0.9	0.8	0.7
	Proquote & Pulse	-	0.5	0.3	0.5	0.5	0.5	0.5	0.4
	Peresys	3.9	3.9	0.4	-	-	-	-	-
Customer Relationships	Avelo	1.6	1.8	1.6	1.8	1.7	1.7	1.3	0.8
	Proquote & Pulse		0.2	1.5	1.3	1.3	1.3	1.3	1.3
Brands	Proquote & Pulse	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total		7.5	8.5	5.3	4.8	4.5	4.4	3.9	3.3

2H16 onwards converted at June 2016 foreign exchanges rates

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