



2017 Half Year Results

For the six months ended 30 June 2017

17 August 2017

Presentation overview

- 1 ● H17 overview
- 2 ● Financial information
- 3 ● Delivery on strategy
- 4 ● Segment overview
- 5 ● Q&A



Andrew Walsh
Managing Director & CEO



John Harris
CFO

HY17 Overview.

Key project focus, acquisitions contributing

\$AUDm	1H16	2H16	1H17	1H17 / 1H16	1H17 / 2H16
Operating Revenue	194.3	195.4	211.8	▲9%	▲8%
Constant currency basis ⁽³⁾	185.5	195.4	211.7	▲14%	▲8%
Segment Profit ⁽¹⁾	63.1	60.4	59.6	▼6%	▼1%
Constant currency basis ⁽³⁾	61.2	60.4	59.3	▼3%	▼2%
Segment Profit after SBP ⁽²⁾	57.9	54.8	54.7	▼6%	-
Reported NPAT	32.7	26.7	29.5	▼10%	▲10%
Basic EPS (<i>c per share</i>)	20.7	16.3	17.7	▼14%	▲9%
Dividend (<i>c per share</i>)	16.0	28.0	16.0		

Excluding client delivery and one-off global people initiatives, Segment Profit would have been +2% from 1H16 and +3% from 2H16

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

(2) Share Based Payments

(3) Assumes 1H16 and 1H17 are converted at the average foreign exchange rate used for 2H16

Key business highlights

Strong progress on key client product milestones and deliveries

- Deployment to CBA on XPLAN and XPLAN Prime; conversion of Prime client pipeline commenced.
- ViewPoint roll out commenced in Australia with successful delivery to nabtrade.
- Successful rollout of IRESS-hosted managed Acurity platform to Statewide Super. Provides predictable, transparent cost structure for funds.
- Completion of integrated digital advice product, bringing together the capabilities of Acurity's online portal and XPLAN. Generating strong interest, new revenue expected in H2.
- Strong momentum on key UK client projects. Solution for Close Brothers Asset Management live, regional rollout to Tilney Group completed, delivery of MSO v2.0 to TSB tracking well.
- Wealth delivery in Canada demonstrating IRESS' end-to-end integrated wealth offering.
- Trading solution for Maybank Kim Eng on track for delivery later in 2017, creating further client opportunities.

Continued focus on enhancing user experience

- Strong focus on product experience through user-centred design. Increasing efficiency, throughput and client outcomes through continuous delivery.
- Quality of IRESS products recognised with a number of recent awards:
 - XPLAN voted number one financial planning software in Australia for 10th consecutive year. Digital signatures won 2016 Investment Trends Planning Software Innovation Award
 - IRESS' awarded Best Trading Platform along with two individual client service awards at the recent "Goodacre Systems in the City" in London.

Acquisitions adding value

- Positive contribution from both Financial Synergy and INET both acquired in 2016.
- Integration progressing well and creating visible new client opportunities.
- Strong Superannuation momentum. 2017 product update delivered, key client deliveries completed or progressing well. Agreement to divest non-core part of funds administration business signed.

Change in segment reporting

As previously outlined, IRESS has changed its approach to segment reporting to provide greater insight into its financial performance, reduce the complexity of cost allocations, and to better reflect IRESS' strategy to develop and deploy technology on a global basis.

IRESS previously disclosed segment profit for each reportable segment that included the allocation of all group functional costs, on a basis that more reflected the relative size of the segment rather than the benefit obtained. Although cost allocation in this way has been a useful proxy to date, it is increasingly difficult to assess performance based on segment profit derived in this way.

IRESS now discloses directly attributable revenue and costs for each reportable geographic or strategic segment.

IRESS is also separately disclosing several new segments as follows:

- **Product and Technology** - represents the strength of supporting IRESS' suite of products, innovation and investment in future growth. These costs are predominantly people and people-related costs. IRESS maintains a policy of expensing software product and development costs when incurred.
- **Operations** - includes a range of business operations costs including internal and external communications, information security, hardware and software, help desk and people.
- **Corporate** - represents the cost of operating IRESS' business functions: legal, finance, human resources, marketing, executive and company governance.

\$AUDm	Revenue			Direct Contribution			Contribution Margin %		
	Constant currency basis ⁽¹⁾			1H16	2H16	1H17	1H16	2H16	1H17
APAC FM	56.0	57.4	57.5	41.8	42.3	42.0	75%	74%	73%
ANZ WM	43.5	50.3	61.6	35.9	39.9	46.0	82%	79%	75%
UK	50.0	53.4	52.4	32.4	36.1	33.3	65%	68%	64%
Lending	13.9	10.1	10.9	11.6	7.8	8.4	84%	78%	77%
South Africa	13.5	15.9	20.6	10.4	12.5	15.8	77%	78%	76%
Canada	8.6	8.2	8.5	4.1	3.7	4.1	47%	45%	48%
Total	185.5	195.4	211.7	136.1	142.3	149.6	% of revenue		
Product and Technology				(46.0)	(49.7)	(53.9)	25%	25%	25%
Operations				(15.4)	(18.1)	(18.7)	8%	9%	9%
Corporate				(13.6)	(14.0)	(17.6)	7%	7%	8%
Segment Profit	185.5	195.4	211.7	61.2	60.4	59.3	33%	31%	28%

(1) Assumes 1H16 and 1H17 are converted at the average foreign exchange rate used for 2H16

Group margin reflects impact of businesses acquired in 2016 with lower margin (Financial Synergy and INET), one-off delivery costs in the UK and deliberate investment in Product and Technology

Client Segment Overview

APAC FM

Resilient revenue reflects quality of product and relationships in both Australia and Asia. Continuing sell-side cost pressure in Australia expected to have more visible revenue impact in second half of 2017 and into 2018. Delivery to Maybank Kim Eng in Singapore progressing well and generating client opportunities for white-labelled retail online trading solutions.

ANZ WM

Continuing revenue and direct contribution growth reflects impact of Financial Synergy acquisition and broad product demand. Growth in first half impacted by key product delivery and generating pipeline for Prime and online superannuation advice. Margin impacted by revenue mix following acquisition of Financial Synergy, underlying margins steady. Revenue and direct contribution growth expected to accelerate in second half.

UK

Financial result reflects significant focus and effort on key client product delivery. Intermediary recurring revenue growth (up 6% on 2H16) reflects continued XPLAN migration and delivery momentum. Overall revenue decline reflects non-recurring revenue and softer revenue from Exchange portal (expected to reverse in second half). Investment in product and project delivery expected to revenue and earnings growth in second half.

Lending

Implementation of MSO v2 to leading UK retail bank, TSB, on track. Product differentiation and delivered projects driving strong pipeline of client opportunities. Management remains confident in the opportunity in the UK and is exploring potential for new markets.

South Africa

Continuing strong underlying revenue and direct contribution growth reflects client deliveries and demand across the product suite, despite reduced JSE trading volumes in the first half of 2017. Revenue positively impacted by contribution from INET. Integration progressing well, ability to offer broader product with data content. Margin reduction reflects INET impact, underlying margin up.

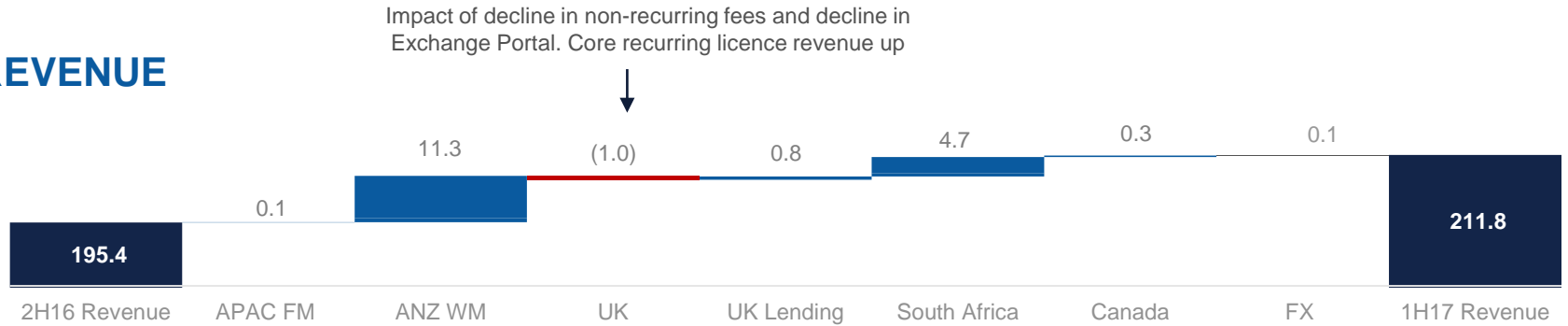
Canada

Activity for wealth diversification heightened. Prominent wealth client in production following the delivery of an integrated wealth technology platform - demonstrates IRESS' end-to-end integrated wealth offering in Canada. Immediate priority remains on delivery on existing commitments and momentum in wealth.

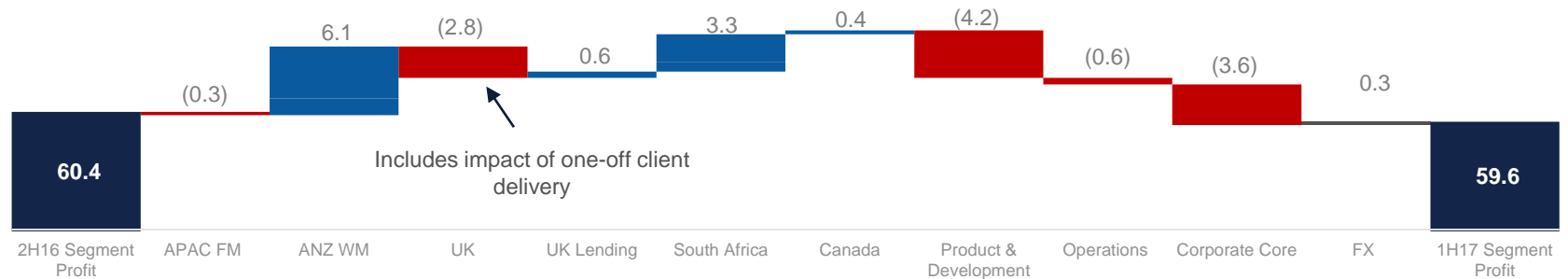
Financial information.

Ongoing revenue and profit growth

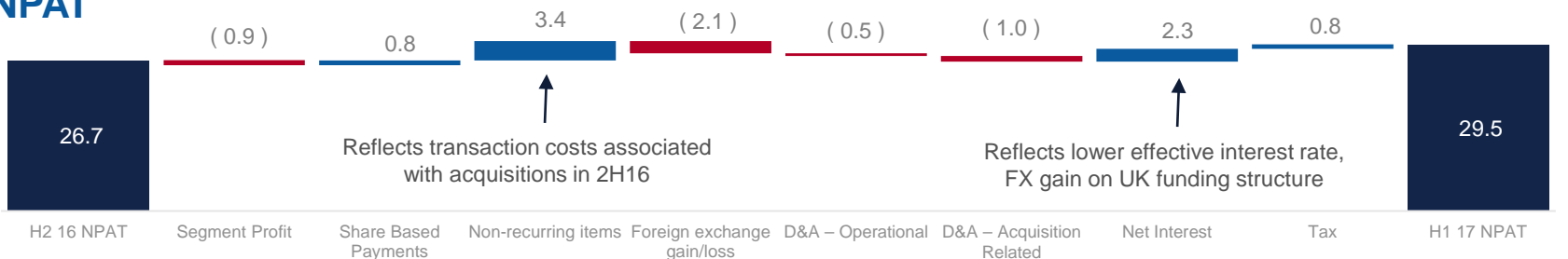
REVENUE



SEGMENT PROFIT



NPAT



Results reflect client delivery & product investment

AUD (m)	1H16	2H16	1H17	1H17 / 1H16	1H17 / 2H16
Operating Revenue	194.3	195.4	211.8	▲9%	▲8%
Operating Costs	(131.3)	(135.0)	(152.3)	▲16%	▲13%
Segment Profit	63.1	60.4	59.6	▼6%	▼1%
Share Based Payments	(5.2)	(5.7)	(4.9)	▼6%	▼14%
Segment Profit after SBP	57.9	54.8	54.7	▼6%	-
Non Operating Costs	(1.2)	(7.3)	(3.9)	▲100%+	▼47%
Unrealised Foreign Exchange Gain/(Loss)	(2.9)	2.2	0.1	▼100%+	▼96%
EBITDA	53.8	49.7	50.9	▼5%	▲2%
D&A – Operational	(5.2)	(5.5)	(6.0)	▲15%	▲9%
D&A – Acquisition Related	(5.3)	(5.1)	(6.1)	▲16%	▲19%
EBIT	43.4	39.1	38.8	▼10%	▼1%
Net Interest and Financing Costs	(1.5)	(4.0)	(1.7)	▲13%	▼57%
Tax	(9.1)	(8.4)	(7.6)	▼17%	▼9%
NPAT	32.7	26.7	29.5	▼10%	▲10%
EPS	20.7	16.3	17.7	▼14%	▲9%
DPS	16.0	28.0	16.0	-	n/a

Non-operating costs are primarily:

- Integration costs associated with the businesses acquired made in 2015 and 2016, inline with previously disclosed amounts.
- Costs associated with the re-location of Sydney office
- One-off costs associated with the implementation of a new ERP and financial reporting system
- Restructure costs

Share based payments declined as result of forfeitures of unvested deferred shares.

Operational and Acquisition Related D&A increased largely as a result of acquisitions in 2016.

Net interest and financing costs declined to reflect lower effective interest rates resulting from an increase in the proportion of GBP debt (which has a substantially lower interest rate). In addition, IRESS reported a net FX gain on intercompany debt translation of \$0.4m in 1H17 (2H16 loss of \$1.3m) due to GBP FX movements in the half.

The effective tax rate of 20.5% reflects the one-off benefits of a change in tax treatment of certain historical items, the jurisdictions in which the business operates, deductions associated with previous acquisitions and the employee share plan. Effective tax rate in 2H17 expected to normalise to 26-28%.

Strong balance sheet, conservatively geared

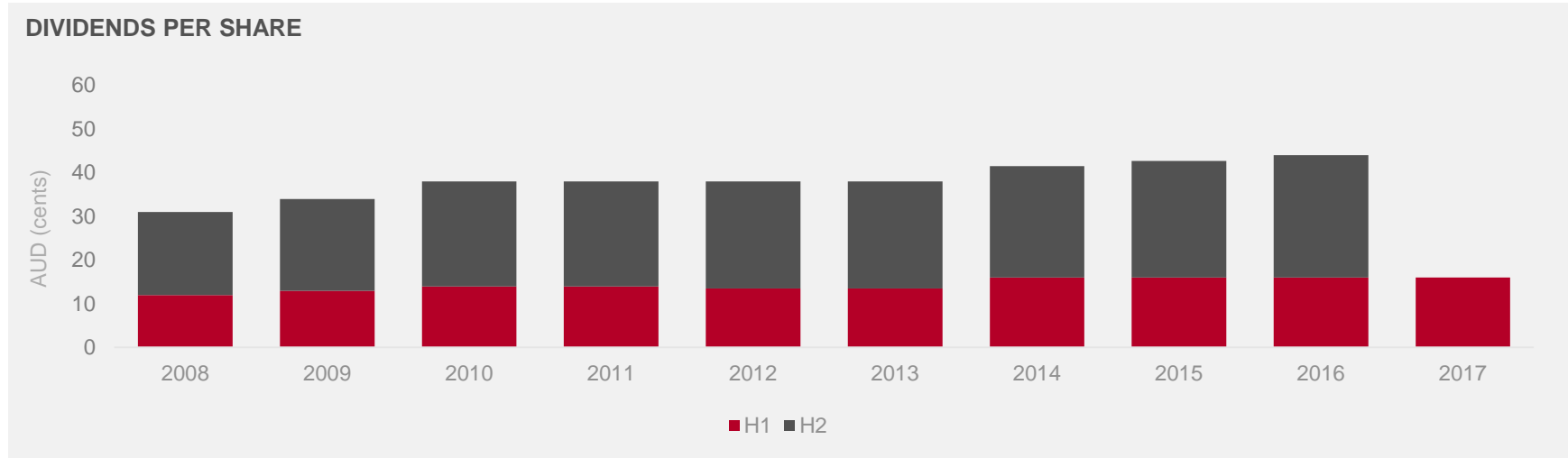
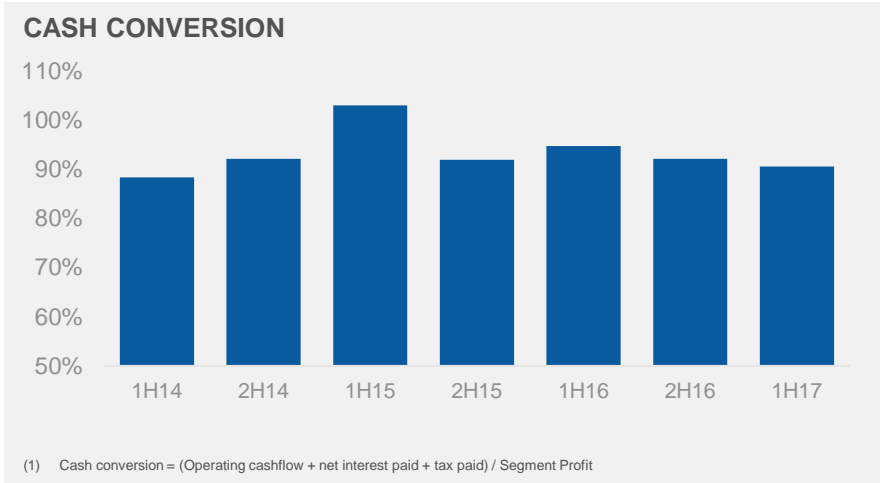
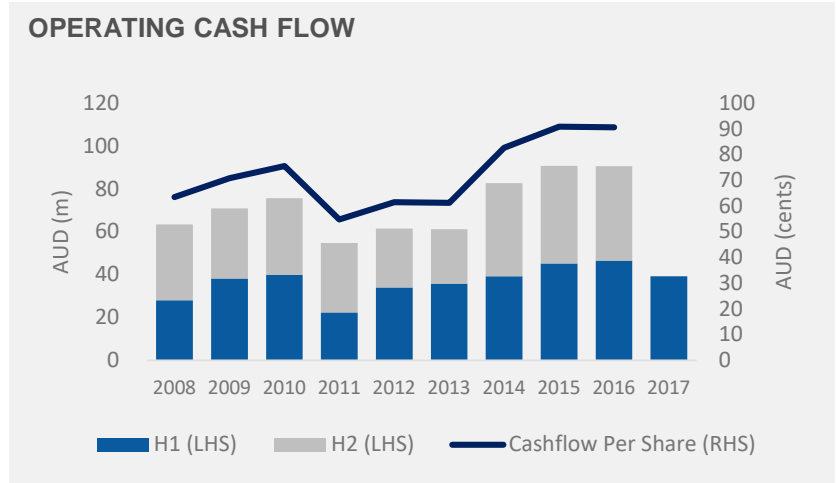
AUD (m)	Jun 2016	Dec 2016	Jun 2017
Cash	33.3	23.0	20.7
Trade and other receivables	39.2	50.1	60.2
Assets held for sale	-	-	3.3
Total current assets	72.5	73.1	84.1
Plant and equipment	9.4	12.1	16.6
Intangibles	468.9	558.8	545.0
Deferred tax assets	23.0	18.1	14.0
Derivative assets	-	0.2	1.2
Total non-current assets	501.3	589.2	576.9
Total Assets	573.8	662.2	661.0
Trade and other payables	40.5	44.2	43.8
Derivative liabilities	1.6	-	-
Provisions	11.8	11.0	12.2
Total current liabilities	53.9	55.1	56.0
Trade and other payables	6.9	7.5	5.7
Borrowings	189.0	177.8	194.6
Derivative liabilities	2.5	-	-
Provisions	4.7	8.0	6.3
Deferred tax liabilities	12.2	12.9	6.1
Total non-current liabilities	215.5	206.3	212.7
Total Liabilities	269.4	261.4	268.7
Net Assets	304.4	400.8	392.4

AUD (m)	Jun 2016	Dec 2016	Jun 2017
Cash	33.3	23.0	20.7
Borrowings ⁽¹⁾	(190.6)	(179.1)	(195.7)
Net debt	157.3	156.1	175.0

(1) Excludes capitalised borrowing costs (June 16: \$1.6m in Dec 16, \$1.3m June 17: \$1.0m)

- Increase in net debt from December 2016 reflects payment of final dividend, tax payments and new Sydney office move
- Increase in net debt from June 2016, reflects higher payments for dividends (higher DPS and number of shares on issue), tax payments, non-recurring items and FX movements (largely GBP).
- Balance sheet remains conservatively geared with a net debt to Segment Profit ratio of 1.47x.
- Total debt facility: \$300m.

Strong and sustainable cash flow and dividends



Delivery on strategy.

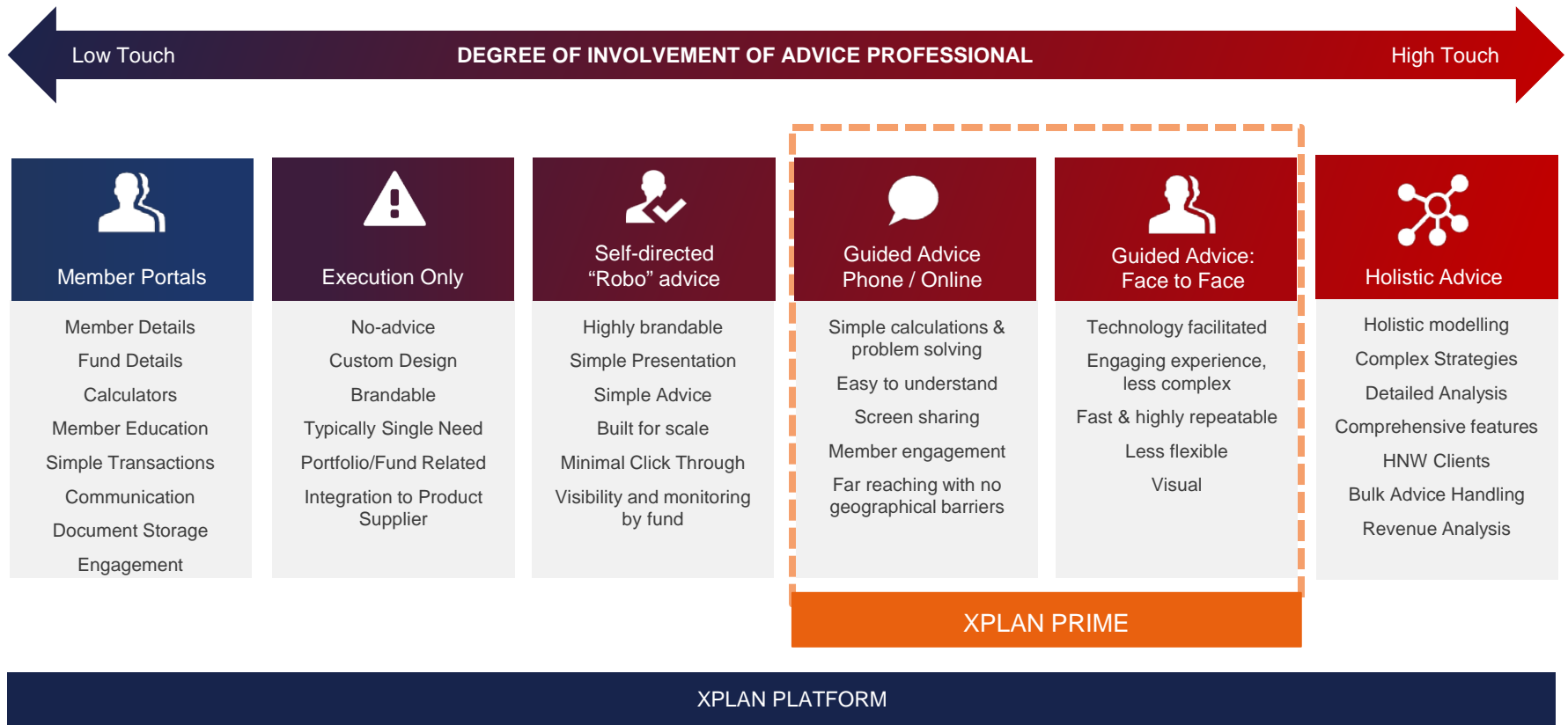
XPLAN Prime – one of multiple advice channels



Multiple advice channels and ability to switch

People don't stick to one channel forever and don't want to switch advice providers as their needs evolve.

Digital solutions are relevant to all channels, but in different ways.



Scaled benefits of XPLAN Prime



Optimised for efficiency

Fast, efficient and simple with strategy optimisation logic built in



Multi-channel delivery

Supports face to face, telephone, and online engagement and advice delivery



One unified solution

One client file, one copy of advice documents, one version of compliance rules

Prime interface simplifies the process, accessing strengths across XPLAN

Seamless process increases efficiency and reduces cost of advice

Suitable for engagement with client, creation of advice and generation of advice documents in real time

Clients can choose how to engage with their adviser to suit time and budget

Advisers can engage with more and broader clients and target consistent profit margin

Importantly addresses consistent advice across multiple channels

Unlocks powerful XPLAN functionality in one interface without integration need or risk for licensees

Seamless exercise from KYC through to real-time generation of advice documents and implementation

A fully compliant and consistent framework minimises compliance risk

Market data and front-end investment



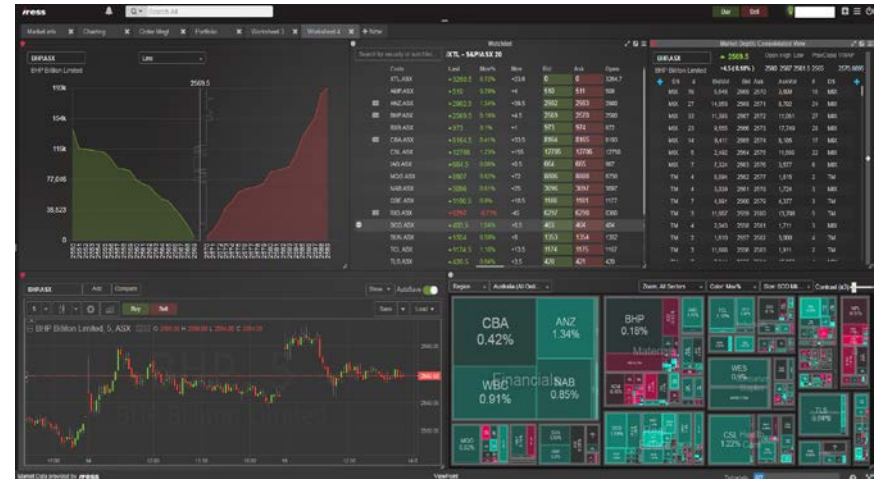
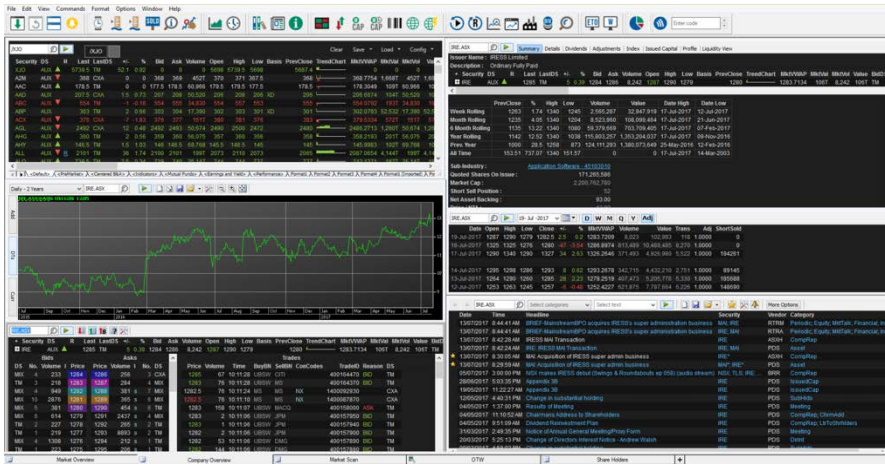
- Market data content supporting increasing international trade execution, and broad portfolios of integrated wealth solutions.
- Expanded content through Proquote and INET acquisitions being delivered across IRESS platform, with localisation
- Investment in front-end technology bringing ease of use and efficiency (functional and non-functional)
- Application framework alignment leveraging benefits between key market data platforms, development synergy, and user experience

IRESS Pro

- Improved user efficiency in key workflows and overall look and feel.
- Faster and more user-friendly Position management enhancements with detailed reporting and client data
- New Limit engine capability supporting customisation of compliance rules to specific client business needs, enabling clients to confidently take-on increased order volumes without overhead
- Extended market data coverage, additional News and FX sources.
- Non-functional improvements resulting in greater operational efficiency and streamlining solution deployment, and performance.
- Well positioned to complete IOS Classic to IOS+ migrations

IRESS ViewPoint

- Ability for system administrators to communicate to users with on-screen announcements
- Extended contingent orders to support advanced traders
- Extensive charting enhancements with new indicators
- Important user efficiency improvements and personalisation options
- Confident to replacing Trader technology in RSA and AUS
- Visualisations for exchange data, sectors and watch lists
- SSO support
- An early-adopter program for rapid feedback established
- Clients can add own valued content in a well integrated widget



Integrated wealth management & trading



About Tilney Group

Provider of financial planning and investment services in UK. £20bn assets under management for private clients, charities and financial planners.

Project scope

Delivery of single wealth technology platform for Tilney across financial planning, portfolio management, trading and market data, multi-channel client engagement and reporting.

2017 milestone achieved

Regional rollout complete.

About CBAM

UK provider of financial planning and investment service to high-net-worth individuals and multi-asset investment management to financial advisers, trustees, consultants, family offices and charities.

Project scope

Provides CBAM with integrated wealth management and trading across its advisory and investment management teams. Direct clients can trade themselves using enhanced client portal.

2017 milestone achieved

First phase delivered.

About Echelon Wealth Partners

Canadian provider of wealth management and capital markets with more than \$4 billion in assets under administration and management.

Project scope

Unified technology platform across client portal, portfolio management, trading and market data, client engagement and reporting.

2017 milestone achieved

Completed.

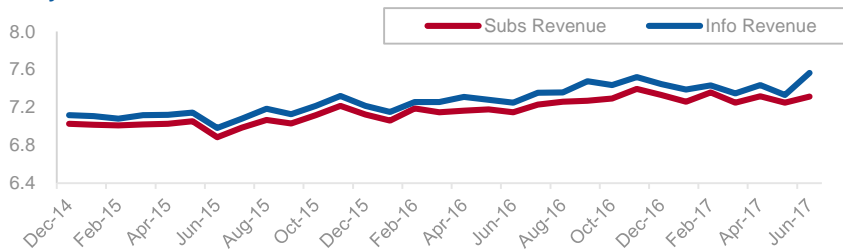
Segment overview.



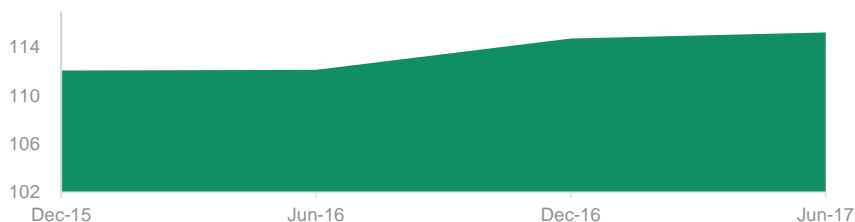
Resilient Australian revenue, client delivery success in Asia creating opportunities

AUD (m)	1H16	2H16	1H17	1H17 / 1H16	1H17 / 2H16
Operating Revenue	56.0	57.4	57.5	▲ 3%	-
Direct Contribution	41.8	42.3	42.0	▲ 1%	-
Direct Contribution Margin	75%	74%	73%		

Monthly total information revenue - APAC ⁽¹⁾



Annualised Contract Value - APAC



(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.

Continuing revenue resilience in Australia and stable CFD revenue in Asia, reflecting product strength and quality of customer relationships. Sell-side pressure continuing, more visible revenue impact expected in the second half and into 2018.

Buy-side momentum buoyed by increasing focus on transparency and efficiency, highlighted by recent client wins with Acorn Capital and Renaissance Asset Management, along with platform Colonial First State - all recently live with IRESS Portfolio System (IPS).

IRESS and ITG integration to enable mutual clients to receive more comprehensive and efficient trading analysis. Will enhance transparency and ability to meet recent regulatory change

Transition from IOS Classic to IOS+ progressing well, targeting completion by end of 2018. Release of IOS+ 17.1 delivered enhanced functionality and user experience particularly for retail brokers.

Successfully deployed interface to enable direct trading to the National Stock Exchange. Seamless IRESS trading enabled across entire Australian market.

ViewPoint deployment commenced in Australia with delivery to NAB Trade and others are underway. Ongoing frequent ViewPoint feature delivery creating visible benefits to brokers demonstrating 'fintech' pace and responsiveness.

Following enhancements to trading functionality, several clients now trading options through IRESS, with anticipating end of life for Palion (GBST) in August.

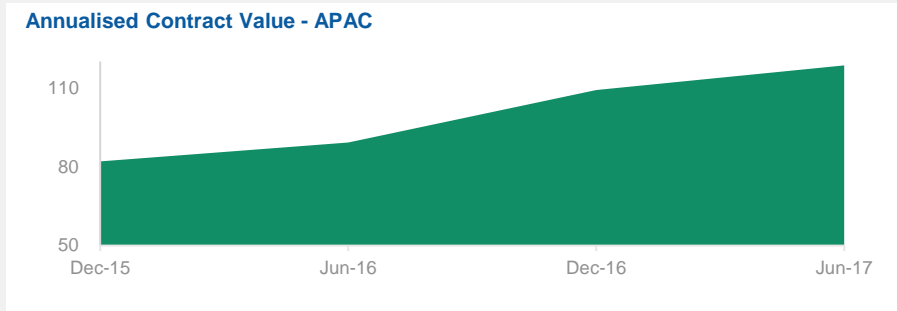
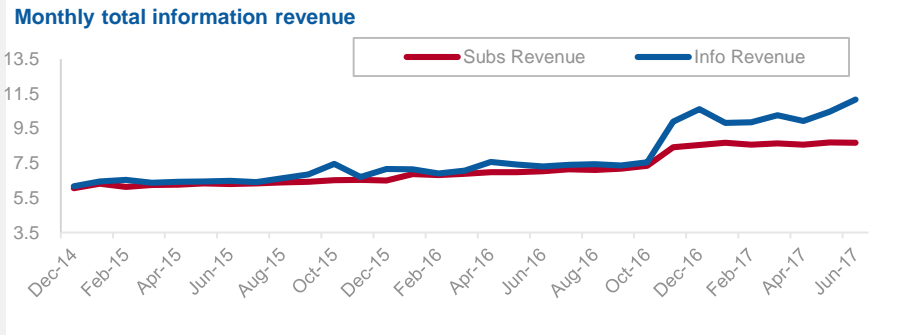
Online equities trading implementation for Maybank Kim Eng on track for delivery in 2017. Landmark delivery is driving strong pipeline of opportunities in the region, particularly for white labelled online retail trading solutions.

APAC - Wealth Management



Rollout of XPLAN to CBA commenced, first phase of Prime delivered; further Prime clients secured

AUD (m)	1H16	2H16	1H17	1H17 / 1H16	1H17 / 2H16
Operating Revenue	43.5	50.3	61.6	▲ 42%	▲ 22%
Direct Contribution	35.9	39.9	46.0	▲ 28%	▲ 15%
Direct Contribution Margin	82%	79%	75%		



Annualised Contract Value & Information Revenue – refer page [20]
Financial Synergy included from 1 November 2016

Revenue growth reflects contribution by Financial Synergy, ongoing take-up across existing client base and delivery of key client projects. Strong focus on product development and client delivery to support further growth.

Delivery of the first phase of the Prime scaled-advice solution to CBA and migration of in excess of 2,000 licences from existing wealth product to XPLAN.

There is a strong pipeline of client opportunities for Prime, highlighted by recent agreements reached with two large financial services providers. Existing momentum is expected to deliver further Prime opportunities more broadly in 2018.

Latest release of XPLAN enhances user experience and delivers greater efficiency including:

- Ability to use Knowledge Centre financial content within emails, personalised to each client
- Enhanced advice process and modelling for SMSF members moving from Super to Pension phases
- Ability to manage and view FX exposure on multi-currency orders in integrated trading screens
- New segregated and managed account management in portfolio screens
- New integration with CoreLogic RP Data for property data and reports
- Significant investment into data integration and bulk data extracts

XPLAN voted number one financial planning software in Australia for 10th consecutive year. IRESS' recently developed digital signature won 2016 Investment Trends Planning Software Innovation Award.

Integration between Acuity Online (AOL) and XPLAN for super-direct digital advice complete. Generating strong interest particularly with existing Acuity clients, client opportunities expected in 2017.

Strong momentum in Superannuation: Version 17 of Acuity released with range of legislative updates and new STP functionality; Statewide Super project completed, where Acuity replaced multiple existing systems with IRESS-managed service; Several projects in the half complete and major concurrent strategic engagement with key clients.

Recurring revenue represents approximately 85% of total segment revenue and approximately 95% of underlying ANZ WM revenue.

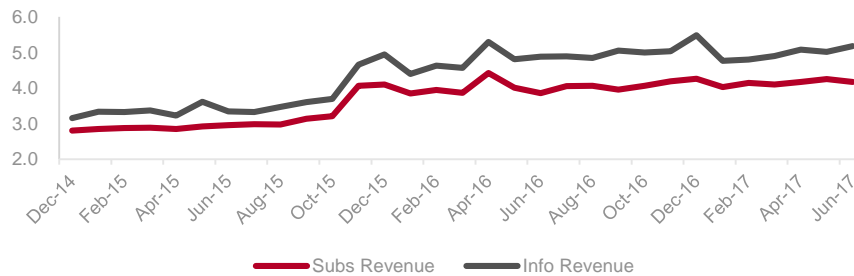
SEGMENT OVERVIEW

United Kingdom

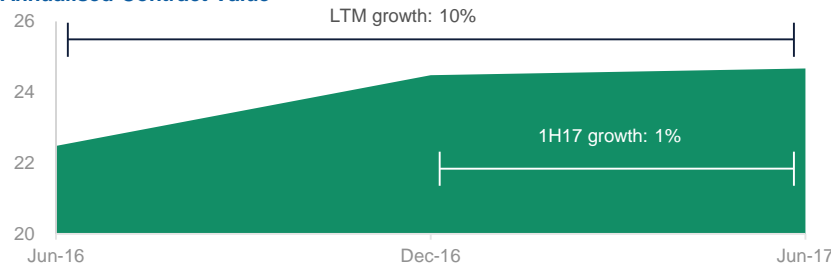
First half result reflects delivery focus, well positioned for accelerated growth in second half

GBP (m)	1H16	2H16	1H17	1H17 / 1H16	1H17 / 2H16
Operating Revenue	29.2	31.2	30.7	▲ 5%	▼ 2%
Direct Contribution	18.9	21.0	19.5	▲ 3%	▼ 7%
Direct Contribution Margin	65%	68%	64%		

Monthly total information revenue



Annualised Contract Value



Recurring intermediary software revenue +6% in 1H17, reflecting continuing XPLAN delivery and momentum, existing client take-up, and competitive retention.

Overall revenue marginally down due to decline in one-off revenue (implementation, Exchange advertising). Exchange Portal revenue lower than 2H16 due partly to impact of known participation consolidation. Revenue growth expected to accelerate in the second half.

Strong focus on successful delivery on a number of strategic client projects had a visible impact on revenue and earnings growth 1H17. Internal resources, in addition to flexible external headcount has ensured successful delivery to key milestones. Management expects higher revenue and direct contribution from this business in the second half.

IRESS' integrated wealth management and trading solution is now in use by Close Brothers Asset Management (CBAM) and its clients following an 18 month delivery phase. This delivery further illustrates IRESS' broad PWM capability in the local market.

Recurring revenue represents 90+% of total segment revenue. Revenue contribution from XPLAN in first half exceeded Adviser Office, highlighting demand and conversion momentum. XPLAN revenue represents ~21% of segment revenue and ~51% of intermediary software revenue for the half.

Multiple XPLAN implementation projects currently in progress, including a number of conversions from Adviser Office which range in size/timing for retail/private wealth. Implementation capability scaled to support growth. Ongoing improvement to implementation process delivering improved client outcomes and stronger advocacy.

Continued success with XPLAN Mortgage with good sales traction and positive implementation progress. Recent deal with PMS (SBG Mortgage Network) has already seen positive traction.

Future growth in Exchange revenue expected from new entrants, including leading retail banks returning to life insurance market, and growth of Equity Release as a strong retirement solution.

A number of sell-side OMS wins are proving strategy in this segment and will be used as platform for growth in second half and beyond.

IRESS won a number of awards at the recent "Goodacre Systems in the City" awards in London, including 'Best Trading Platform' for IRESS' integrated wealth management and trading technology.

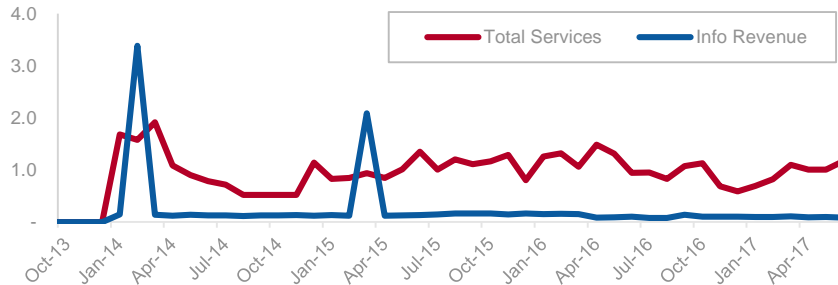
. Annualised Contract Value & Information Revenue – refer page 20

Lending

TSB tracking well; promising pipeline

GBP (m)	1H16	2H16	1H17	1H17 / 1H16	1H17 / 2H16
Operating Revenue	8.1	5.9	6.4	▼ 22%	▲ 9%
Direct Contribution	6.8	4.5	4.9	▼ 28%	▲ 8%
Direct Contribution Margin	84%	77%	77%		

Monthly revenue



Growth in revenue and direct contribution from 2H16 reflects ongoing client delivery activity.

Atom Bank has provided a strong reference of functional benefit and value delivered through v2.0 which is generating interest and demand. This includes drastically reduced mortgage decision timeframes.

Implementation of MSO v2 for TSB progressing well, on track to go live later in 2017. TSB's major transformation project, involves complex retail bank divestment, and is further proof of IRESS delivery capability.

TSB will be the first Lending client to exploit IRESS Mortgage ecosystem by integrating MSO through IRESS Lender hub to XPLAN Mortgage users to generate straight through processing efficiencies

Modular architecture of MSO creating opportunities for IRESS to solve other key challenges within Lender businesses; product mastering via product factory; regulatory needs (ESIS document generation)

Strong pipeline of client opportunities across all lending segments, building upon Atom digital bank case study and progress on TSB. Business development activity has driven the size and quality of the pipeline.

Transition of the business to a subscription revenue model will continue throughout 2017 with financial results expected to be marginally ahead of 2016.

Taking active steps to explore opportunities in Lending outside the UK.

Management remains confident of the medium term growth opportunities.

SEGMENT OVERVIEW

South Africa

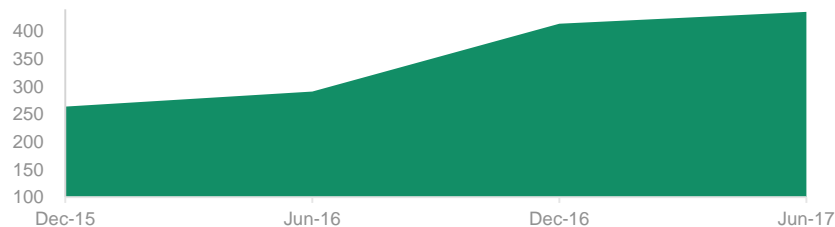
Continuing underlying growth; INET expands market role

ZAR (m)	1H16	2H16	1H17	1H17 / 1H16	1H17 / 2H16
Operating Revenue	143.6	168.2	219.3	▲ 53%	▲ 30%
Direct Contribution	110.9	132.1	167.6	▲ 51%	▲ 27%
Direct Contribution Margin	77%	79%	76%		

Monthly total information revenue



Annualised Contract Value



Annualised Contract Value & Information Revenue – refer page 20
INET BFA included from 1 November 2016

Continuing strong growth in underlying revenue and contribution against a backdrop significantly reduced JSE trading volumes in 2017 (15% down YTD on 2016).

Revenue growth driven largely by increase in license fees across product suite. Variable revenues were down as a result of lower JSE trading activity.

IRESS trading solution deployed to tier one bank to replace competing global competitor. New JSE participant implementing IRESS as first choice. Clients continuing to look at cost cutting alternatives by leveraging IRESS scale and solution breadth.

Large scale roll out of XPLAN at existing IRESS client, replacing 4,000 Spotlight users delivering visible client benefits. Further opportunities being explored for Prime and robo options in market, focusing on mass-market scaled-advice.

SmartHub performed well as a result of increased counter-party connections, more than compensating for lower volume-based messaging fees.

Product migration from INET to IRESS Pro progressing. Provision of unique INET tools though IRESS increasing market relevance and proving attractive.

Liquidity pool and Best Market Router already live with a client for market-price improvement service. Further client opportunities for Liquidity pool and smart-routing expected following trading venue competition. IRESS remains well positioned for multi-market enablement and broker best execution.

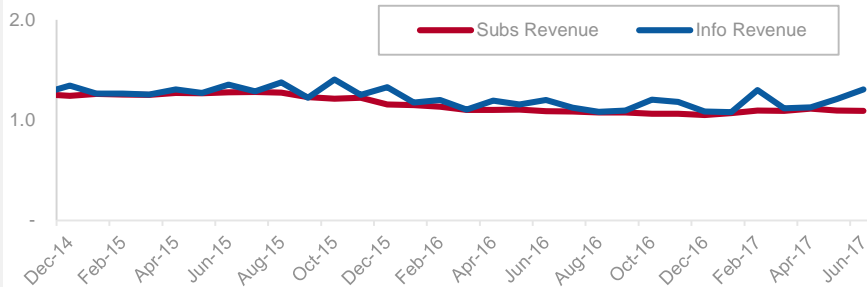
JSE Integrated Trading and Clearing (ITaC) project to integrate equities and derivatives trading progressing well, albeit delayed by JSE.

Pleasing growth in XPLAN sites into Namibia and Botswana, and extension of PWM into Mauritius.

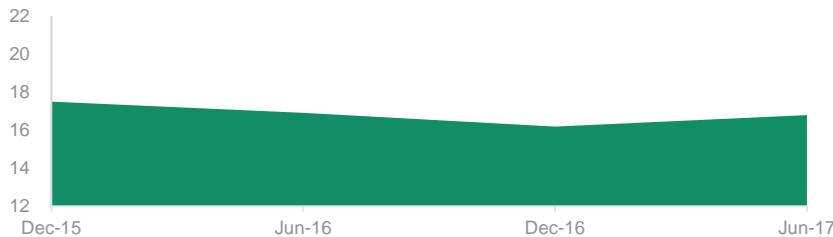
Wealth activity heightened following wealth client delivery; current commitments immediate priority

CAD (m)	1H16	2H16	1H17	1H17 / 1H16	1H17 / 2H16
Operating Revenue	8.5	8.2	8.5	-	▲ 4%
Direct Contribution	4.0	3.7	4.1	▲ 1%	▲ 10%
Direct Contribution Margin	47%	45%	48%		

Monthly total information revenue



Annualised Contract Value



Annualised Contract Value & Information Revenue – refer page 20

Revenue growth reflects client project deliveries and growth in recurring subscription revenue underpinned by strong client retention

Cost sensitivities, vendor consolidation and price pressure continue to present challenge.

Some evidence of market stabilization, number of IIROC members down 5% over last 12 months reflecting a slower pace of decline (2016 was 10% down on prior year).

IRESS selected to upgrade the internal retail trading systems and capability at a Tier One Bank. Project is progressing well and expecting recurring subscription revenue in 2018.

IRESS continues to deliver software improvements for institutional and retail segments in Canada, leveraging ongoing global investment in market data and trading product and technology.

Wealth activity and opportunities heightened:

- IRESS recently announced the successful implementation of end-end multi-currency and asset class wealth technology platform for Echelon Wealth Partners.
- A number of wealth implementations, ranging in size, are in progress.
- Immediate operational focus on production deployments.
- Wealth segment presents opportunity for technology change, subject to appetite and shape of client segment.

Product and Technology

AUD (m)	1H16	2H16	1H17	1H17 / 1H16	1H17 / 2H16
Direct Contribution	(46.0)	(49.7)	(53.9)	▲ 17%	▲ 8%
% of revenue	25%	25%	25%		

Operations

AUD (m)	1H16	2H16	1H17	1H17 / 1H16	1H17 / 2H16
Direct Contribution	(15.4)	(18.1)	(18.7)	▲ 22%	▲ 3%
% of revenue	8%	9%	9%		

Corporate

AUD (m)	1H16	2H16	1H17	1H17 / 1H16	1H17 / 2H16
Direct Contribution	(13.6)	(14.0)	(17.6)	▲ 30%	▲ 26%
% of revenue	7%	7%	8%		

All figures presented above assume 1H16 and 1H17 are converted at the average foreign exchange rate used for 2H16

The scale of investment in product and development is at the heart of IRESS' success and market position, supporting client retention and future recurring revenue growth.

Product and technology costs is primarily made up of people costs and reflects IRESS' ongoing investment in existing and new technology.

Key drivers of increase from 2H16 include:

- Cost contribution by acquisitions of Financial Synergy and INET BFA
- Headcount and wage increases
- Increased occupancy costs following office move in Sydney

Costs have remained at a consistent percentage of revenue.

Operational costs include core business infrastructure and people, such as internal and external communications technology, information security, operating hardware and software, and help desk

Costs have remained consistent with prior half.

Corporate costs include IRESS' central business functions including human resources, finance, communications & marketing, legal and other general corporate costs.

Key drivers of cost increase include:

- Impact of the acquisition of Financial Synergy and INET BFA
- One-off costs associated with a series of IRESS people conferences held as part of a continued focus in investing and developing our people and alignment to our strategic direction and priorities.

Excluding above items Corporate costs grew 5%.

Appendices.

Segment summary - reported currency

\$Am	Revenue			Direct Contribution			Contribution Margin %		
	Reported currency	1H16	2H16	1H17	1H16	2H16	1H17	1H16	2H16
APAC FM	56.0	57.4	57.5	41.8	42.3	42.0	75%	74%	73%
ANZ WM	43.5	50.3	61.6	35.9	39.9	46.0	82%	79%	75%
UK	57.4	53.4	51.6	37.2	36.1	32.8	65%	68%	64%
Lending	15.9	10.1	10.7	13.3	7.8	8.2	84%	78%	77%
South Africa	12.8	15.9	21.8	9.9	12.5	16.7	77%	78%	76%
Canada	8.7	8.2	8.5	4.1	3.7	4.0	47%	45%	48%
Total	194.3	195.4	211.8	142.1	142.3	149.7	% of revenue		
Product and Technology				(48.7)	(49.7)	(53.8)	25%	25%	25%
Operations				(16.1)	(18.1)	(18.8)	8%	9%	9%
Corporate				(14.2)	(14.0)	(17.5)	7%	7%	8%
Segment Profit				63.1	60.4	59.6	32%	31%	28%

Depreciation and amortisation

D&A - Operational	1H16	2H16	1H17
Depreciation			
Plant & Equipment	3.1	3.3	3.5
Amortisation			
Software (3 rd Party Purchased)	2.1	2.2	2.5
Total	5.2	5.5	6.0

D&A – Acquisition Related		1H16	2H16	1H17	2H17	1H18	2H18
Computer Software	Avelo	1.3	1.1	0.7	0.8	0.7	0.6
	Proquote & Pulse	0.3	0.5	0.4	0.4	0.4	0.4
	Financial Synergy	-	0.4	1.1	1.1	1.1	1.1
	INET	-	0.3	0.7	0.9	0.9	0.9
	Peresys	0.4	-	-	-	-	-
Customer Relationships	Avelo	1.6	1.5	1.4	1.5	1.1	0.7
	Financial Synergy	-	0.2	0.6	0.6	0.6	0.6
	Proquote & Pulse	1.5	1.2	1.1	1.2	1.2	1.2
Brands	Proquote & Pulse	0.1	0.1	0.1	-	-	-
Total		5.3	5.1	6.1	6.5	6.0	5.5

2H17 onwards converted at Jun 2017 foreign exchanges rates

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