

15 November 2005

Integrated Research Limited

ABN 76 003 558 449

Chairman's Address to AGM

Ladies and gentlemen I would like to welcome you to the 5th Annual General Meeting of Integrated Research Limited and I am pleased to present my summary of the year to 30th June 2005 and to comment on the current reporting period.

As this is my first Annual General Meeting as chairman I would firstly like to acknowledge the work of the company's former chairman Brian Gatfield. Brian was a very thoughtful and astute chairman who helped guide the company through the difficulties of the IT depression. His efforts will be kindly remembered.

I am pleased to announce that last year saw an increase of 39% in PAT to \$6.2M compared to \$4.5M in the prior financial year of 2004. This increase was mainly due to a strong performance from the European and American operations. Our traditional market the NonStop platform continued to grow its licence fees as well as its recurring revenue. The company also increased expenses by 8% and added an additional 16 personnel primarily in sales and marketing. These positions were related to the VoIP business segment. This investment while increasing costs in the short term will enhance revenue in the back half of the financial year.

I am especially pleased to note that revenues from VoIP products have increased substantially. This growth rate is well in excess of the VoIP industry's growth rates and establishes Integrated Research as a leading provider of VoIP products. Additionally, the launch of a new product line for the management of Cisco's CallManager Express product will further enhance the company's future revenue prospects. The company is continuing to invest in R&D with 18% of the company's expenditure being in Research and Development.

Our improved results were achieved despite a rise in the AUD against the USD. This is the currency in which most of our revenue is derived. This has equated to a 4% reduction in revenue for the full financial year.

I would also like to note that the company continued to build upon the excellent relationships that we have developed over the years, particularly with our key partners HP and Cisco.

Looking ahead to the current year and beyond we expect that the growth Integrated Research has experienced in the past will continue into the future. The company's strategy is sound, the economic outlook is positive and the AUD has weakened from its highs of 78c against the USD.

The company's VoIP products continue to gain increased market recognition while Cisco maintains its lead as the leading provider of large installations in this market segment. Additionally industry analysts are expecting the segment to grow strongly for the next five years.

The company plans to continue its strong investment in R&D while also increasing its sales and marketing activities. Obviously special emphasis will be placed on expanding our capabilities in VoIP.

For the full financial year of 2006 we expect modest revenue growth in our HP NonStop market which will be combined with strong revenue growth both in VoIP and Windows/UNIX. We will increase sales and marketing expenses to create future growth, however we would expect the company to increase profit after tax for this financial year.

The board is also pleased to announce the appointment of David Boyles to the role of deputy chairman. This will strengthen the company's corporate governance by creating a lead independent director.

I would also like to welcome Kate Costello to the board of Integrated Research. Kate brings many years of experience in corporate governance both on the boards of numerous companies as well having taught corporate risk management and governance both here in Australia and throughout Asia. Kate will be standing for re-election today.

With the appointment of Kate Costello the board is now comprised of four independent non-executives directors and three non-independent directors in accord with ASX good governance guidelines.

The final person that I would like to congratulate is Keith Andrews. Since his appointment some 12 months ago he has become integral to the company's success.