

## Market Release

### Integrated Research Limited Announces Results for 2007 Financial Year

Sydney, Australia, 14 August 2007 - Integrated Research (ASX:IRI), leading developer and provider of systems and application management software for high availability computing environments, today reported its consolidated results for the financial year ended 30 June 2007.

- **Revenue increased 5% (12% in US dollars)**
- **Cashflow generated increased from A\$5.1M to A\$7.7M**
- **Profit after Tax decreased 22%, PBT decreased 7%**
- **Directors declare final unfranked dividend of 2 cents per share, compared to 1.5 cents last year**

Keith Andrews, CEO of Integrated Research said: "Strong performances in the USA and Asia Pacific were offset by a poor result in Europe. Compared to the 2006 financial result, 2007 was negatively impacted by \$1.2 million in tax adjustments and was also adversely affected by the weak US dollar. Revenue for the IP telephony products grew 92% in US dollar terms, and PROGNOSIS is now the clear global leader among 3<sup>rd</sup> party management products."

The company continues to maintain a strong financial position and remains free of debt with a total cash position at 30 June 2007 of \$13.3m compared to \$10.7m at the same time last year.

Steve Killelea, Chairman of Integrated Research said: "Despite a lower than expected result the business fundamentals remain strong. The Board has approved an increased final dividend payment based on their underlying confidence in the business and prospects for future profits". The company also expects to be in a position to pay a partially franked dividend this time next year.

In June the company executed its first OEM agreement with EMC to integrate PROGNOSIS IP Telephony Manager into the EMC Smarts software suite of products. The new product will

be sold through EMC's global sales channels and partners. Additionally the company signed number of new global IP Telephony Managed Service Provider customers including IBM, AT&T and Sprint and expanded its business with France Telecom and Deutsche Telecom.

The consolidated entity's profit before tax was \$7.5m compared to \$7.9 million for the corresponding period last year which represents a decrease of 7%. The net profit after tax for the period was \$5.4 million compared to \$7.0 million for the corresponding period last year which represents a decrease of 22%.

In US dollar terms, the total group revenue increased by 12%, IP telephony revenue increased by 92% and Non Stop revenue increased by 4%.

The following table summarises the consolidated entity's key revenue, expense and profit results for full year, compared to the corresponding period last year:

In thousands of AUD	2007	2006	% Inc/(Dec)
Revenue from license fees	19,517	18,633	5%
Revenue from maintenance fees	15,856	15,467	3%
Revenue from other operating activities	1,004	423	137%
<b>Total revenue from ordinary activities</b>	<b>36,337</b>	<b>34,523</b>	<b>5%</b>
Total expenses from ordinary activities	29,395	26,966	9%
Net profit before income tax	7,453	7,922	(7%)
<b>Net profit after income tax</b>	<b>5,433</b>	<b>6,975</b>	<b>(22%)</b>

Directors have declared a final dividend of 2.0 cents per share unfranked, payable on 14 September, 2007 to shareholders registered at the end of trading on 31 August, 2007.

*PROGNOSIS is a registered trademark of Integrated Research Limited. All other brand and product names are trademarks or registered trademarks of their respective companies.*

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