

The Manager
Company Announcements Office
Australian Stock Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

2 May 2019

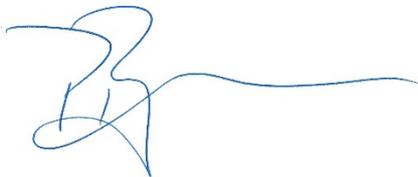
ELECTRONIC LODGEMENT

Dear Sir or Madam

RE: CHAIRMAN AND CEO'S ADDRESS - ANNUAL GENERAL MEETING

Please find attached a copy of addresses to be given by the Chairman and the CEO at this morning's Annual General meeting of the Company.

Yours sincerely



Peter Ferguson
Company Secretary

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IRESS Annual General Meeting

Thursday 2 May 2019

Melbourne

Chair's Address - Tony D'Aloisio

In a moment Andrew Walsh will deliver his yearly AGM address. Leading into that let me make some observations on behalf of the Board.

Since I spoke to you at last year's AGM, the rate of change in the financial services industry has continued at a fast pace. Not only here in Australia but also in our other principal locations of UK, South Africa, Canada and Asia. In Australia the Royal Commission into banking and financial services misconduct added a further dimension to driving change.

IRESS' strength throughout its history and embedded in its DNA has been its ability to anticipate the needs of its clients and lead clients through change. Whether it is in financial advice, trading, investment management, superannuation or mortgages, IRESS continues to anticipate change and, in turn, continues to experience strong demand for a broad range of standalone and integrated software from its clients.

The Board remains committed to IRESS' strategy of sustainable growth, supported by targeted investments and diversification. The benefit of these investments does not necessarily come in the same year that they are made. They can come in later years as we have seen this past year where IRESS has experienced benefits from earlier investments in earlier times. All part of enacting medium to longer term sustainability.

Financial Performance

Let me briefly back that story up with our results.

For the full year to 31 December 2018, group revenue was up 8% on FY17 to \$464.6 million, with Segment Profit up 10%.

On a constant currency basis, operating revenue rose by 6% and Segment Profit was up 8%.

Reported NPAT was \$64.1 million, up 7% on FY17.

Revenue growth was led by a strong overall performance, including from the United Kingdom and Australia.

Dividends

These results translated into a dividend increase of 5% on prior year.

In respect of second half earnings, the Directors determined to pay a final dividend of 30.0 cents per share franked to 40% at a 30% corporate tax rate.

This represents a total dividend for the year ended 31 December 2018 of 46.0 cents per share, which as I said is up by 5% on the prior year.

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Balance sheet

Cash conversion and recurring revenue are strong financial characteristics of IRESS' business.

This allows your Board to make the necessary longer term investments and at the same time maintain what could be called a conservative balance sheet where our leverage ratio of debt is 1.3 times Segment Profit.

Executive remuneration

While speaking on long term sustainability of the IRESS business, the Board this year introduced some changes to executive remuneration. As I explained in the Chair's covering letter to the Annual Report, those changes are to align even more the interests of the executives with the medium and longer term interests of shareholders. We have done away with the so called short term cash STI preferring to allocate share rights and with longer term absolute TSR measure rather than the relative TSR. The Board sees these changes as key to driving executive performance and attracting and retaining executives.

We will go further into these changes when we consider the remuneration report and the proposed CEO share rights allocations later in the meeting.

Board Succession

Board succession and Board renewal is an important part of the governance processes at IRESS. This enables fresh eyes and ideas to come in and as well to review the skills matrix in line with additional skills which may be required as the business changes.

Having said that let me assure you, as Chairman, that IRESS has an excellent Board with skills it needs. Nevertheless we have discussed and adopted a Board succession plan where over the next few years there will be rollover or change of 3 possibly 4 directors.

Resolutions 4 and 5 and on today's agenda are aimed at enabling us to manage this succession. Put simply (and we will discuss in more detail when we get to those resolutions) we are giving the Board the mechanisms to bring in new directors with a changeover period with directors leaving. This overlap we consider to be important for the continued orderly running of the company.

Our shareholders

IRESS is fortunate to have had and continues to have long term shareholders both at the institutional and retail level. We thank you for your support.

Recently you may have seen that our major shareholder (ASX) disposed of its holding and in doing so made it clear that its decision was for its strategic reasons and not related to its view of IRESS. We thank ASX for its support over the years and with its departure we have seen new shareholders and increased holdings from our current shareholders.

Outcome of the Royal Commission

Earlier I mentioned the Royal Commission. IRESS was not, of course, involved in the Commission or directly impacted by its recommendations. Nevertheless, the Board is examining and assessing those recommendations around culture, governance and remuneration along with the new ASX guidelines.

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More importantly at a strategic level, IRESS is focused on the opportunities for its business in the changes that implementation of those recommendations will have on the financial services sector.

Clients and management

IRESS has very strong client base and we thank all our clients for their continued support.

That support would not occur without a great team. IRESS is fortunate that it has a great team well led by Andrew as CEO, the executives and managers.

On behalf of the Board and on your behalf, we thank them and all our staff for their extraordinary commitment to this great company.

I will now ask Andrew to deliver his address.

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CEO address - Andrew Walsh

Thank you Tony and good morning everyone.

Strategic focus

In 2018, our goal of being both essential and desirable to our clients and users drove our key decisions including our product investment and innovation priorities, technology improvements and how we work. Our financial results reflect our strong and ongoing progress towards this goal.

I want to address both our financial performance in some additional detail as well as strategic highlights.

2018 financial results

As Tony outlined, 2018 saw IRESS continue to perform strongly.

In Australia, New Zealand & Asia, revenue growth was strong. Our trading and market data software demonstrated continued resilience and continues to play an important part in our broader offering globally, particularly through our integrated software. We are experiencing sustained growth in wealth management, underpinned by existing and extended capability, including in data analytics software and superannuation. This is against a backdrop of increased regulatory scrutiny for clients and the spotlight of the Royal Commission.

In the United Kingdom, strong financial results reflected continued delivery on earlier wins. Accelerated revenue growth in the second half reflected the successful progression of client projects as anticipated. Growth in our wealth & trading business demonstrates ongoing work with key clients to expand the software we provide as well as a major new client. Sourcing growth reflects higher take up of ancillary software and services aligning to market demand.

Given the predominantly domestic focus of our UK clients we don't expect a significant direct impact from Brexit. We are exposed to indirect economic impacts, which are harder to predict and are being closely monitored.

Lending continued to transition to a subscription-based revenue model with client deliveries in the UK and sound progress on new clients in Australia, with strong interest from digital banks.

In South Africa, we anticipate a return to stronger revenue growth rates in 2019 and despite a marginal increase in operating revenue in Canada, recurring revenue increased during the year reflecting both new client wins and client retention.

Increased focus on clients and users

In 2018, we undertook a number of initiatives to increase the experience that our clients and users have with us.

- We continue to invest in and innovate our software. This includes a new automated, personal advice product for Australian superannuation funds and an improved adviser-client portal. Our focus on involving users directly in designing our software at scale, through our Labs program, is also gathering momentum.
- There is an increasing focus by IRESS' clients on how technology - and IRESS - can help them manage and leverage data for compliance and growth. 2018 saw the integration of our data analytics software Lumen with XPLAN as well as a focus on additional data intelligence initiatives.
- We have made integrations with third parties faster and easier for clients through our IRESS Open initiative - building on our strong history of third-party integrations.

- We are improving efficiency and quality with significant progress on technology initiatives including enhanced cloud capability and continuous delivery.

2019 Outlook

Turning to the outlook for 2019, we repeat the outlook provided at our full-year results in February.

IRESS expects reported Segment Profit growth in 2019 of between 6% and 11% on a constant 2018 currency basis, including the impact of adopting new accounting standards.

Period on period revenue and costs remain subject to the timing of client projects, ongoing industry change and the current climate of economic uncertainty.

Following targeted and elevated investment in recent years, non-operating costs are expected to be substantially lower in 2019 than 2018, subject to any further acquisitions.

Thank you.

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