Macquarie

Emerging Leaders Conference

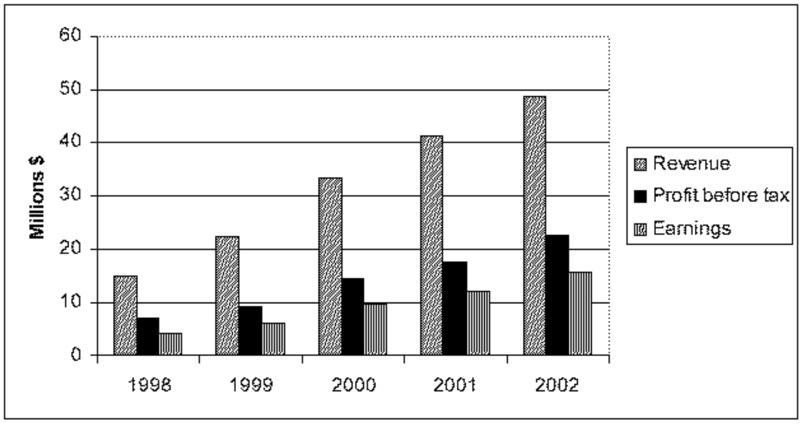
MARKET TECHNOLOGY

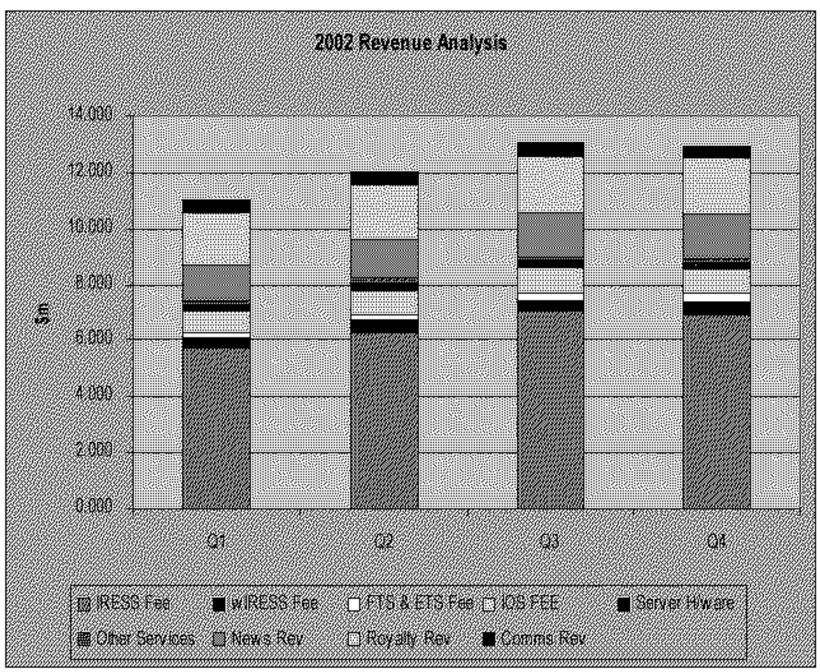
May 2003

2002 Underlying Results

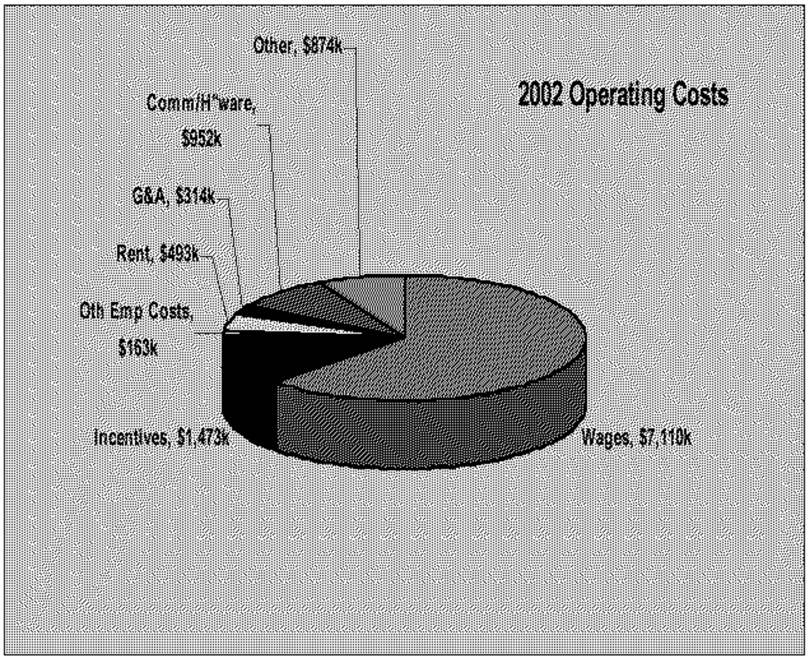
	2002 Unadjusted	2002 Adjusted	2001	
Revenue	48.9	48.9	40.6	Up 20.4%
Profit before Tax	14.2	22.8	17.6	Up 29.5%
Earnings	9.8	15.9	12.2	Up 30.3%
EPS - Diluted	9.461	15.363	11.885	Up 29.3%
Dividend	10.2	10.2	6	Up 70.0%

IRESS – 2002 excluding IWL & Beacon amortisation

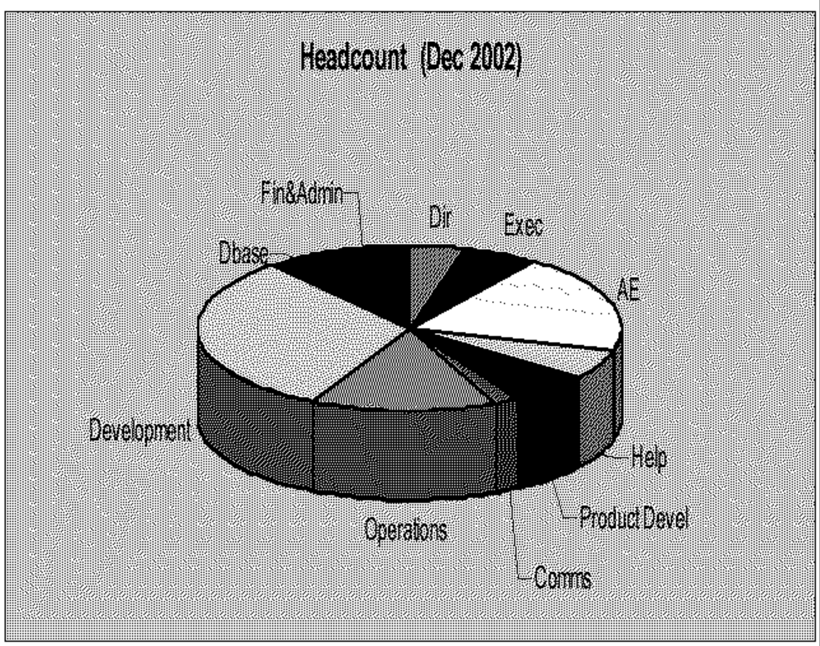




iress MARKET TECHNOLOGY



iress MARKET TECHNOLOGY



Xplan Update

- ➔ Acquisition of Xplan completed on March 13.
- ➔ Scaling of the XPLAN operation well underway with four additional staff hired (and two more shortly) including a presence in Melbourne and Brisbane.
- ➔ Integration of the XPLAN suite with the IRESS portfolio product well underway. First integrated release targeted for the end of June.
- ➔ Xplan progress in the short period since completion is pleasing. We expect loss for 2003 to be comfortably in the range of the previously flagged $1 to $1.5 million .

Xplan Strengths

- ➔ Widely regarded as the strong contender to win substantial market share in desk top financial planning software.
- ➔ Principals have longstanding experience in the sector with strong industry knowledge and client relationships.
- ➔ Modern technology base. Product reflects evolving industry needs. Addresses strengths and weaknesses of client's existing solutions.
- ➔ IRESS adds financial stability, investment capacity, portfolio management and order processing capabilities.
- ➔ With IRESS Xplan is strongly placed to become a major industry provider within two years.

iress
MARKET TECHNOLOGY

Wealth Management Strategy

- Xplan the cornerstone of broader Iress wealth management strategy including:
  - **desk top solutions,**
  - **transaction management**
  - **industry connectivity**
- Xplan's suite plus IRESS transaction routing and portfolio middleware is the core of a competitive comprehensive wealth management solution.
- Strong potential exists to cross sell.
- Goal : To be a substantial, well resourced technology provider to the wealth management industry while remaining independent of any industry participants.

iress
MARKET TECHNOLOGY

On Market Share Buy Back

- Despite Xplan the company retains considerable excess capital capacity (currently around $15 million cash with no debt)
- Recent prices produce a pre tax earnings yield of greater than 12% on the core business.
- Directors have agreed a $10 million buy back program over the next 12 months which should be operational sometime in May.
- No impact on any growth or acquisition opportunities.

iress
MARKET TECHNOLOGY

Core Business Trading in 2003

- Undeniably conditions remain very poor for much of our client base.
- Rationalisation continues at pace with the Were / Goldman merger, Challenger sale and the Hartleys re-structuring just recent examples.
- Despite difficulties and sizeable revenue loss from some clients revenue gains in 2003 have been pleasing with Q1 revenue outstripping Q4 last year.
- First half is now well progressed and a result similar to the second half last year is likely.
- Revenue risks remain for the full year but a result under the full year 02 figure would require very significant revenue loss over the balance of the year.

iress
MARKET TECHNOLOGY

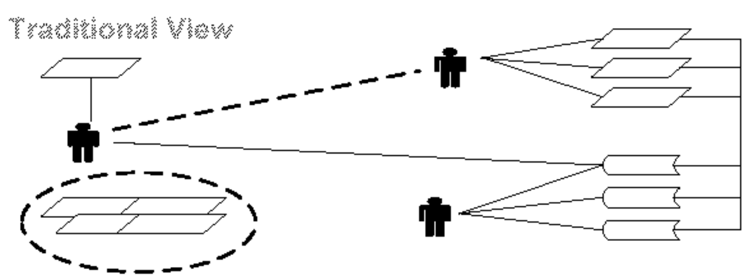
Competition and Barriers to Entry

- Increased competition in our core business widely flagged but to date impact has been tiny and dwarfed by industry issues.
- GBST has been very public on their ambitions but in our view their offering is unlikely to be more than the sum of the parts. Success will hang only on the quality of the partners.
- Several smaller startups exist, mostly net based and some will offer internal solutions to the largest clients.
- Very strong barriers exist in all institutional clients given the entrenched transaction network. New entrants can only attack basic retail brokers and even then at large firms (with insto operations) the marginal pricing advantage is tiny. This leaves only small "retail only" broking operations, probably less than 15% of our revenue.
- Fixed cost structure means new entrants will need deep pockets and great patience to reach a profitable scale.

Products with Revenue Potential

- **Smaller Ongoing Opportunities**
  - Sycom replacement – available with Felix, installed 2nd half.
  - Options order routing – cost savings for broker regional offices.
  - RMS – product strong, sales in ETO's disappointing .
  - FIX interface – clients growing, additional messages under development
  - HTML Iress – Released last month, rounds out our offering
- **Electronic Trade Confirmations (ETC's) – Medium Opportunity**
  - Basic development completed in IOS, FTS version out soon.
  - Classic critical mass opportunity
  - Opportunity progressing well albeit a little slower than planned
  - Key clients supportive
  - Achieving scale the immediate goal, revenue will follow.
- **Retail Broking Adviser Platform and Portfolio Management**

Retail Broking

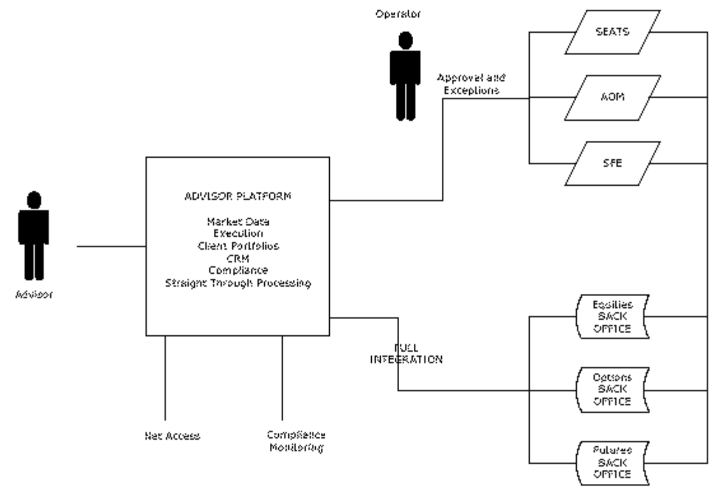


- ✓ Advisor familiarity
- × Focus on single asset class
- × Compliance problems
- × No order management component
- × Inefficient
- × Not conducive to wealth management

iress MARKET TECHNOLOGY

Retail Broking

Widely accepted Best Practice scenario



iress MARKET TECHNOLOGY

Moving to Best Practice environment …

➔ Expand the Back Office

➔ Specialised front/middle office system

iress
MARKET TECHNOLOGY

One Solution …

Expand the existing Back Office

- ✓ is the currently accepted system of record
- ✓ Offers tight link to back office
- ✓ utilise user interface
- × Focus is single asset class
- × Not “real time” environment/message base
- × Huge step to market data
- × Doesn’t cover CGT Portfolio platform
- × Poor history of product enhancement
- × All major products unchanged over last 5 years
- × Development project-based and user-funded

iress
MARKET TECHNOLOGY

One Solution……………..

Implement a distinct front/middle office solution

- ✓ Handles more than one asset class
  - **Equities**
  - **Options**
  - **Futures**
  - **Managed funds**
  - **IMA’s**
- ✓ Provides portfolio management system
- × Some restrictions on back office integration (unlike overseas environments)

IRESS Retail Strategy

Evolve IRESS/IOS into fully fledged advisor platform

- Live portfolio valuation
- More than one instrument
- Search client base by instrument
- Order entry and order detail retention fully compliant
- Extensive audit trail
- Straight through processing available, but operator intervention possible
- Basic CRM provided

IRESS Retail

Developments under way

- Expansion of existing FTS/ETS portfolio base into a fully fledged CGT retail portfolio package.
  - **Common component with Xplan suite**
  - **Timely with withdrawal of Advent**
  - **Released through IRESS platform in July**
- Remaining FSRA requirements – Statement of Advice, Know Your Client
- Enhanced CRM
- Access to transaction history, back office links

IRESS Retail

Portfolio Management system details

- Derived from well established FTS/ETS systems but with a retail tax orientated focus.
- Multiple asset classes (can be customised)
  - **Equities**
  - **Options**
  - **Managed Funds**
  - **Fixed Interest**
  - **Multiple cash accounts**
- Automatic trade matching (FIFO/LIFO) defined at account level
- CGT allocations and optimisation
- Asset allocation down to security level
- Performance benchmarking
- Strong base for IMA management

Possible Growth Opportunities Individual Managed Accounts (IMA's)

- IMA's growing very strongly in the US (from a small base). Increasingly attractive over investment trusts.
  - **Individual CGT management**
  - **Assets available at any time without CGT event.**
  - **Removes complexity of multi-tiered platforms and trusts**
- IMA model links wealth management and direct equities
  - **Target portfolio source (fund manager)**
  - **Adviser (broker retail adviser or planner)**
  - **Operator (broker or fund manager through a broker**
- IRESS likely to offer a full IMA suite based on a simpler FTS modeling tool, retail portfolio module and broker execution management.

Medium Term Growth for IRESS?

- Through the addition of Xplan our goal of building a substantial wealth management technology business is well underway. Further small acquisitions in this space would be considered but are not planned or essential.
- We continue to investigate overseas expansion opportunities. While Hong Kong remains on hold several other opportunities are under serious evaluation.
- With efficiency (cost cutting) and compliance likely to remain the key focus of the investment sector we remain interested in a fully integrated offering delivered through the IRESS desktop.
- Preference is for investments / acquisitions with modest upfront capital requirements (sub $10 million), low or shared development expense and attractive medium term revenue growth.
- Only business opportunities with recurring revenue streams and scalable fixed cost bases would fit our model.