

Acquisition of Dealer Management Systems (DMS) Leading Australian Remuneration Management Provider

Development and Support Staff Retained

DMS products to be supported

IRESS announced today the acquisition of Dealer Management Systems Pty Ltd ("DMS") by our wealth management software division for 1,083,334 shares in IRESS. DMS comprises the remuneration management business and the FundClick technology for application form processing.

DMS Remuneration Business

The DMS remuneration business provides commission processing and dealer-pay software for over 100 dealer group licensees, ranging from small boutique planning groups to some of the largest groups in Australia. DMS' software solution processes and reconciles commission and fee-for-service payments from hundreds of different providers; provides detailed reporting to representatives; tracks actual against expected payments & finds missed payments; and produces detailed management reports for tracking funds under management, growth and product usage.

This acquisition immediately broadens IRESS' provision of remuneration management and dealer-pay systems, and provides immediate synergies with our next-generation commission product CommPay.

Andrew Walsh, General Manager of IRESS Wealth Management said "DMS is a benchmark for dealer remuneration, and our combined strength in this area will provide our clients and prospects further opportunity to leverage our systems development and scale, to help them manage their business growth, efficiency, and management information. The acquisition further demonstrates our commitment and resolve to aggregate views of FUM, adviser productivity, and client profitability in fully integrated adviser and dealer desktops."

"DMS has been a very successful niche player in the financial services market in developing the leading commission software package over the last 7 years, however the growing demands of dealer groups for integrated management information and single point data-entry with their adviser software is increasingly a challenge for a standalone software provider. This evolution of DMS will see the best-of-breed strength of DMS incorporated within IRESS' wealth management solutions as a compelling one-stop-shop for dealer groups," said Peter Philip, CEO of InvestmentLink.

John Brabender, CEO of DMS, is retained by DMS for a period 3 months for the purpose of transitioning the business to IRESS.

FundClick Technology

Included in this DMS acquisition is the FundClick application form technology developed by InvestmentLink. This represents a strategic software acquisition to fast-track the delivery of a fully-integrated environment for end users to interact with product providers, adding to the existing interest and activity generated by the External Platform Interface (EPI) format and transmission initiatives and standards.



Walsh comments that, "Application form processing is promoted by both product and platform providers and advisory groups as a 'must have' to drive efficiency. Our goal is to ensure that we offer end-users an efficient mechanism to produce client-centric forms to interact with any product provider - whether this is a pre-filled paper form with information already keyed in our software, or a comprehensive message sent electronically to a provider from our software."

"Some platform providers have delivered online applications populated from our financial planning desktops XPLAN and VisiPlan. Through tight integration of FundClick in these desktops, we see this as an opportunity to fast track this process and extend across many more providers, both of which are sought by end users."

Transaction Highlights

- DMS revenues of approx \$1.65 million, 95% recurring;
- Post rationalisation costs (3 mths) expected to be \$1.05 million pa (excluding FundClick);
- Synergies from day one, although focus on combined growth opportunities with CommPay and FundClick;
- DMS is clear leader in dealer remuneration systems;
- FundClick component is primarily strategic but will generate material revenue across the client base in the medium term.
- Discounting any revenue contribution from FundClick the overall transaction will not be dilutive in calendar year 2009.

For further information please contact:

Andrew Walsh
General Manager – Wealth Management
+61 2 8273 7000

Peter Dunai
Managing Director - IRESS
+61 3 9018 5800