integrated research

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ASX Announcement

Integrated Research Announces Results

Integrated Research Limited (ASX:IRI) today announced its results for the financial year ended 30 June 2003.

Revenue from ordinary activities for the period was $28.1 million, compared to $32.6 million in the prior year, a reduction of 14%. Net profit after tax was $1.1 million, or 0.65 cents per share. The result is within the previously announced range given as guidance to the market in June.

In an environment of global uncertainty, both politically and economically, and a subdued IT market, sales were lower in Europe and the Americas, partially offset by an improvement in the Asia Pacific Region with key sales in Japan, Indonesia and China.

"The past year, and particularly the last six months, has been the most difficult business environment for IT companies in the industry's history", said Steve Killelea, CEO of Integrated Research.

Revenue from licence fees fell by 34% compared to the record levels achieved in the previous year, however revenue from maintenance fees increased by 14%, with the company retaining 96% of its recurring revenue base in a difficult year. "Such a high retention rate in difficult times is testimony to the ongoing strength of the customer base, which was further enhanced by the addition of 63 new customers during the year", Killelea added.

"The company remains debt free and has a strong recurring revenue base", said Brian Gatfield, Chairman of Integrated Research. "This provides sufficient cash resources to maintain our strategic direction despite the disappointing results this year", he added.

Directors have endorsed the company's policy of paying dividends of between 40% and 60% of profit after tax, and do not intend paying a further dividend for the 2003 financial year beyond the interim unfranked dividend of 0.75 cents per share paid in March 2003.

The company will continue its long-term strategy of investing in product development and setting challenging revenue and profit goals, but will maintain a closely managed cost base so that it can gain maximum leverage from the improvement expected in global IT business investment in the year ahead. As directors are unable to predict the speed and extent of such improvement at present, the company does not plan to provide specific earnings guidance for the 2003/04 year prior to the AGM in November. However, directors are confident of a rebound in earnings from the depressed levels of 2002/03 given a reasonable recovery in the major IT markets which the company serves .

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