

IRESS ANNOUNCES ACQUISITION OF FINANCIAL SYNERGY

Established Australian superannuation software business

Total purchase price of up to A\$90 million¹

~A\$85 million placement and share purchase plan

Logical extension of IRESS' presence, existing capabilities and strategic focus

Financial Synergy management and employees retained

IRESS (IRE.ASX) today announced it has entered into an agreement to acquire Financial Synergy, a leading and established provider of software to the Australian superannuation industry. The total cash purchase price will be up to A\$90 million^{1 2}. The transaction is expected to be more than 2% EPS accretive in 2017³.

As a result of the transaction, IRESS is today launching a fully underwritten institutional placement (the "Placement") of approximately 7.49 million shares ("Placement Shares") to raise approximately A\$85 million (at the issue price of A\$11.35 per Placement Share). The proceeds of the Placement will be used to fund the Financial Synergy acquisition.

IRESS will also offer all existing eligible shareholders in Australia and New Zealand the opportunity to acquire additional shares (up to a fixed amount) via a non-underwritten share purchase plan (the "SPP" and, together with the Placement, the "Equity Raising").

FINANCIAL SYNERGY ACQUISITION

IRESS CEO, Andrew Walsh, said: "Financial Synergy is an established and respected software solution provider and is a logical addition for IRESS in Australia. It strongly complements our existing capabilities and focus in Australian financial services, trading and funds management technology, wealth management and advice. It is also in line with our growth strategy.

"IRESS currently provides a range of solutions to key segments of Australian financial services, underpinned by the growing superannuation industry. Financial Synergy increases the range and scale of services and solutions IRESS can provide to clients of both businesses."

¹ Final transaction consideration contingent upon future events. Excludes transaction costs for the acquisition of A\$6 million, of which approximately \$2 million associated with the Equity Raising will be capitalised and the remaining balance will be expensed in 2016. Purchase price is subject to completion adjustments.

² A copy of the investor presentation relating to the Financial Synergy acquisition and the Equity Raising has been lodged separately with ASX.

³ EPS accretion applies to underlying EPS, driven by expected Financial Synergy earnings after change to accounting policy under IRESS ownership and the funding structure utilised.

About Financial Synergy

Financial Synergy is a privately-owned Australian company providing fund administration software to the superannuation and wealth management industries. Financial Synergy's software and online solutions are core to the operations of its clients, helping them service members efficiently, address ongoing legislative change and to deliver superior services to their members. Headquartered in Melbourne, Financial Synergy has 126 employees. For more information, visit www.financialsynergy.com.au

Management and employees

Financial Synergy is being sold by its majority owner and founder, David Orford, and senior management team. The senior management team have been retained and will continue to deliver superior service to superannuation clients.

Stephen Mackley will continue to lead the Financial Synergy business unit in IRESS, reporting directly to Andrew Walsh, CEO.

Mr Walsh said: "IRESS welcomes Financial Synergy and its people. Financial Synergy has a strong and enviable reputation in the Australian market for the quality of its people, expertise and solutions."

Mr Orford said: "Selecting the right home for Financial Synergy to see its objectives enhanced and our people and clients prosper has been an important part of this process. I have always held IRESS and its team in high regard and I'm excited to see these two businesses combine."

Mr Orford will provide strategic consulting services to IRESS with a particular focus on retirement incomes.

Financial considerations

IRESS will acquire Financial Synergy for a cash purchase price of up to A\$90 million⁴. The transaction is expected to complete by 31 October 2016.

The acquisition will be funded through the Equity Raising. IRESS has a conservative net debt to segment profit ratio of 1.2x⁵ and by raising equity to fund this transaction will preserve balance sheet capacity. Following the Financial Synergy acquisition, IRESS' dividend policy is unchanged.

For the 12 months ending 30 June 2016, Financial Synergy reported revenues of A\$27.5 million and EBITDA of A\$9.4 million. Under IRESS accounting policies, Financial Synergy's reported EBITDA for the 12 months to 30 June 2016 would have been \$8 million. The transaction is expected to be more than 2% EPS accretive in 2017, after change to accounting policy under IRESS' ownership.

⁴ Final transaction consideration contingent upon future events. Excludes transaction costs for the acquisition of A\$6 million, of which approximately \$2 million associated with the Equity Raising will be capitalised and the remaining balance will be expensed in 2016. Purchase price is subject to completion adjustments.

⁵ As of 31 August 2016.

The business will be integrated into IRESS with approximately \$1 million in integration costs being incurred over 2016 and 2017. Additional product investment will be made over time in order to unlock further value from the combination of IRESS and Financial Synergy and ensure alignment of technology.

Approvals

The Financial Synergy acquisition is subject to customary commercial arrangements and conditions for a transaction of this type, and is expected to complete by 31 October 2016.

PLACEMENT AND SHARE PURCHASE PLAN

Institutional placement

IRESS has launched a fully underwritten institutional placement of approximately 7.49 million shares, the "Placement Shares", to raise approximately A\$85 million (at the underwritten price of A\$11.35 per Placement Share) to fund the Financial Synergy acquisition.

The Placement Shares have been underwritten by Goldman Sachs at a price of A\$11.35 per Placement Share ("Underwritten Price"), which represents a 4.5% discount to the last closing share price on 23 September 2016.

The Placement Shares will represent approximately 4.6% of IRESS' issued share capital and will rank equally with existing shares of IRESS.

The Placement is expected to settle on Friday, 30 September 2016 and the Placement Shares will be allotted on the following trading day, Tuesday, 4 October 2016. No shareholder approval is required for the Placement, as IRESS will utilise, in part, its placement capacity under ASX Listing Rule 7.1.

IRESS' shares will remain in trading halt today while the Placement is conducted. Normal trading in IRESS shares is expected to recommence tomorrow or at such earlier time after the completion of the Placement is announced to the market.

Placement timetable

Commence trading halt	Monday, 26 September 2016
Placement bookbuild	Monday, 26 September 2016
Trading halt lifted and re-commence trading	Tuesday, 27 September 2016
Settlement of Placement Shares	Friday, 30 September 2016
Placement Shares are allotted and commence trading on ASX	Tuesday, 4 October 2016

Share Purchase Plan

The SPP will accompany the Placement.

Under the SPP, shareholders on the IRESS share register at 7.00pm (AEST) on Friday, 23 September 2016 (“Record Date”), whose registered address is in Australia or New Zealand will be entitled to subscribe for up to A\$15,000 worth of IRESS shares through the SPP, subject to the terms and conditions of the SPP which will be set out in the SPP booklet to be dispatched to eligible shareholders in due course⁶.

Shares issued under the SPP will rank equally with existing shares of IRESS. The issue price for shares will be A\$11.35 - the same as the issue price for the Placement Shares.

The SPP offer period will be open from Wednesday, 5 October 2016 and will close at 5:00pm (AEDT) on Wednesday, 26 October 2016, subject to IRESS’ discretion to amend these dates. Participation in the SPP is optional. The SPP will be capped at A\$20 million and IRESS reserves the right to scale back any applications under the SPP.

SPP timetable

Record Date for SPP	7.00pm (AEST) on Friday, 23 September 2016
SPP opens and documentation mailed out	9.00am (AEDT) on Wednesday, 5 October 2016
SPP closes	5.00pm (AEDT) on Wednesday, 26 October 2016
Allotment of new shares under the SPP	Tuesday, 1 November 2016
Quotation of new shares issued on ASX	Wednesday, 2 November 2016

Advisers

Goldman Sachs is acting as exclusive financial adviser to IRESS in relation to the acquisition of Financial Synergy and sole lead manager and underwriter of the Placement. King & Wood Mallesons is acting as legal adviser to IRESS in relation to the Financial Synergy acquisition and the Placement.

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About IRESS

IRESS is a leading supplier of technology solutions to clients in the financial markets, wealth management, and mortgage sectors. IRESS is listed on the Australian Securities Exchange (ASX.IRE) with operations in Australia, New Zealand, the United Kingdom, South Africa, Canada, and Asia. For more information, visit www.iress.com @iress

⁶ To be eligible to participate in the SPP, shareholders with a registered address in New Zealand will also be required to hold IRESS shares on the day the SPP opens.