

Full Year Results Presentation

Year ended 30 June 2015

27 August 2015

Presenters

David Griffith - Managing Director, IPH Limited

Dr. Andrew Blattman - CEO, Spruson & Ferguson

Malcolm Mitchell - Group Chief Financial Officer, IPH Limited

Disclaimer

This document has been prepared by IPH Limited (IPH) and comprises written materials/slides for a presentation concerning IPH.

This presentation is for information purposes only and does not constitute or form part of any offer or invitation to acquire, sell or otherwise dispose of, or issue, or any solicitation of any offer to sell or otherwise dispose of, purchase or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any or contract or investment decision.

Certain statements in this presentation are forward looking statements. You can identify these statements by the fact that they use words such as “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume” and words of similar import.

These forward looking statements speak only as at the date of this presentation. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements.

No representation, warranty or assurance (express or implied) is given or made by IPH that the forward looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, IPH and its respective officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the forward looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom.

Subject to any continuing obligation under applicable law or relevant listing rules of the ASX, IPH disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of IPH since the date of the presentation.

Contents

1. FY15 Highlights
2. FY15 Business Performance and Market Update
3. Acquisitions
4. FY15 Financial Performance
5. FY16 Strategic Initiatives
6. Appendices

1. FY15 Highlights

Financial Highlights

FY15 pro forma NPAT exceeded prospectus forecast by 29.8%, and was 41.1% above FY14

- Underlying (constant currency) earnings ahead of Prospectus forecasts
- Pro forma NPAT of \$30.9m (EPS 19.6c), 41.1% ahead of previous year
- Significant net benefits derived from foreign exchange movements
- Revenue ahead of forecast for Australian and Asian entities
- Strong growth from Spruson & Ferguson Asia
- Pro forma operating cash flow¹ of \$38.4m
- Net debt of \$5.3m
- Dividend of 10.0c/share (5.0c franked) declared; DRP activated, 2.5% discount

	Pro forma Earnings FY 14 (\$'m)	Pro forma Earnings FY 15 (\$'m) Forecast	Pro forma Earnings FY 15 (\$'m) Actual
Revenue	79.2	82.8	94.6
EBITDA	30.0	33.0	42.4
NPAT	21.9	23.8	30.9

Operational Highlights

A defining year for IPH

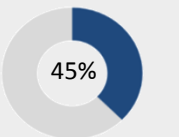
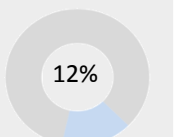
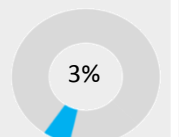
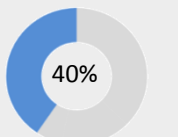
- **IPO:** Successful IPO in November 2014 - IPH is an ASX 300 company.
- **Acquisitions:** IPH acquired two businesses within 6 months from IPO
 - Practice Insight (Apr'15)
 - Fisher Adams Kelly (May'15)
- **Asia:** IPH continues to grow in Asia
 - patent filings are up 8.6% on FY14
 - maintained no. 1 patent market position in Singapore
- **Australia:** IPH strengthened its position in Australia
 - maintained no. 1 patent and no. 2 trade mark market position in Australia
 - strengthening IPH market position with acquisition of Fisher Adams Kelly
 - total patent filings in Australia are lower than expected (FY15)
 - positive trends in patent and trade mark filings by IPH companies in Australia in the second half of FY15
- **Efficiencies:** IT efficiencies at IPH are gaining momentum and allowing for rationalisation of administration and flexibility in operations across the group

2. FY15 Business Snapshot and Market Update

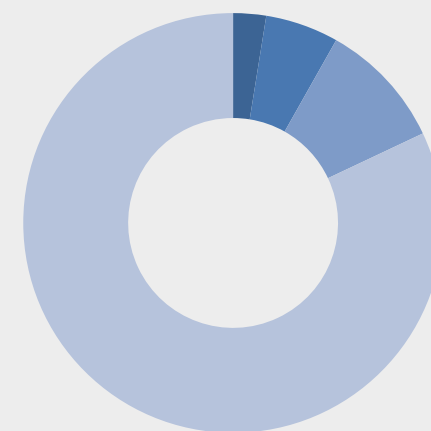
Business Snapshot

The majority of revenue derives from patent business. Highly diversified client base, annuity style client relationships and strong cash conversion

Revenue split by service line and location

	Australia			Asia
	Patents & Designs	Trade Marks	Legal	Patents & Designs
FY15 Revenue ¹				

Revenue split by clients (FY15)²



- Largest Client 2.5%
- 2-5 clients 5.6%
- 6-20 clients 9.8%
- Other 82.0%

Notes:

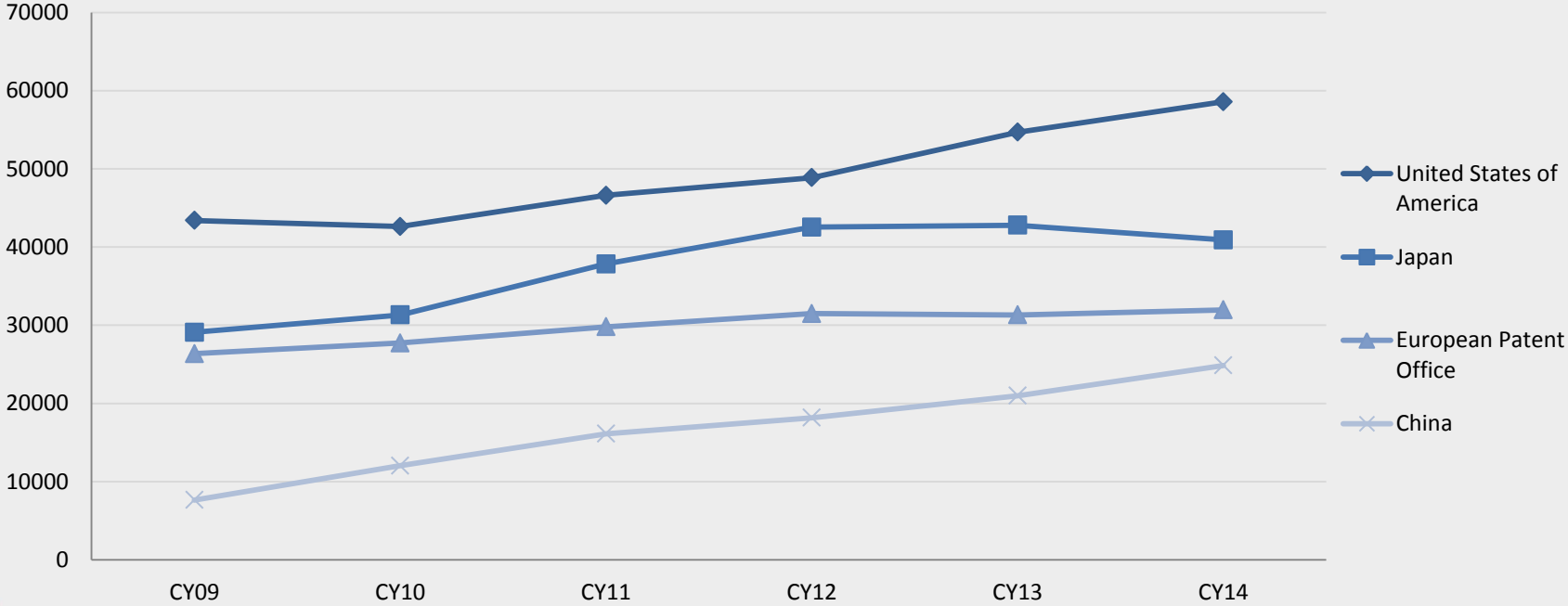
1. Revenue is based on full year service charges including FAK – excludes expense recoveries
2. Based on top 20 clients in FY15. Revenue is based on group service charges – excludes expense recoveries

Market Overview – Global Trend in Patents

Growing trend in international PCT patent applications

- Growing trend of PCT applications filed in key jurisdictions (USA and Europe) is a strong indication of increasing number of PCT national phase patent applications to be filed in the subsequent 12-19 months in the countries serviced by IPH.

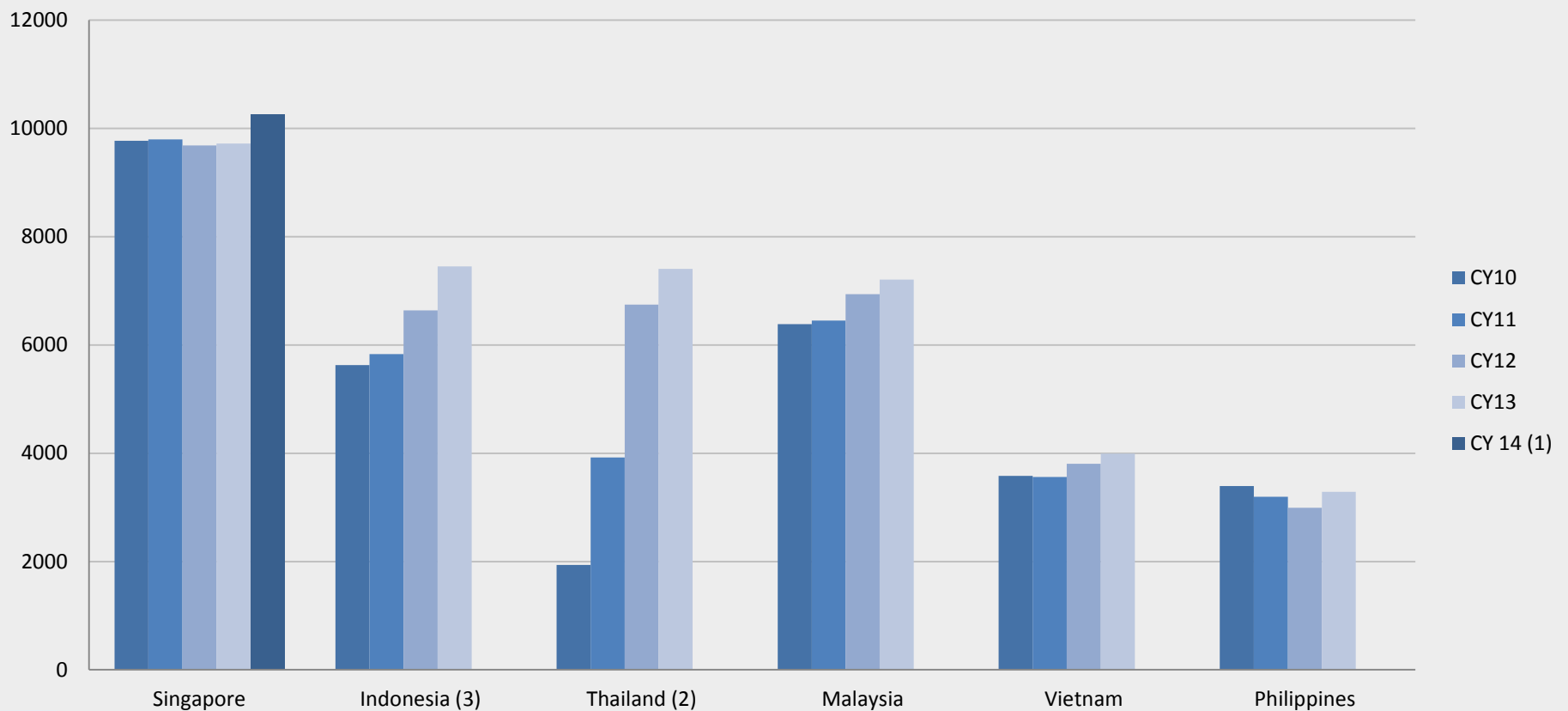
PCT international applications filed in US, EP, JP & China offices by resident applicants



Market Overview – Asian Patent Market

Growing patent market in Asia

SG, ID, TH, MY VN & PH Total Patent Filings

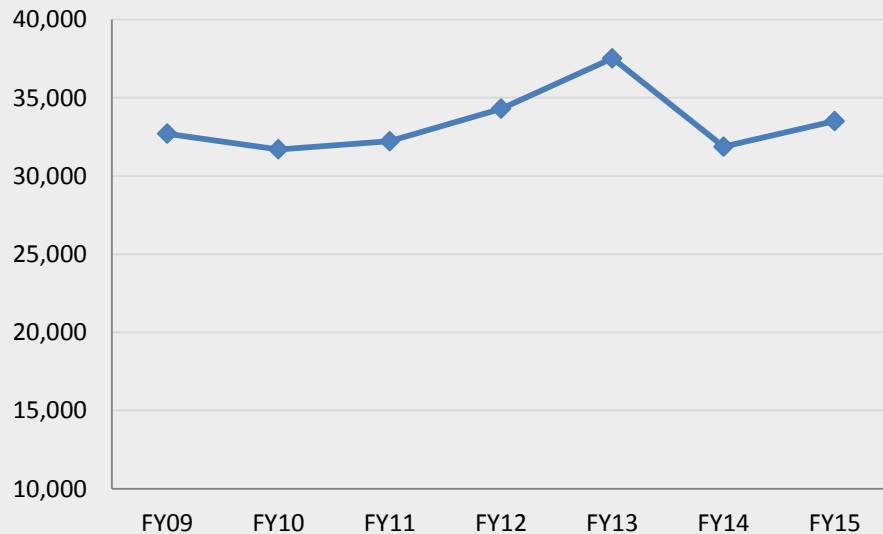


Market Overview – AU & SG Patent Markets

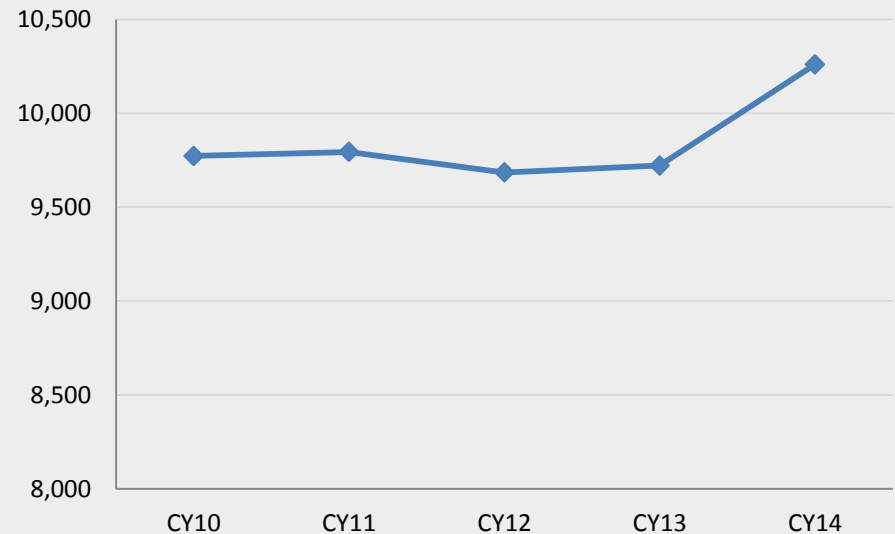
Flat patent market in Australia; growth in Singapore

- Number of patent applications filed at IP Australia in FY15 was lower than expected.
- It is estimated that over 10,000 patent applications were filed at IPOS in CY14.

Total Patent Filings in Australia



Total Patent Filings in Singapore



1. Total patent filings at IP Australia and IPOS as at August 2015
2. CY14 patent filings at IPOS – IPH Estimate

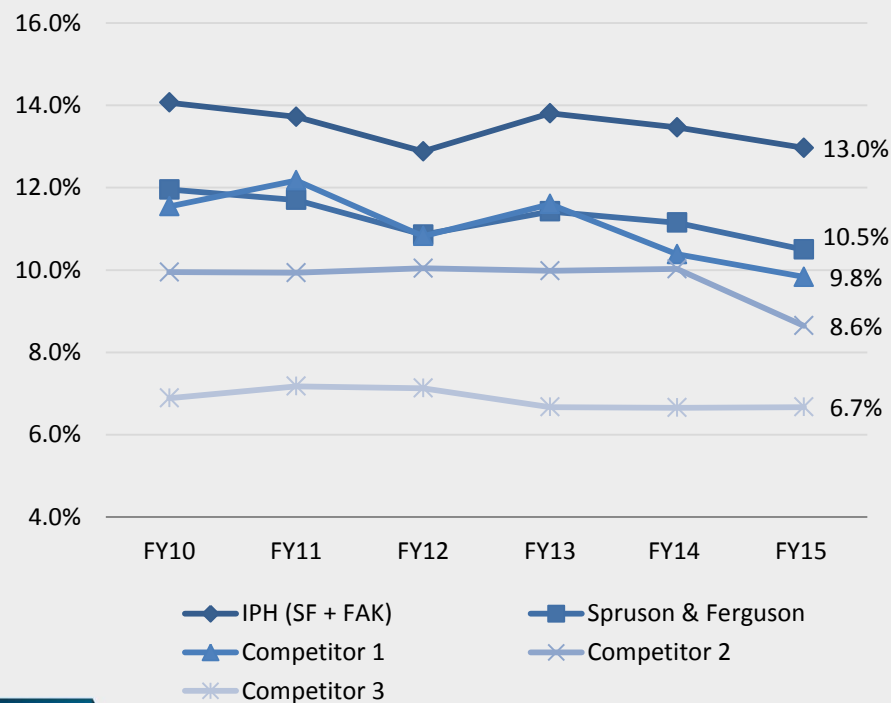
Market Overview – IPH patent market share in AU & SG

No 1 IP group in Australia and Singapore

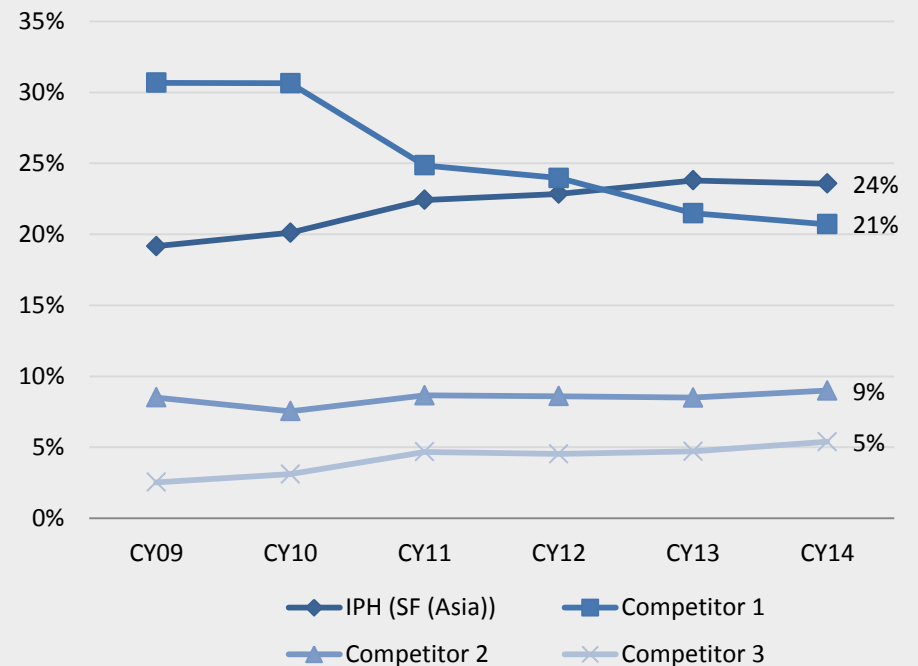
- Australia: IPH (incl. SF & FAK) has 13% patent market share and holds no 1 market position

- Singapore: IPH (SF (Asia)) has 24% patent market share and holds no 1 market position

IPH Patent Market Share in Australia



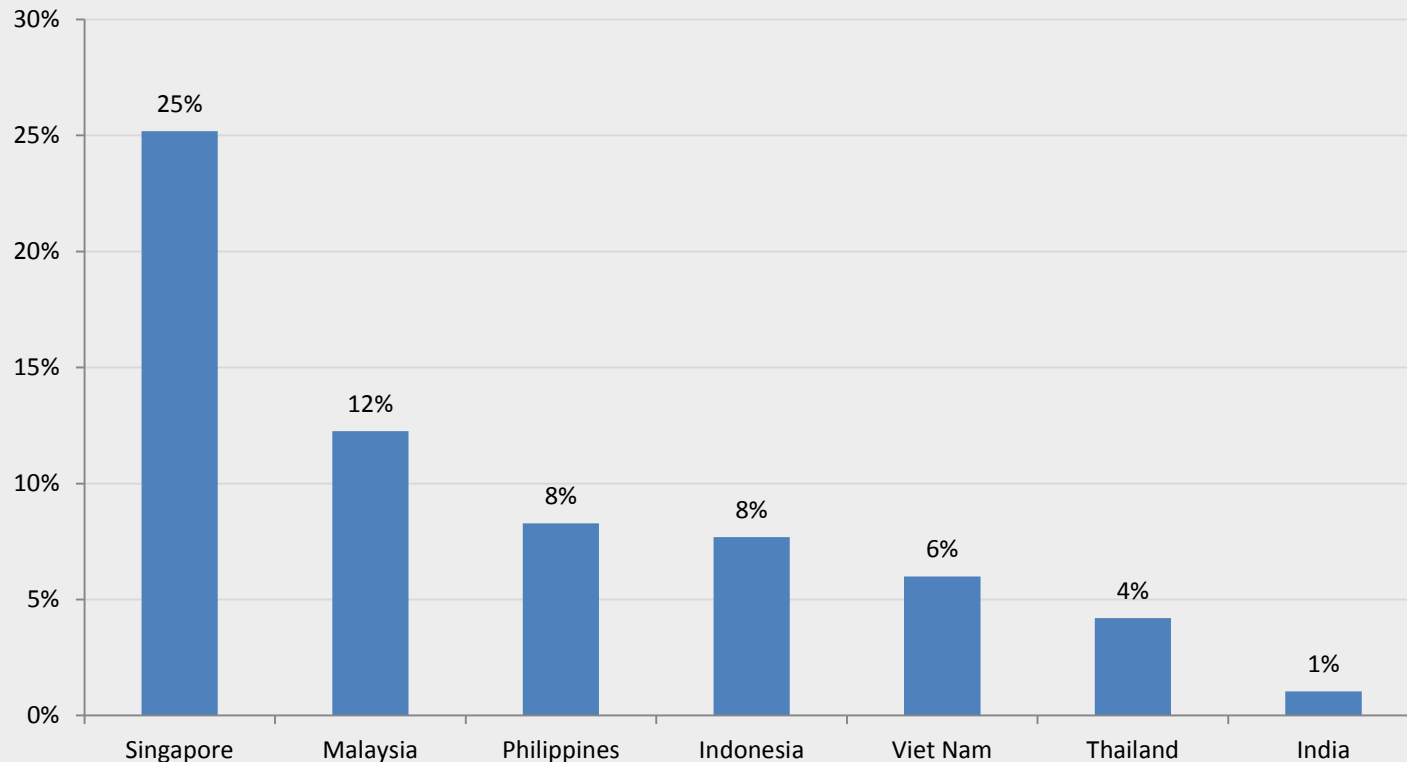
IPH Patent Market Share in Singapore



Market Overview – IPH patent market share in Asia

IPH maintains strong patent market position in key jurisdictions in Asia

IPH (SF (Asia)) Patent Market Share - Asia (CY 13)



Notes:

1. Outside Singapore and Malaysia, market share is represented by applications filed by agents instructed by Spruson & Ferguson.
2. Estimated market share based on non-resident patent applications filed in CY13. CY14 data is not available through WIPO.

Filings by IPH companies

- Patent application volumes by Spruson & Ferguson (Australia) are in line with previous year but below target, in a flat market. Reduction in the filing propensity of a number of larger clients is evident as happens from time to time.
- Patent application volumes by Spruson & Ferguson (Asia) are up on previous year and are in line with target.
- Trade marks application volumes by Spruson & Ferguson (Australia) are down on target and previous year.
- Both Australian patent and trade mark volumes have been increasing in recent months.

	FY12	FY13 ³	FY14	FY15 Forecast	FY15 Actual
PATENTS					
Spruson & Ferguson (Australia) ¹	4,674	5,303	4,523	4,870	4,488
Spruson & Ferguson (Asia) ²	4,662	5,056	5,263	5,680	5,718
Fisher Adams Kelly	-	-	-	-	1,242
Patent Applications by IPH				10,550	11,448
TRADE MARKS					
Spruson & Ferguson (Australia)	2,305	2,271	2,127	2,160	1,866
Spruson & Ferguson (Asia)	-	-	-	-	-
Fisher Adams Kelly	-	-	-	-	572
Trade Mark Applications by IPH				2,160	2,438

- All patent applications filed either directly or indirectly through an agent, including through Spruson & Ferguson (Asia) in the case of Asian applications.
- All patent applications filed by the Singapore office either directly or indirectly through an agent, including through Spruson & Ferguson (Australia) in the case of Australian, New Zealand and Papua New Guinea applications.
- In FY13 patent application volumes were inflated by the "Raising the Bar" legislation which brought forward many patent application.

3. Acquisitions

Practice Insight

Acquisition of Practice Insight is one step into the valuable IP adjacent business market

- Completed acquisition in April 2015
- IP data analysis and business applications software
- Highly capable team of software developers lead by Thomas Haines
- Revenue generating business
- Proven software products:
 - Patent Filing Analytics
 - Licensing Alerts
 - Extended DMS
 - Wisetime
- Investing in product development & marketing

Fisher Adams Kelly

Acquisition of an Australia IP firm is aimed at consolidating the fragmented IP market in Australia

- Completed acquisition on 28 May 2015
- Brisbane based patent & trade mark attorneys, established over 30 years
- Strong local and foreign client base
- Award winning firm - *Managing Intellectual Property's* Australian IP Firm of the Year in 2015
- Total consideration \$26.2m; vendor consideration settled in IPH shares at \$4.5892/share; 50% escrowed for 2 years
- Immediately EPS accretive
- Revenue synergies from redirection of Asian referral work
- Cost synergies from rationalisation of support services
- Expanded business development capabilities

4. HY15 Financial Results

Income Statement

Underlying earnings ahead of Prospectus forecasts; significant benefits derived from currency movements

Year ended 30 June 2015	Statutory Income Statement	Restructuring & IPO Adjustments ¹⁾	S&F Law pre Restructuring Income ²⁾	Other Pro forma Adjustments ³⁾	Pro forma Earnings FY15	Pro forma Earnings FY14	Foreign Exchange Effects ⁴⁾	Pro forma (Constant Currency) Earnings	Prospectus Pro forma Full Year Forecast
\$'m									
Total revenue	93.9		0.7		94.6	79.2	(7.8)	86.8	82.8
Compensation	(27.0)	1.0	0.0	(0.8)	(26.8)	(25.9)	0.7	(26.1)	(27.2)
Recoverable expenses	(15.7)		(0.3)		(16.0)	(14.2)	0.8	(15.2)	(13.9)
Occupancy	(2.9)		0.0		(2.9)	(2.3)	0.1	(2.8)	(2.7)
Other	(9.7)	3.5	(0.3)	(0.1)	(6.6)	(6.8)	0.3	(6.3)	(6.0)
Total expenses	(55.3)				(52.3)	(49.2)		(50.4)	(49.8)
EBITDA	38.6				42.3	30.0		36.4	33.0
EBITDA %	41.1%				44.7%	37.9%		41.9%	39.9%
Depreciation & Amortisation	(1.1)		0.0		(1.1)	(0.8)	0.0	(1.1)	(1.3)
EBIT	37.5				41.2	29.2		35.3	31.7
Interest expense	(0.6)		0.0		(0.6)	(0.4)	0.0	(0.6)	(0.4)
NPBT	36.9				40.6	28.8		34.7	31.3
Tax (expense)/benefit	(6.3)	(2.0)	0.0	(1.4)	(9.7)	(6.9)	1.4	(8.3)	(7.5)
NPAT	30.6	2.5	0.1	(2.3)	30.9	21.9	(4.5)	26.4	23.8
EPS (cents)	19.5				19.6			16.7	15.1

- 1) Adjustments to reflect the expenses arising from the recognition of leave balances, establishment of long-term incentive plan balances, and the IPO, offset by the recognition of deferred tax balances .
- 2) Pre-reconstruction earnings of S&F Law which are not consolidated in the Statutory Income Statement, net of S&F Law pre-reconstruction distributions received.
- 3) Adjustments to reflect the incremental effect on principals' remuneration and public company costs of the restructuring, and the tax profile post-reconstruction.
- 4) Estimated net benefit derived from movement in foreign exchange rates compared to prospectus forecast rates.

Segment Breakdown

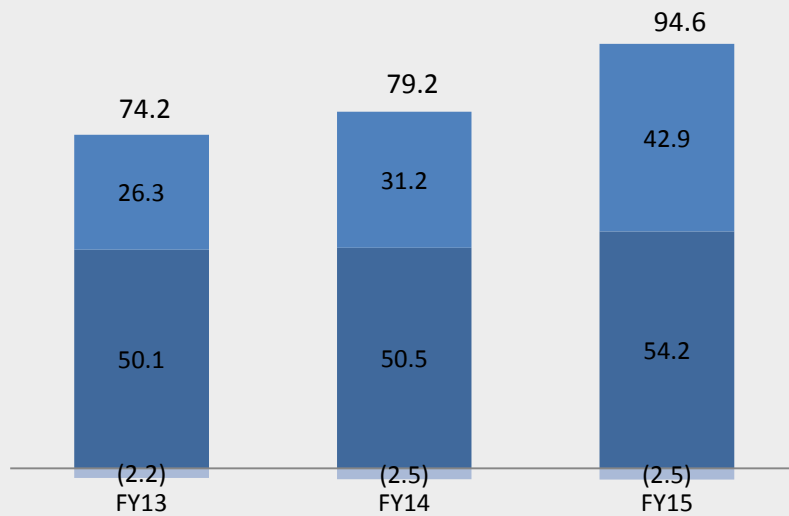
Strong performance from Spruson & Ferguson Asia

Year ended 30 June 2015	Australia Pro forma Earnings ¹⁾	Asia Pro forma Earnings	Eliminations ¹⁾	Group Pro forma Earnings FY15	Pro forma Full Year Forecast
\$'m					
Total revenue	54.2	42.9	(2.5)	94.6	82.8
Total expenses	(33.0)	(21.8)	2.5	(52.3)	(49.8)
EBITDA	21.2	21.1	0.0	42.3	33.0
EBITDA %	39.1%	49.3%		44.7%	39.9%
Depreciation & Amortisation	(0.8)	(0.3)		(1.1)	(1.3)
EBIT	20.3	20.9	0.0	41.2	31.7
Interest expense	(0.6)	0.0		(0.6)	(0.4)
NPBT	19.7	20.9	0.0	40.6	31.3
Tax expense	(6.3)	(3.4)		(9.7)	(7.5)
NPAT	13.5	17.4	0.0	30.9	23.8

Pro forma Revenue and EBITDA FY13 - FY15

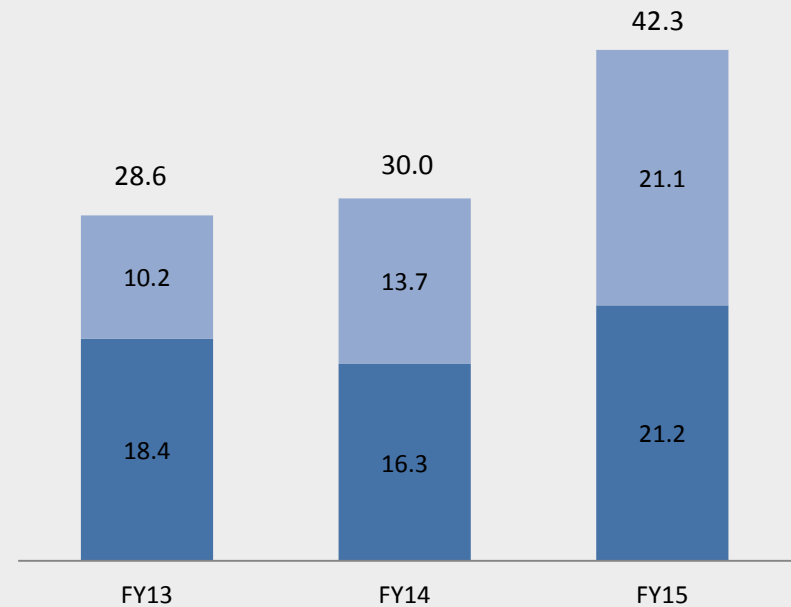
Revenue \$'m

■ Australia ■ Asia ■ Interco



EBITDA \$'m

■ Australia ■ Asia



Cash Flow Statement

Strong cash flow

- Low CAPEX & minimal working capital requirements = Strong cash generation
- Distributions/dividends of \$26.8m (including pre-IPO distributions to previous owners) paid in the period

Year ended 30 June 2015	Statutory Cash Flow Statement	Restructuring & IPO Adjustments ¹⁾	Pro forma Adjustments ²⁾	Pro forma Cash Flow	Foreign Exchange Effects ³⁾	Pro forma (Constant Currency) Cash Flow	Prospectus Pro forma Full Year Forecast	Prospectus Statutory Full Year Forecast
\$'m								
EBITDA	38.6	4.6	(0.9)	42.3	(5.9)	36.4	33.0	30.4
Non-cash movements	1.1	(0.8)	0.2	0.5		0.5	0.2	0.8
Change in working capital	(3.1)			(3.1)		(3.1)	(1.2)	(1.2)
Capital expenditure	(1.3)			(1.3)		(1.3)	(2.4)	(2.4)
Operating cash flow before acquisitions, financing activities and tax	35.3			38.4		32.5	29.6	27.6
Payments for acquisitions, net of cash acquired	(3.2)			(3.2)		(3.2)	0.0	0.0
Income taxes paid	(4.8)	(1.1)	(1.4)	(7.3)	1.4	(5.9)	(7.5)	(3.9)
Net interest	(0.5)			(0.5)		(0.5)	(0.4)	(0.6)
Net borrowing proceeds/(repayments)	1.0			1.0		1.0	4.2	4.2
Net operating cash flow before dividends	27.8			28.4		23.9	25.9	27.3
Dividends paid (including pre-Offer distribution)	(26.8)							(26.9)
Net cash flow	1.0	2.7	(2.1)		(4.5)			0.4

Consolidated Balance Sheets

	Statutory Balance Sheet as at 30 Jun 2014	Restructuring & IPO Adjustments ¹⁾	Pro forma Balance Sheet as at 30 Jun 2014	Statutory Balance Sheet as at 30 June 2015
\$'m				
Cash and cash equivalents	4.3	(7.9)	(3.6)	5.3
Trade and other receivables	20.3	0.7	21.0	27.4
Other current assets	1.1	0.1	1.2	2.2
Total current assets	25.7	(7.1)	18.6	34.9
Acquisition goodwill & intangibles	-	-	-	33.6
Other non-current assets	1.7	2.0	3.7	4.1
Total assets	27.4	(5.1)	22.3	72.6
Loans and borrowings	6.1	10.7	16.8	10.6
Other liabilities	21.2	(7.3)	13.9	26.8
Total liabilities	27.3	3.4	30.7	37.4
Net assets	0.1	(8.5)	(8.4)	35.2
Equity				
Issued capital	0.4	12.1	12.5	35.3
Reserves	(4.7)	(9.8)	(14.5)	(14.6)
Non-controlling interest	0.5	(0.6)	(0.1)	0.0
Retained profits	3.9	(10.2)	(6.3)	14.5
Total equity	0.1	(8.5)	(8.4)	35.2

Strong balance sheet

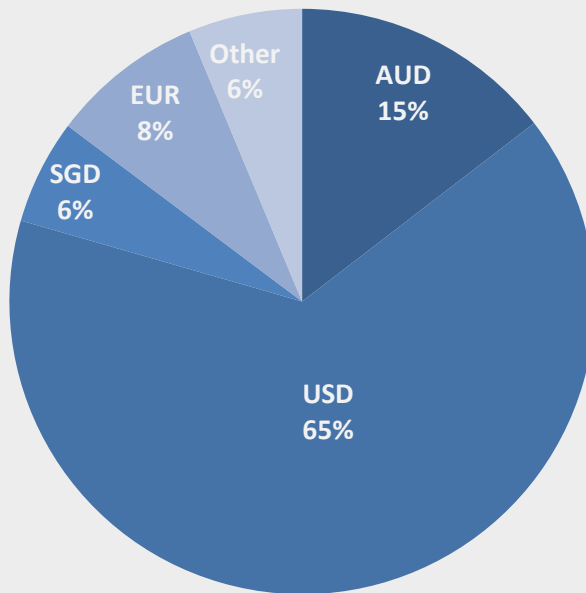
- Net debt of \$5.3m
- Undrawn bank facilities of \$88m available, following increase in July 2015

Changes in Equity

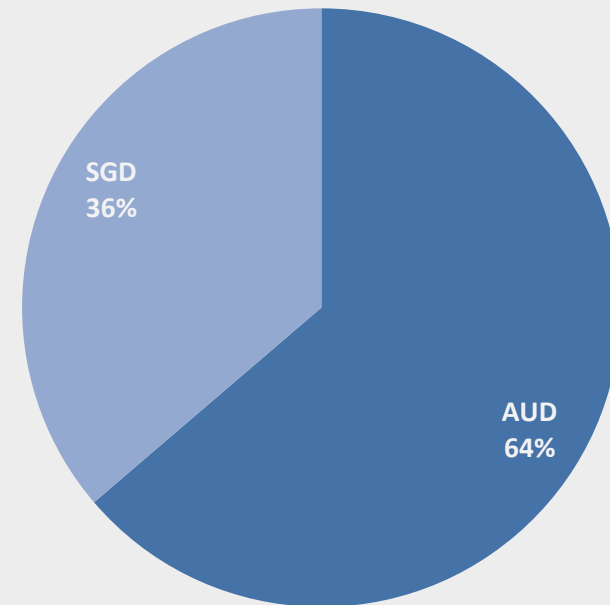
Year ended 30 June 2015	Share Capital	Minority Acquisition Reserve	Equity Benefits Reserve	FCTR	Non- controlling interests	Retained Profits	Total Equity
\$'m							
As at 30 June 2014	0.4	(4.5)	0.0	(0.2)	0.5	3.9	0.1
Pre-offer FY14 distributions & dividends					(0.5)	(7.7)	(8.2)
Offer & restructuring	12.1	(10.4)			(0.1)		1.6
Net initial recognition adjustments & IPO costs			0.6			(2.5)	(1.9)
Proforma equity as at 30 June 2014	12.5	(14.9)	0.6	(0.2)	(0.1)	(6.3)	(8.4)
Retained profits (excluding net initial recognition & IPO costs)					0.3	32.8	33.1
Pre-offer FY15 distributions & dividends					(0.2)	(6.5)	(6.7)
Post-offer FY15 dividends						(5.5)	(5.5)
Share issues (consideration for acquisitions)	22.8						22.8
Share-based payment adjustment			(0.1)				(0.1)
Foreign Currency Translation				0.0			0.0
As at 30 June 2015	35.3	(14.9)	0.5	(0.2)	0.0	14.5	35.2

Currency Sensitivity

Service Charge Income by Currency ¹⁾



Expenses net of Other Income by Currency ²⁾



Notes:

1) Based on Prospectus forecast pro forma Service Charge Income (\$63.6m), applying the Prospectus forecast foreign exchange rates of (USD/AUD 0.9250 & SGD/AUD 1.1900).

2) Based on Prospectus forecast pro forma "Expenses net of Other Income" (\$30.6m), being Expenses (\$49.8m) net of Recovery Income & Sundry Income (\$19.2m), applying the Prospectus forecast foreign exchange rate of (SGD/AUD 1.1900). Recovery Income has been netted with Expenses to eliminate foreign currency rechargeable amounts. Other Income has been netted with expenses because it is predominantly denominated in the same currency as Expenses.

5. FY16 Strategic Initiatives

Future Growth Initiatives

Goal – “To be the leading IP group in secondary markets”

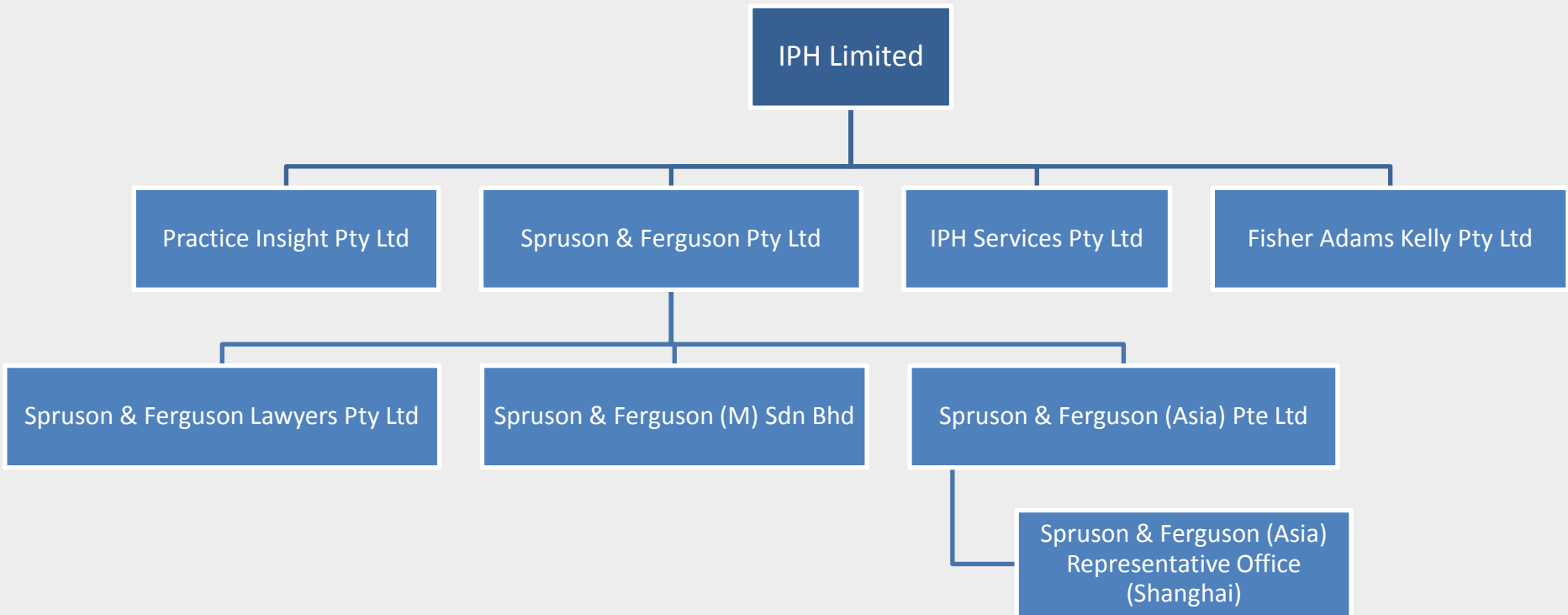
1	Asian Growth	<ul style="list-style-type: none"> ▪ Maintain and grow patent market share in Singapore ▪ Open offices and acquire well established IP firms in other Asian countries ▪ Increase patent market share in other Asian countries ▪ Re-commence trade mark practice business in Asia¹ ▪ Leveraging new acquisitions to increase filings in Asia 	Short Term
2	Efficiency Gains	<ul style="list-style-type: none"> ▪ Continued investment in IT and case management systems to drive efficiency – support staff and occupancy costs to reduce further over the next 12-18 months. ▪ IPH cost synergy – combining back office services 	Short / Medium Term
3	Acquisitions	<ul style="list-style-type: none"> ▪ Strong pipeline of potential acquisitions both in Australia and secondary markets 	Short / Medium Term
4	Adjacent Businesses	<ul style="list-style-type: none"> ▪ Grow the Practice Insight data analysis and applications software business ▪ Opportunity in the renewals area 	Medium Term

6. Appendices

IPH Limited - Overview

- IPH Limited (“IPH”) is the holding company of Spruson & Ferguson (“S&F”), Fisher Adams Kelly (“FAK”) & Practice Insight (“PI”)
- S&F
 - Established in 1887
 - A leading Intellectual Property (“IP”) firm in Asia Pacific
 - Top-tier IP group with a strong reputation and brands
 - Operates with IP service hubs, offering a “one-stop” service into 25 countries in Asia Pacific from offices in Sydney, Singapore, Kuala Lumpur and Shanghai
 - Successful IPO in November 2014 - first IP firm to list in Asia Pacific
- FAK - established over 30 years ago and is a leading firm in Queensland
- PI - specialist provider of data analysis and software applications for IP and other professional services firms

IPH Limited – Group Structure



IPH Limited – Corporate Information

Directors

Mr Richard Grellman AM - Chairman

Mr David Griffith - Managing Director

Ms Robin Low

Dr Sally Pitkin

Mr John Atkin

Company secretary

Mr Malcolm Mitchell - CFO

Ordinary Shares on Issue	Number	%
Free float	81,844,884	50.1%
Escrowed **	81,562,391	49.9%
Total	<u>163,407,275</u>	<u>100.0%</u>
Top 20	107,792,539	66.0%
Balance	<u>55,614,736</u>	<u>34.0%</u>
	<u>163,407,275</u>	<u>100.0%</u>

*** Held by Principals of S&F, FAK and Practice Insight*

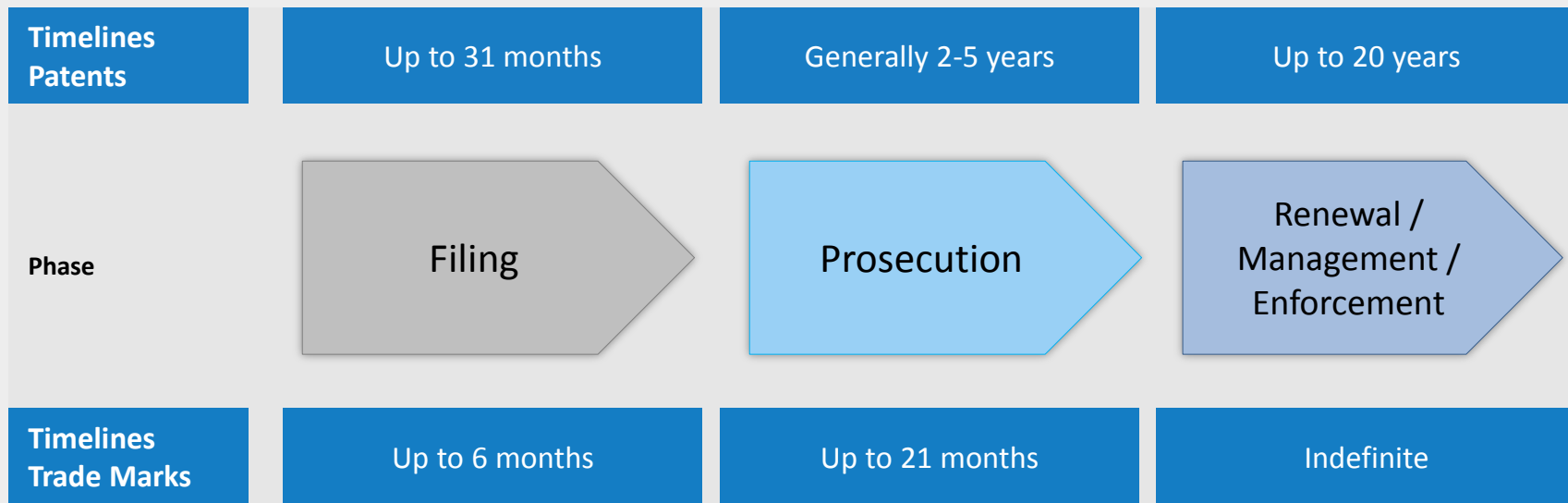
IPH's Hub Strategy



- Key to IPH's strategy is its operation of IP service hubs
- IPH operates two key IP hub (Australia and Singapore) – “one-stop” service for clients co-ordinating IP applications in 25 countries across Asia Pacific
- IPH's hub strategy has established a strong position in Asia Pacific which provides clients with
 - The services of a tier 1 IP firm
 - Best of breed patent attorneys
 - Efficiency and cost reduction by dealing with one firm for multiple countries
 - Long standing and vetted relationships with agents in Asian countries

Stages of IP Lifecycle

IPH generates revenue from all stages of the IP lifecycle



Investment Highlights

<p>Long track record</p>	<ul style="list-style-type: none"> ▪ IPH Limited (“IPH”) is the holding company of Spruson & Ferguson (“S&F”) & Fisher Adams Kelly (“FAK”) & Practice Insight (“PI”) ▪ S&F, established in 1887, is a leading Intellectual Property (“IP”) firm in Asia Pacific ▪ S&F is top-tier firm with a strong reputation and brand ▪ FAK, established over 30 years, Brisbane based, strong local client base, 2015 MIP IP Firm of Year ▪ PI, IP data analysis and business applications software, one step into the valuable IP adjacent business market
<p>Strong business model</p>	<ul style="list-style-type: none"> ▪ S&F operates as an IP service hub, offering a “one-stop” service into 25 countries in Asia Pacific ▪ Utilisation of local agents provides an efficient, professional and reliable business model ▪ Leading IT and case management systems which ensure efficient operations
<p>Market leading position</p>	<ul style="list-style-type: none"> ▪ Australia (# 1 by patent applications filed¹ and # 2 by trade marks applications filed²) ▪ Singapore (# 1 by patent applications filed³)
<p>Positive IP sector dynamics</p>	<ul style="list-style-type: none"> ▪ IP is often fundamental to the operations and value of many of the world’s leading companies ▪ IPH believes IP protection is becoming increasingly important in the higher growth Asian region ▪ Regulated on a country by country basis – requires local expertise in each jurisdiction ▪ IP has a long life cycle which supports consistent revenues and earnings
<p>Top tier, diverse client base</p>	<ul style="list-style-type: none"> ▪ Range of blue chip multinationals domiciled in the USA, Europe and Japan ▪ Highly diverse revenues, largest client 2.5%⁴ ▪ Most of the top 20 clients have been clients for 25+ years

Investment Highlights (cont'd)

Experienced Board, management & personnel	<ul style="list-style-type: none">▪ Strong board with complementary skill sets▪ Long standing, experienced management team▪ Highly qualified and experienced professional IP team
High barriers to entry	<ul style="list-style-type: none">▪ Entrenched market position, large pipeline of work, established brand name, track record, hub strategy and efficient operating platform provide significant competitive advantages
Attractive financial profile	<ul style="list-style-type: none">▪ Track record of revenue and earnings growth▪ Strong margins, low overheads, low WIP, low capital requirements and low gearing generates strong cashflow and the ability to offer a high dividend payout ratio
Substantial growth opportunities	<ul style="list-style-type: none">▪ Asia – increase market share, re-commence trade mark practice▪ Further acquisitions – ability to consolidate fragmented markets in Australia and Asia▪ Adjacent businesses▪ Other secondary markets – geographic expansion