

## Appendix 4D

### Half year report

Name of entity

<b>INTEGRATED RESEARCH LIMITED</b>		
ABN	Reporting period (year ended)	Previous corresponding period (year ended)
76 003 588 449	31 December 2013	31 December 2012

#### For announcement to the market

*Extracts from this report for announcement to the market*

					A\$000
Revenues from ordinary activities	Up	22%	to	26,204	
Profit after tax attributable to members	Up	64%	to	4,519	
Net profit for the period attributable to members	Up	64%	to	4,519	

	Amount per security	Franked amount per security
<b>Dividends (distributions)</b>		
Interim dividend	2.5¢	30%
Previous corresponding period	2.0¢	30%

Record date for determining entitlements to the dividend

10 March 2014

Date the dividend is payable

21 March 2014

#### Brief explanation of results

Please refer to page 2 'Review of Operations' for an explanation of the results.  
This information should be read in conjunction with Integrated Research Limited 2013 Annual Report and Consolidated Interim Financial Report for the half-year ended 31 December 2012.

The information provided in this report contains all the information required by ASX Listing Rule 4.2A.

	<b>December 2013 cents</b>	December 2012 cents
<b>NTA backing</b>		
Net tangible asset backing per ordinary security	8.49	7.74

	<b>December 2013 \$'000</b>	December 2012 \$'000
<b>Dividends</b>		
30% franked interim dividend of 2.5 cents per share payable on 21 March 2014 (30% franked dividend of 2.0 cent per share paid on 15 March 2013).	4,220	3,367
Total dividends provided for or paid	4,220	3,367



**INTEGRATED RESEARCH LIMITED AND  
CONTROLLED ENTITIES**

FOR THE HALF-YEAR ENDED  
31 DECEMBER 2013

ABN: 76 003 588 449

ASX CODE: IRI

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**INTEGRATED RESEARCH LIMITED**  
HALF-YEAR ENDED 31 DECEMBER 2013

## Directors' Report

The Directors present their report together with the consolidated financial report for the half-year ended 31 December 2013 and the review report thereon.

### Directors

The Directors of Integrated Research Limited at any time during or since the end of the half-year are:

<u>Name</u>	<u>Date appointed as a Director</u>
<b>Non-executive:</b>	
Stephen Killelea (Chairman)	August 1988 (appointed Chairman July 2005)
Kate Costello	August 2005
Clyde McConaghy	December 2007
Alan Baxter	June 2009
Peter Lloyd	July 2010
Garry Dinnie	February 2013
<b>Executive:</b>	
Darc Rasmussen	October 2013
Mark Brayn	September 2007 (resigned September 2013)

### Principal Activities

Integrated Research Limited's principal activities are the design, development, implementation and sale of systems and applications management computer software for business-critical computing infrastructure including Unified Communication (UC) and Payment networks.

### Half-Year Results

The following table summarises the key revenue, expense and profit results for the consolidated entity for the half-year ended 31 December 2013 compared to the previous corresponding period:

<b>In thousands of AUD</b>	<b>2013</b>	<b>2012</b>	<b>Change %</b>
Revenue from licence fees	13,810	10,768	28%
Revenue from maintenance fees	9,920	8,610	15%
Revenue from consulting	2,474	2,090	18%
<b>Total revenue</b>	<b>26,204</b>	<b>21,468</b>	<b>22%</b>
<b>Total expenses</b>	<b>(20,703)</b>	<b>(18,516)</b>	<b>12%</b>
Other gains and losses (currency exchange)	46	(139)	(133%)
<b>Profit before tax</b>	<b>5,757</b>	<b>3,067</b>	<b>88%</b>
<b>Net profit after income tax</b>	<b>4,519</b>	<b>2,751</b>	<b>64%</b>

The Company achieved a 64% increase over the prior equivalent half in net profit after tax to \$4.5 million which is within the guidance provided to the Australian Securities Exchange on January 9, 2014. The Company benefited from a lower Australian dollar together with higher Unified Communications and Payments revenues attributable in part to the strategic relationships with Avaya and ACI.

For the financial year ended 30 June 2013, as detailed in the Directors' Report for that financial year, a final dividend of 3.0 cents per share franked at 40% was paid to the holders of fully paid ordinary shares on 13 September 2013.

**Directors' Report** (continued)

**Review of Operations**

*Revenue*

The Company achieved a 22% increase in revenue over the previous corresponding period to \$26.2 million with all regions experiencing revenue growth in natural currency. The Americas grew 14% to USD17.4 million with strong software sales in the Unified Communications product line which was supported by a significant transaction with Avaya toward the end of the period. Asia Pacific grew 17% to A\$4.1 million and Europe grew 15% to £2.2 million.

*Expenses*

Total expenses were \$20.7 million, up 12% against the six months to December 2012. The higher expenses have been driven in part by a lower Australian dollar giving rise to higher offshore translated costs and in part due to higher variable compensation from increased sales. Overall staff numbers at 31 December 2013 were 197 compared to 211 at 31 December 2012.

The following table represents an analysis of research and development.

<b>In thousands of AUD</b>	<b>December 2013</b>	<b>December 2012</b>
Gross research and development spending	6,444	5,859
Capitalisation of development expenses	(3,954)	(3,586)
Amortisation of capitalised expenses	3,092	3,060
Net research and development expenses	<b>5,582</b>	<b>5,333</b>

*Statement of Financial Position*

Integrated Research Limited continues to maintain a strong financial position and remains debt free with \$16.0 million cash at bank as at 31 December 2013.

**Outlook**

The Company anticipates profit growth for the 2014 financial year in underlying operational performance but reported financial performance will be influenced by fluctuations in currency exchange rates.

**Interim Dividend**

Directors have declared an interim dividend of 2.5 cents per share franked to 30% per share, payable on 21 March 2014 to shareholders registered at the end of trading on 10 March 2014.

**Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

The lead auditor's independence declaration is set out on page 12 and forms part of the Directors' Report for the half-year ended 31 December 2013.

**Rounding off**

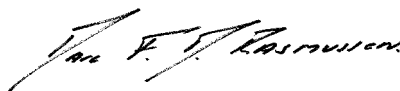
Integrated Research Limited is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated

Dated at North Sydney this the 20th day of February 2014.

Signed in accordance with a resolution of the Directors:



Steve Killelea  
Chairman



Darc Rasmussen  
Chief Executive Officer

**INTEGRATED RESEARCH LIMITED**  
**HALF-YEAR ENDED 31 DECEMBER 2013**

**Condensed Consolidated Statement of Comprehensive Income**

For the half-year ended 31 December 2013

In thousands of AUD

	Note	December 2013	December 2012
<b>Continuing Operations</b>			
<i>Revenue:</i>			
Revenue from licence fees		13,810	10,768
Revenue from maintenance fees		9,920	8,610
Revenue from consulting		2,474	2,090
<b>Total Revenue</b>		<b>26,204</b>	21,468
<i>Expenditure:</i>			
Research and development		(5,582)	(5,333)
Sales, consulting and marketing expenses		(12,812)	(11,216)
General and administration expenses		(2,309)	(1,967)
<b>Total expenditure</b>		<b>(20,703)</b>	(18,516)
<i>Other gains and losses</i>			
Currency exchange gains/(losses)		46	(138)
<b>Earnings before interest and tax</b>		<b>5,547</b>	2,814
Interest income		210	253
<b>Profit before tax</b>		<b>5,757</b>	3,067
Income tax expense		(1,238)	(316)
<b>Profit for the period</b>		<b>4,519</b>	2,751
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit</b>			
Gain on cash flow hedges taken to equity		264	90
Foreign exchange translation differences		221	(24)
<b>Other comprehensive income for the period (net of tax)</b>		<b>485</b>	66
<b>Total comprehensive income for the period</b>		<b>5,004</b>	2,817
<i>Profit attributable to:</i>			
Members of Integrated Research		4,519	2,751
<i>Total comprehensive income attributable to:</i>			
Members of Integrated Research		5,004	2,817
Earnings per share attributable to members of Integrated Research			
Basic earnings per share to ordinary equity holders (AUD cents)	3	2.68	1.64
Diluted earnings per share to ordinary equity holders (AUD cents)	3	2.66	1.62

*The Condensed Consolidated Statement of Comprehensive Income is to be read in conjunction with the accompanying notes set out on pages 7 to 10.*

**INTEGRATED RESEARCH LIMITED**  
**HALF-YEAR ENDED 31 DECEMBER 2013**

**Condensed Consolidated Statement of Financial Position**

For the half-year ended 31 December 2013

In thousands of AUD

	<b>December 2013</b>	<b>June 2013</b>
<b>Current assets</b>		
Cash and cash equivalents	16,026	14,827
Trade and other receivables	17,694	21,407
Current tax assets	147	29
Other current assets	820	781
Total current assets	34,687	37,044
<b>Non-current assets</b>		
Trade and other receivables	3,698	2,157
Other financial assets	724	724
Property, plant and equipment	1,603	1,706
Deferred tax assets	1,225	1,187
Intangible assets	15,853	15,040
Total non-current assets	23,103	20,814
<b>Total assets</b>	57,790	57,858
<b>Current liabilities</b>		
Trade and other payables	4,574	4,190
Provisions	1,934	2,004
Income tax liabilities	546	1,349
Other current liabilities	12,985	13,086
Total current liabilities	20,039	20,629
<b>Non-current liabilities</b>		
Deferred tax liabilities	3,663	3,582
Provisions	770	756
Deferred revenue	3,134	2,881
Total non-current liabilities	7,567	7,219
<b>Total liabilities</b>	27,606	27,848
<b>Net assets</b>	30,184	30,010
<b>Equity</b>		
Issued capital	1,607	1,501
Reserves	(1,117)	(1,721)
Retained earnings	29,694	30,230
<b>Total equity attributable to members of Integrated Research</b>	30,184	30,010

*The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes set out on pages 7 to 10.*

**INTEGRATED RESEARCH LIMITED**  
**HALF-YEAR ENDED 31 DECEMBER 2013**

**Condensed Consolidated Statement of Changes in Equity**

For the half-year ended 31 December 2013

In thousands of AUD

	Share Capital	Hedging Reserve	Translation Reserve	Employee Benefits Reserve	Retained Earnings	Total
<b>Balance as at 1 July 2013</b>	1,501	(777)	(1,368)	424	30,230	30,010
Profit for the period	-	-	-	-	4,519	4,519
Other comprehensive income	-	264	221	-	-	485
Total comprehensive income for the period	-	264	221	-	4,519	5,004
Shares issued	106	-	-	-	-	106
Expensed employee options and performance rights	-	-	-	119	-	119
Payment of dividends	-	-	-	-	(5,055)	(5,055)
<b>Balance at 31 December 2013</b>	<b>1,607</b>	<b>(513)</b>	<b>(1,147)</b>	<b>543</b>	<b>29,694</b>	<b>30,184</b>

	Share Capital	Hedging Reserve	Translation Reserve	Employee Benefits Reserve	Retained Earnings	Total
<b>Balance as at 1 July 2012</b>	1,175	-	(1,783)	276	29,565	29,233
Profit for the period	-	-	-	-	2,751	2,751
Other comprehensive income	-	90	(24)	-	-	66
Total comprehensive income for the period	-	90	(24)	-	2,751	2,817
Shares issued	323	-	-	-	-	323
Expensed employee options and performance rights	-	-	-	69	-	69
Payment of dividends	-	-	-	-	(5,045)	(5,045)
<b>Balance at 31 December 2012</b>	<b>1,498</b>	<b>90</b>	<b>(1,807)</b>	<b>345</b>	<b>27,271</b>	<b>27,397</b>

*The condensed consolidated statement of changes in equity is to read in conjunction with the accompanying notes set out on pages 7 to 10.*



**INTEGRATED RESEARCH LIMITED**  
**HALF-YEAR ENDED 31 DECEMBER 2013**

**Condensed Consolidated Statement of Cash Flows**  
For the half-year ended 31 December 2013  
In thousands of AUD

	<b>December 2013</b>	<b>December 2012</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	28,712	24,750
Cash paid to suppliers and employees	(16,873)	(16,672)
Cash generated from operations	11,839	8,078
Income taxes paid	(1,736)	(1,475)
<b>Net cash from operating activities</b>	<b>10,103</b>	6,603
<b>Cash flows from investing activities</b>		
Payments for capitalised development	(3,954)	(3,586)
Payments for property, plant and equipment	(198)	(430)
Divestment of other non-current financial assets	-	1,093
Payments for intangible assets	(35)	(96)
Interest received	210	253
<b>Net cash from investing activities</b>	<b>(3,977)</b>	(2,766)
<b>Cash flows from financing activities</b>		
Proceeds from issuing of shares	106	323
Payment of dividend	(5,055)	(5,045)
<b>Net cash from financing activities</b>	<b>(4,949)</b>	(4,722)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,177</b>	(885)
Cash and cash equivalents at 1 July	14,827	12,038
Effects of exchange rate changes on cash	22	(3)
<b>Cash and cash equivalents at 31 December</b>	<b>16,026</b>	11,150

*The condensed consolidated statement of changes in equity is to read in conjunction with the accompanying notes set out on pages 7 to 10.*

## **Notes to the Condensed Consolidated Financial Statements**

For the half-year ended 31 December 2013

In thousands of AUD

### **Note 1. Significant accounting policies**

#### **a) Statement of Compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

#### **b) Basis of Preparation**

The condensed financial report is presented in Australian dollars and is prepared on the historical cost basis, with the exception of financial instruments for the purposes of cash flow hedges, which are at fair value. All amounts are presented in Australian dollars unless otherwise stated.

Integrated Research Limited is a for-profit Company limited by ordinary shares.

Integrated Research Limited is of a kind referred to in ASIC Class Order (CO) 98/100 dated 10 July 1998. In accordance with that Class Order, amounts in the financial report and Directors' Report and the half year financial report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in Integrated Research Limited's 2013 annual financial report for the financial year ended 30 June 2013. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### **Note 2. Segment information**

The information reported to the CODM (being the Chief Executive Officer) for the purposes of resource allocation and assessment of performance is focused on geographical performance. The principal geographical regions are:

The Americas - operating from the United States with responsibility for the countries in North, Central and South America

Europe - operating from the United Kingdom with responsibility for the countries in Europe

Asia Pacific - operating from Australia with responsibility for the countries in the rest of the world

Corporate Australia - includes revenue and expenses for corporate head office and development functions of Integrated Research Limited

Inter-segment pricing is determined on an arm's length basis.

Segment profit represents the profit earned by each segment without allocation of central administration costs and Directors' salaries, investment revenue and finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

## Note 2. Segment Information (continued)

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review.

	Americas		Europe		Asia Pacific		Corporate Australia <sup>(1)</sup>		Eliminations		Consolidated	
In thousands of AUD	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>Continuing operations</b>												
Sales to customers outside the consolidated entity	18,987	14,714	3,836	2,946	4,105	3,509	(724)	299	-	-	26,204	21,468
Inter-segment revenue	-	-	-	-	-	-	14,985	11,071	(14,985)	(11,071)	-	-
Total segment revenue	18,987	14,714	3,836	2,946	4,105	3,509	14,261	11,370	(14,985)	(11,071)	26,204	21,468
Segment results	286	367	96	74	103	88	5,062	2,284	-	-	5,547	2,814
Financing income (interest received)											210	253
Income tax expense											(1,238)	(316)
Profit for the half year											4,519	2,751

	Americas (USD)		Europe (UK Sterling)	
In local currency <sup>(2)</sup>	2013	2012	2013	2012
Sales to customers outside the consolidated entity	17,352	15,269	2,203	1,913
Inter-segment sales	-	-	-	-
Total segment revenue	17,352	15,269	2,203	1,913
Segment results	262	382	55	48

<sup>(1)</sup> Corporate Australia includes research and development and corporate head office functions of Integrated Research Limited.

<sup>(2)</sup> Segment results represented in thousands of local currencies as reviewed by the chief operating decision maker.

## Note 3. Earnings per Share

### Basic earnings per share

The calculation of basic earnings per share for the six months ended 31 December 2013 was based on the profit attributable to ordinary shareholders of \$4,519,000 (six months ended 31 December 2012: \$2,751,000) and a weighted average number of ordinary shares outstanding during the six months ended 31 December 2013 of 168,552,633 (six months ended 31 December 2012 of 168,099,062).

### Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 31 December 2013 was based on the profit attributable to ordinary shareholders of \$4,519,000 (six months ended 31 December 2012: \$2,751,000) and a weighted average number of ordinary shares outstanding during the six months ended 31 December 2013 of 169,647,919 (six months ended 31 December 2012: 169,651,084).

#### **Note 4. Employee Equity benefits**

##### *Share option plan – October 2000*

On 4 October 2000, the consolidated entity established a share option plan that entitles employees to purchase shares in the entity. The terms and conditions of the share option plan and grants made during the year ended 30 June 2013 are disclosed in the most recent annual financial report. In accordance with this plan options are exercisable at the market price of the shares at the date of grant.

The terms and conditions of the grants made and number outstanding at 31 December 2013 are as follows:

- All options vest at the rate of 25% per annum, starting on the first anniversary of the grant date.
- The contractual life of each option is five years from the grant date.
- Exercises are settled by physical delivery of shares.

Grants marked (\*) include performance hurdles as conditions for vesting.

The following options were outstanding as at 31 December 2013:

<b>Grant Date</b>	<b>Exercise Price</b>	<b>Number of Options</b>
May 2009	\$0.28	234,500

During the half-year reporting period, Integrated Research Limited issued 377,500 ordinary shares for \$106,000 on exercise of 377,500 share options issued under its October 2000 share option plan. There were no other movements in the ordinary share capital or other issued share capital of Integrated Research Limited in the current or prior half-year reporting period relating to this plan.

The share option plan remains open until expiring of options granted under this plan.

##### *Performance Rights and Options Plan – November 2011*

On 21 November 2011, the consolidated entity established a new performance rights and options plan. The plan enables Integrated Research Limited to offer performance rights to eligible employees to obtain shares in Integrated Research Limited at no cost contingent upon performance conditions being met. The performance conditions include either a service period with performance components or a service period with a net profit after tax hurdle. The performance rights are automatically exercised into shares upon the performance conditions being met. The following performance rights were granted during the period:

<b>Grant Date</b>	<b>Number of Rights</b>	<b>Expiry date</b>
September 2013	165,000	10 September 2016
November 2013	350,000	8 October 2016

The following performance rights were outstanding as at 31 December 2013:

<b>Grant Date</b>	<b>Number of Rights</b>	<b>Expiry date</b>
December 2011	794,500	15 November 2014
December 2011	430,000	30 September 2014
October 2012	160,000	31 August 2015
September 2013	165,000	10 September 2016
November 2013	350,000	8 October 2016

## Note 5. Financial instruments

### Foreign currency risk management

The consolidated entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amount of the consolidated entity's foreign currency denominated monetary assets and monetary liabilities at the reporting date that are denominated in a currency that is different to the functional currency of the respective entities undertaking the transactions is as follows:

In thousands of AUD	Consolidated			
	Liabilities		Assets	
	31 Dec 2013	30 Jun 2013	31 Dec 2013	30 Jun 2013
US Dollar	147	325	2,319	3,989
Euro	-	-	3,411	2,669
UK Sterling	-	-	1	10

### Forward foreign exchange contracts

The consolidated entity is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the AUD. The currencies giving rise to this risk are primarily United States Dollar, UK Sterling and euros.

The consolidated entity uses forward exchange contracts to hedge its foreign currency risk. The forward exchange contracts have maturities of less than two years after the year end date.

The consolidated entity classifies its forward exchange contracts hedging forecasted transactions as cash flow hedges and measures them at fair value. The following table details the forward foreign currency contracts outstanding as at reporting date 31 December 2013 compared to the financial date 30 June 2013:

Outstanding contracts	Average Exchange Rate		Foreign Currency		Contract Value		Fair Value	
	31 Dec 2013	30 Jun 2013	31 Dec 2013 FC'000	30 Jun 2013 FC'000	31 Dec 2013 A\$'000	30 Jun 2013 A\$'000	31 Dec 2013 A\$'000	30 Jun 2013 A\$'000
<b>Consolidated</b>								
<u>Sell US Dollar</u>								
Less than 3 months	0.98	1.01	3,050	3,600	3,099	3,564	(327)	(357)
3 to 6 months	0.99	1.01	2,200	2,400	2,229	2,376	(255)	(257)
6 to 9 months	0.93	1.00	2,000	2,550	2,153	2,561	(120)	(255)
9 to 12 months	0.91	1.00	1,000	2,000	1,096	2,013	(46)	(209)
<u>Sell Euros</u>								
Less than 3 months	0.71	0.78	675	750	957	966	(87)	(104)
3 to 6 months	0.71	0.76	300	200	426	262	(40)	(26)
6 to 9 months	0.68	0.75	420	200	615	266	(42)	(20)
9 to 12 months	0.68	0.75	100	100	147	134	(10)	(10)
							<b>(927)</b>	<b>(1,238)</b>

These hedge assets are classified as a level 2 fair value measurement, being derived from inputs rather than quoted prices that are observable for the asset either directly (ie as prices) or indirectly (ie derived from prices).

### Fair value of financial instruments

The carrying value of financial assets and financial liabilities of the consolidated entity is a reasonable approximation of their fair value.

## Note 6. Subsequent events

On 20 February 2014 the Directors declared an interim dividend of 2.5 cents per share franked to 30%, payable on 21 March 2014 to shareholders registered at the end of trading on 10 March 2014.

There have been no other events subsequent to the interim balance sheet date, which are expected to have a material effect on the consolidated entity's financial position.

## Directors' Declaration

In accordance with a resolution of the directors of Integrated Research Limited:

In the opinion of the directors:

- a) The financial statements and notes of Integrated Research Limited for the half-year ended 31 December 2013 are in accordance with the Corporations Act 2001, including:
  - (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
  - (ii) Complying with Accounting Standards and the Corporations Regulations 2001
- b) There are reasonable grounds to believe that Integrated Research Limited will be able to pay its debts as and when they become due and payable.

Dated at North Sydney this 20th day of February 2014.

On behalf of the Directors



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Steve Killelea  
Chairman

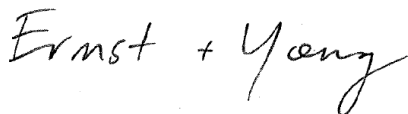


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Darc Rasmussen  
Chief Executive Officer

## Auditor's Independence Declaration to the Directors Integrated Research Limited

In relation to our review of the financial report of Integrated Research Limited for the half-year ended 31 December 2013 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



John Robinson  
20 February 2014

## Independent auditor's report to the members of Integrated Research Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Integrated Research Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The directors are also responsible for such internal controls that the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Integrated Research Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

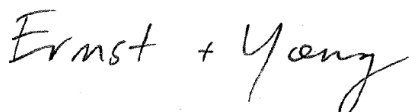
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included by reference in the Directors' Report.



## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Integrated Research Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



John Robinson  
Partner  
Sydney  
20 February 2014