

## 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 2014	31 December 2013

**For announcement to the market**

*Extracts from this report for announcement to the market*

					A\$000
Revenues from ordinary activities	Up	28%	to	33,492	
Profit after tax attributable to members	Up	67%	to	7,548	
Net profit for the period attributable to members	Up	67%	to	7,548	

	Amount per security	Franked amount per security
<b>Dividends (distributions)</b>		
Interim dividend	3.5¢	35%
Previous corresponding period	2.5¢	30%

Record date for determining entitlements to the dividend

9 March 2015

Date the dividend is payable

20 March 2015

Dividends consist of no conduit foreign income

**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 2014 Annual Report and Consolidated Interim Financial Report for the half-year ended 31 December 2013.

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

	<b>December 2014 cents</b>	December 2013 cents
<b>NTA backing</b>		
Net tangible asset backing per ordinary security	10.34	8.49

	<b>December 2014 \$'000</b>	December 2013 \$'000
<b>Dividends</b>		
35% franked interim dividend of 3.5 cents per share payable on 20 March 2015 (30% franked dividend of 2.5 cent per share paid on 21 March 2014).	5,938	4,220
Total dividends provided for or paid	5,938	4,220



**INTEGRATED RESEARCH LIMITED AND  
CONTROLLED ENTITIES**

FOR THE HALF-YEAR ENDED  
31 DECEMBER 2014

ABN: 76 003 588 449

ASX CODE: IRI

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## Directors' Report

The Directors present their report together with the consolidated financial report for the half-year ended 31 December 2014 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)
Alan Baxter	June 2009
Peter Lloyd	July 2010
Garry Dinnie	February 2013
Nick Abrahams	September 2014
Kate Costello	August 2005 (resigned September 2014)
Clyde McConaghy	December 2007 (resigned November 2014)
<b>Executive:</b>	
Darc Rasmussen	October 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, Unified Communication networks 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 2014 compared to the previous corresponding period:

<u>In thousands of AUD</u>	<u>2014</u>	<u>2013</u>	<u>Change</u> <u>%</u>
Revenue from licence fees	19,724	13,810	43%
Revenue from maintenance fees	11,277	9,920	14%
Revenue from consulting	2,491	2,474	1%
<b>Total revenue</b>	<b>33,492</b>	<b>26,204</b>	<b>28%</b>
<b>Total expenses</b>	<b>(24,510)</b>	<b>(20,703)</b>	<b>18%</b>
Other gains and losses (currency exchange)	940	46	1943%
<b>Profit before tax</b>	<b>10,071</b>	<b>5,757</b>	<b>75%</b>
<b>Net profit after income tax</b>	<b>7,548</b>	<b>4,519</b>	<b>67%</b>

The Company achieved a 67% increase over the prior equivalent half in net profit after tax to \$7.5 million which is within the guidance provided to the Australian Securities Exchange on January 7, 2015. Overall licence sales across all product lines were very strong. Included in the result were significant Unified Communications software sales to General Motors, Citigroup and Dimension Data with collective licence fee revenue of \$4.3 million. The results were influenced by the falling Australian Dollar; however the full positive impact of the currency devaluation was partially offset by forward exchange rate contracts.

For the financial year ended 30 June 2014, as detailed in the Directors' Report for that financial year, a final dividend of 2.5 cents per share franked at 35% was paid to the holders of fully paid ordinary shares on 12 September 2014.

**Directors' Report** (continued)

**Review of Operations**

*Revenue*

The Company achieved a 28% increase in revenue over the previous corresponding period to \$33.5 million with all product lines experiencing growth. The following table presents Company revenue for each of the relevant product groups:

<b>In thousands of AUD</b>	<b>2014</b>	<b>2013</b>	<b>Change %</b>
Unified Communications	17,009	12,060	41%
Infrastructure	11,488	9,499	21%
Payments	2,504	2,171	15%
Consulting	2,491	2,474	1%
<b>Total revenue</b>	<b>33,492</b>	26,204	28%

*Expenses*

Total expenses were \$24.5 million, up 18% against the six months to December 2013. The higher expenses have been driven by three factors. Firstly, the lower Australian dollar has given rise to higher offshore translated costs. Secondly, the higher licences sales have led to higher variable compensation; and thirdly, an increased investment in marketing activities. Overall staff numbers at 31 December 2014 were 215 compared to 197 at 31 December 2013.

The following table represents an analysis of research and development.

<b>In thousands of AUD</b>	<b>2014</b>	<b>2013</b>
Gross research and development spending	6,652	6,444
Capitalisation of development expenses	(4,421)	(3,954)
Amortisation of capitalised expenses	3,975	3,092
Net research and development expenses	<b>6,206</b>	<b>5,582</b>

*Statement of Financial Position*

Integrated Research Limited continues to maintain a strong financial position and remains debt free with \$14.3 million cash at bank as at 31 December 2014. The large increase in trade and other receivables between 30 June 2014 and 31 December 2014 was attributable to an increase in deferred payment term transactions and also the devaluation of the Australian dollar.

**Outlook**

The Company anticipates profit growth for the 2015 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 3.5 cents per share franked to 35% per share, payable on 20 March 2015 to shareholders registered at the end of trading on 9 March 2015.

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

The lead auditor's independence declaration is set out on page 14 and forms part of the Directors' Report for the half-year ended 31 December 2014.

**INTEGRATED RESEARCH LIMITED**  
HALF-YEAR ENDED 31 DECEMBER 2014

**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

Signed in accordance with a resolution of the Directors:

Dated at North Sydney this the 19th day of February 2015.



Steve Killelea  
Chairman



Darc Rasmussen  
Chief Executive Officer

**INTEGRATED RESEARCH LIMITED**  
HALF-YEAR ENDED 31 DECEMBER 2014

**Condensed Consolidated Statement of Comprehensive Income**

For the half-year ended 31 December 2014

In thousands of AUD

	Note	December 2014	December 2013
<b>Continuing Operations</b>			
<i>Revenue:</i>			
Revenue from licence fees		19,724	13,810
Revenue from maintenance fees		11,277	9,920
Revenue from consulting		2,491	2,474
<b>Total Revenue</b>		<b>33,492</b>	26,204
<i>Expenditure:</i>			
Research and development		(6,206)	(5,582)
Sales, consulting and marketing expenses		(15,771)	(12,812)
General and administration expenses		(2,533)	(2,309)
<b>Total expenditure</b>		<b>(24,510)</b>	(20,703)
<i>Other gains and losses</i>			
Currency exchange gains		940	46
<b>Earnings before interest and tax</b>		<b>9,922</b>	5,547
Interest income		149	210
<b>Profit before tax</b>		<b>10,071</b>	5,757
Income tax expense		(2,523)	(1,238)
<b>Profit for the period</b>		<b>7,548</b>	4,519
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit</b>			
Gain/(Loss) on cash flow hedges taken to equity		(747)	264
Foreign exchange translation differences		571	221
<b>Other comprehensive income for the period (net of tax)</b>		<b>(176)</b>	485
<b>Total comprehensive income for the period</b>		<b>7,372</b>	5,004
<i>Profit attributable to:</i>			
Members of Integrated Research		7,548	4,519
<i>Total comprehensive income attributable to:</i>			
Members of Integrated Research		7,372	5,004
Earnings per share attributable to members of Integrated Research			
Basic earnings per share to ordinary equity holders (AUD cents)	3	4.46	2.68
Diluted earnings per share to ordinary equity holders (AUD cents)	3	4.45	2.66

*The Condensed Consolidated Statement of Comprehensive Income is to be read in conjunction with the accompanying notes set out on pages 8 to 12.*

**INTEGRATED RESEARCH LIMITED**  
HALF-YEAR ENDED 31 DECEMBER 2014

**Condensed Consolidated Statement of Financial Position**

For the half-year ended 31 December 2014

In thousands of AUD

	December 2014	June 2014
<b>Current assets</b>		
Cash and cash equivalents	14,328	13,300
Trade and other receivables	23,850	20,225
Current tax assets	795	616
Other current assets	1,043	1,024
Total current assets	<b>40,016</b>	35,165
<b>Non-current assets</b>		
Trade and other receivables	9,143	2,632
Other financial assets	776	786
Property, plant and equipment	1,997	1,680
Deferred tax assets	1,692	1,463
Intangible assets	16,653	16,257
Total non-current assets	<b>30,261</b>	22,818
<b>Total assets</b>	<b>70,277</b>	57,983
<b>Current liabilities</b>		
Trade and other payables	6,504	4,074
Provisions	2,082	2,105
Income tax liabilities	1,946	237
Deferred revenue	16,327	13,571
Other liabilities	927	9
Total current liabilities	<b>27,786</b>	19,996
<b>Non-current liabilities</b>		
Deferred tax liabilities	4,195	3,664
Provisions	1,116	778
Deferred revenue	2,980	2,798
Total non-current liabilities	<b>8,291</b>	7,240
<b>Total liabilities</b>	<b>36,077</b>	27,236
<b>Net assets</b>	<b>34,200</b>	30,747
<b>Equity</b>		
Issued capital	1,667	1,667
Reserves	(232)	(361)
Retained earnings	32,765	29,441
<b>Total equity attributable to members of Integrated Research</b>	<b>34,200</b>	30,747

*The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes set out on pages 8 to 12.*



**INTEGRATED RESEARCH LIMITED**  
HALF-YEAR ENDED 31 DECEMBER 2014

**Condensed Consolidated Statement of Changes in Equity**

For the half-year ended 31 December 2014

In thousands of AUD

	Share Capital	Hedging Reserve	Translation Reserve	Employee Benefits Reserve	Retained Earnings	Total
<b>Balance as at 1 July 2014</b>	1,667	120	(1,354)	873	29,441	30,747
Profit for the period	-	-	-	-	7,548	7,548
Other comprehensive income	-	(747)	571	-	-	(176)
Total comprehensive income for the period	-	(747)	571	-	7,548	7,372
Expensed employee options and performance rights	-	-	-	305	-	305
Payment of dividends	-	-	-	-	(4,224)	(4,224)
<b>Balance at 31 December 2014</b>	<b>1,667</b>	<b>(627)</b>	<b>(783)</b>	<b>1,178</b>	<b>32,765</b>	<b>34,200</b>

	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>

*The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes set out on pages 8 to 12.*

**INTEGRATED RESEARCH LIMITED**  
**HALF-YEAR ENDED 31 DECEMBER 2014**

**Condensed Consolidated Statement of Cash Flows**

For the half-year ended 31 December 2014

In thousands of AUD

	<b>December 2014</b>	<b>December 2013</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	27,640	28,712
Cash paid to suppliers and employees	(17,276)	(16,873)
Cash generated from operations	10,364	11,839
Income taxes paid	(535)	(1,736)
<b>Net cash from operating activities</b>	<b>9,829</b>	<b>10,103</b>
<b>Cash flows from investing activities</b>		
Payments for capitalised development	(4,421)	(3,954)
Payments for property, plant and equipment	(686)	(198)
Payments for intangible assets	(22)	(35)
Interest received	149	210
<b>Net cash from investing activities</b>	<b>(4,980)</b>	<b>(3,977)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuing of shares	-	106
Payment of dividend	(4,224)	(5,055)
<b>Net cash from financing activities</b>	<b>(4,224)</b>	<b>(4,949)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>625</b>	<b>1,177</b>
Cash and cash equivalents at 1 July	13,300	14,827
Effects of exchange rate changes on cash	403	22
<b>Cash and cash equivalents at 31 December</b>	<b>14,328</b>	<b>16,026</b>

*The condensed consolidated statement of cash flows is to be read in conjunction with the accompanying notes set out on pages 8 to 12.*

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

For the half-year ended 31 December 2014

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 2014 annual financial report for the financial year ended 30 June 2014. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### **c) New Accounting Standards and Interpretations**

Integrated Research Limited has adopted, as of 1 July 2014, all of the new and revised standards and interpretations issued by the AASB. The adoption of the new and revised standards and interpretations had no material impact on the financial position or performance of Integrated Research Limited.

### **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 and Singapore 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.

In thousands of AUD	Americas		Europe		Asia Pacific		Corporate Australia <sup>(1)</sup>		Eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Continuing operations</b>												
Sales to customers outside the consolidated entity	25,730	18,987	4,256	3,836	3,935	4,105	(429)	(724)	-	-	33,492	26,204
Inter-segment revenue	-	-	-	-	-	-	18,716	14,985	(18,716)	(14,985)	-	-
Total segment revenue	25,730	18,987	4,256	3,836	3,935	4,105	18,287	14,261	(18,716)	(14,985)	33,492	26,204
Segment results	659	286	106	96	78	103	9,079	5,062	-	-	9,922	5,547
Financing income (interest received)											149	210
Income tax expense											(2,523)	(1,238)
Profit for the half year											7,548	4,519

In local currency <sup>(2)</sup>	Americas (USD)		Europe (UK Sterling)	
	2014	2013	2014	2013
Sales to customers outside the consolidated entity	22,650	17,352	2,331	2,203
Inter-segment sales	-	-	-	-
Total segment revenue	22,650	17,352	2,331	2,203
Segment results	580	262	58	55

<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 2014 was based on the profit attributable to ordinary shareholders of \$7,548,000 (six months ended 31 December 2013: \$4,519,000) and a weighted average number of ordinary shares outstanding during the six months ended 31 December 2014 of 169,149,964 (six months ended 31 December 2013 of 168,552,633).

### Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 31 December 2014 was based on the profit attributable to ordinary shareholders of \$7,548,000 (six months ended 31 December 2013: \$4,519,000) and a weighted average number of ordinary shares outstanding during the six months ended 31 December 2014 of 169,557,532 (six months ended 31 December 2013: 169,647,919).

#### Note 4. Employee Equity benefits

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

On 21 November 2011, the consolidated entity established 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 2014	790,000	October 2017
October 2014*	250,000	November 2016
November 2014	50,000	October 2017
November 2014	495,000	September 2017
November 2014	60,000	December 2018

\* This is the second tranche of the original plan granted on 14 November 2013 of 850,000 rights. Tranche 1 of 350,000 rights is noted within the table below.

The following performance rights were outstanding as at 31 December 2014:

<b>Grant Date</b>	<b>Number of Rights</b>	<b>Expiry date</b>
October 2012	160,000	September 2015
September 2013	165,000	October 2016
November 2013	350,000	November 2016
April 2014	85,000	September 2017
September 2014	790,000	October 2017
October 2014	250,000	November 2016
November 2014	50,000	October 2017
November 2014	495,000	September 2017
November 2014	60,000	December 2018

During the period, 711,500 performance rights were exercised into ordinary shares for nil consideration.

## 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 cash, financial assets and 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 2014	30 Jun 2014	31 Dec 2014	30 Jun 2014
US Dollar	79	188	1,577	2,153
Euro	-	-	2,644	1,889
UK Sterling	-	-	1	1

### 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 2014 compared to the financial date 30 June 2014 and the closing derivative asset/(liability) which is included within other current asset/(liability):

Outstanding contracts	Average Exchange Rate		Foreign Currency		Contract Value		Fair Value	
	31 Dec 2014	30 Jun 2014	31 Dec 2014 FC'000	30 Jun 2014 FC'000	31 Dec 2014 A\$'000	30 June 2014 A\$'000	31 Dec 2014 A\$'000	30 Jun 2014 A\$'000
Consolidated								
<u>Sell US Dollar</u>								
Less than 3 months	0.87	0.92	3,100	2,900	3,543	3,136	(260)	45
3 to 6 months	0.91	0.91	1,600	1,650	1,757	1,808	(216)	38
6 to 9 months	0.90	0.89	2,350	1,750	2,602	1,967	(312)	79
9 to 12 months	0.85	0.92	1,000	1,300	1,173	1,408	(74)	(1)
<u>Sell Euros</u>								
Less than 3 months	0.67	0.68	265	310	395	454	-	3
3 to 6 months	0.66	0.68	175	210	266	309	4	1
6 to 9 months	0.68	0.67	220	215	325	321	(7)	3
9 to 12 months	0.67	0.67	70	295	105	443	(1)	5
<u>Sell Sterling</u>								
Less than 3 months	0.55	0.55	350	270	640	490	(29)	(2)
3 to 6 months	0.55	0.55	150	70	275	128	(13)	(1)
6 to 9 months	0.54	0.55	100	160	185	293	(8)	(2)
9 to 12 months	-	0.54	-	150	-	275	-	(2)
							(916)	166

These hedge assets are classified as a level 2 fair value measurement, being derived from inputs provided from financial institutes, rather than quoted prices that are observable for the asset either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value measurement of the OTC forward contract would not qualify as Level 1 as there is not a quoted price for the actual contract, even though data used to value the contract may be derived entirely from active foreign-exchange and interest-rate market.

### 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 19 February 2015 the Directors declared an interim dividend of 3.5 cents per share franked to 35%, payable on 20 March 2015 to shareholders registered at the end of trading on 9 March 2015.

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 2014 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 2014 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 19th day of February 2015.

On behalf of the Directors



Steve Killelea  
Chairman



Darc Rasmussen  
Chief Executive Officer





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

In relation to our review of the financial report of Integrated Research Limited for the half-year ended 31 December 2014 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  
19 February 2015

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 2014, 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* and for such internal controls as 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 2014 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.

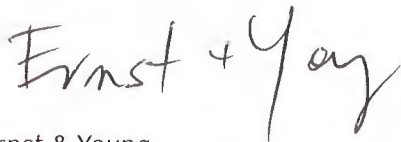
## Independence

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 2014 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  
19 February 2015