

Appendix 4D

Half year report

Name of entity

INTEGRATED RESEARCH LIMITED		
ABN	Reporting period (year ended)	Previous corresponding period (year ended)
76 003 588 449	31 December 2016	31 December 2015

For announcement to the market

Extracts from this report for announcement to the market

					A\$000
Revenues from ordinary activities	Up	10%	to	43,339	
Profit after tax attributable to members	Up	25%	to	7,730	
Net profit for the period attributable to members	Up	25%	to	7,730	

	Amount per security	Franked amount per security
Dividends (distributions)		
Interim dividend	3.0¢	70%
Previous corresponding period	3.0¢	55%

Record date for determining entitlements to the dividend

8 March 2017

Date the dividend is payable

19 April 2017

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 2016 Annual Report and Consolidated Interim Financial Report for the half-year ended 31 December 2015.

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

	December 2016 cents	December 2015 cents
NTA backing		
Net tangible asset backing per ordinary security	13.05	8.21

	December 2016 \$'000	December 2015 \$'000
Dividends		
70% franked interim dividend of 3.0 cents per share payable on 19 April 2017 (prior period: 55% franked dividend of 3.0 cent per share).	5,117	5,113
Total dividends provided for or paid	5,117	5,113



**INTEGRATED RESEARCH LIMITED AND
CONTROLLED ENTITIES**

FOR THE HALF-YEAR ENDED
31 DECEMBER 2016

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 2016 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>
Non-executive:	
Stephen Killelea (Chairman)	August 1988 (appointed Chairman July 2005)
Alan Baxter	June 2009 (retired December 2016)
Peter Lloyd	July 2010
Garry Dinnie	February 2013
Nick Abrahams	September 2014
Paul Brandling	August 2015
Executive:	
Darc Rasmussen	October 2013 (resigned February 2017)

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 2016 compared to the previous corresponding period:

In thousands of AUD	2016	2015	Change %
Revenue from licence fees	23,917	19,527	22%
Revenue from maintenance fees	13,602	13,652	-
Revenue from testing solution services	2,134	2,681	(20%)
Revenue from consulting	3,686	3,513	5%
Total revenue	43,339	39,373	10%
Total expenses	(33,317)	(31,392)	6%
Other gains and losses	455	400	14%
Profit before tax	10,516	8,435	25%
Net profit after income tax	7,730	6,205	25%

The Company achieved a record first half result with profit after tax increasing by 25% to \$7.7 million when compared to the prior corresponding period and is within the guidance provided to the Australian Stock Exchange on 18 January 2017. Licence sales increased by 22% to \$23.9 million and total revenue increased by 10% to \$43.3 million. Revenue growth was achieved globally with all major product lines recording an improvement over the prior equivalent period.

For the financial year ended 30 June 2016, as detailed in the Directors' Report for that financial year, a final dividend of 3.5 cents per share franked at 60% was paid to the holders of fully paid ordinary shares on 13 October 2016.

Directors' Report (continued)

Review of Operations

Revenue

The Company achieved a 10% increase in revenue over the previous corresponding period to \$43.3 million. The following table presents Company revenue for each of the relevant product groups:

In thousands of AUD	2016	2015	Change %
Unified Communications	23,555	21,337	10%
Infrastructure	12,396	11,485	8%
Payments	3,702	3,038	22%
Consulting	3,686	3,513	5%
Total revenue	43,339	39,373	10%

The Company achieved revenue growth in natural currency across each of its geographic segments as follows:

	2016	2015	Change %
Americas (USD'000)	21,968	20,671	6%
Europe (£'000)	4,845	3,365	44%
Asia Pacific (A\$'000)	5,785	4,066	42%

Expenses

The Company's cost base grew by 6% to \$33.3 million. The increase in cost was driven by higher doubtful debt expense (refer Note 6: subsequent events) and higher amortisation charges relating to the release of Prognosis version 11. These additional costs were partly offset by a reduction in salary and wages. Staff numbers at 31 December 2016 were 217 compared to 247 at 31 December 2015.

The following table represents an analysis of research and development.

In thousands of AUD	2016	2015
Gross research and development spending	6,550	7,244
Capitalisation of development expenses	(4,415)	(4,787)
Amortisation of capitalised expenses	5,424	4,637
Net research and development expenses	7,559	7,094

Statement of Financial Position

Integrated Research Limited maintains a strong financial position with \$9.5 million cash at bank as at 31 December 2016 (30 June 2016: \$8.5 million) and no debt (30 June 2016: \$nil).

Outlook

The Company anticipates profit growth for the 2017 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 3.0 cents per share franked to 70% per share, payable on 19 April 2017 to shareholders registered at the end of trading on 8 March 2017.

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

The lead auditor's independence declaration is set out on page 13 and forms part of the Directors' Report for the half-year ended 31 December 2016.

Rounding off

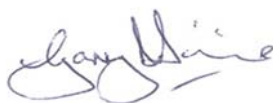
Integrated Research Limited is of a kind referred to in ASIC Legislative instrument 2016/191 and in accordance with the Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated

Signed in accordance with a resolution of the Directors:

Dated at North Sydney this the 16th day of February 2017.



Steve Killelea
Chairman



Garry Dinnie
Non-Executive Director

INTEGRATED RESEARCH LIMITED
HALF-YEAR ENDED 31 DECEMBER 2016

Condensed Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2016

In thousands of AUD

Note	December 2016	December 2015
Continuing Operations		
<i>Revenue:</i>		
Revenue from licence fees	23,917	19,527
Revenue from maintenance fees	13,602	13,652
Revenue from testing solution services	2,134	2,681
Revenue from consulting	3,686	3,513
Total Revenue	43,339	39,373
<i>Expenditure:</i>		
Research and development	(7,559)	(7,094)
Sales, consulting and marketing expenses	(22,153)	(21,625)
General and administration expenses	(3,605)	(2,673)
Total expenditure	(33,317)	(31,392)
Other gains and losses	455	400
Earnings before interest and tax	10,477	8,381
Interest income	39	54
Profit before tax	10,516	8,435
Income tax expense	(2,786)	(2,230)
Profit for the period	7,730	6,205
Other comprehensive income		
Items that may be reclassified subsequently to profit		
Gain/(Loss) on cash flow hedges taken to equity	(160)	57
Foreign exchange translation differences	318	256
Other comprehensive income for the period (net of tax)	158	313
Total comprehensive income for the period	7,888	6,518
<i>Profit attributable to:</i>		
Members of Integrated Research	7,730	6,205
<i>Total comprehensive income attributable to:</i>		
Members of Integrated Research	7,888	6,518
Earnings per share attributable to members of Integrated Research		
Basic earnings per share to ordinary equity holders (AUD cents)	3	3
Diluted earnings per share to ordinary equity holders (AUD cents)	3	3

The Condensed Consolidated Statement of Comprehensive Income is to be read in conjunction with the accompanying notes set out on pages 8 to 11.

INTEGRATED RESEARCH LIMITED
HALF-YEAR ENDED 31 DECEMBER 2016

Condensed Consolidated Statement of Financial Position

For the half-year ended 31 December 2016

In thousands of AUD

Note	December 2016	June 2016
Current assets		
Cash and cash equivalents	9,477	8,544
Trade and other receivables	31,131	29,017
Current tax assets	114	13
Other financial assets	994	1,781
Total current assets	41,716	39,355
Non-current assets		
Trade and other receivables	23,311	23,373
Other financial assets	821	824
Property, plant and equipment	1,559	1,793
Deferred tax assets	1,538	1,492
Intangible assets	20,886	21,973
Total non-current assets	48,115	49,455
Total assets	89,831	88,810
Current liabilities		
Trade and other payables	9,358	8,513
Provisions	2,513	2,618
Income tax liabilities	834	3,234
Deferred revenue	19,168	20,363
Other financial liabilities	239	42
Total current liabilities	32,112	34,770
Non-current liabilities		
Deferred consideration for acquisition	2,121	2,037
Deferred tax liabilities	4,120	3,916
Provisions	935	981
Deferred revenue	6,908	5,583
Other financial liabilities	490	477
Total non-current liabilities	14,574	12,994
Total liabilities	46,686	47,764
Net assets	43,145	41,046
Equity		
Issued capital	1,667	1,667
Reserves	2,065	1,726
Retained earnings	39,413	37,653
Total equity attributable to members of Integrated Research	43,145	41,046

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes set out on pages 8 to 11.

INTEGRATED RESEARCH LIMITED
HALF-YEAR ENDED 31 DECEMBER 2016

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2016

In thousands of AUD

	Share Capital	Hedging Reserve	Translation Reserve	Employee Benefits Reserve	Retained Earnings	Total
Balance as at 1 July 2016	1,667	50	(485)	2,161	37,653	41,046
Profit for the period	-	-	-	-	7,730	7,730
Other comprehensive income	-	(160)	318	-	-	158
Total comprehensive income for the period	-	(160)	318	-	7,730	7,888
Expensed employee options and performance rights	-	-	-	181	-	181
Payment of dividends	-	-	-	-	(5,970)	(5,970)
Balance at 31 December 2016	1,667	(110)	(167)	2,342	39,413	43,145

	Share Capital	Hedging Reserve	Translation Reserve	Employee Benefits Reserve	Retained Earnings	Total
Balance as at 1 July 2015	1,667	(197)	(439)	1,571	33,530	36,132
Profit for the period	-	-	-	-	6,205	6,205
Other comprehensive income	-	57	256	-	-	313
Total comprehensive income for the period	-	57	256	-	6,205	6,518
Expensed employee options and performance rights	-	-	-	281	-	281
Payment of dividends	-	-	-	-	(6,793)	(6,793)
Balance at 31 December 2015	1,667	(140)	(183)	1,852	32,942	36,138

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes set out on pages 8 to 11.

INTEGRATED RESEARCH LIMITED
HALF-YEAR ENDED 31 DECEMBER 2016

Condensed Consolidated Statement of Cash Flows
For the half-year ended 31 December 2016
In thousands of AUD

Note	December 2016	December 2015
Cash flows from operating activities		
Cash receipts from customers	39,701	28,774
Cash paid to suppliers and employees	(23,558)	(21,853)
Cash generated from operations	16,143	6,921
Income taxes paid	(4,904)	(1,845)
Net cash from operating activities	11,239	5,076
Cash flows used in investing activities		
Payments for capitalised development	(4,415)	(4,787)
Payments for property, plant and equipment	(121)	(237)
Payment for purchase of business	-	(789)
Payments for intangible assets	(43)	(146)
Interest received	39	54
Net cash used in investing activities	(4,540)	(5,905)
Cash flows used in financing activities		
Proceeds from borrowings	6,250	-
Repayment of borrowings	(6,250)	-
Payment of dividend	(5,970)	(6,793)
Net cash used in financing activities	(5,970)	(6,793)
Net increase/(decrease) in cash and cash equivalents	729	(7,622)
Cash and cash equivalents at 1 July	8,544	15,323
Effects of exchange rate changes on cash	204	264
Cash and cash equivalents at 31 December	9,477	7,965

The condensed consolidated statement of cash flows is to be read in conjunction with the accompanying notes set out on pages 8 to 11.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2016

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 Legislative instrument 2016/191. 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 2016 annual financial report for the financial year ended 30 June 2016. 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 and Singapore with responsibility for the countries in the rest of the world; and

Corporate Australia - includes revenue and expenses for corporate head office, hedging 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 ¹		Eliminations		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Continuing operations												
Sales to customers outside the consolidated entity	29,214	28,750	8,247	7,152	5,785	4,066	93	(595)	-	-	43,339	39,373
Inter-segment revenue	-	-	-	-	-	-	21,607	18,622	(21,607)	(18,622)	-	-
Total segment revenue	29,214	28,750	8,247	7,152	5,785	4,066	21,700	18,027	(21,607)	(18,622)	43,339	39,373
Segment profit	838	855	206	178	156	102	9,277	7,246	-	-	10,477	8,381
Financing income (interest received)											39	54
Income tax expense											(2,786)	(2,230)
Profit for the half year											7,730	6,205
Capital additions ²	21	131	25	49	13	5	105	198			164	383
Depreciation and amortisation expenditure	248	196	35	41	10	4	5,791	5,053			6,084	5,294

In local currency ³	Americas (USD)		Europe (UK Sterling)	
	2016	2015	2016	2015
Sales to customers outside the consolidated entity	21,968	20,671	4,845	3,365
Inter-segment sales	-	-	-	-
Total segment revenue	21,968	20,671	4,845	3,365
Segment results	631	614	121	84

¹ Corporate Australia includes research and development, hedging and corporate head office functions of Integrated Research Limited.

² Excludes internal development costs capitalised but includes third party assets acquired. Addition also includes assets acquired through purchase of business

³ Segment results represented in 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 2016 was based on the profit attributable to ordinary shareholders of \$7,730,000 (six months ended 31 December 2015: \$6,205,000) and a weighted average number of ordinary shares outstanding during the six months ended 31 December 2016 of 170,521,117 (six months ended 31 December 2015 of 170,048,876).

Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 31 December 2016 was based on the profit attributable to ordinary shareholders of \$7,730,000 (six months ended 31 December 2015: \$6,205,000) and a weighted average number of ordinary shares outstanding during the six months ended 31 December 2016 of 171,932,711 (six months ended 31 December 2015: 171,497,433).

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:

Grant Date	Number of Rights	Expiry date
November 2016	350,000	September 2018
September 2016	450,000	July 2017

The following performance rights were outstanding as at 31 December 2016:

Grant Date	Number of Rights	Expiry date
September 2014	605,000	October 2017
November 2014	50,000	October 2017
November 2014	465,000	September 2017
November 2014	60,000	December 2018
August 2015	90,900	September 2018
December 2015	90,000	March 2019
November 2016	350,000	September 2018
September 2016	450,000	July 2017

During the period, 150,000 performance rights were exercised into ordinary shares for nil consideration.

Note 5. Financial Instruments

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 the Euro.

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:

Outstanding contracts	Average Exchange Rate		Foreign Currency		Contract Value		Fair Value	
	2016	2015	2016 FC'000	2015 FC'000	2016 AS'000	2015 AS'000	2016 AS'000	2015 AS'000
Consolidated								
<u>Sell US Dollar</u>								
Less than 3 months	0.73	0.77	3,150	3,500	4,303	4,565	(59)	(236)
3 to 6 months	0.73	0.77	2,000	1,950	2,722	2,536	(52)	(150)
6 to 9 months	0.75	0.71	850	600	1,131	841	(51)	11
9 to 12 months	0.75	0.72	750	200	1,005	277	(39)	(1)
<u>Sell Euros</u>								
Less than 3 months	0.65	0.67	125	225	192	334	9	(4)
3 to 6 months	0.66	0.66	130	110	198	167	6	-
6 to 9 months	0.67	0.65	100	40	150	62	2	1
9 to 12 months	0.69	-	50	-	73	-	(2)	-
<u>Sell Sterling</u>								
Less than 3 months	0.54	0.50	200	100	374	199	33	(5)
3 to 6 months	0.51	0.49	100	75	196	152	25	(1)
6 to 9 months	0.56	-	100	-	177	-	5	-
9 to 12 months	0.61	-	50	-	82	-	(4)	-
							(127)	(384)

Note 5. Financial Instruments (continued)

These hedge assets and liabilities 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 (ie 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.

Financial assets

For non-current trade debtors Integrated Research has considered a discount rate to recognise the net present value of the debtors. Level 3 inputs have been considered including corporate borrowing rates, size of the customer and jurisdiction of the customer. A discounted cashflow model was used to derive the fair value. The range of discount rates was between 3.5% to 6.5%.

Financial liabilities

The deferred consideration for acquisition account represents the Company's estimate of the fair value of future payments for the acquisition after taking into account the following level 3 inputs:

- an implicit finance charge to discount the obligations to net present value;
- the currency exchange rate since the obligations are due in United States dollars; and
- the probability of the vendor achieving certain earn-out targets.

Note 6. Subsequent events

Avaya Chapter 11 Bankruptcy Proceedings

On 19 January 2017, the Company was informed that Avaya Inc and its United States domestic subsidiaries (collectively "Avaya") commenced formal proceedings for restructure and filed voluntary petitions under Chapter 11 of the US Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York Supreme Court. Avaya is a customer and distribution channel partner of the Company. Avaya uses and resells the Company's solutions to manage mission critical communication services for its customers. Avaya filed for Chapter 11 motions that contemplate the protection and continuation of contracts with critical vendors. The Company has increased its allowance for doubtful debts as a consequence of payment uncertainty. The full impact of Avaya's action will continue to be monitored and assessed as the process unfolds.

Interim Dividend

On 16 February 2017 the Directors declared an interim dividend of 3.0 cents per share franked to 70%, payable on 19 April 2017 to shareholders registered at the end of trading on 8 March 2017.

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 2016 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 2016 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 16th day of February 2017.

On behalf of the Directors



Steve Killelea
Chairman



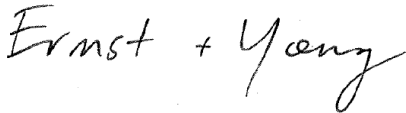
Garry Dinnie
Non-Executive Director

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

As lead auditor for the audit of Integrated Research Limited for the half-year ended 31 December 2016, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Integrated Research Limited and the entities it controlled during the financial year.



Ernst & Young



John Robinson
Partner
16 February 2017

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 condensed statement of financial position as at 31 December 2016, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows 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 comprising 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 half-year 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 2016 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.

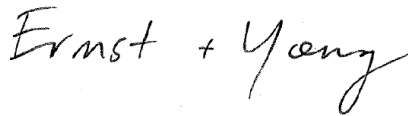
Independence

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 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 [period date] 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
16 February 2017