26 August 2004

The Manager
Company Announcements Office
Australian Stock Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

ELECTRONIC LODGEMENT

Dear Sir or Madam

Half-Year Results – Media Release

Please find attached a copy of the media release for IRESS Market Technology Limited for the half-year ended 30 June 2004.

Yours sincerely

Stuart Bland

Stuart Bland
Company Secretary

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26 August 2004
Media Release

Adjusted Group Profit $10.0 million (2003: $8.6m)

Reported profit of $7.4 million including Xplan & Canadian JV

Fully franked final dividend of 5.5¢ (2003: 4.5¢)

IRESS today announced its full results for the half-year ended 30 June 2004. The company provided the following breakdown of its reported results:

		Information & Trading Services ($m)	Financial Planning Services ($m)	Canada ($m)	Underlying Group ($m)	Strategic & Non - Operating Charges ($m)	Total ($m)
Recurring:							
EBITDA	**H1 2004**	14.612	(0.306)	0.190	14.496	-	14.496
	H2 2003	13.593	(0.812)	-	12.781	-	12.781
	H1 2003	13.416	(0.532)	-	12.884	-	12.884
Profit before Tax	**H1 2004**	14.356	(0.329)	0.155	14.182	(2.157)	12.025
	H2 2003	13.216	(0.811)	-	12.405	(1.335)	11.070
	H1 2003	12.859	(0.557)	-	12.302	(0.766)	11.536
Profit after Tax	**H1 2004**	10.045	(0.224)	0.155	**9.976**	(1.813)	8.163
	H2 2003	9.171	(0.564)	-	**8.607**	(0.969)	7.638
	H1 2003	8.941	(0.387)	-	**8.554**	(0.557)	7.997
Non-Recurring:							
Profit before Tax	**H1 2004**	(0.232)	-	(0.086)	(0.318)	-	(0.318)
	H2 2003	-	(0.037)	-	(0.037)	-	(0.037)
	H1 2003	-	-	-	-	-	-
Profit after Tax	**H1 2004**	(0.264)	(0.050)	(0.408)	(0.722)	-	(0.722)
	H2 2003	-	(0.026)	-	(0.026)	-	(0.026)
	H1 2003	-	-	-	-	-	-
Actual							
Profit after Tax	**H1 2004**	9.780	(0.274)	(0.253)	9.254	(1.813)	**7.441**
	H2 2003	9.171	(0.589)	-	8.582	(0.969)	**7.613**
	H1 2003	8.941	(0.387)	-	8.554	(0.557)	**7.996**

In the light of this strong result, IRESS Directors declared a fully franked final dividend of 5.5 cents per share (2003: 4.5 cents) payable on the 27th September 2004.

Operations

IRESS Managing Director, Peter Dunai said the company's core Australian and New Zealand information and transaction technology business continued to benefit from the improved conditions amongst its key client base of brokers and investment managers. "Both institutional and retail equity market activity continued to be firm, further consolidating the upturn which commenced in mid 2003. IRESS typically lags market trends, given that most of our services correlate better to industry staffing levels rather than transaction volumes. However, with the upturn now sustained for some time, we have seen a pleasing level of core business growth in the first half with revenue and profitability up 6% and 10% respectively, compared to the previous half adjusted to exclude non-recurring items. The first half has also seen continued strong revenue growth by our XPLAN financial planning software business resulting in it's after tax loss shrinking from $0.56 million last half to $0.22 million in the current half. These two strong results, combined with the operating performance of our recently announced Canadian joint venture, has produced an underlying operating result for the group of $9.98 million, an increase of 15.9% over the previous half."

Core Business Outlook for the Remainder of 2004

The firmer trend in the core business has continued into the first months of the second half and has been augmented by a modest general price increase applied from July 1 to the section of the IRESS user base not under existing agreements. With this positive start, and in the absence of a deterioration in the trading environment, we expect the second half to show further revenue growth. However, as in previous years, the flow through of any increased revenue to profits will be moderated by the annual salary reviews which take effect in the second half each year.

Competitive threats to the IRESS business continue to receive occasional publicity but as yet we have seen very little commercial impact. While the company appropriately monitors the competitive landscape, our major focus is on the continual enhancement of the functionality, content and reliability of our product set combined with the maintenance of a strong service culture. Such a focus is, in the medium term, the best protection of the company's strong market position.

IRESS has made progress on a number of core business initiatives during the first six months of 2004.

- Our FSRA compliant retail version of the IRESS Order System (IOS) which was developed over 2003 and the beginning of 2004 has now been successfully implemented at two of the largest three retail adviser teams in Australia. The tightly integrated solution combining order management with the familiar IRESS information platform has been well accepted by advisers, and the system is now being implemented at a number of smaller and medium sized firms. While generating only modest direct revenue, Retail IOS is strategically important as it provides an increased level of "value add" to our retail broker customers.
- Our Electronic Trade Confirmation (ETC) initiative continues to receive strong support from the buy and sell side as well as custodians, although the co-ordination of so many parties and the internal integration undertaken by many of them has delayed the start date beyond that which we originally envisaged. Currently in excess of 30 brokers have nominated themselves as available to provide IRESS ETCs and several investment managers are now running the ETC module live, including utilising our SWIFT connection to custodians. More investment managers will be commencing shortly and we remain confident of achieving a significant level of industry acceptance in due course. The ETC service should commence charging by the end of the year, with revenue building over 2005.
- Our New Zealand version of IOS has been completed and released as the first solution utilising the new NZX open interface. IOS has previously been extensively used in New Zealand for Australian execution and the addition of a local equity capability has been well received with most institutional brokers already installed. This initiative provides useful revenue and further entrenches the company's unique order routing and execution position in Australia and New Zealand.

- Following on from our substantial updating last year of the IRESS "look and feel" we have been directing development effort to a re-build of our core market data information processing, much of which has now been implemented, with the balance to follow over coming months. While not directly apparent to users, this major project provides significant benefits in increased levels of redundancy, lower management costs, improved network scalability and more efficient use of communications bandwidth. Such projects are examples of our resolve to re-invest in our technology despite, at times, the absence of short term competitive pressures to do so.

XPLAN

The first six months of 2004 has seen XPLAN continue to make excellent progress, building on its strong establishment performance in 2003. Revenue growth continues on a consistent basis and the XPLAN suite is now clearly positioned as a leading, functionally strong, integrated, and well serviced offering for the financial planning industry. XPLAN has grown from a near zero revenue base only last year, and its progress to date leaves us confident that XPLAN will in due course enjoy a significant market position in wealth management software, and that further integration with the broader IRESS products will generate additional opportunities as the industry evolves.

Key achievements:

- after tax loss impact for 1st half 2004 down to $224,000 from $564,000;
- staff levels have grown from 10 to 25 since acquisition;
- growth in module numbers from negligible to over 1,000 since acquisition, representing over 100 dealer groups;
- continuing strong implementation and further sales pipeline; and
- on track for a month to month breakeven prior to year's end.

Canadian Joint Venture

In April the company announced a joint venture with ITG Canada Corp to establish a comprehensive integrated equities service along the lines of our business in Australia. While the joint venture has only been operating for a few months, we are able to advise good progress is being made towards our initial milestones.

- The KTG execution business (owned by the joint venture) continues to trade consistently with increased terminal subscription revenues;
- The operating performance after tax profit contribution to IRESS in the 1st half was $155,000 (pre software and goodwill amortisation charges);
- The Australian based development team for the Canada project has been established and is proceeding well. Early versions of some trading and information components are now running in Canada for preliminary testing by JV staff;
- Two IRESS staff have relocated to Canada and are well on the way in sourcing content and setting up basic infrastructure; and
- The first of many staged releases should be available for commercial use by beta clients early in 2005.

Further information please contact:

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