1 September 2005

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

ELECTRONIC LODGEMENT

Dear Sir or Madam

2005 Half Year Results - Financial Report

Please find attached a copy of the financial report for IRESS Market Technology Limited for the half-year ended 30 June 2005.

Yours sincerely

Stuart Bland

Stuart Bland
Company Secretary

IRESS Market Technology Ltd
A.B.N. 47 060 313 359

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MARKET TECHNOLOGY

A.B.N. 47 060 313 359

HALF YEAR FINANCIAL REPORT 2005

Highlights

Consolidated profit from ordinary activities before income tax, for the six months ended 30 June 2005 was $13.4m, an increase of 55.6% on the previous year. Revenue before interest and other income was $33.929m, an increase of 17.7% on the previous year. Basic earnings per share increased 95.8% to 8.256 cents per share.

Profit before tax for the period ended 30 June 2004 included a $3.174m impairment expense for goodwill which was recognised on acquisition for one of the investments which goes to make up the Canadian joint venture. (Under the superseded A-GAAP approach, this asset was being expensed over 21 months to December 2005). Excluding this impairment write-down, profit before income tax would have been $11.8m.

Directors have declared an interim dividend of 6.5 cents per share, fully franked, up from 5.5 cents in 2004.

Financial Summary

6 months to 30 June 2005

	Consolidated half–year ended 30 June 2005	Consolidated half–year ended 30 June 2004
Total revenues ($m)	35.0	29.5
Profit before income tax ($m)	13.4	8.6
Profit attributable to the members of the parent entity ($m)	8.8	4.4
Basic earnings per share (cents)	8.256	4.209

Directors' Report

The directors of IRESS Market Technology Limited submit herewith the financial report for the half-year ended 30 June 2005. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows.

The names of the directors of the company during or since the end of the half-year are:

- Mr N. Hamilton
- Mr P. Dunai
- Mr J. Killen
- Mr C. O'Reilly
- Mr A. Richards

The above named directors held office during and since the end of the half-year.

Principal Activities

During the course of the half-year, the Consolidated Entity's activities consisted of the provision of information, trading, compliance, order management, portfolio and financial planning systems and related tools. The principal clients comprised Australian and New Zealand domestic equity participants, and wealth management professionals.

With the establishment of the Canadian joint venture in April 2004, the Consolidated Entity's activities expanded to incorporate the provision of services for professional equity information users in Canada.

Review of Operations

During the half-year net profitability of the Consolidated Entity was impacted by:

- Organic growth from the information services business in Australia and New Zealand, mostly from increased market data screens for both IRESS and WebIRESS as well as sales of trading products, primarily IOS;
- Some increase in operating costs, primarily associated with the annualised effect of headcount growth in the second half of 2004, and four months overlap in certain data provider fees;
- Continued strong growth in recurring subscription revenues for financial planning services (Xplan);
- Results of the Canadian joint venture, including development expenditure and data feed costs associated with the IRESS Canadian product; and
- Advisory costs associated with discontinued merger and acquisition projects.

Directors' Report

Auditors' Independence Declaration

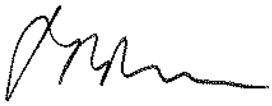
The auditors' independence declaration is included on page 4 of the half-year financial report.

Rounding Off Amounts

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order, amounts in the Directors' Report and the Financial Report are rounded off to the nearest thousand dollars.

Signed in accordance with a resolution of the Directors made pursuant to S. 306(3) of the Corporations Act 2001.

On behalf of the Directors



Mr P. Dunai
Managing Director

MELBOURNE, 1 September 2005

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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The Board of Directors

IRESS Market Technology Limited

Level 20, 360 Collins St

MELBOURNE VIC 3000

1 September 2005

Dear Board Members

Auditors' Independence Declaration: IRESS Market Technology Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of IRESS Market Technology Limited.

As lead audit partner for the review of the financial statements of IRESS Market Technology Limited for the half-year ended 30 June 2005, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

C. Biermann

C. Biermann
Partner
Chartered Accountants

Liability limited by the Accountants' Scheme, approved under the Professional Standards Act 1994 (NSW).

Independent Review Report to the Members of IRESS Market Technology Limited

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, statement of changes in equity, accompanying notes to the financial statements and the directors' declaration for the Consolidated Entity for the half-year ended 30 June 2005 as set out on pages 7 to 31. The Consolidated Entity comprises both IRESS Market Technology Limited (the disclosing entity) and the entities it controlled at the end of the half-year or from time to time during the half-year.

The directors of the disclosing entity are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standards AASB 134 'Interim Financial Reporting' and AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the Consolidated Entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independent Review Report to the Members of IRESS Market Technology Limited (cont.)

Statement

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 IRESS Market Technology Limited is not in accordance with:

a) the Corporations Act 2001, including:

- giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2005 and of its performance for the half-year ended on that date; and
- complying with Accounting Standards AASB 134 'Interim Financial Reporting' and AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

C. Biermann

C. Biermann
Partner
Chartered Accountants

MELBOURNE, 1 September 2005

Liability limited by the Accountants' Scheme, approved under the Professional Standards Act 1994 (NSW).

Directors' Declaration

In the opinion of the Directors:

a) the attached financial statements and notes thereto comply with Accounting Standards;

b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the Consolidated Entity;

c) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and

d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

Mr P. Dunai
Managing Director

MELBOURNE, 1 September 2005

Consolidated Income Statement
for the Half-Year Ended 30 June 2005

	Note	Consolidated	
		Half–year ended 30 June 2005 $'000	Half–year ended 30 June 2004 $'000
Revenue from ordinary activities		34,989	29,500
Customer data fees		(6,175)	(5,568)
Communication and other technology expenses		(1,610)	(1,504)
Employee related expenses	3	(9,516)	(7,243)
Other expenses including administration expenses		(817)	(670)
Facilities rent		(406)	(381)
Bad and doubtful debts		–	(8)
Business acquisition and discontinuation expenses		(207)	(86)
Depreciation & amortisation expense		(1,965)	(1,986)
Share of net losses of associates and joint ventures accounted for using the equity method		(869)	(3,429)
Profit before income tax expense		13,424	8,625
Income tax expense		(4,591)	(4,267)
Profit attributable to the members of the parent entity		8,833	4,358

	Note		
Earnings per Share	7		
Basic earnings per share (cents per share)		8.256	4.209
Diluted earnings per share (cents per share)		7.837	4.053

Notes to the financial statements are included on pages 12 to 31.

Consolidated Balance Sheet
as at 30 June 2005

	Consolidated	
	30 June 2005 $'000	31 Dec 2004 $'000
Current Assets		
Cash and cash equivalent assets	27,933	27,329
Receivables	4,587	2,395
Other financial assets	386	17
Total current assets	32,906	29,741
Non-Current Assets		
Plant and equipment	2,236	2,082
Computer software	6,752	7,894
Deferred tax assets	1,441	2,144
Investments accounted for using the equity method	1,990	2,858
Total non-current assets	12,419	14,978
Total assets	45,325	44,719
Current Liabilities		
Payables	4,616	3,940
Current tax payables	2,202	2,635
Provisions	768	610
Total current liabilities	7,586	7,185
Non-Current Liabilities		
Deferred tax liabilities	192	170
Provisions	3,596	4,090
Total non-current liabilities	3,788	4,260
Total liabilities	11,374	11,445
Net assets	33,951	33,274
Equity		
Issued capital	15,360	13,965
Reserves	2,763	1,639
Retained profits	15,828	17,670
Total equity	33,951	33,274

Notes to the financial statements are included on pages 12 to 31.

Consolidated Statement of Changes in Equity for the Half-Year Ended 30 June 2005

	Half-year ended 30 June 2005				Half-year ended 30 June 2004			
	Issued capital $'000	Retained earnings $'000	Reserves $'000	Total $'000	Issued capital $'000	Retained earnings $'000	Reserves $'000	Total $'000
Opening Balance	13,965	17,670	1,639	33,274	9,013	18,799	302	28,114
Profit for the year	–	8,833	–	8,833	–	4,358	–	4,358
Increase/(decrease) in translation reserve arising on translation of self sustaining operations	–	–	56	56	–	–	439	439
Impact of liquidation of subsidiary	–	43	(43)	–	–	–	–	–
Exercise of options/performance rights	1,395	–	–	1,395	1,704	–	–	1,704
Cost of share-based payments	–	–	1,111	1,111	–	–	505	505
Equity dividends	–	(10,718)	–	(10,718)	–	(8,302)	–	(8,302)
Closing balance	15,360	15,828	2,763	33,951	10,717	14,855	1,246	26,818

Notes to the financial statements are included on pages 12 to 31.

Consolidated cash flow statement
for the half year ended 30 June 2005

	Consolidated	
	Inflows (outflows)	
	Half-year ended 30 June 2005 $'000	Half-year ended 30 June 2004 $'000
Cash Flows from Operating Activities		
Receipts from customers	36,025	31,683
Payments to suppliers and employees	(20,097)	(16,893)
Interest and bill discounts received	719	561
Income tax paid	(4,670)	(3,390)
Net cash provided by operating activities	11,977	11,961
Cash Flows from Investing Activities		
Payment for plant and equipment	(1,450)	(2,035)
Deferred payment for acquisition of subsidiary	(600)	–
Payment for investment in joint venture	–	(6,860)
Net cash used in investing activities	(2,050)	(8,895)
Cash Flows from Financing Activities		
Proceeds from issues of equity securities	1,395	1,704
Dividends paid	(10,717)	(8,300)
Net cash used in financing activities	(9,322)	(6,596)
Net increase/(decrease) in cash held	605	(3,530)
Cash at the beginning of the half-year	27,329	22,869
Effects of exchange rate changes on the balance of cash held in foreign currencies	(1)	–
Cash and cash equivalents at the end of the half-year	27,933	19,339

Notes to the financial statements are included on pages 12 to 31.

Notes to the Financial Statements for the Half-Year Ended 30 June 2005

1. Basis of preparation of the half-year financial report

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of IRESS as at 31 December 2004, which was prepared based on Australian Accounting Standards applicable before 1 January 2005 ('A-GAAP').

It is also recommended that the half-year financial report be considered together with any public announcements made by IRESS during the half-year ended 30 June 2005 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements.

The half-year financial report has been prepared on an historical cost basis, except for derivative financial instruments and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Statement of compliance

The half-year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the half-year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

This is the first half-year financial report prepared based on A-IFRS and comparatives for the half-year ended 30 June 2004 and full-year ended 31 December 2004 have been restated accordingly. A summary of the significant accounting policies of the Consolidated Entity under A-IFRS are disclosed below.

Reconciliations of:

- A-IFRS balance sheets as at 1 January 2004, 30 June 2004 and 31 December 2004; and
- A-IFRS income statements for the half-year 30 June 2004 and full year 31 December 2004;

to the figures reported in the 30 June 2004 half-year report and 31 December 2004 full-year financial report prepared under A-GAAP, are detailed in Note 2.

Summary of significant accounting policies

In the light of the numerous changes to accounting policies arising from the transition from A-GAAP to A-IFRS, the company has elected to disclose a full listing of the significant accounting policies adopted in the preparation and presentation of the financial report, rather than restricting the half-year accounts disclosure to those polices which have changed following the transition to A-IFRS.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

b) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Consolidated Entity in respect of services provided by employees up to the reporting date.

c) Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost. Subsequent to initial recognition, investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

d) Foreign currency

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except that:

- exchange differences which relate to assets under construction for future productive use are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

Foreign operations

On consolidation, the assets and liabilities of the Consolidated Entity's overseas operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are recognised in the foreign currency translation reserve, and recognised in profit or loss on disposal of the foreign operation.

e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

f) Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired, is recognised as an asset. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised, but tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

g) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the Consolidated Entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Consolidated Entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation

The company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian Taxation Law. IRESS Market Technology Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer in group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

h) Intangible assets

Intangible assets acquired in a business combination

All potential intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably.

Amortisation is provided on identifiable intangibles and is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value.

The following estimated useful lives are used in the calculation of amortisation of identifiable intangibles:

- Computer software 1 year to 5 years
- Customer list 2 years to 3 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

i) Impairment of assets

At each reporting date, the Consolidated Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

j) Joint ventures

Interests in jointly controlled entities are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements.

k) Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

l) Payables

Trade payables and other accounts payable are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the purchase of goods and services.

m) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Consolidated Entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 'Consolidated and Separate Financial Statements'. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the Consolidated Entity are eliminated in full.

n) Plant and equipment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment and is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Useful Life

The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation.

- Leasehold improvements 3 years
- Furniture and fittings 3 years
- Computer equipment 3 years
- Office equipment 3 years

o) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Dividends

A provision is recognised for dividends when they have been declared, determined or publicly recommended by the directors.

p) Revenue recognition

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Dividend and interest revenue

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

q) Share-based payments

Equity-settled share-based payments granted after 7 November 2002 that were unvested as of 1 January 2005, are measured at fair value at the date of grant. Fair value is measured by use of a combination of Monte-Carlo simulation and the binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Consolidated Entity's estimate of shares that will eventually vest.

r) AASB 1 transitional exemptions

The Consolidated Entity has made its election in relation to the transitional exemptions allowed by AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' as follows:

Business combinations

AASB 3 'Business Combinations' was not applied retrospectively to past business combinations (i.e. business combinations that occurred before the date of transition to A-IFRS).

Share-based payment transactions

AASB 2 'Share-Based Payments' is applied only to equity instruments granted after 7 November 2002 that had not vested on or before 1 January 2005.

Exemption from the requirement to restate comparative information for AASB 132 and AASB 139

The Consolidated Entity has elected to adopt this exemption and has not applied AASB 132 'Financial Instruments: Presentation and Disclosure' and AASB 139 'Financial Instruments: Recognition and Measurement' to its comparative information.

2. Impacts of the adoption of Australian equivalents to International Financial Reporting Standards

The Consolidated Entity changed its accounting policies from A-GAAP on 1 January 2005 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 January 2004 as the date of transition, except for financial instruments, including derivatives, where the date of transition is 1 January 2005.

An explanation of how the transition from superseded policies to A-IFRS has affected the Consolidated Entity's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Effect of A-IFRS on the income statement for the half-year ended 30 June 2004 and the financial year ended 31 December 2004

	Half-year ended 30 June 2004			Financial year ended 31 December 2004		
	Superseded policies (a) $'000	Effect of transition to A-IFRS $'000	A-IFRS $'000	Superseded policies (a) $'000	Effect of transition to A-IFRS $'000	A-IFRS $'000
Revenue from ordinary activities	29,500	–	29,500	62,237	–	62,237
Customer data fees	(5,568)	–	(5,568)	(11,413)	–	(11,413)
Communication and other technology expenses	(1,504)	–	(1,504)	(3,038)	–	(3,038)
Employee related expenses	(6,738)	(505)	(7,243)	(14,475)	(1,587)	(16,062)
Other expenses including administration expenses	(670)	–	(670)	(1,373)	(25)	(1,398)
Facilities rent	(381)	–	(381)	(776)	–	(776)
Bad and doubtful debts	(8)	–	(8)	(23)	–	(23)
Business acquisition and discontinuation expenses	(86)	–	(86)	(86)	–	(86)
Depreciation & amortisation expense	(2,120)	134	(1,986)	(3,869)	–	(3,869)
Share of net losses of associates and joint ventures accounted for using the equity method	(717)	(2,712)	(3,429)	(2,293)	(1,742)	(4,035)
Profit before income tax expense	11,708	(3,083)	8,625	24,891	(3,354)	21,537
Income tax expense	(4,267)	–	(4,267)	(8,551)	–	(8,551)
Profit attributable to the members of the parent entity	7,441	(3,083)	4,358	16,340	(3,354)	12,986

(a) Reported financial results under A-GAAP.

Effect of A-IFRS on the balance sheet as at 1 January 2004, 30 June 2004 and 31 December 2004

	1 January 2004			30 June 2004			31 December 2004		
	Superseded policies (a) $'000	Effect of transition to A-IFRS $'000	A-IFRS $'000	Superseded policies (a) $'000	Effect of transition to A-IFRS $'000	A-IFRS $'000	Superseded policies (a) $'000	Effect of transition to A-IFRS $'000	A-IFRS $'000
Current Assets									
Cash and cash equivalent assets	22,869	–	22,869	19,339	–	19,339	27,329	–	27,329
Receivables	2,454	–	2,454	2,259	–	2,259	2,395	–	2,395
Current tax assets	80	–	80	–	–	–	–	–	–
Other financial assets	–	–	–	–	–	–	17	–	17
Total current assets	25,403	–	25,403	21,598	–	21,598	29,741	–	29,741
Non-Current Assets									
Plant and equipment	1,542	–	1,542	1,712	–	1,712	2,082	–	2,082
Computer software	10,208	–	10,208	9,907	–	9,907	7,894	–	7,894
Intangible assets	1,133	–	1,133	994	134	1,128	–	–	–
Deferred tax assets (b)	1,344	–	1,344	1,192	–	1,192	2,144	–	2,144
Investments accounted for using the equity method	–	–	–	6,607	(2,712)	3,895	4,600	(1,742)	2,858
Other financial assets	236	–	236	–	–	–	–	–	–
Total non-current assets	14,463	–	14,463	20,412	(2,578)	17,834	16,720	(1,742)	14,978
Total assets	39,866	–	39,866	42,010	(2,578)	39,432	46,461	(1,742)	44,719

(a) Reported financial results under previous A-GAAP.

(b) For the purposes of the reconciliation, deferred tax assets and deferred tax liabilities have not been offset against each other.

Notes to the Financial Statements
for the Half-Year Ended 30 June 2005

	1 January 2004			30 June 2004			31 December 2004		
	Superseded policies (a) $'000	Effect of transition to A-IFRS $'000	A-IFRS $'000	Superseded policies (a) $'000	Effect of transition to A-IFRS $'000	A-IFRS $'000	Superseded policies (a) $'000	Effect of transition to A-IFRS $'000	A-IFRS $'000
Current Liabilities									
Payables	3,467	–	3,467	3,627	–	3,627	3,914	–	3,914
Current tax payables	533	–	533	1,050	–	1,050	2,635	–	2,635
Provisions	778	(110)	668	800	(145)	655	723	(88)	635
Total current liabilities	4,778	(110)	4,668	5,477	(145)	5,332	7,272	(88)	7,184
Non-Current Liabilities									
Deferred tax liabilities (b)	–	–	–	127	–	127	170	–	170
Provisions	6,974	110	7,084	7,010	145	7,155	3,978	113	4,091
Total non-current liabilities	6,974	110	7,084	7,137	145	7,282	4,148	113	4,261
Total liabilities	11,752	–	11,752	12,614	–	12,614	11,420	25	11,445
Net assets	28,114	–	28,114	29,396	(2,578)	26,818	35,041	(1,767)	33,274
Equity									
Contributed equity	9,013	–	9,013	10,717	–	10,717	13,965	–	13,965
Reserves	(48)	350	302	391	855	1,246	(297)	1,936	1,639
Retained profits	19,149	(350)	18,799	18,288	(3,433)	14,855	21,373	(3,703)	17,670
Total equity	28,114	–	28,114	29,396	(2,578)	26,818	35,041	(1,767)	33,274

(a) Reported financial results under previous A-GAAP.

(b) For the purposes of the reconciliation, deferred tax assets and deferred tax liabilities have not been offset against each other.

Effect of A-IFRS on the cash flow statement for the half-year ended 30 June 2004 and the financial year ended 31 December 2004

There are no material differences between the cash flow statement presented under A-IFRS and the cash flow statement presented under the superseded policies.

Notes to the reconciliations of income and equity

a) Cumulative exchange differences

At the date of transition, the Consolidated Entity elected not to reset the foreign currency translation reserve to zero.

b) Goodwill

The Consolidated Entity has elected not to restate business combinations that occurred prior to the date of transition to A-IFRS, and accordingly, the carrying amount of goodwill at the date of transition has not changed.

c) Impairment of assets

Under AASB 136 'Impairment of Assets', the recoverable amount of an asset is determined as the higher of its fair value less costs to sell and value in use. The Consolidated Entity's assets were tested for impairment as part of the cash generating unit to which they belong and an impairment write-down of $3.174m (representing the goodwill arising on the investment in the Canadian joint venture which was being amortised under A-GAAP over 21 months to 31 December 2005) is required under A-IFRS for the half-year ended 30 June 2004. There were no other impairment adjustments.

This write-down is recognised in the consolidated income statement in accordance with the policy for the class of assets under A-IFRS.

Prior to effecting the impairment write-down of $3.174m, the amortisation of goodwill within the investment in the joint venture from transition date to 30 June 2004 (previously recognised under A-GAAP) of $0.462m was written back. Accordingly, the net adjustment was $2.712m.

d) Plant and equipment

The Consolidated Entity elected not to revalue plant and equipment on transition to A-IFRS to its fair value, where this exceeds the A-GAAP carrying value, but rather has retained the item's historical cost (subject to impairment) as the basis for arriving at carrying values for plant and equipment.

e) Share-based payments

For the half-year ended 30 June 2004 and the financial year ended 31 December 2004, no share-based payments expense was recorded under A-IFRS where the instrument was granted prior to 7 November 2002 or vested prior to 1 January 2005, in accordance with the exemptions available under AASB1.

f) Retained earnings

The effect of the above adjustments on retained earnings is as follows.

	Consolidated		
	1 January 2004 $'000	30 June 2004 $'000	31 December 2004 $'000
Total Retained Earnings under A-GAAP	19,149	18,288	21,373
Goodwill no longer amortised	–	134	–
Increase in provisions	–	–	(25)
Cumulative impact of share based payments expense	(350)	(855)	(1,936)
Share of net losses of associates and joint ventures accounted for using the equity method			
Impairment of goodwill at acquisition	–	(3,174)	(3,174)
Reversal of accumulated goodwill amortisation expense	–	462	1,432
Total adjustment to retained earnings attributable to members of the parent entity	(350)	(3,433)	(3,703)
Total Retained Earnings under A-IFRS	18,799	14,855	17,670

3. Employee related expenses

Employee related expenses under A-IFRS for the Consolidated Entity can be broken down as follows.

	Half-year ended 30 June 2005 $'000	Half-year ended 30 June 2004 $'000
Total monetary based expense (a)	8,405	6,738
Share based payment expense	1,111	505
Total Employee related expense	9,516	7,243

(a) Total monetary based expense comprises salary and fees, bonuses, superannuation and other benefits.

4. Segment Information

The Consolidated Entity operates in two areas – Information Services and Financial Planning Services. The composition of each segment is as follows.

Information Services

The Consolidated Entity's information services segment activities consist of the provision of information, trading, compliance, order management, portfolio systems and related tools. The principal clients comprise Australian and New Zealand domestic equity participants.

In addition, this segment of the Consolidated Entity has a 50% interest in the Canadian joint venture (refer note 11) which it equity accounts for. This joint venture provides execution and order routing services in Canada, and is currently developing a version of the IRESS information services product offering for the Canadian equity markets. The joint venture operations are based in Toronto, with development work for the conversion for Canadian market requirements of the IRESS products performed in Australia.

Any transactions directly between the Consolidated Entity and enterprises making up the Canadian joint venture are charged on an arms length basis and recognised as external sales.

Financial Planning Services

In this segment the Consolidated Entity provides financial planning systems and related tools to wealth management professionals. Following the discontinuation of operations in Singapore in 2004, this segment's activities are currently restricted to wealth management professionals located in Australia.

Segment Revenues

	Gross sales		Other (a)		External sales	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Information services	32,177	27,994	(310)	(79)	31,867	27,915
Financial planning services	2,063	907	–	–	2,063	907
Total of all segments	34,240	28,901	(310)	(79)	33,930	28,822
Interest					748	556
Unallocated					311	122
Consolidated					34,989	29,500

(a) Other sales relate to inter-segment software usage provided on an arm's length basis.

Segment Results

	2005 $'000	2004 $'000
Information services		
Results from wholly owned operations	13,312	11,813
Share of net loss of equity accounted investments	(869)	(3,430)
Financial planning services	(78)	(436)
Total of all segments	12,365	7,947
Interest	748	556
Unallocated	311	122
Profits from ordinary activities before income tax expense	13,424	8,625
Income tax expense relating to ordinary activities	(4,591)	(4,267)
Net profit	8,833	4,358

5. Issued Capital

Ordinary Shares	30 June 2005 $'000	31 December 2004 $'000
107,390,562 fully paid ordinary shares (Dec 2004: 106,489,046)	15,360	13,965

Fully paid ordinary share capital	30 June 2005 No. '000	$'000
Balance at beginning of half-year	106,489	13,965
Issue of shares under Employee Option Plan	798	1,395
Issue of shares under Employee Performance Rights Plan	104	–
Balance at end of half-year	107,391	15,360

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Performance rights

Performance rights have been granted to the Managing Director, executives and employees of the Consolidated Entity. These performance rights will vest over time subject to satisfying the criteria set out in the relevant performance rights plan rules (refer note 12).

6. Dividends

	30 June 2005		31 December 2004	
	Cents per share	Total $'000	Cents per share	Total $'000
Fully paid ordinary shares				
Recognised amounts				
Interim dividend franked to 30%	–	–	5.5	5,814
Final dividend franked to 30% (a)	10.0	10,718	8.0	8,302
		10,718		14,116
Unrecognised amounts				
Interim dividend fully franked to 30% (b)	6.5	6,980		–
Final dividend fully franked to 30%		–	10.0	10,718
		6,980		10,718

(a) This relates to the dividend paid based on the prior year's results. Where applicable, amounts provided have been amended to reflect the actual dividend paid.

(b) The estimated value of the 2005 interim dividend has been calculated based on 107,390,562 ordinary shares.

7. Earnings per Share

		Half–year ended 30 June 2005	Half–year ended 30 June 2004
Basic earnings per share	Cents	8.256	4.209
Diluted earnings per share	Cents	7.837	4.053

Basic earnings per share

		'000	'000
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows			
Earnings used in the calculation of basic earnings per share reconciles to net profit in the statement of financial performance	$	8,833	4,358
Weighted average number of ordinary shares (a)	No.	106,982	103,799

(a) Share options and performance rights issued by the company are considered to be potential ordinary shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic earnings per share. Where dilutive, potential ordinary shares are included in the calculation of diluted earnings per share.

Diluted earnings per share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share are as follows			
Earnings used in the calculation of diluted earnings per share reconciles to net profit in the statement of financial performance	$	8,833	4,358
Weighted average number of ordinary shares and potential ordinary shares (refer to footnote (a) above)	No.	112,701	107,788

Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows.

		Half-year ended 30 June 2005 '000	Half-year ended 30 June 2004 '000
Weighted average number of ordinary shares used in the calculation of basic earnings per share	No.	106,982	103,799
Shares deemed to be issued for no consideration in respect of performance rights and employee options (i.e. the dilutive impact of options in existence during the year that were exercisable at below the weighted average market price) (a)		5,719	3,989
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share		112,701	107,788
Weighted average number of converted, lapsed, or cancelled potential ordinary shares used in the calculation of diluted earnings per share.			
Option to purchase ordinary shares pursuant to the employee share scheme		13	187

(a) The dilutive impact of future vestings of granted performance rights has been derived assuming the relative ranking of IRESS to its peer group as measured at 30 June 2005 continues at that level through to the final vesting date for the applicable performance right.

8. Contingent Liabilities or Contingent Assets

Since the last reporting date, there has been no material change of any contingent liabilities or contingent assets.

9. Financial instruments

The Consolidated Entity does not hold, nor did it hold financial instruments within the scope of Accounting Standards AASB 132 'Financial Instruments: Disclosure and Presentation' and AASB 139 'Financial Instruments: Recognition and Measurement' which would on adoption as at 1 January 2005, have a material impact on the financial statements for the half-year ended 30 June 2005.

10. Change in Composition of the Consolidated Entity

Further to a special resolution passed on 29 June 2004 by Xplan Technology Pty Ltd to wind up the dormant entity Xplan Technology (Singapore) Pte Ltd via a members' voluntary liquidation, the entity was deregistered on 11 April 2005.

11. Composition of the Consolidated Entity

Name of business acquired / incorporated	Principal activity	Proportion of shares acquired
IRESS Market Technology (NZ) Limited	Provision of sales and related services to users of IRESS technologies in New Zealand	100%
Xplan Technology Pty Ltd	Provision of financial planning technology and related services	100%
IRESS Canada Holdings Limited	Holding company	100%

IRESS Canada Holdings Limited has acquired the following interests.

Name of business acquired / incorporated	Principal activity	Proportion of equity acquired	Cost of acquisition / incorporation $'000	Carrying value at 30 June 2005 '000
KTG Technology Corp. (a)	Provision of execution terminals to the Canadian equity markets	50%	6,134	2,256
IRESS KTG Canada Lp (a)	Development and commercialisation of IRESS technologies in Canada	50%	754	(265)
IRESS KTG Canada Holdings Corp. (a)	General partner to IRESS KTG Canada Lp	50%	5	(1)
			6,893	1,990

(a) These jointly controlled entities are equity accounted, and collectively referred to as 'the joint venture'.

12. Employee Performance Rights Plan

As announced to the market on 18 May 2005:

- For the performance rights granted in May 2003; the company was ranked in the top quartile for a two year total shareholder return against its peer group of companies. This resulted in one quarter of the performance rights issued in May 2003 vesting, with 55,000, 130,000 and 177,500 performance rights vesting to the Managing Director, executives and staff respectively after adjusting for lapsed and cancelled rights.
- For the performance rights granted in May 2004; the company on a one year total shareholder return against its peer group of companies was ranked at the 51st percentile. This resulted in 13% of the performance rights issued in May 2004 vesting, with 28,600, 57,200 and 122,850 performance rights vesting to the Managing Director, executives and staff respectively after adjusting for lapsed and cancelled rights.

The Managing Director was issued a further 500,000 performance rights on 9 May 2005, which, subject to satisfying the performance criteria, will vest over the next 5 years in accordance with the Peter Dunai Performance Rights plan (as approved by shareholders at the Annual General Meeting in May 2005). Under the plan rules, a further 500,000 performance rights will be issued to Mr Dunai in May 2006. At the same time the Board issued a further 1,392,820 performance rights to executives and employees of the Consolidated Entity.

Total Performance Rights Issued

The following table summarises the outstanding performance rights held by the Managing Director, executives and staff as at 30 June 2005. The extent to which unvested performance rights ultimately vest to the holder is dependent on several factors, primarily the company's performance relative to its peer group of companies.

Holder	Issued '000	Exercised '000	Vested but not exercised (a) '000	Cancelled '000	Unvested '000
Managing Director	940,000	55,000	83,600	–	801,400
Executives	1,350,000	130,000	187,200	–	1,032,800
Employees	2,808,820	303,770	196,580	128,500	2,179,970
Total	5,098,820	488,770	467,380	128,500	4,014,170

(a) All these performance rights were exercised on 6 July 2005.

13. Additional Information

Reconciliation of Cash

For the purposes of the Consolidated Cash Flow Statement, cash and cash equivalents comprise the following at 30 June.

	2005 $'000	2004 $'000
Cash at bank and in hand	4,998	10,308
Short-term deposits	22,935	9,031
Total cash and cash equivalents	27,933	19,339