24 August 2012

The Manager
Company Announcements Office
Australian Stock Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

ELECTRONIC LODGEMENT

Dear Sir or Madam

IRESS 2012 Half Year Results – Media Release

Please find attached a media release relating to the company's half year financial results for the period ending 30 June 2012.

Yours sincerely,

Peter Ferguson
Company Secretary

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Media Release: 24 August 2012

Underlying Group profit $27.8m (H2 11: $30.0m), down 7.4%

Segment Profits down 5.6% on previous half
Includes $3.4m of investment in Asia & UK (3.3% revenue)

Resilient group performance in challenging environment

Overweight contribution by Wealth Management

Reported Group profit $19.7m (H2 11: $19.6m) up 0.4%

Interim dividend of 13.5¢, 90% franked

IRESS today announced its results for the half year ended 30 June 2012. The Company provided the following breakdown of its results.**

		Recurring Operational (a)				
		Financial Markets	**Wealth Management**	**Investments**	**Underlying Group (b)**	**Reported Group**
		(A$m)	**(A$m)**	**(A$m)**	**(A$m)**	**(A$m)**
Operating Revenue	**H1 2012**	73.701	29.049	0.361	103.111	
	H2 2011	75.186	28.351	0.638	104.175	
	H1 2011	73.008	26.763	0.583	100.354	
Segment Profit (b)	**H1 2012**	33.026	12.573	(3.351)	42.248	
	H2 2011	35.021	11.534	(1.804)	44.751	
	H1 2011	35.009	10.443	(1.089)	44.363	
Profit before tax (b)	**H1 2012**	31.574	11.930	(3.570)	39.934	
	H2 2011	34.171	10.901	(1.960)	43.112	
	H1 2011	34.308	9.810	(1.206)	42.912	
Profit after tax (b)	**H1 2012**	21.945	8.292	(2.480)	27.757	**19.667**
	H2 2011	23.749	7.576	(1.362)	29.963	**19.598**
	H1 2011	23.845	6.818	(0.838)	29.825	**21.743**

*** A more detailed breakdown of operating results is included as an attachment to this release and in the accompanying slide presentation.*
(a) IRESS considers inter-period comparability of results is best presented as the underlying operating results of the relevant businesses calculated excluding share based payments, non-recurring items, and strategic amortisation charges and has presented results consistently in this way for the past 8 years.
(b) A reconciliation of Segment Profits to reported group Profit After Tax is set out in the segment information note (Note 4) included in the Financial Statements accompanying this announcement.

IRESS Directors declared an interim dividend of 13.5 cents per share, 90% franked at a 30% tax rate (2011: 14.0 cents per share 90% franked) payable on 28 September 2012.

Overall Group

IRESS Managing Director, Andrew Walsh said the company has produced a resilient group result despite continuing poor economic circumstances and regulatory change translating to difficult conditions for our clients. The diversification of revenue by product and segment has been an important contribution to our sustained result in recent years.

“Group revenue growth was flat against the previous half – the impact of positive client technology initiatives offset by cost reductions throughout financial markets. This is most noticeable in our broking client base where cost reducing activities are priority in response to low transaction levels. In Canada, our predominant sell-side business has been particularly exposed to this contraction. We have elected to maintain our cost base as we continue to work with clients as part of their strategic and efficiency projects, and our growth activities. In the near term, downside risk remains from ongoing focus on cost reductions in segments of our financial market client base.”

Revenue and segment profit declined from the previous half by 0.8% and 2.3%, and from the prior corresponding half declined by 3.0% and 0.1% respectively, before allowing for medium-term growth initiatives in Asia and the UK.

Trading into the second half has maintained a flat to down aggregate profile despite additional demand for wealth management capability. Consistent with updates during the year, we expect current conditions to persist for at least the remainder of 2012 and when combined with our deliberate investment in future growth in Asia and the UK, we expect a decline in group segment profit of less than 10% in 2012 compared to 2011.

We maintain confidence and positive outlook for medium and long-term growth opportunities presented by our organic initiatives in Asia and the UK. In contrast to many businesses at this time, our balance sheet strength and financial resilience provide investment capacity over the medium term, which is currently set at levels of less than 5% of group revenue. We consider this approach and these levels to be appropriately balanced, and position the company well for improved conditions and with sound medium-long term growth platforms.

We continue to actively consider acquisitions where these make sense to bring forward growth, within the parameters of our longstanding risk profile.

Dividend

The IRESS dividend policy is to maintain a payout ratio of not less than 80% of underlying group earnings (including all growth investments). Where possible, and subject to accounting limitations, a higher payout ratio will be sought in order to partially offset the impact of growth investments.

Dividends continue to be franked to the maximum extent possible.

In respect of first half earnings, directors declared a dividend of 13.5c, franked at 90% (at a 30% tax rate). This interim dividend represents 88% of Reported Group profit for the half.

AUSTRALIA & NEW ZEALAND

Financial Markets

Net revenue growth has maintained a flat profile over the course of the first half. While this doesn't reflect our operational and strategic activity with clients following the introduction of multi-markets in late 2011, it does bear the impact of cost reductions throughout our financial markets client base. Action by our clients to control costs has been steady and ongoing over the last twelve months and provides an up to date indication of the response by our clients to conditions.

Since the recent introduction of trading venue competition in Australia, we have seen a gradual lessening of regulatory requirements for best execution in response to current economic and low volume conditions impacting brokers. This has deferred decisions by a number of brokers to adopt a multiple venue policy, however the commercial need to maintain active monitoring of client executions against better price remains as does the relevance and opportunity presented by our solutions.

The business experienced slight revenue decline of 0.7% from the previous half, and a segment profits decline of 2.5%.

Trading into the second half has been similarly flat, with a small price rise occurring in July coinciding with a change in pricing policy to now follow annually. We continue to be cautious in the circumstances and expect conditions to persist for at least 2012, however our priority remains on product, service, and resourcing at levels consistent with our recurring revenue model.

Wealth Management

Reforms and repositioning within the wealth management segment continue to drive demand for technology based efficiencies, and the compliance and oversight capability offered by XPLAN. We have continued to work with our clients strategically as part of organic technology initiatives and projects, including the transition from our own and competitor desktop-based products to XPLAN. This also reflects the broad increase in demand for cloud-based advice technology and mobile capability available from IRESS.

The business experienced revenue growth of 2.5% from the previous half, translating to segment profits increase of 9.5% influenced by some project based revenue. Revenue and segment profit growth from the prior corresponding half were 10.5% and 19.2% respectively.

Our positive experience amidst the significant secular changes underway underlines the confidence by clients in our role to provide flexible and differentiating solutions as an independent vendor of scale with global experience. The economic impact of conditions and reform remains an issue in our client base, and is a driver of consolidation in the segment as businesses seek distribution footprint and scale. Our strategic role with clients has positioned us uniquely to assist in accessing efficiencies and deliver new solutions.

Trading into the second half has continued with positive momentum from the previous half, and taking our client project activity and opportunities as a near-term guide, we continue to see strong segment profit growth for the year.

CANADA

The prolonged low-volume environment impacting sell-side broking is particularly evident in the results of our Canadian business, where cost pressures, contraction in the market, and increased competitive activity, have seen a decline in revenue and segment profit to slightly below those of 12 months ago.

Revenue in the first half declined by 7.6% (CAD), and declined by 1.0% (CAD) against the prior corresponding half. Segment profit declined by 21.2 % (CAD) and declined by 9.1% against the prior corresponding half. Previous halves do include some non-recurring project fee revenue.

Trading into the second half has continued to reflect the challenging and extreme conditions with revenue decline. We are active in diversifying our business and positive on the opportunities before us for medium term growth, however these will be insufficient to provide offset in the short term. Under a maintained level of revenue, we expect segment profit in 2012 (in CAD) to reflect a decline to levels nearer those of 2009. The prospect of ongoing cost management by our clients does represent a downside risk.

Unlike our businesses in other regions, our Canadian business is not broadly diversified by segment and product, and therefore correlated to client business outcomes and changes in market size. Together with ongoing investment in our trading solutions, our business priority in Canada is to diversify our revenue sources, which has proven to enhance resilience in other regions. Business segments, such as market data, retail online trading and private wealth management, adjacent to our order management business in Canada, present opportunities for us to position our marketing leading solutions from other regions to deliver client cost savings and operational efficiencies.

SOUTH AFRICA

The current economic climate and the impact on volumes and client business is no less impacting in South Africa. However, focus on technology and infrastructure delivery, large strategic deployments, and medium-term investment decisions within the context of regulatory change, has delivered a sound strategic and robust financial result.

Our investment to extend our high-performance managed environment in Johannesburg mirrors the move of the exchange trading engine from London to Johannesburg that went live in early July. This has been strongly endorsed by our client base, with 80% of Peresys' equities trading clients in South Africa choosing our fully hosted and managed trading solution.

Wealth Management in South Africa has performed well against the backdrop of revenue adjustments experienced in recent periods. Our focus on product delivery and local client support is valued by our client base seeking next generation platforms to access cost savings, efficiency and global best practice.

The South African business experienced positive revenue growth of 4.0% (ZAR) from the previous half, and as a result of delivery and infrastructure investment to capture future opportunities, segment profit declined by 7.8% (ZAR).

Trading in the second half has commenced ahead of average monthly revenue of the first half coinciding with project delivery in July. The impact of volume-based revenue continues to remain volatile in the current environment.

Having smoothly transitioned clients to our high performance trading and IRESS core technology, we expect additional revenue opportunities through a broadened technology platform. Together with large-scale wealth deployments, strong commitment to the local market and scaled support, we expect solid segment profit growth in the future. In the short term investments will offset revenue growth and expect a lower to flat segment profit for the year.

ASIA

The outlook remains positive in the medium term as we engage with opportunities regionally across all participant types. The multi-jurisdictional activity of financial participants in Asia is well suited to a strategic vendor of scale in the region that can respond to pan-Asian systems development and capability such as IRESS. Increasingly, this includes Australian businesses operating in Asia or vice-versa, which we expect not to diminish.

Our immediate focus is to continue to work with financial markets clients implementing solutions in response to the collapse of MF Global late last year and to also offset its financial impact on our financial results this year.

The cost base continues to be managed within our net loss limit of $4.0m per annum covering financial markets and wealth management segments. Our focus has been to ensure strong business development capability across our targeted range of products for Asia. The appropriateness of this level of investment will continue to be assessed against the opportunities presented.

Growth opportunities in the region may also include acquisitions where these make sense.

UNITED KINGDOM

In November 2011, we announced the launch of our Wealth Management division in the United Kingdom on the back of selection of XPLAN by Sesame Bankhall Group (SBG), the largest distributor of retail financial advice in the UK.

Over the course of the first half, we have established a strong UK team, localised software to the UK market, established UK datacentres, and configured XPLAN that positions Sesame with a differentiated UK advice platform ahead of the Retail Distribution Review ("RDR") deadline of 31 December 2012. The pilot and rollout of XPLAN commenced in July, on time and within budget. Sesame will commence minimum fee payments to IRESS from January 2013 as part of the long-term strategic supply agreement.

Our goal is to establish a competitive and comprehensive advice platform to meet the needs of the UK advisory market, and over time to build a business similar to our leading wealth management operations in other markets. Based on the regulatory driven requirement for technology efficiency, product feedback to date, and locally proven delivery capability, we are confident of opportunities before us. We are actively working with prospective clients in addition to SBG, and expect to announce progress shortly.

Commencing this month is our first financial markets executive to support our London based clients trading South Africa and our currently small UK financial markets activities. This operation will look to leverage our established UK infrastructure to slowly develop a fuller UK financial markets business. Excluding long term SBP incentive arrangements, these costs are included in the existing general UK cost base.

The operational funding requirement for our UK business in its establishment phase will be fully expensed and limited to $5.0m per annum, subject to regular review of prevailing opportunities.

For further information please contact:

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		FM A&NZ (A$m)	WM A&NZ (A$m)	**Total A&NZ (A$m)**	FM RSA (Rm)(c)	WM RSA (Rm)(c)	**Total RSA (Rm)(c)**	**Canada (C$m)(c)**	**Asia (A$m)**	**UK (GBP$)**	**Underlying Group**	**Strategic / Non Op Cgs**	**Group Total**
Recurring Operational (a)													
Operating Rev	**H1 2012**	54.549	26.076	80.625	63.981	24.253	88.234	11.756	0.339	0.014	103.111	-	103.111
	H2 2011	54.910	25.451	80.361	62.391	22.442	84.833	12.728	0.638	-	104.175	-	104.175
	H1 2011	54.008	23.672	77.680	51.819	21.880	73.699	11.878	0.583	-	100.354	-	100.354
Segment Profit	**H1 2012**	27.106	11.607	38.713	20.005	7.894	27.899	3.557	(2.113)	(0.807)	42.248	-	42.248
	H2 2011	27.810	10.574	38.384	22.827	7.445	30.272	4.512	(1.685)	(0.078)	44.751	-	44.751
	H1 2011	28.479	9.714	38.193	19.010	5.147	24.157	3.911	(1.089)	-	44.363	-	44.363
Profit before tax (b)	**H1 2012**	26.120	10.949	37.069	18.868	8.016	26.884	3.218	(2.295)	(0.830)	39.934	(7.516)	32.418
	H2 2011	27.308	9.943	37.251	22.438	7.434	29.872	4.202	(1.841)	(0.078)	43.112	(8.966)	34.146
	H1 2011	28.104	9.108	37.212	18.595	4.959	23.554	3.641	(1.206)	-	42.912	(8.861)	34.051
Profit after Tax (b)	**H1 2012**	18.154	7.610	25.764	13.113	5.571	18.684	2.236	(1.594)	(0.577)	**27.757**	(5.224)	22.533
	H2 2011	18.979	6.910	25.889	15.594	5.167	20.761	2.920	(1.279)	(0.054)	**29.963**	(6.231)	23.732
	H1 2011	19.532	6.330	25.862	12.923	3.446	16.369	2.530	(0.838)	-	**29.825**	(6.158)	23.667
SBP & Non-Recurring:													
Share Based Pmts.	**H1 2012**	(3.598)	-	(3.598)	-	-	-	-	-	-	(3.598)	(0.339)	(3.937)
	H2 2011	(3.796)	-	(3.796)	-	-	-	-	-	-	(3.796)	-	(3.796)
	H1 2011	(3.295)	-	(3.295)	-	-	-	-	-	-	(3.295)	-	(3.295)
Total Non-Rec Exp. Before Tax	**H1 2012**	0.376	(0.083)	0.293	0.390	0.029	0.419	0.024	(0.261)	(0.007)	0.053	-	0.053
	H2 2011	0.267	(0.284)	(0.017)	(1.176)	0.058	(1.118)	(0.259)	(0.138)	-	(0.566)	-	(0.566)
	H1 2011	(0.631)	0.082	(0.549)	0.113	0.015	0.128	0.030	0.126	-	(0.389)	-	(0.389)
Sundry. Consolidations	**H1 2012**										(0.081)		(0.081)
	H2 2011												-
	H1 2011												-
Tax on SBP & Non Recurring items	**H1 2012**												1.099
	H2 2011												0.229
	H1 2011												1.761
Reported:													
Profit after tax	**H1 2012**												**19.667**
	H2 2011												**19.598**
	H1 2011												**21.743**

(a) More commentary on operating results, share based payment ("SBP") expenses, non-recurring items and strategic charges are included in the accompanying slide presentation.
(b) The Recurring Operational totals have been calculated before SBP expenses as inter-period comparability is affected by changes in the vesting period of share grants.
(c) Please note figures in this column are reported in the underlying natural currency for this business segment.