

20 February 2013



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

ELECTRONIC LODGEMENT

Dear Sir or Madam

Appendix 4E – IRESS 2012 Full Year Report

Please find attached an Appendix 4E Notice relating to the company's full year financial results for the period ending 31 December 2012.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Peter Ferguson", with a long horizontal flourish extending to the right.

Peter Ferguson
Company Secretary

IRESS Limited
A.B.N. 47 060 313 359

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Appendix 4E

Preliminary final report

Name of entity	ABN reference
IRESS Limited	47 060 313 359

1. Reporting periods

Financial year ended (‘current period’)	Financial year ended (‘previous corresponding period’)
31 December 2012	31 December 2011

2. Results for announcement to the market

\$A'000

Key Information	Current Period	Previous Corresponding Period	% Change Increase/(Decrease)	Amount Increase/(Decrease)
Revenue from ordinary activities	207,476	204,758	1.33%	2,718
Net profit/(loss) for the period attributable to members	39,228	41,341	(5.11%)	(2,113)

Dividends /distributions			Amount per security	Franked amount per security at 30% tax
Final Dividend	Record Date Payable	12 March 2013 28 March 2013	24.5c	22.05c
Interim Dividend	Paid	28 September 2012	13.5c	12.15c

Supplementary Comments of any figures above:

In respect of the financial year ended 31 December 2012, an interim dividend of 13.5 cents per share franked to 90% at 30% corporate tax rate was paid to the holders of fully paid ordinary shares on 28 September 2012.

In respect of the financial year ended 31 December 2012, the Directors recommend a final dividend of 24.5 cents per share franked to 90% at 30% corporate tax rate to be paid to the holders of fully paid ordinary shares on 28 March 2013. The record date to participate in the final dividend is 12 March 2013.

In respect of the financial year ended 31 December 2011, the Directors recommended a final dividend of 24.0 cents per share franked to 83% at 30% corporate tax rate to be paid to the holders of fully paid ordinary shares on 30 March 2012. The record date to participate in the final dividend was 16 March 2012.

For further information, please refer to the Audited Financial Statements for the year ended 31 December 2012.

3. Statement of Comprehensive Income

Please refer to the Audited Financial Statements for the year ended 31 December 2012.

4. Statement of Financial Position

Please refer to the Audited Financial Statements for the year ended 31 December 2012.

5. Statement of Changes in Equity

Please refer to the Audited Financial Statements for the year ended 31 December 2012.

6. Statement of Cash Flows

Please refer to the Audited Financial Statements for the year ended 31 December 2012.

7. Dividends

		Date paid/payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign sourced dividend
Final dividend:	Current year	28 March 2013	24.5c	22.05c	–
	Previous year	30 March 2012	24.0c	19.92c	–
Interim Dividend:	Current year	28 September 2012	13.5c	12.15c	–
	Previous year	30 September 2011	14.0c	12.6c	–

Total dividend (distribution) per security (interim, final plus special)

+ Ordinary securities
Preference + securities

Current year	Previous year
38.00c	38.00c

Total dividend (distribution) paid/payable (interim plus final)

		Current period \$A'000	Previous corresponding period \$A'000
+Ordinary securities (each class separately)	Interim	17,364	17,785
	Final (a)	31,512	30,488
	Special	–	–
		48,876	48,273
Preference + securities (each class separately)	Interim	–	–
	Final	–	–
		–	–
Other equity instruments (each class separately)	Interim	–	–
	Final	–	–
		–	–
Total		48,876	48,273

(a) The current period final dividend amount has been calculated based on the number of shares on issue as at 31 December 2012. The previous corresponding period final dividend amount has been updated to reflect the actual dividend paid.

8. Dividend Reinvestment plans

The dividend or distribution plans shown below are in operation.

NIL

The last date(s) for receipt of election notices for the dividend or distribution plans:

N/A

9. Statement of Retained Earnings

Please refer to note 20 of the Audited Financial Statements for the year ended 31 December 2012.

10. NTA Backing

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security (\$)	65.60c	65.34c

11. Subsidiaries

Please refer to note 31 of the Audited Financial Statements for the year ended 31 December 2012.

12. Associates and Joint Ventures

N/A

13. Other Significant Information

Please refer to the Audited Financial Statements for the year ended 31 December 2012.

14. Foreign Entities

Please refer to note 31 of the Audited Financial Statements for the year ended 31 December 2012.

15. Commentary

15.1 Earnings per security

Please refer to note 6 of the Audited Financial Statements for the year ended 31 December 2012.

15.2 Returns to shareholders including distributions and buy backs

Please refer to the Audited Financial Statements for the year ended 31 December 2012.

Note 22 Dividends

Note 18 Issued capital

15.3 – 15.5 Significant features of operating performance

REVIEW OF GROUP RESULTS

The reported net profit after tax was \$39.2m, a 5.1% decrease on reported profits for the same period last year. Impacting on comparability of results for 2012 and 2011 are:

- Revenue from ordinary activities which increased by \$2.8m or 1.3%.
- Total customer data fees and communication and other technology expenses increased by \$0.9m or 2.8%.
- Employee benefits expense which increased by \$7.2m or 9.4% during the year. This increase arises from a number of factors including
 - The \$1.4m increase in share based payments expense which can be further split as a decline of \$0.3m or 4.2% for general long incentive arrangements for executives and staff, combined with the \$1.7m increase associated with a once-off share right incentive arrangements to facilitate the establishment of the Consolidated Entity's activities in the United Kingdom.
 - A continued increase in total head count during the year to support existing clients and support the growth investment businesses. The FTE headcount for the group increased by 45 staff to a total of 704 at the end of the year. In terms of geographic spread the change was 21, 1, 6, 7 and 10 for Australia, Canada, South Africa, Asia and the United Kingdom respectively. However, a better measure for the actual impact of this increase in headcount had on the total wages bill is to compare the average monthly FTE headcount numbers for 2011 and 2012, which shows an increase of 56 staff.
 - The actual underlying base rate increase (in local currency terms) for staff during the year was 3.7% (when South Africa is excluded), and for Executives there was no increase in fixed annual remuneration.
- Other employee administration expenses which increase by \$0.6m or 20.4%, mainly representing increased travel and accommodation expenditure associated with supporting the increasingly global business.
- Other expenses including general and administrative expenses increased by \$1.1m or 15.4% a primary contributor was foreign currency losses arising on loans to wholly owned subsidiaries which are held by the Company and denominated in the offshore entity's currency, together with an increase in expenses such as insurance and company network costs.
- Facilities expense increased by \$0.3m or 8.0%, which is mainly represented by increased rental area associated with the expanded headcount and establishment of permanent offices in the United Kingdom.
- Bad and Doubtful debts declined by \$0.4m or 42.1% despite an increase in the provision for doubtful debts. The decline arises from the high level of bad debts in 2011 arising from the collapse on MF Global.
- Business acquisition and restructure expenses declined by \$0.7m primarily due to acquisition expenses incurred in 2011 associated with the purchase of Peresys.
- Depreciation and amortisation expense declined by \$3.6m. Splitting this item between normal operating business depreciation and amortisation, and amortisation of assets recognised as part of an acquisition (strategic charges), the movement is an increase of \$1.6m and a decline of \$5.1m respectively. The decline in strategic charges reflects several of these assets became fully written down during the year. The increase in operating depreciation and amortisation expenses primarily represents the investment in network and infrastructure facilities over the past eighteen months.
- net interest income decreased by \$0.6m predominately as a result of lower average cash balance on hand in 2012 and lower average interest rates on cash deposits; and

In addition the number of shares on issue increased by 1.584m to support the employee share plans.

The collective impact of these changes was a decrease in basic EPS from 32.644 cents per share to 30.646 cents per share, a decrease of 6.1%.

Further details on the performance of the Company are set out in the Audited Financial Statements for the year ended 31 December 2012.

15.6 Other factors which have affected or likely to affect the results

Please refer to the Audited Financial Statements for the year ended 31 December 2012.

16. Compliance Statement

This report should be read in conjunction with the attached Audited Financial Statements for the year ended 31 December 2012.



Sign here:

(Company Secretary)

Date: 20 February 2013

Print name:

PETER FERGUSON