iProperty Group
Asia's No.1 Online Property Group

iProperty Group Limited

ABN 99 126 188 538

Appendix 4D
HALF YEAR REPORT

"Results for announcement to the Market."

Information for the year ended 30 June 2014 given to ASX under listing rule 4.2A

Key iProperty Group information

Six months ended	Jun 14 $000	Jun 13 $000	Change
Revenues from ordinary operations	11,006	7,655	44%
Earnings before interest, tax, depreciation & amortisation (EBITDA)	0	(3,226)	
Loss from ordinary activities after tax attributable to members	(8,972)	(3,334)	(169%)
Loss after tax attributable to members	(8,972)	(3,334)	(169%)
	Cents	**Cents**	
Loss per Share (basic & diluted)	(4.94)	(1.84)	(168%)
NTA per Share	5.44	4.20	30%

Dividends

iProperty Group Limited does not propose to pay a dividend for this reporting period.

This report is based on the attached half year financial report which has been subject to a review by the Company's external auditor. The financial statements are not subject to any audit dispute or qualifications

For and on behalf of the Board

Patrick Grove
Chairman
6 August 2014

iProperty Group Limited

ABN 99 126 188 538

Financial Report
for the half year ended 30 June 2014

Contents	**Page**

Directors' report

The Directors of iProperty Group Limited submit their financial report of the iProperty Group Limited and controlled entities (the Group) for the half-year ended 30 June 2014. 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 six month period ended 30 June 2014 are listed below. The Directors were in office for the entire period unless stated otherwise:

Patrick Grove (Chairman)
Lucas Elliott
Georg Chmiel
Roland Tripard
Nick Geddes
John Armstrong (appointed 17 March 2014)

Principal Activities

The principal activities of the iProperty Group during the half year were the development and operation of internet based real estate portals in Asia, together with the provision of associated offline property advertising activities, such as property expositions.

Review and results of operations

Financial Performance

Earnings before interest, tax and amortisation (EBITDA) for the first half were $30,084, a significant improvement over the ($3,225,654) loss from the prior comparable period on the back of strong revenue growth and well managed operating expenses. The statutory loss for the period increased from $3,334,213 to $8,972,151 as the improvement in EBITDA was outweighed by the impairment of the goodwill, intangibles, property, plant and equipment for Singapore and Indonesia, which amounted to $8,806,399.

For first half of 2014, group revenues were up by 44% and amounted to $11,005,571 compared with revenue of $7,655,225 for the prior comparable period. Key contributors to the revenue growth were developer and agent advertising across the key countries, including a higher number of expos and events than last year.

Across the countries for the first half year on same period last year, Malaysia saw a 66% growth in revenues (excluding the impact of events a growth of 35%), Hong Kong saw 47% growth and Indonesia 60% growth. All growth rates are measured in local currencies.

Operating expenses were well managed within the group, only showing a 1% increase for the first half of 2014 over the same period last year. The group is however committed to increase its investments where necessary to accelerate the future growth or extend its strong competitive position.

The goodwill, intangibles, property, plant and equipment associated with the Singapore business amounting to $4,613,101 were fully impaired as the comparable transactions relied upon to support the carrying value of these balances were considered less relevant and these values were not supported by a discounted cash-flow valuation of the business. In Indonesia the need to build on our leadership position requires us to invest more into this business, particularly in respect of marketing and mobile developments costs, which has had an adverse impact on the value of the business. Accordingly goodwill and intangible assets of $4,193,298 have also been fully impaired.

In addition to Malaysia the Hong Kong operations are now profitable, which is a reflection of the strength of its market position. The group also continues its build up of its eCommerce (Transactions) arm in the Buyers Club. For the first four months, 38 sales have been generated and the pipeline of future sales built up. The full impact of the Buyers Club activities is expected in 2015.

Dividends

The Company does not propose to pay a dividend for this reporting period.

Events subsequent to reporting date

On 28 July 2014 REA Group Limited announced that they had purchased a 17.22% interest in iProperty Group Limited from Selgor.com SA for total cash consideration of $106.3m. As this is a transaction between shareholders it will have no financial impact on the Group.

There have not been any other transactions or events of a material and unusual nature between the end of the reporting period and the date of this report likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or state of affairs of the consolidated entity in future years.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Auditor's independence declaration

The auditor's independence declaration is included on page 3 of the half-year financial report.

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

On behalf of the Directors

Patrick Grove
Chairman
Kuala Lumpur
6 August 2014

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's Independence Declaration to the Directors of iProperty Group Limited

In relation to our review of the financial report of iProperty Group Limited for the half-year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

D.R. McGregor
Partner
6 August 2014

Directors' declaration

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and giving a true and fair view of the financial position as at 30 June 2014 and performance of the consolidated entity for the half year ended on that date.

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

Patrick Grove
Chairman
Kuala Lumpur
6 August 2014

Condensed consolidated statement of comprehensive income for the half-year ended 30 June 2014

	Note	Consolidated Half-year ended 30 Jun 2014 $	Consolidated Half-year ended 30 Jun 2013 $
Revenue from services		11,005,571	7,655,225
Administration expenses		(531,878)	(468,510)
Advertising and marketing expenses		(1,518,573)	(2,005,880)
Employment expenses		(6,720,029)	(6,607,792)
Premises and infrastructure expenses		(660,821)	(744,823)
Offline production costs		(1,393,988)	(1,029,141)
Other expenses		(150,198)	(24,733)
Operating expenses		**(10,975,487)**	**(10,880,879)**
Profit/(loss) before interest, tax, depreciation and amortisation (EBITDA)		**30,084**	**(3,225,654)**
Depreciation and amortisation		(317,120)	(196,908)
Impairment of goodwill, intangibles, property, plant and equipment	4	(8,806,399)	-
Loss before interest and tax (EBIT)		**(9,093,435)**	**(3,422,562)**
Interest income		193,285	144,129
Loss before tax (EBT)		**(8,900,150)**	**(3,278,433)**
Income tax expense		(72,001)	(55,780)
Loss for the period		**(8,972,151)**	**(3,334,213)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Revaluation of available for sale investment (iCar)		-	2,500,000
Exchange differences arising on translation of foreign operations		(1,822,931)	448,887
Total comprehensive loss for the period		**(10,795,082)**	**(385,326)**
Loss attributable to:			
Owners of the parent		(8,972,151)	(3,334,213)
Total comprehensive loss attributable to:			
Owners of the parent		(10,795,082)	(385,326)
Earnings per share			
Basic (cents per share)		(4.94)	(1.84)
Diluted (cents per share)		(4.94)	(1.84)

Notes to the condensed consolidated financial statements are included on pages 9 – 13.

Condensed consolidated statement of financial position as at 30 June 2014

	Note	Consolidated 30 Jun 2014 $	Consolidated 31 Dec 2013 $
Current assets			
Cash and cash equivalents	5	13,614,216	14,518,547
Trade and other receivables		2,929,958	2,571,802
Other assets		1,446,275	1,050,757
Total current assets		**17,990,449**	**18,141,106**
Non-current assets			
Property, plant and equipment		299,623	583,157
Intangibles	6	1,054,696	2,242,315
Goodwill	6	9,652,334	18,865,685
Total non-current assets		**11,006,653**	**21,691,157**
Total assets		**28,997,102**	**39,832,263**
Current liabilities			
Trade and other payables	6	3,334,301	3,275,017
Billing in advance		4,200,007	3,747,111
Provisions		790,473	1,039,200
Current tax liabilities		81,093	84,089
Total current liabilities		**8,405,874**	**8,145,417**
Non-current liabilities			
Other payables	6	-	561,798
Total Non-current liabilities		**-**	**561,798**
Total liabilities		**8,405,874**	**8,707,215**
Net assets		**20,591,228**	**31,125,048**
Equity			
Issued capital	8	39,216,506	38,965,896
Reserves		(1,272,728)	539,551
Accumulated losses		(17,352,550)	(8,380,399)
Total equity		**20,591,228**	**31,125,048**

Notes to the condensed consolidated financial statements are included on pages 9 – 13.

Condensed consolidated statement of cash flows for the half-year ended 30 June 2014

	Note	Consolidated Half-year ended 30 Jun 2014 $	30 Jun 2013 $
Cash flows from operating activities			
Receipts from customers		11,278,689	9,084,876
Payments to suppliers		(4,951,252)	(4,270,790)
Payment to employees		(6,671,392)	(6,135,548)
Interest received		234,095	189,426
Income tax paid		(40,354)	(93,197)
Net cash used in operating activities		(150,214)	(1,225,233)
Cash flows from investing activities			
Payments for acquisition of business		(551,403)	(1,730,769)
Purchases of property, plant and equipment		(73,816)	(247,640)
Payments for intangibles		(157,109)	-
Receipt of government grants		28,211	-
Net cash used in investing activities		(754,117)	(1,978,409)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(904,331)	(3,203,642)
Cash and cash equivalents at the beginning of the period		14,518,547	11,224,249
Cash and cash equivalents at the end of the period	5	**13,614,216**	**8,020,607**

Notes to the condensed consolidated financial statements are included on pages 9 – 13.

Condensed consolidated statement of changes in equity for the half-year ended 30 June 2014

	Ordinary share capital $	Foreign currency translation reserve $	Treasury share reserve $	Equity reserve $	Equity-settled employee benefits reserve $	Available for sale reserve $	Accumulated losses $	Total $
Balance at 1 January 2013	38,744,760	(303,012)	(48,000)	(182,514)	94,521	-	(10,086,392)	28,219,363
Profit/(loss) for the period	-	-	-	-	-	-	(3,334,213)	(3,334,213)
Other comprehensive income for the period	-	448,887	-	-	-	2,500,000	-	2,948,887
Total comprehensive income for the period	-	448,887	-	-	-	2,500,000	(3,334,213)	(385,326)
197,799 shares issued	193,586	-	-	-	-	-	-	193,586
Transaction costs relating to shares issued	(1,898)	-	-	-	-	-	-	(1,898)
Balance at 30 June 2013	38,936,448	145,875	(48,000)	(182,514)	94,521	2,500,000	(13,420,605)	28,025,725
Balance at 1 January 2014	38,965,896	706,568	(48,000)	(182,514)	63,497	-	(8,380,399)	31,125,048
Profit/(loss) for the period	-	-	-	-	-	-	(8,972,151)	(8,972,151)
Other comprehensive income for the period	-	(1,822,931)	-	-	-	-	-	(1,822,931)
Total comprehensive income for the period	-	(1,822,931)	-	-	-	-	(8,972,151)	(10,795,082)
304,778 shares issued	255,600	-	-	-	(63,497)	-	-	192,103
Transaction costs relating to shares issued	(4,990)	-	-	-	-	-	-	(4,990)
Recognition of share based expense	-	-	-	-	74,149	-	-	74,149
Balance at 30 June 2014	39,216,506	(1,116,363)	(48,000)	(182,514)	74,149	-	(17,352,550)	20,591,228

Notes to the condensed consolidated financial statements are included on pages 9 – 13.

Notes to the condensed consolidated financial statements

1. General information

The interim condensed consolidated financial statements for the six months ended 30 June 2014 were authorised for issue in accordance with a resolution on the 6 August 2014.

iProperty Group Limited (the Company) is a public company listed on the ASX and incorporated in Australia, The principal activities of the Company and its subsidiaries (the Group) are described within the Directors' report.

2. Significant accounting policies

Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*. All amounts are presented in Australian dollars, unless otherwise noted.

The half year financial report does not include all notes of the type that are 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.

It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 31 December 2013 and considered together with any public announcements made by the iProperty Group Limited during the 6 months ended 30 June 2014 in accordance with the continuous disclosure obligations of the ASX listing rules.

Earnings before interest, income tax expense, depreciation and amortisation (EBITDA) reflects the net profit for the year prior to including the effect of interest, income taxes, depreciation and amortisation. Depreciation and amortisation are calculated in accordance with AASB 116 Property, Plant and Equipment, AASB 138 Intangible Assets and AASB 139 Financial Instruments: Recognition and Measurement respectively.

Management uses EBITDA and earnings before interest and income tax expense (EBIT), in combination with other financial measures, primarily to evaluate the Company's operating performance before financing costs, income tax and non cash capital related expenses. Additionally we believe EBITDA is useful to investors because analysts and other members of the investment community largely view EBITDA as a key measure of operating performance.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2013 annual financial report for the financial year ended 31 December 2013, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. The fair value of all financial assets and liabilities, including trade debtors, trade payables and provisions is equivalent to the carrying values of these balances.

Changes in accounting policy

There have been no changes in accounting policy, although certain comparative amounts have been reclassified to conform with the current period's presentation.

There have been amendments to AASB 136 *Impairment of Assets* in relation to the recoverable amount disclosures for non-financial assets. These amendments require disclosure of the recoverable amounts for the assets or CGUs for an impairment loss has been recognised or reversed during the period. These changes take effect for annual periods beginning on, or after, 1 January 2014. To the extent applicable these changes are reflected in the disclosures in Note 4. Similarly there have been disclosure changes to *AASB124 Related Party Disclosures*, which will be reflected in the financial statements for the year ending 31 December 2014.

The disclosure changes to *AASB 7 Financial Instruments: Disclosures* take effect for the current period and do not impact the Group as there are no netting arrangements impacting on the presentation and disclosure of financial assets and liabilities. Similarly there are changes to *AASB 139 Financial Instruments: Recognition & Measurement* relating to the novation of derivatives and continuation of hedge accounting. These changes apply to the Group from 1 January 2015 but are not expected to have any impact given that no hedging activities are undertaken.

A number of other new accounting standards become applicable with effect from 1 January 2014, however none of these standards had any material impact on the financial statements of the Group. In addition, the Group has not elected to adopt early any new standards or amendments that are issued but not yet effective.

3. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance is more specifically focused on geographical regions. The Group's reportable segments under AASB 8 are therefore as follows:

- Malaysia
- Singapore
- Hong Kong
- Indonesia
- Corporate

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

	Revenue		Segment Profit/(loss)	
	Half-year ended			
	30 Jun 2014 $	30 Jun 2013 $	30 Jun 2014 $	30 Jun 2013 $
Malaysia	7,272,503	4,340,070	3,771,327	1,327,973
Singapore	1,154,939	1,467,991	(570,466)	(973,470)
Hong Kong	1,996,929	1,249,939	115,194	(253,037)
Indonesia	716,196	491,784	(1,174,846)	(1,104,749)
Corporate	(134,996)	105,441	(2,111,125)	(2,222,371)
EBITDA			**30,084**	**(3,225,654)**
Depreciation and amortization			(317,120)	(196,908)
Impairment of goodwill and intangible assets			(8,806,399)	-
Net interest			193,285	144,129
Income tax expense			(72,001)	(55,780)
Consolidated segment revenue and profit/(loss) for the period	**11,005,571**	**7,655,225**	**(8,972,151)**	**(3,334,213)**

All revenue is generated from external customers. The Group does not have a major customer. No single customer contributes 10% or more of the Groups revenue for either period. Cross border transactions are grossed up 100% for both countries involved in each transaction and then a central consolidation adjustment made at a Corporate level, resulting in negative revenue in this segment for the period.

The following is an analysis of the Group's assets by reportable operating segment:	30 Jun 2014 $	31 Dec 2013 $
Malaysia	9,678,372	9,950,036
Singapore	666,640	5,734,678
Hong Kong	6,622,704	6,624,988
Indonesia	715,934	4,108,675
Corporate	11,313,452	13,389,495
Other	-	24,391
Total segment assets	**28,997,102**	**39,832,263**
Total assets	**28,997,102**	**39,832,263**

The segment assets disclosed in the table above include goodwill and other intangible assets. Further details on the amount of goodwill and intangible assets attributable to each segment are set out in Note 6.

4. Impairment

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets is typically based on value in use calculations, with the exception of the Singapore CGU at 31 December 2013 where comparable transactions were used to determine fair value less costs to sell. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2013.

Singapore cash-generating unit

At 30 June 2014 the comparable transactions previously relied upon were considered less relevant. In addition there has been a decline in revenue, even though profitability improved relative to the previous comparable period. Given these indicators of impairment a value in use calculation was performed estimating cash-flows to 30 June 2019 using a range of possible scenarios. The discount rate used was 9.8%, although a scenario using a higher discounted rate was also produced. The scenarios included revenue growth rates ranging between 3.0% - 10.0% and expense growth rates between 2.0% and 5.0%. A number of new developments and product initiatives in the pipeline were not taken into consideration in estimating future cash-flows. As a result of this analysis an impairment charge of $4,613,101 was recognised in the income statement. Of the impairment charge $4,267,167 related to goodwill, $212,166 to intangible assets and $133,768 to fixed assets.

Indonesia cash-generating unit

During the period the strategy and vision for this business was reviewed by the new CEO, who identified the need to increase investment in Indonesia to extend our leadership position in this market. As a result another value in use calculation was performed estimating cash-flows for the business to 30 June 2019 using a range of possible scenarios. A discount rate of 19.6% was used. The scenarios which indicated impairment (including the base case) included revenue growth rates ranging between 10% - 40% and expense growth rates between 10% and 30%. Accordingly goodwill of $3,242,497 and intangibles assets of $950,801 were fully impaired and recorded as impairment of goodwill and intangibles in the statement of profit or loss.

5. Cash and cash equivalents

	Jun 2014	Dec 2013
	$	$
Cash at bank and on hand	4,114,216	4,518,547
Term deposits	9,500,000	10,000,000
	13,614,216	14,518,547

6. Significant balances

	Jun 2014	Dec 2013
Trade and Other payables	**$**	**$**
Current		
Trade payables	1,670,672	1,625,734
Sundry payables and accrued expenses	926,872	985,065
GST Payable	205,238	102,420
Contingent consideration	531,519	561,798
	3,334,301	3,275,017
Non-current		
Accrued acquisition at costs	-	561,798
Goodwill Summary		
Malaysia	4,488,405	5,045,756
Singapore	-	4,456,158
Hong Kong	5,139,538	5,736,851
Indonesia	-	3,602,529
Other	24,391	24,391
	9,652,334	18,865,685
Intangibles Summary		
Malaysia	27,125	27,583
Singapore	-	221,141
Hong Kong	13,411	14,510
Indonesia	-	974,681
Other	1,014,160	1,004,400
	1,054,696	2,242,315

7. Dividends

No dividends have been paid, declared or recommended for payment.

8. Contributed equity

	2014 Shares	2013 Shares	**2014 $**	2013 $
Reconciliation of contributed equity for the half year				
Opening balance 1 January	181,398,426	181,005,190	38,965,896	38,744,760
Share issue	304,778	197,799	255,600	193,586
Transaction costs relating to shares issued	-	-	(4,990)	(1,898)
Closing balance 30 June	181,703,204	181,202,989	39,216,506	38,936,448

During the half year reporting period, the Company issued 304,778 ordinary shares to the Directors and employees as share based payments with value of $255,600. In the prior corresponding half year reporting period, the Company also issued 197,799 to Directors as share based payments with a value of $193,586.

9. Business Combinations

Acquisition of Smart Expo

On 31 January 2013 the Group entered into an agreement to acquire Smart Expo, an established operator of property expositions focused on the property developer advertising market. The purchase consideration was approximately USD3.0 million (AUD equivalent $2.9 million), with an upfront payment of AUD 1.7 million and the balance of the consideration payable over two years based on the achievement of agreed revenue and EBITDA targets. The Company was acquired with the objective of expanding the Group's property expo business and providing a platform for further expansion into the mainland China market.

Goodwill is attributable to revenue growth and ability to expand the expo footprint. The valuation of goodwill was completed in December 2013. The revaluation of goodwill for changes in foreign exchanges rates increased the goodwill from $2,878,415 at acquisition date to $3,199,222 at 30 June 2014. Similarly deferred consideration was revalued from $480,767 to $531,519. During the period, $551,403 of deferred contingent consideration was paid.

10. Contingent claims and liabilities

Various claims arise in the ordinary course of business against iProperty Group Limited and its subsidiaries. The amount of the liability (if any) at 30 June 2014 cannot be ascertained and the Directors believe that any resulting liability would not materially affect the financial position of the Group.

11. Subsequent events

On 28 July 2014 REA Group Limited announced that they had purchased a 17.22% interest in iProperty Group Limited from Selgor.com SA for total cash consideration of $106.3m. As this is a transaction between shareholders it will have no financial impact on the Group.

There have not been any other transactions or events of a material and unusual naturel between the end of the reporting period and the date of this report likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future periods.

Building a better working world

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of iProperty Group Limited, which comprises the condensed statement of financial position as at 30 June 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The directors are also responsible for such internal controls that the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* . As the auditor of iProperty Group Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of iProperty Group Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

David McGregor

D.R. McGregor
Partner
Melbourne
6 August 2014

Corporate Directory

iProperty Group Limited
ABN 99 126 188 538
ASX Listing Code: IPP

Website:
www.iproperty-group.com

Directors:

Patrick Grove (Chairman)
Lucas Elliott
Georg Chmiel
Roland Tripard
Nick Geddes
John Armstrong

Chief Executive Officer and Managing Director
Georg Chmiel
Email: ceo@iproperty.com

Chief Financial Officer
Rob Goss
Email: robert.goss@iproperty.com

Company Secretary
Nick Geddes
Email: ngeddes@austcosec.com.au

Share Registry:
Boardroom Pty Ltd
Level 7
207 Kent Street
Sydney NSW 2000
Australia
www.boardroomlimited.com.au

Auditors
Ernst & Young
8 Exhibition Street
MELBOURNE VIC 3000

Registered office:
Level 3
70 Pitt Street
Sydney NSW 2000
Australia
Tel: +612 9239 0277
Fax: +612 9233 4497

Head office:
45-6 The Boulevard
Mid Valley City 59200
Kuala Lumpur, Malaysia
Tel: +603 2264 6888
Fax: +603 2264 6999