



IRONBARK CAPITAL

ABN 89 008 108 227

IRONBARK CAPITAL LIMITED
APPENDIX 4D

FOR THE HALF-YEAR
ENDED 31 DECEMBER 2014

RESULTS FOR ANNOUNCEMENT TO THE MARKET HALF-YEAR ENDED 31 DECEMBER 2014

The previous corresponding period is the half-year ended 31 December 2013. The Half-Year Financial Report has been subject to review by the Company's auditors.

Revenue and Earnings

	2014 \$'000	2013 \$'000		% Change
Investment revenue from ordinary activities	705	6,557	Down	-89.2%
Net profit before tax attributable to members	128	6,039	Down	-97.9%
Net profit after tax attributable to members	681	4,720	Down	-85.6%

Net Tangible Asset Backing per share (NTA)

	31-Dec-14	31-Dec-13
NTA before provision for tax on unrealised gains	\$ 0.552	\$ 0.574
NTA after provision for tax on unrealised gains	\$ 0.556	\$ 0.571

Dividends

The following dividends were paid during the current and 2014 year:

	Record Date	Dividend Rate	Total Amount \$'000	Date of Payment	% Franked
2015					
Ordinary shares – Interim	17/12/2014	2.0cps	\$3,424	30/12/2014	100
2014					
Ordinary shares - Final	13/06/2014	1.0cps	\$1,557	27/06/2014	100
Ordinary shares – Interim	17/12/2013	1.25cps	\$1,946	27/12/2013	100

In addition, an interim dividend for the 2014/15 year of 1.0 cents per share fully franked has been declared with a record date of 20 March 2015 and a payment date of 9 April 2015. This is a departure from our previously announced policy to pay dividends at the end of December and June because there will be no further dividends paid prior to finalisation of the buy-back price around close of financial year. The Directors advise, consistent with the previously announced IBC dividend policy, the 1 cent dividend to be paid on 9 April 2015 will be the final dividend payment in the current financial year.

The Dividend Reinvestment Plan remains suspended.

I will provide a brief comment on investment performance and an update on the off market share tender previously advised to shareholders:

Investment Performance

The investment manager's report by Kaplan Funds Management (KFM) which follows, sets out in detail the investment experience in the latest half year. As previously advised IBC Directors have agreed with KFM that the performance benchmark for the IBC investment portfolio should be reset at the 1 year swap rate plus 6% per annum. This benchmark better aligns the investment performance target of 1% per month with the high yield, low volatility focus of the portfolio. For the latest half year the portfolio return was 1.31% (inclusive of franking credits). The portfolio underperformed the new benchmark return of 4.35%. This underperformance was due primarily to a significant increase in the supply of hybrid securities to the market which had an adverse impact on the pricing of the securities held in the IBC portfolio. It is anticipated this negative impact will be temporary as the supply/demand balance is better aligned in the current half year. Underlying yield of the portfolio remains sound at 6.9% inclusive of franking credits.

Off-Market IBC Share Tender

On 21 July 2011 the shareholders of IBC (Shareholders) approved an amendment to the IBC Constitution which requires IBC to undertake a buyback of shares of the company through an off-market tender process in which Shareholders may, but are not obliged to, participate for cash of an amount per share equal to the "Realisation Price" (Tender Offer). Realisation Price will be determined after completion of a Tender Offer, to be equal to the net tangible asset backing per share of IBC after deduction of transaction costs associated with the transaction offer. Whilst the timetable has yet to be finalised it is anticipated the Shareholders meeting to approve the tender offer motion will be put to shareholders prior to 30 April 2015. As previously advised KFM and the Directors intend to vote all their shares to support the motion, however they reserve their position as to whether they will participate in the Tender Offer for some or all their holding. Subject to shareholder approval, the tender process and payments to exiting Shareholders should be finalised around the end of the current financial year. Once the timetable is finalised Shareholders will be immediately advised.

The Directors expect that a similar Tender Offer process will be repeated every three years to give Shareholders certainty to obtain the full value of their shares at regular intervals. The Directors anticipate sufficient Shareholders will retain their holdings to allow IBC to continue to offer its very attractive investment strategy through a listed investment company (LIC) on the ASX.

Michael J Cole
Chairman

Half Year Performance

The manager's focus is to deliver consistent returns and a high fully franked dividend yield from the portfolio.

Over the six month period to 31 December 2014, the portfolio recorded a return of 1.31% (inclusive of franking credits). The portfolio underperformed the new benchmark (1 year swap rate plus 6%) return of 4.35%, introduced on 1 July 2014.

Over twelve months a return of 4.86% was achieved with low volatility of 4.7%. By comparison the ASX 300 Accumulation Index gained 5.3% with 11.3% volatility over the same period.

Ironbark's low volatility portfolio and income emphasis has delivered outperformance over 5 and 7 years with a healthy running yield, currently 6.9% inclusive of franking credits.

Over the past six months the equity market gained 2.37% with a sharp contrast between resources (down 15%) and Industrials (up 7%). Resources were negatively impacted by substantial drop in the iron ore price and oil price of -49% and -26% respectively. Bank sector returns were dampened by higher capital requirements recommended in the financial system enquiry report to make banks safer. Industrials, led by Telstra, benefited from lower bond yields and the prospect for an official rate cut that was supported by a further deterioration in the terms of trade and weak income growth.

Slower global growth and deflationary forces have provided reason for the extension of monetary stimulus (US) or new and additional monetary stimulus (Europe, Japan). Financial asset markets responded positively, however, the developing currency wars and the battle against deflation are adding to volatility. Against this backdrop, Australia's economy remains challenged in its transition away from mining to non-mining growth.

Commensurate with the manager's cautious outlook the portfolio maintains a defensive stance and income emphasis with the use of covered call option writing to control risk and to generate premium income.

Performance to 31 December 2014

	Inception (12yrs) % pa	7Yr % pa	5 Yr % pa	3 Yr % pa	2 Yr % pa	1 Yr %	6 mths %
Ironbark Capital Ltd	8.63	4.66	7.88	8.42	6.97	4.86	1.31⁽²⁾
<i>Benchmark ⁽¹⁾</i>	<u>9.57</u>	<u>2.02</u>	<u>6.48</u>	<u>14.70</u>	<u>12.26</u>	<u>5.30</u>	<u>4.35</u>
Relative Performance	-0.94	2.64	1.40	-6.28	-5.29	-0.44	-3.04
Volatility IBC	6.7	7.8	5.2	4.3	4.2	4.7	
Volatility ASX	13.2	15.3	12.2	11.0	11.5	11.3	

(1) Benchmark is ASX300 Accumulation Index up to 30 June 2014. Benchmark is 1 year swap rate plus 6% from 1st July 2014.

(2) Performance inclusive of franking credits for the 6 month period only.

Portfolio commentary for the 6 months to 31st December 2014

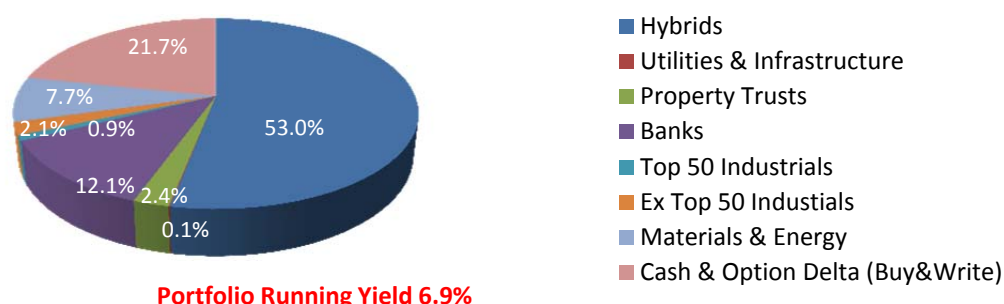
The portfolio is structured with around 90% of the portfolio held in high yielding securities (Telstra, banks, property trusts, utilities, hybrids) and the balance of 10% in resources and mid-cap companies. Covered call option selling (buy & write) in resources, banks and Telstra reduced the total portfolio market exposure by 22% to 78%.

The buy & write strategy involves buying selective shares and selling, subject to appropriate timing, call options over those shares. This strategy gives away some of the upside potential from a shareholding but generates option premium income consistent with the income emphasis of the portfolio.

The portfolio is well diversified with investments in 36 different entities. Higher risk exposures in: banks, industrials and resources are largely held through buy & write option positions for income enhancement or added protection. The portfolio holds floating rate hybrid securities.

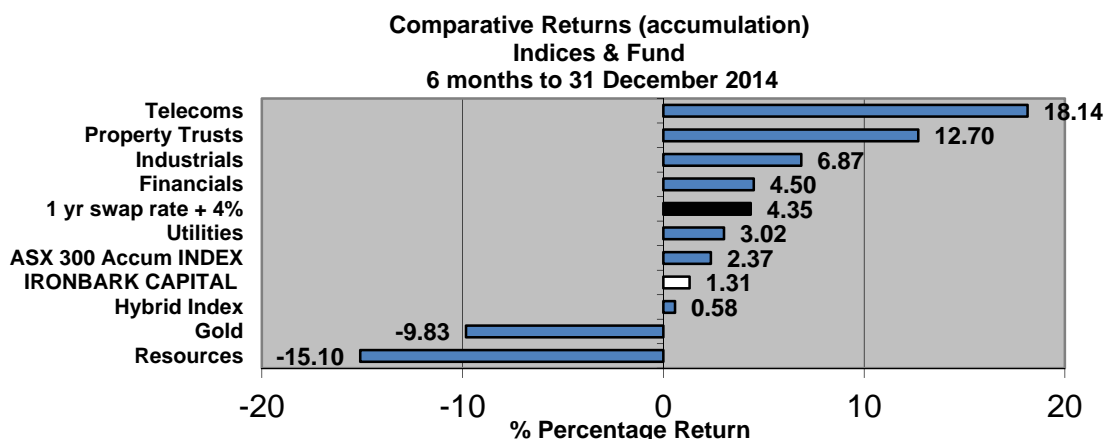
Over the period the manager sought to de-risk the portfolio. Profits were taken mainly in property trusts and utilities and reinvested into hybrids, which are currently delivering a running yield of 6.4%. Buy & write holdings were maintained in the banks, Telstra, BHP but exited in WPL from early exercise in August.

IRONBARK CAPITAL – Asset Allocation- 31 December 14



Performance

The main contribution to performance came from the hybrid market that represented around 50% of portfolio holdings with a return of 0.6% and a positive contribution from buy & writes, comprising around 40% of the portfolio. Hybrid performance was temporarily dampened by \$2.1 billion of net new issuance. Buy & Write gains from banks and Telstra were partly offset by losses in BHP. Property trusts and utilities performed well but represented a small portion of the portfolio. Written option delta increased over the period from 20% to 22% placing the portfolio in a more defensive position at the end of December.



Portfolio Shareholdings at 31 December 2014

ASX Code	Security	Market Value* \$'000	% of portfolio	% exposure**
Banks				
ANZ	ANZ Banking Group Limited	3,992	4.2	2.8
CBA	Commonwealth Bank of Australia Limited	6,349	6.7	1.6
NAB	National Australia Bank Limited	3,105	3.3	2.1
WBC	Westpac Banking Corporation Limited	7,372	7.8	5.5
		20,818	22.0	12.0
Hybrids				
AGLHA	AGL Energy Limited - Subordinated Notes	1,041	1.1	1.1
AGQHA	APA Group - Subordinated Notes	1,055	1.1	1.1
ANZPA/PC/PE	ANZ Banking Group Limited - Convertible Preference Securities	6,691	7.0	7.0
BENPD/PE	Bendigo Bank - Convertible Preference Securities	1,524	1.6	1.6
BOQPD	Bank of Queensland - Convertible Preference Securities	1,250	1.3	1.3
CBAPA/PD/PCAPA	Commonwealth Bank Perls V & Perls VII & Perls III	9,379	9.9	9.9
CGFPA	Challenger Limited - Convertible Preference Securities	792	0.8	0.8
CTXHA	Caltex Australia Limited - Subordinated Notes	2,105	2.2	2.2
CWNHA	Crown Limited- Subordinated Notes	1,058	1.1	1.1
IAGPC	Insurance Australia Group - Convertible Preference Securities	4,296	4.5	4.5
IANG	IAG Finance (NZ) - Perpetual Reset Exchangeable Notes	2,600	2.7	2.7
NABPA	National Australia Bank Limited - Convertible Preference Securities	2,678	2.8	2.8
ORGHA	Origin Energy- Subordinated Notes	4,112	4.3	4.3
RHCPA	Ramsay Healthcare Limited - Convertible Preference Securities	2,065	2.2	2.2
SUNPC/PE	Suncorp Group Limited - Convertible Preference Securities	4,443	4.7	4.7
SVWPA	Seven Group Holdings Limited - Convertible Preference Securities	2,832	3.0	3.0
WBCPC/PD/PE/WCTPA	Westpac - Convertible Preference Securities	2,495	2.6	2.6
		50,416	52.9	52.9
Large Industrial (Top 50)				
SUN	Suncorp Group Limited	425	0.4	0.2
MPL	Medibank Private Limited	199	0.2	0.2
TLS	Telstra Corporation Limited	10,798	11.4	0.7
		11,422	12.0	1.1
Materials & Energy				
BHP	BHP Billiton Limited	7,270	7.7	7.4
PGH	Pact Group Holdings Limited	148	0.2	0.2
	Other	121	0.1	0.1
		7,539	8.0	7.7

*Includes market value of options written against holdings

**Includes option delta written against holdings

Ironbark Capital Limited
ABN 89 008 108 227
Portfolio Shareholdings
As at 31 December 2014

Portfolio Shareholdings at 31 December 2014 (continued)

ASX Code	Security	Market Value* \$'000	% of portfolio	% exposure**
Property Trusts				
ANI	Australian Industrial Real Estate Investment Trust	639	0.7	0.7
CMW	Cromwell Property Group	357	0.4	0.4
FLK	Folkestone Limited	131	0.1	0.1
GMF	GPT Metro Office Fund	837	0.9	0.9
SCP	Shopping Centres Australasia Property Group	174	0.2	0.2
TIX	360 Capital Industrial Fund	125	0.1	0.1
WFD	Westfield Corporation	45	0.0	0.0
		2,308	2.4	2.4
Small Industrial (ex Top 50)				
EHE	Estia Health Limited	379	0.4	0.4
IQE	Intueri Education Group	457	0.5	0.5
JHC	Japara Healthcare Limited	258	0.3	0.3
REG	Regis Healthcare Limited	61	0.1	0.1
SDF	Steadfast Group Limited	605	0.6	0.6
TPI	Transpacific Industries Group Limited	64	0.1	0.1
		1,824	2.0	2.0
Utilities & Infrastructure				
SKI	Spark Infrastructure Group	74	0.1	0.1
		74	0.1	0.1
Cash				
		579	0.6	21.8
Total				
		94,980	100.0	100.0

*Includes market value of options written against holdings

**Includes option delta written against holdings

Ironbark Capital Limited
ABN 89 008 108 227

Interim Report
For the half-year ended 31 December 2014

Interim Report
For the half-year ended 31 December 2014

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The information contained in this report is to be read in conjunction with Ironbark Capital Limited's 2014 annual report and any announcements to the Market by Ironbark Capital Limited during the half year period ending 2014.

Directors	Michael J Cole, Chairman Ross J Finley Ian J Hunter
Company Secretary	Jill E Brewster
Principal Registered Office	Level 22 44 Market Street Sydney NSW 2000 Telephone: (02) 8917 0399
Share Registrar	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Shareholder enquiries telephone: (02) 9290 9600
Investment Manager	Kaplan Funds Management Pty Limited Level 22 44 Market Street Sydney NSW 2000 Telephone: (02) 8917 0300
Accounting & Administration	Kaplan Funds Management Pty Ltd Level 22, 44 Market Street Sydney NSW 2000 Telephone: (02) 8917 0399 Fax: (02) 8917 0355
Auditors	MNSA Pty Ltd Level 1 283 George Street Sydney NSW 2000
Website	www.ironbarkcapital.com
Company Secretarial & all other enquiries	Telephone: (02) 8917 0399 Email: enquiries@ironbarkcapital.com
Stock Exchange	Australian Securities Exchange ASX code: IBC

Directors' Report

Your Directors present their report on the Company for the half-year ended 31 December 2014.

Directors

The following persons were Directors of Ironbark Capital Limited during the period and up to the date of this report:

Michael J Cole, Chairman
Ross J Finley
Ian J Hunter

Review of Operations

The profit from ordinary activities after income tax for the half-year to 31 December 2014 amounted to \$681,000 (2013: \$4,720,000)

On 22 August 2014, the Company invited its eligible shareholders to subscribe to a non-renounceable entitlement offer of 1 share for every 10 fully paid ordinary shares held at an issue price of \$0.50 per share. 15,499,988 ordinary shares were issued on 29 September 2014 and participated in the dividend paid on 30 December 2014. The issue was fully subscribed.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

This report is signed in accordance with a resolution of the Directors.



Michael J Cole
Director

Sydney
23 February 2014



IRONBARK CAPITAL LIMITED
ABN 89 008 108 227

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE
CORPORATIONS ACT 2001
TO THE DIRECTORS OF IRONBARK CAPITAL LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2014 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

MNSA Pty Ltd

MNSA Pty Ltd

Mark Schiliro
Director

Sydney
Dated this 23rd day of February 2015

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Profit or Loss and Other
Comprehensive Income
For the half-year ended 31 December 2014

		Half-year ended	
		31 December	31 December
		2014	2013
Notes		\$'000	\$'000
Investment income from trading portfolio			
	4	2,401	2,367
		(1,696)	4,190
Total investment income from trading portfolio		705	6,557
Expenses			
Management fees		(317)	(300)
Brokerage expense		(61)	(37)
Accounting fees		(27)	(29)
Share registry fees		(22)	(19)
Custody fees		(16)	(18)
Tax fees		(5)	(4)
Directors' liability insurance		(11)	(11)
Legal fees		-	(1)
Directors' fees		(33)	(33)
ASX fees		(27)	(25)
Audit fees		(13)	(13)
Option fees		(13)	(14)
Other expenses		(32)	(14)
Total expenses		(577)	(518)
Profit before income tax		128	6,039
Income tax benefit/(expense)		553	(1,319)
Net profit for the period		681	4,720
Other comprehensive income/(loss) for the period net of tax		-	-
Total comprehensive income for the period		681	4,720
		Cents	Cents
Basic and diluted earnings per share	7	0.42	3.03

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Financial Position
As at 31 December 2014

		31 December 2014 \$'000	30 June 2014 \$'000
	Notes		
ASSETS			
Current assets			
Cash and cash equivalents		579	977
Trade and other receivables		150	3,792
Trading portfolio		94,401	86,820
Current tax assets		-	-
Other assets		35	4
Total current assets		95,165	91,593
Non- current assets			
Deferred tax assets		646	27
Total non-current assets		646	27
Total assets		95,811	91,620
LIABILITIES			
Current liabilities			
Trade and other payables		108	336
Current tax liabilities		285	70
Provision for dividend		-	3,114
Total current liabilities		393	3,520
Non-current liabilities			
Deferred tax liabilities		7	754
Total non-current liabilities		7	754
Total liabilities		400	4,274
Net assets		95,411	87,346
Equity			
Issued capital	8	94,595	86,901
Profit reserve		748	1,058
2015 Profit reserve		681	-
Accumulated losses		(613)	(613)
Total equity		95,411	87,346

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Changes in Equity
For the half-year ended 31 December 2014

	Notes	Issued capital \$'000	Profit reserve \$'000	2015 Profit reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2013		86,901	-	-	(613)	86,288
Profit for the period		-	-	-	4,720	4,720
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	6	-	-	-	(1,946) [■]	(1,946)
Balance at 31 December 2013		86,901	-	-	2,161	89,062
Balance at 1 July 2014		86,901	1,058	-	(613)	87,346
Profit for the period		-	-	-	681	681
Transfer to profit reserve		-	-	681	(681)	-
Total comprehensive income for the year		-	-	681	-	681
Transactions with owners in their capacity as owners:						
Dividends recognised	6	-	(310)	-	-	(310)
Contributions of equity from rights issue, net of transaction costs		7,694	-	-	-	7,694
Balance at 31 December 2014		94,595	748	681	(613)	95,411

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Cash Flows
For the half-year ended 31 December 2014

		Half-year ended	
		31 December	31 December
		2014	2013
	Notes	\$'000	\$'000
Cash flows from operating activities			
Interest received		353	388
Proceeds from sale of trading portfolio		29,480	27,890
Purchase of trading portfolio		(35,730)	(26,030)
Dividends & trust distributions received		2,398	2,253
Other income received		35	2
Management fees paid		(313)	(296)
Other expenses paid		(292)	(244)
Income tax paid		(575)	(255)
Net cash (outflow)/inflow from operating activities		(4,644)	3,708
Cash flows from financing activities			
Dividends paid to shareholders	6	(3,424)	(1,946)
Proceeds from rights issue		7,750	-
Transaction costs paid for rights issue		(80)	-
Net cash inflow/(outflow) from financing activities		4,246	(1,946)
Net increase/(decrease) in cash and cash equivalents		(398)	1,762
Cash and cash equivalents at beginning of period		977	123
Cash and cash equivalents at the end of period		579	1,885

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity Ironbark Capital Limited.

(a) Basis of preparation of half-year report

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Ironbark Capital Limited. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2014, together with any public announcements made during the following half-year.

(b) Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

(c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2014 reporting period and have not yet been applied in the Financial Statements. The Company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments, (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities, including hedge accounting. The standard is not applicable until 1 January 2018 but is available for early adoption. AASB 9 permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. The Directors do not expect there will be any impact on the accounting for the Company's financial assets or liabilities.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. Restatement of comparative amounts for the prior period

The Statement of Changes in Equity in the Annual Report for the year ended 30 June 2014 showed dividends paid of \$3.503m from accumulated losses and dividends declared of \$3.114m from profit reserve.

All dividends paid or declared in the year ended 30 June 2014 were declared from 2014 current year profits. The balance of the 2014 year profits after the declaration of dividends for the year was transferred to a new profit reserve.

The balances as at 1 July 2014 in the Statement of Changes in Equity have now been restated accordingly as set out below.

Ironbark Capital Limited
ABN 89 008 108 227
Notes to the Financial Statements
For the half-year ended 31 December 2014

	Issued capital \$'000	Profit reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2013	86,901		(613)	86,288
Profit for the year	-	-	7,675	7,675
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	7,675	7,675
Transactions with owners in their capacity as owners:				
Dividends provided	-	-	(3,114)	(3,114)
Dividends paid	-	-	(3,503)	(3,503)
Transfer to profit reserve	-	1,058	(1,058)	-
	-	1,058	(7,675)	(6,617)
Balance at 30 June 2014	86,901	1,058	(613)	87,346

3. Segment information

The Company has only one reportable segment. The Company operates predominantly in Australia and in one industry being the securities industry, deriving revenue from dividend income, interest income and from the sale of its trading portfolio.

4. Revenue

	Half-year ended 31 December 2014 \$'000	31 December 2013 \$'000
Dividends	1,950	1,758
Interest	357	385
Distributions	58	222
Other income	36	2
	2,401	2,367

5. Fair value measurements

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss

(a) Fair value hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) *Recognised fair value measurements*

The following table presents the Company's financial assets and liabilities measured and recognised at fair value according to the fair value hierarchy at 31 December 2014:

31 December 2014

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Trading portfolio	94,401	-	-	94,401
Total	94,401	-	-	94,401

30 June 2014

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Trading portfolio	86,820	-	-	86,820
Total	86,820	-	-	86,820

There were no transfers between levels for recurring fair value measurements during the period. The Company's policy is to recognise transfers into and out of fair value hierarchy as at the end of the reporting period.

6. Dividends

(a) **Ordinary Shares**

	Half-year ended	
	31 December 2014	31 December 2013
	\$'000	\$'000
Dividends recognised during the half-year and paid 30 December 2014	310	1,946
	310	1,946

The \$0.310m dividend was declared when the new shares were issued in September 2014. In June 2014 of the prior half year, the Directors declared a 2 cent dividend of \$3.114m payable 30 December 2014.

(b) **Dividend rate**

Dividends provided for or paid and fully franked at 30% tax rate

	Record Date	Dividend Rate	Total Amount \$'000	Date of Payment	% Franked
2015					
Ordinary shares – Interim	17/12/2014	2.0cps	\$3,424	30/12/2014	100
2014					
Ordinary shares - Final	13/06/2014	1.0cps	\$1,557	27/06/2014	100
Ordinary shares – Interim	17/12/2013	1.25cps	\$1,946	27/12/2013	100

(c) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since period end the Directors have recommended an interim dividend of 1 cent per share franked to 100% and payable to the holders of fully paid ordinary shares on 9 April 2015.

7. Earnings per share

(a) Basic and diluted earnings per share

	Half-year ended	
	31 December 2014	31 December 2013
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the company	0.42	3.03

(b) Weighted average number of shares used as denominator

	Half-year ended	
	30 December 2014	31 December 2013
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	163,549,711	155,715,478

8. Issued capital

(a) Issued capital

	31 December 2014	30 June 2014	31 December 2014	30 June 2014
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	171,215,466	155,715,478	94,595	86,901

(b) Movements in ordinary share capital

	Number of shares	\$'000
Balance at 1 July 2014	155,715,478	86,901
Rights entitlement offer	15,499,988	7,750
Less: transaction costs (net of tax)	-	(56)
Balance at 31 December 2014	171,215,466	94,595

(c) Non-renounceable Entitlement Offer

On 22 August 2014, the Company invited its eligible shareholders to subscribe to a non-renounceable offer of 1 share for every 10 fully paid ordinary shares held at an issue price of \$0.50 per share. 15,499,988 ordinary shares were issued on 29 September 2014 and participated in the dividend paid on 30 December 2014. The issue was fully subscribed.

9. Contingencies

The Investment Management Agreement entered into by the Company with Kaplan Funds Management Pty Ltd may be terminated by either party giving to the other no less than one-year written notice of its intention to do so.

The Company had no other contingent liabilities at 31 December 2014 (2013: nil).

10. Events occurring after the reporting period

Other than the interim dividend of 1 cent declared subsequent to the period end, no matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

In the Directors' opinion:

- (a) the Interim Financial Statements and notes set out on pages 4 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*, and
 - (ii) giving a true and fair view of the entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Michael J Cole
Director

Sydney
23 February 2015



IRONBARK CAPITAL LIMITED
ABN 89 008 108 227

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
IRONBARK CAPITAL LIMITED
ABN 89 008 108 227

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Ironbark Capital Limited, which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and 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.

Directors' Responsibility for the Half-year Financial Report

The directors of Ironbark Capital Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 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 Ironbark Capital Limited, 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 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.

While we consider the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.



Matters Relating to Electronic Publication of the Audited Financial Report

This review report relates to the financial report of Ironbark Capital Limited for the half-year ended 31 December 2014 included on the website of Ironbark Capital Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of the financial report are concerned with the inherent risk arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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 Ironbark Capital Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of Ironbark Capital Limited's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

MNSA Pty Ltd

MNSA Pty Ltd

Mark Schiliro
Director

Sydney
Dated this 23rd day of February 2015