iProperty Group

Asia's No.1 Online Property Group

2011 ANNUAL REPORT

Annual report for the financial year ended 31 December 2011

iProperty Group Limited
(formerly IPGA Limited)
ABN 99 126 188 538

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2011 Financial Report

This 2011 Financial Report is a summary of our activities and financial position.

Reference in this Report to a "year" is to the financial period ended 31 December 2011 unless otherwise stated. All figures are expressed in Australian current unless otherwise stated.

Revenues and expenses are recognised net of the amount of Goods and Services Tax.

Key Highlights

Key highlights for the iProperty Group Limited for 2011 include:

- Full year revenue from continuing operations of $11.97 million
- Revenue growth of 65% year on year from operations
- Revenue growth of 30% in the second half of the year over the first half
- Full year loss of 2.01 million (2010 2.54 million)
- Increased the number of paying agent customers by 72% to nearly 19,000
- Total monthly Unique Visitors to iProperty Group websites increased by 103% to 2.97 million

Malaysia:

- iProperty Malaysia extends its leadership position and reaches profitability with revenue growth of 98% and an operating profit of MYR 8.89 million (AUD 2.82 million)
- Increase in paying agents by 49% to nearly 8,000
- Growth in total site visitors of 41%

Singapore:

- iProperty Singapore continues to be the equal market leader with 46% revenue growth in 2011
- Increase in paying agents to over 5,600
- Growth in total site visitation of 43% and page impressions of 71% during the year

Hong Kong

- Gohome.com.hk is the market leading Chinese language website with 35% revenue growth in 2011
- Increase in paying agents to 900
- Growth in total site visitors of 130% during the year

Acquisitions

- Completed the acquisition of the number 1 and 3 ranked portals in Indonesia Rumah123.com and Rumahdanproperti.com

Message from the Chairman

Dear Fellow Shareholder,

On behalf of the Board of Directors, I am pleased to present to you the 2011 Annual Report of the iProperty Group Limited.

The 2011 financial year was one of strong growth for the iProperty Group with revenues increasing by 65% to $12 million. This growth was a result of the continued focus on and strong execution in our core markets of Malaysia, Hong Kong and Singapore.

What was particularly pleasing was the near doubling of the revenues from our Malaysian operations, which are now profitable delivering a 38% contribution margin before allocation of group costs. Meanwhile revenues from our Hong Kong and Singaporean operations increased by 35% and 46% respectively.

Over the course of the year, we also increased the number of paying advertisers by 72% to nearly 19,000 and doubled the number of people visiting the iProperty Group network of sites to 3m each month.

During 2011 we expanded our operations into Indonesia with the acquisition of the rumah123.com and rumahdanproperti.com – the number 1 and number 3 property portals.

The result of this is that we now have market leading positions in Malaysia, Hong Kong and Indonesia and an equal leadership position in Singapore.

We are looking forward to the continued strong growth of the business in 2012. Our focus will be on operational excellence in our core markets while strengthening our leadership team. We will also look for M&A opportunities that strengthen our position in our core markets or allow us to expand into other S.E. Asian countries.

In June 2011 we further strengthened the Board with the appointment of Roland Tripard, the CEO of Seloger.com the number 1 French Property Portal site. Roland brings extensive industry relevant experience to the Board and we are excited to have him as part of the team.

On behalf of the Board I would like to thank the staff at iProperty. Without their dedicated and professional efforts, the business would not have been able to deliver the great results in 2011.

Simon Baker
Chairman

CEO's Review of Operations

Group Overview

2011 was a year of strong growth for the iProperty Group in which we achieved record results across all parts of the business as we consolidated our position in the region and continued to build a platform for future growth.

Our strategic direction in 2011 was firmly focused on executing a clear plan in each of our core markets of Malaysia, Hong Kong and Singapore while continuing to hold our investments in India and The Philippines. During the year we also entered the Indonesia market with the acquisition of the market leading portal 'rumah123.com' and the number 3 ranked portal 'runahdanproperti.com'. These acquisitions delivered the Group clear market leadership in Indonesia. In addition the Group launched Asia's first regional commercial property portal; 'commercialasia.com'.

The result of this clear strategic focus has been a significant increase in the number of agents and developers advertising on our sites, substantially more listings, strong growth in consumers visiting our sites to search for property, and, most importantly, a dramatic increase in the number of leads generated for our agent and developer advertisers.

In support of our strategic direction we made significant investments in the development of our people and in our ability to deliver innovative products and services to the thousands of customers who advertise across our network and the millions of consumers who use our network to search for property.

We continue to make significant investment in the business with a focus on improving our sales execution skills and capabilities, increasing the volume and quality of marketing to both our agent customers and consumers and building the capability of our Senior Management team making several key appointments through the year.

These included:

- Catherine So ; formerly of Tom Group and Star TV (News Corp), joined as our Country Manager for Hong Kong

- Sian Frisina; formerly of AECOM and Virgin Blue

Our commitment to innovation was marked by our focus on becoming a 'mobile first' company and improving the User Experience with the establishment of our 'Mobile Strategy Group'. We see this as a key part of our future strategic direction.

Further to this commitment new versions of all of our Group websites were launched through the course of 2011 and we continue to be at the forefront of innovative design in our region.

With the Senior Management team in place, we are well positioned to lead the Group into 2012 and beyond.

Group Results

At a Group level, revenue increase significantly from $7.3 million in 2010 to $12.0 million in 2011, representing an increase of 65%. This result was even more impressive when the impact of a rapidly appreciating Australia dollar during the reporting period is taken into account. Our core business of online advertising grew rapidly in each of, Malaysia, Hong Kong and Singapore..

On a local currency basis our Malaysian business grew by 98% and achieved increased profitability while our Singapore business grew by 46% and our Hong Kong business grew by 35%. Underlying this growth has been the increase in agent customers in each market with the Group now servicing nearly 19,000 agents across the region.

Overall the business delivered a net loss of $2.01 million from continuing operations, an improvement on the net loss of $2.54 million in 2010. This was driven by the continued investment in our three core markets of Malaysia Hong Kong and Singapore with new investment into Indonesia and Commercialasia.com, aimed at consolidating our competitive positions and building a solid platform for future growth. In particular we increased expenditure occurred in developing our Human Resources and increasing our sales and marketing activity.

Malaysia

Iproperty.com.my is the leading property portal in Malaysia with a strong lead over its competitors and further consolidated that position in 2011. This was driven by an increase in agent signups, growth in Consumer traffic and the acquisition of the number two ranked portal in Malaysia thinkproperty.com.my. A further highlight was the business reaching profitability during the reporting period.

Revenue in Malaysia grew by 98% in 2011 to MYR 23.44 million. Our Events and Magazine businesses also had strong growth in revenue and both work to further strengthen our leadership position in Malaysia.

A major driver of our revenue growth and a key component of extending our leadership position in Malaysia was the increase in paying agent customers to 7,889 as at 31 December 2011. This represents a growth of 56% from the same period in 2010. We will continue to build our relationships with Agents in 2012 thru offering more innovative marketing solutions to them.

Consumer traffic to the Malaysian websites reached over 1 million Unique Visitors in 2011 an increase of 41% when compared to 2010.

Hong Kong

Under the brand 'gohome.com.hk', the iProperty Group operates the leading Chinese language property portal in Hong Kong. Gohome.com.hk had a strong year in growing the number of paying Agent customers and continues to extend its leadership position in that market.

A feature of 2011 was the launch in April of a newly redesigned and updated website which was a significant step forward for the business and provided both our customers with better advertising results and consumers using the website a vastly improved user experience.

Revenue grew strongly in 2011 with a 35% increase over 2010. A key driver of this growth was a 43% increase in agent revenue largely due to a strong take up of additional listing depth products and the increase to 900 paying agents representing more than **20%** of the Agencies in Hong Kong.

Gohome.com.hk also registered incredible year on year growth in consumer traffic to the website of 130% with more than 550k unique visitors at the end of 2011 and continuing to grow significantly in 2012.

Indonesia

Our entry into the Indonesia market was achieved with the acquisition of the market leading portal 'rumah123.com' and the number 3 ranked portal 'rumahdanproperti.com'.

Following the two acquisitions was a clear focus to increase the number of paying agents, merge the operations of the two portals and improve the user experience.

With more than 3,200 paying agents, an expanded team in support of the business and a significant increase in consumers using our portal to search for property, the Indonesian business is well positioned for growth in 2012.

Singapore

Iproperty.com.sg is the equal market leader in Singapore with revenue growing by 46% in 2011 to SGD 4.04 million. This growth was driven by a 110% increase in Developer and Third Party Advertising on the web site.

The performance of the business was also driven by additional consumer traffic being able to access iProperty.com.sg property listings with the growth in consumer traffic to our Singapore business 43% compared to 2010.

The iProperty Events business also successfully staged a second Property EXPO in 2011 at the prestigious Sands Marina complex. The Event was attended by regional Property Developers and marketed in conjunction with iproperty.com.sg. The successful increase to two events this year was significant in that it continues to deepen our relationships with Property developers in the region and contributes significantly to the promotion of the iProperty brand in Singapore.

Priorities for 2012

Over the course of 2012 we will continue to focus on consolidating our market leading position in our core markets of Malaysia, Hong Kong, Indonesia and Singapore, while we will continue to hold our investments in India and the Philippines..

In 2012 we will continue to focus on the key value generating activities of increasing agent penetration, deepening our relationships with property developers and building greater awareness of our brand in each market.

As we continue to make progress in these key areas, our commitment to developing and improving the consumer experience on our websites will accelerate. We will maintain a clear focus on driving increased value for our advertisers and building long term enduring relationships with the industry that we serve.

Further Strategic Acquisitions

The Board and Senior Management team will continue to look at opportunities across the region with a primary goal to ensure consolidation in our core markets and identify new growth options for the Group.

The iProperty Group Team

Finally I would like to thank the team at the iProperty Group. It has been an incredible year of growth and I look forward to the years ahead where we can continue to create a regional leader in the online advertising space.

We took some significant steps during 2011 in setting the business on the right course for growth. With the investments in people, increased focus on sales and marketing and commitment to innovation in how we provide our service to our customers and consumers alike, I have great confidence in the business we are building, with iProperty now being in a far superior position than we were twelve months ago.

We will continue our focused and ferocious approach to being dominant in the markets in which we operate and continue to deliver value for our customers and consumers.

I would also like to thank our shareholders for their continued support. We look forward to building value in the business and exceeding your expectation in the years to come.

After my second year as CEO of the iProperty Group I continue to be amazed at the passion and commitment of the team of people we have. I look forward t leading the business in the years to come as we deliver on our vision to be Asia's leading property portal Group.

Shaun Di Gregorio
Chief Executive Officer

Directors' report

The Directors of iProperty Group Limited submit herewith the annual financial report of the company and controlled entities for the financial year ended 31 December 2011. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Information about the directors and senior management

The names and particulars of the Directors of the company during or since the end of the financial year are as follows:

Simon Baker	Chairman and Non-Executive Director
Patrick Grove	Deputy Chairman and Non-Executive Director
Samuel Weiss	Non-Executive Director
Hugh Morrow	Non-Executive Director
Lucas Elliott	Non-Executive Director
Georg Chmiel	Non-Executive Director (appointed 4 January 2011)
Roland Tripard	Non-Executive Director (appointed 28 June 2011)

Details of Directors of the company, the Company Secretary, the Chief Executive Officer and the Chief Financial Officer in office at the date of this report, and each of their qualifications, experience and special responsibilities are below.

Name	Experience
Simon Baker B. Sc. MBA (Non Executive Director and Chairman)	Board member since October 2009 and Chairman since February 2010. Mr Baker has extensive experience in the online industry. He is currently the Executive Chairman of Classified Ad Ventures Pty Ltd, a full service digital marketing company focusing on the global online real estate industry and CEO of CAV Investment Holdings Pty Ltd. He is also Chairman of the unlisted CarAdvice Pty Ltd, ArtsHub Pty Ltd and realestateinvestar Pty Ltd. Prior to that Mr Baker was Managing Director and Chief Executive Officer of the listed REA Group (realestate.com.au) where he increased revenues from $4 million to $155 million, turned a $6m loss into a $30m profit and increased market capitalisation from $8 million to a high of $900 million. Prior to that, Simon was Chief Business Development Officer at News Interactive, was Chief Technology Officer in a US start up and spent five years with McKinsey and Company. Mr Baker has a degree in computer science from the Monash University and a Masters of Business Administration from Melbourne University. Mr Baker is also a member of the Remuneration & Nomination Committee.
Patrick Grove CA, B. Comm (Non Executive Director and Deputy Chairman)	Board member since June 2007 and Deputy Chairman since February 2010. Mr Grove was previously the Executive Chairman until February 2010. Mr Grove is a co-founder of iProperty Group Ltd. Mr Grove's experience and expertise include mergers and acquisitions and extraction of investment value in high growth, media, new media and technology environments. Mr Grove has built a number of significant media and internet businesses across Asia and has taken two businesses from start up to IPO. He has been independently recognised with numerous international awards, including as a Global Leader of Tomorrow by the World Economic Forum (2001), a New Asian Leader by the World Economic Forum (2003), the Australian Chamber of Commerce, Singapore, Young Entrepreneur of the Year (2004) and Business Week's Best Young Asian Entrepreneurs (2008). Mr Grove is also the CEO of Malaysian listed Catcha Media Berhad, as well as Group CEO, Chairman and major shareholder of Catcha Group, one of South East Asia's most dynamic new media groups. Catcha Group is a major shareholder of iProperty Group Ltd. Mr Grove has a Bachelor of Commerce degree with a major in Accounting and Finance from the University of Sydney. Mr Grove is also a member of the Remuneration & Nomination Committee.

Hugh Morrow B. Eng MBA (Non Executive Director)	Board member since August 2007. Mr Morrow has extensive experience in the areas of information technology, organisational behaviour and business strategy consulting, with a focus on investing in and providing strategic advice to a number of for-profit and not-for-profit organisations. He sits on the board of the Social Economy Executive Education Network, The Australian Scholarships Foundation, The Australian Social Innovation Exchange and The Stanford Australia Foundation. Mr Morrow was previously with the global strategy consulting firm, The LEK Partnership and Westpac Banking Corporation. Mr Morrow started, grew and successfully sold XT3 and is now leading Loaded Technologies Pty Ltd on a similar journey. Mr Morrow has a degree in engineering from the University of Sydney, a Masters of Business Administration from Stanford University and is a Yale University World Fellow. Mr Morrow is the Chairman of the Remuneration & Nomination Committee
Samuel Weiss AB MS FAICD (Non Executive Director)	Board member since August 2007. Mr Weiss is Chairman of Altium Limited and Open Universities Australia. He is a Non-Executive Director of Oroton Group Ltd and Breville Ltd and in recent years, he also has been a corporate advisor to Vsource, a pan-Asian business outsourcing services provider based in Malaysia. He did his undergraduate degree at Harvard University and received a graduate degree from Columbia University in Business Administration. He is the President of The Benevolent Society and a Director of The Sydney Festival. He is a Fellow of The Australian Institute of Company Directors and a member of The Sydney Institute. Mr Weiss is a member of the Audit & Risk Committee.
Lucas Elliott B. Comm (Non Executive Director)	Board member since February 2010. Mr Elliott, a founding shareholder of iProperty's majority shareholder, Catcha Group, has over 10 years of Asian online experience, with a focus on developing fast moving online business models and monetizing online media assets. Currently, Mr Elliott is responsible for all aspects of Catcha Group's corporate finance activities, including mergers and acquisitions, capital raisings and public listings, with a focus on driving activity that migrates advertising and contents models to the new media arena. Mr Elliott has a Bachelor of Commerce degree with a major in Finance from the University of Sydney. Mr Elliott is a member of the Audit & Risk Committee.
Georg Chmiel Diplom-Informatiker (Computer Science), MBA, CPA (USA), GAICD (Non Executive Director)	Board member since 4 January 2011. Mr Chmiel has a strong background in corporate finance and accounting as well as significant experience in the real estate sector and other online media companies. He is currently the Chief Operating Officer of LJ Hooker Ltd, one of the largest real estate groups in Australasia. Mr Chmiel is the Chairman of the Audit & Risk Committee.
Roland Tripard (Non Executive Director)	Board member since 28 June 2011. Mr Tripard is CEO of Seloger.com, the leader in online real estate in France for the past 18 years and is part of Axel Springer, one of Europe's largest media groups. Its websites are available on all devices (computer, mobile phone and connected TV) and every day millions of French internet users view the 1.1 million listings posted by over 20,000 real estate professionals.

Shaun Di Gregorio MBA (Chief Executive Officer)	Chief Executive Officer since January 2010 and is responsible for the day-to-day operations of the iProperty Group. Mr Di Gregorio has worked in online classifieds for nearly 12 years. Prior to joining iProperty, Mr Di Gregorio spent almost 8 years with the REA Group, in which time he was General Manager of the Australian operations from 2005 to 2008, and then as General Manager of the REA Group's international businesses. Mr Di Gregorio has also held senior roles at Trader.com and the interactive division of TMP Worldwide. Mr Di Gregorio holds a Master in Business Administration from the Australian Graduate School of Management (UNSW) and is a member of the Australian Institute of Company Directors.
Rod Brandenburg B. Comm, CPA (Chief Financial Officer)	As the Chief Financial Officer since April 2010, Mr Brandenburg is responsible for the management of the Company's finances and the fulfillment of its reporting obligations. Rod has extensive commercial experience, with specific expertise in mergers and acquisitions, treasury, business restructuring and business systems implementation across. He has worked in roles in Australia, Asia, Europe and North America. Prior to joining iProperty Mr Brandenburg was the Chief Financial Officer and Company Secretary at Webjet Limited (ASX: WEB) Australia's leading travel website.
Nick Geddes FCA, FCIS (Company Secretary)	Appointed Company Secretary 15 June 2010 and is responsible for the provision of company secretarial support to the Board including corporate governance, continuous disclosure and compliance systems and practices. Mr Geddes is the principal of Australian Company Secretaries, a company secretarial practice that he formed in 1993. Nick is a past President of Chartered Secretaries Australia and a former Chairman of the NSW Council of that Institute. His previous experience, as a Chartered Accountant and Company Secretary, includes investment banking and development and venture capital in Europe, Africa, the Middle East and Asia.

Directors' shareholdings

The following table sets out each director's shareholding as at 31 December 2011, their relevant interest in shares and options in the company as at that date.

Directors	Fully paid ordinary shares Number	Share options Number
Simon Baker	11,487,718	-
Patrick Grove	41,018,631*	-
Hugh Morrow	410,494	-
Samuel Weiss	516,858	-
Lucas Elliott	41,009,176*	-
Georg Chmiel	30,819	-

* Mr Grove and Mr Elliott are significant shareholders in and represent Catcha Group Pte Ltd which owns 41,009,176 shares in iProperty Group Limited.

Remuneration of directors and senior management

Information about the remuneration of directors and senior management is set out in the remuneration report of this Directors' Report, on page 11.

Share options and rights granted to directors and senior management

During and since the end of the financial year no share options have been granted to directors or senior management. 1,270,216 Rights over ordinary shares in iProperty Group were issued to Senior Management as part of their remuneration.

Directors and senior management	Number of rights granted	Number of ordinary shares under rights
S Di Gregorio	839,637	839,637
R Brandenburg	253,333	253,333
A Kelk	61,050	61,050
G Thompson	67,155	67,155
T Hor	48,841	48,841

Principal activities

The principal activities of entities within the consolidated entity during the financial year were that of developing and operating internet-based real estate property portals.

Changes in State of Affairs

During the financial year there were no significant changes in the state of affairs of the consolidated entity.

Review of Operations

A detailed review of operations and results of those operations is set out in the Chairman's Message and Chief Executive Officer's Report. A summary of the Group's performance is outlined below.

- Full year revenue from continuing operations of $11.97 million up 65% from 2010 or approximately 75% when adjusted for foreign exchange movements
- Full year loss of $2.01 million down from $2.54 million in 2010 an improvement of 21%
- Increase in the number of agent customers by 72% to nearly 19,000 paying agents across the group
- Total monthly Unique Visitors to iProperty Group websites increased by 103% to 2.97 million
- Increase in cash on hand to $6.08 million from $1.85 million in December 2010. Net cash loss from operations $1.79 million
- Completed the acquisition of the number 1 and 3 ranked portals in Indonesia Rumah123.com and Rumahdanproperti.com

Malaysia:

- iProperty Malaysia extends its leadership position and reaches profitability with local currency revenue growth of 98% and an operating profit of MYR 8.89 million (AUD 2.82 million) at an EBITDA margin of 38% including corporate allocations
- Increase in paying agents by 49% to nearly 8,000
- Growth in total site visitors of 41%

Singapore:

- iProperty Singapore continues to be the equal market leader with 46% local currency revenue growth in 2011
- Increase in paying agents to over 5,600
- Growth in total site visitation of 47% and page impressions of 71% during the year

Hong Kong

- Gohome.com.hk is the market leading Chinese language website with 35% local currency revenue growth in 2011
- Increase in paying agents to 900
- Growth in total site visitors of 106% during the year

Dividends

No dividends have been paid or declared since the start of the financial year and iProperty Group Limited does not propose to pay a dividend for this reporting period.

Business Strategies and Prospects

Information on the Group's business strategies and its prospects for future financial years will be included in the Chairman's Message and the Chief Executive Officer's Report in the annual report. In the opinion of the Directors, further information on the Group's business strategies and its prospects for future financial years would, if included in this report, be likely to result in unreasonable prejudice to the Group and has accordingly been omitted.

Environmental Issues

The Company takes a responsible approach in relation to the management of environmental matters. All significant environmental risks have been reviewed and the Group has no legal obligation to take corrective action in respect of any environmental matter. The economic entity's operations are not subject to significant environmental regulation under the laws of the Commonwealth and State.

Future Developments

Other than comments on likely developments or expected results of some of the operations of the Group which will be included in the Chairman's Message and the Chief Executive Officer's Report in the annual, in the opinion of the Directors, further information on likely developments in the operations of the Group and the expected results of those operations in future financial periods have been omitted as the Directors believe it would be likely to result in unreasonable prejudice to the Group's interests if such further information were included in this report.

Shares under rights or issued in exercise of rights

Details of unissued shares or interests under rights as at the date of this report are:

Issuing entity	Number of shares under rights	Class of shares	Exercise price of rights	Expiry of rights
iProperty Group Limited	720,765	Ordinary	Nil	20 February 2021
iProperty Group Limited	655,271	Ordinary	Nil	29 July 2021

No shares or interests issued during or since the end of the financial year as a result of the exercise of a right.

Share Issues

During the course of the year, the Company issued shares as follows:

Month	No. of Shares	Net Amount $	Issue Type
March 2011	880,270	136,835	Shares issued as part of executive incentive plan
May 2011	984,240	504,746	Shares issued as completion of the vendors earn out for iProperty.com Events Sdn Bhd
May 2011	785,192	222,536	Directors remuneration for 2009 and 2010
June 2011	15,347,500	8,878,965	Placement of shares to Seloger.com
August 2011	6,000,000	3,555,990	Issue of shares as part of the purchase of PT Web Marketing Indonesia

Events subsequent to reporting date

There has not been any matter or circumstance occurring subsequent to the end of the reporting period that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Indemnification of officers and auditors

The Company has indemnified each Director of the Group, the Company Secretary and previous Directors and Secretaries (Officers) against all liabilities or loss (other than to the Company or a related body corporate) that may arise from their position as Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act. The indemnity stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an Officer of the Company.

The Company has also indemnified the current and previous Directors of its controlled entities and certain members of the Company's senior management for all liabilities and loss (other than to the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act.

The Company has executed deeds of indemnity with each of the Non-Executive Directors.

Directors' and Officers' Insurance

The Company has paid insurance premiums for one year's cover in respect of Directors' and Officers' liability insurance contracts, for Officers of the Company and of its controlled entities. The insurance cover is on standard industry terms and provides cover for loss and liability for wrongful acts in relation to the relevant person's role as an Officer, except that cover is not provided for loss in relation to Officers gaining any profit or advantage to which they were not legally entitled, or Officers committing any criminal, dishonest, fraudulent or malicious act or omission, or any knowing or wilful violation of any statute or regulation.

The insurance does not provide cover for the independent auditors of the Company or of a related body corporate of the Company.

In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 18 board meetings, 4 audit and risk committee meetings and 3 remuneration and nomination committee meetings were held.

Directors	Board of directors Held	Board of directors Attended	Audit & Risk committee Held	Audit & Risk committee Attended	Nomination & remuneration committee Held	Nomination & remuneration committee Attended
Simon Baker	18	17	-	-	3	2
Patrick Grove	18	18	-	-	3	3
Hugh Morrow	18	16	-	-	3	3
Samuel Weiss	18	17	4	4	-	-
Lucas Elliott	18	17	4	4	-	-
Georg Chmiel	18	16	4	4	-	-
Roland Tripard	7	7	-	-	-	-

Directors' Interest in Contracts

No material contracts involving Directors' interests were entered into since the end of the previous financial year, or existed at the end of the year, other than those transactions detailed in Note 26 to the Financial Statements.

Non-audit services

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

There were no fees for non-audit services paid to the external auditors during the financial year.

Auditor's independence declaration

The statement by the Consolidated Entity's external auditors to the members of the iProperty Group Ltd in relation to the auditors' compliance with the independence requirements of the Corporations Act and the professional code of conduct for external auditors, forms part of this Directors' Report and is set out after this Directors' Report on page 23

No person who was an Officer of the Company during the financial year was a Director or partner of the Group's external auditor at a time when the Group's external auditor conducted an audit of the Group.

Remuneration report

This Remuneration Report forms part of the Directors' Report and outlines the remuneration arrangements for executives and employees of iProperty Group Ltd, including Specified Directors and Specified Executives in accordance with section 300A and Regulation 2M.3.03 of the Corporations Regulations.

Director and senior management details

The following persons acted as directors of the company during or since the end of the financial year:

- Simon Baker
- Patrick Grove
- Hugh Morrow
- Samuel Weiss
- Lucas Elliott
- Georg Chmiel (appointed 4 January 2011)
- Roland Tripard (appointed 28 June 2011)

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

- Shuan Di Gregorio (Chief Executive Officer)
- Rod Brandenburg (Chief Financial Officer)
- Andy Kelk (Chief Information Officer)
- Glenn Thompson (Country Manager - Singapore)
- Timothy Hor (Country Manager - Malaysia)
- Nick Geddes (Company Secretary)

Remuneration & Nomination Committee

Role

The membership, responsibilities, authority and activities of the Remuneration & Nomination Committee are set out in the Remuneration & Nomination Committee Charter, which has been approved by the Board.

The responsibilities of the Remuneration Committee are to:

- monitor, review and recommend to the Board, as necessary and appropriate:
    - the remuneration, superannuation and incentive policies and arrangements for the Chief Executive Officer and key management personnel (ie. those executives who report directly to the Chief Executive Officer);
    - the remuneration arrangements for Non-Executive Directors on the Board;
    - the recruitment, retention and termination policies and procedures for the Chief Executive Officer and key management personnel; and
    - key appointments and executive succession planning.

- oversee the Group's general remuneration strategy;
- review the composition of the Board including:
    - the criteria for selection of directors, having regard to the need for the breadth and depth of skills and experience on the Board; and
    - the process for selecting new directors.
- monitor the Group's culture and reputation and review behavioural standards on a regular basis, and report and submit recommendations to the Board.

Membership and meetings

As at the date of this report, the members of the Remuneration & Nomination Committee were:

Hugh Morrow (Chairman)

Simon Baker

Patrick Grove

The Chief Executive Officer and the Chief Financial Officer attend meetings by invitation to assist the Committee in its deliberations except on matters associated with their own remuneration. The Committee members met three times during the year.

Advisers

External specialist remuneration advice is sought on an as-needs basis in respect of remuneration arrangements for Non-Executive Directors of the Board and key management personnel of the Group. General reward advice is sought on an ad hoc basis.

Reward policy

The Company has an established policy for determining the nature and amount of emoluments of Board Members and key management personnel of the Company to align remuneration with the creation of shareholder value. The remuneration structure for the key management personnel seeks to emphasise payment for results.

Reward philosophy

The Company's overall philosophy is to manage the remuneration to:

- create an environment that will attract top talent, and where people can be motivated with energy and passion to deliver superior performance;
- recognise capabilities and promote opportunities for career and professional development;
- provide rewards, benefits and conditions that are competitive within the markets in which the Group operates; and
- provide fair and consistent rewards across the Group, which support corporate principles.

In accordance with the ASXCGPR, the structure of Non-Executive Directors and key management personnel remuneration is separate and distinct.

Company Performance

The table below shows the performance results of the Company for the period since incorporation, inclusive of continuing and discontinued operations, as well as the share price at the end of the respective financial years. The financial information reported is compliant with AIFRS. The 2008 to 2011 years financial information is for the full year ended 31 December. The 2007 financial information is for the period from the date of incorporation 26 June 2007 to 31 December 2007.

	31 Dec 2011 $	31 Dec 2010 $	31 Dec 2009 $	31 Dec 2008 $	31 Dec 2007 $
Revenue	12,169	7,267	4,511	4,344	676
Net (loss)/profit after tax	(2,009)	(2,539)	(1,905)	(719)	23

	31 Dec 2011	31 Dec 2010	31 Dec 2009	31 Dec 2008	31 Dec 2007
Share price at start of year	$0.51	$0.10	$0.12	$0.25	$0.28
Share price at end of year	$0.98	$0.51	$0.10	$0.12	$0.25
Interim dividend[1]	NIL	NIL	NIL	NIL	NIL
Final dividend[1]	NIL	NIL	NIL	NIL	NIL
Basic loss per share	($0.0127)	($0.0190)	($0.0169)	($0.0007)	($0.0003)
Diluted loss per share	($0.0127)	($0.0190)	($0.0169)	($0.0007)	($0.0003)

The company has a policy of ensuring that at least part of the remuneration of key management personnel is based on the performance of the company. Key management personnel are compensated with fixed remuneration and "at risk" remuneration based on revenue, cash and earnings targets.

Key Management Personnel and Executive Director Remuneration

The Company aims to reward key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company and:

- Reward key management personnel for achievement of pre-determined key performance indicators;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

The Remuneration for key management personnel and staff will include an annual review using a formal performance appraisal process.

The Remuneration Committee recommends to the Board the level of fixed remuneration each year based on the performance of individuals.

The remuneration structure is in two parts:

- Fixed remuneration; and
- Variable remuneration.

Fixed remuneration
The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration comprises of payroll salary, superannuation and other benefits. Individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation or other benefits.

Variable Remuneration

Comprises of a short term incentive plan and a long term incentive plan.

- *Short term incentive plan (STI)*

  Short term incentives are used to differentiate rewards based on performance on a year by year basis. The principal performance indicator of the short term incentive plan is based on the Company's financial performance and individual achievement of specified goals, for example for achieving progress with growth initiatives. The percentage and threshold level can differ for each individual and are reviewed each year. The Company has approved predetermined performance targets which must be met in order to trigger payments under the STI. Payments are made in the form of cash and shares.

  It is intended that key employees of iProperty will be eligible to participate in the STI program.

- *Long term incentive plan (LTI)*

  iProperty has established a long term incentive plan called the iProperty Group Ltd Rights Plan ("Plan"). The Plan is part of the Company's remuneration strategy and is designed to align the interests of management and shareholders and assist iProperty in the attraction, motivation and retention of executives. In particular, the Plan is designed to provide relevant executives with an incentive for future performance, with conditions of vesting and exercise of performance rights under the Plan, encouraging those executives to remain with the Company and contribute to the future performance of the Company.

  LTI payments granted to each participating key employee depends on the extent to which specific targets set at the beginning of the plan are met. The targets relate to earnings of the company and staff remaining in employment. Payments are made in the form of rights to the Company's shares that generally vest to the employee and become convertible 2 – 3 years after they are granted based on the most recent years earnings performance.

  It is intended at this stage that only key executives of iProperty will be eligible to participate in the Plan.

The following share-based payment compensation to directors and senior management relate to the current financial year:

		During the financial year			
Name	Rights series	No. granted	No. vested	% of grant vested	% of grant forfeited
S Di Gregorio	(1) Issued 20 Feb 11	595,437	Nil	Nil	Nil
	(2) Issued 29 Jul 11	244,200	Nil	Nil	Nil
R Brandenburg	(1) Issued 20 Feb 11	125,328	Nil	Nil	Nil
	(2) Issued 29 Jul 11	128,205	Nil	Nil	Nil
A Kelk	(2) Issued 29 Jul 11	61,050	Nil	Nil	Nil
G Thompson	(2) Issued 29 Jul 11	67,155	Nil	Nil	Nil
T Hor	(2) Issued 29 Jul 11	48,841	nil	Nil	Nil

No rights were exercised during the year, lapsed or forfeited. Rights Series 1 is based on an earnings per share target for 2012 and the executives being employed in March 2013 (vesting date). Rights Series 2 is based on an earnings per share target for 2013 and the executives being employed in March 2014 (vesting date). The Rights expire 10 years after their vesting date. The fair value of the rights for Series 1 ranged between 16 cents and 24 cents. The fair value for Series 2 was 49 cents.

Key Management Personnel Remuneration

The following table summarises the remuneration arrangements for the CEO, CFO and CIO for 2011. Details of remuneration of key management personnel and Directors are shown on Table A of this report.

	Mr. S Di Gregorio	Mr R Brandenburg	Mr A Kelk
Position	Chief Executive Officer	Chief Financial Officer	Chief Information Officer
Term of employment	No fixed term	No fixed term	No fixed term
Notice period	3 months	3 months	3 months
Total employment cost (TEC) [(1)]	AUD 300,000 p.a	AUD 210,000 p.a	AUD 150,000 p.a
Short term incentive	Up to AUD 120,000 subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on a 30-day VWAP before and after the entitlement.	Up to AUD 63,000 subject to meeting performance targets as set by the Board. Payment is to be made via cash and shares in the Company at an issue price calculated based on a 30-day VWAP before and after the entitlement.	Up to AUD 45,000 subject to meeting performance targets as set by the Board. Payment is to be made in cash.
Long term incentive	Up to AUD 120,000 subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on a 30-day VWAP before and after the entitlement.	Up to AUD 63,000 subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on a 30-day VWAP before and after the entitlement.	Up to AUD 30,000 subject to meeting performance targets as set by the Board. Payment is to be made via shares in the Company at an issue price calculated based on a 30-day VWAP before and after the entitlement.
Other benefits	Housing allowance of MYR 12,000 per month (equivalent to approximately AUD 3,750 per month)	Housing allowance of MYR 7,000 per month (equivalent to approximately AUD 2,200 per month)	Housing allowance of MYR 8,000 per month (equivalent to approximately AUD 2,500 per month)
Termination by executive	3 months	3 months	3 months
Termination by company	3 months	3 months	3 months

[(1)] A portion of TEC may be taken in the form of packaged benefits (such as a motor vehicle and parking), and is inclusive of fringe benefits tax where relevant and employer superannuation contributions.

Timoth Hor and Glenn Thompson are also on no fixed term contracts and have 3 month notice periods.

The Remuneration Committee of the Board will recommend each year, reasonable performance measures and targets for use in assessing each Executive's performance. After the end of each financial year, the Remuneration Committee of the Board will review each Executive's performance in comparison to these measures and targets. STI targets (as a percentage of Total Executive Compensation ("TEC")) are to be determined annually by the Board, based on the recommendation of the Remuneration Committee for the coming year. TEC is base remuneration inclusive of superannuation and benefits but excludes leave accrued not taken.

Details of remuneration

The following tables show details of the nature and amount of each element of the remuneration paid or payable with respect to services provided for the period as Directors of the Company and key management personnel of the Group during the period.

Remuneration of directors and senior management (Table A)

	Short-term employee benefits				Post employment benefits		Share-based payment				
	Salary & fees	Bonus	Non-monetary	Other	Superannuation	Other long-term employee benefits	Shares & units	Options & Rights	Total	Performance bonus as a % of total remuneration	% of compensation for the year consisting of options/rights
2011	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**		
Non-executive directors											
S Baker	30,000	-	-	-	-	-	42,000	-	72,000	-	-
P Grove	25,000	-	-	-	-	-	35,000	-	60,000	-	-
H Morrow	20,000	-	-	-	-	-	28,000	-	48,000	-	-
S Weiss	20,000	-	-	-	-	-	28,000	-	48,000	-	-
L Elliott	20,000	-	-	-	-	-	28,000	-	48,000	-	-
G Chmiel	19,833	-	-	-	-	-	28,000	-	47,833	-	-
R Tripard	5,000	-	-	-	-	-	7,000	-	12,000	-	-
	139,833	**-**	**-**	**-**	**-**	**-**	196,000	-	**335,833**	-	-
Key Management Personnel											
S Di Gregorio	285,539	-	-	40,000	14,461	-	144,167	52,087	536,254	36.6	9.7
R Brandenburg	210,000	31,500	-	25,905	-	-	39,250	19,903	326,558	27.8	6.1
A Kelk	135,539	45,000	-	25,714	14,461	-	-	4,200	224,914	21.9	1.9
N Geddes	55,277	-	-	-	-	-	-	-	55,277	-	-
G Thompson	150,739	48,462	-	40,038	11,223	-	-	1,980	252,442	20.0	0.8
T Hor	118,000	33,750	-	-	16,224	-	-	3,360	171,334	21.7	1.9
	955,094	158,712	-	131,657	56,369	-	183,417	81,530	1,566,779	-	-
	1,094,927	**158,712**	**-**	**131,657**	**56,369**	**-**	379,417	81,530	**1,902,612**	-	-

No retirement benefits were paid or payable to Directors or Key Management Personnel in FY 2011 or FY 2010.
Bonuses were paid to key management personnel upon review of individual performance by the directors against targets set.

	Short-term employee benefits				Post employment benefits		Share-based payment				
	Salary & fees	Bonus	Non-monetary	Other	Superannua-tion	Other long-term employee benefits	Shares & units	Options & Rights	Total	Performance bonus as a % of total remuneration	% of compensation for the year consisting of options/rights
2010	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**		
Non-executive directors											
S Baker	28,331	-	-	-	-	-	40,833	-	69,164	-	-
P Grove	24,058	-	-	-	-	-	32,083	-	56,141	-	-
H Morrow	20,000	-	-	-	1,800	-	28,000	-	49,800	-	-
S Weiss	20,000	-	-	-	1,800	-	28,000	-	49,800	-	-
L Elliott	17,999	-	-	-	-	-	25,667	-	43,666	-	-
P G Choiselat	18,331	-	-	-	1,650	-	25,667	-	45,648	-	-
L Gan	-	-	-	-	-	-	-	-	-	-	-
	128,719	**-**	**-**	**-**	**5,250**	**-**	180,250	-	**314,219**	-	-
Key Management Personnel											
S Di Gregorio	273,621	95,833	-	24,101	13,256	-	-	-	406,811	23.6	-
K Tsurumaru	56,432	2,636	-	-	-	-	-	-	59,068	4.5	-
R Brandenburg	143,425	29,750	-	17,376	-	-	-	-	190,551	15.6	-
R Farmer	41,238	-	-	-	-	-	-	-	41,238	-	-
C Chan	76,319	-	-	-	-	-	-	-	76,319	-	-
A Kelk	63,517	20,625	-	9,474	7,231	-	-	-	100,847	20.5	-
	654,552	148,844	-	50,951	20,487	-	-	-	874,834		
	783,271	**148,844**	**-**	**50,951**	**25,737**	**-**	180,250	-	**1,189,053**		

Share based payments to Executives

The board approved the issue in 2011 of 1,376,036 rights to ordinary shares under the iProperty Group Limited Rights Plan. The rights related to 2010 participation (720,765 rights) issued in February 2011 and 2011 participation (655,271 rights) issued in July 2011. The rights may be exercised by the employees if certain company performance measures are met in 2012 (2010 plan) and 2013 (2011 plan) and the executives remain employed by the company until at least March 2013 (2010 plan) and March 2014 (2011 plan). The rights may be exercised at any time after March 2013 (2010 plan) and March 2014 (2011 Plan) but have an expiry of 10 years from the respective grant dates. The details of the key management recipients are listed below.

Employees	Rights issued under 2011 plan	Rights issued under 2010 plan*
Shaun Di Gregorio	244,200	595,437
Rod Brandenburg	128,205	125,328
Andy Kelk	61,050	-
Glenn Thompson	67,155	-
Timothy Hor	48,841	-

* The 2010 rights were issued in February 2011. There are no other employee rights issued by the iProperty Group

Share based payments to Non Executive Directors

By an agreement between the Company and each of the Non Executive Directors, the Non Executive Directors have agreed to provide services to the Company. As detailed in the iProperty prospectus the Non Executive Directors will be remunerated using a mixture of cash and iProperty shares. During the financial year and the previous financial year, Directors' entitlement to shares vests monthly on a pro-rata basis provided they continue to be Directors of the Company at that time.

The remuneration of Non-Executive Directors for the year ended 31 December 2011 includes $196,000 (2010: $180,250) in value of shares which are yet to be issued to Non Executive Directors. The number of shares in respect of the 2010 and 2009 remuneration is based on the VWAP over the period that they accrued and has been calculated to be 28.60 cents for the period. A total of 785,192 shares were issued during the year for 2009 and 2010 and were approved at the 2011 AGM. The total number of shares outstanding to all directors past and present is 217,560 which was determined using a VWAP of 90.09 cents and is subject to shareholder approval at the next annual general meeting.

	2011			2010			
	Shares issued	Shares vested but not issued	Total	Shares issued	Shares vested but not issued in 2010	Total	Total shares vested but not issued (inc 2009 & 2010)
S Baker	159,087	46,620	205,707	-	142,773	142,773	159,087
P Choiselat	130,517	-	130,517	-	89,731	89,731	130,517
P Grove	112,192	38,850	151,042	-	112,192	112,192	112,192
H Morrow	138,675	31,080	169,755	-	97,888	97,888	138,675
S Weiss	138,675	31,080	169,755	-	97,888	97,888	138,675
L Elliott	89,731	31,080	120,811	-	89,731	89,731	89,731
L Gan	16,315	-	16,315	-	-	-	16,315
G Chmiel	-	31,080	31,080	-	-	-	-
R Tripard	-	7,770	7,770	-	-	-	-
	785,192	217,560	1,002,252	-	630,203	630,203	785,192

In addition to remuneration benefits above, the Company paid a premium for a contract insuring all Directors of the Company and specified executives of the Group as officers. It is not possible to allocate the benefit of this premium between individual Directors or specified executives. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the premium paid under the contract.

Non-Executive Director Remuneration

The following persons were Non-Executive Directors of the Company at 31 December 2011:

Name	Position
Simon Baker	Non-Executive Director
Patrick Grove	Non-Executive Director
Hugh Morrow	Non-Executive Director
Samuel Weiss	Non-Executive Director
Luke Elliott	Non-Executive Director
Georg Chmiel(1)	Non-Executive Director
Roland Tripard(2)	Non-Executive Director

(1) Appointed 4 January 2011
(2) Appointed 28 June 2011

Remuneration Policy

The fees paid to Non-Executive Directors on the Board are based on advice and data from the Group's external remuneration advisers. This advice takes into consideration the level of fees paid to Board members of other Australian corporations, the size and complexity of the Group's operations, the activities of the Group and the responsibilities and workload requirements of Board members.

Fees are established from time to time for the Chairman, Deputy Chairman and Non-Executive Directors.

The appointment letters for the Non-Executive Directors set out the terms and conditions of their appointments. These terms and conditions are in conjunction with, and subject to, the Company's Constitution and the charters and policies approved by the Board from time to time.

Each Non-Executive Director receives a fee for being a Director of the Company. These fees are paid partly in cash and partly by the issue of iProperty shares.

Options

There were no share options granted to Directors during or since the end of the financial year.

Signed in accordance with a resolution of the directors made pursuant to s.298 (2) of the Corporations Act 2001.
On behalf of the directors

Dated 24 February 2012

Simon Baker
Chairman

Corporate governance statement

The following statement sets out the governance framework adopted by the iProperty Board.

Approach to Governance

In relation to Corporate Governance, the Board seeks to embrace those principles and practices that are relevant and appropriate to the size of the Company.

Compliance with Corporate Governance Codes

As the Company is listed on ASX, it is required by ASX Listing Rule 4.10.3 to disclose the extent to which it has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. The ASX Corporate Governance Council recommendations are contained in the 2nd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX CGP). These principles were last updated in June 2010; however these latest amendments are effective from 1 January 2011.

With the following exceptions the Company has adhered to the ASX Corporate Governance Principles and Recommendations:

Principle 1 - Lay solid foundations form management and oversight

Recommendation 1.2: Companies should disclose the process for evaluation of the performance of senior executives.

It is the policy of the Board to ensure that the Directors and Executives of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively and that individual and collective performance is regularly and fairly reviewed. Although the Company is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and Executives, there is on-going monitoring by the Chairman and the Board. The Chairman also speaks to Directors individually regarding their role as a Director.

Principle 2 – Structure the board to add value

Recommendation 2.1: A majority of the board should be independent directors.

Three of the Company's seven directors are considered to be independent. The non-independent directors are considered not to be independent as they are or are representatives of substantial shareholders. None of the directors are executives of the company.

Recommendation 2.2 The chair should be an independent director.

Mr Simon Baker, the Chairman is a substantial shareholder and consequently cannot be regarded as an independent director but it is considered that this is offset by his significant industry knowledge and experience.

Recommendation 8.2. The Remuneration Committee should be structured so that it consists of a majority of independent directors.

Two of the Committees' members are not independent directors as they are or are associated with Substantial Shareholders; however they are not executives of the Company and the Chair is an independent director.

1. Board of Directors – Role and Responsibilities

The Board is responsible for and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance of the Company and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole. The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the ultimate responsibility for the success of the Company.

Where the Board considers that particular expertise or information is required, which is not available within the Board, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board. Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- Formulation and approval of the strategic direction, objectives and goals of the Company;
- Prudential control of the Company's finances and operations and monitoring the financial performance of the Company;
- Resourcing, review and monitoring of executive management;
- Ensuring maintenance of and compliance with appropriate internal control systems and procedures;
- Identification and management of significant business risks and ensuring that such risks are appropriately addressed;
- Timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market (ASX);
- Establishment and maintenance of appropriate ethical standards.

2. Board of Directors - Compositions, Structure and Process

The Board has an appropriate blend of skills and experience and is of an appropriate size to adequately discharge its responsibilities and duties given the current size, scale and nature of the Company's activities.

Details of the Directors are found in the Directors' Report.

2.1 Skills, knowledge and experience
Directors are appointed based on the specific corporate, technical and governance skills and experience required by the Company. The Board includes Directors with a relevant blend of personal experience in accounting and finance, law, financial and investment markets, financial management and public company administration, and director-level business or corporate experience, having regard to the scale and nature of activities of the Company.

2.2 Non-Executive Directors
All Directors are non executive Directors.

2.3 Chairman and Chief Executive Officer
The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board.

Simon Baker was appointed Chairman of the Company in February 2010.

Shaun Di Gregorio was appointed Chief Executive Officer of the Company in January 2010 and is responsible for and accountable to the Board for the Company's management.

2.4 Company Secretary
The Company Secretary is appointed by the Board and is responsible for developing and maintaining the appropriate governance systems and processes for the Board to fulfil its role and is responsible to the Board for ensuring compliance with Board procedures and governance matters. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. The Company Secretary is Nick Geddes FCA FCIS.

2.5 Committees of the Board

To assist in the execution of its corporate governance responsibilities, the Board has two committees, the Audit & Risk Committee and the Nomination & Remuneration Committee. When appropriate special board committees may be appointed to address specifi issues. Requirements for Board committees are reviewed regularly. All committees operate principally in a review or advisory capacity, except in cases where powers are expressly conferred on or delegated to a committee by the Board.

2.5.1 Audit & Risk Committee

The Board has established an Audit & Risk Committee that operates under a charter approved by the Board. It is the Board's responsibility to ensure that an appropriate and effective internal control framework exists within the entity.

The system of internal control is designed to safeguard assets, ensure the maintenance of proper accounting records, monitoring of risks and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the economic entity to the Audit & Risk Committee. That Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial statements.

The members of the Audit & Risk Committee are Georg Chmiel (Chair), Sam Weiss and Lucas Elliott. Full details and qualifications of the members are contained in the Directors' Report.

The members are experienced in executive management, public company management and finance. The Chair of the Audit & Risk Committee is not the Chairman of the Board. The external auditors, the CEO and CFO are invited to Audit & Risk Committee meetings at the discretion of the Committee. The Committee met four times during the year. Attendance at the meetings is set out in the Directors' Report.

The Audit & Risk Committee is also responsible for directing and monitoring the internal audit function (if appointed), nomination of the external auditor, monitoring the independence of the external auditor and reviewing the adequacy of the scope and quality of the annual statutory audit or review. The Committee reviews the performance of the external auditors on an annual basis.

2.5.2 Remuneration & Nomination Committee

The Remuneration & Nomination Committee is responsible for reviewing the remuneration of Directors and senior management, evaluation of senior management and makes recommendations to the Board on these matters. This role also includes responsibility for recommendations to the Board on share and option schemes, incentive performance packages, superannuation entitlements, composition of the Board and the process and criteria for selection of new directors. The Committee also has the responsibility to oversee the Company's general remuneration strategy.

The company does not have a defined process for selecting new Directors.

Remuneration levels are competitively set to attract the most qualified and experienced Directors and key management personnel. The Committee is authorised to obtain independent advice on the appropriateness of remuneration packages.

The members of the Committee are High Morrow (Chair), Patrick Grove and Simon Baker. The Committee met three times during the year. Attendance at the meetings is set out in the Directors' Report.

Details of the amount of remuneration, and all monetary and non-monetary components, for each of the 5 highest-paid (non-Director) key management personnel and all Directors during the year ending 31 December 2011 are contained in the remuneration report included in the Directors' Report. Termination entitlements for key management personnel, if any, are also contained in the report.

Non-Executive Directors are remunerated by way of fees and shares, and are not provided with retirement benefits.

2.6 Independence

An independent Director, in the view of the Company, is a Non-Executive Director who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- has not previously been employed in an Executive capacity by the Company, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a professional adviser or a consultant to the Company to a material extent, or an employee of a significant service provider;
- Is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- Has no material contractual relationship with the Company other than as a Director of the Company;
- Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Sam Weiss, Hugh Morrow and Georg Chmiel are regarded as Independent Directors. The size of the Board will be reviewed periodically and if the Company's activities increase in size, nature and scope the composition and size of the board will be reviewed.

2.7 Conflicts of Interest

To ensure that Directors are at all times acting in the interests of the Company, Directors must:

- Disclose to the Board actual or potential conflicts of interest that may or might reasonably be perceived to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- If requested by the Board, within seven days or such further period as may be determined by the Board, takes such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as required by the Corporations Act, absent himself or herself from the room when the conflicted matter is being discussed and/or when voting occurs, save with the approval of the remaining Directors and subject to the Corporations Act.

2.8 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Company also discloses related party transactions in its financial report as required under relevant Accounting Standards.

2.9 Share Dealings and Disclosures

The Company's Share Trading Policy regarding Directors, Executives and employees dealing in its securities, is set by the Board and complies with ASX Listing Rules Chapter 12. The Board restricts Directors, Executives and employees from trading in Company securities except during trading windows and in any event when in possession of price sensitive information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices. Executives, employees and Directors are required to obtain approval from either the CEO/Managing Director or Chairman prior to dealing in securities in the Company or other companies in which the Company has a relationship. The policy outlines the exceptional circumstances during which trading may take place during a blackout period and sets rules for “passive trading”.

Dealings are not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

2.10 Board nominations

The Board will consider nominations for appointment or election of Directors that may arise from time to time having regard to the skills required by the Company and procedures outlined in the Constitution and the Corporations Act.

2.11 Terms of Appointment as a Director

The current Directors of the Company have been appointed until they are either removed (which will include the circumstances where the Director is not re-elected) or resign. The Constitution of the Company provides that a Director may not retain office for more than three calendar years or beyond the third annual general meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors must retire each year and are eligible for re-election. The Directors who retire by rotation at each annual general meeting are those with the longest length of time in office since their appointment or last election.

2.12 Performance Review and Evaluation

It is the policy of the Board to ensure that the Directors and Executives of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed. Although the Company is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and Executives, there is on-going monitoring by the Chairman and the Board. The Chairman also speaks to Directors individually regarding their performance as a Director and of the board.

2.13 Meetings of the Board

The Chairman and CEO will generally schedule formal Board meetings. In addition, the Board meets whenever necessary to deal with specific matters requiring attention between scheduled meetings. Circular Resolutions are also utilised when appropriate. Board meetings are held predominantly by telephone conference as Directors are resident in several countries. However, the Board will convene face to face meetings from time to time as is appropriate based on the particular items of business for consideration. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company. It is recognised and accepted that Board members may also concurrently serve on other boards, either in an executive or non-executive capacity.

2.14 Independent Professional Advice

Subject to prior consultation with the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

2.15 Access to Company Information and Confidentiality
All Directors have the right of access to all relevant Company books and to the Company's Executive Management. In accordance with legal requirements and agreed ethical standards, Directors and Executives of the Company are required to keep confidential, information obtained in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

2.16 Nomination of new Directorships
The primary vehicle for the effective management of director nominations will be the Remuneration & Nomination Committee appointed by the Board.

The responsibilities assumed by the Remuneration & Nomination Committee will include:
- Devising criteria for Board membership, regularly reviewing the need for various skills and experience of the Board and identifying specific individuals for nominations as Directors; and
- Oversight of the Board and Executive succession plans.

2.17 Director's deeds
The Company has also entered into a Deed of Indemnity, Insurance and Access with each of the Directors and senior officers to regulate certain matters between the Company and each Director, both during the time the Directors hold office and after the Director ceases to be an officer of the Company (or wholly owned subsidiaries).

3. Remuneration Policy

The fees and emoluments paid to Directors will be approved in advance by Shareholders. The salary and emoluments paid to officers will be approved by the Remuneration & Nomination Committee. Consultants will be engaged as required pursuant to Consultancy Service Agreements. The Company will ensure that fees, salaries and emoluments will be in line with general standards for publicly listed companies of the size and type of the Company and that they will not be excessive. All salaries of Directors and senior executives will be disclosed in the Remuneration Report of the Company each year.

4. Diversity

The 2010 amendments to the ASX Corporate Governance Guidelines Principles and Recommendations included amendments that seek to address diversity concerns, in particular, the under- representation of women on boards and in senior management.

In addition to business policies, practices and behaviours that promote diversity and equal opportunity and create an environment where individual differences are valued the Board has adopted a Diversity policy. This policy set out minimum expectations to be met by the Group on workforce diversity. A copy of the Policy is available on the Investor Relations – Corporate Governance section of the Group's website: www.iproperty.com. The Policy describes the Group's intention to be an organisation with a leadership and workforce that reflects the diversity of the broader communities in which the Group operates.

The breakdown of directors and employees by gender is as follows:

Proportion of female to male employees at iProperty Group as at 31 December 2011				
iProperty Group	**Board**	**Senior Executives**	**Manager**	**Employee**
Female	0%	25%	50%	39%
Male	100%	75%	50%	61%

The Board has set a number of objectives under the Policy:

- Board members to comprise at least 15% women by 2016 and Directors have resolved to seek to appoint a woman to the Board at the next opportunity.
- Senior management to comprise approximately 50% women by 2016.
- Directors are cognisant that circumstances and strategic initiatives may deflect from these targets in the short and medium term.
- Optimise local talent in senior management and the workforce in established international markets; and

establish an effective measurement and reporting framework. The Policy objectives, and the Group's progress in achieving them, will be assessed on an annual basis.

5. Code of Conduct and Ethical Standards

The Company has adopted a formal Code of Conduct that guides compliance with all levels of legal and other obligations to stakeholders. The Code is focused on ensuring that all Directors, Executives, and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company.

6. Internal Control and Risk Management

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk and has established a separate Audit and Risk Management Committee which is governed by a separate Board Charter.

The Board receives regular reports from management about the financial condition and operational results of the Company. The Board has also received written assurances from the Chief Executive Officer and Chief Financial Officer that to the best of their knowledge and belief:-

- The Company's financial statements present a true and fair view of the Company's financial condition and operational results and comply with relevant accounting standards; and
- The risk management and internal compliance and control systems are sound, appropriate and operating effectively and implement the policies adopted by the Board.

The Board and management undertake annual reviews on the Company's strategic and operational risks as part of its annual strategic and budget process. Divisional heads are encouraged to provide their inputs at such annual reviews. This process allows the Board to have a better understanding on the overall industry risks and opportunities which the Company operates in.

The Company has identified the following possible business risks which the Company believes to be inherent in the industry in which the Company operates:-

- Fluctuations in exchange rates
- Political stability risk in some of the countries of operation
- Interest rate risk
- Stability of internet infrastructure
- Risk of penetration of internal systems by unauthorised persons
- Changes in local government regulations
- Increased cost of operation including employment costs
- Retention of key employees
- Fluctuations in traffic
- Cyclical property market due to general market outlook for economic growth and interest rates
- Force majeure events

The above risks are provided to assist investors to better understand the nature of the risks faced by the Company and the industry in which the Company operates in. They are not necessarily an exhaustive list.

Management regularly undertakes reviews of its risk management procedures which include implementation of a system of internal sign-offs to ensure not only that the Company complies with its legal obligations but that the Board, and ultimately shareholders, can take comfort that an appropriate system of checks and balances is in place regarding those areas of the business which present financial or operating risks.

7. Communications to Market and Shareholders

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs and has adopted a Shareholder Communication Policy. The Policy provides that information will be communicated to shareholders and the market through:

- The Annual Report which is distributed to shareholders;
- The Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- The Half-Yearly Directors' and Financial Reports;
- Quarterly Report for Entities admitted on the basis of commitments;
- Other announcements released to ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to Shareholders.

The Company will actively promote communication with shareholders through a variety of measures, including the use of the Company's website. The Company's reports and ASX announcements will be available for viewing and downloading from its website: www.iproperty-group.com or the ASX website: www.asx.com.au under ASX code "IPP".

8. Continuous Disclosure to ASX

The Board has adopted a Continuous Disclosure Policy and has designated the CEO, CFO or Company Secretary as the persons responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

In accordance with the ASX Listing Rules, the Company will notify the ASX promptly of information:

- Concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- That would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Compliance with The ASX Corporate Governance Principles and Recommendations

The extent to which iProperty has followed the ASXCGPR is as follows:

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	**Compliance**	**Corporate Governance Statement (CGS) References/Comments**
1.1 Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Yes	1, 2
1.2 Companies should disclose the process for evaluating the performance of senior executives.	Yes	2.5.2, 2.12
1.3 Companies should provide the information indicated in the Guide to reporting on Principle 1.	Yes	Annual Report Website CGS
PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE		
2.1 A majority of the Board should be independent directors.	No	The current members of the Board have the relevant and appropriate mix of skills and experience to perform the Board's functions and responsibilities.
2.2 The chair should be an independent director.	No	The Chairman is not independent as a consequence of his being a substantial shareholder in the company. This has not impeded his ability to effectively chair the board.
2.3 The roles of chair and chief executive officer should not be exercised by the same individual	Yes	2, 2.3
2.4 The Board should establish a nomination committee	Yes	2.5.2, 2.16

2.5 Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors	Yes	2.5.2, 2.12
2.6 Companies should provide the information indicated in Guide to reporting on Principle 2.	Yes	Annual Report Website CGS
PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING		
3.1 Companies should establish a Code of Conduct and disclose the code or a summary of the code as to: 3.1.1 The practices necessary to maintain confidence in the Company's integrity. 3.1.2 The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders. 3.1.3 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	4
3.2 Companies should establish a policy concerning diversity and disclose that policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.	Yes	4 Website
3.3 Companies should disclose in each annual report the measurable objectives for achieving gender diversity and progress towards achieving them.	Yes	4
3.4 Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Yes	4
3.5 Companies should provide the information indicated in Guide to reporting on Principle 3.	Yes	Annual Report Website CGS
PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING		
4.1 The Board should establish an audit committee.	Yes	2.5.1, 5
4.2 The audit committee should be structured so that it: 4.2.1 Consists of only non-executive directors. 4.2.2 Consists of a majority of independent directors. 4.2.3 Is chaired by an independent chair, who is not chair of the board. 4.2.4 Has at least three members	Yes	2.5.1, 5
4.3 The audit committee should have a formal charter.	Yes	5
4.4 Companies should provide the information indicated in Guide to reporting on Principle 4.	Yes	Annual Report Website CGS

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE		
5.1 Companies should establish written policies and procedures designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior management level for that compliance and disclose those policies or a summary of those policies..	Yes	7
5.2 Companies should provide the information indicated in the Guide to reporting on Principle 5.	Yes	Annual Report Website CGS
PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS		
6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging participation at general meetings and disclose their policy or a summary of that policy.	Yes	6
6.2 Companies should provide the information indicated in Guide to reporting on Principle 6.	Yes	Annual Report Website CGS
PRINCIPLE 7: RECOGNISE AND MANAGE RISK		
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	2.5.1, 5
7.2 The Board should require management to design and implement a risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes	2.5.1, 5
7.3 The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	2.5.1, 5
7.4 Companies should provide the information indicated in Guide to reporting on Principle 7.	Yes	Annual Report Website CGS
PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY		
8.1 The Board should establish a remuneration committee.	Yes	2.5.2, 3
8.2 The remuneration committee should be structured so that it: • Consists of a majority of independent directors • Is chaired by an independent director • Has at least three members.	No Yes Yes	Annual Report
8.3 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	Annual Report
8.4 Companies should provide the information indicated in Guide to reporting on Principle 8.	Yes	Annual Report Website & CGS

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The Board of Directors
iProperty Group Limited
Level 3
70 Pitt Street
SYDNEY NSW 2000

24 February 2012

Dear Board Members

iProperty Group Limited

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

As lead audit partner for the audit of the financial statements of iProperty Group Limited for the financial year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Robert D D Collie
Partner
Chartered Accountants

Consolidated statement of comprehensive income for the financial year ended 31 December 2011

	Note	2011 $	2010 $
Continuing operations			
Revenue from services		11,965,402	7,232,795
Other income		-	-
		11,965,402	**7,232,795**
Administration and related expenses		(813,391)	(667,478)
Advertising and marketing expenses		(2,364,333)	(1,046,715)
Employment related expenses	5	(8,386,422)	(6,025,370)
Premises and infrastructure expenses		(1,075,575)	(736,550)
Offline production costs		(1,275,582)	(894,006)
Other expenses		(49,676)	(251,144)
Total expenses		**13,964,979**	**(9,621,263)**
Loss before interest, tax, depreciation and amortisation (EBITDA)		**(1,999,577)**	**(2,388,468)**
Depreciation and amortisation expenses		(186,145)	(191,247)
Loss before interest and tax (EBIT)		**(2,185,722)**	**(2,579,715)**
Interest Income		204,016	34,148
Interest Expense	5	(9,836)	(11,183)
Loss before tax		**(1,991,542)**	**(2,556,750)**
Income tax (expense)/benefit	6	(17,077)	17,302
Loss for the year		**(2,008,619)**	**(2,539,448)**
Other comprehensive income			
Exchange differences on translation of foreign operations		(174,946)	(68,479)
Total comprehensive loss for the period		**(2,183,565)**	**(2,607,927)**
Loss attributable to:			
Owners of the Company		(2,008,619)	(2,539,448)
		(2,008,619)	**(2,539,448)**
Total comprehensive loss attributable to:			
Owners of the Company		(2,183,565)	(2,607,927)
		(2,183,565)	**(2,607,927)**
Loss per share from continuing operations		**Cents**	**Cents**
Basic	9	(1.27)	(1.90)
Diluted	9	(1.27)	(1.90)

The accompanying notes form part of these financial statements.

Consolidated statement of financial position as at 31 December 2011

	Note	Consolidated 2011 $	Consolidated 2010 $
Current assets			
Cash and cash equivalents	10	6,080,274	1,853,960
Trade and other receivables	11	1,867,201	848,262
Other assets	12	625,715	424,505
Current tax assets		11,154	2,778
Total current assets		**8,584,344**	**3,129,505**
Non-current assets			
Property, plant and equipment	13	438,292	271,863
Goodwill	15	15,617,599	10,387,429
Intangible assets	14	1,164,152	592,038
Total non-current assets		**17,220,043**	**11,251,330**
Total assets		**25,804,387**	**14,380,835**
Current liabilities			
Trade and other payables	16	4,434,390	4,520,505
Provisions	17	907,541	602,192
Total current liabilities		**5,341,931**	**5,122,697**
Total Non-current liabilities		**-**	**-**
Total liabilities		**5,341,931**	**5,122,697**
Net assets		**20,462,456**	**9,258,138**
Equity			
Issued Capital	18	28,144,452	14,845,380
Reserves	19	(533,544)	(447,409)
Accumulated Losses	20	(7,148,452)	(5,139,833)
Equity attributable to owners of the Company		20,462,456	9,258,138
Non-controlling interests		-	-
Total equity		**20,462,456**	**9,258,138**

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity for the financial year ended 31 December 2011

		Fully paid ordinary shares	Foreign currency translation reserve	Share treasury reserve	Equity reserve	Equity settled employee Benefits reserve	Accum. Losses	Total
		$	$	$	$	$	$	$
Balance at 1 January 2010		9,849,263	(148,416)	-	(182,514)	-	(2,600,385)	**6,917,948**
Loss for the year	20	-	-	-	-	-	(2,539,448)	**(2,539,448)**
Foreign currency translation differences	19	-	(68,479)	-	-	-	-	**(68,479)**
Total comprehensive loss for the year		**-**	**(68,479)**	**-**	**-**	**-**	**(2,539,448)**	**(2,607,927)**
30,551,790 shares issued during the year	18	5,230,473	-	-	-	-		**5,230,473**
Transaction costs relating to share issue	18	(234,356)	-	-	-	-		**(234,356)**
Allocation of shares acquired in rights issue for employee share plan		-	-	(48,000)	-	-		**(48,000)**
Sub-total		4,996,117	(68,479)	(48,000)	-	-	(2,539,448)	**2,340,190**
Balance at 31 December 2010		**14,845,380**	**(216,895)**	**(48,000)**	**(182,514)**	**-**	**(5,139,833)**	**9,258,138**
Balance at 1 January 2011		14,845,380	(216,895)	(48,000)	(182,514)	-	(5,139,833)	9,258,138
Changes								
Loss for the year	20	-	-	-	-	-	(2,008,619)	**(2,008,619)**
Foreign currency translation difference	19	-	(174,946)	-	-	-	-	**(174,946)**
Total comprehensive loss for the year		-	(174,946)	-	-	-	(2,008,619)	**(2,183,565)**
23,997,202 shares issued during the year	18	13,338,980	-	-	-	-	-	**13,338,980**
Transaction costs relating to share issue	18	(39,908)	-	-	-	-	-	**(39,908)**
Recognition of share based expense	28	-	-	-	-	88,811	-	**88,811**
Sub-total		13,299,072	(174,946)	-	-	88,811	(2,008,619)	**11,204,318**
Balance at 31 December 2011		**28,144,452**	**(391,841)**	**(48,000)**	**(182,514)**	**88,811**	**(7,148,452)**	**20,462,456**

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows
for the financial year ended 31 December 2011

	Note	2011 $	2010 $
Cash flows from operating activities			
Receipts from customers		11,641,589	7,298,739
Payments to suppliers and employees		(13,419,258)	(8,832,762)
Interest received		119,780	34,148
Income tax paid		(62,700)	(6,027)
Net cash used in operating activities	24	**(1,792,589)**	**(1,505,902)**
Cash flows from investing activities			
Payments for property, plant and equipment	13	(313,828)	(181,269)
Payments for intangible assets	14	(375,314)	(210,635)
Payments for subsidiaries acquired net of cash acquired	25	(2,153,597)	(2,083,931)
Net cash used in investing activities		**(2,842,739)**	**(2,475,835)**
Cash flows from financing activities			
Proceeds from issue of share capital	18	8,901,550	5,230,473
Share issue costs	18	(39,908)	(234,356)
Proceeds from borrowings		-	750,000
Repayment of borrowings		-	(761,126)
Net cash provided by financing activities		**8,861,642**	**4,984,991**
Net increase in cash and cash equivalents		4,226,314	1,003,254
Cash and cash equivalents at the beginning of the financial year		1,853,960	850,706
Cash and cash equivalents at the end of the financial year		**6,080,274**	**1,853,960**

The accompanying notes form part of these financial statements.

1. General information

iProperty Group Limited (the company) is a public company listed on the ASX and incorporated in Australia.

iProperty Group Limited's registered office and its principal place of business are as follows:

Registered office	Principal place of business
Level 3	Level 8, Gardens North Tower
70 Pitt Street	Mid Valley City 59200
Sydney NSW 2001	Kuala Lumpur
Australia	Malaysia

The financial statements relate to the consolidated entity consisting of iProperty Group Limited and its subsidiaries. Separate financial statements for iProperty Group Limited as an individual entity are no longer presented as the consequence of a change to the Corporations Act 2001, however, limited financial information for iProperty Group Limited as an individual entity is included in Note 29.

2. Statement of significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and complies with other requirements of the law.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 24 February 2012**.**

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise stated.

The accounting policies set out below have been consistently applied to all years.

Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below. The Group has also adopted the following Standards as listed below which only impacted on the Group's financial statements with respect to disclosure:

- Amendments to AASB 5 'Non-current Assets Held for Sale and Discontinued Operations'
- Amendments to AASB 7 'Financial Instruments: Disclosure'
- Amendments to AASB 101 'Presentation of Financial Statements'
- Amendments to AASB 107 'Statement of Cash Flows'

New accounting standards and interpretations

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

- AASB 124 Related Party Disclosures (2009), AASB 2009-12 Amendments to Australian Accountng Standards – Amends the requirement of the previous version of AASB 124 to provide a partial exemption from related party disclosure requirements for government related entities, clarify the definition of a related party and include an explicit requirement to disclose commitments involving related parties.
- AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project – Amends a number of pronouncements as a result of the IASB's 2008-2010 cycle of annual improvments. Key amendments include:
    - Financial statement disclosures – clarification of content of the statement of changes in equity (AASB 101), financial instrument disclosures (AASB 7) and significant events and transactions in interim reports (AASB 134)
    - Interpretation 13 – fair value of awards credits
    - AASB 1 – accounting policy changes in year of adoption and amendments to deemed cost (revaluation basis, regulatory assets).

2. Significant accounting policies (cont'd)

Standards and Interpretations in issue not yet adopted
At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets.	1 July 2011	31 December 2012
• AASB 2011-5 'Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation'	1 July 2011	31 December 2012
• AASB 1054 Australian Additional Disclosures, AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project	1 July 2011	31 December 2012
• AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets	1 January 2012	31 December 2012
• AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income	1 July 2012 with early adoption permitted	31 December 2013
• AASB 9 Financial Instruments (December 2009), AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	1 January 2013	31 December 2013
• AASB 9 Financial Instruments (December 2010), AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	1 January 2013	31 December 2013
• AASB 10 Consolidated Financial Statements	1 January 2013*	31 December 2013
• AASB 11 Joint Arrangements	1 January 2013*	31 December 2013
• AASB 12 Disclosure of Interests in Other Entities	1 January 2013*	31 December 2013
• AASB 13 Fair Value Measurement, AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13	1 January 2013	31 December 2013
• AASB 127 Separate Financial Statements (2011)	1 January 2013*	31 December 2013
• AASB 128 Investments in Associates and Joint Ventures	1 January 2013*	31 December 2013
• AASB 119 Employee Benefits (2011), AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (2011)	1 January 2013	31 December 2013
• AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards	1 January 2013*	31 December 2013
• AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	31 December 2014

* Entities early adopting this standard must also adopt the other standards included in the 'suite of six'

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

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of iProperty Group Limited, the Company, and entities controlled by the Company (referred to as the "Group" in these financial statements). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. A list of controlled entities is contained in Note 23 to the financial statements.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements.

All inter-group transactions, balances, income and expenses eliminated in full on consolidation. In the separate financial statements of the Group, intra-group transactions ("common control transactions") are generally accounted for by reference to the existing (consolidated) book value of the items. Where the transaction value of common control transactions differ from their consolidated book value, the difference is recognised as a contribution by or distribution to equity participants by the transacting entities.

(b) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in income over the period of the borrowing using the effective interest rate method. All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(c) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3(2008) are recognised at their fair value at the acquisition date, except that:

• deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;

• liabilities or equity instruments related to the replacement by the Group of an acquiree's share based payment awards are measured in accordance with AASB 2 Share-based Payment; and

• assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

2. Significant accounting policies (cont'd)

(d) Cash and cash equivalents

Cash comprises cash on hand and on demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(e) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(f) Employee benefits

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

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(g) Financial assets

Subsequent to initial recognition, investments in subsidiaries are measured at cost. Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. At the balance date the following categories of financial assets were held:

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownerships of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of transferred financial assets, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(h) Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issued costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities ‘at fair value through profit or loss’ or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(i) Foreign currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of iProperty Group Ltd, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of the Group’s foreign operations are translated into Australian dollars at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group’s translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after the date of transition to AIFRS are treated as assets and liabilities of the foreign entity and translated at exchange rates prevailing at the reporting date. Goodwill arising on acquisitions before the date of transition to AIFRS is treated as an Australian dollar denominated asset.

(j) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group’s interest in the fair value of the acquiree’s identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(k) Goods and services tax

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

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

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

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

(l) Income tax

Current tax

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

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

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

(m) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:
- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or
- sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Acquired Software
Software is not considered to have an indefinite life and is generally amortised over 3 - 5 years. If at any point the software is no longer is in use or contributing to add value it will be written down to zero.

(n) Leased assets
Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases. Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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

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

Depreciation is provided on property, plant and equipment. Depreciation is calculated using either straight line or diminishing value based on the assess appropriateness of each method for each entity within the company. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

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

Class of Fixed Asset	*Years of Useful Life*
Plant & equipment	2 - 5 years
Furniture & fittings	3 - 5 years
Leased plant and equipment	3 - 8 years

(p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

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

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. At subsequent reporting dates, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' and the amount initially recognised less cumulative amortisation recognised in accordance with AASB 118 'Revenue'.

(q) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue is recognised where the contract outcome can be estimated reliably and control of the right to be compensated for their service and the stage of completion can be reliably measured. Advance billings are deferred and released in the appropriate period when the service is delivered. Prepayments are capitalised and released in the appropriate period when service is delivered.

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the entity's accounting policies

The preparation of the financial report required the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of goodwill
Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was $15,617,599 (2010: $10,387,429). Impairment losses have not been recognised in the current financial year (2010: Nil). Details are provided in note 15.

Useful lives of property, plant and equipment
The estimated useful lives of property, plant and equipment are described in note 1(p). The useful lives of all classes of property, plant and equipment are reviewed annually at the end of each annual reporting period.

Allowance for doubtful debts
A provision for doubtful debts has been provided for estimated irrecoverable trade receivables past the average credit period. This provision is determined by reference to past default experience and any change in quality of trade receivables. In most instances amounts greater than 120 days are provided for as well as those amounts less than 120 days that have some uncertainty as to their collectability.

Share based payment transactions
The group measures the cost of equity settled transactions with employees and other parties based on the fair value of the equity provided at the time of exchange. Where this is with an external party this is generally based on an appropriately time framed Volume Weighted Average Price (VWAP) of iProperty shares traded on the ASX at the time of settlement. Where it is with employees in relation to performance payments in the future, the fair value is estimated based on an estimation of the probability of all performance criteria being met. This value is then used to discount the current value of the equity to determine an appropriate amount to be expensed each period until the vesting date. This estimate will have no impact on the carrying amount of the assets or liabilities of the company but may impact the value of expenses and equity in the current and future periods. Any variance in the possible amounts is not considered by the board to be material.

4. Segment information

Information reported to the company's executive management team (the chief operating decision makers) for the purposes of resource allocation and assessment of performance is more specifically focused on the geographic location of services provided. The company operates in only one business segment which is the online advertising segment.

The company's reportable segments under AASB 8 are as follows:-

- Malaysia
- Singapore
- Hong Kong
- Indonesia
- Corporate

Segment revenues and results

The following is an analysis of the company's revenue and results by reportable operating segment for the periods under review:

	Revenue		Segment results	
	2011 $	2010 $	2011 $	2010 $
Malaysia	7,403,404	4,018,518	2,820,873	261,690
Singapore	3,124,747	2,210,320	(2,388,768)	(1,494,702)
Hong Kong	1,202,497	1,003,957	(1,260,435)	(789,555)
Indonesia	234,754	-	(575,809)	-
Corporate	204,016	34,148	(587,403)	(543,183)
Other revenue			-	-
Profit before tax			(1,991,542)	(2,556,750)
Income tax benefit/(expense)			(17,077)	17,302
Consolidated segment revenue and profit for the period	12,169,418	7,266,943	(2,008,619)	(2,539,448)

All revenue is generated from external customers. The group does not have a major customer. No single customer contributes 10% or more to the group's revenue for 2011 or 2010.

Segment assets and liabilities

	Segment assets	
	2011 **$**	**2010** **$**
Malaysia	2,164,588	1,385,910
Singapore	16,907,747	11,066,155
Hong Kong	232,305	273,415
Indonesia	189,744	-
Corporate	6,310,003	1,655,355
Other	-	-
Total segment assets	25,804,387	14,380,835
Consolidated total assets	25,804,387	14,380,835

	Segment liabilities	
	2011 **$**	**2010** **$**
Malaysia	1,864,482	1,209,899
Singapore	1,815,575	2,817,346
Hong Kong	615,390	383,374
Indonesia	346,682	-
Corporate	699,802	712,078
Other	-	-
Total segment liabilities	5,341,931	5,122,697
Consolidated total liabilities	5,341,931	5,122,697

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than interests in associates, ‘other financial assets’ and current and deferred tax assets. Assets used by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than borrowings, ‘other financial liabilities’, current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

5. Loss for the year from continuing operations

Loss for the year from continuing operations has been arrived at after charging/(crediting):

	Consolidated	
	2011 $	**2010 $**
Employee benefits expense		
Salaries and wages	5,465,847	4,287,024
Superannuation and pension related	466,316	354,566
Commissions paid	720,234	590,581
Other employment benefits	1,273,078	793,199
Termination benefits	-	-
	7,925,475	6,025,370
Share-based payments		
Equity-settled share-based payments	460,947	-
Cash-settled share-based payments	-	-
	8,386,422	6,025,370
Total employee benefits expense		

Finance costs		
Interest Expense	9,836	11,183

6. Income taxes

Income tax recognised in profit or loss

	Consolidated	
	2011 $	**2010 $**
Current tax		
Current tax expense/(benefit) in respect of the current year	-	(2,779)
Under/(Over) provision of prior year tax	17,077	(14,523)
	17,077	(17,302)
Deferred tax		
Deferred tax expense recognised in the current year	-	-
	-	-
Total income tax expense/(benefit) recognised in the current year	17,077	(17,302)

The income tax expense for the year can be reconciled to the accounting loss as follows:-

Loss before tax from operations	(1,991,542)	(2,556,750)
Income tax expense calculated at 30% (2010: 30%)	(597,463)	(767,025)
Effect of different tax rates of subsidiaries operating in other jurisdictions	368,445	310,392
Tax effect of:		
Temporary differences – accruals and provisions	197,509	169,441
(Under)/Over provision in prior years	(17,077)	14,523
Deductible costs relating to share issue expenses	(88,412)	(97,123)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	154,075	352,490
	17,077	(17,302)

6. Income taxes (cont'd)

Unrecognised deferred tax assets

Share issue costs
A deferred tax asset has not been recognised in relation to deferred share issue costs (which has been recognised directly into share capital) because, in the opinion of the directors, it is not probable that sufficient taxable income will be generated to utilise the future deductions.

Carry forward losses
A deferred tax asset has not been recognised in relation to the carry forward taxation losses because, in the opinion of the directors, it is not probable that sufficient Australia sourced taxable income will be generated to utilise the losses.

The tax rate used for the 2011 and 2010 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

Deferred tax assets not brought to account as an asset

	Consolidated	
	2011 $	2010 $
Tax losses – Revenue	1,051,279	897,204
Tax losses – Capital	67,990	67,990
Share issue costs deferred	383,563	371,591
	1,502,832	1,336,785

7. Key Management Personnel Compensation

(a) Details of key management personnel
The directors and other members of key management personnel of the Group during the year were:

Directors

- Mr. Simon Baker Non Executive (Chairman)
- Patrick Grove Non Executive (Deputy Chairman))
- Hugh Morrow Non Executive
- Samuel Weiss Non Executive
- Lucas Elliott Non Executive
- Georg Chmiel Non Executive
- Roland Tripard Non Executive

Executives

- Shaun Di Gregorio Chief Executive Officer
- Rod Brandenburg Chief Financial Officer
- Andy Kelk Chief Information Officer
- Glenn Thompson Country Manager Singapore
- Timothy Hor Country Manager Malaysia
- Nick Geddes Company Secretary

(b) Compensation Practices

Refer to the Remuneration Report segment of the Directors Report.

(c) Key management personnel compensation

The aggregate compensation made to key management personnel of the company and the Group is set out below:

	Consolidated	
	2011 $	2010 $
Short-term employee benefits	1,385,296	983,066
Post-employment benefits	56,369	25,737
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	460,947	180,250
	1,902,612	1,189,053

There were no share options or tax deferred shares granted during the year ended 31 December 2011 (2010: Nil). 720,765 Rights to ordinary shares were granted as part of the 2010 LTI Plan in February 2011, 655,271 Rights to ordinary shares were granted as part of the 2011 LTI Plan in July 2011 to Key Senior Management. Further information in relation to this and other details of the directors and senior executives compensation is contained within the remuneration report on pages 11 and 12.

Share based payments

By an agreement between the Company and each of the Non-Executive Directors, the Non-Executive Directors have agreed to provide services to the Company. As detailed in the iProperty prospectus the Non-Executive Directors will be remunerated using a mixture of cash and iProperty shares.

The remuneration of Non-Executive Directors for the year ending 31 December 2011 includes $196,000 in respect of 217,560 shares which have not yet been issued to Non-Executive Directors. The issue of these shares to Non-Executive Directors is subject to the approval of iProperty members at the next Annual General Meeting.

8. Auditors' Remuneration

	Consolidated	
	2011 $	2010 $
Remuneration of the auditor of the parent entity for:		
Auditing or reviewing the financial report	94,200	91,400
Other services	-	-
Total	**94,200**	**91,400**

The auditor of iProperty Group Limited is Deloitte Touche Tohmatsu.

	Consolidated	
	2011 $	2010 $
Remuneration of other auditors of the subsidiaries:		
Auditing or reviewing the financial report	35,658	28,361
Other services	4,648	1,279
Total	**40,306**	**29,640**

9. Earnings Per Share

	Consolidated 2011 Cents per share	Consolidated 2010 Cents per share
Basic loss per share		
From continuing operations	(1.27)	(1.90)
From discontinued operations	-	-
Total basicloss per share	(1.27)	(1.90)
Diluted loss per share		
From continuing operations	(1.27)	(1.90)
From discontinued operations	-	-
Total diluted loss per share	(1.27)	(1.90)

Basic loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2011 $	2010 $
Loss for the year attributable to owners of the Company	(2,008,619)	(2,539,448)
Other	-	-
Loss used in the calculation of basic EPS	(2,000,619)	(2,539,448)
Adjustments to exclude profit for the period from discontinued operations	-	-
Loss used in the calculation of basic EPS from continuing operations	(2,600,619)	(2,539,448)

	2011 No.	2010 No.
Weighted average number of ordinary shares for the purposes of basic loss per share	158,332,068	133,627,917

Diluted earnings per share

The loss used in the calculation of diluted earnings per share is as follows:

	2011 $	2010 $
Loss for the year attributable to owners of the Company	(2,008,619)	(2,539,448)
Other	-	-
Loss used in the calculation of diluted EPS	(2,000,619)	(2,539,448)
Adjustments to exclude profit for the period from discontinued operations		-
Loss used in the calculation of diluted EPS from continuing operations	(2,000,619)	(2,539,448)

	Consolidated 2011 No.	Consolidated 2010 No.
Weighted average number of ordinary shares used in the calculation of basic EPS	158,332,068	133,627,917

There are no potential ordinary shares that are considered not dilutive as they do not meet the requirements for inclsion as per AASB 133 earnings per share. The rights were non dilutive as the consolidated entity generated a loss during the year.

10. Cash and cash equivalents

	Consolidated	
	2011 $	2010 $
Cash at bank	651,918	1,853,960
Term deposits	5,428,356	-
Cash and cash equivalents	**6,080,274**	**1,853,960**

11. Trade and other receivables

	Consolidated	
	2011 $	2010 $
Trade receivables	1,737,673	1,096,303
Less provision for doubtful debts	(152,353)	(279,972)
	1,585,320	816,331
Other	281,881	31,931
Total trade and other receivables	**1,867,201**	**848,262**

The average credit period on rendering of services is 30 days for direct client billings and 90 days for agency billings. The group does not charge interest on trade receivables for amounts owing past the due date neither does it hold collateral over these balances. A provision for doubtful debts has been provided for estimated irrecoverable trade receivables past credit period determined by reference to past default experience and the change in quality of trade receivables.

Age of trade receivables that are past due but not impaired:-

	Consolidated	
	2011 $	2010 $
31-60 days	397,881	-
61-90 days	177,050	115,173
91 plus days	284,876	42,914
Total	859,807	158,087

Movement in the provision for doubtful debts:

Balance at the beginning of the year	(279,972)	(113,995)
Doubtful debts allowance recognised during the year	-	(165,977)
Impairment losses reversed	127,619	-
Balance at the end of the year	(152,353)	(279,972)

Age of impaired trade receivables:-

31-60 days	-	-
61-90 days	-	-
91 plus days	152,353	279,972
Total	152,353	279,972

12. Other assets

Deposits and prepayments	625,715	424,505

13. Plant and equipment

	Consolidated 2011 $	Consolidated 2010 $
Plant and equipment		
At cost	729,832	439,636
Less: Accumulated depreciation	(480,328)	(259,914)
	249,504	179,722
Furniture and fittings		
At cost	142,035	78,642
Less: Accumulated depreciation	(87,294)	(47,364)
	54,741	31,278
Leasehold improvements		
At cost	235,325	148,087
Less: Accumulated depreciation	(101,278)	(87,224)
	134,047	60,863
Total plant and equipment	**438,292**	**271,863**

Movement in carrying amounts

Movement in the carrying amounts of each class of plant and equipment between the beginning and the end of the current financial year are set out below:

	Consolidated			
	Plant and equipment $	Furniture and fittings $	Leasehold improvements $	Total $
Balance at 1 January 2010	184,572	22,341	60,082	266,995
Additions	123,481	13,596	44,192	181,269
Disposals	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Depreciation	(142,887)	(5,541)	(42,819)	(191,247)
Net foreign currency exchange differences	14,556	882	(592)	14,846
Balance at 31 December 2010	179,722	31,278	60,863	271,863
Balance at 1 January 2011	179,722	31,278	60,863	271,863
Additions	175,081	33,733	105,014	313,828
Disposals	-	-	(2,963)	(2,963)
Acquisitions through business combinations	20,843	3,639	9,457	33,939
Depreciation	(129,016)	(15,397)	(38,532)	(182,945)
Net foreign currency exchange differences	2,874	1,488	208	4,570
Balance at 31 December 2011	249,504	54,741	134,047	438,292

14. Intangible assets

	Consolidated 2011 $	Consolidated 2010 $
Websites, domain names, trademarks and other intangibles		
Balance at the beginning of the financial year	592,038	326,134
Amortisation	(3,200)	-
Additions and adjustments	575,314	265,904
Total intangible assets	**1,164,152**	**592,038**

Websites and domain names are considered to have indefinite lives and as such are assessed for impairment on an annual basis. Indefinite life intangibles are allocated to the cash-generating units for which they relate . No impairment was considered necessary. Software is amortised evenly over 5 years.

15. Goodwill

	Consolidated	
	2011 $	2010 $
Cost	15,617,599	10,387,429
Accumulated impairment	-	-
	15,617,599	**10,387,429**
Cost		
Balance at the beginning of the year	10,387,429	6,477,147
Additional amounts recognised from business combinations occurring during the year (Note 25)	5,348,327	3,910,282
Other	(118,157)	-
Balance at the end of the year	**15,617,599**	**10,387,429**

Goodwill is allocated for impairment testing purposes to the following cash-generating units with the carrying amount as follows:

	2011 $	2010 $
Malaysia	4,638,315	4,756,472
Singapore	3,892,728	3,892,728
Hong Kong	1,713,838	1,713,838
Indonesia	5,348,327	-
Other	24,391	24,391
	15,617,599	**10,387,429**

The recoverable amount of the cash-generating units are determined based on a value in use calculation which uses cash flow projections based on the financial budgets approved by management for the 2012 financial year. The budget is then extrapolated for a further four years at projected growth rates for both revenue and costs which management consider are appropriate for the markets the CGU's operate, to which a discount rate is applied. Given the sensitivity of growth rates for both revenue and expenses due to stage of where Group and the markets for which the Group operates are at, the board believes it is in the best interests of shareholders not to disclose this information.

Management have determined the appropriate discount rate applied based on the risk free rate plus a risk margin appropriate for the market the CGU operates in. This is as follows:

Malaysia	13.5% (2010: 18.2%)
Singapore	13.5% (2010: 16.5%)
Hong Kong	13.5% (2010: 16.6%)
Indonesia	15.5% (2010: N/A)

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregated carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Management annually reviews the carrying amount of goodwill and intangible assets to determine whether there is any indication that goodwill or intangible assets have been impaired. The discount cash flow method of measurement was used to estimate the recoverable amount of those assets. The recoverable amount using the stated method of calculation was greater than the carrying value of the stated assets and accordingly there was no impairment. For details of acquisitions from business combinations refer to note 25.

16. Trade and other payables

	Consolidated 2011 $	Consolidated 2010 $
Trade payables	736,204	425,160
Sundry payables and accrued expenses	869,735	573,272
Billings in advance	1,885,081	1,639,093
GST payable	148,970	56,664
Accrued acquisition costs (i)	794,400	1,826,316
	4,434,390	4,520,505

The average credit period on purchases normally 30 – 60 days. No interest is payable on trade payables.
The Group has financial risk management in place to ensure that all payables are paid within the credit time frame.

(i) The accrued acquisition costs relate to future earn out provisions in relation to the acquisition of the domain rumahdanproperti.com ($200,000 cash) and the company PT Web Marketing Indonesia (1 million iProperty Group Shares which had a fair value at the time of acquisition of 59.44 cents each). The payments have certain performance criteria and warranty provisions that need to be met for the payments and share issues to be made. All amounts are due within 12 months of balance date.

17. Provisions

	Consolidated 2011 $	Consolidated 2010 $
Current		
Employee entitlements		
Opening balance	72,441	46,510
Amounts charged	59,043	25,931
Payments made	-	-
Closing balance	131,484	72,441
Staff incentives and bonuses	776,057	522,996
Other amounts	-	6,756
	907,541	602,192
Number of employees	262	152

18. Issued Capital

	Consolidated 2011 $	Consolidated 2010 $
169,527,776 fully paid ordinary shares (2010: 145,530,574)	28,144,452	14,845,380

Changes to the then Corporations Act abolished the authorised capital and par value concept in relation to share capital from 1 July 1998.

	2011 No.	2011 $	2010 No.	2010 $
Fully paid ordinary shares				
Balance at beginning of financial year	145,530,574	14,845,380	114,978,784	9,849,263
Issue of shares	23,997,202	13,338,980	30,551,790	5,230473
Share issue costs	-	(39,908)	-	(234,356)
Balance at end of financial year	169,527,776	28,144,452	145,530,574	14,845,380

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called. Otherwise each shareholder has one vote on show of hands.

Rights to ordinary shares granted to employees carry no rights to dividends and no voting rights. Further details of the employee share option plan are contained in note 28 to the financial statements and in the Directors Report.

19. Reserves

	Consolidated	
Reserves	**2011 $**	**2010 $**
Equity reserve	(182,514)	(182,514)
Treasury reserve	(48,000)	(48,000)
Equity settled employee benefits reserve	88,811	-
Foreign currency translation reserve	(391,841)	(216,895)
	(533,544)	(447,409)

Equity reserve		
Balance at beginning of financial year	(182,514)	-
Equity reserve resulting from increase in interest in controlled entity	-	(182,514)
Balance at end of financial year	(182,514)	(182,514)
Treasury reserve		
Balance at beginning of financial year	(48,000)	-
Movement of shares owned in iProperty Group by employee share plan	-	(48,000)
Balance at end of financial year	(48,000)	(48,000)
Equity settled employee benefits reserve		
Balance at beginning of financial year	-	-
Recognition of rights expense	88,811	-
Balance at end of financial year	88,811	-
Foreign currency translation reserve		
Balance at beginning of financial year	(216,895)	(148,416)
Exchange differences arising on translating the foreign operations	(174,946)	(68,479)
Balance at end of financial year	(391,841)	(216,895)

Exchange differences relating to the translation of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the foreign operations) are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

20. Accumulated losses

Balance at beginning of financial year	(5,139,833)	(2,600,385)
Loss attributable to members of the parent entity	(2,008,619)	(2,539,448)
Balance at end of financial year	(7,148,452)	(5,139,833)

21. Contingent liabilities and contingent assets

There are various claims that arise in the ordinary course of business against the iProperty Group and its subsidiaries. The amount of any additional liability (if any) at 31 December 2011 can not be ascertained and iProperty Group Limited believes that any resulting liability would not materially affect the position of the group.

22. Capital and leasing commitments

Finance lease commitments

The consolidated entity does not have any finance leases.

Non cancellable operating lease commitments

Non cancellable operating leases contracted but not capitalised in the financial statements

	Consolidated	
	2011 $	2010 $
Not longer than 1 year	290,567	254,552
Longer than 1 year and not longer than 5 years	254,435	137,817
Longer than 5 years	-	-
	545,002	392,369

Operating lease commitments relate to premises occupied by the Group with lease terms currently still available of less than 3 years. The Group does not have an option to purchase the premises at the expiry of the lease period.

23. Controlled entities

	Country of incorporation	Proportion of owners interest and voting power held by the Group	
		2011 %	2010 %
Parent entity			
iProperty Group Limited			
Subsidiaries of iProperty Group Limited			
iProperty.com Pty Ltd	Australia	100	100
IPGA Share Plan Pty Ltd	Australia	100	100
iProperty Group Asia Pte Ltd	Singapore	100	100
Subsidiaries of Iproperty Group Asia Pte Ltd			
Iproperty.com Singapore Pte Ltd	Singapore	100	100
Info-Tools Pte Ltd	Singapore	100	100
Gohome H.K.Co. Limited	Hong Kong	100	100
Finance18.com Limited	Hong Kong	100	100
House18 Service Limited	Hong Kong	100	100
Iproperty.com Malaysia Sdn Bhd	Malaysia	100	100
Iproperty.com Events Sdn Bhd	Malaysia	100	100
Think Media Sdn Bhd	Malaysia	100	100
PT Web Marketing Indonesia	Indonesia	100	-
IPGA Management Services Sdn Bhd	Malaysia	100	-

24. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand in banks at call as well as including term deposits with a maturity of less than 6 months, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Consolidated	
	2011 $	2010 $
Cash and cash equivalents	6,080,274	1,853,960

(b) Reconciliation of loss for the year to net cash flows from operating activities

	Consolidated	
Cash flows from operating activities	2011 $	2010 $
Loss for the year after income tax	(2,008,619)	(2,539,448)
Non-cash flows in loss from ordinary activities		
Depreciation and amortization	186,145	191,247
Doubtful debt expense	(23,641)	199,539
Movement in working capital:		
(Increase)/decrease in trade and other receivables	(891,320)	(248,985)
(Increase)/decrease in other assets	(201,210)	(34,205)
(Increase)/decrease in current tax asset	(8,375)	(23,870)
Increase/(decrease) in trade and other payables	823,151	394,137
Increase/decrease) in provisions	331,280	555,683
Net cash generate from/(used in) operating activities	(1,792,589)	(1,505,902)

25. Business combinations

Name of business acquired	Principal activity	Date of acquisition	Percentage of shares acquired %	Cost of acquisition $
Acquisitions in 2011				
PT Web Marketing Indonesia	Operator of online property portal (Rumah 123.com)	2 August 2011	100	**5,160,800**
Acquisitions in 2010				
Think Media Sdn Bhd	Online advertising	31 July 2010	100	2,083,966

Consideration transferred

	PT Web Marketing Indonesia	Total
Cash	1,000,000	1,000,000
6,000,000 shares on completion	3,566,400	3,566,400
Contingent consideration arrangement (i)	594,400	594,400
Total	**5,160,800**	**5,160,800**

25. Business combinations (cont'd)

(i) Under the contingent consideration arrangement, the Group is required to pay the vendors an additional 1,000,000 shares subject to certain warranties made as part of the sale and purchase agreement. $594,400 represents the estimated fair value of this obligation at the acquisition date.

Acquisition-related costs amounting to $18,205 have been excluded from the consideration transferred and have been recognised as an expense in the year.

Assets acquired and liabilities assumed at the date of acquisition

	PT Web Marketing Indonesia	Total
Current assets		
Cash and cash equivalents	17,244	17,244
Trade receivables	39,156	39,156
Other current assets	38,126	38,126
Non-current assets		
Plant and equipment	33,939	33,939
Current liabilities		
Trade and other payables	(55,753)	(55,753)
Billings in advance	(146,194)	(146,194)
Other current liabilities	(114,045)	(114,045)
Net Assets	**(187,527)**	**(187,527)**

The initial accounting for the acquisition of PT Web Marketing Indonesia has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations have not been finalised and therefore the fair value of the goodwill, intangibles and other assets and liabilities have only been provisionally determined.

Goodwill arising on acquisition

	PT Web Marketing	Total
Consideration transferred	5,160,800	5,160,800
Add: fair value of identifiable net liabilities acquired	187,527	187,527
Goodwill arising on acquisition	5,348,327	5,348,327

Goodwill arose in the acquisition of PT Web Marketing because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively includes amounts in relation to the benefit of expected synergies, revenue growth, and future market development of PT Web Marketing. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Net cash outflow on acquisition	**Consolidated**	
	2011	**2010**
	$	**$**
Consideration paid in cash	1,000,000	2,083,966
Less: cash and cash equivalent acquired	(17,244)	(35)
Net cash flow on acquisition	982,756	2,083,931

Impact of acquisitions on the results of the Group

Included in the loss for the year is $575,809 attributable to the additional business generated by PT Web Marketing Indonesia. Revenue for the year includes $234,755 in respect of PT Web Marketing Indonesia.

The directors do not consider it practical to estimate what the consolidated revenue and profit for the year ended 31 December 2011 would have been if the acquisition had occurred on 1 January 2011 as the financial statements of PT Web Marketing Indonesia previously were unaudited.

The acquisition was made as the board identified it as being the best entry point into the emerging high growth market of Indonesia.

26. Related party transactions

(a) Equity interests in subsidiaries

iProperty Group Limited owns 100% of ordinary shares in all its subsidiaries (refer to note 23)

(b) Transactions with key management personnel

There were no transactions or loans between the company and key management personnel other than those disclosed below in related party transactions.

(c) Key management and directors equity holdings

The following shares are either held directly or via an associated party.

Fully paid ordinary shares of IProperty Group Limited

	Balance at 1 January 2011 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Balance at 31 December 2011 No.	Shares not yet issued*
2011						
Directors						
Simon Baker	11,328,631	159,087	-	-	11,487,718	46,620
Patrick Grove**	52,807,253	112,192	-	(11,910,269)	41,018,631	38,850
Hugh Morrow	271,819	138,675	-	-	410,494	31,080
Samuel Weiss	378,183	138,675	-	-	516,858	31,080
Lucas Elliott**	52,807,253	89,731	-	(11,887,808)	41,009,176	31,080
George Chmiel	30,819	-	-	-	30,819	31,080
Roland Tripard***	-	-	-	29,347,500	29,347,500	7,770
Executives						
Shaun Di Gregorio	2,360,519	818,493	-	-	3,179,012	-
Rod Brandenburg	850,000	61,777	-	26,000	937,777	-
Andy Kelk	11,448	-	-	477	11,925	-
Glenn Thompson	-	-	-	24,000	24,000	-
Timothy Hor	-	-	-	-	-	-
Nick Geddes	-	-	-	-	-	-

	Balance at 1 January 2010 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Balance at 31 December 2010 No.	Shares not yet issued*
2010						
Directors						
Simon Baker	5,657,042	-	-	5,671,589	11,328,631	159,087
Patrick Grove**	60,881,531	-	-	(8,074,278)	52,807,253	112,192
Paul Choiselat	11,866,876	-	-	(11,452,528)	414,348	130,517
Lucas Elliott**	-	-	-	-	52,797,798	89,731
Hugh Morrow	230,000	-	-	41,819	271,819	138,675
Samuel Weiss	320,000	-	-	58,183	378,183	138,675
Executives						
Shaun Di Gregorio	-	-	-	2,360,519	2,360,519	-
Rod Brandenburg	-	-	-	850,000	850,000	-
Andy Kelk	-	-	-	11,448	11,448	-
Ken Tsurumaru	24,000	-	-	-	24,000	-
Ross Farmer	-	-	-	-	-	-
Cynthia Chan	150,000	-	-	-	150,000	-

*These shares have not yet been issued to Non-Executive Directors, however the cost of these has been included in Non-Executive Director remuneration.
** Mr Grove and Mr Elliott are shareholders in Catcha Group Pte Ltd which owns 41,009,176 shares in iProperty Group Limited.
*** Mr Tripard is the CEO of and represents Seloger.com which owns 29,347,500 shares in iProperty Group Limited. Seloger.com is owned by the Axel Springer Group in Germany.

26. Related party transactions (cont'd)

Share Rights of IProperty Group Limited

Issued 2011	Balance at 31 December 2010 No.	Granted as compensation No.	Exercised No.	Bal at 31 December 2011 No.	Vested but not exercisable No.	Vested and exercisable No.	Options vested during year No.
2010 Plan							
Shaun Di Gregorio	-	595,437	-	595,437	595,437	-	-
Rod Brandenburg	-	125,328	-	125,328	125,328	-	-
2011 Plan							
Shaun Di Gregorio	-	244,200	-	244,200	244,200	-	-
Rod Brandenburg	-	128,205	-	128,205	128,205	-	-
Andy Kelk	-	61,050	-	61,050	61,050	-	-
Glenn Thompson	-	67,155	-	67,155	67,155	-	-
Timothy Hor	-	48,841	-	48,841	48,841	-	-

Issued 2010	Balance at 31 December 2009 No.	Granted as compensation No.	Exercised No.	Bal vested at 31 December 2010 No.	Vested but not exercisable No.	Vested and exercisable No.	Options vested during year No.
Nil	-	-	-	-	-	-	-

There were no share options issued during the year. All share rights issued to key management personnel were made in accordance with the provisions of the employee share rights plan. All rights were issued in 2011, there were no rights issued in 2010. The rights relating to the 2010 plan were issued in February 2011 and those relating to the 2011 plan were issued in July

(d) Transactions with other related parties

Transactions between IProperty Group Ltd and its related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	Consolidated 2011 $	Consolidated 2010 $
Transactions with Director-related Entities:		
Administrative services fees, facilities fees and occupancy fees were charged by Beconwood Securities Pty Ltd, a company associated with Paul G Choiselat to the group. The outstanding unpaid balance at year end is nil (2010: nil)	-	162,938
Accounting services fees and consulting service fees were charged by Catcha Media Group Pte Ltd, a company associated with Patrick Grove to the group. The outstanding unpaid balance at year end is nil (2010: nil)	-	4,252
Interest was paid associated with a short term loan provided in 2010 by Simon Baker to assist with the acquisition of Think Media. The loan was repaid in September 2010 and thus the outstanding balance is nil (2010: nil) Interest was calculated at 10% p.a.	-	11,126
Consulting services were charged by Classified Adventures Pty Ltd, a company associated with Simon Baker to the Group. The outstanding unpaid balance is nil (2010: nil)	7,300	-
	7,300	178,316

Share transactions of Directors

	2011 $	2010 $
Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in the Company: - Ordinary shares	82,812,020	64,816,705

27. Financial risk management

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk analysis by management on a regular basis including exposures by degree and magnitude of risks. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The main risk arising from the Group's financial instruments are

- Capital risk
- Interest rate risk
- Foreign currency risk
- Credit risk
- Liquidity risk

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity balance.

The Group's overall strategy remains unchanged from the previous annual report lodge for the financial year ended 31 December 2010. The capital structure of the Group includes equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 18,19 and 20 respectively. The Group operates in various countries, primarily through subsidiary companies established in the markets in which the Group trades.

The Group has sufficient operating cash flows to maintain the group's current level of operations as well as to make the routine outflows of tax and the payment of any earn outs under contract. The Group is not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratios based on continuing operations at 31 December 2011 and 2010 were as follows:

	Consolidated	
	2011 $	**2010 $**
Total borrowings	-	-
Cash and bank balances	6,080,274	1,853,960
Net debt	Not existing	Not existing
Equity (i)	20,462,457	9,258,138
Net debt to equity ratio	0%	0%

(i) Equity includes all capital and reserves of the Group that are managed as capital.

(b) Interest rate risk management

The Group manages its interest rate risk by ensuring that operations are sustained by operating cash flows as much as possible and so debt facilities are not required. The Group's exposure to interest rate risk is limited to the movement in interest rate in terms of its cash held at bank as listed in note 10.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management of this note.

Interest rate sensitivity

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2011 would increase/decrease by $23,195 (2010: $8,537). This is mainly attributable to the Group's exposure to interest rates on its cash held at bank. The group earned $204,416 in interest income (2010: $34,148) which is an average return of 4.4% (2010: 2.0%) on its average cash balance for the year.

(c) Foreign currency risk

The Group is mainly exposed to Singapore dollars (SGD), Malaysian Ringgit (MYR), Hong Kong dollars (HKD) and Indonesian Rupiah (IDR) as a result of the operation of its subsidiaries in those markets. Foreign currency risk arises when future commercial transactions and recognised financial assets and liabilities are denominated in a currency that is not the entity's functional currency. As there is no material exposure to foreign currency risk within the financial assets and financial liabilities outside of each operating entities functional currency, no sensitivity analysis has been prepared.

27. Financial instruments (cont'd)

(d) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopted a policy of generally dealing with reputable counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers and ongoing credit evaluation is performed on the accounts regularly. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk.

(e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets with financial liabilities.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The Group does not have any derivative financial assets and liabilities.

31 December 2011	Weighted average effective interest rate	1-3 months ($)	3 months to 1 year ($)	1-5 years ($)	5+ years ($)	Total ($)
Financial assets						
Cash and cash equivalents	4.40%	4,051,918	2,028,356	-	-	6,080,274
Trade receivables	0.00%	1,585,320	-	-	-	1,585,320
Other receivables	0.00%	281,881	-	-	-	281,881
		5,919,119	2,028,356	-	-	7,947,475
Financial liabilities						
Trade payables	0.00%	736,204	-	-	-	736,204
Other payables	0.00%	3,698,186	-	-	-	3,698,186
		4,434,390	-	-	-	4,434,390

31 December 2010	Weighted average effective interest rate	1-3 months ($)	3 months to 1 year ($)	1-5 years ($)	5+ years ($)	Total ($)
Financial assets						
Cash and cash equivalents	2.00%	1,853,960	-	-	-	1,853,960
Trade receivables	0.00%	816,331	-	-	-	816,331
Other receivables	0.00%	31,931	-	-	-	31,931
		2,702,222	-	-	-	2,702,222
Financial liabilities						
Trade payables	0.00%	425,160	-	-	-	425,160
Other payables	0.00%	2,866,025	1,229,320	-	-	4,095,345
		3,291,185	1,229,320	-	-	4,520,505

28. Share-based payments

Employee share rights plan

The following executive share-based payment arrangements were in existence during the current and comparative reporting periods:

Options/Rights series	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $
2010 LTI Rights	720,765	20 February 2011	20 February 2021	Nil	69,556
2011 LTI Rights	655,271	29 July 2011	29 July 2021	Nil	127,320

There were no options issued or exercised during the year ending 31 December 2011 (2010: Nil). There are no outstanding options in iProperty Group Shares.

Amount Included Under Employee Benefits Expense in Statement of Comprehensive Income
There was $88,811 (2010: nil) included under employee benefits expense in the statement of comprehensive income that relates, in full, to amortisation of equity-settled share-based transactions.

29. Parent entity disclosures

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 2 for a summary of the significant accounting policies relating to the Group.

	Parent	
	31 December 2011 $	31 December 2010 $
Financial position		
Assets		
Current assets	5,890,388	1,289,572
Non-current assets	20,631,892	13,056,804
Total assets	26,522,280	14,346,376
Liabilities		
Current liabilities	211,924	677,371
Non-current liabilities	-	-
Total liabilities	211,924	677,371
Net Assets	**26,310,356**	**13,669,005**
Equity		
Issued capital	28,144,452	14,845,379
Retained earnings	(1,922,907)	(1,176,374)
Reserves		
Equity Reserve	-	-
Share Treasury Reserve	-	-
Equity settled employee benefits reserve	88,811	-
Foreign currency revaluation	-	-
Total reserves	88,811	-
Total equity	**26,310,356**	**13,669,005**

	Parent	
	Year ended 31 December 2011 $	Year ended 31 December 2010 $
Financial performance		
Loss of the parent entity	(746,533)	(504,415)
Other comprehensive income	-	-
Total comprehensive income	**(746,533)**	**(504,415)**

29. Parent entity disclosures (cont'd)

As parent of the group, iProperty Group Limited had significant intercompany loans with its subsidiaries particularly it's immediate subsidiary iProperty Group Asia Pte Ltd in Singapore. In September 2011 iProperty Group Asia Pte Ltd issued Redeemable Preference Shares (RPS) to iProperty Group Limited to the value of SGD 26,726,273 (AUD 20,247,177) in exchange for cancelling the intercompany loan between the two and assigning all other intercompany loans payable to iProperty Group Limited by its subsidiaries to iProperty Group Asia Pte Ltd. There is no net effect on the Group's Assets and Liabillities as all intercompany loans and investments are eliminated on consolidation.

30. Subsequent events

There has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature 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 financial years.

Directors’ Declaration

The directors of the company 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;

(b) In the directors’ opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the financial statements;

(c) In the directors’ opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(d) The directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors

Simon Baker
Chairman

24 February 2012

Deloitte.

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Independent Auditor's Report to the Members of iProperty Group Limited

Report on the Financial Report

We have audited the accompanying financial report of iProperty Group Limited, which comprises the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the 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 year's end or from time to time during the financial year as set out on pages 29 to 61.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2 to the financial report, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of iProperty Group Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of iProperty Group Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 18 of the directors' report for the year ended 31 December 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of iProperty Group Limited for the year ended 31 December 2011, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Robert D D Collie
Partner
Chartered Accountants
Melbourne, 24 February 2012

Additional stock exchange information as at 30 March 2012

Number of holders of equity securities

Ordinary share capital

169,527,776 fully paid ordinary shares are held by 806 individual shareholders.
All issued ordinary shares carry one vote per share.

Substantial shareholders

Ordinary shareholders	Fully paid ordinary shares Number	% of total ordinary shares issued %
Catcha Group Pte Ltd	41,009,176	24.19
Seloger.com	29,347,500	17.31
National Nominees Limited	11,798,879	6.96
CAV Investments Holdings Pty Ltd	11,487,718	6.78
	93,643,273	55.24

Twenty largest holders of quoted equity securities

Ordinary shareholders	Fully paid ordinary shares	
	Number	Percentage
Catcha Group Pte Ltd	41,009,176	24.190
Seloger.com	29,347,500	17.311
National Nominees Limited	12,181,944	7.186
CAV Investment Holdings Pty Ltd	11,079,718	6.536
J P Morgan Nominees Australia Limited	7,533,313	4.444
J P Morgan Nominees Australia Limited <Cash Income A/C>	4,694,705	2.769
RBC Dexia Investor Services Australia Nominees Pty Ltd <BKCUST A/C>	3,478,384	2.052
Holdex Nominees Pty Ltd ,<No 392 A/C>	3,000,000	1.770
Mr Jia Liang Wong	2,354,813	1.389
Suet Lee Kong	2,291,209	1.352
Citicorp Nominees Pty Limited	2,218,865	1.309
Mr Shaun Antony Di Gregorio	2,179,012	1.285
Tay Kam Chiew	2,041,541	1.204
HSBC Custody Nominees (Australia) Limited	2,031,408	1.198
Mr Peter Frederick Phillips	1,832,562	1.081
Low Yuet Wah	1,826,992	1.078
Mirrabooka Investments Limited	1,500,000	0.885
Wong Fook Yee	1,426,992	0.842
ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	1,309,800	0.773
Tay Kam Kiang	1,000,000	0.590
Mr Shaun Antony Di Gregorio	1,000,000	0.590
Total Top 20	135,337,934	79.832
Total Issued Capital	169,527,776	

Distribution of shareholders

Range	Number of shareholders as at 30 March 2012
1 – 1,000	43
1,001 – 5,000	137
5,001 – 10,000	174
10,001 – 100,000	363
100,001 and over	89
Total Number of holders	806
Holders of less than a marketable parcel	19

Corporate Directory

Registered Office

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Australia
Tel: +61 (2) 9239 0277
Fax: +61 (2) 9233 4497

Share Registry

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207 Kent Street
Sydney NSW 2000
Australia
www.boardroomlimited.com.au

Principal Place of Business

Level 8, The Gardens North Tower
Mid Valley City 59200
Kuala Lumpur
Malaysia
Tel: +60 (3) 2264 6888
Fax: +60 (3) 2264 6999

Company Secretary

Nick Geddes
Email: ngeddes@austcosec.com.au

The Board

Simon Baker – Chairman
Georg Chmiel – Audit & Risk Committee (Chair)
Sam Weiss
Roland Tripard
Patrick Grove – Deputy Chairman
Hugh Morrow – Remuneration & Nomination Committee (Chair)
Lucas Elliott

Chief Executive Officer

Shaun Di Gregorio
Email: shaundig@iproperty.com

Chief Financial Officer

Rod Brandenburg
Email: rod.brandenburg@iproperty.com

Websites

www.iproperty-group.com
www.iproperty.com

Auditors

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Melbourne VIC 3000

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101 Thomson Road
Singapore 307951

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Tai Yip Building
141 Thomson Road
Wan Chai
Hong Kong

PT Web Marketing Indonesia
Jalan Warung Jati Raya 36
Ragunan, Pasar Minggu
Jakarta, Indonesia

ASX Listing Code

IPP

Annual General Meeting

iProperty Group's last Annual General Meeting was held Tuesday 24 May 2011 in Sydney. The next Annual Genral Meeting is scheduled for 2.30pm 22 May 2012. Notice of meeting and Proxy Form are included with this report.