



IRONBARK CAPITAL LIMITED

APPENDIX 4D

FOR THE HALF-YEAR
ENDED 31 DECEMBER 2016

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The documents comprise the information required under Listing Rule 4.2A and should be read in conjunction with the Annual Report as at 30 June 2016.

RESULTS FOR ANNOUNCEMENT TO THE MARKET HALF-YEAR ENDED 31 DECEMBER 2016

The previous corresponding period is the half-year ended 31 December 2015. The Half-Year Financial Report has been subject to review by the Company's auditors.

- Net profit after tax for the half-year was \$3.86 million up 6,566% from a \$0.06 million loss in the previous corresponding period.
- Investment revenue from ordinary activities, which includes unrealised gains was \$5.18 million, 1,623% up from the previous period result of negative \$340,000 which included unrealised losses.
- NTA before provision for tax on unrealised losses was \$0.54, compared to \$0.526 from the previous period.
- NTA after provision for tax on unrealised losses was \$0.551, compared to \$0.541 from the previous period.
- The interim dividends paid and payable in this financial year were 3 cents per share, fully franked. This includes 0.95 cents per share paid 31 August 2016, 1 cent per share paid 16 January 2017 and a further 1.05 cents per share fully franked dividend which has been declared since the period end for ordinary shareholders on the register as at 28 February 2017. This is payable on 20 March 2017.
- The previous corresponding period was 0.75 cents per share fully franked and a final dividend of 0.45 cents per share fully franked was paid on 30 June 2016.
- The Dividend Reinvestment Plan remains suspended.
- It is the Directors' policy to only pay fully franked dividends and to distribute the majority of franking credits received each year, subject to the availability of profits. Franking credits are generated by receiving fully franked dividends from shares held in the Company's investment portfolio, and from the payment of corporate tax on its other investment income, namely share option premiums, unfranked income and net realised gains.

I will provide a brief comment on Ironbark's results for the half-year and the investment performance:

Investment Performance

For the latest half-year the portfolio return was a pleasing 8.9% inclusive of franking credits comfortably outperforming the portfolio benchmark (1 year swap + 6%) which returned 3.9% for the half-year. This 5.0% outperformance was due primarily to the performance of the hybrids due to the appeal of the floating rate securities in the current market environment and the strength of the market in general.

The portfolio outperformed the benchmark in the year to 31 December 2016 returning 10.4% against a benchmark of 7.9%.

The investment manager's report by Kaplan Funds Management (KFM) which follows, sets out in detail the investment experience in the latest half-year.

Results for the Half-Year

The positive performance of the portfolio contributed to the \$3.87m profit for the half-year, an increase of \$3.93m on the previous corresponding half-year. Income from the trading portfolio was \$5.18m, up \$5.52m on the corresponding period's negative income of \$0.34m which was due to unrealised losses.

Expenses were contained, falling 11.7% on the corresponding period resulting in an MER of 0.82% on an annualised basis.

The profit results and accumulated franking credits allowed Ironbark to declare fully franked dividends in December 2016, and in August 2016 to supplement the dividend paid in June 2016 which was restricted due to lack of accounting profits. Since the end of the half-year, the Directors have declared a further fully franked dividend of 1.05 cents per share to be paid on 20 March 2017.

Dividend Outlook

Ironbark will continue to pay fully franked dividends as company profits create the opportunity to do so. The capacity to pay fully franked dividends will continue to depend on the accumulation of franking credits and income generation.

NTA Discount

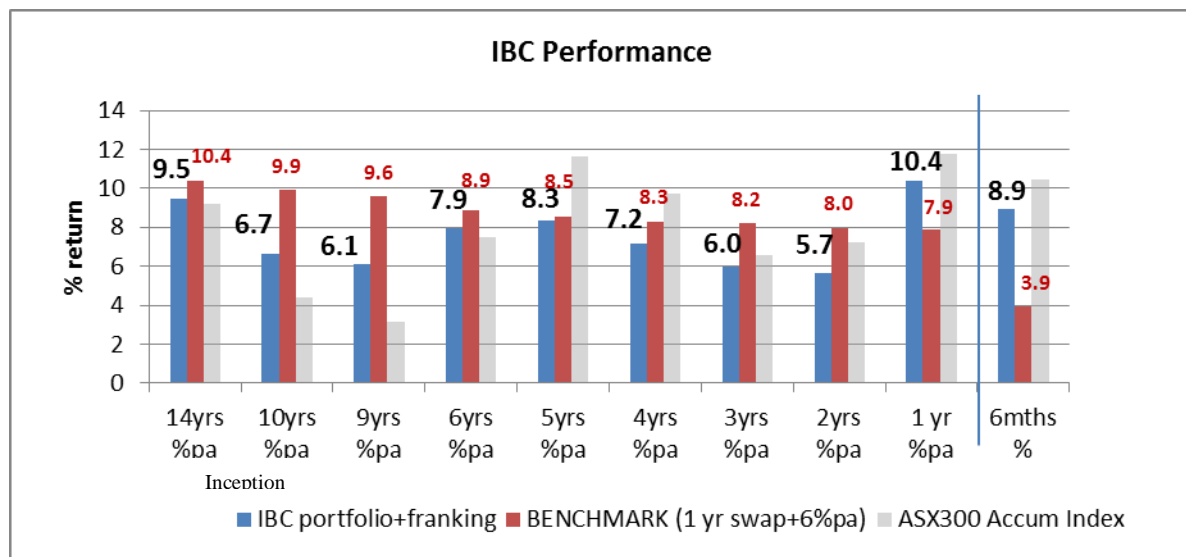
As at 31 December 2016, the share price was trading at a 12.96% discount to NTA pre-tax. Based on the closing share price as at 31 January 2017, the discount has now closed to 7.24% pre-tax.

Michael J Cole
Chairman

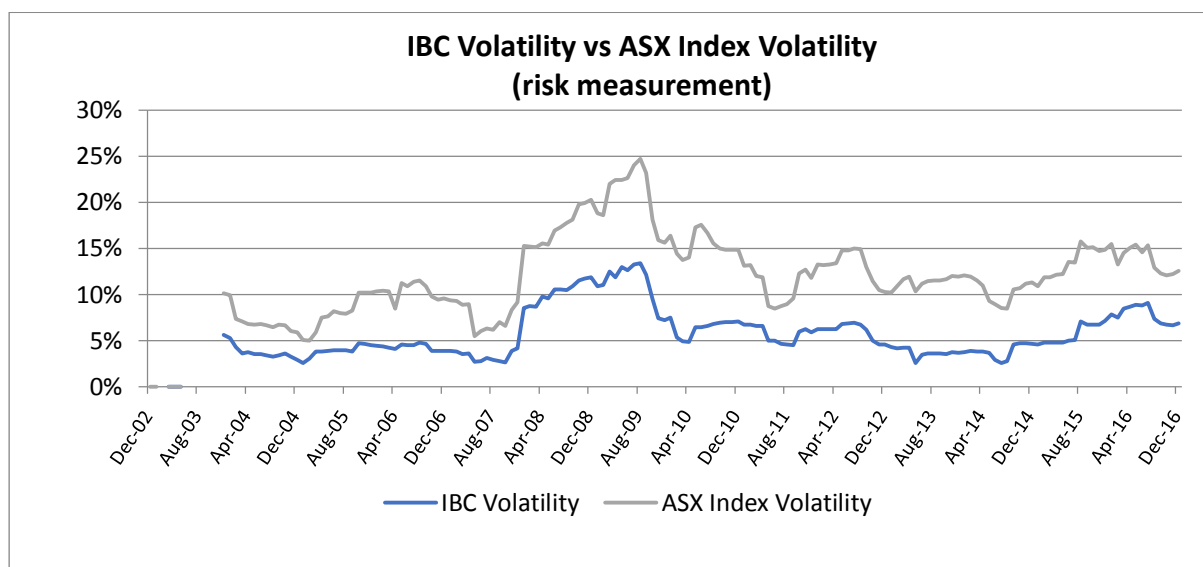
Half-Year Performance

The manager's focus is to deliver consistent returns and a high fully franked dividend yield from the portfolio. Commensurate with its investment objective IBC's performance benchmark is the 1-year swap rate plus 6%pa. Performance measurement includes franking credits as franking credits are a significant source of return from IBC's hybrid investments and for shareholders.

The IBC portfolio recorded a very good return of 8.9% over the six months to 31 December 2016 and 10.4% over the year. Since inception, over 14 years including the GFC, the portfolio achieved a return of 9.5%pa. Returns over the medium 3-6 year term ranged from 6%pa to 8.3%pa. Performance exceeded the portfolio's benchmark (1-year swap rate plus 6%pa) over the half-year and one year periods. The portfolio achieved excellent risk-adjusted returns with volatility measuring 2/3rds less than the ASX Index over the half-year and around half of the ASX Index volatility over one year.



The focus on income generation and capital preservation from a balanced portfolio structure has delivered good returns with low to medium volatility. IBC's portfolio risk as measured by volatility has ranged between 35%-55% of the ASX Index volatility since inception.



Portfolio

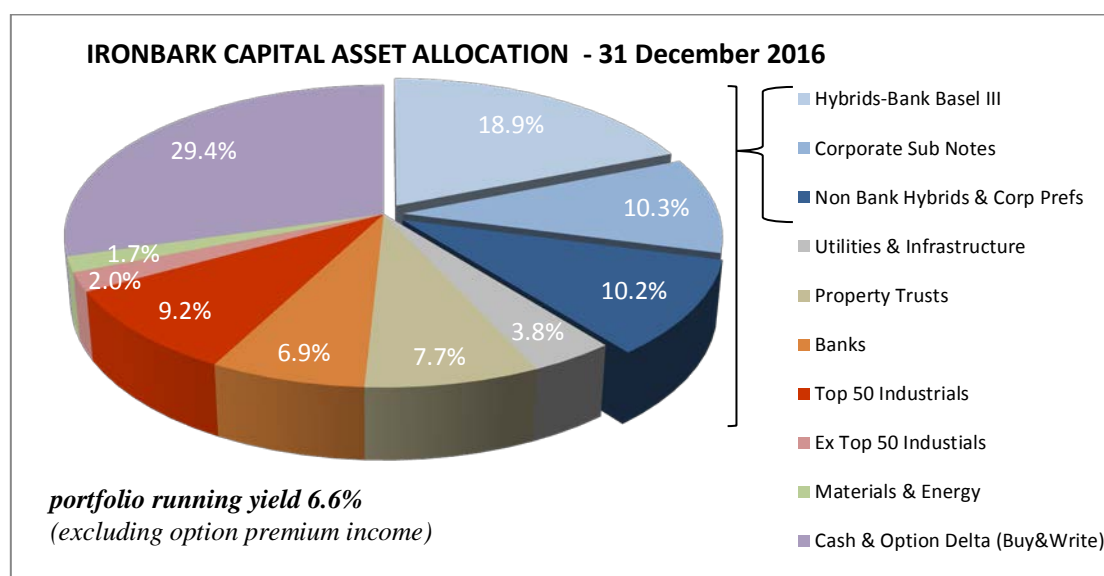
The portfolio is structured with an emphasis on income through yield orientated securities (hybrids and corporate bonds, utilities, property trusts) and buy & write positions in Banks, BHP, Telstra and other leading companies. The portfolio's running yield was 6.6% inclusive of franking credits and excluding option premium income.

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

The portfolio is diversified across 32 different entities. Higher risk exposures in banks, industrials and resources are largely held through buy & write option positions for income enhancement or added protection. The portfolio's hybrid and corporate bond holdings are floating rate securities with little duration risk.

Approximately 39% of the portfolio was held in hybrids and corporate bonds and 18% in buy & writes in Banks, Telstra, and BHP. Of the balance, 29% was held in cash & option delta, 2% in mid-cap and small companies, 8% in property trusts and 4% in utilities.

Asset allocation reflects a cautious stance.



Portfolio Performance half-year to 31 December 2016

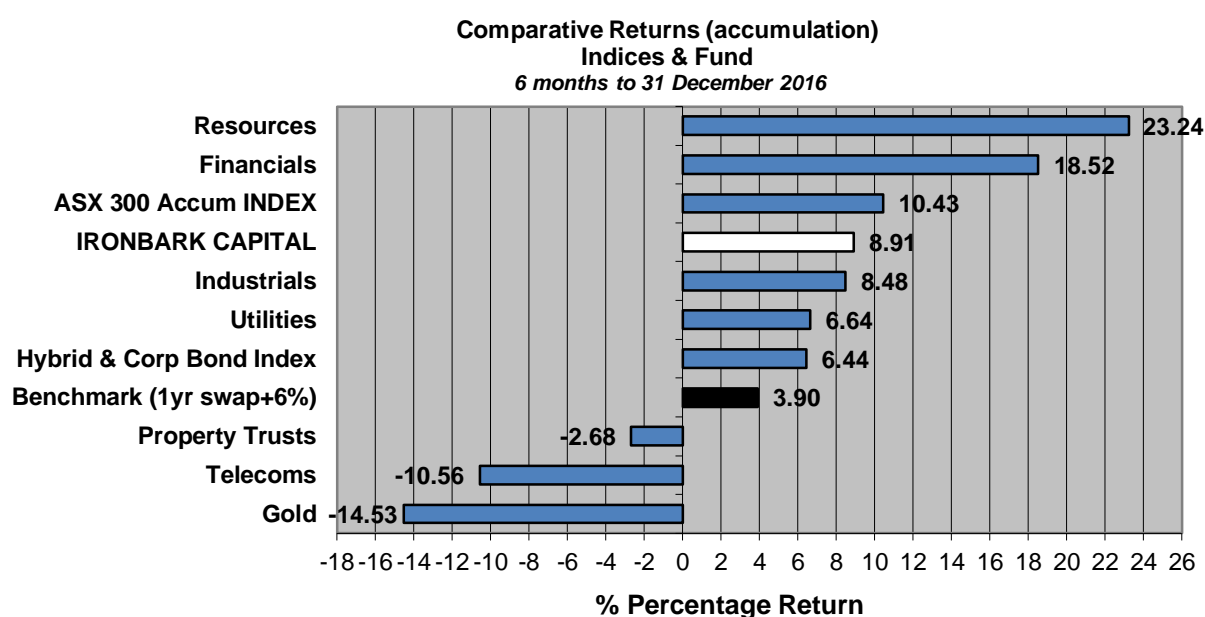
The portfolio returned 8.91% for the half-year period. Both equity and credit markets produced good gains. The Hybrid & Corporate Bond Index advanced 6.44% and the ASX 300 Accumulation Index rallied 10.43%.

Hybrids and corporate bonds represented 39% of the portfolio. Exposure was reduced from the redemption of Origin Energy Subordinated Notes (ORGHA). The investment in ORGHA provided a good return of 7% pa over the 5 year life of the note. Bank Basel III hybrids led the gain in the hybrid market. Bank capital ratios approached "unquestionably strong levels" making hybrids safer and limited new supply supported firmer yields. Trading margins compressed by over 100 bps to around 3.7% with a yield to maturity of 5.5% in the new hybrid bank issues. Over the year, Bank Basel III hybrid returns (including franking) matched the ASX Index return of 11.8%, delivering a superior risk-return compared to equities. The portfolio weighting to bank hybrids was 18.9%.

Buy & writes represented 18% of the portfolio, after adjusting for option exposures. Significant holdings in the banks and BHP produced a healthy return partly offset by a slight loss in Telstra. Strong share price appreciation resulted in option delta increasing to 28% as strike prices moved in the money, thereby reducing market exposure. With equity markets optimistically priced reduced exposure is warranted.

The manager continues to favour a high weighting towards floating rate hybrids and corporate bonds as the risk-return in this sector is most appropriate for the current volatile environment.

Cash exposure (including option delta) was 29% at the end of the period.



Kaplan Funds Management Pty Limited

Portfolio Shareholdings at 31 December 2016

ASX Code	Security	Market Value* \$'000	% of portfolio	% exposure**
Banks				
ANZ	ANZ Banking Group Limited	2,956	4.3	0.5
CBA	Commonwealth Bank of Australia Limited	6,703	9.7	2.5
CYB	CYBG PLC	84	0.1	0.1
NAB	National Australia Bank Limited	1,852	2.7	0.5
WBC	Westpac Banking Corporation Limited	7,012	10.2	3.4
		18,607	27.0	7.0
Hybrids				
AGLHA	AGL Energy Limited - Subordinated Notes	836	1.2	1.2
AMPPA	AMP Limited Capital Note	318	0.5	0.5
ANZPG	ANZ Banking Group Limited - Convertible Preference Securities	727	1.1	1.1
AQHHA	APA Group - Subordinated Notes	1,033	1.4	1.4
BENPD/PE	Bendigo Bank - Convertible Preference Securities	967	1.4	1.4
BOQPD	Bank of Queensland - Convertible Preference Securities	840	1.2	1.2
CBAPC/PD	Commonwealth Bank Perls VI & VII	2,827	4.1	4.1
CTXHA	Caltex Australia Limited - Subordinated Notes	1,947	2.7	2.7
CWNHA/HB	Crown Limited- Subordinated Notes	1,390	2.0	2.0
IAGPC/PD	Insurance Australia Group - Convertible Preference Securities	3,256	4.7	4.7
IANG	Insurance Australia Group - Perpetual Reset Exchangeable Notes	2,595	3.8	3.8
MQGPB	Macquarie Group Limited - Capital Note 2	643	0.9	0.9
NABPA/PD	National Australia Bank Limited - Convertible Preference Securities	2,960	4.3	4.3
QUBHA	Qube Holdings Limited - Subordinated Notes	1,919	2.7	2.7
RHCPA	Ramsay Healthcare Limited - Perpetual Preference Securities	596	0.9	0.9
SUNPC	Suncorp Group Limited - Convertible Preference Securities	2,097	3.0	3.0
SVWPA	Seven Group Holdings Limited - Perpetual Preference Securities	273	0.4	0.4
WBCPG	Westpac Banking Group Corporation Limited - Convertible Preference Shares	1,992	2.9	2.9
		27,216	39.2	39.2
Large industrial				
TLS	Telstra Corporation Limited	7,863	11.4	9.2
		7,863	11.4	9.2
Materials & energy				
BHP	BHP Billiton Limited	3,018	4.4	1.6
BLD	Boral Limited	38	0.1	0.1
		3,056	4.5	1.7
Property Trusts				
CLW	Charter Hall Long Wale REIT	1,003	1.5	1.5
FLK	Folkestone Limited	540	0.8	0.8
GOZ	Growthpoint Properties Australia Limited	407	0.6	0.6
VVR	Viva Energy REIT Limited	3,384	4.8	4.8
		5,334	7.7	7.7

Portfolio Shareholdings at 31 December 2016 (continued)

ASX Code	Security	Market Value* \$'000	% of portfolio	% exposure**
	Small industrial			
ING	Inghams Group Limited	48	0.1	0.1
RWC	Reliance Worldwide Corporation Limited	38	0.1	0.1
SCO	Scottish Pacific Group Limited	83	0.1	0.1
SDF	Steadfast Group Limited	1,227	1.8	1.8
		1,396	2.1	2.1
	Utilities & infrastructure			
DUE	DUET Group	2,195	3.2	3.2
SKI	Spark Infrastructure Group	417	0.6	0.6
		2,612	3.8	3.8
	Cash and net receivables	2,973	4.3	29.3
	Total	69,057	100.0	100.0

*Includes market value of options written against holdings

** Includes option delta written against holdings

Ironbark Capital Limited
ABN 89 008 108 227

Financial Report
For the half-year ended 31 December 2016

Directors	Michael J Cole B Ec, M Ec (Syd), F Fin Ross J Finley B Comm (NSW) Ian J Hunter BA LLB (Syd), MBA (MGSM)
Company Secretary	Jill Brewster MBA (MGSM), AGIA, ACIS, FIPA, FFA
Principal Registered Office	Level 27 45 Clarence Street Sydney NSW 2000 Telephone: (02) 8917 0399
Share Registrar	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Shareholder enquiries telephone: (02) 9290 9600
Investment Manager	Kaplan Funds Management Pty Limited Level 27 45 Clarence Street Sydney NSW 2000 Telephone: (02) 8917 0300
Accounting & Administration	Kaplan Funds Management Pty Limited Level 27 45 Clarence Street Sydney NSW 2000 Telephone: (02) 8917 0399 Fax: (02) 8917 0355
Auditors	MNSA Pty Ltd Level 1 283 George Street Sydney NSW 2000
Website	www.ironbarkcapital.com
Company Secretarial & all other enquiries	Telephone: (02) 8917 0399 Email: enquiries@ironbarkcapital.com
Stock Exchange	Australian Securities Exchange ASX code: IBC

Directors' Report

Your Directors present their report on the Company for the half-year ended 31 December 2016.

Directors

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

Michael J Cole, Chairman
Ross J Finley
Ian J Hunter

Review of Operations

The profit from ordinary activities after income tax for the half-year to 31 December 2016 amounted to \$3,865,000 (2015: loss of \$60,000). The unrealised gains achieved from the portfolio contributed to this result.

The company's earnings per share was 3.1 cents, compared to negative 0.1 cents per share for the half-year to 31 December 2015.

The current year profits have allowed fully franked dividends to be paid and payable in this financial year of 3 cents per share. This includes a further 1.05 cents per share fully franked dividend declared since the end of the half-year and payable on 20 March 2017.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 relating to the 'rounding off' of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12.

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



Michael J Cole
Director

Sydney
17 February 2017



IRONBARK CAPITAL LIMITED
ABN 89 008 108 227

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2016 there have been no contraventions of:

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

MNSA Pty Ltd

MNSA Pty Ltd

Mark Schiliro
Director

Sydney
Dated this 17th day of February 2017

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Profit or Loss and Other
Comprehensive Income
For the half-year ended 31 December 2016

		Half-year ended	
		31 December	31 December
		2016	2015
	Notes	\$'000	\$'000
Investment income from trading portfolio			
Revenue	3	1,707	1,770
Net gains/(losses) on trading portfolio		3,474	(2,110)
Total investment income from trading portfolio		<u>5,181</u>	<u>(340)</u>
Expenses			
Management fees		(139)	(145)
Brokerage expense		(6)	(18)
Accounting fees		(21)	(21)
Share registry fees		(17)	(18)
Custody fees		(14)	(20)
Tax fees		(4)	(5)
Directors' liability insurance		(9)	(10)
Directors' fees		(33)	(33)
ASX fees		(23)	(27)
Audit fees		(10)	(13)
Option fees		(15)	(11)
Other expenses		(16)	(22)
Total expenses		<u>(307)</u>	<u>(343)</u>
Profit/(loss) before income tax		4,874	(683)
Income tax (expense)/benefit		(1,009)	623
Net profit/(loss) for the period		<u>3,865</u>	<u>(60)</u>
Other comprehensive income for the period net of tax		-	-
Total comprehensive income for the period		<u>3,865</u>	<u>(60)</u>
		Cents	Cents
Basic and diluted earnings per share	6	3.07	(0.05)

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

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Financial Position
As at 31 December 2016

		31 December 2016 \$'000	30 June 2016 \$'000
	Notes		
ASSETS			
Current assets			
Cash and cash equivalents		2,901	4,875
Trade and other receivables		138	519
Trading portfolio		66,084	60,319
Current tax assets		234	-
Other assets		29	3
Total current assets		69,386	65,716
Non- current assets			
Deferred tax assets		1,400	2,568
Total non-current assets		1,400	2,568
Total assets		70,786	68,284
LIABILITIES			
Current liabilities			
Trade and other payables		66	107
Current tax liabilities		-	114
Provision for dividend		1,258	-
Total current liabilities		1,324	221
Non-current liabilities			
Deferred tax liabilities		5	17
Total non-current liabilities		5	17
Total liabilities		1,329	238
Net assets		69,457	68,046
Equity			
Issued capital	7	69,537	69,537
Profit reserve		1,416	5
Accumulated losses		(1,496)	(1,496)
Total equity		69,457	68,046

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

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Changes in Equity
For the half-year ended 31 December 2016

	Notes	Issued capital \$'000	Profit reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2016		69,537	5	(1,496)	68,046
Profit for the period		-	-	3,865	3,865
Transfer to profit reserve		-	3,865	(3,865)	-
Total comprehensive income for the period		69,537	3,870	(1,496)	71,911
Transactions with owners in their capacity as owners:					
Dividends recognised	5	-	(2,454)	-	(2,454)
Balance at 31 December 2016		69,537	1,416	(1,496)	69,457
Balance at 1 July 2015		94,595	957	(1,319)	94,233
Loss for the period		-	-	(60)	(60)
Total comprehensive income for the period		-	-	(60)	(60)
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	5	-	(944)	-	(944)
Buy-back of shares		(25,058)	-	-	(25,058)
Balance at 31 December 2015		69,537	13	(1,379)	68,171

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

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Cash Flows
For the half-year ended 31 December 2016

		Half-year ended	
		31 December 2016 \$'000	31 December 2015 \$'000
Notes			
Cash flows from operating activities			
		248	324
Interest received			
		12,090	13,639
Proceeds from sale of trading portfolio			
		(14,371)	(2,856)
Purchase of trading portfolio			
		1,764	1,817
Dividends & trust distributions received			
		43	3
Other income received			
		(137)	(175)
Management fees paid			
		(215)	(184)
Other expenses paid			
		(200)	-
Income tax paid			
Net cash (outflow)/inflow from operating activities		(778)	12,568
Cash flows from financing activities			
Dividends paid to shareholders	5	(1,196)	(944)
		-	(25,058)
Payment for shares bought back			
Net cash outflow from financing activities		(1,196)	(26,002)
Net decrease in cash and cash equivalents			
		(1,974)	(13,434)
Cash and cash equivalents at beginning of period		4,875	18,098
Cash and cash equivalents at the end of period		2,901	4,664

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

1. Basis of preparation of half-year report

This general purpose interim financial report for the half-year ended 31 December 2016 has been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Ironbark Capital Limited. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2016, together with any public announcements made during the following half-year. The accounting policies adopted are consistent with those of the previous financial year end and corresponding interim reporting period.

This interim financial report was authorised for issue on 17 February 2017.

2. Segment information

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

3. Revenue

	Half-year ended	
	31 December 2016	31 December 2015
	\$'000	\$'000
Dividends	1,310	1,367
Interest	256	333
Distributions	98	67
Other income	43	3
	<u>1,707</u>	<u>1,770</u>

4. Fair value measurements

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

- Financial assets at fair value through profit or loss

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

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

4. Fair value measurements (continued)

The following table presents the Company's financial assets and liabilities measured and recognised at fair value according to the fair value hierarchy at 31 December 2016:

31 December 2016

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Trading portfolio	66,084	-	-	66,084
Total	66,084	-	-	66,084

30 June 2016

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Trading portfolio	59,550	769	-	60,319
Total	59,550	769	-	60,319

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

5. Dividends

(a) Ordinary Shares

	Half-year ended	
	31 December 2016 \$'000	31 December 2015 \$'000
Dividends provided for or paid during the half-year	2,454	944

Since the end of the half-year, the Directors have declared a fully franked dividend of 1.05 cents per share to be paid on 20 March 2017. The aggregate amount of \$1,321 million has not been recognised as a liability at the end of the period.

(b) Dividend rate

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

	Record Date	Dividend Rate	Total Amount \$'000	Date of Payment	% Franked
2017					
Ordinary shares - Interim	15/12/2016	1.0cps	\$1,258	16/01/2017	100
Ordinary shares – Interim	17/08/2016	0.95cps	\$1,196	31/08/2016	100
2016					
Ordinary shares – Final	15/06/2016	0.45cps	\$566	30/06/2016	100
Ordinary shares – Interim	09/12/2015	0.75cps	\$944	23/12/2015	100

6. Earnings per share

(a) Basic and diluted earnings per share

	Half-year ended	
	31 December 2016	31 December 2015
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the company	3.07	(0.05)

(b) Weighted average number of shares used as denominator

	Half-year ended	
	31 December 2016	31 December 2015
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	125,820,582	132,481,788

7. Issued capital

	31 December 2016	30 June 2016	31 December 2016	30 June 2016
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	125,820,582	125,820,582	69,537	69,537

8. Contingencies

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

The Company had no other contingent liabilities at 31 December 2016 (2015: nil).

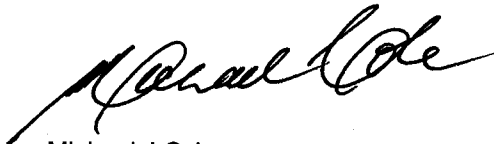
9. Events occurring after the reporting period

Other than the declaration of a fully franked dividend of 1.05 cents per share, as outlined in note 5, no other matter or circumstance has occurred subsequent to the period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

In the Directors' opinion:

- (a) the Interim Financial Statements and notes set out on pages 13 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and
 - (ii) giving a true and fair view of the entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Michael J Cole
Director

Sydney
17 February 2017



IRONBARK CAPITAL LIMITED
ABN 89 008 108 227

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

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Ironbark Capital Limited, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2016 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ironbark Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- (i) giving a true and fair view of Ironbark Capital Limited's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

MNSA Pty Ltd

MNSA Pty Ltd



Mark Schiliro
Director

Sydney
Dated this 17th day of February 2017



MNSA