

ASX Announcement

Full Year Financial Results to 30 June 2016 (“FY16”)

A year of Acquisitions, Expansions & Growth

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\$'m	Statutory Results	Statutory Results	Change %	Underlying Results	Underlying Results	Change %
	FY16	FY15		FY16	FY15	
Revenue	\$143.1	\$93.8	+53%	\$143.1	\$94.5	+51%
EBITDA	\$59.5	\$38.5	+55%	\$65.0	\$42.5	+53%
EBITDA %	41.6%	41.0%	+1%	45.4%	44.9%	+1%
NPAT	\$38.8	\$30.6	+27%	\$46.9	\$31.2	+50%
Diluted EPS	21.7c	19.5c	+11%	26.2c	19.9c	+32%
Final Dividend	10.0c	10.0c				

The Directors of IPH Limited announce the full year financial results for the year ended 30 June 2016. The Company's Statutory Net Profit after Tax ("NPAT") for the year was \$38.8m, which equates to diluted earnings of 21.7c/share and compares to \$30.6m in the previous corresponding period. The Underlying NPAT for the year was \$46.9m, being a 50% increase over the previous corresponding period.

Commenting on the results Managing Director, David Griffith said "the groups operating profits have increased substantially over the last year benefiting from the incremental earnings from the recent acquisitions, the appreciation of the US\$ and growth across IPH's intellectual property businesses. The America Invents Act caused a pull forward of patent filings into the first half of the year which resulted in a relatively weaker second half. Overall underlying growth for the year met our expectations. Looking forward we expect the group's underlying growth trends to continue."

Mr Griffith added "we are very pleased with the acquisitions of Pizeys, Callinans and most recently Cullens. The new businesses we have acquired are meeting our performance expectations. During the second half of the year we completed the merger of Callinans with Fisher Adams Kelly and closed Callinans Melbourne office in June. In Asia, Spruson & Ferguson opened offices in Jakarta & Bangkok, which are expected to start contributing to the Group's earnings in FY17."

"The capital we raised prior to Christmas along with the Company's existing debt facilities will allow us to continue with our acquisition strategy over the next twelve months. We are now focussing our efforts on acquiring overseas patent & trademark attorney businesses where we see some good opportunities for the group to add to its international IP network."

The Directors have declared a final dividend of 10.0 cents per share, of which 50% will be a franked dividend with the unfranked component comprising foreign conduit income. The record date for determining entitlements to the dividend, is 24 August 2016 and the dividend will be payable on 14 September 2016. The final dividend brings the FY16 total dividends for the year to 21.0 cents per share. The IPH Dividend Reinvestment Plan will not operate in respect of the final dividend.

The Directors also advise of the appointment of John Wadley as Chief Financial Officer. John will take over CFO responsibilities from Malcolm Mitchell at the conclusion of the IPH's FY16 results presentations. Malcolm has agreed to continue working with IPH in a role assisting with the Group's acquisition projects. The Directors would

like to take this opportunity to thank Malcolm for the work he has done to establish IPH's corporate finance function since the Company's listing in November 2014.

Further Commentary

Underlying earnings

The FY16 underlying earnings of the Group have been determined by adding back to statutory earnings amounts eliminating the effect of business acquisition adjustments, business acquisition costs, new business establishment costs, restructuring expenses and non-cash share based payments expenses and in the previous corresponding period to also eliminate the effects of the IPO and restructuring of the Group. The Directors believe these adjustments show the operational results of the Group on the basis of how it has been constituted since the restructuring in late 2014. The adjustments are summarised in the following table:

Underlying / Statutory Results Reconciliations	FY16	FY15
	\$'m	\$'m
Underlying Revenue	143.1	94.5
less: Spruson & Ferguson Lawyers pre-restructuring revenue	-	(0.7)
Statutory Revenue	143.1	93.8
Underlying Net Profit after Tax ("NPAT")	46.9	31.2
less: business acquisition adjustments (net)	(0.3)	-
less: amortisation of intangibles arising from business combinations	(5.0)	-
less: new business establishment costs	(1.1)	-
less: business acquisition costs	(2.1)	(0.3)
less: share based payments expenses	(0.8)	(0.5)
less: restructuring expenses	(1.2)	(0.5)
less: IPO expenses	-	(3.5)
less: Spruson & Ferguson Lawyers earnings (net of distributions)	-	(0.1)
add: notional annualising of salaries and public company expenses	-	0.9
add: recognition of tax balances arising from the restructuring	-	2.0
add: tax effect of adjustments	2.4	1.4
Statutory NPAT	38.8	30.6

The Appendix 4E, the FY16 Financial Statements and results presentation have been lodged with the ASX and can also be found on IPH's website – www.iphltd.com.au

For more information, please contact:

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About IPH Limited

IPH Limited ("IPH", ASX:IPH), the holding company of Spruson & Ferguson, Practice Insight, Fisher Adams Kelly Callinans, Pizeys and Cullens, is the leading intellectual property ("IP") services group in the Asia-Pacific region offering a wide range of IP services and products. These services are provided across Australia, New Zealand, Papua New Guinea, the Pacific Islands and Asia from offices in Sydney, Brisbane, Melbourne, Canberra, Singapore, Kuala Lumpur, Jakarta, Shanghai and Bangkok. The group comprises a multidisciplinary team of approximately 420 people, including some of the most highly regarded IP professionals in the Asia-Pacific region. The team services a diverse client base of Fortune Global 500 companies and other multinationals, public sector research organisations, foreign associates and local clients. IPH is the first IP services group to list on the Australian Stock Exchange.