



**RESULTS FOR THE 12 MONTHS ENDED 30 JUNE 2008**  
**22 AUGUST 2008**

*Runge - A global leader in mining information technology*

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# 1. Overview

*Tony Kinnane*

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# FY08 Key Achievements



**Record Financial Result**

Record proforma NPAT of \$8.0m up 23% and 11% ahead of prospectus forecast

**Successful IPO**

Successful \$50.2m IPO and listing on ASX in May 2008

**Major Contract Wins**

A large global deal with Barrick Gold

**Mining Dynamics roll out**

Strong confirmation of Runge's new enterprise solution – Mining Dynamics

**Customer Satisfaction**

Almost 100% maintenance retention. Large repeat customer base

**Acquisitions completed**

Successfully completed the acquisition and integration of GeoGAS and ResEval

**Fully Franked Dividend**

Fully franked dividend of 1.5c per share for FY08

## 2. Financial Results

*Julia Sloman*

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# Summary Trading Performance



	FY06 Statutory Actual (A\$m)	FY07 Proforma Actual (A\$m)	FY08 Proforma Actual (A\$m)	FY08 Statutory Actual (A\$m)
Revenue	27.4	45.0	65.4	62.9
Operating expenses (including depreciation and internal software amortisation)	21.2	34.6	52.4	52.2
EBITA	6.2	10.4	13.0	10.7
EBIT	6.0	9.3	11.2	8.9
NPAT	4.4	6.5	8.0	5.9
Revenue Growth		64%	45%	
EBITA Growth		68%	25%	
NPAT Growth		48%	23%	

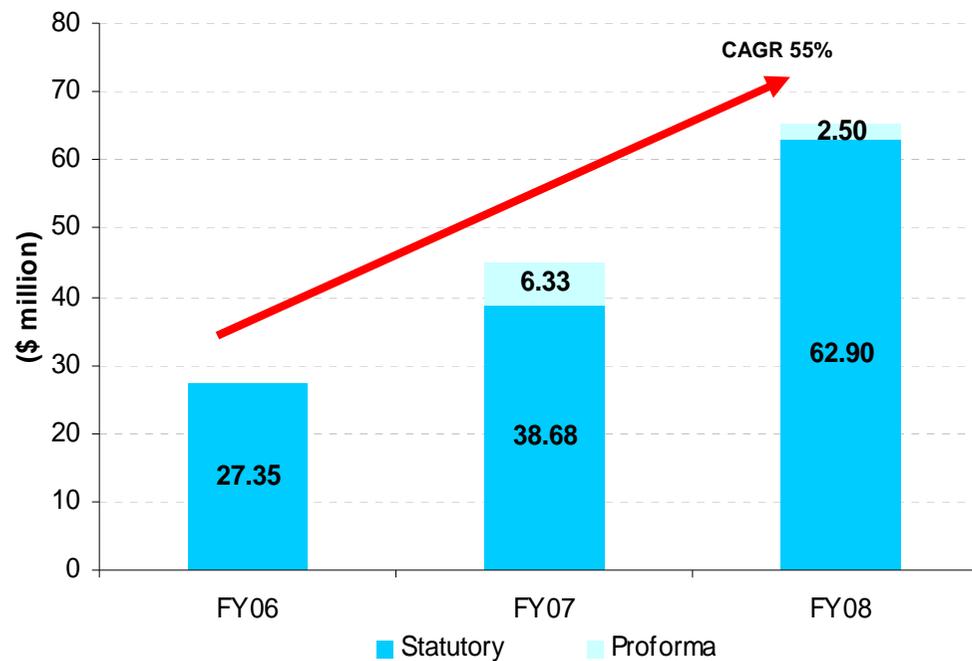
- Strong revenue and earnings growth both organic and from acquisition strategy
- FY08 NPAT includes approx \$1.5m amortisation of acquired intangibles
- Statutory EBITA and EBIT impacted by approx \$1.5 million of “one off” transaction costs (\$1.3 million per prospectus)

# FY08 Results Highlights



	FY08 Proforma Actual (A\$m)	FY08 Prospectus Forecast (A\$m)	Growth (%)
Revenue	65.4	63.5	3%
Operating expenses (incl dep'n and internal software amort)	52.4	(51.2)	2%
EBITA	13.0	12.3	6%
EBIT	11.2	10.5	7%
NPAT - Proforma	8.0	7.2	11%
NPAT - Statutory	5.9	5.3	11%
EPS (c)	6.5	5.8	11%
DPS (c)	1.5	1.5	-

**Strong growth in revenue up 45% to \$65.4 m**

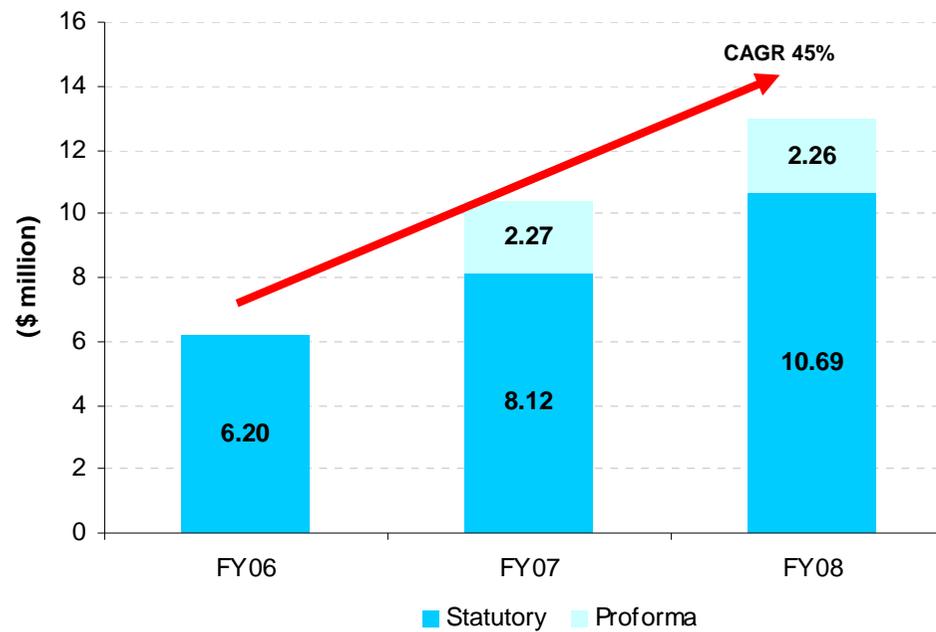


- Revenue ahead of FY08 Prospectus forecast by \$1.9m
- Strong growth in revenue driven by both business divisions - Technology Services and Mining Consulting

# EBITA



Strong growth in EBITA up 25% to \$13.0m



➤ EBITA ahead of FY08 Prospectus forecast by \$0.7m (6% above forecast)

# Balance Sheet



## Strong balance sheet with low gearing

(A\$m)	30 June 08	30 June 07
Cash	12.6	6.6
Other Current Assets	20.3	11.8
Non-current Assets	34.5	27.5
<b>Total Assets</b>	<b>67.4</b>	<b>45.9</b>
Debt	8.4	8.9
<b>Total Liabilities</b>	<b>25.8</b>	<b>22.4</b>
<b>Net Assets</b>	<b>41.6</b>	<b>23.5</b>

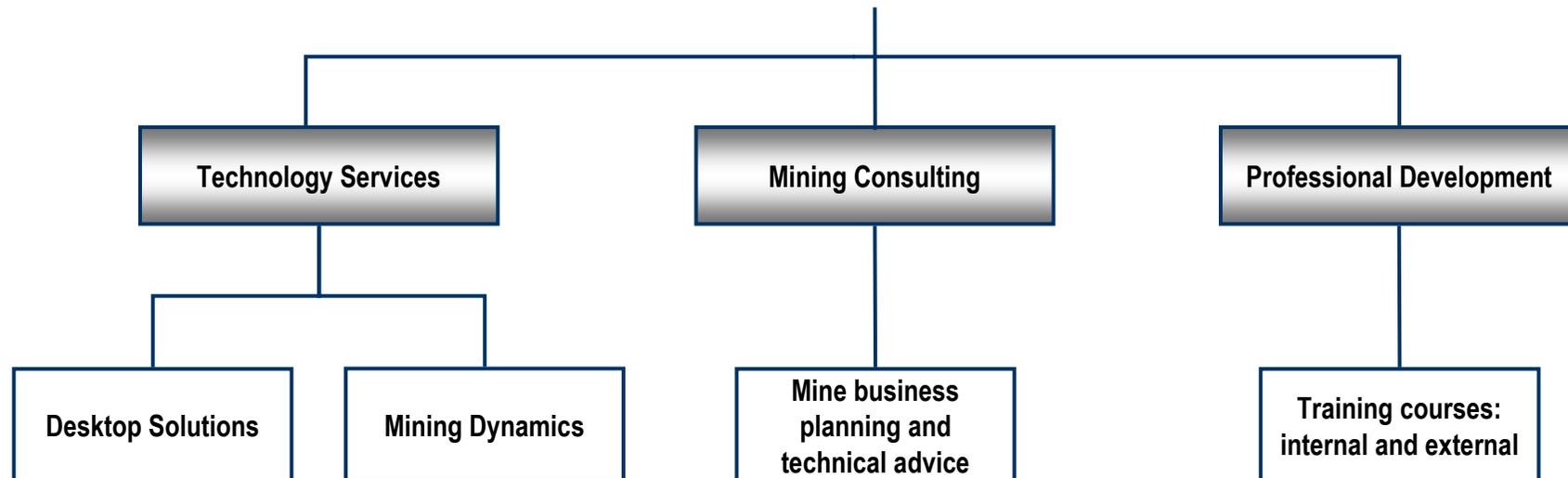
- Business requires minimal capital → higher ROE
- Debt of \$8.4M v \$8.9M and Net debt of (\$4.2M) v \$2.3M
- Our IPO commitment to pay down \$10m debt was implemented in June
- Sufficient cash available for working capital / expansion opportunities

# 3. Operational Review

*Tony Kinnane*

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# Group Structure



- Key revenue producing businesses → Technology Services and Mining Consulting (approx 50% revenue contribution from both)
- Professional Development is strategic business to offer value add to customers and employees

## Strong growth in Technology Services revenue

- Technology Services provides software licensing, maintenance/support services and IT consulting to global mining companies and mining contractors
- Strong interest in Mining Dynamics product → first earnings contribution in FY08 and substantial pipeline of opportunities
- June 2008 – signed large software contract with Barrick Gold for CAD\$2.2m → significant implementation consulting in FY09
- Significant potential for follow on consulting to Barrick Gold
- Runge experiencing increased level of enquiry for global, enterprise solutions → endorsement for the Runge business plan
- Increasing collaborative work between SAP and Runge with Runge providing domain knowledge
- Software and license protection to allow entry into new markets

## Strong growth in Mining Consulting revenue

- Mining Consulting provides integrated mine planning solutions to mining companies and other financiers / service providers to the mining sector
- Runge offering broadened in FY08 with new business in new regions → GeoGAS & ResEval acquisitions completed and significant revenue sourced from overseas operations
- Recently awarded substantial global Mining Consulting contract → work areas include Algeria, Bosnia, Kazakhstan, North and South America and the Ukraine
- Order book remains strong
- Achieving greater penetration with large, multi-national customers through ability to provide standard global offering
- Collegiate, innovative culture continuing to generate new ideas and business opportunities

# Competitive Advantage



Runge's integrated Technology Services and Mining Consulting businesses provide a key point of differentiation and competitive advantage



# Quality Global Customer Base



Customers comprise leading international resource companies and contractors

Over 2000 software licences sold

c. 55% Revenue secured from top 10 blue-chip customers

No client accounts for more than 20% of revenue

→ *BHP BILLITON*

→ *RIO TINTO*

→ *XSTRATA*

→ *VALE*

→ *ANGLO AMERICAN*

→ *BARRICK GOLD*

→ *NEWCREST MINING*

→ *PEABODY ENERGY*

→ *CODELCO*

→ *OUTOKUMPO*

→ *KORES*

→ *SASOL*

→ *MITSUI & CO*

→ *SUEK*

## 4. Strategy & Outlook

*Tony Kinnane*

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# Strategy: Global Reach



Global footprint in 17 locations servicing major multinational mining companies

Products and services supported by more than 340 employees

Unique ability to provide global “enterprise-wide” solutions to customers



# Strategies for Profitable Growth



Runge aims for and for the last decade has achieved a minimum:

- 20% per annum - organic growth
- 20% per annum - EBITA margin
- 20% per annum - return on investment

Runge's Strategic Goals include:

- **Strategic Alertness**
  - monitoring new opportunities for acquisitions and alliances
  - maintaining established processes to facilitate growth
- **Globalisation**
  - exploring opportunities to undertake business in new regional areas
- **Acquire, Develop and Retain Talent**
  - focusing on attracting, developing and retaining quality talent
  - building reputation, culture and values
- **Innovation**
  - dynamic processes for addressing new opportunities and innovations
  - actively promoting / fostering innovation to create new business initiatives
- **Communication**
  - underlying foundation for how we interact and engage as a company

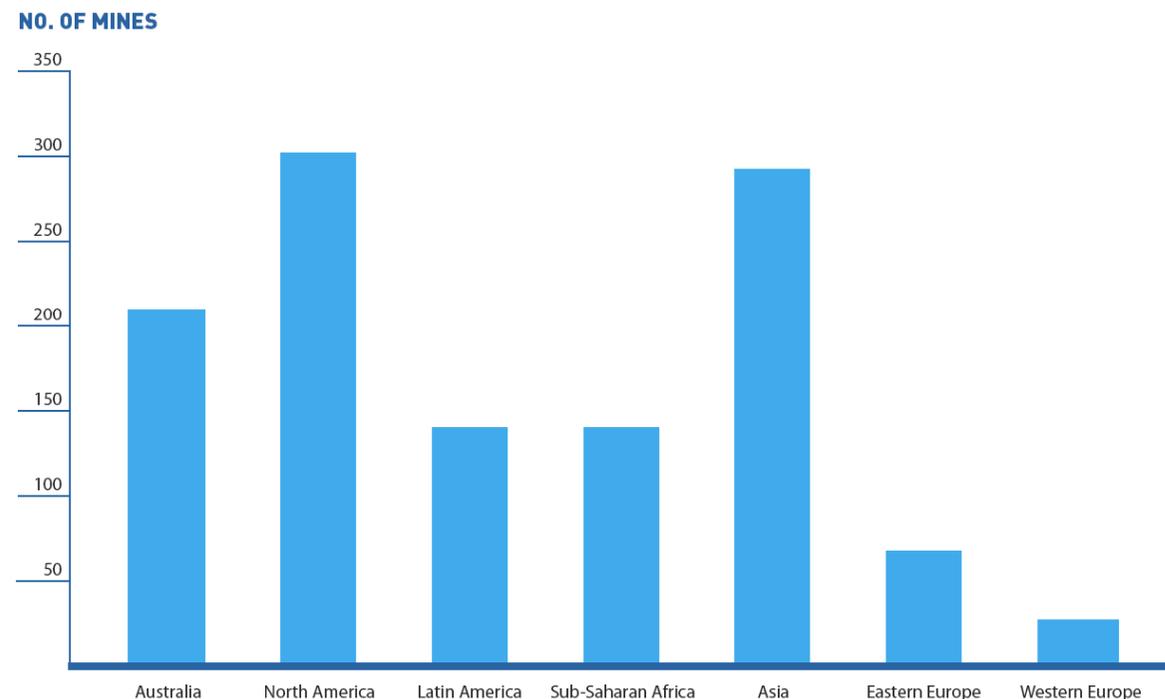
# Organic Growth Opportunities



Runge software is installed in 16% of targeted mines globally – substantial organic growth opportunities exist

- Runge's target mines have >US\$100 million annual turnover
- These mines generally have long-term operations → defensive
- Runge is the dominant supplier in Australia
- A large portion of targeted mines do not have incumbent software
- Organic growth opportunities exist to increase Runge's market penetration – particularly in non-Australia locations

The geographic distribution of mines with greater than \$US100million annual turnover



Source: AME Mineral Economics

- **Runge's market is robust**
  - BIS Shrapnel estimates “total mining investment rose a further 22% in 2007/08 to \$41.5 billion” and expects “investment will remain at historically high levels”
  - BIS Shrapnel expects a “surge in new production during the next few years” and “commodity prices to remain well above long term levels”
- **Runge expects demand for its products and services to remain strong as a result of:**
  - continued strong market fundamentals in terms of demand and prices
  - an ability to provide standardised service to multi-national customers through global reach
  - the need for customers to increase efficiency to offset potential margin shrinkage
  - increasing awareness of Runge's Mining Dynamics platform
- **Runge continues to grow its employee base → low staff turnover compared to industry norms**

# Looking Forward



- Runge has experienced continued strong demand for both its Technology Services and Mining Consulting products and services and expects this to continue in FY09
- FY09 Prospectus Forecast is reaffirmed

(A\$m)	FY09F
Revenue	84.3
EBITA	17.0
EBIT	15.3
NPAT	10.3
EPS (c)	8.3 c

- FY09 forecast dividend of 5c per share (fully franked) is reaffirmed
- Runge continues to source and investigate potential acquisitions consistent with our strategy to obtain new capabilities and enhanced geographical footprint
- Mining Dynamics pipeline of opportunities continues to build

# Summary



**The markets we operate in have very attractive fundamentals**

**Demand for our products and services remains strong → supports our FY09 Prospectus forecast**

**Our global footprint and integrated offering provides competitive advantage and improved ability to service global customers**

**We have a robust balance sheet → opportunity to pursue acquisition opportunities**

**We are well placed to continue our track record of growth in shareholder value**

## 6. Q & A

## Disclaimer



*The material in this presentation is a summary of the results of Runge Limited (Runge) for the 12 months ended 30 June 2008 and an update on Runge's activities and is current at the date of preparation, 22 August 2008. Further details are provided in the Company's full year accounts and results announcement released on 22 August 2008.*

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