

**RUNGE LIMITED**



**2012 Annual Results Presentation**

For personal use only



# Agenda



1. Change in MD and CEO
2. Operational Highlights and Business Update
3. Strategic Direction
  - Strategic Advantage
  - Competitive Advantage
4. Financial Commentary

For personal use only

## Change in MD and CEO

On 28 August David Meldrum stood down as Managing Director and Chief Executive Officer for personal reasons.

David took on the CEO role in July 2011 and has spent the last 12 months stabilising the business, setting strategy and aligning the business to this strategy.

The rapidly changing market conditions have been requiring David's deeper engagement in this business. These demands together with the demands of running a public company have exceeded his personal constraints.

Richard Mathews presently a Non-executive Director of the company has been permanently appointed to both the MD and CEO roles effective immediately.

# Agenda



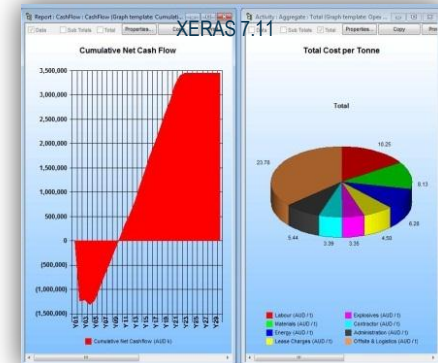
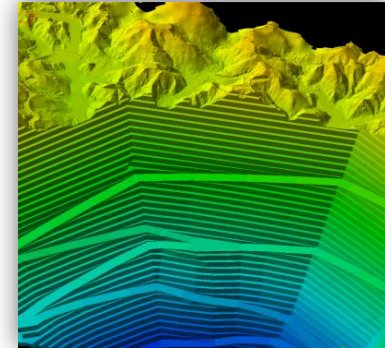
1. Change in MD and CEO
2. Operational Highlights and Business Update
3. Strategic Direction
  - Strategic Advantage
  - Competitive Advantage
4. Financial Commentary

For personal use only



# Operational Highlights

- Successful launch of our mine scheduling product - XPAC 7.12
- Successful launch of our financial modelling product - XERAS 7.11
- GeoGAS delivered 52% growth in revenue and opened a new laboratory in Brisbane
- Continued growth and strong margins in Asia
- America contributed to strong growth in revenue and profitability



For personal use only

# Business Update



For personal use only

- GeoGAS
- Australia
- Asia
- Americas
- Africa

# GeoGAS



# Agenda



1. Change in MD and CEO
2. Operational Highlights and Business Update
3. Strategic Direction
  - Strategic Advantage
  - Competitive Advantage
4. Financial Commentary

For personal use only

# Strategic Advantage



For personal use only

## Pre production

- Conceptual mine planning
- Short and long term mine planning and scheduling
- Geological consulting

- Reserve estimation to international standards
- Mine planning
- Financial modelling
- Feasibility studies

- Bankable documents
- Independent expert reports for public disclosure documents
- Due diligence on behalf of financiers

Exploration

Project feasibility

Project funding

## Service offering



## Production

- Advising on exploration plans and strategies
- Detail design
- Contract structuring and negotiation

- Short term and long term mine planning and scheduling
- Ongoing financial modeling
- Optimisation studies

- Mine closure and rehabilitation
- Post closure audits

Mine development

Mine operation

Mine closure



# Competitive Advantage



For personal use only

**Integrated Technology Services and Mining Consulting activities are a key point of differentiation and competitive advantage**

**Consultants use Runge Limited's technology in advisory work which provides opportunity to improve software to account for industry changes and anticipate our clients' technology needs**

**Mining Consulting and Technology Services create cross-selling opportunities**



# Agenda



1. Change in MD and CEO
2. Operational Highlights and Business Update
3. Strategic Direction
  - Strategic Advantage
  - Competitive Advantage
4. Financial Commentary

For personal use only

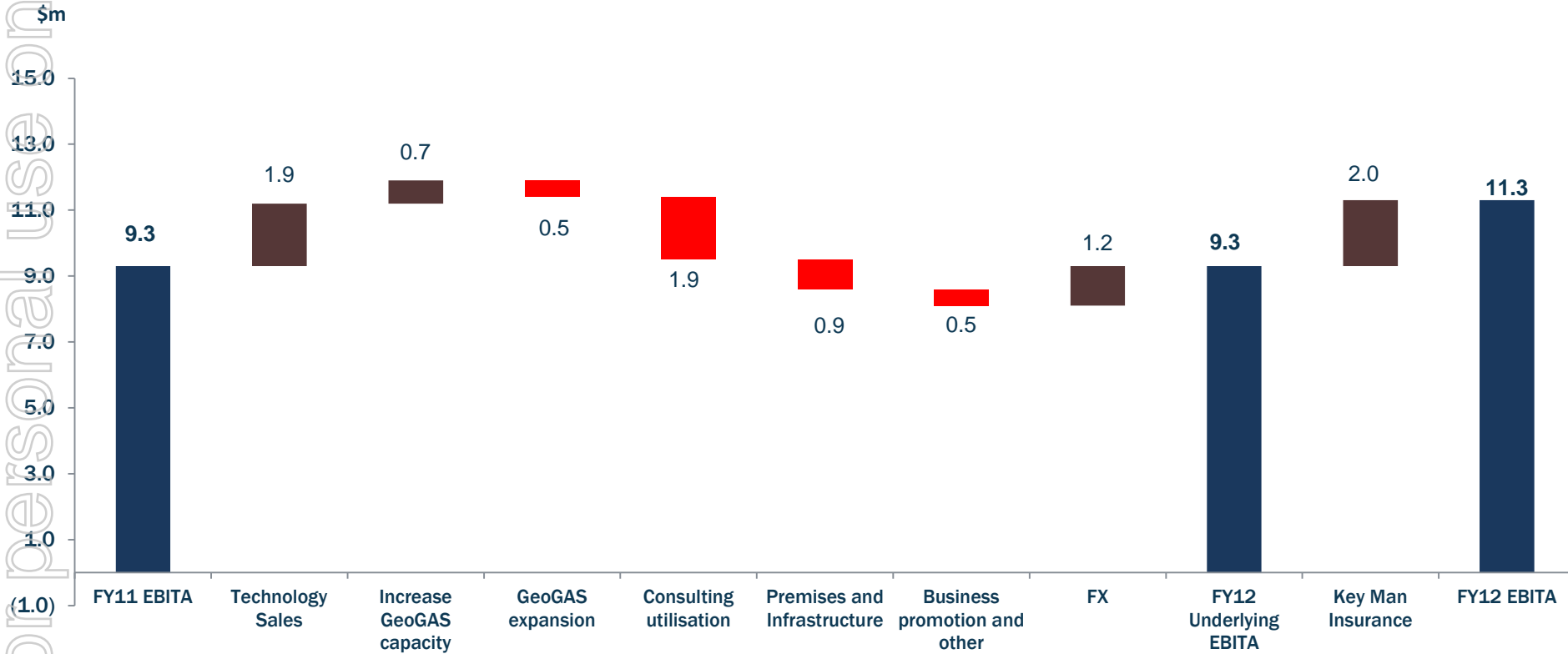
# Financial Highlights

- Statutory results in line with July guidance
- Total Revenue up 13% to \$106.9m (2011: \$94.2m)
- Operating EBITA steady at \$9.3m (2011: \$9.3m)
- Total Dividend for FY2012 3 cents (2011: 2 cents)
  - Interim Unfranked Dividend 1 cent (2011: 1 cent unfranked)
  - Final 50% Franked Dividend 1 cent (2011: 1 cent unfranked)
  - Special Unfranked Dividend 1 cent (2011: nil)
  - Record date for Final and Special Dividends 15 September 2012
  - Payment date for Final and Special Dividends 5 October 2012



# EBITA Bridge

For personal use only



# Financial Summary



Income Statement	2012 \$m	2011 \$m	Change
Operating Revenue *	106.9	94.2	↑ 13%
Operating EBITA *	9.3	9.3	↑ -
Underlying NPAT *	4.3	4.3	↑ -
Reported NPAT	6.2	3.6	↑ 72%
Earnings per share (cents)	5.0	2.9	↑ 72%
Dividends per share (cents)	3.0	2.0	↑ 50%
Net Cash/(Debt)	7.1	3.9	↑ 82%

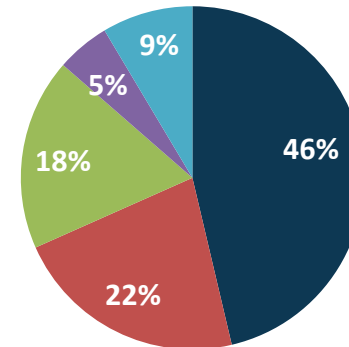
\*Operating Revenue, Operating EBITA and Underlying NPAT – exclude impairment of intangible assets and key man insurance proceeds.

# Operating Revenue Mix

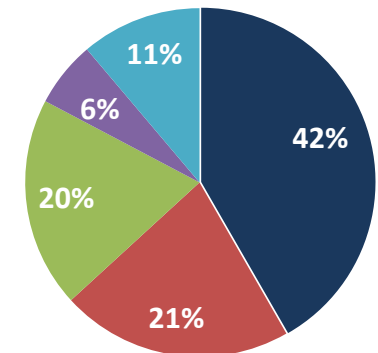
## Revenue by Geography

Revenue (\$m)	FY11	FY12	Change
Australia	43.3	44.4	3%
Americas	20.6	22.9	11%
Asia	16.9	20.8	23%
Africa	4.7	6.5	38%
GeoGAS	8.0	11.9	49%
<b>Total</b>	<b>93.5</b>	<b>106.5</b>	<b>14%</b>

2011



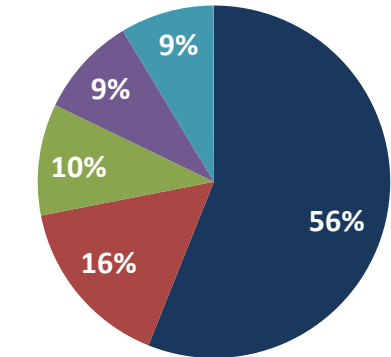
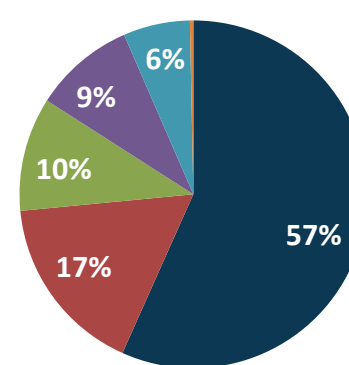
2012



■ Australia ■ Americas ■ Asia ■ Africa ■ GeoGAS

## Revenue by Service

Revenue (\$m)	FY11	FY12	Change
<b>Consulting fees</b>			
Advisory	53.0	59.7	13%
Technical	15.7	16.9	8%
<b>Technology fees</b>			
Licence	9.9	10.9	10%
Maintenance	8.8	9.8	11%
Laboratory testing	5.8	9.1	57%
Other	0.3	0.1	(67%)
<b>Total</b>	<b>93.5</b>	<b>106.5</b>	<b>14%</b>



■ Advisory consulting ■ Technical consulting ■ Licence fees  
 ■ Maintenance fees ■ Laboratory testing

# Cash Management

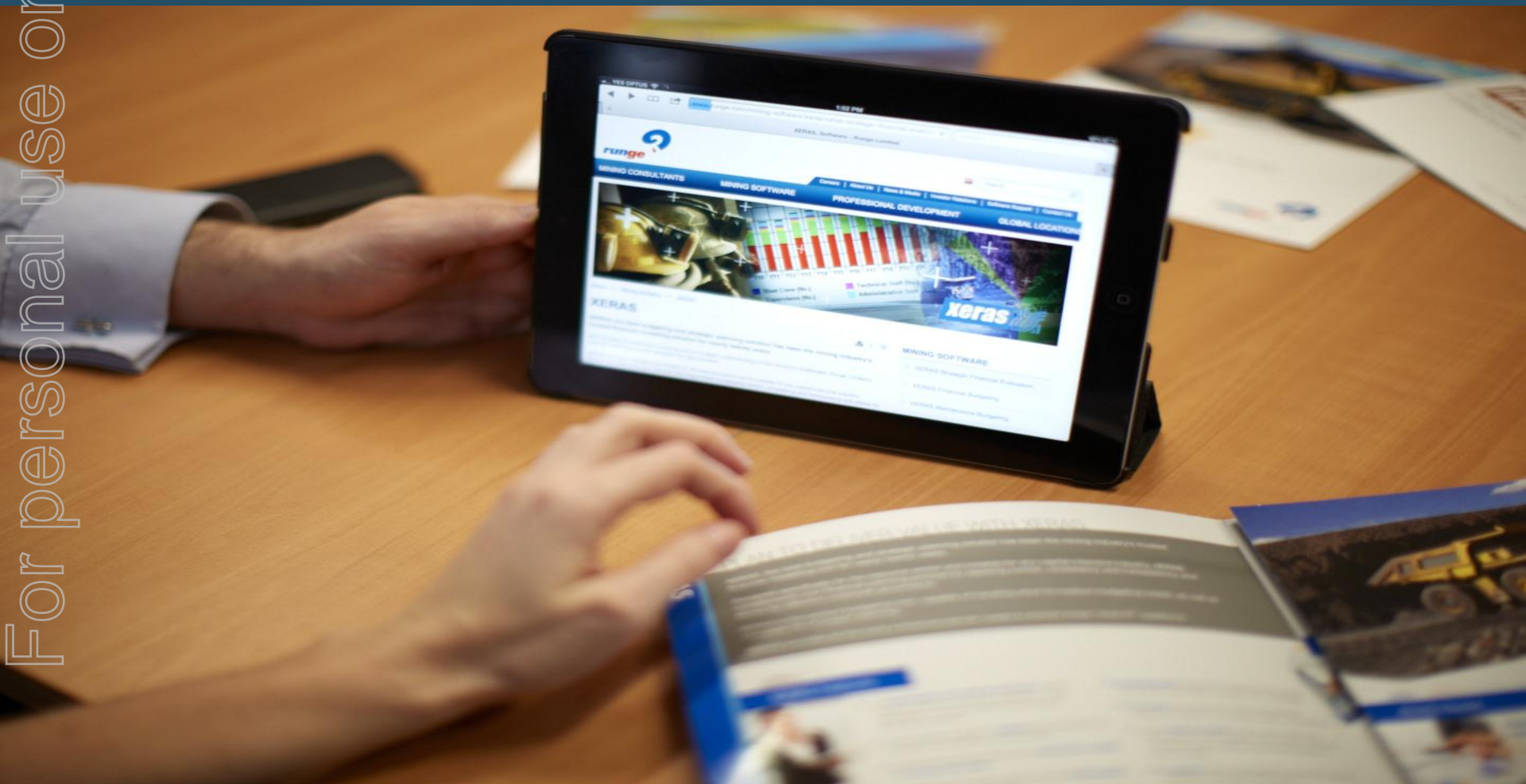
- Operating Cashflow \$11.1 million (2011: \$11.8 million)
- Capital Expenditure \$5.2 million (2011: \$4.6 million)
  - GeoGAS – \$2.3 million
- Dividends paid \$2.5 million (2011: \$1.2 million)
- Net Cashflow \$2.9 million (2011: \$0.9 million)
- Net cash of \$7.1m (2011: \$3.9 million)

# RUNGE LIMITED



## 2012 Annual Results Presentation

For personal use only





# Disclaimer



For personal use only

▪ The material in this presentation is a summary of the results of Runge Limited (Runge) for the 12 months ended 30 June 2012 and an update on Runge's activities and is current at the date of preparation, 29 August 2012. Further details are provided in the Company's full year accounts and results announcement released on 28 August 2012.

▪ No representation, express or implied, is made as to the fairness, accuracy, completeness or correctness of information contained in this presentation, including the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in the presentation ("forward-looking statements"). Such forward-looking statements are by their nature subject to significant uncertainties and contingencies and are based on a number of estimates and assumptions that are subject to change (and in many cases are outside the control of Runge and its Directors and officers) which may cause the actual results or performance of Runge to be materially different from any future results or performance expressed or implied by such forward-looking statements.

▪ This presentation provides information in summary form only and is not intended to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

▪ Due care and consideration should be undertaken when considering and analysing Runge's financial performance. All references to dollars are to Australian Dollars unless otherwise stated.

▪ To the maximum extent permitted by law, neither Runge nor its related corporations, Directors, employees or agents, nor any other person, accepts any liability, including, without limitation, any liability arising from fault or negligence, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.

▪ This presentation should be read in conjunction with other publicly available material. Further information including historical results and a description of the activities of Runge is available on our website, [www.runge.com](http://www.runge.com).