



Media Release

23 February 2009

Runge announces strong 2009 half year results

Leading mining technology services company Runge Limited (Runge), today announced continued strong financial performance and business growth, delivering a net profit after tax of \$4.7 million for the six months ended 31 December 2008. This result represents:

- a 52% increase from the statutory result in the prior corresponding period (1H08 - \$3.1 million)
- a 21% increase from the pro forma result in the prior corresponding period (pro forma 1H08 - \$3.9million) assuming acquisitions made during the 1H08 are accounted for the full period.

Operating revenue was up 32% to \$43.7 million (pro forma 1H08 - \$33.1 million) due to the successful integration of the GeoGAS and ResEval acquisitions, and strong organic growth across all regions, especially in consulting services.

Christian Larsen, Acting Managing Director said the company was well positioned to manage the current downturn, with strong cash flows, a clear business plan, and a unique suite of products and services that help clients drive mine efficiencies during these challenging times.

“Runge’s results for the first half of the 2009 financial year are a clear indication of the success of the Group’s strategy of building a global mining software consulting business. These results clearly demonstrate Runge’s ability to respond quickly to variations in demand for services and technology. We have been able to adapt our business model and seek opportunities in a volatile market.

“The Board’s decision to pay an interim fully franked dividend of 2 cents per share is in line with the IPO Prospectus and reflects Runge’s strong balance sheet and the Directors’ confidence in the company’s continued growth opportunities.

“Runge is a strong and resilient business. Runge’s strong balance sheet, global footprint, unique product suite, and talented dedicated people, strongly position the company for continued growth and continued expectation of meeting the FY09 forecasts contained in the IPO Prospectus,” Mr Larsen said.

Key highlights

- Operating revenue up 32% to \$43.7 million (pro forma 1H08 - \$33.1 million); up 43% on a statutory basis (1H08 - \$30.6 million)
- EBITA up 12% to \$7.3 million (pro forma 1H08 - \$6.5 million); up 26% on a statutory basis (1H08 - \$5.8 million)

- NPAT up 21% to \$4.7 million (pro forma 1H08 - \$3.9 million); up 52% on a statutory basis (1H08 - \$3.1 million)
- Strong balance sheet, with net cash of \$0.7 million, reflecting the company's focus on prudent capital management
- Interim dividend declared of 2.0cents per share fully franked, in line with IPO Prospectus and consistent with the company's policy to maintain a dividend pay-out ratio in excess of 60% of net profit after tax
- FY09 IPO Prospectus NPAT forecast reaffirmed

Group performance overview

In mid-September 2008 financial markets in Australia and around the world suffered substantial upheaval. This flowed into the resources sector in November 2008 with significant falls in commodity prices. Lower commodity prices have forced mining companies to decrease exploration spend and revise their operations to reduce production and/or perform more efficiently.

This operating environment provides different opportunities for Runge's business as mining companies focus on cost management and generating efficiencies in their business. Runge is well positioned with a core philosophy of focussing on improving economics of mining operations, coupled with a unique business model which provides support via knowledge and technology to mining companies.

Mr Larsen said "We expect demand for Runge's products and services to remain strong due to the mining sector's increased industry focus on cost reduction, which is driving a demand for knowledge.

"Runge remains committed to growing organically. We are reviewing new opportunities in Hong Kong and Moscow and are pursuing a number of attractive organic growth opportunities, including several identified by GeoGAS.

"In addition, we continue to remain alert to global industry needs, responding with new training initiatives, in addition to a new partnership with SAP. These initiatives are creating new market opportunities for Runge."

Runge has experienced a change in sales mix over the past six months, and we anticipate that this activity will continue. The current market volatility makes it inherently difficult to provide a view on the outlook for FY09. However, the Board has reaffirmed FY09 NPAT forecasts contained in the IPO Prospectus.

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6 mths to 31 Dec (\$m)	Pro forma			Statutory	
	2008	2007	Change	2007	Change
Operating revenue	43.7	33.1	32.0%	30.6	42.8%
Operating expenses	(35.8)	(26.3)	36.1%	(24.5)	46.1%
EBITDA	7.9	6.8	16.2%	6.1	29.5%
EBITA	7.3	6.5	12.3%	5.8	25.9%
EBIT	6.2	5.4	14.8%	4.7	31.9%
NPAT	4.7	3.9	20.5%	3.1	51.6%
EPS (cents)	3.8				
DPS (cents)	2.0				

About Runge Limited:

Runge Limited (Runge was established in 1977 by Dr Ian Runge, and listed on the Australian Securities Exchange on 27 May 2008 (ASX code: RUL). Originally focussed on general consulting to the mining industry (e.g. feasibility studies) the business commenced developing software to aid the provision of its consulting services and to assist its customers in the planning of mine sites.

Today, Runge is a leader in the provision of technology products, consulting services, and training courses to the global mining industry, delivering solutions and services across a range of commodities.

With expertise across a range of mining disciplines, Runge's approach to the business of mining is strongly grounded in economic principles and delivering mine planning solutions that are tightly coupled with technological support and training. Runge currently owns and operates 18 offices in 10 countries throughout the world. Our team includes Pincock Allen & Holt, Minarco-MineConsult, MRM Mining Services Pty Ltd and GeoGAS.

Runge has demonstrated strong growth historically and targets minimum annual 20% organic growth in revenues and 20% EBITA margin. Revenue is diversified both geographically and by mineral commodity mines.