



RESULTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2010

24 FEBRUARY 2011

A Single Company, A Single Focus
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1. Overview

Tony Kinnane

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Financial highlights



Statutory results in line with January guidance

- Total Revenue up 20% to \$45.2M (1H'10: \$37.6M)
 - Revenue returning to pre-GFC levels
- EBITA growing faster than Revenue, up 32% to \$3.7M (1H'10: \$2.8M)
 - Consultant utilisation driving growth however margins adversely impacted by strengthening AUD
 - Result inclusive of FX losses \$1.2M (1H'10 FX loss: \$0.3M)
- NPAT up 26% to \$1.5M (2009: \$1.2M)
- EPS 1.2 cents per share, up 20%
- Net Debt/Equity 6%, Interest cover 10 x EBITA
- Interim Dividend 1.0 cent per share, unfranked

Operational highlights



- **Improving utilisation rates driving profitable growth**
 - Improvement in consulting utilisation added \$2.9M to EBITA, before impact of strengthening AUD
 - Similar consulting base to FY10, high competition for professionals in Australia
 - Further improvements in utilisation targeted
- **Positioning for growth**
 - Reorganisation of senior management to build capacity for growth
- **Launch of Smartminer (e-learning)**
- **Software**
 - Continued 'package' sales penetration into new and existing customers
 - Interest in enterprise solutions gaining traction.

2. Financial performance

Kieran Wallis

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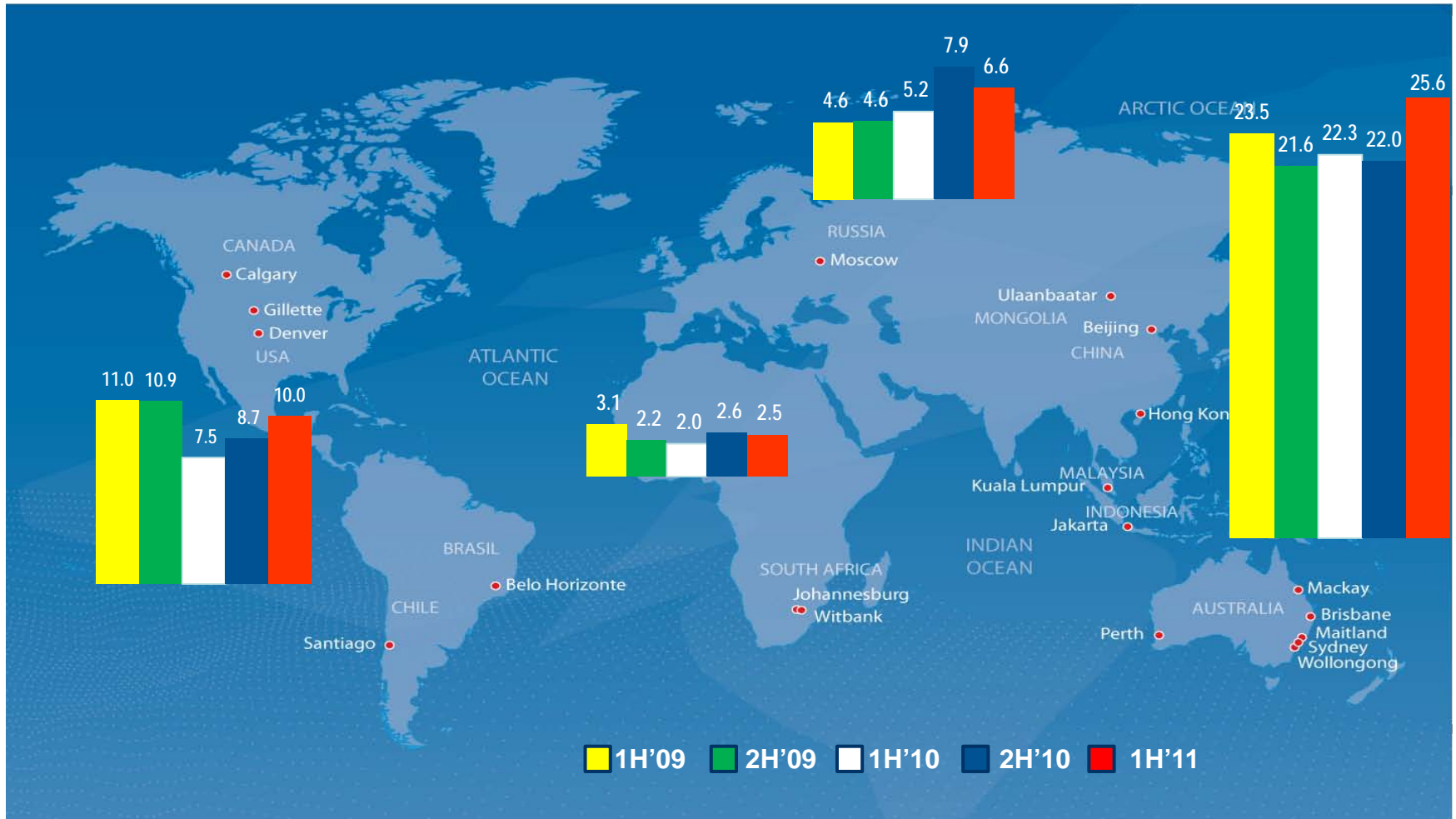
Financial performance summary



	1H'10	2H'10	1H'11	Var to 1H'10		Var to 2H'10	
	(\$M)	(\$M)	(\$M)	(\$M)	%	(\$M)	%
Revenue	37.6	41.4	45.2	7.6	20%	3.8	9%
Operating expenses	(33.9)	(37.6)	(40.5)	(6.6)	(19%)	(2.9)	(8%)
EBITDA	3.7	3.8	4.7	1.0	27%	0.9	24%
EBITA	2.8	3.0	3.7	0.9	32%	0.7	23%
EBIT	1.7	1.7	2.5	0.8	47%	0.8	47%
NPAT	1.2	1.1	1.5	0.3	26%	0.4	36%
EPS (cents)	1.0	0.8	1.2	0.2	20%	0.4	50%

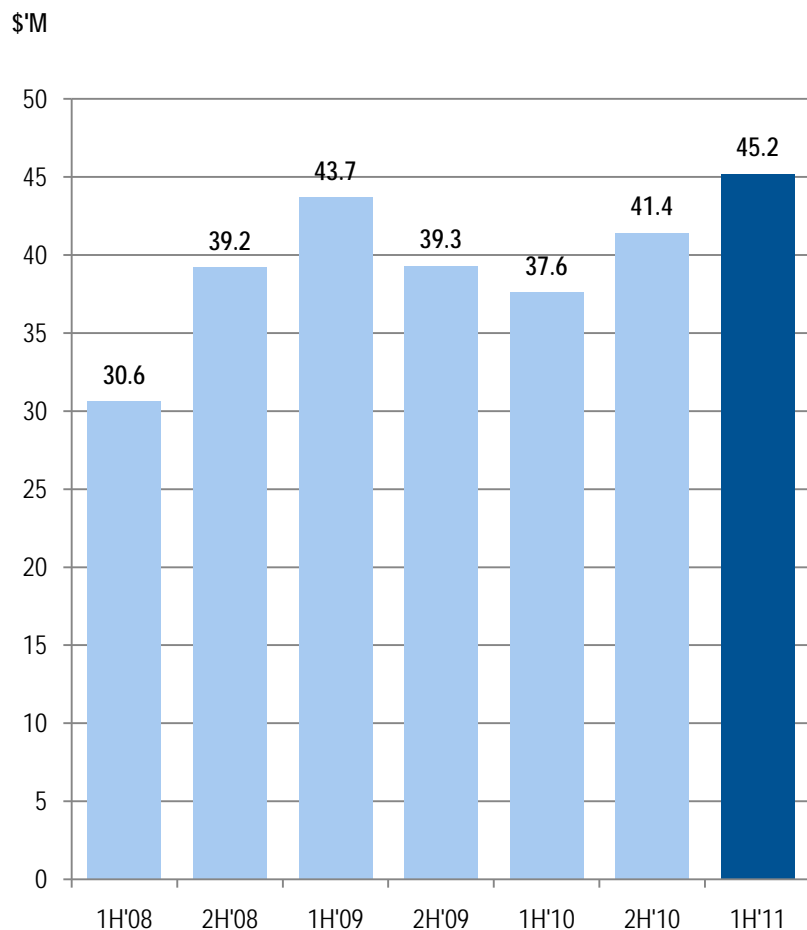
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Global footprint: Revenue by Region



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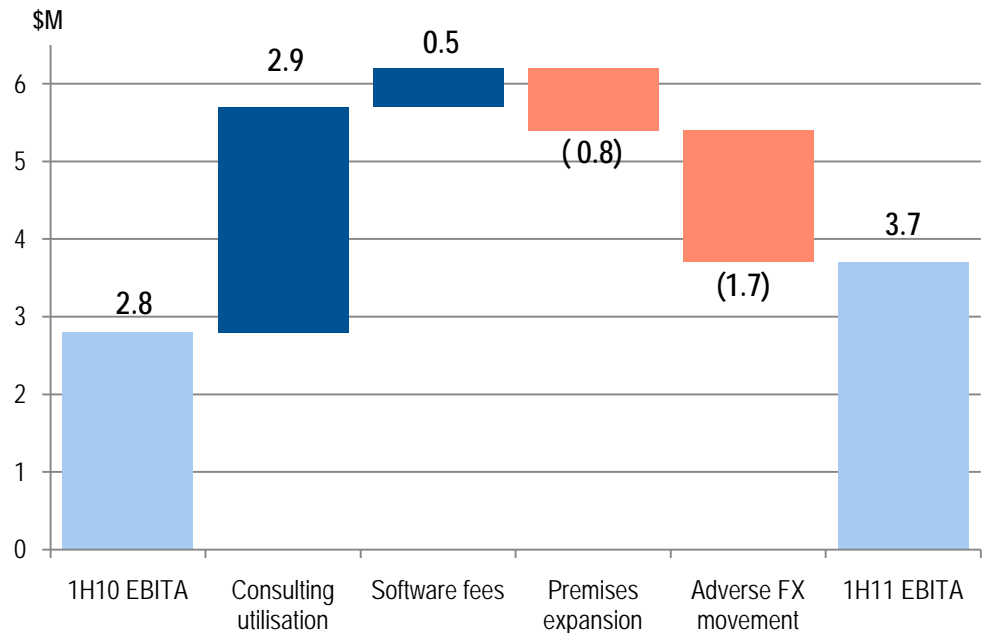
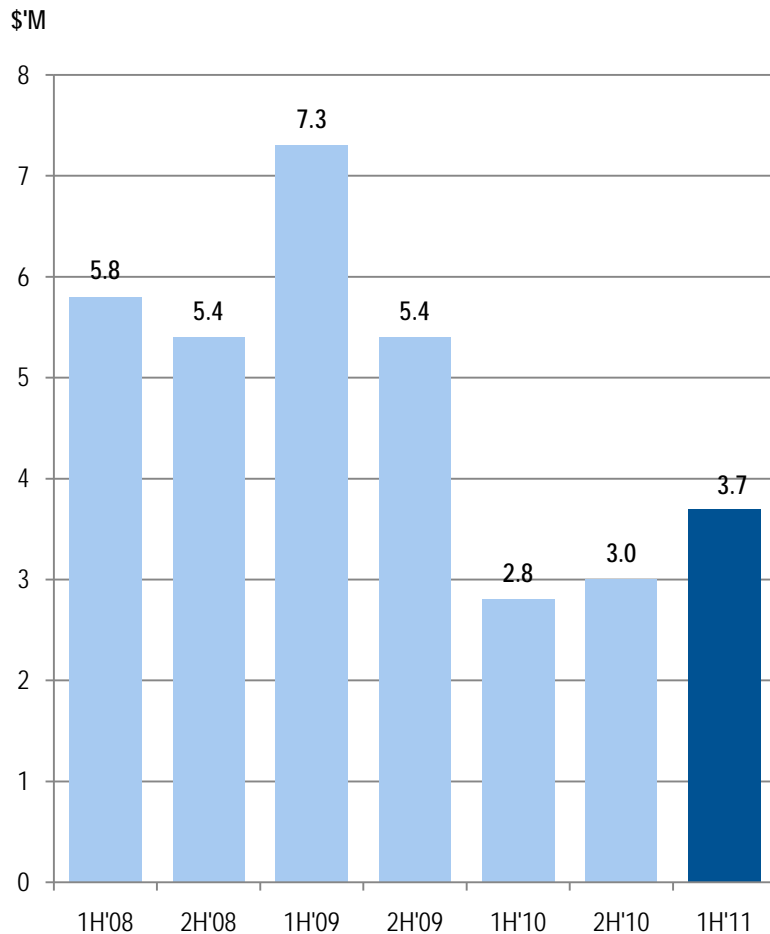
Half year revenue strengthening



(\$M)	1H'09	2H'09	1H'10	2H'10	1H'11
Professional fees	32.8	27.9	26.9	30.6	33.6
Laboratory revenue	1.5	1.5	2.1	1.9	2.5
License fees	4.4	6.1	3.9	4.8	4.0
Maintenance fees	3.5	3.8	4.2	3.8	4.6
Other	1.5	-	0.5	0.3	0.5
Total	43.7	39.3	37.6	41.4	45.2

- Underlying revenue continuing to increase, up 20% on 1H'10 and 9% on 2H'10 to \$45.2M
- Professional fees back to pre-GFC levels, up 25% on 1H'10
- Revenue from Software (License + Maintenance) up 6%

EBITA trend improving



- EBITA up 32%, to \$3.7M on 1H'10 due to better consulting rates and utilisation
- Improved consulting utilisation added \$2.9M to EBITA on constant currency basis
- Adverse FX movement of \$1.7M due to strengthening AUD

Balance Sheet



(\$M)	Jun'10	Dec'10
Cash	9.3	7.6
Other Current Assets	28.6	24.4
Non-current Assets	43	43.3
Total Assets	80.9	75.3
Debt	10.6	10.2
Total Liabilities	36.3	30.0
Net Assets	44.6	45.3
Net Debt/Equity	3%	6%
Interest cover (x EBITA)	12 x	10 x

- Increase in Net Assets to \$45.3M
- Gearing low, Net Debt/Equity of 6% and interest cover of 10 x EBITA

Operating Cash Flow



\$'M	1H'10	2H'10	1H'11
Operating Cashflow	-	3.6	1.9
Purchase PPE	(1.5)	-	(1.4)
Intangible assets acquired	(1.8)	(0.6)	(1.0)
Total Investing Activities	(3.1)	(0.6)	(2.4)
(Repayment of)/Proceeds from borrowings	7.8	(0.7)	(0.4)
Dividends	(3.1)	(1.2)	-
Cash Inflow/ (outflow)	1.6	1.1	(0.9)

- Operating cash flow of \$1.9M, up from nil in 1H'10. Cash flow seasonally weighted to 2H due to timing of Maintenance fee renewals
- PPE expenditure on office fitout and labs, computer infrastructure and gas testing canisters

3. Operational review

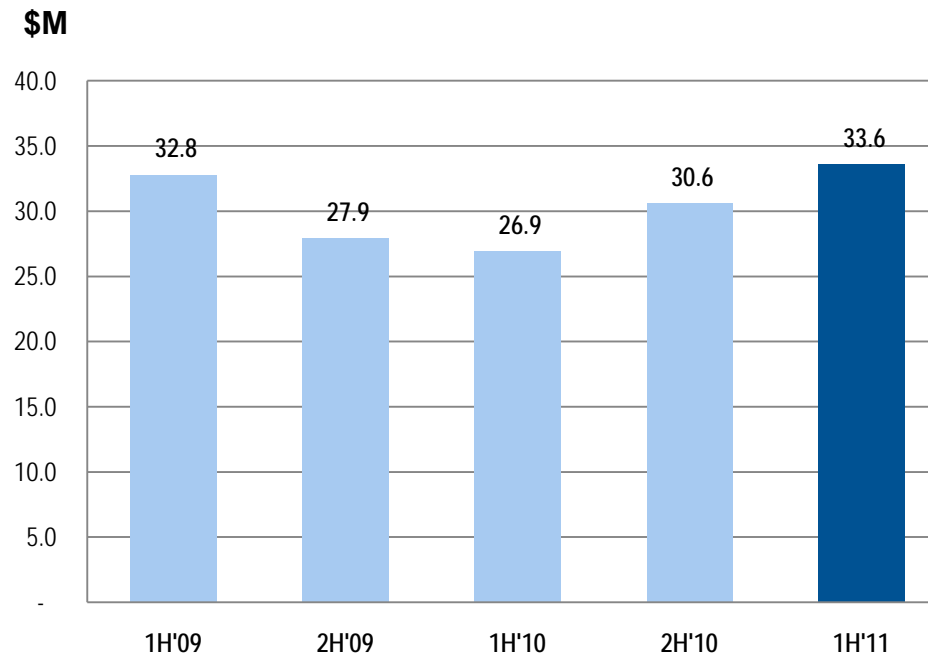
Tony Kinnane

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Professional fees returned to pre-GFC levels

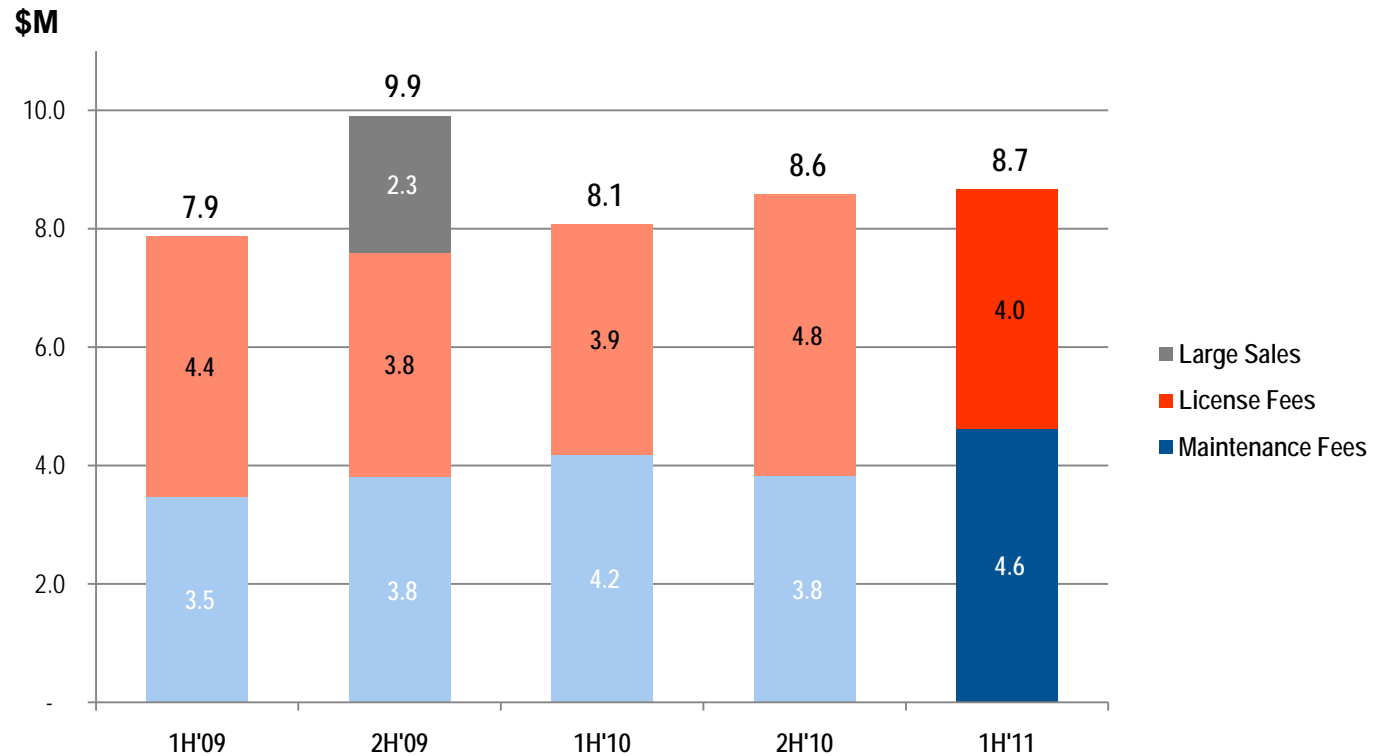


Professional Fee Revenue



- Revenue in 1H'11 returning to pre-GFC levels, including Australian region
- 49% of fees for work outside of Australia (1H'10: 44%)

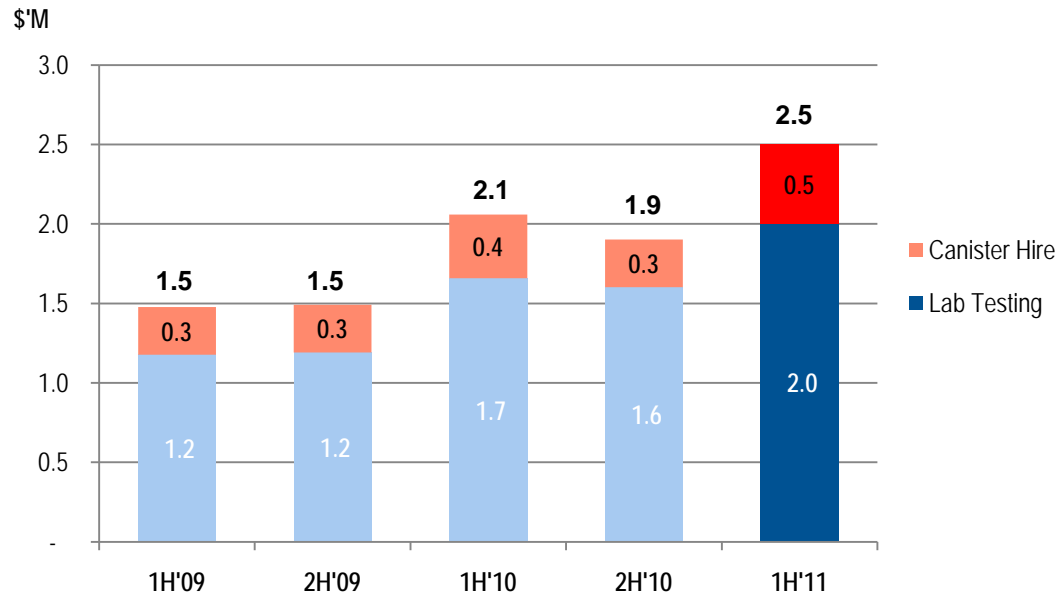
Software revenue continuing to grow



- No large software sales in 1H'11 (i.e. > \$1M AUD)
- 44% of new License Fees outside of Australia (1H'10: 48%)

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Labs and testing revenue



- Floods in Qld will impact Qtr 3, but likely to rebound in Qtr 4
- New Wollongong laboratory facilities bedded down
- Mackay staff used in Wollongong during floods
- Potential for client lead expansion of GeoGAS into offshore markets

4. Strategy & Outlook

Tony Kinnane

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Outlook and business environment



- Asian markets continue to grow strongly with associated move to world's best practice resource reporting
- Australian and American markets are quite stable, gaining depth and returning to pre-GFC levels
- Coal, Gold, CBM and iron ore industry remains strong, providing consulting opportunities
- Queensland floods have effect only on GeoGAS and Brisbane operations, GeoGAS will see catch up work as state dries out
- "Packaged" software markets remain steady
- Enterprise software market remains difficult

Key priorities



- **People**
 - Continue to hire best skills available on a global basis matched to customer needs
 - Further improve utilisation
- **Customers**
 - Continue to seek organic growth through customer driven requirements
 - Develop deep relationships, in particular in emerging markets
 - Expand logically through geographical zones
- **Products**
 - Globalise the GeoGAS product
 - Focus R&D to deliver smarter technology in line with customer requirements
 - Build on third party relationships such as SAP

- 1H'11 results reflect revenue growth through increased utilisation and improved market conditions
- Focus on improving margins through managing global staff deployment and our software sales pipeline
- Well positioned for growth opportunities
 - Management structure in place to facilitate further growth
 - GeoGAS offshore expansion
 - numbers of staff with skill sets in best locations – improving utilisation
 - Leader in emerging markets, Mongolia, Indonesia, Beijing
 - Software product enhancement through 3rd party initiatives
- Strong balance sheet

6. Q & A

Disclaimer



The material in this presentation is a summary of the results of Runge Limited (Runge) for the 6 months ended 31 December 2010 and an update on Runge's activities and is current at the date of preparation, 24 February 2011. Further details are provided in the Company's half year accounts and results announcement released on 24 February 2011.

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