

**23 February 2012**

## **Runge announces results for the first half of FY12**

Leading mining technology services company, Runge Limited (Runge; ASX: RUL), today announced its results for the six months ended 31 December 2011 (1H12).

### **Key highlights:**

- Operating Revenue up 16% to \$52.3 million (1H11: \$45.2 million)
- Underlying\* Earnings before interest, tax and amortisation (EBITA) up 11% to \$4.1 million (1H11: \$3.7 million)
- Underlying\* Net profit after tax up 13% to \$1.7 million (1H11: \$1.5 million)
- Reported net profit after tax up 146% to \$3.7 million (1H11: \$1.5 million)
- Earnings per share up 150% to 3.0 cents (1H11: 1.2 cents)
- Net cash of \$0.8 million, and interest cover of 14x EBITA
- Interim dividend of 1.0 cent per share unfranked (1H11: 1.0 cent per share unfranked).

Commenting on the 1H12 results, Runge Managing Director, David Meldrum said that the result was in line with our expectations and reflective of the challenges we have experienced in a few specific markets.

“We are pleased to see the continued strong revenue growth experienced by Asia and GeoGAS, but at the same time business experienced margin pressures in Australia and Africa” said Mr Meldrum.

Reported NPAT increased by 146% to \$3.7 million (1H11: \$1.5 million). This result includes \$2.0 million in Key Man Insurance proceeds previously announced to the market.

The Directors will inform the market in the full year results as to the final amount of the life insurance proceeds included in earnings and operating cashflow for the current financial year.

The Directors have declared an interim unfranked dividend of 1.0 cents per share (1H11 unfranked 1.0 cents per share).

Consulting revenue continued to increase, up 15% on 1H11, and 9% on 2H11, to \$38.3 million, underpinned by higher number of consultants across all regions, apart from Australia. As a result Australian share in generation of professional fees decreased to 43% (1H11: 51%).

Technology revenue represented by software license and maintenance sales increased by 6% to \$9.1 million (1H11: \$8.6 million).

Expended laboratory facilities contributed to 65% growth in GeoGAS revenue to \$5.6 million (1H11: \$3.4 million).

“Poor utilisations in Africa and building distribution networks in Australia contributed to lower margins in these regions and reduced margins overall” said Mr Meldrum.

Mr Meldrum commented that outlook remains positive for the second half and that he expects to see turnaround in Africa and Australia in the second half.

“We see strong demand for our services and software across our business and we have wide distribution networks to deliver our products” said Mr Meldrum.

“In the first half we focused on developing strategies to combine and utilise our intellectual property in Software, Professional Development and Testing through partnership with our major customers and building a new sales team. We will see first results of these initiatives in the second half of FY12”.

**For further information please contact:**

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**About Runge Limited:**

Runge was established in 1977 by Dr Ian Runge and listed on the Australian Securities Exchange on 27 May 2008 (ASX: RUL).

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 operates 20 offices in 12 countries throughout the world. Our team includes Pincock Allen & Holt, Minarco-MineConsult, MRM Mining Services Pty Ltd, GeoGAS Pty Ltd and Corelate Capital Pty Ltd.