RungePincockMinarco

RungePincockMinarco Limited
ABN 17 010 672 321

Level 12, 333 Ann Street
Brisbane QLD 4000

GPO Box 2774
Brisbane QLD 4001

18 February 2013

Company Announcements
Australian Stock Exchange, Sydney

RUL: ANNOUNCEMENT OF HALF YEAR RESULTS – 31 DECEMBER 2012

Please find **enclosed** for lodgement the following documents with respect to RungePincockMinarco Limited's [ASX:RUL] results for the half year ended 31 December 2012 pursuant to Listing Rule 4.2A:

1. Appendix 4D; and

2. Interim half year report for the half-year ended 31 December 2012 and independent auditors review report.

This information should be read in conjunction with the most recent Annual Report of the Company for the financial year ended 30 June 2012.

For further information please contact:

Kieran Wallis
Executive General Manager - Corporate Services
+61 7 3100 7200
kwallis@rpmglobal.com

James O'Neill
Company Secretary
+61 7 3100 7200
companysecretary@rpmglobal.com

RungePincockMinarco

APPENDIX 4D

The information contained in this report is for the half year ended 31 December 2012 and the previous corresponding period ended 31 December 2011 for RungePincockMinarco Limited and controlled entities.

This report is presented in Australian dollars. The report has been subjected to independent review and is not subject to qualification.

Results for announcement to the market

				$'000
Revenues from ordinary activities	down	20%	to	43,515
Profit / (loss) from ordinary activities after tax*	down	N/A	to	(1,619)
Net profit / (loss) for the period	down	N/A	to	(4,552)

* Losses from ordinary activities after tax excludes restructure costs and impairment charges.

Dividend information

	Amount per Share (cents)	Franked Amount per Share (cents)	Conduit Foreign Income Amount per Share
Interim dividend	-	-	-

Brief explanation to figures reported above

Refer to review of operations on page 2.

	31 Dec 2012	31 Dec 2011
Net tangible assets per security (cents)	10.7	14.2

DIRECTORS' REPORT

Your Directors present their report on RungePincockMinarco Limited (formerly Runge Limited) and its subsidiaries for the half year ended 31 December 2012 (referred to hereafter as the "Group").

Directors

The directors of RungePincockMinarco Limited at any time during or since the end of the period are:

Non-executive

Mr Allan Brackin – *Chairman*

Dr Ian Runge

Mr Ross Walker

Mr Christian Larsen – *resigned as an Executive 30 September 2012, resigned as a Director 31 January 2013*

Executive

Mr Richard Mathews – *appointed Managing Director 28 August 2012 and resigned as a Non-executive Director*

Mr David Meldrum – *Managing Director – resigned 28 August 2012*

Review of Operations

For the half year ending 31 December 2012 the Group recorded an after tax loss of $4.6 million (Dec 2011: Profit $3.7 million), as summarised below.

	Six months ended 31 Dec 2012 $m	Six months ended 30 Jun 2012 $m	Six months ended 31 Dec 2011 $m
Consulting revenue	29.3	38.2	38.5
Laboratory revenue	3.9	4.7	4.2
Software revenue	9.7	11.7	9.0
Other revenue	0.6	-	0.6
Rechargeable expenses	(3.1)	(3.6)	(3.9)
Net Operating Revenue	**40.4**	**51.0**	**48.4**
Operating Expenses	(39.7)	(44.4)	(43.0)
Operating EBITDA*	**0.7**	**6.6**	**5.4**
Key Man Insurance proceeds	-	-	2.0
Restructure & Impairment costs	(4.1)	-	-
Depreciation & Amortisation	(2.0)	(2.6)	(2.7)
Net finance costs	(0.3)	(0.2)	(0.3)
Profit/(Loss) before Tax	**(5.7)**	**3.8**	**4.4**
Income tax benefit/ (expense)	1.1	(1.3)	(0.7)
Net Profit/(Loss) after Tax	**(4.6)**	**2.5**	**3.7**

* Earnings before interest tax depreciation and amortisation

Operating EBITDA for the half was $0.7 million (Dec 2011: $5.4 million). The Group incurred restructuring and impairment costs related to staff redundancies, the suspension of some laboratory facilities and the recognition of onerous premises lease costs totalling $4.1 million.

The result for the half reflects a significant contraction in the demand for mining advisory and consulting services across the Group's operations which resulted in a fall in Net Operating Revenue of $8.0 million compared to the prior comparative period. This fall in revenue was partially mitigated by an active program of cost reduction initiatives which commenced during the half and reduced operating costs by $3.3 million compared to the first half of last year or $4.7 million when compared to the preceding half.

DIRECTORS' REPORT

Operating Revenue

The reduction in consulting and advisory revenue in the six months to 31 December 2012 was impacted by an industry environment of falling commodity prices and lower financial market activity. These factors were exacerbated in some key regional markets by political uncertainty regarding mining policy and the flow on effect to mining project delays or cancellations.

The Australian region and GeoGAS laboratory testing business were most affected by the impact of these factors on the coal sector, with net revenue in these divisions down 19% and 7% respectively on the comparative period.

Consulting revenue in the Asian and American regions is closely aligned with the level of financial market activity and international investment in mining projects. Both regions experienced difficult trading conditions in the half due to softening in financial market activity and, in the case of the Asian region, a marked slowdown in consulting demand in the Mongolian and Indonesian offices as a result of resource nationalism within these countries. Regional revenue in Asia was down 28% and down 11% in the Americas on the six months to 31 December 2011.

Demand for the Group's software products was consistent with the comparative period at $4.1 million. Software maintenance revenue grew by 12% to $5.6 million (Dec 2011: $5.0 million).

Restructure costs

Following the appointment of Richard Mathews to the role of CEO at the end of August 2012, the Group undertook a program of cost reduction and restructuring initiatives to better align the business with the change in the operating environment. These initiatives resulted in $4.1 million in restructuring and impairment costs being recognised in the half and included;

- Closure of the Corelate Capital business at the cost of $0.1 million.
- Group head count was reduced in both head office administration and consultants with redundancy costs of $1.6 million. Full time equivalent employees decreased by 17% to 377 (Dec 2011: 453, June 12: 454).
- Surplus office space at the Brisbane head office and Brisbane GeoGAS laboratory was recognised as an onerous lease resulting in surplus lease costs of $1.5 million being brought to account in the first half of the year.
- Non-cash impairment costs of $1.0 million arose from the fitout of the GeoGAS laboratory in Brisbane, $0.7 million, and write off of $0.3 million in capitalised software development costs following the redirection of resources towards enterprising the company's products.

Operating expenses

As a result of these cost reduction initiatives the operating expenses of the Group decreased by 8% against the prior comparative period and by 11% on the six months to 30 June 2012 to $39.7 million (Dec 2011: $43.0 million, June 2012: $44.4 million). Most of the restructure costs were incurred in the last quarter of the current half year such that the full impact of the cost reductions will not be seen until the second half of the year and thereafter.

Financial Position

The Group had net assets of $41.0 million as at 31 December 2012 (June 2012: $48.3 million) and net debt of $6.5 million (June 2012: net cash $7.1 million). The Groups cash flow in the first half of the year is historically lower than the second half due to the annual maintenance renewal process which is conducted in the second half of the year.

Outlook

The restructuring activities undertaken in the first half of the year not only involved cost reductions but included a series of changes aimed at strengthening and improving the software development and marketing capabilities of the Group. As a result of these changes the Group will be releasing a series of commodity focused software products in the second half of the year. These products will deliver the benefits of more standardised and simplified scheduling and financial modeling to our clients. These products will also enable a higher level of enterprise system integration and support our vision of moving our existing product capability into the enterprise software environment.

DIRECTORS' REPORT

The near term outlook for advisory and consulting services remains uncertain. However, the Directors believe that the restructuring undertaken in the first half, together with the planned release of new software products will establish a strong platform for the 2014 financial year.

Auditor's Independence

The lead auditor's independence declaration under s307c of the *Corporations Act 2001* is set out on page 5 and forms part of the directors' report for the half year ended 31 December 2012.

Rounding Off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors.

Allan Brackin
Chairman
Brisbane
Dated: 18 February 2013

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 18, 300 Queen St
Brisbane QLD 4000,
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY A S LOOTS TO THE DIRECTORS OF RUNGEPINCOCKMINARCO LIMITED

As lead auditor for the review of RungePincockMinarco Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of RungePincockMinarco Limited and the entities it controlled during the period.

A S Loots
Director
BDO Audit Pty Ltd

Brisbane, 18 February 2013

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Notes	31 Dec 2012 $'000	31 Dec 2011 $'000
Revenue from continuing operations			
Services		33,204	42,690
Sale of licences		4,118	4,101
Software maintenance		5,594	4,967
Other income	3	599	2,587
Revenue		**43,515**	**54,345**
Rechargeable expenses		(3,103)	(3,871)
Net revenue		**40,412**	**50,474**
Expenses			
Amortisation		(802)	(1,362)
Depreciation		(1,161)	(1,308)
Employee benefits expense		(28,212)	(30,740)
Other employee costs		(1,304)	(1,813)
Finance costs		(315)	(347)
Bad and doubtful debts		(528)	(119)
Office expenses		(2,184)	(2,268)
Professional services		(1,306)	(1,550)
Rent		(3,607)	(3,452)
Restructure costs	4	(4,182)	-
Travel expenses		(1,133)	(1,593)
Other expenses		(1,367)	(1,538)
		(46,101)	**(46,090)**
Profit / (loss) before income tax		**(5,689)**	**4,384**
Income tax benefit / (expense)	5	1,137	(716)
Net profit / (loss)		**(4,552)**	**3,668**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences		(248)	(155)
Items that will not be reclassified to profit or loss:			
Financial assets at fair value through other comprehensive income		-	6
Other comprehensive income / (loss) for the period net of income tax		**(248)**	**(149)**
Total comprehensive income / (loss) for the period		**(4,800)**	**3,519**
Earnings per share			
Basic and diluted (loss) / earnings per share (cents)		(3.7)	3.0

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	31 Dec 2012 $'000	30 June 2012 $'000
ASSETS		
Current assets		
Cash and cash equivalents	5,990	12,141
Trade and other receivables	17,741	22,959
Work in progress	3,615	2,566
Current tax receivable	723	263
Other assets	1,508	2,048
Total current assets	**29,577**	**39,977**
Non-current assets		
Trade and other receivables	293	269
Property, plant and equipment	9,192	10,199
Deferred tax assets	7,083	4,807
Intangible assets	27,786	28,676
Total non-current assets	**44,354**	**43,951**
Total assets	**73,931**	**83,928**
LIABILITIES		
Current liabilities		
Trade and other payables	2,978	7,397
Borrowings	16	5
Provisions – employee benefits	4,526	7,906
Current tax liabilities	352	873
Income in advance	6,874	9,987
Lease incentive and make good provisions	871	679
Total current liabilities	**15,617**	**26,847**
Non-current liabilities		
Borrowings	12,500	5,013
Provisions – employee benefits	177	197
Deferred tax liabilities	83	47
Lease incentive and make good provisions	4,542	3,504
Total non-current liabilities	**17,302**	**8,761**
Total liabilities	**32,919**	**35,608**
Net assets	**41,012**	**48,320**
Equity		
Contributed equity	39,420	39,418
Reserves	(4,413)	(4,135)
Retained profits	6,005	13,037
Total equity	**41,012**	**48,320**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Contributed equity $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2012	39,418	(4,135)	13,037	48,320
Profit / (loss) for the period	-	-	(4,552)	(4,552)
Other comprehensive income	-	(248)	-	(248)
Total comprehensive income for the period	-	(248)	(4,552)	(4,800)
Transactions with owners in their capacity as owners				
Payments received on partly paid shares	2	-	-	2
Employee share options	-	(30)	-	(30)
Dividends paid	-	-	(2,480)	(2,480)
	2	(30)	(2,480)	(2,508)
Balance at 31 December 2012	**39,420**	**(4,413)**	**6,005**	**41,012**
Balance at 1 July 2011	39,408	(3,999)	9,282	44,691
Profit / (loss) for the period	-	-	3,668	3,668
Other comprehensive income	-	(149)	-	(149)
Total comprehensive income for the period	-	(149)	3,668	3,519
Transactions with owners in their capacity as owners				
Payments received on partly paid shares	6	-	-	6
Employee share options	-	71	-	71
Dividends paid	-	-	(1,241)	(1,241)
	6	71	(1,241)	(1,164)
Balance at 31 December 2011	**39,414**	**(4,077)**	**11,709**	**47,046**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	31 Dec 2012 $'000	31 Dec 2011 $'000
Cash flows from operating activities		
Receipts from customers	46,534	53,048
Payments to suppliers and employees	(52,879)	(51,349)
Interest and dividends received	64	70
Proceeds from Key Man insurance	-	1,969
Borrowing costs	(315)	(347)
Restructure costs	(1,255)	-
Income taxes paid	(2,088)	(1,351)
Net cash (outflow) / inflow from operating activities	**(9,939)**	**2,040**
Cash flows from investing activities		
Payments for property, plant and equipment	(789)	(2,395)
Payment for intangible assets	(261)	(936)
Proceeds from sale of property, plant and equipment	-	21
Net cash outflow from investing activities	**(1,050)**	**(3,310)**
Cash flows from financing activities		
Proceeds from partly paid shares	2	6
Repayment of finance leases	(2)	(2)
Proceeds from borrowings	7,500	3,650
Dividends paid	(2,481)	(1,241)
Net cash inflow from financing activities	**5,019**	**2,413**
Net increase / (decrease) in cash and cash equivalents held	(5,970)	1,143
Cash and cash equivalents at the beginning of the period	12,141	9,344
Effects of exchange rate changes on cash and cash equivalents	(181)	(553)
Cash and cash equivalents at the end of the period	**5,990**	**9,934**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

SELECTED NOTES TO THE FINANCIAL STATEMENTS

1. Basis of Preparation

This general purpose interim financial report for the half year ended 31 December 2012 has been prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001*. The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual report of the Group for the year ended 30 June 2012 and any public announcements made by RungePincockMinarco Limited (formerly Runge Limited) during the interim reporting period.

The accounting policies and methods of computation applied in this interim financial report are consistent with those applied in the previous financial year and the corresponding interim reporting period. The Group have adopted all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current reporting period. This adoption has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported in the current and prior periods. Where necessary the comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

2. Operating Segments

Reconciliation of segment profit to reported profit / (loss).

	31 Dec2012 $'000	31 Dec2011 $'000
Segment profit	10,917	16,133
Adjustments:		
Foreign exchange gains / (losses)	(74)	200
Employment benefits – corporate	(2,599)	(3,243)
– software development and IT	(3,663)	(3,219)
Other unallocated costs – corporate	(2,931)	(3,004)
– software development and IT	(1,392)	(1,776)
Restructure and impairment costs	(4,182)	-
Depreciation & amortisation	(1,964)	(2,670)
Net finance costs	(251)	(277)
Key Man insurance proceeds	-	1,969
Unallocated income	450	271
Profit / (loss) before income tax	**(5,689)**	**4,384**
Income tax credit / (expense)	1,137	(716)
Profit / (loss) for the period	**(4,552)**	**3,668**

Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director in order to make decisions about resource allocations and to assess performance of the Group. The reports are split into geographical area. GeoGAS operations are based in Australia and are reported separately.

Segment revenue, expenses and results include transfers between segments. Such transfers are priced on an "arms-length" basis and are eliminated on consolidation. Each segment, other than GeoGAS, sells all the products and services provided by the Group.

Previously the software development department was part of the "Australia" segment and received notional revenue from sales of software and maintenance from other segments. The department is now included in "unallocated costs – software development and IT". December 2011 segments were restated to align with the current internal reporting structure.

SELECTED NOTES TO THE FINANCIAL STATEMENTS

2. Operating Segments (Continued)

31 Dec 2012	Australia $'000	Asia $'000	America $'000	Africa $'000	GeoGAS $'000	Consolidated $'000
REVENUE						
Services	12,470	6,821	7,940	844	5,129	**33,204**
Licence sales	1,604	913	818	783	-	**4,118**
Software maintenance	2,487	377	1,570	1,161	-	**5,595**
Other revenue	1	49	15	-	21	**86**
Total external sales	**16,562**	**8,160**	**10,343**	**2,788**	**5,150**	**43,003**
Net inter-segment sales	1,052	(900)	(55)	61	(158)	**-**
Total Revenue	**17,614**	**7,260**	**10,288**	**2,849**	**4,992**	**43,003**
Rechargeable expenses	(583)	(632)	(1,403)	(71)	(414)	(3,103)
Net revenue	**17,031**	**6,628**	**8,885**	**2,778**	**4,578**	**39,900**
Total Expenses	(12,370)	(4,626)	(6,521)	(2,112)	(3,354)	(28,983)
Segment profit/(loss)	**4,661**	**2,002**	**2,364**	**666**	**1,224**	**10,917**

31 Dec 2011	Australia $'000	Asia $'000	America $'000	Africa $'000	GeoGAS $'000	Consolidated $'000
REVENUE						
Services	16,218	10,289	9,338	1,258	5,587	**42,690**
Licence sales	1,849	786	827	639	-	**4,101**
Software maintenance	2,156	380	1,396	1,035	-	**4,967**
Other revenue	2	72	3	-	-	**77**
Total external sales	**20,225**	**11,527**	**11,564**	**2,932**	**5,587**	**51,835**
Net inter-segment sales	1,658	(1,159)	(293)	103	(309)	**-**
Total Revenue	**21,883**	**10,368**	**11,271**	**3,035**	**5,278**	**51,835**
Rechargeable expenses	(942)	(1,066)	(1,302)	(173)	(388)	(3,871)
Net Revenue	**20,941**	**9,302**	**9,969**	**2,862**	**4,890**	**47,964**
Total Expenses	(14,720)	(5,718)	(6,068)	(2,442)	(2,883)	(31,831)
Segment profit/(loss)	**6,221**	**3,584**	**3,901**	**420**	**2,007**	**16,133**

SELECTED NOTES TO THE FINANCIAL STATEMENTS

3. Other revenue

	31 Dec 2012 $'000	31 Dec 2011 $'000
Interest income	64	70
Rent and other revenue	535	348
Key Man insurance proceeds	-	1,969
Foreign exchange gains	-	200
	599	**2,587**

4. Restructure costs

Impairments		
Plant and equipment (fitout)	688	-
Software development costs	320	-
	1,008	**-**
Other restructure costs		
Employment termination costs	1,618	-
Onerous lease obligations (surplus space)	1,452	-
Other closure costs	104	-
	3,174	**-**
Total Restructure costs	**4,182**	

The restructure costs incurred during the half year comprised:

- Impairment of the fitout costs following the decision to close the GeoGAS laboratory in Brisbane;
- Impairment of software development costs following the decision to move towards enterprise solutions and integration with major mining software vendors;
- Redundancy costs incurred to reduce employee numbers;
- Recognise onerous lease obligations in respect of suplus office space at Brisbane GeoGAS laboratory and Brisbane head office following staff redundancies; and
- Costs incurred in the closure of Corelate Capital operations.

SELECTED NOTES TO THE FINANCIAL STATEMENTS

5. Income Tax

	31 Dec 2012 $'000	31 Dec 2011 $'000
Income tax expense		
Current tax	1,093	1,247
Deferred tax	(2,346)	(624)
Adjustments to prior periods	116	93
Income tax expense	**(1,137)**	**(716)**
Numerical reconciliation of income tax expense to prima facie tax		
Profit / (loss) before income tax	(5,689)	4,384
Tax at the Australian tax rate of 30%	(1,707)	1,315
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Attributed income	90	36
Key Man insurance payout	-	(591)
Foregone foreign tax credits	451	-
Other non-deductible expense	-	192
Research and development deduction	(111)	(50)
	(1,277)	902
Difference in overseas tax rates	24	(279)
Adjustments to prior periods	116	93
Income tax expense / (benefit)	**(1,137)**	**716**

6. Dividends

Dividends paid in cash during the period were:		
Special dividend of 1.0 cents per share unfranked paid on 5 October 2012	1,241	-
Final dividend of 1.0 cents per share 0.5c franked paid on 5 October 2012	1,241	-
Final dividend of 1.0 cents per share unfranked paid on 6 October 2011	-	1,241
	2,482	**1,241**

DIRECTORS' DECLARATION

In the opinion of the directors of RungePincockMinarco Limited:

a) the accompanying financial statements and notes comply with the *Corporations Act 2001*, including:

   (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the consolidated entity's financial position at as 31 December 2012 and of its performance for the half year ended on that date; and

b) at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

Allan Brackin
Chairman
Brisbane
Dated: 18 February 2013

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 18, 300 Queen St
Brisbane QLD 4000,
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of RungePincockMinarco Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of RungePincockMinarco Limited, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of RungePincockMinarco Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of RungePincockMinarco Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 18, 300 Queen St
Brisbane QLD 4000,
GPO Box 457 Brisbane QLD 4001
Australia

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of RungePincockMinarco Limited is not in accordance with the *Corporations Act 2001* including:

A. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

B. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit Pty Ltd

BDO

A S Loots

Director

Brisbane, 18 February 2013

CORPORATE DIRECTORY

Directors

Allan Brackin
Chairman

Richard Mathews
Managing Director

Dr Ian Runge
Non-executive Director

Ross Walker
Non-executive Director

Group General Counsel and Company Secretary

James O'Neill

Registered Office

Level 12, 333 Ann Street
Brisbane QLD 4000
Ph: +61 7 3100 7200
Fax: +61 7 3100 7297
Web: www.rpmglobal.com

Auditor

BDO Audit Pty Ltd
Level 18, 300 Queen Street
Brisbane QLD 4000

Share Registry

Computershare Investor Services Pty Limited
117 Victoria Street
West End QLD 4101

Stock Exchange Listing

The company is listed on the Australian Securities Exchange Limited (ASX: RUL)