RungePincockMinarco Limited
ABN 17 010 672 321

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19 February 2014

Company Announcements
Australian Stock Exchange, Sydney

RUL: ANNOUNCEMENT OF HALF YEAR RESULTS – 31 DECEMBER 2013

Please find **enclosed** for lodgement the following documents with respect to RungePincockMinarco Limited's [ASX:RUL] results for the half year ended 31 December 2013 pursuant to Listing Rule 4.2A:

1. Appendix 4D; and

2. Interim half year report for the half-year ended 31 December 2013 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 2013.

For further information please contact:

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APPENDIX 4D

The information contained in this report is for the half year ended 31 December 2013 and the previous corresponding period ended 31 December 2012 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	1H14	1H13	Movement	
Revenues from ordinary activities	33,981	43,515	(9,534)	(22%)
Loss from ordinary activities after tax*	(226)	(1,619)	1,393	86%
Loss for the period	(489)	(4,552)	4,063	89%

* 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 the following page.

	31 Dec 2013	31 Dec 2012
Net tangible assets per security (cents)	14.2	10.7

DIRECTORS' REPORT

Your Directors present their report on RungePincockMinarco Limited and its subsidiaries for the half year ended 31 December 2013 (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

Executive

Mr Richard Mathews –*Managing Director*

Review of Operations

For the half year ended 31 December 2013 the Group recorded an after tax loss of $0.5 million (Dec 2012: Loss $4.6 million). Operating EBITDA for the half was $1.5 million (Jun 2013: $1.2 million, Dec 2012: $0.7 million) as summarised below.

	Six months ended 31 Dec 2013 $m	**Six months ended 30 Jun 2013 $m**	**Six months ended 31 Dec 2012 $m**
Consulting	19.9	24.3	29.3
Licence sales	4.4	2.7	4.1
Maintenance	6.5	5.8	5.6
Laboratory	2.4	2.8	3.9
Other	0.7	0.6	0.6
Rechargeable expenses	(2.2)	(2.7)	(3.1)
Net Operating Revenue	**31.7**	**33.5**	**40.4**
Operating Expenses	(30.2)	(32.3)	(39.7)
Operating EBITDA*	**1.5**	**1.2**	**0.7**
Restructure & Impairment costs	(0.4)	(1.3)	(4.1)
Depreciation & Amortisation	(1.7)	(1.8)	(2.0)
Net finance costs	(0.2)	(0.2)	(0.3)
Profit/(Loss) before Tax	**(0.8)**	**(2.1)**	**(5.7)**
Income tax benefit/ (expense)	0.3	(0.9)	1.1
Net Loss after Tax	**(0.5)**	**(3.0)**	**(4.6)**

* Earnings before interest, tax, depreciation, amortisation, restructure and impairment costs.

The result represents an improved performance by the software arm of the business, however advisory and laboratory services are still experiencing constrained demand and highly competitive market conditions. A further $0.4 million was incurred in restructuring costs in the half, related to staff redundancies. Operating Expenses are down 24% on the prior comparative period to $30.2 million (Jun 2013: $32.3 million, Dec 2012: $39.7 million) primarily as a result of restructuring activities over the last 18 months. Management continues to review ways to reduce the operating expenses of the business.

DIRECTORS' REPORT

Operating Revenue

Total Revenue of $31.7 million for the first half of financial year 2014 was 5% lower than the previous six month period (June 2013: $33.5 million)

Software license revenue of $4.4 million increased by 63% over the previous six month period (June 2013: $2.7 million) and is the highest first half license revenue since listing on the ASX in 2008. The result reflects the markets early acceptance of the new Open Pit Metals solution.

Maintenance revenue of $6.5 million is up 12% on the prior six month period (June 2013: $5.8 million) and is the highest ever half year result in the history of the company.

Subdued activity in mining exploration, new project commencements and resource funding in both the debt and equity markets continued to reduce the demand for our advisory services. Mining advisory and consulting revenues decreased to $19.9 million, which represents an 18% reduction in revenue from the previous six month period (June 2013: $24.3 million).

Laboratory revenue declined to $2.4 million as a result of the slowdown in coal exploration and the potential abolition of the carbon tax. This represents a 14% reduction in revenue versus the second half of financial year 2013 (June 2013: $2.8 million).

Operating Expenses

The Group reduced its Operating Expenses to $30.2 million, representing a 7% reduction on the previous six month period (June 2013; $32.3 million) and a 24% decrease from the prior comparative period (Dec 2012: $39.7 million). In the current half the Group continued to flatten its management structure and reduce staff numbers in its advisory and corporate division, incurring $0.4 million in redundancy costs. Staff headcount stood at 309 at 31 December 2013 (June 2013: 341; Dec 2012: 377). There were no redundancies in the software development division which saw an increase in staff numbers during the first half of this financial year.

Financial Position

The Group's net cash position at 31 December was $6.6 million (June 2013: $6.9 million) with net assets of $47.0 million (June 2013: $47.7 million). The Group had positive operating cash flow before restructure costs of $0.4 million in the half which represents a significant turnaround from the six months to Dec 2012 of negative $8.7 million and reflects the impact of restructuring activities over the last 18 months.

The Group continues to impose tight controls on capital expenditure with expenditure on Property, Plant and Equipment for the half year of $0.05 million (June 2013: $0.25 million, Dec 2012: $1.05 million).

Outlook

During the half year the Group made significant progress against its software development strategy, launching three new products aimed at the enterprise market: Open Cut Coal Solution, XACT for Enterprise and Open Pit Metals Solution. The Group plans to release several more Commodity Based Solutions in the next 12 months aimed at other major commodity mining methods.

We expect the market for Advisory and GeoGAS services to remain difficult for all participants during the second half period. However, we do believe that the new software products and entry into the enterprise software market places us in a good position to grow our software revenue strongly.

Auditor's Independence

The lead auditor's independence declaration under s307c of the *Corporations Act 2001* is set out on page 4 and forms part of the directors' report for the half year ended 31 December 2013.

DIRECTORS' REPORT

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: 19 February 2014

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DECLARATION OF INDEPENDENCE BY ALBERT LOOTS TO THE DIRECTORS OF RUNGEPINCOCKMINARCO LIMITED

As lead auditor for the review of RungePincockMinarco Limited for the half-year ended 31 December 2013, 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, 19 February 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Notes	31 Dec 2013 $'000	31 Dec 2012 $'000
Revenue from continuing operations			
Services		22,330	33,204
Licence sales		4,435	4,118
Software maintenance		6,452	5,594
Other income	3	764	599
Revenue		**33,981**	**43,515**
Rechargeable expenses		(2,244)	(3,103)
Net revenue		**31,737**	**40,412**
Expenses			
Amortisation		(728)	(802)
Depreciation		(1,002)	(1,161)
Employee benefits expense		(22,323)	(28,212)
Finance costs		(161)	(315)
Office expenses		(1,565)	(2,184)
Professional services		(775)	(1,306)
Rent		(3,379)	(3,607)
Restructure costs	4	(377)	(4,182)
Travel expenses		(791)	(1,133)
Other expenses		(1,399)	(3,199)
		(32,500)	**(46,101)**
Loss before income tax		**(763)**	**(5,689)**
Income tax benefit		274	1,137
Net loss		**(489)**	**(4,552)**
Other comprehensive income			
Items that may be classified subsequently to profit or loss:			
Foreign currency translation differences		(105)	(248)
Other comprehensive loss, net of tax		**(105)**	**(248)**
Total comprehensive loss		**(594)**	**(4,800)**
Earnings per share			
Basic and diluted earnings per share (cents)		(0.4)	(3.7)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	31 Dec 2013 $'000	30 June 2013 $'000
ASSETS		
Current assets		
Cash and cash equivalents	6,614	6,928
Trade and other receivables	16,795	16,887
Work in progress	2,084	1,998
Current tax receivable	1,223	1,201
Other assets	983	1,583
Total current assets	**27,699**	**28,597**
Non-current assets		
Trade and other receivables	354	348
Property, plant and equipment	7,033	8,200
Deferred tax assets	7,295	6,143
Intangible assets	26,852	27,333
Total non-current assets	**41,534**	**42,024**
Total assets	**69,233**	**70,621**
LIABILITIES		
Current liabilities		
Trade and other payables	3,345	5,154
Borrowings	-	14
Provisions – employee benefits	3,142	3,285
Current tax liabilities	154	112
Income in advance	9,803	8,806
Lease incentive and make good provisions	1,166	993
Total current liabilities	**17,610**	**18,364**
Non-current liabilities		
Provisions – employee benefits	636	640
Deferred tax liabilities	905	236
Lease incentive and make good provisions	3,102	3,713
Total non-current liabilities	**4,643**	**4,589**
Total liabilities	**22,253**	**22,953**
Net assets	**46,980**	**47,668**
Equity		
Contributed equity	48,668	48,664
Reserves	(4,189)	(3,986)
Retained profits	2,501	2,990
Total equity	**46,980**	**47,668**

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 2013

	Contributed equity $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2013	48,664	(3,986)	2,990	47,668
Profit / (loss) for the period	-	-	(489)	(489)
Other comprehensive income	-	(105)	-	(105)
Total comprehensive income for the period	-	(105)	(489)	(594)
Transactions with owners in their capacity as owners				
Contributions of equity	4	-	-	4
Employee share options	-	(98)	-	(98)
	4	(98)	-	(94)
Balance at 31 December 2013	**48,668**	**(4,189)**	**2,501**	**46,980**
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**

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 2013

	31 Dec 2013 $'000	31 Dec 2012 $'000
Cash flows from operating activities		
Receipts from customers	37,026	46,534
Payments to suppliers and employees	(36,414)	(52,879)
Interest and dividends received	43	64
Finance costs	(161)	(315)
Income taxes paid	(189)	(2,088)
	305	(8,684)
Restructure costs	(663)	(1,255)
Net cash outflow from operating activities	**(358)**	**(9,939)**
Cash flows from investing activities		
Payments for property, plant and equipment	(51)	(789)
Payment for intangible assets	(235)	(261)
Proceeds from sale of property, plant and equipment	144	-
Net cash outflow from investing activities	**(142)**	**(1,050)**
Cash flows from financing activities		
Share issue proceeds	4	2
Repayment of finance leases	-	(2)
Proceeds from borrowings	-	7,500
Dividends paid	-	(2,481)
Net cash inflow from financing activities	**4**	**5,019**
Net decrease in cash and cash equivalents held	(496)	(5,970)
Cash and cash equivalents at the beginning of the period	6,928	12,141
Effects of exchange rate changes on cash and cash equivalents	182	(181)
Cash and cash equivalents at the end of the period	**6,614**	**5,990**

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 2013 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 2013 and any public announcements made by RungePincockMinarco 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. The fair values of Consolidated Entity's financial assets and liabilities approximate their carrying value. No financial assets or liabilities are readily traded on organised markets in standardised form.

2. Operating Segments

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

	31 Dec2013 $'000	31 Dec2012 $'000
Segment profit	9,708	10,917
Adjustments:		
Foreign exchange gains / (losses)	337	(74)
Employment benefits – corporate	(2,405)	(2,599)
Employment benefits – software development and IT	(3,302)	(3,663)
Other unallocated costs – corporate	(2,173)	(2,931)
Other unallocated costs – software development and IT	(1,209)	(1,392)
Restructure and impairment costs	(377)	(4,182)
Depreciation & amortisation	(1,730)	(1,964)
Net finance costs	(118)	(251)
Unallocated income	506	450
Profit / (loss) before income tax	**(763)**	**(5,689)**
Income tax benefit / (expense)	274	1,137
Profit / (loss) for the period	**(489)**	**(4,552)**

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.

SELECTED NOTES TO THE FINANCIAL STATEMENTS

2. Operating Segments (Continued)

31 Dec 2013	Australia $'000	Asia $'000	America $'000	Africa $'000	GeoGAS $'000	Consolidated $'000
REVENUE						
Services	6,097	7,445	5,407	764	2,617	22,330
Licence sales	1,429	410	1,338	1,258	-	4,435
Software maintenance	2,695	747	1,735	1,275	-	6,452
Other revenue	1	52	34	1	128	216
Total external sales	**10,222**	**8,654**	**8,514**	**3,298**	**2,745**	**33,433**
Net inter-segment sales	1,482	(1,625)	136	(11)	18	-
Total Revenue	**11,704**	**7,029**	**8,650**	**3,287**	**2,763**	**33,433**
Rechargeable expenses	(275)	(626)	(1,111)	(177)	(55)	(2,244)
Net revenue	**11,429**	**6,403**	**7,539**	**3,110**	**2,708**	**31,189**
Total Expenses	(8,153)	(4,409)	(5,631)	(1,414)	(1,874)	(21,481)
Segment profit/(loss)	**3,276**	**1,994**	**1,908**	**1,696**	**834**	**9,708**

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**

SELECTED NOTES TO THE FINANCIAL STATEMENTS

3. Other revenue

	31 Dec 2013 $'000	31 Dec 2012 $'000
Interest income	43	64
Rent and outgoings revenue	593	535
Profit on laboratory assets sales	128	-
	764	**599**

4. Restructure costs

Impairments		
Plant and equipment (fitout)	-	688
Software development costs	-	320
	-	**1,008**
Other restructure costs		
Employment termination costs	377	1,618
Onerous lease obligations (surplus space)	-	1,452
Other closure costs	-	104
	377	**3,174**
Total Restructure costs	**377**	**4,182**

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 2013 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: 19 February 2014

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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 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company 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 company 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 2013 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.

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 2013 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, 19 February 2014

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

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Auditor

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Share Registry

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Stock Exchange Listing

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

ABN 17 010 672 321