

Appendix 4D

Half Year Report

Name of entity

nearmap ltd

ABN 37 083 702 907

Financial period ended ('current period')

31 December 2012

Results for announcement to the market:

(All Comparisons are to half year ended 31 December 2011)

			A\$
Revenues from ordinary activities	Up	51.3% to	4,030,941
Loss from ordinary activities after tax attributable to members	Down	31.8% to	2,641,643
Net loss for the period attributable to members	Down	31.8% to	2,641,643
		31/12/12	31/12/11
Net tangible assets per share (cents)		0.5	2.3

For a discussion on the items above refer to Review and Result of Operations section contained in the Directors' Report on the next page.

nearmap ltd has proposed to not pay any dividends for the half year ended 31 December 2012.

Directors' Report

Your directors submit their report, together with the financial statements of the consolidated entity (referred to hereafter as nearmap) consisting of nearmap ltd and the entities it controlled at the end of, or during the half year ended 31 December 2012.

On 29 November 2012, nearmap formally changed its name from ipernica ltd to nearmap ltd and moved the registered office of nearmap from Perth to Sydney.

Directors

The directors of the Company at any time during or since the end of the half year are as follows:

Directors were in office for this entire period unless otherwise stated.

Mr Ross Norgard	Non-Executive Chairman	
Mr Simon Crowther	Managing Director	
Dr Rob Newman	Non-Executive Director	
Mr Cliff Rosenberg	Non-Executive Director	(appointed 2 July 2012)

Review and Results of Operations

For the six months to 31 December 2012, nearmap reported revenue from continuing operations of \$4.03m, up 51.3% on corresponding prior half year revenue from continuing operations of \$2.67m, primarily due to new digital subscriptions to the nearmap.com website.

Total customer sales of nearmap products and services were \$4.79m for the half year period, an increase of 113% over the prior half year nearmap sales of \$2.25m.

Since launching a new subscription-based website in late November 2012, in addition to existing government and commercial revenue streams, nearmap has contracted over \$3.6m of total new sales, of which \$2.1m were invoiced in the current period, with contracted commitments of \$1.5m for future years. With most of these sales in the second quarter of the year occurring in December 2012, cash receipts from these sales were mostly collected in January 2013.

100% of existing customers renewed their nearmap subscriptions, with new subscription customers across local, state and federal government and commercial sectors.

nearmap's statement of financial position continued to remain strong with no debt and a growing cash balance. During the six month period to 31 December 2012, nearmap generated positive cashflows of \$0.39m with the cash balance increasing to \$5.74m, compared to \$5.35m at 31 December 2011.

Cash receipts for the six months for the nearmap business were \$5.34m compared to \$3.57m for the same period last year, an increase of \$1.77m (50%). Operating cashflows significantly improved from an outflow of \$1.10m in six months to 31 December 2011 to an inflow of \$0.43m in six months to 31 December 2012.

nearmap's net loss after tax for the half year to 31 December 2012 was \$2.64m, an improvement on the prior half year loss of \$3.87m.

Directors' Report

Review and Results of Operations (continued)

During the period, the new nearmap.com website was launched, providing better monetisation of nearmap's high quality, current and changing PhotoMap content.

In December 2012, nearmap completed the transition of the hosting of nearmap infrastructure from proprietary servers to Amazon Web Services, thereby providing nearmap with system robustness and scalability whilst at the same time providing operational savings through conversion of fixed costs to variable costs.

Subsequent to the period end, nearmap's business associate, Financial Systems Technology (Intellectual Property) Pty Ltd (FST) entered into an agreement with a third party for a licence to FST's database patents. In February 2013, nearmap expects to receive approximately US\$2.20m from FST for its services relating to FST's database patents.

Auditor's Independence Declaration

BDO, our auditors, have provided a written independence declaration as required under section 307C of the Corporations Act 2001 to the directors in relation to their review of the consolidated Financial Statements for the half year ended 31 December 2012. This independence declaration can be found at page 4.

Signed in accordance with a resolution of the directors.



Simon Crowther
Managing Director
Sydney, 18 February 2013

18 February 2013

The Board of Directors
nearmap Ltd
Level 6, 6-8 Underwood Street
Sydney NSW 2000

Dear Sirs,

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF NEARMAP LTD

As lead auditor for the review of nearmap Ltd 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 nearmap Ltd and the entities it controlled during the period.



Brad McVeigh
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

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Consolidated statement of profit or loss and other comprehensive income

for the half year ended 31 December 2012

	Notes	31 December 2012 \$	31 December 2011 \$
Revenue from continuing operations		4,030,941	2,665,025
Other income		86,439	297,151
Total income	3	4,117,380	2,962,176
Employee benefits expenses		(3,060,594)	(3,094,209)
Depreciation and amortisation expense		(1,260,964)	(1,031,228)
Capture costs		(540,441)	(453,207)
Reversal of impairment/ (impairment) of intangibles	4	308,361	(361,680)
Litigation and profit share costs		(20,484)	(76,091)
Research and development costs		(257,081)	(86,308)
Finance and foreign currency loss		(2,735)	(172,651)
Other operational expenses	5	(1,884,855)	(1,553,542)
Total expenses		(6,718,793)	(6,828,916)
Loss before tax		(2,601,413)	(3,866,740)
Tax expense		(40,230)	(3,685)
Loss for the half year		(2,641,643)	(3,870,425)
Total comprehensive income for the half year		(2,641,643)	(3,870,425)
Basic earnings per share for half year (cents per share)		(0.82)	(1.20)
Diluted earnings per share for half year (cents per share)		(0.82)	(1.20)

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

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Consolidated statement of financial position

as at 31 December 2012

	Notes	31 December 2012 \$	30 June 2012 \$
ASSETS			
Current assets			
Cash and cash equivalents		5,738,692	5,353,623
Trade and other receivables	6	2,141,650	4,555,889
Total current assets		7,880,342	9,909,512
Non-current assets			
Plant and equipment		1,297,237	1,815,722
Intangible assets and goodwill		6,017,068	6,808,989
Licensing program costs		1,574,142	1,609,558
Total non-current assets		8,888,447	10,234,269
TOTAL ASSETS		16,768,789	20,143,781
LIABILITIES			
Current liabilities			
Trade and other payables	7	1,897,610	3,412,589
Unearned income		5,747,424	4,987,595
Total current liabilities		7,645,034	8,400,184
Non-current liabilities			
Employee benefits		48,111	25,087
Total non-current liabilities		48,111	25,087
TOTAL LIABILITIES		7,693,145	8,425,271
NET ASSETS		9,075,644	11,718,510
EQUITY			
Contributed equity	8	26,535,948	26,535,948
Reserves		3,966,509	3,967,732
Accumulated losses		(21,426,813)	(18,785,170)
TOTAL EQUITY		9,075,644	11,718,510

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

Consolidated statement of cash flows

for the half year ended 31 December 2012

	31 December 2012 \$	31 December 2011 \$
Cash flows from operating activities		
Receipts from customers	6,088,739	9,731,146
Payments to suppliers and employees	(5,709,217)	(10,976,717)
Interest received	92,569	268,848
Interest paid	-	(2,898)
Income taxes paid	(40,230)	(125,185)
Net cash flows generated/ (used in) operating activities	431,861	(1,104,806)
Cash flows from investing activities		
Purchase of plant and equipment	(52,887)	(287,383)
Payments for intangible assets	-	(472,504)
Purchase of equity investments	-	(5,000)
Proceeds from sale of plant and equipment	7,191	2,727
Payments to Administrator of QPSX Europe	-	(1,693,246)
Net cash flows used in investing activities	(45,696)	(2,455,406)
Cash flows from financing activities		
Repayment of borrowings	-	(86,016)
Net cash flows used in financing activities	-	(86,016)
Net increase/ (decrease) in cash and cash equivalents	386,165	(3,646,228)
Net foreign exchange difference	(1,096)	3,051
Cash and cash equivalents at beginning of period	5,353,623	11,131,679
Cash and cash equivalents at end of period	5,738,692	7,488,502

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

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Consolidated statement of changes in equity

for the half year ended 31 December 2012

	Contributed Equity \$	Accumulated Losses \$	Share Based Payment Reserve \$	Total Equity \$
At 1 July 2012	26,535,948	(18,785,170)	3,967,732	11,718,510
Loss for the period	-	(2,641,643)	-	(2,641,643)
Transactions with owners of the company:				
Share based payment transactions	-	-	(1,223)	(1,223)
At 31 December 2012	26,535,948	(21,426,813)	3,966,509	9,075,644

	Contributed Equity \$	Accumulated Losses \$	Share Based Payment Reserve \$	Total Equity \$
At 1 July 2011	26,610,948	(8,381,835)	3,912,642	22,141,755
Loss for the period	-	(3,870,425)	-	(3,870,425)
Transactions with owners of the company:				
Share based payment transactions	-	-	(30,523)	(30,523)
At 31 December 2011	26,610,948	(12,252,260)	3,882,119	18,240,807

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

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Notes to the half year consolidated financial statements

for the half year ended 31 December 2012

1. Basis of preparation of the half year consolidated financial statements

This general purpose financial report for the interim half year reporting period ended 31 December 2012 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Act 2001. The consolidated financial report of nearmap ltd (nearmap) (formerly iperncia ltd) comply with International Accounting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by nearmap during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies applied by nearmap in this consolidated interim report are the same as those applied by nearmap in its financial report as at and for the year ended 30 June 2012. Certain comparative amounts have been reclassified to conform to the current period's presentation.

2. Segment information

Half year ended 31 December 2012

	nearmap	IP Licensing	Corporate/ unallocated	Group
Revenue	4,030,941	-	-	4,030,941
Interest	-	-	86,439	86,439
Other income	-	-	-	-
Income for the period	4,030,941	-	-	4,117,380
Earnings before depreciation/ amortisation/ impairments, foreign exchange and tax	(1,239,941)	(219,560)	(188,213)	(1,647,714)
Depreciation and amortisation				(1,260,964)
Impairments				308,361
Loss before foreign exchange and tax				(2,600,317)
Net foreign exchange				(1,096)
Income Tax				(40,230)
Loss after tax				(2,641,643)

Half year ended 31 December 2011

Revenue	2,591,322	-	-	2,591,322
Interest	-	-	244,247	244,247
Other income	-	73,703	52,904	126,607
Income for the period	2,591,322	73,703	297,151	2,962,176
Earnings before depreciation/ amortisation/ impairments, foreign exchange and tax	(1,082,464)	(1,223,423)	1,842	(2,304,045)
Depreciation and amortisation				(1,031,228)
Impairments				(361,680)
Loss before foreign exchange and tax				(3,696,953)
Net foreign exchange				(169,787)
Income Tax				(3,685)
Loss after tax				(3,870,425)

Notes to the half year consolidated financial statements

for the half year ended 31 December 2012

3. Total income for the period

Licensing revenues
Settlement of litigation programs

Revenue from continuing operations

Interest income
Litigation contract – settlement
Litigation contract – costs
Write back of provision
Other income

Total other income

Total income

4. Reversal of impairment/ (impairment) of intangibles

Impairment of development costs
Reversal of impairment of licensing program costs

Total reversal of impairment/ (impairment) of intangibles

As part of realigning the company's growth strategy to nearmap, the company agreed to discontinue one of the remaining IP assertion actions, resulting in the return of \$308,361 (\$350,000 less legal costs) in security for costs previously paid. This repayment required the reversal of previously impaired licensing program costs.

5. Other operational expenses

Servicing and processing costs
Operating lease expenses
Audit and consulting fees
Travel and office costs
Legal fees
Loss on disposal of assets
All other operating expenses

Total other operational expenses

	31 December 2012 \$	31 December 2011 \$
	4,030,941	2,591,322
	-	73,703
	4,030,941	2,665,025
	86,439	244,247
	172,624	-
	(172,624)	-
	-	20,412
	-	32,492
	86,439	297,151
	4,117,380	2,962,176
	-	(361,680)
	308,361	-
	308,361	(361,680)
	630,571	388,772
	155,182	324,336
	344,784	163,320
	237,017	163,913
	226,904	79,487
	86,241	24,416
	204,156	409,298
	1,884,855	1,553,542

Notes to the half year consolidated financial statements

for the half year ended 31 December 2012

	31 December 2012 \$	30 June 2012 \$
6. Trade and other receivables		
Trade receivables	1,930,919	2,506,322
Amounts held by the administrator of QPSX Europe GmbH	-	1,508,898
Amounts receivable – assertion related	-	240,601
All other receivables	210,731	300,068
Total trade and other receivables	2,141,650	4,555,889
7. Trade and other payables		
Trade creditors	1,897,610	3,376,499
Amounts due to profit share partners	-	36,090
Total trade and other payables	1,897,610	3,412,589
8. Contributed equity		
Issued and paid up capital		
323,056,101 ordinary shares fully paid (30 June 2012: 323,056,101)	26,535,948	26,535,948
Movement in share options		Number of options
Number of options outstanding as at 30 June 2012		10,109,997
Options expired		(7,276,664)
Options granted		40,000,000
Total number of options outstanding as at 31 December 2012		42,833,333

The assessed fair value at grant date of the options granted for the period ended 31 December 2012 were between 1.5 cents and 1.8 cents per share (2011:nil). The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

Model inputs include: exercise price 7.5 cents per option; expiry date between November 2016 and December 2016; share price at grant date between 4.0 cents and 4.6 cents per share and a risk free rate of between 2.74% and 2.94%.

Notes to the half year consolidated financial statements

for the half year ended 31 December 2012

9. Related Party Transactions

Financial assistance under the Employee Share Option Plan

nearmap's Employee Share Option Plan (ESOP) includes an Employee Loan Scheme that permits nearmap to grant financial assistance to employees by way of loan to enable them to exercise options and acquire shares.

Mr Crowther, as a salaried Director and therefore a related party, is eligible to apply for a loan to exercise any options granted to Mr Crowther, or his nominee, under the terms of the ESOP once the vesting conditions of the eligible options are satisfied. As at the date of this report, Mr Crowther had not sought the approval of the Board for a loan under the Employee Loan Scheme.

10. Contingencies and Commitments

No contingent liabilities or contingent assets have arisen in respect of nearmap.

No new commitments have been entered into by nearmap since 30 June 2012.

11. Events after reporting date

Licensing program costs

On 1 February 2013 nearmap's business associate Financial Systems Technology (Intellectual Property) Pty Ltd (FST) entered into an agreement with a third party for a licence to FST's database patents. nearmap expects to receive approximately US\$2,200,000 from FST for its services relating to FST's database patents.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 11 are in accordance with the Corporations Act 2001, including:
 - (i) complying with 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 as at 31 December 2012 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that nearmap ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Simon Crowther
Managing Director

Sydney, 18 February 2013

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NEARMAP LTD

We have reviewed the accompanying half-year financial report of nearmap Ltd, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of profit or 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 statement of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the consolidated 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 disclosing 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 nearmap Ltd, 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 nearmap Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

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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 nearmap Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the disclosing 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 (WA) Pty Ltd

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Brad McVeigh
Director

Perth, Western Australia
Dated this 18th day of February 2013

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