

Appendix 4D

Half Year Report

Name of entity

ipernica ltd

Financial period ended ('current period')

ABN 37 083 702 907

31 December 2011

*Results for announcement to the market:**(All Comparisons are to half-year ended 31 December 2010)*

				\$A
Revenues from ordinary activities	Up	85.05%	to	2,909,272
Loss from ordinary activities after tax attributable to members	Up	9.63%	to	3,870,425
Net loss for the period attributable to members	Up	9.63%	to	3,870,425
		31/12/11		31/12/10
Net tangible assets per share (cents)		2.3		1.7
<p>For a discussion on the items above refer to Review and Result of Operations section contained in the Directors Report on the next page.</p> <p>ipernica ltd has not proposed to pay any dividends for the half year ended 31 December 2011.</p>				

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Directors' Report

Your directors submit their financial statements for the half-year ended 31 December 2011.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Ross Norgard, FCA. (Non-executive Chairman)
 Graham Griffiths, B Bus FAICD (Managing Director – Resigned 1 November 2011)
 Simon Crowther (Managing Director – Appointed 1 November 2011)
 Karl-Christian Agerup, MSM, MBEC (Non-executive Director)
 Robert Newman (Non-executive Director)
 Bradley John Rosser (Non-executive Director – Resigned 12 August 2011)

During the period, Graham Griffiths resigned as Managing Director after 11.5 years of service. Simon Crowther, formerly nearmap.com CEO, was appointed the new Group Managing Director.

REVIEW AND RESULTS OF OPERATIONS

The consolidated entity reported revenue from ongoing operations of \$2,909,272, an 85% increase compared to the same period the previous year. This largely reflected annual subscription revenues earned by nearmap.com.

Highlights for the half included:

nearmap.com

- \$3.57 million in customer receipts, being a 110% increase on the same period last year
- \$2.25 million in total customer sales, up 23% on the same period last year
- 90% customer renewal rate
- New subscription customers across local, state and federal government and commercial sectors
- Launched its first e-commerce site targeting the education sector and appointed its first reseller, Omnilink Pty Ltd, an Australian company specialising in data management and location based information
- Signed a reseller agreement with Digital Mapping Solutions (DMS) a leading supplier of Geographic Information Systems (GIS) to Local Government Agencies throughout Australia
- Surpassed \$10 million cumulative sales since the launch of the site two years ago
- Appointed two new key executives – Paul Cousins as VP of Sales and Wilfried Schaffner as VP of Engineering – to enhance the company's management capabilities following the re-aligned strategic direction of the business
- Capture of North-West of Western Australia economic hotspots including Karratha, Port Hedland, Burrup Peninsula, Onslow and Barrow Island, and the acquisition of Woodside Petroleum and Rio Tinto as new customers. Following the success of this capture the company is looking to capture this area quarterly.

ipernica's intellectual property ("IP") licensing business also made substantive progress:

- Business associates, the Financial Systems Technology group ("FST") launched two new actions in the United States against Microsoft Corporation and IBM Corporation (and another party in each case) for alleged patent infringement.

Directors' Report

- Several other programs continued in development.

For the ipernica group, net loss after tax for the half-year to 31 December 2011 was \$3,870,425 as compared to a net loss of \$3,530,427 for the same period the previous year.

The closing cash balance as at 31 December 2011 was \$7,488,502.

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 Financial Statements for the half year ended 31 December 2011. This independence declaration can be found at page 3.

Signed in accordance with a resolution of the directors.



Simon Crowther
Managing Director
Perth, 28 February 2012

28 February 2012

Ipernica Ltd
The Board of Directors
16 Ord Street
WEST PERTH WA 6005

Dear Sirs,

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF IPERNICA LIMITED

As lead auditor for the review of Ipernica Limited for the half-year ended 31 December 2011, 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 Ipernica Limited 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 comprehensive income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011	Notes	CONSOLIDATED HALF-YEAR	
		2011 \$	2010 \$
Revenue from continuing operations	2	2,909,272	1,572,151
Other income	3	52,904	477,140
Capture costs		(453,207)	(385,225)
Cost of goods sold		-	(44,100)
Depreciation and amortisation expense		(1,031,228)	(949,098)
Employee benefits expenses		(3,094,209)	(2,772,950)
Foreign Currency Loss		(169,787)	-
Impairment of Investments/intangibles		(361,680)	(191,810)
Insurance		(100,677)	(76,458)
Legal fees		(79,487)	(105,711)
Litigation costs		(76,091)	(69,342)
Office Lease and associated costs		(405,134)	(351,825)
Research and development costs		(86,308)	(41,043)
Other consultancy		(163,320)	(23,069)
Other expenses		(367,384)	(233,603)
Other operating expenses (Serving costs)		(307,974)	(276,235)
Travel		(129,566)	(79,330)
Finance costs		(2,864)	(9,986)
Loss before income tax		(3,866,740)	(3,560,494)
Income tax benefit/ (expense)		(3,685)	30,067
Loss for the half-year after income tax		(3,870,425)	(3,530,427)
LOSS AFTER INCOME TAX AND TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR ATTRIBUTABLE TO MEMBERS OF PARENT		(3,870,425)	(3,530,427)
Basic earnings / (loss) per share for half-year (cents per share)		(1.20)	(1.09)

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 2011

Notes

CONSOLIDATED
HALF-YEARAS AT
31 December
2011
\$AS AT
30 June
2011
\$**ASSETS****Current Assets**

Cash and cash equivalents		7,488,502	11,131,679
Trade and other receivables	5	3,329,358	9,516,320
Total Current Assets		10,817,860	20,647,999

Non-current Assets

Receivables		58,300	37,887
Available for sale financial assets		191,810	191,810
Plant and equipment		2,202,750	2,485,075
Intangible assets and goodwill		8,393,708	8,610,587
Licensing program costs		2,389,505	1,706,126
Total Non-current Assets		13,236,073	13,031,485

TOTAL ASSETS

24,053,933	33,679,484
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LIABILITIES**Current Liabilities**

Trade and other payables	6	2,185,854	7,301,681
Unearned Income		3,530,596	3,788,164
Provisions		-	158,777
Borrowings		14,943	100,959
Current tax liability		3,692	125,185
Total Current Liabilities		5,735,085	11,474,766

Non-current Liabilities

Provisions		78,041	62,963
Borrowings		-	-
Total Non-current Liabilities		78,041	62,963

TOTAL LIABILITIES

5,813,126	11,537,729
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NET ASSETS

18,240,807	22,141,755
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EQUITY

Contributed equity		26,610,948	26,610,948
Reserves	4	3,882,119	3,912,642
Accumulated losses		(12,252,260)	(8,381,835)

TOTAL EQUITY

18,240,807	22,141,755
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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 2011

	CONSOLIDATED HALF-YEAR	
	2011 \$	2010 \$
Cash flows from operating activities		
Receipts from customers	9,731,146	1,701,647
Payments to suppliers and employees	(10,976,717)	(4,376,791)
Interest received	268,848	242,934
Interest paid	(2,898)	(9,986)
Income taxes refunded/ (paid)	(125,185)	30,067
Net cash flows used in operating activities	(1,104,806)	(2,412,129)
Cash flows from investing activities		
Purchase of plant and equipment	(287,383)	(296,450)
Payments for intangible assets	(472,504)	(166,534)
Purchase of equity investments	(5,000)	-
Proceeds from sale of plant and equipment	2,727	-
Payments to Administrator of QPSX Europe	(1,693,246)	-
Net cash flows used in investing activities	(2,455,406)	(462,984)
Cash flows from financing activities		
Repayment of borrowings	(86,016)	(78,894)
Loan to external party	-	(3,262)
Net cash flows used in financing activities	(86,016)	(82,156)
Net decrease in cash and cash equivalents	(3,646,228)	(2,957,269)
Net foreign exchange difference	3,051	(1,544)
Cash and cash equivalents at beginning of period	11,131,679	10,462,743
Cash and cash equivalents at end of period	7,488,502	7,503,930

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

Consolidated statement of changes in equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

CONSOLIDATED	<i>Contributed Equity</i> \$	<i>Accumulated Losses</i> \$	<i>Share Based Payment Reserve</i> \$	<i>Total Equity</i> \$
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)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(3,870,425)	-	(3,870,425)
Transactions with owners in their capacity as owners:				
Cost of share-based payments to employees	-	-	(30,523)	(30,523)
At 31 December 2011	26,610,948	(12,252,260)	3,882,119	18,240,807

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

CONSOLIDATED	<i>Contributed Equity</i> \$	<i>Accumulated Losses</i> \$	<i>Share Based Payment Reserve</i> \$	<i>Total Equity</i> \$
At 1 July 2010	26,610,948	(9,986,407)	3,136,962	19,761,503
Loss for the period	-	(3,530,427)	-	(3,530,427)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(3,530,427)	-	(3,530,427)
Transactions with owners in their capacity as owners:				
Cost of share-based payments to employees	-	-	487,235	487,235
At 31 December 2010	26,610,948	(13,516,834)	3,624,197	16,718,311

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

Notes to the Half-Year Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report for the interim half-year reporting period ended 31 December 2011 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Act 2001.

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 2011 and any public announcements made by ipernica ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. REVENUE FROM CONTINUING OPERATIONS

	2011 \$	2010 \$
Sale of patents	73,703	-
Other revenue	2,591,322	1,340,781
Interest Income	244,247	231,370
	2,909,272	1,572,151

3. OTHER INCOME

	2011 \$	2010 \$
Write back of provision	20,412	402,613
Other income	32,492	74,527
	52,904	477,140

4. RESERVES

Share Based Payments Reserve

	2011 \$	2010 \$
Movement during the half year:		
Cost of share-based payments to employees	(30,523)	487,235
	(30,523)	487,235

No employee options were issued for the half year to 31 December 2011 and cancellation of employee options during the half year has resulted in a negative cost of share based payments to employees.

Notes to the Half-Year Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

5. TRADE AND OTHER RECEIVABLES

Included in Trade and Other receivables is an amount of \$1,556,009 representing funds (€1.22million) held by the Administrator of QPSX Europe GmbH (“QPSX Europe” or “the Company”) pending the formalisation of an agreement in principal to a proposed non-binding Insolvency Plan scheme. Upon approval and implementation of the Insolvency Plan, the funds will be released to creditors of QPSX Europe and the Company will be returned to the group. Until such time as the Insolvency Plan is approved and implemented, the funds remain refundable to the group.

	31 December 2011 \$	30 June 2011 \$
Trade and Other Receivables	1,297,214	2,743,314
Amounts held by Administrator of QPSX Europe GmbH	1,556,009	-
Amounts Other than trade debts receivables from other parties (Litigation settlement, Lloyds of London and profit share partners)	476,135	6,773,006
	3,329,358	9,516,320

6. TRADE AND OTHER PAYABLES

	31 December 2011 \$	30 June 2011 \$
Trade and Other Creditors and Accruals	2,152,630	3,238,685
Amounts other than trade creditors payable to other parties (profit share partners)	33,224	4,062,996
	2,185,854	7,301,681

7. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions.

The board considers the business from a business stream perspective and has identified two reportable segments. The IP Licensing business consists of building a portfolio of programs which are aimed at realising value through the international licensing and/or assertion of IP rights. nearmap.com is an innovative content creation and distribution company which is commercialising its intellectual property by selling its products to Government and Commercial customers.

	IP Licensing Half-Year		nearmap.com Half-Year		Unallocated Half-Year		Total Half-Year	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Segment revenue	73,703	7,770	2,591,322	1,332,747	244,247	231,634	2,909,272	1,572,151
Segment result	(1,417,653)	(797,886)	(2,700,432)	(2,965,274)	247,660	232,732	(3,870,425)	(3,530,427)
	IP Licensing		nearmap.com		Unallocated		Total	
	31 Dec 2011 \$	30 Jun 2011 \$	31 Dec 2011 \$	30 Jun 2011 \$	31 Dec 2011 \$	30 Jun 2011 \$	31 Dec 2011 \$	30 Jun 2011 \$
Total segment assets	4,648,588	8,722,278	11,774,915	13,663,940	7,630,430	11,293,266	24,053,933	33,679,484
Total segment liabilities	1,179,726	6,789,732	4,609,387	4,733,515	24,013	44,482	5,813,126	11,537,729

Notes to the Half-Year Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

7. SEGMENT INFORMATION (CONT.)

Unallocated segment revenue and result is made up solely by interest and foreign currency gains and losses relating to funds on deposits. For the period 1 July 2011 to 31 December 2011 total external revenue reported by operating segments constitutes less than 75% of the entity's total revenue which may not meet the strict requirements of the accounting standards dependent on the interpretation of an operating segments. Unallocated segment assets are predominantly made up of cash and cash equivalents. In this instance the Board do not believe that the identification of any further operating segments is appropriate given the nature of the unallocated segment.

The amounts provided to the Board are consistent with that of the financial statements and as such no reconciliation is required of the total of the segments' measures and the entities actual operating result.

8. EVENTS AFTER THE BALANCE SHEET DATE

There are no significant post balance date events that need to be disclosed.

9. CONTINGENT ASSETS AND LIABILITIES

Included in Trade and other receivables is an amount of \$1,556,009 representing funds (€1.22 million) held by the Administrator of QPSX Europe GmbH ("QPSX Europe" or "the company") pending the formalisation of an agreement in principal to a proposed non-binding Insolvency Plan scheme. Upon approval and implementation of the Insolvency Plan, the timing of which is uncertain, the funds will be paid to creditors of QPSX Europe in settlement of its liabilities and the company will be returned to the group.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 10 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 2011 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that ipernica 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

Perth, 28 February 2012

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IPERNICA LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ipernica limited, which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and 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 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 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 2011 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 ipernica 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 ipernica limited, would be in the same terms if given to the directors as at the time of this auditor's 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 ipernica 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 2011 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

BDO
BMV

Brad McVeigh
Director

Perth, Western Australia
Dated this 28th day of February 2012

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