

ASX Announcement

31 July 2012

ipernica Ltd

ABN 37 083 702 907

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Postal Address:

Postal Address: P O Box 1327,
West Perth, WA 6872, Australia

Australian Securities Exchange:

Code: IPR

Board of Directors

Non-executive Chairman:

Ross Norgard

Managing Director:

Simon Crowther

Non-executive Directors:

Rob Newman

Cliff Rosenberg

Senior Management:

Director of Finance:

Mark Maitland

VP Licensing & General Counsel:

Jonathan Lawe Davies

Capital Structure

Fully-Paid Shares on Issue:

323.1 million

Options over Unissued Shares

5.85 million @ 20c

Cash Reserves:

A\$5.35M as at 30 June 2012

QUARTERLY UPDATE

Perth, Western Australia – ipernica Ltd (ASX: IPR) today released its quarterly cash flow report for the three months ended 30 June 2012.

Customer receipts during the June 2012 quarter were \$1.748 million, up substantially from the same quarter last year (June 2011 quarter: \$0.995 million).

This result affirms the Company's strategy of positioning nearmap.com as its growth engine. nearmap.com revenue from Enterprise customers across both Government and Commercial sectors has grown strongly and retention rates from existing customers remain high. The next phase of sales growth is focused on increasing penetration within sectors such as Utilities, Solar, Law Enforcement, Government, Engineering, Construction and Resources sectors.

nearmap.com's digital strategy is progressing and the new platform is scheduled for a first release in October. The revamped web site (optimised for desktop and mobile browsing) will have an improved user experience that showcases the nearmap value proposition for Enterprise users. It will also include e-commerce functionality that is expected to enable a new SME customer base to subscribe to nearmap for the first time.

The Company continued to maintain a strong balance sheet with no debt and a cash balance of \$5.354 million at 30 June 2012.

Total net cash outflows during the June 2012 quarter were \$0.861 million, a strong improvement from the previous quarter (March 2012: \$1.240 million), reflecting increased cash receipts and lower expenditures with further reductions in expenditures expected in the 2013 financial year following changes to the IP Licensing division.

During the June 2012 quarter, the Company continued to position nearmap.com as its growth engine:

- further strengthening nearmap.com's product proposition and clearly defining its business model
- announcing the Board's intention to seek shareholder approval to change the Company's name to Nearmap Limited

- confirming that no further investment will be made in any new IP licensing/assertion programmes, further emphasising the focus on the nearmap.com business.

nearmap.com continues to be on track to reach a cash flow positive position this calendar year.

On 3 July 2012, the Company announced that Cliff Rosenberg had been appointed as a non-executive Director, and that Karl Christian-Agerup had resigned from the Board. Mr Rosenberg has extensive digital media experience (currently Managing Director ANZ and Southeast Asia at LinkedIn) and his addition to the Board reflected the realigned strategic focus of the Company towards nearmap.com and the attractive growth opportunities available for the business.

The Company will be releasing its 2012 full year results on or around 31 August 2012. Whilst not yet audited, the Company is likely to record a loss of around \$10.5 million reflecting:

- no IP licensing outcomes in the second half of FY12 (H2 FY11: 2 licensing outcomes)
- the transitional phase the Company is currently in as it builds nearmap.com's revenue base
- one-off non-cash write-downs totaling approx. \$1.2 million as the Company moves from a reliance on uncertain lumpy licensing/assertion revenues to the more resilient growing recurring revenues generated by nearmap.com.
- one-off net expense of approx. \$0.9 million for the clearing up of the SAR Germany liabilities that were paid and announced in September 2011.

For further information please contact:

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ABOUT NEARMAP.COM

nearmap.com is an innovative online photomap content provider that creates and serves high quality, current and changing photomaps. The Company's breakthrough technology enables photomaps to be updated much more frequently than other providers. With more than 75% of Australia's population covered regularly, nearmap.com is changing the way Australian governments, companies and communities see their world.



ABOUT IPERNICA

ipernica ltd (ASX: IPR) is a digital content and technology commercialisation group with two major lines of business:

- nearmap.com
- Intellectual Property ("IP") Licensing: the licensing of intellectual property rights on an international basis.

Further information can be found at www.ipernica.com

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

ipernica ltd

ABN

37 083 702 907

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	1,748	6,842
1.2 Payments for		
(a) staff costs	(1,502)	(6,322)
(b) advertising and marketing	(25)	(106)
(c) research and development	(223)	(376)
(d) leased assets	(128)	(592)
(e) other working capital	(662)	(2,759)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	73	423
1.5 Interest and other costs of finance paid	-	(3)
1.6 Income taxes (paid)/ refund received	(4)	(129)
1.7 Other - Litigation costs	(126)	(2,235)
1.8 Other - Profit share payments	-	(3,962)
1.9 Other - Litigation receipts	-	6,126
Net operating cash flows	(849)	(3,093)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(849)	(3,093)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	(5)
(c) intellectual property	(3)	(544)
(d) physical non-current assets	(9)	(314)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	3
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other – Payment to administrator of QPSX Europe	-	(1,693)
Net investing cash flows	(12)	(2,553)
1.14 Total operating and investing cash flows	(861)	(5,646)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	(101)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	-	(101)
Net increase (decrease) in cash held	(861)	(5,747)
1.21 Cash at beginning of quarter/year to date	6,248	11,132
1.22 Exchange rate adjustments to item 1.20	(33)	(31)
1.23 Cash at end of quarter	5,354	5,354

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	156
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	N/A	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- | |
|-----|
| N/A |
|-----|
- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest
- | |
|-----|
| N/A |
|-----|

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	439	647
4.2 Deposits at call	415	601
4.3 Bank overdraft	-	-
4.4 Other (provide details) – Term Deposits	4,500	5,000
Total: cash at end of quarter (item 1.23)	5,354	6,248

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~ *(delete one)* give a true and fair view of the matters disclosed.



Sign here: Date: 31 July 2012
 (Company secretary)

Print name: MARK MAITLAND

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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