



ASX Announcement

31 January 2012

Quarterly update

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 Stock Exchange:

Code: IPR

Board of Directors

Non-executive Chairman:

Ross Norgard

Managing Director:

Simon Crowther

Non-executive Directors:

Karl-Christian Agerup

Rob Newman

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

6.29 million @ 16c

21.66 million @ 20c

27.95 million

Cash Reserves:

A\$7.5M as at 31 Dec 2011

Perth, Western Australia – ipernica Ltd (ASX: IPR) today released its quarterly cash flow report for the three months ended 31 December 2011.

Customer receipts achieved during the quarter were \$1.7 million. The Company continued to maintain a strong balance sheet with no debt and a cash balance of \$7.5 million at 31 December 2011.

Cash outflows during the December 2011 quarter in the main related to the Company's IP Licensing business – program costs, profit share payments, and US tax on a settlement – and one-off restructure costs as part of the Group restructure undertaken.

A number of operational initiatives were implemented over the December 2011 quarter in line with the Company's realigned growth strategy centred on nearmap.com, its online photomap content business. These included:

- group restructure under the leadership of Simon Crowther with his appointment as Group Managing Director on 1 November 2011 (having previously been CEO of nearmap.com) following the resignation of previous Managing Director Graham Griffiths
- reseller agreement signed by nearmap.com with Digital Mapping Solutions (DMS), a leading supplier of geographic information systems to local government agencies in Australia, enhancing nearmap's product distribution network
- ipernica's business associates Financial Systems Technology (Intellectual Property) Pty Ltd and Financial Systems Technology Pty Ltd filing two claims in the US for the infringements of US patents
- successful execution of monetisation strategy for nearmap.com, with \$10 million sales milestone being exceeded during the quarter. In addition, nearmap moved closer to breakeven cashflows during the quarter, and is on track to move into positive cashflows during 2012.

ipernica is focused on delivering shareholder value through:

- maximising returns from nearmap, with growth planned both in Australia and through international deployment into much larger markets
- maximising returns from existing IP licensing programmes
- continued cost containment initiatives where appropriate without hampering growth opportunities.

For further information please contact:

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 Managing Director
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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")

31 DECEMBER 2011

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter | Year to date (6 months) |
|---|-----------------|----------------------------|
| | \$A'000 | \$A'000 |
| 1.1 Receipts from customers | 1,735 | 3,605 |
| 1.2 Payments for | | |
| (a) staff costs | (1,790) | (3,260) |
| (b) advertising and marketing | (54) | (65) |
| (c) research and development | (76) | (86) |
| (d) leased assets | (165) | (332) |
| (e) other working capital | (311) | (1,310) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 114 | 269 |
| 1.5 Interest and other costs of finance paid | (1) | (3) |
| 1.6 Income taxes (paid)/ refund received | (349) | (125) |
| 1.7 Other - Litigation costs | (579) | (1,995) |
| 1.8 Other - Profit share payments | (1,409) | (3,929) |
| 1.9 Other - Litigation receipts | 73 | 6,126 |
| Net operating cash flows | (2,812) | (1,105) |

+ 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 (6 months) \$A'000 |
|--|----------------------------|---------------------------------------|
| 1.8 Net operating cash flows (carried forward) | (2,812) | (1,105) |
| Cash flows related to investing activities | | |
| 1.9 Payment for acquisition of: | | |
| (a) businesses (item 5) | - | - |
| (b) equity investments | - | (5) |
| (c) intellectual property | (303) | (473) |
| (d) physical non-current assets | (135) | (287) |
| (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 | 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 | (435) | (2,455) |
| 1.14 Total operating and investing cash flows | (3,247) | (3,560) |
| 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 | (43) | (86) |
| 1.19 Dividends paid | - | - |
| 1.20 Other (provide details if material) | - | - |
| Net financing cash flows | (43) | (86) |
| Net increase (decrease) in cash held | (3,290) | (3,646) |
| 1.21 Cash at beginning of quarter/year to date | 10,891 | 11,132 |
| 1.22 Exchange rate adjustments to item 1.20 | (111) | 3 |
| 1.23 Cash at end of quarter | 7,489 | 7,489 |

+ 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 | 577 |
| 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 | 954 | 2,913 |
| 4.2 Deposits at call | 973 | 416 |
| 4.3 Bank overdraft | - | - |
| 4.4 Other (provide details) – Term Deposits | 5,562 | 7,562 |
| Total: cash at end of quarter (item 1.23) | 7,489 | 10,891 |

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 ~~not~~* (~~delete one~~) give a true and fair view of the matters disclosed.



Sign here: Date: 31 January 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.

+ See chapter 19 for defined terms.