



Half Year Review

six months to 31 December 2015

Runge Pincock Minarco

First Half 2016 (1H16) Financial Year Summary

- Net Software revenue grew by 2% (\$16.8m) versus the same period last year (\$16.4m)
- Software annuity (maintenance) revenue increased by 15% (\$7.8m) over 2H15 (\$6.8m) and 13% over 1H15 (\$6.9m)
- Advisory returned a neutral contribution (\$0m) and GeoGAS a positive contribution (\$0.7m) despite very difficult trading conditions
- Research and Development (R&D) investment rose by 44% to \$5.6m (1H15: \$3.9m) a \$1.7m increase over the same period last year
- Expenses (excluding R&D) decreased by 17% (\$22.8m) against 2H15 (\$27.5m) and 15% versus 1H15 (\$26.7m)
- EBITDA of \$0m (1H15: \$1.5m) which includes a \$1.7m increase in R&D investment over the same period last year
- Net Loss after Tax improved to \$1.1m (2H15: \$3.9m, 1H15: \$2.9m)
- Between 18 December 2015 and 17 February 2016, the Company acquired 4,864,650 of its own shares at an average cost of 40.7 cents
- On 31 January 2016 the Company had \$19.1m cash in the bank and no debt
- A number of significant XERAS for Enterprise deals slid from 1H16 into 2H16

First Half 2016 (1H16) Operational Highlights

- The 2016 maintenance renewal season has seen a very pleasing increase in Customer retention rates
- The Advisory business had a strong November, December and January
- Since the start of this Financial Year, the Company has released three new software products (XERAS Enterprise, Plan Manager and Open Cut Phosphate) as well as provided major functional upgrades to fourteen (14) other software products
- Two new Business Partners were appointed (Russia and Turkey) and the Company agreed to amicably wind up its incorporated Indian Joint Venture
- On 16 December 2015, the Company entered into a Global Strategic Partnership Agreement with Schneider Electric
- In December 2015 the Company agreed to terms for a Global Framework Agreement for Software, Consulting, Training and Advisory services with Glencore International AG
- The Company's CTO has been appointed as a full voting member of the International Society of Automation (ISA) 95 Committee to support the mining industry's move to the ISA-95 enterprise to control system integration standard

Financial Analysis

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Revenue By Division

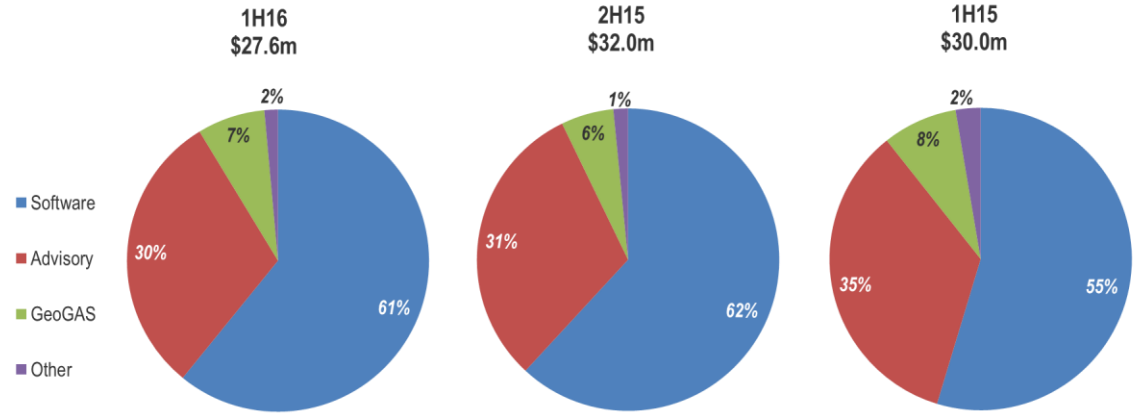
Total net operating revenue of \$27.6m was 8% down on 1H15 due to a decline in Advisory and GeoGAS revenue

Software revenue of \$16.8m increased by 2% from 1H15

Advisory revenue of \$8.3m was down 20% on 1H15

GeoGAS revenue of \$2.0m was down 17% on 1H15

Software revenue now accounts for 61% of net revenue (1H15 : 55%)



Division	1H16	2H15	\$'var	% 'var	1H15	\$'var	% 'var
Software	16.8	19.8	(3.0)	(15)%	16.4	0.4	2%
Advisory	8.3	9.9	(1.6)	(16)%	10.4	(2.1)	(20)%
GeoGAS	2.0	1.8	0.2	11%	2.4	(0.4)	(17)%
Other	0.5	0.5	-	0%	0.8	(0.3)	(38)%
Net Operating Revenue	27.6	32.0	(4.4)	(14)%	30.0	(2.4)	(8)%

Financial Results Summary

A\$m	1H16	2H15	\$ Var	% Var
Revenue	29.4	34.5	(5.1)	(15)%
Direct Costs	(1.8)	(2.5)	0.7	28%
Net Operating Revenue	27.6	32.0	(4.4)	(14)%
Field Expenses	(17.8)	(20.7)	2.9	14%
Product & Development Expenses	(5.6)	(5.1)	(0.5)	(10)%
Corporate Expenses	(4.2)	(5.1)	0.9	18%
Operating EBITDA	-	1.1	(1.1)	-
Depreciation & Amortisation	(1.0)	(1.9)	0.9	47%
Net Finance Costs	0.2	0.2	-	-
Operating Profit/(Loss) Before Tax	(0.8)	(0.6)	(0.2)	(33)%
Significant One-off Items:				
Impairment of Advisory Goodwill	-	(2.5)	2.5	-
Restructure - Staff & Office Leases	(0.2)	(0.9)	0.7	78%
Total Significant Items	(0.2)	(3.4)	3.2	94%
Loss before Tax	(1.0)	(4.0)	3.0	75%
Net Loss After Tax	(1.1)	(3.9)	2.8	72%
Net Cash/(Debt)	18.4	22.6	(4.2)	(19)%

1H15	\$ Var	% Var
33.1	(3.7)	(11)%
(3.1)	1.3	42%
30.0	(2.4)	(8)%
(19.7)	1.9	10%
(3.9)	(1.7)	(44)%
(4.9)	0.7	14%
1.5	(1.5)	-
(2.2)	1.2	55%
0.1	0.1	100%
(0.6)	(0.2)	(33)%
-	-	-
(2.3)	2.1	91%
(2.3)	2.1	91%
(2.9)	1.9	66%
(2.9)	1.8	62%
20.4	(2.0)	(10)%

Software Division

License sales down 10% on 1H15 to \$5.5m

- \$4.2m of Enterprise and Commodity Solutions product sales (1H15: \$4.5m)
- \$1.3m of Desktop product sales (1H15: \$1.6m)

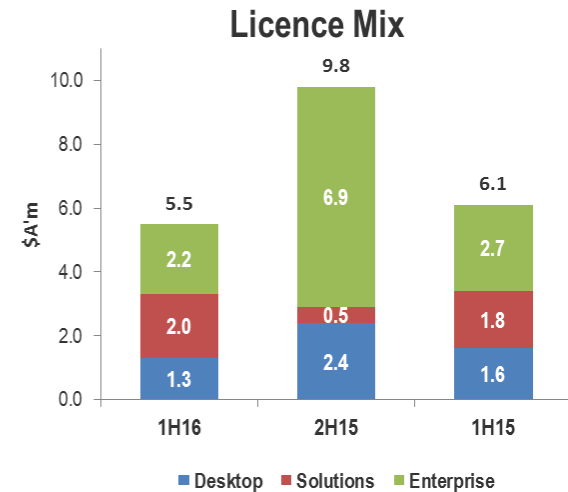
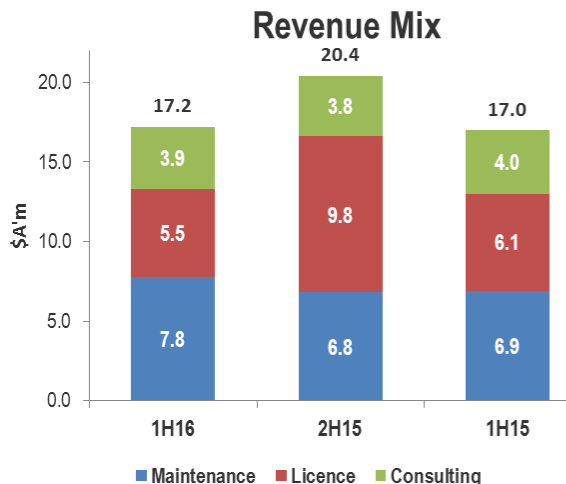
Maintenance revenue up 15% on 2H15 to \$7.8m, highest ever half-year result for the Company

Services revenue remains consistent - from lower headcount

Released three new software products

- XERAS Enterprise (Norton Goldfields)
- Plan Manager (BHPB Iron Ore)
- Open Cut Phosphate Solution

A\$m	1H16	2H15	\$ Var	% Var	1H15	\$ Var	% Var
Software revenue	17.2	20.4	(3.2)	(16)%	17.0	0.2	1%
Direct expenses	(0.4)	(0.6)	0.2	33%	(0.6)	0.2	33%
Net Revenue	16.8	19.8	(3.0)	(15)%	16.4	0.4	2%
Operating expenses	(8.2)	(9.7)	1.5	15%	(8.3)	0.1	1%
Gross Contribution	8.6	10.1	(1.5)	(15)%	8.1	0.5	6%
Product & Development	(5.6)	(5.1)	(0.5)	(10)%	(3.9)	(1.7)	(44)%
Contribution	3.0	5.0	(2.0)	(40)%	4.2	(1.2)	(29)%



Advisory Division

Australian sourced revenue down 40% to \$2.7m

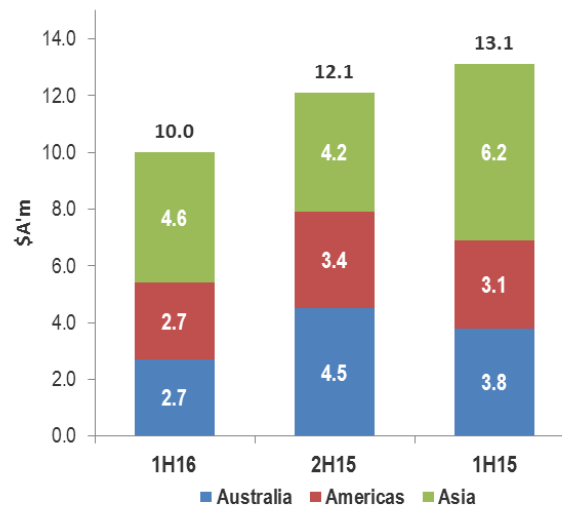
Asian sourced revenue up 10% to \$4.6m

Advisory division returned a neutral contribution (before corporate costs) in 1H16 as a result of a 15% reduction in operating expenses arising from staff reductions

Advisory pipeline expected to remain lumpy in the foreseeable future

Management believes it has again gained market share, particularly in Coal

A\$'m	1H16	2H15	\$ Var	% Var	1H15	\$ Var	% Var
<i>Australia</i>	2.7	4.5	(1.8)	(40)%	3.8	(1.1)	(29)%
<i>Americas</i>	2.7	3.4	(0.7)	(21)%	3.1	(0.4)	(13)%
<i>Asia</i>	4.6	4.2	0.4	10%	6.2	(1.6)	(26)%
Advisory Revenue	10.0	12.1	(2.1)	(17)%	13.1	(3.1)	(24)%
Direct expenses	(1.7)	(2.3)	0.6	26%	(2.6)	0.9	35%
Net Revenue	8.3	9.8	(1.5)	(15)%	10.5	(2.2)	(21)%
Operating expenses	(8.3)	(9.6)	1.3	14%	(9.8)	1.5	15%
Contribution	-	0.2	(0.2)	(100)%	0.7	(0.7)	(100)%



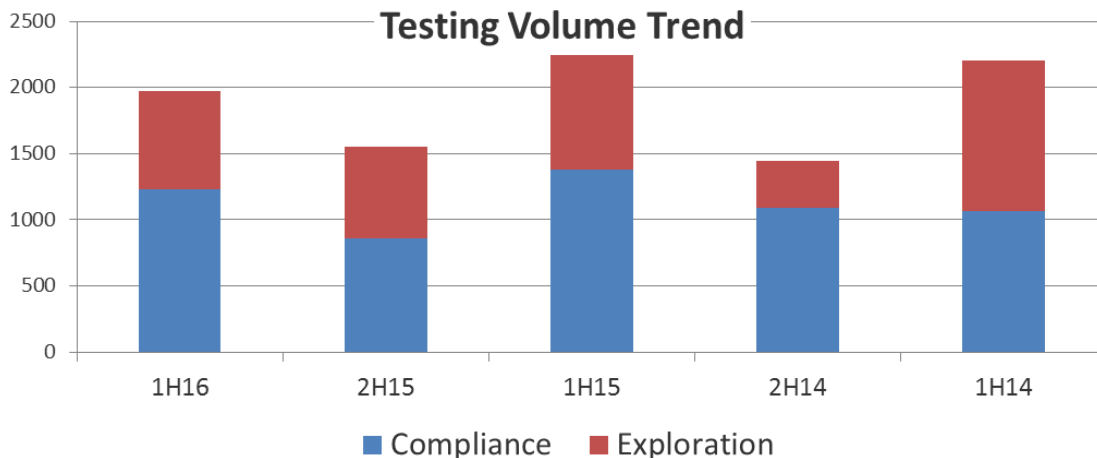
GeoGAS Division

Revenue up 17% from 2H15 to \$2.1m

Contribution of \$0.7m up 133% on prior half

GeoGAS received NATA certification for its gas content desorption testing

A\$'m	1H16	2H15	\$ Var	% Var	1H15	\$ Var	% Var
Laboratory	1.6	1.6	-	-	2.0	(0.4)	(20)%
Consulting	0.5	0.2	0.3	150%	0.4	0.1	25%
GeoGAS revenue	2.1	1.8	0.3	17%	2.4	(0.3)	(13)%
Operating expenses	(1.4)	(1.5)	0.1	7%	(1.5)	0.1	7%
Contribution	0.7	0.3	0.4	133%	0.9	(0.2)	(22)%



Cash Flow

\$'m	1H16	2H15	1H15
Net Cash opening	22.6	20.4	7.5
Cash from Operations	(3.0)	6.1	(6.2)
Payments for:			
Restructure Costs - Staff	(0.4)	(0.7)	(0.3)
Restructure Costs - Premises	(0.6)	(1.1)	(0.4)
Make Good - Brisbane Office	-	(1.0)	-
	(1.0)	(2.8)	(0.7)
Payments for:			
Property Plant & Equipment	(0.3)	(0.2)	(0.1)
Software Acquisitions	-	(1.3)	(1.3)
	(0.3)	(1.5)	(1.4)
Proceeds from /Payments for:			
Capital Raising	-	-	21.0
Share buy back	(0.1)	-	-
	(0.1)	-	21.0
Net Increase in Cash	(4.4)	1.8	12.7
FX Restatement	0.2	0.4	0.2
Net Cash Closing	18.4	22.6	20.4

Software Progress Update

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Standardise, Simplify and Integrate

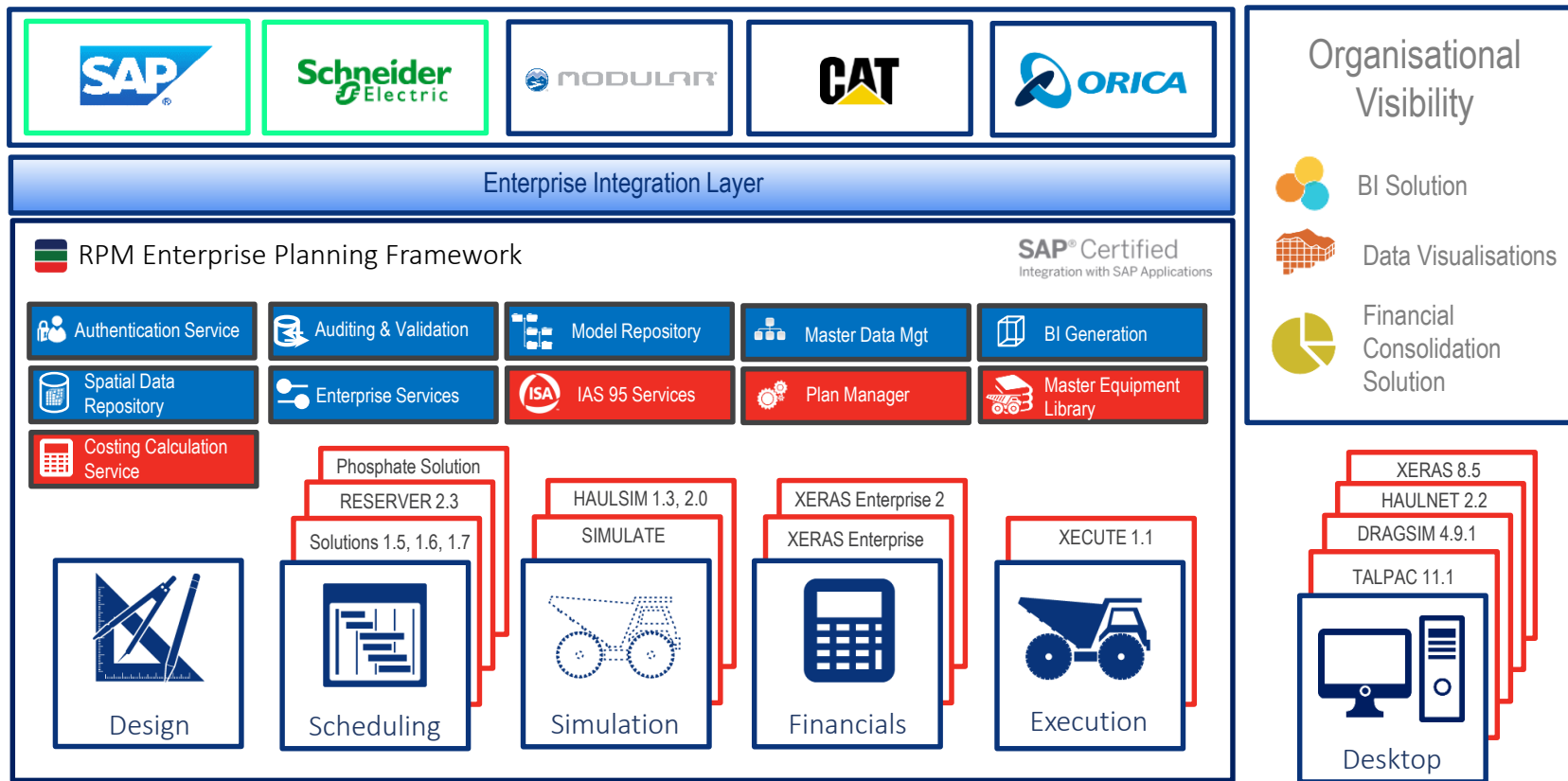
Deliver a complete ***Commercial off the Shelf (COTS) Enterprise planning platform*** built on open industry standards

Release a suite of ***simplified, standardised and integrated solutions*** for different commodities and mining methods built on the same product architecture

Provide software solutions that ***deliver a step change*** in mine planning, execution and value chain optimisation through ***investments in visual innovation***



New Software Released - this Financial Year-to-Date (red)



New Product Adoption - 2016 Financial Year To Date

Global Framework Agreement

GLENCORE

OPEN PIT
METALS **xpac**
SOLUTION


MINERA ESCONDIDA
Operada por BHP Billiton


LAS BAMBAS


FRESNILLO®


NEWCREST
MINING LIMITED


NEWMONT™

OIL
SANDS **xpac**
SOLUTION


SUNCOR
ENERGY

OPEN PIT
DIAMONDS **xpac**
SOLUTION

DE BEERS
GROUP OF COMPANIES


haulsim


MINERA ESCONDIDA
Operada por BHP Billiton

African
MINERALS 

DE BEERS
GROUP OF COMPANIES

 AngloAmerican


GLENCORE


Downer
Relationships creating success


MYCL


NEWMONT™


SUNCOR
ENERGY

 Enterprise Planning
Framework

 Plan Manager


bhpbilliton


xeras


Amatola
mining services


NEWMONT™

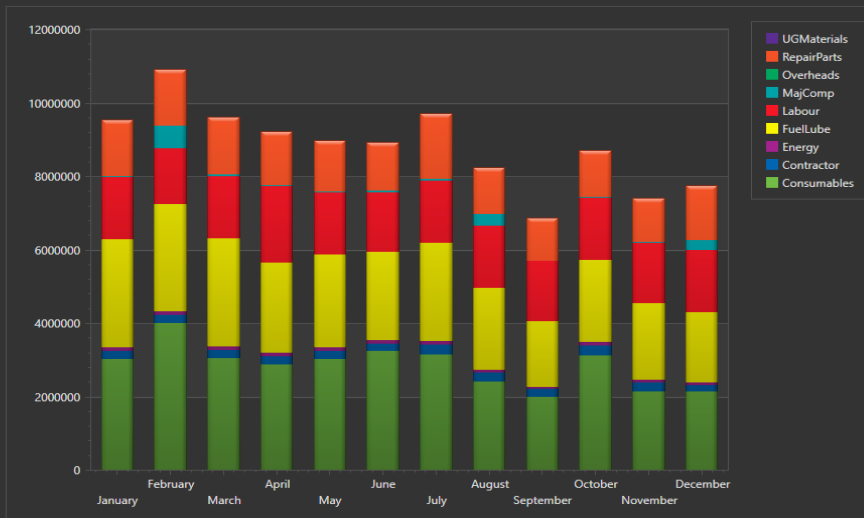

NORTON GOLD FIELDS
LIMITED


Evolution
MINING

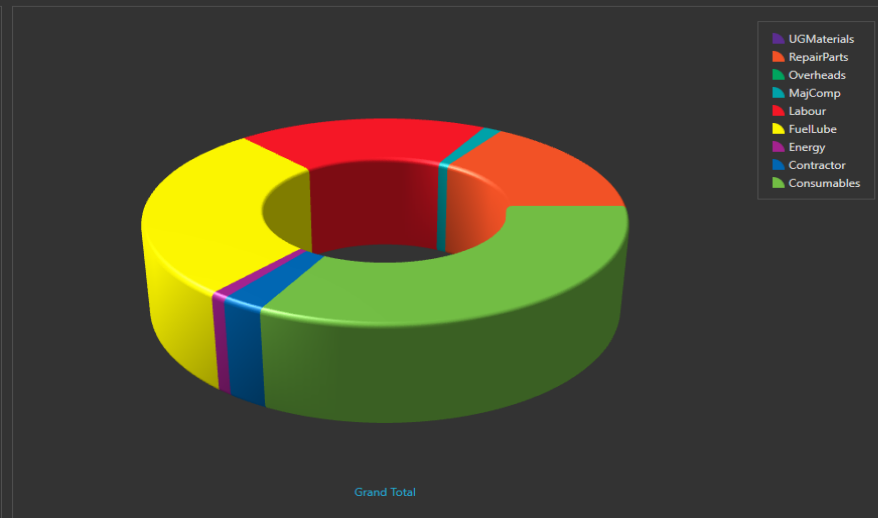
Open Cut Phosphate Solution - Finished



Total Expenditure by Type



Total Expenditure Pie



Workflow Steps:

- Initialize Model
- Update Corporate Assumptions
- Review Mine Plan
- Update Equipment Costs
- Update Employee Costs
- Update Production Costs
- Update Administration Costs
- Review Maintenance Cost Allocations
- Review Standard Reports

Open Cut Coal Solution - Finished



Next Scheduling Solutions Focus - Underground Metals



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