ASX Announcement 31 August 2011

ipernica records $1.6 million net profit

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ipernica ltd

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Postal Address:

Postal Address: P O Box 1327,
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Australian Securities Exchange:

Code: IPR

Board of Directors

Non-executive Chairman:
Ross Norgard
Managing Director:
Graham Griffiths
Non-executive Directors:
Karl-Christian Agerup
Rob Newman

Senior Management:

nearmap.com Chief Executive:
Simon Crowther
Chief Financial Officer:
Mark Maitland
General Counsel:
Jonathan Lawe Davies

Capital Structure

Fully-Paid Shares on Issue:
323.1 million
7.76 million @ 16c
27.57 million @ 20c
12.50 million @ 40c
47.83 million

Cash Reserves:

A$11.1M as at 30 Jun 2011

KEY POINTS

- **122% increase in net profit after tax to $1.6m**
- **467% increase in total income from continuing operations to $17m**
- **Earnings per share 0.5 cents**
- **Cashflow positive for the year**
- **$11.1 million cash at bank at year end**

Perth, Western Australia, 31 August 2011 – Diversified technology commercialisation group, ipernica ltd (ASX: IPR), today reported a $1.6 million net profit after tax (unaudited) for the 2011 financial year, with strong contribution from both its intellectual property licensing division and 100% owned subsidiary nearmap.com.

The excellent result – which represents a 122% improvement from the previous years loss of $7.4 million – was struck on total income from continuing operations of $17 million (2010: $1.5 million). Pre-tax earnings increased sharply to $1.7 million (2010: loss of $7.8 million). The bottom line earnings translated to earnings per share of 0.5 cents (2010: -2.29 cents).

As a result of the strong financial performance, ipernica was cashflow positive for the year, with $11.1 million cash reserves at financial year end (2010: $10.5 million).

ipernica achieved its two core goals for the year of a bottom line profit and generating positive cashflow, whilst continuing to invest in building the nearmap.com team and deployment capability to enable expansion into much larger international markets.

nearmap.com is an online photomap content company which regularly covers 75% of the Australian population with high resolution photomaps. The Company generates revenue through licensing its content to government agencies and the commercial sector. Its competitive advantage is frequently updated photo and terrain maps of very high resolution.

nearmap.com's strategy is to effectively monetise all of its content to both government and commercial sectors, by providing convenient access to the content via the desktop and mobile platforms, and through subscription models and value add products supported by e-commerce facilities.

nearmap.com earned $3.75 million revenue from its subscription and on request services for FY11, an increase of over 2000% on the previous financial year's result.

nearmap.com has over 70 Government licensees and has achieved licenses with major companies in a number of commercial sectors including insurance, real estate, utilities and mining & exploration. Total contract value of all subscription and on request sales across all sectors since launch in November 2009 to 30 June 2011 was $8.3 million (approximately 69% Government).

Customer retention rates after the first years subscription are running at 95%, with most licensees renewing for 2 years. These renewals reflect a high level of customer satisfaction with nearmap.com and its unique high resolution and current photomaps. This renewal rate provides nearmap.com with an increasingly assured revenue stream to fund international growth in much larger markets.

nearmap.com content is also widely used in the Small to Medium Enterprise ("SME") and consumer sectors, which represents a substantial additional revenue opportunity. To more effectively monetize these additional revenue streams, nearmap.com recently refined its strategy to offer its mapping content to all commercial users on a paid for subscription model. It will achieve this by making it easier for business users to access and subscribe only to relevant parts of the content required to support their specific needs, via desktop and mobile applications and e-commerce facilities.

nearmap.com is confident that its focused Business to Business ("B2B") strategy will deliver substantive additional sales in FY12 and that it will be cashflow positive in FY12.

Simon Crowther, nearmap.com Chief Executive Officer, said "*Our focus going forward is to effectively monetise all of our content cross platform including web, mobile, mobile apps and our API's. We are actively developing new subscription models and products to support this strategy and to address the significant demand we are experiencing for our content in multiple sectors, from SME's through to the Federal Government*."

ipernica's total income also included a contribution of $12.7 million from the IP Licensing division, which is based on a portfolio of programs involving the licensing of IP rights. ipernica is confident that the existing portfolio of programs within this division will continue to generate substantial revenues over the next 1-3 years, with a healthy pipeline of new programs currently under development.

Commenting on the results, ipernica's Managing Director, Graham Griffiths, said "*the outstanding 2011 results reflected the Boards strategy to complement the proven IP Licensing business (some $83 million in revenues since 2007) with the annuity subscription revenue model of nearmap.com*".

about ipernica

ipernica is a diversified technology commercialisation group involved in technology innovation and the commercialisation of valuable intellectual assets, including 100% owned subsidiary nearmap.com.

about nearmap.com

nearmap.com is an online photomap content provider. 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 governments, companies and communities see their world.

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