



ASX Announcement

29 September 2011

Update on SAR Germany case

ipernica Ltd

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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

Perth, Western Australia – Diversified technology commercialisation group, ipernica Ltd (ASX:IPR), today provided the following update on its German SAR program.

The Segmentation and Re-assembly ("SAR") global licensing program commenced in 2000 and has generated A\$30 million in revenue. It related to the alleged use by leading European telecommunications companies of the group's patented SAR technology. ipernica (then QPSX) developed and commercialised the SAR technology in the late 1980s and early 1990s.

The Company previously advised that it was terminating the SAR program, and was taking steps to effect that decision. The finalisation of the SAR program is now almost complete.

In relation to the patent nullity proceedings in the German Federal Patent Court with Deutsche Telekom, costs were ordered against QPSX Communications Pty Ltd. All appeals as to the amount of costs payable have been exhausted. Accordingly, as previously provided for in the Company's accounts, an amount of €987,675 in respect of the costs ordered in these proceedings has been paid to Deutsche Telekom.

In relation to the patent nullity proceedings in the German Federal Patent Court with Siemens, and the patent infringement proceedings in the Munich District Court with Deutsche Telekom and Siemens, costs were ordered against QPSX Europe GmbH. As previously advised, the Company decided to wind up QPSX Europe. In the course of this process, an administrator was appointed to QPSX Europe and the entity was deconsolidated from the Group as reported in the 2010 financial statements.

In the course of the administration, the administrator has negotiated an Insolvency Plan scheme with QPSX Europe's creditors for payment of a negotiated percentage of the liabilities of QPSX Europe plus administration costs. After due consideration the Company believes it is now reasonable to assist the Administrator in the insolvency process, and has agreed in principal to the proposed non binding Insolvency Plan scheme.

The Company has today paid an amount of €1.22m (A\$1.69m at current exchange rates) to the administrator of QPSX Europe in preparation for the formalisation of the Insolvency Plan. Upon approval and implementation of the Insolvency Plan, QPSX Europe will be returned to the Group as an operating entity.

The overall financial impact of reinstating the German subsidiary cannot yet be determined until the Insolvency Plan has been approved by the

German Insolvency Court. The Company is entitled to contributions under certain insurance and profit share arrangements which will reduce the net cost to the Company of these payments.

Once the Insolvency Plan is approved by the Court and implemented, this will bring to an end the Company's first and longest IP licensing program!

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.

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