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ASX release

18 February 2013

nearmap's half year result confirms the strength of the company's business model

nearmap ltd (ASX: NEA) today announced its results for the six months ended 31 December 2012 (1H13). New digital subscriptions to the nearmap.com website helped drive strong growth in revenue, with reported revenue of $4.03 million, up 51.3% on the prior corresponding period (1H12: $2.67 million).

Managing Director Simon Crowther said that the strong top-line growth, combined with positive cashflow generation reflected the early success of the company's realigned strategic focus on nearmap and its attractive growth opportunities.

"At the end of November 2012, we launched a new subscription-based website. This was a carefully thought out strategy to monetise nearmap's content and build a sustainable, recurring revenue base for the business. The response since then has been very positive and reflects the value that organisations place on nearmap's high quality, current and changing PhotoMaps™. Importantly, the half year result only contained one month of the new subscription revenues," added Mr Crowther.

1H13 financial overview

- Total customer sales of nearmap products and services up 113% to $4.79 million (1H12: $2.25 million)
- Revenue up 51.3% to $4.03 million (1H12: $2.67 million)
- Net loss after tax of $2.64 million, an improvement of 38% (1H12: loss of $3.87 million)
- Positive cashflows of $0.39 million
- Strong balance sheet with no debt, and cash balance growing to $5.74 million (31 December 2011: $5.35 million).

1H13 operational overview

- Launch of new nearmap.com website – substantially increasing the ability to monetise nearmap's high quality, current and changing PhotoMaps™ content, and generate recurring subscription revenues
- Relocated corporate head office to Sydney to be closer to the company's customer base, expand its presence on the East Coast and access a broader range of employee talent
- Strengthened senior management team with the appointment of several key executives
- Signed cloud hosting agreement with Amazon Web Services to host nearmap content in Sydney.

About nearmap

nearmap 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 is changing the way Australian governments, companies and communities see their world.

Further Information

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Commenting on the result, Mr Crowther said that 1H13 had been a transformational period for the company.

"During the half year we implemented a number of operational initiatives aimed at growing our customer base and improving our customer value proposition. These initiatives have laid the foundations for strong sustainable growth going forward," added Mr Crowther.

In late November 2012 the company launched its new nearmap.com website. The new subscription-based site requires customers that had previously accessed mapping content free of charge to pay a fee to receive content. Since launching the new site, in addition to existing government and commercial revenue streams, nearmap has contracted over $3.6 million of total new sales, including a number of multi-year agreements.

"Since implementing our strategy, we have been able to bring on board new subscription customers across local, state and federal government, as well as commercial sectors, including SMEs. It has also been pleasing to see that 100 per cent of existing customers renewed their nearmap subscriptions following the introduction of the new site.

"We are continuing to enhance nearmap's revenue model so that different sized users can access specific content they require. We will be rolling out new subscription plans once we are comfortable that they are appropriate for the customer markets that those specific plans will be targeting," said Mr Crowther.

Outlook

In commenting on the outlook for the business Mr Crowther said that he looked forward to continuing to leverage the significant growth opportunities that remain for the nearmap business.

"Having launched the new website and put in place a strengthened and broadened management team, we are well placed to capitalise on increasing demand for nearmap's market leading geospatial mapping content. We have only begun to scratch the surface of the opportunities available to the company as we are creating a new market for these services in Australia.

"Our customer base continues to grow and we are now seeing increasing demand coming from not only the lucrative government and commercial sectors, but also the SME market. Servicing this segment represents a significant opportunity for us to build scale, and broaden our customer base," added Mr Crowther.

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