

07 May 2010

Trading Update

Runge Limited ((ASX: RUL) ("Runge")) has today announced an update to their guidance with an expected FY10 operating EBITA result of \$3.0M to \$5.0M, resulting in an NPAT of between break even and \$2.0M. This estimate excludes any revenue from one-off large software sales.

Significant trading characteristics leading to this estimate include:

- Consulting fee revenue recovered steadily over the first half of the financial year in all areas of the globe to our expected run rate.
- We experienced slow months in January and February globally.
- Since February our consulting and software businesses have shown improvement in all areas except Australia.
- Demand for consulting and software outside of Australia continues to grow strongly.
- For the full fiscal year we expect our traditional desktop software sales to be in line with the previous year of approximately \$8.5M, however this estimate is lower than the previous year as FY09 included a large enterprise software sale of \$2.3M.
- Since the beginning of the calendar year we have experienced delays and deferrals of our projects in Australia.
- Despite our large global footprint, two thirds of our revenues are sourced from Australia of which about a quarter is tied to feasibility studies on new projects.
- Traditionally the biggest negative impact on our consulting business has been uncertainty. Uncertainty will only be exacerbated by the proposed new resources tax. We do not expect that consulting revenue associated with Australian projects will recover until this uncertainty is resolved.

Runge's Managing Director, Tony Kinnane said "We are confident, along with our clients that global demand for major resources will continue to grow. We believe that the current uncertain conditions in Australia surrounding the proposed new tax regime will lead to a significant shift to the development of more mining projects outside of Australia. Because of our strong global footprint we are in a position to address this geographic shift by reallocating resources onto offshore projects and directing our expansion into overseas locations."

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About Runge Limited:

Runge Limited (Runge) was established in 1977 by Dr Ian Runge and listed on the Australian Securities Exchange on 27 May 2008 (ASX code: RUL).

Runge is a leader in the provision of technology products, consulting services and training courses to the global mining industry, delivering solutions and services across a range of commodities.

With expertise across a range of mining disciplines, Runge's approach to the business of mining is strongly grounded in economic principles and delivering mine planning solutions that are tightly coupled with technological support and training. Runge currently owns and operates 18 offices in 10 countries throughout the world. Our team includes Pincock Allen & Holt, Minarco-MineConsult, MRM Mining Services Pty Ltd and GeoGAS Pty Ltd.