

Appendix 4D

Half Year Report

Name of entity

nearmap ltd

ABN 37 083 702 907

Financial period ended ('current period')

31 December 2013

Results for announcement to the market:

(All comparisons are to half year ended 31 December 2012)

				A\$'000
Revenues from ordinary activities	Increased	96%	to	7,892
Profit from ordinary activities after tax attributable to members	Increased	130%	to	780
Net profit for the period attributable to members	Increased	130%	to	780
		31/12/13		31/12/12
Net tangible assets per share (cents)		2.4		0.5
For a discussion on the items above refer to Review and results of operations section contained in the Directors' Report on the next page.				
nearmap ltd has proposed to not pay any dividends for the half year ended 31 December 2013.				

Directors' Report

Your directors submit their report, together with the consolidated financial statements of the Group (referred to hereafter as "nearmap") consisting of nearmap ltd and the entities it controlled at the end of, or during the half year ended 31 December 2013.

Directors

The directors of the Company at any time during or since the end of the half year are as follows:

Directors were in office for this entire period unless otherwise stated.

Mr Ross Norgard	Non-Executive Chairman	
Mr Simon Crowther	Managing Director	
Dr Rob Newman	Non-Executive Director	
Mr Cliff Rosenberg	Non-Executive Director	
Mr Richard Noon	Non-Executive Director	(appointed 20 November 2013, resigned 21 February 2014)

Review and results of operations

For the six months to 31 December 2013, nearmap reported revenue of \$7.89m, up 96% on corresponding prior half year revenue of \$4.03m.

Renewal rates remained very high with active subscription customers across local, state and federal government and commercial sectors.

nearmap's balance sheet remained strong with no debt and a growing cash balance. During the six month period to 31 December 2013, nearmap generated positive cashflows of \$4.09m with the cash balance increasing to \$17.51m, compared to \$13.39m at 30 June 2013.

Operating cashflows significantly improved from \$0.43m in the six months to 31 December 2012 to \$4.14m in the six months to 31 December 2013.

nearmap's net profit after tax for the half year to 31 December 2013 was \$0.78m, an improvement on the prior half year loss of \$2.64m.

In July 2013, the United States Patent and Trademark Office granted the company a new patent for its aerial mapping systems. The patent is directed at utilising arrays of cameras to efficiently capture high-resolution PhotoMaps.

In December 2013, nearmap signed a licence agreement for Google Maps as part of its strategy to align itself with world class partners. This partnership allows nearmap to offer its customers amongst other benefits, an enhanced map browser interface with upgraded measurement tools and capabilities, world class address and location search, as well as access to national satellite imagery outside of the company's current high-resolution coverage area.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the consolidated interim financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Directors' Report

Auditor's independence declaration

KPMG, our auditors, have provided a written independence declaration as required under section 307C of the Corporations Act 2001 to the Directors in relation to their review for the half year ended 31 December 2013. This independence declaration forms part of the Directors' Report and can be found at page 4.

Signed in accordance with a resolution of the Directors.

A handwritten signature in blue ink, appearing to read 'Simon Crowther', is written over the printed name and title.

Simon Crowther
Managing Director
Sydney, 21 February 2014



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of nearmap ltd

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2013 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

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KPMG

A handwritten signature in blue ink, appearing to read 'Trent Duvall'.

Trent Duvall
Partner

Sydney

21 February 2014

Consolidated statement of profit or loss and other comprehensive income

for the half year ended 31 December 2013

	Notes	31 December 2013 \$'000	31 December 2012 \$'000
Revenue		7,892	4,031
Other income		237	86
Total income	3	8,129	4,117
Employee benefits expenses		(4,366)	(3,061)
Depreciation and amortisation expense		(994)	(1,261)
Capture costs		(37)	(540)
Reversal of impairment of intangibles		-	308
Litigation and profit share costs		-	(20)
Research and development costs		(200)	(257)
Net foreign exchange differences		25	(3)
Other operational expenses	4	(1,777)	(1,885)
Total expenses		(7,349)	(6,719)
Profit / (loss) before tax		780	(2,602)
Income tax expense	5	-	(40)
Profit / (loss) for the half year		780	(2,642)
Total comprehensive income for the half year		780	(2,642)
Earnings per share		0.24	(0.82)
Basic earnings per share for the half year (cents per share)			
Diluted earnings per share for the half year (cents per share)		0.23	(0.82)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

as at 31 December 2013

	Notes	31 December 2013 \$'000	30 June 2013 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		17,508	13,387
Trade receivables		2,636	2,598
Other current receivables		537	381
Total current assets		20,681	16,366
Non-current assets			
Plant and equipment		1,206	1,121
Intangible assets	6	5,068	5,225
Total non-current assets		6,274	6,346
TOTAL ASSETS		26,955	22,712
LIABILITIES			
Current liabilities			
Trade and other payables		1,647	1,027
Unearned income		11,896	10,072
Employee benefits		429	586
Total current liabilities		13,972	11,685
Non-current liabilities			
Employee benefits		48	38
Other payables		-	36
Total non-current liabilities		48	74
TOTAL LIABILITIES		14,020	11,759
NET ASSETS		12,935	10,953
EQUITY			
Contributed equity	7	27,038	26,536
Reserves		4,922	4,222
Profits reserve		780	-
Accumulated losses		(19,805)	(19,805)
TOTAL EQUITY		12,935	10,953

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

for the half year ended 31 December 2013

	31 December 2013 \$'000	31 December 2012 \$'000
Cash flows from operating activities		
Receipts from customers	9,682	6,089
Payments to suppliers and employees	(5,743)	(5,709)
Interest received	205	92
Income taxes paid	-	(40)
Net cash flows generated from operating activities	4,144	432
Cash flows from investing activities		
Purchase of plant and equipment	(257)	(53)
Payments for intangible assets	(208)	-
Proceeds from sale of plant and equipment	3	7
Net cash flows used in investing activities	(462)	(46)
Cash flows from financing activities		
Proceeds from exercise of share options	307	-
Proceeds from exercise of loans share options	96	-
Net cash flows from financing activities	403	-
Net increase in cash and cash equivalents	4,085	386
Net foreign exchange difference	36	(1)
Cash and cash equivalents at beginning of period	13,387	5,354
Cash and cash equivalents at end of period	17,508	5,739

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the half year ended 31 December 2013

At 1 July 2013

Profit / total comprehensive income for the period

Transfer between reserves

Transactions with owners of the company:

Issue of ordinary shares

Share options exercised

Share based payment transactions

At 31 December 2013

	Contributed Equity \$'000	Accumulated Losses \$'000	Profits reserve \$'000	Share Based Payment Reserve \$'000	Total Equity \$'000
At 1 July 2013	26,536	(19,805)	-	4,222	10,953
Profit / total comprehensive income for the period	-	780	-	-	780
Transfer between reserves	-	(780)	780	-	-
Transactions with owners of the company:					
Issue of ordinary shares	99	-	-	-	99
Share options exercised	403	-	-	-	403
Share based payment transactions	-	-	-	700	700
At 31 December 2013	27,038	(19,805)	780	4,922	12,935

For the half year ended 31 December 2012

At 1 July 2012

Total comprehensive loss for the period

Transactions with owners of the company:

Share based payment transactions

At 31 December 2012

	Contributed Equity \$'000	Accumulated Losses \$'000	Profits reserve \$'000	Share Based Payment Reserve \$'000	Total Equity \$'000
At 1 July 2012	26,536	(18,785)	-	3,968	11,719
Total comprehensive loss for the period	-	(2,642)	-	-	(2,642)
Transactions with owners of the company:					
Share based payment transactions	-	-	-	(1)	(1)
At 31 December 2012	26,536	(21,427)	-	3,967	9,076

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the half year consolidated financial statements

for the half year ended 31 December 2013

1. Basis of preparation of the half year financial statements

(a) Reporting entity

nearmap ltd (the "Company") is a company domiciled in Australia. These half year consolidated financial statements as at and for the six months ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as the "Group"). The principal activity of the Group during the course of the financial year was online aerial photomapping via its 100% owned subsidiary nearmap Australia Pty Ltd.

(b) Statement of Compliance

These general purpose financial statements for the interim half year reporting period ended 31 December 2013 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporation Act 2001. The half year consolidated financial statements of the Company also comply with IAS 134 *Interim Financial Reporting*.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual consolidated financial statements as at and for the year ended 30 June 2013. These half year financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2013.

These half year consolidated financial statements were approved by the Board of Directors on Friday 21 February 2014.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the half year consolidated financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

(c) Judgements and Estimates

In preparing these half year consolidated financial statements, the Company makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, the significant judgements made by the Company in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2013.

Capture costs

Pursuant to AASB 138 *Intangible Assets*, the Company has reassessed its best estimate of the probability that the expected future economic benefits attributable to the Group's digital imagery will flow to the entity. As a result, capture costs directly attributable and necessary to create and upload digital imagery online have been recognised as an intangible asset during the current period (refer to Note 6). Capture costs capitalised in the current period are being amortised over a period of 5 years. Amortisation of capture costs for the six months ended 31 December 2013 has been included within "depreciation and amortisation expenses" in the statement of profit or loss and other comprehensive income.

During the six months ended 31 December 2012, the Group incurred \$540,000 of capture costs which did not qualify for capitalisation and were presented separately within the statement of profit or loss and other comprehensive income.

Notes to the half year consolidated financial statements

for the half year ended 31 December 2013

1 Basis of preparation of the half year financial statements (continued)

(c) Judgements and Estimates (continued)

Deferred tax

Pursuant to AASB 112 *Income Taxes*, the Company has reassessed its best estimate of the probability that future taxable profits will be available against which the Group can utilise its unused tax losses and deductible temporary differences in future periods. This has resulted in previously unrecognised deferred tax losses being brought to account to the extent necessary to fully offset income tax payable in respect of the current six month period. This has resulted in a nil income tax position within the statement of profit or loss and other comprehensive income (refer to Note 5).

(d) Significant accounting policies

The accounting policies applied by nearmap in this consolidated interim report are the same as those applied by nearmap in its financial report as at and for the year ended 30 June 2013.

2. Segment information

2013

Revenue	
Interest income	
Other income	
Income for the period	
Earnings before depreciation/ amortisation/ impairments, share based payments and tax	
Depreciation and amortisation	
Share based payments	
Profit before tax	
Tax	
Profit after tax	

nearmap.com	Corporate/ unallocated	Group
\$'000	\$'000	\$'000
7,892	-	7,892
-	234	234
3	-	3
7,895	234	8,129
2,730	(256)	2,474
		(994)
		(700)
		744
		-
		780

2012

Revenue	
Interest income	
Income for the period	
Earnings before depreciation/ amortisation/ impairments, share based payments and tax	
Depreciation and amortisation	
Share based payments	
Reversal of impairments	
Loss before tax	
Tax	
Loss after tax	

4,031	-	4,031
-	86	86
4,031	86	4,117
(1,241)	(407)	(1,648)
		(1,261)
		(1)
		308
		(2,602)
		(40)
		(2,642)

The comparative amounts previously disclosed as IP Licencing costs have been reclassified to Corporate / Unallocated.

Notes to the half year consolidated financial statements

for the half year ended 31 December 2013

3. Total income

	31 December 2013 \$'000	31 December 2012 \$'000
Licensing revenues	7,892	4,031
Interest income	234	86
Other income	3	-
Total other income	237	86
Total income	8,129	4,117

4. Other operational expenses

Servicing and processing costs	367	631
Operating lease expenses	167	155
Audit and consulting fees	391	345
Travel and office costs	266	237
Legal fees	233	227
Loss on disposal of assets	-	86
All other operating expenses	353	204
Total other operational expenses	1,777	1,885

5. Tax expense

Previously unrecognised tax losses of \$449,000 were recognised in the current period to fully offset income tax payable as the Company now considers it probable that future taxable profits will be available against which they can be utilised.

Notes to the half year consolidated financial statements

for the half year ended 31 December 2013

6. Intangible assets

	Goodwill \$'000	Development costs \$'000	Capture costs \$'000	Total \$'000
Period ended 31 December 2013				
Opening net book amount	135	5,090	-	5,225
Intangible additions	-	208	456	664
Amortisation charge	-	(793)	(28)	(821)
Closing net book amount	135	4,505	428	5,068
At 31 December 2013				
Cost	135	10,728	456	11,319
Accumulated amortisation	-	(5,097)	(28)	(5,125)
Accumulated impairment	-	(1,126)	-	(1,126)
Closing net book amount	135	4,505	428	5,068
Year ended 30 June 2013				
Opening net book amount	135	6,674	-	6,809
Intangible additions	-	-	-	-
Amortisation charge	-	(1,584)	-	(1,584)
Closing net book amount	135	5,090	-	5,225
At 30 June 2013				
Cost	135	10,520	-	10,655
Accumulated amortisation	-	(4,304)	-	(4,304)
Accumulated impairment	-	(1,126)	-	(1,126)
Closing net book amount	135	5,090	-	5,225

As discussed in Note 1(c), the Group has capitalised \$456,000 in capture costs that are directly attributable and necessary to create and upload digital imagery online during the current period.

Capitalised capture costs are amortised over a period of 5 years. Amortisation of capture costs for the six months ended 31 December 2013 has been included within "depreciation and amortisation expenses" in the statement of profit or loss and other comprehensive income.

Notes to the half year consolidated financial statements

for the half year ended 31 December 2013

7. Contributed equity

Issued and paid up capital

333,846,101 ordinary shares fully paid (2012: 323,056,101)

31 December 2013	31 December 2012
\$'000	\$'000
27,038	26,536

In November 2013 the general meeting of shareholders authorised the issue of 290,000 ordinary shares at a price of 34 cents per share (2012: nil). These shares were issued and fully paid during the period.

Additionally, 4,100,000 ordinary shares were issued after vested options arising from the 2013 share option programme were exercised by employees (see the 2013 consolidated financial statements of the Company) (2012: nil). Options were exercised at an average price of 7.5 cents per share. All issued shares are fully paid.

Movement in share options – Share based payments

Number of options outstanding as at 30 June 2013

Options expired

Options exercised – loans granted

Options exercised – cash payments

Options granted

Total number of options outstanding as at 31 December 2013

Number of options

36,700,000

(5,000,000)

(6,400,000)

(4,100,000)

16,900,000

38,100,000

The estimated fair value at grant date of the options granted for the period ended 31 December 2013 was between 17.0 cents and 29.0 cents per share (2012: between 1.5 cents and 1.8 cents per share). The fair value at grant date is measured using a Black-Scholes option pricing model that takes into account the exercise price, volatility of the underlying share, the expected dividend yield, the risk free rate for the term of the option, and the expected option life.

Expected volatility of 80% has been estimated taking into account historic average share price volatility.

Other model input includes: exercise price of between 44.4 cents and 76.1 cents; expiry date between July 2017 and November 2017; share price at grant date between 31.0 cents and 53.2 cents per share; a risk free rate of between 3.1% and 3.5%; and an expected life of 3.5 years.

Notes to the half year consolidated financial statements

for the half year ended 31 December 2013

8. Financial instruments

Carrying amounts versus fair values

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows.

	\$'000 Carrying amount	\$'000 Fair value
31 December 2013		
Financial assets		
Trade and other receivables	3,173	3,173
Cash and cash equivalents	17,508	17,508
Financial liabilities		
Trade and other payables	1,647	1,647
Employee benefits	477	477

The fair value measurement principles adopted in this report are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2013.

Financial instruments carried at fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The company has adopted the amendment to AASB 7 *Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 to Level 2 of the fair value hierarchy during the six months ended 31 December 2013.

Notes to the half year consolidated financial statements

for the half year ended 31 December 2013

9. Related parties

Financial assistance under the Employee Option Plan

nearmap's Employee Share Option plan includes an Employee Loan Scheme that permits nearmap to grant financial assistance to employees by way of loan to enable them to exercise options and acquire shares.

Transactions with key management personnel

Unsecured loans advanced to directors during the six months ended 31 December 2013 amounted to \$450,000 (30 June 2013: \$0). Interest is payable at market rates by the directors and the loans are repayable in full three years after the issue date.

A loan to a previous key management personnel that was granted through the Employee Loan Scheme of \$75,000 was repaid during the year, together with an interest charge of \$20,519 that had accrued as at the date of payment.

10. Events after the balance sheet date

There were no matters or circumstances specific to the Company that have arisen since 31 December 2013 that have significantly affected or may significantly affect:

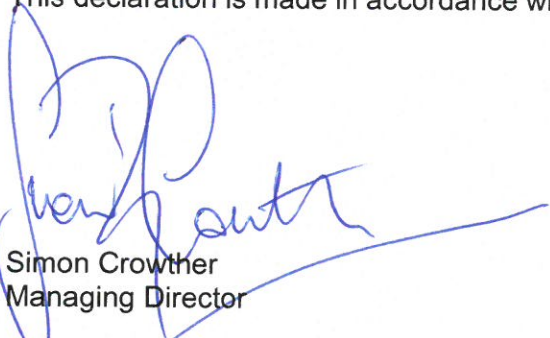
- the Company's operations in future financial years; or
- the results of those operations in future financial years; or
- the Company's state of affairs in future financial years.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 15 are in accordance with the Corporations Act 2001, including:
 - (i) complying with AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that nearmap ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Simon Crowther
Managing Director

Sydney, 21 February 2014



Independent auditor's review report to the members of nearmap ltd

Report on the financial report

We have reviewed the accompanying half-year financial report of nearmap ltd, which comprises the consolidated statement of financial position as at 31 December 2013, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of nearmap ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of nearmap ltd is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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KPMG

A handwritten signature in blue ink, appearing to read 'Trent Duvall'.

Trent Duvall
Partner

Sydney

21 February 2014