

01.03.2008



2007 Annual Review by Ian Lawrence, Managing Director, RMDSTEM

On January 1 2007, Resource Management and Development and the STEM Partnership merged to form RMDSTEM Limited.

Much has been achieved in our first year as a merged entity. We have made good progress toward our objective of establishing the company as the consulting and contracting partner of choice in the Australian mining and minerals processing sector.

We structured the merged entity as a public unlisted company and one of our first priorities was to establish a board of directors.

I am pleased to report that after some changes to the board's composition and structure during the year we now have Dan Evans as Non-executive Chairman, Ken Tranter as Non-executive Director and myself as Managing Director. Ivor Bryan, Chief Operating Officer, was elected as the Managing Director's alternate. Trevor Shard joined us as General Manager – Commercial.

We have a good mix of skills and experience and the board is functioning very effectively.

During the first quarter of the year the business performance was slower than expected due primarily to the level of effort required to execute the merger and a small loss was recorded. The second quarter was much improved and we recorded a profit for both the quarter and the half. .

The first six months was also the time to get better definition around our service offerings particularly because of the clarity now possible around our capability. That process is on-going but senior managers particularly now have a better view of our offerings and can articulate them better in the market place.

The second half of the calendar year saw the business performing at higher levels both in regard to revenue and profits. There were some major consulting assignments with two major mining operations as well a significant increase in activity in WA.

We sold customised versions of our Perspective software to a number of key clients.

A new team was mobilised to work on a water optimization program for a large mining client. This was one of our most successful projects.

One of the most pleasing outcomes of our first year of operation was the ability to remain cash positive, and to generate a healthy profit.

This is a sign that customers value the services we offer and that we have an excellent platform to grow the business.

For further information, please contact Ian Lawrence on 03 9820 5509