



**Full Year Results
30 June 2008**





Financial Highlights

Total Revenue	↑ 135%	\$367m
NDR	↑ 62%	\$104m
EBITDA	↑ 72%	\$24.7m
EBITDA:NDR [^]	above average	23.7%
Statutory NPAT		\$1.9m
Underlying NPAT*	↑ 429%	\$11.1m
Underlying EPS*	↑ 425%	10.5c
Operating cash flow**	↑ 49%	\$21m

[^] EBITDA on NDR

*Adjusting for amortisation of intangibles and notional interest on deferred payments for business acquisitions under IFRS

**Before interest and taxation

- **DIVIDEND**

No final dividend

Interim dividend of 1.5 cents

Prudent capital management

Revised dividend payout policy to 50-70 per cent of statutory NPAT.

Overview

Rubicor is the 2nd largest* listed recruitment services group in Australia and NZ

- ✓ 22 operating businesses
- ✓ 46 offices (2 in Singapore)
- ✓ 400+ consultants
- ✓ Servicing significant number of the ASX 200 / ASX 50
- ✓ Diversified client base with no one client >5% of revenue
- ✓ Long term relationships with client base



* on an EBITDA basis

The Rubicor model



Specialised operating companies

Maintain individual branding, culture and entrepreneurial spirit

Focused on individual sectors and geographies

Retains competitive advantages with candidates and clients

Sets Rubicor apart from large homogenised competitors





Operational Achievements

- ✓ **Niche specialists with strong franchises, close to markets**
 - ✓ Large number acquired in short period
 - ✓ Successfully preserved entrepreneurial drive
 - ✓ Majority of 22 businesses performing well
 - ✓ Isolated issues caused EPS reduction from forecast
- ✓ **Driving efficiencies**
 - ✓ EBITDA: NDR market leading
 - ✓ Productivity measures driving further efficiencies
- ✓ **Joint pitches by businesses with different specialities**
 - ✓ Launch of Rubicor Connect
 - ✓ Model for a top 20 listed company tender



Operational Achievements cont'd

- ✓ **Cross-business selling**

- ✓ Major NZ client now Aus client

- ✓ **Succession planning**

- ✓ Leadership development program launched
- ✓ Successfully transitioned 1/3 of businesses to new generation of leaders, ensuring future of business

- ✓ **Candidates**

- ✓ War for talent will see employers using recruiters with top candidates
- ✓ Cross-business database of candidates developed

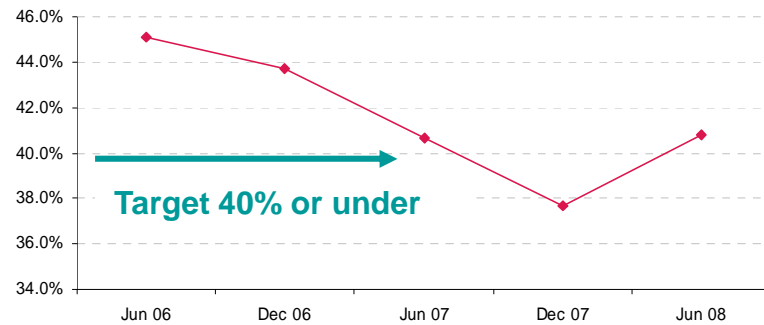
- ✓ **Stickiness of revenue**

- ✓ Client contacts relationship driven and repeat business

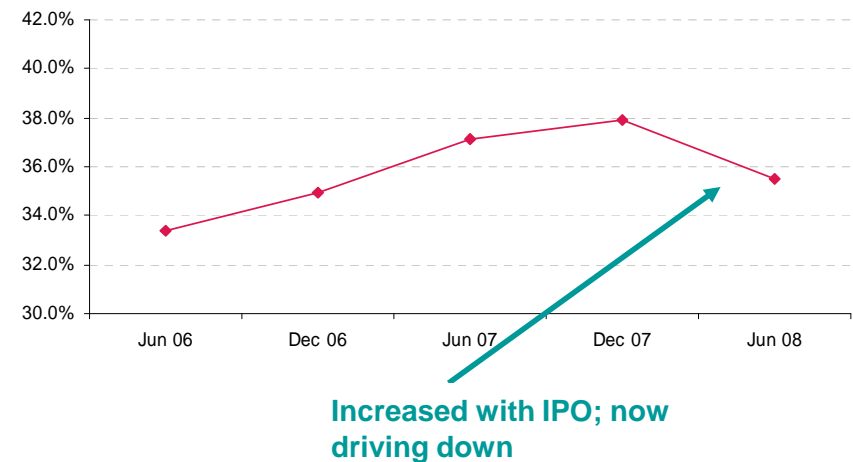
Key Operating Indicators

- ✓ **PRODUCTIVITY:** EBITDA:NDR is at industry best at 23.6% with peer range between 14%-19%*
- ✓ **EFFICIENCY:** aim to maintain or reduce costs to NDR ratios

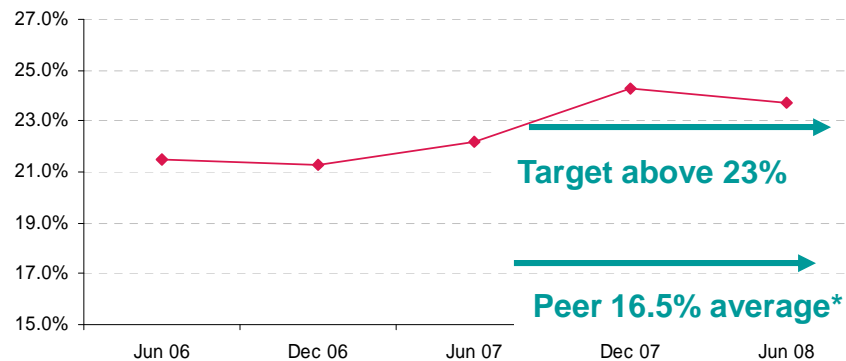
Consultant costs to NDR



Other costs to NDR



EBITDA to NDR

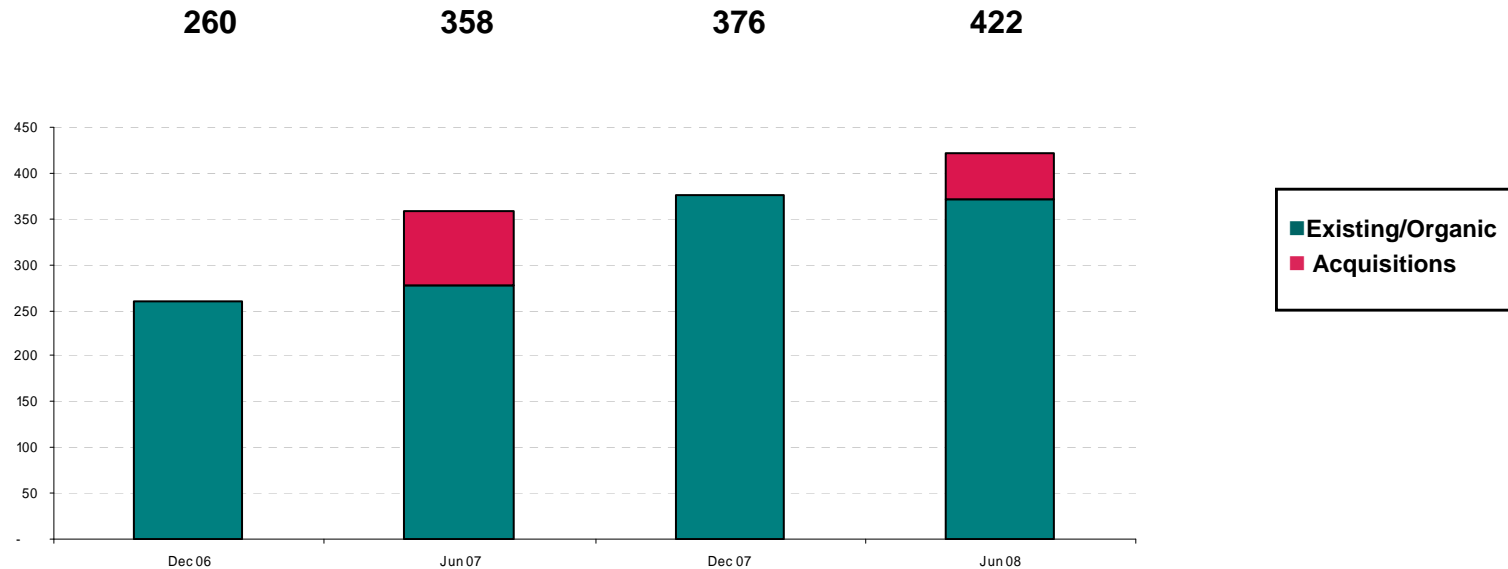


* Based on latest published results where comparisons available

Consultants

- ✓ **AGILITY:** 70% of headcount in revenue producing positions
- ✓ **SPEED:** growth in consultants without initial training 'down time'
- ✓ **LOW TURNOVER:** individual brand stability encourages stable staff base

Total consultant numbers



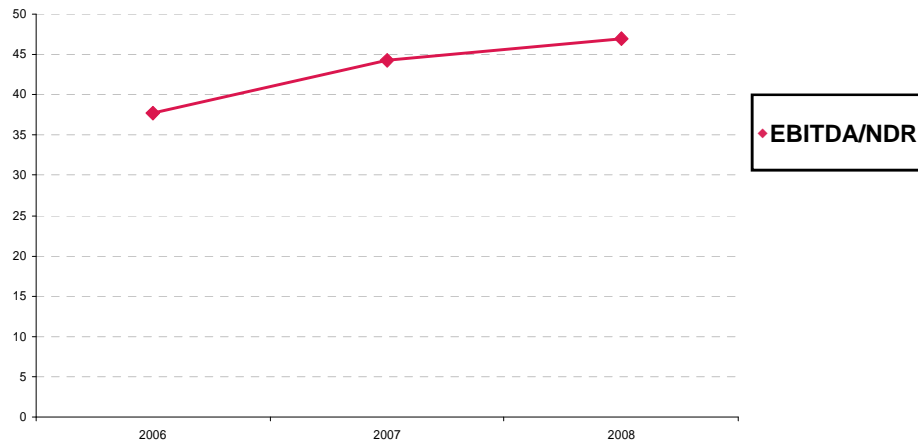
Gemteq Executive

- ✓ Only new acquisition in calendar 08
- ✓ Top quality management
- ✓ Excellent productivity
- ✓ Tight financial control

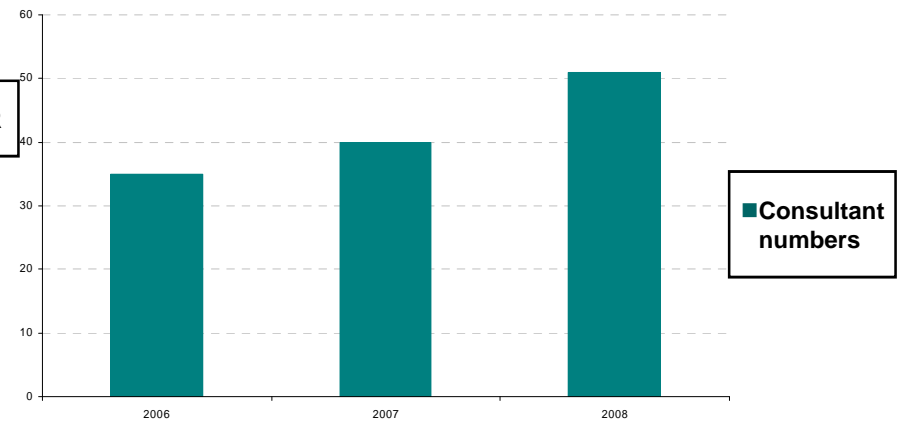
Year on year growth in revenue, NDR and EBITDA



EBITDA to NDR



Total consultant numbers





Acquisitions

Strategy

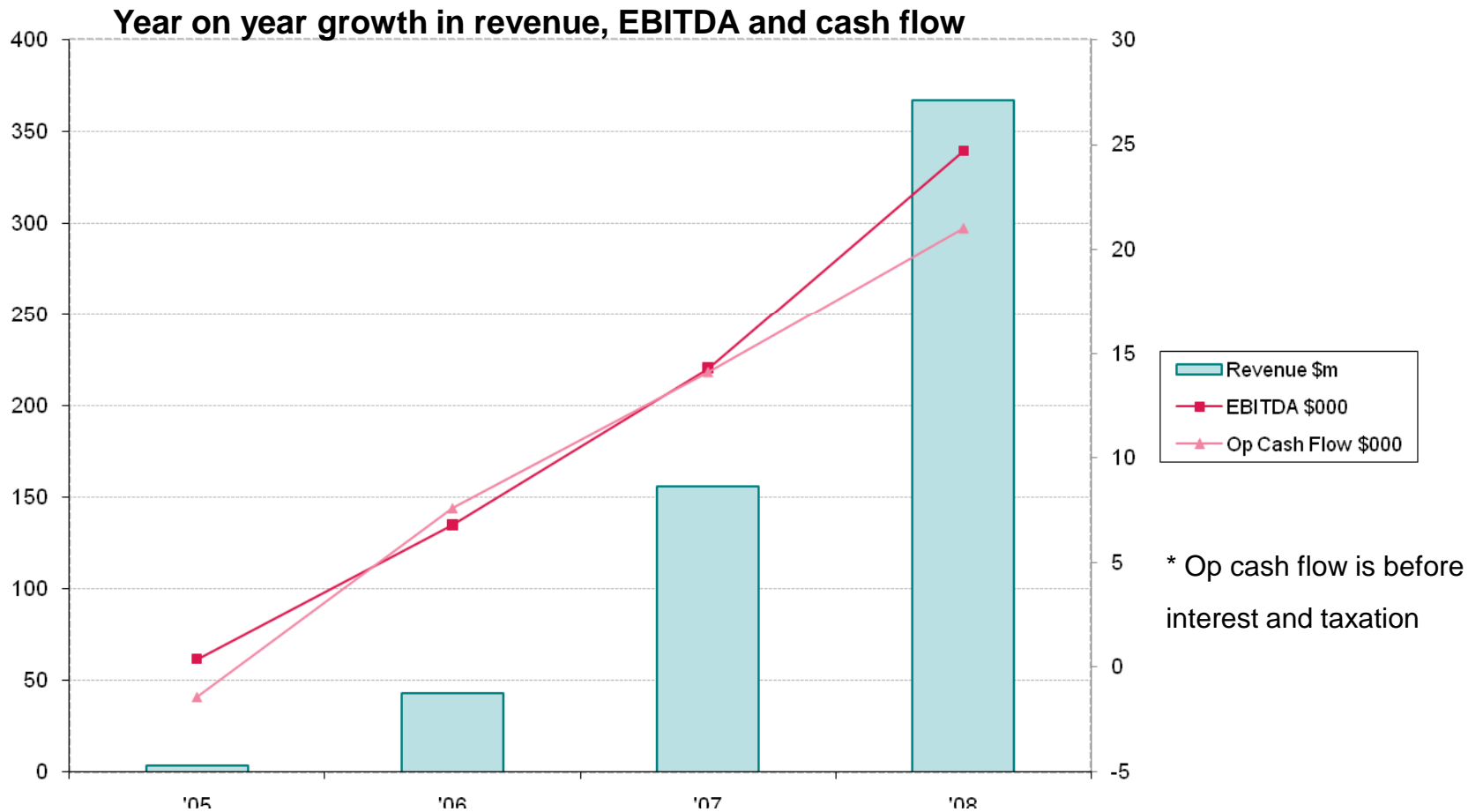
- ✓ Evaluate acquisition opportunities that diversify revenue base / provide access to high growth markets
- ✓ Use strict guidelines around required returns
- ✓ Turn down acquisitions that do not meet criteria
- ✓ Current focus on debt reduction

Structure

- ✓ Align vendors' interests with Rubicor's
- ✓ Promote stability and succession planning
- ✓ Earn out payments linked to individual profits generated in years 1-3 post acquisition - **funded through available debt facilities**
- ✓ Exit payments $\leq 0.5x$ linked to individual profits generated in exit year - 2 years post exit - **funded entirely through future cash flows**

Growth Momentum

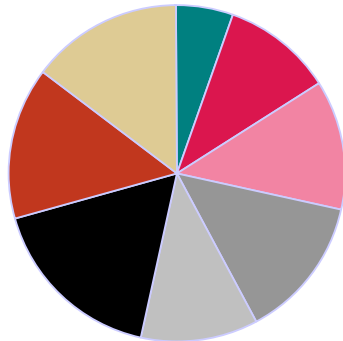
- ✓ MOMENTUM in Revenue, EBITDA and Operating Cash Flow
- ✓ Achieved 'critical mass' for RISK MITIGATION



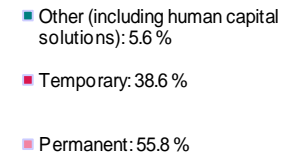
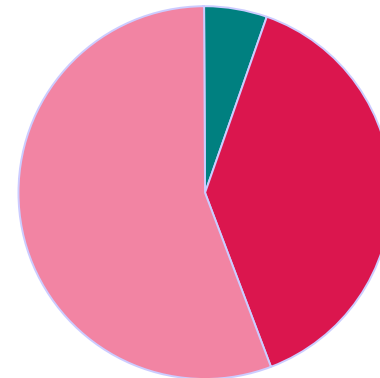
Business profile

- ✓ DIVERSITY: spread across industrial sectors =LESS RISK
- ✓ FLEXIBILITY: 20 of 22 businesses do both permanent & temporary
- ✓ ADAPTABILITY: to demand and economic conditions

Industry



Service



Underlying profitability: Underlying or cash NPAT is the best indicator of performance

12 Months ended 30 June	2008 \$M	2007 \$M	Change %
Revenue	367.4	156.5	+135
NDR (Gross margin)	104.0	64.4	+62
EBITDA	24.7	14.3	+72
Depreciation	(1.1)	(0.5)	
EBIT	23.6	13.8	+71
Finance costs	(4.5)	(7.1)	
Profit Before Tax	19.1	6.7	
Tax	(5.7)	(2.0)	
Cash interest on vendor liabilities	(2.4)	(2.6)	
Profit After Tax	11.0	2.1	
Profit attributable to equity holders	11.1	2.1	
EPS	10.5	2.0	

Includes IPO costs of \$2.1m

Financial position

		30 /6/08 \$M	30/6/07 \$M	Change %
Cash	Includes \$13m for Challenge acquisition	1.2	12.7	-91
Receivables		50.8	27.3	+86
Intangibles - goodwill		129.1	77.0	+68
Intangibles – other	Impairment testing undertaken ¹	18.9	15.3	+24
Other assets		10.6	9.7	+9
Total Assets		210.6	142.0	+48
Current Liabilities				
Trade payables		24.3	14.3	+70
Deferred vendor consideration - debt funded		14.0	8.7	+61
Deferred vendor consideration - cash funded		5.4	2.8	+93
Borrowings – working capital		1.9	1.0	+90
Non Current Liabilities				
Deferred vendor consideration - debt funded	Increase from Challenge ²	11.1	12.2	-9
Deferred vendor consideration - cash funded		34.7	32.9	+5
Borrowings – working capital		19.6	6.3	+211
Borrowings – acquisitions debt	FY08 acquisitions / earn-out payments ³	36.9	0	+100
Other liabilities		3.4	3.4	0
Total Liabilities		151.3	81.6	+85
Net Assets		59.3	60.4	-2
Net Asset backing (cents)		55.7	57.5	-3

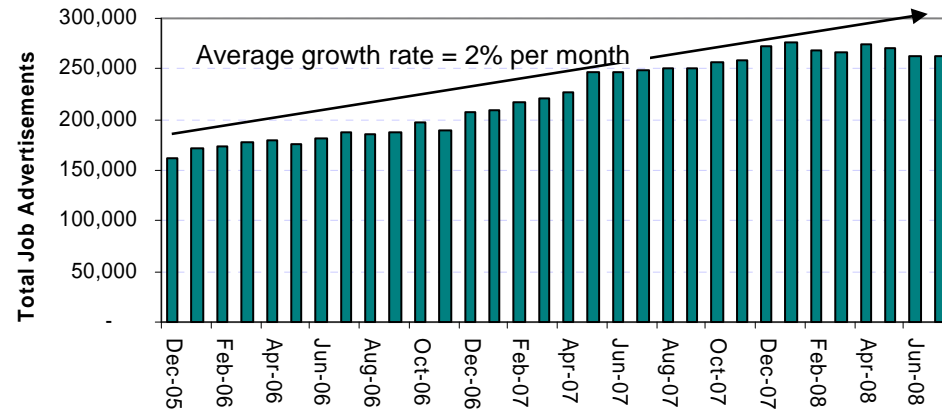
¹Goodwill balances have been subject to rigorous impairment testing by a 'Big 4' accounting firm and there are no impairment issues

²Increase in Working Capital and working capital borrowing reflecting acquisitions including investment in Challenge's large temporary workforce

³Increase in acquisition debt represents payment for FY08 acquisitions of \$22.5m and earn-out payments on existing acquisitions of \$14.4m

Recruitment industry outlook

Short term
Economic conditions remain challenging although job data still relatively robust



Long term

- ✓ **Skills shortage** continues to be an issue for employers due to permanent demographic change
- ✓ With shrinking pool of candidates, those **recruiters with good candidates** will become increasingly in demand
- ✓ **Well-established specialist recruitment firms** have the edge



Appendices

Statutory profitability

12 Months ended 30 June	2008 \$M	2007 \$M	Change %
Revenue	367.4	156.5	+135
NDR (Gross margin)	104.0	64.4	+62
EBITDA	24.7	14.3	+72
Depreciation	(1.1)	(0.5)	
Amortisation	(6.1)	(3.5)	
EBIT	17.5	10.3	+69
Notional Interest on vendor liabilities	(7.2)	(5.3)	
Finance costs	(4.4)	(7.1)	
Profit/Loss Before Tax	5.9	(2.1)	
Tax	(4.1)	(1.1)	
Profit/Loss After Tax	1.8	(3.2)	
Profit attributable to equity holders	1.9	(3.2)	
EPS	1.8	(8.0)	

Includes IPO costs of \$2.1m

Reconciliation of Statutory to Underlying

- Underlying NPAT adjusts IFRS for amortisation and notional interest

12 Months ended 30 June	2008 \$M	2007 \$M
Statutory NPAT	1.9	(3.2)
Significant non-cash items:		
Add back: Amortisation of identifiable intangible assets	6.0	3.5
Notional interest on vendor liabilities	7.2	5.3
Deduct: Cash interest on vendor liabilities	(2.4)	(2.6)
Tax effect	<u>(1.6)</u>	<u>(0.9)</u>
Underlying NPAT	<u>11.1</u>	<u>2.1</u>

Financial performance: Underlying v Proforma 07

12 Months ended 30 June	2008 \$M	2007 \$M	Change %
Revenue	367.4	333.5	+10.1
NDR (Gross margin)	104.0	87.3	+19.2
EBITDA	24.7	25.0	-1.2
Depreciation	(1.1)	(0.9)	
EBIT	23.6	24.1	-2.1
Finance Costs	(4.5)	(1.2)	
Profit Before Tax	19.1	22.9	
Tax	(5.7)	(6.9)	
Cash interest on vendor liabilities	(2.4)	(2.6)	
Profit After Tax	11.0	13.4	
Profit attributable to equity holders	11.1	13.4	
EPS	10.5	12.8	

No acquisition debt assumed in proforma. \$1.2m represents working capital interest