



Challenge Recruitment Limited joins Rubicor

4 July 2007

Rubicor Group Limited (ASX: RUB), one of the leading recruitment services companies in Australia and New Zealand, today completed the acquisition of Challenge Recruitment for total consideration of \$12.95 million.

Challenge Recruitment specialises in long and short term high-volume temporary and permanent staffing solutions, covering a full spectrum of HR services, including industrial, administrative, clerical, customer service and executive. Challenge is based in Adelaide.

Wayman Chapman, Chief Executive Officer of Rubicor, said acquiring Challenge was a continuation of Rubicor's proven growth strategy of acquiring profitable recruitment businesses and driving organic growth in those businesses.

"Rubicor's strategy is to grow its platform of operating businesses and to continue to diversify across industry sector, service, employee type and geography. The industrial orientation of Challenge's recruitment services is a new area for Rubicor and an important addition to our diversified operations.

"Challenge will benefit through access to Rubicor's financial capability, operational expertise and buying power, and also opportunities to expand its client base through the wider Rubicor group network. The outlook for continued growth of the Challenge business is strong," he said.

Boris Bosnich, CEO of Challenge, said he was delighted Challenge is joining the Rubicor group of companies.

"Challenge has fantastic opportunities to grow our services, client base and industry presence. By joining with Rubicor we now have the right structure and financial backing to maximize those opportunities and support Challenge's growth.

"Importantly, Rubicor's multi-branded decentralised approach will preserve Challenge's individual focus, capability, branding, organizational culture and competitive advantages.

"I look forward to working with Rubicor to continue to grow the Challenge business into the future," he said.



The acquisition of Challenge was announced in the Rubicor prospectus, lodged with the ASIC on 11 May 2007.

Under terms of the acquisition, consideration paid was both script and cash. 19 Series B Redeemable Preference Shares were today issued to the Challenge vendors. These can be redeemed by the holders at certain times for earn out payments. Unlike the Series B Redeemable Preference Shares currently on issue (the terms of which were summarised in Rubicor's recent prospectus), these Series B Redeemable Preference Shares do not carry dividend rights. A total of \$500,000 was also paid to the Challenge vendors in December 2006 on signing of the acquisition agreements.

Rubicor recently listed on the Australian Securities Exchange.

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About Rubicor

Established in 2005, Rubicor operating companies bring together some of the best and most experienced people in the recruitment industry to offer search, selection, bulk recruitment, professional and support level contracting services and organizational development.

Rubicor operating companies are established organizations specializing in workforce solutions, recruitment and organizational development.

Each operating company possesses distinct competitive advantages including a strong business culture; integrity; specialist industry focus; excellent profitability, and solid growth prospects. The businesses are directed and staffed by industry professionals with extensive experience in their field.

For more information please visit www.rubicor.com.au.