



FY 2007 Results



Agenda

- **Highlights:**

- *Financial Performance Highlights*
- *Operational Milestones*

- Operational Review
- Financial Review
- 2008 Outlook

Financial Performance highlights

| | | | |
|---|------------------|-------------------------------|-----------------------------------|
| Revenue | \$156.5m | UP 140.4% on p/year | In line with IPO forecast |
| EBITDA | \$16.5m * | UP 141.3% on p/year | UP 4.4% on IPO forecast |
| EBIT | \$12.5m * | UP 233.0% on p/year | UP 9.5% on IPO forecast |
| Cash EPS | 12.8 c | | UP 4.0% on IPO forecast |
| EBITDA margin* of 10.5% remains market leading | | | |
| \$12.8m in cash generated from operations (b4 int + tax) | | | |

* Prior to IPO costs of \$2.1 million

Operational Milestones

- Challenge Recruitment acquisition successfully completed
- Increasing presence in Asia via;
 - Xpand
 - SMF
 - Cadden Crowe
- Authorised supplier to TAC Worldwide
- More acquisitions to come



Agenda

- Highlights
- **Operational Review**
 - *Business Overview*
 - *Breakdown of Operations*
- Financial Review
- 2008 Outlook

Business overview

- **One of the largest recruitment services groups in Australia and NZ**
 - 19 operating businesses
 - 43 offices
 - Over 500 employees

Business overview



■ Decentralised model

- **Multi branded** operating platform
- Retains **owner-operator culture** at Operating Business level
- **Corporate function** providing budgeting, sales and marketing, strategy and reporting

■ Proven acquisition model delivers

- **accretive acquisitions** and
- **growth incentives** with de-risking for poor performance



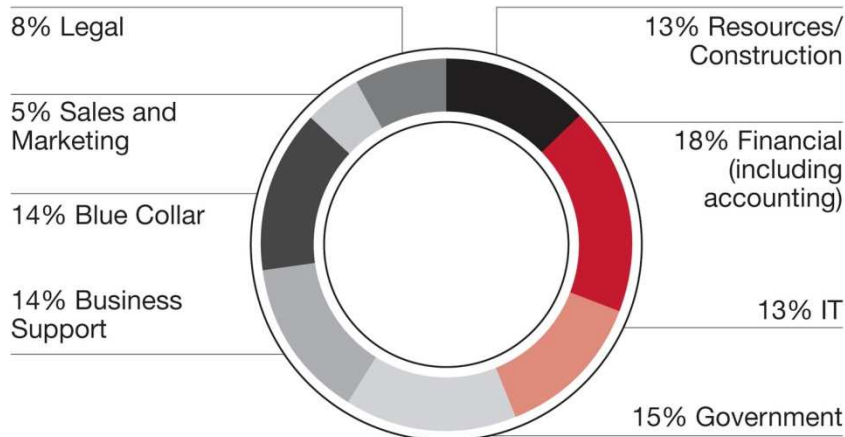
Business overview

- **Entrepreneurial culture** that encourages managers to drive growth
- **Continued growth** through inter-brand referrals and productivity improvements
- **Strategic acquisitions** of businesses that extend and diversify operations into new areas

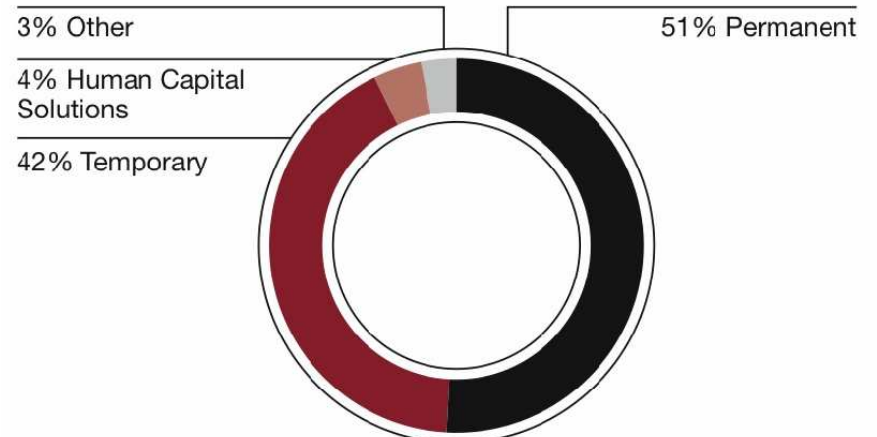
Breakdown of Operations

- Diversity of operations across industry, geography, and service.

BY INDUSTRY



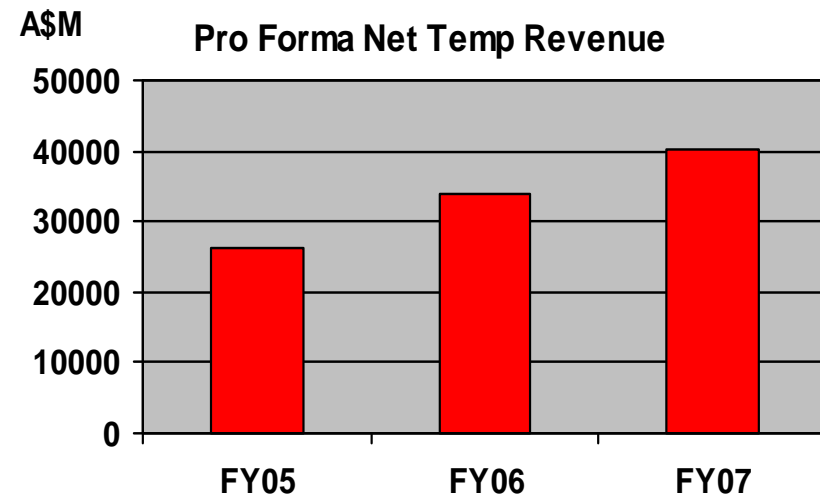
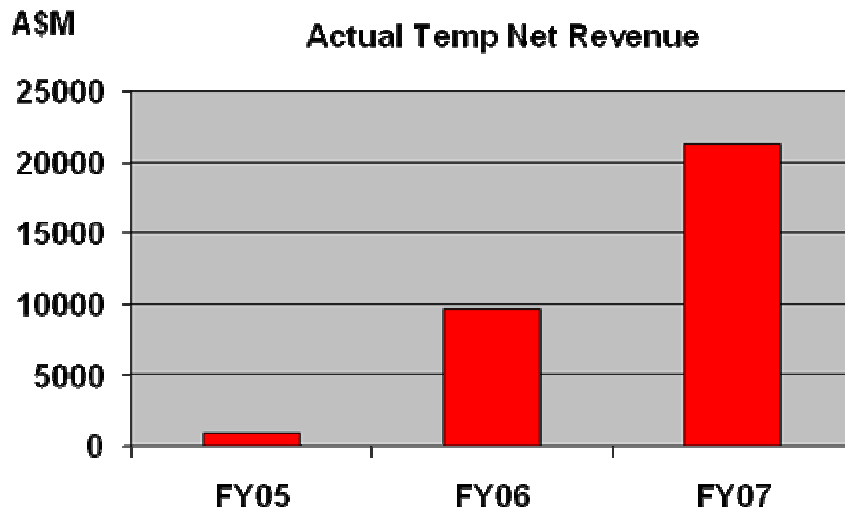
BY SERVICE



Breakdown of Operations

- Temporary

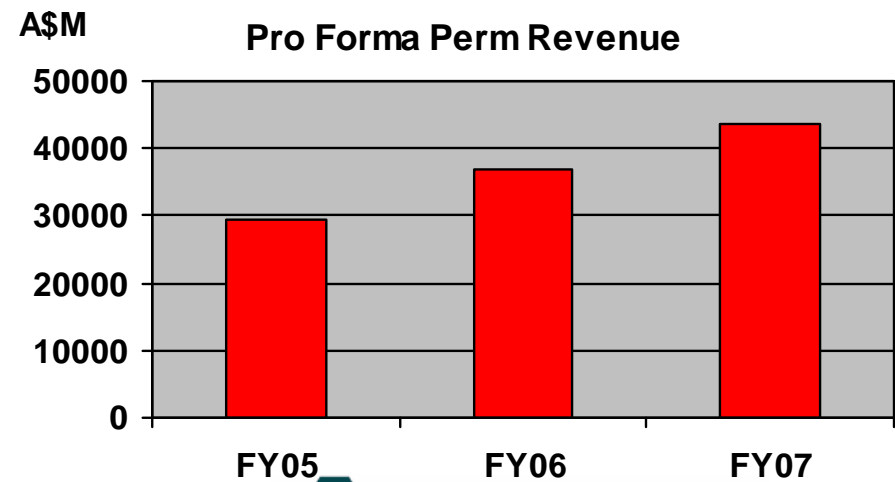
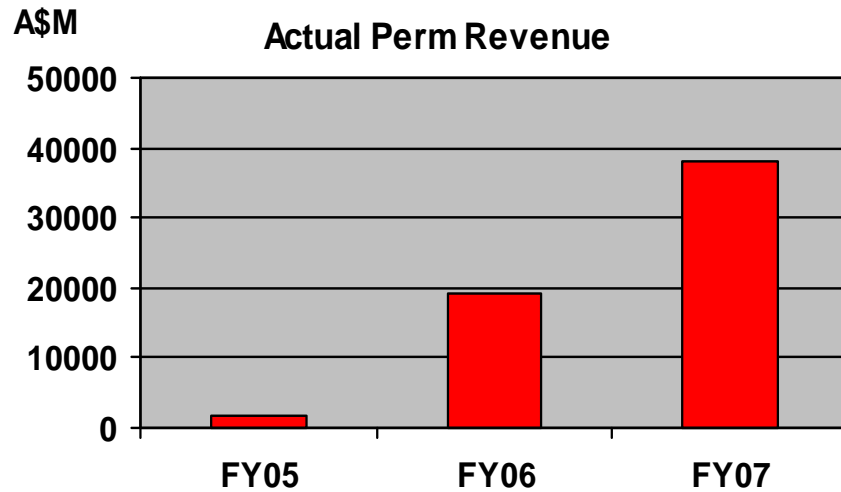
| | FY07 \$M | FY06 \$M | Change % |
|------------------|-------------|-------------|-------------|
| Temp Revenue | 113.3 | 43.0 | 163.5 |
| Temp Net Revenue | 21.3 | 9.6 | 121.9 |
| Temp margin (%) | 18.8% | 22.3% | -15.8 |



Breakdown of Operations

■ Permanent

| | FY07 \$M | FY06 \$M | Change % |
|---------|-------------|-------------|-------------|
| Revenue | 38.3 | 19.4 | 97.4 |





Agenda

- Highlights
- Operational Review
- Financial Review
 - *Financial Summary*
 - *Comparison to IPO Forecasts*
 - *Reconciliation of NPAT to Cash Earnings*
 - *Balance Sheet*
- 2008 Outlook

Financial Summary

| 12 Months | FY07 | FY06 | Change |
|--------------------------------|--------|--------|--------|
| | \$M | \$M | % |
| Revenue | 156.5 | 65.1 | 140.4 |
| On hired labour costs | (92.1) | (33.4) | |
| NDR (Gross Margin) | 64.4 | 31.7 | |
| Expenses ¹ | (50.1) | (24.9) | |
| EBITDA | 14.3 | 6.8 | 110.3 |
| Depreciation | (0.5) | (0.3) | |
| Amortization | (3.4) | (2.8) | |
| EBIT | 10.4 | 3.7 | 181.1 |
| Interest on vendor liabilities | (5.4) | (2.6) | |
| Finance costs | (7.1) | (2.5) | |
| Profit before tax | (2.1) | (1.4) | |
| Tax expense | (1.1) | (0.8) | |
| Loss after tax | (3.2) | (2.2) | |

¹ Includes IPO costs of \$2.1m

Actual vs. IPO Stat Forecast

| FY07 | ACT FY07 \$M | IPO STAT FY07 \$M | Change % |
|--------------------------------|--------------------|-------------------------|-------------|
| Revenue | 156.5 | 157.2 | -0.4 |
| On hired labour costs | (92.1) | (95.2) | |
| NDR (Gross Margin) | 64.4 | 62.0 | |
| Expenses ¹ | (50.1) | (48.3) | |
| EBITDA | 14.3 | 13.7 | 4.4 |
| Depreciation | (0.5) | (0.6) | |
| Amortization | (3.4) | (3.6) | |
| EBIT | 10.4 | 9.5 | 9.5 |
| Interest on vendor liabilities | (5.4) | (5.2) | |
| Finance costs | (7.1) | (7.0) | |
| Profit before tax | (2.1) | (2.7) | 22.2 |
| Tax expense | (1.1) | (1.2) | |
| Loss after tax | (3.2) | (3.9) | 17.9 |

¹ Includes IPO costs of \$2.1m

Actual Pro Forma vs. IPO Pro Forma Forecast

| FY07 | ACT FY07 \$M | IPO P/F FY07 \$M | Change % |
|--------------------------------|--------------------|------------------------|-------------|
| EBITDA | 25.0 | 24.1 | 3.7 |
| Depreciation | (0.9) | (1.0) | |
| Amortization | (4.9) | (4.9) | |
| EBIT | 19.2 | 18.2 | 5.5 |
| Interest on vendor liabilities | (7.5) | (7.4) | |
| Finance costs | (1.2) | (1.2) | |
| Profit before tax | 10.5 | 9.6 | 9.4 |
| Tax expense | (5.5) | (5.1) | |
| Profit after tax | 5.0 | 4.5 | 11.1 |

Actual Pro Forma Cash NPAT vs. IPO Pro Forma Cash NPAT

| | ACT P/F FY07 \$'000s | IPO P/F FY07 \$'000s |
|---|----------------------------|----------------------------|
| NPAT | 4,953 | 4,460 |
| <u>Significant non-cash items:</u> | | |
| Amortisation of identifiable intangible assets | 4,858 | 4,902 |
| Interest on vendor liabilities (unwind of discount on earn-out) | <u>7,550</u> | <u>7,485</u> |
| | 17,361 | 16,847 |
| Tax impact of non-cash items ¹ | <u>(3,943)</u> | <u>(3,943)</u> |
| Cash earnings | <u>13,418</u> | <u>12,904</u> |
| Cash earnings per share (cents)² | <u>12.8</u> | <u>12.3</u> |

1. The amount by which the actual tax payments in respect of the year ended 30 June 2007 will exceed the income tax expense reported. Tax impact includes adjustment for future cost of funding associated with vendor liabilities.

2. Based on 105 million shares

Reconciliation of NPAT to Cash Earnings

| | FY07 \$'000s |
|---|---------------------|
| NPAT | (3,182) |
| <u>Significant non-cash items:</u> | |
| Amortisation of identifiable intangible assets | 3,451 |
| Interest on vendor liabilities (unwind of discount on earn-out) | <u>5,340</u> |
| | 5,609 |
| Tax impact of non-cash items ¹ | <u>(3,503)</u> |
| Cash earnings | <u>2,106</u> |
| Cash earnings per share² (cents) | <u>2.0</u> |

1. The amount by which the actual tax payments in respect of the year ended 30 June 2007 will exceed the income tax expense reported. Tax impact includes adjustment for future cost of funding associated with vendor liabilities.

2. Based on 105 million shares

Balance Sheet

| 30 June | 2007 \$M | 2006 \$M | Change % |
|--|--------------|--------------|---------------|
| Cash | 12.7 | 2.0 | 535.0 |
| Receivables | 27.3 | 10.6 | 157.5 |
| Intangibles | 92.2 | 34.4 | 168.0 |
| Other assets | 9.8 | 5.4 | |
| Total assets | 142.0 | 52.4 | 171.0 |
| Vendor liabilities - Current | 11.5 | 3.2 | 259.4 |
| Vendor liabilities - Long term | 45.1 | 14.9 | 202.7 |
| Borrowings | 6.3 | 9.2 | (31.5) |
| Other liabilities | 18.7 | 11.7 | |
| Total liabilities | 81.6 | 39.0 | 109.2 |
| Net assets | 60.4 | 13.4 | 350.7 |
| Net gearing 1 | 9.4% | 35.0% | (73.0) |
| Net asset backing (cents)² | 56.9 | 79.7 | (28.6) |

1 Excludes cash in FY07 as utilised for Challenge completion payment

2 Based on 105 million shares

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- 2008 Outlook
 - *Macro Drivers*
 - *Financial Outlook*

Macro Drivers

- Demand for labour remains robust
- More acquisitions likely
- Strong growth in underlying business

Financial Outlook

- Benefit of full year impact on FY07 acquisitions
- Cash EPS¹: close to 10% growth over FY07 actual PF of 12.8 cents
- Dividend: As per policy: 50% - 70% of NPAT
- Further acquisitions targeted

¹ Excludes future acquisitions