Rubicor

BUSINESS PEOPLE
PEOPLE BUSINESS

Rubicor Group Limited
ABN 74 110 913 365

PROSPECTUS

An underwritten offer of 75.8 million shares at an offer price of $1.00 per share.

Underwriter and Lead Manager

ORD MINNETT

IMPORTANT NOTICE

Lodgement and listing

This Prospectus is dated 14 May 2007 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. Rubicor Group Limited (ABN 74 110 913 365) (the "Company") will apply to ASX for listing and quotation of the Shares on ASX within seven days after the date of this Prospectus. No securities will be issued or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Offer

The Offer contained in this Prospectus is an invitation to apply for Shares in the Company made by the Company and the Vendor Shareholders.

Note to Applicants

This Prospectus contains general information only and does not take into account the investment objectives, financial situation or particular needs of any investor. This Prospectus should not be construed as financial, taxation, legal or other advice. It is important that you read this Prospectus carefully and in full before deciding to purchase Shares in the Company. In particular, in considering the prospects of the Company, you should consider the assumptions underlying the FY2007 Pro forma and statutory Forecasts and, the risk factors that could affect the financial performance of the Company in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding to invest. Some of the risk factors that should be considered by potential investors are outlined in Section 6.

Disclaimer

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the Shares.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company, the Directors or the Vendor Shareholders.

No overseas registration

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia or New Zealand. The Offer in New Zealand is only to Eligible Employees and not the general public. The distribution of this Prospectus outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia or New Zealand should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or invitation. In particular, the Shares have not been, and will not be, registered under the US Securities Act of 1933 as amended ("US Securities Act"), and may not be offered, sold or resold in the United States or to, or for the account or benefit of, US Persons (as defined in Rule 902 under the US *Securities Act*).

Electronic Prospectus

An electronic version of this Prospectus appears at the following website: www.rubicor.com.au. The information on www.rubicor.com.au does not form part of the Prospectus.

The Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus in electronic form within Australia. Persons who receive the electronic form of the Prospectus should ensure that they download and read the entire Prospectus. The Offer constituted by this Prospectus in electronic or paper form is not available to investors in any other jurisdiction. Persons having received a copy of this Prospectus in its electronic form may, during the Offer Period, obtain a paper copy of this Prospectus (free of charge) by contacting either the Rubicor Offer Information Line on 1800 817 266 (from within Australia) or +61 28 280 7491 (from outside Australia) or the Lead Manager whose details are contained in the Corporate Directory. Applications for Shares may only be made on the Application Form attached to or accompanying this Prospectus unless otherwise directed by the Lead Manager. The *Corporations Act* prohibits any person from passing on to another person an Application Form unless it is attached to or accompanies a hard copy of this Prospectus or a complete and unaltered electronic copy of the Prospectus.

Exposure period

The *Corporations Act* prohibits the Company from processing applications in the seven day period after the date of lodgement of this Prospectus with ASIC. This Prospectus will be made generally available to Australian residents, without the Application Form, during the Exposure Period by being posted on the Rubicor website at www. rubicorgroup.com.au. The Exposure Period may be extended by ASIC by up to a further seven days. This period is an exposure period to enable this Prospectus to be examined by market participants prior to the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

Photographs

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company.

Financial amounts

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

Glossary

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Privacy

By filling out an Application Form to apply for Shares, you are providing personal information to the Company through the Company's service provider, the Share Registry, which is contracted by the Company to manage Applications. The Company, and the Share Registry on its behalf, collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Corporations and tax laws require some of the information to be collected. If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by Rubicor which it considers may be of interest to you.

Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Company's shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering and advising on the Shares and for associated actions.

You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by writing to or telephoning the Share Registry as follows:

Link Market Services Limited
ABN 54 083 214 537
Level 12
680 George Street
Sydney NSW 2000
TEL: (02) 8280 7111
FAX: (02) 9287 0303
www.linkmarketservices.com.au

If any of your information is not correct or has changed, you may require it to be corrected.

Key Dates

Prospectus lodged with ASIC	14 May 2007
Opening Date	21 May 2007
Closing Date	7 June 2007
Allotment, issue and transfer of Shares	14 June 2007
Expected date for shares to commence trading on ASX (initially on a deferred settlement basis)	15 June 2007
Expected date for despatch of holding statements	19 June 2007
Expected date for shares to commence trading on ASX on a normal basis	20 June 2007

Notes

The above timetable is indicative only. The Company, in consultation with the Lead Manager, expressly reserves the right to vary the Offer dates, or may decide to withdraw or otherwise not proceed with the Offer, without prior notice. Applicants are encouraged to submit their applications as soon as possible as the Offer may close early. If the Offer does not proceed, the Application Monies will be returned to the Applicants without interest.

Key Offer Statistics

Number of Shares being offered under this Prospectus	75,838,196
Offer Price	$1.00
Offer Proceeds	$75,838,196
Total number of Shares immediately after allotment and transfer of Shares under the Offer	105,000,000
Market capitalisation of Company immediately following the Offer	$105,000,000
Enterprise Value[1] of Company immediately following the Offer	$164,223,000

Forecast for the year ending 30 June 2007

Pro forma forecast NPAT	$4,460,000
Statutory forecast NPAT	$(3,879,000)
Pro forma forecast Adjusted NPAT[2]	$12,903,950
Pro forma forecast EBITDA	$24,098,512
Statutory forecast EBITDA	$13,665,000
Price/Pro forma forecast NPAT multiple	23.54
Price/Statutory forecast NPAT multiple	–
Price/Pro forma forecast Adjusted NPAT[2] multiple	8.14
Enterprise Value[1]/Pro forma forecast EBITDA	6.81
Enterprise Value[1]/Statutory forecast EBITDA	12.02

1 Enterprise Value is equal to market capitalisation plus present value of Earn-out and Exit liabilities less cash and cash equivalents. Enterprise Value calculation excludes working capital related debt.

2 Pro forma Adjusted NPAT means pro forma forecast NPAT excluding the after tax cost of amortisation and interest on vendor liabilities and including the dividend on Series B Redeemable Preference Shares. Please refer to Section 8 for further details of the pro forma financial information, including assumptions.

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Dear Investors,

On behalf of the Directors of Rubicor Group Limited, I am pleased to offer you the opportunity to invest in one of the largest recruitment services companies in Australia and New Zealand.

Whilst Rubicor is a relatively young enterprise, its Operating Businesses have an extensive history as providers of permanent, temporary and contract recruitment services and human capital solutions to businesses and candidates across a diverse range of industries in Australia and New Zealand. Following the IPO, Rubicor will have 19 Operating Businesses in 39 offices with over 480 employees.

Rubicor's strategy is to develop a platform of Operating Businesses diversified across industry sector, service and employee type and geography. As part of this strategy, Rubicor has and will continue to acquire and grow specialist recruitment businesses under a structure that seeks to maintain the culture, experience, focus, capability, branding and entrepreneurial drive that characterise the individual Operating Businesses and the professionals within them.

Rubicor has grown rapidly to date and the Board of Directors is confident that the scale and diversity of its operations, strength of its management team and entrepreneurial approach will provide a strong combination of growth and defensive attributes to deliver sustainable shareholder value into the foreseeable future.

This Prospectus offers to investors the opportunity to invest in the Offer of approximately 75.8 million Shares at a price of $1.00 to raise a total of approximately $75.8 million, which is fully underwritten. Following the Offer, Rubicor will have a market capitalisation of $105.0 million at the Offer Price.

This Prospectus explains the operating and financial position of Rubicor. You should read it carefully, including the Risk Factors set out in Section 6, before making an investment decision.

On behalf of the Directors, I commend this investment opportunity to you and look forward to welcoming you as a shareholder.

Yours faithfully

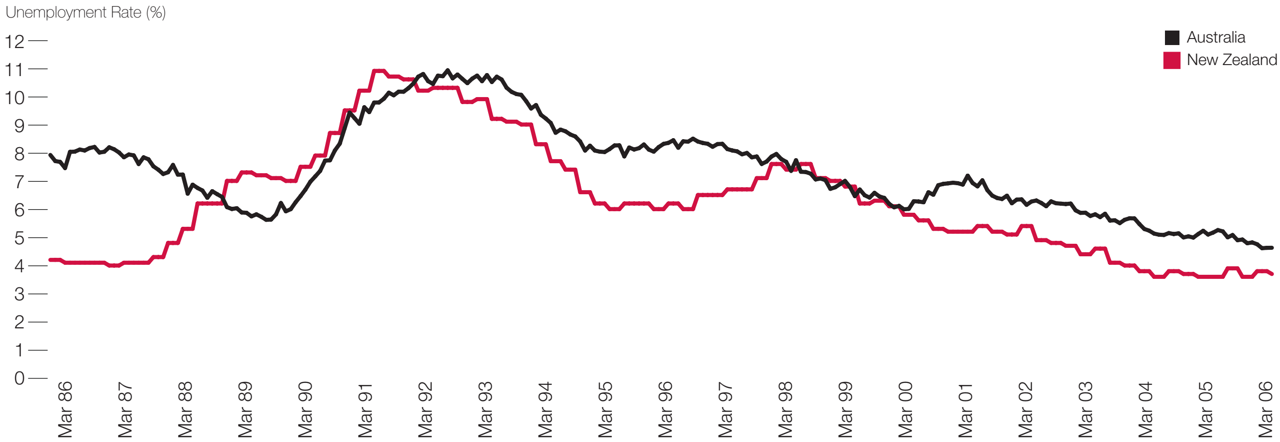
Rob Aitken

Robert Aitken
Chairman

Robust Market Conditions

- Australian and New Zealand unemployment rates at 25 year lows
- Expected long term labour shortages

Unemployment rates in Australia and New Zealand
(Seasonally adjusted)



Source: www.abs.gov.au Australian Bureau of Statistics, Employment Cat. 6202.0.55.001 – Labour Force, Australia, Spreadsheets, Jan 2007, Table 02. Labour force status by Sex – Seasonally adjusted and also www.stats.govt.nz Statistics New Zealand Household Labour Force Survey December 2006 Quarter.

Skillsearch

Sydney CBD

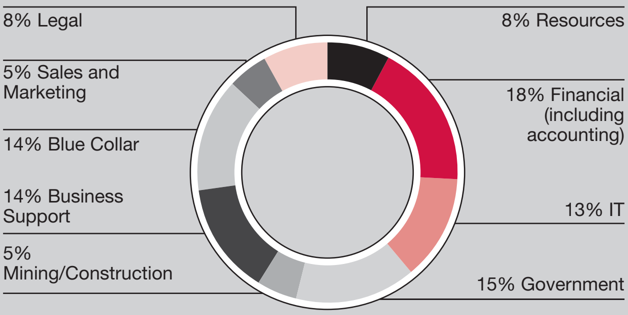
Skillsearch fills technical roles such as software developers and architects, team leaders, project managers, and business, test and technical support analysts. It has a specialist consulting services team delivering highly experienced software testers across Australia.

Diversified Operations

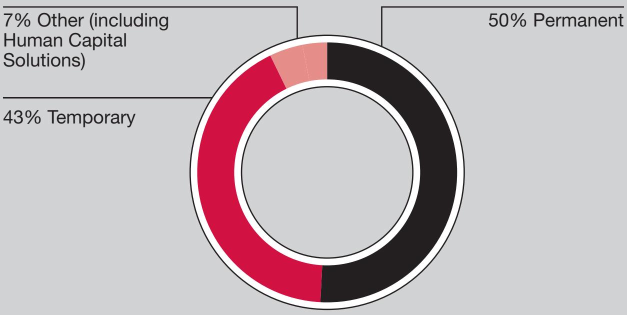
- 19 established, profitable, specialty recruitment businesses[1]
- Diversity of operations across industry, geography and service.

Pro forma forecast breakdown of Full Year 2007 Net Revenue[2]

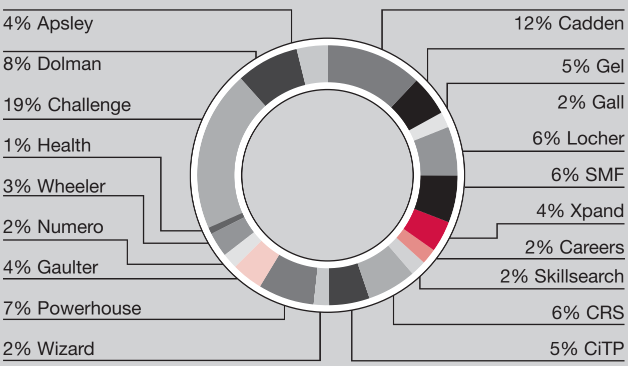
BY INDUSTRY



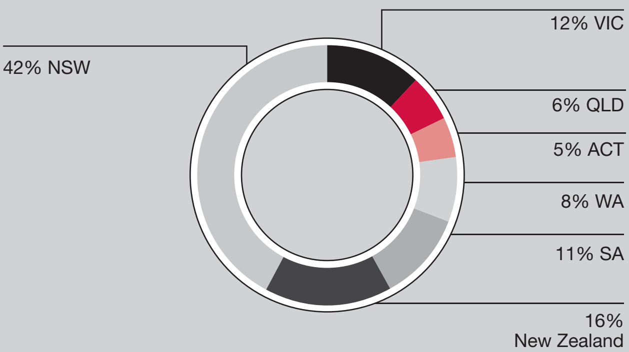
BY SERVICE



BY OPERATING BUSINESS



BY GEOGRAPHY



[1] *Includes Challenge Recruitment which will not be acquired until shortly after the IPO.*

[2] *Based on forecast pro forma Net Revenue for the financial year ending 30 June 2007. Includes contribution from Challenge Recruitment which will not be acquired until shortly after the IPO (see Section 10.6 for more information).*

Differentiated Business Model

- Retains elements of owner operator structure
- Leverages off the scale of the Rubicor group and specialty Operating Businesses
- Established brands are maintained

Experienced Management Team

- Executive Management Team with approximately 50 years recruitment industry experience
- 46 Business Managers experienced in growing recruitment businesses

From left to right:
Wayman Chapman,
Jane Beaumont,
Kevin Levine

Risks

The key risks which the Directors believe are associated with an investment in the Company are summarised below:

- an inability to recruit and retain key personnel;
- a downturn in the employment market;
- an inability to identify and attract suitable candidates;
- the loss of key contracts;
- an inability to identify and execute appropriate acquisitions including the completion of the Challenge Recruitment acquisition;
- the variability in the level and timing of deferred consideration payments;
- an inability to finalise and execute the new debt financing facilities;
- an inability to manage a diversified group structure;
- the loss of professional reputation and/or damage to brand name;
- material interruptions to IT services;
- an increase in competition from existing and/or new competitors;
- being held responsible for the actions of temporary or contract staff in a client's workplace;
- changes to the treatment of copyright amortisation by the Australian Taxation Office; and
- changes in government regulations on immigration.

An investment in the Company is also subject to other general and specific risks which may affect the value of its Shares and the financial performance, financial position, cash flows, dividends, growth prospects and share price of the Company. Further details of the risks set out above and other risks affecting the Company are set out in Section 6.

Wizard
ACT

With a history of 21 years in the Canberra market, Wizard has a particular strength in the Government sector. The business supplies a broad range of positions including clerical, high level secretarial, program and contract management roles.

Investment Overview 01

SMF Recruitment

Sydney, Melbourne

Based in Sydney, SMF specialises in Banking and Finance, Insurance and Accounting. Responding to demand from its existing clients for Melbourne-based recruitment services, SMF is in the process of establishing a Melbourne office.

Section 1.
Investment Overview

1.1 Business Overview

Rubicor provides permanent, contract and temporary recruitment services to employers and candidates, primarily in Australia and New Zealand, across a diverse range of industry sectors, candidate types and geographies. It also provides human capital solutions to employers in both markets.

Following the IPO, Rubicor will consist of 19 diverse recruitment and human capital solutions businesses (the "Operating Businesses") employing over 480 people across 39 offices in most major Australian and New Zealand cities and some regional Australian centres. One of these Operating Businesses, the Challenge Recruitment business, will be acquired shortly after the IPO occurs and this Prospectus is drafted on the basis that the Challenge Recruitment acquisition has been completed. See Section 10.6 for more information about the acquisition of Challenge Recruitment.

Rubicor's operations combine the benefits enjoyed by small specialist recruitment companies with the advantages of larger, diversified recruitment companies.

The Company's objective is to grow its existing portfolio of Operating Businesses organically as well as acquiring additional complementary businesses that increase its scale and enhance the diversity of its operations across industry sectors, candidate types and geographical locations.

Where the Company seeks to acquire additional complementary businesses, it focuses on identifying high quality, growing, small to medium sized specialist recruitment companies, managed by skilled and experienced professionals with excellent personal and business skills. The Company brings such businesses into Rubicor and seeks to provide them with the knowledge, tools and incentives to grow their revenue and earnings more quickly than they would be able to do alone.

1.2 Investment Highlights

Robust Market Fundamentals

The Directors believe that the short and long term outlook for the Recruitment Industry is strong as a result of:

- the current 25 year cyclical lows in unemployment;
- the longer term forecast labour shortages resulting from reductions in the employment participation rate as Australian and New Zealand populations age;
- increasing labour force flexibility; and
- increasing levels of outsourcing.

Specialist Expertise

Each of the Operating Businesses within Rubicor has developed specialist expertise in its chosen market segment. By specialising in this way, the Operating Businesses aim to remain close to their chosen markets, enabling them to provide outstanding service to their clients and candidates.

Scale

Across its 39 offices and over 480 employees, Rubicor is able to service the recruitment needs of clients across multiple candidate types in most Australian and New Zealand capitals as well as most major regional Australian cities.

Diversity

With Rubicor's four largest clients forecast to represent less than 13% of Forecast Pro Forma Net Revenue for the year ending 30 June 2007 and significant diversity across industry sectors, permanent and temporary and contract recruitment, geography and clients, Rubicor is well positioned to absorb fluctuations in the economic performance of individual industries and geographies.

Entrepreneurial Approach

Through the effective use of incentives and performance measurement tools across all Operating Businesses, Rubicor has developed a business model that is able to maintain the individual characteristics of each Operating Business and harness the experience, capabilities and entrepreneurial drive within these businesses.

Experienced Management Team

Rubicor's Executive Management Team has a total of over 50 years experience in the recruitment industry both in Australia and overseas, with specific experience running large multi-disciplinary recruitment organisations.

The Executive Management Team is supported by 46 Business Managers who have significant experience in growing and developing recruitment businesses.

1.3 Selected Financial Information

$ 000	30 Jun 05 actual	30 Jun 06 actual	30 Jun 07 statutory forecast	30 Jun 07 pro forma forecast
Total revenue	6,096	65,075	157,159	333,545
Net revenue	2,992	31,647	61,947	87,276
EBITDA	440	6,831	13,665	24,099
EBITA			13,092	23,123
EBIT			9,531	18,221
Net profit/(loss) after tax			(3,879)	4,460

The table above is a summary of the Company's historical financial information for the financial years ended 30 June 2005 and 2006 and forecast financial information for the financial year ending 30 June 2007. The Forecast Financial Information contains statutory forecast information, which has been prepared and presented on the same basis as the financial information that will be included in Rubicor's audited annual report for the year ending 30 June 2007. The forecast pro forma financial information reflects what Rubicor's forecast year ending 30 June 2007 would be if it had its IPO capital structure in place for the full year, and assuming that the acquisitions that it made, or in the case of Challenge Recruitment proposes to make, during 2007 were completed on 1 July 2006. Certain other one-off items (such as Offer costs and costs associated with a transaction which was not ultimately pursued) have also been excluded. More detailed financial information, including the assumptions for the forecast financials, can be found in Section 8. For the material adjustments made to the pro forma forecast income statement for the financial year ending 30 June 2007 and reconciliation to the statutory forecast income statement for the year ending 30 June 2007, refer to Section 8.

1.4 Key Investment Risks

The key risks which the Directors believe are associated with an investment in the Company are summarised below:

- an inability to recruit and retain key personnel;
- a downturn in the employment market;
- an inability to identify and attract suitable candidates;
- the variability in the level and timing of deferred consideration payments;
- the loss of key contracts;
- an inability to finalise and execute the new debt financing facilities;
- an inability to identify and execute appropriate acquisitions including the Challenge Recruitment acquisition;
- an inability to manage a diversified group structure;
- the loss of professional reputation and/or damage to brand name;
- material interruptions to IT systems;
- an increase in competition from existing and/or new competitors;
- being held responsible for the actions of temporary or contract staff in a client's workplace;
- changes in government regulations on immigration; and
- changes to the treatment of copyright amortisation by the Australian Tax Office.

An investment in the Company is also subject to other general and specific risks which may affect the value of its Shares and the financial performance, financial position, cash flows, dividends, growth prospects and share price of the Company. Further details of the risks set out above and other risks affecting the Company are set out in Section 6.

1.5 Dividend Policy

The Company does not expect to pay a final dividend on the Shares in respect of the financial year ending 30 June 2007.

Subject to the availability of distributable profits, the Company's financial position, future capital requirements and any other factors the Directors may consider relevant, the Company expects to pay interim and final dividends on the Shares each year thereafter.

The Directors can give no assurance as to the future payment of dividends, the level of franking or imputation of such dividends or the extent of payout ratios. However, subject to prevailing conditions, the Directors intend to adopt a dividend policy of paying out 50-70% of net profit after tax.

The Company will also pay preference dividends on the Series B Redeemable Preference Shares as described further in Sections 8 and 11.2.8.

1.6 The Offer

This Prospectus contains information on the Offer of approximately 75.8 million Shares, which will represent approximately 72% of the Company's issued Shares at completion of the Offer. The Offer is fully underwritten by Ord Minnett Limited.

The Offer has three components:

- the Broker Firm Offer, which is open to Broker Firm Applicants in Australia;
- the Employee Priority Offer, which is open to Eligible Employees; and
- the Institutional Offer, which is open to Institutional Investors in Australia.

Eligible Employees who apply under the Employee Priority Offer will be entitled to be allotted a guaranteed minimum of 5,000 Shares. Subject to the guaranteed minimum for Eligible Employees, the allocation of Shares between the Broker Firm Offer, the Employee Priority Offer and the Institutional Offer will be determined by the Lead Manager in consultation with the Company.

Of the approximately 75.8 million Shares available under the Offer:

- approximately 31.6 million are Sale Shares being sold by the Vendor Shareholders; and
- approximately 44.2 million are New Shares being issued by the Company.

More information about the Vendor Shareholders can be found in Section 11.

Further details of the Offer are set out in Section 3.

1.7 Objectives and Purpose of the Offer and Use of Funds

The objectives of the Offer are to:

- achieve listing on the ASX to broaden the shareholder base; and
- establish a financial and ownership structure that will facilitate the continued expansion of Rubicor's business and facilitate future acquisitions.

The purpose of the Offer of the Sale Shares is to allow the Vendor Shareholders to realise part or all of their investment in the Company.

The purpose of the Offer of the New Shares is to partially fund the redemption of the Series B Redeemable Preference Shares held by the original owners of certain Operating Businesses. In the meantime, the funds raised from the issue of the New Shares will be used to:

- fund the partial retirement of debt;
- pay certain expenses of the Offer; and
- pay the cash component of the purchase price for the acquisition of Challenge Recruitment.

The proceeds of the Offer will be applied broadly as follows:

Sources and Applications of proceeds of the Offer

Sources	$ Million
Gross proceeds of the Offer	75.8
Applications	
Sale proceeds payable to Vendor Shareholders	31.6
Acquisition of Challenge Recruitment	13.0
Additional working capital	2.5
Reduction of senior and mezzanine debt	27.1
Part payment of Offer expenses	1.6
Total	75.8

The Directors consider that, following completion of the Offer, the Company will have sufficient working capital arising from cash flow from operations and available funding sources to fund its stated business objectives.

1.8 Indicative Capital Structure

The table below sets out the ownership of Shares in the Company as at the date of this Prospectus but assuming that the Restructuring described in Section 11.1 (but not the transfer to Apex described in Section 11.9) has occurred and immediately after completion of the Offer.

	Before the Offer		After the Offer[1] (non-diluted basis)		After the Offer[2] (fully-diluted basis)	
	Number	Percentage Interest	Number	Percentage Interest	Number	Percentage Interest
ANZ	6,420,783	10.6%	6,420,783	6.1%	6,420,783	5.6%
ACN 125 359 588 Pty Ltd[3]	19,262,351	31.7%	0	0%	0	0%
Executive Management Team and Business Managers and Other Employees	10,771,039	17.7%	10,134,874	9.7%	19,095,746	16.8%
Other Existing Shareholders	24,325,828	40.0%	12,606,147	12.0%	12,606,147	11.1%
New Shareholders	0	0.0%	75,838,196	72.2%	75,838,196	66.5%
Total	60,780,000	100%	105,000,000	100%	113,960,872	100%

1. The non diluted basis assumes that no Options have been exercised and that 2,072,925 shares that will be issued on conversion of the Series C Shares during the Offer Period have been issued.
2. The fully-diluted basis assumes that all Options currently on issue or issued under this Prospectus have been exercised and that the maximum number of Series C Shares that could potentially be converted into Shares have been converted on the basis of 1 Share for 1 Series C Share.
3. ACN 125 359 588 Pty Ltd is a wholly owned subsidiary by ANZ.

Immediately prior to the completion of the Offer, the Company will also have on issue 278 Series B Redeemable Preference Shares and 6,245,775 Series C Shares, which are held by former owners of Operating Businesses.

The Series B Redeemable Preference Shares are redeemable in cash based upon the performance of certain of the Operating Businesses. For further details of the financial obligations associated with these shares please refer to Section 11.2.8.

The Series C Shares are convertible into Shares at different dates between 19 May 2007 and 2 January 2009. Up to 2,072,925 Shares will be issued on conversion of Series C Shares during the Offer Period. For consistency, these Shares have been included in the Shares on issue before the Offer. The maximum number of additional Shares issuable on conversion of all the Series C Shares after the Offer Period is 6,084,570, with the actual number being dependant upon the performance of certain of the Operating Businesses.

For further details of the rights attaching to each of these classes of shares please refer to Section 11.

1.9 Key Employee Options

In addition to the Shares issued under the Offer, 1,847,459 Key Employee Options will also be issued under this Prospectus to existing employees of Rubicor. Including the Key Employee Options issued under this Prospectus, following the Offer, the Company will have on issue 2,876,302 Options all of which have been or will be issued under the Employee Share Option Plan. The Key Employee Options will not be listed on ASX. Further details of the Key Employee Options are set out in Section 11.4.1.

1.10 Voluntary Escrow arrangements

The Directors, the Executive Management Team and the Business Managers of the Company have agreed to enter into escrow arrangements with the Company under which they will be restricted from selling Shares following the Offer until after the release of the Company's financial statements for the half year ending 31 December 2007 (refer to Section 11.5 for further details).

All other Existing Shareholders (except for those selling their entire holding of Shares under the Offer) have agreed to enter into escrow arrangements with the Company under which they will be restricted from selling Shares following the Offer until after the release of the Company's financial statements for the year ending 30 June 2007 (refer to Section 11.5 for further details).

Employees acquiring Shares under the Offer will be restricted from dealing in Shares in accordance with the Company's Share Trading Policy, as summarised in Section 7.4.

1.11 New Zealand Operating Businesses

At the date of this Prospectus, Rubicor currently owns approximately 70% of the New Zealand Operating Businesses. The Company structured its acquisition of the New Zealand Operating Businesses to provide for the transfer of approximately 70% of the Operating Business to Rubicor on completion of the relevant acquisition, with the remaining 30% to be transferred to Rubicor in two subsequent tranches following the 1st and 2nd anniversaries of completion.

Ultimate control and economic ownership of the relevant Operating Businesses transferred to Rubicor on completion of these acquisitions (providing the Company complies with its obligations under the acquisition agreements), but the shares in the relevant New Zealand Operating Businesses will not be 100% owned by Rubicor until 24 to 30 months after completion of the relevant acquisitions.

See Section 10.5.4 for further information on Rubicor's New Zealand acquisitions.

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Answers to Key Questions 02

Challenge Recruitment
Adelaide

Challenge's business model is attuned to large volume outsourcing requirements in manufacturing, warehousing, logistics, call centres, administration and civil construction. The majority of Challenge's client base is serviced via Preferred Supplier Agreements with major blue chip Australian companies and public sector departments.

Section 2.
Answers to Key Questions

Topic	Summary	Where to find more information
Who are the issuers of this Prospectus?	Rubicor Group Limited and each of the Vendor Shareholders.	
What does Rubicor do?	Rubicor provides permanent, contract and temporary recruitment services to employers and candidates, primarily in Australia and New Zealand, across a diverse range of industry sectors, candidate types and geographies. It also provides human capital solutions to employers in both markets.	Section 5
What is the Offer?	The Offer is an initial public offer of Shares that will be in part issued by the Company and in part sold by the Vendor Shareholders.	Section 3
What is the Key Employee Option Offer?	The Key Employee Option Offer is the offer of unlisted options over Shares to certain key employees for nil consideration.	Section 3.10
What is the Offer Price?	The Offer Price is $1.00 per Share.	Section 3
What are the Gross Proceeds of the Offer?	The Gross Proceeds of the Offer will be $75.8 million.	Section 3
How will the Gross Proceeds of the Offer be used?	The proceeds will be used to: • fund sale proceeds payable to Vendor Shareholders; • partially fund the redemption of Series B Preference Shares and in the meantime: – fund the acquisition of Challenge Recruitment; – reduce senior and mezzanine debt; and – fund some of the Offer expenses.	Section 1.7
What are the objectives and the purpose of the Offer?	The objectives of the Offer are to: • achieve listing on the ASX to broaden the Shareholder base; and • establish a financial and ownership structure that will facilitate the continued expansion of Rubicor's business and facilitate future acquisitions. The purpose of the Offer of the Sale Shares is to allow the Vendor Shareholders to realise part or all of their investment in the Company. The purpose of the Offer of the New Shares is to partially fund the redemption of the Series B Redeemable Preference Shares held by the original owners of certain Operating Businesses.	Section 1.7
Is the Offer underwritten?	Yes, the Offer is fully underwritten by Ord Minnett Limited.	Section 3.4
What will the Market Capitalisation of the Company be upon listing on ASX?	Based on the Offer Price, the Market Capitalisation will be $105 million.	Section 3

Topic	Summary	Where to find more information
What are the key dates of the Offer?	• the Offer opens on 21 May 2007; • the Offer closes at 5.00pm (AEST) on 7 June 2007; • the Shares are expected to commence trading on ASX on 15 June 2007, initially on a conditional and deferred settlement basis; and • holding statements are expected to be despatched on or about 19 June 2007 and the Shares are expected to commence trading on a normal basis on 20 June 2007. These dates are indicative only. The Company, in consultation with the Lead Manager, reserves the right to alter any of the dates relating to the Offer described in this Prospectus without prior notice.	Section 3
What is the structure of the Offer?	The Offer comprises: • the Broker Firm Offer; • the Employee Priority Offer; and • the Institutional Offer. There is no general public offer	Section 3
How many Shares can I apply for under the Offer?	The minimum Application for Applicants under the Broker Firm Offer and Employee Priority Offer is 2,000 Shares, thereafter in multiples of 100 Shares. There is no maximum amount that may be applied for under the Offer. However, the Company, and the Lead Manager reserve the right to treat Applications in excess of $100,000 as part of the Institutional Offer. Eligible Employees who apply under the Employee Priority Offer will be entitled to be allotted a guaranteed minimum of 5,000 Shares.	Section 3.8
What are the key benefits of investing in the Company?	The Offer is expected to provide investors with an investment in a company with a range of attributes including: • operations in a robust market; • specialist recruitment expertise; • the benefits of a large scale organisation; • diversified operation and earnings base; • aspects of an entrepreneurial owner operator approach; and • a management team with significant recruitment industry experience.	Section 5
What are the key risks of investing in the Company?	• an inability to recruit and retain key personnel; • a downturn in the employment market; • an inability to identify and attract suitable candidates; • the loss of key contracts; • an inability to identify and execute appropriate acquisitions including completion of the Challenge Recruitment acquisition; • the variability in the level and timing of deferred consideration payments; • an inability to obtain debt financing; • an inability to manage a diversified group structure; • the loss of professional reputation and/or damage to brand name; • material interruptions to IT services; • an increase in competition from existing and/or new competitors;	Section 6

Topic	Summary	Where to find more information
What are the key risks of investing in the Company? (cont.)	• being held responsible for the actions of temporary or contract staff in a client's workplace; • changes to the treatment of copyright amortisation by the Australian Taxation Office; and • changes in Government regulations on immigration.	
What are the tax implications of investing in the Company?	Australian resident Shareholders will be subject to Australian tax on both dividends and any capital gains. The tax consequences for investors will differ depending on their individual circumstances, particularly for non-resident Shareholders. Investors should obtain their own tax advice prior to making an investment in the Company.	Section 3.17 and 11.10
What are the costs of the Offer and who is paying them?	The costs of the Offer are estimated to total $4.62 million. These costs will be paid by the Company out of the proceeds of the Offer and out of general cash reserves.	Section 11.11.2
When will I receive dividends?	The Company does not expect to pay a final dividend in respect of the financial year ending 30 June 2007. Subject to the availability of distributable profits, the Company's financial position, future capital requirements and any other factors the Directors may consider relevant, the Company expects to pay interim and final dividends each year thereafter.	Section 8.6
Will there be a Dividend Reinvestment Plan ("DRP")?	The Directors have approved a DRP however, no decision has been made as to the commencement date of the DRP.	Section 11.3
How do I apply for Shares?	By submitting a valid Application Form within or accompanying this Prospectus (including, for Australian residents only, the electronic version of this Prospectus) in accordance with the instructions set out in Section 3 and on the Application Form.	Section 3
What is the allocation policy?	Eligible Employees who apply under the Employee Priority Offer will be entitled to be allotted a guaranteed minimum of 5,000 Shares. Subject to the guaranteed minimum for Eligible Employees, the Company, in consultation with the Lead Manager, will determine the allocation of Shares between the Broker Firm Offer, the Employee Priority Offer and the Institutional Offer. The Company, in consultation with the Lead Manager, will determine the allocation of Shares among Applicants under the Institutional Offer.	Section 3
How can further information be obtained?	Further information can be obtained by reading this Prospectus in its entirety (no other source of information is endorsed by the Company or the Vendor Shareholders). For advice on the Offer, you should speak to your stockbroker, accountant or other professional adviser. If you require assistance or require additional copies of this Prospectus, please contact the Rubicor Offer Information Line on 1800 817 266.	
Contact details	For further contact details, refer to the Corporate Directory of this Prospectus.	Corporate Directory

Details of the Offer 03

Xpand
Sydney, Melbourne

A specialist IT recruiter, Xpand has achieved significant growth in recent years. Xpand's reputation is endorsed by the fact that it has won Seek's Annual Recruitment Awards (Australia's Favourite IT Recruiter) in 2003, 2004, 2005 and 2006.

Section 3.
Details of the Offer

3.1 Offer description

Under this Prospectus, 75,838,196 Shares in the Company are being offered by the Company and the Vendor Shareholders to potential investors, which will represent approximately 72% of the Company's issued Shares at completion of the Offer. The Gross Proceeds raised by the Offer will be $75,838,196, based on the Offer Price of $1.00 per Share.

3.2 Timetable

Prospectus lodged with ASIC	14 May 2007
Offer opens	21 May 2007
Offer closes	7 June 2007
Allotment, issue and transfer of Shares	14 June 2007
Shares expected to commence trading on ASX (initially on a deferred settlement basis)	15 June 2007
Despatch of holding statements	19 June 2007
Shares expected to commence trading on ASX on a normal basis	20 June 2007

All dates and times above are subject to change and are indicative only. All times are Australian Eastern Standard Time (AEST). The Lead Manager, in consultation with the Company, reserves the right to vary the dates and times of the Offer including closing the Offer early or withdrawing the Offer or accepting late Applications, without notifying any recipients of this Prospectus or any Applicants. Applicants are encouraged to submit their Application Forms as early as possible, as the Offer may close at any time without notice.

3.3 Structure of the Offer

The Offer has three components:

- the Broker Firm Offer, which is open to Broker Firm Applicants in Australia;
- the Employee Priority Offer, which is only open to Eligible Employees; and
- the Institutional Offer, which is open to Institutional Investors in Australia.

All Shares offered under this Prospectus rank equally with each other and all other issued ordinary Shares. There are other classes of shares on issue with preferential rights. Further information regarding these shares can be found in Section 11.2.

The proposed allocation of Shares between the various components of the Offer is set out in Section 3.12.

Successful Applicants in the Offer will be allotted Shares at the Offer Price.

3.4 Underwriting

The Offer is fully underwritten by the Lead Manager. A summary of the Underwriting Agreement and the circumstances under which the Lead Manager's obligations will cease is set out in Section 10.1.

3.5 Company's Discretion

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Offer at any time before the allocation of Shares to successful Applicants under the Offer. If the Offer does not proceed, Application Monies will be refunded in full (without interest).

3.6 Broker Firm Offer

The Broker Firm Offer is open to Australian resident retail investors who have received a firm allocation from the Lead Manager or Brokers to the Offer. There is no general retail offer. Broker Firm Applicants must lodge their Application Form and Application Monies with the relevant Broker in accordance with their Broker's directions in order to receive their firm allocation.

Broker Firm Applicants validly participating through the Broker Firm Offer will be allocated the full number of Shares they apply for up to the firm allocation notified to them by their Broker. It is a matter for Brokers (not the Company or Vendor Shareholders) as to how each Broker allocates Shares among its clients in the Broker Firm Offer. It is the responsibility of the Broker to ensure that its clients with a firm allocation receive the relevant Shares.

The minimum number of Shares that can be applied for under the Broker Firm Offer is 2,000 Shares. There is no maximum value of Shares which may be applied for under the Broker Firm Offer. However, the Company, in consultation with the Lead Manager, reserves the right to treat Applications in excess of $100,000 as part of the Institutional Offer.

Broker Firm Applicants with questions on how to complete the Application Form or who require additional copies of the Prospectus should contact their Broker that has made them the offer.

3.7 Employee Priority Offer

The Employee Priority Offer is only available to Eligible Employees being full time employees of the Company or any of its Subsidiaries at the date of this Prospectus, who are resident in Australia or New Zealand and who have not given or received notice of termination of their employment on or before the Closing Date.

Eligible Employees should note that the Employee Priority Offer only entitles an Eligible Employee to receive a guaranteed allocation of up to 5,000 Shares at the Offer Price. The Employee Priority Offer:

- does not entitle Eligible Employees to receive Shares for free or at a discount to the Offer Price;
- does not involve the issue of Shares under any employee share plan or other incentive plan; and
- does not involve the Company providing financial assistance to Eligible Employees in connection with them acquiring Shares under the Offer.

Eligible Employees may only subscribe for or buy Shares under the Employee Priority Offer for their own account and not for the account or benefit of any other person.

The minimum number of Shares that can be applied for under the Employee Priority Offer is 2,000 Shares. There is no maximum value of Shares which may be applied for under the Employee Priority Offer. However, the Company, in consultation with the Lead Manager, reserves the right to treat Applications in excess of $100,000 as part of the Institutional Offer. Eligible Employees will only be guaranteed an allocation of up to 5,000 Shares. Any amount over $5,000 may be scaled back at the discretion of the Lead Manager and the Company.

To the extent that Eligible Employees do not subscribe for their allocation of 5,000 Shares, the excess may be allocated under the Institutional Offer or Broker Firm Offer, at the discretion of the Company in consultation with the Lead Manager.

3.8 How to apply under the Broker Firm Offer and Employee Priority Offer

This Section describes how to apply for Shares under the Broker Firm Offer and the Employee Priority Offer. Applicants in the Institutional Offer should refer to Section 3.9 to determine how they can apply for Shares in the Institutional Offer.

Have you used the right Application Form?

The table below sets out which Application Form an Applicant should use. When you apply for Shares, make sure you use the correct Application Form.

These people	Should use this Application Form	And	To receive
Broker Firm Offer Applicants	Please contact your Broker	Lodge your Application Form and Application Monies with the Broker from which you received a firm allocation, in accordance with that Broker's directions. You must apply for a minimum of 2,000 Shares and in multiples of 100 thereafter.	Broker Firm Offer firm allocation.
Employee Priority Offer Applicants (being Eligible Employees only)	Green Application Form	Lodge your Application Form and Application Monies at the address set out below. Under the Employee Priority Offer, you must apply for a minimum of 2,000 Shares and in multiples of 100 Shares thereafter.	At least 5,000 guaranteed minimum allocation of Shares (or such other amount applied for).

Have you attached your cheque(s) or bank draft(s) for the right Application Monies?

Cheque(s) or bank draft(s) must be:

- in Australian currency;
- drawn on an Australian branch of a financial institution;
- crossed "Not Negotiable"; and
- made payable:
  - for Applicants in the Employee Priority Offer, to Rubicor Group Limited Offer Application Account; or
  - for Applicants in the Broker Firm Offer – in accordance with the directions of the Broker from whom you received a firm allocation.

Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amount of your cheque(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

Have you lodged your Application Form and cheque(s) at the right address?

For Applicants in the Employee Priority Offer, return your Application Form and cheque(s) in the envelope supplied (reply paid, if posted in Australia):

By mail delivery at:
Link Market Services Limited
Rubicor Employee Priority Offer
Locked bag A14, Sydney South
NSW 1235

By hand delivery at:
Link Market Services Limited
Rubicor Employee Priority Offer
Level 12, 680 George Street, Sydney
NSW 2000

For Applicants under the Broker Firm Offer, contact your Broker for information about how to submit your Application Form and for payment instructions.

It is your Broker's responsibility to ensure that your Application Form and Application Monies are submitted before 5.00pm (AEST) on the Closing Date for the Offer. The Company, the Vendor Shareholders, the Lead Manager and the Share Registry take no responsibility for any acts or omission committed by your Broker in connection with your Application.

The Company reserves the right to reject any Application which is submitted by a person whom they believe is ineligible to participate in the Broker Firm Offer.

3.9 Institutional Offer

The Institutional Offer of Shares consists of an invitation to certain Institutional Investors in Australia to apply for Shares under the Prospectus. The Institutional Offer is being managed by the Lead Manager. Further details of how to participate will be provided to participants by the Lead Manager.

3.10 Key Employee Option Offer

The Key Employee Option Offer consists of an invitation to certain key employees of the Company to apply for Options under the Prospectus. The Key Employee Options will have a nil grant price and exercise price. Further details of how to participate will be provided to participants by the Company. Further information about the Key Employee Options can be found in Section 11.4.1.

3.11 Applications

You should read this Prospectus in its entirety before deciding to complete and lodge an Application Form. Potential investors are encouraged to submit their Applications as early as possible as the Offer may be closed before the indicated closing date without prior notice.

An Application constitutes an offer to acquire Shares on the terms and conditions set out in this Prospectus. The Company reserves the right to:

- reject any Application, including but not limited to Applications that have been incorrectly completed, or are accompanied by cheques that are dishonoured, or have not cleared by the close of the Offer; and
- reject or aggregate Applications which appear to be multiple Applications by the same party.

If an Application is rejected or accepted in part only, the relevant part of the Application Monies will be refunded. No interest will be paid on any Application Monies refunded.

3.12 Allocation policy

The Company expects to announce the basis of allocation of Shares on or about 14 June 2007.

The Company, in consultation with the Lead Manager, will determine the allocation of Shares between the Broker Firm Offer and the Institutional Offer. The allocation policy will be influenced by the following factors:

- the number of Shares applied for;
- the overall level of demand under the Broker Firm Offer and Institutional Offer;
- the desire for a wide spread of investors including Institutional Investors; and
- the desire for an informed and active market for trading in Shares following completion of the Offer.

Shares will be allocated to the Lead Manager for allocation to their Australian resident retail clients. The Lead Manager, in consultation with the Company, will determine the allocation of Shares among Applicants.

The Company, in consultation with the Lead Manager, has absolute discretion regarding the basis of allocation of Shares, and there is no assurance that any Applicant will be allocated any Shares or the number of Shares for which it has applied other than:

- the guaranteed allocation of 5,000 Shares (or such lower amount applied for) to Eligible Employees under the Employee Priority Offer; or
- where they have been given a firm allocation of Shares under the Broker Firm Offer.

3.13 Application Monies and refunds

All Application Monies will be held on trust in a special purpose account until Shares are issued or transferred to successful Applicants. Interest will not be paid to Applicants on Application Monies or any refunded amounts. The Company will retain any interest earned on Application Monies.

Where an Application is rejected or if Applications are scaled back, where the Offer is withdrawn, or where permission is not granted by ASX for quotation of the Shares within three months following the Prospectus Date and the Shares are not allotted or transferred, Application Monies will be refunded in Australian dollars. Refund cheques will be sent following the close of the Offer.

3.14 Overseas distribution

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who obtain this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities law. This Prospectus does not constitute an offer or an invitation in any place outside Australia and New Zealand where, or to any person to whom, it would be unlawful to make such an offer or invitation. In particular, the Shares have not been and will not be registered under the US Securities Act and may not be offered, sold or resold in the United States or to, or for the account of, US Persons (as defined in Rule 902 of the US Securities Act).The Offer in New Zealand is only to Eligible Employees and not to the general public.

3.15 ASX listing

The Company will apply for admission to the official list of ASX and quotation of all Shares on ASX within seven days after the date of this Prospectus. If the Shares are not admitted to quotation within three months after the date of this Prospectus the Offer will be cancelled and Application Monies will be returned (without interest) to Applicants as soon as practicable. It is expected that the Offer Shares will be issued or transferred to successful Applicants on or about 14 June 2007 and trading of the shares on ASX (initially on a deferred settlement basis) will commence on or about 15 June 2007.

The Company's ASX code is expected to be RUB. ASX takes no responsibility for this Prospectus or the investment to which it relates. Admission to the official list of ASX and quotation of the Shares on ASX are not to be taken as an endorsement by ASX of the Company.

It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company, the Vendor Shareholders, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial holding statement, whether on the basis of a confirmation of allocation provided by any of them or by the Rubicor Offer Information Line, a Lead Manager or otherwise.

3.16 CHESS and holding statements

The Company will apply to participate in CHESS, and, in accordance with the Listing Rules and the ASTC Settlement Rules, will maintain an electronic issuer-sponsored sub-register and an electronic CHESS sub register. CHESS is an automated transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in a paperless form.

When the Shares become CHESS Approved Securities, holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer sponsored sub-register. The Shares of a Shareholder who is a participant in CHESS or a person sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following the issue of Shares to successful Applicants, Shareholders will be sent an initial holding statement that sets out the number of Shares that they have been issued. Holding statements are expected to be despatched on 19 June 2007.

This statement will also provide details of a Shareholder's Holder Identification Number (HIN) or, where applicable, the Security holder Reference Number (SRN) for each of the sponsored holders. It is the responsibility of Applicants to determine their allocation prior to trading Shares. Shareholders will receive subsequent statements showing changes to their shareholding in the Company. No share certificates will be issued.

3.17 Taxation

The Australian taxation consequences of any investment in Shares will depend upon each investor's particular circumstances. It is an obligation of potential investors to make their own enquiries concerning the taxation consequences of an investment in the Company. If you are in doubt as to the course you should follow, you should consult your stockbroker, lawyer, accountant or other professional adviser. Further information can be found in Section 11.12.

3.18 Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable by Applicants for Shares under the Offer. Any stamp duty payable on the sale of the Shares by the Vendor Shareholders will be borne by the Vendor Shareholders.

3.19 Enquiries

If you require assistance to complete the Application Form or require additional copies of this Prospectus, you should contact the Rubicor Offer Information Line on 1800 817 266. The Rubicor Offer Information Line will be open from 8.30am to 5.30pm Monday to Friday until completion of the Offer. If you are uncertain about any matter, including whether the Offer is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant or other professional adviser.

Broker Firm Applicants with queries regarding their Application or how many Shares they have received should direct those enquiries to the Broker through which they received their firm allocation.

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Industry Overview 04

Powerhouse People
New Zealand

Powerhouse People was established by seven partners with a combined Recruitment Industry experience in Wellington of over 100 years. The business specialises in the recruitment and contracting of executives and professionals for private, public and not-for-profit organisations.

Section 4.
Industry Overview

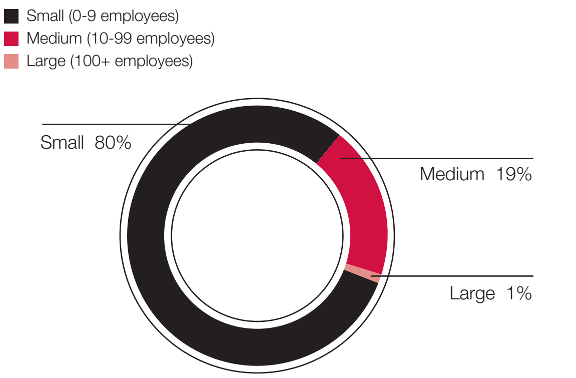
4.1 Introduction

Rubicor operates in the recruitment industry primarily in Australia and New Zealand. Recruitment Industry participants provide employers with outsourced permanent recruitment, temporary and contract recruitment services and/or a broad range of employment related services that can be described as "human capital solutions".

The Recruitment Industry is highly fragmented, with thousands of recruitment organisations across metropolitan and regional centres in Australia and New Zealand.

The majority of recruitment companies in the Recruitment Industry are small to medium sized and tend to specialise in particular candidate types and/or industry sectors. There are a smaller number of large, diversified recruitment companies that operate across a range of candidate types and/or industry sectors on a national and sometimes international basis.

Recruitment Companies in Australia by Number of Employees



Source: Australian Bureau of Statistics, www.abs.gov.au, Employment services 2001–2002, Cat. 8558.0, Page 16

4.2 Services

The Recruitment Industry can be divided into three clearly defined segments, being:

- permanent placement;
- temporary and contract recruitment services; and
- human capital solutions.

4.2.1 Permanent Placement

Permanent placement services involve matching appropriate candidates with available full or part time permanent employment opportunities.

Recruitment companies are generally engaged by employers to provide one or a number of the following services:

- preparation of job descriptions;
- sourcing candidates via database searches, advertising or direct search;
- screening and interviewing candidates, including the use of assessment centres and personality and aptitude testing;
- recommending appropriate candidates;
- briefing and interview preparation of candidates;
- assistance with negotiation and drafting of employment contracts; and
- conducting background and reference checks.

Recruitment companies typically charge employers a fee calculated as a percentage of the successful applicant's starting salary. The percentage charged varies based on the specialisation and seniority of the position, the level of selection and search work required to identify the appropriate candidate and any volume discounts that may have been provided to the employer, particularly under Preferred Supplier Agreements ("PSAs").

Generally, the primary concern of employers is to secure the most appropriate candidate in the shortest period of time. Accordingly, while recruitment companies are engaged and paid by employers, a recruitment company's relationship with and knowledge of the available candidates is central to its ability to secure appropriate candidates and hence its commercial success with employers.

The Directors believe that the demand for permanent placement has grown and will continue to grow due to:

- local and global skills shortages;
- continued low levels of unemployment combined with generally strong economic activity;
- a reduction in the average term of employment with one employer;
- an increased level of human resource outsourcing; and
- the ageing workforce.

4.2.2 Temporary and Contract Recruitment Services

Temporary and contract recruitment services involve the provision of staff for short periods of time (typically one day to 24 months), often at short notice, to help employers cover peak demand periods, specific project requirements or the absence of permanent staff.

Recruitment companies charge employers an agreed hourly, daily or weekly rate for each person that is provided to the employer. In return, recruitment companies take responsibility for:

- sourcing and liaising with the personnel they provide;
- managing payroll;
- payment of statutory costs such as superannuation, payroll tax and workers compensation; and
- ongoing performance management and contractor motivation.

In order to provide these services, recruitment companies require access to a pool of appropriately skilled staff who are available at short notice. Instead of hiring such a workforce on a permanent basis, recruitment companies generally develop a database of available Pay As You Go ("PAYG") or self employed contractors and then pay them an hourly, daily or weekly rate for their services as they are required.

Recruitment companies thus match their temporary and contract revenues and costs with a view to generating a profit margin.

Temporary or contract labour has become an increasingly popular option for businesses to cover special projects, short term spikes in labour requirements or the absence of permanent employees. These arrangements benefit employers because:

- employers do not incur a placement fee or unnecessary delay in the commencement of work;
- the temporary and contract staff are managed by the employer's own workforce;
- all payroll, statutory costs and other administrative services are handled by the recruitment company;
- non performing temporary or contract staff can be terminated at short notice; and
- at the end of the engagement, the employer ceases to have any liabilities or responsibilities for the personnel.

A recruitment company's relationship with and knowledge of temporary and contractor candidates is central to its ability to service the needs of employers in a timely and efficient manner.

The Directors believe that the strong demand for temporary and contract labour will continue due to:

- the rate of economic growth in Australia and New Zealand which drives the demand for labour;
- need to cover workloads while sourcing permanent staff;
- increased levels of workplace flexibility;
- increases in human resource outsourcing; and
- shortages in the availability of permanent employees with specialist skill sets.

4.2.3 Human Capital Solutions

Human capital solutions can be defined as those services that fall outside traditional permanent placement and temporary and contract recruitment service offerings.

In response to demands from employers, Recruitment Industry participants provide assistance to employers on a range of matters including:

- training and general employee development programs;
- remuneration benchmarking;
- executive coaching and management development;
- psychological and abilities testing;
- organisational capacity and change management;
- organisational benchmarking;
- succession planning; and
- transformational transition.

The Directors believe that the demand for these human capital solutions is generally based on the level of economic activity and the tightness of the labour market which encourages employers to place greater focus on talent development, management and retention.

Recruitment Industry participants also provide outplacement services. Outplacement is the process of providing retrenched and terminated employees with the skills they need to find new employment. The Directors believe that outplacement services are partly countercyclical to economic activity in that, as economic activity levels decrease, the level of retrenchments increase.

4.3 Organisational Types

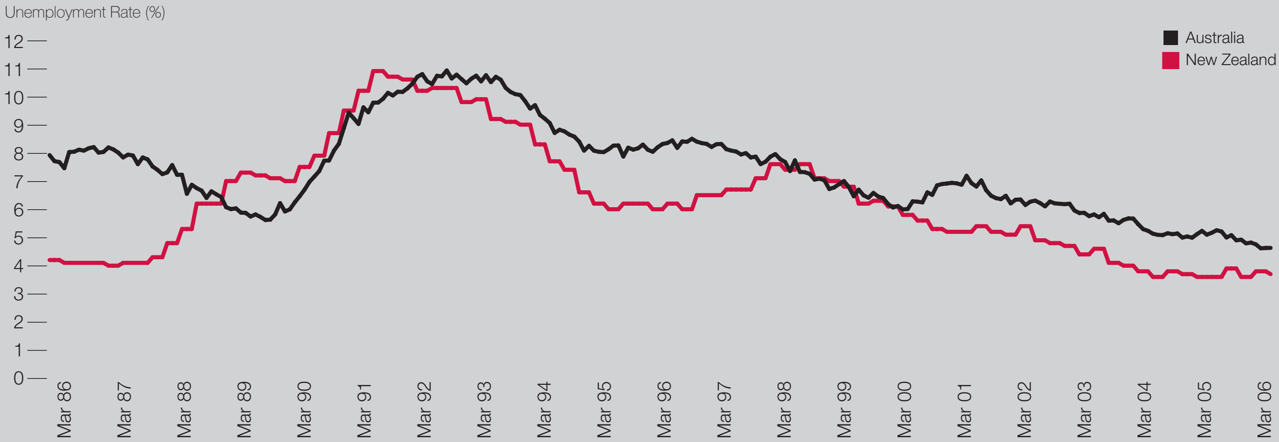
Recruitment companies can broadly be categorised into two types – diversified and specialists – based on the nature of their service offerings.

Diversified recruitment companies tend to be larger in size and provide employers with access to a wide range of services and candidate types. Specialist recruitment companies tend to be smaller, provide specific services and focus on particular industry sectors, geographies or candidate types.

Subject to their particular employment requirements, employers may use a mix of specialised and diversified recruitment companies to fulfil their recruitment and other human capital needs.

Regardless of whether a recruitment company is a diversified or a specialist provider, its ability to manage a pool of candidates successfully is critical to its ability to meet the needs of its clients.

Unemployment rates in Australia and New Zealand
(Seasonally adjusted)



Source: www.abs.gov.au Australian Bureau of Statistics, Employment Cat. 6202.0.55.001 – Labour Force, Australia, Spreadsheets, Jan 2007, Table 02. Labour force status by Sex – Seasonally adjusted and also www.stats.govt.nz Statistics New Zealand Household Labour Force Survey December 2006 Quarter.

4.3.1 Specialists

Specialist recruitment companies seek to service the needs of employers by becoming experts in, or synonymous with, a particular industry sector or candidate type. To do this successfully they must gain an in-depth knowledge of the sector in which they operate and the career motivations of candidates in that sector. They must also develop a brand and market position that candidates and employers associate with that specialty.

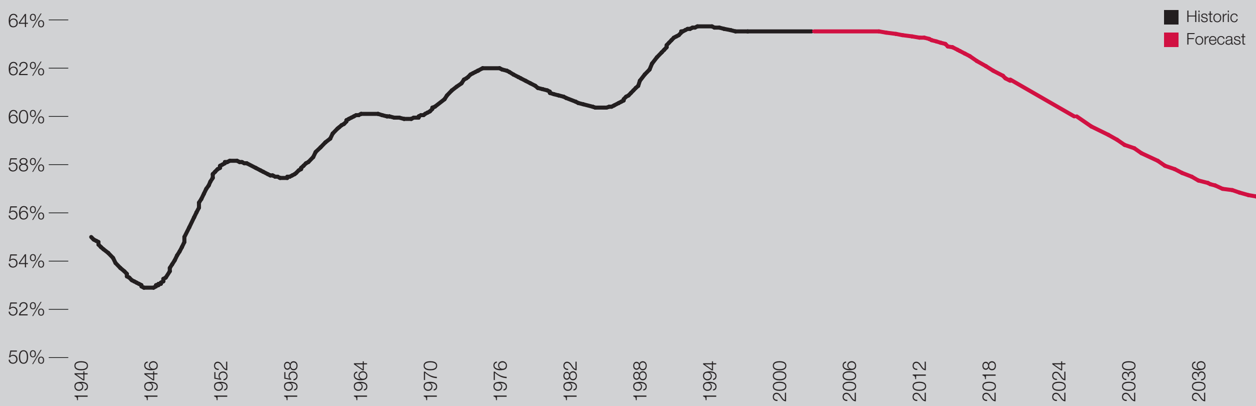
Specialists tend to operate on a smaller scale with higher margins than larger diversified companies. However, their growth can be limited by:

- insufficient economies of scale to justify significant investment in marketing, consultant development and IT systems;
- dependence upon a narrow revenue stream;
- difficulties in accessing capital; and
- an inability to provide the full service capability that some employers demand and that diversified recruitment companies can provide.

Careers Unlimited
ACT

Careers Unlimited has Commonwealth Government endorsed supplier status, and a significant portion of its business involves servicing Government clients. These activities are complemented by an established and successful legal recruitment practice.

Australian labour market participation rate



Source: www.pc.gov.au, Extract from Economic Implications of an Ageing Population, 24 March 2005.

4.3.2 Diversified Companies

Diversified recruitment companies seek to gain a competitive advantage by providing employers with access to candidates across a wider number of candidate types or industry sectors. This ability to service a wider range of areas often appeals to larger companies that recruit permanent, temporary and contract candidates across multiple candidate types. Additionally, larger diversified recruitment companies are more likely to offer a human capital solutions capability.

In the opinion of the Directors, to operate successfully as a diversified recruitment company, organisations should:

- have sufficient scale and infrastructure to service the needs of multiple candidate types or industry sectors;
- maintain close contact with and knowledge of each candidate type or industry sector;
- successfully develop a brand and position that employers recognise as servicing most or all of their recruitment needs; and
- develop a high quality and well managed diversified candidate database.

While a successful diversified recruitment company can operate on a much larger scale than a specialist, and while it can often service the needs of larger organisations more efficiently, it must continually monitor its candidate relationships to ensure that it does not lose touch with candidates as it grows.

By operating across multiple industry sectors or candidate types, diversified recruitment companies can create a wider revenue base that is not reliant on one area of business. However, diversified recruitment companies do not always have the specialist capability of smaller companies and may not therefore always achieve the fee margins of a specialist.

4.4 Industry drivers

The Directors believe that the growth prospects for the Recruitment Industry are strong due to the changing employment dynamics in the workforce and the changing recruitment service needs of both employers and candidates.

Labour Shortages

The Directors believe that short and long term labour shortages will result in continued strong demand for permanent recruitment and temporary and contract recruitment services.

Short Term

Australian unemployment rates are currently at more than 25 year lows and Recruitment Industry commentators are currently indicating that many industries are facing ongoing skills shortages. As employers continue to struggle to attract skilled workers, the Directors believe that demand for recruitment services will increase.

Longer Term

Over the last 50 years, the percentage of the Australian population represented by adults and people of prime working age has increased, leading to increases in the employment participation rate. However, this trend is expected to reverse in the future, with Australia forecast to experience a pronounced aging of its population over the next forty years. This is expected to result in a drop in participation rates from approximately 63.5 per cent in 2003 – 04 to 56.3 per cent in 2044 – 45 (Productivity Commission, www.pc.gov.au)

Long term participation rate forecasts similar to those discussed above are not readily available for the New Zealand labour market. However, the Directors believe that the long term forecasts for participation rates in the Australian labour market can broadly be applied to the New Zealand labour market due to the similarities in projected ageing rates in both countries as well as the similarities that exist between the New Zealand and Australian economies.

The Directors believe that, with companies likely to be facing a flat or even shrinking pool of available workers in the future, employers will be increasingly reliant on recruitment companies to help them attract and retain employees. In particular, successful recruitment companies will be well positioned to capitalise on their knowledge of specific industry segments and candidate pools to help companies in this 'war for talent'. The quality of a recruitment company's candidate database will remain a critical factor in determining its level of success in fulfilling client assignments.

Labour Flexibility

The Directors believe that labour market flexibility provides benefits to both employers and employees and hence trends towards greater flexibility in the labour market are likely to continue.

Historically, employers used contract and temporary staff primarily to supplement their permanent workforce in response to business cycles or specific workload increases. In more recent times, the ability to recruit contract and temporary workers on an "as needed" basis has allowed companies to explore the concept of a flexible workforce and increasingly to incorporate temporary hiring into their business models.

The Directors also believe that the desire for a more flexible and independent lifestyle, and more variety in the workplace, is resulting in an increasing desire among at least some employees for greater flexibility in their work practices. The Directors also believe that employees are changing employers more frequently.

It is expected that these changes will benefit the Recruitment Industry as employees look for new jobs more regularly and employers are seeking to fill more vacant positions.

Outsourcing

The outsourcing of permanent placement and temporary and contract recruitment services has been common practice globally for many years. Employers are also increasingly utilising the expertise of recruitment companies to help them fulfil a broader range of human capital needs.

The Directors believe that the use of outsourced recruitment providers will continue to grow as:

- employers focus more on their core activities;
- the labour market tightens;
- employers increasingly look to source candidates from outside Australia and New Zealand;
- candidate mobility continues to increase;
- organisations continue to value the knowledge, expertise and objectivity of external recruitment companies;
- employment legislation becomes more complex; and
- employers become increasingly focused on retention and talent management.

4.5 Barriers to Entry

While the Recruitment Industry has traditionally had low barriers to entry, allowing individual recruitment consultants to establish small firms with relative ease, the Directors believe there are impediments to the establishment of significant new businesses due to:

- difficulties in attracting candidates and experienced consultants without a recognised brand name;
- long lead times to train and develop experienced consultants;
- access to capital in order to fund growth; and
- the need to demonstrate the capabilities and track record to win Preferred Supplier Agreements with major employers.

Business Overview 05

Locher and Associates

Adelaide

As well as being an established recruitment operation, Locher is a specialist in human capital solutions and organisational development, with tailored executive leadership and coaching capabilities. It is also a nationally registered training organisation.

Section 5.
Business Overview

5.1 Overview

Rubicor provides permanent, contract and temporary recruitment services to employers and candidates, primarily in Australia and New Zealand, across a diverse range of industry sectors, candidate types and geographies. It also provides human capital solutions to employers in both countries.

Following the IPO, Rubicor will comprise 19 recruitment and human capital solutions businesses (the "Operating Businesses") employing over 480 people across 39 offices in most major Australian and New Zealand cities and some regional Australian centres. One of these Operating Businesses, the Challenge Recruitment business, will be acquired shortly after the completion of the Offer. This Prospectus is drafted on the basis that the Challenge Recruitment acquisition has been completed. More information about this acquisition can be found in Section 10.6.

Rubicor's operations combine the benefits enjoyed by small specialist recruitment companies with the advantages of a larger, diversified recruitment company. Consistent with its strategy of creating a diversified group, each Operating Business focuses on a particular specialty, while the Executive Management Team focuses head office resources to ensure that each Operating Business receives the strategic and financial benefits available to larger recruitment companies. An overview of each Operating Business is provided in Section 5.5.

5.2 Background and History

Established to create a high quality, diversified recruitment services company delivering specialty recruitment services via a network of Operating Businesses, Rubicor was founded in 2005 through the aggregation of five foundation businesses that had a combined operating history of more than 40 years.

Since establishment, Rubicor has supported the growth of the foundation businesses while successfully adding a further 13, taking the total number of Operating Businesses to 18. The acquisition of Challenge Recruitment will be the 19th Operating Business. The acquisition of Challenge Recruitment is conditional upon the Company obtaining the necessary funding for the acquisition, which will be satisfied by the proceeds of the Offer.

Each acquisition has been consistent with the Company's strategy of developing a platform of operations diversified across industry sector, service and employee type and geography by acquiring and growing specialist recruitment businesses.

5.3 Rubicor's Attributes

Rubicor's business model allows it to combine the specialist expertise and entrepreneurial management style of smaller recruitment businesses with the scale and diversity available to a large recruitment organisation.

Acquisitions

May 2005

1. Apsley Recruitment
Location: Sydney
Specialisation: Banking, Finance, Office Support

2. Locher & Associates
Location: Adelaide
Specialisation: Office Support, Administration, Executive and Professional and Human Capital Solutions including Outplacement

June 2005

3. Gel Group
Location: Perth
Specialisation: Office Support, IT, Accounting, Executive and Professional

4. James Gall and Associates
Location: Adelaide
Specialisation: Engineering, Manufacturing, Construction, Technical/IT and Executive and Professional

5. Cadden Crowe
Location: Sydney, Melbourne, Perth, Brisbane*, Pacific
Specialisation: Resources, Manufacturing, Pharmaceutical, Management

September 2005

6. SMF Recruitment
Location: Sydney
Specialisation: Banking and Finance, Accounting and Insurance

December 2005

7. Xpand
Location: Sydney and Melbourne
Specialisation: IT including New Media

* Acquired Sep 05

Rubicor's Principal Office Locations

Australia wide
Challenge Recruitment

Sydney
Apsley Recruitment
Cadden Crowe
Credit Recruitment
Dolman Legal Search and Recruitment
Skillsearch
SMF Recruitment
Xpand

Melbourne
Cadden Crowe
CiT Professionals
Xpand

Canberra
Careers Unlimited
Wizard Personnel and Office Services

Adelaide
Locher & Associates
James Gall and Associates

Perth
Gel Group

Brisbane
Cadden Crowe
Credit Recruitment

Pacific
Cadden Crowe

New Zealand
Gaulter Russell
Health Recruitment
Numero
Powerhouse People
Wheeler Campbell

May 2006

8. Careers Unlimited
Location: Canberra
Specialisation: Office Support, Administration, Legal, Finance and Accounting

9. Skillsearch
Location: Sydney
Specialisation: IT

August 2006

10. CiT Professionals
Location: Melbourne
Specialisation: IT

11. Gaulter Russell
Location: New Zealand
Specialisation: Sales and Marketing

12. Health Recruitment
Location: New Zealand
Specialisation: Nursing and Medical

13. Numero
Location: New Zealand
Specialisation: Finance, Accounting and Logistics

14. Powerhouse People
Location: New Zealand
Specialisation: Management, Executive and Professional

15. Wheeler Campbell
Location: New Zealand
Specialisation: Management, Executive and Professional

16. Credit Recruitment
Location: Sydney, Brisbane
Specialisation: Credit

January 2007

17. Wizard Personnel and Office Services
Location: Canberra
Specialisation: Office Support and Administration

At or shortly after IPO

18. Dolman Legal Search and Recruitment
Location: Sydney
Specialisation: Legal

19. Challenge Recruitment
Location: Australia wide
Specialisation: Industrial Trades, Blue Collar, Hospitality

Source: Rubicor management

Specialist Expertise

Each of the Operating Businesses has developed specialty expertise in its chosen market segment. The targeted market varies from one Operating Business to the next. Some businesses focus on providing clients with specific types of employees while others target particular client industries or concentrate on particular geographic territories.

Each Operating Business aims to be the "preferred provider" in its chosen market segment, bringing management expertise, in-depth candidate, client and industry knowledge, and a brand and market position that is associated with that segment. By specialising in this way, the Operating Businesses aim to remain close to their chosen markets, enabling them to provide outstanding service to their clients and candidates.

Scale

Across its 39 offices and over 480 employees Rubicor is able to provide clients with permanent, temporary and contract recruitment services and human capital solutions across multiple candidate disciplines and industry sectors. Rubicor is also able to provide candidates with employment opportunities with clients across a wide range of industries in all states in Australia and in New Zealand.

Rubicor's size and access to capital via the share market following the IPO will provide it with the financial resources to support growth and investment in key areas across its Operating Businesses such as marketing, consultant development and financial reporting systems.

Diversity

Rubicor has a broad client base and is not dependent on any one client for a significant portion of its revenue as demonstrated by the four largest clients representing less than 13% of Forecast Pro Forma Net Revenue for the financial year ending 30 June 2007.

Rubicor's operations are also diversified across industry sectors, service types and geographies. Rubicor services a range of industry sectors and candidate types including the following:

- Accounting
- Business support
- Energy
- Engineering
- Executive and professional
- Financial services, including banking and insurance
- Government
- Health
- Human Resources
- IT
- Legal
- Logistics
- Manufacturing and construction
- Mining and resources
- New media
- Sales and marketing
- Trades and blue collar

While many of the individual Operating Businesses focus on a small number of industry sectors or a particular region, as a whole Rubicor is not heavily reliant on any one sector, geography, client or candidate type. As a result the Directors believe that Rubicor has the capacity to minimise the impact of fluctuations in the economic performance of individual industries and geographic regions.

With a view to reducing its dependence on any one service type, Rubicor has over time developed a relatively even spread of revenue across permanent and temporary and contracting recruitment services with additional revenue from human capital solutions.

Entrepreneurial Approach

Specialty recruitment businesses often develop distinct cultures, operating models, systems, remuneration models and leadership styles to align with the characteristics of their target market.

To preserve these characteristics within its Operating Businesses, Rubicor's Business Managers are given the flexibility and incentives to utilise their experience and capabilities to actively manage the Operating Businesses on a day to day basis in a way that is consistent with the characteristics of the Operating Business within the framework of Rubicor's corporate strategy.

By preserving elements of an owner/operator mentality in its Operating Businesses, Rubicor benefits from the entrepreneurial drive and flexibility that often characterises smaller specialist recruitment companies.

Experienced Management Team and Motivated Employees

Rubicor's Executive Management Team has approximately 50 years experience in the recruitment industry both in Australia and overseas, with specific experience running large multi-disciplinary recruitment organisations. The Executive Management Team is supported by 46 Business Managers who have significant experience in growing and developing recruitment businesses.

The Company will seek to incentivise key executives by way of a Senior Executive Share Plan under which the Company will provide interest free loans to certain key executives to acquire Shares in the Company. For details of the Senior Executive Share Plan refer to Section 11.4.2.

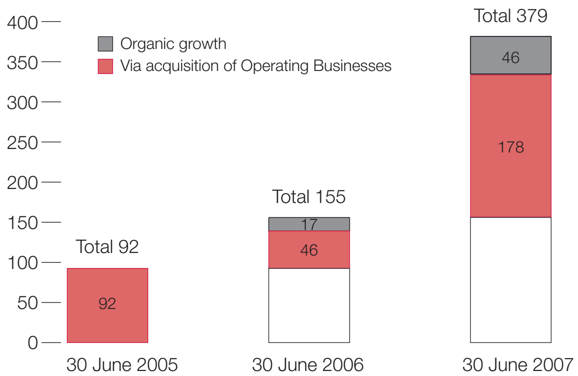
In recognition of the critical value that Rubicor's employees play in maintaining and growing its business, the Company has implemented an Employee Share Option Plan that is designed to reward and motivate the "next generation" of business leaders who will drive performance beyond the tenure of the current management. More than 50 existing employees have been granted options or will be granted options under this Prospectus.

Details of these employee and executive incentive arrangements are set out in Section 11.4.

5.4 Business Growth Profile

Rubicor's objective is to grow its existing portfolio of Operating Businesses organically as well as acquiring additional complementary businesses that increase its scale and enhance the diversity of its operations across industry sectors, candidate types and geography.

Consultants employed by Rubicor



Source: Rubicor management

5.4.1 Organic Growth

Rubicor seeks to grow organically by harnessing the entrepreneurial drive that exists in each Operating Business within a disciplined and focussed corporate structure. The Executive Management Team aims to drive earnings growth across the Operating Businesses by focussing on growing revenues and increasing productivity, while at the same time maintaining or reducing costs. In this way, the Company supports the development of its Operating Businesses with a view to growing their earnings more quickly than they would be capable of doing alone.

Increasing revenue

With operations spanning 39 offices, Rubicor is one of the largest recruitment company networks in Australia and New Zealand. The Executive Management Team is actively focused on using Rubicor's size and the broad reach of its network of offices and brands to help drive revenue growth within the Operating Businesses.

Growth in the revenue of existing Operating Businesses is sought via:

- encouraging the referral of existing clients to other specialist Operating Businesses;
- promoting joint pitches by Operating Businesses with different specialities to new clients;
- facilitating access to candidate databases across Operating Businesses; and
- providing Operating Businesses with the expertise and capital to expand their existing operations into adjacent geographic markets or industries.

Implementation of these initiatives is encouraged through financial incentives and regular group wide management discussions.

Increasing productivity

Productivity and efficiency disciplines typically found at larger recruitment organisations are instilled into each Operating Business.

To ensure that Operating Businesses are meeting the productivity targets set for them, the Executive Management Team utilises a number of management analysis tools including Key Performance Indicators ("KPIs") specific to each Operating Business. These management analysis tools have been developed based on the Executive Management Team's extensive recruitment industry experience and they are regularly reviewed against current best practice.

KPIs allow the Executive Management Team to track the performance of an Operating Business over time, to benchmark it against its peers and Recruitment Industry best practice and to work with Business Managers to implement identified productivity improvements.

In addition to the ongoing monitoring of KPIs and the benchmarking of performance, Rubicor also implements:

- training programs designed to ensure that consultants understand current market practices and can offer candidates and employers the best service; and
- strategic plans for each Operating Business that are integrated into Rubicor's overall business plan.

Business Managers and recruitment consultants have benefited from these initiatives and the ability to share knowledge and best practices across the group as well as from the guidance and direction of the Executive Management Team.

Reducing Costs

Back-office efficiencies and reductions in costs are sought via the use of a centralised shared services model and by taking advantage of economies of scale across Operating Businesses.

Services such as finance and treasury, credit control, joint procurement and growth capital allocation are managed centrally. Joint procurement efforts have been directed at implementing cost savings or improved service outcomes across a number of areas including employment advertising, telecommunications and insurance services.

As growth continues, additional services may be centralised to reduce costs, however this will be viewed on a case by case basis and only undertaken where there is an obvious commercial advantage, cost reduction or opportunity to improve service.

5.4.2 Acquisitive Growth

A key component of the Company's strategy has been to grow via the acquisition of well-run, profitable businesses with good growth prospects. The identification of attractive acquisition targets and the ability to execute transactions in a timely and effective manner has been an important factor in growth since inception and the Company is actively seeking appropriate targets for further acquisitions.

To date, acquisitions have been structured to:

- minimise financial risk;
- maximise the ongoing alignment of interests between Business Managers and the Company; and
- promote incentives that support business stability and growth of Operating Businesses on eventual retirement of the Business Managers from the acquired businesses.

While each transaction has had its own unique features, historical acquisitions have typically shared a number of common elements:

- a material portion of the cash consideration has been dependent on profits of the acquired business after acquisition;
- to the extent that equity in the Company has been offered as consideration, the amount of equity issued to sellers has been subject to reduction if the acquired business fails to meet earnings thresholds;
- owners that have sold businesses have been given an ongoing entitlement to an annual payment linked to the profitability of the acquired business until such time as they exit the business;
- a minimum period of three years active involvement (for those former owners actively involved in ongoing business operations) has been required to earn the maximum consideration payable;
- a portion of the acquisition consideration has only been payable after the former owner has retired from active involvement in the business, with the amount of the payment being linked to the profitability of the business after the date of retirement; and
- non-compete clauses prevent the seller from competing with Rubicor for a period of time.

The Company's experience has been that elements such as those set out above are not attractive to all potential sellers of recruitment businesses. Rather, the Company's acquisition structures have tended to attract or "self-select" those business owners who wish to remain actively involved in their business after acquisition and who are confident that their profitability can be sustained and enhanced.

In addition to evaluating acquisition structures and financial and operating metrics, the Company also places great value when assessing acquisition opportunities on the personal attributes of the individuals who are selling their businesses to the Company. It is critical that the individuals exhibit a good "fit" in terms of shared views about strategy, growth objectives and industry dynamics.

Rubicor seeks to differentiate itself from other large diversified recruitment companies in its approach to growing the businesses that it acquires. Specifically, Rubicor does not seek to "homogenise" or impose a corporate culture onto the acquired Operating Businesses.

As a result of the flexibility and incentives given to Business Managers to actively manage the day to day operations of Operating Businesses and because Rubicor does not seek to impose significant corporate integration projects on acquired businesses (e.g., major IT or systems integration), the Company has been able to undertake a relatively large number of acquisitions in a relatively short period of time.

Retaining established business cultures after acquisition enables Operating Businesses to maintain a highly motivated, positive, team atmosphere with minimal corporate distractions.

5.5 Operating business overview

Rubicor consists of a highly diversified platform of Operating Businesses. The following pages highlight the key features of those businesses.

Apsley Recruitment

Location: Sydney
Specialisation: Banking, Finance, Office Support
Founded: 2002
Consultants: 15

- With a focus on recruiting mid-level roles in financial services, and located in the heart of the Sydney CBD, Apsley is well positioned to service clients in Australia's largest financial services market.

Cadden Crowe

Location: Sydney, Melbourne, Perth, Brisbane
Specialisation: Resources, Manufacturing, Pharmaceutical, Management
Founded: 1996
Consultants: 51

- With a national network of offices including a team servicing Pacific and Asian countries, Cadden Crowe operates via a segmented industry model rather than by candidate discipline. Cadden Crowe has an extensive capability within the resources sector.

Careers Unlimited

Location: Canberra
Specialisation: Office Support, Administration, Legal, Finance and Accounting
Founded: 1996
Consultants: 10

- Careers Unlimited has Commonwealth Government endorsed supplier status, and a significant portion of its business involves servicing Government clients. These activities are complemented by an established and successful legal recruitment practice.

Challenge Recruitment

Location: Australia wide
Specialisation: Industrial Trades, Blue Collar, Hospitality
Founded: 1993
Consultants: 100

- Challenge Recruitment's business model is attuned to large volume outsourcing requirements in manufacturing, warehousing, logistics, call centres, administration and civil construction. The majority of Challenge Recruitment's client base is serviced via Preferred Supplier Agreements with major blue chip Australian companies and public sector departments.

CiT Professionals

Location: Melbourne
Specialisation: IT
Founded: 2003
Consultants: 13

- CiTP focuses on providing teams of business and technical contractors to large scale enterprises deploying a broad range of technologies including client server, mainframe, web and enterprise resource planning applications.

Credit Recruitment

Location: Sydney, Brisbane
Specialisation: Credit
Founded: 1995
Consultants: 16

- Credit Recruitment has been providing services to credit control, collections and accounts receivable professionals for 12 years. Long term clients include some of the largest telecommunications, banking, finance and manufacturing companies in Sydney and Brisbane.

Dolman Legal Search and Recruitment

Location: Sydney
Specialisation: Legal
Founded: 1994
Consultants: 6

- Dolman recruits lawyers of all levels. Clients include top Australian, UK and US law firms, as well as large corporations, and revenues from international clients have grown strongly in recent years. Dolman's consultants have over 40 years experience between them in legal practice and recruitment fields.

Gaulter Russell		
Location:	New Zealand	• Gaulter Russell is New Zealand's leading specialist sales and marketing recruiter, with a significant capability in the fast moving consumer goods sector. It operates out of Auckland and Wellington in both the permanent and contracting markets.
Specialisation:	Sales and Marketing	
Founded:	1992	
Consultants:	13	
Gel Group		
Location:	Perth	• Servicing both private sector and Government clients in Australia's fastest growing state, Gel's revenue has benefited from the strong performance of Western Australia's economy over recent years.
Specialisation:	Office Support, IT, Accounting, Executive and Professional	
Founded:	1996	
Consultants:	19	
Health Recruitment		
Location:	New Zealand	• Located in Wellington, Health Recruitment places health professionals in permanent, contract and locum positions. Candidates are placed in clinical roles in medical, nursing, mental health, allied health and management across New Zealand.
Specialisation:	Nursing and Medical	
Founded:	1997	
Consultants:	6	
James Gall and Associates		
Location:	Adelaide	• Operating for 15 years in search and selection, James Gall and Associates' core expertise is in the Engineering, Manufacturing Construction and Technical/IT sectors across South Australia.
Specialisation:	Engineering, Manufacturing, Construction, Technical/IT and Executive and Professional	
Founded:	1992	
Consultants:	5	
Locher & Associates		
Location:	Adelaide	• As well as being an established recruitment operation, Locher is a specialist in human capital solutions and organisational development, with tailored executive leadership and coaching capabilities. It is also a nationally registered training organisation.
Specialisation:	Office Support, Administration, Executive and Professional and Human Capital Solutions including Outplacement	
Founded:	2001	
Consultants:	30	
Numero		
Location:	New Zealand	• Building on the significant success of Gaulter Russell, Numero was established by the founders of that business to provide accounting and finance recruitment services to the Auckland market. Numero has extended its capabilities into supply chain logistics recruitment and it is currently expanding its business into Wellington.
Specialisation:	Finance, Accounting and Logistics	
Founded:	2004	
Consultants:	7	

Powerhouse People		
Location:	New Zealand	• Powerhouse People was established by seven partners with a combined Recruitment Industry experience in Wellington of over 100 years. The business specialises in the recruitment and contracting of executives and professionals for private, public and not-for-profit organisations.
Specialisation:	Management, Executive and Professional	
Founded:	2004	
Consultants:	17	
Skillsearch		
Location:	Sydney	• Skillsearch fills technical roles such as software developers and architects, team leaders, project managers, and business, test and technical support analysts. It has a specialist consulting services team delivering highly experienced software testers across Australia.
Specialisation:	IT	
Founded:	1996	
Consultants:	7	
SMF Recruitment		
Location:	Sydney	• Based in Sydney, SMF specialises in Banking and Finance, Insurance and Accounting. Responding to demand from its existing clients for Melbourne-based recruitment services, SMF is in the process of establishing a Melbourne office.
Specialisation:	Banking and Finance, Accounting, and Insurance	
Founded:	2002	
Consultants:	20	
Wheeler Campbell		
Location:	New Zealand	• Based in Wellington, Wheeler Campbell specialises in providing mid to senior level candidates to clients across the public and private sector in policy, senior management, sport and recreation and Maori recruitment services.
Specialisation:	Management, Executive and Professional	
Founded:	1993	
Consultants:	13	
Wizard Personnel and Office Services		
Location:	Canberra	• With a history of 21 years in the Canberra market, Wizard has a particular strength in the Government sector. The business supplies a broad range of positions including clerical, high level secretarial, program and contract management roles.
Specialisation:	Office Support and Administration	
Founded:	1986	
Consultants:	6	
Xpand		
Location:	Sydney and Melbourne	• A specialist IT recruiter, Xpand has achieved significant growth in recent years. Xpand's reputation is endorsed by the fact that it has won Seek's Annual Recruitment Awards (Australia's Favourite IT Recruiter) in 2003, 2004, 2005 and 2006.
Specialisation:	IT including New Media	
Founded:	2001	
Consultants:	22	

Note: Consultant numbers in the above table are as at April 2007.

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Risk Factors 06

Gaulter Russell & Numero
New Zealand

Gaulter Russell is New Zealand's leading specialist sales and marketing recruiter, with a significant capability in the fast moving consumer goods sector. It operates out of Auckland and Wellington in both the permanent and contracting markets.

Section 6.
Risk Factors

6.1 Introduction

There are a number of factors, both specific to Rubicor and of a general nature to the business and economic climate, which may either individually or in combination, affect the future operating and financial performance of the Company, its prospects, its investment returns and the value of the Shares. These risks include, but are not limited to, the risks set out in this Section.

The risks have been separated into Company specific risks (described under Section 6.2) and risks associated with investing in the share market (described under Section 6.3). The Company specific risks have been based on an assessment by the Directors of the probability of the risk occurring and the impact of the risk if it did occur. This assessment was based on the knowledge of the Directors as at the Prospectus Date and there is no guarantee or assurance that the importance of the different risks will not change.

Prospective investors should note that this Section is not an exhaustive list of the risks associated with an investment in the Company and it should be considered in conjunction with other information disclosed in this Prospectus.

6.2 Company Specific Risks

6.2.1 Reliance on Key Personnel

Rubicor relies on the experience and knowledge of its Executive Management Team, Business Managers and high performing consultants. The Company is also dependent on the ability of the Operating Businesses to recruit and retain suitably qualified personnel.

In the event that such key personnel left Rubicor and it was unable to recruit suitable replacements, such loss could have a material adverse effect on the Company.

6.2.2 Downturn in the Employment Market

The performance of Rubicor will be influenced by the overall employment market and general economic conditions in Australia and New Zealand which are, by their nature, cyclical and subject to change. A downturn in the Australian or New Zealand economies generally may adversely impact Rubicor's financial performance.

Rubicor operates over a range of industries and sectors, including those outlined in Section 5.1. A downturn in any of these industries or sectors could negatively impact upon the financial performance of the Operating Businesses or Rubicor as a whole. The five industries and sectors to which Rubicor has the largest exposure are manufacturing, government, finance, IT and business support.

6.2.3 Suitable Candidates

The ability of Rubicor to satisfy demand for its services is dependent on maintaining, sourcing and attracting a pool of suitable candidates in order to fill positions. A further tightening of the labour market may reduce the availability of suitable candidates and may impact on Rubicor's ability to generate fees from placing such candidates or impose greater costs in identifying candidates.

6.2.4 Loss of Contracts

Rubicor generally provides services to clients under relatively short-term arrangements. Clients are generally able to reduce or cancel their use of the Rubicor's services and terminate relevant contracts without penalty at relatively short notice. This is true for material customer contracts of the Operating Businesses (including Challenge Recruitment). Where Preferred Supplier Agreements exist, these arrangements are commonly short term, non-exclusive in nature and capable of termination by the client on short notice. In addition, the Preferred Supplier Agreements do not guarantee any level of revenue to Rubicor. Any shift in a significant portion of the Rubicor's clients to other recruitment service providers could have an adverse effect on the Rubicor's business, operating results and financial condition.

6.2.5 Acquisitions

The Company expects that it will continue to grow both organically and through executing appropriate acquisitions. The success of any future acquisitions is dependent on a number of factors including:

- identifying suitable acquisition targets that meet Rubicor's acquisition criteria;
- the availability of equity or debt financing on acceptable terms to fund the acquisitions;
- Rubicor's ability to manage the newly acquired personnel, operations, products, technologies and systems of the acquired businesses;
- retaining and motivating the personnel of the acquired businesses; and
- maintaining current clients and securing new clients for the acquired businesses.

There can be no assurance that financing for acquisitions will be available on terms acceptable to the Company, or that the Company will be able to identify and consummate any acquisitions. If the Company is unable to make further acquisitions, this may adversely affect its ability to grow its revenues and preserve its diversity of revenue sources.

In addition, the acquisition of Challenge Recruitment has not yet been completed and is conditional on the Company obtaining the necessary funding for the acquisition by 30 June 2007. While it is expected that, as set out in this Prospectus, the issue and transfer of Shares under the Offer will occur on 14 June 2007, there is no guarantee that the timetable will not change and therefore that the condition will be satisfied by this date. In the event that the acquisition could not be completed by 30 June 2007, the Company would seek an extension of the completion deadline.

6.2.6 Variation in payments to vendors of Operating Businesses

The level of Earn Out Payments and Exit Payments that will actually be paid by the Company with respect to the acquisition of Operating Businesses is dependent on the profits generated by the relevant Operating Business. The timing of Exit Payments is also dependent on the time at which the relevant vendor actually exits the business. This potential variability in the level and timing of deferred consideration payments could impact (positively or negatively) on the performance and financial position of the Company. Further details of the Earn-Out Payments and Exit Payments are set out in Sections 8.7.2, 10.5 and 11.2.8.

6.2.7 Unavailability of debt financing

As described in Section 10.3, the Company has received an offer of new debt facilities from ANZ. The offer of the New Facilities is subject to the satisfaction of certain conditions precedent including the agreement of formal documentation for the New Facilities. While the Directors are not aware of any reason why the conditions precedent will not be able to be satisfied, there is no guarantee that these conditions precedent will be able to be fulfilled. In that event, the Company would need to seek alternative sources of financing, which may not be available on equivalent terms to the New Facility.

6.2.8 Operational Control

The Business Managers who run each Operating Business have a substantial degree of flexibility in day to day decision-making and Rubicor's business model is designed to preserve elements of an owner/operator mentality. The Executive Management Team is relatively small in size compared to the scope of Rubicor's activities. If the Executive Management Team is unable to maintain adequate financial or operational control over the Operating Businesses, this could have an adverse impact on the financial position or prospects of the Company.

The Company's ability to continue to grow its business through acquisition will also depend upon the capacity of the Executive Management Team to effectively manage Rubicor's growing and diverse portfolio of businesses.

6.2.9 Maintenance of Professional Reputation and Brand Name

Rubicor's success is reliant on the reputation and branding of the Operating Businesses. Unforeseen issues or events, which place the Operating Businesses' reputation at risk, may impact on future growth and profitability. Referrals by clients and candidates are a major source of business for Rubicor. As a result, any factors that negatively impact the Operating Businesses' reputation or that of any of their personnel could impede the flow of referral business and the Operating Businesses' ability to compete successfully and could result in adverse effects on future business and financial performance.

6.2.10 Information Technology

The management information and other IT systems of the Operating Businesses are designed to enhance the efficiency of their operations. Any interruptions to these operations could impair the ability of the Operating Businesses to conduct normal business operations.

While standard backup and restoration procedures are in place, a natural disaster or other unforeseen event could result in a loss of access to the Operating Businesses websites, a loss or corruption of data or the inability to access client and candidate data (including candidate databases in particular). This could have a negative impact on the performance of the Operating Businesses.

6.2.11 Increased Competition from Existing and New Competitors

There are a large number of recruitment companies operating in Australia and New Zealand. These companies include a mixture of private and public listed companies, with both local and international ownership.

Competition within the recruitment sector has traditionally been strong and this is highly likely to continue. The Recruitment Industry has also traditionally had low barriers to entry, allowing recruitment consultants to establish new companies with relative ease.

Changes in technology, including the development of the internet as a means to facilitate the recruitment process, have also impacted certain segments of the recruitment market in recent years. Most notably, online employment classifieds have impacted the market for employment advertising. The ability of the Rubicor to keep pace with new technologies and new business models is important to maintaining its position within the market place and there can be no guarantee that new technologies or business models will not adversely affect the Rubicor in the future.

6.2.12 Contractor risk

Rubicor places temporary and contract staff in the workplaces of other businesses. Rubicor has joint responsibility under applicable occupational health and safety laws for staff which are placed with clients. In certain circumstances it is possible that Rubicor may be held responsible for the actions at a workplace of persons not under the direct control of the Rubicor.

6.2.13 Copyright risk

Rubicor regards the copyright in its candidate databases as important assets. Rubicor relies on copyright law to protect and identify its intellectual property rights and has sought independent advice as to the value of the copyright in its candidate databases.

The Company has claimed Australian tax deductions in respect of the amortisation of its copyright in candidate databases during the year ended 30 June 2006 and in the forecast for the year ending 30 June 2007. The Company is aware that the Australian Taxation Office is reviewing the treatment of copyright amortisation in respect of other companies, albeit involving different types of copyright interests. The Company has obtained appropriate legal, valuation and tax advice as to the merits of its claim. However, the Company cannot guarantee that the Australian Taxation Office will not challenge its position.

The tax cost base of candidate databases in Australian and New Zealand that is being amortised is $19.9 million. A tax deduction of $0.3 million, representing a tax benefit of $0.1 million, has been claimed by Rubicor for the year ended 30 June 2006. Tax deductions of $3.3 million and $2.1 million are assumed in the forecast pro forma and statutory income statements for the year ending 30 June 2007, representing tax benefits of $1.0 million and $0.6 million, respectively.

6.2.14 Government Regulations on Immigration

The supply of specialist and quality candidates is to a certain extent reliant on candidates from outside Australia and New Zealand and, should any additional restrictions be imposed on this source of candidates, the ability of the Operating Businesses to provide quality candidates to service their clients could be placed at risk. Any changes in this area will generally impact the Recruitment Industry as a whole.

6.3 Risks Associated with Investing in the Share Market

6.3.1 No public market

There has been no public market for the Company's Shares prior to the Offer. An active market for the Shares on ASX may not develop or be sustained after completion of the Offer. Any failure of an active market on ASX for the Shares to develop following the Offer could adversely affect your ability to sell your Shares and depress the market price of your Shares.

6.3.2 Share price fluctuations

The Shares are to be quoted on ASX, where the price may rise or fall relative to the Offer Price. The Shares issued or sold under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on ASX. The value of the Shares will be determined by the share market and will be subject to a range of factors, many or all of which may be beyond the control of the Company, the Executive Management Team and Business Managers.

In the future, the sale of large parcels of Shares (whether held by Existing Shareholders or acquired by any party under the Offer or following the Offer) may cause a fluctuation in the price at which the Shares trade on ASX.

6.3.3 Economic factors

Changes in economic and business conditions or government policies in Australia, New Zealand or internationally may affect the fundamentals of the projected growth of Rubicor's target markets or its cost structure and profitability. Adverse changes in the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), consumer spending, and employment rates, are outside the control of the Company, the Executive Management Team and Business Managers and may have an adverse affect on the financial performance and/or financial position of Rubicor.

Board and Management 07

Dolman Legal Search and Recruitment

Sydney

Dolman recruits lawyers of all levels. Clients include top Australian, UK and US law firms, as well as large corporations, and revenues from international clients have grown strongly in recent years. Dolman's consultants have over 40 years experience between them in legal practice and recruitment fields.

Section 7.
Board and Management

7.1 Board of Directors

Executive Director

Chief Executive Officer – Wayman Chapman

Wayman is the Chief Executive Officer of the Company and a member of the Nomination and Corporate Governance Committee. Wayman joined the Company in May 2005.

Wayman has over 20 years experience in the Australian Recruitment Industry. Joining Morgan & Banks in 1988 to open its Adelaide office, he progressively took responsibility for the Perth, Brisbane and Canberra operations.

After the merger of Morgan & Banks and TMP Worldwide, Wayman became Deputy Chief Executive for TMP's Australasian Recruitment Division. He became joint CEO of the division in 2002, with responsibilities for operations in 11 cities.

Non-executive Directors

Chairman – Robert Aitken

Rob is Chairman and a non-executive Director of the Company and a member of the Audit and Risk Management Committee, the Remuneration and Human Resources Committee and Chair of the Nomination and Corporate Governance Committee. Rob joined the Company in July 2005.

Rob has over 25 years experience in senior management roles with manufacturing, industrial marketing and distribution businesses in Australia, Asia, North America and Europe. Most recently this has been as President of Formica Corporation and then Executive General Manager of Southcorp Limited.

Rob is also a non-executive Director of Alesco Corporation Limited and Nuplex Industries Limited and Chairman of API Securities Holdings Pty Ltd and Formit Services Pty Ltd.

Malcolm Jackman

Malcolm is a non-executive Director of the Company and is Chairman of the Remuneration and Human Resources Committee. Malcolm joined the Company in May 2005.

Malcolm has over 20 years experience in the staffing services and recruitment industry in New Zealand, Australia and North America. Between 1996 and 2003, Malcolm was the Australian and New Zealand Chief Executive of Manpower. He also served as President of the Recruitment & Consulting Services Association between 2001 and 2003, and received the Centenary of Federation Medal for his services to the Recruitment Industry in 2003.

Malcolm is currently the Chief Executive of Coates Hire, Australia's largest equipment hire business. The company also has operations in the United Kingdom and Indonesia.

Russel Pillemer

Russel is a non-executive Director of the Company and a member of the Audit and Risk Management Committee and the Remuneration and Human Resources Committee. He was one of the initial founders and sponsors of Rubicor and has been a Director of the group since inception.

He is currently the Managing Director of Apex Capital Partners, a boutique private equity and financial advisory firm that he co-founded in 2002. He is also the Executive Chairman of Pengana Capital Limited and Chairman of Centric Wealth Limited.

Russel has 16 years experience in the investment banking industry. From 1994 to 2002, he worked in the Investment Banking Division of Goldman Sachs & Co. in Sydney and New York, where he specialised in mergers and acquisitions and the provision of general strategic advice to a wide range of companies.

He is a member of the Institute of Chartered Accountants in Australia and has a Bachelor of Commerce (Hons) from the University of NSW.

John Pettigrew

John is a non-executive Director of the Company and is a member of the Nomination and Corporate Governance Committee and is Chair of the Audit and Risk Management Committee. John joined the Company in March 2007.

John has extensive experience in senior finance and commercial roles in a number of corporations and industry sectors. Joining Stockland Property Trust Group in 1977 as Chief Financial Officer and becoming Finance Director in 1982, John established Compliance, Audit and Risk Management Committees and led teams to accomplish several successful takeovers. He also had significant roles in structuring and managing listed property trusts, developing the first Australian stapled security and establishing domestic and international unsecured note programs for Stockland.

John is currently also a non-executive Director of Babcock & Brown Japan Property Management Ltd. He is a Fellow of CPA Australia, of Chartered Secretaries Australia, and is a member of the Institute of Directors.

7.2 Executive Management Team

Chief Executive Officer – Wayman Chapman

See biography above

Chief Financial Officer – Kevin Levine

Kevin is the Chief Financial Officer of the Company and has responsibilities including business strategy, financial management and reporting, acquisition negotiation and execution, and treasury management. Kevin joined the Company in July 2005.

Kevin Levine is a Chartered Accountant with more than 17 years experience in senior financial management positions in the services industry. During this time, Kevin was the CFO of Trade Wind Communications Limited, an Australian public company previously listed in Canada and the USA, now listed on the ASX as Connxion Limited.

Kevin has significant experience with systems and control implementation, MIS implementation, corporate reporting and financing. He has also been closely involved with operational and strategic initiatives and investor relations activities.

From left to right:

Russell Pillemer, Wayman Chapman, Rob Aitken, Malcolm Jackman, John Pettigrew

Chief Operating Officer – Jane Beaumont

Jane is the Chief Operating Officer of the Company and has responsibilities including business strategy, planning and business development, operating profit management, organic growth, succession planning and operational performance. Jane joined the Company in September 2006.

Jane has 27 years recruitment industry experience, in the UK and Australasian markets. Having spent a number of years in management roles with several major global groups, she then spent five years with Manpower as Vice President Sales responsible for business growth. While at Manpower, Jane also participated in the group's Global Council for Business acquisition and strategic sales.

In 2001, Jane took on the role of Managing Director for Spherion's recruitment group in Asia Pacific. After Spherion was acquired by Ross Human Directions Limited in June 2004, Jane spent two years as Managing Director for the group's recruitment businesses and as a Board appointee.

Between 2001 and 2006, Jane served as a Board member for the Information Technology Contract and Recruitment Association.

General Counsel and Company secretary – Sharad Loomba

Sharad is the General Counsel and Company Secretary of Rubicor and manages the legal and company secretarial functions as well as providing legal counsel for the various subsidiaries in the Rubicor Group. Sharad is responsible for advising the Board and senior management on all legal issues which arise. Sharad commenced with Rubicor in May 2007.

Sharad is a corporate/commercial lawyer with 14 years experience. He holds a Bachelor of Commerce and a Bachelor of Laws from the University of New South Wales and was admitted in New South Wales in December 1992. Sharad began his career in 1993 as a solicitor with Allen Allen & Hemsley and has since worked for Cravath Swaine & Moore (in New York), and Clayton Utz and Landerer & Co. Sharad has had extensive experience in a broad range of corporate/commercial deals from mergers and acquisitions, capital markets, joint ventures and general corporate advisory.

7.3 Executive Service Agreement

The Company has entered into an executive service agreement with Wayman Chapman.

The key terms of the executive service agreement are as follows:

- the employment will continue until terminated under the provisions of the agreement or otherwise. A minimum notice period of three months is required prior to termination, except in certain circumstances, for example where the executive is guilty of serious misconduct, in which case no notice is required;
- the executive is provided with remuneration comprising a fixed base salary and superannuation contributions along with a bonus determined in the absolute discretion of the Company. The package is reviewed annually, having regard to the performance of the executive, the Company and other external factors. Wayman is currently entitled to receive $420,000 per annum fixed salary; and

James Gall & Associates
Adelaide

Operating for 15 years in search and selection, James Gall and Associates' core expertise is in the Engineering, Manufacturing Construction and Technical/IT sectors across South Australia.

- the executive is subject to a non-competition clause providing for restraints upon the executive:
  - competing with the Company;
  - engaging in employment with a supplier or customer of the Company; or
  - enticing clients, customers or employees away from the Company,

for a period of up to two years after the termination of employment and in an area encompassing Australia and New Zealand (unless restricted to the state of New South Wales by a court of law).

7.4 Corporate Governance

The Board of Directors of the Company is responsible for the overall corporate governance of the Company and has adopted as a guiding principle that it act honestly, conscientiously and fairly in accordance with the law and in the interests of the Shareholders with a view to building sustainable value for them, the Company's employees and other stakeholders in the Company.

The Company has adopted a Board Charter which sets out the principles for the operation of the Company. The Board Charter and the charters adopted by the Board for the committees to be established by the Board have been prepared and adopted on the basis that corporate governance procedures can add to the performance of Rubicor and the creation of shareholder value, and help to engender the confidence of the investment market.

The Board is responsible for the management of the affairs of the group including:

- strategic and financial performance;
- executive management;
- audit and risk management;
- strategic planning;
- corporate governance; and
- performance evaluation.

The Board must comprise at least three directors, and will meet no less than six times formally per year.

7.4.1 Board of Directors and its Committees

In order to effectively fulfil its duties, the Board has established the following committees:

- the Audit and Risk Management Committee, which is responsible for monitoring and advising the Board on Rubicor's audit, risk management and regulatory compliance policies and procedures;
- the Remuneration and Human Resources Committee, which is responsible for overseeing the remuneration and human resources policies and practices of Rubicor; and
- the Nomination and Corporate Governance Committee, which is responsible for advising the Board on the composition of the Board and its committees, reviewing the performance of the Board, its committees and the individual directors and advising the Board on its corporate governance policies.

7.4.1.1 Audit and Risk Management Committee

The Audit and Risk Management Committee's functions are to:

- assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control relating to all matters affecting Rubicor's financial performance, the audit process, and Rubicor's process for monitoring compliance with laws and regulations and Rubicor's code of conduct;
- assist the Board with the adoption and application of appropriate ethical standards and management of Rubicor and the conduct of Rubicor's business;
- implement and supervise Rubicor's risk management framework; and
- review the adequacy of Rubicor's insurance policies.

The Committee will comprise a minimum of three non-executive directors who are financially literate, one of whom must have expertise in financial reporting. The Board of the Company will nominate the Chairman of the Committee, who must be an independent director who is not Chairman of the Board. The Committee may invite other persons to attend meetings of the Committee including the Chief Executive Officer, the Chief Financial Officer and the Company's external auditors. The Committee will meet not less than four times per year.

7.4.1.2 Remuneration and Human Resources Committee

The Remuneration and Human Resources Committee's functions are to endeavour to ensure:

- that the Directors and the Executive Management Team of Rubicor are remunerated fairly and appropriately;
- that Rubicor's remuneration policies and outcomes strike an appropriate balance between the interests of the Company's shareholders, and reward and motivate Rubicor's executives and employees in order to secure the long term benefits of their energy and loyalty; and
- that the human resources policies and practices are consistent with and complementary to the strategic direction and objectives of Rubicor as determined by the Board.

Remuneration

The Committee is required to review and make recommendations to the Board about:

- the general remuneration strategy for Rubicor, so that it motivates Rubicor's executives and employees to pursue the long term growth and success of Rubicor and establishes a fair and transparent relationship between individual performance and remuneration;
- the terms of remuneration for the executive Directors and other Executive Management Team members of Rubicor from time to time including the criteria for assessing performance;
- remuneration reviews for executive and non-executive Directors;
- changes in remuneration policy and practices, including superannuation and other benefits;
- employee equity plans and allocations under those plans; and
- the disclosure of remuneration requirements in the Company's public materials including Australian Stock Exchange filings and the annual report.

Human Resources

The Committee is required to:

- review and advise the Board on succession planning for the executive Directors and other Executive Management Team;
- review the recruitment, retention and termination policies and procedures for the Executive Management Team;
- review the superannuation arrangements for employees; and
- review executive development programs to ensure they are appropriate for the Company's needs.

The Committee will comprise a minimum of two non-executive Directors, including if practicable, a majority of independent non-executive Directors. The Board of the Company will nominate the Chairman of the Committee, who must be an independent non-executive Director. The Committee will meet not less than three times per year.

7.4.1.3 Nomination and Corporate Governance Committee

The Nomination and Corporate Governance Committee's functions are to:

- review and advise the Board on the composition of the Board and its committees;
- review the performance of the Board as a whole and the individual members of the Board;
- ensure that proper succession plans are in place for consideration by the Board;
- advise the Board on good governance standards and appropriate corporate governance policies for Rubicor; and
- critically review Rubicor's performance against its corporate governance policies.

Nomination

The Committee is required to:

- critically review the performance and effectiveness of the Board and its individual members;
- establish criteria for Board membership;
- review the size and composition of the Board;
- periodically assess the skills required to discharge the Board's duties, having regard to the strategic direction of the Company;
- propose candidates for directorships for consideration by the Board having regard to the desired composition as stated in the Board Charter;
- inform the Board of the names of Directors who are retiring in accordance with the provisions of the Constitution and make recommendations to the Board as to whether the Board should support the re-nomination of that retiring Director.
- establish and facilitate an induction program for new Directors;
- identify any specific responsibilities of individual Board members, including the Chairman;
- review succession planning for the executive Directors and other Executive Management Team members (if any) of the Company and provide advice to the Board on progress; and
- review the membership and performance of other Board committees and make recommendations to the Board.

Governance

The Committee is required to:

- review developments in corporate governance in Australia and internationally that may be relevant to Rubicor and to the expectations of the investor market and other stakeholders;
- monitor the corporate governance requirements of regulators, including the Australian Securities and Investments Commission and ASX;
- review ethical guidelines and standards for Directors;
- advise the Board on corporate governance standards, and on the adoption or amendment of corporate governance policies that would be appropriate for Rubicor;
- review annually Rubicor's compliance with its corporate governance policies and procedures, and report to the Board on the results of the review together with any recommendations of the Committee; and

- assist the Board to prepare Rubicor's corporate governance disclosure statements in its annual report.

The Committee will comprise of a minimum of two non-executive Directors, including if practicable, a majority of independent non-executive Directors. The Board of the Company will nominate the Chairman of the Committee, who must be an independent non-executive Director. The Committee will meet not less than three times per year.

7.4.2 Continuous Disclosure

Once listed, the Company will be a "disclosing entity" under Section 111AR of the *Corporations Act* and as such, will need to comply with the continuous disclosure requirements of Chapter 3 of the Listing Rules and Section 674 of the *Corporations Act*. Subject to the exceptions contained in the Listing Rules, the Company will be required to disclose to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company takes its disclosure obligations seriously and seeks to comply with the spirit as well as the content of the ASX requirements.

The Company has adopted a Continuous Disclosure Policy in relation to information disclosures and relevant procedures.

The Policy sets out principles that the Company will apply in relation to the disclosure of material information, including that the Company:

- will not give analysts or other select groups of market participants any material price sensitive non-public information at any time;
- will not generally respond to market rumours and speculation except where:
  - the speculation or rumours indicate that the subject matter is no longer confidential and therefore the exception to disclosure set out in the Listing Rules no longer applies;
  - the ASX formally requests disclosure by the Company on the matter; or
  - the Board considers that it is appropriate to make a disclosure in the circumstances.
- will only allow authorised company spokespersons to make any public statement on behalf of the Company.

7.4.3 Share Trading Policy

The Company has adopted a Share Trading Policy to regulate dealings by Rubicor employees in Company securities. All employees are required to conduct their personal investment activity in a manner that is lawful and avoids conflicts of interest between the employee's personal interests and those of the Company and its clients. The Company is keen to promote shareholder and general market confidence in the integrity of the Company's internal controls and procedures, and to provide guidance on avoiding any breach of the insider trading laws.

Under the Policy, employees who acquire shares by way of subscription under the Offer are not permitted to sell or otherwise alienate their interest in their IPO Shares until the first trading window to open following the release by the Company of its preliminary financial report for the year ending 30 June 2007. Employees of the Company are prohibited from trading in Company securities, except during a trading window as notified by the Company Secretary. Generally, the trading window is open:

- for a period of eight weeks following the public release by the Company of its annual and half year results to ASX (commencing on the second trading day after, and ending eight weeks following, the day of such release);
- for a period commencing on the second trading day following lodgement of the Company's Annual Report with ASX and continuing for up to one month after the holding of the Company's Annual General Meeting; and
- during the offer period (for so long as it remains open) under any publicly available prospectus issued by the Company offering securities.

Additionally, the Company will open a trading window to permit employees to buy securities on market only during the period of two weeks commencing on the date that Shares begin trading on ASX. Employees are not permitted to sell Shares during the Initial Trading Window. The Company may declare a trading window closed at any time at its absolute discretion and without prior notice.

7.4.4 Code of Conduct

The Company has adopted a written Code of Conduct, which applies to all of Rubicor's executive and non-executive Directors, officers, employees, contractors and consultants.

The purpose of the Code is to ensure that:

- high standards of corporate and individual behaviour are observed by all employees in the context of their employment with Rubicor; and
- employees are aware of their responsibilities to Rubicor under their contract of employment and always act in an ethical and professional manner; and
- all persons dealing with Rubicor, whether it be employees, shareholders, suppliers, clients or competitors, can be guided by the stated values and practices of Rubicor.

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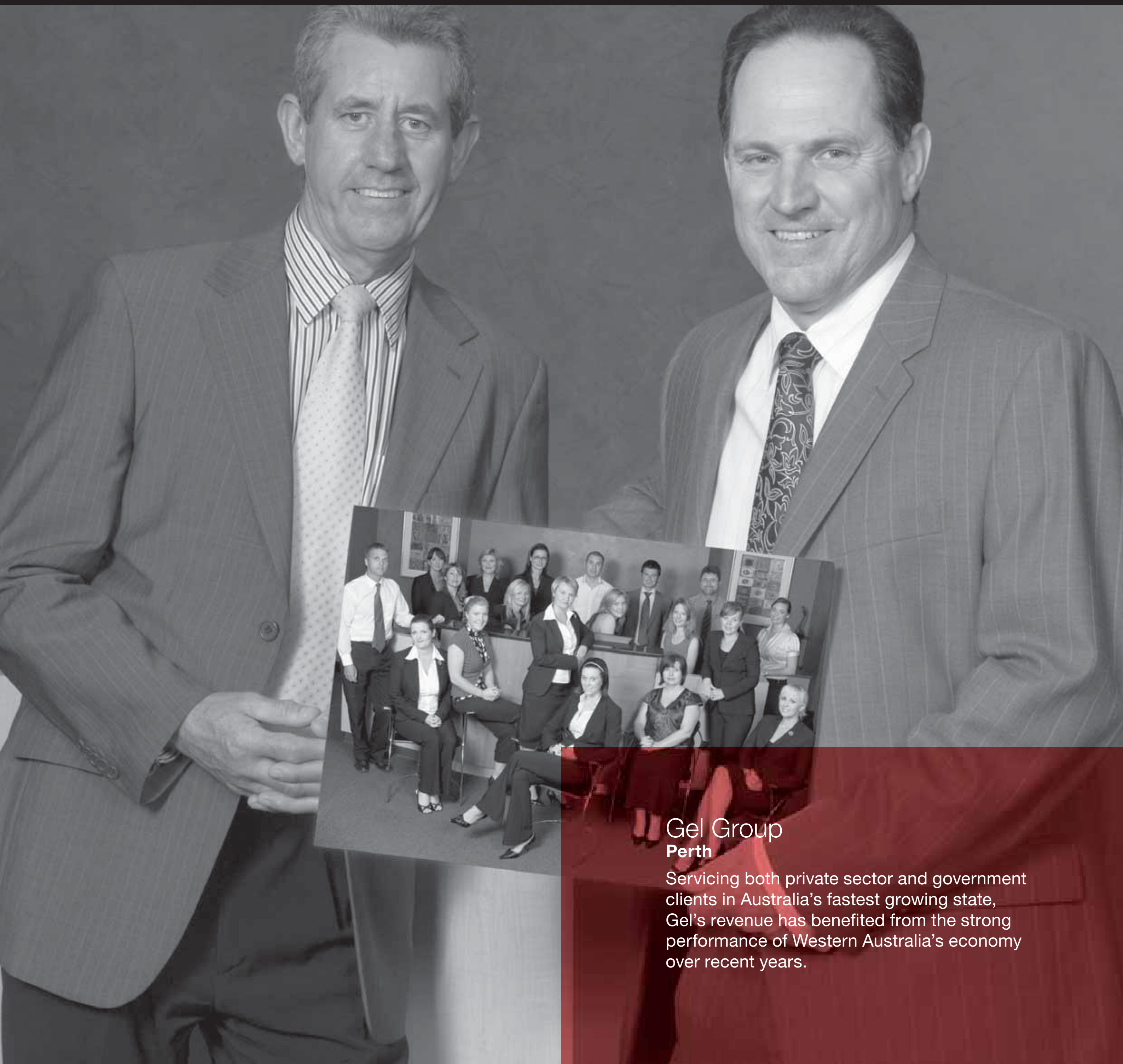
Historical and Forecast Financial Information 08



Gel Group
Perth
Servicing both private sector and government clients in Australia's fastest growing state, Gel's revenue has benefited from the strong performance of Western Australia's economy over recent years.

Section 8.
Historical and Forecast Financial Information

8.1 Overview

8.1.1 Historical financial information

The historical financial information of Rubicor included in this Prospectus is presented on both an actual historical and pro forma historical basis. The actual historical financial information comprises:

- the summary statements of EBITDA of Rubicor for the years ended 30 June 2005 and 30 June 2006, as set out in Table 8.1;
- the summary balance sheet of Rubicor as at 31 December 2006 as set out in Table 8.7; and
- the notes to the financial information, as set out in the Appendix.

The pro forma historical financial information of Rubicor, which is presented on a basis consistent with the structure of Rubicor as at the date of the IPO (refer Section 8.7) comprises:

- the summary pro forma balance sheet of Rubicor as at 31 December 2006, as set out in Table 8.7; and
- the notes to the financial information, as set out in the Appendix.

8.1.2 Forecast financial information

The forecast financial information of Rubicor is presented both on a statutory and pro forma basis. The statutory forecast financial information comprises:

- the summary statutory income statement of Rubicor for the year ending 30 June 2007, as set out in Table 8.1; and
- the summary statutory cash flow statement of Rubicor for the year ending 30 June 2007, as set out in Table 8.10.

The pro forma forecast financial information comprises the summary pro forma income statement of Rubicor for the year ending 30 June 2007, as set out in Table 8.1.

The forecast financial information presented should be read in conjunction with the basis of preparation of financial information (Section 8.2), summary of pro forma adjustments (Section 8.3.3.3), key assumptions underlying its preparation (Section 8.4), the sensitivity analysis (Section 8.5), discussion of risk factors (Section 6), and the Investigating Accountant's Report (Section 9).

8.2 Basis of Preparation of Financial Information

With the exception of Table 8.2 and Chart 8.1 the financial information included in this Prospectus has been prepared in accordance with the recognition and measurement principles prescribed in current interpretations of the Australian Equivalents to International Financial Reporting Standards ("AIFRS"), the Corporations Act and Rubicor's accounting policies, as set out in the notes to the financial information included in the Appendix. The financial information is presented in an abbreviated form and does not comply with all the presentation and disclosure requirements of Australian Accounting Standards applicable to annual reports prepared in accordance with the Corporations Act.

8.2.1 Historical financial information

The actual historical financial information included in this Prospectus has been extracted from financial information included in the financial statements of Rubicor for the years ended 30 June 2005 and 30 June 2006, and the six months ended 31 December 2006, which have been subject to audit.

The pro forma historical financial information included in this Prospectus has been extracted from the audited financial statements of Rubicor for the six months ended 31 December 2006, adjusted for the pro forma transactions and/or adjustments described in Section 8.7.1.

The pro forma historical financial information has been prepared in order to provide investors with an indication of the potential impact of the Offer, and the acquisition of Wizard and Dolman (which have completed since 31 December 2006) and Challenge Recruitment (which is expected to complete shortly after completion of the Offer) on the financial position of Rubicor. The pro forma historical financial information does not illustrate the financial position that would have been in place had the acquisitions occurred at 31 December 2006, nor does it illustrate the financial position that will be in place upon completion of the Offer principally because:

- the assets and liabilities of Challenge Recruitment to be acquired will be those in existence as at the date of transaction completion, which is expected to occur shortly after completion of the Offer. For the purpose of preparing the pro forma financial information, Rubicor has used the balance sheet of Challenge Recruitment, at 28 February 2007; and

- the fair value of Wizard, Dolman and Challenge Recruitment assets and liabilities acquired or to be acquired, including intangible assets, needs to be determined under the requirements of AASB 3 Business Combinations. AASB 3 Business Combinations requires all acquired identifiable assets, liabilities and contingent liabilities, including intangible assets, to be identified and valued. The purchase price is then allocated to the fair value of these assets, liabilities, and contingent liabilities with any residual allocated to goodwill. For the purpose of preparing the pro forma financial information, the Company has undertaken its own assessment of the fair values of assets and liabilities acquired based on methodologies employed by its independent advisor when valuing previous acquisitions consummated by the Company. After the IPO, the Company intends to commission an independent valuation of the Wizard, Dolman and Challenge Recruitment assets and liabilities acquired. It is possible that upon future completion of the independent valuations of the acquired assets and liabilities of Wizard, Dolman and Challenge Recruitment, the values attributed to amortising identified intangible assets may be materially different to the values attributed by the Company.

The historical financial information of Rubicor has been reviewed and reported on by KPMG Transaction Services as Investigating Accountant in Section 9.

8.2.2 Forecast financial information

The forecast statutory financial information has been prepared and is presented on the same basis as the financial information that will be included in Rubicor's audited annual report for the year ending 30 June 2007.

The forecast pro forma financial information has been presented to reflect the full year effect of the operating and capital structure of Rubicor that will be in place upon completion of the Offer and the acquisition of Challenge Recruitment, and excludes certain one off items. A reconciliation between the pro forma and statutory forecast financial information is set out in Section 8.3.3.3.

The forecast financial information is based on a number of estimates and assumptions concerning future events, including the key assumptions set out in Section 8.4. These assumptions have been presented in this Prospectus by the Directors of the Company to provide potential investors with a guide to the anticipated financial performance of Rubicor during the year ending 30 June 2007. The Directors of the Company have prepared this information with proper care and attention and consider the assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus based on present circumstances and market conditions, and the implementation of the Executive Management Team's business strategies.

Investors should be aware, however, that the forecast financial information is likely to vary from actual results and any variation could be materially positive or negative. The forecast financial information and the best estimate assumptions are by their very nature subject to business, economic and competitive uncertainties, contingencies and risks, many of which are beyond the control of the Directors of the Company and are not reliably predictable. The forecast financial information is also based upon assumptions with respect to future business decisions which are subject to change. Accordingly, the Directors of the Company can give no assurance that the forecast financial information or any prospective statement in this Prospectus will be achieved. Their inclusion should not be regarded as a representation or warranty with respect to their accuracy or the accuracy of the underlying best estimate assumptions.

Events and outcomes might differ in quantum and timing from the assumptions, with material consequential impacts on the forecast financial information. Investors are therefore cautioned not to place undue reliance on this information.

8.3 Historical and Forecast Financial Performance

8.3.1 Financial performance

Table 8.1 presents the summary statements of historical EBITDA for the years ended 30 June 2005 and 2006, and the summary forecast pro forma and statutory income statements for the year ending 30 June 2007.

Table 8.1 Summary Statements of EBITDA and income statements [1]

$ 000	30 Jun 05 actual[2]	30 Jun 06 actual[2]	30 Jun 07 statutory forecast[3]	30 Jun 07 pro forma forecast[3]
Revenue				
Contract and temporary recruitment	4,018	43,030	115,379	283,883
Permanent recruitment	1,683	19,389	36,361	42,834
Other revenue[4]	395	2,656	5,419	6,828
Total revenue	6,096	65,075	157,159	333,545
On-hired labour costs[5]	(3,104)	(33,428)	(95,212)	(246,269)
Net revenue	2,992	31,647	61,947	87,276
Employee expenses	(1,284)	(17,070)	(31,502)	(43,019)
Other net operating expenses	(1,268)	(7,746)	(16,780)	(20,158)
EBITDA	440	6,831	13,665	24,099
Depreciation			(573)	(976)
EBITA			13,092	23,123
Amortisation[6]			(3,561)	(4,902)
EBIT			9,531	18,221
Interest on vendor liabilities[7]			(5,228)	(7,485)
Net interest on borrowings			(6,980)	(1,184)
Net profit/(loss) before tax			(2,677)	9,552
Taxation			(1,202)	(5,092)
Net profit/(loss) after tax			(3,879)	4,460

Notes:

1. This Table sets out summary financial information only and does not comply with all the disclosures required by Australian Accounting Standards applicable to annual reports prepared in accordance with the Corporations Act.
2. The summary statements of historical EBITDA for the years ended 30 June 2005 and 30 June 2006 have been presented to EBITDA only due to changes to the financing and group operating structures prior to the Offer causing historical net borrowing costs and taxation not to be comparable with Rubicor's new corporate and capital structure that will be in place upon completion of the Offer. Historical depreciation and amortisation expenses are not directly comparable due to the impact of acquisition accounting fair value adjustments.
3. The summary forecast pro forma and statutory income statements for the year ending 30 June 2007 are based on a number of key assumptions and estimates disclosed in Section 8.4.
4. Other revenue comprises revenue generated from human capital solutions and services on charged to clients.
5. The Operating Businesses contract directly with personnel they place into temporary and contractor positions, and therefore initially bear the cost of this contract labour, before passing on to their clients.
6. As detailed in Section 8.3.3.3, AASB 138 requires Rubicor to amortise all acquired identifiable intangibles over their useful life, resulting in a non-cash charge to the income statement.
7. As detailed in Section 8.7.2, AASB 139 requires Rubicor to recognise a discounted liability on its balance sheet for future Earn Out Payments payable to the vendors of acquired Operating Businesses upon the satisfaction of certain conditions. The liability is measured at fair value, which is determined by discounting estimated related future cash flows to a net present value. The discounted liability accretes over the estimated period of the cash flows to the original face value. The accretion of the liability is recognised in the income statement as a non-cash interest expense.

8.3.2 Pro forma net revenue

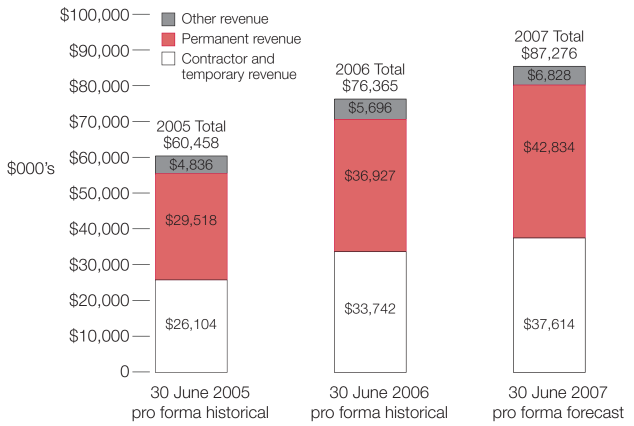
Table 8.2 and Chart 8.1 present pro forma net revenue of Rubicor assuming the acquisition of all of the Operating Businesses that will comprise Rubicor at (or in the case of Challenge Recruitment shortly after) the IPO had occurred on 1 July 2004. The purpose of this disclosure is to indicate the recent level of organic growth (that is growth in revenue not attributable to acquisitions) in the Operating Businesses.

Table 8.2 Pro forma net revenue

$ 000	30 Jun 05 pro forma historical	30 Jun 06 pro forma historical	30 Jun 07 pro forma forecast[1]
Pro forma revenue			
Contractor and temporary recruitment	187,006	253,198	283,883
Permanent recruitment	29,518	36,927	42,834
Other revenue	4,836	5,696	6,828
Total pro forma revenue	**221,360**	**295,821**	**333,545**
On-hired labour costs	(160,902)	(219,456)	(246,269)
Pro forma net revenue	**60,458**	**76,365**	**87,276**

1. Forecast pro forma net revenue for the year ending 30 June 2007 is based on a number of key assumptions and estimates disclosed in Section 8.4.

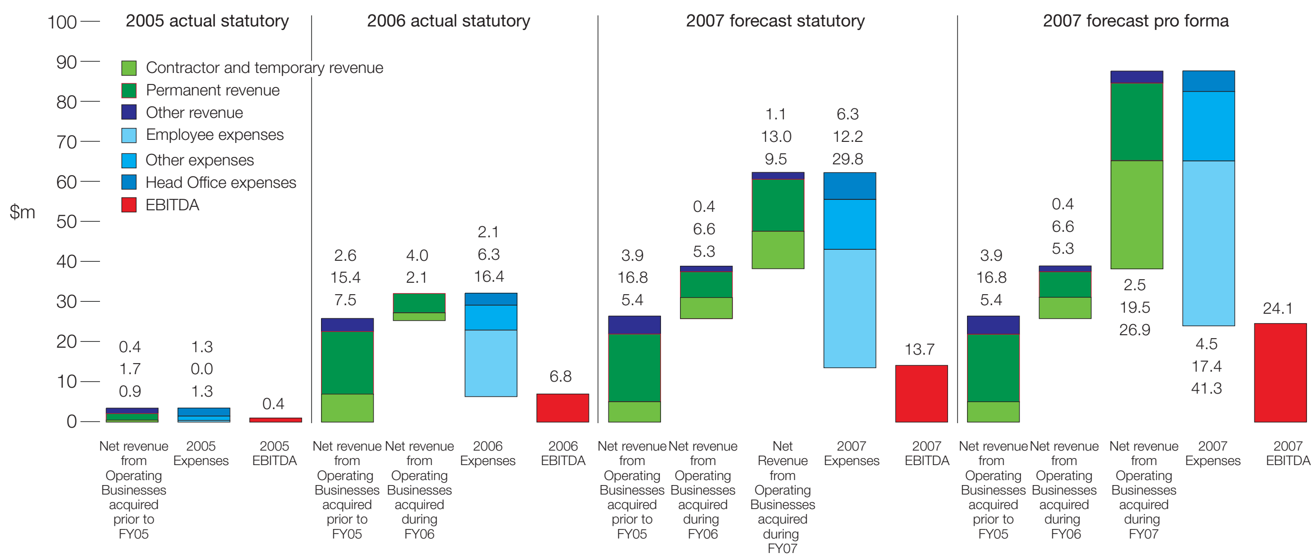
Chart 8.1 Pro forma net revenue



8.3.3 Management Discussion and Analysis of Actual, Forecast Statutory and Forecast Pro Forma Financial Performance

Chart 8.2 below summarises the key components of Rubicor's revenues and expenses contributing to historical EBITDA for the years ended 30 June 2005 and 30 June 2006, and forecast statutory and pro forma EBITDA for the year ending 30 June 2007.

Chart 8.2 Key contributors to EBITDA



8.3.3.1 Movements in actual EBITDA between the years ended 30 June 2005 and 30 June 2006

During the year ended 30 June 2006, Rubicor:

- increased net revenue and EBITDA, which was driven primarily by the full year contribution to FY06 earnings of the five Operating Businesses acquired in FY05 and part year earnings contribution to FY06 earnings of an additional four Operating Businesses that were acquired during FY06;
- increased net revenue to $31.6 million from $3.0 million in FY05 primarily through acquisition growth in contract, temporary and permanent placements, partially offset by slightly lower reported margins on net contract and temporary recruitment revenue of 22.3% compared to 22.7% in FY05. Net contract and temporary recruitment revenue margin is calculated as contract and temporary revenue less on-hired labour costs, divided by contract and temporary recruitment revenue;
- incurred employee and other operating expenses of $24.8 million which equates to 78.4% of net revenue (FY05; 85.3%);
- delivered growth in EBITDA of $6.4 million, from $0.4 million in FY05 to $6.8 million; and
- increased EBITDA margin to 21.6% of net revenue, from 14.7% in the prior year. The improvement in EBITDA margin resulted primarily from increased scale leading to lower average fixed head office costs, which is also highlighted by the decline in costs as a percentage of net revenue as noted above.

8.3.3.2 Difference between actual EBITDA for the year ended 30 June 2006 and statutory forecast EBITDA for the year ending 30 June 2007

Rubicor is forecasting continued growth in statutory EBITDA during the year ending 30 June 2007 primarily due to the full year contribution to FY07 earnings of the four Operating Businesses acquired in FY06 and the part year contribution to FY07 earnings of an additional 9 Operating Businesses that have been acquired during FY07 (excludes Challenge Recruitment which is expected to be acquired shortly after completion of the Offer). These Operating Businesses are summarised in Table 8.5 below. Other key forecast earnings drivers are as follows:

- net revenue is forecast to increase by 96%, from $31.6 million in FY06 to $61.9 million, partially offset by a decline in temporary recruitment margin from 22.3% in FY06 to 17.5% due to an expected change in contract and temporary revenue mix (increased demand from government versus corporate clients; and increased Preferred Service Agreement (PSA) demand versus non PSA demand). Net contract and temporary recruitment revenue as a percentage of total net revenue is forecast to increase to 32.6% from 30.3% in FY06 primarily due to the higher proportion of contract and temporary revenue expected to be generated from the Operating Businesses acquired in FY07 (40.3% of total for those entities). The increase in the proportion of contract and temporary revenue reflects Rubicor's strategy of improving the stability and predictability of net revenue;
- employee and other operating expenses are forecast to remain relatively constant as a percentage of net revenue at 77.9%. Employee expenses are forecast to increase from $17.1 million in FY06 (54.1% of net revenue) to $31.5 million (51.7% of net revenue) reflecting the employment of additional consultants in order to support forecast revenue growth (37% of the total expected growth in consultant numbers) and personnel joining Rubicor from Operating Businesses acquired during FY07 (63% of forecast growth in consultant numbers);
- consultant billing efficiency, measured as the expense of revenue generating consultants (which forms part of employee expenses in the income statement) as a percentage of net revenue, is expected to improve to 42% of net revenue from 45% in the prior year due to a strategic initiative to improve consultant productivity, and the acquisition of businesses in FY07 with more efficient consultants. This increase in efficiency will however be partially offset by slightly lower average efficiencies expected from the 46 additional consultants to be hired in FY07 during their initial training and assimilation period; and
- the forecast increase in other net operating expenses from $7.7 million in FY06 to $16.8 million in FY07 on a statutory basis is expected to result from:
  - the recognition in the income statement of $1.8 million of Offer costs, being the portion of total Offer costs of $4.6 million attributed to the sale of Sale Shares by the Vendor Shareholders under the Offer. The remaining Offer costs of $2.8 million, which are attributable to the issue of New Shares under the Offer, have been recorded as a reduction in equity in the 31 December 2006 pro forma balance sheet;
  - part year incremental cost of operating as a listed company (additional Directors' fees, audit, legal, regulatory and other compliance costs, and investor relations expenses) of $0.3 million;
  - increased levels of consulting fees, audit, accounting and legal fees related to acquisitions; and
  - transaction costs on a proposed acquisition that did not proceed.

As a result of the above, EBITDA is forecast to increase from $6.8 million in FY06 to $13.7 million and the margin is expected to increase slightly from 21.6% in FY05 to 22.1%.

8.3.3.3 Difference between statutory forecast NPAT and pro forma forecast NPAT for the year ending 30 June 2007.

Overview

Rubicor is forecasting pro forma EBITDA for the year ending 30 June 2007 of $24.1 million, which is $10.4 million higher than the forecast statutory EBITDA of $13.7 million. This is primarily due to the full year earnings contribution of entities acquired/expected to be acquired in FY07, (in particular Challenge Recruitment), assuming those entities were acquired on 1 July 2006.

Consistent with Rubicor's strategy to increase contract and temporary recruitment revenues, the acquisition of Challenge Recruitment, which is focussed on providing contract and temporary labour, is the key contributor to contract and temporary recruitment revenue representing 43.1% of forecast pro forma net revenue as compared to 32.6% on a forecast statutory basis. Challenge Recruitment is expected to contribute 54.7% of Rubicor's forecast pro forma net contract and temporary recruitment revenue and 19.8% of Rubicor's total forecast pro forma net revenues in FY07.

Challenge Recruitment is focused on providing large national corporate customers with high volume, contract and temporary placement services. As a result, forecast net contract and temporary recruitment margin is expected to decline to 13.2% on a pro forma basis compared to 17.5% on a forecast statutory basis. However, on a pro forma basis, net temporary recruitment margin for FY07 is forecast to be consistent with FY06. EBITDA margin on a pro forma basis is expected to increase to 27.6% as a result of increased operational scale (lower average operating expenses and fixed head office costs) and as a result of the average EBITDA margin of the Operating Businesses acquired during FY07 being higher than the EBITDA margin of Rubicor prior to these acquisitions

Pro forma adjustments

As detailed in Table 8.4 below, pro forma adjustments have been made to the forecast statutory income statement to arrive at the forecast pro forma income statement in order to reflect the full year effect of the operating and capital structure of Rubicor that will be in place upon completion of the Offer and the acquisition of Challenge Recruitment, and to exclude certain one off items.

Table 8.4 Reconciliation of forecast statutory net profit after tax, EBITDA and revenue to forecast pro forma net profit after tax, EBITDA and revenue for the year ending 30 June 2007.

		30 June 2007	
$ 000	NPAT	EBITDA	Revenue
Forecast statutory NPAT/EBITDA/revenue	(3,879)	13,665	157,159
Pro forma adjustments[1]			
Add full year contribution of the 2007 Acquired Entities	8,232	8,635	176,386
Add full year amortisation of identifiable intangibles of the 2007 Acquired Entities	(1,341)	–	–
Remove incremental amortisation and write off of borrowing costs	3,554	–	–
Remove incremental interest on borrowings	2,095	–	–
Add full year impact of interest on vendor liabilities	(2,257)	–	–
Add full year impact of listed company costs	(478)	(478)	–
Remove Offer costs	1,813	1,813	–
Remove other non-recurring costs	611	464	–
Incremental taxation on full year earning and pro forma adjustments	(3,890)	–	–
Forecast pro forma NPAT/EBITDA/revenue	4,460	24,099	333,545

1. Pro forma adjustments are presented on a pre tax basis. The tax effect of pro forma adjustments is included in the taxation adjustment line.

Description of material pro forma adjustments

The forecast statutory income statement is presented on the same basis as the financial information that will be included in Rubicor's audited annual report for the year ending 30 June 2007. Accordingly, the forecast statutory income statement reflects the anticipated actual results of operations up to completion of the Offer, which is assumed to be 14June 2007, and the anticipated actual results of operations from following completion of the Offer to 30 June 2007.

The forecast pro forma income statement for the year ended 30 June 2007 assumes that the operating and financing structures expected to be in place at completion of the Offer were in existence for the full year commencing 1 July 2006 and Challenge Recruitment was acquired at 1 July 2006.

The key pro forma adjustments to the forecast statutory income statement of Rubicor for the year ending 30 June 2007 to arrive at the forecast pro forma income statement for the year ending 30 June 2007 are described below.

Full year contribution of the 2007 Acquired Entities

During the year ending 30 June 2007, the Company has acquired (or, in the case of Challenge Recruitment is expected to complete the acquisition shortly after completion of the Offer) the following Operating Businesses (referred to as "the 2007 Acquired Entities").

Table 8.5 2007 Acquired Entities

Entity acquired	Date of completion of acquisition
CitP	31 August 2006
Credit Recruitment Specialists	1 September 2006
Gaulter Russell	18 August 2006
Numero	18 August 2006
Wheeler Campbell	24 August 2006
Health Recruitment	24 August 2006
Powerhouse People	15 August 2006
Wizard	2 January 2007
Dolman	1 February 2007
Challenge Recruitment	Shortly after completion of the Offer

Upon completion of the acquisition of the 2007 Acquired Entities, the results of operations and financial position of these entities have been or will be consolidated by the Company for accounting purposes in its financial statements. Accordingly, the forecast statutory income statement reflects the forecast results of the 2007 Acquired Entities from the actual or expected dates the acquisitions were completed or, in the case of Challenge Recruitment, the date it is expected to complete. The forecast pro forma income statement assumes the 2007 Acquired Entities were acquired by the Company on 1 July 2006 and therefore reflects a full year forecast earnings contribution from each of these entities;

As at the date of this Prospectus, the Company had completed the acquisitions of each of the 2007 Acquired Entities, other than Challenge Recruitment. The Company entered into a Share Purchase Option Agreement ("SPOA") and Subscription Agreement on 22 December 2006 to acquire Challenge Recruitment. The acquisition of Challenge Recruitment is conditional upon the Company obtaining the necessary funding for the acquisition before 30 June 2007, which the Company expects will be satisfied by the proceeds of the Offer. The acquisition of Challenge Recruitment is expected to be completed shortly after completion of the Offer. Further details of the SPOA and Subscription Agreement are set out in Section 10.5.2 of the Prospectus.

Amortisation

Accounting standards require the purchase price paid by the Company for acquired Operating Businesses to be allocated to the fair value of the assets and liabilities acquired, including identifiable intangible assets, with any residual amount allocated to goodwill.

Identifiable intangible assets acquired by the Company generally consist of candidate databases, software, preferred supplier arrangements, customer relationships, brands and content, which have limited useful lives ranging from 3 – 10 years. In accordance with accounting standards, these identifiable intangible assets are being amortised on a straight line basis over their useful lives. The amortisation charge is a non-cash charge to the income statement.

The additional amortisation expense of $1.3 million in the forecast pro forma income statement compared to the forecast statutory income statement reflects the full year amortisation of identifiable intangible assets relating to the 2007 Acquired Entities assuming they were acquired on 1 July 2006.

Interest expense

Rubicor's total interest expense consists of two principal components being vendor liability interest and net interest on borrowings.

The interest expense on vendor liabilities represents the accretion of the discounted vendor liability recorded on the balance sheet to its face value. The discounted vendor and liability represents the present value of estimated future Earn out Payments and Exit Payments to vendors and annual payments based on profits. Interest on vendor liabilities comprises cash and non-cash components as discussed further in Section 8.7.2.

Vendor liability interest recorded in the forecast pro forma income statement amounts to $7.4 million, which is $2.3 million in excess of the forecast statutory expense reflecting a full year of interest assuming the 2007 Acquired Entities were acquired 1 July 2006.

Net interest on borrowings on a pro forma basis is forecast to be $1.2 million in FY07 and comprises the amortisation of capitalised borrowing costs ($0.2 million) and the interest incurred on borrowings ($1.0 million). On a statutory forecast basis, net interest on borrowings is expected to be $7.0 million comprising amortisation of borrowing costs ($3.8 million) and interest on borrowings ($3.2 million):

- forecast amortisation of borrowing costs on a statutory basis is greater than the forecast pro forma expense primarily due to the assumed accelerated write off of capitalised borrowing costs of $3.6 million as at the date of completion of the Offer at which time the Company intends to refinance its existing facilities; and

- the pro forma forecast reflects an assumed full year interest on pro forma borrowings expected to be in existence immediately subsequent to the IPO.

Rubicor's financing facilities are discussed further in Section 8.7.4.

Other pro forma adjustments

Other adjustments to the forecast statutory income statement to arrive at the forecast pro forma income statement for the year ending 30 June 2007 include:

- the recognition of a full year of listed company costs of $0.7 million;
- the removal of approximately $1.8 million of Offer costs recorded in the forecast statutory income statement;
- the removal of $0.5 million of costs incurred in respect of a strategic transaction during the first half of 2007 that was not pursued by the Directors, along with a non-cash accounting expense of $0.1 million relating to Series A Shares, which will convert to ordinary Shares as part of the Restructuring described in Section 11.1; and
- anticipated incremental tax expense resulting from the above adjustments.

8.4 Key Assumptions Underlying the Directors' Forecasts

The forecast statutory and pro forma financial information of Rubicor for the year ending 30 June 2007 has been prepared on the basis of the best estimate assumptions set out below. This information is intended to assist potential investors in assessing the reasonableness and likelihood of the forecasts being achieved, and is not intended to be a representation that the assumptions will occur.

Potential investors should be aware that the timing of events and the magnitude of their impact may differ to that assumed in preparing the forecast information, and this may have a material positive or negative impact on the forecast financial performance and cash flows of Rubicor. Potential investors should review the material assumptions in conjunction with the sensitivity analysis set out in Section 8.5.

8.4.1 General Assumptions

In preparing the forecast financial information for the financial year ending 30 June 2007, the Directors of the Company have applied the following general assumptions:

- the Offer is fully subscribed and proceeds are received by the Closing Date;
- there will be no significant changes in prevailing economic conditions or the rate of economic growth in the Australian or New Zealand recruitment market which could have an adverse impact on the level of placements;
- there will be no significant loss of key executives, Business Managers or high performing consultants of the Operating Businesses during the forecast period;
- there will be no significant changes in statutory, legal or regulatory requirements that would have a material effect on Rubicor's competitive environment or operations;
- there are no material changes in Australian Accounting Standards (including AIFRS), Statements of Accounting Concepts or other mandatory professional requirements, including the Urgent Issues Group Consensus Views and the Corporations Act, which may have a material effect on Rubicor's financial results and cash flows during the forecast period;
- there will be no significant industrial, contractual or political disturbances which adversely impact Rubicor or the continuity of its operations;
- there is no change in taxation legislation that would have a material impact on Rubicor's financial results and cash flows during the forecast period; and
- notwithstanding Rubicor's investment objectives, no acquisitions (other than the 2007 Acquired Entities) or divestments of Operating Businesses are completed by Rubicor during the forecast period other than those described in this Prospectus.

8.4.2 Specific Assumptions

Revenue

Revenue has been forecast by the management of each Operating Business, using a bottom-up approach taking into consideration historical trends including actual year to date performance, and the anticipated short term outlook for the following key revenue drivers:

- existing and anticipated local market conditions and customer considerations including demand for contractor and temporary and permanent staff;
- the number of recruitment consultants dedicated to securing temporary and permanent placements on behalf of customers, the retention of existing consultants and the availability and timing of recruitment of new consultants. The forecast assumes that 379 revenue generating consultants will be employed by Rubicor as at 30 June 2007. As at 31 December 2006 Rubicor employed 255 recruitment consultants and this is forecast to increase by 113 consultants as a result of Operating Businesses acquired or to be acquired after 31 December 2006 and by 11 consultants expected to be employed during the remainder of FY07. The majority of Rubicor's consultants specialise in either the temporary or the permanent markets, with a smaller portion specialising in both markets;

- the availability of candidates to be placed and the number of placements per consultant. Recruitment consultants specialising in permanent placements are assumed to be placing an average of approximately 2.0 candidates per month by 30 June 2007. Recruitment consultants specialising in contractor and temporary placements are assumed to have approximately 30 personnel placed on contracts with clients by 30 June 2007. These assumptions are consistent with the average rate of candidates placed by consultants over the year;
- the average hourly/daily rate charged to customers for temporary staff hours worked per day per temporary staff (based on amounts paid to temporary and contractor staff) consistent with average hourly/daily rates charged over the year; and
- the average salary of candidates placed into permanent roles and percentage fee received by Rubicor, which are consistent with average salaries and fees charged over the year.

Although there is no overriding set of assumptions on a group basis in relation to revenue, the Executive Management Team undertakes a process of refining the bottom-up forecasts prepared by the management of the Operating Businesses based on a top-down analysis to take into consideration broader market conditions and outlook, and corporate initiatives and strategies.

On-hired labour costs

Rubicor contracts directly with personnel it places into contract and temporary positions, and therefore initially bears the cost of this contract labour, known as on-hired labour costs, before passing on to its customer.

Consistent with revenue, on-hired labour costs are forecast on a bottom up basis by the management of the Operating Businesses, and refined by the Executive Management Team based on a top-down analysis. Specific consideration is given to historical and anticipated near term trends in the following as noted above:

- the number of consultants specialising in temporary placements and the number of temporary staff placed by each temporary consultant;
- the hourly/daily rate paid to contract and temporary staff; and
- the number of hours worked per day per temporary staff and the duration of their contract.

Employee expenses

Employee expenses, which are comprised of the cost of Operating Business management and consultants, and head office management and support staff, and are also forecast on a bottom up and top-down basis after consideration of historical and anticipated near term trends in:

- total employees needed to sustain the business and deliver FY07 forecast earnings, which is assumed to be 480 by 30 June 2007;
- the availability and timing of recruitment of new consultants;
- staff retention levels consistent with historic retention levels; and
- known pay rates of existing employees, and anticipated pay rates of assumed new employees.

Other net operating expenses

Other net operating expenses are forecast based on recent historical and anticipated trends in the underlying operating cost of each Operating Business and the corporate head office.

Included in other net operating costs are rental costs, insurance, advertising and marketing expenses, organisational development expenses, staff training and other general operating expenses, and the incremental cost of operating as a listed company (including independent directors' fees, directors and officers insurance, communications, compliance and registry costs) based on the prior experience of the Directors and cost quotes obtained by Rubicor. (Refer Section 8.3.3.2 and 8.3.3.3.)

Acquisitions

The forecast only reflects the earnings contribution of an Operating Business to the extent that it is controlled by the Company, or a legally binding agreement to consummate the acquisition of any Operating Business has been entered into by the Company and the vendor, as is the case with Challenge Recruitment, which is expected to complete shortly after completion of the Offer. The statutory forecast reflects the earnings contribution of the 2007 Acquired Entities from the date of completion of the acquisition (or expected date of completion in the case of Challenge Recruitment), while the pro forma forecast assumes the acquisitions of the 2007 Acquired Entities occurred on 1 July 2006.

Depreciation

The forecast statutory depreciation expense is based on consideration of actual depreciation incurred during the year to date period and the anticipated expense through to 30 June 2007 taking into account forecast capital expenditure.

The pro forma forecast reflects full year depreciation assuming all 2007 Acquired Entities were acquired at 1 July 2006.

No change in forecast depreciation rates has been assumed.

Amortisation

For all acquisitions completed as at 31 December 2006, the Company has engaged external valuation experts to determine the fair values of assets and liabilities acquired, including identifiable intangible assets.

For Wizard, Dolman and Challenge Recruitment, the Company has undertaken its own assessment of the fair values of assets and liabilities acquired based on methodologies employed by its independent advisor when valuing previous acquisitions consummated by the Company. Subsequent to the IPO, the Company intends to commission an independent valuation of the Wizard, Dolman and Challenge Recruitment assets and liabilities acquired.

In accordance with accounting standards, identifiable intangible assets are being amortised on a straight line basis over their useful lives. The pro forma forecast assumes that the identifiable intangible assets relating to the 2007 Acquired Entities are amortised from 1 July 2006. The statutory forecast assumes that the identifiable intangible assets are amortised from the date of effective completion of the acquisitions (or in the case of Challenge Recruitment, the date of expected completion of the acquisition).

Interest on vendor liabilities

Forecast interest expense on vendor liabilities is based on consideration of the following key variables:

- the assumed quantum and timing of the payment of future obligations to the vendors of acquired Operating Businesses in the form of Earn out Payments, Exit Payments and annual payments based on profits, which are based on anticipated underlying Operating Business growth and performance. See Section 8.7.2 for further explanation; and
- a discount rate of 12.5%, representing the assessed risk adjusted rate of return, applied to these future obligations in order to calculate a present value for recognition as a liability on the balance sheet. The amount by which the face value of future payments is discounted for balance sheet liability measurement purposes is accreted into the income statement over the period of the obligation.

Net interest on borrowings

Net interest on borrowings is forecast based on the assumed level of facilities utilised for acquisition funding and working capital requirements and the financing charges on those facilities, net of interest revenue derived from cash on hand.

The key terms of the facilities are set out in Section 8.7.4.

Taxation

Tax expense is calculated by assuming a corporate tax rate of 30% for Australian tax domiciled Operating Businesses and 33% for New Zealand tax domiciled Operating Businesses, adjusted for the following items:

- amortisation of preferred supplier agreements – customer relationships are not deductible under Australian or New Zealand tax legislation;
- amortisation of candidate databases, which is not deductible for tax purposes under New Zealand tax legislation;
- the interest expense that accretes into the income statement upon the unwinding of discounted vendor liabilities is not deductible under Australian tax legislation as the underlying instruments issued to certain vendors in consideration of the deferred purchase price settlement mechanism, being the Series B Redeemable Preference Shares issued are treated as equity; and
- non-deductible costs associated with the Offer.

8.5 Sensitivity Analysis

The Directors' forecasts have been based on certain assumptions as set out in Section 8.4, regarding future economic and industrial conditions, regulatory issues and specific matters relating to Rubicor. Rubicor's EBITDA is sensitive to movements in a number of key variables. A summary of the potential impact on the pro forma forecast for the year ending 30 June 2007 of movement in these variables is presented in Table 8.6.

The sensitivity table below should be considered in conjunction with the accompanying discussion of the sensitivity analysis. Care should be taken in interpreting this sensitivity analysis. The analysis treats each change in specific assumptions in isolation to the others, whereas in many cases changes may be interdependent, with associated changes having cumulative effects or mitigating the impact of other changes. The analysis presented is no indication of the likely level of variation to each assumption. Proportional variations of the changes presented may not result in a proportional change to the forecast impact.

Typically, Rubicor would respond to any material change in conditions by taking appropriate action to minimise/maximise, to the extent possible, any adverse/beneficial effect on profits and dividends. The effect of any such mitigating factors has been excluded from the analysis.

Table 8.6 Sensitivity analysis

Forecast Variable	Movement	Impact on Pro forma forecast EBITDA $millions	% Change
Net contract and temporary recruitment revenue	+/- 5%	1.9	7.8%
Permanent recruitment revenue	+/- 5%	2.2	9.3%
Employee expenses	+/- 5%	2.2	8.9%

8.6 Dividend policy

For the year ending 30 June 2007, the Company is forecast to incur a net loss after tax. This result has been significantly impacted by non-cash amortisation costs, notional interest on future vendor payments, interest costs based on the pre-Offer capital structure, Offer costs and other items. As a result, no dividend is forecast to be paid for the year ending 30 June 2007.

In respect of future financial periods, subject to the notional interest on future vendor payments and the comments below, the Directors currently intend to adopt a dividend payout ratio of 50%-70% of NPAT, and it is intended that dividends will be franked to the fullest extent possible.

Any future dividends will be at the complete discretion of the Directors and will depend upon the availability of distributable earnings and the Company's franking credit position, operating performance, approval from primary financiers, available cash flow, financial condition, outlook, the Company's obligation to pay preferential dividends to holders of Series B Redeemable Preference Shares (as described in Section 11.2.8), the Company's taxation position and future capital requirements as well as general business and financial conditions and any other factors the Directors may consider relevant. Therefore, the Directors can give no assurance regarding the payment or level of dividends, the level of franking of such dividends or the extent of payout ratios for future financial periods.

It is noted that Rubicor has significant negative retained earnings. Accordingly, for the foreseeable future all dividends can only be paid from current earnings.

8.7 Statutory Pro Forma Balance Sheet

Table 8.7 below sets out Rubicor's statutory balance sheet as at 31 December 2006, and pro forma balance sheet as at 31 December 2006, adjusted to reflect the effects of the Offer, and the Operating Businesses to be acquired after 31 December 2006.

8.7.1 Adjustments underlying the preparation of the pro forma balance sheet

Rubicor's pro forma balance sheet as at 31 December 2006 is based on the audited balance sheet of Rubicor as at 31 December 2006, adjusted to reflect the effects of the Offer, the entities acquired/to be acquired in the second half of FY07, and the other adjustments outlined below, assuming each had occurred as at 31 December 2006.

Acquisitions during the second half of FY07

The acquisitions of Wizard (completed 2 January 2007), Dolman (completed 1 February 2007) and Challenge Recruitment (expected to complete shortly after completion of the Offer) for total assumed consideration of $40.1 million, being:

- upfront cash consideration of $19.9 million, comprising actual payments made for Wizard and Dolman ($6.9 million) and an agreed payment expected to be made for Challenge Recruitment upon completion of the acquisition ($13.0 million); and
- the present value of assumed deferred consideration payable of $20.2 million (face value of $21.7 million) which is subject to performance conditions being met.

The upfront cash consideration paid in respect of Wizard and Dolman was funded through:

- the issue of Shares in January 2007, raising net proceeds of $4.3 million;
- the utilisation of $0.3 million of cash on hand; and
- the draw down of $2.3 million from borrowings.

The upfront cash consideration to be paid for Challenge Recruitment is assumed to be funded out of the Offer proceeds (discussed below).

Further details of acquisition consideration and the fair values of assets and liabilities acquired/to be acquired (including the assumption of $1.7 million of cash on hand and $12.0 million of debt) are set out in the Notes to the Financial Information in the Appendix.

The Offer

- The issue of approximately 44.2 million New Shares by the Company at the Offer Price of $1.00 per Share under the Offer, raising gross proceeds of $44.2 million, and the sale of approximately 31.6 million Sale Shares by the Vendor Shareholders at the Offer Price of $1.00 per Share under the Offer; and
- the payment of transaction costs directly related to the Offer of $4.6 million, of which $2.8 million is offset against equity raised, with the balance of $1.8 million ($1.0 million on an after tax basis) recorded in the forecast statutory income statement.

Debt Refinancing

- The repayment in full of borrowings from pre-IPO facilities of $51.3 million out of Offer proceeds and cash on hand ($25.7 million) and proceeds from the draw down on new facilities that will be in place as at the date of the IPO ($25.6 million);
- the payment out of cash on hand of $1.1 million for new facility establishment fees (recorded as a reduction in pro forma borrowings) and the payment out of cash on hand of $0.3 million for fees to be incurred upon closing pre-IPO facilities upon completion of the Offer (recorded as an expense in the income statement); and
- the write off of $1.7 million of capitalised borrowing costs relating to the pre-IPO facilities to be closed upon completion of the Offer.

Table 8.7 Summary balance sheet

$ 000	Note	As at 31 December 2006 Audited	H207 acquisitions	Offer	Debt Refinance	Other pro forma adjustments	As at 31 December 2006 Pro forma
Current Assets							
Cash and cash equivalents	2	1,646	(11,465)	39,600	(27,094)		2,687
Trade and other receivables	3	18,287	17,705				35,992
Current tax receivable	8	66					66
Other assets	4	746	454				1,200
Total Current Assets		20,745	6,694	39,600	(27,094)		39,945
Non-Current Assets							
Trade and other receivables	3	100					100
Other financial assets	5	245					245
Property, plant & equipment	7	2,653	876				3,529
Deferred tax assets	8	1,810	483	616			2,909
Intangible assets	6	14,092	6,907				20,999
Goodwill	6	61,815	33,884				95,699
Other assets	4	852					852
Total Non-Current Assets		81,567	42,150	616			124,333
Total Assets		102,312	48,844	40,216	(27,094)		164,278
Current Liabilities							
Trade and other payables	9	8,496	6,583				15,079
Borrowings	10	35,173	14,411		(49,550)		34
Vendor earn out liabilities	11	9,529					9,529
Vendor exit liabilities	11	792					792
Current tax payable		–	39	(154)			(115)
Provisions	12	919	1,272				2,191
Other liabilities	13	1,791	375			(1,792)	374
Total Current Liabilities		56,700	22,680	(154)	(49,550)	(1,792)	27,884
Non-Current Liabilities							
Trade and other payables	9	173					173
Borrowings	10	39			24,522		24,561
Vendor earn out liabilities	11	4,503	14,761				19,264
Vendor exit liabilities	11	26,927	5,398				32,325
Provisions	12	490	1,669				2,159
Total Non-Current Liabilities		32,132	21,828		24,522		78,482
Total Liabilities		88,832	44,508	(154)	(25,028)	(1,792)	106,366
Net Assets		13,480	4,336	40,370	(2,066)	1,792	57,912
Share holders' equity							
Share capital	14	16,018	4,336	41,414		2,769	64,537
Reserves	15	1,106				(977)	129
Accumulated losses	16	(3,644)		(1,044)	(2,066)		(6,754)
Total Share holders' equity		13,480	4,336	40,370	(2,066)	1,792	57,912

1. Refer to the Notes to the Financial Information included in the Appendix.

Other pro forma adjustments

- An adjustment of approximately $1.8 million upon the adjustment of the rights of holders of Series A Shares as part of the Restructuring described in Section 11.1 resulting in a reduction in pro forma provisions and an increase in pro forma share capital; and
- the exercise of $1.0 million of warrants over Series A Shares and subsequent conversion into Shares as part of the Restructuring, resulting in a reduction in pro forma equity reserves of $1.0 million and an increase in pro forma share capital of $1.0 million.

8.7.2 Discussion and Analysis of Vendor Liabilities

Under AASB 139, Financial Instruments – Recognition and Measurement, Rubicor has recognised a liability on its balance sheet for future obligations payable to the vendors of Operating Businesses upon the satisfaction of certain conditions. The liability is measured at fair value, which is determined by discounting expected related future cash flows to a net present value, at a discount rate of 12.5% representing the assessed risk adjusted rate of return. The discounted liability accretes over the expected period of the cash flows to the original face value. The accretion of the liability is recognised in the income statement as interest expense on vendor liabilities.

The future vendor obligations comprise payments in relation to relevant acquisitions and consist of:

- Earn Out Payments. Whilst there is some variation across the acquisitions, the Company will generally redeem Series B Redeemable Preference Shares for a multiple of the relevant year's EBIT performance on the 1st and 2nd anniversaries of completion;
- Exit Payments. Exit Payments are available through the redemption of Series B Redeemable Preference Shares when the relevant vendors exit the Operating Business, provided that adequate notice is given of intention to exit. Such payments are generally made in the financial year after the vendor leaves the business, and in each of the two subsequent years and are based on a multiple of the relevant year's PBT. The earliest that vendors can generally receive the first of their Exit Payments is two or three years following Completion;
- Annual payments based on profits. These are annual payments to vendors based on a percentage of the PBT generated by the relevant acquired entity in the relevant financial year. In relation to relevant Australian acquisitions, these payments are structured as dividend payments on Series B Redeemable Preference Shares. In aggregate, the vendors of such Australian Operating Businesses are entitled to receive franked dividends generally equal to 10.65% of PBT of the relevant Operating Businesses with this percentage reducing progressively to zero as Exit Payments are made and the Series B Redeemable Preference Shares are redeemed. To the extent that dividends are unfranked, a compensating gross up payment is made. Equivalent payments are made to the vendors of the New Zealand Operating Businesses in cash (and not as dividend payments as Series B Redeemable Preference Shares were not issued in relation to the New Zealand acquisitions).

As a result of this treatment Rubicor has recognised:

- $61.9 million of vendor exit and earn out payment liabilities in its pro forma balance sheet at 31 December 2006;
- $5.2 million of vendor interest payments as an expense in its statutory forecast income statement; and
- $7.5 million of vendor interest payments as an expense in its pro forma forecast income statement.

To calculate these amounts the Directors have made the following assumptions:

- a discount rate of 12.5% based on the Company's estimated weighted average cost of capital;
- annual compound growth rates in line with IBISWorld forecast of growth rates in real industry revenue for the period to 2012; and
- the Exit Payments will be paid to the vendors at the earliest possible time of entitlement.

Table 8.8 outlines the assumed nominal amounts payable per financial year based on these accounting assumptions and the resulting present value that is shown on the actual balance sheet at 31 December 2006.

8.7.3 Off balance sheet arrangements and contingent liabilities

There are no off balance sheet arrangements or contingent liabilities in existence as at the date of this Prospectus.

8.7.4 Financing facilities

The Company is expected to have in place the following new facilities as at completion of the Offer. These new facilities are based on a credit approved term sheet commitment provided to the Company by ANZ, and will replace certain facilities that are in existence just prior to the IPO:

- $25 million invoice financing facility that will be initially used to repay the existing facility, and then provide any ongoing working capital funding requirements. This facility will attract interest at a margin over the Bank Settlement Rate ("BBSY") plus an administration fee. Based on current BBSY, the effective interest rate would be 7.8%, excluding the administration fee;

Table 8.8 Balance of Vendor's Liability (A$000)

		FY07			FY08		FY09		FY010		FY11		FY12		FY13	
($000's)	Statutory 31 Dec 06	H2 acquisitions	Trans-actions	Y/E Bal	Trans-actions	Y/E Bal	Trans-actions	Y/E Bal	Trans-actions	Y/E Bal	Trans-actions	Y/E Bal	Trans-actions	Y/E Bal	Trans-actions	Y/E Bal
Earnout payments	16,608	19,207	(1,006)	34,809	(18,683)	16,126	(11,637)	4,489	(4,489)	–	–	–	–	–	–	–
Exit payments	30,528	5,451		35,979	–	35,979	(3,764)	32,215	(9,317)	22,898	(12,133)	10,765	(8,670)	2,095	(2,095)	–
Preference dividends	8,646	2,457		11,103	(2,675)	8,428	(2,758)	5,670	(2,573)	3,097	(1,900)	1,197	(959)	238	(238)	–
Total payments to vendors	55,782	27,115	(1,006)	81,891	(21,358)	60,533	(18,159)	42,374	(16,379)	25,995	(14,033)	11,692	(9,629)	2,333	(2,333)	–
Less: Interest on vendor liabilities	(14,031)	(6,337)	3,156	(17,212)	6,829	(10,383)	4,901	(5,482)	3,401	(2,081)	1,579	(502)	454	(48)	48	–
Vendor Liability at PV	41,751	20,778	2,150	64,679	(14,529)	50,150	(13,258)	36,892	(12,978)	23,914	(12,454)	11,460	(9,175)	2,285	(2,285)	–

Table 8.9 is presented to illustrate the anticipated transactions associated with vendor liabilities on the cash flow statement, balance sheet and income statement. FY08 has been used to illustrate those effects.

Table 8.9 Transactions affecting vendor liabilities and associated impact on Cash Flow, Balance Sheet and Income Statement in FY08

		FY08 Transactions			
($000's)	FY07 Y/E balance	Cash Flow Impact	Balance Sheet Impact	Income Statement Impact	FY08 Y/E balance
Earnout payments	34,809	(18,683)[2]	(18,683)		16,126
Exit payments	35,979				35,979
Preference dividends	11,103	(2,675)[2]	(2,675)		8,428
Nominal value of liabilities owing to vendors	81,891	(21,358)	(21,358)		60,533
Less: Interest on vendor liabilities (discount factor)	(17,212)[1]		6,829	(6,829)[3]	(10,383)
Present value of liabilities owing to vendors	64,679[4]	(21,358)	(14,529)	(6,829)	50,150[5]

1. This represents the amount by which the face value of vendor liabilities has been discounted.
2. Expected cash payments to vendors in FY08 which reduces the liability.
3. Represents the non-cash accretion of the discount into the income statement, resulting in an increase in the vendor liability.
4. This is the discounted liability of future payments to vendors at 30 June 2007.
5. Vendor liability has decreased by a net $14.6m due to vendor payments of $21.4m partially offset by the accretion of $6.8m interest.

- $40 million cash advance facility to fund existing vendor earn out liabilities. This is a three year non-amortising facility that attracts interest at a margin over BBSY plus a line fee. Based on current BBSY, the effective interest rate would be 8.1%; and
- $30 million cash advance acquisition facility to accommodate further acquisitions. This is a non-amortising facility that attracts interest at a margin of over BBSY plus a line fee. Based on current BBSY, the effective interest rate would be 7.8%.

The new facilities attract a one-time establishment fee based on committed facilities. The facilities are to be secured by a first registered fixed and floating charge over all assets and undertakings of the Company and its wholly owned subsidiaries, as well as cross guarantees and indemnities between the Company and its wholly owned subsidiaries.

Assuming that the Offer and the acquisition of Wizard, Dolman and Challenge Recruitment occurred as at 31 December 2006, the total pro forma level of facilities utilised as at that date would have been $24.5 million from working capital facilities. Accordingly, on a pro forma basis, total available facilities as at 31 December 2006 would have been $70.5 million.

The actual drawdown under the invoice financing facility as at completion of the Offer and acquisition of Challenge Recruitment is forecast to be $20.4 million resulting in total expected available facilities at that date of $74.6 million.

8.8 Forecast Cash Flows

Table 8.10 below contains the statutory forecast cash flow statements of the Company for the year ending 30 June 2007.

Table 8.10 Summary cash flow statements[1,2]

$ 000	30 June 2007 Statutory forecast
EBITDA	**13,641**
Add back Offer costs recorded in Income Statement	1,813
Change in working capital	(1,777)
Capital expenditure	(900)
Net cash flow before financing, investing and taxation	**12,777**
Proceeds from borrowings	39,367
Net proceeds from equity raisings	43,959
Repayment of borrowings	(53,425)
Acquisition financing	(36,656)
Other cash flows	(5,284)
Net cash flow	738

1. This table sets out summary financial information only and does not comply with all the disclosures required by Australian Accounting Standards applicable to annual reports prepared in accordance with the *Corporations Act*.
2. The summary forecast statutory cash flow statement for the year ending 30 June 2007 is based on a number of key assumptions outlined in Section 8.4

8.8.1 Summary discussion of cash flows

For the year ending 30 June 2007 Rubicor is forecasting, on a statutory basis, a net cash inflow before financing, investing and taxation of $12.8 million and a net cash inflow of $0.7 million. Key forecast statutory cash flow items are discussed below:

- forecast working capital movements are based on historical trends in working capital days applied to forecast earnings growth and the impact of working capital acquired during the forecast period;
- forecast proceeds from borrowings of $39.4 million relates to the drawdown of debt in respect of completion payments for Operating Businesses acquired during the year ending 30 June 2007 ($12.9 million), the drawdown of debt for earn out payments in respect of businesses acquired during the year ended 30 June 2006 ($6.1 million), and proceeds from the draw down of the new working capital facility to repay existing working capital borrowings that are to be refinanced upon completion of the Offer ($20.4 million);
- forecast proceeds from equity raisings of $43.9 million relates to the issue of Shares in January 2007, raising net proceeds of $4.3 million to partially fund the acquisition of Dolman; and net proceeds from the Offer of $39.6 million after the payment of Offer costs of $4.6 million;
- total debt repayments are forecast to be $53.4 million, consisting of the repayment of senior debt of $19.9 million (of which $0.7 million was repaid prior to the IPO); the repayment of mezzanine debt ($10.5 million), the repayment of working capital facilities upon refinancing ($20.4 million) and interest payments of $2.7 million;
- payments for acquired Operating Businesses are forecast to total $36.7 million, of which $30.6 million represents up-front payments in respect of the 2007 Acquired Entities, and $6.1 million relates to Earn-out Payments in respect of prior year acquisitions; and
- other forecast cash flow of $5.3 million relates to the working capital facility refinancing costs of $2.5 million, the payment of dividends on Series B Redeemable Preference Shares of $1.2 million, and net income tax payments of $1.6 million.

Investigating Accountant's Report and Report on Directors' Forecast

09

Apsley Recruitment

Sydney

With a focus on recruiting mid-level roles in financial services, and located in the heart of the Sydney CBD, Apsley is well positioned to service clients in Australia's largest financial services market.

Section 9.
Investigating Accountants' Report and Report on Directors' Forecast

KPMG Transaction Services (Australia) Pty Limited
Australian Financial Services Licence No. 245402
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Sydney NSW 2000

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Australia

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FINANCIAL SERVICES GUIDE AND INVESTIGATING ACCOUNTANTS REPORT IN RELATION TO RUBICOR GROUP LIMITED

PART 1 – FINANCIAL SERVICES GUIDE

Dated 14 May 2007

KPMG Transaction Services

KPMG Transaction Services (Australia) Pty Limited ABN 65 003 891 718 ("**KPMG Transaction Services"** or **"we"** or **"us"** or **"ours"** as appropriate) holds an Australian Financial Services Licence ("AFSL") issued by the Australian Securities and Investment Commission on 11 March 2004. Our AFSL number is 245402.

We have been engaged by Rubicor Group Limited ("Rubicor") to issue general financial product advice, about Rubicor's financial products, in the form of an Investigating Accountant's Report to be provided to you. We are required to include this FSG in our Investigating Accountants Report because we have authorised the product issuer to include our Investigating Accountant's Report in the Prospectus for Rubicor's financial products.

Purpose of the FSG

The purpose of this FSG is to:

- **help you decide whether to consider the Investigating Accountant's Report;**
- **contain information about remuneration to be paid to us in relation to the Investigating Accountant's Report;**
- **contain information on the financial services we are authorised to provide under our AFSL; and**
- **contain information on how you can complain against us.**

Financial services we are licensed to provide

Our AFSL authorises us to provide financial product advice in relation to interests in managed investment schemes (excluding investor directed portfolio services) and securities (such as shares and debentures) to wholesale and retail clients.

General Financial Product Advice

In the Investigating Accountant's Report, we provide general financial product advice, not personal financial product advice. It has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on any advice contained in the Investigating Accountant's Report.

Fees, commissions and other benefits

We charge fees for providing reports. These fees are agreed with, and paid by, the product issuer. Fees are agreed on either a fixed fee or a time cost basis. In this instance, Rubicor has agreed to pay us $520,000 plus expenses for providing the Investigating Accountant's Report.

Except for the fees referred to above, neither KPMG Transaction Services, nor its representative, or any of its employees, involved in the provision of the report, receive any pecuniary or other benefits, directly or indirectly, for or in connection with, the provision of the Investigating Accountant's Report.

All our employees receive a salary and our directors or employees may receive partnership distributions from KPMG or bonuses based on overall productivity, but not directly in connection with any engagement for the provision of a report.

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

Through a variety of corporate and trust structures, KPMG Transaction Services is ultimately wholly owned by, and operates as part of, KPMG's Australian professional advisory and accounting practice. Our directors may be partners in KPMG's Australian partnership. From time to time KPMG Transaction Services or KPMG and/or KPMG related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints

If you have a complaint, please raise it with us. All complaints must be in writing, addressed to The Complaints Officer, KPMG Transaction Services, PO Box H67, Australia Square, Sydney NSW 1213. When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

If you are not satisfied with the outcome of the above process, or our determination, you have the right to refer the matter to the Financial Industry Complaints Service Limited ("**FICS**"). FICS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry. Further details about FICS are available at the FICS website: www.fics.asn.au. FICS can also be contacted by telephone on 1300 78 08 08.

Contact details

You may contact us using the details set out at the top of our letterhead on page 1 of this FSG.

KPMG Transaction Services (Australia) Pty Limited
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PART 2 - INVESTIGATING ACCOUNTANT'S REPORT

The Directors
Rubicor Group Limited
Level 15
1 Pacific Highway
North Sydney NSW 2060

14 May 2007

Dear Sirs

Investigating Accountant's Report

1 Introduction

KPMG Transaction Services (Australia) Pty Limited ("KPMG Transaction Services") has been engaged by Rubicor Group Limited ("Rubicor") to prepare this report for inclusion in the Prospectus to be dated on or about 14 May 2007, and to be issued by Rubicor, in respect of the proposed underwritten issue of 44.2 million new shares and the sale of 31.6 million existing shares at $1.00 per share.

Expressions defined in the Prospectus have the same meaning in this report.

2 Financial information

KPMG Transaction Services has been requested to prepare a report covering the historical, pro forma historical and forecast financial information described below and disclosed in the Prospectus.

2.1 Historical financial information

The historical financial information, as set out in sections 8.3.1 and 8.7 of the Prospectus, comprises the:

- summary statements of EBITDA of Rubicor for the years ended 30 June 2005 and 30 June 2006, as set out in table 8.1 of the Prospectus;
- summary balance sheet of Rubicor as at 31 December 2006, as set out in table 8.7 of the Prospectus; and
- notes to the financial formation, as set out in the Appendix.

The historical financial information has been extracted from the financial statements of Rubicor for the years ended 30 June 2005, 30 June 2006 and for the six months ended 31 December 2006.

The financial statements of Rubicor for the years ended 30 June 2005, 30 June 2006 and for the six months ended 31 December 2006 were audited by Rubicor's external auditor in accordance with Australian Auditing Standards. Rubicor's external auditor is a firm other than KPMG. The audit opinions issued to the members of Rubicor relating to those financial statements were unqualified.

The directors of Rubicor are responsible for the preparation and presentation of the historical financial information.

The historical financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001 ("Corporations Act").

2.2 Pro forma historical financial information

The pro forma historical financial information, as set out in section 8.7 of the Prospectus, comprises the pro forma, unaudited:

- summary balance sheet of Rubicor as at 31 December 2006, as set out in table 8.7 of the Prospectus; and
- notes to the financial information, as set out in the Appendix.

The pro forma historical financial information has been derived from the historical financial information after adjusting for the pro forma transactions and/or adjustments described in section 8.7.1 of the Prospectus.

The directors of Rubicor are responsible for the preparation and presentation of the pro forma historical financial information, including the determination of the pro forma transactions and/or adjustments.

The pro forma historical financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

2.3 Forecast financial information

The directors' forecast is set out in sections 8.3.1 and 8.8 of the Prospectus and comprises:

- the summary forecast pro forma income statement of Rubicor for the year ending 30 June 2007, as set out in table 8.1 of the Prospectus;
- the summary forecast statutory income statement of Rubicor for the year ending 30 June 2007, as set out in table 8.1 of the Prospectus; and
- the summary forecast statutory cash flow statement of Rubicor for the year ending 30 June 2007, as set out in table 8.10 of the Prospectus.

The directors of Rubicor are responsible for the preparation and presentation of the directors' forecast, including the best-estimate assumptions on which the directors' forecast is based and the sensitivity of the directors' forecast to changes in key assumptions.

The directors' forecast has been prepared by the directors to provide investors with a guide to Rubicor's potential future financial performance based upon the achievement of certain economic, operating, developmental and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. The directors' best-estimate assumptions underlying the directors' forecast are set out in section 8.4 of the Prospectus.

There is a considerable degree of judgement involved in the preparation of any forecast. Consequently, the actual results of Rubicor during the forecast period may vary materially from the directors' forecast, and that variation may be materially positive or negative.

The sensitivity of the directors' forecast to changes in key assumptions is set out in section 8.5 of the Prospectus and the risks to which the business of Rubicor is exposed are set out in section 6 of the Prospectus. Investors should consider the directors' forecast in conjunction with the analysis in those sections.

The directors' forecast is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

3 Scope

3.1 Review of historical financial information

We have reviewed the historical financial information in order to report whether anything has come to our attention which causes us to believe that the historical financial information, as set out in sections 8.3.1 and 8.7 of the Prospectus, does not present fairly:

- the summary statements of EBITDA of Rubicor for the years ended 30 June 2005 and 30 June 2006, as set out in table 8.1 of the Prospectus;

- the summary balance sheet of Rubicor as at 31 December 2006, as set out in table 8.7 of the Prospectus,

in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and accounting policies adopted by Rubicor disclosed in the Appendix.

Our review has been conducted in accordance with Australian Auditing Standard AUS 902 "Review of Financial Reports". We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- analytical procedures on the historical financial information;

- a review of work papers, accounting records and other documents;

- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Rubicor disclosed in the Appendix; and

- enquiry of directors, management and others.

The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3.2 Review of pro forma historical financial information

We have reviewed the pro forma historical financial information in order to report whether anything has come to our attention which causes us to believe that the pro forma historical financial information, as set out in section 8.7 of the Prospectus, does not present fairly the summary pro forma balance sheet of Rubicor as at 31 December 2006, on the basis of the summary pro forma transactions and/or adjustments described in section 8.7.1 of the Prospectus, and in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and accounting policies adopted by Rubicor disclosed in the Appendix.

Our review has been conducted in accordance with Australian Auditing Standard AUS 902 "Review of Financial Reports". We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- a review of the pro forma transactions and/or adjustments made to the historical financial information;
- a review of work papers, accounting records and other documents;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Rubicor disclosed in the Appendix; and
- enquiry of directors, management and others.

The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3.3 Review of directors' forecast and directors' best-estimate assumptions

We have reviewed the directors' forecast, set out in sections 8.3.1 and 8.8 of the Prospectus, and the directors' best-estimate assumptions underlying the directors' forecast, set out in sections 8.4 of the Prospectus, in order to report whether anything has come to our attention which causes us to believe that:

- the directors' best-estimate assumptions, when taken as a whole, do not provide reasonable grounds for the preparation of the directors' forecast;
- the directors' forecast is not properly compiled on the basis of the directors' best-estimate assumptions or presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Rubicor disclosed in the Appendix; and consequently that
- the directors' forecast itself is unreasonable.

Our review has been conducted in accordance with Australian Auditing Standard AUS 902 "Review of Financial Reports". Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures we considered necessary.

Our review of the directors' forecast and the directors' best-estimate assumptions is substantially less in scope than an audit examination conducted in accordance with Australian Auditing Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the directors' forecast or the directors' best-estimate assumptions.

4 Review statements

4.1 Review statement on the historical financial information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the historical financial information, as set out in sections 8.3.1 and 8.7 of the Prospectus, does not present fairly:

- the summary statements of EBITDA of Rubicor for the years ended 30 June 2005 and 30 June 2006, as set out in table 8.1 of the Prospectus;
- the summary balance sheet of Rubicor as at 31 December 2006, as set out in table 8.7 of the Prospectus,

in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and accounting policies adopted by Rubicor disclosed in the Appendix.

4.2 Review statement on the pro forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro forma historical financial information, as set out in section 8.7 of the Prospectus, does not present fairly the summary pro forma balance sheet of Rubicor as at 31 December 2006, on the basis of the pro forma transactions and/or adjustments described in section 8.7.1 of the Prospectus, and in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and accounting policies adopted by Rubicor disclosed in the Appendix.

4.3 Review statement on the directors' forecast and the directors' best-estimate assumptions

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- the directors' best-estimate assumptions, set out in section 8.4 of the Prospectus, when taken as a whole, do not provide reasonable grounds for the preparation of the directors' forecast;
- the directors' forecast, set out in sections 8.3.1 and 8.8 of the Prospectus, is not properly compiled on the basis of the directors' best-estimate assumptions or presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Rubicor disclosed in the Appendix; and consequently that
- the directors' forecast itself is unreasonable.

The underlying assumptions are subject to significant uncertainties and contingencies, often outside the control of Rubicor. If events do not occur as assumed, actual results achieved by Rubicor may vary significantly from the directors' forecast. Accordingly, we do not confirm or guarantee the achievement of the directors' forecast, as future events, by their very nature, are not capable of independent substantiation.

5 Independence

KPMG Transaction Services does not have any interest in the outcome of this issue, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

6 Responsibility

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

7 General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Yours faithfully

Andrew Thompson
Director

Material Contracts 10

Cadden Crowe

Sydney, Melbourne, Perth, Brisbane

With a national network of offices including a team servicing Pacific and Asian countries, Cadden Crowe operates via a segmented industry model rather than by candidate discipline. Cadden Crowe has an extensive capability within the resources sector.

Section 10.
Material Contracts

In the opinion of the Directors, the following contracts entered into or affecting the Company, are or may be material to investors in making an assessment of whether to apply for the Shares in the Company being offered pursuant to this Prospectus.

The following is a brief summary of the more important provisions of each material contract.

10.1 Underwriting Agreement

Under an Underwriting Agreement between the Lead Manager, ACN 125 359 588 Pty Ltd, Investec Bank (Australia) Limited ("Investec") and the Company dated 14 May 2007, the Lead Manager agreed to manage and underwrite the Offer. The Underwriting Agreement is conditional upon the Company obtaining a power of attorney from each Vendor Shareholder other than ACN 125 359 588 Pty Ltd and authorising the Company to conduct the sale of their shareholdings under the Offer.

If valid applications are not received for all of the Offer Shares by the close of the Offer and the agreement has not been terminated, the Lead Manager must lodge or cause to be lodged valid applications for the shortfall within 2 business days following receipt of a notice from the Company specifying the amount of the shortfall.

The Company must pay the Lead Manager a management fee of 0.5% and an underwriting commission of 2.75% of the Offer Price per Share on all of the Shares offered under this Prospectus on the allotment date for the Offer. The Company may also, at its discretion, pay to the Lead Manager an incentive fee of up to $250,000.

The Company must also pay, or reimburse, the Lead Manager for all reasonable costs and disbursements (including reasonable legal costs) incurred in respect of the Offer.

Subject to certain exclusions relating to fraud, wilful misconduct, negligence or breach of contract by an indemnified party, the Company agrees to indemnify the Lead Manager and certain affiliated parties against all losses incurred directly or indirectly in connection with this Prospectus, the Offer, the allotment and transfer of Shares under the Offer or any breach by the Company of its obligations under the agreement.

The Lead Manager may terminate the agreement by notice to the Company at any time after it becomes aware of the happening of any one or more of the termination events set out below and before the allotment and issue or transfer of all Offer Shares. However, in the case of the termination events in paragraphs 10.1.5 to 10.1.25 below, the Lead Manager may not terminate the agreement unless it has reasonable and bona fide grounds to believe, and does believe that:

(a) the event has or is likely to have a material adverse effect on the outcome of the Offer or the settlement of shares under the Offer;

(b) a material number of persons who have committed to apply for Shares under the Offer not being able to satisfy their obligations by the required date; or

(c) the event will give rise to a material liability of the Lead Manager under any law or regulation.

10.1.1 **failure to lodge Prospectus** the Company fails to lodge the Prospectus with ASIC on the Prospectus Lodgement Date except where the sole reason for failing to lodge is an act or omission of the Underwriter;

1101.2 **no ASX approval** approval is refused or ASX indicates that it does not intend to grant approval that is unconditional (or conditional only on customary listing conditions that would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the success of the Offer) to the official quotation of all the Offer Shares on ASX on or before the Approval Quotation Date, or if granted, the approval is subsequently withdrawn, qualified or withheld;

10.1.3 **S&P/ASX 200 index fall** the S&P/ASX 200 index is on any Trading Day before the Allotment Date more than 10% below the level of that index at the close of Normal Trading on the Trading Day before the date of this agreement and remains below such level for two consecutive trading days;

101.4 **market conditions** either:

(a) a general moratorium on commercial banking activities in Australia is declared by the relevant central banking authority in Australia or there is a material disruption in commercial banking or security settlement or clearance services in Australia; or

(b) in all securities quoted on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for two consecutive days on which that exchange is open for trading;

(c) and in either case the effect of which is such as to make it, in the reasonable opinion of the Underwriter, impractical to promote the Offer or to enforce contracts to issue and transfer the Offer Shares.

10.1.5 **adverse change** any material adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or an Operating Business (insofar as the position in relation to an Operating Business affects the overall position of the Company) from those respectively disclosed in the Prospectus or the Public Information, including:

(a) any change in the earnings, future prospects or forecasts of the Company or an Operating Business; or

(b) any change in the nature of the business conducted by the Company or an Operating Business, and

(c) in each case which has a material adverse effect on the Group as a whole.

10.1.6 withdrawal the Company withdraws or terminates the Prospectus or the Offer;

10.1.7 repayment any circumstance arising after lodgement of the Prospectus that results in the Company either repaying the money received from applicants or offering applicants an opportunity to withdraw their applications for Offer Shares and be repaid their application money;

10.1.8 ANZ facilities at the Closing Date the conditions precedent to the availability of the new facilities set out in paragraph 1 of the mandate letter of 20 April 2007 from ANZ to the Company have not been satisfied;

10.1.9 disclosures in Prospectus a statement contained in the Prospectus is misleading or deceptive, or a matter required by the Corporations Act is omitted from the Prospectus (having regard to sections 710, 711 and 716 of the Corporations Act);

10.1.10 Supplementary Prospectus required the Company being prohibited by section 728(1) of the Corporations Act from offering Shares under the Prospectus, lodges a Supplementary Prospectus in relation to the Offer;

10.1.11 Supplementary Prospectus not lodged the Company fails to lodge a Supplementary Prospectus in a form reasonably acceptable to the Underwriter in circumstances where the Underwriter reasonably believes that the Company is prohibited by section 728(1) of the Corporations Act from offering Shares under the Prospectus;

10.1.12 disclosures in Due Diligence Report any information supplied by or on behalf of the Company to the Underwriter in relation to Rubicor or the Offer as part of the due diligence process is misleading or deceptive;

10.1.13 new circumstance there occurs a new circumstance that has arisen since the Prospectus was lodged that would, in the reasonable opinion of the Underwriter, have been required to be included in the Prospectus if it had arisen before the Prospectus was lodged in relation to the Company or any Operating Business;

10.1.14 material contracts termination of the share purchase option agreement and subscription agreement with respect to the acquisition by the Company of Challenge Recruitment;

10.1.15 hostilities hostilities, political or civil unrest not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities, political or civil unrest occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, Indonesia, Japan, a member of the European Union, Russia, or the People's Republic of China, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;

10.1.16 change of law there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State or Territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy that has been announced before the date of this agreement), any of which does or is likely to prohibit or materially adversely affect the Offer, capital issues or stock markets or materially adversely affect the taxation treatment of the Offer Shares;

10.1.17 legal proceedings legal proceedings are commenced against the Company or an Operating Business or a Director after the date of the underwriting agreement;

10.1.18 change in management a change in senior management or in the board of directors of the Company occurs;

10.1.19 offence by Director a Director is charged with an indictable offence or is disqualified from managing a corporation under section 206A of the Corporations Act;

10.1.20 default a default by the Company, ACN 125 359 588 Pty Ltd or Investec in the performance of any of its obligations under this agreement occurs;

10.1.21 representations and warranties a representation or warranty contained in this agreement on the part of the Company, ACN 125 359 588 Pty Ltd or Investec is not true or correct;

10.1.22 contravention of law a contravention by the Company or subsidiary of the Company of the Corporations Act, its constitution, or any of the Listing Rules occurs;

10.1.23 Prospectus does not comply this Prospectus or any aspect of the Offer does not comply with the Corporations Act, the Listing Rules or any other applicable law or regulation;

10.1.24 notifications any of the following occurs:

(a) ASIC gives notice of an intention to hold a hearing under section 739(2) of the Corporations Act or issues an order under section 739(1) or (3) of the Corporations Act;

(b) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Prospectus or ASIC commencing any investigation or hearing under Part 3 of the Australian Securities and Investment Commission Act 2001 (Cth) in relation to the Prospectus;

(c) any person other than the Underwriter gives a notice under section 733(3) of the Corporations Act or any person who has previously consented to the inclusion of their name in the Prospectus (or any Supplementary Prospectus) or to be named in the Prospectus withdraws their consent;

(d) any person gives a notice under section 730 of the Corporations Act in relation to the Prospectus; or

(e) the Company or an Operating Business issues a public statement concerning the Offer that has not been approved by the Underwriter.

10.1.25 **business** an Operating Business disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property or ceases or threatens to cease to carry on business; or

10.1.26 **insolvency** any of the following events occurs in relation to the Company or any of its subsidiaries:

(a) the entity resolves to be wound up;

(b) a liquidator or provisional liquidator of the entity is appointed;

(c) a court makes an order for the winding up of the entity;

(d) an administrator of the entity is appointed under the Corporations Act;

(e) the entity executes a deed of company arrangement;

(f) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of the entity; or

(g) the entity is or becomes unable to pay its debts when they are due or is unable to pay its debts within the meaning of the Corporations Act or the entity may be presumed to be insolvent under the Corporations Act.

Underwriter's rights and remedies

10.1.27 If the Underwriter terminates under clause 4.2 or clause 11.1, such termination will not affect the Underwriter's:

(a) rights and remedies in respect of any breach of the underwriting agreement by the Company occurring prior to the date of termination; and

(b) right to be reimbursed for all costs incurred pursuant to the underwriting agreement, prior to the date of termination, including all costs referred to in clause 11.3.2.

10.1.28 If the Underwriter's obligations under the underwriting agreement are terminated for any reason the Company will pay to the Underwriter (to the extent that it has not already done so) the costs referred to in clause 10.2 and clause 10.3 within five Business Days of termination.

Reasonableness

If an event referred to in paragraph 10.1.8 to 10.1.26 occurs, the Underwriter may not terminate unless the event, in the reasonable opinion of the Underwriter:

10.1.29 has, or is likely to have, a material adverse effect on the Offer;

10.1.30 is likely to result in a material number of persons who have committed to apply for the Offer Shares under the Offer not being able to satisfy their obligations on or before the required date; or

10.1.31 has given, or is likely to give, rise to a material liability of the Underwriter under any law or regulation.

10.2 Financing arrangements

A number of credit facilities have been made available by ANZ Banking Group to the Company for acquisition, ongoing working capital and other non-acquisition purposes (**Current Facilities**).

Acquisition Facilities

The acquisition facilities were provided to assist the Company with its funding for or in connection with the acquisition of certain Operating Businesses. The outstanding facilities consist of:

- a four year amortising non-revolving cash advance facility maturing on 31 March 2010;
- a bullet payment non-revolving cash advance facility maturing on 15 July 2007;
- a 4 year amortising non-revolving cash advance facility maturing on 15 September 2011; and
- a 4.75 year amortising non-revolving cash advance facility maturing on 15 September 2011.

Investec Bank (Australia) Limited has provided to the Company a five year interest only term loan Facility ("**Investec Facility**") to assist with the acquisition of certain Operating Businesses. The Investec facility is subordinated to the Current Facilities. It has a facility limit of $10,000,000 plus a $2,500,000 capitalised portion and is due for full repayment on 30 September 2011. The Investec Facility will be repaid in full upon completion of the Offer from the proceeds of the Offer.

Working Capital and Other Facilities

ANZ has made the following facilities available for the Company's working capital and other non-acquisition purposes:

(a) a bank guarantee facility maturing on 18 May 2008 (subject to annual review), which may be used to facilitate the issuance of performance and rental guarantees;

(b) an overdraft facility for ongoing working capital requirements (subject to annual review); and

(c) an invoice finance facility for ongoing working capital requirements (subject to annual review); and

d) a lease finance facility, commercial cards facility, encashment facility, ANZ online and bills negotiated not under credit facility (each subject to annual review).

10.3 New Banking Facilities

The Company and its subsidiaries have received an offer of new facilities ("**New Facilities**") of $95,000,000 from ANZ, subject to formal documentation being agreed and the successful completion of the Offer. The New Facilities comprises a number of separate facilities as summarised in the following table:

Facility	Limit ($ Millions)	Use of Proceeds	Summary of Key Conditions Precedent	Terms
Invoice Financing Facility	25	To assist with ongoing working capital requirements	Identical to those previously satisfied under existing facility agreement in respect of the invoice finance facility.	Three years from the execution of the New Facilities, subject to annual review on or around 30 March 2008.
Cash Advance Facility	40	• To refinance existing Rubicor facilities held with ANZ • To accommodate FY 08/09/10 Earn Out Payments • To accommodate Earn Out Payments for the Challenge Recruitment acquisition	• Completion of the Offer; • Approval of giving financial assistance in connection with Dolman and Challenge Recruitment; • ANZ being satisfied that the financial model provided on 16 April 2007 accurately reflects the financial position of Rubicor as detailed in this Prospectus.	Three years from the execution of the New Facilities.
Cash Advance Acquisition Facility	30	To accommodate future acquisitions.	For acquisitions requiring a drawdown of less than 7.5% of the Company's enterprise value (total shareholder funds plus total debt): • target company must be a recruitment business with head office domiciled in Australia or New Zealand; • no event of default or potential event of default has occurred or will occur at the time of the drawing; • security over the target must be given within 21 days of the first AGM following the acquisition (or within 12 months after the acquisition, whichever is earlier); • acquisition must be fully funded by this facility. Where the acquisition is above 7.5% of Rubicor's enterprise value, in addition to the above conditions precedent: • ANZ must be satisfied with the target company's historical and projected operating and financial performance; • ANZ must be provided with signed formal accounting and legal due diligence reports on the target company and audited financial statements confirming EBIT amounts used in the calculation of first and subsequent vendor payments; • security must be given over the target company within ninety days of first vendor payment for the acquisition.	Subject to annual review on 31 March 2008.

Ancillary Facilities

The existing bank guarantee facility and the overdraft facility will continue to be provided on the same terms as the Current Facilities, with the exception that the limit of the bank guarantee facility will be increased to $2 million.

The existing lease finance facility, commercial cards facility, encashment facility and ANZ online bills not negotiated under credit facility (bills payable overseas) will continue to be provided on the same terms as the Current Facilities, with the exception that the limit of the existing lease financing facility will increase to $500,000.

The availability of the New Facilities following the Offer is subject to satisfaction of various conditions precedent including those described above, which the Directors consider to be usual for a facility of this nature having regard to the Offer and the nature of the Company's business.

Security

The New Facilities will be secured by a cross guarantee and indemnity from the Company and each of its Subsidiaries and a fixed and floating charge over all assets and undertakings of the Company and each of its Subsidiaries.

Representations, Warranties and Undertakings and Events of Default

The New Facilities is subject to terms and conditions (including representations and warranties and undertakings) customary for facilities of this type. These will include, but are not limited to, the representations, warranties and undertakings which are contained in the facility agreement for the Current Facilities.

The New Facilities will contain financial undertakings in relation to:

- the level of net debt divided by EBITDA;
- the level of EBITA divided by interest financial charges; and
- the level of net debt divided by capitalisation (being net debt plus total shareholder funds).

The New Facilities will contain a number of events of default customary for facilities of this type, including, but not limited to, those contained in the facility agreement for the Current Facilities.

The New Facilities will also contain standard restrictive undertakings including:

- restrictions on disposal of assets, creation of security interests and financial indebtedness;
- restrictions on payment of distributions; and
- restrictions on acquisitions or investments outside core business.

10.4 IPO Facilitation Deed

Under an IPO Facilitation Deed between the Company, the holders of Series A Shares, Series C Shares, Series D Shares, Ordinary Shares and Investec Bank (Australia) Limited dated on or about 5 April 2007 (as amended on or about 30 April 2007 and on or about 14 May 2007) the parties agreed various matters and steps in order to facilitate the Offer.

The parties agreed to use their reasonable endeavours to procure that an initial public offering of the Offer Shares ("IPO") occurs in accordance with the terms of the deed as soon as practicable, and the deed outlines the Restructuring steps required, as summarised in Section 11.1 of this Prospectus.

Each of the shareholders mentioned above and the Company agreed that Investec's liability with respect to this Prospectus and the IPO would be limited to warranting:

- the extent of its shareholding; and
- title to the Shares held by it which are offered under the IPO.

Rubicor has agreed under the IPO Facilitation Deed to indemnify Investec against any liability incurred by Investec in connection with a statement in the Prospectus in relation to Investec which Investec has not consented to unless the liability related to the matters referred to above. The indemnity will not apply in the event of fraud, gross negligence or wilful misconduct of Investec.

The parties have also agreed to waive any pre-emption rights or other rights they have under other documents such as the shareholders' deed relating to the Company to prevent a step contained in the deed, and also waive any claims they have under such other documents in respect of a step contained in the deed.

Each of the existing Shareholders and Investec have agreed that to the extent that their Shares are not sold down under the Offer, they will be subject to voluntary escrow as set out in Section 11.5.

The parties have agreed to terminate the existing shareholder arrangements and the existing Warrant Deed and Investec Side Deed between the Company and Investec and release all claims, rights and remedies that a party may hold against one or more other parties arising under the stakeholder arrangements and the constitution of the Company.

The deed will terminate if the Board has not allocated shares under the Offer by 30 June 2007 (or any later date determined by the Board) or the Board may terminate the deed at any time before it resolves to allot and transfer Shares under the Offer.

10.5 Acquisition structures

The Company has utilised a standard share purchase agreement, subscription agreement and executive services agreement as base documents for each of its acquisitions of the Operating Businesses (the **Standard Acquisition Documents**). A summary of these agreements is set out below:

10.5.1 **Share Purchase Agreement** – the share purchase agreements used by the Company have typically included the following provisions:

10.5.1.1 acquisitions are subject to certain conditions precedent, usually relating to the Company securing financing approval for the acquisition and the Company finalising its due diligence review of the target;

10.5.1.2 the vendors are subject to certain non-compete and restraint provisions, which are broadly consistent across all of the Company's acquisitions. These generally provide for two years restraint (commencing on termination of employment) on the vendor and associates of the vendor conducting or being engaged in a business that competes with Rubicor in Australia and New Zealand and any city outside Australia and New Zealand where the relevant Operating Business is conducted. In addition, the vendor and associates of the vendor are restrained from soliciting clients, customers, agents or employees of Rubicor for a period of the longer of five years after the acquisition or two years after the termination of employment of the relevant executive. If a court considers that these restraints are unenforceable, provisions are included to reduce the term of the restraints;

10.5.1.3 usual warranties are given by the vendors, generally with a limitation period under which the Company can make non-tax warranty claims up until the 2nd anniversary of completion. Warranty claims are subject to certain minimum and maximum claim amounts;

10.5.1.4 the purchase consideration is typically calculated by reference to multiples of the EBIT of the acquired business in two or more years. The Company will make a cash payment to the vendors on completion, usually with some type of completion adjustment. Some acquisitions have also involved a second cash payment under the share purchase agreement. On the acquisitions of the Australian Operating Businesses, additional payments are then made through redemption of Series B Redeemable Preference Shares (see Section 10.5.2 below); and

10.5.1.5 those individuals who run the business generally enter into Rubicor's standard form executive services agreement, and retain a degree of flexibility in day to day management control of the relevant Operating Business.

10.5.2 **Subscription Agreement** – the subscription agreements used by the Company have typically included the following provisions:

10.5.2.1 Series B Redeemable Preference Shares are issued to vendors as a mechanism for making certain earn out payments. Rights attaching to these Series B Redeemable Preference Shares, including dividend rights, are detailed in Section 11.2.8 of this Prospectus and in the Constitution. Generally:

10.5.2.1.1 Whilst there is some variation across the acquisitions, the Company will generally redeem Series B Redeemable Preference Shares for a multiple of the relevant year's EBIT performance on the 1st and 2nd anniversaries of completion;

10.5.2.1.2 Further earn-out payments (**Exit Payments**) are available through the redemption of Series B Redeemable Preference Shares when the relevant vendors exit the Operating Business, provided that adequate notice is given of intention to exit. Such payments are generally made in the financial year after the vendor leaves the business, and in each of the two subsequent years and are based on a multiple of the relevant year's PBT. The earliest that vendors can generally receive the first of their Exit Payments is two or three years following Completion. As long as vendors remain with the business for that minimum period, they have an ability to take a portion of the Exit Payment value prior to leaving the business by an early redemption of Series B Redeemable Preference Shares. In such a case, the Exit Payments actually payable upon the vendor's departure from the business are then reduced by an amount equal to the total of any such early payments that have been taken;

10.5.2.2 as part of the consideration payable by the Company on some acquisitions, vendors were issued with additional shares in the Company, of which the Series C Shares will remain after the Offer.

These shares convert into Shares two years after they are issued. The number of Shares they convert into (which will be between zero and the number of Series C Shares held) depends on the EBIT performance of the Operating Business against an agreed benchmark. Rights attaching to these Series C Shares are detailed in Section 11.2.9 of this Prospectus. Series C Shares issued in connection with the Company's New Zealand acquisitions were issued under the terms of the share purchase agreements for those deals, but on terms equivalent to those set out in the standard subscription agreement; and

The Series B Redeemable Preference Shares and Series C shares are all redeemable or capable of being converted or cancelled by the Company if a vendor defaults under the terms of the relevant acquisition or executive services agreements. For example, if a vendor breaches the terms of the non-compete or is otherwise a "bad leaver" then they may forfeit all the equity they have been issued (and continue to hold) in the Company.

10.5.3 Executive Services Agreement – the executive services agreements used by the Company have typically included the following provisions:

10.5.3.1 the relevant executive is restrained for a period of two years after the termination of his or her employment with the relevant Operating Business from conducting or being engaged in a business that competes with Rubicor or that Operating Business in Australia and New Zealand or any other city outside Australia and New Zealand in which the relevant Operating Business is conducted. In addition, the relevant executive is restrained from soliciting clients or employees of Rubicor or their Operating Business for two years after the termination of his or her employment with the relevant Operating Business. If a court considers that these restraints are unenforceable, provisions are included to reduce the term and scope of the restraints to a level that is enforceable;

10.5.3.2 the relevant executive waives any right to make any claim against their employer for the period prior to signing;

10.5.3.3 the agreements detail the executive's remuneration package and set out the duties of the relevant executive; and

10.5.3.4 the agreements set out an extended notice period should either the employer or the executive wish to terminate the employment.

10.5.4 New Zealand Acquisitions

The Company has acquired the New Zealand Operating Businesses through a New Zealand registered wholly owned holding company (Rubicor New Zealand Limited). Rubicor's typical acquisition structure was adjusted for these New Zealand deals to provide for the gradual acquisition of 100% of the Operating Business over a 24 to 30 month period in three separate tranches, rather than 100% upon completion. At the date of this Prospectus Rubicor owns approximately 70% of the New Zealand Operating Businesses.

For example, on one deal, 70% of the shares were transferred on completion with a 2nd tranche of 10% of the shares made a year later, and a final tranche covering the remaining 20% of the shares made two years after completion. The payment terms broadly mirror the Australian deals, but with consideration payments staged to coincide with the post-completion share transfers to Rubicor New Zealand Limited.

Despite this gradual acquisition, and providing the Company complies with its obligations under the acquisition agreements, ultimate control and economic ownership transferred to Rubicor on completion. In addition, the post-completion tranche acquisitions can be accelerated by the Company if a vendor breaches any relevant agreement or for example terminates their employment services agreement.

As the staged acquisition structure involves cash earn-out payments, no Series B Redeemable Preference Shares were issued as consideration on the New Zealand Acquisitions.

10.6 Acquisition of Challenge Recruitment

A Share Purchase Option Agreement (**SPOA**) and Subscription Agreement in relation to the Company's acquisition of the Adelaide based Challenge Recruitment (**Challenge Recruitment**) were executed with the shareholders of Challenge Recruitment (the **Challenge Vendors**) on 22 December 2006. A summary of these agreements is set out below, and further information about Challenge Recruitment is set out in Section 5.5:

10.6.1 the Company's acquisition of Challenge Recruitment is conditional upon the Company obtaining the necessary funding for the deal before 30 June 2007, which the Company expects will be satisfied by the Offer, together with completion by the Company of its due diligence.

10.6.2 the Company has agreed to purchase all the issued shares in Challenge Recruitment. The deal is based on the Standard Acquisition Documents, but with the following variations:

10.6.2.1 on signing the agreements the Company paid the Challenge Vendors a total advance of $500,000 on the completion payment. This advance is non refundable, so is not recoverable by the Company if the acquisition does not complete;

10.6.2.2 the purchase consideration is calculated by reference to a multiple of the EBIT of the acquired business over several years. The Company will make payments on completion, on the 1st, 2nd and 3rd anniversaries of completion, and two annual exit payments to one of the vendors who is continuing to be involved in the Challenge Recruitment business;

10.6.2.3 the current Challenge Recruitment CEO will continue to be employed by Challenge Recruitment following completion of the acquisition under the terms of an executive services agreement that is substantially in the same form as Rubicor's typical agreement, and will receive exit payments similar to those referred to in Section 10.6.2.2 above in the financial year after he leaves the business, and in the year following that, providing that no such payment will be made before 30 June 2010;

10.6.2.4 the Company currently expects that the Challenge Vendors will receive approximately $13.0m less adjustments for bad debts on completion;

10.6.2.5 all payments other than the completion payment will be effected through a redemption of Series B Redeemable Preference Shares (which are described in Section 11.2.8). The Challenge Vendors will not receive any other equity in the Company under the terms of the acquisition;

106.2.6 the Challenge Vendors will be issued with redeemable preference shares in Challenge Recruitment (**Challenge RPS**), and the Company will grant the Challenge Vendors a put option over these shares. These Challenge RPS will carry exactly the same rights as the Series B Redeemable Preference Shares issued to the Challenge Vendors pursuant to the Subscription Agreement, providing that the Challenge Vendors can only exercise the put option if the Company fails to redeem the Series B Redeemable Preference Shares on the terms set out in the Subscription Agreement. In all other circumstances the Challenge RPS are redeemable by Challenge Recruitment for nominal consideration; and

10.6.2.7 until the earlier of the 3rd anniversary of completion or the date the first Exit Payment is made to the Challenge Recruitment CEO, the Challenge Vendors will have the right to appoint one director to the board of Challenge Recruitment. That director will not have any special voting or other rights.

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Additional Information 11

Rubicor CRS
Sydney, Brisbane
Credit Recruitment has been servicing credit control, collections and accounts receivable professionals for 12 years. Long term clients include some of the largest telecommunications, banking, finance and manufacturing companies in Sydney and Brisbane.

Section 11.
Additional Information

11.1 Capital Structure and Restructuring

Under the IPO Facilitation Deed summarised in Section 10.4, the Company and the Existing Shareholders have agreed certain matters to facilitate the Restructuring of Rubicor's share capital and the Offer.

At the date of this Prospectus (and prior to the Restructuring), the Company had the following shares on issue:

Class of Shares	Number of Shares
Series A Shares	16,329,432
Series B Redeemable Preference Shares	278
Series C Shares	3,394,485
Series D Shares	63
Ordinary Shares	3,920,985

During the Offer Period, 987,791 Series C Shares will convert into 798,763 ordinary shares.

In accordance with the IPO Facilitation Deed, the following Restructuring steps will take place prior to the issue and transfer of Shares under the Offer:

- Investec will be issued 1,685,251 Series A Shares on the exercise of its existing warrant;
- all Series A Shares will be converted into 12,773,847 ordinary Shares in the capital of the Company in accordance with the conversion ratio determined under the Company's constitution;
- the Series D Shares will be converted into 5,926,852 ordinary Shares in the capital of the Company in accordance with the conversion ratio determined under the Company's constitution;
- each ordinary Share will be subdivided into 2.59517 Shares;
- each Series C Share will be subdivided into 2.59517 Series C Shares; and
- a new constitution will be adopted for the Company, a summary of which is set out in Section 11.2.

Accordingly, after the Restructuring and immediately prior to completion of the Offer, the Company's share capital will comprise Shares, Series B Redeemable Preference Shares and Series C Shares as set out in the table below. Details of the rights attaching to these classes of shares is set out in Sections 10.5.2 and 11.2.9.

Class of Shares	Number of Shares
Series B Redeemable Preference Shares	278
Series C Shares	6,245,775
Shares	60,780,000

The maximum number of Shares issuable on conversion of all the Series C Shares outstanding immediately prior to the completion of the Offer is 6,084,570, with the actual number being dependant upon the performance of certain of the Operating Businesses.

11.2 Constitution and Rights Attaching to Shares

The Shares issued or transferred under this Prospectus are fully paid ordinary Shares and, except as set out below, will rank equally in all respects with the Company's ordinary Shares that are currently on issue.

Subject to any restrictions on the allotment of shares imposed by the Constitution, Listing Rules and the Corporations Act, the Directors may allot or otherwise dispose of new Shares on such terms and conditions as they see fit.

The following Section includes a summary of the rights that attach to the Company's shares that will be on issue immediately prior to completion of the Offer and following the restructuring outlined above, as set out in the Constitution. It is not intended to be an exhaustive summary of the rights and obligations of Shareholders.

Investors who wish to inspect the Constitution may do so at the registered office of the Company during normal office hours.

11.2.1 General Meetings

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Constitution, the *Corporations Act* or the Listing Rules.

11.2.2 Voting Rights

Subject to any rights or restrictions for the time being attached to any class of shares (see below for Series B Redeemable Preference Shares and Series C Shares), at a meeting of shareholders, each Shareholder entitled to vote may vote in person or by proxy or attorney or, being a corporation, by a representative duly authorised under the Corporations Act, and has one vote on a show of hands and one vote per Share on a poll.

11.2.3 Dividend Rights

The profits of the Company which the Directors may from time to time determine to distribute by way of dividend are payable equally on all Shares, subject to the Company's obligation to pay preferential dividends to holders of Series B Redeemable Preference Shares (as described in Section 11.2.8).

11.2.4 Rights on Winding Up

If the Company is wound up, any assets available for distribution to Shareholders will be distributed to return the capital paid up by Shareholders on their Shares and any surplus will be distributed in proportion to the amount paid up on Shares held by them. The liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company and may, for that purpose, set such value as the liquidator considers fair upon the property and determine how the division is to be carried out between the Shareholders.

11.2.5 Transfer of Shares

Subject to the Constitution, the *Corporations Act*, the Listing Rules and ASTC Settlement Rules, Shares in the Company are freely transferable. Subject to the Listing Rules and the *Corporations Act*, the Directors may refuse to register a transfer or apply a holding lock to prevent a transfer of Shares only in limited circumstances, such as where the Company has a lien on those Shares.

11.2.6 Variation of Rights

The rights, privileges and restrictions attaching to Shares, or to any other class of shares which may be issued in the future, can only be varied by a special resolution passed at a general meeting of the holders of shares of the relevant class and with the written consent of the holders of at least three quarters of the Shares on issue.

11.2.7 Proportional Takeover Provisions

The Constitution contains provisions that prohibit the registration of Shares acquired under a proportional takeover bid (i.e. offers to purchase less than 100% of each Shareholder's Shares in the Company) without the approval of Shareholders in general meeting. These provisions will cease to apply unless renewed within three years by Shareholders in general meeting.

11.2.8 Series B Redeemable Preference Shares

The share capital of the Company includes a class of Series B Redeemable Preference Shares, which the Company has issued to vendors of the Australian Operating Businesses as a mechanism for making Earn Out Payments (see Section 10.5).

Each Series B Redeemable Preference Share is issued by the Company free of security interests and credited as fully paid. Particular rights attaching to the Series B Redeemable Preference Shares issued by the Company to a holder are set out in the subscription agreement relevant to that holder and are described in general terms in Section 10.5.2.

In aggregate, the vendors of most of the Australian Operating Business, as holders of Series B Redeemable Preference Shares, are entitled to receive franked dividends on those Series B Redeemable Preference Shares generally equal to 10.65% of profit before tax of the relevant Operating Business with this percentage reducing progressively to zero as Exit Payments are made and the Series B Redeemable Preference shares are redeemed. To the extent that these dividends are unfranked, a compensating gross up payment will be made. Dividends paid to holders of Series B Redeemable Preference Shares are paid in priority to any other dividend payments in respect of other shares in the Company. If such dividends are not paid to holders of Series B Redeemable Preference Shares, those dividends will accumulate.

On the redemption dates set out in the subscription agreement relevant to each holder of the Series B Redeemable Preference Shares, the Company will redeem a Series B Redeemable Preference Share from that holder for the payment set out in that relevant subscription agreement (see Section 10.5.2 for further information on these redemption payments). Such redemption payments made to holders of Series B Redeemable Preference Shares will be made in priority to the repayment of capital and the payment of dividends owing in respect of any other class of shares in the Company.

In circumstances of a winding up of the Company, each holder of Series B Redeemable Preference Shares will be entitled to any amounts owing to that holder both for the period prior to the winding up and in the future as set out in the subscription agreement relevant to that holder. Payments made to a holder of Series B Redeemable Preference Shares on a winding up will be calculated in accordance with the relevant subscription agreement for that holder. If such calculations require the determination of EBIT or net profit before tax for a financial year occurring after the date of the winding up, references in the relevant subscription agreement shall be read as being a reference to the financial year immediately preceding the winding up. Such payments made to holders of Series B Redeemable Preference Shares in circumstances of a winding up will be made in priority to the repayment of capital and the payment of dividends owing in respect of any other class of shares in the Company.

Other than the payments set out above, the Series B Redeemable Preference Shares provide no further right to participate in surplus assets or profits of the Company. The Series B Redeemable Preference Shares also do not confer any rights on holders to receive notice of, attend or vote at any general meeting of the Company. The Subscription Agreements under which the Series B Redeemable Preference Shares were issued prohibit holders from transferring the Series B Redeemable Preference Shares.

11.2.9 Series C Shares

The share capital of the Company includes a class of Series C convertible shares. Each Series C Share is issued by the Company free of security interests and credited as fully paid. Particular terms attaching to the Series C Shares issued by the Company to a holder are set out in the subscription agreement relevant to that holder and are described in general terms in Section 10.5.2. The Series C Shares convert into Shares two years after they are issued, and these conversions will take place at various dates between May 2007 and January 2009. The number of Shares they convert into (which will be between zero and the number of Series C Shares held) depends on the EBIT performance of the Operating Business against an agreed benchmark.

Broadly, the rights attached to and imposed on the Series C Shares are the same as for Shares issued in the Company. Holders of Series C Shares are entitled to vote at general meetings of the Company as if the Series C Shares had been converted to Shares on a 1:1 basis. Holders of Series C Shares are entitled to receive a dividend in respect of those Series C Shares held (in so far as permitted by any applicable law) to the same extent and on the same basis as the payment of dividends by the Company to holders of Shares as if the Series C Shares had been converted into Shares on a 1:1 basis. In circumstances of a winding up, each holder of Series C Shares shall have the same rights as holders of Shares, as if the Series C Shares had been converted to Shares on a 1:1 basis.

Other than the rights set out above, the Series C Shares provide no further right to participate in surplus assets or profits. Series C Shares will convert into Shares in accordance with the subscription agreement relevant to each holder of Series C Shares. Each Share issued to the holder of the converted Series C Share will be credited as fully paid and will rank equally with the Company's other Shares from the date of the conversion. The subscription agreements under which the Series C Shares were issued prohibit holders from transferring the Series C shares.

11.3 Dividend Reinvestment Plan

The Directors have approved and may implement a Dividend Reinvestment Plan (**DRP**).

The rules of the DRP are typical of a dividend reinvestment plan operated by an ASX listed company. Shareholders who elect to participate in the DRP will be able to reinvest the dividends they are entitled to receive into Shares rather than receiving those dividends in cash. Shareholders may choose to participate in the DRP in respect of some or all of their Shares.

The DRP will commence on the date determined by the Board, and may be varied, terminated or suspended by the Board at any time, according to the rules of the DRP or subject to the Listing Rules and the Companies Act. As at the Prospectus Date, the Board has not decided to commence the DRP.

A Shareholder subject to the laws of another country may not participate in the DRP until the Board is satisfied that such participation will not require a disclosure document under overseas law or such other regulatory compliance which the Board determines to be excessive or impracticable.

A copy of the rules of the DRP will be made available by the Company to Shareholders in advance of the record date for the first dividend in respect of which the Board determines to commence the DRP. Alternatively, a copy of the rules of the DRP will be available on the Company's website at www.rubicor.com.au

11.4 Employee Option Plan

The Company established two types of share plans. The details of each plan are set out below.

11.4.1 Employee Share Option Plan (ESOP)

The Company established the ESOP in February 2006 and it was amended on 24 April 2007 to ensure that it was suitable for an ASX listed company. The ESOP is intended to provide incentives to attract, retain and motivate eligible employees by offering them an opportunity to participate in the Company's future performance through awards of Options. The ESOP is administered by the Board in its sole discretion. The terms and conditions of the ESOP are summarised below.

Eligibility

Any full-time or permanent part-time employee or Director of the Company or a Subsidiary who is invited by the Board to apply for Options under the ESOP ("Invitation"), and who remains a full-time or a permanent part-time employee or Director respectively at the time when an Invitation is made, and any other person as agreed by the Board ("Invited Employee"), may participate in the ESOP.

Grant of Options

Options will be granted to Invited Employees for no more than nominal consideration. The number of Options for which an Invited Employee may be invited to apply is determined by the Board.

Exercise Price

The exercise price of an Option will be determined by the Board and will be specified in the relevant Invitation.

Vesting and Exercise Conditions

The Board may determine and specify in the relevant Invitation:

- the time periods or other conditions, such as the achievement of performance hurdles, that must be satisfied before Options are vested; and/or
- any other exercise conditions that must be satisfied before Options can be exercised.

Exercise Period

Options will be exercisable during the option exercise period specified by the Board in the relevant Invitation.

Exercise of Options

Subject to the satisfaction of any applicable vesting and/or exercise conditions, Options are exercisable during the specified exercise period by giving notice of the exercise to the Company and by paying the exercise price for the Options exercised. Any exercise must be for the minimum number of Shares, if any, specified in the relevant Invitation.

Each Option confers on its holder the entitlement to subscribe for and be issued one Share. Shares allotted upon exercise of Options will rank equally in all respects with all other issued Shares. Unless the Board resolves otherwise, the Company will apply for official quotation of Shares allotted upon exercise of Options on ASX.

New Issues of Securities

A holder of Options under the ESOP will not be entitled to participate in new issues of Shares or other securities made by the Company to holders of its Shares in respect of his or her Options unless the Options are exercised before the record date for determining entitlements to the issue.

Bonus Issues

If the Company makes a pro rata bonus issue of Shares to its Shareholders and an Option is not exercised prior to the record date for determining entitlements to that issue, the Option will, when exercised, entitle the holder to one Share plus the number of bonus Shares which would have been issued to the holder if the Option had been exercised prior to the relevant record date.

Capital Reorganisation

If there is a reorganisation of the capital of the Company (other than by way of a bonus issue or issue for cash), the terms of the Options will be changed to the extent necessary to comply with the Listing Rules.

Acceleration of Exercise

If a takeover bid is made to acquire all of the issued Shares, or a scheme of arrangement, selective capital reduction or other transaction is initiated which has an effect similar to a takeover bid for all of the issued Shares, then each participant in the ESOP is entitled to accept the takeover bid or participate in the other transaction in respect of all or part of their Options. In the event of such takeover bid or other transaction, the Board may, in its discretion, waive any unsatisfied vesting conditions.

Lapse of Options

An Option under the ESOP expires on the earlier of:

1. the expiration date set out in the relevant Invitation;
2. the date on which any vesting conditions relating to the exercise of the Option can no longer be satisfied; and
3. the date that the holder of the Option ceases to be an Invited Employee for any reason,

and unless the Option has already been exercised or lapsed, the Option will automatically lapse on such date.

11.4.2 Senior Executive Share Plan (Share Plan)

The Company established the Share Plan on 24 April 2007. The Share Plan is intended to provide incentives to attract, retain and motivate key executives whose present and potential contributions are important to the success of the Company and its Subsidiaries by offering them an opportunity to share in the ownership of the Company. The Share Plan is administered by the Board in its discretion. The terms and conditions of the Share Plan are summarised below.

Eligibility

Any full-time or permanent part-time executive or officer, or executive director of the Company or any Operating Business who is nominated by the Board (“**Key Executive**”) may participate in the Share Plan.

Issue of Shares

The Board has discretion to offer and issue Plan Shares under the Share Plan to a Key Executive.

Loan

The Company will provide a loan to participants under the Share Plan for 100% of the issue price of the Plan Shares to enable the participant to acquire the Plan Shares (**Loan**). A Loan will be provided on an interest free basis unless the relevant offer of Plan Shares under the Share Plan specifies otherwise. A Loan will be repayable on the fifth anniversary of the date when the Loan was provided or otherwise in accordance with its terms (although the Board may vary the repayment period). If the performance conditions attaching to Plan Shares issued under the Share Plan have been satisfied, the Board will waive the repayment of a portion of a Loan with respect to such Plan Shares equal to the fringe benefits tax payable on the loan.

Security

As a security for a Loan, a participant under the Share Plan will grant a charge over his or her Plan Shares and all dividends and other amounts paid or payable on such Shares.

Issue Price

The issue price, if any, of a Plan Share issued under the Share Plan will be determined by the Board and specified in the Offer.

Restrictions on Disposal

Until the Loan provided by the Company to a Key Executive to acquire Plan Shares has been repaid, the Key Executive must not sell, transfer, pledge, charge, grant security over or otherwise dispose of any of his or her Plan Shares and a holding lock will be placed on such Shares.

Performance Conditions

The Board may determine and specify in the relevant offer any performance conditions for Shares issued under the Share Plan. Such performance conditions may be waived by the Board at its absolute discretion.

Share Buy-Back

Shares issued under the Share Plan will be transferred to a third party nominated by the Company if:

1. the Plan Shares are to be transferred to the Company in repayment of any outstanding Loan;
2. a Loan provided to acquire the Plan Shares has become repayable and either the relevant performance conditions have not been satisfied at the repayment due date, or the holder of the Shares does not repay the Loan within 14 days after the repayment date; or
3. the relevant performance conditions have not been satisfied.

The consideration for such transfer is the full satisfaction of any relevant Loan.

Rights Attaching to Shares

Shares issued under the Share Plan will rank equally for dividends and other entitlements where the record date is on or after the date of allotment, but will carry no right to receive any dividend or entitlement where the record date is before the date of allotment. Unless the Board resolves otherwise, the Company will apply for official quotation of Shares allotted under the Share Plan on ASX.

Bonus Issues

Participants under the Share Plan will receive the benefit of any pro rata bonus issue to holders of Shares. Any such Shares issued to the participants of the Share Plan under the pro rata bonus issue will be subject to the balance of the applicable period during which the restrictions on disposal of Plan Shares (as specified above) apply and the bonus Shares will be subject to the security arrangements described above.

Acceleration of Issue

If a takeover bid is made to acquire all of the issued Shares, or a scheme of arrangement, selective capital reduction or other transaction is initiated which has an effect similar to a full takeover bid for all of the issued Shares, then each participant under the Share Plan is entitled to accept the takeover bid or participate in the other transaction in respect of all or part of their Plan Shares. In the event of such takeover bid or other transaction, the Board may, in its discretion, waive any unsatisfied performance conditions.

11.4.3 Securities Issued Under ESOP and Share Plan

Under the share plans outlined in 11.4.1 and 11.4.2 the Company has granted or will grant under this Prospectus, the following securities:

Security	Number
Options issued under ESOP (as at the date of this Prospectus)	1,028,843
Options issued under ESOP under this Prospectus	1,847,459
Shares to be issued under Share Plan	0

Note: The above table assumes that the Restructuring has occurred and the Options have been sub-divided accordingly.

The key terms of the Options which have been issued and will be issued under this Prospectus are as follows:

Grant Price:	nil
Exercise Price:	nil
Exercise Period :	- 40% are exercisable 24 or 30 months (depending on the particular award) after the Approval Date; - 20% are exercisable one year thereafter; - 20% are exercisable two years thereafter; and - all remaining unexercised Options are exercisable three years thereafter.

The "Approval Dates" for Options which have been issued and will be issued under this Prospectus range from 3 July 2005 to 2 January 2007.

It is intended that Plan Shares will be made available under the Share Plan to the following key executives of the Company in July 2007:

Key Executive	Amount
Wayman Chapman	$300,000
Kevin Levine	$120,000
Jane Beaumont	$100,000
Sharad Loomba	$100,000

The Plan Shares will be issued at a price equal to the weighted average market price for Shares for the five trading days prior to issue of the Plan Shares. The loans from the Company to the above key executives will be repayable and the Plan Shares will become transferable by the key executive upon the satisfaction of certain performance hurdles based on the performance of the Company measured by:

- earnings per share growth over the period 1 July 2007 to 30 June 2010; and
- total shareholder return ranking against the S&P/ASX Small Ordinaries index.

11.5 Escrow Arrangements

The Directors, Executive Management Team (with the exception of Sharad Loomba) and Business Managers of the Company have agreed to enter into escrow arrangements with the Company under which they will be restricted from selling their Shares following the Offer until after the release of the Company's financial statements for the half year ending 31 December 2007.

All other Existing Shareholders (except for Vendor Shareholders selling their entire holding of Shares under the Offer) have agreed to enter into escrow arrangements with the Company under which they will be restricted from selling their Shares following the Offer until after the release of the Company's financial statements for the year ending 30 June 2007.

The aggregate number of Shares that will be subject to these escrow arrangements is 29,161,804 which represents 27.8% of the total Shares on issue after the Offer. Of this number, 17,159,618 will be subject to escrow until the release of the Company's financial statements for the year ending 30 June 2007 and 12,002,186 will be subject to escrow until the release of the Company's financial statements for the half year ending 31 December 2007.

The voluntary escrow arrangements do not preclude an escrowed Shareholder from participating in a takeover where:

- the takeover bid is for all of the Shares;
- holders of at least half of the Shares that are not subject to restriction (including those Shares that are subject to the voluntary escrow arrangements) to which the takeover bid relates have accepted; and
- if the takeover bid is conditional, the Shareholder agrees in writing that a holding lock will be re-applied to each Share that is subject to the voluntary escrow arrangements that is not unconditionally bought by the bidder under the takeover bid.

Additionally, the holder's restricted securities may be transferred or cancelled in accordance with a merger by way of scheme of arrangement under the *Corporations Act* if the shareholder agrees in writing that a holding lock will be re-applied if the merger does not take effect.

11.6 Interests of Directors

Other than as set out below or elsewhere in the Prospectus, no Director or proposed Director:

- has or had at any time during the two years preceding the date of this Prospectus an interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company, or in the Offer; and
- has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by the company in connection with the formation or promotion of the Company or the Offer.

11.6.1 Directors Fees and Remuneration

In accordance with the Constitution, the Directors are entitled to receive fees not exceeding $600,000 per annum in aggregate to be divided amongst the Directors as they may determine. These fees exclude any additional fee for service based agreements with the Company which may be agreed to from time to time. Currently, the non-executive directors receive the following fees per annum:

- Rob Aitken – $140,000
- Malcolm Jackman – $78,000
- Russel Pillemer – $80,000
- John Pettigrew – $86,000

11.6.2 Director's Service Agreements

Details of Wayman Chapman's service agreement and remuneration are set out in Section 7.3 of the Prospectus.

11.6.3 Directors' interests in Shares and Options

At the date of this Prospectus each of the following Directors has an interest in the following Shares and Options in the Company:

Director	Number of Shares	Number of Options
Russel Pillemer	1,772,339	0
Wayman Chapman	3,180,825	0
Robert Aitken	1,287,397	0
Malcolm Jackman	485,102	0
John Pettigrew	0	0

Note: The table above is prepared on the assumption that the Restructuring has taken place but that the transfer to Apex described in Section 11.9 has not yet occurred. Wayman Chapman's family trust will sell 636,165 shares via Apex under the Offer. An entity associated with Malcolm Jackman will sell 348,272 Shares via Apex. The Directors may purchase additional Shares under the Offer.

11.6.4 Other interests

Russel Pillemer is a director of and has a shareholding interest in Apex Capital Partners Pty Limited via family shareholdings and is therefore interested in the Consultancy Agreement summarised at Section 11.8.

11.7 Interests of pre-IPO shareholders

Immediately prior to the completion of the Offer and immediately following the Offer, the following persons will have interests in Shares as set out in the table below:

	Before the Offer		After the Offer (non-diluted basis)		After the Offer (fully-diluted basis)	
	Number	Percentage Interest	Number	Percentage Interest	Number	Percentage Interest
ANZ	6,420,783	10.6%	6,420,783	6.1%	6,420,783	5.6%
ACN 125 359 588 Pty Ltd	19,262,351	31.7%	0	0%	0	0%
Persons associated with Apex	14,168,630	23.3%	4,013,754	3.8%	4,013,754	3.5%
Persons associated with Northbridge	2,314,832	3.8%	2,314,832	2.2%	2,314,832	2.0%
Other Existing Shareholders	18,613,404	30.6%	16,412,435	15.6%	25,373,307	22.3%
New Shareholders	0	0.0%	75,838,196	72.2%	75,838,196	66.5%
Total	**60,780,000**	**100%**	**105,000,000**	**100.0%**	**113,960,872**	**100%**

Note: The above table assumes that the Restructuring has occurred. ACN 125 359 588 Pty Ltd is a wholly owned subsidiary of ANZ.

ANZ, ACN 125 359 588 Pty Ltd and Apex are related parties of the Company and details of arrangements between ANZ and Apex and the Company are set out in Section 11.11. Under the Shareholders' Deed, entered into on 6 May 2005 between the shareholders of the Company, the Company agreed to pay Northbridge a fee of $500,000 plus GST. This was paid in two tranches in May 2005 and December 2005.

In addition Northbridge Capital provided loans to the Company totalling $100,000 between October 2004 and February 2005. Rubicor repaid $109,349 to Northbridge in repayment of these loans at the end of October 2005.

11.8 Directors' indemnities

Company

Under the Constitution, to the extent permitted by law:

- the Company must indemnify each Director and other officer of the Company for any liability (other than legal costs) incurred in acting as a Director or officer of the Company;
- the Company must indemnify each Director and other officer of the Company for costs and expenses incurred by a Director or officer of the Company in defending an action for a liability incurred in acting as a Director or officer of the Company;
- the Company may make a payment, or agree to make a payment, whether by way of advance, loan or otherwise, in respect of such legal costs incurred by a Director or officer on the condition that the Director or officer must repay the amount paid to the extent the Company is ultimately found not to be able to indemnify the Director or officer for such legal costs; and
- the Company may pay, or agree to pay, a premium in respect of a contract insuring a person who is, or has been a Director or other officer of the Company other than a liability arising out of:
- conduct involving wilful breach of duty in relation to the Company; or
- a contravention of Section 182 or 183 of the *Corporations Act*.

The Company has also entered into deeds of access, indemnity and insurance in favour of each Director setting out the rights of Directors to access Board papers, to be indemnified by the Company on substantially the same terms as summarised above, and for the Company to maintain D&O insurance (including for a period after they cease to be a Director).

11.9 Vendor Shareholders

A number of the Existing Shareholders will be selling a proportion of their shareholdings under the IPO. The following table outlines their respective shareholdings immediately prior to completion of the Offer and immediately following the completion of the Offer:

Existing Shareholder	Pre Offer		Post Offer	
	Number of Shares	Percentage Shares on Issue	Number of Shares	Percentage Shares on Issue
ACN 125 359 588 Pty Ltd	19,262,351	31.7%	0	0%
Apex Capital Partners Pty Limited	10,154,876	16.7%	0	0.0%
Investec Bank (Australia)Limited	2,934,626	4.8%	733,656	0.7%

Note: The above table assumes that the Restructuring has occurred. ACN 125 359 588 Pty Ltd is a wholly owned subsidiary of ANZ.

Certain Existing Shareholders have agreed to sell all or part of their holdings of Existing Shares to Apex. Apex has agreed to acquire shares from such Shareholders and offer them for sale as part of the Offer. The Apex shareholding in the table above reflects these shares acquired from such Existing Shareholders. Apex will acquire shares from Existing Shareholders associated with Northbridge for $0.94287 per Share. It will acquire shares from Shareholders associated with Apex and the Directors at the Offer Price.

11.10 Interests of Experts and advisers

Other than as set out below, no person named in this Prospectus as providing professional or advisory services in connection with the preparation of this Prospectus or any company in which any such person is a partner:

- has or had at any time during the two years preceding the date of the Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company, or the Offer; or
- has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

11.10.1 KPMG Transaction Services has:

- provided the Investigating Accountant's Report on Historical Financial Information and the Directors' Forecasts in Section 9 of this Prospectus; and
- carried out accounting and tax work including due diligence with respect to the Offer.

The Company has paid or agreed to pay an amount of approximately $520,000 (plus disbursements) in respect of these services. Further amounts may be paid to KPMG Transaction Services in accordance with time-based charges.

11.10.2 Baker & McKenzie has acted as solicitor to the Company in relation to the Offer and performed work in relation to due diligence enquiries on legal matters. The Company has paid or agreed to pay an amount of approximately $293,000 (plus disbursements) in respect of these services. Further amounts may be paid to Baker & McKenzie in accordance with time-based charges.

11.10.3 Ord Minnett Limited has acted as Lead Manager and Underwriter to the Offer and will receive an underwriting fee and reimbursement of its costs and expenses as detailed in the summary of the Underwriting Agreement set out in Section 10.1.

11.11 Contracts with Related Parties

The Company has contracts with related parties as set out below.

11.11.1 ANZ is a related party of the Company by virtue of its power to appoint a nominee to the Board. A number of credit facilities have been made available by ANZ to the Company and its subsidiaries. Further details of these are contained in Section 10.2
Under an Investor Subscription Agreement dated on or around 6 may 2005, the Company agreed to pay ANZ a fee of $1,000,000 plus GST. This was paid in two tranches in May 2005 and December 2005.

11.11.2 Apex Capital Partners Limited ("Apex") is a related party of the company as Russel Pillemer is a director of the Company and a director of and holds a shareholding interests in Apex. Under the Shareholders' Deed entered into on 6 May 2005 between the shareholders of the Company (**Shareholders' Deed**), the Company agreed to pay Apex a fee of $500,000 plus GST. This was paid in two tranches in May 2005 and December 2005.

11.11.3 Under a consultancy agreement between the Company, dated 12 January 2006, Apex agreed to provide strategic advice and guidance to the Company including in respect of acquisitions to be made by the Company, co-ordinating and carrying out the necessary negotiations and the work of other parties. In the course of the past two years, the Company has paid Apex approximately $688,750 plus GST in fees, with a further $195,000 plus GST due after successful completion of the IPO.

The consultancy arrangement referred to above will terminate at the end of May 2007. Rubicor and Apex propose to enter into an advisory relationship following the Offer under which any fees payable to Apex would be success-based and contingent on completion of a relevant acquisition or disposition. The quantum of any fees payable to Apex has not yet been determined but is expected to be in the normal range for transactions of this nature.

11.11.4 Apex and an entity associated with Apex provided $100,000 in loans to the Company between October 2004 and May 2005. The Company repaid $108,545 as consideration for the loans.

11.11.5. Coates Hire Limited is a related party of the Company as Malcolm Jackman is a director of the Company and a director of Coates Hire Limited. An Operating Business, Credit Recruitment, provides recruitment services to Coates Hire Limited on normal commercial terms.

11.11.6. Under an Investor Subscription Agreement dated on or around 8 May 2005, the Company agreed to pay ANZ a fee of $1,000,000 plus GST. This was paid in two tranches in May 2005 and December 2005.

11.12 Australian Taxation Implications

11.12.1 Introduction

The comments provided in this Section are based on the relevant provisions of the *Income Tax Assessment Act 1936* (the 1936 Act), the *Income Tax Assessment Act 1997* (the 1997 Act) and the Income Tax Rates Act (collectively referred to as the Tax Laws) that are current in Australia at the date of this Prospectus. A particular taxpayer's liability under the Tax Laws is determined having regard to the application of the Tax Laws to the particular facts and circumstances of each taxpayer. Accordingly, this Section is only a general overview of the potential application of the Tax Laws to shareholders holding shares on capital account and is not a detailed analysis of how those Tax Laws may apply to a particular taxpayer.

Potential Shareholders are advised to seek their own professional taxation advice before investing in the Company.

11.12.2 Taxation of capital gains

Where Shareholders in the Company hold their Shares on capital account, any capital gains made on the disposal of those Shares may form part of the Shareholder's assessable income. If the Shareholder is an individual or a complying superannuation entity and has held the Shares for at least 12 months, the Shareholder should generally be entitled to reduce the nominal capital gain by the relevant "discount percentage".

The "discount percentage" is 50% for an individual and 33⅓% for complying superannuation entities. There are special rules in relation to trusts and the flow through of the discount capital gain to beneficiaries. Non-resident shareholders should not be subject to Australian capital gains tax (or entitled to any capital losses) on disposal of their shareholdings provided the underlying value of the Company does not principally relate to real property interests at the time of disposal.

11.12.3 Taxation of dividends

Shareholders of the Company may receive dividends which will be included in the assessable income of a Shareholder who is a resident of Australia under the Tax Laws. Dividends received may be fully or partly franked, in which case they come with an imputation credit attached. For individual Shareholders, to the extent that the dividends are franked, the imputation credits attached will be included in assessable income together with the amount of the dividend. Shareholders will pay tax on this assessable income at their marginal rates and be entitled to a tax offset for an amount equal to the relevant imputation credits. Where the imputation credits are unused the Shareholder may be entitled to a refund of the unused credits. Shareholders that are complying superannuation entities who receive franked dividends are broadly treated the same as individual Shareholders.

For corporate Shareholders in the Company, franked dividends received are included in assessable income. The imputation credits attached to the dividends are also included in assessable income. A tax offset may be available to corporate Shareholders in respect of the imputation credits attaching to the dividend. If a dividend is fully franked, the effect of the tax offset is that no further tax should be payable by the corporate Shareholder. The imputation credits attaching to dividends received may be added to the corporate Shareholder's franking account. Unfranked dividends will be included in the assessable income of Shareholders. Unfranked dividends do not come with any imputation credits and accordingly there is no inclusion of imputation credits in assessable income, no offset and no impact on a corporate Shareholder's franking account. The availability of franking credits is dependent upon the Shares in the Company being "at risk" (as defined) for at least 45 days for ordinary shares and 90 days for preference shares. Whether such Shares are so "at risk" should be the subject of professional advice based on the particular circumstances of the relevant Shareholder.

11.12 .4 Withholding tax

Dividends received by non-resident Shareholders may be subject to withholding tax. For Shareholders who are non-residents under the Tax Laws, any unfranked dividends should be subject to withholding tax at 30%, except where a relevant double tax treaty reduces that rate. No withholding tax is payable on fully franked dividends.

11.12.5 Goods and services tax

GST should not be payable on the issue or transfer of Shares in Rubicor Group Limited or on the payment of any dividends.

11.13 General

11.13.1 Litigation

So far as the Directors are aware, there are no current or threatened legal or arbitration proceedings of a material nature in which the Company is directly or indirectly concerned which are likely to have a material adverse impact on the business or financial position of the Company.

11.13.2 Offer Expenses

The Company will pay all of the costs associated with the Offer. If the Offer proceeds, the total estimated expenses in connection with the Offer (including advisory, legal, accounting, tax, listing and administrative fees as well as printing, advertising and other expenses) are estimated to be approximately $4.62 million exclusive of GST.

11.13.3 Consents

The following parties have given, and have not, before the issue of this Prospectus, withdrawn their written consent to being named in the Prospectus and to the inclusion of the following information in the form and context in which it is included.

Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and the statement or report included in this Prospectus with the consent of that party as described below:

11.13.3.1 KPMG Transaction Services (Australia) Pty Limited has consented to being named in the Corporate Directory as Investigating Accountants, and to the inclusion of its Investigating Accountant's Report in Section 9 of the Prospectus in the form and context in which it appears, but it does not otherwise make or purport to make any other statement in this Prospectus.

11.13.3.2 Baker & McKenzie has consented to being named in the Corporate Directory of this Prospectus as solicitors to the Company, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Baker & McKenzie.

11.13.3.3 Ord Minnett Limited has consented to being named as the Lead Manager and Underwriter to the Offer, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Ord Minnett Limited.

11.13.3.4 Link Market Services Limited has consented to being named in the Corporate Directory as the Registry for the Company. Link Market Services Limited has had no involvement in the preparation of any part of this Prospectus and its name appears for information purposes only.

11.13.4 References to Publications

References are made in this Prospectus to material that is attributed to the Australian Bureau of Statistics, the Productivity Commission and Statistics New Zealand. These references are based on statements already published in public official documents or a book, journal or comparable publication. Those organisations did not prepare those materials specifically for this Prospectus and have had no involvement in the preparation of any part of this Prospectus.

11.13.5 ASIC Relief

ASIC has granted in principle relief so that the takeover provisions of the Corporations Act will not apply to the relevant interest that the Company could otherwise acquire in its own Shares by virtue of the voluntary escrow arrangements described in Section 11.5.

11.13.6 Governing Law

This prospectus and the contracts that arise from the acceptance of Applications are governed by the law applicable in New South Wales and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

11.13.7 Authorisation

Each Director and each Vendor Shareholder has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC.

Dated: 14 May 2007

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Glossary of Terms 12

CiT Professionals
Melbourne

CiTP focuses on providing teams of business and technical contractors to large scale enterprises deploying a broad range of technologies including client server, mainframe, web and ERP applications.

Section 12.
Glossary of Terms

A$, $ or *cents* means such amounts in Australian currency.

AASB means Australian Accounting Standards Board.

AEST means Australian Eastern Standard Time.

ANZ means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

Apex means Apex Capital Partners Pty Limited (ABN 45 101 101 688)

Applicant means a person who submits a valid Application Form pursuant to this Prospectus.

Application means a valid application to subscribe for Shares under the Offer.

Application Form means the application form attached to or accompanying this Prospectus for investors to apply for Shares under the Offer.

Application Monies means the amount accompanying an Application Form submitted by an Applicant.

ASIC means the Australian Securities and Investments Commission.

ASTC means Australian Securities Exchange Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).

ASTC Settlement Rules means the settlement rules of the operating facility provided by ASTC.

ASX means ASX Limited (ABN 98 008 624 691).

Board means the Board of Directors of the Company.

Broker means any ASX participating organisation.

Broker Firm Applicants means applicants for Shares under the Broker Firm Offer.

Broker Firm Offer means the invitation under this prospectus to Australian resident clients of Brokers who are Retail Investors and have received a firm allocation of Shares from the Underwriter.

Business Managers means individuals who sold shares in an Operating Business to the Company and who continue to be involved in the management of that Operating Business.

Challenge Recruitment means Challenge Recruitment Limited (ACN 083 202 939).

Challenge RPS means Redeemable Preference Shares in Challenge Recruitment.

CHESS means Clearing House Electronic Sub-register System.

Closing Date means the last date which Applications under the Offer must be received, being 7 June 2007.

Company means Rubicor Group Limited (ABN 74 110 913 365).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Current Facilities means the current debt facilities which the Company has in place with ANZ as described in Section 10.2.

Directors means the Directors of the Company as at the date of this Prospectus.

Dividend Reinvestment Plan means the dividend reinvestment plan adopted by the Company, details of which are set out in Section 11.3.

Earn Out Payments means payments of deferred acquisition consideration to former owners of Operating Businesses payable by the Company under the terms of the relevant purchase and subscription agreements and determined on the basis of the profits of the relevant Operating Business.

EBIT means earnings before interest and tax.

EBITA means earning before interest, tax and amortisation.

EBITDA means earnings before interest and tax, depreciation and amortisation.

Eligible Employees means full time employees of the Company or any of the Operating Businesses at the date of this Prospectus who are resident in Australia or New Zealand and who have not given or received notice of termination of their employment on of before the Closing Date.

employee, where used in relation to the Company or Subsidiary, means an employee of the relevant entity but excludes persons engaged for the purposes of providing temporary or contract services to a client of the relevant entity and "employed" is to be interpreted accordingly.

Employee Priority Offer means the invitation under this Prospectus to Eligible Employees, as described in Section 3.7.

Employee Share Option Plan or *ESOP* means the employee share option plan established by the Company which is summarised in Section 11.4.1.

Executive Management Team means the executive management team of the Company, as described in Section 7.2.

Existing Shareholder means those persons or entities who are Shareholders of the Company at the date of this Prospectus.

Existing Shares means Shares in the Company held by the Existing Shareholders as at the date of this Prospectus.

Exit Payments means payments of deferred acquisition consideration to former owners of Operating Businesses that become payable by the Company upon exit of the relevant former owner from the operating business provided adequate notice is given under the terms of the relevant purchase and subscription agreements, as described in Section 10.5.2.1.2.

Exposure Period means the period of seven days (or 14 days if ASIC so decides) after lodgement of this Prospectus with ASIC.

FY means financial year ended/ending 30 June.

GST means Goods and Services Tax.

HIN means Holder Identification Number.

International Financial Reporting Standards (AIFRS) means the Australian equivalent of International Financial Reporting Standards effective for financial years beginning on or after 1 January 2005.

Institutional Investor means an investor to whom offers or invitations in respect of securities can be made without the need for a disclosure document including in Australia persons to whom offers or invitations in respect of securities can be made without the need for a disclosure document under Section 708 of the *Corporations Act*.

Institutional Offer means the invitation to Institutional Investors under this Prospectus, as described in Section 3.9.

Investigating Accountant's Report means the report prepared by KPMG Transaction Services and included at Section 9 of this Prospectus.

Invited Employee means an employee who is invited to participate in the Employee Share Option Plan.

Key Employee Options means Options issued under the Key Employee Option Offer.

Key Employee Option Offer means the offer of Options to certain employees of Rubicor under this Prospectus on the terms of the ESOP.

KPI means key performance indicator.

KPMG Transaction Services means KPMG Transaction Services (Australia) Pty Limited (ABN 65 003 891 718).

Lead Manager means Ord Minnett Limited (ABN 86 002 733 048).

Listing means admission of the Company to the official list of the ASX.

Listing Rules means the Official Listing Rules of the ASX.

Market Capitalisation means the price per share multiplied by the number of Shares outstanding following completion of the Offer.

Net Revenue means gross revenue less temporary staff/contract staff wages and any statutory costs attracted, for example superannuation, workers' compensation and payroll tax.

New Facilities means the debt facilities described in Section 10.3.

New Shares means the new Shares to be issued under the Offer.

Northbridge means Northbridge Capital Pty Ltd (ABN 61 102 218 324).

NPAT means net profit after tax.

Offer Shares means Shares offered under this Prospectus.

Ord Minnett means Ord Minnett Limited (ABN 86 002 733 048).

Offer means the invitation under this Prospectus to apply for Shares comprising the Broker Firm Offer, the Employee Priority Offer and the Institutional Offer.

Offer Period means the time from the opening of the Offer to the Closing Date.

Offer Price means $1.00 per Share.

Opening Date the first date on which Applications will be accepted under the Offer, being 21 May 2007.

Operating Businesses means:

Apsley Recruitment operated by Apsley Recruitment Pty Ltd (ACN 113 350 244) and ACN 101 254 022 Pty Ltd (ACN 101 254 022);

Cadden Crowe operated by Cadden Crowe (Queensland) Pty Ltd (ACN 085 267 189), Cadden Crowe Pty Ltd (ACN 072 493 693) and Cadden Crowe (Victoria) Pty Ltd (ACN 089 844 995);

Careers Unlimited Pty Ltd (ACN 075 304 737);

Challenge Recruitment operated by Challenge Recruitment Limited (ACN 083 202 939), Challenge Logistics Pty Ltd (ABN 89 060 292 051), Choice HR (Newcastle) Pty Ltd (ACN 094 333 696), Choice HR (Maitland) Pty Ltd (ABN 88 095 133 403), Choice HR (Parramatta) Pty Ltd (ABN 96 100 867 098), Choice HR (Liverpool) Pty Ltd (ABN 28 100 867 123), Choice HR (Penrith) Pty Ltd (ABN 24 100 867 105), Choice HR (Logistics) Pty Ltd (ABN 88 069 532 618), Choice HR Pty Ltd (ABN 70 003 248 584) and The Australian Personnel Consortium Pty Ltd (ABN 92 069 034 475) (APC);

CIT Professionals Pty Limited (ACN 062 134 650);

Credit Recruitment operated by Rubicor CRS Pty Ltd (ACN 120 804 140);

Dolman Legal Search and Recruitment operated by Dolman Group Pty Limited (ACN 063 891 430), Dolman Pty Limited (ACN 089 642 071) and Dolman F-Lex Pty Limited (ACN 103 803 809);

Gaulter Russell (NZ) Limited (No: 563812);

GEL Group Pty Ltd (ACN 072 437 364);

Health Recruitment operated by Health Recruitment NZ Ltd (No: 843319), Health Recruitment International Ltd (No: 1190860) and Care Direct Ltd (No: 919144);

James Gall and Associates Pty Ltd (ACN 113 784 277);

Locher and Associates operated by Locher Holdings Pty Ltd (ACN 096 022 490) and Locher & Associates Pty Ltd (ACN 096 051 375);

Numero (NZ) Ltd (No: 1553662);

Powerhouse People Ltd (No: 1532875);

Skillsearch Contracting Pty Ltd (ACN 086 121 173);

SMF Recruitment Pty Ltd (ACN 100 099 536);

Wheeler Campbell operated by Wheeler Campbell Consulting Ltd (No: 585375) and Wheeler Campbell Management Leasing Ltd (No: 835302);

Wizard Personnel & Office Services Pty Ltd (ACN 008 617 114); and

Xpand Group Pty Ltd (ACN 099 412 101).

Option means an option over a Share issued under the Employee Share Option Plan.

PBT means profit before taxation.

Plan Shares means Shares issued under the Senior Executive Share Plan.

Preferred Supplier Agreements or *PSA* means the contractual agreements between the Operating Businesses and specific clients where there are agreed terms and conditions for supply and the Operating Business is defined as a preferred supplier to that client. There can be a number of preferred suppliers appointed to a client. Typically the agreement is such that the client allocates recruitment or human capital solutions requirements to the preferred supplier in the first instance.

Privacy Act means *Privacy Act 1988* (Cth).

Prospectus means this prospectus dated 14 May 2007 and any supplementary or replacement prospectus.

Prospectus Date means 14 May 2007, being the date in which a copy of this Prospectus was lodged with ASIC.

Recruitment Industry or *Australian and New Zealand Recruitment Industry* means the collective providers and consumers of permanent placement, temporary and contract recruitment services and / or human capital solutions services primarily in Australia and New Zealand.

Retail Investor means an investor who is not an Institutional Investor.

Restructuring means the pre-IPO restructuring of the Company's share capital as described in Section 11.1.

Rubicor means Rubicor Group Limited (ABN 74 110 913 365) and each of its Subsidiaries.

Sale Shares means Existing Shares being sold by the Vendor Shareholders under the Offer.

SCH means Securities Clearing House.

Series A Shares means the Series A Preference Shares in the capital of the Company, which will be converted into Shares prior to the IPO.

Series B Redeemable Preference Shares means the Series B Redeemable Preference Shares in the Company.

Series C Shares means the Series C Convertible Shares in the capital of the Company.

Series D Shares means the Series D Convertible Shares in the capital of the Company, which will be converted into Shares prior to the IPO.

Share Registry means Link Market Services Limited (ABN 54 083 214 537).

Share Trading Policy means the share trading policy of the Company, as summarised in Section 7.4.

Shareholder means a holder of Shares.

Shares means fully paid ordinary shares in the capital of the Company.

SRN means Security holder reference number.

Subsidiaries has the meaning given to it in the *Corporations Act*. In the context of Rubicor, it includes each of the Operating Businesses.

Underwriting Agreement means the Underwriting Agreement between the Lead Manager and the Company, details of which are set out in Section 10.1.

US Persons has the meaning given to it in the *US Securities Act*.

US Securities Act means the *US Securities Act of 1933 (as amended)*.

Vendor Shareholders means the Existing Shareholders who are selling Shares under the Offer, as set out in Section 11.7.

Appendix 13

Wheeler Campbell & Health Recruitment

New Zealand

Based in Wellington, Wheeler Campbell specialises in providing mid to senior level candidates to clients across the public and private sector in policy, senior management, sport and recreation and Maori recruitment services.

Section 13.
Appendix – Notes to the Financial Statements

(i) Basis of preparation

This financial information has been prepared in accordance with the 'recognition and measurement' requirements of Australian equivalents to International Financial Reporting Standards ("AIFRS") and Australian Accounting Interpretations issued by the Accounting Standards Board. However, the 'disclosure' requirements of these Standards and Interpretations have only been complied with to the extent considered necessary by the Directors.

The financial information has been prepared on an accruals basis and is based on historical costs as modified, where applicable, by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss (including derivative financial instruments), certain classes of property, plant and equipment and investment property.

(ii) Accounting Policies

The accounting policies adopted in the preparation of the financial information in Section 8 of the Prospectus are set out below. These accounting policies have been consistently applied unless otherwise stated.

(a) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

(i) Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

Cost includes all directly attributable expenditure incurred including costs to ready the asset for its use as intended by management. Costs include an estimate of any expenditure expected to be incurred at the end of the asset's useful life, including restoration, rehabilitation and decommissioning costs.

The carrying amount of plant and equipment is reviewed annually by directors for indications of impairment. If any such indications exist, an impairment test is carried out, and any impairment losses on the assets recognised. The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight line basis over their useful lives (commencing from the time the asset is ready for use). Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciable amount is the carrying value of the asset less estimated residual amounts. The residual amount is based on what a similar asset of the expected condition of the asset at the end of its useful life could be sold for.

The estimated useful lives used for each class of depreciable assets are:

Class of Fixed Asset	Estimated Useful Lives
Leasehold improvements	4 – 40 years
Leased assets	5 – 10 years
Motor vehicles	5 years
Office equipment	2.5 – 7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the date of each balance sheet.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(b) Business Combinations

The purchase method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of Rubicor's share of the identifiable net assets acquired is recorded as goodwill (refer to note 1(d)). If the cost of acquisition is less than Rubicor's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where a business combination agreement provides for an adjustment to the cost of acquisition that is contingent on future events, the amount of such adjustment is included in the cost of acquisition at the acquisition date if the adjustment is probable and can be measured reliably. If the future events do not occur or the adjustment amount is revised, the cost of the business combination is adjusted accordingly.

(c) Financial Instruments

Financial assets and financial liabilities are recognised on Rubicor's balance sheet when Rubicor becomes a party to the contractual provisions of the instrument.

(i) Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(iii) Financial liabilities and equity

Financial liabilities and equity instruments issued by Rubicor are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of Rubicor after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(iv) Bank borrowings

Interest bearing bank loans and overdrafts are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with Rubicor's accounting policy for borrowing costs.

(v) Trade Payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost.

(vi) Equity instruments

Equity instruments issued by Rubicor are recorded at the proceeds received, net of direct issue costs.

(vii) Derivative financial instruments and hedge accounting

Rubicor's activities expose it primarily to the financial risks of changes in interest rates and foreign exchange rates. Rubicor currently does not use derivative financial instruments to hedge its risks associated with interest rate or foreign exchange rate fluctuations.

(d) Intangible assets

(i) Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets, including identifiable tangible and intangible assets, at date of acquisition. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Candidate databases

Acquired candidate databases are recorded at fair value as at the effective date of the relevant acquisition and amortised on a straight line basis over their estimated useful life to Rubicor of 5 years.

(iii) Software Intellectual Property

Acquired software intellectual property is recorded at fair value as at the effective date of the relevant acquisition and amortised on a straight line basis over their estimated useful life to Rubicor of 3 years commencing from the time the software is ready for use.

(iv) Preferred Supplier Arrangements

Acquired preferred supplier arrangements are recorded at fair value as at the date of the relevant acquisition and are amortised on a straight line basis over their estimated useful life to Rubicor of 5 years.

(v) Content

Acquired training content and material is recorded at fair value as at the date of the relevant acquisition and is amortised on a straight line basis over their estimated useful life to Rubicor of 10 years.

(vi) Computer Software

Computer software is measured on the cost basis less amortisation and impairment losses. Computer software is amortised on a straight line basis over its estimated useful life to Rubicor of 3 years commencing from the time the software is ready for use.

(vii) Brands

Acquired brands are recorded at fair value as at the date of the relevant acquisition. Brands have been assessed to have an indefinite useful life and therefore are not amortised but are subject to annual impairment testing.

(e) Impairment

At each reporting date, Rubicor reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Impairment testing is performed annually for goodwill and indefinite life intangible assets (brands).

Where it is not possible to estimate the recoverable amount of an individual asset, Rubicor estimates the recoverable amount of the cash generating unit to which the asset belongs.

Except for goodwill, where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised as income in the income statement.

(f) Employee benefits

Provision is made for Rubicor's liability for employee benefits arising from services rendered by employees to the date of the balance sheet. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by Rubicor to employee superannuation funds which are of the defined contribution type. Contributions to these defined contribution superannuation schemes are recognised as an expense in the period that they are payable.

(g) Provisions

Provisions, including provisions for make good costs, are recognised when Rubicor has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that the outflow can be reliably measured. Where the time value of money is material, these amounts have been discounted using an appropriate discount rate.

Provision for restructuring costs are recognised when Rubicor has a detailed formal plan for the restructuring, and this has been communicated to all affected parties.

(h) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the date of the balance sheet.

Deferred tax assets and liabilities are recognised using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and on unused tax losses. No deferred tax assets or liabilities will be recognised from the initial recognition of an asset or liability excluding a business combination, that at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the income statement except where it relates to items which are recognised directly in equity, in which case the deferred tax is recognised directly in equity.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The Company and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The Company is responsible for recognising the current tax assets and liabilities for the tax consolidated group as well as deferred tax assets arising from unused tax losses and other relevant unused tax credits.

Deferred tax assets and liabilities (other than unused tax losses and unused tax credits) are accounted for by each Australian company in Rubicor measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right. On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities, in case of default by the head entity, Rubicor.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Rubicor for any current tax payable assumed and are compensated by Rubicor for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Rubicor under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities financial statements. The funding amounts are recognised as intercompany receivables or payables.

(i) Leases

Leases of fixed assets where substantially all the risks and rewards incidental to the ownership of the asset, but not the legal ownership, that are transferred to entities in Rubicor are classified as finance leases.

Finance leases are capitalised at the inception of the lease by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property and the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense. The interest expense is recognised in the income statement so as to achieve a constant periodic rate of interest on the remaining balance of the liability outstanding.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged to the income statement on a straight line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the lease term.

(j) Revenue Recognition

Revenue from permanent placements is recognised as work is performed and invoiced on a non refundable basis in accordance with agreed terms for retainer based appointments, or on candidate appointment as accepted by both the client and candidate for non-retainer based appointments.

Revenue from temporary placements is recognised at the time when the services are performed.

Revenue from the rendering of a service, including organisational development services, is recognised upon the delivery of the service to the customer by reference to the stage of completion of the contract.

Interest revenue is recognised on an effective interest rate method in relation to the outstanding financial asset.

Revenue from management fees is recognised at the time the service is performed.

All revenue is stated net of the amount of goods and services tax (GST), returns, trade allowances and other duties and taxes paid.

(k) Borrowing Costs

Borrowing costs are amortised over the term of the finance facility to which the borrowing costs relate and recognised in the income statement.

(l) Foreign currency translation

The functional currency of each of Rubicor's entities is identified as the currency of the primary economic environment in which that entity operates, and is used in the recognition of transactions and balances for that entity. The financial information is presented in Australian dollars which is the Company's functional and presentation currency.

(m) Principles of Consolidation

The statutory summary balance sheet incorporates the assets and liabilities of all subsidiaries of the Company as at 31 December 2006.

The pro forma summary balance sheet incorporates the assets and liabilities of all the subsidiaries of the Company as at 31 December 2006 and the assets and liabilities of entities acquired / expected to be acquired subsequent to 31 December 2006, where a contractually binding agreement has been entered into by the parties as at the date of this Prospectus.

A subsidiary is any entity over which the Company has the power to control the financial and operating policies so as to obtain benefits from its activities.

A list of subsidiaries is contained in Note 17.

All inter company balances and transactions between entities within Rubicor, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies adopted by Rubicor.

Subsidiaries are fully consolidated from the date which control is transferred to Rubicor. They are de consolidated from the date control ceases.

(n) Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on Rubicor and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Rubicor makes estimates and assumptions concerning the future. The resulting estimates may not always equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

(i) Estimated impairment of goodwill and brands

Rubicor annually tests whether goodwill and brands has suffered any impairment. The recoverable amounts of cash generating units are determined based on value in use calculations. If any of the assumptions underlying the value in use calculations were to change, this could have a material impact on the amounts of goodwill recognised.

(ii) Acquired intangible assets

The purchase price of acquired entities has been allocated between identifiable intangible assets, such as preferred supplier agreements, course material content, candidate databases, and goodwill. This allocation has been based on an independent valuation of the identifiable assets and liabilities acquired ,except for Wizard, Dolman and Challenge Recruitment, where this allocation is based on management's best estimate of value, after considering the valuation performed for the other entities, adjusted for entity specific characteristics. The independent valuations are based on estimated expected cash flows attributable to each applicable intangible asset.

(iii) Cost of business combinations and associated vendor earn out and exit liabilities

As a consequence of the deferred earn out structure of the business acquisitions, the cost of combination and the associated earn out and exit liabilities have been determined by calculating the present value of estimated future cash flows associated with the deferred earn out consideration payments. These cash flows are based amongst other things, on management assessment as to both the likely period in which the earn out and exit payments will be made and the operating results of the acquired entity.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

(p) Share based payments

Share based compensation benefits are provided to employees via the Employee Share Option Plan. The fair value at grant date is independently determined using the Monte Carlo option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non market vesting conditions (for example, profitability and sales growth targets). Non market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each date of the balance sheet, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

Under the Employee Share Option Plan, shares issued to employees for no cash consideration vest over a period of five to five and a half years, with 40% of the options vesting after two to two and a half years and the rest thereafter in equal annual tranches. Upon vesting, the options issued are recognised as an employee benefits expense with a corresponding increase in equity.

2 Cash and cash equivalents

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Cash on hand	12	12
Cash at bank	1,634	2,675
	1,646	2,687

The movement in cash and cash equivalents from the 31 December 2006 actual audited position to the pro forma balance is due to:

- cash acquired upon the acquisition of Wizard of $0.1 million ($2.2 million initially assumed net of a $2.1 million distribution paid to the vendors post transaction completion), Dolman ($0.1 million) and Challenge Recruitment ($1.4 million), which will be acquired shortly after completion of the Offer;
- net proceeds of $39.6 million from the Offer ($44.2 million gross proceeds less $4.6 million of Offer costs);
- initial payments made to the vendors of Wizard and Dolman out of cash on hand ($0.2 million) and expected to be made to the vendors of Challenge Recruitment out of Offer proceeds ($13.0 million);
- partial repayment of borrowings from pre-listing facilities of $25.7 million; and
- payment of new facility establishment fees of $1.1 million and the payment of fees incurred upon closing out pre listing facilities at the date of listing of $0.3 million.

3 Trade and other receivables

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Current		
Trade receivables	17,705	35,410
Impairment to trade receivables	(282)	(282)
	17,423	35,128
Staff advances	67	67
Other receivables	797	797
	18,287	35,992
Non-Current		
Staff advance	100	100
	100	100

The increase in pro forma trade and other receivables compared to actual trade and other receivables at 31 December 2006 is due to the trade and other receivable balances assumed/expected to be assumed from the acquisition of Wizard, Dolman and Challenge Recruitment.

4 Other Assets

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Current		
Prepayments	402	856
Deferred costs	344	344
	746	1,200
Non-Current		
Prepayments	53	53
Deferred business acquisition costs	799	799
	852	852

Pro forma other assets at 31 December 2006 include actual other assets at 31 December 2006 of $1.6 million and other asset balances acquired/to be acquired through the acquisition of Dolman and Challenge Recruitment of $0.5 million.

5 Other Financial Assets

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Rental guarantee deposit	245	245
	245	245

$229,000 of these deposits were applied as security against rental guarantees issued by ANZ Banking Group Limited and were refunded in February 2007.

6 Intangible assets

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Preferred Supplier Agreements		
Cost	1,590	2,561
Accumulated amortization and impairment	(345)	(345)
Net carrying value	1,245	2,216
Course Material Content		
Cost	542	542
Accumulated amortization and impairment	(90)	(90)
Net carrying value	452	452
Candidate Databases		
Cost	15,274	19,906
Accumulated amortization and impairment	(3,805)	(3,805)
Net carrying value	11,469	16,101
Computer software		
Cost	1,181	2,346
Accumulated amortization and impairment	(533)	(533)
Net carrying value	648	1,813

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Brands		
Cost	278	417
Net carrying value	278	417
Total intangible assets		
Costs	18,865	25,772
Accumulated amortization	(4,773)	(4,773)
Net carrying value of intangible assets	14,092	20,999
Goodwill		
Arising on consolidation at cost	61,708	95,592
Cost	107	107
Net carrying value goodwill	61,815	95,699
Total intangible assets and goodwill	75,907	116,698

Pro forma intangible assets at 31 December 2006 is comprised of the actual balance of intangible assets at 31 December 2006 ($75.9 million), the actual value of intangible assets assumed upon acquisition of Wizard and Dolman ($16.0 million), and the assumed value of intangible assets to be acquired upon acquisition of Challenge Recruitment ($24.8 million).

7 Property plant and equipment

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Motor vehicles	41	232
Accumulated depreciation	(35)	(151)
Total	6	81
Office equipment	1,822	3,409
Accumulated depreciation	(327)	(1,290)
Total	1,495	2,119
Leasehold improvements	1,278	1,704
Accumulated depreciation	(190)	(439)
Total	1,088	1,265
Leased assets	84	84
Accumulated depreciation	(20)	(20)
Total	64	64
Total carrying amount	2,653	3,529

The increase in pro forma property, plant and equipment at 31 December 2006 compared to the actual balance of the pro forma property, plant and equipment at that date is due to the assets acquired from Wizard and Dolman, and the expected assumption of assets upon acquisition of Challenge Recruitment.

These assets have been pledged as security – see Note 10

8 Taxation

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Current		
Income tax receivable	66	66
Non-Current		
Deferred tax assets comprise:		
Difference between book and tax value of intangible assets	469	469
Difference between book and tax value of make good liability	39	39
Doubtful debts	85	85
Employee benefits	802	802
Transaction and Offer costs	377	991
Other provisions	38	523
	1,810	2,909

The increase in taxation assets from the actual audited position to the pro forma position at 31 December 2006 is due to the inclusion of tax assets to be acquired upon acquisition of Challenge Recruitment and the tax effect of the Offer costs recorded as an offset against equity.

9 Trade and Other Payables

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Current		
Unsecured liabilities		
Trade payables, other creditors and accruals	8,496	15,079
	8,496	15,079
Non-Current		
Accrued rent incentive	173	173
	173	173

Pro forma trade and other payables is comprised of the actual trade and other payables at 31 December 2006 ($8.7 million) and trade and other payables assumed as part of the acquisition of Wizard and Dolman, and the pending acquisition of Challenge Recruitment ($6.6 million).

10 Borrowings

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Current		
Secured liabilities		
Bank overdraft	1,691	–
Finance lease obligation	34	34
Invoice finance debt	8,441	–
Senior debt (net of borrowing costs)	15,340	–
Mezzanine debt net of borrowing costs)	9,667	–
	35,173	34
Non Current		
Secured liabilities		
Finance lease obligation	39	39
Invoice finance debt	–	24,522
	39	24,561
Total Borrowings	35,212	24,595

Financing Arrangements as at the Date of Listing

Facilities available as at the date of listing:	
Invoice financing facility	25,000
Cash advance facility	40,000
Cash advance acquisition facility	30,000
Total available facilities	95,000
Facilities utilised:	
Invoice financing facility	24,522
Cash advance facility	–
Cash advance acquisition facility	–
Total facilities utilised	24,522
Facilities not utilised:	
Invoice financing facility	478
Cash advance facility	40,000
Cash advance acquisition facility	30,000
Total facilities not utilised	70,478

Pro forma borrowings

Rubicor is expected to have in place the following new facilities as at completion of the Offer. These new facilities are based on a credit approved term sheet commitment provided to Rubicor by ANZ, and will replace certain facilities that are in existence just prior to the IPO:

- $25 million invoice financing facility that will be initially used to repay the existing facility, and then provide any ongoing working capital funding requirements. This facility will attract interest at a margin over the Bank Settlement Rate ("BBSY") plus an administration fee. Based on current BBSY, the effective interest rate would be 7.8%, excluding the administration fee;
- $40 million cash advance facility to fund existing vendor earn out liabilities. This is a three year non-amortising facility that attracts interest at a margin over BBSY plus a line fee. Based on current BBSY, the effective interest rate would be 8.1%; and
- $30 million cash advance acquisition facility to accommodate further acquisitions. This is a non-amortising facility that attracts interest at a margin over BBSY plus a line fee. Based on current BBSY, the effective interest rate would be 7.8%.

The new facilities attract a one-time establishment fee based on committed facilities. The facilities are to be secured by a first registered fixed and floating charge over all assets and be undertakings of Rubicor and its wholly owned subsidiaries, as well as cross guarantees and indemnities between the Company and its wholly owned subsidiaries

Assuming that the Offer and the acquisition of Wizard, Dolman and Challenge Recruitment occurred as at 31 December 2006, the total pro forma level of facilities utilised as at that date would have been $24.5 million. Accordingly, on a pro forma basis, total available facilities as at 31 December 2006 would have been $70.5 million.

The actual drawdown under the invoice financing facility as at completion of the Offer and acquisition of Challenge Recruitment is forecast to be $20.4 million resulting in total expected available facilities at that date of $74.6 million.

The pro forma adjustments and transactions that give rise to the decrease in borrowings from the actual balance at 31 December 2006 of $35.2 million, to the pro forma level of $24.6 million as at 31 December 2006 are as follows:

- draw down of funds from pre-listing facilities for the initial cash consideration paid for Wizard of $2.4 million;
- overdraft borrowings assumed on the acquisition of Dolman and expected to be assumed upon acquisition of Challenge Recruitment of $12.0 million;
- repayment in full of borrowings from pre-listing facilities (including pro forma acquisition and assumed debt) of $51.3 million out of Offer proceeds and cash on hand ($25.7 million) and proceeds from the draw down on the new invoice financing facility (in accordance with agreed terms) that will be in place as at the date of listing ($25.6 million);
- payment of establishment fees for the new facilities of $1.0 million, which has been recorded as a reduction in pro forma borrowings at 31 December 2006; and
- the write off of $1.7 million of capitalised borrowing costs relating to the pre-listing facilities to be closed upon listing. These capitalised borrowing costs were recorded as a reduction in actual borrowings at 31 December 2006.

Actual borrowings

The actual finance lease obligation is secured against the underlying finance lease assets with a net book value of $0.1 million.

The actual invoice finance facility at 31 December 2006, which is to be repaid and closed out at listing is secured against the value of Rubicor's trade receivables. This charge will be released upon the repayment of the facility.

The actual senior debt and bank overdraft facility at 31 December 2006, which is to be repaid and closed out at listing is secured by a fixed and floating charge over all assets and liabilities of Rubicor together with a mortgage over all shares held by the Company in its subsidiaries. This charge will be released upon the repayment of the facility.

The actual mezzanine debt facility at 31 December 2006, which is to be repaid and closed out at listing is secured by a second ranking fixed and floating charge over all assets and liabilities of Rubicor together with a mortgage over all shares held by the Company in its subsidiaries. This charge will be released upon the repayment of the Mezzanine debt.

11 Vendor Liabilities

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Current		
Unsecured liabilities		
Vendor earn-out liability	9,529	9,529
Vendor exit liability	792	792
Non-Current		
Unsecured liabilities		
Vendor earn-out liability	4,503	19,264
Vendor exit liability	26,927	32,325

The vendor earn-out liabilities represent the fair value of fixed dated 'initial' estimated consideration payments which are payable to the vendors over a period of one to three years post acquisition.

The vendor exit liability represents the fair value of estimated 'exit' consideration payments which are payable to the vendors over a three year period after the provision of 'exit notice' by the vendors.

All payments made are contingent on the performance of the acquired businesses over the payment period.

Vendor liabilities in respect of Australian acquired entities

The vendor liabilities in respect of the Australian acquired entities have been structured through the issue to the vendors of Series B Redeemable Preference Shares, which are progressively redeemed at each earn out payment date.

Most holders of Series B Redeemable Preference Shares are entitled to receive dividends calculated for each financial year based on the Net Profit Before Tax of the vendor business entity acquired.

The vendor liabilities have been determined by calculating the present value of estimated future cash flows associated with the earn out payments, the exit payments and the payment of the redeemable preference dividends. The cash flows have been discounted at 12.5%.

Vendor liabilities in respect of New Zealand acquired entities

The vendor liabilities in respect of the New Zealand acquired entities have not been facilitated through the issue of Series B Redeemable Preference Shares. Instead, additional share purchase consideration payments equivalent in structure to the preference dividends referred to above have been incorporated as part of the share purchase consideration. The vendor liabilities have therefore been determined on a consistent discounted cash flow basis to the Australian acquired entities referred to above, incorporating the earn out payments, the exit payments and the additional share purchase consideration payments.

12 Provisions

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Current		
Employee benefits	919	2,191
	919	**2,191**
Non-Current		
Employee benefits	158	1,827
Make Good	332	332
	490	**2,159**

The increase in the actual provisions balance at 31 December 2006 to the pro forma balance is due to employee benefits assumed/expected to be assumed in relation to the acquisition of Wizard, Dolman and Challenge Recruitment.

13 Other Liabilities

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Current		
Adjustment of the rights of holders of Series A Shares	1,791	–
Other	–	374
	1,791	**374**

The rights of Series A shareholders will be adjusted at the IPO.

Pro forma other liabilities represents liabilities expected to be assumed upon acquisition of Challenge Recruitment.

14 Issued Capital

Actual Audited 31 December 2006	Note	No. of shares	$
Shares	(i)	6	2
Series D Shares	(ii)	63	395,430
Series C Shares	(iii)	10,272,176	1,931,181
Series A Shares	(iv)	14,843,222	13,691,772
Series B Preference Shares	–	278	–
			16,018,385

Pro forma 31 December 2006	Note	No. of shares	$
Shares	(i)	105,000,000	63,272,987
Series D Shares	(ii)	–	–
Series C Shares	(iii)	6,245,775	1,264,037
Series A Shares	(iv)	–	–
Series B Preference Shares	–	278	–
			64,537,024

Note: the value attributed to Series B Preference Shares is recognised as part of vendors liabilities (refer to note 11)

Notes to issued capital table.

(i) Shares

	No. of shares	$
Actual Audited – 31 December 2006	6	2
Conversion of Series D Shares into Shares	15,381,177	395,430
Conversion of Series A Shares into Shares	33,150,282	16,461,057
Shares issued in January 2007	9,500,480	4,336,000
Conversion of Series C Shares into Shares	2,748,061	667,144
Shares after restructure immediately before Offer	60,780,000	21,859,631
New Shares issued under the Offer	44,220,000	44,220,000
The portion of Offer costs that have been recorded as a reduction in equity	–	(2,806,646)
Pro forma – 31 December 2006	105,000,000	63,272,987

Shares confer on their holders the right to participate in dividends declared by the Board. Ordinary Shares confer on their holders an entitlement to vote at any general meeting of Rubicor. The conversion of Series D Shares is discussed at note (ii) below. The conversion of Series A Shares is discussed at note (iv) below. The exercise of warrants is discussed in note 15(a) below.

(ii) Series D Shares

	No. of shares	$
Actual Audited – 31 December 2006	63	395,430
Conversion into Shares	(63)	(395,430)
Pro forma – 31 December 2006	–	–

The Series D Shares were issued for nil consideration to certain existing Shareholders and certain of the Executive Management Team of the Company and to vendors of the Operating Businesses.

Immediately prior to the Listing, all of the Series D Shares in existence at that date will convert into Shares pursuant to an allocation mechanism set out in the constitution of the Company.

The Series D Shares were independently valued with valuations attributed to the relevant issue dates.

(iii) Series C Shares

	No. of shares	$
Actual audited 31 December 2006	10,272,176	
Conversion into Shares	(4,026,401)	
Pro forma – 31 December 2006	6,245,775	1,264,037

Series C Shares were issued to vendors in connection with the acquisition of their businesses.

The shares vest two years after the completion date of the relevant acquisition. The holders of the shares have the same rights as Shareholders to attend and vote at a general meeting of the Company.

The holders of the Series C Shares have the same entitlement to dividends as Shareholders.

Rubicor must, in so far as permitted by any applicable law, convert the Series C Shares into Ordinary Shares two years after the completion dates of the relevant acquisitions and in the amounts set out in the relevant Subscription Agreements. The value of the Series C Shares, being a component of the acquisition consideration, forms part of Rubicor's investment in the acquired subsidiaries.

The Series C Shares were independently valued with valuations attributed to the relevant issue dates.

(iv) Series A Shares

	No. of shares	$
Actual Audited – 31 December 2006	14,843,222	13,691,772
Capitalisation of interest	1,486,210	
Exercise of Warrants into Series A Shares	1,685,251	977,300
Conversion of all outstanding Series A Shares into Shares	(18,014,683)	(14,669,077)
Pro forma – 31 December 2006	–	–

Immediately prior to Listing, all Series A Shares in existence at that date will convert into Shares pursuant to the constitution of the Company that applied immediately before the Listing.

15 Reserves

Note: All share numbers assume that the Restructure has occurred.

	Note	No. of shares	$
Warrant reserve	(a)		
Actual audited – 31 December 2006		1,685,251	977,300
Conversion of warrants to Series A Shares		(1,685,251)	(977,300)
Pro forma – 31 December 2006		–	–
Option reserve	(b)		
Actual audited and pro forma – 31 December 2006		2,876,302	118,288
Pro forma – balance at 31 December 2006			**118,288**
Foreign currency translation reserve	(c)		
Actual audited and pro forma – 31 December 2006		n/a	10,635
Total pro forma reserves – 31 December 2006			**128,941**

(a) Warrants

In accordance with a mezzanine debt facility signed with Investec Bank (Australia) Limited on 15 December 2005, Investec was issued with warrants to subscribe for Series A Shares.

Immediately prior to the Listing, the warrants will be exercised in accordance with the mezzanine debt facility and 1,685,251 Series A Shares will be initially issued to Investec, which will immediately convert into 2,930,902 Shares.

(b) Option reserve

This reserve is to recognise the value of options recognised to date. No new options are to be issued as part of the Listing.

(c) Translation reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve.

16 Accumulated Losses

$000	31 Dec 06 Pro forma
Actual audited –31 December 2006	(3,644)
Pro forma adjustments:	
Listing costs expensed (after tax expense)	(1,044)
Borrowing costs expensed	(2,066)
Pro forma – 31 December 2006	**(6,754)**

17 Controlled Entities

Name	Note	Country of incorporation	Audited Percentage Owned 31 December 2006	Pro forma Percentage Owned 31 December 2006
Parent Entity				
Rubicor Group Limited		Australia	100	100
Subsidiaries of parent entity				
Locher and Associates Pty Limited		Australia	100	100
Locher Holdings Pty Limited		Australia	100	100
Gel Group Pty Limited		Australia	100	100
Cadden Crowe Pty Limited		Australia	100	100
Apsley Nominees Pty Limited		Australia	100	100
JGA Employment Services Pty Limited		Australia	100	100
Apsley Recruitment Pty Limited		Australia	100	100
Cadden Crowe (Victoria) Pty Limited		Australia	100	100
Cadden Crowe (Queensland) Pty Limited		Australia	100	100
Skillsearch Contracting Pty Limited		Australia	100	100
Careers Unlimited Pty Limited		Australia	100	100
SMF Recruitment Pty Limited		Australia	100	100
Xpand Group Pty Limited		Australia	100	100
CIT Professionals Pty Limited		Australia	100	100
Rubicor CRS Pty Limited		Australia	100	100
Rubicor New Zealand Limited		New Zealand	100	100
Wheeler Campbell Consulting Limited	(i)	New Zealand	67	67
Wheeler Campbell Management Leasing Limited	(i)	New Zealand	67	67
Health Recruitment NZ Limited	(i)	New Zealand	67	67
Care Direct Limited	(i)	New Zealand	67	67
Intersearch NZ Limited	(i)	New Zealand	67	67
Gaulter Russell (NZ) Limited	(i)	New Zealand	70	70
Numero (NZ) Limited	(i)	New Zealand	70	70
Powerhouse People Ltd	(i)	New Zealand	70	70
Wizard Personnel & Office Services Pty Limited		Australia	–	100
Dolman Pty Limited	(ii)	Australia	–	100
Challenge Recruitment Limited	(iii)	Australia	–	100

(i) Rubicor Group Limited has immediate control over 100% of the economic benefits arising from these partly owned entities, by virtue of the fact that the minority shareholder interests will be contractually acquired by the Company on a pre determined time and purchase consideration basis, and furthermore the minority interest parties have effectively forgone their rights and benefits of ownership by contractually agreeing in the interim period to vote their interest in accordance with the written instructions of the Company. In substance the arrangements represent the acquisition of a 100% interest on a deferred settlement basis and have therefore been accounted for on this basis

(ii) Includes subsidiary Dolman F-Lex Pty Limited

(iii) Includes subsidiaries Challenge Recruitment Logistics Pty Limited, The Australian Personnel Consortium Pty Limited (of which Challenge Recruitment owns 66.6%), Choice HR Pty Limited, Choice HR (Newcastle) Pty Limited, Choice HR (Maitland) Pty Limited, Choice HR (Parramatta) Pty Limited, Choice HR (Liverpool) Pty Limited, Choice HR (Penrith) Pty Limited, Choice HR (Logistics) Pty Limited

Acquisition of controlled entities during the year ending 30 June 2007

The Company has completed the acquisition of Wizard (2 January 2007) and Dolman (2 February 2007) and has entered into a legally binding agreement to acquire Challenge Recruitment, which is expected to be completed shortly after completion of the Offer.

The estimated fair value of the assets and liabilities of these entities have been reflected in the pro forma balance sheet as at 31 December 2006, assuming the acquisitions were completed as at that date.

1. Details of the fair value of assets and liabilities acquired/to be acquired and goodwill are as follows:

$000	Wizard	Dolman	Challenge Recruitment	Total
Cash paid	2,400	4,556	12,950	19,906
Vendor earn-out liability	1,605	4,275	8,880	14,760
Vendor exit liability	492	3,823	1,083	5,398
Total purchase consideration	4,497	12,654	22,913	40,064
Fair value of net identifiable assets acquired (refer below)	1,142	3,078	1,960	6,180
Goodwill	3,355	9,576	20,953	33,884
	4,497	12,654	22,913	40,064

2. Fair value of identifiable assets and liabilities acquired

$000	Wizard	Dolman	Challenge Recruitment	Total
Cash	143[1]	145	1,416	1,704
Receivables	781	888	16,036	17,705
Plant and equipment	12	83	781	876
Other assets		119	335	454
Deferred tax assets			483	483
Identifiable intangible assets	667	2,359	3,881	6,907
Trade payables	(313)	(199)	(6,071)	(6,583)
Borrowings		(95)	(11,916)	(12,011)
Current tax payable	(34)		(5)	(39)
Provisions	(114)	(222)	(2,605)	(2,941)
Other liabilities			(375)	(375)
	1,142	3,078	1,960	6,180

1 Cash is shown net of a $2.1 million pre-acquisition dividend paid to Business Managers post completion.

18 Operating lease arrangements

Non-cancelable operating lease rentals are payable as follows:

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Less than one year	2,048	3,206
Between one and five years	5,331	7,091
More than five years	1,388	1,388
Total	8,767	11,685

Rubicor leases a number of offices under operating leases. The leases run over varying periods, some with option periods. Some of the leases have fixed rate rental periods, and some have market rate rental adjustments.

The higher level of operating lease commitments on a pro forma basis is a result of the leases assumed/expected to be assumed in relation to the acquisition of Wizard, Dolman and Challenge Recruitment.

19 Finance and hire purchase leases

The present value of finance lease liabilities is as follows:

$000	31 Dec 06 Actual Audited	31 Dec 06 Pro forma
Less than one year	34	34
Between one and five years	37	37
Present value of finance lease liabilities	71	71

The finance and hire purchase leases are secured against the underlying assets, which have a net book value of $0.1 million.

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Pin cheque here (do not staple)

RUBICOR GROUP LIMITED

ABN 74 110 913 365

Broker Firm Application Form

This Application Form must not be handed to another person unless attached to or accompanied by the Prospectus dated 11 May 2007 and a person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus.

A Number of Shares applied for ___ , ___ , ___ at Price per Share **A$1.00**

(minimum 2,000 Shares, thereafter in multiples of 100 Shares)

B Amount **A$** ___ , ___ , ___ . **0 0**

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

C

Applicant – Surname/Company Name

Title | First Name | Middle Name

Joint Applicant #2 – Surname

Title | First Name | Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

PLEASE COMPLETE ADDRESS DETAILS

D

PO Box/RMB/Locked Bag/Care of (c/-)/Property Name/Building Name (if applicable)

Unit Number/Level | Street Number | Street Name

Suburb/City or Town | State | Postcode

E

CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

X

F

Telephone Number where you can be contacted during Business Hours ( )

Contact Name (PRINT)

PLEASE COMPLETE YOUR PAYMENT DETAILS

Cheques or bank drafts should be in Australian currency, crossed "Not Negotiable" and made payable in accordance with the directions of the Broker from whom you received a firm allocation.

G

Cheque or Bank Draft Number | BSB | Account Number

DECLARATION

By completing this Application Form and applying for Shares, I/we declare that this Application Form is completed and lodged according to the Prospectus and declare that all details provided and the representations and warranties made by me/us (including the representations and warranties on the reverse side of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of Rubicor Group Limited.

LODGEMENT INSTRUCTIONS

All Broker Firm Offer Applicants: Investors who have received a firm allocation of Shares from their Broker should follow the lodgement procedures provided by that Broker. You must return your Application Form with cheque(s) or bank draft(s) so they are received before 5:00pm (Sydney time) on 7 June 2007.

RUB IPO001

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Shares in Rubicor Group Limited. Further details about the Shares are contained in the Prospectus dated 11 May 2007 issued by Rubicor Group Limited. Rubicor Group Limited will send paper copies of the Prospectus, any supplementary documents and the Application Form, free of charge on request if you contact the Rubicor Offer Information Line on 1800 817 266 during the offer period.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic Application Form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus. The Prospectus contains important information about investing in Shares. You should read the Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2,000 Shares and thereafter in multiples of 100 Shares. You may be issued all of the Shares applied for or a lesser number. The issue price is $1.00 per Share.

B Insert the relevant amount of Application Monies. Amounts should be payable in Australian currency. Please make sure the amount of your cheque(s) or bank draft(s) equals this amount.

C Write the full name you wish to appear on the statement of Shares. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct registrable title.

D Please enter your postal address for all correspondence. All communications to you from Rubicor Group Limited and the Registrar will be mailed to the person(s) and address as shown. For joint applicants only one address can be entered.

E If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here.

F Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

G Please complete cheque or bank draft details as follows:

- Make your cheque(s) or bank draft(s) payable in Australian currency and cross "Not Negotiable". Your cheque(s) or bank draft(s) must be drawn on an Australian bank.
- The total amount of your cheque(s) or bank draft(s) should agree with the amount shown in Section B.
- Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
- Pin (do not staple) your cheque(s) or bank draft(s) to the Application Form where indicated.

ACKNOWLEDGEMENTS

By returning this Application Form with your payment, you agree to these statements. I/We:

- have read the Prospectus in full;
- have completed this form accurately and completely;
- acknowledge that once Rubicor Group Limited accepts my/our Application, I/we may not withdraw it;
- apply for the number of Shares at the Australian dollar amount shown on the front of this form;
- agree to being allocated the number of Shares that I/we apply for (or a lower number allocated in a way allowed under the Prospectus);
- acknowledge that my/our Application may be rejected by Rubicor Group Limited and Underwriter in their absolute discretion;
- authorise the Underwriter and Rubicor Group Limited, and their respective officers or agents, to do anything on my/our behalf necessary (including the completion and execution of documents) for the Shares to be allocated to me/us;
- am/are over 18 years of age if I/we am/are natural person(s);
- agree to be bound by the Constitution of Rubicor Group Limited;
- acknowledge that neither Rubicor Group Limited nor any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital and that, in some circumstances, Rubicor Group Limited may not pay any distributions;
- represent, warrant and agree that I/we am/are not in the United States or a US person, and am/are not acting for the account or benefit of a US person;
- represent, warrant and agree that I/we have not received the Prospectus outside Australia and am/are not acting on behalf of a person resident outside Australia unless the Shares may be offered in my/our jurisdiction without contravention of the security laws of the jurisdiction or any need to register the Prospectus, the Shares or the Offer; and
- acknowledge that the Broker Firm Offer is only being made to persons with Australian registered addresses and Applications by any other person will be rejected.

PRIVACY STATEMENT

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a Shareholder (including your name, address and details of the Shares you hold) to be included in the public register of the entity in which you hold Shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold Shares. You can obtain access to your personal information by contacting us at the address or telephone number shown in the Prospectus. Our privacy policy is available on our website (www.linkmarketservices.com.au).

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

- Put the name(s) of any joint applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

Pin cheque here (do not staple)

RUBICOR GROUP LIMITED

ABN 74 110 913 365

Broker Firm Application Form

This Application Form must not be handed to another person unless attached to or accompanied by the Prospectus dated 11 May 2007 and a person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus.

A Number of Shares applied for ___,___,___ at Price per Share **A$1.00**

(minimum 2,000 Shares, thereafter in multiples of 100 Shares)

B Amount **A$** ___,___,___.**0 0**

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

C

Applicant – Surname/Company Name

Title | First Name | Middle Name

Joint Applicant #2 – Surname

Title | First Name | Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

PLEASE COMPLETE ADDRESS DETAILS

D

PO Box/RMB/Locked Bag/Care of (c/-)/Property Name/Building Name (if applicable)

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Suburb/City or Town | State | Postcode

E CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

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G Cheque or Bank Draft Number | BSB ___-___ | Account Number

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- agree to being allocated the number of Shares that I/we apply for (or a lower number allocated in a way allowed under the Prospectus);
- acknowledge that my/our Application may be rejected by Rubicor Group Limited and Underwriter in their absolute discretion;
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- agree to be bound by the Constitution of Rubicor Group Limited;
- acknowledge that neither Rubicor Group Limited nor any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital and that, in some circumstances, Rubicor Group Limited may not pay any distributions;
- represent, warrant and agree that I/we am/are not in the United States or a US person, and am/are not acting for the account or benefit of a US person;
- represent, warrant and agree that I/we have not received the Prospectus outside Australia and am/are not acting on behalf of a person resident outside Australia unless the Shares may be offered in my/our jurisdiction without contravention of the security laws of the jurisdiction or any need to register the Prospectus, the Shares or the Offer; and
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Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners’ personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

- Put the name(s) of any joint applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

Corporate Directory

Rubicor Group Limited
(ABN 74 110 913 365)

Directors

Executive Director
Wayman Chapman
(Managing Director)

Non-Executive Directors
Robert Aitken (Chairman)
Malcolm Jackman
Russel Pillemer
John Pettigrew

Company Secretary

Sharad Loomba

Registered Office

Level 15, 1 Pacific Highway
North Sydney NSW 2060
Telephone: (02) 8404 1380
Facsimile: (02) 8404 1381
Website: www.rubicor.com.au

Lead managers and Underwriter

Ord Minnett Limited
Level 8 NAB House
255 George Street
SYDNEY NSW 2000

Telephone (02) 8216 6300

Investigating Accountant

KPMG Transaction Services
(Australia) Pty Limited
10 Shelley Street
SYDNEY NSW 2000

Telephone (02) 9335 7000

Auditor

DTT NSW[1]
Grosvenor Place
225 George Street
SYDNEY NSW 2000

Telephone (02) 9322 7000

Solicitor to the Company

Baker & McKenzie
AMP Centre
Level 27, 50 Bridge Street
SYDNEY NSW 2000

Telephone (02) 9225 0200

Share Registry

Link Market Services Limited
Level 12
George Street
Sydney NSW 2000

Telephone 1300 554 474

[1]DTT NSW has changed its name from Horwath Sydney Partnership and is a continuation of that partnership. The partners of DTT NSW have also joined the Australian partnership of Deloitte Touche Tohmatsu. All changes with effect from 1 February 2007.

DESIGN: COLLIER & ASSOCIATES THE STRATEGIC DESIGN COMPANY #12104 This prospectus was printed on 9Lives 80, a combination of 80% recycled fibre including 20% TCF pulp sourced from sustainable forests. The mill has ISO 14001 accreditation.

Rubicor

www.rubicor.com.au