Rubicor

Half Year Results

31 December 2011

Financial Summary

Financial Highlights	1H 2012 $'m	1H 2011 $'m	Change %
Total Revenue	149.6	145.9	+3%
NDR (Gross Margin)	30.6	32.7	-6%
EBITDA	4.6	5.9	-22%
Underlying NPAT[1]	0.0	-0.3	
Statutory NPAT[2]	-20.2	-2.1	
Underlying EPS[1] before interest and tax (cents)	0.0	-0.3	
Operating cash flow before interest and tax	6.1	2.5	
Operating cash flow	2.3	-2.0	

[1] Before asset impairment ($19.5m), amortisation of intangibles ($0.8m), and notional interest on deferred payments for business acquisitions ($0.4m) under AIFRS

[2] After impairment charge of $19.5 m, reflecting impact of challenging conditions and uncertainty over timing of recovery on certain Rubicor businesses

Operational highlights

- Market conditions challenging in particular in Q2

- Exploiting two-speed economy with resilience in:
  - WA & ACT
  - Mining and resources, insurance, engineering & government

- Consultant base at appropriate level:
  - Adding in selective growth sectors
  - Reducing where markets constrained

- Focus on sustainable growth:
  - Investment in workforce training and technology
  - Assessing and reviewing projects to produce efficiencies
  - Developing annuity streams to future proof income

Capital management

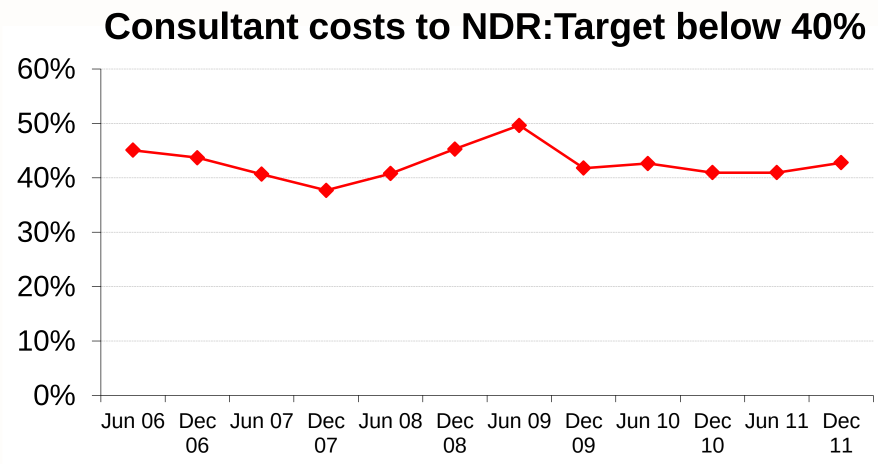
- Capital management:
  - No dividend declared
  - Operating cash flow before interest and taxation $6.1 million = strong conversion of EBITDA to cash

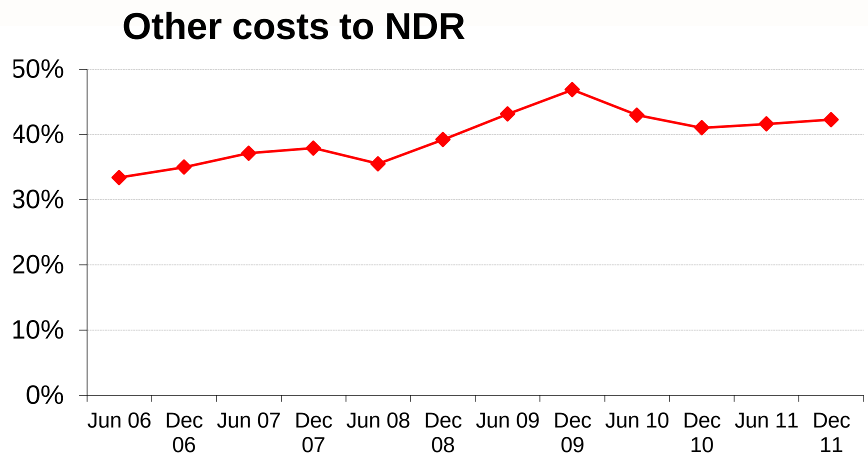
- Financing:
  - Compliance with covenants during H1
  - Debt facilities and covenant thresholds amended after 31 December to align more closely with current conditions

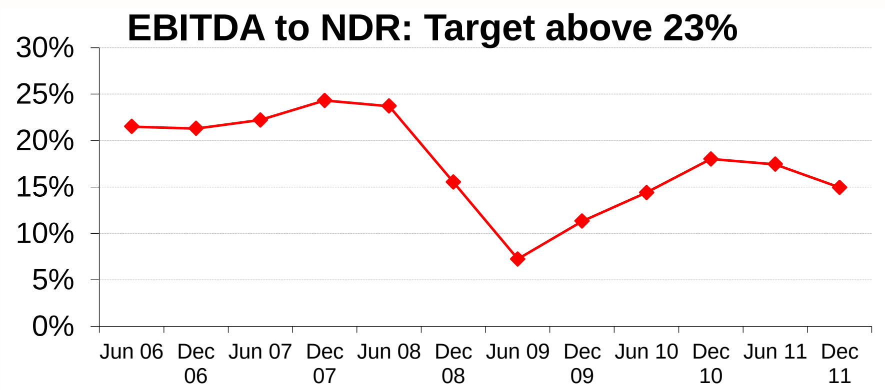
- Vendor acquisition model:
  - Earn out payments of $6.4 million paid during the six months
  - Balance of $4.2 million on track to be extinguished by 2014
  - In difficult conditions future earn-outs reducing, demonstrating flexibility of model

Key operating indicators

- Indicators easing in tough conditions although better alignment of cost base ensures not returning to GFC levels

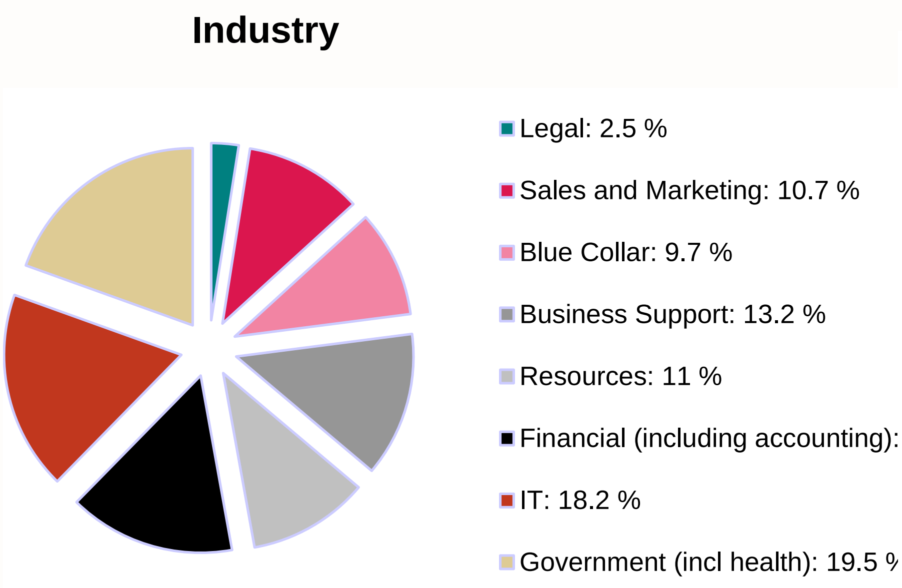


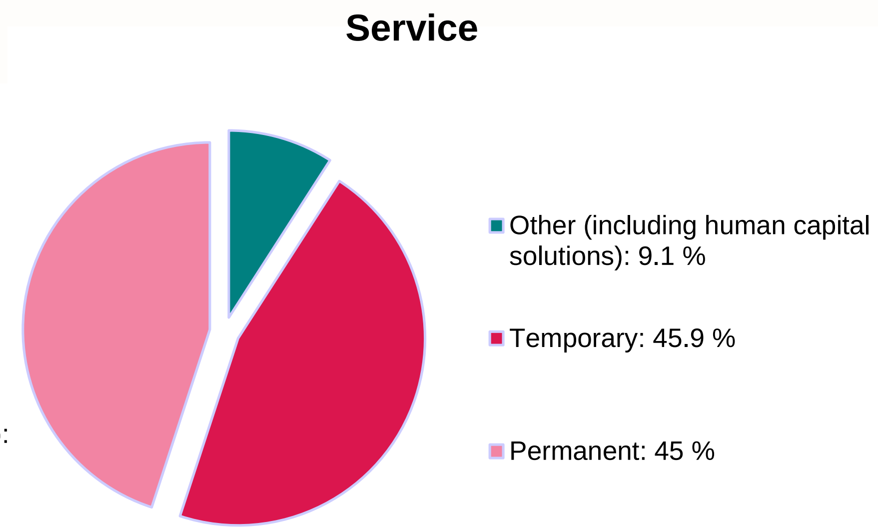




Business profile (NDR)

- Diversity: Continue to exploit growth across two speed economy
- Service mix in 1H12: Temporary stable, Permanent declined, Other growing



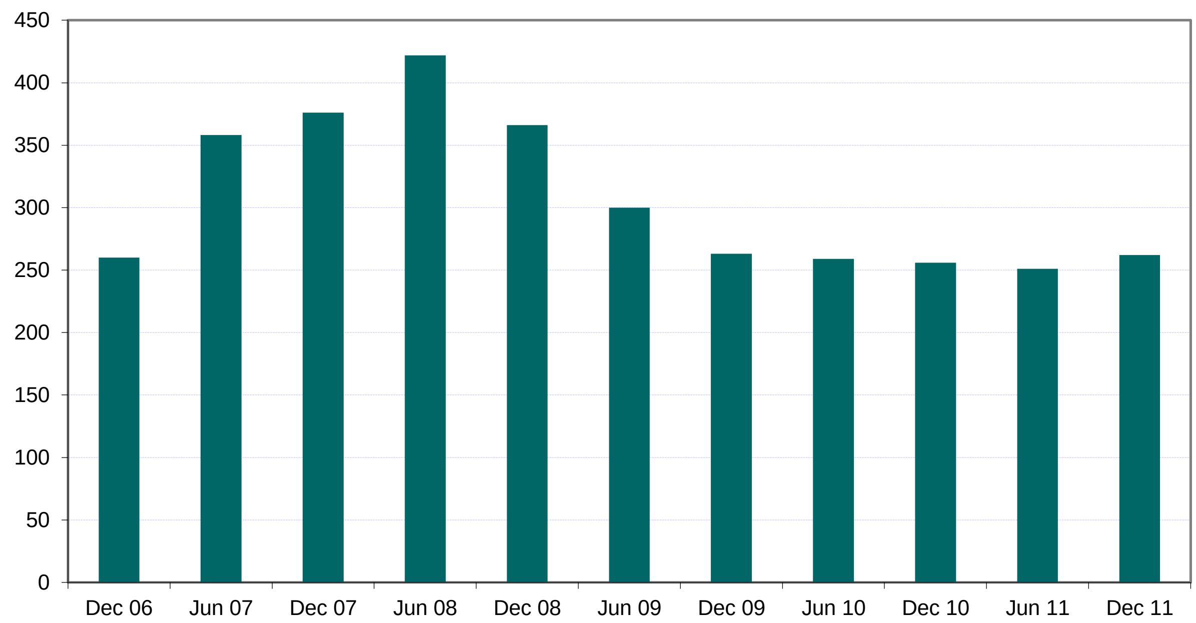


Consultants

- Numbers stable – appropriate base for current conditions
- Added consultants in selected growth markets
- Reduced where conditions challenging

Total consultant numbers

Dec 06	Jun 07	Dec 07	Jun 08	Dec 08	Jun 09	Dec 09	Jun 10	Dec 10	Jun 11	Dec 11
260	358	376	422	366	300	263	259	256	251	262



Underlying profitability

6 months ended 31 December	2011 $M	2010 $M	Change %
Revenue	**149.6**	**145.9**	**2.5%**
NDR (Gross margin)	30.6	32.7	**-6.4%**
EBITDA	**4.6**	**5.9**	**-22.0%**
Depreciation	-0.3	-0.5	
EBIT	**4.3**	**5.4**	**-20.4%**
Finance costs – amortisation	-0.4	-1.0	
Finance costs – interest/charges	-3.3	-4.1	
Profit Before Tax	**0.6**	**0.3**	**100.0%**
Tax	-0.2	-0.1	
Cash interest on vendor liabilities	-0.2	-0.4	
NPAT	**0.2**	**-0.2**	**>100%**
NPAT attributable to equity holders	**0.0**	**-0.3**	
EPS (cents)	**0.0**	**-0.3**	

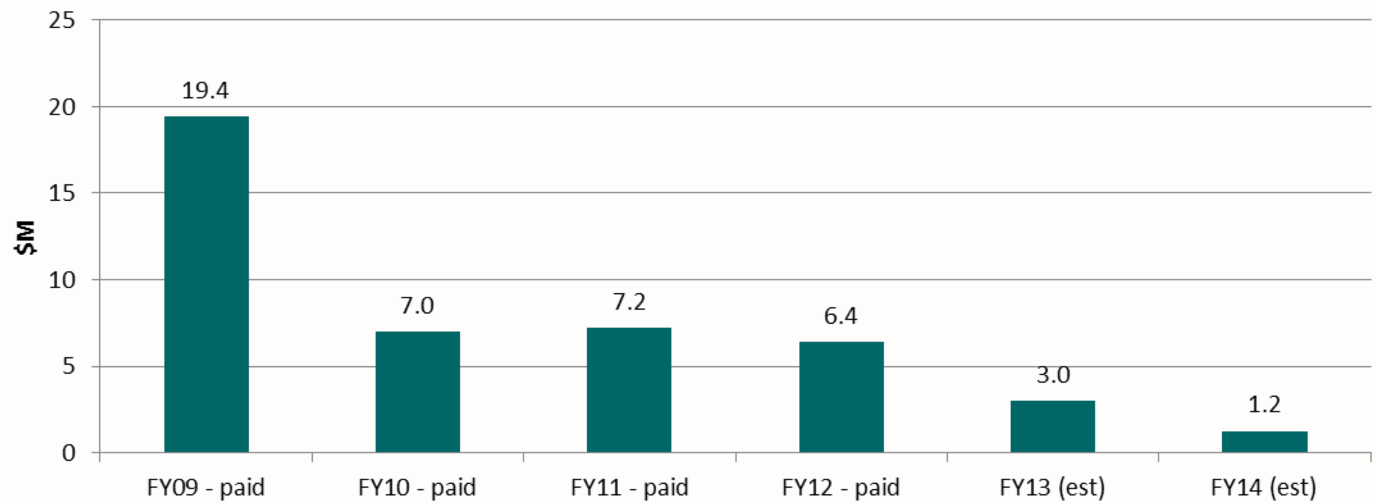
Financial position

	31/12/11 $M	30/06/11 $M	Change %
Cash	4.0	2.0	100%
Receivables	32.7	37.2	-12%
Goodwill	49.0	70.3	-30%
Identifiable intangibles	2.7	3.4	-21%
Other assets	10.7	11.1	-4%
Total Assets	**99.1**	**124.0**	**-20%**
Current Liabilities			
Trade payables	20.0	23.2	-14%
Deferred vendor consideration	2.7	6.3	-57%
Borrowings	89.9	83.5	8%
Other liabilities	2.0	1.8	11%
Non Current Liabilities			
Deferred vendor consideration	0.6	4.6	-87%
Borrowings – acquisitions debt	2.4	2.4	0%
Other liabilities	0.9	1.1	-18%
Total Liabilities	**118.5**	**122.9**	**-4%**
Net Assets	**-19.4**	**1.1**	
Net Asset backing (cents)	**-17.7**	**1.0**	

Vendor payment profile

- Vendor payments on track to be extinguished in 2014

Vendor Earn Out Payments[1]



1 Estimated vendor earn out payments for FY 13 and FY 14 at future value of $4.2m. Balance sheet (Deferred vendor consideration) at present value of $3.3m.

Outlook

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Short term

- External conditions remain challenging
- Strategic alignment:
  - Align costs to revenue where recruitment constrained
  - Capitalise on growth sectors
- Investment:
  - Workforce training and technology to strengthen performance
  - Projects identified to drive efficiencies e.g. Cloud outsourcing commenced with savings anticipated from FY13
- Capital discipline and debt reduction

Long term

- Rubicor model sound with specialisation and scalability
- Skills shortages, wages growth, mobility of labour present good opportunities for recruiters when macro conditions improve

Appendices

Statutory profitability

6 months ended 31 December	2011 $M	2010 $M	Change %
Revenue	**149.6**	**145.9**	**2.5%**
NDR (Gross margin)	**30.6**	**32.7**	**-6.4%**
EBITDA	**4.6**	**5.9**	**-22.0%**
Depreciation	-0.3	-0.5	
Amortisation	-0.8	-1.6	
EBIT	**3.5**	**3.8**	**-7.9%**
Notional interest on vendor liabilities	-0.4	-0.7	
Finance costs – amortisation	-0.4	-1.0	
Finance costs – interest/charges	-3.3	-4.1	
Impairment charge	-19.5	0.0	
Loss Before Tax	**-20.1**	**-2.0**	
Tax	0.1	0.1	
NPAT	**-20.0**	**-1.9**	
NPAT attributable to equity holders	**-20.2**	**-2.1**	
EPS (cents)	**-18.4**	**-1.9**	

Reconciliation: statutory to underlying

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Underlying NPAT adjusts for significant items, AIFRS-required amortisation, notional interest on vendor liabilities and asset impairment

6 months ended 31 December	**2011 $M**	**2010 $M**
Statutory NPAT – Equity holders	**-20.2**	**-2.1**
Significant non cash items		
Add back: Amortisation of identifiable intangible assets	0.8	1.6
Notional interest on vendor liabilities	0.4	0.7
Impairment charge	19.5	0.0
Deduct: Cash interest on vendor liabilities	-0.2	-0.4
Tax effect	-0.3	-0.1
Underlying NPAT – Equity holders	**0.0**	**-0.3**