Rubicor

Full Year Results

30 June 2012

Financial Summary

Financial Highlights	FY 2012 $'m	FY 2011 $'m	Change %
Total Revenue	**290.5**	**291.7**	-0.4%
NDR (Gross Margin)	**55.7**	**64.6**	-13.7%
Underlying EBITDA[1]	**6.8**	**11.3**	-40.0%
Statutory EBITDA[1]	**6.8**	**11.3**	-39.8%
Underlying NPAT [2]	**(0.8)**	**(0.9)**	6.6%
Statutory NPAT[3]	**(61.6)**	**(5.8)**	
Underlying EPS [2] (cents)	**(0.8)**	**(0.8)**	
Statutory EPS[3] (cents)	**(56.2)**	**(5.3)**	
Operating cash flow before interest and taxation	**8.4**	**9.7**	-13.4%
Operating cash flow	**1.7**	**0.8**	112.5%

[1] Before interest, tax, depreciation, amortisation and impairment
[2] Before asset impairment (FY12 $53.4m; FY11 $1.3m), amortisation of intangibles (FY12 $2.5m; FY11 $3.2m), and notional interest on deferred payments for business acquisitions (FY12 $0.5m; FY11 $1.4m) under AIFRS
[3] After impairment charge of (FY12 $53.4m; FY11 $1.3m), reflecting impact of challenging conditions and uncertainty over timing of recovery on certain Rubicor businesses

Operational highlights

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- Global uncertainty and market confidence affected levels of recruitment activity, mainly in permanent hires
- Capitalised on demand especially in resource sectors and WA market as well as temporary and contract placements
- Improved collaboration between businesses and cross-sell opportunities
- Overall consultant numbers reduced to align with market conditions, with targeted growth in demand sectors and geographies
- Utilising technology improvements to simplify processes, reduce administration and costs
- Continued brand co-location strategy

Capital management

Capital management:

- No dividend declared
- Operating cash flow before interest and taxation at $8.4 million = strong cash collection
- Operating cash flow to $1.7 million, up 112.5%

Financing:

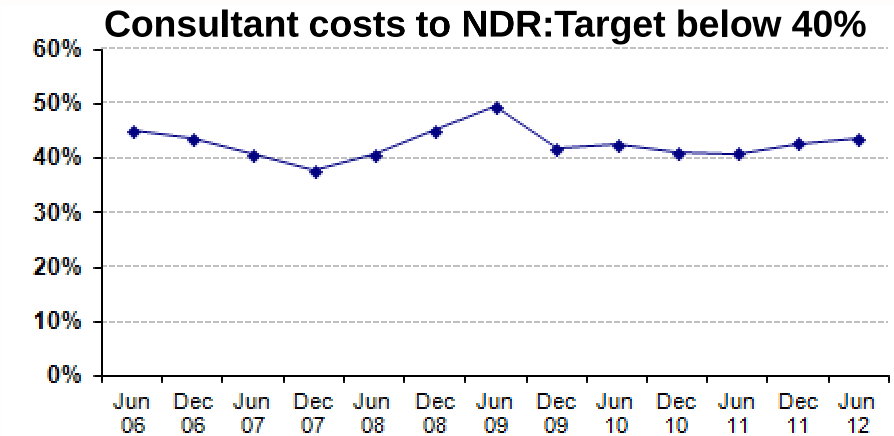
- In compliance with all covenants
- Senior debt facilities restructured and extended ($33 million non-interest bearing) to 31 March 2014
- Working capital facility extended to February 28, 2013

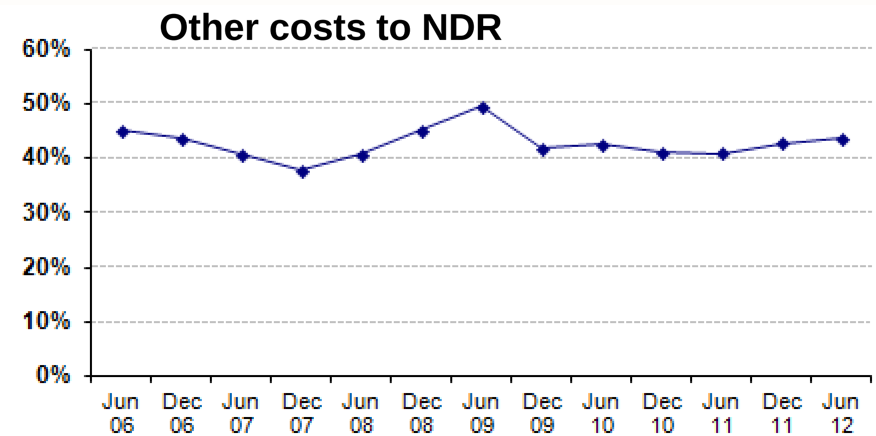
Vendor acquisition model:

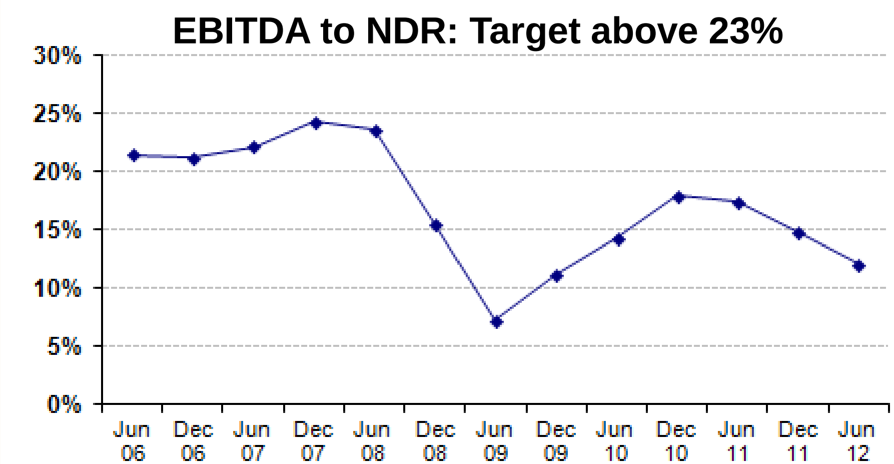
- Earn-out payments of $6.4 million paid during the year
- Future earn-outs reduced as a result of lower earnings
- Balance on track to be extinguished by November 2013

Key operating indicators

- Business efficiency impacted by subdued business volumes



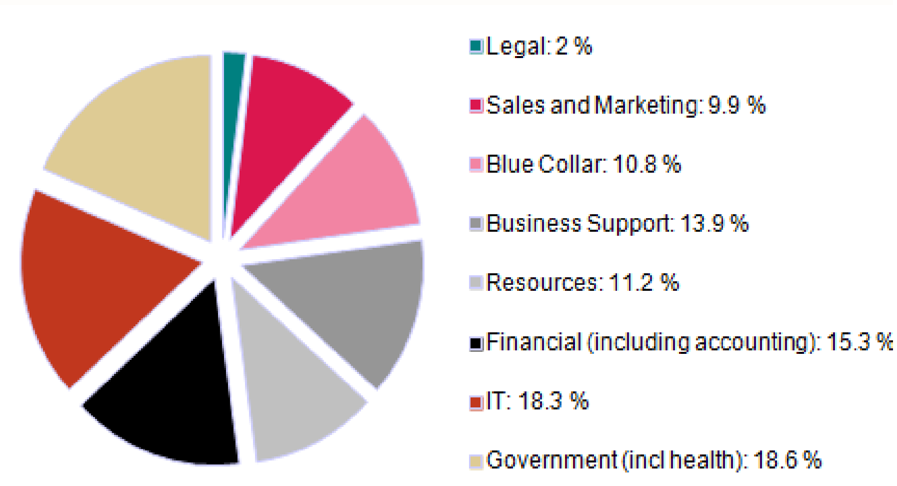




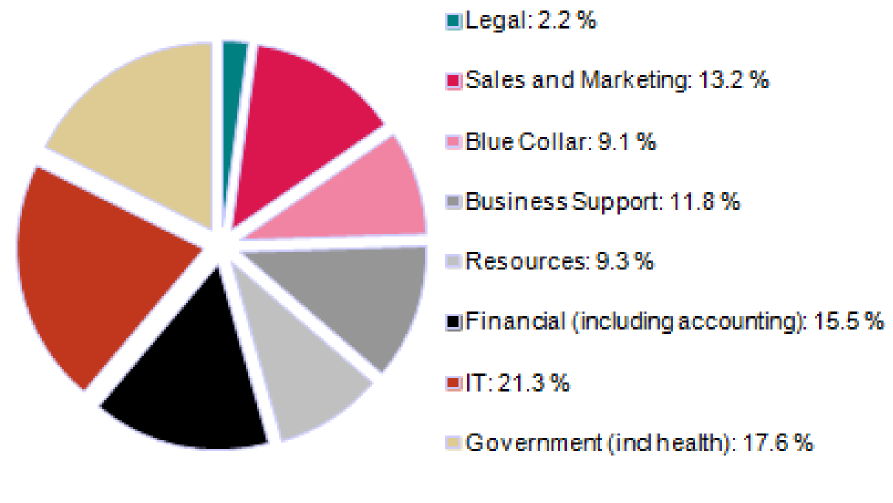
Business profile (NDR by Industry)

- Capitalised on growth sectors of Resources, Blue Collar, Business Support and Government

FY12



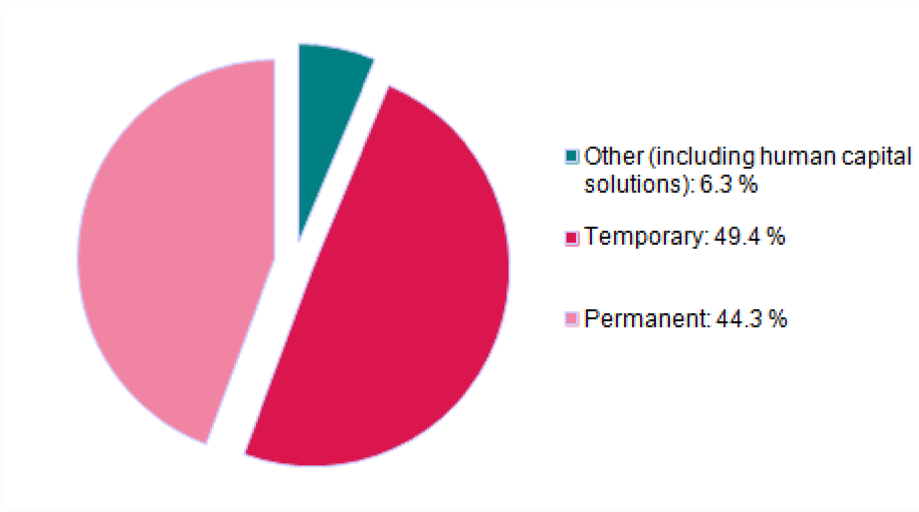
FY11



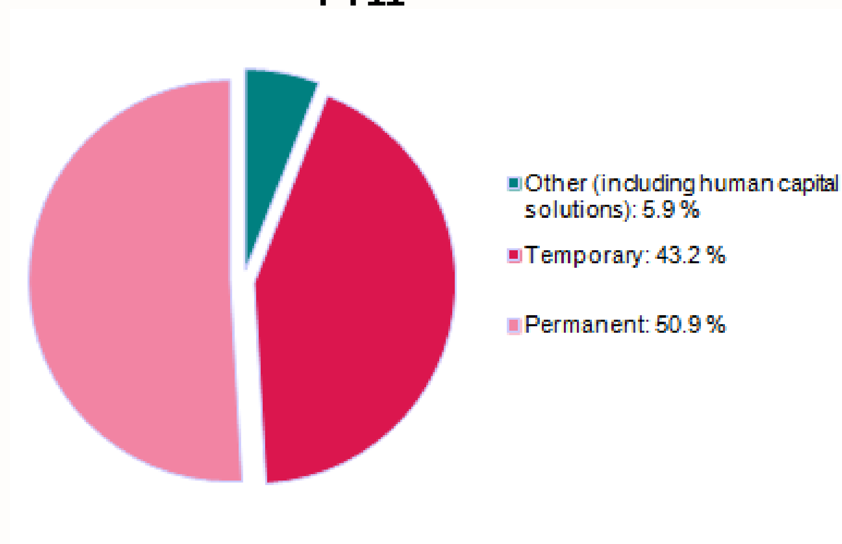
Business profile (NDR by Service)

- Client demand has grown for Temporary services

FY12



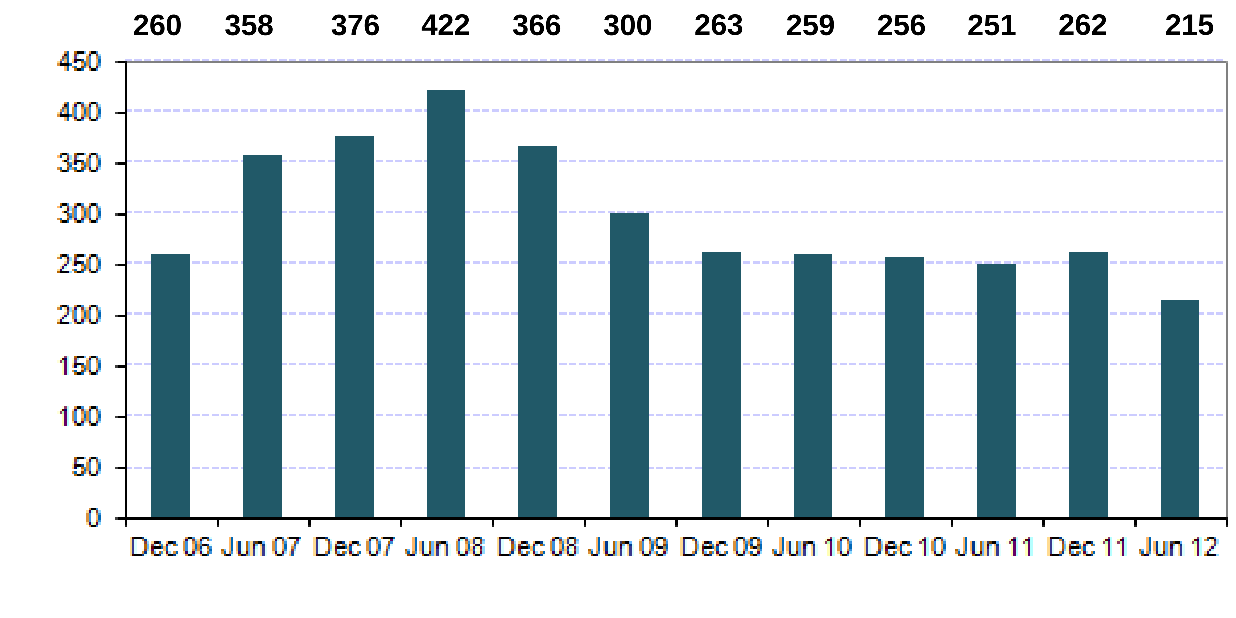
FY11



Consultants

- Numbers reduced – appropriate base for current conditions
- Added consultants in selected growth markets and sectors
- Aligned to market conditions

Total consultant numbers



Underlying profitability

12 months ended 30 June	2012 $M	2011 $M	Change %
Revenue	**290.5**	**291.7**	**-0.4%**
NDR (Gross margin)	55.7	64.6	-13.7%
EBITDA	**6.8**	**11.3**	**-40.0%**
Depreciation	(0.7)	(0.8)	
EBIT	**6.1**	**10.5**	**-41.9%**
Finance costs – amortisation	(0.7)	(2.6)	
Finance costs – interest/charges	(5.8)	(8.1)	
Loss Before Tax	**(0.4)**	**(0.2)**	**-120.3%**
Tax	0.1	0.1	
Cash interest on vendor liabilities	(0.1)	(0.4)	
NPAT	**(0.4)**	**(0.5)**	**23.6%**
NPAT attributable to equity holders	**(0.8)**	**(0.9)**	**6.6%**
EPS (cents)	**(0.8)**	**(0.8)**	

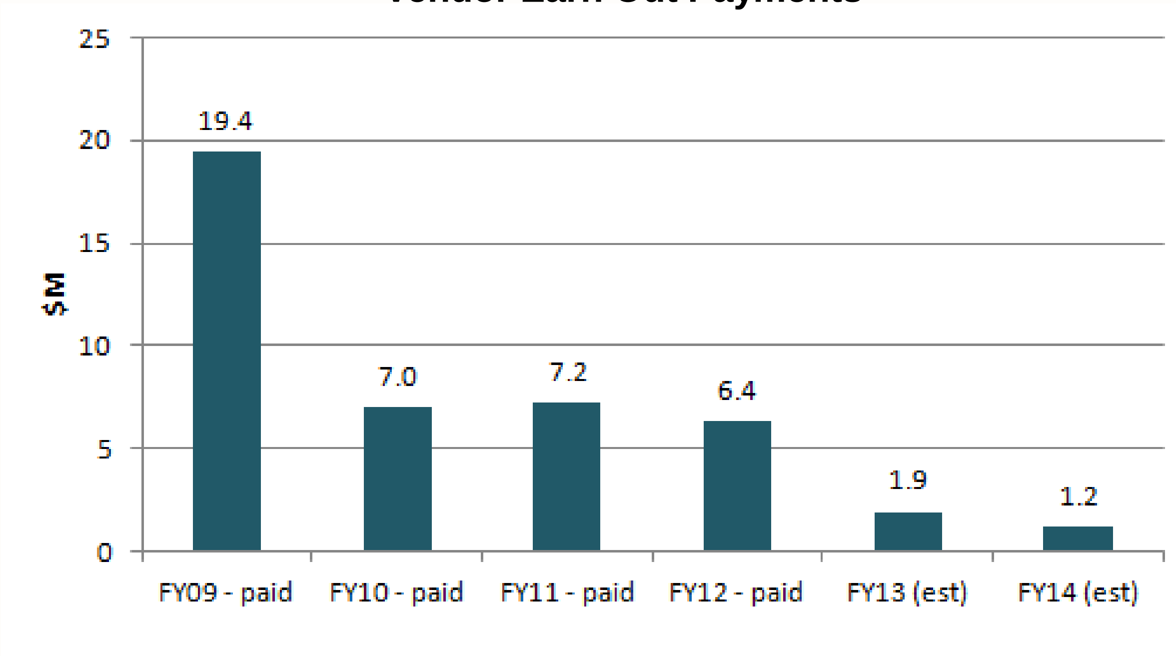
Financial position

30 June	2012 $M	2011 $M	Change %
Cash	1.4	2.0	-32%
Receivables	35.2	37.2	-5%
Goodwill	14.6	70.3	-79%
Identifiable intangibles	1.3	3.4	-63%
Other assets	6.3	11.1	-43%
Total Assets	**58.7**	**124.0**	**-53%**
Current Liabilities			
Trade payables	22.6	23.2	-3%
Deferred vendor consideration	1.9	6.3	-71%
Borrowings	88.7	83.6	6%
Other liabilities	4.2	1.8	134%
Non Current Liabilities			
Deferred vendor consideration	0.6	4.6	-87%
Other liabilities	1.0	3.4	-70%
Total Liabilities	**118.9**	**122.9**	**-3%**
Net Assets	**(60.2)**	**1.1**	
Net Asset backing (cents)	**(54.9)**	**1.0**	

Vendor payment profile

- Vendor payments on track to be extinguished by November 2013

Vendor Earn Out Payments[1]



1 Estimated vendor earn out payments for FY 13 and FY14 at future value of $3.1m.
Balance sheet (Deferred vendor consideration) at present value of $2.4m.

Outlook

Short term

- Difficult market conditions will persist, particularly with permanent placements
- Strategic alignment:
  - Align costs to revenue where recruitment constrained
  - Capitalise on growth sectors
  - Co-location and optimisation of support services
- Investment:
  - Workforce training and technology to strengthen performance
  - Projects identified to drive efficiencies, e.g. Cloud outsourcing commenced with savings anticipated from January 2013
  - Annuity income streams – grow services that deliver stable recurring revenues
- Capital discipline and debt reduction

Long term

- Rubicor model sound with specialisation and scalability
- Skills shortages, wages pressures, increased labour mobility and an aging population all present good opportunities for recruiters
- Business is appropriately aligned for when macro conditions improve

Appendices

Statutory profitability

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12 months ended 30 June	2012 $M	2011 $M	Change %
Revenue	**290.5**	**291.7**	**-0.4%**
NDR (Gross margin)	**55.7**	**64.6**	**-13.7%**
EBITDA	**6.8**	**11.3**	**-39.8%**
Depreciation	(0.7)	(0.8)	
Amortisation	(2.5)	(3.2)	
EBIT	**3.6**	**7.3**	**-50.6%**
Notional interest on vendor liabilities	(0.5)	(1.4)	
Finance costs – amortisation	(0.7)	(2.6)	
Finance costs – interest/charges	(5.8)	(8.1)	
Impairment charge	(53.4)	(1.3)	
Loss Before Tax	**(56.9)**	**(6.1)**	
Tax	(4.2)	0.7	
NPAT	**(61.1)**	**(5.4)**	
NPAT attributable to equity holders	**(61.6)**	**(5.8)**	
EPS (cents)	**(56.2)**	**(5.3)**	

Reconciliation: statutory to underlying

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

12 months ended 30 June	2012 $M	2011 $M
Statutory NPAT – Equity holders	**(61.6)**	**(5.8)**
Significant items	0.0	0.0
Significant non cash items		
Add back: Amortisation of identifiable intangible assets	2.5	3.2
Notional interest on vendor liabilities	0.5	1.4
Impairment of goodwill	53.4	1.3
Deduct: Cash interest on vendor liabilities	(0.1)	(0.4)
Tax effect	4.3	(0.6)
Underlying NPAT – Equity holders	**(0.8)**	**(0.9)**

Overview of Rubicor's non-IFRS financial information

What is non-IFRS financial information?

- IFRS financial information is financial information that is presented in accordance with all relevant accounting standards.
- Non-IFRS financial information is financial information that is presented other than in accordance with all relevant accounting standards. For example:
  - Profit information calculated on a basis other than under accounting standard definitions or calculated in accordance with accounting standards and then adjusted, e.g. "normalised", "underlying" or "cash basis";
  - Profits that exclude certain transactions, e.g. exclude "one-off" or "non-recurring" items; and
  - Pro forma financial information

What non-IFRS financial information does Rubicor disclose in its half year and full year results presentations?

- In Rubicor's investor presentations, we aim to provide equal or greater prominence to IFRS financial information. However, we also present or refer to non-IFRS financial information.
- Non-IFRS financial information is calculated based on underlying IFRS financial information and adjusted to show either a position excluding certain items which have been removed OR included to reflect Rubicor's underlying financial performance.
- Rubicor provides reconciliations on the face of the slides, appendices and in the footnotes of the presentation in order allow the reader of the presentations to clearly reconcile between the IFRS and non-IFRS financial information.

Why does Rubicor disclose non-financial information in its half year and full year results presentations?

- Rubicor management believes that the presentation of additional non-IFRS information in its half year and full year results presentations provides readers of these documents with a greater understanding into the way in which management analyses the business as well as meaningful insights into the financial condition or overall performance of Rubicor.
- The Australian Securities and Investments Commission ("ASIC") acknowledges the relevance of non-IFRS financial information in providing "meaningful insight" as long as it does not mislead the reader.