



Half Year Results
31 December 2008





Financial Summary

	<i>HY 09</i>	<i>HY08</i>	<i>Change</i>
Total Revenue	\$179m	\$181m	-1%
NDR (Gross Margin)	\$49m	\$50.6m	-3%
EBITDA ¹	\$8.3m	\$12.3m	-32%
Statutory NPAT	\$(20.8)m	\$1.4m	-
Underlying NPAT ²	\$0.3m	\$6.1m	-95.5%
Underlying EPS ²	0.3c	5.8c	-95.5%
Operating cash flow ³	\$18.6m	\$9.0m	+107%
Interim dividend	None	1.5cps	

¹ Before non-recurring items of \$0.7m (\$0.5m post-tax)

² Excluding amortisation of intangibles and notional interest on deferred payments for business acquisitions under IFRS

³ Before interest and taxation



Financial Highlights

- Revenue & NDR down 1% & 3%
- Employment costs up 8% - increase in size, market conditions, cost reductions lag
- EBITDA down 32% - before non-recurring items of \$0.7m (\$0.5m post-tax)
- Market decline too swift to match costs to revenue:
 - Reductions to-date producing annualised \$6m savings from January
 - Ongoing cost reductions response in line with market conditions
- Asset impairment \$18m write-off (17% of goodwill)
- Cash generation, before interest and tax, \$18.6m



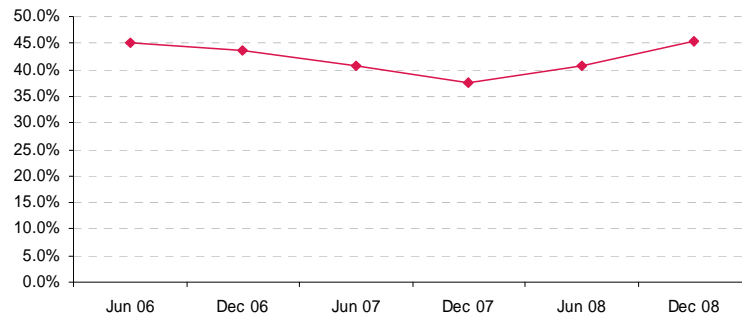
Debt Summary

- Rubicor did not meet its covenants at 31 December
- Bank waived non compliance with these covenants
- Existing facilities of \$27m subject to repayment/renewal in next 12 months
- Rubicor actively pursuing debt refinancing program with bankers
- Facilities will be further reviewed after refinancing
- The Rubicor model responsive to challenging economic conditions as payments align with profitability
- Amounts owing to vendors reduced by \$22m

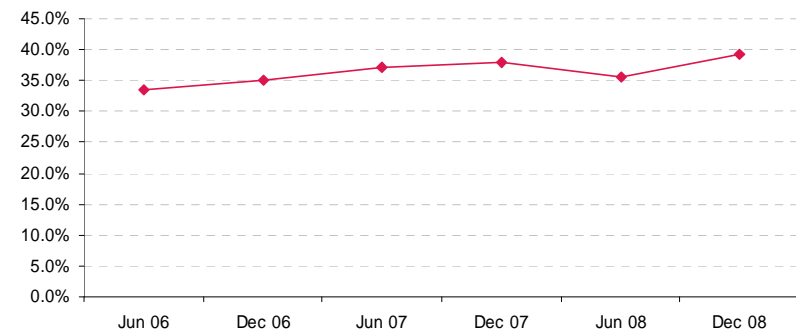
Key Operating Indicators

- PRODUCTIVITY: EBITDA:NDR still at industry best*
- EFFICIENCY: Speed of downturn made it difficult to reduce cost ratios

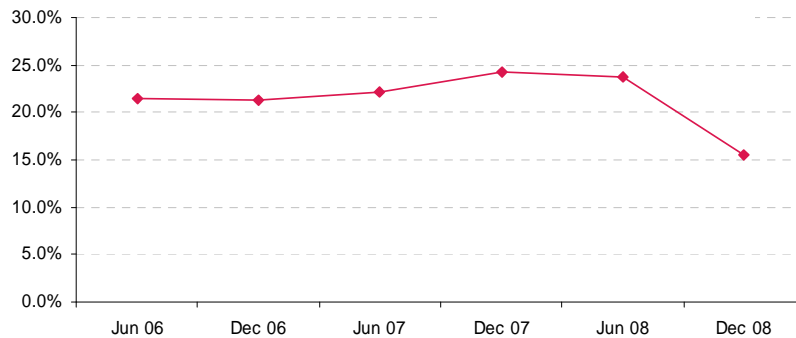
Consultant costs to NDR: Target below 40%



Other costs to NDR



EBITDA to NDR: Target above 23%

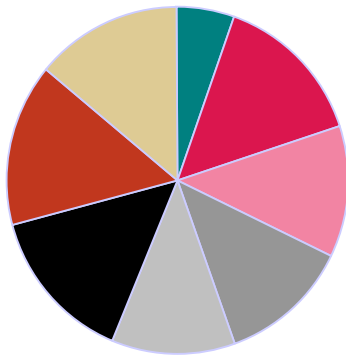


* Based on latest published results where comparisons available

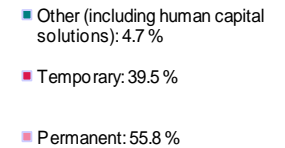
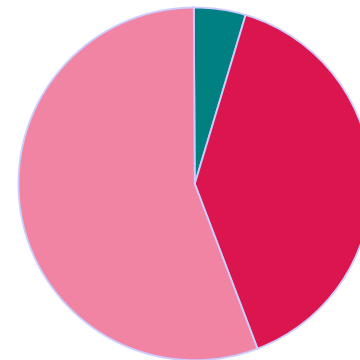
Business profile

- **FLEXIBILITY:** mix of permanent and temporary expected to change as temporary and contracting placements now stronger than permanent
- **DIVERSITY:** spread across industrial sectors -some areas holding up e.g. government, health, and utilities

Industry



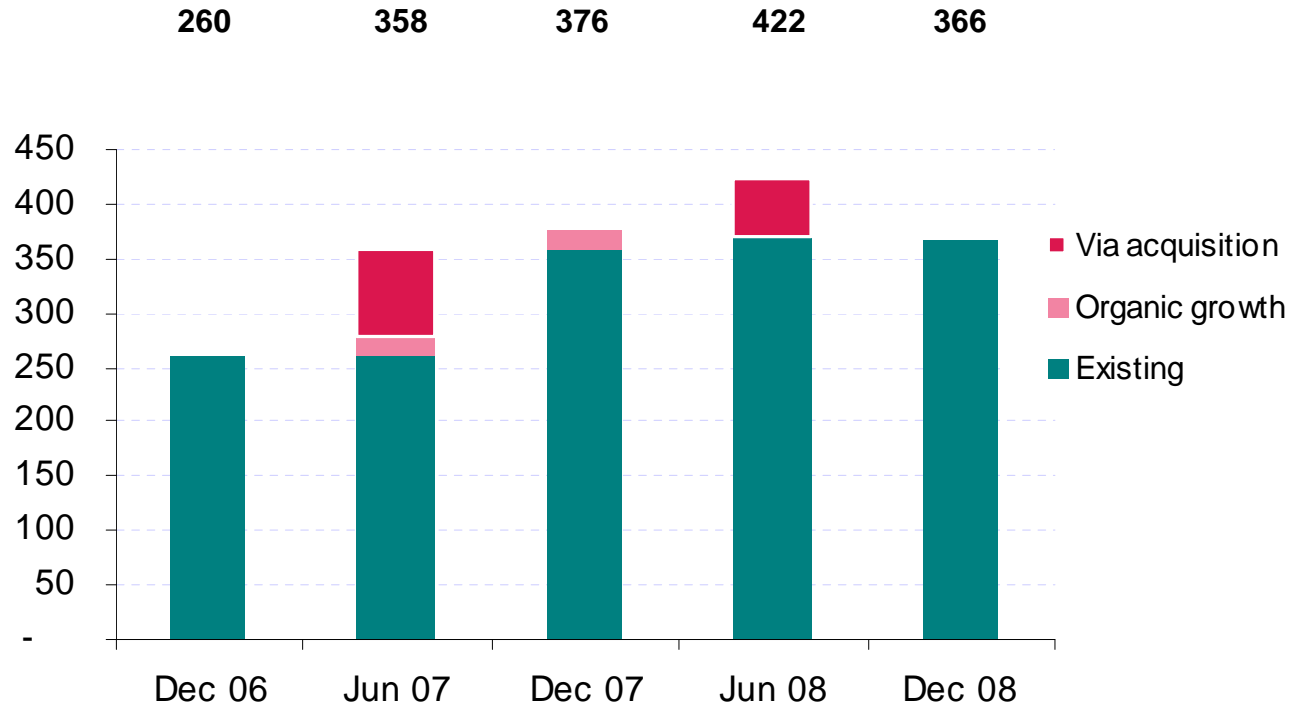
Service



Consultants

➤ Headcount reducing in response to trading conditions

Total consultant numbers



Underlying profitability: Underlying NPAT is the best indicator of performance

6 months ended 31 December	2008 \$M	2007 \$M	Change %
Revenue	178.8	181.1	-1.3
NDR (Gross margin)	49.0	50.6	-3.2
EBITDA	8.3	12.3	-32
Depreciation	(0.6)	(0.5)	
EBIT	7.7	11.8	-35
Finance costs – amortisation	(1.7)	(0.1)	
Finance costs – interest/charges	(3.4)	(1.2)	
Profit Before Tax	2.6	10.5	-75
Tax	(0.8)	(3.0)	
Cash interest on vendor liabilities	(1.0)	(1.4)	
Profit After Tax	0.8	6.1	
Non-recurring items	(0.5)	(0.0)	
Profit attributable to equity holders	0.3	6.1	
EPS (cents)	0.3	5.8	

Financial position

		31/12/08 \$M	31/12/07 \$M	Change %
Cash		3.1	1.2	+158
Receivables		41.5	50.8	-18
Intangibles - goodwill	Impairment testing undertaken ⁱ	→ 89.2	129.1	-31
Intangibles – other		15.9	18.9	-16
Other assets		11.6	10.6	+9
Total Assets		161.3	210.6	-23
Current Liabilities				
Trade payables		26.3	24.3	+8
Deferred vendor consideration - debt funded	Vendor liabilities linked to profitability	→ 4.0	14.0	-71
Deferred vendor consideration - cash funded		→ 6.9	5.4	+28
Borrowings – working capital	Bank borrowing re-classified to current ⁱⁱ	→ 18.2	1.9	+860
Borrowings – acquisitions debt		→ 48.4	0.0	-
Non Current Liabilities				
Deferred vendor consideration - debt funded	Vendor liabilities linked to profitability	→ 2.1	11.1	-81
Deferred vendor consideration - cash funded		→ 13.2	34.7	-62
Borrowings – working capital		0.0	19.6	-
Borrowings – acquisitions debt		0.0	36.9	-
Other liabilities		2.9	3.4	-16
Total Liabilities		122.0	151.3	-19
Net Assets		39.3	59.3	-34
Net Asset backing (cents)		35.9	57.5	

i Goodwill balances have been subject to impairment testing. \$18m (17% of balance) has been written off in the period.

ii Bank debt re-classified as current, because at 31/12 the group was in technical breach of its bank loan covenants and this disclosure required by accounting standards. The bank has subsequently waived these covenants



Strategies in current climate

Operational - identifying and implementing further cost savings a priority

- Rigorous evaluation and measurement of individual businesses
- Cost and performance efficiency drives
- Monitoring individual consultant productivity in each business
- Premises co-location

Financial - debt reduction a priority

- Pursuing debt refinancing solution together with on-going cash generation



Recruitment industry outlook

Short term

- Economic conditions remain very challenging

Long term

- Skills shortage will continue to be an issue for employers due to permanent demographic change
- With shrinking pool of candidates, those recruiters with good candidates will be in demand
- Well-established specialist recruitment firms will have the edge
- Rubicor continues as niche specialist with strong franchise, close to markets, clients and candidates



Appendices

Statutory profitability

6 Months ended 31 December	2008 \$M	2007 \$M	Change %
Revenue	178.8	181.1	-1
NDR (Gross margin)	49.0	50.6	-3
EBITDA	Includes non-recurring of \$0.7m → 7.6	12.3	-32
Depreciation	(0.6)	(0.5)	
Amortisation	(3.2)	(2.9)	
EBIT	3.8	8.9	-49
Notional Interest on vendor liabilities	(1.8)	(3.8)	
Finance costs – amortisation	(1.7)	(0.1)	
Finance costs – interest/charges	(3.4)	(1.2)	
Impairment of goodwill	<u>(18.2)</u>	<u>(0.0)</u>	
Profit/Loss Before Tax	(21.3)	3.8	
Tax	0.5	(2.4)	
Profit/Loss After Tax	(20.8)	1.4	
Profit attributable to equity holders	(20.8)	1.4	
EPS (cents)	(19.6)	1.3	

Reconciliation of Statutory to Underlying

Underlying NPAT adjusts for AIFRS-required amortisation and notional interest and for goodwill impairment

12 Months ended 30 June	2008 \$M	2007 \$M
Statutory NPAT	(20.8)	1.4
Significant non-cash items:		
Add back: Amortisation of identifiable intangible assets	3.2	2.9
Notional interest on vendor liabilities	1.8	3.8
Impairment of Goodwill	18.2	0.0
Deduct: Cash interest on vendor liabilities	(1.0)	(1.4)
Tax effect	<u>(1.1)</u>	<u>(0.6)</u>
Underlying NPAT	<u>0.3</u>	<u>6.1</u>