

## **Rubicon announce further progress on strategic initiatives**

Rubicon Group Limited (ASX:RUB) is pleased to announce that it has settled on the sale of two of its Wellington based, New Zealand brands, Powerhouse People and Care Direct, for a total consideration of approximately NZ\$630k plus transfer of employee entitlement liabilities. The sale is consistent with Rubicon's strategy of divesting brands that are unprofitable and/or operate in markets that have minimal growth potential, to ensure an effective streamlined brand approach to performing markets and ensure the Group is well placed for long-term sustainable growth.

The two brands contributed a combined A\$340k loss to underlying EBITDA for the half year period ended 31 December, 2014 and as such, the sales will result in a \$680k pro forma annualised improvement in underlying EBITDA.

In addition to the sale of these two brands, the operating structure of Locher People Performance was restructured during the first three months of this year resulting in annualised cost savings of approximately \$600k per year.

Rubicon is also now well into an exciting phase of their technology transformation project, having commenced the roll out of the back office component of the upgrade, most recently disclosed to the market in the half year results announcement made 25 February 2015.

The roll out of the enterprise level, common recruitment management platform, will improve revenue opportunities across the group as well as deliver annual cost savings in excess of \$1.0m through the rationalisation of the back office function. The technology upgrade, expected to be completed by August this year, will position the Company to continue to differentiate itself through its multi brand strategy alongside an underlying cost structure equivalent to that of running a single brand structure.

Since January 2013, Rubicon has reduced the number of brands by one third, from 22 down to 15. Rubicon's unique differentiator is a streamlined, specialist 'House of Brands' structure totally focused on the customer to position the Group to maximise market share, value and margins. Through this strategy, Rubicon brands specialise in, and are aligned to focus on industry sectors and verticals, and in this way offer a highly differentiated client value proposition. Combined with the benefits of the common recruitment management platform, Rubicon is able to deliver a streamlined, cost-effective and efficient operating structure to support the multi brand strategy. Refer to the Appendix below for a graphic representation of the House of Brands structure.

"Mr Kevin Levine, CEO of Rubicon said " It is pleasing that the brand initiatives, combined with the technology roll out which is progressing well, should improve underlying EBITDA by approximately \$2.3m on an annualised basis, assuming current market conditions. The majority of this improvement will occur in FY16 and is a reflection of our ongoing focus on restructuring the Group to improve our profitability".

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In order to further enhance shareholder value and improve long term profitability, and distinct from the technology upgrade discussed above, Rubicor is working with Carthona Capital, as announced on 16 March 2015, to source new technology platforms and revenue streams to enhance the hiring process and add value to the core Rubicor recruitment service offerings.

Rubicor expects to update the market shortly with regard to its third quarter results and expects that these results will continue to reflect the ongoing improvement in operating performance as compared to the prior comparative period, reflecting both efficiency gains and improving market conditions.

We are continuing to progress preparations for the rights issue on the basis announced on 16 March 2015, and will provide an update on this shortly.

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### Appendix – House of Brands structure



### About Rubicor

The Rubicor Group is one of Australasia's largest recruitment services companies providing services throughout Australia, New Zealand, and South East Asia. Operating as a network of 15 specialist recruitment brands, the Group offers search, selection, bulk recruitment, professional and support level contracting services and organisational development.

Established in 2005, The Rubicor Group operates from 19 offices and specialists in the provision of permanent and contact recruitment across the Public and Private Sector including Digital, Technology & Media Communications, Medical, Health & Science, Financial, Professional & Business Services, Legal, HR and S&M, Industrial, Engineering, Resources, Trades & Hospitality, Business Support & Contact Centres.

The combined strength of our house of brands further cements Rubicor's position as diverse and widely networked organisation with a consummate ability to match talent with global opportunities. More information is available at [www.rubicor.com.au](http://www.rubicor.com.au)