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Full Year Results
30 June 2009

Financial Summary

	FY 09	FY 08	Change
Total Revenue	$317m	$367m	-14%
NDR (Gross Margin)	$78.5m	$104.0m	-25%
Underlying EBITDA[1]	$8.0m	$24.7m	-68%
Statutory EBITDA	$5.7m	$24.7m	-77%
Underlying NPAT[1&2]	$(2.8)m	$11.1m	-
Statutory NPAT	$(43.9)m	$1.9m	-
Underlying EPS[1&2]	(2.6)c	10.5c	-
Operating cash flow [3]	$16.7m	$21.0m	-20%
Dividend	-	-	

[1] Before significant items of $2.3m ($1.6m post-tax) largely relating to redundancy, premises relocation and refinance advisory costs.

[2] Before amortisation of intangibles ($6.3m), notional interest on deferred payments for business acquisitions under IFRS ($1.7m) and impairment of non-current assets ($32.4m).

[3] Before interest and taxation.

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Financial Summary

- Revenue & NDR down 14% & 25% respectively
- EBITDA down 68% (before significant items of $2.3m) due to:
  - speed and extent of economic deterioration
  - impact of 29% decline in permanent revenue
- Cost reduction program to align cost base to current trading conditions and future demand (see next slide)
  - annualised $12m in savings
- Asset impairment $32m
- Cash generation, before interest and tax, $16.7m ($11.6m after tax versus $9m in corresponding period) reflecting strength of underlying business

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Strategies in challenging economic climate: Operational

Rigorous evaluation and cost reduction to align cost base to market:

- Headcount reduction and payroll savings
- Premises co-location and shared services: major initiative
- Supplier re-evaluations and contract renegotiations

Optimising performance:

- Focus on temporary and contract business
- Market levers reviewed and focus on identified growth areas
- Client leverage opportunities continuing: won 2 national mandates for top 20 ASX companies

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Strategies in challenging economic climate: Capital Management

Financing:

- Continues to operate with the support of its banker
- Bank waived covenants at 31 Dec 08 & 30 June 09
- Bank facilities positively revised post year end
  - Term facilities extended to 31 July 10
  - Covenants revised
  - Amortisation reduced
- Positive step in a comprehensive refinancing process

Acquisition model:

- Model responsive to challenging economic conditions
- Payments align with profitability
- Amounts owing to vendors reduced by $28.9m in FY09 and by $34.6m in total (see slide 11)

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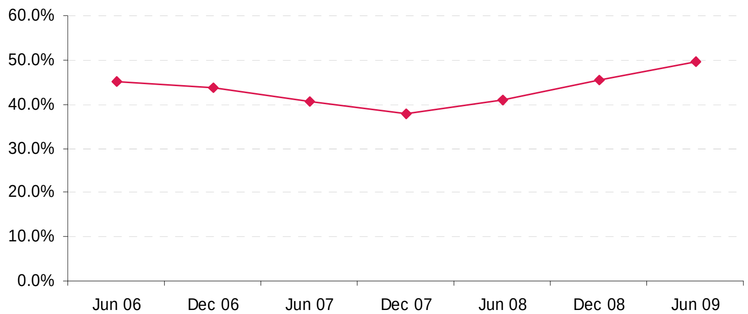
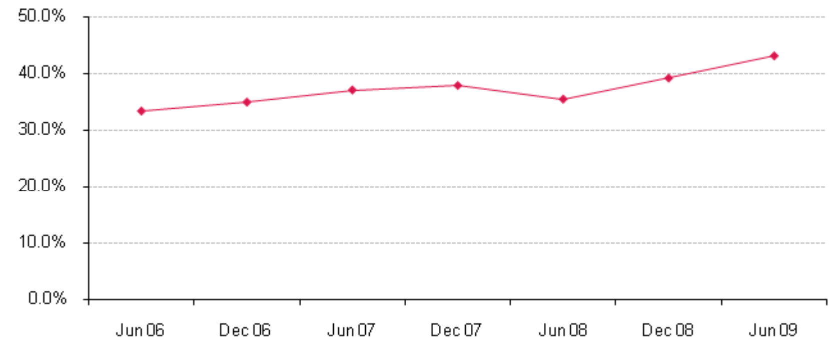
Key operating indicators

- Speed of downturn made it difficult to reduce cost ratios commensurately
- Medium to long term EBITDA:NDR target at 23%

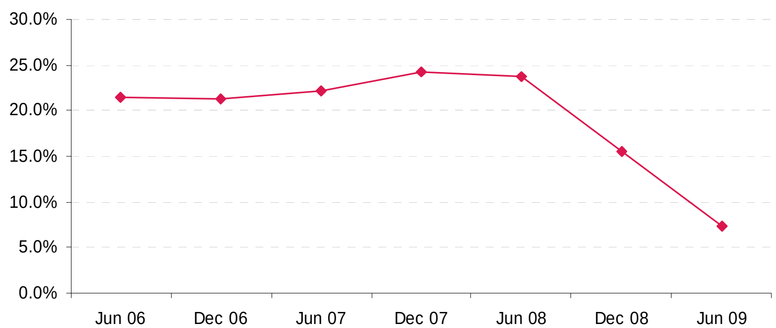
Consultant costs to NDR:Target below 40%



Other costs to NDR



EBITDA to NDR: Target above 23%



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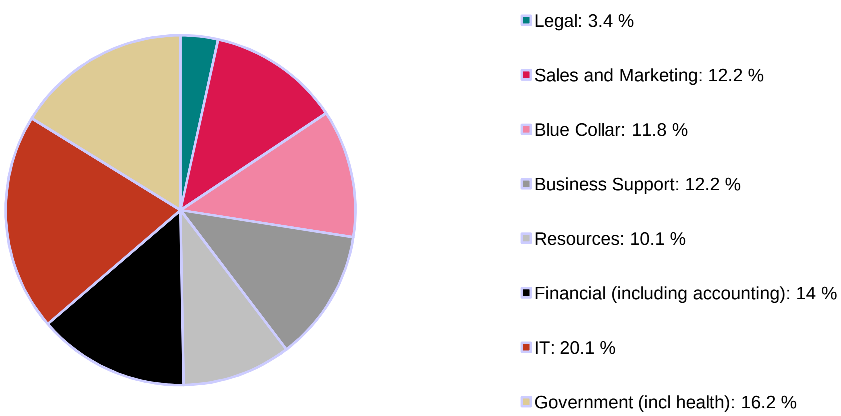
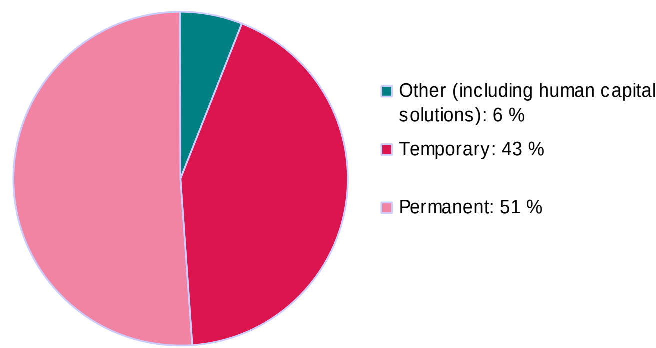
Business profile

- DIVERSITY: spread across industry sectors helps risk mitigation
- MIX: Mix of permanent and temporary expected to change with increasing focus on temporary and contracting placements

Industry



Service



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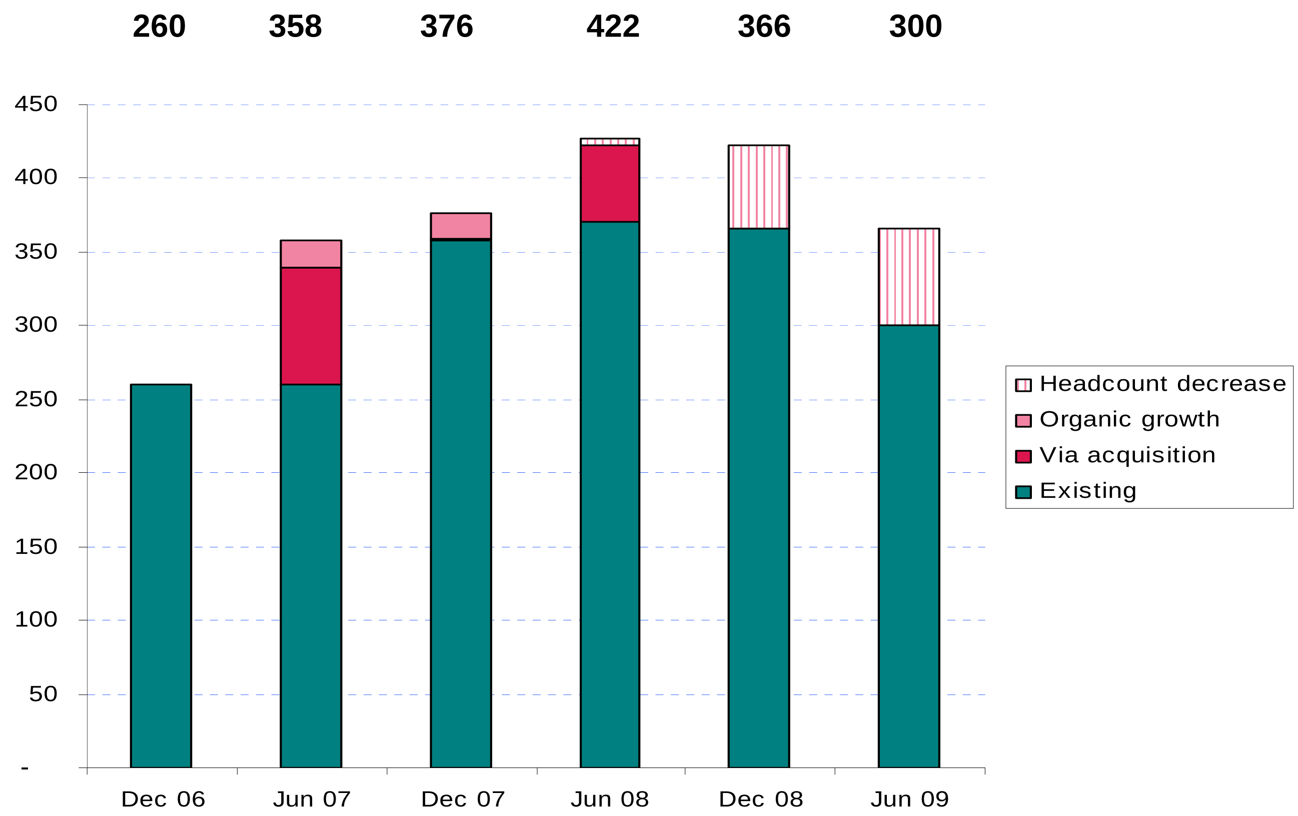
Consultants

- Proactive response to trading conditions – reduction of 122 consultants in FY 09

Total consultant numbers



Underlying profitability = best indicator of performance

12 months ended 30 June	2009 $M	2008 $M	Change %
Revenue	**316.8**	**367.4**	**-13.8**
NDR (Gross margin)	**78.5**	**104.0**	**-24.5**
EBITDA Excludes significant items of $2.3m →	**8.0**	**24.7**	**-67.6**
Depreciation	(1.1)	(1.1)	
EBIT	**6.9**	**23.6**	**-70.8**
Finance costs – amortisation	(2.1)	(0.2)	
Finance costs – interest/charges	(6.9)	(4.2)	
Profit Before Tax	**(2.1)**	**19.2**	
Tax	0.6	(5.7)	
Cash interest on vendor liabilities	(1.3)	(2.4)	
Profit After Tax	**(2.8)**	**11.1**	
Profit attributable to equity holders	**(2.8)**	**11.1**	
EPS (cents)	**(2.6)**	**10.5**	

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Financial position

		30/06/09 $M	30/06/08 $M	Change %
Cash		3.0	1.2	+150
Receivables		36.3	50.8	-29
Intangibles - goodwill	Impairment testing undertaken [i]	68.0	129.1	-47
Intangibles – other		12.9	18.9	-32
Other assets		10.7	10.6	+1
Total Assets		**130.9**	**210.6**	**-38**
Current Liabilities				
Trade payables		21.0	24.3	-14
Deferred vendor consideration - debt funded	Vendor liabilities reducing [ii]	2.3	14.0	-84
Deferred vendor consideration - cash funded	Vendor liabilities reducing [ii]	5.3	5.4	-2
Borrowings – working capital		24.4	21.5	+13
Borrowings – acquisitions debt	Bank borrowings re-classified to current [iii]	23.0	0.0	-
Non Current Liabilities				
Deferred vendor consideration - debt funded	Vendor liabilities reducing [ii]	1.4	11.1	-87
Deferred vendor consideration - cash funded	Vendor liabilities reducing [ii]	10.3	34.7	-70
Borrowings – acquisitions debt		24.5	36.9	-34
Other liabilities		3.3	3.4	-3
Total Liabilities		**115.5**	**151.3**	**-24**
Net Assets		**15.4**	**59.3**	**-74**
Net Asset backing (cents)		**14.1**	**55.7**	

i Goodwill balances have been subject to impairment testing. $32m has been written off in the period. Further reduction from decline in vendor liabilities (ii). Balance 47% of 08 levels.

ii Vendor liabilities linked to profitability and liabilities have reduced by $28.9m. (see next slide) Payments have also peaked (see slide 12).

iii Classified as current as due for repayment within the next 12 months at year end . This facility has been extended to 31 July 2010 post year end.

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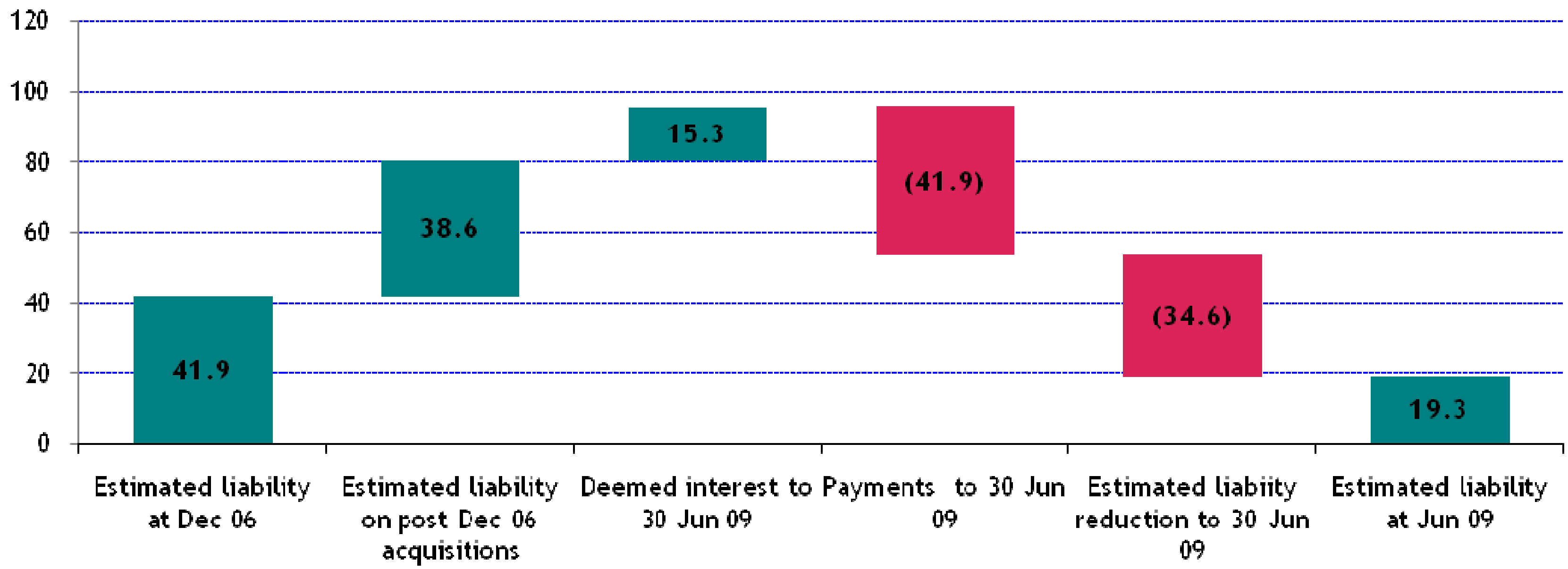
Vendor liability

- Vendor liabilities have reduced by $34.6 million in total ($28.9m in FY09) as a result of the linkage of liabilities to profitability

Analysis of vendor liabilities



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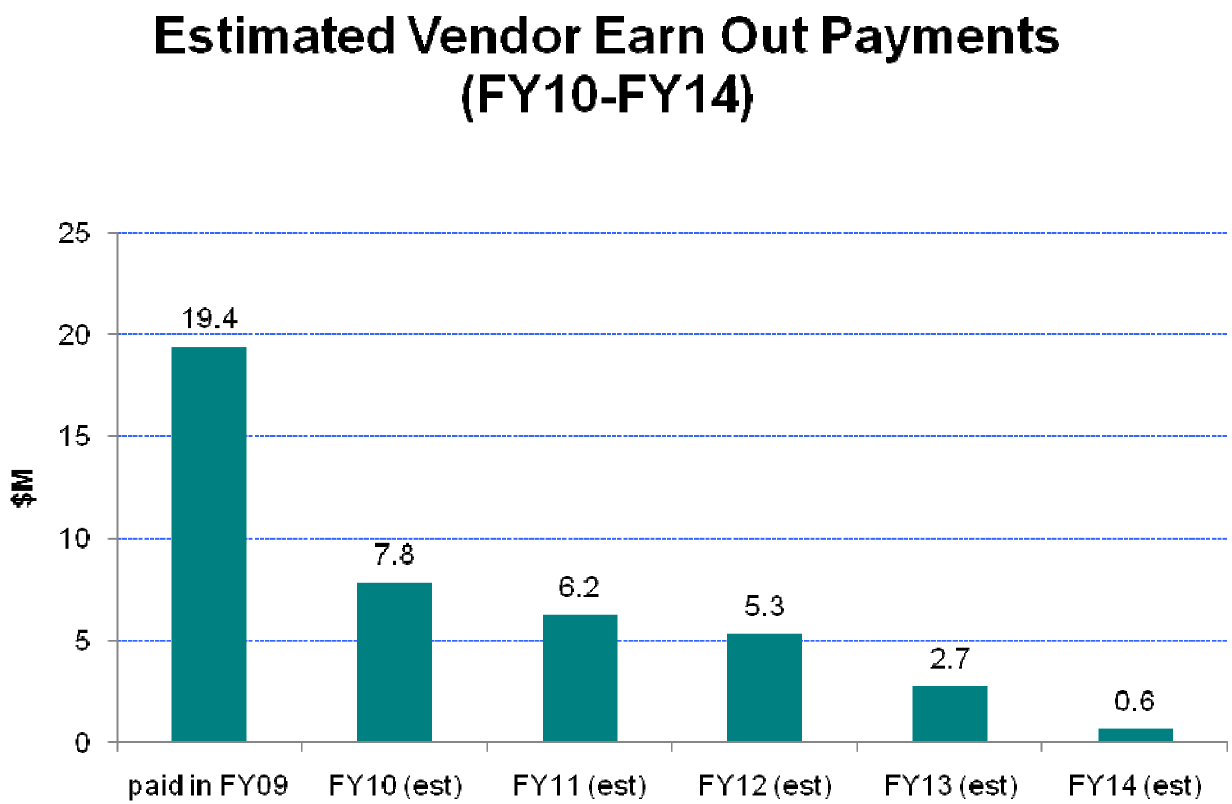
Vendor payment profile

- Payments to vendors have peaked and are expected to more than halve in FY10 [i]



i Estimated vendor earn out payments at future value of $22.6m.
Balance sheet (Vendor earn out liabilities) at present value of $19.3m.

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Outlook

Short term

- Underlying operational profit Q4 FY09
- Cost base aligned to market conditions and current demand
- Focusing on identified growth sectors
- Cautious of short term outlook

Long term

- Skills shortage will continue to be an issue for employers due to permanent demographic change
- Well-established specialist recruitment firms will have the edge

Appendices

Statutory profitability

12 months ended 30 June	2009 $M	2008 $M	Change %
Revenue	**316.8**	**367.4**	**-13.8**
NDR (Gross margin)	**78.5**	**104.0**	**-24.5**
EBITDA (Includes significant items of $2.3m)	**5.7**	**24.7**	**-76.9**
Depreciation	(1.1)	(1.1)	
Amortisation	(6.3)	(6.1)	
EBIT	**(1.7)**	**17.5**	
Notional Interest on vendor liabilities	(3.0)	(7.2)	
Finance costs – amortisation	(2.1)	(0.2)	
Finance costs – interest/charges	(6.9)	(4.2)	
Impairment of goodwill	(32.4)	(0.0)	
Profit/Loss Before Tax	**(46.1)**	**5.9**	
Tax	2.2	(4.1)	
Profit/Loss After Tax	**(43.9)**	**1.8**	
Profit attributable to equity holders	**(43.9)**	**1.9**	
EPS (cents)	**(40.7)**	**1.8**	

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Reconciliation of statutory to underlying

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

12 months ended 30 June	2009 $M	2008 $M
Statutory NPAT	**(43.9)**	**1.8**
Significant items	2.3	0.0
Non cash items		
Add back: Amortisation of identifiable intangible assets	6.3	6.1
Notional interest on vendor liabilities	3.0	7.2
Impairment of goodwill	32.4	0.0
Deduct: Cash interest on vendor liabilities	(1.3)	(2.4)
Tax effect	(1.6)	(1.6)
Underlying NPAT	**(2.8)**	**11.1**

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