



## Rubicor 2007 EBIT 9.5% over forecast

- Results exceed prospectus forecasts -

- Strong positive Outlook for FY08 -

- Successful, proven business model continues to deliver profitable growth –

29 August 2007

<b>Financial Highlights</b>			
Revenue	Up 140.4%	\$156.4 million	In line with prospectus forecast
EBITDA (Profit before interest, taxation, depreciation and amortisation)	Up 110.3%	\$14.3 million	Up 4.4% on prospectus forecast
EBIT	Up 181.1%	\$10.4 million	Up 9.5% on prospectus forecast
Cash adjusted EPS (pro forma)		12.8 cents	Up 4.0% on prospectus forecast
Operating cash flow before interest and tax		\$12.8 million	In line with prospectus forecast
EBITDA margin (before IPO costs)		10.5%	
<b>Operational Highlights</b>			
Challenge Recruitment acquisition successfully completed			
Increasing presence in Asia			
Authorised supplier to TAC Worldwide			
More acquisitions to come			

Rubicor Group Limited (ASX: RUB), one of the leading recruitment services groups in Australia and New Zealand, today announced its results for the year ended 30 June 2007.

Wayman Chapman, Rubicor Chief Executive Officer, said the results were significantly above expectations and prospectus forecasts.

“The annual operating result is exceptionally strong. This is evidenced by major revenue growth with a corresponding increase in EBIT, which was 9.5% ahead of our prospectus forecast. The results highlight Rubicor’s ability to continue to drive growth through a proven strategy that promotes organic expansion as well as strategic acquisitions. The nine acquisitions completed in 2007 performed exceptionally well.

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Rubicon has attracted strong interest from prospective targets and expects to continue to be an active acquirer. This will add to the Group's scale, diversity and breadth," he said.

As forecast in the prospectus, Rubicon incurred a net loss after tax of \$3.2 million for the financial year ended 30 June 2007 due to non-cash and non-recurring charges. This was result was better than the forecast loss by 17.9%.

### **Outlook**

Mr. Chapman said Rubicon has a strong business outlook and positive growth momentum.

"We have a unique business model which produces above industry average profit margins. Operationally, Rubicon has a multi-brand portfolio of specialist operating businesses. To support this, corporate governance, financial control and statutory requirements are centralised on a common platform. The business model is scalable to drive both organic and acquisitive growth. "

"Our multi-branded decentralised approach preserves each individual company's culture and competitive advantages. Each operating company remains entrepreneurial, energetic and specialised. Rubicon member companies benefit through access to Rubicon's financial capability, operational expertise and buying power. Through this support, Rubicon is driving organic growth in operating companies."

"Rubicon will continue to focus its proven acquisition growth strategy, on the selective acquisition of profitable and well managed recruitment businesses across all targeted categories, geographies and sectors."

"The market in which Rubicon operates is expanding, has attractive fundamentals and a long-term growth profile. The recruitment and human capital solutions needs of businesses are increasing in the current climate of a robust economy and an acknowledged global talent shortage. In this context Rubicon is focused on increasing its business depth, breadth and scale, and on driving growth in individual businesses." He said.

In the absence of any acquisitions, Rubicon expects that the cash adjusted EPS for the year ending 30 June 2008 will be close to 10% up on the pro forma cash adjusted EPS for the year ended 30 June 2007 of 12.8 cents.

As outlined in the prospectus, Rubicon confirmed it plans to commence dividend payments to ordinary shareholders in the current financial year in the range of 50-70% of net profit after tax.



## **Recent developments**

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Since the close of the 2007 financial year Rubicor has announced several important developments.

### **Challenge Recruitment (Challenge)**

In July 07, Rubicor completed the acquisition of Challenge for a total consideration of \$12.95 million. Challenge specialises in long and short term high-volume temporary and permanent staffing solutions, covering a full spectrum of HR services, including industrial, administrative, clerical, customer service and executive.

Challenge's industrial orientation provides a new area for Rubicor and is an important addition to Rubicor's diversified operations. Challenge operates throughout Australia with branches in 12 locations, including in Sydney, Melbourne, Brisbane, Perth and Adelaide.

### **Expanding into Asia**

Rubicor has made its first move outside of Australia and New Zealand with two of Rubicor's operating companies, SMF Recruitment and Xpand Group, opening offices in Singapore. The move was in response to a number of Australian-based clients with operations in Singapore seeking to leverage the successful Australian supplier relationships into Singapore. Rubicor is confident the new offices will quickly contribute to group earnings. The Asian economy is growing strongly and Singapore is an important business hub.

### **Rubicor becomes authorised supplier to TAC Worldwide**

Rubicor has partnered with US-based TAC Worldwide, a leading provider of technical staffing and workforce management solutions. Under terms of the partnership, Rubicor will provide support for TAC's North American and European multi-national clients operating in Australia and New Zealand. It also provides Rubicor clients with better support in operations outside Australia and New Zealand. TAC's decision to partner with Rubicor is a recognition of Rubicor's service and industry expertise.

**- ends -**

*For further information*

#### **Investors/ analysts:**

Wayman Chapman  
Chief Executive Officer  
Rubicor  
t. 02 8404 1388  
m. 0417 806 072

#### **Media:**

Stuart Carson  
Third Person Communications  
t. 02 8298 6100  
m. 0403 527 755

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# Appendix 4E

## Preliminary Final Report Year ending 30 June 2007

Name of entity

**Rubicor Group Limited**

ABN

**74 110 913 365**

Financial year ended  
(current period)

**30 June 2007**

Financial year ended  
(previous period)

**30 June 2006**

### 2. Results for announcement to the market

The following information is to be read in conjunction with the extracts from the forthcoming Annual Report for the year ended on 30 June 2007, attached to this document.

				<b>A\$'000</b>
Revenues from ordinary activities	up	140.4%	to	156,457
Profit before interest, taxation, depreciation and amortisation (EBITDA)	up	110.0%	to	14,343
Loss from ordinary activities after tax attributable to members	up	46.2%	to	(3,182)
Net loss for the period attributable to members	up	46.2%	to	(3,182)

#### **Dividends**

For the year ended 30 June 2007, the Group incurred a net loss after tax which was lower than the IPO forecast. This result has been significantly impacted by non-cash and non-recurring charges. As a result, no dividend is to be paid for the year ended 30 June 2007 which is consistent with the IPO forecast.

Brief explanation of any of the figures reported above:

The board of Rubicor Group Limited is pleased to announce an exceptionally strong annual operating result evidenced by significant revenue growth with a corresponding increase in EBITDA. The results highlight the Group's ability to drive growth via acquisitive and organic means, whilst generating strong cash flows and maintaining market leading profit margins.

Rubicor listed on the ASX on 15 June 2007 with the issue of 44.2m ordinary shares at \$1 per share. The proceeds were used to repay acquisition related debt, fund the initial acquisition payment for Challenge Recruitment Limited (completed on 4 July 2007) and pay IPO offer costs. Rubicor also successfully completed a debt refinance arrangement with ANZ, which includes a \$30m facility for future acquisitions.

Revenues for the 2007 year increased by 140.4% to \$156.5m, up from \$65.1m in the prior year. The growth in revenue reflects contributions from acquisitions made both in the current and prior periods, together with organic growth in existing businesses.

The revenue growth translated directly to EBITDA for the 2007 year which increased to \$14.3m, up 110.0% from \$6.8m. After excluding IPO offer costs of \$2.1m, EBITDA is up 141.3% on the previous year. Strong cash generation underpinned the growth with cash generated from operations before interest and tax of \$12.8m

Rubicor completed 9 acquisitions during the 2007 year, including 5 in New Zealand, all of which performed extremely well.

As forecast in the prospectus, Rubicor incurred a net loss after tax for the year ended 30 June 2007 of \$3.2m due to non-cash and non-recurring charges. This loss bettered the forecast by 17.9%.

The cash adjusted earnings per share (adjusted for the after tax cost of amortisation and interest on vendor liabilities) for the year ended 30 June 2007 was 12.8 cents per share.

As set out in the prospectus, no dividend will be declared for the 2007 year as the Group has incurred a net loss after tax.

The figures reported are in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS).

### 3. Loss per share

	Current period	Previous period
<b>Undiluted loss per share (cents per share)</b>	(8.0)	(47.9)
<b>Undiluted loss per share (cents per share)</b>	(8.0)	(47.9)

### 4. Net tangible assets

	Current period	Previous period
<b>Net tangible assets per security (cents per share)</b>	(30.4)	(63.4)

A large proportion of the company's assets are intangible in nature, consisting of goodwill and identifiable intangible assets relating to businesses acquired. These assets are excluded from the calculation of net tangible assets per security, which results in the negative outcome.

Net assets per share at 30 June 2007 were 57.5 cents per share

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## 5. Control gained/lost over entities

<b>Details of businesses over which control has been gained or lost during the period.</b>			
Name of, or nature of, businesses acquired	Date of gain of control	Acquired entity's post acquisition contribution to Group profit from ordinary activities (AUD'000)*	Profit from ordinary activities of the acquired entities for the full financial year (AUD'000)*
CIT Professionals Pty Limited	31 August 2006	1,366	1,613
Rubicor CRS Pty Limited	1 September 2006	459	538
Rubicor New Zealand Limited	3 July 2006	(88)	(88)
Wheeler Campbell Consulting Limited and controlled entities	25 August 2006	300	306
Health Recruitment NZ Limited and controlled entities	25 August 2006	105	125
Gaulter Russell NZ Limited	18 August 2006	698	759
Numero (NZ) Limited	18 August 2006	361	397
Powerhouse People Ltd	15 August 2006	1,027	1208
Wizard Personnel & Office Services Pty Limited	2 January 2007	203	440
Dolman Group Pty Limited and controlled entities	1 February 2007	522	1377

\*after interest on vendor liabilities, amortisation of identifiable intangible assets, but before income tax.

## 6. Foreign entities

The results of foreign entities are presented in accordance with Australian Accounting Standards.

## 7. Audit or review status

### Audit or review status

This report is based on accounts to which one of the following applies:

- |                                     |   |                          |  |
|-------------------------------------|---|--------------------------|--|
| <input type="checkbox"/>            | The accounts have been audited  | <input type="checkbox"/> | The accounts have been subject to review           |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review | <input type="checkbox"/> | The accounts have not yet been audited or reviewed |

The remaining information required by Appendix 4E is contained within the attached extracts from the forthcoming Annual Report

**Rubicor Group Limited and Controlled Entities**  
**Preliminary Final Report for the Financial Year ended 30 June 2007**

**Balance Sheet**

**As at 30 June 2007**

		<b>Consolidated</b>	
	<b>Note</b>	<b>2007</b>	<b>2006</b>
		<b>\$</b>	<b>\$</b>
Revenue	2	<b>156,457,182</b>	65,075,788
On hired labour costs		<b>(92,047,605)</b>	(33,427,566)
Employee benefits expense		<b>(31,470,577)</b>	(17,069,894)
Other expenses	3	<b>(16,456,871)</b>	(7,747,463)
IPO expenses	3	<b>(2,139,423)</b>	-
Earnings before interest, tax, depreciation and amortization (EBITDA)		<b>14,342,706</b>	6,830,865
Depreciation of property, plant and equipment	3	<b>(524,152)</b>	(316,871)
Amortisation of intangible assets		<b>(3,450,894)</b>	(2,759,880)
Finance costs	3	<b>(12,453,724)</b>	(5,093,096)
<b>Loss before income tax expense</b>		<b>(2,086,064)</b>	(1,338,982)
Income tax expense		<b>(1,095,623)</b>	(837,449)
<b>Loss attributable to members of the parent entity</b>		<b>(3,181,687)</b>	(2,176,431)
<b>Basic loss per share (cents)</b>		<b>(8.0)</b>	(47.9)
<b>Diluted loss per share (cents)</b>		<b>(8.0)</b>	(47.9)

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**Rubicor Group Limited and Controlled Entities**  
**Preliminary Final Report for the Financial Year ended 30 June 2007**

**Balance Sheet**

**As at 30 June 2007**

**Consolidated**

	<b>Note</b>	<b>2007</b> <b>\$</b>	<b>2006</b> <b>\$</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	12,717,477	1,997,178
Trade and other receivables	5	27,264,302	10,562,914
Current tax receivable	10(a)	-	182,693
Other assets	6	472,123	347,765
<b>Total current assets</b>		<b>40,453,902</b>	<b>13,090,550</b>
<b>Non-current assets</b>			
Trade and other receivables	5	36,017	12,124
Other financial assets	7	22,362	250,683
Property, plant and equipment	9	3,510,931	1,557,186
Deferred tax assets	10(a)	4,596,618	1,454,071
Intangible assets	8	92,234,021	34,424,470
Other assets	6	1,119,679	1,579,027
<b>Total non-current assets</b>		<b>101,519,628</b>	<b>39,277,561</b>
<b>TOTAL ASSETS</b>		<b>141,973,530</b>	<b>52,368,111</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	14,305,094	7,768,765
Borrowings	12	12,491,121	9,162,435
Current tax payable	10(b)	1,366,624	541,900
Provisions	14	1,210,417	753,678
Other liabilities	15	-	1,789,754
<b>Total current liabilities</b>		<b>29,373,256</b>	<b>20,016,532</b>
<b>Non-current liabilities</b>			
Borrowings	12	51,502,852	17,946,395
Deferred tax liabilities	13	-	556,819
Provisions	14	736,000	452,827
<b>Total non-current liabilities</b>		<b>52,238,852</b>	<b>18,956,041</b>
<b>TOTAL LIABILITIES</b>		<b>81,612,108</b>	<b>38,972,573</b>
<b>NET ASSETS</b>		<b>60,361,422</b>	<b>13,395,538</b>

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**Rubicor Group Limited and Controlled Entities**  
**Preliminary Final Report for the Financial Year ended 30 June 2007**

**Balance Sheet**

**As at 30 June 2007**

		<b>Consolidated</b>	
		<b>2007</b>	<b>2006</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>EQUITY</b>			
Share capital	16	65,453,401	14,839,430
Reserves	17	558,944	1,025,344
Accumulated losses	18	(5,650,923)	(2,469,236)
<b>TOTAL EQUITY</b>		<u><u>60,361,422</u></u>	<u><u>13,395,538</u></u>

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**Rubicor Group Limited and Controlled Entities**  
**Preliminary Final Report for the Financial Year ended 30 June 2007**

**Statement of Changes in Equity**

**As at 30 June 2007**

**30 June 2007**

**Consolidated**

	<b>Reserves</b>	<b>Share Capital</b>	<b>Accumulated Losses</b>	<b>Total</b>
	\$	\$	\$	\$
Equity as at beginning of period	1,025,344	14,839,430	(2,469,236)	13,395,538
<b>Total recognised gains and losses for the period</b>				
Loss attributable to members of the parent entity	-	-	(3,181,687)	(3,181,687)
Translation difference relating to foreign entities	355,775	-	-	355,775
<b>Expenses recognised directly in equity</b>				
Transaction costs relating to IPO	-	(1,977,747)	-	(1,977,747)
<b>Transactions with equity holders in their capacity as equity holders</b>				
Employee share options	155,125	-	-	155,125
Warrants	(977,300)	977,300	-	-
Issue of shares	-	49,822,433	-	49,822,433
Contributions of equity	-	1,791,985	-	1,791,985
<b>Equity as at 30 June, 2007</b>	<b>558,944</b>	<b>65,453,401</b>	<b>(5,650,923)</b>	<b>60,361,422</b>

**30 June 2006**

**Consolidated**

	<b>Reserves</b>	<b>Share Capital</b>	<b>Accumulated Losses</b>	<b>Total</b>
	\$	\$	\$	\$
Equity as at beginning of period	-	840,853	(292,805)	548,048
<b>Total recognised gains and losses for the period</b>				
Loss attributable to members of the parent entity	-	-	(2,176,431)	(2,176,431)
<b>Transactions with equity holders in their capacity as equity holders</b>				
Employee share options	48,044	-	-	48,044
Warrants	977,300	-	-	977,300
Issue of shares	-	13,998,577	-	13,998,577
<b>Equity as at 30 June, 2006</b>	<b>1,025,344</b>	<b>14,839,430</b>	<b>(2,469,236)</b>	<b>13,395,538</b>

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**Rubicor Group Limited and Controlled Entities**  
**Preliminary Final Report for the Financial Year ended 30 June 2007**

**Statement of Cash Flows**

**As at 30 June 2007**

	<b>Consolidated</b>	
<b>Note</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Cash from operating activities:</b>		
Receipts from customers (inclusive of GST)	165,809,008	70,669,340
Payments to suppliers and employees (inclusive of GST)	(153,204,149)	(62,005,924)
Finance costs paid	(3,739,695)	(1,050,046)
Interest received	190,403	131,339
Income taxes paid	(4,156,283)	(2,040,037)
<b>Total cash inflow/(outflow) from operating activities</b>	<b>4,899,284</b>	<b>5,704,672</b>
<b>Cash flows from investing activities:</b>		
Payment for property, plant and equipment	(1,485,848)	(654,624)
Payment for intangible assets	-	(156,655)
Receipt of /(payment for) other financial assets	228,320	(143,880)
Payment for other assets	(934,540)	(1,220,006)
Payment for controlled entities acquired (net of cash acquired)	(33,496,083)	(12,162,178)
<b>Net cash outflow from investing activities</b>	<b>(35,688,151)</b>	<b>(14,337,343)</b>
<b>Cash flows from financing activities:</b>		
Net Proceeds from the issue of share capital	44,495,980	-
Repayment of borrowings	(30,005,897)	-
Proceeds from third party borrowings	28,205,620	9,087,606
Dividend paid to vendors	(1,186,537)	(1,096,214)
<b>Net cash inflow from financing activities</b>	<b>41,509,166</b>	<b>7,991,392</b>
<b>Net cash increase/(decrease) in cash and cash equivalents</b>	<b>10,720,299</b>	<b>(641,279)</b>
Cash and cash equivalents at beginning of year	1,997,178	2,638,457
<b>Cash and cash equivalents at end of year</b>	<b>12,717,477</b>	<b>1,997,178</b>

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**Rubicor Group Limited and Controlled Entities**  
**Preliminary Final Report for the Financial Year ended 30 June 2007**  
**Notes to the Financial Statements**  
**As at 30 June 2007**

**1 Accounting policies**

**(a) Basis of preparation**

The preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies applied are consistent with those applied in the 2006 annual financial statements. There have been no changes in these accounting policies.

This report is based on accounts that are in the process of being audited.

**2 Revenue**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from:</b>		
Recruitment services	<b>149,896,832</b>	62,418,608
Interest	<b>190,403</b>	131,339
Recharge income	<b>1,686,895</b>	326,772
Organisational development fees	<b>4,241,778</b>	2,199,069
Other	<b>441,274</b>	-
	<hr/>	<hr/>
<b>Total Revenue</b>	<b><u>156,457,182</u></b>	<b><u>65,075,788</u></b>

**Rubicor Group Limited and Controlled Entities**  
**Preliminary Final Report for the Financial Year ended 30 June 2007**  
**Notes to the Financial Statements**  
**As at 30 June 2007**

**3 Loss before income tax includes the following specific expenses**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Finance Costs:</b>		
Interest expense on Series A loan notes	147,634	1,283,878
Interest and finance charges on other borrowings	3,699,695	733,068
Amortisation of borrowing costs	3,226,515	435,779
Interest on deferred vendor liabilities (see Note 12 (i))	5,339,880	2,640,371
<b>Total finance costs</b>	<b>12,453,724</b>	<b>5,093,096</b>
<b>Depreciation and amortisation</b>		
Property, plant and equipment	390,717	271,141
Leasehold improvements	133,435	45,730
	<b>524,152</b>	<b>316,871</b>
Rental expense on operating leases	2,874,405	1,199,189
Defined contribution superannuation expense	5,009,640	3,410,250
Share based payments expense	194,148	73,126
Provision for impairment of trade receivables	206,134	115,449
<b>Other Significant Expenses</b>		
Costs of acquisitions that did not proceed	365,636	410,161
IPO expenses	2,139,423	-

**Rubicor Group Limited and Controlled Entities**  
**Preliminary Final Report for the Financial Year ended 30 June 2007**  
**Notes to the Financial Statements**  
**As at 30 June 2007**

**4 Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	11,925	7,381
Bank balances	<u>12,705,552</u>	<u>1,989,797</u>
	<u><u>12,717,477</u></u>	<u><u>1,997,178</u></u>

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:</b>		
Cash and cash equivalents	12,717,477	1,997,178
Bank overdraft	<u>(974,959)</u>	<u>-</u>
	<u><u>11,742,518</u></u>	<u><u>1,997,178</u></u>

**5 Trade and other receivables**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade receivables	24,014,528	10,025,290
Provision for impairment of receivables	<u>(229,827)</u>	<u>(115,449)</u>
	<u><u>23,784,701</u></u>	<u><u>9,909,841</u></u>
Other receivables	<u>3,479,601</u>	<u>653,073</u>
	<u><u>27,264,302</u></u>	<u><u>10,562,914</u></u>

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**Rubicor Group Limited and Controlled Entities**  
**Preliminary Final Report for the Financial Year ended 30 June 2007**

**Notes to the Financial Statements**

**As at 30 June 2007**

**Impaired trade receivables**

The Group has recognised a loss of \$206,134 (2006 \$115,449) in respect of impaired trade receivables during the year ended 30 June 2007. The loss has been included in Other expenses in the income statement.

**Other Receivables**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	\$	\$
<b>NON-CURRENT</b>		
Staff advance	<u>36,017</u>	<u>12,124</u>
	<u><u>36,017</u></u>	<u><u>12,124</u></u>

**6 Other Assets**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	\$	\$
<b>CURRENT</b>		
Prepayments	<u>472,123</u>	<u>347,765</u>
	<u><u>472,123</u></u>	<u><u>347,765</u></u>

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	\$	\$
<b>NON-CURRENT</b>		
Prepayments	<u>185,138</u>	<u>49,021</u>
Deferred acquisition costs	<u>934,541</u>	<u>1,530,006</u>
	<u><u>1,119,679</u></u>	<u><u>1,579,027</u></u>

**7 Other Financial Assets**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	\$	\$
Rental guarantee deposit	<u>22,363</u>	<u>250,683</u>
	<u><u>22,363</u></u>	<u><u>250,683</u></u>

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**Rubicor Group Limited and Controlled Entities**  
**Preliminary Final Report for the Financial Year ended 30 June 2007**

**Notes to the Financial Statements**

**As at 30 June 2007**

**8 Intangible assets**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Preferred Supplier Agreements</b>		
Cost	<b>1,728,101</b>	1,103,000
Accumulated amortisation and impairment	<b>(515,306)</b>	(202,900)
<b>Net carrying value</b>	<b>1,212,795</b>	900,100
<b>Course Material Content</b>		
Cost	<b>542,000</b>	542,000
Accumulated amortisation and impairment	<b>(117,433)</b>	(63,230)
<b>Net carrying value</b>	<b>424,567</b>	478,770
<b>Candidate Databases</b>		
Cost	<b>17,911,994</b>	8,844,000
Accumulated amortisation and impairment	<b>(5,127,920)</b>	(2,588,870)
<b>Net carrying value</b>	<b>12,784,074</b>	6,255,130
<b>Computer software</b>		
Cost	<b>1,175,510</b>	830,262
Accumulated amortisation and impairment	<b>(716,473)</b>	(380,219)
<b>Net carrying value</b>	<b>459,037</b>	450,043
<b>Brands</b>	-	-
Cost	<b>350,000</b>	110,000
Accumulated amortisation and impairment	-	-
<b>Net carrying value</b>	<b>350,000</b>	110,000
<b>Goodwill</b>		
Arising on consolidation at cost	<b>77,003,548</b>	26,230,427
<b>Net carrying value</b>	<b>77,003,548</b>	26,340,427
<b>Total Intangible assets</b>	<b>92,234,021</b>	34,424,470

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**9 Property plant and equipment**

**30 June 2007**

**Consolidated**

	<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>Leasehold Improvements</b>	<b>Leased Assets</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Cost</b>					
Balance at the beginning of year	41,477	1,160,658	635,506	67,361	1,905,002
Additions through acquisitions	-	517,140	474,908	-	992,048
Payment for purchase of property plant and equipment	-	989,878	481,268	14,702	1,485,848
<b>Balance at 30 June 2007</b>	<b>41,477</b>	<b>2,667,676</b>	<b>1,591,682</b>	<b>82,063</b>	<b>4,382,898</b>
<b>Depreciation and impairment losses</b>					
Balance at the beginning of year	(30,994)	(187,937)	(114,548)	(14,337)	(347,816)
Depreciation expense	(3,591)	(381,253)	(133,435)	(5,872)	(524,151)
<b>Balance at 30 June 2007</b>	<b>(34,585)</b>	<b>(569,190)</b>	<b>(247,983)</b>	<b>(20,209)</b>	<b>(871,967)</b>
<b>Carrying amount - 30 June 2007</b>	<b>6,892</b>	<b>2,098,486</b>	<b>1,343,6993</b>	<b>61,854</b>	<b>3,510,931</b>

**30 June 2006**

**Consolidated**

	<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>Leasehold Improvements</b>	<b>Leased Assets</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Cost</b>					
Balance at the beginning of year	2,000	457,476	82,859	-	542,335
Additions through acquisitions	5,431	239,867	110,650	-	355,948
Payment for purchase of property plant and equipment	34,046	463,315	441,997	67,361	1,006,719
<b>Balance at 30 June 2006</b>	<b>41,477</b>	<b>1,160,658</b>	<b>635,506</b>	<b>67,361</b>	<b>1,905,002</b>
<b>Depreciation and impairment losses</b>					
Balance at the beginning of year	-	(25,611)	(5,334)	-	(30,945)
Depreciation expense	(30,994)	(162,326)	(109,214)	(14,337)	(316,871)
<b>Balance at 30 June 2006</b>	<b>(30,994)</b>	<b>(187,937)</b>	<b>(114,548)</b>	<b>(14,337)</b>	<b>(347,816)</b>
<b>Carrying amount - 30 June 2006</b>	<b>10,483</b>	<b>972,721</b>	<b>520,958</b>	<b>53,024</b>	<b>1,557,186</b>

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**10 Taxation**

**(a) Assets**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	\$	\$
<b>CURRENT</b>		
Income tax receivable	-	182,693
	-	182,693
	-	182,693
<b>NON-CURRENT</b>		
Deferred tax assets	4,596,618	1,454,071
	4,596,618	1,454,071
	4,596,618	1,454,071

**(b) Liabilities**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	\$	\$
<b>CURRENT</b>		
Income tax payable	1,366,624	541,900
	1,366,624	541,900
	1,366,624	541,900
<b>NON-CURRENT</b>		
Deferred tax liabilities (refer Note 13)	-	556,819
	-	556,819
	-	556,819

**11 Trade and Other Payables**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	\$	\$
<b>CURRENT</b>		
<b>Unsecured liabilities</b>		
Trade payables, other creditors and accruals	14,305,094	7,768,764
	14,305,094	7,768,764
	14,305,094	7,768,764

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**12 Borrowings**

		<b>Consolidated</b>	
		<b>2007</b>	<b>2006</b>
<b>Note</b>		<b>\$</b>	<b>\$</b>
<b>CURRENT</b>			
<b>Unsecured liabilities</b>			
	Vendor earn-out liability	11,478,863	3,150,000
<b>Secured liabilities</b>			
	Bank overdraft	974,959	-
	Finance lease obligation	37,299	17,145
	Invoice Finance Debt	-	934,009
	Senior Debt	-	1,153,000
	Mezzanine Debt	-	3,908,281
		<u>1,012,258</u>	<u>6,012,435</u>
		<u>12,491,121</u>	<u>9,162,435</u>

		<b>Consolidated</b>	
		<b>2007</b>	<b>2006</b>
<b>Note</b>		<b>\$</b>	<b>\$</b>
<b>NON-CURRENT</b>			
<b>Unsecured liabilities</b>			
	Vendor earn-out liability	45,139,505	14,789,600
	Other financial liabilities	-	9,797
		<u>45,139,505</u>	<u>14,799,397</u>
<b>Secured liabilities</b>			
	Finance lease obligation	20,754	24,459
	Invoice finance debt	6,342,593	-
	Senior debt	-	3,122,539
		<u>6,363,347</u>	<u>3,146,998</u>
		<u>51,502,852</u>	<u>17,946,395</u>

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**(i) Vendor earn-out liability**

The Vendor earn-out liability, comprises the fair value of fixed dated estimated initial consideration payments which are payable to vendors over a period of one to three years post-acquisition, and estimated exit consideration payments which are payable to vendors over a three year period after provision of exit notice by the vendors.

For Australian business acquisitions, the Vendor earn-out liability has been structured through the issue to vendors of Series B Redeemable Preference Shares which are progressively redeemed at each earn-out payment date. All redemption payments made are contingent on the profit performance of the acquired business over the payment period. Each holder of Series B Redeemable Preference shares is entitled to receive franked dividends for each year based on the Net Profit Before Tax of the vendor business acquired. The dividends are payable by the Company in priority to any other dividends in respect of any other shares. If these dividends are not paid then they will accumulate. The holders do not have rights to any other dividends or any entitlement to receive notice of, attend or vote at any general meeting of the Company.

For New Zealand business acquisitions, earn-out payments have not been structured through preference shares, however compensating additional share consideration payments equivalent in structure to the preference dividends referred to above have been incorporated as part of the share purchase consideration.

The vendor earn-out liability has been determined by calculating the present value of the estimated future cash flows associated with the earn-out payments, including the associated preference dividend and additional consideration payments. The cash flows have been discounted at 12.5% representing the assessed risk-adjusted rate of return.

**(ii) Invoice Finance Debt**

\$25 million invoice financing facility which has a 3 year term and attracts interest at a margin over the Bank Settlement Rate (BBSY) plus administration fee. Based on the current BBSY the effective interest rate would be 7.8% excluding the administration fee.

**(iii) Senior Debt**

The senior debt in the prior year was repaid in June 2007 at the time of the IPO.

**(iv) Mezzanine Debt**

The mezzanine debt in the prior year was repaid in June 2007 at the time of the IPO.

**(v) Bank Overdraft Facility**

This is a cash overdraft facility to assist with ongoing working capital requirements. The facility commitment is the lesser of \$1m and 20% of the face value of approved debts. This facility attracts interest at a margin of 1% above the bank bill rate. Interest is calculated daily and payable monthly in arrears.

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**13 Deferred tax liabilities**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	\$	\$
Borrowing costs	-	228,489
Non-deductible identifiable intangible assets	-	328,330
	-	328,330
<b>Total</b>	-	556,819

**14 Provisions**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	\$	\$
Current	1,210,417	753,678
Non-current	736,000	452,827
	1,946,417	1,206,505

**CURRENT**

Employee benefits	1,210,417	753,678
	1,210,417	753,678

**NON-CURRENT**

Employee benefits	407,994	120,092
Make Good	328,006	332,735
	736,000	452,827

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**15 Other Liabilities**

**Current**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Deferred income	-	137,135
Series A preference share dividend obligation accrual	-	1,652,619
	-	1,789,754
	-	1,789,754

**16 Contributed Equity**

		<b>Consolidated</b>	
		<b>2007</b>	<b>2006</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
105,000,000 (2006: 2) Ordinary shares of no par value fully paid	(i)	<b>64,189,364</b>	2
Nil (2006: 42) Series D Convertible shares	(ii)	-	357,745
6,245,775 (2006: 2,101,020) Series C Convertible shares	(iii)	<b>1,264,037</b>	949,911
Nil (2006: 14,701,000) Series A Preference Shares	(iv)	-	13,531,772
		<b>65,453,401</b>	14,839,430
		<b>65,453,401</b>	14,839,430

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**(i) Ordinary shares**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the reporting period	2	2
Conversion of Series D shares into 15,381,117 ordinary shares	425,938	-
Conversion of Series A shares into 33,150,313 ordinary shares	16,461,057	-
9,500,480 shares issued in January 2007	4,392,941	-
Conversion of Series C shares into 2,748,061 ordinary shares	667,144	-
Issue of 44,220,029 shares under Initial Public Offer	44,220,029	-
Portion of IPO cost eligible for inclusion in equity, net of tax	(1,977,747)	-
	<b>64,189,364</b>	<b>2</b>
<b>Balance at the end of the reporting period (105,000,000 ordinary shares)</b>		

Ordinary shares confer on their holders the right to participate in dividends declared by the Board. Ordinary shares confer on their holders an entitlement to vote at any general meeting of the Company.

**(ii) Series D Convertible shares**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the period	357,745	150,689
21 (2005:14) Series D Convertible shares issued	68,193	207,056
Conversion to ordinary shares	(425,938)	-
	<b>-</b>	<b>357,745</b>
<b>Balance at the end of the reporting period</b>		

The Series D Convertible shares converted into ordinary shares in June 2007 at the time of the IPO, pursuant to the allocation method in the Company's constitution.

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**(iii) Series C Convertible Shares**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the reporting period	<b>949,911</b>	<b>690,035</b>
8,171,156 (2006: 1,129,048) Series C Convertible shares issued	<b>981,270</b>	<b>259,876</b>
Conversion of 4,026,401 Series C Convertible shares into ordinary shares	<b>(667,144)</b>	<b>-</b>
<b>Balance at the end of the reporting period</b>	<b><u>1,264,037</u></b>	<b><u>949,911</u></b>

Series C Convertible Shares were issued to vendors in connection with the acquisition of their businesses by the company.

The shares vest 2 years after the Completion Date of the acquisition. The holders of the shares have the same rights as Ordinary Shareholders to attend and vote at a general meeting of the Company.

The holders of the Series C Convertible Shares have the same entitlement to dividends as Ordinary Shareholders.

The Company must, in so far as permitted by any applicable law, convert the Series C Convertible Shares into Ordinary Shares on the dates and in the amounts set out in the Relevant Subscription Agreements. The value of the Series C Convertible Shares, being a component of the acquisition consideration, forms part of Rubicor's investment in the acquired subsidiaries.

The Series C Convertible shares were independently valued. The fair value at issue date was independently determined using a Monte Carlo option pricing model. The model inputs for shares issued included:

- a) The shares vest 2 years after the Completion Date of acquisition.
- b) The shares will convert into ordinary shares on the dates and in the amounts set out in the Relevant Subscription Agreement.
- c) The expected dividend yield is 6%.
- d) The risk free interest rate is 5.4%.
- e) The expected price volatility of the company's shares is 45%.
- f) The probability of a liquidity event occurring during the life of the share is 90%.

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**(iv) Series A Preference Shares**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the reporting period	13,531,772	127
142,222 (2005: 14,700,873) Series A Preference Shares issued	160,000	13,531,645
Exercise of Warrants into 1,685,251 Series A shares	977,300	-
Conversion of 18,014,683 Series A shares into ordinary shares	(14,669,072)	-
<b>Total</b>	<b>-</b>	<b>13,531,772</b>

All Series A Preference shares converted into ordinary shares in June 2007 at the time of the IPO, pursuant to the allocation method in the Company's constitution.

**17 Reserves**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Warrant reserve (a)	-	977,300
Option reserve (b)	203,169	48,044
Translation reserve (c)	355,775	-
	<b>558,944</b>	<b>1,025,344</b>

**(a) Warrant reserve**

In accordance with a mezzanine debt facility signed with Investec Bank (Australia) Limited on 15 December 2005, Investec was granted the right to subscribe for warrant shares. These were converted into ordinary shares in June 2007 at the time of the IPO, pursuant to the allocation method in the Company's constitution.

**(b) Option reserve**

This reserve is to recognise the value of options recognised to date.

**(c) Translation reserve**

This reserve is to recognise the value of translation differences of foreign entities.

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**18 Accumulated Losses**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Accumulated losses at the beginning of the period	<b>(2,469,236)</b>	(292,805)
Net loss for the period	<b><u>(3,181,687)</u></b>	<u>(2,176,431)</u>
<b>Accumulated losses at the end of the period</b>	<b><u><u>(5,650,923)</u></u></b>	<b><u><u>(2,469,236)</u></u></b>

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**19 Cash Flow Information**

**(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax**

	<b>Consolidated</b>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Net loss for the period	<b>(3,181,687)</b>	(2,176,431)
<b>Cash flows excluded from profit/(loss) from ordinary activities attributable to operating activities</b>	-	-
<b>-Non-cash flows in profit / (loss) from ordinary activities</b>	-	-
Amortisation of intangible assets	<b>3,450,894</b>	2,759,880
Depreciation/amortisation of property, plant and equipment	<b>524,152</b>	316,871
Share options expense	<b>155,545</b>	48,044
Vendor dividend payment	<b>1,186,537</b>	1,096,214
Share based payments expense	<b>38,603</b>	26,223
Amortisation of borrowing costs	<b>3,226,515</b>	435,779
Interest on Series A Loan Notes included in equity	-	1,283,878
Interest on Vendor earn-out liability	<b>5,339,880</b>	1,544,157
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries	-	-
(Increase)/decrease in trade and term receivables	<b>(9,251,459)</b>	(631,069)
(Increase)/decrease in other assets	<b>(260,475)</b>	(55,310)
Increase/(decrease) in trade payables and accruals	<b>4,336,630</b>	1,635,248
Increase/(decrease) in income tax payable	<b>175,618</b>	(401,639)
(Increase)/decrease in deferred taxes	<b>(3,690,791)</b>	(334,889)
Increase in provisions	<b>709,899</b>	157,716
IPO expenses	<b>2,139,423</b>	-
<b>Cashflow from operations</b>	<b>4,899,284</b>	<b>5,704,672</b>

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**20 Segment Information**

**Business segments**

The Consolidated Entity operates in one industry segment, the human resources industry. This is the primary format of segment reporting for the group

**Geographical segments**

Although the consolidated entity is managed on a global basis it is operated in two main geographical areas, namely Australia and New Zealand

	Segment revenue from sales to external customers		Segment Assets		Acquisitions of non-current segment assets	
	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
Australia	133,412,145	65,075,788	115,545,092	52,368,111	8,229,222	7,939,445
New Zealand	23,045,037	-	26,428,438	-	6,123,494	-
<b>Total</b>	<b>156,457,182</b>	<b>65,075,788</b>	<b>141,973,530</b>	<b>52,368,111</b>	<b>14,352,716</b>	<b>7,939,445</b>

**21 Events After the Balance Sheet Date**

Subsequent to 30 June 2007, Rubicor completed the business acquisition of Challenge Recruitment Limited. The purchase was satisfied by an initial cash payment of \$12,950,000 plus deferred compensation payments. The deferred compensation payments include payments based on a multiple of earnings before interest and tax over a 12 to 36 month period after completion, and subsequent payments in the 2 year period after notice of exit is provided. The assets and liabilities arising from the acquisitions will be recognised at fair value.

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