Rubicor

Half Year Results

31 December 2013

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Financial Summary

	H1 FY14	H2 FY13	H1 FY13	H1 FY14 vs H2 FY13	H1 FY14 vs H1 FY13
Total Revenue ($m)	101.7	111.2	126.5	-8.5%	-19.6%
Gain on debt forgiveness ($m)	88.6	0.0	0.0		
NDR (Gross Margin)					
Statutory ($m) [1]	107.1	18.1	21.6		
Underlying ($m) [2]	18.4	18.1	21.6	1.7%	-14.8%
EBITDA					
Statutory ($m) [1,3]	89.1	(2.3)	0.1		
Underlying ($m) [2,4]	0.6	0.3	1.3	100.0%	-53.8%
NPAT attributable to equity holders					
Statutory ($m) [1,3]	86.0	(12.2)	(12.2)		
Underlying ($m) [2,4,5]	(0.6)	(1.9)	(1.5)	68.4%	60.0%
Earnings per share					
Statutory ($m) [1,3]	78.5	(11.1)	(11.2)		
Underlying ($m) [2,4,5]	(0.5)	(1.7)	(1.4)	68.4%	60.0%

1 Includes gain on debt forgiveness of $88.6m (H1 FY13: $Nil) and abnormal revenue of $0.1m (H1 FY13: $Nil).
2 Excludes gain on debt forgiveness of $88.6m (H1 FY13: $Nil) and abnormal revenue of $0.1m (H1 FY13: $Nil).
3 Includes restructuring costs of $0.2m (H1 FY13: $1.2m - $0.7m onerous lease provision and $0.5m redundancy payments).
4 Excludes restructuring costs of $0.2m (H1 FY13: $1.2m - $0.7m onerous lease provision and $0.5m redundancy payments).
5 Excludes taxation relating to gain on debt forgiveness of $1.8m (H1 FY13: $Nil), notional interest on vendor liabilities of $0.1m (H1 FY13: $0.1m), asset impairment of $Nil (H1 FY13: $9.3m) and tax effect of underlying adjustments of $Nil (H1 FY13: $0.1m).

Overview of H1 FY14

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Despite challenging conditions, Rubicor delivered across a number of key areas

- Debt Restructure (slide 4)
- Stability in results and activity, evidenced by:
    - Revenue down 19.6% on H1 FY13, and down 8.5% on H2 FY13.
    - NDR down 14.8% on H1 FY13, and up 1.7% on H2 FY13.
    - Overall improvement in temp margins and higher fees from managed services and human capital solutions.
    - NDR Margin % of 18.1%, compared to 17.1% in H1 FY13 and 16.3% in H2 FY13.
    - Underlying EBITDA down 54% on H1 FY13, and 100% up on H2 FY13.
    - Underlying NPAT loss reduced by 60% on H1 FY13, and 68.4% on H2 FY13.
- Investment in consultant headcount to fill strategic gaps across growth sectors
    - Group headcount increased by net 7% (up on June 2013).

Overview of H1 FY14 (cont'd)

Despite challenging conditions, Rubicor delivered across many key areas (cont'd)

- Reduced operational costs
  - Employee benefits expenses reduced by $1.5 million (11%) despite increase in consultant numbers.
  - Rental expenses reduced by $0.6 million (29%).
  - Other expenses reduced by $0.3 million (7%).
- International growth opportunities
  - Continued investment and focus in Singapore operation.
  - Opened office in London, UK in Nov 2013.
- Focus on unlocking value
  - Continued emphasis on driving brand collaboration and efficiency improvements.
  - Reduced losses from brands generating losses in FY13.

Capital management

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Debt Facilities

- Company restructured its debt facilities in July 2013.
- Loan facilities (Term and Subordinated facility) and Bank Overdraft facility extinguished in full in exchange for $7.0 million.
- Gain on debt forgiveness amounted to $88.6 million.
- New Debtor Finance Facility:
  - $15 million limit: to increase in line with increase in value of approved receivables.
  - 3 year facility.
  - No annual review, no covenants, no amortisation.
  - Funding dependant upon purchased receivables remaining approved until collected.
- Other facilities (rental guarantees) in the amount of $1.6 million have been cash backed by funds (disclosed in other non-current assets) drawn from the debtor finance facility.
- Debt drawn to $8.8 million as compared to $9.1 million drawn at time of debt restructure.

Capital management (cont'd)

Cash Flow

- Operating cash flow before interest and tax was an outflow of $4.1 million, as a direct result of payments deferred pending the debt restructure.

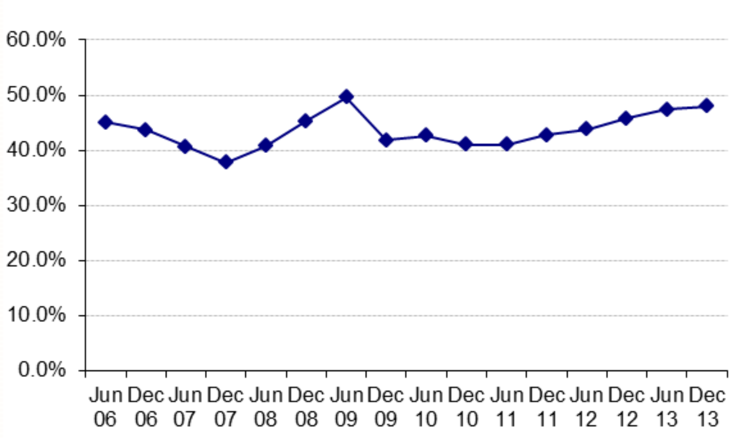
Vendor acquisition model

- Earn-out exit payments of $0.04 million paid in the period, aligned with profitability.
- Estimated remaining earn-out payments of $0.8 million.

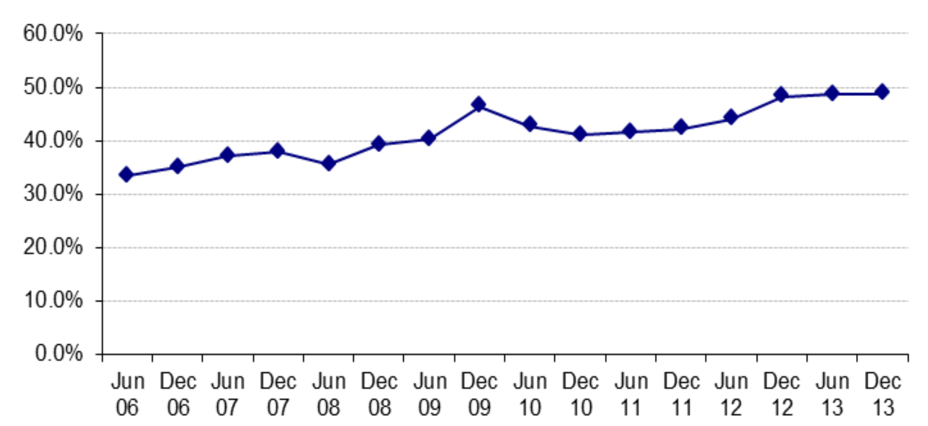
Key operating indicators

- Uncertain market conditions saw revenue and NDR decline, although NDR decline was less as a result of higher temp margins and higher fees from other services.

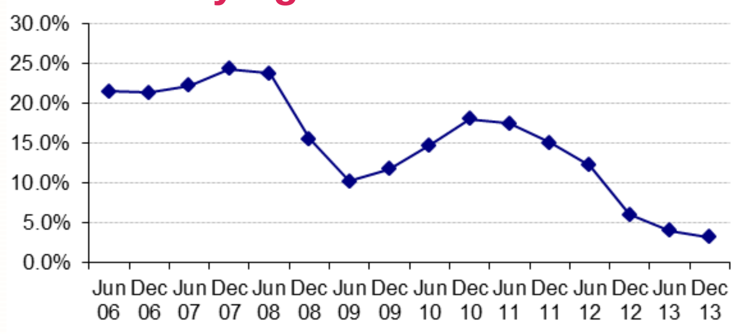
Consultant costs to NDR



Other costs to NDR



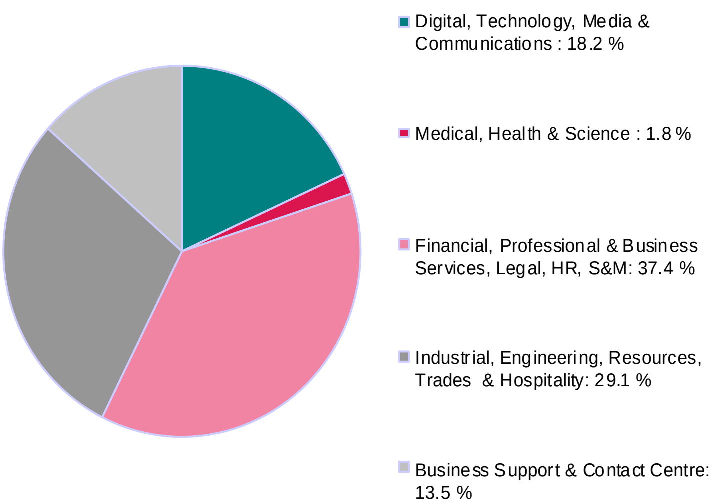
Underlying EBITDA to NDR



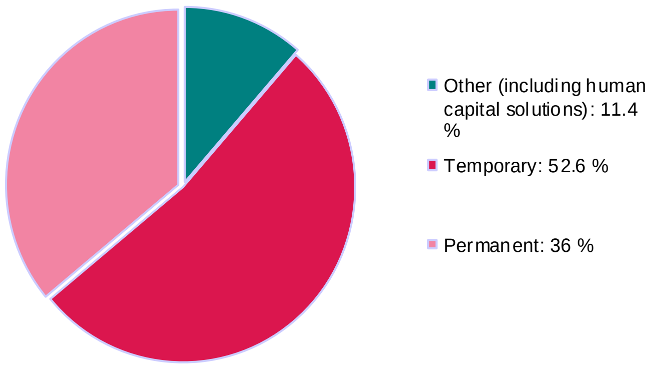
Business profile

- Rubicor's specialist group of businesses have maintained diversity across industry sectors, geography and placement solutions further penetrating these markets.
- Increased volumes in human capital solutions, managed services and temporary placements.

Industry*



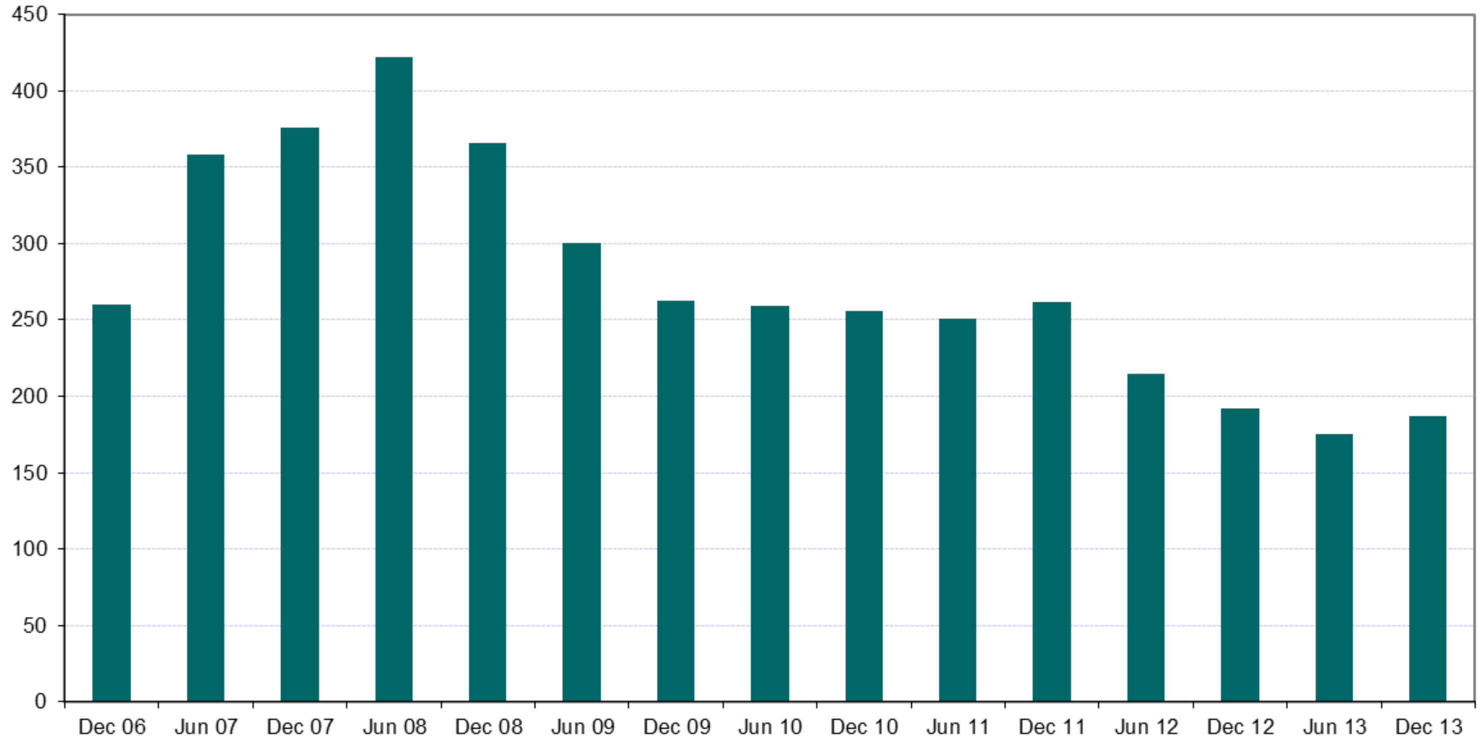
Service*



* Allocation of NDR by Industry and Service type

Consultants

- Net growth of 13 consultants (7%) on June 2013, to service demand in stronger sectors and to fill strategic gaps.



Total Consultant Numbers

Reconciliation of Statutory to Underlying performance

6 Months ended 31 December	2013 Stat $M	2013 Underlying Adj'ments $M	2013 Underlying $M	2012 Underlying $M	Change %
Revenue	**101.7**	**-0.1**	**101.6**	**126.5**	**-19.6%**
Gain on debt forgiveness	**88.6**	**-88.6**	**0.0**	**0.0**	
On hired labour costs	-83.2	0.0	-83.2	-104.9	
NDR (Gross margin)	**107.1**	**-88.7**	**18.4**	**21.6**	**-14.8%**
EBITDA	**89.1**	**-88.5**	**0.6**	**1.3**	**-53.8%**
Depreciation	-0.3	0.0	-0.3	-0.3	
Amortisation	-0.1	0.0	-0.1	-0.1	
EBIT	**88.7**	**-88.5**	**0.2**	**0.9**	**-77.8%**
Interest on vendor liabilities	-0.1	0.1	0.0	0.0	
Finance costs	-0.6	0.0	-0.6	-2.3	
Profit Before Tax	**88.0**	**-88.4**	**-0.4**	**-1.4**	**71.4%**
Tax	-1.8	1.8	0.0	0.1	
NPAT	**86.2**	**-86.6**	**-0.4**	**-1.3**	**69.2%**
NPAT - Equity holders	**86.0**	**-86.6**	**-0.6**	**-1.5**	**60.0%**
EPS (cents)	**78.5**	**-79.0**	**-0.5**	**-1.4**	**60.0%**

Underlying performance

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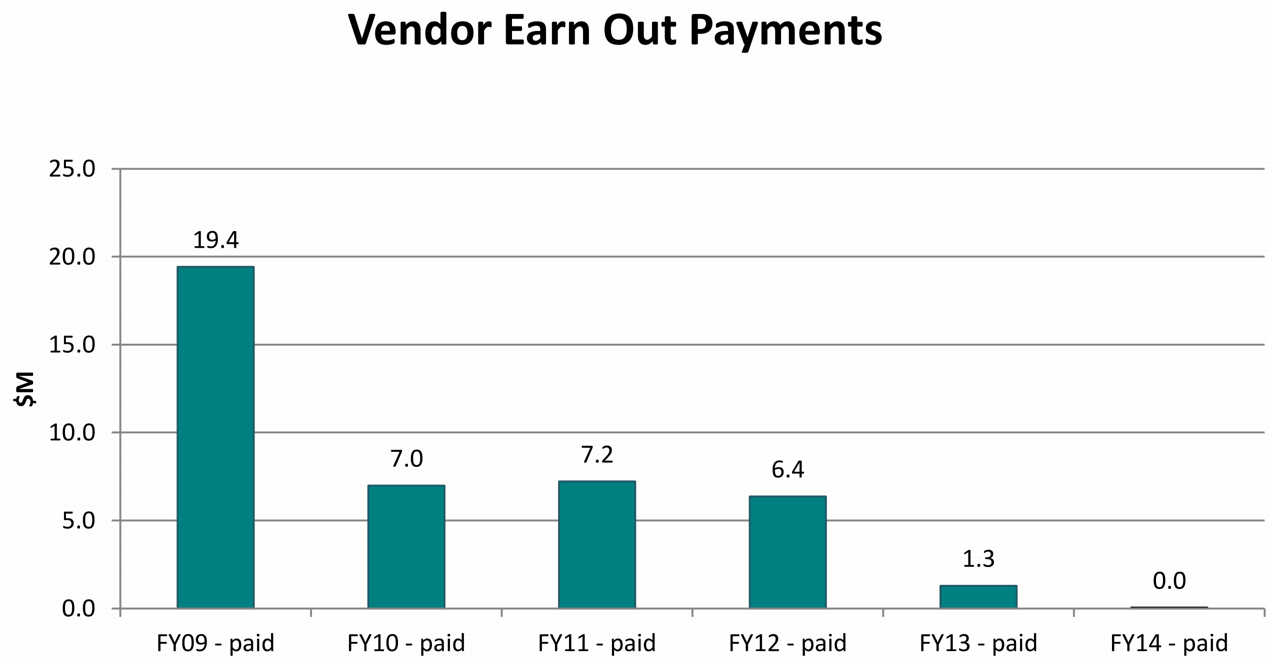
6 Months ended 31 December	2013 $M	2012 $M	Change %
Statutory revenue	**190.3**	**126.5**	**50.4%**
Gain on debt forgiven	-88.6	0.0	
Other income	-0.1	0.0	
Underlying revenue	**101.6**	**126.5**	**-19.7%**
Statutory NDR (Gross margin)	**107.1**	**21.6**	**395.8%**
Gain on debt forgiven	-88.6	0.0	
Other income	-0.1	0.0	
Underlying NDR (Gross margin)	**18.4**	**21.6**	**-14.8%**
Statutory EBITDA	**89.1**	**0.1**	
Gain on debt forgiven	-88.6	0.0	
Other income	-0.1	0.0	
Restructuring expense	0.2	1.2	
Underlying EBITDA	**0.6**	**1.3**	**-53.8%**
Depreciation	-0.3	-0.3	
Amortisation	-0.1	-0.1	
EBIT	**0.2**	**0.9**	**-77.8%**
Finance costs - borrowing costs amortisation	-0.2	-0.2	
Finance costs - interest & charges	-0.4	-2.1	
Profit Before Tax	**-0.4**	**-1.4**	**71.4%**
Tax	0.0	0.4	
Cash interest on vendor liabilities	0.0	-0.3	
NPAT	**-0.4**	**-1.3**	**69.2%**
NPAT - Equity holders	**-0.6**	**-1.5**	**60.0%**
EPS (cents)	**-0.5**	**-1.4**	**60.0%**

Financial position

	31 DEC 13 $M	30 JUN 13 $M	Change %
Cash	0.7	0.8	-8%
Receivables	23.1	26.5	-13%
Identifiable Intangibles	0.3	0.2	30%
Deferred tax asset	2.1	3.6	-41%
Other Assets	5.0	2.8	77%
Total Assets	**31.2**	**33.8**	**-7.7%**
Current Liabilities			
Trade payables	16.1	22.7	-29%
Tax payable	0.3	0.3	22%
Deferred vendor consideration	0.8	1.0	-12%
Borrowings	8.8	87.6	-90%
Other liabilities	1.9	4.7	-60%
Non Current Liabilities			
Other liabilities	1.4	1.5	-7%
Total Liabilities	**29.3**	**117.7**	**-75.1%**
Net Assets	**1.9**	**-83.9**	
Net Asset Backing	**1.7**	**-76.5**	

Vendor payment profile

- Remaining earn-out payments estimated at $0.8m



Strategic Initiatives

- Increasing consultant headcount to meet medium-term strategic growth objectives.
- Operational restructure and resulting efficiencies have facilitated further cost reductions.
- Co-locations and premises optimisation driving rental expense reductions.
- Focus on growth sectors in existing and new markets.
- Positioned for overseas growth opportunities:
  - Continued headcount investment and focus on Singapore operation.
  - Secondment of IT Group Managing Director to Singapore to develop presence in region.
  - Opened small London office to explore opportunities in the Digital & Technology sector in the UK.

Outlook

- Despite reduced volumes in the first half, since the half year end client and candidate engagement levels have improved, however remain cautious as to sustainability and how this will translate over the remainder of the year.
- Will continue to:
  - Focus on headcount investment in growth areas.
  - Focus on maintaining sustainable consultant productivity and stability in performance, alongside cost reductions.
  - To invest in and focus on medium-term strategic initiatives.

Appendices

Statutory performance

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6 Months ended 31 December	2013 $M	2012 $M	Change %
Revenue	**101.7**	**126.5**	**-19.6%**
Gain on debt forgiveness	**88.6**	**0.0**	
NDR (Gross margin)	**107.1**	**21.6**	**395.8%**
EBITDA	**89.1**	**0.1**	
Depreciation	-0.3	-0.3	
Amortisation	-0.1	-0.1	
EBIT	**88.7**	**-0.3**	
Notional interest on vendor liabilities	-0.1	-0.1	
Finance costs - amortisation	-0.2	-0.2	
Finance costs - interest & charges	-0.4	-2.1	
Impairment charge	0.0	-9.3	
Profit / Loss Before Tax	**88.0**	**-12.0**	
Tax	-1.8	0.0	
NPAT	**86.2**	**-12.0**	
NPAT - Equity holders	**86.0**	**-12.2**	
EPS (cents)	**78.5**	**-11.2**	

Reconciliation: statutory to underlying

Underlying NPAT adjusts for significant items, notional interest on vendor liabilities and asset impairment

6 Months ended 31 December	2013 $M	2012 $M
Stat NPAT - Equity holders	**86.0**	**-12.2**
Significant items	**-88.5**	**1.2**
Significant non-cash items:		
Add back: Notional interest on vendor liabilities	0.1	0.1
Add back: Impairment charge	0.0	9.3
Deduct: Cash interest on vendor liabilities	0.0	-0.3
Tax effect	1.8	0.4
Underlying NPAT - Equity holders	**-0.6**	**-1.5**

Overview of Rubicor's non-IFRS financial information

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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

Wh*at 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.