Chairman's Address

CMG Annual General Meeting: 30 October 2014

Extract from the Chairman (Richard England's) address to the AGM

2014 was a year of two halves for Chandler Macleod, with Half One impacted by tough economic conditions, low business confidence around the federal election, and a reduction in demand for our services as customers delayed hiring decisions and focused on costs. The second half saw a slight improvement in business confidence and demand for our services.

Reflecting the difficult trading conditions, Chandler Macleod's underlying Net Profit after Tax for 2014 was down 22% to $14.2 million. Underlying EBITDA was down 11% to $40.2 million. However, momentum was apparent in the second half with underlying NPAT up 33% and underlying EBITDA up 15% on the first half results.

Reflecting our commitment to manage the company balance sheet efficiently and provide flexibility to fund future growth opportunities, we announced our intention to undertake an on-market share buy-back of up to five per cent of the company's ordinary shares, at an estimated cost of less than $9 million. The Board declared a fully franked final dividend of 1.8 cents per share consistent with 2013, but has suspended the Dividend Reinvestment Plan.

Chandler Macleod's balance sheet remains strong, with excellent operating cashflow and a debt to EBITDA ratio of 2.2 times, which positions us well for future growth. As well as achieving debt reduction of $25 million, the Group continued our cost reduction program throughout the year, achieving a 9% reduction in costs, representing a saving of $14.6 million.

Interest expense for the year remained steady at $8.5 million, with the full year interest expense associated with the Vivir acquisition offset by reduced debt from the capital raising. We also negotiated new banking arrangements with HSBC and Westpac which will provide more efficient funding and lower our interest costs substantially in 2015.

Over the last 12 months, we have seen significant momentum in the diversification of our business. We now have a well-diversified customer base and are not over-exposed to any one sector of the economy. Mining still comprises 15% of our business, but the Government sector now represents 17% with an increase in activity across all levels of government. We have seen substantial growth in the Health & Pharmaceutical sector to 8.7% in 2014, as a result of the performance and expansion of the Vivir business. Similarly we are seeing strong growth in Hospitality, as a result of the contribution from AHS who have achieved a 13% increase in hotel rooms serviced across Australia and New Zealand. Pleasingly, the sectors where we are most strongly represented are also those where we believe we have the largest potential for growth.

Internationally, Chandler Macleod's businesses contributed an EBITDA of $1.9 million last year, down from $2.3 million. Whilst difficult trading conditions across the Asian business resulted in a decline across these geographies, Cornerstone Global Partners in China (where we have a 40% stake in the business) are exceeding expectations. In New Zealand, the performance of Grafton Consulting also exceeded expectations.

Our results during 2014 and our strong second half are a direct result of our decision to diversify our earnings and change our business mix by reducing our reliance on permanent recruitment revenue and lower margin contracting and growing the higher margin Managed Services and Specialist Products businesses. We will continue this focus throughout 2015.

While recent share market volatility and lower business confidence have impacted our first quarter result, we have a strong pipeline of business opportunities, particularly in Aurion, AHS and Vivir. Demand is consistent across Managed Services and Staffing Services, and the Group's product diversification, customer growth, cost and operational efficiency programmes will continue during fiscal year 2015. Subdued business confidence still continues to impact demand for our permanent recruitment and consulting and assessment services.

On behalf of the Board, I wish to thank all Chandler Macleod Group staff for their dedication and hard work during 2014, and their ongoing support of our business strategy.

I would also like to thank my fellow Directors for their hard work and diligence throughout the year I would like to acknowledge our shareholders for your continued commitment to our organisation.

CHANDLER MACLEOD

UNLEASHING POTENTIAL

2014 AGM Presentation

30 October 2014

PLAN	SOURCE	ASSESS	DEVELOP	MANAGE

DISCLAIMER

The forward looking statements included in these materials involve subjective judgement and analysis and are subject to significant uncertainties, risks, and contingencies, many of which are outside the control of, and are unknown to, the Chandler Macleod Group. In particular, they speak only as of the date of these materials, they are based on the particular events, conditions or circumstances stated in the materials, they assume the success of Chandler Macleod Group's business strategies, and they are subject to significant regulatory, business, competitive and economic uncertainties and risks.

Chandler Macleod Group disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of Chandler Macleod Group since the date of these materials.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including Chandler Macleod Group). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward looking statement will be achieved. Actual future events and conditions may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based. Given these uncertainties, readers are cautioned to not place undue reliance on such forward looking statements.

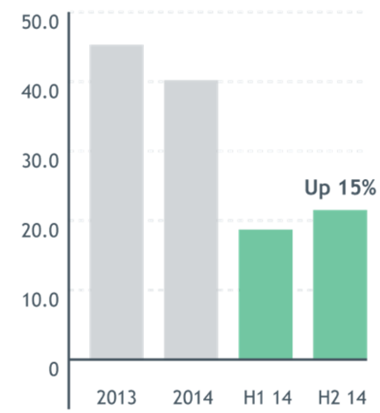
CHANDLER MACLEOD IS A LEADER IN SAFETY

- Improved Group TRIFR[1] by 40% in 36 months
- Improved AHS TRIFR by 22% in 24 months
- Achieved OHSAS 18001 and AS/NZ 4801 accreditation
- RCSA McLean Award for Workplace Safety
- Extended our Safety Commitment to all employees within the Group
- Continue to invest in safety leadership programs to reduce injury frequency, severity and costs

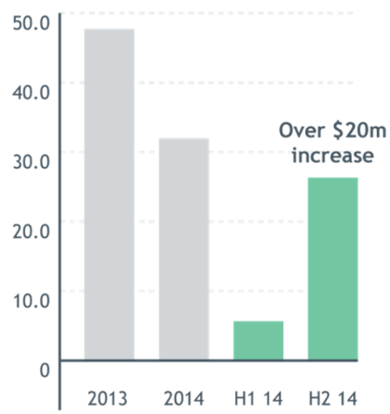
[1] Total Recordable Injury Frequency Rate.

CHANDLER MACLEOD FULL YEAR 2014

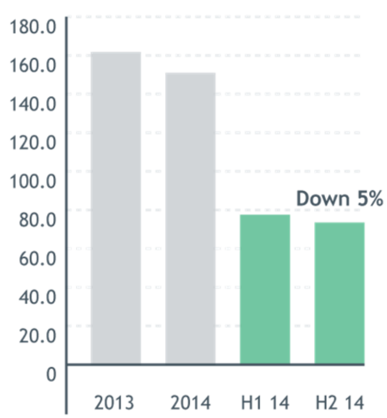
UNDERLYING EBITDA ($m)



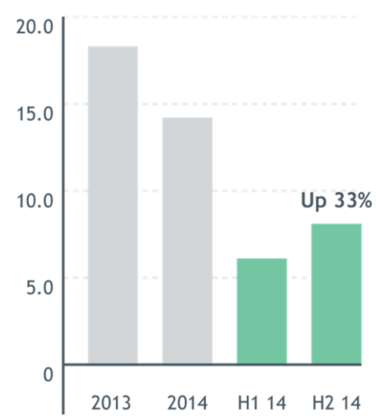
OPERATING CASHFLOW ($m)



OPERATING EXPENSES ($m)



UNDERLYING NPAT ($m)



Highlights

- Underlying EBITDA[1] of $40.2M
- Second half underlying EBITDA up 15% on first half
- Our strategy to diversify earnings continues
- Cost reduction program delivered $14M in savings
- Very strong operating cashflow[2] of $36M
- Dividend maintained at 3.2 cps
- Share buy-back announced
- Lower debt, lower gearing

1. Underlying EBITDA and NPAT exclude restructuring, acquisition transaction costs, earn-out fair value adjustment and brand name write-off(FY13).
2. Before interest, acquisition and restructuring costs.

CHANDLER MACLEOD

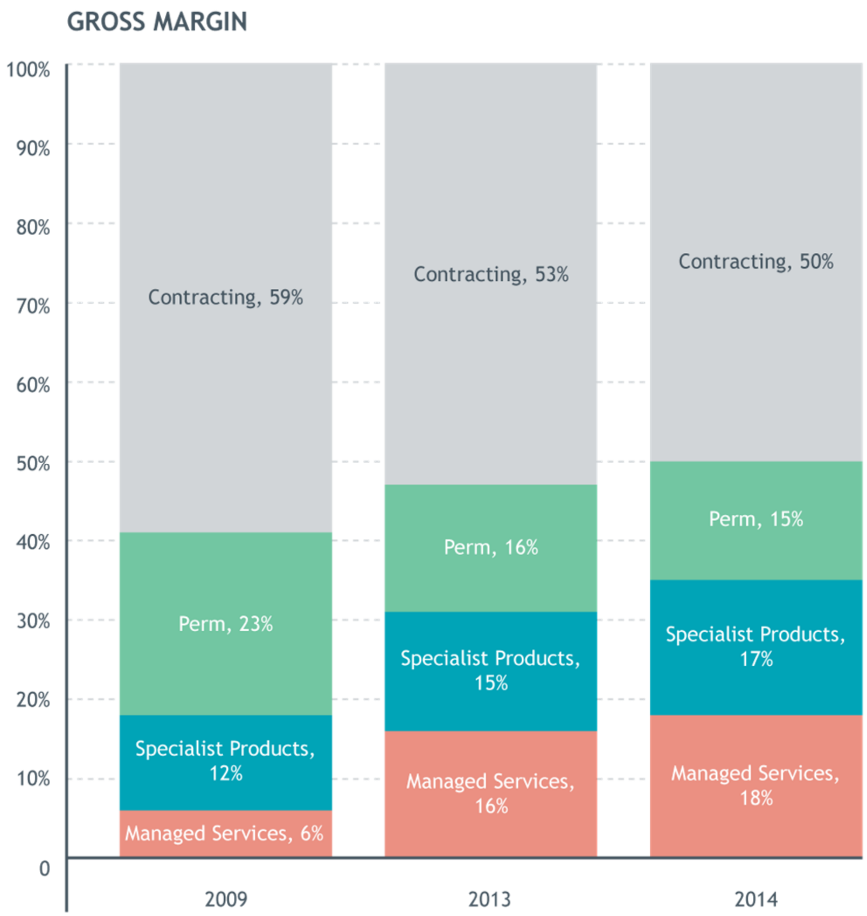
AUSTRALASIA'S LEADING PROVIDER OF INTEGRATED HR SERVICES, PRODUCTS & TECHNOLOGIES

55 YEAR HERITAGE UNLEASHING THE POTENTIAL OF INDIVIDUALS, TEAMS & ORGANISATIONS

Staffing Services	Managed Services	Specialist Products	INT'L
Providing BestFit™ people	Managing people resources	Enhancing people capability	Leveraging CMG capabilities offshore

Plan → Source → Assess → Develop → Manage

CHANDLER MACLEOD'S STRATEGY TO BUILD AUSTRALASIA'S LEADING HR SERVICES BUSINESS



- Grow higher margin Managed Services and Specialist Products businesses
- 43% of client opportunities were for Managed Services and Specialist Products
- Product extension strategy within Staffing Services
- Reduced reliance on permanent recruitment and contracting

STRATEGY PROGRESS

Objectives/Outcomes

Phase 3 Leverage

Phase 3: Leverage

1. Deep industry verticals
2. Sell whole of Group to whole of customer
3. Scalable lowest cost to serve model
4. Higher margins

Phase 2 Enhancing Capability

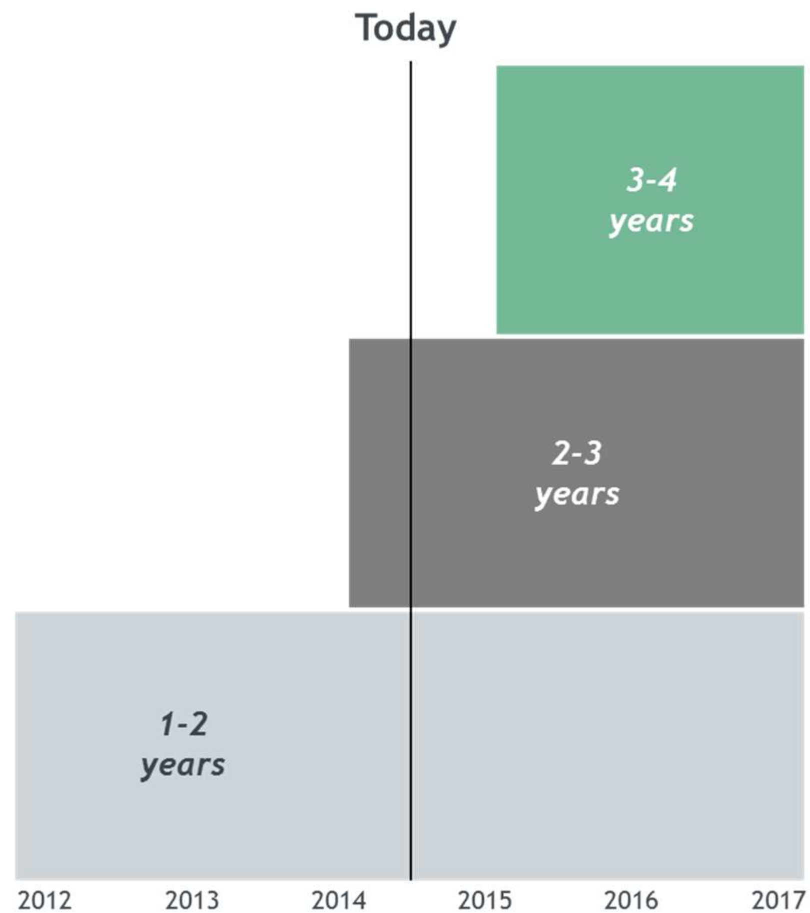
Phase 2: Enhancing Capability

1. Improve and optimise BU's
   - Refine & enhance delivery model
   - Accelerate productivity
   - Focus on the Customer
2. Accelerate growth
   - Managed Services
   - Specialist Products
3. Portfolio rebalancing complete

Phase 1 Foundation

Phase 1: Build Foundations

1. Change the business mix
2. Organise around the client
3. Improve productivity and efficiency
4. Build International network
5. Enhance risk management



CHANDLER MACLEOD
UNLEASHING POTENTIAL

FINANCIAL RESULTS

For the 12 months ended 30 June 2014

CHANDLER MACLEOD FULL YEAR 2014

	FY2014 $m	FY2013^ $m	Change %
REVENUE	1,413.2	1,503.9	-6%
EXPENSES[1]	(151.0)	(161.8)	-7%
UNDERLYING EBITDA[1]	40.2	45.3	-11%
REPORTED EBITDA	38.2	38.1	0%
UNDERLYING NPAT[1]	14.2	18.2	-22%
REPORTED NPAT	13.5	10.7	26%
UNDERLYING CASH EPS (cps)	4.37	5.56	-21%
REPORTED EPS (cps)	2.71	2.39	13%
DIVIDEND PER SHARE (cps)	3.20	3.20	0%

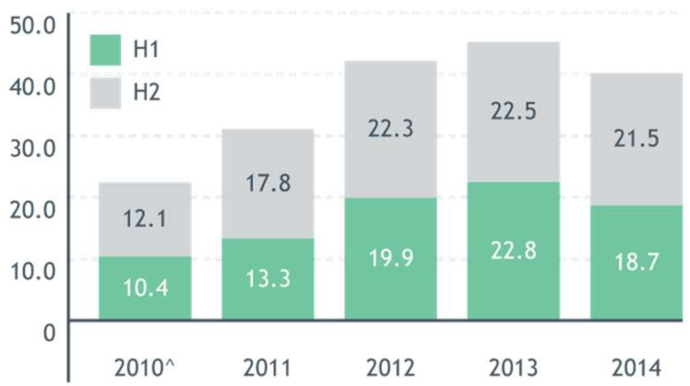
^ 2013 NPAT restated to reflect the amortisation of $0.4m as a result of intangibles accounted on Vivir acquisition.
1. Before acquisition, restructuring costs fair value adjustment to contingent consideration and write-off RHD Brand Value (FY2013).
2. Before interest, acquisition and restructuring costs.

Financial Overview

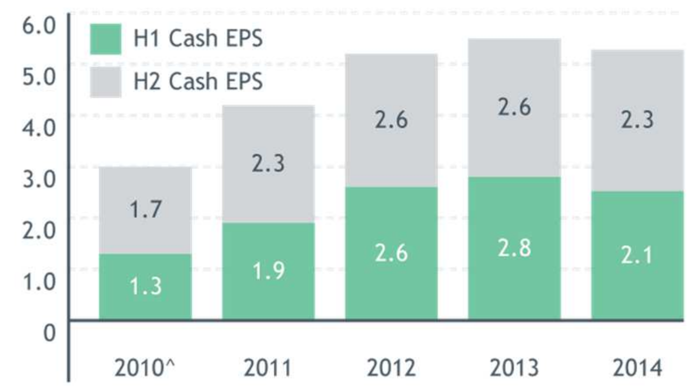
- Results reflect the first half impact of low business confidence around the election
- Revenue drop mainly H1 and largely in Staffing Services plus the conclusion of Defence Health contract at end H1 13
- Cost down $14.6M or 9% (excl. acquisitions)
- Strong balance sheet at 30 June 2014
- Operating Cashflow[2] of $36M
- Final dividend steady at 1.8 cps, fully franked

ALL METRICS REFLECT THE FIRST HALF MARKET CONDITIONS

EBITDA[1] ($m)

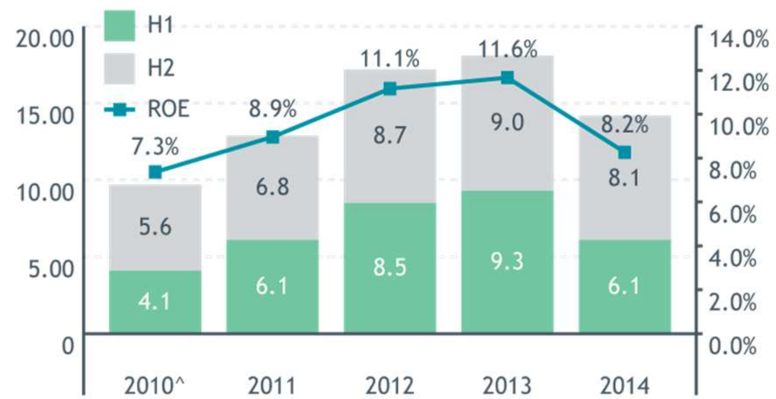


BASIC EARNINGS PER SHARE (cents)



DIVIDENDS PER SHARE (cents)

NET PROFIT AFTER TAX[1] ($m)



^ From Continuing Business.
1. EBITDA and NPAT excludes acquisition and restructuring costs and fair value adjustment to contingent consideration.

INDUSTRY FOOTPRINT

MARGIN CONTRIBUTION BY INDUSTRY IN FY 2014

17.0%	Government
15.4%	Mining
9.2%	FMCG, Retail & Wholesale
8.7%	Health & Pharma
7.4%	Hospitality
6.4%	Eng & Construction
6.1%	Manufacturing
4.8%	Transport & Logistics
4.8%	IT & Comms
4.0%	Other
3.6%	Utilities
3.4%	Professional
3.1%	Banking & Financial
2.4%	Aviation
1.9%	Industrial
1.9%	Defence

MARGIN CONTRIBUTION BY INDUSTRY IN FY 2013

18.5%	Mining
15.3%	Government
8.0%	FMCG, Retail & Wholesale
7.0%	Manufacturing
6.5%	Hospitality
5.7%	IT & Comms
5.3%	Banking & Financial
5.0%	Transport & Logistics
4.7%	Other
4.5%	Aviation
4.1%	Defence
3.5%	Eng & Construction
3.4%	Professional
3.2%	Health & Pharma
2.7%	Utilities
2.6%	Industrial

FY15 Outlook

- The macroeconomic environment is challenging, with varying levels of business confidence. Pressure on margins and reduced demand in the mining sector is expected to continue.
- The stronger second half result demonstrates the momentum we are taking into 2015 in Staffing Services, Managed Services and Aurion.
- Hours worked in Staffing Services have returned to prior year levels and indications are that this trend will continue.
- AHS, Vivir and Aurion have strong pipelines and continue to grow.
- Business confidence still continues to impact demand for permanent recruitment and assessment for selection.
- Further productivity initiatives are planned which will deliver cost savings in 2015 and 2016.
- Cashflow is expected to remain strong in 2015 supporting dividends and balance sheet strength.