CHANDLER MACLEOD

UNLEASHING POTENTIAL

FINANCIAL RESULTS
FOR THE 6 MONTHS ENDED 31 DEC 2014

16 February 2015

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.

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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.

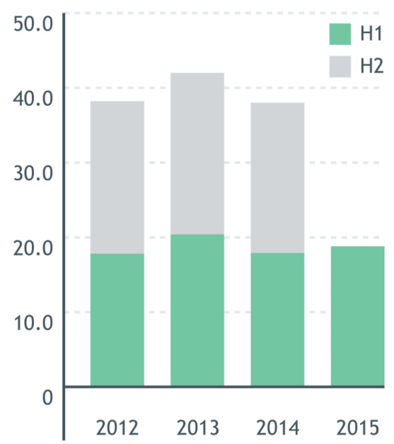
CHANDLER MACLEOD IS A LEADER IN SAFETY

- Improved Group TRIFR[1] by 19% in 36 months
- Achieved OHSAS 18001 and AS/NZ 4801 accreditation
- RCSA McLean Award for Workplace Safety
- Employer Excellence Award in the Return to Work Category; Victorian WorkCover Authority
- Continue to invest in safety leadership programs to reduce injury frequency, severity and cost

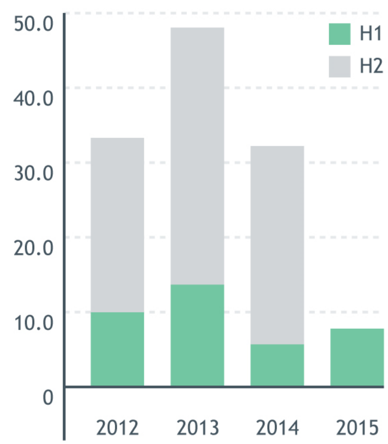
[1] Total Recordable Injury Frequency Rate

CHANDLER MACLEOD H1 2015

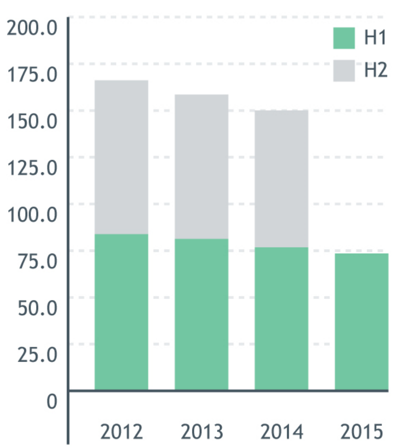
UNDERLYING EBITDA[1] ($m)



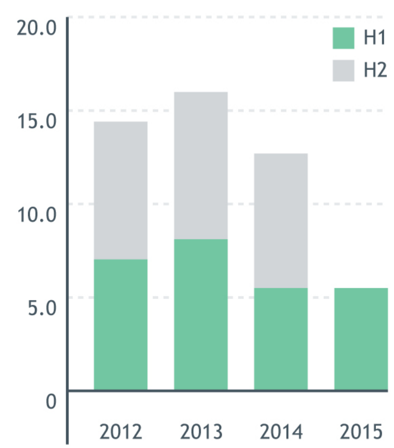
OPERATING CASHFLOW ($m)



OPERATING EXPENSES[1]



UNDERLYING NPAT[1] ($m)



Highlights

- Underlying EBITDA[1] was up 5% to $18.8M
- Reported EBITDA[1] was up 4% to $17.8M
- Revenue[1] down 2% to $701 million
- Improved operating cashflow[2] of $9.6M
- Our strategy to diversify earnings continues
- Continued focus on improving productivity, FTE down 11%
- CMG entered into Scheme Implementation Deed with Recruit January 2015
- Interim dividend increased to 1.7 cps, expected to be fully franked[3]

[1] From continuing operations – excludes Aviation operation
[2] Before interest, restructuring costs and transaction costs
[3] If the Scheme of Arrangement with Recruit does not become effective, a dividend will still be payable but the Chandler Macleod Board may review and re-determine the amount of the dividend

CHANDLER MACLEOD

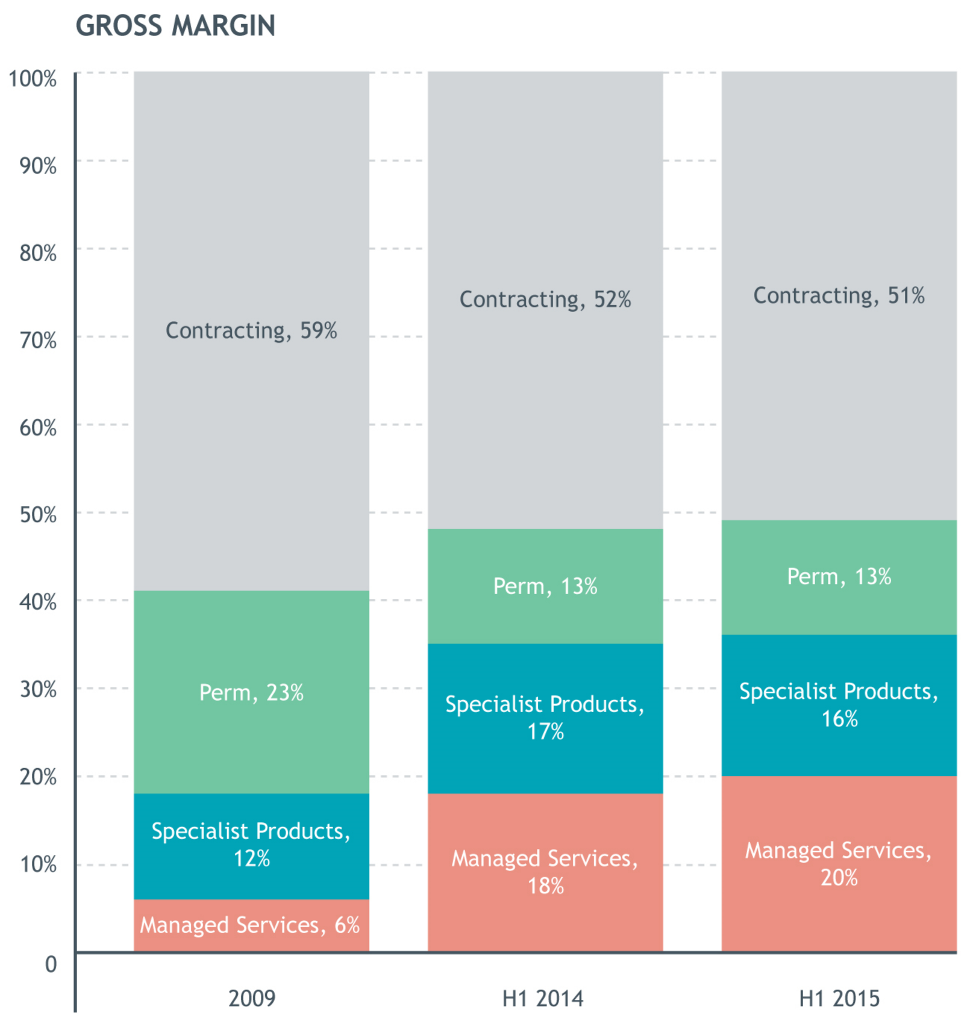
AUSTRALASIA'S LEADING PROVIDER OF INTEGRATED HR SERVICES, PRODUCTS & TECHNOLOGIES

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



- Our strategy to diversify our earnings continues
- Grow higher margin businesses
- 55% of new business opportunities were for Managed Services and Specialist Products
- Continue to reshape Staffing Services to respond to changing customer needs and economic cycles

CHANDLER MACLEOD'S DIVERSIFIED PORTFOLIO

MARGIN CONTRIBUTION BY INDUSTRY IN H1 2015

15.1%	Public Admin
12.5%	Mining
12.4%	Manufacturing
11.2%	Accomodation and Food
9.7%	Health
8.9%	Transport and Warehouse
5.2%	Electricity, Gas and Water
4.6%	Media and Telco
3.0%	Financial and Insurance
3.0%	Professional
2.5%	Construction
1.9%	Retail
1.8%	Administrative and Support
1.7%	Wholesale
1.6%	Agriculture
0%	Aviation
5.0%	Other

MARGIN CONTRIBUTION BY INDUSTRY IN FY 2014

14.6%	Public Admin
14.2%	Mining
11.2%	Manufacturing
9.6%	Accomodation and Food
7.7%	Transport and Warehouse
7.6%	Health
5.6%	Media and Telco
5.6%	Electricity, Gas and Water
5.2%	Construction
3.8%	Professional
3.5%	Financial and Insurance
2.2%	Retail
1.8%	Aviation
1.5%	Administrative and Support
1.5%	Agriculture
1.3%	Wholesale
2.9%	Other

STRATEGY PROGRESS

Phase 3 Leverage

Phase 2 Enhancing Capability

Phase 1 Foundation

Objectives/Outcomes

Phase 3: Leverage

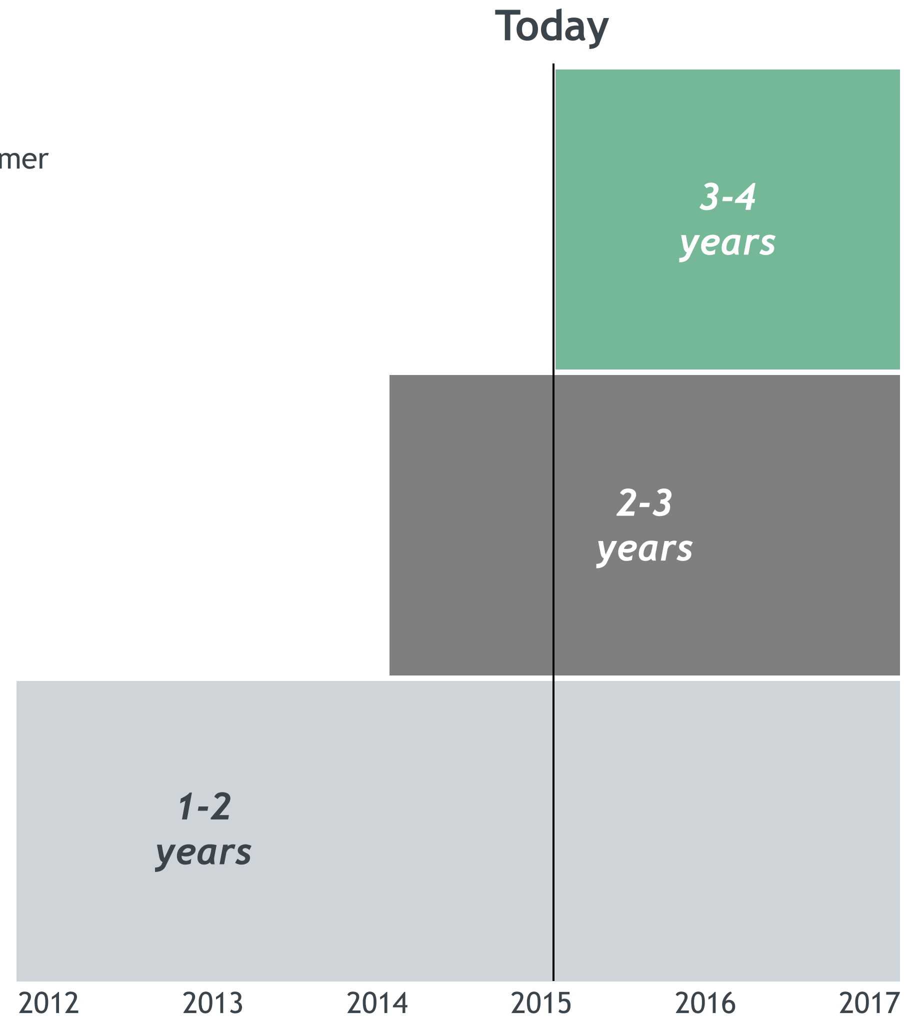
1. Deep industry verticals
2. Sell whole of Group to whole of customer
3. Scalable lowest cost to serve model
4. Higher margins

Phase 2: Enhancing Capability

1. Improve and optimise BU's
   - Further productivity and efficiency
   - Automate offerings
   - Further reduce overheads
2. Accelerate growth
   - Managed Services
   - Specialist Products
3. Stronger focus on growth sectors
4. Build mid market corporate business
5. Portfolio rebalancing complete

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



STAFFING SERVICES: REFINE FOR GROWTH

Refine and enhance delivery model

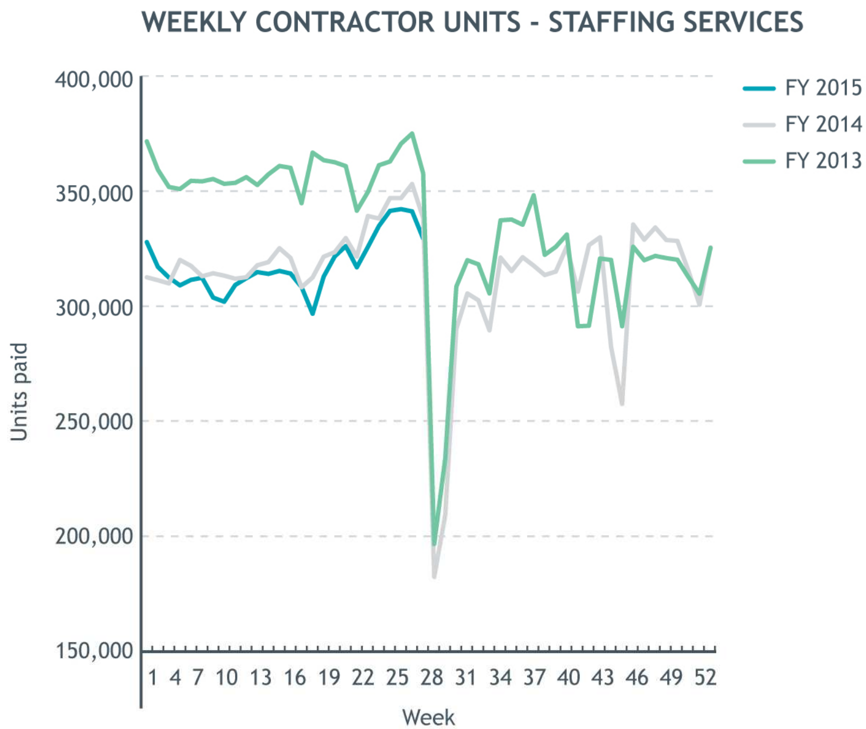
- Self service candidate portal delivered
- Deployed new business intelligence system to enhance client profitability
- Tiered service delivery progressing
- Continuing non-core recruitment activity consolidation; $4M cost out, 12% less FTE's

Focus on Customer

- Retain key clients, targeted volume growth, maintain pricing discipline

Leverage Growth Opportunities

- Broader product range strengthens value proposition (e.g. Pre-Employment Medicals, Unbundled HR, Employment Pathways etc)
- Contractor hours down 2% pcp, offset by hours and margin growth in all States other than WA



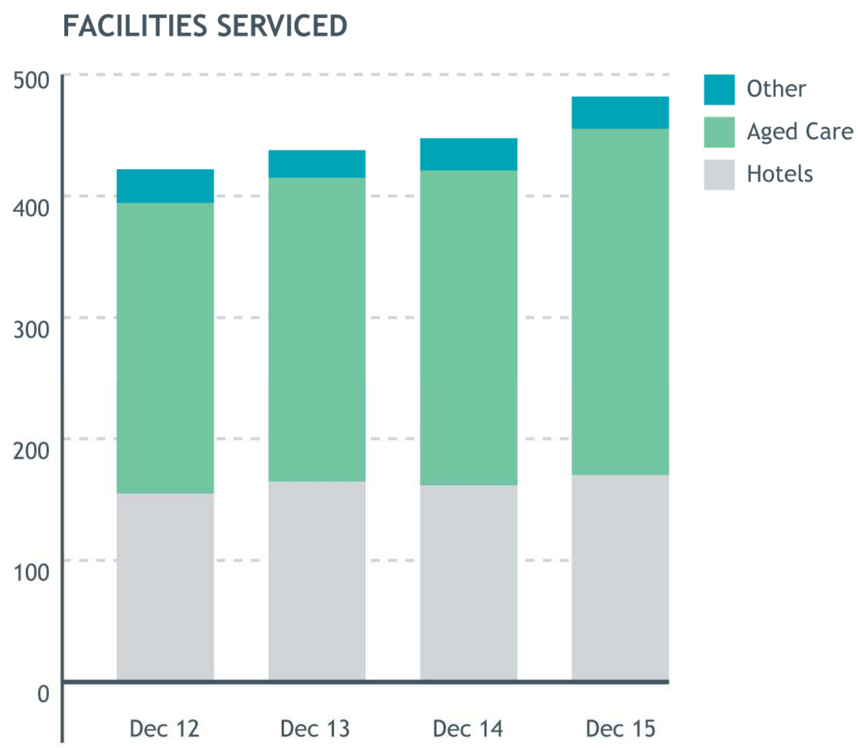
MANAGED SERVICES: KEY DRIVER OF GROWTH

AHS

- More than 9 million rooms serviced
- AHS continues to grow in an expanding outsourcing market
- Market leading position with strong pipeline

Vivir

- Serviced over 300 facilities and over 20,000 beds
- Strong growth in both pain management programs and residential aged care hours
- Commenced services at 47 new sites with 43% of growth coming from NSW/QLD/ACT



SPECIALIST PRODUCTS: POSITIONED FOR FUTURE GROWTH

Aurion

- Achieved 19% growth in Payroll BPO
- Strong pipeline to support growth
- New product development and client retention, key to building long-term annuity
- Aurion next new product to market delivers mobile capability

Consulting

- National assessment team delivering improved efficiency and consistency
- Strong focus on sales effectiveness, execution, retention and development of talent

BPO HEADCOUNT

TOTAL PAID USING AURION

MARKET CONDITIONS REMAIN CHALLENGING

External challenges

- Macroeconomic environment challenging, with varying levels of business confidence
- Employment market growing, although below long-term trend

External opportunities

- Rationalisation of panel supply contracts continues, to the benefit of larger suppliers
- Workforce flexibility and outsourcing of non core functions remain key for our clients

Leveraging our strengths

- Our breadth of HR services, products and technology positions us to win
- Our industry diversification strategy makes our earnings more resilient
- We are well positioned for growth in Health, Hospitality and Government

CHANDLER MACLEOD

UNLEASHING POTENTIAL

FINANCIAL RESULTS

For the 6 months ended 31 Dec 2014

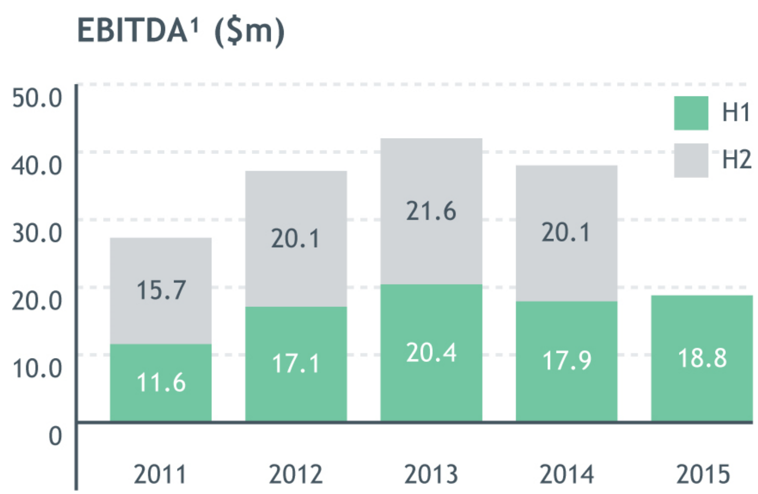
RESULTS REFLECT BUSINESS CONFIDENCE LEVELS AND SOFT ECONOMIC CONDITIONS

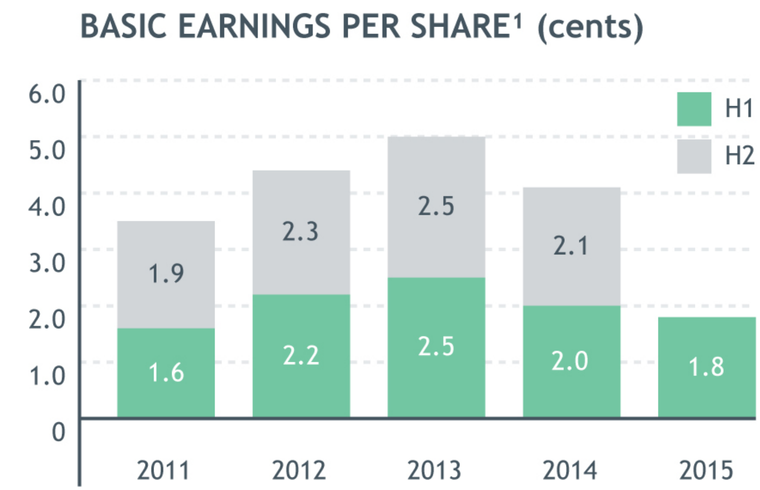
Continuing operations[1]	1H 15 $m	1H 14 $m	Change %
Revenue	700.6	718.1	-2%
Expenses	(73.5)	(76.9)	-4%
Underlying EBITDA[2]	18.8	17.9	5%
Reported EBITDA	17.8	17.1	4%
Underlying NPAT[2]	5.5	5.5	0%
Reported NPAT	4.8	5.5	-13%
Underlying cash EPS (CPS)	1.82	1.96	-8%
Reported cash EPS (CPS)	1.69	1.96	-16%
Dividend per share	1.70	1.40	21%

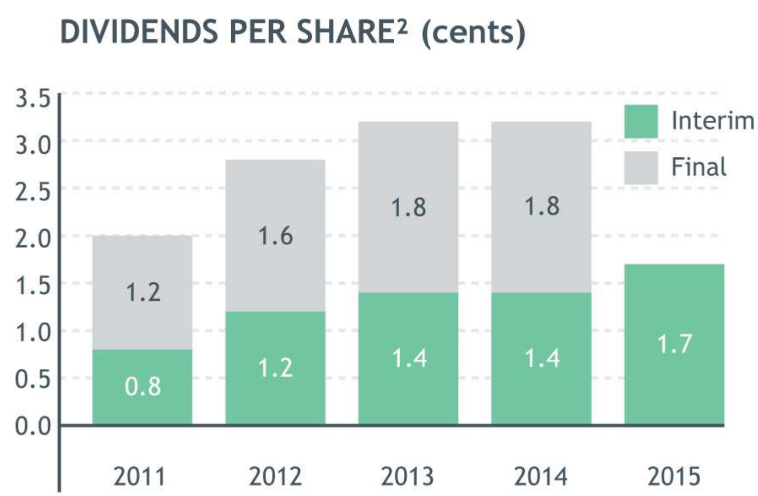
- Underlying EBITDA[2] up 5%
- Revenue drop mainly in Staffing Services
- Expenses down 4%, FTE down 11%
- Strong balance sheet at 31 Dec 2014
- Operating Cashflow[3] of $9.6M
- Interim dividend increased to 1.7 cps, expected to be fully franked[4]

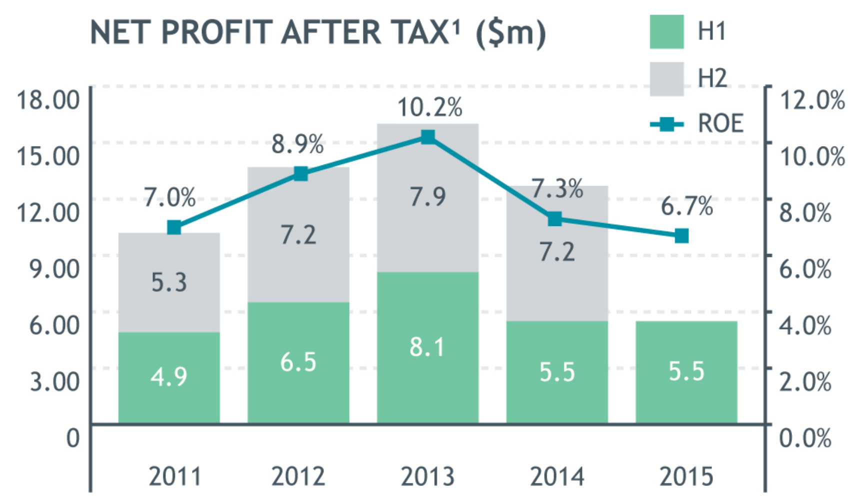
[1] Excludes aviation operation in 1H14
[2] Before transaction costs, restructuring costs and fair value adjustment to contingent consideration
[3] Before interest, restructuring costs and transaction costs
[4] If the Scheme of Arrangement with Recruit does not become effective, a dividend will still be payable but the Chandler Macleod Board may review and re-determine the amount of the dividend

METRICS REFLECT MARKET CONDITIONS









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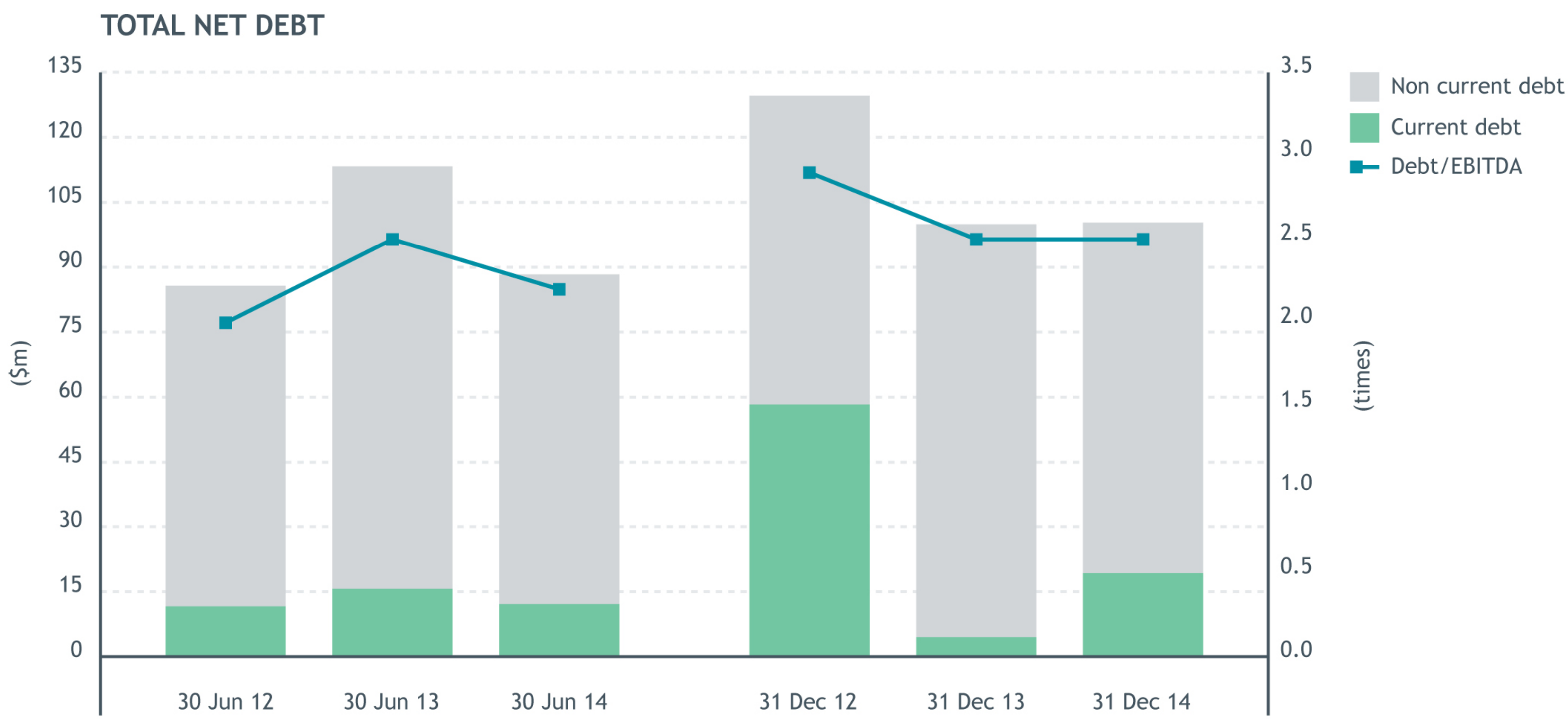
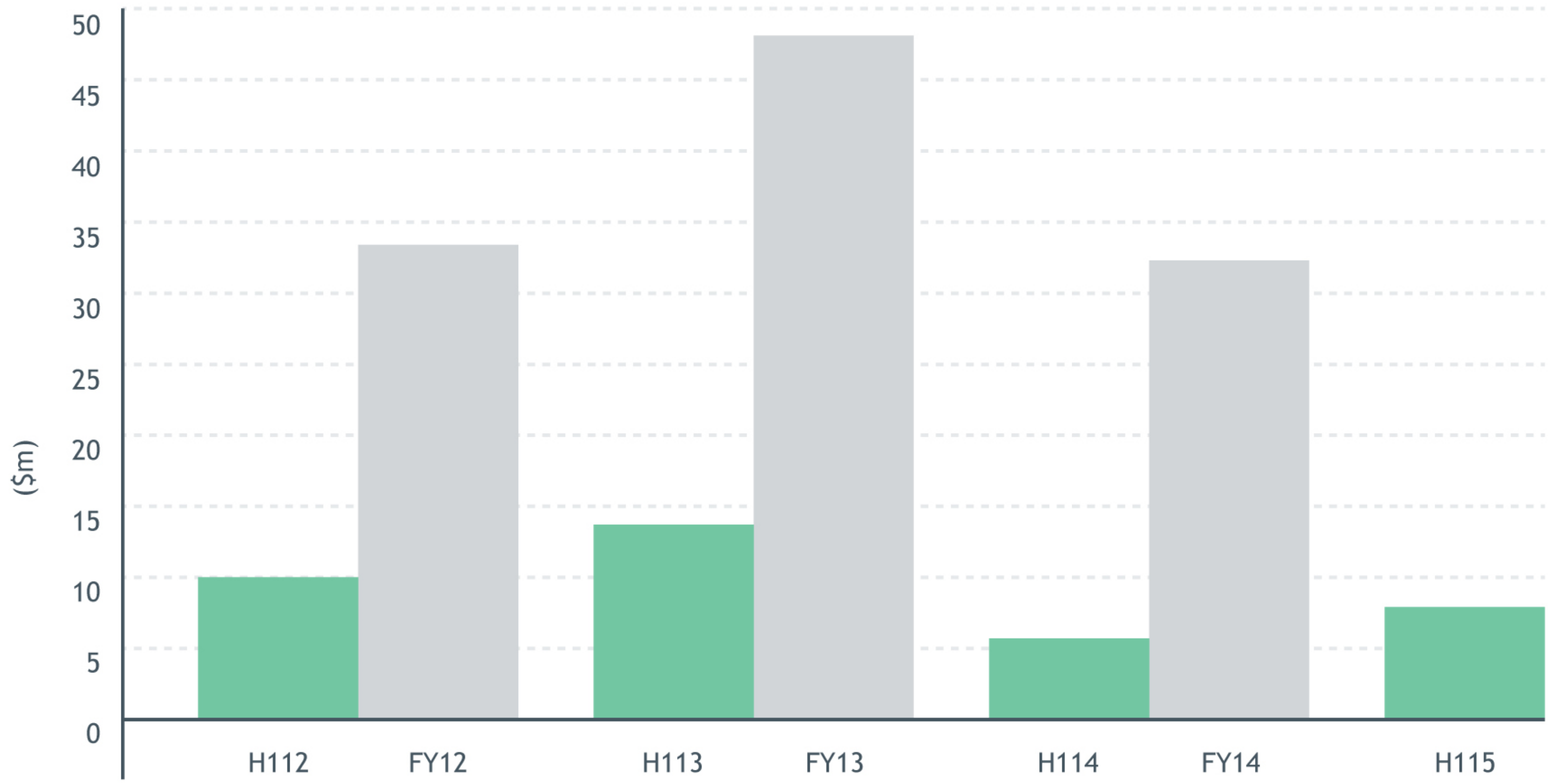
DEBT LEVELS STABLE



OPERATING CASHFLOW IMPROVED



OUTLOOK

- Our commitment to safety creates competitive advantage
- Our strategy to build a diversified business continues to improve sustainability and growth of earnings
- AHS, Vivir and Aurion have very strong pipelines and are positioned for further growth
- Steady improvement in hours worked in Staffing Services
- Reshaping of Staffing Services business continues to respond to changing customer needs and economic cycles
- A strong focus on profitability, and further productivity and efficiency gains planned for Staffing Services over FY15 and FY16
- Cashflow is expected to remain strong