

Half Year Results

31 December, 2014

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Financial Summary

FINANCIAL SUMMARY	H1 FY15 vs H1 FY14	H1 FY15	H2 FY14	H1 FY14	H2 FY13	H1 FY13
Total Revenue (\$m)	+0.5%	102.2	96.3	101.7	111.2	126.5
NDR (Gross Margin)						
Statutory (\$m) ¹		19.3	18.8	107.1	18.1	21.6
Underlying (\$m) ²	+4.9%	19.3	18.7	18.4	18.1	21.6
EBITDA						
Statutory (\$m) ^{1,3}		0.9	0.1	89.1	(2.3)	0.1
Underlying (\$m) ^{2,4}	+50.0%	0.9	0.7	0.6	0.3	1.3
NPAT attributable to equity holders						
Statutory (\$m) ^{1,3}		(0.6)	(1.6)	86.0	(12.2)	(12.2)
Underlying (\$m) ^{2,4,5}	0.0%	(0.5)	(0.5)	(0.5)	(1.9)	(1.5)

1. Includes gain on debt forgiveness in H1FY14 of 88.6m and abnormal revenue in H1FY14 of \$0.1m
2. Excludes gain on debt forgiveness in H1FY14 of 88.6m and abnormal revenue in H1FY14 of \$0.1m
3. Includes restructuring costs of \$Nil (H1FY14: \$0.2m - \$0.1m onerous lease provision, \$0.1m redundancy payments)
4. Excludes restructuring costs of \$Nil (H1FY14: \$0.2m - \$0.1m onerous lease provision, \$0.1m redundancy payments)
5. Excludes taxation relating to gain on debt forgiveness in H1FY14 of \$1.8m, notional interest on vendor liabilities of \$Nil (H1FY14: \$0.1m) and tax effect of \$0.1m (H1FY14: \$0.1m)

Overview of H1 FY15

Continued improvement in operating performance has been offset by higher interest costs as a result of planned re-investment back into the business.

- » **Stability in operating performance, evidenced by:**
 - » Revenue increased 0.5% on H1 FY14, and up 6.1% on H2 FY14
 - » NDR increased 4.9% on H1 FY14, and up 3.2% on H2 FY14
 - » Overall improvement in NDR, attributable to an improvement in permanent recruitment volumes and consultant productivity
 - » Underlying EBITDA increased 50% on H1 FY14, and 28.6% up on H2 FY14
 - » Underlying NPAT unchanged from H1 FY14 and H2 FY13
- » **Investment in consultant headcount across growth sectors and geographies**
 - » Group headcount increased by net 6%, or 11 consultants on the pcg

Overview of H1 FY15 (cont.)

» **Stability in cost base**

- » Rental expenses reduced by \$0.2m (13.2%)
- » Other expenses reduced by \$0.1m (2.0%)

» **Re-investment back into business**

- » Employee benefits increased \$1.0m or 8.4% as a result of an increase in consultant headcount
- » Entry and expansion continues in growth markets and sectors: Singapore, Insurance, Digital & Technology and Healthcare
- » Technology transformation project – estimated to deliver annual cost savings in excess of \$1.0m

» **Maximising existing brand value**

- » Continued drive on brand collaboration and aligned efficiencies

Capital Management

» Cash Flow

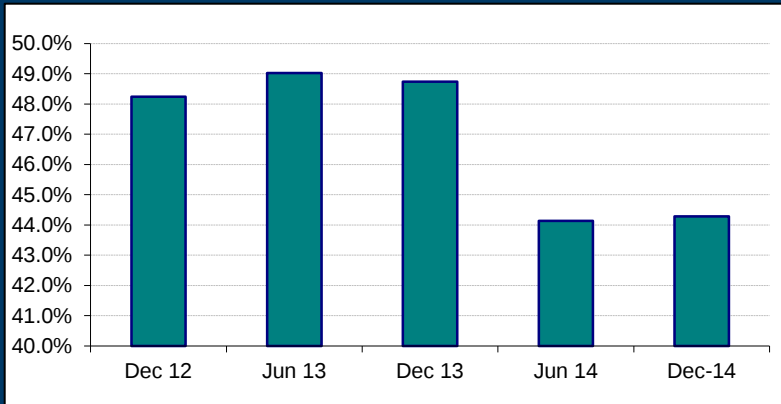
- » Operating cash flow before interest and tax was an inflow of \$0.4m compared to an outflow of \$4.1m in prior corresponding period
- » Operating cash flow after interest and tax was an outflow of \$0.8m compared to an outflow of \$5.1m in the same period last year

» Vendor Acquisition Model

- » No earn-out exit payments paid during this period
- » Estimated remaining earn-out payments of \$0.8m

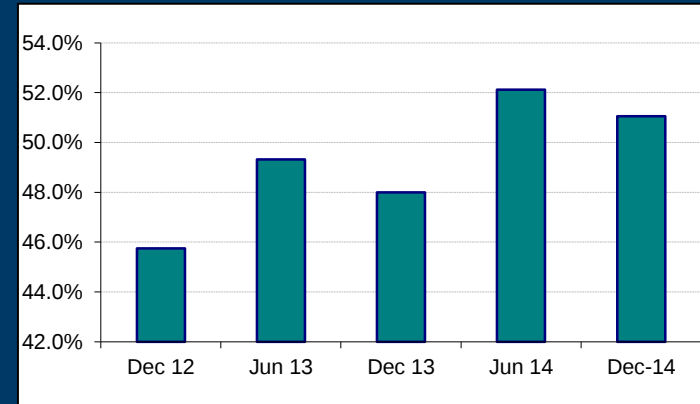
Key Operating Indicators

Other costs to NDR



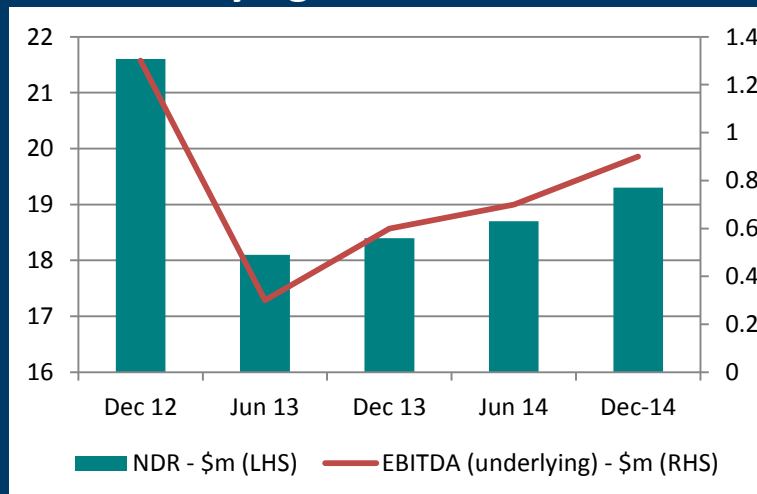
The operating cost structure has been optimised and stabilised ...

Consultant Costs to NDR



while at the same time, consultant productivity has improved ...

Underlying EBITDA to NDR

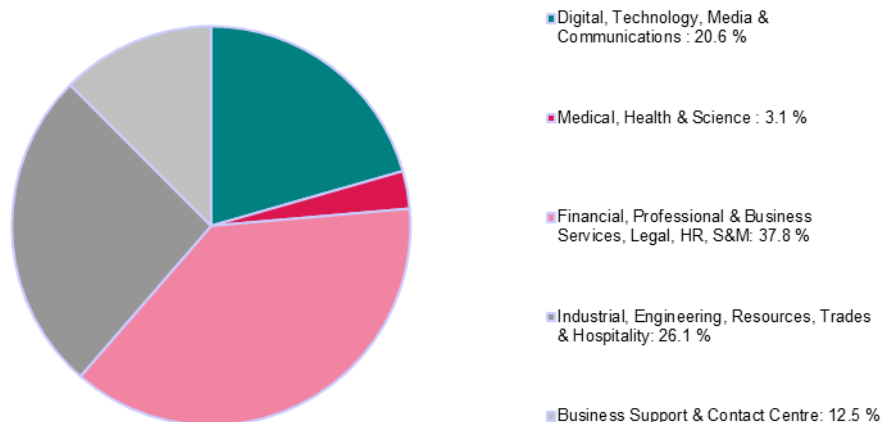


...resulting in improvement and consecutive growth in NDR and EBITDA

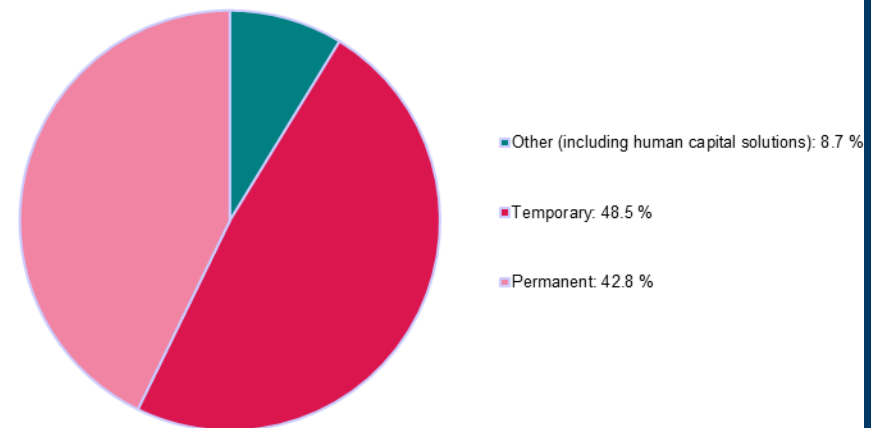
Business profile

- » Rubicor's customer focused brand strategy positions the Group to maximise market share, value and margins
- » Industry specialisation across our network of brands is a key market differentiator, adding value to clients and candidates
- » Our brands have the ability to scale according to client requirements and are backed by an enterprise level support framework

Industry

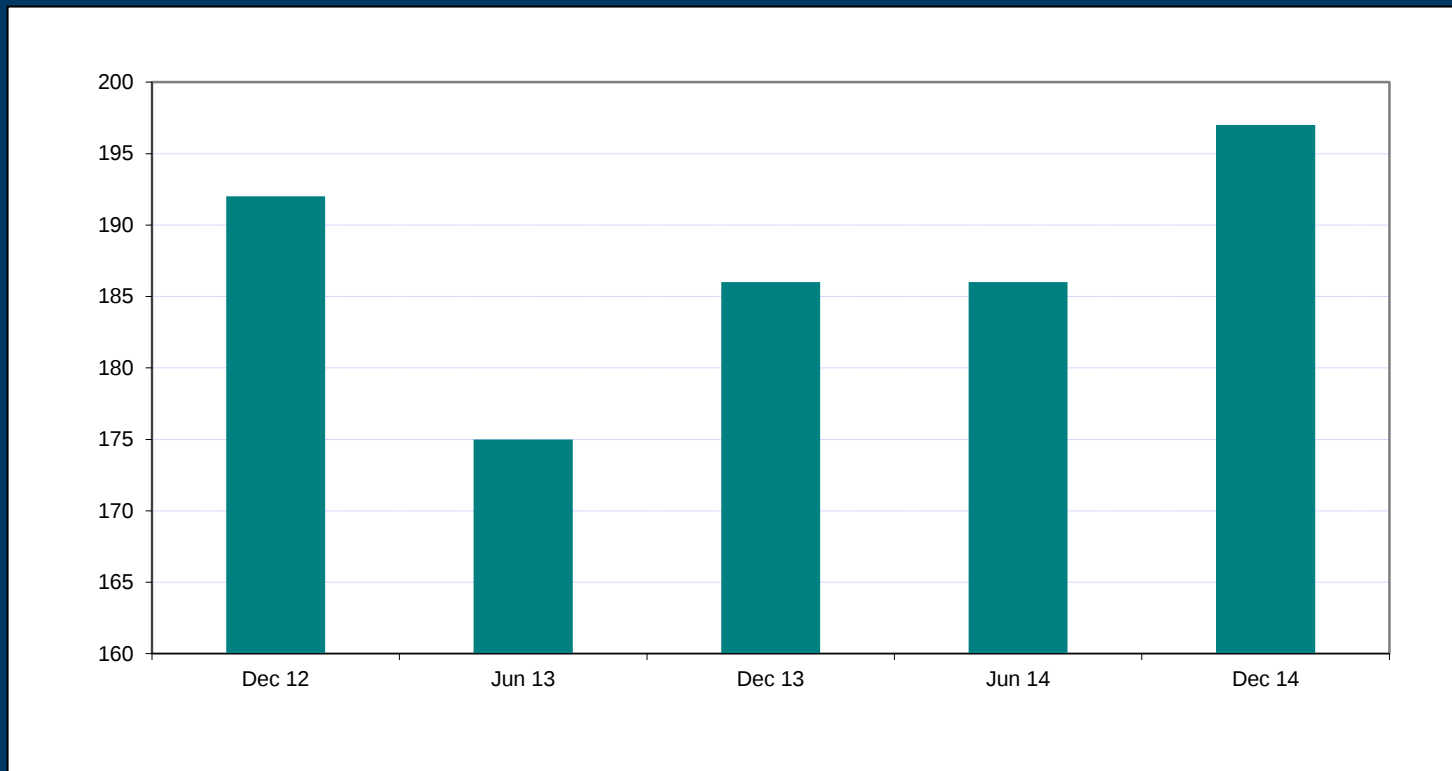


Service



Consultants

- » Re-investment in consultant headcount, with net growth of 11 consultants or 6% on June 2014 to fill strategic gaps across growth sectors and geographies



Total Consultant Numbers

Reconciliation of Statutory to Underlying performance

6 Months ended 31 December	2014	2013	Change
	\$M	\$M	%
Statutory revenue	102.2	190.3	-46.3%
Gain on debt forgiven	0.0	-88.6	
Other income	0.0	-0.1	
Underlying revenue	102.2	101.6	+0.6%
Statutory NDR (Gross margin)	19.3	107.1	-82.0%
Gain on debt forgiven	0.0	-88.6	
Other income	0.0	-0.1	
Underlying NDR (Gross margin)	19.3	18.4	+4.9%
Statutory EBITDA	0.9	89.1	
Gain on debt forgiven	0.0	-88.6	
Other income	0.0	-0.1	
Restructuring expense	0.0	0.2	
Underlying EBITDA	0.9	0.6	+50.0%
Depreciation	-0.3	-0.3	
Amortisation	-0.1	-0.1	
Underlying EBIT	0.5	0.2	+150.0%
Finance costs - borrowing costs amortisation	-0.2	-0.2	
Finance costs - interest & charges	-0.8	-0.4	
Underlying Profit Before Tax	-0.5	-0.4	-25.0%
Tax	0.1	0.1	
Cash interest on vendor liabilities	0.0	0.0	
Underlying NPAT	-0.4	-0.3	-33.3%
Underlying NPAT - Equity holders	-0.5	-0.5	0.0%
EPS (cents)	-0.5	-0.5	0.0%

Financial Position

	31 DEC 14	30 JUN 14	Change
	\$M	\$M	%
Cash	2.5	2.4	+6%
Receivables	23.6	24.3	-3%
Intangibles	1.4	0.8	+80%
Deferred tax asset	1.7	1.9	-10%
Other Assets	2.5	2.7	-5%
Total Assets	31.7	32.1	-1.0%
Current Liabilities			
Trade payables	15.9	16.6	-4%
Tax payable	0.0	0.1	-46%
Borrowings	12.4	10.4	+19%
Other liabilities	2.0	2.2	-6%
Non Current Liabilities			
Other liabilities	1.6	1.7	-8%
Deferred vendor consideration	0.8	0.8	0%
Total Liabilities	32.7	31.8	+3.0%
Net Assets	-1.0	0.3	
Net Asset Backing (cents per share)	-0.9	0.3	

Strategic Initiatives

- » Improvement in trends over the last three halves are directly attributable to the implementation of the Group's strategic plans over the past 18 months
- » Considered actions to drive performance over the short to medium term include:
 - » A managed increase in consultant headcount across specific sectors and locations
 - » Entry and/or further expansion in growth areas and geographies
- » Improved efficiencies and productivity across consultant base
- » Group technology and transformation project

Outlook

- » Weaker global and domestic conditions expected to have a flow on effect on hiring volumes and labour demands
- » We remain focused on building on the momentum of the improving trends from the last three halves
- » Successful implementation of technology platform
- » Continue to work to deliver an increase in shareholder value

Appendices

Statutory Performance

6 Months ended 31 December	2014	2013	Change
	\$M	\$M	%
Revenue	102.2	101.7	+0.5%
Gain on debt forgiveness	0.0	88.6	
NDR (Gross margin)	19.3	107.1	
EBITDA	0.9	89.1	
Depreciation	-0.3	-0.3	
Amortisation	-0.1	-0.1	
EBIT	0.5	88.7	
Notional interest on vendor liabilities	0.0	-0.1	
Finance costs - amortisation	-0.2	-0.2	
Finance costs - interest & charges	-0.8	-0.4	
Impairment charge	0.0	0.0	
(Loss)/Profit Before Tax	-0.5	88.0	
Tax	0.0	-1.8	
NPAT	-0.5	86.2	
NPAT - Equity holders	-0.6	86.0	
EPS (cents)	-0.5	78.5	

Reconciliation: Statutory to Underlying

	2014	2013
6 Months ended 31 December	\$M	\$M
Stat NPAT - Equity holders	-0.6	86.0
Significant items	0.0	-88.5
Significant non-cash items:		
Add back: Notional interest on vendor liabilities	0.0	0.1
Add back: Impairment charge	0.0	0.0
Deduct: Cash interest on vendor liabilities	0.0	0.0
Tax effect	0.1	1.9
Underlying NPAT - Equity holders	-0.5	-0.5

Overview of Rubicor's non-IFRS financial information

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

What 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.