

**Ambition Group Limited
Interim Report for the six months ended 30th June 2010
&
Appendix 4D information**

Major Cities | Major Disciplines

Results for Announcement to the Market

Confidence recovering and business model proving sustainable

The Directors are pleased to announce that Ambition Group Limited has returned to profitable trading during the first six months of 2010.

Following the dramatic downturn in activity in our markets during the global financial crisis, the first half of 2010 showed some early signs of a recovery in business confidence in Australia and Asia. Whilst the macro picture in the UK remains uncertain at best, the financial services sector in the City appears to be past its worst.

These factors, combined with a successful internal focus on productivity (the Group averaged slightly fewer recruitment consultants during 1H 2010 compared to 1H 2009) and cost efficiency, have helped Ambition to achieve much improved results compared with 12 months ago. Highlights of the six months ending 30th June 2010 are:

	30 June 2010 \$'000	30 June 2009 \$'000	Change \$'000	Change %
Revenues from ordinary activities	48,903	45,648	3,255	7%
Profit / (Loss) before tax	1,474	(281)	1,755	625%
Profit / (Loss) after tax attributable to members	1,036	(637)	1,673	263%
Basic earnings / (Loss) per share (cents per share)	1.54	(1.21)	2.75	227%

The external client environment experienced by all our offices showed markedly mixed fortunes, with many areas displaying a 'two-speed economy'. Nevertheless, more organisations were prepared to move ahead with employment decisions, especially with regard to permanent hires.

The Directors are pleased that the demand for our services has begun to rebound as shown by an increase in sales in Australia and Asia, with the UK stabilising somewhat. Nick Waterworth, Executive Chairman of Ambition commented: "it's evident that there is continuing need for high quality, specialist recruitment consultants. The technology landscape is evolving rapidly, businesses are changing, however the need to acquire and retain top calibre talent remains a top priority for most organisations and therefore recruitment firms that are genuinely working as trusted advisors for their clients and candidates will prosper."

"Specialisation, a closely inter-linked international network and a fervent pursuit of tailored solutions and rapid response times will hold us in good stead in the years to come" Waterworth concluded.

Ambition has zero debt and a solid cash position. The Directors have not declared a dividend.

Enquiries: Nick Waterworth: +61 2 9249 5004

Ambition is a careers, recruitment and contracting Group with offices in Sydney, Melbourne, Brisbane, London, Hong Kong and Singapore. We specialise in a number of major white-collar disciplines with particular expertise in accounting, information technology, banking, audit, risk and marketing, plus executive search and career transition management.

Directors' Report

The Directors present their report on Ambition Group Limited and its Controlled Entities for the half-year ended 30 June 2010 as follows:

Directors

The names of Directors in office at any time during or since the end of the period are:

Nick Waterworth
Paul Lyons
Paul Young
Andrew Adamovich

All Directors held office from the start of the period to the date of this report.

Dividends

The Directors have declared that there will be no interim dividend for 2010.

Review of operations

Financial results

Operating revenues of \$48,903,000 were up from \$45,648,000 in the previous corresponding period. Profit before tax of \$1,474,000 was up from a loss of \$281,000 in the previous corresponding period. Profit after tax of \$1,040,000 was up from a loss of \$637,000 in the previous corresponding period.

Operational results

Australia and Asia showed early signs of recovery in business confidence in the first half of 2010, whilst although the situation in the UK remains uncertain, the financial services sector in the City appears to be past its worst. Internally Ambition has successfully driven productivity improvements across all regions increasing profitability.

Auditor's Independence Declaration

The auditor's independence declaration under section 307 of the Corporations Act 2001 is set out on page 4 for the half-year ended 30 June 2010 and forms part of this report.

Rounding off of amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Nick Waterworth
Executive Chairman



Paul Lyons
Group Managing Director

13 August 2010



Deloitte Touche Tohmatsu
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The Board of Directors
Ambition Group Limited
55 Clarence Street
SYDNEY, NSW 2000

13 August 2010

Ambition Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Ambition Group Limited.

As lead audit partner for the review of the financial statements of Ambition Group Limited for the half-year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

A handwritten signature in black ink, appearing to read "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read "Jason Thorne".

Jason Thorne
Partner
Chartered Accountants

Condensed Consolidated Income Statement for the half-year ended 30 June 2010	Note	30 June 2010 \$'000	30 June 2009 \$'000
Revenue	2(a)	48,903	45,648
Employee benefits expense		(15,576)	(13,065)
Indirect employment costs		(910)	(711)
On-hired labour costs		(25,361)	(27,593)
Payroll tax		(303)	(305)
Depreciation and amortisation expense	2(b)	(458)	(508)
Onerous contracts		-	(282)
Finance costs	2(b)	-	(46)
Advertising and marketing		(857)	(471)
Computer expenses		(356)	(255)
Rental expense on operating leases	2(b)	(1,260)	(1,548)
Other expenses		(2,348)	(1,145)
Profit / (Loss) before income tax expense		1,474	(281)
Income tax expense	3	(434)	(356)
Profit / (Loss) after income tax expense		1,040	(637)
Attributable to:			
Owners of the parent		1,036	(637)
Non controlling interest		4	-
Basic earnings / (loss) per share (cents per share)	4	1.54	(1.21)
Diluted earnings / (loss) per share (cents per share)	4	1.50	(1.21)

Condensed Consolidated Statement of Comprehensive Income for the half-year ended 30 June 2010	30 June 2010 \$'000	30 June 2009 \$'000
Profit for the period	1,040	(637)
Other comprehensive income:		
Exchange difference on translation of foreign operations	307	(676)
Income tax relating to components of other comprehensive income	-	-
Total comprehensive income / (loss) for the period	1,347	(1,313)
Total comprehensive income attributable to:		
Owners of the parent	1,343	(1,313)
Non controlling interest	4	-

The interim financial statements should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position as at 30 June 2010	30 June 2010	31 Dec 2009
Note	\$'000	\$'000
Current assets		
Cash and cash equivalents	4,569	3,795
Trade and other receivables	14,807	10,183
Current tax assets	-	496
Other current assets	578	534
Total current assets	19,954	15,008
Non-current assets		
Financial assets	-	2
Property, plant and equipment	920	1,047
Intangible assets	5 384	384
Deferred tax assets	1,784	1,197
Total non-current assets	3,088	2,630
Total assets	23,042	17,638
Current liabilities		
Trade and other payables	10,260	6,470
Current tax liabilities	542	-
Short-term provisions	953	1,519
Total current liabilities	11,755	7,989
Non-current liabilities		
Deferred tax liabilities	233	270
Long-term provisions	680	691
Total non-current liabilities	913	961
Total liabilities	12,668	8,950
Net assets	10,374	8,688
Equity		
Issued capital	46,871	46,311
Reserves	(2,913)	(2,999)
Accumulated losses	(33,608)	(34,624)
Non controlling interest	24	-
Total equity	10,374	8,688

The interim financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the half-year ended 30 June 2010

	Issued Capital \$'000	Accumulated Losses \$'000	Foreign Currency Translation Reserve \$'000	Equity Settled Employee Benefits Reserve \$'000	Attributable to owners of the parent \$'000	Non controlling interest \$'000	Total \$'000
Balance as at 1 January 2009	43,825	(27,043)	(2,407)	1,060	15,435	-	15,435
Profit for the period	-	(637)	-	-	(637)	-	(637)
Other comprehensive income for the period	-	-	(676)	-	(676)	-	(676)
Total comprehensive income for the period	-	(637)	(676)	-	(1,313)	-	(1,313)
Recognition of share based payments	-	-	-	247	247	-	247
Share placements net of costs	1	-	-	-	1	-	1
Shares issued under employee share plans	767	-	-	(767)	-	-	-
Balance as at 30 June 2009	44,593	(27,680)	(3,083)	540	14,370	-	14,370
Balance as at 1 January 2010	46,311	(34,624)	(3,709)	710	8,688	-	8,688
Profit for the period	-	1,036	-	-	1,036	4	1,040
Other comprehensive income for the period	-	-	307	-	307	-	307
Total comprehensive income for the period	-	1,036	307	-	1,343	4	1,347
Recognition of share based payments	-	-	-	339	339	-	339
Change in ownership interest*	-	(20)	-	-	(20)	20	-
Shares issued under employee share plans	560	-	-	(560)	-	-	-
Balance as at 30 June 2010	46,871	(33,608)	(3,402)	489	10,350	24	10,374

* Shares in a subsidiary were issued to an employee of the Ambition group for no value

The interim financial statements should be read in conjunction with the accompanying notes.

**Consolidated Statement of Cash Flows
for the half-year ended 30 June 2010**

	30 June 2010 \$'000	30 June 2009 \$'000
Cash flows from operating activities		
Receipts from customers	49,631	52,976
Payments to suppliers and employees	(48,493)	(52,891)
Income tax paid	59	(386)
Interest received	31	22
Interest and other costs of finance paid	-	(46)
Net cash provided by / (used in) operating activities	1,228	(325)
Cash flows from investing activities		
Payments to acquire plant and equipment	(202)	(43)
Payment for other non-current assets	(141)	(259)
Payments for acquisition of businesses	-	(4,173)
Net cash used in investing activities	(343)	(4,475)
Cash flows from financing activities		
Proceeds from issue of equity securities	-	-
Payment for share issue costs	-	(1)
Dividends paid	-	-
Net cash (used in) financing activities	-	(1)
Net increase / (decrease) in cash held	885	(4,801)
Cash at the beginning of the financial period	3,795	6,681
Effect of exchange rates on cash holdings in foreign currencies	(111)	(90)
Cash at the end of the financial period	4,569	1,790

The interim financial statements should be read in conjunction with the accompanying notes.

Notes to the Condensed Financial Statements

1. Basis of Preparation and Reporting

The half-year consolidated financial statements are general-purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 31 December 2009 and the public announcements made by Ambition Group Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those adopted and disclosed in the December 2009 financial statements.

The half-year financial statements do not include full disclosures of the type normally included in the annual financial statements.

The half-year final statements have been prepared on an accruals basis and based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which fair value accounting has been applied.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The Directors have elected under s.334(5) of the Corporations Act 2001 to apply AASB 2010-4 "Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13], even though the Standard is not required to be applied until annual reporting periods beginning on or after 1 January 2011."

	30 June 2010	30 June 2009
	\$'000	\$'000
2. Profit from operations		
(a) Revenue		
Recruitment services revenue	48,872	45,626
Interest received	31	22
	48,903	45,648
(b) Profit before income tax		
Profit from ordinary activities before income tax has been determined after:		
Finance costs		
- interest expense	-	46
	-	46
Depreciation and amortisation expense		
- depreciation of plant and equipment	321	391
- amortisation of intangibles	137	117
	458	508
Share based payments expense	380	300
Rental expense on operating leases - minimum lease payments	1,260	1,548

	30 June 2010	30 June 2009
	\$'000	\$'000
3. Income Tax		
Profit / (Loss) before income tax	1,474	(281)
Prima facie tax	442	(84)
Add tax effect of:		
- other non-deductible expenses	44	25
- tax assets not brought to account	19	-
Less tax effect of:		
- overseas tax differential	(183)	137
- under provision in prior period	112	278
Income tax expense attributable to Profit / (Loss) before tax	434	356

	Number '000	Number '000
4. Earnings per share		
Weighted average number of ordinary shares outstanding during the period used in calculation of basic and diluted EPS	67,171	52,552
Potential number of ordinary shares which may be treated as dilutive	1,769	663
Total potential ordinary shares	68,940	53,215
Basic earnings / (loss) per share (cents per share)	1.54	(1.21)
Diluted earnings / (loss) per share (cents per share)	1.50	(1.21)

	30 June 2010	31 Dec 2009
	\$'000	\$'000
5. Intangible assets		
Goodwill – at cost	-	29,634
Accumulated impairment	-	(29,634)
Computer software – at cost	1,122	978
Web development – at cost	693	691
Accumulated amortisation	(1,431)	(1,285)
	384	384
6. Net tangible assets	\$	\$
Net tangible asset backing per ordinary share	0.15	0.14

7. Events subsequent to reporting date

There were no events subsequent to the reporting date.

8. Contingent liabilities

There are no contingent liabilities.

9. Issuances of Equity Securities

Issued capital at 30 June 2010 amounted to \$46,871,000 (67,170,954 ordinary shares). The company issued 500,000 share options (2009: 2,300,000) over ordinary shares under its executive share option plan during the half-year reporting period. These share options had a fair value at grant date of \$0.37 per share option (2009: \$0.1993).

10. Other Information

The accounting policies, estimation methods and measurement bases used in this report are consistent with those used in the annual report. This report and the financial statements upon which it is based use the same accounting policies.

This report gives a true and fair view of the matters disclosed and is based on financial statements which have been reviewed by independent auditors. This entity has a formally constituted audit committee.

11. Segment reporting

	Australia		Asia		Europe		Group		Consolidated Entity	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segments										
(a) Revenue										
External revenue	30,672	29,353	5,920	3,711	12,280	12,562	-	-	48,872	45,626
Interest revenue	31	6	-	-	-	16	-	-	31	22
Total segment revenue	30,703	29,359	5,920	3,711	12,280	12,578	-	-	48,903	45,648
(b) Result										
Profit / (Loss) before income tax	1,740	842	1,249	103	(225)	(963)	(1,290)	(263)	1,474	(281)
Income tax (expense) / benefit	(633)	(314)	(188)	(256)	-	135	387	79	(434)	(356)
Profit / (Loss) after income tax	1,107	528	1,061	(153)	(225)	(828)	(903)	(184)	1,040	(637)

There have been no changes in basis of segmentation or basis of segmental profit or loss since the previous financial report.

Directors' Declaration

The Directors of the company declare that:

1. The financial statements and notes as set out on pages 5 to 12
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Signed in accordance with a resolution of the Directors' made pursuant to s.303(5) of the Corporations Act 2001



Nick Waterworth
Executive Chairman



Paul Lyons
Group Managing Director

Dated 13th of August 2010



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Independent Auditor's Review Report to the Members of Ambition Group Limited

We have reviewed the accompanying half-year financial report of Ambition Group Limited which comprises the condensed statement of financial position as at 30 June 2010 and the condensed income statement, the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and the Directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 13.

Directors' Responsibility for the Half-Year Financial Report

The Directors of Ambition Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ambition Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ambition Group Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Jason Thorne
Partner
Chartered Accountants
Sydney, 13 August 2010