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ASX RELEASE: ROSS HUMAN DIRECTIONS LIMITED (ASX:RHD)

RHD REPORTS 45% INCREASE IN UNDERLYING NPAT

Ross Human Directions Limited (RHD) today announced a normalised Net Profit after Tax (NPAT) substantially above the prior corresponding period (pcp) in line with the trading update provided to the market on 19 October 2010.

RHD reported a normalised NPAT of \$4.087 million for the six months ended 31 December 2010 which is an improvement of 45% compared to the six months ended 31 December 2009.

The NPAT has been normalised for the six months to exclude the significant transaction costs (net of tax) incurred by RHD in connection with the terminated Peoplebank offer and the successful acquisition by Chandler Macleod Group Limited (CMG).

The performance improvement was driven by revenue growth of \$14.5 mil (8% higher than the pcp) to \$198.865 mil for the 6 months to 31 December 2010.

Gross margins improved compared to pcp from 15.3% to 16.2% due to higher margins achieved in the non-recruitment business plus a change in mix of the recruitment business towards an increase in permanent recruitment.

Underlying EBITDA has increased by 22% to \$7.1 million for the reporting period.

RHD's recently appointed Managing Director, Ian Basser commented "The RHD business has continued to grow its underlying profitability and we remain positive in regard to its performance. We are particularly pleased with the exciting opportunity offered with the acquisition by CMG as the two businesses are very complimentary. There is minimal customer overlap and each business has unique products which can be leveraged into the other's customer base. There are no intentions to change any of the key brands as each brand has strength within their own markets and with clients and candidates."

The balance sheet of RHD remains strong with a gearing (net of cash) of 7% compared to 9% for pcp.

Consistent with the disclosures by CMG in regard to its acquisition of RHD, no interim dividend has been declared by RHD.

Greg Coolahan
Company Secretary

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