



Servcorp Limited Analyst Presentation

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Six Months ended 31 December 2011

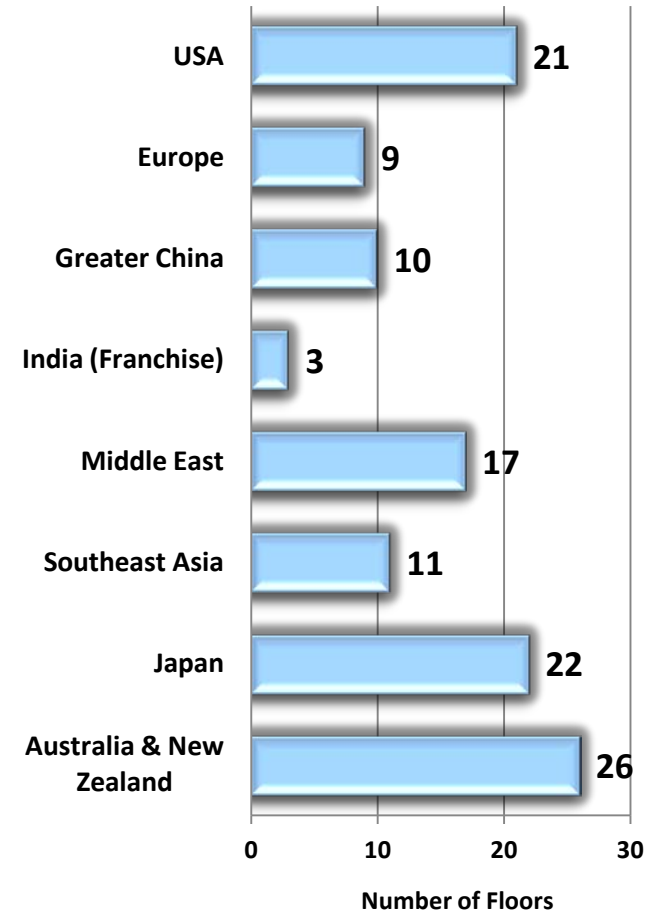
Tuesday 21 February 2012

 **SERVCORP**

Operational Highlights – H1 FY 2012

- Mature floor NPBT up 38% to \$18.52M – in line with guidance
- Immature floor loss down 22% to \$10.36M - in line with guidance
- NPBT of \$8.16M, up from \$0.12M
- Operating cash flow up 72% to \$15.19M
- Unencumbered cash balances of \$97.00M
- NTA backing of \$1.87 per share
- Interim dividend for FY 2012 up 50% to 7.5 cents per share, 50% franked
- 119 floors in 51 cities in 21 countries open as at 31 December 2011

**Total Floors Open
at 31 December 2011 = 119**



Financial Results – H1 FY 2012

Profit & Loss - Highlights

	H1 FY 2012 \$AUD 000's	H1 FY 2011 \$AUD 000's	%	Constant Currency %
Total revenue	99,381	89,360	11%	16%
Mature floor net profit before tax	18,523	13,465	38%	
Immature floor loss	(10,359)	(13,342)	(22%)	
Total net profit before tax	8,164	123	6,537%	6,471%
Tax	(1,765)	696		
Net profit after tax	6,399	819	681%	
Earnings Per Share (cents per share)	6.5 cps	0.8 cps	713%	
Dividend per share (cents per share)	7.5 cps	5.0 cps	50%	

Financial Results – H1 FY 2012

Cash flow Highlights

	H1 FY 2012 \$AUD 000's	H1 FY 2011 \$AUD 000's	%
Net operating cash flows	15,187	8,853	72%
Payments for property, plant & equipment	(6,723)	(18,934)	
Dividends paid	(4,922)	(4,922)	
Other cash flow items	1,063	1,720	
Increase / (decrease) in cash balances	4,605	(13,283)	
Cash balances at the end of the period	105,706	107,778	

Financial Results – H1 FY 2012

Balance Sheet - Highlights

	As at 31 December 2011 \$AUD 000's	As at 30 June 2011 \$AUD 000's	%
Cash balances	105,706	99,993	6%
Cash balance (unencumbered)	96,996	91,270	
Total Net Assets	198,460	192,612	3%
Net Tangible Assets (per share)	\$1.87	\$1.81	3%

Mature Business – H1 FY 2012

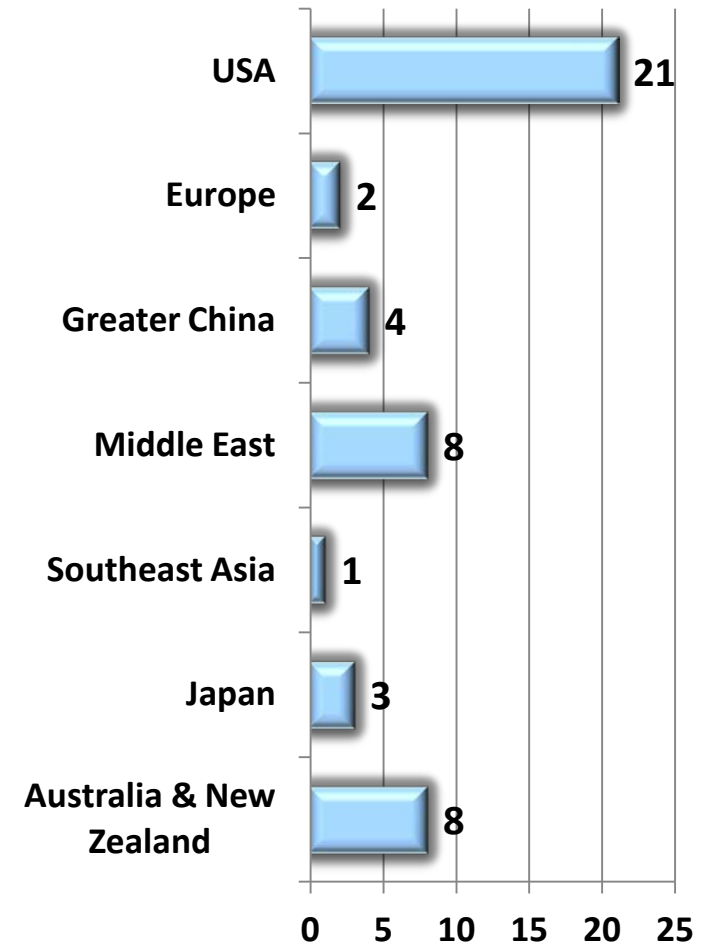
- Revenues and margins improved across most geographic segments
- This is despite the strength of the AUD throughout the period
- During the half the AUD increased by an average of:
 - 11% against the USD
 - 5% against the EUR
 - 3% against the JPY
- Cost cutting and streamlining initiatives undertaken in FY 2011 benefited the result in the half
- 3 floors reached maturity in Jeddah, London and Fukuoka
- Floors in both Jeddah and London now making profits
- Fukuoka trading close to cash flow breakeven
- Performance of these floors is encouraging
- Average mature floor occupancy remained stable at 78%

Immature Business – H1 FY 2012

- Immature floor revenue continues to increase modestly each month
- Management satisfied with the progress of the immature floor portfolio
- 47 floors were immature at 31 December 2011

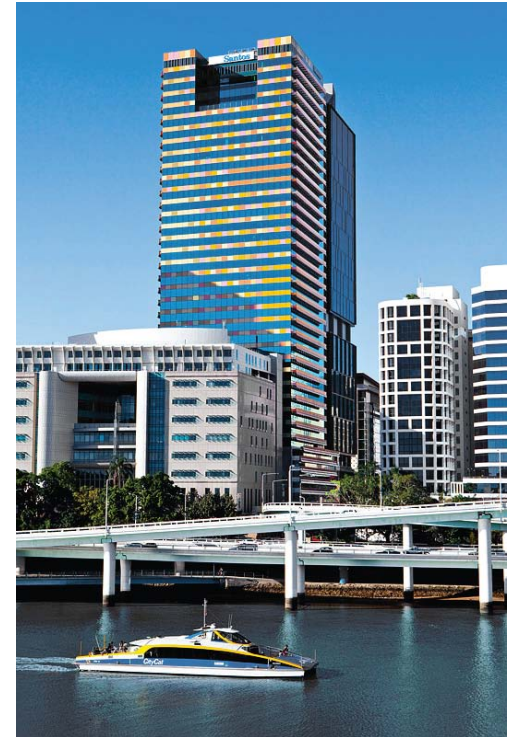


Immature Floors as at 31 December 2011 = 47



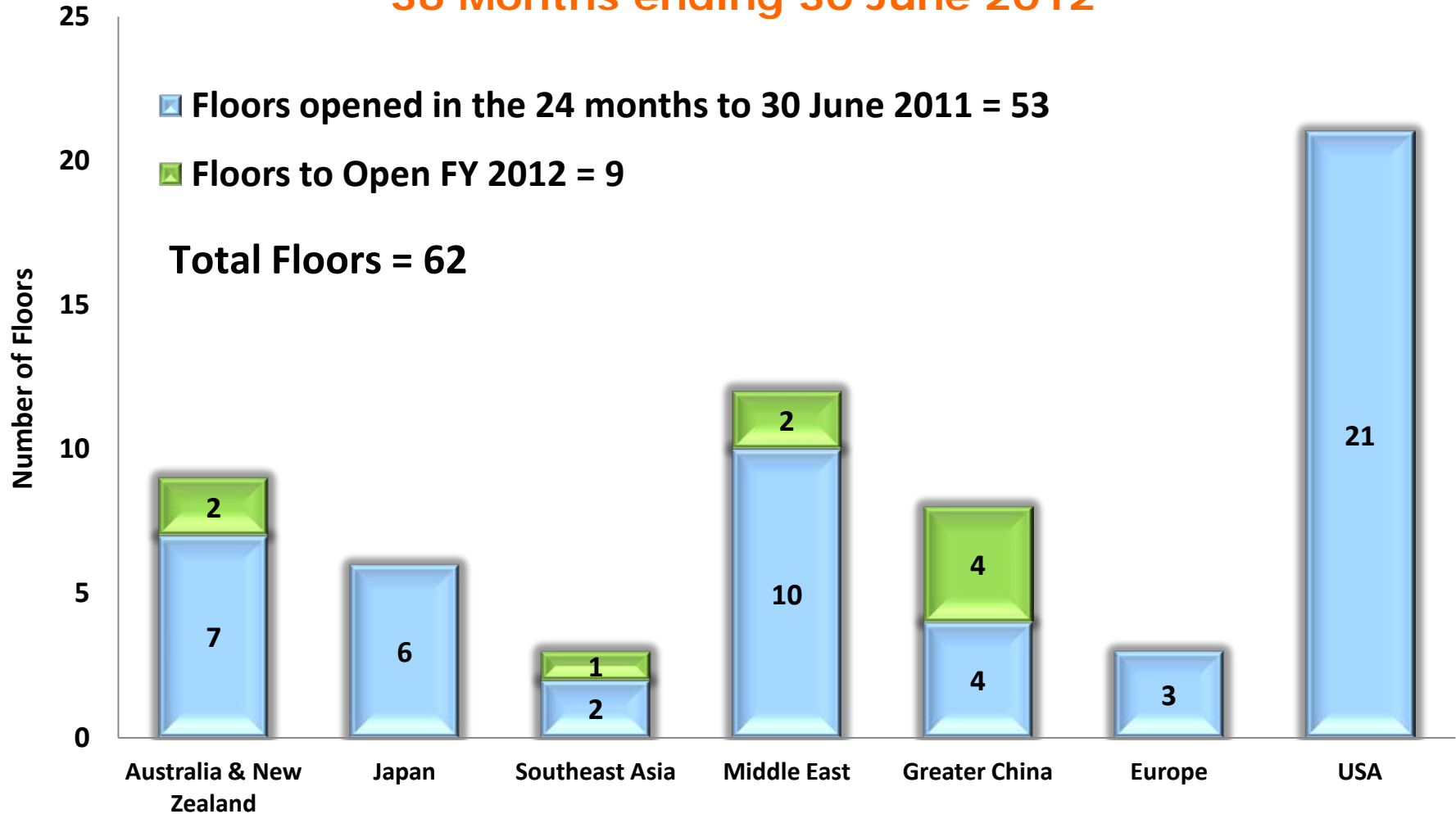
Global Expansion – Update

- Current strategy for FY 2012 is to:
 - Slow the pace of expansion
 - Consolidate operations in new and existing markets
- Original intention was to open no more than 15 floors in FY 2012
- Now opening a total of 9 floors due to:
 - Continued volatility in global markets
 - Continuing uncertainty in the USA and Europe
- Also expanding 2 floors in Jeddah & New York
- Total expected floor openings is now 62 by 30 June 2012



Global Expansion – Update

**Total Floor Expansion
36 Months ending 30 June 2012**



Operating Summary by Region H1 FY 2012

AUSTRALIA & NEW ZEALAND

Mature floors

- Performance of Australia and New Zealand continues to be strong

Immature floors

- One new floor opened in Brisbane
- Now 8 immature floors in the region

JAPAN

Mature floors

- Fukushima earthquake in March 2011 had a significant impact on businesses in Japan
- Management is very satisfied with performance in this market
- Floors opened in FY 2010 in Tokyo are performing well and making profits

Immature floors

- Now 3 immature floors in the region



Operating Summary by Region H1 FY 2012

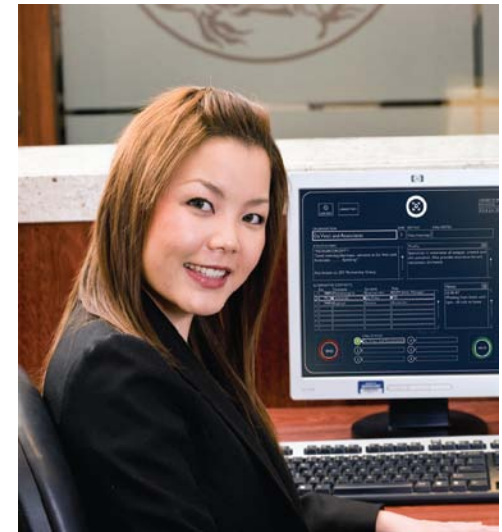
GREATER CHINA

Mature floors

- Growth continued throughout the half
- One floor closed in Hangzhou

Immature floors

- Two floors were opened in Shanghai and Guangzhou
- Now 4 immature floors in Greater China



SOUTHEAST ASIA

Mature floors

- Southeast Asia performed strongly
- Revenue and margins increased across the entire region
- A floor opened in Singapore in Jan 2011 is now making significant profits

Immature floors

- There is now 1 immature floor in this region

Operating Summary by Region H1 FY 2012

MIDDLE EAST

Mature floors

- Middle Eastern region continues to perform strongly
- Performance of Dubai and Abu Dhabi continues to be solid
- Doha has seen a marked increase in profitability and margins
- A floor in Jeddah became mature during the half and is now making profits
- Bahrain continues to be difficult. Servcorp is breakeven in this city

Immature floors

- One new floor opened in Doha during the half
- There are now 8 immature floors in this region



Operating Summary by Region H1 FY 2012

EUROPE

Mature floors

- Serviced Office market in Paris continues to be difficult
- Margins in both London and Brussels increased during the half
- One floor in London became mature in the half and is now making profits

Immature floors

- Two floors in this region were immature at 31 December 2011

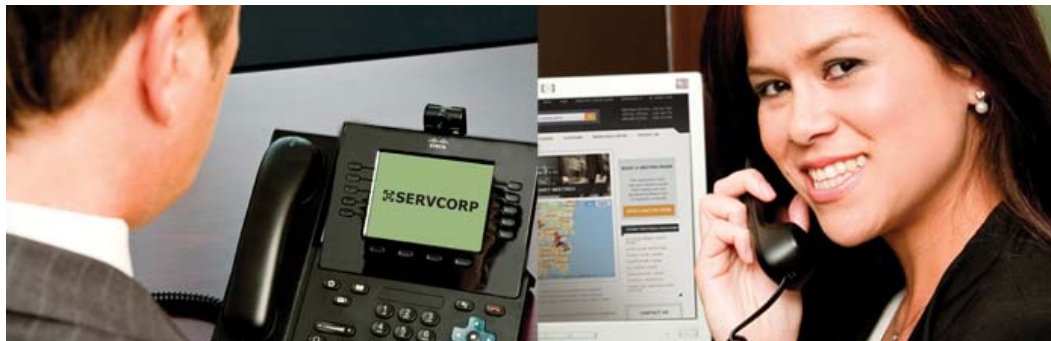


Operating Summary by Region H1 FY 2012

USA

Immature floors

- Servcorp continues to gain sales traction in the USA
- Operating revenue continues to increase on a monthly basis
- There is risk that:
 - The economy of the USA will not recover as quickly as anticipated;
 - Aggressive competition will impact the rate at which the business matures
- We are confident that our business model will succeed in this market



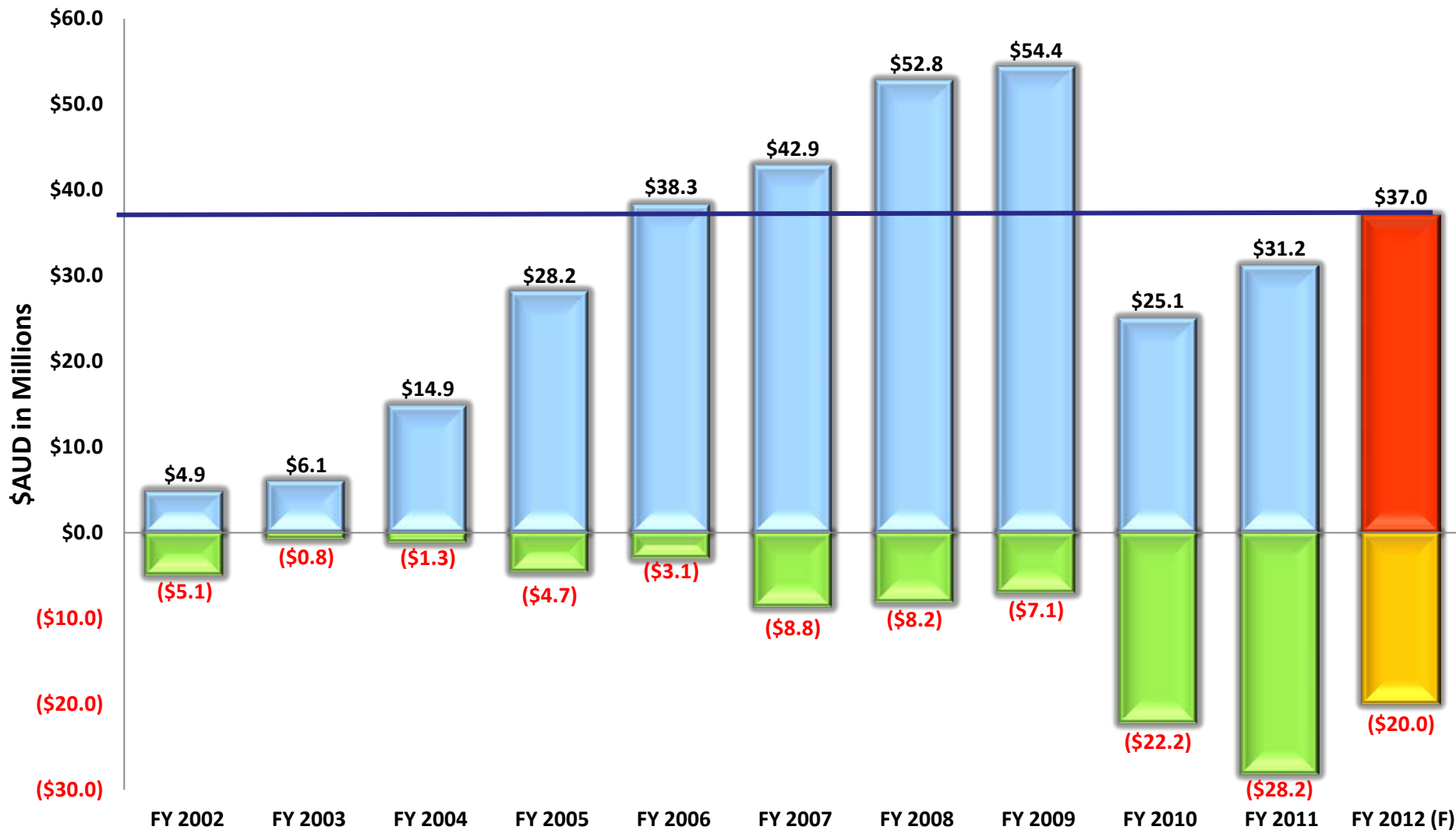
FY 2012 Outlook

- Management continues to remain cautiously optimistic about the outlook for Servcorp
- Revenue and margins expected to hold at current level for the remainder of FY 2012
- Management will focus on;
 - Consolidating the immature business
 - Increasing occupancy
 - Increasing utilisation of services across all floors
- Reaffirm guidance for FY 2012
 - Mature floor NPBT of \$37.00 M
 - Immature floor loss of \$20.00 M

[This forecast assumes currencies remain constant, global financial markets remain stable and no unforeseen circumstances]



Servcorp Limited Mature & Immature Net Profit Before Tax 10 Years ended FY 2011 & Forecast FY 2012



Dividend FY 2012

- Interim Dividend (declared) – 7.5 cents per share (50% franked)
- Final Dividend (anticipated) – 7.5 cents per share (expected to be 50% franked)

[This payment is subject to currencies remaining constant, global financial markets remaining stable and no unforeseen circumstances]

