



Servcorp Limited Annual General Meeting

Presented by Alf Moufarrige, CEO

& Thomas Wallace, CFO

Wednesday 16 November 2011

 **SERVCORP**

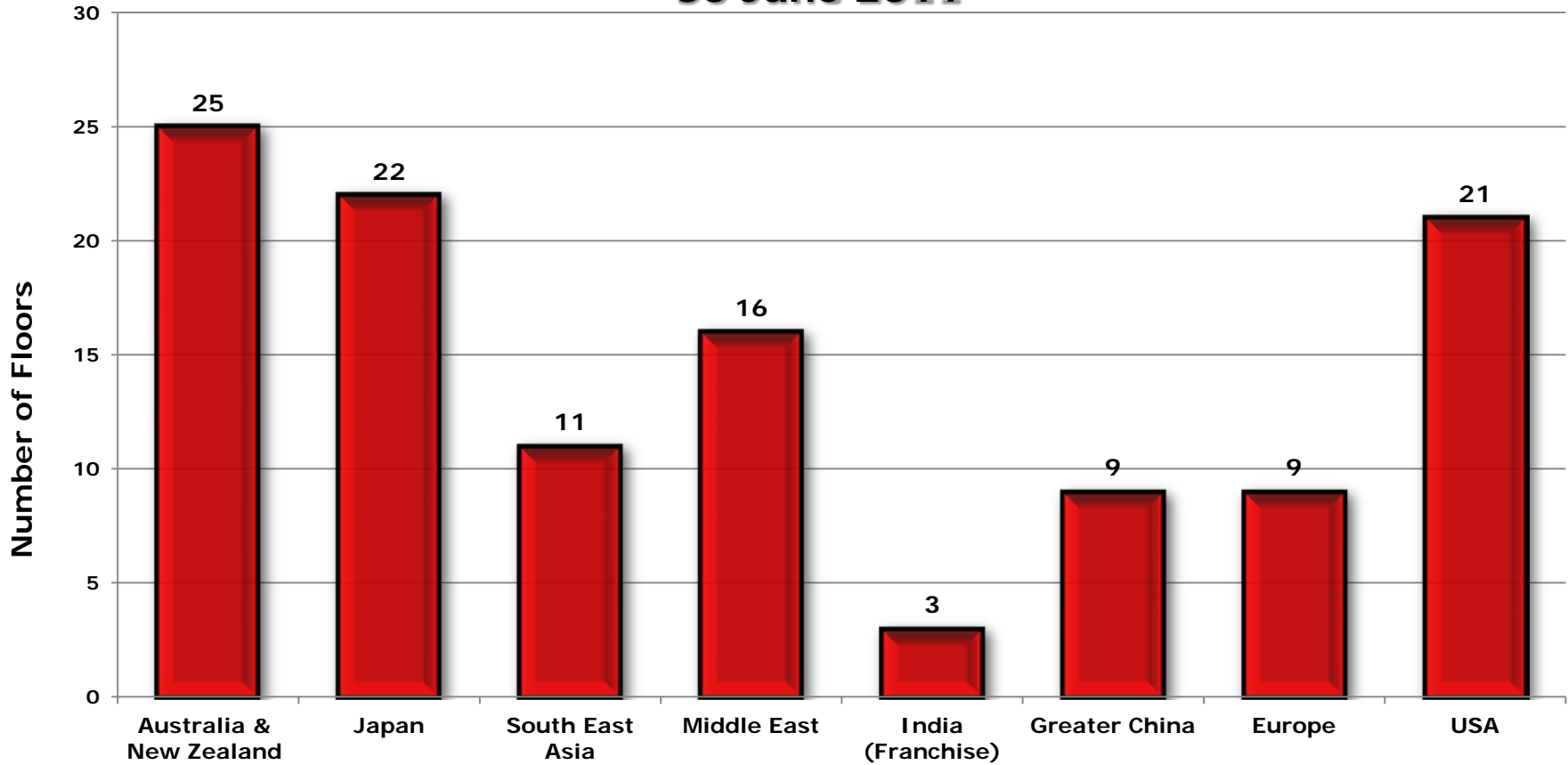
Operational Highlights - FY 2011

- Revenue up 8% to \$182.06M
- Mature floor NPBT up 24% to \$31.19M
- Immature floor loss of \$27.98M
- NPBT of \$3.04M up 6% on FY 2010
- Strong unencumbered cash balances of \$91.27M at 30 June 2011
- Solid net operating cash flow of \$18.79M
- Strong AUD reduced the cost of funding overseas Capex
- FY 2011 - biggest expansion year ever - 40 new floors
- 116 floors in 51 cities in 21 countries at 30 June 2011



Operational Highlights - FY 2011

**Total Floors by Region
30 June 2011**



Total Floors = 116

Financial Results – FY 2011

	FY 2011	FY 2010	%	Constant Currency %
	<i>\$AUD 000's</i>	<i>\$AUD 000's</i>		
Total Revenue	182,056	168,837	8%	13%
Mature Floor Net Profit Before Tax	31,191	25,126	24%	
Total Immature Floor Loss	(27,983)	(20,102)	39%	
Office Squared Gain / (Loss)	(172)	(2,149)		
Total Net Profit Before Tax	3,036	2,875	6%	(52%)

Financial Results – FY 2011

	As at 30 June 2011	As at 30 June 2010	%
	<i>\$AUD 000's</i>	<i>\$AUD 000's</i>	
Cash Balance (unencumbered)	91,269	121,030	(25%)
Net Assets	192,612	212,610	(9%)
Net Tangible Assets (per share)	\$1.81	\$2.01	(10%)
	FY 2011	FY 2010	%
Earnings Per Share (cents per share)	2.5cps	2.2cps	14%
Total Dividends (cents per share)	10.00cps	10.00cps	

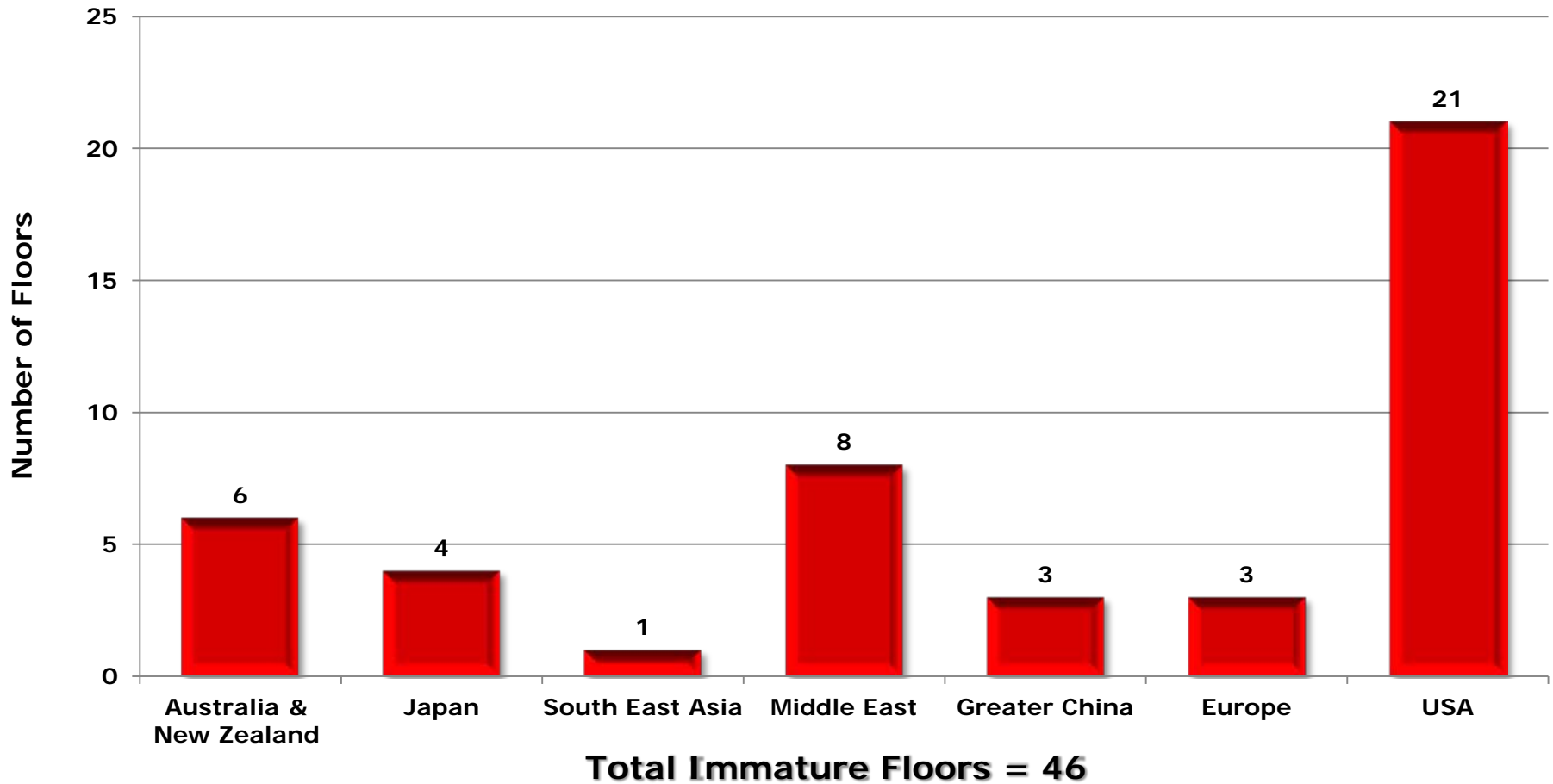
Mature Business – FY 2011

- Mature result of \$31.19M (guidance - \$30.00M)
- Challenging trading conditions in FY 2011:
 - natural disasters in Japan and Australia
 - turmoil on global financial markets
- Management is satisfied with the overall result
- 6 floors became mature in FY 2011
- Revenue and margins in H2 FY 2011 improved in several regions
- Australia & Southeast Asia continue to perform strongly
- Average mature floor occupancy increased to 79%



Immature Business – FY 2011

Immature Floors by Region 30 June 2011



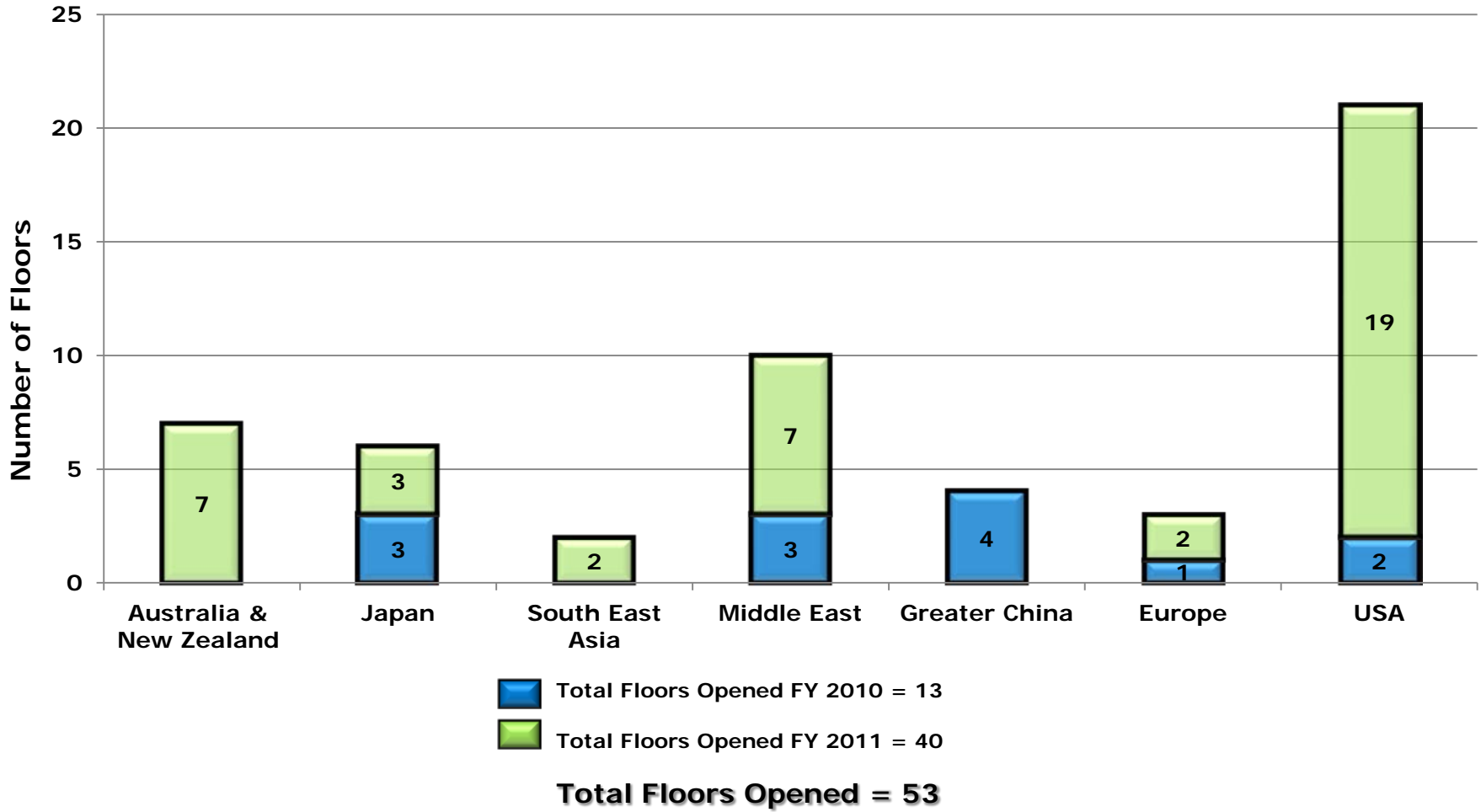
Immature Business – FY 2011

- Immature floor losses were \$27.98M for FY 2011
- Offsetting immature floor losses were cash incentives received of \$5.64M
- New floor Capex and Opex costs in line with budget expectations
- Executed majority of leases near the bottom of the market
- Servcorp should be competitive if global business confidence recovers
- Europe and the USA recovering slower than anticipated
- Immature floors in these regions have been adversely affected
- Management continues to have confidence in the Servcorp business model
- Focus on growing immature revenue



Global Expansion – Update

Total Floors Opened by Region 24 months ended 30 June 2011



Global Expansion – Update

- Satisfied with overall progress of new floor rollouts
- In FY 2012 we will slow the pace of expansion and consolidate
- Expect to open no more than 15 floors in FY 2012
- 68 floors expected to open in 36 months to 30 June 2012



Trading Update – Q1 FY 2012

- Trading conditions continued to be challenging in Q1 FY 2012
- Global financial markets continue to be highly volatile
- This continues to impact business confidence
- Mature and Immature results for Q1 FY 2012 are in line with guidance
- Opened two new floors in Q1 FY 2012:
 - Shanghai
 - Guangzhou



FY 2012 Outlook

- Management is cautiously optimistic about the outlook for Servcorp
- Anticipate revenue and margins to continue to improve during FY 2012
- Reaffirm guidance for FY 2012:
 - Mature floor NPBT \$37.00M
 - Immature floor loss of approximately \$20.00M

[This forecast assumes currencies remain constant and global financial markets remain stable]



Dividend FY 2011

- Dividends of 10.0 cents per share fully franked paid in FY 2011

Dividend Outlook – FY 2012

- Dividends of 15.0 cents per share expected to be paid for FY 2012 (Franking level expected to be at least 50%)

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