



Servcorp Limited

Analyst Presentation

Year ended 30 June, 2012

Tuesday 28 August, 2012

A.G. Moufarrige, Chief Executive Officer
Marcus Moufarrige, Chief Operating Officer

Operational Highlights

FY 2012

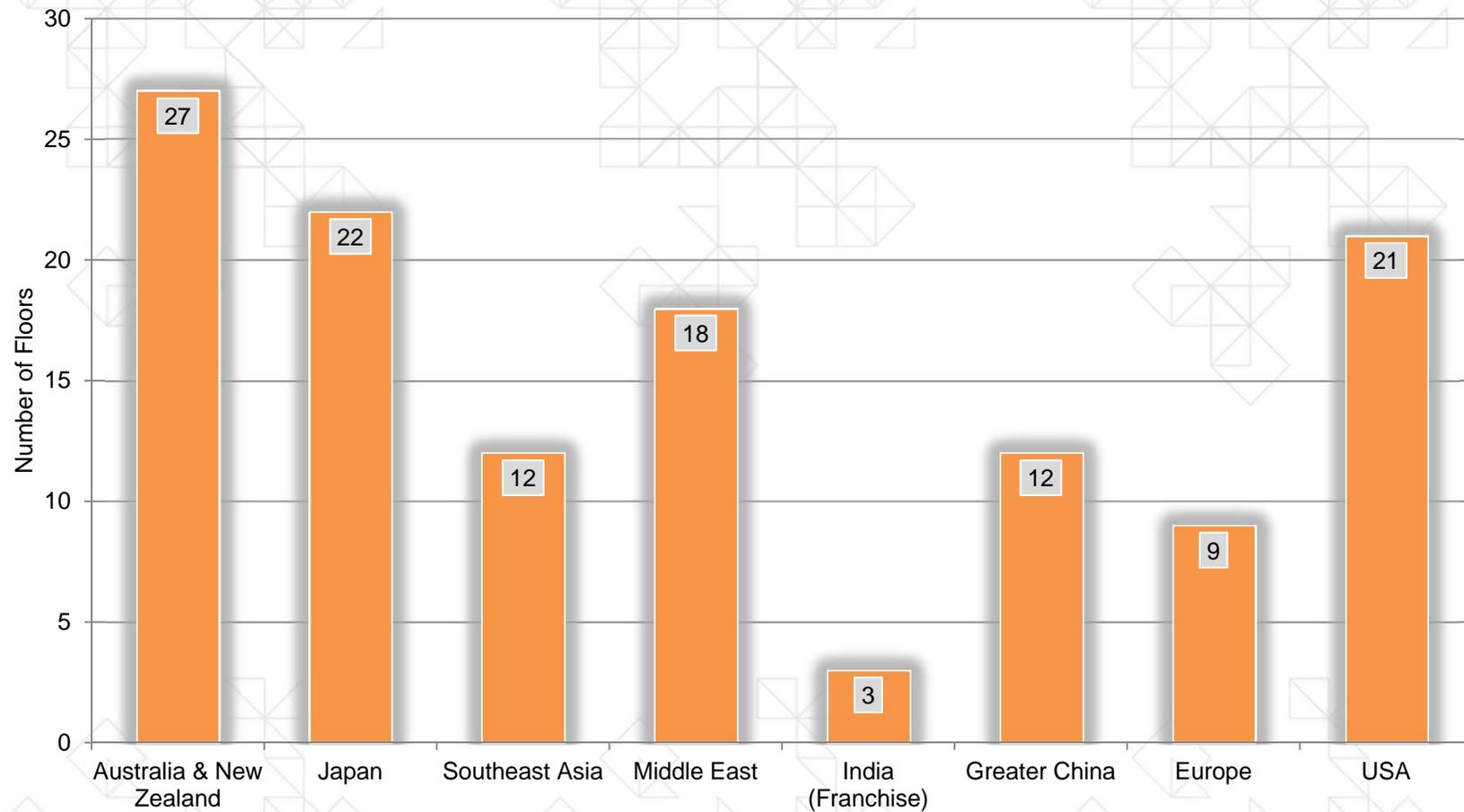
- Revenue of \$200,785,000, up 10% on FY 2011
- Mature NPBT up 20% to \$37,307,000, in line with guidance
- NPBT of \$18,329,000, 7% above guidance
- Operating cash flow up 70% to \$32,003,000
- Unencumbered cash balances of \$95,765,000
- NTA backing of \$1.87 per share
- Final dividend of 7.5 cps, 85% franked
- Total dividend of 15.0 cps, 67.5% franked
- Forecast NPBT of approximately \$27.00M for FY 2013
- Forecast dividend of 15.0 cps, fully franked for FY 2013



Operational Highlights

FY 2012

Total Floors at
30 June 2012 = 124



Financial Results

FY 2012

	FY 2012 \$AUD 000's	FY 2011 \$AUD 000's	%	Constant Currency %
Total revenue	200,785	182,056	10%	12%
Mature floor net profit before tax	37,307	31,019	20%	
Immature floor loss	(18,978)	(27,983)	(32%)	
Total net profit before tax	18,329	3,036	504%	503%
Tax	(3,528)	(543)	550%	
Net profit after tax	14,801	2,493	494%	

Financial Results

FY 2012

	As at 30 June 2012 \$AUD 000's	As at 30 June 2011 \$AUD 000's	%
Cash balances	104,334	99,993	4%
Cash balance (unencumbered)	95,765	91,269	5%
Total Net Assets	198,709	192,612	3%
Net Tangible Assets (per share)	\$1.87	\$1.81	3%
	FY 2012	FY 2011	%
Earnings per share (cents per share)	15.0 cps	2.5 cps	500%
Dividend per share (cents per share)	15.0 cps	10.0 cps	50%

Mature Business

FY 2012

- FY 2012 was a challenging year:
 - economically
 - commercially; and
 - from a trading point of view
- Competition in many markets continues to be aggressive
- We are encouraged by
 - Revenue growth of 10%
 - Mature profit growth of 20%
- Revenue and profit growth achieved despite the strong AUD
- Average mature floor occupancy stable at 78% (FY 2011: 79%)
- At 30 June 2012 there were 124 floors in 52 cities in 21 countries



Immature Business

FY 2012

- Immature floor revenue continues to increase modestly each month
- We are satisfied with the progress of immature floors, except in the USA;
 - Challenges experienced caused an initial lag in revenue growth
 - Revenue lag has impacted the rate of maturity of our USA floors
 - Overall USA revenue is approximately 12 months behind original projections
 - Revenue growth for the USA for FY 2012 is however on target
 - Immature USA floors will not become mature until 1 July 2013
 - 45 floors immature at 30 June 2012

Immature Business

FY 2012

Immature Floors by Region at
30 June 2012 = 45



Global Expansion

Update

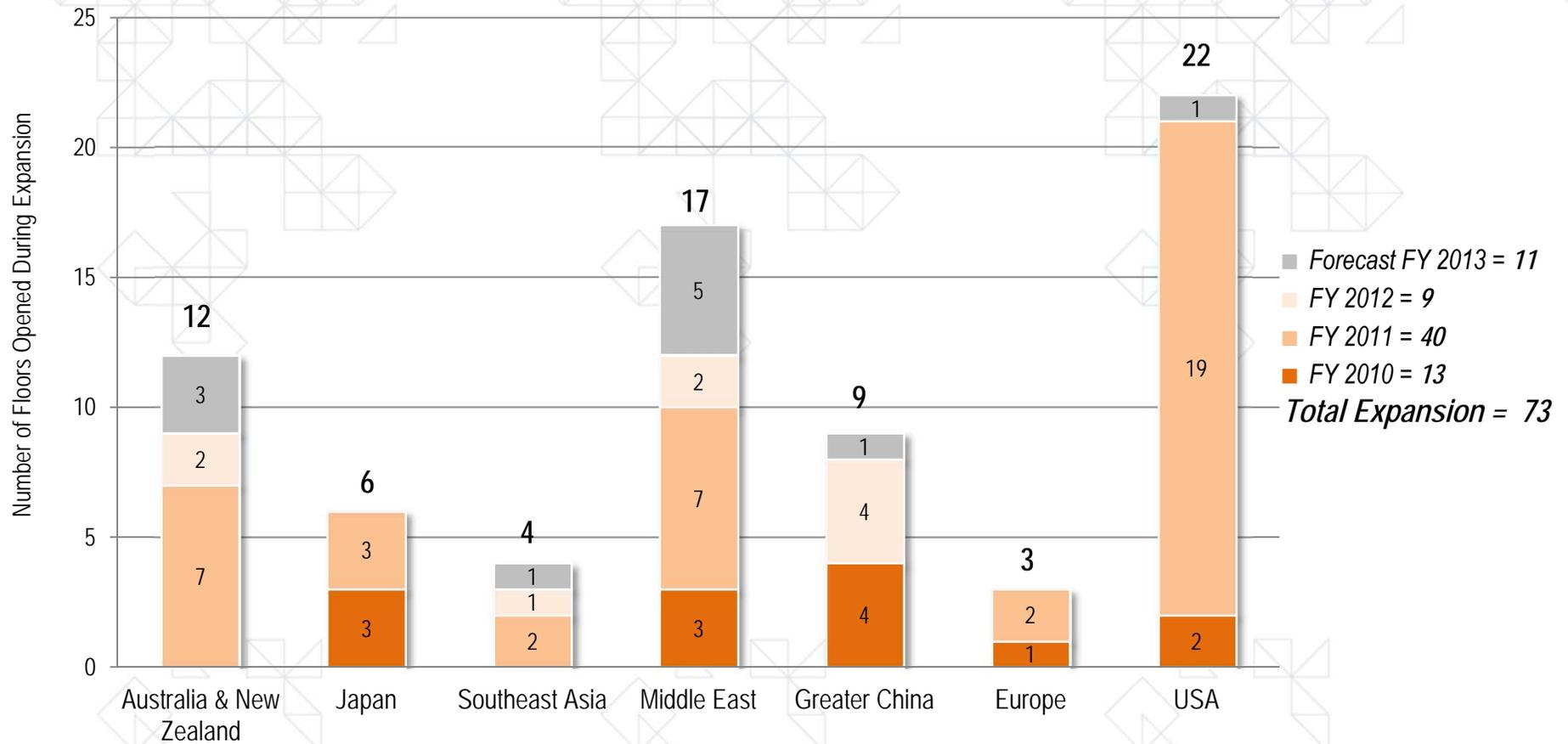
- FY 2011 was Servcorp's biggest expansion year ever, opened 40 floors
- Slowed expansion in FY 2012, opening 9 floors
- 62 new floors opened in the 36 months to 30 June 2012
- Anticipate opening approximately 11 floors in FY 2013



Global Expansion

Update

Total Floor Openings
48 months ending 30 June 2013



Operating Summary by Region

FY 2012

Australia & New Zealand

Mature floors

- Performance of Australia & New Zealand consistent with FY 2011
- Sydney and Melbourne continue to experience soft demand
- Perth and Brisbane continue to perform strongly
- Margins improved across New Zealand

Immature floors

- 2 new floors opened in Brisbane and Perth
- 8 immature floors at 30 June 2012



Operating Summary by Region

FY 2012

Japan

Mature floors

- Business confidence impacted by the earthquake in late FY 2011
- Levels of competition have increased, directly impacting pricing and margins
- We are satisfied with the operating results in this market
- Result includes closure cost of (\$0.87M) for a floor closing in FY 2013

Immature floors

- No new floors opened
- 2 floors immature at 30 June 2012



Operating Summary by Region

FY 2012

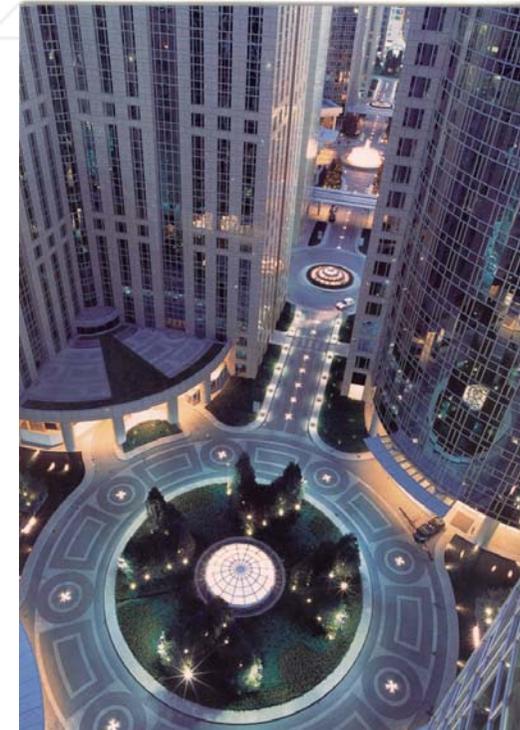
Greater China

Mature floors

- Growth momentum in China in FY 2011 has continued into FY 2012
- Increased pricing by Servcorp has led to an increase in margins
- Closed 1 floor during FY 2012

Immature floors

- 4 floors were opened in:
 - Shanghai, Guangzhou, Hangzhou & Chengdu
- 4 floors were immature at 30 June 2012



Operating Summary by Region

FY 2012

Southeast Asia

Mature floors

- All markets in Southeast Asia performed strongly
- Revenue and margins increased across the entire region

Immature floors

- 1 floor opened in Bangkok
- 2 floors immature at 30 June 2012



Operating Summary by Region

FY 2012

Middle East

Mature floors

- Results in the Middle East continue to improve
- Locations in UAE and Qatar continue to produce solid results
- A floor in Jeddah became mature during FY 2012
- Bahrain continues to be difficult, but Servcorp is breakeven in this city

Immature floors

- 2 new floors opened in Jeddah and Doha
- 8 immature floors in the region at 30 June 2012



Operating Summary by Region

FY 2012

Europe

Mature floors

- Margins in both London and Brussels improved in FY 2012
- The Serviced Office market in Paris continues to be soft
- 1 floor in London became mature

Immature floors

- No new floors opened in Europe
- 2 floors immature at 30 June 2012



Operating Summary by Region

FY 2012

USA

Mature floors

- 2 floors became mature in this region during FY 2012

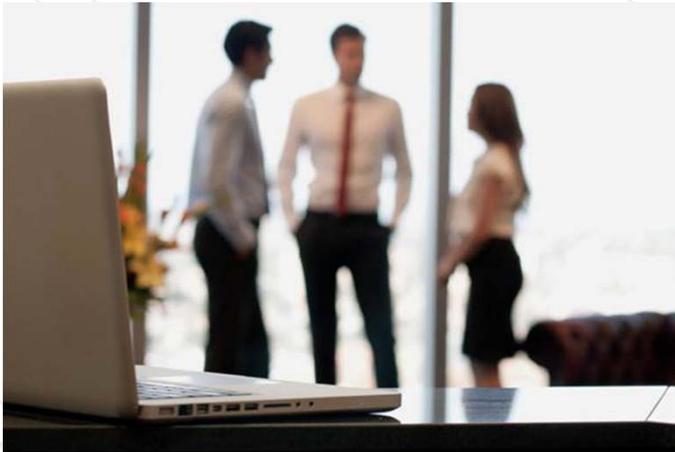
Immature floors

- Lag in revenue growth has impacted the maturity profile of floors
- Immature floors as a group will not mature until 1 July 2013
- Revenue in the USA, however, continues to increase each month
- We are comfortable that growth is now on the right trajectory
- 19 floors were immature in the USA at 30 June 2012



Buyback

- Servcorp announced today an on-market buy-back;
 - effective 11 September, 2012
 - to buy up to 5.0 million ordinary shares
 - for a maximum period of 12 months
- The Directors have decided to implement this buy-back;
 - to utilise surplus cash; and
 - to improve EPS for shareholders
- There is no guarantee that any shares will be bought back.
- No director (or entity associated with a director) will sell into the buy-back



Dividend

FY 2012

- Final dividend payable of 7.5 cents per share, 85% franked
- Total dividends in relation to FY 2012 of 15.0 cents per share, 67.5% franked

Dividend

FY 2013 Forecast

- Dividends of 15.0 cents per share, fully franked are expected to be paid for FY 2013

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

Outlook

FY 2013

- Global markets continue to be volatile and uncertain
- We remain optimistic for the outlook of Servcorp
- We will continue to grow the Servcorp footprint in established locations
- Expect NPBT to increase to approximately \$27.00M in FY 2013, an increase of approximately 50% compared to FY 2012

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