

21 February 2006

The Manager
Company Announcements Office
Australian Stock Exchange Limited
By electronic lodgement

*Servcorp reports six month Net Profit Before Tax of \$16.27 million –
an increase of 42%*
Dividend up 20% to 4.50 cents per share

Servcorp Limited (SRV) today announced a net profit before tax of \$16.27 million for the six months ended 31 December 2005, up 42% on the net profit before tax of \$11.47 million for the corresponding period to December 2004.

- ❑ Net profit after tax was \$11.89 million, up 42% on \$8.35 million in 2004.
- ❑ Earnings per share for the six months increased by 42% from 10.4 cents to 14.8 cents.
- ❑ Net profit before tax attributable to mature floors increased to \$18.37 million, up 43% from last year's \$12.82 million. As expected this was reduced by the net loss before tax on immature floors of \$2.10 million.
- ❑ Net profit before tax on mature floors includes the reversal of the Brussels floor closure provision of \$1.30 million which had been provided at 30 June 2005. Excluding this significant item, the net profit before tax attributable to mature floors was \$17.07 million, up 33%. This result is generally in line with the upgrade announced to the market on 25 January 2006.
- ❑ The Directors have declared a fully franked interim dividend, payable on 4 April 2006, in the amount of 4.50 cents per share, up 20% on the interim dividend paid for the six months ended 31 December 2004. Subject to no unforeseen circumstances, the Directors expect to increase the final dividend for financial year 2006 to 6.00 cents per share, fully franked.
- ❑ Cash generated from operating activities before tax increased by 29% to \$20.49 million for the six month period (2004: \$15.90 million).
- ❑ Cash and interest earning financial assets increased to \$52.44 million from \$50.15 million at June 2005.
- ❑ Average mature floor occupancy during the six months increased from 83% in 2004 to 85% in 2005.

Servcorp CEO, Mr Alf Moufarrige, believes that, subject to market conditions remaining as they are, net profit before tax on mature floors in the second half should mirror those of the first half, bringing forecast mature floor net profit before tax to approximately \$35.00 million for the full year to June 2006. Mr Moufarrige noted that mature floor profits will be tempered by losses in new locations as Servcorp continues to grow its business.

Depending on market conditions, Servcorp is scheduled to open 4 new floors, in Tokyo, Melbourne, Paris and Beijing in the second half of the financial year, and is looking for further expansion in Japan, Singapore, Australia, the Middle East and India.

At 31 December, Servcorp operated 56 floors spanning 18 cities in 11 countries and remains the leader in providing serviced offices and superior IT and business solutions.

For more information contact:

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