

21 August 2008

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

Dear Sir

**Servcorp Limited (SRV)
Full Year Results Presentation**

Enclosed is a copy of the 2008 Annual Results briefing presented at Servcorp's analyst presentation held at Level 12 MLC Centre, Sydney at 4.30pm this afternoon.

Yours faithfully



Greg Pearce
Company Secretary



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Over 60 locations worldwide. Australia - New Zealand - Japan - China - SE Asia - Europe - Middle East

Servcorp Limited ABN 97 089 222 506

Servcorp Limited Analyst Presentation

21st August 2008

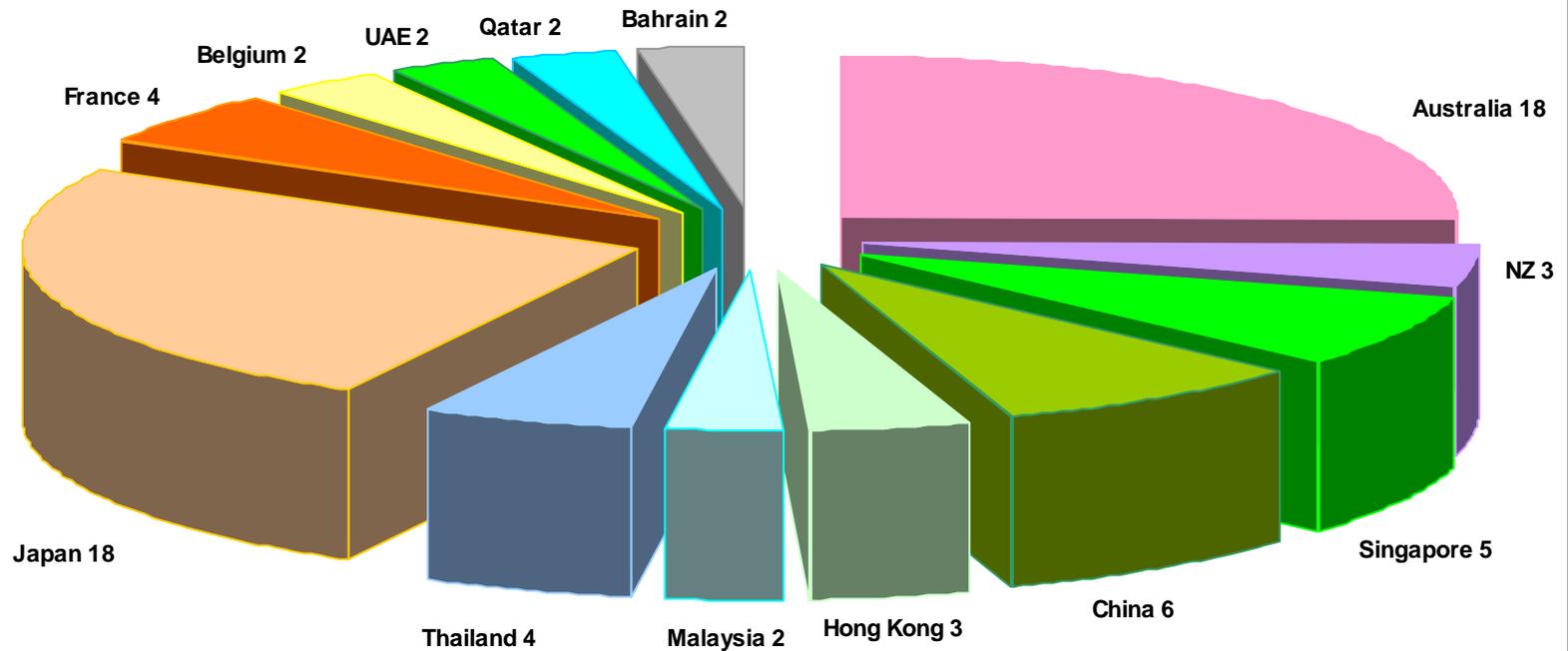
Financial Year ended 30th June 2008

**Taine Moufarrige, Executive Director
Marcus Moufarrige, CIO & CEO - Office²
Thomas Wallace, CFO**

Servcorp Background

- ▶ World's finest Serviced Offices and Virtual Offices
- ▶ Market leader – Excellence in every aspect of the business
- ▶ Product Differentiation – premium locations, technology, business services, people
- ▶ Number of clients – approximately 11,000
- ▶ Established 1978
- ▶ 13 Countries - 22 Cities -71 Floors
- ▶ Listed in October 1999

Servcorp Floors Geographic Spread



2008 Financial Highlights

			000's
▶ Revenue	Up 14%	to	\$190,142
▶ Mature floor profit	Up 23%	to	\$ 52,782
▶ Net Profit Before Tax	Up 31%	to	\$ 44,579
▶ Net Profit After Tax	Up 29%	to	\$ 33,834
▶ Negligible Debt			(\$ 270)
▶ Cash balance			\$ 73,716
▶ Earnings Per Share	Up 28%	to	\$0.42
▶ Net Tangible Assets	Up 18%	to	\$1.39

Thank you Senior Management

- ▶ Thomas Wallace, Chief Financial Officer – 8 years
- ▶ Susie Martin, General Manager Aus/NZ – 12 years
- ▶ Olga Vlietstra, General Manager Japan – 8 years
- ▶ Wilma Wu, General Manager Greater China – 7 years
- ▶ Laudy Lahdo, Senior Manager, Middle East – 6 years
- ▶ Samantha McArthur, Senior Manager, SE Asia – 8 Years
- ▶ Nicole Billett, General Manager Sales and Marketing – 2 years
- ▶ Liane Gorman, Training and Development Manager – 27 years

2008 Operational Highlights

- ▶ 9 new floors opened  capacity by 9%
- ▶ Hottdesk v2.7 introduced – Servcorp is no longer just a real estate business
- ▶ Virtual website launched in Australia and Japan
- ▶ Entry into two new markets, Chengdu & Qatar
- ▶ Successful launch of Franchising model in India-2 floors opened in 2008
- ▶ Successful rollout of Office² model in the Nexus pilot project
- ▶ First major signing of Office² deal in I-City Malaysia

2008 Operational Highlights

2007/2008 - 9 NEW FLOORS

▶ Chengdu	September 2007
▶ Sydney	January 2008
▶ Paris	January 2008
▶ Wellington	February 2008
▶ Bahrain	March 2008
▶ Sydney	May 2008
▶ Qatar	June 2008
▶ Beijing	June 2008

2008 Operational Highlights

- ▶ Hottdesk Version 2.7 introduced – Servcorp is no longer just a real estate business
 - ▶ Services and Solutions on-line in real time
 - ▶ Our clients control what they use, when they use it
 - ▶ Our clients control their costs
 - ▶ Our clients focus on their business
 - ▶ The world's first on-line Serviced Office

2008 Operational Highlights

- ▶ Virtual website launch in Australia
 - ▶ Sign up on-line
 - ▶ Automatic set up
 - ▶ Access to Hottdesk = access to Servcorp
 - ▶ 100 point security check
 - ▶ AML check

2008 Operational Highlights

- ▶ Entry into two new markets
 - ▶ Chengdu & Qatar
 - ▶ Middle East is our focus
 - ▶ Chengdu earthquake – Servcorp was there for our clients

2008 Operational Highlights

- ▶ Successful launch of Franchising model in India
- ▶ 2 floors opened in 2008
 - ▶ Mumbai and Hyderabad
 - ▶ More to come
 - ▶ No compromise on standards

2008 Operational Highlights

- ▶ OFFICE ² – Marcus Moufarrige
 - ▶ Successful rollout of Office² model in pilot project Nexus
 - ▶ First major signing of Office² deal in I-City Malaysia
 - ▶ Future forecast

Office Squared

21 August 2008



A little on Office Squared

- **Subsidiary of Servcorp:**
 - Community of 11,000
 - All connected by 1 Cisco network
 - All managed by 1 management system
 - All clients have “self management”
- **Increased income from commercial real estate:**
 - Servcorp has generated more income from subscription based telecommunications services

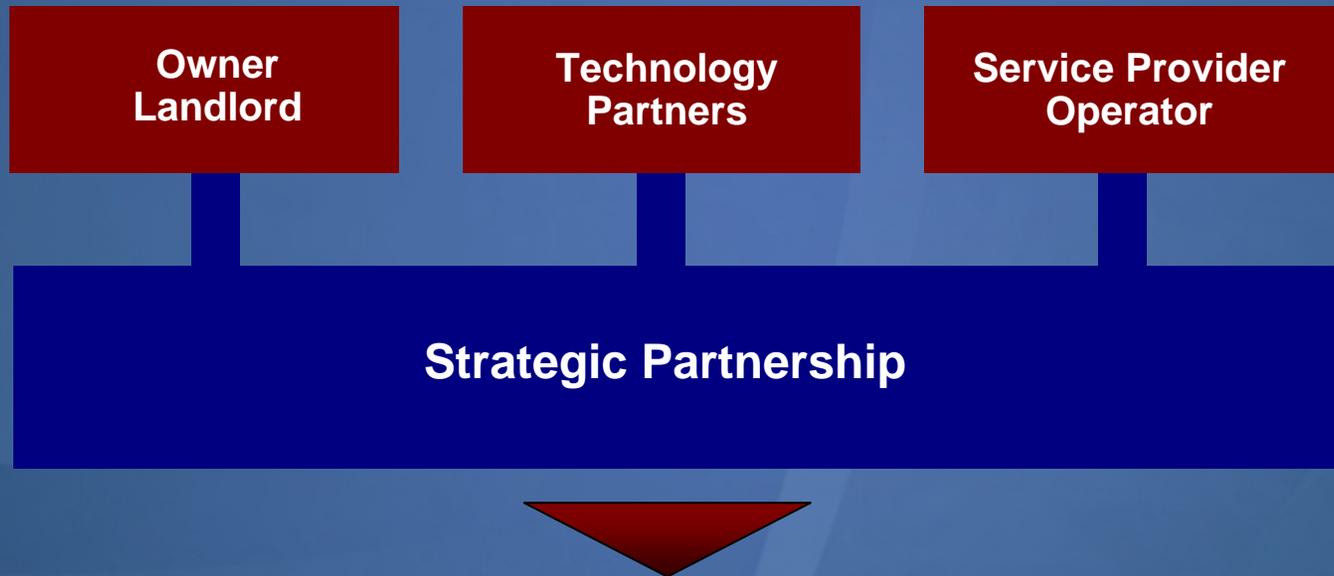


What do the tenants want?

1. Better connectivity at reduced cost
2. Seamless wireless access
3. Integrated ICT and building networks
4. Multimedia and collaborative tools
5. Fast set-up, straightforward facilities, no hassle
6. Geographical/ Spatial flexibility
7. Control of local environment and adaptable working space
8. Amenities and improved environmental performance of work space
9. Attracting and retaining staff

Source: Colliers International Office Tenants Survey 2006, "Tenants reveal their demands for tomorrow"

Acceleration of business value; founded on a deeper partnership



Key Outcomes of the Partnership:

- Shared technology vision
- Strong service center business model
- Sound financial model
- Clear deployment of roadmap

A little on Office Squared

Managing large scale managed networks:

- i-City
 - Technology Park
 - 50,000 knowledgeable workers
 - Stage 1: All SME's
 - Developer/ Office2 JV has ownership of entire network
 - TM and other carriers love working with us
- Nexus
 - Operating profit
 - 75% take up of Services
 - 30-40% Savings for end-user SME clients
 - Testimonials



Testimonials

Wanted to pass on my warmest thanks for the way you and the team have made my move to Nexus such a hassle free experience.

I anticipated all sorts of issues in setting up my phone lines, including internet service provider, however, the opposite was the case. **Phones were up and running within a fraction of the time Telstra had offered**, my handsets are state of the art, and at long last I no longer have my internet service dropping out like it did with Telstra's ADSL "service". And no more having to wait on hold for 20 minutes and then be transferred 5 times whenever I needed to call our nation's biggest carrier for assistance!

I've also noticed a drop in overall telecommunication and IT costs, and this includes access to the Cisco handsets – why would I ever buy this type of hardware again when I have the latest and best technology just a phone call away?

Compliments and thanks must also go to Liz and the rest of the team – great presentation, always a smile on offer, and my clients have made many positive comments about the new receptionist who's answering our phones.

Thanks again and I look forward to continuing to do business with you.

From Brett Abikhair: Real People Financial Services



Nexus at Norwest

- Only 12,000 sqm, 40 Suites, Strata title, 80% SME clients
- 75% take-up of our services
- Currently AUD 600K pa revenue after 6 months of operation; aiming for AUD1M
- Aiming for 400K profit pa
- Additional marginal income from telecommunications

Technology Partner-Owner-Operator Tripartite Relationship for i-City



Operator

One Stop Shop for Tenants:

- Telecom/IT Services
- Estate Management Services
- Security Services

Implementation primed
by Cisco Gold SI

CAPEX jointly owned
by i-City and Operator



Technology

Deliver:

- Network Infrastructure
- Systems/Applications
- System Integration Services

Real Estate Owner

Ownership:

- Management Decisions
- Infrastructure/Sys/Apps
- Leasing structure



Performance

- 07/08 Right on target -3m
- 08/09 - 3m again
- 09/10 Breakeven
- 10/11 Raining dollars
- Pipeline:
 - One major developer out of Singapore project in China
 - Same size as i-City
 - LOI Signed
 - Final protracted contract negotiations
 - Major multitenant portfolio
 - Heads of Agreement
- No. 1 Partner for Cisco around CRE monetisation

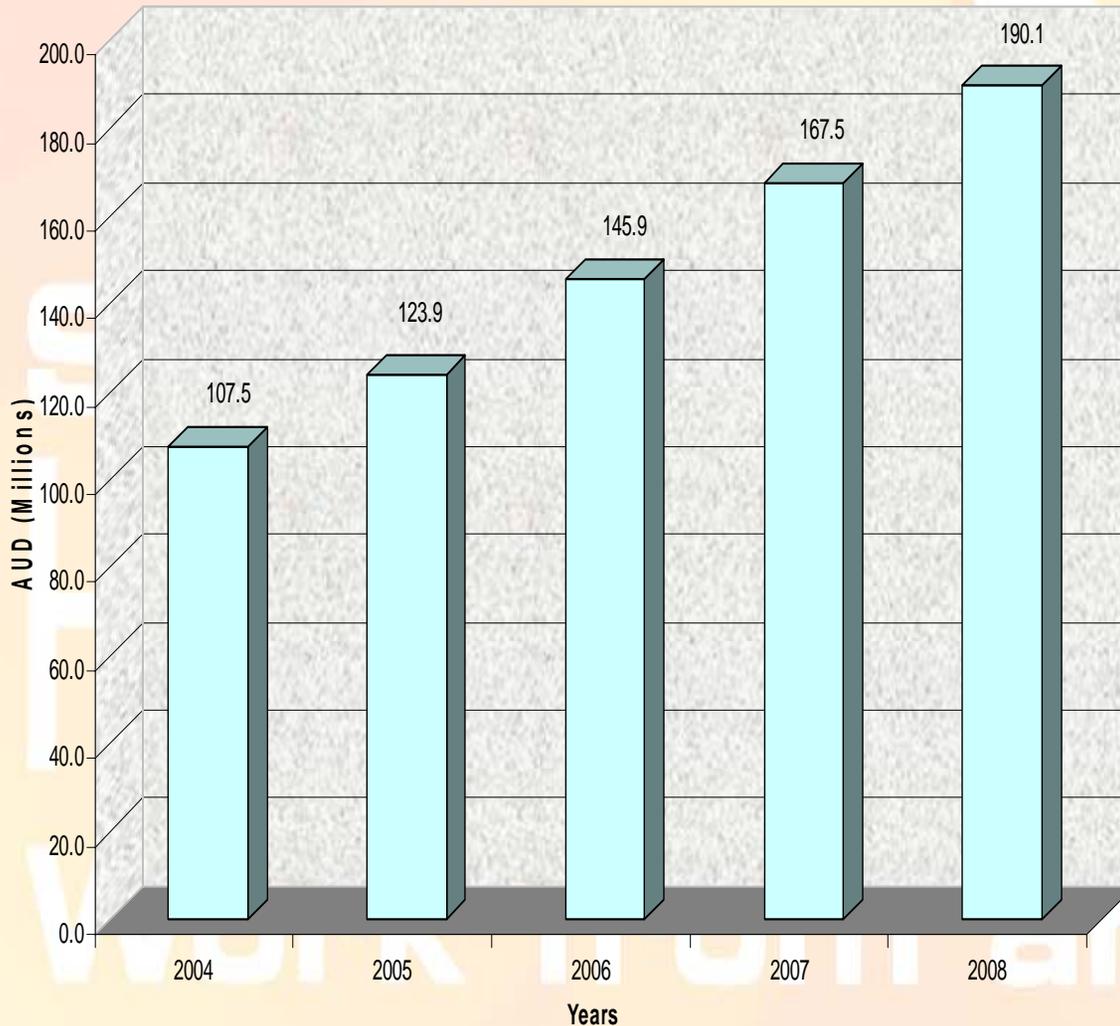
Financial Year ended 30th June 2008

FINANCIAL RESULTS
Thomas Wallace - CFO

Servcorp Consolidated Profit and Loss Highlights Year ended 30 June 2008

	2008	2007	Growth
	000's	000's	%
Revenue	\$190,142	\$167,518	14%
Expenses	(\$145,564)	(\$133,394)	9%
Net Profit Before Tax	\$ 44,578	\$ 34,124	31%
Income tax expense	(\$ 10,744)	(\$ 7,792)	
Net Profit After Tax	\$ 33,834	\$26,332	29%
EPS (cents per share)	\$0.420	\$0.327	28%

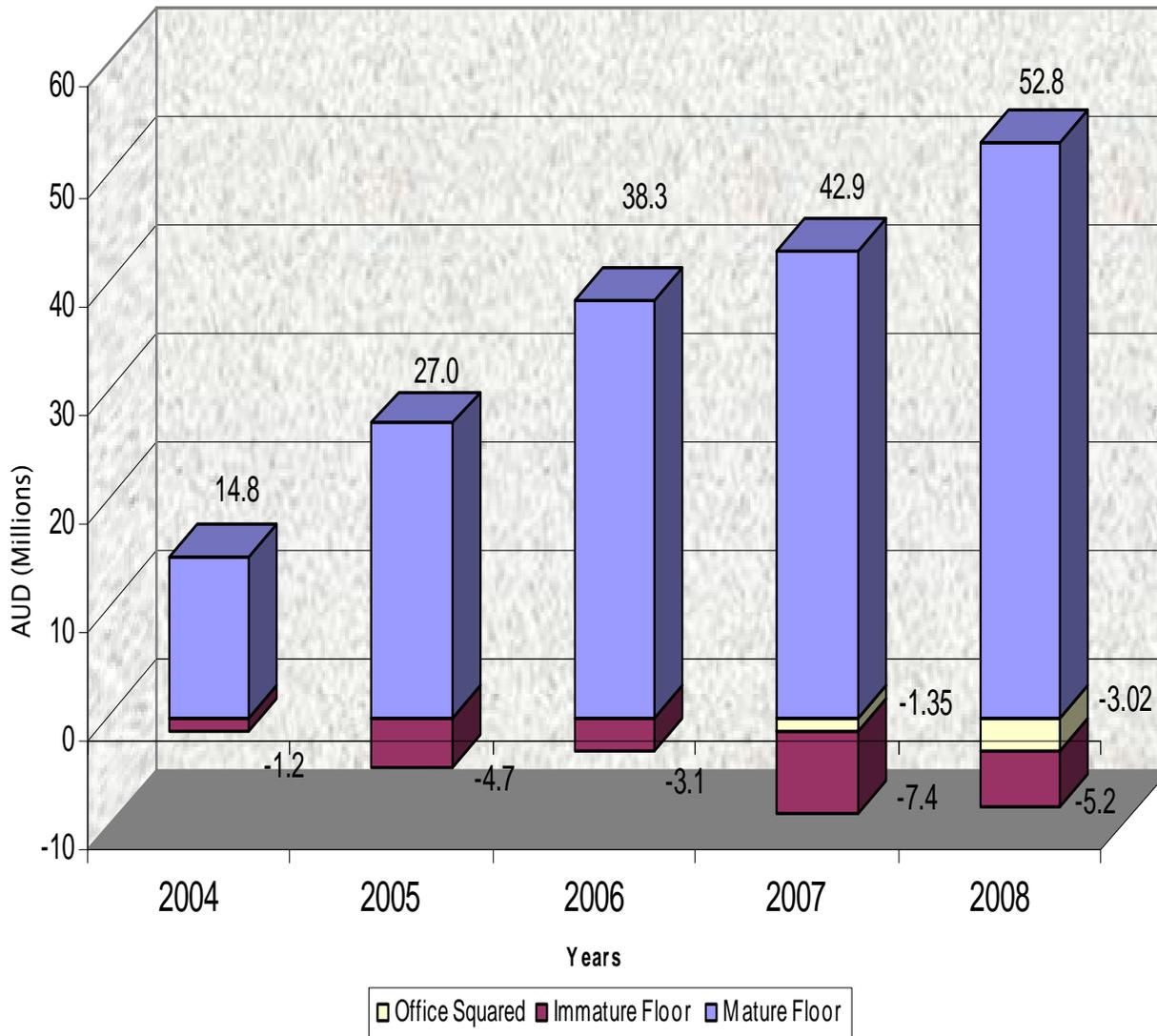
Servcorp Consolidated Total Revenue 5 years 2004 - 2008



- ▶ Revenue up 14% on PCP
- ▶ 2008: 71 floors
- ▶ 2004: 47 floors

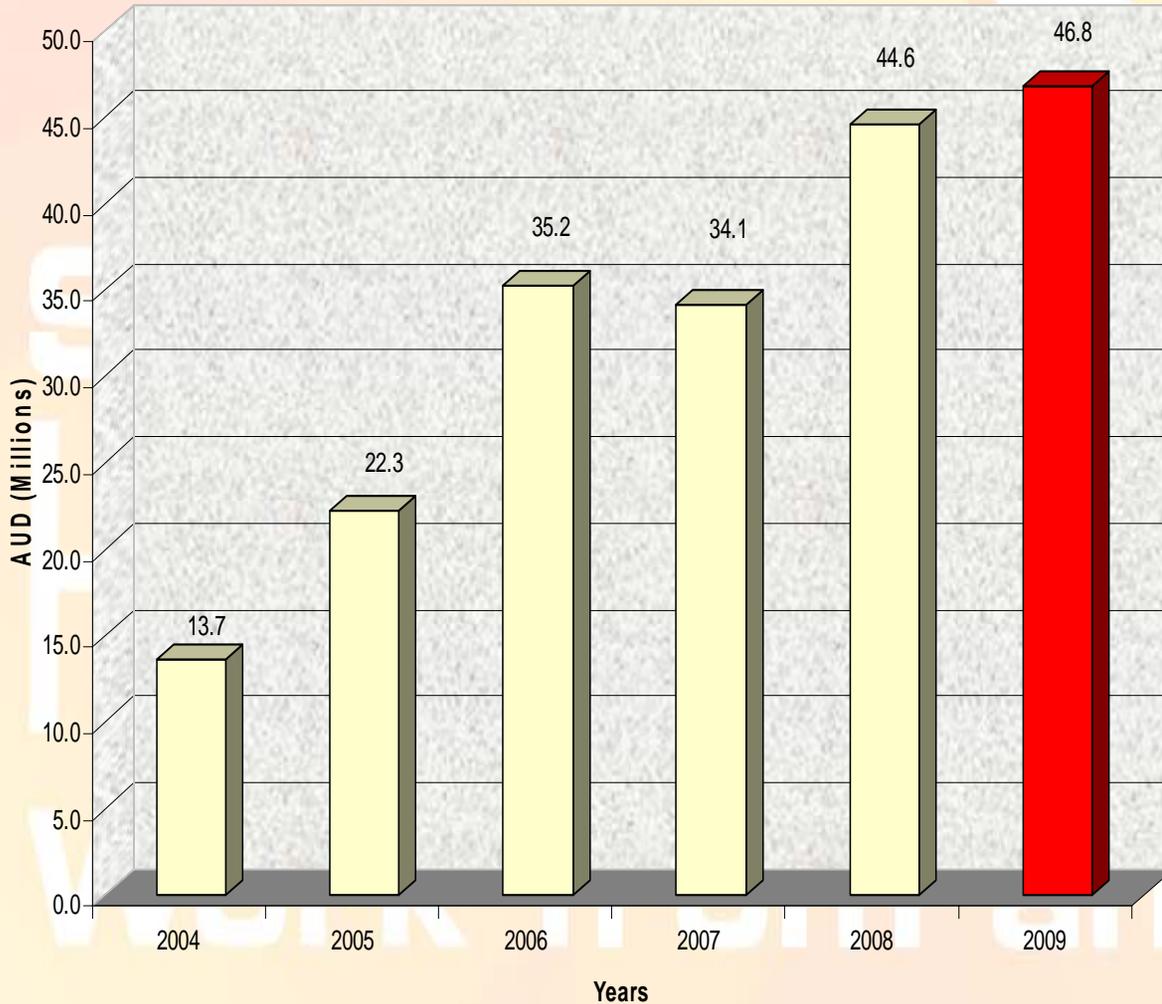
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Servcorp Consolidated Mature / Immature Floors & Office² NPBT – 5 years 2004 - 2008



- ▶ Mature floor profit up 23% compared to 2007
- ▶ Strong steady mature floor NPBT growth for the last 5 years
- ▶ 9 floors immature as at 30 June 2008

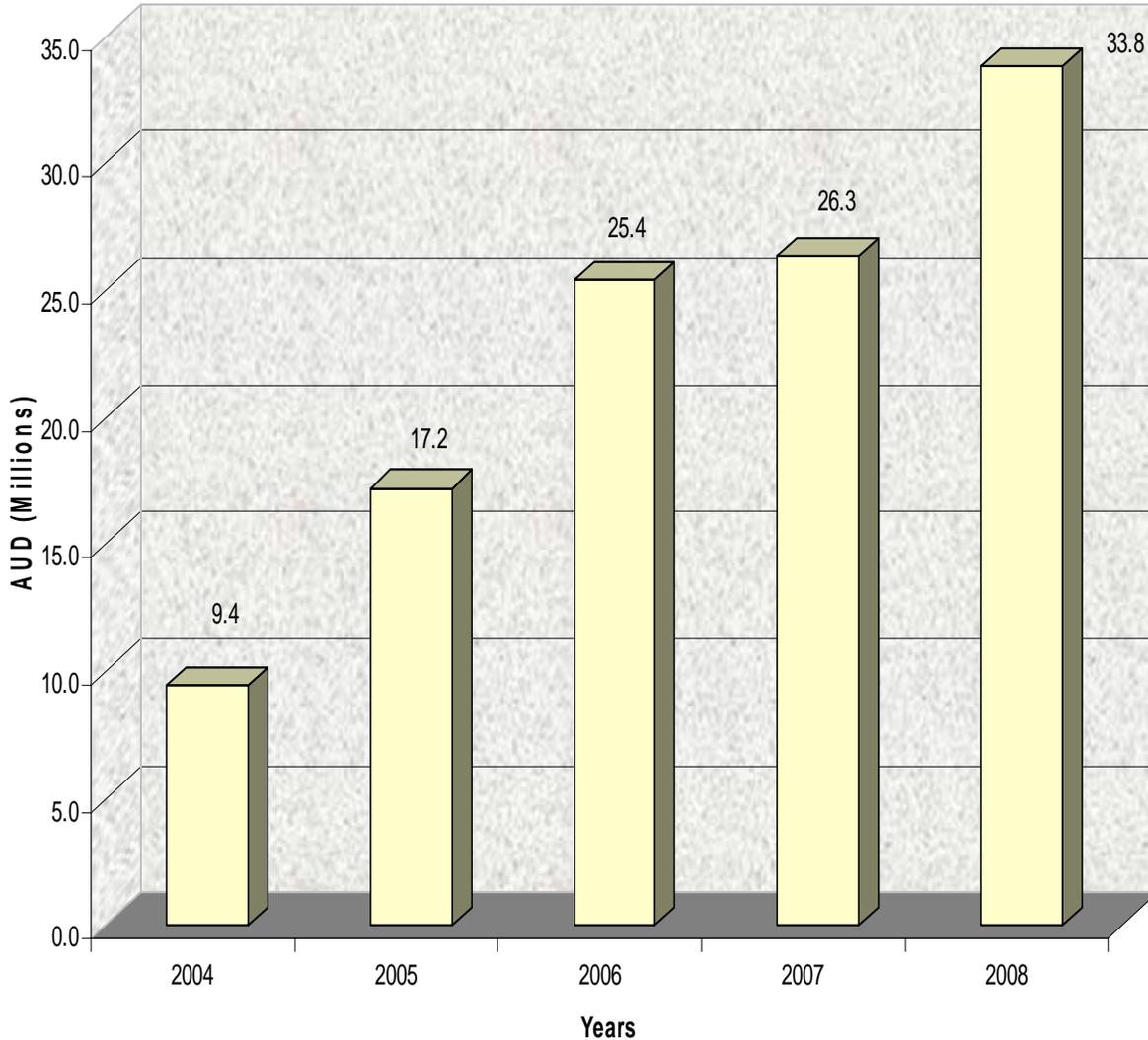
Servcorp Consolidated Net Profit Before Tax 5 years 2004 - 2008



- ▶ Strong 2008 growth of 31% on PCP
- ▶ NPBT impacted as Servcorp opens new floors

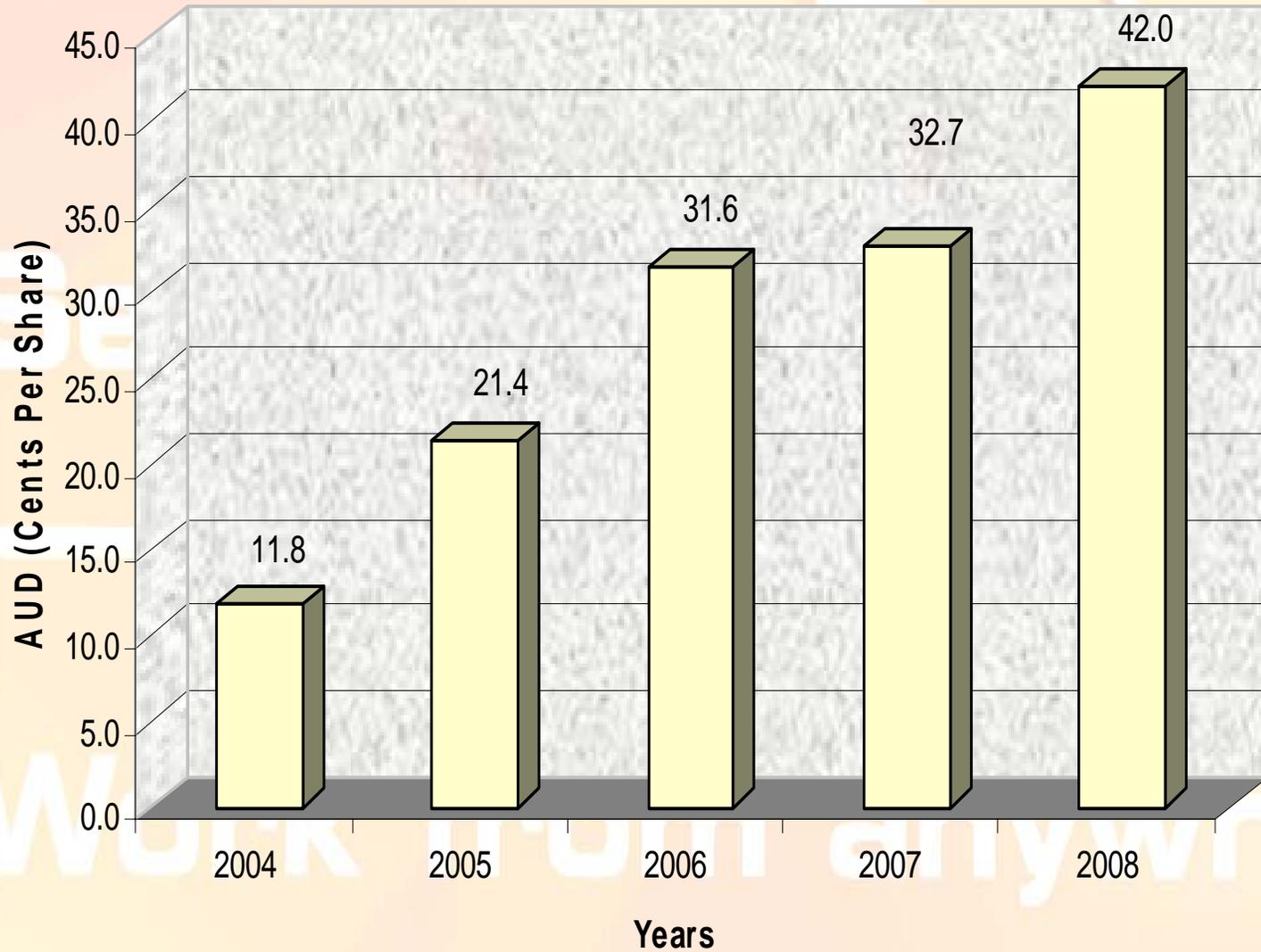
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Servcorp Consolidated Net Profit After Tax 5 years 2004 - 2008



- ▶ Strong NPAT growth in 2008 of 29% compared to 2007
- ▶ 2008 Tax expense rate of 24.1%
- ▶ After tax profit reflects geographic spread of Servcorp business

Servcorp Consolidated Earnings Per Share 5 years 2004 - 2008



Servcorp Consolidated Profit and Loss Highlights Year ended 30 June 2008

	2008	2007	Growth	Constant Currency Growth
	000's	000's	%	%
Revenue	\$190,142	\$167,518	14%	18%
Expenses	(\$145,564)	(\$133,394)	9%	14%
Net Profit Before Tax	\$ 44,578	\$ 34,124	31%	36%
Income tax expense	(\$ 10,744)	(\$ 7,792)		
Net Profit After Tax	\$ 33,834	\$26,332	29%	
EPS (cents per share)	\$0.420	\$0.327	28%	

Servcorp Consolidated Currency Impact Year ended 30 June 2008

- ▶ AUD has appreciated against all major currencies in 2008
- ▶ AUD Consolidated results had a strong currency headwind in 2008

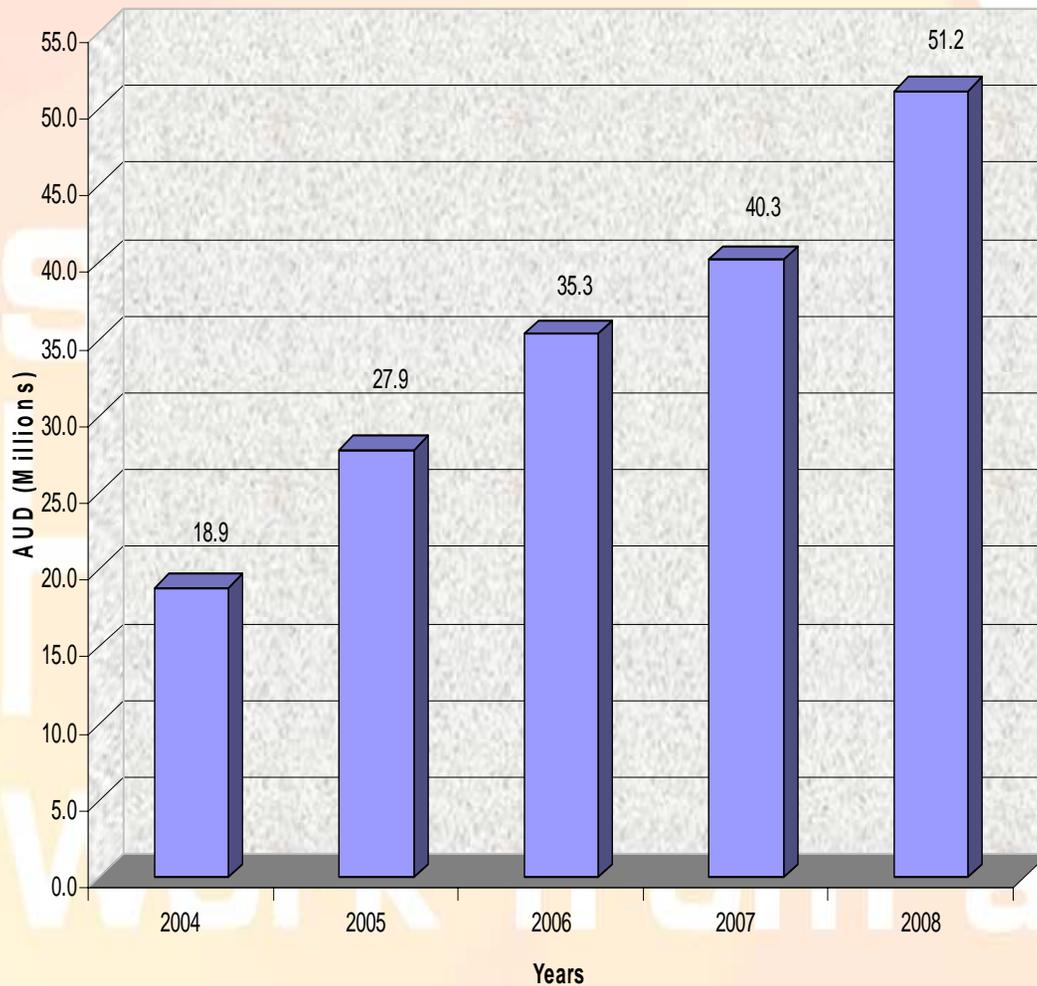
	Average P&L rate - 2008	Average P&L rate - 2007	% Change
USD	\$0.8981	\$0.7818	(15.0%)
JPY	¥ 98.69	¥ 92.23	(7.0%)
EUR	€0.6099	€ 0.6009	(1.5%)
SGD	\$1.290	\$1.210	(5.8%)
RMB	Y6.528	Y6.177	(5.7%)

- ▶ Management actively manages Servcorp's currency exposure
- ▶ Foreign currency was changed into AUD at better rates than the rates used to convert foreign currency profits
- ▶ Foreign Currency profit in 2008 was \$3,200,000

Servcorp Consolidated Cash Flow from Operations Year ended 30 June 2008

	\$	
	000's	
▶ Cash Balance at 30 June 2007	<u>\$54,114</u>	
▶ Operating cash flow	\$51,192	Increase of 28% on PCP
▶ Payments for PPE	(\$23,831)	9 floors constructed in 2008
▶ Payments for Lease deposits	(\$ 1,524)	New floor deposits
▶ Payment of dividends	(\$15,691)	19.5 cps paid in 2008
▶ Proceeds from sale of PPE	\$196	
▶ Proceeds from sales of investments	<u>\$ 9,338</u>	Sale of investments in August 2007
▶ Increase in cash balance in 2008	\$19,680	
▶ FX on opening Cash Balance	(345)	
▶ Cash balance at 30 June 2008	<u><u>\$73,716</u></u>	

Servcorp Consolidated Cash Flow from Operations 5 years 2004 - 2008



- ▶ Strong cash flows in 2008
- ▶ Growth of 28% compared to 2007
- ▶ Steady growth for last 5 years

2008 – 2009 FOCUS

- ▶ Management focus rather than expansion
- ▶ Stopped everything other than Middle East expansion
- ▶ Cautious look at opportunities both East and West
- ▶ Getting immature floors to maturity ASAP – looking good so far
- ▶ Focus on getting the most from Hottdesk
- ▶ Focus on sales, revenue, margins and controlling costs

Around The World 2008 - 2009

EUROPE & MIDDLE EAST

- ▶ Dubai and Bahrain – performing strongly
- ▶ Qatar - open
- ▶ Middle East – looking at opportunities
- ▶ Europe – Economic slow down
 - However better year ahead

Around The World 2008 - 2009

JAPAN

- ▶ Great locations performing well but
- ▶ Competitive markets – particularly in Tokyo
- ▶ Economic slow down – softening results
- ▶ Weak Yen hurts
- ▶ Tough in the South

Around The World 2008 - 2009

ASIA & CHINA

- ▶ Rents high, low vacancies
- ▶ Hong Kong and Singapore particularly tight
- ▶ China – take opportunities if they come
- ▶ “Wait & see”
- ▶ Weak USD hurts

Around The World 2008 - 2009

AUSTRALIA & NEW ZEALAND

- ▶ “Wait & see”
- ▶ “Resources Boom” cities should continue to perform
- ▶ Adelaide and North Sydney – new floor

Around The World 2008 - 2009

IT CLIENT SERVICES AND SOLUTIONS

- ▶ Complete Hottdesk v2.7 rollout
- ▶ Maximise return from Hottdesk
- ▶ Move towards all products on-line – Hottdesk v3
- ▶ Maximise return from converged network – quality VOIP to clients

2009 Outlook

- ▶ NPBT growth approximately 5% - good growth in a global economic downturn
 - ▶ Management focus not expansion focus
 - ▶ Cautious approach in existing markets
 - ▶ Only 6 additional new floors planned to open in 2009
 - ▶ Expand operations in Middle East
 - ▶ Focus on sales / revenues / margins / cost control

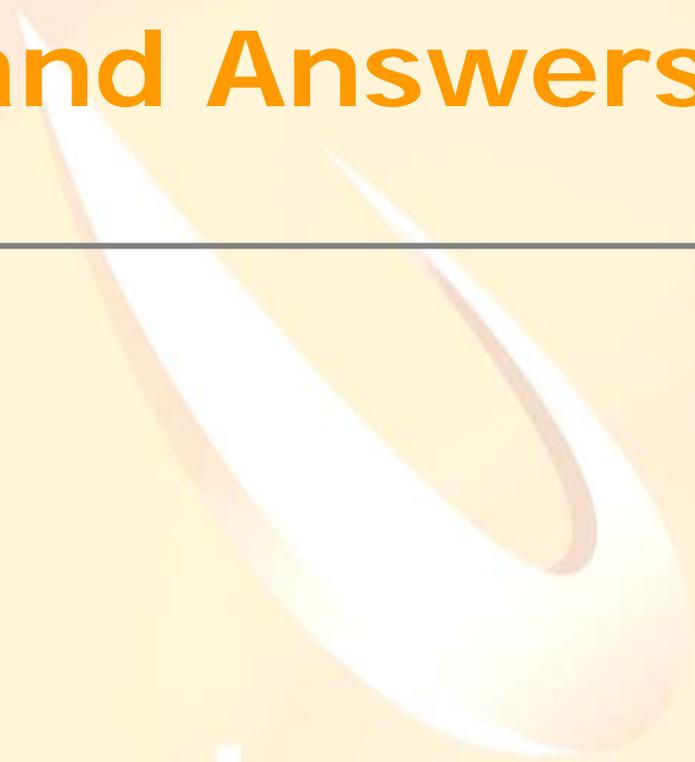
2009 Outlook

- ▶ NPBT growth approximately 5% - good growth in a global economic downturn (continued)
 - ▶ Complete rollout of Hottdesk and maximise returns from our IT platforms and infrastructure
 - ▶ Look for opportunities
 - ▶ Develop Office² business model

2007/08 Dividend

- ▶ Normal dividend for 2009 – 15 cps fully franked
- ▶ Special dividend for 2009 – 5 cps fully franked

Questions and Answers



Servcorp

Hotdesk[®]

Work from anywhere