



Servcorp Limited Analyst Presentation

Thursday 20 August 2009

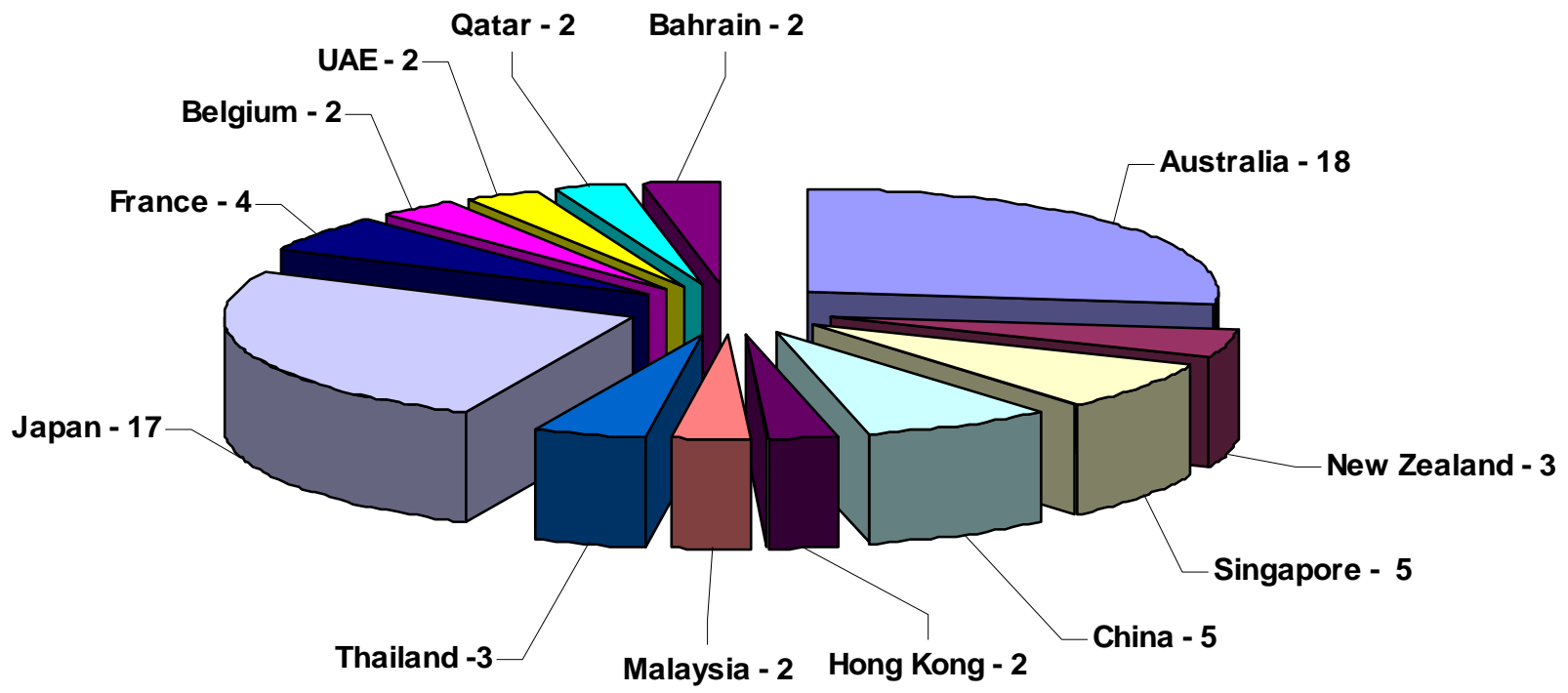
Twelve months ended 30 June 2009

 **SERVCORP**
Smart Office®

Servcorp Background

- World's finest Serviced Offices and Virtual Offices
- Market leader – Excellence in every aspect of the business
- Established 1978
- Listed in December 1999
- 13 Countries - 22 Cities - 67 Floors
- No longer “just” a Serviced Office provider
- Global network of real technology, infrastructure and online business solutions that help our clients' businesses succeed

Servcorp Floors Geographic Spread



Australia	New Zealand	Singapore	China	Hong Kong	Malaysia	Thailand
Japan	France	Belgium	UAE	Qatar	Bahrain	

2008/2009 Operational Highlights

- Tough trading environment in FY 2009
 - Increased competition
 - Margins dropping
 - Relatively strong occupancy
- 2 new floors opened in Australia – North Sydney and Adelaide
- Cost cutting initiatives implemented since July 2008
- Closure of 6 floors in FY 2009

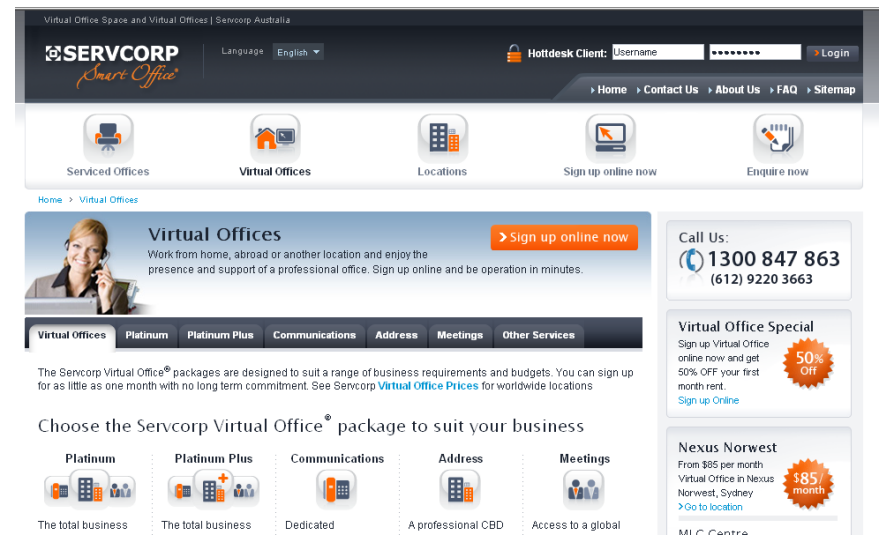
2008/2009 Operational Highlights

- Consolidation – slowed expansion/shut non-profit makers
- Virtual Office success – automating and optimising
- Testing new Virtual Office business model
- Middle East success
- Focusing on the resilience of our business model
- Looking at opportunities in the USA and UK
- Releasing new IT infrastructure to better help our clients and further differentiate ourselves in the market place
- India Franchise breaking even – opportunities in 2010

2008/2009 Operational Highlights

New Virtual website available worldwide

- [Sign up on-line](#)
- Automatic set up
- Access to Hottdesk
= access to Servcorp
- New Servcorp website and Hottdesk



Virtual Office Focus Increased Revenue – 2 test sites

➤ Automated and Optimised

	Jun-09	Jun-08	Growth over 12 months
ARIAKE (Tokyo)			
Revenue (JPY)	6,558,369	3,854,053	70%
Packages	836	503	66%
NORWEST (Sydney)			
Revenue (AUD)	15,097	12,186	24%
Packages	152	109	39%

New Virtual Office Model in 2009/2010

- Smaller premium locations are now available
- Reduces risks on all fronts

2008/2009 Operational Highlights

New Prospect System for Offices

- Allocated working phone number instantly
- Instant proposal
- Instant lease (in October 2009)
- Instant set up

2008/2009 Operational Highlights

Onefone – Virtual clients

- One number
- Hand set online
- One bill
- Cheap calls

2008/2009 Operational Highlights

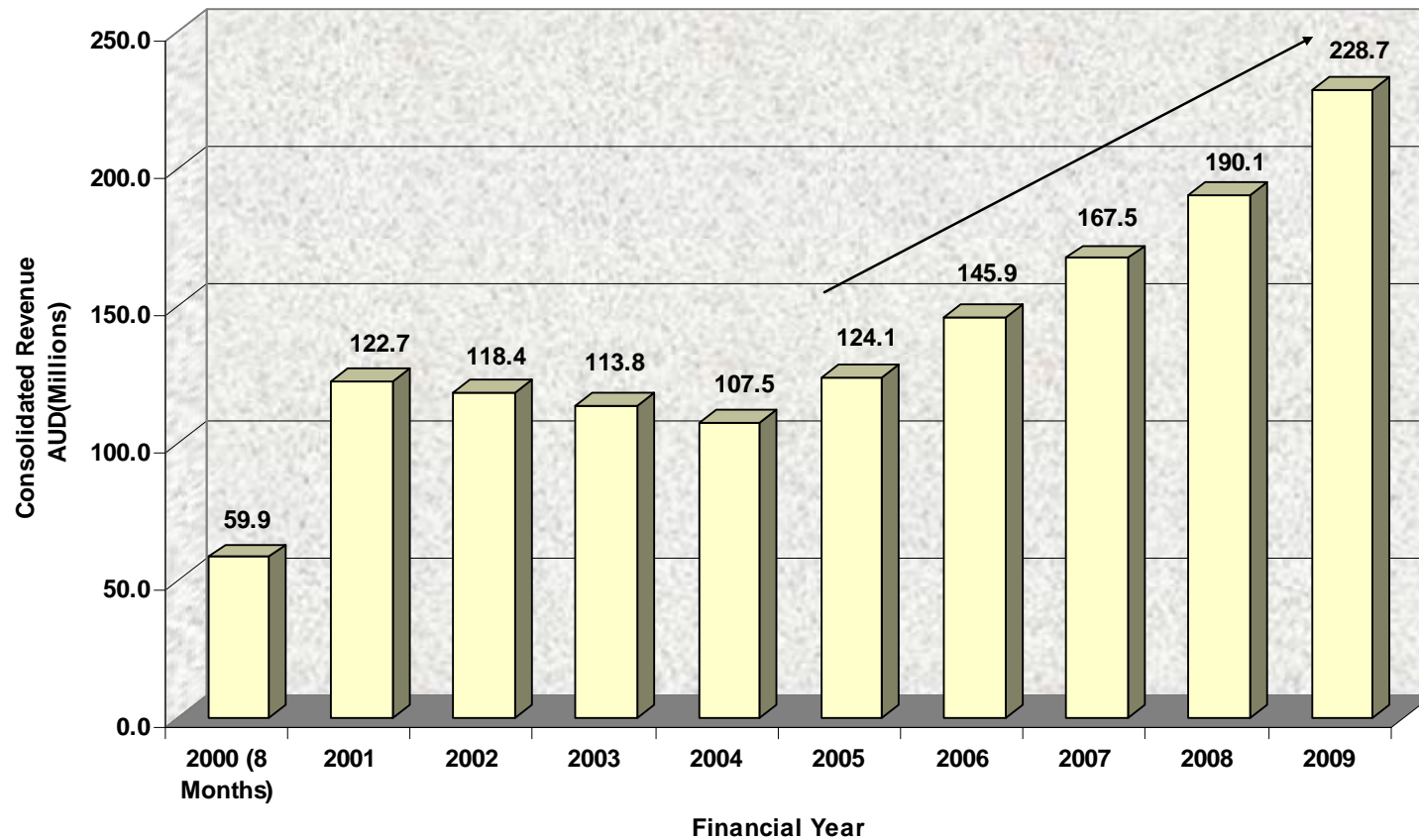
OFFICE²

- Tough climate for startup
- Three projects operational - two stable one very challenging (i-City)
- Refocus away from costly marketing onto development and Cisco partnership
- Accepted into Cisco Developer Program
- Working closely with Servcorp team on product development and scale

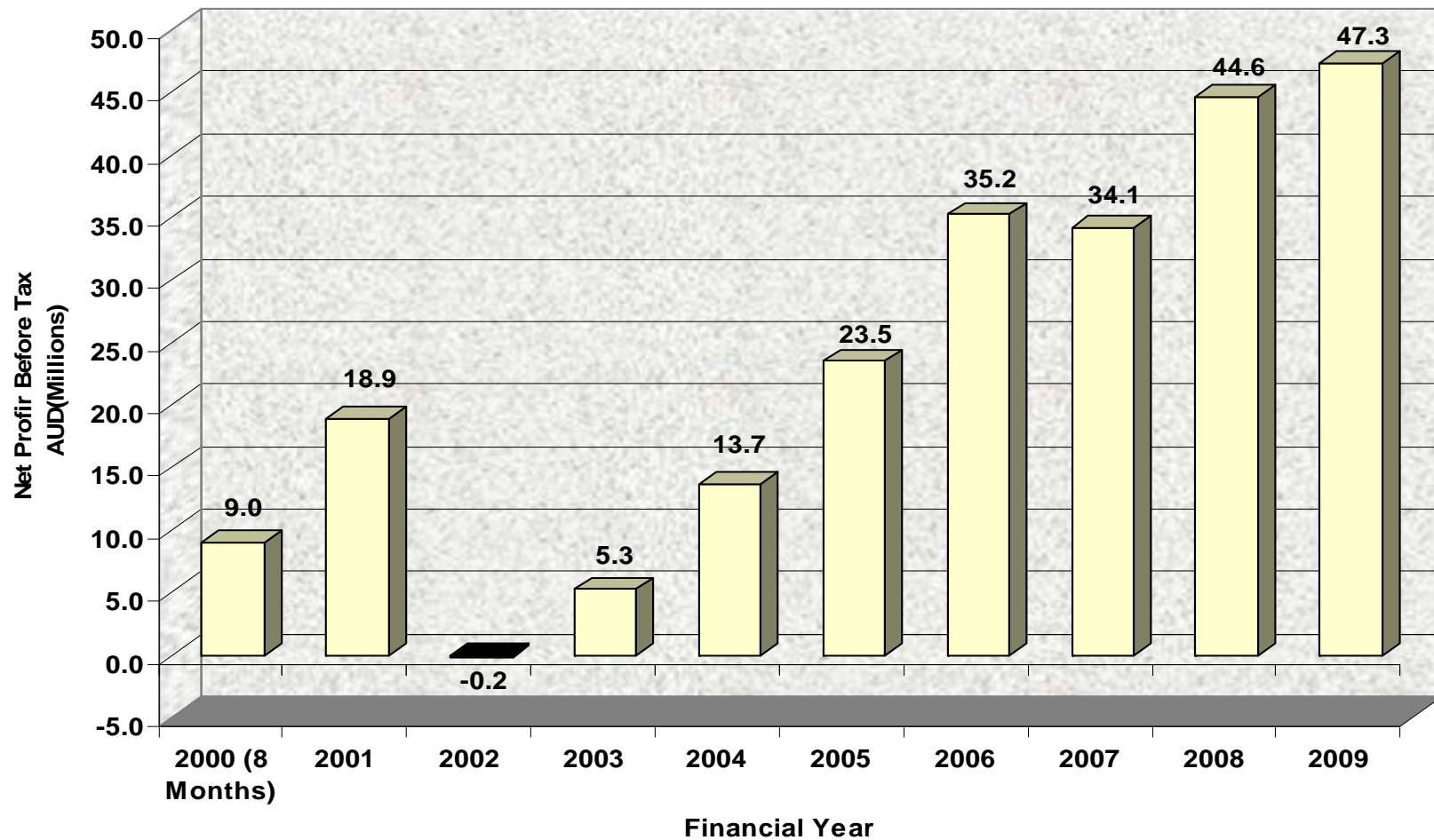
Twelve months ended 30 June 09 Financial Highlights

	%		000's
Revenue	Up 20%	to	\$228,646
Mature floor profit	Up 3%	to	\$54,360
Net Profit Before Tax	Up 6%	to	\$47,275
Net Profit After Tax	Up 0.8%	to	\$34,097
Earnings Per Share	Up 1.7%	to	\$0.427
Negligible Debt			(\$1,662)
Net Assets	Up 14%	to	\$145,291
Cash Balance	Up 14%		\$83,958
Net Tangible Assets (per share)	Up 17%	to	\$1.65
Dividend (per share)	Up 25%	to	25c
Buy-back of 2,000,000 shares at \$2.40			

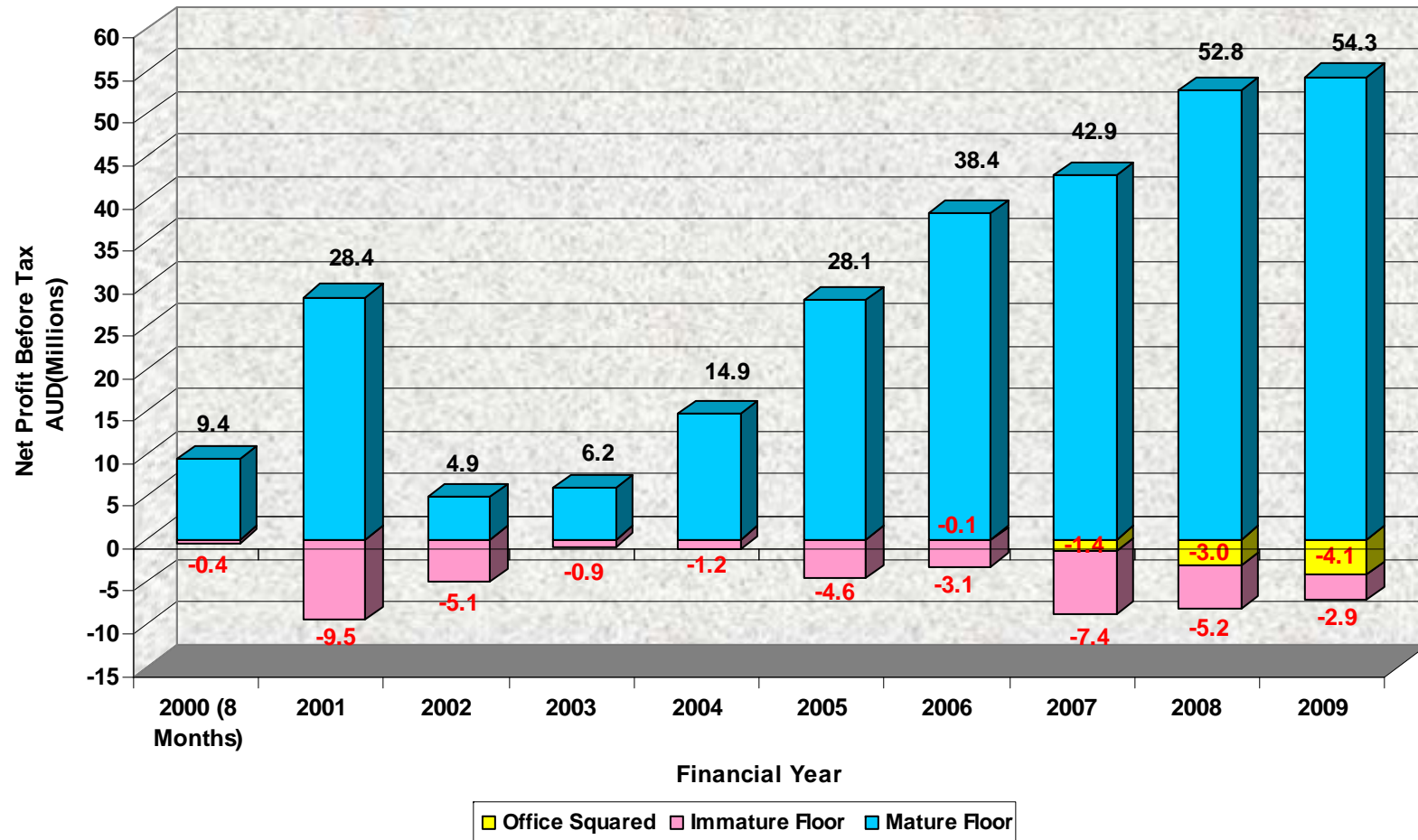
Servcorp Consolidated Total Revenue 10 years 2000 – 2009



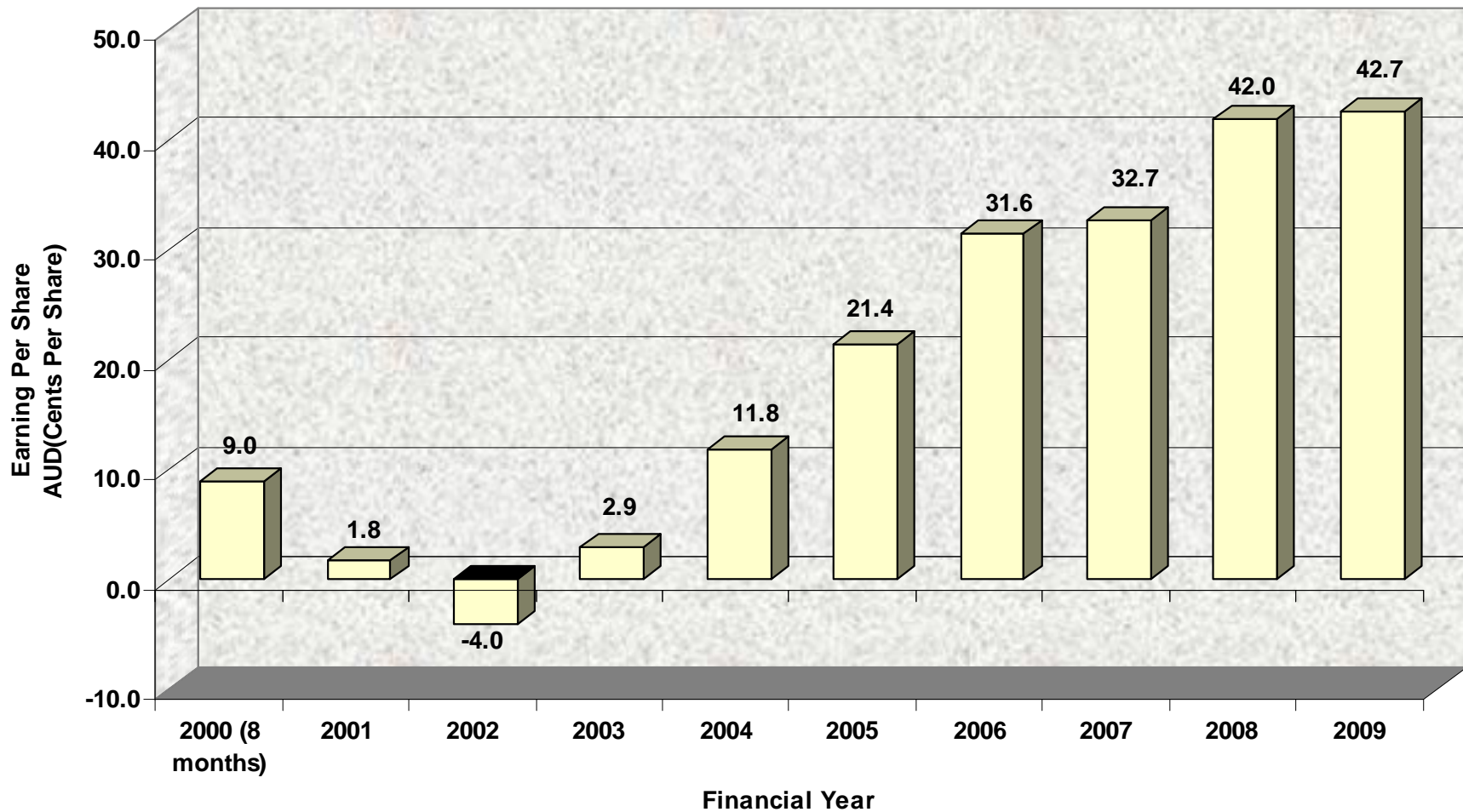
Servcorp Consolidated Net Profit Before Tax 10 years 2005 – 2009



Servcorp Mature / Immature Floors & Office² NPBT – 10 years 2000 – 2009



Servcorp Consolidated Earnings Per Share 10 years 2000 – 2009



2008 – 2009 FOCUS WAS ON:

- Management and IT implementation rather than expansion
- Sales, revenue, margins and controlling costs
- Customer service and retention
- Providing our clients with IT and Communications infrastructure that helps their businesses succeed.
- Differentiating our business model
- Getting immature floors to maturity ASAP
- Stopped everything other than Middle East expansion
- Cautious look at opportunities both east and west



RESULT – RECORD YEAR IN TRYING TIMES

Around The World 2009 – 2010

AUSTRALIA & NEW ZEALAND

- Landlords are trying to hang in there but...
- Rents are dropping
- Australia is tough
- Mining cities – seeing increased vacancy
- Looking at opportunities in Sydney, Melbourne and Brisbane
- New Zealand in recession – but Wellington is performing above expectations
- Continued Virtual Office Model Growth



Around The World 2009 – 2010

JAPAN

- Great locations performing well but
- Extremely competitive markets – particularly in Tokyo
- Economic melt down – soft results
- Paying \$250,000 too much in rent per month – aim to reduce significantly by February 2010
- Best address at a bargain at Marunouchi
- Strong AUD doesn't help
- Virtual Office will continue to grow
 - already automated and optimised



Around The World 2009 – 2010

ASIA & CHINA

- Rents have dropped
- Hong Kong and Singapore – signed IFC2 and MBFC
- Shanghai has a massive over supply of space
- Beijing rents are dropping
- Strong AUD doesn't help
- Virtual Office model growth



Around The World 2009 – 2010

MIDDLE EAST

- Dubai– Good results considering climate
- Bahrain – Profitable
- Qatar – Tough but better second half
- Coming soon – Abu Dhabi, Jeddah and Kuwait
- Virtual Office model growth

INDIA

- Franchise breaking even
- Opportunities for growth both in Virtual and Offices



Around The World 2009 – 2010

EUROPE

- Paris – is really tough
- Brussels – surprised to the upside in 2009
- Coming soon – UK
- Strong Virtual Office model growth
 - Automated and Optimised

USA

- Opening soon in Chicago and New York



Around The World 2009 – 2010

IT CLIENT SERVICES AND SOLUTIONS

- No longer just a serviced office
- Real integrated business
- Delivery of sophisticated client services online to improve return
 - OneFone
 - OneFax
 - Wireless
- Maximise return from global converged network – real IT infrastructure
 - We are successfully selling the Voice and Data platform as a competitive advantage
- Move towards all products on-line
 - Optimised and automated
 - Infrastructure of a multinational corporation without the cost



2009/2010 Outlook

- Tough six months ahead in the existing business
- Real Estate opportunities abound globally
 - Existing markets
 - UK and USA
- Virtual Office model focus – automated, optimised, small locations, mass business market product
- Transition year: Moving from a Serviced Office business to a global business infrastructure and technology services provider
- Clearer guidance at the AGM



2008/2009 Dividend

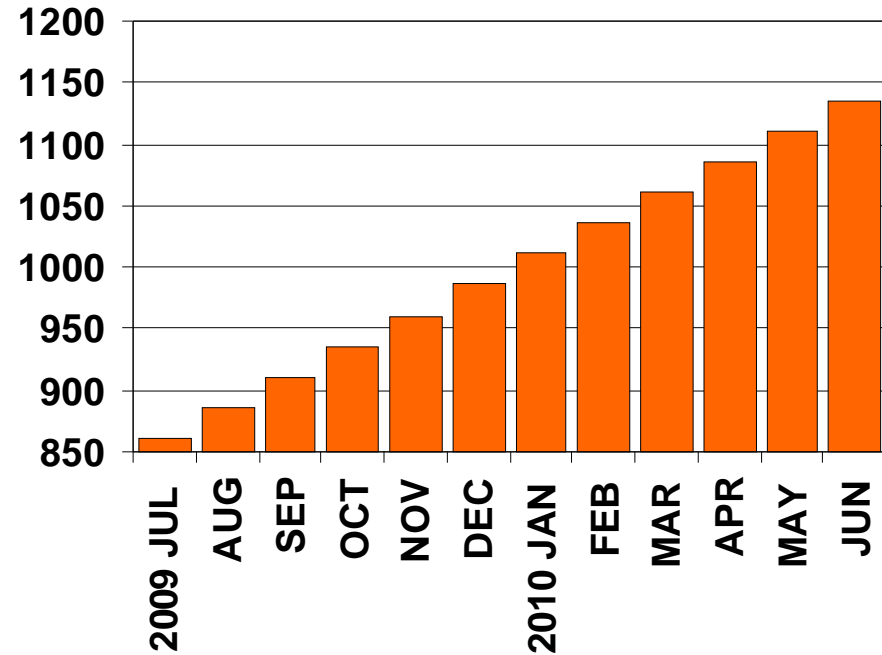
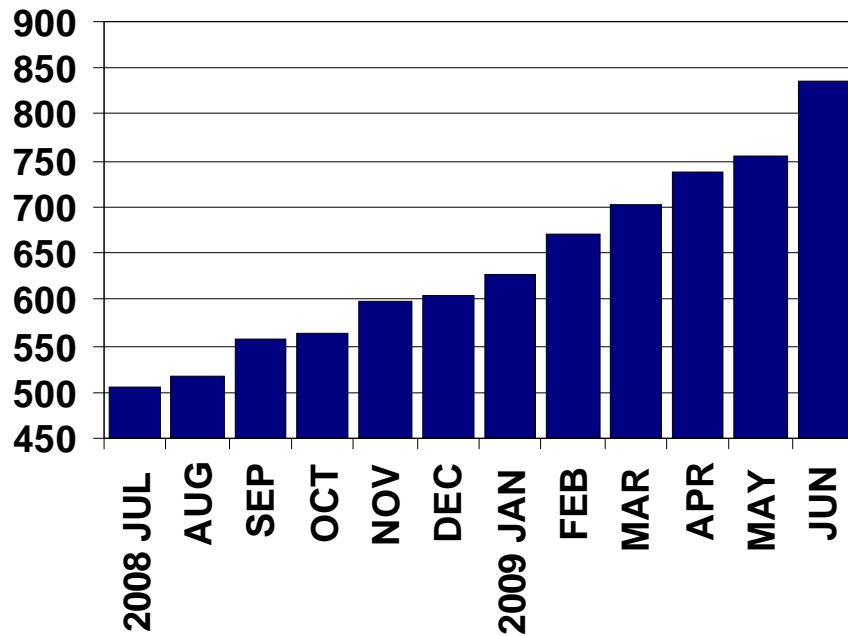
- December 2008 5 cents fully franked special dividend
- April 2009 10 cents fully franked ordinary dividend
- October 2009 10 cents fully franked ordinary dividend



Ariake

■ Packages projected

■ Actual Packages



Actual package growth 66%

Rental revenue June 08 JPY 3,854,053

Rental revenue June 09 JPY 6,558,369

Rental growth 70%

PROJECTIONS FROM JUNE 2010

Virtual Income JPY 8.8m

Serviced Office Income JPY 3m

Service & depreciation (JPY 2m)

Rent to landlord (JPY 2.2m)

PROFIT TO SERVCORP JPY 7.6m / AUD 90,000 pm

Tokyo Map

