

25 August 2005

The Manager
Company Announcements Office
Australian Stock Exchange Limited
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**Servcorp reports full year Net Profit Before Tax of \$22.26 million –
an increase of 63%**

Mature floor profit of \$26.96 million – an increase of 81%

Servcorp Limited (SRV) today announced a net profit before tax of \$22.26 million for the twelve months ended 30 June 2005, up 63% on the profit of \$13.65 million for the corresponding prior period to June 2004.

- ❑ Net profit after tax was \$15.29 million, up 62% on \$9.44 million in 2004.
- ❑ Earnings per share increased by 61% from 11.8 cents to 19.0 cents.
- ❑ The profit before tax attributable to mature floors increased to \$26.96 million, up 81% from last year's \$14.91 million. As expected this was reduced by the operating losses on immature floors of \$4.70 million.
- ❑ The Directors have declared a fully franked final dividend, payable on 4 October 2005, in the amount of 4.00 cents per share, an increase of 6.7%. Subject to no unforeseen circumstances, the Directors expect to increase the interim dividend for financial year 2006 to 4.50 cents per share fully franked.
- ❑ Cash generated from operating activities before tax increased by 47% to \$33.02 million for the twelve month period (2004: \$22.52 million).
- ❑ Cash and interest earning financial assets increased to \$48.70 million from \$44.32 million at June 2004.
- ❑ A successful share buy-back of 926,044 shares was undertaken in December 2004, utilising \$2.25 million.
- ❑ Average occupancy during the twelve months to June was 85%, up from an average of 82% for the previous year.
- ❑ 9 new floors were opened during the year; in Osaka, Nagoya, Shanghai, Kuala Lumpur, 2 in Tokyo and 3 in Bangkok, increasing our capacity at 30 June 2005 by 15%.

At this early stage, Servcorp CEO, Mr Alf Moufarrige, believes 2006 will be another strong year. Net profit before tax on mature floors in the 2006 year should increase to \$30.00 million, as several of the new floors are brought to maturity. 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 anticipates opening 4 to 6 new floors in 2006. 2006 has started satisfactorily, with the acquisition of one new floor in Hong Kong in July 2005.

Servcorp currently operates 56 floors in 18 cities in 11 countries and remains the leader in providing serviced offices and superior IT and business solutions. Management will continue to focus on increasing Servcorp's competitive edge by continuing to invest in technology solutions for our clients.

For more information contact:

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