

Preliminary results 2011

21 March 2012

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Highlights

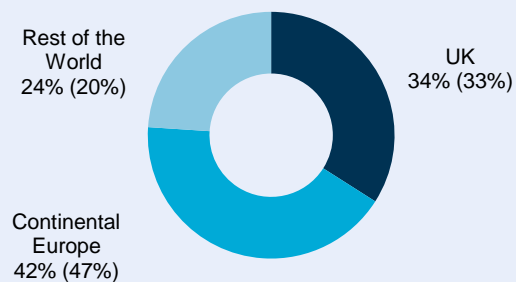
- Revenue growth of 1% to £208.9m
- Net fee income growth of 1% to £46.9m
- Adjusted PBT down to £4.5m
- Net fee income growth across the Rest of the World and UK regions
- Margins in Germany improved in H2 but still below historic levels
- Provision against German CGZP issue of £1.7m, reduced from £3.0m at the half year
- Investments in new start ups and office openings (Singapore, Australia, China, Finland)
- Adjusted earnings per share* of 4.0p
- Reduction of £0.5m in net debt to £5.6m
- Changes made to subsidiary management (Germany, Finland, Philippines)

* Adjusted earnings per share is from continuing and discontinued operations

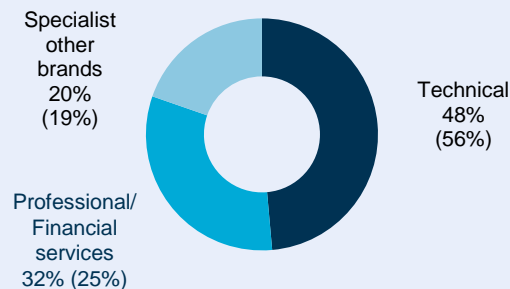
Strategy unchanged

- Developing a leading international specialist staffing group
- Balanced growth and managed risk
- Diversified portfolio by geography and sector
- Investment emphasis on developing staffing markets and emerging economies
- Focus on more stable temporary staffing revenues
- Multi brand rather than single brand
- Decentralised structure and management equity philosophy

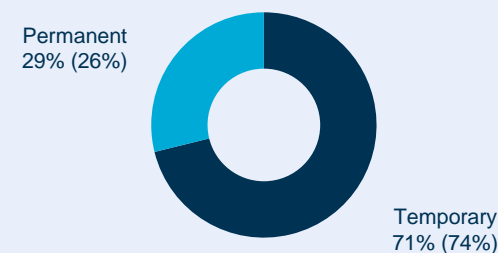
Net fee income by geography in 2011 (2010)



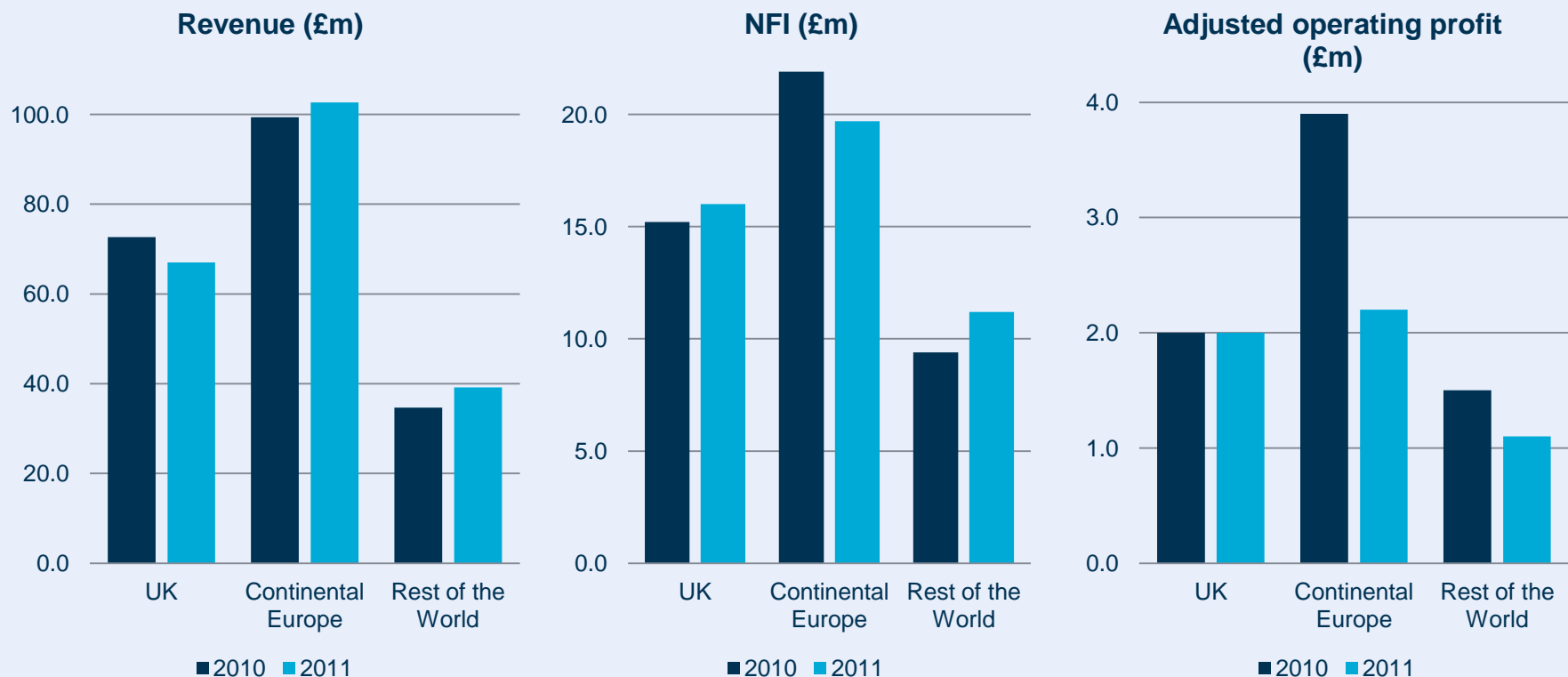
Net fee income by sector in 2011 (2010)



Net fee income 2011 (2010)



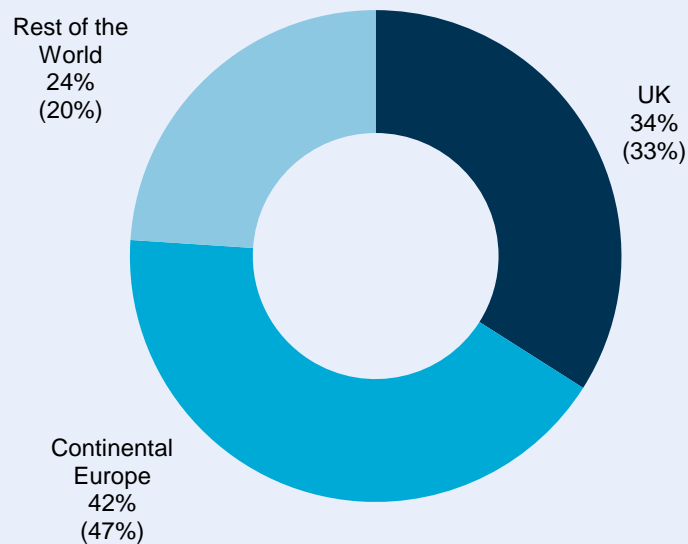
Income statement – Regional overview



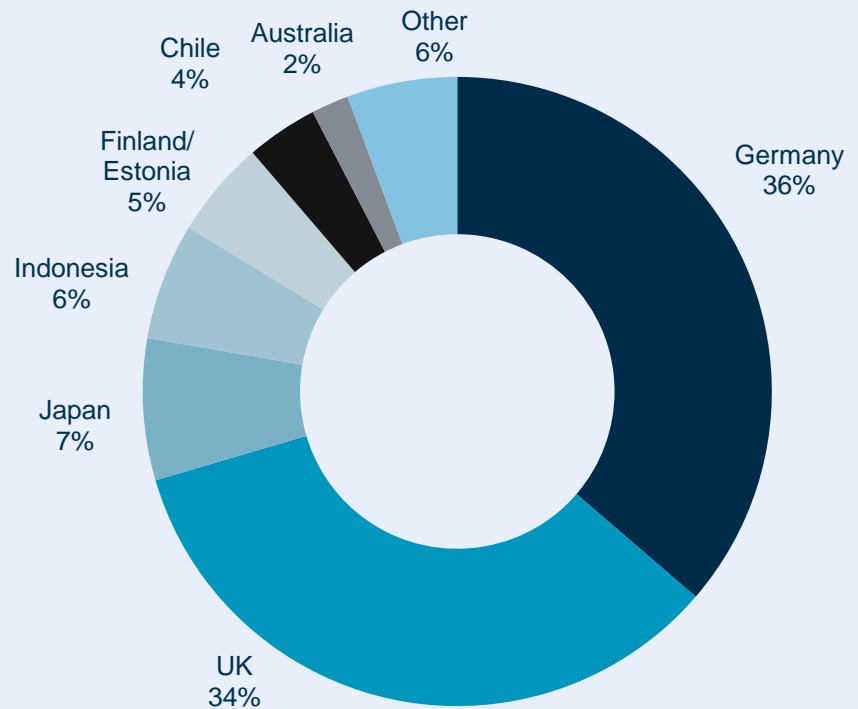
£m	<u>Revenue</u>	<u>Revenue</u>	<u>% change</u>	<u>NFI</u>	<u>NFI</u>	<u>% change</u>	<u>Adj</u>	<u>Adj</u>	<u>% change</u>
	2011	2010		2011	2010		Operating profit	Operating profit	
UK	67.0	72.7	(8%)	16.0	15.2	5%	2.0	2.0	0%
Continental Europe	102.7	99.4	3%	19.7	21.9	(10%)	2.2	3.9	(44%)
Rest of the World	39.2	34.7	13%	11.2	9.4	19%	1.1	1.5	(27%)
Total	208.9	206.8	1%	46.9	46.5	1%	5.3	7.4	(28%)

Regional split - Net fee income

Regional split 2011 (2010)



Country split 2011



Thailand, Singapore, India & China all at 1% of net fee income

Outlook

- Market conditions stable but business confidence is fragile, especially in Europe. Rest of the World region seeing better GDP growth
- New management teams in Germany, Finland and Philippines expected to drive better margin and profit
- CGZP provision becoming more certain
- Investments in start ups and new offices to be profit contributors in 2012
- Continue to look for opportunities for organic growth and selective development
- Group will continue to benefit from exposure to emerging staffing markets

Empresaria Group plc

International Specialist Temporary & Permanent Staffing Group

Appendices

Income statement – Year to 31 December 2011

£m	2011	2010	Change	
Revenue	208.9	206.8	1%	Revenue increased by 1%, with a 21% increase in permanent sales and level temporary sales. On a like-for-like currency basis, revenue was level with prior year.
Net fee Income/ Gross profit	46.9	46.5	1%	
Overheads	(41.6)	(39.1)	6%	Net Fee Income was 1% higher than prior year as the increase in permanent sales offset a decline in temporary margin from 18.1% in 2010 to 17.3%. On a like-for-like currency basis the net fee income is level with prior year.
Adjusted operating profit	5.3	7.4	(28%)	
Interest	(0.8)	(0.8)		
Adjusted profit before tax	4.5	6.6	(32%)	Overheads increased by 6% through increased staff costs and bad debts. Conversion ratio declined from 16% in 2010 to 11% in 2011.
Movements in put and call options	(0.1)	0.2		
Exceptional items and amortisation	(2.5)	(0.3)		Exceptional costs in Germany, Finland and India.
Tax	(1.1)	(2.1)		Tax rate of 36% in 2011 (based on adjusted profit before tax).
(Loss)/profit from discontinued operations	(0.4)	0.2		
Profit for the period	<u>0.4</u>	<u>4.6</u>		
Adjusted EPS (p)	4.0	6.2		Supply chain (UK) business and ACI (Indonesia) disposed of in the year. Trading return was nil plus £0.4m loss from disposal of assets.
IFRS EPS (p)	(0.4)	7.0		

* Adjusted results are before exceptional items, amortisation of intangible assets and fair value movements in put and call options

Income statement – Year on year movements

	Revenue	NFI	Adj PBT
2010 Reported	223.4	49.0	6.8
Disposals - Supply chain	(16.6)	(2.5)	(0.2)
2010 - revised	206.8	46.5	6.6
UK	(5.7)	0.8	0.0
Continental Europe	3.3	(2.2)	(1.7)
Rest of the World	4.5	1.8	(0.4)
2011 Reported	<u>208.9</u>	<u>46.9</u>	<u>4.5</u>

Balance sheet – December 2011

£m	<u>2011</u>	<u>2010</u>
Property, plant & equipment	1.7	1.9
Goodwill and intangibles	27.3	28.9
Deferred tax asset	1.5	1.0
Call option asset	0.3	0.9
	<u>30.8</u>	<u>32.7</u>
Trade and other receivables	30.3	31.0
Cash and bank balance	6.0	7.1
	<u>36.3</u>	<u>38.1</u>
Trade and other payables	(24.5)	(25.0)
Current tax liability	(2.0)	(1.8)
Short-term borrowings	(3.0)	(12.7)
Put option liability	0.0	(1.0)
	<u>(29.5)</u>	<u>(40.5)</u>
Long-term borrowings	(8.6)	(0.5)
Deferred tax liabilities	(0.8)	(0.6)
	<u>(9.4)</u>	<u>(1.1)</u>
Net assets	<u>28.2</u>	<u>29.2</u>
Share capital & share premium	(21.6)	(21.6)
Merger reserve	(1.5)	(1.5)
Retranslation reserve	(4.0)	(4.1)
Other reserves	0.3	1.2
Equity reserve	2.4	1.9
Retained earnings	(0.3)	(1.5)
Non-controlling interests	(3.5)	(3.6)
Total equity	<u>(28.2)</u>	<u>(29.2)</u>
Net debt	(5.6)	(6.1)

Capital expenditure of £0.7m on fixed assets.

Goodwill reduced by disposal of Supply chain business and ACI.

Call option asset reduced to £0.3m. Put option liability unwound as option period ended.

Average debtor days 52 (2010: 52).

Net debt of £5.6m at end of year, down from £6.1m at end of 2010.

New bank facilities were entered into on 21 March 2011:

Overdraft of up to £4.0m

RCF of £6.25m (5 year term)

New term loan of £3.0m (5 year term)

Existing term loans continue (current value £0.3m)

No movement in share capital.

Equity reserve represents acquisition of minority interests in Skillhouse and MCI under IFRS 3.

Cash flow – Year to December 2011

£m	<u>2011</u>	<u>2010</u>
Profit for the period	0.9	4.6
Depreciation and amortisation	1.1	1.1
Tax and interest added back	1.4	3.1
Loss/(profit) on disposals	0.4	(0.3)
Exceptional items	2.2	0.0
Working capital	(2.1)	(0.2)
Cash generated from operations	3.9	8.3
Tax, interest & capex	(3.3)	(3.9)
Dividends to non-controlling interests	(0.1)	(0.9)
Dividends to shareholders	(0.2)	(0.2)
Investments and disposals	(0.3)	(2.3)
Cash inflow from loans and borrowings	(1.0)	1.0
Increase in cash in the period	(1.0)	2.0
Foreign exchange	(0.1)	0.2
Net increase in borrowings	1.6	(0.3)
Net debt brought forward	(6.1)	(8.0)
Net debt carried forward	(5.6)	(6.1)
Non-recourse invoice financing	(10.1)	(8.5)

Cash generated from operations was £3.9m, down on the prior year after £2.1m working capital investment.

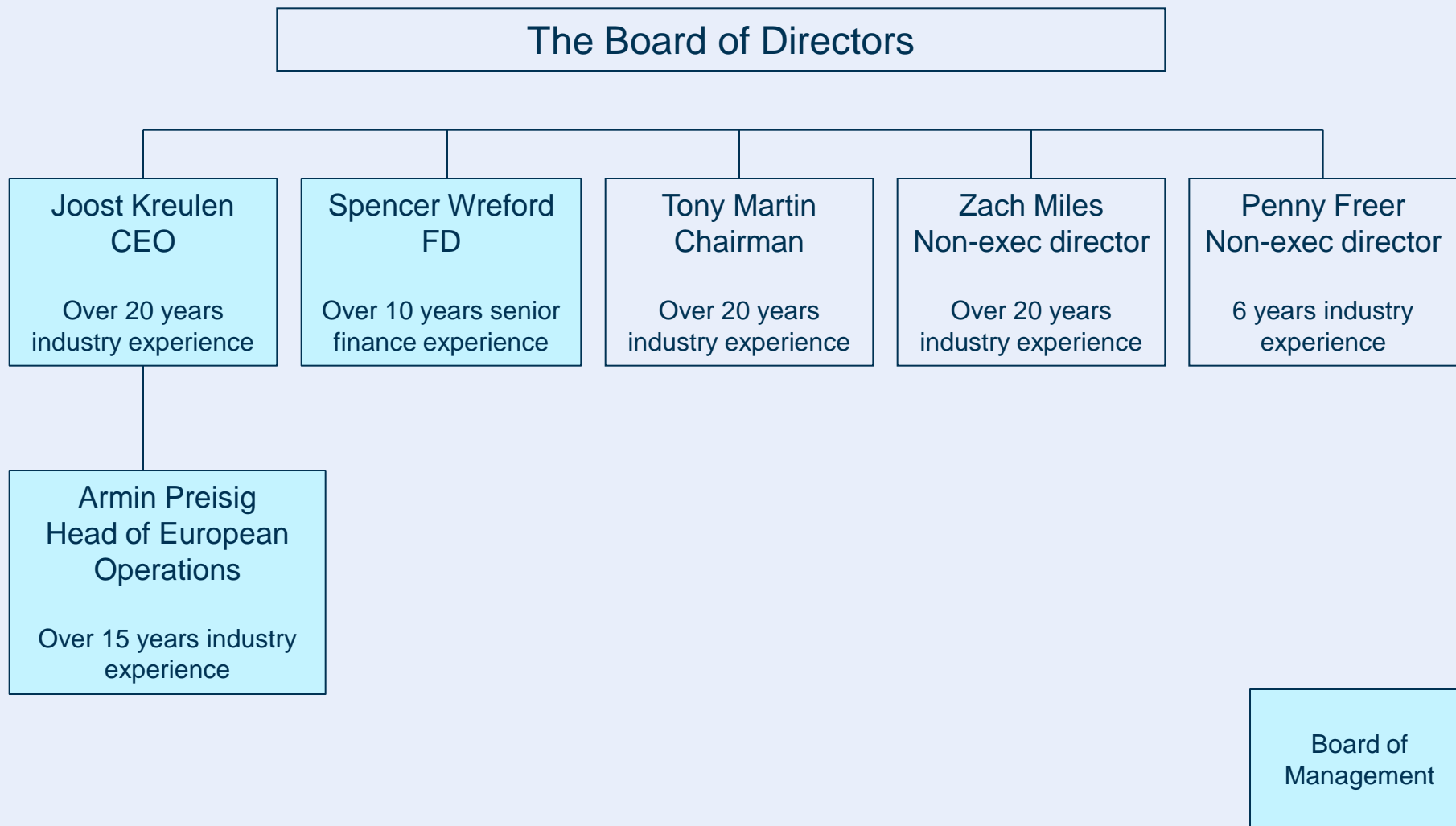
Dividends paid to minority shareholders reduced to £0.1m with no dividends paid in Germany and Finland in the year.

Investments include £1.0m cash inflow from ACI and Supply chain disposals, and £1.3m cash outflow on the acquisition of minority shares, in particular for Skillhouse and Monroe Indonesia. Final £0.1m consideration paid on Saleslink acquisition.

Net debt reduced by £0.5m over the year.

Non-recourse invoice financing increased by £1.6m.

Management team - ongoing



Directors

Tony Martin - Chairman

Tony was appointed Chairman of Empresaria in July 2004. Prior to joining Empresaria, Tony served as Chairman and Chief Executive of Select Appointments (Holdings) PLC from 1992 to 1999, which he and his team built into a global recruitment business before agreeing to sell the company to Vedior NV, one of the world's largest recruitment companies, for £1.1 billion, in cash, in 1999. Tony became Vice Chairman and member of the Board of Management of Vedior NV and in August 2000 he assumed the role of Chairman and Chief Executive until his retirement in February 2004. He owns approximately 21% of Empresaria.

Joost Kreulen – Chief Executive Officer

Joost was appointed Chief Executive Officer effective from 1 January 2012. Joost has been with Empresaria since 2009. He was initially responsible for its Asian operations and more recently also for a number of its UK based businesses. He was appointed Chief Operating Officer and Chief Executive designate on 7 September 2011. Prior to joining Empresaria, Joost had spent 20 years working in various roles for businesses which now form part of Randstad N.V., most recently as head of specialist staffing operations in the Netherlands. He currently owns approximately 0.1% of Empresaria.

Spencer Wreford - Group Finance Director

Spencer was appointed Group Finance Director in May 2010 and has over 10 years experience in senior finance roles. He joined Empresaria from BPP Group, where he was the Finance Director of the BPP Professional Education division, a provider of international professional training. Prior to this he spent 8 years at ITE Group Plc, the international conference and exhibition organising group, as Deputy Finance Director, during which time he also spent six months as Acting Group Finance Director. Spencer is a member of the Institute of Chartered Accountants of England & Wales, qualifying with Arthur Andersen. He currently owns approximately 0.03% of Empresaria.

Penny Freer – Non-Executive Director

Penny Freer joined the Board in December 2005. Penny is a partner of London Bridge Capital, a corporate finance advisory firm. Until 2004 she was Head of Equity Capital Markets at Robert W Baird and from 2004 to 2005, Deputy Chairman of Robert W Baird Limited. Previously she was responsible for Credit Lyonnais' small and mid-cap equities activities. Penny currently owns approximately 0.03% of Empresaria. She is a member of the audit committee and chairs the remuneration committee. Penny is also a non-executive director of Advanced Medical Solutions plc.

Zach Miles - Non-Executive Director

Zach Miles joined the Board on 1st October 2008, having recently held the position of Chairman and Chief Executive Officer of Vedior N.V. He was a member of the Board of Management from 1999, and Chairman since February 2004. Before joining Vedior, Zach was CFO and a member of the Board of Directors of Select Appointments Plc. His career in the recruitment industry began in 1988. He is a member of the remuneration committee and chairs the audit committee.

Shareholder information

<u>Shareholder</u>	<u>Number of shares (m)</u>	<u>% of total</u>
Caledonia Investments plc	10.1	23%
Tony Martin	9.2	21%
Miles Hunt	4.0	9%
Liontrust Asset Management	3.7	8%
Ennismore Fund Management	3.5	8%
T J D Sheffield	2.0	5%
	<hr/> 32.1	<hr/> 73%

Notes:

Other directors hold 90,000 shares
Total number of shares in issue is 44.6m