

Investor presentation – September 2012

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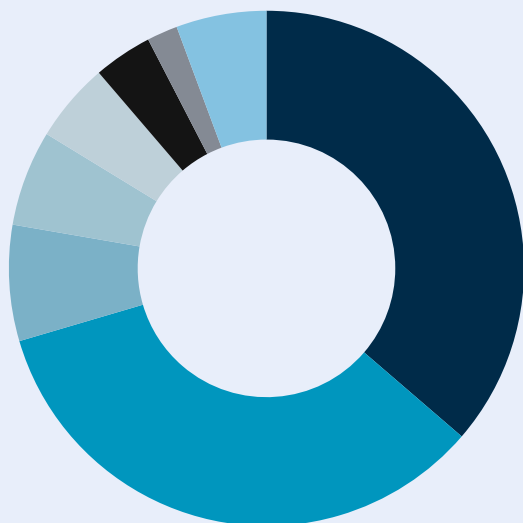
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Introduction to Empresaria

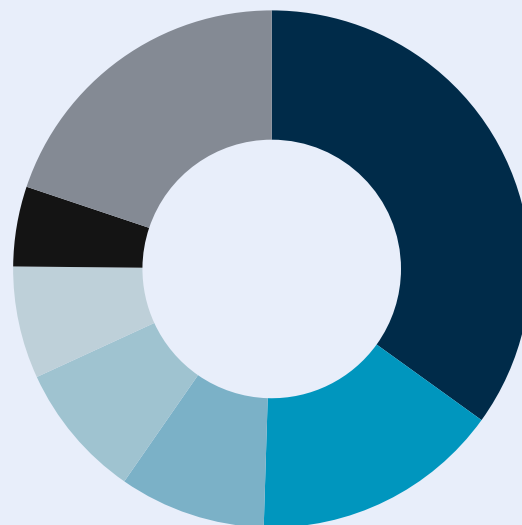
- ❑ **An international, multi-branded, specialist recruitment business**
- ❑ Exposed to both mature (established) and emerging (significant growth potential) recruitment markets
- ❑ Predominantly Temporary and Permanent recruitment
- ❑ Management incentivisation by equity participation

Empresaria's income streams

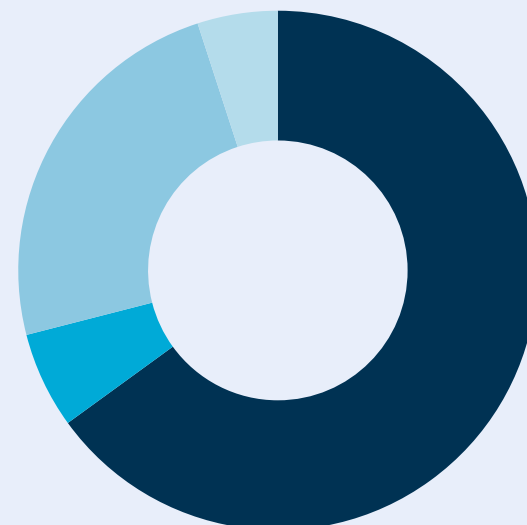
Net fee income: ...by Geography



...by Sector



...by Service



- Germany (36%) ■ UK (34%)
- Japan (7%) ■ Indonesia (6%)
- Finland/Estonia (5%) ■ Chile (4%)
- Australia (2%) ■ Other (6%)

- Industrial (35%) ■ Technical (16%)
- Retail (9%) ■ Financial (8%)
- Technology (7%) ■ Healthcare (5%)
- Other services (20%)

- Temporary recruitment (65%)
- Outsourcing & payroll services (6%)
- Permanent recruitment (24%)
- Training & RPO (5%)

Net fee income for the year ended 31 December 2011

Key brand portfolio

10 largest brands account for circa 90% of Group net fee income



<u>Brand</u>	<u>Sector</u>	<u>Locations</u>
Headway	Technical, Industrial	Germany, Austria
FastTrack	Technical	London
LMA	Financial	London, Singapore, Hong Kong
Become	Services (creative)	London, Manchester, Sydney, Melbourne
Skillhouse	Technology	Tokyo
Mediradix	Healthcare	Finland, Estonia
Greycoat	Services (domestic)	London
Monroe	Financial, Technology, Industrial, Retail (executive search)	Jakarta, Bangkok, Manilla, Singapore
Learning resources	Training	Jakarta, Singapore
Alternativa	Retail (outsourcing)	Santiago



Brands have ongoing potential to be stretched, either into new territories or a broader sector coverage

Growth strategy - focus on key economic centres

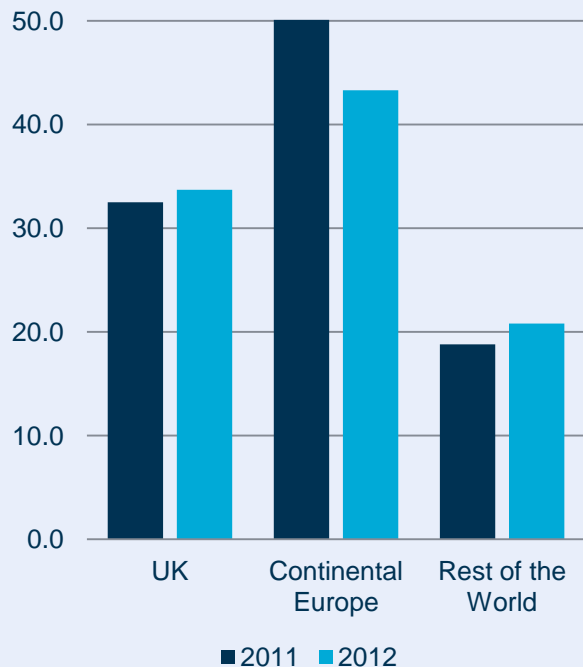
- Operating in selected cities in 19 countries - the key economic centres where the staffing market has the most potential (“hot spots”)
- Deliver organic growth and financial performance from core existing brands
- Selective acquisitions which enhance strategy delivery, but no longer acquisition led...



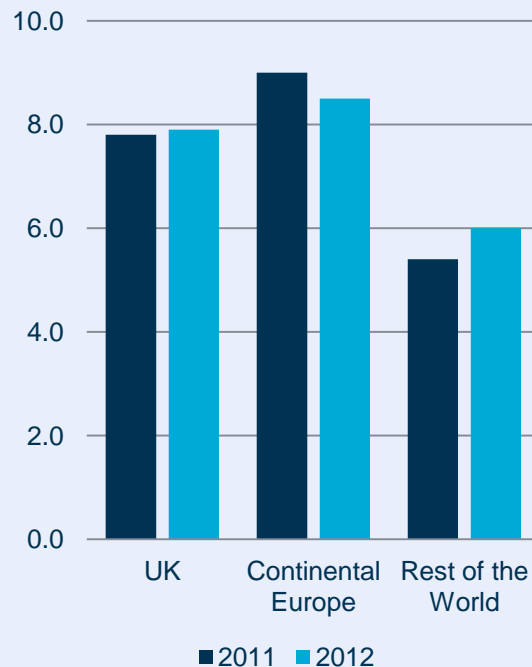
City population figures sourced from www.citymayors.com

Half year results

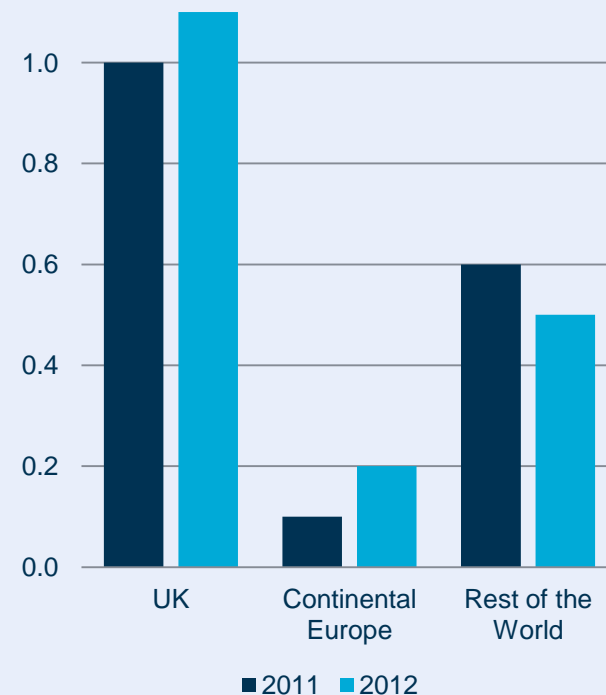
Revenue (£m)



NFI (£m)



Adjusted operating profit (£m)



£m	<u>Revenue</u> 2012	<u>Revenue</u> 2011	<u>% change</u>	<u>NFI</u> 2012	<u>NFI</u> 2011	<u>% change</u>	<u>Adj</u> <u>Operating</u> <u>profit</u> 2012	<u>Adj</u> <u>Operating</u> <u>profit</u> 2011	<u>% change</u>
UK	33.7	32.5	4%	7.9	7.8	1%	1.1	1.0	10%
Continental Europe	43.3	50.1	(14%)	8.5	9.0	(6%)	0.2	0.1	100%
Rest of the World	20.8	18.8	11%	6.0	5.4	11%	0.5	0.6	(17%)
Total	97.8	101.4	(4%)	22.4	22.2	1%	1.8	1.7	6%

Current trading and outlook

- ❑ Full year profit expected to be slightly ahead of prior year despite uncertain market conditions
- ❑ Strongest growth coming from Asian markets. UK remains stable
- ❑ Focus on improving operational performance across the Group
- ❑ Restructuring underway in Germany with new MD. Key priority to put Germany back to profitable growth but will take more time
- ❑ CGZP provision reduced as exposure becomes clearer and lower
- ❑ Committed to identifying opportunities for organic growth and selective development

Appendices

1. Income statement – six months to 30 June 2012
2. Balance sheet – June 2012
3. Cash flow – six months to 30 June 2012
4. KPIs
5. Empresaria Board
6. Shareholder information
7. Equity incentivisation philosophy

1. Income statement – Six months to 30 June 2012

Income statement £m	2012	2011	Change	
Revenue	97.8	101.4	(4%)	Revenue decreased by 4%, with a 13% increase in permanent sales and 5% drop in temporary sales. On a like-for-like currency basis, revenue was 1% down on the prior year.
Net fee Income (gross profit)	22.4	22.2	1%	Net Fee Income was 1% higher than prior year as the increase in permanent sales offset lower temporary revenue. Temporary margin increased from 16.5% in 2011 to 16.6%. On a like-for-like currency basis the net fee income is 4% up on the prior year.
Overheads	<u>(20.6)</u>	<u>(20.5)</u>		Overheads increased by £0.1m through increased bad debts.
Adjusted operating profit*	1.8	1.7	6%	
Interest	<u>(0.4)</u>	<u>(0.5)</u>		
Adjusted profit before tax*	1.4	1.2	17%	Exceptional credit in 2012 of £0.1m, on German provision.
Movements in put and call options	0.0	0.0		Effective tax rate of 35% in 2012.
Exceptional items and amortisation	0.0	(3.1)		Discontinued operations disposed of in 2011, Supply chain (UK) and ACI (Indonesia).
Tax	(0.5)	0.5		
Loss from discontinued operations	-	(0.2)		
Profit/(loss) for the period	<u><u>0.9</u></u>	<u><u>(1.6)</u></u>		
Adjusted EPS* (p)	1.4	0.9	56%	Increase in EPS from improved trading and impact of minority share purchases. No material impact on fully diluted basis.
IFRS EPS (p)	1.4	(3.3)		

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

2. Balance sheet – 30 June 2012

£m	2012	2011
Property, plant & equipment	1.5	1.8
Goodwill and intangibles	26.5	29.0
Deferred tax asset	1.4	1.9
Call option asset	0.2	0.4
	<u>29.6</u>	<u>33.1</u>
Trade and other receivables	30.2	33.2
Cash and bank balance	5.9	7.9
	<u>36.1</u>	<u>41.1</u>
Trade and other payables	(21.0)	(24.4)
Provision for exceptional items	(1.7)	(3.0)
Current tax liability	(1.4)	(1.4)
Short-term borrowings	(6.2)	(7.4)
Put option liability	-	(0.6)
	<u>(30.3)</u>	<u>(36.8)</u>
Long-term borrowings	(8.2)	(9.0)
Deferred tax liabilities	(0.8)	(0.7)
	<u>(9.0)</u>	<u>(9.7)</u>
Net assets	<u>26.4</u>	<u>27.7</u>
Equity attributable to equity holders of parent	(23.1)	(24.4)
Non-controlling interests	(3.3)	(3.3)
Total equity	<u>(26.4)</u>	<u>(27.7)</u>

Capital expenditure of £0.3m on fixed assets.

Goodwill reduced by disposal of ACI and foreign exchange movements.

Call option asset reduced to £0.2m. Put option expired.

Average debtor days 51 (2011: 50).

Net debt of £8.5m, in line with June 2011.

Average debt lower in H1 2012.

Fully supportive bank. Facilities last renewed in March 2011:

UK loans & overdrafts of up to £8.5m

RCF of £6.25m (term to 2016)

Overseas loans & overdrafts of up to £4.4m

Invoice financing facilities of up to £11.5m

£22.8m of facility utilised at half year.

No movement in share capital. Equity movements from translation impact and purchase of minority shares (equity reserve rather than goodwill).

3. Cash flow – Six months to 30 June 2012

Cash flow statement

£m	<u>2012</u>	<u>2011</u>
Profit/(loss) for the period	0.9	(1.6)
Depreciation and amortisation	0.6	0.5
Tax and interest added back	0.9	-
Loss on disposal of subsidiary	-	0.1
Exceptional - provision	(0.2)	3.0
Working capital	(1.1)	(2.3)
Cash generated by operations	1.1	(0.3)
Tax, interest & capex	(1.6)	(1.7)
Dividends to non-controlling interests	(0.4)	(0.1)
Investments and disposals	(1.2)	(0.5)
Cash inflow from loans and borrowings	2.2	3.3
Increase in cash in the period	0.1	0.7
Foreign exchange	(0.2)	0.1
Net increase in borrowings	(2.8)	(3.2)
Net debt at beginning of period	(5.6)	(6.1)
Net debt at 30 June 2012	(8.5)	(8.5)
Total borrowings including non-recourse invoice financing	(16.9)	(15.4)

Cash generated from operations was £1.1m, after £1.1m working capital investment.

Dividends paid to minority shareholders of £0.4m, relating to Headway and Bar 2.

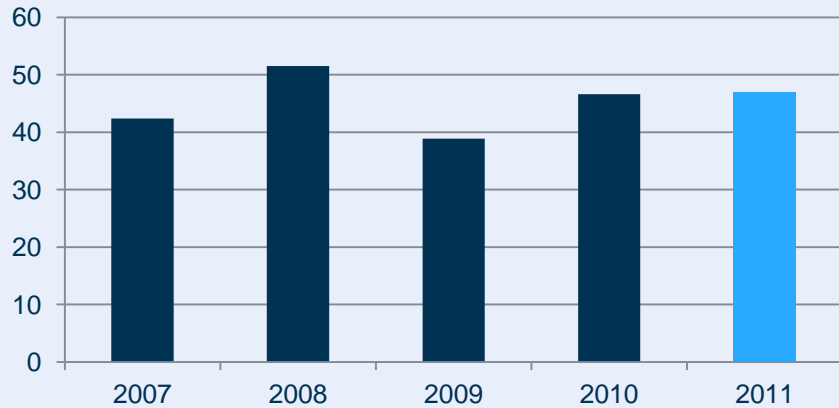
Investments include £1.1m on Headway shares (6.7%) and £0.3m on Bar 2 shares (14.5%), with £0.2m cash inflow, including £0.1m on final ACI receipt.

Net debt level with prior year.

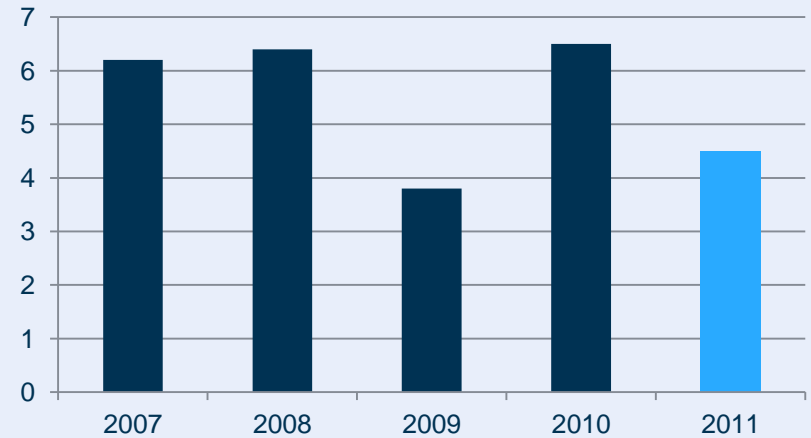
Overall, total borrowings including non-recourse invoice financing, increased by £1.5m.

4. Key Performance Indicators

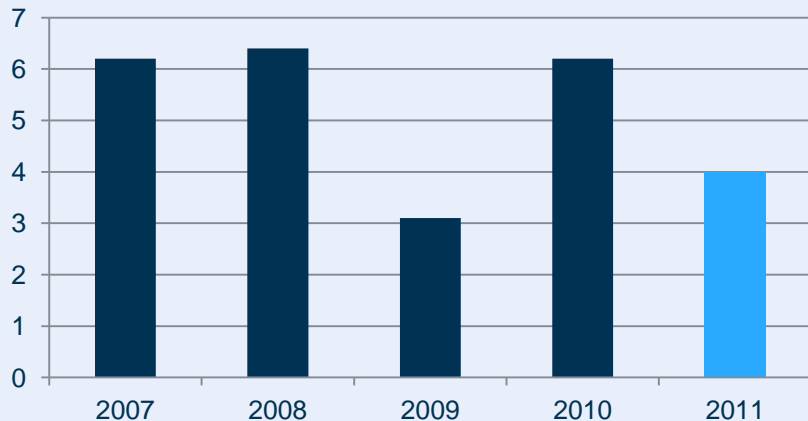
Net fee income (£m)



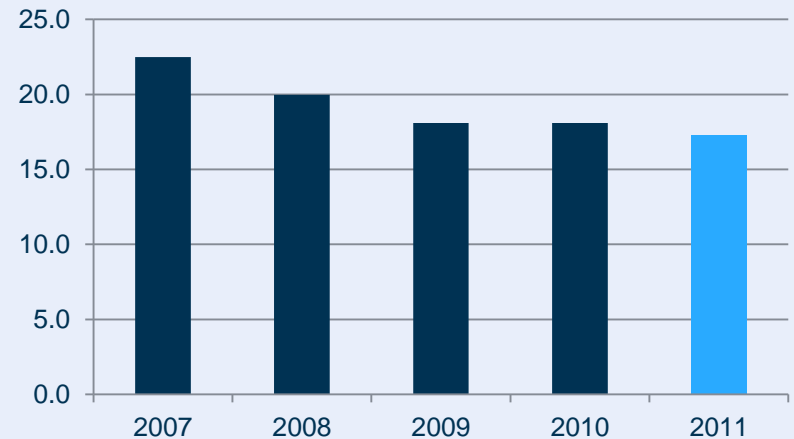
Adjusted profit before tax (£m)



Adjusted EPS (p)

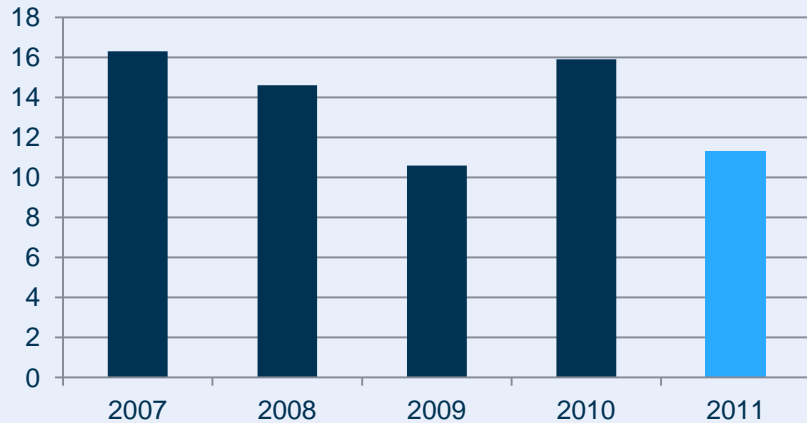


Temporary margin (%)

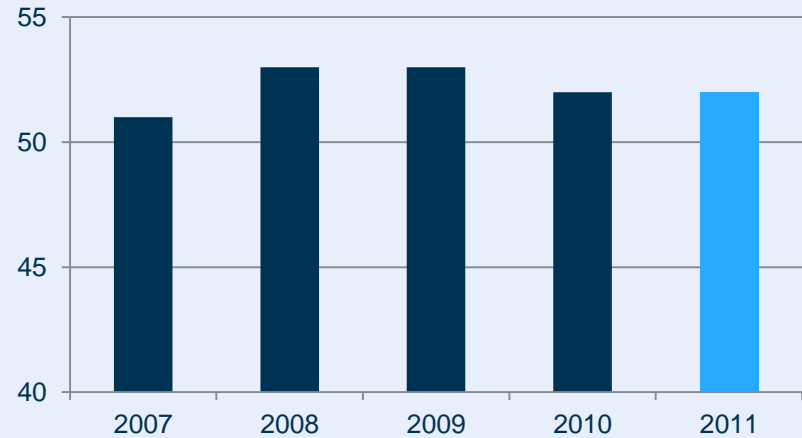


4. Key Performance Indicators (cont.)

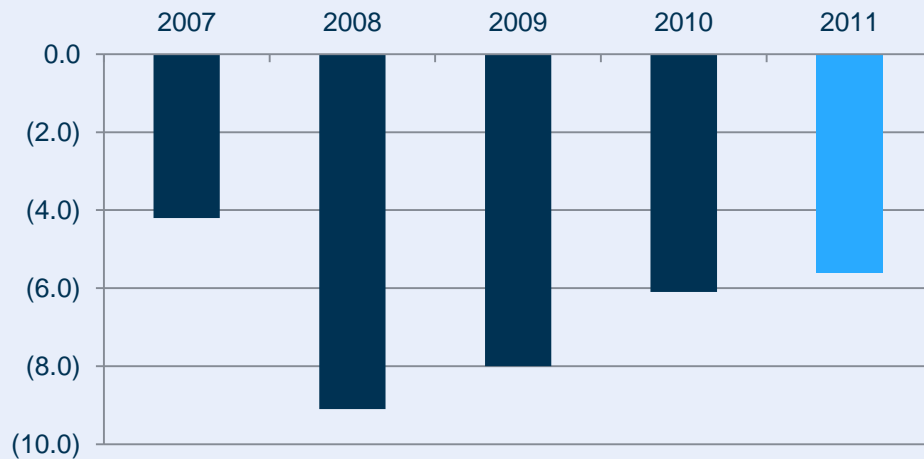
Conversion ratio (%)



Average debtor days for year



Net debt (£m)



5. The Empresaria Board

Tony Martin (Chairman)

Tony served as Chairman and CEO of Select Appointments (Holdings) Limited from 1992 to 1999 when he became Vice Chairman and member of the Board of Management of Vedior NV, the world's third largest staffing services group. In August 2000 he assumed the role of Chairman and CEO, which he served until his retirement in February 2004. Tony held the position of Executive Chairperson at Corporate Services Group until standing down in September 2007.

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.

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.

Zach Miles (Non-Executive Director)

Zach 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 was formerly a partner in the international accountancy firm Arthur Andersen and is a qualified Chartered Accountant. He sits on the Remuneration committee and is the Chairperson of the Audit committee.

Penny Freer (Non-Executive Director)

Penny has worked in investment banking for over 25 years. She is a partner of London Bridge Capital, a corporate finance advisory firm. Until 2004 Penny was Head of Equity Capital Markets at Robert W Baird and from 2004 – 2005, Deputy Chairman of Robert W Baird Limited. Prior to this she was Head of Small/Mid Cap Equities for Credit Lyonnais. Penny is an independent director of two quoted companies: in addition to Empresaria she also sits on the Board of Advanced Medical Solutions plc. She joined the Board of Empresaria in December 2005. Penny is the Chairperson of Empresaria's Remuneration committee and also sits on the Audit committee.

6. Shareholder information

Shares in issue: 44,562,847 ordinary shares

Market capitalisation: £11.1 million

Free float: 52.4%

Outstanding options: 1.22m (2.7% of fully diluted)

Significant shareholders:

Caledonia Investments	10,149,264	22.8%
A V Martin	9,690,546	21.8%
M W R Hunt	3,988,092	9.0%
Liontrust	3,723,468	8.4%
Ennismore	3,266,396	7.3%
T J D Sheffield	2,049,307	4.6%

7. Equity incentivisation philosophy

- ❑ Management capacity and structure established for ongoing growth
- ❑ Committed to incentivising operational management through equity participation in their businesses
- ❑ Helps drive long-term growth and retain/attract key management
- ❑ Only executive directors have options over Empresaria shares

	First generation	Second generation
Minority shareholder	Held by the business founder	Provided to next tier of management (normally when first generation shares have been acquired by Empresaria) to incentivise next growth phase
Profits	Interest in full profits of the business	Threshold profit limit exists. Minority shareholder only benefits from growth in profits above the threshold limit
Valuation basis	Typically 10x multiple on average of last three years profit after tax (lower multiple applies if Empresaria current multiple is below 10x)	
Requirement to acquire minority shares	Minority shareholder typically holds shares for 5 years before being able to offer them to Empresaria to acquire, with the valuation based on the agreed methodology. There is no obligation on Empresaria to purchase any shares.	
Level of minority shares	Typical range is between 49% and 5%, with an average Empresaria holding of approximately 75%	