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# Servcorp Limited

## Global Virtual Office expansion and capital raising

12 October 2009

SERVCORP
Smart Office®

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# Servcorp business highlights

## Servcorp is a market leader in the Serviced Office business and has a track record of global growth, with strong cash flow generation and return on capital from existing business

- A market leading Serviced Office business
- Track record of successful global expansion
- Strong return on capital
  - approximately 70%[1] for 2009A
- Diversity of client base and geographic spread
- Compelling expansion opportunity
  - depressed commercial real estate markets and high vacancy rates in prime/A-grade buildings
  - attractive market opportunity with trends towards outsourcing and working remotely
  - available pool of talented executives
- Proprietary business infrastructure and IT platform
  - IT platform enables rapid roll out of Virtual Office business model

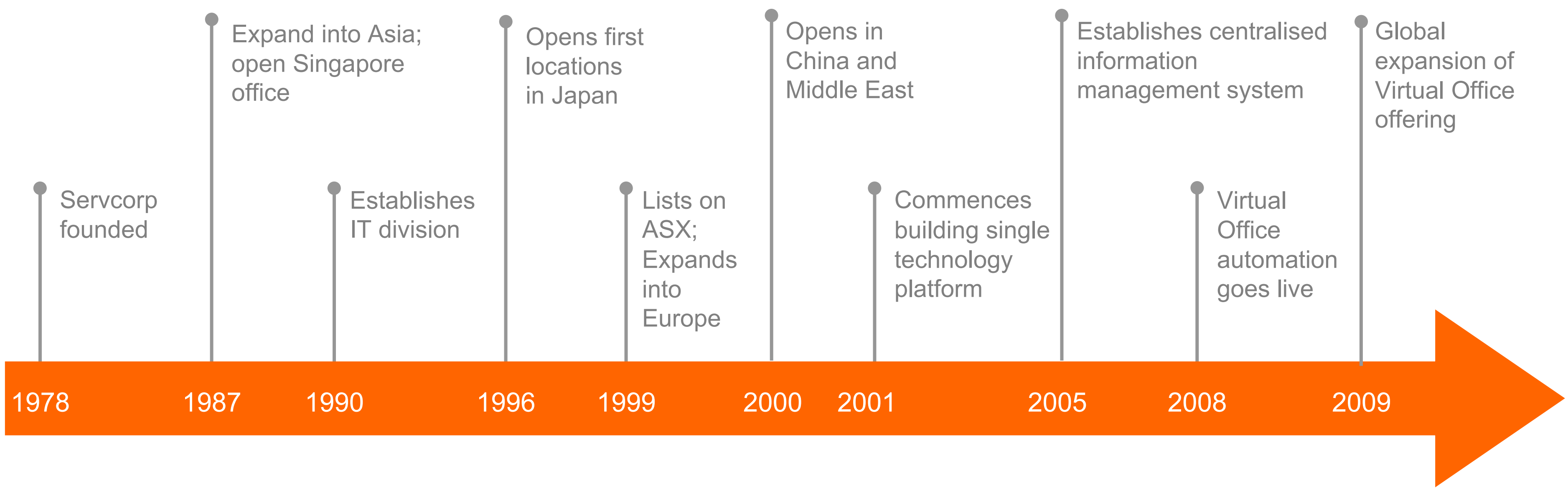
Note:
1 ROC defined as EBIT/(book equity + book net debt). Book debt used in this calculation excludes security deposit liabilities

**The Virtual Office model represents a compelling opportunity to expand and build upon Servcorp's existing business**

# The transformation of Servcorp

## Through 30 years of investment, Servcorp has built a proprietary IT platform

- When it was established in 1978 Servcorp's offering was premium quality Serviced Office space
- To improve the client service offering, Servcorp developed proprietary IT client service packages
- Today Servcorp has a proprietary IT platform that has become its primary service offering



# Servcorp senior management team

## Key management

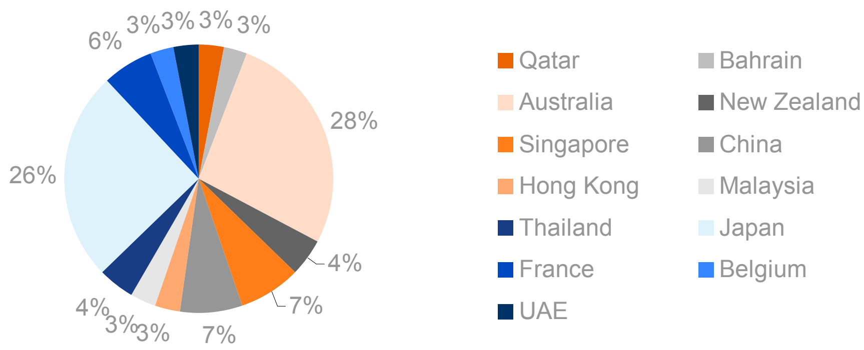
- **Alf Moufarrige, Chief Executive Officer**
  - Alf is one of the global leaders in the Serviced Office industry, with 30 years of experience
  - Alf is responsible for Servcorp's profitability, cash generation and direction of the senior management team
  - Alf will be primarily responsible for execution of the global growth plans
- **Taine Moufarrige, Executive Director**
  - Taine is responsible for operations in Australia, New Zealand, India and the Middle East and for strategic growth of the company in these regions
- **Marcus Moufarrige, CIO**
  - Marcus has been the driving force behind the advanced IT infrastructure that underpins all of Servcorp's business
- **Thomas Wallace, CFO**
  - Thomas is a Chartered Accountant with 14 years experience in finance and eight years experience specifically in the Serviced Office industry. Joined Servcorp 2001

## Other senior management

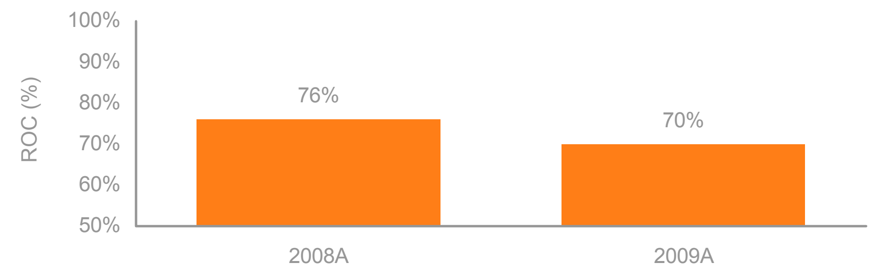
- **Susie Martin**
  - General Manager, Australia and New Zealand
  - Joined Servcorp in February 1995
- **Olga Vliestra**
  - General Manager, Japan
  - Joined Servcorp in July 1999
- **Laudy Laudo**
  - General Manager, Middle East
  - Joined Servcorp in November 2003
- **Wilma Wu**
  - General Manager, Greater China
  - Joined Servcorp May 2000

# Servcorp today

## Diversity of exposure
*2009A floors by region*

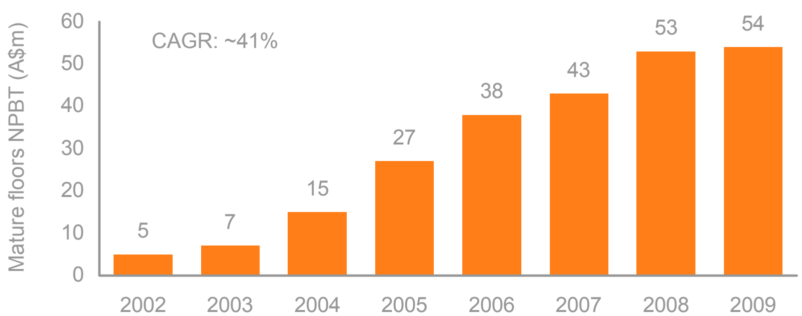



## Return on capital[1]
*2008A and 2009A (%)*



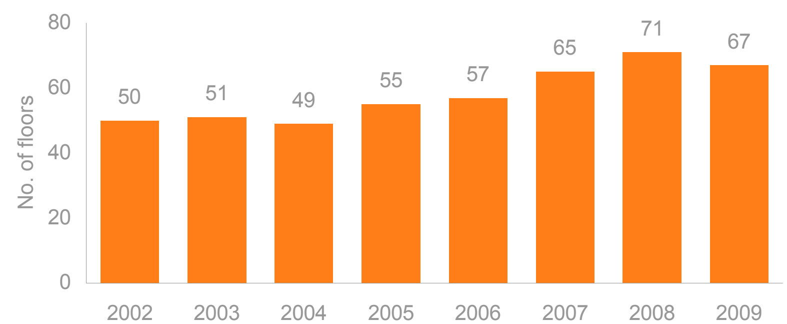

Note:
1 ROC defined as EBIT/(book equity + book net debt). Book debt used in this calculation excludes security deposit liabilities

## Strong track record of earnings growth[2,3]
*Historical mature floors NPBT*




Notes:
2 CAGR denotes compound annual growth rate
3 Between 2002A and 2005A Servcorp reported under AGAAP. Servcorp adopted AIFRS from 1 July 2005

## Floor expansion
*2002A to 2009A*



# 2009 financial performance

## Financial performance

| A$ million; YE 30 June | 2008A | 2009A |
|---|---|---|
| Revenue | 190.1 | 228.6 |
| Mature floor EBITDA | 58.2 | 62.3 |
| EBITDA | 50.8 | 56.9 |
| Mature floor EBIT | 49.7 | 51.3 |
| EBIT | 41.4 | 44.3 |
| Mature floor NPBT | 52.8 | 54.4 |
| NPBT | 44.6 | 47.3 |
| NPAT | 33.8 | 34.1 |
| EPS (cps) | 42.0 | 42.7 |
| DPS (cps) | 20.0 | 25.0 |

## Events post balance date

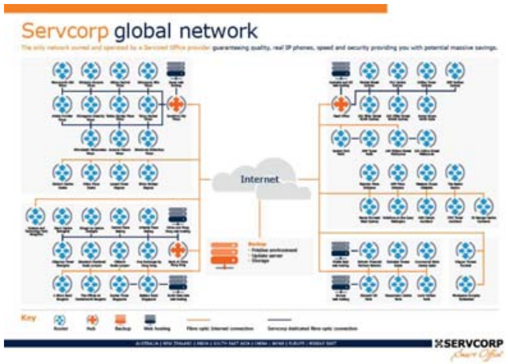
- A number of events have occurred since 30 June 2009
  - Servcorp has paid a dividend of approximately $8 million
  - six new leases have been signed in
    - Fukuoka (Japan),
    - Kuwait
    - Hong Kong
    - London (UK)
    - Chicago (USA)
    - Marina Bay Financial Centre (Singapore)

**Virtual Office** (Fukuoka, Kuwait)

**Serviced Office** (Hong Kong, London, Chicago, Marina Bay Financial Centre)

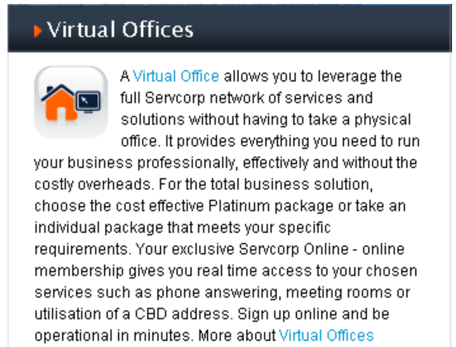
- Trading for the first two months of 2010F continued to be very difficult
- The financial impacts of the new expansion plan means there will be a drag effect on profits into the medium term
- These factors make it difficult to provide earnings guidance for the year ended 30 June 2010

# The Servcorp Platform




## The Network

- Physical and Virtual
- Currently over 60 locations
- All interconnected, all the same technology, all managed centrally
- Optimised global web infrastructure
- Client self provisioning and management
- VoIP enabled
- Scalability



Virtual Offices

A Virtual Office allows you to leverage the full Servcorp network of services and solutions without having to take a physical office. It provides everything you need to run your business professionally, effectively and without the costly overheads. For the total business solution, choose the cost effective Platinum package or take an individual package that meets your specific requirements. Your exclusive Servcorp Online - online membership gives you real time access to your chosen services such as phone answering, meeting rooms or utilisation of a CBD address. Sign up online and be operational in minutes. More about Virtual Offices

## Virtual Office

- Targeting SOHO's/SME's
- Potentially every home business
- The target average package price is approximately A$125[1] per month
- Approximately 20,000[2] packages
- Auto provisioning
- Minimal management/admin
- Minimal investment for client acquisition
- Landmark addresses

Serviced Offices

With a Servcorp Serviced Office you can run your business from the best CBD address. Enjoy the benefits of team support and IT infrastructure superior to that of a multi-national organisation without incurring the costs and financial commitment.
As a Servcorp client you'll have a dedicated receptionist, professional meeting rooms, secretarial support on hand and all on a flexible month-by-month basis.
Access to the international network of locations around the world is at your fingertips. You'll find that each and every location meets the highest international Servcorp standards, with an appropriate local touch. More about Serviced Offices

## Serviced Office

- Primarily targeting growth SME's or branch offices of MNC's
- "Plug and play" infrastructure
- Over 2,000[2] offices currently
- 5,000[2] network endpoints
- Landmark addresses
- Spectacularly appointed

Notes:
1 Package price denotes target global average
2 As at 30 June 2009



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# Competitive advantage

| | Scalable global network | Proprietary VoIP software |
|---|---|---|
| Customer facing advantages | ➢ Purpose built to provide Virtual Office service<br>➢ Tested—10 years since its initial deployment<br>➢ Substantial time and capital investment<br>➢ Challenging for competitors to retro fit existing networks<br>➢ 24 hour IT support<br>➢ Provides infrastructure of a multi-national company to allow clients to compete in any market | ➢ Developed in-house by Servcorp's R&D engineers<br>➢ Enables key customer functionality (eg. least-cost routing, onefone, high quality communications, voice to email, fax to email)<br>➢ Passes savings onto clients<br>➢ Validated by Cisco partnership |
| | **Automated provisioning system** | **Central management system** |
| Key drivers of operating efficiency | ➢ Enables customers to sign up online without human intervention<br>➢ Reduces cost of sign up and termination of an account<br>➢ Empowers clients with self-management<br>➢ Challenging for competitors to retro fit existing networks<br>➢ Automates service delivery | ➢ Enables automated billing<br>➢ Central management of pricing and margins<br>➢ Fully integrated with facilities<br>➢ Enables customers to book services and facilities globally instantly online |

# Attractive market fundamentals

## Servcorp management believes that current market conditions represent a superb opportunity to expand and lock in lower cost structures than previously available

| | |
|---|---|
| Favourable rental market conditions to acquire space | ➢ Favourable market conditions for Servcorp to acquire new space on attractive terms<br>– Prime/A-Grade CBD office vacancy rates are rising<br>– rental levels are static or declining in response to weak tenant demand<br>– lease incentives are at historic highs<br>– lease rates have reduced significantly in the past 18 months |
| Target clients for Virtual Office expansion | ➢ SMEs, SOHOs, Telecommuters, Road Warriors<br>– Every home office worker is a target client |
| Benefits to clients | ➢ Flexibility—work from anywhere<br>➢ Mobility—control your telecommunications online “find me follow me”<br>➢ Increases market presence—inexpensively get access to more markets<br>➢ Customer experience—improve first impressions …virtually and physically |

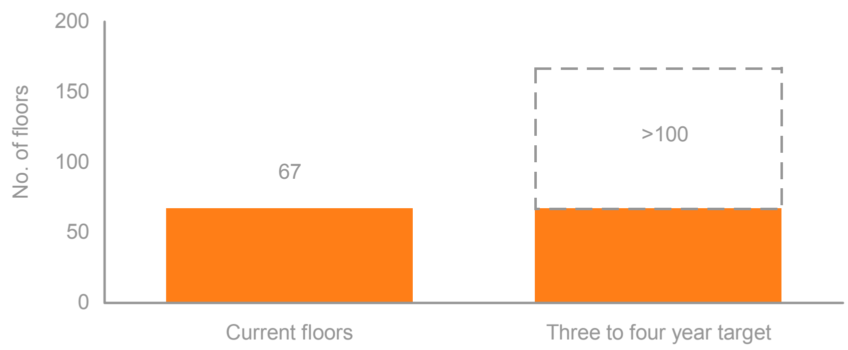
# Servcorp growth road map

## Servcorp's target is to open at least 100 additional floors over the next three to four years

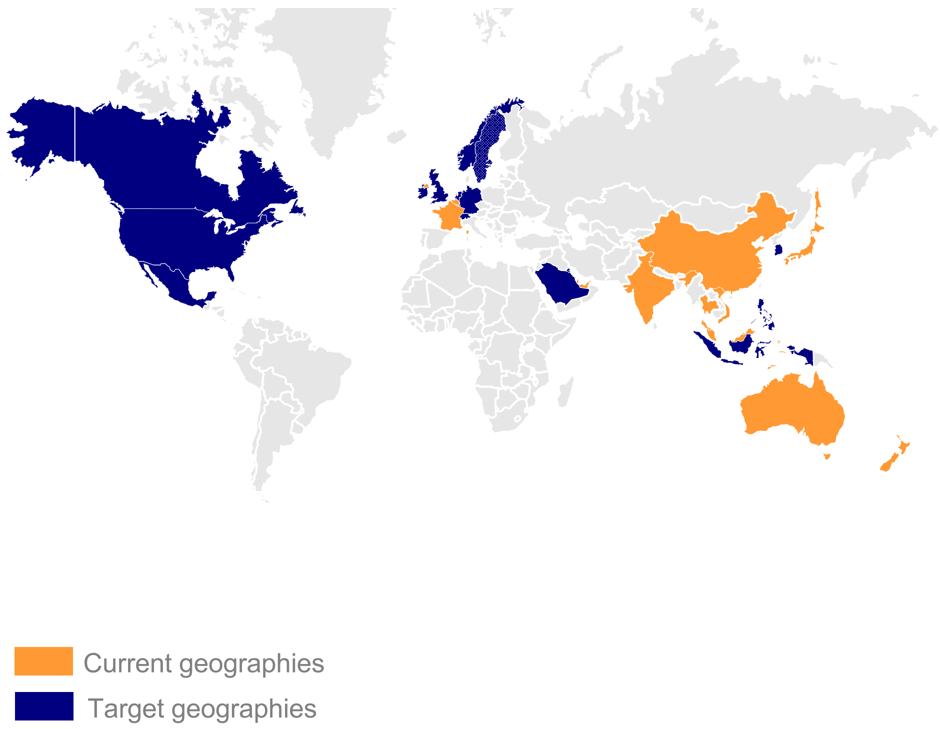
### Virtual Office roll-out strategy

- Servcorp intends to accelerate its floor expansion targeting at least 100 new floors over the next ~3 to 4 years largely focusing on the Virtual Office
- Some of the new floors are expected to be in existing regions and some in new markets
  - North America, Scandinavia, parts of Europe and parts of the Middle East

### Targeted floor roll out




### Geographic presence[1]




Note:
1 Current geographies denote locations as at 30 June 2009



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# Virtual Office versus Serviced Office

**The Servcorp technology platform allows the Virtual Office to be expanded off a smaller fixed cost infrastructure resulting in lower capital outlay, cheaper cost structure and potentially higher returns**

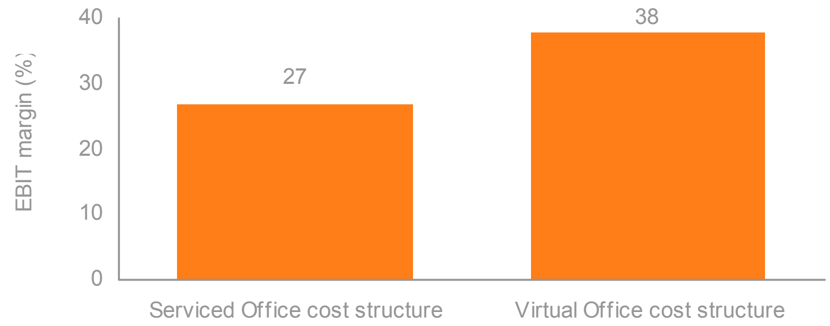
## Target Virtual Office versus Serviced Office cost structure[1]

| | Virtual Office cost structure | Serviced Office cost structure |
|---|---|---|
| Average floor size (sqm) | 425 | 1,200 |
| # client offices | 15 | 50 |
| # Virtual packages / floor | 350 | 350 |
| # Serviced Office clients / floor[4] | 12 | 40 |
| # staff needed / floor | 3 | 6 |
| Start up capex (A$m)[2] | 1.0 | 3.8 |
| Start up losses (A$'000)[3] | 260 | 1,200 |
| Virtual Office package pricing (A$/month) | 125 | 125 |
| Serviced Office package pricing (A$/month) | 2,500 | 3,500 |
| Time to break even (months)[4] | 9–12 | 16–20 |
| Annualised EBIT at 3 years from open date (A$ 000s)[4] | 450 | 800 |

Notes:

1 Indicative only. Estimated global average across all regions. All numbers are approximate
2 Comprises floor fit-out, IT fit-out, security deposit and miscellaneous items
3 Comprises cash losses of $120,000 and depreciation of $140,000 for the Virtual Office cost structure and cash losses of $660,000 and depreciation of $540,000 for the Serviced Office cost structure
4 Assumes average of 80% occupancy for both the Virtual Office cost structure and the Serviced Office cost structure

## Potential EBIT margin—cost structure




- When the lower cost structure associated with a smaller floor plate coverage is overlaid, profit margins increase
  - approximately a third of the capex of the traditional floor which implies a third of the depreciation
  - approximately a third of the rent of a traditional floor
  - half of the salaries
- The model is scalable and can be replicated

# Virtual Office model successfully implemented

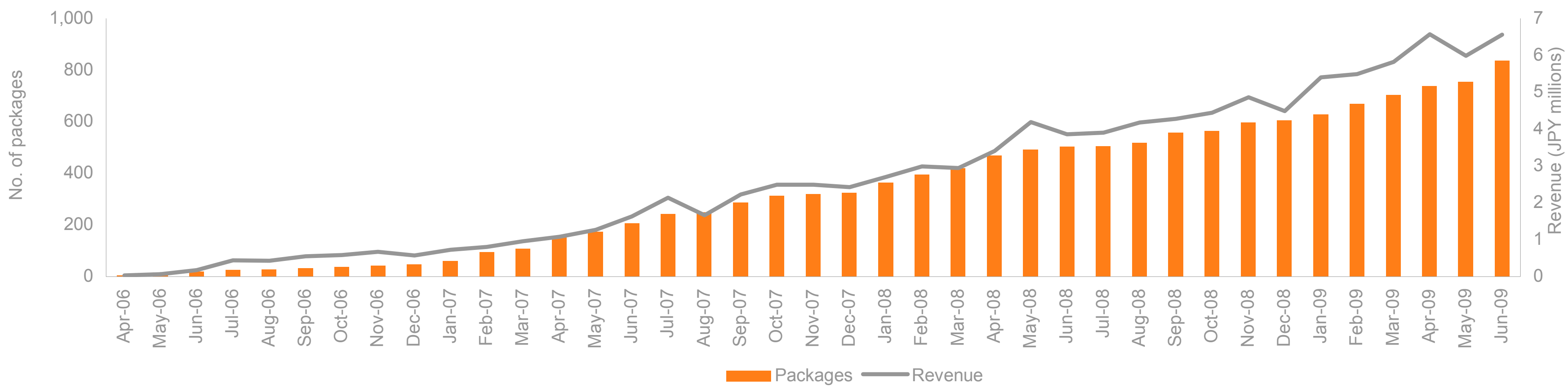
## There are more than 14 existing Servcorp locations that have over 500 virtual packages

| Ariake | June 2009[1] | June 2008[1] | Growth (pcp) |
|---|---|---|---|
| Revenue (JPY) | 6,558,369 | 3,854,053 | 70% |
| Packages | 836 | 503 | 66% |

Note:
1 Revenue for the month ended 30 June 2008 and 2009 respectively

- Virtual Office cost structure locations include Paris, Tokyo (Ariake), Hong Kong, Osaka, Sydney, Melbourne & Auckland
- Ariake demonstrates that the Virtual Office cost structure can drive revenue growth by applying search engine marketing and automation

### Ariake (Japan)—historical monthly revenue and package growth



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# Offer overview

**Offer structure**

- Accelerated non-renounceable 1 for 11 entitlement offer and institutional placement to raise gross proceeds of approximately $80 million
  - institutional entitlement offer to raise approximately $22 million
  - institutional placement to raise approximately $51 million
  - retail entitlement offer to raise approximately $7 million
  - eligible retail shareholders may apply for oversubscriptions. Oversubscriptions may be scaled back in the absolute discretion of Servcorp management
- Entitlement offer and placement fully underwritten by UBS
- Alf Moufarrige has agreed to take up $5 million of his entitlement

**Offer price**

- Offer price of $4.00 per new share, representing approximately 3.6% discount to the closing price of $4.15 on 9 October 2009

# Impact of offer and expansion plan

## The capital raising along with available existing cash reserves, will be used to fund the expansion

### Statement of financial position

| A$ millions | 2009A | Adj | 2009PF |
|---|---|---|---|
| Cash | 84 | 78[1] | 162 |
| Other current assets | 25 | | 25 |
| Non current assets | 100 | | 100 |
| **Total assets** | **209** | | **287** |
| Current liabilities | 54 | | 54 |
| Non current liabilities | 10 | | 10 |
| **Total liabilities** | **64** | | **64** |
| **Net assets** | **145** | | **223** |
| Issued capital | 76 | 78[1] | 154 |
| Retained earnings | 69 | | 69 |
| **Total equity** | **145** | | **223** |
| NTA ($ / share) | 1.65 | | 2.11 |

Note:
1 Net of capital raising costs

### Use of proceeds

- Along with available existing cash reserves[1], fund the new floor roll-out strategy including
  - security deposits
  - capex for floor fit-out, and IT systems
  - other costs

### Impact of immature floors

- Over the next three to four years, Servcorp will be expanding at a faster rate than historically
- The larger number of immature floors will have a material negative impact on profitability until the new floors reach maturity

Note:
1 Existing cash reserves as at 30 June 2009 were approximately $84 million



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# Timetable

| Event | Date [1,2] |
|---|---|
| Institutional entitlement offer and placement offer | 9.00am, Monday 12 October 2009 |
| Institutional entitlement offer and placement close | 5.00pm, Monday 12 October 2009 |
| Trading recommences | Tuesday 13 October 2009 |
| Record date | 7.00pm, Thursday 15 October 2009 |
| Retail entitlement offer opens | Tuesday 20 October 2009 |
| Retail booklet dispatched | Tuesday 20 October 2009 |
| Institutional entitlement offer and placement settlement date | Friday 23 October 2009 |
| Allotment and quotation of institutional entitlement offer and placement shares | Monday 26 October 2009 |
| Retail offer period closes | Friday 6 November 2009 |
| Retail settlement date | Monday 16 November 2009 |
| Allotment of retail shares | Tuesday 17 November 2009 |
| Quotation of retail shares | Wednesday 18 November 2009 |

Notes:

1 Dates and times are indicative only and subject to change. Servcorp, in conjunction with the underwriter has the right to vary any of the above dates and times without notice

2 All times refer to Australian Eastern Daylight Time

# Appendix 1—Key risks

**Introduction**

- A number of risks and uncertainties, which are both specific to Servcorp and of a more general nature, may affect the future operating and financial performance of Servcorp and the value of Servcorp shares. You should carefully consider the following risk factors, as well as the other information provided to you by Servcorp in connection with the Offer, and consult your financial and legal advisers before deciding whether to invest in the Servcorp shares. The risks and uncertainties described below are not the only risks facing Servcorp. Additional risks and uncertainties that Servcorp is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Servcorp's operating and financial performance.

**Expansion strategy execution risk**

- While Servcorp believes its expansion strategy offers significant opportunities, the achievement of Servcorp's Virtual Office expansion strategy is subject to a number of key risks. There are risks that the Virtual Office Cost structure may not be able to be replicated in the same manner as other locations or that the financial costs, growth and revenue in the current locations will not be replicated in any or all of the new Virtual offices

  **Customer demand**

  – The growth strategy is premised on there being sufficient customer demand in the targeted locations to support Servcorp's business model. There is a risk that customer demand might not exist to support the growth strategy.

  **Sourcing appropriate lease properties**

  – The growth strategy involves the identification and leasing of over 100 properties in the next three to four years. There is no guarantee that Servcorp will be able to source appropriate locations, enter into lease arrangements and establish Virtual Offices in the proposed timeframes.

  **Entering new markets**

  – Servcorp's strategy will involve expanding in existing markets and entering new geographic markets. Servcorp will face competitive, regulatory, compliance, personnel and financial risks in expanding into new geographic locations. New geographic markets may involve new operating risks because those markets may not offer the political or physical security of markets that Servcorp currently operates in.

  **IT infrastructure**

  – The planned expansion will place stress on Servcorp's IT infrastructure. There is a risk that Servcorp's existing IT infrastructure will not support the proposed growth. There is a risk that the IT infrastructure may require updating and expansion to meet the growth demands.

# Appendix 1—Key risks (cont)

**Control systems**

- There will be pressure placed on the ability of Servcorp to maintain appropriate control, compliance, operating and financial systems. There is a risk that a failure of these systems may lead to delays in implementing the expansion strategy or losses to Servcorp.

**Personnel**

- Additional management and other personnel will be required to be recruited in order to implement Servcorp's growth strategy. There is a risk that Servcorp will not be able to attract and retain the services of appropriate people in one or more locations to implement the expansion. Further, the growth strategy will place increased demands on existing management of Servcorp, training programs and human resources systems. There is a risk that a failure to retain existing key management and staff will impair the ability of Servcorp to achieve the expansion strategy.

**Marketing**

- Servcorp will be required to undertake significant marketing campaigns in attracting customers to its Virtual Office business in both current and new markets. There is a risk that the marketing strategies undertaken by Servcorp in attracting new customers to its Virtual Office business offering will not be successful in achieving appropriate customer levels to achieve adequate financial results in the time anticipated by the business plan.

**Lease risk**

- Servcorp faces risk by virtue of having long-term lease commitments against which it sub-leases on a short-term basis. The lease risk is held "off balance sheet" and as at 30 June 2009, the non-cancellable operating lease commitments was approximately $188 million. This lease liability will increase substantially as Servcorp executes the expansion plan. Servcorp (or its related entities) would be required to meet their obligations under their lease arrangements regardless of whether Servcorp is able to generate revenue through the sub-lease of the relevant floors. The risk is mitigated, to some extent, by:
  - Servcorp's ability to retain clients for periods beyond their initial lease term;
  - Servcorp's diversified client base by number, industry and size; and
  - Servcorp's ability to generate Virtual Office package sales which are less reliant than the Serviced Office model on physical lease space.

# Appendix 1—Key risks (cont)

**Foreign currency risk**

- Servcorp's activities expose it to financial risks of changes in foreign currency exchange rates. Movements in the Australian dollar and other currencies in which Servcorp generates revenue may have an adverse impact on Servcorp's future profitability.
- Whilst Servcorp does not have a formalised hedging policy, from time to time Servcorp enters into forward foreign currency exchange contracts to economically hedge anticipated transactions.

**Sustainability of growth, margins and dividends**

- A significant portion of Servcorp's operating expenditure is, in the short term, fixed in nature. As a result of this, Servcorp's profitability is highly sensitive to changes in occupancy in respect of serviced offices and number of clients in respect of Virtual Office.

**Economic conditions**

- The year ended 30 June 2009 involved difficult economic conditions for Servcorp's clients in many parts of the world. Servcorp's expansion plans and, profitability more generally, will be affected by the degree to which these economic conditions continue or the global economy further deteriorates. The nature of Servcorp's business requires that it enters into long-term lease commitments whilst it sub-lets to clients on a short-term basis. Servcorp bears a significant degree of fixed cost risk that might cause it to suffer losses in the event of economic deterioration.

**International operations**

- The political environment and legal systems in some of the countries in which Servcorp operates differ materially from the Australian political and legal environment. This could impact significantly on the enforceability of contracts and continuing availability of certain rights in these countries. Whilst Servcorp takes appropriate measures to monitor and ensure the efficient operation of its overseas operations, it is not possible to completely eradicate the risks of conducting business outside Australia. With Servcorp's increased international exposure resulting from the implementation of its expansion strategy the potential impact of these risks will increase.

**Customer churn**

- The implementation of the expansion strategy will result in revenue from Virtual Offices contributing a higher degree of revenue than is currently the case. Servcorp's historical experience has shown that Virtual Offices typically experience a higher degree of customer churn than Serviced Offices. Customer churn and potential customer loss may impact the future profitability of Servcorp.

# Appendix 1—Key risks (cont)

**Founder control and shareholding**

- Following the offer, Alf Moufarrige will own no less than approximately 50% of the undiluted shares on issue of Servcorp and will therefore retain control of the company. The sale of a large portion of the shares owned by Alf Moufarrige may affect the market price of Servcorp shares.

**Personnel risk**

- The continued service of Servcorp's key senior management, professional and technical personnel is pivotal to its success and ability to successfully implement its expansion strategy.
- A key aspect to the success of the global expansion plan is Servcorp’s ability to attract and retain talented management. This risk is heightened by the nature of the expansion into new geographic regions.
- Servcorp have in place short and long term incentive arrangements to retain key personnel and encourage ownership in Servcorp.

**Government actions**

- Servcorp’s operations could be affected by government actions in the countries or jurisdictions in which it has interests. The possible extent of introduction of additional legislation, regulations, guidelines or amendments to existing legislation that might affect Servcorp’s business is difficult to predict. Any such government action may require increased capital or operating expenditures and could prevent or delay Servcorp’s expansion plans or have a material adverse effect on Servcorp’s business and financial condition.

**Immature floor losses**

- Servcorp will be expanding at a faster rate than historically. A greater number of immature floors will have a materially larger negative impact on profitability on earnings until the new floors reach maturity.

**Tax risks**

- Servcorp is subject to taxation and other imposts in Australia and other jurisdictions in which it operates. Future changes in taxation laws in those jurisdictions, including changes in interpretation or application of existing laws by the courts or taxation authorities in those jurisdictions, may affect taxation treatment of Servcorp shares or the holding or disposal of those shares.

# Appendix 1—Key risks (cont)

**Competition**

- Servcorp faces competition from similar businesses in many of the markets it operates in. Some of those competitors have greater financial resources than are available to Servcorp. In addition, falling rents and higher vacancy rates provide opportunities for potential customers to lease or sub-lease office space directly. There is a risk that the activities of competitors and other competitive pressures will negatively impact the financial performance of Servcorp's business.

**Litigation and disputes**

- Disputes or litigation may arise from time to time in the course of business activities. There is a risk that material or costly disputes or litigation could adversely affect financial performance and share value.

**Risks relating to equity investments and markets**

- Investors should be aware that there are risks associated with any investment listed on ASX. The value of Servcorp shares may rise above or fall below the Offer Price, depending on the financial condition and operating performance of Servcorp. Further, the price at which Servcorp shares trade on ASX may be affected by a number of factors unrelated to the financial and operating performance of Servcorp and over which Servcorp and its directors have no control. These external factors include:
  - Economic conditions in Australia and overseas;
  - Investor sentiment in the local and international stock markets;
  - Changes in fiscal, monetary, regulatory and other government policies; and
  - Geo-political conditions such as acts or threats of terrorism or military conflicts.
- Investors should note that the historic share price performance of Servcorp shares provides no guidance as to its future share price performance.

# Appendix 2—International Selling Restrictions

This presentation and any accompanying documents do not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this presentation and any accompanying documents in jurisdictions outside Australia and New Zealand may be restricted by law and anyone who receives this presentation and any accompanying documents should seek advice on and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the new securities or the Equity Raising, or otherwise permit a public offering of new securities, in any jurisdiction outside Australia and New Zealand.

**New Zealand**

- This presentation and any accompanying documents are not a New Zealand prospectus or an investment statement and they have not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (or any other relevant New Zealand law). This presentation and any accompanying documents may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain. The offer to which this presentation relates is being made to the public of New Zealand under this presentation and any accompanying documents in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

**United Kingdom**

- This presentation and any accompanying documents (“Documents”) are only being distributed to, and are only directed at, persons in the United Kingdom that are both qualified investors within the meaning of section 86(7) of the Financial Services and Markets Act 2000 (“FSMA”) and also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FSMA Order"); or (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the FSMA Order (all such persons together being referred to as "Relevant Persons"). The Documents and their contents are confidential and should not be distributed, published or reproduced (in whole part) or disclosed by recipients to any other person in the United Kingdom as this may contravene the FSMA. Any investment or investment activity to which the Documents relate is available in the United Kingdom, to Relevant Persons only. Any person in the United Kingdom that is not a Relevant Person should not act or rely on the Documents or any of their contents.

**Switzerland**

- The shares the subject of the offer to which this presentation relates (New Shares) may not be offered or sold in Switzerland except in circumstances that will not result in the offer of the New Shares being a public offering in Switzerland pursuant to article 652a of the Swiss Code of Obligations ("CO"). Accordingly, investors will not be protected by the provisions of the CO or any other Swiss law. Neither this presentation nor any other offering or marketing material relating to the New Shares constitute a prospectus pursuant to article 652a CO or any other Swiss law.

# Appendix 2—International Selling Restrictions (cont)

**Netherlands**

- In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), no offer of the shares the subject of the offer to which this presentation relates (New Shares) to the public in that Relevant Member State prior to the publication of a prospectus in relation to the New Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, has been made and will be made, except for offers made:
  - to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
  - to any legal entity which has two or more of:
    - an average of at least 250 employees during the last financial year;
    - a total balance sheet of more than EUR 43,000,000 and
    - an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or
    - an national or regional government body, central bank, international or supranational financial organization or other type of international organisation; and
  - to certain natural person; subject to mutual recognition, a Member State may choose to authorise natural persons who are resident in the Member State and who expressly ask to be considered as qualified investor, if these persons meet at least two of the following criteria:
    - the investor has carried out transactions of a significant size on securities markets at an average frequency of, at least, 10 per quarter over the previous four quarters;
    - the size of the investor’s securities portfolio exceeds €500.000 and
    - the investor works or has worked for at least one year in the financial sector in a professional position which requires knowledge of securities investment;
  - in any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 3(2) of the Prospectus Directive. For the purposes of this provision, the expression an “offer to the public” in relation to any offered shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Shares to be offered so as to enable an investor to decide to purchase or subscribe for New Shares as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/73/EC and includes any relevant implementing measure in each Relevant Member State.

# Appendix 2—International Selling Restrictions (cont)

**Hong Kong**

- This presentation and any accompanying documents (Documents) are provided only for the personal and confidential use of professional investors as defined in the Hong Kong Securities and Futures Ordinance (Cap 571) (“SFO”). If you are not a professional investor as defined in the SFO, you are hereby notified that any review, dissemination, distribution or copying of this message is strictly prohibited.
- The Documents are not a prospectus within the meaning of the Companies Ordinance (Cap 32) (“CO”) nor is it an advertisement, invitation or document subject to section 103(1) of the SFO.
- The shares the subject of the offer to which the Documents relate (New Shares) have not been authorised by the Hong Kong Securities and Futures Commission and no invitation, advertisement or other document relating to the New Shares, whether in Hong Kong or elsewhere, has been or will be issued, which is directed at, or the contents of which are likely to be accessed or read by the public in Hong Kong within the meaning of the SFO (except if permitted to do so under the laws of Hong Kong) other than to “professional investors” within the meaning of the SFO and any rules thereunder. Accordingly, the Documents must not be distributed, published or reproduced (in whole or in part), disclosed by or to any other person in Hong Kong other than to “professional investors”. The Documents will be given to designated recipients only and may not be provided, assigned or transferred, to any person. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of the Documents, you should obtain independent professional advice.
- At any time during the period of six months from the date of allotment of the New Shares, you must not make an offer of such New Shares in respect of which you are the beneficial owner to the public. Further, you must not do any act which will make the allotment of those shares be deemed to be an allotment with a view to such New Shares being offered for sale to the public under section 41 of the CO.

# Appendix 2—International Selling Restrictions (cont)

**France**

- Prospective investors are informed that no prospectus (including any amendment, supplement or replacement thereto) has been or will be prepared in connection with the offering of the shares the subject of the offer to which this presentation relates (New Shares) and Entitlements that has been approved by the French Market Authority (Autorité des marchés financiers) or by the competent authority of another State that is a contracting party to the Agreement on the European Economic Area and notified to the Autorité des marchés financiers. No prospectus subject to the approval (visa) of the Autorité des marchés financiers has been, or will be, prepared in connection with the New Shares.
- The New Shares are not issued in the French Republic and the New Shares and Entitlements may not be offered or sold nor will be offered or sold to the public in the French Republic and neither this document nor any other material or other material or information relating to the New Shares may be released, issued or distributed, caused to be released, issued or distributed, to the public in France, or used in connection with any offering of the New Shares to the public in France, except that the New Shares may be offered exclusively to (i) persons licensed to provide the investment service of portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers) and/or (ii) qualified investors (investisseurs qualifiés) acting for their own account, all as defined and in accordance with Articles L. 411-1 and L. 411-2 of the French Code monétaire et financier and applicable regulations thereunder.
- Prospective investors are informed that (i) such prospective investors may only take part in the transaction solely for their own account, as provided in Articles D. 411-1 to D. 411-3, D. 744-1, D. 754-1 and D. 764-1 of the French Code monétaire et financier and (ii) the New Shares and Entitlements may not be further distributed, directly or indirectly, to the public in the French Republic otherwise than in accordance with Articles L. 411-1, L. 411-2, L. L. 412-1 and L. 621-8 to L. 621-8-3 of the French Code monétaire et financier and applicable regulations thereunder.

# Appendix 2—International Selling Restrictions (cont)

**Singapore**

- Neither this presentation nor any accompanying documents ("Documents") have been, or will be, registered as a prospectus in Singapore with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, the Documents must not be issued, circulated or distributed nor may the shares the subject of the Documents (New Shares) be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or directly, to persons in Singapore other than:
  - to an institutional investor under section 274 of the SFA, and in accordance with any rules made under the SFA:
  - to a relevant person pursuant to section 275 of the SFA, or any person pursuant to section 275(1A) of the SFA, and in accordance with the conditions specified in sections 275 of the SFA and any rules made under the SFA; or
  - otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA and any rules made under the SFA.

  Where the New Shares are subscribed or purchased under section 275 of the SFA by a relevant person which is:
  - a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
  - a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of which is an individual is an accredited investor,

  shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the New Shares under section 275 of the SFA except:
  - to an institutional investor or to a relevant person, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interests in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in section 275 of the SFA;
  - where no consideration is given for the transfer; or
  - where the transfer is by operation of law.

  By accepting the Documents, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth above and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of law.

# Appendix 2—International Selling Restrictions (cont)

**Germany**

- The shares the subject of the offer to which this presentation relates (New Shares) are neither registered for public distribution with the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - 'BaFin') according to the German Investment Act nor listed on a German exchange. No sales prospectus pursuant to the German Securities Prospectus Act or German Sales Prospectus Act has been filed with the BaFin. Consequently, the New Shares must not be distributed within the Federal Republic of Germany by way of a public offer, public advertisement or in any similar manner and this document and any other document relating to the securities in the Company, as well as information or statements contained therein, may not be supplied to the public in the Federal Republic of Germany or used in connection with any offer to the public in the Federal Republic of Germany or any other means of public marketing. The New Shares must not be forwarded to further recipients; this includes any on-sale of the New Shares.
- As no view on taxation is expressed, you are urged to consult your own tax advisors as to the tax consequences that may arise from an investment in New Shares.

**Norway**

- The offering of shares to which this presentation relates (Offer) falls outside the scope of the Norwegian public offer rules under the Securities Trading Act as the Offer is only directed at investors that qualify as professional investors.
- Accordingly, the contents of this presentation and any accompanying documents have not been approved by or registered with Oslo Børs (the Oslo Stock Exchange) nor with the Norwegian Company Registry or any other Norwegian public authority. Each investor should carefully consider individual tax questions before making any application in respect of the Offer. Neither this presentation nor any accompanying documents should in any way be copied or otherwise distributed by the recipient.

**Ireland**

- This document has not been approved by the Financial Regulator in Ireland for the purposes of the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland. If you are in any doubt about the contents of this document or as to the action you should take, you should if resident in Ireland seek independent financial advice from a stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is duly authorised or exempted under the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended).