

21 November 2012

The Manager
Company Announcements Office
Australian Securities Exchange
By Electronic Lodgement

Dear Sir

**Servcorp Limited (SRV)
2012 Annual General Meeting**

Servcorp Limited will today address its Members at its Annual General Meeting to be held at The Grace Hotel, Wilarra Room, Level 2, 77 York Street, Sydney, commencing at 5:00 pm.

Following is the management presentation to the meeting.

Yours faithfully



Greg Pearce
Company Secretary

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Servcorp Limited

Annual General Meeting

Wednesday 21 November, 2012

A.G. Moufarrige, CEO
Marcus Moufarrige, COO

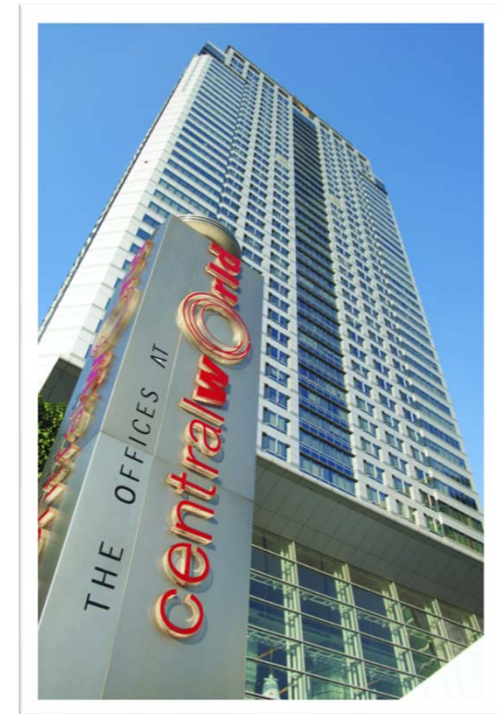
 **SERVCORP**

Operational Highlights

FY 2012



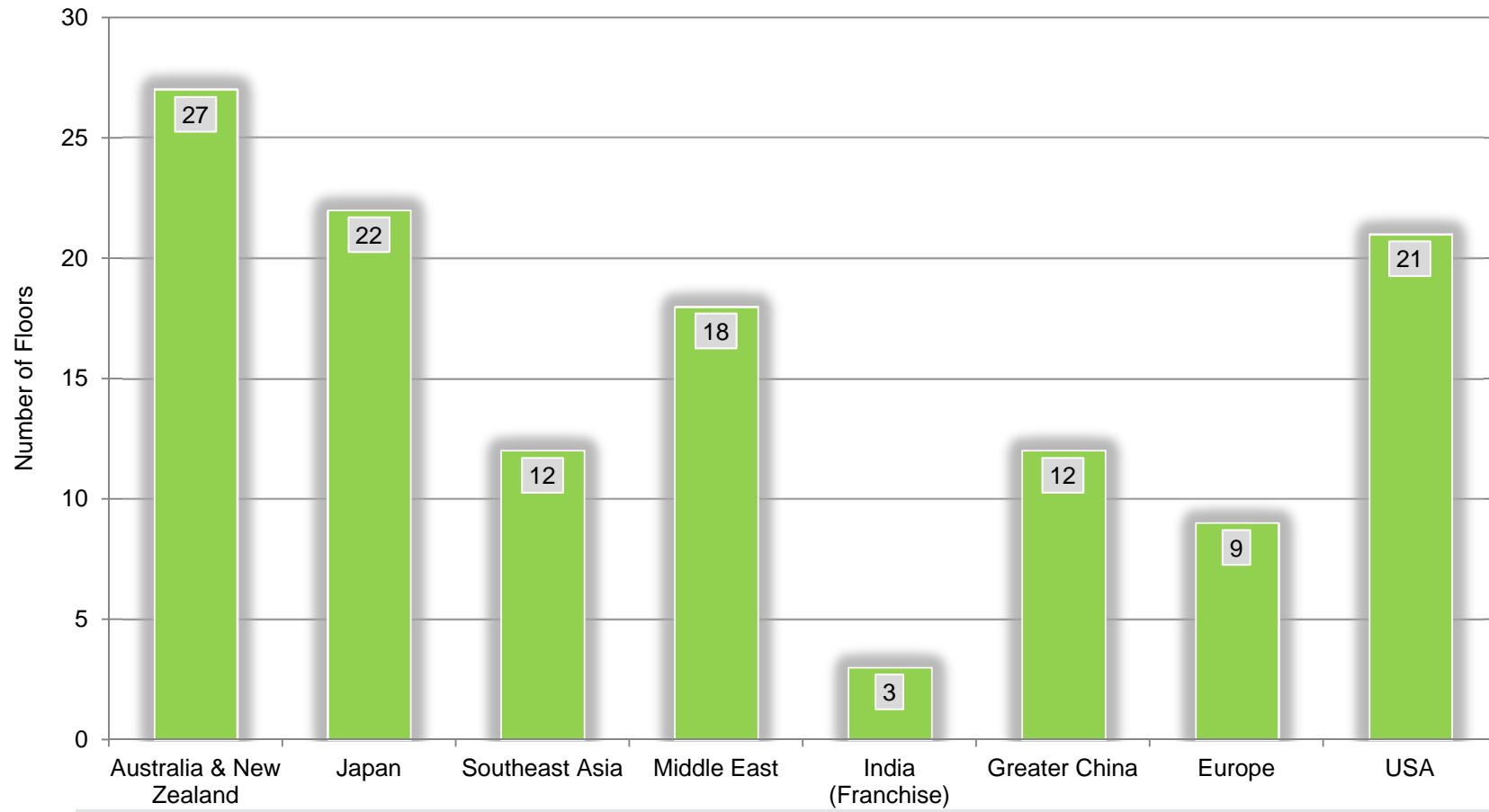
- Revenue of \$200,785,000, up 10% on FY 2011
- Mature NPBT up 20% to \$37,307,000, in line with guidance
- NPBT of \$18,329,000, 7% above guidance
- Operating cash flow up 70% to \$32,003,000
- Unencumbered cash balances of \$95,765,000
- NTA backing of \$1.87 per share
- Total dividend of 15.0 cps, 67.5% franked



Operational Highlights

FY 2012

Total Floors at
30 June 2012 = 124



Financial Results

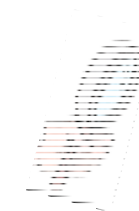
FY 2012



	FY 2012 \$AUD 000's	FY 2011 \$AUD 000's	%	Constant Currency %
Total revenue	200,785	182,056	10%	12%
Mature floor net profit before tax	37,307	31,019	20%	
Immature floor loss	(18,978)	(27,983)	(32%)	
Total net profit before tax	18,329	3,036	504%	503%
Tax	(3,528)	(543)	550%	
Net profit after tax	14,801	2,493	494%	

Financial Results

FY 2012



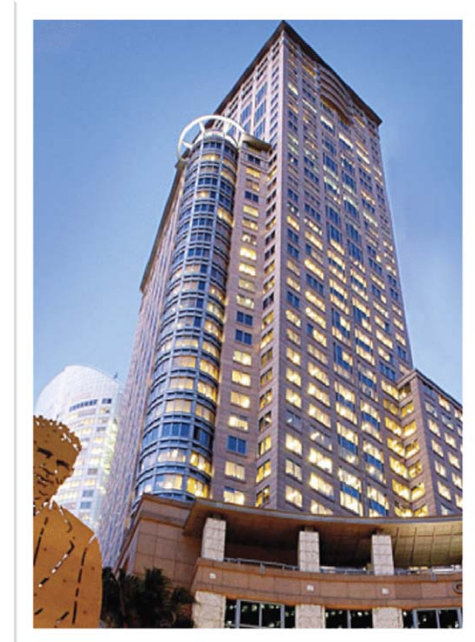
	As at 30 June 2012 \$AUD 000's	As at 30 June 2011 \$AUD 000's	%
Cash balances	104,334	99,993	4%
Cash balance (unencumbered)	95,765	91,269	5%
Total Net Assets	198,709	192,612	3%
Net Tangible Assets (per share)	\$1.87	\$1.81	3%
	FY 2012	FY 2011	%
Earnings per share (cents per share)	15.0 cps	2.5 cps	500%
Dividend per share (cents per share)	15.0 cps	10.0 cps	50%

Mature Business

FY 2012



- FY 2012 was a challenging year:
 - economically
 - commercially; and
 - from a trading point of view
- Competition in many markets continues to be aggressive
- We are encouraged by
 - Revenue growth of 10%
 - Mature profit growth of 20%
- Revenue and profit growth achieved despite the strong AUD
- Average mature floor occupancy stable at 78% (FY 2011: 79%)
- At 30 June 2012 there were 124 floors in 52 cities in 21 countries



Immature Business

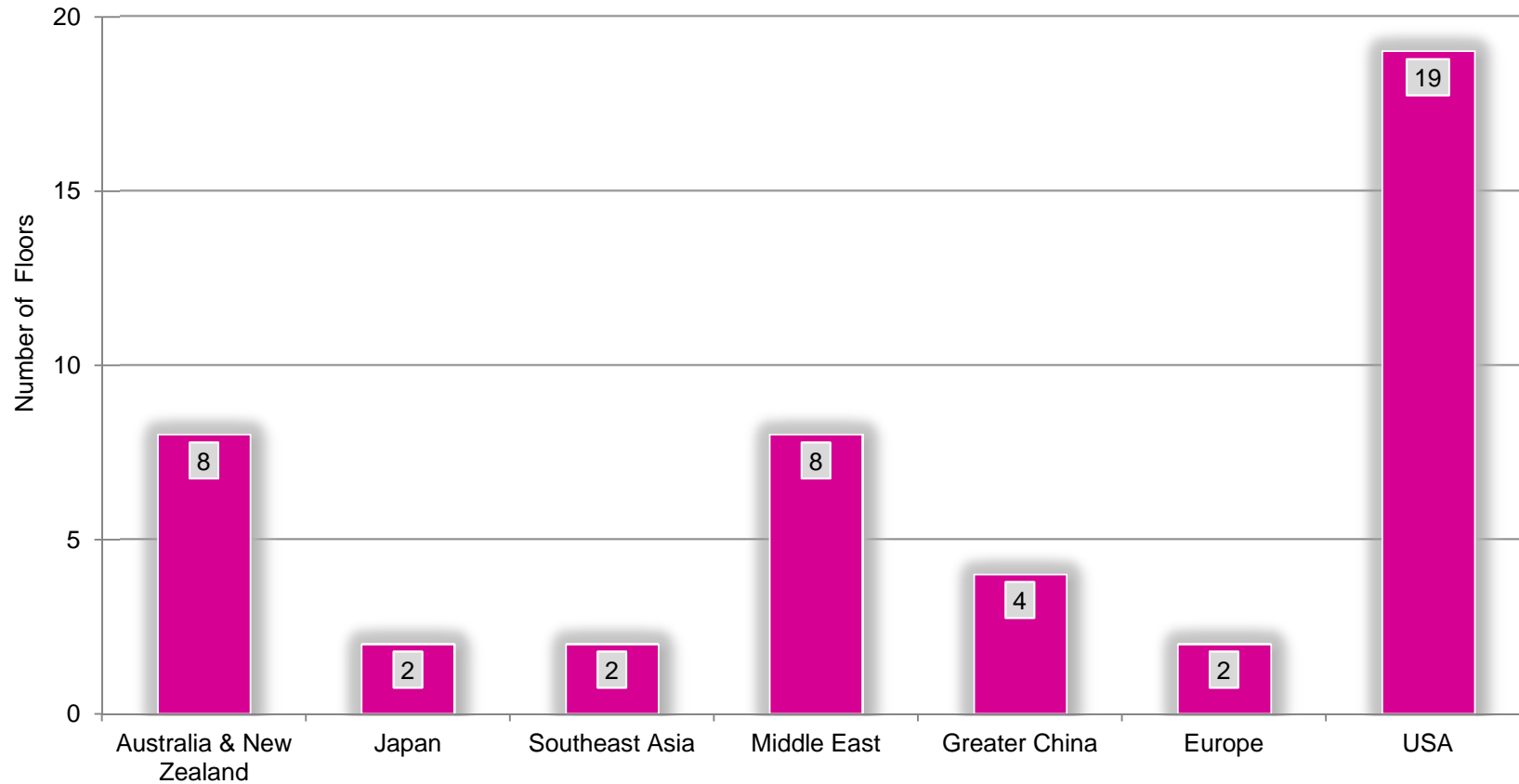
FY 2012



- Immature floor revenue continues to increase modestly each month
- We are satisfied with the progress of immature floors, except in the USA;
 - Challenges experienced caused an initial lag in revenue growth
 - Revenue lag has impacted the rate of maturity of our USA floors
 - Overall USA revenue is approximately 12 months behind original projections
 - Revenue growth for the USA for FY 2012 is however on target
 - Immature USA floors will not become mature until 1 July 2013
- 45 floors immature at 30 June 2012

Immature Business FY 2012

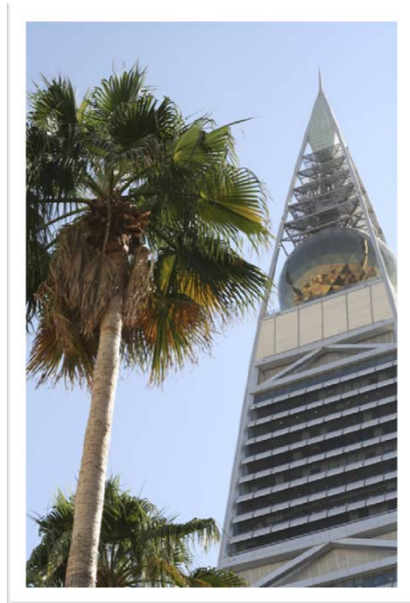
Immature Floors by Region at
30 June 2012 = 45



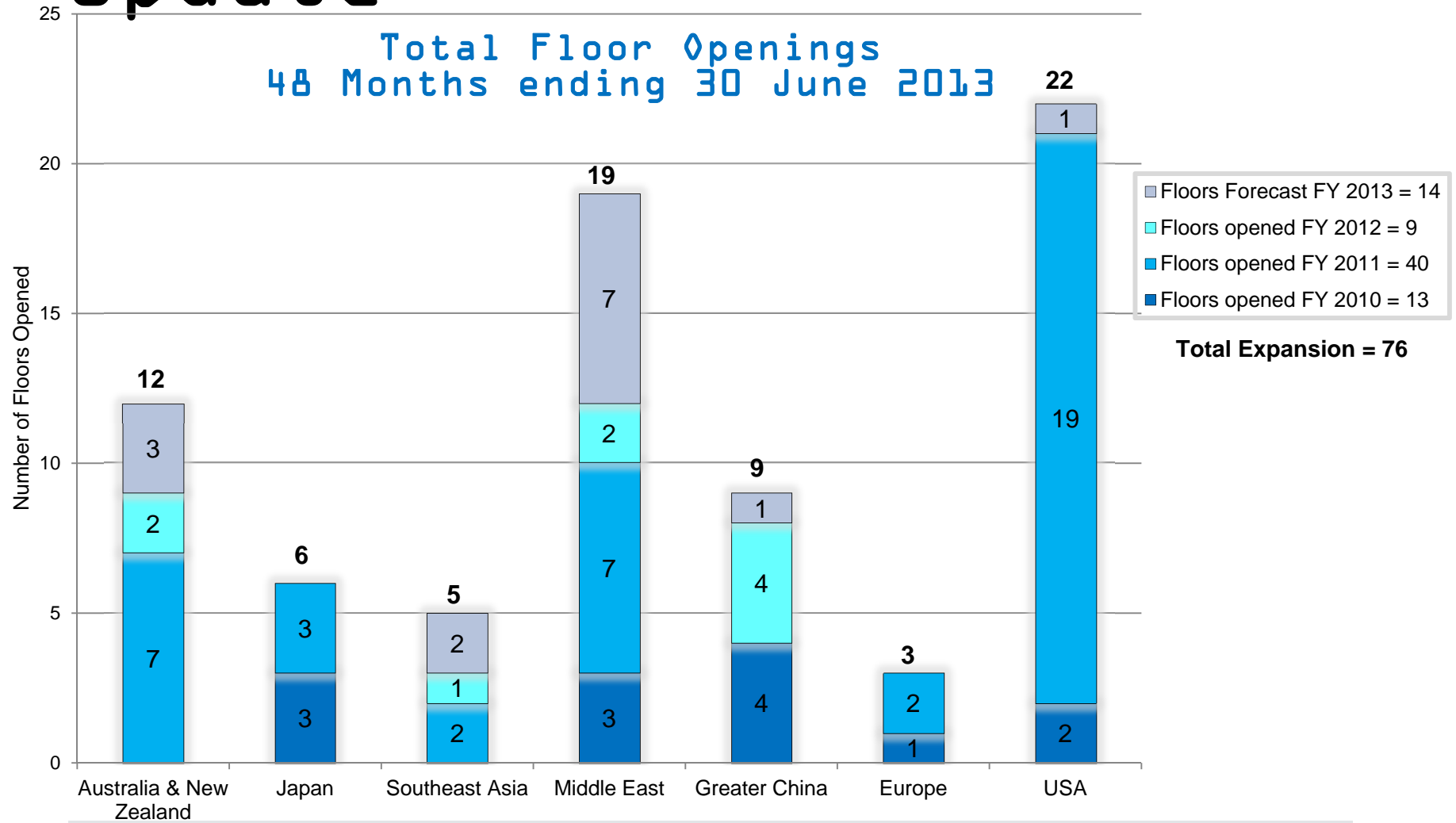
Global Expansion Update



- FY 2011 was Servcorp's biggest expansion year ever, opened 40 floors
- Slowed expansion in FY 2012, opening 9 floors
- 62 new floors opened in the 36 months to 30 June 2012
- Anticipate opening approximately 14 floors in FY 2013



Global Expansion Update



Buyback



- Servcorp announced an on-market buy-back;
 - effective 11 September, 2012
 - to buy up to 5.0 million ordinary shares
 - for a maximum period of 12 months
- The Directors have decided to implement this buy-back;
 - to utilise surplus cash; and
 - to improve EPS for shareholders
- There is no guarantee that any shares will be bought back.
- No director (or entity associated with a director) will sell into the buy-back
- As at 21st November 2012, Servcorp has bought back 8,532 shares at an average price of \$3.10

Dividend FY 2012

- Total dividends paid in relation to FY 2012 of 15.0 cents per share, 67.5% franked

Dividend FY 2013 Forecast

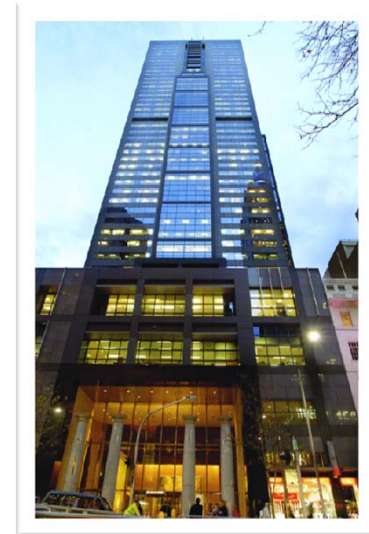
- We expect to pay the following fully franked dividends:
 - Interim dividend of 7.5 cents per share
 - Final dividend of 7.5 cents per share

These payments are subject to currencies remaining constant, global financial markets remaining stable and no unforeseen circumstances

Trading Update

Q1 FY 2013

- Global financial market turmoil continued to impact business confidence and office sales
- Trading conditions were very challenging, particularly in Singapore, Australia, Japan and the USA
- Trading results were substantially lower than originally expected but we have now introduced measures to reduce vacancy
- So far in FY 2013 we have opened 4 new floors in:
 - Singapore
 - Melbourne
 - Parramatta
 - Perth
- We also expanded one floor in Hong Kong



Outlook



- Despite a very challenging first quarter, where profits were below expectations, we intend to maintain our NPBT guidance of approximately \$27 million:
 - Approximately \$9 million in H1 FY 2013, 10% ahead of H1 FY 2012
 - Approximately \$18 million in H2 FY 2013, 77% ahead of H2 FY 2012
- Should we achieve this projection, we will have managed a 47% increase in NPBT over FY 2012

This forecast assumes currencies remain constant, global financial markets remain stable and no unforeseen circumstances

- We now expect to open 14 floors in FY 2013
- With a virtual base of 35,000 packages and 137 serviced office floors by 30 June 2013, Management remain very optimistic for the future outlook of Servcorp
- With 1,100 vacant offices, and an additional 400 under construction, Servcorp's potential future positive cash flow far exceeds current performance



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 **SERVCORP**