



Servcorp Limited
ABN 97 089 222 506

Level 12 MLC Centre
19-29 Martin Place
Sydney NSW 2000 Australia

T | +61 2 9231 7616
F | +61 2 9231 7665
W | servcorp.com.au

25 February 2010

The Manager
Company Announcements Office
Australian Stock Exchange Limited
By electronic lodgement

Dear Sir

Servcorp Limited (SRV)
Half Year Results Presentation

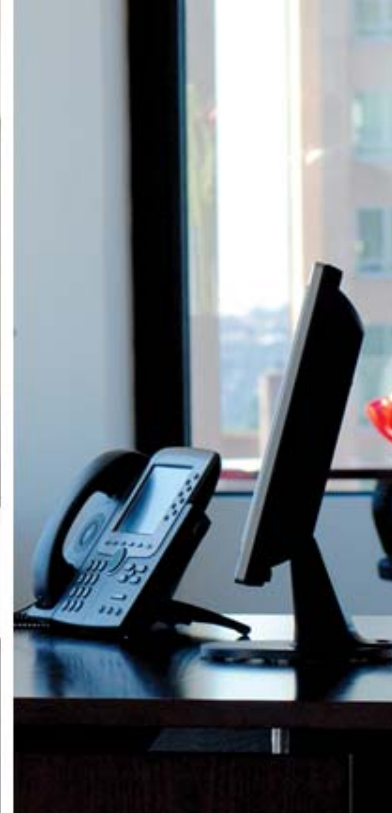
Enclosed is a copy of the 2010 Half Year Results briefing presented at Servcorp's results presentation held at Level 12, MLC Centre, Sydney at 4.30 p.m. this afternoon.

Yours faithfully



Greg Pearce
Company Secretary

Gp:lh:c:secretariat:halfyearresults25022010



Servcorp Limited Analyst Presentation

Alf Moufarrige, CEO

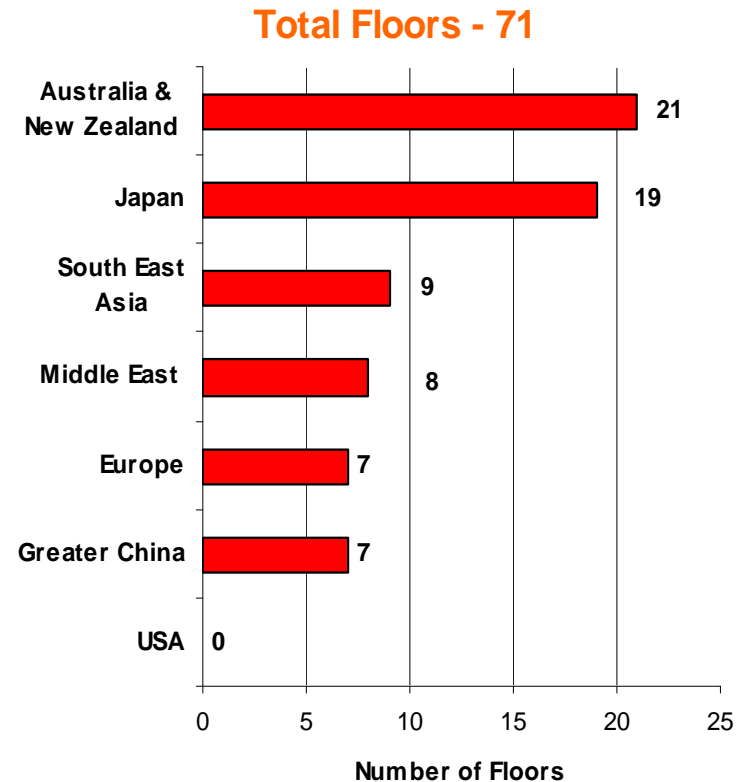
Thomas Wallace, CFO

Thursday 25 February, 2010

Six Months ended 31 December 2009

Operational Highlights H1 2010

- Mature floor NPBT of \$12.05 million for H1 2010 (in line with forecast)
- Virtual Office packages up 5% in H1 2010 (10% annualised)
- Virtual Office revenue up 7% in constant currency for H1 2010
- 5 new floors opened in London, Jeddah, Abu Dhabi, Fukuoka and Tokyo
- Closure of 3 floors in the 2009 / 2010 year
- Development of Virtual Office business model
- Capital raising of \$80 million for the purposes of expansion
- Global expansion is on track



Financial Results - H1 2010

	H1 2010 \$000's	H1 2009 \$000's	%	% (Constant Currency)
Revenue	84,034	118,298	(29%)	(21%)
Mature Floor Net Profit Before Tax (excluding interest, foreign exchange and abnormals)	12,003	27,308	(56%)	
Mature Floor Net Profit Before Tax (in line with forecast)	12,045	31,666	(62%)	
Immature Floor Expansion costs	(8,966)	(1,515)		
Office Squared Losses	(1,208)	(2,058)	41%	
Net Profit Before Tax	1,871	28,093	(93%)	(92%)
	At 31/12/2009 \$000's	At 30/06/2009 \$000's		
Net Assets	213,164	145,291	47%	
Cash Balance	142,960	83,958	70%	
Net Tangible Assets (per share)	\$2.00	\$1.71	17%	
Interim Dividend (cents per share)	5.00 cps	10.00 cps		

Serviced Office Business

- Very difficult trading environment in H1 2010 as a result of the global financial crisis:
 - Increased competition in Serviced Offices
 - Occupancy rates have suffered
 - Office prices have been impacted
 - Serviced Office margins compressed
- Average occupancy has softened from 81% in H1 2009 to 76% for H1 2010
- Office revenue for H1 2010 has decreased by 32% compared H1 2009
- Office revenue decreased by 28% on a constant currency basis compared to H1 2009
- We believe we have hit the bottom of our earnings cycle in the Serviced Office business



Virtual Office Business

- Continued growth of Virtual Office - package growth of 5% for H1 2010 (annualised 10% growth)
- Virtual Office revenue increased by 2% in H1 2010
- Virtual Office revenue increased by 7% on a constant currency basis compared to H1 2009
- Management are happy with Virtual Office growth to date
- We are excited by the development of the Virtual Office business model
- Purchase of virtualoffice.com domain name



SERVCORP | Virtual Office
Everything but the office®
www.servcorpvirtual.net

Office Squared

- The Office Squared business has been scaled back considerably
- In the process of terminating the Joint Venture in I-City
- Office Squared will continue to operate in two locations:
 - Hangzhou, China
 - Norwest, Sydney
- Losses for H1 2010 were \$1.2 million
- Action has been taken to further reduce losses

Around The World 2009 – 2010

AUSTRALIA & NEW ZEALAND

- Not impacted to the same extent as other countries by the global financial crisis
- One floor will close in H2 2010
- Intend to open four new locations by the end of calendar 2010
- Virtual Office is performing well

JAPAN

- Recession has impacted business confidence
- Competition has increased
- Virtual Office is performing very well
- Management are confident there is a market upswing underway



Around The World 2009 – 2010

GREATER CHINA

- Loss of some big clients in Shanghai and Beijing
- Management has been restructured in Greater China
- Two floors will close in H2 2010
- We have just opened in the best building in Hong Kong in 2IFC (January 2010)
- On track to recovery in H2 2010

SOUTHEAST ASIA

- Singapore and Kuala Lumpur have seen dramatic falls in commercial property values
- A recovery is now evident in both of these markets
- Bangkok market has proved resilient to the global financial crisis



Around The World 2009 – 2010

MIDDLE EAST

- The property market in Dubai has suffered a material downturn. Servcorp is still profitable in this city
- Other cities in the Middle East are performing as expected
- Opened new floors in Jeddah and Abu Dhabi in H1 2010
- A floor in Kuwait has just opened in February 2010
- Six more floors to open in this region by the end of calendar 2010

INDIA

- Real estate market continues to be depressed
- Both Indian locations will be profitable in February 2010



Around The World 2009 – 2010

EUROPE

- Paris office market continues to be soft
- Brussels surprised on the upside and is now in profits
- London opened in December 2009



USA

- Commenced expansion in H1 2010
- First floor to open in Chicago in March 2010
- We expect to have at least twelve floors open in the USA by the end of calendar 2010



Global Expansion Is On Track

- The intention is to rapidly expand Servcorp's footprint globally
- The opportunity to expand exists now because:
 - Real estate markets are at cyclical lows and rents can be locked in at low rates
 - We have developed the Virtual Office business model
 - There is an availability of quality space
- Opened five floors in H1 2010 and another two floors so far in H2 2010
- A further 13 leases committed to
- An additional 20 leases are in the advanced stages of negotiation
- We are fully funded to complete our expansion plan:
 - \$30 million (approx) will be generated by the mature business in calendar 2010
 - \$142 million cash in the bank at 31 December 2009
- A strong AUD enables us to construct floors overseas below budget estimates

2009/2010 Outlook

- Trading conditions will continue to be challenging in the medium term
- Revenue in January / February 2010 is encouraging
- Mature floor net profit before tax will continue at approximately \$2 million per month for the second half of the 2010 financial year (assuming currencies remain constant) subject to unforeseen circumstances and global financial markets remaining stable
- Expansion costs for new floors will continue to have a material negative impact on group profits until they reach maturity
- Expect to open no less than 35 floors by 31 December 2010
- Expect to have 29,000 Virtual Office packages by 31 December 2010
- On track to open 100 floors by 2012 - 2013

2009 / 2010 Dividend

- March 2010 interim dividend of 5 cents (fully franked) declared
- October 2010 final dividend of 5 cents (fully franked) anticipated

