



12 November 2008

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
By Electronic Lodgement

Dear Sir

**Servcorp Limited  
Annual General Meeting 2008**

Servcorp Limited (SRV) will today address its Members at its Annual General Meeting to be held at Level 12 MLC Centre, 19 Martin Place, Sydney, commencing at 5.00 pm.

Following is the Chairman's address that is to be presented.

Yours faithfully

**Greg Pearce**  
**Company Secretary**

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Over 60 locations worldwide. Australia - New Zealand - Japan - China - SE Asia - Europe - Middle East  
Servcorp Limited ABN 97 089 222 506

**SERVCORP LIMITED  
ABN 97 089 222 506**

**CHAIRMAN'S ADDRESS  
ANNUAL GENERAL MEETING 2008**

Ladies and Gentlemen,

Before handing over to our Managing Director, who will talk about the prospects for the 2009 year, I propose making a few comments.

2008 was another pleasing year for Servcorp, and our sixth consecutive year of profit growth. Our commitment to floor expansion continued and new floors are advancing quickly to maturity.

Revenue for the year was \$190.1 million, an increase of 14% on 2007. Net profit after tax also increased – up 29% on 2007, to \$33.8 million. Our mature floors contributed \$52.8 million profit before tax, an increase of 23%, with all geographic sectors contributing strongly.

Shareholders have benefited from this performance, with earnings per share increasing by 28% from 32.7 cents per share to 42.0 cents per share.

The Company paid a fully franked final dividend of 7.5 cents per share, bringing total dividends for the year to 20.0 cents per share or \$16.1 million. This included a special dividend of 5.0 cents per share, paid in December 2007. All these dividends were fully franked.

As foreshadowed in the Annual Report, I can announce that directors have today declared a fully franked special dividend of 5.0 cents per share. This dividend will be paid on 10 December as a further reward to our shareholders. The payment of this \$4.0 million special dividend reflects the Company's healthy cash flow and balance sheet, and also the positive start the Company has made to the 2009 financial year. It is worth noting that our annual dividends have risen from 7.5 cents per share in the 2004 year to the current level. We are proud of this achievement.

In order to allow shareholders to plan for the future, it is directors' current intention to pay ordinary fully franked dividends of not less than 20 cents per share in respect of the financial years ending 30 June 2009 and 30 June 2010. Should Servcorp's earnings over this period continue to increase in accordance with recent trends, directors will consider raising the dividend rate by between 5% and 10%.

The 2008 year saw the continuation of Servcorp's strong expansion program. Nine new floors were opened, increasing floor capacity by 9%. These new locations were carefully selected and their performance to date is pleasing. In addition to these nine floors, our Canberra franchise opened a new floor and our Indian franchise opened two floors. Our venture into the Indian market is now generating revenue.

It is pleasing to note that Office Squared began to gather momentum during 2008. The Nexus project, located at Norwest Business Park in Sydney's West, is meeting expectations with Office Squared solutions being readily adopted by tenants. I-City Malaysia began occupancy in August 2008 and the initial interest from tenants is promising. Based on current committed projects, we expect Office Squared to utilise up to an additional \$5 million of the Company's cash resources for capital and operating expenses over the next couple of years. We continue to develop other promising commercial opportunities which, if concluded, will require further cash investment.

The company has scaled back its committed growth strategy in the 2009 financial year. A new floor opened in Adelaide in September, and 4 new floors have been committed to or are under negotiation in North Sydney, Qatar, Abu Dhabi, and Jeddah.

It seems to us that the current financial contagion will continue to impact the global economy for some time. For many this will bring only negatives, and we would be naïve to think it does not present Servcorp with considerable risks and challenges. However we believe that the current economic climate may well create extraordinary opportunities for Servcorp to acquire competitors and/or enter new geographic markets.

In this regard, we are at an advanced stage of negotiations to establish a presence in London and we are actively considering locations in certain key cities in the USA during calendar 2009. Alf Moufarrige will elaborate on this potential geographic expansion in his presentation later in the meeting.

Any such expansion would require significant cash outlay, but as shareholders know, we have been building our cash reserves over recent years.

That said, we will continue to run Servcorp on a financially conservative basis.

The first quarter of the 2009 financial year has seen extreme volatility in equity, commodity and currency markets. In particular the Australian dollar has weakened significantly against all major currencies, returning to levels last seen in 2002 to 2004. 75% of Servcorp's profit and a significant portion of Servcorp's balance sheet is denominated in currencies other than the Australian dollar. Strong offshore currencies have strengthened our balance sheet position. We have hedged some of our 2009 revenues but are still well positioned to take advantage of a lower Australian dollar in our reported profit numbers.

This takes me to outlook.

Based on the first quarter results to 30 September 2008, we confirm the Company is on target to meet its forecast 5% net profit before tax growth for the 2009 financial year.

On behalf of the Board I thank our CEO, Alf Moufarrige, his management team and all the Servcorp team members for their dedication and commitment during the year. 2008 has been Servcorp's best year to date. We are excited about the challenges and opportunities ahead.