

ASX AND MEDIA RELEASE

SERVCORP REPORTS FIRST HALF NET PROFIT BEFORE TAX OF \$15.06 MILLION

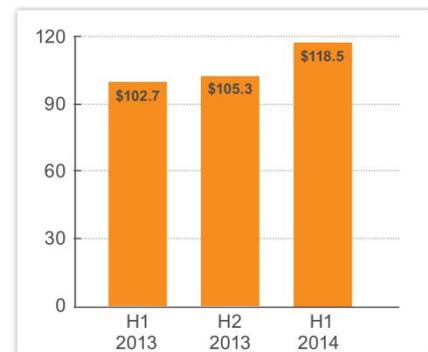
Servcorp Limited ABN 97 089 222 506 (SRV) today announced a net profit before tax of \$15.06 million for the six months ended 31 December 2013.

Servcorp, the world's leading provider of executive serviced offices, virtual offices and superior IT and business infrastructure solutions, operates 135 floors in 52 cities across 21 countries.

Summary of results for the first half of Financial Year 2014

- Revenue up 15% on the first half of FY 2013 to \$118.52 million and up 11% in constant currency terms.
- Net profit before tax of \$15.06 million.
- Net profit after tax of \$11.82 million, up 20% on the first half of FY 2013.
- Operating cash flow of \$18.13 million for the first half of FY 2014, up 63% on the first half of FY 2013.
- Unencumbered cash and investment balances of \$91.04 million as at 31 December 2013.
- NTA backing of \$2.04 per share as at 31 December 2013.
- Earnings per share of \$0.12, up 20% on the first half of FY 2013.
- Interim dividend of 9.00 cents per share, unfranked, payable on 2 April 2014.

Revenue (\$ millions)



Business overview

- Directors are satisfied with the Consolidated Entity's performance for the first half of FY 2014.
- Net profit before tax on Like for Like floors was \$16.69 million, up 27%.
- Growth in our Virtual Office business continues in line with expectations. We now have approximately 37,000 packages, which represents growth of approximately 9% in the 2013 calendar year.
- Mature floor occupancy had achieved 80% by December 2013. Like for Like occupancy was 78%.
- We view our current vacancy levels as a significant opportunity to improve our margins and operating results.
- During the period, the Australian dollar weakened across most major currencies and this had a positive impact on overseas translated revenues and profits.

Net profit after tax (\$ millions)



World's Finest Serviced Offices, Virtual Offices and Meeting Rooms

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

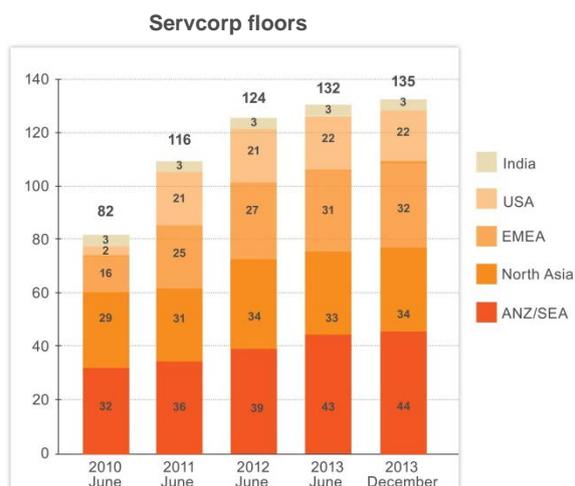
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Like for Like floor performance

- Servcorp has historically reported both mature and immature floor performance.
- Servcorp has more than doubled its size over the past five years and, due to the respective size of immature losses, it was historically appropriate to segregate the performance of the existing mature business from the new immature business.
- Now, with more than 120 mature floors, we believe that it is more appropriate, and provides more clarity on the performance of the business, to describe the performance of floors in Like for Like terms.
- Like for Like results will only include the results for floors that were open in both the current and comparative reporting periods; that is, it will exclude new floor openings since the previous period and any floors closed during the previous period.
- Moving forward, we will no longer be reporting mature and immature floor performance.

Expansion

- Three new floors were opened in the first half of FY 2014; in Tokyo, Dubai and Sydney. Two floors were expanded.
- There are plans to open a further five floors in the second half, bringing the total to eight large floors in FY 2014, which will add approximately 10% to office capacity.
- This will bring the total expected floor openings to 80 in the 60 months to 30 June 2014.



Dividends

- The directors of Servcorp have declared an interim dividend of 9.00 cents per share, with a record date of 5 March 2014 and payable on 2 April 2014. The dividend will be unfranked.
- It is expected that the final dividend will be 9.00 cents per share, fully franked, bringing total dividends to 18.00 cents per share for FY 2014. This would represent an increase of 20% on dividends paid in respect of FY 2013. Payment is subject to currencies remaining constant, global financial markets remaining stable and no unforeseen circumstances.

Outlook for Financial Year 2014

- Initial indications are that business conditions are starting to recover around the world.
- Over the last four years, we have substantially enhanced our footprint and, as the global economy improves, we are very well positioned to take advantage of the recovery in global business sentiment.
- As stated above, our current vacancy levels give us a significant opportunity to improve our margins from our existing business. We also remain focused on growing our footprint in strategic locations, and expect to add 10% to office capacity in FY 2014.
- As previously stated, we will not be providing a financial forecast for FY 2014, however we do expect our earnings growth to continue.

Remuneration Report

- Servcorp recorded a first strike with respect to voting on the Remuneration Report for the year ended 30 June 2013.
- The directors acknowledge that some shareholders were obviously not happy with some aspects of Servcorp's remuneration arrangements and, as promised at the Annual General Meeting, have undertaken a forensic review of the Company's remuneration strategies.
- CRA Plan Managers Pty Ltd has been engaged to review the remuneration structures and incentive plans and this process is currently in progress.
- It is the intention of the Board to engage with shareholders as part of this consultation process.

For more information contact

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Results Presentation

Wednesday, 19 February 2014 at 4:30pm
Level 12 MLC Centre, 19 Martin Place, Sydney

Dial-in facility

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