

ASX AND MEDIA RELEASE

SERVCORP REPORTS NET PROFIT BEFORE TAX OF \$34.26 MILLION, UP 24%

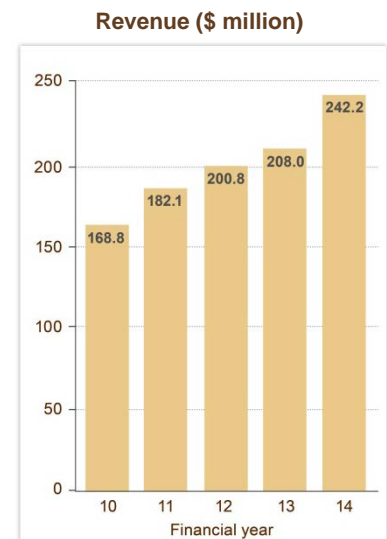
OPERATING CASH FLOW OF \$40.21 MILLION, UP 48%

Servcorp Limited ABN 97 089 222 506 (SRV) today announced a net profit before tax of \$34.26 million for the 12 months ended 30 June 2014.

Servcorp, the world's leading provider of executive serviced offices, virtual offices and superior IT and business infrastructure solutions, operates 136 floors in 52 cities across 21 countries.

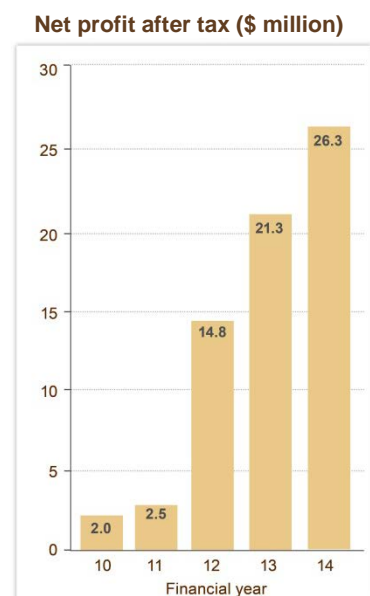
Summary of results for Financial Year 2014

- Revenue up 17% on FY 2013 to \$242.25 million and up 10% in constant currency terms.
- Net profit before tax of \$34.26 million.
- Net profit after tax of \$26.34 million, up 24% on FY 2013.
- Net profit before tax on Like for Like floors was \$38.25 million, up 35%.
- Operating cash flow of \$40.21 million for FY 2014, up 48% on FY 2013.
- Unencumbered cash and investment balances of \$93.45 million as at 30 June 2014 (2013: \$90.62 million).
- NTA backing of \$2.06 per share as at 30 June 2014, up 5%.
- Earnings per share of \$0.27, up 24% on FY 2013.
- Final dividend of 11.00 cents per share, 35% franked, payable on 1 October 2014.



Business overview

- Directors are satisfied with the Consolidated Entity's performance for FY 2014.
- Revenue growth is gathering momentum and margins are improving.
- The number of occupied offices increased by 10% in FY 2014.
- Our Virtual Office business had 7% growth in packages in FY 2014.
- Occupancy of like for like floors was 79% at 30 June 2014.
- We continue to view our current vacancy levels as a significant opportunity to improve our margins and operating results.
- Directors are particularly pleased with the performance in the Middle East and Japan, however we note that the performance of Australia and Singapore can improve.

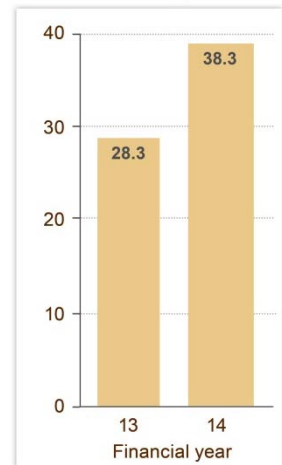


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Like for Like floor performance

- 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, Directors 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.

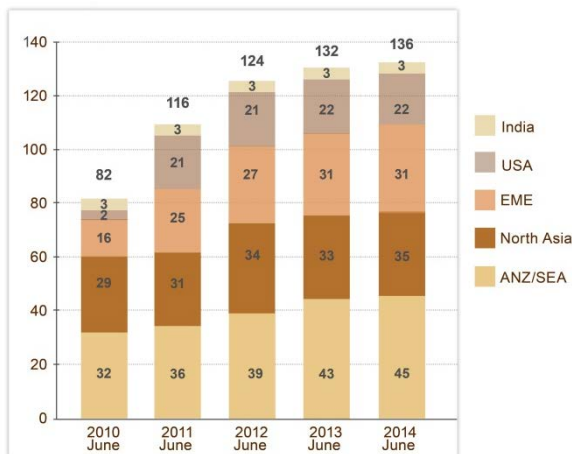
Like for Like NPBT (\$ million)



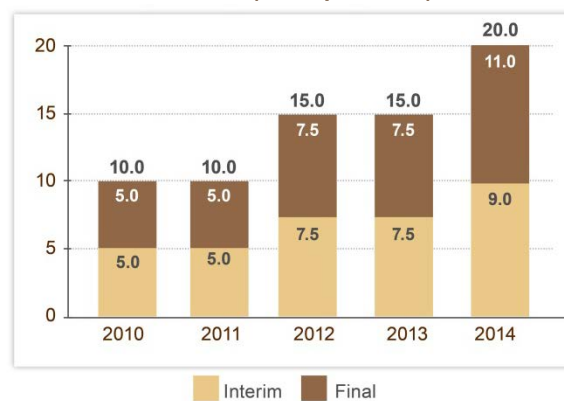
Expansion

- Six new floors were opened in FY 2014 and five floors were expanded. These added approximately 11% to office capacity.
- This brings the total new floor openings to 78 in the 60 months to 30 June 2014.
- Our new floors were in Tokyo, Dubai, Sydney, Singapore, Riyadh and in Beijing, where our new landmark location in Fortune Financial Centre was opened.
- There are plans to open a further nine floors and expand three existing floors in FY 2015, which will add approximately 10% to office capacity.
- Our new floors will include Level 85 of the prestigious World Trade Center 1 in New York, One Mayfair Place in London, and also The Leadenhall Building (the Cheesegrater) which is the tallest building in London.

Servcorp floors



Dividends (cents per share)



Dividends

- The directors of Servcorp have declared a final dividend of 11.00 cents per share, with a record date of 17 September 2014 and payable on 1 October 2014. The dividend will be 35% franked. There is no foreign conduit income attributed to the dividend.
- This brings total dividends for FY 2014 to 20.00 cents per share, an increase of 33% on FY 2013.
- Reduced profits and resultant lower tax payments in Australia have reduced the franking percentage below the level anticipated in the half year results announcement. Accordingly, the Directors have increased the dividend per share from the anticipated 9.00 cents per share to 11.00 cents per share to partly compensate shareholders for the lower franking.
- It is anticipated that total dividends of not less than 22.00 cents per share will be paid in FY 2015. Future franking levels are currently uncertain. Payment of future dividends is subject to currencies remaining constant, global financial markets remaining stable and no unforeseen circumstances.

Outlook for Financial Year 2015

- Notwithstanding significant levels of global political and economic uncertainty, Directors anticipate further revenue growth and an improvement in occupancy and margins.
- We remain focused on expanding the Company's office footprint in identified growth markets, where we have critical mass and experienced management.
- We expect net profit before tax to increase by no less than 15% in FY 2015.
- This forecast is subject to currencies remaining constant, global financial markets remaining stable and no unforeseen circumstances.

Share buy-back

- The Directors have resolved to finalise the share buy-back commenced on 11 September 2012.
- Further information is available on the Appendix 3F to be lodged with the ASX following release of this announcement.

For more information contact

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Results Presentation

Wednesday, 27 August 2014 at 4:30pm
Level 51 MLC Centre, 19 Martin Place, Sydney

Dial-in facility

Toll free 1800 708 203
Access code 676 519 702

Online meeting

If you wish to join the online meeting,
please email jodey.taylor@servcorp.com.au
by midday on Wednesday, 27 August 2014