

# SERVCORP ASX ANNOUNCEMENT

30 January 2017

The Manager  
Company Announcements Office  
Australian Securities Exchange

## SERVCORP UPDATES MARKET GUIDANCE FOR FY 2017

Servcorp Limited ABN 97 089 222 506 (SRV) now expects net profit before tax (“NPBT”) for FY 2017 to be around \$47 million (previous NPBT guidance was not less than \$56 million).

The first quarter of FY 2017 revealed positive trading conditions and corresponding NPBT. Trading conditions in the second quarter however have not been as favourable and whilst our businesses in general continue to perform in line with expectations, the performance of the USA and South East Asia businesses in particular have been unsatisfactory.

The USA business incurred restructure costs with the General Manager having now departed. The Company is very committed to its investment in the USA and this is demonstrated by a decision to relocate our Chief Operating Officer, Mr. Marcus Moufarrige, to New York City for the remainder of 2017. During this period the South East Asia region will come under the supervision of the Chief Executive Officer, Mr. Alf Moufarrige.

During December 2016 \$2.5 million of unplanned one off expenses were incurred related to the restructure of the USA operations and the closure of a location.

Cash balances remain strong at \$115 million (includes encumbered cash of \$10.8 million). As no further expansion is planned for 2017, and as we consolidate existing floors, we expect cash balances to grow.

Therefore we announce today that the previously forecast FY 2017 interim and final dividend of 11.00 cents each per share will be increased to 13.00 cents each per share. The total FY 2017 dividend is now forecast to be 26.00 cents per share (previous guidance was 22.00 cents per share). Franking levels for dividends remain uncertain however are expected to be similar to franking levels achieved in FY 2016.

This forecast is subject to currencies remaining constant, global financial markets remaining stable and no further unforeseen circumstances. That said, we note that global trading conditions are challenging.

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Servcorp, the world's leading provider of executive serviced offices, virtual offices and superior IT and business infrastructure solutions, operates 154 floors in 53 cities across 23 countries.

For more information contact

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