

Ambition Group Limited
Interim Report for the six months ended 30th June 2009
&
Appendix 4D information

Major Cities | Major Disciplines

Navigating choppy waters

The results for the first half of 2009 reflect ongoing global economic uncertainty. This has led to significantly reduced levels of white-collar recruitment in the markets in which Ambition operates. However they also reflect the benefits of the 'rightsizing' that the Board and management have undertaken to ensure that Ambition is viable, focused on trading at no less than cash break-even and yet positioned for the pick-up in activity as and when this occurs.

Highlights of the results for the six months ended 30th June 2009 are as follows:

⇒ Revenue:	\$45.6m
⇒ EBITDA:	\$251k
⇒ Loss before tax:	(\$281k)

As at June 30th the Group's net cash position was \$1.8m and we have no term debt. The recently completed rights issue was oversubscribed and has raised a further \$2.2 million working capital before costs.

Operating costs for the Group were \$32.8m in the first half of 2008, whereas we have reduced these to \$18.4m in the first half of 2009.

The Board is confident that Ambition's business model is intact and that it is operating in the right markets in Sydney, Melbourne, Brisbane, London, Hong Kong and Singapore.

During the period, the pace of decline in business confidence that was seen in the fourth quarter of 2008 slowed noticeably and we saw more stable revenue and marginally increased visibility.

In the UK, the first six months resulted in break-even at the EBITDA level and, although we are always striving to produce bottom line profits out of all businesses, we feel that this is quite satisfactory in an economy still working through significant problems. There are some signs that sentiment in the City of London has changed although this is yet to translate in to increased recruitment activity.

In Asia, conditions were marginally brighter and we were EBITDA and EBT profitable. We are pleased with our market position in both Hong Kong and Singapore.

In Australia, recruitment levels are still declining and unemployment is increasing. However, the pace of decline is not nearly as rapid as it was 6-9 months ago and there is a general feeling amongst our clients that the Australian economy is robust enough to avoid the catastrophic conditions experienced in the US and Europe.

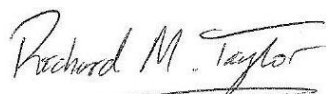
At the end of June 2009, we had 208 people around the world. The Board is confident that in the current environment this is the appropriate level of resourcing and that we have the right people on board. We are spending much time on retaining the 'hearts and minds' of our people so that they are clear as to the Group's strategy and confident that we will prosper when conditions improve.

More information: Nick Waterworth, Executive Chairman: +61 2 9249 5004

Ambition is a careers, recruitment and contracting group with offices in Sydney, Brisbane, Melbourne, London, Hong Kong and Singapore. We specialise in a number of the largest middle management recruitment disciplines plus offer a growing executive search capability.

Results for announcement to the market:

	30 June 2009	30 June 2008	Change	Change
	\$'000	\$'000	\$'000	%
Revenues from ordinary activities	45,648	67,031	(21,383)	-32%
(Loss)/Profit before tax attributable to members	(281)	2,043	(2,324)	-114%
(Loss)/Profit after tax attributable to members	(637)	1,350	(1,987)	-147%
Net (loss)/profit for the period attributable to members	(637)	1,350	(1,987)	-147%



Rick Taylor
Company Secretary

21 August 2009

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Directors' Report

The Directors present their report on Ambition Group Limited and its Controlled Entities for the half-year ended 30 June 2009 report as follows:

Directors

The names of Directors in office at any time during or since the end of the period are:

Nick Waterworth
Paul Lyons
Paul Young
Andrew Adamovich

All Directors held office from the start of the period to the date of this report.

Dividends

The Directors have declared that there will be no interim dividend for 2009.

Review of operations

Financial results

Operating revenues of \$45,648,000 were down from \$67,031,000 in the previous corresponding period, a decrease of 32%. Loss before tax of \$281,000 was down from a profit of \$2,043,000 in the previous corresponding period, a decrease of 114%.

Operational results

The Board acted swiftly towards the end of last financial year to ensure that during this six months the business has been virtually cash flow neutral at an operational level, is within its bank covenants, customer relationships are preserved and the group infrastructure is ready for the economic upturn as and when it occurs.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307 of the Corporations Act 2001 is set out on page 14 for the half-year ended 30 June 2009 and forms part of this report.



Nick Waterworth
Executive Chairman



Paul Lyons
Group Managing Director

21 August 2009

**Consolidated Statement of Comprehensive Income
for the half-year ended 30 June 2009**

	Note	30 June 2009 \$'000	30 June 2008 \$'000
Revenue	2(a)	45,648	67,031
Employee benefits expense		(13,020)	(22,200)
On-hired labour costs		(27,545)	(32,181)
Payroll tax		(305)	(708)
Depreciation and amortisation expense	2(b)	(508)	(591)
Onerous contracts		(282)	-
Finance costs	2(b)	(46)	(330)
Advertising and marketing		(471)	(1,552)
Computer expenses		(255)	(270)
Rental expense on operating leases	2(b)	(1,548)	(1,767)
Other expenses		(1,949)	(5,389)
(Loss)/Profit before income tax expense		(281)	2,043
Income tax (expense)	3	(356)	(693)
(Loss)/Profit after income tax expense		(637)	1,350
Other comprehensive income:			
Foreign exchange (loss) in reserves		(676)	(660)
Movement in value of hedge reserve		-	734
Total comprehensive (loss)/income for the period		(1,313)	1,424
Basic (loss)/earnings per share (cents per share)		(1.21)	2.74
Diluted (loss)/earnings per share (cents per share)		(1.21)	2.74

The interim financial statements should be read in conjunction with the accompanying notes.

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**Consolidated Statement of Financial Position
as at 30 June 2009**

	Note	30 June 2009 \$'000	31 Dec 2008 \$'000
Current assets			
Cash and cash equivalents		1,790	6,681
Trade and other receivables		10,755	13,467
Other current assets		744	612
TOTAL CURRENT ASSETS		13,289	20,760
Non-current assets			
Financial assets		2	12
Property, plant and equipment		1,367	1,704
Intangible assets	5	7,423	7,367
Deferred tax assets		1,466	1,760
Current tax receivable		85	-
TOTAL NON-CURRENT ASSETS		10,343	10,843
TOTAL ASSETS		23,632	31,603
Current liabilities			
Trade and other payables	6	6,496	13,256
Current tax liabilities		-	145
Short-term provisions		1,677	1,345
Financial liabilities		-	19
TOTAL CURRENT LIABILITIES		8,173	14,765
Non-current liabilities			
Deferred tax liabilities		281	339
Long-term provisions		808	1,064
TOTAL NON-CURRENT LIABILITIES		1,089	1,403
TOTAL LIABILITIES		9,262	16,168
NET ASSETS		14,370	15,435
Equity			
Issued capital		45,133	44,885
Reserves		(3,083)	(2,407)
Accumulated losses		(27,680)	(27,043)
TOTAL EQUITY		14,370	15,435

The interim financial statements should be read in conjunction with the accompanying notes.

**Consolidated Statement of Changes in Equity
for the half-year ended 30 June 2009**

	Issued Capital \$'000	Accumulated Losses \$'000	Reserves \$'000	Total \$'000
Balance as at 1 January 2008	21,100	(406)	(1,274)	19,420
Total comprehensive income for the period	-	1,350	74	1,424
Shares issued under DRP	136	-	-	136
Share placements net of costs	22,522	-	-	22,522
Shares issued under employee share plans	869	-	-	869
	44,627	944	(1,200)	44,371
Dividends paid	-	(1,324)	-	(1,324)
Balance as at 30 June 2008	44,627	(380)	(1,200)	43,047
Balance as at 1 January 2009	44,885	(27,043)	(2,407)	15,435
Total comprehensive income for the period	-	(637)	(676)	(1,313)
Shares issued under DRP	-	-	-	-
Share placements net of costs	1	-	-	1
Shares issued under employee share plans	247	-	-	247
	45,133	(27,680)	(3,083)	14,370
Dividends paid	-	-	-	-
Balance as at 30 June 2009	45,133	(27,680)	(3,083)	14,370

The interim financial statements should be read in conjunction with the accompanying notes.

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**Consolidated Statement of Cash Flows
for the half-year ended 30 June 2009**

	30 June 2009 \$'000	30 June 2008 \$'000
Cash flows from operating activities		
Receipts from customers	52,976	77,797
Payments to suppliers and employees	(52,891)	(74,706)
Interest received	22	121
Income tax paid	(386)	(931)
Interest and other costs of finance paid	(46)	(162)
Net cash (used in)/ provided by operating activities	(325)	2,119
Cash flows from investing activities		
Payments to acquire plant and equipment	(43)	(470)
Payment for other non-current assets	(259)	(90)
Payments for acquisition of businesses	(4,173)	(20,981)
Net cash used in investing activities	(4,475)	(21,541)
Cash flows from financing activities		
Proceeds from issue of equity securities	-	23,380
Payment for share issue costs	(1)	(1,082)
Dividends paid	-	(1,182)
Net cash (used in)/provided by financing activities	(1)	21,116
Net (decrease)/increase in cash held	(4,801)	1,694
Cash at the beginning of the financial period	6,681	3,107
Effect of exchange rates on cash holdings in foreign currencies	(90)	(386)
Cash at the end of the financial period	1,790	4,415

The interim financial statements should be read in conjunction with the accompanying notes.

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Notes to the Financial Statements

1. Basis of Preparation and Reporting

The half-year consolidated financial statements are a general-purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 31 December 2008 and the public announcements made by Ambition Group Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the December 2008 financial statements.

The half-year financial statements do not include full disclosures of the type normally included in the annual financial statements.

The half-year final statements have been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which fair value accounting has been applied.

Accounting Standards not Previously Applied

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- the adoption of the single statement approach to the presentation of the Statement of Comprehensive Income; and
- other financial statements are renamed in accordance with the Standard.

Operating Segments

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the group's chief operating decision maker, which, for the Group, is the Board of Directors.

2. Profit from operations

	30 June 2009 \$'000	30 June 2008 \$'000
(a) Revenue		
Recruitment services revenue	45,626	66,910
Interest received	22	121
	<u>45,648</u>	<u>67,031</u>

(b) Profit before income tax

Profit from ordinary activities before income tax has been determined after:

Finance costs		
- deferred purchase liability	-	168
- other finance costs	46	162
	<u>46</u>	<u>330</u>

Depreciation and amortisation expense

- depreciation of plant and equipment	391	486
- amortisation of intangibles	117	105
	<u>508</u>	<u>591</u>

Share based payments expense	300	779
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Rental expense on operating leases

- minimum lease payments	1,548	1,767
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	30 June 2008 \$'000	30 June 2008 \$'000
3. Income Tax		
(Loss)/profit before income tax	(281)	2,043
Prima facie tax	(84)	613
Add tax effect of:		
- non deductible interest	-	91
- other non-deductible expenses	25	122
Less tax effect of:		
- overseas tax differential	137	(133)
- under provision in prior period	278	-
Income tax (income)/expense attributable to profit before tax	<u>356</u>	<u>693</u>

4. Dividends

2008 Interim fully franked ordinary dividend of 1.5 cents per share franked at the tax rate of 30%	-	781
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	30 June 2009 \$'000	31 Dec 2008 \$'000
5. Intangible assets		
Goodwill - at cost	6,941	29,523
Candidate database – at cost	-	1,586
Computer software – at cost	976	872
Web development – at cost	658	627
Accumulated amortisation	(1,152)	(1,108)
Impairment of intangibles	-	(24,133)
	<u>7,423</u>	<u>7,367</u>

6. Trade and other payables

Current

Trade payables	6,496	9,155
Witan Jardine purchase liability	-	4,101
	<u>6,496</u>	<u>13,256</u>

	30 June 2009 \$'000	30 June 2008 \$'000
7. Earnings per share		
Weighted average number of ordinary shares outstanding during the period used in calculation of basic and diluted EPS	52,552	49,202
Potential number of ordinary shares which have been treated as dilutive	663	-
<u>Total potential ordinary shares</u>	<u>53,215</u>	<u>49,202</u>
Basic (losses)/earnings per share (cents per share)	(1.21)	2.74
Diluted (losses)/earnings per share (cents per share)	(1.21)	2.74

	\$	\$
8. Net tangible assets		
Net tangible asset backing per ordinary share	0.13	0.16

9. Events subsequent to reporting date

On 17th August 2009 Ambition Group Limited issued 14.5m shares raising \$2.2m in new capital.

10. Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

11. Other Information

The accounting policies, estimation methods and measurement bases used in this report are consistent with those used in the annual report. This report and the accounts upon which it is based use the same accounting policies.

This report gives a true and fair view of the matters disclosed and is based on accounts which have been reviewed by auditors. This entity has a formally constituted audit committee.

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12. Segment reporting

Primary reporting -

Geographical segments

	Australia		Asia		Europe		Unallocated		Economic Entity	
	30 June 2009 \$'000	30 June 2008 \$'000	30 June 2009 \$'000	30 June 2008 \$'000	30 June 2009 \$'000	30 June 2008 \$'000	30 June 2009 \$'000	30 June 2008 \$'000	30 June 2009 \$'000	30 June 2008 \$'000

Primary reporting -

Geographical segments

(a) Revenue

External revenue	29,353	40,135	3,711	5,706	12,562	21,069	-	-	45,626	66,910
Interest revenue	6	28	-	1	16	92	-	-	22	121
Total segment revenue	29,359	40,163	3,711	5,707	12,578	21,161	-	-	45,648	67,031

(b) Result

Profit/(loss) before income tax	579	2,046	103	995	(963)	383	-	(1,381)	(281)	2,043
Income tax expense	(235)	(802)	(256)	(185)	135	(120)	-	414	(356)	(693)
Profit/(loss) after income tax	344	1,244	(153)	810	(828)	263	-	(967)	(637)	1,350

	30 June 2009 \$'000	30 Dec 2008 \$'000	30 June 2009 \$'000	30 Dec 2008 \$'000	30 June 2009 \$'000	30 Dec 2008 \$'000	30 June 2009 \$'000	30 Dec 2008 \$'000	30 June 2009 \$'000	30 Dec 2008 \$'000
(c) Assets										
Segment Assets	16,985	19,271	2,102	2,659	4,545	9,672	-	-	23,632	31,603

(d) Liabilities

Segment Liabilities	6,998	13,898	791	1,775	1,473	495	-	-	9,262	16,168
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Secondary reporting -

Business segments

The group operates in the one business segment of recruitment.

Unallocated represents items which are not specific to any region.

There have been no changes in basis of segmentation or basis of segmental profit or loss since the previous financial report.

Directors' Declaration

The Directors of the company declare that:

1. The financial statements and notes as set out on pages 5 to 12
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2009 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Nick Waterworth
Executive Chairman



Paul Lyons
Group Managing Director

Dated this 21st of August 2009

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**Auditor's Independence Declaration
To the Directors of Ambition Group Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Ambition Group Limited for the half-year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants

G S Layland

G S Layland
Partner

Sydney, 21 August 2009

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Independent Auditor's Report To the Members of Ambition Group Limited

We have reviewed the accompanying half-year financial report of Ambition Group Limited, which includes the consolidated financial statements being the consolidated statement of financial position as at 30 June 2009, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the company and the entities it controlled at the half-year's end or from time to time during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards including the Australian Accounting Interpretations and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the

auditor of Ambition Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ambition Group Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants

G S Layland

G S Layland
Partner

Sydney, 21 August 2009

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