

November 10, 2009

## **CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING ROSS HUMAN DIRECTIONS LIMITED 2009**

Our Annual Report for 2009 has been made available on our website and hard copies posted to those who have requested we do so.

From our Annual Report you will note that the profit available to shareholders in respect of the 2009 year was \$4,073,000 compared with \$4,006,000 in the previous year. Earnings per share was 4.9 cents compared with 4.8 cents previously.

In a year that was challenging in every respect the board regards this as a magnificent result and the independent directors compliment the Managing Director and her team for their dedication to the management of the business.

Revenues for the year were \$393 million which is a slight decline on the previous year revenues of \$406 million. Whilst permanent placements revenue decreased as a consequence of the global financial crisis our Temporary recruitment revenues were resilient and our Outsourcing and Managed services businesses demonstrated the benefits of the diversification strategy adopted over previous years. The results also include a full year contribution from our Aurion subsidiary compared with 9 months contribution in 2008.

The group engaged in determined management of our cash flows during the year and this resulted in a positive cash flow from operating activities of \$22,705,000 and a consequent reduction of net debt of \$20,598,000. The result is that the balance sheet is in a solid position and appropriate for the circumstances.

The total dividend in respect of the 2009 year is 1.75 cents per share fully franked compared with 3.5 cents in 2008. Although this is a significantly lower payout ratio than has been the case over past years your Board believes that this is prudent in the present uncertain and challenging financial markets.

Mr. Hugh Henderson is retiring as a director at the conclusion of this Annual General Meeting and I would like to place on record our appreciation of his contribution during his term of office.

Mr. Tim Trumper has been appointed to the board and in accordance with the Constitution of the Company he is offering himself for election today.

This year I retire by rotation and have offered myself for re-election.

Our trading results for the first quarter are pleasing when compared with those of the previous year, as our trading position is currently showing an improvement year on year. Based on preliminary information we anticipate that October will also continue to be more positive than last year. There is continuing uncertainty in the markets in which we operate, particularly Ireland, New Zealand and parts of our Asian activities. Accordingly accurate predictions are difficult, but we anticipate at this stage that ongoing organic growth will occur in most of our operating regions.

Our diversification strategy has seen the organisation become a well-established provider of sophisticated outsourced on-site solutions in Human Resources, Recruitment Processing, Payroll, and Managed Training Services, which are expected to continue to present solid recurring revenue streams. Several new contracts have recently been signed, with clients in Insurance, FMCG and Financial Services and continued emphasis will be placed on further developing these areas.

The Company will continue to keep a focus on our bottom line and on our cash management in bringing the unique value proposition of the group to our clients.

Allan McDonald  
Chairman