

Ross Human Directors says trade impacted

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Recruitment and human resources services company Ross Human Directions Ltd says its trading in the first half of the new financial year is being impacted by the global economic downturn.

Chairman Allan McDonald told shareholders at the group's annual general meeting in Sydney that revenue and gross profit levels for 2008/09 are tracking at the same level as last year.

"Current trading would indicate that results for the half year ... are being impacted by the global downturn and unprecedented turbulence in financial markets," Mr McDonald said.

"Conditions in some of our locations are more volatile than in others, however we are fortunate to date in that our operations in most of our major markets are experiencing reasonably stable revenues."

Mr McDonald said Ross had begun a cost reduction program that had "became more aggressive as operating conditions deteriorated.

"Reductions in headcount have been able to be implemented due to back-office efficiencies obtained from the installation of new IT systems."

Mr Allan said Ross was conscious of the cost and availability of credit and was "prudently" managing its cash while keeping its gearing at appropriate levels.

"At this point, our revenue and gross profit levels are tracking at similar levels as last year," he said.

"But the market increase in costs of funds alongside, , higher amortisation charges associated with the IT infrastructure upgrade, are in dollar terms, having a moderate downward impact at the profit after tax line.

"Predictions are impossible in the present extraordinary financial conditions and the likely challenging economic environment.

"In these circumstances your company will remain focussed on prudent management of our cash and other resources."

Ross, which is managed by founder Julia Ross, operates in Australia, Hong Kong, Malaysia, Ireland, New Zealand, Singapore and England under four brands.

In 2007/08, Ross made a net profit of \$4 million, down from \$5 million in the previous year.

Underlying earnings before interest, tax, depreciation and amortisation rose 11.4 per cent to \$11.7 million, as revenue grew 14.8 per cent to \$406.5 million.

Source: <http://news.theage.com.au/business/ross-human-directors-says-trade-impacted-20081118-69jo.html>