

PRIME PEOPLE Plc

**Analyst Presentation**

July 2007

# Background to Prime People

- Prime People plc was a cash shell listed on AIM
- Transformed in Jan 06 through reverse takeover of Macdonald & Company
- Established Prime People as the UK's leading recruiter for the international real estate, infrastructure and commercial property sector
- Significant growth opportunities in UK and internationally

# Good progress on Strategy

- To further build share of UK and International property recruitment market organically and by acquisition of businesses and/or teams to:
  - Grow existing areas of specialism;
  - Further develop in new property related areas, architecture, social housing/residential development, engineering.
  - Build on the opportunities provided by our international offices
  - Explore further opportunities for international expansion.

# Operational Highlights 2006/7

- 31% increase in fee earners to 81 consultants worldwide;
- Newly established UK business units focusing on architecture and social housing
- Strengthened Dubai office, which has 9 fee earners
- New offices opened in Hong Kong, Sydney and Johannesburg
- Discussions held with several potential acquisition targets

## 2006/7 Results\*

- Gross fee income of £20.1m (2006 pro forma: £16.5m) up 22.3%
- Net fee income of £10.8m (2006 pro forma: £8.8m) up 23.1%
- Operating profit of £2.1m (2006 pro forma: £1.8m) up 15.4%
- Profit before tax of £2.01m (2006 pro forma: £1.76m) up 14.3%
- Fully diluted EPS of 10.93p (2006 pro forma: 10.23p) up 6.8%
- Final dividend of 2.25p per share making a total dividend for the year of 3.5p (15 months ended 31 March 2006: 1.125 per share)

# Balance sheet as at 31 March 2007

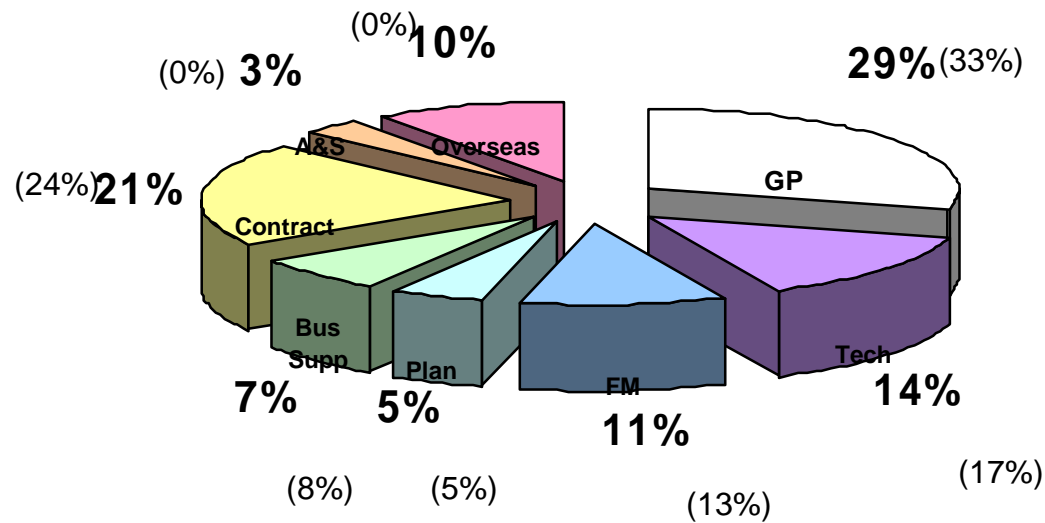
As at 31 March 2007	2007 £000	2006 £000
<b>ASSETS</b>		
Non-current assets	10,176	10,104
Current assets	4,905	3,828
<b>Total assets</b>	<b>15,081</b>	<b>13,932</b>
<b>LIABILITIES</b>		
Current liabilities	2,803	2,522
Non-current liabilities	840	1,123
<b>Total liabilities</b>	<b>3,643</b>	<b>3,645</b>
<b>Net assets</b>	<b>11,438</b>	<b>10,287</b>

# Consistent Growth in our core business

Year ended 31 March* (£'000s)	2005	2006	2007
Turnover	11,692	15,853	19,644
Gross Profit (Net Fee Income)	5,867	8,233	10,498
Perm/Temp mix (%)	80/20	76/24	79/21
Operating Profit (EBITA)	1,164	2,014	2,370
Cash flow from operating activities	536	2,074	1,606
Return on NFI (EBITA/NFI)	19.8%	24.5%	22.6%

\* Figures for McDonald & Company only

# Analysis of Net Fee Income 2006/07



- General Practice
- Technical
- Facilities Management
- Planning
- Business Support
- Contract
- Architecture & Social Housing
- Overseas

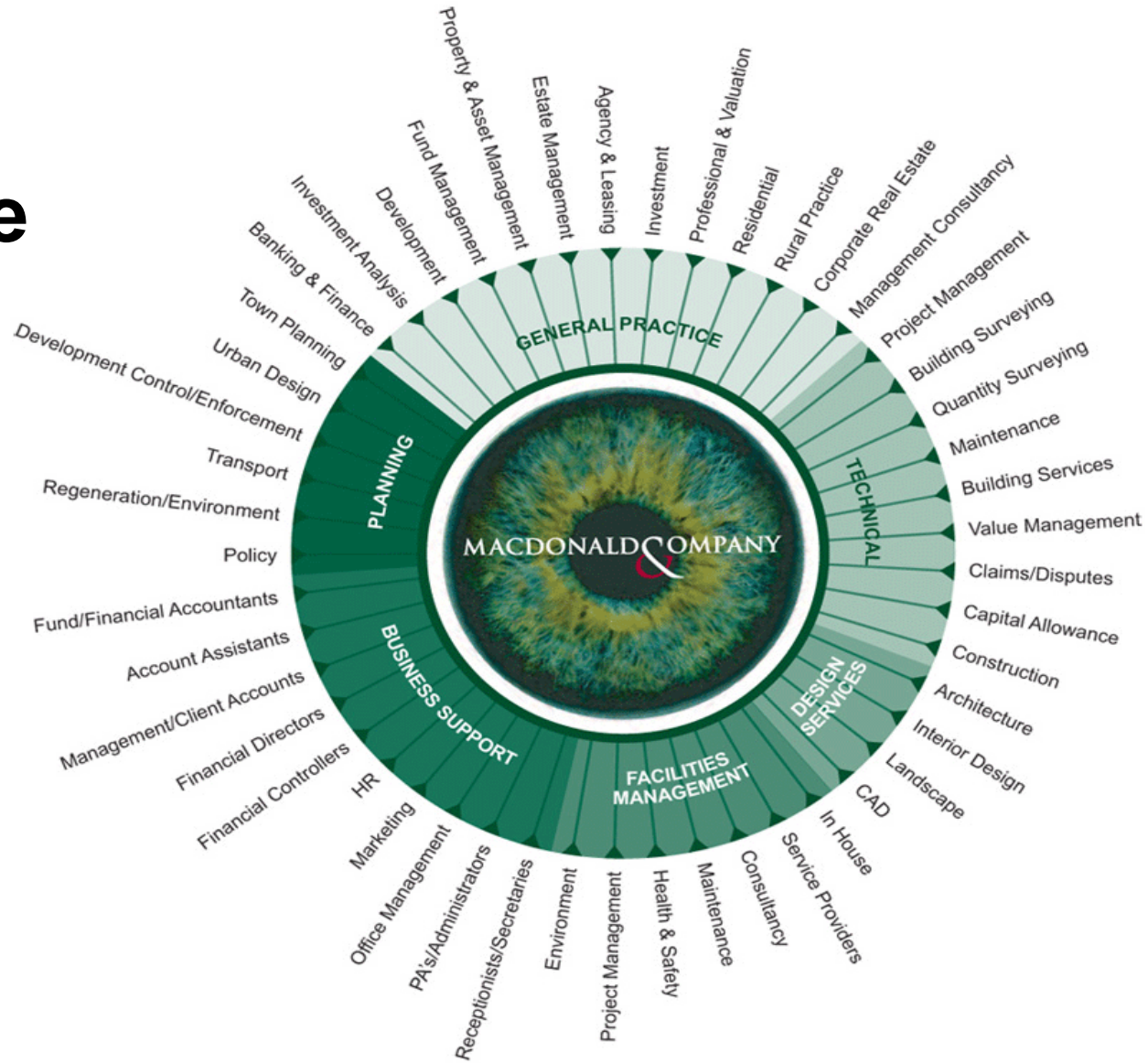
(%) comparatives 2005/06

# Review of Macdonald & Company

- Specialists in international real estate, infrastructure and commercial property recruitment
- Offices in London, Manchester, Dubai, Hong Kong, Sydney and Johannesburg
- Currently 122 staff
- Only recruitment consultancy approved by  RICS
- Sunday Times top 100 Employer 2006 and 2007



# Sector Coverage



# International Blue Chip client list

- Currently 2,680 active job instructions (2,100 05/06)
- Largest client represents 1.6% of 2006/7 NFI (2% 05/06)
- Top 10 clients represent 17% of 2006/7 NFI (8% 05/06)
- A large proportion of International clients are existing UK clients
- Over 80% of business is repeat or recommended
- Over 55 % of business is on a sole or preferred basis



# Strong People Culture

- Sector leading staff retention 18% turnover last year
- Strong rewards based culture
- Average length of service of top 6 managers\* is 7 years
- Significant training spend per consultant each year
- Emphasis on internal communications / involvement



## Significant growth potential...

- Strong macro drivers in international real estate and infrastructure market:
  - Ongoing UK regeneration spend, BSF, Olympics etc
  - Strong development pipeline
  - Globalisation
  - Continued Shortage of qualified professional
- Significant international potential from worldwide property growth:
  - Dubai performing ahead of expectations
  - Hong Kong opened in July 2006
  - Sydney opened in January 2007
  - Johannesburg office opened in April 2007
- Fragmented UK Recruitment industry
  - Opportunities to consolidate both organically and by acquisition

# Outlook

- Market remains strong in UK and internationally
- Growth potential from newly established UK business units in architecture and social housing/residential. Engineering under development.
- Growth potential from new international offices:
  - Strengthen market position with further hires
  - Full year effect from recent openings
  - strong economic growth in Middle & Asia Pacific markets
- Continue to actively pursue acquisition opportunities

# APPENDIX

# Directors

**Robert Macdonald**  
Executive Chairman

- 33 years experience in the recruitment sector
- Founded Reuter Simkin in 1973 which grew to market leadership in legal and property recruitment and was sold in 1989
- Past shareholder and Chairman of two other recruitment businesses
- Founded Macdonald in 1994

**Peter Moore**  
**MRICS**  
Managing Director

- Managing Director since 1996
- Previously a Chartered Surveyor with Strutt & Parker

**Chris Heayberd**  
Finance Director

- Finance Director since June 2000
- Former Finance Director of PSD plc
- 20+ years experience as Finance Director of both public and private companies

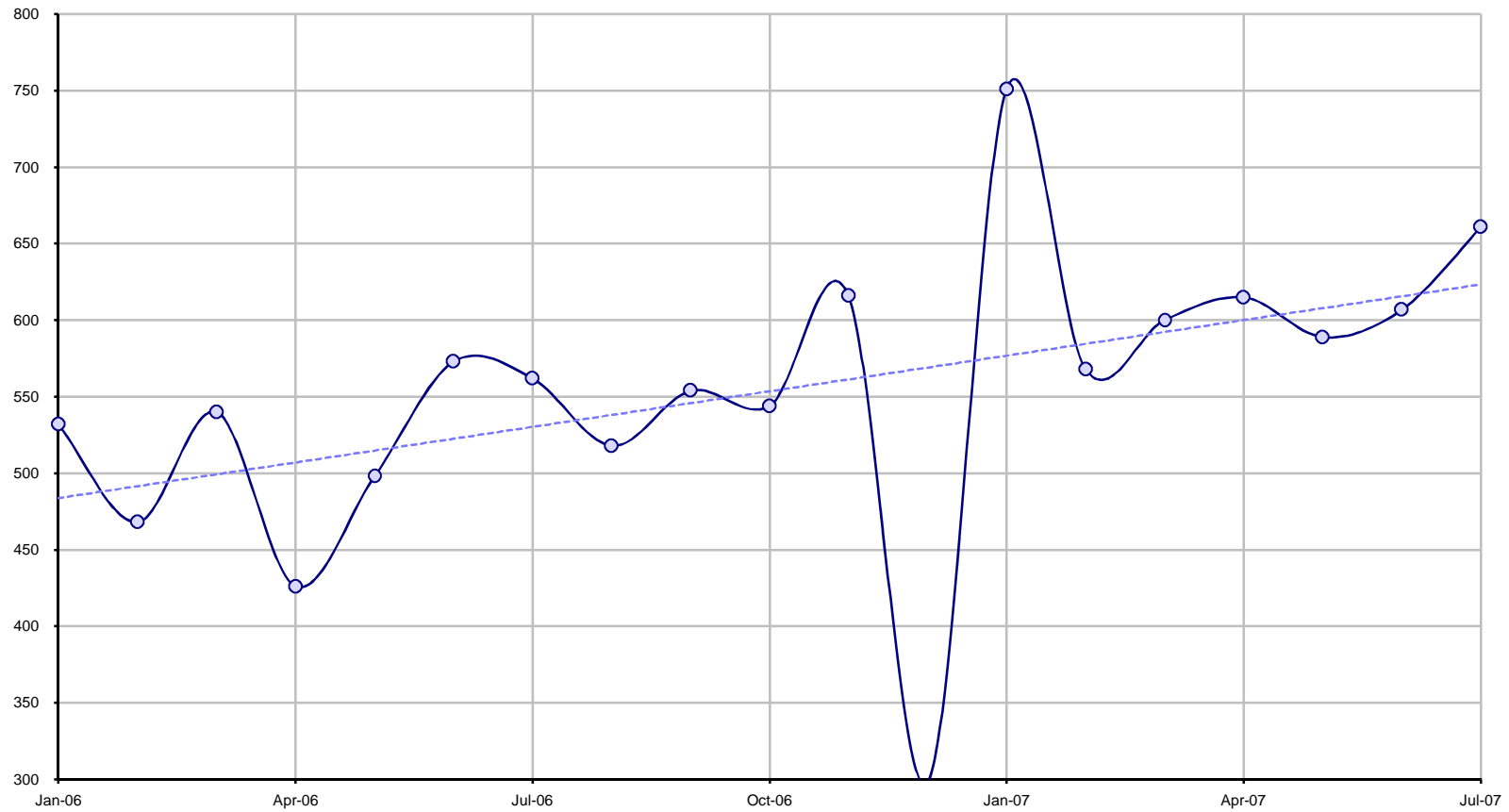
**John Lewis OBE**  
Non-executive  
Director

- Solicitor, Consultant to Eversheds, former partner of Jaques & Lewis
- Director and former director of a number of public and private companies

**Simon Murphy**  
Non-executive  
Director

- Chartered Accountant, Chief Executive of Prime People May to December 2005
- Former Managing Director with investment banking division of HSBC

# Job orders analysis



Source: Company data

PRIME PEOPLE Plc

PRIME PEOPLE Plc (RIC: PRP.L)

40a Dover Street

London W1S 4NW

T.+44(0)20 7318 1785

F.+44(0)87 0442 1737

[www.prime-people.co.uk](http://www.prime-people.co.uk)