

AMBITION GROUP LIMITED.

**Interim Report for the half-year ended
30th June 2011 & Appendix 4D information**

ABN 31 089 183 362

The Directors of Ambition Group Limited are pleased to announce continued profitability for the Group in the 6 months ended 30 June 2011 in the face of a relatively uncertain global economic back-drop and tentative employer confidence.

Selected income statement highlights are show below:

6 months ended	30-Jun 2011	30-Jun 2010
Revenue	\$47.7m	\$48.9m
Employee benefits expense	(\$15.9m)	(\$15.6m)
On-hired labour costs	(\$24.6m)	(\$25.4m)
Payroll tax	(\$0.3m)	(\$0.3m)
Depreciation and amortisation expense	(\$0.4m)	(\$0.5m)
Advertising and marketing	(\$1.0m)	(\$0.9m)
Other expenses	(\$4.5m)	(\$4.7m)
Profit before income tax expense	\$1.0m	\$1.5m
Income tax expense	(\$0.2m)	(\$0.5m)
Profit after income tax expense	\$0.8m	\$1.0m
Basic earnings per share (cents per share)	1.23	1.65
Diluted earnings per share (cents per share)	1.18	1.61

During the period, one of our main areas of focus was continuing to increase our vertical expertise in core disciplines, being finance, IT and sales/marketing. By building communities amongst candidates and clients in these disciplines, we add real value to the drive by employers to source the very best talent for their organisations.

We have been called upon by clients to build closer and closer relationships in order that we understand their particular cultures and can be attuned to their 'hard to find' skills.

Furthermore, in line with our on-going strategy, we have been analysing opportunities to supplement our service offerings from existing offices, leveraging off our fixed cost base and existing management expertise.

This has led to organic start-ups of IT recruitment teams in Brisbane and Singapore, each with a divisional manager and a small team of consultants. It is our belief that organisations will continue to look to technology to drive productivity gains and competitive advantage, thereby creating an enduring requirement for IT professionals. The early signs are positive for both these new businesses.

During the first three quarters of last year we saw our banking businesses grow strongly. However demand softened noticeably in the final quarter and this trend continued during the first half of 2011 and was particularly evident in our Asian and London offices. We are confident that the banking sector will recover at some stage however we are also working on growing our industrial sector clients in Hong Kong and Singapore.

We have a number of internal technology projects underway designed to streamline the service delivery mechanisms of our consultants and also the ways in which we share information across our international network – we expect to start to see the benefits from these in the first half of 2012 and beyond.

At the corporate level, we have retained a conservative balance sheet with zero debt. We feel extremely well placed to take up market opportunities as they arise, or endure future downturns if they occur. The Directors have not declared a dividend.

Ambition is a careers, recruitment and contracting Group with offices in Sydney, Melbourne, Brisbane, London, Hong Kong and Singapore. We specialise in a number of major white-collar disciplines with particular expertise in finance, information technology and marketing, plus executive search and outplacement.

Results for announcement to the market

Financial half-year ended ('current period') : 30 June 2011
Previous corresponding period : 30 June 2010

	30 June 2011	30 June 2010	Change	Change
	\$'000	\$'000	\$'000	%
Revenue from ordinary activities	47,674	48,903	(1,229)	(2.5%)
Profit before tax	1,018	1,474	(456)	(30.9%)
Profit after tax attributable to Owners of the Parent	805	1,036	(231)	(22.3%)
Basic earnings per share (cents per share) to Owners of the Parent	1.23	1.65	(0.42)	(25.5%)

Dividends

The Directors have declared that there will be no interim dividend for 2011.

Directors' Report

The Directors present their report on Ambition Group Limited and its Controlled Entities for the half-year ended 30 June 2011 as follows:

Directors

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

Nick Waterworth
Paul Lyons
Paul Young
Andrew Adamovich
Guy Day

Guy Day was appointed to the Board on the 16th May 2011. All other 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 2011.

Review of operations

Ambition is in the business of recruitment consultancy, generating revenue from both permanent and contracting placements.

Operating revenues of \$47,674,000 were down from \$48,903,000 in the previous corresponding period. Profit before tax of \$1,018,000 was down from a profit of \$1,474,000 in the previous corresponding period. Profit after tax of \$792,000 was down from a profit of \$1,040,000 in the previous corresponding period.

The Directors' commentary in the preceding section gives further detail on the performance this period.

Auditor's Independence Declaration

The auditor's independence declaration under section 307 of the Corporations Act 2001 is set out on page 5 for the half-year ended 30 June 2011 and forms part of this report.

Rounding off of amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Nick Waterworth
Executive Chairman



Paul Lyons
Group Managing Director

Dated 19th of August 2011

The Board of Directors
Ambition Group Limited
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19 August 2011

Dear Board Members

Ambition Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Ambition Group Limited.

As lead audit partner for the review of the financial statements of Ambition Group Limited for the half-year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Jason Thorne
Partner
Chartered Accountants

**Condensed Consolidated Income Statement
for the half-year ended 30 June 2011**

		30 June 2011 \$'000	30 June 2010 \$'000
	Note		
Revenue	2(a)	47,674	48,903
Employee benefits expense		(15,850)	(15,576)
Indirect employment costs		(1,025)	(910)
On-hired labour costs		(24,606)	(25,361)
Payroll tax		(335)	(303)
Depreciation and amortisation expense	2(b)	(434)	(458)
Advertising and marketing		(968)	(857)
Computer expenses		(344)	(356)
Rental expense on operating leases	2(b)	(1,273)	(1,260)
Other expenses		(1,821)	(2,348)
Profit before income tax expense		1,018	1,474
Income tax expense	3	(226)	(434)
Profit after income tax expense		792	1,040
Attributable to:			
Owners of the parent		805	1,036
Non controlling interest		(13)	4
Basic earnings per share (cents per share)		1.23	1.65
Diluted earnings per share (cents per share)		1.18	1.61

**Condensed Consolidated Statement of Comprehensive Income
for the half-year ended 30 June 2011**

	30 June 2011 \$'000	30 June 2010 \$'000
Profit for the period	792	1,040
Other comprehensive income:		
Exchange difference on translation of foreign operations	(279)	307
Total comprehensive profit for the period	513	1,347
Total comprehensive income attributable to:		
Owners of the parent	526	1,343
Non controlling interest	(13)	4

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

**Condensed Consolidated Statement of Financial Position
as at 30 June 2011**

	30 June 2011 \$'000	31 Dec 2010 \$'000
Current assets		
Cash and cash equivalents	5,208	6,234
Trade and other receivables	14,318	11,908
Other current assets	534	295
Total current assets	20,060	18,437
Non-current assets		
Property, plant and equipment	1,510	1,541
Intangible assets	445	368
Deferred tax assets	1,356	1,484
Total non-current assets	3,311	3,393
Total assets	23,371	21,830
Current liabilities		
Trade and other payables	9,913	9,203
Current tax liabilities	339	275
Short-term provisions	970	1,235
Total current liabilities	11,222	10,713
Non-current liabilities		
Deferred tax liabilities	80	79
Long-term provisions	547	344
Total non-current liabilities	627	423
Total liabilities	11,849	11,136
Net assets	11,522	10,694
Equity		
Issued capital	47,170	46,646
Reserves	(3,726)	(3,238)
Accumulated losses	(31,910)	(32,715)
Non controlling interest	(12)	1
Total equity	11,522	10,694

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

**Consolidated Statement of Changes in Equity
for the half-year ended 30 June 2011**

	Issued Capital \$'000	Accumulated Losses \$'000	Foreign Currency Translation Reserve \$'000	Equity Settled Employee Benefits Reserve \$'000	Attributable to owners of the parent \$'000	Non controlling interest \$'000	Total \$'000
Balance as at 1 January 2010	46,311	(34,624)	(3,709)	710	8,688	-	8,688
Profit for the period	-	1,036	-	-	1,036	4	1,040
Other comprehensive income for the period	-	-	307	-	307	-	307
Total comprehensive income for the period	-	1,036	307	-	1,343	4	1,347
Recognition of share based payments	-	-	-	339	339	-	339
Shares issued under employee share plans	560	-	-	(560)	-	-	-
Change in ownership interest	-	(20)	-	-	(20)	20	-
Balance as at 30 June 2010	46,871	(33,608)	(3,402)	489	10,350	24	10,374
Balance as at 1 January 2011	46,646	(32,715)	(4,093)	855	10,693	1	10,694
Profit for the period	-	805	-	-	805	(13)	792
Other comprehensive income for the period	-	-	(279)	-	(279)	-	(279)
Total comprehensive income for the period	-	805	(279)	-	526	(13)	513
Recognition of share based payments	253	-	-	50	303	-	303
Shares issued under employee share plans	271	-	-	(259)	12	-	12
Balance as at 30 June 2011	47,170	(31,910)	(4,372)	646	11,534	(12)	11,522

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

**Consolidated Statement of Cash Flows
for the half-year ended 30 June 2011**

	30 June 2011 \$'000	30 June 2010 \$'000
Cash flows from operating activities		
Receipts from customers	51,106	49,631
Payments to suppliers and employees	(51,461)	(48,493)
Income tax paid	(198)	59
Interest received	58	31
Net cash (used in) / provided by operating activities	(495)	1,228
Cash flows from investing activities		
Payments to acquire property, plant and equipment	(280)	(202)
Payments for intangible assets	(226)	(141)
Net cash (used in) investing activities	(506)	(343)
Cash flows from financing activities		
Proceeds from issue of equity securities	-	-
Payment for share issue costs	-	-
Dividends paid	-	-
Net cash (used in) / provided by financing activities	-	-
Net (decrease) / increase in cash held	(1,001)	885
Cash and cash equivalents at the beginning of the financial period	6,234	3,795
Effect of exchange rates on cash holdings in foreign currencies	(25)	(111)
Cash and cash equivalents at the end of the financial period	5,208	4,569

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

Notes to the Financial Statements

1. Significant Accounting Policies

(a) Statement of compliance

The half-year consolidated financial statements are 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 (the AASB).

(b) Basis of preparation

It is recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 31 December 2010 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 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 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.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those adopted and disclosed in the December 2010 financial statements, except for the impact of the Standards and Interpretations described below.

The 30 June 2010 comparative figures for basic and diluted earnings per share and net tangible assets per share, have been restated to bring the method of calculation in line with that of the 30 June 2011 earnings per share and net tangible assets per share calculations, taking into consideration the effect of treasury and fractional shares on the weighted average number of ordinary shares.

The Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 124 Related Party Disclosures (revised December 2009), AASB 2009-12 Amendments to Australian Accounting Standards

The adoption of these amendments has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior period.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9

- Effective for annual reporting periods beginning on or after 1 January 2013
- Expected to be initially applied in the financial year ending 31 December 2013

2. Profit from operations

	30 June 2011 \$'000	30 June 2010 \$'000
(a) Revenue		
Recruitment services' revenue	47,616	48,872
Interest received	58	31
	47,674	48,903

(b) Profit before income tax

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

Depreciation and amortisation expense		
- depreciation of plant and equipment	296	321
- amortisation of intangibles	138	137
	434	458

Share based payments expense	55	380
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Rental expense on operating leases		
- minimum lease payments	1,273	1,260

3. Income tax

Profit before income tax	1,018	1,474
Prima facie tax	305	442
Add tax effect of:		
- other non-deductible expenses	41	44
- tax assets not brought to account	38	19
Less tax effect of:		
- overseas tax differential	(126)	(183)
- (over) / under provision in prior period	(32)	112
Income tax expense attributable to profit before tax	226	434

4. Net tangible assets

Net tangible asset backing per ordinary share	\$0.17	\$0.17
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5. Events subsequent to reporting date

There are no events subsequent to the report date of which we are aware that would have a material impact on this report.

6. Contingent liabilities

There are no contingent liabilities.

7. Issuances of Equity Securities

Issued capital at 30 June 2011 amounted to \$47,170,000 (67,170,954 ordinary shares). The company issued 750,000 share options (2010: 500,000) over ordinary shares under its executive share option plan during the half-year reporting period. These share options had a fair value at grant date of \$0.29 per share option (2010: \$0.37).

8. Key Management Personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

10. Segment reporting

	Australia		Asia		Europe		Group		Consolidated Entity	
	30 June 2011 \$'000	30 June 2010 \$'000	30 June 2011 \$'000	30 June 2010 \$'000	30 June 2011 \$'000	30 June 2010 \$'000	30 June 2011 \$'000	30 June 2010 \$'000	30 June 2011 \$'000	30 June 2010 \$'000
(a) Revenue										
External revenue	30,990	30,672	4,607	5,920	12,019	12,280	-	-	47,616	48,872
Interest revenue	58	31	-	-	-	-	-	-	58	31
Total segment revenue	31,048	30,703	4,607	5,920	12,019	12,280	-	-	47,674	48,903
(b) Result										
Profit / (loss) before income tax	1,506	1,740	733	1,249	(87)	(225)	(1,134)	(1,290)	1,018	1,474
Income tax (expense) / income	(441)	(633)	(125)	(188)	-	-	340	387	(226)	(434)
Profit / (loss) after income tax	1,065	1,107	608	1,061	(87)	(225)	(794)	(903)	792	1,040

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 6 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 2011 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.

Signed in accordance with a resolution of the Directors' made pursuant to s.303(5) of the Corporations Act 2001



Nick Waterworth
Executive Chairman



Paul Lyons
Group Managing Director

Dated 19th of August 2011

Independent Auditor's Review Report to the Members of Ambition Group Limited

We have reviewed the accompanying half-year financial report of Ambition Group Limited which comprises the condensed statement of financial position as at 30 June 2011, and the condensed income statement, the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 13.

Directors' Responsibility for the Half-Year Financial Report

The directors of Ambition Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report 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 half-year 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 2011 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.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Ambition Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Jason Thorne
Partner
Chartered Accountants
Sydney, 19 August 2011