ASX and Media Release

SERVCORP FY 2011 PROFIT GUIDANCE

Servcorp Limited ABN 97 089 222 506 (SRV) provides the following trading update for the twelve months ending 30 June 2011 (FY 2011).

Servcorp confirms its forecast mature floor net profit before tax guidance for the financial year ending 30 June 2011 of $30 million ($13 million for the first half and $17 million for the second half of the 2011 financial year). This forecast assumes currencies remain constant, global financial markets remain stable and no unforeseen circumstances.

With such a large global rollout of new floors, it was always going to be difficult to accurately forecast immature losses. Against that background immature floor start up losses are now expected to be approximately $20 million (previously $15 million) for the 2011 financial year. The higher than forecast start up losses are largely as a result of an accelerated roll out plan that is likely to see an additional 14 floors open this year (including 1 large format floor which was not included in the original immature floor forecast). This will bring the total new floor openings to 44 VIP floors and 1 large format floor in the financial year ending 30 June 2011. Projected earnings at the immature line are highly sensitive to both currency movements and the timing of openings.

In the Equity Capital Raising during October 2009 it was indicated that we would open 100 new floors in the four year period to 30 June 2013. In the two year period to 30 June 2011 we expect to open 58 new floors, putting us on track to meet this target.

Current unencumbered cash balances remain strong at $102 million.

On the cash line, offsetting immature floor losses are cash incentives received from landlords (which are taxable income when received) in the amount of approximately $6 million, that (from an accounting point of view) will be spread over the life of the lease portfolio.

As previously indicated, take up of Virtual Office packages has been somewhat slower than originally anticipated as the opening dates of the majority of the floors in the USA are between three and six months behind schedule. As floors open, planned growth in Virtual Office packages has resumed.

As outlined above new floor openings are progressing well, and management continues to have confidence in the VIP business model.

Trading conditions were difficult in the first quarter of FY 2011 however we are seeing early signs of an improvement in revenues and margins across a number of geographic regions.

It is anticipated that dividends in relation to FY 2011 will be 10.0 cents per share, fully franked.

For more information contact

Mr Alf Moufarrige	Chief Executive Officer	+61 2 9238 2262
Mr Thomas Wallace	Chief Financial Officer	+61 2 9231 7668