2007 Interim Results

Investor Presentation October 2007

The SThree Team

Russell Clements - Chief Executive Officer

Russell has been with the group since 1986 when he joined as a recruitment consultant. After a variety of Sales and Sales Management roles, Russell was appointed Sales Director of Computer Futures in 1992, and Joint Managing Director in 1998, during which time he was involved with the launch of new brands. He took up the position of Deputy Chief Executive Officer in September 2000 and progressed to Chief Executive Officer in March 2004.

Michael Nelson - Chief Financial Officer

Michael joined SThree in March 2005, after leading the turnaround of the Bally Group in Switzerland, where he was Group CFO. Michael qualified as a Chartered Accountant with Arthur Andersen and has 30 years of experience covering a broad range of industries and geographies.

Prior to Bally, Michael worked with EMI Plc for ten years, most recently as CFO for EMI Europe. He has also worked for Safeway Plc, Nortel and as a corporate strategy consultant.

Agenda

- Financial Highlights
- Operational Review
- 2007 Interim Results
- Outlook

H1 ‘07 Financial Highlights

£m	2007	2006	Change
Revenue	240.4	178.0	+ 35.1%
Gross Profit (Fee Income)	82.5	59.2	+ 39.5%
Operating profit before exceptional items*	19.6	15.1	+ 29.7%
Conversion ratio	23.8%	25.6%	- 1.8 pps
Profit before tax and exceptional items*	19.2	14.5	+ 32.0%
Basic earnings per share before exceptional items	9.3p	8.1p	+ 14.8%
Interim dividend	3.1p	2.4p	+ 29.2%

Note: Conversion Ratio = EBITA (pre-exceptionals) to gross profit

* Exceptional items relate to employee share awards and related costs (2006 only)

SThree – an Overview

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- Specialist permanent and contract staffing business, founded in 1986 and profitable ever since
- Predominantly ICT with growing contribution from other specialist sectors i.e. Banking & Finance, Accountancy, HR, Engineering, Pharmaceuticals & Energy
- Purely organic growth to date driven by expansion of multibrand model
- Now over 2,000 staff in 49 offices in 7 countries
- Home-grown management
- Significant equity participation by staff and management
- Avoid high volume/low margin model i.e. walk away from most PSAs - we never buy turnover
- Strong "SME" franchise
- Broad business base of c. 6.000 clients

The Development of SThree

Phase 1	Phase 2	Phase 3	Phase 4
One brand	Multi-brand	Multi-brand	Multi-brand
One location	Multiple UK locations	Multiple UK and Non-UK locations	Multiple UK & Non UK locations
One sector	One Sector	One Sector	Multiple sectors

1986 → 1990 → 1998 → 2004 → Current

Brand Development - Sector Diversification

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	Computer Futures Solutions	Huxley Associates	progressive	pathway	real Resourcing	HR staffsearch	orgtel	MadisonBlack	Tactical Resource	Strategic Resource Group	Jp gray.
ICT	✓	✓	✓	✓	✓		✓	✓	✓	✓	
Banking & Finance		✓		✔			✓				
Accountancy	✔	✔		✔							✓
Human Resources						✓					
Engineering		✓	✓								
Energy		✔									
Pharma			✔		✔						

✓= sector disciplines pre-2007
✔= new sectors added 2007

33 UK Offices

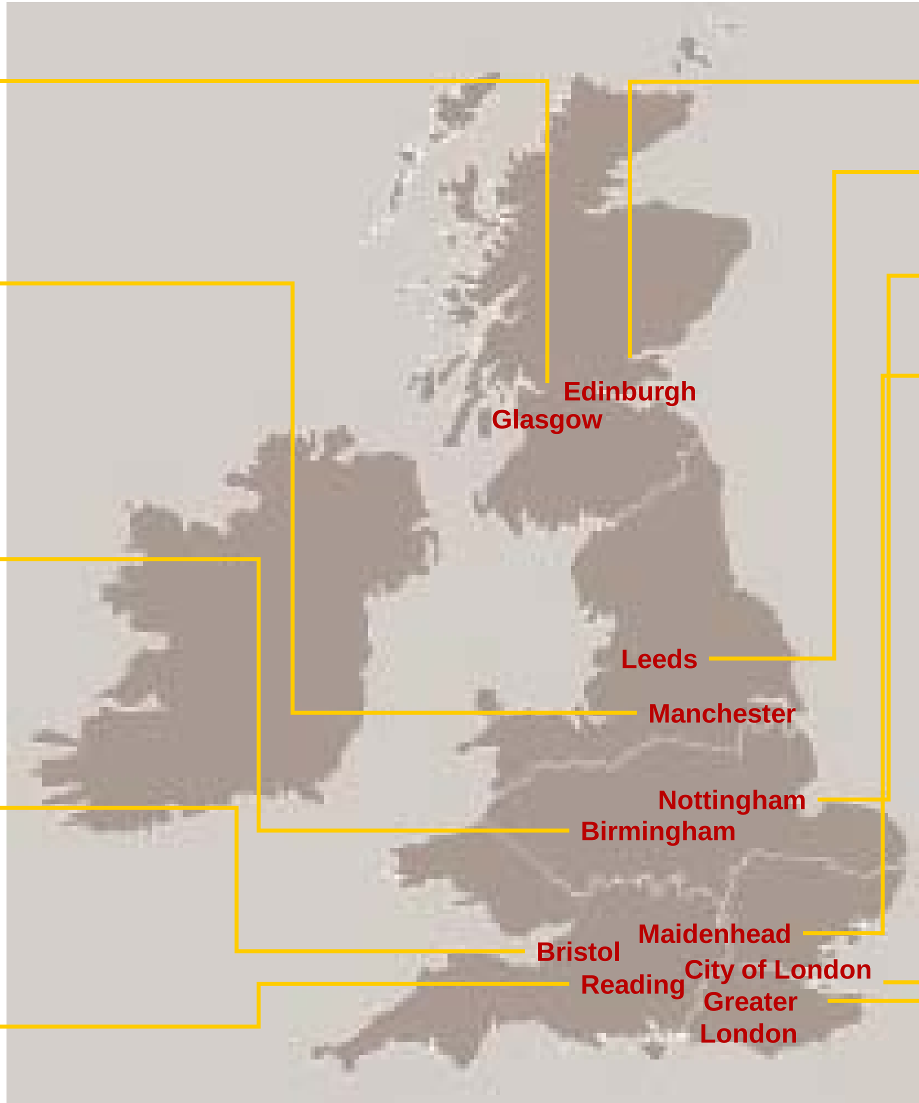
- Progressive

- Computer Futures
- Progressive
- Huxley

- Computer Futures
- Progressive
- Huxley
- Real Resourcing

- Computer Futures
- Progressive

- Progressive
- Huxley



- Computer Futures

- Pathway
- Progressive

- Real Resourcing

- Computer Futures
- Staff Search Group

- Huxley
- Orgtel
- Madison Black
- Tactical

- SThree HQ
- SThree Training
- SThree Support Services
- Computer Futures
- Progressive
- Pathway
- Real Resourcing
- JP Gray
- Strategic Resource Group
- IT Job Board

16 Non-UK Office Locations

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Huxley Associates
2006

New York 3,458 miles

COMPUTER FUTURES SOLUTIONS
2007

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European Training
2007

THE IT JOB BOARD
2007

COMPUTER FUTURES SOLUTIONS
2000

Huxley Associates
2002

progressive
2005

Huxley Associates
2007

COMPUTER FUTURES SOLUTIONS
1999

Huxley Associates
2006

progressive
2004

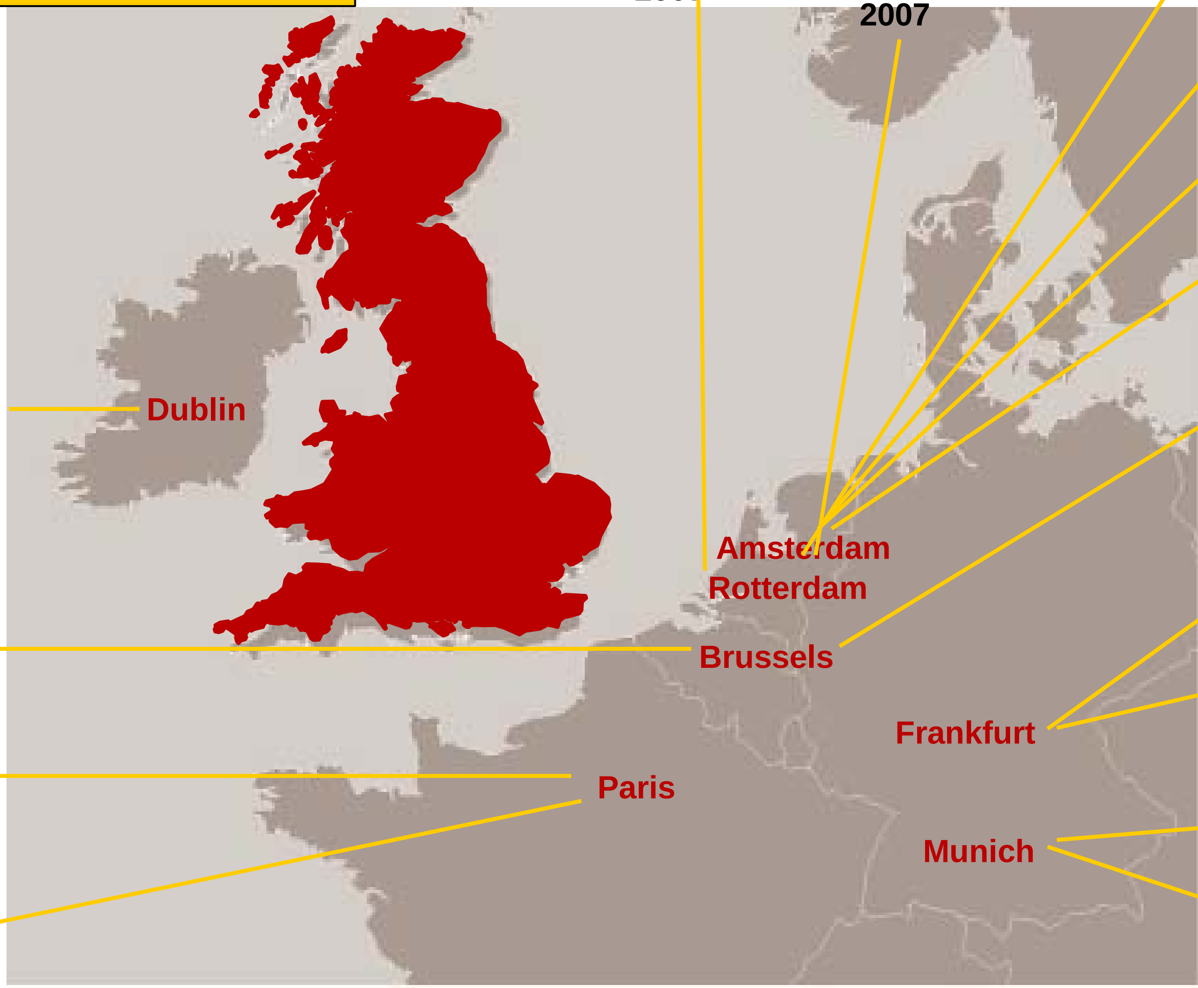
COMPUTER FUTURES SOLUTIONS
2006

COMPUTER FUTURES SOLUTIONS
1999

COMPUTER FUTURES SOLUTIONS
1998

COMPUTER FUTURES SOLUTIONS
2003

progressive
2006



Current Trends

- Consistent growth across all sectors and geographies including core UK ICT business
- Combination of new sectors and new geographies delivering outstanding growth
- Volume growth achieved without compromising margins
- H1 conversion ratio 23.8% (2006: 25.6%) reflecting investments in new offices, new sectors, IT systems, support infrastructure and training
- Non-ICT GP growth + 46.8% as at H1 07
- Non UK GP growth + 70.5% as at H1 07
- Headcount growth on target to provide a platform for 2008 and beyond

Investment Strategy

- SThree has always invested in its future
- 2007 is continuing the theme at an accelerated pace
  - New sectors & geographies
  - Office infrastructure (new & upgrades)
  - Systems (SAP go live and Siebel implementation)
  - Training & management development (e.g. new European training HQ)
- Our major current investment is redeployment of experienced staff and management into new sectors and geographies
- Key challenge is maintaining growth in absolute terms and managing increasing complexity of geographies and sectors

Remain confident that the investment strategy can be achieved without compromising overall results

Key Performance Indicators

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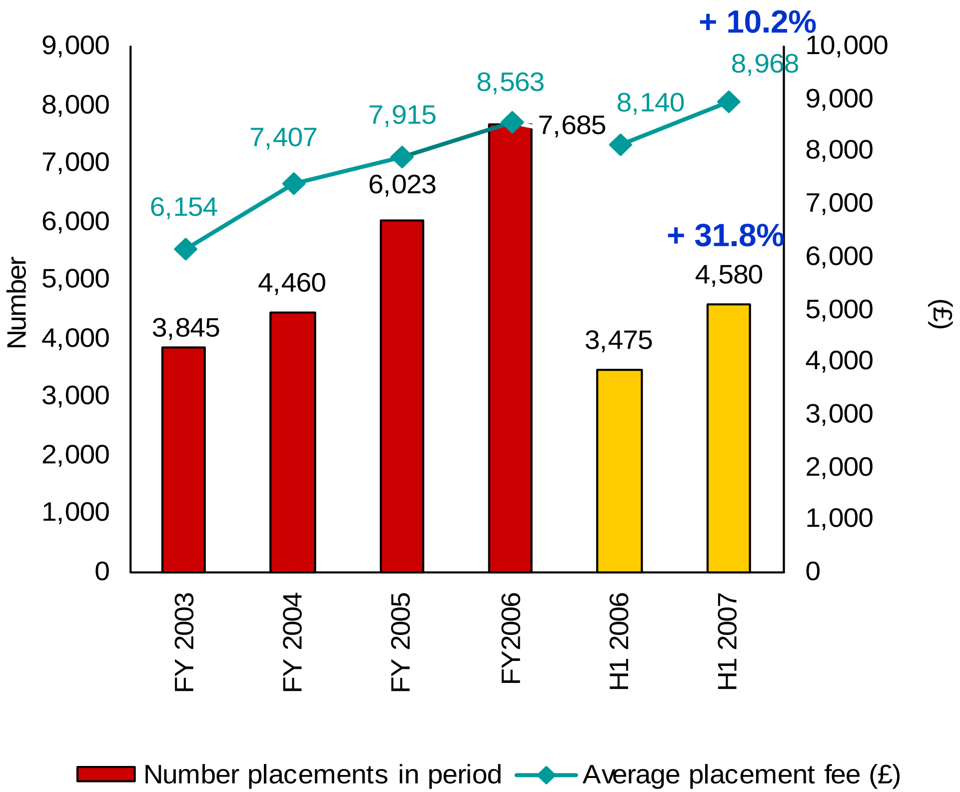
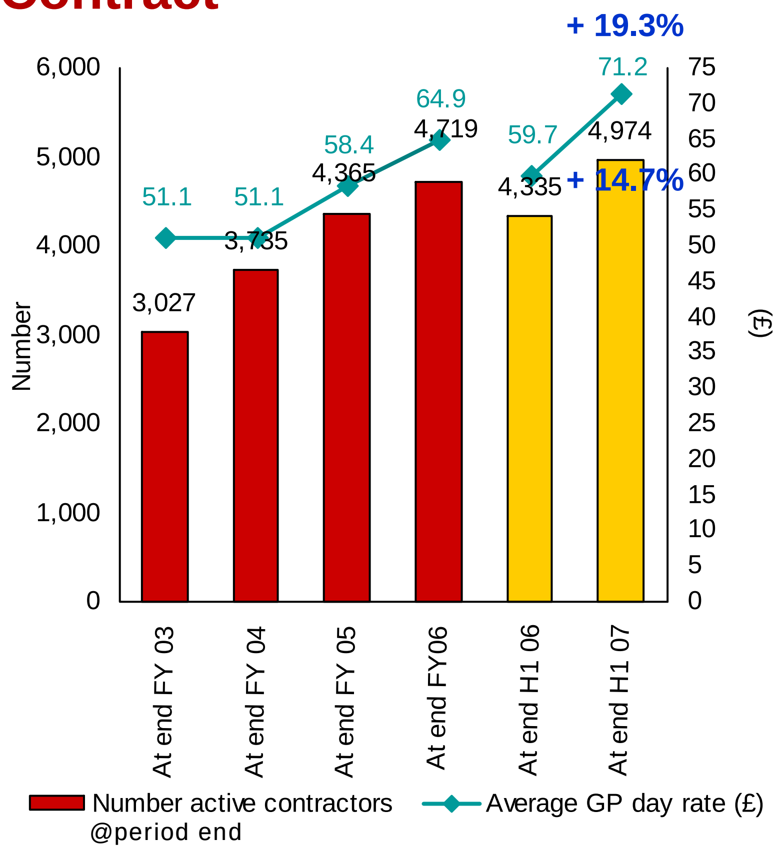
Permanent



Contract



Notes:
Contractors of the Group that are on a placement with one of the Group's clients at the end of the relevant period
Candidates the Group has placed with clients on a permanent basis and for whom it has sent the client an invoice during the relevant period
The average permanent placement fee is calculated using the total placement fees for the relevant period, including the ITJobBoard advertising income, divided by the number of placements for the period
The average gross profit per day per contractor is calculated by taking gross profit from contract staffing for the period and dividing by the average number of active contractors and the number of working days in the period

Growth Story - Value Growth

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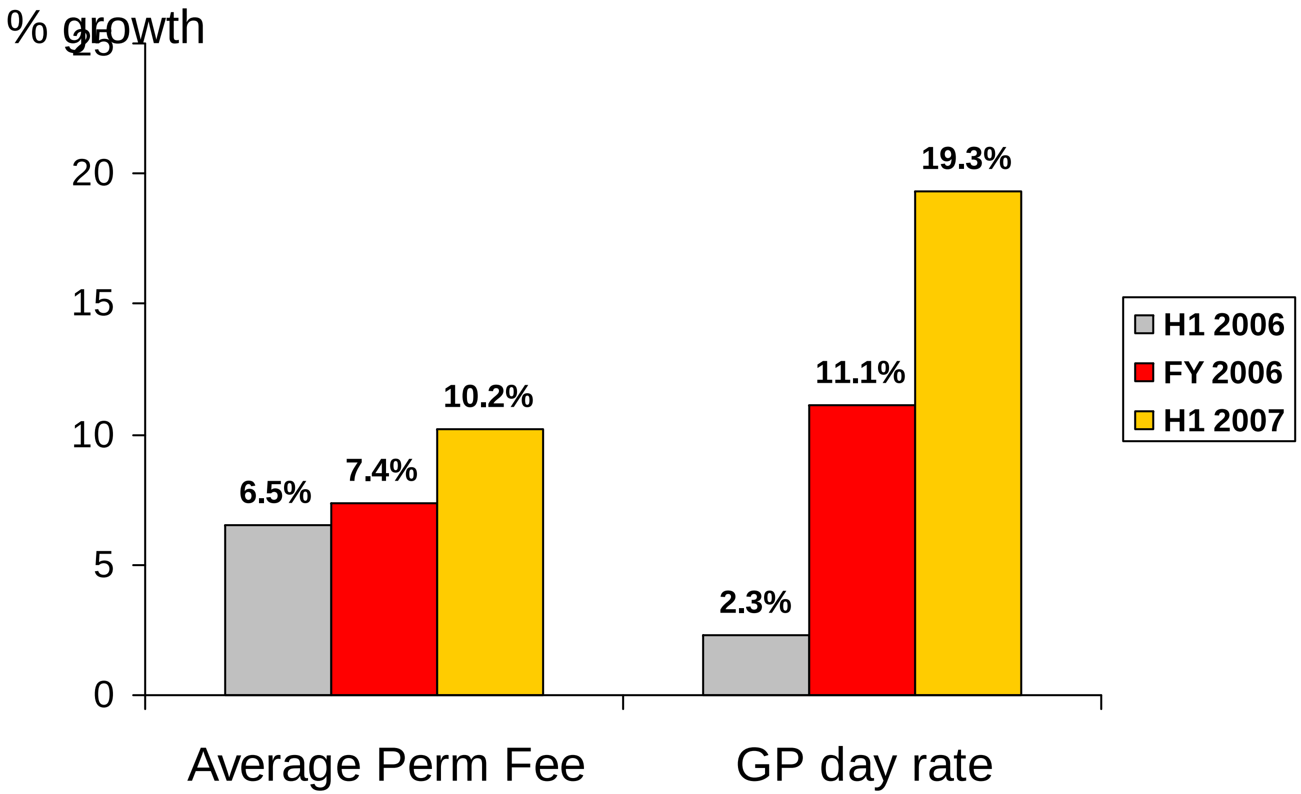

Volume growth achieved whilst improving quality of business written

Growth Story - Gross Profit

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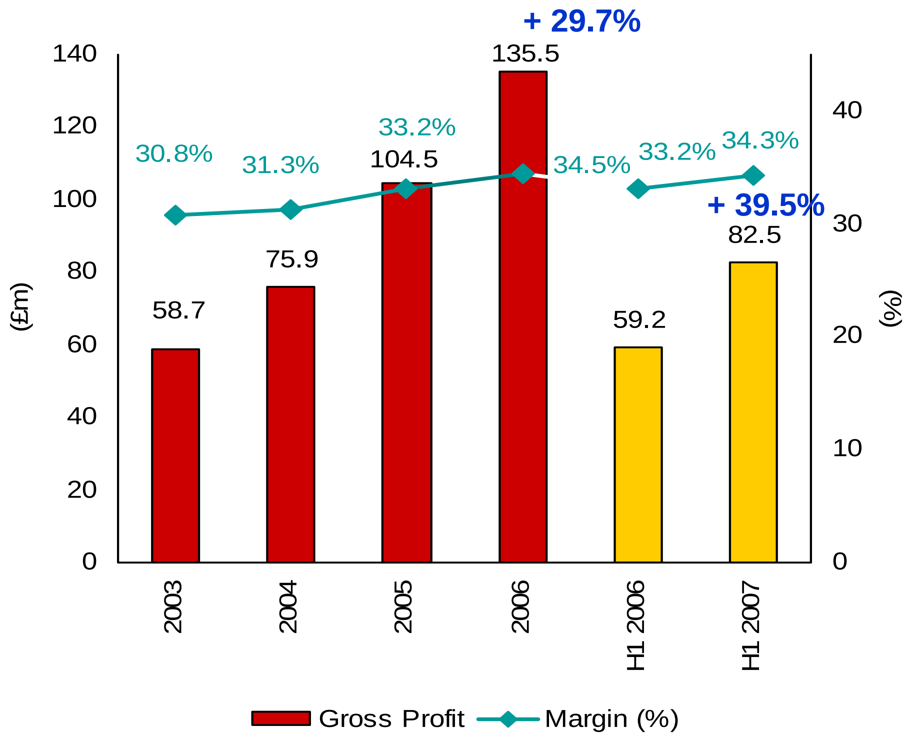
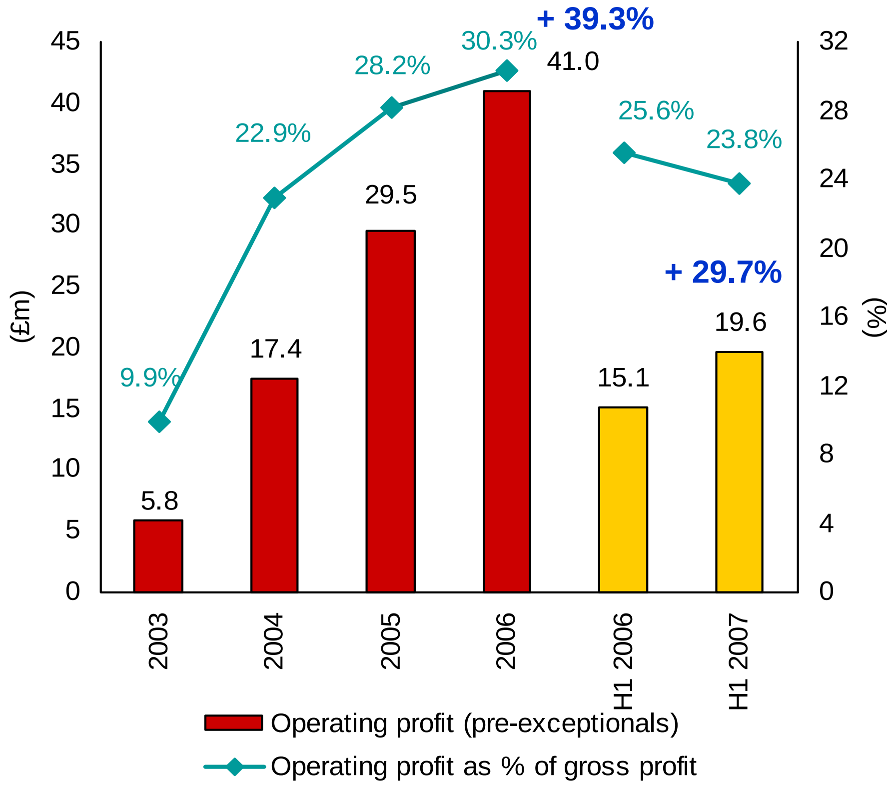


Recent margin % growth driven by increased perm mix

Growth Story – Operating Profit



Continued healthy growth in EBITA
Conversion ratio declines slightly to 23.8% due to significant investment

Note: Operating profit before goodwill amortisation and exceptionals (share award costs)

Income Statement

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	2007 £m	2006 £m	Change %
Revenue	**240.4**	178.0	+ 35.1
Gross profit	**82.5**	59.2	+ 39.5
Operating profit	**19.6**	15.1	+ 29.7
Net finance cost	**(0.5)**	(0.7)	
Share of profit of JV	**0.1**	0.1	
Profit before tax	**19.2**	14.5	+ 32.0
Taxation	**(6.0)**	(4.2)	
Profit after tax	**13.2**	10.3	+ 27.7

Effective tax rate 31.3% (2006: 29.0%)

2006: Before exceptional items

EPS & Dividends

Basic Earnings/(loss) per share	2007	2006	Change
Basic earnings per share before exceptional items	**9.3p**	8.1p	+ 14.8%

Dividends

- Interim dividend of 3.1p per share payable on 7 December 2007 to shareholders on the register at 9 November 2007
- Intend to pay dividends at a level sustainable through the cycle and in line with comparable quoted businesses

Note: EPS calculation impacted by addition of an on average 3.4 million shares from the EBT, which have vested after prescribed three year period, and an increased amount of profit attributable to minority interests

	H1 07	**H1 06**	**FY06**
Weighted average number of shares used for basic EPS	129.3m	125.9m	123.9m

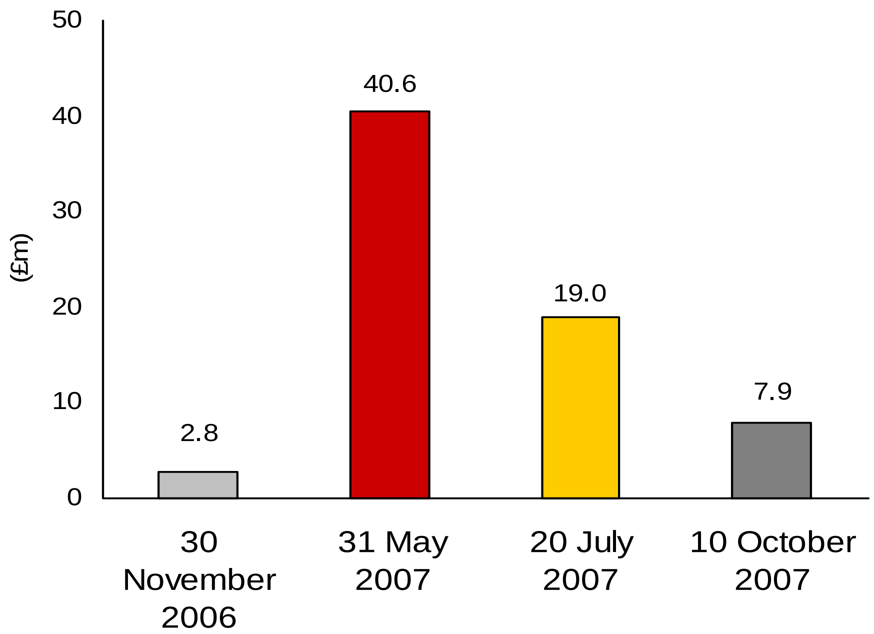
Cash Flow

	2007 £m	2006 £m
Operating profit (before exceptionals)	**19.6**	15.1
Share awards charge *	**0.1**	(0.1)
Depreciation/sale of fixed assets	**1.3**	0.7
Increase in debtors	**(55.7)**	(8.9)
Increase/(decrease) in creditors	**9.0**	(7.7)
(Decrease)/increase in provisions	**1.0**	0.7
Net cash from operating activities	**(24.7)**	(0.2)
Net finance costs	**(0.5)**	(0.7)
Taxation received/(paid) **	**(0.4)**	2.0
Capital expenditure	**(5.8)**	(1.4)
Dividends paid	**(6.3)**	-
Net cash before financing	**(37.7)**	(0.3)

* Share awards charge relates to non-cash element of the P&L charge for employee share awards and related costs (2006: exceptional item)

** Tax received relates to Schedule 23 clawback of 2006 tax paid on account

Net Debt Position



Increase in debtor days from 54 to 80 at half year resulting from ERP systems implementation related disruption to cash collection

Confident of full resolution by year end and net debt/cash in line with current analyst forecasts

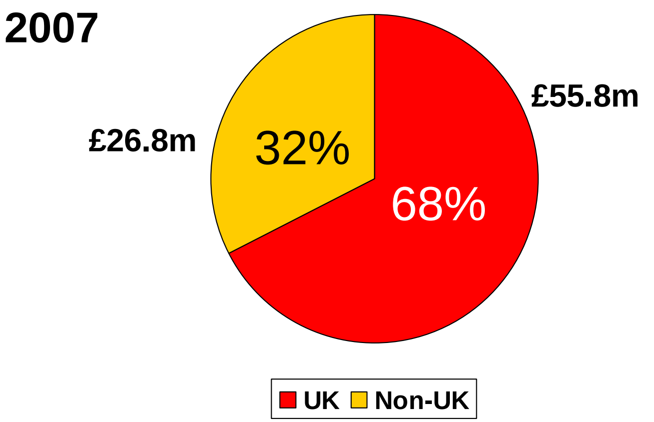
Source: SThree Accounts

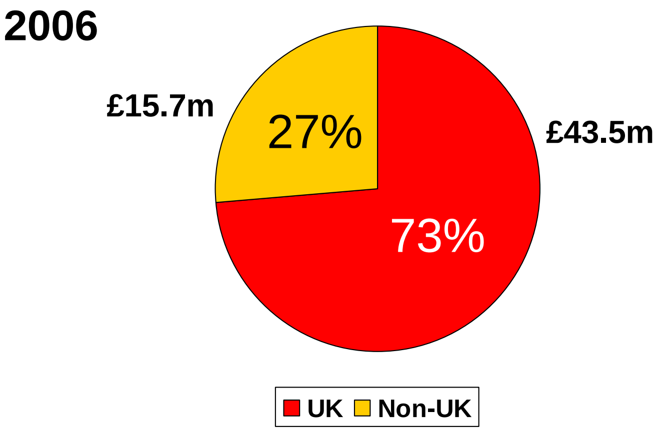
Balance Sheet

	2007 £m	2006 £m
Tangible assets	**5.0**	3.4
Intangible assets	**6.4**	0.1
Investment in JV	**0.1**	-
Deferred tax asset	**12.1**	12.1
	23.6	15.6
Debtors	**148.3**	83.8
Tax receivable/(payable)	**4.0**	(1.1)
Creditors	**(48.3)**	(38.8)
Net Current Assets	**104.0**	43.9
Net Cash/(Debt)	**(40.5)**	(9.8)
Provisions	**(6.3)**	(6.1)
Net Assets	**80.8**	43.6

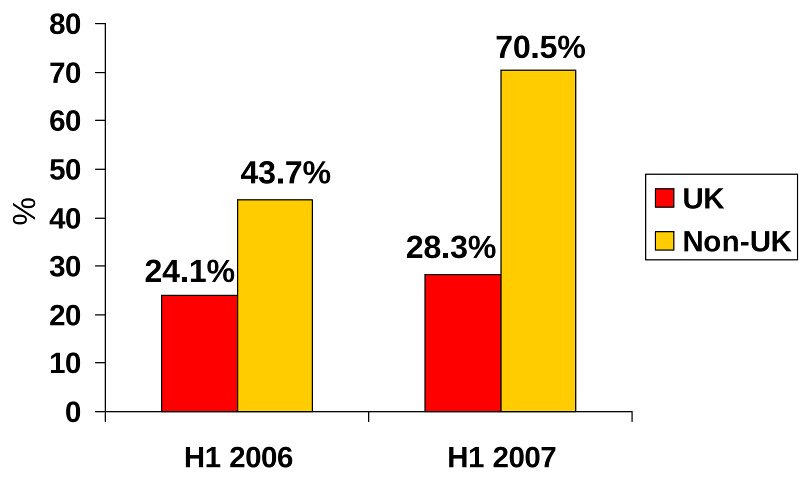
Geographic analysis*

Gross Profit





Growth in UK / Non-UK GP



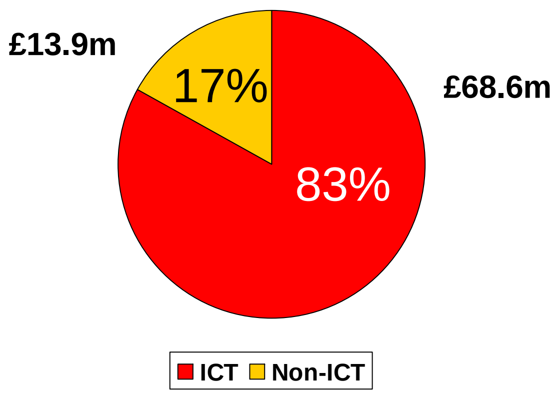
* Based on location of client

Source: SThree Accounts

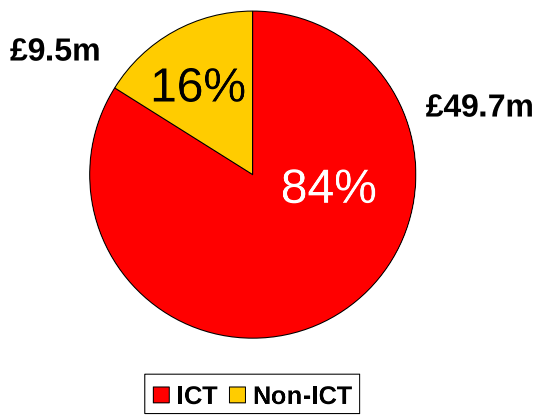
Sector Analysis

Gross Profit

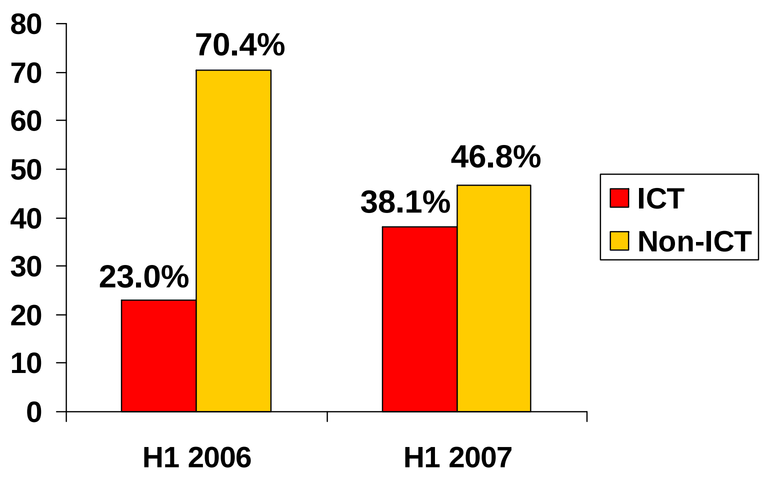
2007



2006



Growth in ICT / Non-ICT* GP



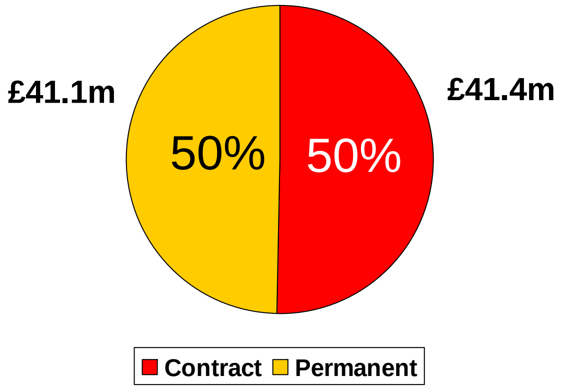
* Comprises banking and finance, accountancy, human resources, engineering, pharmaceuticals, energy and Job Board activities

Source: SThree Accounts

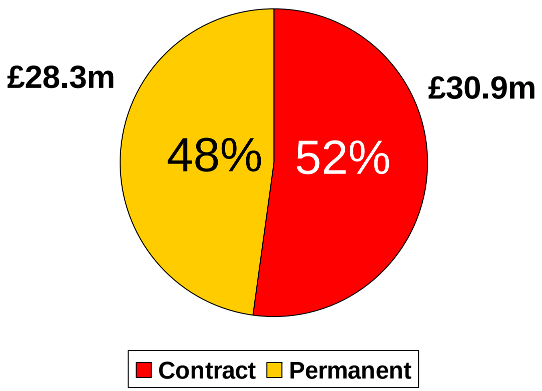
Perm/Contract Analysis

Gross Profit

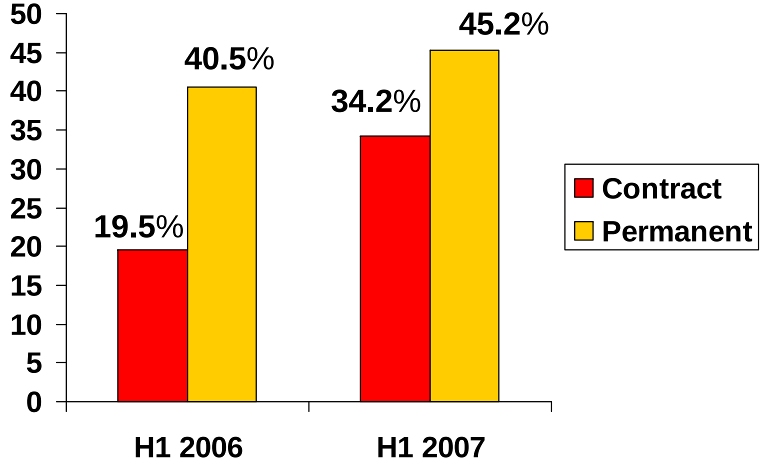
2007



2006



Growth in Permanent / Contract GP

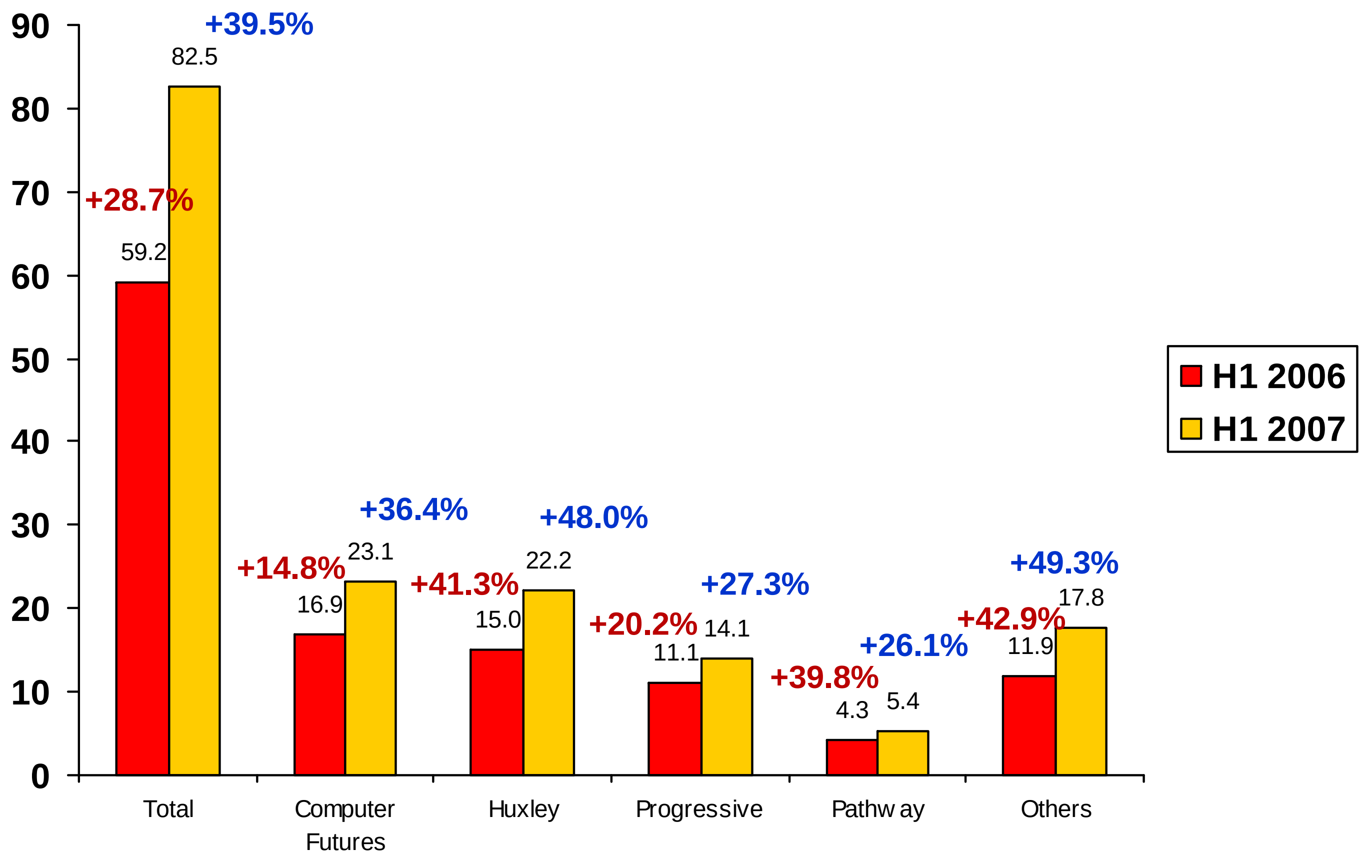


Gross Margin	2007	2006
Group	**34.3%**	33.2%
Contract	**20.8%**	20.6%

Source: SThree Accounts

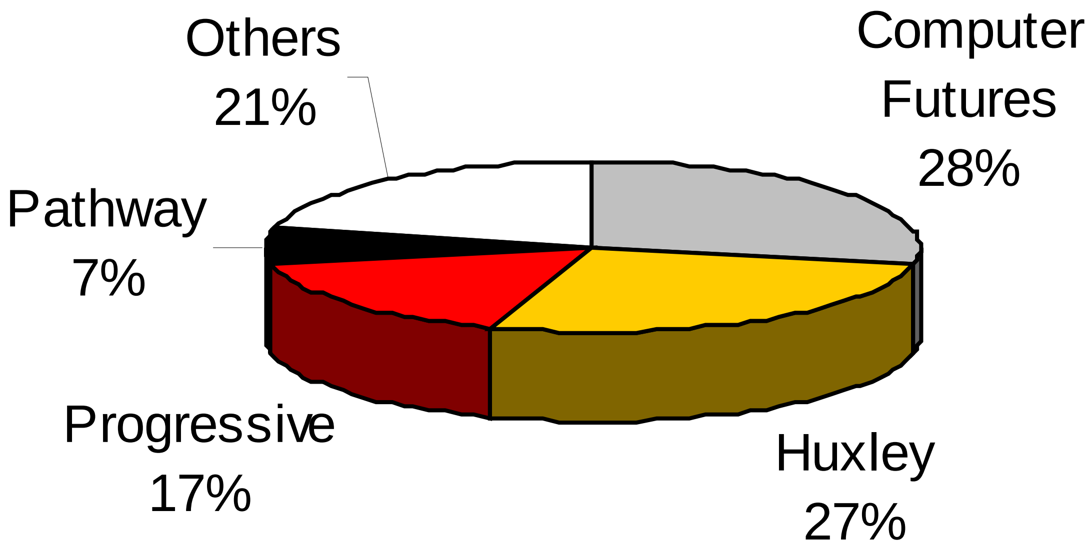
Brand Analysis – Gross Profit Growth as at H2 '07

Gross Profit £m



Source: SThree Accounts

Brand Analysis – Gross Profit Percentages as at H2 '07



Source: SThree Accounts

Current Trading & Outlook

- Current trading in line with Board's expectations with continued growth across all geographies
- Banking & finance market recently more cautious but not having a material impact on group performance
- Continued roll out of business model
  - New sectors
  - New geographies
  - Multiplier effect
- Ongoing investment required to support future growth - but 2008 investment level likely to be below 2007
- Year end cash to be in line with analyst expectations
- No current indications of a significant slowdown

Analyst Sentiment

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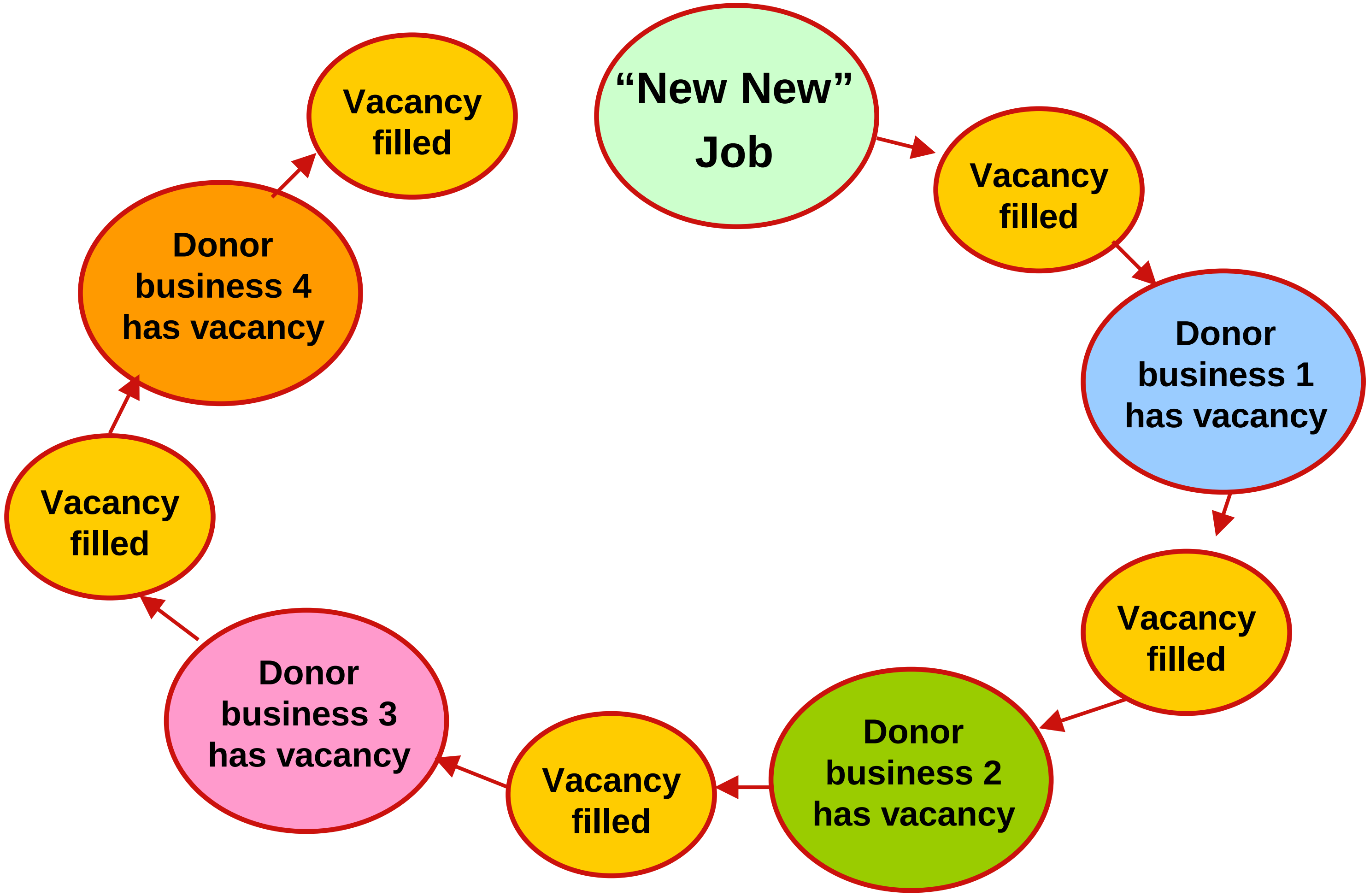
Broker	Analyst	Recommendation	Target Price (p)
BRIDGEWELL	Ian Jermin	Buy	485
Goldman Sachs	Andrew Grobler	Buy	440
Investec Securities	Robert Morton	Buy	550
KAUPTHING BANK	Kean Marden	Buy	545
PANMURE GORDON & CO	Mike Allen	Buy	493
SEYMOUR PIERCE	Kevin Lapwood	Outperform	380
UBS	Alex Hugh	Buy	500

Questions?

Appendix
Supplementary Material

“Churn” - A Major Driver of Demand & Multiplier Effect



Churn largely explains why specialist staffing has such a highly leveraged relationship with GDP growth

SThree Corporate Structure

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PLC Main Board

Executive Committee
Comprising
Chief Executive, Chief Financial, Chief Operations & Chief Development Officers
Brand MD's (Computer Futures, Huxley, Progressive, Pathway, Real IT, Madison Black, JP Gray, ITJB)
Functional Directors (IS, HR & Development, Administration & Facilities)

SHARED BACK OFFICE

Brand Directorate — Office Mgmt, Office Mgmt, Office Mgmt

Brand Directorate — Office Mgmt, Office Mgmt, Office Mgmt, Office Mgmt, Office Mgmt, Office Mgmt, Office Mgmt, Office Mgmt, Office Mgmt

Brand Directorate — Office Mgmt, Office Mgmt, Office Mgmt

Brand Directorate — Office Mgmt, Office Mgmt, Office Mgmt, Office Mgmt, Office Mgmt

Brand Directorate — Office Mgmt, Office Mgmt, Office Mgmt, Office Mgmt

SHARED INFRASTRUCTRE

Financial Accounting & Reporting
Business Support & Planning
Tax / Treasury / Company Secretary
Information Services
Legal & Compliance
HR / Training

Brands have a degree of autonomy but within clearly defined parameters

Minority stakes model

Key employees + ideas + minority stakes

= ability to retain and incentivise key employees

= group benefit

Ideas

- SThree
- Individual / entrepreneur
- New business - new sectors
- New sectors and/or geographies

Criteria

- High performing key employees - entrepreneurial ability and skills
- Market opportunity - avoiding cannibalisation of existing market share

The deal

- Separate trading company
- Minorities invest at outset or later, at independently assessed market price
- Immediate access to Group's infrastructure and shared services
- Minimum 3/5 year holding period then ability to request to swap brand shares for SThree shares or be bought out in cash

Group minorities

- Directors and senior managers of SThree control the board of all minority-interest brands