2005 Preliminary Results

8 February 2006

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.

Sunil Wickremeratne - Chief Operating Officer

Sunil has been with the group since 1988 when he joined as a recruitment consultant. After a variety of Sales and Sales Management roles he set up Progressive Computer Recruitment in 1990 as its Managing Director and subsequently went on to be involved in the launch of two further brands, Pathway IT Resourcing and Real IT. He was appointed Chief Operating 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
- Overview of the Group
- Operational Highlights
- 2005 Financial Results
- Strategy
- Outlook

Financial Highlights

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£m	2005	2004	Change
Turnover	£315.1m	£242.4m	+ 30.0%
Gross Profit (Fee Income)	£104.5m	£75.9m	+ 37.7%
Operating profit before exceptional items*	£29.5m	£17.4m	+ 69.9%
Profit before tax and exceptional items*	£28.0m	£16.0m	+ 75.5%
Earnings per share before exceptional items adjusted for effect of new shares issued at IPO*+#	15.4p	8.9p	+ 73.0%

*Exceptional items in 2005 were a charge of £15.9m against operating profit and a credit of £7.9m against tax, all relating to non-recurring items
+ 2004 figures also exclude goodwill amortisation and other exceptional items less related tax
# Calculated using the number of shares in issue at 30 November 2005 (excluding shares in the EBT), rather than the weighted average number of shares in issue throughout the year. Earnings before preference dividends used as the numerator in the EPS calculation since, had the year-end share structure been in place throughout FY 2005, there would have been no preference dividend paid.

SThree - a portfolio of brands

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COMPUTER FUTURES SOLUTIONS

progressive

Huxley Associates

pathway

real IT resourcing

StaffSearch GROUP

orgtel

MadisonBlack

Tactical

Strategic RESOURCE GROUP

Jp gray.

THE IT JOB BOARD

SThree - An Overview

- Specialist permanent and contract staffing business, founded in 1986 - operating in the UK and Europe
- Predominantly ICT with growing contribution from Banking & Finance, Accountancy, HR and Engineering
- Twelve brands, purely organic growth to date driven by expansion of existing brands and creation of new brands out of existing businesses
- Over 1,100 staff in 39 offices in 6 countries
- Significant equity participation by staff and management
- Home-grown management
- Business and management focused on absolute profitability
  - Avoid high volume/low margin model i.e. walk away from most PSAs - we never buy turnover
  - Strong “SME” franchise
- Broad, diverse client base of over 4,000 clients

Competitive Strengths

Multi-brand Strategy	The key driver of our strategy to combine growth with superior gross margins and significant profitability
Major player in UK ICT market position and Core Established Brands	Established for up to 19 years, our portfolio of brands reflects the highly diversified ICT specialist staffing market
Diversified Client Base	Our base of over 4,000 predominantly SME clients need and value rapid, expert staffing solutions
Resilient Business Model	Over the downturn period of 2002 - 2003 we generated a combined total of over £15m of EBITA
European Track Record	Established in Europe for seven years and profitable. Well positioned to exploit structural growth opportunities
Home Grown Management	Many years “hands on” experience - we have “done the job” and understand our market intimately

Operational Review

- Permanent and contractor business mix
  - Benefits of increased visibility, downside resilience and operational gearing
  - FY 2002 gross profit split 58%:42% (contractor:permanent); FY 2005 54%:46%
- Building new revenue streams
  - Gross profit deriving from other brands (i.e. not from the core Computer Futures, Progressive and Huxley brands) increased from 19% in FY 2002 to 28% in FY 2005
- Increasing sector diversity
  - Non-ICT contribution to overall gross profit increased from 2% in FY 2002 to 15.6% in FY 2005
  - Non-ICT gross profit grown by 95.2%
- Geographical expansion
  - Non-UK contribution to overall gross profit in FY 2005 was 24%
  - Non-UK gross profit grown by 29% YOY
- To date non-ICT growth has been UK-based and non-UK growth has been ICT driven

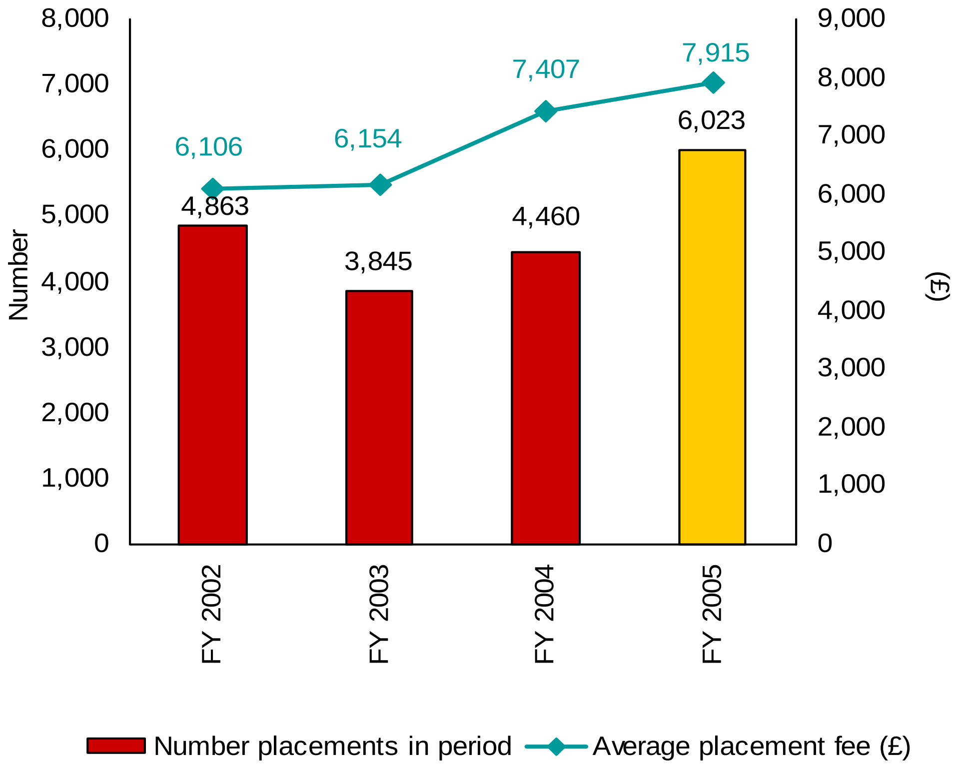
Operational Review

- Further recovery in core ICT market - particularly helped by a return of confidence in the permanent market
- We increased consultant numbers to take advantage of improved conditions

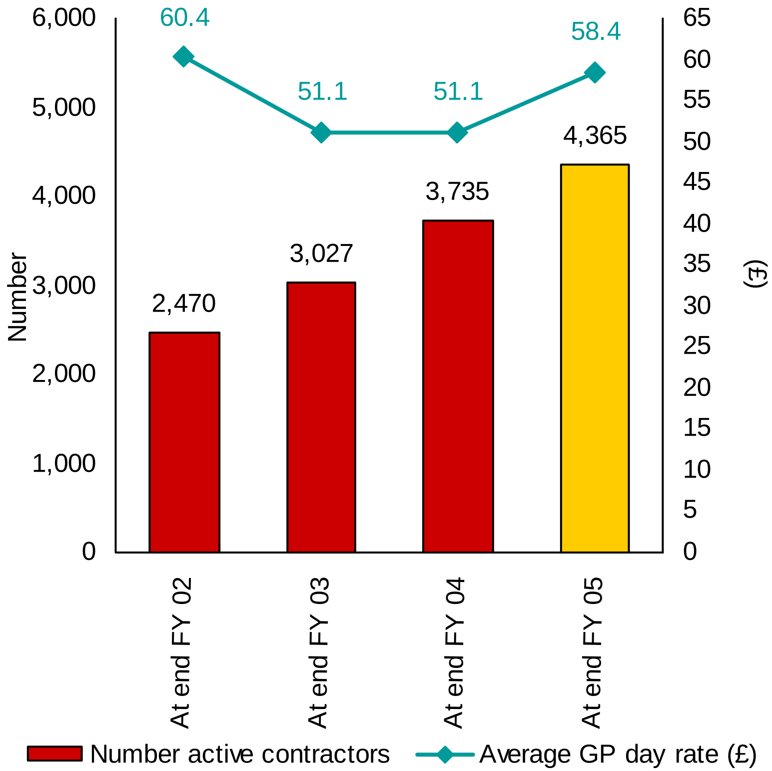
  - can continue to recruit additional consultants without increasing fixed costs
- Graduate recruitment / retention key management focus
- Strong performance from three largest brands
  - Computer Futures 20% growth
  - Progressive 23.5% growth
  - Huxley 48% growth
- Other brands 67% growth on average (almost all UK)
- Non-ICT growth 95.2%
- Non-UK growth 29% (CF now 50% non-UK)
- Planned expansion: New York, Munich, Frankfurt, Paris

Key Performance Indicators

Permanent

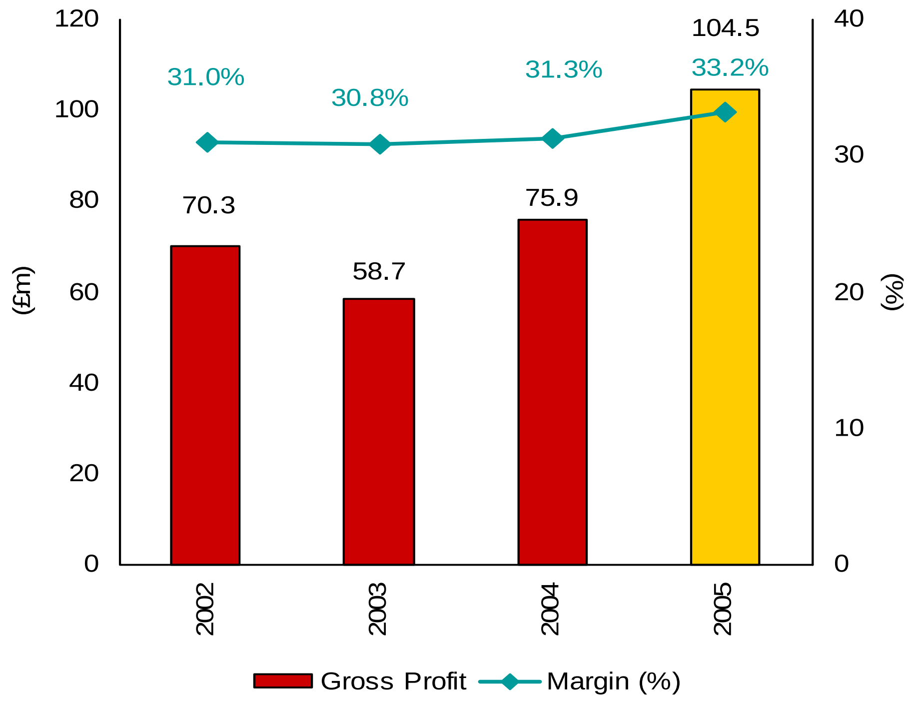


Contract



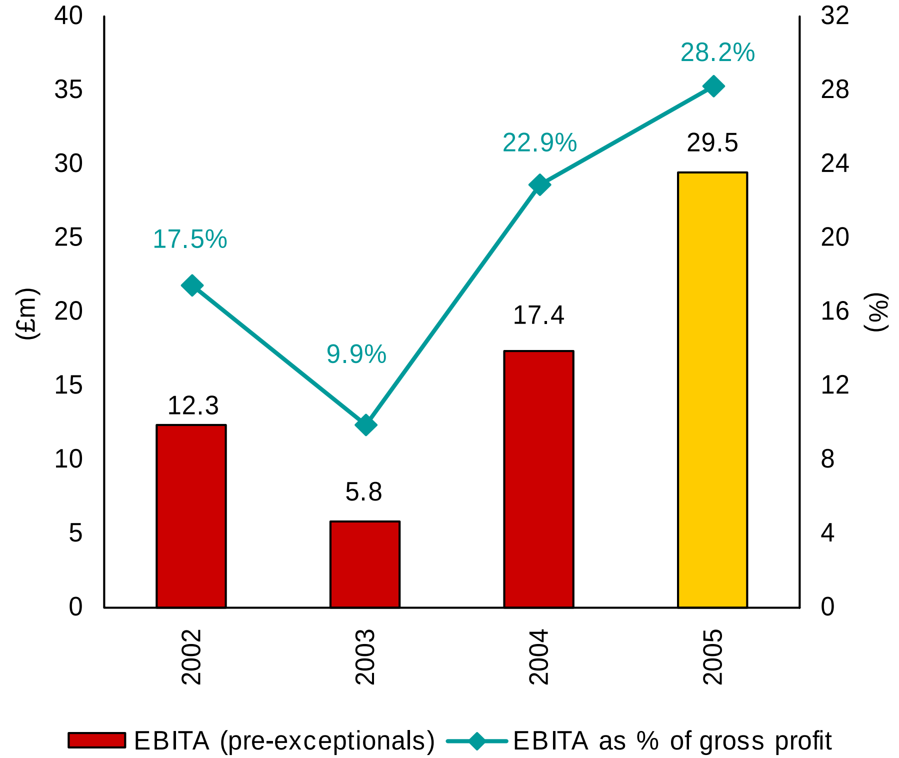
Notes:
Contractors of the Group that are on a placement with one of the Group's clients at the end of the relevant period
Candidates the Group has placed with clients on a permanent basis and for whom it has sent the client an invoice during the relevant period
The average permanent placement fee is 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 - Gross Profit



Recent margin % growth driven by higher fees & increased perm mix

Growth Story - EBITA



EBITA grows by 70%, reflecting strong operational gearing
Conversion ratio reaches record level of 28.2%

Note: EBITA is operating profit before goodwill amortisation and exceptionals (share award costs and special management bonuses to compensate for lack of dividend on Preference Shares)

Profit & Loss

Before Exceptional Items

	2005 £m	2004 £m	Change %
Turnover	**315.1**	242.4	+30.0
Gross profit	**104.5**	75.9	+37.7
Operating profit	**29.5**	17.4	+69.9
Net interest	**(1.5)**	(1.4)	-
Profit before tax	**28.0**	16.0	+75.5
Taxation	**(8.7)**	(5.1)	-
Profit after tax	**19.3**	10.8	+77.8

Exceptional Items

£m		2005
Operating profit		29.5
Exceptional items		
- Employee share awards at IPO and related costs	14.4	
- Non recurring ZCP share bonus	1.4	
		(15.9)
Operating profit after exceptional items		13.6
Net interest		(1.5)
Profit before tax		12.2
Tax		(0.8)
Profit after tax		11.3

H1/H2 Analysis

	2005 H1 £m	2004 H1 £m	H1 on H1 Change %	2005 H2 £m	2004 H2 £m	H2 on H2 Change %
Turnover	143.5	105.5	37%	171.5	136.9	25%
Gross profit (fee income)	46.0	32.7	41%	58.5	43.2	36%
EBITA (pre-exceptionals)	10.4	6.3	66%	19.1	11.1	72%
Conversion Ratio	22.6%	19.0%	n/a	32.6%	25.7%	n/a
Average Headcount	1,020	748	36%	1,054	862	22%
Number of Contractors	3,777	3,216	17%	4,365	3,735	17%
Perm Placements	2,633	1,822	45%	3,390	2,638	29%

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

Taxation

- Tax charge on ordinary activities of £8.7m, an effective tax rate of 31%
- Total tax charge after exceptionals of £0.8m, an effective rate of 7%
- Total tax charge favourably impacted by Schedule 23 tax credits in respect of share awards and options exercised following IPO
- Further Schedule 23 tax losses in 2006 forecast to virtually eliminate any UK tax liability

EPS & Dividends

Basic Earnings/(loss) per share	2005	2004	Change
Basic	**16.2p**	(65.4p)	
Before exceptionals	**35.1p**	16.4p	114%
Before exceptionals and adjusted for effect of new shares issued at IPO *	**15.4p**	8.9p	73.0%

Dividends

- As indicated in IPO prospectus no final dividend is being proposed for FY 2005
- First dividend currently expected with interim results for the six months ending 31 May 2006

* IPO occurred on 16.11.05

Weighted average number of shares in issue for FY 2005 was 42.2m

Number of shares in issue at 30.11.05 was 138.0m

Cash Flow

	2005 £m	2004 £m
Operating profit	**13.6**	(15.7)
Exceptional items *	**11.9**	31.5
Depreciation/sale of fixed assets	**1.7**	1.3
Increase in debtors	**(15.5)**	(17.5)
Increase/(decrease) in creditors	**12.7**	7.0
(Decrease)/increase in provisions	**0.5**	(1.5)
Net cash inflow from operating activities	**24.9**	5.1
Net interest paid	**(1.5)**	(1.4)
Taxation paid	**(5.4)**	(3.3)
Net capital expenditure	**(2.7)**	(2.1)
	15.3	(1.7)
Preference dividends	**(8.9)**	(2.6)
Net cash inflow before financing	**6.4**	(4.3)

* Note: Exceptional items principally relate to:

2005 – IPO

2004 – Goodwill amortisation

Balance Sheet

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	2005 £m	2004 £m
Tangible assets	**2.8**	1.8
Debtors	**80.6**	61.3
Creditors *	**(46.1)**	(36.6)
Net Current Assets	**34.5**	24.7
Net Cash/(Debt)	**(9.6)**	25.0
Loan Stock	**-**	(39.9)
Provisions	**(5.8)**	(5.3)
Net Assets	**21.9**	6.3

* Creditors restated vs statutory accounts to separately identify loan stock and overdraft balances

Perm/Contract Analysis

Turnover	2005 £m	2004 £m	Change
Contract	267.1	209.4	+27.6%
Permanent	48.0	33.0	+45.4%
	315.1	242.4	+30.0%
Gross Profit			
Contract	56.5	42.9	+31.7%
Permanent	48.0	33.0	+45.4%
	104.5	75.9	+37.7%
Gross Margin			
Group	33.2%	31.3%	
Contract	21.1%	20.5%	

Discipline Analysis

£m	2005	2004	Change
Turnover			
ICT	**288.4**	227.4	+26.8%
Other *	**26.7**	15.0	+77.6%
	315.1	242.4	+30.0%
Gross Profit			
ICT	**88.2**	67.6	+30.6%
Other *	**16.3**	8.3	+95.2%
	104.5	75.9	+37.7%

* Includes banking and finance, accountancy, human resources and engineering activities

Geographic Analysis

£m	**2005**	**2004**	**Change**
Turnover			
UK	**243.6**	184.4	+32.1%
Europe & RoW	**71.5**	58.0	+23.2%
	315.1	242.4	+30.0%
Gross Profit			
UK	**79.5**	56.5	+40.7%
Europe & RoW	**25.0**	19.4	+28.9%
	104.5	75.9	+37.7%

IFRS

- No significant impact expected
- First reported results under IFRS will be 2006 interims
- Progress to date

  - Identified key accounting and policy changes

  - Quantified impact of changes on P&L and net assets

  - Established procedures for capturing additional disclosure requirements
- Key areas identified that impact financial results are share based payments and proposed dividends

Strategy and Opportunities

“To be the most profitable specialist staffing services business in the UK and Europe”

Continue multi-brand strategy

- **Development of core UK ICT business**
- **Development of non-ICT sectors**
- **Further European geographical expansion**
- **Explore acquisition opportunities**

Continue to drive operational efficiencies

Current Trading & Outlook

- Macro conditions remain benign - no assumption of major change positively or negatively
- December/January historically quiet trading period/limited forward visibility
- Momentum seen in Q4 FY 2005 continuing
- Current trading in line with expectations
- Expansion in UK largely through existing infrastructure
- Planned expansion of Non-UK network - Progressive Paris, Huxley Frankfurt and New York, Computer Futures Munich
- Confident that strategy will underpin a further year of progress

Key Investment Points

- Operates in high growth specialist staffing sector
- High operational gearing and downside resilience
- Major player in core UK ICT market
- Established and growing presence in Europe
- Growing presence in UK non-ICT market
- Proven, high-growth multi-brand strategy
- Low risk expansion strategy
- Diversified high margin client base / SME “franchise”
- Strong and seasoned management team
- Substantial management equity participation
- Entrepreneurial and ambitious culture

Appendix A

Supplementary material

30 UK offices

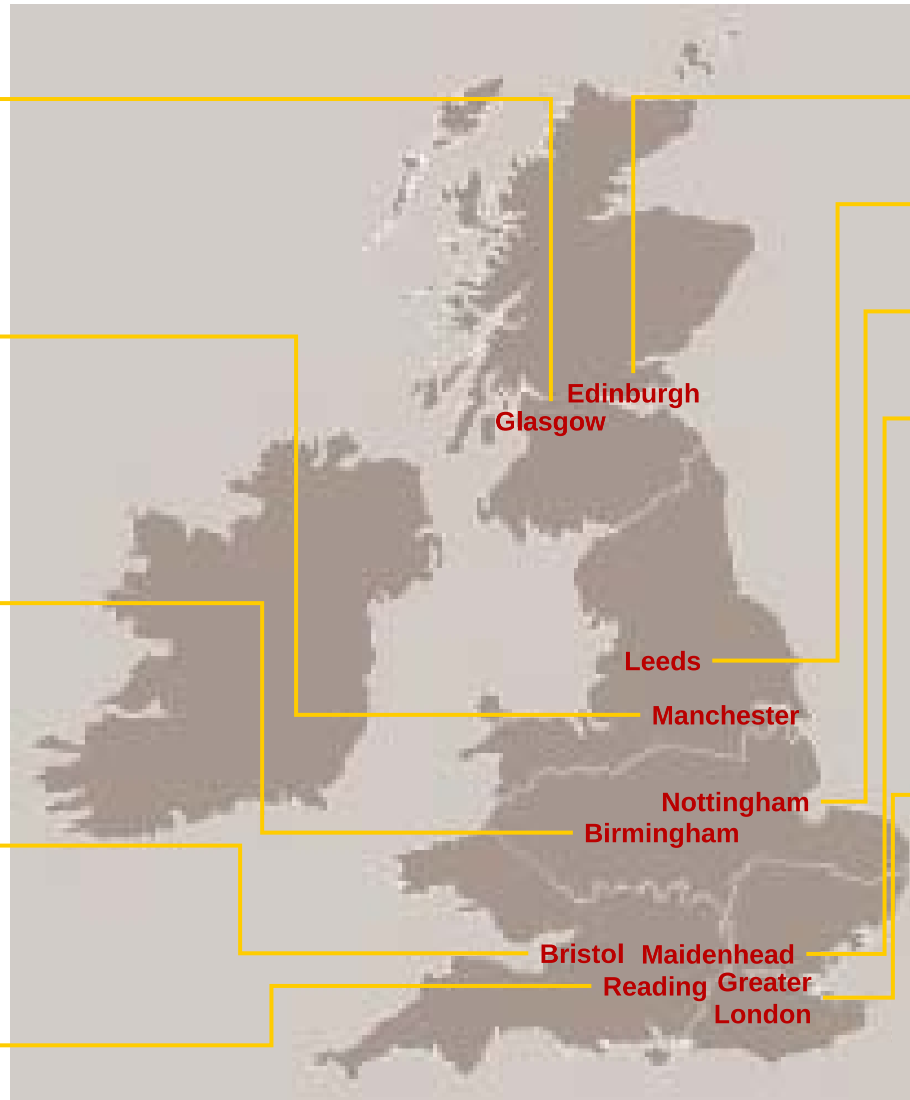
- Progressive

- Computer Futures
- Progressive
- Huxley

- Computer Futures
- Progressive
- Huxley

- Computer Futures
- Progressive

- Progressive
- Huxley



- Computer Futures

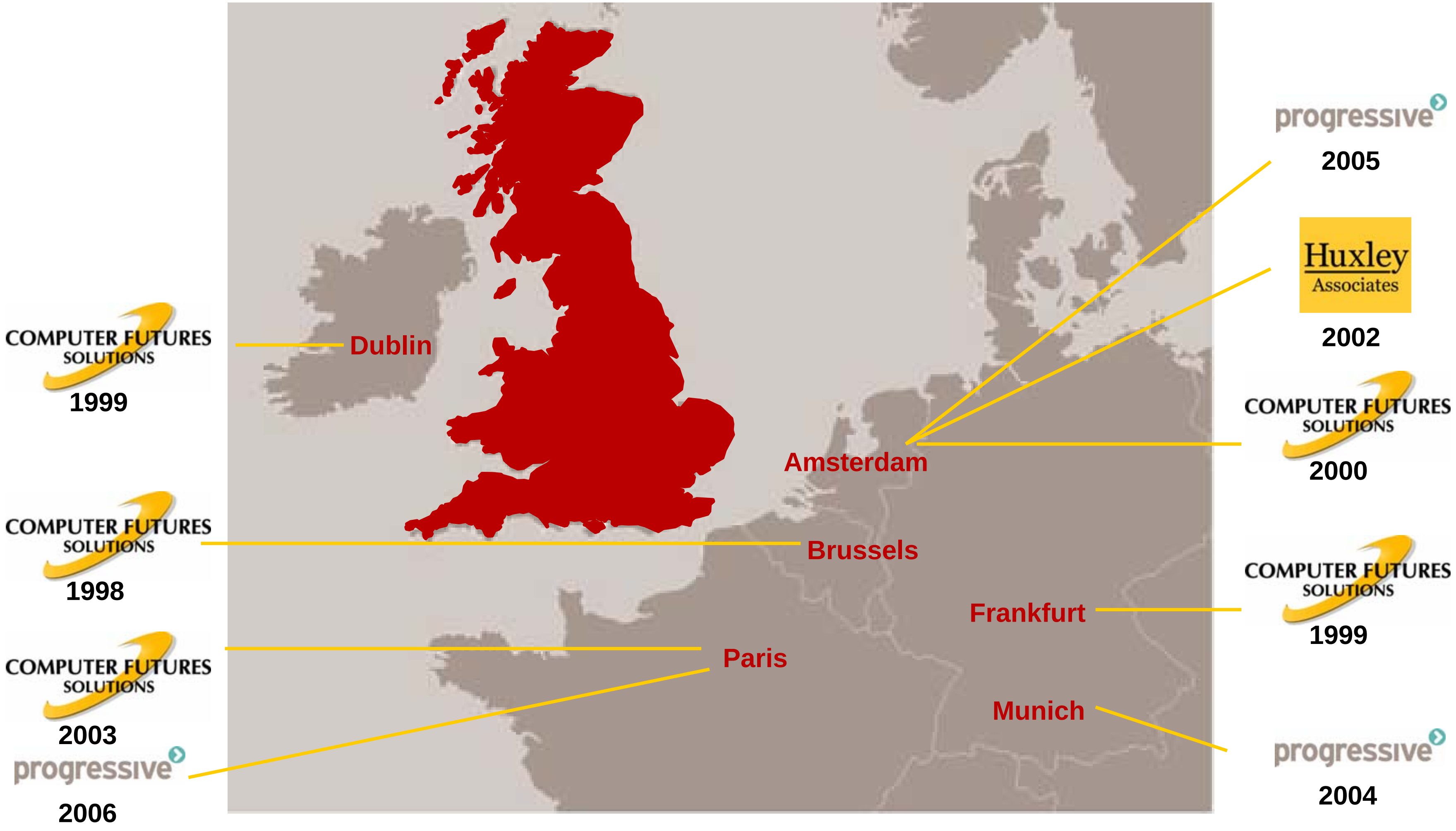
- Pathway
- Progressive

- Real IT

- Computer Futures
- Staff Search Group

- SThree HQ
- SThree Group Training
- Computer Futures
- Progressive
- Huxley
- Pathway
- Real IT
- Orgtel
- Madison Black
- JP Gray
- Strategic Resource Group
- IT Job Board
- Tactical

9 European office locations



The development of SThree

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Stage 1 One business, one market, one geography	Stage 2 Multi-brand, one market	Stage 3 Multi-brand, multi-market

Computer Futures founded

Russell Clements joined

Sunil Wickremeratne joined Computer Futures

Contract business commenced

Opened first regional office in Bristol (Computer Futures)

First European office opened in Brussels

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SThree established 1999 £50m investment by Barclays Private Equity, Gresham Private Equity and 3i

Russell Clements appointed CEO

Sunil Wickremeratne appointed COO

IPO

&

Admission

1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2005

Computer Futures Solutions 1986

progressive 1990

First "spin-off" brand

Mercer Gray 1994

Huxley Associates 1995

pathway 1997

First "spin-off" of a "spin-off"

real IT resourcing 1998

Strategic Resource Group 2000

StaffSearch Group 2000

orgtel 2001

Jp gray. 2002

The IT Job Board 2003

MadisonBlack 2003

Tactical 2004

Why a multi-brand strategy?

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Key driver of market outperforming growth in a fragmented market.

Allows us to keep "Brightest & Best"

Ability to test

markets & concepts

Market access -

more "bites at the cherry"

Benchmark performance & share best practice

Vehicle that sustains our entrepreneurial culture

Has created major market players and niche specialists

Competitive tension drives

performance up and

improves margins

Creates operational efficiency and shared economies of scale

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 market - new geographic areas (UK only at this stage)
Criteria	High performing key employees - entrepreneurial ability and skills Market opportunity - avoiding cannibalisation
The deal	Separate trading company Minorities invest at outset or later, at existing market price Immediate access to Group's infrastructure and shared services Currently minimum 3 year holding period then ability to swap brand shares for SThree shares or be bought out – Proposal to increase holding period for new minority stakes to 5 years
Group minorities	5 operating minority brands - Madison Black, Staff Search Group, JPGray, Orgtel and JobBoard Enterprises Directors and senior managers of SThree control the board of all minority-interest brands

Organic geographical expansion - an example

COMPUTER FUTURES SOLUTIONS – LONDON

Computer Futures London established virtual office to service Belgian market.

Team focuses on “export” of UK-based contractors.

COMPUTER FUTURES SOLUTIONS – BELGIUM

Computer Futures Brussels office established. Team places Belgium-based contractors and also establishes permanent division.

Teams established to address each of the Dutch and French markets from Belgium, initially placing contractors.

COMPUTER FUTURES SOLUTIONS – AMSTERDAM

Computer Futures Amsterdam office established. Team places contract and permanent staff in the Dutch market.

COMPUTER FUTURES SOLUTIONS – PARIS

Computer Futures Paris office established. Team places contract and permanent staff in the French market.

“Virtuous Circle”