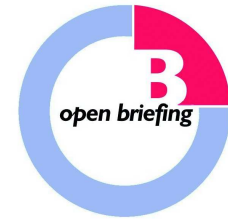


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Candle Australia Limited
Level 5, NAB House
255 George Street
Sydney NSW 2000

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Title: Open Briefing®. Candle. Acquisitions Update & Earnings Guidance

Record of interview:

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Candle Australia Ltd has recently acquired several businesses, namely JAV IT and Reality Check. What is your strategy in acquiring these businesses and how do they fit with your current business model?

MD Rob Collins

Candle has adopted a strategy designed to ensure enduring shareholder returns. In summary, the strategy has four core elements, namely to grow and diversify current lines of business (in recruitment services), to expand into geographies that have different economic cycles, to diversify into “near by” areas (new services) which leverage existing assets and to maintain a strong ability to execute the plan by maintaining financial strength.

Reality Check and JAV IT fit within these parameters. Reality Check is a growing business in an area adjacent to recruitment services; the provision of pre-employment screening services. On a regional basis, screening of prospective employees is an emerging market which is potentially worth hundreds of millions of dollars. We plan to grow Reality Check into a significant market player.

JAV IT, on the other hand, operates in the IT services sector, which is where we generate some 70 percent of our recruitment revenue. Focused on low risk services, JAV IT provides data centre operations personnel, PC and Server configuration and support, off-site media management and a range of other

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services. It often is engaged as a sub-contractor by some of the region's largest IT services companies.

Both businesses can leverage from our existing assets, namely our client base, physical office footprint and relationships. The acquisitions were funded from existing cash flows without the need for any significant increase in debt.

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Earlier this year the Board announced changes to your management team. You are stepping down as CEO at the end of the month as Diana Eilert has now been appointed as your replacement. What experience has she that is relevant to your business? How is the business currently being managed?

MD Rob Collins

Diana is a proven performer with vast experience in management and services. She has successfully run significantly larger businesses, such as Suncorp's general insurance business, as well as holding senior roles in technology and consulting.

Diana will be supported by a very experienced and long standing management team at Candle. She has taken on all responsibilities of CEO. From September, I will remain connected to the business on a consulting basis, working with Diana and assisting her and the Board with strategy and acquisitions on an as needed basis.

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What will be your acquisition criteria in the future? Are there any implications for your balance sheet?

MD Rob Collins

Notwithstanding significant 'deal heat' in the market, our criteria for 'bolt on' acquisitions has not changed. They must fit culturally, meet strict financial criteria, fit within the strategy, be earnings per share positive and vendors need to agree to work with us on a management level and remain committed to our success by accepting a combination of cash and scrip. These key criteria will continue to apply as we grow. Our cash flow has been very good and in the main we have funded past acquisitions out of our existing cash reserves.

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In March you acquired E. L. Consult Asia. Has the acquisition met your expectations?

MD Rob Collins

Although early days, E. L. Consult Asia has performed even better than expected. Soon to be branded Lloyd Morgan, we have established a regional shared services function based in Hong Kong and have commenced the roll-out of updated processes, procedures and systems across Singapore, Malaysia, Hong Kong and China.

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The management team has been stable and is very supportive of the transition from a privately owned business to one which has the governance demands of a public company.

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What is the trend in demand for white collar recruitment services?

MD Rob Collins

Our experience is that many companies are reporting high demand, particularly in the permanent recruitment market. In line with business confidence and macro regional growth expectations, we believe the demand will remain strong for the foreseeable future.

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Can you give the market earnings guidance for the financial year just ended?

MD Rob Collins

We have completed another good year and have exceeded our internal goals on almost every front. At the start of the year, we shared with shareholders that our focus was on our internal platforms for future growth. Most of the foundation work that comprised these initiatives has been done. We had very good operating cash flows and we expect to announce a net profit after tax in the range of \$13.3 million to \$13.5 million, which represents growth of 13 to 14 percent compared with last year. What is pleasing is that most of this growth is organic.

With strong operating cash flows, we see no need to change our dividend policy which remains to pay-out between 70 percent and 80 percent of earnings as fully franked dividends, plus special dividends when appropriate.

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Thank you Rob.

For further information about Candle Australia, visit www.candle.com.au or call Rob Collins on +61 2 9250 8100.

For previous Candle Australia Open Briefings, or to receive future Open Briefings by email, visit www.corporatefile.com.au.

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