



**ASX ANNOUNCEMENT**  
**14 March 2007**

**CANDLE AUSTRALIA LIMITED EXPANDS INTO  
CHINA, HONG KONG, SINGAPORE AND MALAYSIA**

**- ACQUIRES THE ASIAN OPERATIONS OF E.L CONSULT**

Candle Australia Limited (CND), one of Australia and New Zealand's leading white-collar recruitment companies, announces its expansion into the Asian region with the acquisition of the Asian operations of executive recruitment firm E.L Consult.

Established in Sydney in 1976, E.L Consult specialises in executive search, executive leasing, employment process outsourcing and HR consulting. The Asian operations of E.L Consult were established in 1986 and now have over 75 staff in China, (Beijing, Shanghai and Shenzhen), Hong Kong, Singapore and Malaysia (Kuala Lumpur).

The newly acquired operations will become part of Lloyd Morgan, Candle Australia's existing Australian-based executive recruitment brand. After a short transition period, the businesses will be re-branded Lloyd Morgan.

Robert Collins, Candle Australia managing director and CEO says: "This is an important first step into Asia for the Candle group that will ultimately provide a springboard for further international expansion, not only for Lloyd Morgan, but also for our other brands. Acquiring a mature business with an experienced management team reduces the risks inherent in entering new markets. We are now in a very strong position to be able to grow further organically and via acquisition in a region rich with opportunities."

Alfred Chown, co-founder and managing director of E.L Consult's Asian operations says: "E.L Consult Asia and Candle Australia are both well established and respected in the region and we are delighted to become part of a larger group. With a combined blue chip multinational client base, we look forward to capitalising on the opportunities for cross-selling across regions and being able to service our clients in multiple markets."

E.L Consult currently services a range of markets and industries including information and communications technology (ICT), banking and finance, logistics and manufacturing, oil and gas, garment and textile and the government sector.

The transaction is subject to a number of conditions precedent which will be satisfied over the next few weeks. The initial deposit is around A\$3 million with capped incentive payments over a four-year period. The acquisition will be funded by a combination of cash and scrip.

"Given that the opportunities in the region are significant, we expect to re-invest profits in further expansion. Consequently, we expect the investment to be earnings per share neutral in the next few years. The strategic and financial benefits of this investment will flow from then on," says Robert Collins.

###

### **About Candle Australia Limited**

Candle Australia Limited (ASX: CND) is a recruitment company providing specialist technical, executive and office support personnel in the areas of information and communications technology, banking, finance, insurance, commercial accounting, library, records management, sales and marketing.

Established twenty three years ago and listed on the Australian Stock Exchange in 1997, Candle Australia has a reputation for high quality delivery and ethical business practices within the industry, and remains one of the largest and longest standing recruitment suppliers in the region.

Candle Australia operates through five divisions consisting of a number of quality recruitment brands: the information and communications technology division represented by Candle ICT; the banking, finance and commercial accounting division represented by Freeman Adams and Parker Bridge Australia; the business support division represented by Alliance Recruitment; the library and records management division represented by The One Umbrella; and the executive division represented by Lloyd Morgan.

Candle Australia employs over 475 staff through a network of 37 offices located in Sydney, Melbourne, Brisbane, Perth, Adelaide and Canberra in Australia; Auckland and Wellington in New Zealand; Hong Kong, Beijing, Shanghai, Shenzhen in China; Kuala Lumpur in Malaysia; and Singapore.

### **For further information**

Robert Collins, Managing Director - Tel: 02 9250 8100

Mark Langan, Chief Financial Officer - Tel: 02 9250 8131

Hedgie Gundry, Corporate Communications Manager - Tel: 02 9250 8146