

ASX Announcement

CHANDLER MACLEOD ACQUIRES MAJOR STAKE IN OCG - LEADING NZ BASED RECRUITMENT FIRM

*Strategic acquisition in white collar and IT recruitment sector
to bring scale and depth*

OCG founder and local management to retain minority shareholding

Sydney 20 November 2007: Chandler Macleod Limited (ASX: CHD) has significantly strengthened its position in the New Zealand recruitment market after reaching agreement to acquire 67.2% of leading New Zealand-based white collar and IT recruitment firm, OCG Consulting Limited ("OCG").

The acquisition will be earnings accretive from the outset, with annualised EBITDA for OCG for FY 2008 forecast to exceed NZ\$2.5 million. CHD will acquire its majority shareholding under the transaction, which values OCG at NZ\$10.87 million, through a combination of share purchases from existing shareholders and the issue of new shares by OCG. The transaction will be funded from existing facilities and equity.

Under the agreement, CHD will acquire its 67.2% interest in OCG in three separate phases in November 2007, January 2008 and April 2008, with an option to acquire all remaining shares after September 2010. The first phase of the transaction includes the purchase of all OCG shares currently held by Hamilton James & Bruce (ASX: HJB).

CHD Managing Director, Stephen Cartwright said: "By OCG working in concert with CHD's other businesses in New Zealand, the acquisition creates one of the larger players in the NZ recruitment market, with annual sales approaching NZ\$40 million.

"Strategically, through this acquisition, Chandler Macleod will have the brands, scale, delivery capability and local management team required to take full advantage of the tight labour market in New Zealand, and especially the IT recruitment and contracting market, which is growing strongly," said Mr. Cartwright.

"This acquisition further strengthens Chandler Macleod's offering to its 4000 clients in Australia, which should, in turn, lead to higher growth for OCG in NZ," said Mr. Cartwright.

Commenting on the transaction, OCG's Managing Director, George Brooks, said: "We are very excited that Chandler Macleod has taken a majority shareholding in OCG because of their excellent reputation in the Australian market and their proven

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success in the HR Consulting, Outsourcing and Recruitment sectors.

“OCG can now offer clients across all parts of New Zealand access to services such as leading edge psychometric assessment, outplacement and recruitment process outsourcing, not to mention the leadership and culture consulting capability recently secured by Chandler Macleod as a result of it’s acquisition of Mettle Consulting,” Mr. Brooks said.

“As far as I am concerned, the broad range of services that OCG will now be able to offer private sector and government clients in New Zealand is unparalleled.

“Becoming part of the Chandler Macleod group represents a significant opportunity for OCG to focus on its growth strategy in New Zealand, and with the support of our new parent company we will look to further expand our business in the NZ market,” said Mr. Brooks.

Transaction details

As part of the initial phase of the transaction, which is scheduled to complete on 30 November 2007, CHD will acquire 54% of OCG, including the shares held by HJB and the new share issue. The new share issue by OCG will raise NZ\$651,325.

In the subsequent phases, in January and April 2008, CHD will acquire an additional 13.2% of OCG, leaving 32.8% in the hands of minority shareholders, most of whom are OCG management and staff. CHD will have subsequent options to acquire all remaining shares, including after 30 September 2010 and 2011.

Under the transaction, vendors, including HJB, will receive a cash and equity consideration of NZ\$5,874,727¹ as part of the initial phase. This will be followed in the second and third phases by a payment in CHD shares of NZ\$717,567 in January 2008, and another payment, this time in cash, of NZ\$717,567 in April 2008.

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¹ Comprising NZ\$3,944,727 in cash and NZ\$1,930,000 in CHD ordinary fully paid shares @ the volume weighted average price of CHD shares traded on the ASX in the 20 trading days ending 5 business days prior to 30 November 2007.

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About Chandler Macleod

Chandler Macleod is one of Australasia's largest and most diverse HR Consulting, Outsourcing and Recruitment companies. Chandler Macleod focuses on the provision of complete and fully integrated human capital solutions across blue-collar, office support, technical, IT, health, professional and executive recruitment and contracting.

Additionally, the company offers comprehensive consulting services encompassing psychometric assessment, leadership, culture, organisational design, executive coaching, outplacement, career transition, talent management and training.

Chandler Macleod is also at the leading edge of the fast growing recruitment process outsourcing sector.

The company's key brands are Chandler Macleod, Recruitment Solutions, Ready Workforce, Forstaff Aviation, Entec, Diversiti, TMS, ESP and Mettle.

About OCG

Auckland based OCG specialises in executive recruitment with emphasis and core expertise within the Financial Services, FMCG, Service, Business to Business, Retail and Distribution and the Manufacturing Sectors.

The business has 65 staff based in its Auckland offices.

In February 2007, OCG acquired 75% of Pinnacle IT Recruitment, with an option to acquire the remaining 25% in the future. Pinnacle is a boutique specialist IT recruitment company also based in Auckland.
