



**Record Results for Cpl; Profit before Tax up 83%;
EPS rises 79%**

CPL Resources plc, Ireland's leading employment services group, today announced full year results for the year ended 30th June 2006.

Financial Highlights

- Sales €148 m up 41% (2005: €105 m)
- Net Fee Income €28.2m up 41% (2005: €20 m)
- Profit before tax €10.6m up 83% (2005: €5.8 m)
- Earning per share 25.1 cent up 80% (2005: 13.9 cent)
- Conversion ratio 37% (2005: 27%)
- Cash €21.3m (2005: €11.7 million)
- Dividend 2.9 cent per share (2005: 1.8 cent)

Commenting on the results, Anne Heraty, CPL's Managing Director, said, "We saw growth in sales and net fees rise across all our business sectors. Reflecting this growth we also grew the number of our recruitment consultants by 17.5%, to 188 consultants.

"Over 12,000 people worked through Cpl on clients' sites in the year to June 06 as we continue to deliver our newer services such as recruitment process outsourcing. This part of our businesses now accounts for 9% of our net fee income. We also continued to develop our managed services business and during the year we successfully set up a new division offering our services to the retail sector.

Cpl's chairman, John Hennessy, said, "The year to 30 June 2006 was a very good one for Cpl. The Group has delivered its best results to date, producing very substantial growth in turnover, net fee income and profits.

"The Group's increased revenue and gross profit reflect substantial increases in profitable activity across all sectors and markets, and a strong performance in each of our principal business areas, being the placement of contract, temporary and permanent employees with clients.

"Net fee income in our permanent placement business increased by 39% over the prior year, with all divisions performing well. This performance has been helped by increased demand for IT, Telecoms and Finance professionals. Our contractor and temporary fees have increased by 42%, reflecting growth in the demand for non-permanent staff in all areas, including office management and administration, customer service, engineering, healthcare and manufacturing operations, and for temporary staff in the pharmaceutical, biotechnology, clinical research and medical device industries.



“Newer areas of our business also performed well in the period. These included Cpl Managed Services, which manages selected business processes (including call centres, administrative services and recruitment solutions) on behalf of clients.

“The Group had cash balances of €21.3 million at 30 June 2006. Notwithstanding the working capital demands associated with strong growth in business activity, this figure is €9.6 million higher than the corresponding balance at 30 June 2005. Our excellent business development team is supported by strong back office personnel who have ensured that the 41% growth in revenue has resulted in only a 6% increase in debtors.

“As we noted in our 2005 annual report, the Group’s ability to generate growth and profits is linked closely to the performance of the Irish economy, and we have benefited from growth in most of the sectors in which we operate. The fact that a 41% increase in revenue resulted in an almost doubling of pre-tax profits year on year demonstrates the Group’s ability to grow our business aggressively while maintaining rigorous cost control.

“One of Cpl’s central tenets is our commitment to the quality of our people. We believe that in order to source and place the best people and to provide the best service to our clients we must recruit, train and retain the very best people in our own business. Over the years we have invested significantly in people whose efforts and abilities align with those of the Group itself. As Cpl continues to deliver growth we will maintain our focus on investment in people.

“Cpl is a much larger, more diverse and more robust business than it was a few years ago. Our management and staff face and overcome daily challenges in continuing to deliver profitable growth. We remain confident in our ability to take advantage of favourable economic conditions and to identify and pursue opportunities for further growth, whether organically or by acquisition.

“Cpl’s success is the result of having the best people in the business and we are very grateful for their dedication, skill and sustained commitment to the Group. Their continuing efforts to deliver top class service to all our clients and customers have made us Ireland’s leading provider of employment services. I would also like to extend the appreciation of the Board to our customers for their continued loyalty and support.

“The Board is recommending a final dividend of 1.5 cent per share. The dividend will be payable on 5 October 2006 to shareholders on the company’s register at the close of business on the record date of 15 September 2006. The final dividend together with the interim dividend of 1.4 cent per share, amounts to a total dividend of 2.9 cent per share.”

For Further Information:

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About Cpl Resources plc

Cpl is a specialist provider of recruitment and employment services, operating through distinct specialist brands in a wide range of business sectors, including technology, accounting and finance, healthcare, pharmaceutical, sales, engineering, light industrial, and office administration.



Cpl Resources Plc
Group income statement
For the year ended 30 June 2006

	2006	2005
	€'000	€'000
Revenue	148,065	105,265
Cost of sales	<u>(119,898)</u>	<u>(85,193)</u>
Gross profit	28,167	20,072
Distribution expenses	(1,725)	(1,528)
Administrative expenses	<u>(16,111)</u>	<u>(12,845)</u>
Operating profit	10,331	5,699
Financial income	255	108
Financial expenses	<u>(20)</u>	<u>(25)</u>
Profit before tax	10,566	5,782
Income tax expense	<u>(1,278)</u>	<u>(666)</u>
Profit for the financial year	<u>9,288</u>	<u>5,116</u>
Basic earnings per share	25.1 cent	13.9 cent
Diluted earnings per share	24.9 cent	13.8 cent



Cpl Resources Plc

Group balance sheet

At 30 June 2006

	2006	2005
Assets	€'000	€'000
Non-current assets		
Property, plant and equipment	1,144	811
Goodwill and intangible assets	6,518	5,789
Investments in subsidiaries	-	-
Deferred tax asset	42	-
Total non-current assets	7,704	6,600
Current assets		
Trade and other receivables	17,025	13,372
Cash and cash equivalents	21,292	11,661
Corporation tax refundable	81	-
Total current assets	38,398	25,033
Total assets	46,102	31,633
Equity		
Issued share capital	3,714	3,688
Share premium	1,686	1,671
Other reserves	(3,300)	(3,300)
Retained earnings	26,522	18,051
Total equity	28,622	20,110
Liabilities		
Non-current liabilities		
Provisions	177	111
Financial liabilities	317	300
Total non-current liabilities	494	411
Current liabilities		
Trade and other payables	16,688	10,892
Corporation tax payable	-	85
Provisions	219	119
Financial liabilities	79	16
Total current liabilities	16,986	11,112
Total liabilities	17,480	11,523
Total equity and liabilities	46,102	31,633



Cpl Resources Plc

Group cash flow statement for the year ended 30 June 2006

	2006	2005
	€'000	€'000
Cash flows from operating activities		
Profit for the financial year	9,288	5,116
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	223	226
Amortisation of intangible assets	54	49
Financial income	(255)	(108)
Financial expense	20	25
Income tax expense	1,278	666
Operating profit before changes in working capital and provisions	10,608	5,974
(Increase)/decrease in trade and other receivables	(3,695)	(1,583)
Increase in trade and other payables	5,715	3,280
Cash generated from operations	12,628	7,671
Interest paid	(20)	(25)
Income tax paid	(1,493)	(736)
Interest received	255	108
Net cash from operating activities	11,370	7,018
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	(194)	-
Deferred consideration paid	(159)	(179)
Purchase of property, plant and equipment	(550)	(333)
Purchase of intangible assets	(140)	-
Net cash from investing activities	(1,043)	(512)
Cash flows from financing activities		
Repayment of borrowings	(30)	(106)
Proceeds from new loan	93	-
Dividends paid	(817)	(516)
Proceeds from issue of share capital	41	26
Net cash from financing activities	(713)	(596)
Net increase in cash and cash equivalents	9,614	5,910
Cash and cash equivalents at beginning of year	11,661	5,751
Cash and cash equivalents at end of year	21,275	11,661