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ASX ANNOUNCEMENT

17 February 2015

GUIDANCE FOR THE HALF YEAR ENDING 31 DECEMBER 2014

Clarius Group Directors provide guidance for the half year ending 31 December 2014 in the range of a net loss of \$8.1m to \$8.3m after tax and after one-off costs, provisions and write downs totalling \$7.2m, compared to the \$1.48m net loss after tax in the prior corresponding period.

The core net operating loss before one-off costs, provisions and write-downs was \$1.0M; 28% improvement over the previous corresponding period.

The balance sheet was strong as at 31 December 2014 and remains so. The Group continues to improve its financial position, and as at 13 February the Group has no debt and a net cash position.

The one-off costs, provisions and write-downs consist of:

- Restructuring costs (including redundancies) \$1.8m
- Lease provision (sub-lease Sydney office) \$0.7m
- Write down intangibles \$2.9m
- Increase in provisions \$0.9m
- De-recognition of tax losses \$0.9m

\$7.2m

Garry Sladden, Chairman, said, "The first six months of the new financial year have been spent simplifying and right-sizing the business in a range of key areas. This has included a number of new senior management changes, with the appointment of Peter Wilson as CEO, and the recent appointment of a Regional Director for NSW, Victoria, and New Zealand. All positions attracted very high calibre candidates. Recent senior management changes have also been made in our China operations, with the appointment of a new Country Manager. There has been and remains a significant focus on reducing operating costs and driving operational efficiencies".

Market conditions in Australia remain challenging, with falling consumer and business confidence impacting the recruitment industry. However, certain business areas are showing solid performance and growth potential, notably our resource on demand division, JAV IT, and the Clarius Major Accounts division.

New CEO, Peter Wilson said "Clarius Group is focusing on simplifying and evolving our current business model across all service lines and brands. This is expected to take a further 6 months, and will deliver an improved technology platform, enhanced client engagement and greater market awareness of our services".

The half-year audit is being finalised and it is expected that the audited results will be available on 24 February 2015.

For enquires contact:

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