

ASX Announcement

Wednesday 25th February 2015

Clarius Group Limited Results Announcement for the Half Year Ended 31 December 2014.

Clarius Group Limited today announced its results for the half year ended 31st December 2014.

Clarius CEO, Peter Wilson said: "Simplifying and right sizing our business structure and platforms has been our major strategy since July 2013. We have implemented a leaner structure, removed a middle management layer and are formalising our new executive appointments to focus geographically across all brands. As a consequence of these activities the Group has made a number of provisions and write-offs in the period in relation to legacy items including redundant software and equipment. These one-off costs, provisions and write downs totalled \$7.3m for the period. While we had the distraction of addressing these issues it was pleasing to note that the underlying revenue, gross margin and net loss positions were all improved on the previous comparable period."

RESULTS SUMMARY

- Revenue increased by \$0.7m (0.8%) to \$92.0m compared to \$91.3m in the prior corresponding period;
- Gross profit increased by \$2.0m (11%) to \$19.6m from \$17.6m in the prior corresponding period;
- Loss after tax and before restructuring costs and adjustments was \$1.0m (28% improvement on the prior corresponding period loss of \$1.4m);
- Statutory loss of \$8.3m (2013: \$1.5m)
- Net cash generated from operating activities was \$1.2m (unchanged from the prior corresponding period);
- No interim dividend was declared or paid;
- Net assets of \$27.6m (30 June 2014: \$35.5m).

KEY BUSINESS STRATEGIES

- Improve technology platforms
- Enhance client engagement and experience
- Greater market awareness of our core services
- Reaffirming our purpose and behaviours to realise cultural change

TACTICAL AREAS OF FOCUS

- Modernising front and back office technology platforms with initiatives focused on

short term ROI and moving to consumption-based models.

- Increased new business development activity, transacting with new clients and cross selling into existing clients for all lines of business.
- Extending our success in on demand services into new verticals and outsourcing contracts.
- Finalising a new executive leadership team with outstanding experience in turning around businesses and executing growth strategies.
- Launching new services to better connect with candidates and differentiate our brand and offering to clients through new digital experiences.
- Reviewing our house of brands strategy, purpose and values.
- Continue to match our real-estate requirements with industry trends and a flatter structure.

Peter Wilson, CEO concluded “The speed of change in our organization will continue over the next twelve months. This will become the “norm” as we continually challenge and disrupt our own business to position ourselves to be a market leader again.”