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Clarius Group Limited and Controlled Entities

ASX Report for the Half Year Ended 31 December 2011
ABN 43 002 724 334

Presented by:

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www.clarius.com.au

alliance
ASSOCIATES

candle

IGNITE

jav | I.T. GROUP

LLOYD
MORGAN

SouthTech

the one
umbrella

Clarius Group

	Administration, Sales and Marketing	Brisbane, Melbourne, Mount Waverley, Parramatta, Perth, Sydney
	Information Communications Technology	Adelaide, Auckland, Brisbane, Canberra, Hong Kong, Melbourne, Perth, Sydney, Wellington,
	Contractor Management Services	Sydney
	Managed IT Services and Professional IT Staffing	Melbourne, Sydney
	Accounting, Banking and Finance	Brisbane, Melbourne, Mount Waverley, Parramatta, Perth, Sydney
	Executive	Beijing, Hong Kong, Shanghai
	Engineering and Technical Personnel	Brisbane, Melbourne, Sutherland, Sydney
	Library, Records and Knowledge Management	Brisbane, Canberra, Melbourne, Sydney

Clarius is a leading white collar contracting and permanent recruitment specialist with brands across Australia, New Zealand and Asia

Overview

Established in 1984

Listed on the ASX in 1997

Strategic growth through acquisition – 14 completed

Strong brand presence across white collar based recruitment disciplines under “house of specialist brands” strategy.

Financial Results Half Year PCP

	Dec 2011	Dec 2010	Change
Revenue \$m	\$135.7m	\$139.8m	↓ 3%
Net profit after tax \$m	\$1.3m	\$2.4m	↓ 45%
Earnings per share (cents)	1.51 cents	2.81 cents	↓ 46%
Operating cash flow	\$(4.1)m	\$1.1m	↓ Negative
Gearing ratio	4.0%	2.0%	↑ 100%
Dividend	1.0 cent	2.0 cents	↓ 1.0 cents

Financial Results – Half Years

P&L	Dec 11 \$m	Jun 11 \$m	Dec 10 \$m	Jun 10 \$m
Total Revenue	\$135.6	\$127.4	\$139.8	\$133.8
Gross Margin	\$24.3	\$24.5	\$27.4	\$25.0
Employee Benefits Expense	\$(16.8)	\$(16.5)	\$(17.4)	\$(16.6)
Finance Costs	\$(0.1)	\$(0.1)	\$(0.2)	\$(0.1)
Other Overheads	\$(3.1)	\$(3.1)	\$(4.1)	\$(3.2)
Statutory NPAT	\$1.3	\$2.3*	\$2.4	\$1.9
Operating cash flow	\$(4.1)	\$7.5	\$1.1	\$2.9
* Excluding impairment & de-recognition of tax losses				

Recruitment Business Mix

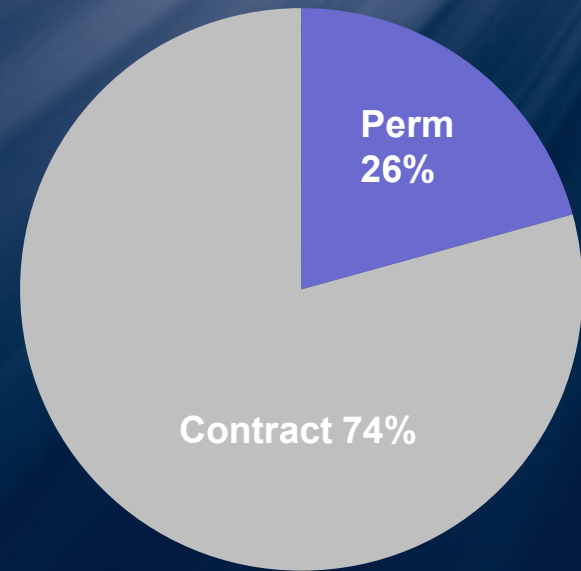
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**Gross Margin
Jul10-Dec10**



■ Perm ■ Contract

**Gross Margin
Jul11-Dec11**

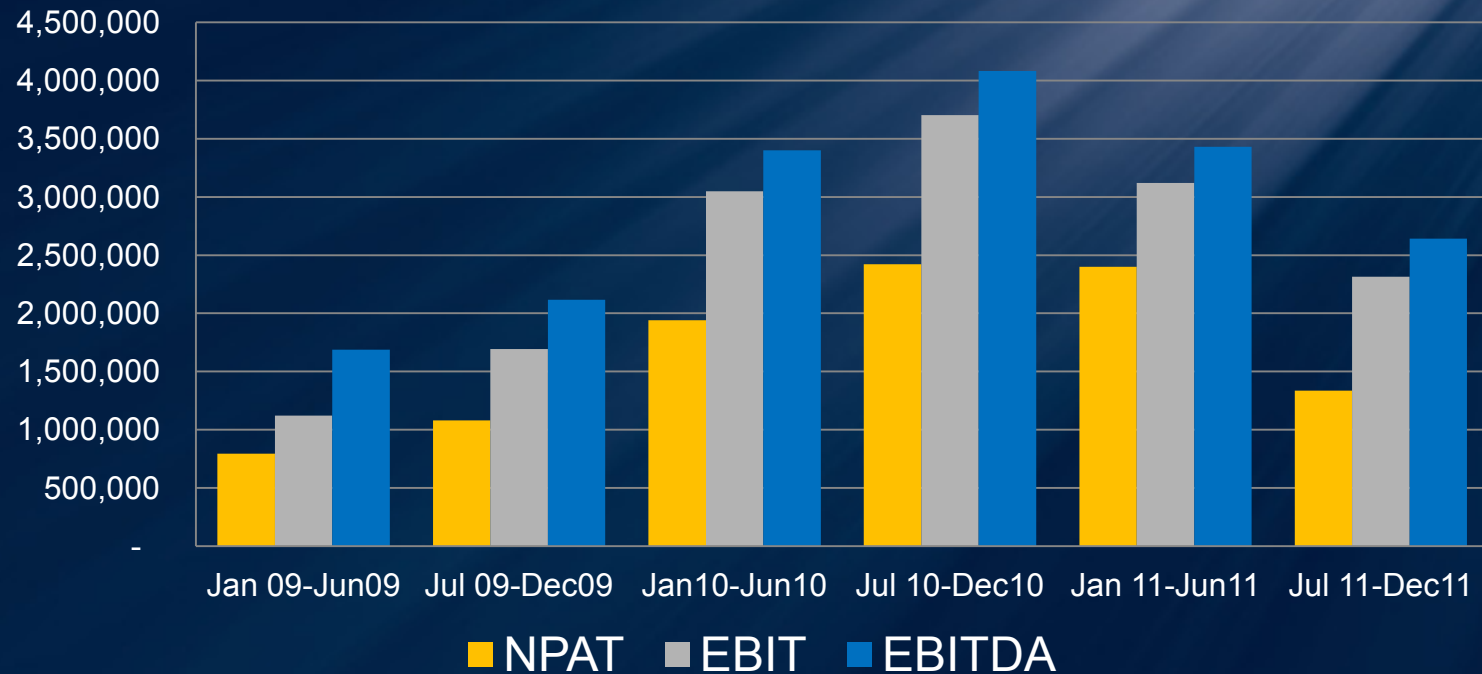


■ Perm ■ Contract

Financial Results

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Profit Analysis by Half Year (excluding impairment)



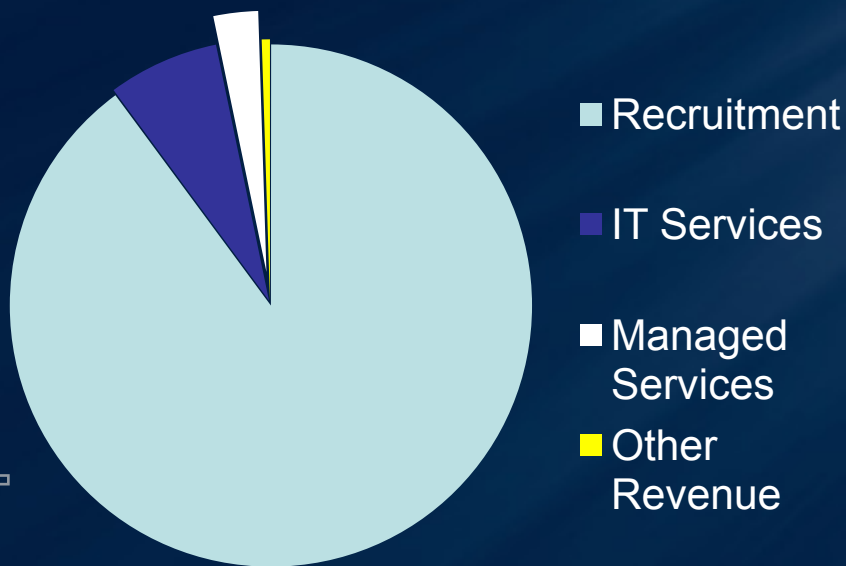
Financial Position

Financial Position	Dec 11 \$m	Jun 11 \$m	Dec 10 \$m	Jun 10 \$m
Cash	\$1.3	\$4.5	\$0.3	\$1.3
Trade Receivables	\$58.5	\$53.6	\$55.2	\$54.8
Intangible Assets	\$53.6	\$53.4	\$67.8	\$68.6
Bank Borrowings	\$(3.3)	\$(0.5)	\$(0.9)	\$(2.2)
Total Equity	\$90.1	\$90.3	\$104.2	\$104.0

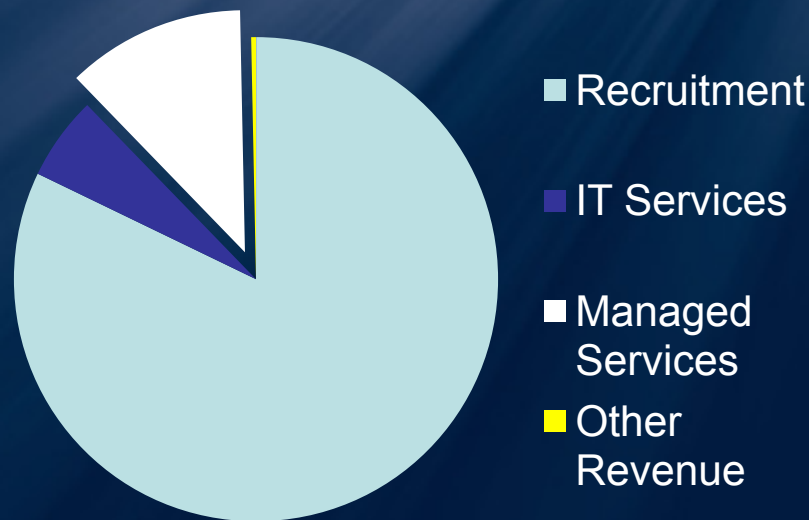
- 89m shares on issue
- 2.2m options
- Strong balance sheet with capacity for future growth and acquisitions

Group Revenue Mix

Revenue Jul - Dec 2010



Revenue Jul- Dec 2011



Result Snapshot

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- Total revenue saw a 3% decrease for the half which was comprised of predominantly permanent revenue which was down 35% pcp;
- Contracting revenue remained steady throughout the first half;
- Our managed services brand, Ignite, increased its contribution by 59%;
- Staff labour costs were down 3.3% pcp, but marginally higher than reported at June 11 – this reflects the rebuild of headcount in stronger regions;
- Other overheads and finance costs remain stable;
- Cash flow was negatively affected by both an increase in demand for working capital through contractor growth, along with a significant client late to pay an outstanding debt.

Outlook

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- The start to H2 has seen a more positive outlook with a slight increase in demand for permanent recruitment services;
- New major clients wins this half including CBA will help to bolster contractor numbers across all brands;
- Investment in Asia in 2011 will begin to return results along with a restructure of the business in China under new leadership;
- Contribution from Ignite has strengthened in H2 and will provide further increased contribution to profit;
- Investment in infrastructure projects to commence late H2 will provide ongoing scalability and cost rationalisation to the business – investment less than \$1m;
- Consolidation of Alliance Financial Services in Lloyd Morgan has decreased the impact of the turbulent market conditions on the business.

Disclaimer

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The material herein is a presentation of non-specific background information about Clarius Group Limited's current activities.

It is information given in summary form and does not purport to be complete.

Investors or potential investors should seek their own independent advice.

This material is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of a particular investor.