



(ACN: 057 345 785)

ASX Announcement

24 June 2014

Clarity Announces Sale of Assets

Sydney, Australia: 24 June 2014 – Clarity OSS Limited (“Clarity” or “the Company”) today announced that its secured creditor CPS Group Investments Pty Ltd (“CPS”) and the Company, have today entered into an agreement to sell most of the Clarity Group’s assets to the Australian subsidiary of a US quoted corporation (“Buyer”). Completion of the Sale is expected to occur no later than within two weeks subject to compliance with certain conditions precedent.

As disclosed in the Company’s Appendix 4D Report for the half year ended 31 December 2013, the Company incurred a net loss for that period of \$4.9 million. In the notes to the Interim Financial Report (Note 1(a)), the Company advised that Dr Ian Campbell, who, through his company CPS had been financially supporting the Company through a sustained period of losses, had informed the Board that CPS might not be able to provide all the funding that might be necessary to enable the Company to continue as a going concern. CPS had already provided funding that had culminated in a debt of about \$26 million owed by the Company. It was noted in the notes to the Report that, in order to further support the Company through its difficulties, CPS had forgiven \$14.5 million of its debt, leaving a balance owed of \$12.6 million. Subsequently, Dr Campbell provided further support to the Company by advancing further funds of \$600,000 and by paying out the debt owed to Partners for Growth III, L.P, of about \$896,042.

Despite Dr Campbell’s ongoing support, the Company continued to suffer financial difficulties to the extent that, with CPS and Dr Campbell no longer having the capacity to support the Company, the appointment of an administrator or liquidator was a real possibility. For the last few months, Clarity has been negotiating with several potential purchasers of its assets, which negotiations culminated in an offer by the Buyer that is reflected in the agreement the subject of this announcement. On 23 June 2014, the Company received a letter from Dr Campbell in which he indicated CPS’ intentions to sell the assets the subject of their securities to the Buyer. Dr Campbell pointed out that this was the best offer the Company had received after many months of offering the assets to the market and that if it were not accepted and if the sale were not completed within a very short time frame of no more than about a week, the Company would be likely to be placed in administration or liquidation, in which case the shareholders were unlikely to receive any of the proceeds of any future sale. The directors resolved that the Company should join CPS in the Sale by agreeing to sell the Company’s assets which were not the subject of any security to the Buyer. Dr Campbell did not participate in the discussion or vote on this resolution.

The commercial terms must remain confidential until the conditions precedent are satisfied at which time a further announcement will be made,

Certain assets relating to certain operations in regions where the Buyer does not propose to carry on business are not included in the sale. After completion of the sale the directors propose to meet to consider how the Company may exploit such assets, in which respect an announcement is expected to be made within a week of completion of the sale.

For more information contact:

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Andrew Wrigglesworth
Chief Financial Officer and
Company Secretary
Clarity OSS Limited
Phone: (02) 9925 4600
awrigglesworth@clarity.com
www.clarity.com

About Clarity OSS Limited

Clarity OSS Limited (ASX: CYO) enables its customers to simplify their operations with a unified operational management solution. Clarity provides an integrated, modular solution to optimise and automate core operational processes to manage network build and movements, develop and sell next generation products, and deliver and assure the quality of customer services.

Clarity solutions provide the lowest total cost of ownership using embedded best practices and process-driven workflow to reduce the complexity, risk and cost of operations. Clarity empowers its customers to generate and protect revenue and enhance the complete customer experience. With over 35 Telecom customers worldwide, Clarity solutions currently help companies around the world manage over 500 million subscribers.

Established in 1994, Clarity has offices worldwide. For more information, please visit www.clarity.com.