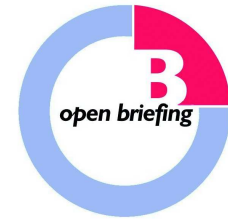


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**Date of lodgement:** 23-Jan-2008

**Title:** Open Briefing®. Clarius. MD Updates FY08 Outlook

**Record of interview:**

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Clarius Group Limited will report first half FY08 financial results on 27 February 2008. In November your expectations were for the result in the first half of FY08 to be slightly below last year's net profit of \$6.4 million, before pre-tax one-off costs of \$1.1 million incurred during the first half of FY08. Can you update guidance for the six months to 31 December 2007?

**MD Diana Eilert**

We are on track to deliver results in line with previous guidance. We have had profit growth in Candle and Alliance and most of Lloyd Morgan. Our acquisitions are performing well and we are seeing some early benefit from our cost saves.

**corporatefile.com.au**

Clarius has had a policy of low levels of debt. Has that policy changed and what is your current debt position?

**MD Diana Eilert**

Our policy has been to maintain low debt levels. At present we have drawn around \$9 million of a total available facility in excess of \$25 million.

We intend to maintain the policy of low debt.

**corporatefile.com.au**

Can you provide more information on your cashflows?

**MD Diana Eilert**

Our business has strong operating cashflows which enable us to continue dividend payments at 70 to 80 percent of net profits after tax, fund further acquisitions and maintain a modest level of gearing.

**corporatefile.com.au**

Turning to the outlook for the new year, leading economic indicators are mixed with interest rates and inflation rising, consumer sentiment is falling, but job advertisements and business investment continue to remain high. What trends are you seeing in white collar recruitment and contracting?

**MD Diana Eilert**

The 2008 year has started strongly in the markets to which we are exposed.

We are seeing strong demand and wage growth across the sectors in which we operate. In the IT sector we have seen buoyant demand for permanent and contracting staff and salary growth of over 5 percent during the past six months.

**corporatefile.com.au**

You stated that the Lloyd Morgan Melbourne business underperformed in the first quarter of FY08. How are the Australian and Asian arms of Lloyd Morgan performing in 2008?

**MD Diana Eilert**

The Lloyd Morgan Melbourne business represented 8% of profit for the year, but only 4 percent of revenue and 3 percent of profit in the June 07 half. The business has been stabilised, and the team we now have in place is high quality, enthusiastic and committed to the success of the business. We have recruited some high quality consultants and the business is starting to build momentum.

Lloyd Morgan Brisbane and the start up Sydney office have continued to perform to plan. Lloyd Morgan Asia is continuing to benefit from a strong presence in China and Hong Kong and is also delivering to plan.

**corporatefile.com.au**

In early December you acquired SouthTech Personnel a recruitment business which takes you into a new sector being engineering. How does SouthTech fit into your new strategy for the group?

**MD Diana Eilert**

SouthTech meets our tightened criteria for acquisitions. It is in one of our target growth sectors, exceeds our profit targets for acquisitions and has an emphasis on contracting. Staff turnover is low and it has built robust long term customer relationships.

Its earnings for the last few months have been very strong and in accordance with expectations. We remain confident that the acquisition will be EPS accretive in year one.

We expect to make further acquisition where the targets meet our strict criteria.

**corporatefile.com.au**

You have been Managing Director now for four months. How have you found the business? What have you achieved so far?

**MD Diana Eilert**

The Candle ICT, Alliance, The One Umbrella and Lloyd Morgan businesses are strong franchises with a history of good performance. All of our businesses have significant upside and the ability to accelerate organic growth.

Our recent acquisitions of JAV IT, SouthTech and Reality Check are all trading according to plan.

We've clarified our strategy in the past four months. We're focused on contracting and permanent recruitment for professionals in our five industry sectors, namely ICT, Business Support, Accounting, Banking and Finance and Engineering, within the Asia Pacific region.

We've also completed very detailed work on measuring profitability and now know which businesses, products and business models are the most profitable. We have started driving the business growth forward in the most profitable businesses.

By delivering a "benchmark" customer experience for our target customers, we aim to out perform our competitors.

**corporatefile.com.au**

What is your focus for the next 6 months?

**MD Diana Eilert**

The next six months will see us focused on continuing to improve the performance of Lloyd Morgan Melbourne and driving profitable organic growth across all brands. Apart from focusing the Clarius people on sales performance, we have commenced a programme to enhance our sales processes and measurement and to recruit additional quality sales consultants.

**corporatefile.com.au**

What is your dividend policy and can you provide any detail on the interim dividend for the period ended December 2007?

**MD Diana Eilert**

Our policy is to pay 70 percent to 80 percent of NPAT as fully franked dividends.

We have provided guidance that profit for this half year ended December 2007 will be slightly lower than profit in the prior corresponding period year, prior to one-off costs. We expect to pay a dividend consistent with our policy.

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Thank you Diana.

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For further information about Clarius Group, visit [www.clarius.com.au](http://www.clarius.com.au) or call Diana Eilert on +61 2 9250 8100.

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