



Annual General Meeting

28th October 2008

Diana Eilert
CEO/Managing Director

Clarius is a leading contracting and recruitment business with specialist brands..



...that targets white collar sectors...

Specialist recruiter and contractor for professionals. We target high growth, higher margin sectors:

- Information, Communication and Technology (ICT)
 - Banking and Finance
 - Property and Construction
 - Business Services
 - Health
-
- ...competing only where we can leverage our operating models and scale to drive returns well over industry

 - We provide broader services where there is limited capital required, and we can leverage our HR and contractor skill sets to take on more project/service risk for higher returns

...building a presence in Australasia



Agenda

1. Results Summary
2. Management Challenges and Response
3. Strategy
4. Outlook

Overview

- Net profit after Tax of \$11.3 million
- Some challenges, but delivered
 - ✓ improvement in Lloyd Morgan
 - ✓ arrested decline in contractor numbers
 - ✓ hired quality senior team, clear roles
 - ✓ integrated acquisitions
- Strategy part implemented
- Current economic downturn impacting FY09

FY08 Financial Results

June 08 Year

June 07 Year

Revenues	\$321 million	\$298 million	Up 8% largely due acquisitions
Full Year NPAT	\$11.3 million, \$12.1 million before one-offs	\$13.4 million	NPAT guidance delivered
Operating Cashflow	(\$0.3 million)	\$14.4 million	
Full Year Dividend	16 cents per share	19 cents per share	Fully franked dividend payment in line with policy of 70-80% NPAT

Agenda

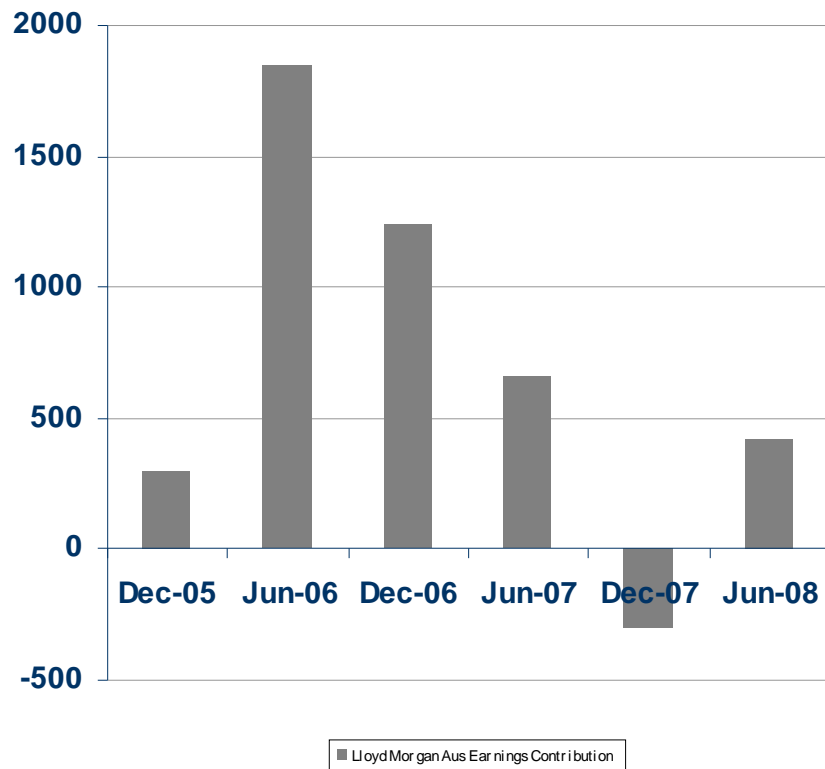
1. Results Summary
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We faced some significant challenges over the past year, and have made progress

- Limited ability to grow organically, and 2 year decline in contractor numbers was accelerating
 - Lloyd Morgan loss of key staff in April 07, resulting in revenue decline
 - Candle loss of major client in Feb 07
- Gaps in capability
 - Management roles and accountability
 - Back office largely manual, systems not integrated
- Planned increase in debt during the year as vendor payments come due

1. We have returned the Lloyd Morgan Australia business to profit

Lloyd Morgan Australia Earnings Contribution

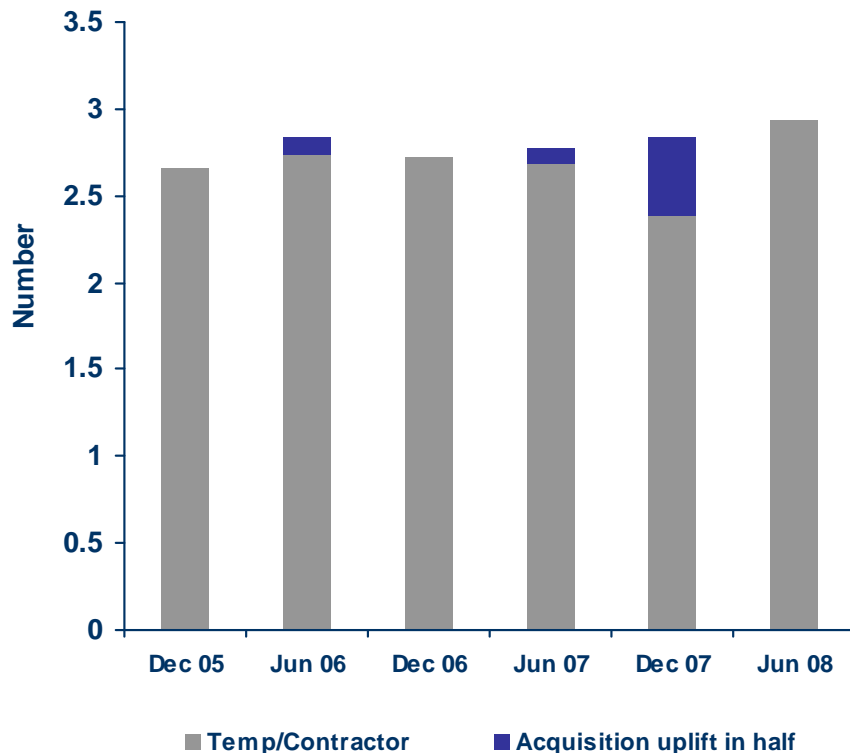


Key Points

- Business stabilised & ahead of plan
- Increased candidate registrations by 87% from prior year
- Consultants have grown 16% net of non-performers exiting
- 10 major new clients engaged
- Candidate and client satisfaction surveys - >90% willingness to recommend
- Operating overheads have decreased 20%

2. We have stabilised contractor numbers after run-off since Jun 06

Clarius Group Temp/Contractor Numbers

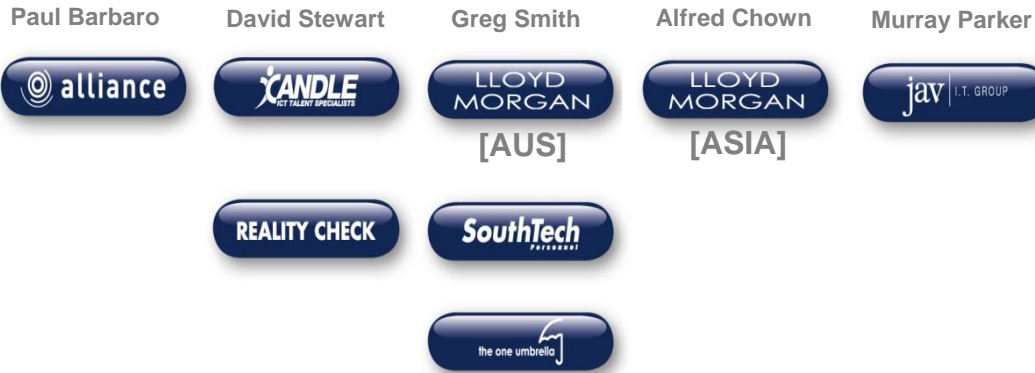


Key Points

- Run off since June 2006
- Stable numbers since Dec 07
- Focus on contractor/temp placements
- Impact of lower contractor run rate on profit during last half (H2 08)

3. We have established clear accountabilities and upgraded the Executive team

Business Heads



Key Points

- New Managing Director from end Aug 2007
- Focus on individual businesses
- Four new strongly credentialed executives, supplementing existing high quality team
- Clear accountability for growth and service levels

Services

David Marshall (CFO)

Kym Quick

Shared Services

(Finance & Payroll, Legal & Compliance,

IT, Business Systems)

FutureForce & HR

4. We have further integrated acquisitions

- All brands now using common financial platform
- Alliance brands migrated to Candle recruitment system, Asia moving to Adapt recruitment system
- Common processes and policies being implemented
- Financial reporting upgraded significantly, and
- KPI's and performance management implemented across business

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We are changing from a business that grows solely through acquisition

Past

Growth by acquisition

P/E arbitrage using small acquisitions



Now

Building organic growth model

In current market acquisition pricing largely not attractive/accretive



2009 onwards

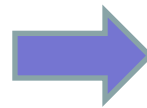
Organic growth momentum

Premium for organic growth
Opportunistic high quality acquisitions

Our strategy is to significantly improve our core business, extend the scope and slowly expand services

1 Defend and Improve Specialist Recruiter

- Design and implement model for **growth** (recruitment, training career paths, reward & remuneration)
- Improve core **profitability**
- Upgrade **technology** and processes



2 Extend specialist recruiter scope and geography

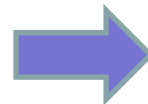
Develop a “robust and replicable” model that enables rapid expansion into

- Australia and NZ
- Asia

Selectively acquire businesses that move into target sectors

- Health
- Construction

3 Expand into Services from “Labour Hire”



1. Grow business in the areas of IT and Project Management (JAV IT)

2. Develop complementary HR services to develop ‘partnership’ with clients

 Project FutureForce Initiatives underway

Our short term initiatives are focused on improving our core business

1. Lift productivity

- Project FutureForce - job roles, rewards and performance expectations
 - Candle pilot (July to Oct), followed by rollout,
 - Alliance to follow (H2)

2. Increase salesforce

- Aim to continue sales momentum
- FutureForce to deliver skilled recruiters to business

3. Improve cash flow

- On-line time sheets shorten billing cycle, improve customer experience
- Focus and measurement on cash and debtors
- However, vendor payments still due

4. Reduce cost

- Selective roles removed, mostly by natural attrition
- Discretionary spend tightened => **limited capacity to reduce cost**

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Outlook for the Next 12 Months...

Macro economic environment challenging

- US and European economies now appear to be in recession
- Business confidence and hiring intentions lowest since 1991 (Dun&Bradstreet)
- Australia and Asia slowing

Now impacting recruitment services

- Reduction in permanent recruitment by >10%,
 - Financial services particularly impacted, and worsening
 - China/HK experienced very poor July and August
 - Industry data points to a potential slow down in IT
- ⇒ **Market uncertainty means guidance is difficult**
- ⇒ **Indications are that profit for the first half could be 35 to 40% lower than pcp**

Clarius has strengths in a down turn

- Strong brands
- Seasoned management
- Debt to Equity Ratio 15%
- quality of client receivables high
- Current assets exceed current liabilities by ~\$15 million
- Diversified by sector and geography – able to shift sector focus

Questions?

Disclaimer

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- 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.