



28 August 2009

Australian Securities Exchange
Exchange Centre
Level 6, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Please find attached, for release to the market, an announcement from Clarius Group Limited announcing an equity capital raising and an investor presentation.

Yours faithfully
Clarius Group Limited

A handwritten signature in black ink, appearing to read "N J V Geddes".

N J V Geddes

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ASX and Media Release

28 August 2009

CLARIUS GROUP LIMITED ANNOUNCES EQUITY CAPITAL RAISING TO RAISE \$15.2 MILLION

Clarius Group Limited ("Clarius") today announces an equity capital raising to raise \$15.2 million through an institutional placement and a fully underwritten pro rata renounceable rights issue of ordinary shares.

The proceeds of the capital raising will be used to repay debt and position Clarius in a strong financial position to capitalise on consolidation opportunities.

Chief Executive Officer and Managing Director, Geoffrey Moles, said:

"We are very pleased the institutional placement was heavily oversubscribed. The capital raising will strengthen our balance sheet by retiring debt and will cater for emerging future consolidation opportunities in our industry."

Mr Moles advised that he will take up his full pro rata rights issue entitlement in relation to his existing direct and indirect interest of 2,970,290 shares.

Overview of the capital raising

The capital raising comprises:

- a \$3 million institutional placement ("Placement") which has been fully subscribed; and
- a fully underwritten renounceable 1 for 3.5 pro rata rights issue ("Rights Issue") to all eligible shareholders.

Under the Rights Issue, eligible shareholders are invited to subscribe for 1 new Clarius share ("New Share") for every 3.5 existing Clarius shares ("Existing Shares") held as at 7:00pm (AEST) on 9 September 2009 ("Record Time").

The offer price for the Rights Issue is fixed at \$0.64 per New Share, the same price as the Placement shares. This represents a 28% discount to the closing price of Clarius shares on 25 August 2009. All New Shares will rank equally with Existing Shares from allotment.

The entitlements to New Shares ("Entitlements") are renounceable, which means that eligible shareholders who do not wish to participate in the Rights Issue will have the opportunity of trading their rights entitlement on the Australian Securities Exchange ("ASX").

Patersons Securities Limited acted as Lead Manager to the capital raising and has fully underwritten the Rights Issue.

Indicative timetable¹

Event	Date
Placement settlement date	Wednesday 2 September 2009
Issue of Placement shares	Wednesday 2 September 2009
Ex date for Rights Issue - rights trading begins	Thursday 3 September 2009
Record Date for the rights issue	Wednesday, 7:00 pm (AEST) on 9 September 2009
Mailing of Entitlement and Acceptance Form to eligible shareholders	Friday 11 September 2009
Rights Issue offer opens	Friday 11 September 2009
Rights trading ends	Close of trading on Friday 18 September 2009
Rights Issue offer closes	5:00 pm (AEST) on Friday 25 September 2009
Rights Issue settlement date	Thursday 1 October 2009
Issue of New Shares under the Rights Issue	Thursday 1 October 2009
Dispatch of holding statements and CHESS notices	Friday 2 October 2009
Normal trading of New Shares issued under the Rights Issue expected to commence on ASX	Monday 5 October 2009

Effect on capital structure

Shares	Number
Current shares on issue	62,003,537
Placement shares	4,687,500
Shares offered under Rights Issue (1 for 3.5)	19,054,582 ²
Total shares on issue after completion of Rights Issue	85,745,619

¹ The above timetable is indicative only and subject to change. Clarius, in conjunction with the Lead Manager and subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to vary any of the above dates without notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

² Subject to rounding of fractional Rights Issue entitlements.

Important Information

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS

This announcement does not constitute an offer for subscription, invitation, recommendation or sale with respect to the purchase or sale of any securities in any jurisdiction. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. persons" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act") ("U.S. Persons"). Neither the Entitlements nor the New Shares have been, or will be, registered under the Securities Act or any securities laws of any state or other jurisdiction of the United States and may not be offered, sold or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws.

This announcement contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Clarius. These factors may include changes in demand for Clarius' services, damage to Clarius' relationships with its customers and service providers, a breach by Clarius of its debt covenants, increased competition, loss of key personnel, litigation and disputes, counterparty and credit risk, acquisitions and new business, change in operations, interest rate risk, market price fluctuations, general economic conditions, taxation, regulatory issues and changes in law and accounting policies. There can be no assurance that actual outcomes will not differ materially from these statements.

This announcement is not financial product or investment advice nor a recommendation to acquire Clarius shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

Clarius is not licensed to provide financial product advice in respect of Clarius shares.

An investment in Clarius shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Clarius Group, including possible loss of income and principal invested. Clarius does not guarantee any particular rate of return or the performance of the Clarius group, nor does it guarantee the repayment of capital from Clarius or any particular tax treatment. In considering an investment in Clarius shares, investors should have regard to (amongst other things) the risks and disclaimers outlined in the Presentation released to ASX on same date as this announcement.

This announcement contains certain financial data that is "non-GAAP financial measures" under Regulation G under the U.S. Securities Act of 1934, as amended.



Investor Presentation
FY09 Results and Capital Raising
28 August 2009

Geoff Moles
Managing Director

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Disclaimer

This presentation (**Presentation**) has been prepared by Clarius Group Limited (ABN 43 002 724 334059) (**Clarius**).

Summary information This Presentation contains summary information about Clarius and its subsidiaries (**Clarius Group**) and their activities and is dated 28 August 2009. The information in this Presentation does not purport to be complete or comprehensive, and does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with Clarius Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Not financial product advice

This Presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire Clarius shares and has been prepared without taking into account the objectives, financial situation or needs of any person. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. Clarius is not licensed to provide financial product advice in respect of Clarius shares. Cooling off rights do not apply to the acquisition of Clarius shares.

Financial data

All dollar values are in Australian dollars (A\$) and financial data is presented within the financial year end of 30 June unless otherwise stated.

Risks of investment

An investment in Clarius shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Clarius Group, including possible loss of income and principal invested. Clarius does not guarantee any particular rate of return or the performance of the Clarius Group, nor does it guarantee the repayment of capital from Clarius or any particular tax treatment. In considering an investment in Clarius shares, investors should have regard to (amongst other things) the risks outlined in this Presentation.

Forward-looking statements

This Presentation may contain certain "forward-looking statements". The words "outlook", "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Clarius. These factors may include fluctuations in the value of the Australian dollar, damage to Clarius' relationships with its customers, suppliers and service providers, a breach by Clarius of its debt covenants, increased competition, loss of key personnel, litigation and disputes, counterparty and credit risk, acquisitions and new business, change in operations, interest rate risk, market price fluctuations, general economic conditions, taxation, regulatory issues and changes in law and accounting policies. There can be no assurance that actual outcomes will not differ materially from these statements. To the full extent permitted by law, Clarius and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

Past performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Not an offer

This Presentation is not and should not be considered an offer or an invitation to acquire Clarius shares or any other financial products.

Disclaimer – New Zealand

The disclosure materials do not constitute a prospectus or investment statement and have not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the Securities Act 1978 (New Zealand). The disclosure materials are being distributed in New Zealand only to, (a) persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; (b) persons who are each required to pay a minimum subscription price of at least NZ\$500,000 for the securities before the allotment of those securities; or (c) persons to whom securities may be offered in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2002. Under the placement new shares are not being offered to any other person in New Zealand. Any investor who acquires new shares under the placement must not, in the future, sell those new shares in a manner that will, or that is likely to, result in the sale of the new shares being subject to the New Zealand Securities Act 1978 or that may result in Clarius or its Directors incurring any liability whatsoever.

Warning to Hong Kong residents

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

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Executive Summary

- Clarius Group (“CND” or the “Group”), formerly Candle Australia, is a leading specialist provider of contracting and recruitment services to corporate and government organisations across the Asia Pacific region.

- CND is today pleased to announce a Capital Raising to raise \$15.2m
 - Institutional Placement to raise A\$3m

 - 1-for-3.5 Renounceable Rights Issue to raise A\$12.2 million

 - Both issues priced at \$0.64

 - Issue price represents a 28% discount to last close







- CND will use the proceeds from the offer to repay debt and position the Company in a strong financial position to capitalise on consolidation opportunities

- Patersons Securities Ltd is acting as Lead Manager and Underwriter to the Capital Raising

Clarius Brands and Locations

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



					
Brisbane Chatswood Fairfield Melbourne Mount Waverley Parramatta Perth Sydney	Adelaide Auckland Brisbane Canberra Melbourne Perth Sydney Wellington	Melbourne Sydney	Beijing Brisbane Chatswood Hong Kong Kuala Lumpur Melbourne Mount Waverley Shanghai Singapore Sydney	Sydney	Brisbane Canberra Melbourne Sydney

FY09 Financial Performance and Summary

- Normalised NPAT of \$3.2m in line with previous guidance
 - Impairment charge of \$10.1m relating to write down of goodwill on acquired business (Lloyd Morgan) and one-off restructuring costs plus \$1.4m in tax effective costs
- Solid platform ready for growth
- Restructure almost complete – highly motivated management team and consultants
- Current focus on operating cash flow – timing of cash flows through improvements in billing processes has been successfully implemented in 2H FY09
- In light of the current results and environment, CND considers it remains in the best interest of shareholders to retain cash at present and not distribute cash for dividends. Once business conditions return to normal we will revisit dividend policy.

P&L	FY09	FY08
Total Revenue	\$293.4m	\$321.4m
Statutory NPAT	(\$8.3m)	\$12.1m
Add back impairment of goodwill	\$10.1m	-
Add back tax effective one off costs	\$1.4m	
Normalised NPAT	\$3.2m	\$11.3m
Operating cash flow	\$8.3m	(\$0.3m)

Financial Position and Summary

- Strong focus throughout FY09 on cost control and improvements in efficiency
 - Head count down 25%
 - Salaries down 31%
- Focus on cash management and operational cash flow has resulted in a reduction in net debt of \$9.5m since 31 Dec 08
- Following the equity raising, CND will be in a net cash position and strongly positioned to capitalise on consolidation opportunities moving forward

BALANCE SHEET	30 June 09	PRO-FORMA FOR CAP RAISE
Cash	\$2.7m	\$2.7m
Receivables	\$50.1m	\$50.1m
Intangibles	\$67.7m	\$67.7m
Other	\$4.4m	\$4.4m
TOTAL ASSETS	\$124.9m	\$125.0m
Debt	\$15.6m	\$1.2m ¹
Payables	\$21.5m	\$21.5m
Other	\$1.9m	\$1.9m
TOTAL LIABILITIES	\$39.0m	\$24.6m
NET ASSETS	\$85.9m	\$100.4m
NET CASH / (DEBT)	(\$12.9m)	\$1.6m
GEARING	13%	NA

1. This takes into account the capital raising costs of approximately \$0.8m

Current Status of Recruitment Sector

- CND's contracting recruitment business has continued to remain resilient during the economic downturn
 - Contractor/temp numbers stabilised at around 2,600
 - Contractor gross margin represents 65% of total margin
- CND's permanent business has borne the brunt of the downturn in employment as companies replace staff, only where necessary and generally continue to employ outstanding talent on a 'cherry picking' basis
- Demand for contractors, particularly in the IT sector, has been progressively increasing which will assist in offsetting the lower levels of permanent revenue
- Current improvement in business confidence which is expected to lead to an increase in hiring intentions and business investment
- There are signs of the credit crisis easing which will be the first step in a pick up in business activity

Outlook

- Contractor numbers stabilised – market demand appears to be slightly increasing
- Productivity maintained and should improve with market
- Ready for growth
- Core in tact – hiring “talent” since January 2009
- Strengthened senior management team
- 4th Quarter improvement trend encouraging
- No expected further payments for acquisitions this financial year

Offer Summary

Offer Details

- **\$3m Placement to sophisticated investors**
 - Lead Manager: Patersons Securities
- **1-for-3.5 Renounceable Rights Issue to raise \$12.2m**
 - Lead Manager & Underwriter: Patersons Securities
 - Placement participants can participate in Rights Issue
- **Issue price \$0.64 per share for both offers**
- **Funds raised through the capital raising will be used to repay debt and position the Company in a strong financial position to capitalise on consolidation opportunities**

Capital Structure

	Shares (m)	%
Existing Shares on Issue	62.0	72
Placement Shares	4.7	6
Rights Issue Shares	19.1	22
Total	85.7	100

Share Price Performance



Attractive Pricing (as at close 25/8/09)

Period		Discount
Last Close	(\$0.89)	28%
5-day VWAP	(\$0.89)	28%
30-day VWAP	(\$0.79)	19%

Offer Timetable

Placement	Date (2009)
Announce Capital Raising – Recommence Trading	10am 28 August
Settlement (via DVP) of Placement Shares	2 September
Placement Shares Commence Trading	3 September

Rights Offer	Date (2009)
Ex Date	3 September
Rights trading begins	3 September
Record date	9 September
Rights Issue Open Date	11 September
Rights Trading ends	18 September
Rights Issue Closing Date	25 September
Notice of shortfall	28 September
Settlement on Shortfall	1 October
Allot & dispatch holding statements	2 October

NOTE: All dates are indicative and subject to change. Time refers to AEST.

Summary

- Strongly positioned post the capital raising to take advantage of the economic recovery.
- CND focused on sectors where underlying demand are likely to be strong, and these sectors will return to growth
- CND is expected to benefit strongly as the cycle begins to turn and business confidence begins to pick up
- Current improvement in business confidence which is expected to lead to an increase in hiring intentions and business investment
- Following the equity raising, CND's balance sheet will be strong and well positioned to pick up opportunistic acquisitions and other growth opportunities through the recovery
- Issue price represents an attractive entry price being a 28% discount to last close

Key risks

- This section discusses some of the key risks associated with an investment in Clarius. Before investing in Clarius, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Clarius (such as that available on the websites of Clarius and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.
- **Competition** – The recruitment industry has low barriers to entry and competitive pressure may impact future performance.
- **Market price** – The market price of Clarius' shares will fluctuate due to various factors including general movements in Australian and international investment markets, economic conditions, global geopolitical events and hostilities, consumer confidence, investor perceptions and other factors that may affect Clarius Group's financial performance and position. The market price of Clarius' shares could trade on ASX at a price below their issue price.
- **General economic conditions** – Clarius' operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates, exchange rates, ability to access funding, overall supply and demand conditions and government fiscal, monetary and regulatory policies. Prolonged deterioration in these conditions, including an increase in interest rates, an increase in the cost of capital or a decrease in consumer demand, could have a materially adverse impact on Clarius' operating and financial performance. This risk is heightened in the current uncertain economic environment.
- **Employment Market** – The revenues and profitability of Clarius will be influenced by the overall employment market, and general economic conditions, which are cyclical and subject to change. A downturn in general economic and business conditions may adversely impact upon the Clarius' financial performance as it may cause, amongst other things, a reduction in demand for skilled labour.
- **Taxation implications** – Future changes in Australian taxation law, or changes in the interpretation or application of the law, may affect taxation treatment of an investment in Clarius' shares, or the holding and disposal of those shares. Further changes in tax law or changes in the interpretation or application of the law, in the various jurisdictions in which the Clarius Group operates, may impact the future tax liabilities of the Clarius Group.
- **Regulatory issues and changes in law** – Clarius is subject to the usual business risk that there may be changes in laws that reduce income or increase costs.
- **Changes in accounting policy** – Clarius is subject to the usual business risk that there may be changes in accounting policies which have an adverse impact on Clarius.
- **Loss of key personnel** – The Clarius Group is reliant on retaining and attracting quality senior executives, employees and contractors. The loss of the services of Clarius' senior management or key personnel, or the inability to attract new qualified personnel, could adversely affect the Clarius Group's operations.
- **Litigation and disputes** – Legal and other disputes may arise from time to time in the ordinary course of operations. Any such dispute may impact on earnings or affect the value of Clarius' assets.
- **Acquisitions** – In undertaking its business (including pursuing opportunities for future growth), Clarius may undertake strategic acquisitions to add to its existing business. To finance such acquisitions, Clarius may incur additional indebtedness as permitted under its financing facilities and may seek to raise capital. Clarius will face operational and financial risks in relation to acquisitions.
- **Interest rate risk** – Adverse fluctuations in interest rates, to the extent that they are not hedged, may impact Clarius' earnings.
- **Client contracts** – Clarius' has various client contracts. The loss of these contracts may have a negative impact on Clarius' performance.
- **Debt covenants** – Clarius has various covenants in relation to its banking facilities. Factors such as a decline in Clarius' operational and financial performance could lead to a breach in debt covenants. In such an event Clarius' lenders may require their loans to be repaid immediately.