



Clarius Group
2010 Investor Presentation
**Building
Momentum**

Presented by: Geoff Moles,
Founder & Managing Director

www.clarius.com.au

alliance
PARTNERSHIP

condle

jav | I.T. GROUP

LLOYD
MORGAN

SouthTech

the one umbrella

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

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

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Agenda

Overview

Financials

Ready for Growth

State of the Market

Looking Ahead – Demand Driven Recovery



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Overview

Established in 1984 by Geoff Moles

Listed on the Australian Securities Exchange in 1997

Strategic growth by acquisition – 14 in 13 years

Experienced in operating in a cyclical environment

Positive underlying profit every year for the last 26 years*

*before impairment December 2008

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Financial Results

\$m	2010	2009
Revenue	\$266.1	\$293.4
Net profit after tax before one-off non-recurring costs and impairment	\$3.2	\$3.2
Impairment of goodwill after tax	-	\$(10.1)
Reported net profit / (loss) after tax	\$3.0	\$(8.3)
Earnings per share (cents)	3.8 cents	(14.0) cents
Operating cash flow	\$(1.2)m	\$8.3m
Gearing ratio	0.9%	13.1%
Dividend	2.0 cents	NIL

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Financial Results

P&L	Jun 10	Dec 09	Jun 09	Dec 08
Total Revenue	\$133.8	\$132.3	\$136.2	\$157.1
Gross Margin	\$25.0	\$23.6	\$24.6	\$34.8
Employee Benefits Expense	\$(16.6)	\$(16.5)	\$(17.4)	\$(23.0)
Finance Costs	\$(0.3)	\$(0.3)	\$(0.5)	\$(0.9)
Other Overheads	\$(3.2)	\$(3.1)	\$(3.2)	\$(6.7)
Normalised NPAT	\$1.9	\$1.3	\$1.2	\$1.9
Statutory NPAT	\$1.9	\$1.1	\$0.8	\$(9.1)
Operating cash flow	\$2.8	(\$4.0)	\$13.6	(\$5.3)

72% growth on previous half

46% growth on previous half

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Financial Position

Financial Position	Jun 10	Dec 09	Jun 09	Dec 08
Trade Receivables	\$54.7	\$48.7	\$50.1	\$59.8
Intangible Assets	\$68.6	\$67.6	\$67.6	\$68.1
Bank Overdraft	\$(2.2)	\$(4.6)	\$(0.6)	\$(10.1)
Interest Bearing Liability	-	-	\$(15.0)	\$(15.0)
Contributed Equity	\$104.0	\$89.5	\$74.6	\$74.6

- 85.8m shares on issue
- 5.4m options
- Minimal debt following placement and rights issue (oversubscribed)
- Strong balance sheet with capacity for future growth and acquisitions

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Ready for Growth – Aust & NZ

The GFC provided the opportunity to review and implement new branding strategy initiatives:

- All brands have undergone a “refresh” and realignment
- The strategy is candidate driven and designed to maximise opportunity in a skills short market
- The strategy enables us to capitalise on our cross selling opportunities which is already harvesting results in organic growth
- The brands have targeted strategies designed to optimise market penetration and establish themselves as #1 in their given market

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Ready for Growth – Aust & NZ

Other initiatives undertaken during the GFC to position the business for growth:

- New hiring activity has been focused on business development and sales capability
- Investment in Learning & Development and performance measurement and management initiatives
- Investment in technology and business systems
- Structural changes to the business model to improve profitability of key accounts to address margin pressure
- Structural changes to the business to diversify our service lines and geographic coverage to extend our delivery capability to existing clients

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Clients – Aust & NZ



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Ready for Growth - Asia

Significant investment in FY2010

- Strengthened business model
- New Management team – EGM & Hong Kong
- Added to the Consulting team
- Implementation of new technology

Branding strategy to be in line with Group business

- Focus on IT, Accounting & Financial Services

Strategy to de risk Asia by growing contractor base

Capitalise on the growing Asian market

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Clients- Asia



State of the Market

- Clarius Skills Index June 2010 QTR (refer www.clarius.com.au)
 - Unemployment down to 5.1% from a high of 5.8% in October
 - This decline expected to continue and drop below 5% by early 2011
 - Between June 09 & June 10 employment grew by 2.8% which is the highest year on year growth since May 07
 - Skills shortage emerging in IT, Building and Engineering, Financial Services and Accounting
 - Average earnings expected to rise 5.4% over next three years
- Shortage of skills in critical areas provide the opportunity to improve margins
- Hiring intentions among clients strong as they move into periods of recovery and growth
- Permanent recruitment growth has rebounded earlier in the cycle

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Looking Ahead

- Demand expected to continue to increase
- All brands and all regions seeing significant YOY growth
- Ability to grow profit with existing cost base through improved productivity
- Increase in demand growing
- Client intentions positive
- Maximise opportunity provided from existing client relationships
- Strong senior management team
- Increased focus and investment in Asia
- Ready for sustained growth as we emerge from the GFC

Disclaimer

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.

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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.