



## Financial Year 2009 – MARKET UPDATE

The directors of Clarius Group Limited provide a market update for the Financial Year ending 30 June 2009. Based on the actual results to the 30 April and the forecast to the 30 June 2009 our NPAT before nonrecurring one off costs and asset impairment charge are expected to be in the range of \$2.7M - \$3.3 M.

Our internal focus is to continue to reshape the cost base and improve efficiency. As a result we have taken out of the Clarius Group since November 2008 approx \$7.0M in costs on an annualised basis at a one off cost of \$1.7M before tax. Our focus on cash collections continues with a positive impact on our cash flow.

The Executive Chairman and CEO, Geoff Moles, said that the market was still very tough in employment in the markets we operate in being Australia, New Zealand and Asia due to the economic conditions caused by the Global Financial Crisis. Our contracting recruitment business has continued to hold up reasonably well during the last period. Our overall contracting recruitment business which represents 65 per cent of our total Gross Margin is down 10 per cent since 1 July 2008. Our permanent recruitment 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. Our permanent recruitment Gross Margin is down overall about 50 per cent since July 08.

Our trading businesses continue to be in good shape with strong management working in what continues to be a difficult market. On the positive side we have had some good wins contractually across our business. Our Recruitment businesses have won some significant Preferred Supplier Agreements with major clients and our IT Services business, JAV IT, has also had some important wins. We are also restructuring parts of our business to make them more focussed on their particular markets and to strengthen them to take advantage of the markets when they recover.

On behalf of the board, we would like to again thank our management and staff who have worked very hard with a high level of commitment during difficult market conditions.

Looking ahead we expect our trading to reflect the economic recovery but we can assure the market the company is ready to take advantage of the recovery.

Regards,

Geoff Moles  
Executive Chairman | Clarius Group Limited