ASX ANNOUNCEMENT 14 February 2013

Results for half year ended 31 December 2012

Enero Group Limited (ASX: EGG) today announced its results for the half year ended 31 December 2012.

Summary

- Strengthening global leadership team and senior management with key new hires
- Continuing to invest in people and systems in a move towards a more centralised operating company model
- Net Revenue and Operating EBITDA[1] lower
- Reduced Net Loss after tax from prior reporting period
- Strength in balance sheet with cash reserves

Enero Group CEO, Matthew Melhuish said: "Although it has been a tough half financially we have taken many positive steps over the past six months to improve our operating structure and processes and strengthen the foundations of the Group. We have secured some extremely talented individuals in leadership roles, we have achieved a new level of cross collaboration between our operating companies and have embraced new ways of doing business to bring the Group together".

Matthew added: "I am confident that we will see the benefits of the initiatives we have rolled-out over the last six months. It is vital we continue to stay true to our strategic goals to deliver results in the long term".

Financial Performance

A$ million	FY2013	FY2012
Net Revenue	67.8	139.4
Operating EBITDA[1]	2.3	14.0
Net Loss after tax to equity holders[3]	(77.6)	(159.2)
Pro forma (continuing businesses)[2]		
Net Revenue	66.1	75.1
Operating EBITDA[1]	2.2	7.4

Notes:

1. Operating EBITDA is earnings before interest, tax, depreciation, amortisation, impairment, loss on sale, fair value adjustments to deferred consideration, and restructuring costs. Operating EBITDA is the primary measure used by management and the directors in assessing the performance of the Group. It provides information on the Group's cash turnover excluding significant transactions and non-cash items which are not representative of the Group's on-going operations or cash flow.
2. Pro forma excludes the contribution of Field Marketing businesses sold in November 2011, Retail Insight's point-of-sale business sold in September 2011, BWM sold in August 2012, ISS Marketing sold in June 2012, Image Box sold in May 2012, the closure of Counterpoint, Yield Media, Marching Ants during FY2012. Pro forma revenue and Operating EBITDA are presented to provide an accurate representation of the Group's current year operations compared to the same operations in the prior period.
3. Net loss after tax includes significant items of $75.9m incurred during the current reporting period (FY12 $160.8m). Refer to attached results presentation for detailed analysis.

4. The results announcement and attached presentation includes the following measures used by the Directors and management in assessing the on-going performance and position of the Group: Operating EBITDA, Pro forma net revenue, pro forma Operating EBITDA, NPAT before significant items and NPATA before significant items. These measures are non-IFRS and have not been audited or reviewed.

Net Loss after tax:
The net loss after tax to equity holders was $77.6m (FY12:$159.2m) and was driven a review of the carrying value of Enero's intangible assets and the subsequent non cash impairment charge of $75.9m (FY12: $128.2m). The prior reporting period also included a non-cash $49.2m loss on sale of assets.

Pro Forma business operating performance:
Pro forma revenue was down 12% on prior year and pro forma Operating EBITDA was down 70% on prior year. Contributing factors to the performance as compared to the prior year on a pro forma continuing business basis were:

- Difficult trading conditions continuing to impact the three key hubs;
- BMF has been impacted by the loss of the retained Commonwealth Bank business, reducing overall operating margins;
- Naked Communications continues to be impacted by difficult trading conditions, especially in Europe and smaller non-core offices where discretionary projects have been reduced along with a general reduction in client spending. Naked has commenced executing the investment program which is aimed at investment in senior leadership, IP and tools to complete an operational realignment of the business.

Financial Position:
The Company had $19.0m of total cash at 31 December 2012 with $0.5m in cash capped deferred consideration payments to make over the next six months. After setting aside minimum cash holding level requirements for ongoing working capital purposes across all of the business units, the Company has an excess cash balance of approximately $7.5m on hand.

The $2m Naked Communications investment program announced on 27 November 2012 for the second half FY13 will be funded from future cash flows of the operating businesses and/or the available excess cash balance.

Contact:

Brendan York
Group Finance Director
Telephone: +612 8213 3084

Enero Group Limited
FY13 Half Year Results

14 February 2013

Disclaimer

This document has been prepared by Enero Group Limited (Enero) and comprises written materials/slides for a presentation concerning Enero. This is not a prospectus, disclosure document or offering document.

This document is for information purposes only and does not constitute or form part of any offer or invitation to acquire, sell or otherwise dispose of, or issue, or any solicitation of any offer to sell or otherwise dispose of, purchase or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Certain statements in this presentation are forward looking statements. You can identify these statements by the fact that they use words such as “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume” and words of similar import. These forward looking statements speak only as at the date of this presentation. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements.

No representation, warranty or assurance (express or implied) is given or made by Enero that the forward looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, each of Enero, its related companies and their respective officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the forward looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom.

Subject to any continuing obligation under applicable law or any relevant listing rules of the ASX, Enero disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of Enero since the date of this presentation.

Non-IFRS Performance measures
This results presentation uses non-IFRS performance measures which have not been audited or reviewed. The Company believes that, in addition to the conventional measures reported under IFRS, the Company and investors use this information to evaluate the Company’s performance.

Executive Summary

Executive Summary

Operational

- Stronger Global leadership team and senior management with key new hires.
- Operating company initiatives being rolled out including targeted cross business collaboration and centralisation of data capabilities to better take advantage of knowledge and skills across operating business.
- Continued focus on balancing geographical mix of revenue and earnings.
- Implementation of better processes and systems to improve business operations and better serve client needs.

Executive Summary cont'd

Financial

- Net Revenue and Operating EBITDA lower.
- Net loss after tax reduced but impacted in current reporting period by non cash impairment charge on carrying amount of intangible assets.
- Corporate overhead running to plan with inclusion of new key positions to further support vision.
- Strength in balance sheet with cash reserves on hand.

Executive Summary cont'd

Revenue and Operating EBITDA

Pro forma results are adjusted for significant restructuring and divestments to allow for review of continuing business. Refer to Appendix on slides 18 and 19 for further details.

SIX MONTHS ENDED 31 DECEMBER ($M)	2012	2011	CHANGE
Net Revenue	67.8	139.5	(51.4%)
Net Revenue from other divestments and closed businesses[2]	(1.7)	(13.3)	(87.2%)
Net Revenue from Field Marketing discontinued operation	-	(51.1)	-
Pro Forma Net Revenue	**66.1**	**75.1**	**(12.0%)**
Operating EBITDA[1]	2.3	14.0	(83.6%)
Operating EBITDA from other divestments and closed businesses[3]	(0.1)	-	-
Operating EBITDA from Field Marketing discontinued operation	-	(6.6)	-
Pro Forma Operating EBITDA	**2.2**	**7.4**	**(70.3%)**
Pro Forma Operating EBITDA Margin[3]	**3.3%**	**9.9%**	**(6.6bp)**

1. Operating EBITDA is earnings before interest, tax, depreciation, amortisation, impairment, loss on sale, fair value adjustments to deferred consideration and restructure costs. Refer to slide s 13 and 14 for detailed analysis of costs.
2. Contribution from BWM sold in August 2012, ISS Marketing sold in June 2012, Image Box sold in May 2012 and Mark Communications closed in September 2011.
3. Pro Forma Operating EBITDA Margin is Pro Forma Operating EBITDA / Pro Forma Net Revenue .

Operational Update

Operational Update cont'd

Operating EBITDA down on prior year performance on a continuing business basis

- Difficult operating conditions impacting operating businesses with many discretionary projects from clients put on hold and a general reduction in client spending.
- Naked Communications faced weaker performance impacting results. The business recently announced investment program to be completed in second half FY2013.
- BMF impacted by loss of Commonwealth Bank business, reducing overall operating margins.
- Hotwire achieving success with new USA office and recognition as a true global PR business.
- TLE momentum from prior year continuing with global opportunities opening up including offices in India and Brazil in response to client demand.

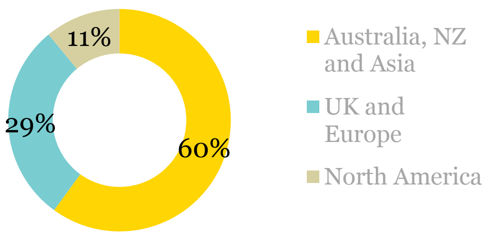
Operational Update cont'd

- Frank PR launched in USA with some investment costs.
- Creation of a centralised data services unit underway to leverage knowledge and skill sets across geographies and operating businesses and better harness "big data" capabilities.
- Cross business collaboration platforms and tools rolled out and gaining traction.
- Global leadership team additions including Richard Dunmall as Global CEO of Naked Communications and Julie Burke as CEO of Precinct.
- Positive steps take in evolution of operating company model with the appointment of new roles of Group Strategy and Operations Director and Group Human Resources Director. Based in the support office, these roles continue to deepen skill and knowledge base available to the operating companies.
- US Hub office in New York to open in second half FY2013 housing Naked, TLE, Frank PR and Hotwire.

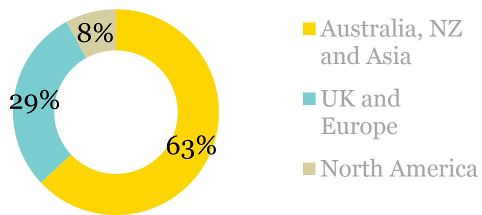
Operational Update cont'd

Geographical Contribution from operating companies

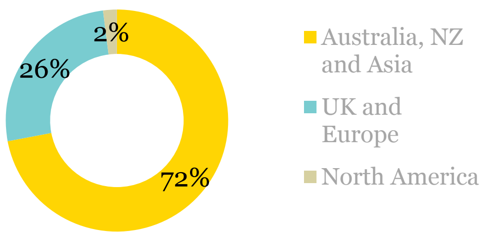
Pro forma Net Revenue 1H FY2013



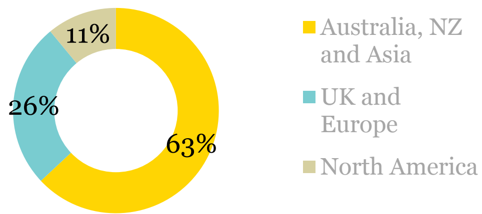
Pro forma Net Revenue 1H FY2012



Pro forma Operating EBITDA 1H FY2013



Pro forma Operating EBITDA 1H FY2012



Financials

Financials

Profit & Loss Summary

SIX MONTHS ENDED 31 DECEMBER ($M)	2012	2011
Net Revenue	67.8	139.5
Staff Costs	(48.9)	(102.0)
Operating Expenses	(16.6)	(23.5)
Operating EBITDA[1]	**2.3**	**14.0**
Operating EBITDA Margin	*3.4%*	*10.0%*
Depreciation & Amortisation	(2.3)	(4.7)
Net Interest	-	(4.4)
PV Interest	(0.1)	(2.7)
Tax	(1.2)	(0.3)
Minority interests	(0.4)	(0.3)
NPAT/(NLAT) before significant items[2]	**(1.7)**	**1.6**
NPATA before significant items[3]	**(1.0)**	**3.1**
Significant items[4]	(75.9)	(160.8)
Net loss after tax to equity owners	**(77.6)**	**(159.2)**

1. Operating EBITDA provides meaningful information on the group's cash flow generation excluding significant transactions and non cash items which are not representative of the group's on-going operations
2. NPAT/NLAT before significant items represents net profit/(loss) after tax before the impact of significant, non-recurring and non operational impacting items.
3. Excludes non-cash amortisation of acquired intangibles FY12: $0.7 million (FY11: $1.5 million).
4. Refer to slide 14 for significant items.

Financials con't

Profit and Loss Summary con't

Significant items

- A review of the carrying amount of intangible assets led to a non cash impairment charge of $75.9m being recognised. A weaker than expected performance during the first half drove this charge.

SIX MONTHS ENDED 31 DECEMBER ($M)	2012	2011
Restructure costs	(0.7)	(4.8)
Non-cash fair value gain on deferred consideration	0.7	20.1
Non-cash loss on sale & impairment of divested assets	-	(49.2)
Non-cash impairment	(75.9)	(128.2)
Non-cash tax benefit of significant items	-	*1.3*
Total significant items	***(75.9)***	***(160.8)***

Financials con't

Balance Sheet & Cash Flow

($M)	31 Dec 2012	30 Jun2012
Cash	19.0	21.5
Net Working Capital	7.5	11.3
Net Assets Held for Sale[1]	-	7.8
Other Assets	4.8	5.3
Fixed Assets	6.9	6.0
Intangibles	67.2	142.0
Total Assets	**105.4**	**193.9**
Provisions & Other Liabilities	6.4	7.3
Deferred Consideration (PV)	0.5	13.5
Other Borrowings	1.9	1.4
Net Assets	**96.6**	**171.7**

SIX MONTHS YEAR ENDED 31 DECEMBER ($M)	2012	2011
Operating EBITDA	2.3	14.0
Movement in Working Capital	2.3	(2.5)
Restructure costs paid	(0.7)	(2.3)
Equity Incentive Expense	0.8	1.1
Gross Cash Flow	4.7	10.3
Net Interest Paid	-	(3.7)
Tax refunded / (paid)	(0.1)	0.6
Operating Cash Flow	4.6	7.2
Cash funded capex[2] [3]	(1.4)	(2.9)
Free Cash Flow	**3.2**	**4.3**

1. Net assets held for sale refers to BWM held for sale at 30 June 2012 and sold on 10 August 2012.
2. Capex relating to divested and closed businesses in half year ended 31 December 2011 of was $1.8 million.
3. Total capex for half year ended 31 December 2012 was $2.4m with $1.0m funded under lease finance.

Financials con't

Deferred Consideration Profile

- Deferred consideration outstanding at December 2012 of $0.5 million
  - Tranche 1 – $0.5 million capped cash payments.
  - Tranche 2 – 20,834 shares remain in escrow conditions
  - Tranche 3A & 3B – EBITDA triggers adjusted for divestments to $54.1 million and $64.1 million respectively

GROSS DEFERRED CONSIDERATION LIABILITY	$M
Opening Estimate (30 June 2012)	*13.6*
Payments in FY13	*(12.0)*
Issue of Shares in FY13	*(0.4)*
Impact of Fair Value & Goodwill Adjustments	*(0.7)*
Closing Estimate (31 December 2012)[1]	***0.5***

1. Total Tranche 3A and 3B conditional deferred consideration of $49.5m not recognised at 31 December 2012.

Appendix

Net Revenue & Operating EBITDA

SIX MONTHS ENDED 31 DECEMBER 2012 ($M)	2012 TOTAL	DIVESTED COMPANIES	CLOSED BUSINESSES	2012 PRO FORMA
Operating Companies	*66.1*	-	-	*66.1*
Unallocated [1]	*1.7*	*(1.7)*	-	-
Total Net Revenue	*67.8*	*(1.7)*	-	*66.1*
Operating Companies	*6.0*	-	-	*6.0*
Unallocated [1]	*0.1*	*(0.1)*	-	-
Support Office	*(3.0)*	-	-	*(3.0)*
Share based payments charge	*(0.8)*	-	-	*(0.8)*
Total Operating EBITDA	*2.3*	*(0.1)*	-	*2.2*

1. Unallocated includes BWM sold in August 2012 .

Appendix

Net Revenue & Operating EBITDA

SIX MONTHS ENDED 31 DECEMBER 2011 ($M)	2011 TOTAL	DIVESTED COMPANIES	CLOSED BUSINESSES	2011 PRO FORMA
Operating Companies	75.1	-	-	75.1
Field Marketing	51.1	(51.1)	-	-
Unallocated [1]	13.3	(13.2)	(0.1)	-
Total Net Revenue	139.5	(64.3)	(0.1)	75.1
Operating Companies	13.2	-	-	13.2
Field Marketing	6.6	(6.6)	-	-
Unallocated [1]	-	(0.2)	0.2	-
Support Office	(4.8)	-	-	(4.8)
Share based payments charge	(1.0)	-	-	(1.0)
Total Operating EBITDA	14.0	(6.8)	0.2	7.4

1. Unallocated includes BWM sold in August 2012, ISS Marketing sold in June 2012, Image Box sold in May 2012 and Mark Communications which was closed in September 2011.