



7 September 2011

Press Release: Half Year Results

Hyro Limited (ASX: HYO)

Hyro, Australia's first and largest digital agency, reports a sound first half year performance. This is evidenced by a turnaround in net asset position from negative \$4.65 per share to a positive 15 cents per share.

"Hyro's EBITDA of \$813,000 compared to the same time last year, when it was in the red at \$514,000, resulted in an operating profit of \$840,000."

Chief Executive Officer, Mr Bill Votsaris, adds "A key element of this half year performance was the successful rights issue to eradicate \$12 million of historical debt, resulting in a cleansed balance sheet and no long term debt."

This year the company signed a \$4 million agreement with wagering and media company Agility Interactive, to develop components for their next generation of online wagering products. They have also won several major State and Federal Government tenders and recently delivered components for Ultranet, the Victorian Department of Education's \$60 million world-class online learning system. An integral component of the Education Department's Ultranet project is Hyro's identity and access management software, Idaptive. Hyro has invested in excess of \$10 million dollars developing the software which allows organisations to contextually identify, authenticate and manage online users.

Hyro's service offering has been structured to respond to the shift in technology and consumer behaviour as leading industry sectors continue to transform their business models for the digital age. With over 150 staff across Australia and Thailand, Hyro's Thailand resources have been integrated with its local delivery model to provide clients with a cost efficient delivery option.

A good example of this is Hyro's client, The Buzz Insurance. The Buzz is part of Insurance Australia Group which manages a portfolio of general insurance businesses. It underwrites around \$7.8 billion of insurance premiums each year and employs around 13,500 people.

In 2009, Hyro played a key role in the launch of The Buzz website and car insurance offering. In 2010, The Buzz was looking to extend their online offering to include home insurance. Hyro successful bid to deliver the entire end-to-end solution which resulted in Hyro becoming the core partner for The Buzz, replacing the myriad vendors involved in the initial Buzz Car Insurance development.



Using its customer experience and technical expertise, the project represented one of the first major engagements between Hyro Australia and Hyro's integrated, wholly-owned off-shore office in Thailand. The team successfully managed to work through some key constraints in timeframes, resources and skill sets, along with ramping up on a complex set of existing systems to deliver the project on time and in budget.

Hyro continues to be a core partner for the Buzz Insurance and has a long term Managed Services agreement in place to ensure the ongoing success of the The Buzz Insurance website.

"Abetted by economic pressures, Australian business has so far adopted a cautious approach to technology spending (i). This is confirmed with the resultant prediction that Australians will spend \$6 billion on overseas websites this year (ii). But come what may in world-wide economics, leading enterprises are on the front foot. The impetus to encourage engagement and keep customers onshore is driving a demand for commercial grade integrated digital services," added Mr Votsaris.

(i) IBM 2011 survey

(ii) Digital Media Research 2011 Frost & Sullivan / PWC In 2011 we expect online shopping expenditure in Australia to reach \$13.6 billion, a growth of 13 % from the \$12 billion expenditure in 2010. It is estimated that \$6 billion will be spent by Australians on overseas websites this year. This equates to 44% of the total online purchase from 2011, an increase of 25% from 2010.

For further information call:

Robert Clarke

Chairman

Hyro Limited

(03) 9690 7399

Bill Votsaris

Chief Executive Officer

Hyro Limited

(03) 9690 7399

About Hyro

Hyro is Australia's oldest and largest digital agency (ASX:HYO) and employs over 250 staff across Australia and Thailand.

By offering the functions of Strategy, Experience, Technology, and Operations within one company, Hyro helps clients turn their digital channel into a source of competitive advantage. For over 16 years, we've been helping iconic Australian and Asian enterprises, along with leading state and federal government departments to harness new technologies and ideas including online, mobile, IPTV, kiosks and emerging devices like the iPad. As a result, our clients have rewarded us with their ongoing trust, and helped us grow to be an industry leader.

To find out more, visit www.hyro.com.