



Talent2 International Limited

Analyst Presentation | 2012 Half Year Results

HR ADVISORY | PAYROLL | RECRUITMENT | LEARNING

talent 

Half Year Results

	FY 2012 First Half	FY 2011 First Half	Growth
Revenue	\$158.2m	\$147.9m	7%
Gross Profit	\$91.8m	\$93.3m	(2%)
EBITDA	\$5.3m	\$13.0m	(59%)
Return on Gross Profit	5.8%	13.9%	(59%)
Reported Earnings after Tax	(\$1.6m)	\$3.4m	NM**
Reported EPS (cents)	(1.13c)	2.43c	NM**
Adjusted Earnings after Tax*	\$0.8m	\$6.0m	(87%)
Adjusted EPS*(cents)	0.57c	4.25c	(87%)

**NM = not meaningful.

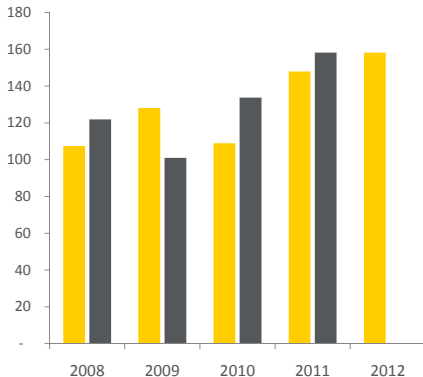
* Adjusted for the amortisation of acquired intangibles under AIFRS, and tax affected.

Group Revenue and EBITDA

Revenue

Growth on the first half of last year **7%**
 Growth on the second half of last year **0%**

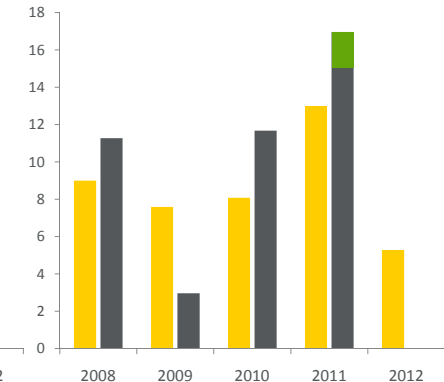
\$m



EBITDA

Growth on the first half of last year **(59%)**
 Growth on the second half of last year **(69%)**

\$m

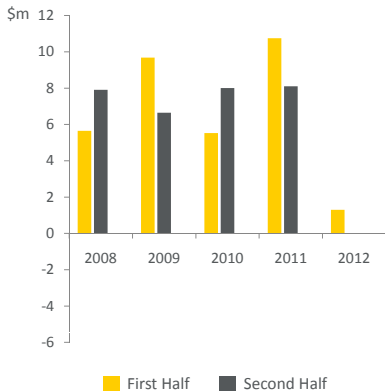


■ First Half

■ Second Half

■ \$2m acquisition price adjustment

Operating Cash - excluding net tax paid



	FY 2012 First Half \$m	FY 2011 First Half \$m
Operating cash flow	(5.7)	7.2
Add: Net interest	0.6	0.5
Add: Tax paid	6.9	3.7
Adjusted cash flow	<u>1.8</u>	<u>11.4</u>
EBITDA	5.3	13.0
EBITDA cash conversion rate (adjusted cash flow/EBITDA)	34%	88%

Debt Position

	\$m
Debt as at 30 June 2011	24.8
Impact of foreign currency movements	0.4
Draw downs	6.2
Repayments	(0.2)
Debt at December 2011	31.2

Net debt \$25.9m

Average interest rate approximately 3.8%

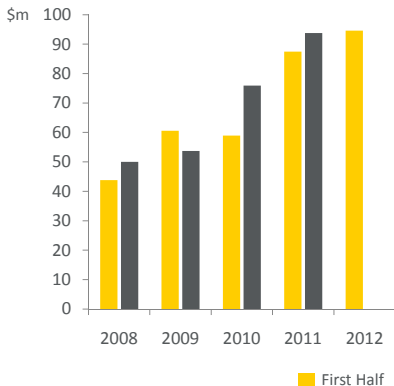
Cash Position

	\$m
Cash as at 30 June 2011	20.6
Operating cash flows	1.8
Net finance costs	(0.6)
Net tax paid	(6.9)
CAPEX	(2.2)
Net Investing cash flows	(0.2)
Dividend paid	(8.0)
Other Financing cash flows	0.5
Foreign exchange	0.3
Cash at December 2011	5.3

Managed Services

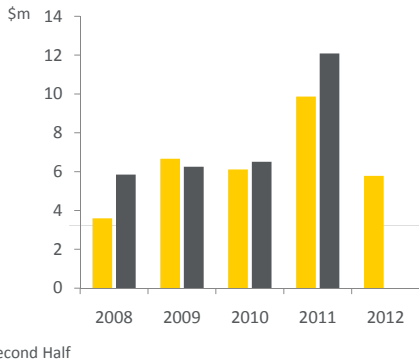
Revenue

Growth on the first half of last year **8%**
Growth on the second half of last year **1%**



EBITDA

Growth on the first half of last year **(41%)**
Growth on the second half of last year **(52%)**

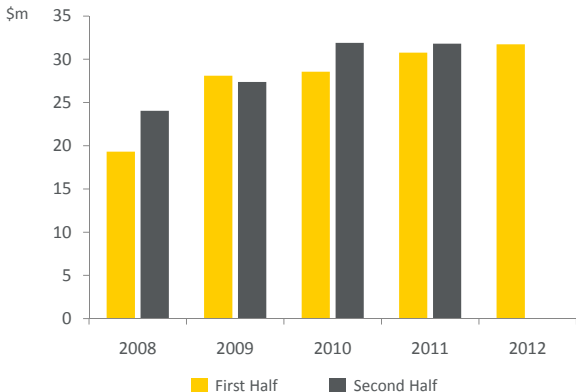


Managed Services – Revenue

Payroll

Growth on the first half of last year **4%**

Growth on the second half of last year **1%**



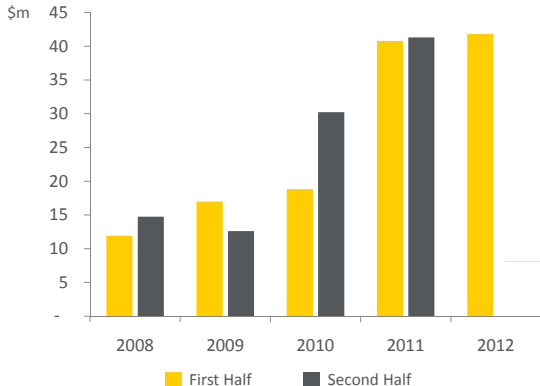
- » No material client losses
- » Deals won in H1 will increase transactional revenue in H2
- » Annuity revenue increased by 8%
- » Transactional revenue fell by 35%
- » Annuity revenue now accounts for 83% of total revenue
- » Payslips processed has risen by 6% in December half
- » Integration into one Global business progressing
- » Reviewing product offering to increase focus

Managed Services – Revenue

Recruitment Managed Services

Growth on the first half of last year 2%

Growth on the second half of last year 1%



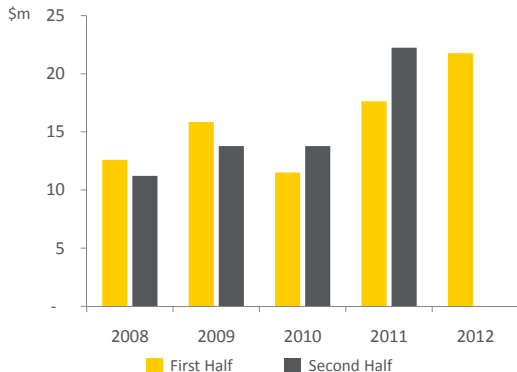
- » No material client losses
- » Invested in account management, sourcing and business development
- » Corning, Amex, Computer Associates gone live
- » Contracted annuity revenue, excluding pass through revenue split:
 - › fixed 55%
 - › variable 45%
- » Volumes down in financial services clients
- » Allegis and Talent2 partnership has secured Talent2's largest UK project.

Managed Services – Revenue

Learning

Growth on the first half of last year **24%**

Growth on the second half of last year **(2%)**



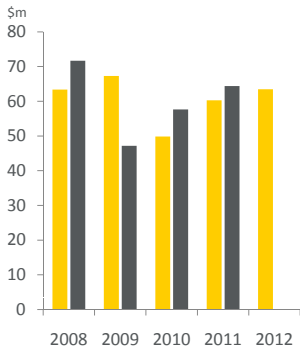
- » Key clients renewed
- » Vocational training growing
- » Content business experiencing tough market conditions
- » Cornerstone relationship continues to drive growth in Learning management business
- » Continued expansion into Asia
- » Integration into one Global business progressing
- » Reviewing product offering to increase focus

Recruitment

Revenue

Growth on the first half of last year
Growth on the second half of last year

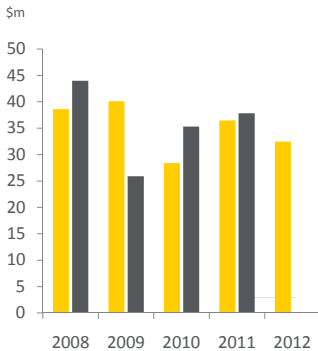
5%
(1%)



Gross Margin

Growth on the first half of last year
Growth on the second half of last year

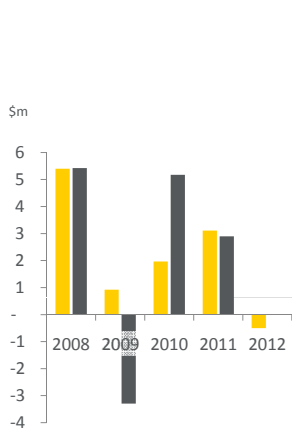
(11%)
(14%)



EBITDA

Growth on the first half of last year
Growth on the second half of last year

(116%)
(117%)



■ First Half

■ Second Half

Recruitment

- » Total revenue has increased by 5%
- » Contracting revenue growing up 29%, revenue from permanent assignments down 15%
- » Consultant headcount levels increased from 344 at December 2010 to 376 at December 2011 (357 at June 2011)
- » China showing profitable growth up over 200% on previous corresponding period
- » Markets with high reliance on financial services negatively impacted
- » Refocus away from shrinking sectors to growth sectors
- » Focus on building further contracting revenue

Clients

CAPRAL



GrainCorp

bhpbilliton

WorldPay™

Aboriginal
Employment
Strategy Ltd

L'ORÉAL

medibank
HEALTH SOLUTIONS

TRANSPower

COACH

ERICSSON

symantec™

Olex

Questions