

Talent2 International

Full Year Results

30 June 2005

talent²

it's who you know

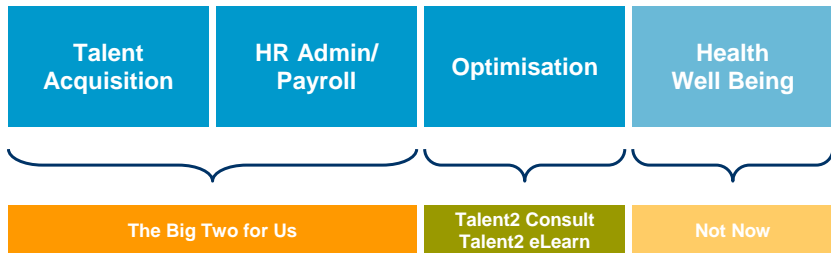
Agenda

- > What We Do
- > 2005 Financial Results
- > Growth of Managed Services
- > Expansion into Asia
- > HRO Experience Overseas

What We Do



Taking Talent 2 Managed Services to Market



talent²
consult

talent²
elearn

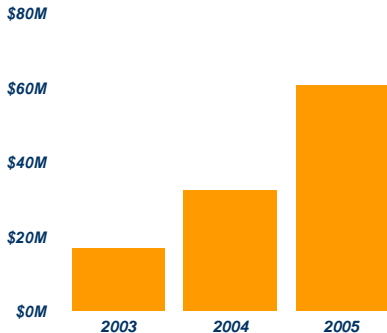
Headline Results for 2005

	2005 M	2004 M	Growth %
Revenues	\$60.3	\$32.2	87
EBITDA	\$5.69	\$2.35	142
Earnings Before Tax	\$3.97	\$1.24	220
Earnings After Tax	\$5.27	\$2.30	129
EPS	5.50c	2.83c	94
Adjusted EPS (FITB & Goodwill)	4.65c	1.74c	167
Cash on Hand	\$9.10	\$4.18	118

Strong 2005 Results

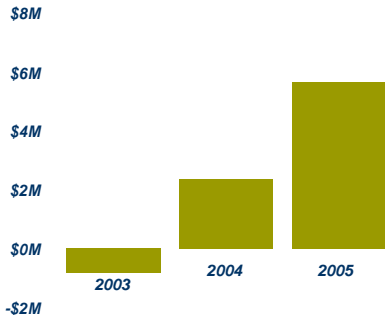
Revenues

\$60.1 million
87% Growth on Last Year



EBITDA

\$5.69 million
142% Growth on Last Year



Achievements

- > Strong financial performances in 2005
- > Solid growth in Managed Service business
- > Expanded into Hong Kong with the acquisition of Wall Street Associates
- > New offerings – Talent2 Consult and Talent2 eLearn
- > Acquired NPS for SME payroll
- > New China joint venture with InterPro

Best of Both Worlds



InterPro
Business Process Solutions

talentpro²

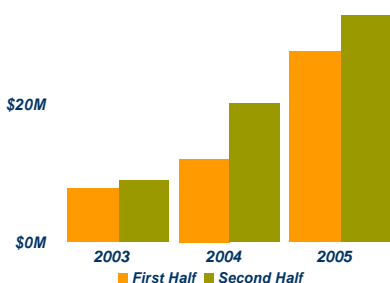
- > HRO International
- > HRIS Services
 - > HR Admin services
 - > Talent Acquisition Management services
 - > Managed Services
 - > Full HRO licence for China
- > Local “know-how”
- > Talent Acquisition Management services

Results by Half Year

Revenues

18.4% Growth on First Half
62.5% Growth on Second Half Last Year

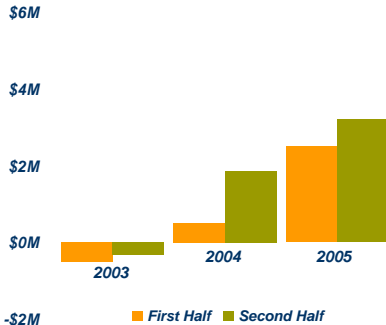
\$40M



EBITDA

28.5% Growth on First Half
73.1% Growth on Second Half Last Year

\$6M



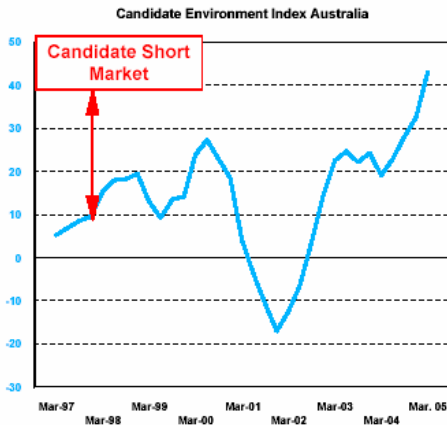
talent²
people

> passion > **innovation**
> affinity

talent²

Candidate Environment Index – Australia

- > **The CEI is now at its highest point in history**
- > Vacancies are growing 27.9% p.a. and unemployment is at a 28-year low of 5.1%
- > This candidate tight market poses challenges for employers and recruiters who are **forced to work harder and more creatively** to attract and retain suitable staff



Source: SMH Employment Forecast

Growing into Asia



***talent*²**
works

> passion > **innovation**
> affinity

***talent*²**

Talent2 Works – Where to From Here

Pre 2003

- > Tech wreck and slowdown in client IT spend
- > Consultant utilisation poor

2004

- > Increased client satisfaction – credibility strong
- > Consultant utilisation strong

2005

- > Redirection of sales focus towards Managed Service
- > Supero/Consisto transitions
- > Client satisfaction continues to improve
- > Consultant utilisation strong

2006

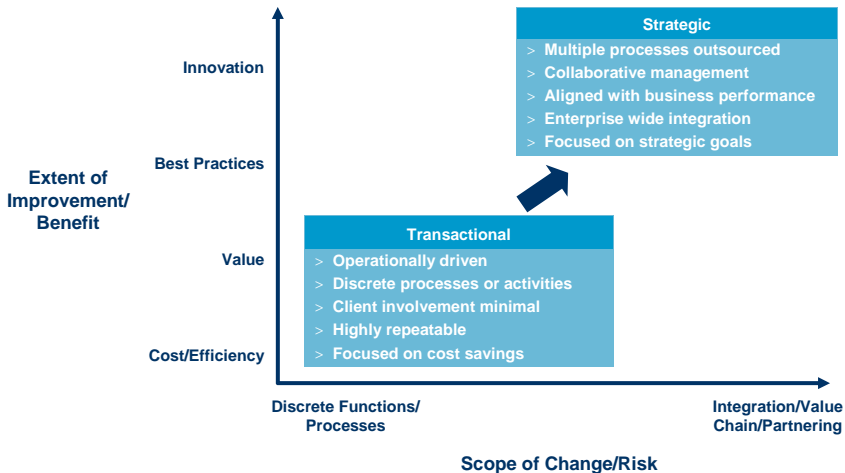
- > Support and drive managed services
- > New flagship technology release (Alesco 10)
- > Gain upgrade commitments from existing clients
- > Achieve strong success with the Supero and Consisto customer transitions
- > Improve client satisfaction (and consequently revenue) more holistically with cross selling
- > Encourage existing clients to convert to managed services and shared services models
- > Execute on the NZ Education and other major implementations on time and on budget
- > Improve infrastructure to support growing managed service and governance requirements
- > Implement integration between Talent2 technologies (Alesco, NPS and Southrock)
- > Maintain strong consultant utilisation
- > Recruit and retain staff

talent² *inside*

› passion › **innovation**
› affinity

talent²

HRO Evolution



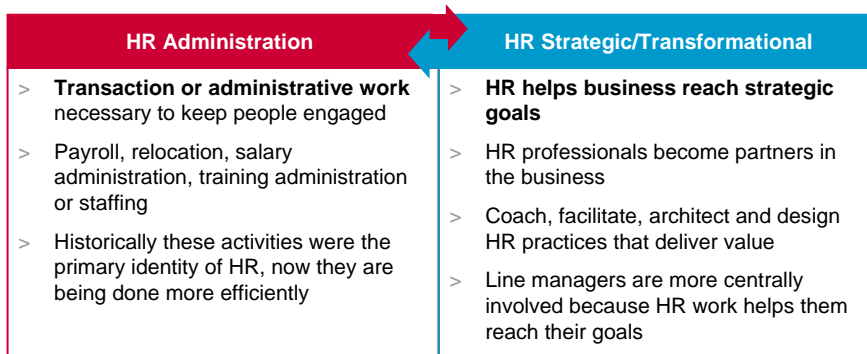
What the HR world is saying...

Q. What is the impact of the trend to outsource HR and to give HR responsibility back to the line management?

Source: AFR Boss, May 2005

What the HR world is saying...

A. HR is splitting into two distinct parts

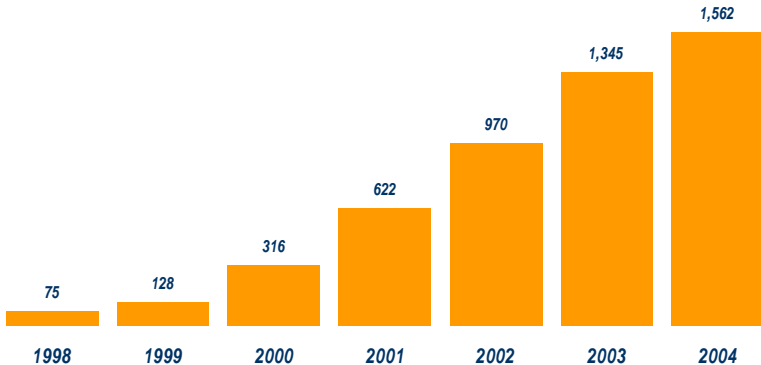


These activities can be done better, faster and cheaper through service centres, technology or outsourcing

Source: AFR Boss, May 2005

HRO Growing Worldwide

Annualised HR Spend (1998 – June 2004)
US\$ million

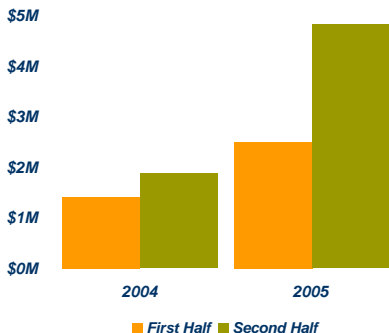


Source: Everest Research Institute September 2004

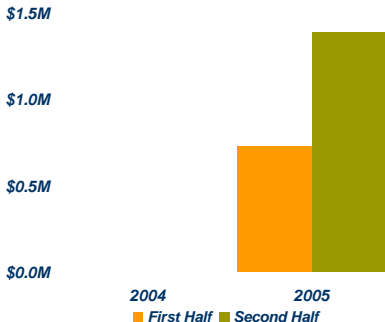
Talent2 Managed Services Results

Revenues

123.2% Growth on Last Year



Contribution*



*Contribution represents profits before allocation of corporate overheads. 2004 profit data not available.

Some of Our Clients



Unisys West



BABCOCK & BROWN



> passion > innovation
> affinity

*talent*²

Australian Pharmaceutical Industries

 priceline

 priceline pharmacy

 priceattack

 **House.**
where inspiration lives

 Soul Pattinson Chemist 
for every body & soul

 Pharmacist Advice 

 chemworld
CHEMIST

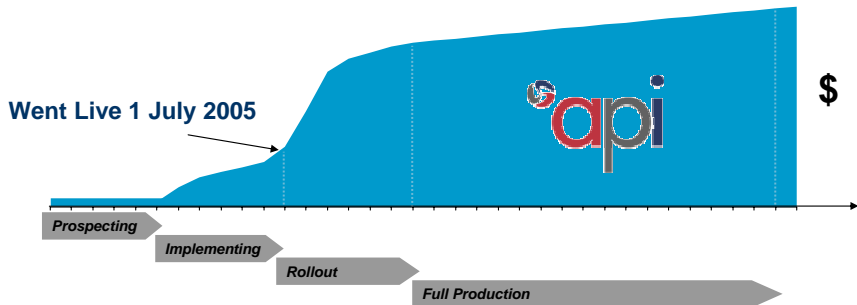
 health care
PHARMACY

 IPA
Independent Pharmacists
of Australia

> passion > innovation
> affinity

 talent²

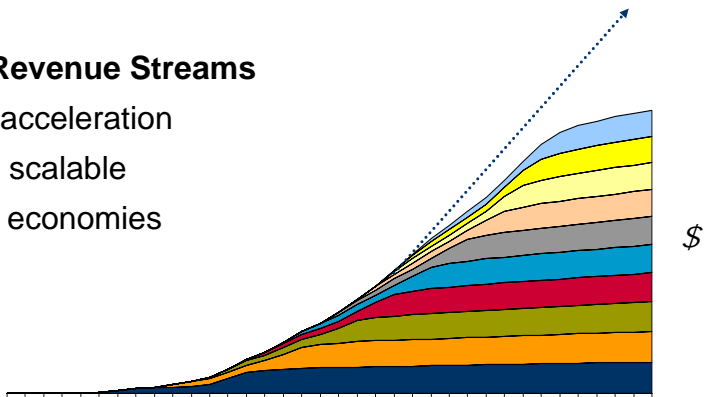
Managed Services Revenue Profile



Managed Services Profile – Strong Growth

Annuity Revenue Streams

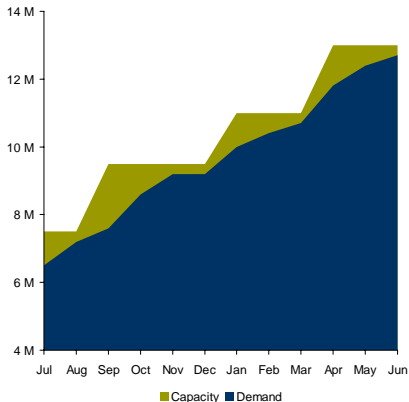
- > quick acceleration
- > highly scalable
- > better economies



Capacity Challenges

*Can we cope with an API type deal every month? **Yes!***

- > We already have
 - scalable HRIS technology
 - recruitment skills
 - training delivery mediums
 - implementation “know-how”
- > The larger we grow the easier it gets

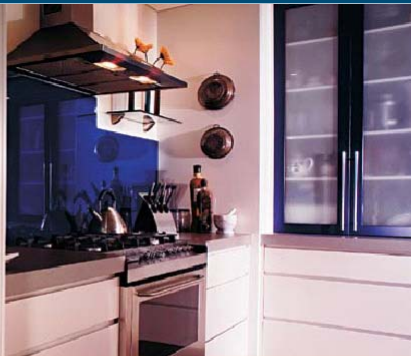
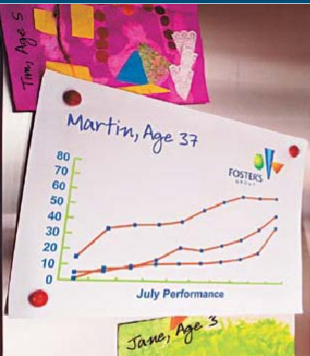


Case Study



Website Development

A Talent2 Inside partnership



Love your work

For a job that you'll love visit careers.fosters.com.au



> passion > **innovation**
> affinity

talent²

Prominent Positioning of Client Brand

(Pg 8 of AFR)

Corporate

Strategy Manager

- Global M&A Focus
- Direct Report to VP Group Strategy
- Attractive six-figure package

The Group Strategy department located in Foster's Melbourne Head Office is responsible for developing and executing corporate strategy including M&A, joint venture and alliance projects such as the recent acquisition of Southcorp.

Group strategy also plays an integral role in managing Foster's long-term planning process across the group as well as working with operational divisions to capture business development opportunities.

Reporting to the VP Group Strategy, you will play an integral role in the development and execution of Foster's corporate strategy. Your key focus will be on M&A, joint venture and alliance thought leadership, strategy, execution and capability development. Working within a high-performing team you possess the ability to network and influence senior management, gain stakeholder buy-in and manage complex major projects.

With a proven background in M&A for a top-tier investment bank, accounting/consulting firm or large corporate, your experience will span a range of merger, acquisition, divestment and finance raising transactions for public and private companies internationally.

(Ref: AFR176870)

Foster's Group is a global multi-beverage company marketing a broad portfolio of beer, wine, spirits, cider and non-alcohol beverages. Our products inspire global enjoyment and are enjoyed by consumers all over the world. Following the acquisition of Southcorp we are now the largest producer of premium wines in the world. Foster's iconic brands include VB, Crown Lager, Carlton Draught, Cascade, Penfolds, Wolf Blass, Lindernans, Rosemount and Cougar.

For more information please contact Matt Ivey on 03 9633 2955

Apply online at <http://careers.fosters.com.au>

A Talent2 Inside partnership

Treasury

Operations Manager

- Highly visible and pivotal role
- Direct report to VP Group Finance
- Attractive six-figure package

The Treasury Operations department located in Foster's Melbourne Head Office is responsible for managing the financial processes and systems that impact all business units globally.

The expansion of Foster's business through the recent acquisition of Southcorp will see significant requirement for new systems, processes and change management in Treasury Operations.

Reporting to the VP Group Finance, you will lead the Treasury Operations team to develop and deliver best practice middle and back office processes including accounting, reporting, FX forecasting, settlements and Treasury systems development. You will manage multiple internal and external stakeholders and liaise closely with the business units on their funding and capital requirements.

We are looking for an inspiring and energetic team manager with a proven track record in the Treasury team of a large corporate or financial institution. You will have a proven background in operating at a senior level, a strong desire for improvement and change, and the capability to deliver multiple complex projects.

(Ref: AFR176867)



Case Study: Foster's Beringer Blass Campaign

Radio and Press PR

Beringer Blass plan 120 new jobs

Winery expansion creates 110 jobs

Jobs commitment boosts valley

OVER 100 new staff will be put on at Beringer Blass before the end of the year, confirming the company's commitment to the region.

"We're in the region for the long haul," Alan Edward, Asia Pacific production director for Beringer Blass Wine Estates, said this week. He made the announcement on Tuesday, May 3, at a special meeting for stakeholders in the Barossa. Beringer Blass' commitment

to the Barossa was in the order of \$150 million, Mr Edward said, the combined value of the company's winery and packaging facility near Nuriootpa.

The packaging facility's first production line will start operating in early October this year, and a second line is scheduled to be operational in December.

Capable of churning out 20 million cases a year, initially the facility will handle seven million. Eventually all of Beringer Blass' bottling, packaging and distribution will be done through the plant.

Ninety people will be needed to start in late July-August,

with a further 30 new positions starting four to six weeks later. A spokesman for Beringer Blass said the company received 90 calls in the first two days after its announcement but encouraged people to keep on registering their interest in the positions. Most of the interest so far had come from the Barossa and Adelaide's northern suburbs, he said, but inquiries had also been made from Tasmania and Queensland.

Managers, team leaders and specialist roles make up around 30 per cent of the vacancies with the majority packaging, cellar and warehouse roles and a few jobs for maintenance tradespeople.

Interest in the positions can be registered online at www.careers.fosters.com.au or enquiries can be directed to Matt Ivey in Foster's Southbank office on (03) 9633 2955.

Meanwhile, Foster's interest in Southcorp has increased to 43.7 per cent, just short of the minimum acceptance requirement to control the company.

The first packaging line will begin operation in early October, following a 10-week installation and commissioning process. Line two will be operational from December.

"This dual-stage commissioning will see new employment for the facility staggered from July through to December 2005, with an initial 90 jobs commencing in late July-August and another 30 jobs following four to six weeks later with stage two," said Mr. Edward.

A number of managerial, specialist and supervisory roles will be advertised by Foster's in the next few weeks, but interested parties are encouraged to visit to register their interest.

As well as employment openings, the new facility will result in training opportunities.

Mr. Edward said Beringer Blass Wine Estates also hopes to develop a relationship with local schools to let students know what employment opportunities are available to them in the wine industry.

Despite reports the company will have trouble filling all the vacant positions, Mr. Edward has high hopes: a lot of the positions will be taken up by locals.

"While part of a large corporate structure, on the ground the Beringer Blass workforce has retained a supportive, family feel," he said.

"Many current employees started with Wolf Blass in the 1970s and have spent the majority of their working years with the company."

By Tony Robinson

as Wine Estates, Nuriootpa, intend additional people in a growth that led from July to December, 2005, Edward, Beringer Blass Wine Estates Director, Asia Pacific Trade, a group of key stakeholders to the Blass Visitor Centre, Nuriootpa. Right, Mr Edward provided information opportunities and investment the Barossa site.

out the company's plans with opening, employment, the environment the community in which the com-

the night. "We have invited this plain how we plan to employ 110- to increase our production to 20 most of which will be export. station has made a significant in-

vestment in the Barossa Valley through its Visitor Centre for a truly global brand and now we have started to build \$75 million state of the art packaging facilities.

"We are now one of the Barossa's largest employers.

Mr Edward spoke about the company's family feel atmosphere, saying he has been at the Nuriootpa site for six years and has found it a great place to work.

"It is a world class facility and has a genuine care for its employees.

"We even have people here who worked in Wolf's little shed. I think we can rightfully say we are the employer of choice," he remarked.

Mr Edward suggested the newly created positions will be for multi-skilled employees in both the winery and packaging. Recruitment advertising will commence late May and selection will start from mid June with the first intake of new employees starting from early August.



over displays promoting the expansion of Beringer Blass Wine Estates last re Mr Iva Shashava, Mayor of Light Regional Council, Mr Roy Blight, (R Development), Mr Alan Edward, Production Director, Asia Pacific Trade in Horn, Mayor of The Barossa Council.

Inside job

Big Australian companies are bringing outside recruiters in-house in the quest for high-performance staff.

Large organisations are forever looking to get better results from the expensive and risky task of recruiting. In the 1980s they started using external recruiters and HR consultants to help them find and retain the best people, and in the 1990s a lot of the corporate recruiting and HR functions became fully outsourced.

But this year they have moved another step along the lower-costs/better-results curve with arrangements that can be best described as insured partnerships with recruitment outsourcing firms. At places such as Foster's and ANZ, outsourced recruitment and HR service providers (Talent2 and AMS respectively) have moved into their clients' premises and blended into the HR machinery.

They have become part of management meetings, performance reviews and strategy sessions. It's a new level of service provision and one which, if it works, is likely to be widely adopted in large organisations.

Foster's started its partnership in April with Talent2

Inside, a firm created by veteran recruitment-HR duo Geoff Morgan and Andrew Banks. "Talent2 opened in December 2003," says Mark Condon, general manager of T2 Inside Victoria, "and it was always intended to eventually take on this kind of relationship. The idea is that we are on the inside looking out, looking for the same things that Foster's is looking for. We are the specialists in recruitment, but it's all about them."

There are not many analogies for this kind of relationship between client and provider, except perhaps in IT. T2 Inside's team of six is divided between the Melbourne and Sydney offices of Foster's. The team uses Foster's databases, offices and systems, and it adopts the Foster's culture. "We are totally aligned with Foster's, but Foster's gets a best-of-breed recruitment office in its organisation," says Condon.

He calls this talent acquisition management – the Americans call it recruitment process outsourcing. Whatever it's termed, he says the big difference is that the client can save money, get better outcomes and build



their own recruitment databases and best practice.

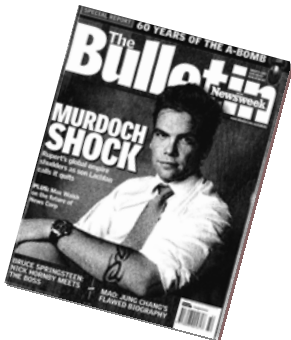
Sue Smith, director of human resources at Foster's, says the relationship with T2 is new for Australia and the brewer spent several months ensuring it was designed properly. "We kicked off in April but we'd been working through it since January."

Smith says the challenge was to have Foster's HR division focusing on a strategic approach to people issues while ensuring the recruitment was being done by experts. "There's two sides to it. You want your in-house HR people freed up to think about strategy, talent management, change management and organisational design. At the same time, you want the experts getting you access to the very best candidates for each role. What those objectives are being met. The partnership aims for a

25% reduction in recruiting costs for the year, and the efficiency should increase because Foster's is using the expertise it gains from T2 to build its own candidate databases – a system called Talent Bank. Talent acquisition cycles are already faster, the quality of candidates is making managers happy, and difficult-to-fill roles are being filled faster and more cheaply.

Smith says the outsource-insource contract had to be thought through because in T2, Foster's wanted the expertise of the external provider plus the "alignment" of the employee. Foster's not only put the whole recruitment function with its outsource partner, from job design and selection to interviewing and employer branding, but brought T2 inside the organisation.

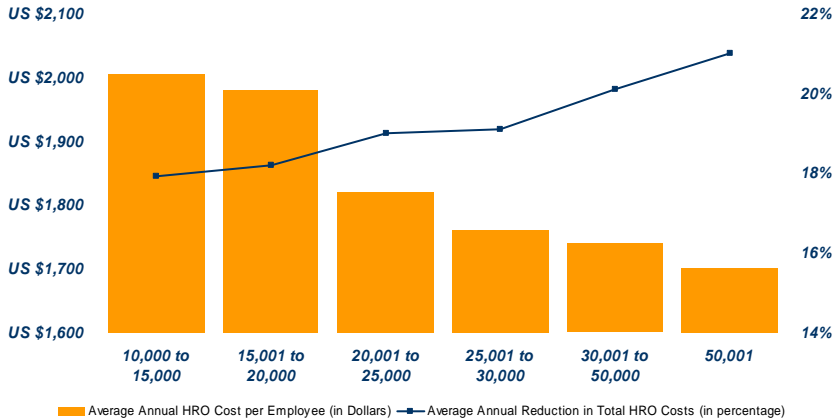
"They are part of the team," says Smith. "They're part of the fabric, part of the HR leadership team." – MARK ABERNETHY



"They're part of the fabric, part of the HR leadership team."

Cost Improvements

The larger the enterprise, the better the savings



Source: The Yankee Group, 2005

Competitors

talentpartners

talent²
people

talent²
consult

talent²
franchise

talent²
strategy

talent²
works

Short Term Labour Hire	Search	Recruitment	Human Resource Consulting	Human Capital Solutions	eLearning Solutions	Payroll Outsourcing Workforce Management	Affiliates
<ul style="list-style-type: none"> > Staffing and Short Term Labour Hire 	<ul style="list-style-type: none"> > Executive Search > BoardSearch 	<ul style="list-style-type: none"> > Executive Recruitment > Executive Contracting > Interim Management 	<ul style="list-style-type: none"> > Business Strategy Implementation > Research and Diagnostics > Leadership Development > Performance Management > Assessment > Restructuring 	<ul style="list-style-type: none"> > Talent Acquisition Management > HR Managed Services > Human Capital Management > Recruitment Projects > Exit Interviews > Employer Branding 	<ul style="list-style-type: none"> > Online Learning > Compliance management > eLearning Management > Performance Review 	<ul style="list-style-type: none"> > Payroll > HRIS > Workforce Management > Human Resources Management > Web Self-service 	<ul style="list-style-type: none"> > Stakeholder Perception Studies > Investor Relations > Strategic Communications > Global Recruitment > Technology (supplier neutral)



talent²



Key Competitors
Current Market Position



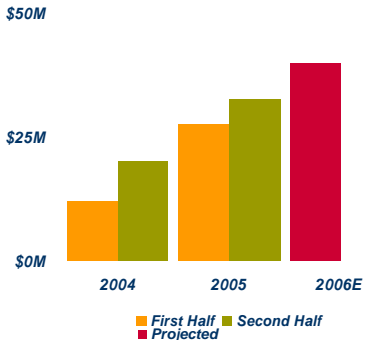
> passion > innovation
> affinity

talent²

2006 Half Year – the trend continues

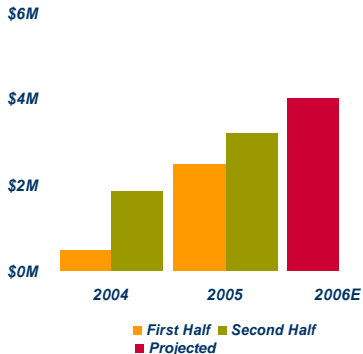
Revenues

First Half Estimate \$40+ million



EBITDA

First Half Estimate \$4+ million



Talent2's Vision



Today

Talent2
People

Talent2
Inside

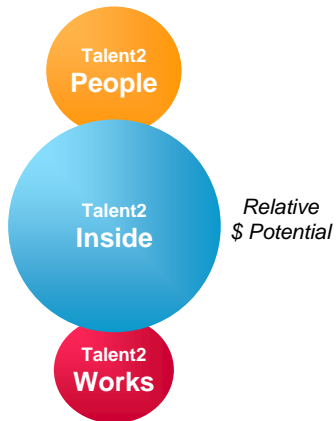
Talent2
Works

Relative
\$ Potential

Talent2's Vision



2008



The image features a large, stylized background graphic of the number '42' in a dark blue color. The '4' is on the left and the '2' is on the right. The background is a lighter blue with horizontal lines. In the center, the word 'talent' is written in a white, lowercase, sans-serif font, followed by a superscripted '2'.

***talent*²**

it's who you know