

9 August 2006



## Full-year result for the year ended 30 June 2006

### Revenue up 65% to \$99.56M with EBITDA up 68% to \$10.04M Strong Margin and Cash Flow

The Board of Talent2 International Limited is pleased to announce that the momentum continues for both revenue and profit growth in Australasia's largest integrated human resource solutions business.

Revenues increased by 65% to \$99.56 million for the 2006 financial year, up from \$60.34 million for the corresponding year. This growth curve reinforces Talent2's position as one of the fastest-growing companies in the services sector.

Even with this continued growth, the business was able to maintain margins of just over 10%, achieving earnings before interest, tax, depreciation and amortisation (EBITDA) of \$10.04 million for the full year, a 68% increase on the \$5.97 million EBITDA achieved in the previous year.

"The entire Talent2 team has to take credit for these results," said Talent2's managing director Andrew Banks. "More and more companies are appreciating that the Talent2 integrated offer is about competitive advantage for their respective businesses. This is evident in the strong growth in Talent2's revenues and EBITDA."

- The **Managed Services** business has expanded revenue over threefold to \$24.23 million for the year, with good strategic wins with major national and international companies, including several significant wins in Asia. While this growth is strong, the best is yet to come and the pipeline for Managed Services remains strong with the revenue build of previous deals starting to kick in.
- **Talent2 People**, the executive recruitment and search business, had another year of strong growth, increasing revenue by 60% to \$60.08 million with steady organic growth and solid contribution from offices in Hong Kong, Singapore, New Zealand and Dubai.
- Revenue for the technology arm of the **Talent2 Works** business came in at \$14.81 million, just ahead of budget. This was pleasing for the Works division given their additional excellent contribution to the Managed Services business.
- **Talent2 elearning and HR Consulting** established more traction and had some major new customer wins helping companies to optimize their productivity and development.

During the year, a few key strategic acquisitions were made. National Payroll Systems (NPS) a leading Australian payroll services business gave us broad exposure to the very important SME market adding to our recurring revenue model. Stonyer & Associates enhanced our executive recruitment offering in New Zealand.

Earnings before interest and tax (EBIT) for the full year were \$4.78 million, compared to \$3.96 million in the previous year. This result was generated after allowance for acquired intangible amortisation of \$2.86 million compared to \$0.38 million in the previous year.

"We are now five times larger than we were only three years ago, and we have achieved this growth with strong profits and positive cash flows. I congratulate all of our 500 plus staff members for their continued support in the vision of our company." Mr Banks said.

Strong cash flows allowed Talent2 to also pay a special dividend of 3 cents per share on 1 August 2006, and the company is also waiting on a pending tax ruling to return up to an additional 3 cents per share to its shareholders.

**For further information about this result and/or the InterPro acquisition, contact:**

Andrew Banks, managing director, Talent2  
Telephone – (02) 9087 6208  
e-mail – andrew.banks@talent2.com.au