

13 August 2007



Full-year result for the year ended 30 June 2007

Engines of growth deliver a very strong set of numbers

- **Revenue up 54% to \$153.4m**
- **EBITDA up 56% to \$15.7m**
- **Adjusted EPS (pre amortisation) up 49% to 7.6c**
- **Commencement of regular dividend with 3.5c dividend**

The Board of Talent2 International Limited is pleased to announce an exceptionally strong annual result evidenced by all key financial measures delivering strong year on year growth. The results reflect the business' ability to continue to grow rapidly whilst generating strong cash flows, and maintaining healthy profit margins.

Revenues for the 2007 year increased by 54% to \$153.4m, up from \$99.6m in the previous year. Margins were maintained at just over 10%, delivering an EBITDA of \$15.7m, up 56% year on year. Strong cash generation continued to underpin the company's growth with operating cash flow up 52% year on year to \$13.3m.

"I am delighted that our engines of growth continue to drive financially rewarding outcomes for our shareholders" said Talent2's Managing Director, Andrew Banks. "Even more pleasing is the growth has been mostly organic, and is being led by our Managed Services business, which is the business' annuity income stream."

- The **Managed Services** business grew by 78% on the previous year to \$43.2m. This outstanding result was underwritten by significant new business from major national and international companies both in the domestic and Asian markets.
- **Talent2 People**, the core executive recruitment and search business, continued to deliver strong growth with revenue up 55% to \$94.0m, reflecting steady organic growth and good contributions from new offices in Shanghai, Malaysia and London.
- **Talent2 Works**, the company's technology arm, contributed revenue of \$17.4m up 13% year on year, and continued to make an excellent contribution to the Managed Services business.
- **Talent2 eLearning and HR Consulting** continues to acquire significant new customer wins, and is establishing itself as a preferred partner to companies wishing to optimise their productivity and development.

Reflecting its confidence in the future of the company, and its current strong cash resources, Talent2 will commence paying regular dividends. The company's dividend policy will be to distribute between 50% and 70% of its after tax profits.

In line with this policy the company has declared a final unfranked 3.5 cents per share dividend payable on 10 September 2007. This follows a return of capital of 3 cents per share on 15 November 2006 and a special partially franked dividend of 3 cents per share on 1 August 2006.

“Our new dividend distribution policy will be accompanied by continued growth” said Mr. Banks. “The company expects to grow very strongly over the next three years, both organically and through acquisition, and because we are emerging from the “foundation stage” of our business model, fast growth can now be achieved together with strong cash flow generation.”

Growth over the previous year was driven principally by organic growth. Talent2 also made a number of strategic acquisitions including BizEd, a recognised leader in outsourced learning services and Australasian Talent Company, a staffing solutions company based in the United Kingdom. These acquisitions contributed 5.5% of the group’s revenue in the year to 30 June 2007.

“We hear much about the war for talent in these times of tight labour markets” said Mr. Banks, “Yet despite this, Talent2 continues to retain and attract talented and passionate people. It is no surprise to me that with such a strong culture and with great people we have delivered a wonderful full year result. I have great confidence we will continue to build our business in line with our plans and objectives.”

About Talent2

Talent2 is the leading HR solutions and managed services company in the Asia Pacific Region, providing HR solutions, recruitment services—both outsourced and in-sourced—and innovative and effective talent management services. The experienced **Talent2** team delivers proven results and consistent, dependable outcomes in all aspects of providing talent management to private and public sector organisations of all sizes.

HR outsourcing (or HRO) is the fastest-growing outsourcing market and Talent2 is a confirmed leader in the provision of innovative and effective HRO solutions for talent management in the Asia Pacific region.

For further information, please contact:

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