



Talent2 – Results Announcement

Revenue	\$242.6m, up 6%
Gross Profit	\$156.5m, up 3%
EBITDA	\$19.8m, up 87%

The directors of Talent2 International Limited (ASX: TWO) today reported the Company's results for the year ended 30 June 2010.

The Company reported the following, compared to the previous financial year:

Revenue	\$242.6m, up 6%
Gross Profit	\$156.5m, up 3%
EBITDA	\$19.8m, up 87%
Profit after Tax	\$5.8m, compared to a loss of \$7.6m after impairment
EPS	4.36 cents, compared to a loss of 6.00 cents after impairment
Dividend	4 cents (fully franked)
Cash on hand	\$24.0m, up \$3.0m
Debt	\$32.4, up \$15.7m

"We are pleased to report the anticipated improvement on last year's result, following a return to slowly normalising trading patterns in most markets in which we operate" said Andrew Banks, Talent2's Managing Director. Our recruitment businesses contributed strongly to this result as did our recruitment process outsourcing (RPO) business" Banks added.

"This result was clearly an improvement on last year but was by no means easily earned" Banks continued. "The year started with a more modest bounce than normal post downturns and whilst the recruiting businesses in Asia and Australia improved steadily as the months progressed, there were periods of bumpy and slow growth".

"The rare event of a GFC has taught us that you can't take a company growing at 50% a year, then throw on the brakes and expect it to rebound instantly to normal growth patterns. However, the last quarter and some recent client wins are encouraging signs that growth is gathering pace!" Banks said. "The really good news is the fact that as we go into only our seventh year of existence as a relatively new company and business model, **we are heading for a record year in revenue and profitability based on the forward looking indicators** felt strongly in the last quarter around a resumption of fast growth in managed services, together with a very pleasing start to the integration and performance of our new acquisitions.

With the recruiting business showing no signs of slowing either this will be a watershed year, as for the first time virtually all business units will contribute to growth and margin improvement".



"In the acquisition of Zapper and Sugar, we completed two of the most significant acquisitions in the company's history" Banks noted. "Zapper has strengthened our position as a leading provider of HR and Payroll services in the Asia Pacific Region, and Sugar has added vocational training to our product offering. Whilst it is still early, we are already seeing referrals across our client base benefiting both Zapper and Sugar."

The Company reported profit after tax of \$5.8m and generated operating cash of \$10.0m in the year. The cash position remains strong with \$24.1m in the bank at 30 June 2010, and debt at \$32.4m. Net debt is \$8.3m. Debt is held in a number of currencies, reflecting the revenue sources servicing the debt, and includes debt drawn for the acquisition of Zapper and Sugar during the year. The Company remains comfortably within its banking covenants and plans to reduce the debt level over the course of the year.

Basic earnings per share increased to 4.36c from a loss of 6.00c in 2009. Adjusted earnings per share (after allowing for the tax affected amortisation of intangibles arising from business acquisitions, and the impairment charge in the previous financial year) increased by 257% to 6.08c, from 1.70c.

The Board has declared a **fully franked dividend of 4 cents in respect of the 2010** financial year, reflecting its confidence in the strength of the recovery and the Company's cash flows.

About Talent2

Around the world companies seeking competitive advantage are outsourcing their human resources (HR) requirements. To meet the increasing demand, Talent2 has strengthened its position as Asia Pacific's first end-to-end human resources outsourcing (HRO) business.

Talent2 is leading the region in executive recruitment, HR business process outsourcing and technology. It is focused on providing integrated HR solutions that are innovative and effective. Talent2 helps its clients to 'Acquire, Manage and Optimise' their talent so that they can focus on growing their businesses.

Talent2 has offices across Australia, Bahrain, China, Hong Kong, Singapore, India, Japan, Malaysia, Taiwan, Thailand, Vietnam, Philippines, New Zealand, Oman, Papua New Guinea, Qatar, the UAE, and the UK to serve its extensive client base of blue-chip multi-nationals and public sector organisations.

For further information, please contact:

Andrew Banks, Managing Director, Talent2
Telephone: +61 2 9087 6208
e-mail: andrew.banks@talent2.com

John Rawlinson, CEO, Talent2
Telephone – +61 3 9918 0919
e-mail: john.rawlinson@talent2.com