

Talent2 Half Year Results – 31 December 2004

“If I have seen further, it is by standing upon the shoulders of giants.”

Sir Isaac Newton



Agenda

- > What we do
- > Guidance and our Results to date
- > Growth of Managed Services
- > The Big Picture
- > Talent2's Vision - 2008

What we do



talentpartners

Recruitment
Executive
Recruitment
Executive Search

talent²
people

**Human
Resources Outsourcing
(Managed Services)**
> Talent Acquisition
> Payroll and Administration
> Workforce Management
> Performance and Development

talent²
inside

HR Information & Payroll Systems
> Software
> Consulting
> Support
> R&D

talent²
works

> passion > innovation
> affinity

talent²

Our Guidance

- > Build a foundation for an HRO business
- > Deliver 50% - 100% Revenue Growth
- > Grow with Profit (10% EBITDA)
- > Cash flow positive

Half Year **headline results**

>	Total Revenues	\$27.5 million
>	EBITDA	\$ 2.5 million
>	Earnings before tax	\$ 1.7 million
>	Earnings after tax	\$ 3.7 million
>	EPS	3.95 cents
>	EPS (before FITB* adj.)	1.80 cents
	*Future Income Tax Benefit adjustment recognising historical tax losses as an asset	
>	Cash on hand	\$ 5.6 million

Half Year **achievements**

- > Strong financial performance
- > Launch of Inside division with six new managed service clients
- > Expanded into Canberra with H&S acquisition
- > Expanded recruitment into Perth
- > Launch of Talent Partners for senior executive recruitment

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inside

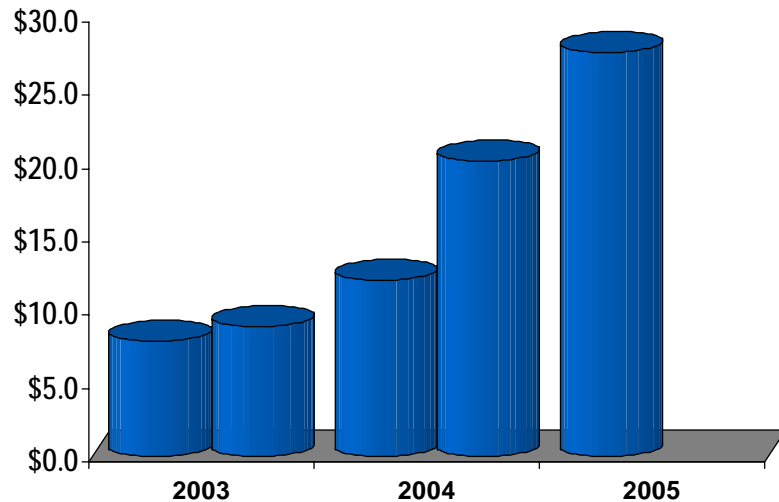
talent²
people

talent²
works

Half Year trends are strong

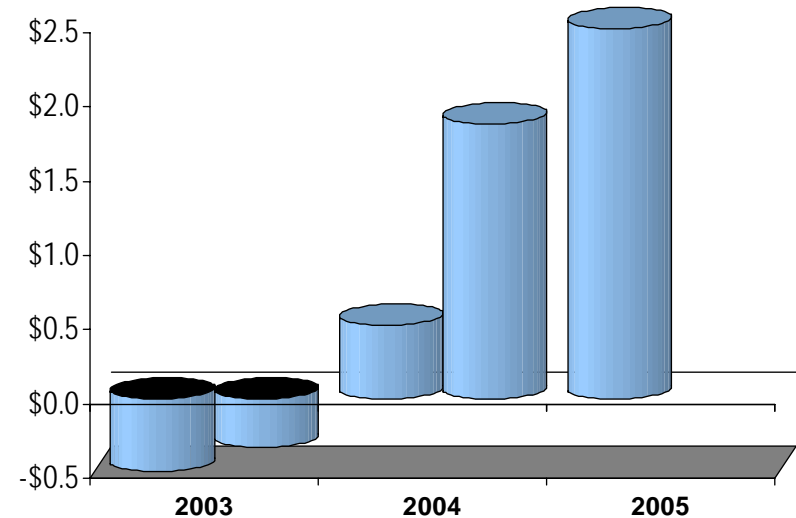
Revenues

36.7% growth on prev. half
129 % growth on last year



EBITDA

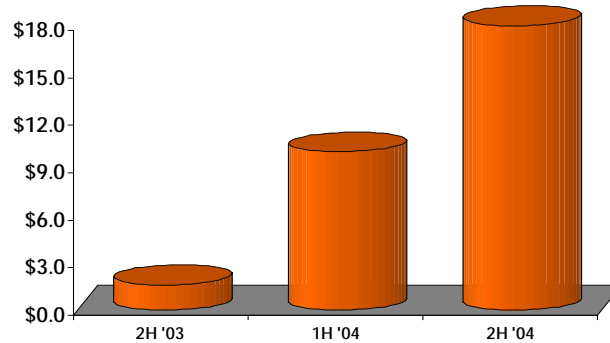
34.5% growth on prev. half
400 % growth on last year



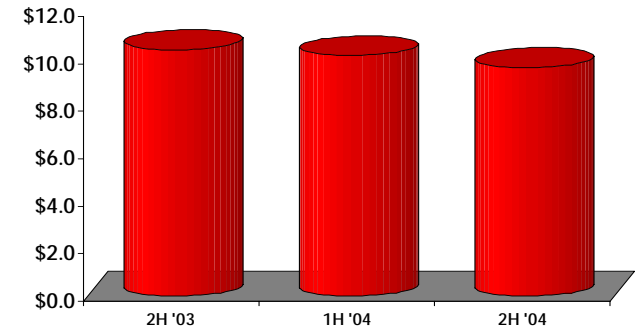
Divisional Results for the half year

Revenue

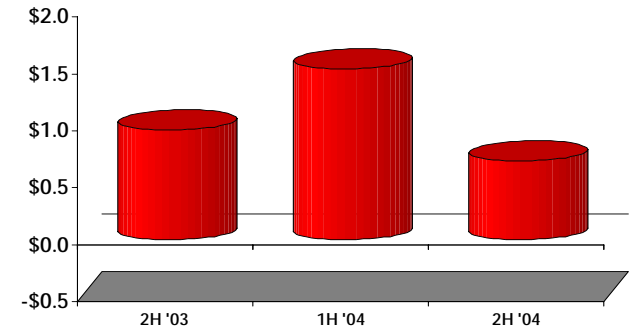
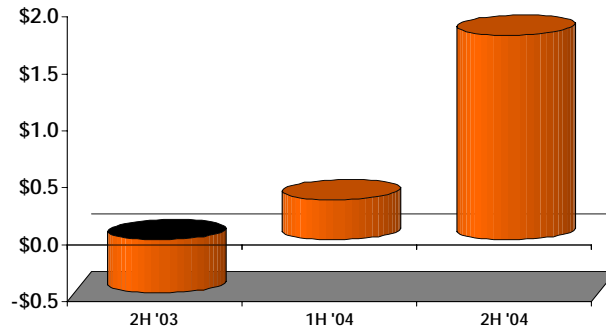
Recruitment (People)



Technology (Works)



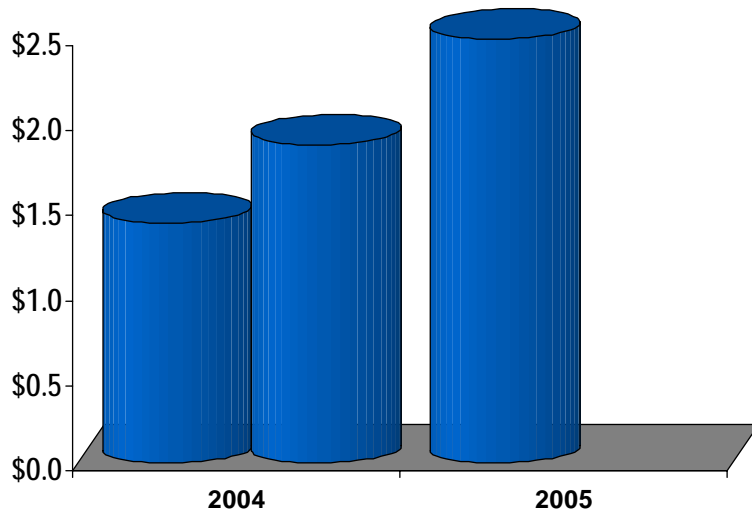
EBITDA



Managed Services results

Revenues

76.5 % growth on last year

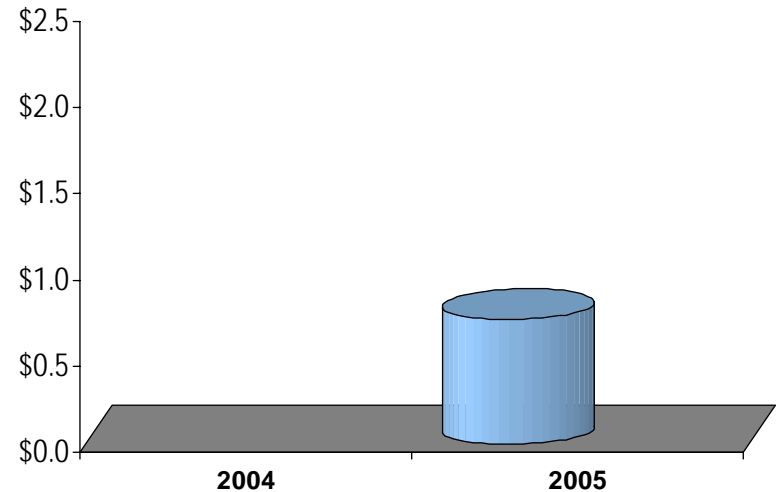


**Contribution represents profits before allocation of corporate overheads. 2003/4 Data not available.*

- > New business locked in
- > Proposals out there

Contribution*

29% on Revenue in 1st half



\$6 - \$7 million

\$40 million

Existing Talent2 Clients



> passion > innovation
> affinity

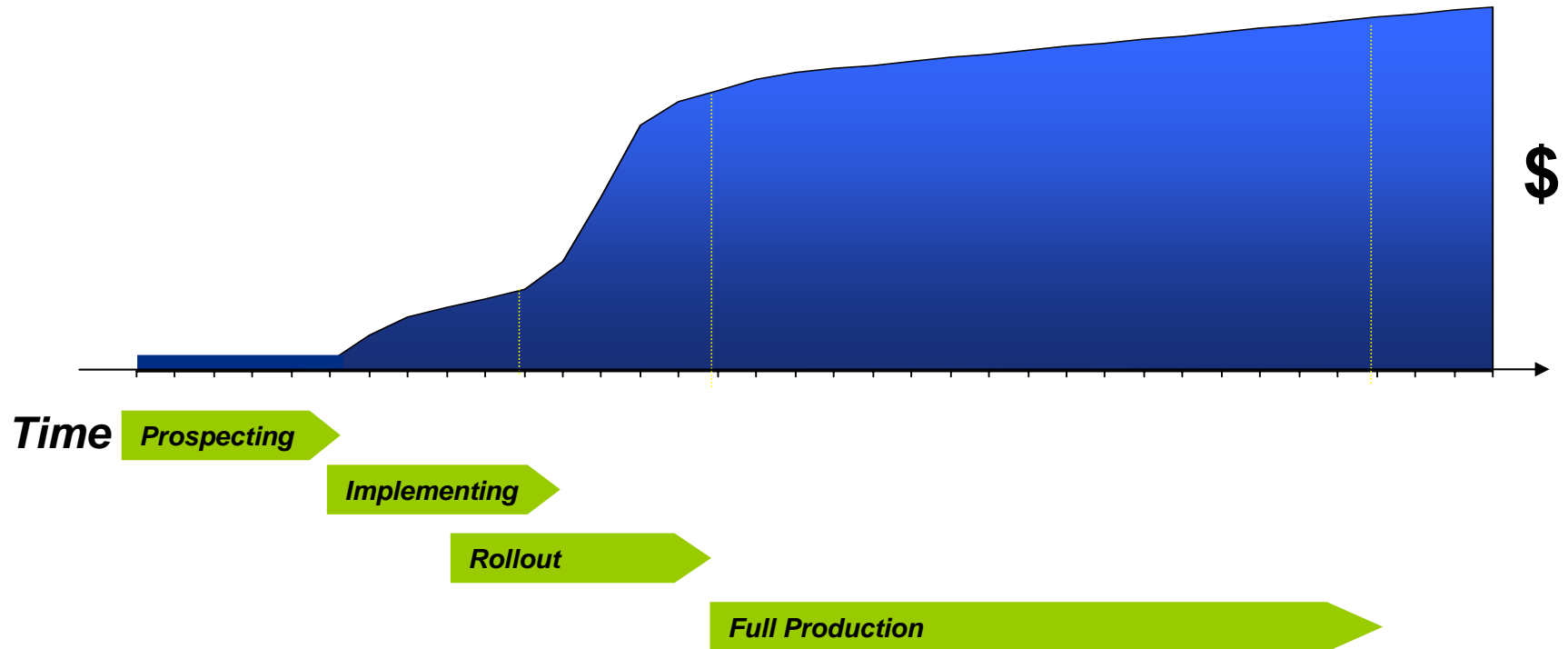
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Growth of Managed Services

Recent Successes:

- >  Payroll Managed Services
- >  Exit Interviews
- >  Talent Acquisition Services

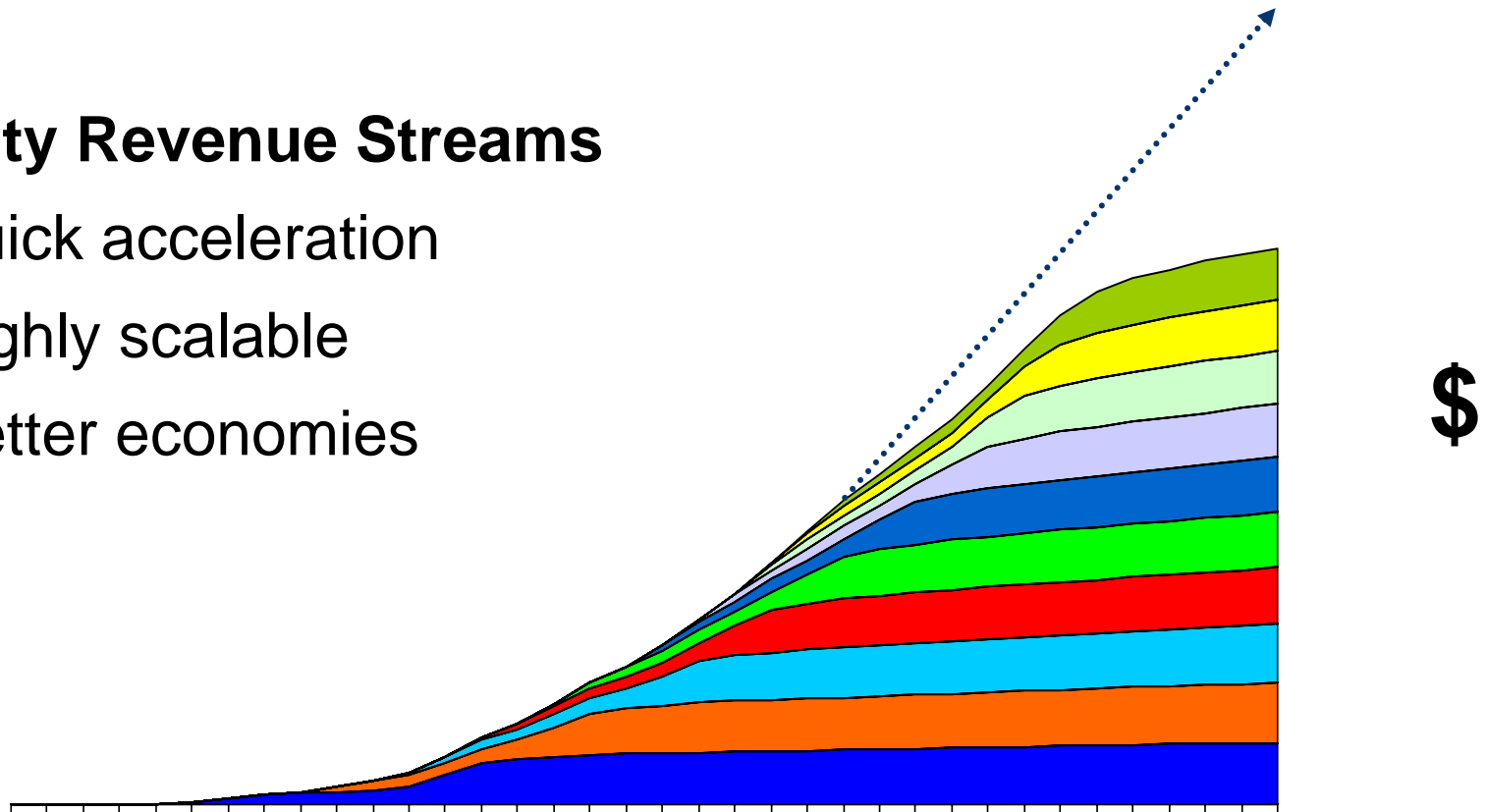
Managed Services profile – slow start



Managed Services profile – strong growth

Annuity Revenue Streams

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



Human Capital Competitors

								Talent2 Affiliates (Supplier Neutral)
Recruitment > Staffing and Short Term Labour Hire	Recruitment > Search and Selection	Recruitment > Executive Search > Senior Level Executives	Talent Acquisition > Managed Services and Outsourcing	HR Consulting > Tools and Consulting	HR Process Transformation > HRO and BPO	Payroll Outsourcing	Payroll and Workforce Management > Software Licences	Recruitment Technology Partners

Key Competitors

Current Market Position

> passion > innovation
 > affinity

Next steps for Talent2

- > **Organic growth**
 - > Expand recruitment & payroll base
- > **Geographic expansion into Asia**
 - > Small acquisitions with client bases in Singapore, Malaysia, China, India, Japan
- > **Expand Talent2's product offerings**
 - > eLearning
 - > Global Joint Venture partnerships

Main Drivers of Human Capital

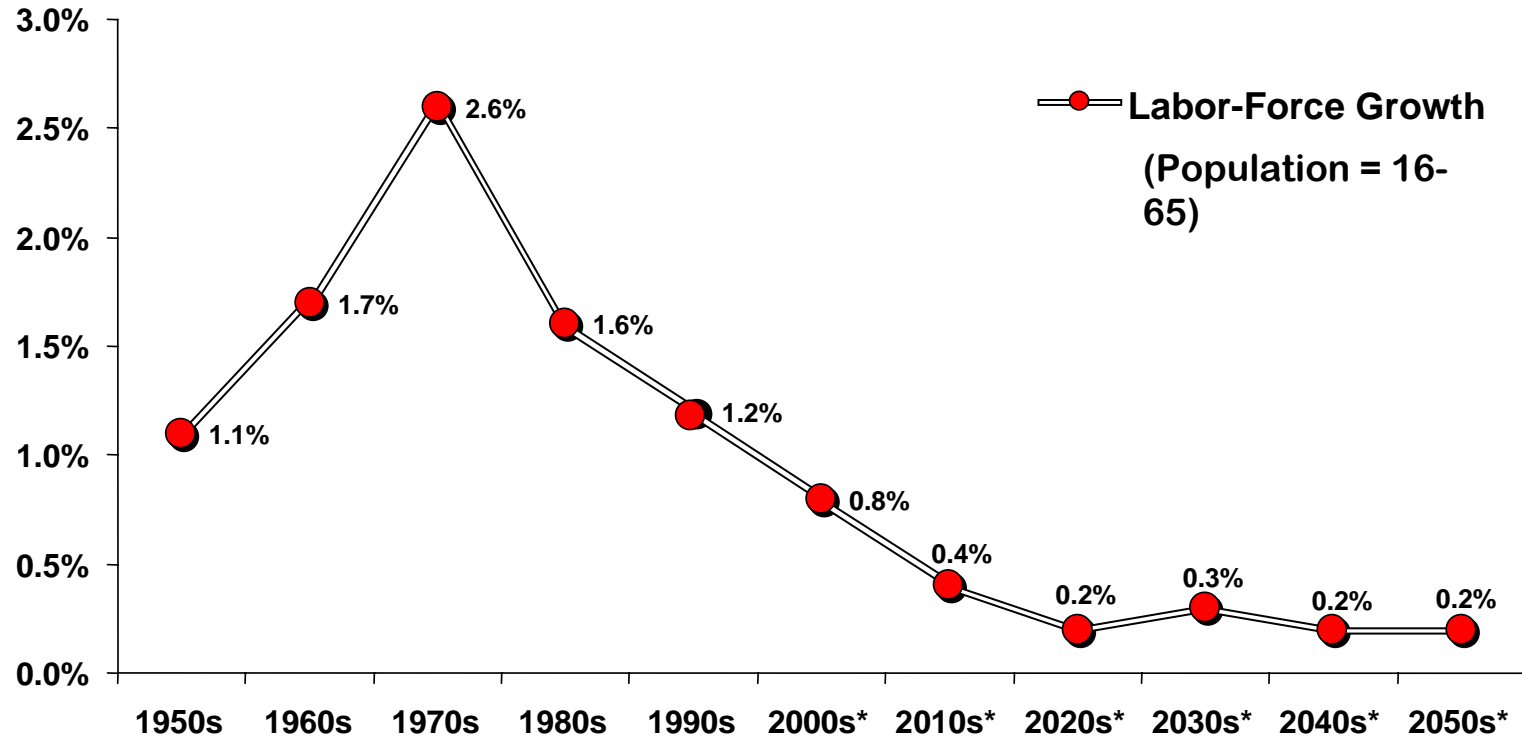


“ On average, organisations spend 36% of their revenues on human capital expenses. ”

The Corporate Leadership Council

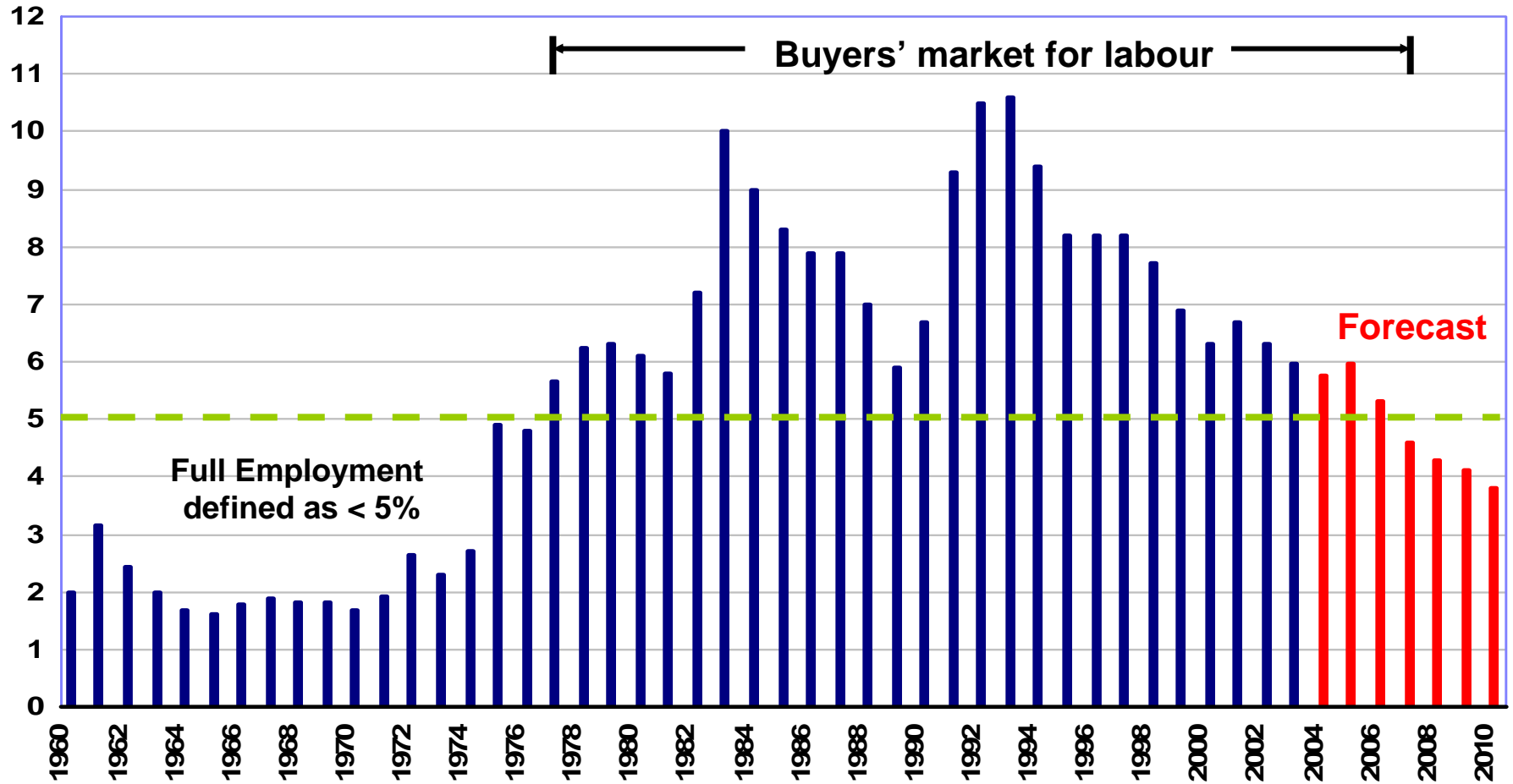
Labour-Force growth will slow to a crawl

Compound Annual Labour-Force Growth, Per Decade

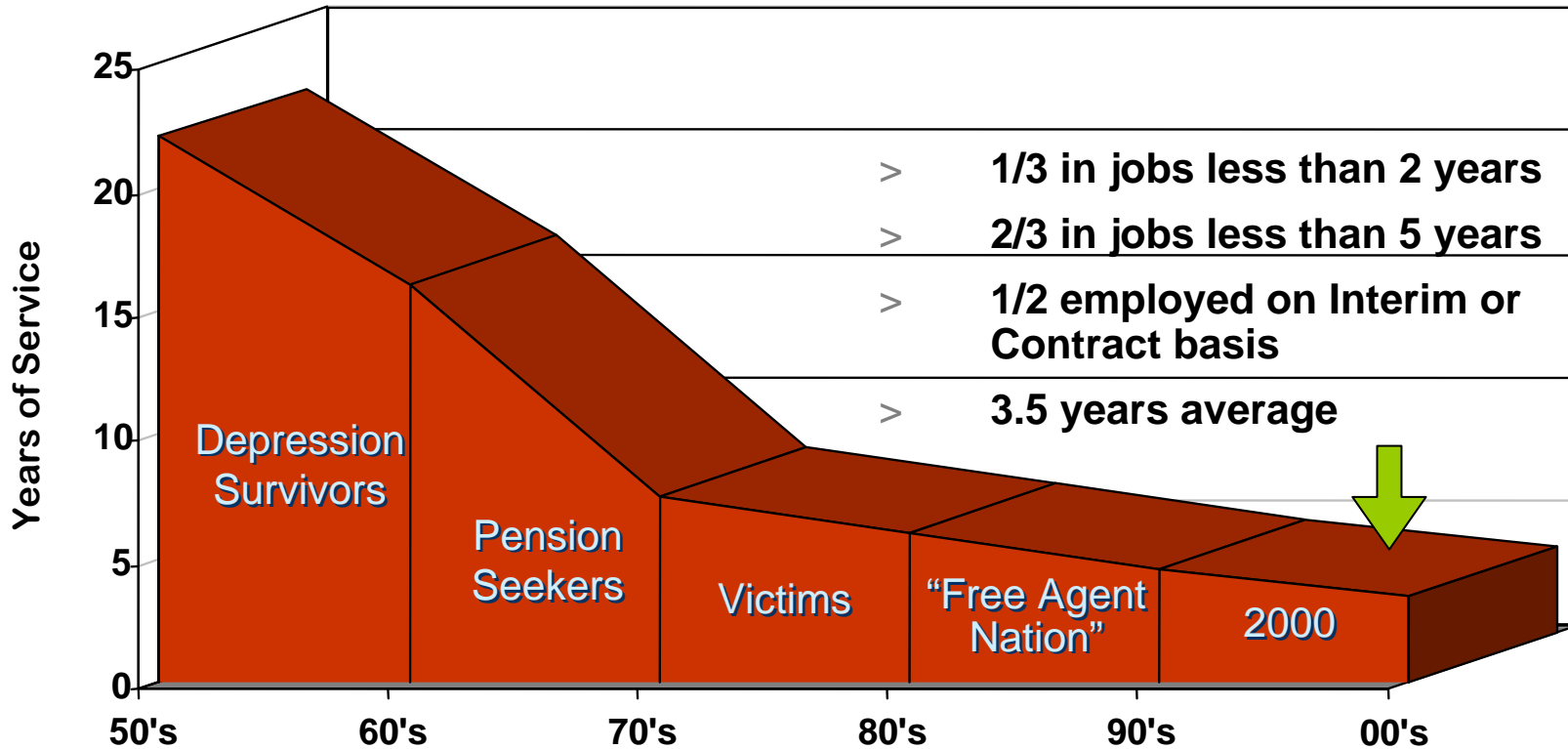


Data: Watson Wyatt Worldwide

Unemployment in Australia



Declining employee tenure



Source: US Department of Labor (BLS) Employee Tenure Surveys, 1995-2000

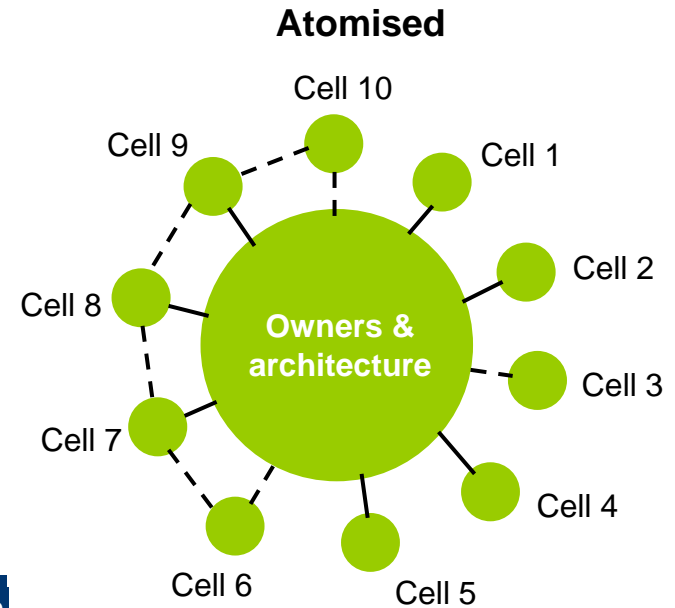
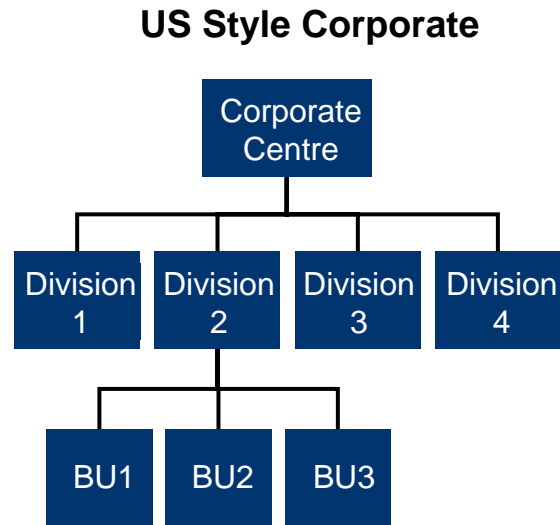
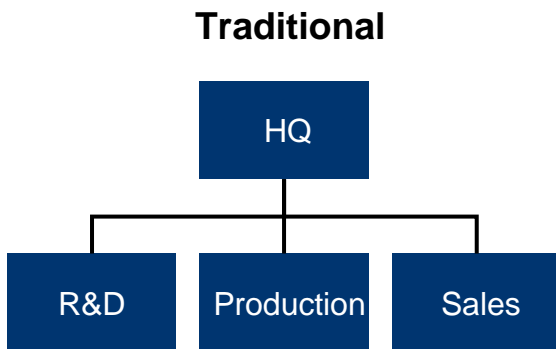
They're on the move ... there's fewer of them ... and loyalty is out!

> passion > innovation
> affinity

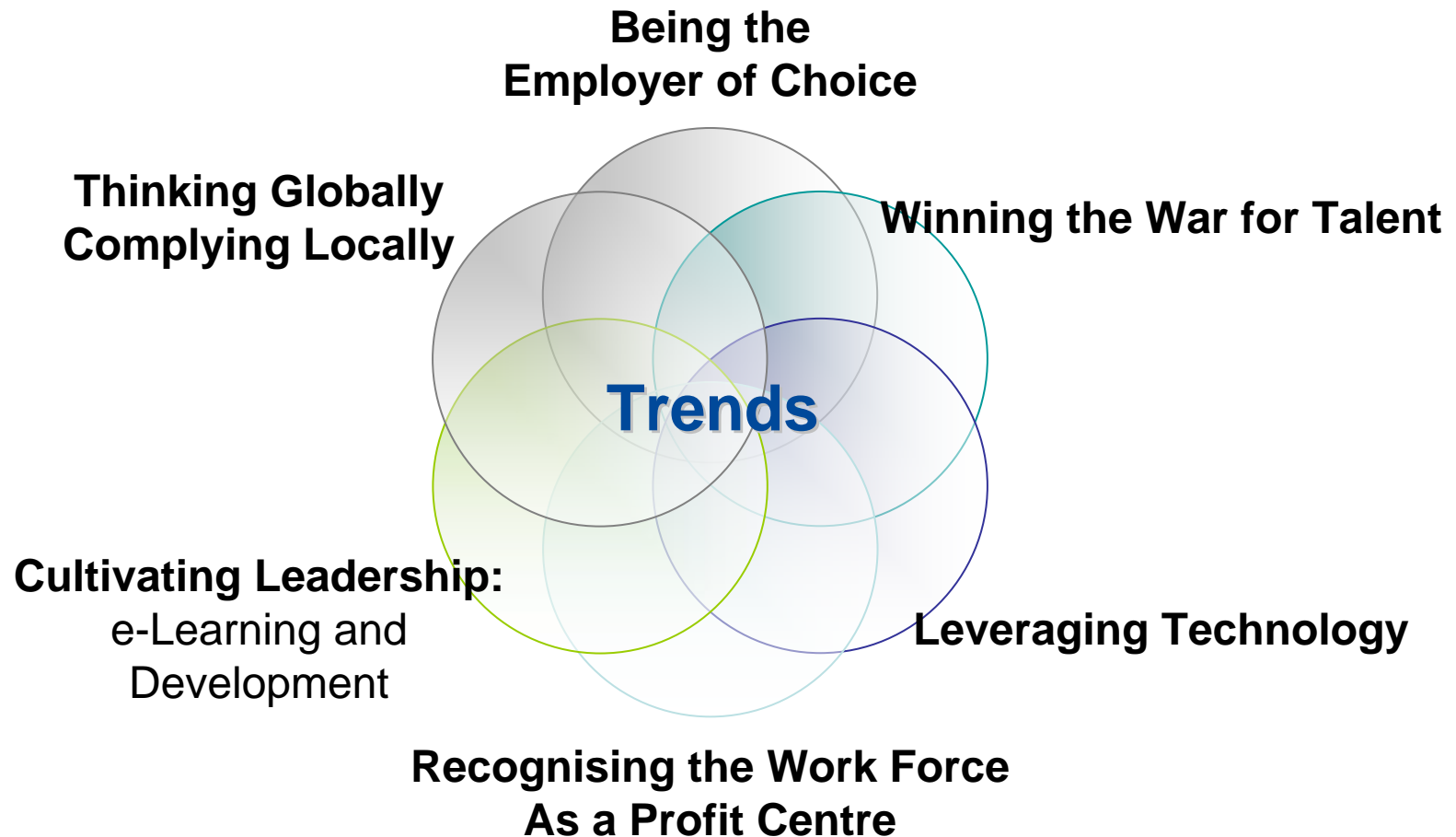
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Organisational Structures are changing

Change



Human capital management trends



Talent2's Vision

TODAY



Talent2 PEOPLE

Talent2 INSIDE

Talent2 WORKS

Relative \$ Potential

> passion > innovation
> affinity

talent2

Talent2's Vision

2008



Relative \$ Potential

> passion > innovation
> affinity

talent2

Overseas HR Outsourcing Companies

> Hewitt / Exult (HEW)

> Revenue	US\$ 2.3B		
> Market Cap	US\$ 3.7B	P E	24.4 x

> Ceridian (CEN)

> Revenue	US\$ 1.3B		
> Market Cap	US\$ 2.6B	P E	33.4 x

> Gevity (GVHR)

> Revenue	US\$ 551M		
> Market Cap	US\$ 477M	P E	31.0 x

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