



**“Record result - Talent2’s strong growth momentum continues”
for the six months ended 31 December 2007**

The Board of Talent2 International Limited (TWO) is delighted to announce a **record result** for the six months ended 31 December 2007, with Revenue up 66% to \$107.4 million (from \$64.8 million at Dec 2006) and earnings before interest, tax, depreciation and amortisation (EBITDA) up 39% to \$9.0 million (from \$6.5 million at Dec 2006). The company continues to grow and expand to help customers leverage their scarce resources to **acquire, manage and optimise talent** to drive their own shareholder’s value.

Talent2 continues to invest in the future of the business on all fronts. We have initiated a new executive retention scheme ensuring shareholders benefit from the investment we are making in the future leaders of Talent2. We have continued to grow our geographic footprint in Asia Pacific and the Middle East with benefits to flow through to the bottom line in the second half of FY 08.

“This is a very strong result,” said Managing Director Andrew Banks, “particularly in view of what is happening around us. We maintained our enviable growth momentum in this first half, while investing significantly in our own growth and future leaders. The underlying EBITDA margin would have been even higher but for investments in a new executive retention scheme, start-up costs for London and Japan, and technology and infrastructure investments in Asia Pacific.”

“All segments of the business reported strong growth rates:”

- Revenue from the Managed Services Business increased 95% to \$34.7 million for the six months ended 31 December 2007, as compared to \$17.8 million for the six months ended 31 December 2006. Several high-profile multinational client wins will secure more recurring revenue growth in the second half of this financial year.
- Revenue from the Recruitment Services Business increased 68% to \$63.9 million for the six months ended 31 December 2007, as compared to \$38.1 million for the six months ended 31 December 2006. During this period and for the third successive year, Talent2 was named as the FEMA (Fairfax Employment Marketing Awards) executive recruitment firm of the year.
- Revenue from the Technology Services Business increased 7% to \$9.6 million for the six months ended 31 December 2007, as compared to \$9.0 million for the six months ended 31 December 2006, with some significant new wins in a maturing market.

“We have always maintained we are a growth business and we remain optimistic about our current trends with an increasing EBITDA margin in the second half as first half growth initiatives take hold. This trend is a continuation of the business’ history with investments in the first half of the financial year benefiting the second half. This trend, is reinforced by our clients in Asia telling us that headcount numbers are continuing to expand, including in the financial services sector where global investment banks are relying on Asia to contribute more to their global growth. Any slowing of economic growth, should it occur, also brings with it increased candidate flow which helps our recruitment business as well as making HRO cost saving efficiencies more receptive to companies bathing in benign economic conditions.”



Financial highlights in the six months ended 31 December:

- **Revenues** increased by 66% to \$107 million, up from \$65 million in the previous year.
- **EBITDA** increased by 39% to \$9.0 million, up from \$6.5 million in the previous year.
- **Net profit after tax** attributable to shareholders increased by 59% to \$4.2 million, up from \$2.6 million in the previous year.
- **Operating cash flows** decreased to \$4.5 million from \$6.1 million in the previous year, but included significant tax payments and operational investment costs not incurred the year before.
- **EPS** increased by 55% to 3.44c. This includes the amortisation of acquired intangible assets. When this amortisation is added back, normalised EPS rose 43% from 3.11c to 4.46c.
- Secured a \$30 million banking debt facility to be used for acquisitions and growth.

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.

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