



## Talent2 – On the Rebound

The directors of Talent2 International Ltd [ASX: TWO] today reported the Company's results for the six months to 31 December 2009. The Company reported the following, compared to the previous corresponding period:

- > **Revenues** decreased by 15% to \$108.9 million, down from \$128.0 million.
- > **EBITDA** increased by 6% to \$8.1 million, up from \$7.6 million.
- > **Profit after tax** increased to \$1.9 million, up from \$0.2 million.
- > **Basic EPS** increased to 1.46 cents, from 0.19 cents.

"Given the tumultuous trading events of the last 12 months, we are pleased to report an improvement in profitability compared to the six months to December 2008." advised Andrew Banks, Talent2's Managing Director. "The improvement, on reduced revenue levels, demonstrates that the cost base reductions made in the last financial year right-sized the business in line with economic conditions at the time. We are now back to building the business to take advantage of improving conditions, whilst actively tracking future demand indicators."

### Managed Services Division

- > **Revenue** down 3% to \$59.3m
- > **EBITDA** down 8% to \$6.1m

"Our Managed Services division performed well last year as it had more momentum and sustainable cash flows than our transactional service lines," said Banks, "but the global financial crisis caused an 'air pocket' in decision making as clients focused on more tactical decisions as opposed to strategic, which is reflected in the division's performance for the last six months. The focus has now reverted back, with clients looking to adapt their business models to current market conditions and outsource to access improved processes at a reduced cost."

"We are increasing our sales and distribution capabilities through the acquisitions of Zapper and Sugar, as well as broadening our product offering and geographic reach in the Asia Pacific region", Banks said.



### **Recruitment Division**

- **Revenue** down 25% to \$50.5m
- **EBITDA** up 113% to \$2.0m

“Following the restructuring of the recruitment division and significant reduction of the cost base, the return to more normal trading conditions saw a doubling of EBITDA in the six months to December 2009,” said Banks.

“Confidence in the market for permanent recruitment is returning in all the regions in which we operate, albeit at different speeds. We are now adding to our capacity again in growth markets to ensure we increase both our market share and profitability as the market improves,” Banks added.

“Our balance sheet remains strong with cash and cash equivalents at 31 December 2009 totalling \$16.7m and borrowings \$9.3m,” Banks said. “During the period, we retired \$6.4m in loans as we became confident in predicting future cash requirements. For the half, our operating cash flows dropped primarily as a consequence of reduced revenue levels.”

Basic earnings per share (EPS) increased to 1.46 cents, from 0.19 cents, and adjusted EPS (after allowing for the tax affected amortisation of intangibles arising from business acquisitions and the impairment charge in the previous corresponding period) decreased from 2.72 cents to 2.65 cents.

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### **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, India, Japan, Malaysia, New Zealand, Oman, Papua New Guinea, Qatar, Singapore, Taiwan, the UAE, the UK and the US to serve its extensive client base of blue-chip multi-nationals and public sector organisations.