

talent² ON THE REBOUND

Talent2 International Limited FY2010 Half Year Results



Half Year Results

	FY 2010 First Half (m)	FY 2009 First Half (m)	Growth
Revenue	\$108.9	\$128.0	(15%)
Gross profit (NDR)	\$71.9	\$82.9	(13%)
EBITDA	\$8.1	\$7.6	6%
Return on NDR	11.3%	9.2%	
Reported earnings after tax	\$1.9	\$0.23	692%
Reported EPS	1.46c	0.19c	679%
Adjusted earnings after tax*	\$3.37	\$3.39	(1%)
Adjusted EPS*	2.65c	2.72c	(2%)

* Adjusted for impairment and the amortisation of acquired intangibles under AIFRS

Half Year Results

	FY 2010 First Half (m)	FY 2009 Second Half (m)	Growth
Revenue	\$108.9	\$100.8	8%
Gross profit (NDR)	\$71.9	\$68.5	5%
EBITDA	\$8.1	\$3.0	173%
Return on NDR	11.3%	4.3%	
Reported earnings after tax	\$1.9	(\$7.8)	
Reported EPS	1.46c	(6.19c)	
Adjusted earnings after tax*	\$3.37	(\$1.3)	
Adjusted EPS*	2.65c	(1.72c)	

* Adjusted for impairment and the amortisation of acquired intangibles under AIFRS

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Taxation

Effective Tax Rate	51%
Prima Facie Tax Rate	30%

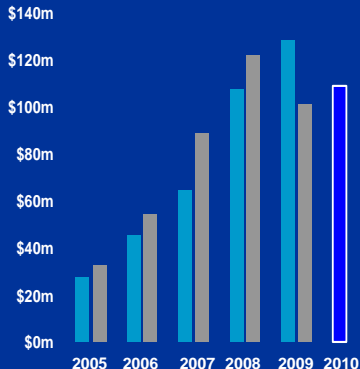
	Impact On Effective Tax Rate %
Amortisation of Equity Incentives not Tax Deductible	9%
International Tax Losses not recognised as recoverable	7%
Other*	5%

** Including tax rate differentials, prior year adjustments and non deductible items*

Group Revenue and EBITDA

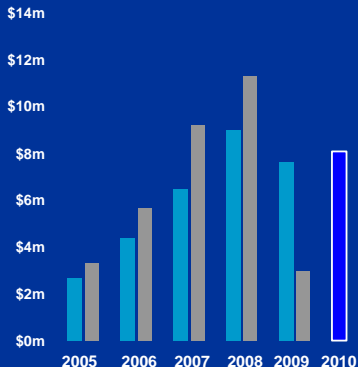
Revenue

15% Fall on First Half Last Year
8% Growth on Second Half Last Year



EBITDA

6% Growth on First Half Last Year
173% Growth on Second Half Last Year

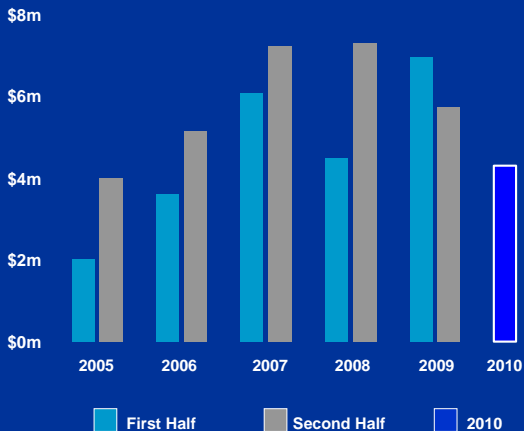


■ First Half ■ Second Half ■ 2010

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Operating Cash Surplus

Operating Cash Surplus



Reduced Debt Levels

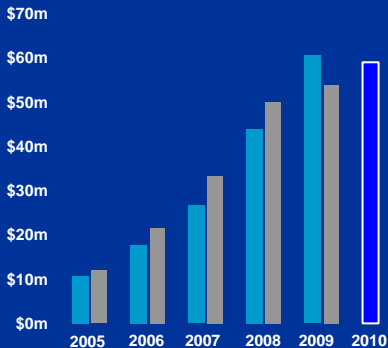
Balance at 30 June 2009	\$16.70m
Impact of foreign currency movements	(\$1.03m)
Repayments	(\$6.32m)
Net movement in finance leases	(\$0.08m)
Balance at 31 December 2009	\$9.27m

- > Average interest rate approximately 3.5%
- > At 31 December 2009, 93% of debt and 70% of cash held in foreign currencies

Managed Services

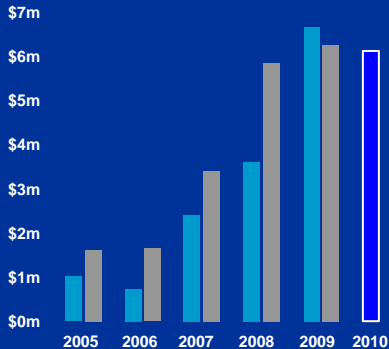
Revenue

3% Fall on First Half Last Year
10% Growth on Second Half Last Year



EBITDA

8% Fall on First Half Last Year
2% Fall on Second Half Last Year

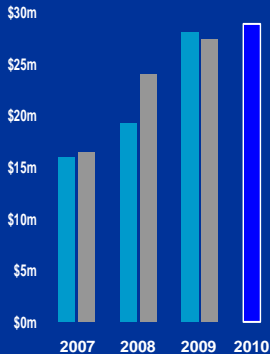


First Half Second Half 2010

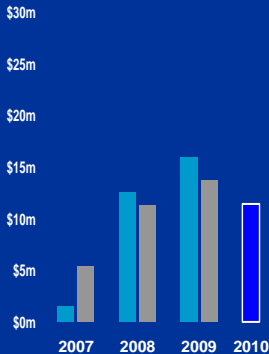
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Managed Services Revenue Dissected

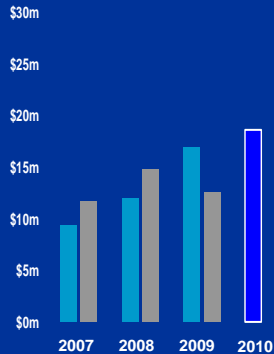
Payroll Outsourcing



Training and Development



Outsourced Recruitment



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Managed Services

Payroll Services

- > Clients look to reduce ongoing costs/transition costs
- > Market consolidating
- > Regional expansion – key focus

Training & Development

- > Clients moving from rationalisation to talent management/workforce optimisation
- > Developing local footprint/building regional presence

Managed Services

Outsourced Recruitment

- > Clients look to rebuild capabilities following GFC
- > Increased demand for support in managing contingent workforces
- > Challenges balancing internal mobility with growth
- > Global clients looking to APAC as first region out of GFC
- > Launched employment marketing agency

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- > Invest in sales as conditions improve

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Land and Expand

- > 6 clients utilise 4+ service lines
- > 32 clients utilise 3+ service lines
- > 11 clients spend >\$1 m
- > **9** clients spend >\$1 m on single service line
- > 50%+ of the ASX200 are clients

Multiple Channel HRO Program

HRO Program Management Program Governance, Account Management, Invoicing

Recruitment	Payroll	Learning and Development	Compensation and Benefits
<ul style="list-style-type: none">> Onsite managed recruitment service> 70% direct fill of all permanent recruitment below direct reports to CEO> Coordination of contracting/temp recruitment> Preferential advertising rates> Reference checking, background screening, contract generation and offer management across all roles	<ul style="list-style-type: none">> Implementation of Talent2's payroll system, configured to the client's needs^{1, 2}> Full managed service for all payroll processing and disbursement for Australia/New Zealand/Papua New Guinea (one onsite resource, one offsite)> Web self service for Australia/New Zealand (leave, personal details, OH&S)> Advanced costing to General Ledger> Reporting	<ul style="list-style-type: none">> Operation of Talent2's web-based Learning & Performance Management System (already in place)> Optional services:<ul style="list-style-type: none">- Preferential rates for external training vendors- Learning Administration- Learning & Org Development managerial consulting- Culture survey execution	<ul style="list-style-type: none">> Provision of a part-time onsite C&B Manager (132 days per year) to manage:<ul style="list-style-type: none">- Merit review process- Job sizing- Salary packaging vendor management- C&B strategy, including development of leading edge benefits (see contract)

Notes:

1. Not currently configured for China but we can utilise Zapper
2. Interfaced to Learning Management System and Salary Packaging Provider

Acquisition – Sugar

- > Leading provider of vocational education and training (VET) across Australia and New Zealand
- > New Talent2 Optimise offering
- > Operates across broad range of industries
- > Annual revenue \$15m approx
- > Permanent headcount 70+
- > Conducts over 1,000 training days annually
- > Trains more than 20,000 people annually

Acquisition – Sugar

- > VET sector est. \$6.75b market in Australia
- > Sector delivers education and training through TAFEs and approx 4,200 Registered Training Organisations (RTOs)
- > RTO market fragmented, most RTOs employ <20
- > RTOs used to ensure competent/qualified workforce whilst accessing government incentives
- > Sugar operates number of RTOs, in-sourcing with large organisations and act as conduit for government funding
- > Same target client base as Talent2
- > Unique systems and processes in client engagement, business process and client management

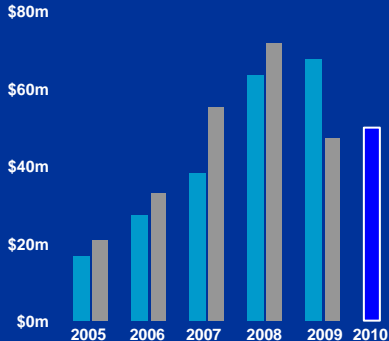
Acquisition – Zapper

- > Outsourced payroll/HR administration services across 14 Asian countries
- > Annual revenue \$10m approx
- > Employs 100+
- > Processing centres in Malaysia, Philippines and Singapore
- > Increases Group's capacity to serve both large and small clients across Asia Pacific region

Recruitment

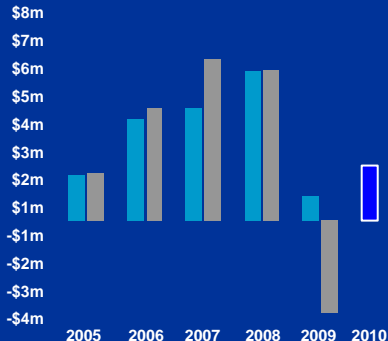
Revenue

26% Fall on First Half Last Year
6% Growth on Second Half Last Year



EBITDA

113% Growth on First Half Last Year
Profit compared to Loss on
Second Half Last Year



First Half Second Half 2010

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Recruitment

- > Confidence returning across all regions
- > Australia leading the way
- > Candidate market tightening as opportunities increase
- > We are building our consulting force

Outlook

- > Profitability returning
- > Managed Services to grow across all segments, both organically and through acquisition
- > Asia back as major growth focus
- > Recruitment continuing to improve



QUESTIONS

Talent2 International Limited FY2010 Half Yearly Results

