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Talent2 Local acquisition expands Asia and Global reach.

Talent2, Australia's leading provider of human resources managed service solutions is poised to acquire the Australasian operations of major US HR Company InterPro.

The acquisition will include National Payroll Systems (NPS) and provide a 50:50 joint venture opportunity for Talent2 and InterPro to provide human resources services into China.

"We are extremely excited about the potential of this partnership with InterPro," said Andrew Banks, Talent2's managing director. "By acquiring NPS, we immediately pick up more than 2000 customers in the payroll managed services space, mainly in the lucrative SME market, where we currently have limited market share. Their ASP delivery model with recurring annual revenues is also complimentary to our shift of services in that direction."

Banks said that this complements Talent2's existing payroll businesses with significant new business opportunities via cross selling, and strengthens Talent2's position as a leader in HR services in Australia.

"InterPro, with more than A\$1 billion in revenue, is already one of the world's largest providers of HR managed services," Banks said. "With InterPro, we plan to launch a joint venture in China, leveraging off their existing payroll service business, offering total HR managed services in the booming Chinese economy. Their global network will also act as a sales platform for our Asian operations as InterPro's US and European customers seek to expand in Australasia."

InterPro's existing business licence in China, coupled with Talent2's know-how and its existing Hong Kong operations, will promote recruitment and other expertise in that region. The InterPro China joint venture will be one of the few fully licensed HR outsourcing providers for China."

Banks said the partnership would provide many immediate opportunities to strengthen the Talent2 reach, given that InterPro had well-established operations in North America, Europe and India. InterPro's Indian operations would support the larger payroll and HR processing outsourcing deals done in Australia by Talent2 in the coming years.

The acquisition would allow Talent2 and the Chinese joint venture to participate as the Asia Pacific delivery vehicles for multinational customers providing a "one-stop" HR support solution.

The acquisition of NPS and InterPro's other Australasian operations will be satisfied by the placement of an estimated 11 per cent of Talent2's ordinary issued capital. It is contingent upon satisfactory due diligence and approval by Talent2 shareholders at a meeting to be held in September 2005. The transaction is expected to be significantly EPS-positive in its first year under the Talent2 banner.