



TALENT2 INTERNATIONAL LIMITED

A.B.N. 19 000 737 744

ASX:TWO

CHAIRMAN'S ADDRESS TO EXTRAORDINARY GENERAL MEETING

27 June 2006

SYDNEY

Delivered by Mary Beth Bauer

A few short months ago at our Annual General Meeting — it seems like yesterday — I stood in front of you to report with great pleasure that Talent2 had arrived. To cap an extraordinary period of growth, your Company had become the recognised leader in innovative and effective talent management solutions for the ASIA-PACIFIC region, making Talent2 the regional leader in the fastest growing global outsourcing market, human resources outsourcing.

I showed you our numbers and announced that Talent2 had really turned its vision into reality.

To reflect on where we have come from:

In my report for 2004, the year your Company consolidated its position for rapid growth, I said: "We are positioned to be the leading regional player in a global HRO outsourcing market already in excess of US\$240 billion - and growing fast." Within a year we had achieved that position. I said at that time, "Talent2 has delivered."

We are gathered here today to put another cap on that remarkable achievement. We are here today not to merely celebrate our remarkable growth, but to recognise that we achieved that growth using less investment than we originally anticipated. So we are doing the most honorable thing we can: We are here today to return excess capital to our shareholders.

In 2004 I had declared our revenue growth target for the following year, a growth target that by the end of 2005 we exceeded. But even in the face of that growth, the growth that has paid for the privilege of paying dividends to shareholders so soon, I said that as great as our revenue growth was, our real value, our long-term value, was elsewhere. "The real value in our company," I said, "comes from having first-mover advantage."

It is this first-mover advantage that has actually propelled us to the position of leadership we now enjoy in our industry. Our ability to exploit that first-mover advantage has been the foundation, in talent acquisition, talent management, and in the rapidly growing field of outsourced managed services. Not only has Talent2 enjoyed its first-mover advantage in its operations, it has also employed a first-mover advantage in funding its extraordinarily rapid and successful growth.

While other global HR outsourcing firms are taking the slow route of growth via business expansion, your Company embarked on a much more adventurous growth strategy. In 2002 and 2003 your Company made a series of capital raisings, in order to fund the expansion I confidently anticipated in my remarks at the 2004 AGM. But in addition to those capital raisings, your directors conceived and implemented a policy of funding new acquisitions through issuing new shares, rather than drawing down existing cash reserves. As well as conserving cash reserves, this policy locked the sellers of new acquisitions into the Company for an escrow arrangement of up to two years. This had the effect of

harnessing the sellers to the development of the business and its growth forward. As amply demonstrated by your Company's recent, enviable growth, this strategy has been remarkably successful.

So the growth of the Company been predicated on synergies between the new acquisitions and the Company's development. Due to the success of our strategy, the original capital, which has been a valuable backstop, is now no longer needed. The Company no longer requires either the capital or the essential comfort which it provided as our growth strategy successfully unfolded. This ends my reflection on our recent past. How quickly we have achieved the successful growth that brings us here today.

The company's recent and ongoing strong performances are now generating sufficient working capital to fund future expansion opportunities without the need for the Company to draw upon its excess cash reserves. Had we not had that cash, we would not have been able to take the strategic risks which have resulted in our growth. It was the loyalty of our shareholders, and their confidence in the early years, that underwrote the strategy. We are here today to recognise the confidence and loyalty of our shareholders, who have placed such trust in us, by returning the favour. We are here today to return to you the excess investment you made in cash or by way of dilution. We are here today to approve a capital distribution.

We ask shareholders to support a return of \$3.6 million of excess capital, subject to a favourable tax class ruling which we hope to have next month. Your directors now believe that the excess capital raised but never used by the Company should be returned to you, our shareholders. We are also here to thank you for your confidence in our team and our vision.

Thank you

For further information please contact:

Michael Bermeister, Company Secretary
Telephone: (02) 9087 6314
Email: michael.bermeister@talent2.com