



Market Update – TWO

Talent2 today announced its preliminary results for the year to 30 June 2009. The results, which are in the process of being audited, are in line with previous guidance and show:

- > Revenue \$228.7m
- > Gross Profit \$151.1m
- > EBITDA \$10.5m
- > Profit before tax of \$1.0m, before impairment
- > Loss before tax of \$5.5m, after impairment
- > Cash on hand \$21.0m, up \$3.4m
- > Debt \$16.7m, up \$3.9m

Managed Services revenue grew to \$114.3m, up 21%, and the division generated EBITDA of \$13.0m, up 37%.

Recruitment revenue fell to \$114.4m, down 16%, and the division reported an EBITDA loss of \$2.5m, compared to a profit of \$10.8m in the year to 30 June 2008.

“EBITDA is at the upper end of previous guidance, and whilst we are never happy to report a reduction in EBITDA, we are satisfied with the Group’s performance given the disruption caused by the Global Financial Crisis in the last 9 months, and its impact on the speed of hiring decisions and hiring confidence” said Andrew Banks, Talent2’s Managing Director. “By contrast, the Managed Services business, with its long term contractual base, has performed strongly during the year. This demonstrates the resilience of our business model, and that HR outsourcing, when done properly, significantly reduces costs at a time when organisations badly need it.”

“It is also pleasing that our Recruitment business generated a profit in the fourth quarter, which confirms we have correctly re-sized the business in line with prevailing revenue levels” said Banks. “Whilst trading conditions remain tough, we are seeing an increase in both the stability of, and our visibility on, demand for traditional recruitment services in most of the markets in which we operate” added Banks.

“The Group’s cash position strengthened with an increase to \$21.0m at the end of June 2009, compared to \$17.6m at June 2008” advised Banks. “Debt stands at \$16.7m, compared to \$12.8m at June 2008.”

The Group advised that following a review of the carrying value of goodwill and in light of the deterioration in anticipated trading conditions in Hong Kong and the United Kingdom since the December review, the Group took an additional impairment charge of \$4.7m in relation to its acquisitions in those locations in the second half. The total impairment charge reported for the year in relation to the businesses acquired in Hong Kong, the United Kingdom and India is \$6.5m.



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.

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