

ASX Release | 7 August 2012

Market Update

2012 results

Talent2 International Limited (ASX: TWO) today reported its results for the year ended 30 June 2012 confirming they were in line with the guidance provided on 21 June 2012. The results, which are in the process of being audited, are reported as follows, compared to the previous corresponding period:

Revenue	A\$324.0m, up 6.0%
Gross Profit	A\$180.6m, down 6.9%
Reported EBITDA	A\$8.2m, down 72.5%
Normalised EBITDA	A\$9.3m, down 66.8%
Loss after tax	A\$8.5m, down 179.0%
Normalised loss after tax	A\$5.1m, down 149.4%

Reported figures shown as normalised have been adjusted to reflect \$1.1m of acquisition and privatisation costs, and an impairment charge of \$2.3m taken against the Company's recruitment operations in the Middle East.

Further information is contained in the Preliminary Final Report attached to this release.

Scheme update

Talent2 advises that it has received a draft Class Ruling from the Australian Taxation Office (**ATO**) in relation to the Australian income tax consequences for Talent2 shareholders of the proposed special dividend referred to in Talent2's scheme booklet dated 17 July 2012 (**Scheme Booklet**). Although the draft Class Ruling is in a form and substance satisfactory to the Talent2 directors, the draft Class Ruling is not binding on the ATO and only a final Class Ruling can be relied on by the Talent2 shareholders. However, the Talent2 directors expect to receive such a final Class Ruling upon the Talent2 members' scheme of arrangement described in the Scheme Booklet becoming effective.

Receipt of the draft Class Ruling by Talent2 satisfies one of the conditions to the payment of a special dividend as outlined in the Scheme Booklet.

In light of the above, the Talent2 directors have, today, declared a conditional fully franked special dividend of \$0.09 per Talent2 share. Payment of the special dividend is conditional on:

- the Talent2 members' scheme of arrangement described in the Scheme Booklet becoming effective; and
- Talent2's shareholders approving the giving of financial assistance at the extraordinary general meeting scheduled to be held at 10.00am on Monday, 20 August 2012.¹

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If the special dividend of \$0.09 per Talent2 share is paid, the cash consideration payable under the scheme of arrangement will be reduced from \$0.78 per share to \$0.69 per share. However, scheme shareholders (who also hold their Talent2 shares on the Special Dividend Record Date (as defined in the Scheme Booklet)) will still be entitled to receive an aggregate amount of \$0.78 for each scheme share (comprising the special dividend of \$0.09 per share and \$0.69 per share under the scheme of arrangement).

Recommendation

The Independent Directors continue to unanimously recommend that:

- Talent2 shareholders vote in favour of the Talent2 EGM Resolutions and the Scheme, in the absence of a Superior Proposal; and
- Talent2 optionholders vote in favour of the Option Scheme, in the absence of a Superior Proposal.

About Talent2

Talent2 was founded in 2003, is listed on the Australian Stock Exchange (ASX:TWO) and operates from 45 offices, delivering services in 31 countries across the Asia Pacific region, Middle East, UK and USA. It is the leading HR BPO organisation in the Asia Pacific region, working with clients across diverse organisation types and industries to deliver end-to-end talent management solutions that put people first. These include HR Advisory, Payroll, Recruitment and Learning. Talent2's end-to-end talent management solution gives it a unique capacity to fulfil the rapidly evolving business needs for talent management, to help organisations to improve the power and productivity of their people.

For further information please contact:

Investor

Talent2

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¹ The sole shareholder of Pergal Pty Ltd (**Pergal**) – Pergal being the sole shareholder of Perbec Pty Ltd (the proposed acquirer of the Talent2 shares) – has passed a special resolution approving the giving of financial assistance in relation to the payment of the special dividend. Accordingly, the payment of the special dividend is no longer conditional upon this event occurring.

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