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## Talent2 International Limited

Analyst Presentation | 2011 Full Year Results

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### Full Year Results

	FY 2011	FY 2010	Growth
Revenue	\$306.1m	\$242.6m	26%
Gross Profit	\$194.0m	\$156.5m	24%
Reported EBITDA	\$30.0m	\$19.8m	52%
Reported Return on Gross Profit	15.5%	12.7%	22%
Normalised EBITDA	\$28.0m	\$19.8m	41%
Normalised Return on Gross Profit	14.4%	12.7%	13%
Reported Earnings after Tax	\$10.7m	\$5.8m	85%
Reported EPS (cents)	7.2c	4.4c	64%
Adjusted Earnings after Tax*	\$14.3m	\$9.8m	46%
Adjusted EPS*(cents)	10.1c	7.4c	37%

\* Adjusted for the amortisation of acquired intangibles under AIFRS, an acquisition purchase price adjustment, and the impairment charge, tax affected.

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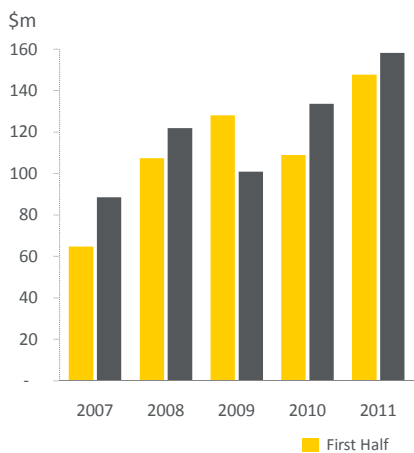


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## Group Revenue and EBITDA

### Revenue

Growth on the second half of last year: **18%**  
Growth on the first half 2011: **7%**



### EBITDA

Growth on the second half of last year: **45%**  
Growth on the first half 2011: **31%**



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## Dividend Announcement

- » 5.5¢ dividend per share
- » 100% franked
- » Records date of 29 August 2011
- » Payment date of 30 September 2011
- » In line with practice of paying between 50% to 70% of adjusted EPS

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## Accounting Adjustments – Reconciled

EBITDA		\$m
Reported EBITDA		30.0
Acquisition Purchase Price Adjustment		(2.0)
<b>Normalised EBITDA</b>		<b>28.0</b>

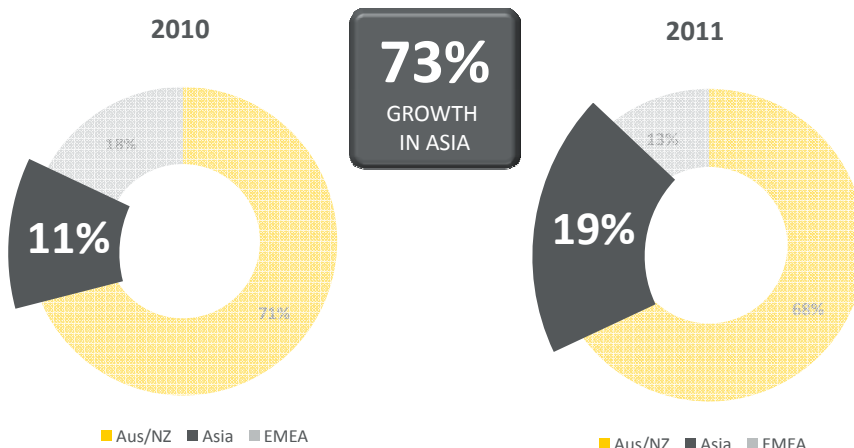
Earnings after Tax		\$m
Reported Earnings after Tax		10.7
Acquisition Purchase Price Adjustment		(2.0)
Impairment Charge – Middle East Recruitment		1.2
Amortisation of Acquired Intangibles (tax affected)		4.4
<b>Adjusted Earnings after Tax</b>		<b>14.3</b>

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## Group Revenue Mix – Total Split by Region

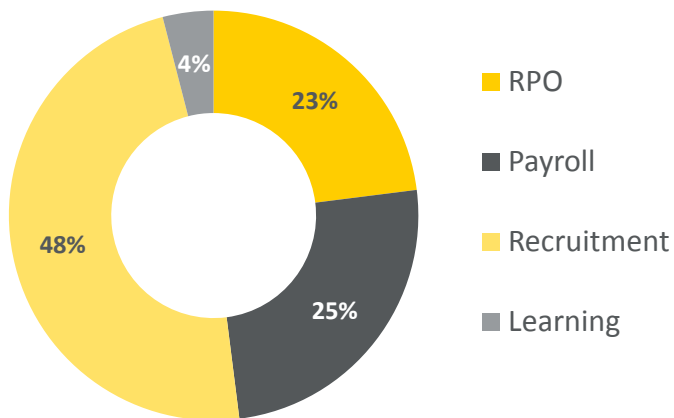


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### Asia by Revenue Type

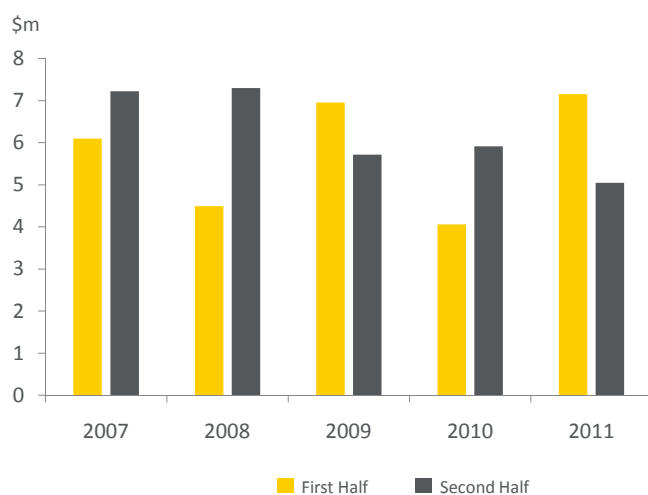


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### Operating Cash Surplus



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## Debt Position

	\$m
Debt as at June 2010	32.4
Impact of foreign currency movements	(3.0)
Repayments	(4.6)
Debt at June 2011	24.8
Cash at June 2011	20.6
Net Debt	4.2

- » Average interest rate approximately 3%
- » At June 2011, 71% of debt and 58% of cash is held in foreign currencies

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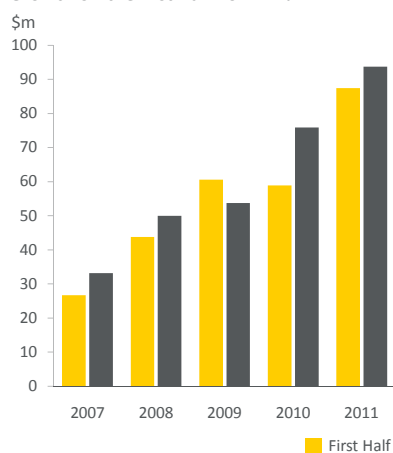
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## Managed Services

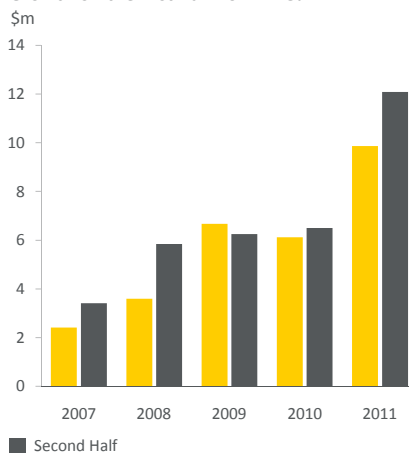
### Revenue

Growth on the second half of last year: **24%**  
Growth on the first half 2011: **7%**



### EBITDA

Growth on the second half of last year: **86%**  
Growth on the first half 2011: **23%**



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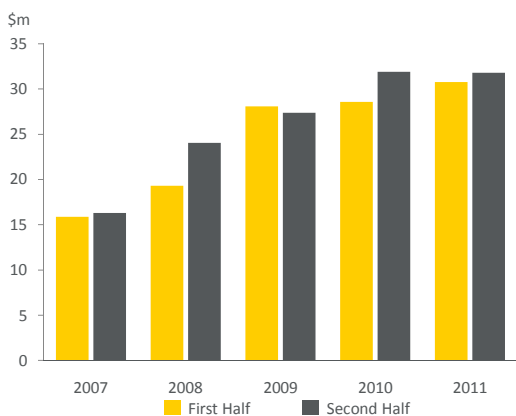
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## Managed Services – Revenue

### Payroll

Growth on the second half of last year: **0%**  
 Growth on the first half 2011: **3%**



- » Strong growth in Asia
- » Country coverage grown to comprise 29 countries across Asia and the Middle East
- » Increased automation delivering cost effective solutions, create competitiveness and higher productivity
- » Merlin on track to deliver trans regional, multilingual, multi currency, low cost Asia Pacific payroll services solution
- » Re-aligned sales teams delivering improved pipelines

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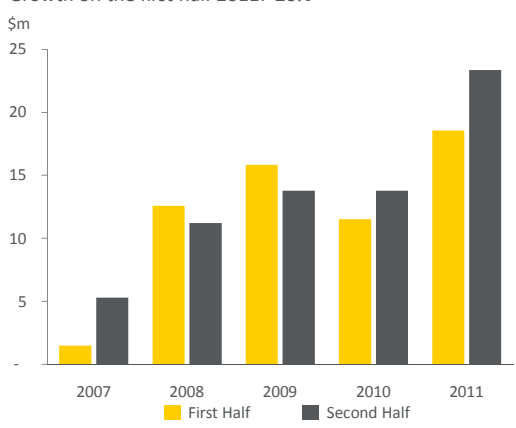
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## Managed Services – Revenue

### Learning

Growth on the second half of last year: **69%**  
 Growth on the first half 2011: **26%**



- » Synergies and on-line delivery in vocational training delivering results
- » Assessment business launched in Asia and leveraging group clients across ANZ and Asia
- » 21 Cornerstone deals won and in the course of implementation
- » Outsourcing learning services gaining traction

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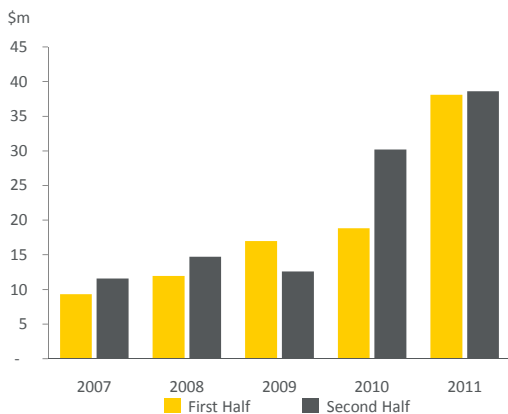
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## Managed Services – Revenue

### RPO

Growth on the second half of last year: **28%**  
 Growth on the first half 2011: **1%**



- » Global trend to outsource recruitment continues
- » Contracts extending based on delivering results
- » Delivering to existing clients in new locations
- » Existing clients continue to expand
- » Allegis Talent2 partnership is performing
- » MSP about to deliver

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## Strategic Alliance



Region:	<b>Asia Pacific</b>	Europe	Americas
		India	
Lead Brand:	Talent2	Allegis Talent2	Allegis Group Services

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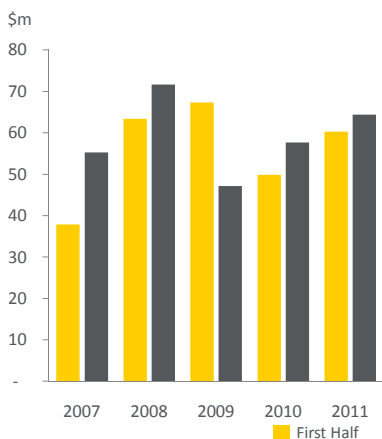
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## Recruitment

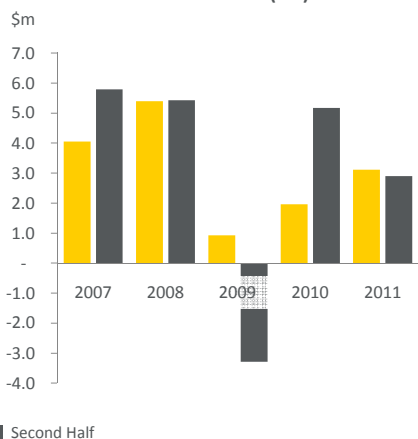
### Revenue

Growth on the second half of last year : **12%**  
Growth on the first half 2011: **7%**



### EBITDA

Growth on the second half of last year: **(44%)**  
Growth on the first half 2011: **(7%)**



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**Success Factors –  
Breadth of Services &  
Platform**

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## Solutions

**HR Advisory**

- HR Review & Audit
- Workforce Planning Review
- Workforce Analytics
- Workforce Strategy
- HR Consulting

**Learning**

- Consulting & Strategy
- Learning Development
- Learning Delivery
- Learning Administration
- Career Transition & Redeployment Services
- Technology Solutions
- Assessment Products & Training
- Talent Assessment & Coaching
- Accredited Training & Assessment

**Payroll**

- Payroll
- Time & Attendance
- HR Management Services
- Other Services

**Recruitment & Managed Services**

- Board & 'C'-Level Search
- Executive & Specialist Recruitment
- Contracting & Interim Management
- Project Recruitment & Associated Services
- Recruitment Managed Services
- Employer Marketing
- Assessment & Selection
- Managed Service Provision

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## Talent2 Locations

**Talent2 operates from over 40 offices in 18 countries across the Asia Pacific region, Middle East, UK and USA**

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## Talent2 HR & Payroll Business Snapshot



- » Coverage in 31 countries
- » Over 1.32 million employees under management
- » 575 Talent2 HR & Payroll staff
- » English, Chinese, Japanese languages supported
- » Multi-currency payments
- » Totally scalable from 1 to 100,000 client employees

### Hosting Centres:

- » Australia (Melb, Perth)
- » New Zealand
- » Malaysia (KL)
- » Singapore
- » Japan (Tokyo)

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## Clients



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# It's just the beginning

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## Unlocking our Opportunity

	Australia	New Zealand	Papua New Guinea	China	Hong Kong	Japan	Malaysia	Philippines	Singapore	Taiwan	Thailand	Vietnam	Bahrain	Oman	United Arab Emirates	United Kingdom	USA
» HR ADVISORY	●	○	○	○	○	●	○	○	○	○	○	○	○	○	○	○	○
» PAYROLL	●	●	●	●	●	●	●	●	●	●	●	●	○	○	○	○	○
» RECRUITMENT	●	●	○	●	●	●	○	●	●	○	○	○	●	●	●	●	○
» LEARNING	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

● Profitable
● Emerging investment
○ Opportunity

**29%**  
PROFITABLE

**25%**  
EMERGING INVESTMENT

**46%**  
OPPORTUNITY

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## Definition of Multi-Process HR Outsourcing (MPHRO)

Definition	MPHRO				
Market Hot Spot 'Towers'	Workforce Development	Payroll Services	RPO	Learning BPO	Benefits Administration
Established Talent2 Capability	HR ADVISORY SOLUTIONS	PAYROLL SOLUTIONS	RECRUITMENT SOLUTIONS	LEARNING SOLUTIONS	N/A
<b>Category</b>	<b>Top 3 Rankings (Market Share)</b>			<b>Talent2 # Ranking</b>	
Global MPHRO	1. Aon Hewitt (12.8%), 2. NorthgateArinso (10.1%), 3. Accenture (9.2%)			# 11 – 0.9%	
European MPHRO	1. Capita (22.3%), 2. Accenture (10.0%), 3. NorthgateArinso (8.2%)			# 15 – 0.2%	
UK MPHRO	1. Capita(37.2%), 2. Xchaninging (7.5%), 3. Aon Hewitt (7.5%)			# 11 – 0.2%	
Asia Pacific MPHRO	1. Talent2 (24.0%), 2. ACS/Xerox (11.2%), 3. NorthgateArinso (8.8%)			# 1 – 24.0%	

\*Source: Nelson Hall 2011

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## Growth in Global MPHRO – Major Growth Lever

### Highlights

- » Global MPHRO market size for 2010 was ~\$3.4b and grew 3% in 2011; growth from 2011 to 2015 will be 5% CAAGR
- » APAC market size for 2010 ~\$125m and grew 6% in 2011; growth from 2011 to 2015 will be 9% CAAGR; highest CAAGR coming from APAC region
- » Manufacturing is the largest vertical (29%), followed by financial services (15%), which is showing strong demand

### Recent Market Deal Profiles

Client	Region	Term	Details	Service Lines
Unilever	Global – across 100 countries	8 years	Value US\$1 billion, 200,000 employees	
American Express	59 countries	8 years	Value US\$250m, 66,000 employees	
CA	US, APAC, Europe	5 years	Value US\$60m, 15,000 employees	
Bank of America	US	5 years	Value US\$320m, 290,000 employees	
Bristol-Myers Squibb	Europe, Americas, APAC	10 years	Value US\$324m	
<b>Retailer</b>	Asia Pacific	5 years	Unstated	
Prudential	US, Europe, APAC, LATAM	10 years	Value US\$700m, 19,000 employees	
GE	NA, EMEA, APAC	8 Years	300,000 employees	
IKEA	US, Canada, Sweden, Germany, Norway, APAC	5 years	Value US\$50m, 85,000 employees	

Key HR & Payroll Learning & Development Recruitment Solutions \*Sources: Nelson Hall, SharedExpertise

## Powering ahead in Asia Pacific – Talent2 Market Pulse Survey June 2011



Supplier confidence in the HR outsourcing sector has jumped a massive 10%\*

\* Nelson Hall HR Outsourcing Confidence Index June 2011 (02/11 - 02/2012)

» 67% are looking to invest in performance management programs

» Nearly 90% consider outsourcing to be a solution to key HR challenges

» 85% are exploring new ways of managing their HR business

» Training is a priority, with 48% looking to further invest in L&D in the next 12 months

» Nearly 60% are planning on increasing outsourcing or considering for the first time

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## Destination 2015 (D2015) – Strategy for Future Value Creation

Full review of strategy to achieve goals to 2015 and beyond. Initiatives in place under the following programs:

- Trusted Partner** Incremental business with existing clients – cross-selling and up-selling, plus geographic expansion. Client retention program.
- First Choice** New client acquisition through strategic targeting, effective marketing and channel partners (e.g. Allegis Group Services).
- One Global** Optimum global operating model. Leveraging Infrastructure and business unit cost centres. Build existing Shared services centres and offshore locations. Scalability.
- Solution Innovator** Innovation and continuous improvement. Continue high-end service strategy and pursue bundled solution development. Investment in technology innovation.
- People First** Inspire, engage and attract people to come on the journey. Employer of choice status.

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## D2015 – Rebrand

- » Brand launch 1 July 2011
- » Simplified product offerings
  - › HR Advisory
  - › Payroll
  - › Recruitment
  - › Learning
- » Increasing brand awareness
- » Targeted and focused marketing activity to drive brand awareness and secure reputation as market leader



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## Priorities 2012

- » Solid operations with firm cost control and strong market focus
- » Successful integration and improved performance of multi-service solutions
- » Leverage global alliances
- » New business from regional Asian customers/MNCs



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