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CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING,
Delivered by Ken Allen, Sydney, 21 October 2009

Once again I welcome you here today and thank you for your attendance and interest in Talent2.

At last year's annual general meeting there was genuine concern about the state of the global economy and the challenges ahead for the corporate world and in fact the world in general. This concern related to the worst global financial crisis since the Great Depression, now known as the "Great Recession". It should be very reassuring that through all of this, our business model has remained strong and we have found new institutional support on our share register.

I am very pleased to note that management responded early to the first signs of a weakening economy by cutting costs and by introducing structural changes in the business that resulted in significant productivity gains. We are now well positioned both domestically and internationally to benefit from a rebounding jobs market and the continued interest in HR outsourcing from firms still looking at cost cutting and productivity gains in all areas of activity.

We all realise that the last 12 months were a lot worse than we might have anticipated and that the recovery, as fragile as it might be, has been a lot better than expected. However while the wolf might not be at the back door, it is still in the yard.

It should be noted once again that Talent2 differentiates itself from the more traditional recruitment consulting businesses – both domestically and internationally – through the balanced contribution to revenues from both Managed Services and Recruitment. This year revenue for the Managed Services business reached 50 per cent of total revenues. This annuity income has continued to show resilience in these times of deferred decision making and management has redeployed resources in the Payroll business to provide the required support for continued growth throughout Asia. We expect to see the flow-on effects of this later in 2010, and beyond.

During the past year management was faced with levels of uncertainty previously not experienced, and was required to anticipate and respond quickly to those rapidly deteriorating market conditions. To this end, management prudently reduced costs bases globally while ensuring our global reach was not impaired. Management's swift and decisive responses have enabled your company to remain in its current strong position, and have allowed it to already take advantage of the upturn we are seeing within Australia, and elsewhere.

Even in these far-from-certain times we continue to win high-profile clients and have recently announced a string of important Managed Service clients, namely New Zealand Post and Standard Chartered. Although in recent times we have witnessed somewhat of a stabilisation in the global economies, there is still a great deal of uncertainty that needs to play out well into calendar 2010. This said, there are more positive opportunities in our high-end recruitment business, and I am confident that this situation will continue to improve.

In November last year your company completed the acquisition of the Learning Group, a specialist learning content development house. This has further built credibility and a robustness into the learning managed services part of our business. With the successful integration of BizEd Services (which I spoke about last year) and the content development acquired through the Learning Group, Talent2 now has a suite of products that can provide a full learning offering to clients. We are yet to realise the full benefits from this growth area, but we *will* see the investments made to date in this area come to fruition in the coming years.

Last year I reflected on Talent2's very strong balance sheet and its ability to generate cash flow. Combined with management's, efforts to conserve cash, we are now very well positioned to grow with the global recovery through acquisition and organically. Growing the business will be the focus of management over the next twelve months.

In recognition of the desire to grow the business, the Board formed two new committees during the year. First, the International Business Development Committee with responsibility for driving business opportunities throughout Asia, Europe and the Middle East; and second, the Acquisitions Committee with responsibility for the identification and evaluation of potential targets.

Talent2 started this time of uncertainty with a strong balance sheet and will ensure that this balance sheet strength is preserved.

While no final dividend was paid, the Board remains fully committed to the payment of dividends and will continually assess the appropriate levels of dividend payment to match prevailing market conditions.

I want to acknowledge the retirement from the Board of our longest-serving director, Mary Beth Bauer. Mary Beth first joined the Board in November 2001 and during her time held the positions of Chairman of the company the Audit and Risk Committee and the Remuneration Committee. More recently, Mary Beth has served as the Deputy Chairman of the Board. Mary Beth has witnessed a complete transformation of the company and her stewardship and contribution during her watch is very much appreciated. Thank you, Mary Beth.

It gives me great pleasure to acknowledge our staff and senior management team, led by Andrew Banks and John Rawlinson, who have guided Talent2 through these tough times and who have positioned Talent2 for further growth over the coming years. I remain extremely confident about Talent2's prospects.

Thank you for joining us here today.

I will now hand you over to our Managing Director, Andrew Banks.

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MANAGING DIRECTOR'S ADDRESS TO ANNUAL GENERAL MEETING,
Delivered by Andrew Banks, Sydney, 21 October 2009

Thank you Ken,

I would like to start by thanking John and the management team for their great leadership and dedication in navigating our company through a hugely challenging year. This included staff cuts, salary and time reductions, and slashing discretionary spending across the board.

Although the group revenue remained steady at $229m, group EBITDA was down on last year to $10.5m.

2009 Financial Year Results

Our Managed Services business proved to be resilient showing an impressive 21% growth in revenue increasing to $114.3m. This was particularly pleasing as all managed service lines, namely payroll outsourcing, training and development and outsourced recruitment, saw increased revenues when compared to the 2008 financial year.

The recruitment business, on the back of an unprecedented stop in demand in October 2008, saw a 15.3% reduction in revenues to $114.4m.

The split of managed services and recruitment revenue in 2009 for first time was 50/50, one of our long stated aims and a feature that stands us out from our competitors.

EBITDA of the Managed Services business grew 37% to $12.9m in 2008/09 with our Recruitment business recording a reduced EBITDA loss of $2.4M. Through a combination of initiatives, mainly in the recruitment business we have extracted $17m from our cost base. These initiatives include reduction in head count through either redundancies or hiring freezes, salary reductions, reduced bonuses, if paid at all, and consolidation of offices premise. This office here is an example of that. We acquired this space as part the Learning Group in last November and have subsequently co-located teams from our Castlereagh Street and North Sydney offices.

With “cash being king” during a downturn, the leadership via our CFO Martin Brooke, made a concerted effort to ensure that even as revenues dropped off our cash collection activity would remain strong. This focus contributed to an increase in operating cash flows for 2009 to $12.7m. This was an outstanding result by Martin and his team, I would like to thank them for their efforts.

The balance sheet has remained strong with cash closing at $21m. Long term debt increased from $12.8m in 2008 to $16.7m mainly due to impacts from movement in foreign currencies of $2.4m and funding of $1.7m for the acquisition of the Learning Group.

Growth Engines

Our tag line this year is we are well positioned for the recovery. How can we say that? Well the key point is that unlike many businesses in Asia Pac following the GFC, our strategy remains not only intact but validated.

The way we see it Talent2 has four growth engines - and none of them has to change - they simply need to resume their former growth trend.

> The Managed Service business model for HR “partnering” is becoming widely accepted as a way of reducing costs and increasing organisational agility – desperately needed in volatile times.

> Our Recruitment Business still remains relevant at the “mission critical” end of the spectrum with so many countries we operate in showing declining participation rates and skilled worker shortages.

> Asia remains the best geographical footprint to focus on. There is huge geographical room to grow in both Asian countries we currently operate in and new ones.

> Expanding the services offered to existing customers is also proving to be working with 120 companies now using us for three service lines or more and the next 800+ using two services lines or more. This is the fourth growth engine, and we have planned even more attention on account management this year to ensure our customers get more of what they seek from us.

Firstly, our managed services business.

We have remained tight on costs but have not stopped investing, particularly in our key recurring revenue business - Managed Services. During the year we finished development of our Alesco HRIS system for the Japanese market. This is the first HRIS that is Japanese front and back and is the final piece in the integration of The Outsource Group acquired in calendar 2007.

To complement our managed learning service offering we acquired the Learning Group in November 2008. The Learning Group is a specialist e-content provider and ensures that we now have the complete product offering for managed learning services, which we believe is one of the growth areas of our business into the future.

We recently announced our appointment by Standard Chartered Bank as their RPO service provider. This is an exciting deal in that it is our first RPO deal in Europe. It is highly scalable and will initially see us mange approximately 500 positions per annum. This account will underpin profitability in our UK operations and provide a platform to further develop that business.

Additionally we have recently announced other Managed Service wins including NZ Post for payroll of 16,000 employees, AON and GrainCorp for our recruiting managed services business.

Sensibly building of our Recruitment Business

Our second growth engine is the strategic building of the recruitment business.

The Recruitment business is where we were forced to make the hard decisions and reduced head count during 2009. The reduction in number of recruiters has ensured that we have the right numbers and type of personnel to take advantage of the new era, and we are please to say that April looks like the low point for that part of our business with a strong rebound now appearing to take shape in Australia and some parts of Asia. However, rather than simply re-building to where we were before we are in the process of reshaping that group around clear sectors that reflect where government and industry are placing their capital and growth focus so new hires for us will be focused around **technology, infrastructure, education and government, energy, sustainability and natural resources, healthcare, agribusiness and food**, as well as staple demand areas such as **accounting, HR and marketing**.

In addition we will grow our services for temporary and interim staff as this is now a “permanent “part of the workforce landscape as it affords organisations greater flexibility, and it is also more resilient in downturns than the permanent job placement area.

Asian footprint

Our third growth engine is Asia. We had reduced headcount throughout Asia in our recruitment business but have started to re-hire and we maintain all footprints previously established and we will expand locations once all areas are trading strongly again. We are bidding and winning regional deals in both Payroll and RPO. To ensure we continue to win these deals we have restructured our payroll business moving some of our senior management team to focus on Asia and drive it forward. We will start to see the benefits from this materialise greater in 2010 and beyond.

Obviously, the fourth area of growth is our existing customer base as mentioned previously and their demand for more and more of our various service lines and the implementation of a new global online CRM and account management training is taking full advantage of this trend.

Sensible acquisitions

Finally, a fifth engine of growth is of course sensible acquisition targets. Since the recovery started to take shape in April we have had a growing pipeline of possible acquisitions, all of which are being thoroughly evaluated with regard to “on strategy” and the “recurring revenue” model of managed services.

Some concluding thoughts, last year we spoke of our aspirational goals, which are worth revisiting. They are:

> Revenue of $1bn by 2013, including acquisition and organic growth;

> Greater than 50% of business offshore; and this year it was 25%

> Greater than 50% of business in managed services - this year that is inevitable in our view.

Although the last 12 months may have slowed our timeline to achieve these goals, we have now across the group achieved revenues from the managed service business equal to the levels of the recruitment business and have started to win larger offshore deals.

We have previously stated that there is great uncertainty out there but we are starting to see the fog clear, especially within our Australia recruitment business which delivered a strong result for Q1, continuing to contribute to the group's performance. We are starting to see some good signs coming out of Asia but there is still some work to be done up there for confidence to be fully restored and for us to start seeing a more solid contribution.

2009 was a challenging year which throughout the business was been met with determination and resolve. Talent2 comes out of 2009 a stronger, hungrier business ready to take the advantage

Thank you for your time today.

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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 with a global footprint.

Talent2 is leading the region in execute 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.