



BUSINESS INTELLIGENCE FOR THE TALENT MARKETPLACE™

**Source:** WANTED Technologies Corporation

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## **WANTED Technologies Reports Increased Revenues of 9% for FY11**

*WANTED Continues Successful Diversification Into New Market Segments*

- **Launch of WANTED *Analytics*™ 3.0, the Company's next generation business intelligence platform targeting the Corporate HR sector.**
- **Continued investments in new products, sales and marketing bring new clients in the Corporate HR sector.**
- **Revenue of \$5,328,887 for fiscal 2011, compared to \$4,868,243 for the prior year, a 9% increase.**
- **Improvement of 4% in the Company's recurring revenue base in US dollars, from beginning of fiscal 2011.**
- **Net loss of \$664,765 attributable to accelerated investments in new product development compared to a loss of \$334,526 in fiscal 2010.**
- **Negative EBITDA of \$225,188 for fiscal 2011, compared to EBITDA of \$48,696 for fiscal 2010.**
- **Both revenue and profitability negatively affected by a strong Canadian dollar against the US dollar.**

**Quebec City, Quebec – October 18<sup>th</sup>, 2011.** WANTED Technologies (TSX-V: WAN), the leading source of business intelligence for the talent marketplace, reported today total revenues were \$5,328,887, up 9% for fiscal 2011 compared to the prior year. The Company reported a net loss of \$664,765 which reflected the accelerated investments in new products to serve the Corporate HR market. The weakness of the American dollar, compared to the prior year was responsible for a currency-related negative variance of approximately \$272,000. Had exchange remained constant with the prior year, WANTED would have shown a revenue increase of 15%.

The Company's diversification strategy has gained momentum in fiscal 2011. WANTED has been investing in new products and services, enabling the Company to enter new markets, and show revenue growth outside the traditional media sector where the Company had previously focused its services. All amounts are in Canadian dollars, unless otherwise indicated.

"We launched a completely new product platform in FY2011 that is designed to support our growth in the Corporate Human Resources sector," said Bruce Murray, President and CEO. "We have secured initial license agreements for this new platform with the HR divisions of new clients which include Microsoft, Johnson & Johnson, Starbuck's, T-Mobile, Hershey's, Comcast and other major corporate accounts."

The Company's new product platform, WANTED *Analytics*<sup>TM</sup> 3.0, is designed to meet the needs of recruiters in the Corporate HR and Staffing sector. This new product contains information and analysis to help employers and staffing firms identify potential candidates faster and reduce both the time-to-hire and cost-per-hire for skilled and managerial positions.

The market for more efficient solutions in the Human Capital sector is substantially larger than the markets that the Company has served with its sales productivity solutions in the past. Demand for products to streamline the hiring process is expected to accelerate as the economy recovers and employers begin hiring again.

In April, 2011, the Gartner Group, a leading industry analyst firm covering the Human Capital marketplace, identified WANTED *Analytics*<sup>TM</sup> as one of the "Cool New Products" for the year.

WANTED's revenues for the fiscal year ended June 30, 2011 increased by 9 percent to \$5,328,887 compared to \$4,868,243 for the previous year. The majority of WANTED's clients subscribe on an annual basis to the Company's online platform, *Analytics*<sup>TM</sup>. Recurring revenue contracts with these clients represent approximately 87 percent of WANTED's total revenues for fiscal 2011, compared to 89 percent for fiscal 2010.

As of June 30, 2011, contracts in hand, in Canadian dollars, represented approximately \$4.7 million dollars in annualized recurring revenues while contracts in hand represented, as of June 30, 2010, approximately \$4.8 million dollars in annualized revenues, a decrease of 2 percent. The majority of WANTED's clients are in the US and when viewed in US dollars, the level of recurring revenues as of June 30, 2011 is up 4 percent from 4.6 million dollars as of June 30, 2010.

WANTED's decision to diversify its client base beyond Media clients has succeeded in replacing some of the lost recurring revenue. Gains have come from the Staffing and Government sectors leading to a more stable recurring revenue base. These three sectors, Corporate, Staffing and Government, represented together, at the end of fiscal 2011, approximately 49% of the total recurring revenue base compared to 32% a year ago. The Company's partnership with The Conference Board, positively contributed to this diversification.

|  | <u>2011</u>      | <u>2010</u>      |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>Revenues</b>  | <b>5 328 887</b> | 4 868 243        |
| Cost of sales  | <u>714 655</u>   | <u>616 386</u>   |
| Gross margin   | <b>4 614 232</b> | 4 251 857        |
| <b>Expenses</b>  |                  |                  |
| Research and development, net of tax credits             | <b>1 837 760</b> | 1 544 519        |
| Marketing and selling                                    | <b>2 017 285</b> | 1 656 734        |
| Administrative   | <b>1 143 795</b> | 1 102 073        |
| Amortization of intangible assets                        | <b>163 080</b>   | 163 080          |
| Financial expenses, net amount                           | <u>22 417</u>    | <u>52 336</u>    |
|  | <b>5 184 337</b> | <b>4 518 742</b> |
| Loss before other revenue (expenses) and income taxes    | <b>(570 105)</b> | (266 885)        |
| Other revenue (expenses):                                |                  |                  |
| Exchange gain (loss)                                     | <b>(89 883)</b>  | (82 234)         |
| Gain (loss) on disposal of property, plant and equipment | <u>(2 297)</u>   | 211              |
| Loss before income taxes                                 | <b>(662 285)</b> | (348 908)        |
| Income taxes   |                  |                  |
| Current  | <b>80 759</b>    | 63 896           |
| Future   | <u>(78 279)</u>  | <u>(78 278)</u>  |
|  | <b>2 480</b>     | (14 382)         |
| <b>Net loss and Comprehensive Income</b>                 | <b>(664 765)</b> | <b>(334 526)</b> |
| Basic and diluted loss per share                         | <b>(0.028)</b>   | (0.014)          |

Operating costs went from \$4,518,742 in fiscal 2010 to \$5,184,337 in fiscal 2011, an increase of \$665,595, or 15 percent. This increase mostly results from increases in research and development, in sales and marketing and in administrative expenses.

Negative EBITDA for the fiscal year ended June 30, 2011 totalled \$225,188, down \$273,884 from an EBITDA of \$48,696 for the fiscal year ended June 30, 2010. EBITDA represents the earnings before interest, tax on earnings, depreciation, amortization and loss in value of physical assets and intangible assets. As generally accepted accounting principles in Canada do not provide a standardized definition for this measure, it may not be comparable to similar measures used by other companies.

Net loss for the year ended June 30, 2011 amounted to \$664,765 (loss of \$0.028 per share), compared to \$334,526 (\$0.014 per share) for the year ended June 30, 2010, a decrease of \$330,239. This negative variation results from the combined effect of increases in loss before other revenue (expenses) and income taxes as well as in exchange loss. When compared to the previous year, loss before other revenue (expenses) and income taxes increased \$303,220 for fiscal 2011. As for foreign exchange, the unfavourable prevailing exchange

rates caused the Company to record a currency exchange loss of \$89,883 for the year ended June 30, 2011, representing a negative variation of \$7,649 over the prior year.

A higher provision for current income taxes also contributed to the variation in net loss for fiscal 2011. The Company recorded a provision for current income taxes of \$80,759 for the year ended June 30, 2011, compared to a provision of \$63,896 recorded the prior year, representing a negative variation of \$16,863. Also during the year, revenues of \$78,279 were recorded related to future income taxes.

### **Summary of financial results for the fourth quarter of 2011**

In the fourth quarter of 2011, WANTED posted revenues of \$1,438,003, an increase of ten percent over revenues of \$1,303,176 recorded in the same quarter of last fiscal year. Net loss for the fourth quarter of 2011 was \$291,341 (\$0.012 per share), a negative variation of \$217,672 from \$73,669 (\$0.003 per share) for the same quarter in 2010.

### **Financial position**

As at June 30, 2011, WANTED had a cash position (cash and temporary investments) of \$1,426,715 and a working capital of \$1,183,931. This compares with a cash position of \$2,430,913 and a working capital of \$1,801,720 as at June 30, 2010, representing decreases of \$1,004,198 and \$617,789 respectively. This decrease of \$1,004,198 in the Company's liquidity is mainly the result of negative cash flows of \$207,836, \$312,240 and \$484,122 used for operating, investing and financing activities respectively.

Total assets stood at \$6,155,765 at June 30, 2011, down \$329,353 from \$6,485,118 at June 30, 2010. The decrease in total assets is mainly due to decreases of \$460,820 in short-term assets and \$163,080 in intangible assets, partially offset by an increase of \$294,547 in property, plant and equipment. This increase in property, plant and equipment mostly results from investments in leasehold improvements as well as the purchase of computer equipments required to maintain adequate user response time within new and more complex user functionalities as well as to support new product development.

### **Prior period adjustment**

In the context of the preparation of the financial statements for the year ended June 30, 2011, management discovered a discrepancy in its previous reported consolidated financial statements for the fiscal year ended June 30, 2007 in regards to the purchase price allocation of its subsidiary, Wanted USA, Inc. (formerly Corzen, Inc.) and more specifically, in regards to the future income taxes liability related to the differences between accounting and fiscal considerations.

Consequently, the Company has restated its consolidated financial statements. As a result of such restatement, the future income taxes expense was reduced by \$78,278 and the net loss and comprehensive income reduced by the same amount. The restatement also caused the opening deficit to be reduced by \$211,935, the goodwill to be increased by \$642,459 and the future income tax liability to be increased by \$352,246. These adjustments had no impact on the consolidated cash flows of the Company.

WANTED also announces the issuance of a total of 200,000 stock options to Jean-Pierre Rabbath, member of its executive team. Each option expires on October 13, 2016 and entitles its holder to purchase one common share of WANTED at a price of \$0.40 per share.

Those interested will be able to access the information on the 2011 audited consolidated financial statements, the notes thereto and the management discussion and analysis via the Internet at [www.sedar.com](http://www.sedar.com) and at the Company's website, [www.wantedtech.com](http://www.wantedtech.com), as of Tuesday, October 18<sup>th</sup>, 2011.

### **About WANTED Analytics™**

WANTED Analytics™ helps recruiting organizations make better decisions faster with real-time business intelligence on jobs, employers, and talent. Analytics brings together, for the first time, years of hiring demand and talent supply data to create a true talent intelligence platform for hard-to-fill positions.

Clients in the staffing, HR, RPO, media, and government sectors use WANTED Analytics™ to find sales leads, analyze employment trends, gather competitive intelligence, forecast economic conditions, and source hard-to-fill positions.

### **About WANTED Technologies Corporation**

WANTED Technologies (TSX-V:WAN) provides real-time business intelligence for the talent marketplace. Founded in 1999, the company's headquarters are in Quebec City, Canada, and it maintains a US-based subsidiary with primary offices in New York City. WANTED began collecting detailed Hiring Demand data in June 2005, and currently maintains a database of more than 600 million unique job listings. For more information or to sample WANTED's services, visit [www.wantedanalytics.com](http://www.wantedanalytics.com)

WANTED is also the exclusive data provider for The Conference Board's Help-Wanted OnLine Data Series™, the monthly economic indicator of Hiring Demand in the United States.

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