

23 October 2014

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**SKILLED Group Limited  
2014 Annual General Meeting  
Thursday 23 October 2014 at 11:00am  
Conference Centre, State Library of Victoria**

**Chairman's address to shareholders**

We are pleased that the ongoing successful implementation of the Company's strategy is supporting resilient financial performance and providing a foundation for future growth.

Despite difficult market conditions in the 2014 financial year, revenues were consistent with the previous year at \$1.9 billion. Underlying EBITDA was \$95.4 million, also in line with the previous year, with margin maintained at 5.1%.

Underlying net profit after tax was \$55.3 million, just below the 2013 result of \$58.4 million. Reported net profit after tax was \$44.2 million, including accounting adjustments associated with the recently acquired businesses and integration and restructuring costs.

Key to this result was the implementation of strategic initiatives to grow and diversify SKILLED's earnings mix.

In July 2013, we acquired Broadsword Marine Contractors, a Northern Territory based marine services provider with exposure to activity in the

Australian oil & gas sector. Broadsword's business is highly complementary to the manning and marine logistics services provided by SKILLED Offshore. In 2014, Broadsword made a significant contribution to Group earnings, as expected, and we invested further in the business through vessel acquisitions.

In February 2014, we acquired a specialised maintenance and asset management services business, Thomas & Coffey. This expanded our maintenance and shutdown capability and presence, particularly on the east coast. The combination of Thomas & Coffey and ATIVO created a strong maintenance services provider with a broad national footprint, supported by a highly skilled and experienced workforce.

In addition to these acquisitions, we commenced work on the Saipem contract, a major oil and gas project in the Northern Territory, which will run through the current financial year. Involvement in a project of this size demonstrates our ability to recruit and mobilise teams for large scale projects.

Further, the successful upgrade to SKILLED's enterprise resource planning system - which was delivered on time and on budget in July as part of our Transformation program - has provided a foundation for further savings and scale benefits across the Group.

The value of these initiatives has been particularly apparent in the context of ongoing cyclical weakness in several key areas of the Australian economy, including mining and manufacturing.

Despite these challenges, we remain confident that we can continue to deliver consistent returns for shareholders. The Board is pleased to have declared a full year dividend of 17 cents per share, up from 16 cents per share in the previous year.

While we are pleased with our initiatives and financial performance, we were saddened by the death of one of our employees on a client site last year. We extend our heartfelt sympathy to the family.

The safety of our people and those around us remains at the core of SKILLED's culture. Safety is our number one corporate value, and we remain focused on improving our performance, particularly in relation to the high-risk activities that our people undertake at thousands of client locations around the country. We are pleased that in 2014 SKILLED achieved a 14% reduction in its All Injury Frequency Rate relative to the previous year.

SKILLED is a people business, and this year we are proud to be celebrating 50 years of employing, training and developing careers for people. In particular, we are pleased to be helping develop Australia's future workforce, with over 1,300 apprentices and trainees engaged across various trades in 2014.

We also remain committed to supporting Indigenous employment, with more than 500 Indigenous employees across our businesses.

Earlier this year, our Chief Executive Officer, Mick McMahon indicated his desire to step down from his role by the 2015 Annual General Meeting. Building on their work with SKILLED over the past few years on talent

management and succession planning, we have engaged Egon Zehnder to work with the Board to assess internal and external candidates, and to assist with the CEO transition process. We are pleased with progress to date and are confident that the structure and process will facilitate a smooth transition to new leadership.

In summary, the past 12 months have seen SKILLED successfully progress strategic initiatives and consolidate its position as Australia's leading provider of flexible labour solutions. The Company is demonstrating resilience in the face of a difficult external environment, and our strategy is positioning us well to take advantage of new opportunities as they arise.

SKILLED's management team is well experienced and is delivering results from our strategic initiatives. We have invested in senior management capability and will continue to implement our strategy from this strong foundation.

I thank my Board colleagues, Mick McMahon, the management team and all our staff and employees for their continuing hard work and commitment.

Finally, I thank all of you, our shareholders, for your ongoing support of our Company.

#### **2014 Annual General Meeting audio webcast**

A live audio webcast of the 2014 Annual General Meeting will be available. The audio webcast is a listen only facility and does not enable questions. The audio webcast archive and transcript will be made available on the website. [Click here to register for the webcast](#)

For further information please contact:

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**About SKILLED Group**

SKILLED Group Limited is Australia's leading provider of labour hire and workforce services. SKILLED Group has 100 offices across Australasia with annualised revenues of around A\$1.9billion. SKILLED partners with clients to improve their workforce efficiency, enhance safety performance and increase productivity levels. SKILLED is listed on the Australian Securities Exchange (ASX: SKE) and has approximately 5,600 shareholders, predominantly in Australia.