

23 October 2014

SKILLED Group Business Update

SKILLED's Managing Director and Chief Executive Officer, Mick McMahon, commented on the Group's trading in the quarter to 30 September 2014 during SKILLED's Annual General Meeting today.

The run-rate in activity levels across the Group during the second half of FY14 (the year to 30 June 2014) continued in the first quarter of FY15 (the three months to 30 September 2014). Overall, revenue and earnings in 1Q15 were more than 10% higher than the pcg.

Demonstrating the results of SKILLED's strategy to invest in higher skill, higher margin segments, Engineering & Marine Services (which contributed 53%¹ of SKILLED's earnings before interest, tax, depreciation and amortisation (EBITDA) in FY14) continued to grow in 1Q15. The Thomas & Coffey integration is progressing well, and an attractive return is being generated from the recent investment in additional Broadsword vessels.

Technical Professionals (which contributed 15%¹ of SKILLED's EBITDA in FY14) has experienced stable contractor numbers in the Swan business and improved performance in other segments, including permanent placements, telecommunications, Health and Training Services.

Workforce Services (which contributed 32%¹ of SKILLED's EBITDA in FY14) has continued to experience difficult market conditions. Activity levels relative to the pcg are variable across sectors and geographies, and margin pressure has continued.

SKILLED continues to progress simplifying, standardising, automating and centralising processes across the Group. In addition, the Group has accelerated its Transformation program, with at least \$15 million of savings anticipated to be achieved in FY15 through process improvement and the benefit from systems investment.

SKILLED's cashflow generation and balance sheet position remain strong. Net debt is expected to peak in mid FY15 as a result of seasonal factors and support of the Saipem project, before declining by the end of the financial year.

Commenting on the Group's progress in relation to the Chief Executive Officer succession plan, SKILLED's Chairman, Vickki McFadden, noted that Egon Zehnder has been appointed to work with the Board to assess internal and external candidates, and assist with the CEO transition process.

¹ As per segment reporting, before corporate/unallocated costs

For further information please contact:

Delphine Cassidy

Investor Relations

SKILLED Group Limited

+61 3 8646 6465

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.