

ASX Announcement



8 December 2014

Market update

SKILLED today confirmed that there had been no material change in its operations and outlook since the Company's AGM on 23 October 2014, other than the acquisition of the remaining 50% of OMSA announced on 18 November 2014.

Consistent with commentary at the AGM:

- Engineering and Marine activity levels remain strong with:
 - a continued pipeline of opportunities in Engineering shutdowns and maintenance; and
 - overall activity levels in Australia and New Zealand supported by the Saipem contract and recent contract wins in OMSA;
- Market conditions in Workforce Services remain challenging;
- Technical Professionals performance remains in line with previous commentary, with broadly stable contractor numbers in Swan and some positive trends in permanent placements, telecommunications, health and training services.

Additional cost savings targeted for FY15 are on track, with the benefit to be achieved in 2HFY15, and cashflows are in line with expectations.

The acquisition of the remaining 50% of OMSA has been completed and integration is progressing.

SKILLED's Managing Director and Chief Executive Officer, Mick McMahon said "We see no reason for the recent fall in share price, and expect no near term impact from the recent fluctuations in oil prices."

In relation to the previously advised CEO succession, SKILLED Chairman Vicki McFadden confirmed that "The Board is very pleased with the process to date, which is well advanced."

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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 6,700 shareholders, predominantly in Australia.