

ASX Announcement

5 August 2015

SKILLED dividend payments in conjunction with the proposed acquisition by Programmed

On 24 June 2015, SKILLED Group Limited and Programmed Maintenance Services Limited entered into the Scheme Implementation Agreement, under which it is proposed that Programmed would acquire all of SKILLED's issued shares. The Scheme Implementation Agreement provides for scheme consideration of:

- 0.55 New Programmed Shares and
 - \$0.25 cash, less the amount of any SKILLED FY15 final dividend or special dividend paid prior to implementation of the Scheme,
- per SKILLED share

Also on 24 June 2015, SKILLED stated its intention that the cash component of the scheme consideration be paid in the form of a fully franked dividend.

As announced today, the SKILLED Board has declared a FY15 final dividend of 9.5 cents, fully franked, per share. This dividend reduces the cash component of the scheme consideration by 9.5 cents per SKILLED Share, to 15.5 cents per SKILLED Share.

Further, if SKILLED shareholders approve the scheme at the shareholders' meeting scheduled for 25 September 2015, the SKILLED Board will declare a special dividend of 15.5 cents cash, fully franked, per SKILLED Share (conditional on the Scheme becoming effective). If this occurs, the FY15 final dividend and the special dividend will, together, provide \$0.25 cash per SKILLED share and, consequently, the cash component of the scheme consideration will reduce to zero.

The SKILLED Board proposes to distribute the cash component of the scheme consideration in the form of franked dividends so that additional value may be received by SKILLED shareholders who are able to utilise the franking credits, if the scheme proceeds. Shareholders should note that, given the proposed timetable for the scheme of arrangement (as announced by SKILLED on 3 August 2015), only shareholders who acquire their SKILLED shares on or before 24 August 2015 will be entitled to use franking credits associated with the FY15 final dividend and the special dividend. SKILLED has applied for an ATO ruling to confirm the taxation treatment in relation to the FY15 final dividend and the special dividend, as well as the availability of CGT rollover relief for SKILLED shareholders.

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About SKILLED Group

SKILLED Group Limited is Australia's leading provider of labour hire and workforce services. SKILLED Group has over 80 offices across Australasia with annualised revenues of around A\$2.0 billion. 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 8,000 shareholders, predominantly in Australia.