

25 September 2015

Extraordinary General Meeting – Chairman’s Statement

Welcome

Welcome to the SKILLED Group Scheme Meeting. This meeting is to consider the recommended scheme of arrangement between SKILLED Group and its shareholders for the acquisition of 100% of SKILLED shares by Programmed Maintenance Services Limited.

I am Vicki McFadden, the Chairman of this meeting and Chairman and Independent Non-Executive Director of SKILLED Group. I am advised by Computershare that there is a quorum present and am pleased to declare the meeting open.

Before proceeding to the business of the meeting, I will make a few comments about the proposed acquisition of SKILLED by Programmed.

Proposed acquisition by Programmed

On 24 June 2015, SKILLED announced it had entered into a Scheme Implementation Agreement with Programmed Maintenance Services Limited. Subject to the satisfaction or waiver of a number of conditions, including the approval of SKILLED shareholders at this meeting, Programmed will acquire 100% of SKILLED shares pursuant to a scheme of arrangement.

If the Scheme proceeds, SKILLED will become owned by Programmed and SKILLED shareholders will receive Programmed shares such that they collectively hold approximately 52.4% of the combined group.

Also, if the Scheme proceeds, shareholders will receive a fully franked special dividend of 15.5 cents per share, in addition to the fully franked final dividend for the financial year ended 30 June 2015 of 9.5 cents per share.

Your Directors consider that the acquisition of SKILLED by Programmed is in the best interests of SKILLED shareholders and recommend that you vote in favour of the Scheme.

Your Directors intend to vote any SKILLED shares that they hold or control in favour of the Scheme.

I wish to note that Max Findlay has a significant shareholding in Programmed and consequently has absented himself from discussions and abstained from making a recommendation in relation to the scheme. However, Mr Findlay intends to vote his SKILLED shares in favour of the Scheme.

Your Directors consider that the reasons why you should vote in favour of the Scheme include:

- that the Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, in the best interests of SKILLED shareholders in the absence of a superior proposal;
- that the Scheme offers a significant premium to SKILLED shareholders, compared to SKILLED share prices prior to the ASX announcement in June 2015 that SKILLED and Programmed were entering into discussions;
- that the combination is expected to generate synergies of over \$20 million in the first year, and your Directors believe there is potential for significantly more synergies to be realised over time;

- that the combined SKILLED and Programmed will be a leading, diversified staffing company with enhanced scale and growth opportunities, a larger customer base and improved earnings diversity than SKILLED on a standalone basis; and
- in the Independent Expert's opinion, SKILLED shares are likely to trade at lower levels in the absence of the Scheme.

The Explanatory Memorandum sent to shareholders in August 2015 provided more detail on these reasons to vote in favour of the Scheme, and also set out reasons why you may consider voting against the Scheme.

If the Scheme proceeds, it is expected to be implemented on Friday, 16 October 2015.

The scheme of arrangement is subject to the satisfaction or waiver of a number of conditions. Those conditions include:

- the approval of SKILLED shareholders at today's meeting;
- the approval of the Court;
- that no Material Adverse Change occurs in relation to either SKILLED or Programmed; and
- that there are no legal restraints preventing the completion of the scheme.

With the exception of conditions relating to SKILLED shareholder and Court approvals, the satisfaction of these conditions will be assessed as at 8am on the Second Court Date, which is scheduled for Thursday, 1 October 2015.

Business of the Meeting - Approval of Scheme of Arrangement

I will now move to the substantive part of today's meeting. The purpose of this meeting is to consider a resolution in accordance with section 411 of the Corporations Act, to approve the scheme of arrangement between SKILLED Group and the holders of its fully paid ordinary shares.

This resolution was set out in the notice convening this meeting, which is contained in Annexure F of the Explanatory Memorandum. I shall take the notice and the resolution as read.

I propose to deal with this matter by way of a poll. I will provide voting instructions shortly.

Opportunity for discussion

If you are a holder of ordinary shares, or a proxy or authorised representative, and you have any questions or wish to address the meeting, I will now take those questions that relate to the scheme resolution being put.

Introduction of the Poll

If there are no further questions or comments, I will now advise the meeting of the proxy votes received from SKILLED shareholders in respect of the scheme resolution being considered and explain the procedure for the poll.

In accordance with the requirements of the Corporations Act, for the scheme resolution to be passed, it must be approved by a majority of those SKILLED shareholders voting at this meeting today (whether in person or by proxy), and at least 75% of the votes cast must be in favour of the resolution.

Wayne Hopkins of Computershare is present today and will act as the returning officer in relation to the poll. He has been appointed to conduct the poll and will take charge of all voting papers immediately after the poll has been taken. I now declare the poll open.

If the scheme resolution, on which you are currently voting, is passed by the required majorities, the scheme of arrangement will be taken to be approved by SKILLED shareholders.

If so, the acquisition of 100% of SKILLED shares by Programmed will be able to proceed, subject to:

- the Supreme Court of Victoria approving the scheme of arrangement; and
- the satisfaction or waiver of the remaining conditions.

Orders will be sought from the Supreme Court of Victoria on Thursday, 1 October 2015, approving the scheme of arrangement. An announcement will be made to ASX after the Court has ruled. Should the Court approve the scheme of arrangement, it is intended that SKILLED shares will cease trading on ASX from close of trading on Thursday, 1 October 2015.

Any shareholder who wishes to oppose the approval by the Court of the scheme of arrangement may do so by filing with the Supreme Court of Victoria and serving on Skilled Group Limited, a notice of appearance in the prescribed form, together with any affidavit on which they wish to rely at the hearing.

Once the votes have been counted, the results of the poll will be announced on ASX and the Skilled Group Limited website.

ENDS

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About SKILLED Group

SKILLED Group Limited is Australia's leading provider of labour hire and workforce services. SKILLED Group has 80 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.