

Delivering shareholder value



2012 Full Year Results

Presented by:
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22 August 2012

SKILLED Group

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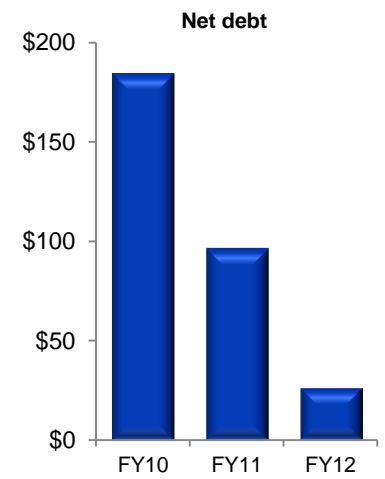
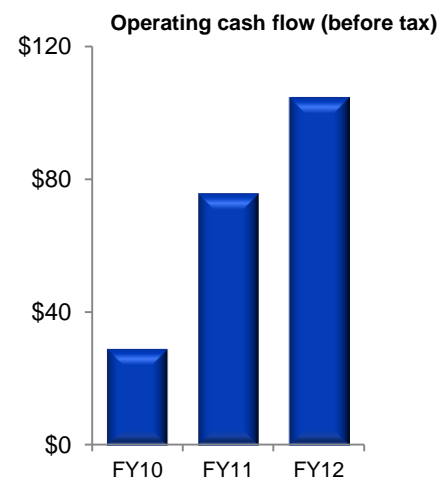
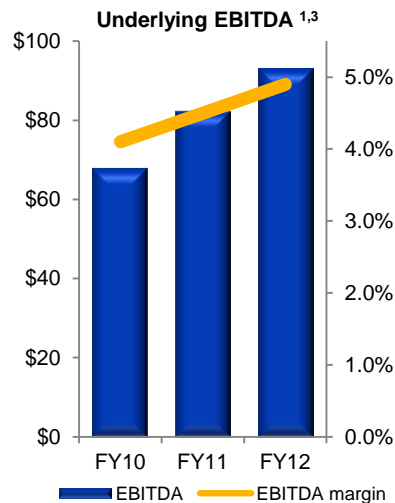
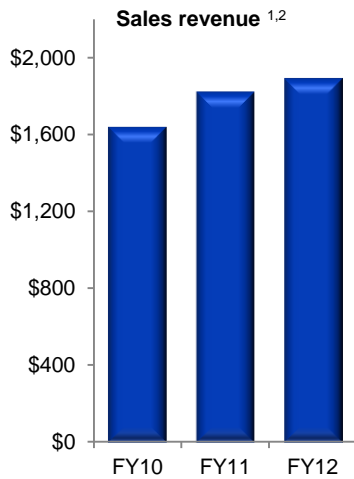
Outlook

Business segment performance

Appendices

Group Performance

- Sales Revenue^{1,2} up 3.9% to \$1,894.4 million
- Reported NPAT of \$49.3 million from \$3.1 million
- Underlying NPAT¹ up 85.6% to \$52.4 million
- Underlying EBITDA^{1,3} up 13.0% to \$93.1 million
- Underlying EBIT^{1,3} up 34.2% to \$80.7 million
- Operating cash flow (before tax) of \$109.9 million
- Net debt reduced to \$27.4 million from \$96.6 million
 - Gearing at 5.8% compared to 18.9%
- Reported EPS of 21.1 cps up from 1.6 cps
- Underlying EPS of 22.5 cps up from 14.0 cps
- Final dividend of 8.0 cps, fully franked
 - Total dividend of 13.0 cps up from 3.0 cps



Group Highlights

Improved profitability across all segments as benefits of the Core Plus strategy are realised

Continued improvement in operating cash and reduction in debt

Sustainable cost base reduction delivered ahead of plan

- Achieved \$13.5 million (net) sustainable reduction in indirect cost base against \$10 million target; one year ahead of plan
- Further benefits identified from simplification and automation of manual processes

Strong pipeline of growth opportunities

- New contract wins and pipeline of opportunities from mining, oil & gas, infrastructure, telecommunications and FMCG

Building organisational capability and a One Team culture

- Further integration of business units in geographic regions

One-off impacts from strategy implementation:

- Profit on sale of non-core businesses
- Close out of legal dispute in ATIVO, from 2008
- Restructuring charges and impact of vessel exits

Segment Performance

	Sales	Underlying EBITDA	Underlying EBITDA margin
Workforce Services	\$933.5m ↑ 0.5%	\$46.2m ↑ 9.2%	4.9% ↑ 0.3%
Technical Professional Services¹	\$507.4m ↑ 17.2%	\$29.1m ↑ 29.2%	5.7% ↑ 0.5%
Engineering & Marine Services³	\$456.5m ↓ (1.8%)	\$36.5m ↑ 8.4%	8.0% ↑ 0.8%
Segment Performance	\$1,897.3m ↑ 3.9%	\$111.8m ↑ 13.5%	5.9% ↑ 0.5%
Unallocated/Eliminations	\$(2.9)m	\$(18.7)m	
Group Performance^{2,3}	\$1,894.4m ↑ 3.9%	\$93.1m ↑ 13.0%	4.9% ↑ 0.4%

Improving profitability in Workforce Services

- Consistent demand for trades and skilled labour in the mining, resources and infrastructure sectors, mainly in WA, NSW & QLD
- Offset by reduced activity in manufacturing & related sectors
- Profitability improvements from the Core Plus strategy

17% revenue growth in Technical Professionals

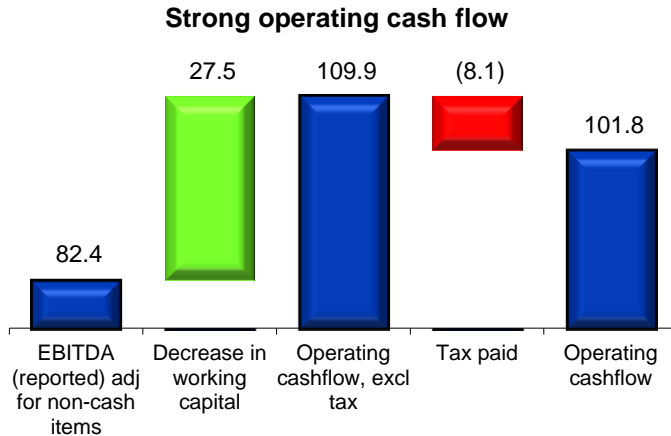
- Strong revenue and earnings growth in Swan
- Growth in higher margin trainees, apprentices, Indigenous employment and Technology Solutions

Improved profitability, reduced risk and contract wins in Engineering & Marine Services

- Growth in manning offset by planned reduction in vessels
- Strong growth in OMSA JV, OMS NZ and OMS international businesses
- ATIVO contract wins with mining clients in last quarter

EBITDA margin expansion across all segments

Strong operating cash flow



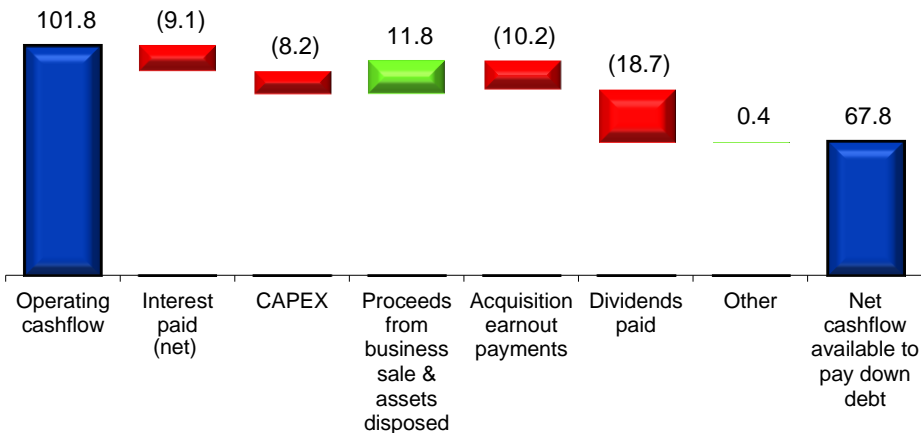
Significant improvement in working capital

- Average debtors days reduced by more than 3 days:
 - Back office process improvements
 - Alignment and accountability

One-off benefits

- \$12m cash release from OMSA JV
- Proceeds from asset sales of \$11.8m
- Favourable timing of tax payments

Available cash flow used to reduce debt



Reduction in debt and interest

	FY12	FY11	FY10
Operating cash before tax (\$M)	109.9	79.0	28.6
Net debt (\$M)	27.4	96.6	184.4
Net debt / net debt + equity	5.8%	18.9%	35.2%
Underlying net interest expense ¹ (\$M)	7.6	23.2	24.2

Net debt reduced by 72% to \$27.4m

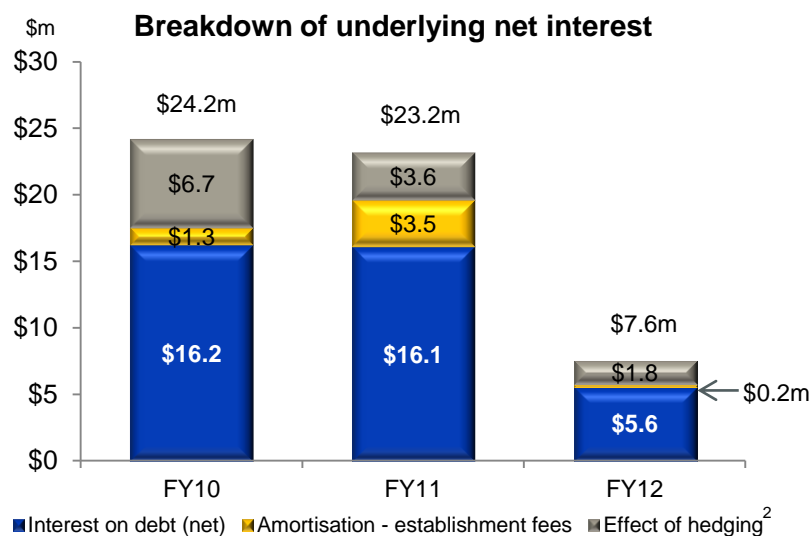
- Debt reduced by \$157m in 2 years

Strong credit metrics

- Interest cover³ at 12.2x

Refinanced debt facilities at lower cost

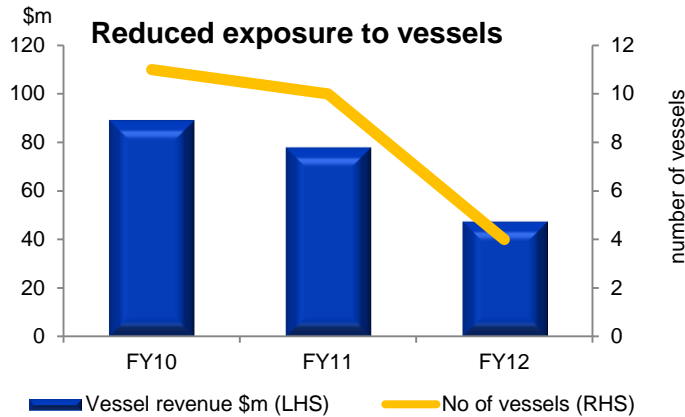
- Interest cost reduced by 67% as a result of lower debt and lower interest rates



¹ excludes interest and earn out liabilities and write-off of unamortised bank facility estab. fees in FY11; ² \$50m of interest rate hedging to reduce to \$10m in September 2012 and will be nil by September 2013

³ underlying EBITDA / net interest expense

Re-balanced Engineering & Marine Services

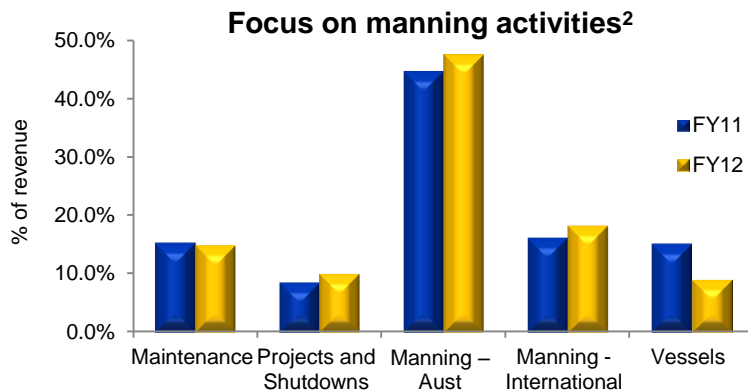


Reduced exposure to risk

- Exiting unprofitable vessel contracts in OMS, focus on manning
- Exited fixed price / fixed scope / high risk work in ATIVO
- Reduced exposure to 'generalist' permanent recruitment

Improved earnings quality in Engineering & Marine

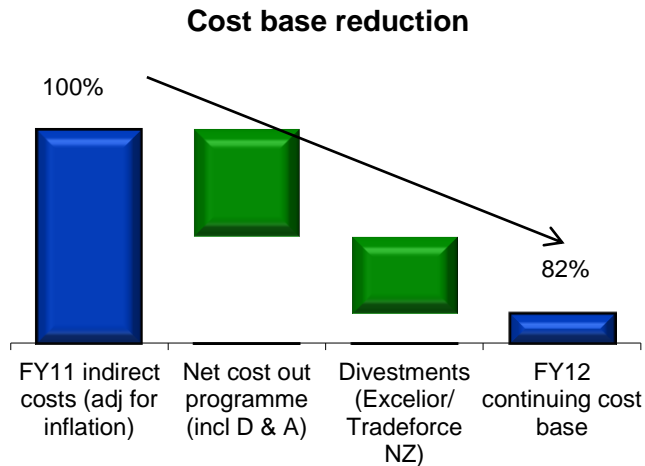
- Growth in Marine manning revenues
- OMSA JV revenue up 21%¹
- Projects & Shutdown contract wins in ATIVO



¹ not consolidated in SKILLED Group revenue

² Above graph includes notional 1/3rd share of OMSA JV revenue

Improved Financial Discipline



Cost out program delivered earlier than planned

- \$13.5m reduction in operating costs, delivered 1 year early
- Sustainable lower cost base
- Overall cost base reduced by 18%

Targeting further productivity improvements

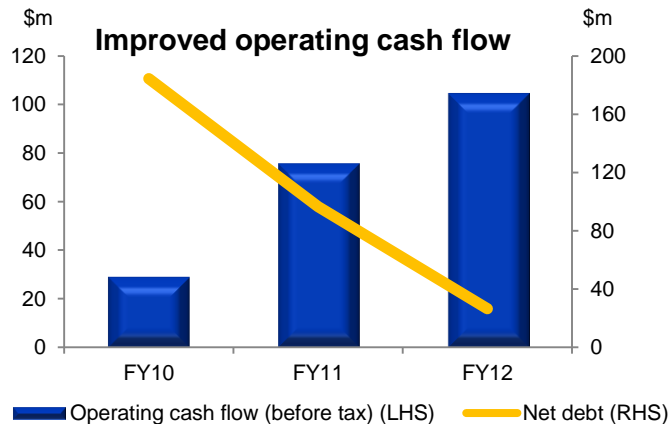
- Offset annual CPI via efficiency improvements

Improving Return on Capital

- Improved earnings and reduced capital base

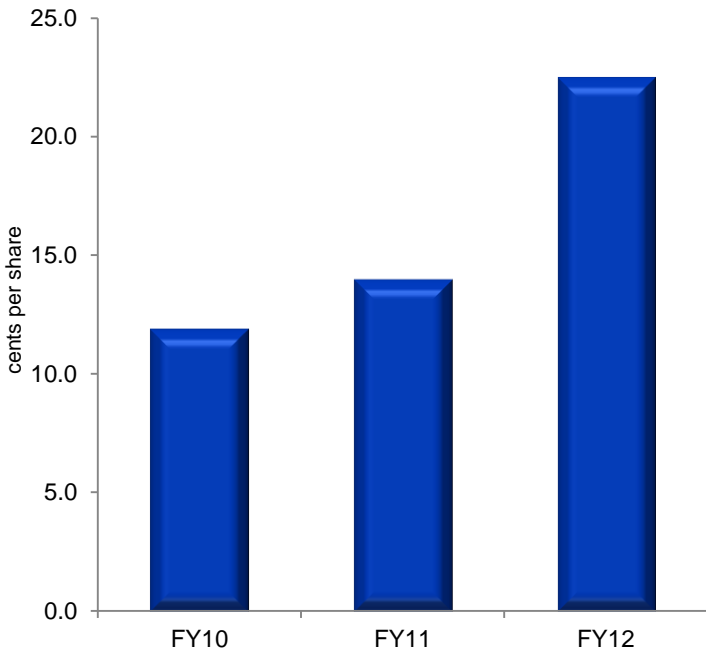
Exited non-core businesses

- Excelior call centre and Tradeforce NZ businesses sold

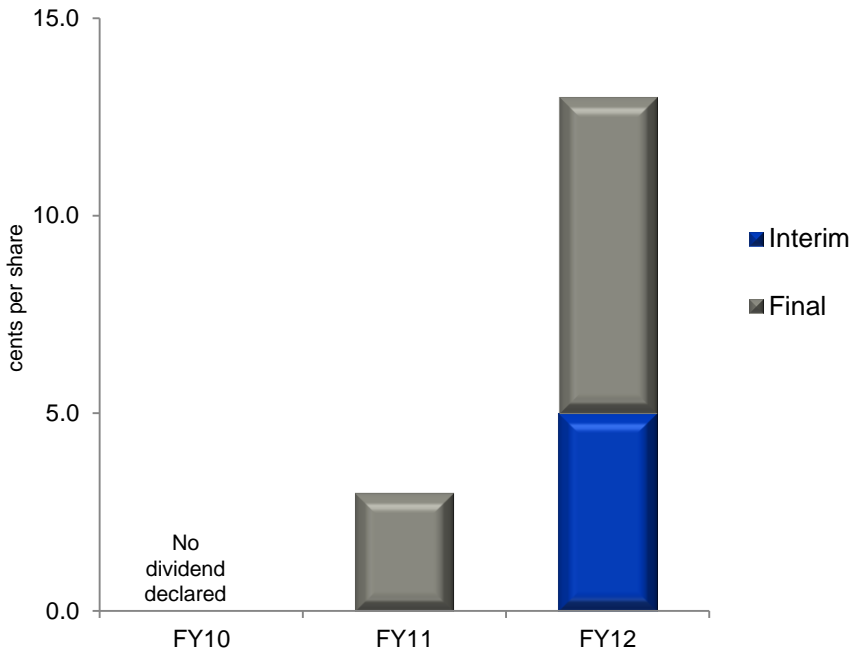


EPS growth supports increased dividend

~60% growth in underlying EPS



Increased dividend



Strategy and outlook



Our competitive advantage

Market leader in provision of flexible labour solutions

- Tradespeople, experienced operators & technical professionals;
- Engineering projects & maintenance;
- Offshore marine services

Strong position in key growth sectors

- Mining & resources; oil and gas; infrastructure; telecommunications
- 54% revenue from WA and QLD

Strong safety record

Industrial relations expertise

Employed ~50,000 people throughout FY12, including:

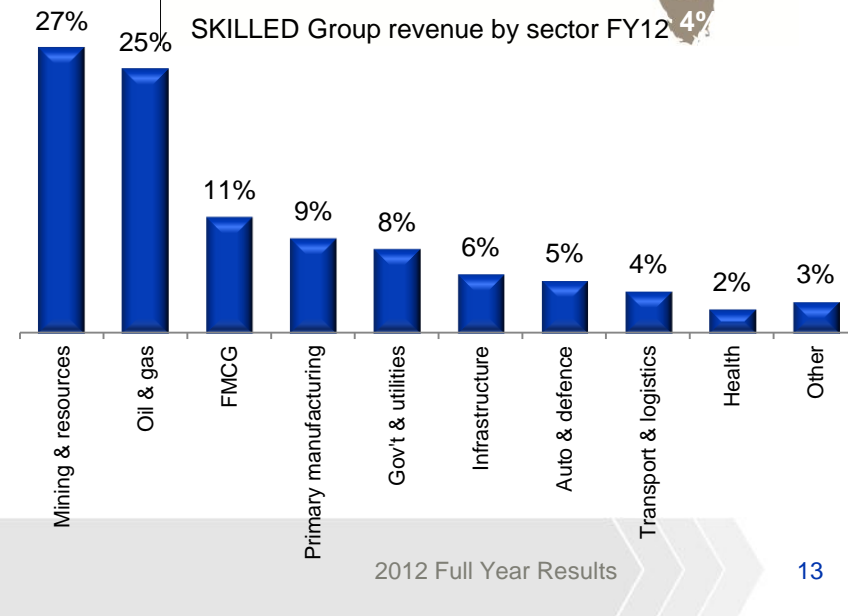
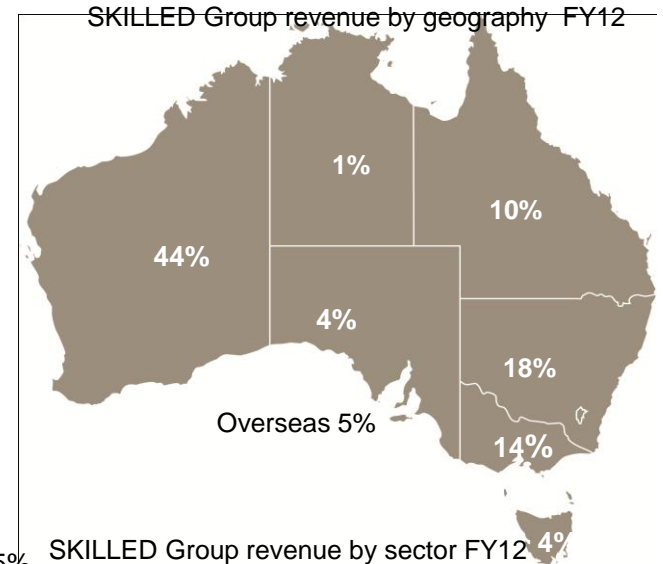
- ~ 1,100 traineeships and apprenticeships
- ~ 500 Indigenous employees

Long term client relationships

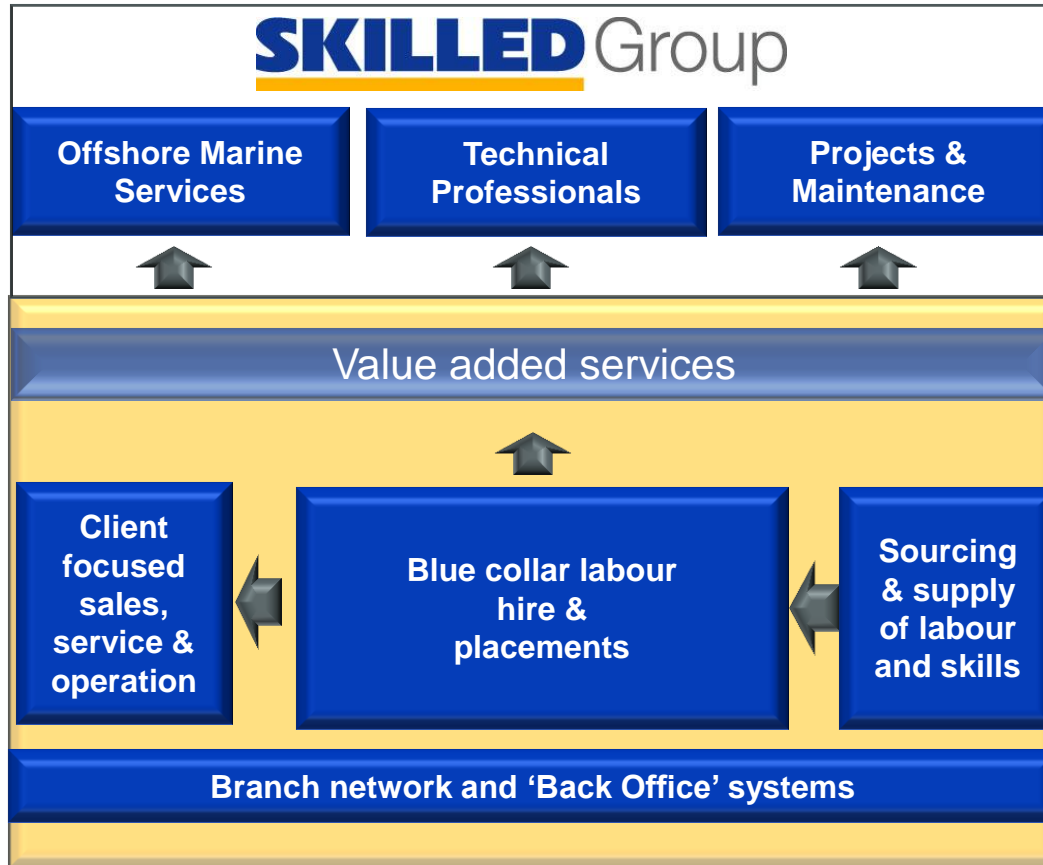
- ~ 50% clients with 2 – 5 year contracts; 18% with 5+ years

Well established and trusted brand

Extensive branch network across Australia



Core Plus strategy



Zero harm

Focus on the Core business

Fit for purpose back office systems

Scale overheads and cost base to suit

Drive value added services

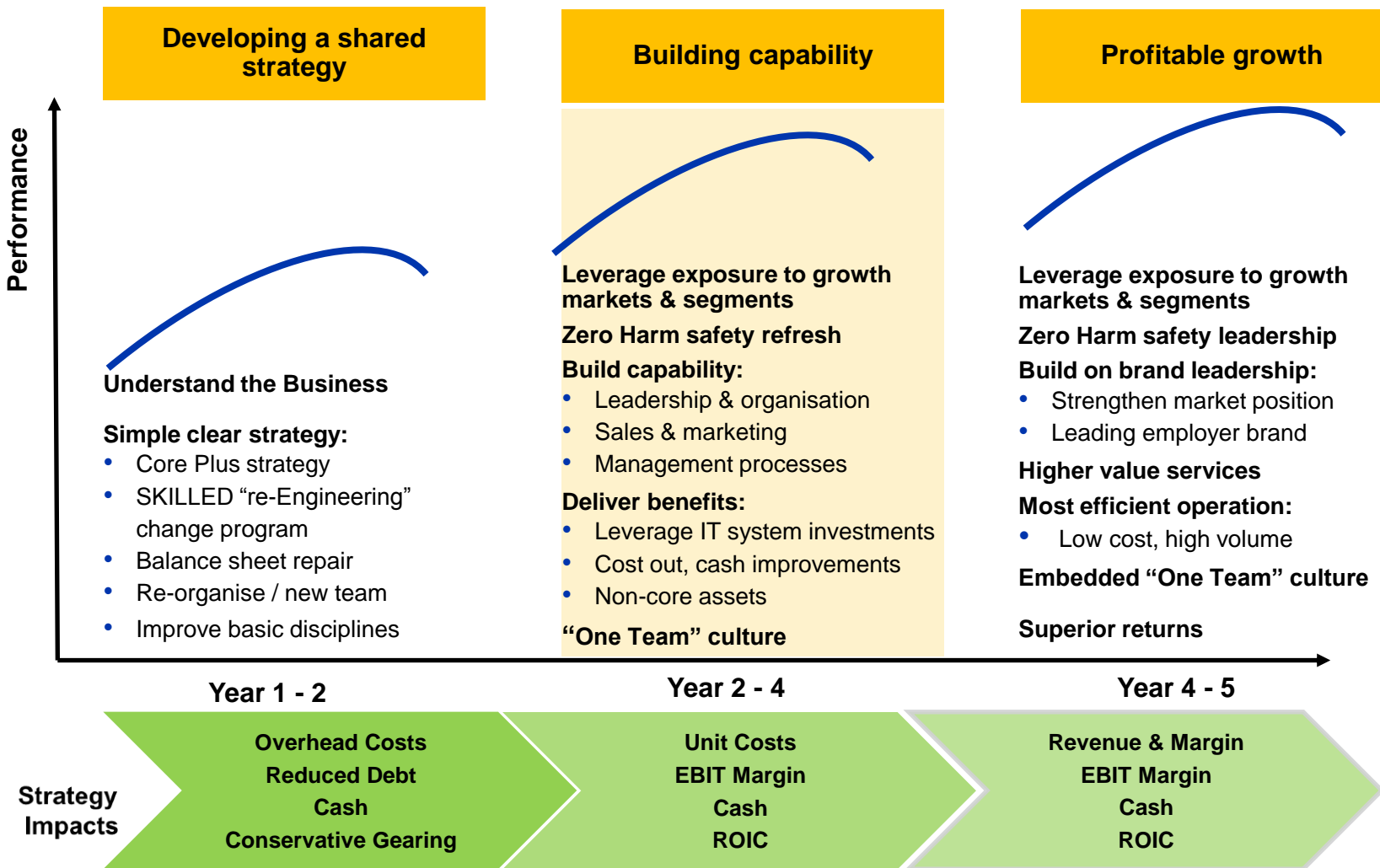
'Core Plus' businesses leverage the core:

'One Team' culture in support of front line teams

Improve the performance or exit from non-core businesses

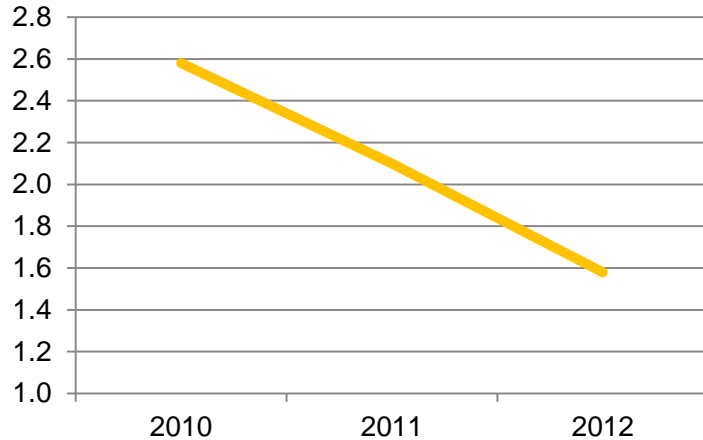
... strategy is appropriate for uncertain economic environment...

SKILLED change program on track



Safety Leadership

LTIFR (per 1,000,000 hours)



the safety
golden
rules



Commitment to Zero Harm

- Risk based approach to safety - Golden Rules
- Challenge of 50,000 people working on > 5,000 client sites

Industry leadership in Safety

- 15 years of safety leadership
- Only major provider with Self Insurance (NSW & SA)
- Awarded RCSA 2012 Award for Workplace Safety

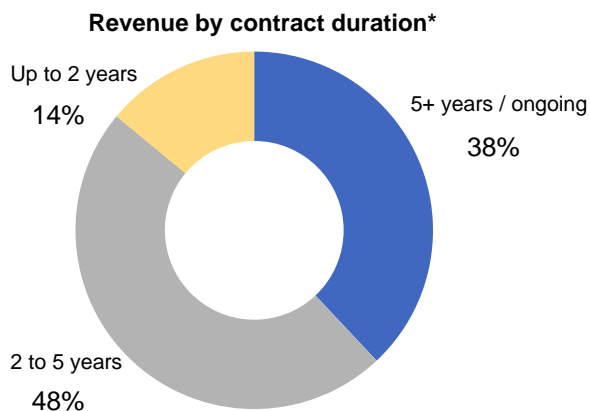
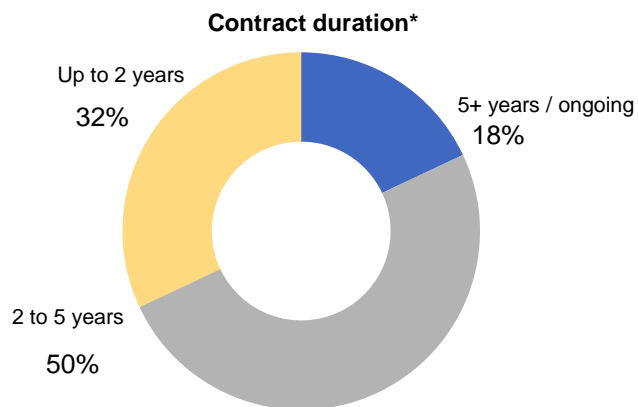
25% improvement in LTIFR in 2012

- Safety Refresh and Golden Rules deliver benefits
- Improved operational discipline and focus
- Reducing severity of incidents
- Delivering single figure LTIFR in mining and oil & gas sectors

Supported by improved safety processes

- e-WRA introduced (electronic Workplace Risk Assessment)
- Flex-screening and testing of all candidates

Platform for growth



Brand leadership

Long term client relationships

- Blue chip client base with multi year contracts in key growth sectors
- Diverse client base across industry, geography and scale

Efficient operational platform

- Further benefits from leveraging existing scale

Growth potential in value added services

Pipeline of opportunities

Strengthened capability

- Integration of operational business units
- Sales & marketing focus

Balance sheet strength

Transformation program

Build on the improvement in efficiency and stability of existing processes

Simplification and automation of key processes and systems including:

- Timesheet automation and integration to payroll
- Re-developed web portals and websites
- Integrated Rates Calculator and full e-WRA rollout
- Centralisation of distributed activities

Further structural cost out through transformation of processes over 2 to 3 years

Will support the delivery of benefits in:

- Efficient processes and systems
- Improved margins
- Lower unit costs
- Reduced administrative load on branches
- Increased competitive advantage

“One Team” Culture



Progressive organisational integration

Branch network co-location program well progressed

Relocation to Hawthorn office near completion

- ~ 300 staff from 4 Melbourne offices relocated
- Origin to relocate early 2013
- Set up and facilities can be replicated across network
- 5 further branches to be refurbished in FY13

Reward and recognition structure

- Balanced scorecard introduced
- Aligned short term incentive plans
- Service recognition program

Investment in Brand identity for staff

- Staff and employee program linked to Brand strategy with investment in branded uniforms, vehicle fleet and branches

Outlook

Portfolio balance and exposure to key industries, skills & geographies delivering growth despite macro economic challenges

Well positioned to benefit from continued demand for trades, experienced operators and technical professionals in high growth sectors (mining, oil & gas, telecom's & infrastructure)

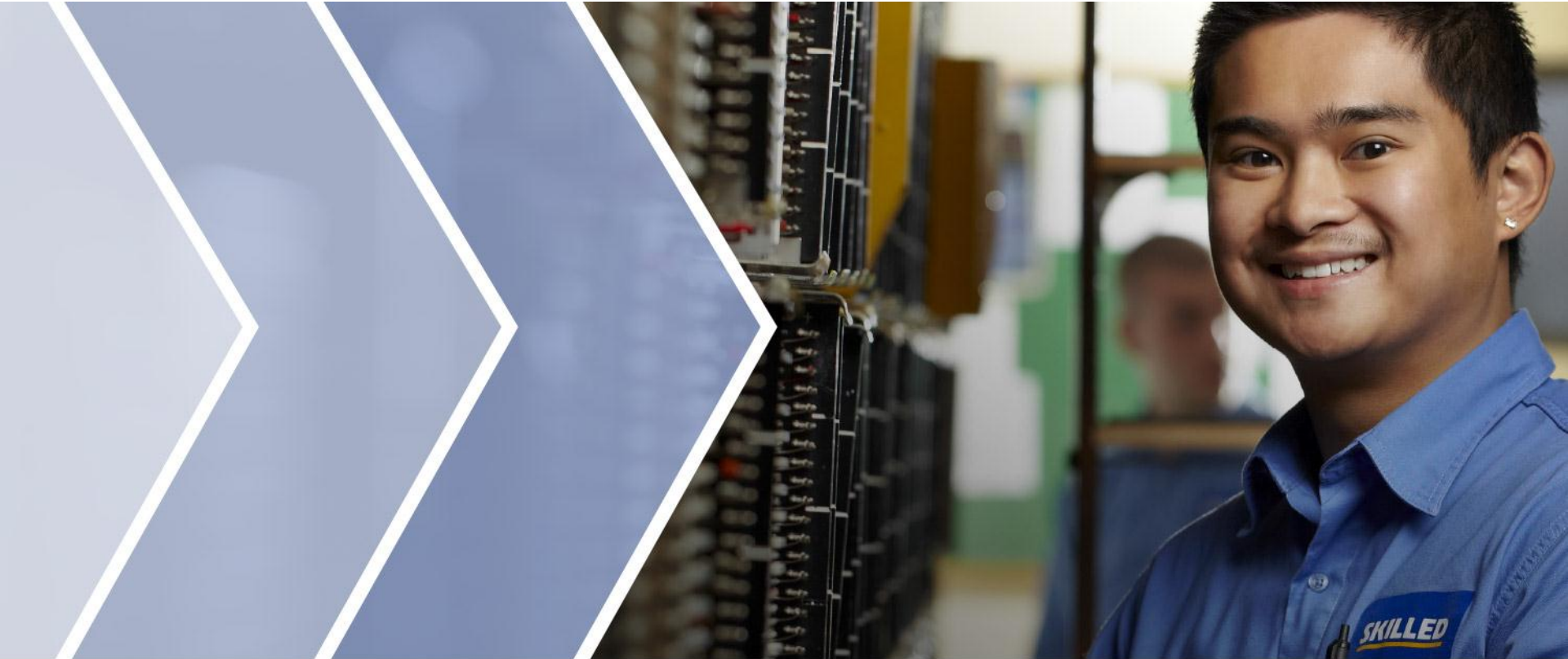
- **Workforce Services:** exposure to growth sectors should continue to offset decline in south east & manufacturing
- **Technical Professionals:** while rate of growth may moderate, demand is expected to continue
- **Engineering & Marine Services:** expect stronger activity levels supported by recent contract wins, but with some further impact from exit of remaining unprofitable vessel contracts

Continued strategy implementation to support EPS growth:

- Lower sustainable indirect cost base, reduced debt and interest cost
- Transformation program to reduce costs and improve service over two to three years

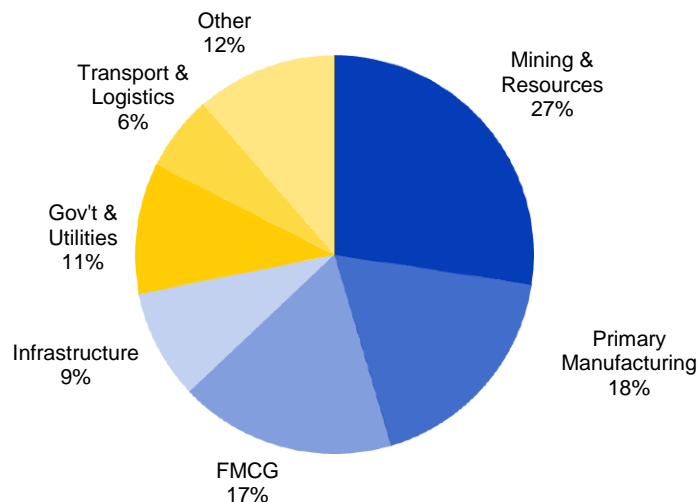
Operating cash flow and balance sheet strength to support dividends and to deliver shareholder value

Business segments



Workforce Services

Industry Breakdown:



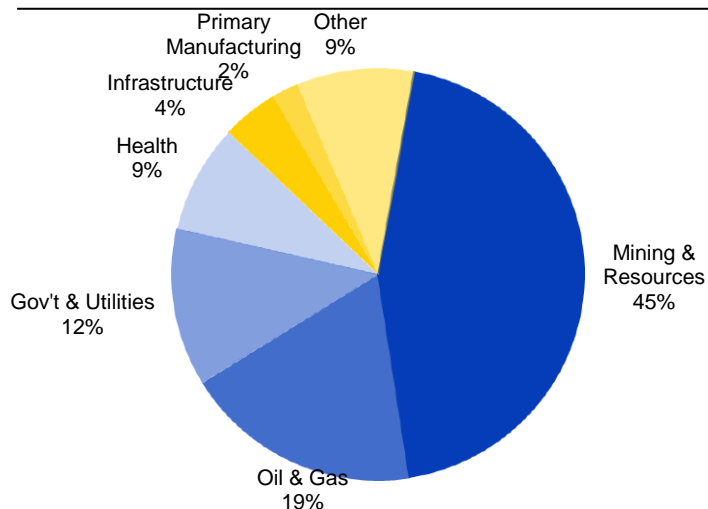
Revenue and EBITDA:

	FY12	FY11	Change
Revenue (\$m)	933.5	928.7	0.5%
EBITDA (\$m)	46.2	42.3	9.2%
EBITDA margin	4.9%	4.6%	0.3%

- Continued growth in activity levels in mining and resource sectors in WA, NSW and QLD and related rail and infrastructure sectors
- Offset by lower activity in manufacturing and logistic sectors in metropolitan and south east Australia
- Continued demand for high skilled trades and experienced operator roles
- Competitive pricing pressure in sectors under economic pressure
- Cost savings major driver of earnings growth
- Recent contract wins in mining, industrial and FMCG sectors
- Strong pipeline of major projects, primarily in mining, infrastructure and telecommunications

Technical Professionals¹

Industry Breakdown:



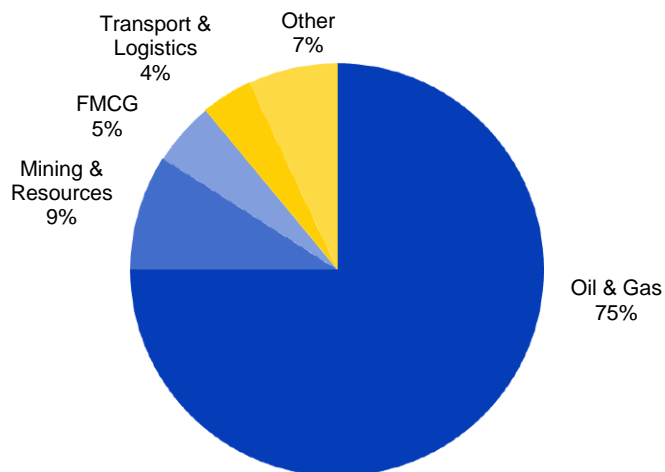
Revenue and EBITDA:

	FY12	FY11	Change
Revenue (\$m)	507.4	433.0	17.2%
EBITDA (\$m)	29.1	22.5	29.2%
EBITDA margin	5.7%	5.2%	0.5%

- Swan: continued strong revenue and earnings growth in line with mining, oil and gas activity
- Strong growth in higher margin trainees, apprentices and the Indigenous Employment Program
- Strong growth in the provision of Workforce Management Solutions
- Growth in white collar IT&T placements
- Demand for technical professionals expected to grow, albeit at a slower rate in FY13 if some major mining & resource projects slow
- Origin Healthcare turnaround strategy underway with a focus on improved operations to meet continued demand for skilled nurses and medical staff

Engineering and Marine Services

Industry Breakdown¹:



Revenue and EBITDA:

	FY12	FY11	Change
Revenue ² (\$m)	456.5	465.0	(1.8)%
EBITDA (\$m)	36.5	33.7	8.4%
EBITDA margin	8.0%	7.2%	0.8%

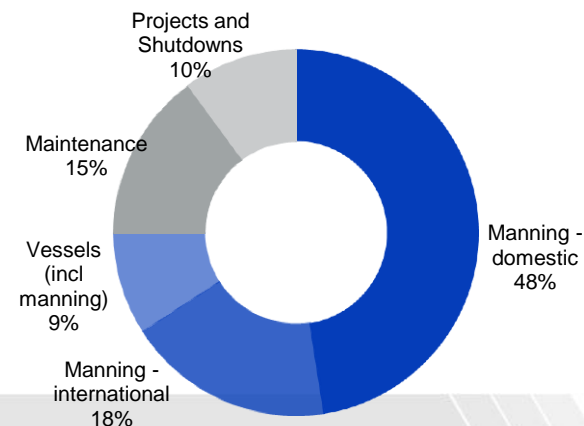
ATIVO:

- Improved revenue and earnings as a result of a focus on lower risk core competencies of contract maintenance and projects & shutdowns
- Contract wins with major mining clients for projects & shutdown services

OMS:

- Growth in manning revenue and margins in OMS Australia; offset by additional make good vessel provisions
- Improved performance in OMS NZ and International
- OMSA JV growth supporting Gorgon project

Revenue by activity¹:



Appendices

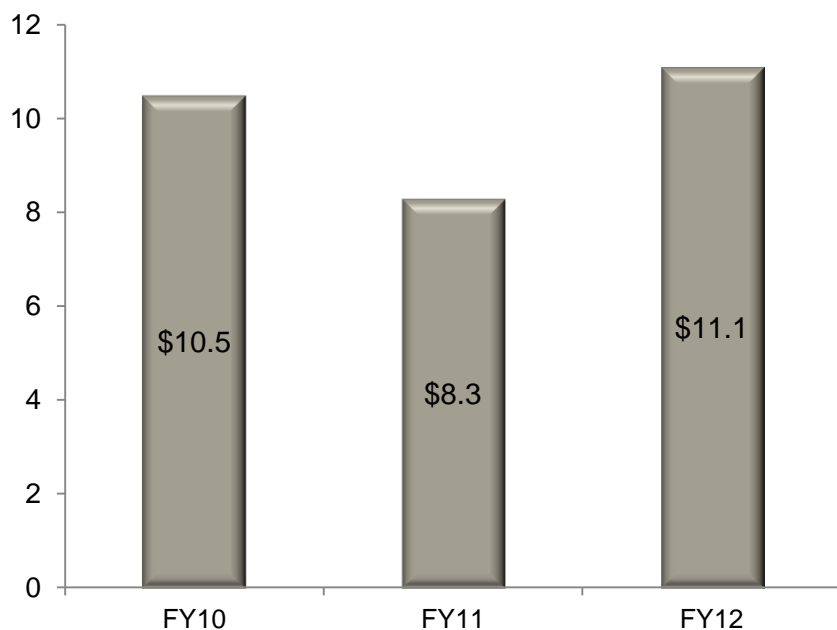


Statutory to underlying reconciliation (\$m)

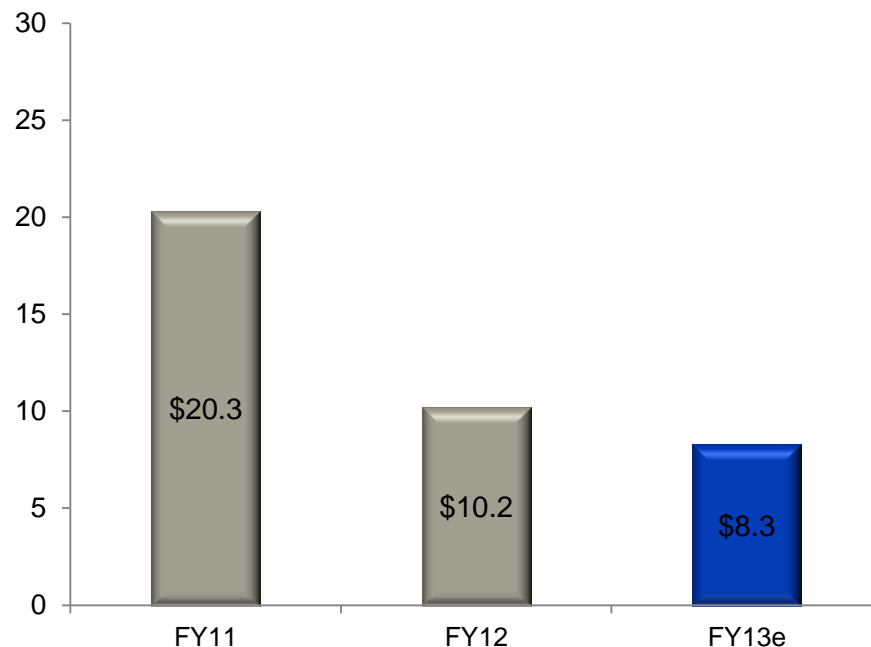
	FY12	FY11	FY10
Statutory EBITDA from continuing operations	86.1	64.6	63.8
Restructuring and branch closure costs	2.6	6.0	4.1
Close out of litigation	4.4	-	-
Goodwill impairment (non cash) ¹	-	10.7	-
Costs associated with discontinued sale process of Swan Contract Personnel	-	0.9	-
Underlying EBITDA from continuing operations³	93.1	82.3	67.9
Statutory EBIT from continuing operations	72.7	39.9	45.3
Above EBITDA adjustments	7.0	17.7	4.1
Amortisation of acquired intangible assets (non cash) ²	1.0	2.5	3.0
Underlying EBIT from continuing operations³	80.7	60.2	52.4
Statutory NPAT	49.3	3.1	12.7
After tax EBIT adjustments	5.6	17.4	5.0
Notional interest on earn-out liabilities (non cash)	0.5	1.0	2.3
After tax unamortised bank establishment fees write off (non cash)	-	2.9	-
Tax consolidation adjustment	1.4	-	(1.7)
R&D Tax Concession	-	(0.2)	(1.5)
Discontinued operations - profit on sale (FY12), goodwill impairment /other (FY11 and FY10)	(5.6)	1.9	2.5
Discontinued operations – profit from operations	1.2	2.1	1.5
Underlying NPAT from continuing operations	52.4	28.2	20.7

Capital expenditure and earn out payments

Capital expenditure*



Earn out payments



- Maintenance capex expected ~\$8 - 10m pa; including investment in branded network upgrade over 5 years