

**SKILLED Group Limited  
2013 Annual General Meeting  
Thursday 24 October 2012 at 11.30am  
Conference Centre, State Library of Victoria**

**Chairman's address to shareholders**

Good morning Ladies and Gentlemen.

It is a pleasure to welcome you to SKILLED Group's 2013 Annual General Meeting.

All of your directors are present at today's meeting.

- On my left is our Chief Executive Officer **Mick McMahon**.
- Next to Mick is Sharyn Page, SKILLED Group's Company Secretary & Group General Counsel
- Next to Sharyn is Max Findlay. Max is a member of the Audit & Risk Committee, the Remuneration Committee and the Nomination Committee.
- Next to Max is **Bob Herbert**. Bob is chairman of the Remuneration Committee.
- Next to Bob is **Tony Cipa**. Tony is chairman of the Audit & Risk Committee.
- And next to Tony is **Tracey Horton**. Tracey is a member of the Audit & Risk Committee, the Nomination Committee and the Remuneration Committee.

I also welcome **Mr Bruce Meehan** who is a Partner of Ernst & Young, the appointed auditor for SKILLED Group.

As a quorum is present I now formally declare SKILLED Group's 2013 Annual General Meeting open.

The Notice of Meeting has previously been sent to all shareholders and extra copies are available in the foyer. If there is no objection, I propose to take the Notice of Meeting as read.

Thank you.

Our 2013 Annual Report was recently sent to shareholders and posted on our website. Copies are available at the desk in the foyer should any shareholder wish to refer to it. Also available in the foyer are copies of the minutes of the 2012 Annual General Meeting.

At today's meeting, following my address, I will ask Mick McMahon to speak to you briefly about SKILLED Group's financial and operational performance during the last financial year.

We will then move to the formal part of the meeting, and shareholders will have the opportunity to ask questions about the Company and its performance generally, as well as in relation to the resolutions being put to today's meeting.

After the meeting there will be an opportunity to meet with Directors in a more informal atmosphere over some refreshments, and I encourage you to join us in the function room on Level 1 on the other side of the foyer.

I will now make a few comments about the Group's 2013 year.

Both the Board and I appreciate very much the ongoing support of all our shareholders and thank you to those who have joined us here today.

The 2012/13 financial year was a successful one for the SKILLED Group in an environment characterised by difficult economic and trading conditions.

The Company delivered robust financial returns as we continue to implement our turnaround strategy.

The Group's net profit after tax increased to \$56.2 million, compared to \$49.3 million in the previous year.

This pleasing result in challenging circumstances allowed us to distribute a full year dividend of 16 cents per share, up from 13 cents per share in the previous year.

The Group's success can also be measured in the way the company has expanded its future growth prospects in recent months with the acquisition of Broadsword and the successful tender with Saipem.

The company's success and performance over the past 12 months has been the result of its disciplined and committed approach to its strategic plan and the turnaround strategy.

Discipline and commitment have been even more critical given the continuing challenges faced by Australian and global economies.

We are now midway through the implementation of our strategy.

The first two years were focused on restoring a sound balance sheet, improving our operational capabilities, implementing cost-savings and re-focusing our offering around core capabilities of flexible and innovative labour solutions.

The successful implementation of the first part of the strategy has achieved two things.

First, it has restored SKILLED to a strong competitive position within the sector and provided the foundations for sustainable competitiveness.

Secondly, it has provided the Group with the resilience to manage ongoing economic unpredictability.

We are now focused on identifying value-enhancing opportunities that can grow revenue and market share.

Mining and resources continues to be a core component of our revenue base, and will be for a long time to come.

The mining industry, while tempered by slowing growth in China, remains a key part of Australia's economy, and of our business.

Our strategic approach over the past 12 months has been to grow our competitive position in other high-margin relatively stable sectors such as oil and gas.

In June, SKILLED acquired Broadsword Marine Contractors.

Broadsword is a Northern Territory-based marine services company which plays a significant role in servicing our region's oil and gas sector.

The \$75 million acquisition enhanced SKILLED's already significant presence in the marine services sector.

The acquisition was followed by the announcement last month of a major marine services contract.

That contract will involve the Group providing qualified construction and marine crews for the 889 kilometre Gas Export Pipeline, which will connect the offshore central processing facility of the Ichthys LNG Project to the onshore processing facility in Darwin.

The contract's total value is approximately \$A200 million.

These two initiatives illustrate the Group's focus on diversifying and consolidating our strengths.

We continue to focus on other important Group priorities.

The safety of our people is core to our business. Our efforts to focus on risk, to simplify our systems, and to continue to engage all our employees delivered a major improvement in our safety performance. We also, more importantly, had a dramatic reduction in the number and severity of accidents and the number of near misses.

We remain focused on the key risks and engaging all our employees to ensure we can continue to improve our safety performance.

We continue our strong commitment to apprenticeships and training.

SKILLED's future, as well as the broader Australian economy, depends on harnessing the talent of young Australians who have chosen to make vocational skills their career.

We remain one of the country's largest employers of apprentices as we continue to employ more than 1,000 apprentices across all sectors of the economy.

Given projected demand for skilled labour continues to increase to reflect Australia's proximity to the world's fastest growing region, SKILLED sees this as one important step in meeting this overall demand to ensure Australia's economy remains competitive.

We are also continuing our efforts to grow Indigenous employment, with SKILLED now employing more than 500 Indigenous employees across all sectors of the economy.

The Board is very pleased with the Company's achievements and progress over the last 12 months.

We continue to strengthen our offering over an increasingly diversified base and to strengthen our general operational capabilities.

We are well positioned to take advantage of new opportunities in an environment where there continues to be considerable uncertainty.

I am delighted to say that yesterday we announced the appointment of Mr Jim Walker as a non-executive director.

Jim has over 40 years' experience in the resources sector, and was most recently the Managing Director and Chief Executive Officer of WesTrac Pty Ltd, where he led the company's rapid development in industrial and mining services locally and in China.

Jim will bring a wealth of industrial and mining services experience to SKILLED Group and we are delighted to have someone of his calibre join the Board.

I want to thank Mick McMahon and the management team at SKILLED for their continuing hard work and commitment.

Finally, I want to thank all the staff throughout the Group who have been instrumental in SKILLED's continued success.

Thank you

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**About SKILLED Group**

SKILLED Group Limited is Australia and New Zealand's leading provider of labour hire and workforce services. SKILLED Group has over 160 offices across Australasia with annualised revenues around A\$1.9 billion. SKILLED partners with clients to improve their workforce efficiency and increase their productivity levels and provides staffing services to the mining, oil and gas, industrial, healthcare and contact service centre sectors. SKILLED is listed on the Australian Stock Exchange (ASX: SKE) and has approximately 6,200 shareholders, predominantly in Australia.