

2007/08 Half Year Results

20 February 2008

safety • knowledge • integrity • leadership • production
people • risk management • specialist skills • safety
productivity • innovation • delivery • people • risk
leadership • productivity • innovation • delivery
specialist skills • safety • knowledge • integrity •
delivery • people • risk management • specialist

Greg Hargrave, MD and CEO

SKILLED Group






Agenda

safety • integr
• knowledge
people • inn
specialist skills •

- Results Highlights
- SKILLED Group Financial Overview
- Segment Reporting
- Outlook & FY08 Guidance
- Appendices

Highlights – 31 December 2007

safety • integr
• knowledge
people • inn
specialist skills •

- **Revenue**  51% to \$917.6 million
- **EBITDA**  55% to \$41.0 million
- **NPAT**  23% to \$13.7 million
- **Strong organic revenue growth** up 15% on same period last year
- Interim fully franked dividend of **9.0 cents** per share
- Completed **three acquisitions** (OMS, Hudson T&I and Tradeforce NZ)

Key Results Drivers

safety • integr
• knowledge
people • inn
specialist skills •

- Strong macro operating environment
 - continued mining and resources boom
 - ongoing skills shortage
- Successful integration of acquisitions made over past 12 months
 - proven ability to identify, complete and effectively integrate acquisitions
- OMS performing strongly and delivering healthy profit performance
- Long-term investments being made in corporate infrastructure
 - Major back-office IT platform development (payroll, invoicing & billing, accounting)
 - Senior executive appointments
 - New office headquarters
 - Major operational process review

Agenda

safety • integr
• knowledge
people • inn
specialist skills •

- Results Highlights
- SKILLED Group Financial Overview
- Segment Reporting
- Outlook & FY08 Guidance
- Appendices

Financial Summary

safety • integr
• knowledge
people • inn
specialist skills •

| | | 6 months to 31 Dec 2007 | 6 months to 31 Dec 2006 | % change |
|----------------------|-----|----------------------------|----------------------------|----------|
| Sales Revenue | \$M | 917.1 | 607.6 | +51 |
| EBITDA | \$M | 41.0 | 26.5 | +55 |
| EBITDA Margin | % | 4.5 | 4.4 | |
| EBIT | \$M | 31.3 | 20.5 | +53 |
| EBIT Margin | % | 3.4 | 3.4 | |

Financial Summary (continued)

safety • integr
• knowledge
people • inn
specialist skills •

| | | 6 months to 31 Dec 2007 | 6 months to 31 Dec 2006 | % change |
|--|-----|----------------------------|----------------------------|----------|
| EBITDA | \$M | 41.0 | 26.5 | +55 |
| Depreciation & Amortisation | \$M | (9.7) | (5.9) | +64 |
| Net Interest Expense | \$M | (9.9) | (3.2) | +209 |
| Income Tax Expense | \$M | (7.6) | (6.2) | +23 |
| NPAT | \$M | 13.7 | 11.1 | +23 |
| NPAT pre intangibles amortisation | \$M | 16.3 | 12.3 | +33 |
| EPS | cps | 12.8 | 10.7 | +20 |
| DPS | cps | 9.0 | 8.0 | +13 |

Analysis of EBITDA margin

safety • integr
• knowledge
people • inn
specialist skills •

- Although EBITDA margin of SKILLED Group (4.5%) remains flat;
 - EBITDA margins at Business Unit level have increased (before allocation of corporate overheads)
 - Investments in corporate infrastructure have offset margin gains at the Business Unit level, resulting in flat margin growth at Group level
 - These infrastructure investments will deliver significant operational efficiencies and improve bottom-line in the future

Movement in Depreciation and Amortisation

safety • integr
 • knowledge
 people • inn
 specialist skills •

| | | 6 months to 31 Dec 2007 | 6 months to 31 Dec 2006 | Movement | Reason for movement |
|------------------------|------------|----------------------------|----------------------------|--------------|--|
| <u>Depreciation</u> | \$M | 3.3 | 2.9 | + 0.4 | Call centres & new branches |
| <u>Amortisation</u> | | | | | |
| Databases and software | \$M | 3.9 | 1.8 | + 2.1 | Amortisation of software and accelerated amortisation of databases |
| Other (non-deductible) | \$M | 2.5 | 1.2 | + 1.3 | Intangibles from acquisitions |
| Total D&A | \$M | 9.7 | 5.9 | + 3.8 | |

Interest Expense

safety • integr
• knowledge
people • inn
specialist skills •

- Interest Expense for the half-year ended 31 December 2007 was \$9.9 million compared with \$3.2 million for the half year ended 31 December 2006

- Interest Expense for the period includes \$1.1 million for non-cash interest on deferred consideration for acquisitions, consistent with requirements of the accounting standards

- Net debt for the period increased by \$101.4 million:
 - From \$170.0M at 30 June 2007
 - To \$271.4M at 31 December 2007

Movement in Net Debt

safety • integr
• knowledge
people • inn
specialist skills •

| | |
|--|----------------|
| Net Debt 30 June 2007 | (170.0) |
| EBITDA | 41.0 |
| Add: Non-Cash Items in EBITDA | 1.1 |
| Increase in Working Capital | (53.1) |
| | (11.0) |
| Net Interest Paid | (6.1) |
| Tax Paid | (22.3) |
| | (28.4) |
| Capital Expenditure | (12.6) |
| Acquisitions | (92.6) |
| Share Issues | 73.8 |
| Cash Dividends | (12.9) |
| Debt Assumed from Acquisitions | (17.7) |
| | (62.0) |
| Closing Net Debt 31 December 2007 | (271.4) |

Operating Cash Flow

safety • integr
• knowledge
people • inn
specialist skills •

- Increased investment in working capital
- This is mainly due to increased receivables as a result of increased sales plus some seasonal impact on collections
- Higher tax payments during the period principally due to:
 - Significant “catch up” of tax in relation to the 06/07 financial year due to strong profit growth in that year, together with utilisation of tax deductions of software purchases, and use of past tax losses in 2005/06
 - Payment of pre acquisition tax liabilities for acquired businesses which are non recurring.

Financial Ratios

safety • integr
• knowledge
people • inn
socialist skills •

| | | As at 31 Dec 2007 | As at 31 Dec 2006 |
|--|-------|----------------------|----------------------|
| Leverage (rolling 12 mths) (Debt / EBITDA*) | times | 2.7 | 2.6 |
| Interest Cover (rolling 12 mths) (EBITDA / Interest Expense) | times | 5.3 | 13.8 |
| Gearing (Debt / {Debt + Equity}) | % | 57% | 57% |

* Includes pre-acquisition EBITDA

Financing Costs

safety • integr
• knowledge
people • inn
socialist skills •

The cost of Australian Dollar debt has increased as a result of

- The US Sub-prime collapse
 - Credit spreads (bank margins) have increased
- RBA monetary policy initiatives
 - Short-term interest rates have increased

SKILLED is well protected from debt market volatility on interest rates

- Our bank margins were fixed prior to the US Sub-prime collapse
- Interest rate hedging has removed a significant proportion of our exposure to movements in short term interest rates
- Approximately 80% of the remaining 2007/08 and 70% of 2008/09 A\$ interest rate exposure is hedged.

Refinancing of senior debt facility

safety • integr
• knowledge
people • inn
specialist skills •

- SKILLED's senior debt facility consists of two Tranches:
 - Tranche A: A\$175M Maturing August 2008
 - Tranche B: A\$175M Maturing August 2010

- We will need to refinance A\$175M of our debt in August 2008

- We are confident of meeting our refinancing requirements
 - Our bankers have reaffirmed their support for SKILLED in light of recent market volatility
 - We continue to meet all of our financial covenants

- We will commence refinancing negotiations well ahead of the Aug-08 maturity date

Agenda

safety • integr
• knowledge
people • inn
specialist skills •

- Results Highlights
- SKILLED Group Financial Overview
- Segment Reporting
- Outlook & FY08 Guidance
- Appendices

SKILLED Group Limited – Segment Reporting

safety • integr
• knowledge
people • inn
specialist skills •

SKILLED Brand (Blue collar labour hire)



Other Brands



NB: Extraman is now included in the SKILLED Brand segment. Previously it was reported with Other Brands

SKILLED Brand Results

safety • integr
 • knowledge
 people • inn
 specialist skills •

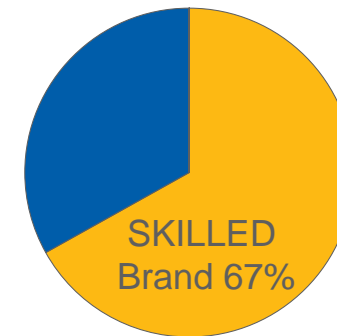
| | | 6 months to 31 Dec 07 | 6 months to 31 Dec 06 | % change | like-for-like organic % change |
|----------------------|-----|--------------------------|--------------------------|-------------|--------------------------------------|
| Revenue | \$M | 621.9 | 512.6 | +21 | +12 |
| EBITDA | \$M | 27.7 | 23.6 | +17 | |
| EBITDA Margin | % | 4.4 | 4.6 | | |
| EBIT | \$M | 23.6 | 20.5 | +15 | |
| EBIT Margin | % | 3.8 | 4.0 | | |

SKILLED Brand Overview

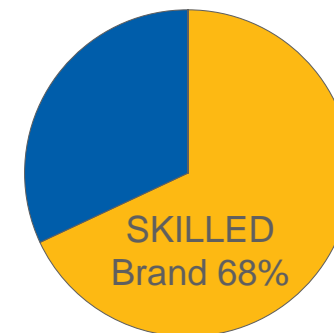
safety • integr
• knowledge
people • inn
specialist skills •

- Achieved 12% organic growth over the same period last year
- Continued growth in key industrial segments of Mining, Manufacturing, FMCG, Transport & Logistics and Utilities
- Floods and heavy rains negatively impacted mining operations in Regional NSW and QLD.
- Strong performance continued in WA, QLD and Tasmania

Group Revenue Contribution



Group EBITDA Contribution



Other Brands Results:

Swan, Origin, Excelior, PeopleCo, Mosaic, SEM, OMS

safety • integr
• knowledge
people • inn
socialist skills •

| | | 6 months to 31 Dec 07 | 6 months to 31 Dec 06 | % change | like-for-like organic % change |
|---------------|-----|--------------------------|--------------------------|----------|--------------------------------------|
| Revenue | \$M | 297.4 | 95.7 | +211 | +32 |
| EBITDA | \$M | 13.3 | 2.8 | | |
| EBITDA Margin | % | 4.5 | 2.9 | | |
| EBIT | \$M | 7.7 | 0.1 | | |
| EBIT Margin | % | 2.6 | 0.1 | | |

Swan and Excelior Overview

safety • integr
• knowledge
people • inn
specialist skills •

swan contract personnel

- Acquired January 2007
- Business performing well
- Good opportunities continue in mining & resources and oil & gas sector



- Call centre business performing well
 - AAPT call centres successfully integrated
 - New clients in government and telco markets
- Strong growth in call centre labour hire
- Outlook strong as new call centres are filled

Origin Healthcare Overview

safety • integr
• knowledge
people • inn
specialist skills •



- Business performing well, strong growth in WA
- Increasing focus on aged care segment



- Opened 13 new branches in half year, including expansion into WA
- Total of 37 branches now operating across Australia



- Launch of Mosaic brand received well
- Strong sales growth and increasing brand awareness
- Secured large white collar tenders and increasing government work

OMS & SEM Overview

safety • integr
• knowledge
people • inn
specialist skills •



- Strong performance; all pre-acquisition expectations are being met
- Oil and Gas industry fundamentals remain strong
- Further growth in the industry is anticipated



- Business continues to perform strongly

Agenda

safety • integr
• knowledge
people • inn
specialist skills •

- Results Highlights
- SKILLED Group Financial Overview
- Segment Reporting
- Outlook & FY08 Guidance
- Appendices

Outlook & FY08 Guidance

safety • integr
• knowledge
people • inn
specialist skills •

- Opportunities to further increase market share in key industry sectors
- Mining and resources sector, including oil and gas, continues to boom
- Continue to look at complementary acquisition opportunities
- Stronger second half earnings expected
- Reiterate full year sales revenue guidance of circa \$2 billion; EBITDA guidance of \$98 - \$103 million
- Depreciation and amortisation expected to be around \$20.5 million
- Revised NPAT for full year expected to be in the range of \$35 to \$38 million
- We expect both EBITDA and NPAT to be at the lower end of guidance

Agenda

safety • integr
• knowledge
people • inn
specialist skills •

- Results Highlights
- SKILLED Group Financial Overview
- Segment Reporting
- Business Overview of Recent Acquisitions
- Outlook & FY08 Guidance
- Appendices

Business Overview of OMS (Australia & New Zealand)

- acquired 31 August 2007

safety • integr
• knowledge
people • inn
specialist skills •

Overview

- approx 60% market share of marine / drilling manning market
- SKE to bareboat charter vessels
- 50% drilling crew / 50% marine vessel crew

Locations

- Perth, Western Australia
- New Plymouth, NZ

Clients

- Clients include BHP Billiton, Woodside, Chevron, Maersk
- pre-qualified with all major oil companies in Australia

Staff / Employees

- 50 staff
- 1,100 field employees

Management

- experienced management team locked into 3 year contracts
- additional five year non-compete restraint

Business Overview of OMS (UK, Malta & Dubai)

- acquired 3 December 2007

safety • integr
• knowledge
people • inn
specialist skills •

Overview

- Developing business
- 70% drilling crew / 30% marine vessel crew

Clients

- Blue chip and secondary services companies

Staff / Employees

- 23 staff
- 550 field employees

Management

- experienced management team
- locked into 5 year employment contracts

Business Overview of Hudson's Australian Trade and Industrial Business

– acquired 31 October 2007

safety • integr
• knowledge
people • inn
specialist skills •

Overview

- Blue collar arm to Hudson's core white collar business
- Provides labour hire and permanent recruitment to the industrial and resources markets in Australia

Sectors

- Industrials and resources

Locations

- Operates nationally

Clients

- Coal and Allied (Rio), Schenker, National Foods, TNT

Staff / Employees

- 24 staff
 - 950 employees (approx.)
-

Business Overview of Tradeforce NZ

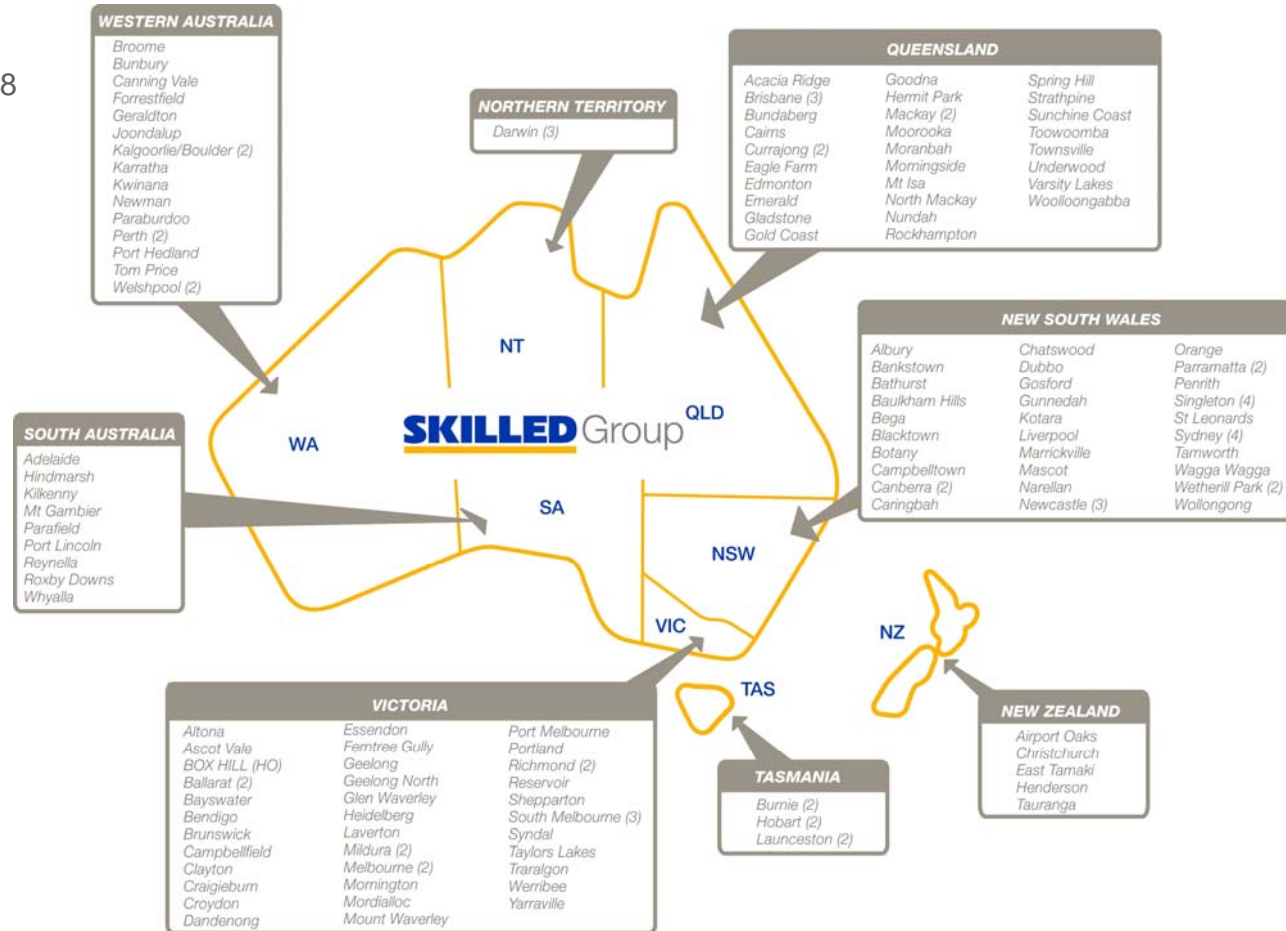
- acquired 14 December 2007

safety • integr
• knowledge
people • inn
specialist skills •

| | |
|------------------------------|---|
| Overview | <ul style="list-style-type: none">• Blue collar labour hire in New Zealand market, with a strong presence in Auckland |
| Sectors | <ul style="list-style-type: none">• Focuses on Engineering, Electronics, Manufacturing and Production, and Warehouse and Logistics segments |
| Location | <ul style="list-style-type: none">• Main office in Auckland, recently established office in Hamilton |
| Clients | <ul style="list-style-type: none">• Clients includes Fisher & Paykel, James Hardie, Visy, NZ Steel and Huntly Power |
| Staff / Employees | <ul style="list-style-type: none">• 10 staff• 150 employees (approx.) |

Our national footprint

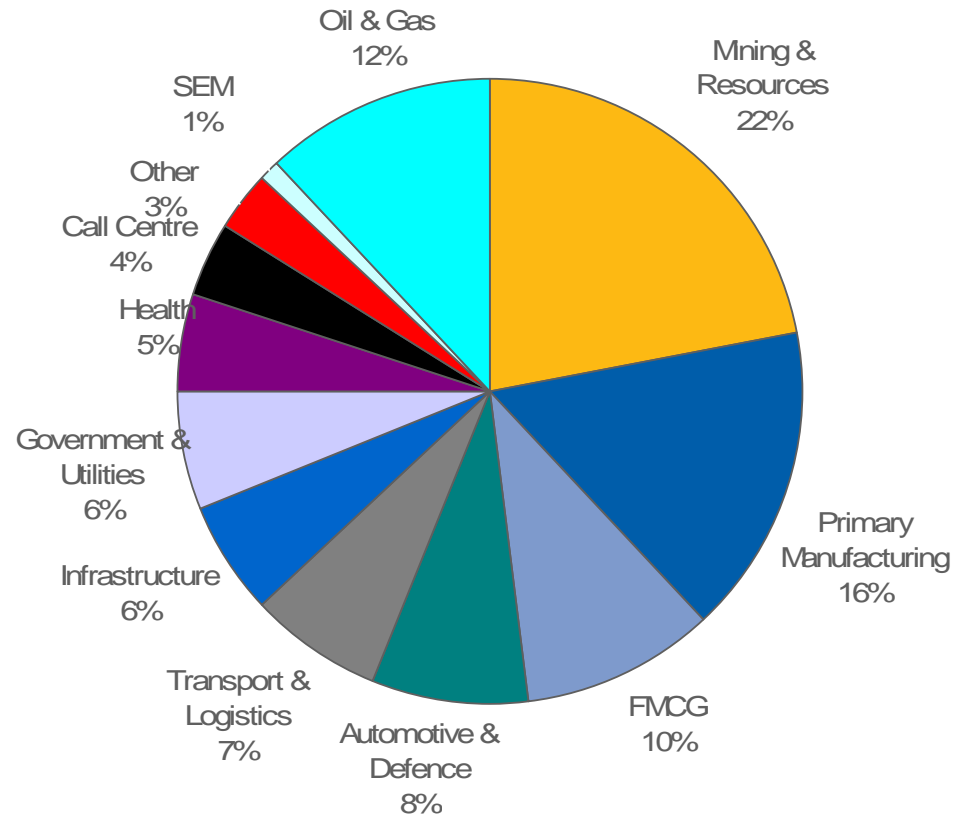
Branches 168
 Staff 1,300



Our industry focus

safety • integr
• knowledge
people • inn
specialist skills •

SKILLED Group industry segmentation



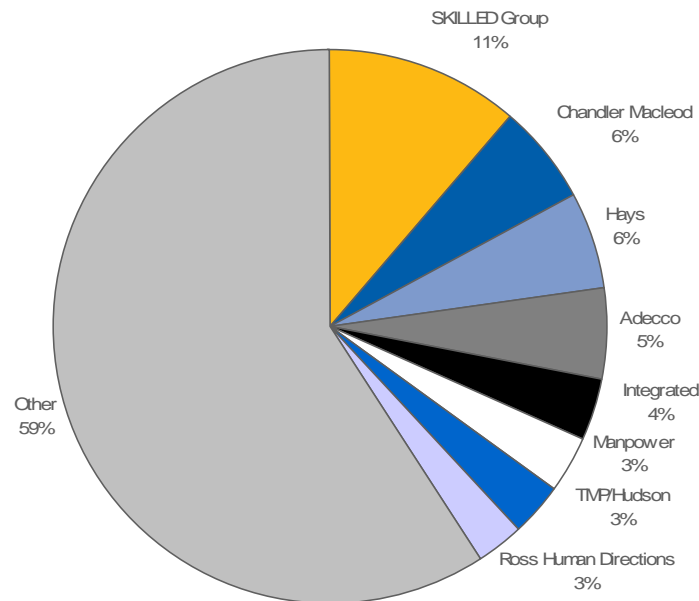
• based on FY07 revenue and includes recent acquisitions

Commercial in Confidence

SKILLED Group is well positioned to continue market consolidation

safety • integr
• knowledge
people • inn
specialist skills •

Staffing Services Industry
Market Share Estimates*



- Estimated market share of 11.33%
 - Industrial market share estimated >15%
- Currently:
 - 3,500 organisations
 - large number of specialist / regional based small firms
 - few large companies operating nationally

*Based on 2006 total revenues as proportion of total 2006 Staffing Services Industry revenues (contract plus permanent)
Source: IBISWorld; BRW; Shortlist; internal analysis

SKE Financial Performance: 5 Year History

safety • integr
• knowledge
people • inn
socialist skills •

| | | 2007 | 2006 | AIFRS* 2005 | 2004 | 2003 |
|-------------------------------|-----|---------|-------|----------------|-------|-------|
| Revenue | \$M | 1,390.5 | 968.7 | 833.6 | 736.1 | 656.5 |
| EBITDA | \$M | 69.4 | 47.5 | 48.5 | 36.4 | 31.3 |
| Dep & Amortisation | \$M | 14.2 | 8.9 | 10.9 | 10.6 | 6.4 |
| EBIT | \$M | 55.2 | 38.6 | 37.6 | 25.8 | 24.9 |
| Net Interest Expense | \$M | 9.7 | 2.1 | 2.9 | 1.9 | 1.0 |
| Profit before Tax | \$M | 45.5 | 36.5 | 34.7 | 23.9 | 23.9 |
| Tax | \$M | 16.5 | 11.8 | 8.8 | 7.5 | 7.8 |
| NPAT | \$M | 29.0 | 24.7 | 25.9 | 16.4 | 16.1 |
| Sales Revenue Growth | % | 43.0 | 16.2 | 13.2 | 12.4 | 12.7 |
| EBITDA Margin | % | 5.0 | 4.9 | 5.8 | 4.9 | 4.8 |
| EBIT Margin | % | 4.0 | 4.0 | 4.5 | 3.5 | 3.8 |

* includes profit on divestment

Commercial in Confidence