

SKILLED Group

Annual Report 2009

Extraordinary General Meeting

Friday 25 September 2009

2.00pm

SKILLED Group





Ken V Loughnan AO
Chairman

Your directors have determined it appropriate to raise capital

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- Gearing of 53% at June 30th was too high for the current economic environment
- Desire to lock down debt facilities which would improve market confidence and remove the management distraction
- Your Board resolved an integrated financing strategy
 - Placement of equity in two tranches
 - Share Purchase Plan
 - Renegotiation of debt facilities
- The equity raised will be used to reduce debt and improve gearing
 - Gearing will fall to high 30%'s by end of FY2010
 - Interest Cover will substantially improve
- Debt facilities will be reduced from \$350m to \$250m as a result of the raisings
- Debt facilities have been extended by three years to August 2012
 - Previously 50% (\$175m) August 2010 and 50% (\$175m) August 2011

The raising strategy balanced rewarding existing shareholders with enhancing the share register

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- Introducing new major investors will raise the interest in SKILLED stock and improve its trading liquidity
- Targeting major investors significantly reduced the risk of failing to raise enough funds
- Many raisings ignore smaller shareholders - we wanted to ensure they have an opportunity to participate so undertook a Share Purchase Plan in conjunction with the Placement

Equity Capital Raising

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Offer type	Placement
Placement size	\$80.89 million
Placement structure	<p>Tranche 1</p> <ul style="list-style-type: none"> Completed, raised \$26.18 million on 31 August 2009 <p>Tranche 2</p> <ul style="list-style-type: none"> \$54.71 million subject to shareholder approval at EGM
Details	<ul style="list-style-type: none"> Applications for more than \$170 million, scaled back Institutional, professional and sophisticated investors Same parties participating in tranche 1 and 2 New cornerstone institutional shareholder – Thorney Investments A further \$4.85 million raised via a reinvestment by some of the OMS Australia vendors of their earn out entitlement
Ranking	<ul style="list-style-type: none"> New shares will rank equally with existing SKILLED Group shares which are currently trading cum-dividend (in respect of FY09 dividend)

Equity Capital Raising

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Offer type	Share Placement Plan
Placement size	\$10 million plus
Placement structure	<ul style="list-style-type: none">• Was open to eligible Australian and New Zealand retail shareholders• Subscriptions for up to \$15,000• Issue price \$1.50 same as Placement price• Completed
Share Purchase Plan	<ul style="list-style-type: none">• Applications received for \$22.5 million• There will be some scale back, to be announced on Monday
Ranking	<ul style="list-style-type: none">• New shares will rank equally with existing SKILLED Group shares which are currently trading cum-dividend (in respect of FY09 dividend)

Item 1 - Ratification of Unconditional Placement

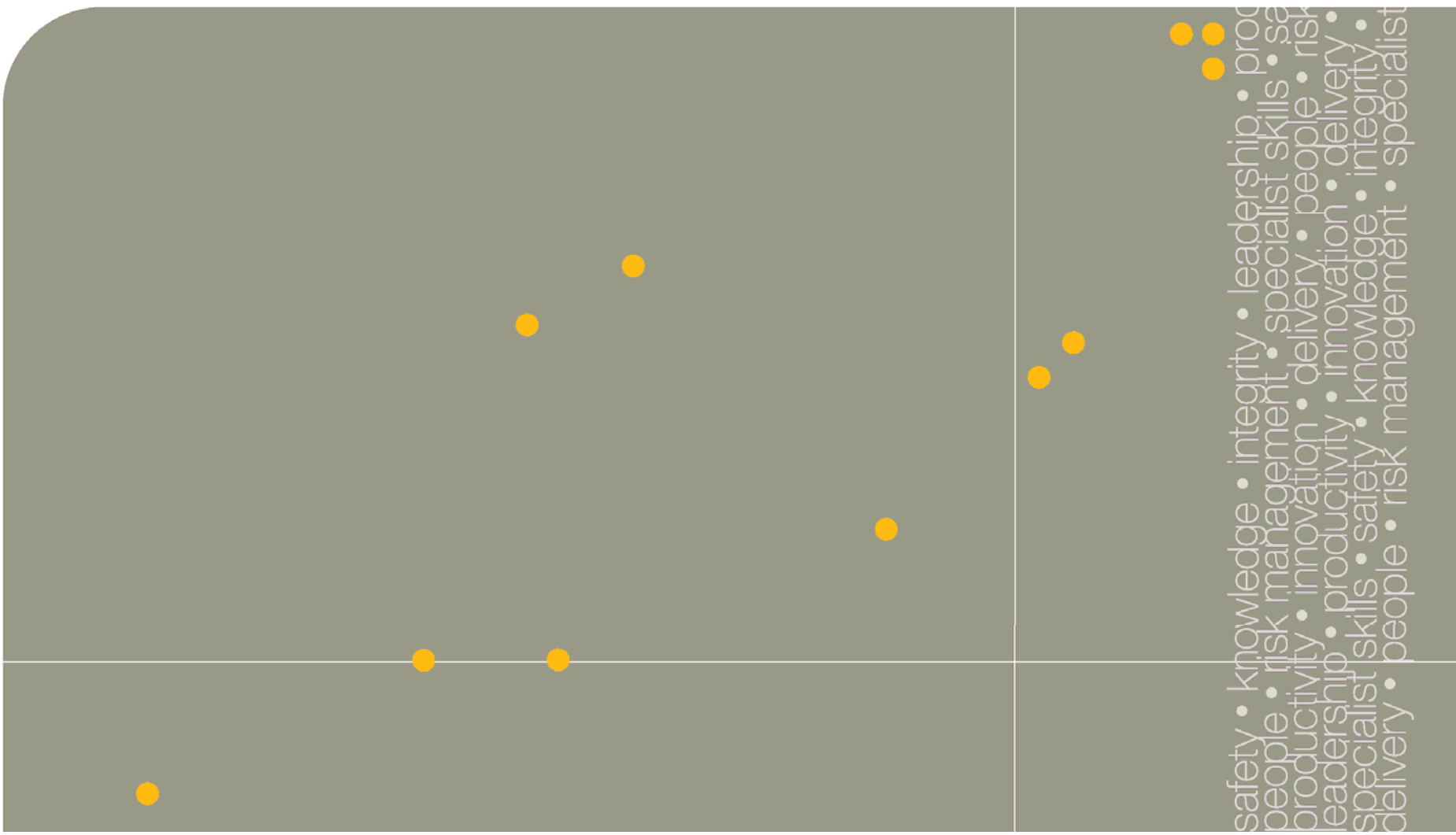
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That for the purposes of Listing Rules 7.1 and 7.4 of the ASX Listing Rules and all other purposes, approval is given to the issue of shares to investors under the Unconditional Placement as described in the Explanatory Notes which accompanied the notice convening this meeting.

Item 2 - Approval of Conditional Placement

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That for the purposes of Listing Rules 7.1 and 7.3 of the ASX Listing Rules and all other purposes, approval is given to the proposed issue of shares to investors under the Conditional Placement as described in the Explanatory Notes which accompanied the notice convening this meeting



SKILLED Group

