

21 December 2006

SKILLED Group Limited acquires Damstra Mining Services for \$7 million

SKILLED Group Limited ("SKILLED") (ASX: SKE) today announced the acquisition of black coal mining staffing services company Damstra Mining Services ("Damstra") for \$7 million.

Damstra is a privately owned company specialising in the provision and training of skilled and semi skilled labour to mining companies in the coal sector throughout New South Wales and Queensland. Damstra has approximately 150 field employees and generated revenue of \$17 million in 2006.

The purchase price is a multiple of 3.0 times normalised EBIT for the year ending 30 June 2006 and will be fully debt funded. SKILLED recently extended its debt facilities to \$225 million under improved terms and conditions through a syndicate consisting of NAB, Westpac and ANZ.

A recent report by the Minerals Council of Australia and the Chamber of Minerals and Energy, Western Australia projected that based on predicted production levels for coal, over 15,000 additional skilled and semi-skilled labourers will be required by 2015.

Commenting on the acquisition Greg Hargrave, Managing Director and Chief Executive Officer of SKILLED Group said:

"Australia is the world's largest exporter of black coal and over the last decade the production of raw black coal has increased at an annual average rate of 4.7%. Damstra provides exposure to a range of new clients in the mining industry and builds on our activity and expertise in this growing sector."

"Damstra is an excellent bolt on acquisition to the TESA mining business we acquired in September and we look forward to welcoming Damstra's CEO, Christian Damstra and his team. TESA's mining business is performing strongly and we recently opened an additional branch in Gunnedah in New South Wales to capitalise on activity in this region."

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About SKILLED Group

SKILLED Group Limited is Australia's leading provider of labour hire and staffing services, partnering with clients to improve their workforce utilisation and increase their productivity levels through the provision of skilled and semi-skilled people. With 150 offices across Australia and New Zealand, SKILLED provides staffing services in the blue collar, call centre and nursing sectors. Expertise in safety, industrial relations, training and apprenticeships is a core competitive advantage. SKILLED is listed on the Australian Stock Exchange (ASX: SKE) and has approximately 6,200 shareholders, predominantly in Australia.