

2005/06 Full Year Results

Acquisition of Catalyst Recruitment and TESA Group

23 August 2006

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

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- SKILLED Group Full Year 2006 Results
- Acquisition of Catalyst Recruitment
- Acquisition of TESA Group
- Acquisition Benefits and Integration
- SKILLED Group post acquisitions
- Outlook and Guidance 07
- Appendices

Highlights

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- Record result
 - revenue increased 16% to \$968.7 million
 - EBITDA from trading up 36% to \$47.5 million
 - net profit of \$24.7 million up 65% from \$14.9 million last year (excluding profit on divestment)
 - fully franked final dividend of 12 cents per share

Highlights (con)

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- Launched bid for Catalyst Recruitment (announced 17 Aug 06)
- Acquisition of TESA Group (announced 23 Aug 06)
- Strong contribution from Extraman business (acquired Jul 05)
- Increased margins through improved service delivery
- Invested in management and infrastructure systems
- Strong operating cash flow of \$37.6 million
- Reduced lost time injury frequency rate (LTIFR) to 1.13

Financial Summary

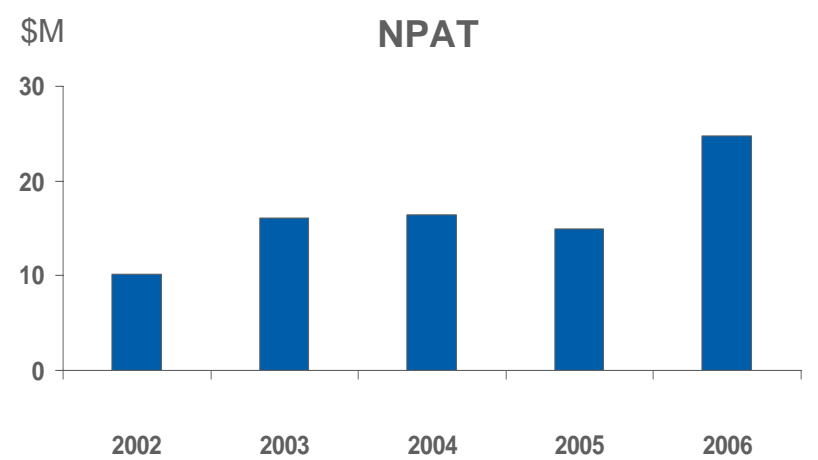
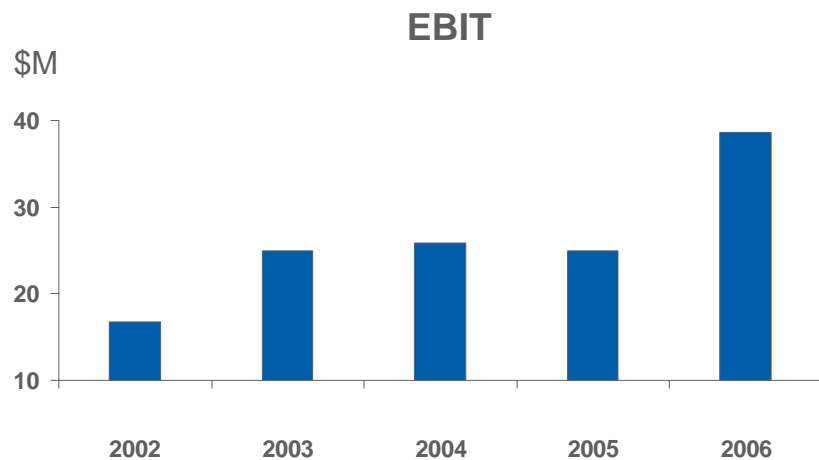
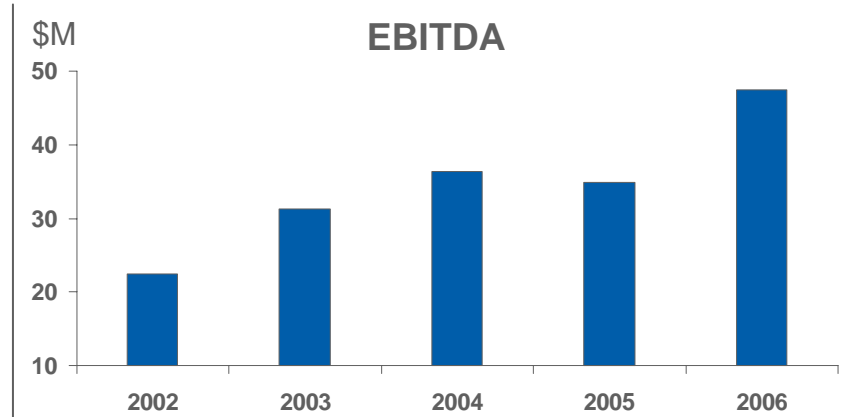
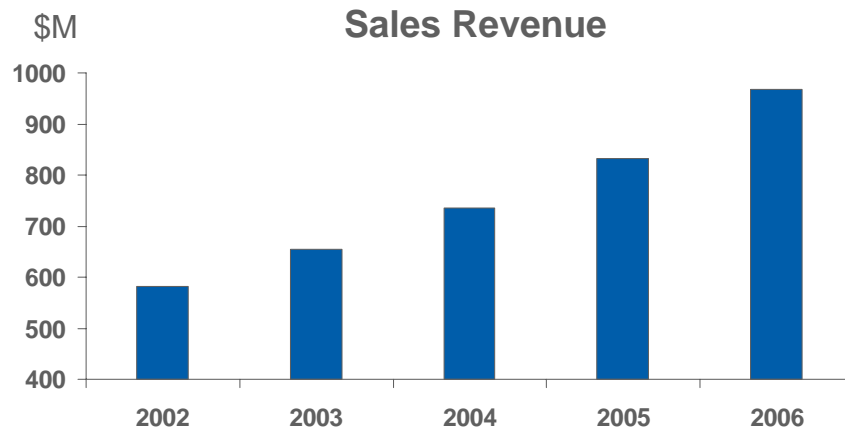
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| | | FY 2006 | FY 2005¹ | % change |
|------------------------|-----|----------------|----------------------------|-----------------|
| Revenue | \$M | 968.7 | 833.6 | +16 |
| EBITDA | \$M | 47.5 | 34.9 | +36 |
| EBITDA Margin | % | 4.9 | 4.2 | |
| EBIT | \$M | 38.6 | 24.9 | +55 |
| EBIT Margin | % | 4.0 | 3.0 | |
| NPAT | \$M | 24.7 | 14.9 | +65 |
| EPS² | cps | 23.32 | 14.73 | +58 |
| DPS | cps | 19.0 | 16.0 | |

¹ restated for AIFRS and excludes profit on divestments ² EPS from continuing operations

Five Year Performance

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2005 restated for AIFRS and excludes profit on divestment

Commercial in Confidence

SKILLED Group Limited – Segment Reporting

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SKILLED Brand



Other Brands



SKILLED Brand Results

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| | | FY 2006 | FY 2005 | % change |
|----------------------|-----|---------|---------|----------|
| Revenue | \$M | 731.3 | 645.0 | +13 |
| EBITDA | \$M | 34.3 | 29.1 | +18 |
| EBITDA Margin | % | 4.7 | 4.5 | |
| EBIT | \$M | 31.2 | 25.6 | +22 |
| EBIT Margin | % | 4.3 | 4.0 | |

SKILLED Brand

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- Increased margins through improved service delivery
- Benefited from
 - strong business investment
 - robust mining & resources sector; and
 - continued investment in infrastructure (particularly rail & roads)
- Established national SKILLED Services Group
 - contract maintenance, shutdowns, rail services
- Established dedicated shutdown crew in the mining sector
- Appointed Industry Managers to develop a more intimate knowledge of our clients industry

Other Brands: Origin Healthcare, Excelior, SEM, Extraman, PeopleCo

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| | | FY 2006 | FY 2005 | % change |
|----------------------|-----|---------|---------|----------|
| Revenue | \$M | 238.2 | 191.2 | +25 |
| EBITDA | \$M | 13.1 | 5.8 | +126 |
| EBITDA Margin | % | 5.5 | 3.0 | |
| EBIT | \$M | 7.4 | -0.7 | +1157 |
| EBIT Margin | % | 3.1 | n/a | |

Highlights: Origin Healthcare & Extraman

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- Revenue increased 5% to \$77.6 million and EBITDA more than doubled
- Bolt on acquisition of ProSafe in February 2006
- Continued to reduce costs
- Rationalised number of brands from 21 to 13 to focus on core brands
- Increased margins



- Revenue of \$69.0 million (business acquired in July 05)
- Benefited from solid growth in mining and resources sector
- Well managed business performing strongly

Highlights: Excelior, PeopleCo & SEM

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- Revenue increased 3.4% to \$64.5 million
- Expanded size of Burnie Call Centre to 150 seats
- Renewed two major contracts
- Commenced construction of second call centre located at Box Hill, VIC



- Revenue of \$4.0 million
- Start up business providing generalist staffing services to the SME market
- Currently 10 offices in Victoria and three in Queensland with plans to open another 14 across Victoria, New South Wales and Queensland by June 2007



- Revenue increased 22% to \$23.1 million
- Strong order book

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Catalyst Recruitment Acquisition Overview

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- Catalyst Recruitment shareholders to receive cash consideration of 90 cents per share and Catalyst Recruitment's 4 cents per share fully franked 2006 final dividend
- The transaction is unanimously recommended by Catalyst Recruitment directors who intend to accept the offer for all shares they individually control
- Offer subject to 90% minimum shareholder acceptance
- Ten major shareholders in Catalyst Recruitment have agreed to sell shares totalling 19.9% of issued shares to SKILLED Group at 90 cents each
- These shareholders together hold 40% of issued shares
- Transaction undertaken at an EV/EBITDA multiple of 8.1 x based on 2006 earnings
- Offer opens 25 August and closes 26 September

Overview of Catalyst Recruitment

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Overview

- national recruitment provider: predominantly blue collar
- formed in 1991 and publicly listed in 1999

Sectors

- industrial, mining & industrial, call centre & govt, wine
- executive, IT, web based national learning solutions

Locations

- 23 across Australia
- predominantly Victoria, New South Wales & Queensland

Clients

- 1,000 clients

Staff / Employees

- 164 staff
- 10,000 field employees

RTO

- Registered Training Organisation
- web based national learning solutions

FY 06

Financials

- Revenue of \$122 million
- EBITDA of \$6.1 million

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TESA Group Acquisition Overview

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- Acquisition of TESA Group for \$61.9 million
- Subject to completion of stage two due diligence (expected 31 Aug)
- Funded by debt and payable in cash upon completion
- EPS accretive (pre-intangibles amortisation) from year one
- Synergy benefits of around \$1 million by end of year two
- Multiple of 7.3 x normalised 2006 EBITDA

Overview of TESA Group

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Overview

- provides blue collar skilled labour
- founded in 1999 in Tasmania

Sectors

- mining, manufacturing and utility sectors
- TESA mining: division providing labour to the black coal mining industry

Locations

- 18 across Australia
- predominantly New South Wales, Queensland & Victoria

Clients

- 400 clients

Staff / Employees

- 135 staff
- 2,370 field employees

RTO's

- two Registered Training Organisations
- operate in black coal mining industry

FY 06

Financials

- normalised revenue of \$163.3 million
- normalised EBITDA of \$8.5 million

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Acquisition Benefits

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| | CATALYST RECRUITMENT | TESA GROUP |
|-----------------------------|---|---|
| New industry sectors | <ul style="list-style-type: none"> • wine, bottling & packaging | <ul style="list-style-type: none"> • black coal mining |
| Client base | <ul style="list-style-type: none"> • minimal client crossover • long term relationships | <ul style="list-style-type: none"> • minimal client crossover • sector leader |
| Synergy Benefits | <ul style="list-style-type: none"> • \$2 million by end of year two | <ul style="list-style-type: none"> • \$1 million by end of year two |
| Financial Impact | <ul style="list-style-type: none"> • EPS accretive from year one | <ul style="list-style-type: none"> • EPS accretive from year one |

Acquisition Integration

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- Separate integration teams established with external support provided by Ernst & Young
- Branding review to be undertaken with consolidation of some brands
- Location review to be undertaken with rationalisation of some premises
- All staff from Catalyst Recruitment and TESA Group to be retained
- Catalyst Recruitment CEO to join SKILLED in transitional role
- TESA Group Managing Director to join SKILLED on three year contract

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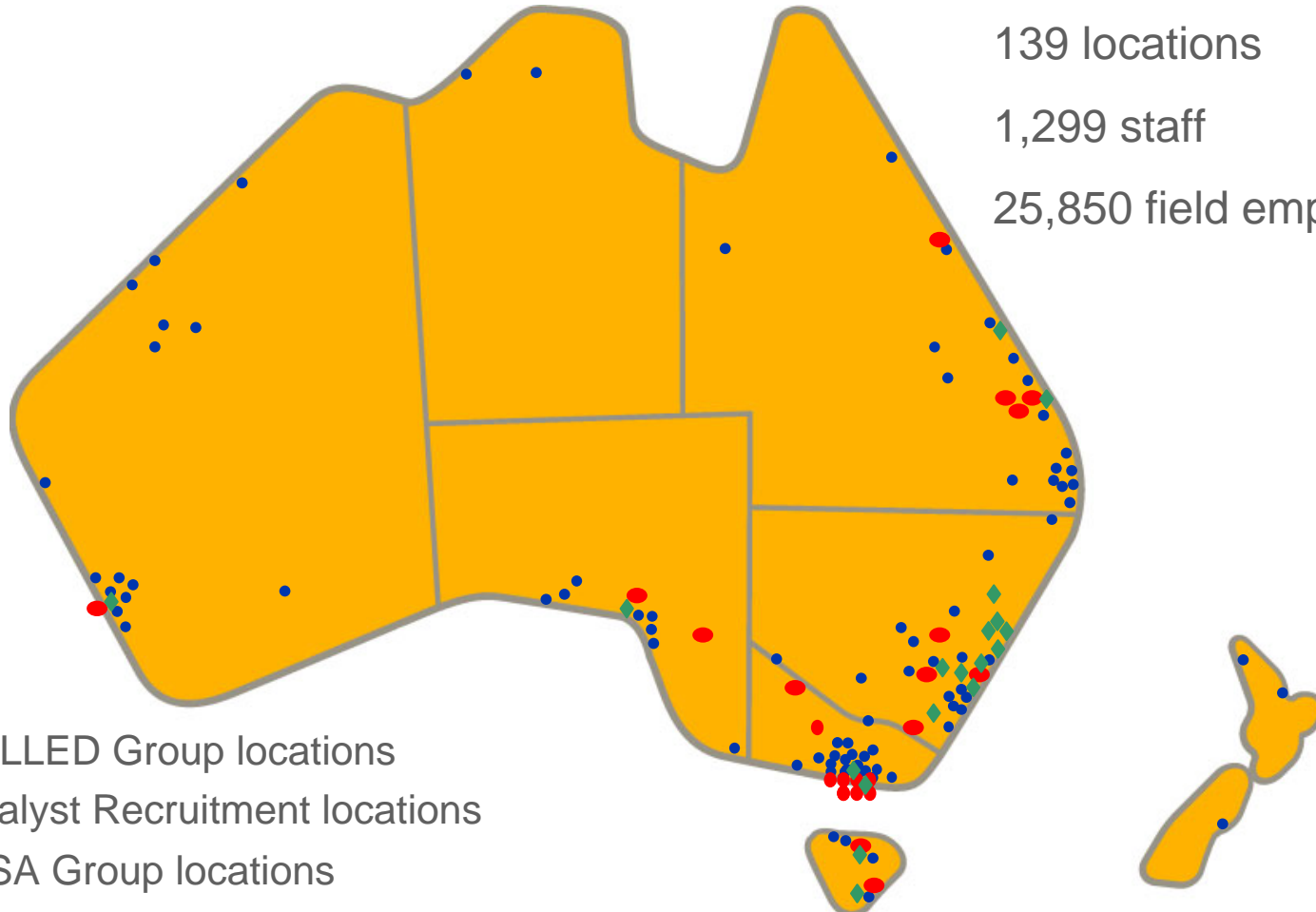
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SKILLED Group Post Acquisition

139 locations

1,299 staff

25,850 field employees

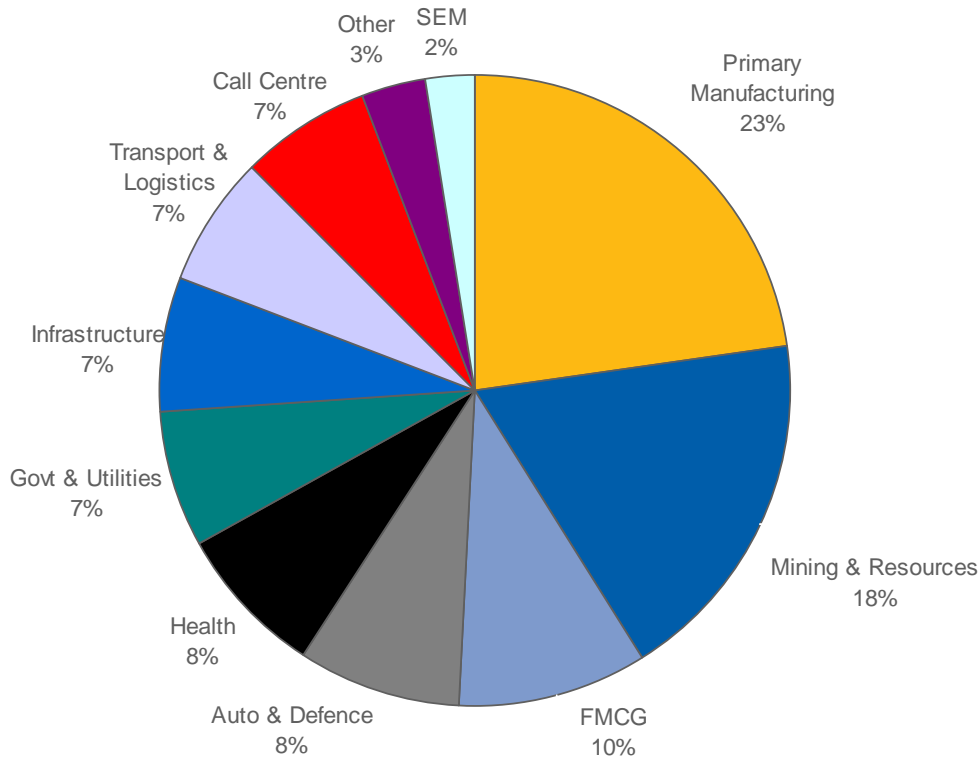


- SKILLED Group locations
- Catalyst Recruitment locations
- ◆ TESA Group locations

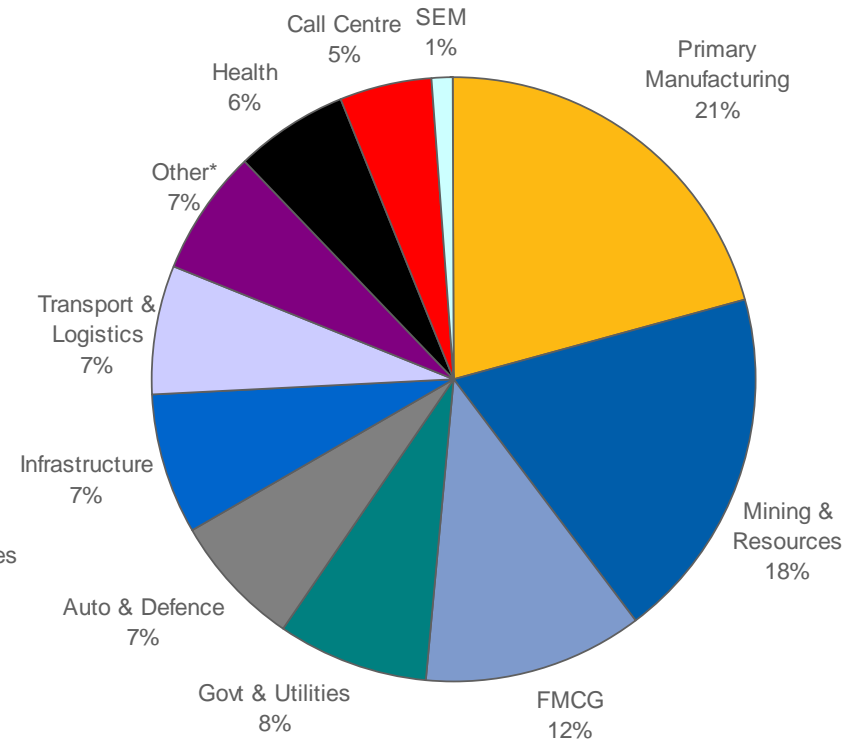
SKILLED Group 06 Revenue: Industry Segmentation

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SKILLED Group



SKILLED Group post acquisitions (estimated)



* includes Catalyst's Call Centre business

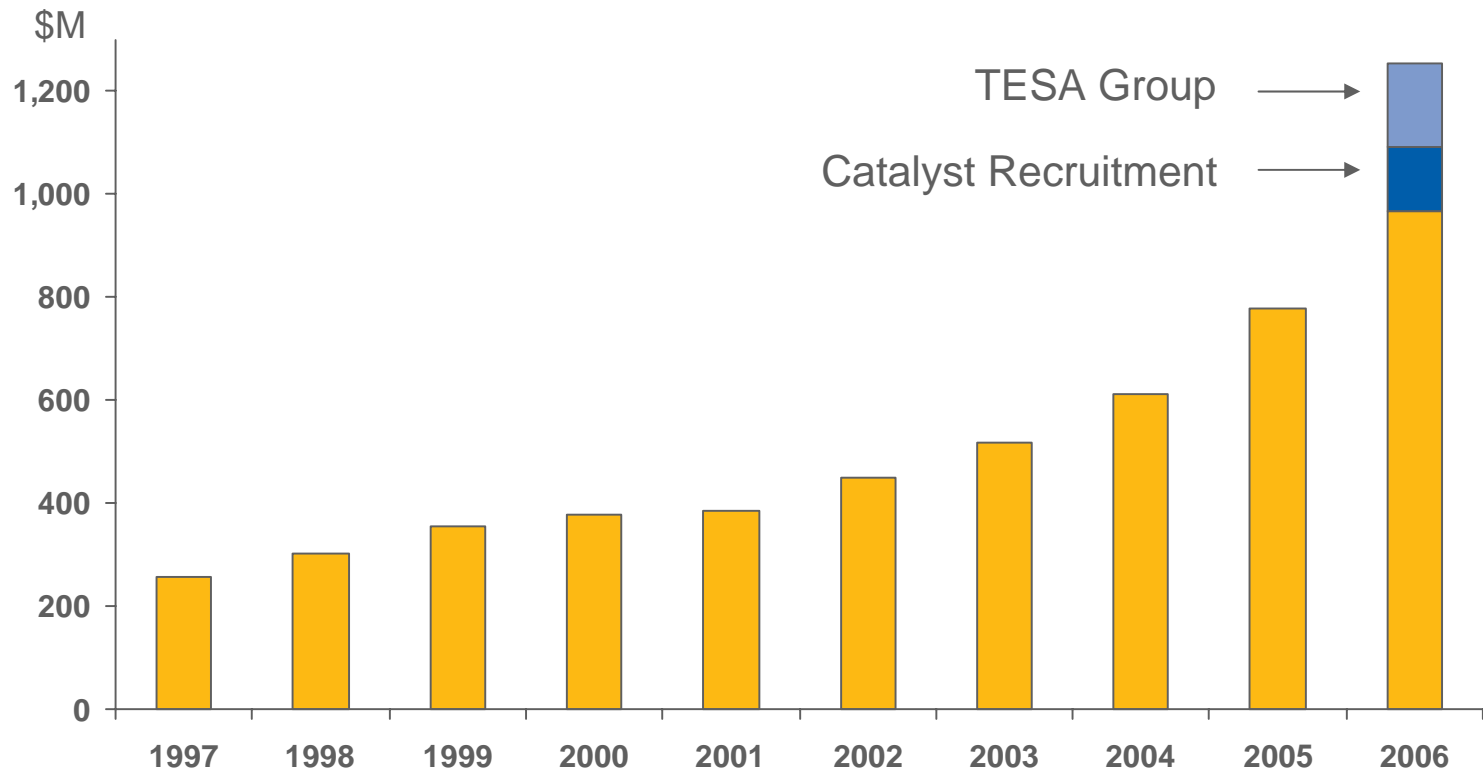
Financial Profile: FY06

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| \$M | SKE 06 Actual | CRU 06 Actual | TESA 06 Normalised | 06 Total |
|----------------|--------------------------|--------------------------|-------------------------------|---------------------|
| Revenue | 968.7 | 122.1 | 163.3 | 1,254.1 |
| EBITDA | 47.4 | 6.1 | 8.5 | 62.0 |

Revenue history: core staffing services business

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Gearing and Interest Cover

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| | | At 30 June 2006 | Forecast Pro-forma Post Acquisitions | Forecast At 30 June 2007 |
|--|-------|--------------------|--|--------------------------------|
| Gearing (net debt / net debt + equity) | % | 2.7 | 53.0 | 47.0 |
| Interest Cover (EBIT / Net Interest Expense) | times | 18.1 | 17.0 | 5.0 |

SKILLED is the largest player in Staffing Services (by revenue)

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- Highly fragmented market
- SKILLED's market share pre-acquisition estimated at 8%
- SKILLED's market share post-acquisitions estimated at 10 - 11%
- We are double the size of our closest competitor
- Industry future will be large consolidators or smaller niche players
- SKILLED is well placed to continue market consolidation

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Outlook & FY07 Guidance

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- Across Australia, business is in expansion mode with investment surge expected to continue well into 2007 and 2008
- Robust trading conditions in resources will continue and the value of resource based construction is forecast to grow by 20.1% in 2006 and a further 10.1% in 2007¹
- The value of engineering and commercial construction work is projected to increase by 9.0% in 2006 and 6.9% in 2007¹
- Trades and nursing skill shortages creates opportunities for SKILLED
- SKILLED focused on capturing a greater share of clients outsourcing spend
- Organic EBITDA growth forecast up 10 – 15% from \$47.5 million
- Incremental EBITDA from acquisitions of approximately \$10 million (annualised EBITDA pre synergies and one off costs of \$15 million)

¹ AiG

APPENDICES

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

SKILLED Group

SKE Financial Performance: 5 Year History

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| | | 2006 | AIFRS 2005 | AGAAP 2005 | 2004 | 2003 | 2002 |
|-------------------------------|-----|-------|---------------|---------------|-------|-------|-------|
| Revenue | \$M | 968.7 | 833.6 | 833.6 | 736.4 | 656.5 | 581.2 |
| EBITDA | \$M | 47.5 | 48.5 | 48.6 | 36.4 | 31.3 | 22.5 |
| Dep & Amortisation | \$M | 8.9 | 10.9 | 12.6 | 10.6 | 6.5 | 5.8 |
| EBIT | \$M | 38.6 | 37.6 | 36.0 | 25.8 | 24.8 | 16.7 |
| Net Interest Expense | \$M | 2.4 | 2.9 | 2.9 | 1.9 | 1.0 | 1.9 |
| Profit before Tax | \$M | 36.2 | 34.7 | 33.1 | 23.9 | 23.8 | 14.8 |
| Tax | \$M | 11.5 | 8.8 | 8.8 | 7.5 | 7.7 | 4.5 |
| NPAT | \$M | 24.7 | 25.9 | 24.3 | 16.4 | 16.1 | 10.3 |
| Revenue Growth | % | 16.2 | 13.2 | 13.2 | 12.5 | 12.7 | 5.3 |
| EBITDA Margin | % | 4.9 | 5.8 | 5.8 | 4.9 | 4.8 | 3.9 |
| EBIT Margin | % | 4.0 | 4.5 | 4.3 | 3.5 | 3.8 | 2.9 |

Catalyst Recruitment Brands

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Main Brand



- Blue collar focus
- 23 offices nationally

Supporting Brands



Executive IT &
Commercial

Call Centre &
Govt.



Wine &
Bottling



Mining &
Industrial

Other Brands



Executive & Govt.



Tasmanian based
Call centre & Govt.



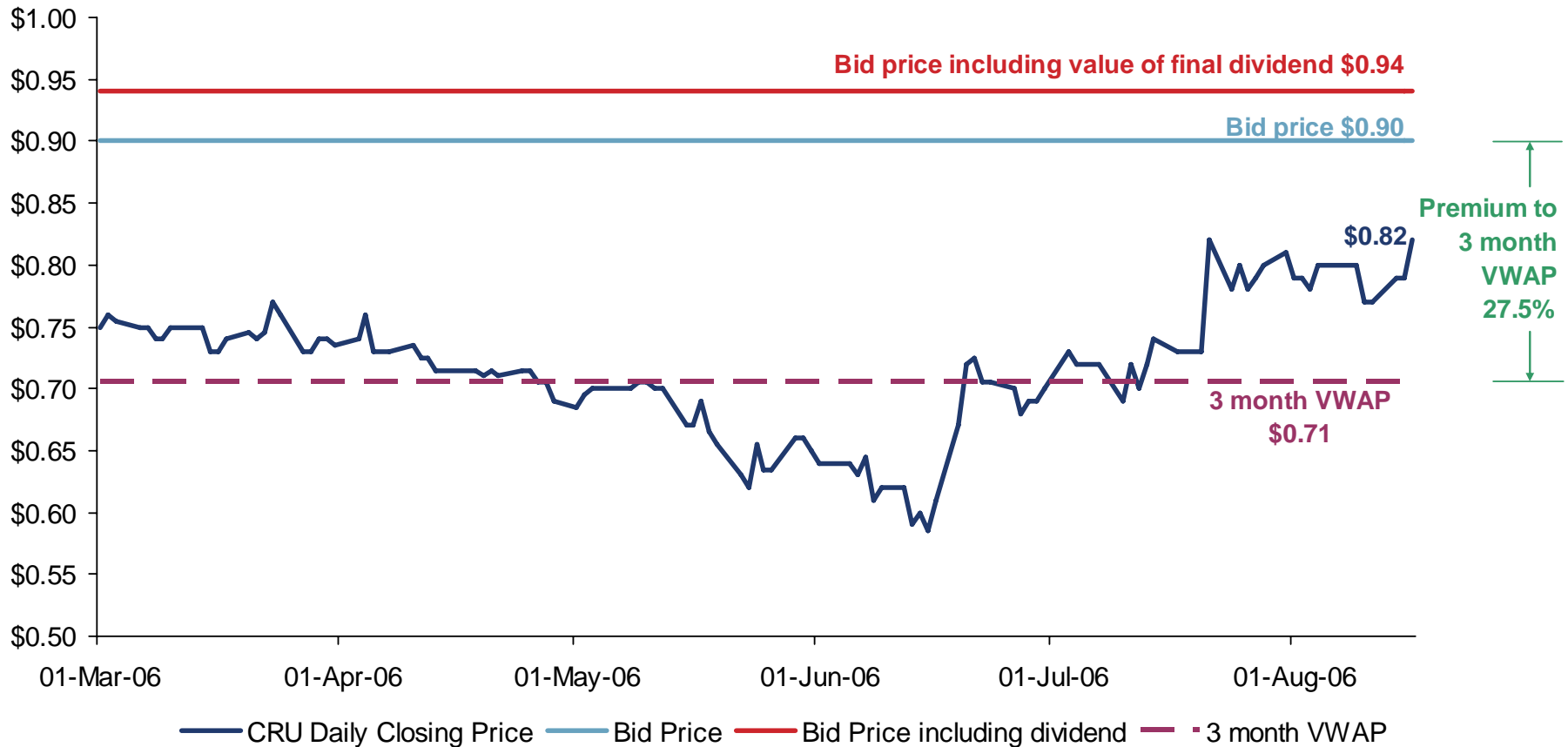
Web based national
learning solutions



IT

Value Creation for Catalyst Recruitment Shareholders

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Catalyst Recruitment Transaction Economics

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| | |
|--|-------------|
| Current shares outstanding | 50.3M |
| In-the-money options | 0.1M |
| Atlas earn-out shares | <u>2.0M</u> |
| Fully diluted shares outstanding | 52.4M |
| | |
| Bid price | 90.0¢ |
| | |
| Fully diluted equity value | \$47.1M |
| | |
| Expected post-acquisition net debt (after exercise of options and the purchase of out-of-the-money options) | \$2.3M |
| | |
| Enterprise value | \$49.4M |
| | |
| 2006 EBITDA | \$6.1M |
| | |
| Acquisition EBITDA multiple | 8.1x |

TESA Group Transaction Economics

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| | |
|------------------------------------|-------------|
| Equity value | \$41.5M |
| Expected post-acquisition net debt | \$20.4M |
| Enterprise value | \$61.9M |
| 2006 normalised EBITDA | \$8.5M |
| Acquisition EBITDA multiple | 7.3x |