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SKILLED GROUP ACQUIRES SWAN CONTRACT PERSONNEL

SKILLED Group Limited ("SKILLED") (ASX: SKE) today announced the expansion of its staffing services business through the acquisition of niche operator Swan Contract Personnel ("Swan") for an estimated \$44 million.

Founded in 1976, Swan currently provides engineering and technical professionals to approximately 45 companies in the oil and gas and mineral and mining sectors throughout Western Australia and Queensland. In 2006, Swan generated normalised revenue of \$130 million and earnings before interest and tax (EBIT) of \$6.83 million.

The total purchase price is based on a 6.0 times EBIT multiple and consists of an initial cash payment of \$19 million but taking on Swan's existing net cash of \$2 million. In addition, an 18 month earn-out arrangement has been structured based on a multiple of 6.0 times EBIT for the 2007 (25% weighting) and 2008 (25% weighting) financial years. The acquisition will be earnings per share accretive in the first year and SKILLED's gearing is expected to increase to around 56% by 30 June 2007.

Commenting on the acquisition Greg Hargrave, SKILLED Group's CEO said:

"The acquisition is consistent with our strategy to acquire well managed staffing services businesses in new market sectors and provides exposure to the specialised onshore and offshore oil and gas sector. In addition, Swan will increase our capacity in the mining sector through the provision of highly skilled technical professionals and project management capability."

Swan will operate as a separate business and brand with Bill Beatty, Swan's founder, continuing to lead the business.

SKILLED Group will report its Half Year Results on Wednesday 21 February 2007.

For further information please contact:

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About SKILLED Group

SKILLED Group Limited is Australia's leading provider of labour hire and staffing services. SKILLED Group has over 150 offices across Australia with annualised revenues over \$1.4 billion. SKILLED partners with clients to improve their workforce efficiency and increase their productivity levels by providing staffing services in the blue collar, call centre and nursing sectors. SKILLED is listed on the Australian Stock Exchange (ASX: SKE) and has approximately 6,200 shareholders, predominantly in Australia.

About Swan Contract Personnel

Swan Contract Personnel is an Australian owned and privately operated company specialising in the supply of highly skilled permanent and contract labour to the oil and gas, petrochemical and mining sectors. Swan operates two offices across Western Australia and Queensland and has around 1,000 employees servicing 45 clients.