

Investor Briefings
2004/05 Full Year results– Strategy - Outlook
September 2005

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

2004/05 Full Year results

Financial Highlights

safety • integr
• knowledge
people • inno
cialist skills •

- Sales revenue increased 13% to \$833.6m
- Reported NPAT (including profit from divestments) up 48% to \$24.3m
- Reported EPS of 25 cents per share
- NPAT (excluding profit from divestments) \$13.3m
- Core Business – Managed Labour Services – Sales Revenue up 27.4% to \$779.3m
- Core Business – Managed Labour Services – EBITDA up 25.3% to \$33.1m
- Net Debt reduced to \$25m from \$55m June 2004
- Final dividend 10 cents per share – Annual dividend 16 cents per share fully franked

Total Company – Headline Results

safety • integr
 • knowledge
 people • inno
 specialist skills •

	Trading	Profit from Divestments	FY 2004/05 A\$m	FY 2003/04 A\$m	Change
Sales A\$m	833.6m		833.6m	736.1m	+13%
EBITDA A\$m	34.9m	13.7m	48.6m	36.4m	+34%
EBITDA %	4.2%		5.8%	4.9%	
EBIT A\$m	23.3m	12.7m	36.0m	25.8m	+39%
EBIT %	2.8%		4.3%	3.5%	
Net Profit after Tax A\$m	13.3m	11.0m	24.3m	16.4m	+48%

Strategic Achievements

safety • integr
• knowledge
people • inno
specialist skills •

- Focus on core competency in staffing services sector
- Divested non-core businesses - Communications, Power and Yallourn Mechanical Workshops
- Acquisitions in the staffing services sector
 - Medistaff January 2005 complements Origin Healthcare
 - Extraman – July 2005 – complements SKILLED brand
- Major restructure of business portfolio complete
- Increased depth and strength of management

Changes to Business Portfolio

safety • integr
 • knowledge
 people • inno
 specialist skills •

	2004/05	2003/04	Comments
Managed Labour Services			
Workforce Services (SKILLED brand)	12 months	12 months	
Excelior	12 months	12 months	
Origin Healthcare	12 months	4.5 months	Acquired February 2004
Medistaff (part of Origin Healthcare)	6 months	0 months	Acquired January 2005
Extraman	0 months	0 months	Acquired July 2005
Infrastructure Services			
Communications	4 months	12 months	Divested October 2004
Power	3 months	12 months	Divested September 2004
Yallourn Mechanical Workshops	5 months	12 months	Divested November 2004
SEM Fire and Rescue	12 months	12 months	

Group Structure - Current

safety • integr
• knowledge
people • inno
cialist skills •

SKILLED Group



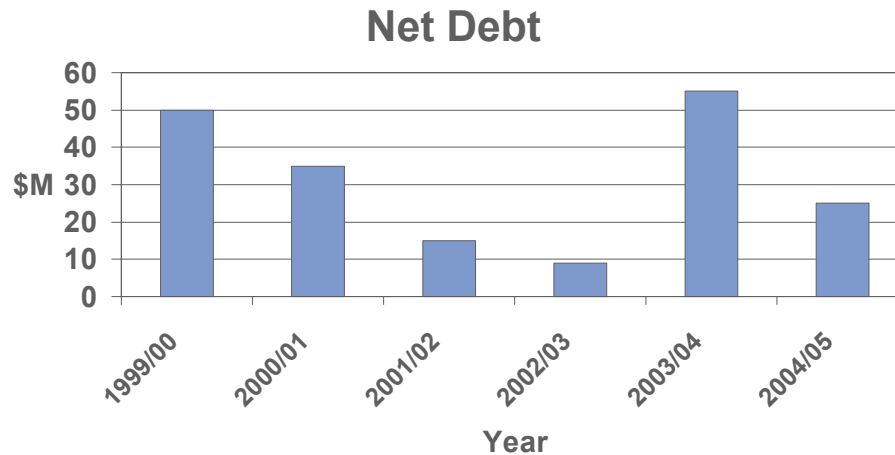
SEM provides vehicle solutions to the emergency services sector



Balance Sheet

safety • integr
• knowledge
people • inno
cialist skills •

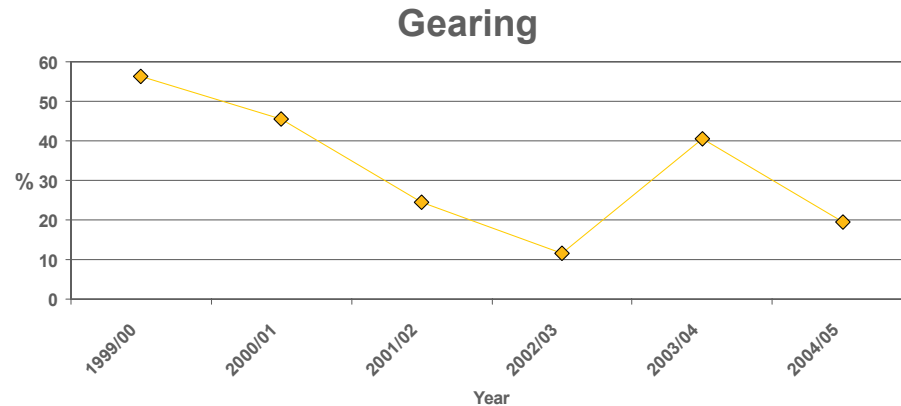
- Strong balance sheet provides capacity for future growth
- Net debt down to \$25m from \$55m



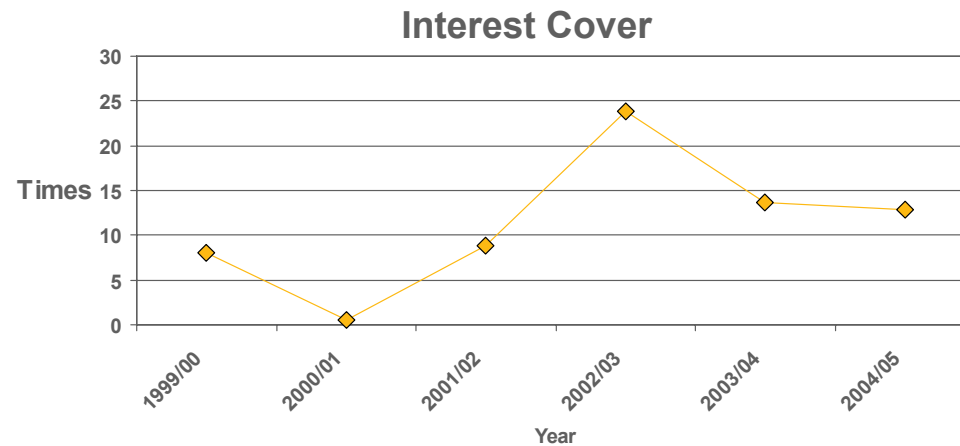
Balance Sheet

safety • integr
• knowledge
people • inno
cialist skills •

- Gearing (net debt : net debt + equity) of 19.6% compared to 40.6% at 30 June 2004



- Interest cover 12.8 times (12 months rolling)

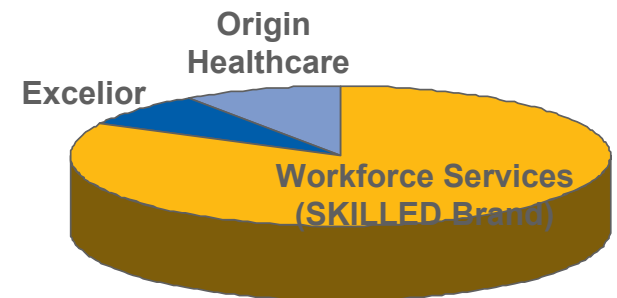


Business Review

Core Business – Managed Labour Services

safety • integr
 • knowledge
 people • inno
 specialist skills •

	FY 2004/05 A\$m	FY 2003/04 A\$m	Change
SALES			
Workforce Services (SKILLED Brand)	644.9m	541.3m	+19.1%
Excelior	62.4m	46.1m	+35.2%
Origin Healthcare	73.8m	24.7m	n/a
Eliminations	-1.7m	-0.2m	
Total Sales	779.3m	611.9m	+27.4%



Business Review – Managed Labour Services

safety • integr
• knowledge
people • inno
cialist skills •

	FY 2004/05 A\$m	FY 2003/04 A\$m	Change
EBITDA	33.1m	26.4m	+25.3%
EBITDA %	4.3%	4.3%	
Depreciation & Amortisation	-10.8m	-6.7m	
EBIT	22.3m	19.7m	+13.1%
EBIT %	2.9%	3.2%	

Managed Labour Services

safety • integr
• knowledge
people • inno
cialist skills •

SKILLED – (Workforce Services)

SKILLED

- Sales revenue up 19.1% to \$644.9m
- Strong growth across the board but particularly in mining & resources, automotive and primary manufacturing
- Industrial economy strong
- Continuing business investment

- Focus on
 - Continued improvement of OH&S
 - Improving appeal as an employer of choice
 - Higher margin value added and skills-based business

SKILLED Group

Managed Labour Services

safety • integr
• knowledge
people • inno
specialist skills •

Excelior (formerly Customer Contact Services)



- Sales revenue up 35.2% to \$62.4m
- Growth within existing customer base strong
- Temporary Labour and Permanent Recruitment up 40%
- New identity – Excelior branding – re-positioning of business
 - “*Excellence in insourcing outsourcing & resourcing*”

Managed Labour Services

safety • integr
• knowledge
people • inno
specialist skills •

Origin Healthcare



- Sales Revenue \$73.8m – first full 12 month contribution
- Current performance below pre-acquisition expectations
- Strategically sound – solid long term growth opportunity
- Operational and management re-structure – including new CEO
- Focus on new sectors – Aged Care
- Medistaff Nursing Agency - acquired in Jan 2005 - specialists in provision of clinical nurses with operations in Vic, NSW and QLD

Managed Labour Services

safety • integr
• knowledge
people • inno
cialist skills •

Extraman



- Acquired July 2005 for an estimated price of \$20m
- Price based on earn out arrangement of EBIT 2005, 2006, 2007 ($\frac{1}{3}$ historical, $\frac{2}{3}$ future)
- 2005 revenue approximately \$70m, EBIT approximately \$4.5m
- Key exposure to mining and resources sector –significant addition to our existing capability in mining and resources
- Extraman is a successful business – will remain separate brand for now

Business Review

Non-core – Infrastructure Services

safety • integr
• knowledge
people • inno
cialist skills •

	FY 2004/05 A\$m	FY 2003/04 A\$m	Change
Sales	54.8m	126.1m	-56.5%
EBITDA	1.8m	9.9m	-81.9%
EBITDA %	3.3%	7.9%	
EBIT	1.0m	6.1m	-84.2%
EBIT %	1.8%	4.9%	

- Major divestment program now complete
- Retained SEM Fire & Rescue

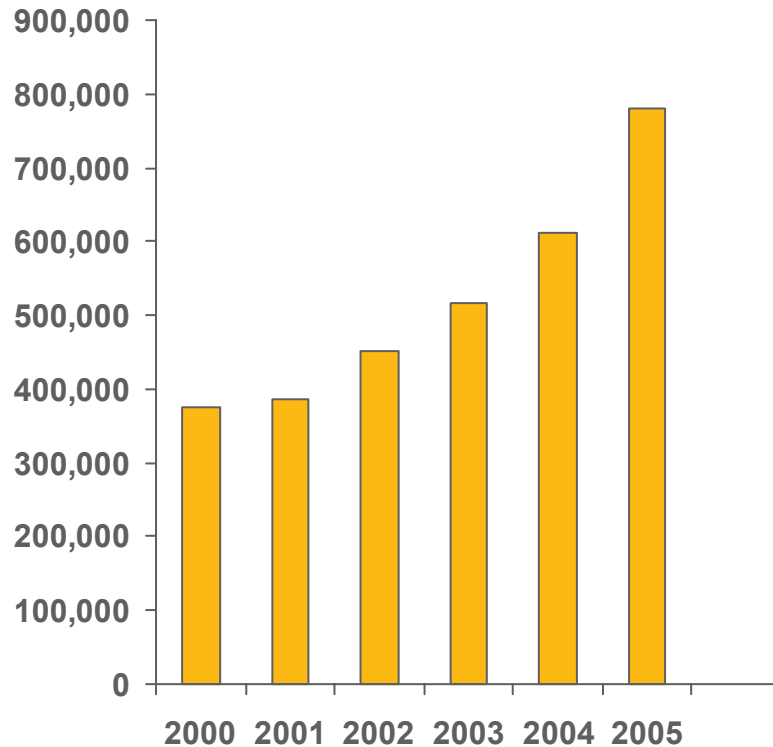
Strategy

High risk and volatility v strong growth & stability

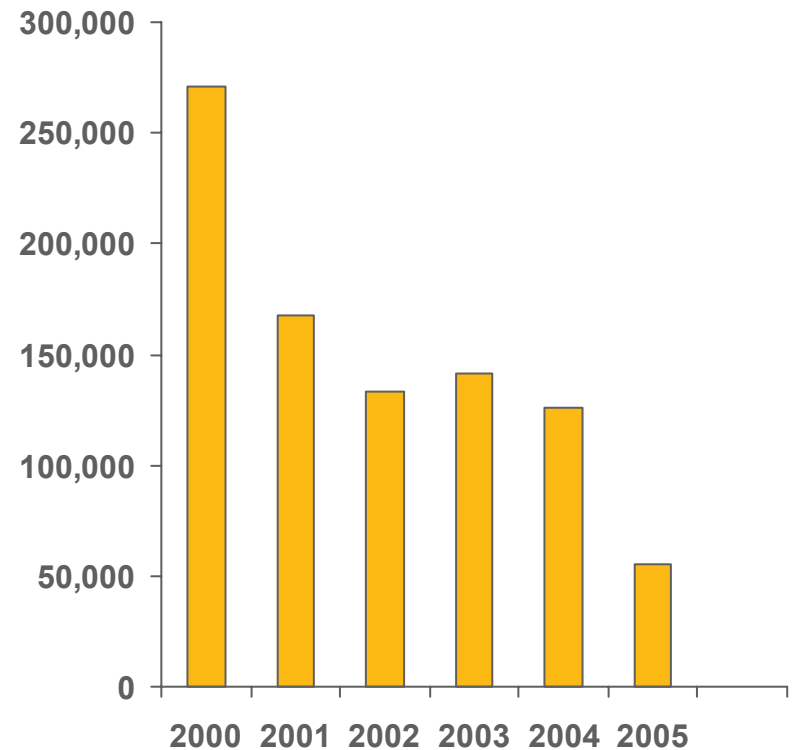
Revenue history – core v. non core business

safety • integr
• knowledge
people • inno
cialist skills •

Core Business – Staffing Services



Non Core Business

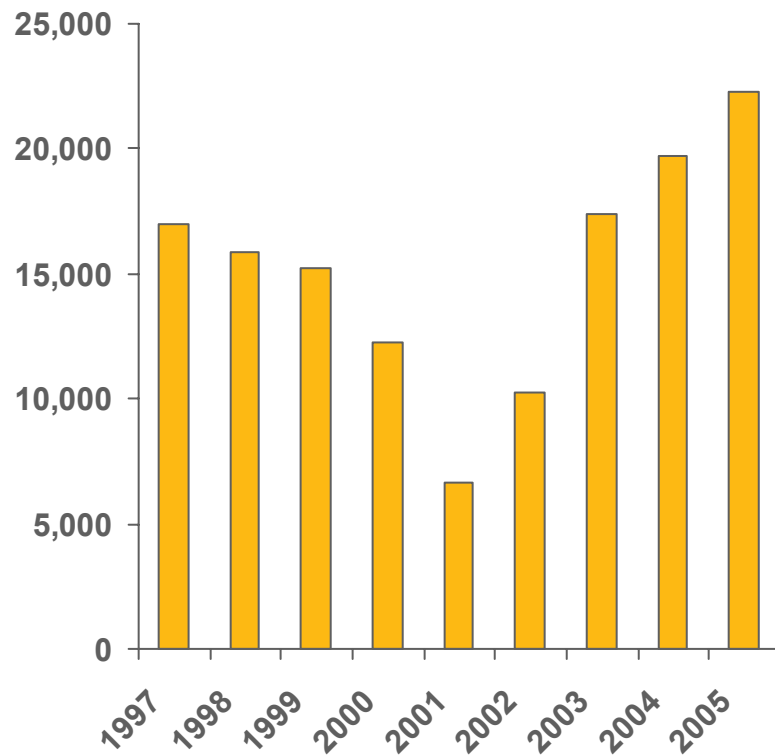


High risk and volatility v strong growth & stability

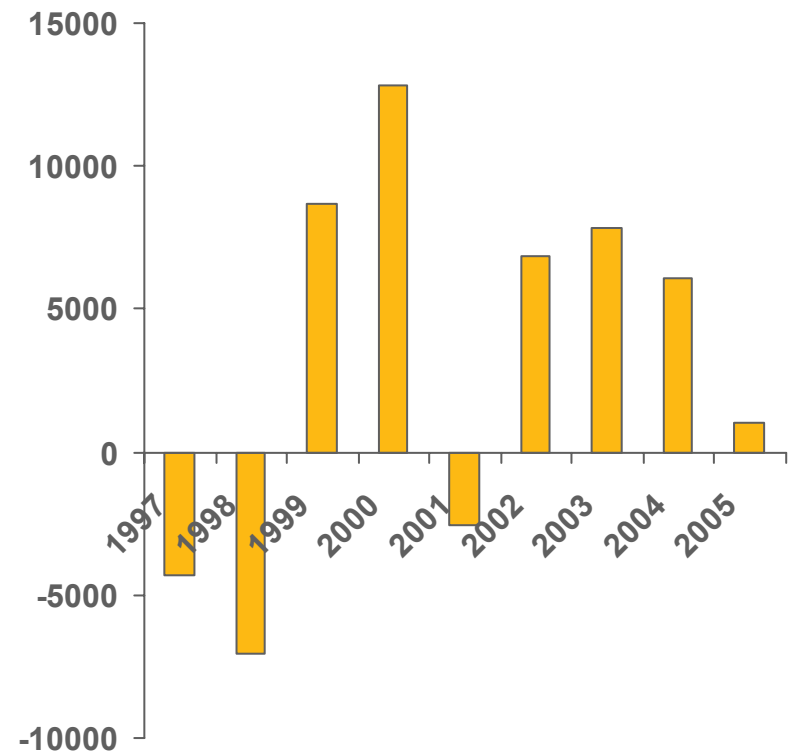
EBIT history – core v. non core business

safety • integr
• knowledge
people • inno
cialist skills •

Core Business – Staffing Services



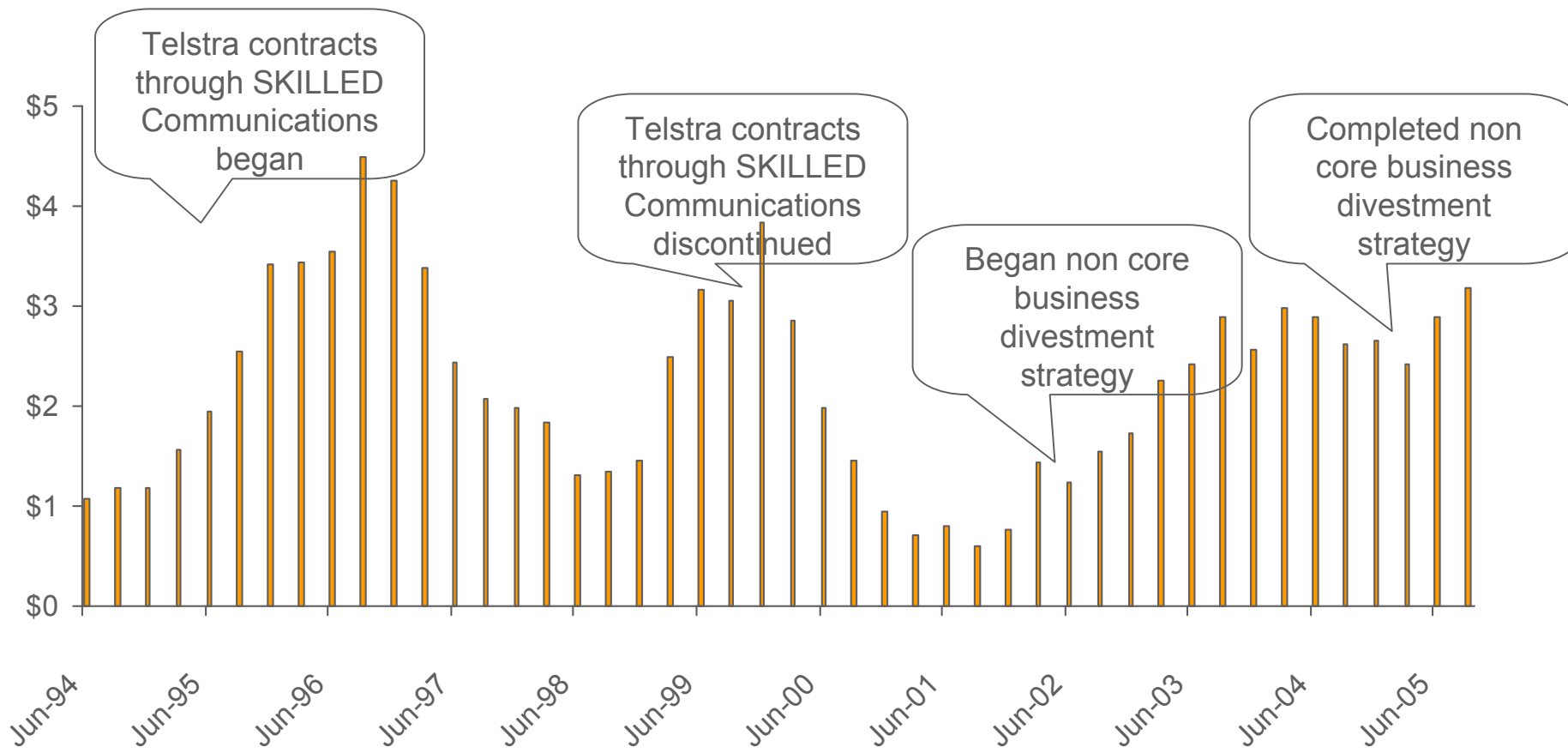
Non Core Business



High risk and volatility v strong growth & stability

SKILLED Share Price History

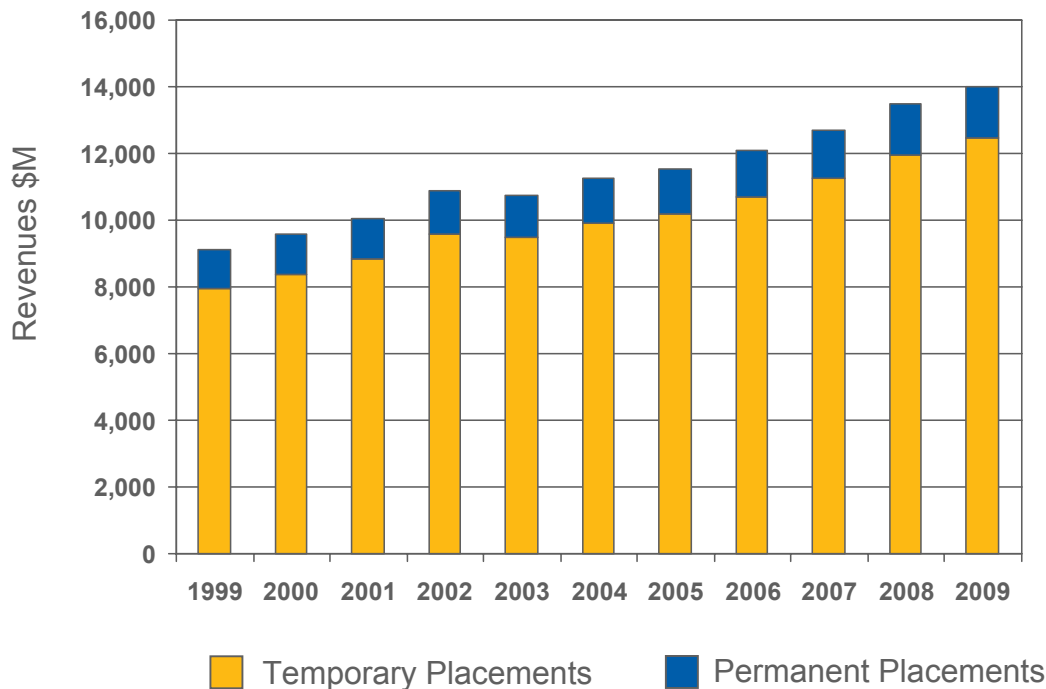
safety • integr
• knowledge
people • inno
cialist skills •



Australia's Staffing Services Industry is forecast to continue strong growth

safety • integr
• knowledge
people • inno
cialist skills •

Historical & Forecast Industry Revenues 1999-2009 (F)



- Staffing Services Industry revenues of \$11.2 billion in 2003-04
- 88% of industry revenues are generated by the Temporary Placements Services sector
- Annual growth rate for Temporary employment is expected to rise from 7.9% in 1999-2004 to 8.3% 2004 -2009*

Source: IBISWorld

SKILLED is Positioned for Growth with Industry Consolidation

safety • integr
• knowledge
people • inno
specialist skills •

- Australia's Leading Staffing Services Company
- Focus on “concrete not carpet”- for SKILLED Brand
- Strong balance sheet
- Over 40 years Australian industry experience
- Knowledgeable management team
- Focus on requirements of large clients

Growth Strategies – Staffing Services

Organic Growth

Acquisitions & Alliances

Through *current* brands

Through *new* brands

Acquisitions

Strategic Alliances

- Improving penetration of existing markets / increasing share of customer wallet
- Increasing margins
- Developing deeper value solutions

- New business development in new vertical markets / customer segments

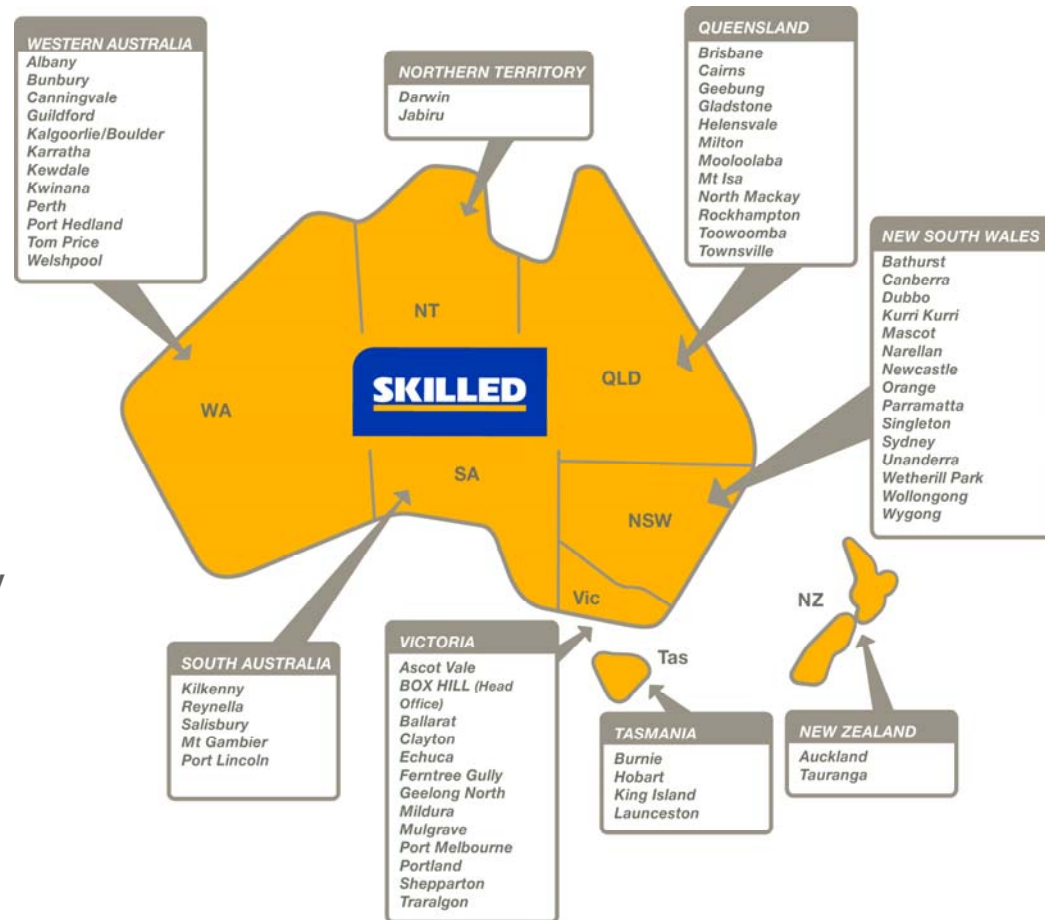
- Aligned to current vertical markets / customer segments
- Aligned to core business in new vertical markets / customer segments

- In related vertical markets to support current customers eg:
 - Managed vendor
 - Training providers
 - Technology partners

SKILLED Group has unprecedented geographic, client and employee coverage

safety • integr
• knowledge
people • inno
cialist skills •

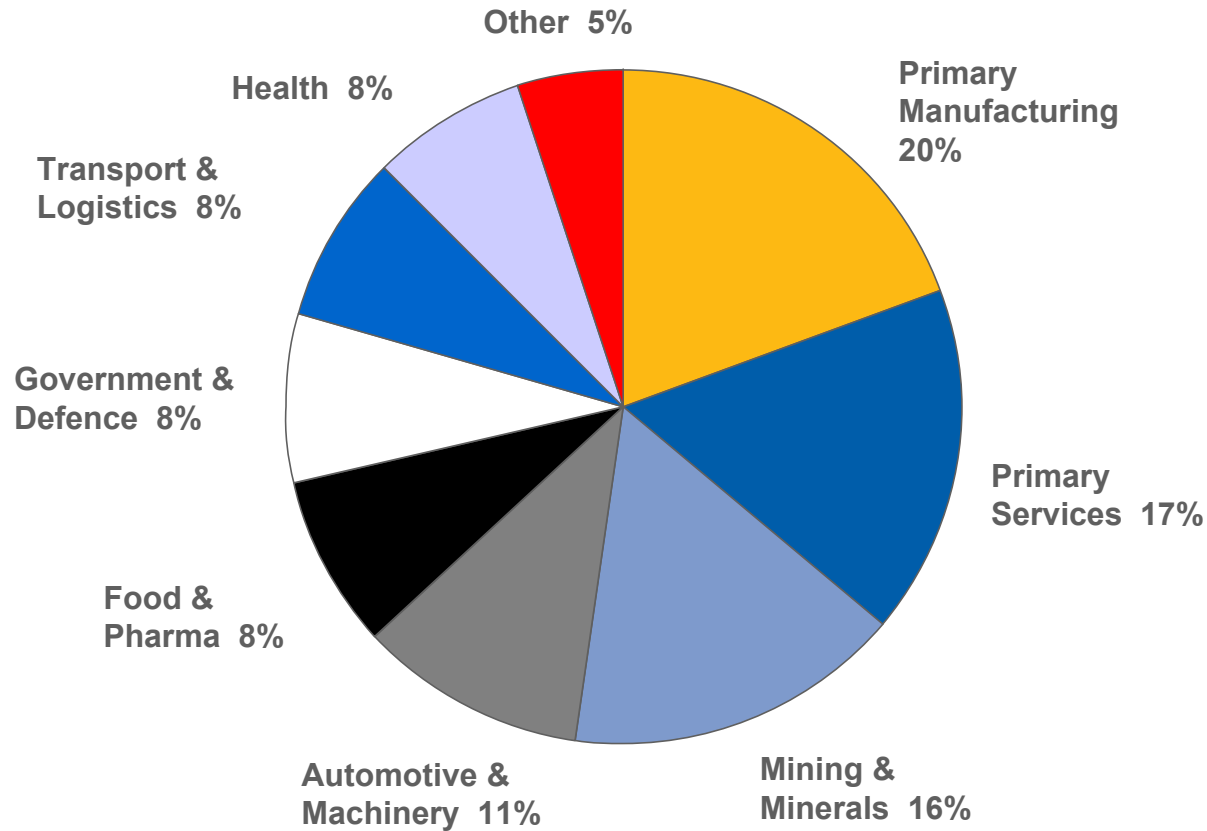
- Partner with > 4,000 clients nationally including:
 - 150 of Australia's largest manufacturers
 - 150 of Australia's largest 1,000 companies
 - 400 of Australia's largest 2,000 companies
- Place > 40,000 employees annually
 - 12,000 trades people annually
 - 15,000 employees each week
 - More than 500 apprentices and Trainees



SKILLED Group revenues by market sector

safety • integr
• knowledge
people • inno
cialist skills •

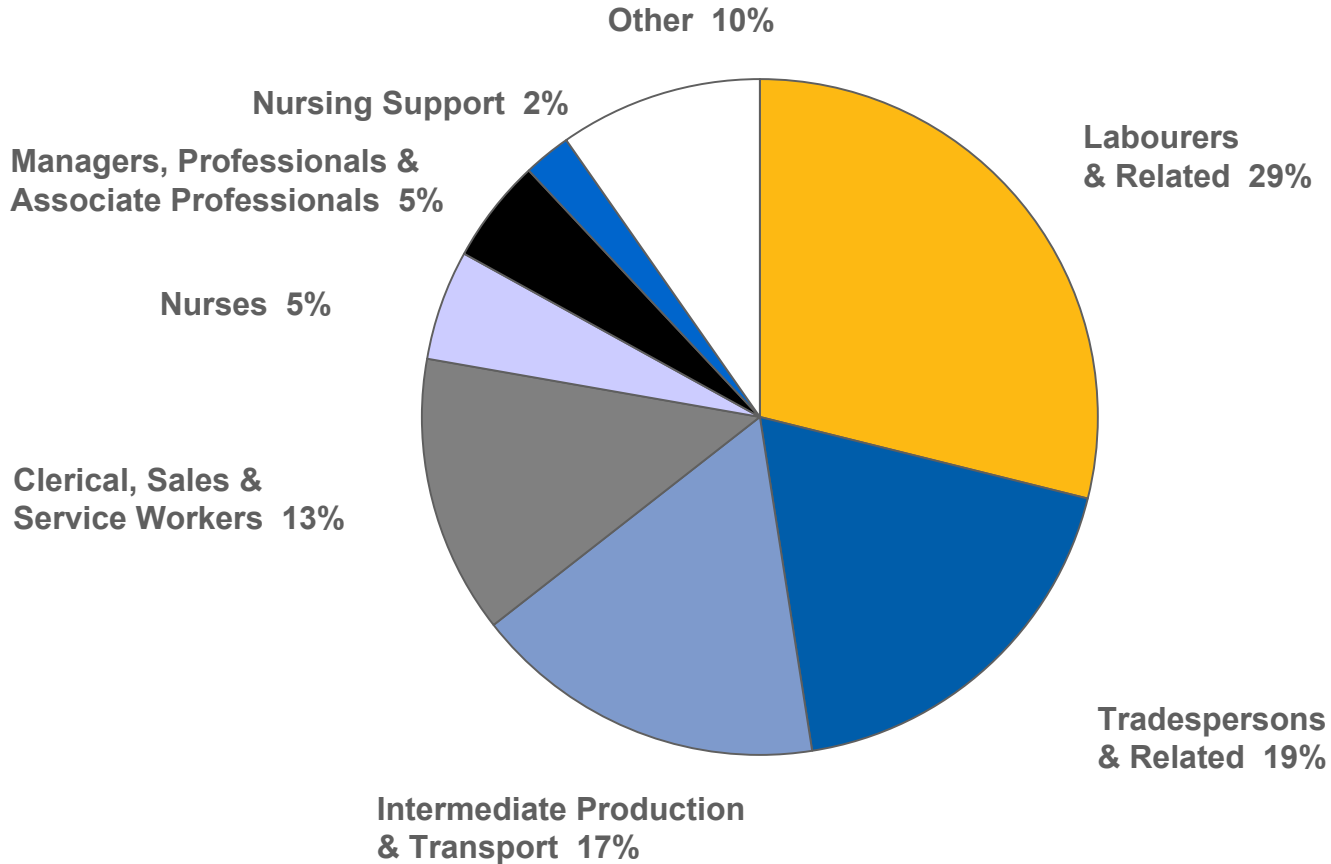
SKILLED Group Market Sector Mix



SKILLED Group employees by occupation

safety • integr
• knowledge
people • inno
cialist skills •

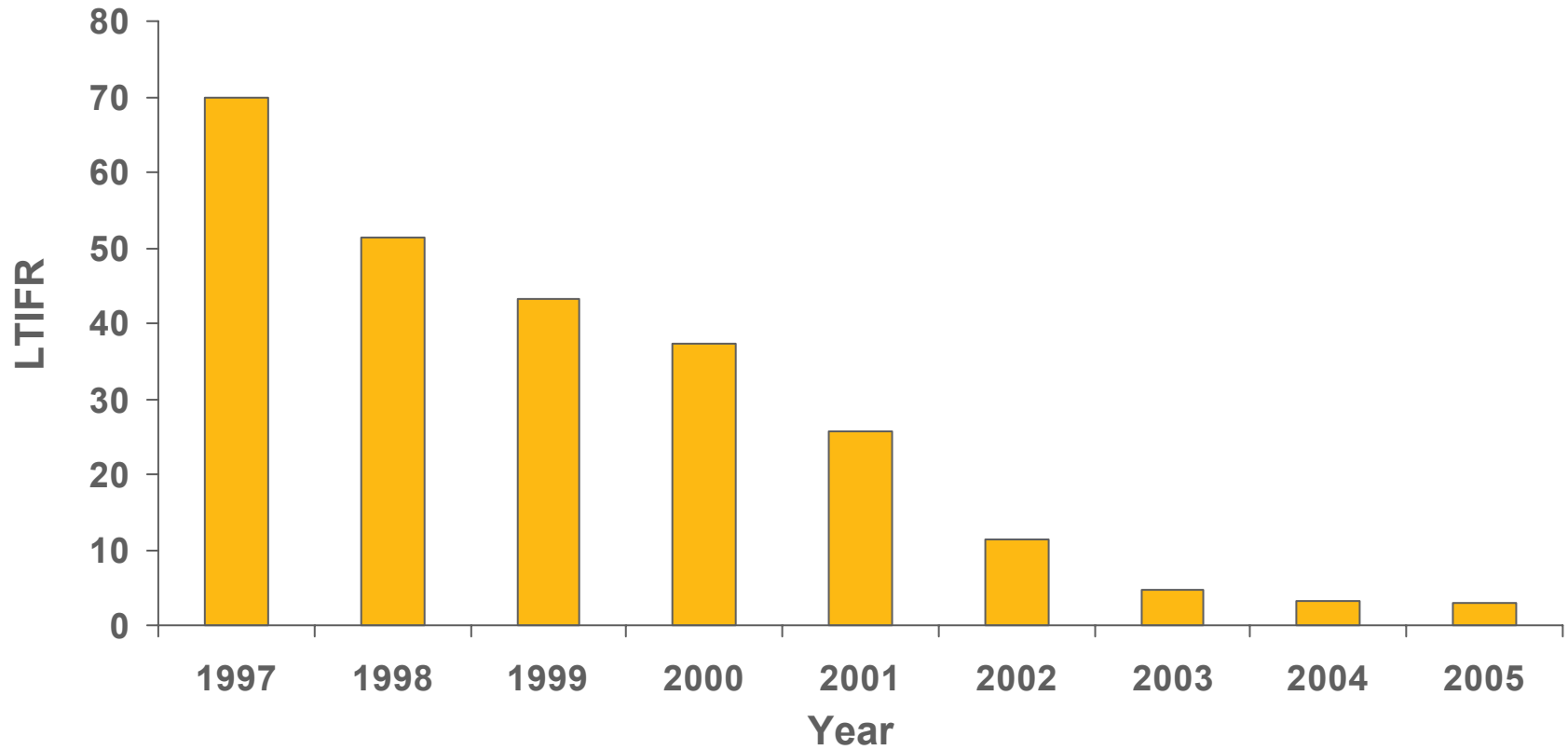
SKILLED Group Occupation Mix



Safety is SKILLED Group's number one value

safety • integr
• knowledge
people • inno
cialist skills •

SKILLED Group LTIFR by Year



Outlook 2005-06

Outlook 2005-06

safety • integr
• knowledge
people • inno
cialist skills •

IFRS Impact

- FY06 P&L impact
 - cessation of goodwill amortisation –
 - \$2.7m total cost in 2004/005 (\$1.7m trading, \$1.0 re divestments)
- FY06 Balance sheet impact
 - –Trademarks and Brand Names - write off \$5.1m

Guidance – FY 2005-06

Sales Revenue	Up 15% from \$833.6m
Trading EBITDA	Up 15%-20% from \$34.9m
Forecast Depreciation and Amortisation	\$9m