

**5 July 2005**

**Skilled Group Limited acquires Extraman for an estimated \$20 million**

Skilled Group Limited (SKE: Skilled) today announced that it has acquired Perth-based staffing services business Extraman for an estimated purchase price of \$20 million.

The purchase price is based on an “earn out” arrangement of a multiple of 3.5 times average EBIT for the 2005, 2006 and 2007 financial years and includes the assumption of Extraman’s debt. In 2005 Extraman’s revenue and EBIT is expected to be \$70 million and \$4.5 million respectively.

The acquisition meets all of Skilled Group’s acquisition criteria and will be earnings per share positive in the first year.

Extraman was formed 15 years ago and has experienced consistent growth over that period.

The company specialises in the provision of staff to the mining & resources and engineering industries and has branches in Perth, Kalgoorlie, Broome, Darwin, Brisbane and Townsville.

Skilled Group chief executive officer and managing director Mr Greg Hargrave said the deal represented a successful outcome for both parties.

“Extraman is a very strong cultural and strategic fit with Skilled’s existing core business which is the provision of specialist staffing services to Australian industry. The acquisition gives Skilled Group a significant addition to its existing capabilities in the key mining and resources sector.

“We are pleased to have an operation with experienced managers with similar ethics and values who will greatly benefit the Skilled Group. Importantly, Extraman’s management places a similar emphasis on critical OH&S management systems.

“I would like to stress that from an operational point of view it will be business as usual for both Extraman and Skilled staff and employees. Extraman will continue to operate as a stand alone business and separate brand. Existing management will remain in place,” Mr Hargrave said.

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