
Skilled Group announces record half year results

22 February 2006

Highlights

- Sales up 13.7% to \$487 million
- Net Profit after Tax up 75% to \$12.3 million (excluding profit on divestments in HY2004/05)
- EBITDA up 39.1% to \$23.8m (excluding profit on divestments in HY2004/05)
- Group EBITDA margin increased to 4.9% from 4%
- Fully franked interim dividend of 7 cents per share

The booming mining industry and robust economy helped lift Skilled Group Limited to a record first half revenue and profit for 2005/06.

Sales revenue for the first six months of 2005/06 was up 13.7% on the same period last year to \$487 million. Net profit after tax was up 75% to 12.3 million.

EBITDA (earnings before interest tax depreciation and amortisation) for the half was up 39.1% to \$23.8 million (excluding profit on divestments in HY2004/05).

Managing Director and CEO of Skilled Group, Mr Greg Hargrave said the strong result reflects the success of the company's strategy over recent years to rationalise its portfolio through a series of divestments and acquisitions.

The Group's most recent acquisition, Extraman, acquired in July 2005, reported a first half revenue contribution of \$37.3 million which was in line with pre-acquisition expectations.

"I am very pleased to announce a record first half result. Our core business continues to produce solid results as evidenced by the strong revenue growth. The restructure of previous years has allowed us to focus on our core competency of staffing services and this has lead to improved margins and a growth in the share of our existing client's spend," he said.

"We expect continued strength in the second half and upgraded our profit guidance in December 2005 accordingly. We anticipate growth in operating EBITDA of 20-25% above last year's \$34.9 million," he said.

The Group's balance sheet remains strong with net debt falling to \$21.6 million – down from \$24.8 million in June 2005. Gearing has fallen to 16.5% from 20.2% in the previous corresponding period and the Group's interest cover is 13.3 times.

Mr Hargrave said the strong balance sheet provides SKILLED with the capacity for future growth by continuing to consider various growth opportunities including both strategic acquisitions as well as organic growth.

The directors declared a fully franked interim dividend of 7 cents per share, payable on 19 April 2006. The shares will be traded cum div until Monday 27 March and trade ex-div on 28 March 2006.

For further information contact:

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SKILLED Group Ltd – Half Year Announcement
Telstra Conference Link – Dial-in Details:

Commencing: 9.30 am (EDST)

Ph: 1800 064292

Reservation No: [5463173](#)