

passionate about people



SKILLED Annual General Meeting
25 October 2005

SKILLED Group



Annual General Meeting

safety • integr
• knowledge
people • inno
specialist skills •



Ken V Loughnan AO
Chairman

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

Strategic Achievements

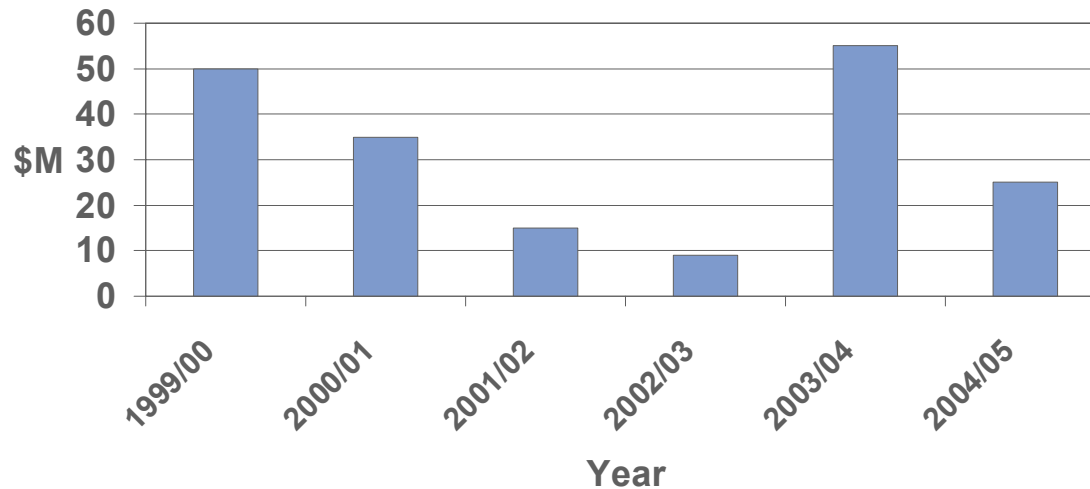
safety • integr
• knowledge
people • inno
specialist skills •

- 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

Balance Sheet

safety • integr
• knowledge
people • inno
cialist skills •

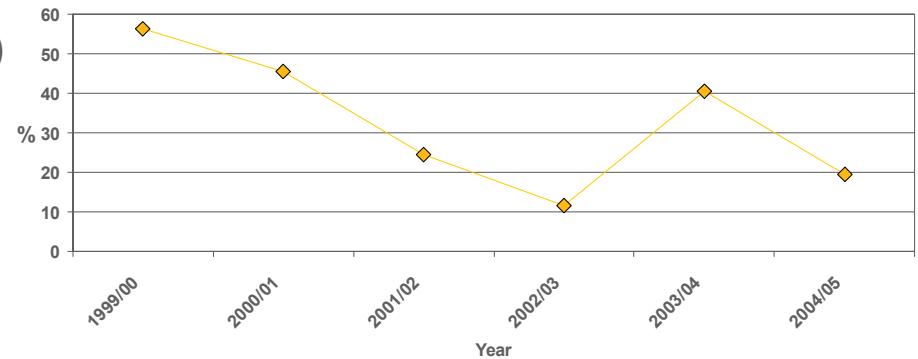
- Strong balance sheet provides capacity for future growth
- Net debt down to \$25m from \$55m



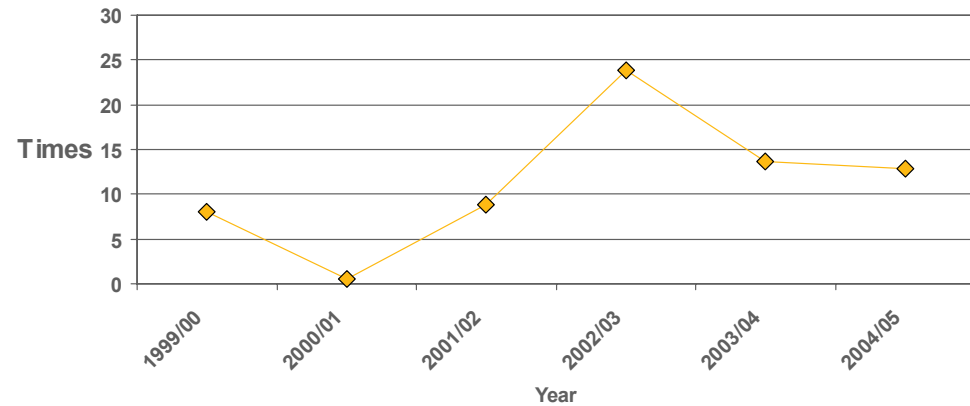
Balance Sheet

safety • integr
• knowledge
people • inn
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)



Corporate Governance

safety • integr
• knowledge
people • inno
specialist skills •

- Board commitment to achieving highest standards of corporate governance
- Changes to Board structure
- Retirement of Frank Hargrave AO and Bryan Kelly

Remuneration Report

safety • integr
• knowledge
people • inno
specialist skills •

- Requirements of Corporations Act
- Non-Executive Directors' remuneration
- Executive remuneration - current position
 - philosophy

The SKILLED Team

safety • integr
• knowledge
people • inno
specialist skills •

- 2004/05 year has been one of significant achievement
- Strong Board working as a team
- Strong management
- The SKILLED family

Annual General Meeting

safety • integr
• knowledge
people • inno
specialist skills •



Ken V Loughnan AO
Chairman

Annual General Meeting

safety • integr
• knowledge
people • inno
specialist skills •



Greg M Hargrave
Managing Director & Chief Executive Officer

SKILLED Group began in 1964 as a specialist staffing services provider to industry

safety • integr
• knowledge
people • innc
specialist skills •

1964 - 1990

- “we will supply our workforce of skilled trades people to meet your needs” – ie. Flexibility
- Trades and engineering professionals
- Manufacturing, mining, etc (concrete space)



People focus, specialist skills focus, market focus, brand clarity

In the 90's SKILLED became one of Australia's largest diversified services company

safety • integr
• knowledge
people • inno
specialist skills •

1990 - 2003

- **Aim- “to be Australia’s largest, diversified services company”**
- Trades, engineering professionals, production and logistics, personnel, hospitality and events, child care, rail, education, nursing, call centres
- Fire truck manufacturing, workshop fabrication and machining, grab bag of port activities including pollution control, wharf repair etc, installation and construction in power and communications etc,



Services focus, generalist skills and markets, lack of organisational and brand clarity

In 2003, management began taking the business “back to the core”

safety • integr
• knowledge
people • inno
cialist skills •

Why?

- High risk and volatility in non-core areas
- Lack of business management synergy
 - Related management expertise
 - System and process synergies
- Questionable growth potential
- Management distraction
- Lack of clarity of SKILLED among all stakeholders
 - customers, investment community, staff, employees



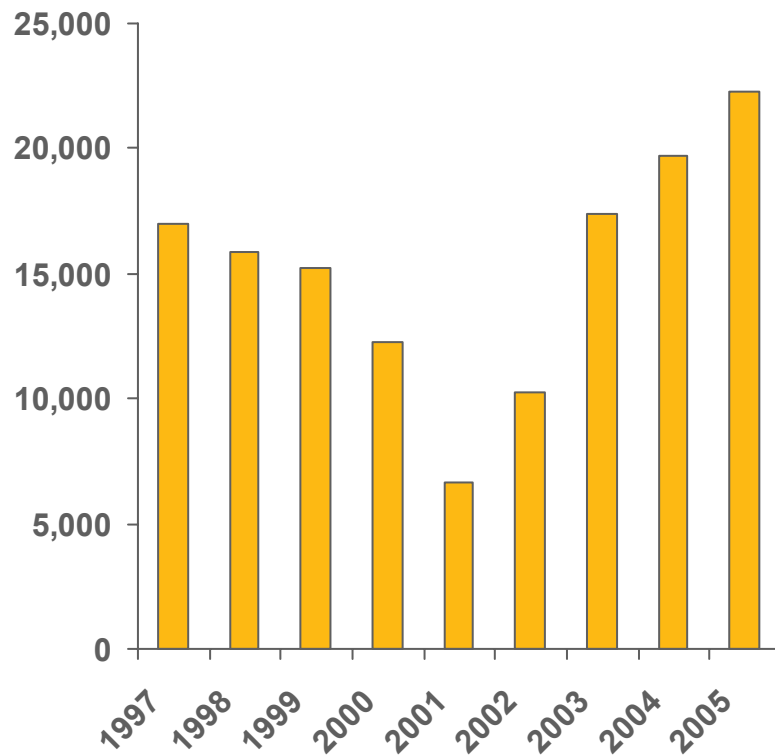
Actions

- Divestment of non core business
 - SKILLED Communications
 - SKILLED Power
 - Yallourn Workshops
- Replacement of earnings streams aligned to core business
 - Acquisition of Origin Healthcare
 - Acquisition of Medistaff
 - Acquisition of Extraman
 - Customer segmentation strategies
 - New business development

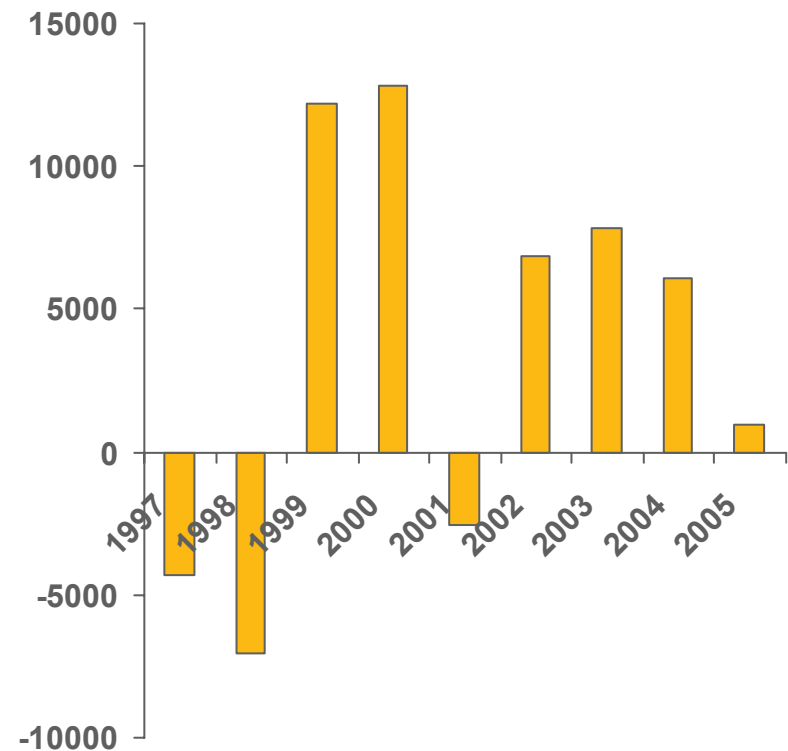
High risk and volatility: EBIT history – core v. non core business

safety • integr
• knowledge
people • inno
cialist skills •

Core Business – Staffing Services



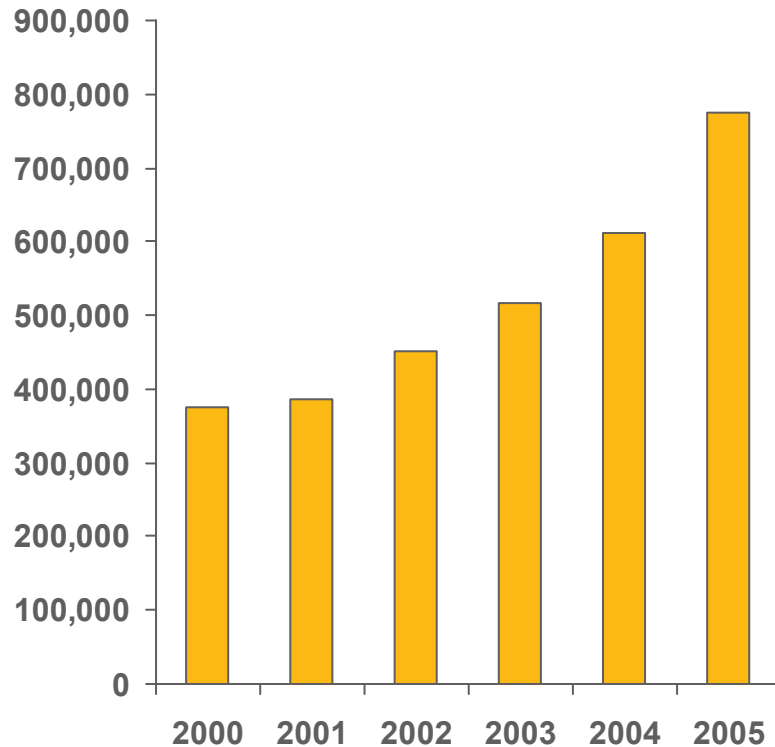
Non Core Business



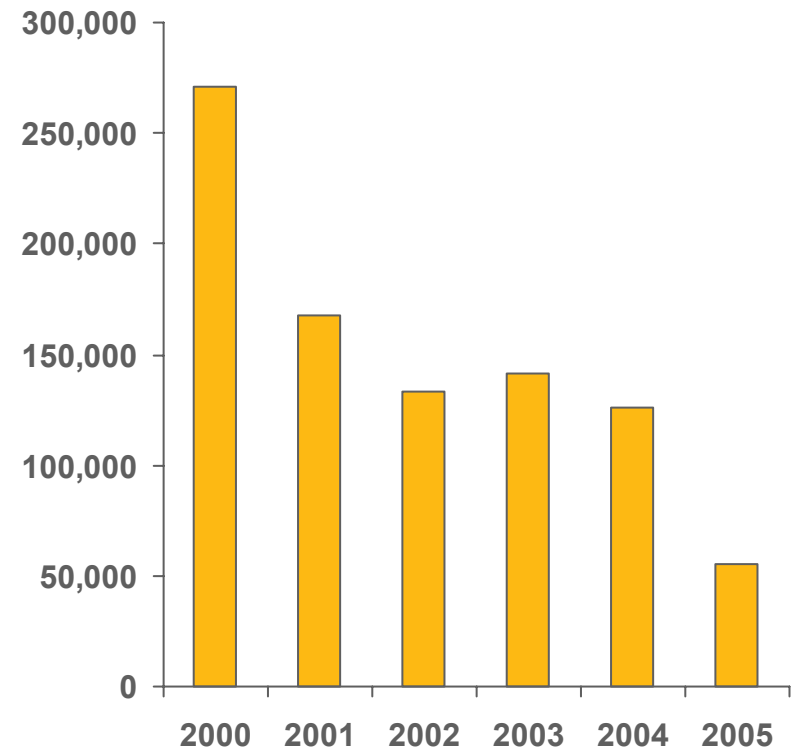
High risk and volatility: Revenue history – core v. non core business

safety • integr
• knowledge
people • inno
cialist skills •

Core Business – Staffing Services

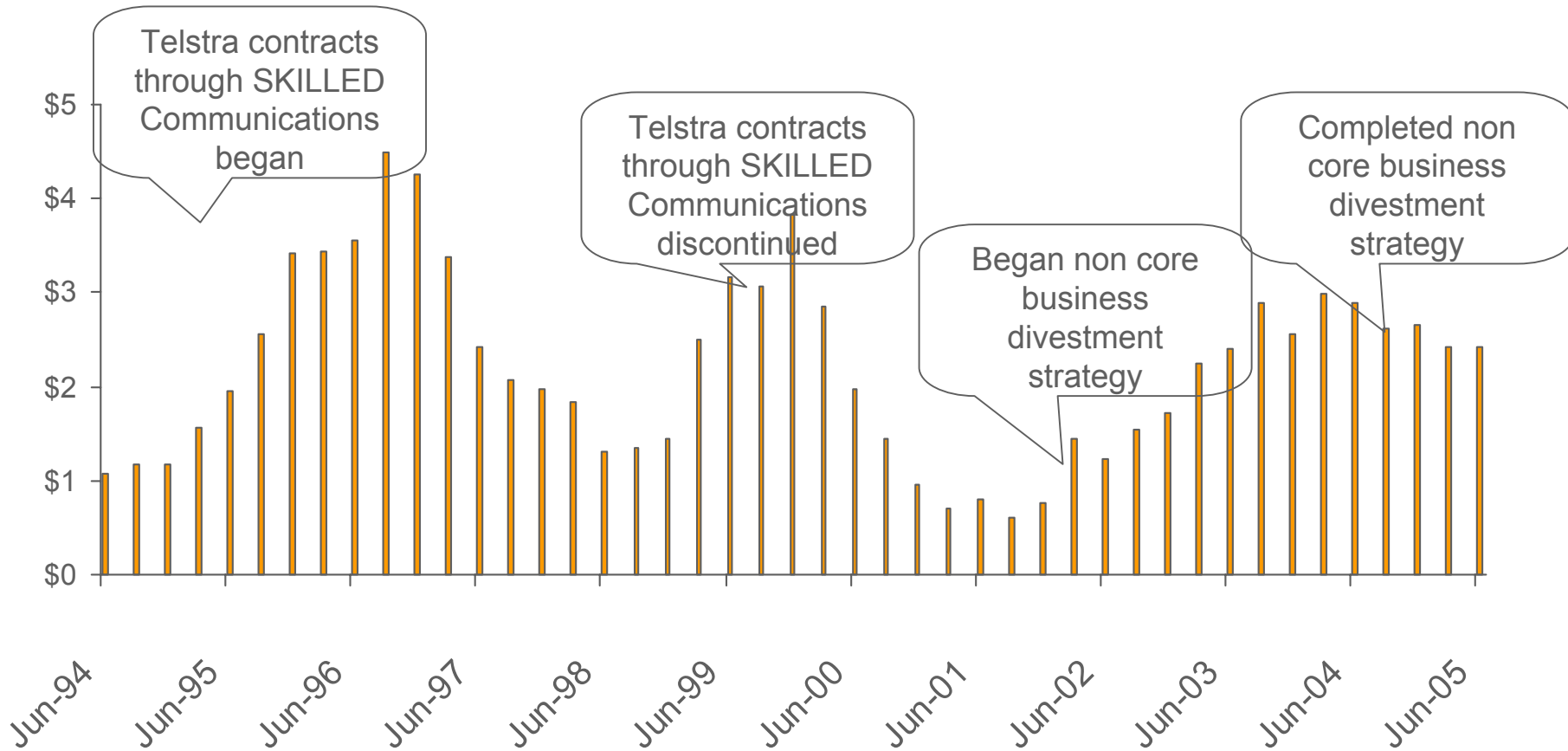


Non Core Business



High risk and volatility: SKILLED Share Price History

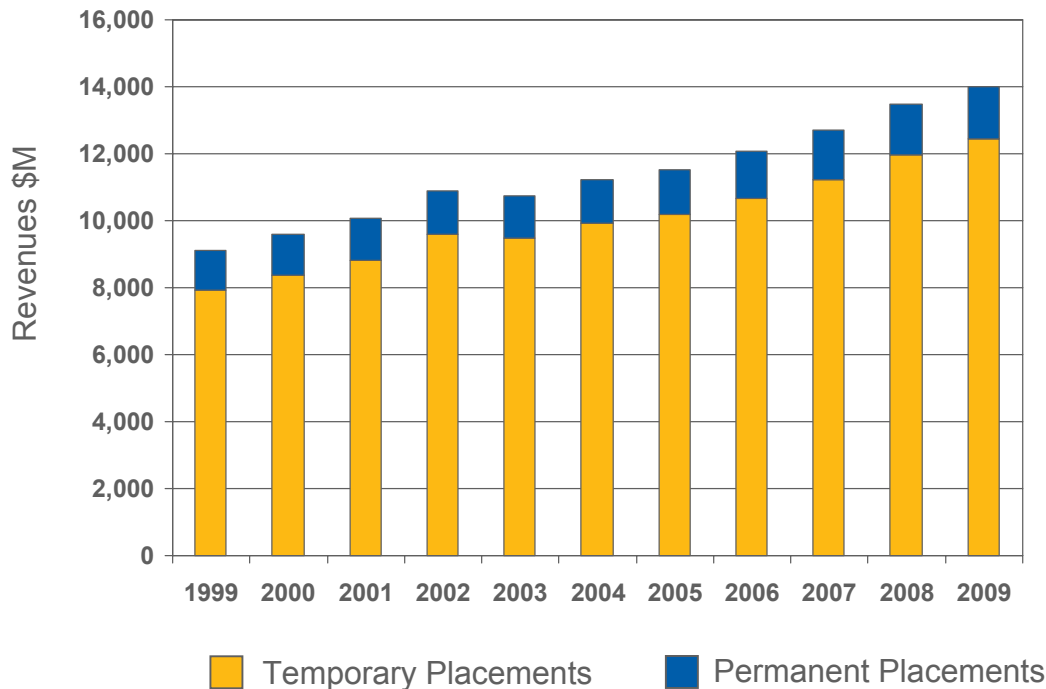
safety • integr
• knowledge
people • inno
cialist skills •



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

Source: IBISWorld

SKILLED is Positioned for Growth with Industry Consolidation

safety • integr
• knowledge
people • innc
specialist skills •

- Australia's Largest Staffing Services Company
- Able to exploit industry/workplace shifts and trends
- Strong experienced management team
- Able to meet demands of large clients

Group Structure - Current

safety • integr
• knowledge
people • inno
specialist skills •

SKILLED Group



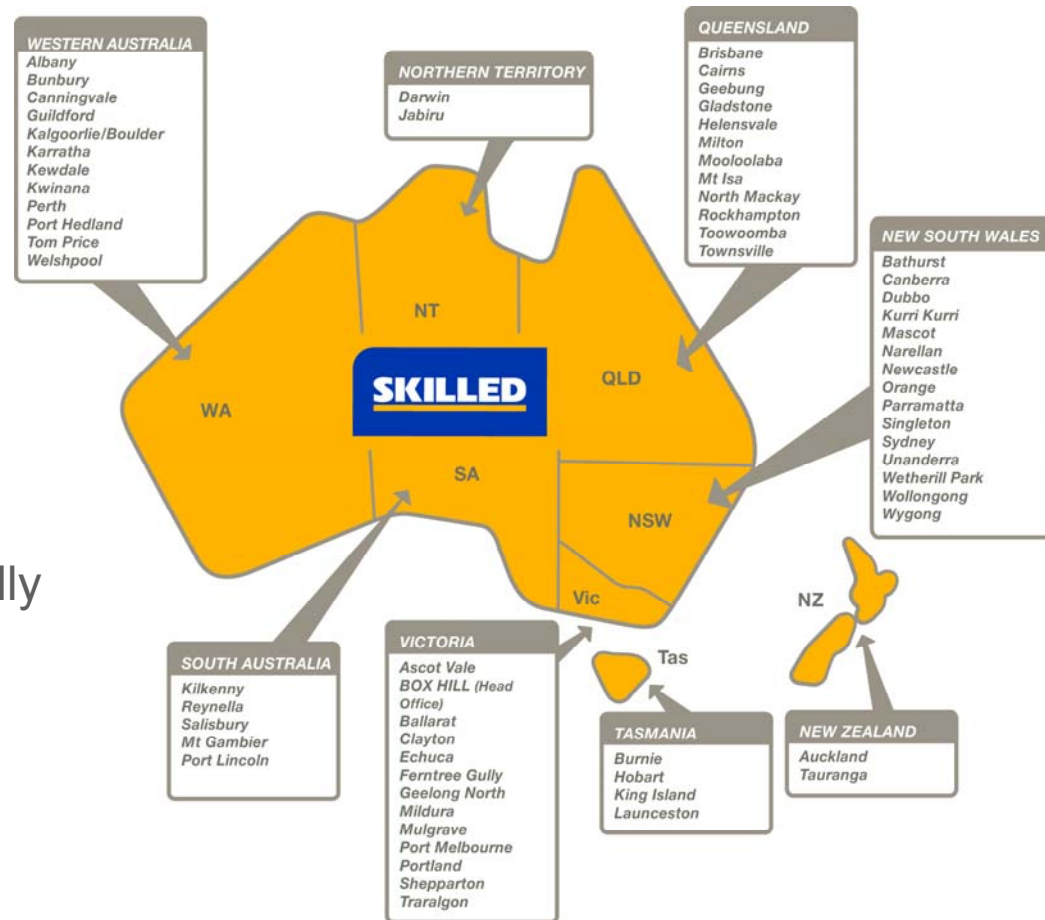
SEM provides vehicle solutions to the emergency services sector



SKILLED Group has unprecedented geographic, client and employee coverage

safety • integr
• knowledge
people • inno
cialist skills •

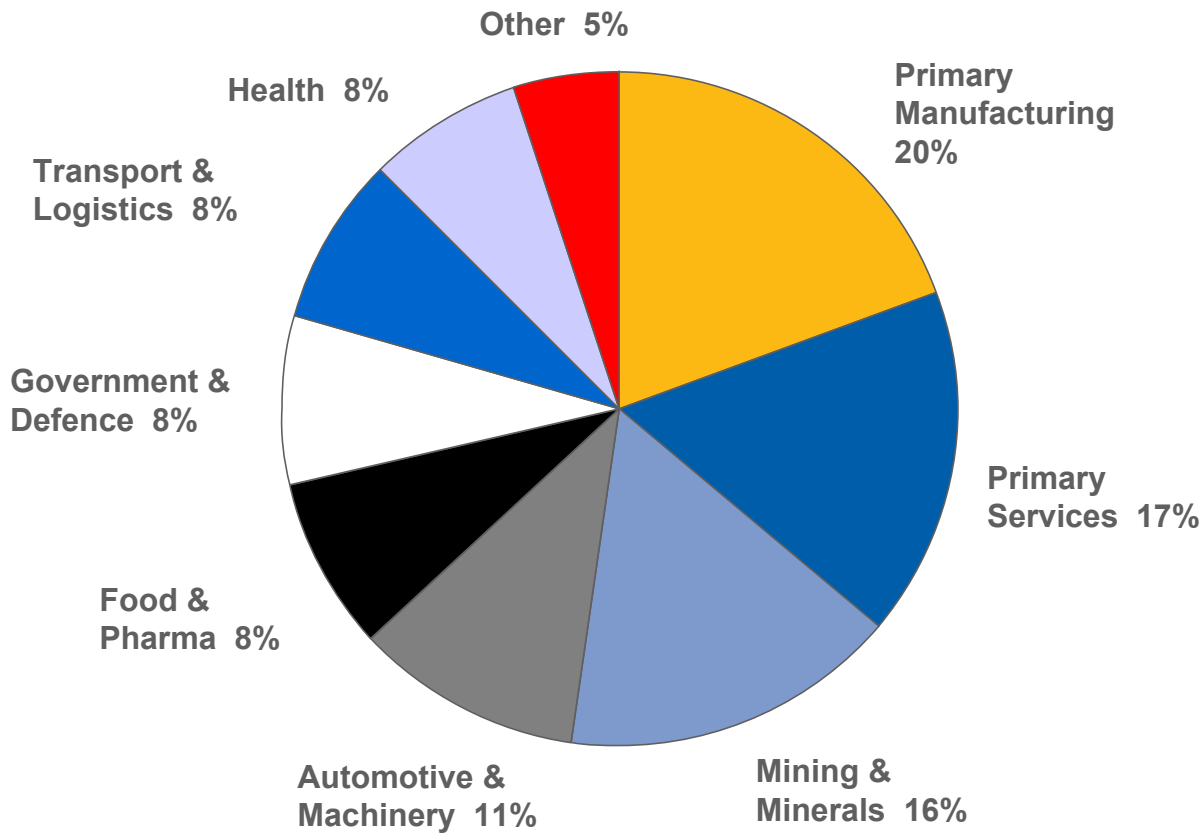
- Partner with > 4,000 clients nationally including:
 - 150 of Australia's largest manufacturers
 - 150 of Australia's largest 1,000 companies
 - 400 of Australia's largest 2,000 companies
- Place > 40,000 employees annually
 - 12,000 trades people annually
 - 15,000 employees each week
 - More than 600 apprentices



SKILLED Group provides staffing services to Australia's key market sectors

safety • integr
• knowledge
people • innc
specialist skills •

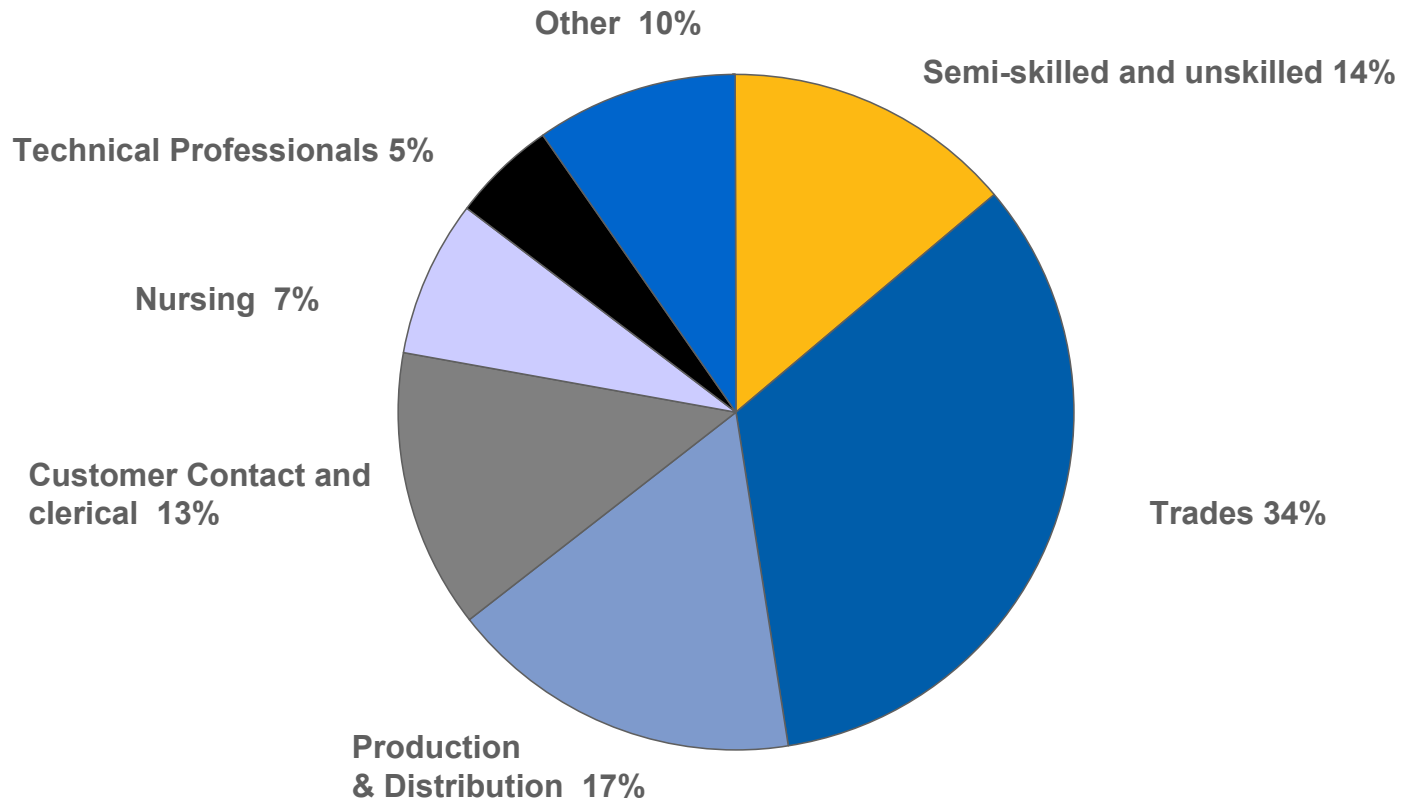
SKILLED Group Revenues Market by Sector Mix



SKILLED Group employees by occupation

safety • integr
• knowledge
people • inno
cialist skills •

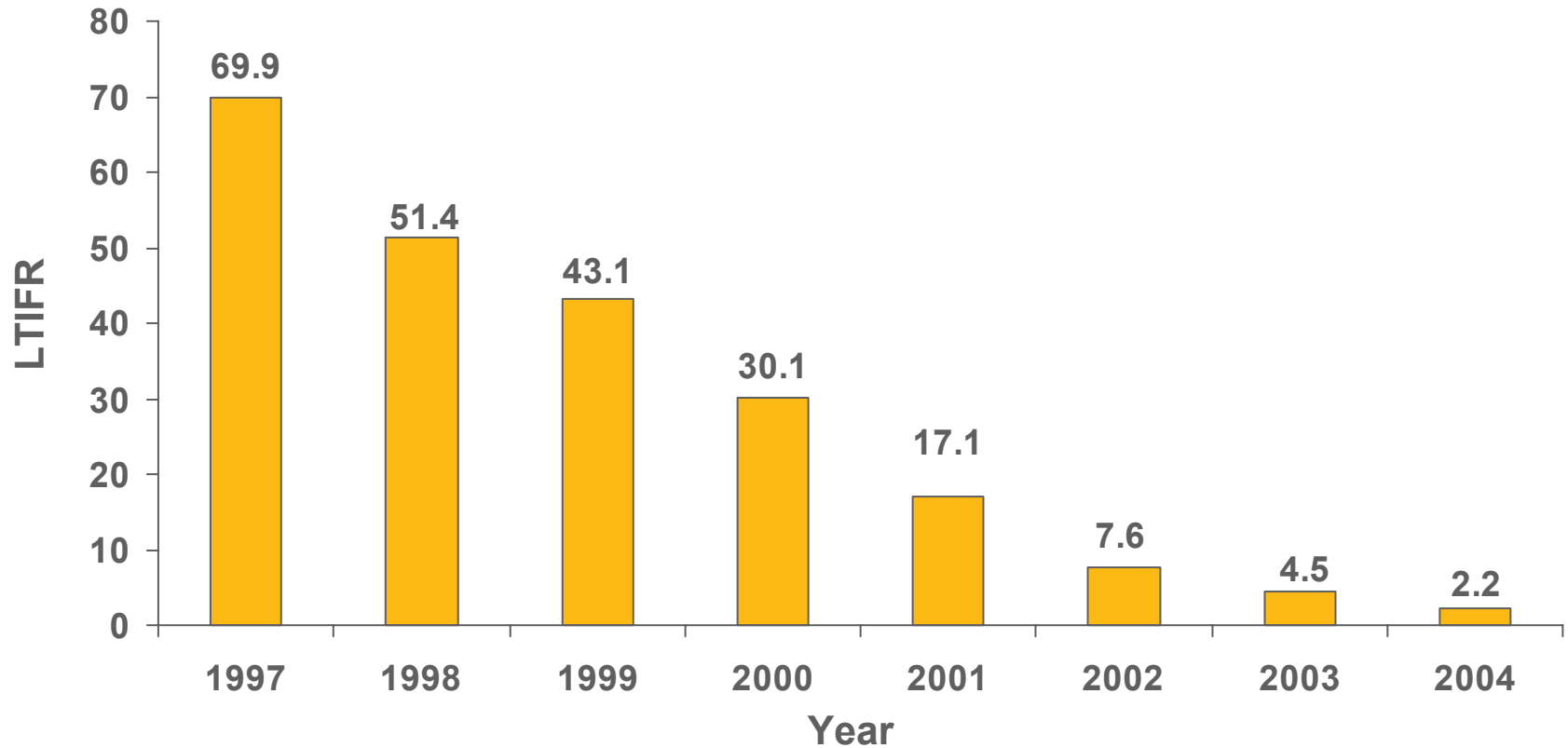
SKILLED Group Occupation Mix



Safety is SKILLED Group's first corporate value

safety • integr
• knowledge
people • inno
cialist skills •

SKILLED Group LTIFR by Year at December



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

IFRS Impact

- FY06 P&L impact
 - cessation of goodwill amortisation - \$2.7m cost in 2004/005
- 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

Annual General Meeting

safety • integr
• knowledge
people • inno
specialist skills •



Ken V Loughnan AO
Chairman

To consider the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2005.

Item 2

safety • integr
• knowledge
people • inno
specialist skills •

To adopt the remuneration Report for the financial year ended 30 June 2005.

Item 3a

safety • integr
• knowledge
people • inno
specialist skills •

"That Mr K.V.Loughnan AO, having retired in accordance with Clause 14.3 of the Company's Constitution, be re-elected as a Director."

Item 3b

safety • integr
• knowledge
people • inno
specialist skills •

“That Mr J. B. Dixon who was appointed as a Director since the last Annual General Meeting, having retired in accordance with Clause 14.1 of the Company's Constitution, be elected as a Director.”

Item 3c

safety • integr
• knowledge
people • inno
specialist skills •

“That Ms V. A. McFadden who was appointed as a Director since the last Annual General Meeting, having retired in accordance with Clause 14.1 of the Company's Constitution, be elected as a Director.”

Item 4

safety • integr
• knowledge
people • inno
specialist skills •

"That the issue of equity securities under the Skilled Group Employee Share Plan is approved as an exception to Listing Rule 7.1 of Australian Stock Exchange Limited."

passionate about people



SKILLED Annual General Meeting
25 October 2005

SKILLED Group

