

TELSTRA ACCESS NETWORK CONSTRUCTION CONTRACTS

Telstra today announced the outcome of the tender for the Access Network Construction Contracts. Skilled has been advised by Telstra that it has been unsuccessful with its bid.

Skilled has been involved in Access Network type work since 1997 and has earned a reputation as a quality service provider. Skilled's pricing has reflected these quality levels and the work has been performed historically at healthy profit margins.

We understand that the tender bids have seen prices reduced to levels where the margins are significantly lower and we would not have been able to deliver a quality service.

Skilled remains optimistic about opportunities in the tele-communications industry and its ability, over time, to replace this loss of revenue. There are a number of opportunities for additional revenue streams which Skilled will be actively exploring.

As previously advised at the Annual General Meeting and the ASX Release earlier this week, Directors now expect 2003/04 earnings to be in line with the record 2002/03 result (excluding the 2002/03 non-recurring item).

FURTHER INFORMATION: Please contact Ken Bieg (03) 9924 2424.