

ASX Announcement

29 December 2014

Response to Media Speculation

SKILLED Group Limited ("**SKILLED**") notes the press speculation today about a potential combination between SKILLED and Programmed Maintenance Services Limited ("**Programmed**").

SKILLED confirms that it received an unsolicited confidential, conditional and non-binding indicative proposal from Programmed in the week before Christmas. Under that proposal, SKILLED shareholders would receive a combination of shares and cash. The proposal states that this combination would result in SKILLED and Programmed shareholders each owning 50% of the combined group.

SKILLED considers that this approach from Programmed has been opportunistically timed, and is based on a closing share price for SKILLED well below medium and longer term volume weighted average prices. Any combination of SKILLED and Programmed would need to be pursued on terms which reflect appropriate value for SKILLED shareholders.

SKILLED is conducting a detailed review of the proposal and has advised Programmed that it will revert with a response on its proposal in due course. No discussions have taken place in relation to this proposal.

There is no certainty that the proposal will lead to a transaction.

SKILLED has made this announcement in the interests of informing its shareholders and the market in light of today's press speculation. SKILLED will make a further announcement in the event of any material developments.

About SKILLED Group

SKILLED Group Limited is Australia's leading provider of labour hire and workforce services. SKILLED Group has 100 offices across Australasia with annualised revenues of around A\$1.9billion. SKILLED partners with clients to improve their workforce efficiency, enhance safety performance and increase productivity levels. SKILLED is listed on the Australian Securities Exchange (ASX: SKE) and has approximately 6,700 shareholders, predominantly in Australia.

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