



Tuesday 9th December 2003

CANDLE ACQUIRES PERTH BASED WORKSKILLS PROFESSIONALS

Australia's leading ASX listed recruitment company, Candle Australia Limited, today announced that it had signed an agreement for the purchase of the business of Workskills Professionals Pty Ltd.

Workskills Professionals is a Western Australian recruitment business focused on permanent and temporary placements in office administration, secretarial, clerical, engineering and accounting support areas.

Managing Director, Mr. Robert Collins said that this acquisition met all of Candle's strict acquisition criteria.

"It will be EPS positive from day one, provide cross selling opportunities and will be funded by a combination of cash and scrip. In addition, all key staff have committed to remain with the business".

"It is an excellent addition to our business and consistent with our diversification strategy", he added.

Established in 1993 and with over 7000 people placed since inception, Workskills Professionals has a number of long standing supply agreements with state government and large corporations in Western Australia.

"We expect to leverage these agreements for continued growth, not only of Workskills Professionals but also for our Candle ICT business in Perth" he said.

Mr. Stephen Humphries, the founder of the Workskills Professionals business, will remain as General Manager under a two-year agreement, focusing on continued growth whilst also ensuring the potential for cross selling across Candle brands is maximized.

According to Mr. Humphries, "The sale of the business and its linking to a national brand provides staff with an excellent opportunity to further their professional development. In addition, customers will benefit from a broader range of services and the comfort of working with a large national business".

The business will continue to trade under the Workskills Professional brand for the foreseeable future, but may adopt Candle's "Alliance Recruitment" brand over time.

Mr. Collins said, "while expanding our Alliance Recruitment business into Western Australia, the acquisition also further consolidates our footprint across Australia, allowing us to secure more national contracts with Australia's major corporations and government agencies. It also benefits Alliance Recruitment customers who are looking for services from our company in Western Australia".

The purchase price is performance based over a two year period and is expected to be approximately \$2.4M. It will be funded by a combination of debt and the issue of scrip. Subject to a number of conditions precedent, the purchase is likely to be finalised mid January 2004.

According to Mr. Collins, "Candle Australia Limited has performed very well last financial year, with a 17% rise in profits, and the payment of a fully franked special and total dividend of 9c. Candle is in a strong position for future growth. We see this and other planned acquisitions complementing our strategy of organic growth and diversification, ensuring solid return for shareholders in the period ahead".

"Candle Australia Limited is recognised as the market leader for the supply of ICT staff in Australia and New Zealand. With the organic expansion of the Freeman Adams and the Alliance Recruitment businesses, in addition to acquisitions like this one, Candle aims to establish itself as a pre-eminent supplier of staff in the accounting, secretarial and office support areas, thereby offering a range of permanent and temporary staff solutions in commercial and government markets".

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Background:

Alliance Recruitment is a division of Candle Australia Ltd., located in Melbourne, Sydney and Canberra. It provides permanent and temporary office support, and accounting support staff to medium sized businesses and government.

Freeman Adams Pty Ltd is a subsidiary of Candle Australia Ltd, focusing on the financial services markets. It supplies recruitment services to some of Australia's largest investment banks and insurance organisations.

Candle Australia Ltd, listed on the ASX as CND, operates in Australia and New Zealand where it is the largest single supplier of information technology staff under its Candle ICT brand. Profitable every year since inception in 1984, Candle Australia Limited has strong brand recognition and a growing client base in large corporations, SMEs and state and federal government customers.

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