



PROGRAMMED
Group

FY10 First Half Results Presentation

Half Year ended 30 September 2009




PRESENTED BY Chris Sutherland

Managing Director

25 November 2009

Important Notice & Disclaimer



The information contained in this presentation is for information purposes only and does not constitute an offer to issue or arrange to issue, securities or other financial products. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. This presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Programmed Maintenance Services Limited, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied, is given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, projections, prospects or returns contained in this presentation. Such forecasts, projections, prospects or returns are by their nature subject to significant uncertainties and contingencies. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance.

This presentation should be read in conjunction with the Announcements issued to the ASX since the 2009 Annual Report.

FY10 First Half Review Summary

- ▲ Revenue of \$583 million (1H FY09: \$625 million)
- ▲ EBITA of \$27.3 million (1H FY09: \$32.7 million before bid defence costs of \$3.5 million and discontinued earnings of \$1.4 million)
- ▲ Profit after tax of \$12.0 million (1H FY09: \$12.6 million)

- ▲ Net debt/equity ratio is 64% at 30 Sep 09 before new equity raising (Mar 09: 62%)
- ▲ Bank facility extended to May 2012
- ▲ Temporary dividend reduction strategy and dividend reinvestment plans remain in place
- ▲ Interim dividend of 3 cents per share fully franked (FY09 interim: 9.5 cents)

- ▲ KLM acquisition announced and Bidders Statement sent to all KLM shareholders
- ▲ Entitlement offer expected to raise approximately \$65 million

Group Results	1H Ended 30 Sep 2009 \$m	1H Ended 30 Sep 2008¹ \$m	% Change
Revenue	583.1	625.1	(6.7%)
EBITDA (before Spotless defence costs and discontinued operations ²)	33.9	38.7	(12.4%)
Depreciation	(6.6)	(6.0)	(10.0%)
EBITA (before Spotless defence costs and discontinued operations)	27.3	32.7	(16.5%)
Spotless defence costs	0.0	(3.5)	(100.0%)
Discontinued operations ²	0.0	1.4	(100.0%)
EBITA	27.3	30.6	(10.8%)
Amortisation	(0.8)	(1.8)	55.6%
EBIT	26.5	28.8	(8.0%)
Net Interest	(8.6)	(10.2)	15.7%
Profit Before Tax	17.9	18.6	(3.8%)
Income Tax Expense	(5.9)	(6.0)	1.7%
Profit After Tax	12.0	12.6	(4.8%)
Profit After Tax (pre amortisation)	12.8	14.4	(11.1%)
Earnings Per Share (pre amortisation)	12.9	15.4	(15.9%)
Weighted Average Shares on Issue (million)	99.2	93.8	5.8%

¹ 1H 30 Sep 2008 results include 3 months contribution from both Engineering Services (SWG - purchased in July 2008) and Industrial Services (Barry Bros - sold in July 2008)

² Discontinued operations comprises Industrial Services (Barry Bros)

Group Cash Flow	1H Ended 30 Sep 2009 \$m	1H Ended 30 Sep 2008¹ \$m	% Change
Gross Operating Cash Flow	15.3	43.9	
Interest paid	(13.2)	(7.5)	
Income tax paid	(8.4)	(9.4)	
Net Operating Cash Flow	(6.3)	27.0	(123.3%)
Net purchases of plant & equipment	0.1	(5.7)	
Payment for businesses	(2.0)	(0.5)	
Proceeds from sales of businesses	0.0	14.2	
Other investing cash flows	0.2	1.5	
Net Investing Cash Flow	(1.7)	9.5	(117.9%)
Net borrowings / (repayments)	(11.5)	1.8	
Dividends paid	(3.5)	(10.3)	
Net Financing Cash Flow	(15.0)	(8.5)	76.5%
Net Increase / (Decrease) in Cash	(23.0)	28.0	(182.1%)
Cash at beginning of half year	36.4	0.5	
Cash at End of Half Year	13.4	28.5	(53.0%)

¹ 1H 30 Sep 2008 results include 3 months contribution from both Engineering Services (SWG - purchased in July 2008) and Industrial Services (Barry Bros - sold in July 2008)

Balance Sheet

	30 Sep 09 \$m	31 Mar 09 \$m	% Change
Cash	20.4	38.2	(46.6%)
Trade and other receivables	164.1	157.5	4.2%
Contract Recoverables	185.6	187.9	(1.2%)
Inventories	55.8	43.8	27.4%
Property, plant & equipment	30.2	34.8	(13.2%)
Goodwill & other intangible assets	232.9	233.7	(0.3%)
Other assets	41.1	40.7	1.0%
Total Assets	730.1	736.6	(0.9%)
Trade and other payables	125.6	130.3	(3.6%)
Borrowings	208.2	215.5	(3.4%)
Provisions and other liabilities	102.0	106.5	(4.2%)
Total Liabilities	435.8	452.3	(3.6%)
Total Equity	294.3	284.3	3.5%
Net Debt	187.8	177.3	5.9%
Net Debt / Equity	63.8%	62.3%	2.4%

Divisional Revenue	1H Ended 30 Sep 2009 \$m	1H Ended 30 Sep 2008¹ \$m	% Change
Continuing Operations			
Property Services ²	114.0	122.4	(6.9%)
Facilities Management ²	140.8	114.7	22.8%
Workforce	180.8	224.8	(19.6%)
Marine	106.6	111.7	(4.6%)
Engineering Services	41.0	40.3	1.7%
Total Continuing Operations	583.2	613.9	(5.0%)
Discontinued Operations			
Industrial Services (Barry Bros)	0.0	11.2	(100.0%)
Total Consolidated Revenue	583.2	625.1	(6.7%)

¹ 1H 30 Sep 2008 results include 3 months contribution from both Engineering Services (SWG - purchased in July 2008) and Industrial Services (Barry Bros - sold in July 2008)

² Certain contracts previously included in Property Services in 1H Sep 2008 have been reallocated to Facilities Management in 1H Sep 2009. The 1H Sep 2008 comparatives have been restated by an amount of \$22.7m accordingly. On a full year basis the amount to be reallocated from Property Services to Facilities Management is \$48.8m

Divisional EBITA	1H Ended 30 Sep 2009 \$m	1H Ended 30 Sep 2008¹ \$m	% Change
Continuing Operations			
Property Services ²	11.8	14.0	(15.7%)
Facilities Management ²	2.7	1.5	80.0%
Workforce	4.0	8.3	(51.8%)
Marine	11.4	9.5	20.0%
Engineering Services	0.9	3.5	(74.3%)
Total Continuing Operations	30.8	36.8	(16.3%)
Discontinued Operations			
Industrial Services (Barry Bros)	0.0	1.4	(100.0%)
Unallocated	(3.5)	(4.1)	14.6%
Total Consolidated EBITA	27.3	34.1	(19.9%)

¹ 1H 30 Sep 2008 results include 3 months contribution from both Engineering Services (SWG - purchased in July 2008) and Industrial Services (Barry Bros - sold in July 2008)

² Certain contracts previously included in Property Services in 1H Sep 2008 have been reallocated to Facilities Management in 1H Sep 2009. The 1H Sep 2008 comparatives have been restated by an amount of \$(0.3)m accordingly. On a full year basis the amount to be reallocated from Property Services to Facilities Management is \$0.5m

Property Services

- ▲ Small revenue decline overall (7%)
- ▲ Economic slowdown has affected levels of discretionary expenditure in all three countries (largest decline in UK)
- ▲ No wholesale branch closures or staff redundancies hence EBITA margin has fallen
- ▲ Sales quotations are strong and consistent with prior year
- ▲ Some clients are delaying final spending decisions

Facility Management



- ▲ Significant increase in revenue and earnings
- ▲ Growth coming from existing and new contracts
- ▲ New work won in WA and NSW from Federal Government Stimulus package
- ▲ Some clients have set lower planned maintenance budgets for their FY commencing 1 July 2010
- ▲ Investment in systems and processes continue

Workforce

- ▲ Revenue decline (20%) impacted by slowdown in Australian economy
- ▲ Prior half year was the height of strong economic conditions
- ▲ Costs taken out of business contained fall in EBITA
- ▲ Seasonal increase in casual labour demand is occurring
- ▲ Headcount up 15.4% from first week of July 09 to last week Oct 09
- ▲ Consistent with prior year (except 2008) seasonal demand eg. in 2007 the increase for the same time period was 16.1%

Marine Services



- ▲ Margin improvement
- ▲ A range of large opportunities being tendered associated with major offshore worksopes
- ▲ Good visibility for next few years

Engineering Services



- ▲ Work returned more quickly than expected
- ▲ Previously suspended contracts were restated
- ▲ Margins are lower as some initial work taken to maintain base work volumes
- ▲ Likely to see better margins in second half

KLM Acquisition

- ▲ Programmed proposes acquiring KLM for \$28.1 million
- ▲ Offer of \$0.47 per KLM share, payable in cash
- ▲ KLM provides design, installation and maintenance of integrated electrical, lighting, data and communications systems
- ▲ The acquisition of KLM has a number of key strategic benefits for Programmed
- ▲ The acquisition of KLM is expected to be EPS accretive in FY10¹

1. EPS accretion is assumed on a pro-forma basis that Programmed acquired KLM on 1 April 2009 and receives a full 12 month contribution from KLM during the financial year ending 31 March 2010, the \$28.1 million purchase price being funded by the issue of 7.4 million shares at a price of \$3.80 per share.

Capital Raising

- 29 Oct Programmed announced a capital raising through a 4 for 19 non-renounceable pro-rata entitlement offer
 - entitlement share price of \$3.80
 - underwritten institutional component of \$50 million
 - non underwritten retail component expected to raise \$8 million to \$13 million
 - proceeds to be used for KLM and other potential acquisitions
- 2 Nov Institutions take up entitlements - \$53.5 million raised with 14.1 million shares to be issued
- 13 Nov Settlement of institutional component occurred
- 24 Nov Final day to accept retail entitlements
- 27 Nov Results of retail entitlements to be announced



Appendix

Our Heritage



Norman Miles,
Programmed Founder



Jon Whittle,
Integrated Founder



Max Findlay,
Programmed MD 1990 -
2007



- PRG founded in 1951 by Norman Miles
- Max Findlay appointed CEO in 1990
- Integrated founded in 1991 by Jon Whittle
- PRG listed on the ASX on 1 October 1999
- Merger with Integrated 7 June 2007

10,000 + employees
100 + offices
\$1,200 + million revenue


Our Vision



Our Vision

To be the leading provider of
staffing, maintenance and project services

Our Competitive Advantages

- 
- ▲ Our ability to recruit, retain and deploy a large skilled workforce to support our customers' operations...5000 permanent, 6000 casuals...30,000+ different people each year
 - ▲ Our many long-term contracts...more than 6000
 - ▲ Our diversity across industry sectors including the offshore oil and gas sector
 - ▲ Our wide operations network that serves and supports large and small customers alike...40+ Workforce branches / 50+ Property Services branches

Our Structure



Property Services

Facility Management

Workforce

Marine Services

Engineering Services



Sharing

People

Customers

ICT

Payroll

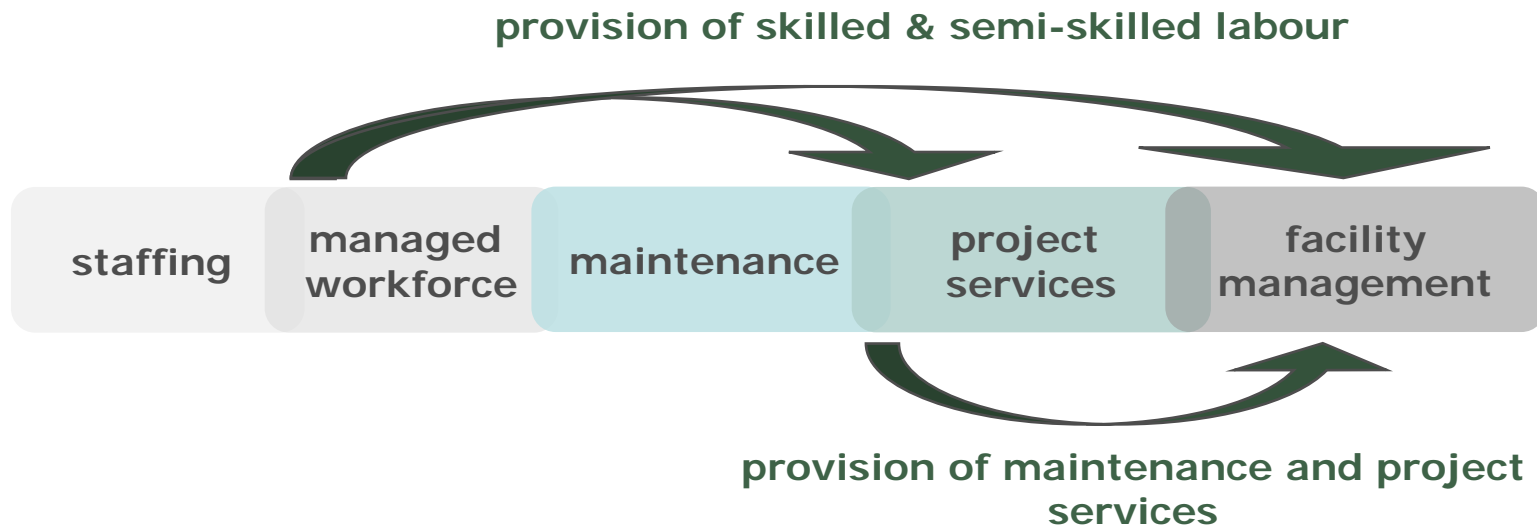
Insurance

Property

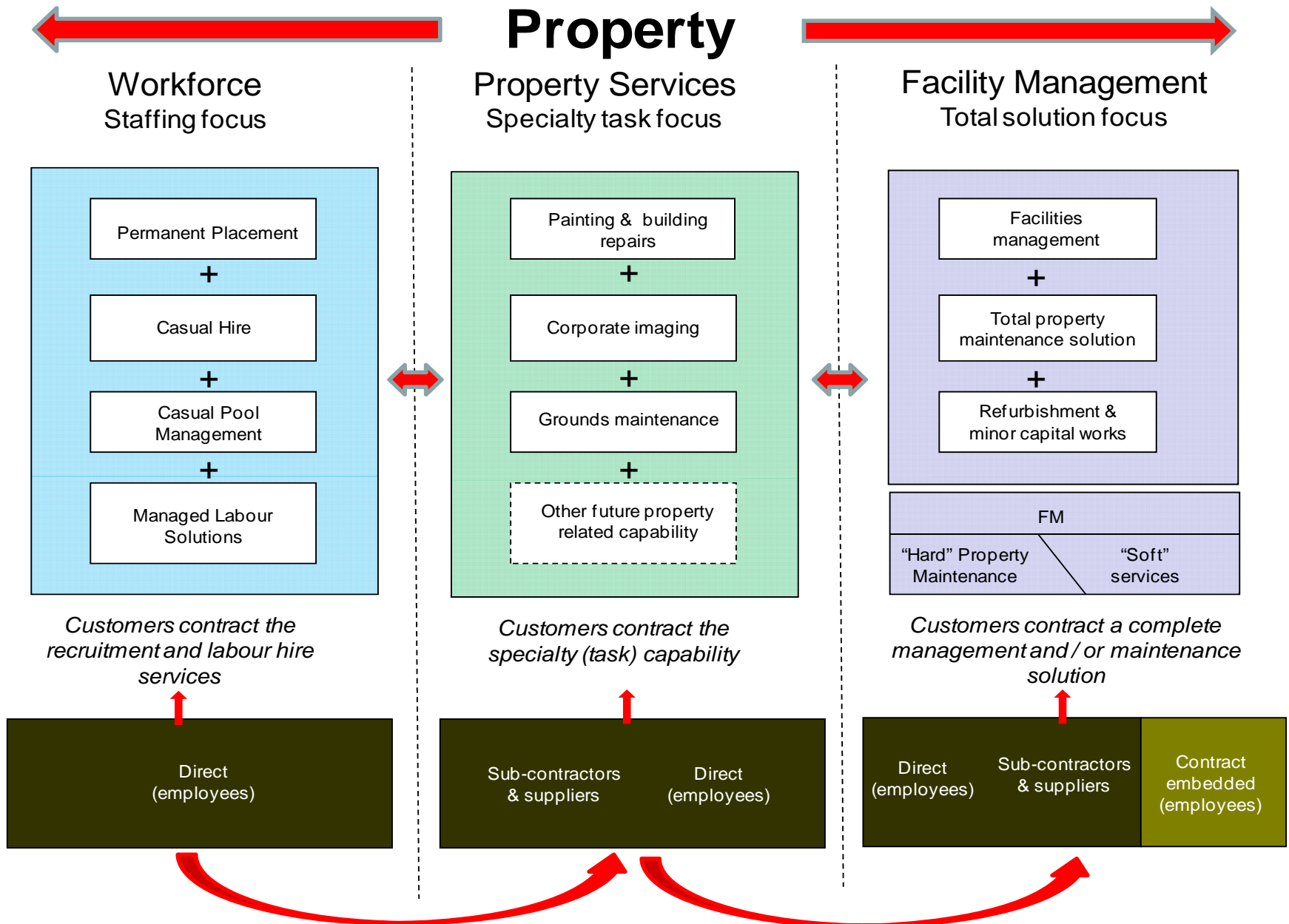


Our Strategy

Our strategy is based around our ability to recruit, retain and deploy a skilled workforce



Our Strategy



Our Strategy

Infrastructure & Resources

