

ASX Announcement

24 May 2004

Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

ANALYST PRESENTATIONS

Please find attached a copy of the slide presentation to be given today by Mr. Max Findlay, Managing Director, to a group of fund managers and investment analysts at the announcement of the Annual Results for the year ended 31st March 2004.

Yours sincerely,

PROGRAMMED MAINTENANCE SERVICES LIMITED

A handwritten signature in black ink that reads "Ian H. Jones".

Ian H. Jones
Secretary

RESULTS ANNOUNCEMENT

Year Ended 31 March 2004



Presented by
MAX FINDLAY, Managing Director

May 2004



**PEOPLE
TAKING CARE
OF PROPERTY**

Agenda

- **Highlights**
- **Key Financial Results**
- **Strategic Progression**
- **Revenue and Cashflow Improvements**
- **Serco Opportunity**
- **Creating Customer Value**
- **Outlook for 2005**
- **Appendix**

2004 Highlights

- Record profit after tax of \$16.3m
 - ◆ 17.1% increase over 2003 comparable profit
- Sixth consecutive year of “double digit” increases in profit after tax
- Increase in dividend to 6.5 cents per share (50% franked)
- Group revenue in excess of \$200m
- Strong growth in non-painting revenue and cashflows
- Acquisition of Serco contracts
- Hours worked in Painting divisions more than 2 million hours
- Significant reduction in long-term injuries

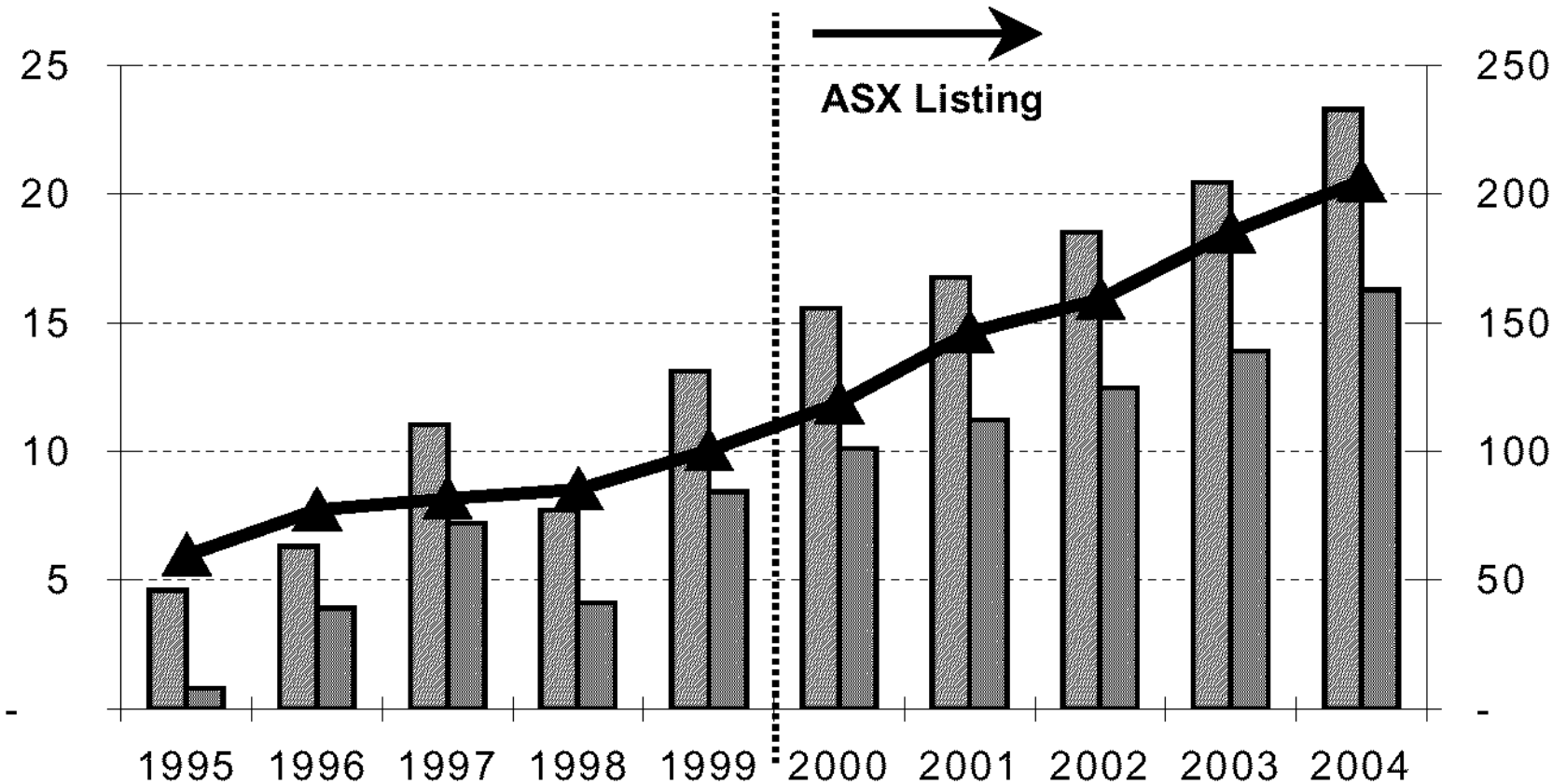
Group Financial Results

	A\$m	2004	2003	% change
Revenue		205.9	184.5	11.6%
EBITDA		34.1	30.2	12.9%
EBIT		26.6	23.6	12.7%
Profit before Tax		24.0	20.5	17.5%
Income Tax Expense		(7.7)	(6.6)	17.8%
Profit after Tax		16.3	13.9	17.1%
- Comparable Basis				

2003 Revenue and earnings data exclude \$0.6m of WIP one-off pre-tax impact.

2003 Profit excludes \$0.4m of WIP one-off after-tax impact

Consistent Growth

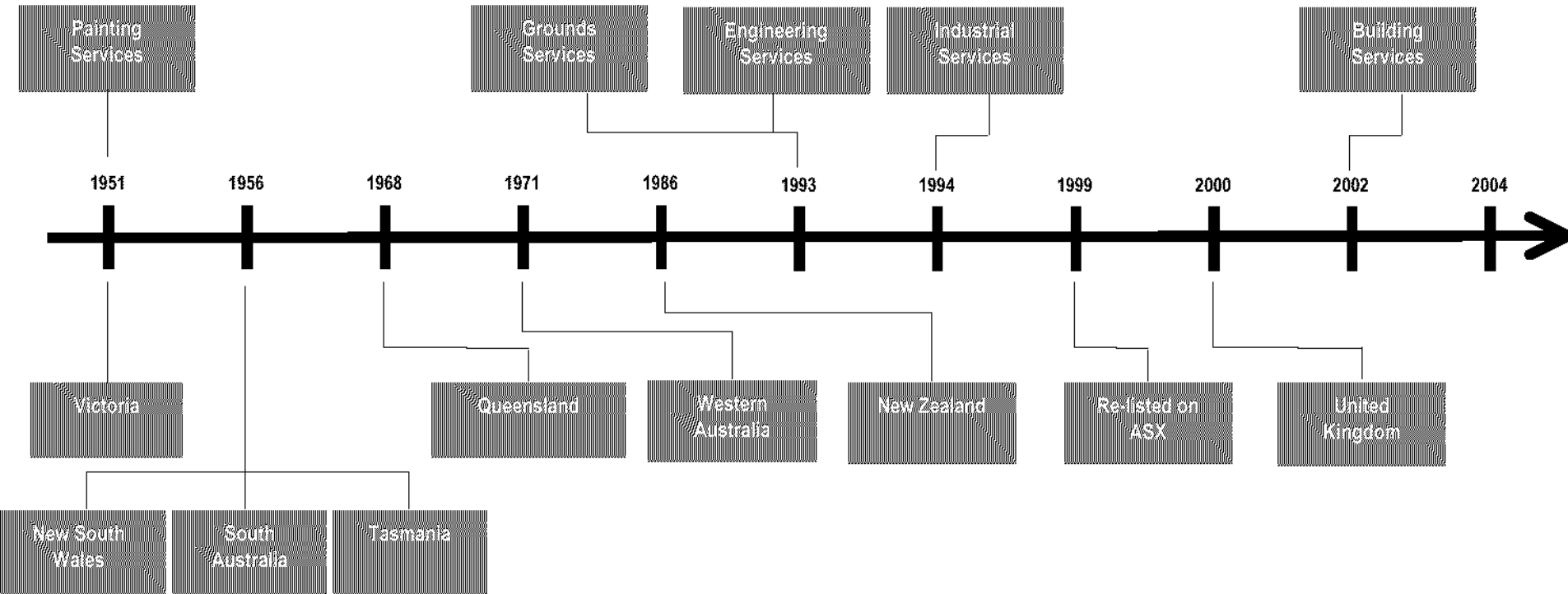


Profits shown on left hand axis in A\$m
Revenues shown on right hand axis in A\$m

Segment Performance

		A\$m	2004	2003	change
Revenue	Property Maintenance - Aust.		139.5	124.0	12.5%
	Industrial Services		18.8	16.9	11.3%
	Property Maintenance - NZ		29.1	25.8	12.6%
	Property Maintenance - UK		18.5	17.8	3.8%
	Total Revenue		205.9	184.5	11.6%
EBIT	Property Maintenance - Aust.		16.6	14.7	13.2%
	Industrial Services		1.3	0.5	178.5%
	Property Maintenance - NZ		8.5	7.8	9.3%
	Property Maintenance - UK		0.2	0.7	(77.3%)
	Total EBIT		26.6	23.6	12.7%
EBIT Margins			12.9%	12.8%	

Strategic Progression



Single Service Offering

Multiple Trade Offering

Integrated Service Provider

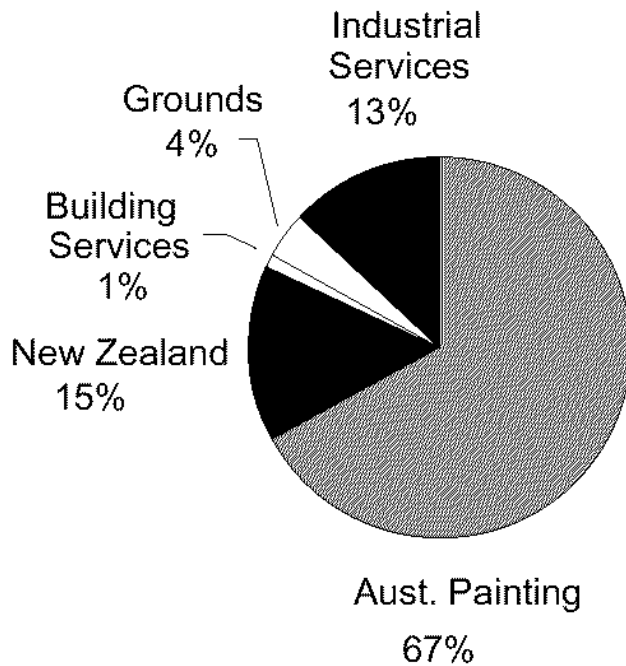
Benefits of Strategic Progression

- Accelerating growth of group operations
- Increased marketing opportunities
 - to cross sell range of property services
 - facilitates property services from a single supplier
 - opportunity to expand our client base
- Reduction in business risk
- Improved opportunities for staff
- Improved financial measures
 - better operating cash flows
 - higher dividend franking capability

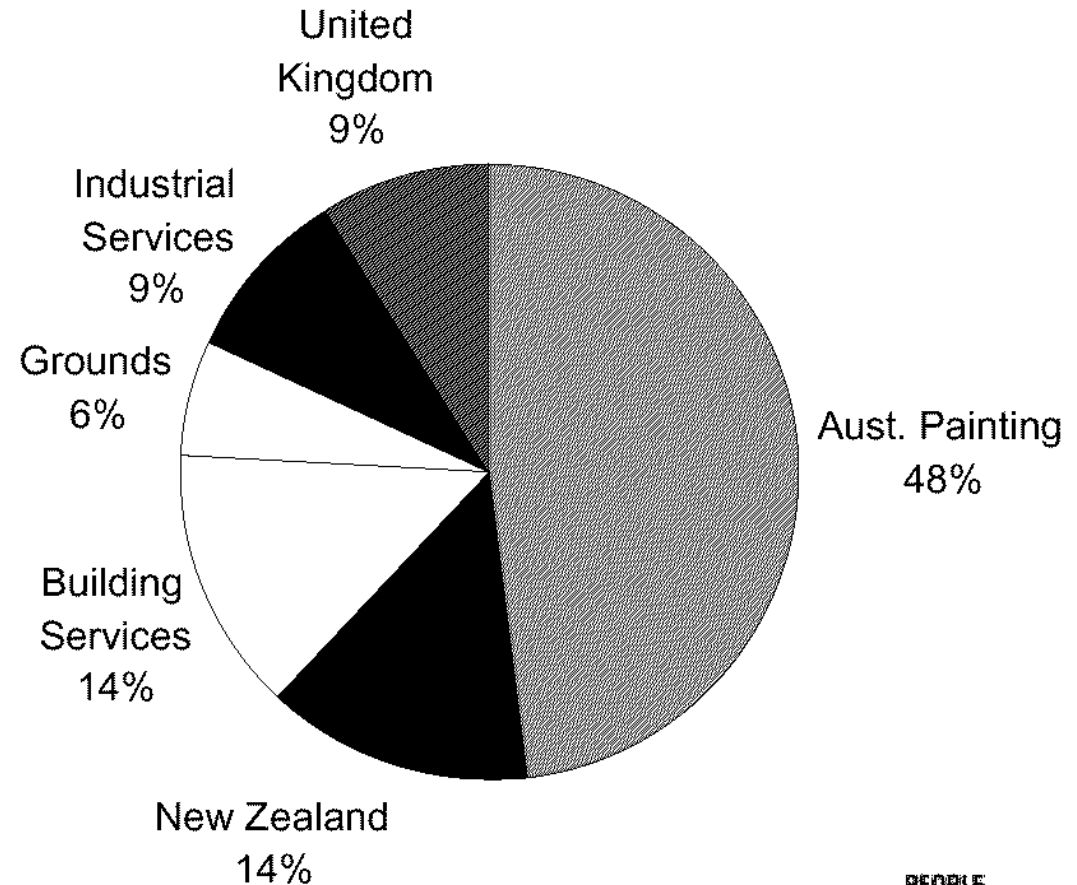
INCREASED SHAREHOLDER VALUE

Revenue by Business

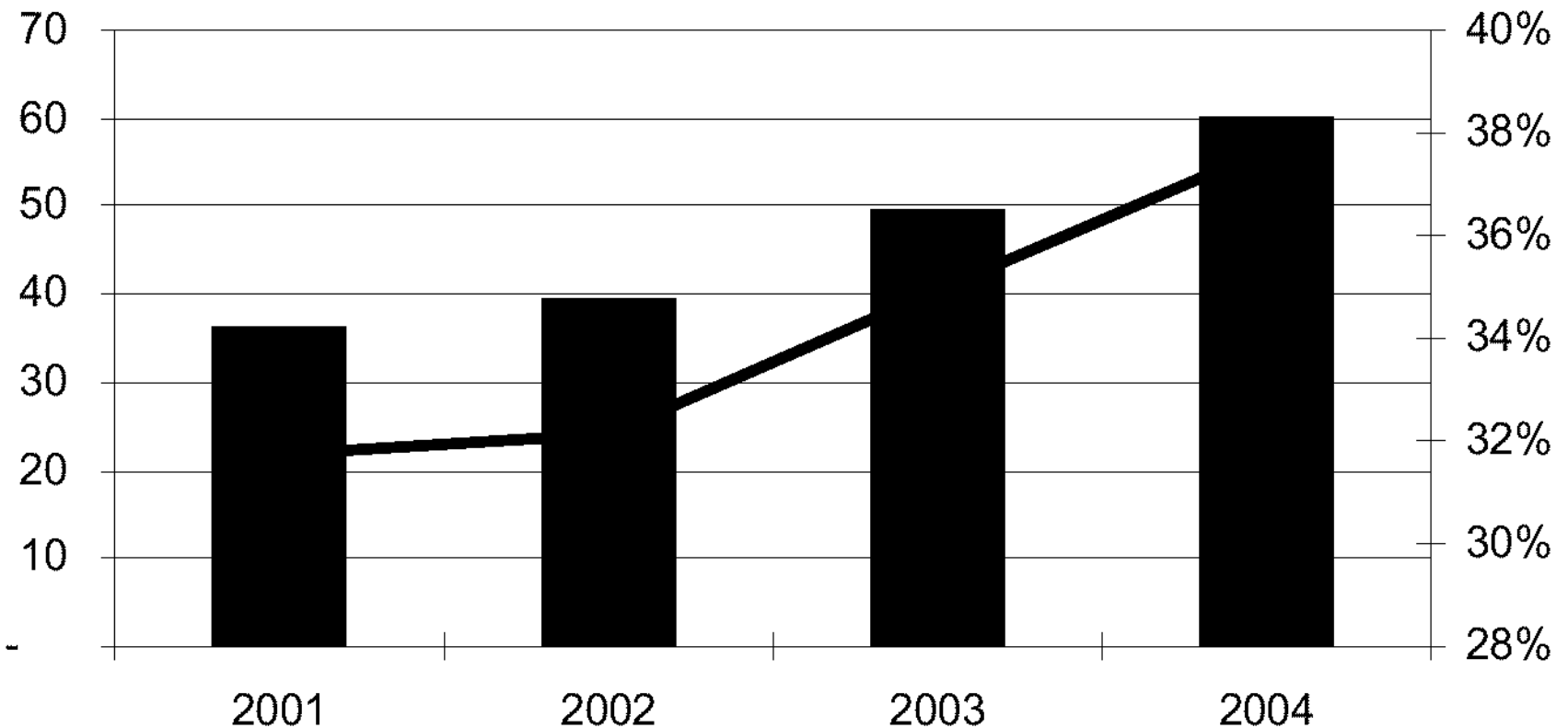
1998/1999 Revenue Segmentation
Revenue \$85M



2003/2004 Revenue Segmentation
Revenue \$206M



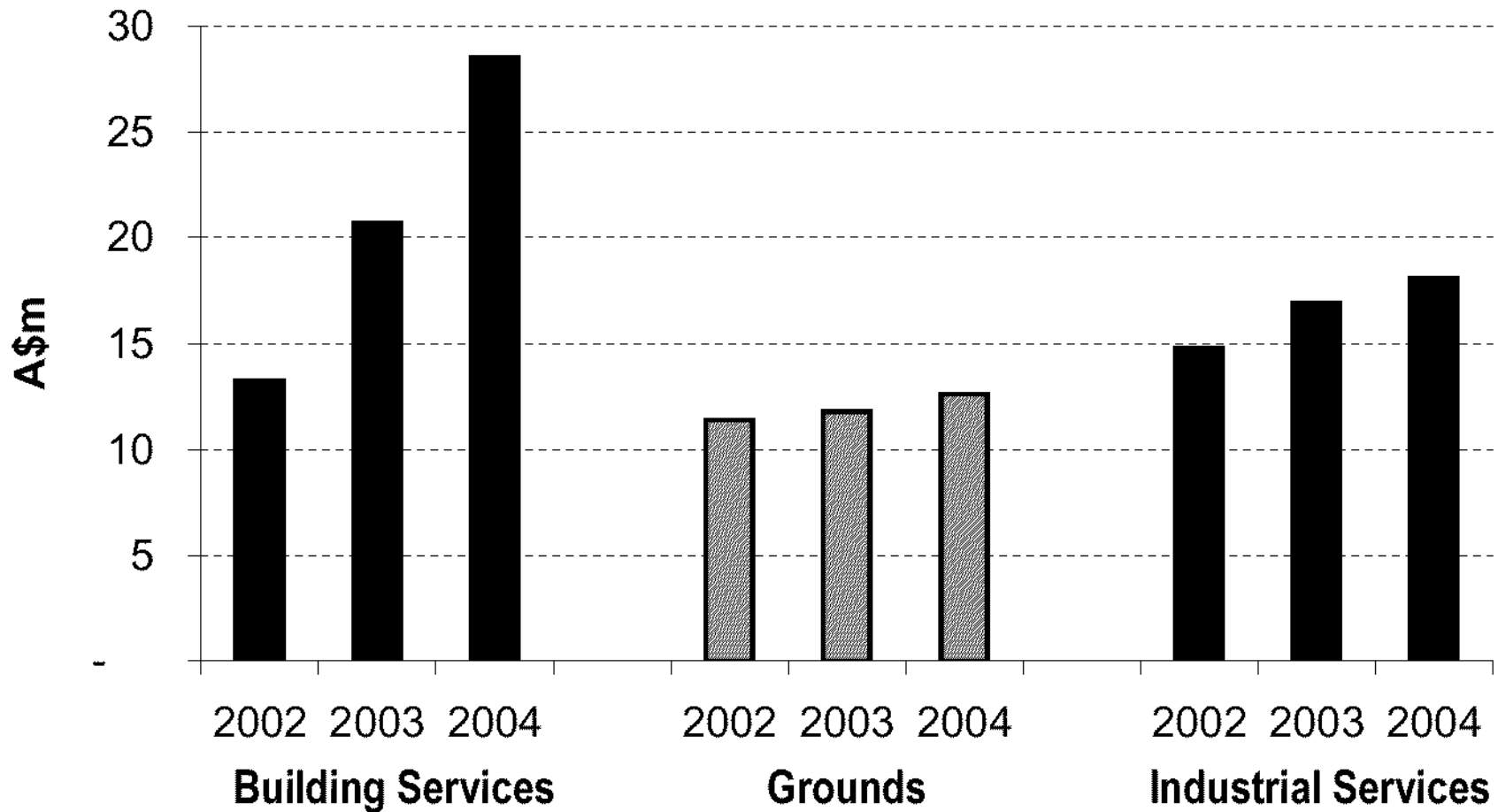
Non-Painting Revenue



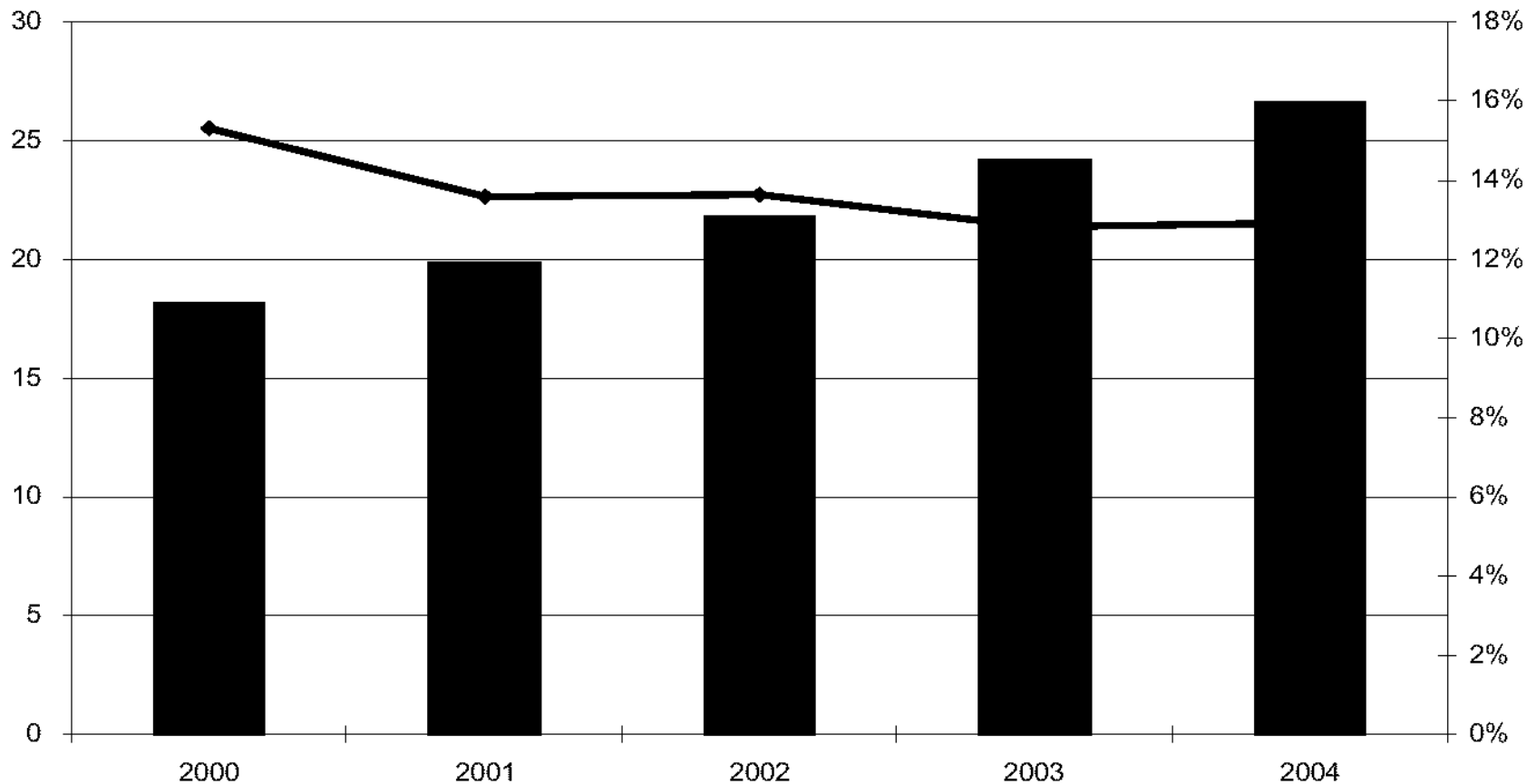
Revenue shown on left hand axis in A\$m

Non-Painting Revenue as a % of Total Australian Revenue shown on right hand axis

Non-Painting Revenue

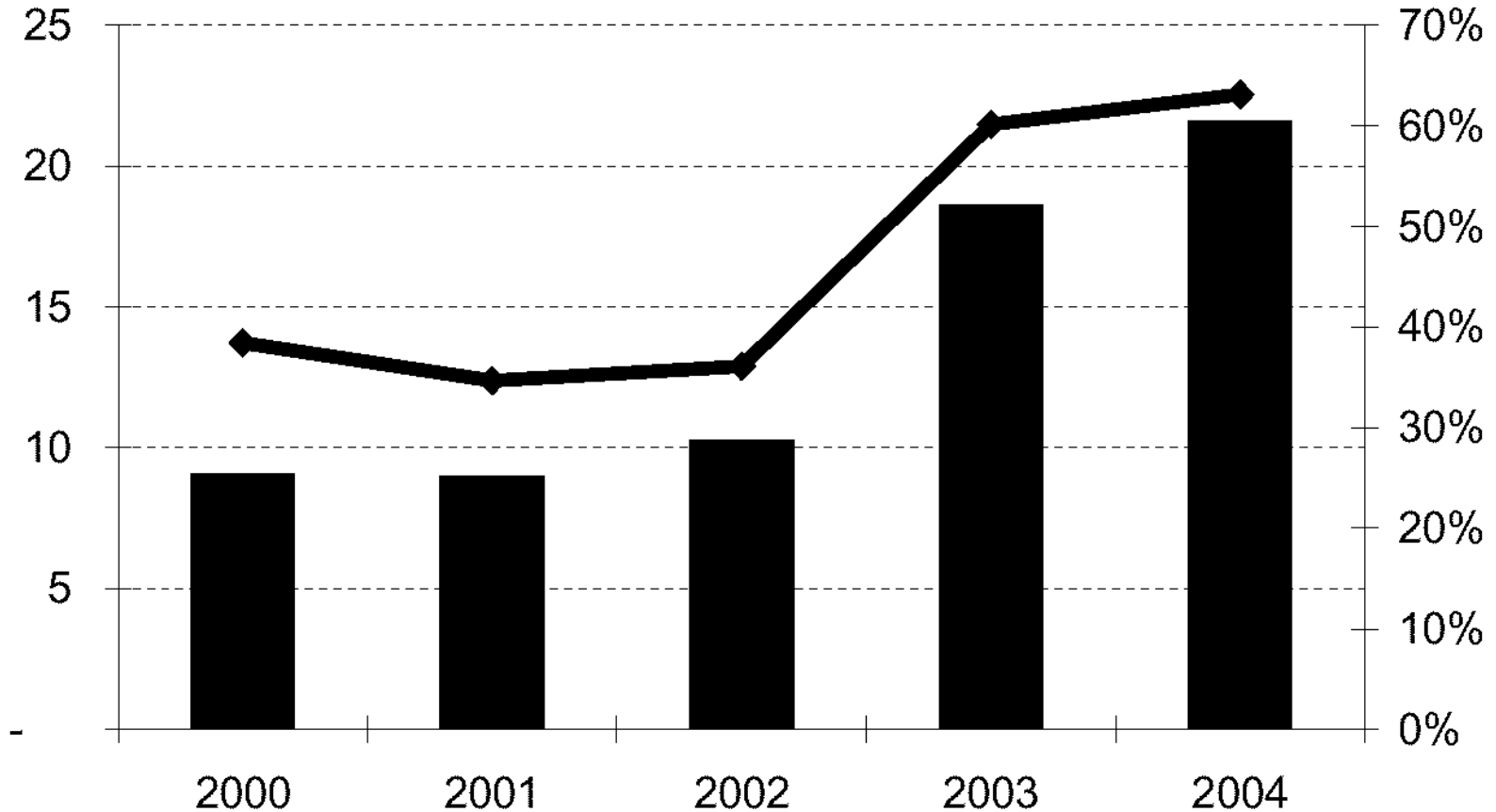


Consistency of EBIT Margins



EBIT shown on left hand axis in A\$m
EBIT/Sales shown on right hand axis as %

Improved Operating Cashflows

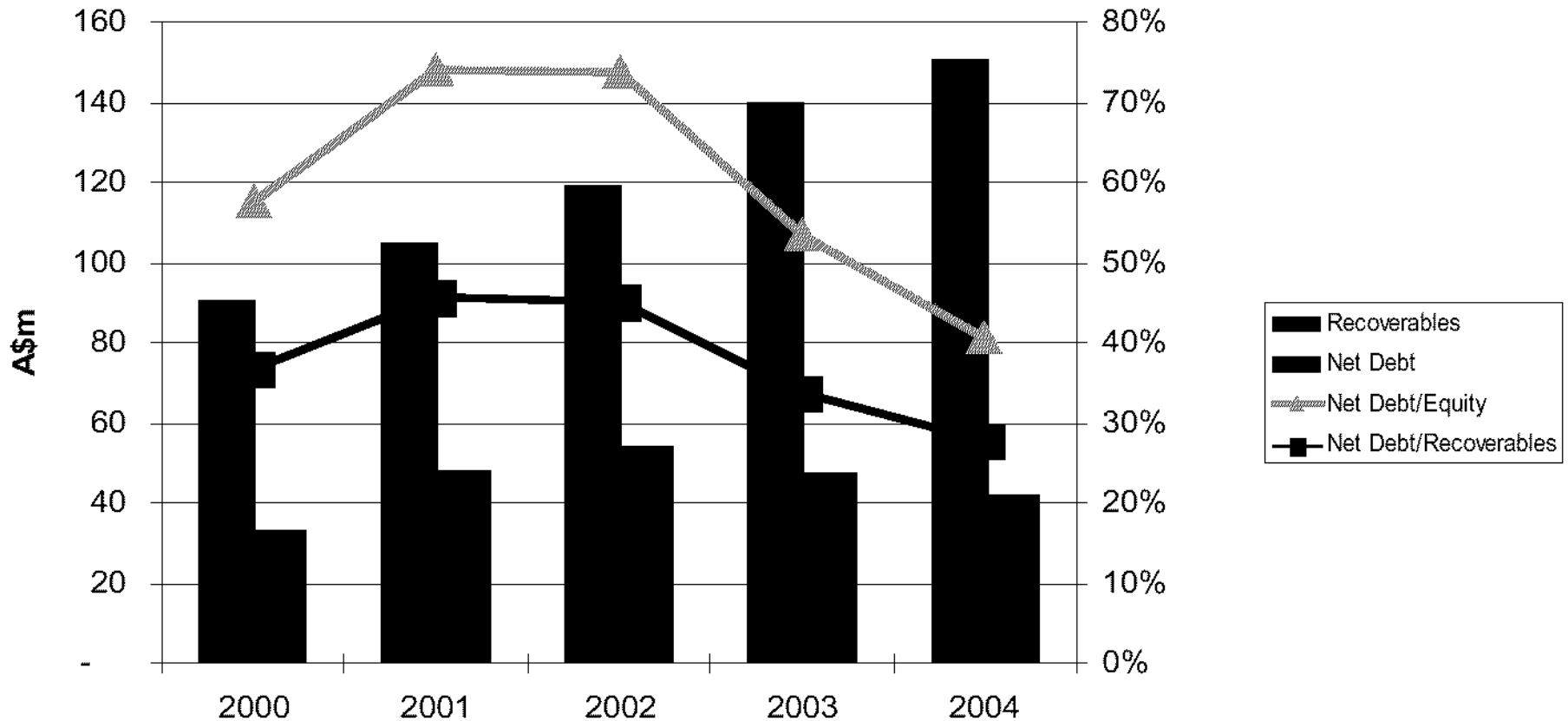


Gross Operating Cash Flows (GOCF) in A\$m



GOCF as a % of EBITDA

Recoverables, WIP & Net Debt



Work in Progress included in Recoverables from 2002, following change in accounting policy

Health & Safety



PAST 3 YEARS

105 LTI's

RTW 60% < 10days

51 LTI's

RTW 83% < 10days

LTI – Lost Time Injury

RTW – Return to Work

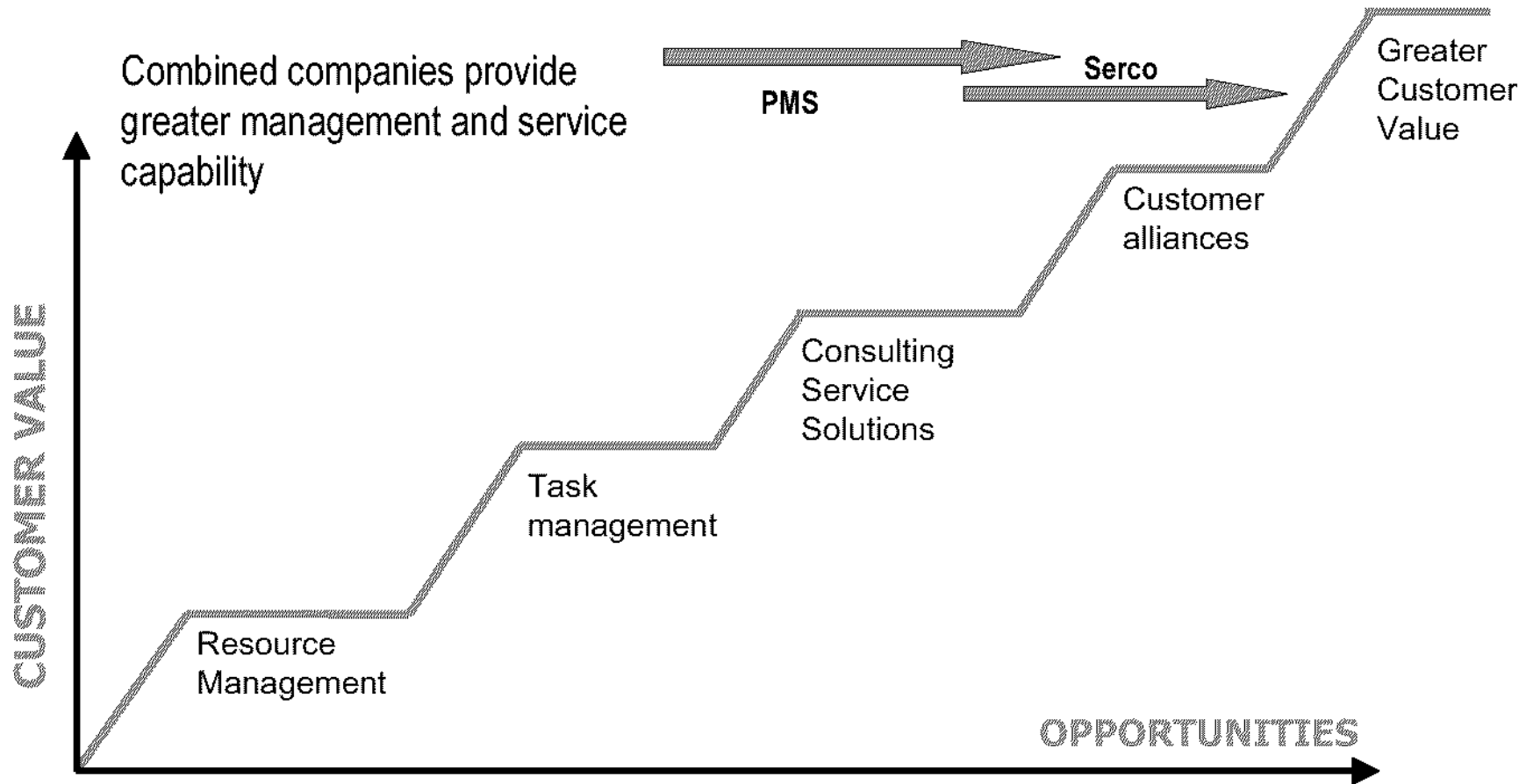
PREVENTION

- Safety Culture
- Proactive Injury Management
- Vigorous injury & risk investigations

5 OH&S SPECIALISTS

- Injury Prevention
- Safe Work Method Statements
- Education
- Investigation

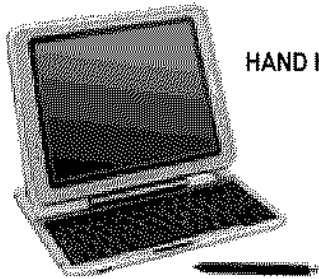
Why Serco?



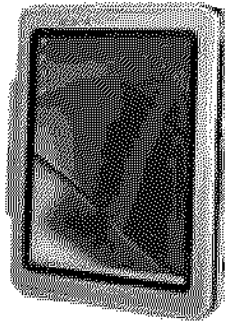
Creating Value

Technology Assists to Develop Life Cycle Asset Plans.

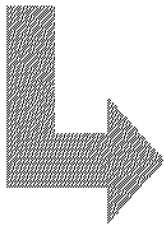
Data Capture



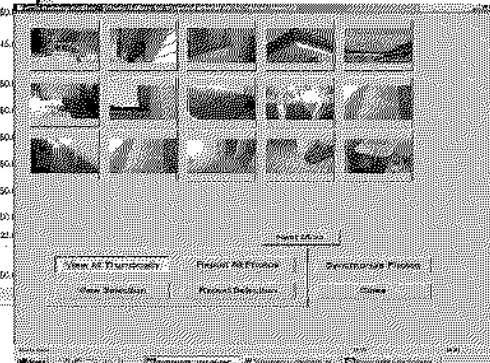
HAND HELD DATA CAPTURE DEVICE



- Identifies maintenance liabilities and future maintenance costs
- Adds value by creating life-cycle asset maintenance planning
- Web based access for customers



ITEM	LOCATION	DESCRIPTION	CATEGORY	QUANTITY	UNIT	EST. COST	
52	LEIVERS GALLERY	Exterior	Road Elevation	Light Along	1-Ft	2	\$0
53	LEIVERS GALLERY	Exterior	Road Elevation	Air Cond.	2-BE	1	\$545
54	LEIVERS GALLERY	Interior	Road Elevation	Painting	3-CHS	1	\$0
55	LEIVERS GALLERY	Interior	Hall	Wall	1-Ft	4	\$0
56	LEIVERS GALLERY	Interior	Hall	Door	1-Ft	3	\$50
57	LEIVERS GALLERY	Interior	Hall	Architrave	1-Ft	4	\$0
58	LEIVERS GALLERY	Interior	Hall	Skirting	1-Ft	4	\$0
59	LEIVERS GALLERY	Interior	Hall	Power Outlet	0-Ex	60	\$0
60	LEIVERS GALLERY	Interior	Hall	Light Along	3-CHS	1	\$221
61	LEIVERS GALLERY	Interior	Hall	Carving	0-Ex	3	\$0



Creating Value

National Partnership Achieves Success



Telstra/Transfield

- Grounds Maintenance & Facility Cleaning
- 6000 sites through out Australia - remote, rural & metro
- 3000 work orders per month
data interfaces result in no manual processing
- Telstra responsive work orders interface every 5 minutes with PMS
- Automated customer and supplier completion sign-off and invoicing

Creating Value

Partnership Develops Solutions

Lancaster Council, United Kingdom

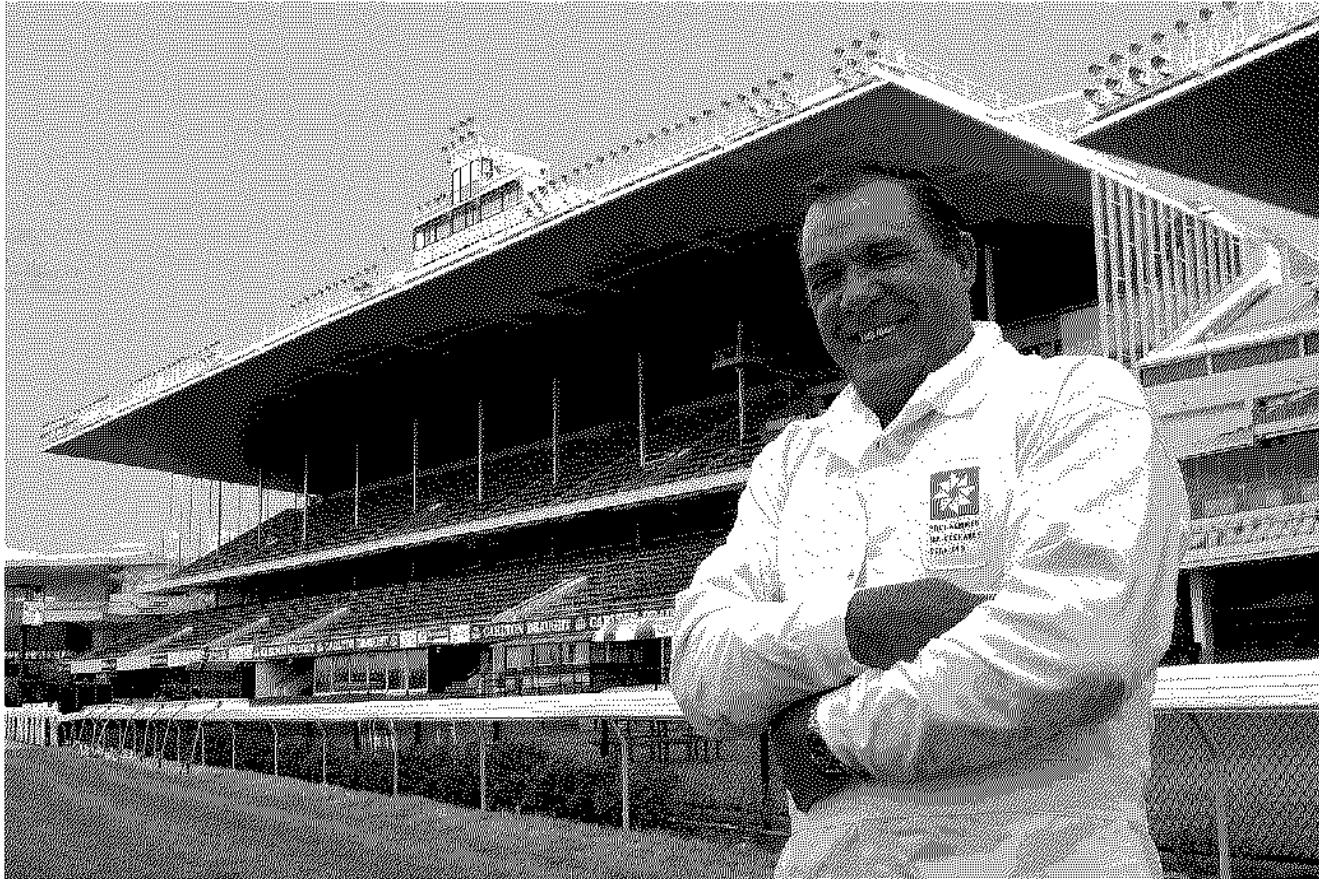


- **Competitive tendering replaced with long-term relationships focused on performance, quality & efficiency.**
- **4 year partnering arrangement to manage, maintain and improve council housing estates.**
- **Developed relationship with customer to enhance outcomes.**
- **Similar arrangement now with Derby Council Housing.**

Outlook for 2005

- Double digit growth for PMS Group revenues and earnings
- Further development of Building Services, with organic growth and Serco acquisition
- Increasing programme sales and earnings in United Kingdom
- Added customer value from alliances and technology solutions

Questions ?



Appendix

Corporate Information

- Company profile
- Group Structure & Locations
- Long Term Maintenance Programmes
- Hours Worked – Painting Divisions

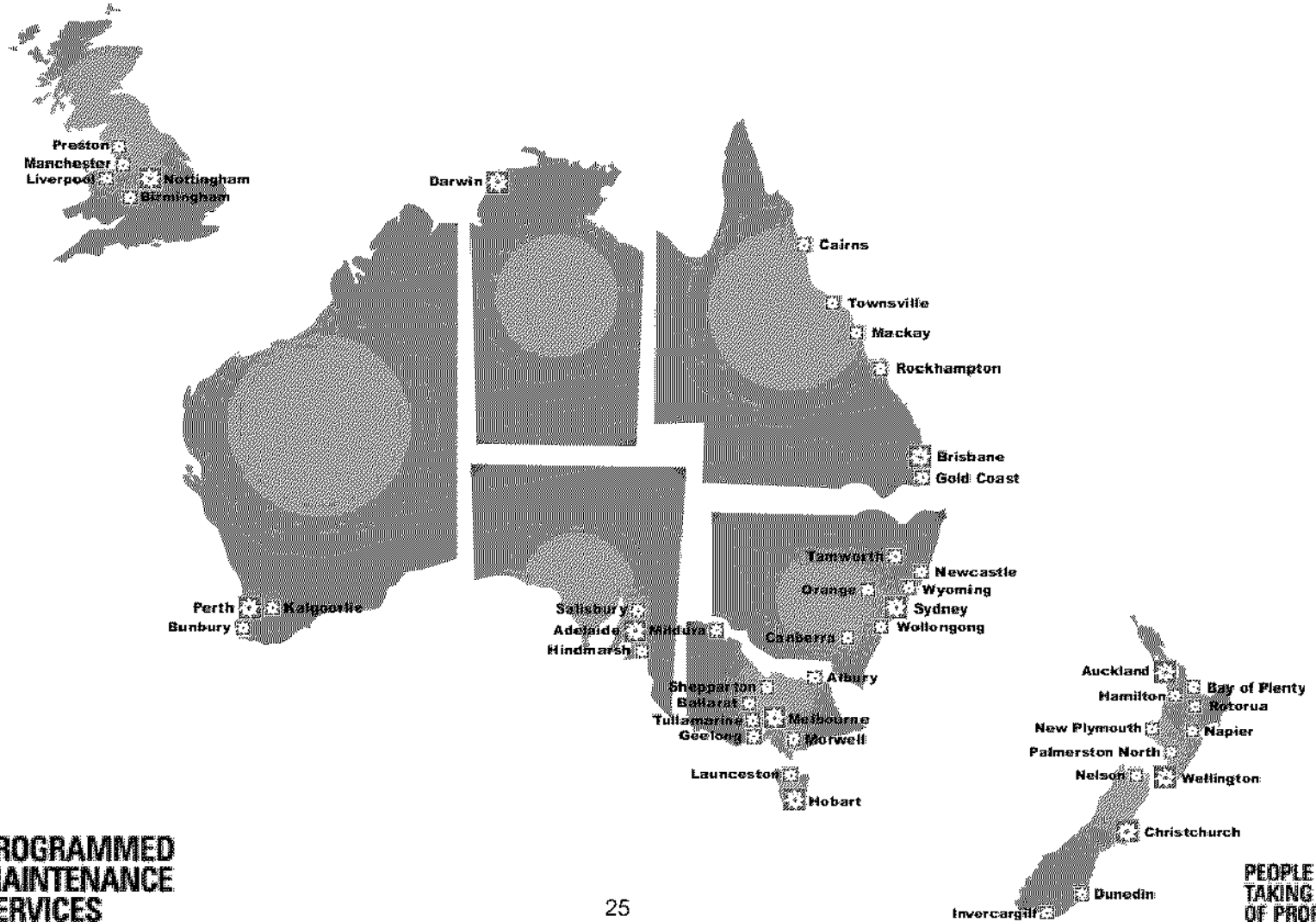
Company Profile

- **The business was founded in 1951**
- **Floated on the ASX on 1st October 1999**
- **Largest contract painting business in Australia & NZ, with a growing contract painting business in the UK**
- **One of Australia's largest grounds maintenance businesses with over 200 employees**
- **An integrated Building Services business, maintaining a range of property assets**
- **Industrial services business providing industrial and underground asset maintenance services**

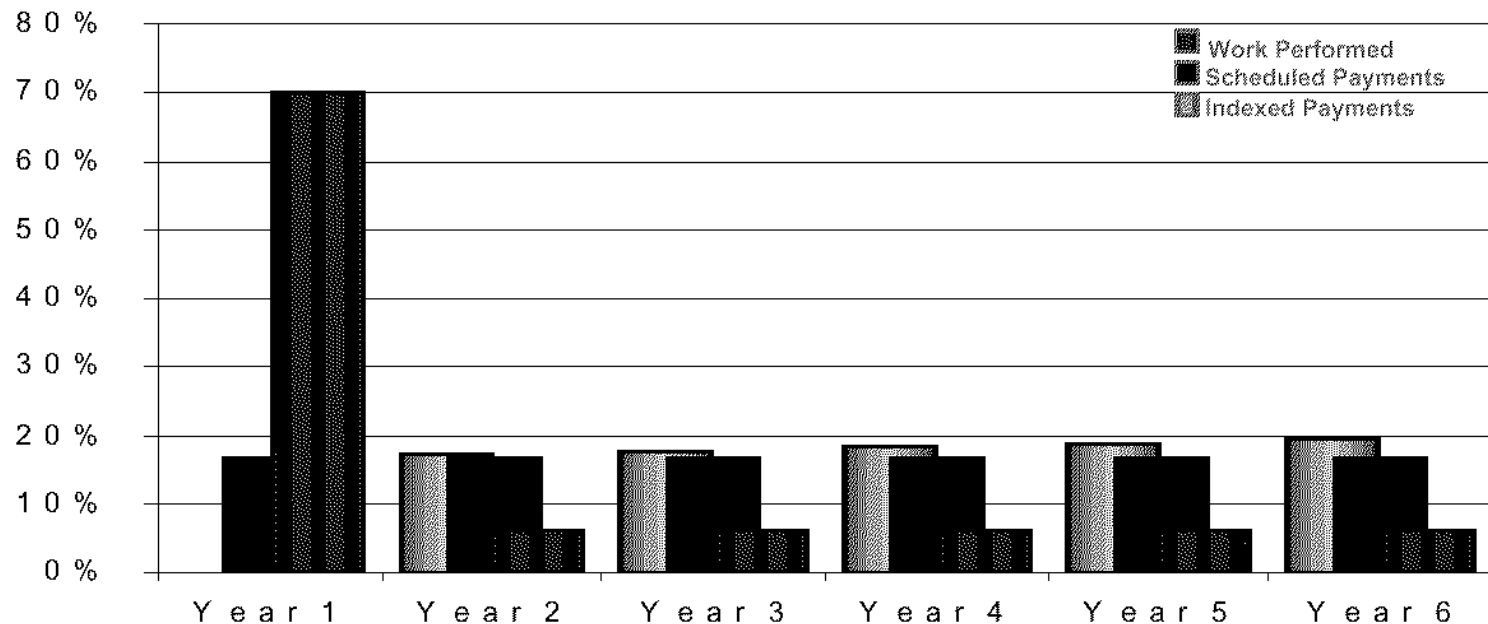
Company Profile – cont'd

- **Currently maintain 60,000 buildings and structures for over 4,500 customers, throughout Australia, NZ and the UK**
- **Branch office network in Australia (30), NZ (14) and UK (5)**
- **Over 2,000 employees and 100 apprentices**

Group Structure & Locations



Long Term Maintenance Programmes



- Programme terms range up to 12 years
- Year 1 – initial refurbishment
- Year 2 onwards – regular ongoing maintenance
- Funds are invested to provide for future revenue streams
- Customer payments are indexed to increases in costs
- Provides for forward work scheduling

Group Cashflows

A\$m	2004	2003	2002
Gross Operating Cashflows	21.5	18.5	10.2
Net Interest Payments	(2.6)	(3.2)	(3.1)
Income Tax Payments	(3.0)	(2.4)	(2.1)
Net Operating Cashflows	16.0	12.9	4.9
Net Investing Cashflows	(1.9)	(2.7)	(2.5)
Net Financing Cashflows	(15.6)	(9.5)	(0.5)
Increase in Cash held	(1.6)	0.8	1.9
Cash at beginning of period	1.7	0.9	(1.0)
Cash at end of period	0.1	1.7	0.9

Hours Worked - Painting

