

## ASX Announcement

16 April 2008

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

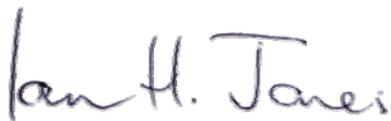
Dear Sir,

### **MEDIA RELEASE**

Please find attached a media release to be issued by Programmed Maintenance Services Limited later today, advising of the proposed acquisition of SWG, and the divestment of two non-core businesses.

Yours sincerely,

**PROGRAMMED MAINTENANCE SERVICES LIMITED**



Ian H. Jones  
Secretary

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## **ASX/media release**

# **Programmed to enter high growth resources engineering maintenance market with \$40 million acquisition**

## **Divestment of two non-core businesses**

Programmed Maintenance Services Limited (ASX:PRG), a leader in workforce, property maintenance and asset management services, today announced it has signed heads of agreement to acquire SWG Holdings, an engineering maintenance services company specialising in the offshore oil and gas and onshore mining industries. Headquartered in Bunbury, Western Australia, SWG provides services throughout Australia and in Asia and other overseas markets.

The acquisition of SWG will be earnings per share accretive in FY2009. SWG's FY2009 revenue, on an annualised basis, is projected to be approximately \$120 million, with earnings before interest, tax and amortisation of approximately \$10 million.

The acquisition price will be \$40 million, payable in Programmed shares, plus a performance element, also payable in shares, based on average earnings performance over the first three years. Approximately one-third of the shares to be issued on completion will be in escrow for one year, one-third for two years and one-third for three years. The acquisition is subject to due diligence, with completion targeted for 1 July 2008. The transaction is subject to the approval of Programmed shareholders, which is required because of the Spotless offer, and the vendors have the right to withdraw from the transaction if Spotless acquires control of Programmed.

Mr Chris Sutherland, Managing Director of Programmed, said: 'SWG is a high growth business, with a strong management team and an excellent reputation and track record in sectors where demand is growing at a fast rate. Its operations complement our Workforce, Marine and Property Maintenance businesses and will extend Programmed's presence in the oil, gas and resources industries.'

Mr David Kaestner, Chief Executive Officer of SWG, said: 'With the resources of Programmed behind us, we will be well placed to take advantage of further growth opportunities. The group's strong customer relationships, branch networks and reputation for quality service will enhance SWG's existing marketing and business development, while the Workforce business will enable us to access skilled labour at a time when it is in short supply.'

SWG is owned by its management, who will sign long-term contracts with the company. It will operate as a separate business within Programmed, reporting to the Managing Director.

Programmed has also announced the sale of two non-core businesses. An agreement was entered into in March 2008 to sell Total Harbour Services (THS), a small harbour towing and barge business, to a private buyer for \$4.0 million. In addition, heads of agreement have been signed for

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the sale of the industrial services business, Barry Bros. Subject to due diligence, this business will be sold to Tox Free Solutions Limited (ASX:TOX) for \$25 million, with completion targeted for 1 July 2008.

'Both these businesses are capital-intensive and do not fit the group's growth strategy which is focused on staffing and maintenance services', said Mr Sutherland. 'Negotiations for their sale have been under way for some time, and we received several competing offers for both businesses. The proceeds will be used to reduce borrowings.

'The three transactions we are announcing today will together be earnings per share accretive and will strengthen our balance sheet.'

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