

ASX Announcement

7 May 2008

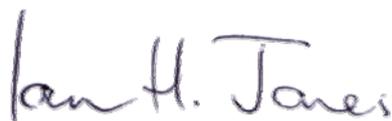
Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

MEDIA RELEASE

Please find attached a media release to be issued by Programmed Maintenance Services Limited later today, advising that the Company today issued its Target's Statement in response to Spotless' takeover offer. The Target's Statement details the directors' reasons for recommending rejection of the Spotless offer.

Yours sincerely,
PROGRAMMED MAINTENANCE SERVICES LIMITED



Ian H. Jones
Secretary

For personal use only

7 May 2008

ASX/media release

Programmed's Target's Statement details directors' reasons for recommending rejection of Spotless Offer

Programmed Maintenance Services Limited (ASX:PRG) today issued its Target's Statement in response to Spotless' takeover offer for the company. Programmed's directors unanimously recommend that shareholders reject Spotless' offer.

In his letter recommending shareholders to reject the offer, Mr Geoff Tomlinson, chairman of Programmed, writes: 'Your directors believe the offer is inadequate. [They] believe Spotless' offer does not reflect Programmed's strong business model and growth potential... We plan to further expand the business into strong markets using our skilled workforce. Our plan to acquire SWG is expected to greatly strengthen our position in the oil and gas and mining sectors.'

The Target's Statement forecasts that Programmed's earnings per share for the year to 31 March 2008 are expected to be 34.9 cents pre-amortisation, an increase of 9 per cent over the 2007 year. It also projects a 15 per cent increase in earnings per share pre-amortisation for the current year ending 31 March 2009 to approximately 40 cents, assuming the proposed acquisition of SWG and the proposed divestment of Barry Bros. are completed on 1 July 2008..

Programmed shareholders (including all the directors) who together control in aggregate approximately 16 per cent of Programmed's shares have indicated to Programmed on a non-binding basis that, subject to no new information becoming available, they will not accept the offer on its current terms.

In addition to Programmed's strong earnings growth over eight years, the Target's Statement outlines the company's strategy to continue its growth. Eight new branches were opened in FY08 with more than 10 planned for FY09 across the Workforce and Property Maintenance divisions. Growth plans in regional Australia, New Zealand and the United Kingdom will be driven by organic expansion and targeted bolt-on acquisitions, says the company.

Strategic initiatives adopted since Mr Chris Sutherland became managing director in January 2008 include the proposed acquisition of SWG and the proposed divestment of Barry Bros., which together are expected to be earnings accretive in FY09.

Programmed's merger with Integrated in July 2007 is delivering real benefits, including savings from sharing business functions, a large skilled labour sourcing capability in a tight labour market and an expanded product offering.

'Programmed is winning new customer contracts, demonstrating that its strategy of building on its ability to recruit, retain and deploy a skilled workforce is working,' says the company. A new agreement to undertake certain works at Coles supermarkets to refresh the stores across Australia is announced in the Target's Statement as evidence of the ongoing success of its strategy.

For personal use only

For further information contact:

Chris Sutherland Managing Director Programmed Maintenance Services Telephone: +61 3 8676 5512 Fax: +61 3 8676 5597	Ian Jones Company Secretary Programmed Maintenance Services Telephone: +61 3 8676 5529 Fax: +61 3 8676 5597
Robin Bishop, David Mustow, Nick Atkins Macquarie Capital Advisors Telephone: +61 3 9635 8000 Fax: +61 3 9635 9144	Anthony Tregoning Financial & Corporate Relations Telephone: +61 2 8264 1000 / 0411 852 448 Fax: +61 2 9235 1920

The Programmed Maintenance Group is a leading international provider of staffing and maintenance services. The group has annual revenue of approximately \$900 million and employs more than 12000 skilled and semi-skilled personnel throughout Australia, New Zealand and the United Kingdom. It operates through four divisions:

The Property Maintenance division provides maintenance services for more than 6000 customers in the commercial, industrial, government and educational sectors in Australia, New Zealand and the United Kingdom. The division has 35 branches in Australia, 15 branches in New Zealand and 9 branches in the United Kingdom.

The Facilities Management division provides facility and infrastructure management services and consulting services in the fields of facilities management, procurement and strategic asset management, with customers across Australia.

The Workforce division is a leader in Australia in the supply of recruitment and labour hire services across a broad range of sectors. Services are provided through a network of over 50 branches employing in excess of 7000 people daily for clients.

The Marine division is a major specialist provider of manning, project management and logistics solutions to the offshore oil and gas sector in Australia and New Zealand.

Disclaimer: [This media release does not contain all of the information which Programmed shareholders need to make an informed assessment in relation to the Spotless offer. Programmed shareholders are urged to **wait until they have received and read the Target's Statement**, which sets out in detail the key reasons why the Directors believe Programmed shareholders should reject the Spotless offer, before making any decision in relation to the offer.](#)