

ASX Announcement

8 May 2008

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

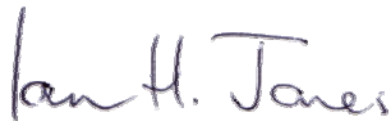
Dear Sir,

INVESTOR PRESENTATION

Please find attached a copy of the presentation to be given later today by Mr. Chris Sutherland, Managing Director of Programmed Maintenance Services Limited, to a group of fund managers and investment analysts in Sydney.

Yours sincerely,

PROGRAMMED MAINTENANCE SERVICES LIMITED



Ian H. Jones
Secretary

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Investor Presentation

Macquarie Australia Conference

Chris Sutherland
Managing Director

8th May 2008

Important Notice and Disclaimer



This presentation has been prepared by Programmed Maintenance Services Limited and contains forward looking statements concerning the projected Revenue, EBITA, NPAT and EPS for the financial year ending 31 March 2009. These projections are extrapolated from the Revenue, EBITA, NPAT and EPS for the financial year ended 31 March 2008. The projections and statements are based on assumptions referred to on page 16 of this presentation. More detailed analysis and assumptions has been provided in the Target's Statement issued to the ASX on the 7th May 2008 in response to the Spotless Bidder's Statement.

Programmed Shareholders are advised to make no investment decision in relation to their Programmed Shares until they have had an opportunity to consider the Target's Statement and to review these more detailed assumptions.

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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.

PRG recommends shareholders reject Spotless' Offer



The Board of Programmed unanimously recommends against accepting the Spotless offer

“Your Directors believe the Spotless Offer is inadequate. (They) believe Spotless' Offer does not reflect Programmed's strong business model and growth potential.”

Geoff Tomlinson, Chairman, Programmed Maintenance Services Limited. 7th May 2008

Reasons:

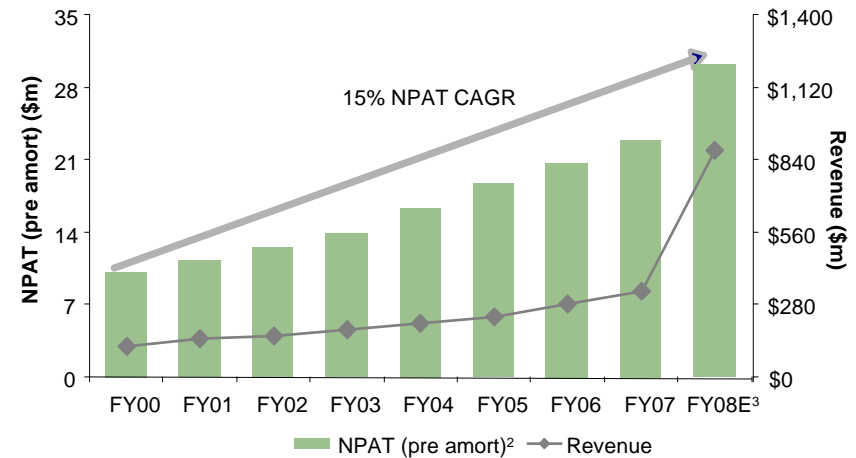
- Your Directors believe the Offer is inadequate
- Programmed is well positioned for continued growth
- Spotless' share price has underperformed for many years
- Programmed has a stronger track record than Spotless
- The offer is highly conditional and uncertain
- You should be concerned about Spotless' share price post-completion

Programmed is Well Positioned for Continued Growth



- ✱ Strong track record
- ✱ Projecting 15% EPS growth in current year ending 31 March 2009²
- ✱ Strong outlook
 - Merger with Integrated is delivering real benefits eg large skilled labour sourcing capability
 - Strategy is working eg new agreement to undertake certain works at Coles supermarkets across Australia.
 - Organic growth through:
 - (i) further geographic expansion
 - (ii) expanding service offering
 - (iii) pipeline of new contracts and customers
 - Proposed acquisition of SWG is projected to provide another step-up in earnings and increase the group's exposure to the oil and gas sector

Programmed NPAT (pre amort) and Revenue - FY2000 - FY2008E¹

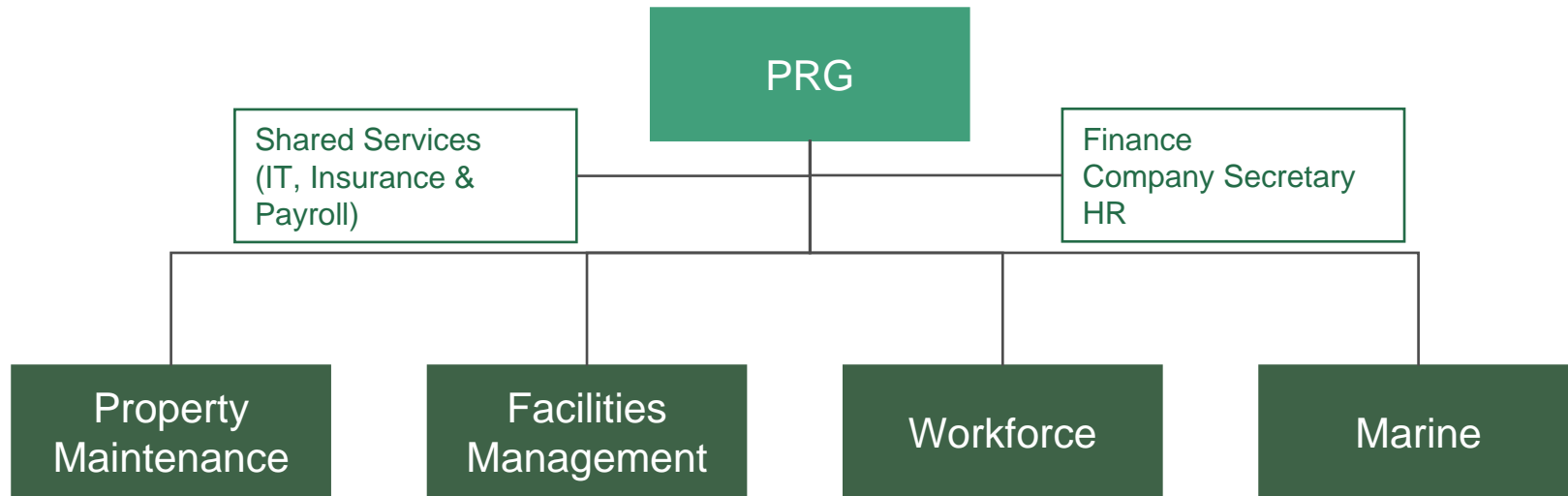


1. Items have been adjusted for "one-off" items including adoption of A-IFRS from 1 April 2004. FY08 forecast revenue and NPAT include a 10 months' contribution from the Integrated Group. The compound annual growth rate from 31 March 2000 to 31 March 2007 is 12%.
2. EPS and NPAT pre amortisation of identifiable intangibles. See page 16 for assumptions underlying financial projections
3. FY08 forecast based on unaudited management accounts

A Revitalised Team



- ❖ Programmed's merger with Integrated is delivering real benefits
- ❖ Smooth transition to new Managing Director (Jan 08)
- ❖ Revised structure in place, with divisional CEOs & management teams
- ❖ Continuation of group strategy established at time of merger with Integrated



Strategy for Value Creation

Key Drivers



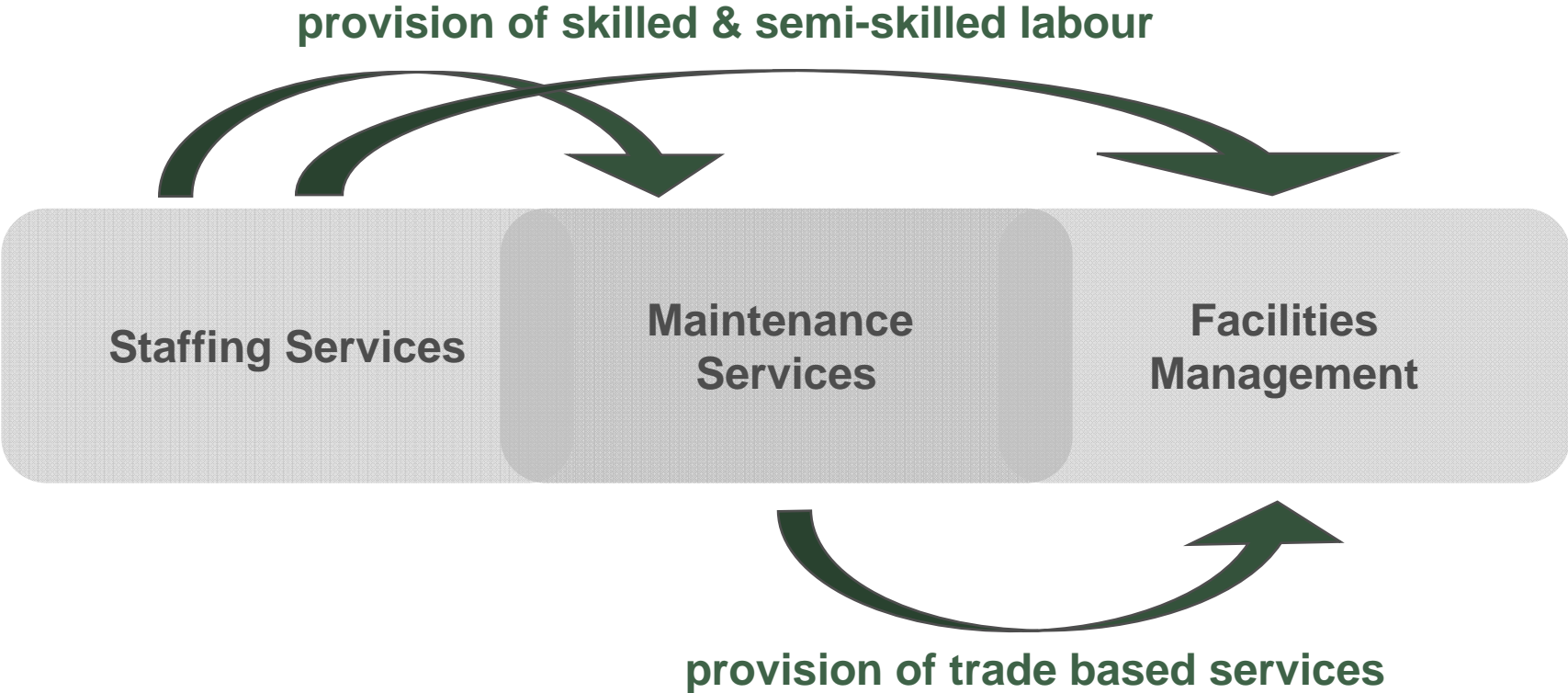
- ❖ Recruit and deploy a large workforce
- ❖ Value-adding complementary services
- ❖ Long-term customer relationships / contracts
- ❖ Geographic expansion
- ❖ Continued internal improvement
- ❖ Acquisitions that fit our strategy

Strategy for Value Creation

Strategic Business Model



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Strategy for Value Creation


Industry Expansion Opportunities




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	Commercial	Industrial/ Manufacturing	Infrastructure	Resources	Education/ Health/Aged Care
Staffing Services	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	✓
Maintenance Services	✓ ✓ ✓	✓	✓ ✓ ✓		✓ ✓ ✓
Facilities Management	✓		✓		

✓ = Existing presence

 = Established

 = Near term expansion plan

 = Medium term expansion plan

Strategy for Value Creation

Geographic Expansion Opportunities



	Australian Cities	Australian Regional	NZ	UK
Property Maintenance	✓ ✓ ✓	✓ ✓	✓ ✓ ✓	✓
Facilities Management	✓	✓		
Workforce	✓ ✓ ✓	✓ ✓		
Marine	✓ ✓ ✓	n/a	✓ ✓ ✓	

✓ = Existing presence



= Established



= Near term expansion plan



= Medium term expansion plan

Strategy for Value Creation

Acquisition of SWG



SWG is a high-growth WA-based service company

- ❖ Specialising in installation, minor capital works and maintenance in the offshore oil & gas and mining industries
- ❖ Projection for FY09 (on a full year basis):
 - Revenue \$120m
 - EBIT \$10m
- ❖ Strong management team
- ❖ 200 staff (including field employees)
- ❖ Headquartered in Bunbury, WA and an office in Perth, WA
- ❖ Will be a separate division of the group reporting directly to the Managing Director



Strategy for Value Creation

Acquisition of SWG (cont)



Strategic Rationale

- ✱ Strong growth prospects in:
 - offshore oil and gas
 - mining and resources
- ✱ Exportable to New Zealand, Asia and UK
- ✱ Complementary to existing PRG Divisions

Status

- ✱ Heads of Agreement signed
- ✱ Subject to due diligence
- ✱ Completion targeted for 1 July 2008
- ✱ Vendors have right to terminate if Spotless takeover is successful
- ✱ Completion subject to shareholder approval or the Spotless bid not proceeding

Acquisition Terms

- ✱ Consideration consists of \$40m (6.8m shares @ \$5 each + \$6.0m in shares @ 30 day VWAP to completion¹)
- ✱ EPS accretive in FY09

Strategy for Value Creation

Disposal of Non-Core Business Activities



Barry Bros

Strategic rationale

- ❖ Small industrial services business
- ❖ Capital intensive
- ❖ A space with very large competitors
- ❖ Does not fit strategy

Status

- ❖ Information memorandum sent out in February
- ❖ Multiple offers received in March
- ❖ Heads of Agreement signed to sell to Tox Free Solutions for \$25m cash, free of encumbrances
- ❖ Subject to due diligence, completion targeted for 1 July 08

Financial Impact

- ❖ EBITA - \$3.1m (Forecast FY08)
- ❖ **Reduce borrowings by \$25m**

Total Harbour Services

Strategic rationale

- ❖ Small harbour towing/barge business
- ❖ Capital intensive
- ❖ A space with very large competitors
- ❖ Does not fit strategy

Status

- ❖ Sold to private buyer for \$4m cash

Financial Impact

- ❖ EBITA – not material (Forecast FY08)
- ❖ **Reduce borrowings by \$4m**

Financial Performance

2008 Forecast and 2009 Projection



Forecast for year ended 31 March 2008

Projection for year ending 31 March 2009

Summary P&L (A\$m)	31-Mar-08 Forecast ¹
Revenue	893.8
EBITA	56.6
NPAT ²	30.2
Weighted SOI	86.5
EPS ² (cents)	34.9

Summary P&L (A\$m)	31-Mar-09 Projection ³	% Growth FY08-FY09
Revenue	1,172	31%
EBITA	74	31%
NPAT ⁴	38.7	28%
Weighted SOI	96	
EPS ⁴ (cents)	40.3	15.5%

(1) Unaudited Forecast FY08 management accounts to 31 March 08

(2) NPAT and EPS are pre amortisation of identifiable intangibles

NB: There are a number of non-recurring items as a result of the merger with Integrated and disposal of surplus assets. The net result is not material to the result.

(3) Based on management projections (assumes: 9 month contribution from SWG, 3 month contribution from Barry Bros)

(4) NPAT and EPS are pre amortisation of identifiable intangibles

- ✿ The projection for 31 March 2009 has been prepared based on the assumptions contained on page 16. Shareholders should refer to Programmed's Target's Statement lodged with ASX on 7th May for full details.

What Happens Next?



- ❖ Shareholders have received a Bidder's Statement from Spotless – **DO NOTHING**

- ❖ A Target's Statement from Programmed was lodged with ASX on 7th May and Shareholders are now receiving this document containing:
 - Board recommendation that shareholders should reject the Spotless' Offer
 - Reasons for the recommendation
 - Financial information relating to the FY08 forecast and FY09 projection
 - Other relevant information

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Appendix

Appendix

Key assumptions underlying FY09 projections



- Key assumptions include:
 - Effective tax rate: 30%
 - Average finance costs: 9.0%
 - Average workers comp rate consistent with prior year
 - Exchange rates: AUD/UK - £0.46; AUD/NZ - \$1.14
 - Net total financial debt (including finance leases): \$231M as at 1 April 08
 - Contribution from Barry Bros – 3 months income (Apr 08 – Jun 08)
 - Sale of Barry Bros assumed 1 July 2008. Cash proceeds: \$25m
 - Contribution from SWG – 9 months income (Jul 08 – Mar 09)
 - SWG purchase assumed 1 July 2008. Consideration: 8m PRG shares
 - Weighted average number of shares on issue (1 April 2008 – 31 March 2009): 96m
 - Capital expenditure consistent with current business needs (\$15m). No capex assumed for Barry Bros due to sale
 - Excludes defence and transaction costs associated with SPT offer