

ASX Release

Wednesday 27 May 2009

Company Announcements Office
ASX Limited
Exchange Centre
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20 Bridge Street
Sydney NSW 2000

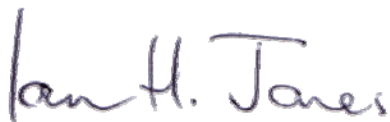
Dear Sir,

APPENDIX 4E: YEAR ENDED 31 MARCH 2009

Please find attached the Appendix 4E containing details of the Programmed Group's results for the year ended 31 March 2009.

Yours sincerely,

PROGRAMMED MAINTENANCE SERVICES LIMITED



Ian H. Jones
Company Secretary

PROGRAMMED MAINTENANCE
SERVICES LIMITED

APPENDIX 4E



(ABN 61 054 742 264)

PRELIMINARY FINAL REPORT

For the year ended 31 March 2009

APPENDIX 4E – PRELIMINARY FINAL REPORT Results for Announcement to the Market
For the year ended 31 March 2009
 (Previous corresponding period: year ended 31 March 2008)

				\$'000
Revenue from ordinary activities <i>(Appendix 4E item 2.1)</i>	up	31.7%	to	1,229,540
Profit from ordinary activities after tax attributable to members <i>(Appendix 4E item 2.2)</i>	down	1.2%	to	28,072
Profit for the year attributable to members <i>(Appendix 4E item 2.3)</i>	down	1.2%	to	28,072

(Appendix 4E item 2.6) The results for the year ended 31 March 2009 shown above are not directly comparable to the previous year ended 31 March 2008 due to the differing impacts of the following items which are described in the attached results commentary and financial report:-

Year ended 31 March 2009

- *the acquisition of the SWG business on 4 July 2008 (nine months' contribution)*
- *the disposal of the Industrial Services (Barry Bros.) business on 1 July 2008 (three months' contribution and classification as "discontinued operations")*

Year ended 31 March 2008

- *the merger with Integrated Group Limited on 7 June 2007 (ten months' contribution)*
- *the tax benefit of \$1.79 million arising from the reduction in the New Zealand corporate tax rate*

The profit after tax for 2009 of \$28.072 million is a 5.4% increase over a comparable profit after tax for 2008 of \$26.632 million (after adjustment for the New Zealand tax benefit).

Dividends <i>(Appendix 4E item 2.4)</i>	Amount per security (cents)	Franked amount per security (cents)
Dividends paid		
Interim 2008 – 24 January 2008	9.5	9.5
Final 2008 – 24 July 2008	10.5	10.5
Interim 2009 – 27 January 2009	9.5	9.5
Dividends to be paid		
Final 2009 – 27 July 2009	5.0	5.0

The **Dividend Reinvestment Plan (DRP)** will apply to the final 2009 dividend. The shares issued via the DRP will be calculated at a 5.0% discount to the average market price for the period of five trading days commencing on the second trading day after the record date.

Record date for determining entitlements to the final dividend 2009 and for receiving elections to participate in the DRP.
 (payment date of 27 July 2009)

9 July 2009

	31 March 2009 (cents)	31 March 2008 (cents)
Net Tangible Assets per Ordinary Share	51.2	44.3

P R E L I M I N A R Y F I N A L R E P O R T

Year ended 31 March 2009

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A P P E N D I X 4 E - Y E A R E N D E D 3 1 M A R C H 2 0 0 9

HIGHLIGHTS OF FINANCIAL YEAR 2009

- Revenue up 32% to \$1,229.5 million
- EBITA up 22% to \$70.2 million before Spotless defence costs of \$3.5 million and restructuring costs of \$3.4 million
- Profit after tax of \$28.1 million (FY08 \$28.4 million) after Spotless defence and restructuring costs noted above,
- Gross operating cashflow up 44% to \$82.4 million
- Net debt reduced by \$54 million, from \$231 million (FY08) to \$177 million (FY09)
- Net debt / equity reduced from 91% (FY08) to 62% (FY09)
- Successful completion of
 - Acquisition of engineering maintenance business SWG for 7.8 million PRG shares
 - Sale of waste management business Barry Bros for \$25 million
- Restructuring initiatives undertaken in response to changing market conditions to reduce cost base of business

APPENDIX 4E - RESULTS COMMENTARY

Programmed Group, the staffing, maintenance and project services group, today announced a net profit after tax of \$28.1 million for the year ending 31 March 2009, after costs of \$3.5 million related to Programmed's defence against Spotless' takeover offer and \$3.4 million in restructuring expenses (refer to the ASX announcement on 26 March 2009). EBITA (before Spotless defence and restructuring costs) was \$70.2 million, up 22 per cent on the prior year.

The directors have declared a final dividend of 5.0 cents per share, fully franked, payable on 27 July 2009 to shareholders on the register at 9 July 2009. A discount of 5% will apply to the DRP for the final dividend, and the DRP will not be underwritten.

TABLE 1

	Year ended 31 March 2009 (A\$m) ^(a)	Year ended 31 March 2008 (A\$m) ^(b)	% change
Revenue	1,229.5	933.8	32
EBITDA (before SPT & restructuring costs)	84.0	72.6	16
Depreciation	(13.8)	(15.1)	(9)
EBITA (before SPT & restructuring costs)	70.2	57.5	22
Spotless defence costs	(3.5)	0.0	
Restructuring costs	(3.4)	0.0	
EBITA	63.3	57.5	10
Amortisation	(3.7)	(3.1)	16
EBIT	59.7	54.4	10
Net Interest	(19.5)	(16.3)	20
Profit before tax	40.2	38.1	5
Income tax expense	(12.1)	(9.7) ^(c)	25
Profit after tax	28.1	28.4	(1)
Profit after tax (pre amortisation)	31.7	31.6	1
Earnings per share pre amortisation (cents)	33.1	36.5	(9)
Weighted average shares on issue (millions)	96.0	86.5	11
Final dividend (cents) – fully franked	5.0	10.5	(52)
Gross operating cashflows	82.4	57.1	44
Net debt	177.2	231.1	(23)
Net debt/equity	62%	91%	(31)
Notes	(a) FY09 results include 9 months' contribution from SWG and 3 months' contribution from Industrial Services (Barry Bros.) (b) FY2008 results include 10 months' contribution from Workforce and Marine divisions (c) The income tax expense for 2008 includes a tax benefit of \$1.790 million arising from the reduction in New Zealand corporate tax rate		

Chris Sutherland, Managing Director of Programmed, said: 'I am pleased Programmed has continued to grow, despite the challenging market conditions in some sectors over the past six months. This result demonstrates the strength of Programmed's business model and the resilience of its earnings based on the group's diverse services, broad range of customers and significant volumes of work under long term contracts.

'In particular, it is pleasing to note that our plan over the past 12 months to improve returns on capital, reduce net debt and lower our net debt/equity ratio has been very successful. Improved debtor collection processes, tighter control of capital expenditure, the sale of the capital-intensive Barry Bros. business for \$25 million, and the purchase of SWG for 7.8 million PRG shares were all part of the plan to strengthen our balance sheet.'

REVIEW OF OPERATIONS

Property Services	Year ended 31 March 2009 (A\$m)	Year ended 31 March 2008 (A\$m)	% increase
Revenue	295.1	267.1	10.5
EBITA	33.2	31.4	5.5

The Property Services division provides painting, corporate imaging and grounds services and employs over 2,000 people. Its 6,000-strong customer base extends across a diverse range of industries including retail, commercial, manufacturing, education and aged care, with services delivered through 60 branches in capital cities and regional centres throughout Australia, New Zealand and the United Kingdom.

The Australian business performed strongly during the peak summer period, completing a year of major activity in all states, and achieved a solid increase in full year earnings. The business remains active in the educational sector and expects to secure additional contracts as a result of the Federal Government’s education stimulus package.

Grounds Management grew its long-term contract base, winning significant new contracts for universities. Corporate Imaging continued its penetration of Programmed’s existing customer base, developing a strong pipeline of opportunities.

Overall, growth sectors were food retailing, education and government, with some deferrals of work in manufacturing.

In New Zealand and the United Kingdom, there were significant initiatives to improve organisational capability and administrative processes, but the earnings contributions of both businesses were slightly less than the previous year. Earnings in New Zealand are not expected to fall further. In the United Kingdom, we remain cautious about the effects of the current downturn in the economy and the business has responded by adopting a more targeted sales plan to improve performance.

Facility Management	Year ended 31 March 2009 (A\$m)	Year ended 31 March 2008 (A\$m)	% increase
Revenue	189.9	132.1	43.7
EBITA	4.9	3.1	59.2
Note: FY08 revenue has been restated following the change in accounting policy for cost-reimbursable contracts.			

The Facility Management division provides facility management solutions, property maintenance, refurbishments, and minor capital works through more than 50 contracts and related projects across all states of Australia. These services are delivered through a combination of direct employees and accredited suppliers and sub-contractors. The division also provides strategic facility management advice to government and industry.

The division increased both its revenue and earnings significantly in FY09, with growth coming from existing contracts and new contracts that commenced during the year. Significant investments were made to improve systems and operational efficiencies.

There are considerable opportunities for further growth as the division continues to gain market share and expand its range of customers and services.

Workforce	Year ended 31 March 2009 (A\$m)	Year ended 31 March 2008 (A\$m)	% increase
Revenue	431.6	324.2	33.1
<i>Full year comparative</i>		395.8	9.0
EBITA	12.7	10.2	24.2
<i>Full year comparative</i>		12.3	3.4

The Workforce division, trading as Integrated, provides recruitment and labour hire services to more than 2,500 customers in a range of sectors including resources, industrial, government, manufacturing, transportation and logistics. It operates through a national network of over 40 branches in all states and territories of Australia and employs a daily average of more than 5000 skilled and semi-skilled staff for customers from an active database of more than 60,000 personnel.

After strong increases in revenue and earnings in the first half of FY09, the division was impacted by deteriorating business conditions in some industry sectors in the second half. The demand for casual labour fell in all states, with the mining and transport sectors most affected, and in response the division's fixed cost base has been reduced.

Marine	Year ended 31 March 2009 (A\$m)	Year ended 31 March 2008 (A\$m)	% increase
Revenue	214.1	169.0	26.7
<i>Full year comparative</i>		205.2	4.3
EBITA	20.6	13.4	54.1
<i>Full year comparative</i>		15.8	30.2

The Marine division, trading as Total Marine Services, is a specialist provider of manning, catering, vessel management and logistics services to the offshore oil and gas industries in Australia, New Zealand and Asia. Headquartered in Fremantle, Western Australia with offices in Singapore and New Plymouth, New Zealand, the division provides crews and services for rigs, drill ships, offshore support vessels, specialist construction vessels, dredges, offshore platforms and floating production vessels. It also provides a variety of trades, supervisors and management to support offshore construction and maintenance activities.

The division benefited from buoyant market conditions throughout FY09, with sustained exploration and production activity in the oil and gas sector. It has good visibility of work for the next twelve months and is expected to continue to contribute solid results.

Engineering Services (SWG)	Year ended 31 March 2009 (A\$m)	Year ended 31 March 2008 (A\$m)	% increase
Revenue	84.1	0.0	N/A
EBITA	4.3	0.0	N/A
Note: FY09 results include nine months' contribution from SWG			

The Engineering Services division, trading as SWG, is a multi-disciplined engineering, construction and maintenance group servicing the resources and energy sectors in Australia, New Zealand and Asia. Headquartered in Perth, Western Australia with an office in Singapore, the division offers engineering, construction and maintenance services including project management, design and installation engineering, procurement and on site execution.

The division performed well during its first six months as part of Programmed Group. From January 2009, however, some contracted works were deferred and there was a reduction in opportunities in the onshore resources sector. In response, overhead costs have been reduced.

The strategy for SWG to expand Programmed's footprint into the resources industry remains unchanged. The division continues to identify opportunities for new work in both the offshore oil and gas sector and the onshore resources sector, particularly where it can provide complementary services to other Programmed divisions.

Industrial Services	Year ended 31 March 2009 (A\$m)	Year ended 31 March 2008 (A\$m)	% increase
Revenue	11.2	39.6	N/A
EBITA	0.8	3.5	N/A
Note: Programmed sold the Industrial Services (Barry Bros.) business on 1 July 2008, and three months' contribution is included in the FY09 results.			

CASH FLOW AND BALANCE SHEET

A major benefit of Programmed's strategic development over recent years, particularly following the merger with Integrated Group, has been the strong growth in gross operating cash flow. For FY09, gross operating cash flow was \$82.4 million (44 per cent increase over \$57.1 million in FY08), representing 107 per cent of FY09 EBITDA, which was much higher than any previous year. In addition, net operating cash flow of \$56.0 million was nearly double the previous year.

With the acquisition of Integrated Group in June 2007, Programmed's net debt grew to \$231.1 million at 31 March 2008, resulting in a debt/equity ratio of 91 per cent. Due to the sale of Barry Bros. for \$25 million, the acquisition of SWG for 7.8 million PRG shares, improved debtor collection processes, better working capital management, tighter capital expenditure and reintroduction of the dividend reinvestment plan, the group's net debt reduced significantly to \$177.2 million (down 23 per cent) at 31 March 2009, and the debt/equity ratio fell to 62 per cent.

The total equity base at 31 March 2009 was \$284.4 million, an increase of 12 per cent over 31 March 2008 (\$254.8 million) with the major components of the increase being the retained earnings from the FY09 result and the issue of additional equity to acquire SWG. As a consequence, net tangible assets per share at 31 March 2009 grew to \$0.51, compared with \$0.44 at 31 March 2008, notwithstanding the 10 per cent increase in the number of shares on issue from July 2008.

C O N S O L I D A T E D I N C O M E S T A T E M E N T

FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 \$'000	2008 (Restated) \$'000
Continuing operations			
Revenue	3	1,218,336	894,023
Other income	4	3,672	2,657
Changes in inventories of finished goods		3,190	5,489
Raw materials and consumables used		(76,278)	(45,430)
Employee benefits expense	4	(759,040)	(580,350)
Sub contractor expenses		(222,910)	(159,913)
Depreciation and amortisation expense	4	(16,295)	(14,046)
Finance costs	4	(20,224)	(15,835)
Equipment and motor vehicle costs		(41,345)	(11,504)
Information technology and telecommunication costs		(6,087)	(4,788)
Defence and restructuring costs		(6,914)	-
Other expenses		(37,033)	(33,949)
Profit before income tax	4	39,072	36,354
Income tax expense		(12,167)	(9,092)
Profit for the year from continuing operations		26,905	27,262
Discontinued operations			
Profit from discontinued operations	12	1,167	1,160
Profit attributable to members of Programmed Maintenance Services Limited	8	28,072	28,422
		Cents	Cents
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share		29.2	32.9
Diluted earnings per share		29.0	32.6
From continuing operations:			
Basic earnings per share		28.0	31.5
Diluted earnings per share		27.8	31.3

Notes to the consolidated financial statements are included on pages 13 to 24

C O N S O L I D A T E D B A L A N C E S H E E T

As At 31 March 2009

	Note	2009 \$'000	2008 \$'000
CURRENT ASSETS			
Cash and cash equivalents		38,229	4,044
Trade and other receivables		231,729	245,406
Inventories		35,846	30,315
Current tax assets		3,881	1,355
Other		16,931	13,036
Total current assets		326,616	294,156
Total assets classified as held for sale	12	-	27,608
		326,616	321,764
NON-CURRENT ASSETS			
Trade and other receivables		113,667	102,610
Inventories		7,907	7,641
Property, plant and equipment		34,826	31,020
Deferred tax assets		19,892	14,953
Goodwill		221,076	199,367
Other intangible assets		12,625	15,619
Total non-current assets		409,993	371,210
TOTAL ASSETS		736,609	692,974
CURRENT LIABILITIES			
Trade and other payables		130,251	119,442
Borrowings		37,303	42,518
Current tax payables		1,751	1,275
Provisions		22,790	11,452
Total current liabilities		192,095	174,687
Liabilities directly associated with total assets classified as held for sale	12	-	19,040
		192,095	193,727
NON-CURRENT LIABILITIES			
Borrowings		178,170	177,423
Other financial liabilities		8,062	-
Deferred tax liabilities		65,800	58,838
Provisions		8,095	8,156
Total non-current liabilities		260,127	244,417
TOTAL LIABILITIES		452,222	438,144
NET ASSETS		284,387	254,830
EQUITY			
Issued capital	6	165,862	136,057
Reserves	7	(3,312)	5,446
Retained earnings	8	121,837	113,327
TOTAL EQUITY		284,387	254,830

Notes to the consolidated financial statements are included on pages 13 to 24

C O N S O L I D A T E D S T A T E M E N T O F R E C O G N I S E D

I N C O M E A N D E X P E N S E

FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 \$'000	2008 \$'000
Exchange differences arising on translation of foreign operations	7	(4,054)	(2,155)
Loss on cash flow hedges taken to equity net of tax	7	(5,644)	-
Net expense recognised directly in equity		(9,698)	(2,155)
Profit for the year	8	28,072	28,422
Total recognised income and expense for the year		18,374	26,267

Notes to the consolidated financial statements are included on pages 13 to 24

C O N S O L I D A T E D C A S H F L O W S T A T E M E N T
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FOR THE YEAR ENDED 31 MARCH 2009

		2009	2008
	Note	\$'000	(Restated) \$'000
Cash Flows from Operating Activities			
Receipts from customers		1,359,326	987,362
Payments to suppliers and employees		(1,276,903)	(930,273)
Interest and other cost of finance paid		(15,718)	(17,088)
Income tax paid		(10,705)	(12,185)
Net cash provided by operating activities	13	56,000	27,816
Cash flows from investing activities			
Interest received		963	834
Payments for property, plant and equipment		(9,392)	(10,666)
Proceeds from sale of property, plant and equipment		2,525	1,320
Payments for development software		(831)	(309)
Payments for contracts acquired		(408)	(377)
Payments for businesses		(1,271)	(127,920)
Cash received on acquisition of businesses		177	-
Proceeds from sale of businesses	12	14,246	-
Proceeds from sale of investment securities		20	-
Other cash flows from investing activities		2,064	-
Net cash provided by/(used in) investing activities		8,093	(137,118)
Cash flows from financing activities			
Proceeds from borrowings		12,125	143,659
Repayments of borrowings		(24,179)	(15,770)
Dividends paid		(16,575)	(17,552)
Net cash (used in)/provided by financing activities		(28,629)	110,337
Net increase in cash and cash equivalents		35,464	1,035
Cash and cash equivalents at the beginning of the year		598	100
Effects of exchange rate changes on the balance of cash held in foreign currencies		122	(537)
Cash and cash equivalents at the end of the year		36,184	598
Reconciliation of cash			
Cash and cash equivalents per balance sheet		38,229	4,044
Bank overdrafts		(2,045)	(3,615)
		36,184	429
Cash and cash equivalents attributable to discontinued operations		-	169
Cash and cash equivalents per cash flow statement		36,184	598

Notes to the consolidated financial statements are included on pages 13 to 24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2009

1. Significant accounting policies**Basis of preparation**

This preliminary final report has been prepared in accordance with ASX listing rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The preliminary final report contains the consolidated financial statements of Programmed Maintenance Services Limited and the entities it controlled at the end of, or during the year ended 31 March 2009.

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the report are consistent with those adopted and disclosed in the 2008 annual financial report except for the following additional policy for hedge accounting and the change in policy relating to reimbursable revenue as described below:

Hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Change in accounting policy

The accounting policy for certain cost reimbursable contracts in the Facilities Management business segment was changed in the year ended 31 March 2009. The policy change results in the reclassification of the reimbursable costs from sub-contractor expenses to revenue, thereby more accurately reflecting the substance of such contracts.

For the year ended 31 March 2008, reimbursable costs amounting to \$56,735 thousand have been reclassified to revenue from sub-contractor expenses, resulting in an increase in revenue and sub-contractor expenses of \$56,735 thousand respectively. This has no effect on the earnings of the business segment and of the consolidated entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 March 2009

2. Segment Information

The following is an analysis of the revenue and results for the year, analysed by business segment, the Group's primary basis of segmentation.

	Workforce		Property Services		Marine		Facilities management		SWG		Total continuing operations		Discontinued operations Industrial services		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue ¹	431,565	324,151	295,052	267,063	214,096	168,985	189,862	132,103	84,056	-	1,214,631	892,302	11,204	39,605	1,225,835	931,907
Segment result																
Earnings before interest, tax, amortisation and unallocated costs	12,721	10,242	33,180	31,445	20,573	13,352	4,899	3,078	4,327	-	75,700	58,117	828	3,477	76,528	61,594
Amortisation of contract intangibles											(3,659)	(3,164)	-	-	(3,659)	(3,164)
Spotless defence costs											(3,503)	-	-	-	(3,503)	-
Restructuring costs											(3,411)	-	-	-	(3,411)	-
Other unallocated costs											(6,878)	(4,074)	576 ²	-	(6,302)	(4,074)
Earnings before interest and tax											58,249	50,879	1,404	3,477	59,653	54,356
Net finance costs											(19,177)	(15,001)	(289)	(1,253)	(19,466)	(16,254)
Profit before tax											39,072	35,878	1,115	2,224	40,187	38,102
Income tax (expense)/benefit											(12,167)	(9,092)	52	(588)	(12,115)	(9,680)
Profit for the year											26,905	26,786	1,167	1,636	28,072	28,422

¹ Segment revenue represents revenue from rendering of services, excluding other revenue amounting to \$3,705 thousand (2008 \$3,721 thousand) for continuing operations.

² Profit on disposal of business of \$576 thousand (2008 nil) net of fair value adjustments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 March 2009

3. Revenue

An analysis of the Group's revenue for the year, from both continuing and discontinued operations, is as follows:

	2009	2008
	\$'000	\$'000
Continuing operations		
Revenue from rendering of services:		
Invoiced	1,197,655	876,279
Not yet invoiced		
- Increase in amounts recoverable (note 5)	18,118	9,904
- Work in progress at recoverable value (note 5)	(1,142)	4,119
	<u>1,214,631</u>	<u>890,302</u>
Interest revenue		
- Other entities	906	834
Rental revenue		
- Operating lease rental revenue	51	133
Other revenue	<u>2,748</u>	<u>2,754</u>
	1,218,336	894,023
Discontinued operations (note 12)	<u>11,204</u>	<u>39,746</u>
	<u>1,229,540</u>	<u>933,769</u>

4. Profit for the year before income tax

(a) Gains and losses

Profit for the year has been arrived at after crediting/(charging) the following specific gains and losses:

	Continuing		Discontinued		Total	
	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gain on disposal of property, plant and equipment	1,368	199	60	39	1,428	238
Gain on disposal of business	-	2,128	1,311	-	1,311	2,128
Gain on disposal of investments	20	-	-	-	20	-
Net foreign exchange gains	2,284	330	-	-	2,284	330
	<u>3,672</u>	<u>2,657</u>	<u>1,371</u>	<u>39</u>	<u>5,043</u>	<u>2,696</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 March 2009

4. Profit for the year before income tax (continued)

(b) Other expenses

Profit for the year includes the following expenses:

	Continuing		Discontinued		Total	
	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Finance costs:						
Interest on bank overdrafts and loans	18,109	13,669	7	9	18,116	13,678
Interest on obligations under finance leases	1,255	1,365	285	1,216	1,540	2,581
Total interest expense	19,364	15,034	292	1,225	19,656	16,259
Other finance costs	860	801	7	28	867	829
	20,224	15,835	299	1,253	20,523	17,088
Impairment of trade receivables	2,838	413	172	30	3,010	443
Depreciation of non-current assets						
- Property, plant and equipment	7,532	6,080	331	1,370	7,863	7,450
Amortisation of non-current assets						
- Finance lease assets	4,551	4,471	767	2,881	5,318	7,352
- Brand names	-	150	-	-	-	150
- Value of long term contracts acquired	3,659	3,164	-	-	3,659	3,164
- Value of development software and other	553	181	-	-	553	181
	8,763	7,966	767	2,881	9,530	10,847
Total depreciation and amortisation of non-current assets	16,295	14,046	1,098	4,251	17,393	18,297
Operating lease rental expenses:						
- Minimum lease payments	8,274	5,963	171	628	8,445	6,591
Employee benefit expense:						
- Defined contribution plans (superannuation contributions)	43,594	33,344	238	919	43,832	34,263
- Equity settled share based payments	940	548	-	-	940	548
- Other employee benefits	714,506	546,458	4,660	17,243	719,166	563,701
	759,040	580,350	4,898	18,162	763,938	598,512

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 March 2009

5. Contracts and work in progress at recoverable value

	2009	2008
	\$'000	\$'000
Contracts in progress		
Balance at the beginning of year	172,895	166,341
Increase in amounts recoverable	18,118	9,904
Effect of foreign currency movements	(3,087)	(3,350)
Balance at end of year	<u>187,926</u>	<u>172,895</u>
Categorised as:		
Current	74,401	70,605
Non-current	113,525	102,290
	<u>187,926</u>	<u>172,895</u>
Work in progress		
Balance at the beginning of year	25,234	21,095
(Decrease)/increase in amounts recoverable	(1,142)	4,119
Effect of foreign currency movements	(66)	20
Balance at end of year	<u>24,026</u>	<u>25,234</u>
Categorised as:		
Current	16,119	17,593
Non-current	7,907	7,641
	<u>24,026</u>	<u>25,234</u>
Total contracts and work in progress		
Categorised as:		
Current	90,520	88,198
Non-current	121,432	109,931
	<u>211,952</u>	<u>198,129</u>

6. Issued capital

	2009	2008
	\$'000	\$'000
98,980,999 fully paid ordinary shares (2008: 90,013,394)	<u>165,862</u>	<u>136,057</u>

	2009		2008	
	No.'000	\$'000	No.'000	\$'000
Balance at the beginning of the year	90,013	136,057	71,196	27,290
Issue of shares as part consideration for acquisition of business	-	-	18,817	108,767
Issue of shares as consideration for acquisition of business (note 11)	7,796	26,816	-	-
Issue of shares under the Dividend Reinvestment Plan	1,172	2,989	-	-
Balance at the end of the year	<u>98,981</u>	<u>165,862</u>	<u>90,013</u>	<u>136,057</u>

Apart from those noted above, there were no other movements in the ordinary share capital of the company in the current or prior year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 March 2009

7. Reserves

	2009 \$'000	2008 \$'000
Foreign currency translation reserve	(4,846)	(792)
Capital profits reserve	5,535	5,535
Equity settled employee benefits reserve	1,643	703
Hedging reserve	(5,644)	-
	<u>(3,312)</u>	<u>5,446</u>
Foreign currency translation reserve:		
Balance at the beginning of the financial year	(792)	1,363
Translation of foreign operations	(4,054)	(2,155)
Balance at the end of the financial year	<u>(4,846)</u>	<u>(792)</u>
Capital profits reserve:		
Balance at the beginning and end of the financial year	<u>5,535</u>	<u>5,535</u>
Equity settled employee benefits reserve:		
Balance at the beginning of the financial year	703	154
Share-based payments	940	549
Balance at the end of the financial year	<u>1,643</u>	<u>703</u>
Hedging reserve:		
Balance at the beginning of the financial year	-	-
Loss recognised on cash flow hedges- Interest rate swaps	(8,063)	-
Income tax related to losses recognised in equity	2,419	-
Balance at the end of the financial year	<u>(5,644)</u>	<u>-</u>

8. Retained earnings

	2009 \$'000	2008 \$'000
Balance at the beginning of the financial year	113,327	102,457
Net profit attributable to members of the parent entity	28,072	28,422
Dividends provided for or paid (note 10)	(19,562)	(17,552)
Balance at the end of the financial year	<u>121,837</u>	<u>113,327</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 March 2009

9. Share-based payments

During the year ended 31 March 2008, the company introduced the "Long Term Incentive Plan", a share-based compensation scheme for executives and senior employees of the Group. In accordance with the provisions of this Plan, the executives and senior employees may be granted performance rights and/or performance options.

The following reconciles the outstanding performance rights and options under the Plan at the beginning and end of the financial year:

	Performance rights		Performance options	
	2009	2008	2009	2008
	No.	No.	No.	No.
Balance at the beginning of the financial year	939,304	-	2,900,000	-
Granted during the financial year	150,000	1,049,091	735,000	2,900,000
Lapsed during the financial year	(60,000)	(109,787)	(275,000)	-
Balance at the end of the financial year	<u>1,029,304</u>	<u>939,304</u>	<u>3,360,000</u>	<u>2,900,000</u>

No performance rights or options were capable of being exercised during the current, or previous, financial year.

10. Dividends

	2009		2008	
	Cents	Total	Cents	Total
	per share	\$'000	per share	\$'000
Recognised amounts				
Fully paid ordinary shares				
Final dividend – franked to 100% at 30% tax rate (2008: 100%)	10.5	10,270	10.0	9,001
Interim dividend – franked to 100% at 30% tax rate (2008: 100%)	9.5	9,292	9.5	8,551
	<u>20.0</u>	<u>19,562</u>	<u>19.5</u>	<u>17,552</u>
Unrecognised amounts				
Fully paid ordinary shares				
Final dividend – franked to 100% at 30% tax rate (2008: 100%)	5.0	4,949	10.5	10,270

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 March 2009

11. Acquisition of businesses

Names of businesses acquired	Principal activity	Date of acquisition	Proportion of shares acquired (%)	Cost of acquisition \$'000
2009				
SWG Holdings (2005) Pty Ltd	Project management, engineering, construction, and maintenance and fabrication services	4 July 2008	100	<u>27,952</u>
2008				
Integrated Group Limited	Workforce management	7 June 2007	100	202,455
Black and White Recruitment Solutions	Labour hire	28 September 2007	N/A	3,906
Genesis Recruitment	Labour hire	30 November 2007	N/A	<u>3,748</u>
				<u>210,109</u>

On 4 July 2008, the Group acquired 100% of the issued share capital of SWG Holdings (2005) Pty Ltd and its subsidiaries ("SWG group"), with the share consideration being the issue of Programmed Maintenance Services Limited shares. 7,795,552 ordinary shares were issued at a price of \$3.44 per share providing consideration of \$26,816 thousand. A further \$1,136 thousand of consideration, including acquisition costs, was paid in cash.

Under the purchase agreement, deferred consideration will also be paid over a three year period after completion in Programmed Maintenance Services Limited shares ("Performance shares"). The total number of shares issued over the three year period will depend on the average earnings before tax ("EBIT") performance of the SWG group over the three years. The average EBIT at the end of each year will be used to determine the numbers of variable and fixed Performance shares issued at the end of each year. The number of variable Performance shares issued will also depend on the volume weighted average price ("VWAP") of Programmed Maintenance Services Limited shares traded on the Australian Securities Exchange for the 30 trading days prior to the issue date.

Due to the changes in economic activity and performance, at balance date the business was not expected to perform at the average EBIT level over the three year period that would result in the issue of Performance shares. No value has therefore been assigned to the deferred consideration.

The value of \$11,449 thousand provisionally assigned to the deferred consideration at the half year ended 30 September 2008 has been subsequently reversed. This comprises a reversal of a financial liability of \$5,464 thousand, non-share equity of \$5,985 thousand and goodwill of \$11,449 thousand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 March 2009

11. Acquisition of businesses (continued)

The net assets acquired in the business combination, and the goodwill arising, are as follows:

	2009			2008		
	Book value \$'000	Fair value adjustments \$'000	Fair value on acquisition \$'000	Book value \$'000	Fair value adjustments \$'000	Fair value on acquisition \$'000
Net assets acquired:						
<u>Current assets</u>						
Cash and cash equivalents	177	-	177	3,495	-	3,495
Trade and other receivables	13,427	(111)	13,316	78,208	-	78,208
Inventories	1,527	(193)	1,334	523	-	523
Other current assets	800	-	800	-	-	-
<u>Non-current assets</u>						
Property, plant and equipment	3,139	(29)	3,110	7,684	-	7,684
Deferred tax assets	302	33	335	7,555	(184)	7,371
Intangible assets	-	-	-	3,637	12,849	16,486
<u>Current liabilities</u>						
Trade and other payables	(8,686)	-	(8,686)	(47,800)	-	(47,800)
Borrowings	(2,021)	-	(2,021)	(30,951)	-	(30,951)
Current tax payable	(1,255)	-	(1,255)	(1,654)	(750)	(2,404)
Provisions	-	(527)	(527)	(2,343)	-	(2,343)
<u>Non-current liabilities</u>						
Borrowings	-	-	-	(3,502)	-	(3,502)
Deferred tax liabilities	(485)	58	(427)	(3,079)	1,243	(1,836)
Provisions	-	-	-	(4,314)	-	(4,314)
	<u>6,925</u>	<u>(769)</u>	<u>6,156</u>	<u>7,459</u>	<u>13,158</u>	<u>20,617</u>
Goodwill arising on acquisition			<u>21,796</u>			<u>189,492</u>
Total consideration			<u>27,952</u>			<u>210,109</u>

Net cash flow on acquisitions:

	2009 \$'000	2008 \$'000
Total purchase consideration	27,952	210,109
Less non cash consideration: issue of equity securities (note 6)	<u>(26,816)</u>	<u>(108,767)</u>
Consideration and acquisition costs paid in cash	1,136	101,342
Less: cash and cash equivalent	<u>(177)</u>	<u>(3,495)</u>
	<u>959</u>	<u>97,847</u>

Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire SWG Holdings (2005) Pty Ltd. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of SWG Holdings (2005) Pty Ltd. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 March 2009

11. Acquisition of businesses (continued)

The acquired business contributed revenues of \$84,056 thousand and net profit of \$3,029 thousand to the Group for the period from 4 July 2008 to 31 March 2009.

It is impracticable to determine what the revenue and profit for the Group would have been had the acquisition occurred on 1 April 2008.

12. Discontinued operations

(a) On 1 July 2008, the Group disposed of Barry Bros Specialised Services Pty Limited which represented the Group's Industrial Services business segment.

	2009 \$'000	2008 \$'000
Profit for the year from discontinued operations		
(Loss)/profit of the company for the year	(144)	1,160
Gain on disposal of the company	1,311	-
	<u>1,167</u>	<u>1,160</u>
The following were the results of the company for the year:		
Revenue	11,204	39,746
Other income	60	39
Raw materials and consumables used	(848)	(2,413)
Employee benefits expenses	(4,898)	(18,162)
Sub-contractor expenses	(904)	(2,926)
Depreciation and amortisation expense	(1,098)	(4,251)
Finance costs	(299)	(1,253)
Equipment and motor vehicle costs	(2,271)	(5,613)
Information technology and telecommunications costs	(123)	(333)
Other expenses	(284)	(3,086)
Operating profit before tax	539	1,748
Fair value adjustments on sale	(735)	-
(Loss)/profit before income tax	(196)	1,748
Income tax benefit/(expense)	52	(588)
(Loss)/profit after tax	<u>(144)</u>	<u>1,160</u>
Cash flows from discontinued operations		
Net cash flows from operating activities	2,456	5,561
Net cash flows from investing activities (2009 includes an inflow of \$10,246 thousand from the disposal of the company)	8,131	(2,083)
Net cash flows from financing activities	(690)	(3,325)
Net cash flows	<u>9,897</u>	<u>153</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 March 2009

12. Discontinued operations (continued)

The carrying amounts of assets and liabilities as at the date of disposal (1 July 2008) and 31 March 2008 are as follows:

	2009 \$'000	2008 \$'000
Cash and cash equivalents	-	169
Trade and other receivables	8,536	5,337
Inventories	31	88
Other assets	410	760
Property, plant and equipment	21,338	20,861
Deferred tax assets	538	393
Total assets	30,853	27,608
Trade and other payables	(5,823)	(2,621)
Borrowings	(15,097)	(15,395)
Provisions	(1,178)	(1,024)
Total liabilities	(22,098)	(19,040)
Net assets	8,755	8,568
Consideration received: Cash and cash equivalents	10,066	-
Carrying amount of net assets sold	(8,755)	-
Gain on disposal	1,311	-
Income tax expense	-	-
Gain on disposal after tax	1,311	-
Net cash inflow on disposal:		
Cash and cash equivalents consideration	10,066	-
Add bank overdraft balance disposed of	180	-
	10,246	-

(b) An amount of \$4,000 thousand, which was receivable at 31 March 2008 following the sale of a subsidiary, was received in the year ended 31 March 2009.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 March 2009

13. Note to the cash flow statement

Reconciliation of profit for the year to net cash flows from operating activities

	2009 \$'000	2008 \$'000
Profit for the year	28,072	28,422
Gain on sale of non-current assets	(1,428)	(238)
Gain on disposal of business (note 12)	(1,311)	(2,128)
Gain on disposal of investments	(20)	-
Depreciation and amortisation of non-current assets	17,393	18,297
Interest income received and receivable	(906)	(834)
Equity settled share-based payment	940	502
Increase in net current tax asset	(3,284)	(1,974)
Increase/(decrease) in deferred tax balances	1,939	(596)
Changes in net assets and liabilities, net of effects of acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Current receivables	28,763	(46,757)
Current inventories	(1,001)	(12,519)
Other current assets	794	1,697
Non-current receivables	(14,250)	(2,597)
Non-current inventories	(265)	2,922
Other non-current assets	(410)	-
Increase/(decrease) in liabilities:		
Current payables	7,972	39,149
Current provisions	(2,340)	3,929
Other current liabilities	(5,209)	-
Non-current provisions	551	541
Net cash from operating activities	<u>56,000</u>	<u>27,816</u>

14. Subsequent events

The consolidated entity sought an early renewal of its current senior debt facility, originally due for renewal in May 2010. Following the completion of negotiations with the banks, the consolidated entity has reached agreement with its banks for the extension of its current facility to May 2012, subject to completion of legal documentation.

Apart from the above, there has not been any matter or circumstance that has arisen since the end of the year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

15. Other information

Information on audit

This report is based on financial statements which are in the process of being audited.