

ASX Release

Wednesday 27 May 2009

Company Announcements Office
ASX Limited
Exchange Centre
Level 4
20 Bridge Street
Sydney NSW 2000

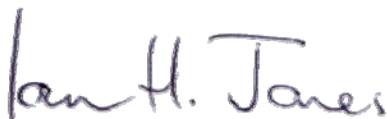
Dear Sir,

INVESTOR PRESENTATION - FY09 RESULTS & CAPITAL MANAGEMENT UPDATE

Please find attached the slides for the Investor Presentation to be given later today by Mr. Chris Sutherland, Programmed Group's Managing Director, to fund managers and broker analysts in Sydney.

Yours sincerely,

PROGRAMMED MAINTENANCE SERVICES LIMITED



Ian H. Jones
Company Secretary




PROGRAMMED
Group

FY09 Results Presentation and Capital Management Update

PRESENTED BY Chris Sutherland
Managing Director

27 May 2009

Important Notice & Disclaimer



The information contained in this presentation is for information purposes only and does not constitute an offer to issue or arrange to issue, securities or other financial products. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. This presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Programmed Maintenance Services Limited, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied, is given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, projections, prospects or returns contained in this presentation. Such forecasts, projections, prospects or returns are by their nature subject to significant uncertainties and contingencies.

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.

This presentation should be read in conjunction with the Announcements issued to the ASX since the 2008 Annual Report.

Agenda



- ▲ Summary
- ▲ Group Financial Results
- ▲ Divisional Results
- ▲ Capital Management
- ▲ Outlook
- ▲ Appendix

FY09 Review Summary

- ▲ Revenue up 32% to \$1,229.5m
- ▲ EBITA up 22% to \$70.2m before Spotless defence costs of \$3.5m and restructuring costs of \$3.4m
- ▲ Profit after tax of \$28.1m after Spotless defence and restructuring costs noted above, (FY08 \$28.4m)
- ▲ Earnings per share (pre-amortisation) of 33.1 cents, down 9%
- ▲ Gross operating cashflow up 44% to \$82.4m
- ▲ Net debt reduced by \$54m from \$231m (FY08) to \$177m (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

Group Results

	Year Ended 31 March 2009 ¹ \$m	Year Ended 31 March 2008 ² \$m	% 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 ³	(12.1)	(9.7)	25%
Profit after Tax	28.1	28.4	(1%)
Profit after Tax (pre amort'n)	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%

Note 1 FY09 results include 9 months' contribution from SWG and 3 months' contribution from Industrial Services (Barry Bros.).

Note 2 FY2008 results include 10 months' contribution from Workforce and Marine divisions.

Note 3 The income tax expense for 2008 includes a tax benefit of \$1.790m arising from the reduction in New Zealand corporate tax rate.

Group Cashflows

	Year Ended 31 March 2009 \$m	Year Ended 31 March 2008 \$m	% change
Gross Operating Cashflows	82.4	57.1	44%
<i>Gross Op. Cashflow as a % of EBITDA</i>	<i>107%</i>	<i>79%</i>	<i>36%</i>
Interest paid	(15.7)	(17.1)	(8%)
Income tax paid	(10.7)	(12.2)	(12%)
Net Operating Cashflows	56.0	27.8	101%
Net purchases of plant & equipment	(6.9)	(9.3)	(27%)
Payments for businesses	(1.3)	(127.9)	
Proceeds from sale of businesses	14.2	0.0	
Other Investing Cashflows	2.0	0.1	
Net Investing Cashflows	8.1	(137.1)	
Net borrowings/(repayments)	(12.1)	127.9	
Dividends paid	(16.6)	(17.6)	
Net Financing Cashflows	(28.6)	110.3	
Net Increase in Cash	35.5	1.0	
Cash at beginning of the year	0.6	(0.4)	
Cash at end of the year	36.1	0.6	

Balance Sheet

	31 March 2009 \$m	31 March 2008 \$m	% change
Cash	38.2	4.2	807%
Trade and other receivables	157.5	180.5	(13%)
Contract recoverables & work in progress	212.0	198.1	7%
Property, plant & equipment	34.8	51.9	(33%)
Goodwill & other intangible assets	233.7	215.0	9%
Other assets	60.4	43.3	40%
TOTAL ASSETS	736.6	693.0	6%
Trade and other payables	130.3	122.1	7%
Borrowings	215.5	235.3	(8%)
Provisions & other liabilities	106.5	80.7	32%
TOTAL LIABILITIES	452.2	438.1	3%
TOTAL EQUITY	284.4	254.8	12%
Net Debt	177.2	231.1	(23%)
Net Debt / Equity	62%	91%	(31%)

Debt Facilities

	31 March 2009 \$m	31 March 2008 \$m
Cash	(38.2)	(4.2)
Borrowings - unsecured		
- Bank overdrafts	0.0	1.6
- Bank loans	191.5	193.9
Borrowings - secured		
- Bank overdrafts	2.0	2.1
- Bank loans	7.2	7.2
- Finance lease liabilities	14.7	30.6
NET DEBT	177.2	231.1

Divisional Revenue

	Year Ended 31 March 2009 ¹ \$m	Year Ended 31 March 2008 ² \$m	% change
CONTINUING OPERATIONS			
Property Services	295.1	267.1	10%
Facilities Management ³	189.9	132.1	44%
Workforce	431.6	324.2	33%
<i>Full Year comparative</i>		395.8	9%
Marine	214.1	169.0	27%
<i>Full Year comparative</i>		205.2	4%
Sub-Total Organic Growth	1,130.6	892.3	27%
<i>Full Year comparative</i>		1,000.2	13%
Engineering Services	84.1	0.0	N/A
Sub-Total Continuing Operations	1,214.6	892.3	36%
DISCONTINUED OPERATIONS			
Industrial Services (Barry Bros.)	11.2	39.6	N/A
OTHER REVENUE	3.7	1.9	99%
TOTAL CONSOLIDATED REVENUE	1,229.5	933.8	32%

Note 1 The FY09 revenues include 9 months' contribution from SWG and 3 months' contribution from Barry Bros.

Note 2 The FY08 revenues include 10 months' contribution from Workforce and Marine divisions.

Note 3 The FY08 revenue for the Facilities Management division has been restated for the change in accounting policy for cost reimbursable contracts.

Divisional EBITA

	Year Ended 31 March 2009 ¹ \$m	Year Ended 31 March 2008 ² \$m	% change
CONTINUING OPERATIONS			
Property Services	33.2	31.4	6%
Facilities Management	4.9	3.1	59%
Workforce	12.7	10.2	24%
<i>Full Year comparative</i>		12.3	3%
Marine	20.6	13.4	54%
<i>Full Year comparative</i>		15.8	30%
Sub-Total Organic Growth	71.4	58.1	23%
<i>Full Year comparative</i>		62.6	14%
SWG	4.3	0.0	N/A
Unallocated costs	(6.9)	(4.1)	69%
Sub-Total Continuing Operations	68.8	54.0	27%
DISCONTINUED OPERATIONS			
Industrial Services (Barry Bros.)	0.8	3.5	N/A
Unallocated	0.6	0.0	N/A
TOTAL CONSOLIDATED EBITA	70.2	57.5	22%

Note 1 The FY09 divisional results include 9 months' contribution from SWG and 3 months' contribution from Barry Bros, and exclude \$3.503m in Spotless defence costs & \$3.411m in restructuring costs.

Note 2 The FY08 divisional results include 10 months' contribution from Workforce and Marine divisions.

Successful Renewal of Debt

- ▲ Bank debt renewed early & successfully extended to May 2012
- ▲ \$195m senior debt facility (from \$175m) with corresponding reduction in separate working capital facility (from \$35m to \$15m)
- ▲ Secured basis (previous debt was unsecured)
- ▲ Debt amortisation of \$15m per year
- ▲ Interest = BBSY plus 2.7% to 3.4% margin (varies depending upon gearing ratio)
- ▲ Covenants:
 - Interest Cover Ratio (>2.75x in FY10 and >3.0x in FY11 and FY12)
 - Gearing Ratio (<3.25 in FY10, <3.0 in FY11 and <2.75 in FY12)

Capital Management

- ▲ Temporary dividend reduction strategy to further reduce debt
- ▲ Targeted net debt/equity of 40% in 2011
- ▲ 30% payout ratio for dividends attributable to earnings until 30 Sept. 2010
- ▲ Current intention to increase payout ratio to 50% post 30 Sept. 2010 earnings
- ▲ FY09 Final Dividend declared of 5c per share, fully franked (10.5c FY08 final dividend)
- ▲ Maintenance of DRP expected to continue for dividends attributable to earnings until Sept. 2010
- ▲ Sale of two Victorian properties – expected value of \$5m+

Illustration of Relative Change in Debt Profile

	Actual Mar 2008	Actual Mar 2009	Illustrative Mar 2010	Illustrative Mar 2011
NET DEBT*				
<i>Before Capital Initiatives**</i>	\$231m	\$177m	\$171m	\$168m
<i>After Capital Initiatives***</i>	\$231m	\$177m	\$154m	\$136m
NET DEBT/EQUITY				
<i>Before Capital Initiatives**</i>	91%	62%	58%	54%
<i>After Capital Initiatives***</i>	91%	62%	50%	40%

* Net Debt includes the banking facilities and the finance leases.

** Assuming for the following two years:

- (a) maintaining at least the current profit after tax;
- (b) maintaining a dividend payout ratio exceeding 50%;
- (c) no further activation of the dividend reinvestment plan; and
- (d) no property sales.

*** Assuming for the following two years:

- (a) maintaining at least the current profit after tax;
- (b) maintaining a reduced dividend payout ratio of 30%;
- (c) maintenance of the current participation rate in the dividend reinvestment plan; and
- (d) the sale of two Victorian properties.

IMPORTANT DISCLAIMER

The above table is provided to illustrate how Programmed's targeted 40% net debt/equity may be achieved. Any forward looking statement is, by its nature, subject to significant uncertainties, contingencies and assumptions. Programmed's actual performance and net debt/equity position may differ materially and be affected by many matters, such as actual revenues, earnings, working capital needs, capital expenditures and interest rates. The above table should only be used as an indication of the relative change in balance sheet that may result from the above capital management initiatives, assuming no other change to current business markets, operations and practices (eg margins, working capital, capital expenditure, etc). No representation or warranty, express or implied, is given to the accuracy, completeness, likelihood of achievement or reasonableness of any illustration contained within this announcement.

Outlook



While the company has seen the impact of the slowing economy on some clients in sectors such as transportation and non-oil/gas resources, demand for Programmed's services in other sectors such as oil/gas, food retail, education and government is continuing to grow.

Programmed's FY09 result demonstrates the overall resilience of the group's earnings despite significant changes in economic conditions during the second half of FY09. This resilience, based on the diversity of the group's services and markets and its significant volumes of work under long term contracts, is expected to continue.



Appendix

Vision

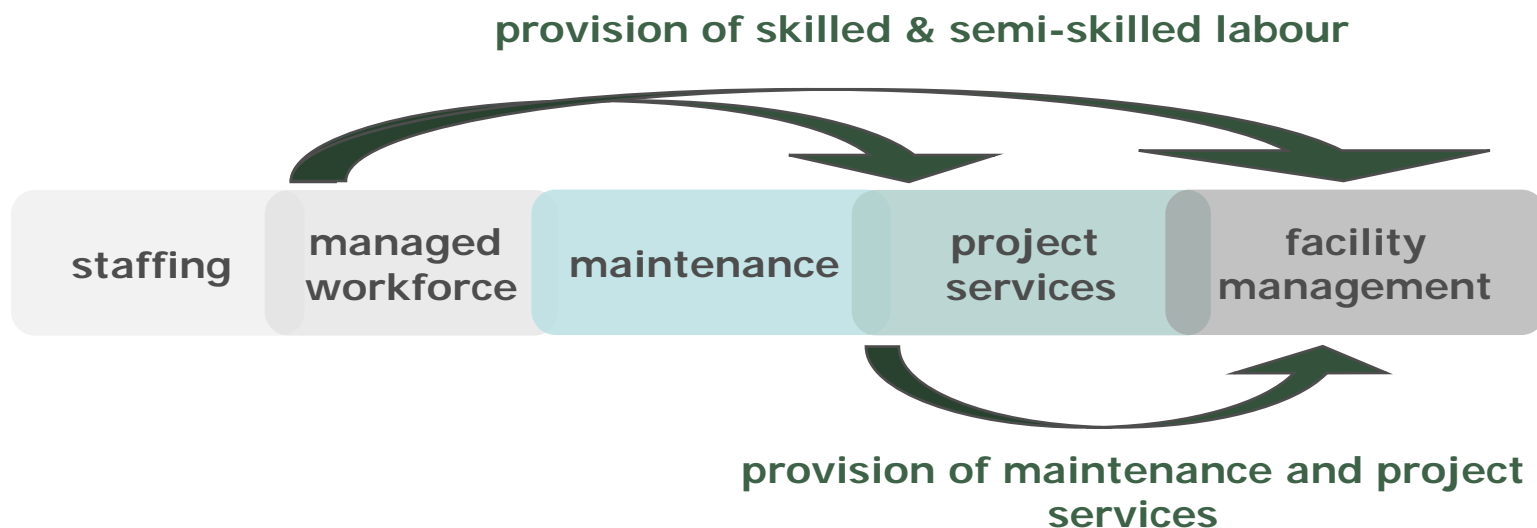


Our Vision

To be the leading provider of
staffing, maintenance and project services

Business Model

Our business model evolves around ability to recruit, retain and deploy a skilled workforce



Structure



Property Services

Facility Management

Workforce

Marine Services

Engineering Services



People

Customers

ICT

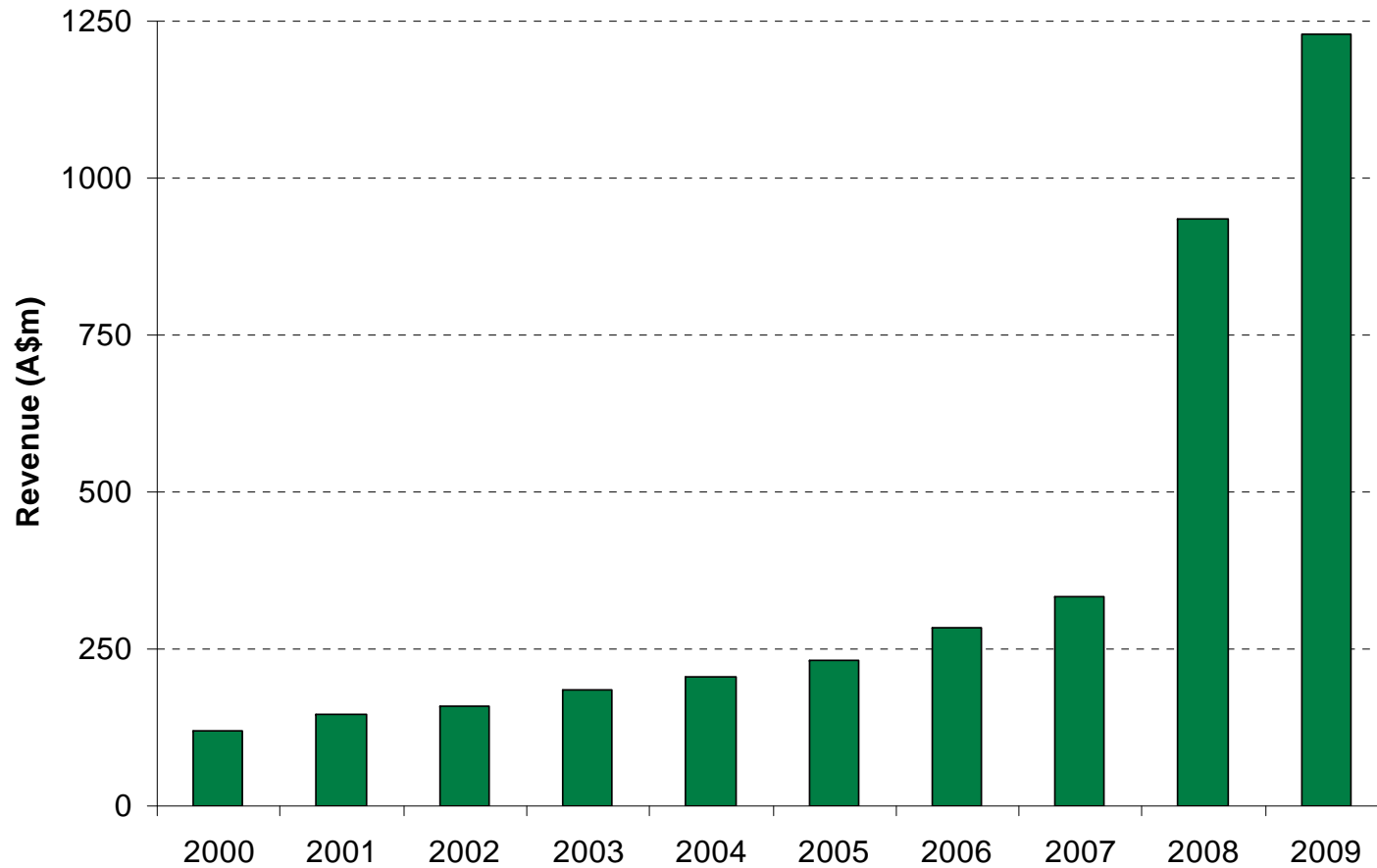
Payroll

Insurance

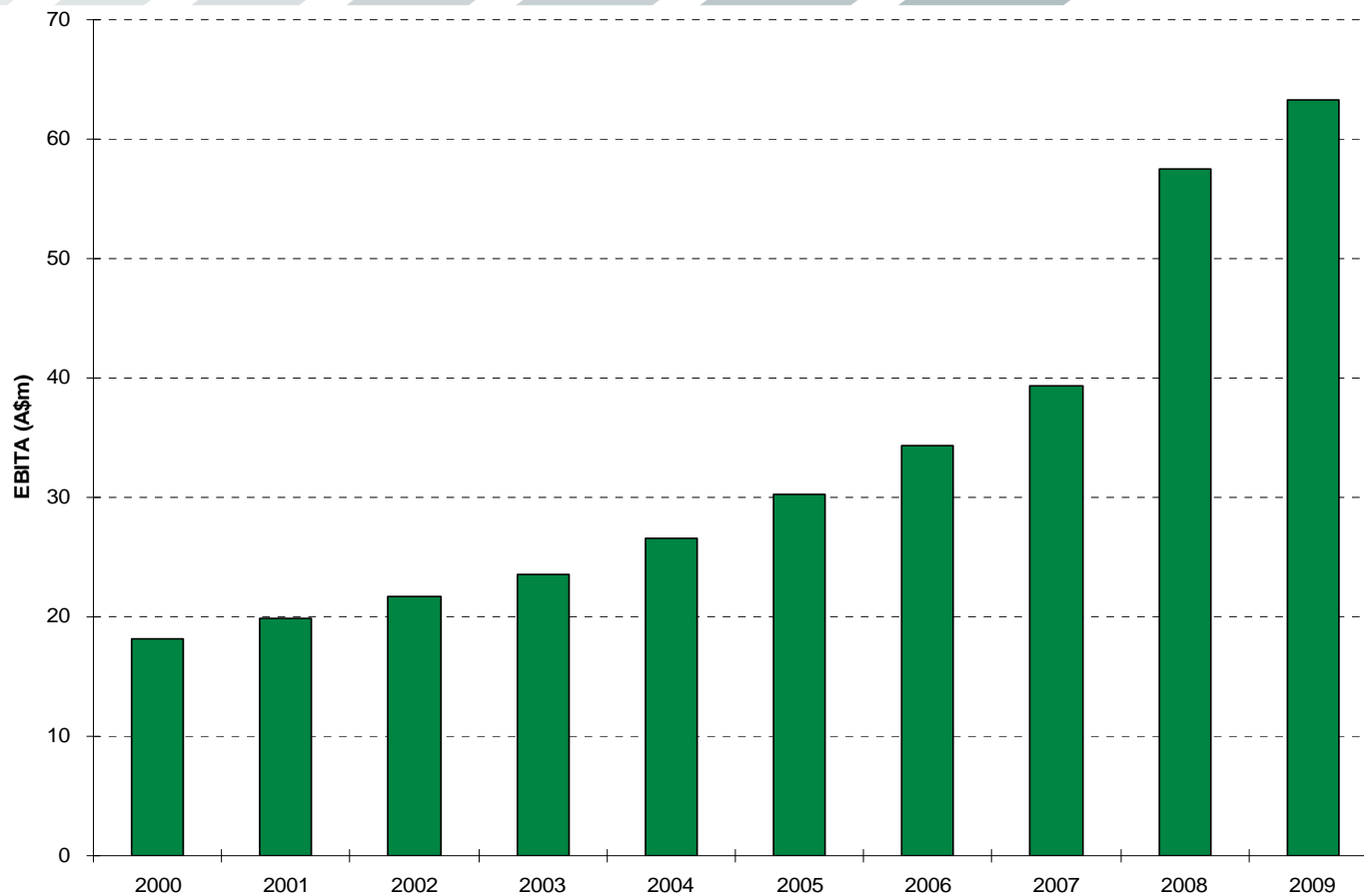
Property



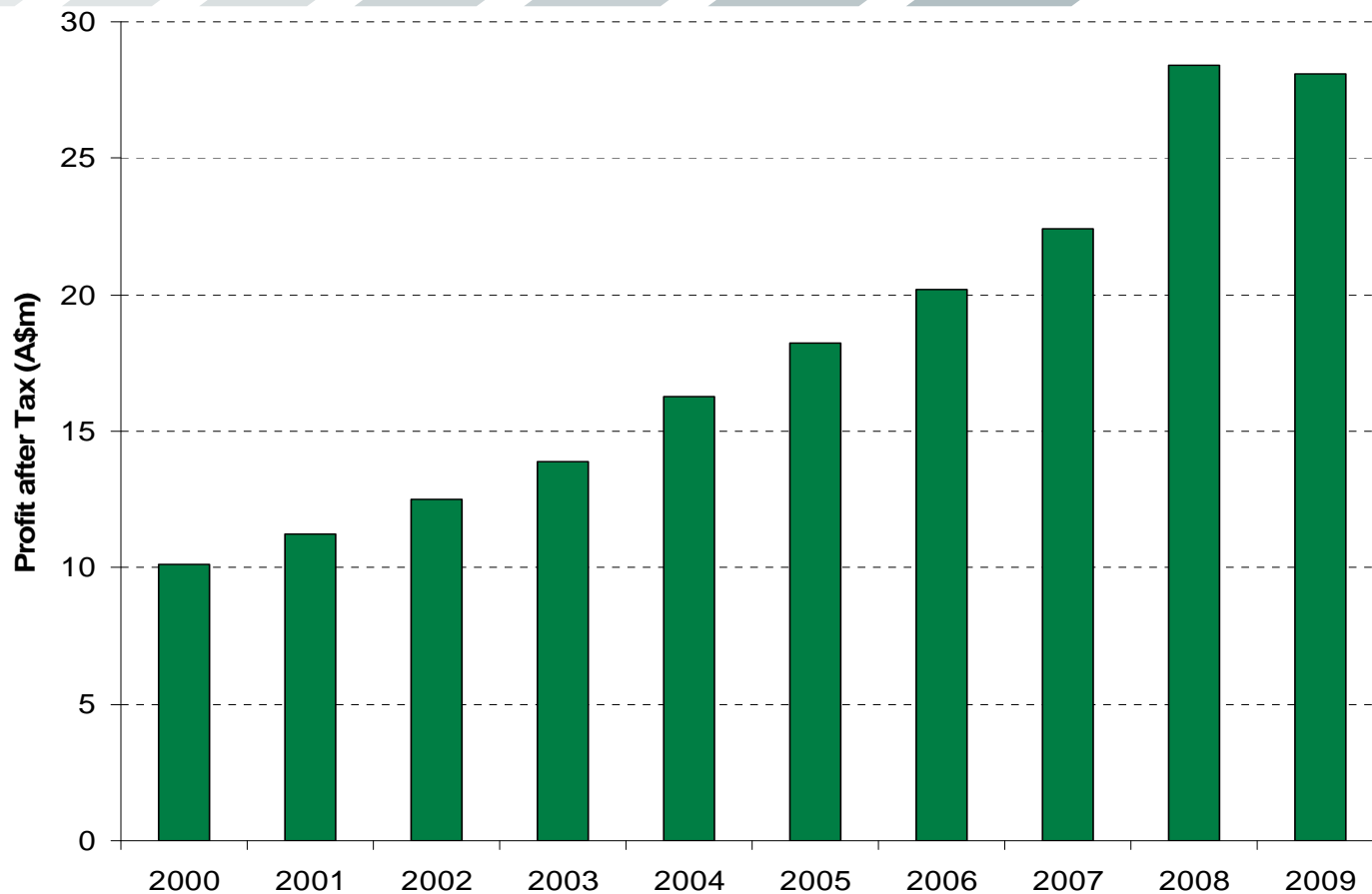
Revenue – 10 years



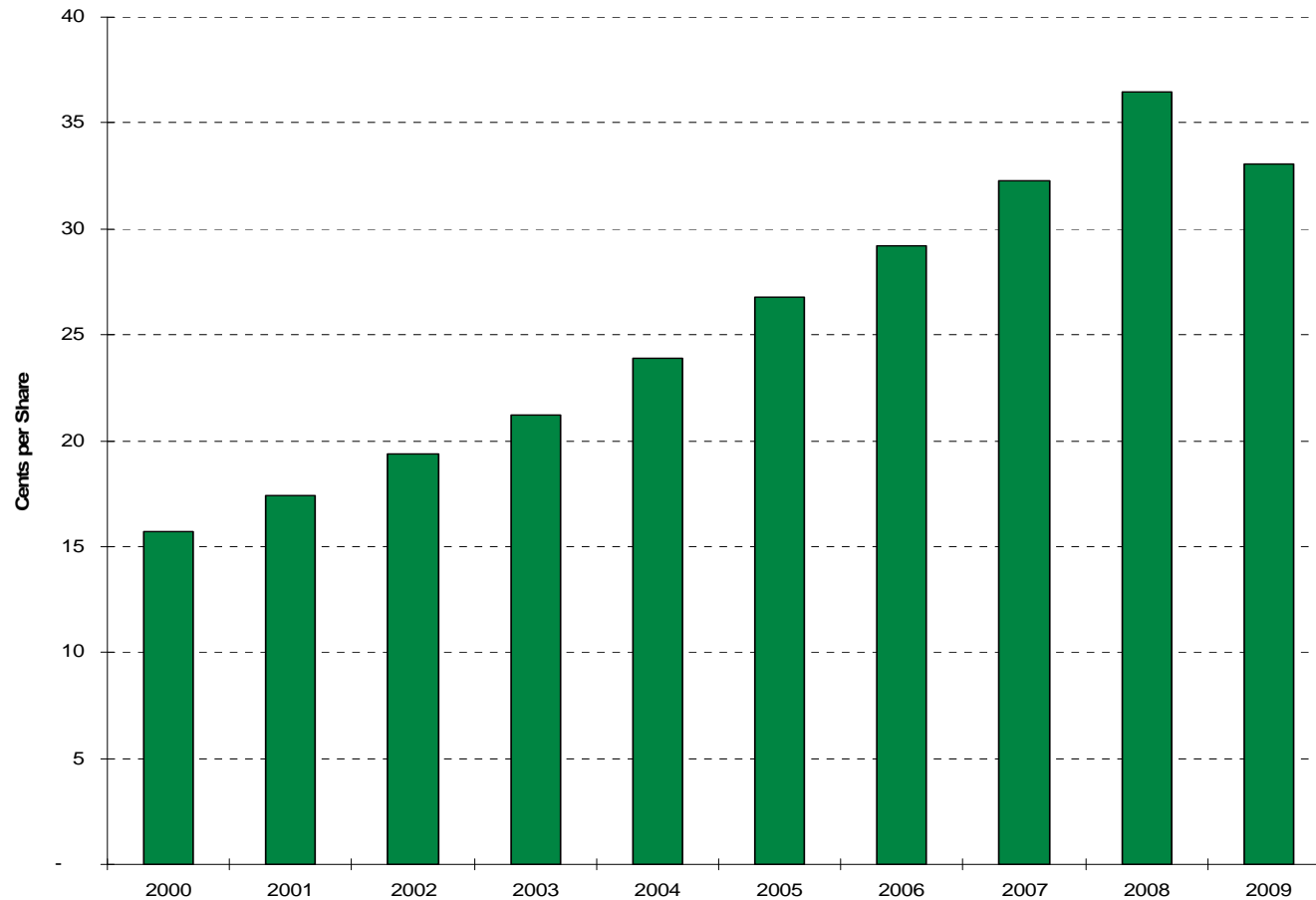
EBITA – 10 years



Profit after Tax – 10 years

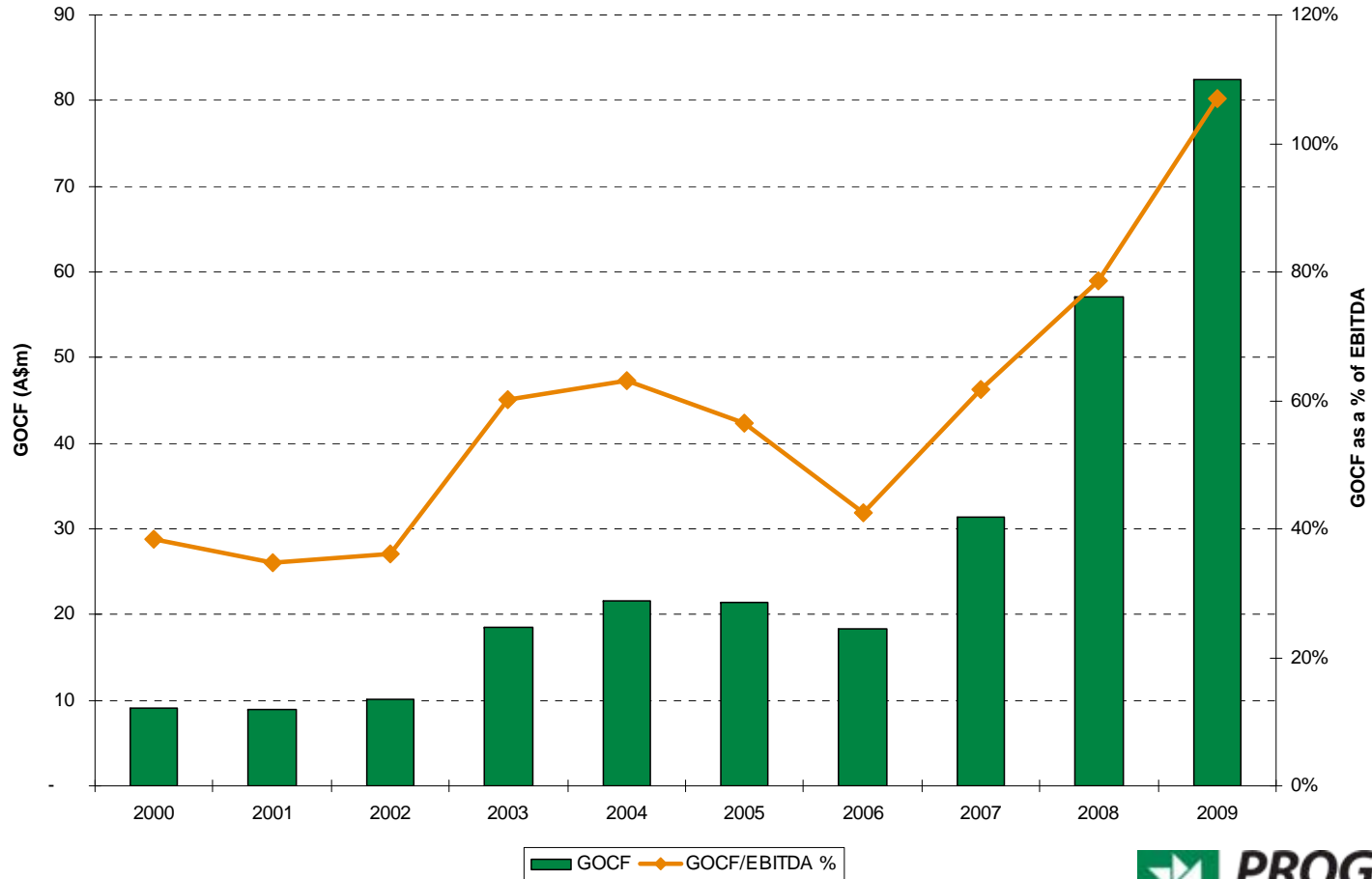


Earnings per share – 10 years



Note – Earnings per share is shown before amortisation of identifiable intangibles

Gross Operating Cashflows (GOCF)



Net Debt & Net Debt/Equity

