



**PROGRAMMED
MAINTENANCE
SERVICES**

**PEOPLE
TAKING CARE
OF PROPERTY**

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ASX Announcement

23 November 2005

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

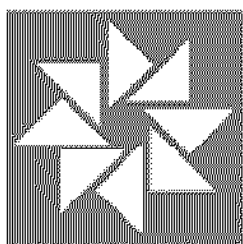
Dear Sir,

MEDIA RELEASE

Please find attached a copy of the Media Release announcing the results for the half year ended 30th September 2005.

Yours sincerely,
PROGRAMMED MAINTENANCE SERVICES LIMITED

Ian H. Jones
Secretary



**PROGRAMMED
MAINTENANCE
SERVICES**

ASX/media release

23 November 2005

First half profit up 8%

Interim dividend up 15% and fully franked

Programmed Maintenance Services Limited, one of Australia's leading property maintenance and infrastructure services group, today announced a record \$7.2 million profit after tax for the six months to 30 September 2005. This represents a 7.7 per cent increase over the first half of 2004/5. Revenue increased by 16.6 per cent to \$127.8 million; and earnings before interest and tax increased by 10.9 per cent to \$12.5 million, compared with an increase of 8.8 per cent in the previous corresponding period.

The directors have declared an increased interim dividend of 7.5 cents per share fully franked, payable on 25 January 2006 to shareholders on the register at 12 January. This compares with an interim dividend of 6.5 cents franked to 60 per cent in 2004/5. The dividend reinvestment plan remains suspended.

Results summary for the six months ended	30 Sept 05 A\$m	30 Sept 04* A\$m	% increase
Revenue	127.8	109.6	16.6
Earnings before interest, tax, depreciation and amortisation	16.8	15.1	11.6
Earnings before interest and tax	12.5	11.3	10.9
Profit before tax	10.6	9.8	7.8
Income tax expense	3.4	3.1	8.2
Profit after tax	7.2	6.7	7.7
Earnings per share (cents)	10.4	9.6	7.7
Interim dividend (cents)	7.5	6.5	15.4
Franking (%)	100	60	66.7

* From 1 April 2005, Programmed Maintenance Services Limited is required to comply with Australian equivalents to International Financial Reporting Standards (A-IFRS). This is the first half-year report to be prepared under A-IFRS, and comparative information has been restated under A-IFRS.

'This result, Programmed Maintenance Services' seventh consecutive increase in first half profit, demonstrates the success of our strategy to build a broad, international property services group on the foundation of our Australian maintenance painting business,' said Mr

Max Findlay, managing director. 'For the first time, more than 50 per cent of our Australian revenue came from services other than painting.

'We have continued to expand our range of services with the acquisition of Tungsten Group, which was completed on 10 October. Tungsten assists industrial, commercial and government customers throughout Australia and New Zealand with a wide range of resources and activities that are non-core to their day-to-day operations. These activities complement those of our building services and Infrserv divisions and strengthen our position in the facilities maintenance market. Tungsten's net revenue and earnings before interest and tax for the year to 31 December 2005 are expected to exceed \$15 million and \$2 million respectively.

'Our industrial services business had a strong half year; and our overseas businesses also performed well, with good earnings increases in both New Zealand and the United Kingdom.

'Pleasingly, the group's average margin remained in line with that for the first half of 2004/5, in spite of the fact that margins on some of our new services tend to be lower than on traditional maintenance painting programmes.

'We are delighted we are able to fully frank the interim dividend and expect the final dividend to be fully franked too. This reflects our strategy of diversifying our operations, with a lower proportion of Australian revenue and earnings coming from maintenance painting programmes.'

Outlook

'The group's revenue is continuing to increase and we currently expect net profit after tax for the full year to 31 March 2006 to be between 8 per cent and 11 per cent above the \$18.1 million achieved in 2004/5. As in previous years, we will have a better indication of our second half performance after the busy Christmas holiday period,' said Mr Findlay.

AUSTRALIA

Property maintenance

Results for the six months ended	30 Sept 05 A\$m	30 Sept 04 A\$m	% increase
Revenue	85.9	74.7	15.0
Earnings before interest and tax	5.8	6.6	(11.6)

The Australian property maintenance business continued to increase its revenue, with non-painting services contributing 42 per cent of the total. Earnings, however, were constrained through lower margins and more subdued demand in the painting division as well as the loss in 2004/5 of the building services division's New South Wales schools contract. Business development resources have been strengthened to counter increased competition, especially in painting.

The painting division is taking steps to reduce fixed costs and to upgrade its products to improve its competitive position. Greater focus is also being placed on customer service, with the sales team playing an increased role in project delivery.

The building services division has made significant progress with winning new business to replace the New South Wales schools contract; and its 2006/7 earnings are expected to at least equal its earnings in 2004/5. The division now has a broader range of customers,

including commercial and government organisations, retirement villages and religious orders, with services ranging from building audits to refurbishment.

The grounds management division continued to perform well, especially in Victoria, and achieved significant growth in both revenue and earnings. The division expanded its customer base and began to introduce landscaping services nationally, following their success in Victoria.

The Infrserv division also performed well, with all its six contracts exceeding expectations. Infrserv, which provides infrastructure services through strategic alliances that share the benefits of performance improvements with the customer, has a pipeline of prospects which are expected to lead to further growth.

Following the acquisition of Tungsten Group, more than 50 per cent of Australian property maintenance revenue is now expected to come from non-painting services.

Industrial services

Results for the six months ended	30 Sept 05 A\$m	30 Sept 04 A\$m	% increase
Revenue	14.4	9.6	50.3
Earnings before interest and tax	1.4	0.5	202.3

The industrial services business, which trades as Barry Bros. Specialised Services, continued to grow strongly, with a significant increase in average margin. Depreciation was higher as a result of investment during the second half of 2004/5 in new water recycling equipment and non-destructive digging and water cleaning/vacuum units, which were fully utilised.

Barry Bros. plans to continue to invest in new equipment to take advantage of growing market demand. Rationalisation in its markets also provides opportunities for further growth.

NEW ZEALAND

Results for the six months ended	30 Sept 05 A\$m	30 Sept 04 A\$m	% increase
Revenue	15.2	13.3	14.1
Earnings before interest and tax	3.8	3.4	12.2

The New Zealand property maintenance business continued to perform well, with a robust second quarter more than compensating for a subdued start to the year. The order book is strong and, subject to the weather, further revenue and earnings growth are expected in the second half.

UNITED KINGDOM

Results for the six months ended	30 Sept 05 A\$m	30 Sept 04 A\$m	% change
Revenue	12.3	12.0	1.9
Earnings before interest and tax *	1.4	0.8	75.6

** Earnings are after deduction of UK head office costs*

The company's UK business, Whittle Painting Group, increased its earnings by 96 per cent in pounds sterling, reflecting a higher proportion of revenue from maintenance programmes.

Maintenance programmes, which are unique in the UK market and usually carry higher margins than one-off painting jobs, provided 25 per cent of revenue, compared with 18 per cent in the previous year. More than 260 programmes have been contracted so far, with the majority in the education sector and a total contract value exceeding A\$20 million; and growth is expected to follow the pattern of the New Zealand business.

Whittle currently has six branches covering the north-east, midlands and west of England. Four additional branches are planned during the next 12 months to broaden geographic coverage to the south and east.

OCCUPATIONAL HEALTH AND SAFETY

The company continued to invest in occupational health and safety and introduced a new campaign with the goal of achieving 'zero harm' throughout the workforce. The lost time injury frequency rate during the half-year was 48 per cent lower than in the previous corresponding period, with most injured employees returning to work after one day.

CASH FLOW AND BALANCE SHEET

Gross operating cash flow increased by 19 per cent to \$15.0 million, representing the growing proportion of group revenue from non-painting services. After higher Australian tax and interest payments, net operating cash flow was \$8.8 million, an increase of 14 per cent over the previous corresponding period.

Net debt was higher at \$50.4 million (42 per cent of equity) compared with \$47.2 million (40 per cent of equity) at 31 March 2005, due to higher borrowings to fund the growth in United Kingdom programmes and the purchase of plant and equipment by the industrial services business.

The total value of contract recoverables and work in progress at 30 September 2005 was \$173.2 million, an increase of 7.4 per cent higher over 31 March 2005. Contract recoverables in the United Kingdom rose by 32 per cent, due to the solid growth in programme sales, while contract recoverables in Australia and New Zealand grew by 6 per cent and 8 per cent respectively.

Net tangible assets per share at 30 September 2005 were \$1.62, compared with \$1.60 at 31 March 2005.

Programmed Maintenance Services, founded in 1951, provides a growing range of property maintenance services to commercial, industrial and institutional property owners. It operates the largest contract painting businesses in Australia and New Zealand, an expanding contract painting business in the United Kingdom, one of Australia's three largest grounds management businesses, building services businesses in Australia and New Zealand, an industrial services business in Australia, and facility maintenance services in Australia and New Zealand. The company maintains 60,000 buildings for over 5,000 customers (less than ten provide more than 1 per cent of total revenue individually), and has 50 branches throughout Australia, New Zealand and the United Kingdom. Programmed Maintenance Services is listed on the Australian Stock Exchange and has a market capitalisation of \$225 million.

For further information contact:

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