

**PROGRAMMED  
MAINTENANCE  
SERVICES**

**PEOPLE  
TAKING CARE  
OF PROPERTY**

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## ASX Announcement

29 November 2006

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

Dear Sir,

### APPENDIX 4D – HALF YEAR REPORT

Please find attached a copy of the Appendix 4D – Half Year Report announcing the results for the half year ended 30<sup>th</sup> September 2006.

Yours sincerely,  
PROGRAMMED MAINTENANCE SERVICES LIMITED

Ian H. Jones  
Secretary

# Appendix 4D

## Programmed Maintenance Services Limited

ABN 61 054 742 264

### Half year report

#### Half Year ended 30 September 2006

Current reporting period - Half year ended 30 September 2006

Previous corresponding period - Half year ended 30 September 2005

#### Results for announcement to the market

				AS'000
Total revenues	up	22.3 %	to	156,266
Profit from continuing operations after tax attributable to members	up	8.2 %	to	7,813
Profit for the period attributable to members	<b>up</b>	<b>8.2%</b>	<b>to</b>	<b>7,813</b>
<b>Dividends</b>		Amount per security	Franked amount per security	
Interim dividend		8.5 ¢	8.5 ¢	
Previous corresponding period		7.5 ¢	7.5 ¢	
Record date for determining entitlements to the dividend (payment date of 25 January 2007)		10 January 2007		

## Appendix 4D

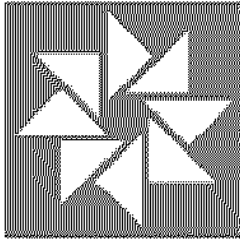
**Programmed Maintenance Services Limited**  
**ABN 61 054 742 264**

**Half year report**  
**Half Year ended 30 September 2006**

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This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2006 and any public announcements made by Programmed Maintenance Services Limited during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the Australian Stock Exchange.



**PROGRAMMED  
MAINTENANCE  
SERVICES**

## RESULTS COMMENTARY

**First half profit up 8%**

**Interim dividend up 13%**

Programmed Maintenance Services Limited, one of Australia's leading property maintenance and infrastructure services groups, today announced a record \$7.8 million profit after tax for the six months to 30 September 2006. This represents an 8.2 per cent increase over the first half of 2005/6. Revenue increased by 22.3 per cent to \$156.3 million; and earnings before interest and tax increased by 15.7 per cent to \$14.5 million, compared with an increase of 10.9 per cent in the previous corresponding period.

The directors have declared an increased interim dividend of 8.5 cents per share fully franked, payable on 25 January 2007 to shareholders on the register at 10 January. This compares with an interim dividend of 7.5 cents fully franked in 2005/6. The final dividend, payable in July 2007, is also likely to be fully franked. The dividend reinvestment plan remains suspended.

Results summary for the six months ended	30 Sept 06 A\$m	30 Sept 05 A\$m	% increase
Revenue	156.3	127.8	22.3
Earnings before interest, tax, depreciation and amortisation	20.0	16.8	18.9
Earnings before interest and tax	14.5	12.5	15.7
Profit before tax	11.5	10.6	8.3
Income tax expense	3.7	3.4	8.4
<b>Profit after tax</b>	<b>7.8</b>	<b>7.2</b>	<b>8.2</b>
Earnings per share (cents)	11.0	10.2	7.8
Interim dividend (cents)	8.5	7.5	13.3
Franking (%)	100	100	-

'We are very pleased with this result – our eighth consecutive increase in first half revenue and profit, demonstrating the continuing growth potential of our business model,' said Mr. Max Findlay, managing director. 'We are also delighted that Programmed Maintenance Services is one of 27 Australian

companies included in Forbes Asia's list of the region's best 200 companies with sales under US\$1 billion, based on their records of sustained growth and profitability.

'This half year, for the first time, more than 50 per cent of total revenue came from services other than painting, reflecting the success of our strategy to broaden the company's operations and build a strong, efficient international property services group. The acquisitions of Infrserv in 2004 and Tungsten in 2005 have expanded our expertise and formed the basis of a growing infrastructure and facilities management business. We are also winning an increasing number of multi-trade contracts from customers including the Australian Electoral Commission, Medibank Private and Myer.

'The average EBIT/revenue margin of 9.3 per cent, compared with 9.8 per cent for the first half of 2005/6, is in line with our strategy. This reflects the lower margins from some of our new services where we have invested additional resources in business development to accelerate growth. We are delighted with the improved margin achieved by the Australian painting division, which was anticipated in the full year results announcement in May.

'We have continued to increase investment in human resources programmes in order to attract and retain high quality people and develop their skills. We currently have 150 apprentices across a range of trades, and are offering our tradespeople opportunities to transfer temporarily between Australia and the United Kingdom to take advantage of seasonal variations in demand. An online learning programme, providing low-cost access to training in remote locations, has recently been introduced.

'Safety remains an important consideration throughout our operations, and our "zero harm" campaign resulted in a further 35 per cent decline in lost-time injury statistics.

'Reflecting greater recognition of the company's value, improved dividends and potential by the investment community, our shareholder base increased by 10 per cent to 4,400 during the half year. The company's share price increased from \$3.61 at 31 March 2006 to \$4.17 at 30 September and since then has been over \$4.80.'

## Outlook

'Revenue projections in both Australia and New Zealand are encouraging,' said Mr. Findlay. 'While the busy Christmas holiday period is still ahead of us, we currently expect that the percentage increase in earnings for the year to 31 March 2007 will be at least as high as the 10.5 per cent achieved in 2005/6.'

## AUSTRALIA

### Property maintenance

Results for the six months ended	30 Sept 06 A\$m	30 Sept 05 A\$m	% increase
Revenue	109.4	85.9	27.3
Earnings before interest and tax	7.8	5.8	34.0

The Australian property maintenance business had a successful half year, with strong earnings growth led by the painting division. A positive contribution by Tungsten, acquired in October 2005, compensated for lower earnings by the building services division following the loss of the New South Wales schools contract in 2004/5.

The increase in the painting division's earnings resulted from greater focus on margins, operational initiatives and more effective time management, as anticipated in May. Performance was particularly strong in New South Wales and Victoria; and tradespeople are being seconded from the United Kingdom

to Western Australia, where labour shortages constrained revenue. Corporate imaging revenue and earnings increased, due partly to project management of the Coles supermarkets traffic safety programme, which will be completed in the next few months.

The Infraser and Tungsten divisions are currently being integrated under a single brand, in order to strengthen the company's position and potential in the rapidly growing infrastructure and facilities management sector and to reduce overhead costs. Infraser secured a significant facilities management contract from the Port of Melbourne Corporation and continued to exceed revenue and earnings expectations; while Tungsten's earnings contribution was significantly higher than in the second half of 2005/6.

The grounds management division continued its strong revenue growth, especially in Victoria and South Australia. The division is beginning to benefit from its national presence and Spotless awarded us a significant contract to maintain the grounds at Defence Department bases in south-east Queensland.

### Industrial services

Results for the six months ended	30 Sept 06 A\$m	30 Sept 05 A\$m	% change
Revenue	15.6	14.4	8.5
Earnings before interest and tax	1.1	1.4	(19.5)

The industrial services business, which trades as Barry Bros. Specialised Services, increased its revenue following recent equipment purchases and geographic expansion. Earnings, however, were affected by the drought, especially in New South Wales, and by a significant increase in depreciation as a result of the new equipment. Gross operating cash flow was \$3.6 million, compared with \$2.1 million in the previous corresponding period.

Greater focus is being placed on equipment utilisation, and a stronger second half is expected, helped by a sales campaign to broaden the customer base into new market segments.

### NEW ZEALAND

Results for the six months ended	30 Sept 06	30 Sept 05	% increase
Revenue - A\$m	16.2	15.2	6.7
- NZ\$m	19.3	16.5	17.2
Earnings before interest and tax - A\$m	3.9	3.8	2.5
-NZ\$m	4.7	4.1	12.6

The New Zealand property maintenance business continued to perform strongly, in spite of poor weather delaying completion of some painting projects. In New Zealand dollars, revenue grew by 17 per cent and earnings grew by 13 per cent. Due to the New Zealand currency depreciating against the Australian currency by nearly 10 per cent over the half year, the percentage increases in revenue and earnings when translated into Australian dollars are significantly lower. Contract recoverables, financed out of local cash flow, increased by nearly 10 per cent to NZ\$67 million.

The building services division made a positive contribution, helped by contracts to project manage the refurbishment of a hotel in Dunedin and the construction of a science block for a secondary school in Hamilton.

## UNITED KINGDOM

Results for the six months ended	30 Sept 06 A\$m	30 Sept 05 A\$m	% increase
Revenue	15.1	12.3	23.1
Earnings before interest and tax *	1.6	1.4	11.6
<i>* Earnings are after deduction of UK head office costs</i>			

The UK business, Whittle Painting Group, continued to increase its revenue, but earnings growth was affected by a \$70,000 bad debt. Unlike New Zealand, there was minimal change in the UK exchange rate over the half year.

A further 50 long-term maintenance programmes were signed during the half year, bringing the total to 350 with an overall contract value of \$29.5 million, and contract recoverables, financed through local borrowings, now exceed \$8 million. These programmes are unique in the UK market and are particularly popular in the education sector, which makes up approximately 60 per cent of the number sold to date.

The new branches in Slough, to service customers on the western side of London, and in Cambridge operated profitably. These have brought the number of branches to eight, covering the north-west, south-west and east of England, as well as the Thames valley, and further expansion is under consideration.

## CASH FLOW AND BALANCE SHEET

Gross operating cash flow increased by 23 per cent to \$18.4 million, reflecting the growing proportion of revenue from non-painting services. Net operating cash flow was \$12.0 million, an increase of 36 per cent over the previous corresponding period, with lower income tax payments as a result of the tax losses in Tungsten Group.

Net debt at 30 September 2006 was \$82.7 million (64 per cent of equity), compared with \$74.4 million (59 per cent of equity) at 31 March 2006, due to higher borrowings to fund the purchase of plant and equipment and growth in United Kingdom programmes.

The total value of contract recoverables and work in progress at 30 September 2006 was \$180.1 million, an increase of 2 per cent over 31 March 2006. Contract recoverables in the United Kingdom rose by 20 per cent, due to further growth in programme sales.

Net tangible assets per share at 30 September 2006 were \$1.63, compared with \$1.61 at 31 March 2006.

# PROGRAMMED MAINTENANCE SERVICES LIMITED

## DIRECTORS' REPORT

The Directors of Programmed Maintenance Services Limited submit herewith the financial report for the half year ended 30th September 2006. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

The names of the Directors of the company during or since the end of the half-year are:

Geoffrey Allan Tomlinson, Chairman  
Maxwell John Findlay, Managing Director  
Susan Mary Oliver  
Brian John Pollock

### *Review of Operations*

Consolidated revenue from continuing activities for the half year ended 30<sup>th</sup> September 2005 was \$156,266 thousand, which is 22.3% higher than the corresponding period last year.

For the half-year ended 30<sup>th</sup> September 2006, the consolidated profit before tax amounted to \$11,488 thousand, and after tax \$7,813 thousand, which are respectively 8.3% and 8.2% above the comparable results for the half-year ended 30<sup>th</sup> September 2005.

### *Auditor's independence declaration*

The auditor's independence declaration is included on page 8 of the half year financial report.

### *Rounding Off of Amounts*

The Company is a company of the kind referred to in ASIC Class Order 98/0100 dated 10th July 1998 and in accordance with that Class Order amounts in the Directors' Report and the Financial Report have been rounded off to the nearest thousand dollars.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



M. J. Findlay  
Director

Melbourne, 29 November 2006



The Board of Directors  
Programmed Maintenance Services Limited  
52 Ricketts Road  
Mt Waverley VIC 3149

DX 111  
Tel: +61 (0) 3 9208 7000  
Fax: +61 (0) 3 9208 7001  
www.deloitte.com.au

29 November 2006

Dear Board Members

**Programmed Maintenance Services Limited**

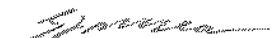
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Programmed Maintenance Services Limited.

As lead audit partner for the review of the financial statements of Programmed Maintenance Services Limited for the financial half-year ended 30 September 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

  
DELOITTE TOUCHE TOHMATSU

  
G J McLean  
Partner  
Chartered Accountants

**Programmed Maintenance Services Limited**  
**Consolidated Income Statement**  
**For The Half Year Ended 30 September 2006**

	Half Year ended 30-Sep-06 <u>\$'000</u>	Half Year ended 30-Sep-05 <u>\$'000</u>
Revenue	156,266	127,753
Other income	386	113
Changes in inventories of finished goods	(187)	(68)
Raw materials and consumables used	(12,665)	(11,052)
Employee benefits expenses	(69,686)	(61,445)
Sub Contractor expenses	(38,001)	(19,708)
Depreciation and amortisation expense	(5,560)	(4,339)
Finance costs	(3,085)	(1,972)
Equipment & motor vehicle costs	(7,776)	(6,954)
Information technology & telecommunications costs	(1,492)	(1,383)
Impairment of non-current assets	-	-
Other expenses	(6,713)	(10,334)
<b>Profit before income tax expense</b>	<b>11,487</b>	<b>10,612</b>
Income tax expense	(3,674)	(3,391)
<b>Profit from continuing operations</b>	<b>7,813</b>	<b>7,221</b>
Profit from discontinued operations	-	-
<b>Profit attributable to members of the parent entity</b>	<b>7,813</b>	<b>7,221</b>
<b>Earnings Per Share:</b>		
Basic (cents per share)	11.0	10.2
Diluted (cents per share)	11.0	10.2

Notes to the financial statements are included on pages 13 to 17.

**Programmed Maintenance Services Limited**  
**Consolidated Balance Sheet**  
**As At 30 September 2006**

	<u>Note</u>	<b>30-Sep-06</b> <b>\$'000</b>	<b>31-Mar-06</b> <b>\$'000</b>
<b>Current Assets</b>			
Cash and cash equivalents		8,986	6,527
Trade and other receivables		126,692	131,313
Inventories		18,208	18,534
Current tax assets		-	459
Other		4,556	3,903
<b>Total Current Assets</b>		<b>158,442</b>	<b>160,736</b>
<b>Non-Current Assets</b>			
Trade and other receivables		93,506	90,417
Inventories		8,306	7,681
Property, plant and equipment		41,496	32,945
Deferred tax assets		4,859	5,666
Goodwill		9,421	9,378
Other intangible assets		2,113	2,297
<b>Total Non-Current Assets</b>		<b>159,701</b>	<b>148,384</b>
<b>Total Assets</b>		<b>318,143</b>	<b>309,120</b>
<b>Current Liabilities</b>			
Trade and Other Payables		34,094	35,970
Borrowings		15,040	11,810
Current tax liabilities		1,846	2,363
Provisions		9,304	10,473
<b>Total Current Liabilities</b>		<b>60,283</b>	<b>60,616</b>
<b>Non-Current Liabilities</b>			
Borrowings		76,630	69,074
Deferred tax liabilities		50,949	51,145
Provisions		2,480	2,241
<b>Total Non-Current Liabilities</b>		<b>130,060</b>	<b>122,460</b>
<b>Total Liabilities</b>		<b>190,343</b>	<b>183,076</b>
<b>Net Assets</b>		<b>127,800</b>	<b>126,044</b>
<b>Equity</b>			
Issued Capital	4	27,290	27,198
Reserves		6,587	5,976
Retained earnings		93,923	92,870
<b>Total Equity</b>		<b>127,800</b>	<b>126,044</b>

Notes to the financial statements are included on pages 13 to 17.

**Programmed Maintenance Services Limited**  
**Consolidated Statement of Recognised Income and Expense**  
**For The Half Year Ended 30 September 2006**

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	Half Year ended 30/09/2006 <u>\$'000</u>	Half Year ended 30/09/2005 <u>\$'000</u>
Translation of foreign operations		
Exchange differences taken to equity	1,016	(177)
Income tax on items taken directly to or transferred from equity	-	-
<b>Net income recognised directly in equity</b>	<b>1,016</b>	<b>(177)</b>
Profit for the period	<u>7,813</u>	<u>7,221</u>
<b>Total recognised income and expense for the period</b>	<b><u>8,829</u></b>	<b><u>7,044</u></b>

Notes to the financial statements are included on pages 13 to 17.

**Programmed Maintenance Services Limited**  
**Consolidated Cash Flow Statement**  
**For The Half Year Ended 30 September 2006**

	Half Year ended 30/09/2006 <u>\$'000</u>	Half Year ended 30/09/2005 <u>\$'000</u>
<b>Cash flows From operating activities</b>		
Receipts from customers	177,155	136,597
Payments to suppliers and employees	(158,715)	(121,561)
Interest and other costs of finance paid	(3,080)	(1,888)
Income Tax Paid	(3,313)	(4,314)
	<hr/>	<hr/>
Net cash provided by operating activities	12,047	8,834
<b>Cash flows From investing activities</b>		
Interest received	117	95
Payment for property, plant and equipment	(3,054)	(2,453)
Proceeds from sale of property, plant and equipment	887	468
Payment for development software	(98)	-
Payment for businesses	(40)	-
	<hr/>	<hr/>
Net cash used in investing activities	(2,188)	(1,890)
<b>Cash flows From financing activities</b>		
Proceeds from borrowings	1,458	-
Repayment of borrowings	(3,308)	(3,369)
Proceeds from issue of equity securities	93	349
Dividends paid	(6,760)	(6,019)
	<hr/>	<hr/>
Net cash used in financing activities	(8,518)	(9,039)
<b>Net decrease in cash and cash equivalents</b>	1,342	(2,095)
<b>Cash and cash equivalents at the beginning of the half year</b>	269	508
Effect of exchange rate changes on the balance of cash held in foreign currencies	(122)	56
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the half year</b>	<u>1,489</u>	<u>(1,531)</u>

Notes to the financial statements are included on pages 13 to 17.

**1 Summary of accounting policies**

**Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half-year financial report does not include notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the most recent annual financial report for the year ended 31 March 2006, together with any public announcements made by Programmed Maintenance Services Limited during the half year ended 30 September 2006 in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the Australian Stock Exchange.

**Basis of preparation**

The condensed 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 directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The consolidated entity changed its accounting policies on 1 April 2005 to comply with Australian equivalents to International Financial Reporting Standards. The transition to A-IFRS was accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 April 2004 as the date of transition. An explanation of how the transition from superceded policies to A-IFRS affected the consolidated entity's financial position, financial performance and cash flows was included in the 2006 annual financial report.

**Significant Accounting Policies**

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the 2006 annual financial report.

**2. Share options**

The company has a share option scheme for directors and senior executives. Each share option upon exercise becomes one fully paid ordinary share in Programmed Maintenance Services Limited. No amounts are paid or payable by the recipients on receipt of the share option.

In accordance with the provisions of the scheme, as approved by shareholders' consent, certain directors, senior executives and employees have been offered and accepted options which can be exercised at various expiry dates up to 29 September 2006. The options are offered at the discretion of the board, with the issue price of an option to equal or exceed the market price of one fully paid ordinary share on the date the option is granted.

	30-Sep-06 No.	30-Sep-05 No.
Balance at beginning of the half year (i)	36,000	193,500
Granted during the half year (ii)	-	-
Exercised during the half year (iii)	(36,000)	(157,500)
Lapsed during the half year (iv)	-	-
Balance at end of the half year (v)	<u>-</u>	<u>36,000</u>

**Programmed Maintenance Services Limited**  
**Notes to the Financial Statements**  
**For The Half Year Ended 30 September 2006**

**2 Share options (continued)**

(i) Balance at beginning of the half year	No.	Vesting Date	Expiry/ Exercise Date	Exercise Price \$
Options - Series				
(6) Granted 8 May 2002	36,000	29.09.04	29.09.06	2.57
Balance at beginning of the half year	36,000			

(ii) Granted during the half year

No share options were granted during the current or previous half year reporting period.

(iii) Exercised during the half year

Options - Series	No. of Options Exercised	Vesting Date	Expiry/ Exercise Date	Exercise Price \$	No. of Shares Issued	Fair Value Received \$	Fair Value of shares at date of issue \$
(6) Granted 8 May 2002	36,000	29.09.04	29.09.06	2.57	36,000	92,520	150,120
	36,000				36,000	92,520	150,120

The fair value of shares at date of exercise was determined by using the market price of the company's ordinary shares on 29 September 2006. At this date, the market price was \$4.17 per share.

Exercised during the previous half year

Options - Series	No. of Options Exercised	Vesting Date	Expiry/ Exercise Date	Exercise Price \$	No. of Shares Issued	Fair Value Received \$	Fair Value of shares at date of issue \$
(3) Granted 29 Sept. 1999	97,500	29.09.03	29.09.05	2.00	97,500	195,000	305,175
(6) Granted 8 May 2002	60,000	29.09.04	29.09.06	2.54	60,000	152,400	187,800
	157,500				157,500	347,400	492,975

The fair value of shares at date of exercise was determined by using the market price of the company's ordinary shares on 27 September 2005. At this date, the market price was \$3.13 per share.

(iv) Lapsed during the half year

No share options lapsed during the current or previous half year reporting period.

(v) Balance at end of the half year

Options - Series	No	Vested No	Unvested No	Vesting Date	Expiry/ Exercise Date	Exercise Price \$
(6) Granted 8 May 2002	-	-	-	29.09.04	29.09.06	2.57
	-	-	-			

Executive share options carry no rights to dividends and no voting rights.  
The market price of the company's ordinary shares at 29 September 2006 was \$4.17

**Programmed Maintenance Services Limited**  
**Notes to the Financial Statements**  
**For The Half Year Ended 30 September 2006**

**3 Contracts and work in progress at recoverable value**

	Half Year ended 30-Sep-06 \$'000	Year ended 31-Mar-06 \$'000	Half Year ended 30-Sep-05 \$'000
<b>Contracts in Progress</b>			
Balance at beginning of year	156,806	144,684	144,684
Increase in amounts recoverable	2,023	15,083	5,363
Effect of foreign currency movements	889	(2,961)	(485)
Balance at end of year	<u>159,718</u>	<u>156,806</u>	<u>149,562</u>
Shown in the financial statements as:			
Current	66,533	66,702	65,363
Non-Current	93,185	90,104	84,199
	<u>159,718</u>	<u>156,806</u>	<u>149,562</u>
<b>Work in Progress</b>			
Balance at beginning of year	20,132	16,646	16,646
Increase in amounts recoverable	129	3,630	7,049
Effect of foreign currency movements	126	(144)	(53)
Balance at end of year	<u>20,387</u>	<u>20,132</u>	<u>23,642</u>
Shown in the financial statements as:			
Current	12,081	12,451	14,090
Non-Current	8,306	7,681	9,552
	<u>20,387</u>	<u>20,132</u>	<u>23,642</u>
<b>Total Contracts and Work in Progress</b>			
Shown in the financial statements as:			
Current	78,614	79,153	79,452
Non-Current	101,491	97,785	93,751
	<u>180,105</u>	<u>176,938</u>	<u>173,203</u>

**4 Issued capital**

	Half Year ended 30-Sep-06 \$'000	Year ended 31-Mar-06 \$'000	Half Year ended 30-Sep-05 \$'000
71,195,705 fully paid ordinary shares (31 Mar 2006: 71,159,705 and 30 Sep 2005: 70,963,815)	<u>27,290</u>	<u>27,198</u>	<u>26,568</u>

Fully paid ordinary shares carry one vote per share and carry the right to dividends.



**Programmed Maintenance Services Limited**  
**Notes to the Financial Statements**  
**For The Half Year Ended 30 September 2006**

**4 Issued capital (continued)**

Fully Paid Ordinary Shares	Half Year Ended 30-Sep-06		Year Ended 31-Mar-06		Half Year Ended 30-Sep-05	
	No.'000	\$'000	No.'000	\$'000	No.'000	\$'000
Balance at beginning of the half year	71,159	27,198	70,806	26,219	70,806	26,219
Issue of new shares	36	92	353	979	158	349
Balance at end of the half year	71,195	27,290	71,159	27,198	70,964	26,568

**5 Net tangible assets per share**

	30-Sep-06 Cents per share	31-Mar-06 Cents per share
Net Tangible Assets per ordinary security	163.3	161.0

**6 Segment information**

**Segment Revenues**

	External Sales						Total	
	Property Maintenance		Industrial Services		Other		30-Sep-06 \$'000	30-Sep-05 \$'000
	30-Sep-06 \$'000	30-Sep-05 \$'000	30-Sep-06 \$'000	30-Sep-05 \$'000	30-Sep-06 \$'000	30-Sep-05 \$'000		
Australia	109,078	85,823	15,549	14,259	255	173	124,882	100,255
New Zealand	16,223	15,171	-	-	(59)	(15)	16,164	15,156
United Kingdom	15,067	12,225	-	-	31	22	15,098	12,247
Total of all segments							156,144	127,658
Unallocated							122	95
Consolidated							156,266	127,753

**Programmed Maintenance Services Limited**  
**Notes to the Financial Statements**  
**For The Half Year Ended 30 September 2006**

**6 Segment information (continued)**

Segment Results	Property Maintenance		Industrial Services		Total	
	30-Sep-06 \$'000	30-Sep-05 \$'000	30-Sep-06 \$'000	30-Sep-05 \$'000	30-Sep-06 \$'000	30-Sep-05 \$'000
Australia	8,121	6,358	1,148	1,309	9,269	7,667
New Zealand	3,910	3,810	-	-	3,910	3,810
United Kingdom	1,604	1,437	-	-	1,604	1,437
Total of all segments					14,782	12,914
Unallocated					(332)	(415)
Profit before interest and income tax expense					14,450	12,499
Net borrowing and financing charges					(2,963)	(1,887)
Profit before income tax expense					11,487	10,612
Income tax expense					(3,674)	(3,391)
Profit for the period					7,813	7,221

The consolidated entity operates in three principal geographic locations - Australia, New Zealand and the United Kingdom. The composition of each geographical segment is as follows:

- Australia -
  - Property maintenance services includes maintenance painting, corporate signage, grounds maintenance, building services, infrastructure services and operations management
  - Industrial services includes sewerage and drainage maintenance, vacuum loading, high pressure cleaning and non-destructive digging
- New Zealand - Property maintenance services - maintenance painting and building services
- United Kingdom - Property maintenance services - painting

**7 Dividends**

	Half Year Ended 30-Sep-06		Half Year Ended 30-Sep-05	
	Cents per Share	Total \$'000	Cents per Share	Total \$'000
<b>Recognised Amounts</b>				
Fully Paid Ordinary Shares				
Final Dividend				
- franked to 100% (2005: 80%)	9.5	6,760	8.5	6,019
		6,760		6,019
<b>Unrecognised Amounts</b>				
Fully Paid Ordinary Shares				
Interim Dividend - payable 25 January 2007				
- franked to 100% (2005: 100%)	8.5	6,052	7.5	5,322
		6,052		5,322

## PROGRAMMED MAINTENANCE SERVICES LIMITED

### DIRECTORS' DECLARATION

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the disclosing entity will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



M. J. Findlay  
Director

Melbourne, 29 November 2006

## Independent review report to the members of Programmed Maintenance Services Limited

### Scope

#### *The financial report and directors' responsibility*

The financial report comprises the balance sheet, income statement, cash flow statement, statement of recognised income and expense, selected explanatory notes and the directors' declaration for the consolidated entity for the half-year ended 30 September 2006 as set out on pages 9 to 18. The consolidated entity comprises both Programmed Maintenance Services Limited ("the company") and the entities it controlled at the end of the half-year or from time to time during the half-year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with Accounting Standards in Australia and the Corporations Act 2001. This includes responsibility for the maintenance of adequate financial records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Review Approach*

We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001 and Accounting Standard AASB 134 "Interim Financial Reporting", so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations, its changes in equity and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

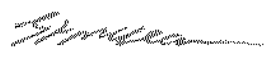
Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

### Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Programmed Maintenance Services is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 September 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001.

  
DELOITTE TOUCHE TOHMATSU

  
G J McLean  
Partner  
Chartered Accountants  
Melbourne, 29 November 2006