

ASX Announcement

22 April 2008

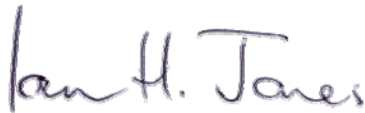
Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

MAILING TO SHAREHOLDERS

In accordance with Listing Rule 3.17, please find attached the letter and the leaflet which will be mailed later today to shareholders of Programmed Maintenance Services Limited.

Yours sincerely,
PROGRAMMED MAINTENANCE SERVICES LIMITED



Ian H. Jones
Secretary

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22 April 2008

You are about to receive a bidder's statement from Spotless offering to acquire your shares in Programmed Maintenance Services, with payment in Spotless shares or a mixture of cash and Spotless shares. Your directors have reviewed Spotless' proposal and unanimously recommend that you **REJECT** this inadequate and highly conditional offer.

In approximately two weeks we will send you a target's statement explaining in detail the reasons for our recommendation. In particular, you should note that:

- Spotless' offer significantly undervalues Programmed.
- Programmed is well positioned for continued growth.
- Spotless' share price has underperformed for many years,
- Programmed has a stronger track record than Spotless.
- The offer is highly conditional and uncertain.
- You should be concerned about Spotless' future share price.

While the chairman's letter in Spotless' bidder's statement refers to a value of \$6.11 per share for the offer, you should be aware that, as a result of a decline in Spotless' share price, the offer is no longer worth this amount. On 18 April, the offer was worth only between \$5.27 and \$5.68. Your directors believe this significantly undervalues your Programmed shares and accordingly recommend you **REJECT** Spotless' offer.

There have been many comments by shareholders, stockbrokers and media commentators questioning the value of Spotless' offer, and some of these are included in the enclosed leaflet. We hope you will find these useful.

To **REJECT** the Spotless bid, you should do nothing in response to the bidder's statement.

Yours sincerely



Geoff Tomlinson
Chairman

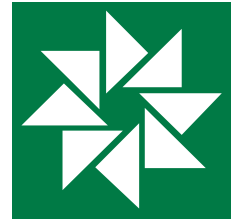


Chris Sutherland
Managing Director

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“Programmed’s board unanimously recommends that shareholders REJECT the inadequate and highly conditional Spotless offer.”

Geoff Tomlinson, Chairman, Programmed Maintenance Services



**PROGRAMMED
MAINTENANCE
SERVICES**

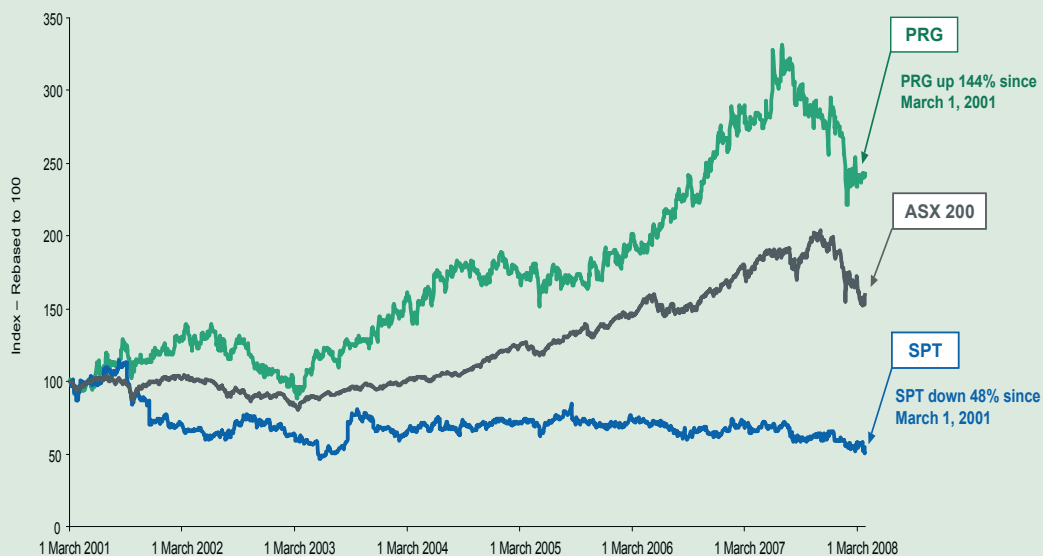
SPOTLESS’ BID SIGNIFICANTLY UNDERVALUES PROGRAMMED

The Spotless offer is currently worth \$5.27 - \$5.68 for each Programmed share¹.

“The problem with the bid is that Spotless’s own shares have fallen since the original proposal, lowering its value. Even if it were all cash, we’d want an offer of \$6.50 or above.”

Invesco Australia Ltd senior investment manager Ross Wilkinson, AAP story, 16 April 2008

SPOTLESS’ SHARE PRICE HAS UNDERPERFORMED FOR MANY YEARS



Up to 100% of the offer consideration comprises Spotless shares. The Spotless share price has fallen materially:

- Since 2001 Spotless’ share price has declined 48%²
- In contrast, Programmed’s share price has increased by more than 140%²

At the heart of this performance comparison is a question of strategy, and shareholders need to think whose strategy is most likely to continue to deliver increasing returns for its shareholders.

“The directors are probably right when they say in today’s vigorous rejection of the bid, that the Spotless offer, which includes a range of mix and match options involving both cash and shares, undervalues Programmed.”

Business Spectator, Stephen Bartholomeusz, 16 April 2008

¹ As at 18 April 2008

² Based on Spotless and Programmed share prices from 1 March 2001 to 26 March 2008 (the day prior to the announcement of the takeover bid).

Programmed is well positioned for continued growth

“ We believe there is more value for shareholders if PRG stays a standalone business...

- the risk of staff departures post merger increases significantly, given this is a hostile bid and is all the more important, given PRG is a services business (where employees are the main asset);
- SPT has an inferior acquisition and earnings track record than PRG;
- the acquisition of PRG does not solve SPT's internal issues with execution risk; and
- the acquisition significantly reduces SPT's corporate appeal.

We maintain a Buy call on PRG and a Hold call on SPT. ”

ABN AMRO Equities report, 2 April 2008

“ The merger with Integrated Group last year has established a clear and achievable platform for growth and our outlook is strong.

We have begun to unlock the substantial benefits from the merger, and for the 2009 financial year we are forecasting an increase in earnings per share of 10% to 15%³.

The proposed SWG acquisition will further enhance the company's profitability in the 2009 financial year and provide additional opportunities for Programmed in the burgeoning oil and gas sector.”

Chris Sutherland, Programmed's Managing Director



“ In our view, the merger with Integrated has left PRG well positioned to win additional work in what remains a tight labour market and should result in PRG delivering the revenue synergies it outlined at the time of the merger. We reiterate our Buy rating as we believe PRG is attractively valued on a standalone basis at current levels.”

UBS Investment Research report, 17 April 2008

“ We consider the high scrip composition of the SPT bid is unattractive. This reflects PRG's both superior earnings and shareholder record together with higher earnings growth prospects compared to SPT...Notwithstanding the prevailing market conditions we consider the takeover offer from Spotless to be inadequate both in terms of the level and the composition. Thanks but NO Thanks...”

Tolhurst report, 28 March 2008

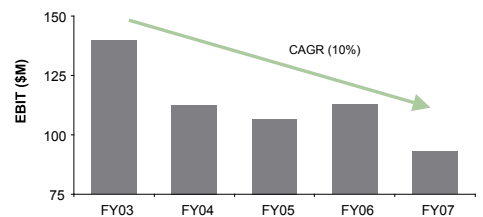
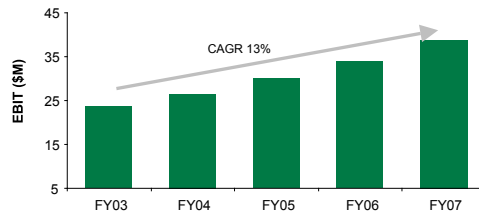
³ EPS is pre-amortisation of intangibles. Assumes SWG is acquired and Barry Bros divested on 30 June 2008. Programmed's forecasts will be discussed in detail in the Programmed Target's Statement which will be sent to shareholders in early May.

Programmed has a better track record than Spotless

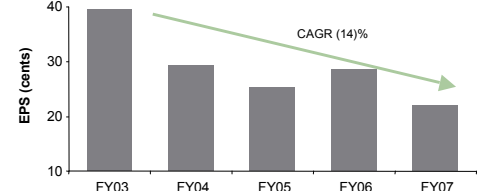
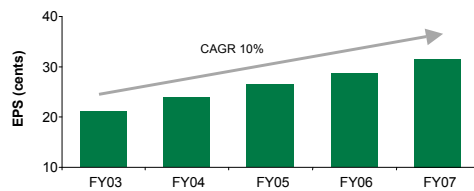
PROGRAMMED

SPOTLESS

Earnings before interest and tax trend⁴



Earnings per share trend⁴



Total shareholder returns from 1 October 1999 to 26 March 2008⁵.

226%

8%

The contrast between each company over the past five years raises the question: 'Why trade your PRG shares for Spotless scrip?'

"...PRG has consistently delivered double-digit profit growth. SPT, on the other hand, has seen NPAT remaining largely flat over the last seven years."

ABN AMRO Equities report, 27 March 2008

"Spotless has disappointed investors over the past few years. In February it reported a 60 per cent slump in net profit after tax to \$13 million for the first half of 2007-08. In contrast, Programmed expects a strong year after first-half profits rose 48 per cent."

Australian Financial Review, Michael Smith, 28 March 2008

"...SPT has a poor acquisition integration track record, and an inferior earnings track record compared to PRG."

ABN AMRO Equities report, 27 March 2008

"As the Spotless share price sank another 8 per cent following the \$556 million tilt yesterday, it could be argued Programmed is better positioned to play the role of suitor."

Australian Financial Review, Michael Smith, 28 March 2008

"Perennial underperformer Spotless Group..."

BRW, 3-9 April 2008

⁴ Earnings from continuing operations.

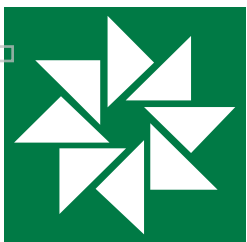
⁵ Total shareholder return from 1 October 1999 - 26 March 2008. Assumes dividends paid in cash were reinvested in additional shares at the prevailing market price. Assumes Spotless dividend of 10.5c paid on 4 April 2008 was received in cash at the end of the period.

Spotless' offer entails significant risks for Programmed shareholders

“The nature of the bid going hostile from the start has more to do with the attitude of Spotless' chairman, Peter Smedley, who used to run Mayne Nickless, Mayne Group, Mayne Pharma and now chairs OneSteel. These companies have or had aggressive business cultures. In the case of Mayne Pharma, it crippled the company. When you add the hostile nature of the offer to the fact that Spotless has promised much but under-delivered in recent years you get the appearance of a company hell bent on doing something. In fact comparing the two companies you'd have to say Programmed has had the more stable performance recently.”

Asia Business Newswire, 28 March 2008

Why would you swap Programmed's track record for Spotless' poor performance?



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Further information: www.pmsgroup.com.au or contact
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