

8 May, 2008

**MEDIA RELEASE**

Company Announcements Office  
Australian Stock Exchange Limited  
4<sup>th</sup> Floor  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

**Spotless' preliminary response to the Target's Statement**

Spotless is surprised by the level of disclosure in Programmed's Target's Statement. Programmed is yet to provide audited accounts for the 2008 financial year, and has elected not to provide shareholders with a view of the value of the Programmed business, including by way of an independent expert's report. Furthermore, Programmed has not adequately highlighted the risk that the Programmed share price is likely to fall in the absence of Spotless' offer.

Spotless is disappointed with Programmed's unaudited EBIT forecast for the year ended 31 March 2008 of \$53.5 million, which is approximately 10% below the median of broker forecasts of \$59.6 million<sup>1</sup> before the offer was announced.

Spotless notes that its offer includes a condition that the consolidated EBIT of Programmed for the year ended 31 March 2008 is not less than \$56 million, which was at the low end of broker forecasts before the offer was announced. If Programmed's actual audited results for the year ended 31 March 2008 are consistent with the unaudited forecast results, Spotless would be entitled to allow the Offer to lapse.

Spotless is closely reviewing the Target's Statement and considering its position. Spotless welcomes the Takeovers Panel's declaration of unacceptable circumstances in relation to Programmed's investor presentation dated 16 April 2008 and its letter to shareholders dated 22 April 2008.

Spotless continues to believe that Programmed has a strong strategic fit with Spotless and that the combination of the businesses will create value for shareholders of both companies. Spotless continues to view the offer as compelling for Programmed shareholders, particularly in the absence of an alternative offer and its soft 2008 forecast.

For further enquiries, please contact:

Rowan Wilkie  
Spotless Group

T: +61 3 9269 7303  
M: +61 418 577 956

Tony Osmond  
Goldman Sachs JBWere

T: +61 3 9679 1399  
M: +61 411 449 751

Nerida Mossop  
Hintons

T: +61 3 9600 1979  
M: +61 437 361 433

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<sup>1</sup> Sourced from IBES on 26 March 2008 (day prior to announcement of the Offer).

## About Spotless

Spotless is a diversified services company with two separate and distinct businesses.

### Facility Services

Across Australia and New Zealand Spotless partners with clients to add value to their core business by working on, in and around client facilities (Facility Services). Services are provided to client facilities or value is added to clients through Spotless activities conducted within client facilities.

Spotless' Facility Services operations span Australia and New Zealand and are managed through four operating divisions: Managed Services, Food Services, Cleaning Services and Laundry Services. Managed Services undertakes facilities management, facilities maintenance and is also responsible for account management and client interface where Spotless provides multiple services to clients. Spotless' Facility Services are provided to clients as an integrated multi-service solution or as a dedicated single service. Spotless provides services to facilities operated by its clients, providing facilities management, asset maintenance and cleaning services at a range of complex sites. Spotless also works with its clients within their facilities to add value to their businesses, including food services and laundry services. Spotless' facility services cover clients within the government, defence, healthcare, education, resources, industrial, commercial, utilities and public-private partnership segments.

### Retailer Services

Spotless also operates Braiform, a global Retailer Services business. Braiform provides customised garment hanger and packaging solutions to niche and mass retailers and garment manufacturers globally. Braiform supplies over three billion garment hangers globally through its operations in over 30 countries. Braiform is the largest manager of reuse garment hanger programs in the world. Braiform is strongly focussed on providing more clients with its reuse garment hanger programs, leveraging Braiform's proven expertise and the environmentally responsible and cost effective nature of the programs.



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