Programmed Maintenance Services Limited
Group Head Office Level 3, 100 Dorcas Street South Melbourne, Victoria 3205
Telephone: (03) 8676 5510 | Facsimile: (03) 8676 5597
Website: www.pmsgroup.com.au | ABN 61 054 742 264

ASX Announcement

28 May 2008

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, issued by the Company today, announcing the Annual Results for the year ended 31 March 2008.

Yours sincerely,
PROGRAMMED MAINTENANCE SERVICES LIMITED

Ian H. Jones

Ian H. Jones
Secretary

PROGRAMMED MAINTENANCE GROUP

ASX/Media Release **28 May 2008**

Programmed delivers tenth year of earnings growth

- Tenth consecutive year of growth in Programmed revenue and profits
- Increased final dividend of 10.5cps, 100% franked
- Revenue of $877m (up 163%)…..10 months revenue from Integrated
- EBITA of $57.5m (up 46%)…..10 months contribution from Integrated
- Profit after tax of $28.4m (up 27%)
- EPS (pre-amortisation) of 36.5c (up 13%)
- Successful merger with Integrated Group creates platform for future growth
- Property Maintenance result impacted by lower productivity and weather in NZ
- Strong growth in Marine / offshore oil & gas sector
- Further expansion into resources with proposed acquisition of SWG
- April trading performance in line with projections…..
  FY09 projections in Target's Statement reconfirmed
- Programmed directors continue to recommend shareholders **reject** the Spotless offer

	Year Ended 31 March 2008[1] $m	Year Ended 31 March 2007 $m	% change
Revenue	877.0	333.0	163.4%
EBITDA	72.6	50.6	43.4%
EBITA	57.5	39.3	46.4%
Amortisation	(3.1)	(0.5)	520.3%
EBIT	54.4	38.8	40.2%
Net Interest	(16.3)	(6.2)	161.4%
Profit before Tax	38.1	32.6	17.0%
Income Tax Expense	(9.7)	(10.2)	(4.7%)
Reported Profit after Tax	28.4	22.4	26.9%
Profit after Tax (pre-amort'n)[2]	31.5	22.9	37.9%
EPS pre-amortisation (cents)[2]	36.5	32.2	13.4%

Note 1 FY08 results include 10 months' contribution from the Integrated Group.
Note 2 The amortisation shown relates solely to the amortisation of identifiable intangibles. Both the profit after tax and EPS are shown pre-amortisation of identifiable intangibles.

Profit was 4.8% higher than forecast in Programmed's Target's Statement (lodged with the ASX on 7 May) due mainly to:-

(i) better results in March from Australian operations within the Property Maintenance division (up approximately $1.0m), and

(ii) lower taxes in New Zealand than originally estimated (down approximately $0.7m) due to "one off" adjustments arising from the lowering of the New Zealand company tax rate.

Managing Director, Chris Sutherland said, 'These results, which include ten months contribution from the Workforce and Marine businesses acquired in June 2007 through the merger with Integrated Group, demonstrate the strength of Programmed's business model. The core of this is our ability to recruit, retain and deploy a skilled workforce – a capability that is in high demand across Australia.'

'The diversity of Programmed's operations across our Property Maintenance, Facilities Management, Workforce and Marine divisions, together with our broad range of customers in different commercial, industrial, manufacturing, oil & gas and mining sectors, gives us a robust platform for continuing earnings growth.'

On 16 April, Programmed announced a number of new initiatives focused on continuing Programmed's strong track record of earnings growth while expanding its range of services. The proposed acquisition of SWG, a Western Australian based services company specialising in installation, minor capital works and maintenance services to the oil & gas and mining sectors, is consistent with the Group's strategy of expanding Programmed's present operations in these sectors. It also complements existing capabilities in the Marine and Workforce divisions.

'SWG has strong growth prospects in the offshore oil & gas and mining industries and, if acquired, will add significantly to our existing Group capability,' said Managing Director, Chris Sutherland.

DIVIDEND

The directors have increased the final dividend to 10.5 cents per share fully franked (FY07 10.0 cents), payable on 24 July 2008 to shareholders on the register at 10 July 2008. This brings total dividends for FY08 to 20 cents per share. fully franked (FY07 18.5 cents), representing a payout ratio of almost 60% of earnings. The dividend reinvestment plan remains suspended.

REVIEW OF OPERATIONS

Property Maintenance

Revenue	$267.1m (up 7.5% from $248.4m)
EBITA	$30.3m (down 9.5% from $33.5m)

The Property Maintenance division, trading as Programmed Maintenance Services, comprises painting, corporate imaging, grounds maintenance and building services and operates in Australia, New Zealand and the United Kingdom.

Revenue growth was up 7.5%, generated in part by painting programme wins and capital project works in building services. Earnings before interest, tax and amortisation were 9.5% down on the prior year mainly due to a reduced contribution by New Zealand painting, where operations were hampered by worse than expected weather conditions and lower productivity in some areas.

Growth initiatives under way include:

- A plan to improve utilisation during wet periods and improve productivity in New Zealand
- Targeting major multi-site property maintenance contracts which leverage the group's total network. (A contract to undertake certain works at Coles supermarkets across Australia was announced on 7 May 2008)
- Adding building and grounds services to existing long term painting clients
- Opening new branches in Australia, New Zealand and the United Kingdom

Facilities Management

Revenue	\$76.0m (up 50.3% from \$50.5m)
EBITA	\$2.9m (up 1.6% from \$2.9m)

The Facilities Management division, trading as Tungsten, secured significant long term contracts with Rottnest Island Authority and a major national oil company. Investments in additional staff and new systems have set the foundation for a strong FY09.

Growth initiatives under way include:

- Further investment in systems
- Increased project management capability
- Leveraging the Group's Workforce and Property Maintenance capabilities within larger FM contracts
- Securing further major contracts currently being tendered

Workforce

Revenue	\$324.1m (10 months contribution)
EBITA	\$8.7m (10 months contribution)

The Workforce division, trading as Integrated, continued to expand, reflecting favourable conditions of a tight labour market. During the year, eight new branches were opened, bringing the total branch count to 52, and two bolt-on acquisitions were completed. In particular, strong growth was recorded in the WA resources sector and increasing support was provided to other Programmed operating divisions.

Growth initiatives under way include:

- Eight new branches planned
- Four branches to be co-located with existing Programmed offices
- Commence in New Zealand
- Explore opportunities in the United Kingdom

Marine

Revenue	$169.0m (10 months contribution)
EBITA	$12.6m (10 months contribution)

The Marine division, trading as Total Marine Services, provides specialist manning and logistic services to the offshore oil & gas industry in Australia and New Zealand. The business experienced strong growth in revenue and EBITA driven by buoyant conditions in the sector.

Major contract successes included a five year manning contract for a floating production, storage and offloading (FPSO) vessel in New Zealand. Activity in the offshore oil & gas sector continues to expand with current demand outstripping available marine personnel.

Growth initiatives under way include:

- Major investment in training new people
- Explore opportunities in the United Kingdom
- Expand manning services further in other non-marine categories (eg offshore trade and rig labour)

Industrial Services (Barry Bros.)

Revenue	$39.7m (up 18.7% from $33.5m)
EBITA	$3.0m (up 2.5% from $2.9m)

On 16 April, it was announced that Programmed had signed a non-binding Heads of Agreement to sell Barry Bros. to Tox Free Solutions for $25m. Please refer to Programmed's Target's Statement lodged with the ASX on 7 May 2008 for more details.

CASH FLOW AND BALANCE SHEET

Gross operating cashflow increased by 83% to $57.1m, reflecting the inclusion of the Integrated Group business. Net operating cashflow was $27.8m, 66% higher than the previous year, despite significantly higher interest payments due to the increase in borrowings during the year.

The acquisition of Integrated Group, together with net purchases of plant and equipment of $16.1m, are the key reasons for the increase in net debt to $231.1m at 31 March 2008, from $91.5m at 31

March 2007. As a consequence, the Group's debt/equity ratio increased to 91% from 67% at 31 March 2007. Based on the projected operating results for the year ending 31 March 2009, the reduction in debt following the proposed divestment of Barry Bros. ($25m) and the issue of additional equity for the proposed acquisition of SWG (approximately $40m), the resulting debt/equity ratio is projected for 31 March 2009 to be significantly less than present.

The total equity base at 31 March 2008 was $254.8m, an increase of $118m over 31 March 2007 ($136.6m), due to the value of shares issued to former Integrated Group shareholders, as well as the solid operating results offset by higher dividend payments. Due to the large increase in goodwill following the merger with Integrated Group, net tangible assets per share at 31 March 2008 were $0.44, compared with $1.76 at 31 March 2007.

OUTLOOK

Mr Sutherland said that the April 2008 trading result was in line with projections and the company confirmed its current projections for the year ending 31 March 2009. These are:

Revenue	$1,171.7m (up 33%)
EBITA	$74.0m (up 29%)
EPS (pre-amortisation)	40.3cps (up 10.4%)[3]

The FY09 projections assume that the sale of Barry Bros. and acquisition of SWG are completed on 30 June 2008 and a number of other assumptions. Please refer to Programmed's Target's Statement lodged with the ASX on 7 May 2008 for detailed explanations and assumptions.

[3]Due to the 4.8% increase in profit between the FY08 Forecast in Programmed's Target's Statement and the Actual FY08 profit, the EPS (pr-eamortisation) growth projected in FY09 is now lower then stated in Programmed's Target's Statement. However, the Projected EPS (pre-amortisation) for FY09 of 40.3 cents remains as per Programmed's Target's Statement.

For further information contact:

Chris Sutherland Managing Director Programmed Maintenance Services Telephone: +61 3 8676 5512 Fax: +61 3 8676 5597	**Ian Jones** Company Secretary Programmed Maintenance Services Telephone: +61 3 8676 5529 Fax: +61 3 8676 5597
Robin Bishop, David Mustow, Nick Atkins Macquarie Capital Advisors Telephone: +61 3 9635 8000 Fax: +61 3 9635 9144	**Anthony Tregoning/ Ashley Rambukwella** Financial & Corporate Relations Telephone: +61 411 852 448 / +61 407 231 282

The Programmed Maintenance Group is a leading international provider of staffing and maintenance services. The Group has annual revenue of approximately $900 million and employs more than 12,000 skilled and semi-skilled personnel throughout Australia, New Zealand and the United Kingdom. It operates through four divisions:

The Property Maintenance division provides maintenance services for more than 6,000 customers in the commercial, industrial, government and educational sectors in Australia, New Zealand and the United Kingdom. The division has 35 branches in Australia, 15 branches in New Zealand and 9 branches in the United Kingdom.

The Facilities Management division provides facility and infrastructure management services and consulting services in the fields of facilities management, procurement and strategic asset management, with customers across Australia.

The Workforce division is a leader in Australia in the supply of recruitment and labour hire services across a broad range of sectors. Services are provided through a network of over 50 branches employing in excess of 7,000 people daily for clients.

The Marine division is a major specialist provider of manning, project management and logistics solutions to the offshore oil and gas sector in Australia and New Zealand.

Disclaimer:
This media release does not contain all of the information which Programmed shareholders need to make an informed assessment in relation to the Spotless offer. Programmed shareholders are urged to **read the Target's Statement and Supplementary Target's Statement**, which set out in detail the key reasons why the Directors believe Programmed shareholders should reject the Spotless offer, before making any decision in relation to the offer.