



6 June 2008

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

MEDIA RELEASE

Any enquiries should be directed to Mr. Rowan Wilkie on +61 3 9269 7303 or +61 418 577 956



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Spotless to allow Programmed Offer to lapse

Spotless confirms that, as a result of the Programmed Maintenance Services ("Programmed") full year audited results for the year ended 31 March 2008 reporting consolidated EBIT of \$54.4 million¹, the condition to Spotless' bid, which requires that this figure is not less than \$56 million, has been breached. Spotless confirms that it will not waive this condition and that accordingly it will allow the Offer to lapse on 13 June 2008.

Spotless' Chairman, Peter Smedley commented, "Spotless is firmly focused on creating value for shareholders and we will not overpay for any acquisition. There is no question that Programmed is a strong strategic fit with Spotless, but given the deterioration in the core business of Programmed that is evident from their audited full year result, we can no longer see value for our shareholders".

Spotless' Deputy Managing Director, Jo Farnik commented, "Our growth strategy remains intact. Our focus is to deliver the organic growth opportunities before us and we will continue to pursue acquisitive growth opportunities that fit our stated strategy and meet our stringent financial hurdles".

Of particular concern to Spotless is the unexpectedly poor FY2008 performance in Programmed's core Property Maintenance Services division, reporting FY2008 EBITA of \$30.3 million, a fall of approximately 10% from FY2007.

Spotless believes the soft earnings in the Property Maintenance Services division is in part indicative of the weakening demand for niche single services. It is Spotless' view that Facility Services clients will increasingly migrate towards more sophisticated contracting relationships, like those offered by Spotless, including increased demand for integrated multi-service offerings that add value to the client's business.

The Offer period is scheduled to close at 7:00pm (AEST) on 13 June 2008.

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

Tim Duncan
Hintons
T: +61 3 9600 1979
M: +61 408 441 12

¹ Programmed reported consolidated FY2008 EBIT of \$54.4 million which is approximately 9% below the median of broker forecasts of \$59.6 million (sourced from IBES on 26 March 2008) prior to the announcement of Spotless' Offer.



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