PROGRAMMED MAINTENANCE GROUP

ASX Announcement

8 August 2008

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

Dear Sir,

2008 ANNUAL GENERAL MEETING

CHAIRMAN'S & MANAGING DIRECTOR'S ADDRESSES

Please find attached the addresses to be given by the Chairman, Mr. Geoff Tomlinson, and the Managing Director, Mr. Chris Sutherland, at the Annual General Meeting to be held in Melbourne this morning.

Yours sincerely,
PROGRAMMED MAINTENANCE SERVICES LIMITED

Ian H. Jones

Ian H. Jones
Secretary

CHAIRMAN'S ADDRESS

TO THE ANNUAL GENERAL MEETING

8 AUGUST 2008

Ladies and gentlemen, on behalf of my fellow directors, welcome to the Annual General Meeting of Programmed Maintenance Services Limited, our ninth AGM since listing on the Australian Stock Exchange.

During the past year, the Programmed Maintenance Group has undergone significant transformation following the successful merger with Integrated, the acquisition of SWG and the divestment of Barry Bros. Specialised Services. Programmed is now well placed as a leading provider of staffing and maintenance services across Australia, New Zealand and the United Kingdom.

Our strategy to diversify the services we offer and expand our geographical and industry sector coverage will serve shareholders well in these current turbulent times as we strive to maintain our earnings growth in the years ahead.

Your directors have been pleased with the solid financial results achieved during the financial year ended 31 March 2008. The Group's net profit after tax increased 27% to $28.4m, being the tenth consecutive year of profit growth, while the Group's revenue more than doubled to $877m. Total dividends for the year rose to 20 cents per share fully franked, up from 18.5 cents per share in the previous financial year. The gross operating cashflow of the Group increased by 83% to $57.1m, reflecting the inclusion of the Integrated businesses.

In January 2008, Chris Sutherland was appointed Managing Director following the retirement of Max Findlay. On behalf of the Board, I would like to thank Max for his years of exceptional service to Programmed and laying the foundation for the ongoing development of the Group. Max dedicated nearly twenty years to Programmed. With a practical approach to achieving outcomes, Max was instrumental in profitably increasing the business' revenue from $30m to over $800m and was heavily involved in the successful acquisitions and mergers with several other groups including Whittle Painting, Serco, Tungsten and the recent merger with Integrated. This transaction brought about a transformational change to the profile of the Group and has laid the foundations for its future success.

Chris Sutherland has articulated a clear and exciting future for the Programmed Maintenance Group. We have a new divisional structure to reflect the greater size of the Group and a revitalised senior management team. Programmed has developed an updated, clear and simple strategy to grow staffing and maintenance services across most industry sectors and throughout Australia, New Zealand and United Kingdom. Following the recent acquisition of SWG and divestment of Barry

Bros. on 1 July 2008, the Group is strategically recast to continue our long track record of consistent earnings growth.

SUCCESSFUL MERGER WITH INTEGRATED GROUP

The key highlight for the 2008 financial year was the successful completion of the merger with Integrated Group. The merger has transformed the company by:

- providing significant access to a large skilled and semi-skilled workforce (total field employees now in excess of 12,000);
- adding new marine manning and labour hire businesses with large exposure to the oil & gas and mining markets across Australia and New Zealand;
- creating scale to improve the back office administration and support functions; and
- creating a platform for further growth across Australia, New Zealand and United Kingdom.

The merger was achieved without loss of key staff. New career opportunities across a larger group have provided additional benefits for many employees.

YEAR ENDED 31 MARCH 2008

Revenue for the year ended 31 March 2008 was $877m, an increase of 163% on the previous year while EBITA (earnings before interest, tax and amortization) rose by 46% to $57.5m, enhanced by the 10 month contribution from Integrated Group. Profit after Tax (pre-amortisation) was $31.5m (up 37.9%), with earnings per share (pre-amortisation) being 36.5 cents (up 13.4%).

In his Managing Director's Address, Chris Sutherland will provide the detailed review of operations on a divisional basis.

The total equity base at 31 March 2008 was $254.8 m, an increase of $118.2m 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.

DIVIDENDS

Your directors increased the final dividend to 10.5 cents per share fully franked, which was paid to shareholders on 24 July 2008. This brings total dividends for the 2008 financial year to 20 cents per share, fully franked (2007 18.5 cents), representing a payout ratio of almost 60% of earnings. The dividend reinvestment plan remains suspended.

Your directors will continue to evaluate the opportunities to increase dividends while facilitating growth through retention of profits.

SHARE PRICE

Following the issue of shares for the Integrated merger and the SWG acquisition, Programmed now has 97.8 million shares issued to more than 6,000 shareholders.

Your directors consider that the Company's strategic growth, earnings consistency and increasing dividends with 100% franking provide sound value to our shareholders. Over previous years the Company's share price grew steadily. However, due to the current state of equity markets, our share price has fallen, particularly over the past two months, with the Company's share price at close of trading yesterday being **$3.72.**

Your directors appreciate the support of our shareholders, particularly the strong support received for the Board's recommendation to reject the recent Spotless takeover offer, which lapsed on 13 June 2008. Your directors understand the need to consider such offers in the best interests of shareholders and will continue to do so if other offers are made.

OUTLOOK

Programmed has previously announced its projections for the forthcoming year ending 31 March 2009. Based on the Group's first quarter's trading, your directors are pleased to confirm that the Group remains on track to achieve its projections.

CONCLUSION

We have entered the new financial year in a strong position, with an increasing range of services and a larger customer base. The Programmed Group is well positioned to accelerate its rate of growth and to continue to increase shareholder value.

I thank my fellow directors for their contribution through the 2008 financial year. I would also like to thank Max Findlay and Chris Sutherland, our management team and all our employees for another successful year.

Geoff Tomlinson
Chairman
8 August 2008

MANAGING DIRECTOR'S ADDRESS

TO THE ANNUAL GENERAL MEETING

8 AUGUST 2008

I was honoured to commence as Managing Director on 21 January 2008 and excited about the opportunities to develop the business further. In my first two months I toured across Australia, New Zealand and the United Kingdom visiting many of the Group's offices and field locations. I was impressed to meet many long-serving staff members who are very loyal to the Company and committed to serving our customers.

Programmed has a strong track record of consistent earnings growth over many years. This has been achieved through:

- a focus on long-term customer relationships;
- geographic expansion; and
- diversification of services

At the core of our business model is the deployment of a skilled or semi-skilled person to undertake a task or provide a service. Through the merger with Integrated Group, we now have one of the largest labour sourcing capabilities in Australia in a tight labour market. The shortage of skilled labour in Australia is not going away, with an aging population and strong continuing demand from mining and infrastructure.

In recognizing the new size and breadth of the Programmed Group, we have restructured along five complementary business activities:-

- Property Maintenance
- Facilities Management
- Workforce
- Marine
- Oil & Gas / Mining (maintenance and minor capital works)

Each of these divisions now has its own Chief Executive Officer, management team and strategy to grow. Shared services has been established to provide common payroll, insurances and information technology to all the divisions, enabling both real cost savings and improved services.

The acquisition of the SWG business was completed in July 2008, and this business has formed the fifth division of the Programmed Group. SWG is a Western Australian based services company specialising in the provision of installation, minor capital works and maintenance services to the oil

& gas and mining sectors and complements our existing capabilities in the Workforce and Marine divisions. The acquisition will make a solid contribution to the Company's earnings in the 2009 financial year and form the base from which further growth is planned in the provision of maintenance and minor capital works to the oil & gas and mining sectors.

It was decided that Barry Bros., our industrial services business, no longer suited our updated strategy due to being capital intensive and having earnings that are highly reliant upon specialist truck utilisation. Barry Bros. was sold to Tox Free Solutions for $25m. In addition, Total Harbour Services, a small harbour towage business that had operated as a small subsidiary of our much larger marine manning business, was sold in March 2008 to a private buyer for $4m.

The combination of these completed strategic initiatives will be earnings per share accretive in the 2009 financial year and will significantly strengthen our balance sheet.

REVIEW OF OPERATIONS – YEAR ENDED 31 MARCH 2008

The Group revenue and earnings for the 2008 financial year showed solid growth over the previous year, with the inclusion of the 10 month contribution from Integrated Group. Importantly, there was a 13.4% increase to 36.5 cents in earnings per share on a pre-amortisation basis.

Property Maintenance

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.

The revenue of $267.1m was up 7.5%, generated in part by painting programme wins and capital project works in building services. Earnings before interest, tax and amortisation (EBITA) of $30.3m 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. We have undertaken a range of initiatives to improve utilization during wet periods, and improve productivity in New Zealand. Australian Painting, United Kingdom Painting, and Building and Grounds Services all produced solid results.

To leverage the Group's wide operations network, the division is targeting major multi-site property maintenance contracts using our own skilled workforce. An example is the contract announced, on 7 May 2008, to undertake certain works at Coles supermarkets across Australia.

Facilities Management

The Facilities Management division performed strongly, securing significant long term contracts including the maintenance of the Rottnest Island infrastructure for the Rottnest Island Authority in Western Australia and a national facilities management contract for a major Australian petrol retailer. The revenue grew 50.3% to $76.0m, however business development costs associated with expansion of the business lowered overall margins. Consequently the EBITA of $2.9m was only up 1.6% from the previous year. However, this investment in business development will provide returns in future years.

The division has successfully targeted facilities maintenance contracts that leverage the Group's Workforce and Property Maintenance capabilities. New key long term contracts were awarded during the 2008 financial year, which leaves the division well placed to grow revenue and earnings in the forthcoming year.

Workforce

The Workforce division, trading as Integrated, continued to expand, reflecting favourable conditions of a tight labour market. Workforce had another year of strong sales growth, with the Programmed Group including divisional revenue of $324.1m and EBITA of $8.7m, reflecting ten months' contribution post the Integrated merger.

Continued branch expansion and strong growth in Western Australia and Queensland was the basis of this strong result, and further growth, particularly in these two states is expected to continue. During the year, eight new branches were opened, bringing the total branch count to 52, and two bolt-on acquisitions were completed.

The Workforce branch network not only supports local clients with skilled and semi-skilled employees, but increasing support is being provided to other Programmed operating divisions. Our capability to recruit employees from other countries has been enhanced, and we now have more than 120 employees working for the Group under the 457 Immigration Visa Program.

Marine

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 buoyant conditions in the sector enabled Marine to show strong growth in revenue and EBITA. Ten months' contributions of revenue of $169.0m and EBITA of $12.6m were included in the Group results.

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. The training of new people to increase supply to meet rising demand is a key component of our current strategy.

Health, Safety and Environment

Safety in the workplace and the security of our employees is core to the culture of the Programmed Group. We continue to work hard and strive towards our goal of achieving Zero Harm through identifying potential hazards in the workplace and preventing injuries from occurring. In the 2008 financial year, we significantly reduced our Lost Time Injury Frequency Rate.

Visible leadership and safety behavior from all staff is a cornerstone to our ongoing improvement. We have introduced an initiative in one of our divisions called "Safety Conversations" where at frequent intervals, all office based management must visit work sites and discuss safety issues with our field based employees. This has proven to be a great success and further use of this initiative is planned across the Group.

Our People

The impact of a merger of two companies can be both challenging and rewarding for employees. It is pleasing that we retained all key staff throughout the process. The revised management structure has created new opportunities for staff to accept greater responsibilities within each division.

We have rolled out eRecruitment and online learning across the Group to ensure all employees have ready access to new opportunities and better career paths. We have recognised the need to provide greater support for parents having children and we have recently introduced paid maternity leave of up to 13 weeks pay.

A tightening labour market produced its share of challenges around attraction and retention but the flexibility and expertise of our Workforce division in sourcing and supplying candidates has greatly assisted the business with this challenge.

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 $17.0m, 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 divestment of Barry Bros. and the issue of additional equity to acquire SWG, the resulting debt/equity ratio is projected for 31 March 2009 to be significantly less than present.

LOOKING FORWARD

Programmed's plan for further growth is based around our ability to:-

(a) recruit and deploy a large skilled workforce,
(b) maintain long-term customer relationships,
(c) provide a range of complementary and value adding services,
(d) expand geographically,
(e) improve our internal systems and processes, and
(f) identify and make acquisitions that fit this strategy.

The Programmed Group is insulated from some of the current external factors that are causing concern for other businesses. We have a base of earnings underpinned by long term painting programmes with many schools in Australia, New Zealand and United Kingdom. We have large operations in very strong markets in oil & gas and mining sectors which are continuing to flourish.

We have significant operations in Western Australia and Queensland, representing more than 50% of current group revenue, where demand continues to grow and skill shortages are the largest. There are many billions of dollars of new and existing oil & gas and mining assets in Western Australia that must be maintained for many years to come. Our large skilled workforce, which remains in short supply, services the varied maintenance needs of the education, retirement, infrastructure and resource sectors.

We are confident about our ability to continue to grow our earnings, consistent with the strong track record of the past ten years. As confirmed by our Chairman earlier, Programmed remains on track to achieve its projections for the 2009 financial year of:

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

These projections excludes costs (currently estimated to be $4m) associated with Programmed's response to the Spotless offer, on the basis that they are non-recurring and therefore not reflective of the underlying performance of the Group.

CONCLUSION

I would like to thank our staff, our customers and our shareholders for supporting the Company through a merger with Integrated Group and more recently for supporting the Board in its recommendations to reject the unsolicited Spotless takeover offer.

Chris Sutherland
Managing Director
8 August 2008