PROGRAMMED Group

ASX Release

Wednesday 26 May 2010

Company Announcements Office
ASX Limited
Exchange Centre
Level 4
20 Bridge Street
Sydney NSW 2000

Dear Sir,

INVESTOR PRESENTATION – FY10 RESULTS

Please find attached the slides for the Investor Presentation to be given later today by Mr. Chris Sutherland, Programmed Group's Managing Director, to fund managers and broker analysts in Sydney.

Yours sincerely,
PROGRAMMED MAINTENANCE SERVICES LIMITED

Ian H. Jones

Ian H. Jones
Company Secretary

PROGRAMMED Group

FY10 Results Presentation

PRESENTED BY Chris Sutherland
Managing Director

26 May 2010

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This presentation should be read in conjunction with the Announcements issued to the ASX since the 2009 Annual Report.

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Summary

- Revenue of $1,163.3 million, down 5% on pcp
- EBITA of $58.9 million, down 7% on pcp (down 14% on normalised FY09 result)
- Profit after tax of $26.2 million, down 7% on pcp
- Earnings per share (pre-amortisation) of 26.2 cents, down 21% on pcp
- Gross operating cashflow of $60.0 million, 83% of EBITDA

- Bank facility extended to May 2012
- Entitlement offer raises $69m in November/December 2009
- Successful acquisition of KLM Group for $29m cash in January 2010

- Net debt reduced by $71 million from $177 million (FY09) to $106 million (FY10)
- Net Debt / Equity reduced from 62% (FY09) to 29% (FY10)

- Dividend policy reviewed and 50% payout ratio reinstated
- Final dividend of 6.0 cents per share, representing 50% of 2H profit

- 25 year facility management contract secured for Ararat Prison in Victoria (value in excess of $200m)
- Letter of Intent received for marine manning and related services contract from Allseas, associated with the Gorgon offshore pipeline installation (value in excess of $100m)

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Group Results	Year Ended 31 March 2010[1] $m	Year Ended 31 March 2009[2] $m	% Change
Revenue	**1,163.3**	**1,229.5**	**(5.4%)**
EBITDA (before SPT defence & restructuring costs and discontinued operations)	72.2	81.5	(11.4%)
Depreciation	(13.3)	(12.7)	(4.7%)
EBITA (before SPT defence & restructuring costs and discontinued operations)	**58.9**	**68.8**	**(14.4%)**
Spotless defence costs	0.0	(3.5)	
Restructuring costs	0.0	(3.4)	
Discontinued operations[3]	0.0	1.4	
EBITA	**58.9**	**63.3**	**(7.0%)**
Amortisation	(1.6)	(3.7)	56.5%
EBIT	**57.3**	**59.7**	**(4.0%)**
Net Interest	(17.4)	(19.5)	10.8%
Profit Before Tax	**39.9**	**40.2**	**(0.6%)**
Income Tax Expense	(13.7)	(12.1)	(13.2%)
Profit After Tax	**26.2**	**28.1**	**(6.6%)**
Profit After Tax (pre amortisation)	27.8	31.7	(12.4%)
Earnings Per Share (pre amortisation)	**26.2**	**33.1**	**(20.8%)**
Weighted Average Shares on Issue (million)	106.2	96.0	10.6%

[1] *Year ended 31 March 2010 results includes 2 months contribution from KLM Group*

[2] *Year ended 31 March 2009 results includes 9 months contribution from Engineering Services (SWG - purchased in July 2008) and 3 months contribution from Industrial Services (Barry Bros - sold in July 2008)*

[3] *Discontinued operations comprises Industrial Services (Barry Bros)*

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Group Cash Flow	Year Ended 31 March 2010[1] $m	Year Ended 31 March 2009[2] $m	% Change
Gross Operating Cash Flow	60.0	82.4	
Interest paid	(20.5)	(15.7)	
Income tax paid	(6.4)	(10.7)	
Net Operating Cash Flow	**33.1**	**56.0**	**(40.9%)**
Net purchases of plant & equipment	0.9	(7.7)	
Payment for businesses	(22.7)	(1.1)	
Proceeds from sales of businesses	0.0	14.3	
Other investing cash flows	0.8	2.6	
Net Investing Cash Flow	**(21.0)**	**8.1**	**(359.3%)**
Net borrowings / (repayments)	(62.5)	(12.0)	
Proceeds from issue of shares	67.1	0.0	
Dividends paid	(6.4)	(16.6)	
Net Financing Cash Flow	**(1.8)**	**(28.6)**	**(93.7%)**
Net Increase / (Decrease) in Cash	**10.3**	**35.5**	**(71.0%)**
Cash at beginning of year	36.2	0.7	
Cash at End of Year	**46.5**	**36.2**	**28.5%**

[1] *Year ended 31 March 2010 results includes 2 months contribution from KLM Group*

[2] *Year ended 31 March 2009 results includes 9 months contribution from Engineering Services (SWG - purchased in July 2008) and 3 months contribution from Industrial Services (Barry Bros - sold in July 2008)*

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Balance Sheet	31 Mar 10 $m	31 Mar 09 $m	% Change
Cash	48.2	38.2	26.2%
Trade and other receivables	165.3	157.5	5.0%
Contract Recoverables	179.8	187.9	(4.3%)
Inventories	55.3	43.8	26.3%
Property, plant & equipment	28.7	34.8	(17.5%)
Goodwill & other intangible assets	252.8	233.7	8.2%
Other assets	34.5	40.7	(15.2%)
Total Assets	**764.6**	**736.6**	**3.8%**
Trade and other payables	136.7	130.3	4.9%
Borrowings	154.7	215.5	(28.2%)
Provisions and other liabilities	102.0	106.4	(4.1%)
Total Liabilities	**393.4**	**452.2**	**(13.0%)**
Total Equity	**371.2**	**284.4**	**30.5%**
Net Debt	106.5	177.3	(39.9%)
Net Debt / Equity	28.7%	62.3%	(53.9%)

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Dividend Policy

- Dividend policy was temporarily set at 30% payout to reduce debt last year
- Net debt $106.5m down from $177.3m, a year ago
- Net debt / equity 29% down from 62%, a year ago
- If all equity raised last year was invested, net debt /equity would notionally be approx. 39%
- Temporary reduction to dividend was aimed at achieving a net debt / equity of 40%
- Hence payout ratio reinstated to 50% & DRP suspended
- Fully franked final dividend declared of 6c per share (5c pcp)

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Our Vision

Our Vision

To be the leading provider of
staffing, maintenance and project services

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Our Business

*Customers contract a complete **MANAGEMENT** and / or maintenance **SOLUTION***

*Customers contract the **TASK** capability*

*Customers contract the **STAFFING** service*

PROPERTY & INFRASTRUCTURE

Building, Maintenance and Operation Services

RESOURCES & INDUSTRIAL

Construction, Maintenance and Operation Services

WORKFORCE

Staffing Services

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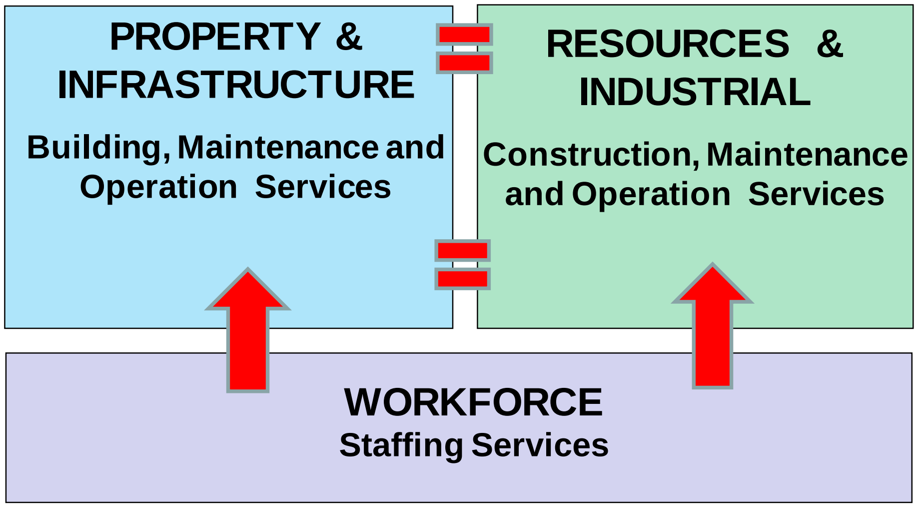
Our Strategy

Key Drivers for Growth

- To provide additional services to existing Property & Infrastructure customers
- To expand existing services to Resources & Industrial market
- To expand our staffing services market
- To add new service capability



Our Structure

Finance

Co. Secretary

Investor

HR

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ICT

Payroll

Risk & Insurance

Property

PROPERTY & INFRASTRUCTURE			WORKFORCE	RESOURCES & INDUSTRIAL	
Painting Grounds Corp Image	Electrical Communication Audio Visual	Facility Management	Staffing	Marine	Construction and Maintenance

Property & Infrastructure	**Year Ended 31 March 2010[1] $m**	**Year Ended 31 March 2009 $m**	**% Change**
Revenue			
Property Services			
Australia[2]	*175.9*	*178.4*	*(1.4%)*
New Zealand	*32.9*	*39.3*	*(16.3%)*
United Kingdom	*19.5*	*28.6*	*(31.8%)*
Property Services	**228.3**	**246.3**	**(7.3%)**
Facilities Management[2]	267.1	238.6	11.9%
KLM Group	29.7	0.0	0.0%
Total Revenue	**525.1**	**484.9**	**8.3%**
EBITA			
Property Services			
Australia[2]	*20.4*	*22.1*	*(7.7%)*
New Zealand	*6.2*	*8.6*	*(27.9%)*
United Kingdom	*(0.9)*	*2.0*	*(145.0%)*
Property Services	**25.7**	**32.7**	**(21.4%)**
Facilities Management[2]	6.2	5.4	14.8%
KLM Group	0.6	0.0	0.0%
Total EBITA	**32.5**	**38.1**	**(14.7%)**

[1] *Year ended 31 March 2010 results includes 2 months contribution from KLM Group*

[2] *Certain contracts previously included in Property Services in FY2009 have been reallocated to Facilities Management in FY2010. The 31 March 2009 comparatives have been restated as follows:*

Revenue - 31 March 2009 comparatives have been restated by an amount of $(48.8)m.

EBITA - the 31 March 2009 comparatives have been restated by an amount of $($0.5)m.

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Property & Infrastructure

AUSTRALIA PAINTING

- Revenue down ($104m vs $114m pcp)
- Painting maintenance demand reduced due to economic slowdown
- Margin pressure in some capital cities
- Seeking further costs savings across business

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Property & Infrastructure

GROUNDS

- Revenue and earnings increased year on year
- High quality national service capability
- Greater share of market moving to outsourced model
- Developing landscape and construction capability nationally as added service for customers

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Property & Infrastructure

CORPORATE IMAGING

- Revenue and earnings increased year on year
- Customers seek internal & external rebranding of facilities with new corporate livery and furnishings

Property & Infrastructure

ELECTRICAL (KLM)

- Successfully acquired in Jan 10 for $29m
- Integration is complete (IT, Insurances, HR and Corp costs)
- Selling services across Group customers
- Current trading in line with expectations

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Property & Infrastructure

FACILITY MANAGEMENT

- Growth in revenue and earnings
- Stronger and more capable business
- Leverage internal workforce and maintenance capabilities

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Property & Infrastructure

ARARAT PRISON PROJECT

- Vic government Private Public Partnership (PPP)
- Member of winning Aegis Consortium
- Programmed scope is Facility Management
- In excess of $200 million over 25 year term
- Scope of works:
  - building management (eg: asset mgmt, security and fire systems maintenance, minor works & warranty management)
  - utilities, waste, grounds, pest control and cleaning services
  - lifecycle management
  - help desk

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Property & Infrastructure

NEW ZEALAND

- Painting revenue down ($33m vs $39m pcp)
- Painting maintenance demand reduced due to economic slowdown
- Average margin has declined over past 5 years
- Overhead costs have been lowered
- Seek to develop other services as economy recovers and we see opportunities

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Property & Infrastructure

UNITED KINGDOM

- Painting revenue down ($19m vs $29m pcp)
- EBITA loss (-$0.9m vs $2.0 pcp)
- Painting maintenance demand significantly reduced due to economic slowdown
- No significant relationship or synergy with rest of Group operations or customers
- Propose to exit and return $5m net cash
- Impact $7.6m (after tax) in FY11

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Resources & Industrial

Resources & Industrial	Year Ended 31 March 2010 $m	Year Ended 31 March 2009[1] $m	% Change
Revenue			
Marine	191.6	214.1	(10.5%)
SWG	74.6	84.1	(11.3%)
Total Revenue	**266.2**	**298.2**	**(10.7%)**
EBITA			
Marine	19.8	20.6	(4.1%)
SWG	2.8	4.3	(34.9%)
Total EBITA	**22.6**	**24.9**	**(9.4%)**

[1] *Year ended 31 March 2009 results includes 9 months contribution from Engineering Services (SWG)*

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Resources & Industrial

MARINE

- Marine result in Australia down on revenue due to impact of industrial dispute in last quarter
- NZ key contracts retained
- LOI received from Allseas for marine manning and related services for Gorgon offshore works
  - 18 month pipeline installation program
  - Commences late 2010
  - Contract value in excess of $100m

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Resources & Industrial

CONSTRUCTION AND MAINTENANCE (SWG)

- Difficult trading conditions over past 18 months
- Small and medium size companies have reduced expenditures and deferred projects
- Results lower than originally expected
- Refocus SWG and lower cost structure
- Offshore contracting capability to be sold
- SWG and Marine to form new Resources division

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Workforce

Workforce	Year Ended 31 March 2010[1] $m	Year Ended 31 March 2009 $m	% Change
Revenue	366.8	431.6	(15.0%)
EBITA	8.0	12.7	(37.0%)

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Workforce

- Significant downturn in staffing demand in FY10
- Restructuring of business in March 09 has produced a good result in FY10
- SME demand remains relatively flat
- Demand is increasing within the mining and construction sector
- Plan in FY11:
  - Maintain a tight administration cost base
  - Invest further in Integrated brand
  - Increase sales and marketing effort
  - Open a few small branches inside existing PRG offices to improve internal support and expand our market

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Business Outlook for FY11

- Conditions within the Property & Infrastructure segment remain tight. Whilst new opportunities are being developed with the Government sector, many retail and commercial clients are cautious about their own prospects and are maintaining low levels of maintenance and project expenditures.

- Conditions within the Resources & Industrial segment have improved with an expansion of offshore oil and gas opportunities forecast in the second half.

- A general but slow recovery is occurring within the Workforce segment with leading indicators pointing to increased casual labour demand. However, generally small and medium size businesses have yet to increase their demand for staff and remain cautious.

Questions