

ASX Release

Thursday 10 June 2010

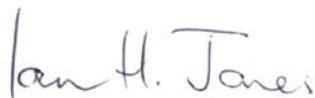
Company Announcements Office
ASX Limited
Exchange Centre
Level 4
20 Bridge Street
Sydney NSW 2000

Dear Sir,

Investor Presentation

Please find attached a copy of the presentation to be given later today by Mr. Chris Sutherland, Managing Director of Programmed Maintenance Services Limited, to a group of fund managers and investment analysts at the Morgan Stanley Emerging Companies conference.

Yours sincerely,
PROGRAMMED MAINTENANCE SERVICES LIMITED



Ian H. Jones
Company Secretary

For personal use only



PROGRAMMED
Group

Morgan Stanley
2010 Emerging Companies Conference




PRESENTED BY

Chris Sutherland
Managing Director

10 June 2010

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

Our Heritage



Norman Miles,
Programmed Founder



- PRG founded in 1951 by Norman Miles
- PRG listed on the ASX on 1 October 1999
- Merger with Integrated 7 June 2007



10,000 + employees

100 + offices

1000 + million revenue



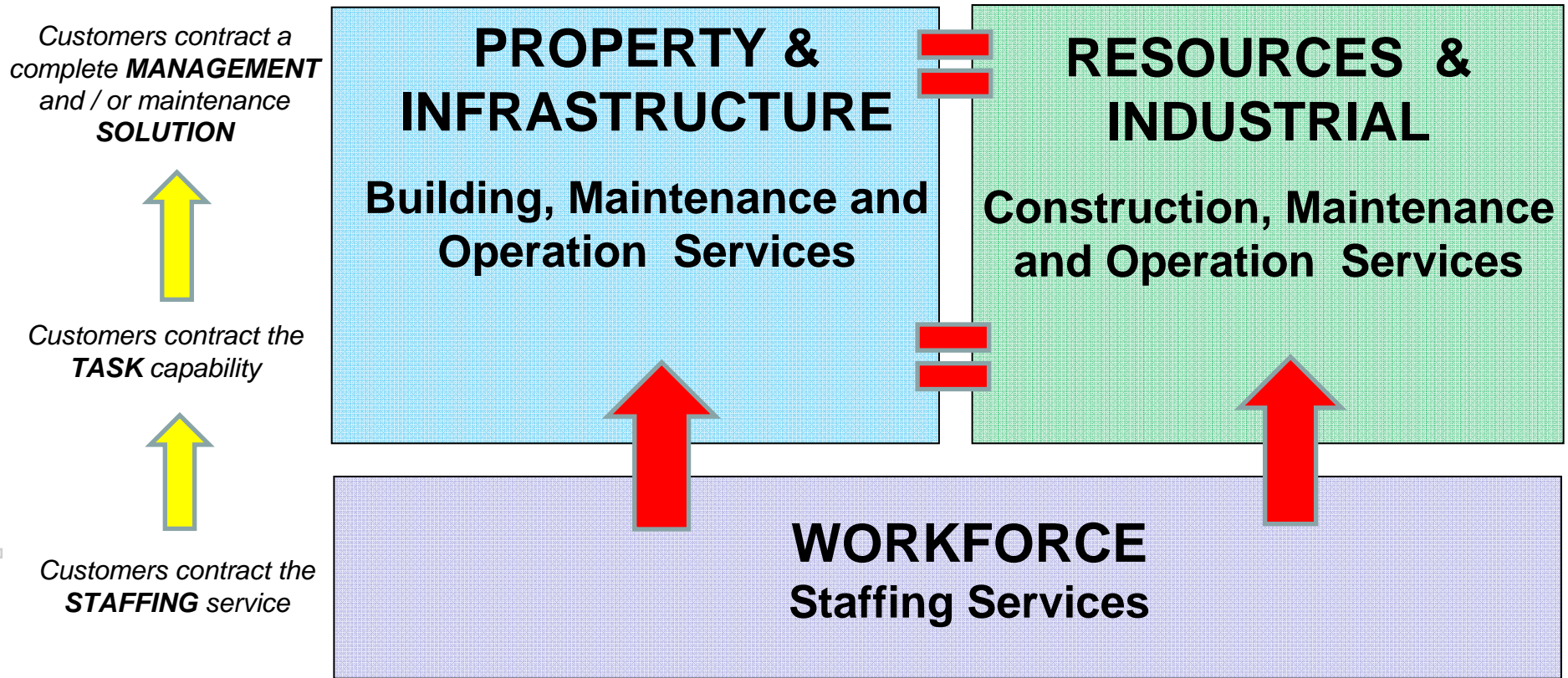
Our Vision



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



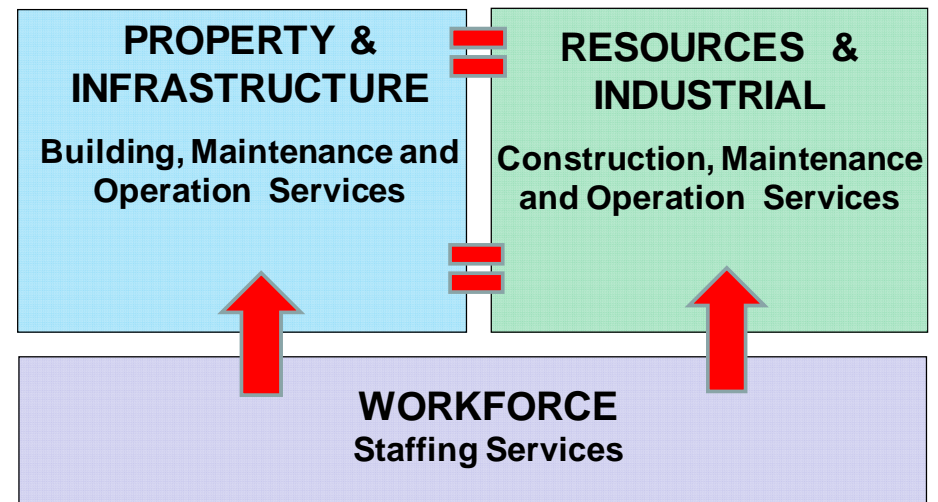
Our Business



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 Competitive Advantages

- ▲ Our ability to recruit, deploy and manage SAFELY a large skilled workforce to support our customers operations...5000 permanent, 6000 casuals...30,000+ different people each year
- ▲ Our many long-term customer relationships
- ▲ Our diversity across industry sectors including the offshore oil and gas sector
- ▲ Our wide operations network that serves and supports large and small customers alike...40+ Workforce branches / 50+ Property Services branches

Our Structure



- Finance
- Co. Secretary
- Investor
- HR



- ICT
- Payroll
- Risk & Insurance
- Property



Group Results	Year Ended	Year Ended	% Change
	31 March 2010 ¹	31 March 2009 ²	
	\$m	\$m	
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)

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%)

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)

Property & Infrastructure	Year Ended 31 March 2010¹	Year Ended 31 March 2009	
	\$m	\$m	% Change
Revenue			
Property Services			
<i>Australia²</i>	175.9	178.4	(1.4%)
<i>New Zealand</i>	32.9	39.3	(16.3%)
<i>United Kingdom</i>	19.5	28.6	(31.8%)
Property Services	228.3	246.3	(7.3%)
Facilities Management²	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			
<i>Australia²</i>	20.4	22.1	(7.7%)
<i>New Zealand</i>	6.2	8.6	(27.9%)
<i>United Kingdom</i>	(0.9)	2.0	(145.0%)
Property Services	25.7	32.7	(21.4%)
Facilities Management²	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.

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

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

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

Property & Infrastructure

FACILITY MANAGEMENT

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

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

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

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

Resources & Industrial

Resources & Industrial	Year Ended 31 March 2010 \$m	Year Ended 31 March 2009¹ \$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)

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

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

Workforce

Workforce	Year Ended 31 March 2010¹ \$m	Year Ended 31 March 2009 \$m	% Change
Revenue	366.8	431.6	(15.0%)
EBITA	8.0	12.7	(37.0%)

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

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

