ASX Release

47 Burswood Road
Burswood WA 6100
T (08) 9216 2100
F (08) 9216 2186
www.programmed.com.au

Programmed Maintenance Services Ltd
ACN 054 742 264

23 November 2011

First half NPAT $11.6 million

All three divisions increase earnings
Interim dividend up 67% to 5 cents

Programmed, which provides staffing, maintenance and project services, today announced a profit after tax of $11.6 million for the six months to 30 September 2011. This compares with a profit of $4.6 million from continuing operations and a statutory loss of $3.1 million in the previous corresponding period.

EBITA (earnings before interest, tax and amortisation) was $23.7 million, up 129% compared with $10.3 million (and $16.2 million before restructuring costs) in the first half of FY2011.

Revenue from continuing operations was $652.3 million, up 8%.

The board has determined to pay a fully franked interim dividend of 5.0 cents per share (1H2011: 3.0 cents), payable on 27 January 2012 to shareholders on the register at 11 January.

Chris Sutherland, managing director of Programmed, said: 'We are very pleased with this result which reflects Programmed's strong market positions and the benefits of the restructuring we have undertaken in all three divisions over the past three years.

'The changes we made last year in our Property & Infrastructure division, in particular our Property Services business, have improved our margins. While some of the division's private sector customers remain cautious, we are seeing increasing opportunities in the government sector.

'The Resources division has performed strongly on the back of increased activity in the mining, oil and gas sectors, and we expect this to continue in the second half.

'The Integrated Workforce division also increased its earnings as a result of tight internal discipline. Overall demand, however, was flat, with weakness in the manufacturing, transport and industrial sectors partly offset by strength in the mining and heavy construction sectors.'

Outlook

'With more than 7,000 customers and 100 branches throughout Australia and New Zealand, Programmed is well placed to continue to expand our operations and increase the range of services we provide to each customer,' said Mr Sutherland.

'While the external business environment remains challenging and demand from some sectors has weakened, this is balanced by Programmed's increasing exposure to the resources, infrastructure and government sectors. Overall, the group continues to project for FY2012 growth in the Property & Infrastructure division's earnings supported by the cost reductions in FY2011; growth in the Resources division's revenue and earnings due to strong demand; and growth in the Integrated Workforce division's earnings as a result of tight control of margins and costs.'

PROGRAMMED

Group Results	1H 2012 30 Sep 2011 $m	1H 2011 30 Sep 2010 $m	% change
Continuing operations			
Revenue	**652.3**	**604.7**	**8%**
EBITDA (before restructuring costs)	29.2	22.7	29%
Depreciation	(5.5)	(6.5)	15%
EBITA (before restructuring costs)	**23.7**	**16.2**	**46%**
Restructuring costs	0.0	(5.9)	
EBITA	**23.7**	**10.3**	**129%**
Amortisation	(0.1)	(0.2)	38%
EBIT	**23.6**	**10.2**	**132%**
Net Interest	(7.0)	(6.8)	(3%)
Profit Before Tax	**16.6**	**3.4**	**391%**
Income Tax Expense[1]	(5.0)	1.2	
Profit From Continuing Operations	**11.6**	**4.6**	**153%**
Discontinued operations[2]	0.0	(7.6)	
Profit After Tax (statutory basis)	**11.6**	**(3.1)**	
Earnings Per Share	**9.8**	**(2.6)**	
Earnings Per Share (continuing operations)	**9.8**	**3.9**	**153%**
Weighted Average Shares on Issue (million)	118.2	118.2	

[1] *1H 2011 includes $1.9m tax benefit from retrospective change in tax consolidation rules to allow additional deductions for assets acquired after 1 July 2002*

[2] *Discontinued operations comprise the United Kingdom painting business*

zero/harm

Property & Infrastructure	1H 2012 30 Sep 2011 $m	1H 2011 30 Sep 2010 $m	% change
Revenue	321.5	298.1	7.8%
EBITA	12.3	10.5	17.1%

The Property Services business increased its margin, benefiting from improved sales processes and from the introduction of three new long-term maintenance painting programmes. These new programmes, which give customers greater choice and require a lower capital commitment, have made up approximately 25% of new programmes sold during the year to date. Further improvements are planned across the operations, and, as usual, higher revenue is expected in the second half due to increased painting volume during the summer season.

The Facility Management business produced a steady result, with small increases in revenue and earnings. The highlight of the year was the 10-year facility management contract with WA Water Corporation. This is expected to contribute revenue of $785 million over the ten years, with work starting in February 2012. The business will also benefit next year from the operational start of Programmed's 25-year $200 million prison maintenance contract in Victoria.

The KLM Electrical & Communications business continued to perform well and in line with expectations. While first half earnings were lower than the strong first half of FY2011, earnings for the full year are expected to be similar to the previous year.

Resources	1H 2012 30 Sep 2011 $m	1H 2011 30 Sep 2010 $m	% change
Revenue	138.6	103.5	33.9%
EBITA	10.8	4.3	151.2%

The Total Marine Services business, which provides manning, vessel management and other services, performed strongly due to increased revenue from offshore oil and gas projects. Further growth is expected in the second half, with Programmed's major Gorgon contract due to begin offshore operations in December 2011, and the business is seeking to develop further work associated with other offshore developments.

The onshore Construction & Maintenance business has been successful in securing a number of contracts in both the north and the south of Western Australia.

Workforce	1H 2012 30 Sep 2011 $m	1H 2011 30 Sep 2010 $m	% change
Revenue	190.6	201.5	(5.4%)
EBITA	6.0	5.3	13.2%

The Integrated Workforce division provides a range of staffing services across all industry sectors. Overall demand was flat in the first quarter and weakened across the general manufacturing and industrial sectors during the second quarter, although demand from the mining and heavy construction sectors remained strong. Margins increased through tight control of costs and increased focus on regions where demand is stronger. Trading conditions to date are similar to the first half.

Unallocated costs (1H12: $5.4 million vs $3.9 million pcp)

These relate to corporate overheads and a range of non-trading income and expenses, including foreign exchange movements from UK and NZ payments.

Balance sheet and cash flows

Gross operating cash flow was $33.1 million, 108% higher than the previous corresponding period ($15.9 million). Net operating cash flow was $16.9 million.

With the continued focus on capital management, the group's net debt reduced to $110.0 million at 30 September 2011, from $118.4 million at 31 March 2011. The net debt to equity ratio fell to 30.5% at 30 September 2011 from 33.7% at 31 March 2011.

On 30 September 2011, the group agreed new terms with its banks to provide lending facilities to October 2014, replacing the existing facilities due to expire in October 2012. The bank syndicated facility includes three financing tranches aggregating $250 million. Other arrangements for the group's asset finance requirements ($17 million) remain in place.

Strategy

Programmed's customer knowledge and relationships are at the centre of the group's core strategies which are;

- selling more services to customers;
- expanding the range of services offered to customers; and
- increasing penetration of the resources market.

The group started the FY2012 financial year with a clear plan to improve performance and grow the business. This plan includes installation of an upgraded HSE administration system; detailed HSE, financial, sales and general management training for over 100 operational managers; and "mining the group's extensive customer base".

Programmed has recently rolled out a major refresh of its brand across its operations to ensure customers connect with and know more about the whole group. This commenced in late September and will be completed in December. The brand refresh places a strong emphasis on ensuring staff across all businesses feel a stronger connection with each other and have the knowledge to see and refer potential new business with existing customers across all business units. In addition, a common customer relationship management (CRM) system is being rolled out and a group-wide customer referral incentive scheme has been running since the beginning of the financial year. Early indicators such as number of referrals, web traffic and customer feedback are positive.

For further information contact:

General Enquiries Chris Sutherland Managing Director Programmed Telephone: +61 8 9216 2123 Fax: +61 8 9216 2186	**Investor Enquiries** Katina Nadebaum Company Secretary Programmed Telephone: +61 8 9216 2191 Fax: +61 8 9216 2186	**Media Enquiries** Anthony Tregoning / Ashley Rambukwella Financial & Corporate Relations Telephone: + 61 411 852 448 / +61 407 231 282