PROGRAMMED

PROGRAMMED MAINTENANCE SERVICES LIMITED

ABN 61 054 742 264

HALF YEAR REPORT
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2013

APPENDIX 4D – HALF YEAR REPORT

Results for announcement to the market

For the half-year ended 30 September 2013
(Previous corresponding period: half-year ended 30 September 2012)

				$ '000
Revenue from ordinary activities (continuing and discontinued) *(Appendix 4D item 2.1)*	down	4.5%	to	723,587
Profit from ordinary activities after tax attributable to members (continuing and discontinued) *(Appendix 4D item 2.2)*	up	0.7%	to	12,412
Profit for the period attributable to members *(Appendix 4D item 2.3)*	up	0.7%	to	12,412

The results for the half-year ended 30 September 2013 shown above are comparable to the previous half-year ended 30 September 2012.

Dividends/distributions *(Appendix 4D item 2.4)*			Amount per security (cents)	Franked amount per security (cents)
Interim dividend determined			6.0	6.0
Previous corresponding period			5.0	5.0

Record date for determining entitlements to the dividend: 9 January 2014

(payment date of 23 January 2014)

The dividend reinvestment plan will remain suspended.

			30 September 2013 (cents)	30 September 2012 (cents)
Net Tangible Assets per Ordinary Share			115.5	97.4

HALF YEAR FINANCIAL REPORT

Half-year ended 30 September 2013

TABLE OF CONTENTS

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2013 and any public announcements made by Programmed Maintenance Services Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the Australian Securities Exchange.

RESULTS COMMENTARY

First half NPAT $12.4 million, up 1%

Net debt down 40% to $40 million
Interim dividend up 20% to 6 cps, fully franked

Programmed (ASX:PRG), which provides staffing, maintenance and facility management services, today announced an after-tax profit of $12.4 million for the six months to 30 September 2013, an increase of 1% over the first half of FY2013 ($12.3 million) when there was a one-off tax benefit of $1.7 million. Pre-tax profit was up 16% to $17.7 million from $15.3 million for the first half of FY2013.

Revenue was $724 million, down 5% due mainly to reduced activity on onshore mining projects in the Resources division. Lower earnings from the Resources division were offset by improved earnings from the Property & Infrastructure and Workforce divisions. As a result, the group's earnings before interest and tax (EBIT) were 7% higher at $21.8 million.

Interest paid was down 20% to $4.1 million due to a reduction in net debt to $40.1 million at 30 September 2013, 40% lower than at 31 March 2013 ($67.1 million).

The board has determined to increase the interim dividend by 20% to 6.0 cents per share fully franked, payable on 23 January 2014 to shareholders on the register at 9 January.

Chris Sutherland, managing director of Programmed, said: 'We are pleased to have maintained profit, lowered debt and increased the dividend in challenging market conditions. This result demonstrates the strength of our business model, providing services to all major sectors of the economy.

'Activity in some of the industry sectors we serve remains subdued, with customers focusing on lowering costs to improve their business performance. Demand for new staff across a range of industries is still flat, as shown by recent employment data[1]. Since July, a number of state governments and their trading enterprises have cut expenditure, which has reduced our revenue from some existing contracts.

'However, as governments and businesses seek to lower costs, new outsourcing opportunities often eventuate, and we have a pipeline of opportunities developing in the public infrastructure sector. An example is our recent success in securing a long-term maintenance contract for Barwon Water Authority in Victoria, which will commence in July 2014.

'We also have good visibility of future opportunities in the oil and gas sector. Importantly, we have been successful in securing $100 million of marine services work associated with Inpex's Ichthys project, as well as further work associated with both the Gorgon and Wheatstone projects.

'Overall, weakness in some sectors is being offset by growth in other sectors and on balance, we project for the full year, a similar net profit to FY2013[2], with continuing strong cash flow, lower debt and capacity to pay a similar or increased final dividend.'

1. ABS Employment Data Oct 2013
2. subject to no major industrial action arising from current marine EBA negotiations; excluding equity accounting impact of OneShift investment and noting that FY2013 net profit included a one off tax benefit of $2.7 million.

RESULTS COMMENTARY (CONTINUED)

Group Results	1H FY14 30 Sep 2013 $m	1H FY13 30 Sep 2012 $m	% change
Revenue	**723.6**	**757.7**	**(5%)**
EBITDA (before restructuring costs)	**28.1**	**27.9**	**1%**
Depreciation and Amortisation	(5.7)	(6.3)	(10%)
EBIT (before restructuring costs)	**22.4**	**21.6**	**4%**
Restructuring costs	(0.6)	(1.2)	
EBIT	**21.8**	**20.4**	**7%**
Interest	(4.1)	(5.1)	(20%)
Profit Before Tax	**17.7**	**15.3**	**16%**
Income Tax Expense[1]	(5.3)	(3.0)	
Profit After Tax	**12.4**	**12.3**	**1%**
Earnings Per Share	**10.5**	**10.4**	**1%**
Weighted Average Shares on Issue (million)	118.2	118.2	

[1] *1H FY13 includes $1.7m tax benefit from utilisation of tax losses carried forward from prior years*

Property & Infrastructure	1H FY14 30 Sep 2013 $m	1H FY13 30 Sep 2012 $m	% change
Revenue	381.3	372.1	2%
EBIT	11.0	8.3	33%

The Property & Infrastructure division consists of the property services business, the KLM electrical / communications business, the facility management (FM) business and the Turnpoint specialist turf business.

Overall, revenues and margins were consistent with the prior year (excluding the contract dispute provision relating to a Queensland electrical project booked in the first half of FY2013).

The property services business, which includes painting and grounds maintenance, delivered moderately higher earnings than the first half of FY2013, with demand consistent with the previous year.

The KLM electrical / communications business returned to profit, with increased focus on upgrades, fit-outs and servicing, rather than new construction work.

Lower budgets for a number of state government-related contracts resulted in lower earnings for FM activities. A new four-year maintenance contract (with six years of options) with Barwon Water Authority in Victoria will start in July 2014, with forecast revenue of approximately $15 million p.a.

The specialist turf maintenance business Turnpoint continues to perform in line with expectations. New business opportunities across Australia will develop as the business continues to leverage existing Programmed relationships with golf, horse racing and sports stadia.

RESULTS COMMENTARY (CONTINUED)

Resources	1H FY14 30 Sep 2013 $m	1H FY13 30 Sep 2012 $m	% change
Revenue	148.4	179.2	(17%)
EBIT	11.9	14.0	(15%)

The Resources division provides workforce, maintenance, construction support and operational services to the offshore marine and onshore mining sectors. Due to the end of a major contract and reduced onshore mining project activity, revenue from the onshore sector was lower at $10 million, compared with $35 million for the previous corresponding period.

Offshore marine work continued strongly, benefiting from a number of major oil and gas developments off the north-west of Australia. Work continued through the period on the Gorgon pipelay marine services contract, which is due to finish shortly; additional work related to Gorgon was secured and is due to commence near the end of this calendar year.

The pipelay marine services contract for the Wheatstone LNG project will commence shortly, along with additional work associated with the project which has been secured recently.

Higher revenue for the Resources division is projected in second half of FY2014 compared with the first half, assuming no major industrial action. Negotiations for a new marine EBA (Enterprise Bargaining Agreement) continue and there is a risk of industrial action in the near term which would defer some revenue and earnings.

Induction and training have begun for key personnel attached to Programmed's $100 million Ichthys marine services contract which is scheduled to commence in the middle of the 2014 calendar year.

Workforce	1H FY14 30 Sep 2013 $m	1H FY13 30 Sep 2012 $m	% change
Revenue	192.2	204.6	(6%)
EBIT	4.9	4.6	7%

The Workforce division provides staffing services across most industry sectors, and particularly the manufacturing, light industrial, transport and logistics, construction and mining sectors.

Revenue was affected by continuing weak economic activity, with businesses not increasing staff numbers, as shown by employment data. Growth in online sales in the retail sector and lower output in the manufacturing and light industrial sectors have reduced demand for blue collar casual staff across a wide cross section of manufacturing, light industrial, materials, warehousing and logistics customers.

The division has a low cost base and is well placed to increase its earnings when general economic activity improves.

Programmed announced recently that it had invested $5 million in the emerging online recruitment business, OneShift, acquiring a 27.5% equity stake.

RESULTS COMMENTARY (CONTINUED)

The business of staff recruitment is undergoing rapid structural change. The traditional placement fee paid to recruitment firms for searching and finding a worker is being replaced by customers using online search and database systems to find and match candidates for specific jobs. The placement fee revenue of many white collar recruitment firms is at historical lows and is unlikely to recover to previous levels.

Traditionally, our Workforce business' placement fee income has not been significant, so OneShift is complementary and its capability will be marketed across the group's customer base.

Unallocated costs

These relate to corporate overheads and a range of non-trading income and expenses, including foreign exchange movements from UK and New Zealand payments and amortisation of contract intangibles. Net unallocated costs for the period were $5.4 million (1H FY13: $5.3 million).

Balance sheet and cash flow

Gross operating cash flow was $56.6 million, an increase of 39% over the first half of FY2013 ($40.8 million). Net operating cash flow was $43.0 million, compared with $19.1 million.

The group's net debt at 30 September 2013 was $40.1 million, compared with $95.9 million at 30 September 2012 and $67.1 million at 31 March 2013. The net debt: equity ratio at 30 September 2013 was 10.1%.

DIRECTORS' REPORT

The directors present their report together with the consolidated financial report of Programmed Maintenance Services Limited ("the company") and its subsidiaries ("the Group") for the half-year ended 30 September 2013 and the auditors review report thereon.

The names of the directors of the company during or since the end of the half-year are:

B R Brook
C G Sutherland
J G Whittle
E R Stein
R J McKinnon
A E Grant

REVIEW OF OPERATIONS

Consolidated revenue (continuing operations) for the half-year ended 30 September 2013 was $723.587 million, which is 4.5% lower than the corresponding period last year.

For the half-year ended 30 September 2013, the consolidated profit before tax (continuing operations) amounted to $17.714 million and consolidated profit after tax amounted $12.412 million ($15.281 million and $12.330 million respectively for the half-year ended 30 September 2012).

CHANGES IN STATE OF AFFAIRS

There was no significant change in the state of affairs of the Group during the half year.

SUBSEQUENT EVENTS

On 2 October 2013, the Group invested $5 million in the emerging online recruitment business, OneShift, acquiring a 27.5% equity stake. OneShift, started just over 12 months ago, focuses on the temporary employment market, matching potential candidates with businesses seeking temporary workers on a fee per candidate basis.

There has not been any other matter or circumstance that has arisen since the end of the half year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' REPORT (CONTINUED)

AUDITORS' INDEPENDENCE DECLARATION

The auditors' independence declaration is included on page 10 of the half-year financial report.

ROUNDING OFF OF AMOUNTS

The company is of a kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the directors

C G SUTHERLAND
MANAGING DIRECTOR

C. Sutherland

PERTH, WESTERN AUSTRALIA
27 NOVEMBER 2013

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX 111
Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 3 9671 7001
www.deloitte.com.au

27 November 2013

The Board of Directors
Programmed Maintenance Services Limited
47 Burswood Road
Burswood WA 6100

Dear Board Members

Programmed Maintenance Services Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Programmed Maintenance Services Limited.

As lead audit partner for the review of the financial statements of Programmed Maintenance Services Limited for the half-year ended 30 September 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

C Biermann
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX: 111
Tel: +61 3 9671 7000
Fax: +61 3 9671 7001
www.deloitte.com.au

Independent Auditor's Review Report to the Members of Programmed Maintenance Services Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Programmed Maintenance Services Limited, which comprises the condensed consolidated statement of financial position as at 30 September 2013, and the condensed consolidated statement of profit or loss, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 10 to 23.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 September 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Programmed Maintenance Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Deloitte.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Programmed Maintenance Services Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Programmed Maintenance Services Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 September 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chris Biermann
Partner
Chartered Accountants
Melbourne, 27 November 2013

DIRECTORS' DECLARATION

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the directors

C G SUTHERLAND
MANAGING DIRECTOR

C. Sutherland

PERTH, WESTERN AUSTRALIA
27 NOVEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2013

	Note	Consolidated Half-year ended 30 Sep 2013 $'000	30 Sep 2012 $'000
Continuing operations			
Revenue		723,587	757,717
Other income		1,332	84
Changes in work in progress at cost and other inventories		1,084	(2,241)
Raw materials and consumables used		(68,438)	(79,470)
Employee benefits expense		(451,115)	(480,894)
Sub-contractor expenses		(149,578)	(134,635)
Depreciation and amortisation expense	3	(5,746)	(6,292)
Equipment and motor vehicle costs		(8,907)	(9,043)
Information technology and telecommunication costs		(3,712)	(4,546)
Other expenses		(16,699)	(20,265)
Earnings before interest and tax		21,808	20,415
Finance costs	3	(4,094)	(5,134)
Profit before income tax		17,714	15,281
Income tax expense	4	(5,302)	(2,951)
Profit attributable to members of Programmed Maintenance Services Limited		12,412	12,330
		Cents	Cents
Earnings per share			
From continuing operations:			
Basic earnings per share		10.5	10.4
Diluted earnings per share		10.2	10.2

Notes to the condensed consolidated financial statements are included on pages 19 to 26

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2013

	Consolidated Half-year ended 30 Sep 2013	30 Sep 2012
	$'000	$'000
Profit for the period	12,412	12,330
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	4,118	(838)
Other comprehensive income for the period (net of tax)	4,118	(838)
Total comprehensive income for the period attributable to owners of the parent entity	16,530	11,492

Notes to the condensed consolidated financial statements are included on pages 19 to 26

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2013

	Note	Consolidated 30 Sep 2013 $'000	31 Mar 2013 $'000
CURRENT ASSETS			
Cash and cash equivalents		38,204	38,334
Trade and other receivables		249,530	282,377
Other financial assets		1,928	2,166
Inventories		58,340	52,246
Current tax assets		880	-
Other		4,471	5,525
Total current assets		353,353	380,648
NON-CURRENT ASSETS			
Trade and other receivables		55,485	54,203
Inventories		10,303	11,477
Property, plant and equipment		27,785	27,609
Deferred tax assets		18,950	19,334
Goodwill	6	245,881	245,543
Other intangible assets		14,213	14,398
Total non-current assets		372,617	372,564
TOTAL ASSETS		725,970	753,212
CURRENT LIABILITIES			
Trade and other payables		158,357	159,870
Borrowings		58,486	64,261
Current tax payables		777	4,288
Provisions		39,470	39,813
Total current liabilities		257,090	268,232
NON-CURRENT LIABILITIES			
Borrowings		19,829	41,180
Deferred tax liabilities		44,483	43,943
Provisions		7,955	8,206
Total non-current liabilities		72,267	93,329
TOTAL LIABILITIES		329,357	361,561
NET ASSETS		396,613	391,651
EQUITY			
Issued capital	8	236,060	236,060
Reserves		5,000	632
Retained earnings		155,553	154,959
TOTAL EQUITY		396,613	391,651

Notes to the condensed consolidated financial statements are included on pages 19 to 26

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2013

Consolidated	Issued capital $'000	Foreign currency translation reserve $'000	Capital profits reserve $'000	Equity settled employee benefits reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 April 2012	235,549	(7,193)	5,535	1,414	138,185	373,490
Profit for the period	-	-	-	-	12,330	12,330
Exchange differences arising on translation of foreign operations	-	(838)	-	-	-	(838)
Total comprehensive income for the period	-	(838)	-	-	12,330	11,492
Recognition of share-based payments	-	-	-	459	-	459
Income tax related to share issue costs	511	-	-	-	-	511
Payment of dividends (note 7)	-	-	-	-	(9,454)	(9,454)
Balance at 30 September 2012	236,060	(8,031)	5,535	1,873	141,061	376,498
Balance at 1 April 2013	236,060	(6,706)	5,535	1,803	154,959	391,651
Profit for the period	-	-	-	-	12,412	12,412
Exchange differences arising on translation of foreign operations	-	4,118	-	-	-	4,118
Total comprehensive income for the period	-	4,118	-	-	12,412	16,530
Recognition of share-based payments	-	-	-	250	-	250
Payment of dividends (note 7)	-	-	-	-	(11,818)	(11,818)
Balance at 30 September 2013	236,060	(2,588)	5,535	2,053	155,553	396,613

Notes to the condensed consolidated financial statements are included on pages 19 to 26

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2013

	Note	Consolidated Half-year ended 30 Sep 2013 $'000	30 Sep 2012 $'000
Cash Flows from Operating Activities			
Receipts from customers[1]		821,316	834,655
Payments to suppliers and employees		(764,639)	(793,889)
Interest and other cost of finance paid		(3,931)	(4,905)
Income tax paid		(9,739)	(16,809)
Net cash provided by operating activities		43,007	19,052
Cash flows from investing activities			
Interest received		192	195
Payment for property, plant and equipment		(3,136)	(4,650)
Proceeds from sale of property, plant and equipment		1,245	761
Payment for development software		(271)	(399)
Payments for businesses	9	-	(8,441)
Payments for mobilisation of contracts		(187)	(281)
Net cash used in investing activities		(2,157)	(12,815)
Cash flows from financing activities			
Proceeds from borrowings		40,000	35,000
Repayment of borrowings		(69,526)	(33,558)
Dividends paid	7	(11,818)	(9,454)
Net cash used in financing activities		(41,344)	(8,012)
Net decrease in cash and cash equivalents		(494)	(1,775)
Cash and cash equivalents at the beginning of the period		38,334	34,668
Effects of exchange rate changes on the balance of cash held in foreign currencies		364	(49)
Cash and cash equivalents at the end of the period		38,204	32,844
Reconciliation of cash			
Cash and cash equivalents per balance sheet and cash flow statement		38,204	32,844

Notes to the condensed consolidated financial statements are included on pages 19 to 26

[1]Receipts from customers include interest revenue on long term maintenance contracts of $2.936 million (2012: $3.807 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2013

1. Significant accounting policies

Programmed Maintenance Services Limited (the "Company") is a company domiciled in Australia. The condensed consolidated financial statements of the Company for the six months ended 30 September 2013 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates.

The consolidated financial statements of the Group as at and for the year ended 31 March 2013 are available upon request at the Company's registered office at 47 Burswood Road, Burswood, Western Australia or at www.programmed.com.au.

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2013 annual financial report for the financial year ended 31 March 2013.

2. Segment Information

Basis of segmentation

The Group's business is organised into the following operating and reportable segments:

- Integrated Workforce
- Property & Infrastructure
- Resources

Information has been reported for the 3 segments in the half year ended 30 September 2013.

Segment assets and liabilities

Consolidated	Assets		Liabilities	
	30 Sep 2013 $'000	31 Mar 2013 $'000	30 Sep 2013 $'000	31 Mar 2013 $'000
Integrated Workforce	127,219	125,765	28,288	32,221
Property & Infrastructure	343,913	356,788	187,220	186,926
Resources	254,838	270,659	44,275	48,053
Total of all segments	725,970	753,212	259,783	267,200
Unallocated	-	-	69,574	94,361
Consolidated	725,970	753,212	329,357	361,561

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 September 2013

2. Segment Information (continued)

The following is an analysis of the revenue and results for the period, analysed by reportable operating segment.

	Integrated Workforce		Property & Infrastructure		Resources		Total consolidated Continuing operations	
	30 Sep 2013 $'000	30 Sep 2012 $'000	30 Sep 2013 $'000	30 Sep 2012 $'000	30 Sep 2013 $'000	30 Sep 2012 $'000	30 Sep 2013 $'000	30 Sep 2012 $'000
Revenue	192,218	204,582	378,354	368,307	148,372	179,189	718,944	752,078
Finance revenue on long term maintenance contracts	-	-	2,936	3,807	-	-	2,936	3,807
Segment revenue	192,218	204,582	381,290	372,114	148,372	179,189	721,880	755,885
Other revenue, including interest and rental revenue (unallocated)							1,707	1,832
							723,587	757,717
Segment result								
Earnings before interest, tax, restructuring and unallocated costs	4,945	4,574	10,954	8,315	11,867	14,023	27,766	26,912
Restructuring costs							(595)	(1,197)
Unallocated costs							(5,363)	(5,300)
Earnings before interest and tax							21,808	20,415
Finance costs							(4,094)	(5,134)
Profit before tax							17,714	15,281
Income tax expense							(5,302)	(2,951)
Profit for the year							12,412	12,330

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 September 2013

3. Profit

	Consolidated	
	Half-year ended 30 Sep 2013 $'000	Half-year ended 30 Sep 2012 $'000
Profit before income tax includes the following specific expenses:		
Finance Costs:		
Total interest costs	2,258	3,440
Other finance costs	1,836	1,694
	4,094	5,134
Depreciation and amortisation of non-current assets		
- Plant and equipment	5,052	5,448
- Identifiable intangibles	262	332
- Other non-current assets	432	512
	5,746	6,292

4. Income taxes

The income tax expense for the half year can be reconciled to the accounting profit as follows:

Profit from operations	17,714	15,281
Income tax expense calculated at 30%	5,314	4,584
Effect of amounts that are not deductible/(assessable) in determining taxable profit:		
Amortisation of intangibles	77	99
Effect of different tax rates of subsidiaries operating in other jurisdictions	(333)	(390)
Benefit of tax losses not recognised	4	256
Other sundry items	240	77
	5,302	4,626
Adjustments recognised in the current year in relation to the current tax of prior years	-	(1,675)
Income tax expense	5,302	2,951

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 September 2013

5. Contracts and work in progress at recoverable value

Consolidated	Half-year ended 30 Sep 2013 $'000	Year ended 31 Mar 2013 $'000	Half-year ended 30 Sep 2012 $'000
Contracts in progress at recoverable value			
Balance at the beginning of period	113,630	129,828	129,828
Decrease in amounts recoverable	(3,221)	(16,611)	(8,914)
Effect of foreign currency movements	3,704	413	(650)
Balance at end of period	114,113	113,630	120,264
Categorised as:			
Current	58,628	59,427	64,949
Non-current	55,485	54,203	55,315
	114,113	113,630	120,264
Work in progress at recoverable value			
Balance at the beginning of period	28,003	24,095	24,095
(Decrease)/Increase in amounts recoverable	(1,672)	3,786	(1,066)
Effect of foreign currency movements	273	122	(8)
Balance at end of period	26,604	28,003	23,021
Categorised as:			
Current	16,301	16,526	14,099
Non-current	10,303	11,477	8,922
	26,604	28,003	23,021
Total contracts and work in progress at recoverable value			
Categorised as:			
Current	74,929	75,953	79,048
Non-current	65,788	65,680	64,237
	140,717	141,633	143,285

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 September 2013

6. Goodwill

	Note	Half-year ended 30 Sep 2013 $'000	Half-year ended 30 Sep 2012 $'000
Gross carrying amount			
Balance at beginning of financial year		245,543	242,010
Additional amounts recognised from business combinations occurring during the period		-	3,723
Net foreign exchange differences		338	(81)
		245,881	245,652

7. Dividends

During the period, Programmed Maintenance Services Limited made the following dividend payments:

	Half-year ended 30 Sep 2013		Half-year ended 30 Sep 2012	
	Cents per share	Total $'000	Cents per share	Total $'000
Fully paid ordinary shares				
Final dividend	10.0	11,818	8.0	9,454

On 27 November 2013, the directors determined a fully franked interim dividend of 6.0 cents per share (2012: 5.0 cents) to the holders of fully paid ordinary shares in respect of the half-year ended 30 September 2013, to be paid to shareholders on 23 January 2014. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $7.094 million (2012: $5.909 million).

8. Issued capital

	30 Sep 2013 $'000	30 Sep 2012 $'000
118,229,190 fully paid ordinary shares (2012: 118,175,280)	236,060	236,060

	Half-year ended 30 Sep 2013		Half-year ended 30 Sep 2012	
	No.'000	$'000	No.'000	$'000
Ordinary shares				
Balance at the beginning of the half-year	118,180	236,060	118,174	235,549
Issue of shares	49	-	1	-
Income tax related to share issue costs	-	-	-	511
Balance at the end of the half-year	118,229	236,060	118,175	236,060

Apart from those noted above, there were no other movements in the issued share capital of the company in the current or prior half-year reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 September 2013

8. Issued capital (continued)

Performance rights and options

The following reconciles the outstanding Performance rights and options under the Long Term Incentive Plan at the beginning and end of the half-year:

	Performance rights Half year ended		Performance options Half year ended	
	30 Sep 2013 No.	30 Sep 2012 No.	30 Sep 2013 No.	30 Sep 2012 No.
Balance at the beginning of the half-year	3,184,000	2,283,000	63,000	868,000
Granted during the half-year	1,170,000	1,302,000	-	-
Exercised during the half-year	(49,494)	(1,502)	-	-
Lapsed during the half-year	(413,506)	(77,498)	(9,000)	(80,000)
Balance at the end of the half-year	3,891,000	3,506,000	54,000	788,000

9. Acquisition of subsidiaries

Turnpoint group

On 4 April 2012, the Group acquired 100% of the issued share capital of the Turnpoint group entities for cash consideration of $8.857 million ($9.100 million less $0.243 million of net assets adjustment). A potential incentive payment of up to $2.900 million could be payable on 30 June 2014. The amount of incentive payment is dependent on the earnings before interest and tax ("EBIT") performance of the group for the financial years ending 31 March 2013 and 31 March 2014 and a key employee of Turnpoint remaining in employment during those years. At 31 March 2013, the acquisition accounting was finalised and the Group assessed the total fair value of the incentive payment as nil.

The net assets acquired in the business combination, and the goodwill arising, are as follows:

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 September 2013

9. Acquisition of subsidiaries (continued)

	30 September 2013			31 March 2013		
	Book value	Fair value adjustments	Fair value on acquisition	Book value	Fair value adjustments	Fair value on acquisition
	$'000	$'000	$'000	$'000	$'000	$'000
Net assets acquired:						
Current assets						
Cash and cash equivalents	-	-	-	841	-	841
Trade and other receivables	-	-	-	2,693	-	2,693
Other current assets	-	-	-	199	-	199
Non-current assets						
Property, plant and equipment	-	-	-	5,520	-	5,520
Deferred tax assets	-	-	-	423	-	423
Other intangible assets	-	-	-	-	2,347	2,347
Current liabilities						
Trade and other payables	-	-	-	(1,908)	-	(1,908)
Current tax payable	-	-	-	(305)	-	(305)
Provisions	-	-	-	(579)	-	(579)
Non-current liabilities						
Borrowings	-	-	-	(3,411)	-	(3,411)
Deferred tax liabilities	-	-	-	(244)	-	(244)
Provisions	-	-	-	(242)	-	(242)
	-	-	-	2,987	2,347	5,334
Goodwill arising on acquisition			-			3,523
Total purchase consideration			-			8,857

Goodwill arose in the business combinations because the cost of the combination included a control premium paid to acquire the businesses. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of businesses. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

As the acquisition date of the Turnpoint group was 4 April 2012, the quantified impact on Group revenue and profit for the half year ended 30 September 2012 had the acquisition occurred on 1 April 2012 is considered immaterial.

Workforce on Tap

The Group acquired the business operations of Workforce on Tap effective 19 December 2011. Purchase consideration included a warranty retention amount of $0.850 million, which was paid into an escrow account and released to the vendors in two tranches in accordance with the sale agreement 6 months and 12 months after the acquisition date. During the comparative half year ended 30 September 2012, half the warranty retention amount ($0.425 million) was paid to the vendors.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 September 2013

9. Acquisition of subsidiaries (continued)

Net cash flow on acquisitions

	Half-year ended 30 Sep 2013 $'000	Half-year ended 30 Sep 2012 $'000
Turnpoint group:		
Purchase consideration paid in cash	-	8,857
Less: cash and cash equivalents	-	(841)
	-	8,016
Workforce on Tap:		
Purchase consideration paid in cash	-	425
Net cash out flow on acquisitions	-	8,441

10. Subsequent events

On 2 October 2013, the Group invested $5 million in the emerging online recruitment business, OneShift, acquiring a 27.5% equity stake. OneShift, started just over 12 months ago, focuses on the temporary employment market, matching potential candidates with businesses seeking temporary workers on a fee per candidate basis.

There has not been any other matter or circumstance that has arisen since the end of the half year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.