

30 July 2014

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## Trading Update

Programmed (ASX:PRG), which provides staffing, maintenance and facility management services, has reported that trading conditions remain mixed. Chris Sutherland, Programmed's Managing Director, commented on the Company's trading during the three months to 30 June 2014 at today's Annual General Meeting in Sydney.

Activity in the Property & Infrastructure division, which contributed 44% of the Company's earnings before interest and tax (EBIT) for the year to 31 March 2014, remains in line with the previous corresponding period. Due to the strong performance of Programmed Turnpoint, the specialist turf business acquired two years ago, the division's first half results will include a one-off expense of \$1.4 million representing the final performance-related portion of the business' purchase price. Programmed Turnpoint has a strong pipeline of opportunities.

A number of new long-term maintenance contracts have been secured which are expected to contribute to revenue growth for the Property & Infrastructure division in the second half of FY2015. These include a five year contract with NZ Housing to maintain social housing in Auckland and Wellington, a three year contract with Fonterra to maintain its logistics distribution centres across New Zealand, and a 14 year contract for the maintenance of Gatton Prison in Queensland. The division is also tendering or negotiating a significant pipeline of further long-term maintenance opportunities.

In the Resources division, which contributed 39% of FY2014 EBIT, trading in the first quarter of FY2015, work-in-hand and tendering indicate that offshore oil and gas activity is continuing at similar levels to last year.

In the Workforce division, which contributed 17% of FY2014 EBIT, demand has been lower than in the previous corresponding period, indicating further weakening of the market, particularly in the blue-collar, light industrial and manufacturing sectors. As already announced, the division is investing in technology to lower costs and reshape the way the business operates in an online world.

Mr. Sutherland said that Programmed's cash flow remains strong, net debt is low and, despite some current market weakness, the Company is well-placed to enact its strategy to grow its operations over the long-term.

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