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Programmed Maintenance Services Ltd
ACN 054 742 264

Skilled transaction a ‘win-win’ for both companies’ shareholders, says Programmed chairman First quarter trading confirms Programmed’s May outlook

Speaking at Programmed’s annual general meeting in Melbourne today, Programmed’s chairman Bruce Brook said that the rationale for combining Programmed and Skilled was compelling and would be a ‘win-win’ for both companies’ shareholders.

‘The combination will unlock substantial value for both companies’ shareholders and is expected to be materially earnings-per-share accretive for Programmed before one-off transaction and integration costs and amortisation of intangibles,’ said Mr Brook. ‘Due diligence undertaken by both companies has identified synergies totalling more than \$20 million that we expect to achieve within the first 12 months, with further synergies likely thereafter. In addition to cost savings, we expect significant strategic benefits.’

Commenting on Programmed’s trading, Chris Sutherland, managing director of Programmed, said: ‘Our first quarter performance continued to reflect the major transition occurring in the economy, with strong growth in Property & Infrastructure revenue and earnings being offset by lower revenue and earnings in the Resources division. Our Workforce division’s trading remained similar to the second half of FY2015.

‘Hence, as anticipated in our results announcement in May, the reduction in Resources earnings is expected to be offset in the year to March 2016 by continuing strong growth in earnings by our Property & Infrastructure division.’

Mr Sutherland also said that combining Programmed’s and Skilled’s businesses would create a stronger, more efficient and more competitive provider of staffing, maintenance and facility management services.

‘The transaction will give us market leadership, with greater brand recognition and the opportunity to improve customer service, risk management and contract performance. Our staffing, maintenance and facility management activities will have significantly increased scale, which will enable lower unit costs and enhance organic growth opportunities, and we will be better positioned to compete for larger outsourcing opportunities that are emerging in the marketplace.

‘Programmed’s and Skilled’s customer bases are complementary. There is limited customer overlap and we believe that there will be many opportunities to sell further services to customers of the combined group. Both companies’ shareholders will benefit from increased earnings diversity, geographically, by sector and by customer,’ said Mr Sutherland.

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