Transfield Services

Macquarie Conference – 6 May 2015

Graeme Hunt – Managing Director and Chief Executive Officer
Vince Nicoletti – Chief Financial Officer

Disclaimer and important information

This presentation is for information purposes only and is a summary only. It should be read in conjunction with the most recent financial report. The content of this presentation is provided as at the date of this presentation (unless otherwise stated). Reliance should not be placed on information or opinions contained in this presentation and, subject only to any legal obligation to do so Transfield Services Limited ('Transfield Services') does not have any obligation to correct or update content.

This presentation does not and does not purport to contain all information necessary to an investment decision, is not intended as investment or financial advice and must not be relied upon as such. Any decision to buy or sell securities or other products should be made only after seeking appropriate financial advice.
This presentation is of a general nature and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor.

Any investment decision should be made solely on the basis of your own enquiries. Before making an investment in Transfield Services, you should consider whether such an investment is appropriate to your particular investment objectives, financial situation or needs.

To the maximum extent permitted by law, Transfield Services disclaims all liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any loss arising from this presentation or reliance on anything contained in or omitted from it or otherwise arising in connection with this.

All amounts are in Australian Dollars, unless otherwise stated. Certain statements in this presentation relate to the future, including forward looking statements relating to Transfield Services' financial position and strategy. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of Transfield Services to be materially different from the future results, performance or achievements expressed or implied by such statements.

Throughout this document non-IFRS financial indicators are included to assist with understanding Transfield Services' performance. The primary non-IFRS information is proportionately consolidated financial information, underlying EBITDA, underlying EBIT and underlying NPAT.

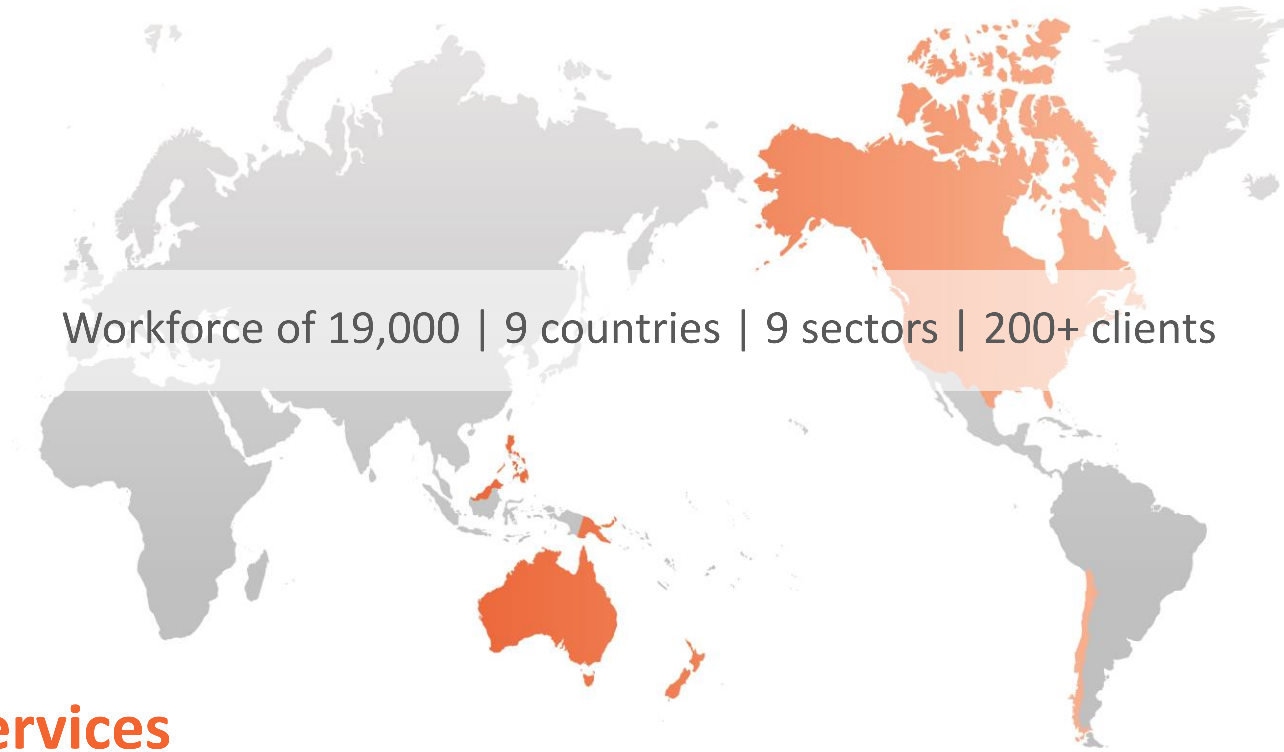
Management believes proportionately consolidated information is an accurate reflection of operational results due to the materiality of joint venture arrangements in place. Proportionately consolidated results include Transfield Services' share of joint venture revenues and earnings. Management believes underlying EBITDA, underlying EBIT and underlying NPAT are appropriate indications of the on-going operational earnings of the business and its segments because these measures do not include one-off significant items (both positive and negative) that relate to disposed or discontinued operations, pre-acquisition legal settlement costs, costs incurred to restructure the business in the current period or costs associated with a take-over defence. A reconciliation of non-IFRS to IFRS information is included where these metrics are used. This document has not been subject to review or audit by Transfield Services' external auditors.

All comparisons are to the previous corresponding period of H1 FY2014 – the 6 months ended 31 December 2013, unless otherwise indicated. Certain figures provided in this document have been rounded. In some cases, totals and percentages have been calculated from information that has not been rounded, hence some columns in tables may not add exactly.

TRANSFIELD SERVICES

Who we are

Global diversified services business



Workforce of 19,000 | 9 countries | 9 sectors | 200+ clients

Our Services

Logistics and Facilities Management

Operations and Maintenance

Well Servicing

Consulting

Construction

What we do – selected examples

- We maintain and operate **Sydney's Harbour City Ferries for the NSW Government** in partnership with Transdev

- We provide shutdown maintenance and drilling services to **various mining and oil & gas operators globally including for Woodside**

- We maintain coal seam gas wells in Queensland for **QGC's CSG to LNG program** utilising Easternwell's well servicing rigs and provide services across the value chain

- We install telecommunications networks for the **National Broadband Network** in Australia and the **Ultrafast Broadband Network** in NZ

- We provide garrison and welfare services for the **Australian Government on Nauru** and **Manus Island**

- We operate and/or maintain civil, mechanical, electrical and tolling assets for the **Hills M2 Motorway** and **Lane Cove Tunnel in Sydney, City Link and East Link in Melbourne, and Presidio Parkway** in the US

- We provide estate management and garrison support services to the **Australian Department of Defence** on bases in Victoria, South Australia, Tasmania, Western Australia and the Northern Territory. We also provide emergency services and maintain the Defence force national stores on every Australian base

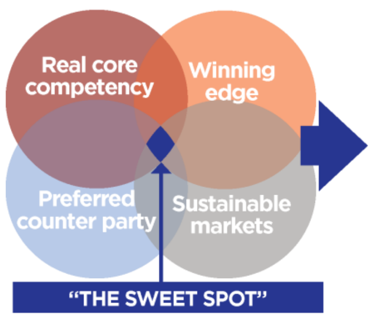
- We provide operations and maintenance services to oil & gas assets in both the upstream and downstream sectors in the US for clients such as **Chevron, Exxon Mobil and Valero**

Group strategy

WHERE WE OPERATE

“Focus our efforts on delivering services in sustainable growth markets that are essential to our clients ongoing operations

HOW WE POSITION



- Superior safety focus
- Focus on sustainable opportunities that are aligned with strategy
- As fully integrated with client as possible
- Steady growth potential
- Play to our real core competencies
- Capital light and adherence to return requirements (min 15% ROCE)
- Near term divestment and organic growth focus

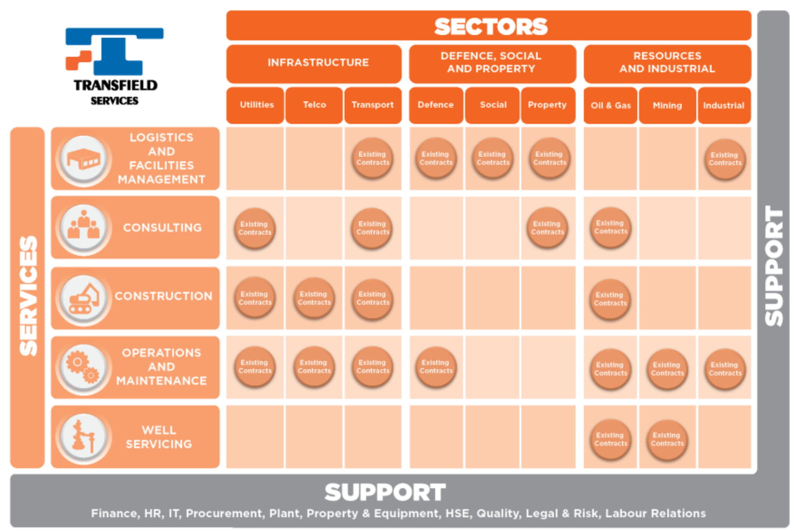
WHAT GOOD LOOKS LIKE

METRIC	CURRENT 2	FUTURE STATE
TRIFR	6.3	0
EBITDA margin (%)	5.9%	7.5%[1]
ROCE (%)	10.0%	15%
Cash conversion	81%	100%
Debtor days	44 days	40 days
WIP days	18 days	10 days
Creditor days	47 days	40 days
Leverage ratio	2.2x	<2.0x
EPS	10.7 cents	Improvement YoY

1. Subject to risk, contract type, capital intensity and counterparty
2. Figures as at 31 December 2014 (excluding EPS as at 30 June 2014.)

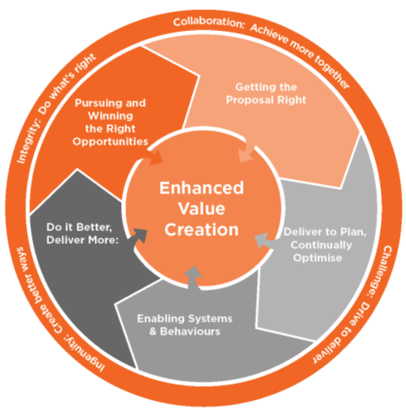
HOW WE STRUCTURE

Operating Model



Roles

Execution Methodology



Group strategy (cont'd)

Our business plan is based on the following key strategies:

01.

SUPERIOR SAFETY
- Meet or exceed client safety standards
- Be safer than customers and competitors
- Continue to invest in training
- Our TRIFR increased from 5.4 injuries per million hours worked at 30 June 2014 to 6.3 injuries per million hours worked at 31 December 2014, a 13% rise

02.

DIFFERENTIATED, NON-DISCRETIONARY SERVICE OFFERING
- Improve knowledge of customers and competitors through sector focused operating model
- Avoid commoditised services or heavy exposure to discretionary expenditure
- Target non-discretionary services with blue chip clients in attractive end-markets

03.

INTEGRATE INTO CUSTOMERS' OPERATIONS
- Integrate our workforce into customer operations so "if we stop, they stop"
- Position TSE as a critical partner
- Develop insights and deliver efficiencies and other solutions to the customer

04.

DISCIPLINED CONTRACT SELECTION
- Better bid governance through new bidding framework (the "Gate" review system)
- Focus on profitability and ROCE. Proactively seek to influence key commercial arrangements
- Win or renew contracts on desired terms at satisfactory returns

05.

REFINE PORTFOLIO WITH NON-CORE DIVESTITURES
- Focused and disciplined business development and simplified asset portfolio
- Sold Transfield Worley joint venture in New Zealand, Hofincons in India and JV investments in the U.A.E. and Qatar
- Dispose of other non-core businesses including the stake in Ratch-Australia Corporation Ltd.

06.

STRONG BALANCE SHEET AND INCREASED LIQUIDITY
- Steadily reduce net leverage through non-core divestments and increased profitability
- Improved debtor days through working capital reduction
- Reduce creditors to more sustainable levels
- Overall balance sheet funding (creditors and net debt) is lower

WHAT THIS MEANS

TRANSFIELD SERVICES WILL:
- Have a better focused operating portfolio
- Be returns focused - profitable growth not just revenue growth
- Move away from commoditised markets
- Have a greater responsibility for client business outcomes

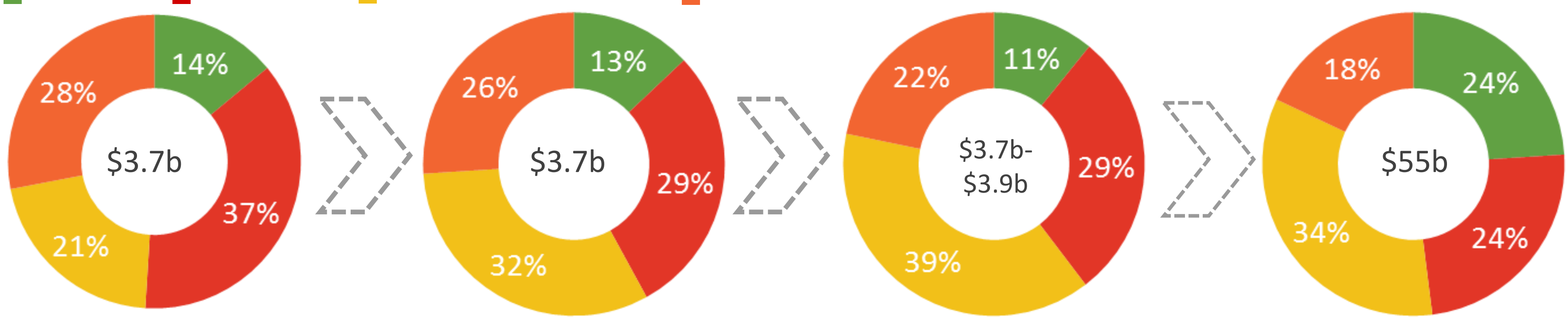
THIS MEANS:
- A sustainable platform
- A more profitable business
- Consistent returns
- Lower volatility

Increased Total Shareholder Returns

Portfolio composition over time

FY2013A (Revenue)[1]	**FY2014A (Revenue)[1]**	**FY2015 Est. (Revenue)[1]**	**Expected Pipeline (Revenue)[1] Leads and Opportunities**
(Sector revenue / total TSE revenue)	*(Sector revenue / total TSE revenue)*	*(Sector revenue / total TSE revenue)*	*(Sector revenue / total TSE revenue)*

Americas | Infrastructure | Defence, Social and Property | Resources and Industrial



FY2013A

- Strong Utilities performance, State governments expenditure on Water and Electrical Services
- Strong Mining and Well servicing performance in Easternwell, plus conventional Oil surface work
- Defence and Infrastructure solid contribution but low volumes in outsourcing
- Americas overhead reductions

FY2014A

- Good contribution from new Immigration contract
- Telecommunications impacted by deferral of NBN roll-out
- Strong Property performance due to major project delivery
- Solid Oil & Gas contribution from early project works prior to operations
- Americas impacted by legacy contract issues in Roads business

FY2015 Est.

- New national Defence contract and full year of Immigration contribution
- Client capital freezes and deferral of maintenance spend impacts Infrastructure
- Oil & Gas underweight due to project delays
- Americas impacted by lower volumes in FTS JV and legacy issues with Road contracts
- Good contribution from Telecommunications

Expected Pipeline

- Well balanced pipeline reflecting changes in cycle
- Significant tendering in Infrastructure (PPPs, privatisations and asset recycling)
- Immigration reduces but Defence and Commonwealth outsourcing upside
- Benefits of State outsourcing of Welfare, Health and Justice
- America recovery in volumes from US Upstream Oil & Gas and growth in Downstream market

[1] Excludes Corporate, Discontinued / Other Revenue

TRANSFIELD SERVICES

Business update

Delivering targets despite challenges

1

- Transfield Services reaffirms FY15 underlying EBITDA to be within the range of A$260-A$280M

2

- Turnaround well progressed - EBITDA CAGR from FY13-FY15 c.15%
- Balance sheet repair on track - Net Debt to EBITDA ratio on track to reach <2.0x target by FY15 end
- Sale of non-core assets such as RACL stake expected to further reduce gearing in FY16

3

- With leverage <2.0x, Board in a position to consider re-introduction of dividends going forward

4

- Near to medium term growth in the portfolio expected to be driven organically by:
  - Increased outsourcing in the Defence, Social & Property sector (DS&P)
  - Completion of CSG/LNG construction phase for Queensland projects (end of CY2015)
  - Exposure to long life infrastructure projects such as NBN & UFB
  - Targeting new owners of infrastructure assets (both public and private)
  - Ability to target greater share of services for existing clients through new operating model
  - 200 basis point EBITDA margin improvement program to be delivered over 2 years c.$75M-$100M p.a. benefit

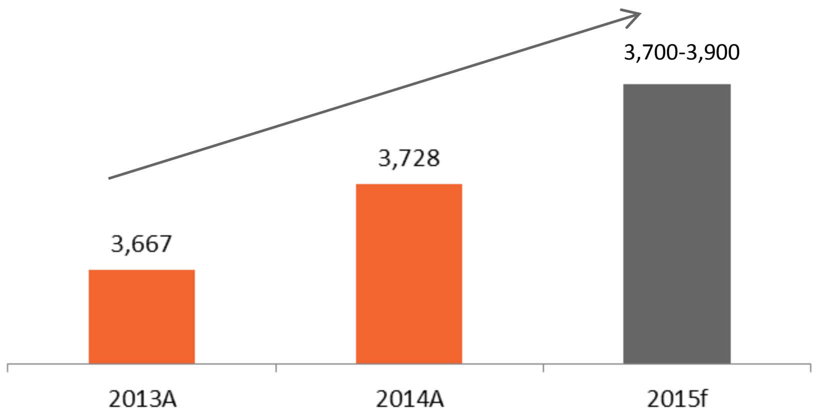
5

- Challenging macroeconomic conditions are expected to continue into FY16 in key markets including energy, as well as some timing delays impacting infrastructure construction

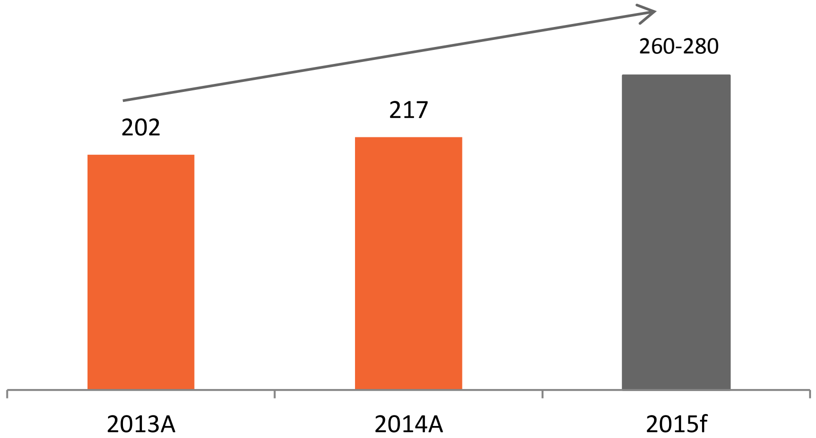
Turnaround program well progressed - solid improvement on the balance sheet achieved; continuing to focus on enhancing Group EBITDA margins to +7.5% going forward

Snapshot of performance FY13-FY15

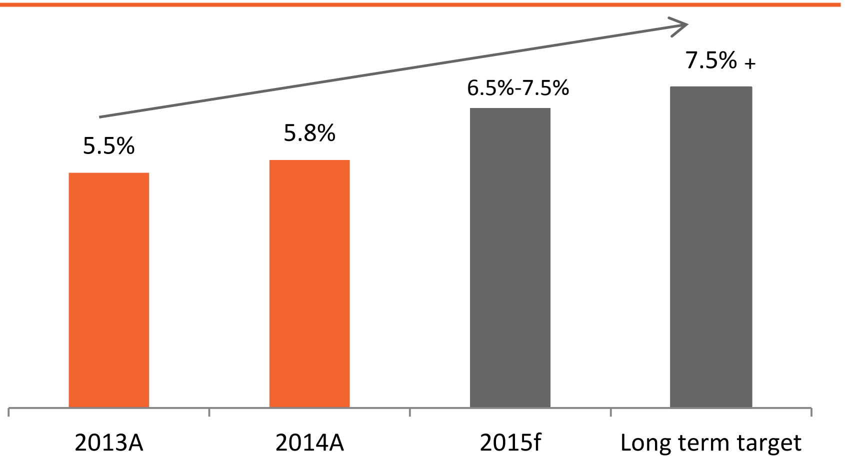
Revenue ($M)



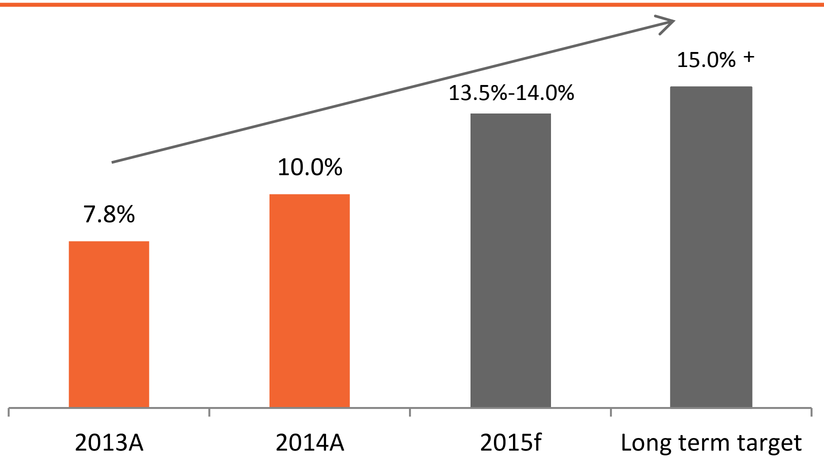
Underlying EBITDA ($M)



EBITDA Margins (%)



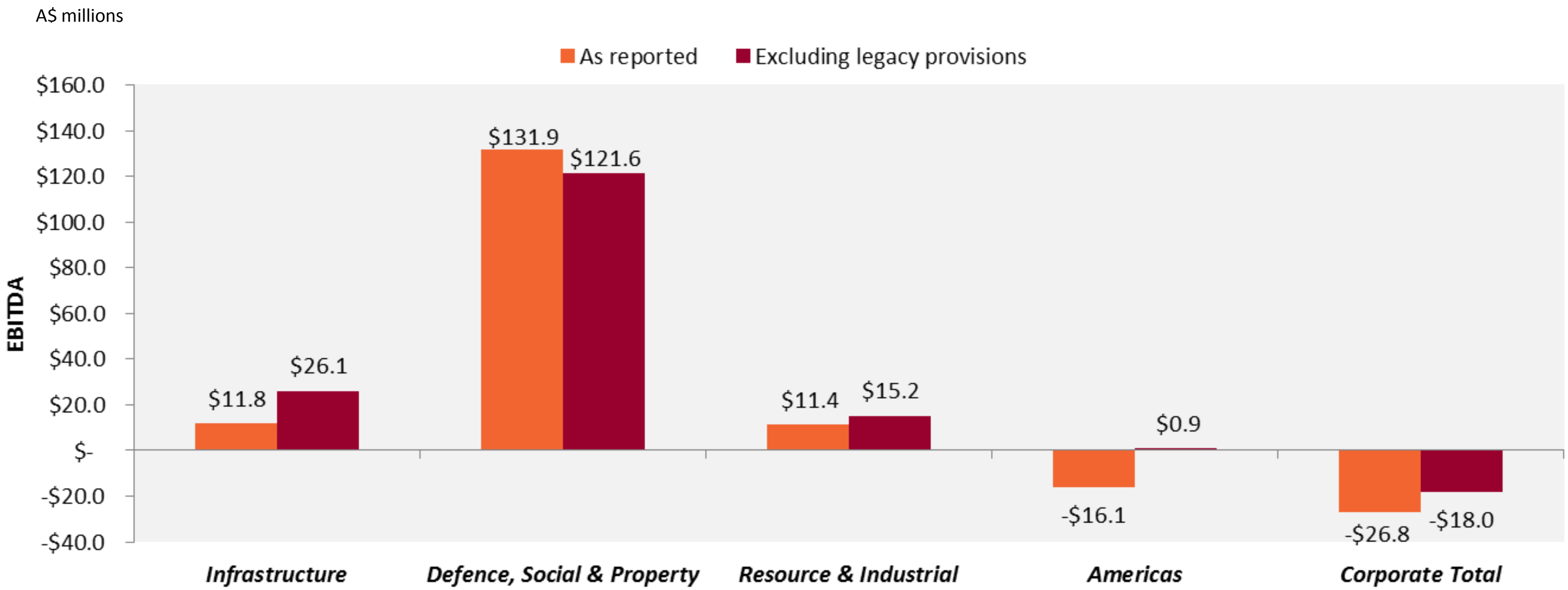
ROCE (%)



Operating performance stabilised and business platform now positioned to take advantage of opportunities in key markets as they develop

Solid progress on legacy contracts

Excluding provisions all business segments reported a positive underlying EBITDA contribution for H1 FY15



- Provisions taken on 8 contracts from the total book of c.250+ contracts
- Provisions taken were against legacy contracts in transport, roads and telecoms sectors and followed detailed remediation plans being enacted and commercial renegotiations
- All sectors were EBITDA positive prior to provisions on legacy contracts occurring
- Group underlying EBITDA increased by 51% on pcp

A revised contract governance framework was implemented in July 2013. No new contracts entered into after this date have resulted in provisions being taken by the business - refer Appendix B (slide 26)

Business focus into FY16 and beyond

Pathway for near to medium term growth

#	Growth node	Details	EBITDA impact
-	**Immigration**	• Contract renewal expected at lower volumes and margins going forward	
1	**Leveraged work in Defence**	• Leveraging broader footprint with Department of Defence - now mobilised on more bases • Ability to target construction programs	
2	**CSG/LNG**	• CSG/LNG Projects switch from "construct / ramp up phase" to "operational", which suits our business model • Further CSG/LNG projects to come on line in late CY2015, with potential to lead to a 2-3 fold increase in market size for Easternwell Energy • Solid pipeline of LNG projects (onshore and offshore)	
3	**Social / Property outsourcing**	• Ongoing trend towards increased outsourcing of services supporting the Health, Education, Justice and Welfare sectors	
4	**NBN & UFB rollout in Australia and NZ**	• Large, long life projects such as the fibre optic cable roll outs in Australia and NZ driving sustained earnings – after final resolution of the design and pace of NBN roll out program	
5	**Privatisations, PPPs and asset sales**	• Change in natural owners of public and private assets presents a unique opportunity for TSE	
6	**US recovery**	• US platform restructured and well positioned to target growing market opportunities in downstream energy and bring existing TSE services to market	
7	**Operational efficiency gains**	• Targeting a 200 basis point EBITDA margin improvement in existing book over 2 years – c.$75M - $100M p.a. benefit	

Note: Please refer to Appendix A (slides 20-24) for further details on the growth nodes, identified above.

New service line – Care & Welfare

The new service line focus

- A new service line has been developed which builds upon our existing capability to target the provision of 'care' related essential services and will specifically target:
  - The provision of Welfare services in the Defence, Immigration, Health, Justice and Disability sectors (leveraging our existing capability in our Immigration contract), where there is a need for a more focused clinical type approach
  - Social programs and hotel type services in the Justice sector where the key value driver is to prevent the repetition of crime (noting the Facilities Management ('FM') business will still be responsible for services that focus on the asset and grounds maintenance in Health and Justice)
  - Training and supporting Indigenous Australians for employment in the private and public sector
  - Services to the Australian National Disability and Insurance Scheme
  - Targeting the delivery of "soft FM" hotel type services (catering, cleaning, laundry etc) together with "hard FM" (building maintenance, electrical maintenance etc) to Health and Aged care facilities

Our capability

- Unique capability to provide an end to end service offering, encompassing soft and hard FM and welfare management
- Proven track record in first generation outsourcing and Industrial Relations management for the Government (e.g. Sydney ferries)
- Together with the work we already deliver in Defence, Immigration and Housing, we also provide asset and building maintenance services for Gold Coast University Hospital and Austin Health, with a team of over 25 engineers, planners and trades servicing each hospital
- Currently have over 200 employees providing welfare and case management services to offshore Immigration centres. Professional backgrounds include social welfare, education and psychology

New service line – Care & Welfare

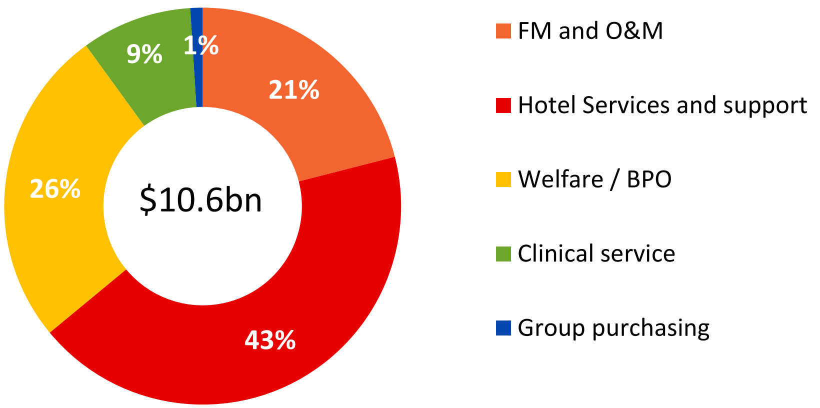
Health case study

The Opportunity

- Health sector in Australia represents the most significant spend for the public sector and employs over 20% of the working population, directly and indirectly
- The FM / Operations & Maintenance ('O&M') outsourced industry is growing as hospitals shift from in-house delivery models to outsourcing
- Currently less than 25% of services are being outsourced, with little integrated outsourcing
- New facilities are being constructed (some under PPP arrangements) and many upgrades are being funded by Government
- More private hospital providers are coming into the market and expanding their services into emergency and general health, alongside their traditional streams of elective surgeries
- These services are non-discretionary and opportunities have been identified by Transfield Services

- **~1,350 hospitals across Australia approx. 68% public and 32% private**
- **Appetite for outsourcing is increasing**
- **c.90,000 hospital beds and 200,000 - 250,000 aged care places**
- **A low percentage of integrated services are outsourced**

Total value of services to the Health sector



Source: IBISWorld Industry Report, Frost & Sullivan.

Summary

Turnaround journey well progressed

Strategy embedded and shaping the portfolio, with a strong weighting towards non-discretionary spending in essential services

Improving balance sheet provides business with stability and future options for growth

Near to medium term growth in the portfolio can be driven organically from clearly identified areas that are "on strategy", as well as from within the existing portfolio of clients

Given the focus of our portfolio, Transfield is well positioned for growth in the near to medium term

Thank you

TRANSFIELD SERVICES

APPENDIX A – "Growth Nodes"

“Growth Nodes”

- DS&P – Immigration Contract

Background

- Transfield Services awarded A$1.22bn 20 month garrison and welfare services contract for Australian Department of Immigration and Border Protection in Nauru and Manus in February 2014
- Mobilised quickly in complex circumstances and delivered well against the contract

TSE expects Revenue and EBITDA contribution to decline

- Contract due for renewal in October 2015
- Second generation outsourcing expected to be at lower margins and declining volumes over time

Current status

- Tender for renewal lodged in April 2015
- Contract award decision known by October 2015
- Strong history of performance on a broad array of Government contracts including Defence, Immigration, Health & Transport
- Transfield Services publically acknowledged by Government for performance to date

1 Leveraged work in Defence

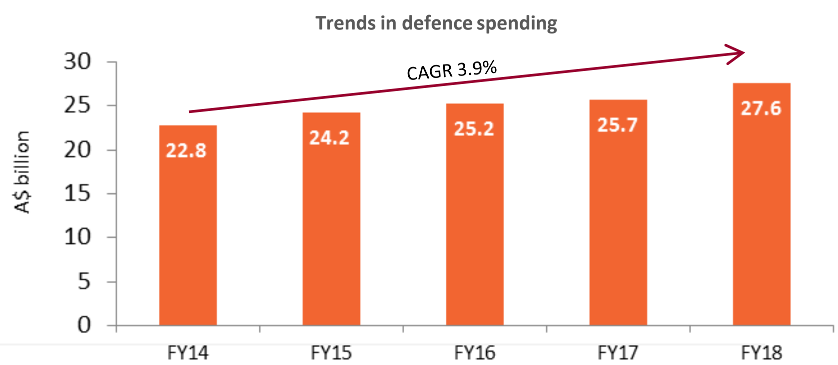
Opportunity

- In 2014-2015 the Australian Government is forecast to spend A$6.2bn on sustainment and maintenance in Defence
- Over the next 3 years, $50bn is forecast to be spent on defence, c.40% of which will be maintenance related
- Construction expenditure expected to be greater than A$2 billion in 2016.

TSE well positioned

- Strong Commonwealth Government track record
  - Operated defence bases for over 25 years
  - One of largest defence O&M contractors in Australia
  - Regarded as a high quality partner, particularly in sensitive situations (e.g. Immigration, Insulation Safety Program)
- Revised footprint means we are well positioned to win significant portion of future O&M work
- Can now target construction projects up to $50m per program

Potential upside



Source: LEK, Australian Government, Defence Materiel Organisation.

"Growth Nodes" – cont'd

2 CSG & LNG

Opportunity

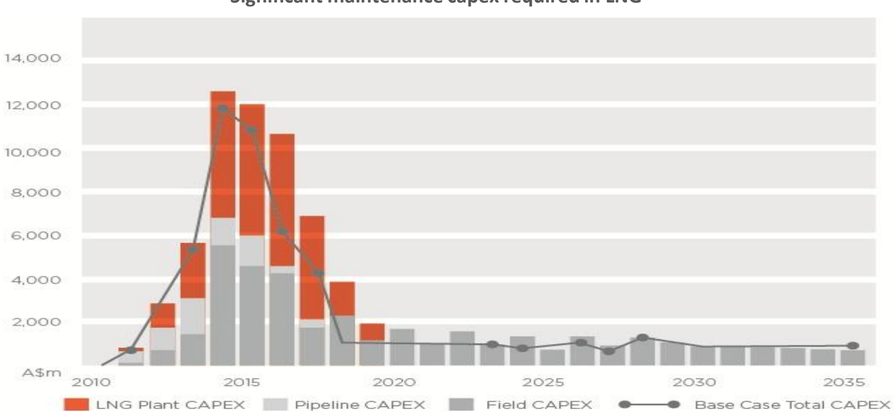
- In excess of $150bn of LNG projects driving growth in Australian oil & gas sector
- Australia expected to be largest LNG exporter by 2022 due to large, untapped unconventional gas reserves
- Three QLD CSG projects expected to increase gas demand 2-3 fold on east coast within 18 months (1 ramping up and 2 transitioning from construction to operations in CY2015)
- Significant number of onshore and offshore LNG projects such as Inpex, Shell Prelude and Chevron/Wheatsone being pursued

TSE well positioned

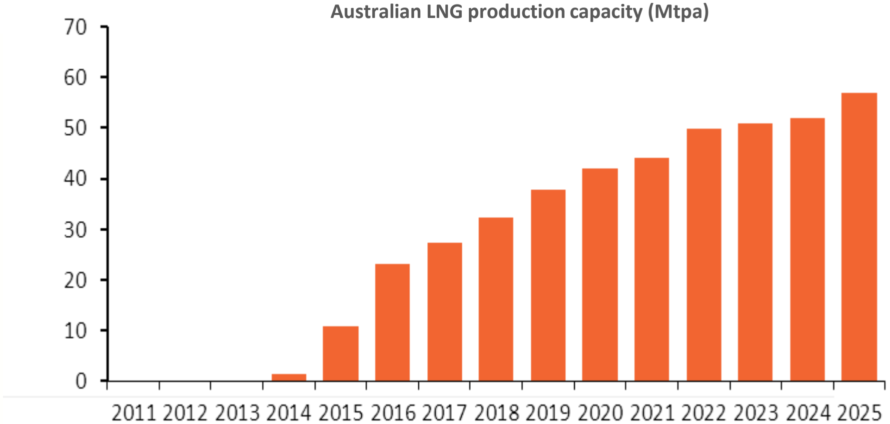
- Established relationships with primary onshore operators of CSG projects such as BG, Santos, and Arrow
- CSG to LNG moving from construction to production - significant opportunity to enhance productivity for clients
- Highly skilled well-servicing workforce in Australia with dominant market share (c.50%) and only provider linking drilling operations with infield maintenance services to deliver integrated product
- Renewed Santos CMS contract and maintaining solid drilling activity in difficult market (vis-a-vis our peers)
- Strong onshore and offshore capability and existing client relationships - already working for Conoco, Chevron , Origin, Woodside and Shell

Potential upside

Significant maintenance capex required in LNG



Australian LNG production capacity (Mtpa)



Source: Wood Mackenzie, EnergySkills Queensland report, Transfield Services analysis.

"Growth Nodes" – cont'd

3 Social / Property outsourcing

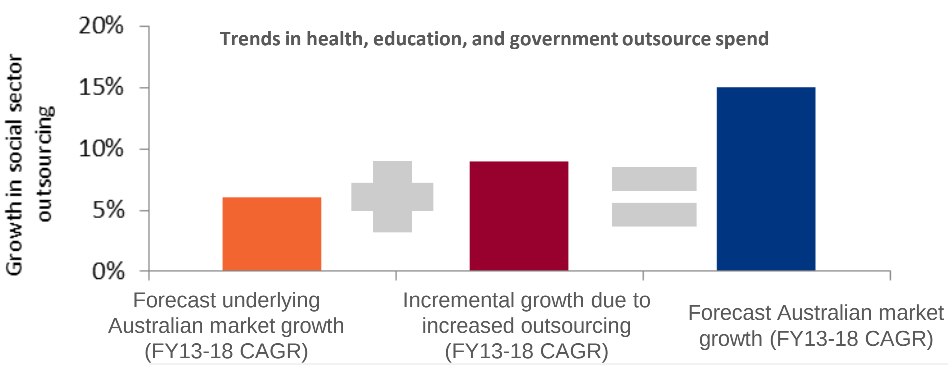
Opportunity

- Government funding constraints facilitate further Government outsourcing as means to recycle capital, reduce costs, leading to increase in scope of outsourced services
- Outsourcing in sector forecast to grow at a 9% CAGR through 2018
- Health and Education outsourced services to grow organically at c.6.4% CAGR through 2018 from c.$5.7bn in 2014

TSE well positioned

- Leader in provision of outsourced FM and maintenance services with existing Government contracts at federal and state level
- Currently maintain over 65,000 public housing assets for NSW Government and clean 1,400 NSW Schools
- First generation outsourcing core skills (e.g. Sydney ferries)

Potential upside



Source: LEX.

4 NBN & UFB rollout in Australia and NZ

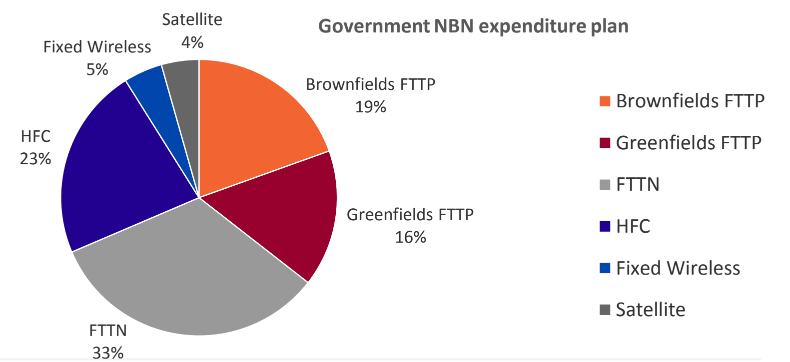
Opportunity

- Further NBN fibre build areas to be released with rollout expected to continue up to 2021
- Rollout of c.$46bn in fibre across Australia and NZ
- Australian roll out static whilst design phase is realigned for faster delivery program (expected to pick up in CY2016)
- O&M roles likely post-roll out construction phase, Transfield Services well positioned to perform work
- By 2018/19, share of contractor performed maintenance work forecast to reach 90%, versus c.74% currently

TSE well positioned

- One of three preferred suppliers to NBN; expect to win future work once all regions allocated (design work ongoing)
- Currently delivering c.25% of NBN delivery across VIC and NSW and looking for expansion opportunities
- In New Zealand, one of leading providers of telecommunication and IP design and build services, including project management and maintenance

Potential upside



Source: ANZ Utilities and Infrastructure – Market Update March 2014., NBN Strategic Review document.

"Growth Nodes" – cont'd

5 Privatisations, PPPs and asset sales

Opportunity

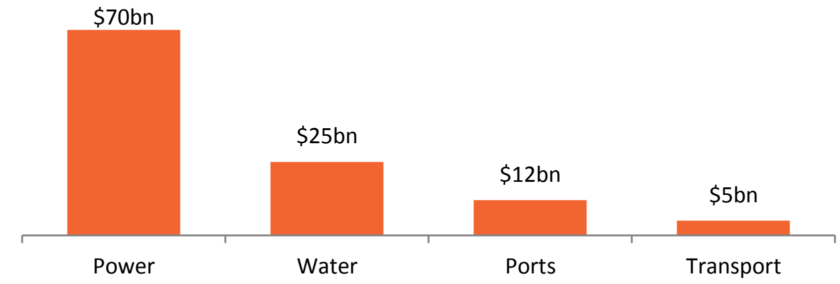
- Government privatisations provide further outsourcing opportunities for assets to extract efficiencies and fund new investment
- c.A$112bn of state-owned infrastructure assets could come to market by 2020*
- Primarily electricity assets; other significant privatisations in water, ports and toll roads
- Assets not earmarked for privatisation likely to be "sweated" resulting in higher brownfield maintenance spend
- ~$50bn in PPP projects to commence by 2020
- Flow of social infrastructure projects including new and upgraded hospitals, schools and correctional facilities
- Forecast capital expenditure >$200bn to be spent by 2020 on LNG projects - A$60bn to be recycled through potential asset disposals in LNG sector
- "Natural owners" will acquire large infrastructure assets through privatisations - effective O&M services will be critical

TSE well positioned

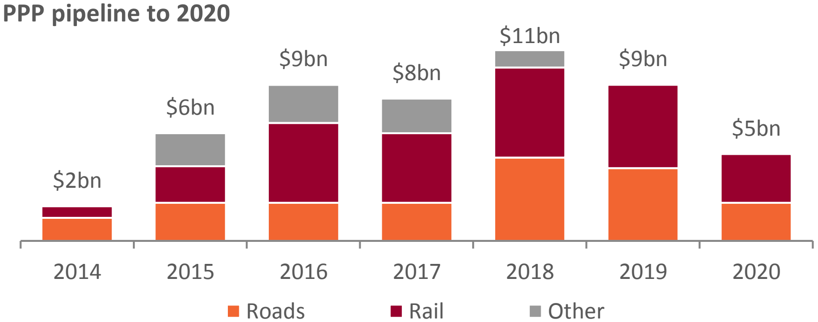
- New asset owners (financial buyers) will need operational expertise to manage and maintain assets
- Leading outsource provider with existing federal and state Government contracts
- Leading O&M service provider in roads and strong tolls and tunnels PPP experience with solid electrical services credentials
- Strong energy sector track record and ability to deliver integrated service offering

Potential upside

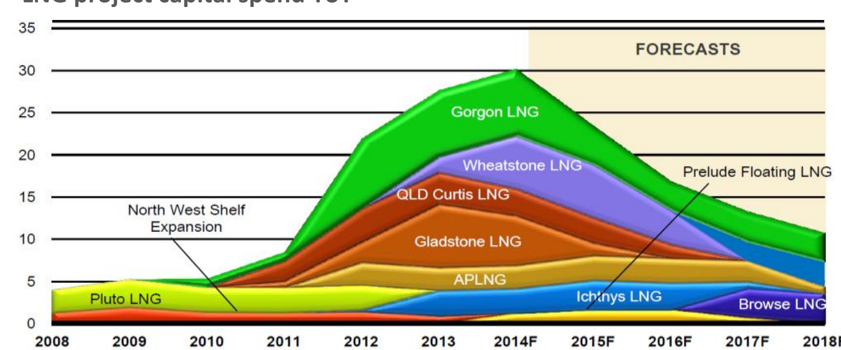
Privatisation pipeline to 2020 of public assets (A$bn)



PPP pipeline to 2020



LNG project capital spend YoY



* c.$60bn relates to QLD assets, asset sale outcome to be determined.

Source: ANZ Utilities and Infrastructure – Market Update 2014, Transfield Services internal analysis.

"Growth Nodes" – cont'd

6 US recovery

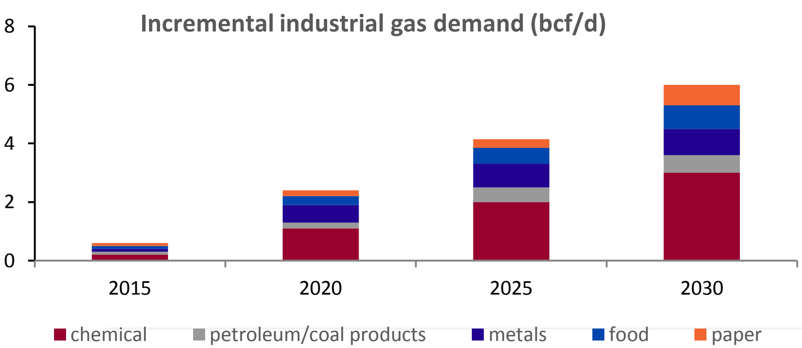
Opportunity

- US Energy industry making significant infrastructure investments to support refining markets. Lower cost US refiners have competitive advantage and well positioned to capture market share
- US supersedes Saudi Arabia as largest oil and natural gas liquid producer globally
- Increasing instances of PPPs (over $22bn PPP opportunities in US roads)

TSE well positioned

- Refresh of Americas management, remediation of underperforming contracts and business development pipeline refreshed
- TSE now has platform to target growth in the sector
- Expected to be sustainable platform for growth with 10% of Group EBITDA to come from the US by FY18

Potential upside



Source: Energy Institute of Americas; American Chemistry Council; BHP Billiton analysis, BMI

7 Operational efficiencies

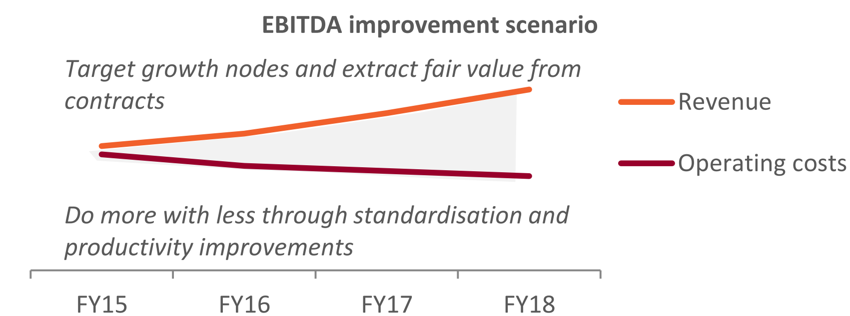
Opportunity

- EBITDA margin improvement across contract book through structured interventions, lean operations, approach to cost efficiencies, contract optimisation and business improvement
- Targeting a 200 basis point EBITDA margin improvement c.$75M-$100M over two years
- Reduction of $1.3bn current procurement spend being targeted

TSE well positioned

- Cost out programs delivered with continued focus on efficiency
- Harvesting benefits from implementation of operating model
  - Site finance and administration rationalisation ongoing
- Portfolio optimisation continues
- Restructure of operating model enhances ability to target greater share of wallet, WIH leveraged work targets by contract

Potential upside

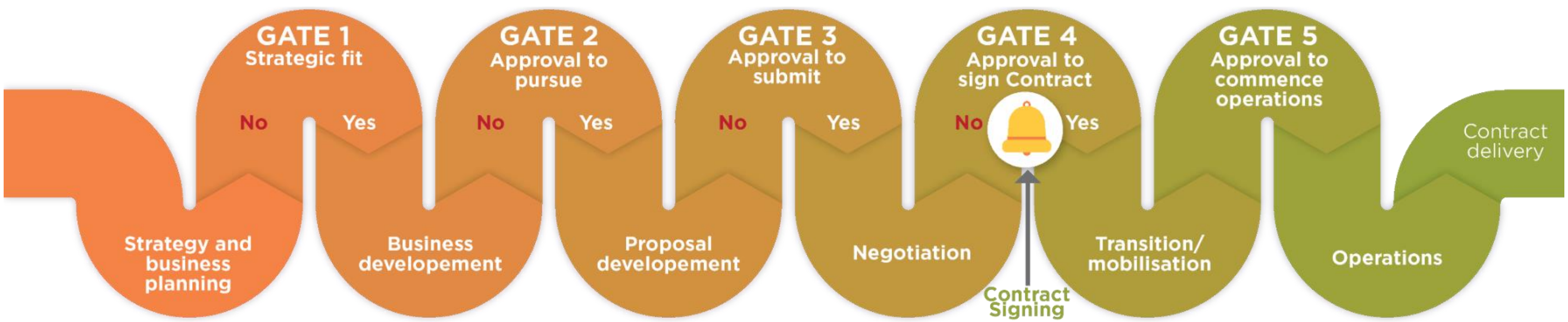


Note: Chart above for illustrative purposes only.

APPENDIX B – Other

Our Governance Framework
The 'Gate Process'

The purpose of the Opportunity Governance and Approval Process ('Gate Process') is to ensure that opportunities that pass through the process generate shareholder value



	ROLES	ROLES	ROLES	ROLES	ROLES	ROLES
SECTOR	• Lead creation and identification • Assess Sector strategy and business plan, including Partnering Strategy • Customer specific marketing and business development plans	• Opportunity creation and identification • Work with Service line to prioritise opportunities • Develop customer solutions • Prepare Gate 1 and 2 papers and consult with Service line on pursuit • Secure strategic Partnerships	• Proposal direction and oversight • Ensure attractive commercial propositions • Manage client interface • Prepare or gain endorsement of Gate 3 paper and submit proposal	• Lead contract negotiations with client	• Brief Service on contract requirements and review / support Transistion • Transition contract specific client relationships to Service	• Manage senior client relationships with support from Service lines • Health of customer relationship • Retention strategy and planning • Review contract performance
SERVICE	• Assess against Service strategy and implementation plan (consistent with Sector) • Identify leveraged and/or growth opportunities and engage with Sector	• Provide technical capability, reference projects, resources and operational readiness • Endorse Gate 2 paper and agree bid resources	• Proposal preparation, including technical solution, delivery, methodology, IP, schedule, delivery resources, estimating and pricing norms/data • Endorse Gate 3 paper and agree transitions plan and resources	• Support contract negotiations • Gate 4 preparation and approval	• Mobilise contract resources • Gate 5 preparation and approval	• Service / project delivery • Day to day client relationship • Identify leveraged and/or growth opportunities with existing customers and engage with Sector • Conduct Regular Contract Performance Reviews
SUPPORT	• Provide support, including capability, capacity, technology and systems • Assess against systems strategy and roadmap	• Provide support, including capability, capacity, technology and systems • Identify enablers and any 'show stoppers'	• Deliver professional strategies, advice and services • Contribute to and endorse Gate 3 paper and agree resourcing for transition and operations • Estimate support costs for transitioning	• Input to contract negotiations representing Support function	• Deliver support components of Transition	• Conduct Post Implementation Review (PIR) • Deliver support services, advice and business solutions • Identify revenue and cost opportunities with Sector and Service lines

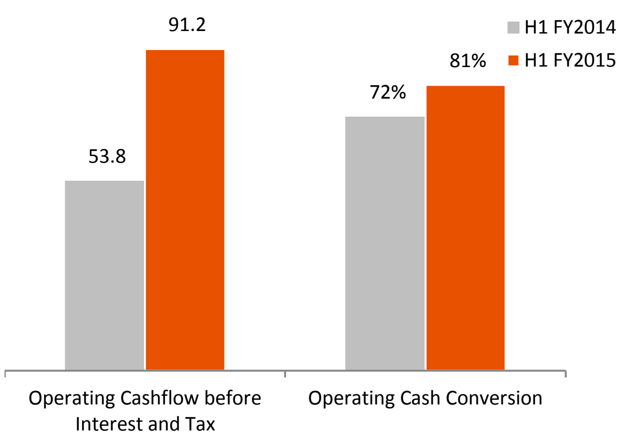
LED BY SECTORS

LED BY SERVICES

Highlights from H1 FY2015 result

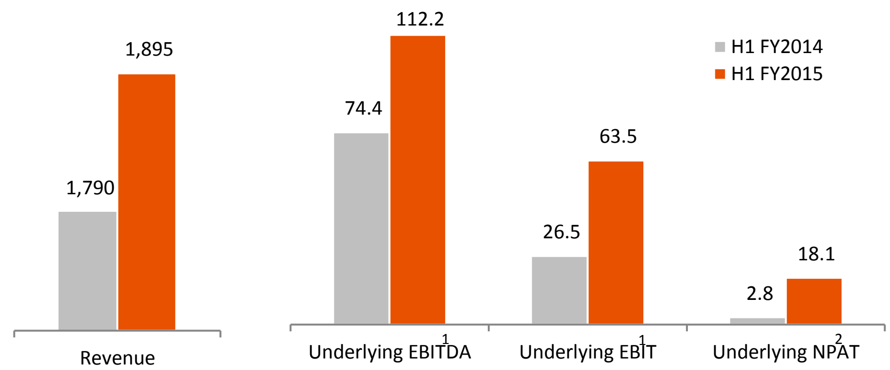
Focus on cash continues

AUDm



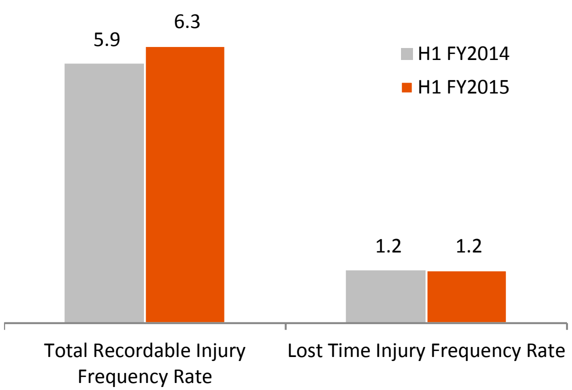
Strong growth in underlying earnings

AUDm



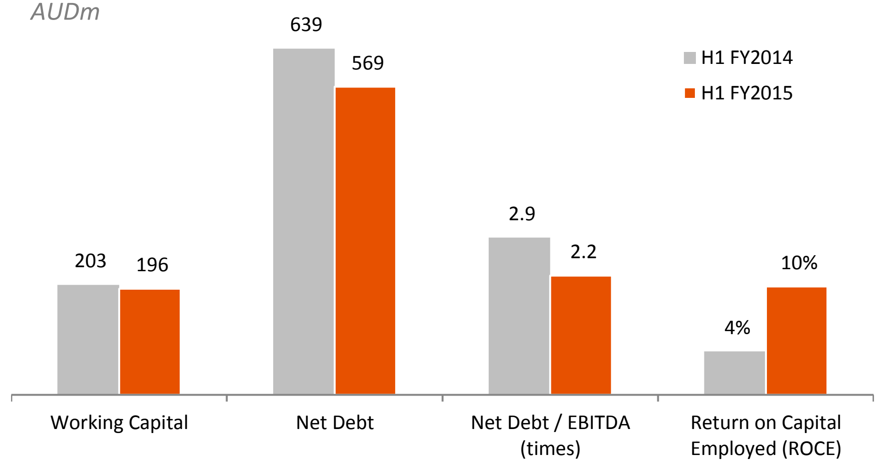
Safety result not where we want it to be

Injuries per million hours worked



Balance sheet turnaround on track

AUDm



[1] Underlying EBITDA and EBIT excludes the following non-recurring items: restructuring costs and settlement of pre-acquisition legal claim

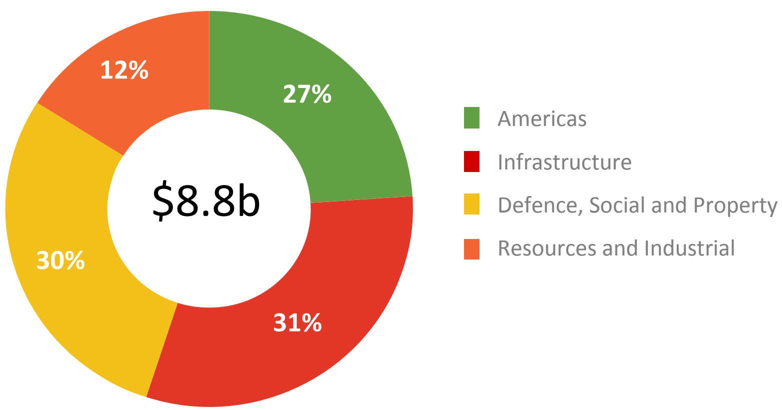
[2] Underlying NPAT excludes after-tax non-recurring items – refer reconciliation on slide 28

Note: please refer to H1 FY15 Results Presentation for reconciliation of underlying to statutory.

Contracted Revenue*

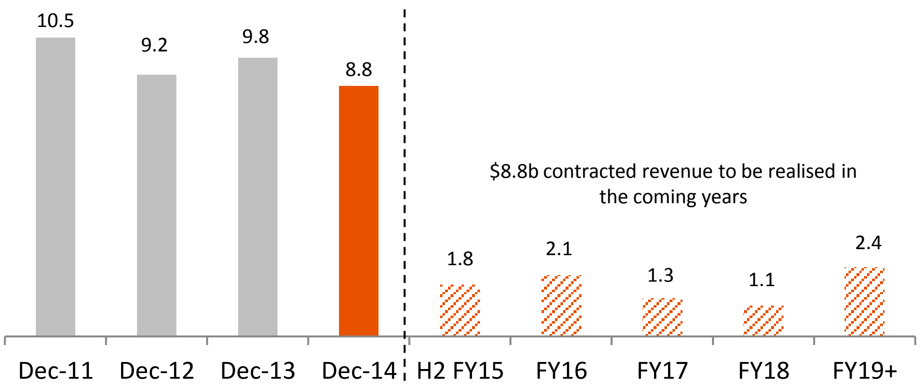
Contracted revenue* by Sector

% of Group contracted revenue



Contracted revenue*

AUDb



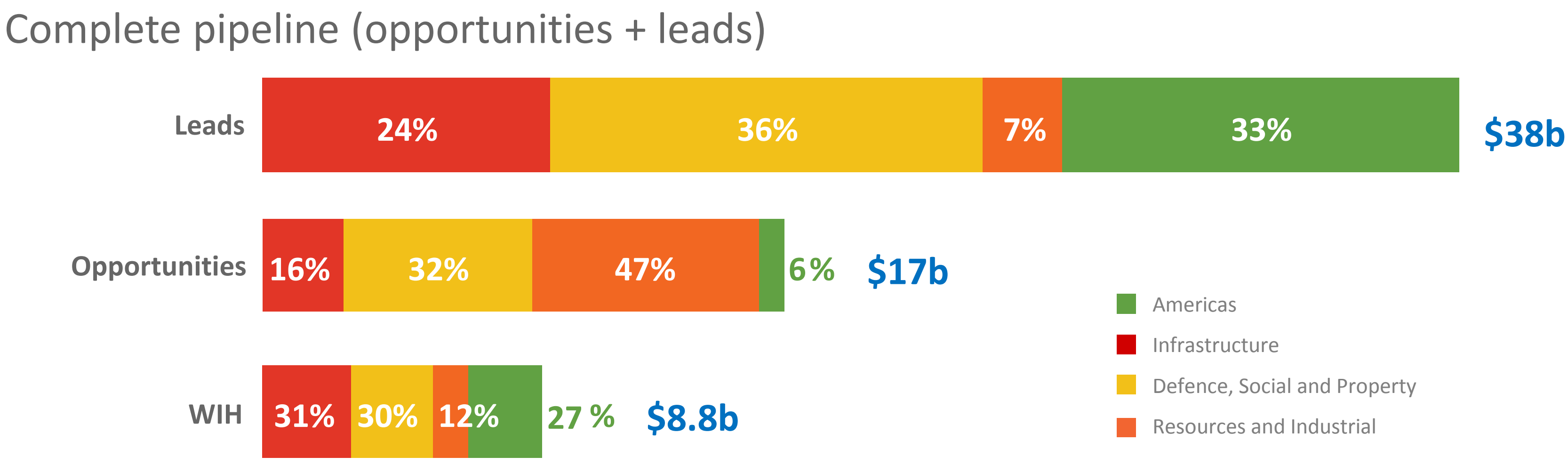
Contracted revenue* by contract type

Contract type AUDb	Dec-10		Dec-13		Dec-14	
Cost Reimbursable	6.0	50.3%	1.6	16.5%	1.6	17.7%
Schedule of rates	4.3	36.2%	4.4	45.1%	2.4	27.6%
Fixed fee	1.3	10.9%	3.4	34.9%	4.7	54.0%
Lump sum (D&C)	0.3	2.5%	0.3	3.6%	0.1	0.7%
Total	**11.9**	**100%**	**9.8**	**100%**	**8.8**	**100%**

- Contracted revenue* diversified by Sector
- Majority of H2 FY2015 revenue under contract, with circa 45% of a typical year's annual revenue already contracted for FY2016
- Market trend away from cost reimbursable to fixed fee contracts continues
- Well placed to manage changing contract profile due to robust bid governance process and contract management (implemented two years ago)

* *Numbers are proportionately consolidated*

Future opportunities are evenly spread



- Leads and Opportunities relate to headline contract values and do not include leverage work or organic growth
- Traditionally on larger contracts expect to see range of 20 to 30 per cent extra revenue from leverage work
- Americas grouped as stand alone sector – in reality Americas pipeline funnel split between Infrastructure and Resources and Industrial. If Americas business is reflected in new operating model, pipeline mix would be evenly distributed between three sectors

Calibration of key line items – FY15

Illustrative outline numbers…

Item	Comment	Indicative range FY15
Capex	Capex is nominally \$50m sustaining and \$30m growth (in the past it was higher due to Quantum and Easternwell)	\$70 - \$80 million
Interest	• Interest is based on current year average debt (after allowing for inclusion of long tenor US High Yield Bond) levels and fully loaded costs (including establishment fees) and is expected to decline in FY16 as debt levels reduce • Australian debt maturity profile approx. 3.1 years	c.\$70-\$75 million
Taxation	• Taxation is based on normal tax profile and recent business performance and current MCN settlement • ETR of ~20% going forward	c.\$15 million
Non-recurring items	Non-recurring items include redundancies from operating model implementation and other one off items such as legal settlements	c. \$16 million
Depreciation	Depreciation has increased due to implementation of Quantum	c.\$85 million (non-cash)
Amortisation	Amortisation covers realisation of benefit of prior acquisitions i.e. goodwill and intangibles	c.\$12 million (non-cash)
FX movements	Relates to USPP and is a translation issue only. High yield bond – fully hedged and swapped into AUD	c.\$50 million (non-cash)

Note: Indicative figures only.