TRANSFIELD SERVICES

We are rebranding

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Transfield Services

FY2015 Full Year Results Investor Presentation

27 August 2015

Graeme Hunt – Managing Director and Chief Executive Officer

Vince Nicoletti – Chief Financial Officer

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Throughout this document non-IFRS financial measures are included to assist with understanding Transfield Services' performance. The primary non-IFRS information is proportionately consolidated financial information, Underlying EBITDA, Underlying EBIT, Underlying NPAT and statutory net profit after tax, pre-amortisation and pre-impairment. Management believes proportionately consolidated information is a more 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 more 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 or costs incurred to restructure the business in the current period. Management believes underlying NPAT pre-amortisation and pre-impairment to be an appropriate measure of cash NPAT after adjusting for amortisation of acquired intangibles and non-cash impairment of assets. 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 FY2014 being the 12 months ended 30 June 2014, 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.

We are an essential services provider

- We provide operational, maintenance and project management services to rail, buses and ferries across Australia. Our contracts include **Sydney's Harbour City Ferries** for the NSW Government in partnership with Transdev, **Light City Buses** and **Brisbane Airport Rail Link.**

- We provide a range of essential services across the Health, Education and Social sub sectors including **Austin Health** (3 campuses across Victoria) , **Gold Coast University Hospital** and **Newcastle University.**

- We provide project management expertise through our wholly owned subsidiary, APP, which is project managing the delivery of **Dexus'** first residential tower in Melbourne CBD and recently managed the refurbishment of **Star City** in Sydney.

- We operate across the infrastructure sector which includes telecommunications, water and utilities. Key contracts include **National Broadband Network** in Australia and the **Ultrafast Broadband Network** in NZ and long term contracts with **Sydney** and **Melbourne Water.**

- We provide shutdown maintenance and drilling services to **various oil & gas operators globally including for Woodside and Caltex**
- We maintain coal seam gas wells in QLD for **QGC's CSG to LNG programme** and **Santos** utilising Easternwell's well servicing capability.

- We are an industry leader in facilities management and maintenance services. We currently maintain in excess of 65,000 public housing assets and maintain and clean 1,400 public schools in NSW for the **NSW Government.**

- We provide estate management and garrison support services to the **Australian Department of Defence** on bases in VIC, SA, Tas, WA and the NT. We also provide emergency services and maintain the national stores for the Department of Defence on every Australian base.

- 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 USA.

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

FY2015 snapshot

1. Delivered on our guidance with strong underlying cash flows
2. Balance sheet repair well progressed
3. Strategy and operational model is embedded and delivering
4. Paths to future growth are clear

Delivered in FY2015

Operating Revenue	$3,797 million
Underlying EBITDA[1] within guidance range	**$265 million**
Underlying NPAT	$72 million
Statutory NPAT[2]	$49 million
Underlying Operating Cash Conversion	113%
ROCE	13.7%

- ✓ Revenue, Underlying EBITDA and ROCE continue 3 year positive trend
- ✓ Underlying EBITDA margins improved from 5.8% in FY2014 to 7.0% in FY2015
- ✓ Solid underlying cash conversion – $102m of free cash flow used to reduce net debt, with over $200m of free cash flow utilised for debt reduction in the last 18 months
- ✓ Balance sheet repair targets met – leverage ratio of 1.8x in the target range
- ✗ Flat performance on key safety metrics – more work to be done to achieve continuous improvement target
- ~ Portfolio rationalisation ongoing
- ✓ Strong pipeline of opportunities of over $25bn, including $3.6bn of contracts either shortlisted or preferred
- ✓ Significant weighting of portfolio towards government contracts

1. Includes provisions absorbed relating to underperforming contracts; excludes non-recurring items such as restructuring costs, legal settlements and impairments. Please refer to page **34-35** of the Appendix for reconciliations.
2. Statutory NPAT includes $36m in provisions and one-off items as well as $23m of non-recurring (legal settlements and redundancies) primarily as announced in H1 FY15.

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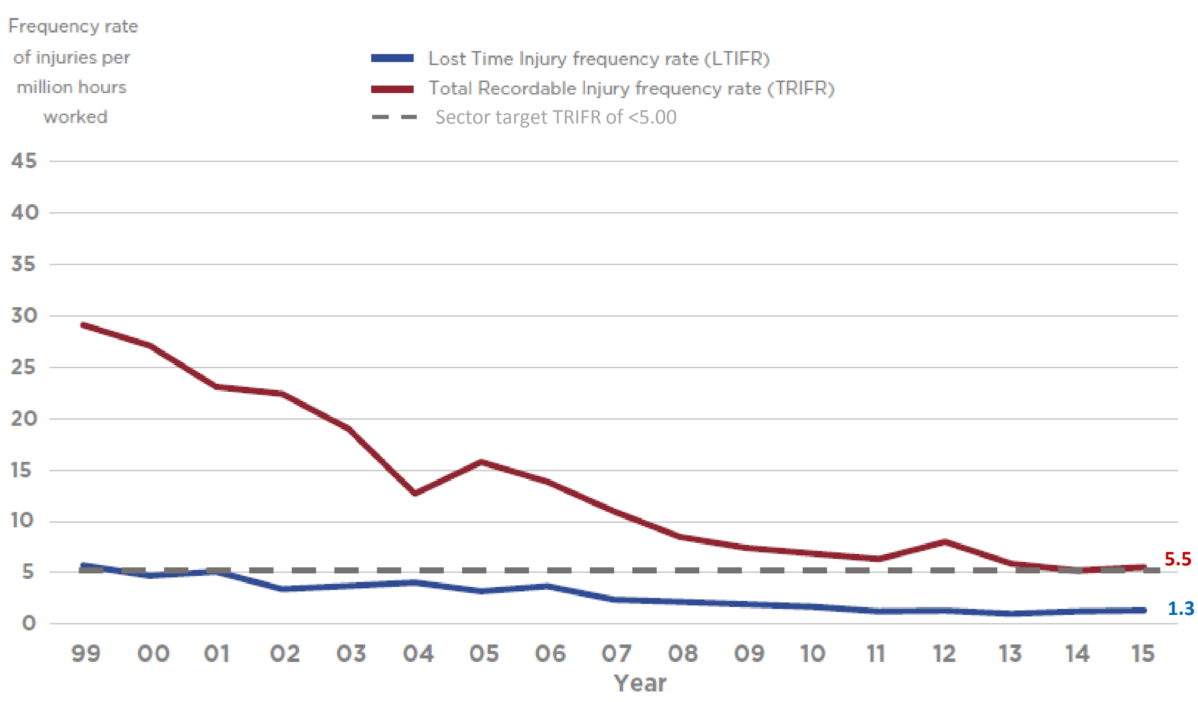
FY2015 safety performance

Significant improvements in injury performance over the last 15 years will be consolidated in 2016 through a focus on positive workplace health & safety behaviours



We are focussed on:

- a behavioural-based safety approach to drive down incidents
- safety "walk-arounds" and leader-led safety intervention
- all events especially "high potential events" and "near misses"
- Root Cause Analysis (RCA) to minimise safety incidents
- workforce wellbeing, including mental health and increased work flexibility

We are in line with the sector, however this is not the standard we set ourselves. There is more work to be done. Zero Harm is our goal

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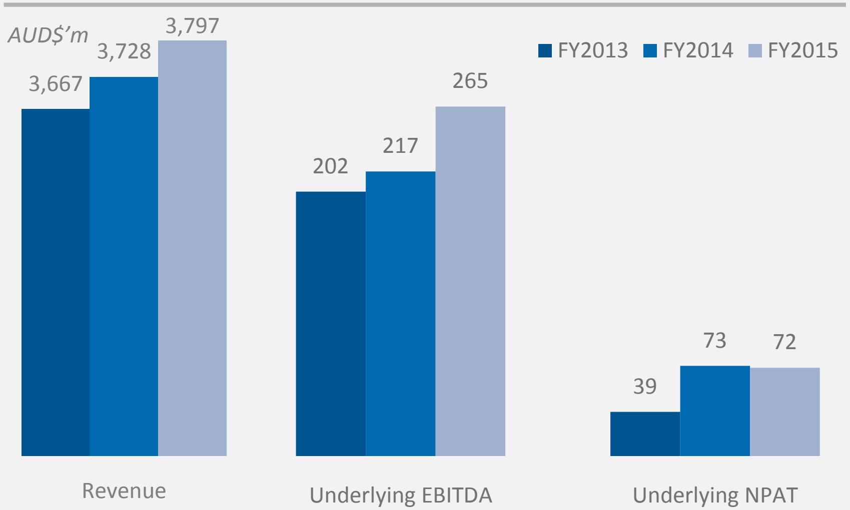
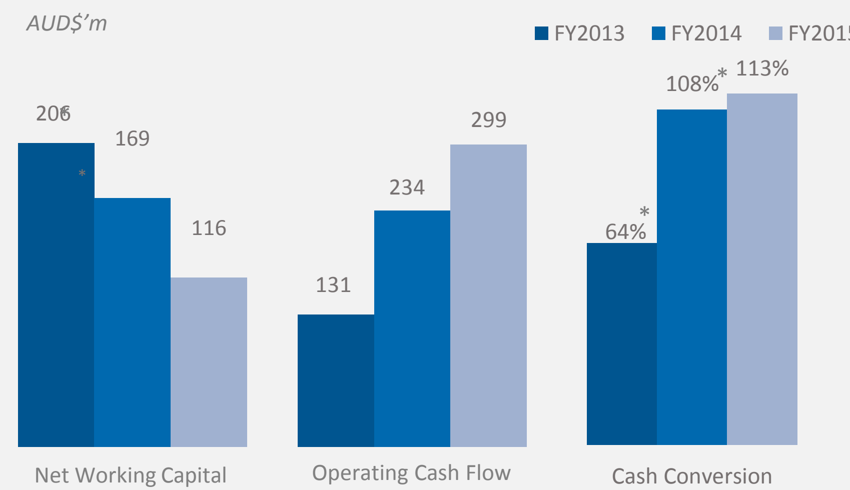
Positive momentum continues in FY2015

Growth in Underlying EBITDA

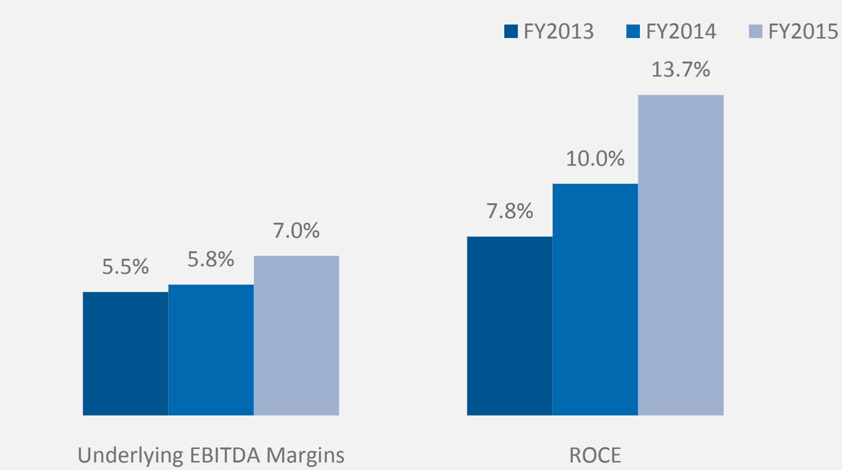


Strong operating cash performance

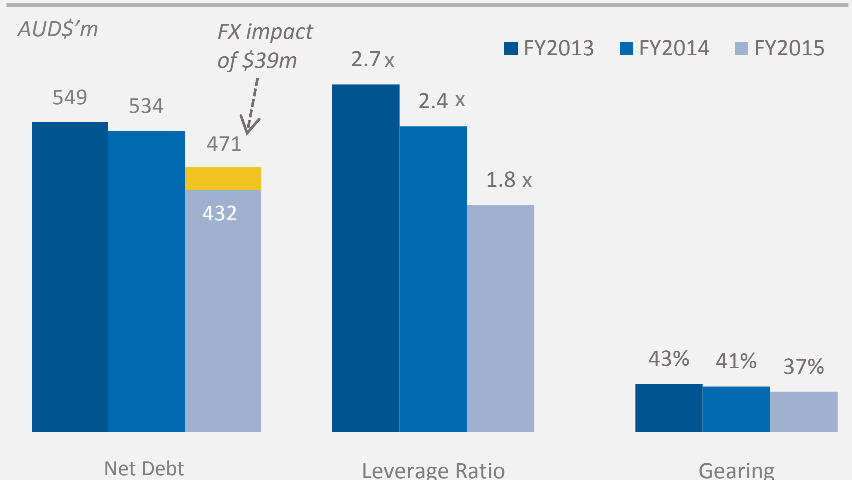


** Excludes creditor holdback of $118m*

Solid improvement in margins and returns

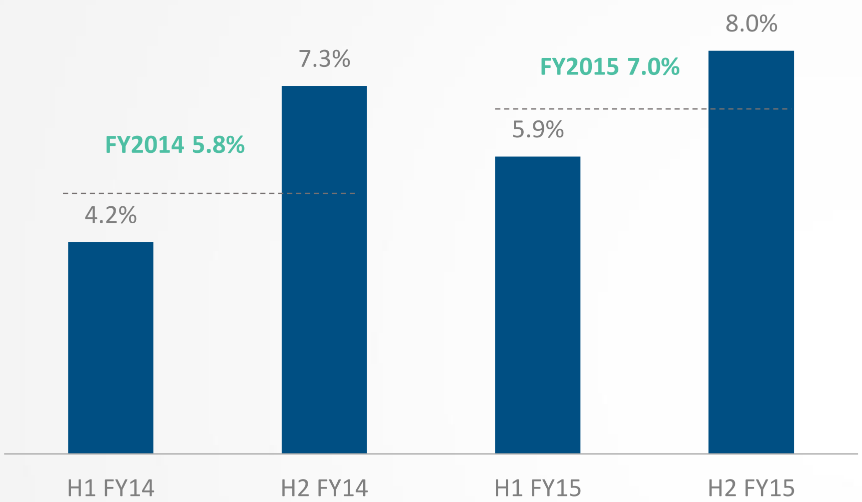


Improvement in net debt, leverage ratio and gearing



EBITDA breakdown

EBITDA margins by half year



FY2015 EBITDA by sector

	Underlying EBITDA as reported	% of EBITDA
Infrastructure	48.2	15.8
Defence, Social & Property	256.0	84.1
Resources & Industrial [1]	10.5	3.5
Americas	(10.4)	(3.4)
Total	304.3	100.0
Corporate	(39.0)	
Total	**265.3**	

Refer to page 36 for results pre-provisions

Increase in EBITDA margins in FY2015 influenced by:

- Defence, Social and Property Sector was the largest driver
  - Extension and expansion of the Department of Defence contract
  - Full year impact of Department of Immigration and Border Protection regional processing contract on Manus Island and Nauru
  - Improved margins across most of the contracts in the Social sub-sector due to a focus on operational execution, cost control and identifying and converting leveraged work opportunities
- Low margin contracts ending in water, power and rail sub-sectors
- Full year under revised operating model

1. The Resources & Industrial Sector was influenced by rapid decline in energy markets and our "through the cycle" strategy with clients.

Positive ESG engagement

- Solid governance platform and strong level of market transparency
- Enhanced level of engagement with all stakeholders
- Increased focus on communicating our ESG (Environmental, Social and Governance) platform to all stakeholders
- Incorporated a standalone Human Rights Principle into our Code of Business Conduct (elements previously captured within other values)
- Transfield Services has an Elevate Reconciliation Action Plan (RAP), one of only twelve companies in Australia*
- The Company is extremely proud of its work in local communities with a strong focus on local employment and content

*Refer to Appendix slides 28 and 29 for further details.

From the CFO

- 3 year positive trend on revenue, Underlying EBITDA, EBITDA margins and ROCE
- Balance sheet repair targets met – leverage ratio of 1.8x within target range of 1.5x-2.0x

Guidance delivered

AUD$'m	FY2014	FY2015	Movement
Statutory Operating Revenue	3,728.1	3,796.7	68.6
Infrastructure	1,099.5	1,061.6	(37.9)
Defence, Social and Property	1,201.7	1,556.1	354.4
Resources and Industrial	957.5	761.3	(196.2)
Americas	466.1	412.8	(53.3)
Corporate	3.3	4.8	1.5
Underlying EBITDA	216.7	265.3	48.6
Infrastructure	63.0	48.2	(14.8)
Defence, Social and Property	106.0	256.0	150.0
Resources & Industrial	67.0	10.5	(56.5)
Americas	6.0	(10.4)	(16.4)
Corporate [1]	(25.3)	(39.0)	(13.7)
Underlying EBIT	124.4	168.2	43.8
Underlying NPAT	72.6	71.9	(0.8)
Statutory NPAT[2]	52.8	48.6	(4.2)

1. Total overall corporate costs for FY15 are $39.0m, which include one-off items and provisions. On a like for like basis, corporate costs have remained flat year-on-year.
2. Statutory NPAT includes $36m in provisions and one off items as well as $23m of non-recurring (legal settlements & redundancies) as announced primarily in H1 FY2015.

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Group metrics

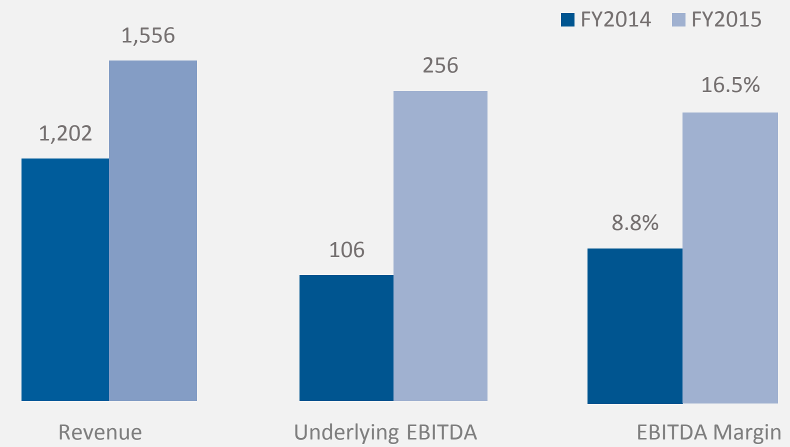
Profit & loss	FY2013	FY2014	FY2015	Change FY14-FY15	Trend to target	Longer term target
Proportionately consolidated EBITDA margin[1]	5.2%	5.6%	6.7%	+1.1%	✓	
Underlying EBITDA margin	5.5%	5.8%	7.0%	+1.2%	✓	7.5% +
Cash flows	**FY2013**	**FY2014**	**FY2015**			
Operating cash conversion[2]	64%	108%	113%	+5.0%	✓	100%
Balance sheet	**FY2013**	**FY2014**	**FY2015**			
Debtor days	51 days	49 days	41 days	- 8 days	✓	45 days
WIP days	21 days	17 days	13 days	- 4 days	✓	10 days
Net debt	$542m	$534m	$471m	- $63m	✓	
Total funding (creditors plus net debt)	$1,220m	$1,075m	$983m	- $92m	✓	
Ratios	**FY2013**	**FY2014**	**FY2015**			
Return on Capital Employed (ROCE)	7.8%	10.0%	13.7%	+3.7%	✓	15%
Gearing (net debt / (net debt + equity))	43%	41.0%	36.8%	- 4.2%	✓	25 – 35%
Net debt to EBITDA[3]	2.7x	2.4x	1.8x	- 0.6x	✓	<2.0x

1. Proportionately consolidated EBITDA margin = proportionately consolidated Underlying EBITDA post overhead allocations divided by proportionately consolidated operating revenue.
2. Operating cash conversion = operating cash flow before interest and tax divided by Underlying EBITDA.
3. Net debt to EBITDA base on statutory balance sheet.

FY2015 Sector performance

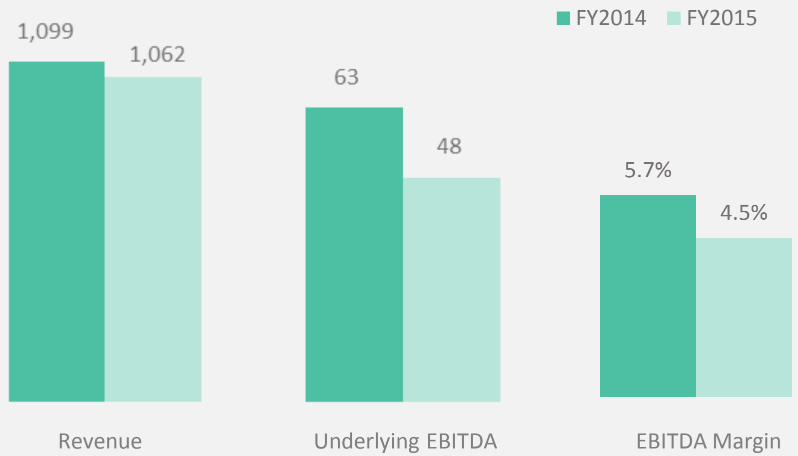
Defence, Social and Property

- Expanded Defence contracts with a base value of $1.6bn, and full year of expanded DIBP contract on Manus Island and Nauru
- Expanded scope on the NSW Housing contract
- Renewal and expansions of contracts with Austin Health and Gold Coast University Hospital
- Underlying EBITDA margin of 16.5% includes $10m of prior period accruals reversed in FY2015
- **FY16 Actions:** Leverage existing footprint into growth markets including health, aged care, justice and tertiary education



Infrastructure

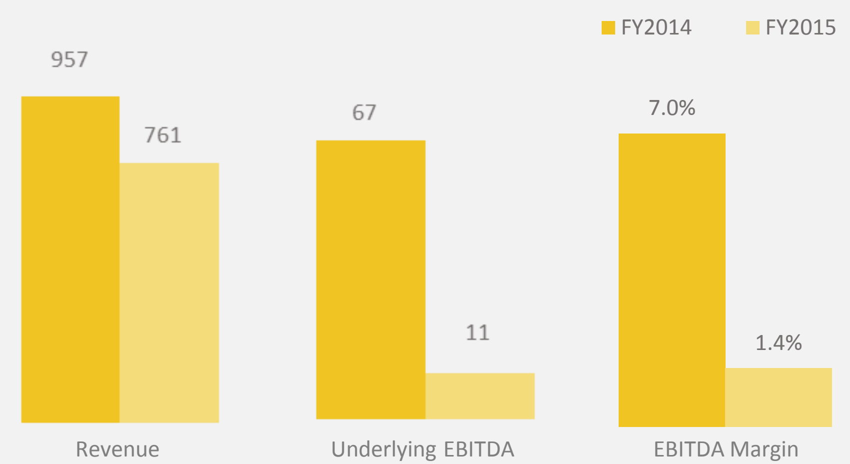
- Increased activity in Telecommunications sub-sector as the NBN and UFB roll-outs continue in Australia and New Zealand
- Growth in the roads and rail sub-sectors with renewals and new contract wins
- Softness evident in the Utilities sub-sector
- Underlying EBITDA includes $18m of contract related provisions expensed during the year. Excluding these provisions, EBITDA margin is 6.2%
- **FY16 Actions:** Focus on privatisation opportunities and increasing scale across the sub-sectors in which we operate, such as power, water, roads and rail



FY2015 Sector performance (cont'd)

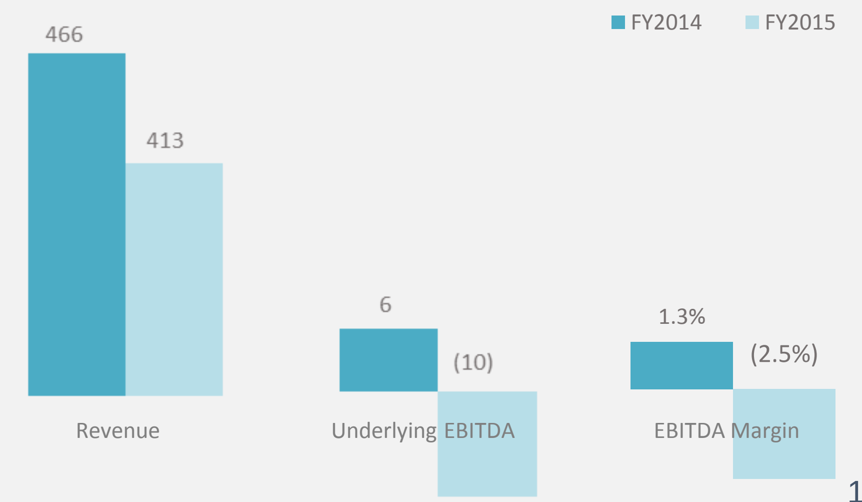
Resources and Industrial

- Deterioration in global commodity prices is impacting demand and prompting deferral of discretionary expenditure in Oil and Gas, Mining and Industrial sub-sectors into FY16
- Reduced growth resulting from delays in the completion of large LNG plants and their upstream facilities
- Underlying EBITDA includes $3m of contract related provisions expensed during the year. Excluding these provisions, EBITDA margin is 1.7%
- **FY16 Actions:** The Company will continue to refine its service solutions to more readily adapt to the constrained environment and is well positioned to win work as deferred projects come online. Project delays in delivery of LNG projects in Queensland and offshore provide opportunities going forward



Americas

- Successful renegotiation of the terms of a number of underperforming roads contracts
- Favourable market conditions for the downstream business due to strong demand for gasoline and finished products and high refiners' margins
- Reduction in field capital expenditure and project works in the upstream oil and gas Underlying EBITDA includes $18m of contract related provisions expensed during the year. Excluding these provisions, EBITDA margin is 1.9%
- **FY16 Actions:** The US platform has been restructured and well positioned to target growth opportunities in the downstream energy sector and to bring our existing services lines to the market. Pathway to 10% of Group EBITDA contribution over two years now in place



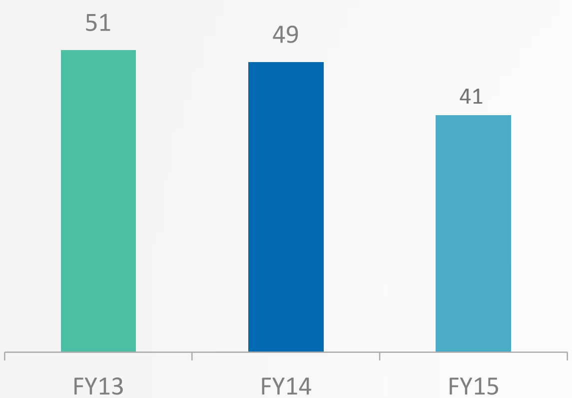
A deeper look at the Energy market

- **Impact**
  - Market conditions in Oil and Gas, Mining and Industrial sub-sectors remain challenging
  - Declining energy and commodity prices have continued to place pressure on our clients capital and operations
  - Greatest impact on upstream onshore Oil and Gas in Australia and Americas
- **How we responded?**
  - Deliberate approach to retain volume and market share in order to maximise our position as the energy market recovers
  - Focus on quality and cost effectiveness of our solutions, seeking to further eliminate costs and improve productivity
  - Rationalisation of Easternwell (particularly in camp accommodation)
  - Execution of revised contracts with Santos to provide facilities management and construction services in the Cooper and Eromanga Basins in central Australia
  - Focus on volume retention at Steier, our North American upstream business
  - Significant downsizing in FTS, our Canadian oil joint venture
- **Opportunities**
  - Suite of large offshore LNG plants (and their associated facilities) in Western Australia, Northern Territory and Queensland - pipeline is strong or firming - currently shortlisted on over $700m of energy related contracts
  - CSG – LNG facilities were impacted by project delays and are now entering production phase which creates opportunities for Easternwell
  - US downstream Oil and Gas business less vulnerable to the deterioration in global oil prices. The FY2016 order book is healthy, with a number of shutdowns already committed

Working capital discipline has improved

Trade debtor days

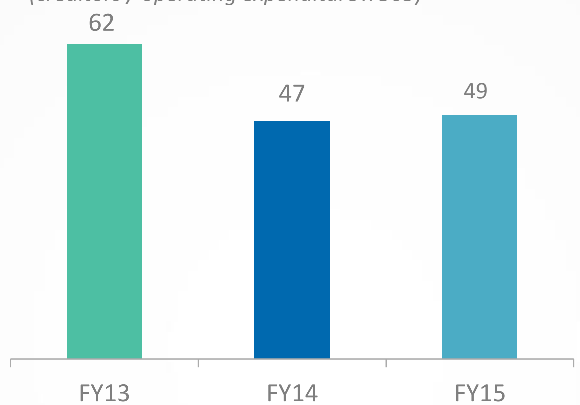
(trade debtors / operating revenue x 365)



Debtor days continue to trend down

Creditor days

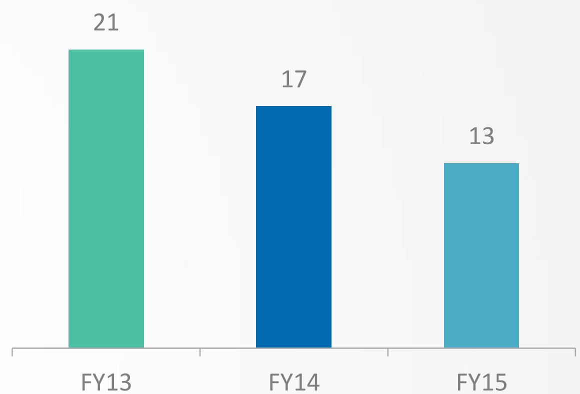
(creditors / operating expenditure x 365)



Creditors days stable

WIP days

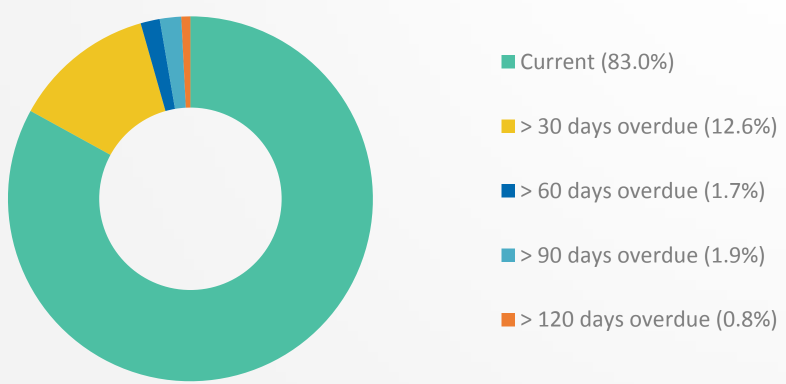
(WIP / operating revenue x 365)



Better billing practices

Debtors ageing June 2015

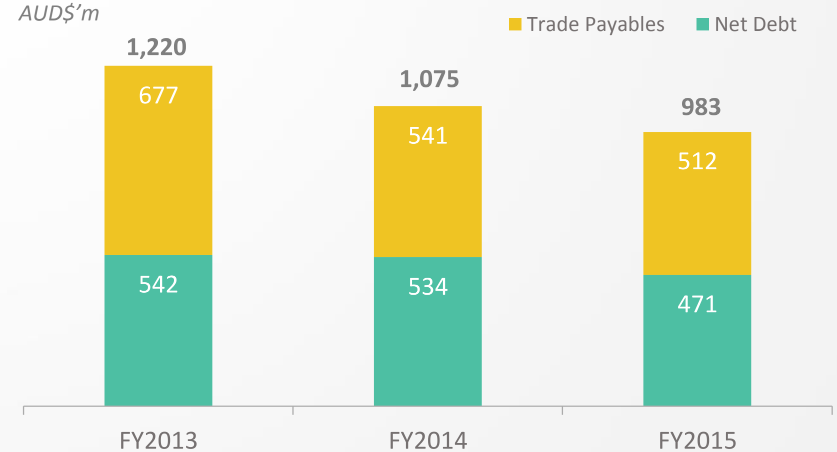
(excluding impaired debtors)



Over 95% of debtors are less than 60 days and less than 3% of debtors are greater than 90 days

Total funding

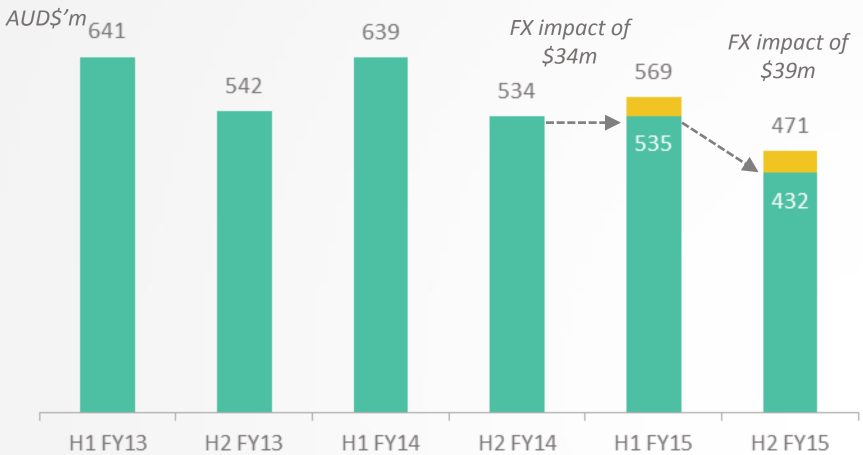
AUD$'m



Balance sheet health has been restored

Balance sheet health repaired

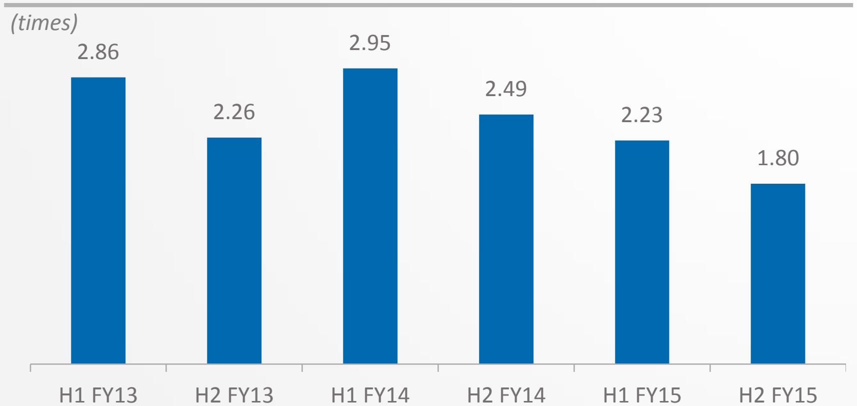
Net Debt[1]



Net Debt decreased by 19% YoY excluding FX revaluation

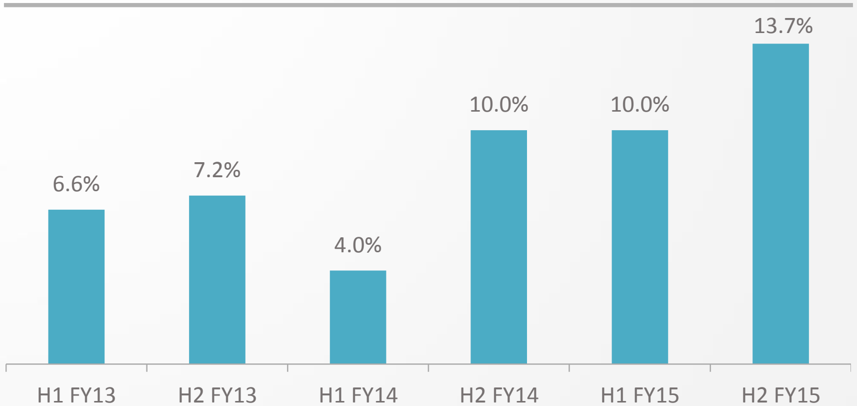
- The quality of the balance sheet has materially improved over the course of FY2015
- Net debt of $471m, decrease of $63m. FX impact aside, net debt has been reduced by $102m
- The high yield bond is fully hedged, therefore has no FX impact on net debt
- Included in the net debt amount is $39m in FX revaluation relating to the USPP
- Capex of $80m which is in line with requirements to maintain the business

Net Debt to EBITDA



Net Debt to EBITDA ratio now within target

Return on Capital Employed (ROCE)



Material improvement in ROCE compared to prior periods

1. Refer to Appendix, slide 37 for further detail.

From the CEO

Graeme Hunt

Managing Director and Chief Executive Officer

- Despite challenging macro headwinds, we have met our commitments to you
- Operating model is embedded and delivering
- Strategy has underpinned earnings performance in FY2015
- Solid pipeline of opportunities
- Structured approach to further cost improvements
- Paths to future growth are clear

The turnaround story continues

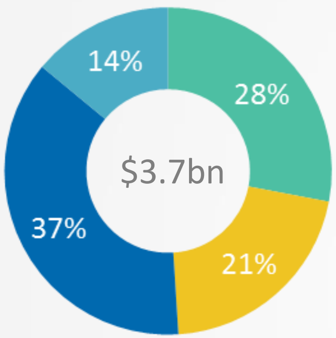
- The Company's operating model is now well embedded and delivering. With implementation now complete, the Company's focus into FY2016 will be on driving efficiencies, lowering the Group's cost base and targeting an increased "share of wallet" from existing customers
- Balance sheet repaired, continued focus on cash conversion and return on capital employed
- Refine portfolio with non-core divestments, ensuring the asset / contract base is true to the stated strategy and embedded portfolio approach
- Disciplined contract selection, through the ongoing adherence to the Gate Review Process
- Enhanced focus on governance, risk management processes and business continuity planning
- Completion of a new SAP platform implementation and standard global work practices

A diversified portfolio over time

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

FY2013A (Revenue)[1]

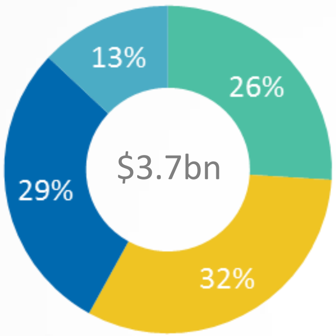
(Sector revenue / total TSE revenue)



- Strong Utilities performance due to state governments' expenditure in 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 (Revenue)[1]

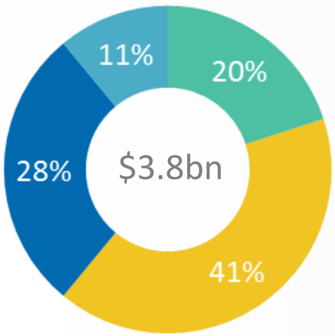
(Sector revenue / total TSE revenue)



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

FY2015A (Revenue)[1]

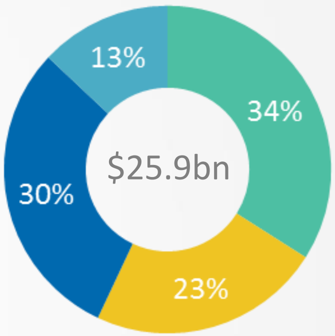
(Sector revenue / total TSE revenue)



- Expanded national Defence contract and full year of Immigration contribution
- Good contribution from Telecommunications
- Capital freezes and deferral of maintenance spend impact Infrastructure
- Oil and Gas underweight due to challenging macroeconomic conditions
- Americas impacted by lower volumes in FTS JV and legacy issues with Road contracts

Contracted Revenue + Opportunities[1]

(Sector revenue / total TSE revenue)



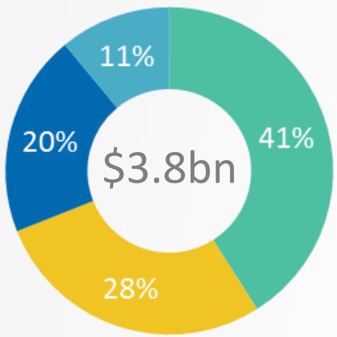
- Opportunities in the onshore and offshore Oil and Gas sector as new assets commence operations in WA, QLD and NT
- Significant tendering in Infrastructure (PPPs, privatisations and asset recycling)
- Immigration reduces but Defence and Commonwealth Government outsourcing upside
- Leverage existing footprint into identified growth markets including health, aged care, justice and tertiary education
- Americas recovery in volumes from US upstream Oil and Gas and growth in downstream market

Note: A = Actual result.
1. Excludes Corporate, Discontinued / Other Revenue

Revenue split

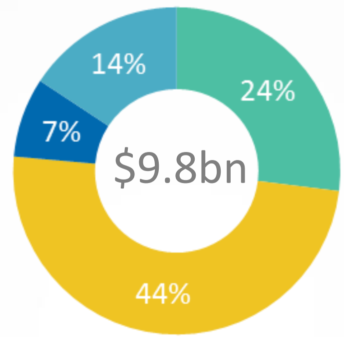
FY2015 Revenue by Sector

% of total Group revenue



Contracted Revenue / WIH

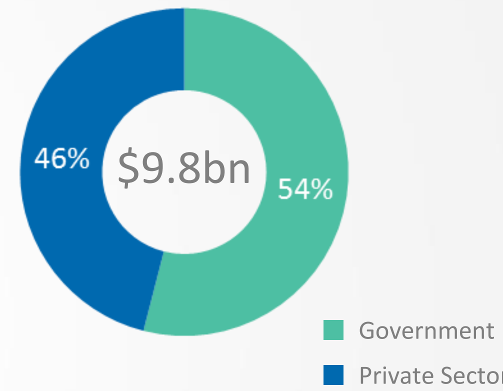
As at 30 June 2015



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

Contracted Revenue / WIH by client

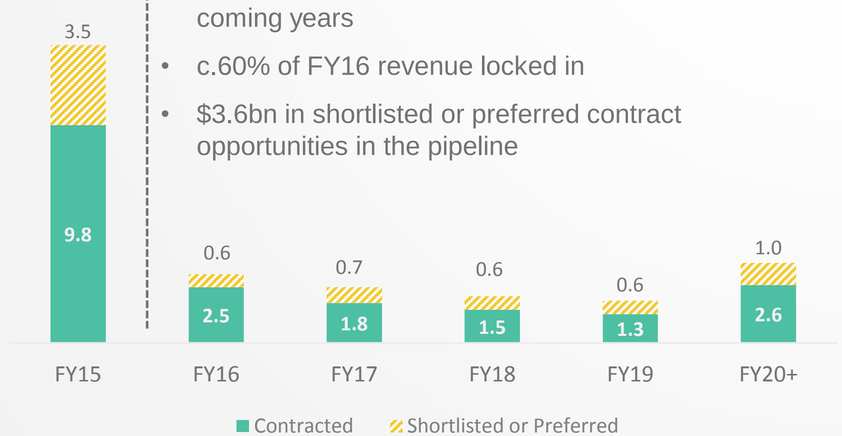
% of total contracted revenue as at 30 June 2015



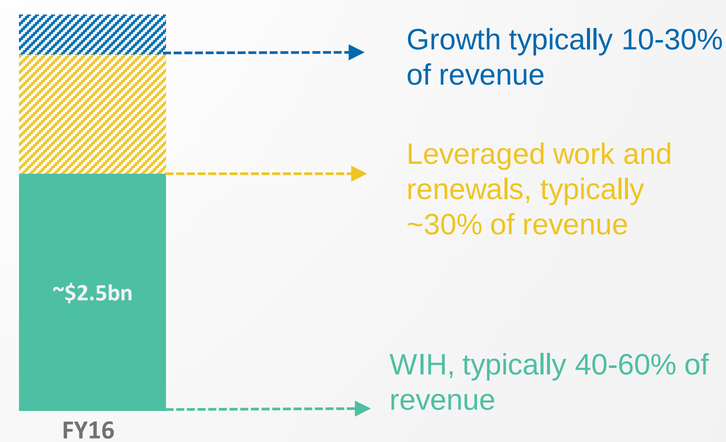
Ageing of contracted revenue

AUD$'bn

- $9.8bn contracted revenue to be realised in the coming years
- c.60% of FY16 revenue locked in
- $3.6bn in shortlisted or preferred contract opportunities in the pipeline



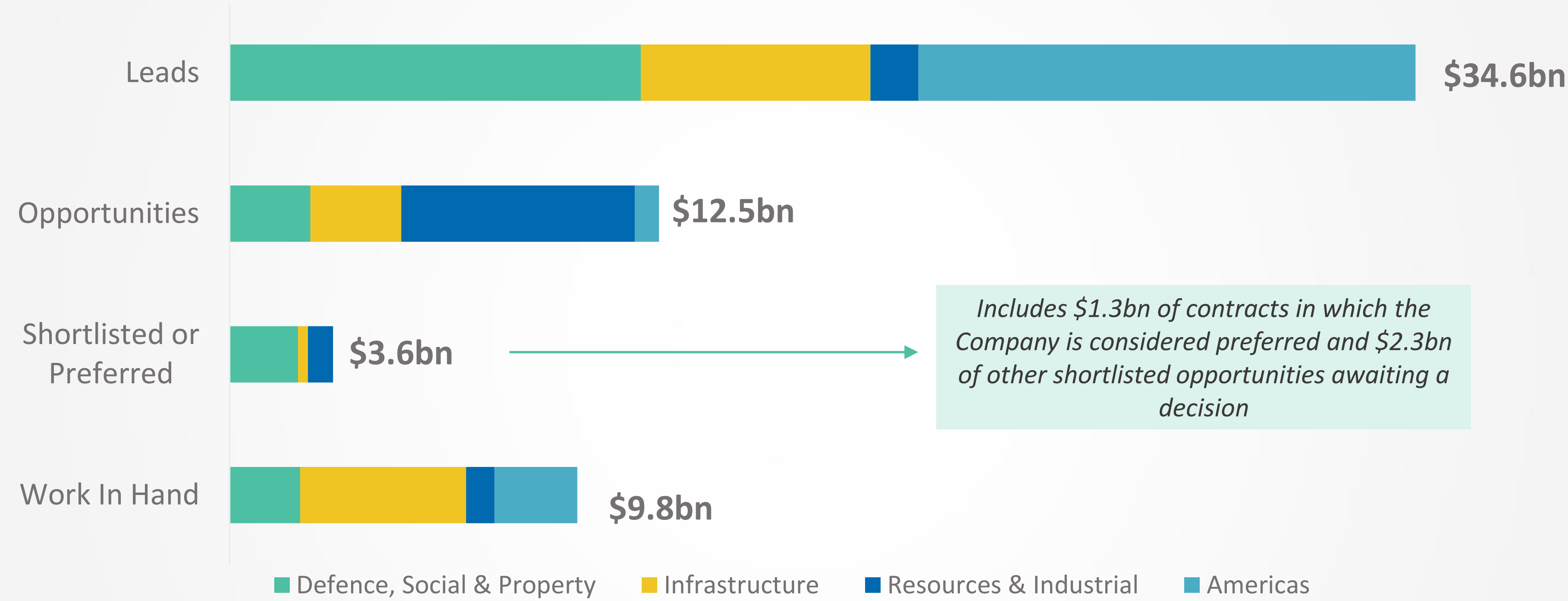
Revenue breakdown at the start of a typical year



NB. This representation is indicative only, based on the historical composition of revenue.

Future opportunities are evenly spread

as at 30 June 2015



- Solid contribution from Defence, Social and Property and Infrastructure
- Strong near to medium term outlook for the Telecommunications and Utilities sub-sectors
- New contract wins in the Road and Rail business
- Large number of opportunities in the Resources and Industrial Sector due to delays to projects during FY2015

Note:
- Lead is a prospect that has been identified as being within TSE's existing markets and capabilities.
- Opportunity is a Lead that has been approved for further development utilising Company resources which includes contracts in the EOI, RFI and Proposal drafting phases.
- The Shortlisted or preferred category includes the following phases of the tender process; RFP, Shortlisted and Preferred.
- Work In Hand is contracted revenue.

Key contract wins

Transfield Services is awaiting decisions on over $2.3 billion of submissions and have been announced as preferred on over $1.3 billion of contracts

FY15 Contract Highlights

- Expanded nationwide Defence contracts in August 2014 with a base value over $1.6 billion over six years
- Easternwell awarded new contract with BHP Billiton Iron Ore and signed a one year contract extension with QGC for two rigs in Queensland
- In the Americas, Codelco has been extended in Chile, with a new US$43 million contract, supporting their operations for a further four years

Recent contract wins for FY16

- Five year contract with NBN Co valued up to $140 million in the first year and in excess of $700 million over the life of contract
- Five year $88 million integrated facilities management and property services contract with the University of Newcastle
- Awarded three new roads contracts in NZ valued at NZ$112 million and signed a new three year NZ$78 million contract with Transpower to maintain transmission lines and substations

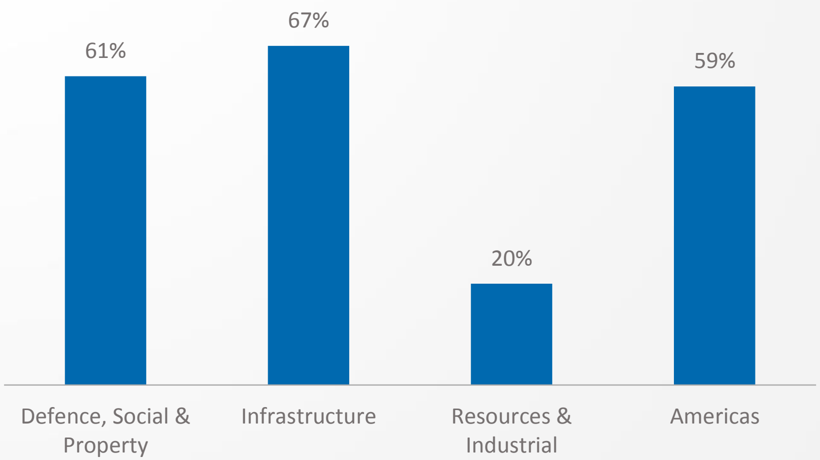
Shortlisted and Preferred

- Transfield Services' has been advised preferred on three major contracts worth over $1.3 billion
- Shortlisted on an additional four major contracts worth $2.3 billion

Group win rate of 46% by number of opportunities

	Win Rate based on	
	# of Opportunities (%)	TSE Revenue (%)
Growth (New Business)	31%	41%
Retention	81%	77%
Total	**46%**	**49%**

Win rate by sector by revenue



Productivity improvement

We are targeting $75m - $100m of business improvement benefits over the next two years

Contract Margin Improvement (CMI)

Contract Labs
- Commenced intensive contract review led by technical and commercial experts
- Improvement plans developed to target specific contract-level value drivers underway

Contract Manager Boot Camps
- Rapid development of contract improvement plans
- Targeted implementation support

Procurement

Procurement Workshops
- Business-led demand management
- Tactical purchasing

Centre-Led Initiatives
- Streamlining systems and processes
- Strategic purchasing and demand aggregation
- Supplier rationalisation

$75m - $100m p.a. benefit

Commercial model renegotiation
Focus areas
- From selling hours to selling tasks
- From selling tasks to selling outcomes
- Performance based incentives
- Multi-services integration

Procurement
Focus areas
- Demand moderation
- Demand aggregation
- Price reduction
- Compliance
- Process and system improvements

Productivity and efficiency improvement
Focus areas
- Labour productivity
- Labour cost
- Insourcing of subcontracted work
- Plant and Equipment

Operational discipline and innovation
Focus areas
- Billing management
- Scope Management
- Innovative delivery solutions
- Execution efficiency across service lines

…There is further work to be done

Improve safety metrics	We are meeting sector best practice levels – however this is not the standard we set ourselves. Intensify safety focus on lead indicators to minimise injuries, with a key focus on leader led safety visits and intervention initiatives
Focus on sustainability	Disciplined approach to ESG risks and focus on a higher level of transparency with all stakeholders
Portfolio rationalisation	Further refinement of portfolio through disciplined divestment of previously stated non-core assets; RACL and Easternwell Minerals (to occur at the optimal point in the cycle)
Grow book	Solid pipeline of opportunities with an emphasis on maintaining and improving portfolio balance, diversity and resilience in accordance with the identified areas for growth
Margin improvement	Contract margin improvement initiatives underway targeting a 200 basis point contract margin improvement delivered over two years
Rebrand	Company rebrand expected to be announced prior to AGM

Outlook

- Challenging macroeconomic conditions are expected to continue into FY2016, with ongoing headwinds in energy and commodity markets
- The Company currently has $9.8bn in contracted revenue with $2.5bn to be delivered in FY2016. In addition we have a healthy and firming pipeline with $3.6bn worth of contracts either shortlisted or preferred
  - Continued growth in Defence, Social and Property and Infrastructure through new and existing outsourcing and asset recycling programmes
  - Leverage capability and credibility of the Logistics & Facilities Management Service Line in health, aged care, justice and education sectors (new and existing clients)
  - Well placed for Telecommunications and NBN packages due to our delivery efficiency
  - Oil and Gas expected to remain challenging in calendar year 2015. Medium term outlook remains positive (LNG assets commence operations in Western Australia, Queensland and the Northern Territory over the next 1-2 years)
  - American platform turned around, well positioned to target downstream Oil and Gas market and take new services into the market, upstream business will continue to face macro headwinds
- Notwithstanding the challenging environment, the Company expects to maintain Underlying EBITDA into FY2016

TRANSFIELD SERVICES

We are rebranding

watch this space

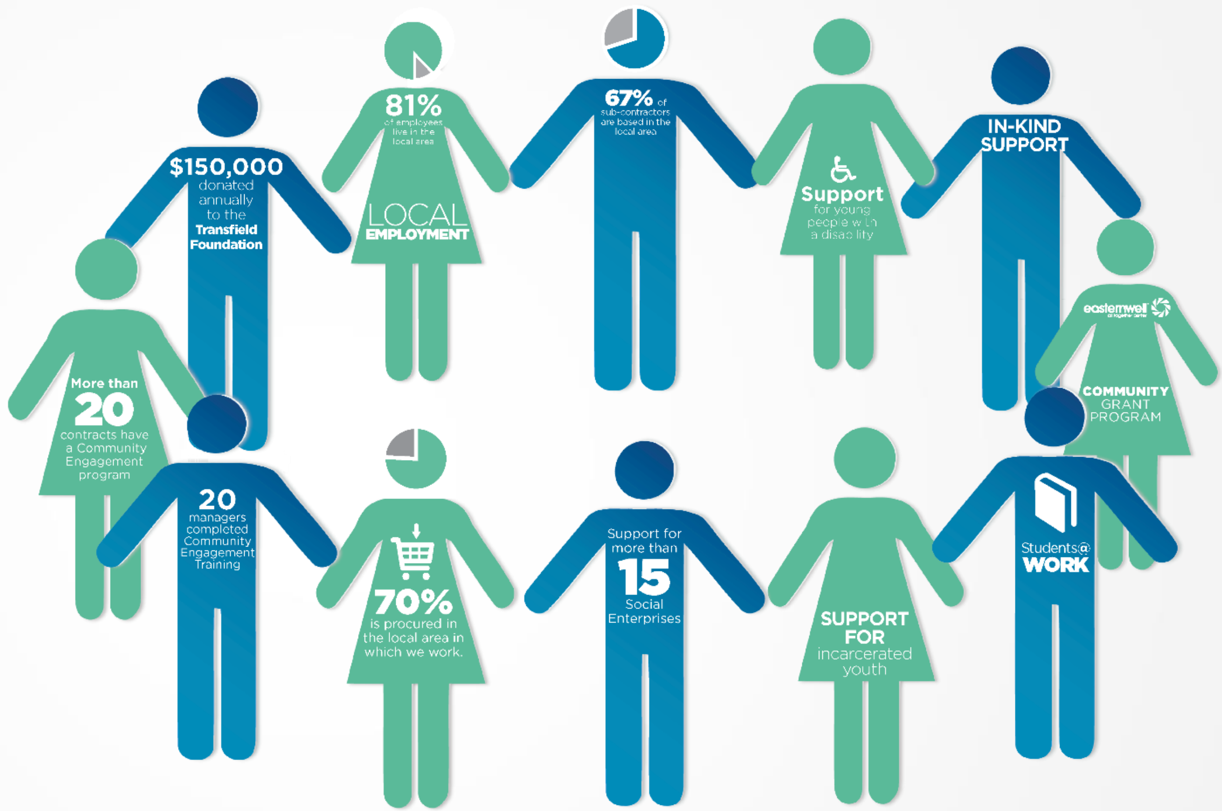
Appendix

Community engagement FY2015 performance

Transfield Services' community engagement approach is well structured and allows us to deliver on both our social and operational responsibilities.

Our community engagement program is focused on:

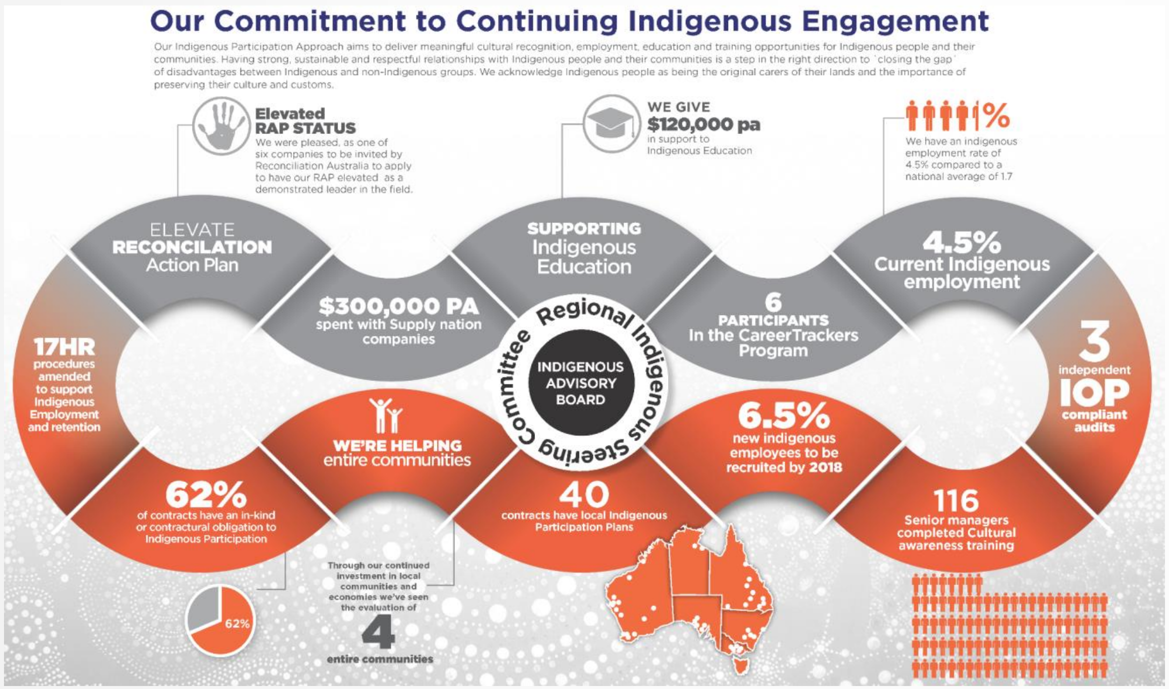
1. Investing in local economies
2. Strengthening community relationships
3. Enabling Indigenous participation



Support for more than 15 social enterprises	c.$300,000 contributed annually through donations and sponsorships (excluding in kind donations)	81 per cent of employees live local to operations	70 per cent of procurement sourced local to operations	67 per cent of sub-contractors based local to operations

Indigenous participation FY2015 performance

- Our Indigenous Participation Program operates under a Global Indigenous Framework
- Transfield Services has an ***Elevate Reconciliation Action Plan*** (RAP) and we are one of only twelve companies in Australia that have an ***Elevate RAP***



- **Currently our Indigenous employment rate is 4.5 per cent** compared to the national Indigenous employment rate of 1.7 per cent
- **62 per cent of contracts** have either a contractual or in kind obligation to Indigenous participation
- Transfield Services has launched its **third RAP with an Indigenous employment target of 6.5 per cent**

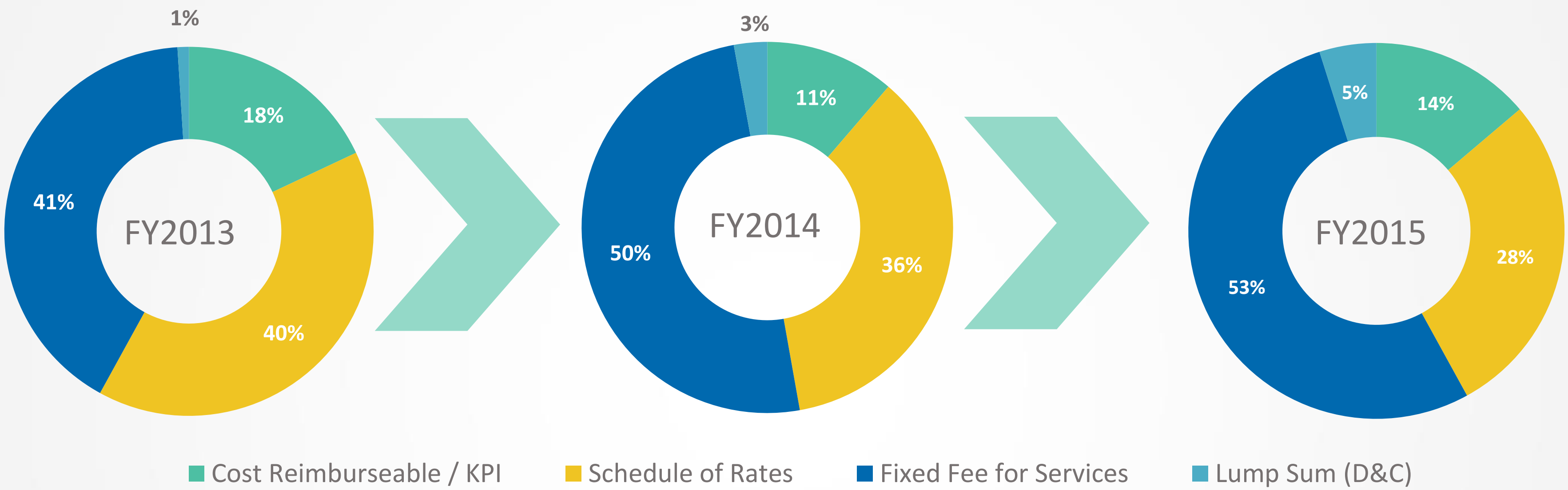
Transfield Services' Indigenous Advisory Board was founded in March 2006 as one the key initiatives of the Indigenous Participation Approach. The Advisory Board is comprised of six members of Australia's Indigenous community and six Transfield Services employees, including Managing Director and CEO, Graeme Hunt

Operating model view of revenue

FY 2015	INFRASTRUCTURE	DEFENCE, SOCIAL SERVICES AND PROPERTY	RESOURCES AND INDUSTRIAL	AMERICAS	SERVICE LINE TOTAL
LOGISTICS AND FACILITIES MANAGEMENT	REV 25.5 0.7% TSE REV	REV 1,408.6 37.1% TSE REV	REV 10.2 0.3% TSE REV	- TSE REV	**REV 1,444.3** **38.1% TSE REV**
CONSTRUCTION	REV 460.2 12.1% TSE REV	- TSE REV	REV 90.2 2.4% TSE REV	- TSE REV	**REV 550.4** **14.5% TSE REV**
CONSULTING	- TSE REV	REV 88.8 2.3% TSE REV	REV 26.3 0.7% TSE REV	- TSE REV	**REV 115.1** **3.0% TSE REV**
OPERATIONS AND MAINTENANCE	REV 576.0 15.2% TSE REV	REV 58.7 1.5% TSE REV	REV 372.3 9.8% TSE REV	REV 412.8 10.9% TSE REV	**REV 1,419.7** **37.4% TSE REV**
WELL SERVICING	- TSE REV	- TSE REV	REV 262.3 6.9% TSE REV	- TSE REV	**REV 262.3** **6.9% TSE REV**
SECTOR TOTAL	**REV 1,061.6** **28.0% TSE REV**	**REV 1,556.1** **41.0% TSE REV**	**REV 761.3** **20.1% TSE REV**	**REV 412.8** **10.9% TSE REV**	**REV 3,791.8** **100.0% TSE REV**
TRANSFIELD SERVICES LIMITED GROUP ***Excluding Group Corporate**	**REVENUE 3,791.8***				

Note: excludes Group Corporate.

Contracted revenue composition



- Proportion of fixed fee contracts increased to 53 per cent, largely driven by the increased proportion of contracts in the Infrastructure and Defence, Social and Property Sectors within the portfolio which are typically fixed fee contracts, together with the reduced influence of the Resources and Industrial Sector which has historically been schedule of rates contracts
- The Company is comfortable with this contract mix given its rigorous focus on contract bid governance processes

Paths to future growth

Growth Node	Catalysts to growth	Focus areas
1 Leveraged work in Defence	• $50bn forecast spend over next 3 years on defence c.40% of maintenance and related activities • Construction expenditure expected to be in excess of $2bn in FY16	• Further leverage expanded contract with Department of Defence, targeting care and welfare and construction work • Target construction projects up to $50m
2 Social / Property outsourcing	• Government may undertake further outsourcing and privatisations to recycle capital and reduce costs, leading to increased scope of outsourced services • Transfield Services can leverage its position as a leader in provision of outsourced Facilities Management and Maintenance	• New service line 'Care and Welfare' has been established, targeting contracts in health, education, aged care and justice
3 NBN and UFB rollout in Australia and NZ	• Transfield Services is preferred suppliers to NBN Co, currently delivering c.25% of NBN programme • Roll-out of c.$46bn in optical fibre across Australia and NZ • By 2018/19 our share of contractor performed maintenance work expected to reach 90%	• We are positioned for further work opportunities based on our service delivery to date
4 CSG - LNG	• Three QLD CSG to LNG projects expected to increase gas supply 2-3 fold on the East Coast over the next 18 months • Significant number of onshore and offshore LNG projects coming on line in FY16	• Targeting offshore projects • Focusing our bespoke service delivery model for CSG-LNG plant and also targeting work over activities

Paths to future growth (cont'd)

Growth Node		Catalysts to growth	Focus areas
5	Privatisations, PPPs and Asset sales	• Flow of social infrastructure projects including new and upgraded hospitals, schools and correctional facilities • "Natural owners" will acquire large infrastructure assets through privatisations – effective Operations and Maintenance services will be critical	• Continued PPP momentum after being awarded the Toowoomba second range crossing contract • Pursuing opportunities to support funds which are targeting infrastructure privatisations and recycling of capital from private asset owners
6	US recovery	• US platform remediated • Infrastructure PPPs online in FY2016 • US is now the largest oil and natural gas liquids producer • The recovery of the US economy is likely to see improvements in infrastructure opportunities, including roads	• Target opportunities as Chevron and Valero increase downstream volume supply as well as new opportunities in the Gulf of Mexico region • Increase revenue from Roads business in the US • Take existing services into US
7	Operational efficiencies	• Targeting a 200 basis point average contract margin improvement, generating an additional c.$75m-$100m in business improvement benefits over the next two years	• Cost out programmes delivered with continued focus on efficiency (refer slide 24)

Transfield Services will continue to pursue growth in areas with non-discretionary, value-enhancing services within stable growth sectors – a core plank of our strategy

Reconciliation of Underlying to Statutory

AUD$'m

EBITDA Reconciliation	FY2014	FY2015
Underlying EBITDA	**216.7**	**265.3**
Gain/loss on sale of asset	20.1	-
Impairment (pre-tax)	-	-
Restructuring costs	(22.6)	(8.3)
Exit on Chilean construction contracts	(3.7)	-
Legal Settlement	-	(15.0)
Statutory EBITDA	**210.5**	**242.0**

NPAT Reconciliation	FY2014	FY2015
Underlying NPAT	**72.6**	**71.8**
Gain/loss on sale of asset	20.1	-
Legal Settlement	-	(15.0)
Impairment (pre-tax)	-	-
Restructuring costs	(22.6)	(8.3)
Exit on Chilean construction contracts	(3.7)	-
Discontinued Operations	(13.6)	-
Tax on non-recurring items	-	-
Statutory NPAT	**52.8**	**48.6**

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Underlying cash conversion

AUD$'m

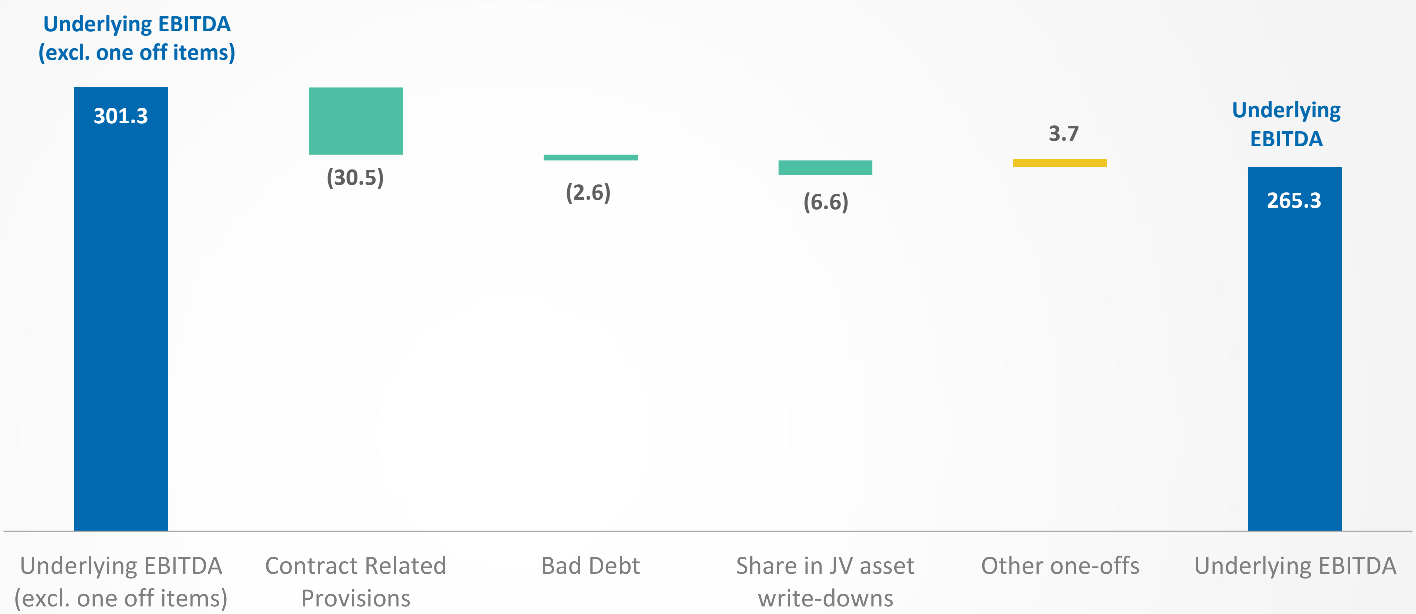
Reconciliation of EBITDA to Cash Conversion	FY2014	FY2015
Underlying EBITDA	**216.7**	**265.3**
Plus reduction in debtors	7.9	66.0
Plus increase in WIP and inventories	28.7	26.8
Less decrease in trade and other payables	(149.0)	(35.7)
(Less)/Plus movements in other assets and liabilities	12.3	(23.9)
Operating Cash Flows before Interest and Tax	116.7	298.5
Operating Cash Conversion	**54%**	**113%**
Adjust for normalisation of trade creditors	**117.5**	**-**
Normalised Operating Cash Flow before Interest and Tax	**234.2**	**298.5**
Normalised Operating Cash Conversion	**108%**	**113%**

Reconciliation of Operating to Statutory Cash Flow	FY2014	FY2015
Operating Cash Flow before Interest & Tax	**116.7**	**298.5**
Less: Net interest movement	(58.6)	(72.1)
Less: Tax paid	(15.8)	(14.8)
Less: Legal Settlement	-	(15.0)
Less: Restructuring costs	(22.6)	(8.3)
Less: Exit of Chilean Business	(3.7)	-
Plus/(Less) Other	(6.5)	
Statutory Cash Flow from Operations	**9.5**	**188.3**

- Operating cash conversion in FY15 has remained strong at 113%, compared with 108% in FY14 (adjusting for normalisation of trade creditors)
- Significant improvement in underlying operating cash flow

Impact of legacy provisions in FY2015

- *No provisions taken on contracts which commenced post the inception of the Gate Review Process in 2013*
- *Legacy WIP provisions relating to Enable, Light City Buses, Parker Point and Jacksonville Road contract taken in H1 FY15*
- *\$6.5m[1] of provisions and one-off items in H2 FY15*



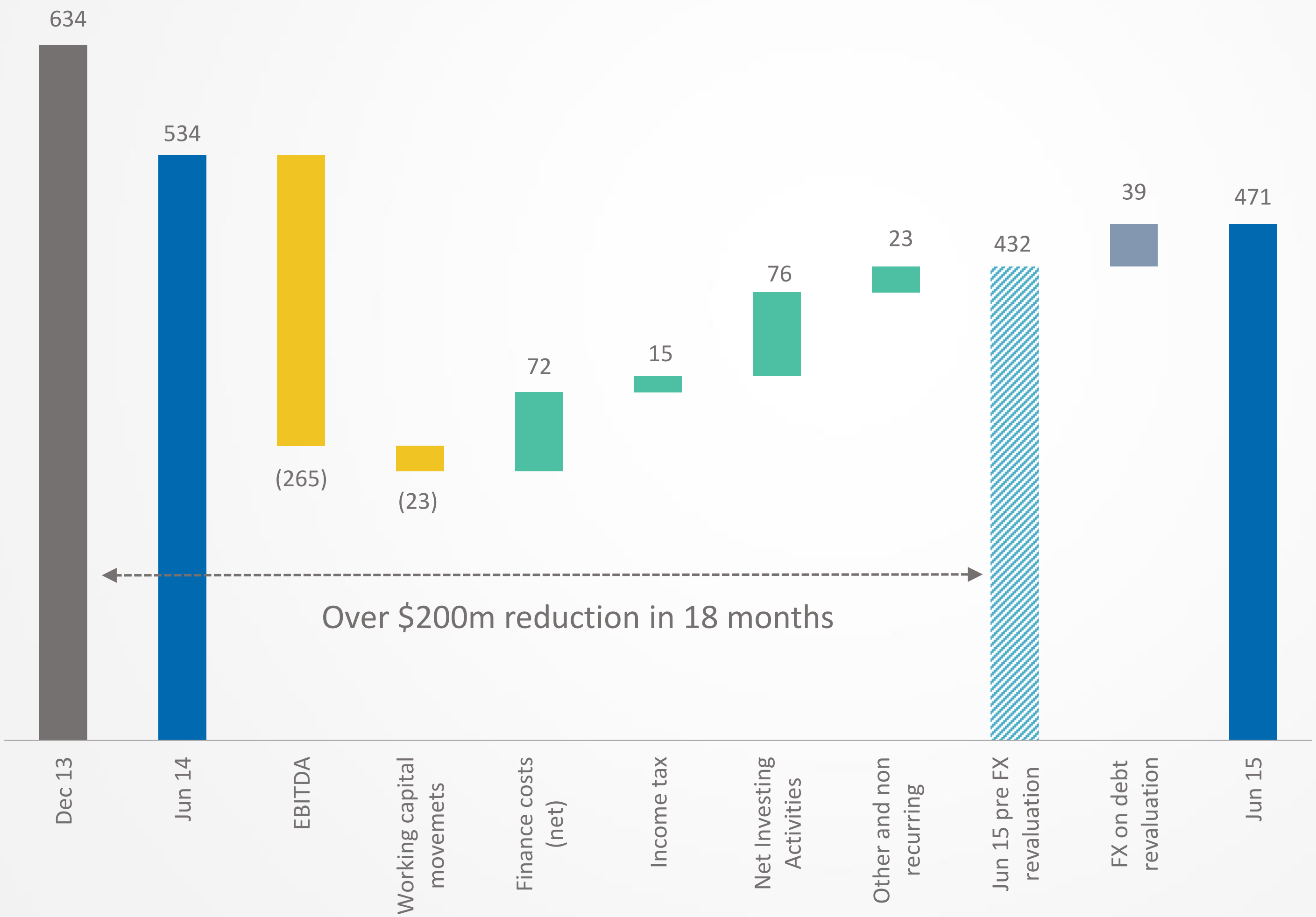
	Underlying results (excl. one-off items)	Contract Related Provisions	Bad Debt	Share in JV asset write-downs	Other one-offs	Underlying results
Infrastructure	65.7	(17.5)	-	-	-	48.2
Defence, Social & Property	245.7	-	-	-	10.3	256.0
Resources & Industrial	13.1	(1.0)	-	-	(1.6)	10.5
Americas	7.8	(9.0)	(2.6)	(6.6)		(10.4)
Group Corporate	(31.0)	(3.0)	-	-	(5.0)	(39.0)
Group EBITDA	**301.3**	**(30.5)**	**(2.6)**	**(6.6)**	**3.7**	**265.3**

1. \$3.5m relate to Enable contract in NZ and \$3.0m for risk and warranties in Group Corporate.

Net debt movement

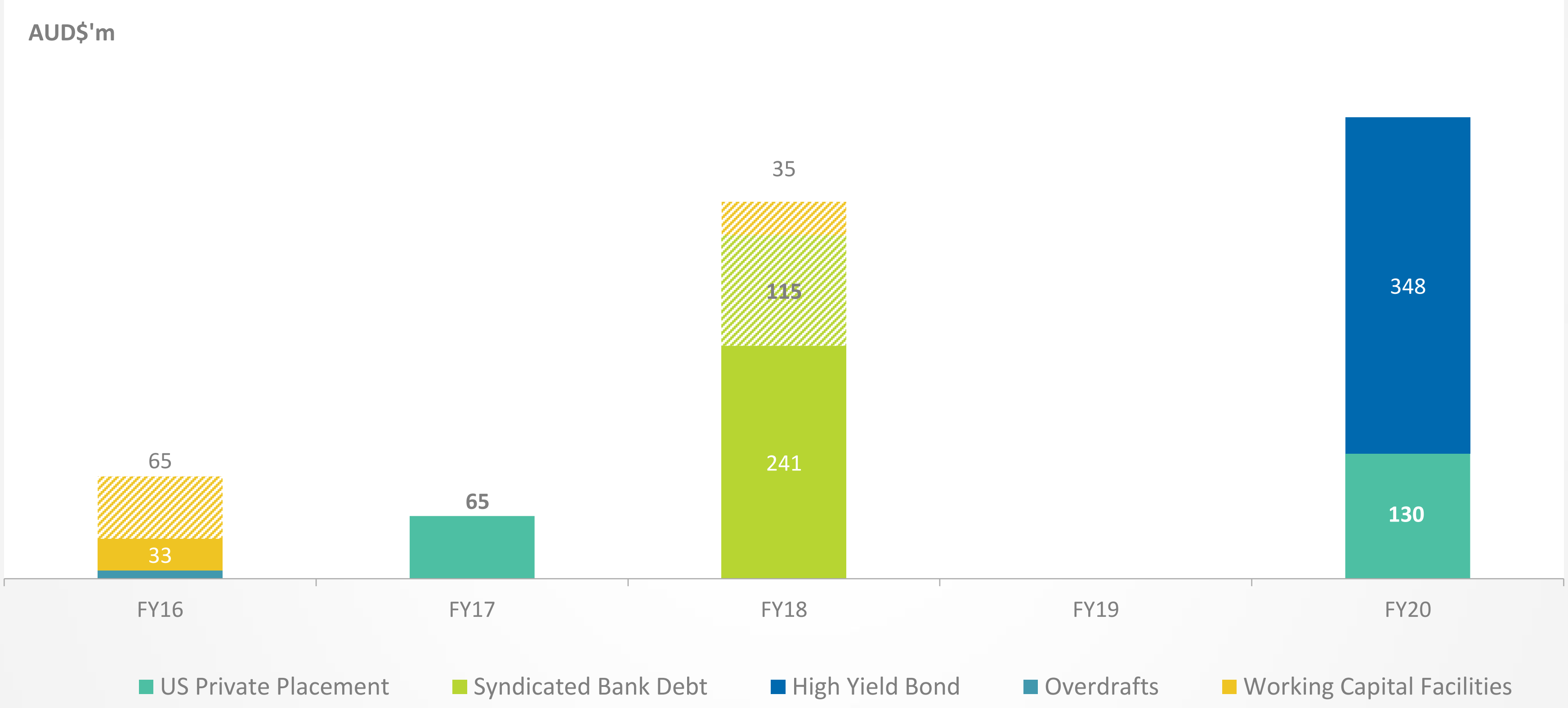
Net Debt Bridge: July to June 2015

AUD$'m



- Net Debt down $63m from 30 June 2014 due to strong focus on reducing net working capital
- Excluding FX revaluation, net debt has fallen by $102m in FY2015

Debt maturity profile



Note: shaded areas indicated undrawn but committed facilities.

- Diversification of facilities across maturities and markets
- As at 30 June 2015, A$581m of cash and committed undrawn facilities available

Calibration of key line items – FY2016

Illustrative outline numbers…

Item	Comment	Indicative range FY16
Capex	• Capex is expected to be within the following range	\$80 - \$85 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 • Higher cash tax payment expected due to higher earnings relating to the offshore processing facilities	ETR c.28%
Non-recurring items	• Non-recurring items include redundancies from operating model implementation and other one off items such as legal settlements	c.\$10 million
Depreciation	• Depreciation has increased due to implementation of Quantum	c.\$85-\$90 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.\$35 - \$45 million based on volatility and exchange rate at 30 June 2015 over a 12 month holding period	c.\$35 - \$45 million (non-cash)

Note: Indicative figures only.