

Update on Unsolicited Takeover Offer from Ferrovial

Broadspectrum Limited (“Broadspectrum” or the “Company”) refers to Ferrovial Services Australia Pty Ltd’s (“Ferrovial”) unsolicited takeover offer for the Company (the “Offer”) of 7 December 2015.

The Offer is for all the issued shares in Broadspectrum for a cash consideration of \$1.35 per share. The Offer is subject to a number of conditions including a minimum acceptance of 50.01 per cent and Foreign Investment Review Board (“FIRB”) approval.

In assessing the Offer, the Board of Broadspectrum (“Board”) notes that the Company’s shares were trading above \$1.60 as recently as June 2015. Additionally, the Board notes that Broadspectrum has delivered on significant milestones in the last twelve months including:

- Maintaining a strong level of work-in-hand of circa \$10bn, and securing preferred positions on a number of additional key contracts worth in excess of \$2 billion,
- Delivering on upgraded FY2015 earnings guidance,
- Strengthening the balance sheet and reducing gearing to below 2.0x ND/EBITDA as at 30 June 2015, and
- Reiterating FY2016 earnings guidance at the 2015 AGM in October.

The Board also notes that the Bidder has not had access to confidential Company information on which to base its Bidder’s Statement since December 2014.

The Company is well placed to benefit from significant opportunities ahead including further outsourcing of government services and the expected improvement in business activity from other key markets in FY2017.

The Board will keep shareholders informed of further developments and will provide a formal recommendation on the Offer in its Target Statement, which will allow shareholders to make an informed decision. The Target Statement will be released within 15 days of the Bidder’s Statement being sent to shareholders. The Board expects that the Bidder’s Statement will be sent between 21 December 2015 and 4 January 2016.

Shareholders are advised that there is no need to take any action in relation to the Offer or any document received from Ferrovial until they receive the Target Statement and the Board’s formal recommendation.

Broadspectrum is represented by Macquarie Capital (Australia) Ltd and Herbert Smith Freehills.

ENDS

INVESTOR ENQUIRIES	MEDIA ENQUIRIES
<p>Chris Jeffrey Executive General Manager Strategy, Markets and Investments P: +61 2 9464 1701 M: +61 400 154 176</p>	<p>Chris Gordon Executive General Manager Corporate and Public Affairs P: +61 2 9464 1089 M: +61 419 805 990</p>

Please call +61 2 9464 1000 for any contracting or employment enquiries.

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