

21 December 2015

Broadspectrum upgrades guidance; confirms underlying strength of business

Broadspectrum today announced an upgrade to its 2016 full year earnings guidance, driven by continued strong business momentum and increased growth opportunities across a number of its sectors.

The Company now expects full year Underlying EBITDA¹ to fall within the \$265 million to \$285 million range. This compares favourably to previous guidance of flat year-on-year earnings (Underlying EBITDA of ~\$265 million) and a market consensus of \$256 million.

Broadspectrum Managing Director and CEO, Graeme Hunt, said the Company is performing well during the first half of the year.

"Despite challenging operating conditions in many of our sectors, the business has continued to deliver, confirming the underlying strength of the Company," he said.

"We have seen particularly strong growth in our Defence, Social and Property sector with major contracts in defence, immigration and housing making important contributions.

"Our diversified portfolio has allowed us to withstand the cyclical nature of some of the sectors in which we operate better than most of our peers. An example being the headwinds in the energy, mining and construction sectors, have been offset by strong earnings and growth elsewhere in our portfolio.

"The Company's financial position is improving steadily. Our balance sheet turnaround also continues. We expect to maintain our gearing levels in the first half of FY2016, with a material improvement anticipated in the second half of FY2016," he said.

The Company's Americas business has also performed well.

"The increased focus on our operations in the Americas has delivered a return to profitability after a challenging period. While the upstream, non-conventional energy sector is still very challenged, the remainder of the Americas portfolio is showing strong results," he said.

Mr Hunt said the outlook for the Company is positive. "We're enjoying predictable and solid work volumes and we have a strong pipeline of future work opportunities.

"Last week we announced over \$1 billion in new contracts in the housing, power and water sectors.

¹ Underlying EBITDA does not include restructuring, other significant non-recurring items or costs associated with the Ferrovial approach



ASX Statement

"We are also the preferred tenderer on a major contract with the Department of Immigration and Border Protection. We are in final negotiations with the Department and expect to be able to make an announcement in the New Year," he said.

"Pleasingly, signs of improvement and increased volumes are starting to appear in the CSG to LNG focused component of the energy sector. Given our dominant position in well servicing, we now expect to see increasing demand for the services we offer. We are also seeing good prospects as major energy projects move from the construction to commissioning phase," he said.

The Company also expects to benefit from further growth in the telecommunications sector in Australia and New Zealand, as well as from increased activity in the US refining and petrochemicals sector.

The Company received an unsolicited takeover offer in the form of a Bidders Statement from Ferrovial Services Australia Pty Limited on 7 December 2015. Further information will be provided to shareholders in January 2016 in Broadspectrum's Target's Statement.

Broadspectrum's Defence, Social and Property sector comprises a large portfolio including defence, health, education, care and welfare, justice and property.

ENDS

Investor Enquiries	Media Enquiries
Chris Jeffrey Executive General Manager Strategy, Markets and Investments P: +61 2 9464 1701 M: +61 400 154 176	Chris Gordon Executive General Manager Corporate and Public Affairs P: +61 2 9464 1089 M: +61 419 805 990

Broadspectrum provides innovative solutions to clients across the social, defence, property, infrastructure, resources and industrial sectors. Our skilled workforce drives ingenuity and collaboration with clients and is backed by market-leading processes and systems delivered via a state-of-the-art technology platform. Our ability to generate true value and growth for our clients is complemented by an uncompromising commitment to safety and social responsibility.

For more information on how Broadspectrum can assist your business, visit: www.broadspectrum.com