

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth). It is the second supplementary target's statement (**Second Supplementary Target's Statement**) issued by Broadspectrum Limited ABN 69 000 484 417 (**Broadspectrum**) in relation to the off market takeover bid for all the ordinary shares in Broadspectrum by Ferrovial Services Australia Pty Ltd ACN 609 542 556 (**Ferrovial**). This Second Supplementary Target's Statement supplements, and should be read together with, Broadspectrum's supplementary target's statement dated 8 February 2016 (**Supplementary Target's Statement**) and Broadspectrum's target's statement dated 21 January 2016 (**Target's Statement**).

This Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Supplementary Target's Statement or the Target's Statement.

A copy of this Second Supplementary Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

Unless the context otherwise requires, terms defined in the Target's Statement have the same meaning as in this Second Supplementary Target's Statement.

Second Supplementary Target's Statement

This Second Supplementary Target's Statement provides important information relevant to Broadspectrum Shareholders in their consideration of the Offer.

1 Your Directors continue to recommend you REJECT the Offer

On 6 April 2016, Ferrovial announced it had increased the Offer Price to \$1.50 cash per Broadspectrum Share (formerly \$1.35 cash per Broadspectrum share) (**Revised Offer**).

As noted in Broadspectrum's statement to the ASX on 6 April 2016, Your Directors welcomed the increase in the Offer Price but unanimously recommend that you REJECT Ferrovial's Revised Offer, as it continues to undervalue Broadspectrum's Shares. The Board of Broadspectrum has actively engaged with Ferrovial but Ferrovial has not increased the Offer to an acceptable level. The Revised Offer is still below the bottom end of the Independent Expert's range.

Section 2 of this Second Supplementary Target's Statement sets out the reasons for your Directors' recommendation.

Ferrovial has declared the offer "best and final", in the absence of a superior proposal which means that Ferrovial cannot increase the Offer further unless another bidder emerges and makes a superior offer.

To reject the Revised Offer, shareholders are advised to do nothing and take no action.

2 Reasons for your Directors' recommendation

The reasons for your Directors' recommendation are summarised below:

- the Revised Offer is still opportunistic and continues to undervalue your Broadspectrum Shares

- the Revised Offer is below the Independent Expert's valuation range of \$1.60 to \$1.85 per share
- Broadspectrum is in a stronger position now than in December 2014, when Ferrovia indicated a willingness to pay significantly more for your Broadspectrum Shares
- the outlook for Broadspectrum is positive and the Company continues to pursue strategies and initiatives to increase shareholder value
- Broadspectrum is a diversified portfolio business, providing flexibility to deliver sustained performance and earnings through industry and sector cycles
- Broadspectrum remains in a strong position and expects to deliver Underlying EBITDA for FY2016 in the range of \$280 million to \$300 million
- The outlook for FY2017 is positive with contracted revenue for FY2017 at \$2.8 billion at 31 March (compared to \$2.3 billion at 31 December 2015). Subject to no further material deterioration in current macro-economic conditions, the Company expects Underlying EBITDA for FY2017 to be in excess of \$300 million¹, and
- Net debt is expected to reduce further to between \$370 million and \$390 million by 30 June 2016, from \$460 million at 31 December 2015, continuing a strong record of de-leveraging over a three-year period.

The Target's Statement dated 21 January 2016 and Supplementary Target's Statement dated 8 February 2016 provide further information regarding the reasons for your Directors' recommendation.

Your Directors will continue to act in the best interests of Broadspectrum Shareholders and will keep you informed of any material information.

3 Share Buy-back

Broadspectrum's Board confirms its capacity and intention, as announced on 15 February 2016, to purchase up to 10% of the Company's shares on-market over the next 12 months. In making any specific decisions to acquire shares under the buy-back, the Board will have regard to all the circumstances at the relevant time, including the status of the Ferrovia Offer.

4 Employee Incentives

In total 29,275,595 Broadspectrum Performance Awards remain on issue to current and former employees of Broadspectrum, a number of which would be expected to vest in the ordinary course of business in the absence of a change of control transaction occurring.

The Broadspectrum Board retains its discretion to determine the quantum, timing and terms of the vesting of any Broadspectrum Performance Awards and Short Term Incentives in the event that there is a change of control in Broadspectrum.

¹ The FY2017 outlook for Underlying EBITDA is not a forecast and is subject to changes in macro-economic conditions. It is important to note that the actual FY2017 Underlying EBITDA will not be known for more than 15 months and there is the possibility for it to be materially higher or lower than \$300 million.

As noted in Ferrovia's Eighth Supplementary Bidder's Statement dated 6 April 2016, Ferrovia's Revised Offer attributed an equity value to Broadspectrum of approximately A\$813 million on a fully diluted basis assuming all performance awards were to vest.

Further details on the Board's proposed treatment of Performance Awards are included in section 9.9 of Broadspectrum's original Target's Statement dated 21 January 2016.

5 Offer timetable and conditions

The Offer is scheduled to close at 7pm (Sydney time) on 2 May 2016 (unless further extended).

Ferrovia has freed its Offer from all conditions other than the 50.01% minimum acceptance condition (as set out in section 7.6(a) of the Bidder's Statement).

Broadspectrum Shareholders who have any questions in relation to the takeover bid should call the Broadspectrum Shareholder information line on 1300 361 735 (for callers within Australia) or +61 1300 361 735 (for callers outside Australia) Monday to Friday between 8.30am and 5.30pm (Sydney time).

You should seek any independent financial, legal, taxation or other professional advice that you require before making a decision as to whether or not to accept Ferrovia's Revised Offer.

Signed for and on behalf of Broadspectrum following a resolution of the Directors of Broadspectrum:



Diane Smith-Gander

Chairman, Broadspectrum Limited

Date: 8 April 2016