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2011 Extraordinary General Meeting

Trevor Bourne
Chairman

22 July 2011



Agenda



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- Introduction
- Chairman's Address
- Questions and comments
- Resolutions

“Leading international provider of building services - mechanical, electrical, hydraulics and refrigeration systems”

Equity Raising



Hastie Group

- 🌐 Hastie Group proposes to raise \$160.0 million through a fully underwritten equity Offer - *\$117.2m already raised*
- 🌐 The Offer comprises:
 - An Initial Placement to funds managed by Lazard Australia Private Equity Pty Ltd (the “Cornerstone Investor”) to raise c.\$7.2 million – *Completed.*
 - a 2.85 for 1 Accelerated Renounceable Entitlement Offer to raise c.\$110.0 million – *Completed.*
 - a Conditional Placement to institutional investors to raise c.\$42.8 million – *subject to EGM approval.*
- 🌐 Subject to the Conditional Placement being approved by shareholders, Hastie Group will offer a share purchase plan to eligible shareholders to raise up to a further \$10.0 million expected to commence on approximately mid August
- 🌐 The Initial Placement was undertaken at an issue price of \$0.20 per new share, the Entitlement Offer was undertaken at an issue price of \$0.14 per new share, and the Conditional Placement and Share Purchase Plan will be undertaken at an issue price of \$0.14 per new share

The Cornerstone Investor



Hastie Group

- The Cornerstone Investor is a private equity fund managed by Lazard Australia Private Equity Pty Ltd, the Australian private equity arm of Lazard
- The Cornerstone Investor has invested \$50.0 million in new shares in Hastie Group
- The Cornerstone Investor presently holds 32.2% of Hastie Group's shares. This holding will reduce to 25% should the Conditional Placement be approved. All shares will be subject to a 12 month escrow, subject to certain limited exceptions
- The Cornerstone Investor will be invited to nominate one representative to be appointed to the Hastie Group Board

Use of proceeds



Hastie Group

The Offer proceeds will be used to repay up to \$145.0 million of debt and pay costs associated with the Offer, facility restructure and previously announced bank standstill agreement

Sources of funds	\$m
Initial Placement	7.2
Entitlement Offer	110.0
Conditional Placement ¹	42.8
Total sources of funds	160.0

Uses of funds	\$m
Debt Repayment	145.0
Costs of the Offer, facility restructure and bank standstill agreement	15.0
Total use of funds	160.0

1. Receipt of funds under the Conditional Placement is subject to shareholder approval at the EGM. If the Conditional Placement is not approved the debt repayment will be \$102.0 million

Response to business challenges



Hastie Group

Key actions taken:

- Senior management changes made, including a new head of the MEP Australia and New Zealand division and other senior appointments
- Stronger focus on cash management with weekly forecasting and monitoring
- Project control group disciplines in place on all major projects
- Strengthened risk management review processes in place – tender estimate through to project completion
- Budgeting and forecasting disciplines improved with greater transparency and visibility
- Headcount reduced as appropriate across all businesses and discretionary spending cut
- Actions taken to address the loss making businesses
 - Commercial plumbing in NSW and QLD, mechanical in Newcastle, services in Western Australia

Recent positive developments



Hastie Group

MEP Australia and New Zealand

- Significant number of major installation contracts secured, with a strong pipeline of prospects
- Refrigeration market structure has changed – expected to have a positive impact

Maintenance Services Australia and New Zealand

- HVAC and fire services bundling gaining traction – continuation in growth of recurring revenues
- 'Green solutions' launched – providing energy audits and energy reduction strategies for building owners and tenants

MEP UK and Republic of Ireland

- UK business stable with sizeable new opportunities – e.g. data centres for banks due to recent changes in FSA regulations
- Exposure to the Republic of Ireland reduced – aged doubtful debt provisions and significant headcount reduction

MEP Middle East

- Core focus is on market sectors aligned with government priorities in Abu Dhabi and Qatar
- Strategic review currently underway – including assessment of potential joint ventures
- Lender group continues to provide project bonding and LC facilities to support the Middle East operations, including with respect to new contracts

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Earnings outlook



Hastie Group

Hastie Group forecasts FY2011F Operating EBIT¹ of not less than \$47.5 million²

- uncertainty around the outcome of the capital structure review process has impacted Hastie Group's operations
- during the standstill agreement period, delays in granting LCs and the timely issuance of project bonding for new work has led to delays on existing jobs and impacted the commencement of new projects, leading to a delay in profit recognition
- forecast revenue of c.\$1.9 billion²
- supported by existing Work-in-Hand³

Hastie Group forecasts FY2012F EBIT of \$58.0 million²

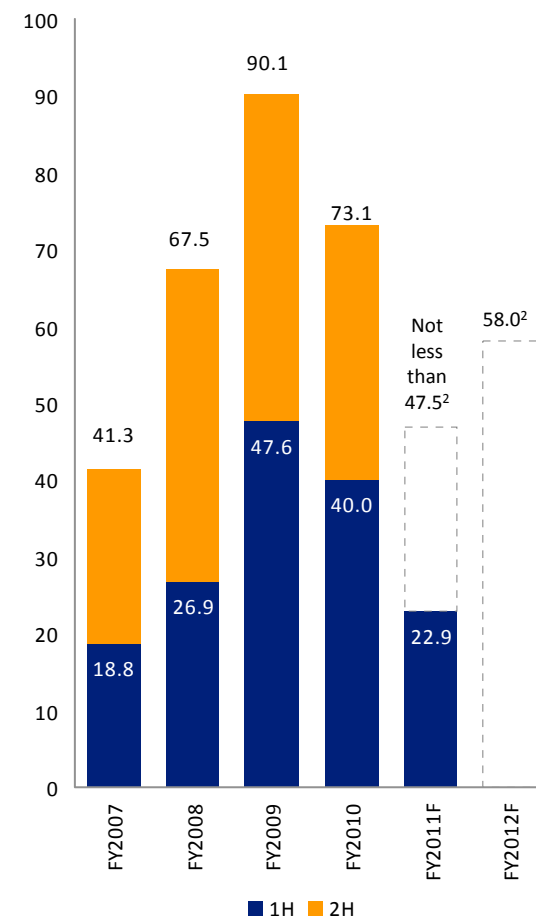
- 80% of expected FY2012F revenue is covered by Work-in-Hand³

The key underlying assumptions and risks in relation to the earnings forecast are provided in the Prospectus

Notes:

1. Before significant one-off non-cash items
2. The Directors of Hastie Group consider the information and assumptions, taken as a whole and used to prepare the forecast financial information, to be appropriate and reasonable at the time of preparation. However, future matters are subject to significant uncertainties, many of which are outside the control of the Directors of Hastie Group and may also not be capable of being foreseen or accurately predicted. As a result, no assurance can be given that the forecast financial information will be achieved
3. Orders in hand, project extensions/variations, letters of intent or instances where Hastie Group has been confirmed in writing as the preferred supplier, small project sales and recurring service revenues

Operating EBIT¹ (\$m)



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- **Questions and comments**
- **Resolutions 1 – 2 (explanation, questions and voting)**
- **Poll voting (if any)**
- **Closure of the Meeting**

“Leading international provider of building services - mechanical, electrical, hydraulics and refrigeration systems”

Resolution 1

THAT for the purposes of ASX Listing Rule 7.4, and for all other purposes, the previous issue on or around 17 June 2011 of fully paid ordinary shares in Hastie Group to the Lazard investors at an issue price of \$0.20 per New Share, on the terms set out in the Explanatory Statement, be approved:

- 16,185,245 ordinary shares to CWC COFA Pty Ltd as trustee for the CWC Corporate Opportunity 1A Trust;
- 16,185,245 ordinary shares to CWC COFB Pty Ltd as trustee for the CWC Corporate Opportunity 1B Trust; and
- 3,596,722 ordinary shares to CWC Investors Pty Ltd as trustee for the CWC Investment Unit Trust.

For	188,819,155	97.96%
Open	2,822,475	1.46%
Against	1,108,510	0.58%
Abstain	58,803,104	-

Resolution 2

THAT for the purposes of ASX Listing Rule 7.1, and for all other purposes, the issue of up to 305,591,813 fully paid ordinary shares in Hastie Group to institutional investors at an issue price of \$0.14 per New Share, on the terms set out in the Explanatory Statement, be approved.

For	179,572,454	96.99%
Open	2,960,426	1.6%
Against	2,615,359	1.41%
Abstain	58,821,235	-

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**Thank you for attending our
Extraordinary General Meeting.**

www.hastiegroup.com.au

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