

ANNUAL GENERAL MEETING

DIANE SMITH-GANDER

CHAIRMAN

GRAEME HUNT

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

2015

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CHAIRMAN **DIANE SMITH-GANDER**



‘Our 25,000 people work across a diverse range of operations and we are proud of them. We have a continual focus on safe, efficient and sustainable service delivery. The Company supports them with robust systems and processes.’

Committed to building strong relationships with Indigenous communities

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Your Board is dedicated to working hard for shareholders



Diane Smith-Gander



Graeme Hunt



Douglas Snedden



Dean Pritchard



Geoffrey Kleemann



Roy McKelvie



Kathy Hirschfeld

2015 financial year performance reflects solid progress in financial metrics

1

Strategy and operating model is embedded and delivering

2

Delivered on our guidance with strong underlying cash flows despite difficult macroeconomic conditions

3

Results driven by increased client activity, by identifying cost savings and working more efficiently

4

Cash continues to be prioritised towards debt reduction, reaffirming our commitment to strengthening the balance sheet



Our strategy is delivering – we are an essential services provider

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Reliable public transport

- ▶ Sydney's Harbour City Ferries
- ▶ Light City Buses
- ▶ Brisbane Airport Rail Link.



Services to health, education and social

- ▶ Austin Health
- ▶ Gold Coast University Hospital
- ▶ Newcastle University



Project management expertise

- ▶ Dexus
- ▶ Star City



Services to, water, utilities and telecommunications

- ▶ NBN in Australia
- ▶ UFB in NZ
- ▶ Sydney Water
- ▶ Melbourne Water



Oil and gas

- ▶ Oil and gas
- ▶ Woodside
- ▶ Caltex
- ▶ QGC
- ▶ Santos



Industry leader in facilities management

- ▶ NSW Housing
- ▶ NSW Schools



Broad Defence footprint

- ▶ Department of Defence in VIC, SA, Tasmania, WA and NT



Welfare-led approach to Immigration

- ▶ Facilities management and welfare services



Safer roads

- ▶ Hills M2 Motorway
- ▶ Lane Cove Tunnel
- ▶ City Link East Link
- ▶ Presidio Parkway in the USA



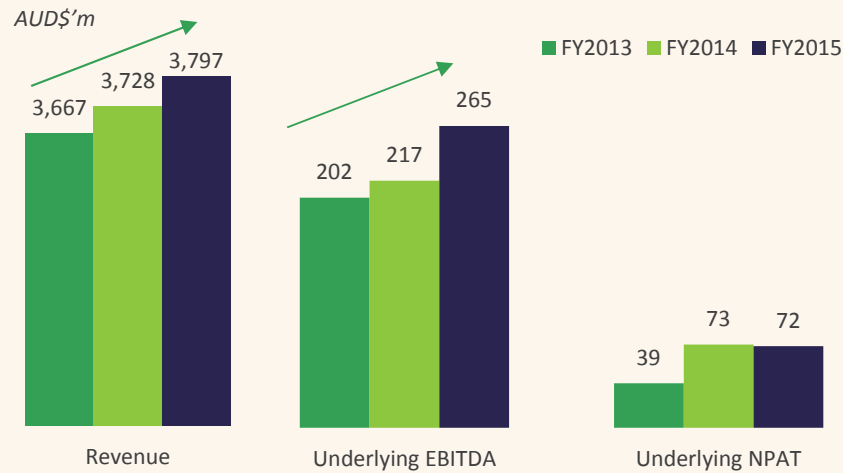
40-year oil and gas footprint across United States

- ▶ Chevron
- ▶ ExxonMobil
- ▶ Valero

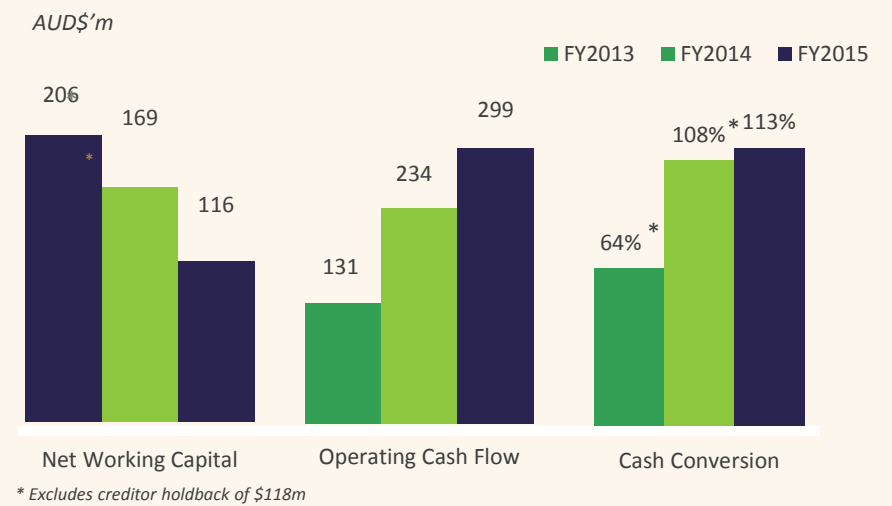
Three year positive momentum continues

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Growth in Underlying EBITDA



Strong operating cash performance



We deliver a broad range of services

- ▶ We are excited to share the new company brand



- ▶ It reflects our long, rich and diverse heritage, our evolution to date as well as our future aspirations
- ▶ It resonates with our values, culture, diversity and practical orientation



Ensuring a robust and sustainable future



Your Board is committed to effectively managing the Company's environmental, social and governance responsibilities with a primary focus on maintaining a robust sustainable business.

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Putting our immigration related work in context

- ▶ Values drive what we do at the Regional Processing Centres at Nauru and Manus Island
- ▶ The care and wellbeing of asylum seekers defines our services
- ▶ We act with integrity to deliver the best possible service



Solid results underpinned by strong leadership

1

2015 has been focused on building a solid platform

2

Business turnaround is well progressed

3

We remain focused on strengthening the balance sheet and ensuring sustainable growth

4

Clear paths to medium and long term growth

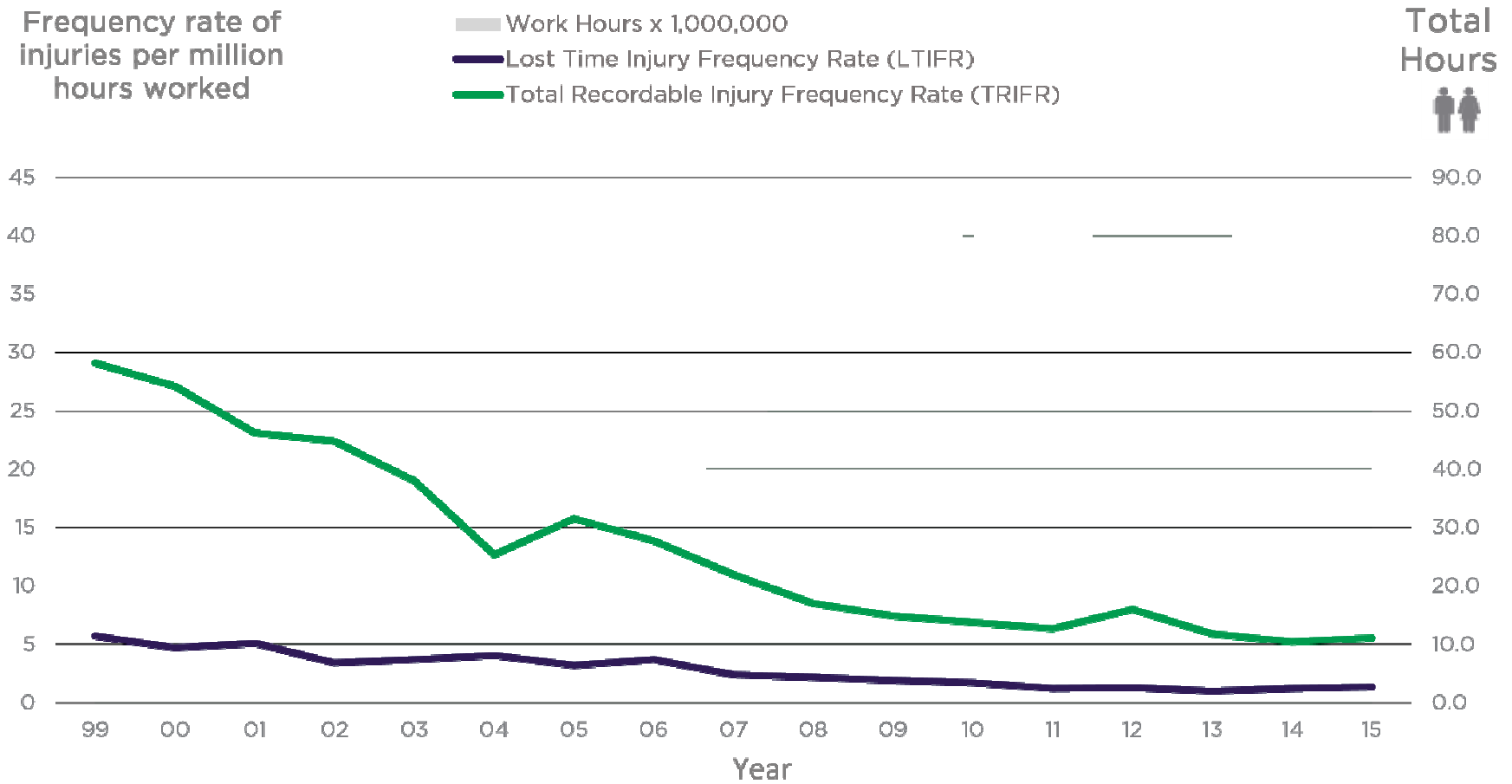
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER
GRAEME HUNT



‘Our turnaround journey is well progressed and we continue to show positive trends across a range of key metrics.’

Our goal is zero harm

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 trend on all key metrics

Profit and 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 highlights

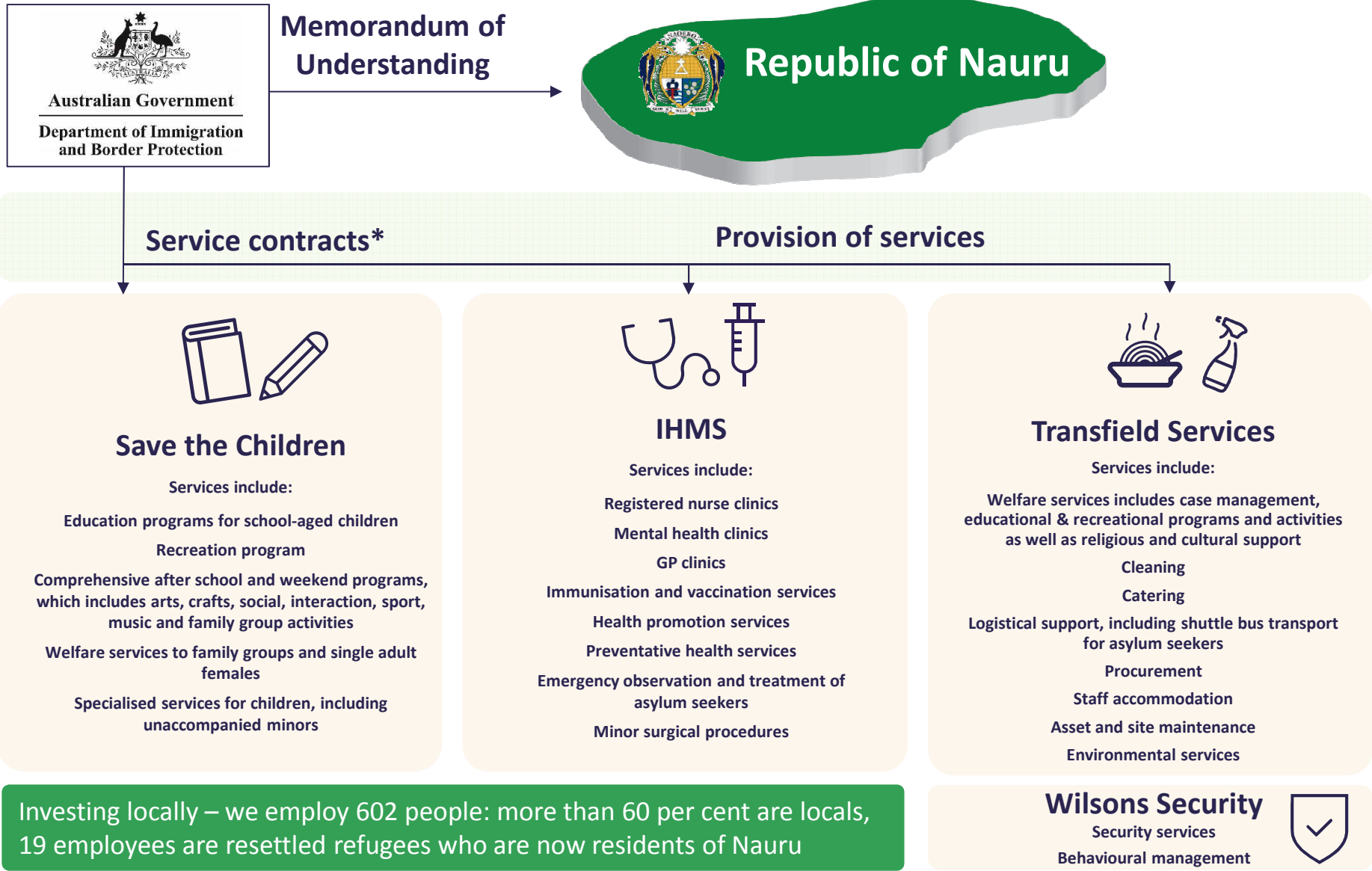
Operating Revenue	\$3,797m
Underlying EBITDA¹ within guidance range	\$265m
Underlying NPAT	\$72m
Statutory NPAT ²	\$49m
Underlying Operating Cash Conversion	113%
ROCE	13.7%

- ✓ Revenue, Underlying EBITDA and ROCE continue 3 year positive trend
- ✓ Underlying EBITDA margins improved from 5.8 per cent in FY2014 to 7.0 per cent 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 and \$9.8bn in work-in-hand
- ✓ 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.

Regional Processing Centres – our current role in Nauru

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Investing locally – we employ 602 people: more than 60 per cent are locals, 19 employees are resettled refugees who are now residents of Nauru

Note 1: Transfield Services embraces transparency and supports independent third-parties that visit the Regional Processing Centre on Nauru.
 Note 2: *Key service providers (note that this does not intend to capture all service providers – indicative only).



Our new name reflects the broad range of services that are essential to our clients across multiple sectors

We maintain the infrastructure that gives you safe drinking water



Aroona Alliance | The Western Australian Water Corporation | Western Australia

We help to supply the power that keeps the lights on at home and at work



Transfield Worley Power Services joint venture | AGL Energy | Victoria, Australia

We provide reliable public transport for people



Operations | Harbour City Ferries joint venture | Sydney Ferries | New South Wales, Australia

We maintain the refineries that provide your fuel



Maintenance | Chevron | California, USA

We cater for more than three million meals a year to our defence workforce



Garrison Support Services | Department of Defence | Northern Territory, Australia

Clear paths to future growth

1. Operational efficiencies

2. Leveraged work in Defence

3. Social and property outsourcing

4. Privatisations, PPPs and asset sales

5. NBN and UFB rollouts

6. United States recovery

7. CSG to LNG

**Future
Growth**

Key contract wins

Recent contract wins for FY16

- ▶ Five year contract with NBN Co valued up to \$140m in the first year and in excess of \$700m
- ▶ Five year \$88m integrated facilities management and property services contract with the University of Newcastle
- ▶ Awarded three new roads contracts in NZ valued at NZ\$112m and signed a new three year NZ\$78m contract with Transpower
- ▶ Awarded a construction contract with our existing client, South East Water
- ▶ Easternwell was awarded a two-year contract extension by Chevron Australia
- ▶ Awarded a construction contract in Defence, building upon our identified growth path of leveraged work in defence

Shortlisted and preferred

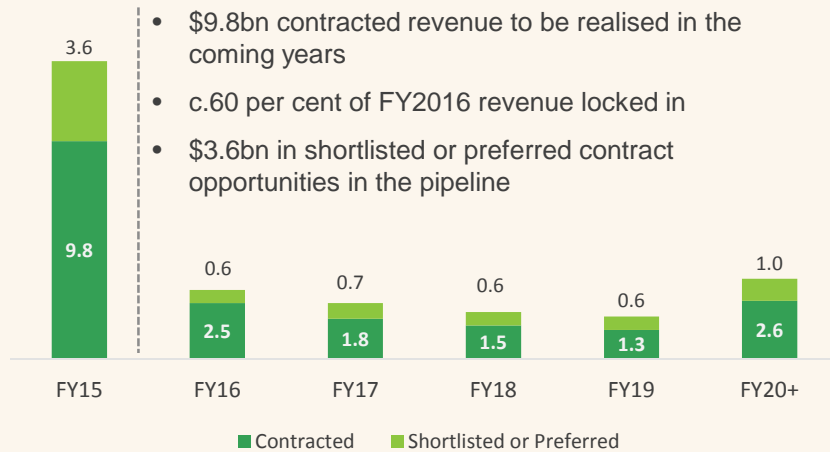
- ▶ Near term extension and imminent execution of a new five year contract for an expanded scope with the Commonwealth Department of Immigration and Border Protection for the provision of services on Nauru and Manus Island, after being named preferred tenderer
- ▶ Shortlisted on an additional four major contracts worth \$2.3bn

Pipeline and Contract Mix

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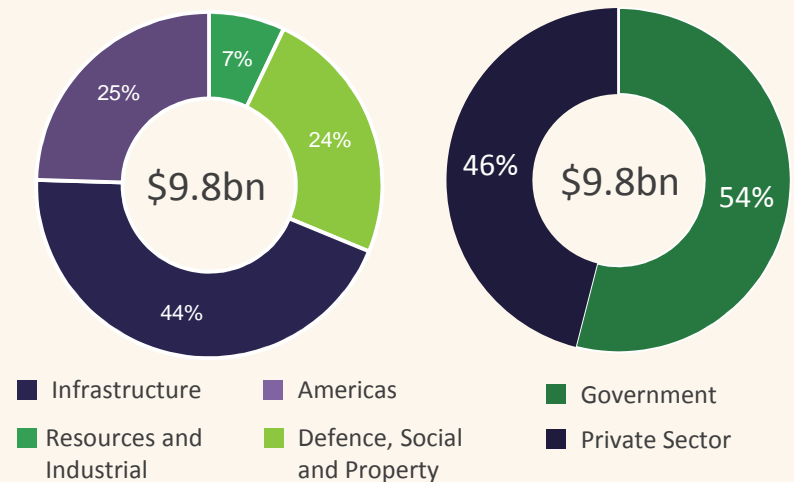
Ageing of contracted revenue

AUD\$'bn



Contracted revenue by sector and client

% of total contracted revenue as at 30 June 2015



Reaffirming our 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
- ▶ We reaffirm our guidance statement presented at the full year results. **The Company expects to maintain Underlying EBITDA into FY2016**



Formal business



Formal business

Item 1: Financial Statements and Reports

The financial statements and reports relate to the period from 1 July 2014 to 30 June 2015.

Profiles - Diane Smith-Gander and Kathy Hirschfeld

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Diane Smith-Gander

Role

Diane was appointed a Director on 22 October 2010 and Chairman on 25 October 2013. Prior to appointment as Chairman, she served as Chair of the Health, Safety, Environment and Community Committee and as a member of the Human Resources Committee.

Experience / Relevant Board Positions

- Diane has extensive Australian and international experience in banking & finance, technology and strategic and management consulting.
- Director of Wesfarmers
 - President, Chief Executive Women
 - Member of Advisory Board of the University of Western Australia Business School
 - Former Deputy Chairman of NBN Co Limited



Kathy Hirschfeld

Kathy was appointed a Director on 28 October 2013, and is a member of the Human Resources Committee and the Health, Safety, Environment and Community Committee

- Kathy worked for BP for more than 20 years in a variety of roles, including Executive Director of BP Australasia.
- Director InterOil Corporation
 - Director of Tox Free Solutions Limited
 - Senator of the University of Queensland
 - Board member of Australian National Committee of UN Women

Formal Business

Item 2(a) Re-election of Ms Diane Smith-Gander

Item 2: Re-election of Directors

Total number of valid securities voted:	325,058,240
In favour:	319,361,871
<i>Proxies available to the Board:</i>	948,055
<i>Other discretionary:</i>	348,262
Against:	4,400,052
Abstained:	506,569
Excluded:	0

Formal Business

Item 2(b) Re-election of Ms Katherine Hirschfeld

Item 2: Re-election of Directors

Total number of valid securities voted:	324,973,036
In favour:	322,658,075
<i>Proxies available to the Board:</i>	1,001,612
<i>Other discretionary:</i>	348,262
Against:	965,087
Abstained:	591,773
Excluded:	0

Formal Business

Item 3: Adoption of Remuneration Report

The Board submits its Remuneration Report for the year ended 30 June 2015 to shareholders for consideration and adoption by way of non-binding resolution.

Total number of valid securities voted:	324,840,443
In favour:	321,567,601
<i>Proxies available to the Board:</i>	1,036,851
<i>Other discretionary:</i>	339,202
Against:	1,896,789
Abstained:	634,106
Excluded:	90,260

Formal Business

Item 4: STI for Graeme Hunt

Item 4: Approval of issue of performance awards to Managing Director and Chief Executive Officer Graeme Hunt as a deferred short term incentive for the financial year ended 30 June 2015

Total number of valid securities voted:	325,063,281
In favour:	320,019,935
<i>Proxies available to the Board:</i>	937,225
<i>Other discretionary:</i>	339,202
Against:	3,766,919
Abstained:	501,528
Excluded:	0

Formal Business

Item 5: LTI for Graeme Hunt

Item 5: Approval of issue of performance awards to Managing Director and Chief Executive Officer Graeme Hunt as a long term incentive for the Financial Year ending 30 June 2016

Total number of valid securities voted:	325,057,675
In favour:	320,038,949
<i>Proxies available to the Board:</i>	941,370
<i>Other discretionary:</i>	339,202
Against:	3,738,154
Abstained:	507,134
Excluded:	0

Special Business

Item 6: Change of Company Name

Item 6: Change of Company Name

Total number of valid securities voted:	325,009,530
In favour:	322,942,448
<i>Proxies available to the Board:</i>	942,055
<i>Other discretionary:</i>	345,262
Against:	779,765
Abstained:	555,279
Excluded:	0

Special Business

Item 7: Adoption of new constitution

Item 7: Adoption of new constitution

Total number of valid securities voted:	324,786,366
In favour:	322,985,466
<i>Proxies available to the Board:</i>	946,338
<i>Other discretionary:</i>	348,262
Against:	506,300
Abstained:	778,443
Excluded:	0

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Thank you