

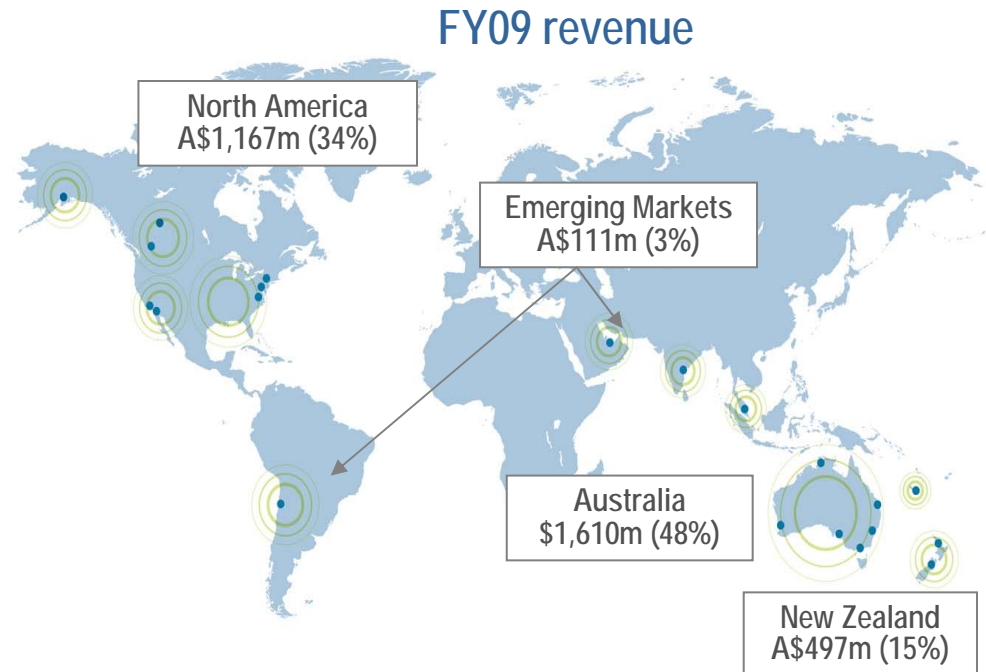


## Transfield Services Investor Day - May 3, 2010

Peter Goode - Managing Director and Chief Executive Officer

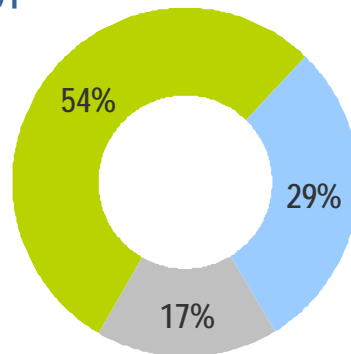
# Strong foundations

- Transfield Services provides expert technical services associated with operating, maintaining and upgrading assets across many asset classes
- Diverse and sustainable revenue sources
- Capital light
- 28,000 employees
- Long term contracts providing recurring earnings stream
- Strong safety culture



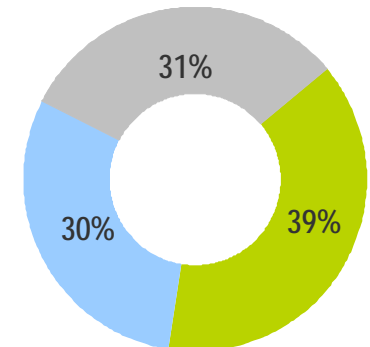
## Revenue by contract type<sup>1</sup>

- Cost reimbursable; KPI; Alliance style
- Schedule of rates
- Fixed fee for service

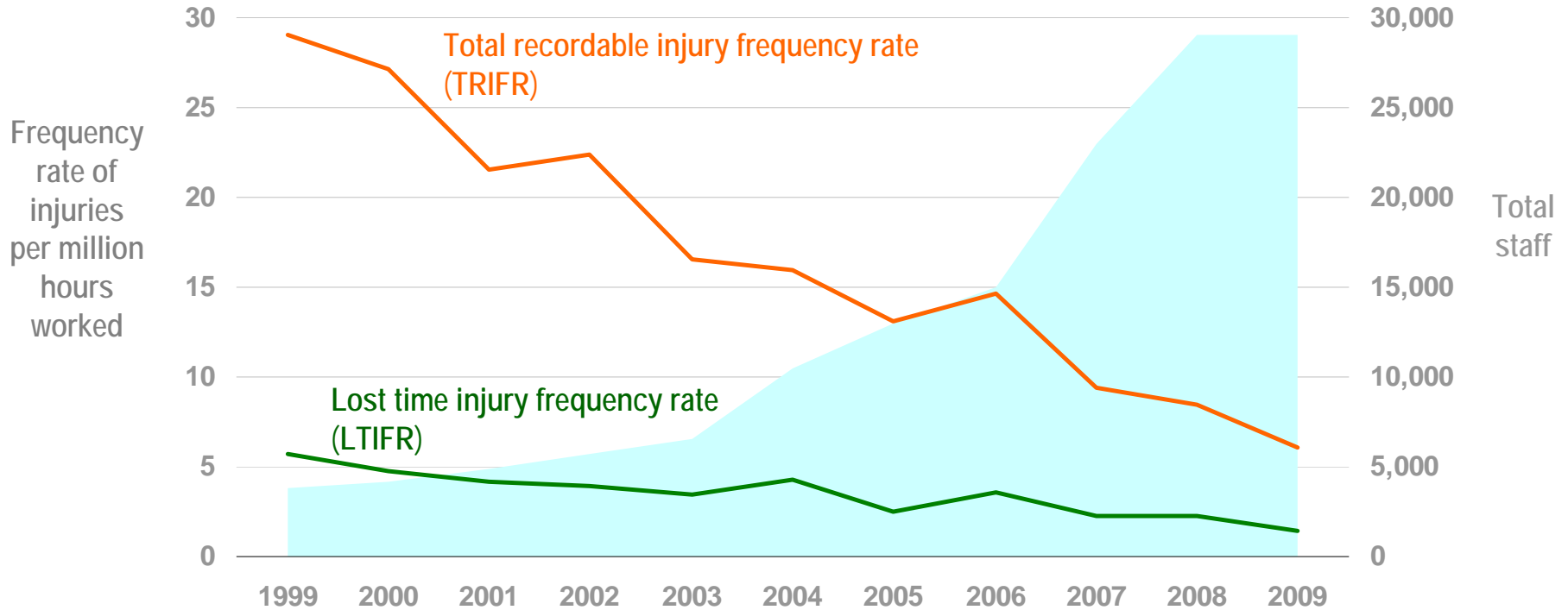


## Revenue by industry group<sup>1</sup>

- Resources & Industrial
- Property & Facilities Maintenance
- Infrastructure Services



1. 1H FY10 - includes revenue from JVs



- Mandatory safety rules promulgated on International Safety Day
- Global Company safety stand-down to highlight safety imperatives

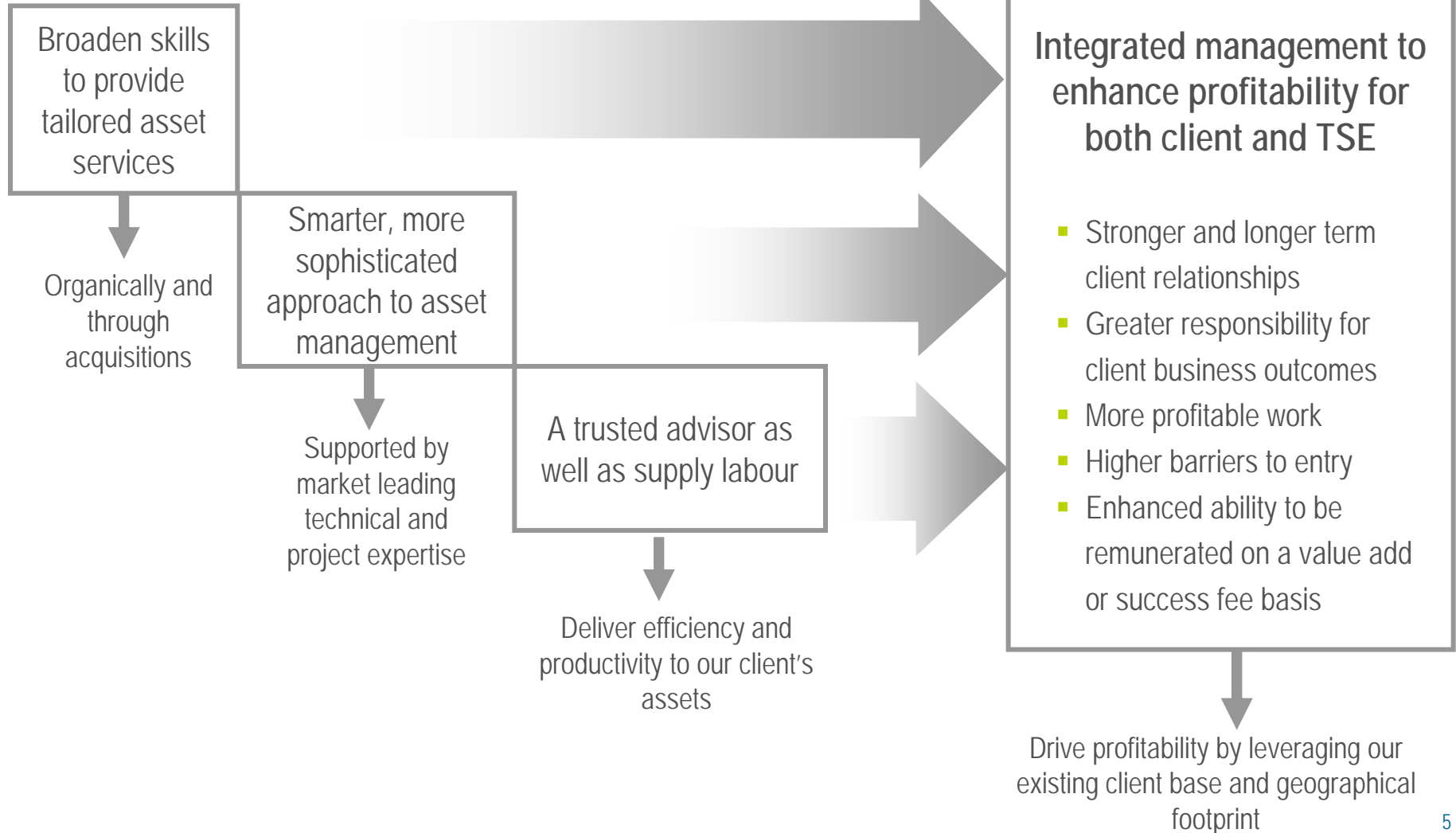
The Company currently maintains its guidance for the 2010 financial year.

We anticipate a return to growth in the 2011 financial year underpinned by the recovering global economy. However, the underlying global economy continues to be mixed and margins will continue to be under pressure.

While opportunities continue to emerge, timing of projects remain uncertain and competition is increasing.

# Strategic framework

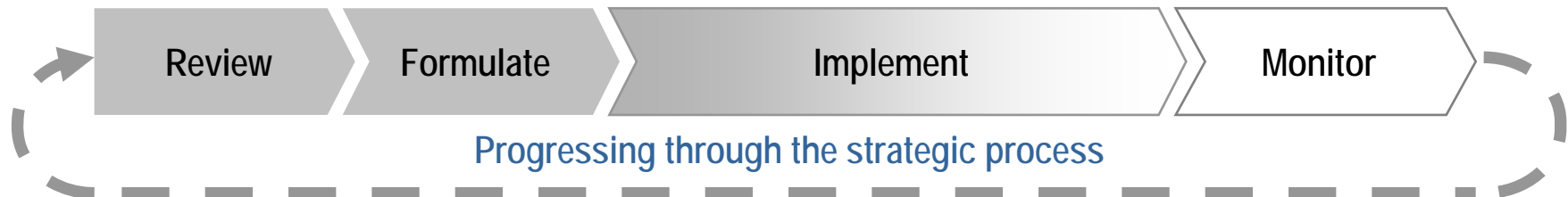
Move up the thinking versus doing 'curve'



# Delivered to date

## Leveraging from our core...

Strategic plan	✓ Developed, approved by board and implementation well underway
Streamlined operational structure	✓ Continue to remove redundancy and inefficiency
Broadening capabilities across global footprint	✓ Executive team strengthened ✓ Designated marketing and business development function ✓ Front end capability focus e.g. ICD acquisition ✓ Centres of excellence initiated ✓ Investing to drive work in hand
Maintain strong balance sheet	✓ Working capital initiatives continue to drive strong cash result reducing debt ✓ Target debt metrics reached ahead of schedule ✓ Ready and able to support the future
Enhance global presence	✓ Middle East regional office established





## A leader in managing our people

Be recognised by....

- ✓ Our customers as having the highest quality people in sector – thought leaders and excellent operators
- ✓ Our people as providing the best career opportunity in the industry (multi-functional and regional)
- ✓ Being “best in class”; leader in safety, operational performance, and training

## Strong client and community relationships

- ✓ Responsible citizen of visibly superior integrity
- ✓ Partner of choice for all customers
- ✓ Emphasis on marketing and a renewed business development approach which includes all staff
- ✓ An employer of choice

## Aim to be a leader in the sectors that we compete

- ✓ Transfield Services should be the first or second company that clients think of when opportunities emerge

## Expand on value-creating capabilities

- ✓ Promote efficiency across all parts of the business and value-add innovation
- ✓ Seek to avoid 'commoditisation' and price-based competition
- ✓ Build capabilities to enhance range of service offerings
- ✓ Remain cognisant and flexible in accommodating of varying attitudes towards service delivery platform e.g. Australian mining preference to labour-hire model

## Develop greater construction management capability within targeted limits

- ✓ Maintain capital light approach
- ✓ Maintain balance sheet protection drivers including limiting lump sum / fixed price work to less than 20% of overall portfolio
- ✓ Maintain capacity to provide different innovative delivery models and commercial structures that offer acceptable risk profile



- **A global services specialist in targeted growth areas, with the following characteristics...**
  - ✓ Capabilities that enhance range of service offerings
  - ✓ Differentiated and distinguished from our peers in each of our business units
  - ✓ Asset managers across the whole of the project lifecycle
  - ✓ Thought leadership and innovation as a differentiator
  - ✓ Global reach of the Group to facilitate sharing of ideas; Centres of Excellence as a key marketing and operational advantage
- **Strong capabilities and service offerings across the organisation**
  - ✓ Full spectrum maintenance and asset management service offerings
  - ✓ Project delivery skills (D&C, EPCM, CM) within appropriate risk appetite
  - ✓ Consultative approach; with advisory mindset
  - ✓ Niche capabilities and technologies e.g. ICD, HRI, WellTech, World Wide Welding
- **Strong and sustainable financial performance**
  - ✓ Success based remuneration structure
  - ✓ Superior financial performance - reinvigorate top line growth
  - ✓ Target Total Shareholder Returns in the top quartile
  - ✓ Improve EBITA margins
  - ✓ Target sustainable low double digit CAGR EBITA growth over medium term
  - ✓ Maintain capital light business with superior ROFE



## Transfield Services Investor Day

Tiernan O'Rourke - Chief Financial Officer

- Balance sheet integrity strong
  - Lower gearing
  - Asset light
  - Net working capital low
  - Cash flow conversion much improved
- Data processing focus rather than data analysis
- Financial organisational structure improvements needed
- Finance support for business unit activities, especially optimal profitability
- Lack of common global financial objectives
- Reporting improvements needed
- Linkage between commercial activities and financial analysis

- **CFO function to support strategy**
  - Provide support to facilitate delivery of the strategic plan
  - Scalable and agile organisational structure
  - Execute key initiatives to improve information flow
- **Continue to maintain strong balance sheet through working capital management**
  - Adequate capital structure to support future growth
  - Optimise debt funding sources
- **Support key objective of 'disciplined' pursuit of opportunities**
  - Commercial acumen in bidding and winning work
  - Business and financial analysis to enhance the recognition and management of risks
  - Ongoing proactive management of performance
- **Operational metrics - improve returns from underperforming contracts**
  - Identify, analyse and act on contracts that do not meet performance criteria
- **Return metrics – focus on whole of contract return on capital**
  - Capital to be allocated towards targeted growth areas
  - Appropriate incentives for management to drive sustainable growth

- **Operational metrics with objective to eliminate underperforming contracts**
  - Identify, analyse and act on contracts that do not meet performance criteria
  - Key metrics include:
    - ✓ EBITDA margin
    - ✓ Tax management
    - ✓ Capex
    - ✓ Gearing
    - ✓ Net working capital days
- **Return metrics focusing on whole of contract return on capital**
  - Capital to be allocated towards targeted growth areas
  - Appropriate incentives for management to drive sustainable growth
  - Key metrics include:
    - ✓ ROFE
    - ✓ ROE
    - ✓ WACC

- Investment capital to be allocated towards targeted growth areas
  - Capital mapping project underway
  - Capital allocations to be made after comprehensive financial analysis
- **Disciplined investment case criteria - in line with strategy that might include:**
  - Diversification of earnings e.g. annuity style vs growth
  - Desired capabilities
  - New and/or adjacent markets
  - New service offerings - must not be more of the same to grow revenue.
- Capex and resource allocation to align with overarching strategy to remain a capital light business
- TSI Fund capital structure review continues

## *1<sup>st</sup> Horizon*

- Optimise effectiveness of Corporate Finance Group and ensure adequate support for the business
- Set and implement clear financial metrics for the Group

## *2<sup>nd</sup> Horizon*

- Integration of systems across the Group to be completed
- Optimise overheads
- Optimise capital base to support business opportunities

## *3<sup>rd</sup> Horizon*

- Disciplined focus on capital efficiency





## Q&A