

6 April 2016

Broadspectrum Directors recommend shareholders REJECT Ferrovia's Revised Offer of \$1.50 cash per share; Revised Offer continues to undervalue Broadspectrum

- **Broadspectrum's Directors welcome the increase in Ferrovia's offer to \$1.50 per share, however, the Offer continues to undervalue Broadspectrum's shares, and Broadspectrum's Directors unanimously recommend shareholders REJECT Ferrovia's Revised Offer**
- **Offer remains conditional on Ferrovia securing at least 50.01% of Broadspectrum's Shares**
- **Board has actively engaged with Ferrovia but Ferrovia has not increased the Offer to an acceptable level**
- **The Board remains open to considering any offer that maximises shareholder value and aligns with the Board's views on value, informed by the views of the Independent Expert**
- **Broadspectrum remains in a strong position with Underlying EBITDA for FY2016 expected to fall within the range of \$280 million to \$300 million, and in excess of \$300 million for FY2017**

The Directors of Broadspectrum have unanimously recommended that shareholders reject Ferrovia's Revised Offer of \$1.50 cash per share, as it continues to undervalue Broadspectrum's shares. Ferrovia has declared the Offer best and final, which means that Ferrovia cannot increase the Offer further unless another bidder emerges and makes a superior offer.

Broadspectrum Chairman, Diane Smith-Gander, said that while the Board welcomes the increased offer, it still does not reflect the true value of the Company.

"While the increase in the Offer is positive for shareholders, the Revised Offer continues to undervalue Broadspectrum's shares," Ms Smith-Gander said.

"The Board is of the view that the Revised Offer undervalues the Company, and this is supported by the views of the Independent Expert who values the shares at between \$1.60 and \$1.85 cash per share," she said.

Ms Smith-Gander said the Board had engaged with Ferrovia's Board and management but had been unable to reach an agreement.

"The Board has actively engaged with Ferrovial in an effort to reach an agreement on value and ensure the best possible outcome for shareholders.

"The increase in the offer is welcome, but unfortunately is not sufficient to be capable of being supported by the Board. As such the Board unanimously recommends that shareholders reject the Revised Offer.

"The Board will continue to work in the best interests of shareholders, and remains open to considering any offer from any party that maximises shareholder value," she said.

The Offer is conditional on Ferrovial securing at least 50.01% of Broadspectrum's shares. There is no certainty as to whether that condition will be satisfied. If the Offer closes without that condition being satisfied or waived, the Offer will lapse.

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.

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.

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

Broadspectrum will soon release a Second Supplementary Target's Statement containing more details on the Board's recommendation and further important information regarding Ferrovial's Revised Offer.

A Shareholder Information Line has been established to address any specific queries in relation to the Offer. The phone number for the Shareholder Information Line is 1300 361 735 (for calls from within Australia) and +61 1300 361 735 (for calls made from outside Australia). Updates in relation to the Offer will also be posted on Broadspectrum's website (www.broadspectrum.com).

Broadspectrum has been advised in this transaction by Macquarie Capital and Herbert Smith Freehills.

ENDS

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.

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