

FY13 REVIEW



Agenda



Technical Maintenance Services activities at a Sydney medical research facility

RESULTS AND OVERVIEW

FINANCIAL REVIEW

BUSINESS UNIT REVIEW

SUMMARY

Results Highlights



Installation at a Digital Reality Data Centre

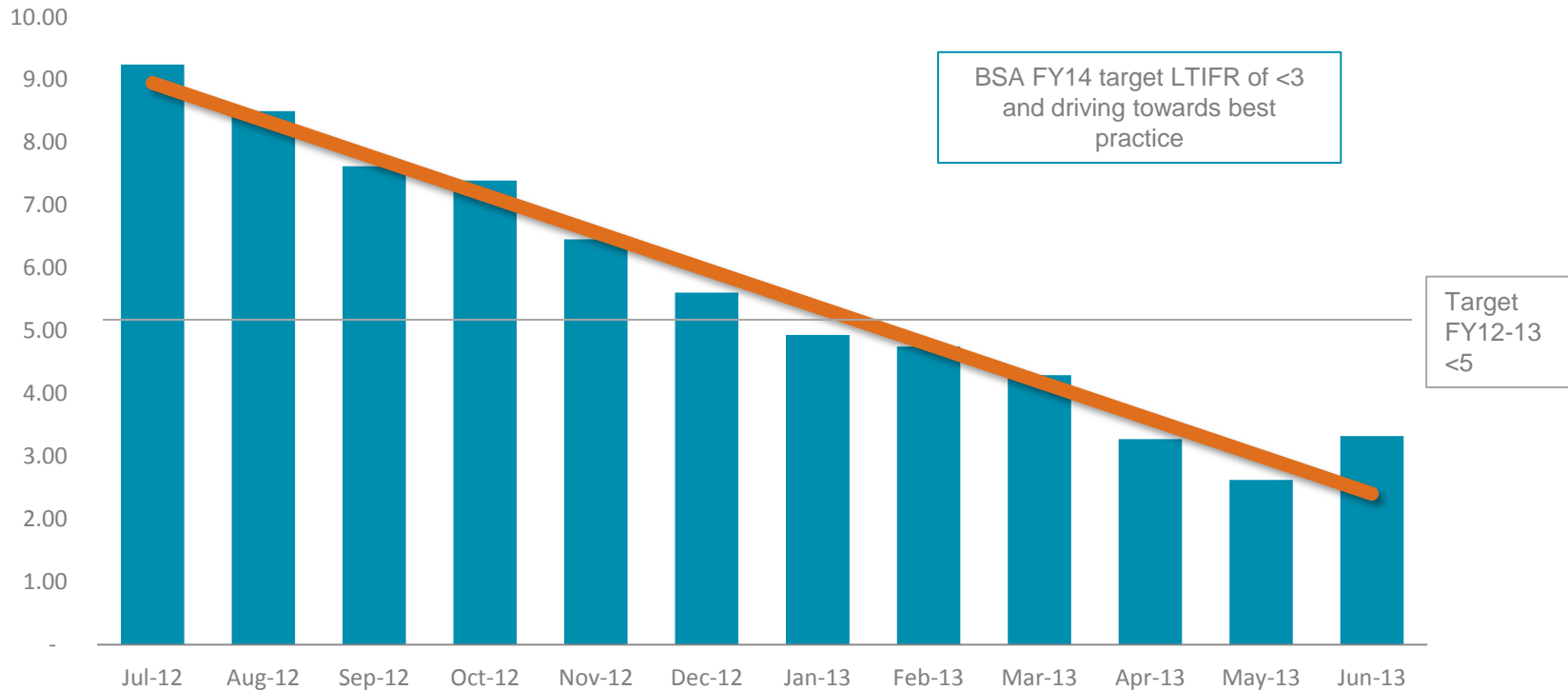
- Technical Design and Construction Projects:
 - Order book highest in Company's history at \$277 million
 - Winning major contracts in a difficult operating environment
- Technical Field Force Solutions:
 - Further extension of Foxtel Contract to 2017
 - Now including 100% of regional Australia following Austar acquisition
- Technical Maintenance Services:
 - Increased revenue by 26% to \$90 million
- Total revenue \$474 million (FY12 \$492 million)
- EBITDA \$12.8 million (FY12 \$16.5 million)
- Net cash outflow from operations of \$16.5 million driven by working capital increase. Net debt of \$20.5 million (FY12 net cash of \$9.5 million)
- Net Profit after Tax \$3.8 million (FY12 \$5.8million)
- No final dividend to be paid

Health & Safety Performance FY13



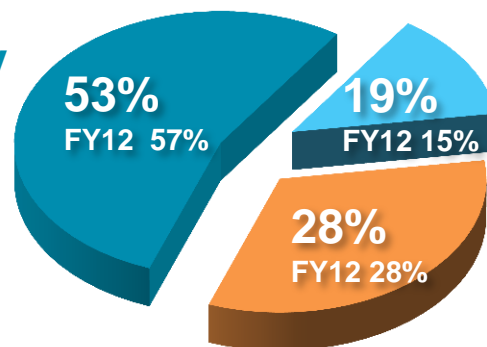
Health and Safety

BSA Group FY13 Monthly Lost Time Incident Trend



Proportion of annuity revenues continues to increase

Revenues FY13



- Technical Design and Construction Projects
- Technical Maintenance Services
- Technical Field Force Solutions

TECHNICAL DESIGN AND CONSTRUCTION PROJECTS

Specialists in all aspects of Heating, Ventilation, Air Conditioning (HVAC) and Fire Systems across commercial and industrial buildings

Includes design, drafting, manufacturing, construction and commissioning

Contract based revenue

TECHNICAL MAINTENANCE SERVICES

Ongoing maintenance services for HVAC and Fire Systems

Created from the maintenance services operations of Building Services and now also includes BurkeAir (WA)

Annuity based revenue

TECHNICAL FIELD FORCE SOLUTIONS

Installation and maintenance services for major Australian corporations including; FOXTEL and Optus

Includes expertise in telecommunications, digital hardware, fibre splicing, satellite and wireless infrastructure and field force management

Annuity based revenue

Clear Strategic Principles

LEADERSHIP	SUSTAINABILITY	GROWTH
Each Business Unit has a scalable platform	Business focus is on increasing annuity based revenue together with profit improvement and cash optimisation programs	Steady-state in FY14 operations with focus on organic growth only
Common ERP System and industry best practice Business Unit support systems	Increased focus on risk management practices across the business	Emphasis on containment of overheads and executing improvement programs to increase EBITDA %
Market leadership in chosen sectors	Balanced portfolio of contracts with Tier 1 Clients	Good organic prospects for each Business Unit



UTILISE STRONG FORWARD PIPELINE TO INCREASE EARNINGS AND OPTIMISE CASH

Heightened Focus On Contract Execution

CORE STRENGTHS & IMPERATIVES

STRENGTHS

- Experienced and sound track record in delivery to our customers –both project based contracts and those with recurring revenue
- Effective field force management
- Logistics and customer relationship management
- National footprint with presence in all mainland states/territories
- Culture of strong OHSE
- Continuous improvement and innovation programs
- Technology leadership – mobile field force platforms

IMPERATIVES

- Increasing focus on risk management with active business continuity programs
- National contract review programs revised with heightened focus on disciplined tendering and contract management to increase margin and optimise cash

BUSINESS MODEL

- A technical services contracting company
- Primary focus on growing annuity-based business
- Ongoing facilities services and maintenance contracts
- Recurring ticket of work (TOW) with estimated FY14 volume of 600,000 TOW for Technical Field Force Solutions (TFFS)
- New build and upgrade installation with a predictable forward workload a business imperative

Agenda



BSA provides HVAC maintenance services at the Parramatta Justice Precinct

RESULTS AND OVERVIEW

FINANCIAL REVIEW

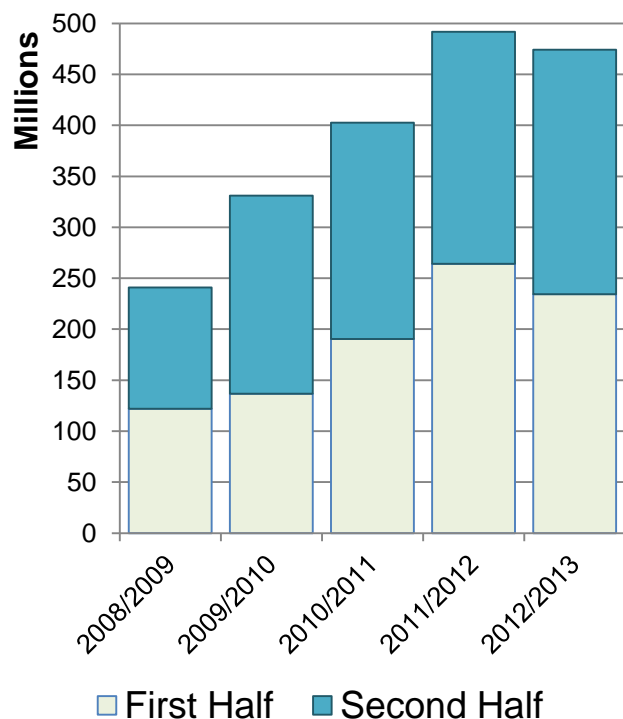
BUSINESS UNIT REVIEW

SUMMARY

Full Year Results



Revenue



2013 Key Financial Highlights

Financial Performance

- Revenue \$474 million (FY12 \$492 million)
- EBITDA \$12.8 million (FY12 \$16.5 million)
- NPBT \$2.8 million (FY12 \$8.2 million)
- NPAT \$3.8 million (FY12 \$5.8 million)
- Earnings per share of 1.64 cents (FY12 - 2.57 cents)

Final Dividend

- Nil Final Dividend
- Interim Dividend 0.5 cents per share – paid April 2013

Balance Sheet

- Net Cash Used in Operations of \$16.5 million with Net Debt of \$20.5 million at 30 June 2013

Financial Performance

(\$000) Summary	Full Year 2012/13	Full Year 2011/12	Movement Actual
Revenue \$	474,180	491,794	(4%)
EBITDA \$	12,815	16,538	(23%)
EBITDA %	2.7%	3.4%	(21%)
EBIT	4,374	8,899	(51%)
NPBT	2,798	8,201	(40%)
NPAT \$	3,763	5,810	(11%)
Ordinary dividends (fully franked)	0.5 cents	2.0 cents	-
Earnings per share - basic	1.64 cents	2.57 cents	(36%)

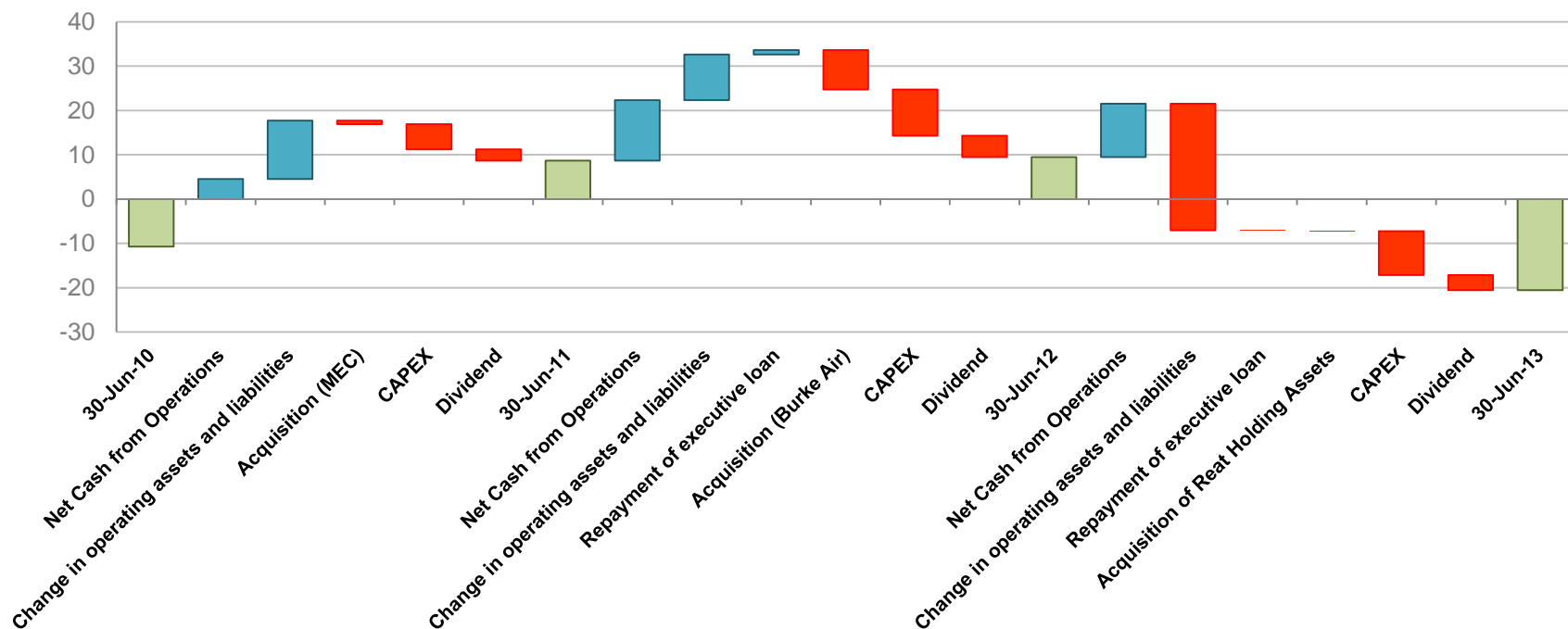
- Amortisation of intangibles reduced to \$1.4 million from \$2.3 million in FY12
- Depreciation expense increased to \$7.0 million from \$5.4 million in FY12
- Net Financing Costs increased to \$1.6 million from \$0.7 million in FY12
- Net income tax benefit of \$1.7 million as a result of finalisation of FY12 R&D claim (\$1.0 million) and the provisional FY13 R&D claim (\$0.7 million)
- Year on year movement in EBITDA is largely attributable to the following factors:
 - Provision of \$2.0 million for NSW OSR
 - Lower TDCP revenue together with higher costs leading to lower margins
 - Increased contribution from TFFS Business Unit

Cashflow

(\$000)	Full Year	Full Year
SUMMARY	2012/13	2011/12
Revenue	474,180	491,794
Cash (Used In) generated from Operations	(16,524)	23,911
Cash flows from investing	(5,205)	(13,551)
Cash flows from financing	(996)	(17,057)
Net Cash /(Debt) at end of period	(20,544)	9,521

- Cash used in Operations of \$16.5 million due to positive EBITDA of \$12.8 million predominantly offset by a reduction in other operating liabilities (\$12.9 million) increase in trade receivables (\$9.6 million) and a reduction in provision for income taxes (\$5.9 million)
- Investing Cash flows of \$5.2 million reduced from prior year (\$13.5 million) due to acquisition in FY12
- Financing Cash flows of \$996k significantly reduced from previous year due to bank borrowings repayment in FY12

Net Debt / Cash Detail



- Net Debt has increased to \$20.5 million at 30 June 2013 from Net Cash of \$9.5 million at 30 June 2012
- During FY14 the Company is working to improve Net Cash from operations and focused on future debt reduction in FY14/15

Working Capital and Net Debt

(\$000) Summary	Full Year 2012/13	Full Year 2011/12
Working Capital	19,860	(3,390)
Net Cash/(Debt)	(20,544)	9,521
Equity	74,795	74,649
Net Cash (Debt) / Net Cash (Debt) + Equity	(21.6)%	14.6%
Interest expense	1,932	1,462
Interest cover (EBITDA)	6.6x	11.3x

- BSA has received confirmation from its lenders that
 - BSA’s working capital facilities have been extended to 31 December 2013 and renewal beyond this date together with additional working capital capacity, approval is expected by mid December
 - BSA’s term debt facilities are expected to be extended into 2015
- Bank Guarantee and surety bond facilities; \$46.9 million utilised / \$3.1 million available
- Working capital management and Net debt reduction remain a key focus for FY14 and beyond

Research & Development Tax Impact

- FY12-13 financial performance includes a net income tax benefit of \$1.7 million consisting of:
 - Finalisation of FY12 R&D claim benefits of \$1.0 million
 - Provisional FY13 R&D claim benefit of \$0.7 million

Possible Payroll Tax-related Liability

- Per announcement on 30 August 2013, BSA received without warning, an email from the NSW Office of State Revenue (OSR) concerning a possible payroll tax-related liability of \$11.7m
- Issue has not arisen in past BSA tax audits by OSR
- OSR email does not have the status of a notice of assessment
- BSA is disputing the liability and the amount but has taken a \$2m provision in FY13 for any settlement

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Technical Design & Construction Projects



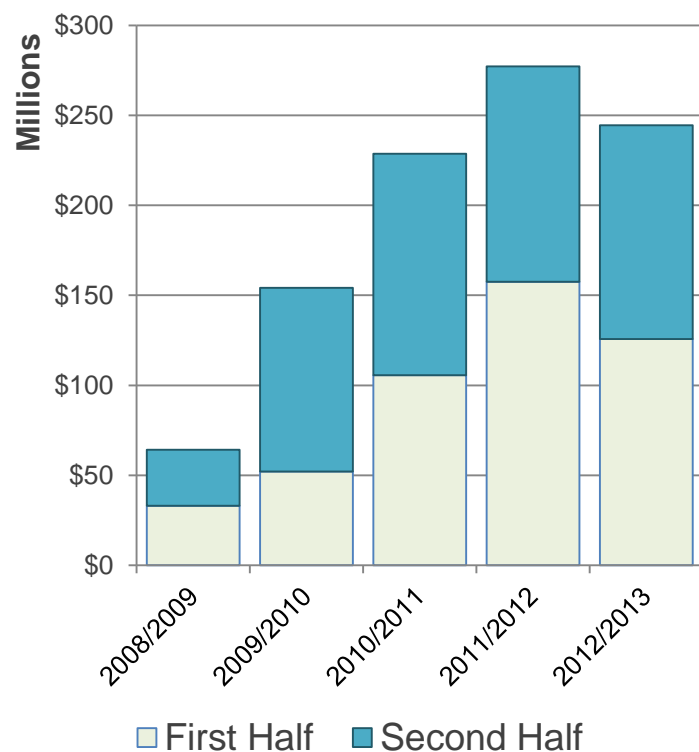
BSA began mobilisation for delivery of the mechanical services at the new Royal Adelaide Hospital (nRAH) in late 2012.



Technical Design & Construction Projects



Revenue



Overview

- Revenue of \$250 million (FY12 \$283 million)
- EBITDA \$6.0 million (FY12 \$8.7 million) excluding Corporate allocations
- \$277 million order book a business unit record (30 June 2012 \$208 million / 30 June 2011 \$240 million)
- Non-residential construction sector remains challenging in terms of work volume providing a highly competitive environment
- Secured significant contract as principal mechanical contractor on the new Royal Adelaide Hospital.
- Other notable contracts secured include: 150 Collins St and Swinburne University AMC in Melbourne; 5 Martin Place, Charles Perkins Centre and Macquarie Retail Centre in Sydney; and Indooroopilly Retail in Brisbane
- Fiona Stanley Hospital in Perth is in the final stages of commissioning
- Building Information Modelling (BIM) technology, a key strength.

Technical Maintenance Services



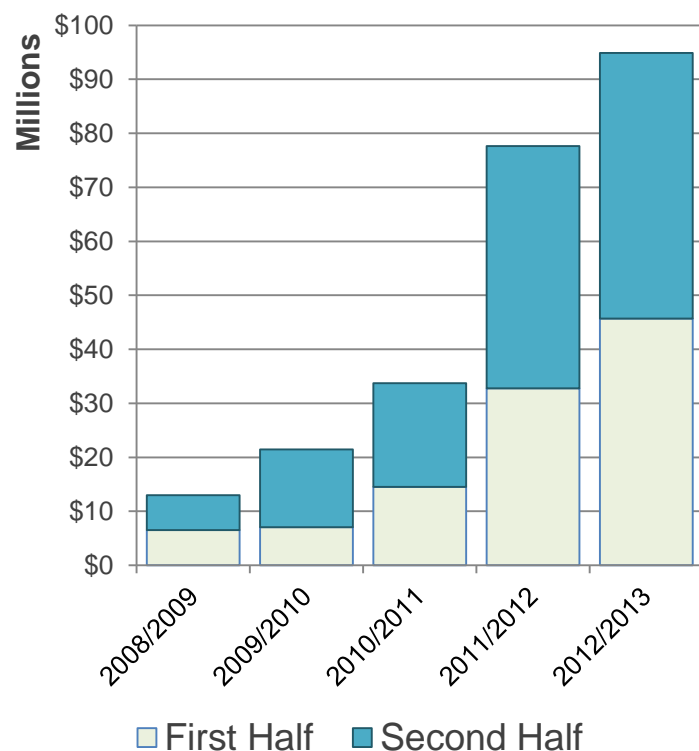
BSA Technical Maintenance Services has expanded its service offering. The business unit now provides electrical bundled with mechanical, fire and essential services.



Technical Maintenance Services



Revenue



Overview

- TMS Business Unit formed in 2012 and is now established as one of Australia's leading HVAC and Fire Services maintenance businesses
- Revenue increase to \$90 million (FY12 \$71 million)
- EBITDA of \$5.5 million (FY12 \$6.6 million) excluding Corporate allocations
- Result impacted by the sudden collapse of two second tier builders in the North West of WA as a result of the resources sector slowdown
- 2011 BurkeAir acquisition in WA performing strongly almost doubling annual revenues in two years to exceed \$50 million
- Focus on building recurring maintenance works with strong clients. Notable successes include Sydney University, Monash University and Northern Territory Power and Water
- iPad-based asset maintenance solution fully deployed and a strong differentiator

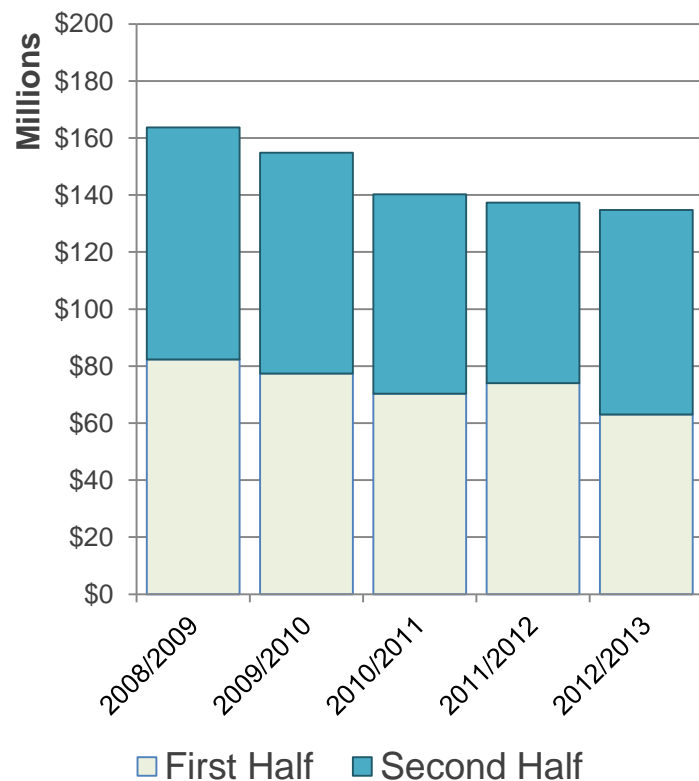
Technical Field Force Solutions



Transition Dashboard - BSA and Foxtel have commenced the transition into regional areas (formerly Austar Activity)



Revenue



Overview

- Revenue stable at \$135 million (FY12 \$137 million)
- EBITDA of \$5.1 million (FY12 \$7.3 million) excluding Corporate allocations. *Note that Appendix 4E, released on 30 August 2013 indicated a \$7.1 million EBITDA and has been adjusted downward per previous comments with respect to the NSW Office of State Revenue*
- Partnership with FOXTEL extended to 2017 and now including 100% of regional work following Foxtel's acquisition of Austar
- Awarded two contracts by the Dept of Broadband and the Digital Economy to deliver Household Assistance Scheme services to convert qualifying households to digital television:
 - Oct 2013 Adelaide, Brisbane and Perth
 - June 2013 Sydney
- Partnership with Optus to provide installation and maintenance services now in its 14th year

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Overall Focus

- Maintaining a strong forward workload
- Steady-state approach to improve earnings, reduce net debt and optimise working capital
- Continue to strengthen recurring revenue base

Technical Design and Construct Projects

- Record order book of \$277 million underpins the year and although market conditions remain challenging, the opportunity pipeline is healthy

Technical Maintenance Services

- Into its third year of operation, TMS has consolidated its business model and BSA expects it to secure new opportunities across all market sectors

Technical Field Force Solutions

- Expected to deliver consistent returns underpinned by the augmented Foxtel partnership

Forecasts

- Earnings and cash flow are expected to be materially skewed to the second half due to the mobilisation of new TMS contracts, the increased installation work for nRAH and the mobilisation of regional Foxtel work that is now complete and transitioning to steady state in Q3 FY13
- Full year revenues of circa \$525 million

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