



Full Year Results 2007

21 August 2007



Changes made

- Head Office responsibilities streamlined
- Improved interaction between Head Office and Divisions
- Global Works business
- Alignment of 4 consulting businesses under one CEO
- Mining & Engineering management teams rebuilt during the year



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Revised operating structure



- Passenger
- Freight
- Spares

CEO
Guy Wannop



- Australia; New Zealand; Asia; UK
- Road services
- Rail services

CEO
David Cattell



- Power
- Telecommunications
- Energy systems (closing)

CEO
Wayne Nolan



- Open cut & Underground
- Blasting
- Otraco
- Process Engineering*

CEO
Damien O'Reilly



- Multi-disciplinary architectural and engineering design consultancy
- Project management

CEO
Peter Reidy



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Business review

- Appropriate time for review of business streams – process assisted by UBS
- Assessment of operational streams
- Identify and assess external opportunities
- All evaluations will be based on the creation of shareholder value
- Review expected to take 3-4 months



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Improving stakeholder engagement

- Updates on business performance 4 times a year
- Annual Investor Day with operational management
- Regular operational visits



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Revenue and EBIT growth

Full Year to 30 June (\$m)	2007	2006	%
Revenue	5,362	4,656	15%
Underlying EBIT	281	230	22%
Reported EBIT	129	(64)	
Net Interest	(56)	(47)	
Profit Before Tax	73	(111)	
Tax benefit	29	86	
Net Profit After Tax	101	(25)	
EPS (cents) reported	31.3	(8.4)	
DPS (cents)	21	20	5%



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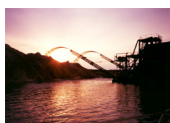


Significant Items

Contract claims and disputes		(145.3)
Process Engineering	(73.7)	
Energy Systems	(71.6)	
Contract Mining Losses		(61.5)
Change in estimates for make good provisions		38.9
Reimbursed tender costs		15.6
Total before tax		(152.2)
Tax benefit		45.7
R + D tax benefit		46.5
Total after tax		(60.1)



Projects update



Iluka
COMPLETED & PRODUCING

NewPac
COMPLETED & PRODUCING

Carborough Downs
COMPLETED & PRODUCING

Isaac Plains
COMPLETED & PRODUCING

Foxleigh
COMPLETED & PRODUCING

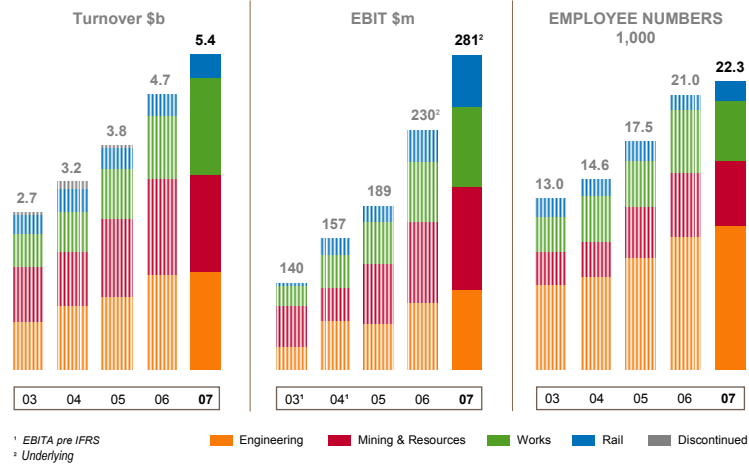


Alinta 2
COMPLETED & PRODUCING

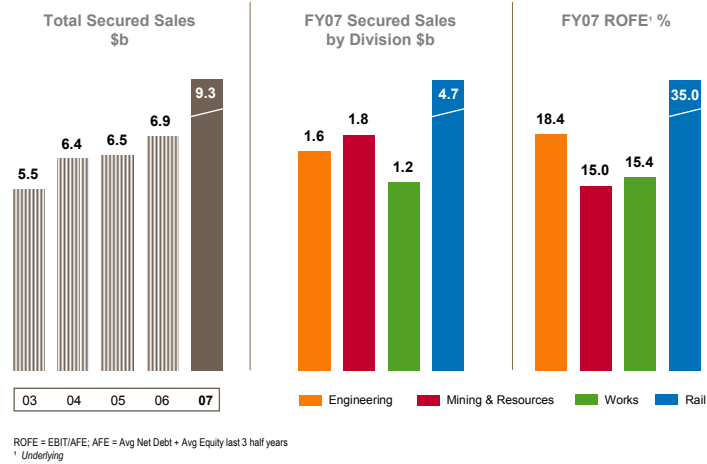
Huntly
COMPLETED & PRODUCING

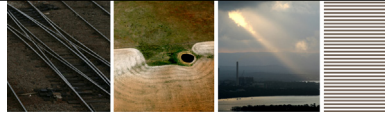
Condong & Broadwater
85% & 40% COMPLETE

Core businesses continue to perform



Divisional strength sustained





Second half delivers cash flow potential

\$million	June 2007	June 2006
Net Profit after tax	102	(25)
Depreciation & amortisation	137	108
Working capital movement	(114)	111
Other	(19)	(104)
Operating cash flow	106	90
Investments	(128)	(239)
Capital expenditure (net)	(97)	(149)
Dividends paid	(36)	(37)
Capital raising	177	143
Other	(9)	2
Increase (decrease) in borrowings	(13)	190
Net debt (excl. hedges)	519	532
Net debt to equity (%)	44	56

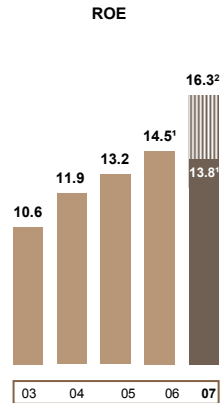


Balance sheet strength

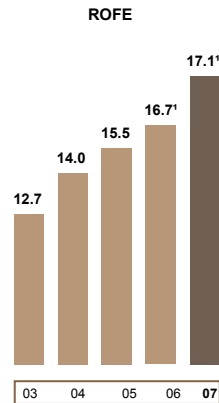
- June 30 net borrowings of \$519m
- Gearing 44% - back within target range
- All financing covenants met
- Operating cash flow \$106m – H2 cash flow \$123m
- Net capex \$97m in line with depreciation



Business continues to improve performance



ROE = NPAT Rolling 12mth pre-goodwill/Equity pre-goodwill
¹ Underlying
² Underlying excluding ROADS



ROFE = EBIT/AFE; AFE = Avg Net Debt + Avg Equity last 3 half years
¹ Underlying



All divisions contribute to EBIT performance

Full Year to 30 June (\$m)	2007	2006	%
Mining and resources	101	84	21.3%
Engineering	74	69	7.7%
Infrastructure	74	62	20.3%
Rail	42	32	29.0%
Divisional EBIT (Underlying)	292	247	18.2%
Corporate / Unallocated	(11)	(17)	
Total Group Underlying EBIT	281	230	22.2%



Trend of margin improvement continues

Full Year to 30 June (\$m)	2007	2006	%
Revenue	1,555	1,388	12.1%
Underlying EBIT	101	84	21.3%
Underlying EBIT / Sales	6.5%	6.0%	
ROFE	15.0%	14.8%	
Secured Sales	1.8bn	2.8bn	

HIGHLIGHTS

- Revenue grew over 12% and margin improved
- Over 4,500 employees
- Senior management team rebuilt

STRATEGY

- Grow services offering
- Realise advantages of new structure – customer & savings benefits
- Focus on renewal of contracts and selectively explore new opportunities



Full year performance met expectations

Full Year to 30 June (\$m)	2007	2006	%
Revenue	1,493	1,564	(4.6%)
Underlying EBIT	74	69	7.7%
Underlying EBIT / Sales	5.0%	4.4%	
ROFE	18.4%	19.6%	
Secured Sales	1.6bn	1.6bn	

HIGHLIGHTS

- Revenue as expected – H2 margin +5%
- Over 10,800 employees
- Growing demand for state wide capabilities

STRATEGY

- Grow power business
- Expand footprint of consulting businesses
- Diversify telco service offering in Australia



Expect continued success going forward

Full Year to 30 June (\$m)	2007	2006	%
Revenue	1,620	1,078	50.3%
EBIT	74	62	20.3%
EBIT / Sales	4.6%	5.7%	
ROFE	15.4%	20.6%	
Secured Sales	1.2bn	1.4bn	

HIGHLIGHTS

- Revenue growth driven by organic growth and acquisitions
- Over 5,500 employees
- Australasian margins 5.5%

STRATEGY

- Improve reach and service offering in existing footprints and new markets
- Grow scale and capability of rail and water services
- Global structure to lift performance



Track record of execution maintained

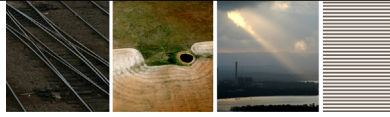
Full Year to 30 June (\$m)	2007	2006	%
Revenue	537	349	53.7%
EBIT	42	32	29.0%
EBIT / Sales	7.8%	9.3%	
ROFE	35.0%	25.6%	
Secured Sales	4.7bn	1.1bn	

HIGHLIGHTS

- Core Rail business continued strong performance
- PPP grew revenue and moderated margins
- Over 1,200 employees

STRATEGY

- Entrench scale and capability in passenger market
- Maintain locomotive market leadership
- Build maintenance capability
- Improve on reputation for good quality



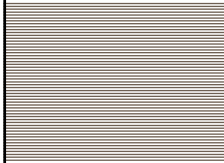
NSW PPP – a great opportunity

- Confident of delivering trains on time
- All major component suppliers contracted on back to back terms with the head contract
- Auburn maintenance facility and Cardiff upgrade underway
- Design process underway - good working relationship with client
- Over 110 engineers and designers working on the project



FY08 outlook

- Revenue growth - below last years rate
- EBIT growth – low double digit
- Capex – in line with depreciation
- Operating cash flow – in line with EBIT



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