CHAIR'S **ADDRESS**

Watpac Limited
Annual General Meeting – 23 October 2013

Good morning. It is my pleasure to welcome you, one and all, to Watpac Limited's 2013 Annual General Meeting.

My key role today is to ensure that collectively we provide you with a full and frank overview of the year's operations, a glimpse into the future, and respond to your questions.

Let me say that we greatly appreciate the time you have taken to join us today. It has been an eventful year, not only for Watpac, but for our industry and indeed national and global politics and world economies.

As a result of tough action by the Board and Management I believe that we are in a much better place than this time last year.

Before I continue, I would firstly like to acknowledge our new major Shareholder, BESIX Group.

Our previous Chair and major shareholder, Kevin Seymour AM, sold his shareholding to BESIX in May as he forges ahead with his plans to retire – one day. I would like to acknowledge Kevin's 17 years on the Watpac Board – eight years of these as Chair. His contribution has been exceptional.

I have already introduced to you all Mr Carlo Schreurs, Deputy General Manager of BESIX International and Alternate Director for Johan Beerlandt.

Martin, Mark and I have just returned from offshore where we had the privilege of meeting Johan and Carlo in their home city of Brussels.

We met their Board and many of their executives, and visited some amazing projects.

At the BESIX Board meeting in Brussels I made the comment that this global group and its shareholding in Watpac may prove to be one of the most important events in Watpac's 30-year history.

Last year, at my first AGM as the Chair of Watpac, I outlined the key strategies developed by the Board and Management that had to be implemented immediately.

The purpose of this was to build a sustainable financial and operating platform that would focus on shareholder value and – in the shortest possible timeframe – deliver a strong balance sheet, profits and shareholder dividends.

We commenced this in one of the most challenging Australian and global markets in our history.

I don't wish to dwell on market conditions – the media does that for me. But let me say that in these times it is essential to respond, and do the job that is necessary.

I believe that we have done that, but I will reinforce the point that there is always a timeline for economic and cyclical recovery.

If I had to guess, I would say that the next five years will be far better for us than the past five years.

In respect of the strategic and operating strategies commenced last year, I am pleased to inform you that we have successfully delivered on all our commitments.

We have exited non-performing business units, eliminated property debt and significantly reduced operating overheads, without compromising our long-term potential.

All property sales were made in an internal robust environment, without a fire sale, but acknowledging market conditions.

Contracts in poorly performing business units were completed on behalf of our clients.

Notwithstanding this enormous task, in the past six months we have signed more than $500 million in new construction contracts, which Martin will elaborate on.

We now have a strategy about where and how we will focus our efforts, capital and competitive advantage, and I would like to acknowledge Director Brad Bowton's contribution to this.

I will also leave these details to Martin to expand upon.

The task, however, is relentless and requires time. The core strategies we delivered last year will continue in 2013-14 and beyond, with emphasis upon further improvement.

Despite the work of the Board, Management and Staff, the Group produced an unacceptable after tax loss of $4.7 million. While it was an improvement on last year's result, it has led to two consecutive years when no dividend could be paid because of the current tax regulations.

There are no words to justify this, only to say that I am of the view that we are in recovery, we have taken the hard decisions and the focus of all of us is on improving Shareholder value.

Embedded within our 2013 numbers are signals that support my previous comments.

Excluding the losses from discontinued operations and property impairments, the Group recorded an underlying profit after tax of $17.2 million, which indicates that our core businesses in construction and mining are heading in the right direction for 2013-14.

Mark Baker will provide additional details of our financial performance shortly.

Australia's property market remained subdued in FY13 on the back of low consumer confidence, static house price growth and CBD vacancy rates.

As indicated at last year's AGM, the Board made a decision to continue the Group's property asset sales strategy throughout the 2013 financial year.

I'm very pleased to report that in this time, Watpac was able to divest more than $120 million in property assets, enhancing the Group's financial position by extinguishing the Group's property debt ahead of contractual maturity. Each of the sites was analysed and the conclusion was that the returns did not reflect the risk.

While the impairments associated with the property sales led to further impairments being recognised in FY13, the long-term benefits of the sales process will help to deliver sustainable value to Watpac.

Property sales are ongoing and will continue in the year ahead to further improve Watpac's financial position.

Another major initiative of the strategic business review was the closure of the Group's civil businesses along the eastern seaboard of Australia in response to poor historical financial returns, changing market conditions and tightening competition.

In the future, strategic civil opportunities may still be pursued from within the Group's core continuing construction operations in Queensland and Victoria. Our WA Civil operations continue to perform effectively.

While the closure of Watpac's east coast civil businesses impacted Watpac's FY13 full year result, the Group has provided for a number of significant costs associated with this exercise and we do not expect any further financial impacts on the Group's earnings.

Concurrent to the property asset sales strategy and the closure of our east coast civil businesses, Watpac also implemented a significant cost rationalisation program in FY13. This exercise will deliver a reduction in the Group's annual overhead costs of up to $30 million.

Part of this cost reduction exercise related to the closure of the Queensland and Victorian civil businesses, however the majority comes from improved productivity and a tough attitude to overheads.

As Shareholders will be aware, two years ago the Board commenced a series of changes to Watpac's remuneration strategy to improve the alignment between company performance and Senior Executive remuneration outcomes.

Importantly, this approach provides transparent and comprehensive information to Shareholders to assess the connections between executive remuneration, execution of Group strategy and Group performance.

The changes to Watpac Limited's remuneration strategy form part of a three-year process to design and implement new Long Term and Short Term Incentive Plans and rebalance the fixed to variable remuneration mix.

I will provide further details on the positive actions the Board has taken during FY13 in relation to remuneration practices later in the meeting, before shareholders are asked to vote on the adoption of the 2013 Remuneration Report.

As I said earlier, the arrival of our new major shareholder, BESIX Group, in May 2013 was one of the major highlights of the financial year.

BESIX is the largest Belgian construction group working worldwide and has a history dating back to 1909.

For Watpac, a close association with a global construction company will provide access to BESIX's operating techniques and large-scale infrastructure experience and we will explore opportunities to work together in the national construction sector.

On 27 May 2013 the Board welcomed BESIX Group Chief Executive Officer and Chairman, Mr Johan Beerlandt, as a Non-Executive Director. Mr Carlo Schreurs, Deputy General Manager of BESIX International, resides in Australia and has been appointed as Alternate Director for Mr Beerlandt.

Mr Beerlandt's experience at the helm of one of the world's largest contracting companies, and a successful 40-year career specialising in major projects in the international contracting sector, adds significant experience and diversity to the Board.

We look forward to his valuable contribution to Watpac's future growth.

In September we also welcomed Brad Bowton to the Board of Directors.

As a leading corporate strategist, he brings to the role more than 20 years' experience in senior advisory and management consulting roles in the financial services and property sectors, specialising in strategic development and operational performance improvement.

Brad joins Watpac at a significant time in the Group's 30-year history.

We have committed Watpac to a strategic direction that will deliver sustainable shareholder value and Brad's considerable experience at the leading edge of corporate strategic development and risk management will be important to our success.

Further skills-based Board rejuvenation is planned in the short and medium-term. We are currently in search mode for a Non-Executive Director with extensive mining experience to complement our growing mining operations.

By the next AGM, full Board refreshment will be completed. I should also add that this current Board has not increased its fees for six years.

Before I close I would like to thank our Shareholders – we are striving to reward your patience.

Thank you to our Board, whose support is needed to continue this mission.

To our senior management – Martin Monro and Mark Baker – and other management and staff, it will be your efforts that will deliver our success in 2014.

Finally, I would especially like to thank our 'on the job' team who are out there building and mining and delivering legacies to the future.

There will be adequate time for Shareholders to ask questions later in the meeting, so I will now hand over to Watpac's Chief Executive Officer, Mr Martin Monro.

CEO'S **ADDRESS**

Watpac Limited
Annual General Meeting – 23 October 2013

Thank you Chris and good morning everyone.

As Watpac's Chief Executive Officer I would like to thank Shareholders, Watpac employees, and guests for attending today's meeting. I also extend my welcome to those joining us via our webcast.

This morning I will provide an overview of Watpac's performance during the past year, and outline our progress against the strategic direction I shared with you a year ago.

2013 was always going to be a tough year for Watpac.

As we marked our 30th anniversary as a leading Australian company, we also faced some of the biggest challenges in our Group's history.

After a difficult loss result in FY12, we committed to an extensive reform program to adapt our business to the changed market environment and create a platform from which we can deliver sustainable Shareholder return.

We needed to review the performance of all our business units, reduce debt and overhead costs, and undertake significant organisational reform.

And we needed to achieve this amidst a very difficult economic environment.

While we do not fully ascribe our financial performance to the market challenges we face, it is important to understand the context of the economic environment in which we operate.

The impacts of a high Australian dollar, low consumer confidence and political uncertainty were felt strongly across most industries in the 2013 financial year, particularly those in which Watpac operates.

This was exacerbated by a subdued property market, a decline in public and private sector infrastructure spending and fierce competition.

For some operators in our industry, these prolonged conditions have resulted in insolvency, creating more pain for suppliers and sub-contractors.

For Watpac, the obvious and most immediate effect on our business – and all businesses in our sector – was a reduction in the volume of work across the construction sector nationally.

It was against this backdrop that the Board of Directors and Management oversaw the implementation of several major strategic initiatives designed to place Watpac in the best possible position to achieve long-term, sustainable value.

The reforms were costly, significant and entirely necessary.

While they have had a financial impact on our FY13 results and this is obviously unacceptable for Shareholders – and for us as a company – Watpac now has an improved platform for better performance in FY14 and beyond.

Today, Watpac is leaner and far more disciplined around costs, capital management, and efficiency, while maintaining a strong cultural focus on workplace safety, innovation and a return to profitability.

We are also very clear on the markets we want to be in, and the ones we don't.

Notwithstanding the challenges of our reform agenda, there was also a great deal to celebrate in FY13.

At the top of this list was the arrival of our new major shareholder, BESIX Group, one of the world's most accomplished global construction companies. Their shareholding acquisition is a significant endorsement of Watpac's skills, strategy and industry leadership, and we look forward to collaborating with BESIX in the future.

During the year we also secured a number of major project awards across our core businesses in contracting, national mining and WA civil, maintaining healthy work in hand levels totalling $1.34 billion as at 30 June 2013.

Watpac's geographic and market diversity are a distinct competitive advantage, with established operations and active projects underway in every mainland state and territory in Australia.

I'll speak more on this shortly. First, however, I'd like to summarise the operational performance of our national contracting, mining, civil, and property businesses.

I'll turn first to contracting.

Despite the intense competition and tight margins which have become the 'new normal' in Australia's contracting sector, Watpac's national construction and specialty services divisions secured a number of major contracts in FY13 to maintain healthy work in hand levels.

Significant project wins include the $206 million commercial tower development at 180 Ann Street in the Brisbane CBD, the $65 million Port Macquarie Base Hospital Expansion on the New South Wales central coast, and our first construction project in the Northern Territory with the $42 million Darwin International Airport Terminal expansion.

On the Gold Coast, Watpac was awarded a $37 million contract to deliver a new world-class aquatic centre, which will be delivered in time to host the 2014 Pan Pacific Swimming Championships and the swimming and diving competition for the Gold Coast 2018 Commonwealth Games™.

We were also awarded the $55 million Municipal Building development for the City of Greater Dandenong in Victoria, and the $32 million Mayfair Hotel development in Adelaide.

As we replenished our work in hand, we also celebrated the completion and delivery of a number of landmark projects which showcase the extent of Watpac's complex design, project management and construction skills.

These include:

- the $240 million Translational Research Institute and BioPharmaceuticals Plant adjacent to the PA Hospital in Brisbane – which is the largest facility of its kind in the southern hemisphere ;
- the $115 million National Tennis Centre and Eastern Plaza development in Melbourne Park, which was delivered well ahead of schedule and in time for the 2013 Australian Open;
- the iconic $75 million RMIT Design Hub in Melbourne, which has been the recipient of several prestigious national and international design awards;
- and the $70 million La Trobe Institute of Molecular Science in Melbourne.

Other milestones included the completion of our flagship project in South Australia, the $75 million Adelaide Airport Landside Infrastructure Project, which was delivered without a single Lost Time Injury.

Watpac's traditional profits from our core contracting business is complemented by the diversified income stream from our national mining and WA Civil business, which continues to grow and perform well in line with our business planning and the market conditions.

Our decision to merge and manage our mining and civil operations from Western Australia has certainly proved successful. Today, approximately half of our 1,300-strong workforce is based in WA, where the business contributed more than 50% of the Group's underlying profit from continuing operations in FY13.

Watpac is well positioned in the mining sector and has developed extremely strong credentials in mining iron ore, gold, and mineral sands, which has translated into significant repeat work from established clients.

These include Iluka Resources at Tutunup South Mineral Sands Mine in Western Australia and WRP in Victoria; BC Iron at the Nullagine Iron Ore JV in the Pilbara; and Ramelius Resources at Mt Magnet Gold Mine in WA's Central West.

Major mining contract wins during FY13 include the $93 million Cockatoo Island iron ore project in Western Australia. Work on the initial two-year agreement with Pluton Resources commenced in

November 2012. On this project Watpac is responsible for all operational mining and civil infrastructure services, including drill and blast, loading, haulage and processing of ore for direct shipping.

There were also a number of notable operational highlights and project milestones in the 2013 financial year, including production at Nullagine reaching a record rate of 6Mtpa.

Our civil operations in Western Australia continued to perform well, with work progressing on a number of major projects including remediation works at Samson Brook Dam and the Tropicana tailings storage facility and borefield. The latter project follows on from Watpac's successful airstrip and bulk earthworks at Tropicana in 2012.

As the Chair discussed earlier, Watpac's civil operations in Queensland and Victoria underwent a major review in FY13 and as a result, we have withdrawn from the civil contracting markets in these regions.

This was a difficult decision at an organisational level, particularly its impact on our people in these businesses, but ultimately it was the right one to protect our balance sheet and future profitability.

All projected costs associated with the closure of these businesses have been accounted for in FY13 and are not expected to have an adverse impact on our FY14 result.

I'd now like to discuss our property business and provide an update on the property asset sales strategy.

As the Chair said earlier, during FY13 Watpac divested more than $120 million in property assets, extinguishing in full the Group's property debt.

This was a significant achievement, particularly given the subdued conditions in the national property market and the general lack of buyer activity. I'd also like to make the point that in addition to the sale of non-core assets, this figure also includes the successful delivery and sale of a number of completed development projects.

These include the sale and settlement of all residential apartments at the completed Rue de Chapel development in Melbourne, as well as retail tenancies and industrial land on the Sunshine Coast.

As you heard from the Chairman, the sale of these assets is consistent with Watpac's broader strategy to reduce its investment in property assets, eliminate property debt and recycle capital back into existing businesses.

This is not a fire sale – we are doing deals where we see value for our business and an opportunity to release capital back into the Group.

Today, Watpac's rebalanced portfolio is valued at approximately $88 million following the recent sale of the Joule site in Newstead to Tatts Group for $8 million.

Remaining assets include the Waterloo site next door to our head office in Brisbane, Centra Park Industrial Estate in Coolum on the Sunshine Coast, and retail tenancies at the mixed-use Rue de Chapel development in Melbourne.

We will continue property asset sales in FY14 to return capital to the Group for redeployment into existing businesses.

Notwithstanding the difficult market, I'm pleased to report we have secured higher levels of forward work than we had at this time last year thanks to a number of major project wins across our core businesses in contracting, national mining and WA civil.

As at 30 June 2013, the Group's national work in hand levels totalled $1.34 billion.

We've had a very positive start to the 2014 financial year with a number of projects wins, increasing our work in hand levels to in excess of $1.4 billion as at 30 September 2013, after completing in excess of $320 million of work in the first quarter.

These project wins include three new high-profile health projects in Queensland – the Gold Coast Private Hospital in Southport, the Mater Private Hospital in Springfield and Townsville Hospital's new Sub-Acute Facility.

We also secured a $25 million project with Australia Post to expand their parcel distribution facility in Ardeer, west of Melbourne.

Across the business we are continuing to identify and competitively pursue a number of tendering opportunities which are expected to contribute positively to future earnings.

We are also actively pursuing a number of large, complex building projects in joint venture with our major shareholder, BESIX Group, and we will continue to monitor the market for opportunities for our two companies to work together.

After 18 months of strategic change, Watpac enters FY14 with a cleaner balance sheet and a repositioned organisational structure capable of improving our long-term operational performance and maximising growth opportunities as they emerge.

Our business model is also more proactively attuned to the risks which remain prevalent within the current market and how they impact our operations.

We have demonstrated in 2013 that a focus on reform and rationalisation can co-exist with growth and opportunity – and it is in this spirit that we will continue to deliver on our strategies in FY14.

At a broader Group level Watpac's strategies include:

- continuing to position Watpac as a leading national contractor in construction, civil and mining services in our chosen markets;
- reducing the level of capital deployed in property investments and investing only in projects / assets that will deliver our targeted capital returns;
- building on Watpac's existing markets, client relationships and strategic positioning to identify and competitively pursue opportunities;
- managing risk through the implementation of the new Enterprise Risk Management Framework;
- and protecting Watpac's people, reputation, brand and financial strength.

At an operational level, in the short to medium-term we will continue to focus on growing our core businesses in contracting and mining.

Our emerging credibility in the health sector has already delivered new projects in the early months of FY14 and we will continue to pursue similar opportunities in the year ahead. We also see opportunity in larger PPP-style social infrastructure projects, where we can leverage our national networks and history in complex project delivery.

We are encouraged by the opportunities which have started to appear in Queensland's construction sector and we are seeing similar signs of improvement in the New South Wales market. We intend to continue growing our construction business in these regions, and in Victoria as that market starts to recover.

In our national mining and WA civil business we remain focused on enhancing our experience and credentials in our integrated mining services offering, which includes drill and blast, crushing and screening, and beneficiation.

As indicated earlier, we will continue our property asset sales strategy in FY14 to return capital to the Group for redeployment into existing businesses.

This of course brings me to our future outlook.

While the formal strategic business review has concluded, the organisational drivers of this change remain just as relevant in the current economic climate.

Identifying cost savings and efficiencies, while maintaining high standards of safety, quality and innovation, is now firmly embedded in Watpac's culture and our work practices.

While recognising that volatile market conditions continue, I am confident that we now have the right fundamentals to build long-term prosperity.

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Watpac has entered FY14 with a better balance sheet and a repositioned organisational structure capable of improving our long-term operational performance.

At a strategic level, our approach is driven by our resolute commitment to value – expanding our share of the value chain, adding value to our clients through project innovation, and creating sustainable value for Shareholders.

As Mark detailed, the new Group Risk Management Framework has been endorsed by the Board and is being implemented across the Group in FY14. This framework provides additional rigour to our existing management systems and further safeguards our people, reputation and operating environment.

We are therefore cautiously optimistic about the year ahead.

Signs of improvement in the market are beginning to show, with a number of key indicators suggesting an uplift in consumer and business confidence since the Federal election.

While the boom years of the mining sector are now arguably behind us, the market remains strong by historical standards and we believe there are still many good years ahead of us yet. Watpac's strong credentials and excellent client relationships in this sector continue to position us as a credible and competitive player in this market.

Finally, on a personal note, since I last spoke to you at the 2012 AGM, I have relocated from Sydney with my wife and with an Ekka, Riverfire and Brisbane Festival under our belt, we are now happily qualified to call Brisbane home.

In closing, I'd like to thank the Watpac leadership team and staff who have worked so hard to secure a strong and resilient future for this company.

I'd also like to acknowledge the counsel and support I've received from the Chair and the Board of Directors, and the role of our Chief Financial Officer, Mark Baker.

To our Shareholders – thank you for your time today, and for your continued support.

I welcome any questions you have during the remainder of the morning.

CFO'S **ADDRESS**

Watpac Limited
Annual General Meeting – 23 October 2013

Today I will provide you all with an overview of the financial performance of the Group for the 2013 financial year and the financial position as at balance date.

I will also provide additional insight into some of the challenges the Group has faced over the past 18 months, and how the strategies we have adopted to address these matters have, in my opinion, translated into enhanced shareholder value.

The Group reported a consolidated statutory loss after tax of $4.7 million for the financial year ended 30 June 2013. This result included approximately $12.6 million in property asset impairments and $9.2M in project losses and costs associated with the closure of our civil operations along the east coast of Australia.

The Group's underlying operating profit after tax from continuing operations in FY13 was $17.2 million, a reasonable result given the current competitive market conditions and indicative of the fundamental strength of Watpac's core continuing operations of national contracting and mining services, and our civil operations in Western Australia.

This result of $17.2 million after tax is the level of profitability that shareholders should assess our future performance against, and the Board has already provided positive affirmation of their current expectation that this financial performance will be bettered in the 2014 financial year. This is demonstrative of our expectation regarding improved future Group profitability and our focus on achieving a more acceptable return on shareholders' funds in the current financial year.

When I was appointed to the role of Chief Financial Officer of the Watpac Group in August 2011, I was focused on addressing two key issues.

Both issues emanated from the Group's allocation of capital – the first being that an appropriate amount of capital should be allocated to each of our business units, commensurate of the nature of the underlying operations and strategic objectives. The second was to ensure that before we invest Group capital, a robust returns analysis is completed and we are satisfied that the investment will provide an acceptable, risk-adjusted return to shareholders.

Our philosophy is simple – deploy capital in things that you think will enhance shareholder value, both in the short and long term, and ensure that appropriate diligence is undertaken on the risks and rewards of an underlying investment before committing to that investment decision. Of course mistakes will be made, but the objective is that these are minimised.

Late in the 2012 financial year, we completed the first stage of the Group's strategic review process, which focused on the Group's underperforming property asset portfolio. The outcome of the strategic review was that a number of the Group's property assets were brought to market during the 2013 financial year. This followed a change in strategy for a number of properties that had been previously identified for future development.

The substantial property impairments we recognised in the 30 June 2012 year, and again – albeit to a lesser extent – this past financial year, have been hard to accept.

However, the decisions giving rise to these impairments needed to be made so that we could recapitalise our core and profitable operations; reduce debt capital in our property business, which had no interest servicing capacity; and free the Group from future capital investment in development activities that would not have been rational given market conditions.

The second stage of the strategic review process culminated in a decision during the second half of the 2013 financial year to close the Group's non-performing civil businesses in Queensland and Victoria. These businesses had been adversely impacting the Group's financial results for a number of years, and it was determined that unless the performance gaps could be addressed and acceptable returns generated, they had no place within the Watpac's future business strategies.

Our national contracting operations, which include the financial results of four construction business units operating across four states and two territories, together with our Specialty Services business unit, made a sound contribution to Watpac's consolidated financial result in FY13, reporting a pre-tax profit of $19.4 million.

The construction sector has continued to experience slow growth, tight margins and fierce competition, and this is demonstrated by the fact that our contracting segment's contribution to the Group's FY13 result was down by almost 50% when compared to the previous financial year.

Despite the continued tough market conditions, however, the national contracting operations are expected to generate stable earnings for the Group in FY14 and beyond, and we remain committed to ensuring that all work won is at appropriate margins given the underlying risks, and achieves our targeted capital return hurdle rates.

The National Mining & WA Civil business reported a pre-tax profit in FY13 of $14.5 million. This is a strong improvement on the prior year and largely reflective of higher production levels on mining services contracts, and the successful delivery of a number of WA Civil projects.

With a strong work in hand position, which includes a number of multiple-year mining contracts, this operation is again expected to contribute positively to the Group's earnings in the year ahead.

As Martin has already mentioned, in only a few years Watpac has developed strong credentials in mining iron ore, gold and mineral sands, and we are now well positioned to complete existing work profitably and capitalise on future opportunities in the resources sector.

Our fundamental goal is to achieve an acceptable return for our shareholders on invested capital, which includes approximately $160 million in plant and equipment assets, while also collaborating with our clients to achieve the best possible overall project outcomes.

Our short term focus is on ensuring we continue to invest in this still relatively new business unit, to drive better systems, processes and ultimately, a lower cost delivery model in FY14 and beyond.

The property business recorded a pre-tax loss of $20.2 million in FY13, which included almost $15.6 million in pre-tax impairment charges.

During the 2013 financial year, Watpac divested more than $120 million in property assets, extinguishing the Group's property debt ahead of contractual maturity. Asset sales are expected to continue in the current financial year, with approximately $8 million in sales already having been transacted in the financial year to date. This will further enhance Watpac's financial performance and position by recycling capital back into the Group's core and profitable businesses.

While the overall financial result for FY13 is disappointing, it reflects the execution of necessary strategies designed to strengthen Watpac's balance sheet and re-engineer a capital structure from which we can deliver sustainable shareholder value.

Watpac ended FY13 with a strong current ratio of 1.2 and a cash balance of almost $140 million. This represents a modest increase from the 30 June 2012 cash balance and demonstrates the Group's disciplined working capital management and the strong underlying results from continuing operations.

An underlying EBITDA from continuing operations of $81.6 million for FY13 underpinned cash flows generated from operating activities, which included property sales, of $155 million.

An additional $28.6 million in equity capital was invested in new and existing plant and equipment assets in FY13, resulting in a core fleet of the size, scale and flexibility capable of delivering on our existing contractual obligations and beyond.

The successful repayment of more than $100 million in net property borrowings eliminated the Group's property debt and reduced our aggregate investment in property assets to approximately $95 million as at balance date. The only remaining debt, which stood at $110.9 million at 30 June 2013, relates solely to equipment financing facilities which support the National Mining and WA Civil business. This is a strategic objective that I flagged at last years' Annual General Meeting.

The Group's gross debt to equity ratio has fallen from 82.9% at 30 June 2012 to 46.6% at 30 June 2013, notwithstanding an increase in cash reserves during this period. The Group's debt is also now directly attributable to assets deployed in profitable businesses, which have a strong interest servicing capacity.

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With the current Group borrowings having an average maturity profile of approximately three years – and given all property debt has recently been repaid – we are continuing to investigate opportunities to more closely align the Group's debt capital structure with our long term continuing operations.

During the 2013 financial year, with the full support of the Board and Chief Executive Officer, we established a Group Risk Function and the new role of Group Risk Manager. Together with external consultants from Deloitte, we conducted a proactive Group Internal Risk Review and have since established a new enterprise risk management framework, which now operates throughout all levels of the Group.

Our approach to enterprise risk management is focused on identifying opportunities to enhance value, increase competitive advantage and improve profitability, amidst an environment of transparent reporting and a collaborative problem-solving culture.

Our objective is to create long term, sustainable shareholder value and safeguard our people, reputation and operating environment through continuous improvement and innovation in our approach to risk management.

We entered the 30 June 2014 year with net tangible assets of $210.5 million, which equates to 114 cents per share. This is principally underpinned by $95 million in property assets, $54 million net of debt in plant and equipment assets attributable to the National Mining and WA civil business, and $60 million in general liquidity.

The Group's share price has increased by approximately 80% since the beginning of August 2013, and is currently trading above 90 cents per share. While we cannot control market pricing dynamics, we strongly believe that the strategies we executed this past financial year have helped secure recent project awards, and have had a positive impact on the total overall return for shareholders.

After closing the Group's non-performing businesses and exiting a substantial part of our property portfolio in FY13, Watpac is now in a position to focus on its profitable core operations of national contracting and mining services, and civil operations in Western Australia. We have critically evaluated the Group's operating cost structure and are focused on ensuring there is flexibility in our cost structure to meet the various market cycles.

In addition to the strategic evaluation of all our businesses, during the past 12 months we have undertaken a comprehensive analysis of our capital structure, investment decision-making protocols and risk management processes to drive competitive advantages for Watpac and ultimately shareholder value. While we have substantial improvement ahead of us, we are continually striving to better our operational and financial performance.

Our focus remains on continuing these positive and proactive changes to our business, and profitability, as we continue to streamline operations and enhance our competitive positioning.

Substantial work has already been completed in analysing our current-state enterprise architecture and we will focus on enhancing key capabilities that will support and drive the delivery of future strategies.

The execution of our future strategies will be centred around Watpac being a financially strong, agile and innovative player in the construction and mining services sectors, delivering profitable projects transparently, within a dynamic culture of success. This is our competitive advantage.

Our strategy is not to be the biggest, but to create superior, sustainable value for our shareholders.

Thank you for your time this morning.