

ANNUAL REPORT

WTP AUSTRALIA PTY LTD

2015/2016

MANAGING DIRECTORS STATEMENT

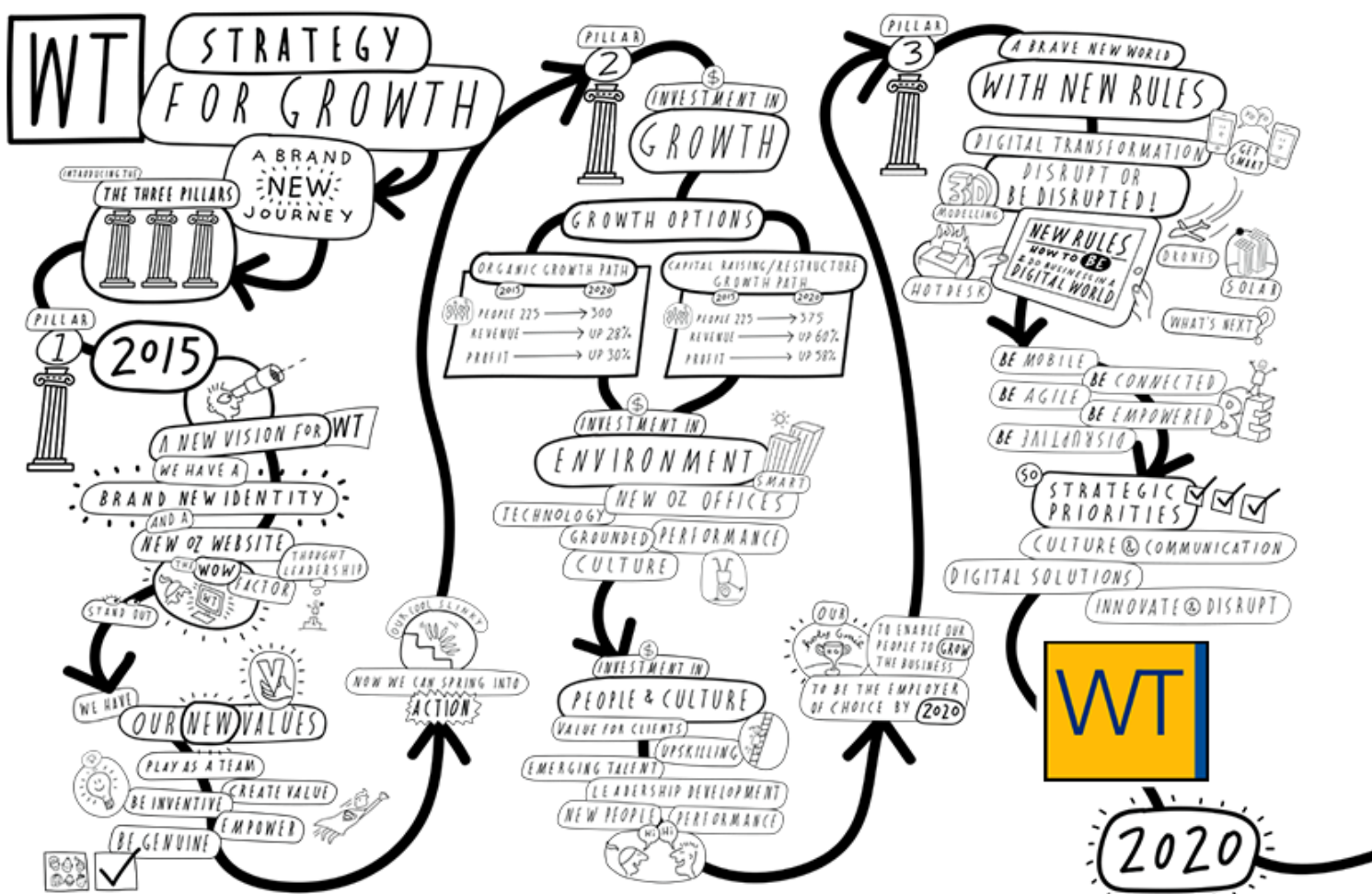
I am honoured to present this inaugural Annual Report. It is with great pride that I share this overview of our many accomplishments in this first report since being appointed Managing Director. In keeping with my promise of better communication and to provide transparency around our business strategy you will find within this report a wealth of information about; the 16 markets in which we operate, the services we provide, our commitment to develop our people and the growth of our business into new markets and sectors.

As I reflect on the past 12 months and admire the resilience of our business to adapt and change I am delighted to report on our extremely successful financial year. In NSW and VIC the construction and infrastructure markets have seen unprecedented levels of activity and our transformation in this space is delivering the outcomes we planned. Between 2013 and 2015 our revenue was up 21% and WTP's revenue grew 8.5% in the 2015/16 financial year. Both revenue and profit are the highest they have been in our 67 year history. This achievement reflects the many actions we have taken over recent years, including new office environments, growth and cultural initiatives and the restructuring of our business.



Nick Deeks
Managing Director
WTP Australia Pty Ltd

In 2015, I wrote our 2020 five-year strategic vision based on three pillars that will build a stronger more resilient business, invest in our people and transform our industry as a whole.



We recognise our company's considerable strengths in quantity surveying but acknowledge the changes around the world which require our continued flexibility and adaptability. On July 1st last year we celebrated our "Incorporation Day" which was a significant milestone that followed the restructuring of our business and a leap of faith from the Directors and Shareholders. The previous business was a trust structure which inhibited our growth and expansion plans. Restructuring into a corporation provided us with a smaller board enabling us to be more responsive and flexible to the changing business environment.

Consequently, I am ever mindful to ensure our commercial business decisions position WTP to take full advantage of new opportunities. WTP has been at the forefront of revolutionising the industry by thinking through challenges and reshaping, restructuring and revitalising the traditional industry model. We have made our position absolutely clear as an undisputed leader in transforming and embracing the new realities of business. We have truly led the change.

I have every confidence in management, the Board, and staff. I take this opportunity to acknowledge my fellow Board members for the invaluable skills, expertise and experience they bring to our Company. I would like to thank everyone who works as part of WTP for their efforts in achieving significant progress and for doing the important work that they do.

“WTP is well-positioned to be a stronger more resilient business that will thrive into the future.”

Nick Deeks
Managing Director
WTP Australia



Pillar 1 is our new vision including our values, mission, new website and improved integrated communication strategy.

Pillar 2 is our investment and growth. Investment in our people including headcount, training and development, our culture, environment and growth in revenue and profit.



Pillar 3 is our desire to transform our business and industry. We have reshaped our business model to include a range of consultancy services. We will transform the way our services are delivered and be a client led industry leader.

OUR VISION |
TO TRANSFORM THE WORLD OF THE COST CONSULTANT
INTO A GLOBAL BUSINESS PARTNER

OUR MISSION |
TO CREATE A PROGRESSIVE CULTURE BENEFITING OUR
CLIENTS AND OUR PEOPLE

MEET OUR BOARD



NICK DEEKS MANAGING DIRECTOR

Nick is the driving force behind WTP's vision for the future. Nick brings a new perspective to the role WTP plays in the success of our Client's businesses. Nick has been Managing Director for WTP's Australian business since 2013 and is based in the new Sydney office. He is responsible for the operation and strategic business development of the group including cultural change and digital transformation.

PHIL ANSELINE EXECUTIVE DIRECTOR

Phil joined WTP in 1987 and was appointed a Director in 2000. Phil is Finance Director for the Australian business based in the new Sydney office. Phil is an industry expert in the fitout market and has acted on behalf of major blue chip national and international organisations.



DAVID STEWART EXECUTIVE DIRECTOR

David joined WTP in 1988 and was appointed Director in 1999. David is based in the Melbourne office and focusses on expanding and diversifying WTP service offering to ensure we remain responsive to our Client's needs. David has acted on behalf of some of the largest national and international clients within Australia delivering projects to successful completion.

CRAIG McHARDY EXECUTIVE DIRECTOR

Craig has been with WTP since 1984 and has broad commercial acumen after working in the UK, Malaysia and Australia. Craig was appointed Director in 2000 and is based in the Brisbane office. Craig has a successful network built on long term relationships both nationally and internationally, which enhances the growth our Australian business.





TIM ROBERTS

EXECUTIVE DIRECTOR

Tim joined WTP in 1993 and was appointed Director in 2003. Tim is based in the Melbourne office and has built a reputation based on long term relationships and exceeding Clients' service expectations. Tim has been instrumental in the diversification of the WTP service offering including Board responsibility for our North American business.

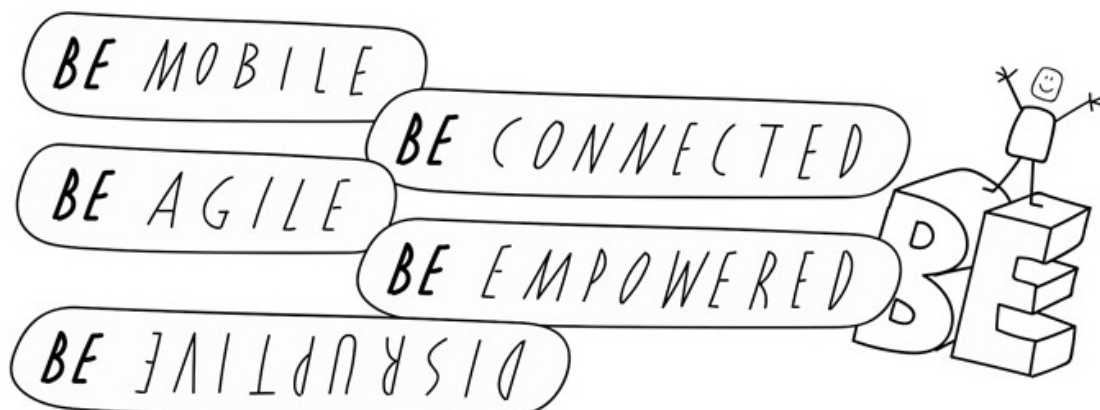
JASON THORNLEY

EXECUTIVE DIRECTOR

Jason joined WTP in 2000 and was appointed Director in 2007. Jason is based in the Brisbane office and has broad commercial acumen across multiple sectors and industries. Jason has Board responsibility for our Indian business.



WTP's Board has strategic responsibility for our organisation, ensuring we stick to our strategy for growth.



“STICKING TO OUR STRATEGY”

HISTORY | VALUES | PEOPLE

It's now 67 years since the practice, which became known as WTP, was founded. We're proud of our history. We're proud of our reputation. We're even prouder of the people who make up the WTP team, because our history, reputation and people provide the foundations on which our future partnerships will be built. We strive to provide clients with added value through exceptional cost management and consultancy services based on high professional ethics, best practice procedures, and a wealth of experience gained from projects worldwide.

“Our Values underpin the way we work with each other and with our clients.”

PLAY AS A TEAM

By working together in a spirit of cooperation, we create a sense of enjoyment and reward that strengthens the bond between us.

CREATE VALUE

By leveraging our unique foundation of knowledge and experience, we understand and anticipate our clients' changing needs to provide innovative solutions.

BE INVENTIVE

We constantly challenge the status quo by embracing new perspectives and fresh insights.

EMPOWER

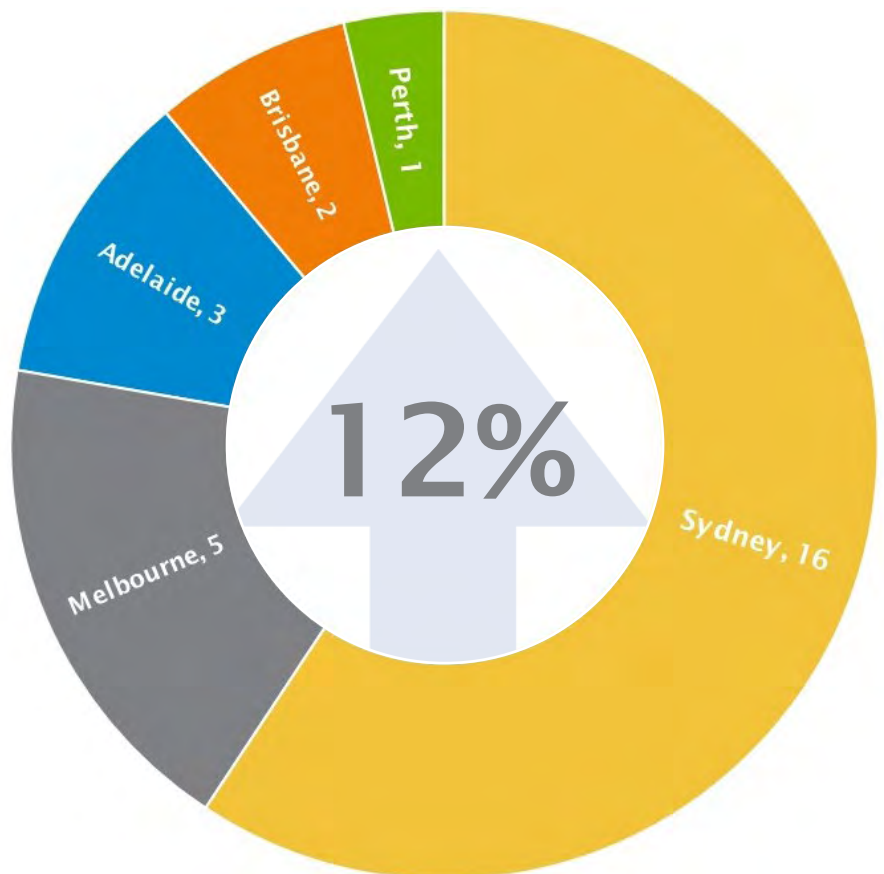
By encouraging, nurturing and supporting each other, we ensure growth and learning in an environment where respect and recognition are equally important.

BE GENUINE

We build relationships guided by the principles of honesty, trust and respect. Our people are open and unambiguous in everything they do.

PEOPLE

Solving our client's biggest challenges means attracting and developing exceptional people who share our ambitions and our values. This doesn't happen by accident. From outstanding graduate programmes to Leadership programs, we aim to develop our people to be industry leaders. This enables them to challenge traditional logic and enhance our Client's projects. Pillar 2 of our strategic vision focuses on our growth. At the beginning of 2015 we had 225 permanent staff, at 30 June 2016 we had 252 staff, an increase of 12%. The five-year plan is to increase our headcount to 300. We are well on the way to achieving this goal ahead of time.



2015	2016
HEADCOUNT	HEADCOUNT
225	252

INVESTING IN OUR FUTURE

Delivering the best possible work enhances our reputation and allows us to attract the best minds in our industry. Our focus, through thoughtful planning and investment in our culture actively prepares and supports our people to respond to a wide range of our Client's challenges. Our network of development programmes EMPOWER our people to fulfil their own potential and optimise their contribution. The process starts early. Our graduate recruitment programme is designed to attract bright young people with excellent technical knowledge, who are keen to embark on a career in quantity surveying/cost management and consultancy services. We have commenced a variety of training and development programmes, including Leadership Without Limits, a development program for all Directors and the Emerging Leaders Program. These programmes form part of Pillar 2 of the 2020 Plan. In 2015, approximately 40 employees participated in leadership programmes across our business.

“STICKING TO OUR STRATEGY”



DIGITAL TRANSFORMATION

Late last year we embarked on our digital transformation programme. This is a key component of Pillar 3 of our 2020 Strategic Plan. Due to the Sydney relocation, we have adopted early initiatives that will be rolled out across our business. These include a Unified Communications System, Skype for Business and no fixed desk phones. Our Sydney office is now on Office 365 and we have partially migrated our server into the Cloud (for email). All offices will progressively convert to Microsoft Surface Pro's enabling mobility, agility and the ability to provide a proactive interaction with clients at meetings. This is in line with our Integrated Management System (IMS) and will aid us in being paperless.

On 1 September 2015 we launched our new Australian website. This website reflects our renewed energy, vibrancy, and fresh approach. The website is easier to navigate and it provides a more useful platform for our clients as well as an informative communication tool for all staff through The Measure.

Other initiatives include a company wide intranet (Sharepoint) that will enable collaboration across our business and be a central repository of information. This will mitigate burdensome searches for information and duplication of data across multiple servers in each office. It will also ensure that we have consistency in our reporting, IMS, HR and corporate information.

INFORMED | OPTIMISTIC | ENERGETIC | REAL

CORPORATE SOCIAL RESPONSIBILITY

WTP has a continuing commitment to behave ethically and contribute to economic development while improving the quality of life of our workforce, their families and our community.

ENVIRONMENT

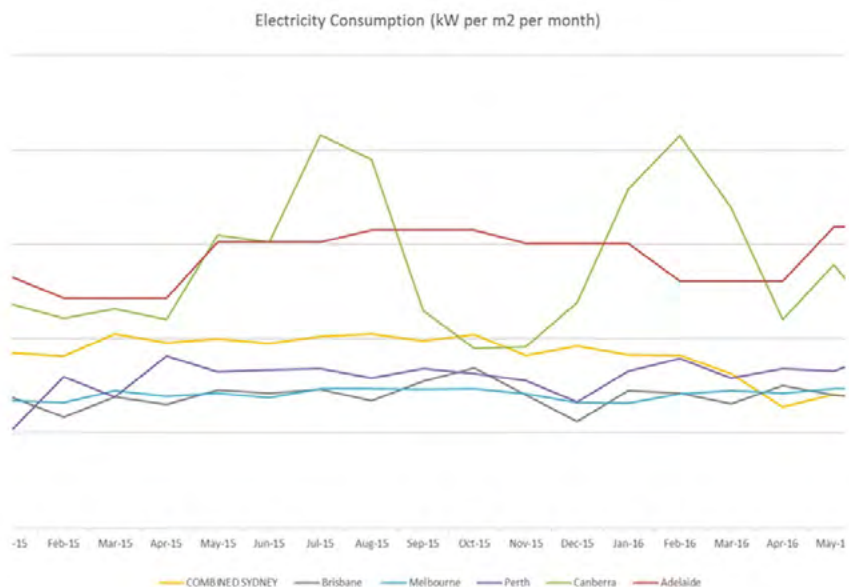
WTP performs a vital role in educating, informing and raising awareness about important sustainability and environmental issues. At the same time, the Company's environmental strategies ensure positive action is taken to reduce energy consumption and manage our carbon footprint.

Nearly all office paper consumption is linked to printing. As part of our ISO 14001 commitments we have introduced a central print monitoring system that allows us to track our print usage across the organisation. The system has been producing reliable data since January 2016.

Given that each office ostensibly undertakes the same work, the results suggest that there are great opportunities to reduce per capita printing, particularly in Melbourne and Brisbane. Sydney is the best performer of the bigger offices, but also has access to the latest in pen operated technology, so there is still plenty of room for improvement. Canberra is not only the best per capita performer, but also print the fewest colour prints.

Electricity consumption has remained relatively static over the last year, with the notable exception of Adelaide and Canberra. These appear to be quite high, however, both offices include the air conditioning power on their meters (none of the other offices do). Consequently, the air conditioning impact is high in Canberra, where both the heating and cooling seasons are pronounced.

In April 2016 the Sydney office relocated from North Sydney to the Sydney CBD. In doing so the office area increased (from 960m² to 1240m²), yet total power consumption fell. This was due to the incorporation of a range of energy efficiency measures. There are still improvements to be implemented, so further savings are expected (the Sydney office is targeting a 5 Star NABERS Rating without Greenpower). The Melbourne office also performed well. Whilst the power consumption has not fallen markedly, the occupancy density has increased, and this was reflected in the office recently obtaining a certified 5 Star NABERS Rating without Greenpower. The new offices or upgraded fitouts planned for Perth, Adelaide and Canberra, are expected to reduce overall energy consumption.



PEOPLE & CULTURE

WTP works to actively build a diverse, innovative and highly engaged workforce. This is important when enhancing the quality and creativity that underpins our brand and businesses, and which makes WTP a great place to work. The Company has identified its people and culture as being critically important in delivering its business objectives, as well as attracting and retaining high quality staff. This includes promoting gender diversity, equality and inclusiveness in our workplace in all respects. Our transformation involves significant change and building a culture which is adaptive, resilient and prepared to continually evolve as the business develops. Our culture and values are embedded and reinforced across all areas of the business, including in the performance management system and processes, learning and development programmes. Furthermore, we have:

- Created an organisational competency framework
- Rolled out a performance review programme
- Implemented an online recruitment, onboarding system and training tool.

COMMUNITY

WTP support a variety of community clubs and charities nationally. We not only raise funds and give our time to worthy causes but we have embarked on a partnership with Jobsupport and will be providing work for intellectually disabled persons in our Sydney office.

As National Corporate (Platinum) Donors to the Property Industry Foundation (PIF) we are actively making a difference to the serious and persistent problem of youth homelessness through support of charity managed initiatives focused on education, employment and wellbeing of youths.

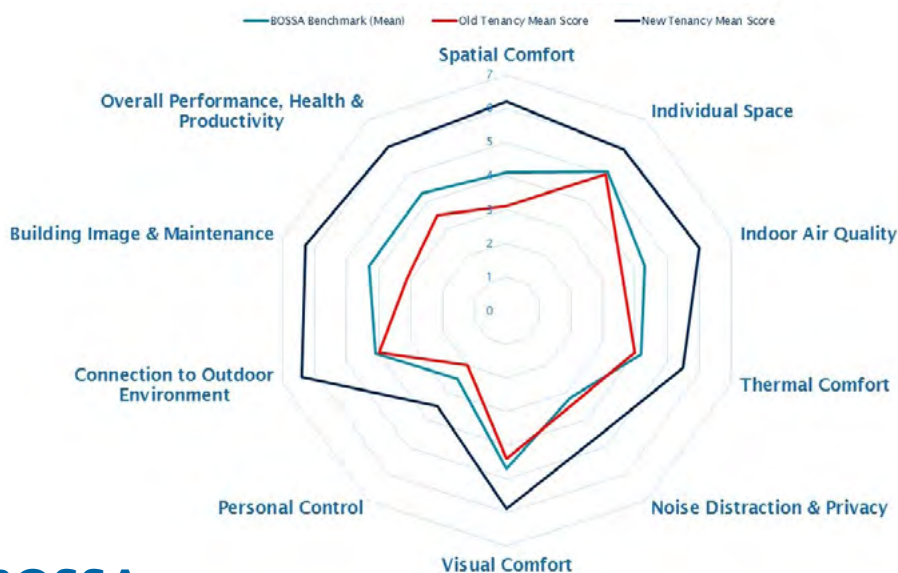
WTP are members of various industry bodies including Royal Institution of Chartered Surveyors (RICS), Australian Institute of Quantity Surveyors (AIQS) and the Property Council of Australia (PCA) and financially support many charitable events throughout the year.

We also engage with tertiary institutions by running careers days, guest lecturing and sponsorship of major events. This is an on-going initiative to educate our future industry leaders.

Throughout 2016 we have undertaken a number of initiatives to support our local community. Prior to the Sydney office move in April, we undertook a charity auction raising almost \$2,000 for Mission Australia's Creative Youth Initiative. We also donated office furniture to a start-up business and gave stationary to the University of New South Wales. We shall be undertaking similar initiatives in Western Australia and South Australia in conjunction with the office moves in these states.

WTP is constantly looking at ways to enhance the way we engage with our community. Future initiatives include the establishment of the WTP Foundation.

WTP BOSSA RESULTS



BOSSA

The Building Occupants Survey System Australia – BOSSA – is an IEQ assessment system for Australia's office buildings. Buildings surveyed underpin an ongoing research programme aimed at improving occupant's health, comfort and productivity in office buildings.

Core questionnaire items assess occupant satisfaction with the key IEQ topics: office lay-out, office furnishings, thermal comfort, indoor air quality, lighting, acoustics and building cleanliness and maintenance. The red line in the diagram represents the old Sydney office and the black line represents the new office. As you can see the overall quality has improved considerably.

WELLBEING

The health, safety and well-being of our people is more than a legal and moral obligation, it is a core business value. We understand the direct correlation with the wellness of our people and their engagement, retention and performance. WTP offers its people various programs aimed at maintaining a safe and healthy workplace. This includes an 8-week Wellness and Being Program with Peter Bliss, Pilates, training camps, team building events, Employee Assistance Programme (EAP) and healthy workplace snacks. We have also undertaken an initiative that compares activity in the new Sydney office to the old office through monitoring of Fitbits.

EMPLOYEE SUPPORT SERVICES

WTP is rolling out the Employee Support Service System, which offers independent, confidential external assistance and counselling services, to all employees across Australia and New Zealand and their immediate families. This 24-hour service provides direct counselling and support on a wide range of issues.

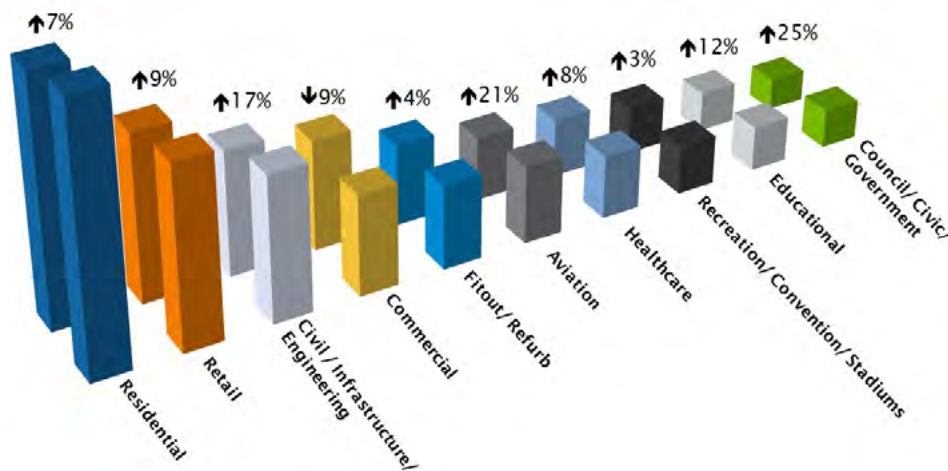


FINANCIAL

WTP's robust financial position and operating earnings stability in the last two financial years demonstrates the success of the company's strategy to optimise its core strengths and reshape the business for future growth while continually adapting to innovation happening in the industry globally.

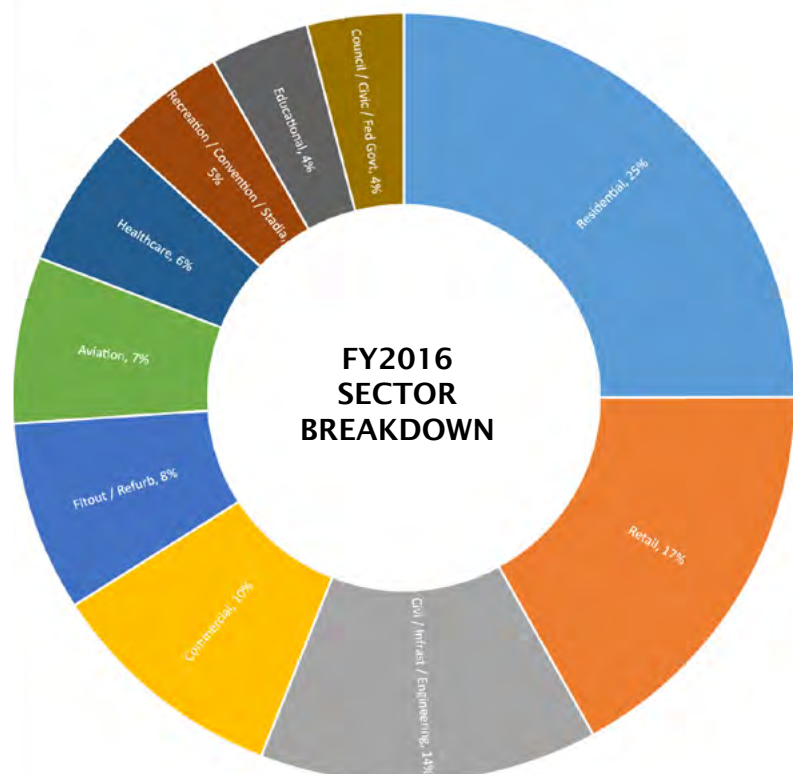
The Company's revenue streams have evolved to include Consultancy Services: Facilities Management, Sustainability, Asset and Building Consulting, Project Delivery, PPP Technical Advisory and Defence Services. A concerted effort to diversify our revenue base has resulted in improved profitability.

REVENUE INCREASED IN THE FOLLOWING MARKET SECTORS FY2015/16:



REVENUE BY SECTOR FY2016

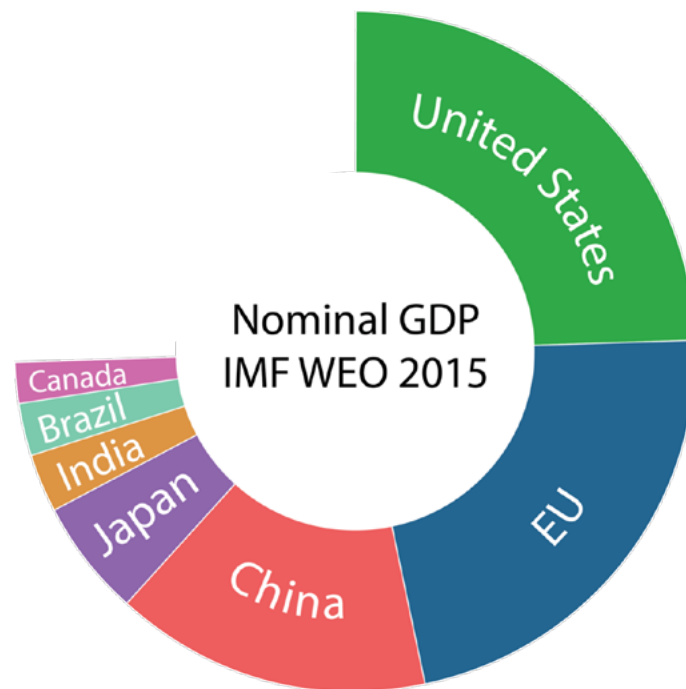
Increased demands by Clients and the continual increase in demonstration of 'value for money' has meant that we have to work harder to maintain our market share. Part of "work harder" is to broaden our service offering and accelerate the time it takes to perform our tasks. Our operating cost is predominantly labour. As a consequence, we need to focus on processes to improve efficiently. This links back to our digital transformation and Pillar 3 of our 2020 strategic vision.



EXPANSION STRATEGY

Having reviewed and put in place the domestic expansion (staff and services) the focus was on overseas development. India was targeted due to its size and because it is forecasted to be the world's largest economy by 2030. Currently it is fifth according to the IMF with a GDP of USD\$2.2T. A business plan was developed and implemented with commencement of our Indian operation in late 2015. Incorporated on 20 November 2015, we now have offices in Chennai, Mumbai and Bangalore and 13 staff. Peter Cox is the Director of Operations and Jason Thornley has oversight from a Board perspective.

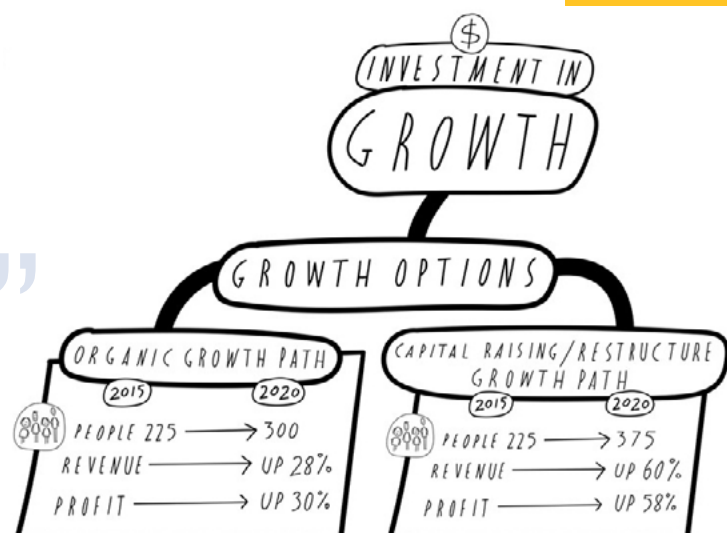
The business has secured commissions in commercial fit out, residential, health, mixed use and aviation. The projections for the next 12 months are for headcount to increase to 20 and revenue to increase to INR50m (AUD\$1m).



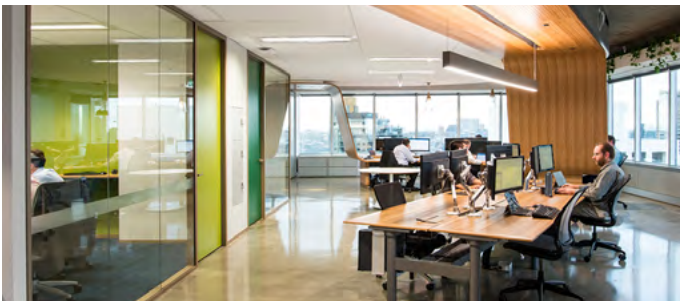
WORLD'S SEVEN LARGEST ECONOMIES BY NOMINAL GDP

Similarly, a business plan was developed for North America. We opened offices in Toronto and Los Angeles in September 2015. As reported in the quarterly roadshows, both offices have performed well with the Los Angeles office ahead of our forecast after securing the technical advisory role on the UCLA Merced P3 project. This project alone should underwrite the US business for the next five years. The focus of the North American business is P3 (PPP) projects. We currently employ 6 staff which over the next 12 months is forecast to grow to 15. The business is run locally by Adam Shaw and managed by Tim Roberts from a Board perspective.

“STICKING TO
OUR STRATEGY”



OUR OFFICES



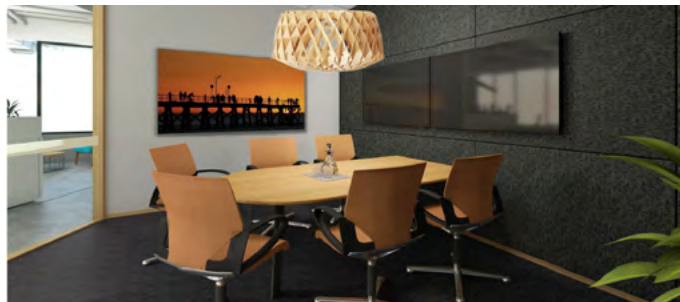
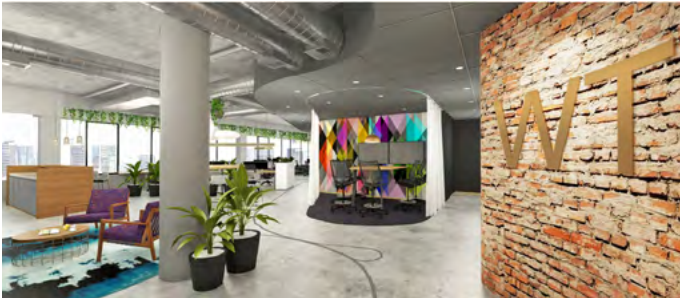
PERTH

Our Perth office is relocating to a fantastic new location at the Esplanade in Perth CBD. Key principles of the corporate guidelines have been adopted and have been incorporated into the design. In line with our business plan and growth strategy for Perth the space would allow for growth to 22 staff.



SYDNEY

Our Sydney office recently relocated to 45 Clarence Street. This was a significant move after more than 50 years in North Sydney and 38 years in Northpoint Tower. Not only was relocating into the CBD a significant move, but we have adopted an agile working environment with no offices, a 5 star Greenstar fitout, paperless, open and social workspace. The Sydney office sets the benchmark not only for WTP but for all workplaces in Australia and the guiding principle will form the corporate fitout guidelines for all our Australian offices.



CANBERRA

Our Canberra office will undergo a complete refit at the current location. Key principles have been incorporated into the design. Construction will be undertaken in a phased approach as we are staying on site.



ADELAIDE

Our Adelaide office, after 10 years will be relocating to 169 Pirie St in the CBD. Key principles have been incorporated into the design. The location will enable new client contact and provide a space to inspire and foster a collaborative working environment.



BRISBANE | MELBOURNE

Brisbane office lease expires in 2018 and Melbourne office lease expires in 2019.

