



DRIVE INVEST **CREATE**

DOWNER INVESTOR DAY 2016

Downer 
Relationships creating success

OUR PURPOSE, PROMISE AND PILLARS

Our business is founded on four pillars which support our Promise and our Purpose:

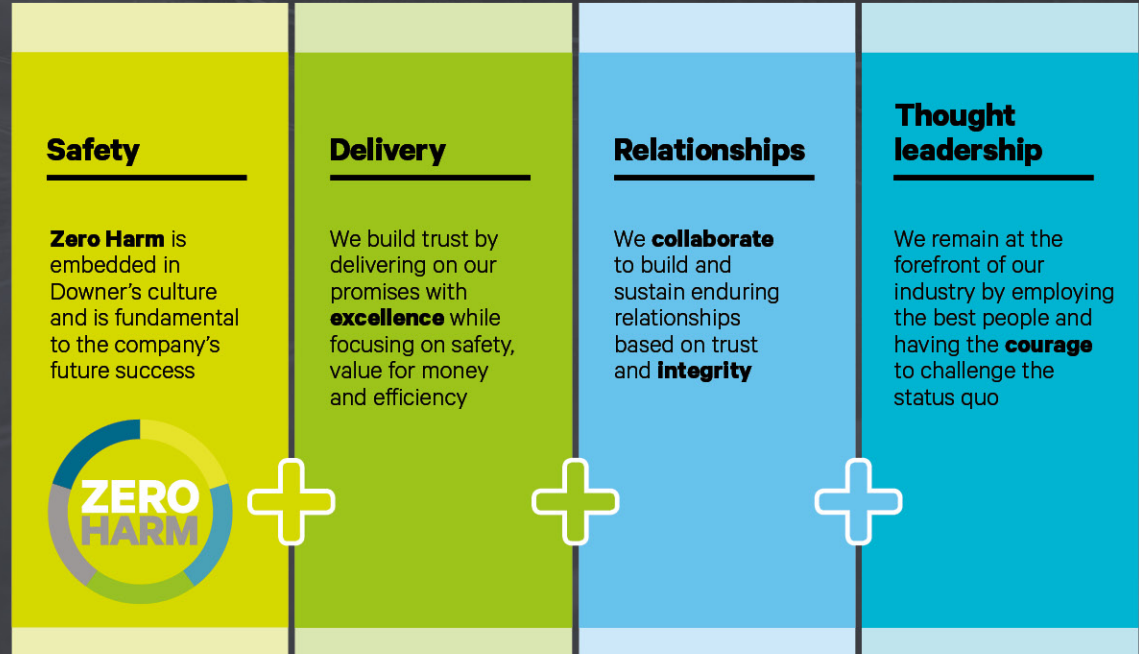
OUR PURPOSE

We exist to create and sustain the modern environment by building trusted relationships with our public and private sector customers.

OUR PROMISE

To work closely with our customers to help them succeed, using world leading insights and solutions.

OUR PILLARS



OUR EXPERTISE

At Downer, we support our customers through the life of their assets – from initial feasibility and design through to production and operations and eventual decommissioning.

We aim to employ the best people and bring thought leadership to each stage of the asset lifecycle as we support our customers to plan, create and sustain.



WHAT WE DO

TRANSPORT SERVICES



Surfacing



Network management



Bitumen and Logistics



Transport Infrastructure

RAIL



Manufacturing



Maintenance



Public Transport Operations

UTILITIES SERVICES



Power



Gas



Water



Renewable Energy

TECHNOLOGY & COMMUNICATIONS SERVICES



Construction



Operations & Maintenance



Services

ENGINEERING, CONSTRUCTION & MAINTENANCE



Engineering



Construction



Operations & Maintenance

MINING



Open Cut



Underground



Blasting



Asset & tyre management

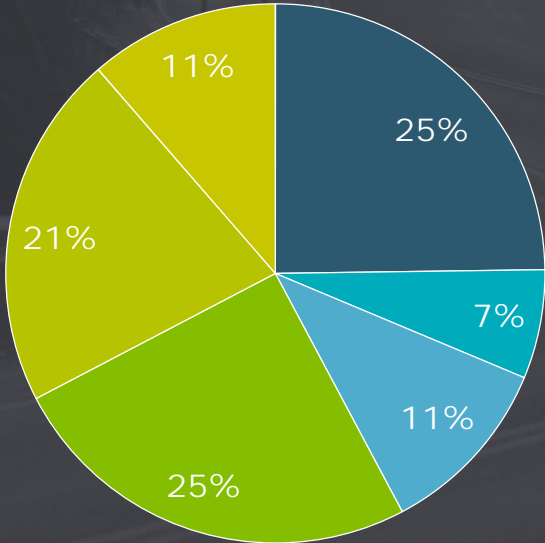
WHERE WE DO IT

Downer employs about 19,000 people across more than 200 sites and projects.

Region	Number of Sites					
	Transport Services	Rail	Mining	Utilities Services	Technology & Communications Services	EC&M
NSW	11	11	8	16	State-wide	5
QLD	10	5	13	11	State-wide	6
ACT	1	-	-	1	State-wide	-
VIC	14	2	1	22	State-wide	2
WA	8	2	27	2	State-wide	10
SA	8	1	1	2	State-wide	-
TAS	8	2	-	-	-	-
NT	4	-	1	-	-	-
NZ	Country-wide	2	1	Country-wide	Country-wide	Country-wide
Pacific Islands	2	-	-	-	-	-
PNG, Chile, Southern Africa	-	-	11	-	-	-

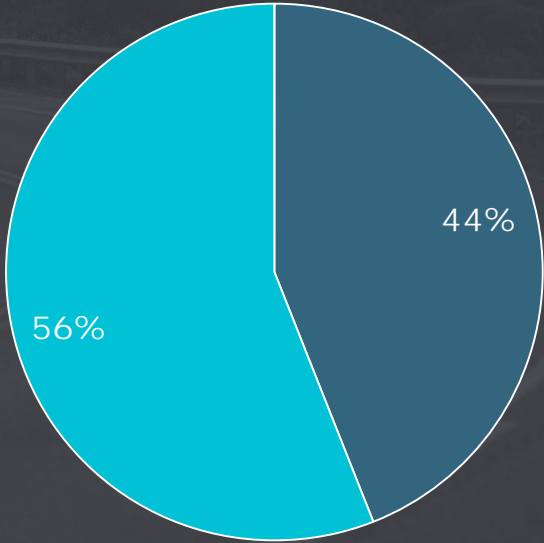


THE MAJORITY OF OUR REVENUE RELATES TO GOVERNMENT INFRASTRUCTURE



Transport Services
Utilities Services
Mining

Tech & Comms Services
EC&M
Rail



Public Private

STRONG NPAT AND CASH PERFORMANCE

NPAT (STATUTORY) (\$'M)



OP CASH AND EBITDA CONVERSION

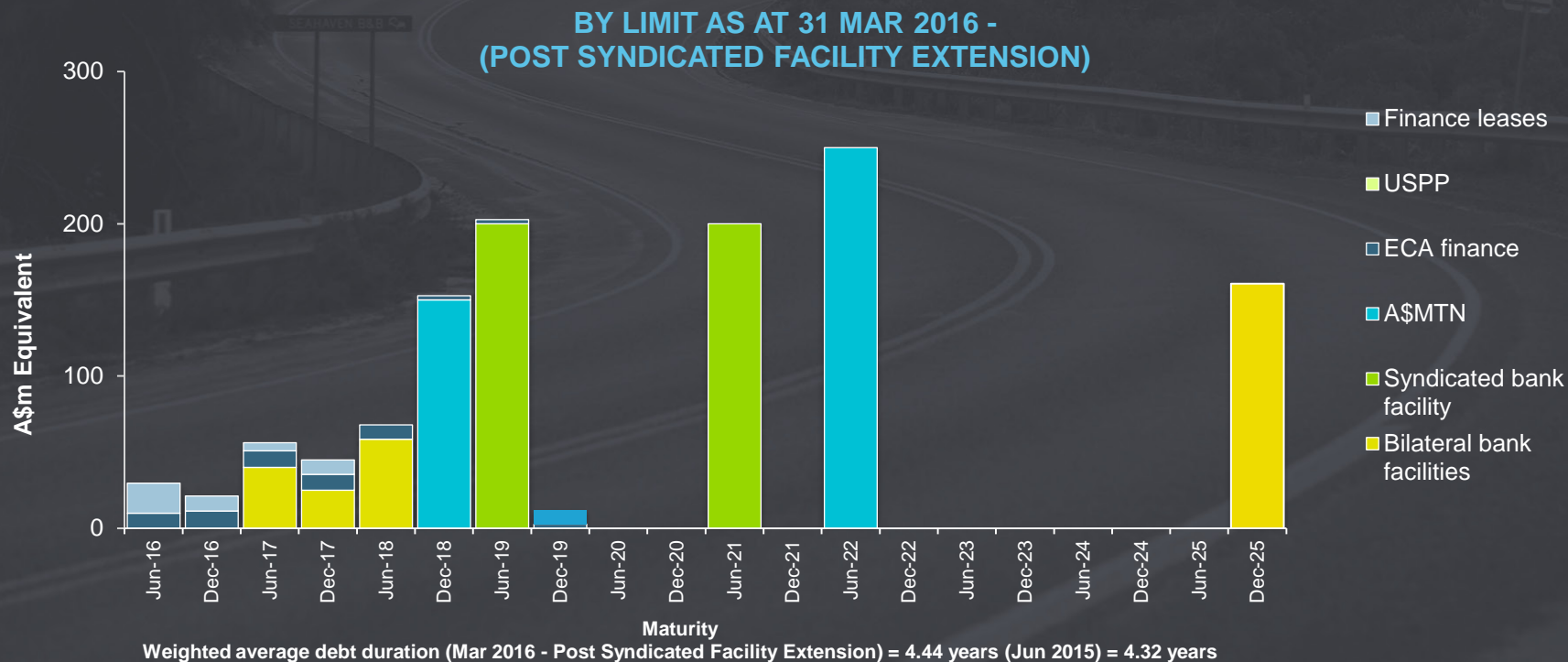


Op Cash (\$'m) EBITDA Conversion (%)

LOW DEBT AND GEARING

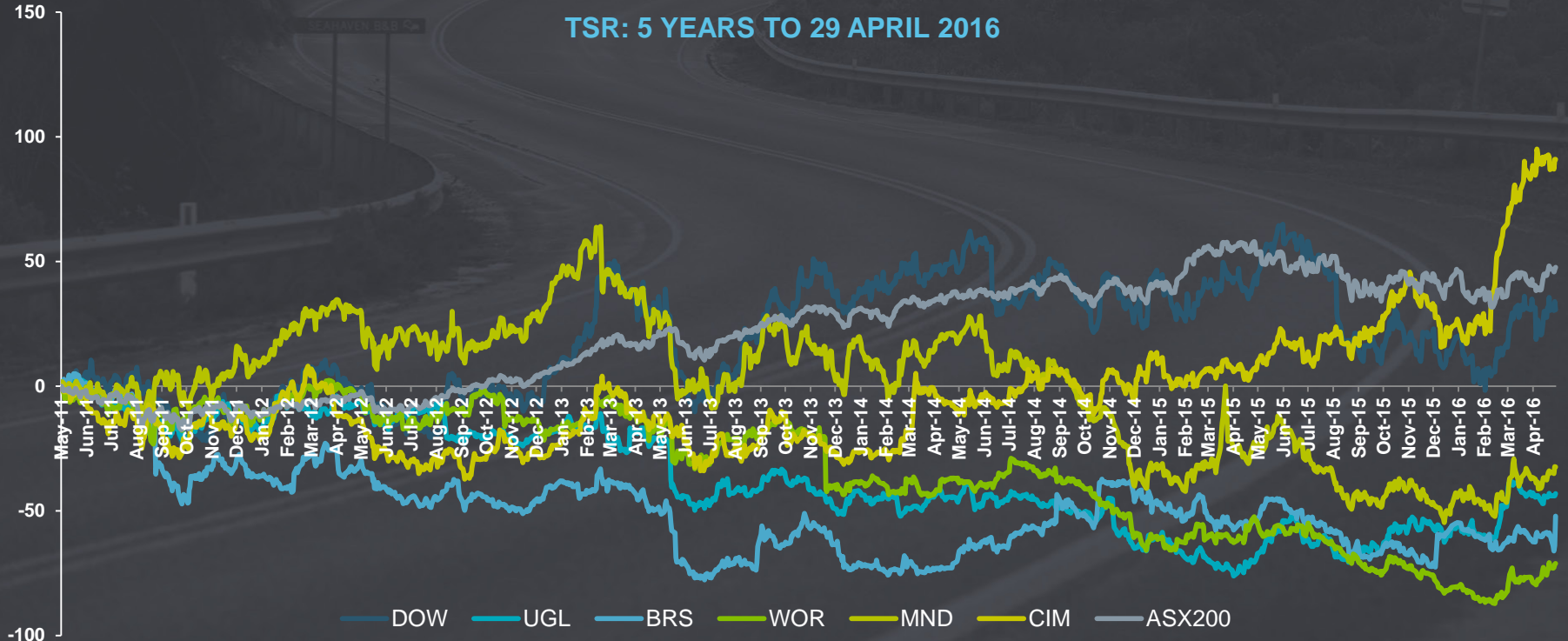
	December 2015
Net debt	\$188.4 million
Gearing: net debt to net debt plus equity	8.4%
Gearing (including off balance sheet debt)	13.8%
Interest cover	9.2
Net Debt / EBITDA	0.3
Adjusted Net Debt / adjusted EBITDAR	1.8

DEBT MATURITY PROFILE



OUR TSR PERFORMANCE AGAINST OUR PEERS

TSR: 5 YEARS TO 29 APRIL 2016



OUTLOOK

- Confirm guidance for FY16
- Around \$180 million NPAT

1. DRIVE IMPROVEMENT IN EXISTING BUSINESSES

- leverage our brand
- reduce costs, increase efficiency and productivity
- improve revenue management

2. INVEST IN GROWTH

- strengthen market leading positions, capability and “IP”
- technology
- we have a strong balance sheet
- strategic M&A

3. CREATE NEW POSITIONS

- government outsourcing
- adjacent sectors
- geographic expansion

	Market Position	Drive improvement	Invest in growth	Create positions
Surfacing	<ul style="list-style-type: none"> Market leading positions in Australia and NZ 	<ul style="list-style-type: none"> Standardising process in plants and field operations Streamlining systems 	<ul style="list-style-type: none"> R&D and technology New products and services 	<ul style="list-style-type: none"> Strategic geographic expansion Repurposing markets New age pavements
Network Management	<ul style="list-style-type: none"> Market leader across Australia and NZ 	<ul style="list-style-type: none"> Strengthen asset management and operational delivery Leverage our Australian and NZ capabilities 	<ul style="list-style-type: none"> Asset and data management systems Capability and capacity 	<ul style="list-style-type: none"> Strategic geographic expansion Target the LGA sector Intelligent transport systems
Bitumen and logistics	<ul style="list-style-type: none"> Leader in bitumen logistics in Australia and NZ Top 3 emulsion manufacturer 	<ul style="list-style-type: none"> Lower production costs Fleet utilisation and design 	<ul style="list-style-type: none"> Cold product coupled with repurposed material technology 	<ul style="list-style-type: none"> Expand production footprint
Transport Infrastructure	<ul style="list-style-type: none"> Niche civil capability in Australia Growing civil capability in NZ Rebuilding rail infrastructure business 	<ul style="list-style-type: none"> Apply common systems (e.g. PMO) Single source project controls Improve win rates 	<ul style="list-style-type: none"> Capability of our team Bridges and structures 	<ul style="list-style-type: none"> Broaden capability to capture targeted projects in both Australia and NZ

UTILITIES SERVICES

	Market Position	Drive improvement	Invest in growth	Create positions
Power and Gas	<ul style="list-style-type: none"> Market leader in Australia Strong offering across Australia and NZ 	<ul style="list-style-type: none"> Continuous improvement driven by Lean methodology 	<ul style="list-style-type: none"> Asset and data management systems Expand services 	<ul style="list-style-type: none"> Government outsourcing Distribution company outsourcing
Water	<ul style="list-style-type: none"> Market leader in NZ Strong regional D&C and O&M positions in Australia 	<ul style="list-style-type: none"> Consolidate systems Leverage engineering expertise across Australia and NZ Continuous improvement driven by Lean methodology 	<ul style="list-style-type: none"> Technology and processes Harmonise SCADA systems Expand services 	<ul style="list-style-type: none"> Regional water solutions for State Governments New LGA customers
Renewables	<ul style="list-style-type: none"> Market leader in Australia 	<ul style="list-style-type: none"> Enhance project controls Streamline supply chain for projects 	<ul style="list-style-type: none"> Solar technology Waste to energy technology 	<ul style="list-style-type: none"> End to end solutions Innovative project development solutions Strong partnerships with OEM providers

TECHNOLOGY AND COMMUNICATIONS SERVICES

	Market Position	Drive improvement	Invest in growth	Create positions
Construction	<ul style="list-style-type: none"> Leading provider for NBN in Australia and UFB in NZ 	<ul style="list-style-type: none"> Optimisation of field operations Continuous improvement driven by Lean methodology 	<ul style="list-style-type: none"> UFB2 build Mobile build Capability and relationship resources 	<ul style="list-style-type: none"> Broader offer across range of asset owners and service providers
Operations and maintenance	<ul style="list-style-type: none"> Strong market position in NZ 	<ul style="list-style-type: none"> Continuous improvement driven by Lean methodology 	<ul style="list-style-type: none"> Technology and re-engineered processes 	<ul style="list-style-type: none"> Strategic geographic expansion
Services	<ul style="list-style-type: none"> One of two Foxtel services providers in Australia Growing position with Telstra and Optus in Australia 	<ul style="list-style-type: none"> Develop enhanced end user interfaces and service delivery methods 	<ul style="list-style-type: none"> Work flow management and data management systems 	<ul style="list-style-type: none"> Expand offering to adjacent sectors utilising systems and established network of service providers

	Market Position	Drive improvement	Invest in growth	Create positions
Manufacturing	<ul style="list-style-type: none"> Market leader in passenger Market leader in freight through EMD 	<ul style="list-style-type: none"> Bidding and winning 	<ul style="list-style-type: none"> CRRC partnership PMO capabilities 	<ul style="list-style-type: none"> Light rail vehicles in Australia Partner CRRC offshore Waratah platform “offshore”
Maintenance and overhaul	<ul style="list-style-type: none"> Market leader in both passenger and freight Market leader in lifecycle asset performance 	<ul style="list-style-type: none"> Labour efficiency Facility rationalisation Overhead reduction Bidding and winning 	<ul style="list-style-type: none"> NIF HCMT 	<ul style="list-style-type: none"> CRRC locomotives Performance-based solution offerings
Public Transport Operations	<ul style="list-style-type: none"> Market leader in light rail Building position in buses 	<ul style="list-style-type: none"> Labour efficiency Asset management Bidding and winning 	<ul style="list-style-type: none"> Asset management tools and processes Light rail vehicles 	<ul style="list-style-type: none"> Buses Heavy rail Multi-modal

ENGINEERING, CONSTRUCTION AND MAINTENANCE

	Market Position	Drive improvement	Invest in growth	Create positions
Engineering	<ul style="list-style-type: none"> Market leader: <ul style="list-style-type: none"> - coal & minerals processing - electrical instrumentation design Building position - software engineering for passenger and transport smart solutions 	<ul style="list-style-type: none"> Optimising market offering in specialised engineering consultancies Implementing 'high value offshore' engineering services 	<ul style="list-style-type: none"> Niche industrial and minerals engineering capability Niche O&G upstream engineering Technical systems integration & engineering 	<ul style="list-style-type: none"> Next Generation technologies Defence technical systems integration Cyber security
Construction	<ul style="list-style-type: none"> Market leader: <ul style="list-style-type: none"> - resources and O&G construction - specialty electrical services in complex Infrastructure Building position - infrastructure M&E 	<ul style="list-style-type: none"> EPC project delivery systems Best in class labour EBA solutions Purchasing hubs and international supply chain 	<ul style="list-style-type: none"> Infrastructure – M&E Defence technical facilities design and construct 	<ul style="list-style-type: none"> Financed DBOM projects Offshore growth markets e.g. PNG, South America Food & Beverage, Agriculture sectors
Maintenance	<ul style="list-style-type: none"> Market leader - resources and industrial maintenance Building position: <ul style="list-style-type: none"> - LNG/CSG maintenance and sustaining capital - facilities maintenance 	<ul style="list-style-type: none"> Lower business operating costs Best in class labour EBAs Technology enabled work delivery systems 	<ul style="list-style-type: none"> Asset engineering and optimisation solutions - industrial and O&G Long term contracts and outsourced O&M opportunities 	<ul style="list-style-type: none"> Facilities ownership and operations in resources and industrial sectors Transport & Logistics Power Generation O&M Defence sector

	Market Position	Drive improvement	Invest in growth	Create positions
Open Cut	<ul style="list-style-type: none"> Market leader Respected technical skills Long term relationships 	<ul style="list-style-type: none"> Leaner support structure Drive productivity and efficiency (culture) 	<ul style="list-style-type: none"> Support long term large contracts (Adani) Emerging opportunities 	<ul style="list-style-type: none"> Geographic expansion Develop relationships with new entrants
Underground	<ul style="list-style-type: none"> Safety leader Building capability Balanced growth (Australia and offshore) 	<ul style="list-style-type: none"> Embrace technology Drive productivity and efficiency (culture) OEM relationships 	<ul style="list-style-type: none"> Establish offshore office Seek partner to grow offshore capability Autonomous drilling 	<ul style="list-style-type: none"> Continue to develop relationships with existing customers
Blasting	<ul style="list-style-type: none"> National profile Innovator Technical skills 	<ul style="list-style-type: none"> Embrace technology Engaged and productive workforce 	<ul style="list-style-type: none"> Offshore Diversify to underground Emerging opportunities 	<ul style="list-style-type: none"> Vertical integration through delivery chain Strategic partnerships
Asset management and Otraco	<ul style="list-style-type: none"> Safety leader in site services Market leader in asset management 	<ul style="list-style-type: none"> Integrated tyre and asset management Reduce costs 	<ul style="list-style-type: none"> Systems improvements to integrate with customer ERP systems 	<ul style="list-style-type: none"> Build from existing customer base



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APPENDIX: STRUCTURE AND SERVICE LINES

