

Media/ASX and NZX Release

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DOWNER ACQUIRES HAWKINS BUSINESSES IN NEW ZEALAND

Downer EDI Limited (Downer) announced today that it had signed an agreement to acquire the construction, infrastructure and project management businesses of Hawkins, a New Zealand company, from the McConnell Family.

The Chief Executive of Downer, Grant Fenn, said Hawkins was an excellent strategic fit for Downer's New Zealand business.

"Downer has a long and proud history in New Zealand that can be traced back more than a century," Mr Fenn said. "Today we are a leading provider of services to our customers in a range of markets including transport, telecommunications and water.

"Hawkins is a New Zealand industry leader in construction and infrastructure and this acquisition will complement our existing Engineering, Construction and Maintenance capabilities while also providing a platform for growth. It is estimated that over NZ\$50 billion will be invested in non-residential construction in New Zealand over the next five years."

Mr Fenn said Hawkins would continue to operate under its current brand.

"Hawkins was founded in New Zealand 70 years ago and its highly skilled management team has built a strong reputation for delivering quality projects for its customers in both the public and private sectors," he said.

Hawkins has a number of high profile projects across its portfolio including the SH16 Lincoln to Westgate upgrade, the construction of Auckland's Park Hyatt Hotel, the Pier B Extension at Auckland Airport, Wellington Airport's Rongotai Control Tower, Wellington City Council's Arlington Housing Project, the Christchurch Town Hall, and the Avon River Precinct (Christchurch).

Mr Fenn said the acquisition would be funded through existing debt facilities and be earnings accretive in its first year.

The transaction is due to be completed on 31 March.

For further information please contact:

Michael Sharp, Group Head of Corporate Affairs and Investor Relations

+61 439 470 145

About Downer

Downer EDI Limited (Downer) is a leading provider of services to customers in markets including: Transport Services; Rail; Mining; Utilities Services; Technology and Communications Services; and

Engineering, Construction & Maintenance. We build strong relationships of trust with our customers, truly understanding and predicting their needs and bringing them world leading insights and solutions. Downer employs about 19,000 people across more than 200 sites and projects, mostly in Australia and New Zealand, but also in the Asia-Pacific region, South America and Southern Africa. For more on Downer, visit: www.downergroup.com.

About Hawkins

Hawkins was established in Hamilton in 1946 by Fred Hawkins and has steadily grown over seven decades to become a leader in New Zealand's infrastructure and project delivery. Hawkins employs about 700 people and specialises in the design and construction delivery of buildings and infrastructure that create stronger communities across New Zealand and also the Asia Pacific. For more information on Hawkins, visit www.hawkins.co.nz