



4 May 2016

Company Announcements Office  
ASX Limited  
Exchange Centre  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**RE: Downer EDI 2016 Investor Day**

Please find attached a copy of the presentation to be made to investors today at the company's annual Investor Day.

Yours sincerely  
**Downer EDI Limited**

Peter Tompkins  
Company Secretary



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:

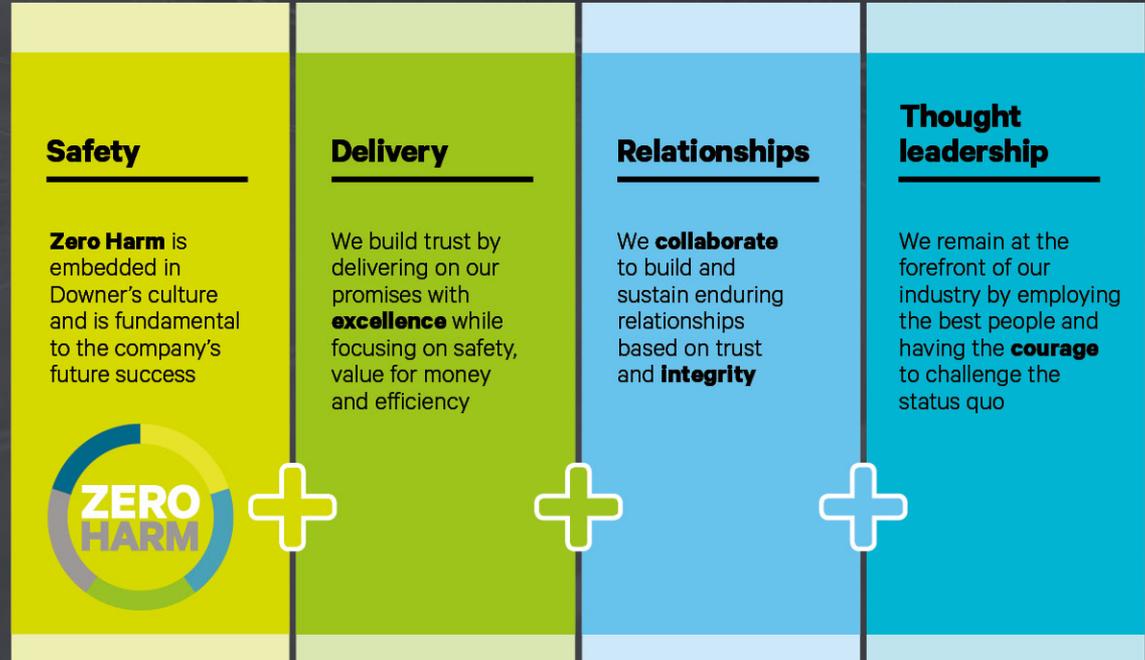
## OUR PURPOSE

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.

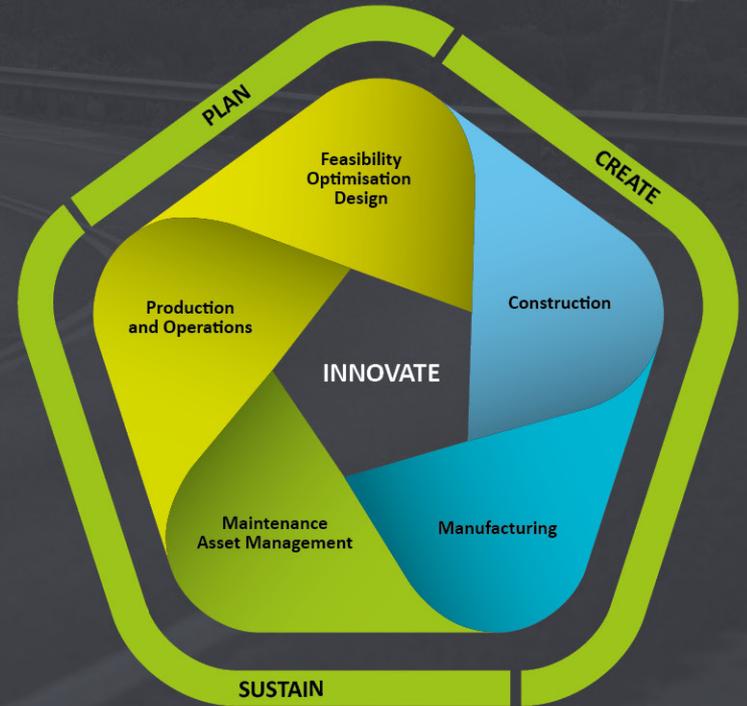
## OUR PILLARS



# 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

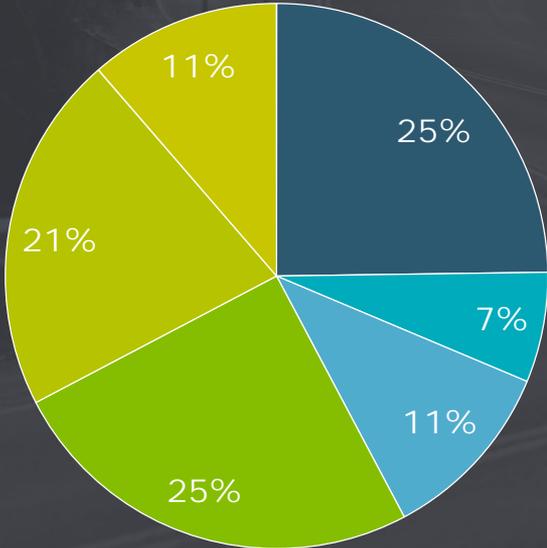
Downer employs about 19,000 people across more than 200 sites and projects.

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	-	-	-



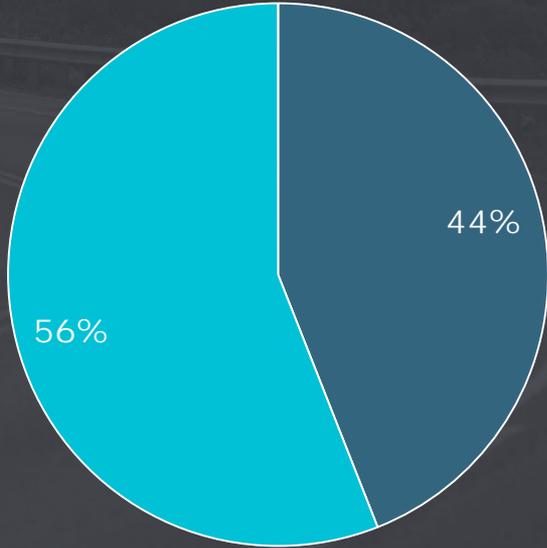
*Downer also has operations in a number of other countries around the world*

# 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

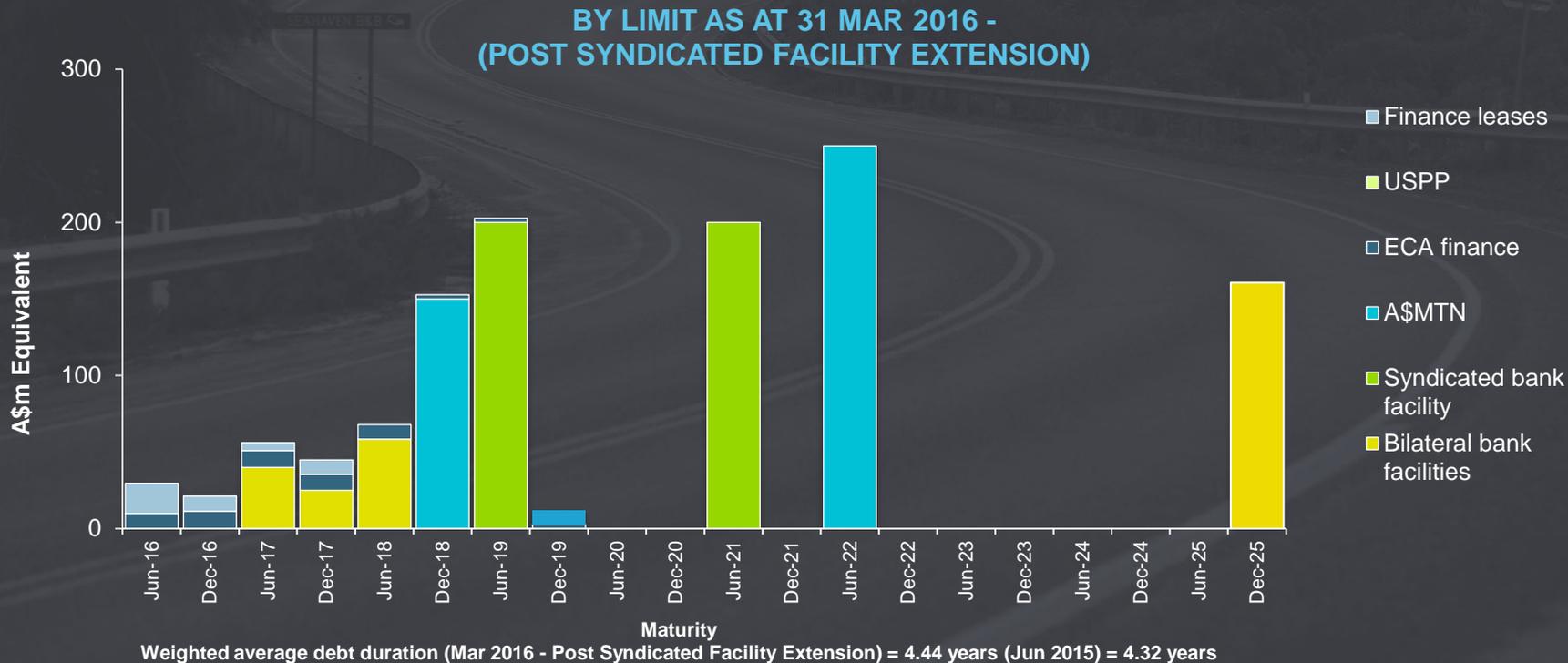


Op Cash (\$'m) EBITDA Conversion (%)

# LOW DEBT AND GEARING

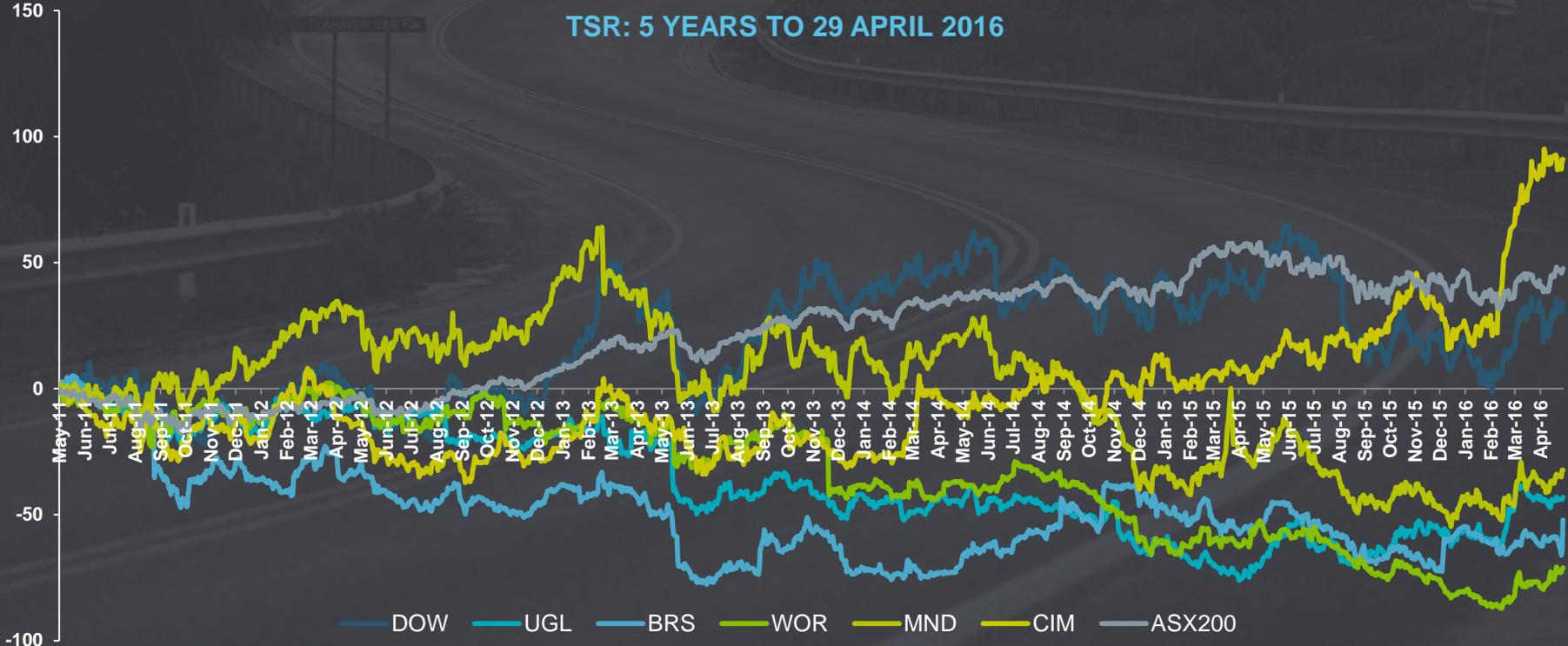
	December 2015
Net debt	\$188.4 million
Gearing: net debt to net debt plus equity	8.4%
Gearing (including off balance sheet debt)	13.8%
Interest cover	9.2
Net Debt / EBITDA	0.3
Adjusted Net Debt / adjusted EBITDAR	1.8

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

# UTILITIES SERVICES

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

# TECHNOLOGY AND COMMUNICATIONS SERVICES

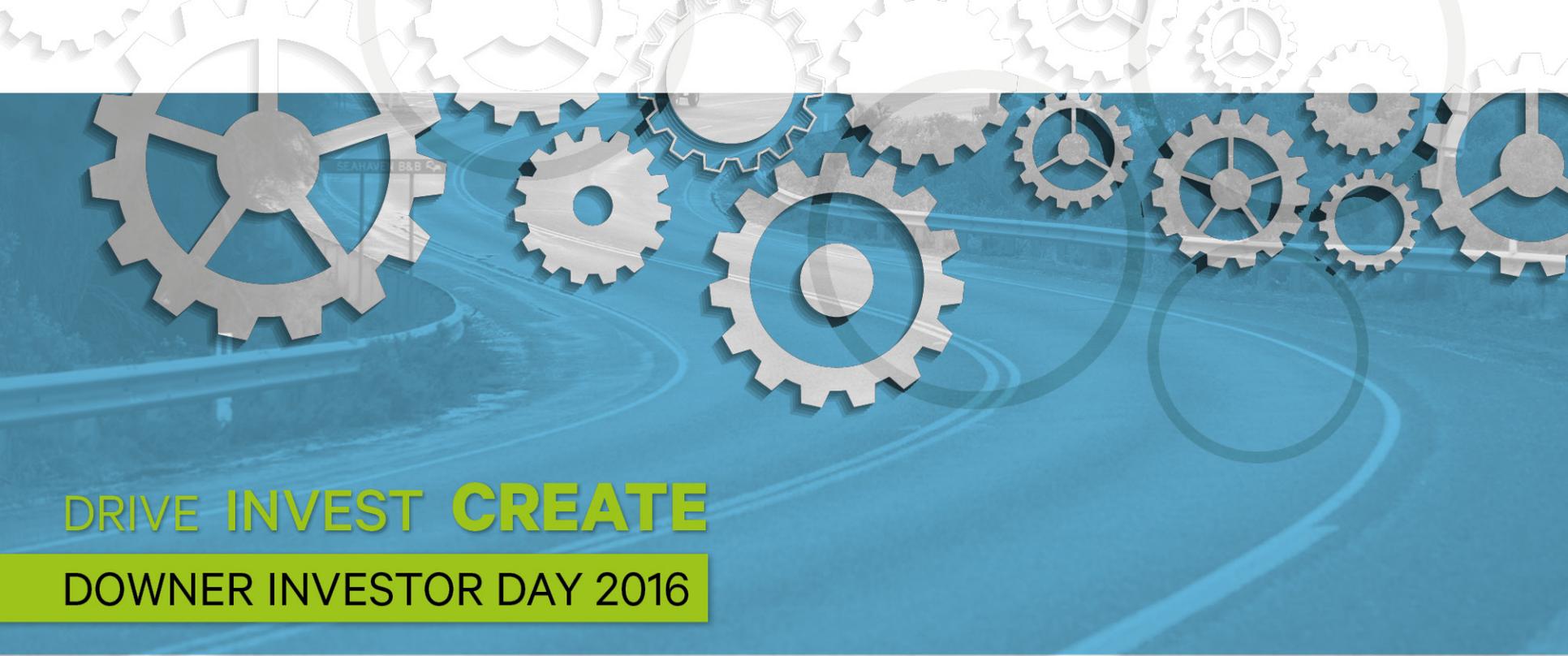
	Market Position	Drive improvement	Invest in growth	Create positions
Construction	<ul style="list-style-type: none"> <li>Leading provider for NBN in Australia and UFB in NZ</li> </ul>	<ul style="list-style-type: none"> <li>Optimisation of field operations</li> <li>Continuous improvement driven by Lean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

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

# ENGINEERING, CONSTRUCTION AND MAINTENANCE

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

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



DRIVE INVEST **CREATE**

DOWNER INVESTOR DAY 2016

# APPENDIX: STRUCTURE AND SERVICE LINES

