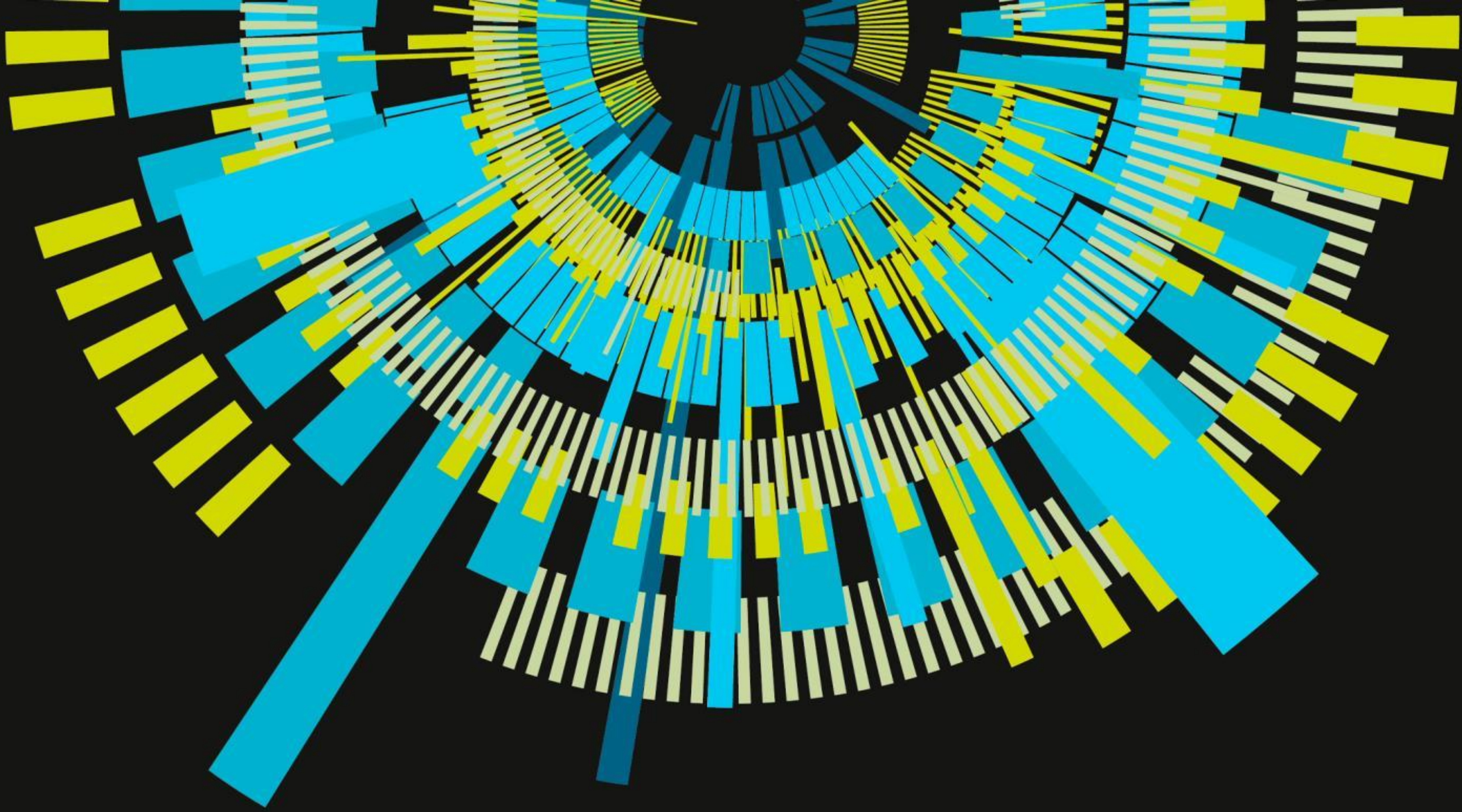

Offer for Spotless and Equity Raising

21 March 2017

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IMPORTANT NOTICES AND DISCLAIMER

This presentation (**Presentation**) has been prepared by Downer EDI Limited (ABN 97 003 872 848) (**Downer**) in relation to a pro-rata accelerated renounceable entitlement offer of new fully paid ordinary shares in Downer (**New Shares**) with retail rights trading (**Entitlement Offer**). The Entitlement Offer will be made to:

- Eligible institutional shareholders of Downer (**Institutional Entitlement Offer**); and
- Eligible retail shareholders of Downer (**Retail Entitlement Offer**),

under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**), as notionally modified by the Australian Securities and Investments Commission (**ASIC**) Legislative Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73.

The proceeds from the Entitlement Offer will be applied to partially fund Downer's off-market takeover bid to acquire all of the ordinary shares in Spotless Group Holdings Limited (**Spotless**) (**Transaction**).

Summary information

This Presentation contains summary information about Downer and its associated entities and their activities current as at the date of this Presentation.

The information contained in this Presentation is of a general nature and does not purport to include or summarise all information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a product disclosure statement, prospectus or other disclosure document prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Downer's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at www.asx.com.au.

Certain information in this Presentation has been sourced from publicly available information about Spotless (including Spotless' periodic and continuous disclosure announcements lodged with ASX). While steps have been taken to review that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Downer nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

Not an offer

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Investment Risk

An investment in shares in Downer is subject to known and unknown risks, some of which are beyond the control of Downer, including possible loss of income and principal invested. Downer does not guarantee any particular rate of return or the performance of Downer, nor does it guarantee any particular tax treatment. Investors should have regard to (amongst other things) the risk factors outlined in this Presentation when making their investment decision. See the “Key Risks” section (Appendix D) of this Presentation for certain risks relating to an investment in Downer shares.

No investment or financial product advice

The information contained in this Presentation does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire entitlements or New Shares and does not and will not form the basis of any contract or commitment for the acquisition of entitlements or New Shares. This Presentation has been prepared without taking into account the investment objectives, financial position or needs of any particular individual. Before making an investment decision, prospective investors should consider the appropriateness of the information (including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Downer and the values and the impact that different future outcomes may have on Downer) having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Downer is not licensed to provide investment or financial product advice in respect of Downer shares. Cooling off rights do not apply to the acquisition of New Shares pursuant to the Entitlement Offer.

Future performance and forward looking statements

This Presentation contains certain forward looking statements and comments about future events, including Downer’s expectations about the performance of its businesses, the effect of the funds raised under the Entitlement Offer on those businesses, the outcome of the Transaction and the future performance (including potential or expected synergies) of Downer and Spotless post acquisition. Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements and include statements in this Presentation regarding the conduct and outcome of the Entitlement Offer, the use of proceeds, the outcome of the Transaction, the future performance (including potential or expected synergies) of Downer and Spotless post acquisition and Downer's outstanding debt. You are cautioned not to place undue reliance on any forward looking statement. While due care and attention has been used in the preparation of forward looking statements, forward looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Downer, its directors and management. A number of important factors could cause Downer’s actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, including the risk factors described in the "Key Risks" section (Appendix D) of this Presentation, Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which statements are based. Downer disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

Past Performance

Past performance and pro-forma historical information in this Presentation is given for illustrative purposes only and should not be relied upon (and is not) an indication of future performance including future share price information. Historical information in this Presentation relating to Downer is information that has been released to the market. For further information, please see past announcements released to ASX.

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Financial data

All dollar values are in Australian dollars ($ or AUD) unless stated otherwise. All references starting with “FY” refer to the financial year for Downer, ending 30 June. For example, “FY16” refers to the financial year ending 30 June 2016. All references starting with "CY" refer to the calendar year ending 31 December. For example, "CY16" refers to the calendar year ending 31 December 2016. All references in this Presentation to "1H17" are a reference to the six months to 31 December 2016 and all references in this Presentation to "2H17" are a reference to the six months to 30 June 2017. All references in this Presentation to FY17 refer to the 12 month forecast period ending 30 June 2017.

This Presentation includes certain pro forma historical financial information. The pro forma historical financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Downer’s views on its, nor anyone else’s, future financial position and/or performance. The pro forma historical financial information has been prepared by Downer in accordance with the measurement and recognition principals, but not the disclosure requirements prescribed by Australian Accounting Standards.

In addition, the pro forma financial information in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities Exchange Commission, and such information does not purport to comply with Article 3-05 of Regulation S-X.

In addition, financial data in this Presentation includes "non-IFRS financial information" under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by the Australian Securities and Investments Commission and also "non-GAAP financial measures" within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, including NPATA, EBITDA, underlying EBITDA, net debt and gearing. Downer believes this non-IFRS/non-GAAP financial information provides useful information to users in measuring the financial performance and conditions of Downer. The non-IFRS financial information do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian accounting standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this Presentation.

Effect of Rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

References to broker price targets and forecasts

This Presentation includes references to a 12 month broker price target average for Spotless shares of $0.74. Five broker price targets have been used to determine the 12 month broker price target range and average for Spotless shares. The date range of the broker price targets used in determining the range and average was 28 February 2017 to 1 March 2017. These brokers were selected on the basis of all broker research reports publicly available to Downer that were released since the announcement of Spotless' 1H17 results on 28 February 2017. Downer notes that according to Bloomberg, there were two other broker price targets available for Spotless that had been released since 28 February 2017 (Downer did not have access to the research reports for these brokers). Inclusion of these additional two price targets results in an average broker price target of $0.76 and no change to the $0.63 to $0.84 range of broker price targets.

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Disclaimer

The underwriter to the Entitlement Offer, together with its related bodies corporate, shareholders or affiliates and its respective officers, directors, employees, affiliates, agents or advisers (each a **Limited Party**) have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Presentation and do not make or purport to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by a Limited Party.

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The Limited Parties make no recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning the Entitlement Offer, and you represent, warrant and agree that you have not relied on any statements made by a Limited Party in relation to the Entitlement Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

Investors acknowledge and agree that determination of eligibility of investors for the purposes of the Institutional Entitlement Offer or the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Downer and/or the Limited Parties, and each of Downer and the Limited Parties disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law. The Limited Parties may rely on information provided by or on behalf of institutional investors in connection with managing, conducting and underwriting the Entitlement Offer and without having independently verified that information and the Limited Parties do not assume any responsibility for the accuracy or completeness of that information.

AGENDA

Executive summary

Section 1

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TRANSACTION SUMMARY

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Transaction details	▪ Offer to acquire all of the issued share capital of Spotless not already owned by Downer by way of an off-market takeover offer ("Transaction") – Downer has an interest equivalent to 19.99% in the issued share capital of Spotless, which is comprised of a 15.0% shareholding and an economic interest equivalent to 4.99%[1] ▪ All cash consideration of $1.15 per Spotless share ("Offer Price") – implies a diluted Equity Value of c.$1,272 million[2] and an Enterprise Value of c.$2,120 million[3] ▪ The Offer Price represents an attractive premium of 59% to $0.725, the last closing price of Spotless shares on 20 March 2017, being the last trading day prior to the announcement of the Transaction ▪ Transaction to be funded through a combination of proceeds from a fully underwritten c.$1,011 million accelerated renounceable entitlement offer with retail rights trading ("Entitlement Offer") and committed debt facilities
Expected financial impacts	▪ EPS accretive on a pro forma FY17 NPAT before amortisation ("NPATA") basis: – Around 10% accretion before any synergies[4,6] – Mid-high teens accretion including conservative estimate of $20 million of run-rate synergies[5,6] ▪ Pro forma net debt / EBITDA of approximately 1.5x[7] and pro forma gearing of approximately 28%[8] on completion of the Transaction – with de-gearing from cash flows anticipated going forward ▪ Estimated pre-tax cost synergies of approximately $20-$40 million per annum over time[9]
Conditions	▪ 90% minimum acceptance condition (including Downer's existing holding) ▪ No reduction in the FY17 earnings guidance provided by Spotless in February 2017 of net profit after tax (pre-exceptional items) of $80-90 million ▪ Required regulatory approvals, and other conditions as summarised in Appendix C

1 4.99% economic interest accumulated via cash settled total return swap between 27 February 2017 and 7 March 2017 (inclusive), at a weighted average reference price of $0.815 per Spotless share. 15.0% shareholding acquired on 20 March 2017 at a weighted average price of $1.146 per Spotless share

2 Based on 1,098.3 million ordinary shares on issue plus 7.7 million estimated 'in the money' options and rights based on Spotless' Appendix 3B dated 24 November 2016 and FY16 Annual Report

3 Based on Equity Value as calculated in note 2 above, and Spotless' net debt of $848 million as at 31 December 2016

4 Pro forma FY17 EPS accretion on a NPATA basis reflects the impact of the acquisition as if it had occurred on 1 July 2016. FY17 NPATA is based on Downer's earnings guidance included in this Presentation, being underlying NPAT (NPAT excluding Transaction costs) of $175 million, the mid-point of Spotless' underlying NPAT guidance announced on 28 February 2017, being $85 million (mid-point of $80-$90 million range) and the impact of the additional interest expense (post-tax) that would have been incurred as a result of incremental debt drawn down as part of the Transaction. NPATA used to calculate the EPS accretion excludes the impact of integration, implementation and Transaction costs. Spotless does not disclose acquired intangibles amortisation for the FY17 forecast, and in the absence of this information, for the purposes of deriving EPS accretion, Downer has used Spotless' FY16 acquired intangibles amortisation expense of $10.1 million ($7.1 million after-tax), disclosed in Spotless' audited financial statements for the year ended 30 June 2016, as a proxy for Spotless' FY17 amortisation of acquired intangibles. For the purposes of the calculation, Downer's standalone earnings per share has been adjusted for the bonus element of the Entitlement Offer

5 Pro forma FY17 EPS accretion inclusive of synergies, is calculated on the same basis as per note 4 above, but includes the assumed impact of $20 million of run-rate synergies ($14 million post-tax)

6 If the EPS accretion calculation was based on $80 million of NPAT for Spotless (the low end of management's guidance range), the Transaction would be high single digit accretive before any synergies and mid teens accretive including $20 million of estimated run-rate synergies

7 Based on 31 December 2016 Combined Group pro forma net debt of $1,222.9 million (being pro forma debt of $1,878.9 million less pro forma cash of $656.0 million) after completion of the Transaction and pro forma EBITDA of $829.6 million for the 12 months ended 31 December 2016 (excluding synergies). Refer to Appendix A for further details

8 Calculated as pro forma net debt of $1,222.9 million after the impact of the Transaction divided by the sum of pro forma net debt and pro forma equity of $3,099.6 million after the impact of the Transaction. Refer to Appendix A for further details

9 Downer will conduct a review on completion of the Transaction to validate its synergy expectations and to identify further opportunities

DOWNER'S STRATEGY

Downer's strategy is focused on three key elements, as articulated at our 2016 Investor Day

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

TRANSACTION HIGHLIGHTS

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Strengthens Downer's position as a leading integrated services provider with resilient earnings and long term customer relationships

Delivers on Downer's strategic objectives

- Continues Downer's transformation towards a more stable services-focused business with resilient earnings
- Enhances contract portfolio, with long term contracts that provide high certainty over revenues
- Contributes complementary, high quality customer base
- Creates an integrated services provider with a comprehensive range of capabilities

Highly experienced Downer management team has the capabilities to manage and add value to the Spotless business

- Robust financial discipline and risk management processes
- Track record in executing turnarounds and integrating large acquisitions
- Specialist team working on entry into facilities and social infrastructure services

Well positioned for growth across the businesses within the combined portfolio

- Leading market positions across key sectors positions the business to benefit from continued trend towards outsourcing
- Robust balance sheet on completion supports ability to continue investing in existing businesses and pursue future growth opportunities such as bolt-on acquisitions across the portfolio

Increased market relevance

- Combined revenues of **c.$10.5 billion,** [1] **c.55,000 employees** and pro forma market capitalisation of over **$4 billion**[2]

Financially compelling transaction, with potential to realise synergies and value accretion

- Pro forma FY17 EPS accretion on an NPATA basis before synergies of around 10%[3]
- Combination of the two businesses expected to deliver pre-tax cost synergies of approximately **$20-40** million per annum over time[4]

1 12 months ended 31 December 2016. Based on statutory revenue for Spotless. Based on Total Revenue for Downer, which is a non-statutory disclosure and which includes $534 million from Downer's share of revenue from equity accounted joint ventures and associates. Excluding Downer's share of revenue from equity accounted joint ventures and associates, the Combined Group revenue is $9.9 billion

2 Based on 424.8 million current shares on issue for Downer, plus 169.9 million shares expected to be issued under the Entitlement Offer, at the theoretical ex-rights price ("TERP") of $7.00

3 Pro forma FY17 EPS accretion on a NPATA basis reflects the impact of the acquisition as if it had occurred on 1 July 2016. FY17 NPATA is based on Downer's earnings guidance included in this Presentation, being underlying NPAT (NPAT excluding Transaction costs) of $175 million, the mid-point of Spotless' underlying NPAT guidance announced on 28 February 2017, being $85 million (midpoint of $80-$90 million range) and the impact of the additional interest expense (post-tax) that would have been incurred as a result of incremental debt drawn down as part of the Transaction. NPATA used to calculate the EPS accretion excludes the impact of integration, implementation and Transaction costs. Spotless does not disclose acquired intangibles amortisation for the FY17 forecast, and in the absence of this information, for the purposes of deriving EPS accretion, Downer has used Spotless' FY16 acquired intangibles amortisation expense of $10.1 million ($7.1 million after-tax), disclosed in Spotless' audited financial statements for the year ended 30 June 2016, as a proxy for Spotless' FY17 amortisation of acquired intangibles. For the purposes of the calculation, Downer's standalone earnings per share has been adjusted for the bonus element of the Entitlement Offer

4 Downer will conduct a review on completion of the transaction to validate its synergy expectations and to identify further opportunities

DOWNER TRADING UPDATE

- Strong operating performance across each of Downer's segments has continued into the second half of FY17
- Guidance to deliver standalone underlying[1] net profit after tax of at least $175 million for FY17
- Downer continues to assess opportunities to drive organic growth, examine strategic acquisitions and rationalise its existing businesses

1 Downer underlying net profit after tax excludes the impacts of the Transaction and associated Transaction costs

Overview of Spotless and the Transaction

Section 2

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OVERVIEW OF THE TRANSACTION

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Offer to acquire all of the issued share capital of Spotless not already owned by Downer by way of an off-market takeover offer

Offer consideration

- $1.15 in cash per Spotless share ("Offer Price")
- The Offer Price represents an attractive premium of:
  - 59% to the closing price of Spotless shares on 20 March 2017, being the last trading day before the announcement of the Transaction;
  - 45% to the VWAP of Spotless shares since 28 February 2017 (the date on which Spotless released its results for the six months ended 31 December 2016);[1]
  - 42% to the 1-month VWAP of Spotless shares up to and including 20 March 2017;[2] and
  - 55% to the average analyst 12 month price target of $0.74 for Spotless shares[3]

Existing Downer interest in Spotless

- Downer has an interest equivalent to 19.99% in the issued share capital of Spotless, which is comprised of:
  - 15.0% shareholding acquired on 20 March 2017 at a weighted average price of $1.146 per Spotless share
  - economic interest equivalent to 4.99%, accumulated via total return cash settled equity swap, at a weighted average reference price of $0.815 per Spotless share

Key conditions

- 90% minimum acceptance condition (including Downer's existing holding)
- No reduction in the FY17 earnings guidance provided by Spotless in February 2017 of net profit after tax (pre-exceptional items) of $80-90 million
- Required regulatory approvals, and other conditions as summarised in Appendix C

Dividends

- Under the Offer, Spotless shareholders will be entitled to be paid the 1H17 dividend declared by Spotless in its 1H17 Results Announcement on 28 February 2017 (to be paid on 7 April 2017)

1 VWAP is calculated based on cumulative value divided by cumulative volume traded on the ASX and Chi-X. VWAP calculated from 28 February 2017-20 March 2017 (inclusive). Source: IRESS
2 VWAP is calculated based on cumulative value divided by cumulative volume traded on the ASX and Chi-X. VWAP calculated from 21 February 2017-20 March 2017 (inclusive). Source: IRESS
3 Based on broker price targets sourced from broker research reports. Refer to the Important Notices and Disclaimer section of this Presentation for further information on the broker price targets

REASONS FOR SPOTLESS SHAREHOLDERS TO ACCEPT DOWNER'S OFFER

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1. Offer Price represents a substantial premium to recent trading levels and compelling value for Spotless Shares
2. Offer is materially higher than the range of broker 12 month price targets and valuations for Spotless[1]
3. Spotless reported 1H17 results that were materially worse than the prior corresponding period across a number of key financial metrics, significantly reduced its recent dividend and has reset its dividend policy
4. Spotless' FY17 NPAT[2] guidance range implies a 31% to 39% decline from its FY16 NPAT and is also dependent upon a substantial increase in NPAT from 1H17 to 2H17
5. Spotless' share price has underperformed the ASX200 index in the last 24 months[3]
6. All cash offer with a certain value
7. Accepting the offer removes exposure to the risks associated with a continued investment in Spotless
8. Spotless' share price may fall if the offer is not successful and no alternative superior proposal emerges

1 Based on broker price targets sourced from broker research reports. Refer to the Important Notices and Disclaimer section of this Presentation for further information on the broker price targets
2 Pre-exceptional items
3 Source: IRESS

OVERVIEW OF SPOTLESS

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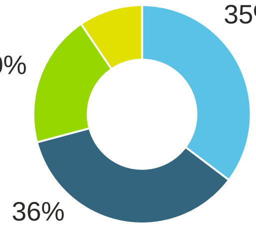
Spotless is a large scale provider of facility services in Australia and New Zealand

- Operates through two core segments
  - **Facility services** includes property maintenance (mechanical/electrical) and management (security, waste, grounds), catering (food supply and delivery) and cleaning
  - **Laundry services** involves the rental, cleaning, delivery and management of linen and workwear
- Diversified end markets, with services provided across four key customer sectors:
  - Health, Education and Government
  - Commercial and Leisure
  - Base and Township
  - Laundry and Linen
- Revenue of c.$3.0 billion[1] and underlying EBITDA of c.$309 million[2] (last 12 months to 31 December 2016)
- Revenue is largely generated through contractual arrangements with long term customers
  - diverse customer base includes government departments as well as large and medium sized domestic and global corporations

Revenue by customer sector[3]



Revenue by customer demographic[4]

Source: Spotless ASX filings

1 Statutory revenue for the 12 months ended 31 December 2016
2 Underlying EBITDA for the 12 months ended 31 December 2016. Excludes significant and exceptional items
3 Revenue by customer sector for the 12 months ended 31 December 2016. The revenue by customer sector presented above is a non-statutory disclosure which includes $38.9 million of inter-segment revenues and has been derived from Spotless' FY16 Annual Report, Spotless' reviewed financial statements for the six months ended 31 December 2015 and Spotless' reviewed financial statements for the six months ended 31 December 2016
4 Spotless ASX filings as at 30 June 2016. Based on top 150 contracts by FY17 forecast revenue

SPOTLESS' OPERATING SEGMENTS

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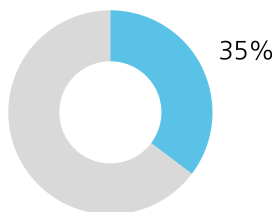
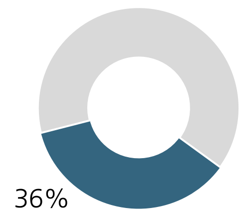
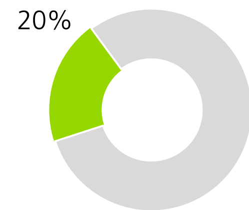
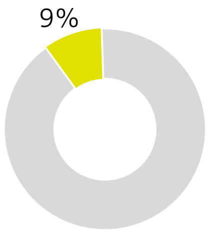
SEGMENTS	FACILITY SERVICES (91% of revenue)			LAUNDRIES (9% of revenue)
Customer sectors	**Health, education & government**	**Commercial & leisure**	**Base & township**	**Laundry & linen**
Revenue by customer sector (12 months to 31 Dec 16)[1]	 **$1,081m**	 **$1,090m**	 **$602m**	 **$291m**
Selected customers	**Health** ▪ Hospitals ▪ Aged care facilities **Education** ▪ Universities & colleges ▪ High schools **Government** ▪ Agencies ▪ Public housing ▪ Transport ▪ Correctional facilities	▪ Offices, retail space ▪ Airports ▪ Major sporting stadia ▪ Entertainment, leisure and function facilities	**Defence** ▪ Residential housing ▪ Barracks and bases **Resources** ▪ Remote mining towns ▪ Mining support facilities	▪ Hospitals ▪ Aged care facilities ▪ Hotels ▪ Serviced apartments ▪ Motels ▪ Workplaces
Services	▪ Facility management, catering and cleaning services	▪ Facility management, catering and cleaning services	▪ Integrated services contracts	▪ Centralised laundry services and linen plus uniform laundry services

Source: Spotless ASX filings

1 Revenue by customer sector for the 12 months ended 31 December 2016. The revenue by customer sector presented above is a non-statutory disclosure which includes $38.9 million of inter-segment revenues and has been derived from Spotless' FY16 Annual Report, Spotless' reviewed financial statements for the six months ended 31 December 2015 and Spotless' reviewed financial statements for the six months ended 31 December 2016

SPOTLESS FINANCIAL OVERVIEW

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Spotless standalone financial summary

A$m	12 months to 31 Dec 2016	1H17	FY17
Revenue[1]	**3,026**	**1,455**	
Underlying EBITDA[2]	**309**	**121**	
Margin (%)	10.2%	8.3%	
Underlying EBITA[2,3]	**208**	**70**	
Margin (%)	6.9%	4.8%	
Underlying EBIT[2]	**198**	**65**	
Margin (%)	6.5%	4.5%	
Reported NPAT[1]	**(284)**	**(358)**	
Underlying NPAT[2]	**116**	**33**	**80 - 90**

Spotless management guidance as at 1H17 results on 28 February 2017

Source: Spotless ASX filings

1 Spotless' income statements for the 12 months ended 31 December 2016 have been derived from Spotless' audited financial statements for the year ended 30 June 2016, Spotless' reviewed financial statements for the six months ended 31 December 2015 and Spotless' reviewed financial statements for the six months ended 31 December 2016. Spotless' income statement for the six months ended 31 December 2016 has been derived from Spotless' reviewed financial statements for the six months ended 31 December 2016

2 Spotless' underlying income statements have been derived from Spotless' statutory income statements as derived per note 1 above, adjusted for the impact of the adjustments disclosed by Spotless in its Annual Report for the year ended 30 June 2016 and its half year report for the six months ended 31 December 2016. No additional adjustments have been made to Spotless' underlying results beyond the adjustments disclosed by Spotless. Refer to Appendix B for further information on Spotless' standalone financials for the 12 months ended 31 December 2016 and the six months ended 31 December 2016

3 Downer calculates EBITA as EBIT adjusted to add back acquired intangibles amortisation expense. Spotless does not separately disclose acquired intangibles amortisation on a half yearly basis. In the absence of this information, for the purposes of deriving CY16 Spotless EBITA, Downer has used Spotless' FY16 acquired intangibles amortisation expense of $10.1 million, disclosed in Spotless' audited Annual Report for the year ended 30 June 2016, as a proxy for Spotless' CY16 amortisation of acquired intangibles expense and 50% of this balance as a proxy for Spotless' 1H17 amortisation of acquired intangibles expense ($5.1 million). For the avoidance of doubt, this metric is different to EBITA calculated by Spotless in its 1H17 Results Presentation dated 28 February 2017 and presented in the Bidder's Statement lodged with the ASX on the date of this Presentation, which Spotless has calculated as EBIT adjusted to add back total amortisation expense

Strategic rationale

Section 3

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Downer
Relationships creating success

STRATEGICALLY ALIGNED ACQUISITION

Downer
Relationships creating success

The acquisition of Spotless represents a significant investment in growth and drives the creation of new positions in adjacent sectors

1 Continues Downer's portfolio transformation

- Higher proportion of earnings from stable services businesses with resilient earnings
- De-risks Downer's portfolio while maintaining upside potential from continued resources recovery

2 Enhances contract portfolio

- Spotless' portfolio includes long term contracts providing high certainty over revenues

3 Contributes a complementary, high quality customer base

- Spotless has a diversified contract portfolio across a high quality customer base, with a high proportion of government-backed contracts

4 Extends services capabilities

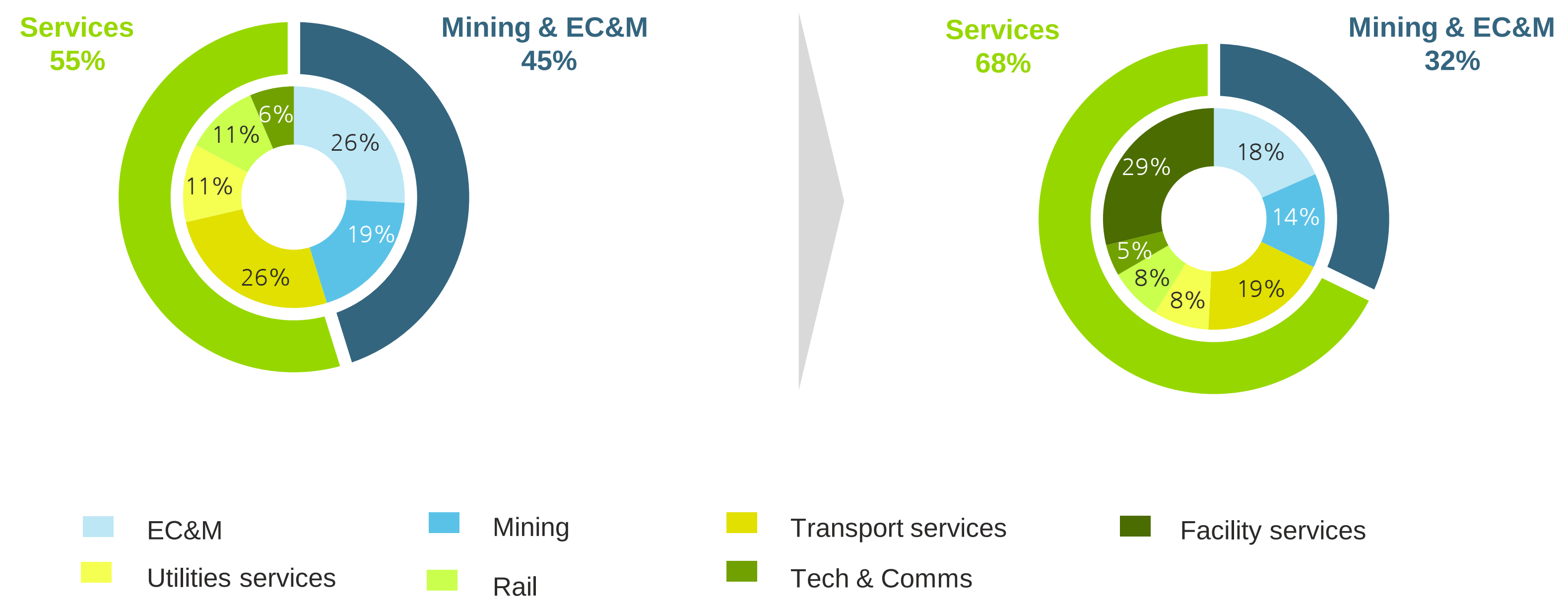
- Creates an integrated services provider with a range of capabilities across facilities and asset management services

Downer has a highly experienced management team with the capabilities to manage and add significant value to Spotless' portfolio

1. CONTINUES DOWNER'S PORTFOLIO TRANSFORMATION

The acquisition increases the proportion of earnings from services businesses

Downer Total Revenue[1]	Combined Group Total Revenue[1]



Source: Spotless ASX filings

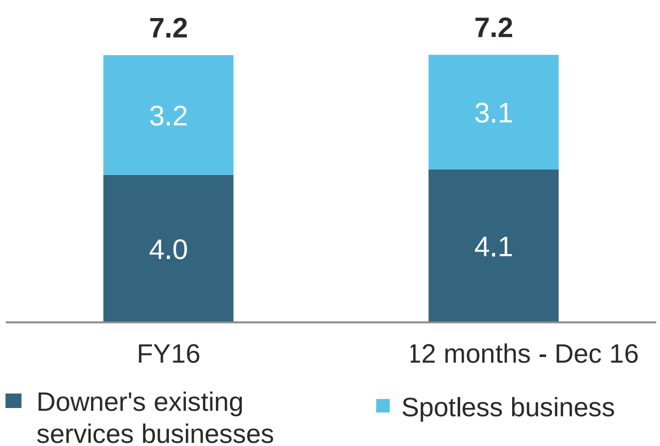
1 Based on 12 months ended 31 December 2016. The Downer revenue by segment presented above is a non-statutory disclosure which includes $534 million from Downer's share of revenue from equity accounted joint ventures and associates and $27.9 million from inter-segment revenues. Spotless revenue by segment included in the Combined Group revenue by segment above is a non-statutory disclosure which includes $38.9 million from inter-segment revenues and has been derived from Spotless' FY16 Annual Report, Spotless' reviewed financial statements for the six months ended 31 December 2015 and Spotless' reviewed financial statements for the six months ended 31 December 2016

1. CONTINUES DOWNER'S PORTFOLIO TRANSFORMATION

Combined Group's services portfolio

- On a combined basis, total services revenue is in excess of **$7 billion**[1]
- Enhanced capabilities across Downer's priority customer sectors, including Defence, Health, Education and other government contracts

Combined Group's services portfolio total revenue ($ billion)



Spotless' presence across priority markets

Defence	▪ **30 year relationship** with **Australian Department of Defence**, providing up to $400m of services every year ▪ Other key contracts include provision of facility services to **NZ Defence Force**
Health	▪ Provision of services to hospitals for **40+ years** ▪ Non-clinical support services for over **200 healthcare** facilities in ANZ ▪ **5 hospital PPP** projects
Education	▪ Growing contribution from PPPs, including NSW Schools, Southbank TAFE, South Australia Schools
Government	▪ Government clients include New Zealand Department of Corrections, Parliament House, City of Melbourne, NSW Land and Housing Corporation

Source: Spotless ASX filings, Spotless website

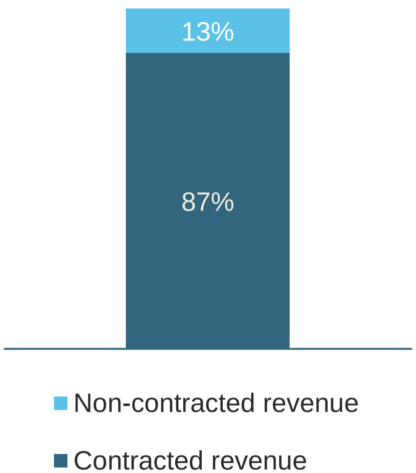
1 Based on 12 months ended 31 December 2016. Downer services revenue presented above includes revenue from the following Downer reporting segments: Transport Services, Tech & Comms Services, Utilities Services and Rail. It is a non-statutory disclosure which includes Downer's share of revenue from equity accounted joint ventures and associates and inter-segment revenues. Spotless revenue by segment presented above is a non-statutory disclosure which includes $38.9 million from inter-segment revenues and has been derived from Spotless' FY16 Annual Report, Spotless' reviewed financial statements for the six months ended 31 December 2015 and Spotless' reviewed financial statements for the six months ended 31 December 2016

2. LONG TERM CONTRACTS

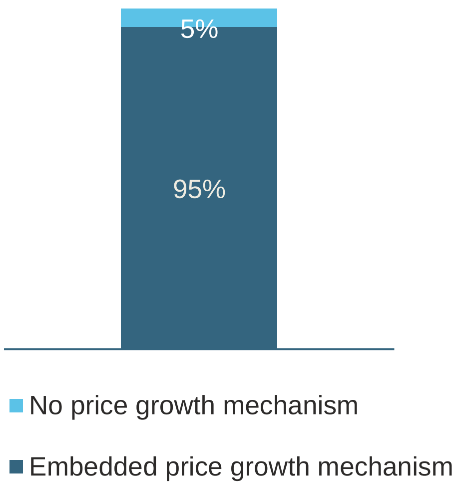
Spotless' portfolio includes long term contracts, providing high certainty over revenues

- ✓ High certainty over revenues
  - high proportion of contracted revenue
  - weighted average contract tenure of c.5 years[1]
  - embedded price growth mechanisms across majority of contracts[2]
- ✓ Significant exposure to attractive PPP contracts
  - Spotless currently contracted on 16 PPPs, with lifetime revenues of $10.6 billion[3]
  - average tenure of c.28 years[3]
- ✓ Strong new business pipeline - $1.6 billion[3]

Contracted revenue[1]



Price growth[2]



Source: Spotless ASX filings

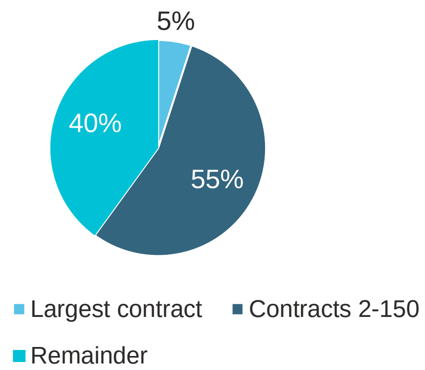
1 Spotless ASX filings as at 30 June 2016. Based on top 150 identified contracts by FY17 Forecast revenue
2 Spotless ASX filings as at 30 June 2016. Based on identified contracts greater than $1 million annual revenue
3 Spotless ASX filings as at 31 December 2016

3. HIGH QUALITY CUSTOMER BASE

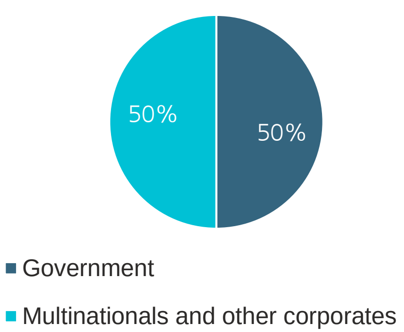
Spotless has a diversified contract portfolio across a high quality customer base

- ✓ Limited customer concentration
- ✓ High proportion of government backed contracts
- ✓ Strong contract renewal rates, supporting the development of long term customer relationships

Customer diversification[1]

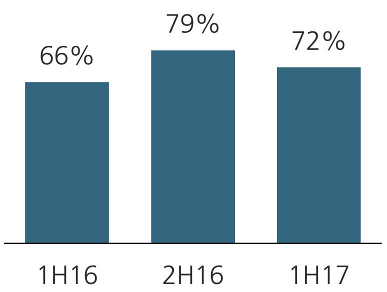


Customer demographic[1]

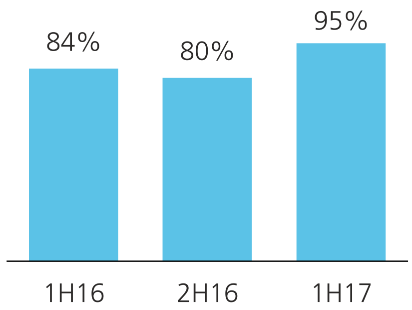


Contract renewal rates[2]

By annual revenue



By number of contracts



Source: Spotless ASX filings

1 At 30 June 2016. Based on top 150 identified contracts by FY17 Forecast revenue
2 Spotless 1H17 results presentation

4. EXTENDS SERVICES CAPABILITIES

Creates an integrated services provider with a comprehensive range of capabilities

- Provides Downer with expanded services capabilities across facilities and asset management services
- Opportunity to market combined Downer and Spotless services offerings to existing customers of each company

Core Spotless services

- ✓ Property maintenance and management
- ✓ Engineering
- ✓ Utilities
- ✓ Security
- ✓ Catering
- ✓ Cleaning
- ✓ Laundry

MANAGEMENT CAPABILITIES AND EXPERIENCE

Downer's management team has the experience and capabilities to manage and add value to the Spotless business

1	Robust financial discipline and risk management processes ✓ Consistently strong operating cash flow performance ✓ Commitment to maintaining current investment grade credit rating ✓ Detailed risk management processes ✓ Safety leadership	▪ EBITDA to operating cash flow conversion of c.90%[1] for FY14-FY16 ▪ Tenders and Contracts Committee and Board Tender Risk Evaluation Committee ▪ Project Management Office
2	Substantial turnaround of Downer business ✓ Track record in delivering on guidance ✓ Substantial cost efficiencies and productivity gains ✓ Investment in core systems	▪ "Fit 4 Business" program - $600 million of cost savings as at June 2016 ▪ 2015 restructure along service lines and rebranding
3	Execution and integration of large transactions ✓ Maintaining focus on customers and business performance ✓ Retaining key talent ✓ Identifying and delivering synergies	▪ $300m acquisition of Tenix in 2014 – enhanced capabilities (power, gas, water, renewables) – retained key talent – delivered c.$25 million of pre-tax cost savings
4	Experienced specialist team working on entry into facility services and social infrastructure services	

1 EBITDA to adjusted operating cash flow. Adjusted operating cash flow calculated as reported operating cash flow excluding net interest paid and income tax received / paid

COMBINED GROUP STRUCTURE

Downer
Relationships creating success

The Combined Group will consist of seven service lines

Transport Services

Rail

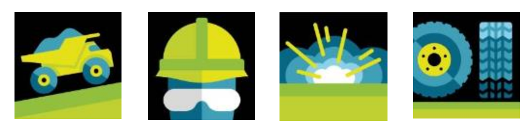
Utilities Services

Facilities services

Technology and Communications Services

Engineering, Construction and Maintenance

Mining



MANAGEMENT AND GROWTH PLAN

Downer management is well prepared to manage and grow the Spotless businesses, drawing on their prior execution and services experience

Preparation

- Highly experienced project team established in 2016 to develop Downer's capabilities with respect to facilities and social infrastructure services
  - business has been actively monitoring potential acquisition opportunities and building expertise
- Internal project management team established to manage transition
  - focused on ability to drive benefits from complementary service offerings across the two businesses

Management Priorities

- ✓ Focus on Spotless customers and service delivery
- ✓ Clear leadership and management accountability
- ✓ Talent retention
- ✓ Ensure robust financial and business processes
- ✓ Identification and delivery of synergies

Transaction impact on Downer

Section 4

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FINANCIALLY COMPELLING TRANSACTION

Downer
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EPS accretive transaction on an NPATA basis before synergies[1], with the potential to drive further accretion through the realisation of synergies

EPS accretion	▪ EPS accretive on a pro forma FY17 NPATA basis[1] – **Around 10%** accretion anticipated before any synergies[1] – **Mid-high teens** accretion assuming $20 million of run-rate synergies[2]
Pro forma gearing	▪ Downer is committed to maintaining its current investment grade rating following the Transaction ▪ Conservative transaction funding structure, with quantum of debt sized to ensure appropriate gearing levels and business' ability to continue delivering operationally ▪ Pro forma net debt / EBITDA of approximately **1.5x[3]** and pro forma gearing of approximately **28%[4]** on completion of the Transaction – strong operating cash flows and de-gearing anticipated post the Transaction
Synergies	▪ Downer has conducted its synergies analysis on the basis of external information ▪ On this basis, Downer conservatively estimates that approximately $20-40 million per annum of cost synergies will be realised through the combination of Downer and Spotless over time – synergies expected to be realised predominantly through reduction in head office and corporate costs ▪ A review will be undertaken on completion of the Transaction to validate Downer's synergy expectations and ensure that Spotless' business and assets are operating efficiently and competitively
Dividend policy	▪ There is no expectation for the dividend policy of Downer to change as a result of the proposed Transaction ▪ Dividends will continue to be determined by the Board of Downer at the time, taking into account the Combined Group's ability to continue as a going concern, to invest in opportunities that grow the business and enhance shareholder value

1 Pro forma FY17 EPS accretion on a NPATA basis reflects the impact of the acquisition as if it had occurred on 1 July 2016. FY17 NPATA is based on Downer's earnings guidance included in this presentation, being underlying NPAT (NPAT excluding Transaction costs) of $175 million, the mid-point of Spotless' underlying NPAT guidance announced on 28 February 2017, being $85 million (midpoint of $80-$90 million range) and the impact of the additional interest expense (post-tax) that would have been incurred as a result of incremental debt drawn down as part of the Transaction. NPATA used to calculate the EPS accretion excludes the impact of integration, implementation and Transaction costs. Spotless does not disclose acquired intangibles amortisation for the FY17 forecast, and in the absence of this information, for the purposes of deriving EPS accretion, Downer has used Spotless' FY16 acquired intangibles amortisation expense of $10.1 million, disclosed in Spotless' audited financial statements for the year ended 30 June 2016, as a proxy for Spotless' FY17 amortisation of acquired intangibles. For the purposes of the calculation, Downer's standalone earnings per share has been adjusted for the bonus element of the Entitlement Offer

2 Pro forma FY17 EPS accretion inclusive of synergies, is calculated on the same basis as per note 1 above, but includes the assumed impact of $20 million of run rate synergies ($14 million post-tax)

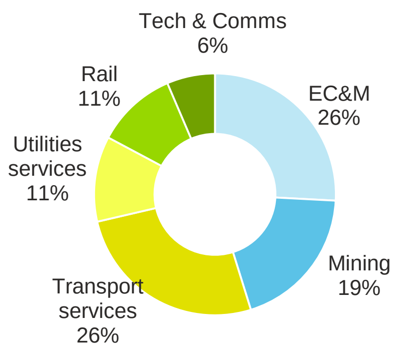
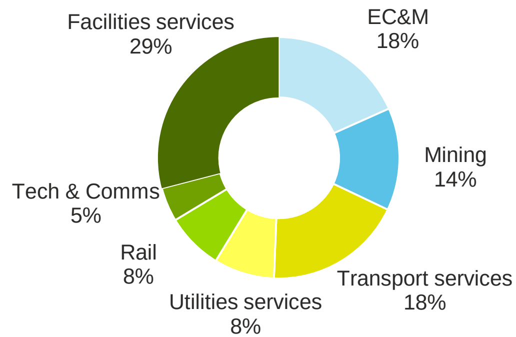
3 Based on 31 December 2016 Combined Group pro forma net debt of $1,222.9 million (being pro forma debt of $1,878.9 million less pro forma cash of $656.0 million) after completion of the Transaction and pro forma EBITDA of $829.6 million for the 12 months ended 31 December 2016 (excluding synergies). Refer to Appendix A for further details

4 Calculated as pro forma net debt of $1,222.9 million after the impact of the Transaction divided by the sum of pro forma net debt and pro forma equity of $3,099.6 million after the impact of the Transaction. Refer to Appendix A for further details

COMBINED GROUP

Downer
Relationships creating success

Largest genuinely diversified services group in Australia and New Zealand

	Downer pre-transaction	Combined Group
Total Revenue[1]	$7.5 billion	$10.5 billion
Underlying EBITA[2]	$291 million	$519 million
Employees	c.19,000	c.55,000
Revenue by segment[3]		

Source: Spotless ASX filings

1 Based on the 12 months ended 31 December 2016. Based on statutory revenue for Spotless. Based on Total Revenue for Downer, which is a non-statutory disclosure and which includes $534 million from Downer's share of revenue from equity accounted joint ventures and associates. Excluding Downer's share of revenue from equity accounted joint ventures and associates, Downer's revenue is $6.9 billion, and the Combined Group revenue is $9.9 billion

2 Represents underlying EBITA for the 12 months ended 31 December 2016, excluding exceptional and significant items and before amortisation of identifiable intangibles arising from acquisitions. Includes $20 million of estimated run-rate synergies. Spotless does not separately disclose acquired intangibles amortisation on a half yearly basis. In the absence of this information, for the purposes of deriving CY16 Spotless EBITA, Downer has used Spotless' FY16 acquired intangibles amortisation expense of $10.1 million, disclosed in Spotless' audited financial statements for the year ended 30 June 2016, as a proxy for Spotless' CY16 amortisation of acquired intangibles expense. See Appendix A for further details on the preparation of the pro forma financials for the Combined Group

3 Based on 12 months ended 31 December 2016. Downer revenue by segment presented above is a non-statutory disclosure which includes $534 million from Downer's share of revenue from equity accounted joint ventures and associates and $27.9 million from inter-segment revenues. Spotless revenue by segment included in the Combined Group revenue by segment above is a non-statutory disclosure which includes $38.9 million from inter-segment revenues and has been derived from Spotless' FY16 Annual Report, Spotless' reviewed financial statements for the six months ended 31 December 2015 and Spotless' reviewed financial statements for the six months ended 31 December 2016

Transaction funding and Equity Raising overview

Section 5

Downer
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TRANSACTION FUNDING

Acquisition value	▪ $1.15 in cash per Spotless share ▪ Implies a diluted Equity Value of c.$1,272 million[1] and Enterprise Value of c.$2,120 million[2] ▪ Total estimated transaction costs of $50 million
Funding	▪ Acquisition to be funded through a combination of proceeds from the Entitlement Offer and committed debt facilities
Equity raising	▪ Fully underwritten equity raising of approximately $1,011 million
Debt financing	▪ Committed acquisition debt facility in place ▪ Standby bridge debt facility in place to bridge Spotless debt in the event any change of control is triggered under existing Spotless facilities

Notes:
1 Based on 1,098.3 million ordinary shares on issue plus 7.7 million estimated 'in the money' options and rights based on Spotless' Appendix 3B dated 24 November 2016 and FY16 Annual Report
2 Based on Spotless' net debt of $848 million as at 31 December 2016

EQUITY RAISING OVERVIEW

Structure	▪ Fully underwritten c.$1,011 million accelerated renounceable entitlement offer with retail rights trading ("Entitlement Offer") ▪ Each member of the Downer Board has stated they intend to participate in the Entitlement Offer to the extent that their financial circumstances permit ▪ Under the Entitlement Offer, eligible shareholders are entitled to 2 New Shares for every 5 existing ordinary shares held on the record date
Offer Price	▪ $5.95 per New Share ▪ 19.8% discount to Downer's closing price of $7.42 on the ASX on Monday, 20 March 2017 ▪ 15.0% discount to the theoretical ex-rights price (TERP) of $7.00[1]
Institutional Offer	▪ Institutional Entitlement Offer opens on Tuesday, 21 March and closes on Wednesday, 22 March ▪ Entitlements not taken up, and entitlements that would have been offered to ineligible shareholders, will be sold in the institutional shortfall bookbuild to open on Wednesday, 22 March and conclude on Thursday, 23 March
Retail Entitlement Offer	▪ Retail Entitlement Offer opens Thursday, 30 March and closes 5:00pm on Tuesday, 11 April ▪ Rights trading available from Friday, 24 March to Tuesday, 4 April ▪ Entitlements not taken up, and entitlements that would have been offered to ineligible shareholders, will be sold in the retail shortfall bookbuild to be conducted on Tuesday, 18 April
Ranking	▪ New shares will rank equally with existing ordinary shares from their time of issue
Record date	▪ 7.00pm (Sydney time) Friday 24, March

1 The theoretical ex-rights price is the theoretical price at which Downer shares should theoretically trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Downer shares trade immediately after the ex-date for the Entitlement Offer may vary from TERP. TERP is calculated by reference to Downer's closing price of $7.42 per share on Monday, 20 March 2017, being the last trading day prior to the announcement of the Entitlement Offer.

Note: Dates and times are indicative only and subject to change without notice. Downer reserves the right to alter the dates in this presentation at its discretion and without notice, subject to the ASX Listing Rules and Corporations Act 2001 (Cth). All dates refer to 2017 and Sydney, Australia time.

EQUITY RAISING TIMETABLE

Event	Date
Institutional Entitlement Offer opens	Tuesday, 21 March
Institutional Entitlement Offer closes	Wednesday, 22 March
Institutional shortfall bookbuild opens	Wednesday, 22 March
Institutional shortfall bookbuild closes	Thursday, 23 March
Announcement of results of Institutional Entitlement Offer Trading Halt lifted Trading in ordinary shares resumes on an ex-entitlement basis Rights trading of retail entitlements only commences on a deferred settlement basis Record Date for Entitlement Offer (7.00pm Sydney time)	Friday, 24 March
Retail Entitlement Offer opens	Thursday, 30 March
Settlement of Institutional Entitlement Offer Rights trading of retail entitlements commences on a normal settlement basis	Friday, 31 March
Issue and trading of new shares under the Institutional Entitlement Offer	Monday, 3 April
Rights trading of retail entitlements ends	Tuesday, 4 April
Retail Entitlement Offer closes (5.00pm)	Tuesday, 11 April
Retail shortfall bookbuild	Tuesday, 18 April
Settlement of Retail Entitlement Offer	Friday, 21 April
Issue of new shares under the Retail Entitlement Offer	Monday, 24 April
New shares issued under the Retail Entitlement Offer commence trading on a normal settlement basis	Wednesday, 26 April
Despatch of holding statements for new shares under Retail Entitlement Offer	Thursday, 27 April

Note: Dates and times are indicative only and subject to change without notice. Downer reserves the right to alter the dates in this presentation at its discretion and without notice, subject to the ASX Listing Rules and Corporations Act 2001 (Cth). All dates refer to 2017 and Sydney, Australia time.

SUMMARY

Downer
Relationships creating success

- Delivers on strategy
  - Continues Downer's portfolio transformation towards a more stable, services-focused business with resilient earnings
  - Spotless has long term contracts with high quality customers that provide high certainty over revenues
  - Creates an integrated services group with a comprehensive range of capabilities
- Downer has a highly experienced management team with a track record in delivery, executing turnarounds and integrating large acquisitions
- Well positioned for further growth across the portfolio, with leading market positions across key sectors and a robust balance sheet
- Increased market relevance, with combined revenues of c.$10.5 billion[1], c.55,000 employees and pro forma market capitalisation of over $4 billion[2]
- Expected to be EPS accretive on an NPATA basis before synergies, with the opportunity to drive further accretion through the realisation of synergies[3]

1 12 months ended 31 December 2016. Based on Total Revenue for Downer, which is a non-statutory disclosure and which includes $534 million from Downer's share of revenue from equity accounted joint ventures and associates. Excluding Downer's share of revenue from equity accounted joint ventures and associates, the Combined Group revenue is $9.9 billion

2 Based on 424.8 million current shares on issue for Downer, plus 169.9 million shares expected to be issued under the Entitlement Offer, at the theoretical ex-rights price ("TERP") of $7.00

3 Pro forma FY17 EPS accretion on a NPATA basis reflects the impact of the acquisition as if it had occurred on 1 July 2016. FY17 NPATA is based on Downer's earnings guidance included in this presentation, being underlying NPAT (NPAT excluding Transaction costs) of $175 million, the mid-point of Spotless' underlying NPAT guidance announced on 28 February 2017, being $85 million (midpoint of $80-$90 million range) and the impact of the additional interest expense (post-tax) that would have been incurred as a result of incremental debt drawn down as part of the Transaction. NPATA used to calculate the EPS accretion excludes the impact of integration, implementation and Transaction costs. Spotless does not disclose acquired intangibles amortisation for the FY17 forecast, and in the absence of this information, for the purposes of deriving EPS accretion, Downer has used Spotless' FY16 acquired intangibles amortisation expense of $10.1 million, disclosed in Spotless' audited financial statements for the year ended 30 June 2016, as a proxy for Spotless' FY17 amortisation of acquired intangibles. For the purposes of the calculation, Downer's standalone earnings per share has been adjusted for the bonus element of the Entitlement Offer

Pro-forma financials

Appendix A

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BASIS OF PREPARATION

This section has been prepared to illustrate the pro forma historical financial information of Downer post the acquisition of Spotless (‘Pro Forma Financial Information’).

The Pro Forma Financial Information is based on information extracted from the audited consolidated financial statements of Downer and Spotless for the year ended 30 June 2016 and reviewed consolidated financial statements for the half years ended 31 December 2015 and 31 December 2016 and such other supplementary information as was considered necessary. It is presented in an abbreviated form insofar as it does not include all of the presentation disclosures, statements or comparative information as required by the Australian Accounting Standards (‘AAS’) applicable to annual general purpose financial reports prepared in accordance with the Corporations Act. The Pro Forma Financial Information has been prepared in order to give Downer shareholders an indication of the scale and size of Downer following completion of the proposed transaction.

The Pro Forma Financial Information has been prepared in accordance with the recognition and measurement principles of AAS, and includes the following adjustments (unless otherwise stated), which have been extracted from the Annual Reports and Half-Year Reports accompanying the financial statements of Spotless listed above. The adjustments have been made to exclude certain significant items to present underlying net profit after tax (NPAT) and NPAT adjusted to exclude amortisation of identifiable intangibles arising from acquisitions (NPATA):

- Impairment of goodwill, intangibles, property plant and equipment and other assets;
- Onerous contracts provisions;
- Other provisions and accruals;
- Tender costs write-offs; and
- Small bid costs written-off as part of a change in accounting policy.

Apart from the adjustments outlined in the notes to the Pro Forma Financial Information, no adjustments have been made to the historical financial information of Downer and Spotless. In particular, no adjustments have been made to allow for subsequent events unless specifically mentioned. The accounting policies adopted for the purposes of the Pro Forma Financial Information for Downer and Spotless are based on each entity’s current accounting policies and income and expense treatments as outlined in their respective financial statements for the year ended 30 June 2016 and half years ended 31 December 2015 and 31 December 2016. As such, Pro Forma Financial Information of Downer (post transaction) excludes the impact of any accounting policy alignments that may be deemed necessary post transaction. In addition, the Pro Forma Financial Information excludes the amortisation of acquired intangibles as a purchase price allocation exercise has not yet been performed due to information limitations.

In addition, pro forma financial information in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities Exchange Commission, and such information does not purport to comply with Article 3-05 of Regulation S-X.

The financial information should be read in conjunction with the risk factors described in Appendix D of this Presentation as well as the accounting policies of Downer and Spotless as disclosed in their most recent financial reports.

PRO FORMA INCOME STATEMENT

Downer
Relationships creating success

Pro forma income statement for the 12 months ending 31 December 2016

($m)	Downer statutory	Spotless statutory	Spotless underlying	Adjustments	Combined Group statutory	Combined group underlying
Revenue	6,920.0	3,025.5	3,025.5	-	9,945.5	9,945.5
EBITDA	520.2	(124.3)	309.4	20.0	415.9	849.6
EBITA	291.1	(229.4)	208.0	20.0	81.7	519.1
EBIT	284.5	(239.5)	197.9	20.0	65.0	502.4
NPAT	186.7	(284.0)	115.8	3.5	(93.8)	306.0
NPATA	191.3	(276.9)	122.9	3.5	(82.1)	317.7

Notes:

1 Downer's income statement for the 12 months ended 31 December 2016 has been derived from Downer's audited financial statements for the year ended 30 June 2016, Downer's reviewed financial statements for the six months ended 31 December 2015 and Downer's reviewed financial statements for the six months ended 31 December 2016.

2 Spotless' income statement for the 12 months ended 31 December 2016 has been derived from Spotless' audited financial statements for the year ended 30 June 2016, Spotless' reviewed financial statements for the six months ended 31 December 2015 and Spotless' reviewed financial statements for the six months ended 31 December 2016.

3 Spotless' underlying income statement has been derived from Spotless' statutory income statement as derived per note 2 above, adjusted for the impact of the adjustments disclosed by Spotless in its Annual Report for the year ended 30 June 2016 and its half year report for the six months ended 31 December 2016. No additional adjustments have been made to Spotless' underlying results beyond the adjustments disclosed by Spotless.

4 Pro forma adjustments represent the following:

- a) Downer's conservative estimate of the annual run rate EBITDA synergies of $20 million ($14 million after tax) that Downer management expect to be realised post-acquisition. Downer management has estimated synergies of approximately $20 - $40 million per annum at full run rates that are expected to be able to be realised over time; and
- b) The estimated additional interest expense of $15.0 million ($10.5 million after tax) that Downer expects to incur as a result of the assumed $285.2 million of incremental debt drawn as part of the Transaction at an assumed interest rate of 5.3%

5 Downer calculates EBITA as EBIT plus acquired intangibles amortisation expense

6 Spotless does not separately disclose acquired intangibles amortisation on a half yearly basis. In the absence of this information, for the purposes of deriving CY16 Combined Group EBITA and NPATA, Downer has used Spotless' FY16 acquired intangibles amortisation expense of $10.1 million ($7.1 million after tax), disclosed in Spotless' audited Annual Report for the year ended 30 June 2016, as a proxy for Spotless' CY16 amortisation of acquired intangibles expense

7 As noted (over the page) in respect of the Combined Group pro forma balance sheet, the post-acquisition purchase price allocation exercise may result in a reallocation of the fair value of assets and liabilities in the combined group's balance sheet. Accordingly, this may also result in a materially different depreciation and amortisation profile in the combined group's income statement to that presented above (and a respective increase or decrease in net profit after tax).

PRO FORMA BALANCE SHEET

Downer
Relationships creating success

Pro forma balance sheet as at 31 December 2016

($m)	Downer as at 31 December 2016	Downer pro forma adjustments	Downer pro forma pre-Transaction	Transaction pro forma adjustments	Combined Group pro forma
Assets					
Cash and cash equivalents	602.1	756.9	**1,359.0**	(703.0)	**656.0**
Trade and other receivables	1,040.9	-	**1,040.9**	424.8	**1,465.7**
Property, plant and equipment	987.8	9.2	**997.0**	279.9	**1,276.9**
Intangible assets	1,032.5	64.2	**1,096.7**	1,725.4	**2,822.1**
Other assets	462.4	239.3	**701.7**	(29.1)	**672.6**
Total assets	**4,125.7**	**1,069.6**	**5,195.3**	**1,698.0**	**6,893.3**
Liabilities					
Trade and other payables	928.9	-	**928.9**	278.8	**1,207.7**
Current borrowings	34.5	-	**34.5**	902.0	**936.5**
Non-current borrowings	587.8	73.4	**661.2**	281.2	**942.4**
Other liabilities	456.1	-	**456.1**	251.0	**707.1**
Total liabilities	**2,007.3**	**73.4**	**2,080.7**	**1,713.0**	**3,793.7**
Net assets	**2,118.4**	**996.2**	**3,114.6**	**(15.0)**	**3,099.6**
Equity					
Issued capital and reserves	1,426.0	997.2	**2,423.2**	-	**2,423.2**
Retained earnings	692.4	(1.0)	**691.4**	(15.0)	**676.4**
Total equity	**2,118.4**	**996.2**	**3,114.6**	**(15.0)**	**3,099.6**

Notes:

1 The Downer balance sheet as at 31 December 2016 has been derived from Downer's reviewed financial statements for the half year ended 31 December 2016.

2 The Downer Pro Forma pre-Transaction Balance Sheet represents the Downer balance sheet as at 31 December 2016, after adjusting for the impact of the following events, as if these events had taken place as at 31 December 2016:

a) The receipt of gross proceeds from the Offer of approximately $1,011 million based on the issue of 169.9 million shares at an Offer price of $5.95 per share, less $19.7 million of Offer related transaction costs. A deferred tax asset of $5.9 million has been recognised in relation to the transaction costs

b) The impact of entering into a cash settled total return equity swap in relation to 4.99% of the shareholding of Spotless

c) The acquisition of a 15.0% shareholding in Spotless that has been acquired immediately prior to the proposed transaction for consideration of $188.8 million and associated transaction costs of $0.5 million.

d) The acquisition of the construction, infrastructure and project management business of Hawkins announced by Downer on 8 March 2017

Notes continued on next page

PRO FORMA BALANCE SHEET (continued)

Notes continued:

3 The Combined Group pro forma balance sheet represents the Downer pro forma balance sheet as at 31 December 2016, after adjusting for the impact of the following events in respect of the Transaction, as if these events had taken place as at 31 December 2016:

a) The acquisition of the remaining 85% of Spotless shares and the close-out of the cash settled total return swap (4.99%) for net consideration of $1,010.6 million based on the Offer price of $1.15, the closing out of 'in the money' employee options and rights for net consideration of c.$2.2 million based on an Offer price of $1.15; and transaction costs of $25.3 million. It is assumed that the acquisition will be funded out of available cash post the Offer and the drawdown of debt (refer note (b) below)

b) Drawdown of $285.2 million of new acquisition debt under new debt facilities that Downer is entering into in respect of the Offer, offset by $4.0 million of capitalised debt costs

c) It is assumed that Spotless' existing non-current debt of $895.7 million will become current as part of the takeover. This debt is assumed to be replaced by a new standby bridge debt facility that Downer is entering into in conjunction with the Offer. For accounting purposes, this bridging facility is expected to be treated as a current liability as at the date of the Transaction

d) The consolidation of Spotless' assets and liabilities as at 31 December 2016, which have been derived from Spotless' reviewed financial statements for the half year ended 31 December 2016. As noted in the basis of preparation section of this Presentation, due to information limitations a purchase price allocation exercise is not able to be undertaken at the time of the Presentation. Accordingly, for the purposes of the Combined Group pro forma balance sheet, no adjustments have been made to the carrying values of Spotless' assets and liabilities, and the excess between the purchase price and net assets is reflected in the intangibles line. Downer will undertake a detailed purchase price allocation exercise post-acquisition which may result in changes to the fair value of assets and liabilities acquired and / or give rise to the recognition of separately identifiable intangible assets

Further information

Appendix B

IF LESS THAN 90% OF SPOTLESS IS ACQUIRED

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- Downer is making an offer to acquire all of the issued share capital of Spotless which it does not already own, by way of an off-market takeover offer
  - 90% minimum acceptance condition (including Downer's existing holding) and other conditions as summarised in Appendix C
  - Downer has an interest equivalent to 19.99% in the issued share capital of Spotless, which is comprised of a 15.0% shareholding and an economic interest equivalent to 4.99%
- In the event that Downer acquires less than 90% of all Spotless shares (in instances where the minimum acceptance condition is waived by Downer and all other conditions are satisfied or waived):
  - Downer intends to retain its interest in Spotless, and reserves its right to increase its interest in the future;
  - Downer will seek Spotless board representation in line with its ultimate interest in order to influence the operation and management of the Spotless business; and
  - Downer will review its capital management position and consider whether a return of capital to its shareholders and/or an on-market buyback is appropriate, giving consideration to the on-going capital requirements of the business and growth strategy

SPOTLESS FINANCIAL OVERVIEW

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Statutory and underlying profit and loss

A$m	12 months to 31 Dec 2016[1]		1H17[1]	
	Statutory	Underlying[2]	Statutory	Underlying[2]
Revenue	**3,026**	**3,026**	**1,455**	**1,455**
EBITDA	**(124)**	**309**	**(299)**	**121**
Margin (%)	(4.1)%	10.2%	(20.5)%	8.3%
EBITA[3]	**(229)**	**208**	**(354)**	**70**
Margin (%)	(7.6)%	6.9%	(24.3)%	4.8%
EBIT	**(240)**	**198**	**(359)**	**65**
Margin (%)	(7.9)%	6.5%	(24.6)%	4.5%
NPAT	**(284)**	**116**	**(358)**	**33**

Source: Spotless ASX filings

1 Spotless' income statement for the 12 months ended 31 December 2016 has been derived from Spotless' audited financial statements for the year ended 30 June 2016, Spotless' reviewed financial statements for the six months ended 31 December 2015 and Spotless' reviewed financial statements for the six months ended 31 December 2016. Spotless' income statement for the six months ended 31 December 2016 has been derived from Spotless' reviewed financial statements for the six months ended 31 December 2016.

2 Spotless' underlying income statements have been derived from Spotless' statutory income statements as derived per note 1 above, adjusted for the impact of the adjustments disclosed by Spotless in its Annual Report for the year ended 30 June 2016 and its half year report for the six months ended 31 December 2016. No additional adjustments have been made to Spotless' underlying results beyond the adjustments disclosed by Spotless.

3 Downer calculates EBITA as EBIT adjusted to add back acquired intangibles amortisation expense. Spotless does not separately disclose acquired intangibles amortisation on a half yearly basis. In the absence of this information, for the purposes of deriving CY16 Spotless EBITA, Downer has used Spotless' FY16 acquired intangibles amortisation expense of $10.1 million, disclosed in Spotless' audited Annual Report for the year ended 30 June 2016, as a proxy for Spotless' CY16 amortisation of acquired intangibles expense and 50% of this balance as a proxy for Spotless' 1H17 amortisation of acquired intangibles expense ($5.1 million). For the avoidance of doubt, this metric is different to EBITA calculated by Spotless in its 1H17 Results Presentation dated 28 February 2017 and presented in the Bidder's Statement lodged with the ASX on the date of this Presentation, which Spotless has calculated as EBIT adjusted to add back total amortisation expense

Key conditions of the Transaction

Appendix C

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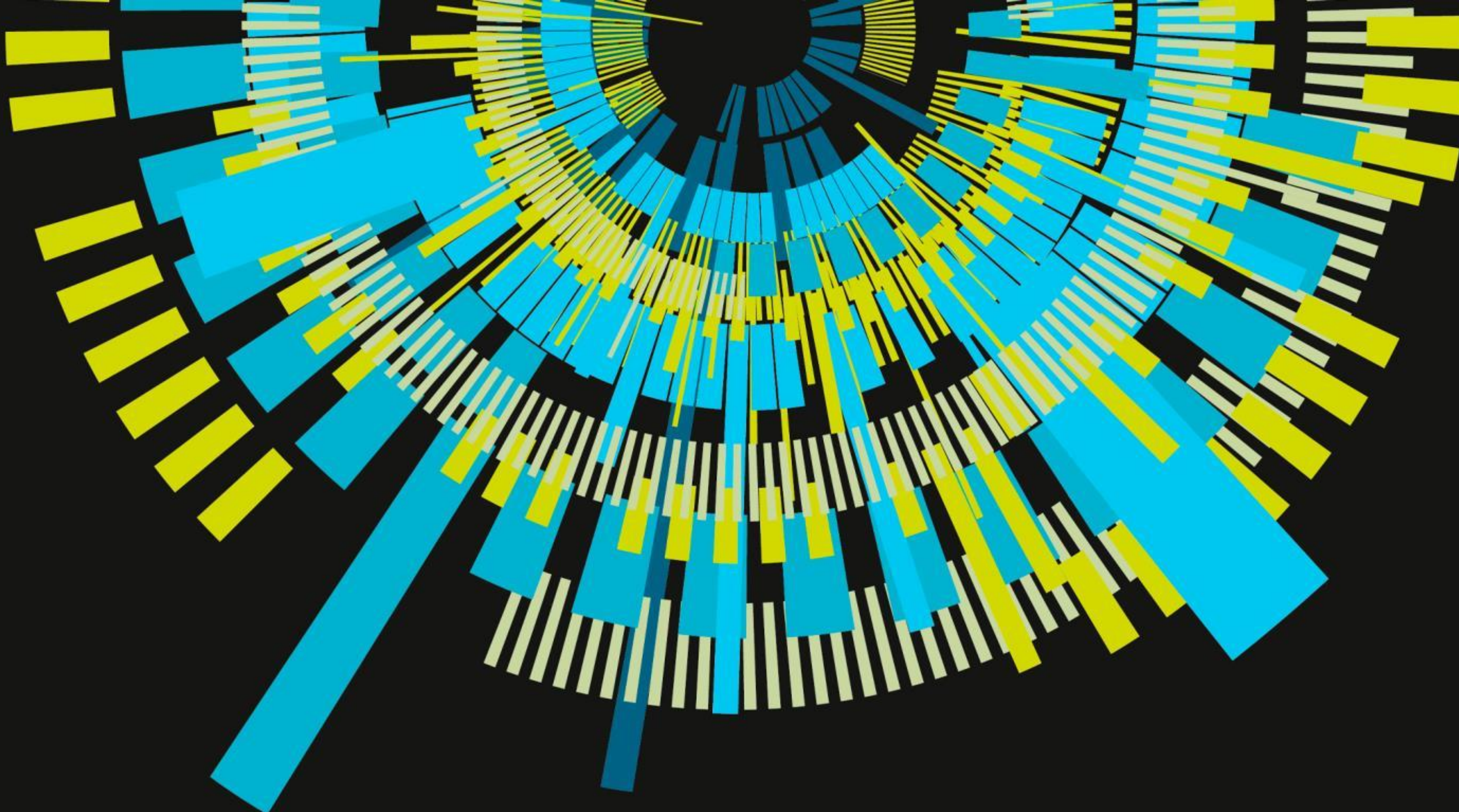
KEY CONDITIONS

Transaction – Conditions of Offer

The conditions of the offer under the Transaction, which are set out in the Bidder's Statement in full lodged with ASIC and ASX on 21 March 2017, are as follows:

- a 90% minimum acceptance condition (including Downer's existing holding);
- no reduction to the FY17 earnings guidance provided by Spotless in February 2017 of net profit after tax (pre-exceptional items) of $80-$90 million
- no change of control triggers exercised in respect of Spotless' existing debt facilities;
- no termination of the underwriting agreement in relation to the Entitlement Offer;
- no material acquisitions, disposals or significant events being undertaken by Spotless;
- all necessary approvals required by law or public authority (including New Zealand Overseas Investment Office consent (if required)) and no action by any public authorities which may adversely affect the Offer; and
- no prescribed occurrence (as listed in section 652C of the Corporations Act), in relation to Spotless.



Key risks

Appendix D

Not for distribution or release in the United States

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KEY RISKS

There are a number of risks, of a general and specific nature, which may affect the future operating and financial performance of Downer, its investment returns and the value of its shares. Many of the circumstances giving rise to these risks are beyond the control of Downer.

This section describes certain specific areas that are believed to be the major risks associated with an investment in Downer. Broadly, these risks include:

(a) risks associated with the Transaction;

(b) risks specific to Downer's business and the industry in which Downer operates; and

(c) general risks associated with the current economic conditions including, among other things, changes in legislation or regulatory policies and variations in prevailing exchange rates and interest rates.

Each of the risks described below could, if they eventuate, have a material adverse effect on Downer's operating and financial performance. You should note that the risks in this section are not exhaustive. There may be other risks which Downer is not presently aware of or may arise in the future, which may also have a material impact on Downer's performance. You should consider carefully the risks described in this section, as well as other information in this presentation, and consult your financial or other professional adviser before making an investment decision.

RISKS ASSOCIATED WITH THE ACQUISITION OF SPOTLESS:

Acquisition Risk	Description
Completion Risk	The acquisition of the outstanding shares in Spotless pursuant to the Transaction is conditional on a number of matters including Downer acquiring a relevant interest in 90% or more of the Spotless shares, the receipt of required regulatory approvals, the Underwriting Agreement not being terminated, no Spotless profit downgrade and no material acquisitions, disposals or significant events. For a full list of the conditions see Appendix C. If these conditions are not satisfied or waived, the acquisition under the Transaction will not complete. There may also be a substantial delay to completing the acquisition under the Transaction in order to satisfy some of the conditions. If the Transaction is not completed, or Downer acquires less than 100% of the shares in Spotless (including in circumstances where the 90% minimum acceptance condition is waived and all other conditions are satisfied or waived) and the full proceeds of the Entitlement Offer have not been applied to the acquisition of Spotless Shares, Downer will review its capital management position and consider whether a return of capital to its shareholders and/or an on market buy back is appropriate at the time, giving consideration to the ongoing capital requirements of Downer's business and growth strategy. If, following the Transaction, Downer has acquired less than 90% of the Spotless shares (which may be possible if Downer decides to waive the 90% minimum acceptance condition and all other conditions are satisfied or waived), Downer will not be able to realise the full benefits of owning Spotless as a wholly owned subsidiary. For instance, the benefits of tax consolidation will not be available and dealings with Spotless will, if Downer controls Spotless, be subject to the related party provisions of the Corporations Act (and, while Spotless is listed, ASX Listing Rule 10).

KEY RISKS

Downer
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Acquisition Risk	Description
Reliance on public information disclosed by Spotless	Downer has relied on information made available by Spotless through Spotless' continuous and periodic disclosure obligations under the Corporations Act and the ASX Listing Rules. However, Downer has not been able to verify the accuracy, reliability or completeness of all the information which was disclosed by Spotless. In addition, there may be other potentially material information which Spotless has not disclosed in reliance of an exception to the continuous disclosure requirements set out in Listing Rule 3.1A. Similarly, Downer is relying on the reviewed financial information of Spotless in respect of the half-year ended 31 December 2016 as disclosed to ASX on 28 February 2017. On the basis of this information Downer has prepared the pro forma financial information for the combined Downer Group included in this presentation. Downer has also relied on the profit guidance provided by Spotless for FY17 for the purposes of calculating EPS accretion on a pro forma FY17 NPAT before amortisation basis as disclosed in this presentation. Spotless has in the past failed to meet its profit guidance so there is a risk that it may fail to meet its profit guidance for FY17. If the financial information in relation to Spotless proves to be incorrect, incomplete or misleading, or Spotless fails to meet its profit guidance for FY17, there is a risk that the actual financial position and performance of Spotless and/or the combined Downer Group may be materially different to the expectations reflected in this presentation.
Material contracts of Spotless	Spotless' material customer contracts may be terminable on notice or upon a change of control of Spotless. It is possible that in some cases contract counterparties may exercise their rights to terminate the contracts. As the Transaction is not conditional on such contract counterparties consenting to the change in control of Spotless or waiving their termination rights, (other than in respect of Spotless' financing arrangements) in the event that such contracts are not re-negotiated or replacement revenue is not secured in the future, the business, operating and financial performance of Spotless and the combined Downer and Spotless Group may be affected.
Spotless Debt	The Transaction may trigger a change of control condition in Spotless' debt facilities which may increase the costs of acquiring Spotless. As disclosed in the Bidder's Statement, Downer has entered into arrangements by way of a commitment letter for a standby bridge loan to be made available to Spotless to refinance Spotless' debt facilities (including any bonding facilities), which standby loan would (if called upon) be under the Spotless credit platform and will be non-recourse to Downer. In circumstances where Downer has acquired less than 100% of Spotless, it will be a decision of the board of Spotless as to whether to utilise the standby bridge loan. If the board does not utilise the standby bridge loan in these circumstances, Spotless is likely to need to renew its existing debt facilities in the short term. There is a risk that it is unable to renew its existing facilities or is only able to renew them on less favourable terms.
Risk of Takeovers Panel Proceedings	The Transaction is an off-market takeover offer under Chapter 6 of the Corporations Act. An interested party (such as Spotless, ASIC or a competing bidder if one emerges) may seek to commence proceedings in the Takeovers Panel in respect of the Transaction. If the Takeovers Panel agrees to conduct such proceedings, there may be a delay in completion of the Transaction and depending on the nature of the issue considered and whether the Takeovers Panel makes any orders there may be a material impact on the success of or the terms of the Transaction.

KEY RISKS

Acquisition Risk	Description
Risk of Competing Bidders	During the course of the Transaction, a third party may also make an offer to acquire a substantial or controlling interest in Spotless. The existence of a competing bidder may impede the success of the Transaction or prevent Downer from acquiring 100% of Spotless.
Equity Funding Risk	Downer has entered into an underwriting agreement under which the underwriter has agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the underwriting agreement. If certain events occur, the underwriter may terminate the underwriting agreement. Such "termination events" include: regulatory action being undertaken in respect of the Entitlement Offer, ASX refusing to grant quotation to the new shares to be issued under the Entitlement Offer, Downer being prevented from issuing the new shares under the Entitlement Offer, Downer ceasing to be admitted to the official list of ASX, a director of Downer being charged with an offence, being disqualified from managing a corporation or otherwise being the subject of a proposed regulatory action, Downer or a prescribed member of the Downer Group becoming insolvent, the Transaction being varied to increase the offer consideration or being withdrawn, or the offer period expiring ending without being declared free from all defeating conditions, termination of the debt documents entered into for the purposes of financing the Transaction, there being a disruption in financial markets which makes it impossible or impracticable to settle the Entitlement Offer, the documents released on ASX by Downer for the Entitlement Offer containing a false, misleading or deceptive statement (including by omission) in a material respect, a representation or warranty given by Downer to the underwriter becoming incorrect in a material respect, there being a change in law which materially impacts the Entitlement Offer, or hostilities arising which involve either Australia or the US or a state of emergency being declared in either of those countries. Termination of the underwriting agreement would have an adverse impact on the availability of the proceeds raised under the Entitlement Offer. In such a case, Downer may not have sufficient equity funding for the Transaction and a defeating condition under the Transaction will have been triggered.

KEY RISKS

Acquisition Risk	Description
Debt Funding Risk	Downer has entered into a commitment letter under which the mandated lead arrangers, underwriters and bookrunners (**MLAUBs**) have agreed to provide a bridge loan facility (**Bridge Loan Facility**) to finance in part the acquisition of the shares in Spotless pursuant to the Transaction and related expenses subject to the facility agreement being executed within 14 days of the Transaction being announced. There are "conditions precedent" to the availability of the funding under the Bridge Loan Facility including customary matters such as satisfaction of administrative conditions, the drawdown occurring within the availability period of the Bridge Loan Facility (which is not more than 6 months unless agreed with the financiers), Downer having retained sufficient funds available from the aggregate of the proceeds of the Entitlement Offer and the Bridge Loan Facility to fund the purchase price for any of the shares not then owned by it, there being no litigation, governmental, administrative or judicial action, actual or pending, that does or could be reasonably expected to restrain or prevent the consummation of the Offer (excluding any such matter associated with the compulsory acquisition provisions), any major representation of Downer being untrue or misleading and any major default occurring or it being unlawful for the Financiers to provide the financing under the Bridge Loan Facility. Termination of the Bridge Loan Facility or a failure to satisfy the conditions precedent to a drawing under the Bridge Loan Facility would mean funds would not be available under the Bridge Loan Facility. In such a case, Downer may not have sufficient funding for the Transaction and may be required to seek alternative funding.
Downer's credit platform	Spotless will be a subsidiary of Downer and a member of the Downer Group if the takeover offer becomes unconditional and it acquires more than 50% of all Spotless Shares. This means that certain representations, undertakings and events of default that apply to the Downer Group in its debt facilities will automatically also apply to the Spotless Group. As Downer is unlikely to have day to day control of every aspect of Spotless' activities and processes unless Spotless is a wholly owned subsidiary, it is possible that in circumstances where Downer acquires less than 90% of Spotless' shares there could be breaches or events of default that could also result in an event of default being triggered across all of Downer's facilities.
Spotless' liabilities and potential impact on value	Spotless may be exposed to liabilities which are contingent, of an uncertain amount, or otherwise have not been publicly disclosed by Spotless. For instance, Spotless announced on 24 February 2017 that it was served with a representative proceeding filed in the Federal Court of Australia in relation to Spotless' financial results for the year ended 30 June 2015 and an alleged breach of Spotless' continuous disclosure obligations. Depending on the resolution of the matters the subject of the filed proceedings, Spotless may have an exposure to liability, the quantum of which is currently uncertain. The quantum of such liabilities may impact the ultimate value of Downer's investment in Spotless.

KEY RISKS

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Acquisition Risk	Description
Analysis of acquisition opportunity	Downer has undertaken an internal analysis of Spotless based on public information, in order to determine whether to pursue the acquisition under the Transaction. It is possible that such analyses, the assumptions made by Downer and the resulting conclusions, are ultimately inaccurate or fail to be fully realised. If Downer acquires all of the outstanding shares in Spotless, Downer intends to conduct a broad-based general review of Spotless' corporate structure, assets, businesses, employees and operations. Following such review, it may become apparent that the actual results achieved by Spotless' businesses, or the costs associated with the acquisition (including transaction costs, taxes and stamp duty) or the level of synergy realisation are different compared to those indicated by Downer's analysis. In such circumstances, there is a risk that the profitability and future earnings of the operations of the combined Downer Group may be materially different from the profitability and earnings expected as reflected in this presentation.
Acquisition Accounting	For the purposes of the pro-forma combined group financial information set out in this presentation, no adjustments have been made in respect of potential purchase price allocation impacts on the balance sheet or income statement. Downer will undertake a formal purchase price allocation exercise in respect of the acquired assets and liabilities of Spotless post-acquisition, which may give rise to a materially different fair value allocation than that reflected, for illustrative purposes, in the pro-forma combined group financial information. The formal purchase price allocation exercise may result in a reallocation of the fair value of assets and liabilities in the combined group's balance sheet and may also result in a materially different depreciation and amortisation profile in the combined group's income statement (and a respective increase or decrease in net profit after tax).
Post Acquisition Performance	If the acquisition of Spotless completes, many of the general and market risks identified in the next section in respect of Downer will also apply to Spotless. In particular, Spotless has disclosed that, relative to FY17, it has a higher level of contract renewals due in in FY 2018. There is a risk that Spotless will not be able to renew these contracts or that those contracts will be renewed on less favourable terms. On the basis of public information, Spotless appears to be under margin pressure across a number of key sectors. Further, the ability of Downer to successfully implement its integration priorities may be impacted by the outcome of the strategic review referred to above (refer to 'Analysis of acquisition opportunity'), as well as other factors including the size of Downer's shareholding.
Strategy Reset	Spotless has been undertaking a strategy review to reposition the company's strategy and growth agenda (**Strategy Reset**). The benefits of Strategy Reset are yet to be realised in full and there is a risk that there may be additional one off expenses associated with achieving the strategic imperatives of Strategy Reset.

KEY RISKS

RISKS ASSOCIATED WITH NOT TAKING UP NEW SHARES UNDER THE ENTITLEMENT OFFER:

Acquisition Risk	Description
Rights Trading on ASX	The price at which entitlements to new shares may be sold on ASX during the entitlement trading period may rise and fall. A shareholder who sells entitlements on ASX during the retail entitlement offer period may receive a higher or lower price than a shareholder who sells entitlements at a different time during the retail entitlement trading period or a shareholder who realises value for their entitlements through the Retail Shortfall Bookbuild. There is no guarantee that there will be a viable market during, or on any particular day in, the entitlement trading period, on which to sell entitlements on ASX. If you are an eligible shareholder and you do not exercise your entitlements to new shares under the Entitlement Offer, there is no guarantee that you will be able to sell your entitlements on ASX.
Bookbuild processes	If you are an eligible shareholder and you do not exercise your entitlements to new shares under the Entitlement Offer or sell your entitlements on ASX, there is no guarantee that you will receive any value for entitlements not taken up through the bookbuild processes. The ability to sell new shares under the institutional shortfall bookbuild or the retail shortfall bookbuild and the ability to obtain any premium to the offer price will depend on various factors, including general market conditions. In particular, the institutional shortfall bookbuild price and/or the retail shortfall bookbuild price will depend on, among other things, the underwriter receiving binding and bona fide offers which, in the reasonable opinion of the underwriter, will (if accepted) result in otherwise acceptable allocations which may allow the underwriter to clear the entire book. If the institutional shortfall bookbuild realizes a premium to the offer price, this is not any guarantee that the retail shortfall bookbuild price will realize the same premium or any premium at all.
Dilution	You should also note that if you sell, or do not take up, all or part of your entitlement, then your percentage shareholding in Downer will be diluted by not participating to the full extent in the Entitlement Offer and you will not be exposed to future increases or decreases in Downer's share price in respect of the new shares which would have been issued to you had you taken up all of your entitlement.

KEY RISKS

DOWNER BUSINESS SPECIFIC RISKS

Acquisition Risk	Description
Workplace accidents and environmental incidents	Downer maintains a rigorous focus on Zero Harm for its employees and environment, recognising that its activities can result in harm to people and the environment. As part of this focus Downer, on an ongoing basis, seeks to assess, understand and mitigate the "critical risks" facing Downer and implementing "Cardinal Rules" which provide direction and guidance on these critical risks and high potential incidents. However, the risk of serious injury, death or environmental incident cannot be fully eliminated. In such cases there may be adverse impacts on project completions, as well as reputational damage to Downer. In the event Downer is found to have failed to comply with applicable health, safety or environmental legislative requirements, fines, penalties and/or compensation to those affected may be payable.
Key contracts, competition and retention of clients	There is a risk that material contracts that Downer enters may not be renewed, renewed on less favourable terms or cancelled. Furthermore, some of the markets in which Downer operates are highly competitive. Increased competition can impact on Downer's ability to win new contracts. If such events take place this may lead to a decrease in work in hand, profitability and earnings. To manage these risks, Downer maintains its focus on forming strong relationships with customers across a range of different markets and delivering successful outcomes for its customers, strategic partnerships and joint ventures with leading technology and knowledge providers and a strong focus on its Customer Relationship Management (CRM) system. In addition, some of the contracts that Downer enters have pricing that is 'fixed' or 'not to exceed'. While Downer undertakes thorough bid governance processes to ensure that projects are appropriately estimated and there is a strong focus on costs, supply chain management and project management controls, to the extent that the cost of delivering on its contractual obligations exceeds the estimated price, Downer could incur losses that are not recoverable from its customers.
Project Management and bid governance for large projects	Downer has implemented robust project risk management processes and systems across its business (including a Project Management Office), as well as additional bid governance relating to tenders for large projects. Because of the nature of the industries in which Downer operates and the size of some of Downer's contracts, there is the possibility that material losses could be incurred if these systems and governance requirements are not followed correctly.

KEY RISKS

Acquisition Risk	Description
Key supplier, subcontractor and partner risk	Where Downer is reliant on one or a small set of specialist suppliers or subcontractors to provide goods and services, the performance of these suppliers or subcontractors may impact Downer's ability to achieve budgeted project outcomes. Where suppliers or subcontractors do not fulfil contractual obligations or do not renew existing contracts, the ability of Downer to complete projects and win new work may be adversely affected. In addition, there are particular suppliers with whom Downer has a long term relationship which support Downer's business activities. A change in relationship with these suppliers and partners could negatively impact Downer's financial performance.
Capital Expenditure	Certain aspects of Downer's operations are reliant on significant capital investment being made in order for Downer to provide services to its customers. Downer's ongoing ability to win new work and to comply with its obligations in respect of existing contracts may be dependent on sufficient funds being available to Downer in respect of this capital expenditure.
Key personnel and specialist labour shortage	Downer's growth and profitability may be limited by the loss of key management, the inability to attract new suitably qualified personnel or by increases in remuneration costs associated with attracting and retaining personnel. Downer is dependent on the availability of suitably skilled personnel to provide its services and therefore, access to labour can sometimes represent an ongoing risk in some parts of the business.
Product and services liability	There is a risk that Downer may fail to fulfil its statutory and contractual obligations in relation to the quality of its products or services, which could give rise to contractual damages claims or statutory penalties. Some entities in the Downer Group are subject to normal design liability in relation to completed design and construction projects where that entity has had design responsibility and in some cases also construction responsibility. The liability may include claims, disputes and/or litigation against Downer Group companies and/or joint venture arrangements in which the Downer Group has an interest. The liabilities may also include an obligation on Downer to rectify the design defects at its own cost. The directors are of the opinion that there is adequate insurance to cover these potential liabilities and accordingly, no amounts are recognised in the financial statements.

KEY RISKS

Acquisition Risk	Description
Insurance	The availability of insurance at an appropriate term and price is not guaranteed. It is possible that the occurrence of an event may not be fully covered, or covered at all, by insurance.
Future dividends and franking capacity	In respect of the 31 December 2016 half year, Downer declared a 100% franked dividend of $0.12 per share. While Downer maintains a progressive dividend policy with interim and final dividends increasing in line with improved earnings and balance sheet strength, any future dividends and the level of franking will ultimately be determined by the Board of Downer having regard to a range of factors including the Group, the availability of cash, capital requirements of the business and obligations under debt instruments. There is no guarantee that any dividend will be paid by Downer or, if paid, that they will be paid at previous levels, or with the same level of franking.
Partnerships and joint ventures	Controlled entities have entered into various partnerships and joint ventures under which the controlled entity could ultimately be jointly and severally liable for the obligations of the partnership or joint venture.
Asset impairment	The Downer Board regularly monitors impairment risk. Consistent with accounting standards, Downer is periodically required to assess the carrying values of its assets. Where the value of an asset is to be less than its carrying value, Downer is obliged to recognise an impairment charge in its profit and loss account. Impairment charges can be significant and operate to reduce the level of a company's profits and potentially, its capacity to pay dividends. Impairment charges are a non-cash item.
Guarantees and indemnities	Downer and certain of its controlled entities are called upon to give guarantees and indemnities in respect of the performance by counterparties, including controlled entities and related parties, of their contractual and financial obligations. These guarantees and indemnities are generally indeterminable in amount.
Litigation	Downer is subject to the usual business risk that disputes or litigation may arise from time to time in the course of its business activities. Downer's 2016 Annual Report and half-year report for the 6 months ended 31 December 2016 discloses a number of such disputes, claims and litigation such as those relating to the "leaky building" claims in New Zealand, the ground subsidence at the Waratah Train Maintenance Centre located on Manchester Road, Auburn and the arbitration proceedings on foot with Tecnicas Reunidas S.A. among others. If such issues are not resolved in line with Downer's expectations, there could be a material impact on Downer's financial position.

KEY RISKS

Downer
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Acquisition Risk	Description
Economic and Financial Risks	***Level of economic activity*** Downer's operational and financial performance is linked to both the overall level of activity in the economy and the level of outsourcing in the sectors in which Downer operates. A reduction in economic activity, and particularly a reduction in demand for the commodities produced by many of Downer's larger clients, or a reduction in the level of outsourcing in the sectors in which Downer operates, can negatively impact the level of earnings generated by Downer. ***Level of government spending*** Public authorities in Australia and New Zealand are major clients of Downer. Changes in prioritisation of government spending or restrictions on the level of spending undertaken by governments could impact the level of earnings generated by Downer. ***Continued access to capital markets*** Downer's ability to service its existing debt will depend on its future performance and cash flows, which in turn will be affected by various factors, certain of which are outside of its control (such as changes in interest and foreign exchange rates, and general economic conditions). Any inability to service its existing debt may have a material adverse effect on Downer. Further, to the extent that additional equity or debt funding is not available from time to time on acceptable terms, Downer may not be able to take advantage of acquisition and other growth opportunities, develop new business or respond to competitive pressures. ***Financing covenants and ability to refinance*** Downer has various covenants in relation to its banking facilities. Factors such as increases in base rates, increased borrowings and weak operational performance could lead to Downer breaching its debt covenants. In certain circumstances, lenders may require that such banking facilities be repaid immediately. Under such a scenario, there is no guarantee that Downer will be able to secure alternative financing on commercially acceptable terms or at all. Further, where existing loans either approach or reach maturity, Downer may seek to re-negotiate with existing and new lenders to extend the maturity date of those loans. Downer's earnings profile, credit rating, state of the economy, and other factors may influence the outcome of those negotiations. Where refinancing occurs at a higher cost, this may impact the ability of Downer to win new work and the profitability of its operations. ***Credit ratings*** As at the date of this presentation Downer was rated BBB (Stable) by Fitch Ratings. Changes to Downer's credit rating by Fitch Ratings may impact the ability of Downer to win new work as well as the cost of funding. Where the credit rating is reduced, or placed on negative watch, customers and suppliers may be less willing to contract with Downer as Downer may be considered to be higher counterparty risk. Banks and other lending institutions may demand a higher interest rate on funds provided to Downer to reflect the higher risk of lending. In such circumstances, both the revenue and profitability of Downer may be reduced. ***Impact of interest rate and foreign exchange movements*** While Downer takes reasonable steps to protect itself through the use of hedges, rising interest rates may nonetheless adversely impact Downer's interest payments on its floating rate borrowings and inflation in underlying input costs may also adversely impact the anticipated returned from client operations. In addition, as Downer operates internationally it faces foreign exchange rate risks associated with foreign currency denominated debt, input costs and offshore earnings.

KEY RISKS

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GENERAL RISKS

Acquisition Risk	Description
General equity market and investment risk	The price of Downer shares will fluctuate due to various factors including movements in Australian equity markets, recommendations by broker and analysts, interest rates, inflation, Australian and international economic conditions, changes in government, fiscal, monetary and regulatory policies, global and geo-political events and hostilities and acts of terrorism, investor perceptions and other factors that may affect Downer's financial position and earnings. Downer manages its exposure to these risks by undertaking, among other things, strategic partnerships and joint ventures to diversify revenue sources.
Government policies and legislation	Downer's business is affected by a range of industry specific and general legal and regulatory controls. Changes in these types of controls can have an adverse effect on Downer's financial performance. Further, any major shift in regulatory policy may impact on the profitability of Downer and its customers. Infrastructure projects, which are a key source of revenue for Downer, are subject to discretion by government departments and ministers.
Business interruptions	Significant business interruptions as a result of natural disasters (such as fire, earthquake, flood or cyclone), general periods of prolonged rain, unstable service sites or regulatory intervention may have a materially adverse impact on the business activities of Downer and its clients and may lead to a decrease in profitability and earnings.
Taxation risk	Future changes in Australian and New Zealand taxation law, including changes in interpretation or application of the law by courts or taxation authorities in Australia and New Zealand, may affect taxation treatment of an investment in Downer shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted in the various jurisdictions in which Downer operates may impact the future tax liabilities of Downer.
Changes in accounting policy	Changes to Australian Accounting Standard could affect Downer's reported earnings and its financial position from time to time.

International offering jurisdictions

Appendix E

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Not for distribution or release in the United States

INTERNATIONAL OFFERING JURISDICTIONS

International Offer Restrictions

This document does not constitute an offer of entitlements ("Entitlements") or new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of Entitlements and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Entitlements or the New Shares or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlements or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

INTERNATIONAL OFFERING JURISDICTIONS

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The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Entitlements or the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the *Securities Act* (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Entitlements and the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Entitlements and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of such securities as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Economic Area – Germany and the Netherlands

The information in this document has been prepared on the basis that all offers of Entitlements and New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to publish a prospectus for offers of securities.

INTERNATIONAL OFFERING JURISDICTIONS

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An offer to the public of Entitlements and New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

France

This document is not being distributed in the context of a public offering of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 et seq. of the General Regulation of the French *Autorité des marchés financiers* ("AMF"). The Entitlements and the New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the Entitlements and the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the Entitlements and the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).
No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.
The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

INTERNATIONAL OFFERING JURISDICTIONS

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The Entitlements and the New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.

Japan

The Entitlements and the New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Entitlements or New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Entitlements or New Shares is conditional upon the execution of an agreement to that effect.

Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Entitlements or New Shares. The Entitlements and the New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").
The Entitlements and the New Shares in the entitlement offer are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.
The Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.
This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The Entitlements and the New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Entitlements and the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. These securities will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the Entitlements and the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Entitlements and New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

INTERNATIONAL OFFERING JURISDICTIONS

United Arab Emirates

Neither this document nor the Entitlements and the New Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates, nor has the Company received authorisation or licensing from the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates to market or sell the Entitlements or the New Shares within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This document does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the Entitlements or the New Shares, including the receipt of applications and/or the allotment or redemption of such securities, may be rendered within the United Arab Emirates by the Company.

No offer or invitation to subscribe for Entitlements or New Shares is valid in, or permitted from any person in, the Dubai International Financial Centre.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Entitlements or the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and these securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Entitlements or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Not for release or distribution in the United States

This Presentation may not be released or distributed in the United States. In particular, this Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. Neither the New Shares nor the entitlements have been, or will be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless the securities have been registered under the U.S. Securities Act (which Downer has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.