2010 Interim Results

25 February 2010

Geoff Knox
CEO and Managing Director

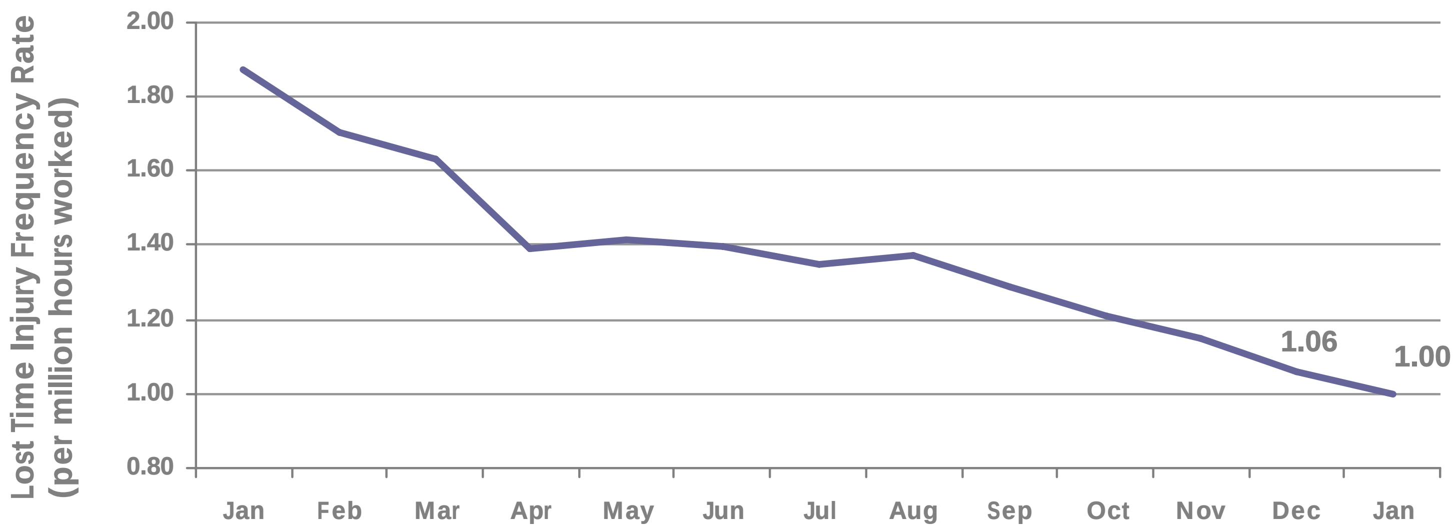
Downer EDi

Agenda

- Zero Harm
- Highlights
- Outlook
- Group financials
- Divisional results
- Summary

Zero Harm

A leading performance in safety



Lost Time Injury Frequency Rate 12-month rolling average

Our aim is Zero Harm

Financial highlights

- Diversified business portfolio delivering solid results
- Total revenue $2.8 billion
- Earnings before interest & tax $140.2 million, up 1%
- Net profit after tax $87.0 million, up 2%
- Operating cash of $165.2 million, up 6%
- Sound balance sheet with gearing[1] at 29%
- Work-in-hand of $16.4 billion
- Earnings per share 26.2 cents[2]
- Dividend per share 13.1 cents

1 Net debt/(Net debt plus equity)
2 Basic earnings per share excluding ROADS

Note: All percentages refer to movement compared to the six months ended 31 December 2008

Highlights

Wins and renewals

- Roading contracts, over $240 million
- Renewal of contracts with key clients in Australia and New Zealand

- Wesfarmers Curragh coal-processing facility, $170 million
- BHP Billiton Iron Ore RGP5 electrical contract, $90 million
- Woodside Pluto LNG electrical contract, $70 million

- FMG and Ensham Resources Blasting contracts, $250 million
- BMA Norwich Park pre-strip contract, $88 million
- Solid Energy (NZ) mine services alliance

- KDR franchise responsible for Melbourne's tram network, $2.8 billion
- Locomotive orders, over $400 million

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Highlights

Synergies program delivering

- Improving business performance
- Streamlined office footprints
- More efficient back office services

Leadership team further strengthened

- Grant Fenn, CFO
- Eric Kolatchew, CEO Engineering
- Peter Reichler, CEO Group Ventures*
- Sandra Dodds, CEO Downer Asia*
- Peter Reidy, CEO Emerging Sectors*

Internal appointments

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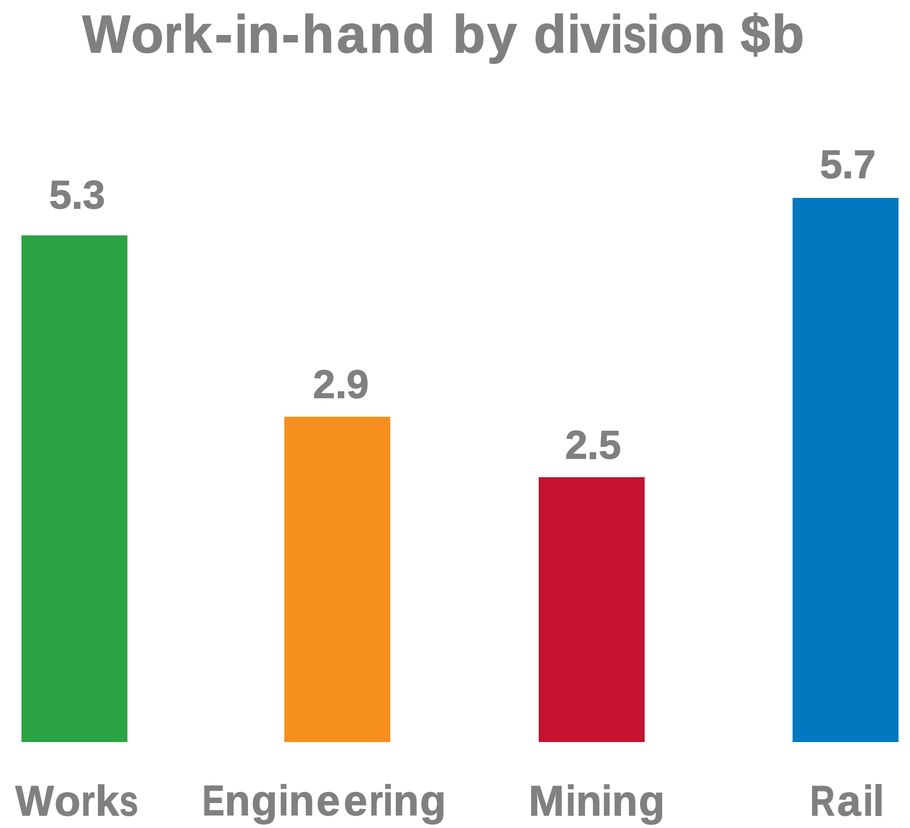
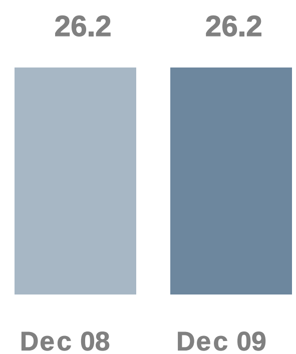
Work-in-hand remains strong at $16.4 billion

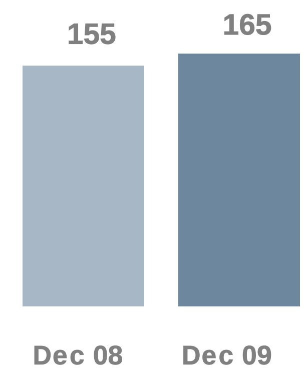


Our half year performance

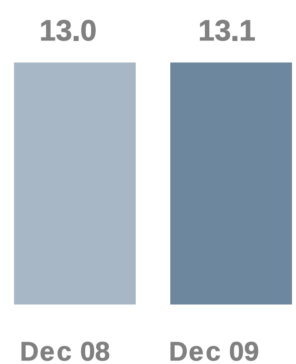
EPS cents



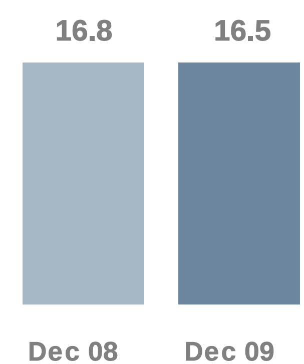
Cash flow $m



DPS cents

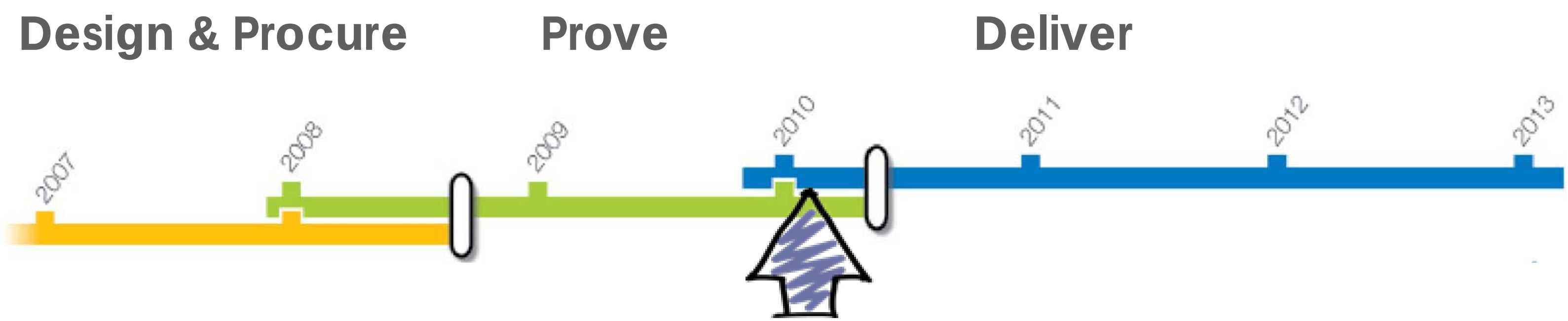


ROFE %



ROFE = EBIT/AFE (AFE = Average Net Debt + Average Equity last three half-year periods)

Rail – NSW Waratah Trains Project



Achievements for the half

- Cardiff commissioned
- PPTV delivered to Cardiff
- PPTV commenced static testing
- Set 1 delivered to Cardiff and undergoing final fitout
- Manufacture of sets 1-5 underway in Changchun and Cardiff
- Auburn facility nearing Practical Completion
- Maintenance teams establishing at Auburn

What's next?

- Practical Completion of Auburn maintenance facility
- PPTV on network first half of 2010
- Progressive delivery of next sets into Cardiff
- Working with RailCorp to deliver first train to Practical Completion in late 2010
- Monitoring Reliance Rail monoline insurers going forward

Outlook

- Resources and energy markets strengthening
- Infrastructure market remains sound in Australia and Asia, but softer in New Zealand
- Bolt-on acquisition program continues
- Asia Pacific region remains highly prospective for the Group
- No material change to guidance - NPAT growth of around 5% in FY10
- We continue to monitor our end markets closely

Group Financials & Divisional Results

Grant Fenn
Chief Financial Officer

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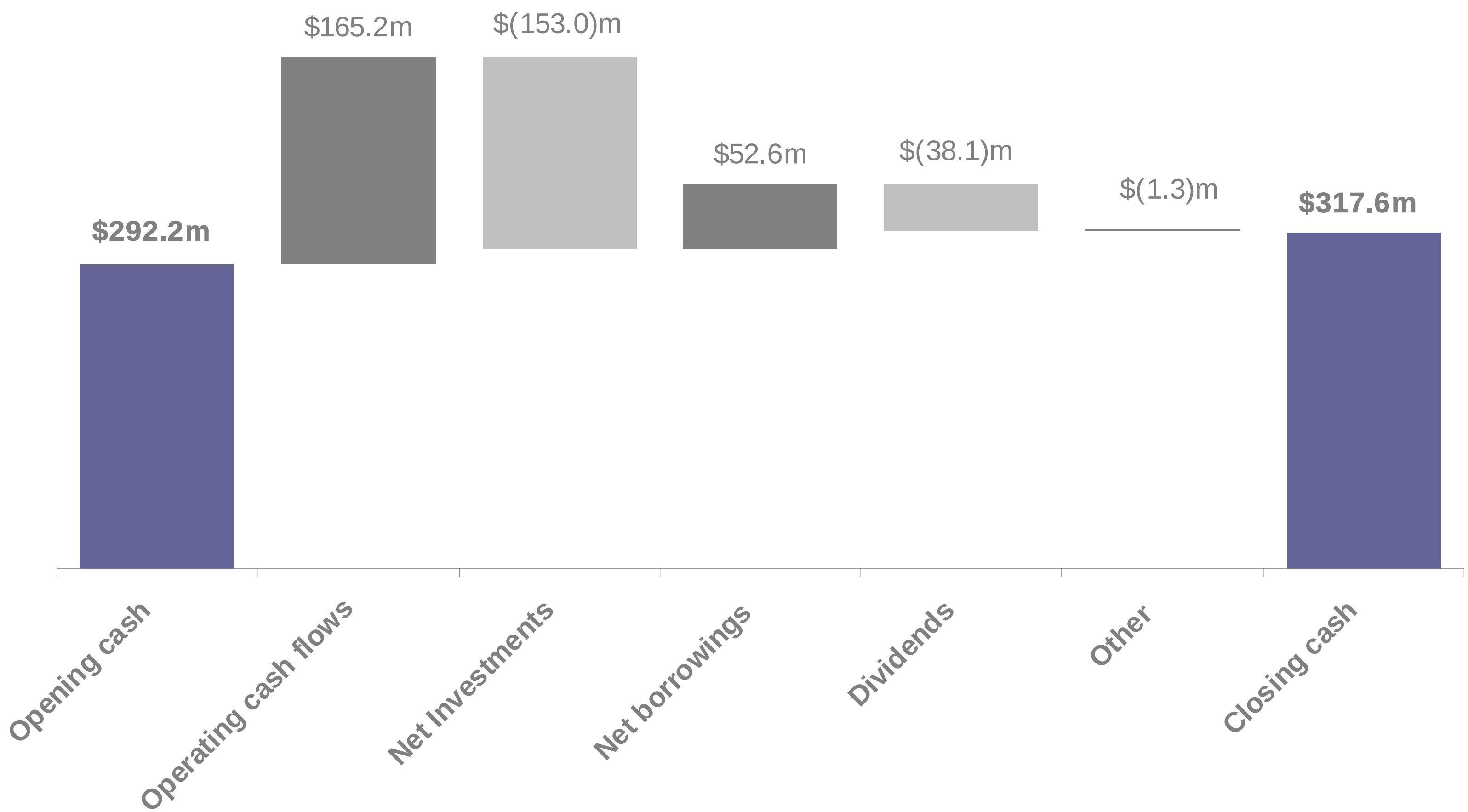
Solid performance

Six months to 31 December ($m)	2009	2008	%
Total revenue (including JVs)	2,841.4	2,925.7	(2.9)%
EBIT	140.2	138.5	1.2%
Net interest	(26.7)	(24.6)	
Profit before tax	113.5	113.9	
Tax expense	(26.5)	(28.5)	
Net profit after tax	87.0	85.4	1.9%
EPS (cents) reported [1]	26.2	26.2	
DPS (cents)	13.1	13.0	

1 Basic earnings per share excluding ROADS

Strong operating cash flow of $165.2m



Balance sheet

As at 31 December ($m)	2009	2008	%
Total assets	3,447.4	3,388.5	1.7%
Total equity	1,346.2	1,351.5	
Net debt [1]	549.4	490.1	
Gearing [2]	29%	27%	
Interest cover [3]	5.3x	5.6x	
Operating cash flow	165.2	155.4	6.3%

- Operating cash of $165.2 million for the half year
- Conservative level of gearing maintained – Fitch rating BBB outlook stable
- Continue delivering our diversified funding approach including the closing of two capital market issues raising A$271million

1 Includes mark to market revaluation adjustments [for swap hedges and deferred finance charges]
2 Net debt/(Net debt plus equity)
3 EBIT/Net interest expense

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Debt and bonding facilities by limit as at 31 December 2009

Facility	Limit (A$m)	Maturity
Capital Markets		
US Private Placements	116	2011, 2014, 2019
Australian MTN's	263	2013, 2018
New Zealand Bond	121	2012
Term Bank Debt / Working capital facilities		
Syndicated facility (Australia)	390	2011
Syndicated facility (Asia)	98	2012
Bi-lateral loans	318	2010-2017
Finance leases	57	2010 – 2014
	1,363	
Bonding / Guarantees	1,089	
TOTAL	**2,452**	

Works

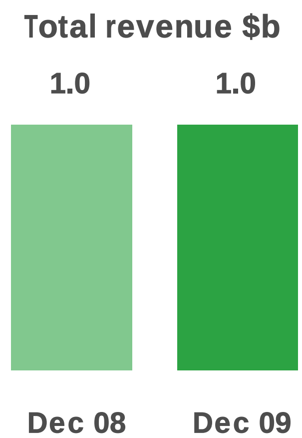
Six months to 31 December ($m)	2009	2008	%
Total revenue	1,011	979	3.4%
EBIT	47	46	1.1%
EBIT margin	4.6%	4.7%	
ROFE	21.6%	21.0%	
Work-in-hand	5.3b	2.3b[1]	

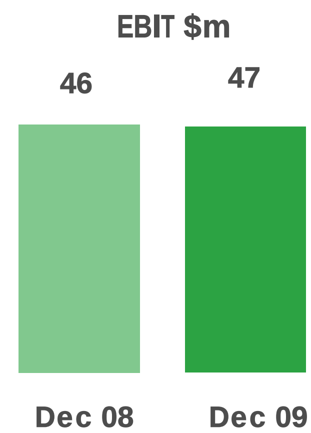
- The Works businesses recorded a solid result
- Australian operations delivered a sound performance in tighter markets
- New Zealand continues to deliver in a softer economic climate
- Works UK review complete – the Group will explore opportunities to leverage its existing footprint as markets improve

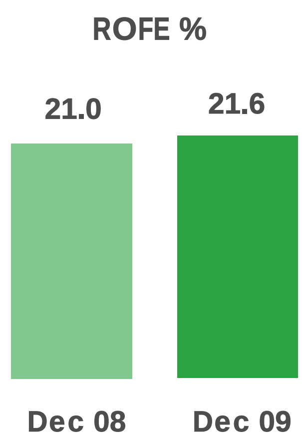
Note: Works numbers include Engineering operations in New Zealand

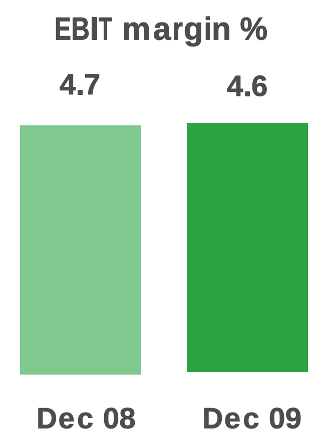
1 Reflects Group's previous 'order book' methodology

Works


Total revenue $b
1.0
1.0
Dec 08
Dec 09


EBIT $m
46
47
Dec 08
Dec 09


ROFE %
21.0
21.6
Dec 08
Dec 09


EBIT margin %
4.7
4.6
Dec 08
Dec 09

Engineering

Six months to 31 December ($m)	2009	2008	%
Total revenue	870	1,018	(14.5)%
EBIT	58	65	(10.9)%
EBIT margin	6.6%	6.3%	
ROFE	23.3%	23.9%	
Work-in-hand	2.9b	2.0b[1]	

- Improved EBIT Margins driven by cost efficiency gains
- Lower revenue base reflects decision not to pursue lower margin work at the bottom of the cycle and a softer New Zealand consulting market
- Consulting operations performing well in Asia
- New CEO Eric Kolatchew commenced 1 February 2010
- Significant wins during the half across the resources and energy markets
- Strong pipeline of over $15 billion with opportunities across all markets

Note: Engineering numbers exclude the New Zealand operations and include Process Engineering (Projects) and Mineral Technologies, Consulting and Singapore operations.

1 Reflects Group's previous 'order book' methodology

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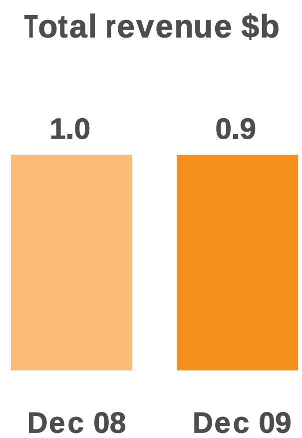
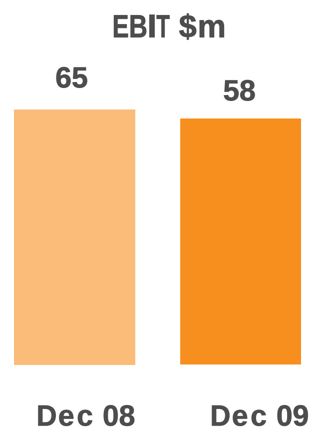
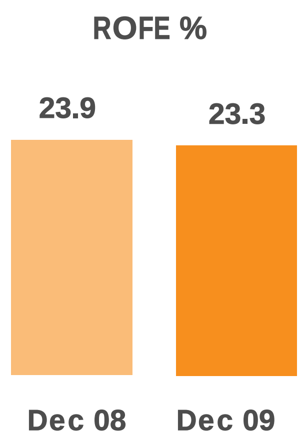
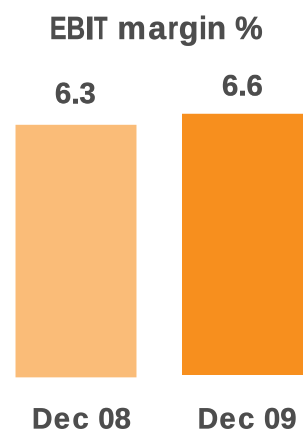
Engineering









Mining

Six months to 31 December ($m)	2009	2008	%
Total revenue	484	502	(3.6)%
EBIT	37	21	73.3%
EBIT margin	7.7%	4.3%	
ROFE	12.0%	11.4%	
Work-in-hand	2.5b	2.5b[1]	

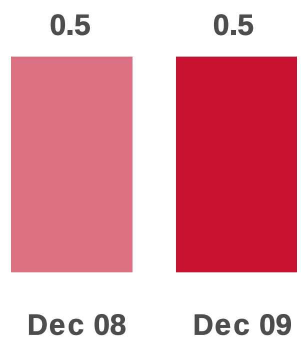
- Strong result driven by an improved operational performance, cost efficiencies and JV's
- Our blasting and tyre maintenance businesses now represent over 22% of Mining's turnover adding to margin performance
- Pipeline of opportunities remains above $5 billion
- We continue to monitor east coast wet weather impacts

Note: Mining numbers exclude Process Engineering (Projects) and Mineral Technologies

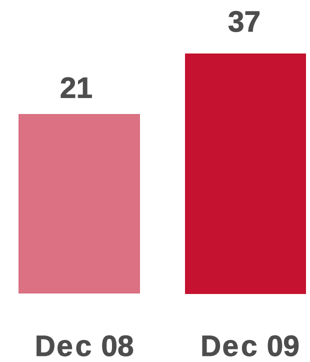
1 Reflects Group's previous 'order book' methodology

Mining

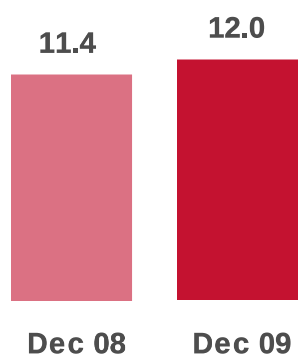
Total revenue $b



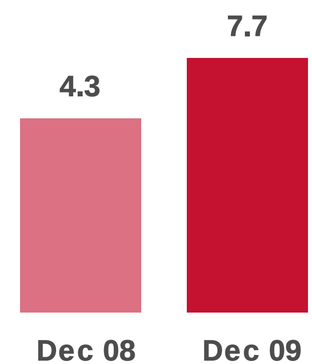
EBIT $m



ROFE %



EBIT margin %



Rail

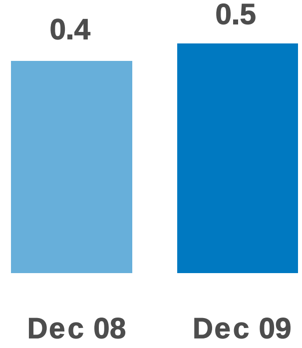
Six months to 31 December ($m)	2009	2008	%
Total revenue	458	440	4.0%
EBIT	29	28	3.2%
EBIT margin	6.4%	6.4%	
ROFE	23.0%	30.1%	
Work-in-hand	5.7b	4.7b[1]	

- Strong demand from our freight customers
- Tendering on passenger opportunities in Queensland, Western Australia and South Australia
- Joint Venture with Keolis (KDR) successfully delivering Tram services in Melbourne
- The core Rail business continues to perform well
- The front end manufacturing phase of the NSW Waratah project increases funds employed

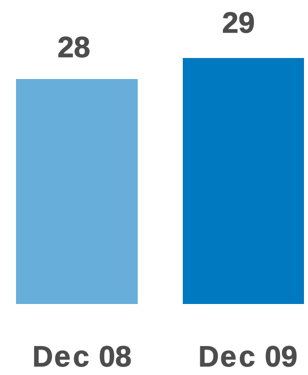
1 Reflects Group's previous 'order book' methodology

Rail

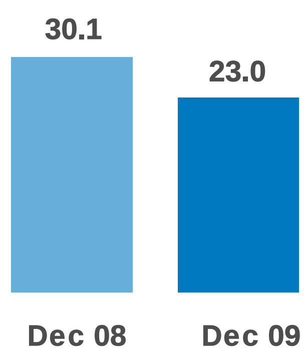
Total revenue $b



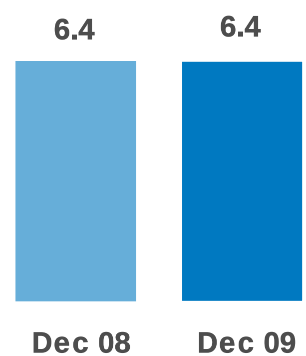
EBIT $m



ROFE %



EBIT margin %



Summary

Geoff Knox
CEO and Managing Director

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Summary

- A solid first half result
- Synergies program delivering benefits
- A strong pipeline of tender opportunities supporting continued demand for our services and future growth
- No material change to guidance - NPAT growth of around 5% in FY10
- We continue to monitor our end markets closely

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2010 Interim Results

25 February 2010

Geoff Knox
CEO and Managing Director

Downer EDI

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