



7 May 2013

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

Dear Sir/Madam

RE: Downer EDI 2013 Investor Day

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

Yours sincerely
Downer EDI Limited

A handwritten signature in black ink, appearing to read 'Peter Tompkins'.

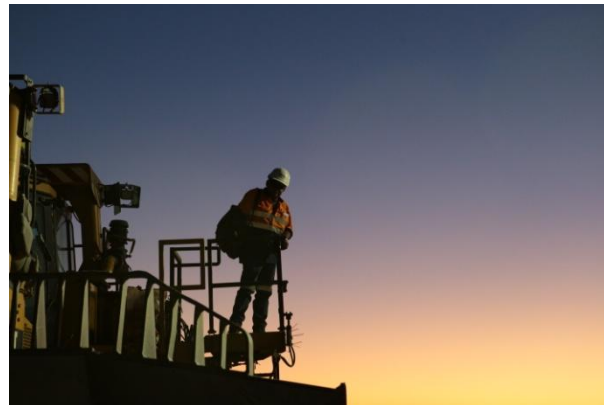
Peter Tompkins
Company Secretary

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Downer Group 2013 Investor Day

7 May 2013

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Today's sessions

Topic	Presenters
Road Infrastructure	<ul style="list-style-type: none">• Sergio Cinerari – COO Downer Infrastructure East• David Cattell – CEO Downer Infrastructure
New Zealand/SCIRT	<ul style="list-style-type: none">• Cos Bruyn – CEO Downer New Zealand• Roger Jarrold – CFO Downer New Zealand
Downer Mining	<ul style="list-style-type: none">• David Overall – CEO Downer Mining• Peter Kerr – CFO Downer Mining• Kurt Baumgart – COO Open Cut East Downer Mining
Downer Rail	<ul style="list-style-type: none">• Ross Spicer – CEO Downer Rail• Richard Stephenson – CFO Downer Rail
Keolis Downer	<ul style="list-style-type: none">• Peter Reidy – COO Downer Infrastructure Services• Kieran Street – Business Development Manager, Keolis
Q&A with CEO & CFO	<ul style="list-style-type: none">• Grant Fenn• Kevin Fletcher

The Value Cycle

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- All businesses are questioning and challenging every aspect of their operations to optimise value
 - overheads
 - direct costs
 - supply chain
 - business shape and size
- We must work with our customers
- Downer has been proactive
 - investing in operational productivity
 - continuously seeking efficiency improvements (F4B)
 - working constructively with our customers to reduce costs and improve productivity

2013 guidance

Downer expects to deliver underlying EBIT of around \$370 million and NPAT of around \$210 million for the 2013 financial year.

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Format for the day

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Time	Event	Room
7:40 – 8:00	Welcome from Grant Fenn	Room 6B, Level 1
8:05 – 8:45	Session 1	Various rooms, Level 1
8:50 – 9:30	Session 2	Various rooms, Level 1
9:35 – 10:15	Session 3	Various rooms, Level 1
10:15 – 10:30	Morning tea	Served on Level 1
10:35 – 11:15	Session 4	Various rooms, Level 1
11:20 – 12:00	Session 5	Various rooms, Level 1
12:05 – 12:45	Session 6	Various rooms, Level 1
12:50 – 13:20	Lunch	Bay 8, Ground Floor
13:20	Bus to CBD	Bay 8, Ground Floor

Road infrastructure

Sergio Cinerari

Chief Operating Officer, Downer Infrastructure East

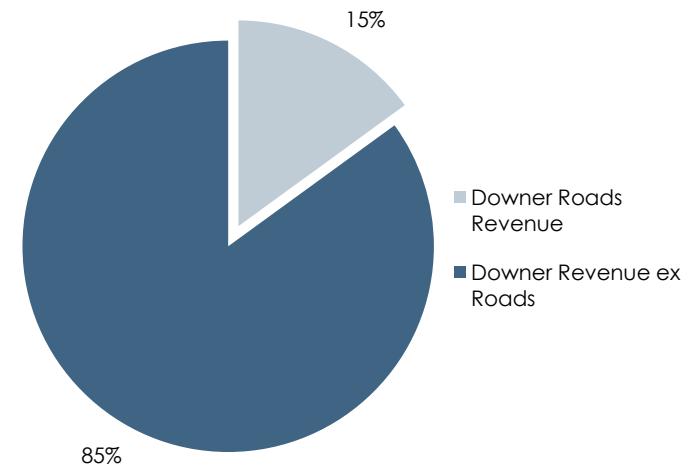


Road infrastructure – background

We are continually reinventing ourselves, our 'go-to-market' offering and our fleet/plant, in order to stay competitive and provide our clients with efficient road network infrastructure management solutions.

- Asset maintenance (>40,000 lane km roads maintained in Australia; >32,000 km in New Zealand)
- Maintains around 50% of the 95,000 lane km of road managed by private sector contracts
- 15 network maintenance contracts, representing 60% market share of total contestable market
- 6 of the 10 integrated asset management and maintenance contracts in Australia (e.g. ISAs in WA)

Roads revenue as a percentage of Downer revenue*



* Based on forecast FY13 revenue

From road maintenance to network management

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- Over 25 years the road asset market has evolved from pure road maintenance activity to intelligent network management
- In the pure road maintenance phase, the value chain is heavily reliant upon an ability to manage small to medium multiple work sites and service inputs such as surfacing, stabilisation, profiling, traffic control
- Downer has been able to build and maintain a large market share because its portfolio of businesses includes these capabilities and services
- As the market is evolving into network management, the value chain requires market participants to deliver more complex skills including network planning, intelligent transport systems, asset modelling
- Downer has evolved and its DownerMouchel business is our response to the evolving market and value chain
- DownerMouchel is an end-to-end Road Network Management solution

Developing competitive strategic partnerships

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- DownerMouchel JV formed 2008
- Mouchel brings a global perspective
- Model is always evolving to meet the changing needs of customers and markets
- DownerMouchel has secured three WA ISA contracts
- ISA contracts have grown by more than 40% with additional new electrical services work including maintenance of existing traffic lights, freeway lighting, communications and design and construction of selected capital works
- Successful model is being rolled out to east coast



Innovation in road infrastructure

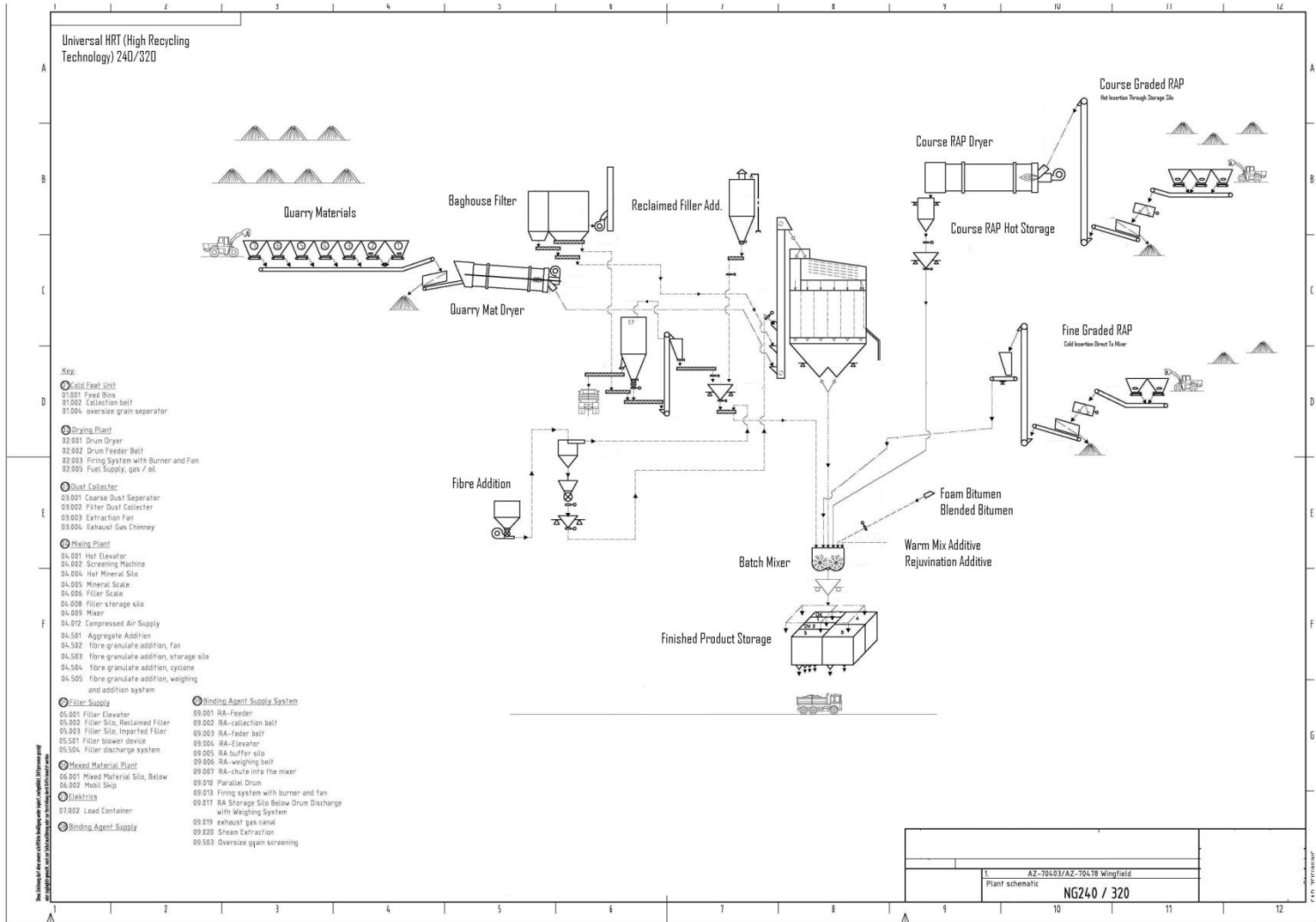
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- Downer is a leading innovator with respect to 'clean' technology, lower energy usage and High Recycle Technology (HRT)
- First of its kind globally – Downer, with its supply partners, has developed new concepts in pavement recycling with the aim of introducing recycled road pavement products with 75% recycled asphalt
- The focus is on building a plant with its primary objective on recycling
- Plants have been commissioned for Adelaide and Melbourne



World leading asphalt technology

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Driving efficiencies in provision of services

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Stabilisation Project

- Moved away from traditional model of stabilisation with small crews in many locations
- Benefits include:
 - Increased average daily productivity through specialist plant and specialist crews
 - Reduced rework, improved quality
 - Reduction in labour resources required to complete annual quantities due to increased productivities and efficiencies gained through achieving the same outputs with less resource
 - Lower cost/m² for undertaking stabilisation and rip and remake repairs
 - Increased capabilities



SCIRT update

Cos Bruyn
Chief Executive Officer, Downer New Zealand

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New Zealand Government

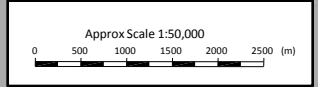
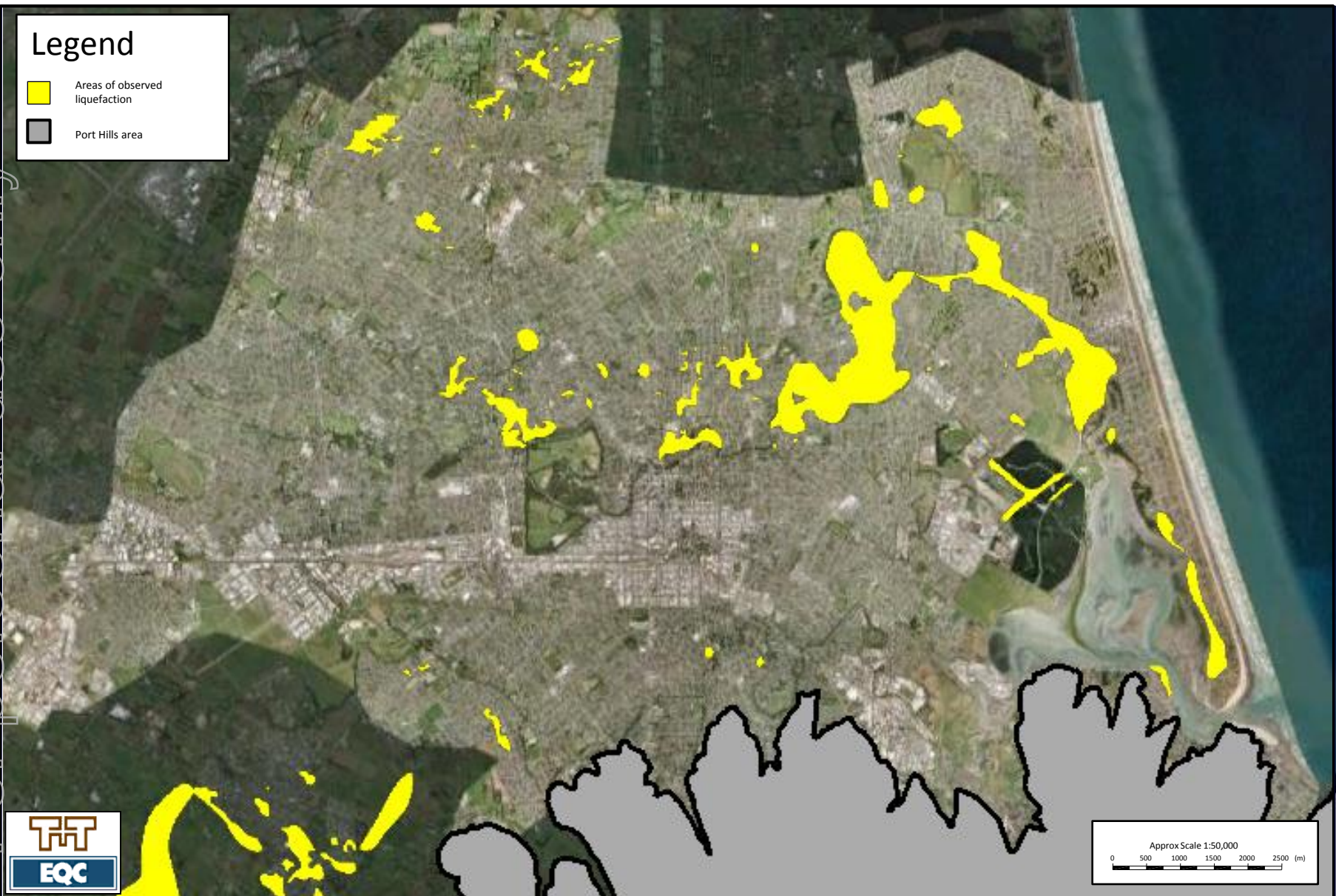


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Legend

 Areas of observed liquefaction

 Port Hills area



Notes:
Low-resolution aerial photos sourced from Google Earth (Copyright: 2009).
High-resolution aerials provided by New Zealand Aerial Mapping (February 2011)
Property boundaries provided by Christchurch City Council



**Canterbury
Earthquake
Recovery
Authority**



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FILE :	
APPROX. SCALE (AT A3 SIZE)	
NTS	
PROJECT No.	

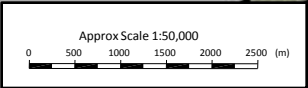
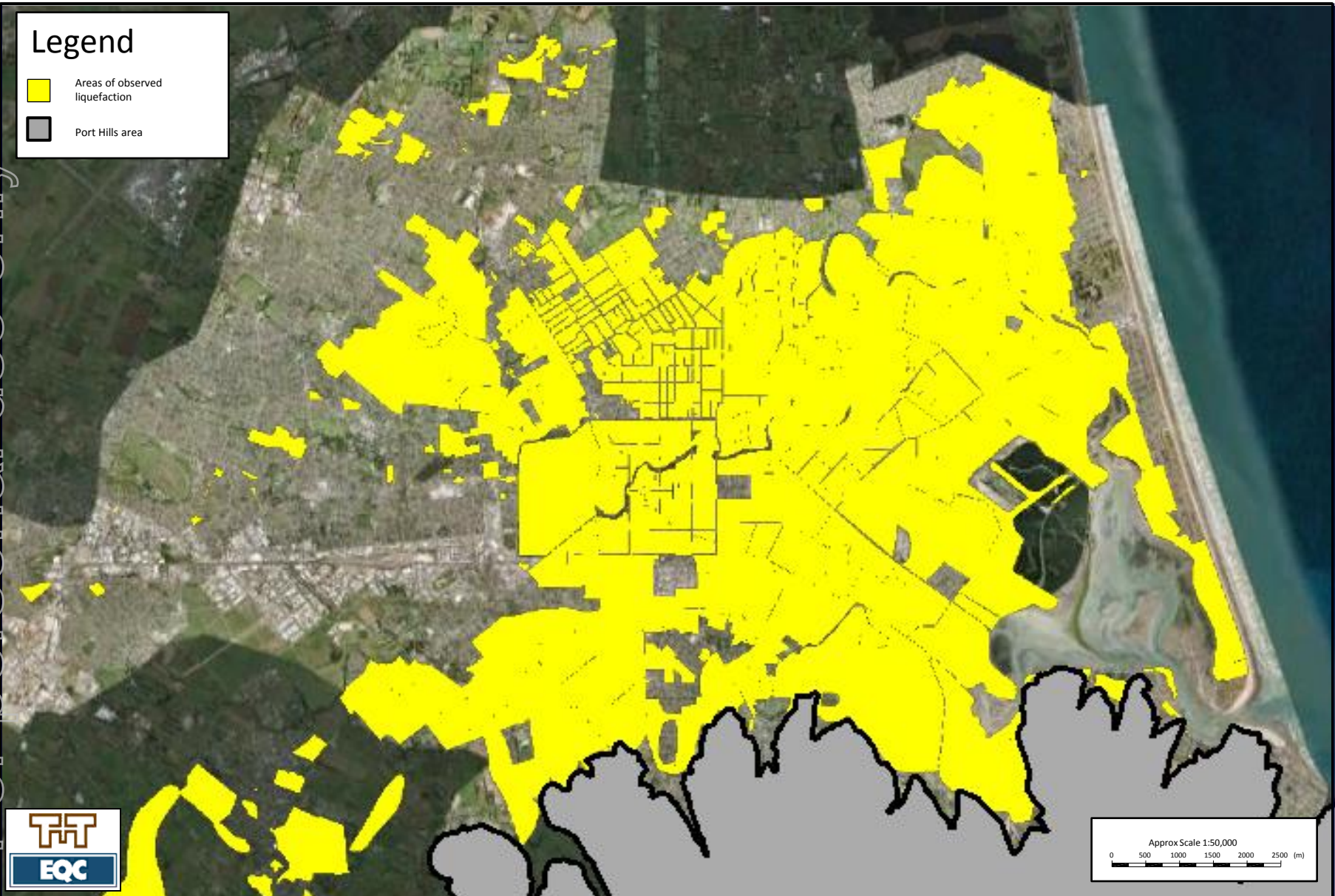
CERA
CANTERBURY EARTHQUAKE RECOVERY
Land Damage Map
Land Damage After 4 September 2010

FIG. No.		REV.	0
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Legend

-  Areas of observed liquefaction
-  Port Hills area



Notes:
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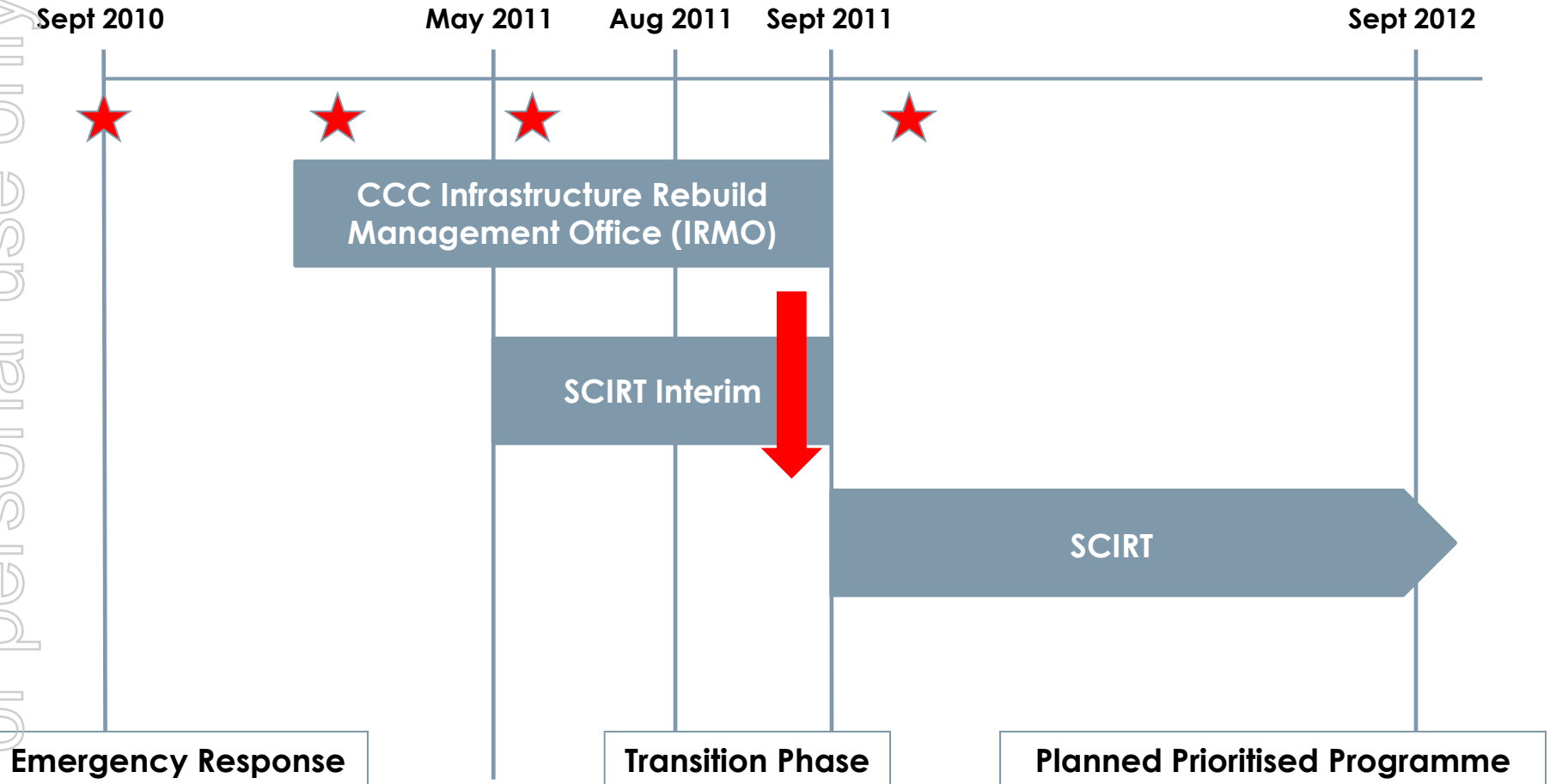
**Canterbury
 Earthquake
 Recovery
 Authority**

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FILE :	
APPROX. SCALE (AT A3 SIZE)	
NTS	
PROJECT No.	

CERA	
CANTERBURY EARTHQUAKE RECOVERY	
Land Damage Map	
Aggregated Land Damage After 22 February 2011	
FIG. No.	REV. 0

Transition from emergency response to recovery

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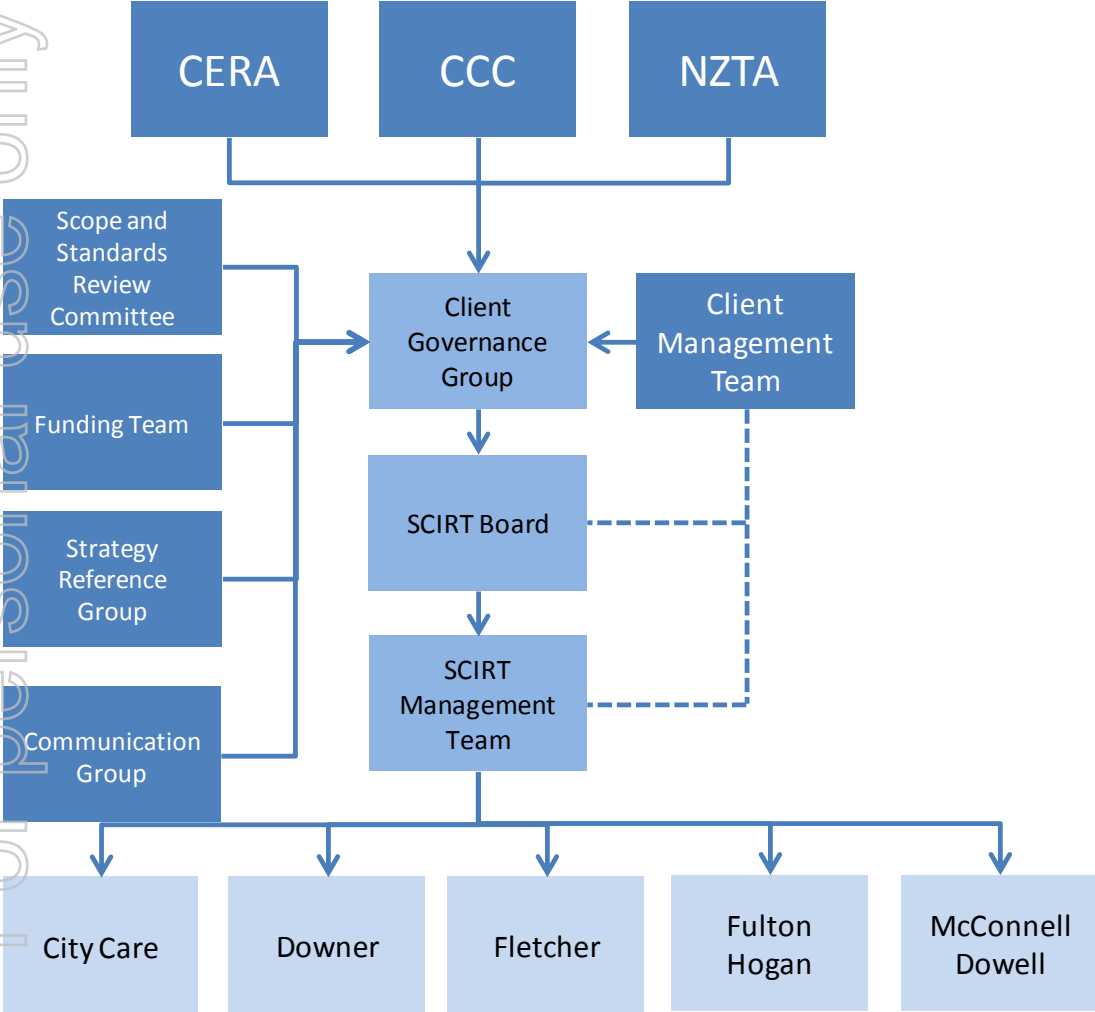
Key client needs

Commercial model developed to deliver:

- Independent validation of project estimated cost, and of open book cost inputs
- Best practice Program Management process
- Competitive tension between non owner participants
- Design consistency across entire program
- Managed transition from emergency response to planned program of work
- Delivery of 'right work at right time' – prioritisation

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Resulting model



- CCC, CERA and NZTA are clients, collaborating through Client Governance Group
- SCIRT is the delivery team
- The contractual framework is an eight party Alliance structure; 3 government and 5 private organisations each with nominal 20% share

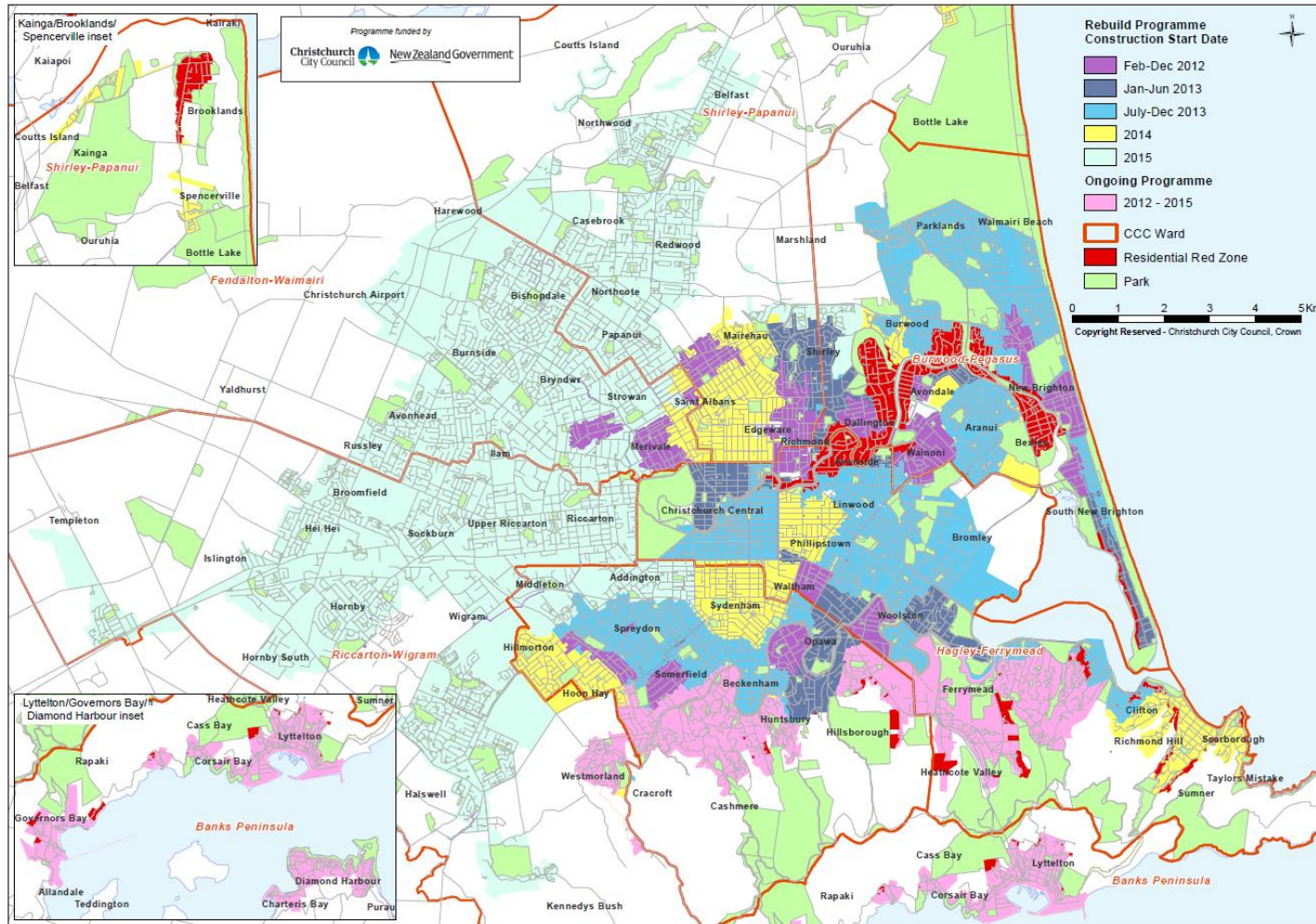
Estimate

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- Initial estimate
 - developed by clients following February EQ
 - updated after June EQ
 - based on limited initial factual knowledge
- SCIRT estimate – November 2012
 - based on approx 50% asset assessment, 30% design
 - range from \$2.283 billion (P5) to \$3.189 billion (P95). \$2.796 billion, P50
 - opportunity for \$300 million cost reduction
- Target estimate – March 2013
 - \$2.496 Bill, with range as previous
 - Levels of Service as pre-September 2010

Program level prioritisation

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Progress – March 2013

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179	Projects valued at \$976 million currently being designed
109	Projects valued at \$384 million currently being constructed
185	Projects valued at \$97 million currently being handed back to the asset owners
36	Projects valued at \$194 million being estimated

Progress – March 2013

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Total Network	Damage	Repaired	% Repair complete	Network
11,761,807 m ²	1,320,375 m ²	164,372 m ²	14%	Road pavement
1,613 km	659 km	144 km	22%	Wastewater pipe
2,843 km	69 km	22 km	32%	Fresh water pipe
329 km	26 km	9 km	35%	Storm water pipe

Progress

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- Ramping up the volume of work in the field
 - 1,150 in the field – peak 1300
 - 150 delivery management
 - 280 asset investigation
 - 180 designers
 - 110 Program Management
 - 1,870 total

Challenges ahead

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- Deliver a 'whole of network' outcome that provides an equivalent level of service, asset life and O&M regime to pre-September 2010 conditions
- Demonstrate value – means different things to different stakeholders
- Keep a focus on 'critical resources'
- Contain escalation
- Balance work schedule to maintain an operational network
- Integrate with other rebuild programs

Keolis Downer

Peter Reidy – Chief Operating Officer, Downer Infrastructure Services
Kieran Street – Business Development Manager, Keolis

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Who we are

Keolis Downer is an unincorporated joint venture (Keolis 51%, Downer 49%) established in 2008

Our vision

To be the leading public and private sector transportation asset manager and operator across Australia and New Zealand



Ownership: 70% SNCF (French National Railways), 30% CDPQ (Canadian Pension Fund)

Revenue: \$5.5bn in 2011

Employees: 50,000

Operations: in 12 countries carrying over 2.2 billion passengers each year:

- **Rail:** over 1,000 train sets, 4,874 km of network and 11 franchises
- **Metro:** 250 trains over 87 km of metro, 4 systems
- **Light Rail:** over 800 vehicles, 450km of track
- **Bus:** approximately 23,000 buses



Revenue: \$8.5 billion in 2012

Employees: 20,000

Divisions: Infrastructure, Mining, Rail

Operations: Provides comprehensive engineering and infrastructure management services to the Minerals & Metals, Oil & Gas, Power, Transport, Telecommunications, Water and Property sectors in Australia and New Zealand.

What do we do

Keolis Downer has been successful in two major opportunities in Australia



The world's largest operating tram network

15 year franchise (2024) awarded in 2009

2000+ staff

250km of double track

487 trams

1750 tram stops

29 tram routes



Greenfield light rail for the Gold Coast

\$1 billion PPP

18 year contract awarded in 2011

Design and construction of a 13km rail corridor & associated infrastructure

15 year O&M contract – start operations Q2 2014

14 trams

Our business model

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Key market drivers

- State Governments driving a reform agenda with private participation for key infrastructure and transport assets
- Growing population density on roads/public transport
- Private funding reduces pressure on State budgets

Our competitive advantage

- Integrating Keolis' global public transport operational expertise, customer innovation with Downer's national scale, local market knowledge and customer relationships
- Culture and leadership focus – “Think like a passenger”

Our strategy

- To leverage our competitive advantage to build a market facing business delivering public sector transportation services
 - Intermodal extension
 - Geographic expansion – Australia and NZ
 - Industry and supply chain long-term partnering

Opportunities

- Existing State-run enterprises or private sector franchises
- Delivering new infrastructure and services under models including PPPs

Opportunity pipeline

LEK: in 2008/09 the Australian public transport market was worth ~\$5.5billion

Growing Population (Australia): approx 23m, forecast ~30m in 2030

Strong public transport patronage growth: 92% (1997-2009) compared to a 49% population growth and a year-on-year growth in passenger km of 4.5%

Three Key Market Opportunities:

- Existing and new O&M franchises
- New developments
- Mergers & acquisitions

Mode	Project	Type	Region
Rail	Cross River	PPP (New)	QLD
	NSW Rail -Sydney Trains	O&M (existing)	NSW
	Queensland Rail	O&M (New)	QLD
	V-Line	O&M (New)	VIC
	Tranz Metro	O&M (Existing)	NZ
Light Rail	Sydney	PPP (existing + New)	NSW
	Perth	PPP (New)	WA
	Canberra	TBC (New)	ACT
	Gold Coast	PPP (extension)	QLD
Bus	Private Operators	Re / new O&M franchises	All States
	State Operations	O&M franchises (New)	NSW, QLD, ACT

PPP = Public Private Partnerships

O&M = Operations & Maintenance

Downer Mining

David Overall
Chief Executive Officer, Downer Mining

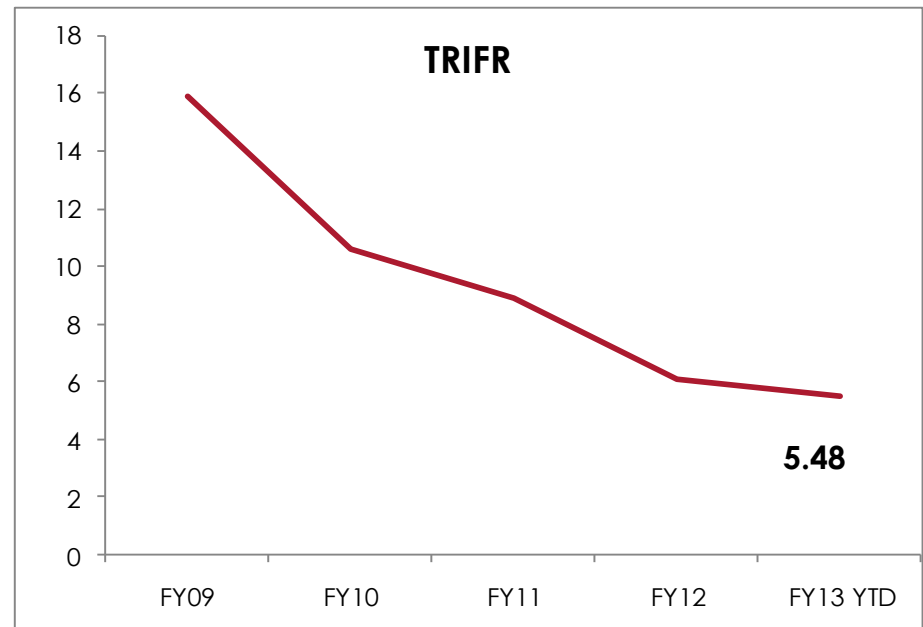
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Ongoing improvement in Zero Harm

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- Ongoing improvement in TRIFR
- LTIFR <1
- Focus on High Potential Risks
- Collision avoidance – SafeMINE rolled out at Commodore and Boggabri
- Working at heights
- Isolations

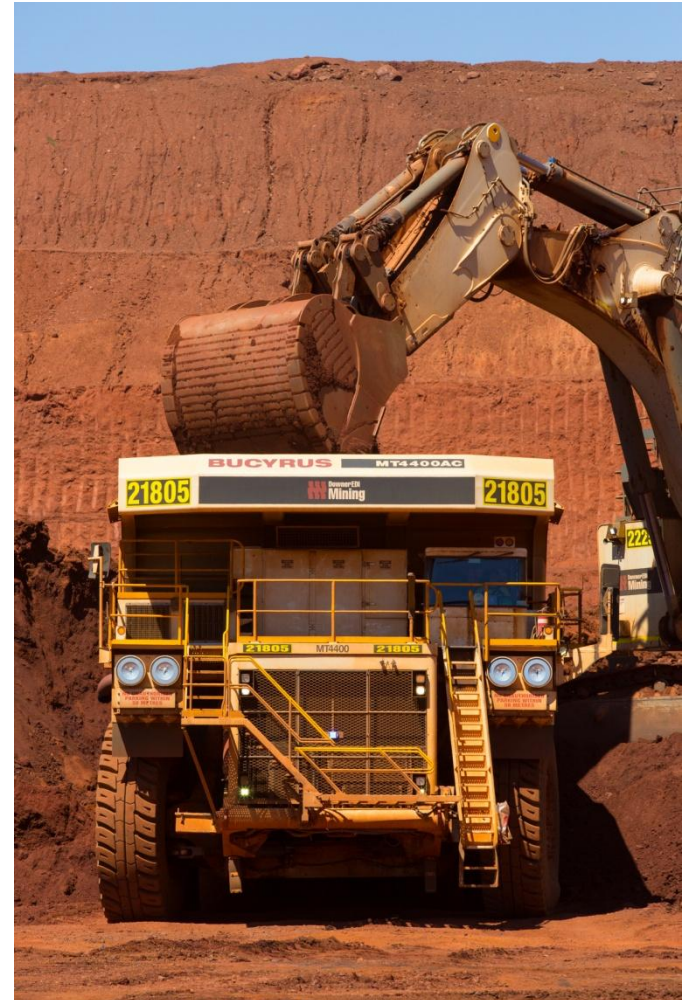


Cost reduction strategies – plant

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“Doing more with less”

- Standardising fleet/fleet matching
- Ultra class machines
- Reduction in hired gear/relocation plan
- Disposal of aged fleet
- Back to Basics maintenance
- Strengthening critical spares



Cost reduction strategies – operations

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- Operations excellence and business improvement
- Strategic partners
- Focus on people and training
- Procurement and sourcing



Delivering something different

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- Otraco tyre training centre in Perth – 106 graduates to date; unique certifications
- DBS waste oil trials – proven success substituting up to 50% waste oil for diesel in ANFO; fragmentation trials now underway
- Kidney looping – rear axle oil life increased from 2,000hrs to 6,000hrs on mechanical-drive trucks and to 4,000hrs on electric-drive trucks
- CSIRO/DBS on-site supply chain optimisation
- Operator fuel-efficiency training project – pre-training simulator-based skills assessment identifies training needs



Major contracts

Customer	Mine/s	Location	Contract value	Duration	Start date	Services provided
Fortescue	Christmas Creek	Pilbara, WA	A\$3.0 billion	6 years	Oct 2010	Load & haul of overburden, drill & blast, design, manufacture, installation and maintenance of mine infrastructure. Also awarded civil works for Christmas Creek 2.
BHP Mitsubishi Alliance	Goonyella Riverside Blackwater Daunia	Bowen Basin, QLD	A\$2.0 billion	5 years	July 2010	Load and haul of pre-strip material and drill and blast services. Actively involved in cost-reduction programs with the client at this site.
Idemitsu	Boggabri	Gunnedah Basin, NSW	A\$900 million	5 years	Dec 2011	Blasting services, mine planning and load and haul of both overburden and coal. Recent announcement by client of reduction in production target.
Karara	Karara Mining	Mid West region, WA	A\$570 million	6 years	Feb 2012	Establishment of mine infrastructure, drill and blast, and load and haul of waste and ore.
TEC Coal	Meandu	South East QLD	A\$600-800 million	5.5 years	Jan 2013	Mine management, planning, drilling, overburden removal, coal mining, coal processing, rehabilitation and plant maintenance. Site recently selected for Hitachi autonomous haulage system trial.

Growth opportunities

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- Otraco – \$32 million new contracts and renewals; especially new work in Southern Africa and South America
 - Cerro Colorado – BHPB
 - Los Bronces – Anglo American
 - Sishen – new contract – Anglo American
 - Debswana – De Beers/Botswana Government
- >\$1.5 billion tenders bid – Whitehaven, Peabody, RHIO, Yancoal, Ok Tedi Mining
- Mine closure and rehabilitation – full suite of services to execute rehabilitation on mine closure

Downer Rail

Ross Spicer
Chief Executive Officer, Downer Rail

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Waratah Train Project (WTP) update

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Status	Train Set No.	Status	Train Set No.
Passenger service	3,4,5,6,7,8,9, 10,11,14,15,16,17,18, 19,20,21,22,23,24, 25,26,27,28,29,30, 31,32,33,34,35,36,37, 38,39,40	In transit / at Dalian Port	53,54,55
Being prepared for Practical Completion	41,42	At CRC ready for dispatch to Port	56
Auburn under test	43,44	In CRC Fitout Shop	57,58,59,60,61
Cardiff under test	13,45,46,47,48	In CRC awaiting fitout	n/a
Cardiff in production/ post-production	12,49,50,51	In CRC Bodyshell Production	62,63,64,65,66
Cardiff waiting production	52	In CRC for retrofit	1

WTP Through Life Support (TLS) contract

- 30-year TLS contract provides opportunities for Downer Rail
- Continued development of TLS team
- Life Cycle Cost (LCC) analysis for Waratah trains is well in progress
- LCC drives component and overhaul strategies for the WTP fleet
- Duration of contract and scale of fleet will enable longer term investment in facilities and resources/capabilities
- Spare plant capacity provides opportunity for more competitive bidding for future contracts (with RR and RailCorp consent)
- TLS organisation and methodology is based on world best practice for modern passenger train management
- This provides a model for Downer Rail's future in passenger asset management
- Around \$70 million annual revenue once full fleet is in service – with CPI escalation throughout contract

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Integration of WTP and Downer Rail

Initial focus:

- Put the customer at the heart of everything we do
- Measure success by the performance and reliability of our locomotive and passenger fleets
- Drive efficiencies
- Retain key people
- Maintain focus on Zero Harm

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Freight

- Five year agreement with Electro Motive Diesel (EMD) signed June 2012
 - further strengthens Downer's 60+ year relationship with our key partner EMD
- Offshore manufacturing of locomotives will enable Downer and EMD to maintain competitiveness, with a global-leading and proven product
- During past 12 months, Downer has delivered new locomotives to Fortescue Metals Group and BHP Billiton, the latter through a 5-year exclusive arrangement signed in March 2012
- Downer's customers are demanding new levels of support, efficiency and technology and Downer is committed to delivering this

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Overview

- Downer Rail has stabilised over the past two years with a strong focus on safety improvement and governance
- Rapidly changing market - slow-down in demand from mining sector and increasing low cost international competition
- The integration of WTP and Downer Rail is an opportunity to share systems and knowledge in order to continue improving and achieve greater performance
- Customers have told Downer that reliability is their number one issue – Downer will ensure this is a key priority for the business

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