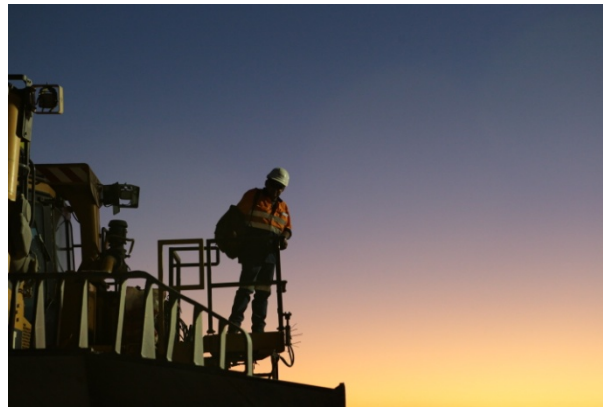


Downer acquisition of Tenix

20 October 2014

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Transaction overview

- Downer has entered into a binding agreement to acquire 100% of the shares in Tenix Holdings Australia Pty Limited (Tenix) for \$300 million on a cash and debt free basis
- Tenix is privately owned and a leading provider of long term operations and maintenance services to owners of electricity, gas, water, wastewater, industrial and resources assets in Australia and New Zealand
- The acquisition is funded through a \$300 million committed bank debt facility. As a result, Downer's on balance sheet gearing is projected to be ~ 10% at 30 June 2015
- The transaction will be completed on 31 October 2014
- The acquisition will be EPS accretive in the first year

Excellent strategic fit

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- Strong safety performance and culture
- Complementary businesses with little overlap
- A leader in the electricity, gas and water sectors in Australia and NZ → new core Utilities business for Downer Group
- Long term operations and maintenance contracts
- Long term, recurring relationships with high quality customers – Tenix has been working with a number of its customers for over a decade
- Low capital intensity
- Opportunity to expand Downer's customer base
- With Downer, positioned strongly for future growth

Tenix is a leader in Utilities

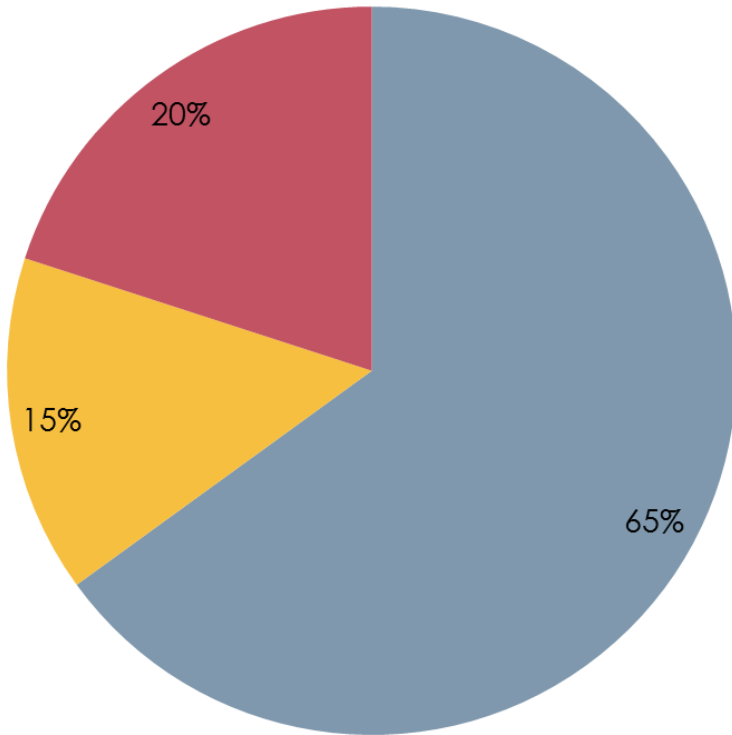
- Power & Gas
 - Long term power and gas network maintenance contracts
 - Substations panels
 - Other capital works panels
- Water, Resources & Energy
 - Water and waste water treatment plant design, construction, operations and maintenance
 - Capital works programs
 - Coal seam gas and renewable energy

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Revenue

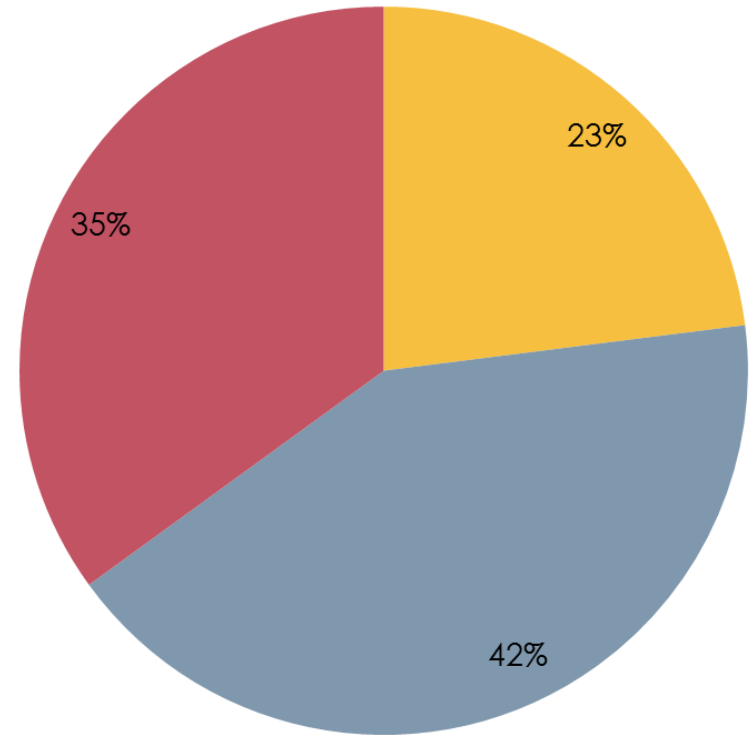
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Revenue by sector



■ Power & Gas ■ Resources & Energy ■ Water

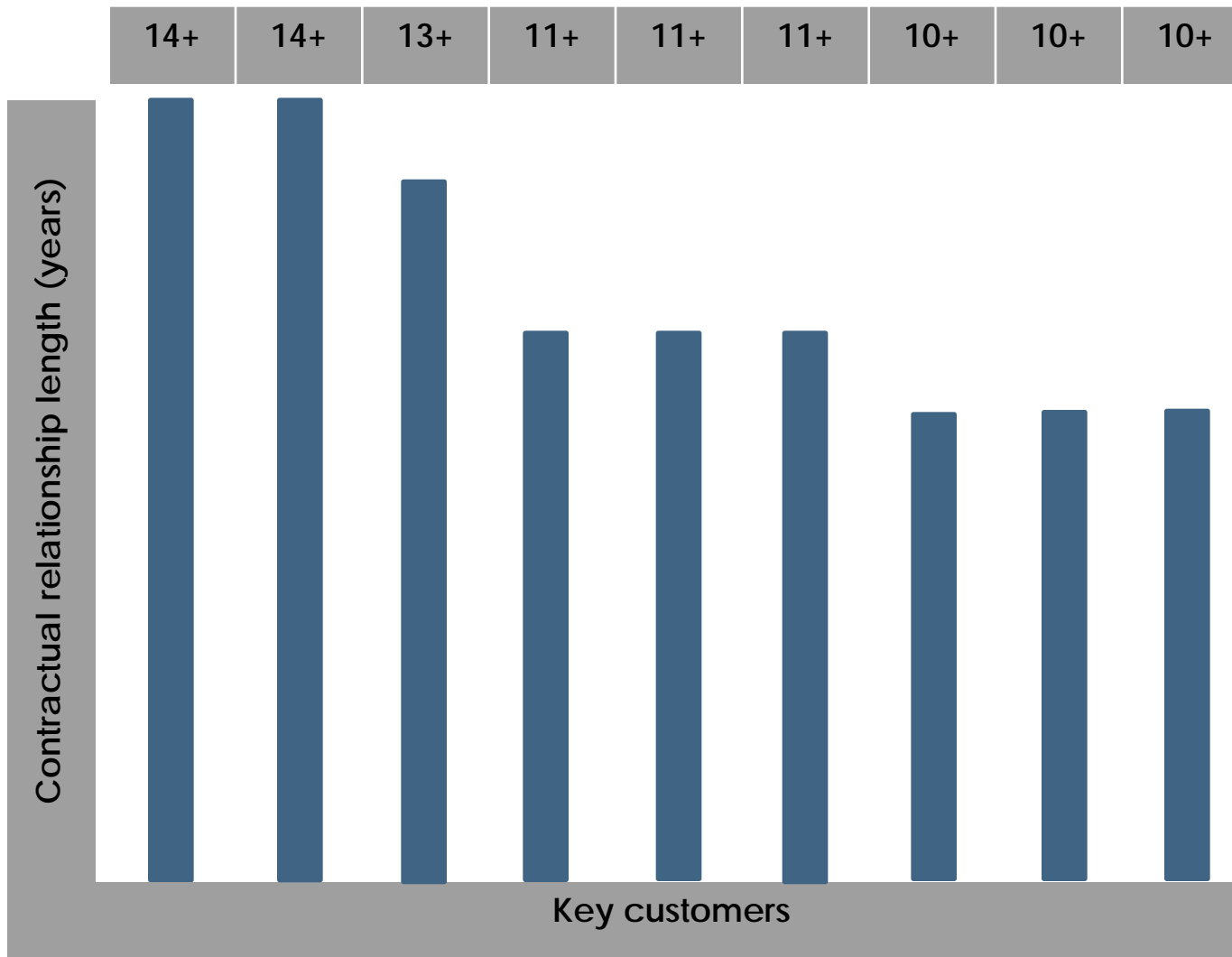
Revenue by contract type



■ Lump sum ■ Schedule of Rates ■ Cost Plus

Strong, long term relationships

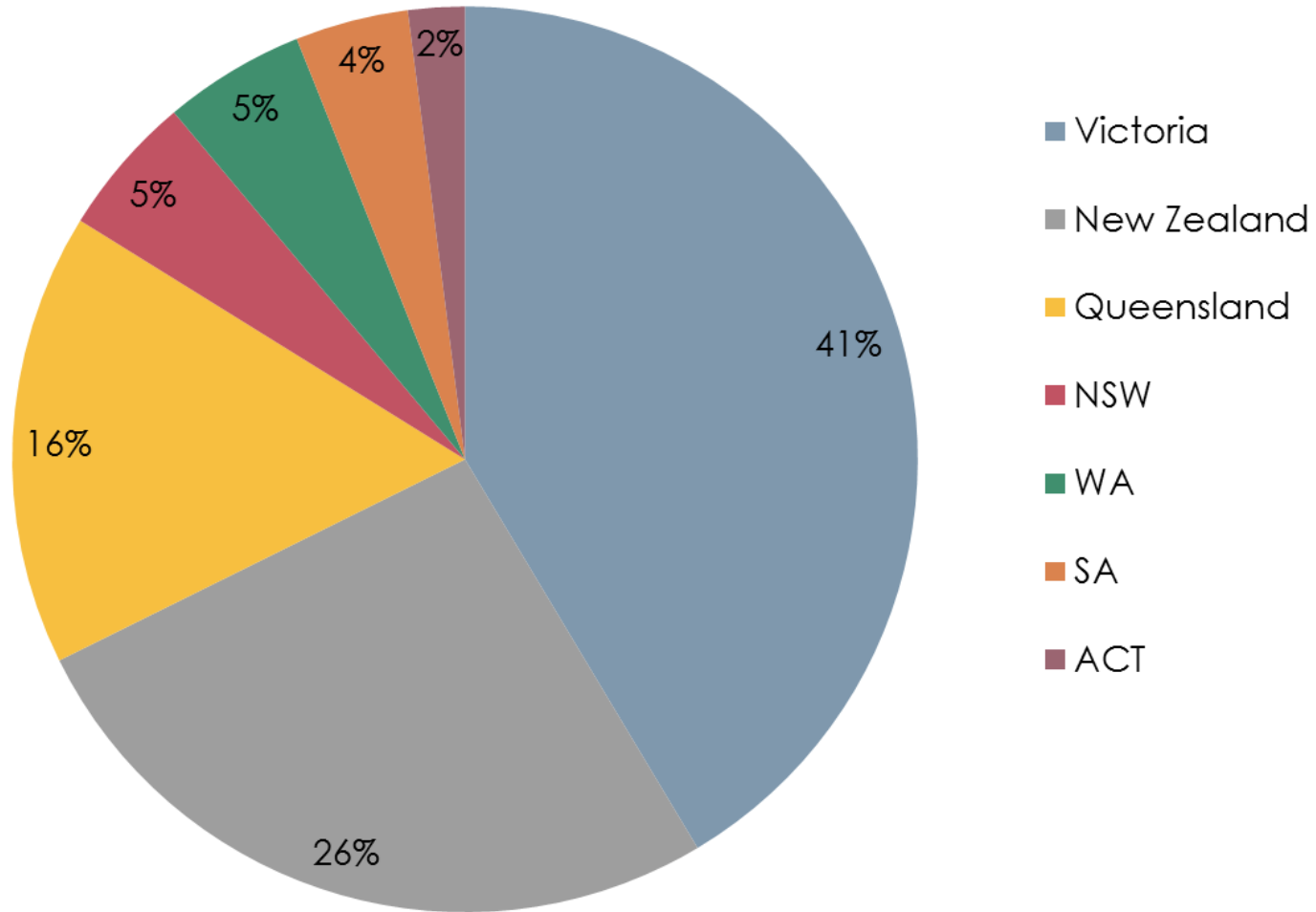
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Highly specialised, experienced workforce

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1,600 employees



Pro forma financials

- Tenix's FY14 revenue was \$791.1 million
- Tenix's FY14 EBIT was \$29.4 million
- Tenix's FY15 revenue expected to be lower due to completion of resources projects
- Tenix's FY15 EBIT expected to be broadly in line with FY14
- Acquisition will be EPS accretive in the first year
- Downer's gearing projected to be ~ 10% at 30 June 2015

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Summary

- Following this acquisition, Downer Group will have:
 - more long term, collaborative customer relationships
 - more long term, recurring, IP driven operations and maintenance contracts
 - enhanced growth opportunities
 - strong, leading positions in stable and growing markets
 - a continuing culture of investing in high quality people

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Questions?

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Rounding

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