

10:25 Alcoa Alumina Refinery, Kwinana WA



17:10 Manchester Place Plant, Hamilton NZ



21:35 Auburn Maintenance Centre, Auburn NSW



15:50 Coal Mine, Bowen Basin QLD





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**Downer provides comprehensive engineering and infrastructure management services to customers in the Minerals & Metals, Oil & Gas, Power, Transport, Telecommunications, Water and Property sectors. Downer employs more than 20,000 people, primarily in Australia and New Zealand but also in the Asia-Pacific region, South America and South Africa.**



- 1 Total revenue includes \$0.5 billion from joint ventures. It is a non-statutory disclosure and includes revenue, other income and notional revenue from joint ventures and other alliances not proportionately consolidated.
- 2 Underlying EBIT is defined as earnings before interest and tax before individually significant items and is determined as the statutory profit before tax and interest, less any items that have been classified as individually significant item to the financial statements. The presentation of underlying EBIT is a non-IFRS disclosure.
- 3 Underlying NPAT is defined as net profit after tax before individually significant items for both continued and discontinued operations and is determined as the statutory net profit after tax for continued and discontinued operations less any items that have been classified as individually significant item to the financial statements. The presentation of underlying NPAT is a non-IFRS disclosure.



**Our three divisions design, construct and maintain optimal solutions for our customers while focusing on sustaining a work environment that supports the health and safety of our people, customers and the public, and minimises the impact we have on the environment.**

#### **DOWNER INFRASTRUCTURE**

Total revenue \$4.6 billion  
EBIT \$180.3 million  
EBIT margin 3.9%  
ROFE 15.6%  
Work-in-hand \$8.5 billion

#### **DOWNER MINING**

Total revenue \$2.5 billion  
EBIT \$173.5 million  
EBIT margin 7.0%  
ROFE 20.3%  
Work-in-hand \$6.5 billion

#### **DOWNER RAIL**

Total revenue \$1.3 billion  
EBIT \$76.4 million  
EBIT margin 5.9%  
ROFE 16.3%  
Work-in-hand of \$4.8 billion



### **Highlights of the 2012 Financial Year**

**Total revenue<sup>1</sup>  
rose 22.5% to  
\$8.5 billion**

**Underlying earnings  
before interest  
and tax<sup>2</sup> increased  
by 18.6% to  
\$346.5 million**

**Underlying net  
profit after tax<sup>3</sup>  
increased 17.4%  
to \$195.3 million**

**Operating cash  
flow increased  
by 96% to  
\$364.5 million**

**Work-in-hand  
remains high  
at \$20 billion**

**More than  
20,000 employees**



# REPORT FROM THE CEO

Downer made significant progress during the year and reported a financial result that highlighted the strength of its businesses. We delivered on our promises and have shown that we are capable of much more. Downer continued to win new projects across the Group, with work-in-hand remaining high at \$20 billion. Downer's three divisions - Infrastructure, Mining and Rail - are leaders in their sectors.



**Grant Fenn**  
CEO and Managing Director

The highlights of our financial performance include:

- Total revenue of \$8.5 billion (including \$0.5 billion from joint ventures);
- Underlying earnings before Interest and tax increasing by 18.6% to \$346.5 million;
- Underlying net profit after tax increasing by 17.4% to \$195.3 million;
- Operating cash flow rising by 96% to \$364.5 million;
- Net debt reducing by 25% and gearing by 6.9 percentage points to 18.6%; and
- Work-in-hand remaining high at \$20 billion.

I would like to thank all our people for the hard work that contributed to these good results.

Downer Infrastructure was established in May 2012, bringing together the Group's Infrastructure businesses in Australia and New Zealand. Downer's portfolio structure is now well defined and Downer's three divisions - Infrastructure, Mining and Rail - have significant scale, a critical mass of capable management and strong service offerings.

In Australia, Downer Infrastructure's total revenue was \$3.7 billion and earnings before interest and tax (EBIT) rose by 38.2 per cent to \$150.7 million. The result for the Eastern region was particularly strong, driven by road infrastructure services and the benefits of blending our engineering services and construction capabilities for resources based projects.



In New Zealand, Downer Infrastructure delivered a much improved performance in the second half of the year, achieving total revenue of \$0.9 billion and EBIT of \$29.6 million, more than double last year's EBIT of \$11.0 million. The efficiency improvements that have been introduced over the past two years are now starting to show in the New Zealand results.

There is a significant pipeline of opportunities for Downer Infrastructure in both Australia and New Zealand. The newly integrated business is already seeing the benefits of scale, increased management depth and technical expertise. This is having a real impact on the opportunities available and our success rate.

Downer Mining's result was very strong, with EBIT up 45.1 per cent to \$173.5 million. Growth was driven by new and expanded open cut mining contracts and record levels of work in the blasting and tyre management businesses.

Downer Rail's EBIT rose by 1.8 per cent to \$76.4 million, in part driven by the close-out of locomotive and passenger build contracts that were completed during the year. On 26 June 2012, Downer announced a new five year agreement with Electro-Motive Diesel that will provide customers with more competitive pricing and improved lead times. This agreement highlights the way in which our Rail business is transforming to meet the changing dynamics of the market. We continue to manufacture passenger vehicles for QR, WA Public Transport Authority and, of course, the Waratah Train Project.

The Waratah Train Project passed a number of significant milestones during the year and, while still a challenging project, now represents a substantially lower risk to the Group. Manufacturing in China is consistently meeting quality standards and the production rate is at the required three trains per month. At Cardiff, in New South Wales, the manufacturing flow line is now pulsing every four days and is scheduled to move to three days in February 2013. Under the current schedule, the 78th train (the final train under the original contract) will be delivered in mid-2014. Importantly, the trains in passenger service have been performing well.

A profoundly disappointing aspect of our performance during the year was the two workplace fatalities on road maintenance sites in Victoria and New Zealand. Both incidents involved reversing vehicles. Downer has implemented initiatives to address the hazards associated with reversing vehicles on our work sites across Australia and New Zealand.

Looking forward, it is clear there is a growing level of uncertainty around the level and timing of government and private sector investment in infrastructure in both Australia and New Zealand. That said, Downer is well positioned in terms of the percentage of work already secured that will impact on the year ahead.

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





## AUSTRALIA

Downer Infrastructure employs over 10,000 people in Australia and is one of the largest providers of engineering services for critical infrastructure in the country. Its scale provides a strong platform for delivering integrated asset life-cycle solutions and services to our customers. Downer Infrastructure has formed many valuable partnerships with customers and communities across Australia and is committed to understanding, adapting and responding to their needs.

For customers undertaking large and complex capital infrastructure projects, Downer Infrastructure has the ability to deliver a wide range of services needed for project success. Our plant construction capabilities include civil, structural, mechanical, electrical and instrumentation while our infrastructure construction capabilities cover

# DOWNER INFRASTRUCTURE

**Downer Infrastructure was established in May 2012, bringing together the company's two infrastructure businesses in Australia and New Zealand. This is allowing Downer to optimise performance, deliver better results for customers and implement change more effectively. It will also deliver a range of benefits across Zero Harm, Risk and Project Management and key business systems.**

**09:15**

The Area Manager checks scaffold tags with the Operations Superintendent for compliance and accuracy.



**10:35**

The Advanced Scaffolder erects a scaffold and checks the scaffold standard to make sure it is level.



**12:55**

A "banjo" is positioned with a Franna Crane after Downer employees fitted valves to it.



## Alcoa Alumina Refinery, Kwinana WA

The Kwinana refinery is located 22 kilometres south of Perth and is part of the Kwinana Industrial area, Western Australia's premier industrial estate. Downer has had a presence at the refinery for over 30 years and performs a multi-disciplined contract including mechanical, electrical, scaffolding, plumbing and air-conditioning services.





roads, rail, camps, civil works, water treatment, communications and power. For customers maintaining critical assets, Downer Infrastructure has extensive national capability to manage, deliver and support these assets.

For the 2012 financial year, Downer Infrastructure's Australia business reported revenue of \$3.7 billion, EBIT of \$150.7 million, an EBIT margin of 4.1%, ROFE of 18.5% and work-in-hand of \$5.7 billion.

The Australian business was awarded a number of new projects during the year, including:

- an alliance contract with Xstrata Coal for the development of a coal handling and preparation plant (CHPP) at the Ravensworth North Coal Project in New South Wales. The contract has a total value of more than \$400 million and the scope of work includes the design, procurement, construction and commissioning of the CHPP as well as low voltage power supply and reticulation and high voltage transmission supply and relocation;
- a four year contract with FOXTEL to provide installation and maintenance services for FOXTEL's satellite and cable customers in Adelaide, Brisbane, Melbourne and Sydney. The value of the contract is expected to exceed \$200 million over the four years;
- through a 50:50 joint venture with Clough, a contract valued at around \$600 million with Fluor for the construction of pipelines, compression facilities and associated infrastructure relating

to the Fairview component of the Santos GLNG project located in the Surat Basin, Queensland;

- through a 50:50 joint venture with Clough, a contract valued at approximately \$200 million with CSBP Limited to provide project management, engineering, procurement, prefabrication, construction and pre-commissioning for the Ammonium Nitrate/Nitric Acid Plant Number 3 (NAAN3) at Kwinana, Western Australia;
- a demolition, design and construction contract for a new transmission line in Western Australia for Western Power, valued at more than \$175 million;
- an electrical services contract for the supply, installation, testing and commissioning of high and low voltage power to the new Victorian Comprehensive Cancer Centre South Facility, valued at more than \$85 million;
- an electrical and instrumentation contract with BHP Billiton Iron Ore valued at \$71.7 million for transmission line and substation works to provide power to a new mine at the client's Jimblebar operations in Western Australia;
- a number of electrical and instrumentation contracts with customers including BHP, Rio Tinto (including a framework agreement) and Fortescue Metals Group; and
- road and rail maintenance and civil construction work across the ACT, New South Wales, Queensland, Tasmania, Victoria and Western Australia.

**13:30**

Employees receive a Zero Harm induction and site specific training prior to a production shutdown.



**16:00**

Plumbing supervisor conducting quality assurance/quality control inspections of new eye wash stations.



**20:08**

Scaffolder transporting a tube to the job front readying for the shutdown.





## Hamilton Ring Road, Hamilton NZ

Downer, in partnership with Hamilton City Council, is completing several packages of works as part of the Hamilton Ring Road project. Construction started in early 2011 and both sections of the Hamilton Ring Road (Crosby Road – Ruakura Road and the four laning of Pukete Road to River Road) are being constructed by Downer simultaneously. The project is estimated to take approximately 30 months to complete.



**12:30**  
Carpenters erect a framework at the entrance of one of the two new pedestrian underpasses.

### 06:30

The asphalt plant supervisor monitors the asphalt mix process from the plant control room.



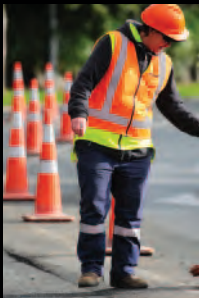
### 07:10

A loader collects raw materials from the bins and transports these materials.



### 10:20

A traffic controller undertakes a lane shift as work progresses on the River Road Intersection Upgrade.





## NEW ZEALAND

Downer Infrastructure employs over 4,000 people in New Zealand and is one of the country's largest infrastructure service providers for the transportation, water, telecommunications, facilities management and renewable energy sectors. The business has roots that go back to the formation of the Public Works Department in 1870 and Downer has built most of the country's roads, rail lines, telecommunications and hydroelectric schemes and provided vital utilities to customers and local communities.

The New Zealand business delivered a much improved performance in the second half of the 2012 financial year despite difficult economic conditions compounded by ongoing seismic activity around Christchurch.

Total revenue for the year was \$0.9 billion, EBIT was \$29.6 million, EBIT margin 3.2%. ROFE 12.1% and work-in-hand \$2.8 billion.

Downer is a member of the Stronger Christchurch Infrastructure Rebuild Team (SCIRT) that is rebuilding Christchurch's earthquake-damaged roads, sewerage, water supply pipes and parks. SCIRT is expected to undertake works valued at more than NZ\$2 billion over five years and Downer will carry out approximately 20 per cent of this work.

During the year Downer secured an initial one year contract with Chorus, New Zealand's largest telecommunications utility provider, to install Ultra-Fast Broadband (UFB). Downer New Zealand is also working with Chorus and Vodafone on the Rura Broadband Initiative.

Downer is a key supplier to councils across New Zealand and secured the following projects during the year:

- a four year contract with Auckland Transport for road maintenance services to the south western area of Auckland. The contract, valued at NZ\$130 million, can be extended by two years plus a further two years giving it a potential value of NZ\$260 million;
- an open space management contract with Auckland Council worth NZ\$70 million over five years, plus a three year and further two year option;
- a facilities management contract with Auckland Council worth NZ\$24 million over three years, plus a four year option; and
- a NZ\$40 million construction contract to build the Wiri Maintenance and Stabling Depot for Auckland's new electric trains.

Downer was nominated for and won a number of awards during the year including:

- Finalist in the 2012 Downer New Zealand International Business Awards for Best Business Operating Internationally – Over NZ\$50 million, for its involvement in the Vanuatu Transport Infrastructure Compact project and Best Use of Research and Development in International Business for its application of cold mix asphalt on the Pacific Island of Kiribati; and
- Winner of the 'category 3' award in the New Zealand Contractors' Federation Hirepool Construction Awards, which recognise excellence in civil construction projects carried out by New Zealand companies at home or overseas for its work on the Cleddau River.



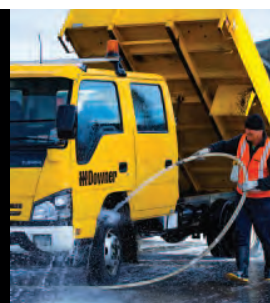
**15:30**

The Downer team installs new subsoil drainage at the road widening works along the northern end of Tramway Road.



**16:20**

A Downer truck returns to the depot to be washed after a day's work on site.



**17:00**

The Project Manager and Project Engineers plan for the following day's work.



**11:55**

A Downer surveyor sets levels for a new kerb line at the River Road intersection Upgrade works.





**08:45**

An apprentice diesel fitter works on a dump truck tyre as part of ongoing maintenance to extend the tyre's life.



**09:30**

A daily toolbox meeting is held at the start of every day shift to discuss performance, targets, safety and maintenance.



**11:15**

A Downer technician in the control room oversees the movement of all vehicles on site.



# DOWNER MINING

**Downer Mining has been successfully delivering contract mining and civil earthmoving services to an impressive list of global customers for over 90 years. Downer is now Australia's most diversified mining contractor, with over 5,000 employees and 2,000 contractors working across more than 50 sites in Australia, New Zealand, Papua New Guinea, South America and South Africa.**

Downer Mining supports its coal and metalliferous mining customers at all stages of the mining lifecycle, providing services including:

- open-cut and underground mining;
- blasting services;
- tyre management;
- exploration drilling; and
- sustainability services.

Downer Mining performed very well in the 2012 financial year with revenue growth driven by new and expanded open-cut mining contracts and record levels of work in the blasting and tyre management businesses.

Solid progress is being made on all contracts, including:

- Christmas Creek, in the Pilbara region of Western Australia (Fortescue Metals Group): mine infrastructure, blasting services and load and haul of overburden and iron ore. This is a six-year contract awarded in August 2010 and valued at approximately \$3 billion;

- Goonyella Riverside, Bowen Basin, Queensland (BHP Mitsubishi Alliance (BMA)): load and haul of prestrip material and drill and blasting services. This was initially a five-year contract, beginning in July 2010 and valued at \$2 billion, for the supply of contract mining services at both Goonyella Riverside and Norwich Park. In April 2012, BMA announced it would cease production at Norwich Park indefinitely. Since this time, Downer's Norwich Park fleet has been redeployed to other BMA mines;

- Boggabri, Gunnedah Basin, New South Wales (Idemitsu Australia Resources): blasting, mine planning, and load and haul of both overburden and coal. This five-year agreement commenced in December 2011, with base case revenue valued at approximately \$900 million over the duration of the contract; and

- Karara, Pilbara, in the mid-west region of Western Australia (Karara Iron Ore Project): mine infrastructure, drill and blast services and load and haul of waste and ore. This contract commenced in February 2012 and has total estimated revenue of approximately \$570 million over six years.

Downer Mining's blasting and tyre management businesses continued to win new contracts and contract extensions and reported solid revenue and earnings growth. In April 2012, for example, Downer secured a three-year blasting services contract with Jellinbah Resources valued at around \$90 million.

The underground mining business also continued to perform well and is actively pursuing new opportunities.

In July 2012, Downer Mining announced it had been awarded a long-term rolling contract with TEC Coal Pty Ltd, a wholly owned subsidiary of Stanwell Corporation Limited, to provide mining services at Meandu Mine in South East Queensland. The contract, which has an initial term of five and a half years, will commence in January 2013 and have a value in the range of \$600 million to \$800 million.

During the 2012 financial year Downer Mining was formally recognised three times for its Indigenous recruitment strategies. It won the AHRI (Australian Human Resource Institute) Commonwealth Bank Diversity Award for Indigenous Employment and it met its Australian Employment Covenant target for Indigenous employment three years early. It was also a finalist in the Outstanding EEO Practice for the "Advancement of Women in a Non-Traditional Area or Role" category of the Equal Opportunity for Women in the Workplace Agency (EOWA) Business Achievement Awards.





**12:30**  
Drilling works taking place on the northern end of the mine site in preparation for the area to be dug.



**15:40**  
A Project Manager and his team at the Northern end of the mine reviewing the day's activity.



**16:50**  
The last few loads of the day. A 627 grader filling up a dump truck with back fill in preparation for the site to be dug, mined and filled.



**18:05**  
End of the 12 hour day shift on the sixth go-liner.



**19:15**  
Downer dump truck drivers going through their 'pre-start' meeting and checks in preparation for the beginning of the new evening shift for the week.



**19:50**  
Dump trucks lined up ready to commence the evening shift, after vehicle reviews and safety checks.



**Coal Mine, Bowen Basin QLD**

Downer Mining has been providing large scale contract mining services to the Bowen Basin for more than a decade, including open-cut mining, drilling, blasting and tyre management.



# DOWNER RAIL

Downer Rail has more than 2,500 employees across Australia and is a leading provider of innovative and efficient rolling stock asset management solutions and a partner of choice for freight and passenger rail operators. Working closely with international partners, Downer offers a flexible range of services, from turnkey asset management to one-off repairs, enabling customers to control and optimise their operations for quality and efficiency.

## Auburn Maintenance Centre, Auburn NSW

The Auburn Maintenance Centre is a new purpose built facility constructed at Auburn for the maintenance of the Waratah train fleet. It has capacity to handle the maintenance of over 1,000 cars and incorporates the latest systems and equipment to ensure maximum availability and reliability of the new suburban trains.

## 06:10

A Waratah train goes through automatic external train wash before departing for passenger service.



## 10:20

At the start of each shift the manager reviews the operations plan and assigns the work to be completed to the team.





In a very competitive environment, Downer Rail continued to win new business during the 2012 financial year including:

- an order for 19 new locomotives by Fortescue Metals Group for use in the Pilbara. The total contract value is over \$73 million including the provision of the locomotives and service and support activities over five years. The first locomotives are expected to be delivered in August 2012;
- a \$292 million contract for the supply of locomotives to BHP Billiton Iron Ore in the Pilbara. This is a five year contract commencing June 2012, with an option to increase the total value to over \$400 million; and
- a rolling stock supply contract to design, build and deliver 17 new PR22L locomotives to TasRail, Tasmania's State owned rail company. The total value of the contract is more than \$60 million, with the first new locomotives to be delivered in mid-2013.

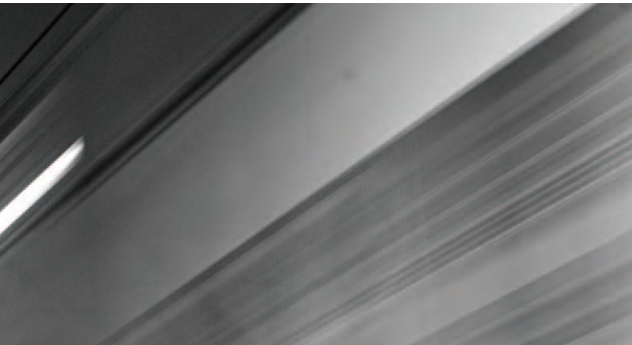
Downer Rail also mobilised several new passenger projects including Queensland Rail's Sunlander Tilt Trains and the WA Public Transport Authority's Transperth rail cars.

In June 2012, Downer announced that it had signed a new five year agreement with Electro-Motive Diesel (EMD). Under the new agreement, EMD will manufacture all locomotives for the Australian market with Downer continuing to sell EMD locomotives and after-market products, including spare parts. EMD will manufacture the locomotives at one of its new low cost overseas facilities. This new model will ensure Downer has a sustainable locomotive business as it exits high cost manufacturing and concentrates on sales, repairs and maintenance as part of its Whole of Life Asset Management offering to the market.

Downer is the largest provider of outsourced freight maintenance services in Australia, with a national network of over 20 maintenance centres. It provides customers with frontline maintenance, locomotive overhauls, remote help desks and derailment recovery and repair services.

Downer continues to build its partnership with French company Keolis, one of Europe's leading public transport operators. The joint venture currently operates and maintains the Melbourne tram system through Yarra Trams and will also operate and maintain the Gold Coast Light Rail, which is currently under construction and scheduled to open in 2014.

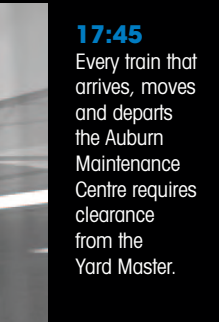
The Waratah Train Project passed a number of significant milestones during the year and now represents a substantially lower risk to the Group. As at 31 August, 14 Waratah trains had received a certificate of Practical Completion and were available for passenger service. The trains in passenger service are performing well.



**14:50**  
A driver's display unit is tested at the Electronic Test Facility.



**17:30**  
A Waratah train departs the Auburn Maintenance centre for evening passenger service.



**17:45**  
Every train that arrives, moves and departs the Auburn Maintenance Centre requires clearance from the Yard Master.



**20:10**  
A maintenance technician tests the vigilance fault, a safety system that sounds an alarm regularly to make sure a train driver is awake.



**23:05**  
The interior of a Waratah train is cleaned after a day in passenger service.





# ZERO HARM

**Zero Harm is embedded in Downer's culture and is fundamental to the company's future success. Zero Harm means sustaining a work environment which supports the health and safety of our people and minimising the impact Downer's business has on the environment. Zero Harm has three main aspects - health and safety, environmental sustainability, and people.**

## HEALTH AND SAFETY

A profoundly disappointing aspect of Downer's performance during the year was the two workplace fatalities on road maintenance sites in Victoria and New Zealand. Both incidents involved reversing vehicles. Downer has implemented initiatives to address the hazards associated with reversing vehicles on our work sites across Australia and New Zealand.

Downer is committed to improving its safety performance and is continuing to invest significant resources in our systems, training and people in order to improve safety and reinforce the Zero Harm culture across Downer. Our objective is to equip our people with the systems, knowledge and support networks that they require to work more safely and efficiently, and to feel empowered to suggest and implement changes to improve.

Downer monitors its health and safety performance through the measure of Lost Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR). At 30 June 2012, the LTIFR remained less than 1 at 0.93 per million hours worked and the TRIFR was 13.4 per cent lower than the previous year at 6.21 per million hours worked.

Our goal is to continue to sustain our LTIFR below one and to reduce our TRIFR below five by the end of the 2014 financial year. To achieve these results, Downer will focus on visible and active leadership, development of culture, capability and implemented management systems.

## ENVIRONMENTAL SUSTAINABILITY

Downer operates within carbon-intensive industries and seeks to effectively manage carbon-related activities and the emission of greenhouse gases (GHG). This includes identifying opportunities for reductions and efficiency improvements, sourcing alternative energy or fuels and developing business resilience plans to withstand changes in business activity due to climate and weather-related delays such as flooding or water shortages due to drought.

Downer has exceeded its Group-wide GHG emissions (Scope 1 and 2) intensity reduction target of two per cent based on 2010-11 data (less fugitive



emissions). This is the second consecutive year that we have been able to reduce our GHG intensity whilst our business activities have expanded. The target has assisted us in driving innovation in our products and services and reducing our carbon footprint. Switching to alternative fuels such as B20 biodiesel in our mining fleet is reducing our consumption of traditional fossil fuels. Our Mining division is the largest consumer of B20 biodiesel in the Australian mining sector. Downer also continues to develop and improve processes for managing water and waste generation.

Downer will not have a direct liability for the first year (FY12/13) of reporting under the Australian carbon pricing mechanism as the GHG emissions from each of our facilities will be lower than the 25ktCO<sub>2</sub>e threshold for carbon liability.

## SUSTAINABILITY REPORT

We are committed to identifying and monitoring our sustainability impacts, challenges and opportunities and disclosing our sustainability performance in the annual Sustainability Report. We report our performance against the Global Reporting Initiative (GRI) G3.1 Guidelines and engage an independent third-party to provide limited assurance over our Total Recordable Injury Frequency Rate (TRIFR), our total direct (Scope 1) and indirect (Scope 2) greenhouse gas (GHG) emissions and significant environmental spills (greater than 100 litres or kilograms) and fines.

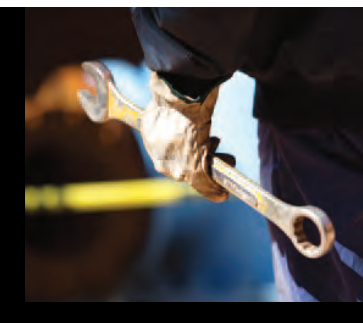
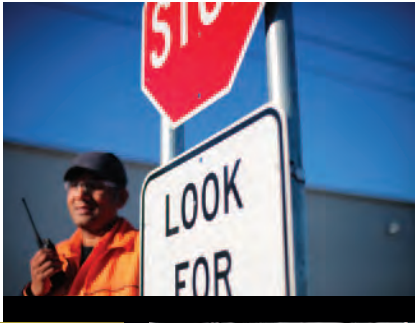
This year's report supplements our 2012 Annual Report and Annual Review and provides a summary of our non-financial, sustainability-related performance for the year ended 30 June 2012. It will be available on Downer's website in December 2012.

## PEOPLE

Downer continues to invest in a range of initiatives relating to the development of our people. Diversity remains a key focus and Downer has introduced a Diversity and Inclusiveness policy with a particular focus on gender, age and cultural diversity.

Downer's 2012 Annual Report sets out the Company's objectives and achievements for 2013 in the area of Diversity and Inclusiveness.







# BOARD OF DIRECTORS

## R M HARDING (63)

Chairman since November 2010,  
Independent Non-executive Director  
since July 2008

Mr Harding is currently a Director of Santos Limited and Roc Oil Company Limited and was a Director of Clough Limited from 2006 to 2010. He has held management positions around the world with British Petroleum (BP), including President and General Manager of BP Exploration Australia.

Mr Harding holds a Masters in Science, majoring in Mechanical Engineering.

Mr Harding lives in Sydney.

## G A FENN (47)

Managing Director and Chief Executive  
Officer since July 2010

Mr Fenn is an experienced executive with over 20 years in operational management, strategic development and financial management. Mr Fenn was previously a member of the Qantas Airways Limited (Qantas) Executive Committee, Chairman of Star Track Express and a Director of Australian Air Express. Mr Fenn held a number of senior roles at Qantas including Executive General Manager of Strategy and Investments and Executive General Manager – Associated Businesses, responsible for the Airports, Freight, Flight Catering and Qantas Holidays businesses.

Mr Fenn holds a Bachelor of Economics from Macquarie University and is a member of the Australian Institute of Chartered Accountants.

Mr Fenn lives in Sydney.

## S A CHAPLAIN (54)

Independent Non-executive Director  
since July 2008

Ms Chaplain is a former investment banker with extensive experience in public and private sector debt financing. She also has considerable experience as a Director of local and State government-owned corporations involved in road, water and port infrastructure. Ms Chaplain is a member of the Board of Taxation, was appointed to the Board of PanAust Ltd effective 1 July 2012 and was a Director of Coal & Allied Industries Limited from May 2011 to December 2011. She chairs KDR Gold Coast Pty Ltd and the Council of St Margaret's Anglican Girls School in Brisbane.

A Fellow of the Australian Institute of Company Directors, Ms Chaplain holds a Bachelor of Arts degree majoring in Economics and Mandarin in addition to a Masters of Business Administration (MBA) from the University of Melbourne.

Ms Chaplain lives on the Gold Coast.



(Top left to  
bottom right)  
R M Harding,  
G A Fenn,  
S A Chaplain,  
L Di Bartolomeo,  
P S Garling,  
E A Howell,  
J S Humphrey,  
K G Sanderson AO,  
C G Thorne.



### **L DI BARTOLOMEO (59)**

Independent Non-executive Director since June 2006

Mr Di Bartolomeo was Managing Director of ADI Limited for four years and prior to this he was Chief Executive of a number of substantial businesses for more than 10 years, including six years as Managing Director of FreightCorp (now Pacific National).

Mr Di Bartolomeo is National President of the Australian Industry Group, Chairman of Macquarie Generation and a Director of Australian Rail Track Corporation Limited and Australian Super Limited.

Mr Di Bartolomeo is a qualified civil engineer and has a Masters degree in Engineering Science. He is a Fellow of the Australian Institute of Management, a Fellow of the Chartered Institute of Transport and a Member of the Institution of Engineers Australia.

Mr Di Bartolomeo lives in Sydney.

### **P S GARLING (58)**

Independent Non-executive Director since November 2011

Mr Garling has over 30 years' experience in the infrastructure, construction, development and investment sectors. He was most recently the Global Head of Infrastructure at AMP Capital Investors, a role he held for nine years. Prior to this, Mr Garling was Chief Executive Officer (CEO) of Tenix Infrastructure and a long-term senior executive at the Lend Lease Group, including five years as CEO of Lend Lease Capital Services.

Mr Garling is currently the Chairman of Australian Renewable Fuels Limited and a Director of The DUET Group, of which he was inaugural Chairman for seven years. Mr Garling is also a Director of the unlisted Infrastructure Fund of India and Chairman of the Asian Giants Infrastructure Fund.



Mr Garling holds a Bachelor of Building from the University of New South Wales and the Advanced Diploma from the Australian Institute of Company Directors. He is a Fellow of the Australian Institute of Building, Australian Institute of Company Directors and Institution of Engineers Australia.

Mr Garling lives in Sydney.

### **E A HOWELL (66)**

Independent Non-executive Director since January 2012

Ms Howell has over 40 years' experience in the oil and gas industry in a number of technical and managerial roles. She was most recently Executive Vice President for Health, Safety & Security at Woodside Energy Ltd and served as Executive Vice President of North West Shelf at Woodside.

Ms Howell is currently a Director of the West Australian Ballet and the Ngarluma & Yindjibarndi Foundation, Mermaid Marine Australia Limited and is the Chair and CEO of EMR Resources Pty Ltd. She has previously served on a number of boards, including the Fremantle Port Authority, the Australian Petroleum Production & Exploration Association where she chaired the Environmental Affairs Committee and as a board member and President of the Australian Mines and Metals Association. She is also a past President of the Australian Society of Exploration Geophysicists, a life member of the Petroleum Club of WA and a distinguished member of the Petroleum Exploration Society of Australia.

Ms Howell holds a Bachelor of Science (with Honours in Geology and Mathematics) from the University of London, an MBA from Edinburgh Business School, and she attended an Advanced Management Program at Thunderbird Campus in the United States.

Ms Howell lives in Perth.

### **J S HUMPHREY (57)**

Independent Non-executive Director since April 2001

Mr Humphrey is currently Deputy Chairman of King & Wood Mallesons, where he is a partner specialising in corporate, mergers and acquisitions and infrastructure project work.

Mr Humphrey is currently a Director of Horizon Oil Limited and Wide Bay Australia Limited and is a former Chairman of Villa World Limited. He was appointed to the Board of Evans Deakin Industries Limited in 2000 and, subsequently, to the Board of Downer EDI Limited. He is also a member of the Australian Takeovers Panel.

Mr Humphrey holds a Bachelor of Laws from the University of Queensland.

Mr Humphrey lives in Brisbane.

### **K G SANDERSON AO (61)**

Independent Non-executive Director since January 2012

Ms Sanderson is an experienced executive and was most recently Agent General for the Government of Western Australia, based in London. In this role, Ms Sanderson represented the Government of Western Australia in Europe and Russia and promoted investment in Western Australia and Western Australian exports to Europe. She was previously Chief Executive Officer of Fremantle Ports for 17 years, and prior to that was Deputy Director General of Transport and worked for the Western Australian Department of Treasury for 17 years.

Ms Sanderson holds directorships with a number of companies, including Atlas Iron Limited, St John of God Health Care, Paraplegic Benefit Fund and Senses Foundation (Inc). Ms Sanderson is currently a member of the Advisory Council of the Curtin University Business School and has previously served as a Director of Austrade, the Australian Wheat Board, the Rio Tinto WA Future Fund and the Western Australian Lands Authority (LandCorp), as well as having served as President of Ports Australia.

Ms Sanderson holds a Bachelor of Science and a Bachelor of Economics from the University of Western Australia. She received an Honorary Doctorate of Letters from the University of Western Australia in 2005 and was named an Officer of the Order of Australia in 2004 for services to the development and management of the port and maritime industries in Australia, and to public sector governance in the areas of finance and transport.

Ms Sanderson lives in Perth.

### **C G THORNE (62)**

Independent Non-executive Director since July 2010

Dr Thorne has over 36 years' experience in the mining and extraction industry, specifically in senior operational and executive roles across a broad range of product groups and functional activities in Australia and overseas. Dr Thorne has previously held a number of senior roles at Rio Tinto, including as a group executive reporting to Rio Tinto's Chief Executive Officer, as head of Rio Tinto's coal businesses in Indonesia and Australia, and as global head of its technology, innovation and project engineering functions.

From 2006 to 2009, he was Group Executive Technology and Innovation and a member of Rio Tinto's Executive and Investment Committees.

Dr Thorne is a Director of Queensland Energy Resources Limited and a Fellow of the Australian Academy of Technological Sciences and Engineering. Dr Thorne also holds directorships with a number of private companies.

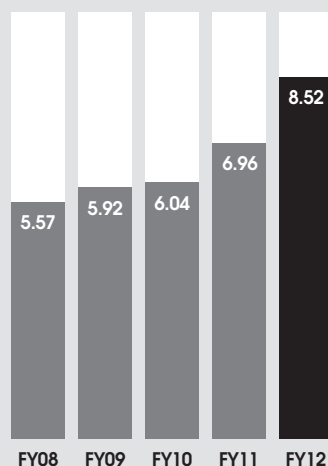
He holds Bachelor and Doctoral degrees in Metallurgy from the University of Queensland.

Dr Thorne lives on the Sunshine Coast.

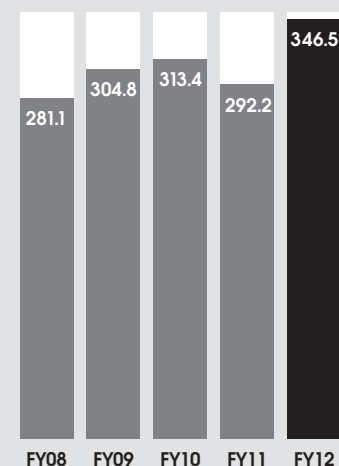


# FIVE-YEAR FINANCIAL SUMMARY

TOTAL REVENUE<sup>1</sup>  
(\$B)  
**\$8.52B**



EARNINGS BEFORE INTEREST  
AND TAX<sup>2</sup> (\$M)  
**\$346.5M**



1 Includes revenue from joint ventures and associates and other income.

2 EBIT is 'underlying', i.e. before Individually Significant Items.

	2008 \$'000	2009 \$'000	2010 \$'000	2011 \$'000	2012 \$'000
Total revenue including joint ventures and associates and other income <sup>(i)</sup>	5,570,809	5,923,235	6,037,832	6,960,924	<b>8,524,569</b>
Total earnings before interest and tax	281,117	304,799	53,362	25,663	<b>264,204</b>
Net interest expense	(49,171)	(45,774)	(51,295)	(64,309)	<b>(71,531)</b>
Income tax (expense)/benefit	(66,104)	(69,649)	985	10,946	<b>(79,778)</b>
Net profit/(loss) after tax	165,842	189,376	3,052	(27,700)	<b>112,895</b>
Individually significant items	-	-	260,000	266,573	<b>82,279</b>
Earnings before interest and tax (before Individually Significant Items) <sup>(ii)</sup>	281,117	304,799	313,362	292,236	<b>346,483</b>
Operating cash flow	276,031	336,464	204,266	185,625	<b>364,471</b>
Investing cash flow	(143,721)	(321,016)	(144,396)	(319,573)	<b>(202,990)</b>
Free cash flow	132,310	15,448	59,870	(133,948)	<b>161,481</b>
Financing cash flow	(124,885)	33,023	25,255	50,355	<b>(149,890)</b>
Total assets	3,183,276	3,383,089	3,456,000	3,710,666	<b>4,111,342</b>
Total liabilities	1,986,912	2,052,701	2,213,149	2,268,281	<b>2,493,642</b>
Net assets (Equity)	1,196,364	1,330,388	1,242,851	1,442,385	<b>1,617,700</b>

(i) The Company considers Total Revenue to be an appropriate measure due to an industry trend toward joint venture models to meet the needs of engineering, procurement and construction (EPC) customers with regard to large scale integrated projects.

(ii) Earnings before interest and tax before significant items is determined as the statutory profit before tax and interest, less any items that have been classified as individually significant to the financial statements. The presentation of earnings before interest and tax before significant items is a non-IFRS disclosure.



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