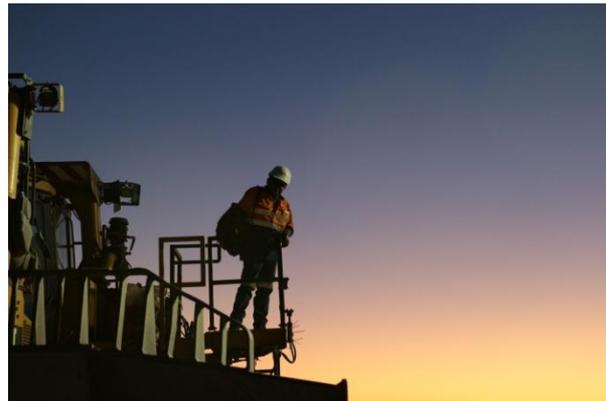


# Downer acquisition of Tenix

20 October 2014



# 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

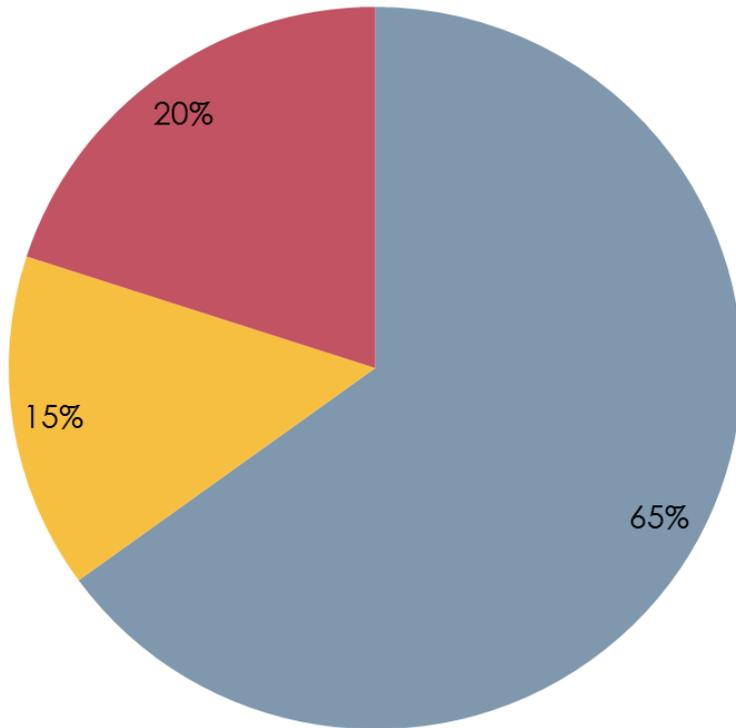
- Strong safety performance and culture
- Complementary businesses with little overlap
- A leader in the electricity, gas and water sectors in Australia and NZ → new core Utilities business for Downer Group
- Long term operations and maintenance contracts
- Long term, recurring relationships with high 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

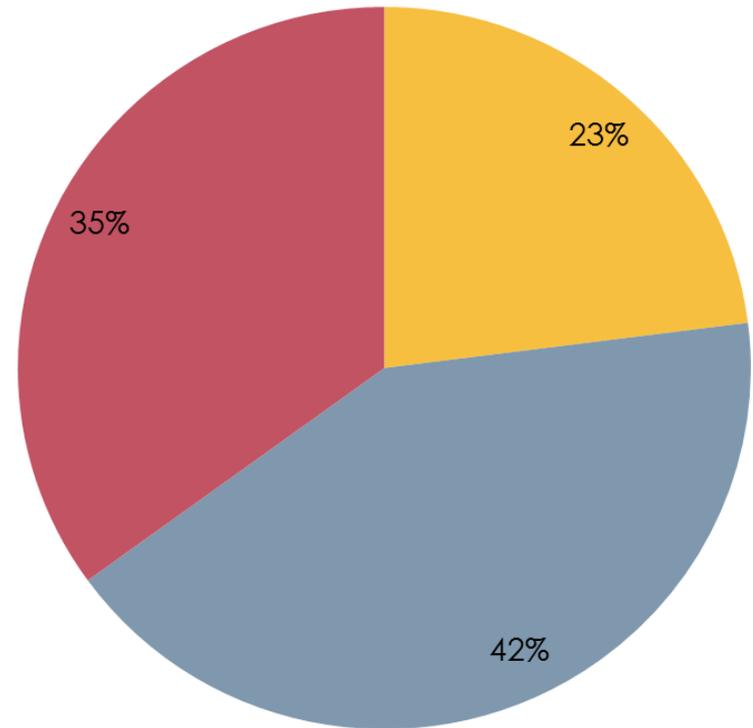
# Revenue

Revenue by sector



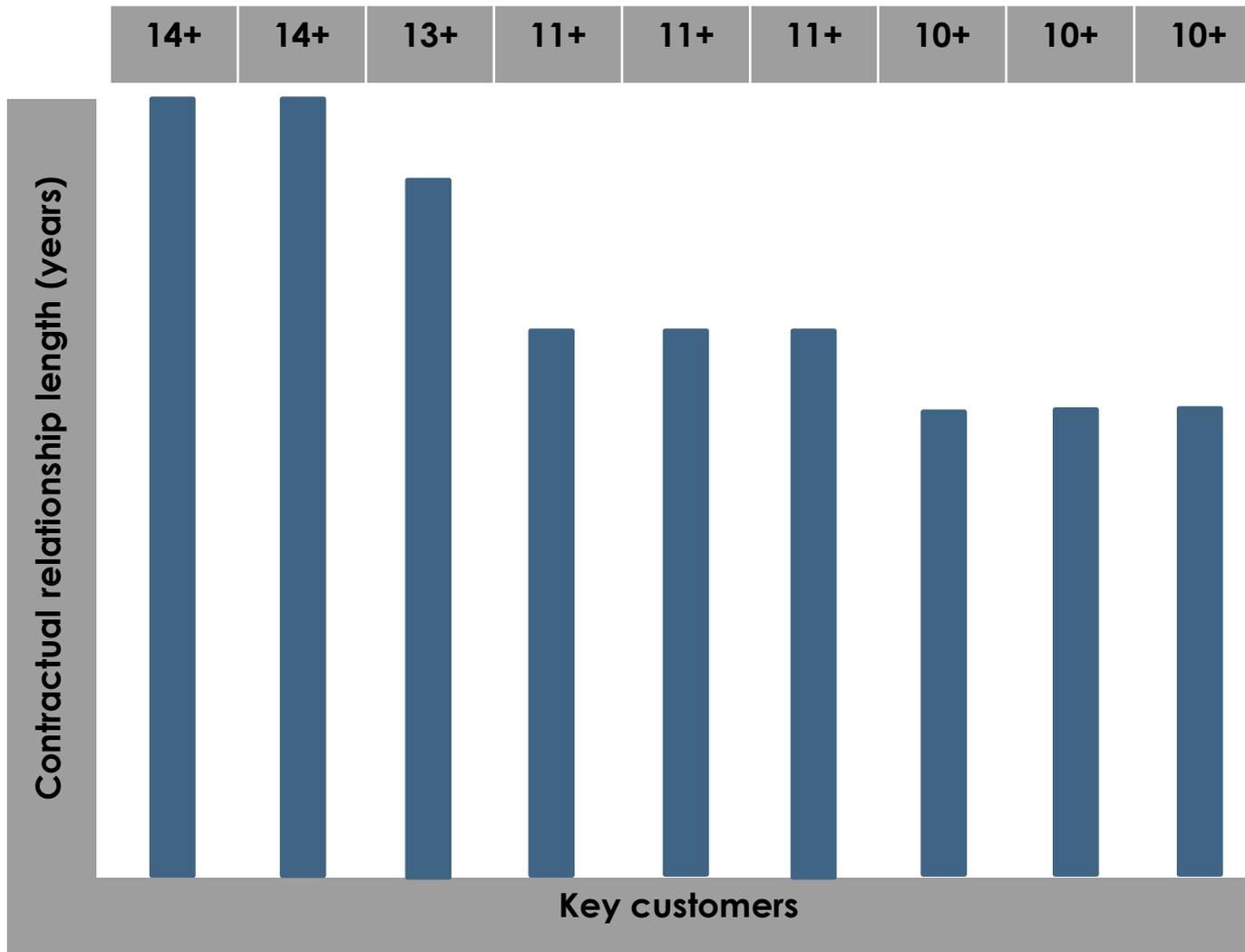
■ Power & Gas ■ Resources & Energy ■ Water

Revenue by contract type



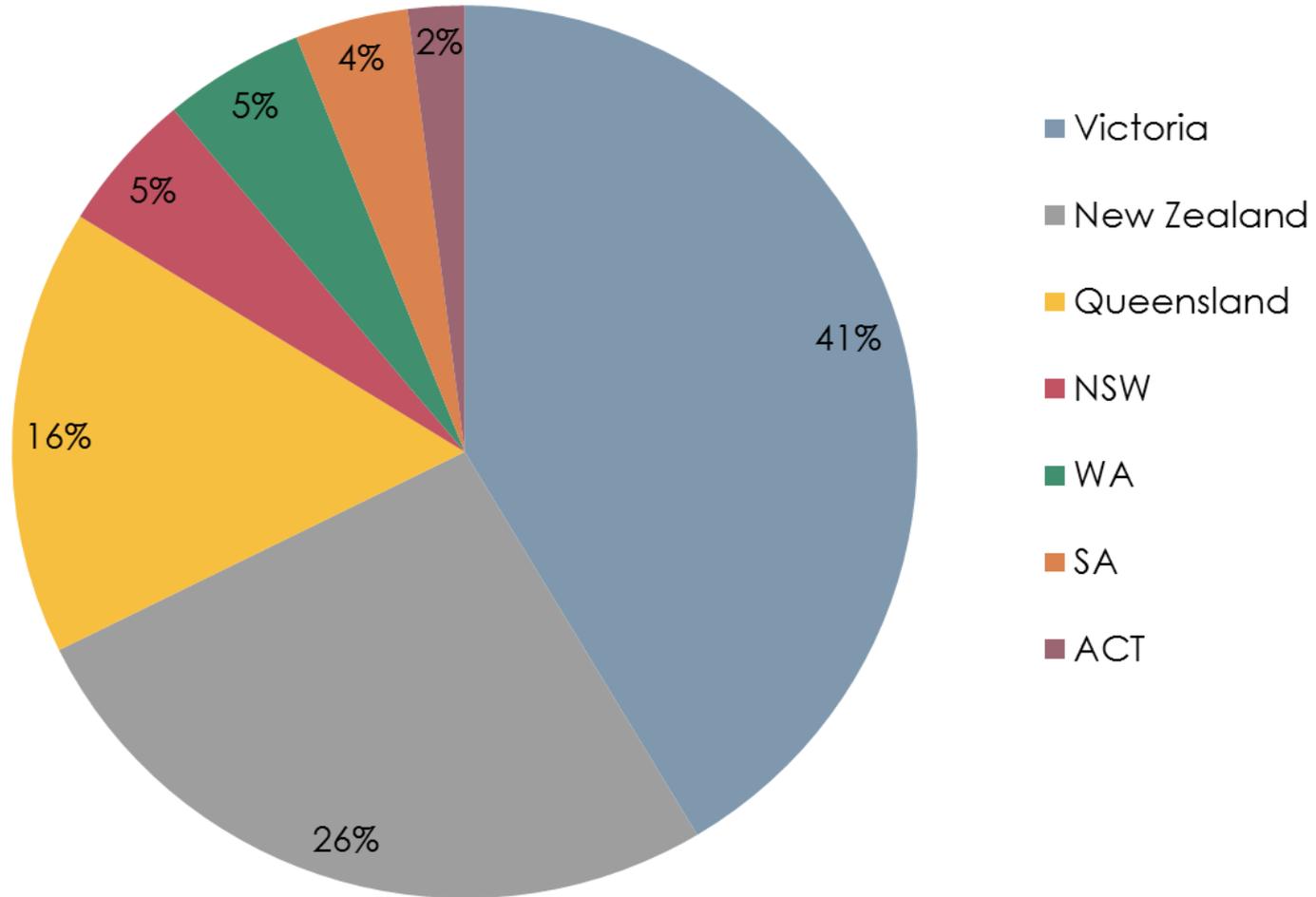
■ Lump sum ■ Schedule of Rates ■ Cost Plus

# Strong, long term relationships



# Highly specialised, experienced workforce

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

# Summary

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- 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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