



Company Announcements Platform

Australian Securities Exchange and New Zealand Stock Exchange

Thursday 30 October 2008

DOWNER EDI AGM CHAIRMAN'S REPORT TO SHAREHOLDERS

THE BOARD MADE A NUMBER OF COMMITMENTS TO SHAREHOLDERS LAST YEAR. ALL OF THESE COMMITMENTS HAVE BEEN MET.

1. THE BOARD STEPPED UP ITS ENGAGEMENT WITH THE EXECUTIVE LEADERSHIP TEAM DURING THE SIX MONTHS TENURE OF OUR INTERIM CEO. WE ARE STILL FULLY ENGAGED TO SUPPORT GEOFF KNOX AND HIS TEAM.
2. A COMPREHENSIVE GLOBAL SEARCH WAS CONDUCTED FOR A NEW CEO AND THIS IDENTIFIED A FIRST CLASS CANDIDATE IN GEOFF KNOX. GEOFF WAS SUCCESSFULLY RECRUITED AND STARTED ON 1 FEBRUARY 2008. THIS WAS ALMOST EXACTLY THE SIX MONTHS WE HAD ANTICIPATED.
3. THE BOARD ENCOURAGED AND SUPPORTED THE FOCUS ON CORPORATE SOCIAL RESPONSIBILITY AND THE ZERO HARM ENVIRONMENT WHICH IS AT THE HEART OF GEOFF'S FOCUS.
4. I BECAME CHAIRMAN AT THE SAME TIME THAT GEOFF STARTED IN ORDER TO PROVIDE FRESH LEADERSHIP AT BOTH LEVELS.
5. THE BOARD HAS NOW RECRUITED THREE EXCELLENT NEW DIRECTORS.

AT THE HEART OF HOW WE CONDUCT OUR BUSINESS IS OUR COMMITMENT TO THE PRINCIPLES OF OUR BACK-TO-BASICS MODEL: SUSTAINING A ZERO-HARM ENVIRONMENT; EMPOWERING OUR PEOPLE; ENGAGING OUR CLIENTS; OPTIMISING OUR PORTFOLIO AND PERFORMANCE; AND OF COURSE, MAINTAINING OUR FOCUS ON SHAREHOLDER VALUE.

THE PAST YEAR HAS SEEN OUR COMPANY UNDERTAKE A REMARKABLE JOURNEY OF TRANSITION, WITH THE APPOINTMENT OF OUR NEW CEO, GEOFF KNOX, A STRONG AND HIGHLY CAPABLE NEW LEADERSHIP TEAM IN PLACE, AND THE DEVELOPMENT OF A CLEAR AND WELL-DEFINED STRATEGY FOR GROWTH IN STRONG MARKETS.



Company Announcements Platform

Australian Securities Exchange and New Zealand Stock Exchange

I AM PLEASED TO SAY THAT GEOFF AND HIS TEAM HAVE BEEN VERY WELL RECEIVED BY THE MARKET AND IMPORTANTLY BY OUR CLIENTS AND OUR EMPLOYEES. WE ARE ALREADY SEEING THE BENEFITS OF OUR RESTRUCTURE WITH A THIRD CONSECUTIVE HALF OF STRONG CASH FLOW AND STRONG DIVIDEND IMPROVEMENT AND YOUR BOARD HAS EVERY CONFIDENCE IN THE NEW LEADERSHIP TEAM'S ABILITY TO DELIVER ON THE STRATEGIC PLAN WE OUTLINED EARLIER THIS YEAR.

THERE IS NO DOUBT THAT THE CURRENT ECONOMIC ENVIRONMENT IS HAVING AN ADVERSE IMPACT ON BUSINESS GLOBALLY AND THE ROLL-ON EFFECT FOR COMPANIES OVERSEAS AND MORE RECENTLY IN AUSTRALIA HAS BEEN SIGNIFICANT. SHAREPRICES HAVE BEEN DRAMATICALLY AFFECTED. THERE IS LITTLE THAT DOWNER EDI CAN DO ABOUT THE SHARE MARKET OTHER THAN CONTINUE TO BE INFORMATIVE AND TRANSPARENT. WE TRUST THE MARKET WILL SOON VALUE US ACCORDINGLY.

YOU WILL SHORTLY HEAR FROM GEOFF THAT AS WE STAND TODAY OUR COMPANY OPERATES IN VERY ATTRACTIVE MARKET SEGMENTS, IS WELL RESOURCED, WITH AN EXCELLENT LEADERSHIP TEAM, AND IS CONSERVATIVELY GEARED. WE MAINTAIN OUR PREVIOUS GUIDANCE FOR 2009 AND OUR ORDER BOOK REMAINS OVER \$11 BILLION.

WE HAVE BEEN ACCEPTED INTO THE GOLDMAN SACHS/JB WERE SUSTAINABILITY LEADERS INDEX OF AUSTRALIAN COMPANIES AND ARE WELL PLACED TO LEVERAGE THE OPPORTUNITIES THAT THE CARBON REDUCTION EMISSIONS SCHEME PRESENTS.

IN SHORT WE HAVE MADE GOOD PROGRESS IN OUR JOURNEY OF CONTINUOUS IMPROVEMENT ACROSS THE BUSINESS AND WILL, UNDER THE GUIDANCE OF OUR NEW BOARD OF DIRECTORS AND EXECUTIVE LEADERSHIP TEAM, STRIVE TO ACHIEVE CONTINUOUS IMPROVEMENT ACROSS ALL FACETS OF THE COMPANY THROUGH 2009 AND BEYOND.

WE HAVE GREAT PEOPLE IN DOWNER EDI, AT EVERY LEVEL. I WOULD LIKE TO RECORD OUR GRATITUDE TO EACH AND EVERY ONE OF THEM FOR THEIR CONTRIBUTION TO THE COMPANY.

LASTLY I WOULD LIKE TO THANK YOU, OUR SHAREHOLDERS, FOR YOUR SUPPORT.

Contact:

Media: Maryanne Graham, Group Manager Corporate Affairs T: +61 2 9240 9000 M: +61 407 252230.

Investors: Ross Moffat, General Manager Investor Relations T: +61 2 9240 9042 M: +61 412 256224.

Downer EDI Limited (www.downeredi.com) is an Australian top-100 company that provides comprehensive engineering and infrastructure management services to the public and private transport, energy, infrastructure, communications and resources sectors across Australia, New Zealand, the Asia Pacific and the United Kingdom.