

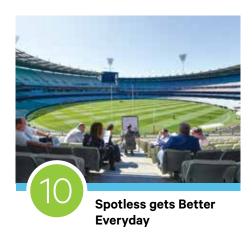
DOWNEF DEVIS















Downer and our Link Alliance partners have been awarded the Auckland City Rail Link's C3 alliance contract, the largest package of work for the NZ\$4.4 billion project.

The Link Alliance is a joint venture between Downer, Vinci Grands Projects, Soletanche Bachy, AECOM, Tonkin + Taylor, and WSP Opus.

The C3 contract comprises the construction of two new railway stations near Aotea Square and Karangahape Road in Auckland central, the redevelopment of the railway station at Mount Eden and the tunnels connecting them. The two new railway stations near Aotea Square and Karangahape Road are

both underground stations designed to carry larger nine-car trains to better meet the needs of a growing city.

Separate to C3, Downer is also preferred supplier to maintain three stations that are part of the Auckland City Rail Link project for up to 30 years.

Downer's total share of all work is expected to exceed NZ\$1 billion of revenue from the construction and maintenance contracts currently underway or planned for the future.

The C3 contract will expand on Downer's contribution to Auckland's City Rail Link project. In April 2015, two Joint Venture Design and Construction contracts were awarded to provide early input into the design for the Downtown area. These contracts were awarded to Downer and Soletanche Bachy JV and Connectus (McConnell Dowell and Downer JV).

"I am very proud of our efforts on City Rail Link over the past four years," Downer New Zealand CEO, Steve Killeen, says.

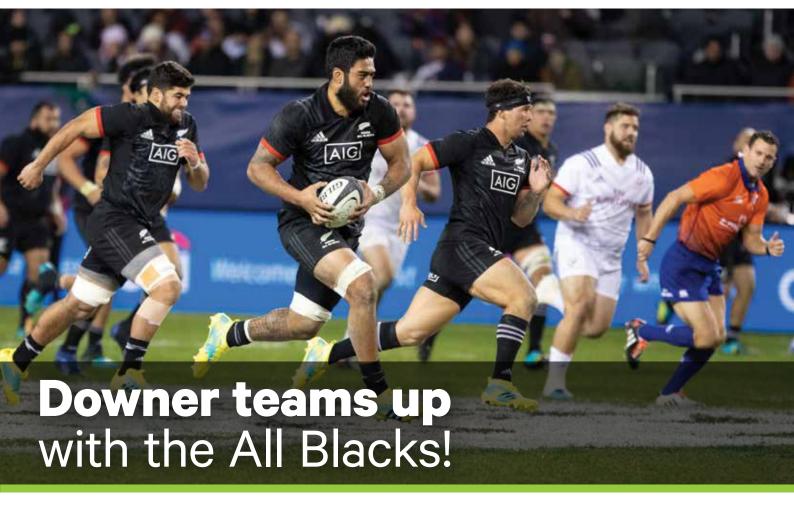
"This new contract will build on our current projects to support the long term development of such a great city."

Downer CEO, Grant Fenn, says the Link Alliance will deliver C3 for this landmark project under an alliance contract model which shares the construction risk across all the parties.

"We look forward to working closely with our joint venture partners and City Rail Link Limited to deliver important infrastructure that will improve connections across Auckland for many years to come," Grant says.

SPONSORSHIP





Downer has joined forces with one of the world's most iconic sporting teams to form a ground-breaking partnership.

In July, we signed a new sponsorship with New Zealand Rugby for the 2019/2020 seasons, partnering with the Black Ferns and Black Ferns Sevens women's teams and Māori All Blacks, becoming the first partner to support all three sides.

The partnership kicked off on 20 July, with Downer supporting the Māori All Blacks in their 26-17 win over Fiji at Rotorua International Stadium.

"The Black Ferns, Black Ferns Sevens and the Māori All Blacks excel on the world stage, representing New Zealand to the highest standard," Downer New Zealand Chief Executive Officer, Steve Killen, says. "The teams make a significant contribution to both women's sport and our unique cultural heritage and we are proud to be a part of their journey in the coming seasons.

"This partnership is founded on a core set of values held by both organisations including the celebration of diversity, inclusion of all cultures, people and gender, investment in high performance and investment in the mental and physical wellbeing of our people.

"We are excited to work closely with the three teams to ensure that the strength of our combined values makes a positive impact on the code, the players, the support staff, the fans, the Downer team and the wider sport community here in New Zealand."

New Zealand Rugby Chief Executive, Steve Tew, says the partnership is fantastic news for the Māori All Blacks and two flagship national women's teams.

"Downer's sponsorship reflects the ongoing success and growing popularity of women's and Māori rugby and celebrates the diverse makeup of the people who are involved in our game," he says.

"As well as providing a welcome contribution to the teams as they continue to succeed on the world stage, this will also enhance their ability to inspire the next generation of players."









Downer has been selected as the preferred contractor to deliver CS Energy's overhaul and capital works program at its power stations in Queensland.

Under the five-year contract, Downer will provide overhaul and capital works services at CS Energy's Callide and Kogan Creek power stations.

Downer's scope of work includes:

- The planning and execution of major overhauls, associated engineering and asset management
- Major projects and engineering work to support CS Energy's asset strategy
- Collaborating on CS Energy's maintenance and sustaining capital strategy to improve asset performance efficiency and reliability as well as managing and predicting costs across the asset lifespan.

Downer CEO, Grant Fenn, is pleased we have been selected to deliver these important asset management services, which will help ensure CS Energy continues to deliver reliable power in the National Electricity Market.

"We are delighted to be selected for such a significant long-term partnership by CS Energy for the Callide B and C and Kogan Creek power stations," Grant says.

"This contract strengthens our position as a market leader in the delivery of maintenance services for the power generation sector.

"We look forward to working closely with CS Energy and providing efficient and cost-effective solutions that are grounded in a strong culture of safety and continuous improvement across their power station operations."

The new contract took effect from early September.

Team Downer wins four-year defence contract extension

Downer's Defence Major Services Provider consortium, Team Downer MSP, has been awarded a contract extension by the Capability, Acquisition and Sustainment Group (CASG) to continue supporting the Critical Systems Branch (CSB) within the Joint Systems Division of the Department of Defence.

The contract extension is for an additional four-year term and is valued at \$154.5 million. This will see Team Downer MSP continue to deliver services until August 2023, with CASG holding the option to extend services by another four years, with subsequent 12-monthly renewals based on performance. Team Downer MSP was awarded the first-ever Integrated Work Package under the MSP arrangement announced in 2018 and has been working collaboratively with the CSB to provide a range of services that significantly expands the capability and capacity of the Department of Defence's workforce.

Mining contract extensions

Downer has been awarded a contract by Palabora Mining Company Ltd to continue the provision of underground mining services at the Palabora copper mine located at Phalaborwa in South Africa's Limpopo Province.

The contract extension is for an additional three-and-a-half year term, renewed on a 12-monthly basis and is valued at \$110 million. Downer has been providing underground mining development services at the Palabora mine since December 2016. The scope of work includes the provision of mine planning, engineering, supervision and training to assist in the daily operations of the mine.

Downer has also been awarded a contract by CITIC Pacific Mining Management Pty Ltd to continue the provision of mining services at the Sino Iron project at Cape Preston in Western Australia's Pilbara region. The two-year contract is valued at approximately \$108 million and has an additional one-year option.



Downer has been selected by AusNet Services to provide operational and maintenance services on their electricity distribution network across Victoria.

The five-year contract is worth approximately \$600 million and includes options to extend for a further six years. Under the contract, Downer's services will expand from the current work delivered in AusNet Services' Central region to include the remainder of AusNet Services' electricity distribution network in Victoria's Northern and Eastern regions.

Downer CEO, Grant Fenn, says this contract award reinforces Downer as a benchmark end-to-end service provider to owners of utility assets.

"We are pleased to extend our 19-year partnership with AusNet Services for at least a further five years and to now service their entire electricity distribution network in Victoria," Grant says.

"This contract demonstrates Downer's ability to deliver and service our customers' assets to help them provide cost-effective, safe and reliable energy for our communities."

The scope of work Downer will be delivering includes operations, maintenance, capital works and 24/7 emergency response for AusNet Services' electricity distribution assets. The contract commenced in September.

Additionally, Downer was also recently awarded a five-year extension to our gas services contract with AusNet Services worth approximately \$350 million.

Commencing in April 2021, the contract extension will see Downer continue to provide operations, maintenance, capital works and 24/7 emergency response for AusNet's gas distribution network.

"Downer has managed AusNet's entire gas distribution network since 2013 and we are pleased to be growing our long-term partnership," Grant says.

All systems go at Bango

Downer has been awarded an \$80 million Balance of Plant contract for the Bango Wind Farm project. This will see Downer deliver road upgrades, internal access tracks, cabling, turbine foundations and other site facilities.

Project partners include GE, which will supply the GE Cypress 5.3 MW turbines, the largest onshore wind turbines in production, and TransGrid, which will deliver the substation.

Owned by Grassroots Renewable Energy, Bango is a proposed development of up to 46 wind turbines and associated infrastructure, located approximately 30 kilometres north of Yass, NSW.

Bango's proposed capacity is approximately 244 MW, which would generate enough energy for over 100,000 homes and save over 600,000 tonnes of greenhouse gas emissions every year.

Bango is scheduled for completion in 2021 and will be operational for approximately 25 years, providing around 10 full time jobs and numerous supply and service opportunities throughout the project.

Feeding hungry footy fans

Sports fans in North Queensland are in for a treat next year.

Townsville's brand new 25,000-seat stadium is due to open in March 2020 and when it does, our Spotless team will be making sure no fan is hungry or thirsty.

Spotless has secured a five-year contract at the new venue, and will provide hot and cold food and beverage services across food outlets, corporate hospitality suites and bars.

Spotless, which supplied services at Townsville's old 1300 SMILES Stadium, is committed to a 100 per cent local workforce at the new facility and will also continue our long-term relationships with local suppliers.

"With food items like reef fish and tropical burgers, North Queensland produce will be a key feature of the new stadium menu and we'll be using it wherever possible, with a target of 85 per cent locally-sourced produce," Spotless Hospitality Venue Manager, Jeffrey Ellis, says.



Downer's Full Year Results



Downer reported its 2019 Full Year financial results on 22 August, highlighted by good revenue growth, a strong increase in earnings, and an improved Group EBITA margin.

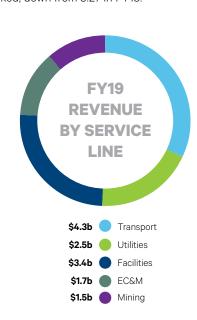
"Our Urban Services businesses – Transport, Utilities and Facilities – are continuing to grow and there is a strong pipeline of opportunities across all the markets in which we operate," Downer CEO, Grant Fenn, says.

"There has been a recovery in the mining and resources sector over the past 12 months and this drove revenue growth for our Mining, Energy and Industrials businesses."

Key highlights from our FY19 results:

- Underlying NPATA (net profit after tax and before amortisation of acquired intangible assets) of \$340.1 million, **up 14.7 per cent** from underlying NPATA of \$296.5 million in the prior corresponding period and \$5.1 million higher than guidance of \$335 million
- Statutory NPATA of \$325.6 million, with a \$17 million fair value gain offset by the \$31.5 million after tax loss relating to the Murra Warra Wind Farm
- Underlying NPAT (net profit after tax) of \$290.8 million, up 16.5 per cent
- Total revenue of \$13.45 billion, up 6.6 per cent
- Operating cash flow of \$630.2 million, representing cash conversion of 89.0 per cent of EBITDA (earnings before interest, tax, depreciation and amortisation)
- Group underlying EBITA margin of 4.2 per cent, up 0.4 per cent
- Work-in-hand of \$44.3 billion, up from \$43.5 billion at 31 December 2018
- Final dividend 14 cents per share (50 per cent franked); total dividends 28 cents per share, **up 3.7 per cent**.

Downer also reported improvements in our safety results in FY19. We reported a Lost Time Injury Frequency Rate of 0.57 per million hours worked for the 2019 financial year, down from 0.78 in FY18, and a Total Recordable Injury Frequency Rate of 2.70 per million hours worked, down from 3.27 in FY18.



DOWNER UPDATES





Update on new **Royal Adelaide Hospital contract**

In August, Spotless reached in-principle agreement with the South Australian Government and Celsus in relation to the services we provide at the new Royal Adelaide Hospital.

The agreement, which remains subject to various approvals, includes:

- Settlement of historical abatement claims
- A revised KPI and abatement regime designed to better reflect the services provided by Spotless
- An increase to Spotless' monthly service fee
- Commitments by the parties to work collaboratively on initiatives to further reduce costs and improve patient outcomes.

Downer CEO, Grant Fenn, says the agreement will improve the contract's monthly cash position and provide a strong foundation for further improvements to the operating model at the hospital.

"All parties have worked hard during the settlement discussions to address the various legacy issues and come up with solutions that provide better outcomes for patients," Grant says. "We are now clear on the additional scope of works being performed by Spotless with alignment on the monthly service fee."

Spotless CEO, Peter Tompkins, thanked all Downer and Spotless staff who worked hard to achieve this outcome.

"It would not have been possible to come up with these operational and commercial solutions without the hard work of our Spotless and Downer teams who have worked together since mobilisation in 2017," Peter says.

"This is an important milestone for our business and demonstrates our ability to solve difficult problems while, at the same time, continuing to provide the very best care to the patients who depend on us."

Australian operations restructure

Downer has made some important changes to our Australian operations, which will increase the value and sustainability of our company.

On 22 August, Downer announced we will be undertaking a portfolio review, with a key focus area being our Mining business.

Organisational changes have also been made to Downer's Australian operations structure.

Sergio Cinerari, previously Transport & Infrastructure CEO, has been appointed to the new role of Chief Operating Officer, Australian Operations. He will oversee our Road Services, Rollingstock Services, Transport Projects, Utilities, Asset Services and Engineering & Construction lines of business.

Brendan Petersen, previously Mining, Energy & Industrial CEO, has been appointed to the new role of Chief Operating Officer, Corporate Services. Brendan will be responsible for the following Group functions: Zero Harm, Human Resources and Industrial Relations, Information Technology, Procurement and Property, Corporate Communication and Project Fusion.

The Mining business will report to Downer CEO, Grant Fenn, while we conduct the portfolio review.

"The Downer brand and our market positions have never been stronger, but we must ensure we adapt to changing conditions and customer expectations so that we can continue to be successful and are well placed to take advantage of future opportunities," Grant says.

Under this new structure, the old Transport & Infrastructure (T&I) and Mining, Energy and Industrial (MEI) Divisions will no longer exist.

The change in operating model will help reduce overlap of our service offerings, enhance Downer's capability by focusing our skills and expertise within one business unit, and provide our customers with a single touch point for each service.



That's a RAP!

Downer has worked with Reconciliation Australia to develop our *Innovate Reconciliation Action Plan (RAP) 2019-21*.

The Innovate RAP, which we launched on 29 May as part of our National Reconciliation Week celebrations, builds on the Reflect RAP that we introduced in 2016.

This Innovate RAP will provide an important foundation for our actions over the next few years and ensure we continue to develop our existing relationships with Aboriginal and Torres Strait Islander peoples, communities and organisations.

The initiatives implemented under our Innovate RAP will include:

- Developing a training strategy for all employees, which will define cultural learning needs throughout the business, and also include an online Cultural Awareness Training program to support the capability of our leadership teams
- Developing initiatives to improve and increase Aboriginal and Torres Strait Islander employment outcomes
- Providing support systems to the business to increase procurement with Aboriginal and Torres Strait Islander businesses
- Providing opportunities to build and maintain relationships between our employees and Aboriginal and Torres Strait Islander peoples by participating in National Reconciliation Week across the organisation.

Downer's vision for reconciliation is one where all Aboriginal and Torres Strait Islander peoples are treated equally in all relationships and their cultures and histories are celebrated and respected. We are proud of the many initiatives we have implemented to promote reconciliation, such as our support of North Queensland Cowboys House in Townsville.

North Queensland Cowboys rugby league legend, Johnathan Thurston (*pictured above*), congratulated Downer on launching our RAP.

"As a proud Gunggari man, I am pleased to see the National Rugby League partner with progressive companies like Downer, who are taking meaningful steps as part of their reconciliation journey," Johnathan says.

"I have seen first-hand how Downer helps improve the lives of people in my community through their support of initiatives like the North Queensland Cowboys House, which offers support to young Aboriginal and Torres Strait Islander people across the region.

"Through Downer's long-term commitment to reconciliation, Indigenous people are provided with real opportunities – both through direct employment and important work with local community groups.

"Congratulations on launching your Innovate RAP, Downer!"

Downer asks **the big question**

Downer came together for R U OK? Day on 12 September to prioritise mental health and connect with our workmates.

"At Downer, we are committed to an environment and workplace that promotes good mental health," Downer CEO, Grant Fenn, said to staff on R U OK? Day. "We all have a responsibility to support each other and create a safe workplace – not just today, but every day.

"You don't have to be an expert to ask R U OK? You just need to ask the question – and then take the time to listen to the answer. If you think something might be wrong with a friend or colleague, ask the question and start a conversation that could make a big difference."

Downer held events at sites and offices across Australia to celebrate the day.

Two teams also welcomed a couple of former rugby league Test stars, who delivered the NRL's State of Mind presentation. Former Australian and Queensland front-rower, David Shillington (pictured above, centre), spoke to Downer's T&CS office in Gladesville. Meanwhile, former New Zealand Test star, Clinton Toopi, presented at Spotless' Zero Harm team conference in Brisbane.

We were fortunate enough to have access to the two NRL mental health ambassadors through our partnership with the National Rugby League in sponsoring the 2019 Downer Rugby League World Cup 9s on 18-19 October.



Jason's R U OK? Day story:

"I thought I was having a heart attack."

Jason Power calls it the '3am Monster'. An unwelcome visitor who would arrive every morning, jolting him from sleep and leaving him to the verge of throwing up.

"I would wake up at 3 o'clock most mornings with butterflies in my stomach and a feeling of nervousness, which would make me dry retch," says Jason, a Zero Harm Manager at Downer.

"I was also experiencing chest pains during the day. I knew I wasn't right, but I continued fighting on, and didn't tell anyone about it. I changed my diet thinking it was the food I was eating. I began to chew Quick Eze to assist with the chest pains, which I thought was heartburn."

But the chest pains kept getting worse, and the 3am Monster kept visiting. Then, one day in 2014. Jason crashed.

"I was at home working on my computer and I felt the chest pains – like an electric shock feeling – and they started getting worse," he says. "Then one big one came. And it was painful.

"It felt like someone had driven a knife into my heart. I buckled over and just held my chest, trying to breath normally. I thought I was having a heart attack. I thought I was going to die.

"Fortunately for me, my wife was home at the time and called 000 and I was rushed to hospital."

After Jason was stabilised in hospital, doctors performed a series of tests to determine what had happened.

The tests revealed his heart was fine – that was the good news. The bad news was he still didn't know what was causing the chest pains and the 3am Monster.

"I had a follow up with my GP. I told him about everything that had happened in the lead up to the event – and that is when I really broke down." Jason continues.



"I can't remember ever crying as a kid, but on that day I sat in the doctor's office and I cried and cried. I was then referred to a psychologist for further assessment, and again I cried during that consultation.

"I was diagnosed with having suffered a nervous breakdown, as well as having anxiety."

As Downer stopped for R U OK? Day on 12 September, Jason bravely shared his story in the hope others won't endure what he did.

He has a simple message for anyone who might be feeling the same way he was.

"I did this to myself by not reaching out for help when I should have. I was too proud," he says.

"The most important thing to do is to put your hand up and get help if you are struggling.

"This doesn't make you weak, it will make you stronger."

Following the diagnosis, Jason took two weeks off work to recover. He started reading about what triggers poor mental health, and methods to help prevent it.

"During that two weeks, I had a lot of support from family, friends and work colleagues," he says.

"If you are struggling, the most important thing to do is ask for help.

"And if somebody you know is not their normal self, ask them, 'Are you OK?'. Having that conversation with that person will be the first day of the rest of their life."

Health and wellbeing at Downer

Through initiatives like Downer's Mental Health First Aid training course, we are helping equip our people with the skills to ask their family, friends and workmates, "Are you OK?"

For more information on Downer's Mental Health First Aid course, contact learning@downergroup.com

Downer's Employee Assistance Programs also provide confidential counselling and support to all Downer employees and your immediate family.





Spotless applies for delisting

On 25 June, a formal application was submitted to the Australian Securities Exchange (ASX) to delist **Spotless Group Holdings** Limited from the ASX.

The intention to delist from the ASX was flagged in 2017, with the Spotless Board deciding that now is the appropriate time to pursue the matter.

This is due to a number of factors, including:

- Costs: The continued listing of Spotless requires Spotless to incur considerable corporate and administrative costs, including listing fees. Spotless is seeking to minimise its expenditure and would cease incurring such costs if it is removed from the ASX's Official List. The Spotless Board has determined that the costs of remaining listed on the ASX outweigh any benefits of listing for Spotless.
- Trading in the ordinary shares of Spotless has had a low level of liquidity over a significant period on the ASX, which has led to low trading volumes and an erratic share price. Two shareholders collectively hold 99.44 per cent of the ordinary shares

Liquidity and shareholder spread:

A delisting will not have an impact on staff or how we operate.

in Spotless.



Spotless' leadership team came together at the Melbourne Cricket Ground on 16-17 September to focus on how they can be Better Everyday.

The 120 senior leaders were there for the 2019 Leadership Conference, which was headlined by the launch of Spotless' 'Better Everyday' strategy.

"This is the blueprint for us to engage with our teams, making sure we create exceptional experiences for the people we serve," Spotless CEO, Peter Tompkins, says.

At the heart of Better Everyday is a call to provide better customer experiences and to keep striving to be better. It involves empowering all of our people to embrace continuous improvement initiatives - no matter how big or small - that will contribute to strengthening our foundations, delivering on our promises and growing our business.

The strategy articulates what we need to do as a business to stay ahead of our competitors, and is underpinned by three key focus areas:

- Strengthening our foundations
- Growing our business
- Delivering on our promises.

importance of the Better Everyday strategy.

an opportunity to reflect on our achievements over the past 12 months, share insights with peers and hear from our customers on the role we play in contributing to the success of their businesses.

As well as launching the Better Everyday strategy, the 2019 Leadership Conference was





Spotless CEO, Peter Tompkins, discusses the



Sameer's story:

"When I got my job at Downer, I felt like I was born for the second time."

It was a night like any other for Sameer Yako and his family. Until his phone rang.

That call changed his life forever and still haunts him, more than five years later.

The call was from ISIS. The threat was explicit.

"They said they were going to kill me," Sameer says. "When I remember that call, the hair still stands up on my arms."

Until that night, life was good for Sameer and his family – wife, Asmahan, and sons Fadi (now aged 14), Philip (12), and Fabio (10).

He had a big house with marble and granite finishings in a good neighbourhood in the city of Mosul, Iraq, and was a successful engineer at the Hamdani Municipality (local government), overseeing projects like road pavements and urban building construction.

Sameer's job at the Municipality was prestigious, and gave him authority to approve a range of building applications. It also made him a target for ISIS when they stormed into town.

"In 2014, ISIS entered my town. I got a call from an unknown number one night, and they said, 'Are you Sameer, the engineer?' I said yes. They said, 'Tomorrow we will enter your town and we will kill you'.

"You might have a good life, but in one second it can be taken away."

Sameer did the only thing he could do. He fled. Packed his family and a few belongings into the car and drove to his brother's house in Kurdistan. He has never gone back to his home.

Sameer and his family sought asylum in Jordan for 14 months, but found opportunities were limited. So they applied for refugee status to Australia and arrived in Sydney on 20 December, 2016, to start a new life.

Australia was safe. But Sameer needed to work. In Iraq, he was a qualified, successful engineer, but in Australia he was told he did not have the necessary experience to do unpaid volunteer work stacking supermarket shelves.

"I knew some English, but I struggled with language," he says.
"The other barrier was, the first question I was asked at job interviews was, 'Do you have local experience?' I couldn't get experience if no one gave me an opportunity. I knocked on many doors, but I was always told I needed local experience.

"I went to TAFE and studied English to help with the language difference. I also studied a certificate of building construction so I was familiar with Australian engineering standards."



Then he got a break. Through Career Seekers, who specialise in helping refugees find work, Sameer gained a 12-week internship with Downer, which has subsequently turned into a full-time contract.

"I will never forget the day I got the internship with Downer," Sameer smiles. "I felt I was born for the second time. It was a new chance.

"Now, I would have local experience. And, when I started working at Downer, I realised why you need that local experience.

"I look at the world from another view now. Safety is the most important part of your job here. I see how important Zero Harm is – this system is very good to save lives, and protect people and the environment.

"After I lost my job, my house, my memories and my friends in Iraq, sometimes when I didn't have a job, I would get upset because I could not succeed here. I just needed someone to take my hand and pull me. Downer did that – and huge thanks to Downer Group, the NIF team and the Career Seekers program for helping new refugees like me to get opportunities like this to restart their careers.

"To build something, you need the foundation – everyone here at Downer has given me a foundation to build New Sameer here in Australia."



Third time unlucky

The Sunshine Coast Lightning's incredible winning streak in the Super Netball tournament has come to an end.

The Lightning claimed the inaugural Super Netball title in 2017 before going back-to-back in 2018, and were on-track for a three-peat when they were the first team to qualify for the 2019 grand final.

Downer has been the Major Partner of the Lightning since their inception in 2017, and a number of our people were on hand at the Brisbane Entertainment Centre to cheer the team on in the decider.

The Lightning were favourites to make it a hat-trick of titles, but were left stunned by the Sydney Swifts in a shock upset. The Swifts got the jump on the Lightning from the opening whistle and never looked back, eventually running out 64-47 winners.

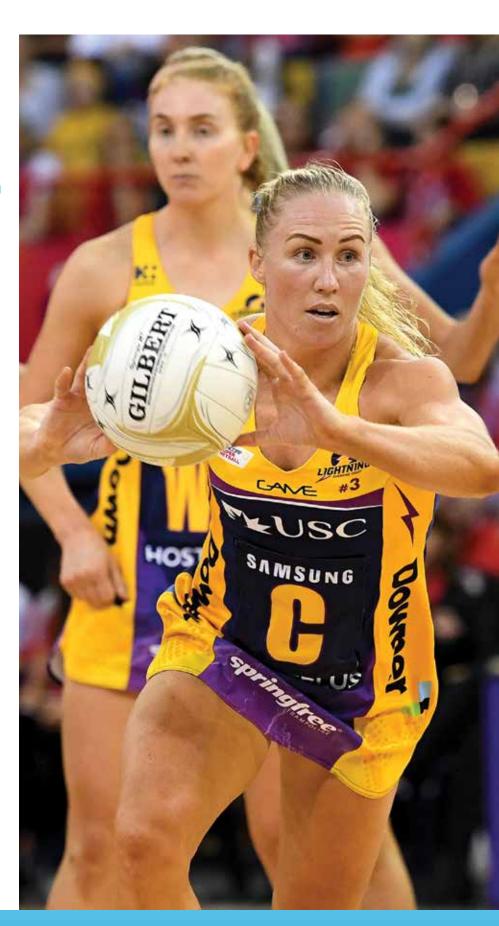
Despite the loss, it's still been an impressive season for the Lightning, who claimed the minor premiership.

"I am hugely proud of not only our team but the growth of our players and also our club," Lightning coach, Noeline Taurua, said.

"I feel strong about the club and satisfied, to be honest.

"We didn't come out of it [with a win] but people are going to learn and that's what it's all about.

"We've got a really good core, a base of players, great routines, great club. We'll look at what we need to do to keep improving, as we have in the first three years."



Have you got a story idea? **Know how we can make Downer News better?**

Send your suggestions to: communication@downergroup.com