2007
Half Year Results

Downer EDi LIMITED

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Recovery year progressing well

Downer EDi LIMITED

Downer EDI

First half highlights

- Won NSW PPP contract as part of Reliance Rail consortium
  - EDI Rail key provider of design / manufacture / maintenance
- Continued overseas expansion for Works Infrastructure with acquisitions in Singapore and the UK
  - Acquired Chan & Chan and Chan Lian in Singapore to create a significant market position
  - Acquired Sillars in the UK – a road maintenance company in the North – adds to existing UK footprint
- Works Infrastructure secures over $300m of work in Australia and New Zealand
- Alliance contract with Xstrata for the provision of two Coal Handling Processing Plants by Roche Mining's Process Engineering business
- Mining – continued renewal of existing contracts with quality clients – Zinifex / Sunrise Dam

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Profit growth recovers to 16%

Half Year to 31 December ($m)	2006	2005	Change
Turnover	2,628.8	2,279.5	15.3%
Underlying EBIT	136.5	99.2	37.6%
Reported EBIT	123.7	99.2	24.7%
Net Interest	(27.5)	(21.1)	30.3%
Profit Before Tax	96.2	78.1	23.2%
Taxation	(15.6)	(8.5)	84.7%
Net Profit After Tax	80.6	69.6	15.8%
EPS (cents)	25.6	23.8	7.6%
DPS (cents)	13.0	12.0	8.3%

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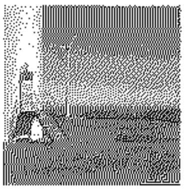
Divisions servicing essential infrastructure

Mining & Resources

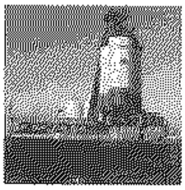
Sectors
- mining
- process engineering
- blasting
- consulting / design

Engineering



Sectors
- power
- telco
- consulting / design

Infrastructure



Sectors
- road
- rail
- water

Rail

Sectors
- locomotives
- passenger cars

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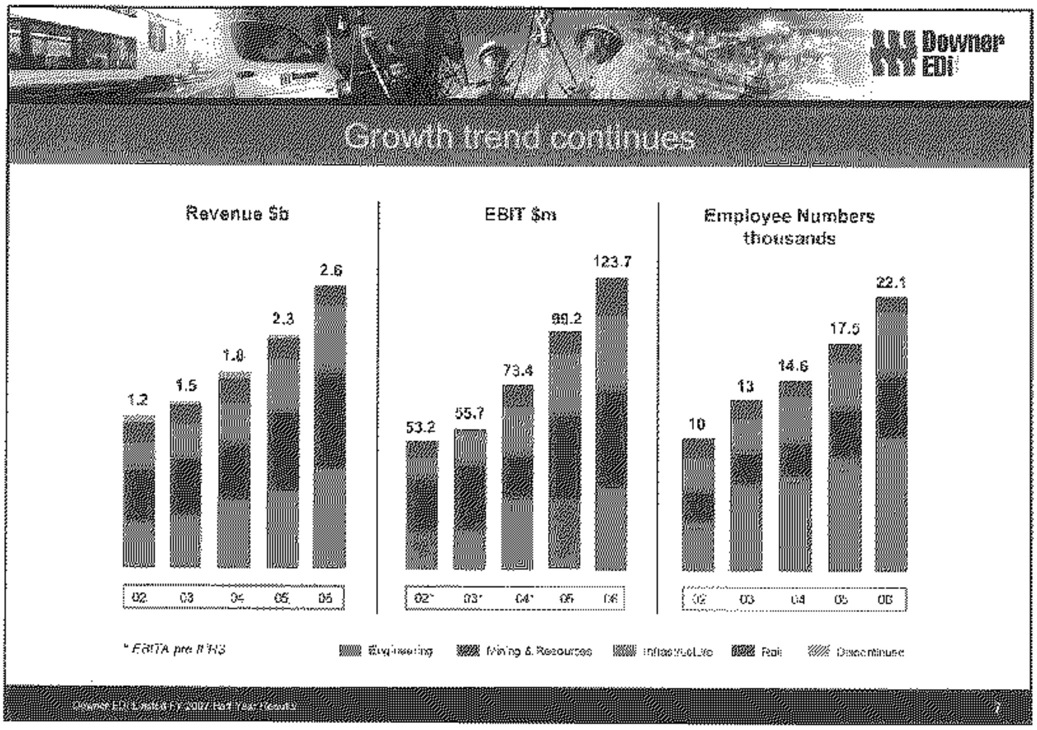
Divisional performance

Half Year to 31 December ($m)	2006	2005	Change
Mining & Resources	60.6	41.2	47.0%
Engineering	31.3	24.5	27.7
Infrastructure	31.4	21.0	49.5%
Rail	18.4	16.6	10.8%
Divisional EBIT (underlying)	141.7	103.3	37.2%
Reimbursed PPP Costs Additional Provisions – Mining	15.6 (28.4)	- -	
Corporate / Unallocated	(5.2)	(4.1)	
Total Group EBIT	**123.7**	**99.2**	**24.7%**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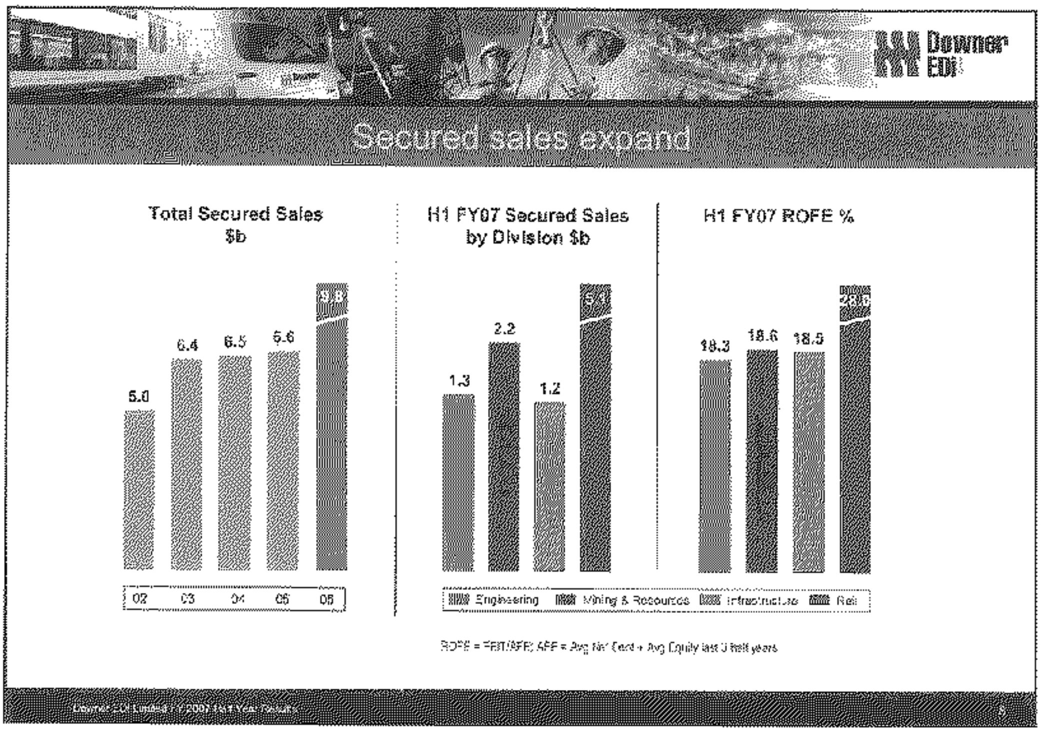
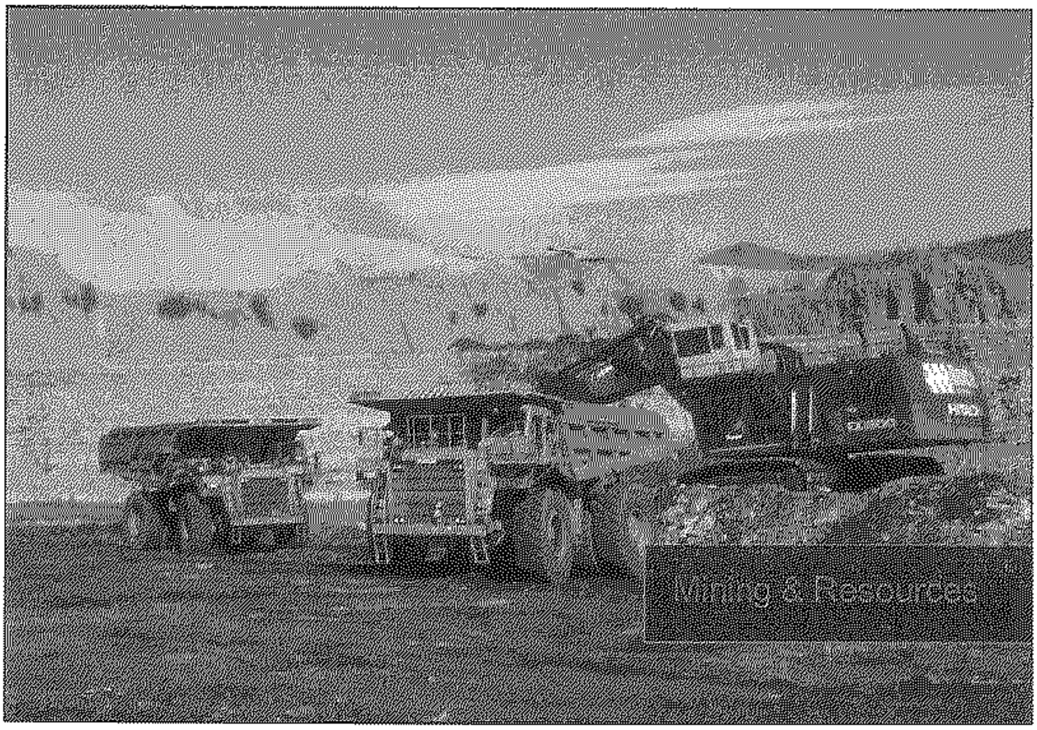
Growth trend continues
Revenue $b
1.2
1.5
1.8
2.3
2.6
02 03 04 05 06
EBIT $m
53.2
55.7
73.4
99.2
123.7
02* 03* 04* 05 06
Employee Numbers thousands
10
13
14.6
17.5
22.1
02 03 04 05 06
* EBITA pre IFRS
Engineering
Mining & Resources
Rail
7


Downer EDi
Secured sales expand
Total Secured Sales $b
5.0
6.4
6.5
6.6
9.8
02 03 04 05 06
H1 FY07 Secured Sales by Division $b
1.3
2.2
1.2
5.1
H1 FY07 ROFE %
18.3
18.6
18.5
Engineering
Mining & Resources
Infrastructure
Rail
8



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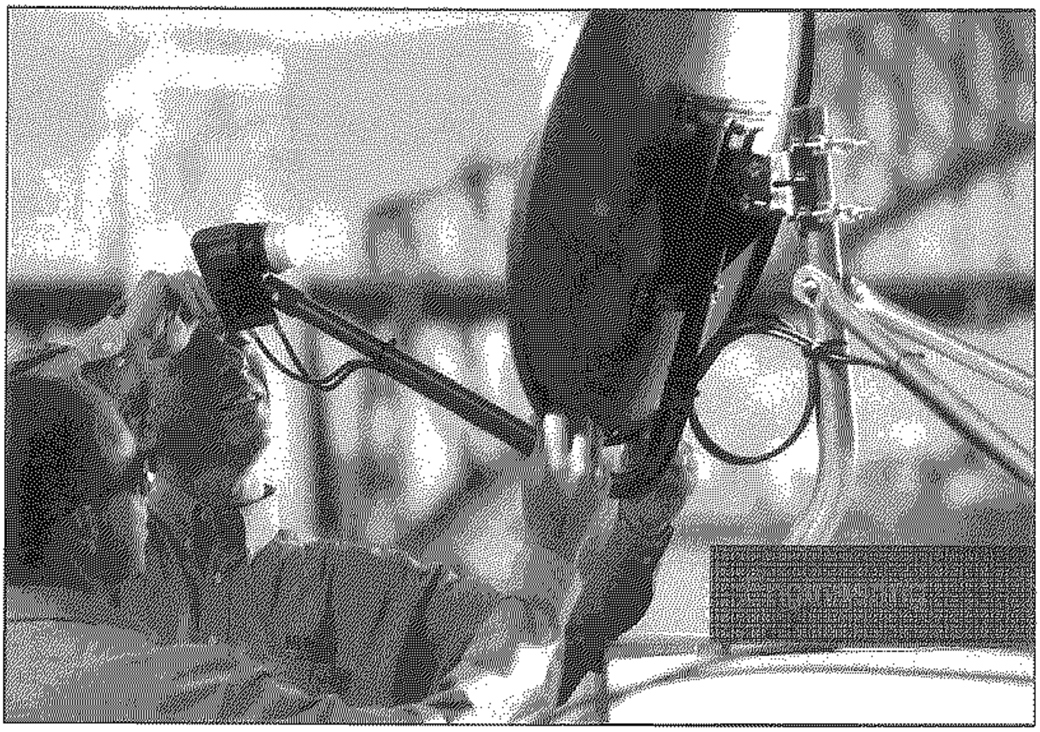
Growth drives earnings

Half Year to 31 December ($m)	2006	2005	Change
Turnover	954.4	826.8	15.4%
Underlying EBIT	60.6	41.2	47.0%
Underlying EBIT / Sales	6.3%	5.0%	
Secured Sales	2.2bn		

- Revenue grew over 15% driven by expansion in services and increased demand from existing clients
- Underlying EBIT growth driven by top line
- Secured sales position strong

Demand for mining services strong

- Mining operations continue good performance, Otraco acquisition performing well in South America and Explosives group also delivering a good result
- Consulting services experiencing continued growth domestically and offshore
- Process engineering continues recovery – stronger 2nd half
- Expect demand for services to grow even if mineral prices moderate – outlook for mining sector remains buoyant
- Growth opportunities with BHP developing Olympic Dam and FMG moving ahead at pace



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Mix of business moderates performance

Half Year to 31 December ($m)	2006	2005	Change
Turnover	743.8	809.5	(9.2%)
EBIT	31.3	24.5	27.7%
EBIT / Sales	4.2%	3.0%	
Secured Sales	1.3bn		

- Revenue declines as expected
- EBIT performance impacted by wind down of energy systems business offset by good results from consulting and telco
- Margin improvement expected to be held in second half

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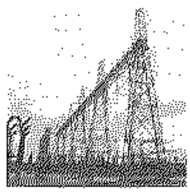
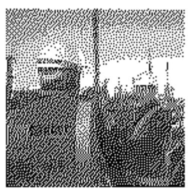
Engineering demand remains strong

- Electrical business continues to perform strongly
- Telecom operations have returned to profitability and gained market share
- Consulting businesses grew and profitability ahead of last year
- Most work in power systems finished
  – completed Alinta 1 and Alinta 2 in commissioning
- Growth opportunities from backlog of demand for infrastructure spend in telecoms, resources and power sectors





Infrastructure growth continues

Half Year to 31 December ($m)	2006	2005	Change
Turnover	722.8	453.0	59.6%
EBIT	31.4	21.0	49.5%
Margin	4.3%	4.6%	
Secured Sales	1.2bn		

- Revenue growth driven by organic growth and acquisitions
- New Zealand impacted overall margins due to seasonality
- New Zealand broadens service offering – several recent water contract wins

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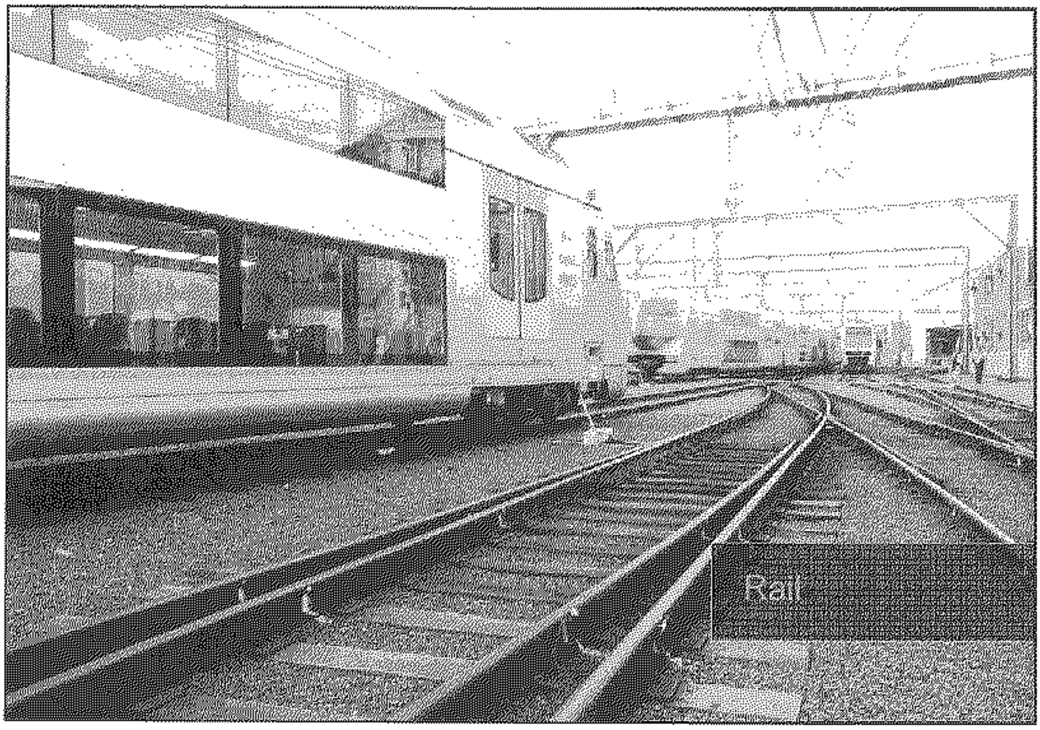
Infrastructure outlook very strong

- Australian operations performing well
  - Demand for regional services increase – Mornington Peninsula in Victoria
- Replication of business model to chosen markets continues – Singapore (Chan & Chan) and UK (Sillars)
- Growth opportunities in expanding business model to new jurisdictions, increasing share of rural work and increased work outsourced in NSW and QLD markets



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Leading position in passenger rail market

Half Year to 31 December ($m)	2006	2005	Change
Turnover	189.6	191.4	(1.0%)
EBIT	18.4	16.6	10.8%
Margin	9.7%	8.7%	
Secured Sales	5.1bn		

- Revenue stable but expect pick up in H2 from PPP
- EBIT and margins continue good performance
- Recent NSW, WA and QLD passenger car wins builds strong sales base

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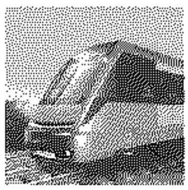
Rail demand continues across the board

- NSW PPP
  - Expect construct revenues to deliver high single digit margins
  - Project risk reduced by scaled construction solution of a vehicle that is over 70% based on proven Millennium train
  - Revenue per train in line with recent contracts awarded to competitor
- Passenger orders increased by West Australian and Queensland governments
- Freight sector experiencing aggressive price based competition
- New best in class Australian designed locomotive pending



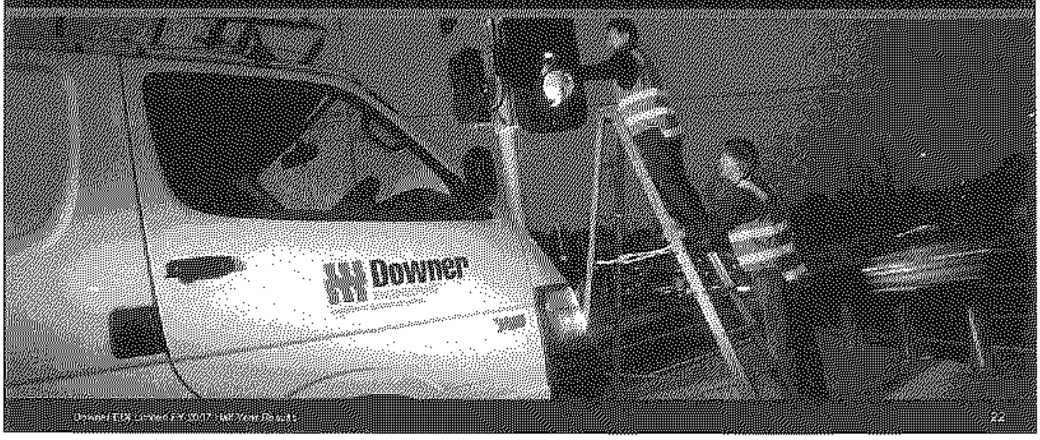
Report Card

Operations	Revenue	EBIT	Cash Flow	ROFE
EDi	✓	✓ ✓	✓ ✓	✓ ✓
Works	✓ ✓	✓ ✓	✓ ✓	✓ ✓
Roche	✓ ✓	✓	x	x
Downer	✓ ✓	✓	✓	✓

GEOFF BRUCE

Finance Director

Financial Performance



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Earnings up 16%

Half Year to 31 December ($m)	2006	2005	Change
Turnover	2,628.8	2,279.5	15.3%
EBIT	123.7	99.2	24.7%
Net Interest	(27.5)	(21.1)	30.3%
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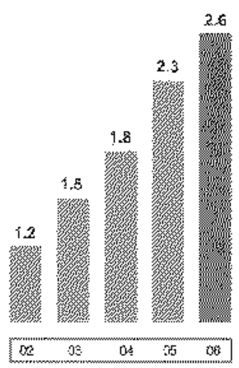
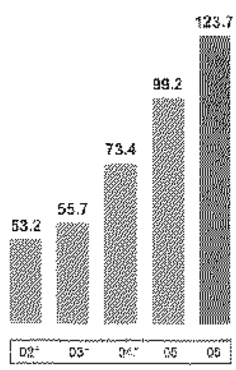
Revenue and EBIT Performance

Revenue $b



EBIT $m



* *EBITA pre-IFRS*

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EBITDA to Cash Flow

Half Year to 31 December ($m)	2006	2005	Change
EBITDA	**190.9**	**156.2**	**22.2%**
Net PP&E	41.8	93.6	(55.3%)
Net Acquisitions	49.0	26.9	82.0%
Net Investments	67.8	24.3	178.5%
Capex	158.6	144.8	9.5%
Tax (Refund)/Paid	(12.2)	20.7	(158.6%)
Borrowing Costs Net of Interest Received	27.2	19.6	39.0%
Dividends Paid (net of DRP)	15.4	20.2	23.9%
Change NWC (Funded)	191.1	49.3	287.7%
Major Applications of Cash	**380.1**	**254.6**	**49.3%**
Net Cash Applied	**189.2**	**98.4**	

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Balance Sheet

- December 31 net borrowings of $683.2m
- Gearing 71% - back within target range by June 2007
- All financing covenants met
- Operating cash out flow $16.6m
- H1 PPE $41.8m below depreciation of $67.2m
- H1 dividend of 13.0 cps unfranked