



15 June 2017

Spotless demonstrates positive momentum

Spotless (ASX: SPO) has today provided a business update that demonstrates the positive momentum of the company. The Spotless Directors continue to recommend shareholders **REJECT** the current takeover offer from Downer EDI (Downer Offer).

1. Sale of New Zealand cleaning contracts

Spotless' transformation project to rationalise its contract tail has been accelerated by the sale of a bundle of approximately 250 small cleaning contracts in New Zealand. This sale will positively contribute to reduced operational complexity and improved financial performance.

2. Commencement of new Royal Adelaide Hospital PPP

New Public Private Partnership mobilisations continue to progress well. Spotless and its consortium partners have now successfully achieved Commercial Acceptance on the new Royal Adelaide Hospital project, Spotless' largest PPP contract. This follows an extensive testing and commissioning period. With Commercial Acceptance achieved, Spotless will now commence the operational phase and service delivery.

3. Continuing contract win and renewal momentum

Spotless continues to maintain improved contract win and renewal rates, with FY18 renewal risk being further reduced by the short-term extension of the SA Health contract under which Spotless provides essential support services to three metropolitan Adelaide hospitals.

4. Refinancing

Spotless has extended over \$300m in committed bilateral cash advance facility agreements that were due to mature in FY18. The refinancing reflects the continued support of Spotless' banking group and extends the debt maturities out to FY19 and FY20.

Spotless Chairman, Garry Hounsell said: "As we have consistently maintained, Spotless is at an inflection point, and today's announcement is further evidence that the strategy reset is well on track and there is strong positive momentum in the business."

"The Board and management team have maintained their strong focus on delivering results and we continue to maintain our belief that Spotless can create more value over the medium term as an independent company."





To **REJECT** the Downer Offer, shareholders simply need to take no action in relation to the acceptance forms sent to them by Downer EDI.

Importantly, shareholders who have already accepted the offer, including via the Institutional Acceptance Facility, may withdraw their acceptance at any time until the Downer Offer becomes unconditional.

The Spotless Shareholder Information line is available to answer any questions on 1300 963 991 (for calls made from within Australia) or +61 1300 963 991 (for calls made from outside Australia) Monday to Friday between 8.30am and 5.30pm (AEST).

Enquiries

Investor and analyst contact: Geoff Bryant General Manager, Investor Relations T +61 2 9816 9281 M +61 419 684 900 Media contact: GRACosway John Frey Founding Partner M +61 411 361 361

Rhianna Fursdon Associate Director M +61 477 029 337