



22 June 2017

Spotless Shareholders should continue to REJECT the Downer Offer

Spotless Group Holdings Limited (ASX: SPO) notes that as at the commencement of ASX trading today, Downer EDI (ASX: DOW) had still only received acceptances for 19.80% of Spotless shares since it launched its hostile takeover offer ("Offer") for Spotless in late March this year.

Downer already held an interest in Spotless equivalent to 19.99% of shares on issue prior to launching its Offer and despite three months of aggressive promotion it has to date failed to convince a majority of Spotless shareholders to accept the Offer.

The Spotless Board maintains its recommendation to shareholders to REJECT the Offer as inadequate and opportunistic.

Spotless Chairman, Garry Hounsell said: "The Spotless Board encourages shareholders to continue to REJECT the Downer Offer."

"If existing shareholders maintain majority ownership and control of Spotless, they stand to properly share in the full value of the strategy reset that is now well underway."

"The Spotless Board is firmly of the view that shareholders stand to realise more value for their Spotless shares over the medium term if Spotless remains an independent listed entity."

"Shareholders should feel no pressure to accept Downer's inadequate offer," Mr Hounsell said.

The Spotless Board reminds shareholders that Downer launched its hostile takeover offer with the strategic objective of gaining 100% ownership of Spotless. This is clearly evident from the 90% minimum acceptance condition which Downer has had to drop in an effort to entice acceptances.

Downer has raised around \$1.0 billion in equity capital to fund its objective of outright control of Spotless. If shareholders prevent Downer from gaining control of Spotless under the current Offer, Downer is likely to remain under pressure to achieve its ultimate objective of outright control of Spotless.





In the meantime, provided Spotless shareholders prevent Downer from achieving control, the Spotless Board and management will continue to:

- deliver on the strategy reset which is already showing signs of success
- continue to pay dividends in accordance with its stated dividend policy
- continue to strengthen the balance sheet through disciplined capital management and increasing operating efficiency

Mr Hounsell said: "Shareholders have a clear choice – either accept Downer's opportunistic offer which will allow Downer to gain control without paying adequate value, or continue to back the Spotless Board and Management to deliver on the strategy reset which is clearly beginning to deliver for shareholders."

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

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

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