

Media/ASX and NZX Release

18 July 2017

SPOTLESS BOARD NOW RECOMMENDS REMAINING SHAREHOLDERS ACCEPT DOWNER'S OFFER DOWNER'S NOMINEE DIRECTORS TO COMPRISE THE MAJORITY OF SPOTLESS BOARD OFFER PERIOD TO BE EXTENDED TO 7PM ON MONDAY, 31 JULY 2017 (UNLESS FURTHER EXTENDED)

Downer EDI Limited (**Downer**) refers to its unconditional takeover offer (**Offer**) for Spotless Group Holdings Limited (**Spotless**).¹

The Spotless Board has now recommended to its shareholders that they accept Downer's offer. Downer is Spotless' controlling shareholder with a relevant interest of 67.3%² in the issued share capital of Spotless.

1. Spotless' Board now recommends remaining Spotless shareholders accept Downer's Offer

Downer welcomes the announcement by the Spotless Board that due to changing circumstances, it now unanimously recommends to shareholders that they should accept Downer's Offer of \$1.15 cash per share.

Spotless shareholders who do not accept the Offer will remain minority shareholders in Spotless unless Downer is able to proceed with compulsory acquisition.

As highlighted in Spotless' ASX announcement dated 18 July 2017, there are a number of significant risks in remaining a minority shareholder in Spotless.

2. Downer Services' nominee Directors to be appointed to Spotless Board

Downer today announces that its four nominee Directors have been appointed to the Spotless Board. This coincides with the resignation of three existing Spotless Non-executive Directors from the Spotless Board.

The Downer nominees are Philip Garling and Grant Thorne, two of Downer's current Non-executive directors, Michael Ferguson, Downer's Chief Financial Officer and John Humphrey, a former Downer Non-executive Director.

The changes to the Spotless Board will be effective from Wednesday, 19 July 2017.

As a result of the changes, Downer Services has secured majority representation on the Spotless Board commensurate with its controlling interest.

3. Remaining Spotless shareholders should accept the Offer as soon as possible to realise a certain cash premium for their Spotless shares

The Offer Price of \$1.15 cash per Spotless share provides compelling value for Spotless shareholders, being a 59% premium to the closing price of Spotless shares on 20 March 2017 (being the last trading day prior to the announcement of the Offer). There are no assurances that shareholders who do not accept the Offer will be able to exit their investment in Spotless at a price equal to the Offer Price in the future.

The Offer is unconditional. Spotless shareholders who accept the Offer will be paid within seven business days of Downer Services receiving a valid acceptance from the shareholder in accordance with the terms of the Offer.

Full details on how to accept the Offer are contained in section 7.3 of the Bidder's Statement.

4. Offer period to be extended to close at 7:00pm on Monday, 31 July 2017 (unless further extended in accordance with the Corporations Act 2001 (Cth))

Downer Services has decided to extend the Offer Period, so that the Offer will now remain open for acceptance until 7.00pm (Sydney time) on Monday, 31 July 2017 (unless further extended under the Corporations Act).

¹ Downer's takeover offer through wholly-owned subsidiary Downer EDI Services Pty Ltd (**Downer Services**) for all of the issued shares in Spotless Group Holdings Limited that it does not already own, announced on 21 March 2017.

² Shareholding as at 7pm on Monday, 17 July 2017.

A formal notice under section 650D of the Corporations Act and a fifth supplementary bidder's statement in connection with the extension of the Offer Period will be separately provided.

For further information regarding the Offer, please refer to the Bidder's Statement which was sent to Spotless shareholders and is available on the ASX. Please call the Offer Information Line on 1300 048 144 (within Australia) or +61 3 9415 4662 (from outside Australia) if you require further information or assistance.

About Downer

Downer EDI Limited ("**Downer**") is a leading provider of services to customers in markets including: Transport Services; Rail; Mining; Utilities Services; Technology and Communications Services; and Engineering, Construction & Maintenance. We build strong relationships of trust with our customers, truly understanding and predicting their needs and bringing them world leading insights and solutions. Downer employs about 19,000 people across more than 200 sites and projects, mostly in Australia and New Zealand, but also in the Asia-Pacific region, South America and Southern Africa. For more on Downer, visit: www.downergroup.com.

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