

## Media/ASX and NZX Release

5 February 2018

### **NON-CASH IMPAIRMENT OF MINING GOODWILL NO CHANGE TO UNDERLYING GUIDANCE FOR 2018 FINANCIAL YEAR**

Downer EDI Limited (Downer) announced today that it will impair the carrying value of the goodwill for its Mining business.

Mining's historic high levels of returns have reduced significantly due to non-renewal of two material contracts and delays in securing alternative contracts. Downer remains positive in relation to Mining's prospects, however the estimated future cash flows for the Mining business do not support the carrying value of the previously acquired goodwill.

A pre-tax charge of \$77 million will be recorded in Downer's results for the six months to 31 December 2017.

This charge is a non-cash item and will not have any impact on cash flow or the company's existing operations.

The impairment will be disclosed as an individually significant non-recurring item and therefore there is no change to Downer's underlying guidance for the 2018 financial year.

Downer is targeting underlying net profit after tax and before amortisation of acquired intangible assets (NPATA) of \$295 million before minority interests. This includes NPATA of \$202 million for Downer and NPATA of \$93 million for Spotless.

Further details will be provided when Downer announces its half year results on 21 February 2018.

#### **About Downer**

Downer is the leading provider of integrated services in Australia and New Zealand and customers are at the heart of everything it does. It exists to create and sustain the modern environment and its promise is to work closely with its customers to help them succeed, using world-leading insights and solutions to design, build and sustain assets, infrastructure and facilities. Downer employs approximately 56,000 people across more than 300 sites, primarily in Australia and New Zealand, but also in the Asia-Pacific region, South America and Southern Africa. It also owns 88 per cent of Spotless Group Holdings Limited. For more information visit [downergroup.com](http://downergroup.com).

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