

Media/ASX and NZX Release

21 August 2019

UPDATE ON NEW ROYAL ADELAIDE HOSPITAL

Downer EDI Limited (Downer) announced today that Spotless had reached agreement with the South Australian Government and Celsus in relation to the delivery of services by Spotless at the new Royal Adelaide Hospital.

The term sheet, which remains subject to various approvals, includes:

- settlement of historical abatement claims;
- a revised KPI and abatement regime designed to better reflect the services provided by Spotless;
- an increase to Spotless' monthly service fee; and
- commitments by the parties to work collaboratively on initiatives to further reduce costs and improve patient outcomes.

The Chief Executive Officer of Downer, Grant Fenn, said the agreement would improve the contract's monthly cash position and provide a strong foundation for further improvements to the operating model at the hospital.

"All parties have worked hard during the settlement discussions to address the various legacy issues and come up with solutions that provide better outcomes for patients," Mr Fenn said. "We are now clear on the additional scope of works being performed by Spotless with alignment on the monthly service fee."

The settlement agreement once formalised, will take financial effect from 1 July 2019.

The additional service fee will be paid from 1 July 2019 up until June 2022 when there will be a re-pricing process in accordance with the subcontract terms.

Downer reports its full year results on 22 August 2019.

For further information please contact:

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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 more than 53,000 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