



30 June 2017

## **Downer CEO indicates further intentions in relation to Spotless**

Spotless Group Holdings Limited (**Spotless**) (ASX: SPO) notes the recent statements made by Downer EDI Limited (**Downer**) (ASX: DOW) CEO Grant Fenn in relation to the future prospects of Spotless under Downer control.

Speaking at the AFR Infrastructure Conference in Sydney on Wednesday 28 June, Mr Fenn made a number of statements regarding Downer's acquisition of control of Spotless, stating his expectation that "[t]he strategy with services will be a winner, we are very confident of that."

Mr Fenn also highlighted Downer's plans to target the fast-growing health and education sectors, as well as government facilities services in defence and prisons.

Mr Fenn failed to acknowledge that targeting these sectors is actually already part of the Spotless' strategy reset which has been underway for some six months now and which is already beginning to deliver earnings benefits for Spotless. It is a core part of the current Spotless Board and Management's strategy for growth and long term stability of earnings.

Spotless Chairman Garry Hounsell said: "We are pleased that Downer and Mr Fenn agree with Spotless' strategy around sector prioritisation and that Downer intends to continue with this strategy as majority shareholder."

"The strategy reset and our strong focus on execution is driving strong positive business momentum and demonstrating results."

"For our remaining shareholders, Mr Fenn's statements can provide some comfort that Downer endorses core elements of Spotless' existing strategy."

As a result, Mr Fenn's confidence regarding the future performance of Spotless is an important consideration for Spotless' remaining shareholders as they decide whether to accept or reject the Downer offer.

Shareholders should have regard to Downer's expectation of strong future Spotless performance which is clearly a countervailing factor to the risks highlighted by Downer of remaining a minority shareholder in Spotless (as outlined in its Bidder's Statement and recent media release dated 28 June).





Mr Hounsell said "The Board has been consistent in its view that the Downer offer does not represent adequate value."

"Shareholders should not be pressured into accepting Downer's offer now that control has passed and should have regard to the Board's consistent view on value and Downer's confidence regarding the future performance of Spotless."

"Although there are risks associated with remaining a minority shareholder, these risks are mitigated while Spotless remains listed and there is a large minority shareholding, which is currently almost 40% of Spotless' register."

The Spotless Board will keep shareholders updated in relation to material developments regarding the Downer offer.

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