

Media/ASX and NZX Release

21 August 2017

DOWNER ENCOURAGES REMAINING SPOTLESS SHAREHOLDERS TO ACCEPT THE RECOMMENDED OFFER OFFER EXTENDED TO 7PM ON MONDAY, 28 AUGUST 2017 (UNLESS FURTHER EXTENDED)

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

Downer has decided to extend the Offer Period for one week, so that the Offer will now remain open for acceptance until 7:00pm (Sydney time) on Monday, 28 August 2017 (unless further extended under the *Corporations Act 2001* (Cth)).

A ninth supplementary bidder's statement (**Ninth Supplement**), which encloses a formal notice under section 650D of the Corporations Act in connection with the extension of the Offer Period will be lodged with the ASX today.

Downer encourages remaining Spotless shareholders to accept the offer promptly and without delay for the following reasons:

- **The Spotless Board has unanimously recommended that Spotless shareholders accept the Offer of \$1.15 cash per share**
- **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)**
- **Holders of 87.4% of the shares in Spotless have accepted the Offer or sold their shares to Downer²**
- **The Offer will close at 7.00pm (Sydney time) on Monday, 28 August 2017 (unless further extended)**
- **Downer currently has a relevant interest in 87.4%³ of Spotless Shares. Downer will be able to and will compulsorily acquire outstanding Spotless Shares if, during or at the end of the Offer Period, Downer has a relevant interest in above 90% of Spotless Shares.**
- **Spotless shareholders who do not accept the Offer will remain minority shareholders in Spotless unless Downer Services is able to proceed with compulsory acquisition. There are a number of risks in remaining a minority shareholder in Spotless, including:**
 - Downer Services is in a position to cast the majority of votes at a general meeting of Spotless and has majority representation on the Spotless Board. This will enable it to determine, among other things, Spotless' dividend policy and capital structure and control the strategic direction of Spotless;⁴
 - S&P Dow Jones Indices has removed Spotless from the S&P/ASX200 Index. Downer expects that this will result in a further reduction in liquidity and less institutional support for Spotless shares;
 - With a relevant interest in Spotless of 87.4%⁵, Downer has the ability to pass a special resolution of Spotless. This will enable Downer to, among other things, change the Spotless constitution; and
 - Downer will seek to have Spotless removed from the Official List of the ASX if the number of Spotless shareholders is less than that required by the ASX to maintain an ASX listing.⁶ If Spotless is delisted from the ASX, there will be no ongoing market in Spotless shares.
- **If the Offer closes and Spotless remains listed on the Official List of the ASX, the Spotless share price is likely to trade at a substantial discount to the Offer Price**

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 As at 4:30pm on Monday, 21 August 2017.

³ As at 4:30pm on Monday, 21 August 2017.

⁴ See section 2.3 of the Bidder's Statement for Downer Services' intentions as a controlling shareholder, including an overview of the limitations on Downer Services' intentions (including under the Corporations Act and under the ASX Listing Rules).

⁵ As at 4:30pm on Monday, 21 August 2017.

⁶ See section 2.3 of the Bidder's Statement for further information in relation to Downer Services' intentions to delist Spotless and the requirements which need to be satisfied in order to do so.

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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