

Media/ASX and NZX Release

24 August 2017

DOWNER'S RECOMMENDED OFFER TO CLOSE ON 28 AUGUST 2017 AND WILL NOT BE EXTENDED¹

THIS IS THE LAST CHANCE FOR SPOTLESS SHAREHOLDERS TO ACCEPT THE OFFER

Downer EDI Limited (**Downer**) refers to its recommended unconditional takeover offer (**Offer**) for Spotless Group Holdings Limited (**Spotless**)², which is due to close at 7:00pm on Monday, 28 August 2017.

1. Offer Close Date is final, and will not be extended unless Downer is able to proceed with compulsory acquisition¹

Downer today announces that its Offer will not be extended beyond 7.00pm Sydney time on Monday, 28 August 2017, unless by that time its relevant interest in Spotless shares has increased to more than 90%, meaning it is able to proceed with compulsory acquisition.¹

Downer encourages remaining Spotless shareholders to accept the Offer promptly and without delay.

2. Spotless' Independent Chairman and CEO have retired. Downer nominee appointed as Chairman

Spotless has this week announced three key Board and management changes which are relevant for Spotless shareholders in deciding whether to accept the Offer or remain as minority shareholders in Spotless. In particular:

- Spotless' Independent Chairman, Garry Hounsell, has retired as Chairman and will retire as a Director of Spotless effective 31 August 2017;
- Professor John Humphrey, a Downer nominee, has been appointed as Chairman of Spotless; and
- Spotless' Chief Executive Officer and Managing Director, Martin Sheppard, stepped down from his role on 22 August 2017.

3. Spotless did not declare a final dividend for the 2017 financial year and Downer intends to engage with the Spotless Board in relation to a broad-based business review

Spotless today announced its results for the 2017 financial year. A number of matters within the results announcement are relevant for Spotless shareholders in deciding whether to accept the Offer or remain as minority shareholders in Spotless. In particular:

- Spotless did not declare a final dividend for the 2017 financial year; and
- Downer intends to engage with the Spotless Board in relation to a broad-based strategic and capital structure review.³

4. Downer has a controlling interest in Spotless of 87.5%⁴ and will seek to have Spotless de-listed as soon as possible

Downer holds 87.5%⁵ of Spotless shares and controls the composition of the Spotless Board.

If Downer is unable to proceed with compulsory acquisition of Spotless due to not acquiring a stake of 90% then, following the conclusion of the Offer, it will seek to have Spotless de-listed as soon as possible.⁶

If Spotless is de-listed from the ASX, there will be no ongoing public market in Spotless Shares.

¹ If at the end of the Offer Period Downer has a relevant interest in not less than 90% of Spotless shares it intends to proceed to compulsory acquisition of the remaining Spotless shares and it reserves the right to further extend the Offer Period in this case.

² 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.

³ In the event that it acquires a relevant interest of less than 90%.

⁴ As at 7:00pm on 23 August 2017.

⁵ As at 7:00pm on 23 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.

5. Remaining Spotless shareholders should accept the Offer now to realise a certain cash premium for their Spotless shares and avoid the risks associated with being a minority shareholder in Spotless

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 in the event that Downer does not reach 90% enabling it to compulsorily acquire Spotless Shares. These risks include:

- 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;⁷
- 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; and
- With a relevant interest in Spotless of over 87.5%,⁸ Downer has the ability to pass a special resolution of Spotless. This will enable Downer to, among other things, change the Spotless constitution.

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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⁷ 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).

⁸ As at 7:00pm on 23 August 2017.