

Media/ASX and NZX Release

20 March 2018

OUTCOME OF SUPREME COURT PROCEEDINGS

Downer EDI Limited (Downer) today announced that it has received the decision of the New South Wales Supreme Court in respect of a claim commenced by Downer against John Holland Pty Ltd and others.

Downer's claim was not successful.

The claim related to the identification of ground subsidence at some locations within the Waratah Train Maintenance Centre located at Auburn and whether the drainage system provided by John Holland Pty Ltd would last its contracted design life and was constructed correctly. John Holland Pty Ltd was the design and construct subcontractor that delivered the facility for Downer. The claim was disclosed as a contingent liability in Downer's financial statements for the 2018 half year.

Downer is currently reviewing the decision to determine what steps, if any, it will take in relation to the Court's decision (including whether to appeal) and the pursuit of policies of insurance.

Downer has incurred legal and other costs of approximately \$25 million which it had expected to recover as part of the proceedings. As a result of the decision, these costs will be expensed as an Individually Significant Item in the financial statements for the year ended 30 June 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.

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