

Media/ASX and NZX Release

15 December 2020

SALE OF OPEN CUT MINING WEST

Downer EDI Limited (Downer) announced today it had entered into an agreement to sell its Western Australian open cut mining business (Open Cut Mining West) to MACA Limited (MACA).

The sale results in the transferring of certain assets (including fleet and inventory) and liabilities, and the novation of the existing contracts, to MACA.

As a result of the sale, Downer will receive over \$200 million in cash proceeds. This comprises the sale price of \$175.0 million as well as approximately \$30 million from the unwinding of working capital balances. The sale price includes deferred consideration of \$66 million which will be paid in 12 equal monthly instalments following completion.

The Chief Executive Officer of Downer, Grant Fenn, said the sale of Open Cut Mining West marks another important step in the implementation of Downer's Urban Services strategy.

"An important part of our Urban Services strategy is to exit our capital-intensive Mining business," Mr Fenn said. "The sale of Open Cut Mining West follows the sale of Downer Blasting Services, the Snowden consulting business and our share in the RTL Mining and Earthworks joint venture. The proceeds received from these four transactions is in line with the carrying value of these businesses.

"We remain in active discussions with a number of interested parties in relation to the other parts of the Mining portfolio namely Open Cut Mining East, Underground, and the Otraco tyre management business."

Earlier this month, Downer announced the sale of 70% of its Laundries business as well as the refinancing of its debt platform through the establishment of a \$1.4 billion sustainability linked syndicated loan facility.

Completion of the sale of Open Cut Mining West, which is subject to customary conditions, is expected to occur early in the 2021 calendar year.

Authorised for release by Downer's Chief Executive Officer, Grant Fenn.

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. For more information visit www.downergroup.com

For further information please contact:

Michael Sharp, Group Head of Corporate Affairs and Investor Relations

+61 439 470 145