

Media/ASX and NZX Release

2 June 2017

Update in relation to Downer Services' Offer for Spotless

- Offer Period extended to close at 7pm (Sydney time) on Thursday, 29 June 2017.
- Downer Services intends to waive all remaining outstanding Defeating Conditions to the Offer and introduce accelerated payment terms on **Monday, 19 June 2017** if:
 - Downer Services has an Interest (comprising Downer Services' economic interest equivalent to 4.99% in the issued share capital of Spotless pursuant to a cash settled total return equity swap, Downer Services' relevant interest in Spotless shares, and acceptances into the Institutional Acceptance Facility) equivalent to at least 50% in the issued share capital of Spotless as at 7pm on **Friday, 16 June 2017**¹; and
 - no Defeating Condition has been breached.²
- \$1.15 per share is Downer Services' final Offer Price for Spotless shares and it will not be increased in the absence of a superior proposal. Downer Services encourages Spotless shareholders to accept the Offer, which provides compelling value and certainty for Spotless shareholders, as soon as possible.

Downer EDI Limited (**Downer**) refers to its takeover offer (**Offer**) through wholly-owned subsidiary Downer EDI Services Pty Ltd (**Downer Services**) for all of the issued shares in Spotless Group Holdings Limited (**Spotless**) that it does not already own for \$1.15 cash per share (**Offer Price**), announced on 21 March 2017 (**Announcement Date**).

1) Extension of Offer Period to Thursday, 29 June 2017

Downer Services gives notice that it is extending the Offer Period so that the Offer will now remain open for acceptance until 7:00pm (Sydney time) on **Thursday, 29 June 2017** (unless further extended under the *Corporations Act 2001* (Cth) (**Corporations Act**)).

As a result of the extension of the Offer Period, the date for giving notice on the status of the Defeating Conditions is now Tuesday, 20 June 2017 (unless the Offer Period is further extended under the *Corporations Act*).

A formal notice under sections 650D and 630(2)(b) of the *Corporations Act* in connection with the extension of the Offer Period is attached as Annexure A.

2) Defeating Conditions

Downer Services intends to declare the Offer free from all remaining outstanding Defeating Conditions on **Monday, 19 June 2017** if it has an Interest³ equivalent to at least 50% in the issued share capital of Spotless as at **7pm on Friday, 16 June 2017**¹ and no Defeating Condition has been breached². The outstanding Defeating Conditions to the Offer are set out in section 7.11 of the replacement bidder's statement dated 10 April 2017 as amended by the second supplementary bidder's statement dated 3 May 2017 and the notice of extension dated 22 May 2017 (**Bidder's Statement**).

The Chief Executive Officer of Downer, Grant Fenn, said:

"We encourage all shareholders to accept Downer Services' all cash Offer, which provides a full and fair price for Spotless shares.

¹ Subject to no acceptances of the Offer or acceptances into the Institutional Acceptance Facility being withdrawn after 7pm on Friday, 16 June 2017 and before Downer Services waives the Defeating Conditions.

² Downer Services reserves its rights to waive any or all of the Defeating Conditions at any time, including if Downer Services does not have an Interest (as defined in footnote 3) equivalent to at least 50% in the issued share capital of Spotless as at 7pm on Friday, 16 June 2017.

³ Interest is defined to comprise: Downer Services' economic interest equivalent to 4.99% in the issued share capital of Spotless (accumulated via cash settled total return swap between 27 February and 7 March 2017 (inclusive) at a weighted average reference price of \$0.815 per Spotless Share), Downer Services' relevant interest in Spotless shares, and acceptances into the Institutional Acceptance Facility established by Downer Services on the terms set out in section 7 of the second supplementary bidder's statement dated 3 May 2017.

"Downer Services' Offer Price represents a 59% premium to the closing price of Spotless shares on the day prior to the Announcement Date. The alternative for Spotless shareholders is to put their faith in a company which saw a share price decline of almost 70% in the two years prior to the Announcement Date and which has acknowledged the risks around the execution of its strategy reset.

"Spotless has confirmed that there is no superior offer for its shareholders to consider, and we note that if the Offer is unsuccessful and no superior proposal emerges, the Spotless share price is likely to trade at a substantial discount to the Offer Price."

3) Accelerated payment terms

If Downer Services declares the Offer unconditional, Downer Services intends to provide accelerated payment terms such that Spotless Shareholders will be paid within 7 business days of Downer Services receiving a valid acceptance from the shareholder in accordance with the terms of the Offer (or for Spotless Shareholders whose valid acceptance has been received by Downer Services before the Offer is declared unconditional, within 7 business days of the Offer being declared unconditional).

4) Accept the Offer as soon as possible

Downer Services encourages Spotless Shareholders to accept the Offer as soon as possible.

Full details on how to accept the Offer are contained in section 7.3 of the Bidder's Statement.

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.

5) Institutional Acceptance Facility

Downer Services has established an Institutional Acceptance Facility (**IAF**), operated by Computershare Clearing Pty Limited ACN 063 826 228 (**Facility Operator**). The IAF allows eligible institutional Spotless Shareholders that do not wish to accept the Offer until it has become unconditional to indicate their intention to accept prior to the Offer becoming unconditional. Downer Services encourages institutional shareholders to either accept the Offer as soon as possible or provide their acceptance instructions in relation to the IAF to the Facility Operator.

Further information relating to the IAF is included in the second supplementary bidder's statement released to the ASX on 3 May 2017.

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.

For further information please contact:

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ANNEXURE A

NOTICE BY DOWNER EDI SERVICES PTY LIMITED

UNDER SECTIONS 650D AND 630(2)(B) OF THE CORPORATIONS ACT 2001 (CTH)

TO: Australian Securities and Investments Commission

Spotless Group Holdings Limited
ACN 154 229 562

Australian Securities Exchange Limited

In accordance with ASIC Class Order CO 13/521, to those persons shown as holders of Spotless Shares in the register of members of Spotless as at 1 June 2017

This notice is given by Downer EDI Services Pty Limited (**Downer Services**) in respect of the offers dated 12 April 2017 made by Downer Services in relation to its off-market takeover bid to acquire all of the ordinary shares in Spotless Group Holdings Limited ACN 154 229 562 (**Spotless**) that it does not already own (**Offers**).

A copy of this notice was lodged with the Australian Securities and Investments Commission (**ASIC**) on Friday, 2 June 2017. Neither ASIC nor any of its officers takes any responsibility for the contents of this notice.

In this notice, all references to the Bidder's Statement are references to the replacement bidder's statement dated 10 April 2017 (which replaced the bidder's statement dated 21 March 2017), as supplemented by the second supplementary bidder's statement dated 3 May 2017 and the notice of extension dated 22 May 2017. Terms defined in the Bidder's Statement have the same meaning when used in this notice unless the context requires otherwise.

1. EXTENSION OF OFFER PERIOD

Downer Services gives notice under section 650D of the *Corporations Act 2001* (Cth) (the **Corporations Act**) that it varies each of the Offers by:

- (a) extending the period during which the Offers will remain open for acceptance until 7.00pm (Sydney time) on Thursday, 29 June 2017 (unless further extended under the Corporations Act); and
- (b) replacing all references to the date "Wednesday, 14 June 2017" in the Bidder's Statement with references to the date "Thursday, 29 June 2017".

2. NOTICE AS TO STATUS OF DEFEATING CONDITIONS

Downer Services gives notice under section 630(2)(b) of the Corporations Act that:

- (a) as a result of extension of the Offer Period, the date for giving notice on the status of conditions in section 7.15 of the Bidder's Statement is now Tuesday, 20 June 2017 (subject to any further extension of the Offers in accordance with the Corporations Act);
- (b) as at the date of this notice, Downer Services has previously declared each of the Offers and each contract resulting from acceptance of the Offers to be free from:
 - (i) the Defeating Condition set out in section 7.11(d) of the Bidder's Statement in relation to the Underwriting Agreement not being terminated by the Underwriter before the end of the Offer Period (**Underwriting Agreement Condition**); and

- (ii) the Defeating Conditions set out in section 7.11(b)(i) of the Bidder's Statement in relation to Downer Services receiving all necessary Approvals required by law or by a Public Authority (**Regulatory Approvals Conditions**); and
- (c) other than the Underwriting Agreement Condition and the Regulatory Approvals Conditions, Downer Services has not declared the Offers to be free from the conditions set out in section 7.11 of the Bidder's Statement and so far as Downer Services is aware, these conditions have not been fulfilled at the time of giving this notice.

Dated 2 June 2017

Signed on behalf of Downer EDI Services Pty Ltd:



Peter Tompkins
Director