

21 August 2019

Update on New Royal Adelaide Hospital

Spotless Group Holdings Limited (Spotless) has reached agreement with the South Australian Government and Celsus in relation to its delivery of services at the new Royal Adelaide Hospital.

The term sheet, which remains subject to various approvals, includes:

- settlement of historical abatement claims;
- a revised KPI and abatement regime designed to better reflect the services provided by Spotless;
- an increase to Spotless' monthly service fee; and
- commitments by the parties to work collaboratively on initiatives to further reduce costs and improve patient outcomes.

The Chief Executive Officer of Downer EDI Limited, Grant Fenn, said the agreement would improve the contract's monthly cash position and provide a strong foundation for further improvements to the operating model at the hospital.

"All parties have worked hard during the settlement discussions to address the various legacy issues and come up with solutions that provide better outcomes for patients," Mr Fenn said. "We are now clear on the additional scope of works being performed by Spotless with alignment on the monthly service fee."

The settlement agreement, once formalised, will take financial effect from 1 July 2019.

The additional service fee will be paid from 1 July 2019 up until June 2022 when there will be a re-pricing process in accordance with the subcontract terms.

Spotless reports its full year results on 22 August 2019.

For further information please contact:

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