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Change in substantial shareholding in Downer EDI Limited

Downer EDI Limited (Downer EDI) advises that Hutchison Whampoa Limited of Hong Kong has placed in the market 61 million fully paid Downer EDI shares.

Hutchison Whampoa also advised that it is at an advanced stage of negotiation to dispose of the remaining 39 million shares it holds, at the same price as the institutional placement, to the management of Downer EDI, through a special purpose investment vehicle ("SPV"); failing conclusion of this arrangement those shares will be subject to a lock up agreement for a period of six months.

As a separate arrangement, Paul Y.-ITC Construction Holdings Limited (Paul Y) has granted the management SPV a performance based option over a period of 12 to 18 months to purchase up to 35 million Downer EDI shares from Paul Y at a strike price of 55 cents per share.

Downer EDI Managing Director Stephen Gillies said the purchase of shares by management and the securing of the share option facilitated by Paul Y reflects management's firm belief in the outlook for the business.

JP Morgan was appointed by Hutchison Whampoa to manage the placement and has advised that the placement was well supported by new and existing institutional investors.

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