

1 APRIL 2020**CIMIC 2020 AGM: 2019 STATUTORY LOSS DUE TO ONE
OFF IMPACT OF BICC, SOUND OPERATING
PERFORMANCE
STRONG LIQUIDITY & ORDER BOOK**

CIMIC Group Executive Chairman Marcelino Fernández Verdes said today that CIMIC Group was continuously monitoring and responding to the changing conditions associated with coronavirus, to ensure the safety of its people and the continuity of operations.

Speaking prior to the Group's 2020 Annual General Meeting in Sydney, Mr Fernández Verdes said: "COVID-19 presents a great challenge to our society, and one which we can only overcome together.

"The health and wellbeing of our people is our priority, and our planning for their safety amid the spread of the virus has been underway for some time.

"We have also taken steps that allow us to continue to meet our clients' needs over this challenging period. For our people, our shareholders, and for the communities where we operate, it is important that our operations continue, to keep critical infrastructure functioning."

For 2019, CIMIC reported a statutory net loss after tax of \$(1.0) billion following a one-off post tax impact of \$(1.8) billion relating to CIMIC's exposure to the non-controlling 45% financial investment in BIC Contracting, as a result of the decision to exit the Middle East.

Speaking about CIMIC's performance in 2019, Mr Fernández Verdes said: "Notwithstanding this non-recurring impact on our 2019 results, leaving the region is the appropriate long-term decision for our business and for our shareholders.

"Our operating performance (which excludes the one-off impact associated with BICC) was sound, with net profit after tax of \$800 million, up 3% year on year.

"Net cash stood at \$832 million at 31 December, and we have a strong level of liquidity further supported by committed, undrawn debt facilities of \$3.0 billion at the end of December.

"This strong level of operational liquidity is not impacted by the expected cash outlay for BICC, given that we have a separate, dedicated and additional liquidity facility of \$1.5 billion for this matter."

In 2019, CIMIC returned \$526 million to shareholders through dividends and the share buyback. While CIMIC did not declare a 2019 final dividend, CIMIC's focus remains on continuing to deliver returns and another buyback of shares has commenced to further remunerate shareholders.

CIMIC has a strong pipeline of new work, and work in hand¹ reached \$37.5 billion at the end of 2019, equivalent to more than two years' worth of revenue.

¹ Work in hand/order book includes CIMIC's share of work in hand from joint ventures and associates.

Mr Fernández Verdes said: “Since the commencement of our transformation back in 2014, we have worked to establish a unique, diversified business model which delivers cash-backed profit and sustainable returns through effective risk mitigation.

“Our portfolio composition, supported by a mix of activities and geographies, has increasingly moved towards a better balance of risk sharing contracts and we are engaging with our clients in collaborative contracting models like alliancing.

“Across our markets, we expect that governments and the private sector will continue to invest to meet sustained demand for critical economic and social infrastructure, notwithstanding the short-term impact of coronavirus.”

In total, there are more than \$500 billion of tenders relevant to CIMIC to be bid and/or awarded in the current and coming years.

Refer to the Annual General Meeting address by the Executive Chairman for further information. A webcast of the Meeting can be viewed at www.cimic.com.au.

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CIMIC Group (ASX:CIM) is an engineering-led construction, mining, services and public private partnerships leader working across the lifecycle of assets, infrastructure and resources projects. CIMIC Group comprises our construction business CPB Contractors, including Leighton Asia and Broad, our mining and mineral processing companies Thiess and Sedgman, our services specialist UGL and our public private partnerships arm Pacific Partnerships – all supported by our in-house engineering consultancy EIC Activities. Our mission is to generate sustainable shareholder returns by delivering innovative and competitive solutions for clients and safe, fulfilling careers for our people. With a history since 1899, and around 40,000 people in 20 countries, we strive to be known for our principles of Integrity, Accountability, Innovation and Delivery, underpinned by Safety. CIMIC is a member of the S&P/ASX 100 index, the Dow Jones Sustainability Australia Index and FTSE4Good.