

THIRD SUPPLEMENTARY BIDDER'S STATEMENT

In relation to the Offer by

CIMIC GROUP INVESTMENTS NO.2 PTY LIMITED

ACN 610 264 189

to acquire fully paid ordinary shares in

UGL LIMITED

ACN 009 180 287

ACCEPT

THE UNCONDITIONAL

(OTHER THAN IN RESPECT OF A "PRESCRIBED OCCURRENCES" CONDITION)

CASH OFFER TO ACQUIRE ALL OF YOUR ORDINARY SHARES IN UGL LIMITED FOR \$3.15 CASH FOR EACH UGL SHARE

**The Offer Price of \$3.15 for each UGL Share is final and cannot
be increased during the Offer Period, in the absence of a
competing proposal**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

You should read this document in its entirety. If you are in any doubt as to how to deal with it, you should consult your legal, financial or other professional adviser as soon as possible. If you have any queries about the Offer, you may also call the CIMIC Offer Information Line on 1300 648 874 (for calls made within Australia) or +61 2 8355 1000 (for calls made from outside Australia) between 9.00am and 5.00pm (AEDT) Monday to Friday.

THIRD SUPPLEMENTARY BIDDER'S STATEMENT

This document is a supplementary Bidder's Statement under section 643 of the *Corporations Act 2001* (Cth).

It is the third supplementary Bidder's Statement (**Third Supplementary Bidder's Statement**) issued by CIMIC Group Investments No. 2 Pty Limited ACN 610 264 189 (**CGI2**) to the Bidder's Statement lodged with ASX, UGL Limited and ASIC on and dated 10 October 2016 (**Original Bidder's Statement**) as amended by the first supplementary Bidder's Statement dated 26 October 2016 (**First Supplementary Bidder's Statement**) and the second supplementary Bidder's Statement dated 3 November 2016 (**Second Supplementary Bidder's Statement**) issued by CGI2 in relation to its off-market takeover bid for all of the ordinary shares in UGL Limited ACN 009 180 287 (**UGL**).

This Third Supplementary Bidder's Statement supplements, and should be read together with, the Original Bidder's Statement, the First Supplementary Bidder's Statement and the Second Supplementary Bidder's Statement. This document will prevail in the event of any inconsistency with the Original Bidder's Statement as amended by the First Supplementary Bidder's Statement and the Second Supplementary Bidder's Statement. Unless the context requires otherwise, terms defined in the Original Bidder's Statement as amended by the First Supplementary Bidder's Statement and the Second Supplementary Bidder's Statement have the same meaning where used in this document.

A copy of this Third Supplementary Bidder's Statement was lodged with ASIC on and is dated 7 November 2016. Neither ASIC nor any of its officers takes any responsibility for the contents of this document.

This Third Supplementary Bidder's Statement has been approved by a resolution of the directors of CGI2.

7 NOVEMBER 2016 INTENTION TO VOTE ON UGL AGM RESOLUTIONS

CIMIC Group Limited (**CIMIC**), through its wholly owned subsidiary CIMIC Group Investments No.2 Pty Limited (**CGI2**), is the second largest shareholder in UGL Limited (**UGL**).

CGI2's final¹ unconditional² off-market takeover offer at a price of **\$3.15**³ in cash per share (**Offer**) is open for acceptance and investors are encouraged to **ACCEPT** the Offer.

CGI2 intends to vote against all resolutions at UGL's Annual General Meeting on 7 November 2016. When deciding how to vote at the AGM, CGI2 considers the following issues are relevant to investors:

ITEM 1: CONSIDERATION OF ACCOUNTS AND REPORTS

Item not put to vote

Financial performance

There is no formal resolution to be passed on the first item of business. However CGI2 highlights the disappointing financial performance of UGL in FY16 which included a significant loss and which followed a loss in FY15.

ITEM 2: RE-ELECTION OF MS KATHRYN SPARGO AS A DIRECTOR

CGI2's voting intention: AGAINST

CGI2 has determined to vote against this resolution.

Ms. Spargo was elected to the Board in 2010 and elected chairman in October 2014. Ms. Spargo was a member of the remuneration committee for the FY14 and FY15 periods, during which time there were two consecutive "strikes" against the remuneration report.

She also presided over a number of strategic initiatives including the implementation of a major corporate re-organisation and various investment initiatives which were intended to improve project gross margin, including the UGL Way and a program to strengthen project management capabilities. Notwithstanding these strategic initiatives, significant losses were incurred during FY15 and FY16.

¹ The Offer Price is final, and cannot be increased during the Offer Period, in the absence of a competing proposal and is subject to the Offer terms specified in the Bidder's Statement.

² Other than in respect of a "prescribed occurrences" condition.

³ The Offer Price of \$3.15 per Share is subject to the offer terms outlined in the Bidder's Statement. If UGL pays any dividend or capital distribution to Shareholders between the date of this announcement and the close of the Offer Period, CGI2 will deduct the value of such dividends or capital distributions (but not any franking credits) from the \$3.15 per Share to be paid under the Offer.

CGI2 is also concerned that the Board is lacking stability in light of the recent resignation of two independent directors within a period of one week. The first director, Mr Richard Humphry, resigned prior to his intended retirement at the UGL AGM. The reason for the departure of the second director, Mr John Cooper, a veteran of 35 years' experience in the construction and engineering sectors, was not disclosed.

ITEM 3: ADOPTION OF REMUNERATION REPORT

CGI2's voting intention: AGAINST

CGI2 has concerns about the disconnect between the remuneration for UGL senior executives and the actual performance of the company in FY16.

Further, the incentives offered to senior executives are misaligned with the performance of the company and the creation of value for shareholders.

Despite the risks identified above, CGI2's offer is final¹ and unconditional² and investors can sell to CGI2 on market today, or **ACCEPT** the Offer, which, unless extended, closes on 25 November 2016.

UGL Shareholders should refer to CGI2's Second Supplementary Bidder's Statement, dated 3 November 2016, for further information relevant to their evaluation of the UGL Board's recommendation and other information contained in the Target's Statement (including the independent expert's report).

ACCEPT THE OFFER NOW

ENDS

Issued by CIMIC Group Limited ABN 57 004 482 982 www.cimic.com.au

Further information

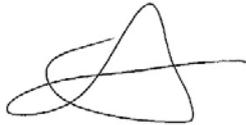
Ms Marta Olba, Group Manager Investor Relations T+61 2 9925 6134

Ms Fiona Tyndall, General Manager Communications T+61 2 9925 6188

CIMIC Group Limited (ASX: CIM) is one of the world's leading international contractors and the world's largest contract miner. CIMIC Group has operations that have been in existence since 1934, was listed on the Australian Securities Exchange in 1962 and has its head office in Sydney, Australia. CIMIC provides construction, mining, mineral processing, engineering, concessions, and operation and maintenance services to the infrastructure, resources and property markets. It operates in more than 20 countries throughout the Asia Pacific, the Middle East, North America, Sub-Saharan Africa and South America and, as at 30 September 2016, employed approximately 44,000 people directly and through its investments.

DATED 7 November 2016

SIGNED for an on behalf of CIMIC Group Investments No. 2 Pty Limited by:

A handwritten signature in black ink, appearing to be 'Angel Muriel', with a stylized, overlapping loop structure.

Angel Muriel

Director