

**19 DECEMBER 2016 COMPULSORY ACQUISITION OF REMAINING SHARES IN
UGL LIMITED**

CIMIC Group Investments No. 2 Limited (**CGI2**) has a relevant interest in 90.003% of all shares in UGL Limited (**UGL**) as at 2.10pm today.

Accordingly, CGI2 is now exercising its right under section 661A(1) of the Corporations Act to compulsorily acquire the remaining shares in UGL.

Attached, in accordance with section 661B(1)(d) of the Corporations Act, is a copy of an ASIC Form 6021: Notice of compulsory acquisition following takeover bid (**Compulsory Acquisition Notice**), together with the covering letter to UGL shareholders.

The Compulsory Acquisition Notice and covering letter were lodged with the Australian Securities and Investments Commission today and will be dispatched to UGL shareholders tomorrow.

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.



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19 December 2016

ASX Market Announcements
Australian Securities Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

RE: COMPULSORY ACQUISITION OF UGL SHARES

Dear UGL shareholder

As you are aware, CIMIC Group Investments No.2 Pty Limited (**CGI2**) announced on 10 October 2016 an unconditional cash off-market takeover offer by CGI2 for all of the ordinary shares in UGL Limited (**UGL**) (**Offer**). The terms of the Offer are contained in CGI2's Bidder's Statement dated 10 October 2016 as supplemented by various supplementary bidder's statements (**Bidder's Statement**). Capitalised terms used in this letter have the same meaning as in the Bidder's Statement unless otherwise defined.

CGI2 has become entitled, under the *Corporations Act 2001* (Cth) (**Corporations Act**), to compulsorily acquire all of the UGL Shares it does not already hold, as it has acquired a relevant interest in more than 90% in UGL as at the date of this letter. CGI2 has decided to exercise that right to compulsory acquisition.

Your choices

This letter is being sent to you because you are currently registered as the holder of UGL Shares and you either had not accepted the Offer before the date of this letter or your acceptance was not valid.

The UGL Board unanimously recommends you accept CGI2's Offer for your UGL shares, in the absence of a superior proposal.

You now have some alternatives:

(a) You can ACCEPT the recommended Offer.

The Offer consideration is \$3.15 in cash per share. By accepting the recommended Offer, you will receive \$3.15 per share in cash, with payment being made within seven business days after the Offer is accepted.

The Offer period will now close at **7.00pm AEDT on 21 December 2016**. CGI2 will NOT extend the Offer period any further.

If you wait to have your UGL Shares compulsorily acquired, you will have to wait at least four weeks to receive the Offer consideration.

- (b) You can sell your UGL Shares on market. Please note that, in accordance with ASX Listing Rules Guidance Note 33, CGI2 expects ASX to suspend UGL Shares five business days after the date of this letter.
- (c) You can do nothing and allow your UGL Shares to be compulsorily acquired, in due course, as described below.

If you have accepted the Offer recently, please disregard this notice.

Compulsory acquisition procedures

Please find enclosed an ASIC Form 6021: Notice of compulsory acquisition following takeover bid (**Notice**), which CGI2 is required to give you under the Corporations Act to exercise its right to compulsory acquisition.

The compulsory acquisition process, which is subject to the Corporations Act, is likely to take approximately four to six weeks but may take longer in some circumstances. The compulsory acquisition will be on the same terms as those that applied to the Offer which means you will receive the Offer consideration of \$3.15 per share in cash.

If your UGL Shares are compulsorily acquired, the Offer consideration will be issued to UGL as your trustee upon completion of the compulsory acquisition procedure. You will then be entitled to claim the Offer consideration from UGL.

You do not need to sign or return the Notice. In due course, UGL will send to UGL Shareholders who remain on the register at the end of the compulsory acquisition process a written notice setting out details on how to claim the Offer consideration.

Further information

Instructions on how to accept the Offer are set out in the Bidder's Statement and in the Acceptance Form that has been sent to you. Note, your ability to accept the Offer only applies until 7.00pm AEDT on 21 December 2016.

If you have any questions about this letter, the compulsory acquisition procedure generally, or you have any other questions, please contact the CIMIC Offer Information Line on 1300 648 874 (for calls made within Australia) or +612 8355 1000 (for calls made from outside Australia) between 9.00am and 5.00pm (AEDT) Monday to Friday, or consult your financial or other professional adviser.

Sincerely,



Angel Muriel
Director
CIMIC Group Investments No. 2 Pty Limited

Cover page: Notice of compulsory acquisition following takeover bid

If there is insufficient space in any section of the form, you may attach an annexure and submit as part of this lodgement

Lodgement details

Who should ASIC contact if there is a query about this form?

Name

Louise Griffiths

ASIC registered agent number (if applicable)

Company/entity name

CIMIC Group Investments No. 2 Pty Limited

ACN/ABN/ARBN/ARSN

610 264 189

Telephone number

(02) 9925 6703

Postal address

PO Box 1002, Crows Nest NSW 1585, Australia

Email address (optional)

Louise.Griffiths@cimic.com.au

How to complete this form

1. Complete this COVER page and the notice pages.
2. Send copies of notice pages to holders. **DO NOT INCLUDE THIS COVER PAGE or GUIDE.**
3. Lodge COVER page and notice pages with ASIC.

Lodgement

Send completed and signed form to:
Australian Securities and Investments Commission,
PO Box 9827 in your capital city.

Or lodge the form in person at an ASIC Service Centre
(see www.asic.gov.au/servicecentres)

For more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630

Notice of compulsory acquisition following takeover bid

Notice

To each holder of:

Description of class of securities to which the bid relates

All fully paid ordinary shares

('Bid Class Securities')

in

Name of target company or body

Name ('the Company')

UGL Limited

ACN/ARBN/ARSN

009 180 287

Tick applicable box(es)

☐ and each holder of securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related.

☐ and each holder of non-transferable securities issued under an employee incentive scheme referred to in paragraph 2.

Name of bidder

1. Under a takeover bid offers were made by

CIMIC Group Investments No. 2 Pty Limited (ACN 610 264 189)

in respect of the acquisition of Bid Class Securities in the company.

The offers

Tick one box

☐ closed

☒ are scheduled to close

Date offers closed or are scheduled to close

on

Date

2 / 1 / 1 / 2 / 1 / 6
[D] [D] [M] [M] [Y] [Y]

Tick applicable box(es).
(see subsection 661A(4) and (4A))

2. You are, as at the date of this notice, the holder of one or more of the following

☒ securities in respect of which the takeover offer was made, but have not accepted the offer. (If you have accepted the offer but have received this notice you do not need to do anything in response to this notice—the bidder will acquire your securities under the offer.)

☐ securities to which the bid related issued after the end of the offer period and before the date of this notice

☐ securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related

☐ securities issued under an employee incentive scheme to which restrictions on transfer apply under the company's constitution or the terms of issue, being

Description of securities

☐ the following securities in the bid class in which the bidder has a relevant interest

Description of securities

3. The bidder gives you notice under subsection 661B(1) of the Corporations Act 2001 ('the Act') that the bidder has become entitled pursuant to subsection

Tick one box

☒ 661A(1)

☐ 661A(3)

of the Act to compulsorily acquire your securities and desires to acquire those securities.

Continued... Notice

4. Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.

Date of lodgement

This notice was lodged with ASIC on

Date

1	9	/	1	2	/	1	6
[D]	[D]		[M]	[M]		[Y]	[Y]

5. Under section 661E of the Act, you have the right, within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is later, to apply to the Court for an order that the securities not be compulsorily acquired.

6. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before

Tick one box



this notice was given.



the end of the offer period.

7. Unless the Court otherwise orders, on application made by you under section 661E of the Act within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement under section 661D (as referred to in paragraph 4 of this notice), whichever is the later, the bidder must comply with paragraph 6 of this notice.

8. A notice sent by post to you is taken to be given to you 3 days after it is posted.

Signature

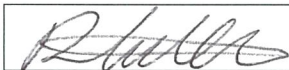
Name of person signing

Robert Brian Cotterill

Capacity

Director

Signature



Date signed

1	9	/	1	2	/	1	6
[D]	[D]		[M]	[M]		[Y]	[Y]