

## ASX/MEDIA RELEASE

19 November 2015

### Chairman's Update to Shareholders

As noted in today's earlier AGM Results release all but one of the resolutions for consideration at Sedgman's 2015 Annual General Meeting were voted down following a poll called by the Company's largest shareholder, CIMIC Group Investments Pty Ltd, a wholly owned subsidiary of CIMIC Group Ltd (ASX:CIM).

As a result of this, three of the Board's independent directors, namely Peter Richards, Philippe Etienne and Bart Vogel have not been re-appointed. The Board will now initiate a process to appoint new independent directors to ensure that the appropriate diversity of skills and best practice governance standards are preserved. As an interim measure the departing independent directors will continue to work with me and the Board in a consulting capacity.

Together with its advisors the Board will continue to pursue its various strategic initiatives to continue to drive growth and unlock value for all shareholders.

As the resolution regarding the Long Term Incentive Plan for the CEO was not passed, the Board will move quickly to restructure this scheme to ensure appropriate remuneration arrangements are in place to drive performance and align our CEO and senior executive team's interests with those of all shareholders.

Despite the outcome of the AGM, your Board remains committed to delivering value for all shareholders. As I flagged in my Chairman's Address at the AGM we have not been, and will not be, sitting still with regard to ensuring recognition of the Company's existing value and the creation of new value from our focused strategy and considered strategic initiatives.

In other words it is business as usual.

We are profitable, and as I indicated in my Shareholders address, expect 2016 performance will be in line with the previous year's profits. We maintain a strong balance sheet and enjoy a healthy pipeline of business. And we have enjoyed strong total shareholder return performance over the last twelve months.

I would like to thank the departing independent directors, Philippe, Bart and Peter for their dedication and contribution to making Sedgman a great company.

We look forward to your ongoing support.

**Rob McDonald**

Chairman and Independent Director

## About Sedgman

Sedgman Limited (ASX: SDM) provides mineral processing and associated infrastructure solutions to the global resources industry. Our services range from concept, pre-feasibility and design through to construction, commissioning, operations, maintenance and asset management. Established in 1979, Sedgman listed on the ASX in June 2006 and has approximately 600 employees. Headquartered in Brisbane, Australia with offices in Perth, Townsville, Newcastle and Mackay, Sedgman has international offices in Shanghai, Santiago, Vancouver and Johannesburg. Sedgman delivers projects and operations across the globe.

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