

13 JANUARY 2016**CIMIC ANNOUNCES INTENTION TO MAKE \$1.07 CASH PER SHARE FINAL¹ UNCONDITIONAL OFF-MARKET TAKEOVER OFFER FOR SEDGMAN LIMITED****OPPORTUNITY TO RECEIVE CERTAIN AND IMMEDIATE VALUE WITHIN 7 BUSINESS DAYS FROM ACCEPTANCE**

CIMIC Group Limited (**CIMIC**), through its wholly owned subsidiary CIMIC Group Investments Pty Limited (**CGI**), owns 36.99% of Sedgman Limited (**Sedgman**).

CIMIC today announced that, through CGI, it intends to make an unconditional offer (**Offer**) to acquire the 63.01% of Sedgman that it does not already own pursuant to an off-market takeover at a price of \$1.07² per share (**Offer Price**), which represents a 35.4% premium to the Last Close Price, being the price of ordinary shares in Sedgman (**Sedgman Shares**) on ASX at the close of trading on 12 January 2016, the day prior to the Announcement Date.

The Offer Price is final, and cannot be increased during the Offer Period, in the absence of a competing proposal.

CIMIC has been a strategic investor in Sedgman for around 15 years, initially acquiring a 50% stake in 2001, prior to its 2006 initial public offering. In addition, CIMIC's global mining contractor Thiess has joint venture arrangements with Sedgman to deliver certain engineering projects.

By making this Offer, CIMIC is seeking to increase its shareholding in Sedgman to a level where it can better support the future direction of Sedgman.

CIMIC intends to continue the business of Sedgman including Sedgman's plans for increasing market and commodity diversification.

As the Offer is unconditional, CGI intends to exercise its rights under item 2 of section 611 of the Corporations Act and has appointed Credit Suisse Equities (Australia) Limited to stand in the market on the ASX from today and purchase on CGI's behalf any Sedgman Shares offered at or below the Offer Price.

AN ATTRACTIVE OFFER

CIMIC considers that the Offer is attractive to Sedgman's Shareholders. The Offer Price of \$1.07 per Sedgman Share, in cash, represents a premium of:

¹ The Offer Price is final, and cannot be increased during the Offer Period, in the absence of a competing proposal.

² The Offer Price of \$1.07 per Sedgman Share is subject to the offer terms outlined in the Bidder's Statement. If Sedgman pays any dividend or capital distribution to Sedgman Shareholders between the date of this announcement and the close of the Offer Period, CGI will deduct the value of such dividends or capital distributions from the \$1.07 per Sedgman Share to be paid under the Offer.

- 35.4% to the Last Close Price, being the price of Sedgman Shares on ASX at the close of trading on 12 January 2016, the day prior to the Announcement Date, of \$0.79 per Sedgman Share;
- 21.3% to the Sedgman one month volume weighted average price (VWAP) as at the day prior to Announcement Date, of \$0.88 per share;
- 26.2% to the Sedgman three month VWAP as at the day prior to Announcement Date, of \$0.85 per share; and
- 30.4% to the Sedgman six month VWAP as at the day prior to Announcement Date, of \$0.82 per share.

Furthermore, CIMIC considers these premia to be particularly attractive given Sedgman's significant net cash balance³.

In addition to the premium, the unconditional Offer enables shareholders to exit an otherwise relatively illiquid position for all of their shareholding in Sedgman in an orderly manner and without the need to pay brokerage fees, and with the opportunity to receive certain and immediate value within seven Business Days from the date of acceptance.

CIMIC'S INTENTIONS

Following the conclusion of the Offer, CIMIC's intentions are to:

- reconstitute the Sedgman Board;
- review the dividend and capital management policies of Sedgman;
- continue the business of Sedgman including Sedgman's plans for increasing market and commodity diversification; and
- retain the services of Sedgman's current operational employees in the ordinary course. In cases where particular roles may no longer be required, CIMIC will attempt to identify opportunities for alternative employment within the CIMIC Group.

OFFER UNCONDITIONAL

The Offer is free from conditions and the Offer Price is final, and cannot be increased during the Offer Period, in the absence of a competing proposal.

FIRB

CIMIC has received Foreign Investment Review Board approval for the Offer.

³ Sedgman last reported, as at 30 June 2015, net cash of \$108.8 million (cash and cash equivalents (\$111.0 million) less interest bearing liabilities (\$2.2 million)).

FUNDING

The Offer will be funded using CIMIC's available funds or existing debt facilities. CIMIC has existing funds at call materially in excess of the offer consideration and the amount of the transaction is not expected to be material to CIMIC.

TIMING

CIMIC has today lodged with ASIC the Bidder's Statement containing detailed information relevant to the Offer. The Bidder's Statement will be sent to Sedgman shareholders not less than 14 days from today.

ENDS

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

MEDIA CONTACT

Geoff Newman
0410 515 830
gnewman@firstadvisers.com.au

INVESTOR CONTACT

Ben Rebbeck
02 8011 0355
[brebeck@firstadvisers.com.au](mailto:brebbeck@firstadvisers.com.au)

CIMIC Group Limited (ASX: CIM), founded in Australia in 1949, is one of the world's leading international contractors and the world's largest contract miner. CIMIC, previously known as Leighton Holdings, was listed on the Australian Securities Exchange in 1962 and has its head office in Sydney, Australia. CIMIC provides construction, mining, engineering, concessions, and operation and maintenance services to the infrastructure, resources and property markets. It operates in approximately 20 countries throughout the Asia Pacific, the Middle East, Sub-Saharan Africa and South America and employed approximately 23,000 people as at 30 September 2015.