

# ASX RELEASE

3 May 2016

ASX Market Announcements  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir / Madam

## Capital Management Update

On 25 August 2015 the Watpac Limited (**Watpac** or **Group**) Board of Directors (**Board**) announced its intention to commence an on-market share buy-back within the 10/12 limit (**Buy-back**). The Buy-back was implemented given the Group's substantial cash reserves and lack of available franking credits, and followed the Board's review of various other capital management initiatives.

The maintenance of a strong balance sheet at all times remains a priority for Watpac, as the Group seeks to compete for a broader range of projects. Balance sheet strength also provides easier access to funding lines that are integral to achieving this objective.

Within this context and the Board's view that the maintenance of strong cash reserves provides maximum flexibility to explore future strategic options, it has been determined that the Buy-back will be terminated with immediate effect.

The Board remains committed to ensuring that Watpac's capital structure remains appropriate and will continue to consider capital management initiatives that align with the execution of strategies to enhance shareholder value.

Yours sincerely,

WATPAC LIMITED



Mark Baker  
COMPANY SECRETARY

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