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13 April 2017

Singapore Exchange (SGX)
2 Shenton Way
19-00 SGX Centre 1
Singapore 068804

RE: CIMIC 1Q17 NPAT UP 23.0% YOY TO \$160.3M; GUIDANCE CONFIRMED

Please find attached a copy of a media release issued by CIMIC Group Limited, parent company of CIMIC Finance (USA) Pty Ltd.

Yours faithfully
CIMIC GROUP LIMITED

LOUISE GRIFFITHS
Company Secretary

13 APRIL 2017**1Q17 NPAT UP 23.0% YOY¹ TO \$160.3M****CASH FLOWS FROM OPERATING ACTIVITIES² UP \$339M
YOY TO \$101M****STRONG BALANCE SHEET, NET CASH³ OF \$278M****POSITIVE REVENUE⁴ TREND UP 25.6% YOY TO \$3.0BN****WIH⁵ UP 17.4% YOY TO \$34.1BN AND SOLID PIPELINE****NPAT GUIDANCE FOR 2017 OF \$640M TO \$700M
CONFIRMED**

CIMIC Group today announced a strong result for the three months to 31 March 2017, delivering sustainable cash-backed profits.

Highlights of the result, which was the first full quarter to include the positive contribution of UGL, were:

- Cash flows from operating activities up \$339 million yoy to \$101 million, working capital management reducing 1Q17 seasonality impact. EBITDA conversion rate of 131.8% in last 12 months.
- Free operating cash flow (net) up more than \$260 million yoy; \$1.2 billion in last 12 months.
- Net profit after tax (NPAT) up 23.0% yoy to \$160.3 million.
- Solid 1Q17 profit before tax and NPAT margins⁶ of 7.3% and 5.3% respectively.
- Positive revenue trend, up 25.6% yoy to \$3.0 billion.
- Work in hand up 17.4% yoy to \$34.1 billion and a solid project pipeline supporting future growth.
- Strong balance sheet, net cash of \$278 million at 31 March 2017.
- Guidance confirmed for 2017 NPAT in the range of \$640 million to \$700 million, subject to market conditions.

¹ Year on year performance during three month period to 31 March 2017 compared to the three month period to 31 March 2016.

² Cash flows from operating activities is defined as the cash inflow from operating activities before interest, finance costs, taxes and dividends received.

³ Excluding operating leases.

⁴ Revenue excludes revenue from joint ventures and associates and interest income.

⁵ Work in hand includes CIMIC's share of work in hand from joint ventures and associates.

⁶ Margin calculated on revenue as defined.

CIMIC Group Executive Chairman Marcelino Fernández Verdes said: “CIMIC Group generated strong cash flows from operating activities and increased revenue and profit during the first quarter of 2017.

“Our focus remains on generating sustainable cash-backed profits and allocating capital to opportunities that create value for shareholders.

“We are delivering on these objectives, demonstrated by our improvement to a positive first quarter cash flow, and our efficiency in converting earnings into cash. Our balance sheet is strong, providing flexibility to pursue strategic growth opportunities.”

CIMIC Group Chief Executive Officer Adolfo Valderas said: “CIMIC Group continues to diversify by geography and activity and we have a solid basis for growth, with strong fundamentals in our markets. Our acquisition of UGL has provided a further platform for expansion and our financial strength and comprehensive capabilities position us well to fund, deliver and service assets.

“We are shortlisted for several large projects; amongst others, the Melbourne Metro rail link PPP project, the Sydney Metro tunnels and station excavation works, selected projects under the Western Sydney roads upgrade program, and phase two of the Deep Tunnel Sewerage System in Singapore.”

During the year to date, CIMIC Group announced it had:

- been selected as the preferred contractor to deliver Victoria’s multi-billion dollar West Gate Tunnel Project in a 50:50 joint venture;
- been selected to deliver infrastructure upgrades at the Junee Correctional Centre in New South Wales (generating revenue of approximately \$134 million);
- been selected to deliver phase one of the Vipul Aarohan Residences project in India (\$108 million);
- been selected to construct an IKEA retail outlet in India (\$70 million);
- been selected to deliver an expansion project at Hong Kong International Airport (\$278 million);
- secured a contract to upgrade a waterworks in Singapore (\$63 million);
- reached contractual close to deliver part of the M1 Pacific Motorway widening project in New South Wales (\$145 million);
- been selected to deliver the third New Zealand Schools PPP initiative (NZ\$113million);
- secured a contract to provide maintenance services to Esso Australia at certain sites in Victoria;
- secured a new mining contract and a contract extension at adjoining pits in Indonesia (\$134 million); and
- been selected to deliver a section of the road project NorthLink WA in Western Australia (\$175 million).

The total pipeline of opportunities relevant to CIMIC Group is solid, with nearly \$80 billion of tenders to be bid and awarded during the rest of 2017, and a further \$250 billion in 2018 and beyond, supporting our growth outlook.

Refer to ‘Analyst and Investor Presentation’ for further information.

ENDS

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

Further information

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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 1899, 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 and South America and Sub-Saharan Africa and, as at 31 March 2017, employed approximately 51,300 people directly and through its investments.

ANALYST AND INVESTOR PRESENTATION

1Q17 RESULTS



Marcelino Fernández Verdes, Executive Chairman

Adolfo Valderas, Chief Executive Officer

Angel Muriel, Chief Financial Officer



13 APRIL 2017

INTEGRITY } ACCOUNTABILITY } INNOVATION } DELIVERY

SAFETY

Refer to 'ASX/Media Release' for further information

1Q17 financial highlights



Cash flows from operating activities¹ of \$101m, \$339m yoy improvement; EBITDA conversion 132% LTM

- ✓ Positive cash flows from operating activities; focus on working capital management reducing 1Q seasonality impact
- ✓ Free operating cash flow (net) of \$1.2bn in LTM; improving by more than \$260m yoy

1Q17 NPAT up 23% yoy to \$160m

- ✓ Solid PBT and NPAT margins² of 7.3% and 5.3%, respectively
- ✓ PBT of \$219m up 22% yoy
- ✓ One-off items had a minimal negative impact on earnings

Positive revenue³ trend in 1Q17 up 26% yoy to \$3bn. Solid project pipeline supporting future growth

- ✓ Solid WIH⁴ of \$34.1bn up 17% yoy
- ✓ Nearly \$80bn of tenders, relevant to CIMIC, will be bid and awarded in the remainder of 2017 (of which 70% is in Australia and New Zealand), \$43bn in construction, \$18bn in mining and \$15bn in services
- ✓ In the order of \$250bn of projects coming to the market in 2018 and beyond

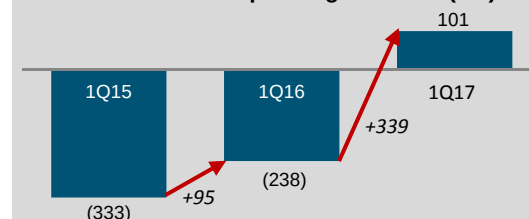
Strong balance sheet, net cash⁵ of \$278m

- ✓ Net cash at 31 March 2017 of \$278m would have been approximately \$1.0bn, if adjusted for the share buy-back, the net impact of investment in UGL and the Nextgen divestment in the LTM
- ✓ Net contract debtors⁶ down \$221m since March 2016
- ✓ Provides flexibility for capital allocation decisions / strategic growth opportunities

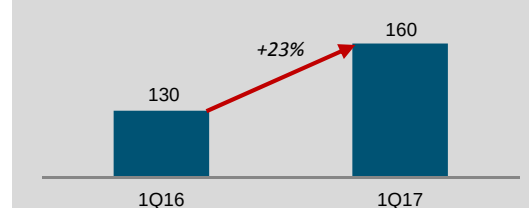
FY17 NPAT guidance confirmed, \$640m-\$700m, subject to market conditions

- ✓ Continuing to further diversify by geography and activity
- ✓ Maintaining focus on generating sustainable cash-backed profits and effective risk management

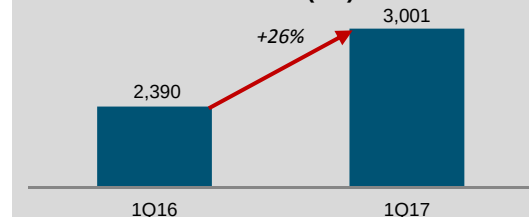
Cash flow from operating activities (\$m)



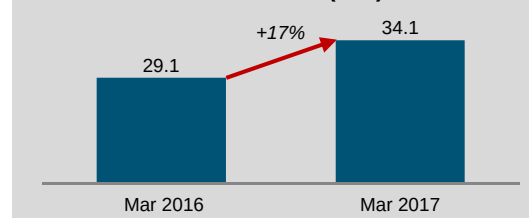
NPAT (\$m)



Revenue (\$m)



Work in hand (\$bn)



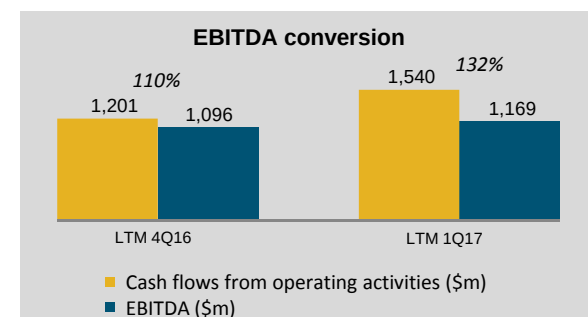
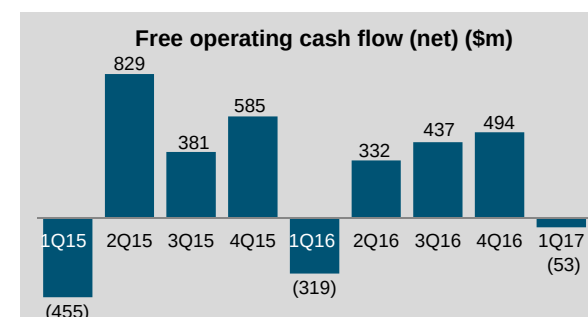
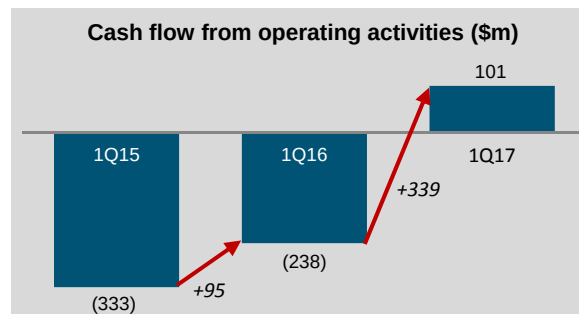
Robust cash flow generation

Cash flows from operating activities of \$101m, \$339m yoy improvement; EBITDA conversion 132% LTM

- ✓ Positive cash flows from operating activities; focus on working capital management reducing 1Q seasonality impact
- ✓ Free operating cash flow (net) of \$1.2bn in LTM; improving by more than \$260m yoy
- ✓ EBITDA conversion of 132% in LTM; 29% in 1Q17
- ✓ Gross capex impacted mainly by higher revenue contribution from mining and job costed construction assets (tunnelling equipment) - (at similar levels to total gross capex for 4Q16)
- ✓ Focus remains on working capital management and strong cash flow generation

EBITDA conversion (\$m)	1Q16	1Q17	Chg. \$	LTM
Cash flows from operating activities (a)	(238.2)	100.8	339.0	1,540.4
EBITDA (b)	269.7	343.0	73.3	1,169.1
EBITDA conversion (a)/(b)	(88)%	29%		132%

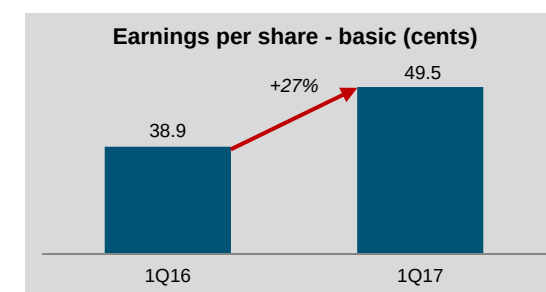
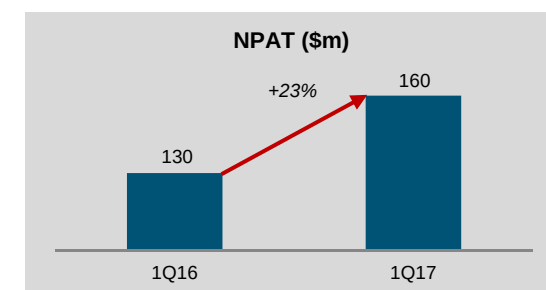
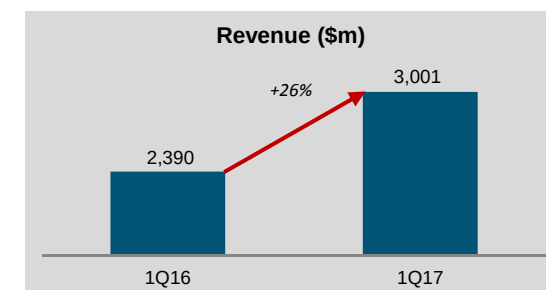
EBITDA conversion (\$m)	1Q16	1Q17	Chg. \$	LTM
Cash flows from operating activities	(238.2)	100.8	339.0	1,540.4
Interest, finance costs, taxes and dividends received	(50.1)	(59.7)	(9.6)	(84.0)
Net cash from operating activities	(288.3)	41.1	329.4	1,456.4
Gross capital expenditure ⁷	(44.6)	(99.7)	(55.1)	(335.3)
Free operating cash flow (gross)⁸	(332.9)	(58.6)	274.3	1,121.1
Gross capital proceeds	14.1	6.1	(8.0)	89.8
Free operating cash flow (net)⁹	(318.8)	(52.5)	266.3	1,210.9



Solid 1Q17 operating performance



- ✓ Positive revenue trend in 1Q17 up 26% yoy to \$3bn. Solid project pipeline supporting future growth
- ✓ PBT of \$219m up 22% yoy
- ✓ NPAT of \$160m up 23% yoy
 - One-off items had a minimal negative impact on earnings
- ✓ Solid PBT and NPAT margins of 7.3% and 5.3%, respectively
- ✓ EPS up 27% yoy boosted by the benefits of the share buy-back



Financial performance (\$m)	1Q16	1Q17	Chg. \$	Chg. %	FY16
Revenue	2,390.2	3,001.4	611.2	25.6%	10,853.6
EBIT	185.9	229.5	43.6	23.5%	758.4
<i>EBIT margin</i>	7.8%	7.6%		(20)bp	7.0%
Net finance costs ¹⁰	(5.7)	(10.1)	(4.4)	77.2%	(18.0)
Profit before tax	180.2	219.4	39.2	21.8%	740.4
<i>PBT margin</i>	7.5%	7.3%		(20)bp	6.8%
Income tax	(61.2)	(61.7)	(0.5)	0.8%	(188.0)
Non-controlling interests	11.3	2.6	(8.7)	(77.0)%	27.9
NPAT	130.3	160.3	30.0	23.0%	580.3
<i>NPAT margin</i>	5.5%	5.3%		(20)bp	5.3%
Earnings per share (basic)	38.9c	49.5c	10.6c	27.2%	176.6c

Strong balance sheet with net cash of \$278m

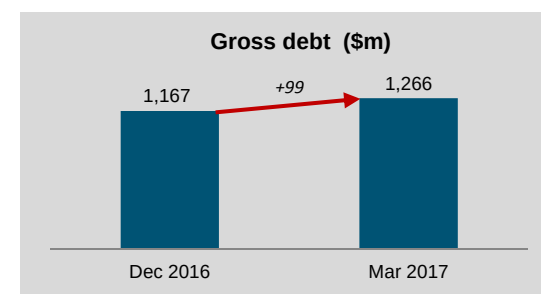
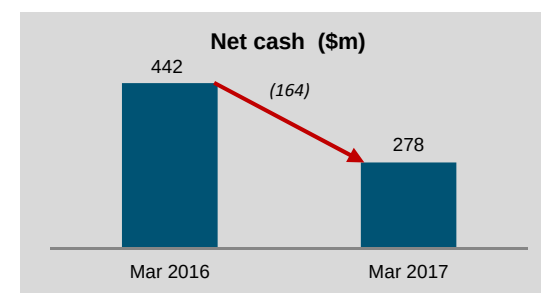
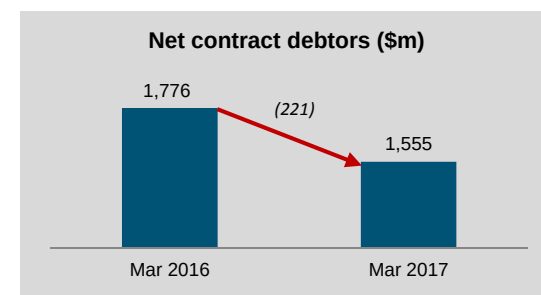


- ✓ Net cash at 31 March 2017 of \$278m would have been approximately \$1.0bn, if adjusted for the share buy-back, the net impact of investment in UGL and the Nextgen divestment in the LTM
- ✓ Net contract debtors down \$221m yoy to \$1.6bn
 - Unchanged \$675m contract debtors portfolio provision
- ✓ \$1.4bn of liquidity from undrawn debt facilities at end March 2017

Balance sheet (\$m)	Mar 2016	Jun 2016	Sep 2016	Dec 2016	Mar 2017
Net cash/(debt)	441.8	534.6	769.2	409.3	277.9
Operating leases	(547.3)	(523.0)	(472.9)	(466.9)	(459.0)
Net cash/(debt) (incl. op. leases)	(105.5)	11.6	296.3	(57.6)	(181.1)
Net contract debtors	1,775.7	1,871.9	1,659.0	1,384.6	1,554.9

Finance cost detail (\$m)	1Q15	1Q16	1Q17
Debt interest expenses	(40.8)	(17.7)	(19.2)
Facility fees, bonding and other costs ¹¹	(11.6)	(7.5)	(7.9)
Total finance costs	(52.4)	(25.2)	(27.1)
Interest income	25.9	19.5	17.0
Net finance costs	(26.5)	(5.7)	(10.1)

Finance cost detail (\$m)	1Q17
Debt interest expenses (a)	(19.2)
Gross debt ¹² at March 2017	1,265.7
Gross debt 1Q17 average (b)	1,767.1
Average cost of debt 1Q17 $\frac{(-a) \times 4}{b}$	4.3%



Solid WIH and pipeline supporting future growth



WIH of \$34bn up 17% yoy with a higher proportion of recurring revenue

- ✓ Several major contract wins YTD, domestically and internationally including:
 - West Gate Tunnel Project in Victoria (preferred)
 - Northlink Stage 3 project in Western Australia
 - Third New Zealand Schools PPP Project
 - Maintenance services to Esso Australia in Victoria
 - Expansion project at Hong Kong International Airport
 - Construction of Al Garhoud Towers in Dubai (HLG)
 - Mining services contract and extension in Indonesia
 - M1 Pacific Motorway widening project in New South Wales
 - Upgrade Woodleigh Waterworks project in Singapore
 - Upgrades at the Junee Correctional Centre in New South Wales
 - Phase one of the Vipul Aarohan Residences project in India

Solid pipeline, both short and long term in CIMIC's markets

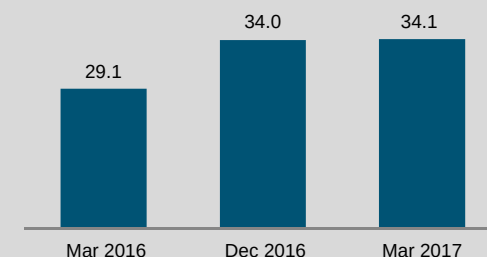
- ✓ CIMIC has been shortlisted for several large projects amongst others:
 - Sydney Metro – TSE (Tunnels and Station Excavation works)
 - Melbourne Metro Rail Link Projects (PPP)
 - Selected projects under Western Sydney Roads Upgrade Program
 - Deep Tunnel Sewerage System (DTSS) Phase 2 in Singapore
- ✓ Nearly **\$80bn** of tenders, relevant to CIMIC, will be bid and awarded in the remainder of 2017 (of which 70% is in Australia and New Zealand), \$43bn in construction, \$18bn in mining and \$15bn in services
- ✓ In the order of **\$250bn** of projects coming to the market in 2018 and beyond

Pursuing major domestic and international tenders such as:

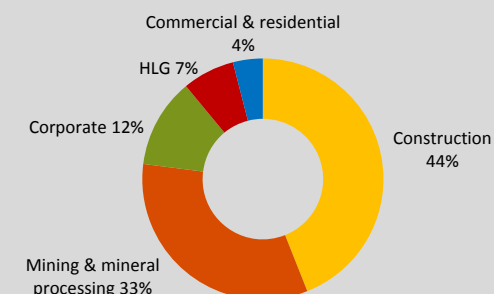
- Parramatta Light Rail in NSW and Perth MAX Light Rail in Western Australia (PPP)
- WestConnex Stage 3 in New South Wales
- Outer Suburban Arterial Roads in Victoria (PPP)
- Crowsnest coal consortium project in Canada
- Metro Trains Melbourne operations and maintenance extension in Victoria (PPP)
- Sydney Metro - City and Southwest in New South Wales
- North South Corridor - N105 in Singapore
- Esperanza Sur copper project in Chile

Work in hand (\$m)	Mar 16	Dec 16	Mar 17
Construction	12,846.4	12,959.0	14,279.0
Mining & mineral processing	9,575.3	10,025.4	9,054.5
Services	-	4,926.3	5,175.9
HLG	2,147.5	1,798.1	1,483.8
Commercial & residential	1,108.6	724.2	710.0
Corporate (Ventia, PPP & others)	3,407.1	3,579.0	3,442.6
Total work in hand	29,084.9	34,012.0	34,145.8

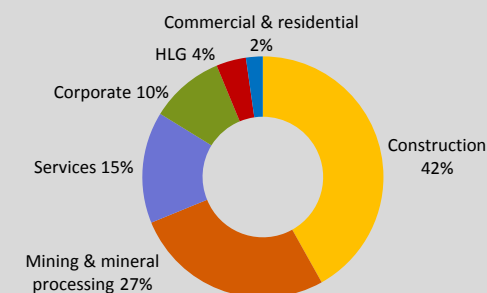
Work in hand (\$bn)



Work in hand Mar 16



Work in hand Mar 17



- ¹Cash flows from operating activities before interest, finance costs, taxes and dividends received
- ²Margins are calculated on revenue which excludes revenue from joint ventures and associates and interest income
- ³Revenue excludes revenue from joint ventures and associates and interest income
- ⁴WIH includes CIMIC's share of work in hand from joint ventures and associates
- ⁵Net cash at 31 March 2017 of \$278m would have been approximately \$1.0bn, if adjusted for the share buy-back, the net impact of investment in UGL and the Nextgen divestment in the LTM
- ⁶Net contract debtors represents the net of amounts due from customers and amounts due to customers
- ⁷Gross capital expenditure is payments for property, plant and equipment
- ⁸Free operating cash flow (gross) is defined as net cash from operating activities less gross capital expenditure
- ⁹Free operating cash flow (net) is defined as free operating cash flow (gross) plus gross capital proceeds
- ¹⁰Net finance costs include interest income and finance costs
- ¹¹Relates to the \$1.9bn of working capital facilities of which \$1.4bn is undrawn at 31 March 2017 and bank bonding commitment fees
- ¹²Total interest bearing liabilities

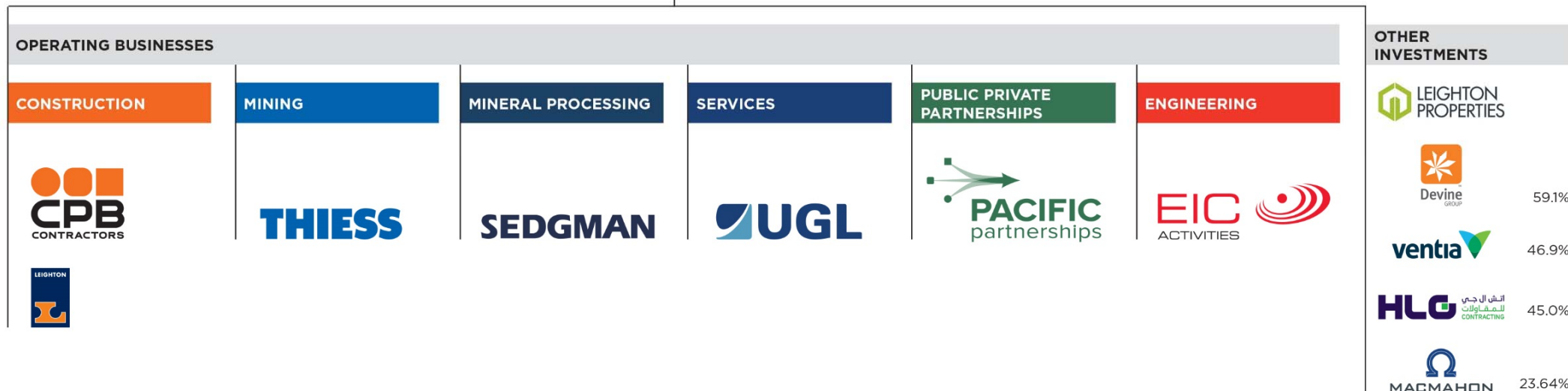
Definitions

- ✓ 1Q17, 2Q17, 3Q17 & 4Q17 - Three months to March 2017, June 2017, September 2017 and December 2017 respectively
- ✓ EBIT - Earnings before net finance costs and tax
- ✓ EBITDA - Earnings before net finance costs, tax, depreciation and amortisation
- ✓ LTM - Last 12 months
- ✓ NPAT - Net profit after tax
- ✓ PBT - Profit before tax
- ✓ BP - Basis points
- ✓ SBB - Share buy-back
- ✓ EPC - Engineering, procurement and construction
- ✓ YOY - Year on year
- ✓ QOQ - Quarter on quarter
- ✓ WIH - Work in hand
- ✓ H1 - First half
- ✓ H2 - Second half
- ✓ EPS - Earnings per share (basic)
- ✓ DPS - Dividend per share
- ✓ m - million
- ✓ bn - billion

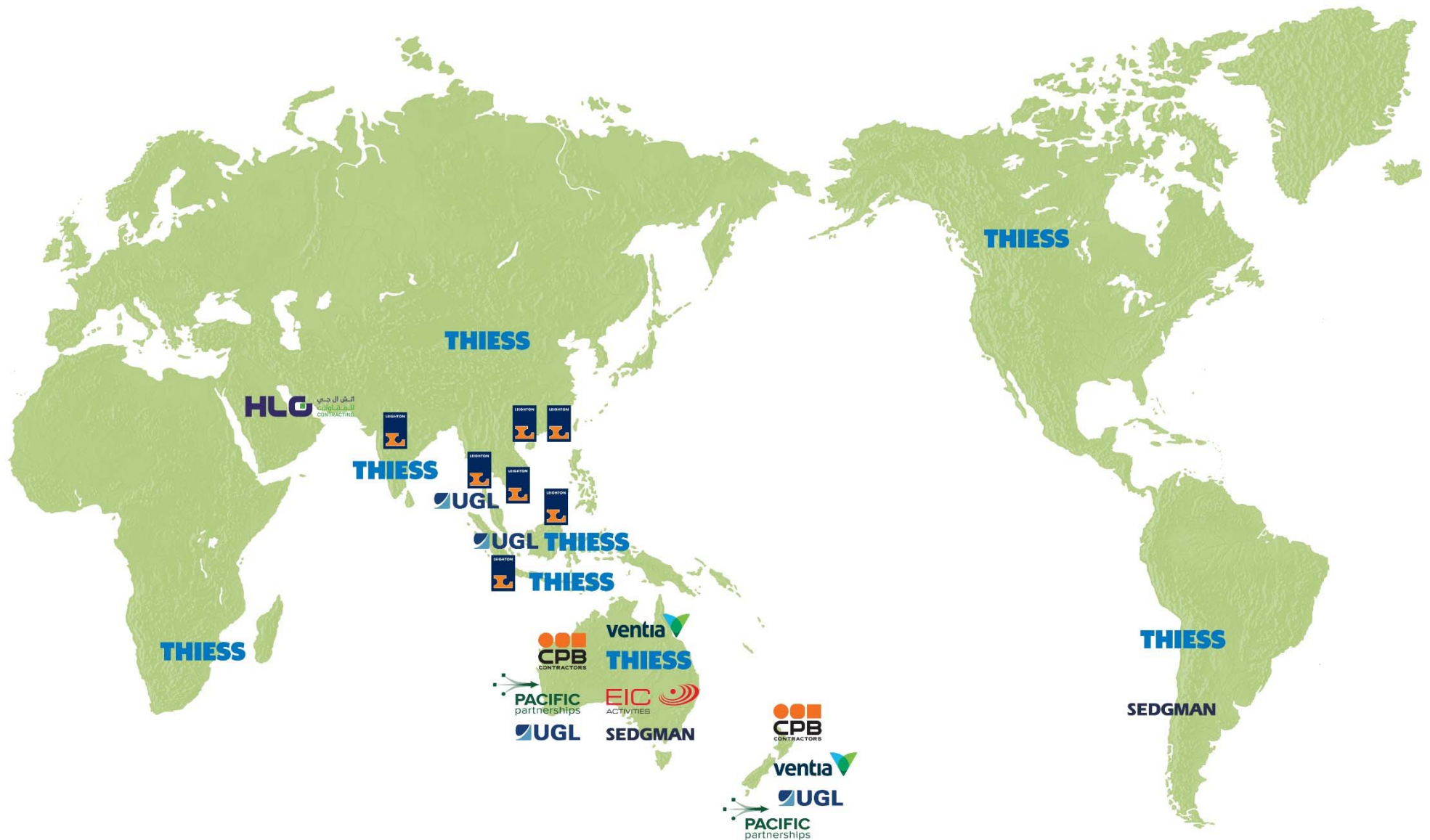
APPENDICES



HOCHTIEF AG — 72.68% —  — 27.32% — OTHER SHAREHOLDERS

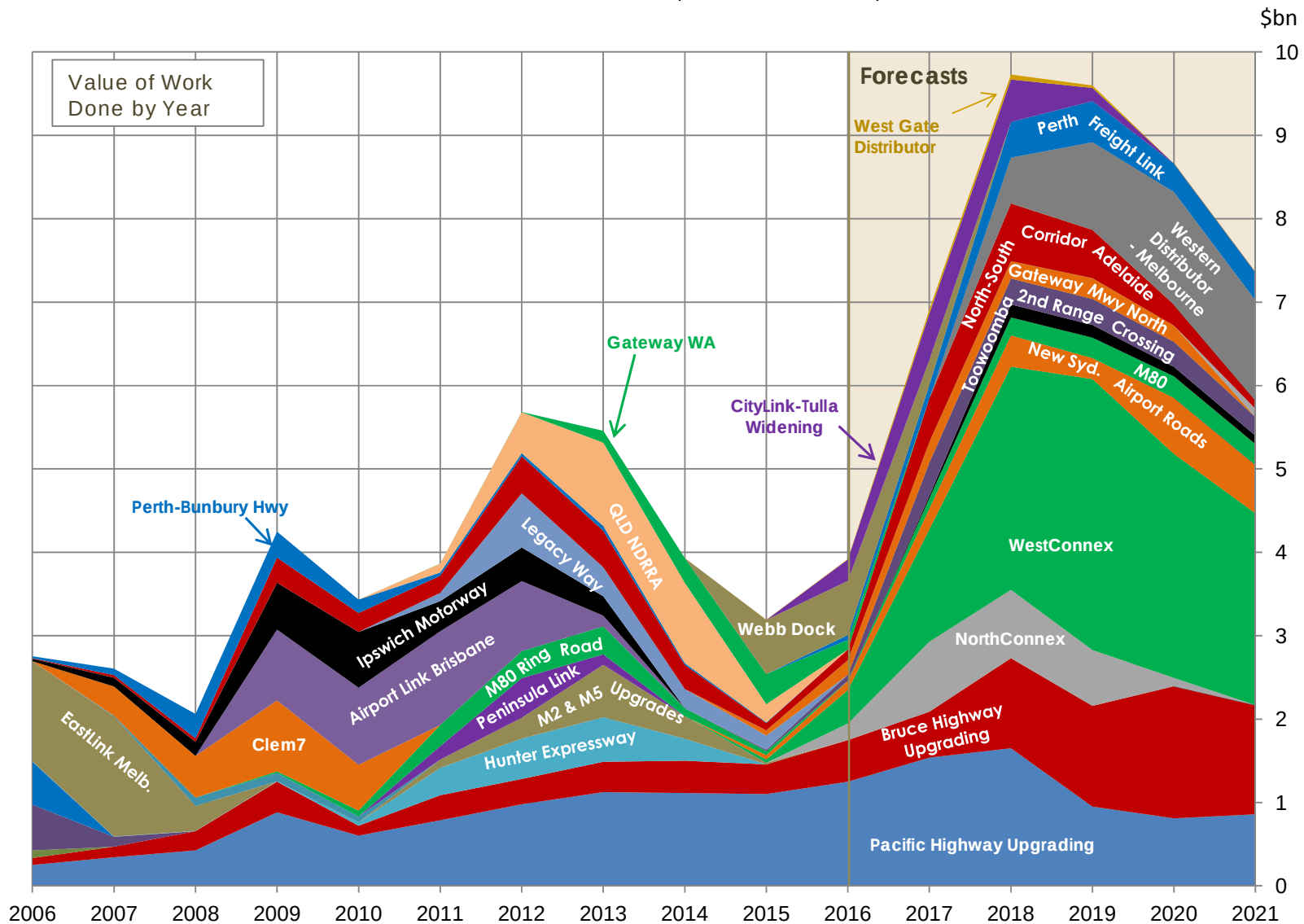


Group market position



Australian construction outlook - Roads

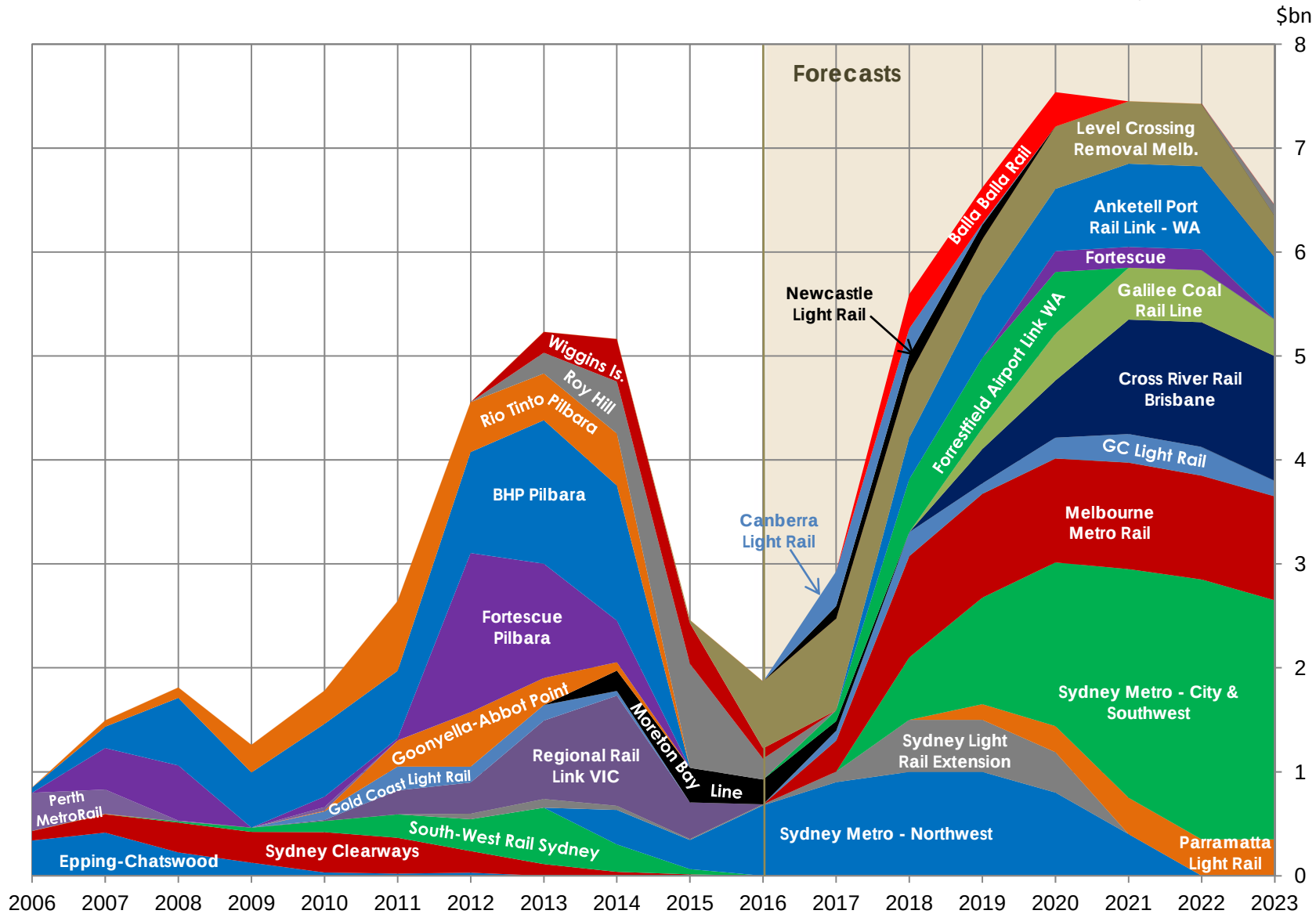
MAJOR AUSTRALIAN ROAD CONSTRUCTION PROJECTS – (YEARS ENDED JUNE)



Source: Macromonitor – March 2017

Australian construction outlook – Rail

MAJOR AUSTRALIAN RAIL CONSTRUCTION PROJECTS – VALUE OF WORK DONE BY YEAR (YEARS ENDED JUNE)



Source: Macromonitor – March 2017

F/X rates



End of the period	Mar 2016	Mar 2017	Chg. \$	Chg. %	Dec 2016
AUD/USD	0.76	0.77	0.01	1.3%	0.72
AUD/EUR	0.67	0.72	0.05	7.5%	0.68
Period average	1Q16	1Q17	Chg. \$	Chg. %	FY16
AUD/USD	0.72	0.76	0.04	5.6%	0.74
AUD/EUR	0.65	0.71	0.06	9.2%	0.67

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