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50% SALE OF THIESS; \$4.3B ENTERPRISE VALUE; CASH \$1.7-\$1.9B

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

Company Secretary

19 OCTOBER 2020**CIMIC ENTERS SALE AGREEMENT WITH ELLIOTT FOR 50% OF THIESS; VALUING THIESS AT A\$4.3 BILLION (100% ENTERPRISE VALUE) AND REALISING CASH PROCEEDS OF A\$1.7 TO A\$1.9 BILLION TO CIMIC**

CIMIC Group today announced that it has entered into an agreement with funds advised by Elliott Advisors (UK) Ltd ("**Elliott**") regarding the acquisition by Elliott of a 50% equity interest in Thiess, the world's largest mining services provider.

Elliott is one of the oldest fund managers of its kind under continuous operation and manages more than US\$40 billion in assets, including equity positions in private and listed companies, in Australia and globally.

Thiess delivers open cut and underground mining in Australia, Asia, Africa and the Americas, providing services to 25 projects across a range of commodities. It has a diverse fleet of plant and equipment of more than 2,200 assets, a team of around 14,000 employees and generates annual revenues in excess of A\$4.1 billion.

Thiess is included in CIMIC's Mining and Mineral Processing segment with CIMIC company Sedgman, a leading provider of minerals processing and associated infrastructure solutions to the global resources industry. CIMIC will retain 100% of Sedgman, generating A\$400 million of annualised revenues with normalised profit before tax margins of around 10%.

CIMIC Group Executive Chairman Marcelino Fernández Verdes said: "The sale agreement reflects Thiess' ongoing strategic importance as a core activity for CIMIC. It capitalises on the robust outlook for the mining sector and, together with Elliott, we will pursue market opportunities in line with Thiess' growth and diversification strategy."

Transaction Overview

- CIMIC and Elliott have entered into an agreement under which Elliott will acquire a 50% equity interest in Thiess, with CIMIC retaining the other 50% equity interest
- CIMIC and Elliott will jointly control Thiess in accordance with a Shareholders' Agreement which contains governance arrangements as well as Thiess' financial and dividend policies, among other items
- The transaction includes customary future share transfer options including a potential initial public offering or sale to a third party, and an option for Elliott to sell its interest in Thiess to CIMIC between three and six years from completion
- Exercise of Elliott's option would enable CIMIC to potentially repurchase the interest now being acquired by Elliott at the lower of today's sale price or fair market value at that point in time, and benefits from a guarantee from CIMIC's majority shareholder HOCHTIEF
- Completion under the agreement is subject to customary conditions, including financing and relevant regulatory approvals.

Financial Impact

- The price for Elliott's 50% equity interest in Thiess implies an enterprise valuation of approximately A\$4.3 billion (based on 100% of Thiess), subject to certain adjustments
- The transaction will strengthen CIMIC's balance sheet by generating cash proceeds on completion of A\$1.7 to A\$1.9 billion as well as reducing CIMIC's factoring balance by approximately A\$700 million and CIMIC's lease liability balance by approximately A\$500 million
- The transaction is expected to generate a pre-tax gain for CIMIC of around A\$2.2 billion, and a post-tax gain of around A\$1.4 billion, subject to certain adjustments
- CIMIC will retain a strategic interest in its core mining operations while maintaining a balanced and diversified business portfolio
- CIMIC's investment in Thiess following completion of the transaction will be recorded as an equity-accounted joint venture.

ENDS

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

Authorised by the CIMIC Group Continuous Disclosure Committee

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CIMIC Group (ASX:CIM) is an engineering-led construction, mining, services and public private partnerships leader working across the lifecycle of assets, infrastructure and resources projects. CIMIC Group comprises our construction business CPB Contractors, including Leighton Asia and Broad, our mining and mineral processing companies Thiess and Sedgman, our services specialist UGL and our public private partnerships arm Pacific Partnerships – all supported by our in-house engineering consultancy EIC Activities. Our mission is to generate sustainable shareholder returns by delivering innovative and competitive solutions for clients and safe, fulfilling careers for our people. With a history since 1899, and around 35,000 people in 20 countries, we strive to be known for our principles of Integrity, Accountability, Innovation and Delivery, underpinned by Safety. CIMIC is a member of the S&P/ASX 200 index, the Dow Jones Sustainability Australia Index and FTSE4Good.