



CIMIC Group Limited
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10 October 2016

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

RE: FINAL UNCONDITIONAL OFFER FOR UGL BY CIMIC

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

10 OCTOBER 2016**CIMIC ANNOUNCES INTENTION TO MAKE \$3.15 CASH PER SHARE FINAL¹ UNCONDITIONAL² OFF-MARKET TAKEOVER OFFER FOR UGL LIMITED**

CIMIC Group Limited (**CIMIC**), through its wholly owned subsidiary CIMIC Group Investments No.2 Pty Limited (**CGI2**), owns 13.84% of UGL Limited (**UGL**).

CIMIC today announced that, through CGI2, it intends to make a final¹ unconditional² offer (**Offer**) to acquire the shares in UGL that it does not already own pursuant to an off-market takeover at a price of \$3.15³ per share (**Offer Price**).

The Offer Price is final, and cannot be increased during the Offer Period, in the absence of a competing proposal. The Offer is unconditional other than with respect to a 'prescribed occurrences' condition.

The Offer Price represents a 47.2% premium to the Last Close Price, being the price of ordinary shares in UGL (**UGL Shares**) on ASX at the close of trading on 7 October 2016, the Trading Day prior to the Announcement Date.

CIMIC believes UGL's competencies are complementary to CIMIC's existing operations or enhance CIMIC's capabilities in new activities.

As the Offer is unconditional², CGI2 intends to exercise its rights under item 2 of section 611 of the Corporations Act and has appointed Macquarie Securities to stand in the market on the ASX from the date the Bidder's Statement is lodged and purchase on CGI2's behalf any UGL Shares offered to it at the Offer Price.

AN ATTRACTIVE OFFER

CIMIC considers that the Offer is attractive to UGL's Shareholders. The Offer Price represents a premium of:

- 47.2% to the Last Close Price, being the price of UGL Shares on ASX at the close of trading on 7 October 2016, the Trading Day prior to the Announcement Date, of \$2.14 per UGL Share;
- 44.2% to the UGL one month volume weighted average price (**VWAP**)⁴ as at the Trading Day prior to Announcement Date, of \$2.185 per UGL Share;
- 33.7% to the UGL three month VWAP as at the Trading Day prior to Announcement Date, of \$2.356 per UGL Share; and

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

² Other than in respect of a no 'prescribed occurrences' condition.

³ The Offer Price of \$3.15 per Share is subject to the offer terms outlined in the Bidder's Statement. If UGL pays any dividend or capital distribution to Shareholders between the date of this announcement and the close of the Offer Period, CGI2 will deduct the value of such dividends or capital distributions (but not any franking credits) from the \$3.15 per Share to be paid under the Offer.

⁴ VWAPs have been calculated to three decimal places.

- 37.7% to the UGL VWAP for the period between 6 June 2016, being the date that UGL made an announcement to the ASX in relation to the protracted claim settlement negotiations on the Ichthys Structural Mechanical and Piping project and the Combined Cycle Power Plant project (**Ichthys Projects**), and the Trading Day prior to Announcement Date, of \$2.287 per UGL Share.

In addition to the premium, the unconditional² Offer enables investors to exit all of their shareholding in UGL in an orderly manner and without the need to pay brokerage fees and with the opportunity to receive certain value.

CIMIC'S INTENTIONS

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

- conduct a strategic review of UGL's businesses in order to drive operational efficiencies and improvements to project delivery and analyse the composition and value of UGL's assets;
- leverage CIMIC's capabilities to generate synergies between the CIMIC and UGL businesses;
- review the dividend and capital management policies of UGL;
- seek to procure the removal of UGL from the Official List of ASX, depending on the level of control secured by CGI2 and remaining spread and volume of UGL shares;
- reconstitute the UGL Board; and
- retain the services of UGL's current operational employees in the ordinary course. In cases where particular roles may no longer be required, CGI2 will attempt to identify opportunities for alternative employment within the CIMIC Group.

REGULATORY

CIMIC has received Foreign Investment Review Board approval for the Offer and the Australian Competition and Consumer Commission has pre-assessed the proposed transaction and indicated that it does not intend to conduct a public review pursuant to section 50 of the Competition and Consumer Act.

FUNDING

The Offer will be funded using CIMIC's available funds or existing debt facilities. CIMIC has existing funds at call in excess of the offer consideration and associated transaction costs.

UNCONDITIONAL SUBJECT TO NO 'PRESCRIBED OCCURRENCES'

The Offer is unconditional, other than in respect of a no 'prescribed occurrences' condition. 'Prescribed occurrences' includes UGL splitting or consolidating its shares, UGL or a subsidiary buying-back or reducing its capital, UGL or a subsidiary issuing securities, UGL or a subsidiary disposing of the whole or a substantial part of its business or property, or the occurrence of insolvency events in respect of UGL or a subsidiary. For the full definition of 'prescribed occurrences' please refer to the Bidder's Statement.

TIMING AND OTHER INFORMATION

CIMIC has today lodged with the Australian Securities and Investments Commission the Bidder's Statement containing detailed information relevant to the Offer, including how to accept. The Bidder's Statement will be sent to UGL Shareholders not less than 14 days from today.

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 1934, 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 America, Sub-Saharan Africa and South America and, at 30 June 2016, employed approximately 43,500 people directly and through its investments.