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RE: 2017 NPAT OF \$702M, UP 21%, AT TOP END OF GUIDANCE

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

Lyn Nikolopoulos
Company Secretary

7 FEBRUARY 2018**2017 NPAT OF \$702M, UP 21%, AT TOP END OF GUIDANCE****CASH FLOWS FROM OPERATING ACTIVITIES¹ OF \$1.5BN UP 27%; EBITDA CONVERSION RATE 101%****ROBUST FINANCIAL POSITION WITH NET CASH OF \$910M, UP MORE THAN \$500M****POSITIVE REVENUE² TREND, UP 24% TO \$13.4BN****WIH³ OF \$36BN; NEW WORK⁴ OF \$18.4BN; EXTENSIVE PIPELINE****2018 NPAT GUIDANCE OF \$720M TO \$780M, UP 3% TO 11%**

CIMIC Group's strong performance continued in the 12 months to 31 December 2017, with the achievement of substantial profit growth and cash flow generation and increased work in hand.

Highlights of the 2017 result compared with 2016 were:

- NPAT of \$702 million, up 21%, at the top end of guidance of \$640 million to \$700 million
- Revenue of \$13.4 billion, up 24%, with solid contributions from all core businesses
- Strong EBIT, PBT and NPAT margins⁵ of 7.5%, 7.1% and 5.2% respectively
- Strong cash flows from operating activities of \$1.5 billion, up 27%; EBITDA cash conversion rate of 101%
- Free operating cash flow⁶ of over \$1.0 billion, up 12%
- Net cash of \$910 million at December 2017, up by more than \$500 million
- New work of \$18.4 billion; work in hand of \$36 billion, equivalent to more than two years' revenue, up 15% in core businesses
- Guidance for 2018 NPAT in the range of \$720 million to \$780 million (up 3% to 11%), subject to market conditions.

CIMIC Group Executive Chairman Marcelino Fernández Verdes said: "CIMIC Group finished 2017 in a strong position. We again reached the top of our profit guidance range and further

¹ Cash flows from operating activities before interest, finance costs, taxes and dividends received.

² Revenue excludes revenue from joint ventures and associates.

³ Work in hand includes CIMIC's share of work in hand from joint ventures and associates.

⁴ New work includes new contracts, contract extensions and variations including the impact of foreign exchange rate movements.

⁵ Margins are calculated on revenue which excludes revenue from joint ventures and associates.

⁶ Free operating cash flow is defined as net cash from operating activities less net capital expenditure for property, plant and equipment.

strengthened our balance sheet, positioning us well for strategic growth opportunities, including public private partnerships, and sustained shareholder returns.

“This performance was reflected in a 47.3% increase in CIMIC Group’s share price during the year. Combining the share price appreciation and dividends paid in 2017, we achieved a total shareholder return of 51%.

“Innovation continued to be a priority area, with the development of technologies that improve productivity and results for our clients. Reflecting this, we were the first Australasian company to achieve Kitemark certification⁷ for excellence in building information modelling (BIM).”

The Board has declared a 100% franked final dividend of 75 cents per share to be paid on 4 July 2018. Total dividends declared for 2017 were 135 cents per share, a 22.7% increase compared with 2016.

CIMIC Group Chief Executive Officer Michael Wright said: “In 2017 we leveraged our competitive position and favourable market conditions to produce an outstanding operating performance and further diversify our order book across construction, mining, services and public private partnerships.

“We increased our focus on the development of our people during the year, and will further this in 2018 to ensure our performance based culture provides long-term, rewarding careers for our people.

“All of our core businesses contributed to the diversification and growth of work in hand, with new work of \$18.4 billion in 2017.”

The Group:

- Expanded its leading position in **construction**, winning several large scale infrastructure projects, including works on the second stage of Sydney Metro, Australia’s biggest public transport project; construction of Victoria’s multi-billion dollar West Gate Tunnel; and major airport upgrades in Hong Kong and Queensland.
- Achieved growth in **mining and mineral processing**, securing new contracts and extensions in Australia and Indonesia, including an extension at the Solomon Hub mine in Western Australia and a contract at Gunung Bara Utama mine in East Kalimantan.
- Advanced its position as a leading **services** provider, including achieving a long-term extension to the contract to operate and maintain the Melbourne suburban train network, as well as securing several solar projects across Australia and a utilities upgrade contract in Singapore.
- Contributed its financial strength and diverse capabilities to the third New Zealand Schools **public private partnership** initiative, building on its existing portfolio.

Looking forward, there is at least \$110 billion of tenders relevant to CIMIC Group to be bid and/or awarded in 2018, and around \$285 billion of projects coming to the market in 2019 and beyond, including about \$65 billion worth of public private partnership projects.

Mr Fernández Verdes said: “Our focus is to continue to develop our safety and performance culture, further develop our presence in the public private partnership market and deliver additional client value through collaboration opportunities amongst our companies.”

⁷ For excellence in building information modelling in design and construction, from the British Standards Institution, the international benchmark for excellence in digital engineering and project delivery.

Refer to 'Analyst and Investor Presentation' for further information.

ENDS

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CIMIC Group Limited (ASX: CIM) is a world-leading infrastructure, mining, services and public private partnerships group. We have businesses in construction (CPB Contractors and Leighton Asia), mining and mineral processing (Thiess and Sedgman), operation and maintenance services (UGL), public private partnerships (Pacific Partnerships) and engineering (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 more than 50,000 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 100 index, the Dow Jones Sustainability Australia Index and FTSE4Good.