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17 April 2018

Singapore Exchange (SGX)
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CIMIC's 1st QUARTER RESULTS FOR 2018

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

17 APRIL 2018**1Q18 NPAT UP 7% YOY¹ TO \$172 MILLION****CASH FLOWS FROM OPERATING ACTIVITIES² UP 17% YOY TO \$118M; LTM³ EBITDA CONVERSION RATE 100%****STRONG NET CASH POSITION, UP \$634M YOY TO \$912M****POSITIVE REVENUE⁴ TREND, UP 7% YOY TO \$3.2BN****WIH⁵ OF \$34.6BN, NEW WORK OF \$2.6BN; EXTENSIVE PIPELINE****2018 NPAT GUIDANCE OF \$720M TO \$780M CONFIRMED**

CIMIC Group today announced a solid result for the three months to 31 March 2018, as the Group strengthened its market position and increased revenue and cash-backed profit.

Highlights of the result compared with 1Q17 were:

- NPAT of \$172 million, up 7%
- Revenue of \$3.2 billion, up 7%, with solid contributions from all core businesses
- Strong EBIT, PBT and NPAT margins⁶ of 7.8%, 7.3% and 5.3% respectively
- Cash flows from operating activities of \$118 million; \$1.5 billion in LTM. EBITDA conversion rate of 100% in LTM
- Free operating cash flow⁷ of \$1.1 billion in LTM
- Strong net cash position of \$912 million, up \$634 million
- Work in hand of \$34.6 billion, equivalent to more than two years' revenue; growth of \$2.7 billion or 10% in core businesses
- Guidance confirmed for 2018 NPAT in the range of \$720 million to \$780 million, subject to market conditions.

CIMIC Group Executive Chairman Marcelino Fernández Verdes said: "CIMIC's positive momentum continued in the first quarter of 2018, highlighting the strength of our global business. We have increased revenue and cash-backed profit, and maintain a positive outlook.

¹ Year on year performance during three-month period to 31 March 2018 compared to the three-month period to 31 March 2017.

² Cash flows from operating activities before interest, finance costs, taxes and dividends received.

³ Last 12 months.

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

⁷ Free operating cash flow is defined as net cash from operating activities less net capital expenditure for property, plant and equipment.

“Our balance sheet remains strong, and we continue to consider ways to use our capital that will create long-term value in the best interests of our shareholders.

“This includes taking advantage of growth opportunities, both organic and strategic, that leverage or expand our existing competencies, including investing in public private partnerships.”

CIMIC Group Chief Executive Officer Michael Wright said: “We continued to optimise operational performance during the period, being disciplined in cost management and increasing the value we deliver for our clients.

“Our work in hand remains at a high level, providing assurance of future revenues, and the pipeline of opportunities for our business is strong.”

CIMIC Group announced several important projects, in Australia and abroad, during the first quarter including:

- Mining services at Dawson South, Mt Arthur and Mt Owen in Australia, and at Wahana, Satui and Senakin in Indonesia (generating revenue of \$1.2 billion)
- The continued maintenance of the Royal Australian Navy’s ANZAC Class Frigates (\$250 million)
- Construction works for the Cavite Laguna Expressway in the Philippines (\$182 million)
- Build and maintain works for the Tailem Bend Solar Farm in South Australia (\$170 million)
- Asset management and project services at BP fuel terminals across Australia (\$150 million)
- Design and construction works for the Gunyama Park Aquatic and Recreation Centre in Sydney (\$84 million).

Relevant to CIMIC Group there are nearly \$100 billion of tenders to be bid and awarded during the rest of 2018; and a further \$300 billion in 2019 and beyond, including about \$80 billion worth of PPP projects.

Mr Fernández Verdes said: “The outlook for our business is promising and there is a solid pipeline of projects. With our sound balance sheet, we have the flexibility to pursue strategic growth initiatives and allocate capital to opportunities that create value for our shareholders.”

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.

ANALYST AND INVESTOR PRESENTATION

1Q RESULTS 2018



Marcelino Fernández Verdes, Executive Chairman

Michael Wright, Chief Executive Officer

Stefan Camphausen, Chief Financial Officer



Genex Power's Kidston Solar Farm, Queensland, UGL

17 April 2018

INTEGRITY } ACCOUNTABILITY } INNOVATION } DELIVERY

SAFETY

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



Refer to 'ASX/Media Release' for further information

1Q18 financial highlights



1Q18 NPAT up 7% YOY to \$172m

- ✓ Revenue¹ of \$3.2bn up 7% YOY, with solid contributions from all core businesses
- ✓ Strong EBIT, PBT and NPAT margins² of 7.8%, 7.3% and 5.3% respectively

Cash flows from operating activities³ of \$118m, up 17% YOY

- ✓ EBITDA conversion of 100% in LTM
- ✓ Cash flow from operating activities of \$1.5bn in LTM
- ✓ Free operating cash flow⁴ of \$1.1bn in LTM
- ✓ Maintained focus on managing working capital and generating sustainable cash backed profits

Strong net cash position of \$912m, up by \$634m YOY

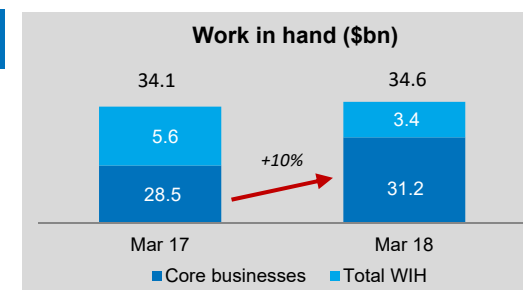
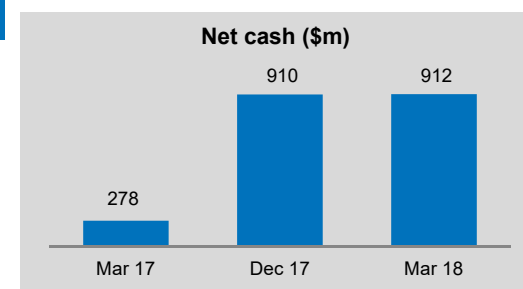
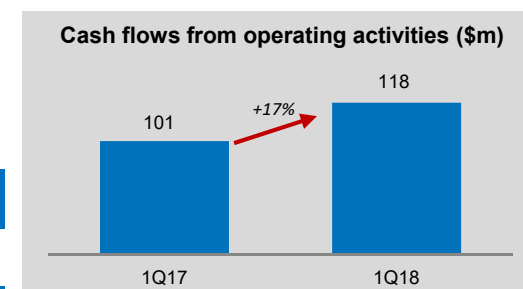
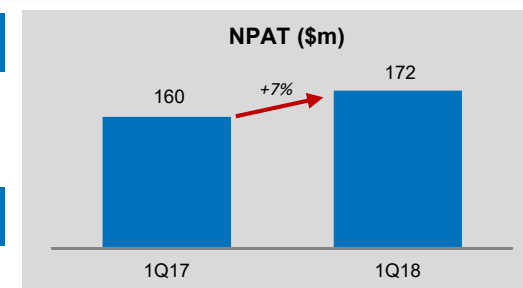
- ✓ \$2.5bn of undrawn debt facilities at end of March 2018

Work in hand⁵ of \$34.6bn, equivalent to over two years' revenue

- ✓ Work in hand in core businesses up by \$2.7bn YOY or 10%
- ✓ New work⁶ of \$2.6bn awarded in 1Q18; disciplined bidding maintained
- ✓ Extensive project pipeline in our key markets/activities provides business opportunities
- ✓ **\$100bn** of tenders relevant to CIMIC to be bid and/or awarded in 2018, and around **\$300bn** of projects are coming to the market in 2019 and beyond, including about **\$80bn** worth of PPP projects

FY18 NPAT guidance confirmed, \$720m-\$780m, up 3%-11% YOY subject to market conditions

- ✓ Positive outlook for key markets supports guidance: construction and services boosted by expanding PPP pipeline; mining further strengthens
- ✓ Sound balance sheet provides flexibility to pursue strategic growth initiatives, capital allocation opportunities and to sustain shareholder returns
- ✓ Continue to develop safety and performance culture and deliver additional client value through leveraging collaboration opportunities

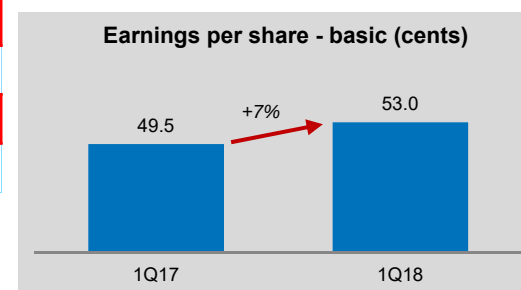
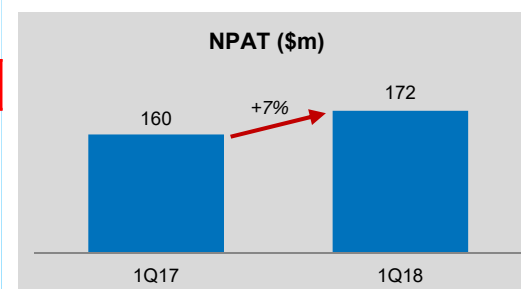
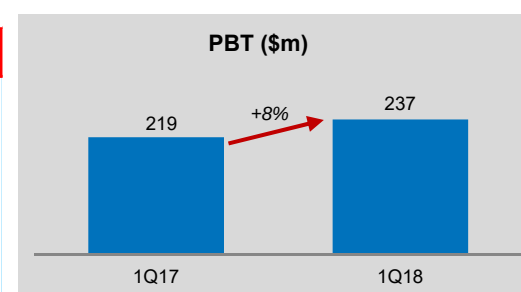
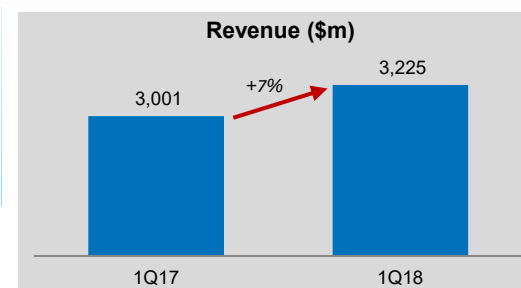


Solid 1Q18 operating performance



- ✓ Revenue of \$3.2bn up 7% YOY; all core businesses contributing
- ✓ Strong EBIT, PBT and NPAT margins of 7.8%, 7.3% and 5.3% respectively
- ✓ NPAT of \$172m for 1Q18, up 7% YOY
- ✓ No significant one-off impacts

Financial performance (\$m)	1Q17	1Q18	Chg. %
Revenue	3,001.4	3,225.0	7.4%
EBITDA	343.0	368.4	7.4%
<i>EBITDA margin</i>	11.4%	11.4%	-
D&A	(113.5)	(115.3)	1.6%
EBIT	229.5	253.1	10.3%
<i>EBIT margin</i>	7.6%	7.8%	20bp
Net finance costs	(10.1)	(16.2)	60.4%
Profit before tax	219.4	236.9	8.0%
<i>PBT margin</i>	7.3%	7.3%	-
Income tax	(61.7)	(68.7)	11.3%
<i>Effective tax rate</i>	28.1%	29.0%	90bp
Non-controlling interests	2.6	3.8	46.2%
NPAT	160.3	172.0	7.3%
<i>NPAT margin</i>	5.3%	5.3%	-
EPS (basic)	49.5c	53.0c	7.1%



Strong cash flow generation and EBITDA conversion

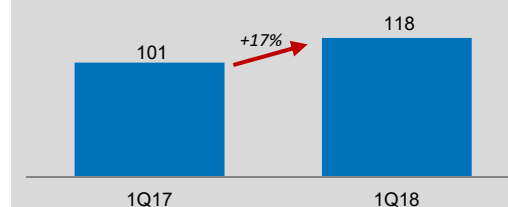
Cash flows from operating activities of \$118m in 1Q18 and \$1.5bn in LTM

- ✓ EBITDA cash conversion of 100% in LTM
- ✓ Maintained focus on managing working capital and generating sustainable cash backed profits
- ✓ Free operating cash flow of \$1.1bn generated in LTM

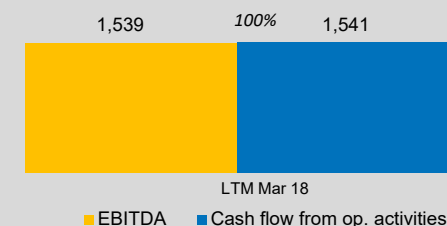
EBITDA conversion (\$m)	1Q17	1Q18	Chg %	LTM
Cash flows from operating activities (a)	100.8	118.2	17.3%	1,540.8
EBITDA (b)	343.0	368.4	7.4%	1,539.1
EBITDA conversion (a)/(b)	29%	32%		100%

Cash flow (\$m)	1Q17	1Q18	Chg %	LTM
Cash flows from operating activities	100.8	118.2	17.3%	1,540.8
Interest, finance costs, taxes and dividends received	(59.7)	(33.9)	(43.2)%	(135.2)
Net cash from operating activities	41.1	84.3	105.1%	1,405.6
Gross capital expenditure ⁷	(99.7)	(107.0)	7.3%	(431.4)
Gross capital proceeds ⁸	6.1	2.1	(65.6)%	114.6
Net capital expenditure	(93.6)	(104.9)	12.1%	(316.8)
Free operating cash flow	(52.5)	(20.6)	(60.8)%	1,088.8

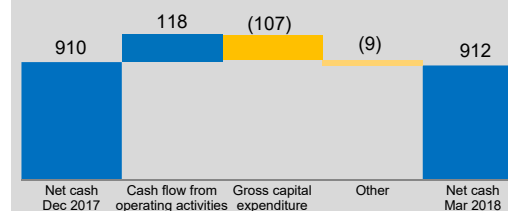
Cash flows from operating activities (\$m)



EBITDA conversion (\$m)



Movement in net cash (\$m)



Robust financial position with net cash of \$912m

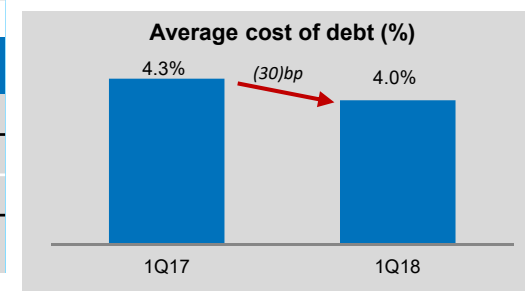
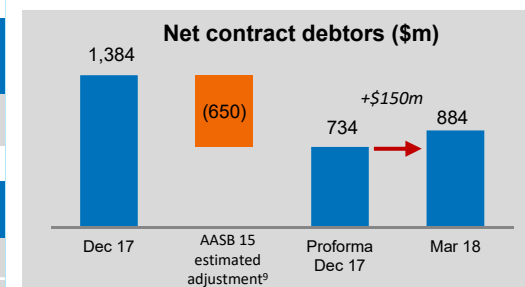
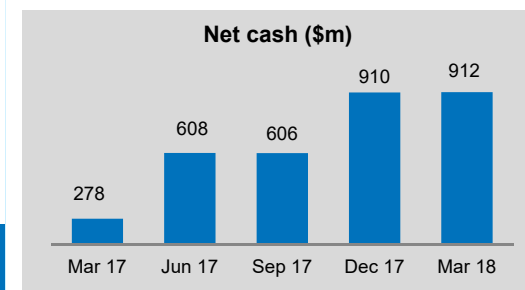
- ✓ Net cash of \$912m, up by \$634m YOY
- ✓ Net contract debtors variation in March 2018 similar to prior year⁹
- ✓ \$675m contract debtors portfolio provision remains unchanged
- ✓ Cost of debt down 30bp YOY to 4.0%
- ✓ \$2.5bn of undrawn debt facilities at end of March 2018

Net cash/(debt) (\$m)	Mar 2017	Jun 2017	Sep 2017	Dec 2017	Mar 2018
Net cash/(debt)	277.9	607.5	606.4	910.4	911.8
Operating leases	(459.0)	(450.4)	(433.9)	(538.6)	(513.9)
Net cash/(debt) (incl. op. leases)	(181.1)	157.1	172.5	371.8	397.9

Net contract debtors (\$m)	Dec 2017	Mar 2018
Net contract debtors ⁹	733.8	884.0

Finance cost detail (\$m)	1Q17	1Q18
Debt interest expenses	(19.2)	(18.0)
Facility fees, bonding and other costs ¹⁰	(7.9)	(10.4)
Total finance costs	(27.1)	(28.4)
Interest income	17.0	12.2
Net finance costs¹¹	(10.1)	(16.2)

Finance cost detail (\$m)	1Q17	1Q18
Debt interest expenses (a)	(19.2)	(18.0)
Gross debt ¹² at period end	1,265.7	968.7
Gross debt period average (b)	1,767.1	1,820.3
Average cost of debt $\frac{(-a) \times 4}{b}$	4.3%	4.0%



Solid WIH in core businesses with extensive pipeline



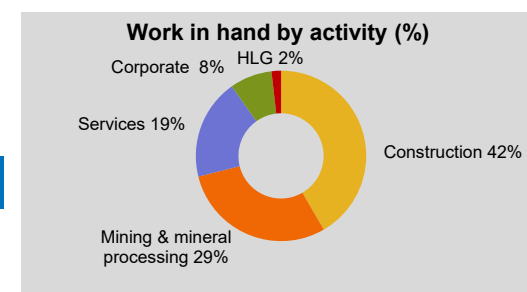
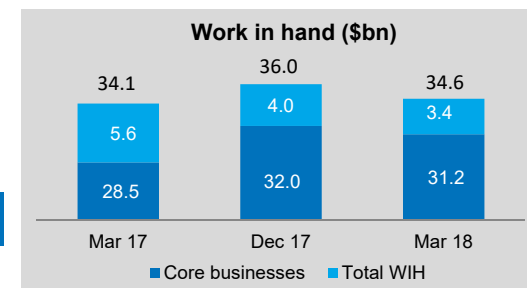
Work in hand of \$34.6bn, equivalent to over 2 years' revenue

- ✓ New work of \$2.6bn awarded in 1Q18; disciplined bidding maintained
- ✓ Work in hand in core businesses up by \$2.7bn YOY or 10%
- ✓ Several major contract wins YTD, domestically and internationally, including:
 - Tailem Bend Solar Farm in South Australia
 - Gunyama Park Aquatic and Recreation Centre in NSW
 - Mining services at Mt Arthur and Mt Owen in NSW and Dawson South in QLD
 - Mining services at Wahana, Satui and Senakin in Indonesia
 - Cavite Laguna Expressway in the Philippines
 - Asset management related services at BP fuel terminals across Australia

Extensive pipeline across all core businesses

- ✓ Relevant to CIMIC, at least **\$100bn** of tenders to be bid and/or awarded in 2018, and around **\$300bn** of projects are coming to the market in 2019 and beyond, including about **\$80bn** worth of PPP projects
- ✓ Some major projects that CIMIC is currently bidding include:
 - WestConnex PPP investment in NSW
 - Snowy Hydro 2.0 in NSW
 - Sydney Metro (construction and O&M) in NSW and Melbourne Metro Rail link in VIC
 - Outer Suburban Arterial Roads package 3 PPP in VIC
 - Cross River Rail PPP in QLD
 - Central Kowloon Route (Yau Ma Tei West) in Hong Kong
 - Cross Bay Link – Arch Bridge Installation in Hong Kong
 - Mining and processing opportunities in NSW, QLD and WA
 - Various mining projects in Canada and Chile as well as the Jwaneng expansion project in Botswana
 - Rail rolling stock procurement and maintenance work opportunities in NSW

Work in hand (\$m) as at	Mar 17	Mar 18	Chg %	Dec 17
Construction	14,279	14,407	1%	14,929
Mining & mineral processing	9,054	10,200	13%	10,445
Services	5,176	6,610	28%	6,663
Core businesses	28,509	31,217	10%	32,037
HLG	1,484	621	(58)%	842
Corporate ¹³	4,153	2,777	(33)%	3,131
Total work in hand	34,146	34,615	1%	36,010



APPENDICES



Group market position





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.

CONSTRUCTION



CPB CONTRACTORS is a leading international construction contractor with operations spanning Australia, New Zealand, Asia, India and Papua New Guinea. CPB Contractors delivers projects spanning all key sectors of the construction industry, including roads, rail, tunnelling, defence, building and resources infrastructure.

The company works with clients across a range of delivery models, including public private partnerships in conjunction with CIMIC Group's Pacific Partnerships, design and construct, construct only, construction management, and in alliances and joint ventures.

CPB Contractors combines the design and construction expertise and track record formerly delivered by Leighton Contractors and Thiess in Australia and New Zealand. It includes the people and projects of **LEIGHTON ASIA**, the contractor behind some of Asia's most complex projects.



THIESS is the world's largest mining services provider. The team offers the widest range of in-house surface and underground mining capabilities across Australia, Botswana, Canada, Chile, Indonesia, and Mongolia. Thiess' expertise spans most of the world's commodities including metallurgical and thermal coal, copper, diamonds, gold, iron ore, lignite, nickel and oil sands. From fully-resourced, end-to-end solutions, to targeted services, to supporting clients' in-house teams, the focus is on flexibility that delivers value for our clients. The team understands how to optimise resources over the mining lifecycle and how to manage market changes and evolving requirements, tailoring Thiess' services to optimise the mining value chain unique to each mine.

MINING



SEDGMAN is a market leader in the design, construction and operation of mineral processing plants and associated minesite infrastructure. With a track record in successful project and operation delivery, Sedgman is focused on realising value for clients through excellence in engineering and innovative solutions.

From pre-feasibility and commissioning through to operations, Sedgman has completed close to 200 processing and materials handling projects in diverse and remote locations globally. Sedgman has a balanced commodity portfolio across base and precious metals, industrial minerals, coal and iron ore, as well as associated minesite infrastructure.

MINERAL PROCESSING



UGL is CIMIC Group's specialist end-to-end asset solutions provider. Our team creates value by applying whole-of-life expertise to the entire value chain of design, construct, commission, manufacture, operate, maintain, upgrade, overhaul and manage.

Our standalone offer, through to our partnerships with complementary capabilities across the CIMIC Group, alongside our dynamic differentiator for Public Private Partnerships, present distinct advantages for clients seeking to maximise the value of their assets, and the experience of their customers.

SERVICES



PACIFIC PARTNERSHIPS develops, invests in and manages infrastructure concession assets, leveraging CIMIC Group's financial strength and Operating Company capabilities.

Pacific Partnerships offers clients seamless value for money solutions for the finance, design, construction, operations and maintenance of key infrastructure under public private partnership (PPP) and build own operate transfer (BOOT) structures. CIMIC has been responsible for the delivery of more than 20 PPPs with a value of over \$32 billion.

PUBLIC PRIVATE PARTNERSHIPS



EIC ACTIVITIES is CIMIC Group's engineering and technical services business.

Its engineering and risk mitigation expertise provides a competitive advantage for winning and delivering profitable projects that also generate value for clients.

Leading innovation, EIC Activities provides all Operating Companies with access to the Group's collective experience, technical capabilities and leading edge technology applications.

EIC Activities brings engineering experts, technical solutions, lean practices and global industry developments – equipping tender and project teams with more levers to innovate, mitigate risk, add value and drive performance.

ENGINEERING



59.1%



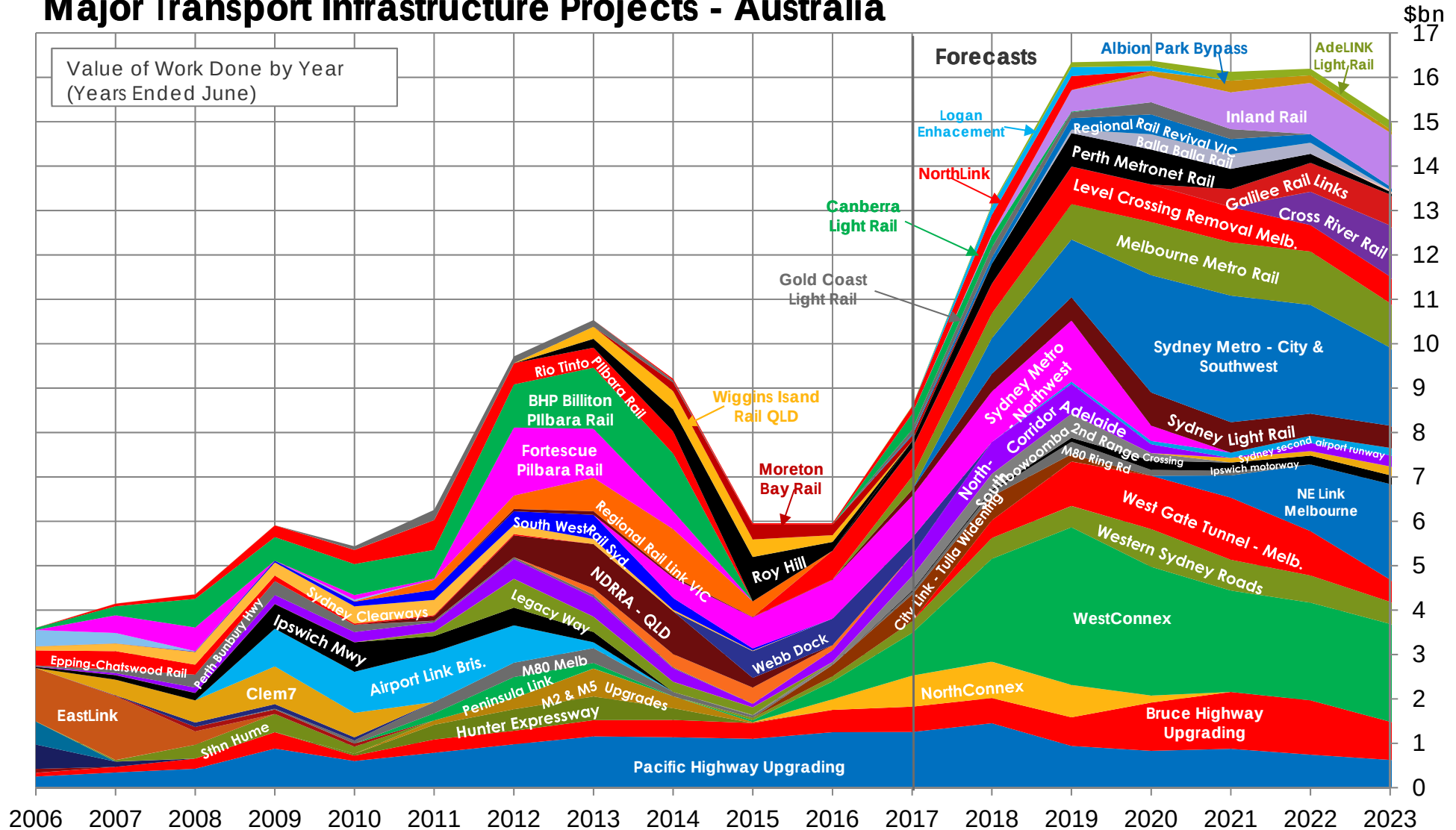
46.9%



45.0%

Australian construction outlook – market opportunities

Major Transport Infrastructure Projects - Australia



Source: Macromonitor – Australian Construction Outlook Overview, January 2018

F/X rates



End of the period	Mar 2017	Mar 2018	Chg. \$	Chg. %	Dec 2017
AUD/USD	0.77	0.78	0.01	1.3%	0.78
AUD/EUR	0.72	0.63	(0.09)	(12.5)%	0.65
Period average	1Q17	1Q18	Chg. \$	Chg. %	FY17
AUD/USD	0.76	0.78	0.02	2.6%	0.76
AUD/EUR	0.71	0.63	(0.08)	(11.3)%	0.68

- ¹Revenue excludes revenue from joint ventures and associates of \$752.6m (1Q17: \$643.1m)
- ²Margins are calculated on revenue which excludes revenue from joint ventures and associates
- ³Cash flows from operating activities before interest, finance costs, taxes and dividends received
- ⁴Free operating cash flow is defined as net cash from operating activities less net capital expenditure for property, plant and equipment
- ⁵WIH includes CIMIC's share of work in hand from joint ventures and associates
- ⁶New work includes new contracts and contract extensions and variations including the impact of foreign exchange rate movements
- ⁷Gross capital expenditure is payments for property, plant and equipment
- ⁸Gross capital proceeds are proceeds received from the sale of property, plant and equipment
- ⁹Net contract debtors represents the net of amounts due from customers and amounts due to customers. The AASB 15 estimated adjustments disclosed at 31 December 2017 remain as estimates.
- ¹⁰Relates to the \$2.9bn of working capital facilities of which \$2.5bn is undrawn at 31 March 2018 and bank bonding commitment fees
- ¹¹Net finance costs include interest income and finance costs
- ¹²Total interest bearing liabilities
- ¹³Corporate work in hand includes work in hand mainly from Commercial and residential and CIMIC's share on investments such as Ventia.

Definitions

- ✓ 1Q18, 2Q18, 3Q18 & 4Q18 – Three months to March 2018, June 2018, September 2018 and December 2018 respectively
- ✓ bn – Billion
- ✓ bp – Basis points
- ✓ D&A – Depreciation and amortisation
- ✓ EBIT – Earnings before net finance costs and tax
- ✓ EBITDA – Earnings before net finance costs, tax, depreciation and amortisation
- ✓ EPS – Earnings per share (basic)
- ✓ FY – Full year from January to December
- ✓ HY – Half year from January to June
- ✓ LTM – Last 12 months
- ✓ m – Million
- ✓ NPAT – Net profit after tax
- ✓ PBT – Profit before tax
- ✓ PPP – Public Private Partnership
- ✓ QOQ – Quarter on Quarter
- ✓ WIH – Work in hand
- ✓ YOY – Year on year

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