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07 Feb 2018

Singapore Exchange (SGX)
2 Shenton Way
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RE: ANALYST AND INVESTOR PRESENTATION FULL YEAR RESULTS 2017

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

ANALYST AND INVESTOR PRESENTATION

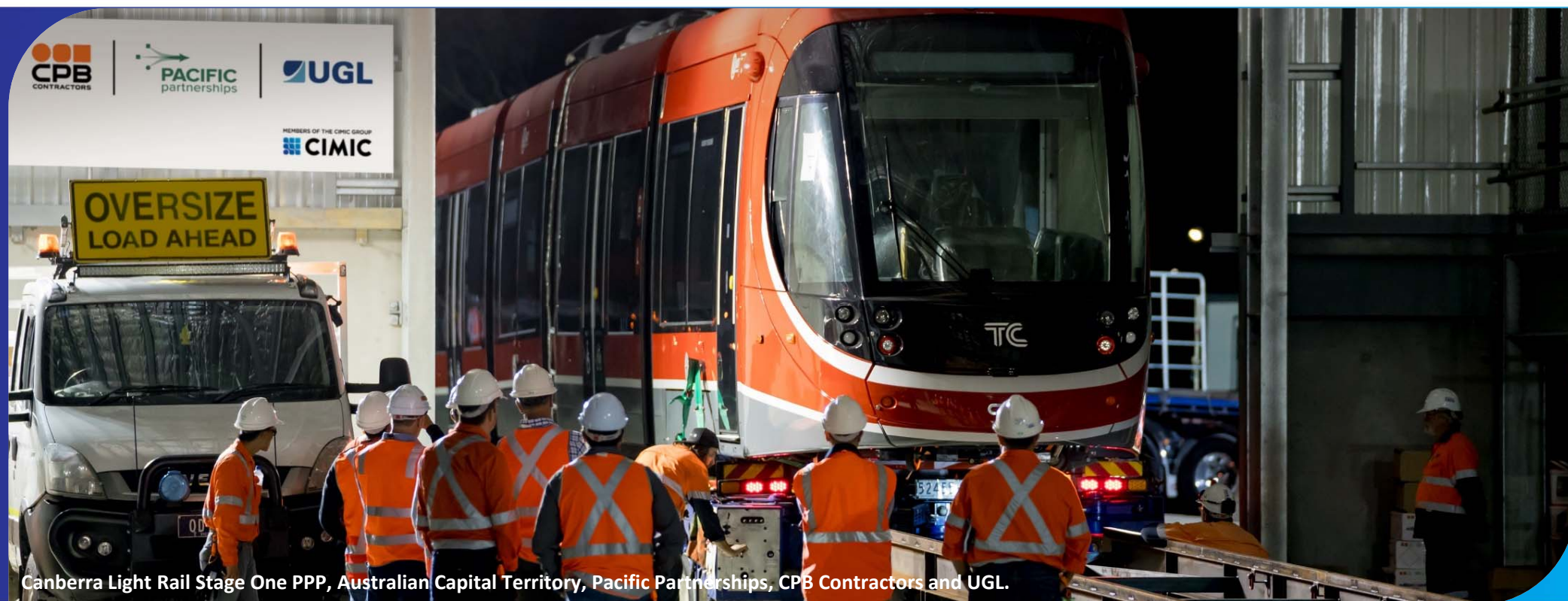
FULL YEAR RESULTS 2017



Marcelino Fernández Verdes, Executive Chairman

Michael Wright, Chief Executive Officer

Stefan Camphausen, Chief Financial Officer



Canberra Light Rail Stage One PPP, Australian Capital Territory, Pacific Partnerships, CPB Contractors and UGL.

7 February 2018

INTEGRITY > ACCOUNTABILITY > INNOVATION > DELIVERY

SAFETY

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



FTSE4Good

Refer to 'ASX/Media Release' for further information

2017 financial highlights

FY17 NPAT of \$702m, up 21% YOY; at top end of guidance (\$640m-\$700m)

- ✓ Revenue¹ of \$13.4bn up 24% YOY, with solid contributions from all core businesses
- ✓ Strong EBIT and PBT margins² of 7.5% and 7.1%, up by 50bp and 30bp respectively YOY
- ✓ Full year dividend of 135cps, up 23% YOY, fully franked

Cash flows from operating activities³ of \$1.5bn, up 27% YOY

- ✓ EBITDA conversion rate of 101%
- ✓ Free operating cash flow⁴ of over \$1.0bn in FY17
- ✓ Maintained focus on managing working capital and generating sustainable cash backed profits

Net cash of \$910m, up by more than \$500m or 122% YOY

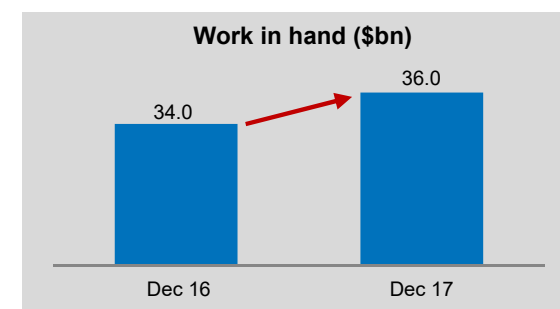
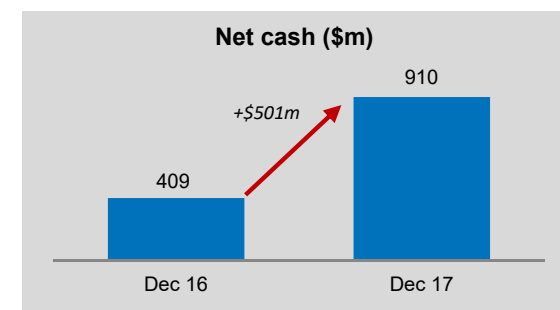
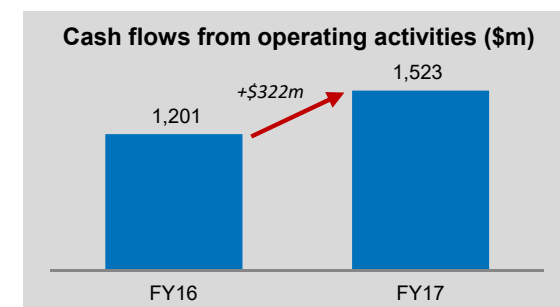
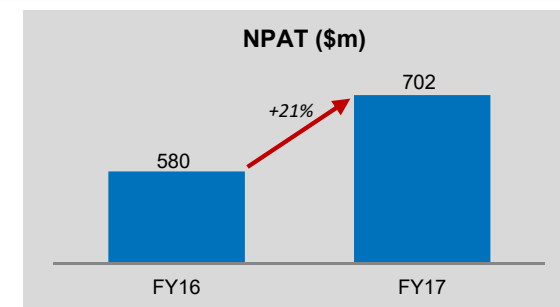
- ✓ \$2.5bn of undrawn debt facilities at end of December 2017
- ✓ Moody's rating upgraded to Baa2 (from Baa3) and S&P rating upgraded to BBB (from BBB-), during 2017

Work in hand⁵ of \$36.0bn, equivalent to over two years' revenue, up \$2.0bn YOY

- ✓ Extensive project pipeline in our key markets/activities provides business opportunities
- ✓ New work⁶ of \$18.4bn awarded in FY17; disciplined bidding maintained
- ✓ **\$110bn** of tenders relevant to CIMIC to be bid and/or awarded in 2018, and around **\$285bn** of projects are coming to the market in 2019 and beyond, including about **\$65bn** worth of PPP projects

FY18 NPAT guidance in the range of \$720m-\$780m, up 3%-11% YOY subject to market conditions

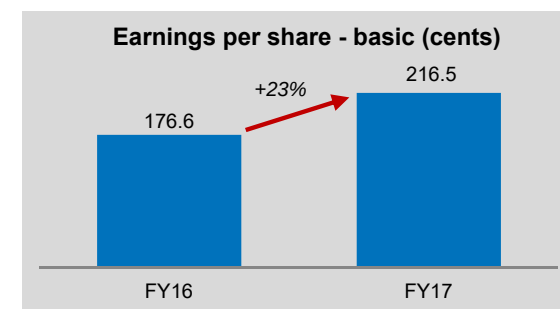
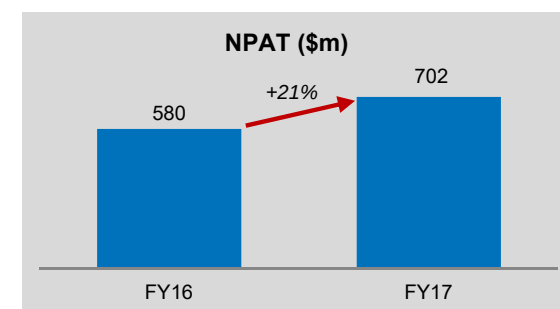
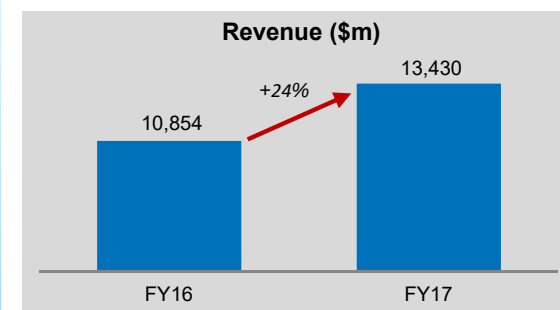
- ✓ Positive outlook for core markets supports guidance: construction and services boosted by expanding PPP pipeline; mining further strengthens
- ✓ Sound balance sheet provides flexibility to pursue strategic growth initiatives and sustain shareholder returns
- ✓ Continue to develop safety and performance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



Solid performance in FY17

- ✓ Revenue of \$13.4bn up 24% YOY; all core businesses contributing
- ✓ Strong EBIT, PBT and NPAT margins of 7.5%, 7.1% and 5.2% respectively
- ✓ Increased mining and tunnelling activity leading to higher levels of depreciation
- ✓ Net finance costs increased, primarily due to UGL acquisition
- ✓ PBT of \$959m for FY17, up 30% YOY
- ✓ Effective tax rate normalised to 28%
- ✓ NPAT of \$702m for FY17, up 21% YOY at top end of guidance (\$640m-\$700m)
- ✓ No significant one-off impacts

Financial performance (\$m)	FY16	FY17	Chg. %	4Q16	4Q17	Chg. %
Revenue	10,853.6	13,429.5	23.7%	3,212.8	3,826.9	19.1%
EBITDA	1,095.8	1,513.7	38.1%	302.8	423.6	39.9%
<i>EBITDA margin</i>	10.1%	11.3%	120bp	9.4%	11.1%	170bp
D&A	(337.4)	(511.3)	51.5%	(91.1)	(137.9)	51.4%
EBIT	758.4	1,002.4	32.2%	211.7	285.7	35.0%
<i>EBIT margin</i>	7.0%	7.5%	50bp	6.6%	7.5%	90bp
Net finance costs	(18.0)	(43.2)	140.0%	(9.0)	(13.5)	50.0%
Profit before tax	740.4	959.2	29.6%	202.7	272.2	34.3%
<i>PBT margin</i>	6.8%	7.1%	30bp	6.3%	7.1%	80bp
Income tax	(188.0)	(268.6)	42.9%	(38.6)	(76.4)	97.9%
<i>Effective tax rate</i>	25.4%	28.0%	260bp	19.0%	28.1%	910bp
Non-controlling interests	27.9	11.5	(58.8)%	2.5	5.2	108.0%
NPAT	580.3	702.1	21.0%	166.6	201.0	20.6%
<i>NPAT margin</i>	5.3%	5.2%	(10)bp	5.2%	5.3%	10bp
EPS (basic)	176.6c	216.5c	22.6%	50.5c	62.0c	22.8%



Strong cash flow generation and EBITDA conversion

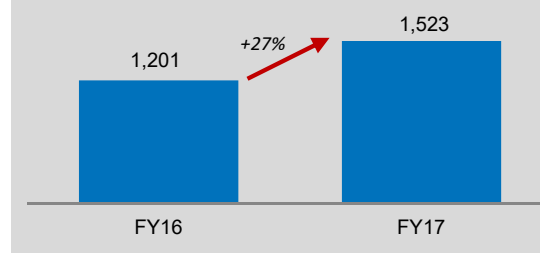
Cash flows from operating activities of \$1.5bn in FY17 and free operating cash flow of \$1.1bn

- ✓ EBITDA cash conversion of 101% in FY17, reflecting focus on managing working capital and cash generation
- ✓ Interest and finance costs increased, primarily due to UGL acquisition
- ✓ Increased mining and tunnelling activity reflected in higher capex levels
- ✓ Capital proceeds reflect sale of mining plant into operating leases in line with fleet management strategy
- ✓ Free operating cash flow of over \$1.0bn in FY17, up 12% YOY

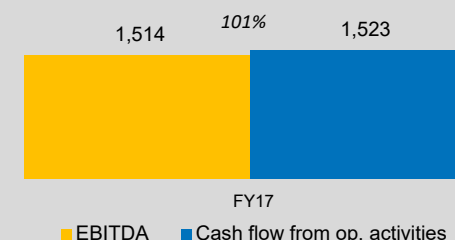
EBITDA conversion (\$m)	FY16	FY17	Chg %	4Q16	4Q17	Chg %
Cash flows from operating activities (a)	1,201.4	1,523.4	26.8%	571.2	601.2	5.3%
EBITDA (b)	1,095.8	1,513.7	38.1%	302.8	423.6	39.9%
EBITDA conversion (a)/(b)	110%	101%		189%	142%	

Cash flow (\$m)	FY16	FY17	Chg %	4Q16	4Q17	Chg %
Cash flows from operating activities	1,201.4	1,523.4	26.8%	571.2	601.2	5.3%
Interest, finance costs, taxes and dividends received	(74.4)	(161.0)	116.4%	(14.6)	(62.2)	326.0%
Net cash from operating activities	1,127.0	1,362.4	20.9%	556.6	539.0	(3.2)%
Gross capital expenditure ⁷	(280.2)	(424.1)	51.4%	(97.3)	(118.0)	21.3%
Gross capital proceeds ⁸	97.8	118.6	21.3%	34.5	100.5	191.3%
Net capital expenditure	(182.4)	(305.5)	67.5%	(62.8)	(17.5)	(72.1)%
Free operating cash flow	944.6	1,056.9	11.9%	493.8	521.5	5.6%

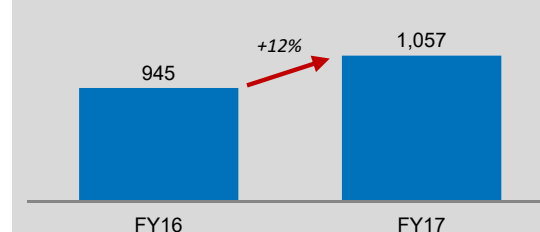
Cash flows from operating activities (\$m)



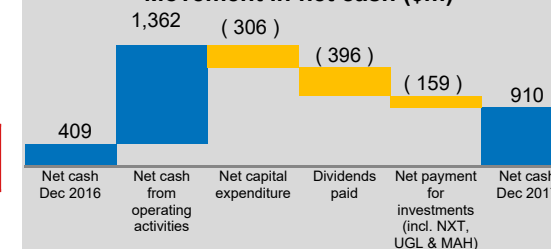
EBITDA conversion (\$m)



Free operating cash flow (\$m)



Movement in net cash (\$m)



Robust financial position with net cash of \$910m

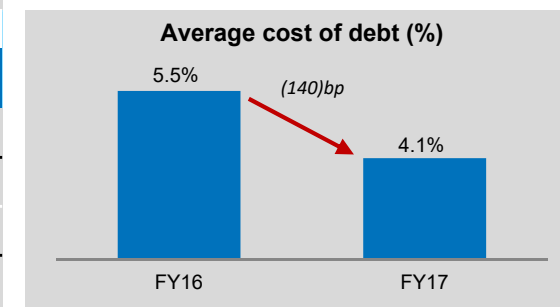
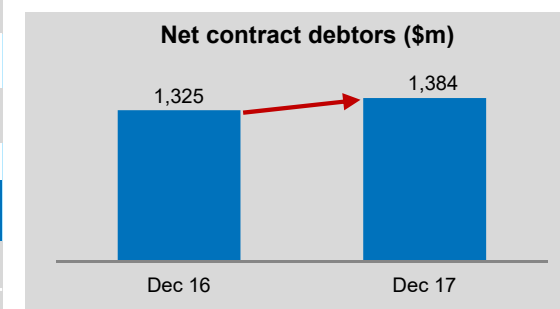
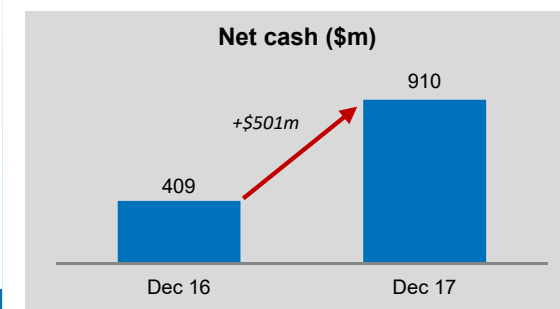
- ✓ Net cash of \$910m, up by more than \$500m YOY; \$2.5bn of undrawn debt facilities at December 2017
- ✓ Net contract debtors of \$1.38bn, similar level YOY
- ✓ \$675m contract debtors portfolio provision remains unchanged
- ✓ In 2017, Moody's rating upgraded to Baa2 from Baa3 and S&P rating upgraded to BBB from BBB-
- ✓ Successfully refinanced and expanded \$2.6bn syndicated bank facility in 3Q17, with average maturity extended
- ✓ Cost of debt down 140bp YOY to 4.1%; FY17 higher average level of debt YOY due to UGL acquisition

Balance sheet (\$m)	Dec 2016	Dec 2017
Net cash/(debt)	409.3	910.4
Operating leases	(466.9)	(538.6)
Net cash/(debt) (incl. op. leases)	(57.6)	371.8

Net contract debtors⁹	1,324.6	1,383.8
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Finance cost detail (\$m)	FY16	FY17
Debt interest expenses	(67.1)	(80.9)
Facility fees, bonding and other costs ¹⁰	(24.4)	(33.9)
Total finance costs	(91.5)	(114.8)
Interest income	73.5	71.6
Net finance costs¹¹	(18.0)	(43.2)

Finance cost detail (\$m)	FY16	FY17
Debt interest expenses (a)	(67.1)	(80.9)
Gross debt ¹² at period end	1,167.2	903.4
Gross debt period average (b)	1,224.0	1,959.0
Average cost of debt ($\frac{-a}{b}$)	5.5%	4.1%



Strong WIH growth in core businesses

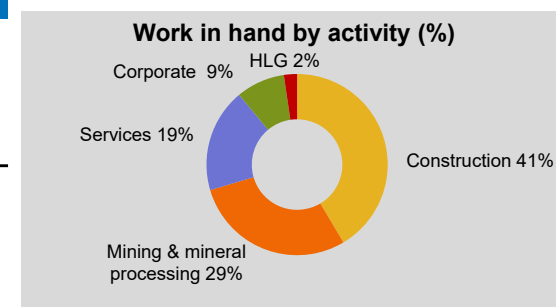
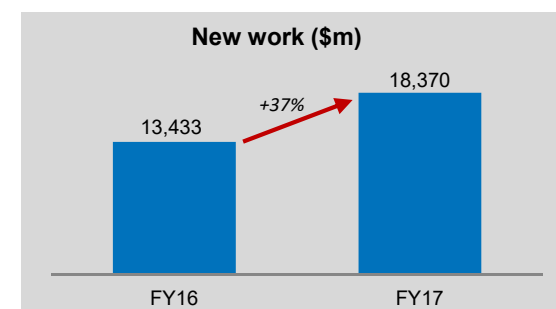
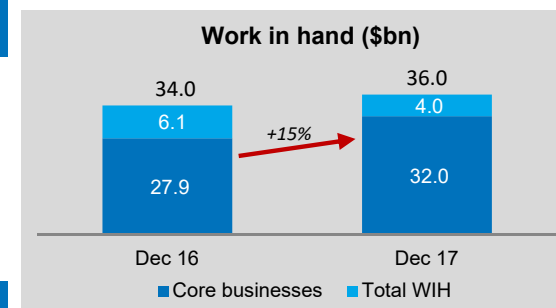
Work in hand of \$36.0bn, equivalent to over two years revenue, up \$2.0bn YOY

- ✓ New work of \$18.4bn awarded in FY17, up 37% YOY; bidding discipline maintained
- ✓ Growth in work in hand from core businesses of 15% YOY
- ✓ Work in hand benefited from a number of large scale infrastructure projects (West Gate and Sydney Metro), the extension of large O&M contracts (MTM) and the award of key mining contracts (KPC and Mt Pleasant)

Extensive pipeline across all core businesses

- ✓ Relevant to CIMIC, at least **\$110bn** of tenders to be bid and/or awarded in 2018, and around **\$285bn** of projects are coming to the market in 2019 and beyond, including about **\$65bn** worth of PPP projects
- ✓ Some major projects that CIMIC is currently bidding include:
 - WestConnex PPP investment and Stage 3 in New South Wales
 - Cross River Rail PPP in Queensland
 - Outer Suburban Arterial Roads package 3 PPP in Victoria
 - Sydney Metro (construction and O&M) in New South Wales and Melbourne Metro Rail link in Victoria
 - Snowy Hydro 2.0 in New South Wales
 - North-South Corridor in Singapore and Kai Tak Sports Park in Hong Kong
 - Various mining projects in Canada and Chile as well as the Jwaneng expansion project in Botswana
 - Mining and processing opportunities in New South Wales, Queensland and Western Australia
 - Rail rolling stock procurement and maintenance opportunities in New South Wales

Work in hand (\$m) as at	Dec 16	Dec 17	Chg %
Construction	12,959.0	14,929.0	15.2%
Mining & mineral processing	10,025.4	10,445.4	4.2%
Services	4,926.3	6,662.6	35.2%
Core businesses	27,910.7	32,037.0	14.8%
HLG	1,798.1	842.2	(53.2)%
Corporate ¹³	4,303.2	3,130.7	(27.2)%
Total work in hand	34,012.0	36,009.9	5.9%



Update on new AASB 9 & 15 Accounting Standards

Update on new accounting standards

- ✓ Two new accounting standards introduced: AASB 9 for Financial Instruments and AASB 15 for Revenue
- ✓ Applicable from 1 January 2018
- ✓ Disclosure required in Financial Report for FY 2017
- ✓ Preliminary assessment undertaken by CIMIC and audited by Deloitte with current estimated impact described below

Explanations on AASB 9 *Financial Assets*:

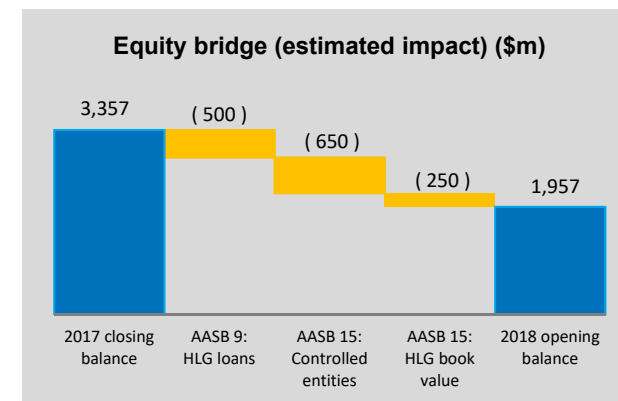
- ✓ Main change is the introduction of an “expected credit loss model” to calculate potential impairments of financial assets
- ✓ Under the old standard, impairments on financial assets were only recognised when incurred (using an “incurred loss model”)

Explanation on AASB 15 *Revenue from Contracts with Customers*:

- ✓ Main change is the introduction of a “highly probable” threshold to recognise revenues.
- ✓ This is significantly higher than under the current standard (AASB 111) where revenues are recognised when “probable” (more likely than not)

Implementation approach and estimated impact to CIMIC Group

- ✓ Initial adoption will be through a reduction in net assets and equity in the opening balance sheet on 1 January 2018
- ✓ Adjustments to CIMIC equity (after estimated tax of around \$100m) on 1 January 2018:
 - Controlled entities (AASB 15): estimated to be around \$650m
 - Non-controlled entities (AASB 15): estimated to be around \$250m through reduction in HLG book value due to HLG’s assessment of its receivables
 - HLG Shareholder Loans (AASB 9): estimated to be around \$500m
- ✓ New disclosures will be required, both on initial adoption and on an ongoing basis
- ✓ Adjustments arising on application of new accounting standards are not expected to have an impact on the cash flows to be derived by the CIMIC Group
- ✓ Guidance 2018 takes into account the application of the new accounting standards
- ✓ Outcome of initial analysis disclosed in note 39 of the FY17 Annual Report and audited by Deloitte



Continuing to deliver shareholder returns

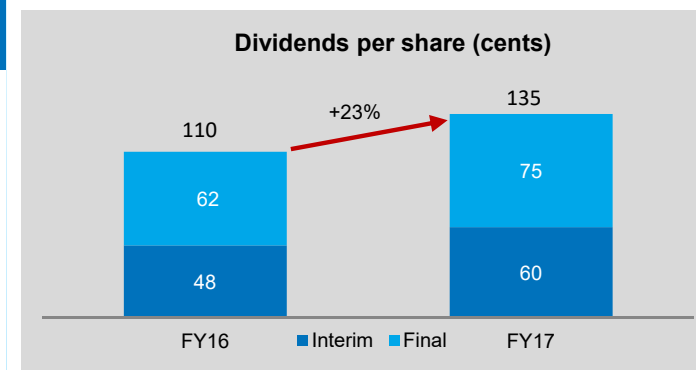
Shareholder returns in FY17

Strong share price performance:

- ✓ CIMIC's share price closed 2017 at \$51.45, up 47.3% or \$16.51 YOY

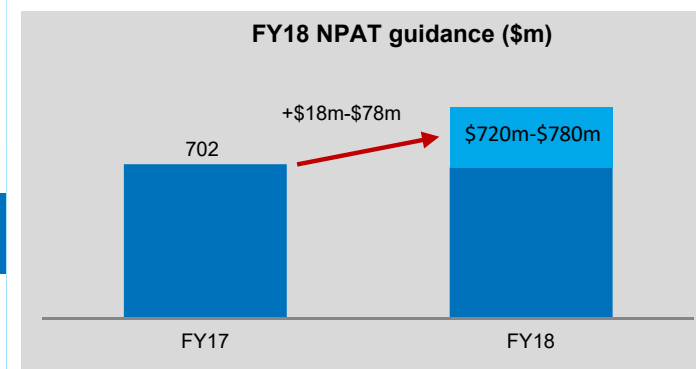
Dividends:

- ✓ Interim ordinary dividend for FY17 of 60 cents per share (\$195m), up 25% YOY, franked at 100%, paid on 4 October 2017
- ✓ Final ordinary dividend for FY17 of 75 cents per share (\$243m), up 21% YOY, franked at 100%, to be paid on 4 July 2018



FY18 NPAT guidance in the range of \$720m-\$780m, up 3%-11% YOY subject to market conditions

- ✓ Positive outlook for core markets supports guidance: construction and services boosted by expanding PPP pipeline; mining further strengthens
- ✓ Sound balance sheet provides flexibility to pursue strategic growth opportunities and sustain shareholder returns



Strategic focus for FY18

- ✓ Continual improvements in our safety performance and ongoing development of our people and performance culture
- ✓ Further develop the Group's presence in PPP markets by leveraging our balance sheet and leading position in delivering infrastructure projects
- ✓ Deliver additional value to our clients through Group wide collaboration opportunities
- ✓ Maintain bidding discipline and focus on project delivery

APPENDICES



Segment performance



Revenue (\$m)	FY16	FY17	Chg. \$	Chg. %
Construction	7,316.8	7,599.1	282.3	3.9%
Mining & mineral processing	2,786.2	3,164.4	378.2	13.6%
Services	204.2	2,607.2	2,403.0	-
Corporate ¹⁴	546.4	58.8	(487.6)	(89.2)%
Revenue	10,853.6	13,429.5	2,575.9	23.7%

Segment PBT (\$m)	FY16	FY17	Chg. \$	Chg. %
Construction	595.5	623.7	28.2	4.7%
Mining & mineral processing	275.6	338.8	63.2	22.9%
Services	8.6	164.8	156.2	-
HLG	29.4	(48.0)	(77.4)	-
Corporate ¹⁴	(168.7)	(120.1)	48.6	(28.8)%
PBT	740.4	959.2	218.8	29.6%

Strong performance in core businesses

Construction

- ✓ Solid margin performance, with ongoing focus on disciplined tendering, cost control and project delivery
- ✓ Results supported by a substantial contribution from ramp up of large scale transport infrastructure projects

Mining & mineral processing

- ✓ Revenue growth driven by contract extensions and increased production levels, as resource markets gradually show improving trends, as well as the benefits of diversification across commodities and geographic markets
- ✓ Expanded PBT margins, a result of continued focus on driving efficiencies and creating value for customers

Services

- ✓ Revenue reflects the Group's strengthened position in the operations and maintenance services market
- ✓ FY17 results benefiting from the successful integration of UGL throughout the year

Corporate

- ✓ The FY17 corporate segment mainly includes contributions from Corporate, EIC activities, Pacific Partnerships and the former Commercial & Residential segment, with the FY16 result being impacted by the Devine restructuring activities

HLG

- ✓ The loss includes costs as a result of the ongoing strategic review as well as project settlements

Financial highlights



Financial performance (\$m)	FY16	FY17	Chg. \$	Chg. %
Revenue	10,853.6	13,429.5	2,575.9	23.7%
EBITDA	1,095.8	1,513.7	417.9	38.1%
EBITDA margin	10.1%	11.3%	120bp	
EBIT	758.4	1,002.4	244.0	32.2%
EBIT margin	7.0%	7.5%	50bp	
Profit before tax	740.4	959.2	218.8	29.6%
PBT margin	6.8%	7.1%	30bp	
NPAT	580.3	702.1	121.8	21.0%
NPAT margin	5.3%	5.2%	(10)bp	
EPS (basic)	176.6c	216.5c	39.9c	22.6%
Financial position (\$m)	Dec 16	Dec 17	Chg. \$	Chg. %
Net cash/(debt)	409.3	910.4	501.1	122.4%
Operating leases	(466.9)	(538.6)	(71.7)	15.4%
Net cash/(debt) (including operating leases)	(57.6)	371.8	429.4	(745.5)%
Net contract debtors ⁹	1,324.6	1,383.8	59.2	4.5%
Cash flows (\$m)	FY16	FY17	Chg. \$	Chg. %
Cash flows from operating activities	1,201.4	1,523.4	322.0	26.8%
Interest, finance costs, taxes and dividends received	(74.4)	(161.0)	(86.6)	116.4%
Net cash from operating activities	1,127.0	1,362.4	235.4	20.9%
Gross capital expenditure	(280.2)	(424.1)	(143.9)	51.4%
Gross capital proceeds	97.8	118.6	20.8	21.3%
Net capital expenditure	(182.4)	(305.5)	(123.1)	67.5%
Free operating cash flow	944.6	1,056.9	112.3	11.9%
Work in hand (\$m)	Dec 16	Dec 17	Chg. \$	Chg. %
Work in hand beginning of period	29,004.4	34,012.0	5,007.6	17.3%
New work	13,433.1	18,369.5	4,936.4	36.7%
Acquisition / (divestment) ¹⁵	5,109.0	(260.9)	(5,369.9)	(105.1)%
Executed work	(13,534.5)	(16,110.7)	(2,576.2)	19.0%
Total work in hand end of period	34,012.0	36,009.9	1,997.9	5.9%

Statement of financial performance



Key figures (\$m)	FY16	FY17	Chg. \$	Chg. %
Revenue	10,853.6	13,429.5	2,575.9	23.7%
Expenses	(10,051.2)	(12,377.2)	(2,326.0)	23.1%
Share of profit/(loss) of joint ventures and associates	(44.0)	(49.9)	(5.9)	13.4%
EBIT	758.4	1,002.4	244.0	32.2%
<i>EBIT margin</i>	<i>7.0%</i>	<i>7.5%</i>	<i>50bp</i>	
Net finance costs	(18.0)	(43.2)	(25.2)	140.0%
Profit before tax	740.4	959.2	218.8	29.6%
<i>PBT margin</i>	<i>6.8%</i>	<i>7.1%</i>	<i>30bp</i>	
Income tax	(188.0)	(268.6)	(80.6)	42.9%
Profit for the year	552.4	690.6	138.2	25.0%
Non-controlling interests	27.9	11.5	(16.4)	(58.8)%
NPAT	580.3	702.1	121.8	21.0%
<i>NPAT margin</i>	<i>5.3%</i>	<i>5.2%</i>	<i>(10)bp</i>	
EPS (basic)	176.6c	216.5c	39.9c	22.6%

Statement of financial position – assets



Assets (\$m)	Dec 2016 ¹⁶	Dec 2017	Chg. \$	Chg. %	Composition
Current assets					Current assets:
Cash and cash equivalents	1,576.5	1,813.8	237.3	15.1%	✓ Cash and cash equivalents: Cash and cash equivalents was \$1,814m at 31 December 2017, an increase of 15.1%, or \$237.3m, compared to 31 December 2016
Trade and other receivables	3,209.6	3,216.3	6.7	0.2%	✓ Trade and other receivables: Includes amounts due from customers, sundry debtors, joint venture and other receivables
Current tax assets	28.0	29.0	1.0	3.6%	
Inventories: consumables and development properties	213.0	210.8	(2.2)	(1.0)%	✓ Inventories: consumables and development properties: Includes consumables and commercial & residential assets
Assets held for sale	47.7	32.2	(15.5)	(32.5)%	
Total current assets	5,074.8	5,302.1	227.3	4.5%	
Non-current assets					Non-current assets:
Trade and other receivables	1,235.8	1,090.8	(145.0)	(11.7)%	✓ Trade and other receivables: Includes non-current loan receivables owed by HLG Contracting
Inventories: development properties	166.9	167.6	0.7	0.4%	✓ Property, plant and equipment: Additions to property, plant and equipment during the period included investment in job-costed tunnelling machines for major road and rail projects, and capital expenditure on equipment for mining projects
Investments accounted for using the equity method	616.5	382.7	(233.8)	(37.9)%	✓ Investment accounted for using the equity method: Equity accounted investments include project related associates and joint ventures, PPP projects, along with the Group's investments in HLG Contracting and Ventia
Other investments	135.4	169.2	33.8	25.0%	
Deferred tax assets	328.1	145.4	(182.7)	(55.7)%	
Property, plant and equipment	1,355.7	1,224.0	(131.7)	(9.7)%	
Intangibles	1,146.9	1,089.7	(57.2)	(5.0)%	✓ Intangibles: Includes \$922.5m of goodwill
Total non-current assets	4,985.3	4,269.4	(715.9)	(14.4)%	
Total assets	10,060.1	9,571.5	(488.6)	(4.9)%	

Statement of financial position – liabilities



Liabilities and equity (\$m)	Dec 2016 ¹⁶	Dec 2017	Chg. \$	Chg. %	Composition
Current liabilities					Current and non-current liabilities: ✓ Trade and other payables: Includes amounts due to customers, trade creditors and accruals, joint venture payables, and other creditors ✓ Provisions: Relates to wages and salaries, annual leave, long service leave, retirement benefits and deferred bonuses ✓ Interest bearing liabilities: Current and non-current interest bearing liabilities were \$903.4m at 31 December 2017, a decrease of 22.6%, or \$263.8m, compared to 31 December 2016
Trade and other payables	4,781.1	4,737.4	(43.7)	(0.9)%	
Current tax liabilities	126.6	40.4	(86.2)	(68.1)%	
Provisions	333.3	311.8	(21.5)	(6.5)%	
Interest bearing liabilities	618.2	265.6	(352.6)	(57.0)%	
Total current liabilities	5,859.2	5,355.2	(504.0)	(8.6)%	
Non-current liabilities					
Trade and other payables	287.0	152.0	(135.0)	(47.0)%	
Provisions	73.5	69.3	(4.2)	(5.7)%	
Interest bearing liabilities	549.0	637.8	88.8	16.2%	
Total non-current liabilities	909.5	859.1	(50.4)	(5.5)%	
Total liabilities	6,768.7	6,214.3	(554.4)	(8.2)%	
Total equity	3,291.4	3,357.2	65.8	2.0%	

Statement of cash flows

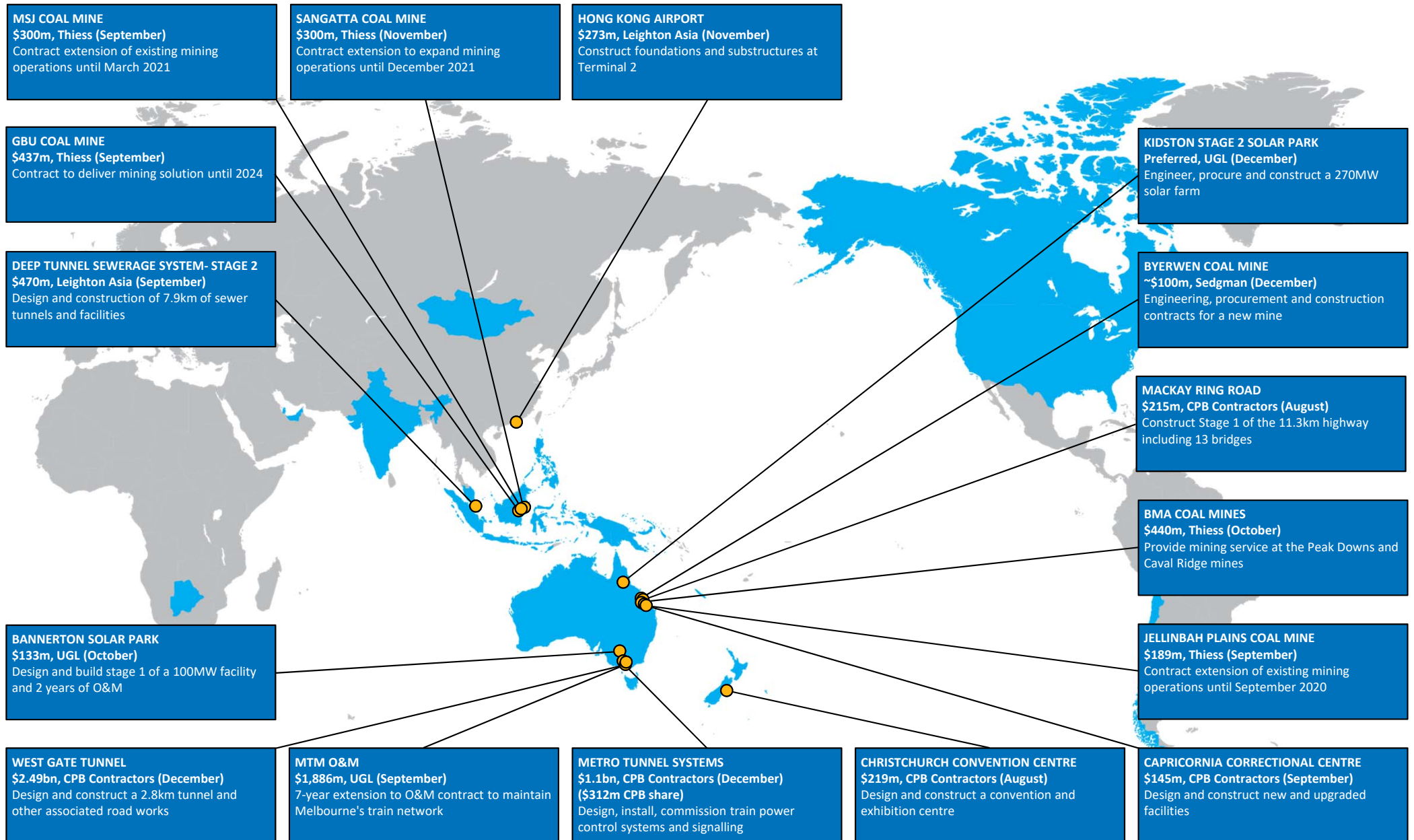


Key figures (\$m)	FY16	FY17	Chg. \$	Chg. %
Cash flows from operating activities	1,201.4	1,523.4	322.0	26.8%
Interest, finance costs, taxes and dividends received	(74.4)	(161.0)	(86.6)	116.4%
Net cash from operating activities	1,127.0	1,362.4	235.4	20.9%
Payments for intangibles	(14.7)	(14.2)	0.5	(3.4)%
Payments for property, plant and equipment	(280.2)	(424.1)	(143.9)	51.4%
Proceeds from sale of property, plant and equipment	97.8	118.6	20.8	21.3%
Proceeds from sale of investments	180.8	46.9	(133.9)	(74.1)%
Cash acquired on business combinations	244.4	-	(244.4)	-
Income tax paid on sale of investments	(32.0)	(59.0)	(27.0)	84.4%
Payments for investments	(325.1)	(60.1)	265.0	(81.5)%
Loan to associates and joint ventures	(152.7)	(40.9)	111.8	(73.2)%
Net cash from investing activities	(281.7)	(432.8)	(151.1)	53.6%
Share buy-back payments	(425.9)	-	425.9	-
Cash payments in relation to employee share plans	(18.8)	(8.6)	10.2	(54.3)%
Net proceeds/(repayments) of borrowings	0.3	(188.9)	(189.2)	-
Repayment of finance leases	(276.9)	(21.2)	255.7	(92.3)%
Dividends paid to non-controlling interests	(12.6)	-	12.6	-
Dividends paid to shareholders of the Company	(320.5)	(395.6)	(75.1)	23.4%
Payments to acquire non-controlling interest	(389.0)	(29.3)	359.7	(92.5)%
Net cash from financing activities	(1,443.4)	(643.6)	799.8	(55.4)%

HLG – FY17 overview performance

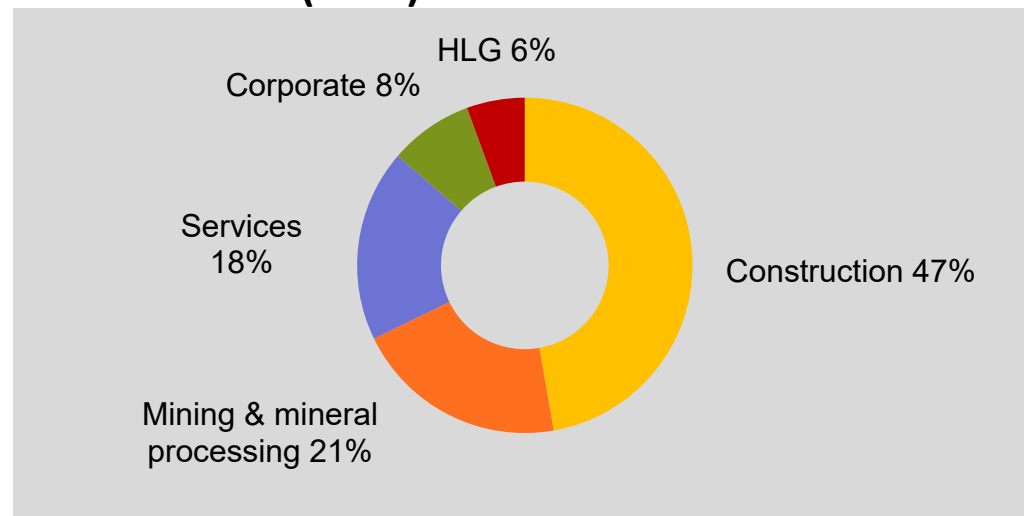
Financial performance – HLG segment ¹⁷			Performance overview
(\$m)	FY16	FY17	
Revenue	1,227.1	902.1	HLG Contracting is a diversified international contractor in the Middle East.
PBT	29.4	(48.0)	Operating performance
WIH	1,798.1	842.2	✓ Selective bidding approach ✓ PBT loss as a result of the ongoing strategic review as well as project settlements
Balance Sheet & Investment (\$m)			Strategic review ongoing backed by new management team
	FY16	FY17	
Carrying value of investment ¹⁸	366.5	245.6	✓ Diversification of client and geographic base through contract wins ✓ Focus on resolving certain legacy issues and recovery of receivables ✓ Management of capital structure ✓ Operational and business strategic review ongoing
Trade and other receivables from HLG	1,043.2	1,046.3	
Total	1,409.7	1,291.9	Shareholding structure
			✓ CIMIC's shareholding remains unchanged at 45%

Selected project wins during 2H17

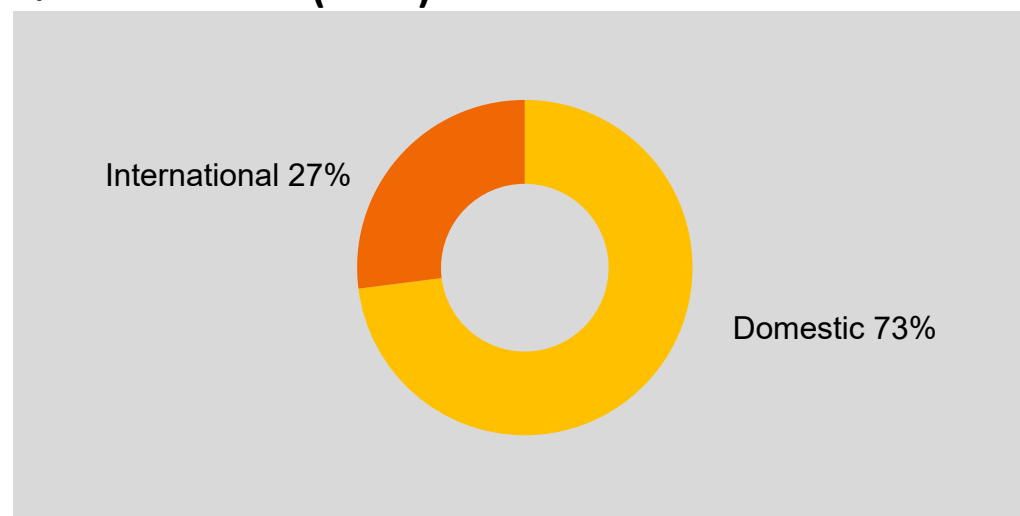


Group revenue by activity and market

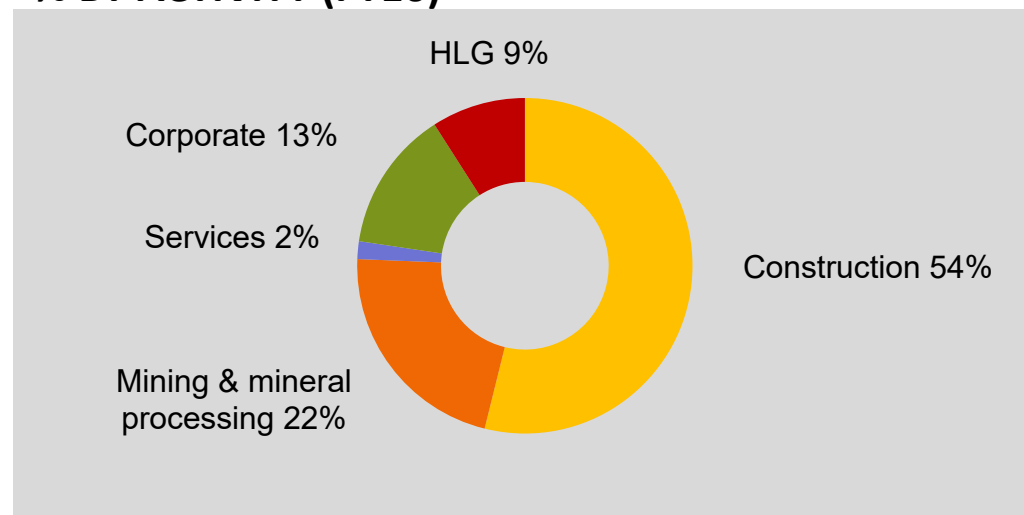
% BY ACTIVITY (FY17)



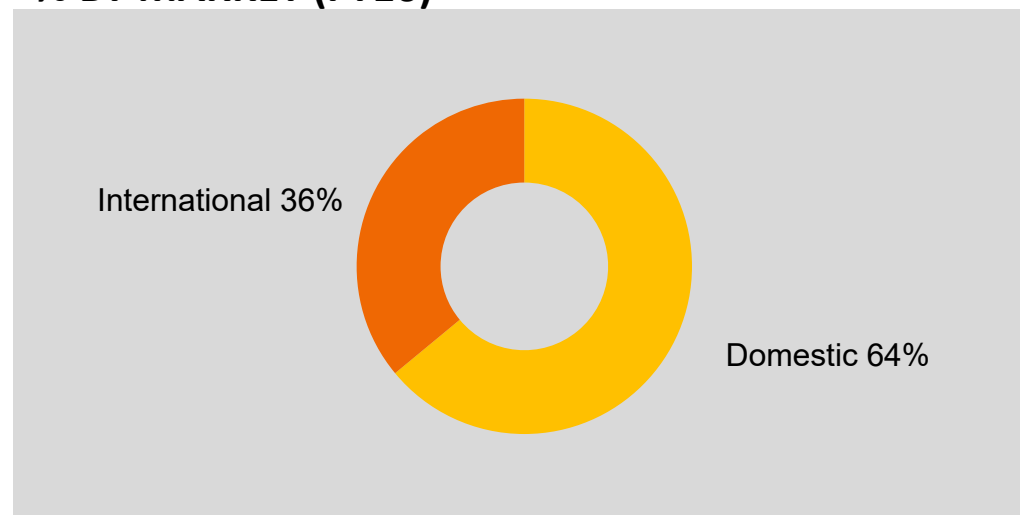
% BY MARKET (FY17)



% BY ACTIVITY (FY16)

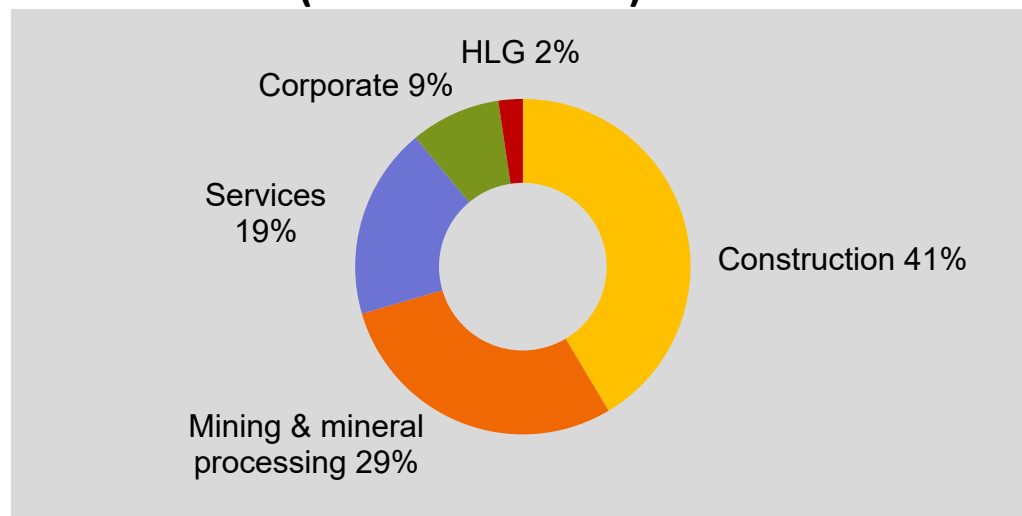


% BY MARKET (FY16)

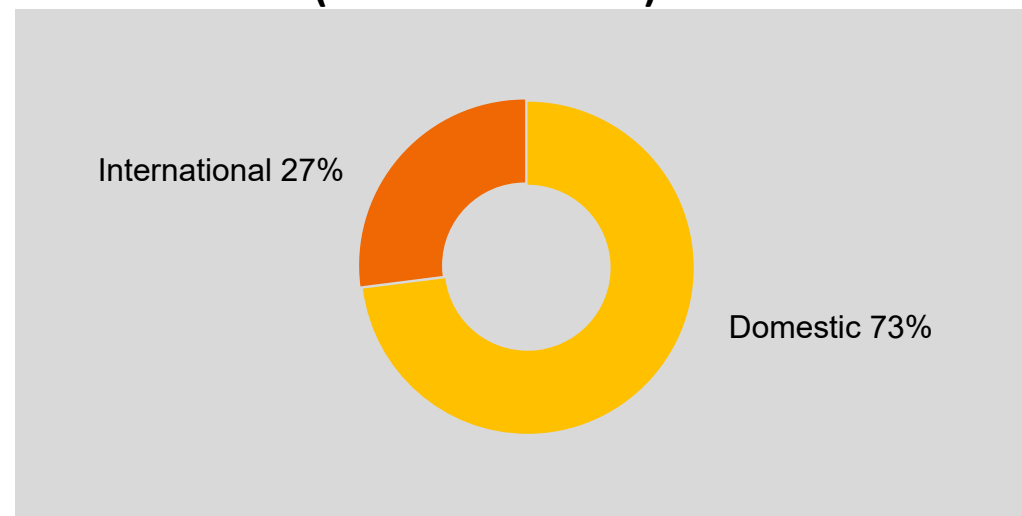


Work in hand by activity and market

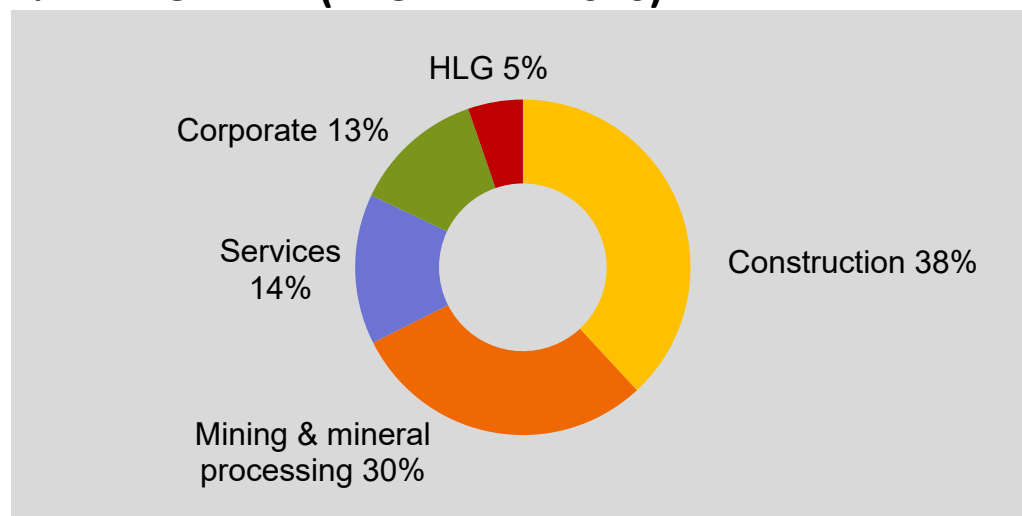
% BY ACTIVITY (DECEMBER 2017)



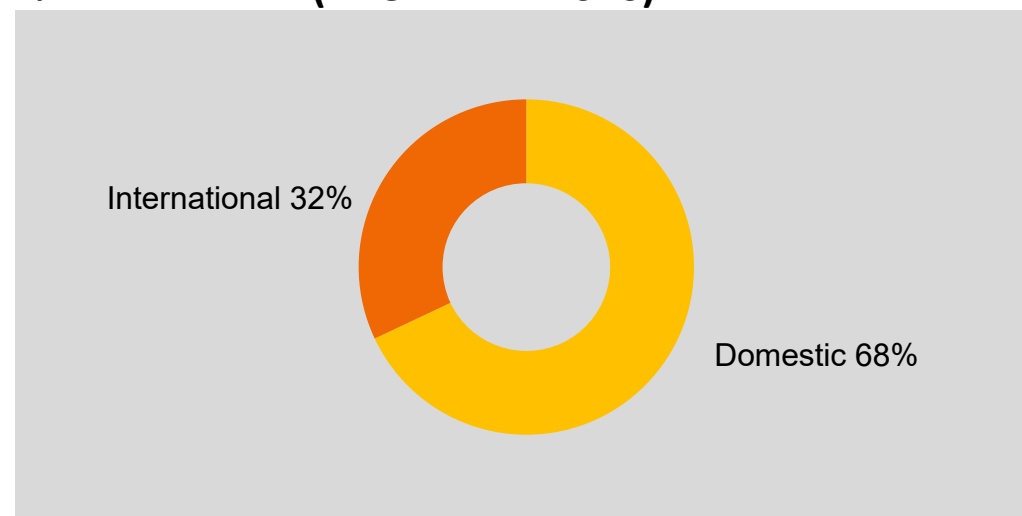
% BY MARKET (DECEMBER 2017)



% BY ACTIVITY (DECEMBER 2016)



% BY MARKET (DECEMBER 2016)



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.

MINING



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.

MINERAL PROCESSING



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.

SERVICES



UGL is a diversified services company delivering critical assets and essential services that sustain and enhance the environment in which we live. UGL delivers comprehensive engineering, operations and maintenance services to the rail, transportation, technology, energy, resources, water, renewables and defence sectors.

UGL's capabilities extend across a broad range of services and whole-of-life solutions, utilising world-leading, sustainable and innovative technologies to deliver great outcomes for our clients across diverse industry sectors.

UGL's skilled workforce, project delivery expertise in asset management, operations and maintenance, design and construction, project management capability, and end-to-end engineering is backed by a continuous focus on safety, innovation and improvement.

PUBLIC PRIVATE PARTNERSHIPS



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.

ENGINEERING



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.

OTHER INVESTMENTS



59.1%



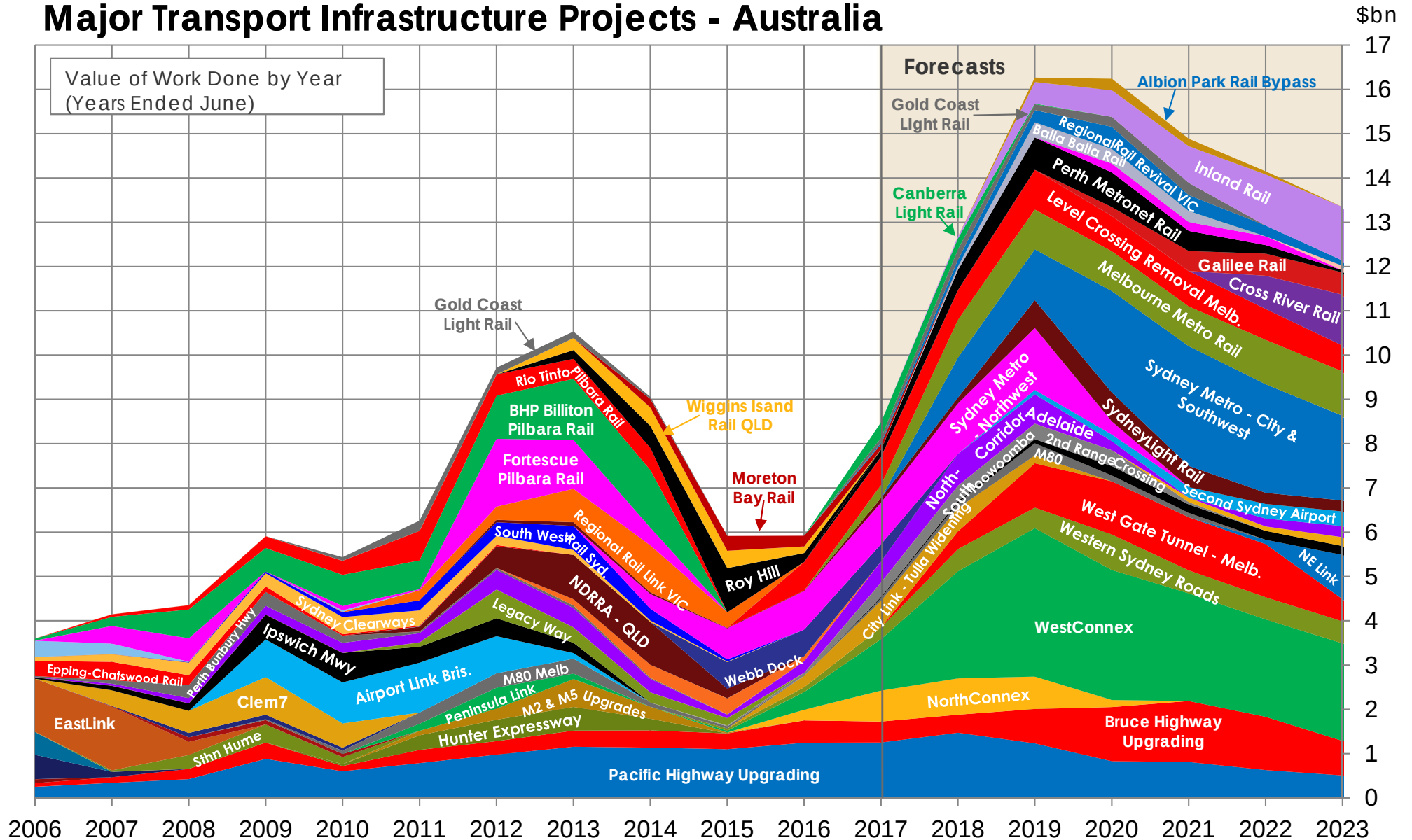
46.9%



45.0%

Australian construction outlook – market opportunities

Major Transport Infrastructure Projects - Australia



Source: Macromonitor – Australian Construction Outlook Overview, November 2017

F/X rates

End of the period	Dec 2016	Dec 2017	Chg. \$	Chg. %
AUD/USD	0.72	0.78	0.06	8.3%
AUD/EUR	0.68	0.65	(0.03)	(4.4)%
Period average	FY16	FY17	Chg. \$	Chg. %
AUD/USD	0.74	0.76	0.02	2.7%
AUD/EUR	0.67	0.68	0.01	1.5%

¹Revenue excludes revenue from joint ventures and associates of \$2,681.2m (2016: \$2,680.9m)

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 Group's 2016 annual financial statements included provisional fair values for assets and liabilities acquired in the business combination. Accounting for the business combination has been completed in June 2017, and the 31 December 2016 and 31 March 2017 net contract debtors comparative information was adjusted retrospectively to increase the fair value of trade and other payables at the acquisition date by \$60m

¹⁰Relates to the \$2.9bn of working capital facilities of which \$2.5bn is undrawn at 31 December 2017 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. From June 2017, Commercial and residential segment is included within the Corporate segment (FY16: \$724.2m). December 2017 work in hand excludes CIMIC's share of Macmahon Holdings Limited work in hand due to divestment on 6 July 2017

¹⁴2016 comparatives have been restated to include the results of the Commercial and residential segment within the Corporate segment results

¹⁵\$5,109.0m relates to UGL's work in hand at acquisition date, 24 November 2016; (\$260.9m) relates to Macmahon divestment work in hand at divestment date, 6 July 2017

¹⁶Amounts have been restated at December 2016 due to the finalisation of the purchase price allocation on the UGL acquisition

¹⁷Per HLG segment which includes CIMIC's 45% equity accounted share of HLG Contracting

¹⁸Including FX effects

Definitions

- ✓ 1Q17, 2Q17, 3Q17 & 4Q17 – Three months to March 2017, June 2017, September 2017 and December 2017 respectively
- ✓ 1Q16, 2Q16, 3Q16 & 4Q16 – Three months to March 2016, June 2016, September 2016 and December 2016 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

- ✓ KPC – Kaltim Prima Coal
- ✓ m – Million
- ✓ MAH – Macmahon Holdings Limited
- ✓ MTM – Metro Trains Melbourne
- ✓ NPAT – Net profit after tax
- ✓ NXT – Nextgen Group Holdings Pty Ltd
- ✓ PBT – Profit before tax
- ✓ PPP – Public Private Partnership
- ✓ QOQ – Quarter on Quarter
- ✓ WIH – Work in hand
- ✓ YOY – Year on year

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