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19-00 SGX Centre 1
Singapore 068804

RE: CIMIC EXECUTIVE CHAIRMAN'S AND CEO'S ADDRESS TO SHAREHOLDERS

Please find attached a copy of the address to shareholders to be delivered by Executive Chairman Marcelino Fernández Verdes and CIMIC Group Chief Executive Officer Adolfo Valderas, at the company's Annual General Meeting today..

CIMIC Group Limited, is the parent company of CIMIC Finance (USA) Pty Ltd.

A webcast of the Annual General Meeting can be viewed at www.cimic.com.au.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

EXECUTIVE CHAIRMAN'S ADDRESS TO SHAREHOLDERS

A presentation to the 56th Annual General Meeting of CIMIC Group Limited by the Executive Chairman, Mr Marcelino Fernández Verdes.

I am pleased to report to you today that our company, CIMIC Group, achieved excellent performance during the past year and it has a bright outlook.

[Shareholder returns]

We delivered strong and sustainable shareholder returns in 2016, based on the solid foundation established during our transformation in the prior years.

We earned net profit after tax at the top end of our guidance range.

And we achieved strong cash flows, and reported a solid level of work in hand.

One of the key objectives of the strategic review we undertook in recent years was to strengthen the balance sheet.

This has been achieved through asset sales, capital restructuring and various working capital initiatives.

We are happy with the current position.

Our financial policy is to manage net debt to a level that supports a strong investment grade rating.

Importantly, during 2016 we also delivered a strong increase in shareholder returns.

Earnings per share was up almost 15% compared to 2015.

This meant we could declare total 2016 dividends of 110 cents per share, also up almost 15% compared to a year earlier.

The 2016 final dividend will be paid on 4 July, better aligning with our cash flows.

This performance was reflected in a considerable increase in CIMIC's share price during the year.

Combining the share price appreciation and dividends paid in 2016, we delivered a total shareholder return of 48%.

I would like to highlight two strategic financial initiatives – the share buy-back and the completion of two acquisitions – before handing to Chief Executive Officer, Adolfo Valderas, to provide you with more information about our performance.

[Buy-back]

Contributing to our strong shareholder returns last year was the share buy-back, which we concluded in December.

We purchased and cancelled shares equivalent to 4.2% of the total shares on issue at the beginning of the buy-back program.

The average price paid was \$29.89 per share.

At the end of last year, the Board approved a further on-market share buy-back, also of up to 10% of shares, commencing from 29 December 2016.

It permits us to enhance our capital allocation efficiency and gives us the flexibility to return excess capital to shareholders or to pursue growth options, such as PPPs or acquisitions, if they are value creating.

[Acquisitions]

Turning now to our recent acquisitions.

In 2016 we acquired two ASX listed companies: UGL, a leading provider of end-to-end engineering, construction and maintenance services; and Sedgman, a global mineral processing specialist.

Sedgman, which we acquired in early 2016, provides us with expertise as a leading designer, constructor and operator of mineral processing plants, covering coal, base and precious metals, industrial minerals and iron ore.

Sedgman has been integrated within CIMIC Group and is working closely with Thiess on key projects.

More recently we acquired UGL.

UGL is an excellent company. With its beginnings established in 1899 under the name of A. Goninan Co, it has a history of providing a broad range of services for 118 years.

This extends CIMIC Group's history – before acquiring UGL, CIMIC had a heritage stretching back 83 years, when a small earthmoving business was established by the five Thiess brothers in 1934.

During the past 12 decades, UGL's offering has been built upon by successive generations and it is today known for its world leading, sustainable and innovative technologies.

As part of CIMIC Group, UGL can further benefit from the diverse capabilities and strong financial position of the Group.

UGL provides us with valuable expertise in operations, maintenance and services, and extends the average duration of our projects, providing longer term, sustainable cash-backed profits.

The acquisition is consistent with our strategy and the addition of services is complementary to our existing operations.

We now have dedicated businesses focused on:

- Services (delivered through UGL);

- Public Private Partnerships (delivered through Pacific Partnerships);
- Construction (through CPB Contractors including Leighton Asia);
- Mining and mineral processing (our companies being Thiess and Sedgman); and
- Engineering (through the expertise of EIC Activities).

[Market outlook]

The outlook for these sectors remains robust.

In **services**, strong growth is expected particularly in road and rail infrastructure, oil and gas, water, defence and renewable energy.

Investment in infrastructure development and an increase in the proportion of the Australian market that is outsourced, is expected to result in continued infrastructure maintenance services growth.

We have identified a pipeline of around \$15 billion of services projects, relevant to us, in 2017.

The highest growth is projected for service providers that can leverage systems, technologies and client relationships to implement best practice in service delivery.

In **PPPs**, the market includes several large social and transport infrastructure projects with opportunities to deliver the design, construction, financing, operations and maintenance of major projects.

Australia is developing into one of the world's most advanced PPP markets, providing us with growth opportunities in this important sector.

In **construction**, further infrastructure investment in Australia is underpinned by continued population growth and the Australian Government's delivery on its \$50 billion road, rail and air transport infrastructure investment plan.

Our international operations also have a positive outlook, offering growth opportunities in infrastructure and services.

There are around \$43 billion of construction tenders, relevant to our operations, available in 2017.

In **mining and mineral processing** the outlook for Australia's production of bulk commodities is generally positive and we remain in a strong position to capitalise on these, and other international opportunities, as they arise.

Long-term client partnerships, combined with our valuable experience operating in key markets such as North and South America, Africa and Asia, and our competitive position provide confidence for the future in this market.

We have identified around \$18 billion of tenders, relevant to our operations in mining for 2017.

These market conditions, combined with our strategy of continuing to pursue operational excellence and optimise operations, are helping us to achieve sustainable cash-backed profits.

In 2017 we are focused on continuing to deliver on our strategy.

This includes:

- continuing to create value by seeking out the best capital allocation opportunities, supported by the generation of cash-backed profits;
- developing and expanding our services business by benefiting from complementary activities and securing opportunities in market growth areas;
- further expanding in the PPP sector, building on the robust pipeline of opportunities in the Australia Pacific region; and
- increasing our market and commodity diversification and analysing several growth opportunities, as evidenced by our expansion into oil sands, and into Canada and Chile in recent times.

[People, diversity and inclusion]

Delivering on these objectives is a skilled and capable team.

Around the world, we have approximately 51,300 people focused on delivering projects for our clients.

I am proud of all that we achieve.

From the people on site delivering the:

- design and construction, equity funding, operations and maintenance for Canberra's new light rail;
- to the people providing mining services in oil sands to a Canadian energy company, right around the world we have first-rate teams in place.

Aware that our strength lies in our diversity, in 2016 we further sharpened our focus on providing our people with healthier, safer and more respectful workplaces in order for diversity to flourish.

A range of initiatives, led by our diversity and inclusion strategy, are involving our people in training and awareness raising, to support positive work environments.

Activities in recent months include launching a new equal employment opportunity, discrimination, bullying and harassment awareness program.

We also refreshed the e-learning module for our Code of Conduct, and have workforce reporting to track diversity participation.

Focused on gender equality, we have undertaken a pay equity review and conducted a series of round table discussions with project-based women in technical roles in order to improve how we can attract, retain and develop women's contribution to our company.

There is more we need to do to support diversity and this is something we will continue doing and we are fully committed to it.

How we embrace diversity, and work together, shapes what we achieve and each person's experience of coming to work.

Our Principles – Integrity, Accountability, Innovation and Delivery underpinned by Safety – set the foundation for the way we work every day and support our ability to deliver strong results for our clients and our shareholders, and safe, fulfilling careers for our people.

In 2016, we brought increased focus to good physical and mental health in our workplaces, with the launch of a program to promote the steps we can all take to:

- achieve or maintain physical and mental health;
- avoid or better manage both physical and mental health conditions such as fatigue, depression and anxiety; and
- provide care and support for ourselves and others.

We launched a Group-wide leadership program and a Group-wide graduate program, which has received plaudits internally and externally, recognised by GradConnection and by the Australian Association of Graduate Employers.

As a result, we have 166 graduates commencing with us in the second year of the program, up from 78 people in 2016, and the capacity for future expansion.

[Safety]

We also continue to focus on ensuring the safety of our people.

In 2016, we improved our total recordable injury frequency rate measured per million hours worked.

Whilst this was a good achievement, it will not be enough until fatalities and serious injuries on our sites are eliminated.

It is with deep sadness that I inform you that three of our colleagues died following incidents on project sites in 2016.

On behalf of the Board and all of CIMIC's people, I express my sincere sorrow and personal sympathies to the families and friends of our colleagues who passed away.

It is simply unacceptable to have such tragedies in our workplace.

I am absolutely focused on ensuring that these tragedies are not repeated and we are working to make changes to prevent similar incidents occurring in future.

We will continue to strengthen our safety efforts until we can provide a workplace where every single one of our employees is safe each and every day – with no exceptions.

[Sustainability]

Sustainability and corporate responsibility are also a priority for CIMIC Group and we remain committed to the communities where we operate.

Integrated within our Annual Report this year, is our CIMIC Group Sustainability Report.

It describes how environmental, social and governance factors are integrated into our decision making.

I am pleased to report we were again recognised in 2016 by the Dow Jones Sustainability Indices which tracks the performance of the companies which lead their industries in terms of corporate sustainability.

CIMIC was included in the Indices' Australia Index, with CIMIC and UGL the only two Australian construction and engineering companies to be so recognised.

RobecoSam included CIMIC in its 2017 Sustainability Yearbook and we were awarded a bronze class distinction for excellent sustainability performance, one of only 10 companies in the global construction and engineering industry to be recognised.

We were also included in the FTSE4Good Index which measures the performance of companies demonstrating strong environmental, social and governance practices.

[CEO]

With a strong leadership team, a robust financial position and positive outlook, I handed over my responsibilities as Chief Executive Officer and Managing Director to Adolfo Valderas in October 2016.

Adolfo has played an integral part in CIMIC Group's achievements since 2013, first as Chief Operating Officer and then as Deputy Chief Executive Officer.

The Board and I have every confidence in his ability to lead CIMIC Group.

I am personally honoured to remain as Executive Chairman and I look forward to continuing to guide CIMIC Group in this capacity.

[Close]

In summary, CIMIC is in a strong position.

As Adolfo will outline next, there is a robust pipeline of infrastructure, mining and mineral processing, and services opportunities relevant to CIMIC, giving us a positive outlook.

And our financial strength is a key competitive advantage as we pursue new opportunities and look to expand.

In closing, I would like to thank all of our shareholders, and our teams, for your continued support and to emphasise my enthusiasm for our company's future.

Thank you.

CHIEF EXECUTIVE OFFICER'S ADDRESS TO SHAREHOLDERS

A presentation to the 56th Annual General Meeting of CIMIC Group Limited by the Chief Executive Officer and Managing Director, Mr Adolfo Valderas.

Thank you Marcelino. Good morning and welcome everyone.

In October last year I had the privilege, and responsibility, of being appointed as Chief Executive Officer of CIMIC Group.

CIMIC is an outstanding company with a great history, and a strong present and future, of which I am proud to be a part.

I will start today by outlining our performance during the past year, then address our current work and the outlook for our business.

[2016 result]

Our 2016 result was solid.

The key metrics, as you will see on the screen behind me, include net profit after tax at the top end of our guidance range, up 11.5%.

This excellent profit performance was driven by margin expansion, with our net profit after tax margin increasing strongly.

Our focus is on achieving sustained profits which are backed by the generation of cash.

In 2016 we again achieved this objective, generating from our operating activities more than \$1 billion of cash flow.

Our EBITDA conversion rate indicates that we are converting 110% of earnings into cash flow.

This result reflects improved project performance, tighter working capital management, and more efficient use of our plant, machinery, and equipment.

Net cash was more than \$400 million, and our strong balance sheet permitted us to carry out several strategic capital management initiatives.

This included the investment in the share buy-back program and the acquisition of shares in UGL, Sedgman and Devine.

Net cash would have been approximately \$1.4 billion, if adjusted for these items and the divestment of Nextgen.

Our operations showed a positive trend, with revenue up substantially in the last three months of 2016, compared with the third quarter.

Today we announced our financial results for the three months to 31 March. Highlights, compared with a year earlier, include:

- Net profit after tax up 23% year on year to \$160 million;
- A positive revenue trend, up 26% year on year to \$3 billion;
- Cash flows from operating activities up \$339 million to \$101 million; and
- A strong balance sheet and net cash of \$278 million.

We have work in hand of more than \$34 billion, up 17% year on year, and a solid project pipeline supporting future growth.

We confirmed our guidance for 2017 NPAT in the range of \$640 million to \$700 million, subject to market conditions.

[Acquisitions]

In addition to our strong results, a major milestone for our business since the last AGM was the successful acquisition of UGL.

Including UGL amongst our operating companies is a core part of our strategy.

UGL's competencies in the rail, transport and technology systems, power, resources, water and defence sectors are complementary to our existing operations and expand our capabilities into new markets.

There are significant opportunities to extend the provision of services across our other operations.

We anticipate strong growth in services, particularly in road and rail infrastructure, oil and gas, water, defence and renewable energy.

We also recently closed an offer to acquire shares in Macmahon.

We currently hold a 23.64 per cent stake in Macmahon and we will continue to follow up the new developments.

We will keep our options open depending on the evolution of the company.

[Work in hand]

During the year we maintained our diligent focus on winning and delivering profitable work, in particular by using the complementary skills of each of our companies to offer clients a holistic approach to delivery.

By working together our companies are delivering better outcomes for our clients.

We are doing this in a number of ways:

- CPB Contractors and Leighton Asia are working as one construction unit;
- both Pacific Partnerships and UGL have successfully won work with CPB Contractors;
- EIC Activities is supporting all of our Group companies; and
- the complementary skill sets of Thiess and Sedgman has enabled them to deliver projects as a team.

We are also leveraging our 118 year history in engineering by investing in knowledge sharing and training to transfer our innovations amongst our companies.

Through EIC Activities we are challenging and improving concept designs, construction methods, and operations and maintenance practices.

For example, we are using digital engineering technologies – Building Information Modelling, or BIM, and Geographic Information Systems, or GIS – to enable project teams to collaborate in virtual environments.

BIM allows us to build digitally first using integrated data and technologies to measure, map, visualise and control project delivery and outcomes.

GIS enables us to integrate, store and analyse geographic information to improve the effectiveness of project design, planning and delivery.

All this helps us to deliver more competitive solutions – achieving significant cost and program savings and a competitive advantage for winning and delivering profitable projects that also generate value for clients.

At the end of 2016, our work in hand was \$34 billion.

We secured several large projects around the globe, entrenching our position as a leader in our existing markets and expanding our offering into new geographies and segments.

Work in hand was particularly boosted by the acquisition of UGL, which contributed around \$5 billion of work, much of which is recurring in nature.

Major contracts acquired with UGL include:

- metro rail network operations and maintenance;
- freight rail and naval ship maintenance;
- water and renewable energy projects; and
- asset management services across LNG, oil and gas, and power.

We also achieved several important wins during the year.

In construction, these included projects in light and heavy rail.

We won work as part of the Canberra Light Rail – both in the design and construction of the project, and the 20-year maintenance concession contract.

We also won work as part of the Gold Coast Light Rail, and work in Victoria removing certain level crossings.

Other large civil contract wins included the design and construction of the Tseung Kwan O – Lam Tin Tunnel, and the construction of a columbarium, in Hong Kong.

More recently we announced our selection for the Hong Kong International Airport expansion, and that we are the preferred contractor to deliver Victoria's multi-billion dollar West Gate Tunnel Project in a joint venture.

In mining and mineral processing we diversified by geography and commodity, winning our first contracts in the North and South American markets through expansion into Canada and Chile.

We added a new commodity – oil sands – further diversifying our business with a contract to provide mining services in Canada's Athabasca region.

We were awarded coal mining work in Indonesia; contracts in Queensland's Bowen Basin; and a contract extension at a diamond mine in Botswana.

In services, our recent wins include maintenance services for certain oil and gas production platforms and processing plants; as well as an upgrade to a waterworks in Singapore.

I am pleased that since year-end, Pacific Partnerships and CPB Contractors were selected to deliver the third New Zealand Schools PPP initiative.

The contract will generate revenue of approximately NZ\$113 million and CIMIC Group's role in the project spans design, construction and financing.

Our financial expertise, our strength and our comprehensive capabilities position us well to fund, deliver and service enduring assets, such as schools.

Australia has a strongly developing PPP market, having undertaken numerous transport and social infrastructure projects over the past two decades in the road, rail, health, education, defence and water sectors.

[Outlook]

As Marcelino outlined, the pipeline is strong across our operations, not only in PPPs, supporting our medium- and long-term growth outlook.

Looking forward, clients in our markets are continuing to invest, driving demand for our expertise in services, public private partnerships, mining and mineral processing, construction, and engineering.

These investments provide us with plenty of opportunities and we are already pursuing numerous major domestic and international infrastructure, mining and services projects.

In total there is a pipeline of nearly \$80 billion worth of tenders, relevant to CIMIC, to be bid and awarded in the remainder of 2017 and around \$250 billion for 2018 and beyond.

We expect our net profit after tax to increase to between \$640 million to \$700 million in 2017, representing a strong increase on 2016.

We have a solid basis for growth, and our strategic acquisitions provide a platform for further expansion including extending our service capabilities.

We have the right people to deliver growth, and a commitment to keeping them safe.

We hold ourselves to a consistently high standard of health and safety right across our operations, regardless of the regulatory requirements and the operating environment.

We are committed to the elimination of fatalities and permanent disabilities, and the systematic reduction of all other injuries.

We are focused on strengthening our risk management systems, instilling a strong safety culture and reducing the frequency and severity of injuries.

Our expert teams are the foundation of our company's success and the safety of those under our care is vital.

We have strong, specialist teams right across our company. The right basis – the right people on board – to meet the increasing opportunities in our markets and we can increase our capacity as required.

We expect to continue to expand our mining and mineral processing activities into other markets, for example by exporting our contract mining skills further into North and South America providing us with additional diversification.

And we will continue to maintain our focus on risk management and achieving sustainable cash-backed profits.

Overall, we are experiencing continued demand for our diverse capabilities and significant experience, backed by both our extraordinary teams and our financial strength.

We remain focused on generating sustained returns for our shareholders and I look forward to delivering a strong performance in 2017.

Thank you for your support.