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

RE: NPAT UP 22%; STRONG OPERATING CASH FLOW; GUIDANCE CONFIRMED

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

18 JULY 2017**CIMIC GROUP REPORTS CONTINUED MOMENTUM IN
HY17 REVENUE (UP 28% YOY) AND NPAT (UP 22% YOY)****BALANCE SHEET FURTHER BOOSTED: CASH FLOWS FROM
OPERATING ACTIVITIES UP \$523M YOY, NET CASH UP
\$330M QOQ****WIH OF \$35.2BN (UP \$1.1BN QOQ), WITH POSITIVE
PROSPECTS****FY17 NPAT GUIDANCE CONFIRMED FOR \$640M TO
\$700M**

CIMIC Group today announced a solid performance for the six months to 30 June 2017, reporting a significant increase in NPAT, cash flows, a strong balance sheet position and a sound level of work in hand.

Highlights of the result were:

- Revenue of \$6.3 billion (up 28% YOY) and NPAT of \$323 million (up 22% YOY), with continued momentum in all core businesses
- Consistent PBT and NPAT margins¹ of 7.0% and 5.1% respectively
- Balance sheet strength further boosted:
 - Cash flows from operating activities² of \$620 million, a \$523 million YOY improvement and an EBITDA cash conversion of 133% during the last 12 months
 - Net cash of \$608 million, a \$330 million increase from 31 March to 30 June 2017
 - Free operating cash flow³ of \$344 million, compared with \$14 million in HY16; and \$1.3 billion during the last 12 months
 - Standard & Poor's raised the Group's investment grade rating by one notch in May, to BBB, with a stable outlook
- Work in hand⁴ of \$35.2 billion – equivalent to more than two years' revenue – up \$1.1 billion from 31 March to 30 June 2017; positive prospects in project pipeline
- Interim ordinary dividend declared of 60 cents per share (\$195 million), up 25% YOY, franked at 100%, payable on 4 October 2017
- Earnings per share of 99.6 cents, an increase of 25% YOY
- FY17 NPAT guidance confirmed for \$640 million to \$700 million, subject to market conditions

¹ Margins are calculated on revenue which excludes revenue from joint ventures and associates.

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

³ Free operating cash flow is defined as net cash from operating activities less net capital expenditure for property, plant and equipment.

⁴ Work in hand includes CIMIC's share of work in hand from joint ventures and associates.

CIMIC Group Executive Chairman Marcelino Fernández Verdes said: “The compelling numbers we reported today are a testament, not only to the transformation of our business model which we commenced in 2014, but also to the ongoing drive of our people to improve, innovate, and grow.

“Through continually evolving how we deliver projects, we are achieving favourable outcomes for clients which improves the position of our Group to win further work.

“We have also substantially increased our net cash position, which allows us to better reward shareholders and more efficiently allocate capital.”

CIMIC Group Chief Executive Officer Adolfo Valderas said: “By securing new work of \$8.9 billion during the period, we have brought work in hand to \$35.2 billion – a level equivalent to more than two years’ revenue.

“We are in an ideal position to build on our strategy of providing clients with end-to-end solutions – from financing to engineering, construction, mining, operations and maintenance. Doing so will further diversify our income streams and add more recurring revenue through the expansion of our services business with the successful integration of UGL.”

CIMIC Group recently announced several important wins including:

- Design and construction works for Sydney Metro – Stage 2 (\$2.810 billion; CPB Contractors’ share \$1.265 billion)
- Mining services at the Solomon iron ore mine in Western Australia (\$650 million, Thiess)
- Mining services at the Mount Pleasant coal mine in New South Wales (\$500 million, Thiess)
- Construction of the East Kowloon Cultural Centre in Hong Kong (\$436 million, Leighton Asia)
- Design, construction, operation and maintenance services for the Collinsville Solar Farm in Queensland and the White Rock Solar Farm in New South Wales (\$117 million, UGL)
- Design, construction and financing of a New Zealand schools PPP (\$103 million, CPB Contractors and Pacific Partnerships)

CIMIC Group is tendering for, or shortlisted on, several major projects including the Sydney Central train station, part of the Sydney Metro City and Southwest Project-Stage 2 Sydney Metro development; selected projects under the Western Sydney roads upgrade program; and the deep tunnel sewerage system in Singapore, amongst others.

Mr Valderas said: “We have a positive outlook, and today reconfirm our full year NPAT guidance. We are achieving strong profit and cash flow contributions from our core operations in construction, mining, services and PPPs.

“Our future growth is supported by the nearly \$50 billion of tenders we have identified as relevant and are to be bid and/or awarded in the remainder of 2017, and the \$320 billion of projects coming to the market in 2018 and beyond.”

Refer to ‘Analyst and Investor Presentation’ for further information.

ENDS

Issued by CIMIC Group Limited ABN 57 004 482 982 www.cimic.com.au

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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 1899, 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 and South America and Sub-Saharan Africa and, as at 30 June 2017, employed approximately 52,300 people directly and through its investments.

DEFINITIONS

EBITDA – Earnings before net finance costs, tax, depreciation and amortisation

HY17 & HY16 – Six months to 30 June 2017 and 30 June 2016 respectively

LTM – Last 12 months

PBT – Profit before tax

NPAT – Net profit after tax

QOQ – Quarter on quarter

WIH – Work in hand

YOY – Year on year