



CIMIC Group Limited
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Singapore Exchange (SGX)
2 Shenton Way
19-00 SGX Centre 1
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RE: HALF YEAR MEDIA RELEASE

Please find attached a copy of a media release issued by CIMIC Group Limited, parent company of CIMIC Finance (USA) Pty Ltd.

Yours faithfully

Vanessa Rees
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23 JULY 2015**STRONG HY15 RESULT, \$7B IN NEW WORK, GUIDANCE
CONFIRMED**

CIMIC Group today announced improved results for the first half of 2015 and \$7 billion in new work.

The Group also reported strong operating cash flow¹ which, together with proceeds from the divestments², enabled \$1 billion of debt repayments.

CIMIC further de-risked, deleveraged and strengthened its balance sheet during the second quarter, with gearing³ and net contract debtors⁴ improving.

Features of the HY15 result were:

- New work orders of \$7 billion, bringing work in hand to \$28.5 billion;
- Operating cash flow of \$853.2 million;
- Earnings before interest and tax (EBIT) of \$439.3 million⁵ and net profit after tax (NPAT) of \$257.2 million, increases of 15.1% and 7.5% respectively on the prior comparable period⁶;
- EBIT and NPAT margins of 6.1% and 3.6%, representing 150 and 70 basis point increases on the prior comparable period⁶;
- Net contract debtors of \$1.9 billion as at 30 June 2015, an improvement of \$336.0 million or 15.1% from 31 March 2015; and
- Gearing of 5.3% as at 30 June 2015, an improvement from 12.1% as at 31 March 2015, due to strong operating cash inflows.

The Board resolved to pay a 100% franked interim dividend of 46 cents per share, representing a 60% payout ratio of HY15 NPAT, payable on 2 October 2015.

CIMIC Executive Chairman and Chief Executive Officer Mr Marcelino Fernández Verdes said: “In 2014 we delivered phase one of CIMIC’s transformation by reorganising our operating model into a streamlined, simplified and efficient structure, and substantially strengthening and de-risking the balance sheet.

“Phase two continues the focus on standardisation, simplification and streamlining by making improvements to the efficiency of our business and IT systems, further reducing costs, and enhancing the capital discipline within our Operating Companies.”

Work in hand as at 30 June 2015 was \$28.5 billion.

¹ Cash flow from operating activities is before dividends, interest, finance costs and tax.

² The John Holland divestment and the Services divestment and investment partnership were accounted for in December 2014. Receipt of cash from the divestment transactions occurred in HY15.

³ Gearing is expressed as the ratio of net debt and operating leases to net debt, operating leases and shareholders’ equity.

⁴ Net contract debtors represent the net of amounts due from customers and amounts due to customers, (refer to the Interim Financial Report, ‘Note 9: Trade and Other Receivables – Additional information on contract debtors’).

⁵ EBIT excludes interest income (HY15 \$53.3 million, HY14 \$38.6 million).

⁶ Performance is to comparable HY14 which includes 50% of Leighton Services in continuing operations.

During the period, CIMIC secured \$7 billion of new contracts, extensions and variations. Amongst others, this included a \$900 million award for Sydney's M4 East Motorway⁷ and a \$474 million award for works on the Shatin to Central Line in Hong Kong⁸.

CIMIC was also awarded a \$1.2 billion contract to develop a boundary control point between Hong Kong and China, the largest project won by our Hong Kong business as a sole contractor.

The mining business also signed a \$175 million services agreement for a copper mine in Chile.

Mr Fernández Verdes said: "This project is a significant milestone for our mining business, showing the opportunities for our global mining capabilities in North and South America. We have over \$5 billion of tenders in contract mining as we seek to further our diversification by geography and commodity.

"Looking ahead we have tendered on, or we are shortlisted to tender on, several major construction projects including WestConnex stage two in Sydney and the Airport Link and Freight Link in Perth. In total CIMIC has approximately \$20 billion⁹ of new tenders which are expected to be awarded in the second half of 2015, showing the strong project opportunities in our markets in Australia and Asia."

CIMIC confirms 2015 forecast NPAT in the range of \$450 million to \$520 million, subject to market conditions.

ENDS

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Further information

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CIMIC Group Limited (ASX: CIM), founded in Australia in 1949, is one of the world's leading international contractors and the world's largest contract miner. CIMIC, previously known as Leighton Holdings, was listed on the Australian Stock Exchange in 1962 and has its head office in Sydney, Australia. CIMIC provides construction, mining, 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 and Southern Africa and employed approximately 25,000 people as at 30 June 2015.

⁷ The M4 East Motorway is part of the first stage of WestConnex. The award is in joint venture with John Holland and Samsung (CIMIC's share is approximately \$900 million).

⁸ The award is in joint venture with China State Construction Engineering (Hong Kong) (CIMIC's share is \$474 million).

⁹ CIMIC's share.