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08 February 2017

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

RE: ANALYST AND INVESTOR PRESENTATION FULL YEAR RESULTS 2016

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

LOUISE GRIFFITHS
Company Secretary

ANALYST AND INVESTOR PRESENTATION

FULL YEAR RESULTS 2016 / 8 FEBRUARY 2017



Marcelino Fernández Verdes, Executive Chairman

Adolfo Valderas, Chief Executive Officer

Angel Muriel, Chief Financial Officer



INTEGRITY > ACCOUNTABILITY > INNOVATION > DELIVERY

SAFETY

Refer to 'ASX/Media Release' and Annual Report for further information

2016 financial highlights

FY16 NPAT \$580m up 11.5% yoy, at top end of guidance range (\$520m-\$580m)

- ✓ NPAT margin¹ up 140bp yoy to 5.3%
- ✓ \$9m net negative impact of one-offs on NPAT²
- ✓ EBIT and PBT margins up 70bp and 130bp respectively yoy
- ✓ EPS up 14.9% yoy (compared to NPAT up 11.5%) boosted by the benefits of the share buy-back³
- ✓ Total FY16 DPS 110c up 14.6% yoy

Cash flows from operating activities⁴ of \$1.2bn in FY16, EBITDA conversion 110%

- ✓ Net cash from operating activities up 4.3% in 4Q16 yoy to \$557m

Net cash⁵ \$409m after net investments of \$1.0bn⁶

- ✓ Net cash at 31 December 2016 of \$409m would have been approximately \$1.4bn, if adjusted for the share buy-back and the net impact of investments in UGL⁷, Sedgman, Devine and Nextgen divestment
- ✓ Net finance costs⁸ reduced by \$86m yoy to \$18m in FY16
- ✓ Net contract debtors⁹ down \$274m since September 2016 to \$1.4bn (\$1.5bn December 2015)

Positive revenue¹⁰ trend up 17.8%, (10.3% excl. UGL) in 4Q16 versus 3Q16; robust project pipeline

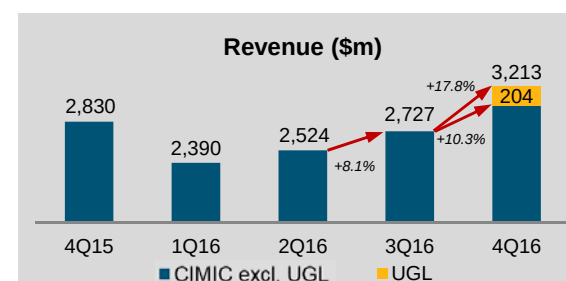
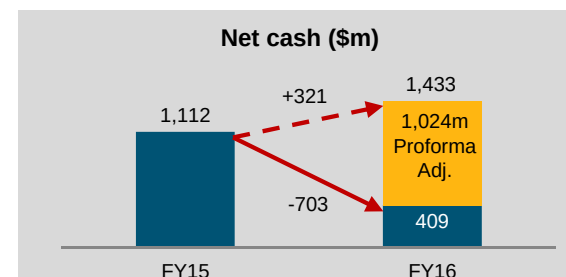
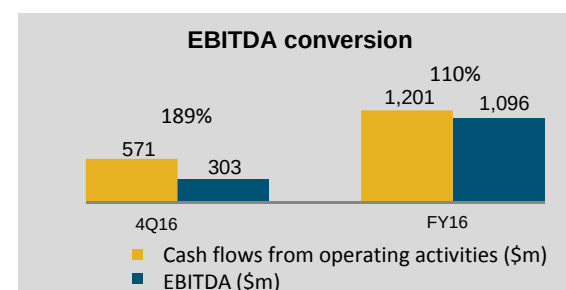
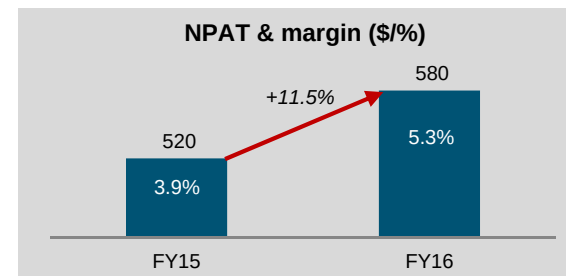
- ✓ Solid WIH¹¹ of \$34.0bn, boosted by UGL¹² (\$4.9bn)
- ✓ Around \$100bn of tenders, relevant to CIMIC, have been identified for 2017 (of which 69% is in Australia and New Zealand), \$55bn in construction, \$25bn in mining and \$20bn in services
- ✓ In the order of \$250bn of projects coming to the market in 2018 and beyond (of which 60% is in Australia and New Zealand), \$165bn in construction, \$45bn in mining and \$40bn in services

Strategic acquisition of services company UGL

- ✓ Strengthened balance sheet supports investments in strategic growth opportunities such as UGL and Sedgman
- ✓ UGL acquisition expands the Group's services capabilities and provides platform for additional growth
- ✓ Incorporation of UGL increases Group WIH by \$4.9bn¹², of which over 75% is recurring in nature

FY17 NPAT guidance in the range of \$640m-\$700m, or +10% to +21% yoy, subject to market conditions

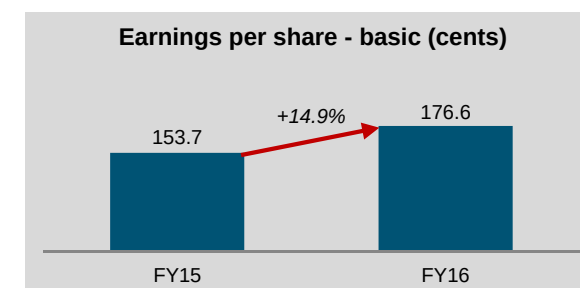
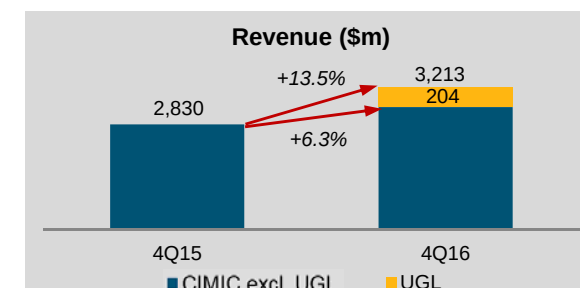
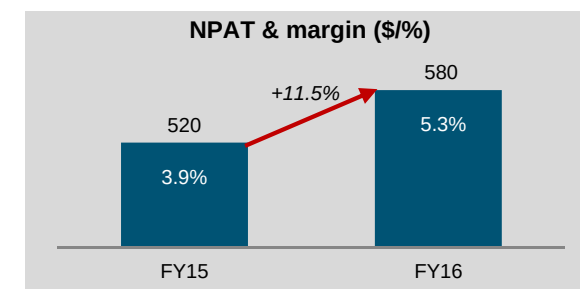
- ✓ Continue to further diversify by geography and commodity
- ✓ Maintain focus on sustainable cash-backed profits and risk management



Improving operating performance in 2016

- ✓ NPAT of \$580m up 11.5% yoy; margin up 140bp yoy to 5.3%
 - Negative one-offs mainly due to Devine and onerous leases (including 177 Pacific Highway¹³), offset by gains from Sedgman and Nextgen, refer appendices
- ✓ Positive revenue trend, up 13.5%, (6.3% excl. UGL) in 4Q16 yoy, driven by infrastructure and mining
- ✓ Net finance costs reduced by \$86m yoy to \$18m in FY16
- ✓ PBT margin of 6.8% up 130bp yoy, reflects cost control, lower finance costs and improved project delivery
- ✓ EPS up 14.9% yoy (compared to NPAT up 11.5%) boosted by the benefits of the share buy-back

Financial performance (\$m)	FY15	FY16	Chg. %	4Q15	4Q16	Chg. %
Revenue	13,280.8	10,853.6	(18.3)%	2,830.6	3,212.8	13.5%
EBIT	838.9	758.4	(9.6)%	188.9	211.7	12.1%
EBIT margin	6.3%	7.0%	70bp	6.7%	6.6%	(10)bp
Net finance costs	(103.9)	(18.0)	(82.7)%	1.3	(9.0)	N/A
Profit before tax	735.0	740.4	0.7%	190.2	202.7	6.6%
PBT margin	5.5%	6.8%	130bp	6.7%	6.3%	(40)bp
Income tax ¹⁴	(220.6)	(188.0)	(14.8)%	(68.7)	(38.6)	(43.8)%
Non-controlling interests	6.0	27.9	365.0%	8.4	2.5	(70.2)%
NPAT	520.4	580.3	11.5%	129.9	166.6	28.3%
NPAT margin	3.9%	5.3%	140bp	4.6%	5.2%	60bp
Earnings per share (basic)	153.7c	176.6c	14.9%	38.4c	50.5c	31.5%



Strong cash flow generation

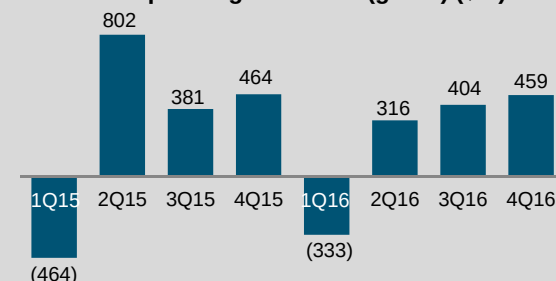
Cash flows from operating activities of \$1.2bn in FY16

- ✓ EBITDA conversion 110% in FY16 and 189% in 4Q16
- ✓ Net cash from operating activities up 4.3% in 4Q16 yoy to \$557m
- ✓ Free operating cash flow generation (gross) of \$459m in 4Q16 and \$847m in FY16
- ✓ Free operating cash flow generation (net) of \$494m in 4Q16 and \$945m in FY16
- ✓ Focus remains on working capital management and cash flow generation

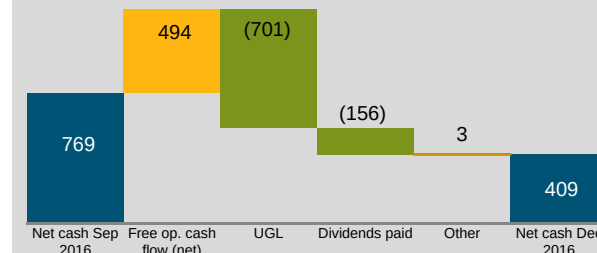
EBITDA conversion (\$m)	FY15	1Q16	2Q16	3Q16	4Q16	FY16
Cash flows from operating activities (a)	1,919.6	(238.2)	335.5	532.9	571.2	1,201.4
EBITDA (b)	1,382.7	269.7	245.5	277.8	302.8	1,095.8
EBITDA conversion (a)/(b)	139%	(88)%	137%	192%	189%	110%

Cash flows (\$m)	4Q15	FY15	1Q16	2Q16	3Q16	4Q16	FY16
Cash flows from operating activities	569.6	1,919.6	(238.2)	335.5	532.9	571.2	1,201.4
Interest, finance costs, taxes and dividends received	(35.9)	(469.4)	(50.1)	27.0	(36.7)	(14.6)	(74.4)
Net cash from operating activities	533.7	1,450.2	(288.3)	362.5	496.2	556.6	1,127.0
Gross capital expenditure ¹⁵	(69.7)	(266.3)	(44.6)	(46.1)	(92.2)	(97.3)	(280.2)
Free operating cash flow (gross)¹⁶	464.0	1,183.9	(332.9)	316.4	404.0	459.3	846.8
Gross capital proceeds	121.1	156.2	14.1	15.9	33.3	34.5	97.8
Free operating cash flow (net)¹⁷	585.1	1,340.1	(318.8)	332.3	437.3	493.8	944.6

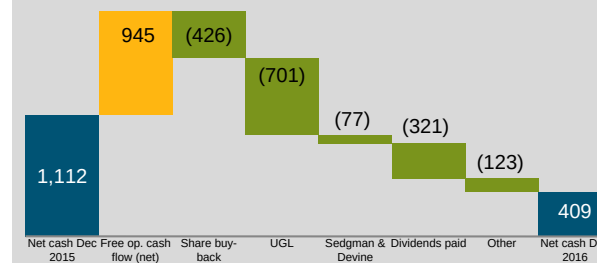
Free operating cash flow (gross) (\$m)



Movement in net cash / (net debt) (\$m) – 4Q16



Movement in net cash / (net debt) (\$m) – FY16



Strong balance sheet

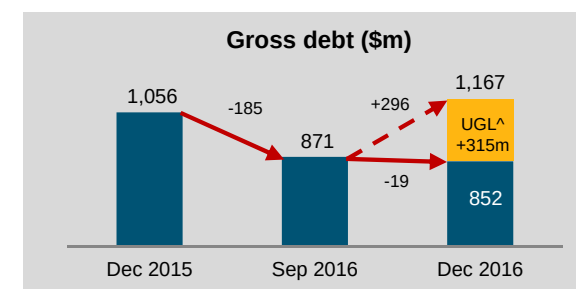
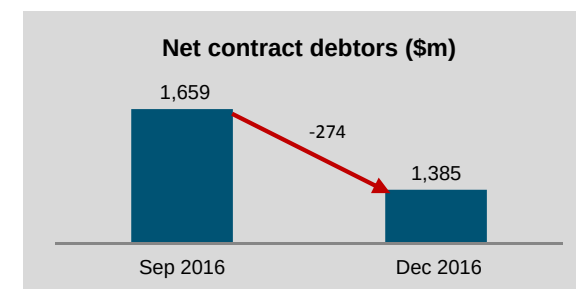
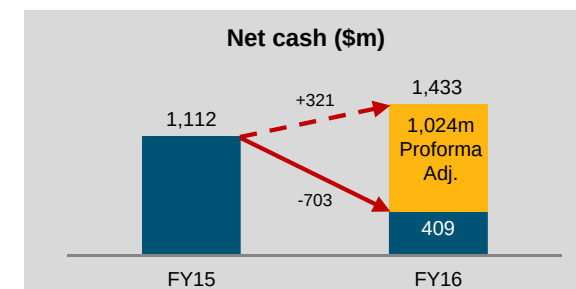
Net cash \$409m after net investments of \$1.0bn

- ✓ Net cash at 31 December 2016 of \$409m would have been approximately \$1.4bn, if adjusted for the share buy-back and the net impact of investments in UGL, Sedgman, Devine and the Nextgen divestment
- ✓ \$1.7bn of liquidity from undrawn debt facilities at end December 2016
- ✓ FY16 average cost of debt of 5.5% impacted by the relatively high cost of US bonds and finance leases
- ✓ Net contract debtors down \$274m since September 2016 to \$1.4bn (\$1.5bn December 2015); \$675m contract debtors portfolio provision unchanged

Balance sheet (\$m)	Dec 2015	Mar 2016	Jun 2016	Sep 2016	Dec 2016
Net cash/(debt)	1,111.5	441.8	534.6	769.2	409.3
Operating leases	(583.4)	(547.3)	(523.0)	(472.9)	(466.9)
Net cash/(debt) (incl. op. leases)	528.1	(105.5)	11.6	296.3	(57.6)
Net contract debtors	1,499.2	1,775.7	1,871.9	1,659.0	1,384.6

Finance cost detail (\$m)	FY15	FY16
Debt interest expenses	(152.7)	(67.1)
Facility fees ¹⁸ , bonding and other costs	(41.1)	(24.4)
Total finance costs	(193.8)	(91.5)
Interest income	89.9	73.5
Net finance costs	(103.9)	(18.0)

Average cost of debt calculation (\$m)	FY16
Debt interest expenses (a)	(67.1)
Gross debt ¹⁹ at December 2016	1,167.2
Gross debt FY16 average (b)	1,224.0
Average cost of debt FY16 $\frac{-a}{b}$	5.5%



[^]UGL debt acquired at acquisition on 24 November 2016

Expanding service capabilities through acquisition of UGL



- ✓ Leading provider of end-to-end engineering and maintenance services in core sectors of rail, transport and communication systems, oil and gas, power, resources, water and defence
- ✓ More than 6,800 employees across Australia, New Zealand and South East Asia
- ✓ WIH of \$4.9bn of which over 75% is recurring in nature
- ✓ FY16 contribution of \$204.2m revenue and \$5.3m NPAT (from 24 November 2016)
- ✓ Significant opportunities to extend services across CIMIC Group operations given complementary capabilities
- ✓ Strong growth expected in services particularly in road and rail infrastructure, oil and gas, water, defence and renewable energy (\$20bn pipeline in 2017)

Divisions	Sectors	Capabilities	Selected Clients
Rail & Defence	- Passenger Rail - Freight Rail - Supply Chain Logistics - Component Overhauls - Naval Defence	- Metro network operations - Passenger and freight build and maintenance - Supply chain services - Component manufacture - Naval ship maintenance	- Sydney Trains - Transport for NSW - Metro Trains Melbourne - Pacific National - Department of Defence
Asset Services	- LNG - Oil and gas - Power - Minerals	- Alumina - Chemicals - Ports - Maintenance - Shutdowns - Turnarounds	- BP - Chevron - Woodside - Stanwell - APLNG - GLNG - Esso
Technology Systems	- Road tunnels - Rail Infrastructure - Wireless communications	- Road tunnel signaling and communications systems - Rail signaling and control systems - Wireless communication systems	Transport for NSW
Engineering & Construction	- Power - Water - Renewable energy - Resources	Delivery of projects in the power, water, renewable energy and resources sectors	- Melbourne Water - Genex - Shoalhaven City Council - Mercury
Major Projects	LNG	Ichthys structural, mechanical and piping project (Mech-1)	JKC Australia LNG
Asia	- Water - Oil and gas - Specialised mechanical and electrical	- Delivery of projects in the water, oil & gas pipelines and specialised mechanical & electrical works - Maintenance services	First Solar

Solid WIH and project pipeline

WIH at \$34.0bn up 17.3% boosted by \$4.9bn from UGL

- ✓ WIH in construction up 4.1% on December 2015
- ✓ WIH in mining & mineral processing up 4.4% on December 2015
- ✓ WIH in services of \$4.9bn
- ✓ Several major 4Q16 contract wins, domestically and internationally for example:
 - Expansion and extension at the Melak coal mine in Indonesia
 - Diamond mining contract in Botswana
 - EPC, operations and maintenance of phase one Genex solar project at Kidston, North Queensland
 - Design, construct and operate a nutrient removal plant at Melbourne Water's Western Treatment Plant
 - Construction of Al Muthaidah Towers in Qatar (HLG)

Solid pipeline, both short and longer-term in CIMIC's markets

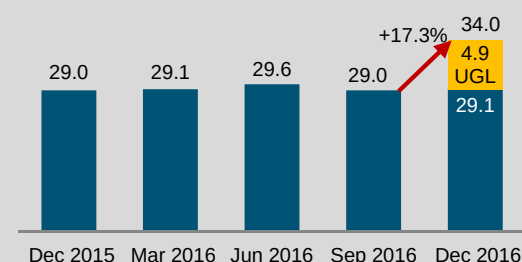
- ✓ CIMIC has been shortlisted for several large projects including:
 - Melbourne Metro Rail Link Projects
 - Sydney Metro – TSE (Tunnels and Station Excavation works)
 - Selected projects under Western Sydney Roads Upgrade Program
- ✓ Around \$100bn of tenders, relevant to CIMIC, have been identified for 2017 (of which 69% is in Australia and New Zealand), \$55bn in construction, \$25bn in mining and \$20bn in services
- ✓ In the order of \$250bn of projects coming to the market in 2018 and beyond (of which 60% is in Australia and New Zealand), \$165bn in construction, \$45bn in mining and \$40bn in services
- ✓ Good level of project opportunities in CIMIC's markets as a result of infrastructure investment

Pursuing major domestic and international tenders such as:

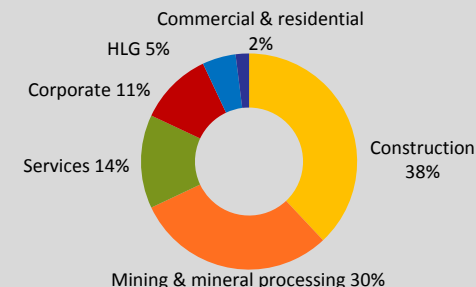
- Parramatta Light Rail in NSW and Perth MAX Light Rail in Western Australia
- Metro Trains Melbourne operations and maintenance extension in Victoria
- Canberra Hospital Redevelopment in the Australian Capital Territory
- Western Distributor in Melbourne
- Central Kowloon Route - Kai Tak West and T2 Foundation and Substructure Airport in Hong Kong
- Sydney Metro City and Southwest Augmentation in New South Wales
- North South Corridor - N105 in Singapore
- Crowsnest coal consortium project in Canada
- Esperanza Sur project in Chile

Work in hand (\$m) ²⁰	Dec 15	Dec 16	Chg. % yoy
Construction	12,448.1	12,959.0	4.1%
Mining & mineral processing	9,600.0	10,025.4	4.4%
Services (UGL)	-	4,926.3	-
HLG	2,404.6	1,798.1	(25.2)%
Commercial & Residential	1,427.6	724.2	(49.3)%
Corporate	3,125.1	3,579.0	14.5%
Total work in hand	29,004.4	34,012.0	17.3%

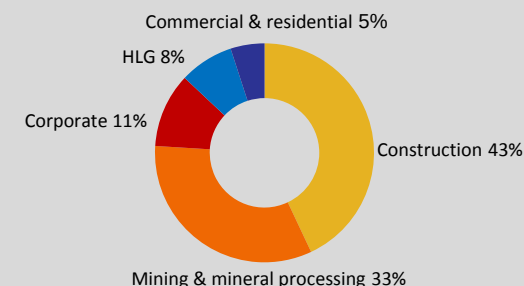
Work in hand (\$bn)



Work in hand Dec 16



Work in hand Dec 15



Guidance and shareholder returns

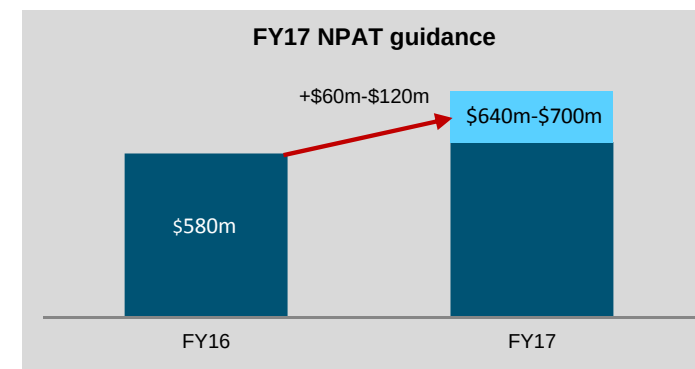
FY17 NPAT guidance in the range of \$640m-\$700m, or +10% to +21% yoy, subject to market conditions

✓ Strategic focus for FY17

- Solid basis for future growth based on transformation process
- Strategic acquisitions (UGL, Sedgman) provide platform for expansion
- UGL strategic review underway
- Focus on risk management and sustainable cash-backed profits unchanged

✓ Mergers and acquisitions

- On 24 January 2017, CIMIC announced an offer to acquire the shares in Macmahon that it did not already own through an all cash off-market takeover offer. CIMIC has been an investor in Macmahon since June 2007 and owns 22.98%²¹ of Macmahon as at 7 February 2017



Delivery of strong shareholder returns

Strong share price performance

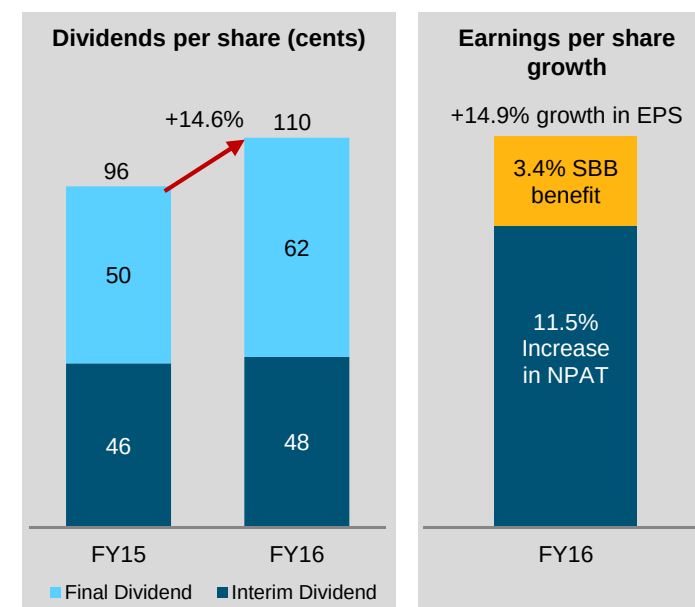
- ✓ CIMIC's shares closed 2016 at \$34.94 up 43.8% or \$10.64 per share yoy
- ✓ CIMIC delivered a total shareholder return of 48%

Dividend

- ✓ Interim ordinary dividend for the 2016 year of 48 cents per share (\$156m), franked at 100%, paid on 5 October 2016
- ✓ Final ordinary dividend for the 2016 year of 62 cents per share (\$201m), franked at 100%, will be paid on 4 July 2017

Share buy-back

- ✓ As at 31 December 2016, 14,249,466 shares (representing 4.2% of total CIMIC shares outstanding before the start of the share buy-back) had been bought and cancelled back for \$425.9m (an average price of \$29.89 per share)
- ✓ A further on-market share buy-back commenced in December 2016



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

²\$9.0m net negative impact of one-offs post tax, consists of Nextgen of \$52.5m; Sedgman gain \$32.6m; onerous leases (incl. 177 Pacific Highway) \$(46.8)m; Devine and other \$(47.3)m

³\$425.9m invested in share buy-back during 2016, as at 31 December 2016, 14,249,466 shares (representing 4.2% of total CIMIC shares outstanding) had been bought back. Shares subject to buy-back are cancelled

⁴Cash flows from operating activities before interest, finance costs, taxes and dividends received

⁵Excluding operating leases

⁶Share buy-back program (\$425.9m); the net impact of the purchase of UGL of \$701.4m; the net impact of the purchase of shares in Sedgman and Devine of \$76.9m; and Nextgen proceeds of \$180.8m

⁷UGL consolidated from 24 November 2016

⁸Net finance costs include interest income and finance costs

⁹Net contract debtors represents the net of amounts due from customers and amounts due to customers

¹⁰Revenue excludes revenue from joint ventures and associates and interest income

¹¹WIH includes CIMIC's share of work in hand from UGL, joint ventures and associates

¹²UGL work in hand is \$4.9bn as at 31 December 2016. As at acquisition on 24 November 2016, it was \$5.1bn

¹³From 1 October 2016, CIMIC has moved to its new head office at 177 Pacific Highway North Sydney, a project developed by Leighton Properties and built by CPB. The fit-out of the new office is included in the gross capital expenditure number. The sub-lease of excess office space generated a negative one-off charge

¹⁴Lower FY16 tax rate, 25.4% vs 30.0% in FY15. The effective tax rate of 25.4% was largely impacted by refunds on overpayment of income taxes in prior years relating to the divestment of the John Holland and Ventia businesses; a conservative approach was taken to estimating taxes due on these divestments. Also impacting the effective tax rate are income tax differentials relating to profits and losses from the various jurisdictions in which the Group operates

¹⁵Gross capital expenditure is payments for property, plant and equipment. 2016 figure includes job costed tunneling machines and the fit-out of 177 Pacific Highway

¹⁶Free operating cash flow (gross) is defined as net cash from operating activities less gross capital expenditure

¹⁷Free operating cash flow (net) is free operating cash flow (gross) plus gross capital proceeds

¹⁸Relates to the \$1.7bn of working capital facilities of which \$nil is drawn at 31 December 2016

¹⁹Total interest bearing liabilities

²⁰WIH includes the full consolidation of Sedgman and the FY15 comparable figures have been restated, with Sedgman's WIH reallocated from the Corporate segment to an expanded segment: Mining & mineral processing

²¹Shareholding as disclosed in the Bidder's Statement for the off-market bid by CIMIC Group Investments Pty Limited (CGI) for Macmahon Holdings Limited

Definitions

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

✓ EBIT - Earnings before net finance costs and tax

✓ EBITDA - Earnings before net finance costs, tax, depreciation and amortisation

✓ LTM - Last 12 months

✓ NPAT - Net profit after tax

✓ PBT - Profit before tax

✓ BP - Basis points

✓ SBB - Share buy-back

✓ EPC - Engineering, procurement and construction

✓ YOY - Year on year

✓ QOQ - Quarter on quarter

✓ WIH - Work in hand

✓ H1 - First half

✓ H2 - Second half

✓ EPS - Earnings per share (basic)

✓ DPS - Dividend per share

✓ m - million

✓ bn - billion

APPENDICES



Segment results



Revenue (\$m)	FY15	FY16	Chg. \$	Chg. %
Construction	9,319.9	7,316.8	(2,003.1)	(21.5%)
Mining & mineral processing	2,882.8	2,786.2	(96.6)	(3.4%)
Services	-	204.2	204.2	-
Commercial & residential	987.5	439.8	(547.7)	(55.5%)
Corporate	90.6	106.6	16.0	17.7%
Revenue	13,280.8	10,853.6	(2,427.2)	(18.3%)
Revenue joint ventures and associates	2,848.0	2,680.9	(167.1)	(5.9%)
Group Revenue	16,128.8	13,534.5	(2,594.3)	(16.1%)

PBT (\$m)	FY15	FY16	Chg. \$	Chg. %
Construction	649.2	595.5	(53.7)	(8.3)%
Mining & mineral processing	232.3	275.6	43.3	18.6%
Services	-	8.6	8.6	-
HLG	17.9	29.4	11.5	64.2%
Commercial & residential	70.5	(74.7)	(145.2)	(206.0)%
Corporate	(234.9)	(94.0)	140.9	(60.0)%
PBT	735.0	740.4	5.4	0.7%

PBT margins (%)	FY15	FY16	Chg.
Construction	7.0%	8.1%	110bp
Mining & mineral processing	8.1%	9.9%	180bp

Segment results

- ✓ **Construction** margins have again increased, through the continued transformation of business culture, including an improved risk management and bidding approach, with stricter criteria for the on-boarding of projects. Construction PBT was \$595.5m for FY16, a decrease of 8.3% or \$53.7m, compared with the 21.5% reduction in revenue
- ✓ **Mining & mineral processing** increased its contribution with expanded margin as a result of CIMIC's strategy to diversify by commodity and geography, achieved in part through the further expansion into North and South American markets and the acquisition of Sedgman. Mining & mineral processing PBT was \$275.6m for FY16, an increase of 18.6%, or \$43.3m
- ✓ **HLG** PBT was \$29.4m for FY16
- ✓ **Commercial & residential** PBT was a \$74.7m loss for FY16, a decrease of \$145.2m. The decrease was partly a result of Devine undertaking a strategic review of its business, as well as a significant contribution from property development sales in FY15
- ✓ **Corporate** PBT was a \$94.0m loss for FY16, a decrease of 60.0%, or \$140.9m. Corporate PBT significantly improved due to reduced finances costs, and an increased contribution from associates and joint ventures. One-off gains from the acquisition of Sedgman and the divestment of Nextgen were partly offset by the onerous leases (incl. 177 Pacific Highway North Sydney lease)

One-off items – FY16

Detail (\$m)	NPAT
Nextgen	52.5
Sedgman gain	32.6
Onerous leases – Corporate (incl. 177 Pacific Highway)	(46.8)
Devine & other	(47.3)
Subtotal one-off adjustments	(9.0)

Financial highlights



Key figures (\$m)	FY15	FY16	Chg. \$	Chg. %	4Q15	4Q16	Chg. \$	Chg. %
Financial Performance								
Revenue	13,280.8	10,853.6	(2,427.2)	(18.3)%	2,830.6	3,212.8	382.2	13.5%
EBIT	838.9	758.4	(80.5)	(9.6)%	188.9	211.7	22.8	12.1%
EBIT margin	6.3%	7.0%		70bp	6.7%	6.6%		(10)bp
Profit before tax	735.0	740.4	5.4	0.7%	190.2	202.7	12.5	6.6%
PBT margin	5.5%	6.8%		130bp	6.7%	6.3%		(40)bp
NPAT	520.4	580.3	59.9	11.5%	129.9	166.6	36.7	28.3%
NPAT margin	3.9%	5.3%		140bp	4.6%	5.2%		60bp
Earnings per share (basic)	153.7c	176.6c	22.9c	14.9%	38.4c	50.5c	12.1c	31.5%
Cash flow Statement								
Net cash from operating activities	1,450.2	1,127.0	(323.2)	(22.3)%	533.7	556.6	22.9	4.3%
Gross capital expenditure	(266.3)	(280.2)	(13.9)	5.2%	(69.7)	(97.3)	(27.6)	39.6%
Free operating cash flows	1,183.9	846.8	(337.1)	(28.5)%	464.0	459.3	(4.7)	(1.0)%
Financial Position								
Net cash/(debt)	1,111.5	409.3	(702.2)	(63.2)%	N/A	N/A	N/A	N/A
Operating leases	(583.4)	(466.9)	116.5	(20.0)%	N/A	N/A	N/A	N/A
Net cash/(debt) including operating leases	528.1	(57.6)	(585.7)	(110.9)%	N/A	N/A	N/A	N/A
Gearing	(14.7)%	1.7%		N/A	N/A	N/A	N/A	N/A
Net contract debtors	1,499.2	1,384.6	(114.6)	(7.6%)	N/A	N/A	N/A	N/A
Work in Hand								
Opening work in hand	31,001.8	29,004.4	(1,997.4)	(6.4)%	29,501.5	29,009.5	(492.0)	(1.7)%
New work	14,131.4	13,433.1	(698.3)	(4.9)%	2,941.6	3,775.9	834.3	28.4%
Acquisition work in hand (UGL)	-	5,109.0	5,109.0	-	-	5,109.0	5,109.0	-
Executed work	(16,128.8)	(13,534.5)	2,594.3	(16.1)%	(3,438.7)	(3,882.4)	(443.7)	12.9%
Total work in hand	29,004.4	34,012.0	5,007.6	17.3%	29,004.4	34,012.0	5,007.6	17.3%

Statement of financial performance



Key figures (\$m)	FY15	FY16	Chg. \$	Chg. %	4Q15	4Q16	Chg. \$	Chg. %
Group revenue	16,128.8	13,534.5	(2,594.3)	(16.1)%	3,438.8	3,882.4	443.6	12.9%
Revenue - joint ventures and associates	(2,848.0)	(2,680.9)	167.1	(5.9)%	(608.2)	(669.6)	(61.4)	10.0%
Revenue	13,280.8	10,853.6	(2,427.2)	(18.3)%	2,830.6	3,212.8	382.2	13.5%
Expenses	(12,427.4)	(10,051.2)	2,376.2	(19.1)%	(2,612.0)	(2,920.8)	(308.8)	11.8%
Share of profit/(loss) of joint ventures and associates	(14.5)	(44.0)	(29.5)	203.4%	(29.7)	(80.3)	(50.6)	170.4%
EBIT	838.9	758.4	(80.5)	(9.6)%	188.9	211.7	22.8	12.1%
EBIT margin	6.3%	7.0%	70bp		6.7%	6.6%	(10)bp	
Net finance costs	(103.9)	(18.0)	85.9	(82.7)%	1.3	(9.0)	(10.3)	(792.3)%
Profit before tax	735.0	740.4	5.4	0.7%	190.2	202.7	12.5	6.6%
PBT margin	5.5%	6.8%	130bp		6.7%	6.3%	(40)bp	
Income tax	(220.6)	(188.0)	32.6	(14.8)%	(68.7)	(38.6)	30.1	(43.8)%
Profit for the year	514.4	552.4	38.0	7.4%	121.5	164.1	42.6	35.1%
Non-controlling interests	6.0	27.9	21.9	365.0%	8.4	2.5	(5.9)	(70.2)%
NPAT	520.4	580.3	59.9	11.5%	129.9	166.6	36.7	28.3%
NPAT margin	3.9%	5.3%	140bp		4.6%	5.2%	60bp	
Earnings per share (basic)	153.7c	176.6c	22.9c	14.9%	38.4c	50.5c	12.1	31.5%

Statement of financial position - assets



Assets (\$m)	Dec 2015	Dec 2016	Chg. \$	Chg. %	Composition
Current assets					Current assets:
Cash and cash equivalents	2,167.8	1,576.5	(591.3)	(27.3)%	✓ Cash and cash equivalents: Net cash at 31 December 2016 would have been \$1.4bn if adjusted for the share buy-back, the net impact of the investments in UGL, Sedgman and Devine, and the Nextgen divestment
Trade and other receivables	2,659.6	3,209.6	550.0	20.7%	✓ Trade and other receivables: Includes amounts due from customers, sundry debtors, joint venture working capital and other receivables
Current tax assets	26.6	28.0	1.4	5.3%	✓ Inventories: consumables and development properties: Includes consumables and commercial & residential assets
Inventories: consumables and development properties	264.0	213.0	(51.0)	(19.3)%	
Assets held for sale	235.8	47.7	(188.1)	(79.8)%	
Total current assets	5,353.8	5,074.8	(279.0)	(5.2)%	
Non-current assets					Non-current assets:
Trade and other receivables	889.2	1,235.8	346.6	39.0%	✓ Trade and other receivables: Includes loans receivable from HLG
Inventories: development properties	275.3	166.9	(108.4)	(39.4)%	✓ Investment accounted for using the equity method: Includes HLG and Ventia. Nextgen disposed of in FY16
Investments accounted for using the equity method	1,073.1	616.5	(456.6)	(42.5)%	✓ Intangibles: Includes goodwill of \$481m and intangibles \$71m from the UGL acquisition
Other investments	125.7	135.4	9.7	7.7%	
Deferred tax assets	119.5	310.1	190.6	159.5%	
Property, plant and equipment	1,312.8	1,355.7	42.9	3.3%	
Intangibles	527.4	1,125.9	598.5	113.5%	
Total non-current assets	4,323.0	4,946.3	623.3	14.4%	
Total Assets	9,676.8	10,021.1	344.3	3.6%	

Statement of financial position – liabilities



Liabilities and equity (\$m)	Dec 2015	Dec 2016	Chg. \$	Chg. %	Composition
Current liabilities					Current and non-current liabilities: ✓ Trade and other payables: Includes amounts due to customers. Also includes trade creditors, joint venture payables, and other creditors ✓ Provisions: Provision for employee benefits relates to wages and salaries, annual leave, long service leave, retirement benefits and deferred bonuses ✓ Interest bearing liabilities: Includes AUD and USD denominated debt. The increase is a result of consolidating UGL's interest bearing liabilities and foreign exchange impacts. This has been offset by the repayment of finance leases during the course of the year
Trade and other payables	3,675.7	4,721.1	1,045.4	28.4%	
Current tax liabilities	81.3	126.6	45.3	55.7%	
Provisions	283.4	333.3	49.9	17.6%	
Interest bearing liabilities	217.4	618.2	400.8	184.4%	
Liabilities associated with assets held for sale	48.7	-	(48.7)	(100.0)%	
Total current liabilities	4,306.5	5,799.2	1,492.7	34.7%	
Non-current liabilities					
Trade and other payables	331.6	287.0	(44.6)	(13.4)%	
Provisions	84.5	73.5	(11.0)	(13.0)%	
Interest bearing liabilities	838.9	549.0	(289.9)	(34.6)%	
Total non-current liabilities	1,255.0	909.5	(345.5)	(27.5)%	
Total Liabilities	5,561.5	6,708.7	1,147.2	20.6%	

Cash flows



Key figures (\$m)	FY15	FY16	Chg. \$	Chg. %
Cash flows from operating activities	1,919.6	1,201.4	(718.2)	(37.4)%
Dividends, interest, finance costs and income taxes	(469.4)	(74.4)	395.0	(84.1)%
Net cash from operating activities	1,450.2	1,127.0	(323.2)	(22.3)%
Payments for intangibles	(15.2)	(14.7)	0.5	(3.3)%
Payments for property, plant and equipment	(266.3)	(280.2)	(13.9)	5.2%
Proceeds from sale of property, plant and equipment	156.2	97.8	(58.4)	(37.4)%
Proceeds from divestments	1,671.0	180.8	(1,490.2)	(89.2)%
Cash acquired on business combinations	-	244.4	244.4	100.0%
Income tax paid on divestments	(263.0)	(32.0)	231.0	(87.8)%
Payments for investments	(35.1)	(325.1)	(290.0)	826.2%
Loan to associates and joint ventures	-	(152.7)	(152.7)	(100.0)%
Cash flows from investing activities	1,247.6	(281.7)	(1,529.3)	(122.6)%
Share buy-back payments	-	(425.9)	(425.9)	(100.0)%
Net proceeds/(repayments) of borrowings	(2,044.2)	0.3	2,044.5	(100.0)%
Repayment of finance leases	(124.7)	(276.9)	(152.2)	122.0%
Dividends paid to shareholders of the company	(385.9)	(320.5)	65.4	(16.9)%
Dividends paid to non-controlling interests	-	(12.6)	(12.6)	(100.0)%
Payments to acquire non-controlling interest	-	(389.0)	(389.0)	(100.0)%
Cash payments in relation to employee share plans	(4.1)	(18.8)	(14.7)	358.5%
Cash flows from financing activities	(2,558.9)	(1,443.4)	1,115.5	(43.6)%

Financial performance – HLG Segment [#] (\$m)	FY15	FY16
Revenue	1,159.5	1,227.1
PBT	17.9	29.4
WIH	2,404	1,798

Balance Sheet & Inv. (\$m)	FY15	FY16
Carrying value of investment*	445	367
Trade and other receivables from HLG	843	1,043
Total	1,288	1,410

*Including FX effects

[#]Per HLG segment which includes CIMIC's 45% equity accounted share of HLG Contracting

HLG – FY 2016 Overview

New shareholding structure

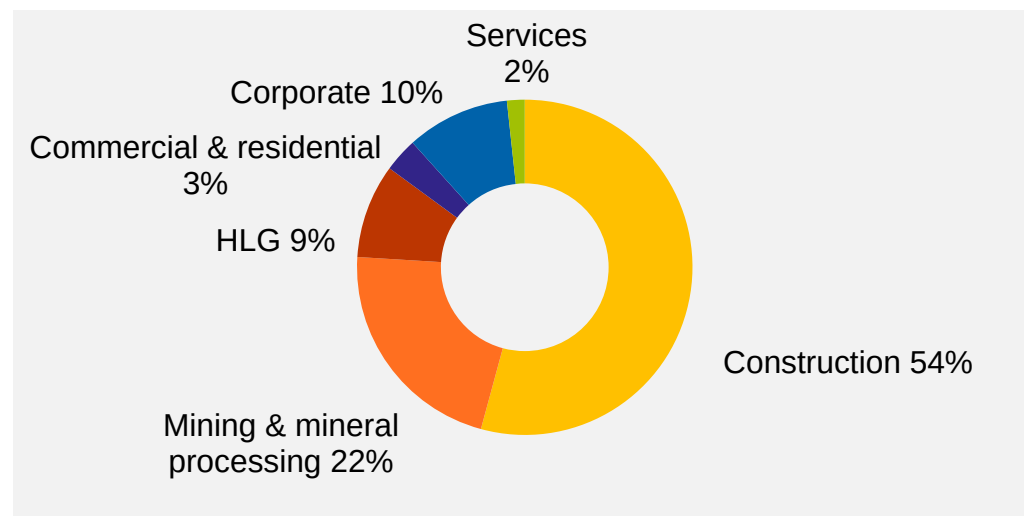
- ✓ HLG's new shareholder structure was implemented in November 2016
 - CIMIC's shareholding remains unchanged at 45%
 - Existing shareholder now owns 55% of HLG
- ✓ As part of this transaction CIMIC acquired:
 - A \$37.8m loan from Al Habtoor Holding LLC (the selling shareholder)
 - A call option for the 55% of shares it does not already own in HLG
 - This call option has a fair value of \$75m which resulted in a one off gain for that amount
 - In addition, CIMIC injected additional working capital of \$114.9m into HLG and assumed certain performance bonds and obligations from the other shareholders

Strategic review ongoing

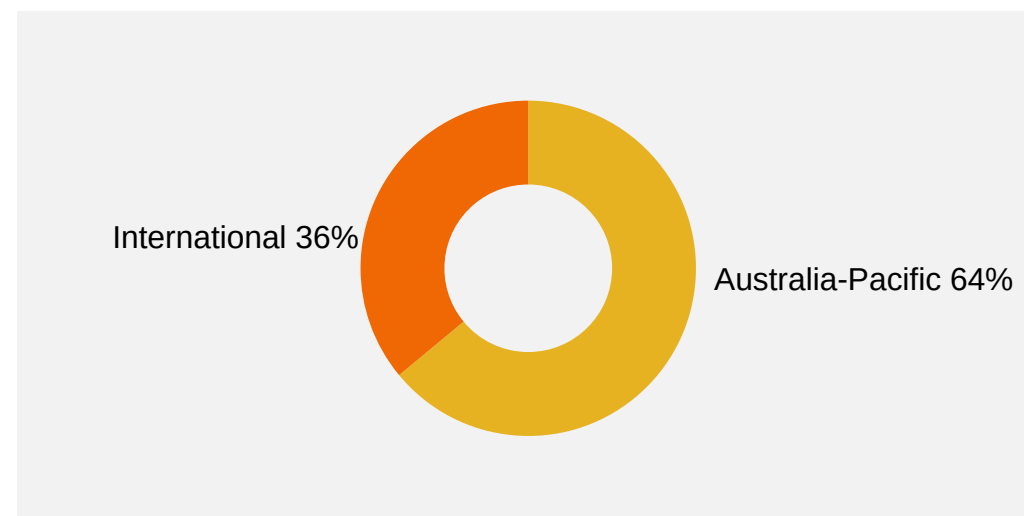
- ✓ Operational and business strategic review ongoing, with the support of CIMIC
- ✓ Management team reinforced (new CEO, CFO)
- ✓ Seeking to improve efficiencies within the business leveraging CIMIC's technical and operational expertise
- ✓ Name changed to HLG Contracting LLC from Al Habtoor Leighton LLC
- ✓ As part of the strategic review, the new management team is committed to resolving legacy issues within the business.
 - As such CIMIC raised an \$85m provision created against legacy receivables reflecting the expected recoverability of the receivables outstanding

Group Revenue by activities and markets

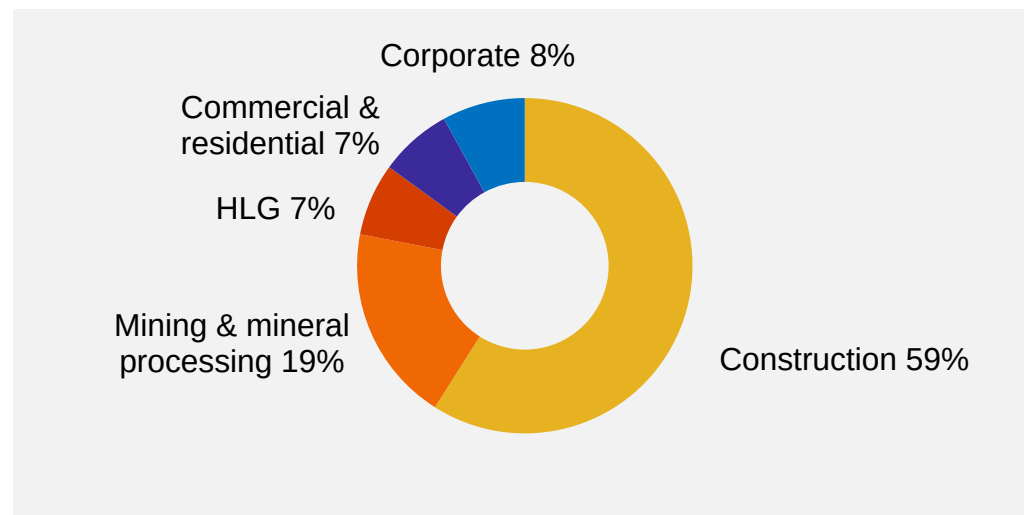
% BY ACTIVITY (FY16)



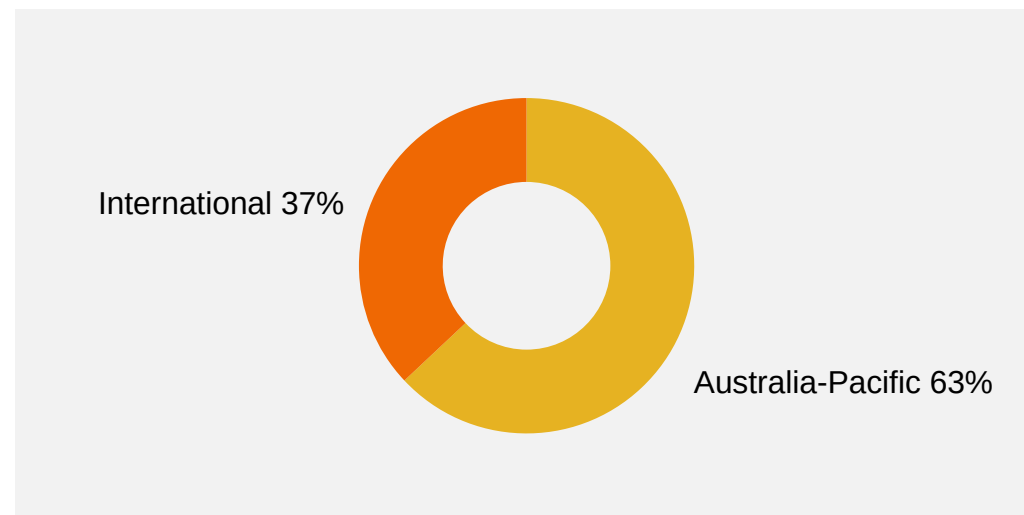
% BY MARKET (FY16)



% BY ACTIVITY (FY15)

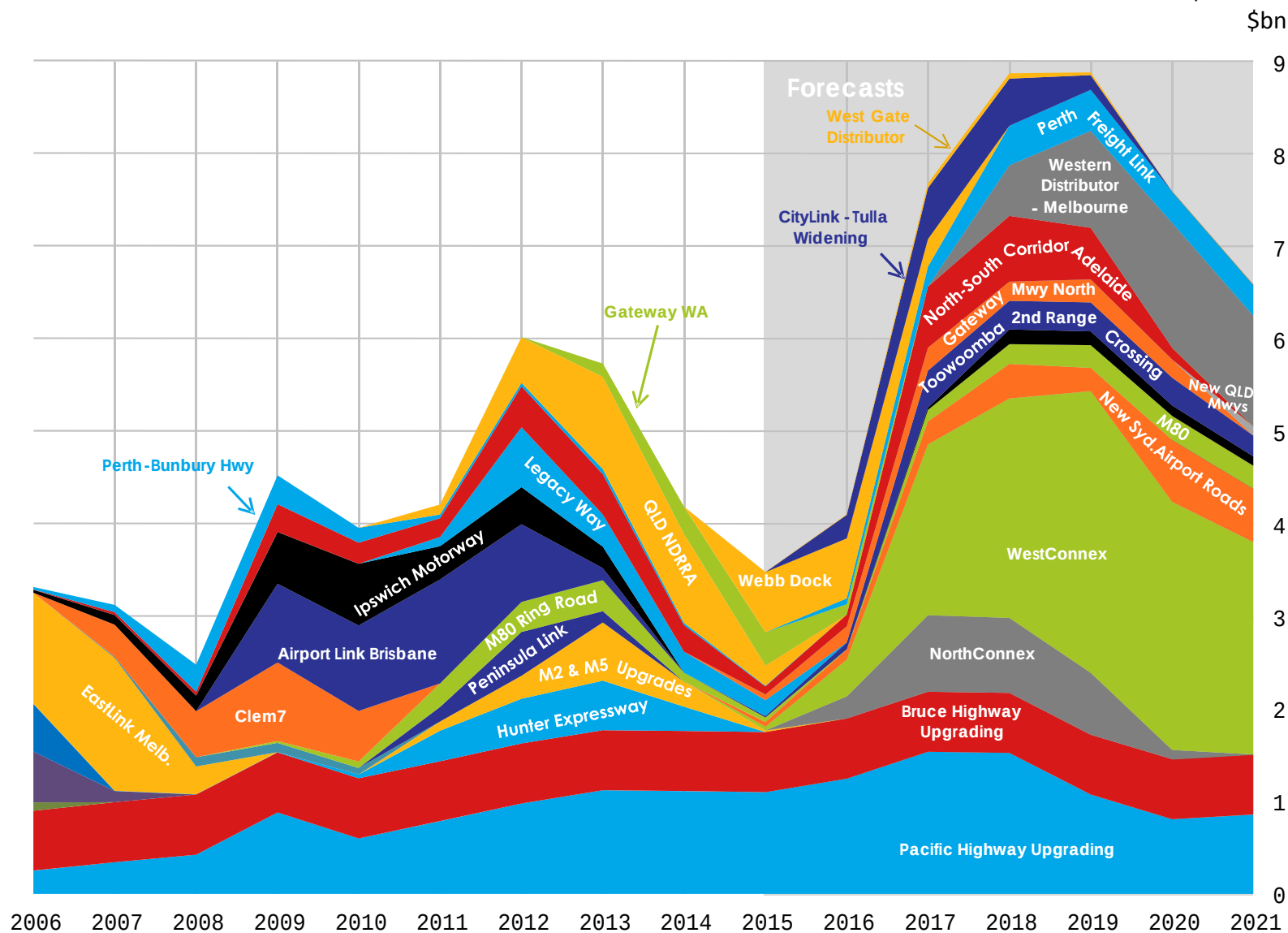


% BY MARKET (FY15)



Australian construction outlook - Roads

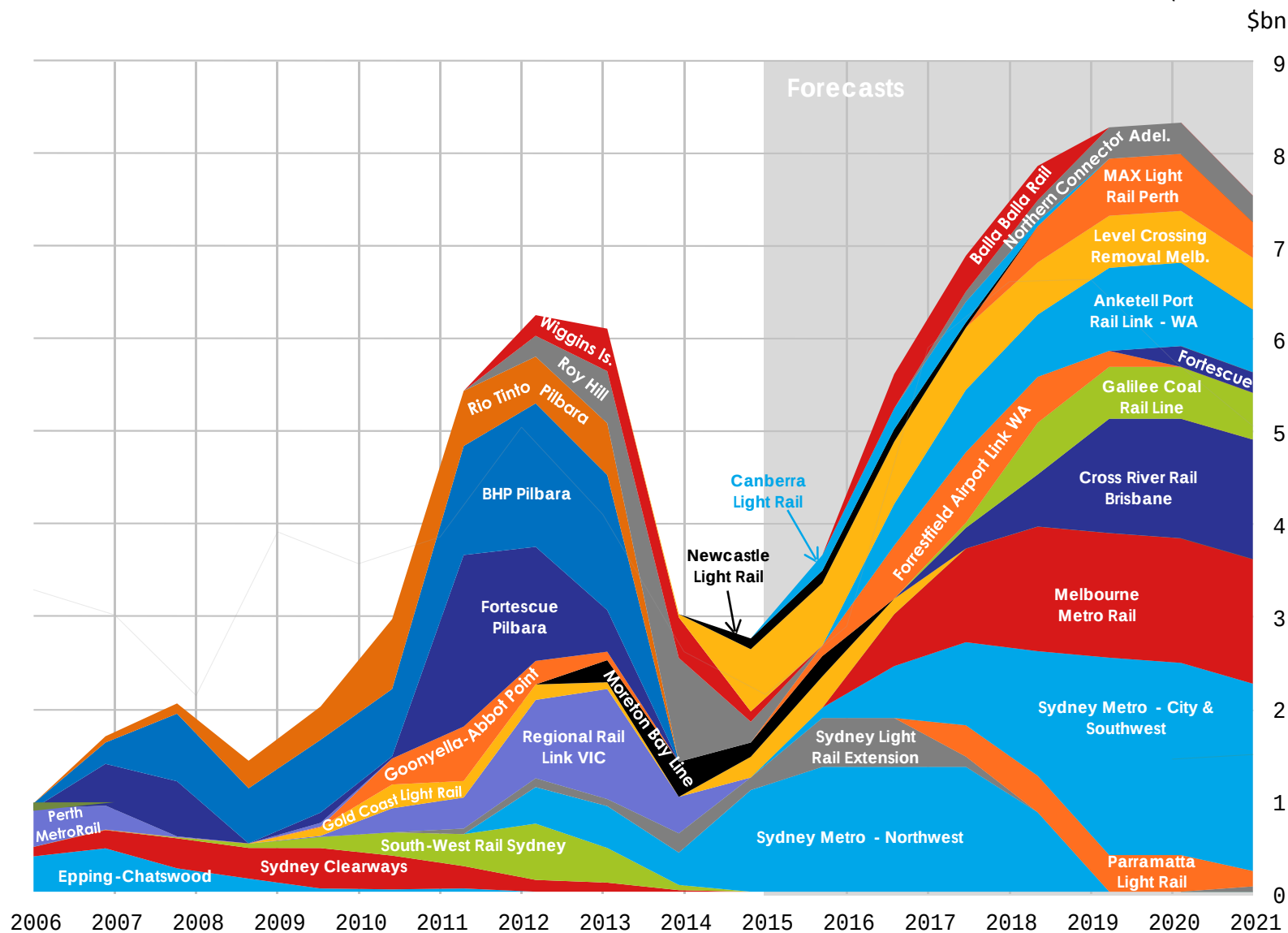
MAJOR AUSTRALIAN ROAD CONSTRUCTION PROJECTS – VALUE OF WORK DONE BY YEAR (YEARS ENDED JUNE)



Source: Macromonitor – September 2016

Australian construction outlook – Rail

MAJOR AUSTRALIAN RAIL CONSTRUCTION PROJECTS – VALUE OF WORK DONE BY YEAR (YEARS ENDED JUNE)



Source: Macromonitor - September 2016



CIMIC Group (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 1934, 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 31 December 2016, employed approximately 50,500 people directly and through its investments.

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 design and construct, construct only, construction management, in Alliances and Joint Ventures, and Public Private Partnerships in conjunction with CIMIC Group's Pacific Partnerships.



The company combines the construction expertise and track record formerly delivered by Leighton Contractors and Thiess, two of Australasia's most successful contractors. CPB Contractors also includes the people and projects of **LEIGHTON ASIA**, the contractor behind some of Asia's most prestigious 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. The team understands the lifecycle of a mine 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.

From pre-feasibility and commissioning through to operations, Sedgman has completed more than 170 processing and handling projects 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 is a leading provider of end-to-end engineering, construction and maintenance services and is active across rail and transport, communications and technology systems, oil and gas, power and resources, water and defence markets. UGL partners with some of the world's largest blue-chip companies and government agencies, private enterprise and public institutions.

UGL's skilled workforce, expertise in project management and end-to-end engineering, is backed by a continuous focus on safety, innovation and improvement.

PUBLIC PRIVATE PARTNERSHIPS



PACIFIC PARTNERSHIPS is CIMIC Group's project finance arm. It is a leading developer of Public Private Partnerships and Build Own Operate Transfer projects.

Leveraging the financial strength and diverse capabilities of CIMIC Group, it offers clients seamless value for money solutions for the finance, design, construction, operations and maintenance of key infrastructure.

CIMIC has been responsible for the delivery of more than 20 PPPs with a market value of around \$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.

EIC Activities leads innovation. Partnering with tender and project teams across the transport, industrial and resources infrastructure and building sectors, it increases self performance and delivers competitive solutions that achieve significant safety, cost, time and productivity gains.

The map illustrates the global footprint of Thiess and its strategic partnerships. Key locations and associated logos include:

- Africa:** THIESS
- Asia:** THIESS, HLG (Abu Dhabi), UGL, CPB, Pacific Partnerships, Ventia, EIC, Sedgman
- Europe:** THIESS
- North America:** THIESS
- South America:** THIESS, SEDGMAN

F/X rates

End of the period	Dec 2015	Dec 2016	Chg. \$	Chg. %
AUD/USD	0.73	0.72	(0.01)	(1.4)%
AUD/EUR	0.67	0.68	0.01	1.5%
Period average	FY15	FY16	Chg. \$	Chg. %
AUD/USD	0.75	0.74	(0.01)	(1.3)%
AUD/EUR	0.67	0.67	0.0	0.0%

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