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CIMIC GROUP FY18 HIGHLIGHTS AND CHAIRMAN AND CEO'S AGM ADDRESS

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

Company Secretary

11 APRIL 2019**CIMIC 2019 AGM: STRONG PROFIT, CASH AND DIVIDEND PERFORMANCE IN 2018****SUSTAINED RETURNS AND A POSITIVE OUTLOOK****DIGITAL INNOVATION AND DEVELOPMENT CENTRE TO BE ESTABLISHED IN SYDNEY**

CIMIC Group Executive Chairman Marcelino Fernández Verdes said today that CIMIC was in an excellent position to deliver sustained shareholder returns, with a positive outlook across its core markets and a solid order book.

Speaking prior to the Group's 2019 Annual General Meeting in Sydney, Mr Fernández Verdes said: "CIMIC performed well during 2018, reaching the top end of our profit guidance range and substantially increasing cash flow and net cash.

"Our outlook is bright, underpinned by continued support for infrastructure projects from the government and private sectors, demand for public private partnerships, investment by the resources sector, and the transition to renewable energy sources.

"These factors are driving a range of opportunities that suit our expertise, and allow us to provide unique, integrated capabilities for our clients."

Mr Fernández Verdes announced a global initiative to drive digital transformation across CIMIC's activities, spearheaded by a new company, Nexpire.

Nexpire, a partnership of the CIMIC, Hochtief and ACS Groups, has established digital innovation and development centres in Frankfurt and Minneapolis, and will establish centres in Sydney and Madrid this year.

"Together, through Nexpire, these three companies will systematically realise the opportunities offered by new and emerging technologies, working as a digital transformation incubator and accelerator," Mr Fernández Verdes said.

"We'll develop solutions that optimise our operations, build new business models, and assist us to shape the future for our activities."

Addressing the meeting, CIMIC Group Chief Executive Officer Michael Wright said CIMIC had a robust level of work in hand and expected to achieve net profit after tax in the range of \$790 million to \$840 million in 2019, subject to market conditions.

"Since January this year, we have announced new projects worth more than \$6 billion," Mr Wright said.

"Last week, we were pleased to be advised of our preferred position on the two major packages for Brisbane's multi-billion dollar Cross River Rail – the Tunnel, Stations and Development PPP, and the Rail, Integration and Systems Alliance."

Cross River Rail is a collaborative result that draws together specialist skills across CPB Contractors, UGL and Pacific Partnerships, with the added support of EIC Activities.

For 2018, CIMIC reported net profit after tax at the top end of its guidance range and a strong balance sheet position.

Highlights of the 2018 result compared with 2017 included net profit after tax of \$781 million, up 11%, cash flow from operating activities¹ of \$1.9 billion, up 22%, and net cash of \$1.6 billion, up by more than \$700 million. Total dividends declared for 2018 were 156 cents per share, a 16% increase compared with 2017.

“We are well positioned for the future, with strong teams of committed, talented and passionate people, leveraging the unique offering we have in our markets,” Mr Wright said.

“We bring discipline and innovation to drive sustainable outcomes that benefit our clients, our people and our shareholders.”

Refer to the Annual General Meeting addresses by the Executive Chairman and Chief Executive Officer for further information. A webcast of the Meeting can be viewed at www.cimic.com.au.

ENDS

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CIMIC Group (ASX:CIM) is an engineering-led construction, mining, services and public private partnerships leader working across the lifecycle of assets, infrastructure and resources projects. CIMIC Group comprises our construction business CPB Contractors, including Leighton Asia and Broad, our mining and mineral processing companies Thiess and Sedgman, our services specialist UGL and our public private partnerships arm Pacific Partnerships – all supported by our in-house engineering consultancy 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 around 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.

¹ Cash flows from operating activities before interest, finance costs and taxes.

EXECUTIVE CHAIRMAN'S ADDRESS TO SHAREHOLDERS

A presentation to the 2019 Annual General Meeting of CIMIC Group Limited by the Executive Chairman, Mr Marcelino Fernández Verdes.

I want to take this opportunity to share with you the progress we have made during 2018 and address three important areas:

- shareholder returns;
- people and culture; and
- innovation and digitalisation.

Shareholder returns

Our aim at CIMIC Group is to deliver returns based on sustainable profits, backed by the generation of cash.

We achieved this again in 2018, delivering excellent returns for our shareholders.

Our net profit after tax was at the top end of our profit guidance range, increasing 11% on 2017 to \$781 million.

Revenue¹ was \$14.7 billion, with all of our Operating Companies recording growth.

Our margins² were stable, driven by a diligent focus on project delivery and cost discipline.

Cash flow from operating activities³ was strong, increasing 22% to \$1.9 billion, supported by our project performances, complemented by smart working capital management.

Our strong cash generation resulted in an increase in net cash of more than \$700 million, to \$1.6 billion as at December.

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

Gross debt is at the lowest level since 2007.

Reflecting these strong metrics, your Board declared a final dividend for 2018 of 86 cents per share, to be paid on 4 July this year and franked at 100%.

Total dividends declared for 2018 were 156 cents per share, a 16% increase compared with 2017.

¹ Revenue excludes revenue from joint ventures and associates.

² Margins are calculated on revenue which excludes revenue from joint ventures and associates.

³ Cash flows from operating activities before interest, finance costs and taxes.

This represented a dividend yield of 3.6% on a share price of \$43.41 as at December 2018.

And earnings per share were 240.7 cents, up 11.2% on 2017.

The full year dividend payout ratio was almost 65% of net profit after tax, consistent with our commitment to provide sustainable returns to our shareholders.

Since the end of 2018, we have had several excellent project wins, and I'm delighted to confirm that just last week our companies Pacific Partnerships, CPB Contractors, and UGL were selected as the preferred proponents to deliver two major packages for Brisbane's \$5.4 billion Cross River Rail.

This transformational project includes a 10.2 kilometre rail line, with a 5.9 kilometre twin tunnel under the Brisbane River and CBD, four new underground stations and upgrades to existing stations.

We'll deliver the Tunnel, Stations and Development PPP package as part of the Pulse consortium, as well as the Rail, Integration and Systems package as part of an Alliance partnership.

Revenue to the CIMIC Group companies will be approximately half of the project value and will be finalised at contract execution which will occur in the coming months.

Pacific Partnerships is the lead sponsor and is providing equity finance for the PPP. CPB Contractors is delivering the design and construction in a joint venture, and UGL is responsible for the mechanical and electrical works, as well as providing maintenance services for the project over 24 years.

All up, the project will generate significant employment, apprentice and training opportunities, and help Brisbane evolve as a world-class city.

People and culture

These results were only possible because of our people's passion and commitment to working as a team with our clients and other stakeholders.

Having a highly engaged and motivated team means we can achieve great results for our clients and strong returns for you, our shareholders.

CIMIC Group brings together around 50,000 people across eight industry-leading companies in almost 20 countries.

Each of our businesses performed well last year, winning new work and extensions to existing contracts.

We delivered more than 800,000 hours of technical and leadership training across the Group last year, equating to more than 21 hours per direct employee.

This investment in continual learning and development is essential to providing both challenging and rewarding careers for our people, and leading solutions for our clients.

We added to the knowledge and skills of our people through on the job development and technical learning, and then expanded on that strong base through development courses in leadership, risk, project management and safety.

We ensured our people's awareness of the requirements of our Code of Conduct, and the need to always operate according to our Principles of Integrity, Accountability, Innovation and Delivery, underpinned by Safety.

These initiatives are producing results. Just last week we were named by LinkedIn as one of the best companies in Australia for attracting and keeping top talent.

The ranking is based on the actions taken by LinkedIn members and looks at four main pillars:

- interest in our company;
- engagement with employees;
- job demand; and
- employee retention.

We are also a Work 180 endorsed employer. Work 180 is a champion for working women and endorses employers that value flexible working, paid parental leave, equal pay and professional development.

Also crucial to our success is our prioritisation of safety in all that we do, and our focus on supporting the health and wellbeing of our people.

However, even with this genuine commitment to safety, it is with deep sadness that I inform you that one of our colleagues died following an incident on one of our project sites last year.

On behalf of the Board and all of CIMIC's people, I express my sincere condolences to the family and friends of our colleague, who was a long-term employee of one of our sub-contractors.

Let me assure you that we continue to strengthen our efforts to keep the people who work with us safe.

In 2018 we furthered our commitment to doing so by introducing a Group-wide health and safety cultural framework.

It is an extension of what already existed within some of our businesses, and ensures we are striving for safe, consistent and performance-driven results across our Group.

The framework defines key behaviours at every level of our organisation, behaviours that are embedded into all aspects of how we approach health and safety – from the management of critical risks, investigations and performance reviews, to tool box talks and pre-starts.

This approach includes identifying and implementing strategies to deal with risks, and using training, education, audits, workplace inspections and in-field verification of critical controls to ensure our teams are not exposed to uncontrolled risks.

Leaders at each of our projects are using this framework to help guide our teams, foster innovation and keep our people safe.

Our performance has been recognised with safety awards achieved by CPB Contractors, Leighton Asia and Thiess during 2018.

Innovation and digitalisation

Now, let's talk about innovation and digitalisation.

There is an attitude across CIMIC Group to keep looking to the future – we have a passion to innovate and stay at the forefront of our changing global landscape.

Our companies have always faced the traditional levers of change, such as commodity cycles, infrastructure investment levels and social priorities.

Today they also face new change agents, with the greatest of these being digital transformation.

Across all industries, we are seeing advances due to intelligent technologies.

The speed of data capture and information sharing, automation and robotics, augmented reality, machine learning, the internet of things, 5G technology, advanced analytics and more are changing the way we work.

These advances also apply to engineering, construction, mining, services and public private partnerships.

To address this, we have established a new global company, Nexlore, which is a partnership of the CIMIC, Hochtief and ACS Groups.

Together, through Nexlore, these three companies will systematically realise the opportunities offered by new and emerging technologies, working as a digital transformation incubator and accelerator.

Nexlore complements EIC Activities' focus on championing engineering and technical excellence, leading innovation and growing our capability across our Group.

During 2018, we have already established digital innovation and development centres in Frankfurt, Germany and in Minneapolis in the US; and we will establish centres in Sydney, Australia and Madrid, Spain this year.

We'll develop solutions that optimise our operations, build new business models, and assist us to shape the future for our activities.

We are working with the world's leading universities and IT companies to undertake a series of research projects conducted by scientists, students, and our teams.

Nexlore recently established a partnership with the MIT-IBM Watson Artificial Intelligence Lab in Cambridge, giving us the ability to direct leading global research in artificial and augmented intelligence.

We will also work to engage with our clients and suppliers – each of which are looking for solutions for the future, as well as for today.

We are a partner who is able to bring insight to the table and to ask great questions that lead to smart explorations and achieve sustainable solutions.

For us, digitalisation is not only about technology adoption.

It is a way of transforming our operations and the way we work in the construction, mining, PPP and services industries.

Digitalisation is driving efficiencies and new opportunities that are grounded in a deep understanding of our clients' needs, while maintaining our disciplined and focused approach to managing our businesses.

We will provide added value for our clients and shareholders, and skills and opportunities to our teams for the future.

And, believe me, our future is exciting and promising.

Increasing urbanisation and development are driving governments across Australia and the Asia Pacific region to invest in social and economic infrastructure projects.

We expect this investment to be supplemented by the private sector in markets such as oil and gas, mining, renewable energy and telecommunications, amongst others.

There is also sustained demand for the use of public private partnerships to implement social and transport infrastructure programs.

In the resources industry, rising living standards and continued population growth underpin demand for energy, metals and minerals, which supports a good level of activity for our Group.

The transition to renewable energy sources is also creating new opportunities.

Together, these factors are driving a range of prospects that suit our capabilities and experience.

In closing, I would like to thank our business partners, subcontractors, suppliers and other stakeholders for their co-operation.

I'd like to recognise our 50,000 people for their great efforts, including for the time they dedicate to our company's success, away from families and friends.

Our teams are delivering projects that push the boundaries of engineering for better, more sustainable solutions that take us into the future.

Thank you also to all of you, our shareholders. Your support means we can continue delivering valuable projects, offer employment to our people, and provide assets, infrastructure and resources for our clients and communities.

I will now hand over to Michael.

Thank you.

CHIEF EXECUTIVE OFFICER'S ADDRESS TO SHAREHOLDERS

A presentation to the 2019 Annual General Meeting of CIMIC Group Limited by the Chief Executive Officer and Managing Director, Mr Michael Wright.

Thank you Marcelino, and good morning everyone.

Over the past year our business has capitalised on the strong pipeline of work in our core activities of construction, mining, services and PPPs.

I'd like to begin today by highlighting the growth in our work in hand, and by reviewing some of the key projects we secured during 2018.

Our construction business CPB Contractors, including Leighton Asia and Broad, our mining and mineral processing companies Thiess and Sedgman and our services specialist UGL – supported by Pacific Partnerships in PPPs and EIC Activities in engineering – contributed to growth in work in hand⁴ year on year of \$1.8 billion to \$36.7 billion.

A significant part of this growth was achieved by our ability to provide unique, integrated capabilities for our clients – in the financing, design, construction, operation and maintenance of infrastructure and resources assets.

An example of this is where CPB Contractors and UGL worked together, as the premier rail infrastructure and services provider in Australia, to secure two key projects:

- a \$1 billion package of works for the Victoria Metro Tunnel; and
- the \$1.4 billion line-wide rail works for the Sydney Metro City and Southwest project over six years.

Importantly, both of these are lower-risk, collaborative-style contracts, where our teams work with our clients to deliver and optimise their outcomes.

We also combined the financial strength of CIMIC's balance sheet through Pacific Partnerships, with the social infrastructure expertise of CPB Contractors, to provide a whole-of-life solution for the \$700 million Waikeria Corrections Facility PPP in New Zealand.

This kind of proactive collaboration, as a core part of our culture, is at the heart of our competitive advantage, allowing us to provide valued outcomes for our clients.

Individually, each of our companies also expanded their order books.

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

Both Thiess and Sedgman grew in existing and new resources markets, helping to further diversify our portfolio by both commodity and geography, thus reducing risk and enhancing the future of our business.

We secured significant mining works in New South Wales, Queensland and Indonesia, we further extended our operations in the copper belt of Chile, and we won an EPC contract to deliver a copper concentrator in the USA.

In construction and services, we substantially increased our business, winning projects including:

- the \$3.9 billion M4-M5 Link Rozelle Interchange in Sydney, as part of a joint venture;
- Taswater's \$600 million Alliance for its capital works program with CPB Contractors and UGL; and
- a \$1.5 billion, 15-year asset management program for the Royal Australian Navy's helicopter dock and landing craft vessels, in a 50% joint venture.

You will also have seen that, since January this year, we have announced new projects worth more than \$6 billion.

Last week, we were pleased to be advised of our preferred position on the two major packages for the multi-billion dollar Cross River Rail in Brisbane.

The first of these – the Tunnel, Stations and Development PPP – involves Pacific Partnerships providing 49% of the equity, with CPB Contractors leading the design and construction works for the tunnels and stations, and UGL providing mechanical and electrical works, as well as maintenance services for 24 years.

The second package – the Rail, Integration and Systems Alliance – is a partnership between CPB Contractors and UGL, working with our design partners and government, to deliver systems and integration services for this critical rail infrastructure project.

Other recent wins include an extension to UGL's contract with Sydney Trains for the delivery of maintenance and logistics services;

And the selection of Pacific Partnerships, UGL and CPB Contractors to deliver the \$1.3 billion Regional Rail for Transport for New South Wales, as part of a consortium.

In this project we will provide a new rail passenger fleet, as well as building a maintenance facility in Dubbo, and maintaining both the fleet and facility for an initial 15 years. We'll deliver high-quality rail assets for rural and regional parts of the state, and create local jobs through training and development.

This is a great demonstration of the benefits a public private partnership can bring to both government and the community.

In fact, the CIMIC Group is now involved with the three major PPPs awarded in the past nine months in Australia and New Zealand – Regional Rail in New South Wales, Waikeria

Prison in New Zealand and Cross River Rail in Queensland – further demonstrating the benefit that a strong balance sheet, technical expertise and a commitment to execution brings to our clients.

Thiess has continued to grow its mining business, with several new projects, including a \$1.7 billion contract with its joint venture partner at Debswana Diamond Company's Jwaneng mine in Botswana.

This nine-year contract strengthens Thiess' presence in Botswana and builds on our operational and technical teams' solid performance at the mine since 2011.

As you can see, we have a strong pipeline of projects globally, across our core businesses, through a range of delivery models, from PPPs to Alliances.

It's therefore essential that we have great teams of people who deliver strong outcomes for our clients.

Our people have the opportunity to work on unique projects in all our markets, helping to shape the way our industries evolve.

They're passionate about making a difference, looking for new and innovative ways to deliver for our clients, improving operational and safety outcomes.

And along with keeping our people safe, we're intent on providing inclusive and diverse work environments, with our diversity focus in five key areas:

- recognising Indigenous people and cultures, and creating opportunities within our companies;
- promoting equal opportunities for women;
- ensuring there is no modern slavery in our global operations and supply chain;
- investing in local employment; and
- progressing a socially inclusive workplace.

During the past year, we increased Indigenous employment in Australia, and we are improving how we attract, retain and develop women at all levels in our business.

We use regular company-wide pay equity reviews to proactively close pay gaps based solely on gender.

And we've supported initiatives such as unconscious bias awareness training to ensure more balanced decision-making.

In 2018, we achieved 25% female participation among the 208 graduates who entered our leading, CIMIC-wide graduate program. This is above the average participation rate of the industry and an improvement on the prior years.

Our approach to building diverse, capable and innovative teams is a part of why so many of our project wins have us working with long-term clients on exciting new projects and contract extensions.

Recurring business makes a significant contribution to our work in hand, and results in higher levels of performance and risk management, demonstrating that we are a trusted partner to our clients.

Across all of our projects, businesses and markets, our people strive to live by our Principles, working hard to safely deliver positive outcomes for clients and shareholders.

And along the way, we pass on a remarkable legacy of employment, skills and business opportunities for the local communities in which we live and work.

It's in this context that I would like to talk about the outcomes we've achieved in sustainability.

For CIMIC, a focus on sustainability ensures that we include environmental, social and governance factors in our decision making, committing us to consider the future, and contributing to the safety and wellbeing of our employees, communities and ecosystems.

FTSE Russell again commended our sustainability performance by including us in the FTSE4Good Index, which is designed to measure the performance of companies demonstrating strong environmental, social and governance practices.

And the Dow Jones Sustainability Indices recognised us with inclusion in the DJSI Australia Index. We were the only construction and engineering company to be included, a further acknowledgement of our commitment to sustainability.

Sustainability is integral to the value we create for shareholders, our people and our clients. It's important for our future and closely linked to our Principles.

Looking forward, CIMIC Group is in a great position to deliver sustained shareholder returns.

We have a positive outlook across our core markets, a strong order book and pipeline of opportunities in front of us, and the experience and expertise to develop future-ready solutions for our clients.

Our teams remain focused on safety, risk management and project delivery to ensure that our strong operational performance continues, as we deliver the many construction, mining, services and PPP projects across our business.

In 2019 we expect to achieve net profit after tax in the range of \$790 million to \$840 million, subject to market conditions.

We'll maintain our disciplined approach to bidding, while targeting the \$130 billion of tenders relevant to our company that are expected to be bid or awarded in 2019.

Additionally, there are some \$300 billion of projects coming to the market in 2020 and beyond, of which about \$120 billion are public private partnerships.

We are well positioned for the future, with strong teams of committed, talented and passionate people, leveraging the unique offering we have in our markets. We bring discipline and innovation to drive sustainable outcomes that benefit our clients, our people and our shareholders.

Thank you all very much for your continued support.