

24 JANUARY 2017**FINAL¹ UNCONDITIONAL² OFFER FOR MACMAHON BY
CIMIC**

CIMIC Group Limited (**CIMIC**), through its wholly owned subsidiary CIMIC Group Investments Pty Limited (**CGI**), owns 20.54% of Macmahon Holdings Limited (**Macmahon**).

CIMIC today announced that, through CGI, it intends to make a final¹, unconditional² offer (**Offer**) to acquire the shares in Macmahon that it does not already own pursuant to an off-market takeover at a price of \$0.145³ per share (**Offer Price**).

The Offer Price is final¹, and cannot be increased during the Offer Period, in the absence of a competing proposal. The Offer is unconditional other than with respect to a no 'prescribed occurrences' condition.

The Offer Price represents a 31.8% premium to the Last Close Price, being the price of ordinary shares in Macmahon (**Macmahon Shares**) on ASX at the close of trading on 23 January 2017, the Trading Day prior to the Announcement Date.

CIMIC has been an investor in Macmahon since June 2007.

As the Offer is unconditional², CGI intends to exercise its rights under item 2 of section 611 of the Corporations Act and has appointed Credit Suisse Equities (Australia) Limited to stand in the market on ASX from today and purchase on CGI's behalf Macmahon Shares offered at the Offer Price.

AN ATTRACTIVE OFFER

The Offer Price represents a premium of:

- 31.8% to the Last Close Price, being the price of Macmahon Shares on ASX at the close of trading on 23 January 2017, the Trading Day prior to the Announcement Date, of \$0.110 per Macmahon Share;
- 37.6% to the Macmahon one month volume weighted average price (**VWAP**)⁴ as at the Trading Day prior to Announcement Date, of \$0.105 per Macmahon Share;
- 45.6% to the Macmahon three month VWAP as at the Trading Day prior to Announcement Date, of \$0.100 per Macmahon Share; and
- 22.1% to the Macmahon six month VWAP as at the Trading Day prior to the Announcement Date, of \$0.119 per Macmahon Share.

¹ The Offer Price is final, and cannot be increased during the Offer Period, in the absence of a competing proposal.

² Other than in respect of a no 'prescribed occurrences' condition.

³ The Offer Price of \$0.145 per Share is subject to the offer terms outlined in the Bidder's Statement. If Macmahon pays any dividend or capital distribution to Shareholders between the date of this announcement and the close of the Offer Period, CGI will deduct the value of such dividends or capital distributions (but not any franking credits) from the \$0.145 per Share to be paid under the Offer.

⁴ VWAPs have been rounded to three decimal places.

In addition to the premium, the unconditional² Offer enables investors to exit all of their shareholding in Macmahon in an orderly manner and without the need to pay brokerage fees and with the opportunity to receive certain value of \$0.145⁵.

CIMIC'S INTENTIONS

Following the conclusion of the Offer, CIMIC's intentions are to:

- conduct a strategic review of Macmahon's businesses in order to drive operational efficiencies and improvements to projects, identify ways in which both CIMIC and Macmahon can benefit from their complementary skills and capabilities, and analyse the composition and value of Macmahon's assets;
- review the dividend and capital management policies of Macmahon;
- seek to procure the removal of Macmahon from the Official List of ASX, depending on the level of control secured by CGI and remaining spread and volume of Macmahon shares;
- reconstitute the Macmahon Board; and
- retain the services of Macmahon's current employees in the ordinary course. In cases where particular roles may no longer be required, CGI will attempt to identify opportunities for alternative employment within the CIMIC Group.

REGULATORY

CIMIC has received Foreign Investment Review Board approval for the Offer. The Australian Competition and Consumer Commission has pre-assessed the proposed acquisition and indicated that it does not intend to conduct a public review pursuant to section 50 of the Competition and Consumer Act.

FUNDING

The Offer will be funded using CIMIC's available funds or existing debt facilities. CIMIC has existing funds at call in excess of the offer consideration and associated transaction costs.

UNCONDITIONAL SUBJECT TO NO 'PRESCRIBED OCCURRENCES'

The Offer is unconditional, other than in respect of a no 'prescribed occurrences' condition. 'Prescribed occurrences' includes Macmahon splitting or consolidating its shares, Macmahon or a subsidiary buying-back or reducing its capital, Macmahon or a subsidiary issuing securities, Macmahon or a subsidiary disposing of the whole or a substantial part of its business or property, or the occurrence of insolvency events in respect of Macmahon or a subsidiary. For the full definition of 'prescribed occurrences' please refer to the Bidder's Statement.

⁵ The aggregate cash consideration payable to each Macmahon shareholder will be rounded down to the nearest whole cent.

TIMING AND OTHER INFORMATION

CIMIC has today lodged with the Australian Securities and Investments Commission the Bidder's Statement containing detailed information relevant to the Offer, including how to accept. The Bidder's Statement will be sent to Macmahon Shareholders not less than 14 days from today.

ENDS

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

Further information

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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 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 America, Sub-Saharan Africa and South America and, as at 31 December 2016, employed approximately 50,500 people directly and through its investments.