

FOURTH SUPPLEMENTARY BIDDER'S STATEMENT

In relation to the Offer by

CIMIC GROUP INVESTMENTS PTY LIMITED

ACN 126 876 953

to acquire fully paid ordinary shares in

MACMAHON HOLDINGS LIMITED

ACN 007 634 406

ACCEPT

THE UNCONDITIONAL

CASH OFFER TO ACQUIRE ALL OF YOUR ORDINARY SHARES IN MACMAHON HOLDINGS LIMITED FOR \$0.145 CASH FOR EACH MACMAHON SHARE

The Offer Price of \$0.145 for each Macmahon Share is final and cannot be increased during the Offer Period, in the absence of a competing proposal

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

You should read this document in its entirety. If you are in any doubt as to how to deal with it, you should consult your legal, financial or other professional adviser as soon as possible. If you have any queries about the Offer, you may also call the CIMIC Offer Information Line on 1300 648 874 (for calls made within Australia) or +61 2 8355 1000 (for calls made from outside Australia) between 9.00am and 5.00pm (AEDT) Monday to Friday.

FOURTH SUPPLEMENTARY BIDDER'S STATEMENT

This document is a supplementary Bidder's Statement under section 643 of the *Corporations Act 2001* (Cth).

It is the fourth supplementary Bidder's Statement (**Fourth Supplementary Bidder's Statement**) issued by CIMIC Group Investments Pty Limited ACN 126 876 953 (**CGI**) to the Bidder's Statement lodged with ASX, Macmahon Holdings Limited and ASIC on and dated 24 January 2017 (**Original Bidder's Statement**) as amended by the first supplementary bidder's statement dated 31 January 2017 (**First Supplementary Bidder's Statement**), the second supplementary bidder's statement dated 9 February 2017 (**Second Supplementary Bidder's Statement**) and the third supplementary bidder's statement dated 17 February 2017 (**Third Supplementary Bidder's Statement**) issued by CGI in relation to its off-market takeover bid for all of the ordinary shares in Macmahon Holdings Limited ACN 007 634 406 (**MAH**).

This Fourth Supplementary Bidder's Statement supplements, and should be read together with, the Original Bidder's Statement, the First Supplementary Bidder's Statement, the Second Supplementary Bidder's Statement and the Third Supplementary Bidder's Statement. This document will prevail in the event of any inconsistency with the Original Bidder's Statement as amended by the First Supplementary Bidder's Statement, the Second Supplementary Bidder's Statement and the Third Supplementary Bidder's Statement. Unless the context requires otherwise, terms defined in the Original Bidder's Statement as amended by the First Supplementary Bidder's Statement, the Second Supplementary Bidder's Statement and the Third Supplementary Bidder's Statement have the same meaning where used in this document.

A copy of this Fourth Supplementary Bidder's Statement was lodged with ASIC on and is dated 1 March 2017. Neither ASIC nor any of its officers takes any responsibility for the contents of this document.

1 MARCH 2017

**CIMIC RESPONSE TO FURTHER SIGNIFICANT
DETERIORATION IN MACMAHON PERFORMANCE AND
TARGET ANNOUNCEMENTS****SHAREHOLDERS ENCOURAGED TO ACCEPT CIMIC'S
\$0.145 PER SHARE UNCONDITIONAL CASH OFFER NOW**

CIMIC refers to the final¹ unconditional off-market takeover offer (**Offer**), made by its wholly owned subsidiary CIMIC Group Investments Pty Limited (**CGI**), for all of the shares it does not own in Macmahon Holdings Limited (**Macmahon**) for \$0.145² in cash per Macmahon share.

Macmahon's 1H17 results and Target Statement **do not provide adequate evidence of a potential turnaround in its performance** and the announcement of a Heads of Agreement is **uncertain and dilutive for shareholders**.

CGI believes that the **rushed proposal significantly increases the risk profile of the company**. CGI will provide further information in due course.

Macmahon is asking its shareholders to take the risk – to hope for improved outcomes in the future and back a potential proposal which will dilute existing shareholders without adequate evidence that it can deliver on either of these outcomes.

Significant deterioration in Macmahon 1H17 results highlights key concerns

Macmahon's results for the six months ended 31 December 2016 (**1H17**) continues to demonstrate a deterioration in its financial position.

The financial performance of Macmahon for the four and a half years ended 31 December 2016 has resulted in a cumulative statutory loss after tax of \$(238.6) million³:

	FY13	FY14	FY15	FY16	1H17
	Audited	Audited	Audited	Audited	Unaudited
Statutory net profit/(loss) after tax	\$ (29.5)m	\$ 30.4m	\$ (217.9)m	\$ 1.7m	\$ (23.3)m

¹ The Offer Price is final, and cannot be increased during the Offer Period, in the absence of a competing proposal and is subject to the Offer terms specified in the Bidder's Statement.

² The Offer Price of \$0.145 per Macmahon Share is subject to the offer terms outlined in the Bidder's Statement. If Macmahon pays any dividend or capital distribution to Shareholders between 24 January 2017 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.

³ Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 82).

Concerning aspects of Macmahon's 1H17 results include significant declines in key metrics on the corresponding prior period:

- X** Reported negative basic earnings per share \$(0.0194), **down more than eight times**⁴;
- X** Net loss after tax \$(23.3) million, **down approximately eight times**⁵;
- X** Negative earnings before interest and tax (**EBIT**) from continuing operations before significant items \$(4.5) million, **down** from \$16.6 million⁶;
- X** Order book \$1,295 million, **down 18%**⁷; and
- X** Net cash \$49.8 million⁸, a **deterioration of 25%** from \$66.7 million⁹.
When considering net cash, shareholders should take into consideration Macmahon's operating lease facility which is drawn to \$33.7 million¹⁰, which decreases net cash to \$16.1 million¹¹.

Macmahon's Target Statement discloses material inconsistencies, risks and uncertainties

Macmahon's Target Statement forecasts future growth which is reliant on achieving optimistic assumptions. There is material risk that those assumptions will not be met, as they are inconsistent with Macmahon's history of decline.

The Target Statement discloses the following inconsistencies, risks and uncertainties that are material to those assumptions and the feasibility of the company:

⁴ Macmahon ASX announcement, 27 February 2017, "Appendix 4D".

⁵ Macmahon ASX announcement, 27 February 2017, "Appendix 4D".

⁶ Macmahon ASX announcement, 27 February 2017, "Half Year Accounts", p.3.

⁷ Macmahon ASX announcement, 27 February 2017, "Half Year Accounts", p.7.⁸ Macmahon ASX announcement, 27 February 2017, "Media Release - Results for the six months ended 31 December 2016" p 1.

⁸ Macmahon ASX announcement, 27 February 2017, "Media Release - Results for the six months ended 31 December 2016" p 1.

⁹ Macmahon 2016 Half Year Results Presentation p. 2.

¹⁰ Operating leases drawn \$33.7 million per Macmahon ASX Announcement, 27 February 2017: "Interim Financial Report" (page 21).

¹¹ Net cash of \$49.8 million less \$33.7 million in drawn operating lease facility.

MACMAHON'S STATEMENTS	MACMAHON'S CONTRADICTIONS	ADDITIONAL INFORMATION FOR INVESTORS
TELFER "Macmahon's second largest contract, the Telfer project, is expected to start generating monthly profits for Macmahon during the latter part of the 2017 calendar year." ¹²	"There can be no guarantee that the guidance in this Target's Statement in relation to the turnaround of the Telfer project will be realised . There is a risk that the assumptions [...] in relation to the Telfer project may be incorrect." ¹³	A turnaround at Telfer is inconsistent with Macmahon's past performance at that project, with \$40 million of accumulated / forecast losses at Telfer since commencement in November 2015 ¹⁴ , and ignores Macmahon's stated admission that it may "fail to achieve the performance improvements anticipated at the Telfer project" . ¹⁵
GUIDANCE "Macmahon is anticipating a significant turnaround in financial performance over the next eighteen months, and has provided FY2018 EBIT guidance of \$30 million to \$35 million." ¹⁶	"Macmahon's actual results may differ materially from its earnings guidance and the assumptions on which that earnings guidance is based. [...] Accordingly, you should not place undue reliance on Macmahon's earnings guidance ." ¹⁷ Identified risks to guidance include: "failure to achieve the performance improvements anticipated at the Telfer project, termination of key contracts, the non-availability of funding which has not yet been secured, variability in cost and productivity assumptions and inability to recover claims and variations from clients." ¹⁸	Based on Macmahon's own disclosures, its guidance cannot be unduly relied upon. Macmahon has a recent history of failing to meet its own revenue guidance in FY15, the year where it's material contract at the Christmas Creek Mine was terminated by the client. The guidance is based on a significant turnaround in Macmahon's performance, which is in contrast to its historical performance which has included material operational issues. Macmahon has provided EBIT guidance for FY17 of negative \$(3) million to \$0 million in FY17 ¹⁹ ,

¹² Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 4).

¹³ Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 42).

¹⁴ A \$13.5 million operating loss in FY16 (Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 67)), a \$18.7 million operating loss in 1H17 (Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 67)) and is forecast to generate a \$7.8 million operating loss in FY17 (Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 32)).

¹⁵ Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 42).

¹⁶ Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 4).

¹⁷ Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 42).

¹⁸ Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 42).

¹⁹ Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 32).

MACMAHON'S STATEMENTS	MACMAHON'S CONTRADICTIONS	ADDITIONAL INFORMATION FOR INVESTORS
		<p>demonstrating its continual poor performance. Its FY18 guidance is reliant on profitable new contract wins (which is inconsistent with Macmahon's recent historical performance), and an extraordinary improvement in its EBIT margin and revenue. Macmahon has not announced a new contract win since 19 November 2015²⁰, and its most recent material contract (Telfer) has been unprofitable and has accumulated / forecast losses of \$40 million since inception²¹.</p> <p>Macmahon has identified some of the key risks to achieving its guidance, but it has not identified how it has taken all of these risks into account in determining its guidance.</p>
<p>FUNDING</p> <p>"Macmahon has minimal debt and a net cash position of \$49.8 million (as at 31 December 2016) and is therefore well positioned to pursue these growth opportunities."²²</p>	<p>Macmahon's "cash reserves will not be sufficient to finance the expenditure costs associated with Macmahon's aim of growing its business. [...] There can be no assurances that Macmahon will have sufficient capital resources to pursue any growth opportunities which may be available, or that it will be able to obtain additional resources on terms acceptable to Macmahon or at all."²³</p>	<p>If Macmahon is unable to fund its growth, it will be unable to expand its business, including winning the work it has stated that it requires in order to meet guidance.</p> <p>Macmahon's existing debt facility of \$30 million matured during November 2016 and was only extended for \$10 million and until 30 April 2017²⁶, despite Macmahon stating that it was seeking to extend for another year and</p>

²⁰ Macmahon ASX Announcement, 19 November 2015: "Equipment hire deal with Gold Fields".

²¹ A \$13.5 million operating loss in FY16 (Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 67)), a \$18.7 million operating loss in 1H17 (Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 67)) and is forecast to generate a \$7.8 million operating loss in FY17 (Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 32)).

²² Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 9).

²³ Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 41).

²⁶ Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 37).

MACMAHON'S STATEMENTS	MACMAHON'S CONTRADICTIONS	ADDITIONAL INFORMATION FOR INVESTORS
	<p>The Independent Expert has said: "Based on this analysis we have concluded that only \$25 million to \$30 million of the net cash could be considered surplus to requirements."²⁴</p> <p>If Macmahon is unable to raise debt on acceptable terms, it has signalled that it may have to consider equity financing which "will be dilutive" for shareholders.²⁵</p>	without indicating it planned to reduce the size of the facility ²⁷ .
<p>PIPELINE</p> <p>"Macmahon has significantly improved prospects from its existing contracts and a strong tender pipeline."²⁸</p>	"There is a risk that existing and increased future competition may limit Macmahon's ability to win new contracts or achieve attractive margins." ²⁹	<p>Macmahon has failed to win any new contracts since November 2015. Its most recent material contract (Telfer) has been unprofitable.</p> <p>FY18 guidance assumes 8.9% EBIT margin on new contract wins, which is higher than 1H17 EBIT margin of negative 2.7%³⁰ and recent historical EBIT margins achieved by Macmahon.³¹</p>
<p>SHARE PRICE</p> <p>"It may be possible in the future to sell your Macmahon Shares for more valuable consideration than that offered under the Offer."³²</p>	"While there are many factors that influence the market price of Macmahon Shares, following the close of the Offer, the market price of Macmahon Shares may fall if CIMIC's Offer fails (and there is no alternative takeover	There is a material risk that absent the Offer, Macmahon's share price may fall below the Offer price. That risk is increased given the uncertain outlook for future dividends, the trading price of Macmahon's shares

²⁴ Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 111).

²⁵ Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 41).

²⁷ Macmahon FY16 Annual Report (page 7).

²⁸ Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 4).

²⁹ Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 43).

³⁰ Macmahon ASX Announcement, 27 February 2017: "Half Year Accounts" (p.3). Total revenue of \$168.3 million and EBIT of \$(4.5) million equates to an EBIT margin of (2.7)%.

³¹ Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 35). New contract revenue of \$76.4 million and new contract EBIT of \$6.8 million equates to an EBIT margin of 8.9%.

³² Macmahon ASX Announcement, 27 February 2017: "Target Statement" (page 41).

MACMAHON'S STATEMENTS	MACMAHON'S CONTRADICTIONS	ADDITIONAL INFORMATION FOR INVESTORS
	bid to the Offer), or if the Offer is otherwise unsuccessful.” ³³	<p>prior to the offer, and the deterioration in Macmahon's performance in 1H17 announced since the Offer.</p> <p>Macmahon's Independent Expert states that “average premiums paid in successful takeovers in Australia generally range between 30% and 35% above the listed market price of the target company's shares three months prior to the announcement of the bid.”³⁴</p> <p>By comparison, CGI's Offer represents a 45.6% premium to the Macmahon three month VWAP as at the Trading Day prior to Announcement Date³⁵.</p>
<p>DIVIDENDS</p> <p>“It is expected that once Macmahon returns to profitability (which cannot be guaranteed), dividends will be a priority for the Board.”³⁶</p>	<p>“However, any future determination as to the payment of dividends by Macmahon will be at the discretion of the Board at the relevant time and will depend on the availability of distributable earnings, operating results, the financial condition of Macmahon, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by Macmahon.”³⁷</p>	<p>Macmahon has not declared or paid a dividend for the last four consecutive years³⁸ and the uncertainty for future payments continues. The Macmahon Board has determined that no dividend will be declared for the year ended 30 June 2016³⁹ or the half year ended 31 December 2016⁴⁰, and Macmahon has not indicated when Macmahon shareholders will again receive a dividend.</p>

³³ Macmahon ASX Announcement, 27 February 2017: “Target Statement” (page 42).

³⁴ Macmahon ASX Announcement, 27 February 2017: “Target Statement” (page 115).

³⁵ Offer Price represents a 31.8% premium to the price of Macmahon shares on ASX at the close of trading on 23 January 2017 and a 37.6% premium to the Macmahon one month VWAP.

³⁶ Macmahon ASX Announcement, 27 February 2017: “Target Statement” (page 19).

³⁷ Macmahon ASX Announcement, 27 February 2017: “Target Statement” (page 19).

³⁸ Macmahon has conducted a share buy-back of \$6.58 million. (Appendix 3F - Macmahon Final Share Buy-back notice (21 October 2016).)

³⁹ Macmahon ASX announcement: “2016 Annual Report” 22 August 2016, p. 7.

⁴⁰ Macmahon ASX announcement, 27 February 2017, “Half Year Accounts”, p.8.

CGI's all cash Offer gives Macmahon shareholders certain value avoiding risks and uncertainties

In comparison to the above risks and uncertainties, CGI considers that Macmahon shareholders should **ACCEPT** the Offer **NOW**:

✓ **All-cash Offer Price provides an attractive alternative to risk and uncertainty:** CGI's unconditional, all cash, Offer of \$0.145² per Macmahon share allows Macmahon shareholders to crystallise value now for their investment in Macmahon, providing an attractive alternative to remaining exposed to the significant risks and uncertainties of being a Macmahon shareholder.

✓ **Attractive premium:** CGI's Offer price of \$0.145² cash for each Macmahon share represents an attractive premium to the trading price of Macmahon shares before the Offer was announced.

CGI's Offer is at a 31.8% premium to the price of Macmahon shares on ASX at the close of trading on 23 January 2017, the trading day prior to the announcement of the Offer, of \$0.110 per Macmahon Share.

✓ **Macmahon's share price may fall:** Absent the Offer, Macmahon's share price may fall below the Offer price. In the three months prior to the announcement of the Offer, the closing price of Macmahon shares on ASX was no higher than \$0.115, which is materially below the Offer price of \$0.145² per Macmahon share.

ACCEPT the Offer now

CGI's Offer is now **unconditional**. This means that if you accept the Offer, CGI will pay you the Offer price 7 business days after receipt of your valid acceptance.

How you accept the Offer depends on whether your Macmahon Shares are in an Issuer Sponsored Holding or a CHESS Holding.

You have been sent an Acceptance Form with the Bidder's Statement (an Issuer Acceptance Form or a Chess Acceptance Form), which will be the Acceptance Form to be used in relation to your Macmahon Shares.

Issuer Sponsored Holders (Securityholder Reference Number beginning with "I"):

To accept the Offer you must complete, sign and return the Issuer Acceptance Form in accordance with the instructions on it to the address indicated on the form so that it is received **BEFORE 7.00pm (Sydney time), 9 March 2017**⁴¹.

Acceptance Forms can be sent by post, or by facsimile to +61 3 9473 2093 or email to CimicOffer@computershare.com.au (subject to receipt of original documents).

For Acceptance Forms sent by email or fax, the original Acceptance Form (including any documents required in order to validly process acceptances, such as certified copies of powers of attorney) must still be posted in accordance with the instructions on the Acceptance Form, and CGI will not be obliged to pay the consideration until it receives those documents.

⁴¹ The Offer will close at this time unless extended further or withdrawn in accordance with the Corporations Act 2001 (Cth).

CHESS Holders (Holder Identification Number beginning with "X"):

If your Macmahon Shares are held in a broker sponsored holding, to accept the Offer contact your broker directly before the end of the Offer Period. Alternatively, you can return your validly completed Acceptance Form to the address indicated on the form or by facsimile to +61 3 9473 2093 or email to CimicOffer@computershare.com.au (subject to receipt of original documents). Your Acceptance Form must be received by CGI in time to give instructions to your Controlling Participant, and for your Controlling Participant to carry out those instructions, before the end of the Offer Period.

Information line

Macmahon shareholders who have any questions about the Offer or want to request a new Acceptance Form may call the CIMIC Offer Information Line on 1300 648 874 (for calls made within Australia) or +612 8355 1000 (for calls made from outside Australia) between 9.00am and 5.00pm (Sydney time) Monday to Friday.

This Supplementary Bidder's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or given to ASX. Any Macmahon shareholder who would like to receive a copy of any of those documents may obtain a copy free of charge (within two business days of the request) during the Offer Period by contacting the CIMIC Offer Information Line.

ENDS

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

Further information

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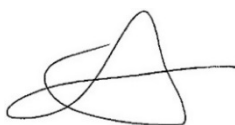
CIMIC Group Limited (ASX: CIM) is one of the world's leading international contractors and the world's largest contract miner. CIMIC Group has operations that have been in existence since 1934, was listed on the Australian Securities Exchange in 1962 and has its head office in Sydney, Australia. CIMIC 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.

APPROVAL OF FOURTH SUPPLEMENTARY BIDDER'S STATEMENT

This Fourth Supplementary Bidder's Statement has been approved by a resolution of the directors of CGI.

DATED 1 March 2017

SIGNED for and on behalf of CIMIC Group Investments Pty Limited by:



Angel Muriel

Director