

10 NOVEMBER 2015 CIMIC ANNOUNCES INTENTION TO MAKE \$0.75 CASH PER SHARE OFF-MARKET TAKEOVER OFFER FOR DEVINE

CIMIC Group Limited (**CIMIC**), through its wholly owned subsidiary CIMIC Residential Investments Pty Limited (**CRI**), owns 50.63% of Devine Limited (**Devine**).

CIMIC today announced that, through CRI, it intends to make a conditional offer to acquire the 49.37% of Devine that it does not already own pursuant to an off market takeover at a price of \$0.75 per share (**Offer**), which represents a 31.3% premium to the volume weighted average price of shares in Devine since the company's profit downgrade on 22 October 2015 of \$0.571 per share.

As a major shareholder in Devine for more than 8 years, CIMIC has been supportive of its management and board. However the recent profit downgrade and rapid deterioration in Devine's performance have caused the CIMIC board to conclude that decisive action must be taken to ensure that the value of Devine is protected for all shareholders.

AN ATTRACTIVE OFFER

CIMIC considers that the Offer is attractive to Devine's shareholders. The Offer price of \$0.75 cash per share represents:

- a 22.5% premium to the volume weighted average price per Devine share over the three month period up to 9 November 2015 of \$0.612;
- a 24.0% premium to the Devine share price at closing on 9 November 2015 of \$0.605; and
- a 31.3% premium to the volume weighted average price per Devine share in the period between the profit downgrade on 22 October 2015 and 9 November 2015 of \$0.571.

In addition to the premium, the Offer enables shareholders to achieve liquidity for all of their shareholding in Devine in an orderly manner and without the need to pay brokerage fees.

CIMIC'S INTENTIONS

CIMIC is seeking the support of the Devine board for the Offer. However, support of the Devine board is not a condition of the Offer.

CIMIC intends to:

- Reconstitute the Devine board;
- Conduct a strategic review of Devine's businesses in order to preserve the value for all shareholders; and
- Appoint a new Chief Executive Officer to lead the new strategy.

CHANGES ARE NOT DEPENDENT ON AN INCREASED SHAREHOLDING

CIMIC will pursue the above changes to Devine irrespective of the outcome of the Offer.

OFFER CONDITIONS

The Offer will include the following conditions:

- No material adverse change;
- Devine continuing to conduct its business in the ordinary course;
- Devine being in compliance with its existing debt facilities; and
- Other customary conditions for an off-market takeover offer.

The full set of conditions of the Offer are set out in Appendix 1.

CIMIC has received Foreign Investment Review Board approval for the Offer.

FUNDING

The Offer will be funded using cash on hand and under existing available facilities. The amount of the transaction is not expected to be material to CIMIC.

TIMING

CIMIC expects to lodge with ASIC the Bidder's Statement containing detailed information relevant to the Offer as soon as possible. The Bidder's Statement will be sent to Devine shareholders not less than 14 days after that.

MEDIA CONTACT

Ian Brown
0418 466 129
ibrown@firstadvisers.com.au

INVESTOR CONTACT

Victoria Geddes
02 8011 0351
vgeddes@firstadvisers.com.au

ENDS

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

CIMIC Group Limited (ASX: CIM), founded in Australia in 1949, is one of the world's leading international contractors and the world's largest contract miner. CIMIC, previously known as Leighton Holdings, was listed on the Australian Stock Exchange in 1962 and has its head office in Sydney, Australia. CIMIC provides construction, mining, engineering, concessions, and operation and maintenance services to the infrastructure, resources and property markets. It operates in approximately 20 countries throughout the Asia Pacific, the Middle East, Sub-Saharan Africa and South America and employed approximately 23,000 people as at 30 September 2015.

Appendix 1
Conditions to the Offer

1. OFFER CONDITIONS

The Offer and any contract resulting from its acceptance, is subject to the following conditions being fulfilled or waived by CRI.

1.1 No material adverse change

During the Condition Period, no matter, event or circumstance occurs, is announced or becomes known to Devine or CRI (whether or not it becomes public) where that matter, event or circumstance has, has had, or could reasonably be expected to have, individually or when aggregated with all such matters, events or circumstances, a material adverse effect on the assets and liabilities, financial position or performance, profitability or prospects of Devine Group including without limitation a fact, event or circumstance that has, has had, or could reasonably be expected to reduce or adversely affect the net assets of the Devine Group by more than \$12.5 million. Except it does not include any event, change, condition, matter or thing which:

- (a) was fully, fairly and accurately disclosed by Devine before the Announcement Date in a public filing with the ASX, provided that such disclosure was not misleading or deceptive in any material respect (including omission); or
- (b) expressly consented to in writing by CRI for the purposes of this condition.

1.2 Non-existence of certain rights

No person has any right (whether subject to conditions or not) as a result of CRI acquiring Devine Shares to:

- (a) acquire, or require Devine or a subsidiary of Devine to dispose of, or offer to dispose of, any material asset of Devine or a subsidiary of Devine; or
- (b) terminate or vary any material agreement with Devine or a subsidiary of Devine.

1.3 Loan agreements and debt facilities

- (a) No person being entitled, in connection with the announcement of the Offer, the Offer itself, or by the end of the Offer Period, to exercise any rights under any provision of any loan agreement or other debt facility to which Devine (or any member of the Devine Group) is a party, which results, or could reasonably be expected to result, in:
 - (i) any monies borrowed by Devine (or any member of the Devine Group) being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
 - (ii) any such agreement or other such instrument being terminated or modified or any action taken or arising thereunder (including the acceleration of the performance of any obligations thereunder);
 - (iii) any assets, shares or business of Devine or any of its subsidiaries being sold, transferred or offered for sale or transfer; or

- (iv) the business of Devine or any of its subsidiaries with any other person being adversely affected.
- (b) Devine (or any member of the Devine Group) not being, or becoming, in breach of any material provision, covenant or condition under any loan agreement or other debt facility to which Devine (or any member of the Devine Group) is a party.

1.4 **Conduct of Devine's business**

During the Condition Period, neither Devine nor any member of the Devine Group, without the written consent of CRI:

- (a) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or senior manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date);
- (b) declares or distributes any dividend, bonus or other share of its profits or assets;
- (c) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (d) makes any changes in its constitution or passes any special resolution;
- (e) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (f) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (g) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (h) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (i) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (j) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the *Australian Securities and Investments Commission Act 2001* (Cth) or any corresponding legislation.

1.5 **Conduct of business in the ordinary course and no material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Devine before the Announcement Date:

- (a) during the Condition Period, Devine's business and the business of the Devine Group is carried on in the ordinary course;
- (b) none of the following events occur during the Condition Period without the written consent of CRI:
 - (i) Devine, or any subsidiary of Devine, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$1 million or makes an announcement about such an acquisition;
 - (ii) Devine, or any subsidiary of Devine, disposes, offers to dispose or agrees to dispose of, or creates, offers to create or agrees to create an equity interest in, one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$1 million or makes an announcement about such a disposal but excluding the disposal of individual lots or apartments in the ordinary course of business;
 - (iii) Devine, or any subsidiary of Devine, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$1 million or dual listed company structure, or makes an announcement about such a commitment; or
 - (iv) Devine, or any subsidiary of Devine, incurs or commits to, or grants to another person a right the exercise of which would involve Devine or any subsidiary of Devine incurring or committing to any capital expenditure or liability for one or more related items of greater than \$1 million or makes an announcement about such a commitment.

1.6 **No material failings in filings**

During the Condition Period, CRI does not become aware that any document filed by or on behalf of Devine with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

1.7 **No action by Public Authority adversely affecting the Offer**

During the Condition Period:

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (b) no action or investigation is instituted, or threatened by any Public Authority with respect to Devine or any subsidiary of Devine; or
- (c) no application is made to any Public Authority (other than an application by CRI or any company within the CIMIC Group, an application under section 657G of the Corporations Act

or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Offer),

in consequence of, or in conjunction with, the Offer, which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or may otherwise materially adversely impact upon, the making of the Offer or the completion of any transaction contemplated by the Offer or seeks to require the divestiture by CRI of any Devine Shares, or the divestiture of any assets by Devine or by any subsidiary of Devine or by any company within the CIMIC Group.

1.8 **No prescribed occurrences**

During the Condition Period, none of the following events happen:

- (a) Devine converts all or any of its shares into a larger or smaller number of shares;
- (b) Devine or a subsidiary of Devine resolves to reduce its share capital in any way;
- (c) Devine or a subsidiary of Devine:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Devine or a subsidiary of Devine issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) Devine or a subsidiary of Devine issues, or agrees to issue, convertible notes;
- (f) Devine or a subsidiary of Devine disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Devine or a subsidiary of Devine grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
- (h) Devine or a subsidiary of Devine resolves to be wound up;
- (i) a liquidator or provisional liquidator of Devine or of a subsidiary of Devine is appointed;
- (j) a court makes an order for the winding up of Devine or of a subsidiary of Devine;
- (k) an administrator of Devine, or of a subsidiary of Devine, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Devine or a subsidiary of Devine executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Devine or of a subsidiary of Devine.

2. **DEFINITIONS**

ACCC means the Australian Competition and Consumer Commission.

Announcement Date means 10 November 2015.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.

CIMIC means CIMIC Group Limited (ACN 004 482 982).

CIMIC Group means CIMIC and its related bodies corporate (including CRI).

Condition Period means the period beginning on the Announcement Date and ending at the end of the Offer Period (each inclusive).

Corporations Act means the *Corporations Act 2001* (Cth) as modified by any relevant exemption or declaration by ASIC.

CRI means CIMIC Residential Investments Pty Limited (ACN 124 839 069).

Devine means Devine Limited (ACN 010 769 365).

Devine Group means Devine and its related bodies corporate.

Devine Shares means fully paid ordinary shares in the capital of Devine.

Encumbrance means:

- (a) a security interest;
- (b) an easement, restrictive covenant, caveat or similar restriction over property;
- (c) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property (including a right to set off or withhold payment of a deposit or other money);
- (d) a right of any person to purchase, occupy or use an asset (including under an option, agreement to purchase, licence, lease or hire purchase);
- (e) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or
- (f) an agreement to create anything referred to above or to allow any of them to exist.

Offer Period means the period during which Offers remain open for acceptance.

Offers means each offer to acquire each of the Devine Shares.

Public Authority means any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere, including the ACCC (but excluding the Takeovers Panel, ASIC and any court that hears or determines proceedings under section 657G or proceedings commenced by a person specified in section 659B(1) of the Corporations

Act in relation to the Offer). It also includes any self-regulatory organisation established under statute or any stock exchange.

related body corporate has the meaning given in the Corporations Act.

subsidiary has the meaning given in the Corporations Act.