



ASX ANNOUNCEMENT



25 November 2015

UPDATE TO DEVINE SHAREHOLDERS

Recently Received Confidential, Non-Binding, Indicative Proposal to acquire all shares of Devine by Scheme of Arrangement

The Independent Board Sub-Committee (“**IBC**”) of Devine Limited (ASX:DVN) (“**Devine**” or the “**Company**”) advises that it recently received a confidential non-binding, indicative proposal to acquire all of the shares of Devine for \$0.90 cash per share via a scheme of arrangement (the “**Proposal**”). The Proposal was received from Forum Partners (“**Forum**”), a global real estate investment and asset management firm with approximately \$4.2 billion of assets under management. Material elements of the Proposal included:

- Indicative price of \$0.90 cash per Devine share less any dividends or other distributions.
- Requirement for Devine to provide Forum with access to due diligence for the purposes of Forum’s ascertaining that the position of Devine has not materially deteriorated (other than where advised by Devine) from that of its audited accounts at 31 December 2014 (and its half year accounts at 30 June 2015).
- Due diligence expected to be completed and an implementation agreement in respect of the Proposal agreed and announced prior to Christmas.
- Expectation that the terms of the Proposal would be agreed in an implementation agreement in a customary form, including provisions for exclusivity, matching rights and break fees and conduct of business as well as appropriate conditions precedent.
- Forum stated that confidentiality was important and that disclosure would put the Proposal at risk.

To be effected as a scheme of arrangement, the Proposal would require the support of CIMIC Group Limited (“**CIMIC**”), as holder of 50.63% of the outstanding Devine shares. Accordingly, upon receipt of the Proposal, and noting the confidentiality request made by Forum, the IBC agreed with Forum to make confidential enquiries of CIMIC in relation to its potential support for a proposal of this nature. The IBC provided the Proposal to CIMIC and requested that CIMIC advise the IBC in relation to:

1. Would CIMIC be prepared to support a transaction as contemplated in the Proposal at \$0.90 cash per share?
2. Would CIMIC be supportive of the IBC of Devine continuing to engage with Forum around the Proposal (such as providing due diligence and negotiating a Scheme Implementation Agreement) with a view to developing the Proposal into a transaction that is capable of consideration by all Devine shareholders?

The IBC received the following response in part from CIMIC:

“As you know CIMIC lodged a Bidder's Statement with ASX, ASIC and Devine on 12 November 2015 which complies with legal requirements.

The Bidder's Statement will be dispatched to Devine shareholders in accordance with the statutory timetable.

Any person who wishes to respond to CIMIC's Offer must do so in accordance with the Corporations Act and other legal requirements.”



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Given CIMIC's response the IBC entered into further discussions with Forum to determine if the Proposal could be progressed in a manner that did not require the explicit support of CIMIC. However, Forum has advised that it is not prepared to continue to develop the Proposal to a form that may be capable of being put to all Devine shareholders on this basis, unless it is satisfied that CIMIC as the majority shareholder of Devine would be supportive of the Proposal. As such, the IBC of Devine has ceased discussions with Forum in relation to the Proposal.

Further information regarding the Previously Announced and Terminated Formal Sale Process

The formal sale process which was launched based on an agreement with CIMIC resulted in the announcement by Devine on 26 May 2015 that it had negotiated a final non-binding, confidential proposal for cash that was subject to several conditions ("**May 2015 Proposal**"). Devine also announced that the conditions were not able to be met and therefore the formal sale process had been terminated.

The May 2015 Proposal contemplated a scheme of arrangement offering \$0.885 cash per Devine share ("**Proposed Scheme**"). The Proposed Scheme at all times remained conditional on the support of CIMIC. CIMIC was therefore provided with a near-final draft of the scheme implementation agreement under the terms of a confidentiality agreement and was advised that the Independent Directors of Devine were prepared to recommend the Proposed Scheme to Devine shareholders (subject to no superior proposal and to the findings of an independent expert's report) subject to CIMIC confirming its support for the Proposed Scheme. CIMIC was not prepared to support the Proposed Scheme at which point Devine made its announcement that the formal sale process had been terminated.

IBC's Ongoing Monitoring

The Board and IBC of Devine will continue to pursue actions that are in the best interests of all Devine shareholders. This includes continuing to evaluate the current CIMIC off market takeover offer and other alternative transactions. However, given CIMIC's current 50.63% shareholding, a change of control transaction in respect of Devine cannot occur without CIMIC's support. Based on CIMIC's actions at the completion of the previous formal sale process and its response in relation to the Proposal, there can be no assurance that CIMIC would support any alternative proposal. As such, at this stage it is highly uncertain that any alternative to the CIMIC off market takeover offer could be progressed to a stage where it could be considered or accepted by Devine shareholders.

The Board and IBC of Devine will continue to update Devine shareholders as appropriate.

ENDS

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