

Press Release

HOCHTIEF subsidiary CIMIC enters sale agreement with Elliott for 50% of Thiess

- **Valuing Thiess at AUD 4.3 billion (100% enterprise value)**
- **Realizing cash proceeds of AUD 1.7 billion to AUD 1.9 billion to CIMIC**

CIMIC Group, in which HOCHTIEF holds a 77.4% stake, today announced that it has entered into an agreement with funds advised by Elliott Advisors (UK) Ltd (“Elliott”) regarding the acquisition by Elliott of a 50% equity interest in Thiess, the world’s largest mining services provider.

Elliott is one of the oldest fund managers of its kind under continuous operation and manages more than USD 40 billion in assets, including equity positions in private and listed companies, in Australia and globally.

Thiess delivers open cut and underground mining in Australia, Asia, Africa and the Americas, providing services to 25 projects across a range of commodities. It has a diverse fleet of plant and equipment of more than 2,200 assets, a team of around 14,000 employees and generates annual revenues in excess of AUD 4.1 billion.

Thiess is included in CIMIC’s Mining and Mineral Processing segment with CIMIC company Sedgman, a leading provider of minerals processing and associated infrastructure solutions to the global resources industry. CIMIC will retain 100% of Sedgman, generating AUD 400 million of annualized revenues with normalized profit before tax margins of around 10%.

HOCHTIEF CEO and CIMIC Group Executive Chairman Marcelino Fernández Verdes said: “The sale agreement reflects Thiess’ ongoing strategic importance as a core activity for CIMIC. It capitalises on the robust outlook for the mining sector and, together with Elliott, we will pursue market opportunities in line with Thiess’ growth and diversification strategy.”

Transaction Overview

- CIMIC and Elliott have entered into an agreement under which Elliott will acquire a 50% equity interest in Thiess, with CIMIC retaining the other 50% equity interest.
- CIMIC and Elliott will jointly control Thiess in accordance with a Shareholders' Agreement which contains governance arrangements as well as Thiess' financial and dividend policies, among other items.
- The transaction includes customary future share transfer options including a potential initial public offering or sale to a third party, and an option for Elliott to sell its interest in Thiess to CIMIC between three and six years from completion.
- Exercise of Elliott's option would enable CIMIC to potentially repurchase the interest now being acquired by Elliott at the lower of today's sale price or fair market value at that point in time, and benefits from a guarantee from CIMIC's majority shareholder HOCHTIEF.
- Completion under the agreement is subject to customary conditions, including financing and relevant regulatory approvals.

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10/19/2020**Financial Impact**

- The price for Elliott's 50% equity interest in Thiess implies an enterprise valuation of approximately AUD 4.3 billion (based on 100% of Thiess), subject to certain adjustments.
- The transaction will strengthen CIMIC's balance sheet by generating cash proceeds on completion of AUD 1.7 to AUD 1.9 billion as well as reducing CIMIC's factoring balance by approximately AUD 700 million and CIMIC's lease liability balance by approximately AUD 500 million.
- The transaction is expected to generate a pre-tax gain for CIMIC of around AUD 2.2 billion, and a post-tax gain of around AUD 1.4 billion, subject to certain adjustments.

- CIMIC will retain a strategic interest in its core mining operations while maintaining a balanced and diversified business portfolio.
- CIMIC's investment in Thiess following completion of the transaction will be recorded as an equity-accounted joint venture.

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HOCHTIEF is an engineering-led global infrastructure group with leading positions across its core activities of construction, services and concessions/public-private partnerships (PPP) focused on Australia, North America and Europe. With around 53,000 employees and a sales volume of about EUR 26 billion in 2019, HOCHTIEF's global presence is focused on developed markets. Via CIMIC, the Group is market leader in Australia. In the USA, HOCHTIEF is the No. 1 general builder via Turner. Flatiron ranks among the most important players in the field of civil works, mainly in transportation infrastructure. HOCHTIEF owns a 20% stake in Abertis, the leading international toll road operator. Thanks to its commitment to sustainability, HOCHTIEF has been listed in the Dow Jones Sustainability Indexes since 2006. Further information is available at www.hochtief.com/en/news-media.