CIMIC Group Limited
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10 February 2016

Singapore Exchange (SGX)
2 Shenton Way
19-00 SGX Centre 1
Singapore 068804

RE: CIMIC'S 2015 ANNUAL REPORT, MEDIA RELEASE AND INVESTOR PRESENTATION

Please find attached a copy of a media release issued by CIMIC Group Limited, parent company of CIMIC Finance (USA) Pty Ltd.

Yours faithfully
CIMIC GROUP LIMITED

LOUISE GRIFFITHS
Company Secretary

CIMIC Group Limited

ABN 57 004 482 982

Appendix 4E

Annual Report for the financial year ended 31 December 2015

Results for Announcement to the Market

	12 months to December 2015 $m	12 months to December 2014 $m	% Change
Revenue - Group, joint ventures and associates from continuing operations	16,218.7	18,406.0	(12%)
Revenue - Joint ventures and associates from continuing operations	2,848.0	1,530.2	86%
Revenue from continuing operations	13,370.7	16,875.8	(21%)
Profit / (loss) attributable to members of the parent entity from continuing operations	520.4	(114.9)	553%
Profit / (loss) from discontinued operations	-	791.4	n/a
Profit / (loss) attributable to members of the parent entity	520.4	676.5	(23%)

Details of Reporting Period	
Current reporting period	Twelve (12) months to 31 December 2015
Previous corresponding period	Twelve (12) months to 31 December 2014

Dividends – 12 months to 31 December 2015	Amount per security	Franked amount per security	
Final dividend	50.0¢	50.0¢	100%
Interim dividend	46.0¢	46.0¢	100%

Key Dividend Dates	Date
Ex dividend date	15 March 2016
Record date for determining entitlements to the dividend	16 March 2016
Date for payment of dividend	8 April 2016

	December 2015	December 2014
Net tangible asset backing per ordinary share	$10.60	$9.53

Annual General Meeting Details	
Date:	21 April 2016
Time:	10 am
Place:	Wentworth Ballroom, Sofitel Sydney Wentworth, 61-101 Phillip Street Sydney, NSW

The remainder of the information requiring disclosure to comply with listing rule 4.3A is contained in the Operating and Financial Review section of the December 2015 Directors' Report and the audited December 2015 Financial Report, within the CIMIC Group Limited Annual Report 2015, lodged with this Appendix 4E.

CIMIC

2015 Annual Report

CIMIC Group Limited
ABN 57 004 482 982

"For more than 80 years CIMIC Group, through its Operating Companies, has played a significant role in building our region."

Marcelino Fernández Verdes
Executive Chairman and Chief Executive Officer

our fresh appro

Since the establishment of our mining operations as a small earthmoving business in 1934 by five brothers, and the foundation of our construction business in 1949, CIMIC and its Operating Companies have been closely involved with engineering, mining and infrastructure contracting in Australia and around the globe.

In 2014 and 2015 we extended this history - transforming our operating model, delineating our operations by activity and establishing new businesses. We now have businesses covering mining, construction, public private partnerships (PPPs), and engineering. Each has a separate focus, whilst sharing a common approach to governance.

To reflect our new approach to business, we have refreshed our branding (outlined overleaf) and our Code of Conduct, and launched Group-wide Principles, to unify our culture and operations.

Our Principles are Integrity, Accountability, Innovation and Delivery – underpinned by a continual focus on Safety. The Principles exist to guide our actions and act as a common unifying bond across our operations.

Our Principles guide us as we work to meet the needs of our clients and other stakeholders, and this is what ultimately helps drive continued shareholder returns.

ach to business

Safety underpins everything we do. The provision of a safe and healthy working environment for all our employees and those under our care is vital. We hold ourselves to a consistently high standard of health and safety wherever we operate and we are committed to the elimination of injuries.

These changes, along with many others we have made during the past year, aim to sustain CIMIC as a leader. ■

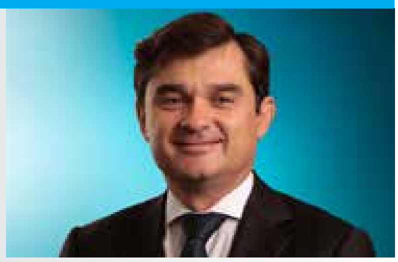
RECENT APPOINTMENT

During the year we appointed Adolfo Valderas as Deputy Chief Executive Officer, in addition to his role as the Group's Chief Operating Officer.

Adolfo has had an integral role in the transformation of our operations during the past two years, and he will be of great value to our company in this new role.

Adolfo will leverage the many opportunities before us to the benefit of our shareholders, clients and employees.

Trained as a civil engineer, Adolfo has held leadership roles with ACS companies (construction and PPPs) internationally and brings his considerable management capabilities to the position. ■



Adolfo Valderas
Deputy Chief Executive Officer and Chief Operating Officer

* While Leighton Contractors has been renamed as CPB Contractors, Leighton Asia has retained its name.

streamlined operations

In January 2016 we launched a new brand for our Australian-headquartered construction operations, following the merger of the construction businesses of Thiess and Leighton Contractors.

Pacific Partnerships is the name of our Public Private Partnership (PPP) business, formed by blending the PPP and Build Own Operate Transfer capabilities of CIMIC's Operating Companies into a single entity.

The company's new name – CPB Contractors – reflects its heritage and capability in Construction, Civil, Projects and Building, as well as the expertise of our People.

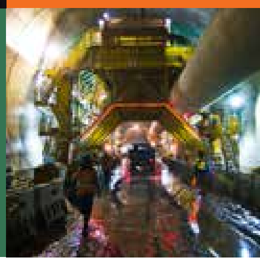
The logo uses three shapes from the CIMIC logo and signifies transformation in action. The use of orange reflects its Leighton heritage.

Our global construction operations, incorporating CPB Contractors and Leighton Asia, performed well during 2015, successfully delivering work for clients and winning new work.

Major project awards for 2015 included nationally significant Australian transport infrastructure projects such as the WestConnex M4 East Motorway and New M5 Motorway (NSW), Torrens Road to River Torrens motorway (SA), CityLink Tulla Widening from Bulla Road to Power Street (VIC) and Mitchell Freeway Extension (WA). Major gas infrastructure awards included the Collaborative Well Delivery project for Australia Pacific LNG and the Surat Basin project for QGC.

In Asia, we were awarded the Liantang / Heung Yuen Wai Boundary Control Point between Hong Kong and China for the Government of Hong Kong SAR and the Shatin to Central Link – Exhibition Station and Western Approach Tunnel for MTR Corporation Limited.

These project awards demonstrate that our construction operations are successfully delivering innovative and cost effective solutions that meet our clients' needs. This means we are increasingly competitive and strongly positioned for future project opportunities in our markets in Australia, the South Pacific and Asia. ■



The PPP expertise within Pacific Partnerships has a long heritage as part of the CIMIC Group.

CIMIC has been responsible for the delivery of more than 20 PPPs with a market value of around $32 billion. These include approximately 135km of arterial roads, 35km of major road and rail tunnels, 1,400km of rail track, Australia's longest rail tunnel, New Zealand's first road PPP, 10 social infrastructure PPPs totalling over $11 billion and more than 2,000 hospital beds.

The Pacific Partnerships logo utilises the shapes of the CIMIC logo, with the arrow representing Pacific Partnership's key point of differentiation, being its role in bringing together three elements:

- development of infrastructure with CIMIC Operating Companies;
- direct investment in those infrastructure projects; and
- the provision of operation and maintenance services as a long-term partner to clients.

In New Zealand, for example, Pacific Partnerships manages the concession for the 27km, four-lane Transmission Gully motorway which is currently being constructed by CPB Contractors (in joint venture) north of Wellington. The project includes a 25-year operations and maintenance contract.

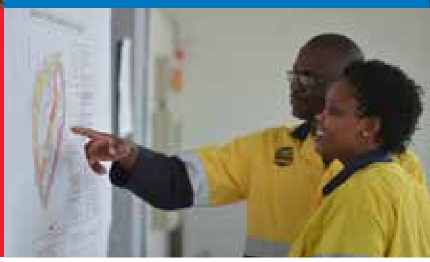
In Sydney, Pacific Partnerships has equity in North West Rail Link, where CPB Contractors (in joint venture) is delivering the $3.7 billion operations, trains and systems package. The project includes construction, procurement of rolling stock and operation for 15 years.

In South Australia, Pacific Partnerships is the concession manager of the new Royal Adelaide Hospital, Australia's most advanced hospital and the single largest infrastructure project in the state's history.

The creation of Pacific Partnerships optimises our capabilities in infrastructure construction, PPP services, and operations and maintenance services so that we may grow our share of large and complex PPP projects and offer end-to-end services to clients. ■

THIESS

In 2014, Thiess was confirmed as our global mining business and, in 2015, this position was strengthened with the expansion of its operations by commodity and geography.



EIC ACTIVITIES

In 2014 and 2015, we combined our existing engineering skills into a new, focused engineering entity named EIC Activities. The EIC name stands for Engineering, Innovation and Capability.

Thiess, our global mining business, is the world's largest contract mining company, with technical and operational services, capabilities and projects across Australia, New Zealand, Indonesia, Mongolia, India, Botswana and Chile covering the world's major mineral commodities.

During the year, Thiess was awarded new work at BHP Billiton's Rocky's Reward nickel mine in Western Australia and at Antofagasta Minerals' Encuentro Oxides copper mine in Chile. The project wins extend Thiess' operations to include nickel mining and expand Thiess' global footprint to a new region: South America.

Thiess also won further work with existing clients at the coal mines of Ukhaa Khudag in Mongolia; Lake Vermont, Dawson and the QCoal Northern Hub in Queensland; and Mount Owen in New South Wales. This demonstrates Thiess' continued commitment to delivering innovative, technical mining solutions focused on the whole spectrum of mining services.

Expanding Thiess' strong mining service capability into the Americas and leveraging its bases in Australia and Asia will allow Thiess to drive further growth in 2016 and deliver sustainable mining solutions to clients across its global operations.

In 2015, Thiess also launched FleetCo – Australia's most diverse mining equipment hire company. FleetCo's range of services includes flexible equipment contracts for an extensive mining fleet, including up to ultra class equipment, and includes comprehensive, tailored maintenance support from one of the world's leaders in mining asset management and maintenance. ■

EIC Activities brings together all the Group's technical expertise. EIC Activities delivers solutions, capabilities and innovations across the industries of infrastructure, industrial and building and in the disciplines of knowledge management, engineering methodology, specialist design and technical services.

EIC Activities undertakes early reviews of prospects to identify risks and mitigations, and provides engineering solutions to complex technical problems. In doing so, EIC Activities enhances our ability to mitigate and manage risk.

Identifying and remedying risks earlier has led to significant cost savings and, in some instances, earlier project completion. The outcomes are producing benefits for CIMIC and our clients.

In a recent example, EIC Activities developed an Instrumentation and Monitoring Data Management System. Effective measurement of data is essential during a project's life cycle. The EIC Activities system has improved our engineering processes. It is customisable, flexible and scalable and has delivered time and cost savings on projects.

EIC Activities' research and technology capability enables us to build digitally first, through virtual construction and Building Information Modelling (BIM) – a way of improving planning, construction and operation of projects with the help of 3D computer models. BIM improves our ability to measure, map, visualise and control our business, and our research and development function captures and shares innovation across our business. ■

An established international contractor. A local partner.

Working for corporate and government clients, including through PPPs, the CIMIC Group has a track-record of partnering with clients to deliver the highest quality outcomes on-time, and at a competitive price.

[1] CIMIC owns 50% of Ventia [2] CIMIC owns 45% of Habtoor Leighton Group

international experience

Our commitment to our clients, and to all of our stakeholders, is that Integrity, Accountability, Innovation, Delivery and Safety underpin our operations. This is our promise everywhere we operate - in more than 20 countries throughout the Asia Pacific, the Middle East, Sub-Saharan Africa and South America.

Our mission is to generate sustained returns for our shareholders by delivering projects for our clients while providing safe, rewarding and fulfilling careers for our people.

While each project is unique, we achieve this aim through a consistent focus on technical excellence, innovation, a steadfast approach to client partnership and value creation, and the experience amassed from operations that have been in existence since the 1930s. As we continue to evolve as an organisation, we draw on the passion and skills of our people who are integral to our achievements.

Our major shareholder, HOCHTIEF, and its major shareholder, the ACS Group, are both leaders in their fields, renowned for innovation. As we maintain and constantly develop our ability to deliver pioneering solutions for clients, we draw on the world-wide network of HOCHTIEF and the ACS Group, to the benefit of local clients. ■

2015 Annual Report

CONTENTS

In this Annual Report a reference to 'CIMIC Group', 'we', 'us' or 'our' is a reference to CIMIC Group Limited ABN 57 004 482 982 and certain entities that it controls unless otherwise stated.

The CIMIC Group corporate governance statement is available on our website, in the section titled 'Board and Governance' (www.cimic.com.au/our-approach/corporate-governance).

The CIMIC Group sustainability report is available on our website at: www.cimic.com.au/our-approach/sustainability.

Executive Chairman and CEO's Review

CPB CONTRACTORS

Elizabeth Quay is a major initiative by the Government of Western Australia to develop Perth as contemporary and globally competitive. In partnership with its subsidiary Broad, CPB Contractors undertook inlet and public realm development works, both marine and land-based, including dredging, piling and major concrete and earth works. The outcome is a world-class urban landscape, surrounding a central water inlet, in the heart of the city.

Executive Chairman and CEO's Review

Dear Shareholders,
In 2015, we at the CIMIC Group made significant progress on our goal of delivering sustainable returns to our shareholders. I am pleased to outline for you below our achievements in this and many other areas, and to provide you with this Annual Report which reviews our progress in more detail.

PERFORMANCE OVERVIEW
First of all, demonstrating our **focus on sustainable earnings**, we achieved 2015 net profit after tax of $520.4 million, at the top end of our guidance range of $450 million to $520 million. The 20% growth in net profit after tax on the prior comparable period[1] for continuing operations came from the steady increase in our margins at both the earnings before interest and tax and the net profit after tax levels. This was achieved through steady improvements to our cost base as we reduced overheads, managed risks and costs and enhanced our tendering approach, despite the divestment of John Holland and 50% of our Services business, Ventia.

Our **strong balance sheet further improved as we reduced risks and systematically improved operations**. Operating cash flow was $1.92 billion, an increase of $510 million on FY14, reflecting improved project performance and working capital management. We reported net cash (including operating leases) of $528.1 million as at 31 December 2015 and gearing significantly below zero, with the associated reduction in our finance costs assisting with the margin improvement. Demonstrating that we are on the right track with our disciplined approach to the management of net contract debtors, we substantially reduced this figure during the year to $1.5 billion.

With respect to our **emphasis on shareholder returns**, there was an 8% increase in CIMIC's share price during the year, in contrast to the decline in the S&P/ASX 200 index. In January 2016 we commenced an on-market share buy-back of up to 10% of our fully paid ordinary shares over 12 months. This will improve shareholder returns and enhance capital efficiency while maintaining sufficient balance sheet flexibility to pursue future growth and investment in market opportunities. These developments underscore our robust balance sheet position, solid cash flow generation and disciplined approach to capital management.

The Board has determined a 100% franked final dividend of 50 cents per share ($168.5 million in total based on shares on issue as at 10 February 2016) to be paid on 8 April 2016. This represents a full year payout ratio of 62% of net profit after tax. Due to the share buy-back the Board estimates the payout ratio will be approximately 60% of net profit after tax at the time the dividend is paid, consistent with our dividend policy.

Further details on our Company's performance are contained in the Operating and Financial Review within this Annual Report.

NEW WORK AND OUTLOOK
Thiess, CPB Contractors (formerly Leighton Contractors) and Leighton Asia all reported **success in winning new work** during 2015. In total, CIMIC won new work of $14.13[2] billion including several major construction projects and mining contract awards, bringing our level of work in hand to $29 billion[3] as at 31 December 2015.

In the challenging environment in resources, Thiess continued to win new work and further diversify its mining portfolio including winning a nickel mining contract in Western Australia and a copper mining services contract in Chile. Coal mining contract extensions in Mongolia (at Ukhaa Khudag), New South Wales (at Mount Owen) and Queensland (at Lake Vermont, Dawson and QCoal Northern Hub) were also awarded.

In the construction sector, CPB Contractors and Leighton Asia secured major wins. The Group had particular success in rail and road projects, securing packages of the New M5 Motorway and M4 East Motorway in Sydney, level crossing removals and the CityLink Tulla Widening both in Victoria, the Torrens Road to River Torrens motorway in Adelaide, as well as work to expand the rail network in Hong Kong. In social infrastructure, project wins included the Fakeeh Academic Medical Centre[4] in Dubai; and, in LNG works, wins included gas field development and gas infrastructure in Queensland.

I am particularly pleased to inform you that, since year-end, our new PPP company, Pacific Partnerships, was selected, with CPB Contractors, to deliver with their partners the first stage of Canberra's light rail project. This is the first major win for the Group's integrated approach to PPPs, being involved at the equity, construction, and operation and maintenance levels. Our PPP expertise, financial strength, diverse capabilities and major project experience position us strongly for light rail and other projects in the PPP pipeline including rail, road and social infrastructure.

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[1] Performance is for the comparable 12 month period to December 2014, which includes 50% of Ventia's profit after tax of $76.6 million, and excludes the $472.5 million ($675.0 million before tax) contract debtors portfolio provision in continuing operations. Refer to the Operating and Financial Review within the Annual Report for a reconciliation.
[2] New work includes new contracts and contract extensions and variations including the impact of foreign exchange rate movements.
[3] Work in hand includes CIMIC's share of work in hand from Joint Ventures and Associates. Work in hand includes work in hand beyond five years of $1,663 million (Mining $921 million, Corporate $742 million) and 2014 has been restated to include work in hand beyond five years of $817 million (Mining $110 million, Corporate $707 million).
[4] Awarded to our 45% owned investment HLG.

CIMIC's markets offer a range of new project opportunities. There is a strong pipeline of infrastructure and mining projects relevant to CIMIC of $60 billion (60% of which is in Australia and New Zealand) which is expected to be awarded in FY16; and more than $170 billion (70% of which is in Australia and New Zealand) in FY17 and FY18. Of these figures, mining accounts for $18 billion in FY16, and, currently, more than $20 billion in subsequent years.

Our performance in 2015 gives us confidence for 2016 and **our markets continue to offer a strong pipeline of infrastructure projects, which is expected to support growth in the medium and longer term**.

After reaching the top end of our forecast in 2015, with net profit after tax of $520.4 million, **our 2016 guidance is for the Group to achieve net profit after tax in the range of $520 million to $580 million**, subject to market conditions.

OPERATING MODEL AND GOVERNANCE

Operating in 2015 under our activity-focused organisational structure, we concentrated on developing a common culture across the CIMIC Group companies (see 'Principles' section below) and continued the roll out of more efficient systems.

Our governance changes have included the standardisation and simplification of our tools, processes and business systems. Our aim is to continue to simplify and optimise the consistency of our governance and reporting. Doing so has provided greater clarity for accountability across our operations, improved our risk management, delivered cost efficiencies and assisted us to continue to deliver sustainable shareholder returns.

In 2015 and early 2016, we introduced new brands for our existing and new companies – CIMIC Group, CPB Contractors, Pacific Partnerships, EIC Activities and FleetCo. The new names are an indication of our reshaped business. Our brands are explained in the fold out cover of this Annual Report.

We also launched offers to acquire the shares in two of our investments, Devine Limited and Sedgman Limited. We made the offer for Devine in 2015 and achieved an increase in our stake to 59.11%. A review of Devine's operations is underway and a new CEO (a former CIMIC Group executive) and Board members have been appointed. The Sedgman offer is in progress and we will update the market as appropriate. As at 5 February, CIMIC's shareholding in Sedgman has been increased to 46.44% through purchasing shares on market.

PRINCIPLES

As part of our focus on culture I engaged with our employees in all parts of the business, including through a series of townhall meetings, during the year to promote our Principles: Integrity, Accountability, Innovation and Delivery – underpinned by a continual focus on Safety. For us:

- Integrity means respect and honesty for ourselves, our colleagues, clients, suppliers and shareholders;
- Accountability means commitment to what we are responsible for;
- Innovation means continued adaptation and evolution; and
- Delivery is the driver of our reputation and credibility.

Our **Principles provide a shared identity and language for CIMIC's people and guide our actions**. They underlie our ability to deliver leading results for our clients, sustained success for our shareholders, and safe, fulfilling careers for our people. These Principles are universal across all of our operations.

Integrity is embedded in in all of our companies, evidenced by the strong support for our revised Group Code of Conduct, which was rolled out during the year. Based on our Principles, it sets the foundation for the way we work every day.

PEOPLE & SAFETY

I am immensely proud of all we have achieved as a business during the year and this is down to the hard work of our people. So ensuring their safety is paramount.

In 2015 we continued to improve our Total Recordable Injury Frequency Rate (TRIFR) measured per million hours worked.

Whilst we are pleased to have made this progress in our TRIFR, we won't be satisfied until all of our people are safe, every day.

It is with great sadness that I report the death of one of our colleagues due to a work-related incident during 2015. On behalf of the Board and all of CIMIC's people, I extend my deepest sympathies to the family and friends of our colleague who passed away and confirm our ongoing commitment to ensuring safety is paramount and underpins all we do at CIMIC Group.

SUSTAINABILITY

I am pleased to launch today the CIMIC Group Sustainability Report. The document outlines how we integrate environmental, social and governance factors into our decision making to maximise long term shareholder value and contribute to safe and healthy employees, communities and ecosystems.

Our sustainability commitments are to:

- provide safe communities and supportive, safe and positive workplaces for our people;
- act with integrity – honestly and respectfully – in all relationships with the Group's stakeholders;

- develop a united and collaborative culture where engaged employees are aligned to achieve superior performance and integrate governance, economic, environmental and social considerations into their roles;
- seek competitive advantage by innovating to deliver construction, mining and services projects that satisfy the governance, economic, environmental and social needs of our clients; and
- use resources efficiently, minimise waste and promote the delivery of energy efficient, environmentally and socially responsible projects.

In 2015 the Group was again recognised by the industry leading Dow Jones Sustainability Indices (DJSI) which tracks the performance of the companies which lead their industries in terms of corporate sustainability. CIMIC was included in DJSI's Australia Index, one of only two construction and engineering companies to be so recognised. CIMIC was also included in RobecoSAM's 2016 Sustainability Yearbook and was acknowledged as the construction and engineering 'industry mover' for achieving the largest proportional improvement in its sustainability performance within the top 15% of the industry compared to the previous year.

I encourage you to visit our website to read our Sustainability Report.

CONCLUSION

Throughout 2015 we made significant improvements to CIMIC's competitive position.

We entered 2016 from a stronger base. With a strong pipeline of infrastructure and mining projects relevant to CIMIC of $60 billion expected to be awarded in FY16, we are ready to keep pursuing our pipeline of work, and continuing to win and deliver profitable projects.

Looking forward, we remain focused on further developing our core contracting business, and extending into new markets and exploring new value creating opportunities within our existing and complementary areas of expertise.

In closing, I would like to thank all of our shareholders for your continued support and to convey the enthusiasm of the whole CIMIC team for the year ahead.

I look forward to updating you further on our Company's performance at the AGM on 21 April 2016.

Sincerely,

Marcelino Fernández Verdes
Executive Chairman and Chief Executive Officer

THIESS

Lake Vermont is Thiess' largest Australian project with production of 10.7 million tonnes of product coal per year. Thiess is achieving world-class production at the site through operational excellence, industry-leading plant and equipment, and specialised extraction methods. Services include coal mining, drill and blast, overburden removal, mobile plant and equipment, processing and rehabilitation.

Directors' Report

The Directors present their report for the 2015 Financial Year in respect of the Company and certain entities it controlled. This Directors' Report has been prepared in accordance with the requirements of Division 1 of Part 2M.3 of the Corporations Act and is dated 10 February 2016.

DIRECTORS' RESUMÉS

The Directors as at the date of this Directors' Report are:

MARCELINO FERNÁNDEZ VERDES (60)
Executive Chairman and Chief Executive Officer
Civ Eng
Appointed CEO of the Company on 13 March 2014. Appointed Executive Chairman on 11 June 2014. Mr Fernández Verdes was a Non-executive Director from October 2012 until his appointment as CEO.

Mr Fernández Verdes has been a member of the Executive Board of HOCHTIEF AG in Essen since April 2012. In November 2012, he was appointed Chairman of the Executive Board of HOCHTIEF AG and assumed responsibility for the HOCHTIEF Asia Pacific division.

Mr Fernández Verdes studied construction engineering at the University of Barcelona and has held a variety of positions in the construction industry since 1984. In 1997, he became General Manager of ACS Proyectos, Obras y Construcciones, and then took over as Chairman and CEO in 2000. Following the merger between Grupo ACS and Grupo Dragados in 2003, Mr Fernández Verdes took office as Chairman and CEO of Dragados S.A. He served as Chairman and CEO of Construction, Environment and Concessions at ACS Actividades de Construcción y Servicios S.A. from 2006. Mr Fernández Verdes was appointed to the Executive Committee of the ACS Group in 2000, and to the Board of Directors of ACS Servicios y Concesiones, S.L. (Chairman and CEO) in 2006.

RUSSELL CHENU (66)
Independent Non-executive Director
BCom, MBA, CPA
Appointed Independent Non-executive Director on 11 June 2014. Mr Chenu has a Bachelor of Commerce from the University of Melbourne and an MBA from the Macquarie Graduate School of Management. Mr Chenu is an experienced corporate and finance executive who has held senior finance and management positions with a number of ASX listed companies. In a number of these senior roles, he has been engaged in significant strategic business planning and business change, including several turnarounds, new market expansions and management leadership initiatives.

Mr Chenu was appointed as interim CFO of James Hardie Industries plc in October 2004 and was appointed as CFO in February 2005 before retiring in November 2013. As CFO, he was responsible for accounting, treasury, taxation, corporate finance, information technology and systems, and procurement.

Mr Chenu is a Director of the following additional ASX listed entities: Metro Performance Glass Limited (since July 2014) and James Hardie Industries plc (since August 2014).

JOSÉ LUIS DEL VALLE PÉREZ (65)
Non-executive Director
LLB
Appointed Non-executive Director on 13 March 2014. Mr del Valle Pérez completed a degree in Law from the University Complutense of Madrid in 1971 and, since 1974, has been Abogado del Estado de España (State Attorney of Spain). He has been a Member of the Bar Association of Madrid since 1976. As Spanish State Attorney he performed his duties in the Delegations of the Ministry of Finance and the Courts of Justice of Burgos and of Toledo, and in the Legal Departments of the Ministry of Health and of the Ministry of Labour and Social Security. Mr del Valle Pérez was previously a Director of the legal department of the political party UCD (from 1977 to 1981) and a Member of the Parliament (Congreso de los Diputados) of Spain (from 1979 to 1982). He was also Deputy Minister for Territorial Administration from 1981 to 1982. Since 1983 Mr del Valle Pérez has been a Director of and/or legal advisor to many Spanish companies, including Banesto (merged with Banco Santander), Continental Industrias del Caucho (a subsidiary of Continental AG), Fococafé and Continental Hispánica (a subsidiary of Continental Grain Inc).

Mr del Valle Pérez was appointed as a Director of ACS in 1989 and is currently a Director and General Secretary of the ACS Group and is also the Secretary and/or Director of its main subsidiaries and affiliates.

KIRSTIN FERGUSON (42)
Independent Non-executive Director
PhD, LLB (Hons), BA (Hons), FAICD
Appointed Independent Non-executive Director on 10 July 2014. Dr Ferguson has a PhD in Business (Queensland University of Technology) and Honours degrees in Law (Queensland University of Technology) and Arts (University of New South Wales). Dr Ferguson is a Fellow of the Australian Institute of Company Directors, a Graduate of the AICD Company Directors Course and a Graduate of the AICD International Company Directors Course. During her executive career, Dr Ferguson was CEO of the global workplace health and safety organisation, Sentis, and Director of Corporate Services of Deacons (now Norton Rose Fulbright).

Dr Ferguson is a Director of the following additional ASX listed entity: SCA Property Group (since January 2015).

Dr Ferguson is also a Non-executive Director of the Australian Broadcasting Corporation (ABC) (since November 2015), Hyne & Sons Pty Limited (since August 2013) and the Queensland Theatre Company (since May 2013), and Adjunct Professor of the Queensland University of Technology (since April 2015). Previously, Dr Ferguson was a Non-executive Director of SunWater Limited (between October 2008 and August 2015), Dart Energy Limited (between November 2012 and March 2013) and the Queensland Rugby Union (between April 2011 and April 2013), and was the Independent Chairman of the Thiess Advisory Board (between February 2013 and June 2014).

TREVOR GERBER (60)
Independent Non-executive Director
BAcc, CA, SA
Appointed Independent Non-executive Director on 11 June 2014. Mr Gerber was an executive at Westfield Holdings Limited until 1999. During his 14 year career at Westfield, Mr Gerber's roles included Group Treasurer and Director of Funds Management responsible for Westfield Trust and Westfield America Trust. Mr Gerber has been a professional director since 2000. His board experience has been varied and includes property, funds management, hotels/tourism, infrastructure, aquaculture and aged care.

Mr Gerber is a Director of the following additional ASX listed entities: Chairman of Sydney Airport Limited (since May 2015 and a Director since April 2002), Tassal Group Limited (since April 2012), Vicinity Centres Limited (since April 2014) and Regis Healthcare Limited (since October 2014).

PEDRO LÓPEZ JIMÉNEZ (73)
Non-executive Director
Civ Eng, MBA
Appointed Non-executive Director on 13 March 2014. Mr López Jiménez has a degree in civil engineering and an MBA from IESE Business School, Madrid. He has been awarded the Grand Cross of Isabel La Católica.

During his career Mr López Jiménez has held the following positions: General Director of Ports for the Ministry of Public Works (Spain), Secretary of State of Urban Affairs and Public Works (Spain), Board Member of Instituto Nacional de Industria (State owned holding company), Manager of the Thermal Plant Constructions in Hidroelectrica Española, CEO of Empresarios Agrupados (thermal and nuclear plants engineering and construction management), Chairman and CEO of Endesa S.A., Board Member of Unión Eléctrica S.A. and Empresa Nacional Hidroelectrica de la Ribagorçana, Chairman of Unión Fenosa S.A., Vice Chairman of Indra Sistemas S.A., Board Member of Compañía Española de Petróleos S.A.U., Board Member of ENCE S.A, Board Member of Keller Group plc, and Chairman of Gtceisu Construcción S.A. Additionally, he was the founder of CEOE (Confederation of Spanish Industries), Member of its first Executive Committee, founder and first Chairman of FEIE (Federation of Spanish Utility Companies), Board Member of Club Español de Energía (Spanish Energy Association).

Mr López Jiménez currently serves as Board Member (and Member of the Executive Committee) of ACS (since 1989), Vice Chairman of ACS Servicios y Concesiones, Vice Chairman of ACS Servicios, Comunicaciones y Energía and is Chairman In Office of Dragados S.A. He is a Board Member of Ghesa Ingeniería y Tecnología S.A. (since 1971) and is Board Member of Gtceisu Construcción S.A. He was appointed as Chairman of the Supervisory Board of HOCHTIEF AG and Chairman of its Human Resources Committee and its Nomination Committee in October 2014.

Mr López Jiménez is currently a Board Member of the Malaga Picasso Museum, Álcala University, and the European Club Association, and is the Vice Chairman of the Real Madrid Football Club.

DAVID ROBINSON (60)
Non-executive Director
MCom, BEc, FCA, CTA
Appointed Non-executive Director on 17 December 1990. A Member of the Thiess Advisory Board from 18 June 2013 to 30 June 2014. Appointed Alternate Director for Mr López Jiménez on 11 June 2014. Previously an Alternate Director for Mr Peter Sassenfeld (from November 2011 to June 2013). A graduate of the University of Sydney. Registered company auditor and tax agent. A chartered accountant and Partner of ESV Accounting and Business Advisors (ESV) (following the merger between Harveys, of which Mr Robinson was Principal, and ESV in July 2015). Adviser to local and overseas companies with interests in Australia. Participant in construction industry affairs. Chairman of Trustees of Mary Aikenhead Ministries, the responsible entity for the health, aged care and education works of the Sisters of Charity in Australia. A Director of HOCHTIEF Australia. A former Director of Leighton Properties from May 2000 to August 2012.

Mr Robinson is the Chairman of the following additional ASX listed entity: Devine Limited (Chairman since January 2016 and Director since May 2015).

PETER-WILHELM SASSENFELD (49)
Non-executive Director
MBA
Appointed Non-executive Director on 29 November 2011. Mr Sassenfeld has an MBA from the University of Saarland.

Mr Sassenfeld was appointed as the CFO of HOCHTIEF AG in November 2011. Prior to this role he was the CFO of Ferrostaal AG. Mr Sassenfeld has previously worked as the CFO of Krauss Maffei AG and in senior finance roles at Bayer AG and the Mannesmann Group.

ALTERNATE DIRECTOR'S RESUMÉ

ROBERT SEIDLER AM (67)
Alternate Director
LLB
Appointed Alternate Director for Mr del Valle Pérez and Mr Sassenfeld on 11 June 2014. Mr Seidler AM has served as an Alternate Director for a number of HOCHTIEF-nominated directors dating back to November 2003. He has a degree in Law from the University of Sydney and is a former partner of Blake Dawson (now Ashurst).

Mr Seidler AM is the Vice President of the Australia Japan Business Cooperation Committee and Chairman of Hunter Philip Japan Limited. He is a former member of the Australian Government's Corporations and Markets Advisory Committee, and the New South Wales Government's Multicultural Business Advisory Panel and is currently a member of the New South Wales Government's Export and Investment Advisory Panel. Mr Seidler AM was appointed as a Director of HOCHTIEF Australia in November 2011. He was the Chairman of the Advisory Boards of Leighton Properties and Leighton Asia, India and Offshore (from November 2012 to June 2014) and was the Chairman of Leighton Asia (from November 2011 to September 2012) and a Director of Leighton Properties (from May 2010 to August 2012) and Leighton International (from November 2009 to November 2011).

COMPANY SECRETARIES' RESUMÉS

LOUISE GRIFFITHS (36)
Company Secretary
BSc, BA, AGIA
Appointed Company Secretary in January 2016. Ms Griffiths was formerly the Assistant Company Secretary of the Company, having held that role since May 2011. Ms Griffiths has a Bachelor of Science in Criminology and a Bachelor of Arts in Community Justice. Ms Griffiths is an Associate of the Governance Institute of Australia (GIA) and holds a Graduate Diploma in Applied Corporate Governance from the GIA. Ms Griffiths served as a member of the GIA's New South Wales Professional Development Committee between February 2013 and September 2014. Ms Griffiths is also the company secretary of a number of subsidiaries of CIMIC.

JOHN EASY (51)
Formerly Group General Counsel and Company Secretary
LLB, BCom, FGIA
Mr Easy held the position of Group General Counsel and Company Secretary between November 2014 and January 2016. Mr Easy was previously the General Counsel and Company Secretary for DEXUS Property Group from 2004 to 2014 having been employed in its legal team since 1997.

VANESSA REES (46)
General Manager, Group Governance, formerly Group Company Secretary
Dip Law, AssocD Acc, FGIA
Ms Rees held the position of Group Company Secretary from August 2013 to August 2015, before moving into the newly created role of General Manager, Group Governance. Prior to joining CIMIC, Ms Rees held various listed company secretarial positions with Ascalon Capital Managers Limited and Investa Property Group.

BOARD MEETINGS

The number of Board and Board Committee meetings held, and the number of meetings attended by each Director, during the 2015 Financial Year are set out in the table below.

	Board		Special Board Committee~		Audit and Risk Committee		Ethics, Compliance & Sustainability Committee		Remuneration & Nomination Committee	
	H	A	H	A	H	A	H	A	H	A
Current Directors										
M Fernández Verdes	5	5	2	2	-	4+	3	3	-	2+
R Chenu	5	5	3	3	4	4	3	2	2	1
J L del Valle Pérez	5	5	-	-	-	3+	3	3	2	2
K Ferguson	5	5	2	1	4	4	3	3	2	2
T Gerber	5	4	-	-	4	3	-	-	2	2
P Lopéz Jiménez	5	5	-	-	-	4+	-	1+	2	2
D Robinson	5	5	3	3	4	4	-	2+	-	1+
P Sassenfeld	5	4	-	-	4	4	-	1+	-	-
Alternate Director										
R Seidler AM	-	5*	-	1*	-	4*	-	3*	-	2*

Notes

H The number of meetings held during the period the Director/Alternate Director was a member of the Board and/or Committee.

A The number of meetings attended by the Director during the period the Director/Alternate Director was a member of the Board and/or Committee.

~ Meetings held to consider half year and annual results, annual report, notices of AGM and other related matters.

* The number of meetings attended by the Alternate Director in his capacity as an Alternate Director or as a standing invitee.

+ The number of meetings attended by the Director as a standing invitee of the Committee.

In addition to these formal meetings, briefing sessions were held for Directors on various issues during the year. Where required, the Board and its Committees also considered matters out of session by way of circulating resolution.

DIRECTORS' INTERESTS

Details of the Directors' relevant interests in the issued capital of the Company and its related body corporates as at the date of this Directors' Report are listed in the table below.

Name	Relevant interests in CIMIC			Relevant interests in ACS and/or HOCHTIEF AG		
	Ordinary shares	Options over shares	Rights over shares	Ordinary shares	Options over shares	Rights over shares
M Fernández Verdes	2,745[1]	-	-	1,003,302 (ACS)* 10,314 (HOCHTIEF AG)		-
R Chenu	3,285	-	-			-
J L del Valle Pérez	1,000[1]	-	-	278,902 (ACS)	769,426 (ACS)	-
K Ferguson	1,500	-	-			-
T Gerber	2,000	-	-			-
P López Jiménez	1,192[1]	-	-	597,470 (ACS)~		-
D Robinson	1,489	-	-			-
P Sassenfeld	1,858[1]	-	-	12,338 (HOCHTIEF AG)		-

Notes

Mr Seidler AM (Alternate Director for Mr Sassenfeld and Mr del Valle Pérez) holds 2,341 ordinary shares, nil options and nil rights.

1 These shares are held by the relevant director on trust for HOCHTIEF Australia.

* 1,002,691 shares are held by Gesguiver, S.L. (a closely related party to Mr Fernández Verdes).

~ 597,470 shares are held by Fapin Mobi, S.L. (a closely related party to Mr López Jiménez).

No Director held a relevant interest in Devine Limited.

DIRECTOR AND SENIOR EXECUTIVE REMUNERATION

Details of the Company's remuneration policy and remuneration paid to the Group's KMP are detailed in the Remuneration Report within this Annual Report.

CEO AND CFO DECLARATION

The CEO and CFO have given a declaration to the Board concerning the Group's financial records, financial statements and notes in accordance with section 295A of the Corporations Act.

ENVIRONMENTAL REGULATION

Under s299(1)(f) of the Corporations Act, an entity is required to provide a summary of its environmental performance in terms of compliance with Australian environmental regulation.

Within Australia, the Company is required to report under the NGER Scheme. In addition, the Operating Companies are subject to project specific regulations across the various jurisdictions in which they operate. Failure to comply with these corporate and project specific requirements may result in penalties such as remediation of damage, court injunctions, and criminal and civil penalties.

To assist the Board in discharging its responsibilities the Company has adopted a governance framework which provides for:

- the delegation of accountability for achieving compliance with regulatory requirements (and other requirements) to the most appropriate person or group within the organisation; and
- an assurance and reporting process for the evaluation and oversight of compliance with these requirements to the Board.

In the 2015 Financial Year:

- the Company submitted its NGER Scheme report with EY (our NGER Scheme external auditor) providing limited assurance; and
- across the 144.1 million hours worked on projects there were no material breaches of legislation or conditions of approval (ie, those resulting in prosecution, significant financial penalties or contractual action against the Company, executive officers or individuals). However, there were 3 fines totalling $3,500 and 4 written warnings from environmental regulators.

For further information regarding the Company's environmental governance, management approach, and performance (which expands beyond compliance) please refer to the 2015 Sustainability Report on our website at: www.cimic.com.au/our-approach/sustainability.

UNISSUED SHARES

SHARE RIGHTS

As at the date of this Directors' Report there are 1,096,928 rights over unissued shares in the Company. These are rights which were issued in accordance with our employee incentive schemes and are set out below:

Classes of Share Rights	**Number of Share Rights**
STI Rights	414,757
LTI Rights	682,171
Total Rights	**1,096,928**

OPTIONS

As at the date of this Directors' Report there are 735,636 options over unissued shares in the Company. These options were granted under the LTI plan and were made to eligible Senior Executives in February 2016 as their 2015 LTI. On 28 October 2015, the Board approved the replacement of the previous performance rights based plan with an options based plan. The 2015 option award represents the first grant under the new plan, the details of which are set out below:

Option details	
Number of participants	36
Date of grant	29 October 2015
Exercise price	$27.53
Expiry date	29 October 2020

Number of options	
Original grant	735,636
On issue 10 Feb 2016[1]	**735,636**

Notes

1 Date of this Directors' Report

On vesting, these rights and options may be satisfied through the issue of ordinary shares in the Company or the allocation of ordinary shares in the Company acquired on-market. Holders of these rights and options receive no voting rights and are not entitled to participate in any share or rights issue made by the Company.

Refer to the Remuneration Report for summaries of our STI, LTI and option plans and 'Note 37: Employee benefits' to the Financial Report within this Annual Report for further details. Refer to the Shareholdings section of this Annual Report for details regarding the distribution of holdings of STI Rights, LTI Rights and options.

AUDIT

The declaration by the Group's external auditor, Deloitte, to the Directors in relation to the auditor's compliance with the independence requirements of the Corporations Act, and any applicable code of professional conduct for external auditors, is set out in the section of this Directors' Report titled 'Lead Auditor's independence declaration under section 307C of the Corporations Act'.

No person who was an officer of the Company during the 2015 financial year was a director or partner of the Group's external auditor at a time the Group's external auditor conducted the audit.

INDEMNITY FOR GROUP OFFICERS AND AUDITORS

CONSTITUTION

The Constitution includes indemnities in favour of people who are, or have been, an 'Officer' or auditor of the Company. 'Officer' is defined in the Constitution as any Director, Secretary or executive officer of the Company.

The Constitution states that, to the extent permitted by law, the Company indemnifies every person who is or has been:

- an Officer, against any liability to any person (other than the Company or a related entity) incurred while acting in that capacity and in good faith; and
- an Officer or auditor of the Company, against costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

DIRECTORS' DEED OF INDEMNITY

The Company has entered into deeds of indemnity, insurance and access with its current and former Directors. Under each director's deed, the Company indemnifies the Director to the extent permitted by law against any liability (including liability for legal defence costs) incurred by the Director as an Officer or former Officer of the Company or any Operating Company, or while acting at the request of the Company or any Operating Company as an Officer of a non-controlled entity.

DEEDS OF INDEMNITY FOR CERTAIN OFFICERS AND EMPLOYEES

The Company has entered into deeds of indemnity with particular Officers, employees or former Officers and employees of the Company and Operating Companies. These deeds of indemnity give similar indemnities in favour of those Officers, employees or former Officers and employees in respect of liabilities incurred by them while acting in their applicable capacities in the Company or any Operating Company, or while acting at the request of the Company or any Operating Company as an Officer or employee of a non-controlled entity.

The Officers and employees who have the benefit of a deed of indemnity are, or were at the time, a Secretary of the Company, Directors of an Operating Company, or a General Manager or Senior Manager within the Group, as defined by that deed.

In February 2013 the Board resolved to extend similar deeds of indemnity to any person that is or becomes:

- a Director, Secretary, General Counsel or an executive (in a role that has been approved by the CEO, CFO or Company Secretary) of the Company, an Operating Company or a subsidiary of an Operating Company; or
- a Director, Company Secretary or an executive (in a role that has been approved by the CEO, CFO or Company Secretary) of a non-controlled entity at the request of the Company or Operating Company.

INSURANCE FOR GROUP OFFICERS

During and since the end of the 2015 Financial Year, the Company has paid or agreed to pay premiums in respect of contracts insuring persons who are or have been a Group Officer against certain liabilities (including legal costs) incurred in that capacity. Group Officer for this purpose means any Director or Company Secretary of CIMIC or any subsidiary and includes any other person who is concerned with, or takes part in, the management of the Company or a Subsidiary.

Under the directors' deeds and the deeds of indemnity described above, the Company has undertaken to the relevant Officer, employee or former Officer or employee that it will insure the Officer or employee against certain liabilities incurred in their applicable capacity in the Company or any Subsidiary or as an Officer or employee of a non-controlled entity where the position is, or was, held at the request of the Company or any Subsidiary.

The insurance contracts entered into by the Company prohibit disclosure of the specific nature of the liabilities covered by the insurance contracts and the amount of the premiums.

NON-AUDIT SERVICES

Details of the amounts paid or payable to our external auditor, Deloitte, for non-audit services provided during the year to entities within the Group are set out in the following table.

The Board has considered the position and, in accordance with the advice received from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the 2015 Financial Year is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The Board is satisfied that the provision of non-audit services by Deloitte, as set out in the following table, did not compromise the auditor independence requirements of the Corporations Act for the following reasons:

- all non-audit services were reviewed by the Audit and Risk Committee and the Committee believes that they do not impact the impartiality and objectivity of Deloitte because of the nature of the services provided during the 2015 Financial Year and the quantum of the fees which relate to non-audit services compared with the overall fees;
- the Directors believe that none of the services undermine the general principles relating to auditor independence, including reviewing or auditing Deloitte's own work, acting in a management or decision-making capacity for the Group, acting as advocate for the Group or jointly sharing economic risk and rewards; and
- these assignments were carried out in accordance with the External Auditor Independence Charter.

The non-audit services supplied to entities within the Group by Deloitte and the amount paid or payable by type of non-audit service during the 2015 Financial Year were as follows:

Non-audit services	Amount paid/payable $'000
Other assurance services	-
Taxation and other services	575
Total	575

ROUNDING OFF OF AMOUNTS

As the Company is a company of the kind referred to in ASIC Class Order 98/100 dated 10 July 1998, the Directors have chosen to round off amounts in this Directors' Report and the accompanying Financial Report to the nearest hundred thousand dollars, unless otherwise indicated.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of CIMIC Group Limited.

As lead audit partner for the audit of the financial report of CIMIC Group Limited for the financial year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu

G. Couttas

G Couttas
Partner
Chartered Accountants

Sydney, 10 February 2016

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Operating and Financial Review

PRINCIPAL ACTIVITIES

CIMIC Group, previously known as Leighton Holdings, is one of the world's leading construction companies and the world's largest contract miner. It provides construction, mining, engineering, public-private partnerships (PPP), and operation and maintenance services to the infrastructure, resources and property markets.

CIMIC's primary objective is to generate sustainable returns for shareholders by delivering projects for clients while providing safe, rewarding and fulfilling careers for our people, competitive solutions for clients, and a stable future for the Group.

OPERATIONS AND STRUCTURE
CIMIC delivers its services through specialised companies: CPB Contractors, Leighton Asia, Thiess, Pacific Partnerships, and EIC Activities.

CIMIC Group Limited (ASX: CIM) is one of the world's leading international contractors and the world's largest contract miner. CIMIC (previously Leighton Holdings) 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, 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, Sub-Saharan Africa and South America and, as at 31 December 2015, employed approximately 43,400 people directly and through its proportional ownership of HLG and Ventia.

Construction

Leading international construction contractors.

Delivering projects across the construction industry, including roads, rail, tunnelling, defence and building.

CPB Contractors (formerly Leighton Contractors) launched its new name and brand in January 2016. The Leighton Asia name is unchanged.

Mining

Thiess is the world's largest contract miner operating at 24 mines across six countries. Flexible and scalable in approach, Thiess' broad capabilities encompass mine planning, operations and technical services, continuous mining systems, mobile plant management, product handling and processing and mine infrastructure.

Thiess has long-term mining contracts in coal and iron ore, as well as gold, diamonds, nickel and copper.

PPPs

Pacific Partnerships is the CIMIC Group's PPP arm. It develops and invests in infrastructure projects built by CIMIC's operating companies and is a long-term partner to clients through the provision of operation and maintenance services throughout the life of the asset.

After the construction and ramp-up phases of PPP projects are complete, the Group's equity investments may be recycled by selling them in part or in full or will be retained on the balance sheet and form the basis for an efficient investment portfolio. A similar model for resources sector projects is also envisaged under a Build-Operate-Transfer model.

Engineering

EIC Activities is the CIMIC Group's engineering business.

It provides specialist design, technical support, research and technology for Group projects and enhances the Group's ability to mitigate and manage risk.

EIC undertakes substantial concept design and construction reviews for Group projects, identifying critical risks and providing engineering solutions to complex technical problems.

INVESTMENTS AND OTHER ACTIVITIES
As at 31 December 2015, CIMIC's investments were:
- 45% of Habtoor Leighton Group (HLG), a Middle-East based construction company;
- 50% of Ventia, a services company;
- 46.44% of Sedgman Limited, a resources engineering company (as at 5 February 2016);
- 19.74% of Macmahon Holdings Limited, a mining contracting company;
- 59.11% of Devine Limited, a property development company; and
- 28.9% of Nextgen Group, a network and data centre telecommunications company.

The Group also has investments in:
- property through Leighton Properties and Devine. The Group is seeking to maximise the value of its property investments using a low capital-intensive approach; and
- FleetCo, an international mining equipment hire business, offering one of Australia's most diverse ranges of mining hire equipment.

SHAREHOLDERS
The largest shareholder in CIMIC is HOCHTIEF Australia Holdings Limited, a wholly owned subsidiary of HOCHTIEF AG, which owns 69.93% of CIMIC as at 25 January 2016. HOCHTIEF AG is listed on the Frankfurt Stock Exchange. The largest shareholder in HOCHTIEF AG, ACS held 66.54% of the shares in HOCHTIEF as at 13 October 2015.

STRATEGY

OPERATING MODEL

In 2014, CIMIC transitioned to a new operating model, focused on the delivery of construction, mining, PPPs and engineering through dedicated, activity-focused businesses. The new structure, which has been in operation for approximately 18 months, has enabled CIMIC to:

- improve its cost base:
    - by taking advantage of economies of scale and synergies; and
    - by reducing management layers, bureaucracy and cost;
- improve project delivery:
    - by fostering an entrepreneurial culture; and
    - by placing a strong focus on risk management; and
- improve cash generation.

These achievements have substantially lowered the cost base of CIMIC and its Operating Companies, improving competitiveness.

Improved cost base

Through its focus on costs, CIMIC has become more efficient, cut administrative overheads on a sustainable basis, and improved project earnings. The Group's new cost base forms the basis for its ongoing activity and sustained profitability.

In construction, the focus on reducing costs and improving efficiencies has made the business more competitive and enhanced its value offering to clients. In mining, the focus on productivity and planning improvements and the generation of savings assisted the Group to win new work. Thiess continues to enhance its value proposition by working with clients to optimise productivity, workforce rosters and overall mine planning.

Improved project delivery

Through fostering an entrepreneurial culture and a strong focus on risk management, CIMIC improved project delivery during 2015. Promoting this culture amongst project managers has increased attention to sustainability of profit and cash generation within each project. Standardised business processes and systems have supported the decentralisation of decision making and accountability to the project manager level.

EIC Activities' early reviews of bid prospects to identify risks and mitigations assisted with the promotion of robust risk criteria for the onboarding of new work and its provision of engineering solutions to complex technical problems resulted in improvements in project cost and timeframes.

Improved cash generation

Following improvements during 2014, in 2015 CIMIC maintained its focus on working capital management and further significant progress was made (refer section titled 'Financial Position and Cash Flow'). Working capital on current projects is closely managed and contract terms and conditions are designed to ensure that projects are cash-flow positive and that variations do not result in a build-up of working capital. The current remuneration system incentivises cash flow management.

CAPITAL MANAGEMENT AND GROWTH

Transactions

On 11 November 2015 CIMIC made an off-market takeover bid for shares in Devine. As a result of the offer CIMIC increased its stake in Devine to 59.11%. A review of Devine's operations is underway and a new CEO (a former CIMIC Group executive) and Board members have been appointed.

On 13 January 2016, CIMIC announced its intention to acquire the shares in Sedgman that it did not already own (63.01%). CIMIC is seeking to increase its shareholding in Sedgman to a level where it can better support the future direction of Sedgman. CIMIC intends to continue the business of Sedgman including the company's plans for increasing market and commodity diversification. The Sedgman offer is in progress and we will update the market as required. As at 5 February 2016, CIMIC's shareholding in Sedgman had increased to 46.44% through purchasing shares on market.

Organic growth

CIMIC will continue to pursue organic growth through:

- winning our fair share of construction and mining projects given our strong competitive position;
- diversification by commodity and activity in our existing markets and geographies and expansion into other countries, for example by exporting contract mining skills into North and South America;
- further expansion in the PPP sector, given the current high demand for PPP projects in Australia Pacific and Asia; and
- further development of FleetCo, our mining equipment hire business, which is using CIMIC's existing business resources to gain new opportunities and provide a flexible service to clients.

New opportunities

In addition, CIMIC's strengthened balance sheet will enable the Group to evaluate growth options that match our capabilities as opportunities arise.

RISK MANAGEMENT

CIMIC defines risk management as the identification, assessment and treatment of risks that have the potential to impact materially the Group's operations, people, and reputation, the environment and communities in which the Group works, and the financial prospects of the Group.

CIMIC's risk management framework is tailored to its business, embedded mostly within existing processes and aligned to the Company's objectives, both short and longer term.

Given the diversity of the Group's operations and the breadth of its geographies and markets, a wide range of risk factors have the potential to affect the achievement of business objectives. Key risks, including those arising due to externalities such as the economic, natural and social operating environments, are set out in the following table, together with the Group's approach to managing those risks.

Risk description	Risk management approach
The Group's operations require planning, training and supervision to manage workplace health and safety hazards.	
A workplace health and safety incident or event may put our people and the community at risk.	The Group is committed to the health and security of our people and the communities in which we work. Safety policies and standards apply across the Group. Compliance is regularly reviewed. The Group seeks continual improvement in safety performance. Governance of safety is overseen by the Board and the Ethics, Compliance and Sustainability Committee.
The Group often works within, or adjacent to, sensitive environments.	
An environmental incident or unplanned event may occur that adversely impacts the environment or the communities in which we work.	The Group is committed to the highest standard of environmental performance. Operating Companies' environmental policies and procedures are aligned with the Group Policy and Standards. Should an incident occur, emergency response plans will be enacted. The Ethics, Compliance and Sustainability Committee oversees environmental performance.
Work delivery is subject to various inherent uncertainties.	
Work delivery challenges may manifest in actual costs increasing from our earlier estimates.	Significant resources are devoted to the avoidance, management and resolution of work delivery challenges. Operating Companies provide project teams with guidance and support to achieve project and business objectives. EIC Activities also helps to identify and mitigate risk. Project oversight is maintained by regular performance reviews that involve Operating Company and CIMIC Group management, commensurate with the scale, complexity and status of the project.
External factors may affect the Group's markets and growth plans.	
Changes in economic, political or societal trends, or unforeseen external events and actions, may affect business development and project delivery.	The Group maintains a diverse portfolio of projects and investments across a range of markets and geographies. Regular and rigorous reviews of the Group's current and potential geographies, industries, activities and competitors are undertaken. Oversight of key risks is maintained by the Audit and Risk Committee, supported by a quarterly Risk Report that aggregates and highlights risks to the Group achieving its objectives.
Reduction in demand for global commodities and/or price may cause resource clients to curtail or cease capital investment programmes, or adjust operations, thereby impacting existing and future contracts.	The Group maintains a project, contract and investment portfolio that is diversified by geography, market, activity and client to mitigate the impact of emerging trends and market volatility. The Group continually seeks opportunities to improve its operations and thereby the value proposition it delivers to clients.
The Group's reputation is critical to securing future work and attracting and retaining quality personnel, subcontractors and suppliers.	
Issues impacting brand and reputation may affect the Group's ability to secure future work opportunities, investment, suppliers or joint venture partners.	The Group is committed to the highest standard of ethical conduct, and statutory and regulatory compliance. This is supported by a comprehensive range of Group level policies and standards, including our Code of Conduct. CIMIC promotes clear governance through the empowerment of individuals with delegated authority, appropriate segregation of duties, and clear accountability and oversight for risks.
The Group targets work that meets a defined risk appetite and appropriately balances risk and reward.	
Work procurement challenges may impact our ability to secure high-quality projects and contracts.	Application of the Group work procurement standards and approval process maximises the likelihood of securing quality work with commensurate returns for the risks taken. Pre-contracts assurance teams manage and assure the work procurement process. EIC Activities supports the Group with project design, risk identification and engineering solutions during the tender phase. The Tender Review Management Committee oversees and approves the risk profile for key tenders.

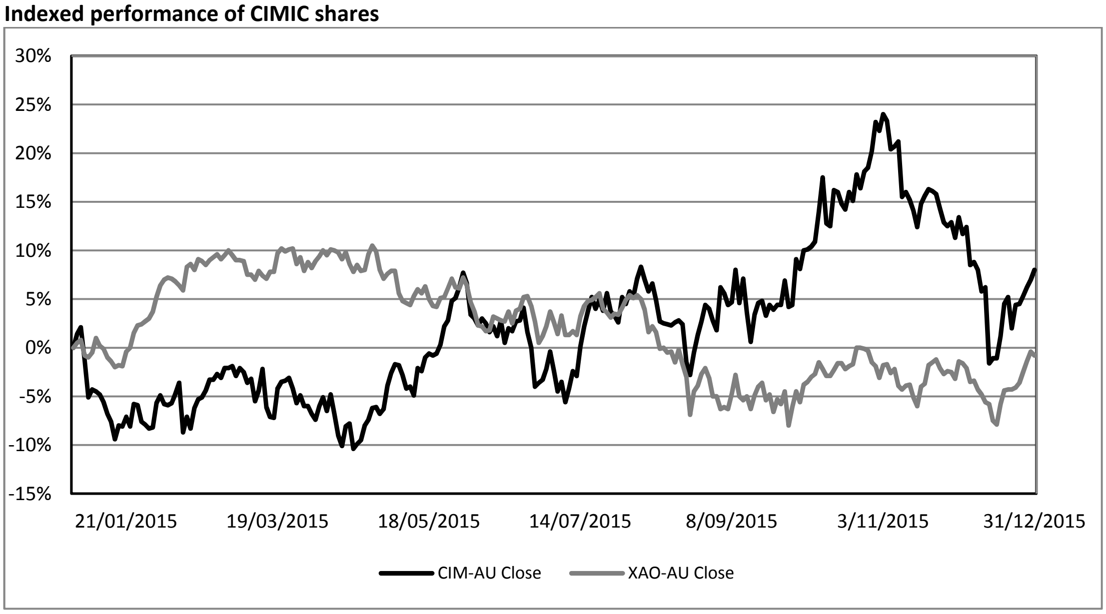
SHAREHOLDER RETURNS

Shareholder returns $	**2015**	**2014 Comparable**[1]	**2014**
Closing share price	$24.30		$22.50
Final dividend per share			
Ordinary	50c		53c
Special	-		15c
Total final dividend per share	50c		68c
Interim dividend per share	46c		57c
Total dividends per share	96c		125c
Earnings per share (basic) from continuing operations	153.7c	128.4c	(33.9c)
Earnings per share (basic) from discontinued operations	-	71.6c	233.9c
Total Earnings per share (basic)	153.7c	200.0c	200.0c
Payout ratio for ordinary dividends (2015 estimated at the time the dividend is paid)	60%	60%	60%

PERFORMANCE OF CIMIC SHARES

2015 was a successful year for CIMIC's share price performance. CIMIC's shares closed 2015 at $24.30 (representing a market capitalisation of $8.22 billion as at 31 December 2015), an increase during the year of 8.0% or $1.80 per share. By comparison, the share prices of other companies in the engineering and services sector declined, as did the S&P/ASX 200 index (down 0.8% to 5,344.5 points).

Indexed performance of CIMIC shares



TOTAL SHAREHOLDER RETURN

Combining the share price appreciation and dividends declared for the year, CIMIC delivered a total shareholder return of 13.14% in 2015.

DIVIDENDS

The Group's dividend policy seeks to reward shareholders by paying dividends over time in line with profits. In the year under review, CIMIC delivered on this policy. Ordinary dividends for the year total 96 cents per share and comprised:

- an interim dividend of 46 cents per share, franked at 100%, paid on 2 October 2015; and
- a final dividend of 50 cents per share, franked at 100%, to be paid on 8 April 2016 ($168.5 million in total based on shares on issue as at 10 February 2016).

This represents a full year payout ratio of 62% of NPAT. Due to the share buy-back the Board estimates the payout ratio will be approximately 60% of NPAT by the time the dividend is paid, consistent with our dividend policy.

[1] Performance is for the comparable 12 month period to December 2014, which includes 50% of Ventia's profit after tax of $76.6 million, and excludes the $472.5 million ($675.0 million before tax) contract debtors portfolio provision in continuing operations. See explanation in financial highlights below.

SHARE BUY-BACK PLAN

On 14 December 2015, CIMIC announced it would commence an on-market share buy-back of up to 10% of its fully paid ordinary shares over the following 12 months, and buying commenced in January 2016.

The share buy-back plan provides on-going benefits to shareholders through improved returns. CIMIC estimates that a 10% buy-back could result in a recurring benefit to future EPS of more than 6%. Furthermore, it will enhance capital efficiency.

The initiative is reflective of CIMIC's strong balance sheet position, solid cash flow generation and disciplined approach to capital management. It signals the Company's belief that the current share price is attractive. The buy-back is being funded by a combination of CIMIC's existing cash balances and working capital facilities.

The timing and number of shares purchased will depend on the CIMIC share price and market conditions. Between 13 January 2016 and 18 January 2016, CIMIC purchased 1,493,291 shares (equivalent to 0.44% of the capital stock), which were cancelled on a daily basis.

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE

2014 reported financial performance has been adjusted to create a prior comparable period by:

- including the Group's retained 50% of Services businesses' (now named Ventia) after-tax contribution as equity accounted in continuing operations (in 2014 100% of Services contribution is included in NPAT from discontinued operations); and
- excluding the contract debtors portfolio provision.

These transactions affect the comparability of the 2014 results with 2015. As a consequence, both reported and comparable profit is presented for 2014.

Financial performance $m	2015	2014 Comparable[2]	CDP[3] Adjustment	50% Services Adjustment	2014 Reported
Group Revenue[4]	16,218.7	18,406.0			18,406.0
Revenue Joint Ventures and Associates	(2,848.0)	(1,530.2)			(1,530.2)
Revenue	13,370.7	16,875.8			16,875.8
Interest revenue	(89.9)	(87.8)			(87.8)
Revenue excluding interest revenue	**13,280.8**	**16,788.0**			**16,788.0**
Expenses	(12,427.4)	(16,068.3)	675.0		(16,743.3)
Share of profit / (loss) of JVs & Associates	(14.5)	93.4		76.6	16.8
EBIT	838.9	813.1	675.0	76.6	61.5
EBIT margin[5]	6.3%	4.8%			0.4%
Net finance costs[6]	(103.9)	(152.2)			(152.2)
Profit before tax	735.0	660.9	675.0	76.6	(90.7)
PBT margin[5]	5.5%	3.9%			(0.5%)
Income tax	(220.6)	(224.6)	(202.5)		(22.1)
Profit for the year	514.4	436.3	472.5	76.6	(112.8)
Non-controlling interests	6.0	(2.1)			(2.1)
NPAT from continuing operations	**520.4**	**434.2**	**472.5**	**76.6**	**(114.9)**
NPAT margin	3.9%	2.6%			(0.7%)
NPAT from discontinued operations	-	714.8		(76.6)	791.4
Profit for the year attributable to members	**520.4**	**1,149.0**	**472.5**	**-**	**676.5**

FINANCIAL POSITION

2014 reported financial position was adjusted to show the impact of divestments (John Holland and 50% of the Services business).

Financial position $m	December 2015	December 2014 Proforma[7]	December 2014 Reported
Net cash (+)/Net Debt	1,111.5	624.8	(1,018.4)
Operating leases	(583.4)	(604.8)	(604.8)
Net cash (+)/Net Debt (including operating leases)	528.1	20.0	(1,623.2)
Equity	4,115.3	3,781.6	3,781.6
Gearing[8]	Below zero	Below zero	30%
Net contract debtors[9]	1,499.2	1,965.1	1,965.1

Cash flow from operating activities $m	December 2015	December 2014	Chg. % FY
Cash flow from operating activities[10]	**1,919.6**	**1,409.8**	**36.2%**
Interest, finance costs, taxes and dividends received	(469.4)	(266.0)	76.5%
Net cash from operating activities	**1,450.2**	**1,143.8**	**26.8%**
Gross capital expenditure[11]	(266.3)	(705.1)	(62.2%)
Free operating cash flow	**1,183.9**	**438.7**	**169.9%**

[2] Performance is for the comparable 12 month period to December 2014, which includes 50% of Ventia's profit after tax of $76.6 million, and excludes the $472.5 million ($675.0 million before tax) contract debtors portfolio provision in continuing operations.
[3] Contract debtors portfolio provision.
[4] Group Revenue includes revenue from joint ventures and associates of $2,848.0 million (FY14: $1,530.2 million) and interest income of $89.9 million (FY14: $87.8 million).
[5] Margin calculated on revenue excluding interest income $89.9 million (FY14: $87.8 million).
[6] Net finance cost includes interest income $89.9 million (FY14: $87.8 million) and finance costs of $193.8 million (FY14: $240.0 million).
[7] Proforma financial position as at 31 December 2014 showed the financial position after receipt of cash from divestments of $1,643.2 million.
[8] Gearing is expressed as the ratio of net debt and operating leases to net debt, operating leases and shareholders' equity.
[9] Net contract debtors represents the net of amounts due from customers and amounts due to customers. (Refer to Financial Statements 'Note 8: Trade and Other Receivables – *Additional information on contract debtors*'.)
[10] Cash flow from operating activities is defined as the cash inflow from operating activities before dividends received, interest, finance costs and tax.
[11] Gross capital expenditure is payments for property, plant and equipment.

FINANCIAL HIGHLIGHTS CONTINUED

SOLID INCREASE IN NPAT

- NPAT of $520.4 million at the top end of the guidance range; up 19.9% on the prior comparable period (pcp) for the Group's continuing operations
- Improving sustainability and quality of profits across the Group
- EBIT and NPAT margins of 6.3% and 3.9% respectively, representing 150 and 130 basis point increases on the pcp, on revenue of $13.28 billion

STRONG FINANCIAL POSITION

- Net cash (excluding operating leases) up $486.7 million as at 31 December 2015 to over $1 billion (including operating leases, increase was $508.1 million)
- Positive trend in net contract debtors, down 23.7% on FY14 to $1.5 billion as balance sheet de-risking continues (substantial reduction in 4Q15 of $619 million)

SUBSTANTIAL IMPROVEMENT IN CASH FLOW

- Cash flow from operating activities of $1.92 billion, up $509.8 million on FY14, reflects improved project performance and working capital management
- Gross capital expenditure of $266.3 million, a 62.2% reduction on FY14
- Free operating cash flow[12] of $1.2 billion, compared to $0.44 billion in FY14

FIRM LEVEL OF WORK IN HAND[13]

- New work[14] of $14.13 billion won during 2015; firm level of work in hand of $29 billion as at 31 December 2015
- Strong pipeline of infrastructure and mining projects relevant to CIMIC of $60 billion (60% of which is in Australia and New Zealand) is expected to be awarded in FY16; and more than $170 billion in FY17 and FY18 (70% of which is in Australian and New Zealand). Of these figures, mining accounts for $18 billion in FY16, and, currently, more than $20 billion in subsequent years

SHAREHOLDER RETURNS

- Share price increase of 8%, compared with the decline in the share price of other companies in the engineering and services sector and in the S&P/ASX 200 index
- The Board has determined a 100% franked final dividend of 50 cents per share ($168.5 million in total based on shares on issue as at 10 February 2016) to be paid on 8 April 2016. This represents a full year payout ratio of 62% of NPAT. Due to the share buy-back the Board estimates the payout ratio will be approximately 60% of NPAT at the time the dividend is paid, consistent with our dividend policy
- On-market share buy-back commenced to improve shareholders returns and enhance capital efficiency

GUIDANCE

- FY16 NPAT in the range of $520 million to $580 million, subject to market conditions

[12] Free operating cash flow is net cash from operating activities including gross capital expenditure.
[13] Work in hand includes CIMIC's share of work in hand from Joint Ventures and Associates. Work in hand includes work in hand beyond five years of $1,663 million (Mining $921 million, Corporate $742 million) and 2014 has been restated to include work in hand beyond five years of $817 million (Mining $110 million, Corporate $707 million).
[14] New work includes new contracts and contract extensions and variations including the impact of foreign exchange rate movements.

SIGNIFICANT CHANGES

SIGNIFICANT CHANGES DURING FY15

- Changes to management including the appointment of Adolfo Valderas as Deputy Chief Executive Officer and Angel Muriel as Chief Financial Officer;
- S&P confirmed its current investment credit grade rating of 'BBB-/A-3' with a stable outlook, and Moody's maintained an investment-grade rating for CIMIC of 'Baa3' with a stable outlook;
- Repayment in June 2015 of A$409.2 million (US$298.7 million) of its US$500 million 10-Year Fixed-Rate Guaranteed Senior Notes which bear an interest rate of 5.95% and mature in November 2022;
- Repayment of $600.0 million of amounts drawn under a syndicated bank facility;
- Payment of the 10 April 2015 100% franked final ordinary dividend of 53 cents per share, and 100% franked special dividend of 15 cents per share;
- Payment of the 2 October 2015 100% franked interim ordinary dividend of 46 cents per share;
- The announcement and closure of an off-market takeover bid for all ordinary shares in Devine that CIMIC did not own at $0.75 cash per share. After the final reconciliation of acceptances received with the share registry, the Group has a relevant interest in 59.11% of Devine shares; and
- The announcement of on-market share buy-back of up to 10% of its fully paid ordinary shares over a 12 month period. The share buy-back plan provides on-going benefits to shareholders through improved returns.

SIGNIFICANT CHANGES SINCE BALANCE DATE

- The announcement on 13 January 2016 of CIMIC's intention to acquire the 63.01% of Sedgman shares that it did not already own, at a price of $1.07 per share, by way of an all-cash, unconditional off-market takeover;
- The Board determined a 100% franked final dividend of 50 cents per share; and
- During 2015 CPB Contractors Pty Ltd, a wholly owned subsidiary of the Group, together with its consortium partners, Saipem SA and Saipem Portugal Comércio Maritimo LDA, has been in negotiations with Chevron Australia Pty Ltd in relation to collection of contract debtors from the Gorgon LNG Jetty and Marine Structures Project (Gorgon Contract). Since 31 December 2015 the Company has commenced a further process of negotiations under the Gorgon Contract which may see the parties enter into a private arbitration under the provisions of the Gorgon Contract. The continuation of the negotiation process to 31 December 2015 and the further steps now being taken do not require any change to the accounting treatment of the contract debtors relating to the Gorgon Contract included within total contract debtors (note 8: Trade and other receivables) in the Group's financial report.

FINANCIAL PERFORMANCE

Financial performance $m	**2015**	**2014 Comparable**	**2014 Reported**
Group Revenue	16,218.7	18,406.0	18,406.0
Revenue Joint Ventures and associates	(2,848.0)	(1,530.2)	(1,530.2)
Revenue	13,370.7	16,875.8	16,875.8
Interest revenue	(89.9)	(87.8)	(87.8)
Revenue excluding interest revenue	13,280.8	16,788.0	16,788.0
EBIT	**838.9**	**813.1**	**61.5**
Profit before tax	735.0	660.9	(90.7)
Income tax	(220.6)	(224.6)	(22.1)
Non-controlling interests	6.0	(2.1)	(2.1)
NPAT from continuing operations	**520.4**	**434.2**	**(114.9)**
NPAT margin	3.9%	2.6%	(0.7%)
NPAT	520.4	1,149.0	676.5

REVENUE

Revenue reached $13.37 billion, and including Joint Ventures and Associates, Group Revenue[15] of $16.22 billion was recorded in FY15 and may be analysed as follows:

Group revenue $m	**2015**	**2014 Comparable**
Construction	9,514.0	12,431.0
Contract mining	3,063.6	3,973.0
HLG	1,191.7	763.9
Commercial & residential	1,100.7	1,027.3
Corporate	1,348.7	210.8
Group Revenue	**16,218.7**	**18,406.0**

Construction revenue was $9.51 billion in FY15, reflecting the focus on more profitable work and stricter bidding discipline. The major projects by revenue included:

- LNG-related contracts in Western Australia, the Northern Territory and Queensland, including Gorgon, Wheatstone, Ichthys, and QCLNG;
- rail and road activities in Australia, including Sydney Metro Northwest in New South Wales, Moreton Bay Rail Link in Queensland, Gateway WA in Western Australia and upgrades to the Pacific Highway;
- social infrastructure projects including the New Royal Adelaide Hospital in South Australia;
- activities in Hong Kong, including the Passenger Clearance Building for the Hong Kong Boundary Crossing Facilities, the West Kowloon Terminus Station, and Hung Hom Station and Stabling Sidings; and
- Wynn Palace resort development in Macau.

Contract mining revenue was $3.06 billion in FY15, reflecting the environment in the resources sector. Thiess continues to enhance its competitiveness by improving productivity and overall mine planning and by generating savings. The major projects by revenue included:

- Solomon iron ore mine, Lake Vermont coal mine, Mount Owen coal mine, and Prominent Hill copper and gold mine in Australia; and
- Kaltim Prima Coal in Indonesia.

Group revenue from the various market segments in continuing operations was split 63:37 between domestic and international, compared with 71:29 in FY14.

Project-related Associates and Joint Ventures generated revenue of $2.85 billion during FY15, an increase of 86.1% from the prior comparable period.

[15] Group Revenue includes revenue from Joint Ventures and Associates of $2,848.0 million (FY14: $1,530.2 million) and interest income of $89.9 million (FY14: $87.8 million).

EXPENSES

Total expenses of $12.43 billion were incurred in the 2015 Financial Year, representing a decrease of 22.7% on FY14. Significant cost savings were achieved during the year as a result of the streamlining of the operating model. EBIT and NPAT margins increased to 6.3% and 3.9% respectively, representing 150 and 130 basis point increases on the prior comparable period. The increase was the result of reduced overheads, effective management of costs and risks, and enhancements to our tendering approach.

Depreciation and amortisation

Depreciation and amortisation expense was $543.8 million in FY15, representing a decrease of 5.9% or $34.1 million compared to the prior comparable period.

EBIT

EBIT was $838.9 million up 3.2% on the prior comparable period, and the EBIT margin expanded to 6.3%, representing a 150 basis point increase on the prior comparable period. Both construction and contract mining operating activities delivered substantial increases in contributions.

The key drivers were:

- the increased earnings contribution from construction activity of $661.1 million, up 14.7% on the prior comparable period, as a result of strong domestic operations performance by CPB Contractors; and
- the increased earnings contribution from mining of $240.9 million, up 24.7% on the prior comparable period, reflective of Thiess' success in focusing on productivity and planning improvements and generating savings.

The performance in construction related to the transformation of business culture, including an improved risk management and bidding approach, with stricter criteria for the on-boarding of projects and tighter discipline, which is focusing the business on higher margin projects. In mining, the performance related to an improved competitive structure. This was the result of a proactive approach to working with clients to generate cost reductions, streamlined corporate costs and effective management of machinery and equipment.

Net finance costs

Net finance costs were $103.9 million in FY15 representing an improvement of 31.7% on FY14, following the receipt of cash from the divestments of John Holland and 50% of the Services businesses and the improved financial structure of the Group. The debt buy-back of US$298.7 million of 10-Year Fixed-Rate Guaranteed Senior Notes in June 2015 resulted in one-off expenses in the first half of the year, but will deliver significantly reduced interest costs over the term of the Notes.

PROFIT BEFORE TAX

The pre-tax results for the operating segments are set out below.

Profit before tax $m	2015	2014 Comparable[16]	2014 Reported
Construction	649.2	551.0	551.0
Contract mining	225.0	173.0	173.0
HLG	17.9	28.8	28.8
Commercial & residential	70.5	58.8	58.8
Corporate	(227.6)	(150.7)	(902.3)
Total profit before tax	**735.0**	**660.9**	**(90.7)**

Construction and contract mining operations delivered strong increases in pre-tax contributions, rising 17.8% and 30.1% respectively. Commercial and residential made an increased pre-tax contribution, up 19.9%. This was as a result of Leighton Properties' contribution and the Group's sale of a development site in St Leonards New South Wales for $121 million that was partially offset by Devine's loss.

TAX

The Group reported a total tax expense of $220.6 million for 2015 compared to reported $452.5 million for both continuing and discontinued operations for 2014. This equates to an effective tax rate of 30.0% and compares with an effective tax rate of 34.0% for the prior comparable period, which was impacted by tax on the divestments of John Holland and 50% of the Group's Services businesses.

[16] The Corporate segment includes 50% of Ventia's profit after tax of $76.6 million and excludes $675.0 million contract debtors portfolio provision.

FINANCIAL POSITION AND CASH FLOW

FINANCIAL POSITION

A combination of operating cash flows, greater working capital focus and asset sales led to a significant improvement in the balance sheet position in 2015. As a result, the Group has again increased its net cash position (including operating leases).

Financial position $m	2015	2014 Proforma[17]	Chg. % FY	2014 Reported
Net cash /Net debt	1,111.5	624.8	77.9%	(1,018.4)
Operating leases	(583.4)	(604.8)	(3.5%)	(604.8)
Net cash /Net debt (including operating leases)	528.1	20.0	2,540.5%	(1,623.2)
Equity	4,115.3	3,781.6	8.8%	3,781.6
Gearing	Below zero	Below zero	n/a	30%
Net contract debtors	**1,499.2**	**1,965.1**	**(23.7 %)**	**1,965.1**

CASH FLOW

Sustainable progress was made in cash flow. Operating cash flow[18] totalled $1.92 billion in FY15, an increase of 36.2% on FY14 driven by the improvement in project performance and working capital.

Free operating cash flow

Free operating cash flow was $1.18 billion, an increase of $745.2 million or 169.9% on FY14:

Free operating cash flow $m	2015	2014 Reported	Chg. % FY
Cash flow from operating activities	1,919.6	1,409.8	36.2%
Interest, finance costs, taxes and dividends received	(469.4)	(266.0)	76.5%
Net cash from operating activities	**1,450.2**	**1,143.8**	**26.8%**
Gross capital expenditure	(266.3)	(705.1)	(62.2%)
Free operating cash flow	**1,183.9**	**438.7**	**169.9%**
Net cash / Net debt	1,111.5	624.8	77.9%

From operating activities

The cash flow from operating activities totalled $1.92 billion in FY15, an increase of 36.2%, or a $509.8 million increase in net cash inflow in 2015. The increase was the result of the improvement in working capital and CIMIC's proactive approach to optimising cash management and daily focus on cash collection.

Net Contract Debtors

Net contract debtors represents the net of amounts due from customers and amounts due to customers, (refer to the Financial Statements, 'Note 8: Trade and Other Receivables'):

Net contract debtors $m	December 2015	December 2014
Net contract debtors	1,499.2	1,965.1

Net contract debtors have reduced by $465.9 million from $1.97 billion at 31 December 2014 to $1.5 billion at 31 December 2015.

CIMIC continued to deliver an improvement in the level of outstanding net contract debtors, substantially de-risking the balance sheet. Despite a decrease in overclaims and the impact of foreign exchange, the Group achieved a reduction of $465.9 million since December 2014, due to its focus on debtor reduction and cash-collection initiatives.

From investing activities

Cash inflow from investing activities totalled $1.25 billion in FY15 (including $1.67 billion of proceeds from the sale of John Holland and 50% of Ventia), compared to a $1.15 billion outflow in FY14.

Gross capital expenditure has been substantially reduced to $266.3 million in FY15 due to a focus on efficiency, with improved asset utilisation.

[17] Proforma financial position as at 31 December 2014 showed the financial position after receipt of cash from divestments of $1,643.2 million.
[18] Cash flow from operating activities is defined as the cash inflow from operating activities, before dividends, interest, finance costs and tax.

Cash flow from investing activities **$m**	**2015**	**2014** **Reported**
Gross capital expenditure	(266.3)	(705.1)
Proceeds from sale of property, plant and equipment	156.2	81.8
Proceeds from divestments	1,671.0	-
Income tax paid on divestments	(263.0)	-
Payments for investments in controlled entities	-	(110.0)
Proceeds from sale of investments	-	33.7
Payments for investments	(35.1)	(1.9)
Cash disposed from sale of investments in controlled entities	-	(420.5)
Other	(15.2)	(28.3)
Cash flow from investing activities	**1,247.6**	**(1,150.3)**

From financing activities
Cash outflow from financing activities totalled $2,558.9 million in FY15, compared to a $200.0 million inflow in FY14.

The total financing activities cash outflow includes a $2,044.2 million net cash outflow in relation to interest bearing liabilities, which included the repurchase of A$409.2 million (US$298.7 million) of US$500 million 10-Year Fixed-Rate Guaranteed Senior Notes, the repayment of $600.0 million of amounts drawn under a syndicated bank facility, repayments of other Guaranteed Senior Notes of $246.6 million (US$180.0 million), and the repayment of other bilateral, syndicated and other unsecured loans.

Cash flow from financing activities **$m**	**2015**	**2014** **Reported**
Net repayment of borrowings	(2,044.2)	779.6
Finance leases	(124.7)	(181.7)
Dividends paid	(385.9)	(395.9)
Other	(4.1)	(2.0)
Cash flow from financing activities	**(2,558.9)**	**200.0**

NET CASH
The net cash position is set out below.

Net cash **$m**	**December** **2015**	**December 2014** **Proforma**
Cash and cash equivalents	2,167.8	1,976.9
Cash due from divestments	-	1,643.2
Current interest bearing liabilities	(217.4)	(1,163.3)
Non-current interest bearing liabilities	(838.9)	(1,832.0)
Net cash	1,111.5	624.8
Operating leases	(583.4)	(604.8)
Net cash including operating leases	**528.1**	**20.0**

Net cash position
The net cash position (including operating leases) was $528.1 million at 31 December 2015. This represents a substantial improvement from December 2014 when the net cash position was $20.0 million.

Debt position
Interest bearing liabilities
Current and non-current interest-bearing liabilities totalled $1,056.3 million at 31 December 2015 compared with $2,995.3 million at 31 December 2014. The $1,939.0 million reduction in interest bearing liabilities from December 2014 was due mainly to repayments (noted above in 'From Financing Activities') and despite foreign exchange rate movements.

Bonding
The Group has significant bonding and guarantee facilities available which are integral to the successful delivery of current and future work in hand. Bonds and guarantees outstanding at 31 December 2015 were $3,143.9 million. An additional $1,536.6 million was undrawn of which $614.2 million was committed and $922.4 million was uncommitted.

Credit ratings
S&P confirmed its current investment credit grade rating of 'BBB-/A-3' with a stable outlook, and Moody's maintained an investment-grade rating for CIMIC at 'Baa3' with a stable outlook.

OTHER CAPITAL EMPLOYED

Major elements of the balance sheet, other than cash and interest bearing liabilities (refer section titled 'Net cash'), are set out below:

Other capital employed **$m**	**December** **2015**	**December** **2014**
Current trade and other receivables	2,659.6	3,426.1
Current trade and other payables	(3,675.7)	(4,309.8)
Property, plant and equipment	1,312.8	1,626.5
Non-current trade and other receivables	889.2	922.8
Equity-accounted investments	1,073.1	1,013.6

Current trade and other receivables

Current trade and other receivables of $2,659.6 million have been reduced since 31 December 2014 by $766.5 million. The figure included $2,145.0 million of amounts due from customers. The remaining balance relates to sundry debtors, joint venture working capital and other receivables.

Current trade and other payables

Current trade and other payables of $3,675.7 million include amounts due to customers, trade creditors, joint venture payables, and other creditors. Overall, the balance has reduced since 31 December 2014 by $634.1 million.

Non-current trade and other receivables

Non-current trade and other receivables of $889.2 million included $842.7 million of loan receivables and accrued interest owed by HLG.

Property, plant and equipment

At 31 December 2015 the Group's property, plant and equipment balance was $1,312.8 million, with an additional $583.4 million financed by the Group under operating leases.

Property, plant and equipment purchases for the year totalled $266.3 million and disposals were $156.2 million. The net decrease in property, plant and equipment for the period was $313.7 million and depreciation was $496.6 million.

Equity-accounted investments

Equity-accounted investments grew due to increased capital in joint ventures. Equity-accounted investments included project-related associates and joint ventures, such as the Transmission Gully PPP in New Zealand and various property investments. Also included in this item are the Group's holdings in HLG, the Services investment partnership (Ventia), Nextgen Group and some listed entities.

Habtoor Leighton Group (HLG)

The Group's total exposure to HLG as at 31 December 2015 was $1,643.4 million and comprised:

- $444.7 million carrying value of the investment;
- $842.7 million in loan receivables and accrued interest, in non-current receivables; and
- $356.0 million in off-balance sheet letters of credit and guarantees.

Ventia

In the second half of 2014 CIMIC formed a 50% investment partnership with funds managed by affiliates of Apollo Global Management LLC, called Ventia. Ventia's project wins during the year included:

- $270 million award to Visionstream Australia, a division of Ventia, for the first year of a five-year Multi-Technology Integrated Master Agreement with NBN; and
- $200 million award for a five-year water maintenance contract in Melbourne.

Nextgen Group

CIMIC owns 28.9% of Nextgen Group, a network and data centre telecommunications company.

NEW WORK[19] AND WORK IN HAND[20]

CIMIC's new work and work in hand progressed well through the year at firm levels and the Group maintained its position as a leading infrastructure group with a diversified portfolio of work in hand.

At 31 December 2015, work in hand was $29 billion. The change in work in hand from 31 December 2014 reflects a more disciplined and rigorous approach to pre-contract risk assessment and market conditions.

Work in hand[20] **$m**	**December** **2015**	**December** **2014**
New work	14,131	14,666
Executed work[21]	(16,129)	(18,318)
Total WIH	29,004	31,002

PIPELINE

CIMIC's markets offer a range of new project opportunities. (Refer section titled 'Operating Environment'). There is a strong pipeline of infrastructure and mining projects relevant to CIMIC of $60 billion (60% of which is in Australia and New Zealand) which is expected to be awarded in FY16; and more than $170 billion in FY17 and FY18 (70% of which is in Australia and New Zealand). Of these figures, mining accounts for $18 billion in FY16, and, currently, more than $20 billion in subsequent years.

MAJOR CONTRACT AWARDS AND SCOPE INCREASES IN 2015

During the period, $14.13 billion of new work was awarded.

In Australia the major awards were[22]:

- $4.3 billion contract for the design and construction of Sydney's new M5 Motorway, in joint venture (CIMIC's share is $1.5 billion);
- $2.7 billion contract for the design and construction of Sydney's M4 East Motorway, in joint venture (CIMIC's share is approximately $900 million);
- $1.3 billion contract extension at Lake Vermont Coal Mine in Queensland;
- $760 million contract extension at Mount Owen Coal Mine in New South Wales;
- $570 million (approximately) contract for the design and construction of parts of the CityLink Tulla Widening in Melbourne;
- $347 million contract for the removal of four level crossings in Victoria;
- $300 million contract to deliver gas field development works in Queensland; and
- $160 million contract to undertake operations at the Rocky's Reward nickel mine in Western Australia.

Overseas the major awards (excluding HLG) were:

- $1.2 billion contract for the construction of a boundary control point on the border between Hong Kong and China;
- $1 billion contract extension at the Ukhaa Khudag coal mine in Mongolia;
- $929 million contract for works on the Shatin to Central MTR Link in Hong Kong, in joint venture (CIMIC's share is 51%); and
- $137 million services agreement for the Encuentro Oxides opens pit copper mine in Chile.

In addition, since year end, Pacific Partnerships and CPB Contractors were selected, with their partners, as the preferred proponents to deliver the first stage of Canberra's light rail project.

Work in hand[20] by segment **$m**	**December** **2015**	**% of total**	**December 2014**	**% of total**
Construction	12,448	43%	12,222	39%
Contract mining	9,508	33%	11,063	36%
HLG	2,404	8%	2,443	8%
Commercial & residential	1,427	5%	1,979	6%
Corporate	3,217	11%	3,295	11%
Total WIH	**29,004**	**100%**	**31,002**	**100%**

Work in hand was split 65:35 between domestic and international, compared with 60:40 in FY14.

[19] New work includes new contracts and contract extensions and variations including the impact of foreign exchange rate movements.

[20] Work in hand includes CIMIC's share of work in hand from Joint Ventures and Associates. Work in hand includes work in hand beyond five years of $1,663 million (Mining $921 million, Corporate $742 million) and 2014 has been restated to include work in hand beyond five years of $817 million (Mining $110 million, Corporate $707 million).

[21] Group revenue excluding interest revenue.

[22] Australia dollar value as at date of announcement of the awards, unless otherwise noted.

CONSTRUCTION WORK IN HAND

At December 2015, the Group's construction work in hand was $12.45 billion, diversified across a range of markets and sectors in Australia and overseas. The 1.8% increase from the prior period was primarily due to the successful approach taken by CPB Contractors to the winning of new work, particularly during the second half.

CONTRACT MINING WORK IN HAND

CIMIC continued to diversify its contract mining work in hand by market and commodity and, as at 31 December 2015, the figure was $9.5 billion. Importantly, during the period, CIMIC won an award in the Americas.

HLG WORK IN HAND

As at 31 December 2015, HLG's work in hand was stable at $5.3 billion and the Group's share was $2.4 billion, after doubling in the prior year.

The major projects awarded to HLG in the period were:

- AED468 million contract for the first phase of the Fakeeh Academic Medical Centre;
- AED263 million contract for the Khalifa Industrial Zone Area A secondary infrastructure in Abu Dhabi; and
- QR2.2 billion contract for the construction of reservoirs and pumping stations in Qatar.

OPPORTUNITIES

CIMIC's markets offer a large range of new project opportunities, particularly as governments in Australia Pacific and Asia roll out initiatives to address significant infrastructure deficits.

There is a strong pipeline of infrastructure and mining projects relevant to CIMIC of $60 billion (60% of which is in Australia and New Zealand) which is expected to be awarded in FY16; and more than $170 billion in FY17 and FY18 (70% of which is in Australia and New Zealand). Of these figures, mining accounts for $18 billion in FY16, and, currently, more than $20 billion in subsequent years.

In PPPs, CIMIC is positioned to capitalise on the pipeline of domestic and overseas infrastructure projects including:

- Grafton Prison in New South Wales;
- Puhoi to Warkworth project in New Zealand;
- Melbourne Metro;
- New Zealand Schools bundle three;
- Parramatta Light Rail in New South Wales;
- Perth MAX Light Rail;
- Canberra Hospital Redevelopment; and
- Singapore Marina East desalination plant.

Beyond these projects, Australian State Governments are progressively identifying infrastructure requirements that will come to the market in the next few years, for example the Sydney Metro City and Southwest, and Western Harbour Tunnel and WestConnex extensions in New South Wales. In Asia CIMIC is bidding on, or expecting to bid on, numerous infrastructure projects, in particular in Hong Kong and Singapore.

OPERATING ENVIRONMENT

The Australian Government plans for significant investment in infrastructure. Combined with CIMIC's focus on project-level cash collection and efficiency gains, this provides the Group with great opportunities.

CONSTRUCTION MARKET OUTLOOK

Non-resource infrastructure construction is expected to be the most important source of growth in Australia, with resources construction reducing and projects completing. Over the coming years, transport infrastructure has high growth prospects, underpinned by billions of dollars of state transport investment plans and funding supported by the privatisation of assets and PPPs.

CIMIC's international infrastructure markets have positive prospects, with a gradually improving investment outlook in ASEAN countries supported by major markets and stronger industry growth rates.

CONTRACT MINING OUTLOOK

Production and exports of most commodities are expected to continue to grow, albeit at a slower pace than during recent years.

Client needs have been and are changing from expansion to a focus on efficiency and productivity. While the global market outlook remains challenging, it still holds pockets of growth opportunities.

Although the market outlook for mining remains challenging, we believe the Group is in a strong position to capitalise on the opportunities that exist both domestically and globally.

FUTURE DEVELOPMENTS

GROUP PROSPECTS

The Group remains focused on improving project delivery (with a clear focus on cash, profitability and sustainability) and on the development of its PPP business. In addition, the Group analyses M&A market opportunities.

The pipeline of urban infrastructure projects in Australia remains high, underpinning demand for the Group's construction and contract mining expertise. In the near-term, a firm level of work in hand will provide a solid base of revenue.

The opportunities in our markets and geographies will continue to be the primary drivers of demand for the Group. CIMIC will also look to expand into other countries, for example by exporting its contract mining skills into North and South America, an initiative that has already commenced with the recent award of mining services for the Encuentro Oxides open pit copper mine in Chile. The Group may also consider making investments in local companies to support its expansion.

GUIDANCE

FY16 NPAT is expected to be within the range of $520 million to $580 million, subject to market conditions.

Remuneration Report (Audited)

SCOPE
The information provided in this Remuneration Report has been audited and is in accordance with the requirements of the Corporations Act.

For the purposes of this Remuneration Report, the Key Management Personnel (KMP) are referred to as either Senior Executives (which includes the CEO and Executive Chairman) or Non-executive Directors (including Alternate Directors). Details of the Senior Executives (as at 31 December 2015) are set out below. Details of departed Senior Executives are set out on page 39, and details of the Non-executive Directors are set out on page 40.

SENIOR EXECUTIVE REMUNERATION – POLICY AND APPROACH

REMUNERATION PRINCIPLES
The key remuneration principles that underpin CIMIC's approach to Senior Executive remuneration are to:
- align to Group principles and business needs;
- link performance to reward; and
- promote behaviours that deliver Group sustainability and align to shareholder interests.

REMUNERATION COMPONENTS
Senior Executive remuneration for the 2015 Financial Year was delivered as a mix of fixed and variable remuneration as set out in the following table:

Fixed	Fixed remuneration	Base salary, non-monetary benefits and superannuation (as applicable).
Variable	Short term Incentive (STI)	Annual cash incentive paid to eligible Senior Executives for performance against approved and measurable objectives.
	Long term Incentive (LTI)	An option plan vesting two years after award and available to exercise over three years. Awards are provided to select Senior Executives.

APPROACH TO SETTING REMUNERATION
Individual remuneration is determined by reference to:
- Group policy regarding the mix of fixed and variable remuneration;
- performance and experience of the individual;
- comparable jobs within the Group; and
- remuneration for comparable jobs amongst peer companies.

The Board approves the CEO's remuneration arrangements following consideration by the Remuneration and Nomination Committee. Remuneration levels for other Senior Executives are approved by the CEO, and reviewed by the Remuneration and Nomination Committee annually and upon change in a Senior Executive's position.

SENIOR EXECUTIVE REMUNERATION – COMPONENTS IN DETAIL
The Senior Executives as at 31 December 2015 are identified in the table below. Details of departed Senior Executives (who ceased to be KMP during the year) are set out in the table on page 39.

Executive Director		
Marcelino Fernández Verdes	Executive Chairman and CEO	Appointed as CEO 13 March 2014. Elected Executive Chairman 11 June 2014. Previously a Non-executive Director from 10 October 2012 to 13 March 2014.
Executives		
Angel Muriel Bernal	Chief Financial Officer, Chief Development Officer and Managing Director of Pacific Partnerships	Appointed as Chief Development Officer and Managing Director of Pacific Partnerships on 1 July 2014. Appointed as Chief Financial Officer and became a KMP on 23 July 2015.
Adolfo Valderas Martínez	Deputy Chief Executive Officer and Chief Operating Officer	Appointed as Chief Operating Officer on 4 December 2013 and Deputy Chief Executive Officer on 28 October 2015.

The remuneration components described in this section apply to Mr Muriel Bernal and Mr Valderas Martínez as well as Mr Loizaga Jiménez, who ceased employment during the year. The remuneration arrangements applicable to Mr Fernández Verdes are described separately in the 'CEO Remuneration' section on page 35.

FIXED REMUNERATION

Fixed remuneration received by Senior Executives comprises base salary, non-monetary benefits and superannuation (as applicable).

Non-monetary benefits included such items as fringe benefits, expatriate benefits and other salary-sacrificed benefits as agreed from time to time. During 2015 an increase was made to the fixed remuneration for Mr Valderas Martínez from $950,000 to $1,200,000 effective 28 October 2015 in recognition of his promotion to the role of Deputy Chief Executive Officer.

STI

Summary of 2015 STI

<table>
<tr><td>Senior Executive participation</td><td colspan="2">Mr Valderas Martínez and Mr Muriel Bernal participated in the 2015 STI. The CEO did not participate in the STI.</td></tr>
<tr><td>How much could Senior Executives earn under the 2015 Financial Year STI?</td><td colspan="2">The STI opportunity provides a reward for threshold, target and stretch performance based on performance conditions referred to below. The table reflects the potential earnings as a percentage of fixed remuneration for the relevant executive. During 2015 the target STI opportunity for Mr Valderas Martínez was increased from 60% to 75% of fixed remuneration in recognition of his appointment as Deputy Chief Executive Officer.

The STI opportunities for 2015 for Mr Valderas Martínez and Mr Muriel Bernal were:

<table><tr><th colspan="3">Percentage of fixed remuneration</th></tr><tr><th>Threshold</th><th>Target</th><th>Stretch</th></tr><tr><td>45% (ie, 60% of the target STI opportunity)</td><td>75% (ie, 100% of the target STI opportunity)</td><td>112.5% (ie, 150% of the target STI opportunity)</td></tr></table></td></tr>
<tr><td>Over what period was performance measured?</td><td colspan="2">The 2015 Financial Year.</td></tr>
<tr><td>What were the performance conditions?</td><td>Financial measures
80% of the amount that could be earned as STI was based on performance against financial measures and targets applicable to the relevant role.
For Senior Executives in 2015, this financial component was based on NPAT and operating cash flow.</td><td>Non-financial measures
20% of the amount that could be earned as STI was based on performance against safety targets and/or non-financial measures relevant to the role.</td></tr>
<tr><td>Why were those performance measures chosen?</td><td>The financial measures are designed to encourage Senior Executives to focus on the key financial objectives of the Group consistent with the business plan for the relevant year and the Group’s strategic objectives.</td><td>The non-financial measures are designed to encourage a direct relationship between the measures set and the individual Senior Executive’s role. They also ensure that contributions to critical initiatives are recognised and rewarded.</td></tr>
<tr><td>How is the STI paid?</td><td colspan="2">Senior Executives are entitled to full payment of their STI following finalisation of the audit for the 2015 Financial Year.</td></tr>
<tr><td>How was performance against targets assessed?</td><td colspan="2">Performance against financial and non-financial key performance indicators (KPIs) was assessed following the end of the 2015 Financial Year to determine the actual STI payments. A scorecard-based calculation was made and, the resulting STI amount adjusted, if required, following a qualitative assessment.
Notwithstanding any STI amount determined, the Remuneration and Nomination Committee, on the recommendation of the CEO, retains an overriding ability to adjust the STI amount before payment taking into account all relevant circumstances.</td></tr>
</table>

STI outcomes for the 2015 Financial Year

STI payments for the 2015 Financial Year were determined based on Senior Executive performance against the applicable financial and non-financial KPIs, as described above. In general, during the 2015 Financial Year, the Group:

- continued to focus on standardisation, simplification and streamlining by making improvements to the efficiency of the business and further reducing costs;
- reported strong operating cash flow which, together with proceeds from the divestments, enabled significant debt repayments; and
- de-risked, deleveraged and strengthened its balance sheet with gearing and net contract debtors improving.

The following table sets out the outcomes for the 2015 Financial Year for each current and departed Senior Executive who participated in the 2015 STI.

Percentage of available STI earned[1]

Senior Executive	STI earned (A$)[2]	Percentage of target STI	Percentage of maximum STI
Current			
A Muriel Bernal	1,125,000	150	100
A Valderas Martínez	1,350,000	150	100
Departed			
J Loizaga Jiménez[3]	-	-	-

1. Threshold, target and stretch values for all of the financial KPIs are approved by the CEO.
2. The STI awards were approved by the Remuneration and Nomination Committee on 28 January 2016 on recommendation from the CEO and are payable in March 2016.
3. Mr Loizaga Jiménez ceased employment with the Group on 23 July 2015. His cessation of employment did not give rise to any entitlements under the STI.

LTI

Summary of 2015 LTI grants

Senior Executive participation	Mr Valderas Martínez and Mr Muriel Bernal participated in the 2015 LTI. The CEO did not participate in the LTI.
What was granted?	In 2015, Senior Executives were granted options with a value equivalent to 60% of fixed remuneration for Mr Valderas Martínez and 75% of fixed remuneration for Mr Muriel Bernal. As the share options formed part of the Senior Executive's remuneration, they were granted at no cost to the executive. Each option entitles the participant to receive one fully paid ordinary share in the Company, on payment of an exercise price of $27.53.
What are the vesting conditions and why were they chosen?	Options will vest over a two-year performance period, subject to the Senior Executive's continued employment with the CIMIC Group. The options have an in-built performance hurdle, being the exercise price of the options, meaning that at the time of exercise, the market price of CIMIC shares must be above the exercise price of the options before the Senior Executive can derive any benefit from the award. This structure was selected to provide participants with a clear line of sight as to the targets that must be satisfied, and a stronger alignment between individual performance and vesting outcomes, ensuring a Group-wide focus on sustained growth and Group prosperity.
When are the options available to exercise?	The options vest two years after the grant date, and are available to exercise for a period of 3 years subject to the discretion of the Remuneration and Nomination Committee as recommended by the CEO. The Senior Executive is permitted to exercise up to 40% of their vested options in each of the first two years after vesting and the remaining unexercised portion in year three of the exercise window. Any options that remain unexercised at the end of the exercise window (ie, 5 years after the grant date) will expire. The 2015 awards are scheduled to vest on 29 October 2017, with any vested options that remain unexercised expiring on 29 October 2020.
Do the options attract dividends and voting rights?	The options do not carry any rights to dividends or voting. Shares allocated upon exercise of options rank equally with other ordinary shares on issue.
What happens if there is a change of control?	If a change of control occurs, the Board, on the recommendation of the CEO, may determine whether, and the extent to which, any unvested options will vest, having regard to all relevant circumstances including performance to-date and the nature of the change of control.
What if a Senior Executive ceases employment?	In general, if a Senior Executive resigns or is summarily terminated, any vested but unexercised and any unvested option grants will lapse. If a Senior Executive leaves due to any other circumstances (eg, redundancy, retirement or total and permanent disability): - a *pro rata* portion of the Senior Executive's unvested options may remain on foot following his or her termination and vest subject to the original conditions of the award (with the balance lapsing); and - any vested but unexercised options held at the date of cessation of employment will remain on foot until the expiry date, subject to the same restrictions on exercise as if the Senior Executive had remained with the Group. In these circumstances, any entitlement on exercise will be paid in cash based on the share price at the date of exercise, less the exercise price and all applicable taxes and levies. The Remuneration and Nomination Committee reviews CEO determinations on leaver treatment for Senior Executives.
Can Senior Executives hedge their risk under the option plan?	No. The Group's Securities Trading Policy (consistent with the Corporations Act) prohibits Senior Executives from entering into hedging arrangements regarding both vested and unvested securities, which includes options.

2015 LTI grants to Senior Executives

Details of options granted to Senior Executives in the 2015 Financial Year are set out in the following table.

Name	Grant date	Number granted	VWAP at date of award (A$)[1]	Exercise price (A$)	Vesting date	Fair value per option[2] (A$)	Maximum value of grant[3] (A$)
Current							
A Muriel Bernal	29 October 2015	76,280	27.53	27.53	29 October 2017	4.53	345,548
A Valderas Martínez	29 October 2015	104,612	27.53	27.53	29 October 2017	4.53	473,892

1. The VWAP of CIMIC's shares over the five trading days following Board approval of the plan on 28 October 2015.
2. The fair value of equity instruments is determined as at the date of grant (in accordance with AASB 2 Share-based payment) and is progressively expensed over the vesting period. The amount included as remuneration expense in accordance with AASB 2 is not related to, or indicative of, the benefit (if any) that Senior Executives may ultimately realise should the equity instruments vest.
3. The maximum value of the grant has been estimated based on the fair value per option. The minimum total value of the grant, if the applicable vesting conditions are not met, is nil. As the vesting date for the grant has not yet been met, nothing has been paid or forfeited to date.

CEO REMUNERATION

POLICY AND APPROACH

The Board approves the CEO's remuneration arrangements following consideration by the Remuneration and Nomination Committee.

The Board considered Mr Fernández Verdes' role as both CEO of CIMIC and CEO of HOCHTIEF AG and structured his remuneration arrangements differently from other Senior Executives, but consistent with the Group's remuneration framework and focussed on achieving long-term financial returns.

COMPONENTS

The key components of the CEO's remuneration are:

- a lump-sum annual allowance as a contribution to his living expenses. Effective 1 April 2015 the gross allowance payable increased from $495,000 to $514,416 to ensure the net allowance received was unchanged following an increase in the Fringe Benefits Tax rate from 47% to 49%; and
- a one-off award of SARs in 2014.

Mr Fernández Verdes receives remuneration from HOCHTIEF AG in consideration for his employment as HOCHTIEF AG CEO. Details of this remuneration are available in the HOCHTIEF AG Annual Report at http://www.reports.hochtief.com.

No remuneration is received by Mr Fernández Verdes for his duties as Executive Chairman of CIMIC.

Summary of one-off award to the CEO

Mr Fernández Verdes was granted a one-off award of 1,200,000 SARs in 2014 in accordance with the terms of his ESA. As the SARs form part of the CEO's remuneration, they are granted at no cost to him. The SARs do not carry any rights to dividends or voting.

The SARs entitle Mr Fernández Verdes to receive a cash payment reflecting the increase in value of the share price of CIMIC from a base price of $17.71 (being the VWAP of fully paid ordinary shares in CIMIC traded on the ASX over the 30-day period before Mr Fernández Verdes' appointment as CEO on 13 March 2014) to the price at close of trading on the last trading day before the SAR is exercised, with a maximum payment per SAR of $32.29.

The SARs will vest on 13 March 2016 and will be exercisable for three years from this date. No exercise price is payable on vesting of the SARs. Due to inconsistent treatment surrounding the exercise conditions applied to the CEO's SARs when compared with the options granted under CIMIC's LTI, the Board amended the terms of Mr Fernández Verdes' award on 28 October 2015 to allow him to exercise up to 40% per annum of the SARs in the first two years of the exercise period, and all remaining unexercised SARs in the final year. Under the previous conditions he was permitted to exercise not more than 40% of the SARs in any financial year, including the final year of the exercise period. This amendment was approved by the HOCHTIEF AG Supervisory Board on 17 November 2015, and the closing share price on this date was $25.82. The total fair value on 17 November 2015, immediately prior to the amendment, was $9,300,000. Following the amendment, on 18 November 2015 the total fair value was $9,372,000, representing an increase of $72,000.

The SARs will lapse on 13 March 2019 unless they have been exercised or forfeited before that date.

Mr Fernández Verdes would have forfeited any unvested or vested but unexercised SARs if he had ceased to be the CEO of CIMIC before 31 December 2014. Further, Mr Fernández Verdes will forfeit any unvested or vested but unexercised rights if he does not remain a member of either the Executive Board or the Supervisory Board of HOCHTIEF AG for the period from appointment to 13 March 2017 or if his employment is summarily terminated. If Mr Fernández Verdes ceases employment with CIMIC prior to vesting but after 31 December 2014 in any other circumstance (ie, he is not summarily terminated) but remains a member of either the Executive Board or the Supervisory Board of HOCHTIEF AG, any unvested SARs will remain on foot and vest and become exercisable in the ordinary course.

Details of the one-off award of SARs granted to the CEO in the 2014 Financial Year are set out in the following table.

Name	Grant date	Granted (number)	30-day VWAP at start of vesting period (A$)	Test date (vesting date)	Fair value per share appreciation right[1] (A$)	Maximum value of grant[2] (A$)
M Fernández Verdes	10 June 2014	1,200,000	17.71	13 March 2016	6.52	38,748,000

1. The fair value of the SARs is determined at the date of grant (in accordance with AASB 2 share-based payment) and was re-evaluated on 31 December 2015.
2. The maximum value is calculated as the number of rights multiplied by the maximum payment per share appreciation right ($32.29).

COMPANY PERFORMANCE

As required by the Corporations Act, the five-year performance of the Group has been set out in the following table.

Year-on-year performance snapshot

	Opening share price[1] (A$)	Closing share price (A$)	Share price apprecia-tion (%)	Dividend per share paid (A$)	TSR[2] (%)	EPS (A$)	PBT (A$M)	NPAT (A$M)	Return on equity (%)	Cash flow from operations (A$M)	Gross debt to equity ratio (%)
December 2015	22.51	24.30	8.0	1.14	58.2	1.54	735	520	13	1,920	25.7
December 2014[3]	16.28	22.50	38.2	1.17	36.3	2.00	1,131	677	19	1,410	79.2
December 2013	17.90	16.11	(10.0)	1.05	(38.8)	1.51	736	509	17	1,115	65.5
December 2012	19.25	17.88	(7.1)	0.80	(45.8)	1.33	566	450	16	1,274	94.6
December 2011 Transitional Financial Year[4]	20.99	19.04	(9.3)	0.60	(6.8)	1.01	475	340	13	328	77.5
June 2011	28.63	20.85	(27.2)	0.60	(50.6)	(1.33)	(491)	(409)	(17)	1,700	78.7

1. The opening share price takes into account trades after market close on the last day of the relevant financial year.
2. TSR is determined over a rolling three-year period.
3. The December 2014 amounts shown above include both continuing and discontinued operations.
4. The December 2011 Transitional Financial Year relates to a six-month financial period. As such, the information presented above is not entirely comparable to the 2011 and 2012 to 2015 Financial Year information in this table.

STATUTORY SENIOR EXECUTIVE REMUNERATION TABLE

	SHORT-TERM EMPLOYEE BENEFITS				POST-EMPLOYMENT		SUBTOTAL ($A)
	Cash salary (A$)	Cash bonuses (STI) (A$)[(a)*]	Non-monetary benefits (A$)[(b)]	Other (A$)[(c)]	Superannuation benefits (A$)	Termination benefits (A$)	
Current Senior Executives							
M Fernández Verdes[1]							
2015 Financial Year	-	-	35,363	509,559	-	-	544,922
2014 Financial Year	-	-	-	370,000	-	-	370,000
A Muriel Bernal[2]							
2015 Financial Year	306,719	1,125,000	-	-	-	-	1,431,719
2014 Financial Year	-	-	-	-	-	-	-
A Valderas Martínez							
2015 Financial Year	994,511	1,350,000	2,123	-	-	-	2,346,634
2014 Financial Year	924,423	975,000	-	-	-	-	1,899,423
Departed Senior Executives							
J Loizaga Jiménez[3]							
2015 Financial Year	583,333	-	-	-	-	19,904	603,237
2014 Financial Year	723,485	585,000	-	200,000	-	-	1,508,485

* Where applicable, this table sets out the payments and benefits to each Senior Executive up until the date on which they ceased employment with the Group (as appropriate), with the exception of 'Cash bonuses (STI)' which captures full year amounts.

1. Mr Fernández Verdes was appointed CEO on 13 March 2014 and Executive Chairman on 11 June 2014. Previously he was a Non-executive Director from 10 October 2012 to 13 March 2014. Remuneration paid to Mr Fernández Verdes as a Non-executive Director in the 2014 Financial Year is disclosed in the Non-executive Director Remuneration section of the 2014 Remuneration Report.
2. Mr Muriel Bernal commenced employment with the Group on 1 July 2014, and was appointed CFO on 23 July 2015. This table sets out the payments to Mr Muriel Bernal from the date he was appointed CFO and became a member of the KMP.
3. Mr Loizaga Jiménez ceased employment with the Group on 23 July 2015. The termination benefits comprised of statutory entitlements only. His cessation of employment did not give rise to any entitlements under the LTI or STI.

LONG-TERM EMPLOYEE BENEFITS			TOTAL PAYMENTS AND ACCRUALS (A$)	Percentage of cash bonuses (STI) (%) [(e)]	Percentage of share-based incentive (%) [(f)]
Share rights fair value (SARs) (A$)[(d)]	Share rights fair value (LTI and STI deferral) (A$)[(d)]	Options fair value (A$)[(d)]			
3,272,618	-	-	3,817,540	-	-
2,334,000	-	-	2,704,000	-	-
-	167,849	22,837	1,622,405	69.3	11.8
-	-	-	-	-	-
-	344,736	31,320	2,722,690	49.6	13.8
-	279,579	-	2,179,002	44.7	12.8
-	-	-	603,237	-	-
-	220,744	-	1,729,229	33.8	12.8

(a) Amounts for the 2015 Financial Year represent cash STI payments to the Senior Executives for the 2015 Financial Year to be paid in March 2016.

(b) Non-monetary benefits included such items as fringe benefits, expatriate benefits and other salary-sacrificed benefits as agreed from time to time. For Mr Fernández Verdes, this amount pertains to vehicle benefits considered necessary by the Company in the execution of his duties.

(c) For Mr Fernández Verdes, the 2015 Financial Year amount pertains to the fixed allowance amount established for 2015. The 2014 Financial Year amount pertains to the fixed allowance amount established for 2014 and is based on 10 months' service. For Mr Loizaga Jiménez, the 2014 Financial Year amount pertains to a one-off relocation allowance to assist with his relocation to Sydney.

(d) In accordance with the requirements of the Australian Accounting Standards, remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the 2015 Financial Year (ie, grants of STI deferred share rights and LTI grants as at 31 December 2015). The fair value of equity instruments is determined as at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that Senior Executives may ultimately realise should the equity instruments vest. The fair value of equities at the date of their grant has been determined in accordance with AASB 2.

(e) Percentage calculation is based on the cash STI received in the 2015 Financial Year as a percentage of total payments and accruals.

(f) The percentage of each Senior Executive's remuneration for the 2015 Financial Year that consisted of equity as a percentage of total payments and accruals.

DEPARTED SENIOR EXECUTIVES

For departed Senior Executives who ceased employment with the Group during the year, remuneration (including termination benefits where applicable) is reported in the Statutory Senior Executive Remuneration table for the period up until the date they ceased to be KMP**.**

Departed Senior Executives

Name	**Title (on date departed)**	**Change during the 2015 Financial Year**
J Loizaga Jiménez	Chief Financial Officer	Ceased as KMP and ceased employment on 23 July 2015

SUMMARY OF EXECUTIVE SERVICE AGREEMENTS

Mr Fernández Verdes

The key terms of Mr Fernández Verdes' ESA are:

- fixed allowance amounts established for 2014 ($370,000 - based on 10 months' service) and 2015 ($495,000 and increased to $514,416 effective 1 April 2015 following the increase to the Fringe Benefits Tax rate from 47% to 49% on 1 April 2015) are adjusted for inflation in 2016 and any adjustments after that date as agreed with the Board and negotiated with the CEO;
- a one-off award of SARs in 2014 as described in the 'CEO Remuneration' section of this Remuneration Report. Mr Fernández Verdes is not eligible to participate in the STI or LTI;
- either party may terminate the ESA, the period of notice being the minimum period required by applicable legislation;
- there is no specified term;
- there are no specified payments to be made on termination (apart from any payments in lieu of notice and any payable statutory entitlement); and
- a six-month restraint period (in Australia) applies following termination but specifically allows Mr Fernández Verdes to accept roles with ACS, HOCHTIEF AG and their related companies.

Other Senior Executives

Remuneration and other terms of employment for all other Senior Executives are formalised in ESAs.

The key standard terms of the ESAs for Senior Executives are:

- remuneration is reviewed annually;
- either party is able to terminate the service agreement on six months' notice;
- there is no specified term;
- there are no specified payments to be made to the Senior Executive on termination (apart from any payments in lieu of notice and any payable statutory entitlements); and
- a six-month paid restraint period applies following termination.

The ESAs also specify the remuneration mix that applies to a Senior Executive's remuneration package.

The entitlement of Senior Executives to unvested deferred STI and LTI awards on termination of their employment is dealt with under the plan rules and the specific terms of grant.

ENGAGEMENT OF REMUNERATION CONSULTANTS

No remuneration consultants were engaged during 2015 with regards to Senior Executive remuneration.

NON-EXECUTIVE DIRECTOR REMUNERATION

The Non-executive Directors who held office during 2015 are set out in the following table.

Non-executive Directors during 2015

Name	**Title (at 31 December 2015)**
Current Non-executive Directors	
Russell Chenu	Independent Non-executive Director
José Luis del Valle Pérez	Non-executive Director
Kirstin Ferguson	Independent Non-executive Director
Trevor Gerber	Independent Non-executive Director
Pedro López Jiménez	Non-executive Director
David Robinson	Non-executive Director
Peter-Wilhelm Sassenfeld	Non-executive Director
Current Alternate Directors	
David Robinson	Alternate Director for Mr López Jiménez
Robert Seidler AM	Alternate Director for Mr del Valle Pérez and Mr Sassenfeld

SETTING NON-EXECUTIVE DIRECTOR REMUNERATION

Remuneration for Non-executive Directors is designed to ensure that the Group can attract and retain suitably qualified and experienced Directors. Fees are based on a comparison to the market for director fees in companies of a similar size and complexity.

In recognition of the additional responsibilities and time commitment of Committee Chairmen and members, additional fees are paid to Directors for Committee membership.

Non-executive Directors do not receive shares, options or any performance-related incentives.

Superannuation is payable to Australian-based Non-executive Directors in addition to Board and Committee fees.

FEE LEVELS AND FEE POOL

Board and Committee fees for 2015

Name	Chairman[1]	Member
Board	nil	185,000
Audit and Risk Committee	55,000	30,000
Ethics, Compliance and Sustainability Committee	40,000	20,000
Remuneration and Nomination Committee	40,000	20,000
Special Committees[2]	3,850	3,850

1. The CEO receives no additional remuneration for his duties as Executive Chairman (or membership of any Committee). Details of his remuneration for his role as CEO are set out in the 'CEO Remuneration' section of this Remuneration Report.
2. This fee is payable to all Non-executive Directors for each day of service on a Special Committee.

The aggregate annual fees payable to the Non-executive Directors for their services as Directors are limited to the maximum annual amount approved by shareholders. The maximum annual amount is currently $4.5 million (including superannuation contributions), as approved by shareholders at the 2013 AGM.

ALTERNATE DIRECTORS
CIMIC does not pay fees for Board membership to Alternate Directors. Financial arrangements for Alternate Directors are a private matter between the Non-executive Director and the relevant Alternate Director.

NON-EXECUTIVE DIRECTOR TOTAL REMUNERATION
Details of Non-executive Directors' remuneration for the 2015 Financial Year and 2014 Financial Year are set out in the following table.

Non-executive Director Remuneration

	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	Total Remuneration for services as a Non-executive Director (A$)
	Board and Committee fees (A$)	Other (A$)	Operating Company Board fees and extra service fees[1] (A$)	Superannuation contributions (A$)	
Current Non-executive Directors					
R Chenu					
2015 Financial Year	280,000	-	1,925	19,046	300,971
2014 Financial Year	159,890	-	-	10,870	170,760
K Ferguson					
2015 Financial Year	275,000	-	1,925	19,046	295,971
2014 Financial Year	134,696	-	-	9,392	144,088
T Gerber					
2015 Financial Year	255,000	-	-	19,046	274,046
2014 Financial Year	140,000	-	-	10,548	150,548
P López Jiménez					
2015 Financial Year	205,000	-	-	-	205,000
2014 Financial Year	182,385	-	-	-	182,385
J del Valle Pérez					
2015 Financial Year	225,000	-	-	-	225,000
2014 Financial Year	172,477	-	-	-	172,477
D Robinson[2]					
2015 Financial Year	215,000	-	1,925	19,046	235,971
2014 Financial Year	215,000	-	77,792	18,279	311,071
P Sassenfeld[3]					
2015 Financial Year	215,000	-	-	1,565	216,565
2014 Financial Year	225,000	-	-	18,279	243,279

1. For the 2015 Financial Year this amount represents additional service fees payable to Non-Executive Directors for service on a Special Committee. For the 2014 Financial Year this amount represents the total fees paid to the members of the Operating Company Advisory Boards (disbanded June 2014).
2. Mr Robinson will receive a maximum benefit on retirement limited to his entitlement under the Non-executive Director Retirement Plan as if he had retired on 1 July 2008. This entitlement totals $363,495.
3. Mr Sassenfeld received no Director fees directly from CIMIC in respect of his services as Non-executive Director. The amounts in the table represent the payment by CIMIC to HOCHTIEF AG in respect of Mr Sassenfeld's services.

ADDITIONAL EQUITY DISCLOSURES

This section provides additional information regarding KMP equity holdings as required by the Corporations Act and applicable Australian Accounting Standards.

MOVEMENT IN KMP SHAREHOLDINGS (DIRECTORS AND SENIOR EXECUTIVES)

The following table sets out the movement in KMP shareholdings (either direct or indirect) during the 2015 Financial Year.

Name	Balance at 31 Dec 2014	Purchases	Received on exercise of options	Received on vesting of shares	Sales	Closing Balance[1]
Directors						
R Chenu	2,500	785	-	-	-	3,285
J del Valle Pérez	1,000[2]	-	-	-	-	1,000[2]
K Ferguson	1,500	-	-	-	-	1,500
M Fernández Verdes	2,745[2]	-	-	-	-	2,745[2]
T Gerber	2,000	-	-	-	-	2,000
P López Jiménez	1,192[2]	-	-	-	-	1,192[2]
D Robinson	1,489	-	-	-	-	1,489
P Sassenfeld	1,858[2]	-	-	-	-	1,858[2]
Current Senior Executives						
A Muriel Bernal	-	-	-	-	-	-
A Valderas Martínez	-	-	-	-	-	-
Departed Senior Executives						
J Loizaga Jiménez	-	-	-	-	-	-

1. The closing balance is at 31 December 2015 or as at the date of departure.
2. These shares are held by the relevant director on trust for HOCHTIEF Australia.

MOVEMENTS IN RIGHTS UNDER THE PREVIOUS LTI

Grants of share rights under the previous LTI were made to eligible Senior Executives in 2014 in accordance with the terms of their individual ESA. The awards were made subject to EPS and TSR performance conditions measured over a three-year period, and remain on foot until the original vesting date. Full details of these awards can be found on pages 29 to 31 of the 2014 Annual Report.

The following table sets out the movement of share rights granted in previous financial years under the previous LTI.

Name	Award year	Balance at 31 Dec 2014 (number)	Granted (number)	Granted (fair value) (A$)	Vested and exercised (number)[1]	Vested and exercised (value) (A$)	Lapsed (number)	Balance at 31 Dec 2015 (number)
Current Senior Executives								
A Muriel Bernal	2014	29,982	-	-	-	-	-	29,982
A Valderas Martínez	2014	32,552	-	-	-	-	-	32,552
Former Senior Executives								
J Loizaga Jiménez[2]	2014	34,266	-	-	-	-	34,266	-

1. Performance hurdles for the 2014 LTI are due to be tested in February 2017.
2. Mr Loizaga Jiménez's cessation of employment did not give rise to any entitlements under his LTI awards.

MOVEMENTS IN OPTIONS UNDER LTI

Grants of options under the LTI were approved to be made to eligible Senior Executives in February 2016 as their 2015 LTI. On 28 October 2015, the Board approved the replacement of the previous performance rights based plan with an options based plan. The 2015 award represents the first grant under the new plan. Full details of the award can be found on pages 34 to 35 of this Remuneration Report.

The following table sets out the movement of options granted during the 2015 Financial Year under the LTI.

Name	Award year	Balance at 31 Dec 2014 (number)	Granted (number)	Granted (fair value) (A$)	Vested[1] (number)	Vested (value) (A$)	Vested and unexercised (number)	Exercised (number)	Exercised (value) (A$)	Balance at 31 Dec 2015[2] (number)
Current Senior Executives										
A Muriel Bernal	2015	-	76,280	345,548	-	-	-	-	-	76,280
A Valderas Martínez	2015	-	104,612	473,892	-	-	-	-	-	104,612

1. Options awarded on 29 October 2015 will vest two years following grant on 29 October 2017.
2. Of this number, all options are unvested and not yet exercisable.

DEFERRED SHARE RIGHTS UNDER STI

Share rights were previously awarded to Senior Executives based on the value of the deferred component of the STI awards. These deferred share rights vest after a one-year deferral period. Full details of the deferred share rights can be found on pages 28 to 30 of the 2014 Annual Report. This practice of deferral was discontinued for the 2015 Financial Year.

Name	Award year	Grant date	Vesting date[1]	Award value at grant (A$)	Granted (number)	Fair value per share right (A$)	Vested[1] (%)	Forfeited (%)
Current Senior Executives								
A Valderas Martínez	2014	1 January 2015	31 December 2015	325,000	15,587	20.85	-	-

1. Final vesting of this award is subject to approval of the CEO. As at 31 December 2015, no decision on final vesting had been made and therefore none of the award had vested.

ONE-OFF AWARD GRANTED TO MR FERNÁNDEZ VERDES IN 2014

In the 2014 Financial Year, a one-off award of SARs was awarded to Mr Fernández Verdes on his appointment as CEO. The award will expire on 13 March 2019.

Full details of this award can be found in the 'CEO Remuneration' section of this Remuneration Report.

Name	Grant date	Vesting date	Granted[1] (number)	Fair value[2] per SAR (A$)	Vested (%)	Forfeited (%)
M Fernández Verdes	10 June 2014	13 March 2016	1,200,000	$6.52	-	-

1. No SARs vested or lapsed during the reporting period.
2. The fair value of equity instruments is determined as at the date of grant (in accordance with AASB 2 Share-based payment) and is progressively expensed over the vesting period. The amount included as remuneration expense in accordance with AASB 2 is not related to, or indicative of, the benefit (if any) that Senior Executives may ultimately realise should the equity instruments vest.

SHARES PURCHASED ON MARKET

The following shares were purchased on market in 2015 for the purpose of satisfying vested awards under the EIP:

	Shares purchased (number)	Average price paid per share (A$)
Ordinary shares	193,927	21.2797

The CIMIC Group Limited Directors' Report for the 2015 Financial Year is signed at Sydney on 10 February 2016 in accordance with a resolution of the Directors.

Marcelino Fernández Verdes
Executive Chairman and Chief Executive Officer

CIMIC

PACIFIC partnerships

New Royal Adelaide Hospital (nRAH) will be Australia's most advanced hospital and the single largest infrastructure project in South Australia's history. Pacific Partnerships is providing project management, contract administration, financial management and corporate governance services for the project. CPB is undertaking the design and construction.

Financial Report

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Consolidated Statement of Profit or Loss

for the year ended 31 December 2015

	Note	12 months to December 2015 $m	12 months to December 2014 $m
Continuing operations			
Revenue	2	13,370.7	16,875.8
Expenses	3	(12,427.4)	(16,743.3)
Finance costs	4	(193.8)	(240.0)
Share of profit / (loss) of associates and joint venture entities		(14.5)	16.8
Profit / (loss) before tax		735.0	(90.7)
Income tax (expense) / benefit	6	(220.6)	(22.1)
Profit / (loss) for the year from continuing operations		514.4	(112.8)
Discontinued operations			
Profit / (loss) for the year from discontinued operations	30	-	791.4
Profit / (loss) for the year		514.4	678.6
(Profit) / loss for the year attributable to non-controlling interests		6.0	(2.1)
Profit / (loss) for the year attributable to members of the parent entity		520.4	676.5
Dividends per share - Final	23	50.0¢	68.0¢
Dividends per share - Interim	23	46.0¢	57.0¢
Earnings per share for profit / (loss) from continuing and discontinued operations			
Basic earnings per share	24	153.7¢	200.0¢
Diluted earnings per share	24	153.4¢	198.8¢
Earnings per share for profit / (loss) from continuing operations			
Basic earnings per share	24	153.7¢	(33.9¢)
Diluted earnings per share	24	153.4¢	(33.7¢)
Earnings per share for profit / (loss) from discontinued operations			
Basic earnings per share	24	-	233.9¢
Diluted earnings per share	24	-	232.5¢

The consolidated statement of profit or loss is to be read in conjunction with the notes to the consolidated financial report.

Consolidated Statement of Profit or Loss and other Comprehensive Income

for the year ended 31 December 2015

	Note	12 months to December 2015 $m	12 months to December 2014 $m
Profit / (loss) for the year attributable to members of the parent entity		520.4	676.5
Other comprehensive income attributable to members of the parent entity:			
Items that may be reclassified to profit or loss			
- Foreign exchange translation differences (net of tax)	21	213.8	234.9
- Effective portion of changes in fair value of cash flow hedges (net of tax)	21	2.6	(5.3)
- Change in fair value of available-for-sale assets (net of tax)	21	6.0	4.4
Items that will not be reclassified to profit or loss			
- Change in value of equity reserves (net of tax)	21	(13.8)	(0.8)
Other comprehensive income / (expense) for the year		208.6	233.2
Total comprehensive income / (expense) for the year attributable to members of the parent entity		729.0	909.7
Total comprehensive income / (expense) for the year attributable to members of the parent entity:			
Total comprehensive income / (expense) for the year		723.0	911.8
Total comprehensive (income) / expense for the year attributable to non-controlling interests		6.0	(2.1)
Total comprehensive income / (expense) for the year attributable to members of the parent entity		729.0	909.7
Continuing operations		729.0	118.6
Discontinued operations		-	791.1
Total comprehensive income / (expense) for the year attributable to members of the parent entity		729.0	909.7

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the consolidated financial report.

Consolidated Statement of Financial Position

as at 31 December 2015

	Note	31 December 2015 $m	31 December 2014 $m
Assets			
Cash and cash equivalents	7	2,167.8	1,976.9
Trade and other receivables	8	2,659.6	3,426.1
Trade and other receivables - proceeds receivable on sale of controlled entities and businesses	8	-	1,643.2
Current tax assets	9	26.6	53.0
Inventories: consumables and development properties	10	264.0	361.6
Assets held for sale	31	235.8	254.4
Total current assets		5,353.8	7,715.2
Trade and other receivables	8	889.2	922.8
Inventories: development properties	10	275.3	356.7
Investments accounted for using the equity method	11	1,073.1	1,013.6
Other investments	12	125.7	112.3
Deferred tax assets	13	119.5	240.8
Property, plant and equipment	14	1,312.8	1,626.5
Intangibles	15	527.4	556.0
Total non-current assets		4,323.0	4,828.7
Total assets		9,676.8	12,543.9
Liabilities			
Trade and other payables	16	3,675.7	4,309.8
Current tax liabilities	17	81.3	622.9
Provisions	18	283.4	310.9
Interest bearing liabilities	19	217.4	1,163.3
Liabilities associated with assets held for sale	31	48.7	93.8
Total current liabilities		4,306.5	6,500.7
Trade and other payables	16	331.6	272.6
Provisions	18	84.5	157.0
Interest bearing liabilities	19	838.9	1,832.0
Total non-current liabilities		1,255.0	2,261.6
Total liabilities		5,561.5	8,762.3
Net assets		4,115.3	3,781.6
Equity			
Share capital	20	2,052.5	2,052.5
Reserves	21	423.6	219.0
Retained earnings	22	1,616.7	1,482.2
Total equity attributable to equity holders of the parent		4,092.8	3,753.7
Non-controlling interests		22.5	27.9
Total equity		4,115.3	3,781.6

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial report.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2015

	Share Capital $m	Reserves $m	Retained Earnings $m	Attributable to Equity Holders $m	Non-controlling Interests $m	Total Equity $m
Total equity at 1 January 2014	2,028.6	(9.7)	1,201.3	3,220.2	25.9	3,246.1
Profit for the year	-	-	676.5	676.5	2.1	678.6
Other comprehensive income	-	233.2	-	233.2	-	233.2
Transactions with owners in their capacity as owners:						
- Contributions of equity	23.9	-	-	23.9	-	23.9
- Dividends	-	-	(395.6)	(395.6)	-	(395.6)
- Share based payments	-	(4.5)	-	(4.5)	-	(4.5)
- Other	-	-	-	-	(0.1)	(0.1)
Total transactions with owners	23.9	(4.5)	(395.6)	(376.2)	(0.1)	(376.3)
Total equity at 31 December 2014	2,052.5	219.0	1,482.2	3,753.7	27.9	3,781.6
Profit / (loss) for the year	-	-	520.4	520.4	(6.0)	514.4
Other comprehensive income	-	208.6	-	208.6	-	208.6
Transactions with owners in their capacity as owners:						
- Contributions of equity	-	-	-	-	-	-
- Dividends	-	-	(385.9)	(385.9)	-	(385.9)
- Share based payments	-	(4.0)	-	(4.0)	-	(4.0)
- Other	-	-	-	-	0.6	0.6
Total transactions with owners	-	(4.0)	(385.9)	(389.9)	0.6	(389.3)
Total equity at 31 December 2015	2,052.5	423.6	1,616.7	4,092.8	22.5	4,115.3

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial report.

Consolidated Statement of Cash Flows

for the year ended 31 December 2015

	Note	12 months to December 2015 $m	12 months to December 2014 $m
Cash flows from operating activities			
Cash receipts in the course of operations (including GST)		15,981.0	25,628.6
Cash payments in the course of operations (including GST)		(14,061.4)	(24,218.8)
Cash flows from operating activities[1]		1,919.6	1,409.8
Dividends received		15.7	23.5
Interest received		32.7	25.3
Finance costs paid		(202.8)	(229.1)
Income taxes (paid) / received		(315.0)	(85.7)
Net cash from operating activities[1]	29	1,450.2	1,143.8
Cash flows from investing activities			
Payments for intangibles		(15.2)	(28.3)
Payments for property, plant and equipment		(266.3)	(705.1)
Proceeds from sale of property, plant and equipment		156.2	81.8
Payments for investments in controlled entities and businesses		-	(110.0)
Proceeds from sale of investments in controlled entities and businesses		1,671.0	-
Income tax paid in relation to proceeds from sale of investments in controlled entities and businesses		(263.0)	-
Cash disposed from sale of investments in controlled entities and businesses		-	(420.5)
Payments for investments		(35.1)	(1.9)
Proceeds from sale of investments		-	33.7
Net cash from investing activities[1]		1,247.6	(1,150.3)
Cash flows from financing activities			
Proceeds from share issues		-	23.9
Cash payments in relation to employee share plans		(4.1)	(25.9)
Proceeds from borrowings		871.2	1,458.2
Repayment of borrowings		(2,915.4)	(678.6)
Repayment of finance leases		(124.7)	(181.7)
Dividends paid to non-controlling interests		-	(0.3)
Dividends paid to owners of the Company		(385.9)	(395.6)
Net cash from financing activities[1]		(2,558.9)	200.0
Net increase / (decrease) in cash held		138.9	193.5
Net cash at the beginning of the period		1,976.9	1,720.7
Effects of exchange rate fluctuations on cash held		52.0	62.7
Net cash at reporting date	7	2,167.8	1,976.9

1. *31 December 2014: Includes both continuing and discontinuing operations.*

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial report.

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

CIMIC Group Limited (formerly Leighton Holdings Limited) (the "Company") is a company domiciled in Australia. The consolidated financial statements of the Company comprise the Company and its controlled entities (the "Consolidated Entity" or "Group") and the Consolidated Entity's interest in associates and joint arrangements.

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") and in accordance with the *Corporations Act 2001*. The financial report of the Consolidated Entity also complies with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB").

The standards, amendments to standards and interpretations available for early adoption at reporting date that have not been applied in preparing this financial report are detailed in note 40: *New accounting standards.*

Basis of preparation

Presentation

The financial report is presented in Australian dollars which is the Company's functional currency. All amounts disclosed in the financial report relate to the Group unless otherwise stated. The financial report has been prepared on the historical cost basis, except for available-for-sale assets and derivative financial instruments, which are measured at fair value.

The Company is a company of the kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated.

The significant accounting policies adopted in the preparation of the financial report are set out below. These policies have been applied consistently to all periods presented in the financial report.

New and amended standards adopted by the Company

In the current year, the Company has applied a number of new and revised accounting standards and amendments that are mandatorily effective for an accounting period that begins on or after 1 January 2015, as follows:

- AASB 2014-1 (Part A) *Amendments to Australian Accounting Standards – Annual Improvements 2010-2012 and 2011-2013 Cycles*;
- AASB 2014-1 (Part C) *Amendments to Australian Accounting Standards – Materiality*;
- AASB 2014-1 (Part E) *Amendments to Australian Accounting Standards – Financial Instruments*; and
- AASB 2014-2 *Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements.*

While these standards introduced new disclosure requirements, they do not affect the Group's accounting policies or any of the amounts recognised in the financial statements.

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances. Revisions to estimates are recognised in the period in which the estimate is revised and in any future period affected.

Judgements made in the application of AASBs that could have a significant effect on the financial report and estimates with a risk of adjustment in the next year are as follows:

- Construction and mining contracting projects:
  - determination of stage of completion;
  - estimation of total contract revenue and contract costs;
  - assessment of the probability of customer approval of variations and acceptance of claims;
  - estimation of project completion date; and
  - assumed levels of project execution productivity.

  It is reasonably possible on the basis of existing knowledge that actual outcomes within the next financial year that are different from the estimates and assumptions in the areas listed above could require a material adjustment to the carrying amount of amounts due from and due to customers (refer to note 8: *Trade and other receivables*) and amounts receivable from and payable to related parties (refer to note 8: *Trade and other receivables* and note 16: *Trade and other payables* respectively);
- Lease classification;
- Asset disposals:
  - Controlled entities and businesses: determination of loss of control and fair value of consideration; and
  - Other assets: determination as to whether the significant risks and rewards of ownership have transferred;
- Estimation of the economic life of property, plant and equipment and intangibles;
- Asset impairment testing, including assumptions in value in use calculations;
- Assessment of the fair value of available-for-sale assets and derivatives; and
- Determination of the fair value for business combinations.

Basis of consolidation

Subsidiaries

The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Results of controlled entities are included in the consolidated statement of profit or loss from the date control is obtained and excluded from the date the entity is no longer controlled. Intragroup balances and transactions, and any unrealised gains or losses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the controlled entity.

Any difference between the amount of the adjustment to non-controlling interests and the fair value of the consideration paid or received is recognised in the equity reserve. When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss.

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Basis of consolidation continued

Controlled entities

Investments in controlled entities are carried in the Company's financial statements at cost less impairment.

Investments in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over the entity. Significant influence is presumed to exist when the Company owns between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method and recognised initially at cost. The cost of the investments includes transaction costs and goodwill on acquisition.

The consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of equity accounted investments, after adjustments for impairment to align the accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases.

When the Company's share of losses exceeds its interest in an equity accounted investment, the carrying value of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further loss is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Joint arrangements

Under AASB 11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. The Company has assessed the nature of its joint arrangements and determined to have both joint operations and joint ventures.

Joint operations

The Company recognises its direct right, and its share of, jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate headings. Details of joint operations are set out in note 27: *Joint operations*.

Joint ventures

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated statement of financial position at cost, including transaction costs and goodwill on acquisition, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been adjusted for where necessary, to ensure consistency with the policies adopted by the Group.

Other investments

Other investments are accounted for as either available-for-sale financial assets, or fair value through profit and loss financial assets.

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

a) Revenue recognition

Revenue from construction contracting services is recognised using the percentage complete method. Stage of completion is measured by reference to costs incurred to date as a percentage of estimated total costs for each contract. Where the project result can be reliably estimated, contract revenue and expenses are recognised in the statement of profit or loss as incurred. Where the project result cannot be reliably estimated, profits are deferred and the difference between revenue and expenses is carried forward as either a contract receivable or contract payable. Once the contract result can be reliably estimated, the profit earned to that point is recognised immediately.

Revenue from mining contracts is recognised on the basis of the value of work completed.

Property development revenue includes sales of development properties, rental and fee income. Revenue from the sale of property developments and land sales is recognised when the significant risks and rewards of ownership have been transferred. Rental income is recognised on a straight line basis over the term of the operating lease. Other property development revenue is recognised as services are provided.

Other revenue including telecommunications, environmental and utilities services, is recognised as services are provided.

Expected losses on all contracts are recognised in full as soon as they become apparent.

Interest revenue is recognised on an accruals basis.

Dividend income is recognised when the dividend is declared.

b) Finance costs

Finance costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets. The capitalisation rate used to determine the amount of finance costs to be capitalised to qualifying assets is the weighted average interest rate applicable to the entity's outstanding borrowings during the period.

Finance costs include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and certain exchange differences arising from foreign currency borrowings.

c) Income tax

Income tax expense on the profit or loss for the period comprises current and deferred tax expense. Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Group adopts the statement of financial position liability method to provide for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Taxable temporary differences are not provided for the initial recognition of goodwill. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the statement of financial position date.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The Company is the head entity in the Tax Consolidated Group comprising the Australian wholly-owned subsidiaries. The head entity recognises all of the current tax assets and liabilities and deferred tax assets in respect of tax losses of the Tax Consolidated Group (after elimination of intra-group transactions). Deferred tax assets and liabilities in respect of temporary differences are recognised in the subsidiaries' financial statements.

The Tax Consolidated Group has entered into a tax funding agreement that requires wholly-owned subsidiaries to make contributions to the head entity for current tax assets and liabilities occurring after the implementation of tax consolidation. Under the tax funding agreement, the contributions are calculated using the "group allocation" approach so that the contributions are equivalent to the current tax balances generated by transactions entered into by wholly-owned subsidiaries. The contributions are payable as set out in the agreement and reflect the timing of the head entity's obligations to make payments for tax liabilities to the relevant tax authorities. The assets and liabilities arising under the tax funding agreement are recognised as intercompany assets and liabilities with a consequential adjustment to current income tax.

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

d) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing profit attributable to members of the parent entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

e) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. When acquired, non-derivative financial instruments are recognised at fair value. At subsequent reporting dates they are measured at amortised cost unless specifically mentioned below.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank and call deposits. For the purposes of the statement of cash flows, net cash includes cash on hand, at bank and short term deposits at call, net of bank overdrafts where a right of offset exists.

Trade and other receivables

Contract and trade debtors include all net receivables from construction, contract mining and other services, and property development. Included in contract debtors is the progressive valuation of work completed. The valuation of work completed is made after bringing to account a proportion of the estimated contract profits and after recognising all known losses.

Where payments received exceed the revenue recognised, the difference is recorded as a liability in the statement of financial position.

Other amounts receivable generally arise from transactions other than the provision of services and include amounts in respect of sales of assets and taxes receivable. Interest may be charged at market rates based on individual debtor arrangements. Contract and trade debtors are normally settled within 60 days of billing. Amounts receivable expected to be received after twelve months are discounted. Recoverability is assessed at reporting date and provision made for any doubtful debts. Prepayments represent the future economic benefits receivable in respect of economic sacrifices made in the current or prior reporting period.

Available-for-sale financial assets

Available-for-sale assets are initially recognised at cost, being the fair value of the consideration given and include acquisition costs. Subsequently, available-for-sale assets are measured at fair value. Changes in fair value are recognised as a separate component of equity in the fair value reserve. When the asset is sold, collected or otherwise disposed, or if the asset is determined to be impaired, the cumulative gain or loss previously reported in equity is recognised in the statement of profit or loss.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial assets designated as at fair value through profit and loss comprise equity securities that otherwise would have been classified as available-for-sale. These financial assets are measured at fair value at each reporting date and movements in fair value are taken into the statement of profit and loss.

Interest bearing liabilities

All loans and borrowings are initially recognised at fair value, being the amount received less attributable transaction costs. After initial recognition, interest bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Trade and other payables

Liabilities are recognised for amounts to be paid for goods or services received. Trade payables are normally settled within 60 days.

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

f) Derivative financial instruments

Derivative financial instruments are stated at fair value, with changes in fair value recognised in the statement of profit or loss. Where derivative financial instruments qualify for hedge accounting, recognition of changes in fair value depends on the nature of the item being hedged. Hedge accounting is discontinued when the hedging relationship is revoked, the hedging instrument expires, is sold, terminated, exercised, or no longer qualifies for hedge accounting.

Cash flow hedge

Changes in the fair value of designated and qualifying cash flow hedges are deferred in equity. Where it is expected that all or a portion of a loss recognised directly in equity will not be recovered in future periods, that loss is recognised in the statement of profit or loss.

Amounts deferred are included in the initial measurement of the cost of the asset or liability where the forecast transaction being hedged results in the recognition of a non-financial asset or a non-financial liability.

Cash flow hedges relating to operating activities are recognised in profit or loss in the same period the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss deferred in equity is recognised immediately in profit or loss.

Hedges of net investments in foreign operations

Gains or losses on the hedging instrument are recognised in the foreign currency translation reserve. Gains and losses deferred in the foreign currency translation reserve are recognised in profit or loss upon disposal of the foreign operation.

Fair value hedge

Changes in the fair value of designated and qualifying fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged item that is attributable to the hedged risk. When hedge accounting is discontinued the adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other expenses or other income.

g) Inventories

Inventories are carried at the lower of cost and net realisable value. Inventories comprise:

Property developments

Cost includes the costs of acquisition, development and holding costs such as rates, taxes and finance costs. Holding costs on property developments not under active development are expensed as incurred.

Raw materials and consumables

Cost is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

h) Assets held for sale and liabilities associated with assets held for sale

Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised.

Assets classified as held for sale are presented separately from the other assets in the statement of financial position. Assets are not depreciated or amortised while they are classified as held for sale.

Liabilities associated with assets held for sale are presented separately from other liabilities in the statement of financial position. Interest and other expenses attributable to the liabilities associated with assets held for sale continue to be recognised.

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

i) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation and amortisation

Depreciation and amortisation is calculated so as to write-off the net book value of property, plant and equipment over their estimated effective useful lives as follows:

- freehold buildings: straight line method - up to 40 years;
- major plant and equipment: cumulative number of hours worked - up to 10 years;
- major plant and equipment - component parts: cumulative number of hours worked - up to 10 years;
- leased plant and equipment: cumulative number of hours worked - up to 10 years;
- office and other equipment: diminishing value method - up to 10 years; and
- leasehold buildings and improvements: straight line method, over the terms of the leases - up to 40 years.

Subsequent costs

Subsequent costs are included in the carrying amount of property, plant and equipment only when it is probable that the associated future economic benefits will flow to the Group. All other costs are recognised in the statement of profit or loss.

j) Leased assets

Leases under which the Group assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases

A lease asset and a lease liability equal to the lower of the fair value of the leased property and the present value of the minimum lease payments is recorded at the inception of the lease. The finance lease liability is the net present value of future finance lease rentals and residuals. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals, which are potential incremental lease payments not fixed in amount as they relate to future changes, are expensed as incurred.

Operating leases

Payments made under operating leases are expensed on a straight line basis over the term of the lease.

k) Business combinations

The acquisition method of accounting is used to account for all business combinations. The consideration for the acquisition of a controlled entity comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any pre-existing equity interest in the controlled entity. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill.

Where the consideration is less than the fair value of the net identifiable assets of the controlled entity acquired the difference is recognised directly in the statement of profit or loss as a gain on acquisition of a controlled entity.

l) Intangible assets

(i) Goodwill

Goodwill on acquisition of controlled entities is included in intangible assets. Goodwill on acquisition of associates is included in equity accounted investments. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is not amortised but it is tested for impairment annually or more frequently if there is an indication that it might be impaired. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

l) Intangible assets continued

(ii) Brand name

Brand names acquired as part of a business combination are recognised separately from goodwill. The brand names are carried at their fair value at the date of acquisition less accumulated amortisation and any impairment losses. Where brand names' useful lives are assessed as indefinite, the brand names are not amortised but are tested for impairment annually, or more frequently whenever there is an indication that it might be impaired. Where brand names' useful lives are assessed as finite, the brand names are amortised over their estimated useful lives

(iii) Customer contracts

Customer contracts acquired as part of a business combination are recognised separately from goodwill. The customer contracts are carried at their fair value at the date of acquisition less accumulated amortisation and any impairment losses. Where customer contracts' useful lives are assessed as indefinite, the customer contract is not amortised but is tested for impairment annually, or more frequently whenever there is an indication that it might be impaired. Where customer contracts' useful lives are assessed as finite, the customer contracts are amortised over their estimated useful lives.

(iv) IT systems

Costs incurred in developing systems and costs incurred in acquiring software and licenses that will provide future period economic benefits are capitalised to other intangibles. Costs capitalised include external direct costs of materials and services and direct payroll and payroll related costs of employees' time spent on the projects. IT systems are amortised over their estimated useful lives of up to 10 years.

IT systems are carried at cost less accumulated amortisation and any impairment losses.

m) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of goodwill and indefinite lived intangible assets are reviewed at each reporting date irrespective of an indication of impairment.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount for an asset that does not generate largely independent cash flows is determined for the cash-generating unit to which the asset belongs.

Impairment losses are recognised in the statement of profit or loss unless the asset has been previously revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised in the statement of profit or loss. Reversals of impairment losses, other than in respect of goodwill and available-for-sale assets, are recognised in the statement of profit or loss. Any increase above original cost of the asset is treated as a revaluation increase in equity.

n) Employee benefits

Liabilities in respect of employee benefits which are not due to be settled within twelve months are discounted using the rates attaching to national government securities at reporting date, which most closely match the terms of maturity of the related liabilities.

Wages, salaries, annual and long service leave

The provision for employee entitlements to wages, salaries and annual and long service leave represents the amount which the Group has a present obligation to pay resulting from employees' services provided up to the reporting date. Provisions have been calculated based on expected wage and salary rates and include related on-costs. In determining the liability for these employee entitlements, consideration has been given to estimated future increases in wage and rates, and the Group's experience with staff departures.

Superannuation

Defined contribution superannuation plans exist to provide benefits for eligible employees or their dependants. Contributions by the Group are expensed to the statement of profit or loss as incurred.

Notes to the Consolidated Financial Statements continued

for the year ended 31 December 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

n) Employee benefits continued

Share-based payment transactions

Ownership based remuneration is provided to employees via the plans outlined in note 37: *Employee Benefits*. The fair value of share options and share rights are recognised as an expense over the vesting period.

Shares are recognised when either options are exercised and the proceeds received or shares are issued to settle share rights.

Retention arrangements

Retention arrangements are in place ranging from three years to retirement for certain key employees which are payable upon completion of the retention period.

The provisions are accrued on a pro-rata basis during the retention period and have been calculated based on salary rates, including related on-costs.

Annual bonus and deferred incentive arrangements

Annual bonuses and deferred incentives are provided at reporting date and include related on-costs. The Group recognises a provision where there is a contractual or constructive obligation.

o) Share capital

Ordinary share capital

Issued and paid up capital is recognised at the consideration received by the Company.

Dividends

Provision is not made for dividends unless the dividend has been declared by the Directors on or before the end of the period and not distributed at reporting date.

p) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of controlled foreign entities

Assets and liabilities of controlled foreign entities are translated into the presentation currency at the rates of exchange at reporting date and the statement of profit or loss is translated at the rates approximating foreign exchange rates ruling at the dates of the transactions. The resulting exchange differences are taken directly to the foreign currency translation reserve. Exchange gains and losses on transactions which form part of the net investments in foreign controlled entities together with any related income tax effect are recognised in the foreign currency translation reserve on consolidation. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign entity is recognised in the statement of profit or loss as part of the gain or loss on sale.

Notes continued

for the year ended 31 December 2015

2. REVENUE

	Note	12 months to December 2015 $m	12 months to December 2014 $m
Construction contracting services		9,365.2	12,228.5
Mining contracting services		2,912.8	3,666.7
Property development revenue		875.7	728.4
Other revenue		119.3	156.3
Revenue from external customers		13,273.0	16,779.9
Interest			
- Related parties	38 (b)	25.8	24.2
- Other parties		19.5	25.8
Unwinding of discounts on non-current receivables			
- Related parties	38 (b)	7.8	6.6
- Other parties		36.8	31.2
Dividends / distributions		7.8	8.1
Interest and dividends		97.7	95.9
Total revenue from continuing operations[1]	32	13,370.7	16,875.8

[1] *31 December 2014: Total revenue from continuing operations excludes $5,433.6 million of revenue from discontinued operations. Refer to note 30: Acquisitions, disposals and discontinued operations.*

Notes continued

for the year ended 31 December 2015

3. EXPENSES

	Note	12 months to December 2015 $m	12 months to December 2014 $m
Materials		(1,804.0)	(2,775.9)
Subcontractors		(4,470.7)	(5,587.3)
Plant costs		(954.1)	(1,216.8)
Personnel costs		(3,059.4)	(4,362.5)
Depreciation of property, plant and equipment	4	(496.6)	(543.2)
Amortisation of intangibles	4	(47.2)	(34.7)
Net gain / (loss) on sale of assets and controlled entities	4	10.8	47.3
Impairments	4	(10.9)	(680.3)
Property development - cost of goods sold		(908.3)	(759.9)
Foreign exchange gains / (losses)		(1.4)	(0.4)
Operating lease payments - plant and equipment		(220.9)	(275.1)
Operating lease payments - other		(130.8)	(94.0)
Design, engineering and technical consulting fees		(44.5)	(106.6)
Other expenses		(289.4)	(353.9)
Total expenses from continuing operations[1]		(12,427.4)	(16,743.3)

[1]31 December 2014: Total expenses from continuing operations exclude $5,199.2 million of expenses from discontinued operations. Refer to note 30: Acquisitions, disposals and discontinued operations.

Notes continued

for the year ended 31 December 2015

4. ITEMS INCLUDED IN PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS[1]

	Note	12 months to December 2015 $m	12 months to December 2014 $m
Finance costs			
Interest			
- Related parties	38 (b)	(1.3)	(4.2)
- Other parties		(136.0)	(175.2)
Finance charge for finance leases		(15.4)	(19.1)
Facility fees			
- Bank guarantees, insurance bonds and letters of credit		(32.0)	(29.2)
- Other		(6.9)	(10.3)
Impact of discounting			
- Related parties	38 (b)	(1.1)	(0.4)
- Other		(1.1)	(1.6)
Total finance costs		(193.8)	(240.0)
Depreciation of property, plant and equipment			
- Buildings		(0.7)	(0.8)
- Leasehold land, buildings and improvements		(11.7)	(6.6)
- Plant and equipment[2]		(484.2)	(535.8)
Total depreciation of property, plant and equipment	28	(496.6)	(543.2)
Amortisation			
- Intangibles	15	(47.2)	(34.7)
Net gain / (loss) on disposal of controlled entities			
- Controlled entities		25.4	-
Net gain / (loss) on sale of assets			
- Investments		-	30.4
- Plant and equipment		(14.6)	16.9
Total gain / (loss) on sale of assets		(14.6)	47.3
Impairments			
- Impairment of goodwill	15	(2.7)	-
- Property development and property joint venture write-downs		(8.2)	(5.3)
- Contract debtors provision	8	-	(675.0)
Total impairments		(10.9)	(680.3)

[1] *31 December 2014: Items included in profit / (loss) before tax from continuing operations exclude the following from discontinuedoperations: $1.2 million relating to finance costs, $68.4 million relating to depreciation, $4.9 million relating to amortisation, and $973.2 million relating to gain on sale of controlled entities and businesses.*

[2] *Plant and equipment depreciation includes impairments during the period of $50.0 million that arose due to a decline in the recoverable amount of marine fleet, in the Construction segment, that is currently idle.*

Notes continued

for the year ended 31 December 2015

5. AUDITOR'S REMUNERATION

	12 months to December 2015 $'000	12 months to December 2014 $'000
Audit and review services		
Deloitte Touche Tohmatsu ("Deloitte")		
- Audit and review of financial statements – Deloitte Australia[1]	2,318	3,123
- Audit and review of financial statements – related overseas firms[1]	1,057	1,316
Other auditors		
- Audit and review of financial statements – other auditors	359	559
Audit and review services	3,734	4,998
Other assurance services		
Deloitte		
- Other assurance services – Deloitte Australia[1]	-	1,474
Other auditors		
- Other assurance services – other auditors	50	298
Other assurance services	50	1,772
Other services		
Deloitte		
- In relation to taxation and other services – Deloitte Australia	575	319
- In relation to taxation and other services – related overseas firms	-	8
Other auditors		
- Other services – other auditors	-	-
Other services	575	327

[1] *The 12 months to December 2014 has been restated to include additional fees for audit services and other services relating to prior year paid in the 12 months to 31 December 2015.*

The Group may use Deloitte on assignments in addition to their statutory audit duties to utilise their experience and expertise with the Group. These assignments are carried out in accordance with the Group's *External Auditor Independence Charter*.

Notes continued

for the year ended 31 December 2015

6. INCOME TAX (EXPENSE) / BENEFIT

	12 months to December 2015 $m	12 months to December 2014 $m
Income tax (expense) / benefit recognised in the statement of profit or loss		
Current tax expense	(123.9)	(602.4)
Deferred tax (expense) / benefit	(113.3)	154.6
(Under) / over provision in prior periods	16.6	(4.7)
Total income tax (expense) / benefit in statement of profit or loss	(220.6)	(452.5)
Deferred tax recognised directly in equity		
Revaluation of cash flow and net investment hedges	8.8	2.2
Revaluation of available-for-sale assets	2.6	1.9
Total deferred tax (expense) / benefit recognised in equity	11.4	4.1
Reconciliation of prima facie tax to income tax (expense) / benefit		
Profit / (loss) from continuing operations	735.0	(90.7)
Profit / (loss) from discontinued operations	-	1,221.8
Profit / (loss) before tax	735.0	1,131.1
Prima facie income tax (expense) / benefit at 30% (31 December 2014: 30%)	(220.5)	(339.3)
The following items have affected income tax (expense) / benefit for the year:		
Entertainment and other non-allowable items	(3.2)	(9.9)
Tax losses written off	(6.0)	(12.1)
Overseas income tax differential	(26.3)	(31.2)
Research and development credit	9.6	11.7
Movement in provision for taxes on retained earnings of controlled entities	0.5	7.8
Equity accounted and joint venture income tax differential	(7.0)	4.9
Tax differential on divestments / other	15.7	(79.7)
Current period income tax (expense) / benefit	(237.2)	(447.8)
(Under) / over provision in prior periods	16.6	(4.7)
Income tax (expense) / benefit[1]	(220.6)	(452.5)

[1] *31 December 2014: Total income tax (expense) / benefit amount includes $430.4 million relates to discontinued operations. Refer to note 30: Acquisitions, disposals and discontinued operations.*

Notes continued

for the year ended 31 December 2015

7. CASH AND CASH EQUIVALENTS

	December 2015 $m	December 2014 $m
Funds on deposit	475.9	203.4
Cash at bank and on hand	1,691.9	1,773.5
Cash and cash equivalents[1]	2,167.8	1,976.9

[1] *31 December 2014: The Group disposed of $420.5 million of cash and cash equivalents related to discontinued operations. Refer to note 30: Acquisitions, disposals and discontinued operations.*

As at 31 December 2015 $165.3 million of cash at bank and cash on hand is classified as restricted cash in relation to the sale of receivables during the reporting period.

8. TRADE AND OTHER RECEIVABLES

	Note	December 2015 $m	December 2014 $m
Contract debtors		2,820.0	3,302.6
Contract debtors provision[5]		(675.0)	(675.0)
Total contract debtors		2,145.0	2,627.6
Proceeds receivable on sale of controlled entities and businesses[4]		-	1,643.2
Trade debtors		181.3	511.5
Other amounts receivable		241.3	359.0
Prepayments		34.7	41.1
Derivative financial assets	36 (b)	4.5	1.2
Amounts receivable from related parties[1]	38 (b)	916.8	771.7
Non-current tax asset[2]		25.2	36.8
Total trade and other receivables[3]		3,548.8	5,992.1
Current		2,659.6	5,069.3
Non-current		889.2	922.8
Total trade and other receivables[3]		3,548.8	5,992.1

Notes continued

for the year ended 31 December 2015

8. TRADE AND OTHER RECEIVABLES CONTINUED

		December 2015 $m	December 2014 $m
Additional information on contract debtors			
Amounts due from customers	- net contract debtors	2,145.0	2,627.6
Amounts due to customers	- trade and other payables	(645.8)	(662.5)
Net contract debtors		1,499.2	1,965.1
Net contract debtors excluding retentions		1,268.0	1,806.4
Retentions		231.2	158.7
Net contract debtors		1,499.2	1,965.1
Cash received to date		71,502.6	66,321.1
Total progressive value of all contracts in progress at reporting date		73,001.8	68,286.2

[1]*The Group has the following trade and other receivables relating to Al Habtoor Leighton LLC ("HLG").*

- *loan receivables:*
  - *non-current interest free shareholder loans provided to HLG of US$115.2 million (31 December 2014: US$109.6 million) equivalent to $157.8 million (31 December 2014: $135.3 million), maturing on 30 September 2017;*
  - *non-current interest bearing loans of US$415.0 million (31 December 2014: US$415.0 million) equivalent to $568.5 million (31 December 2014: $512.3 million), maturing on 30 September 2017; and*
  - *the repayment of the above loans is subject to certain restrictions as a result of the loans being subordinate to other external debt held by HLG. Repayment of these amounts is expected to occur after the settlement of HLG's external debt in September 2017, or where HLG receives prior written consent from the financier, or where a permitted payment under the financing arrangement occurs.*
- *non-current interest receivable of US$85.0 million (31 December 2014: US$67.1 million), equivalent to $116.4 million (31 December 2014: $82.9 million), is receivable from HLG on the interest bearing shareholder loans.*

[2]*The non-current tax asset of $25.2 million (31 December 2014: $36.8 million) represents the amount of income taxes recoverable from the payment of tax in excess of the amounts due to the relevant tax authority not expected to be received within twelve months after reporting date.*

[3]*31 December 2014: During the reporting period, the Group disposed of $1,361.8 million of trade and other receivables in relation to discontinued operations. Refer to note 30: Acquisitions, disposals and discontinued operations.*

[4]*31 December 2014: Receivable in relation to businesses disposed during the reporting period. Refer to note 30: Acquisitions, disposals and discontinued operations.*

[5]*The Group raised in the prior reporting period a contract debtors provision to cover the risk on a portfolio basis of unrecoverable contract debtors. This amount has remained unchanged in the current year.*

	12 months to December 2015 $m	12 months to December 2014 $m
Contract debtors provision		
Balance at beginning of reporting period	(675.0)	-
Net provision (made) / used	-	(675.0)
Balance at reporting date	(675.0)	(675.0)

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for the year ended 31 December 2015

9. CURRENT TAX ASSETS

The current tax asset of $26.6 million (31 December 2014: $53.0 million) represents the amount of income taxes recoverable from the payment of tax in excess of the amounts due to the relevant tax authority.

10. INVENTORIES

	December 2015 $m	December 2014 $m
Property developments		
Cost of acquisition	248.5	333.0
Development expenses capitalised	95.9	143.9
Rates, taxes, finance and other costs capitalised	39.9	39.1
Total property developments[1]	384.3	516.0
Other inventories		
Raw materials and consumables at cost[1]	155.0	202.3
Total other inventories[1]	155.0	202.3
Total inventories[2]	539.3	718.3
Current	264.0	361.6
Non-current	275.3	356.7
Total inventories[2]	539.3	718.3

[1] *31 December 2015: Total property developments exclude $11.0 million of property development (31 December 2014: $nil) and raw materials and consumables at cost exclude $30.4 million (31 December 2014: $30.5 million) of other inventory included in assets held for sale at the end of the reporting period. Refer to note 31: Held for Sale.*

[2] *31 December 2014: During the reporting period, the Group disposed of $53.6 million of inventory. Refer to note 30: Acquisitions, disposals and discontinued operations.*

Finance costs capitalised to property developments during the period: $3.8 million (31 December 2014: $9.4 million). Property developments pledged as security for interest bearing liabilities - refer to note 36(j): *Financial instruments - Assets Pledged as Security*.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Note	December 2015 $m	December 2014 $m
Associates	25	558.9	528.7
Joint venture entities	26	514.2	484.9
Total investments accounted for using the equity method[1]		1,073.1	1,013.6

[1] *31 December 2014: The Group disposed of $26.7 million of investments accounted for using the equity method in relation to discontinued operations. Refer to note 30: Acquisitions, disposals and discontinued operations.*

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for the year ended 31 December 2015

12. OTHER INVESTMENTS

	Note	December 2015 $m	December 2014 $m
Equity and stapled securities available-for-sale			
Listed		1.6	1.6
Unlisted		72.3	63.7
Total equity and stapled securities available-for-sale	36 (f)	73.9	65.3
Other financial assets at fair value through profit or loss			
Listed		-	-
Unlisted		51.8	47.0
Total other financial assets at fair value through profit or loss	36 (f)	51.8	47.0
Current		-	-
Non-current		125.7	112.3
Total other investments		125.7	112.3

13. DEFERRED TAXES

	December 2015 $m	December 2014 $m
Recognised deferred tax assets / (liabilities)		
Deferred tax assets are attributed to the following:		
Contract debtors	341.4	304.0
Property developments	13.9	30.5
Other inventories	2.1	0.4
Property, plant and equipment	(2.2)	87.3
Employee benefits	99.9	128.5
Contract profit differential	(297.9)	(281.1)
Withholding tax on retained earnings of non-resident and controlled entities	(64.0)	(64.5)
Investment revaluations	73.3	77.3
(Gain) / loss on disposal / acquisition of controlled entities	(191.3)	(178.7)
Foreign exchange	11.8	13.2
Tax losses	139.7	124.0
Trade and other payables and other	(7.2)	(0.1)
Total deferred taxes[1]	119.5	240.8
Unrecognised deferred tax assets		
Deferred tax assets which have not been recognised in respect of tax losses	3.1	3.0

[1] *31 December 2014: The Group disposed of $48.4 million of deferred taxes in relation to discontinued operations. Refer to note 30: Acquisitions, disposals and discontinued operations.*

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for the year ended 31 December 2015

14. PROPERTY, PLANT AND EQUIPMENT

	Note	December 2015 $m	December 2014 $m
Land		0.4	5.2
Buildings		0.6	37.6
Accumulated depreciation		(0.4)	(16.0)
		0.2	21.6
Leasehold land, buildings and improvements		86.9	96.7
Accumulated depreciation		(59.3)	(61.2)
		27.6	35.5
Plant and equipment		3,372.7	3,869.6
Accumulated depreciation		(2,088.1)	(2,305.4)
		1,284.6	1,564.2
Total property, plant and equipment[1,2,3]	28	1,312.8	1,626.5

[1] *Plant and equipment of $288.4 million (31 December 2014: $364.3 million) is under finance lease.*

[2] *31 December 2015: Total property, plant and equipment excludes $194.4 million of property, plant and equipment included in assets held for sale (31 December 2014: $223.9 million). Refer to note 31: Held for Sale.*

[3] *31 December 2014: The Group disposed of $267.5 million of property, plant and equipment in relation to discontinued operations. Refer to note 30: Acquisitions, disposals and discontinued operations.*

Notes continued

for the year ended 31 December 2015

15. INTANGIBLES

	Goodwill $m	Other intangibles[1] $m	Total intangibles $m
Cost			
Balance at 31 December 2013	415.1	318.5	733.6
Additions	-	28.3	28.3
Disposals[2]	(71.8)	(54.2)	(126.0)
Effects of exchange rate fluctuations	32.8	1.3	34.1
Balance at 31 December 2014	376.1	293.9	670.0
Balance at 1 January 2015	376.1	293.9	670.0
Additions	-	15.3	15.3
Disposals	-	(37.2)	(37.2)
Effects of exchange rate fluctuations	9.5	1.6	11.1
Balance at 31 December 2015	385.6	273.6	659.2
Amortisation and impairment			
Balance at 31 December 2013	(17.6)	(85.8)	(103.4)
Amortisation	-	(39.6)	(39.6)
Disposals[2]	5.3	23.7	29.0
Balance at 31 December 2014	(12.3)	(101.7)	(114.0)
Balance at 1 January 2015	(12.3)	(101.7)	(114.0)
Amortisation	-	(47.2)	(47.2)
Impairment of goodwill	(2.7)	-	(2.7)
Disposals	-	33.0	33.0
Effect of exchange rate fluctuations	(0.2)	(0.7)	(0.9)
Balance at 31 December 2015	(15.2)	(116.6)	(131.8)
Carrying amounts			
Balance at 31 December 2014	363.8	192.2	556.0
Balance at 31 December 2015	370.4	157.0	527.4

[1]*Other intangibles include:*

- *IT software systems of $126.6 million with a useful life of up to 4 years (31 December 2014: $153.0 million up to 10 years);*
- *Devine Limited brand name of $24.0 million (31 December 2014: $24.0 million) with an indefinite useful life. The recoverable amount is based on a value in use calculation, using five year cash flow projections based on forecast operating results. A pre-tax discount rate of 11.5% (31 December 2014: 11.0%) and growth rate of 3.0% (31 December 2014: 3.0%) has been used in discounting the projected cash flow;*
- *Customer contracts with useful lives of:*
  - *1 to 5 years - $4.3 million (31 December 2014: $12.5 million); and*
  - *5 to 10 years - $nil (31 December 2014: $0.9 million)*
- *Wai Ming engineering license with an indefinite useful life: $2.1 million (31 December 2014: indefinite - $1.8 million).*

[2]*31 December 2014: Disposals of $97.0 million during the period relate to businesses disposed during the period. Refer to note 30: Acquisitions, disposals and discontinued operations.*

Notes continued

for the year ended 31 December 2015

15. INTANGIBLES CONTINUED

	December 2015 $m	December 2014 $m
Impairment tests for cash-generating units containing goodwill		
Cash-generating units in the following segments have the following carrying amounts of goodwill:		
Construction	334.6	328.0
Contract mining	35.8	35.8
Balance at reporting date	370.4	363.8

As a result of the CIMIC Group's Strategic Review of its operations, the Group identified six separate businesses which include those focussed on construction, contract mining, PPP's and engineering as outlined in *note 32: Segment information*.

The recoverable amount of all cash-generating units is based on value in use calculations, using five year cash flow projections based on forecast operating results and the CIMIC Group Business Plan. The recoverable amount of each cash-generating unit exceeds its carrying amount.

The key assumptions used in the value in use calculations and the approach to determining the recoverable amount of all cash-generating units in the current and previous period are:

Market / segment growth	➢	Economic forecasts, taking into account the Group's participation in each market
Commodity price stability	➢	Analysis of price forecasts, adjusted for actual experience
Inflation / CPI rates and foreign currency rates	➢	World economic forecasts
Discount Rate	➢	Risk in the industry and country in which each unit operates
Growth Rate	➢	Relevant to the market conditions and business plan

Cash-generating units	Discount rate range	Growth rate range
Construction	10-18%	3-5%
Contract mining	16%	3%

Sensitivity to changes in assumptions

The recoverable amount of intangible assets exceeds the carrying value at 31 December 2015. Management considers that for the carrying value to equal the recoverable amount, there would have to be unreasonable changes to key assumptions. Management considers the chances of these changes occurring as unlikely.

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for the year ended 31 December 2015

16. TRADE AND OTHER PAYABLES

	Note	December 2015 $m	December 2014 $m
Trade creditors and accruals		3,457.5	3,901.3
Other creditors		509.6	625.2
Amounts payable to related parties	38 (b)	38.8	55.2
Trade and other payables	36 (b)	4,005.9	4,581.7
Derivative financial liabilities	36 (b)	1.4	0.7
Total trade and other payables[1]		4,007.3	4,582.4
Current		3,675.7	4,309.8
Non-current		331.6	272.6
Total trade and other payables[1]		4,007.3	4,582.4

[1] *31 December 2014: The Group disposed of $1,488.7 million of trade and other payables in relation to discontinued operations. Refer to note 30: Acquisitions, disposals and discontinued operations.*

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for the year ended 31 December 2015

17. CURRENT TAX LIABILITIES

The current tax liability of $81.3 million (31 December 2014: $622.9 million) represents the amounts payable in respect of current and prior periods.

18. PROVISIONS

	December 2015 $m	December 2014 $m
Employee benefits		
Balance at beginning of reporting period	467.9	655.1
Provisions made during the reporting period	168.4	533.3
Disposed during the reporting period	-	(167.5)
Provisions used during the reporting period	(276.6)	(563.5)
Effect of movements in foreign exchange	8.2	10.5
Total provisions	367.9	467.9
Current	283.4	310.9
Non-current	84.5	157.0
Total provisions	367.9	467.9

The provision for employee benefits relates to wages and salaries, annual leave, long service leave, retirement benefits and deferred bonuses.

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for the year ended 31 December 2015

19. INTEREST BEARING LIABILITIES

	Note	December 2015 $m	December 2014 $m
Current			
Interest bearing loans		20.1	983.9
Finance lease liabilities		145.3	94.7
Interest bearing liabilities - limited recourse loans		52.0	84.7
Total current liabilities		217.4	1,163.3
Non-current			
Interest bearing loans		740.1	1,635.8
Finance lease liabilities		98.8	188.1
Interest bearing liabilities - limited recourse loans		-	8.1
Total non-current liabilities		838.9	1,832.0
Total interest bearing liabilities[1,2]	36(g)	1,056.3	2,995.3

[1] *31 December 2015: Total interest bearing liabilities excludes $48.7 million of interest bearing liabilities included in held for sale as at the end of reporting period (31 December 2014: $93.8 million). Refer to note 31: Held for Sale.*

[2] *31 December 2014: The Group disposed of $0.4 million of interest bearing liabilities in relation to discontinued operations. Refer to note 30: Acquisitions, disposals and discontinued operations.*

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for the year ended 31 December 2015

20. SHARE CAPITAL

	Company	
	December 2015 No. of shares	December 2014 No. of shares
Issued and fully paid share capital		
Balance at beginning of reporting period	338,503,563	337,235,188
Exercise of options	-	1,268,375
Balance at reporting date	338,503,563	338,503,563

	Company	
	12 months to December 2015 $m	12 months to December 2014 $m
Share capital		
Balance at beginning of reporting period	2,052.5	2,028.6
Exercise of options	-	23.9
Balance at reporting date	2,052.5	2,052.5

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

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for the year ended 31 December 2015

21. RESERVES

	12 months to December 2015 $m	12 months to December 2014 $m
Foreign currency translation reserve		
Balance at beginning of reporting period	134.8	(100.1)
Included in statement of comprehensive income	213.8	234.9
Balance at reporting date	348.6	134.8
Hedging reserve		
Balance at beginning of reporting period	0.4	5.7
Included in statement of comprehensive income	2.6	(5.3)
Balance at reporting date	3.0	0.4
Fair value reserve		
Balance at beginning of reporting period	14.0	9.6
Included in statement of comprehensive income	6.0	4.4
Balance at reporting date	20.0	14.0
Associates equity reserve		
Balance at beginning of reporting period	21.2	21.2
Included in statement of comprehensive income	-	-
Balance at reporting date	21.2	21.2
Equity reserve		
Balance at beginning of reporting period	(18.1)	(17.3)
Included in statement of comprehensive income	(13.8)	(0.8)
Balance at reporting date	(31.9)	(18.1)
Share based payments reserve		
Balance at beginning of reporting period	66.7	71.2
Included in statement of profit or loss	0.1	21.4
Vesting of share based payments	(4.1)	(25.9)
Balance at reporting date	62.7	66.7
Total reserves at reporting date[1]	423.6	219.0

[1] *31 December 2014: Includes amounts reclassified and included in the statement of profit or loss of $8.6 million. Refer to note 30: Acquisitions, disposals and discontinued operations.*

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for the year ended 31 December 2015

21. RESERVES CONTINUED

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the Group, as well as from the translation of liabilities that hedge the Group's net investment in foreign operations.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to future transactions.

Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale assets until the asset is realised or impaired.

Associates equity reserve

The associates equity reserve is used to record the Group's share of the post-acquisition increases in the reserves of associates.

Equity reserve

The equity reserve accounts for the differences between the fair value of, and the amounts paid or received for, equity transactions with non-controlling interests (minority shareholders).

Share based payments reserve

The share based payments reserve is used to recognise the fair value of share based payments issued to employees over the vesting period, and to recognise the value attributable to the vesting of share based payments during the reporting period.

22. RETAINED EARNINGS

	Note	12 months to December 2015 $m	12 months to December 2014 $m
Balance at beginning of reporting period		1,482.2	1,201.3
Included in statement of profit or loss		520.4	676.5
Dividends paid	23	(385.9)	(395.6)
Balance at reporting date		1,616.7	1,482.2

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for the year ended 31 December 2015

23. DIVIDENDS

	Cents per share	$m
2015 final dividend		
Subsequent to reporting date the Company announced a 100% franked final dividend in respect of the year ended 31 December 2015. The dividend is payable on 8 April 2016. This dividend has not been provided for in the statement of financial position.[1]	50.0	168.5
Dividends recognised in the reporting period to 31 December 2015		
30 June 2015 interim ordinary dividend 100% franked paid on 2 October 2015	46.0	155.7
31 December 2014 final dividend (including special dividend) 100% franked paid on 10 April 2015	68.0	230.2
		385.9
Dividends recognised in the reporting period to 31 December 2014†		
30 June 2014 interim ordinary dividend 25% franked paid on 3 October 2014	57.0	193.0
31 December 2013 final ordinary dividend 50% franked paid on 4 April 2014	60.0	202.6
		395.6

[1]*The Board has determined a final dividend of 50 cents per share. The total dividend payable is an estimate only, based on the number of shares on issue as at the date of this financial report. Due to the on-market share buy-back announced by the Company on 14 December 2015, there may be fewer shares on issue on the record date for the dividend than the number of shares on issue as at the date of this financial report.*

†The unfranked portion of the dividend has been declared Conduit Foreign Income.

	Company	
	December 2015 $m	December 2014 $m
Dividend franking account		
Balance of the franking account, adjusted for franking credits / debits which arise from the payment / refund of income tax provided for in the financial statements	437.8	597.3

The impact of the 2015 final dividend, determined after the reporting date, on the dividend franking account will be a reduction of $72.2 million (2014: $98.2 million).

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for the year ended 31 December 2015

24. EARNINGS PER SHARE

	12 months to December 2015	12 months to December 2014
Basic earnings per share		
From continuing operations	153.7¢	(33.9¢)
From discontinued operations	-	233.9¢
Total basic earnings per share	153.7¢	200.0¢
Diluted earnings per share		
From continuing operations	153.4¢	(33.7¢)
From discontinued operations	-	232.5¢
Total diluted earnings per share	153.4¢	198.8¢
Profit / (loss) attributable to members of the parent entity used in the calculation of basic and diluted earnings per share ($m)		
From continuing operations	520.4	(114.6)
From discontinued operations	-	791.1
	520.4	676.5
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	338,503,563	338,201,371
Weighted average effect of share options on issue[1]	-	-
Contingently issuable shares[2]	727,690	2,004,831
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	339,231,253	340,206,202

[1]*Share options are not dilutive for 31 December 2015 as the exercise value of options was not in excess of the weighted average share price during the period. Share options were also not dilutive for 31 December 2014, as all unexercised and outstanding 2009 options granted on 4 May 2009 lapsed on 4 May 2014.*

[2]*Contingently issuable shares relate to share rights under plans disclosed in note 37: Employee Benefits.*

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for the year ended 31 December 2015

25. ASSOCIATES

The Group has the following investments in associates:

Name of entity	Principal activity	Country	Ownership interest December 2015 %	Ownership interest December 2014 %
Al Habtoor Leighton LLC	Construction	United Arab Emirates	45	45
Dunsborough Lakes Village Syndicate[1]	Development	Australia	20	20
LCIP Co-Investment Unit Trust[3]	Investment	Australia	11	11
Macmahon Holdings Limited[1]	Construction, Contract Mining	Australia	20	20
Sedgman Limited[1, 4]	Construction, Contract Mining	Australia	37	37
Paradip Multi Cargo Berth Private Limited[2]	Development	India	26	26
Wellington Gateway General Partner No.1 Limited[3]	Investment	New Zealand	15	15
Wellington Gateway General Partner No.2 Limited[3]	Investment	New Zealand	-	15

All associates have a statutory reporting date of 31 December with the following exceptions:

[1] *Entities have a 30 June statutory reporting date.*
[2] *Entities have a 31 March statutory reporting date.*
[3] *The Group's investment was equity accounted as a result of the Group's active participation on the Board and the Group's ability to impact decision making, leading to the assessment that significant influence exists.*
[4] *On 13 January 2016 CIMIC Group Limited, through its wholly owned subsidiary CIMIC Group Investments Pty Limited, announced that it intends to make an unconditional offer to acquire the 63.01% of Sedgman that it does not already own pursuant to an off-market takeover at a price of $1.07 per share. Subsequent to 31 December 2015 CIMIC has increased its shareholding and has an ownership interest of 46.44% as at 5 February 2016.*

Al Habtoor Leighton LLC ("HLG")

During the reporting period, the carrying value of the Group's investment in HLG increased from $383.4 million to $444.7 million (equivalent to US$324.6 million in 2015 and US$310.6 million in 2014). The increase was due to a foreign exchange translation gain of $42.1 million, an equity injection of $33.5 million partially offset by the Group's share of equity accounted loss of $14.3 million. The recoverable amount of the Group's investment was calculated using a value in use calculation.

The key assumptions used in the value in use calculation:

Discount rate	➢	15% (31 December 2014: 16%)
Growth rate	➢	3% (31 December 2014: 3%) for cash flows beyond five years. This rate does not exceed the expected long-term average growth rate for the Middle East & North Africa ("MENA") region
Legacy project receivables	➢	There continues to be a delay in payment from clients in the MENA region, particularly for projects in progress at the time the Group invested in HLG. It is assumed of the remaining unprovided legacy project receivables, 56% will be collected within twenty-four months and 44% collected subsequently (31 December 2014: 61% and 39% respectively)
Borrowings	➢	Borrowings obtained to fund working capital will be progressively repaid during the forecast period
Forecast cash flow	➢	The calculation uses five year cash flow projections based on forecasts provided by HLG's management, risk adjusted downward by the Group. Cash flows beyond five years are extrapolated using the estimated growth rate

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25. ASSOCIATES CONTINUED

Al Habtoor Leighton LLC ("HLG") continued

Management considers that for the recoverable amount to fall below the carrying value there would have to be unreasonable changes to key assumptions. Management considers the chances of these changes occurring as unlikely.

Refer to note 8: *Trade and other receivables* for further details relating to loans and other receivables provided to HLG.

The Group has pledged the following security against borrowings by HLG under two facilities totalling US$259.8 million (31 December 2014: two facilities totalling US$292.5 million) equivalent to $356.0 million (31 December 2014: $361.1 million):

- letters of credit of US$68.2 million (31 December 2014: US$78.7 million), equivalent to $93.4 million (31 December 2014: $97.1 million); and
- guarantees of US$191.6 million (31 December 2014: US$213.8 million), equivalent to $262.6 million (31 December 2014: $264.0 million).

Share of total assets and liabilities of associates' results, assets and liabilities:

	12 months to December 2015 $m	12 months to December 2014 $m
Revenue	1,401.8	1,035.3
Expenses	(1,442.9)	(1,043.9)
Profit / (loss) before tax	(41.1)	(8.6)
Income tax (expense) / benefit	8.1	(3.0)
Profit / (loss) for the period[3]	(33.0)	(11.6)

	December 2015 $m	December 2014 $m
Current assets	1,701.0	1,519.6
Non-current assets	816.5	788.4
Total assets	2,517.5	2,308.0
Current liabilities	1,357.1	1,265.0
Non-current liabilities	601.5	514.3
Total liabilities	1,958.6	1,779.3
Equity accounted associates at reporting date[1,2]	558.9	528.7

[1] *31 December 2014: The Group disposed of investments in associates totalling $13.1 million in relation to discontinued operations. Refer to note 30: Acquisitions, disposals and discontinued operations.*

[2] *Investments in listed associates for which there are published price quotations had a market value at reporting date of: $97.9 million (31 December 2014: $67.7 million).*

[3] *31 December 2014: Total Profit / (loss) for the period from continuing operations excludes $14.8 million which has been separately presented in share of profit / (losses) of associates and joint ventures from discontinued operations. Refer note 30: Acquisitions, disposals and discontinued operations.*

There were no impairments of investments during the reporting period (31 December 2014: $nil). Refer to note 4: *Items included in profit/(loss) before tax*. The recoverable amount of the investments is based on value in use calculations. Pre-tax discount rates within a range of 14%-18% were used in these calculations.

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for the year ended 31 December 2015

25. ASSOCIATES CONTINUED

Set out below are the associates of the Group as at 31 December 2015 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

				Ownership interest held by the Company	
Name of entity	Place of business / country of incorporation	Measurement method	Nature of relationship	December 2015 %	December 2014 %
Al Habtoor Leighton LLC[1]	United Arab Emirates	Equity method	Associate	45	45

[1]*There is no quoted market value for Al Habtoor Leighton LLC ("HLG") as it is not a listed entity.*

a) Commitments and contingent liabilities in respect of material associates

	December 2015 $m	December 2014 $m
Commitments - Associates	6.4	10.3
Contingent Liabilities - Associates		
Letters of credit and guarantees	356.0	361.1

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for the year ended 31 December 2015

25. ASSOCIATES CONTINUED

b) Summarised financial information for material associates

The following table provides summarised financial information for HLG, and reconciles the carrying amount of the Group's interest in HLG and its share of profit and other comprehensive income of its equity accounted investment in HLG (net of tax).

	December 2015 $m	December 2014 $m
Percentage of interest	45%	45%
Summarised balance sheet		
Current assets	1,859.9	1,383.3
Non-current assets	753.7	653.1
Current liabilities	(1,532.3)	(1,166.6)
Non-current liabilities	(636.6)	(486.4)
Net assets	444.7	383.4
Summarised profit or loss		
Revenue	1,159.5	735.1
Profit / (loss) for the period	(14.3)	-
Other comprehensive income	-	-
Total comprehensive income	(14.3)	-

c) Individually immaterial associates

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

	December 2015 $m	December 2014 $m
Individually immaterial associates		
Aggregate amounts of the Group's carrying value:		
Net assets	114.2	145.3
Aggregate amounts of the Group's share of profit:		
Profit / (loss) for the period	(18.7)	(11.6)

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for the year ended 31 December 2015

26. JOINT VENTURE ENTITIES

The Group has the following joint venture entities:

			Ownership interest	
Name of entity	Principal activity	Country	December 2015 %	December 2014 %
A.C.N. 115 687 057 Pty Ltd (formerly known as Promet Engineers Pty Limited)[1]	Construction	Australia	50	50
APM Group (Aust) Pty Ltd & Broad Construction Services (NSW/VIC) Pty Ltd[1]	Construction	Australia	50	50
Applemead Proprietary Limited	Development	Australia	50	50
Auckland Road Maintenance Alliance (West) Management JV[1]	Construction	New Zealand	50	50
Bac Devco Pty Limited[1]	Development	Australia	33	33
Barclay Mowlem Thiess Joint Venture[1]	Construction	Australia	50	50
City West Property Holding Trust (Section 63 Trust)	Development	Australia	50	50
City West Property Holdings Pty Limited	Development	Australia	50	50
City West Property Investment (No. 1) Trust	Development	Australia	50	50
City West Property Investment (No. 2) Trust	Development	Australia	50	50
City West Property Investment (No. 3) Trust	Development	Australia	50	50
City West Property Investment (No. 4) Trust	Development	Australia	50	50
City West Property Investment (No. 5) Trust	Development	Australia	50	50
City West Property Investment (No. 6) Trust	Development	Australia	50	50
City West Property Investments (No. 1) Pty Limited	Development	Australia	50	50
City West Property Investments (No. 2) Pty Limited	Development	Australia	50	50
City West Property Investments (No. 3) Pty Limited	Development	Australia	50	50
City West Property Investments (No. 4) Pty Limited	Development	Australia	50	50
City West Property Investments (No. 5) Pty Limited	Development	Australia	50	50
City West Property Investments (No. 6) Pty Limited	Development	Australia	50	50
Cockatoo Iron Ore[1]	Contract Mining	Australia	50	50
Cockatoo Mining Pty Ltd[1]	Contract Mining	Australia	50	50
Copperstring Pty Ltd[1]	Construction	Australia	-	50
Doubleone 3 Unit Trust[1]	Development	Australia	50	50
Erskineville Residential Project Pty Ltd	Construction	Australia	50	50
Fallingwater Trust[1]	Development	Australia	15	15
Garlanja Joint Venture[1]	Construction	Australia	-	75
Great Eastern Alliance	Construction	Australia	-	75
Hollywood Apartments Pty Ltd	Development	Australia	-	50
Hollywood Apartments Trust	Development	Australia	-	50
Kentz E & C Pty Ltd	Construction	Australia	50	50
Kings Square No.4 Unit Trust	Development	Australia	50	50
Kings Square Pty Ltd	Development	Australia	50	50
Kurunjang Development Pty Ltd[1]	Investment	Australia	50	50

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for the year ended 31 December 2015

26. JOINT VENTURE ENTITIES CONTINUED

Name of entity	Principal activity	Country	Ownership interest December 2015 %	Ownership interest December 2014 %
LCS Employment Agency Ltd	Services	Macau	50	50
Leighton Abigroup Joint Venture[1]	Construction	Australia	50	50
Leighton BMD JV[1]	Construction	Australia	50	50
Leighton Construction India (Private) Limited[2]	Construction	India	50	50
Leighton Contractors & Baulderstone Hornibrook Bilfinger Berger Joint Venture[1]	Construction	Australia	50	50
Leighton Kumagai Joint Venture (MetroRail)[1]	Construction	Australia	55	55
Leighton OSE Joint Venture[2]	Construction	India	50	50
Leighton Services UAE Co LLC	Services	UAE	36	50
Leighton / Ngarda Joint Venture (LNJV)[1]	Construction	Australia	88	88
Leighton-Infra 13 Joint Venture[2]	Construction	India	50	50
Leighton Holland Browse JV[1]	Construction	Australia	50	50
Majwe Mining Joint Venture (Proprietary) Limited	Contract Mining	Botswana	60	60
Manukau Motorway Extension[1]	Construction	New Zealand	50	50
Marine & Civil Pty Ltd[1]	Construction	Australia	50	50
Mode Apartments Pty Ltd	Development	Australia	50	-
Mode Apartments Unit Trust	Development	Australia	50	-
Moonee Ponds Pty Ltd	Development	Australia	50	50
Mosaic Apartments Holdings Pty Ltd[1]	Development	Australia	50	50
Mosaic Apartments Pty. Ltd.[1]	Development	Australia	50	50
Mosaic Apartments Unit Trust	Development	Australia	50	50
Mulba Mia Leighton Broad Joint Venture[1]	Construction	Australia	50	50
New Future Alliance (SIHIP)	Construction	Australia	80	66
Nextgen Group Holdings Pty Limited	Services	Australia	29	29
Ngarda Civil and Mining Pty Limited[1]	Contract Mining	Australia	50	50
Northern Gateway Alliance	Construction	New Zealand	50	50
Riverina Estate Developments Pty Ltd[1]	Investment	Australia	-	50
Riverina Estate Developments Trust[1]	Development	Australia	-	50
RTL JV[1]	Mining	Australia	44	44
RTL Mining and Earthworks Pty Ltd[1]	Construction	Australia	44	44
S.A.N.T. (MGT Holding) Pty Ltd	Construction	Australia	50	-
S.A.N.T. (Term-Holding) Pty Ltd	Construction	Australia	50	-
SmartReo Pty Ltd	Construction	Australia	50	50
Southern Gateway Alliance (Mandurah)	Construction	Australia	69	69
The Kurunjang Development Trust[1]	Development	Australia	50	50
Thiess Alstom Joint Venture[1]	Construction	Australia	50	50

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for the year ended 31 December 2015

26. JOINT VENTURE ENTITIES CONTINUED

Name of entity	Principal activity	Country	Ownership interest December 2015 %	Ownership interest December 2014 %
Thiess Barnard Joint Venture	Construction	Australia	50	50
Thiess Black and Veatch Joint Venture (VIC)	Construction	Australia	-	50
Thiess Black and Veatch Joint Venture[1]	Construction	Australia	-	50
Thiess Downer EDI Works JV[1]	Construction	Australia	75	75
Thiess Hochtief Joint Venture[1]	Construction	Australia	50	50
Thiess United Group Joint Venture[1]	Construction	Australia	50	50
Ventia Services Group Pty Limited (formally known as LS HoldCo Pty Ltd)	Services	Australia	50	50
Viridian Noosa Pty Ltd[1]	Development	Australia	50	50
Viridian Noosa Trust[1]	Development	Australia	50	50
VR Pakenham Pty Ltd[1]	Development	Australia	-	50
VR Pakenham Trust[1]	Development	Australia	-	50
Wallan Project Pty Ltd[1]	Investment	Australia	50	50
Wallan Project Trust[1]	Investment	Australia	50	50
Wedgewood Road Hallam No. 1 Pty Ltd	Development	Australia	50	50
Wedgewood Road Hallam Trust	Development	Australia	50	50
Wellington Tunnels Alliance	Construction	New Zealand	50	50
Wrap Southbank Unit Trust	Development	Australia	50	48

All joint venture entities have a statutory reporting date of 31 December with the following exceptions:
[1]*Entities have a 30 June statutory reporting date.*
[2]*Entities have a 31 March statutory reporting date.*

These entities have different statutory reporting dates to the Group as they are aligned with the joint venture partners' reporting date and / or the reporting date is prescribed by local statutory requirements.

Where the Group has an ownership interest in a joint venture entity greater than 50% but does not control the arrangement due to the existence of joint control, the joint venture is not consolidated.

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for the year ended 31 December 2015

26. JOINT VENTURE ENTITIES CONTINUED

The Group's share of joint venture entities' results, assets and liabilities are as follows:

	12 months to December 2015 $m	12 months to December 2014 $m
Revenue	1,446.2	494.9
Expenses	(1,424.1)	(459.6)
Profit / (loss) before tax	22.1	35.3
Income tax (expense) / benefit	(3.6)	(6.9)
Profit / (loss) for the period[2]	18.5	28.4

	December 2015 $m	December 2014 $m
Current assets	481.1	521.5
Non-current assets	763.3	670.3
Total assets	1,244.4	1,191.8
Current liabilities	419.4	415.4
Non-current liabilities	310.8	291.5
Total liabilities	730.2	706.9
The Group's share of joint venture entities' net assets at reporting date[1]	514.2	484.9

Individually immaterial joint ventures

The Group has interests in a number of individually immaterial joint ventures that are accounted for using the equity method.

	December 2015 $m	December 2014 $m
Individually immaterial joint ventures		
Aggregate amounts of the Group's carrying value:		
Net assets	514.2	484.9
Aggregate amounts of the Group's share of profit:		
Profit / (loss) for the period	18.5	28.4

[1] *31 December 2014: The Group disposed of investments in joint ventures totalling $13.6 million in relation to discontinued operations. Refer to note 30: Acquisitions, disposals and discontinued operations.*

[2] *31 December 2014: Total Profit / (loss) for the period from continuing operations excludes $0.6 million which has been separately presented in share of profit / (losses) of associates and joint ventures from discontinued operations. Refer to note 30: Acquisitions, disposals and discontinued operations.*

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27. JOINT OPERATIONS

The Group has the following interest in joint operations:

Name of arrangement	Principal activity	Country	Ownership interest December 2015 %	Ownership interest December 2014 %
Bacchus Marsh[1]	Development	Australia	50	50
Baulderstone Leighton Joint Venture	Construction	Australia	50	50
Casey Fields[1]	Development	Australia	55	55
China State Leighton Joint Venture	Construction	Hong Kong	50	50
CHT Joint Venture	Construction	Australia	50	50
Deer Park[1]	Development	Australia	-	50
Edenbrook Estate[1]	Development	Australia	50	50
Erskineville Residential Project	Development	Australia	50	50
EV LNG Australia Pty Ltd & Thiess Pty Ltd (EVT JV)	Construction	Australia	50	50
Gammon - Leighton Joint Venture	Construction	Hong Kong	50	50
Garlanja Joint Venture[1]	Construction	Australia	75	-
Garlanja Joint Venture[1]	Construction	Australia	-	25
Henry Road Pakenham Joint Venture[1]	Development	Australia	-	50
HYLC Joint Venture[1]	Construction	Australia	50	50
John Holland – Leighton (South East Asia) Joint Venture	Services	Hong Kong	50	50
Leighton - China State Joint Venture	Construction	Hong Kong	51	-
Leighton - Chun Wo Joint Venture	Construction	Hong Kong	84	84
Leighton - Chun Wo Joint Venture	Construction	Hong Kong	60	-
Leighton - Gammon Joint Venture	Construction	Hong Kong	50	50
Leighton/HEB Joint Venture	Construction	New Zealand	80	80
Leighton Abigroup Consortium (Epping to Thornleigh)	Construction	Australia	50	50
Leighton China State John Holland Joint Venture (City of Dreams)[1]	Construction	Macau	40	40
Leighton China State Joint Venture (Wynn Resort) [1]	Construction	Macau	50	50
Leighton China State Van Oord Joint Venture	Construction	Hong Kong	-	45
Leighton Contractors Black & Veatch Joint Venture (formerly known as Thiess Black and Veatch Joint Venture) [1]	Construction	Australia	50	50
Leighton Contractors Downer Joint Venture[1]	Construction	Australia	50	50
Leighton Dragados Samsung Joint Venture	Construction	Australia	40	-
Leighton Fabrication and Modularisation Ltd	Construction	Thailand	50	-
Leighton Fulton Hogan Joint Venture (Sapphire to Woolgoolga)[1]	Construction	Australia	50	50
Leighton Fulton Hogan Joint Venture (SH16 Causeway Upgrade)	Construction	New Zealand	50	50
Leighton John Holland Joint Venture (Thomson Line)	Construction	Singapore	50	50
Leighton Offshore - John Holland Joint Venture (LTA Project)	Construction	Singapore	50	50
Leighton M&E - Southa Joint Venture	Construction	Australia	50	-
Leighton Samsung John Holland Joint Venture	Construction	Australia	33	-

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27. JOINT OPERATIONS CONTINUED

Name of arrangement	Principal activity	Country	Ownership interest December 2015 %	Ownership interest December 2014 %
Leighton Swietelsky Joint Venture[1]	Services	Australia	50	50
Leighton York Joint Venture	Construction	Australia	75	-
Leighton - Able Joint Venture	Construction	Hong Kong	51	51
Leighton - Chubb E&M Joint Venture	Construction	Hong Kong	50	50
Leighton - John Holland Joint Venture	Construction	Hong Kong	55	50
Leighton - John Holland Joint Venture (Lai Chi Kok)	Construction	Hong Kong	51	51
Leighton - Total Joint Operation	Construction	Indonesia	70	70
Link 200 Joint Venture[1]	Construction	Hong Kong	48	48
Link 200 Station Joint Venture[1]	Construction	Hong Kong	60	60
Link 200 Tunnel Joint Venture[1]	Construction	Hong Kong	60	60
Murray & Roberts Marine Malaysia - Leighton Contractors Malaysia Joint Venture[1]	Construction	Malaysia	50	50
N.V. Besix S.A. & Thiess Pty Ltd (Best JV)	Construction	Australia	50	50
NRT - Infrastructure Joint Venture	Construction	Australia	50	50
OWP Joint Venture	Services	Australia	75	-
Rizzani Leighton Joint Venture	Construction	Australia	50	-
Taiwan Track Partners Joint Venture	Construction	Taiwan	-	28
Task Joint Venture (Thiess & Sinclair Knight Merz)	Construction	Australia	60	60
Thiess Balfour Beatty Joint Venture	Construction	Australia	67	67
Thiess Decmil Kentz Joint Venture[1]	Construction	Australia	33	33
Thiess Degremont JV	Construction	Australia	65	65
Thiess Degremont Nacap Joint Venture[1]	Construction	Australia	33	33
Thiess John Holland Dragados Joint Venture	Construction	Australia	50	50
Thiess MacDow Joint Venture[1]	Construction	Australia	50	50
Thiess Pty Ltd & York Civil Pty Ltd	Construction	Australia	65	65
Thiess Sedgman Joint Venture[1]	Construction	Australia	68	50
Thiess Southbase Joint Venture	Construction	New Zealand	50	50
Thiess John Holland Joint Venture (Airport Link)	Construction	Australia	50	50
Thiess John Holland Joint Venture (Eastlink)	Construction	Australia	50	50
Thiess John Holland Joint Venture (Lane Cove Tunnel)	Construction	Australia	50	50
Thiess John Holland Motorway Services	Construction	Australia	-	50
Veolia Water - Leighton- John Holland Joint Venture (formerly known as John Holland Veolia Water Australia Joint Venture (Hong Kong Sludge))	Construction	Hong Kong	24	24

All joint operations have a reporting date of 31 December with the following exceptions:
[1]*Arrangements have a 30 June reporting date.*

These entities have different statutory reporting dates to the Group as they are aligned with the joint venture partners' reporting date and / or the reporting date is prescribed by local statutory requirements.

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28. RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT CARRYING VALUES

12 months to December 2015	Note	Land $m	Buildings $m	Leasehold land, buildings and improvements $m	Plant and equipment $m	Total property, plant and equipment $m
Opening carrying amount		5.2	21.6	35.5	1,564.2	1,626.5
Additions[1]		-	-	3.0	248.9	251.9
Disposals		(4.8)	(20.7)	-	(207.5)	(233.0)
Transfers from assets held for sale	31	-	-	-	54.0	54.0
Depreciation		-	(0.7)	(11.7)	(484.2)	(496.6)
Effects of exchange rate fluctuations		-	-	0.8	109.2	110.0
Carrying amount at reporting date		0.4	0.2	27.6	1,284.6	1,312.8

[1]*Additions to property, plant and equipment include finance lease additions of $6.7 million.*

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29. RECONCILIATION OF PROFIT / (LOSS) FOR THE YEAR TO NET CASH FROM OPERATING ACTIVITIES

	12 months to December 2015 $m	12 months to December 2014 $m
Profit / (loss) for the year	514.4	678.6
Adjustments for non-cash items:[1]		
- Depreciation of property, plant and equipment	496.6	611.6
- Amortisation of intangibles	47.2	39.6
- Net (gain) / loss on sale of controlled entities	(25.4)	(973.2)
- Net (gain) / loss on sale of assets	14.6	(48.9)
- Impairment of goodwill	2.7	-
- Property development and property joint ventures write-downs	8.2	5.3
- Foreign exchange losses	1.4	(5.6)
- Net amounts set aside to provisions	168.4	542.3
- Share of profits of associates	40.9	11.2
- Share based payments	0.1	19.9
Net changes in assets / liabilities:		
- Decrease / (increase) in receivables	1,089.9	533.5
- Decrease / (increase) in joint ventures	(41.7)	73.4
- Decrease / (increase) in inventories	173.4	148.2
- Increase / (decrease) in payables	(634.5)	(268.7)
- Increase / (decrease) in provisions	(276.6)	(561.8)
- Current and deferred income tax movement	(129.4)	338.4
Net cash from operating activities	1,450.2	1,143.8

[1] *31 December 2014: Includes both continuing and discontinued operations.*

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for the year ended 31 December 2015

30. ACQUISITIONS, DISPOSALS AND DISCONTINUED OPERATIONS

December 2015 acquisitions and disposals of controlled entities and businesses

Acquisitions

There were no acquisitions of controlled entities and businesses during the period to 31 December 2015.

Disposals

On 31 March 2015 and 15 May 2015, a subsidiary of Thiess Pty Limited, a controlled entity of the Company, disposed of its interests in PT Solo Ngawi Jaya, PT Ngawi Kertosono Jaya and PT Cinere Serpong Jaya for $68.0 million. In the year to 31 December 2015 the disposed companies contributed $nil net profit after tax to the consolidated net profit for the period.

December 2014 acquisitions and disposals of controlled entities and businesses

Acquisitions

There were no acquisitions of controlled entities and businesses during the period to 31 December 2014.

Disposals – John Holland Group ("JHG")

On 12 December 2014, the Group sold 100% of its shareholding in JHG to CCCC International Holding Limited ("CCCCI"). The terms of the executed sale agreement mean that the Group no longer controls JHG and accordingly the transaction was recorded as a disposal of controlled entities in accordance with Accounting Standard AASB 10 *Consolidated Financial Statements* ("AASB 10"). The disposal was accounted for under the requirements of AASB 10 as follows: the total consideration receivable was $723.9 million (comprising: cash consideration (which had not been received as at the 31 December 2014 reporting date)) less the carrying value of JHG's net assets of $301.5 million and the recycling of reserves of $1.1 million, resulting in a gain before tax of $423.5 million. JHG's contribution from 1 January 2014 to 12 December 2014 to Group revenue of $3,195.5 million and $36.5 million to Group net profit after tax, along with the gain on disposal, were recorded within discontinued operations.

Cash consideration was received in full in the current reporting period.

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for the year ended 31 December 2015

30. ACQUISITIONS, DISPOSALS AND DISCONTINUED OPERATIONS CONTINUED

Disposals – John Holland Group ("JHG") continued

Gain on disposal	12 months to December 2014 $m
Cash consideration net of transaction costs	723.9
Carrying amount on disposal	(301.5)
Recycling of reserves	1.1
Net gain on disposal of controlled entities before tax	423.5
Carrying value of assets and liabilities of entities and businesses disposed	
Cash and cash equivalents	331.2
Trade and other receivables	842.8
Current tax asset	0.3
Inventories: consumables	7.3
Assets held for sale	2.2
Investments accounted for using the equity method	13.1
Deferred tax assets	27.6
Property, plant and equipment	222.9
Intangibles	36.2
Trade and other payables	(1,094.3)
Provisions	(87.8)
Net assets disposed	301.5
Cash flows resulting from sale	
Cash consideration (not received at 31 December 2014)	-
Cash disposed	(331.2)
Net cash outflow	(331.2)

The following controlled entities were disposed as part of the sale of JHG:

- John Holland Group Pty Ltd
- JHG Mutual Limited
- John Holland Melbourne Rail Franchise Pty Ltd
- John Holland (NZ) Ltd
- John Holland Pty Ltd
- John Holland Queensland Pty Ltd
- John Holland Rail Pty Ltd
- John Holland Sydney NRT Pty Ltd

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for the year ended 31 December 2015

30. ACQUISITIONS, DISPOSALS AND DISCONTINUED OPERATIONS CONTINUED

Disposals – Thiess Services & Leighton Contractors Services businesses ("Services")

On 17 December 2014, the Group sold 50% of its share of the Services businesses to funds managed by affiliates of Apollo Global Management, LLC ("Apollo"), and entered into a joint venture arrangement with Apollo. The terms of the executed sale agreements were such that the Group no longer controls Services and accordingly the transaction was recorded as a disposal of controlled entities in accordance with Accounting Standard AASB 10 *Consolidated Financial Statements* ("AASB 10") and the acquisition of an interest in a joint venture entity. The disposal was accounted for under the requirements of AASB 10 as follows: the total consideration receivable was $860.6 million (comprising: cash consideration of $633.3 million (which had not been received as at the 31 December 2014 reporting date)) and non-cash consideration of $227.3 million (fair value of the 50% retained interest)) less the carrying value of Services' net assets of $318.4 million, and the recycling of reserves of $7.5 million, resulting in a gain before tax of $549.7 million. The portion of this gain which was attributable to recognising the investment retained in the former subsidiaries at their fair values was $274.8 million; the portion of the gain attributable to the investment in the former subsidiaries disposed was $274.9 million. Services' contribution from 1 January 2014 to 17 December 2014 to Group revenue of $2,238.1 million and $153.4 million to Group net profit after tax, along with the gain on disposal, were recorded within discontinued operations. Cash consideration was received in full in the current reporting period.

Gain on disposal	12 months to December 2014 $m
Cash consideration net of transaction costs	633.3
Non-cash consideration	227.3
Carrying amount on disposal	(318.4)
Recycling of reserves	7.5
Net gain on disposal of controlled entities before tax	549.7
Carrying value of assets and liabilities of entities and businesses disposed	
Cash and cash equivalents	89.3
Trade and other receivables	519.0
Current tax assets	0.4
Inventories: consumables	46.3
Investments accounted for using the equity method	13.6
Deferred tax assets	20.8
Property, plant and equipment	44.6
Intangibles	60.8
Trade and other payables	(394.4)
Provisions	(79.7)
Interest bearing liabilities	(0.4)
Non controlling interests	(1.9)
Net assets disposed	318.4
Cash flows resulting from sale	
Cash consideration (not received at 31 December 2014)	-
Cash disposed	(89.3)
Net cash outflow	(89.3)

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for the year ended 31 December 2015

30. ACQUISITIONS, DISPOSALS AND DISCONTINUED OPERATIONS CONTINUED

Disposals – Thiess Services & Leighton Contractors Services businesses ("Services") *continued*

The following controlled entities were disposed as part of the sale of Services:

- Chargepoint Pty Ltd
- Delron Cleaning Pty Ltd
- Delron Group Facility Services Pty Limited
- Silcar Pty Ltd
- Silcar Nouvelle Caledonie SAS
- Thiess Services Ltd
- Thiess Services Pty Ltd
- Leighton Services Australia Pty Limited
- Vision Hold Pty Limited
- Visionstream Australia Pty Limited
- Visionstream Pty Limited
- Visionstream Services Pty Limited
- Vytel Pty Limited

Discontinued operations of controlled entities and businesses

As a result, the JHG and Services sales have been classified as discontinued operations.

The combined results of the discontinued operations (JHG and Services businesses) included in the profit for the prior year are set out below.

	12 months to December 2014 $m
Profit for the period from discontinued operations	
Revenue	5,433.6
Expenses	(5,199.2)
Finance Costs	(1.2)
Share of profits / (losses) of associates and joint venture entities	15.4
Profit / (loss) before tax before gain / (loss) on sale of discontinued operations	248.6
Gain / (loss) on sale of assets from discontinued operations	973.2
Profit / (loss) before tax	1,221.8
Income tax (expense) / benefit from discontinued operations before gain on sale of assets	(58.7)
Income tax (expense) / benefit on gain on sale of assets	(371.7)
Income tax (expense) / benefit from discontinued operations	(430.4)
Profit / (loss) for the year from discontinued operations	**791.4**
Cash flows from discontinued operations	
Net cash from / (used in) operating activities	(292.6)
Net cash from / (used in) investing activities	(40.6)
Net cash from / (used in) financing activities	(4.1)
Net cash flow for the year	(337.3)

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31. HELD FOR SALE

PT Arutmin Indonesian Mining Assets and Liabilities ("Arutmin")

On 23 December 2013 PT Thiess Contractors Indonesia ("TCI"), a wholly owned subsidiary of Thiess Pty Limited, signed a Deed of Settlement and Termination Agreement ("STA") with PT Arutmin Indonesia, for the sale of selected assets of TCI.

The assets and associated finance lease liabilities relating to Arutmin were reclassified for the first time as held for sale under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* at 31 December 2013.

During the reporting period, negotiations were ongoing. An agreement for the sale of assets was formally signed in January 2016. As a result, both the composition of the assets and liabilities to be sold and the expected timing of the sale changed. This resulted in a net $28.5 million of assets held for sale being reclassified to property, plant and equipment and inventories (after the impact of foreign exchange changes). The associated finance lease liabilities of $46.7 million were also reclassified to interest bearing liabilities. The change in assets and associated finance lease liabilities held for sale had no impact on the profit or loss for the current and prior reporting periods.

The remaining assets and associated finance lease liabilities have continued to be classified as held for sale at 31 December 2015 as the sale is still expected within 12 months of reporting date.

	December 2015 $m	December 2014 $m
	Arutmin	Arutmin
Assets		
Inventories: consumables	30.4	30.5
Total current assets	30.4	30.5
Property, plant and equipment*	194.2	222.6
Total non-current assets	194.2	222.6
Total assets	224.6	253.1
Liabilities		
Interest bearing liabilities*	(47.1)	(93.8)
Total current liabilities	(47.1)	(93.8)
Total non-current liabilities	-	-
Total liabilities	(47.1)	(93.8)

****Other held for sale***

Other held for sale includes development properties $11.0 million (31 December 2014 $nil) mining equipment of $0.2 million (31 December 2014 rail and mining equipment: $1.3 million) and interest bearing liabilities $1.6 million (31 December 2014 $nil) actively marketed for sale in addition to the Arutmin amounts disclosed above.

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32. SEGMENT INFORMATION

Description of segments

Operating segments have been identified based on separate financial information that is regularly reviewed by the CIMIC Group Chief Executive Officer, the Chief Operating Decision Maker ("CODM"). The CIMIC Group is structured on a decentralised basis comprising the following main segments and a corporate head office:

- Construction
- Contract Mining
- Public Private Partnerships ("PPPs")
- Engineering
- Habtoor Leighton Group ("HLG")
- Commercial & Residential

The performance of each segment forms the primary basis for all management reporting to the CODM.

The composition of the Group's reportable segments was changed in the prior reporting period. Whilst the Group has identified PPPs and Engineering as reportable segments, the results of these segments are considered immaterial for the current and prior reporting period and are included in the Corporate segment.

The types of services from which segments derive revenue, are included in note 2: *Revenue*. The Group's share of revenue from associates and joint ventures is included in the revenue reported for each applicable operating segment. Performance is measured based on segment result. Information regarding the results of each reportable segment, as reported to the CODM, is included on pages 100-101. The corporate segment represents the corporate head office and includes transactions relating to Group finance, taxation, treasury, corporate secretarial and certain strategic investments. Amounts from 2014 have been restated with interest revenue recorded in Corporate of $28.8m being reclassified to HLG.

Differences in the reporting for management and financial accounting are individually, and in total, not material.

Geographical information

	Revenue		Non-current assets	
	12 months to December 2015 $m	12 months to December 2014 $m	December 2015 $m	December 2014 $m
Geographical information				
Australia Pacific	8,585.6	12,431.0	774.2	1,189.9
Asia, Middle East & Americas	4,785.1	4,444.8	1,341.3	1,349.3
Total	13,370.7	16,875.8	2,115.5	2,539.2

Revenue is based on the geographical location of the customer and the location of the service provided. Assets are based on the geographical location of the assets. Geographical non-current assets comprise: inventories: development properties, property, plant & equipment, and intangibles.

Major customers

No revenue from transactions with a single external customer amount to 10% or more of the Group's revenue.

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for the year ended 31 December 2015

32. SEGMENT INFORMATION CONTINUED

12 months to December 2015	Construction $m	Contract Mining $m	Habtoor Leighton Group $m	Commercial & Residential $m	Corporate $m	Eliminations $m	Total $m
Revenue							
Segment revenue before interest	9,514.0	3,063.6	1,159.5	1,064.2	1,555.5	(228.0)	16,128.8
Interest revenue	-	-	32.2	36.5	21.2	-	89.9
Segment revenue	9,514.0	3,063.6	1,191.7	1,100.7	1,576.7	(228.0)	16,218.7
Inter-segment revenue	(136.5)	-	-	-	(91.5)	228.0	-
Segment joint venture and associate revenue	(57.6)	(180.8)	(1,159.5)	(76.7)	(1,373.4)	-	(2,848.0)
External revenue	9,319.9	2,882.8	32.2	1,024.0	111.8	-	13,370.7
Result							
Segment result before finance costs	661.1	240.9	17.9	76.2	(67.3)	-	928.8
Finance costs	(11.9)	(15.9)	-	(5.7)	(160.3)	-	(193.8)
Segment result	649.2	225.0	17.9	70.5	(227.6)	-	735.0
Income tax (expense) / benefit							(220.6)
Profit / (loss) for the year							514.4
(Profit) / loss for the year attributable to non-controlling interests							6.0
Profit / (loss) for the year attributable to members of the parent entity							520.4
Other							
Share of profit / (loss) of associates and joint venture entities	(1.9)	9.1	(14.3)	15.5	(22.9)	-	(14.5)
Depreciation & amortisation	(206.6)	(333.2)	-	(1.0)	(3.0)	-	(543.8)
Other material non-cash expenses	(2.7)	-	-	(8.2)	-	-	(10.9)

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for the year ended 31 December 2015

32. SEGMENT INFORMATION CONTINUED

12 months to December 2014	Construction $m	Contract Mining $m	Habtoor Leighton Group $m	Commercial & Residential $m	Corporate $m	Eliminations $m	Total $m
Revenue							
Segment revenue before interest	12,431.0	3,973.0	735.1	996.2	551.2	(368.3)	18,318.2
Interest revenue	-	-	28.8	31.1	27.9	-	87.8
Segment revenue	12,431.0	3,973.0	763.9	1,027.3	579.1	(368.3)	18,406.0
Inter-segment revenue	(212.6)	-	-	-	(155.7)	368.3	-
Segment joint venture and associate revenue	(162.5)	(130.1)	(735.1)	(114.6)	(387.9)	-	(1,530.2)
External revenue	12,055.9	3,842.9	28.8	912.7	35.5	-	16,875.8
Result							
Segment result before finance costs and impairment – contract debtors provision	576.4	193.3	28.8	63.6	(37.8)	-	824.3
Finance costs	(25.4)	(20.3)	-	(4.8)	(189.5)	-	(240.0)
Segment result before impairment – contract debtors provision	551.0	173.0	28.8	58.8	(227.3)	-	584.3
Impairment - contract debtors provision	-	-	-	-	(675.0)	-	(675.0)
Segment result	551.0	173.0	28.8	58.8	(902.3)	-	(90.7)
Income tax (expense) / benefit							(22.1)
Profit / (loss) for the year							(112.8)
(Profit) / loss for the year attributable to non-controlling interests							(2.1)
Profit / (loss) for the year attributable to members of the parent entity							(114.9)
Other							
Share of profit / (loss) of associates and joint venture entities	5.5	10.3	-	18.4	(17.4)	-	16.8
Depreciation & amortisation	(155.0)	(408.0)	-	-	(14.9)	-	(577.9)
Other material non-cash expenses	(5.3)	-	-	-	(675.0)	-	(680.3)

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33. COMMITMENTS

	December 2015 $m	December 2014 $m
Expenditure commitments in relation to operating leases contracted at the reporting date but not recognised as liabilities, are payable as follows:		
- within one year	255.9	319.1
- later than one year but not later than five years	480.2	533.0
- later than five years	164.8	174.6
	900.9	1,026.7
Representing:		
Cancellable operating leases[1]		
Plant and equipment	3.2	208.9
Property	36.6	135.1
Other	0.2	0.3
Non-cancellable operating leases[2]		
Plant and equipment		
- within one year	162.6	95.2
- later than one year but not later than five years	240.6	202.7
- later than five years	2.3	6.7
Property		
- within one year	77.0	73.5
- later than one year but not later than five years	222.0	166.1
- later than five years	156.1	133.1
Other		
- within one year	0.2	2.6
- later than one year but not later than five years	0.1	2.5
- later than five years	-	-
Total operating lease commitments	900.9	1,026.7

[1]*31 December 2014: During the reporting period, the Group disposed of cancellable operating lease commitments totalling $20.6 million related to the disposal of controlled entities and businesses.*
[2]*31 December 2014: During the reporting period, the Group disposed of non-cancellable operating lease commitments totalling $115.2 million related to the disposal of controlled entities and businesses.*

Operating leases

The Group leases plant and equipment used in contract mining and construction activities and property for the purposes of office accommodation under operating leases. Operating leases generally provide the Group with a right of renewal. Under certain property operating leases, contingent rentals may be payable for periodic rent reviews. The Group's leasing arrangements impose no restrictions on any of its financial arrangements.

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33. **COMMITMENTS** CONTINUED

Capital commitments

Capital expenditure contracted for at reporting date but not recognised as liabilities is as follows:

	December 2015 $m	December 2014 $m
Property, plant and equipment[1]		
Payable:		
- within one year	0.6	25.0
- later than one year but not later than five years	-	-
- later than five years	-	-
	0.6	25.0
Investments		
Payable:		
- within one year	19.4	19.4
- later than one year but not later than five years	-	-
- later than five years	-	-
	19.4	19.4
Joint venture commitments - property, plant and equipment		
Payable:		
- within one year	30.9	23.7
- later than one year but not later than five years	-	6.0
- later than five years	-	-
	30.9	29.7
Share of associates' commitments - property, plant and equipment[2]		
Payable:		
- within one year	2.7	8.3
- later than one year but not later than five years	-	-
- later than five years	-	-
	2.7	8.3

[1] *31 December 2014: During the reporting period, the Group disposed of property, plant and equipment capital commitments totalling $15.0 million related to the disposal of controlled entities and businesses.*

[2] *31 December 2014: During the reporting period, the Group disposed of property, plant and equipment capital commitments of associates totalling $0.4 million related to the disposal of controlled entities and businesses.*

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34. CONTINGENT LIABILITIES

Bank guarantees, insurance bonds and letters of credit

Contingent liabilities under indemnities given on behalf of controlled entities in respect of:

	December 2015 $m	December 2014[1] $m
Bank guarantees	1,982.5	2,070.9
Insurance, performance and payment bonds	898.5	1,051.8
Letters of credit	262.9	345.9

[1]*31 December 2014: Includes disposals of bank guarantees totalling $424.9 million, insurance, performance and payments bonds totalling $213.8 million and letters of credit totalling $22.4 million related to the disposal of controlled entities and businesses.*

Letters of credit include those provided for the Group's capital commitments totalling $3.3 million (31 December 2014: $14.1 million) and those provided on behalf of HLG to lenders totalling $93.4 million (31 December 2014: $97.1 million). Guarantees of $262.6 million (31 December 2014: $264.0 million) have also been provided on behalf of HLG to the lender (refer to note 25: *Associates*).

Other contingencies

i) The Company is called upon to give, in the ordinary course of business, guarantees and indemnities in respect of the performance by controlled entities, associates and related parties of their contractual and financial obligations. The value of these guarantees and indemnities is indeterminable in amount.

ii) There exists in some members of the Group the normal design liability in relation to completed design and construction projects.

iii) Certain members of the Group have the normal contractor's liability in relation to construction contracts. This liability may include litigation by or against the Group and / or joint arrangements in which the Group has an interest. It is not possible to estimate the financial effect of these claims should they be successful. The Directors are of the opinion that adequate allowance has been made and that disclosure of any further information about the claims would be prejudicial to the interests of the Group.

iv) Controlled entities have entered into joint arrangements under which the controlled entity may be jointly and severally liable for the liabilities of the joint arrangement.

v) Under the terms of the Class Order described in note 39: *CIMIC Group Limited and controlled entities*, the Company has entered into approved deeds of indemnity for the cross-guarantee of liabilities with participating Australian subsidiary companies.

vi) On 13 February 2012, the Company announced to the Australian Securities Exchange that it had reported to the Australian Federal Police ("AFP") a possible breach by employees within the Leighton International business of its Code of Ethics that, if substantiated, may have contravened Australian laws. The AFP is investigating the CIMIC Group's international operations. In November 2013, the Australian Securities and Investments Commission (ASIC) made public statements about its cooperation with the AFP in the AFP's investigation. On 28 March 2014, ASIC informed the Senate Estimates Committee that it had commenced a formal investigation into potential breaches of the Corporations Act relating to a number of matters being investigated by the AFP.

The Company is cooperating with the AFP and the ASIC investigations. The Company does not know when the investigations will be concluded.

vii) On 7 October 2013, the Company announced to the Australian Securities Exchange that it had been made aware of proceedings relating to an alleged failure to disclose the report to the AFP (referred to in (vi) above) which had commenced 4 October 2013. On 14 April 2015 the proceedings were stayed by the Victorian Supreme Court and on 7 September 2015 the Victorian Court of Appeal dismissed the plaintiff's appeal of that decision and permanently stayed the proceedings. In any event, the plaintiff has in the interim commenced nearly identical proceedings in relation to the same subject matter. The Company continues to deny the claim and is defending the proceedings.

viii) On 24 June 2015 the Senate of the Parliament of the Commonwealth of Australia referred an inquiry into foreign bribery to the Senate Economics References Committee. The Company anticipates that the matter referred to in (vi) above will be a subject of the inquiry.

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35. CAPITAL RISK MANAGEMENT

Capital planning forms part of the business and strategic plans of the Group. Decisions relating to obtaining and investing capital are made following consideration of the Group's key financial objectives including total shareholder return and the maintenance of an investment grade credit rating. Performance measures include return on revenue, return on equity, earnings growth, liquidity and borrowing capacity. The Group has access to numerous sources of capital both domestically and internationally, including cash balances, equity, bank debt, capital markets, insurance and lease facilities. The Group is not subject to any externally imposed capital requirements.

36. FINANCIAL INSTRUMENTS

The Group operates across the Australia Pacific, Asia, Middle East and Americas regions in the infrastructure, resources and property markets. The activities of the Group comprise mainly construction, contract mining, PPPs, engineering and property development. The activities of the Group result in exposure to credit, liquidity and market risk (equity price, foreign currency risk and interest rate).

a) Credit risk

Credit risk represents the risk that a counterparty will not complete its obligations under a financial instrument resulting in a financial loss to the Group. The Group has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. The Group minimises concentrations of credit risk by undertaking transactions with a large number of customers in various countries. Derivative and deposit counterparties are limited to investment grade financial institutions. At the reporting date, other than loan receivables from Habtoor Leighton Group ("HLG") (refer to note 8: *Trade and other receivables*), there were no significant concentrations of credit risk. The Group's maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the statement of financial position. The Group's maximum exposure to credit risk for receivables at the reporting date by geographic region was: Australia Pacific $682.7 million (31 December 2014: $2,676.0 million) and Asia, Middle East & Africa $2,866.1 million (31 December 2014: $3,316.1 million).

The ageing of the Group's receivables at the reporting date was: not past due: $497.7 million (31 December 2014: $2,239.2 million); past due: $282.5 million (31 December 2014: $345.4 million). Past due is defined under AASB 7 *Financial Instruments: Disclosures* to mean any amount outstanding for one or more days after the contractual due date. Past due receivables aged greater than 90 days: 6% (31 December 2014: 4%).

	12 months to December 2015 $m	12 months to December 2014 $m
Provision for impairment of trade debtors		
Balance at beginning of reporting period	(12.0)	(18.1)
Net provision (made) / used	6.6	6.1
Balance at reporting date	(5.4)	(12.0)

The impairment provision relates to specific loans and receivables identified as being impaired. The Group did not obtain financial or non-financial assets as collateral during the period as a result of default by a counterparty (31 December 2014: $nil).

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36. FINANCIAL INSTRUMENTS CONTINUED

b) Liquidity risk

Liquidity risk is the risk of having insufficient funds to settle financial liabilities when they fall due. This includes having insufficient levels of committed credit facilities. The Group's objective is to maintain efficient use of cash and debt facilities in order to balance the cost of borrowing and ensuring sufficient availability of credit facilities, to meet forecast capital requirements. The Group adopts a prudent approach to cash management which ensures sufficient levels of cash and committed credit facilities are maintained to meet working capital requirements. Liquidity is reviewed continually by the Group's treasury departments through daily cash monitoring, review of available credit facilities and forecasting and matching of cash flows.

At 31 December 2015 the Group had undrawn bank facilities of $1,861.5 million (31 December 2014: $1,590.3 million), and undrawn guarantee facilities of $563.9 million (31 December 2014: $916.4 million).

Contractual maturities of financial assets and financial liabilities as at 31 December 2015:

December 2015	Carrying amount $m	Contractual cash flows $m	Less than 1 year $m	1-5 years $m	More than 5 years $m
Non-derivative financial liabilities					
Interest bearing loans	761.8	(959.7)	(65.9)	(593.4)	(300.4)
Finance lease liabilities	291.2	(301.5)	(191.0)	(110.5)	-
Limited recourse loans	52.0	(54.0)	(54.0)	-	-
Total interest bearing liabilities[1]	1,105.0	(1,315.2)	(310.9)	(703.9)	(300.4)
Trade and other payables	4,005.9	(4,005.9)	(3,674.3)	(331.6)	-
Derivative financial liabilities					
Forward exchange contracts used for foreign currency hedging:					
Outflow	1.4	(81.6)	(51.1)	(30.5)	-
Other cash flow hedges:					
Outflow	-	-	-	-	-
Total derivative financial liabilities	1.4	(81.6)	(51.1)	(30.5)	-
Total trade and other payables	4,007.3	(4,087.5)	(3,725.4)	(362.1)	-
Derivative financial assets					
Forward exchange contracts used for foreign currency hedging:					
Inflow	(4.5)	89.6	48.9	40.7	-
Total derivative financial assets	(4.5)	89.6	48.9	40.7	-

[1]*Total interest bearing financial liabilities includes liabilities associated with held for sale during the reporting period. Refer to note 31: Held for sale.*

Notes continued

for the year ended 31 December 2015

36. FINANCIAL INSTRUMENTS CONTINUED

b) Liquidity risk continued

Contractual maturities of derivative financial assets and financial liabilities as at 31 December 2014:

December 2014	Carrying amount $m	Contractual cash flows $m	Less than 1 year $m	1-5 years $m	More than 5 years $m
Non-derivative financial liabilities					
Interest bearing loans	2,619.7	(3,051.0)	(1,076.0)	(1,097.4)	(877.6)
Finance lease liabilities	376.6	(396.9)	(128.1)	(268.8)	-
Limited recourse loans	92.8	(96.9)	(88.0)	(8.9)	-
Total interest bearing liabilities[1]	3,089.1	(3,544.8)	(1,292.1)	(1,375.1)	(877.6)
Trade and other payables	4,581.7	(4,581.7)	(4,309.1)	(272.6)	-
Derivative financial liabilities					
Forward exchange contracts used for foreign currency hedging:					
Outflow	0.5	(11.1)	(9.4)	(1.7)	-
Other cash flow hedges:					
Outflow	0.2	(0.2)	(0.2)	-	-
Total derivative financial liabilities	0.7	(11.3)	(9.6)	(1.7)	-
Total trade and other payables	4,582.4	(4,593.0)	(4,318.7)	(274.3)	-
Derivative financial assets					
Forward exchange contracts used for foreign currency hedging:					
Inflow	(1.2)	51.6	51.6	-	-
Total derivative financial assets	(1.2)	51.6	51.6	-	-

[1]*Total interest bearing financial liabilities includes liabilities associated with held for sale during the reporting period. Refer to note 31: Held for sale.*

Guarantees

Guarantees have not been included in the maturity analysis for financial liabilities above. Guarantees provided to HLG, with a carrying value of $nil (31 December 2014: $nil), are disclosed in note 25: *Associates*.

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36. FINANCIAL INSTRUMENTS CONTINUED

c) Equity price risk

Equity price risk is the risk that the fair value of either a listed or unlisted equity investment, derivative equity instrument, or a portfolio of such financial instruments decreases in the future. The Group invests in equity investments through its participation in major PPP infrastructure projects. Investments may also be made as part of its strategic plans to form alliances or to invest in specialised but complementary businesses to access specialised skills, markets, or additional capacity. Equity investments are not made for trading or speculative purposes.

Fair values
For the fair values of listed and unlisted investments, see section (f) of this note.

Sensitivity analysis of listed and unlisted investments
The price risk for the listed and unlisted securities is immaterial in terms of the possible impact on profit or loss or total equity.

d) Foreign currency risk

Foreign currency risk is the risk that the value of a financial commitment, a recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group's foreign currency risk arises primarily from net investments in foreign operations. The Group uses non-derivative financial instruments, such as borrowings in the foreign currencies, to hedge its investments in foreign operations. Foreign currency gains and losses arising from translation of net investments in foreign operations are recognised in the foreign currency translation reserve until realised.

Members of the Group are exposed to foreign currency risk on project receipts and expenditure on plant and equipment denominated in currencies other than their functional currency. Where this foreign currency risk is considered to be significant, members of the Group enter into forward exchange contracts to hedge their foreign currency risk. These hedges are classified as cash flow hedges and measured at fair value.

Cash flow hedges
The Group's cash flow hedges protect against foreign exchange rate fluctuations on highly probable forecast transactions using foreign exchange forward contracts. As at reporting date the fair value of these outstanding designated derivatives recognised in equity is $0.6 million (31 December 2014: $0.5 million). It is expected that the current hedged forecast transactions will occur during the periods outlined in section (b) above and will affect the statement of profit or loss in the same periods. There are no gains or losses recognised in the statement of profit or loss during the period due to hedge ineffectiveness.

Exposure to foreign currency risk
The most significant foreign currencies the Group is exposed to are the United States dollar (US$), the U.A.E Dirham (AED) and Hong Kong dollar (HKD), both of which are pegged to the US$. The applicable Australian dollar to United States dollar exchange rates during or at the end of the relevant reporting period, were as follows:

	Equity		Statement of Profit or Loss	
	December 2015	December 2014	12 months to December 2015	12 months to December 2014
US$ United States dollar	0.73	0.81	0.75	0.90

The Group's exposure to foreign currency risk at balance date was: assets US$4,165.3 million (31 December 2014: US$4,501.7 million); liabilities US$1,777.4 million (31 December 2014: US$2,677.1 million).

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36. FINANCIAL INSTRUMENTS CONTINUED

d) Foreign currency risk continued

Sensitivity analysis

A movement in the United States dollar (US$) against the Australian dollar (AU$) at reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis for the period ended 31 December 2014.

	Equity		Statement of Profit or Loss	
	December 2015 $m	December 2014 $m	12 months to December 2015 $m	12 months to December 2014 $m
US$ depreciates by 5% against AU$ (AU$ appreciates)	(121.6)	(111.9)	(2.2)	(3.1)
US$ appreciates by 5% against AU$ (AU$ depreciates)	110.0	123.6	2.5	3.4

e) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flow associated with the instrument will fluctuate due to changes in the market interest rates. The Group uses derivative financial instruments to assist in managing its interest rate exposure. Speculative trading is not undertaken. The Group's interest rate risk arises from the interest receivable on *'Cash and cash equivalents'* and interest payable on *'Interest bearing loans'*.

At the reporting date it is estimated that an increase of one percentage point in floating interest rates would have increased the Group's profit after tax and retained earnings by $13.6 million (31 December 2014: increased by $0.9 million). A one percentage point decrease in interest rates would have an equal and opposite effect.

Profile

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	December 2015 $m	December 2014 $m
Fixed rate instruments		
Financial assets	-	-
Financial liabilities[1]	(753.9)	(1,281.4)
	(753.9)	(1,281.4)
Variable rate instruments		
Financial assets	2,167.8	1,976.9
Financial liabilities[1]	(351.0)	(1,807.7)
	1,816.8	169.2

[1]*Total interest bearing financial liabilities includes liabilities associated with held for sale during the reporting period. Refer to note 31: Held for sale.*

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36. FINANCIAL INSTRUMENTS CONTINUED

f) Net fair values of financial assets and liabilities

Fair value hierarchy

The table below analyses other financial instruments carried at fair value, listed in order of valuation method. The different levels have been identified as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: inputs for the asset or liability that are not based on observable market data.

31 December 2015	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets				
Equity and stapled securities available-for-sale				
- Listed	1.6	-	-	1.6
- Unlisted	-	-	72.3	72.3
Financial assets at fair value through profit or loss				
- Listed	-	-	-	-
- Unlisted	-	-	51.8	51.8
Derivatives	-	4.5	-	4.5
Total assets	1.6	4.5	124.1	130.2
Liabilities				
Derivatives	-	(1.4)	-	(1.4)
Total liabilities	-	(1.4)	-	(1.4)

31 December 2014	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets				
Equity and stapled securities available-for-sale				
- Listed	1.6	-	-	1.6
- Unlisted	-	-	63.7	63.7
Financial assets at fair value through profit or loss				
- Listed	-	-	-	-
- Unlisted	-	-	47.0	47.0
Derivatives	-	1.2	-	1.2
Total assets	1.6	1.2	110.7	113.5
Liabilities				
Derivatives	-	(0.7)	-	(0.7)
Total liabilities	-	(0.7)	-	(0.7)

Notes continued

for the year ended 31 December 2015

36. FINANCIAL INSTRUMENTS CONTINUED

f) Net fair values of financial assets and liabilities continued

Fair value hierarchy continued

During the period there were no transfers between Level 1, Level 2 and Level 3 fair value hierarchies. Level 3 instruments comprise unlisted equity and stapled securities and unlisted financial assets at fair value through profit and loss; the determination of the fair value of these securities is discussed below. The tables below analyses the changes in Level 3 instruments as follows:

	12 months to December 2015 $m	12 months to December 2014 $m
Unlisted equity and stapled securities available-for-sale		
Balance at beginning of reporting period	63.7	57.4
Gains/(losses) recognised in other comprehensive income	8.6	6.3
Balance at reporting date	72.3	63.7

	12 months to December 2015 $m	12 months to December 2014 $m
Financial assets at fair value through profit or loss		
Balance at beginning of reporting period	47.0	33.7
Additions	-	10.0
Gains recognised through profit or loss	4.8	3.3
Balance at reporting date	51.8	47.0

Changing inputs to the Level 3 valuations to reasonably possible alternative assumptions would not change significantly amounts recognised in profit or loss, total assets or total liabilities or total equity.

Valuation techniques

Listed and unlisted investments

The fair values of listed investments are determined on an active market valuation basis using observable market data such as current bid prices. The fair values of unlisted investments are determined by the use of internal valuation techniques using discounted cash flows. Where practical the valuations incorporate observable market data. Assumptions are generally required with regard to future expected revenues and discount rates.

Listed and unlisted debt

Fair value has been determined based on either the listed price or the net present value of cash flows using current market rates of interest. The carrying amounts of other financial assets and liabilities in the Group's statement of financial position approximate fair values.

Notes continued

for the year ended 31 December 2015

36. FINANCIAL INSTRUMENTS CONTINUED

f) **Net fair values of financial assets and liabilities** continued

Valuation techniques *continued*

The fair value of interest bearing liabilities is:

- *Listed debt:* 10-Year-Fixed-Rate Guaranteed Notes fair value US$207.5 million, equivalent to $284.2 million; carrying value US $201.3 million, equivalent to $275.8 million (31 December 2014: fair value US$529.1 million; carrying value US$500.0 million).
- *Unlisted debt*: Guaranteed Senior Notes fair value US$377.6 million, equivalent to $517.3 million; carrying value US$339.0 million, equivalent to $464.4 million (31 December 2014: fair value of US$569.3 million; carrying value US$519.0 million).

Cash flow hedges
The Group's foreign currency forward contracts are not traded in active markets. The fair values of these contracts are estimated using a valuation technique that maximises the use of observable market inputs, e.g. market exchange and interest rates and are included in Level 2 of the fair value hierarchy.

Valuation process

The internal valuation process for unlisted investments, unlisted debt and cash flow hedges is managed by a team in the Group finance department which performs the valuations required for financial reporting purposes. The valuation team reports to the Group's Chief Financial Officer ("CFO"). Discussions on valuation processes and outcomes are held between the valuation team and CFO as required. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Valuation inputs

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Financial assets/ financial liabilities	Significant unobservable input(s)	Range of inputs	Relationship of unobservable inputs to fair value
Unlisted investments	Growth rates	2.5% - 3.0%	The impact on a change in the unobservable inputs would not change significantly amounts recognised in profit or loss, total assets or total liabilities or total equity
	Internal rate of return	9%	
	Discount rates	10% - 15%	
Unlisted debt	Bond curves	1% - 4%	
Cash flow hedges	Exchange rates	US$	
	Interest rates	1% - 5%	

g) **Interest Bearing Loans**

Syndicated Loans

On 21 June 2013, CIMIC Finance Limited (formerly Leighton Finance Limited), a wholly owned subsidiary of the Company, entered into a syndicated bank facility for $1.0 billion, maturing on 21 June 2016. On 8 December 2014 the maturity date of this facility was extended to 8 December 2017. At 31 December 2015 this facility was undrawn (carrying amount at 31 December 2014: $600.0 million).

Guaranteed Senior Notes

CIMIC Finance Limited (2008)
On 15 October 2008, CIMIC Finance Limited, a wholly owned subsidiary of the Company, issued a total of US$280.0 million Guaranteed Senior Notes in three series:

- Series A Notes: US$111.0 million Guaranteed Senior Notes at the rate of 6.91% which matured on 15 October 2013
- Series B Notes: US$90.0 million Guaranteed Senior Notes at the rate of 7.19% which matured on 15 October 2015
- Series C Notes: US$79.0 million Guaranteed Senior Notes at the rate of 7.66% maturing on 15 October 2018

Notes continued

for the year ended 31 December 2015

36. FINANCIAL INSTRUMENTS CONTINUED

g) Interest Bearing Loans continued

Guaranteed Senior Notes *continued*

CIMIC Finance Limited (2008) continued

Interest on the above notes is paid semi-annually on the 15th day of April and October in each year. Carrying amount at 31 December 2015: US$79.0 million (31 December 2014: US$169.0 million) equivalent to $108.2 million (31 December 2014: $208.6 million), of which US$nil is due for repayment within twelve months from the reporting date.

The Group repaid the Series B Notes of US$90.0 million, equivalent to $123.3 million on 15 October 2015.

CIMIC *Finance (USA) Pty Limited (2010)*

On 21 July 2010, CIMIC Finance (USA) Pty Limited (formerly Leighton Finance (USA) Pty Limited), a wholly owned subsidiary of the Company, issued a total of US$350.0 million Guaranteed Senior Notes in three series:

- Series A Notes: US$90.0 million Guaranteed Senior Notes at the rate of 4.51% which matured on 21 July 2015
- Series B Notes: US$145.0 million Guaranteed Senior Notes at the rate of 5.22% maturing on 21 July 2017
- Series C Notes: US$115.0 million Guaranteed Senior Notes at the rate of 5.78% maturing on 21 July 2020

Interest on the above notes is paid semi-annually on the 21st day of January and July in each year. Carrying amount at 31 December 2015: US$260.0 million (31 December 2014: US$350.0 million) equivalent to $356.1 million (31 December 2014: $432.1 million), of which US$nil is due for repayment within twelve months from the reporting date.

The Group repaid the Series A Notes of US$90.0 million, equivalent to $123.3 million on 21 July 2015.

CIMIC Finance (USA) Pty Limited (2012)

On 13 November 2012, CIMIC Finance (USA) Pty Limited, a wholly owned subsidiary of the Company, issued US$500.0 million of 10-Year Fixed-Rate Guaranteed Senior Notes.

The notes bear interest from 13 November 2012 at the rate of 5.95% per annum and mature on 13 November 2022. Interest on the notes will be paid semi-annually on the 13th day of May and November in each year. Carrying amount at 31 December 2015: US$201.3 million (31 December 2014: US$500.0 million) equivalent to $275.8 million (31 December 2014: $617.3 million).

The Group repurchased US$298.7 million, equivalent to $409.2 million, of Guaranteed Senior Notes on 24 June 2015.

Bilateral Loans

At 31 December 2015, bilateral loan facilities were undrawn (31 December 2014: $500.0 million).

In the previous reporting period, Leighton Contractors (India) Private Limited and Thiess Mongolia LLC (formerly known as Leighton LLC), both wholly owned subsidiaries of the Company, entered into new short term bilateral facilities. At 31 December 2015 these facilities were repaid in full (carrying amount at 31 December 2014: $151.1 million).

Other Unsecured Loans

Other unsecured loans outstanding as at 31 December 2015: $20.1 million (31 December 2014: $110.6 million). Other unsecured loans expected to be settled within twelve months after reporting date: $20.1 million (31 December 2014: $110.6 million).

h) Finance Lease Liabilities

The Group has leased mining plant and equipment in Indonesia, Mongolia and Australia under finance leases that expire within three years of the reporting date.

Notes continued

for the year ended 31 December 2015

36. FINANCIAL INSTRUMENTS CONTINUED

i) Limited Recourse Loans

The Group has limited recourse property development loans secured against certain property development assets of the Group and overseas borrowings by subsidiaries secured against the assets of the overseas subsidiaries. Carrying amount as at 31 December 2015: $52.0 million (31 December 2014: $92.8 million).

j) Assets Pledged as Security

The total carrying value of financial assets pledged as security at the reporting date is as follows:

	December 2015 $m	December 2014 $m
Assets pledged as security		
Property development - mortgaged	351.5	386.4
Other assets - fixed and floating charge	121.6	137.5
Total pledged assets	473.1	523.9

Loans relating to development properties are secured by mortgages over the Group's development property inventories. At the reporting date, loans relating to development properties are disclosed above in *note 36 (i): Financial instruments - Limited Recourse Loans*.

A fixed and floating charge over certain other assets of Devine Limited ("Devine"), part of the Commercial & Residential segment, is held by Devine's principal bankers relating to their commercial and residential property lending.

k) Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the balance sheet are disclosed in the table below.

	Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross amounts of bank accounts with a debit balance (financial asset) $m	Gross amounts of bank accounts with a credit balance (financial liability) $m	Net cash amount $m	Amounts subject to master netting arrangements $m	Net amount $m
December 2015					
Cash[1]	1,276.2	(607.2)	669.0	-	-
December 2014					
Cash[1]	1,580.1	(890.6)	689.5	-	-

[1] *The Group has transactional banking facilities that notionally pool grouped bank accounts with credit and debit balances. The legal right of offset means that the actual cash balance is the sum of all credit and debit balances of grouped bank accounts in the notional pool.*

Notes continued

for the year ended 31 December 2015

37. EMPLOYEE BENEFITS

Share based payments

a) Share plans

Leighton Management Share Plan
Shareholder approval was obtained at the Annual General Meeting on 9 November 2006 to establish the Leighton Management Share Plan ("LMSP"). The rules of the LMSP allow the Company to grant selected executives shares which the Company acquires on market should the Group achieve an increase in profit during the preceding reporting period in excess of specified thresholds. Recipients under the LMSP generally forfeit their shares if they do not remain in employment with the Group for at least three years from date of grant. The most recent award was made on 4 April 2008. During the reporting period the Company purchased nil shares on market (31 December 2014: $nil). Expense recognised during the reporting period: $nil (31 December 2014: $nil).

b) Rights plans

Equity Incentive Plans – 2012, 2013, and 2014 Awards
Shareholder approval was obtained at the Annual General Meeting on 22 May 2012 for the Equity Incentive Plan ("EIP"). The EIP provides the legal framework for the awards of share rights made in 2012, 2013 and 2014 under the Long-Term Incentive Plan ("LTI"), STI Deferral Plan ("STI") and One-off Awards described below.

Long-Term Incentive Plan – 2012 Awards
The Long-Term Incentive Plan ("LTI") – 2012 Awards performance share rights were granted for no cost to the employee and entitle the participant to receive one fully paid ordinary share in the Company per right, subject to the terms and conditions determined by the Remuneration and Nominations Committee, including vesting conditions linked to service and performance over the three year performance period. All share rights issued expire on the earlier of their expiry date or termination of the individual's employment except in certain special circumstances.

In addition to a continuing employment service condition, the vesting is conditional on the Group achieving Total Shareholder Return ("TSR") (ie, growth in share price plus dividends reinvested) or Earnings Per Share ("EPS") performance hurdles, as follows:

- 50% of each grant of share rights will be subject to a TSR performance hurdle ("parcel A"). The TSR hurdle requires the Company's TSR percentile ranking against the TSR performance of the companies comprising the ASX 100 (as at 1 January 2012) over the performance period (from grant date to test date) to be at least at the 51st percentile before any parcel A share rights vest (50% vest at threshold) then pro rata to the 75th percentile and then at the 75th percentile or greater all parcel A share rights vest; and

- 50% of each grant of share rights will be subject to an EPS hurdle ("parcel B"). Annual compound earnings per share growth over the performance period must be at least 8% per annum before any parcel B share rights vest (50% vest at threshold) then pro rata to 13% per annum and then at 13% per annum all parcel B share rights vest.

Notes continued

for the year ended 31 December 2015

37. EMPLOYEE BENEFITS CONTINUED

Share based payments continued

b) Rights plans continued

Long-Term Incentive Plan – 2012 Additional Award
Additional awards of performance share rights were made under the same vesting and performance conditions as the 2012 LTI, and measured over three, four and five year performance periods.

Amount recognised during the reporting period: Gain $3.0 million (31 December 2014: Expense $2.1 million).

	2012 LTI and 2012 LTI additional award	2012 LTI additional award	2012 LTI additional award
Date of grant	1 Jan 2012	1 Jan 2012	1 Jan 2012
Date of expiry[1]	Feb 2015	Feb 2016	Feb 2017
Grant fair value for TSR performance hurdle ("parcel A")	$9.34	$9.22	$9.02
Grant fair value for EPS hurdle ("parcel B")	$15.84	$14.93	$14.07
Original grant	565,092	21,768	21,768
Unvested rights at 31 December 2013	543,810	21,768	21,768
- Granted	-	-	-
- Vested[2]	(180,696)	-	-
- Lapsed	(42,992)	-	-
Unvested rights at 31 December 2014[3]	320,122	21,768	21,768
- Granted	-	-	-
- Vested[3]	-	-	-
- Lapsed[4]	(320,122)	(21,768)	(21,768)
Unvested rights at 31 December 2015	-	-	-

[1]*Each 2012 LTI performance hurdle is tested over a three year performance period, which runs from 1 January. Performance hurdles are to be tested in February following the announcement of full year results for the previous financial year. The 2012 LTI additional awards are measured over a three, four and five year performance period respectively.*

[2]*The volume weighted average share price during the reporting period to 31 December 2014 was $19.72.*

[3] *The volume weighted average share price during the reporting period to 31 December 2015 was $22.96.*

[4] *The performance hurdles for the 2012 LTI and three year additional award were not met at the test in February 2015 and as a result 100% of the award lapsed immediately. The three year, four year and five year additional awards lapsed due to termination of employment.*

Notes continued

for the year ended 31 December 2015

37. EMPLOYEE BENEFITS CONTINUED

Share based payments continued

b) Rights plans continued

Long-Term Incentive Plan – 2013 Awards

The Long-Term Incentive Plan ("LTI") – 2013 Awards performance share rights were granted for no cost to the employee and entitle the participant to receive one fully paid ordinary share in the Company per right, subject to the terms and conditions determined by the Remuneration and Nominations Committee, including vesting conditions linked to service and performance over the three year performance period. All share rights issued expire on the earlier of their expiry date or termination of the individual's employment except in certain special circumstances.

In addition to a continuing employment service condition, the vesting is conditional on the Group achieving Total Shareholder Return ("TSR") (i.e. growth in share price plus dividends reinvested) or Earnings Per Share ("EPS") performance hurdles, as follows:

- 50% of each grant of share rights will be subject to a TSR performance hurdle ("parcel A"). The TSR hurdle requires the Company's TSR percentile ranking against the TSR performance of the companies comprising the ASX 100 (as at 1 January 2013) over the performance period (from grant date to test date) to be at least at the 51st percentile before any parcel A share rights vest (50% vest at threshold) then pro rata to the 75th percentile and then at the 75th percentile or greater all parcel A share rights vest; and
- 50% of each grant of share rights will be subject to an EPS hurdle ("parcel B"). Annual compound earnings per share growth over the performance period must be at least 10% per annum before any parcel B share rights vest (50% vest at threshold) then pro rata to 14% per annum and then at 14% per annum all parcel B share rights vest.

Amount recognised during the reporting period: Expense $0.3 million (31 December 2014: Expense $3.1 million).

	2013 LTI award
Date of grant	1 Jan 2013
Date of expiry[1]	Feb 2016
Grant fair value for TSR performance hurdle ("parcel A")	$9.41
Grant fair value for EPS hurdle ("parcel B")	$14.87
Original grant	705,426
Unvested rights at 31 December 2013	687,416
- Granted	-
- Vested[2]	(184,390)
- Lapsed	(92,952)
Unvested rights at 31 December 2014	410,074
- Granted[3]	5,836
- Vested[4]	-
- Lapsed	(134,381)
Unvested rights at 31 December 2015	281,529

[1] Each 2013 LTI performance hurdle is tested over a three year performance period, which runs from 1 January. Performance hurdles are to be tested in February following the announcement of full year results for the previous financial year.
[2] The volume weighted average share price during the reporting period to 31 December 2014 was $19.72.
[3] This grant represents an amendment to an existing award.
[4] The volume weighted average share price during the reporting period to 31 December 2015 was $22.96.

Notes continued

for the year ended 31 December 2015

37. EMPLOYEE BENEFITS CONTINUED

Share based payments continued

b) Rights plans continued

Long-Term Incentive Plan – 2014 Awards
The Long-Term Incentive Plan ("LTI") – 2014 Awards performance share rights were granted for no cost to the employee and entitle the participant to receive one fully paid ordinary share in the Company per right, subject to the terms and conditions determined by the Remuneration and Nominations Committee, including vesting conditions linked to service and performance over the three year performance period. All share rights issued expire on the earlier of their expiry date or termination of the individual's employment except in certain special circumstances.

In addition to a continuing employment service condition, the vesting is conditional on the Group achieving Total Shareholder Return ("TSR") (i.e. growth in share price plus dividends reinvested) or Earnings Per Share ("EPS") performance hurdles, as follows:

- 50% of each grant of share rights will be subject to a TSR performance hurdle ("parcel A"). The TSR hurdle requires the Company's TSR percentile ranking against the TSR performance of the companies comprising the ASX 100 (as at 1 January 2014) over the performance period (from grant date to test date) to be at least at the 51st percentile before any parcel A share rights vest (50% vest at threshold) then pro rata to the 75th percentile and then at the 75th percentile or greater all parcel A share rights vest; no rights will vest if TSR is less than or equal to 0%; and

- 50% of each grant of share rights will be subject to an EPS hurdle ("parcel B"). Annual compound earnings per share growth over the performance period must be at least 6% per annum before any parcel B share rights vest (50% vest at threshold) then pro rata to 10% per annum and then at 10% per annum all parcel B share rights vest.

Amount recognised during the reporting period: Expense $2.4 million (31 December 2014: Expense $5.6 million).

	2014 LTI award
Date of grant	1 Jan 2014
Date of expiry[1]	Feb 2017
Grant fair value for TSR performance hurdle ("parcel A")[2]	$13.81
Grant fair value for EPS hurdle ("parcel B")[2]	$19.78
Original grant	704,802
Unvested rights at 31 December 2013	-
- Granted	704,802
- Vested[3]	-
- Lapsed	-
Unvested rights at 31 December 2014	704,802
- Granted[4]	14,730
- Vested[5]	-
- Lapsed	(318,890)
Unvested rights at 31 December 2015	400,642

[1]Each 2014 LTI performance hurdle is tested over a three year performance period, which runs from 1 January. Performance hurdles are to be tested in February following the announcement of full year results for the previous financial year.
[2]The fair value of equity instruments is determined as at the date of grant (in accordance with Australian Accounting Standard AASB 2 Share Based Payments).
[3]The volume weighted average share price during the reporting period to 31 December 2014 was $19.72.
[4] This grant represents an amendment to an existing award.
[5] The volume weighted average share price during the reporting period to 31 December 2015 was $22.96.

Notes continued

for the year ended 31 December 2015

37. EMPLOYEE BENEFITS CONTINUED

Share based payments continued

b) Rights plans continued

One-Off Awards
One-off awards of Deferred Share Rights were granted under the Equity Incentive Plan ("EIP") for no cost to the employee and entitle the participant to receive one fully paid ordinary share in the Company per right. In 2012, 2013, and 2014 one-off awards were granted to employees:

- to replace existing cash-based service and retention arrangements where payment was due to vest over the longer-term; and
- as one-off awards to new and existing employees for recruitment and retention purposes.

All share rights issued expire on the earlier of their expiry date or termination of the individual's employment except in certain special circumstances. The only performance condition is continued employment.

Amount recognised during the reporting period: Expense $0.5 million (31 December 2014: Expense $3.1 million).

	One-off Awards – 2012 Awards	One-off Awards – 2013 Awards	One-off Awards – 2014 Awards
Date of grant	1 Jan 2012 - 31 Dec 2012	3 May 2013	31 October 2014
Date of expiry	5 Sept 2012 - 31 Dec 2017	31 Dec 14 - 1 Jan 17	31 Dec 14 - 1 July 17
Grant fair value	$16.20 -$25.66	$18.06	$16.18 - $21.50
Original grant	811,018	22,034	43,542
Unvested rights at 31 December 2013	609,844	22,034	-
- Granted	-	-	43,542
- Vested[1]	(293,031)	(5,537)	(5,892)
- Lapsed	(8,833)	-	-
Unvested rights at 31 December 2014	307,980	16,497	37,650
- Granted[2]	-	-	12,930
- Vested[3]	(157,231)	-	(37,650)
- Lapsed	(68,098)	(8,249)	-
Unvested rights at 31 December 2015	82,651	8,248	12,930

[1] *The volume weighted average share price during the reporting period to 31 December 2014 was $19.72.*
[2] *This grant represents an additional award in accordance with contractual entitlements.*
[3] *The volume weighted average share price during the reporting period to 31 December 2015 was $22.96.*

Notes continued

for the year ended 31 December 2015

37. EMPLOYEE BENEFITS CONTINUED

Share based payments continued

b) Rights plans continued

Short-Term Incentive Plan (Deferral) – 2012, 2013 and 2014 Awards
During the period 2012 to 2014, a percentage of the amount which was earned by executives as a short-term incentive for each financial year was paid in cash, and a percentage delivered as deferred share rights, vesting of which was deferred for one to two years without any additional performance measures. The Company has the ability to reduce the number of shares to be issued under share rights if subsequent events show such a reduction to be appropriate. In making this determination, the Company may consider material changes or reversals in the Group's financial position or profitability from one period to the next.
For each financial year, deferred share rights were granted following the determination of individual short-term incentive payments. The number of deferred share rights granted was determined by reference to the five day volume weighted average price of fully paid ordinary shares in the company over the five days following the Company's full year results announcement.

The deferred share rights were granted for no cost to the employee and entitle the participant to receive one fully paid ordinary share in the Company per right.

No further awards will be made under the STI Deferral from the 2015 financial year. Amount recognised during the reporting period: Gain $0.3 million (31 December 2014: Expense $5.9 million).

	2012 STI Deferral award	2013 STI Deferral award	2014 STI Deferral award
Date of grant	1 January 2013	1 January 2014	1 January 2015
Date of expiry	31 December 2014	31 December 2015	31 December 2015
Grant fair value	$23.32	$17.51	$20.85
Original grant	193,907	299,953	76,448
Unvested rights at 31 December 2013	191,697	-	-
- Granted	-	299,953	-
- Vested[1]	(56,368)	-	-
- Lapsed	(8,565)	(13,840)	-
Unvested rights at 31 December 2014	126,764	286,113	-
- Granted	-	-	76,448
- Vested[2]	(124,455)	-	-
- Lapsed	(2,309)	(51,633)	-
Unvested rights at 31 December 2015	-	234,480	76,448

[1] *The volume weighted average share price during the reporting period to 31 December 2014 was $19.72.*
[2] *The volume weighted average share price during the reporting period to 31 December 2015 was $22.96.*

Notes continued

for the year ended 31 December 2015

37. EMPLOYEE BENEFITS CONTINUED

Share based payments continued

c) Share Appreciation Rights

Share Appreciation Rights – 2014 One-off Award to Marcelino Fernández Verdes (CEO)

Board approval was obtained on 11 December 2014 for the granting of share appreciation rights to Mr Fernández Verdes subject to a two year vesting period. The share appreciation rights were granted at no cost to Mr Fernández Verdes and entitle Mr Fernández Verdes to receive a cash payment reflecting the increase in value of the share price of the Company from the base share price of $17.71 to the share price at close of trading on the last trading day before the share appreciation right is exercised, with a maximum payment per share appreciation right of $32.29. The base price is the volume average weighted price of fully paid ordinary shares in CIMIC traded on the ASX over the 30 day period before Mr Fernández Verdes' appointment as CEO on 13 March 2014. All unvested or vested but unexercised share appreciation rights are subject to forfeiture if Mr Fernández Verdes had ceased to be the CEO of CIMIC before 31 December 2014 or if he does not remain a member of either the Executive Board or the Supervisory Board of HOCHTIEF for the period up to and including 13 March 2017. The share appreciation rights will vest two years after his date of appointment and will be exercisable for three years from the date of vesting. No more than 40% of the share appreciation rights can be exercised each year for the first two years after vesting, and any remaining share appreciation rights can be exercised in the final year of the exercise period.

Amount recognised during the reporting period: Expense $3.3 million (31 December 2014: Expense $2.3 million).

	Share Appreciation Rights - 2014 One-off Award to M Fernández Verdes
Date of grant	10 June 2014
Date of expiry	13 March 2019
Grant fair value	$6.52
Original grant	1,200,000
Unvested rights at 31 December 2013	-
- Granted	1,200,000
- Vested[1]	-
- Lapsed	-
Unvested rights at 31 December 2014	1,200,000
- Granted	-
- Vested[2]	-
- Lapsed	-
Unvested rights at 31 December 2015	1,200,000

[1] *The volume weighted average share price during the reporting period to 31 December 2014 was $19.72.*
[2] *The volume weighted average share price during the reporting period to 31 December 2015 was $22.96.*

Notes continued

for the year ended 31 December 2015

37. EMPLOYEE BENEFITS CONTINUED

Share based payments continued

d) Options

Long-Term Incentive Plan – 2015 Award
Board approval was obtained on 28 October 2015 for a discretionary award of options over unissued ordinary shares in the company to be made to selected executives. The award of options was made under the legal framework of the EIP approved by shareholders on 22 May 2012. The exercise price is the volume weighted average price of fully paid ordinary shares in CIMIC over the five trading days following Board approval of the award (excluding the date of the approval).

All options issued expire on the earlier of their expiry date or termination of the individual's employment except in certain circumstances. Options vest two years after the grant date, subject to individual service and contribution hurdles approved by the Company. Any Options that do not vest will immediately lapse. No more than 40% of the options can be exercised each year for the first two years after vesting, and any remaining options can be exercised in the final year of the exercise period. All options must be exercised prior to the expiry date.

Amount recognised during the reporting period: Expense $0.2 million (31 December 2014: Expense $nil).

	Options – 2015 Long-term Incentive
Date of grant	29 October 2015
Date of expiry	29 October 2020
Grant fair value	$4.53
Original grant	735,636
Unexercised options at 31 December 2014	-
- Granted	735,636
- Vested[1]	-
- Lapsed	-
Unexercised options at 31 December 2015	735,636

[1] *The volume weighted average share price during the reporting period to 31 December 2015 was $22.96.*

Other information

All offers under the Leighton Management Share Plan ("LMSP") are subject to pre-conditions of issue and are at the discretion of the Company. No further offers will be made under the Short-term Incentive plan (STI) Deferral and all legacy grants vest in early 2016.

Defined contribution superannuation funds

During the period, the Group recognised $192.2 million (31 December 2014: $342.1 million) of defined contribution expenses.

Notes continued

for the year ended 31 December 2015

38. RELATED PARTY DISCLOSURES

Key management personnel

Key management personnel compensation:

	12 months to December 2015 $'000	12 months to December 2014 $'000
Short-term employee benefits	6,582	13,810
Post-employment benefits	78	117
Long-term benefits	-	-
Termination benefits	20	23,861
Share-based payments	3,839	9,570
	10,519	47,358

Loans to key management personnel

There were no loans to key management personnel in the current or prior reporting period.

a) Key management personnel

The terms and conditions of transactions with key management personnel and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

D Robinson is a partner of ESV Accounting and Business Advisors (ESV) (following the merger between Harveys, of which D Robinson was principal, and ESV in July 2015), which receives fees from HOCHTIEF Australia Holdings Limited for services provided to that company, which is a related party. D Robinson also receives directors' fees from Devine Limited as a result of his appointment on 27 May 2015, which is a related party.

R Seidler received fees from HOCHTIEF Australia Holdings Limited for services provided to that company, which is a related party.

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for the year ended 31 December 2015

38. RELATED PARTY DISCLOSURES CONTINUED

b) Transactions with other related parties

Unless otherwise disclosed, transactions with other related parties are made on normal commercial terms and conditions. The aggregate of related party transactions was not material in the overall operations of the Group.

	December 2015 $'000	December 2014 $'000
Aggregate amounts receivable from related parties at reporting date		
Associates[1]	843,039	735,179
Joint venture entities[2]	73,764	826,648
Aggregate amounts payable to related parties at reporting date		
Associates	(1,138)	(1,287)
Joint venture entities	(37,687)	(53,962)

[1]*Refer to note 8: Trade and other receivables for disclosure of interest free and interest bearing loan receivables from HLG.*

[2]*31 December 2014: Includes $790.1 million relating to the disposal of the Services business included within 'Proceeds receivable on sale of controlled entities and businesses' within note 8: Trade and other receivables.*

On 12 November 2015 CIMIC Group Limited made an offer of $0.75 per Devine Limited share to acquire the 49% of Devine that it does not already own. This offer expired on 29 December 2015 with CIMIC increasing its shareholding from 51% to 59% (refer to note 39). The amounts payable of $10,096,967 to the previous shareholders of Devine is held within trade and other payables at 31 December 2015.

	12 months to December 2015 $'000	12 months to December 2014 $'000
Revenue – income from related parties		
Joint venture entities	20,000	-
Revenue - interest received / receivable from related parties		
Associates[1]	24,472	22,620
Joint venture entities	1,285	1,555
Revenue - unwinding of discounts on non-current receivables - related parties		
Associates	7,771	6,648
Finance costs - interest paid / payable to related parties		
Joint venture entities[1]	(1,299)	(4,195)
Finance costs - impact of discounting - related parties		
Associates	(1,125)	(351)

[1]*31 December 2014: Associates' revenue excludes $0.2 million from discontinued operations. Joint venture entities' finance costs excludes $0.8 million from discontinued operations.*

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for the year ended 31 December 2015

38. RELATED PARTY DISCLOSURES CONTINUED

b) Transactions with other related parties (continued)

	December 2015 Number of employees	December 2014 Number of employees
Number of employees		
Number of employees at reporting date[1]	43,400	36,512

[1] *2015 includes a proportional share of employees of Ventia and HLG.*

c) Company information

CIMIC Group Limited is domiciled in Australia and is a company listed on the Australian Securities Exchange. The Company was incorporated in Victoria, Australia. The address of the registered office is 472 Pacific Highway, St Leonards, NSW, Australia, 2065. Number of employees at reporting date: 7 (31 December 2014: 7).

The Group operates in the infrastructure, resources and property markets. Principal activities of the Group within these markets are construction, contract mining, public private partnerships, engineering, property development and other services (including environmental, telecommunications and operations and maintenance).

d) Ultimate parent entity

The ultimate Australian parent entity is HOCHTIEF Australia Holdings Limited and the ultimate parent entity is Actividades de Construcción y Servicios, SA ("ACS") incorporated in Spain.

CIMIC Group Limited Directors Mr D Robinson, Mr P Sassenfeld, Mr M Fernández Verdes and alternate director Mr R Seidler were directors of HOCHTIEF Australia Holdings Limited during the period.

CIMIC Group Limited Directors Mr J del Valle Pérez and Mr P López Jiménez were directors of ACS during the period.

At the date of this financial report, being 10 February 2016, HOCHTIEF Australia Holdings Limited held 235,661,965 shares in the Company.

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for the year ended 31 December 2015

39. CIMIC GROUP LIMITED AND CONTROLLED ENTITIES

a) Parent entity disclosures

As at, and throughout, the financial year ended 31 December 2015 the parent entity of the Group was CIMIC Group Limited. A statement of profit or loss and statement of financial position at 31 December 2015 is set out below:

	Company	
	12 months to December 2015 $m	12 months to December 2014 $m
Comprehensive income		
Profit / (loss) for the period	2,601.4	945.0
Other comprehensive income	-	-
Total comprehensive income for the period	2,601.4	945.0

	December 2015 $m	December 2014 $m
Statement of Financial Position		
Current assets	38.8	1,544.9
Non-current assets	6,102.0	2,656.9
Total assets	6,140.8	4,201.8
Current liabilities	236.9	747.4
Non-current liabilities	1,037.8	799.8
Total liabilities	1,274.7	1,547.2
Net assets	4,866.1	2,654.6
Equity		
Share capital	2,052.5	2,052.5
Reserves	62.7	66.7
Retained earnings[1]	2,750.9	535.4
Total equity	4,866.1	2,654.6

[1] *31 December 2014: Subsequent to the reporting date, certain operating companies of the Group declared dividends totalling $600.0 million, payable to CIMIC Group Limited (formerly known as Leighton Holdings Limited) on 31 January 2015. This would have the effect of increasing retained earnings to $1,135.4 million.*

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for the year ended 31 December 2015

39. CIMIC GROUP LIMITED AND CONTROLLED ENTITIES CONTINUED

b) Controlled entities

Name of entity		Interest held	Place of incorporation
111 Margaret Street Pty Ltd		59%	QLD
145 Ann Street Pty Ltd	(C)	100%	QLD
145 Ann Street Trust	(C)	100%	QLD
512 Wickham Street Pty Ltd	(A),(C)	100%	NSW
512 Wickham Street Trust	(C)	100%	
A.C.N. 126 130 738 PTY LTD		100%	VIC
A.C.N. 151 868 601 PTY. LTD.	(C)	100%	VIC
Ashmore Developments Pty Limited	(C)	100%	NSW
Ausindo Holdings Pte Ltd		100%	Singapore
BCJHG Nominees Pty Ltd (formerly known as John Holland Infrastructure Nominees Pty Ltd)	(C)	100%	VIC
BCJHG Trust (formerly known as John Holland Infrastructure Trust)	(C)	100%	
Boggo Road Lots 6 and 7 Pty Limited	(B), (C)	100%	VIC
Boggo Road Project Pty Limited	(C)	100%	QLD
Boggo Road Project Trust	(C)	100%	QLD
BOS Australia Pty. Ltd.	(C)	100%	WA
Broad Construction Services (NSW/VIC) Pty Ltd[1]	(C)	100%	WA
Broad Construction Services (QLD) Pty Ltd[1]	(C)	100%	QLD
Broad Construction Services (WA) Pty Ltd[1]	(C)	100%	WA
Broad Group Holdings Pty Ltd[1]	(C)	100%	WA
Canberra Metro Finance Pty Limited	(B), (C)	100%	VIC
CIMIC Admin Services Pty Limited[1] (formerly known as Leighton Admin Services Pty Limited)	(C)	100%	NSW
CIMIC Finance (USA) Pty Ltd (formerly known as Leighton Finance (USA) Pty Ltd)	(C)	100%	NSW
CIMIC Finance Limited[1] (formerly known as Leighton Finance Ltd)	(C)	100%	NSW
CIMIC Group Investments Pty Limited (formerly known as Leighton Holdings Investments Pty Limited)	(C)	100%	VIC
CIMIC Group Limited[5] (formerly known as Leighton Holdings Limited)	(C)		
CIMIC Residential Investments Pty Ltd (formerly known as Leighton Residential Investments Pty Ltd)	(C)	100%	Vic
CPB Contractors Pty Ltd[1] (formerly known as Leighton Contractors Pty Limited)	(C)	100%	NSW
D.M.B. Pty. Ltd.		59%	QLD
Devine Bacchus Marsh Pty Ltd		59%	QLD
Devine Building Management Services Pty Ltd		59%	QLD
Devine Colton Avenue Pty Ltd	(B)	59%	QLD

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for the year ended 31 December 2015

39. CIMIC GROUP LIMITED AND CONTROLLED ENTITIES CONTINUED

Name of entity		Interest held	Place of incorporation
Devine Constructions Pty Ltd		59%	QLD
Devine Funds Pty Ltd		59%	VIC
Devine Funds Unit Trust		59%	
Devine Homes Pty Ltd		59%	QLD
Devine Land Pty Ltd		59%	QLD
Devine Limited		59%	QLD
Devine Management Services Pty Ltd		59%	QLD
Devine Projects (VIC) Pty Ltd		59%	QLD
Devine Queensland No.10 Pty Ltd		59%	QLD
Devine SA Land Pty Ltd		59%	QLD
Devine Springwood No. 1 Pty Ltd		59%	NSW
Devine Springwood No. 2 Pty Ltd		59%	QLD
Devine Springwood No. 3 Pty Ltd		59%	QLD
Devine Woodforde Pty Ltd		59%	QLD
DoubleOne 3 Building Management Services Pty Ltd		59%	QLD
DoubleOne 3 Pty Ltd		59%	QLD
EIC Activities Pty Ltd (formerly known as A.C.N. 601 639 810 PTY. LTD.)	(C)	100%	VIC
Fleetco Finance Pty Limited	(C)	100%	VIC
Fleetco Holdings Pty Limited	(C)	100%	VIC
Fleetco Management Pty Limited	(C)	100%	VIC
Fleetco Rentals AN Pty Limited	(B)	100%	VIC
Fleetco Rentals CT Pty. Limited	(B)	100%	VIC
Fleetco Rentals GE Pty. Limited	(B)	100%	VIC
Fleetco Rentals HD Pty. Limited	(B)	100%	VIC
Fleetco Rentals LB Pty. Limited	(B)	100%	VIC
Fleetco Rentals No. 1 Pty Limited	(C)	100%	VIC
Fleetco Rentals OO Pty. Limited	(B)	100%	VIC
Fleetco Rentals Pty Limited	(C)	100%	VIC
Fleetco Rentals RR Pty. Limited	(B)	100%	VIC
Fleetco Services Pty Limited	(C)	100%	VIC
Giddens Investment Limited		100%	Hong Kong
Green Construction Company		100%	United States
Hamilton Harbour Developments Pty Ltd		76%	QLD
Hamilton Harbour Unit Trust (Devine Hamilton Unit Trust)		76%	QLD
Hunter Valley Earthmoving Co Pty Ltd	(C)	100%	NSW
HWE Cockatoo Pty Ltd	(C)	100%	NT
HWE Mining Pty Limited	(C)	100%	VIC

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39. CIMIC GROUP LIMITED AND CONTROLLED ENTITIES CONTINUED

Name of entity		Interest held	Place of incorporation
HWE Newman Assets Pty Limited	(C)	100%	VIC
Jarrah Wood Pty Ltd	(C)	100%	WA
JH AD Holdings Pty Ltd (formerly known as John Holland AD Holdings)	(C)	100%	VIC
JH AD Investments Pty Ltd (formerly known as John Holland AD Investments Pty Ltd)	(C)	100%	VIC
JH AD Operations Pty Ltd (formerly known as John Holland AD Operations Pty Ltd)	(C)	100%	VIC
JH Rail Holdings Pty Ltd		59%	VIC
JH Rail Investments Pty Ltd		59%	VIC
JH Rail Operations Pty Ltd		59%	VIC
JH ServiceCo Pty Ltd (formerly known as John Holland Services Pty Ltd)	(C)	100%	VIC
JHAS Pty Ltd (formerly known as John Holland Aviation Services Pty Ltd)	(C)	100%	VIC
JHI Investment Pty Ltd (formerly known as John Holland Investment Pty Ltd)	(C)	100%	VIC
Joetel Pty. Limited		59%	ACT
Kings Square Developments Pty Ltd		100%	QLD
Kings Square Developments Unit Trust		100%	QLD
LCPL (PNG) Limited		100%	Papua New Guinea
Legacy JHI Pty Ltd (formerly known as John Holland Infrastructure Pty Ltd)	(C)	100%	VIC
Lei Shun Employment Limited		100%	Macau
Leighton (PNG) Limited		100%	Papua New Guinea
Leighton Africa (Mauritius) Limited		100%	Mauritius
Thiess Mozambique Limitada (formerly Leighton Africa Mozambique, Limitada)		100%	Mozambique
Leighton Asia (China) Limited		100%	Hong Kong
Leighton Asia (Hong Kong) Holdings (No. 2) Limited		100%	Hong Kong
Leighton Asia Limited		100%	Hong Kong
Leighton Asia Southern Pte. Ltd.		100%	Singapore
Leighton Commercial Properties Pty Limited	(B)	100%	VIC
Leighton Companies Management Group LLC		49%	United Arab Emirates
Leighton Contractors (Asia) Limited		100%	Hong Kong
Leighton Contractors (China) Limited		100%	Hong Kong
Leighton Contractors (Indo-China) Limited		100%	Hong Kong
Leighton Contractors (Laos) Sole Co., Limited		100%	Laos
Leighton Contractors (Malaysia) Sdn Bhd		100%	Malaysia
Leighton Contractors (Mauritius) Limited		100%	Mauritius
Leighton Contractors (Philippines), Inc.	(A)	100%	Philippines
Leighton Contractors Asia (Cambodia) Co., Ltd		100%	Cambodia
Leighton Contractors Asia (Vietnam) Limited		100%	Vietnam
Leighton Contractors Inc.		100%	United States

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for the year ended 31 December 2015

39. CIMIC GROUP LIMITED AND CONTROLLED ENTITIES CONTINUED

Name of entity		Interest held	Place of incorporation
Leighton Contractors Infrastructure Nominees Pty Ltd[2]	(C)	100%	VIC
Leighton Contractors Infrastructure Pty Ltd[2]	(C)	100%	VIC
Leighton Contractors Infrastructure Trust[3]	(C)	100%	
Leighton Contractors Lanka (Private) Limited		100%	Sri Lanka
Leighton Engineering & Construction (Singapore) Pte Ltd		100%	Singapore
Leighton Engineering Joint Venture		100%	Malaysia
Leighton Engineering Sdn Bhd		100%	Malaysia
Leighton Equity Incentive Plan Trust		100%	NSW
Leighton Foundation Engineering (Asia) Limited		100%	Hong Kong
Leighton Funds Management Pty Limited[2]	(C)	100%	QLD
Leighton Gbs Sdn. Bhd.		100%	Malaysia
Leighton Geotech Limited	(A)	100%	Thailand
Leighton Group Property Services Pty Ltd	(C)	100%	VIC
Leighton Harbour Trust	(C)	100%	
Leighton Holdings Infrastructure Nominees Pty Ltd[2]	(C)	100%	VIC
Leighton Holdings Infrastructure Pty Ltd[2]	(C)	100%	VIC
Leighton Holdings Infrastructure Trust	(C)	100%	
Leighton India Contractors Private Limited[4] (formerly known as Leighton Welspun Contractors Private Limited)		100%	India
Leighton Infrastructure Investments Pty Limited[2]	(C)	100%	NSW
Leighton International Holdings Limited		100%	Cayman Islands
Leighton International Limited		100%	Cayman Islands
Leighton International Mauritius Holdings Limited No. 4		100%	Mauritius
Leighton International Projects (India) Private Limited[4]		100%	India
Leighton Investments Mauritius Limited		100%	Mauritius
Leighton Investments Mauritius Limited No. 2		100%	Mauritius
Leighton Investments Mauritius Limited No. 4		100%	Mauritius
Leighton Joint Venture		100%	Hong Kong
Leighton M&E Limited		100%	Hong Kong
Leighton Middle East & Africa (Holding) Limited		100%	Cayman Islands
Leighton Offshore / Leighton Engineering & Construction JV		100%	Singapore
Leighton Offshore Eclipse Pte Ltd		100%	Singapore
Leighton Offshore Faulkner Pte Ltd		100%	Singapore
Leighton Offshore Mynx Pte Ltd		100%	Singapore
Leighton Offshore Pte Ltd		100%	Singapore
Leighton Offshore Sdn Bhd		100%	Malaysia

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for the year ended 31 December 2015

39. CIMIC GROUP LIMITED AND CONTROLLED ENTITIES CONTINUED

Name of entity		Interest held	Place of incorporation
Leighton Offshore Stealth Pte Ltd		100%	Singapore
Leighton Pacific St Leonards Pty Limited	(C)	100%	VIC
Leighton Pacific St Leonards Unit Trust	(C)	100%	
Leighton Portfolio Services Pty Limited	(C)	100%	ACT
Leighton PPP Services NZ Limited		100%	New Zealand
Leighton Projects Consulting (Shanghai) Limited		100%	China
Leighton Properties (Brisbane) Pty Limited[2]	(C)	100%	QLD
Leighton Properties (NSW) Pty Ltd		100%	NSW
Leighton Properties (VIC) Pty Ltd[1]	(C)	100%	VIC
Leighton Properties (WA) Pty Limited[1]	(C)	100%	NSW
Leighton Properties Pty Limited[1]	(C)	100%	QLD
Leighton Property Funds Management Limited[2]	(C)	100%	ACT
Leighton Property Management Pty Limited[2]	(C)	100%	NSW
Leighton Services Australia Pty Limited	(B), (C)	100%	NSW
Leighton U.S.A. Inc.		100%	United States
Leighton-LNS Joint Venture		80%	Hong Kong
LH Holdings Co Pty Ltd[2]	(C)	100%	VIC
LMENA No. 1 Pty Limited	(C)	100%	VIC
LMENA Pty Limited	(C)	100%	VIC
LNWR Pty Limited	(C)	100%	VIC
LNWR Trust	(C),(B)	100%	NSW
LPWRAP Pty Ltd	(C)	100%	VIC
Martox Pty. Limited		59%	NSW
Moonamang Joint Venture Pty Ltd	(A),(C)	100%	WA
Moorookyle Devine Pty Ltd		59%	VIC
Nexus Point Solutions Pty Ltd	(C)	100%	NSW
Opal Insurance (Singapore) Pte Ltd		100%	Singapore
Pacific Partnerships Holdings Pty Ltd	(C)	100%	VIC
Pacific Partnerships Investments Pty Ltd	(C)	100%	VIC
Pacific Partnerships Investments Trust	(B),(C)	100%	VIC
Pacific Partnerships Pty Ltd	(C)	100%	VIC
Pioneer Homes Australia Pty Ltd		59%	QLD
PT Leighton Contractors Indonesia		100%	Indonesia
PT Thiess Contractors Indonesia		99%	Indonesia
Queens Square Pty Ltd		100%	VIC

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for the year ended 31 December 2015

39. CIMIC GROUP LIMITED AND CONTROLLED ENTITIES CONTINUED

Name of entity		Interest held	Place of incorporation
Riverstone Rise Gladstone Pty Ltd		59%	QLD
Riverstone Rise Gladstone Unit Trust		59%	QLD
Silverton Group Pty Ltd	(C)	100%	WA
Sustaining Works Pty Limited	(C)	100%	QLD
Talcliff Pty Ltd		59%	QLD
Telecommunication Infrastructure Pty Ltd	(C)	100%	VIC
Thai Leighton Limited	(A)	100%	Thailand
Thiess (Mauritius) Pty Ltd[3]		100%	Mauritius
Thiess Africa Investments Pty Ltd	(B), (A)	100%	South Africa
Thiess Botswana (Proprietary) Limited (formerly known as Leighton Africa (Botswana) (Proprietary) Limited)		100%	Botswana
Thiess Chile SPA	(B)	100%	Chile
Thiess Contractors (Malaysia) Sdn. Bhd.		100%	Malaysia
Thiess Contractors (PNG) Limited		100%	Papua New Guinea
Thiess Contractors Canada Ltd		100%	Canada
Thiess India Pvt Ltd[4]		100%	India
Thiess Infraco Pty Ltd	(C)	100%	QLD
Thiess Infrastructure Nominees Pty Ltd	(C)	100%	VIC
Thiess Infrastructure Pty Ltd	(C)	100%	VIC
Thiess Infrastructure Trust	(C)	100%	VIC
Thiess Minecs India Pvt Ltd[4]		90%	India
Thiess Mining Maintenance Pty Ltd	(C)	100%	QLD
Thiess Mongolia LLC (formerly known as Leighton LLC)		100%	Mongolia
Thiess NC		100%	New Caledonia
Thiess NZ Limited		100%	New Zealand
Thiess Pty Ltd	(C)	100%	QLD
Thiess South Africa (Pty) Ltd (formally known as Leighton Africa (South Africa) (Proprietary) Limited)		100%	South Africa
Thiess Southland Pty Ltd	(C)	100%	NSW
Think Consulting Group Pty Ltd	(C)	100%	VIC
Townsville City Project Pty Ltd		76%	NSW
Townsville City Project Trust		76%	QLD
Trafalgar EB Pty Ltd		59%	QLD
Tribune SB Pty Ltd		59%	QLD
Victoria Point Docklands Pty Ltd		59%	VIC
Western Port Highway Trust	(C)	100%	
Woodforde JV Pty Ltd[3]		59%	

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for the year ended 31 December 2015

39. CIMIC GROUP LIMITED AND CONTROLLED ENTITIES CONTINUED

Name of entity	Interest held	Place of incorporation
Yoltax Pty. Limited	59%	NSW
Zelmex Pty. Limited	59%	ACT

[1] *These companies (CIMIC Group Limited (CGL) Class Order Companies) have the benefit of ASIC Class Order 98/1418 as at 31 December 2015.*

[2] *These companies are parties to the Deed of Cross Guarantee but do not have the benefit of ASIC Class Order 98/1418 as at 31 December 2015, as they are small proprietary companies.*

[3] *Entity has a 30 June reporting date.*

[4] *Entity has a 31 March reporting date.*

[5] *This company is a party to the Deed of Cross Guarantee as Holding Entity.*

(A) *Entities controlled under shareholder agreements.*

(B) *Incorporated / established in the 2015 reporting period.*

(C) *Entities included in tax-consolidated Group.*

Where the Group has an ownership interest of less than 50%, the entity is consolidated where the Group can demonstrate its control of the entity, in that is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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for the year ended 31 December 2015

39. CIMIC GROUP LIMITED AND CONTROLLED ENTITIES CONTINUED

c) Acquisition and disposal of controlled entities

Refer to *note 30: Acquisitions, disposals and discontinued operations* for further details.

d) Liquidation of controlled entities

The following controlled entities have been liquidated during the period to 31 December 2015 as they are no longer required by the Group in the ordinary course of business:

- A.C.N. 112 829 624 Pty Ltd
- Ewenissa Pty. Limited
- Gridcomm Pty Ltd
- HWE Maintenance Services Pty Ltd
- John Holland Development and Investment Pty Ltd
- John Holland Engineering Pty Ltd
- Leighton Arranging Pty Ltd
- Leighton Finance International Pty Ltd
- Leighton Group Property Services No.1 Pty Ltd
- Leighton Offshore Australia Pty Ltd
- Leighton Motorway Investments No.2 Pty Limited
- Leighton Staff Shares Pty. Limited
- Leighton Superannuation Pty Ltd
- Nestdeen Pty Ltd
- Plant and Equipment Leasing Pty Limited
- PT Cinere Serpong Jaya
- PT Ngawi Kertosono Jaya
- PT Solo Ngawi Jaya
- River Links Developments Pty Ltd
- Technical Resources Pty Limited

e) Parent entity commitments and contingent liabilities

Contingent liabilities under indemnities given on behalf of controlled entities in respect of the parent: bank guarantees: $1,950.1 million (31 December 2014: $1,824.8 million); insurance bonds: $761.3 million (31 December 2014: $1,018.8 million); letters of credit: $262.6 million (31 December 2014: $326.0 million). During the reporting period, the Parent was released from bank guarantees totalling $nil million (31 December 2014: $424.9 million), insurance, performance and payments bonds totalling $nil million (31 December 2014: $213.8 million) and letters of credit totalling $nil million (31 December 2014: $22.4 million) related to the disposal of controlled entities and businesses.

Capital expenditure contracted for at the reporting date but not recognised as liabilities of the parent was $nil (31 December 2014: $nil).

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for the year ended 31 December 2015

39. CIMIC GROUP LIMITED AND CONTROLLED ENTITIES CONTINUED

f) Material subsidiaries including consolidated structured entities

Set out below are the Company's principal subsidiaries at 31 December 2015. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the Company, and the proportion of ownership interests held equals to the voting rights held by the Company.

			Ownership interest held by the Company		Ownership interest held by non-controlling interests	
Name of entity	Principal activity	Country of incorporation	December 2015 %	December 2014 %	December 2015 %	December 2014 %
CPB Contractors Pty Limited (formerly Leighton Contractors Pty Ltd)[1]	Contract Mining & Construction	Australia	100	100	-	-
Thiess Pty Ltd	Contract Mining & Construction	Australia	100	100	-	-
Leighton Asia Limited	Contract Mining & Construction	Hong Kong	100	100	-	-
Leighton International Limited	Contract Mining & Construction	Cayman Islands	100	100	-	-

[1]*These companies (CIMIC Group Limited (CGL) Class Order Companies) have the benefit of ASIC Class Order 98/1418. For further information, refer to section (i).*

Non-controlling interests

There were no material non-controlling interests relating to the Company's material subsidiaries disclosed above as at 31 December 2015 and as such no material transactions with non-controlling interests during the period to 31 December 2015.

g) Unconsolidated structured entities

The Group is party to several lease agreements with unconsolidated structured entities during the reporting period. These transactions were undertaken to develop operational and financing synergies across the Group. The unconsolidated structured entities are financed by external parties and the Group does not hold any equity interests or assets such as loans or receivables with these entities. The relevant activities of the structured entities are directed by contractual agreements. The entities are controlled by external parties and therefore are not consolidated by the Group.

The Group is only exposed to the variability of returns in relation to return conditions at lease expiry, which are not known at this time. These items are also included at *note 19: Interest bearing liabilities and note 33: Commitments.*

The table below provides a summary of the Group's exposure to unconsolidated structured entities.

Exposures to unconsolidated structured entities	**December 2015 $m**	**December 2014 $m**
Finance lease liabilities	6.4	11.9
Total on balance sheet liabilities	6.4	11.9
Operating lease commitments	213.3	363.0
Total liabilities due to unconsolidated structured entities	219.7	374.9

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for the year ended 31 December 2015

39. CIMIC GROUP LIMITED AND CONTROLLED ENTITIES CONTINUED

h) Parent entity transactions with wholly-owned controlled entities

Transactions with wholly-owned controlled entities were as follows: aggregate amounts receivable: $2,565.6 million (31 December 2014: $1,698.5 million); aggregate amounts payable: $955.6 million (31 December 2014: $798.6 million); interest received / receivable: $14.1 million (31 December 2014: $40.6 million); interest paid / payable: $5.1 million (31 December 2014: $19.1 million); fees charged: $nil (31 December 2014: $nil); dividends received: $2,166.0 million (31 December 2014: $837.7 million); fees paid: $95.0 million (31 December 2014: $180.0 million).

i) Deed of Cross Guarantee

Pursuant to ASIC Class Order 98/1418 dated 13 August 1998, relief was granted to the CGL Class Order Companies from the *Corporations Act 2001* requirements for preparation, audit and publication of financial statements. The Company and each of the CGL Class Order Companies are party to a Deed of Cross Guarantee dated 10 June 2008. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt of a CGL Class Order Company in the event of its winding up under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the law, the Company will only be liable in the event that after six months any creditor has not been paid in full. The CGL Class Order Companies have also given similar guarantees in the event that the Company or other CGL Class Order Companies party to the Deed of Cross Guarantee are wound up.

Thiess Pty Limited, HWE Mining Pty Limited, LMENA Pty Limited, LMENA No.1 Pty Limited and Leighton Properties (NSW) Pty Ltd have been released from its obligations under the Deed by executing a Revocation Deed dated 17 December 2015 which has been lodged with ASIC.

Entities party to Deed of Cross Guarantee

A consolidated statement of profit or loss and statement of financial position, comprising the Company and entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 31 December 2015 is set out below:

Deed of Cross Guarantee	12 months to December 2015 $m	12 months to December 2014 $m
Statement of Profit or Loss		
Profit / (loss) before tax	2,748.0	1,897.7
Income tax (expense) / benefit	(169.1)	(220.1)
Profit / (loss) for the period	2,578.9	1,677.6
Retained earnings brought forward	1,858.3	576.3
Retained earnings brought forward - adjustment for new entities party to the deed of Cross Guarantee	-	-
Retained earnings brought forward - adjustment for entities removed from the deed of Cross Guarantee	10.9	-
Dividends paid	(385.9)	(395.6)
Retained earnings at reporting date	4,062.2	1,858.3

Notes continued

for the year ended 31 December 2015

39. CIMIC GROUP LIMITED AND CONTROLLED ENTITIES CONTINUED

Deed of Cross Guarantee	December 2015 $m	December 2014 $m
Statement of Financial Position		
Assets		
Cash and cash equivalents	1,027.2	1,402.7
Trade and other receivables	1,897.2	3,195.1
Current tax assets	-	-
Inventories: consumables and development properties	1.0	202.4
Total current assets	2,925.4	4,800.2
Trade and other receivables	4,973.1	3,797.3
Inventories: development properties	81.7	91.9
Investments accounted for using the equity method	502.4	725.2
Other investments	1,511.7	803.5
Deferred tax assets	-	76.2
Property, plant and equipment	165.6	633.2
Intangibles	129.2	207.7
Total non-current assets	7,363.7	6,335.0
Total assets	10,289.1	11,135.2
Liabilities		
Trade and other payables	3,241.5	2,746.9
Current tax liabilities	44.5	215.8
Provisions	111.7	341.7
Interest bearing liabilities	18.7	664.9
Total current liabilities	3,416.4	3,969.3
Trade and other payables	1,064.7	3,009.2
Provisions	44.5	111.6
Interest bearing liabilities	108.2	703.8
Deferred tax liabilities	246.9	-
Total non-current liabilities	1,464.3	3,824.6
Total liabilities	4,880.7	7,793.9
Net assets	5,408.4	3,341.3
Equity		
Share capital	2,052.5	2,052.5
Reserves	(706.3)	(569.5)
Retained earnings	4,062.2	1,858.3
Total equity	5,408.4	3,341.3

Notes continued

for the year ended 31 December 2015

40. NEW ACCOUNTING STANDARDS

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They are available for early adoption at 31 December 2015, unless noted otherwise below, but have not been applied in preparing this financial report. The Group's assessment of these new standards and interpretations is set out below:

- AASB 9 *Financial Instruments (revised December 2014)* and AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*

  This standard replaces AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculation of impairment on financial assets, and new general hedge accounting requirements. It also carries forward guidance on recognition and derecognition of financial instruments from AASB 139. The standard will become mandatory for reporting periods beginning on or after 1 January 2018. Retrospective application is required with some exceptions. The Group is still assessing the potential impact on its consolidated financial statements resulting from the application of AASB 9.

- *AASB 15 Revenue from Contracts with Customers* and *AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15*

  AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing guidance, including AASB 118 *Revenue,* AASB 111 *Construction Contracts*, Interpretation 13 *Customer Loyalty* Programmes, Interpretation 15 *Agreements for the Construction of Real Estate*, Interpretation 18 *Transfers of Assets from Customers*, and Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*.

  The core principle of AASB 15 is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

  This standard will become mandatory for reporting periods beginning on or after 1 January 2018. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 15 and due to the replacement of AASB 111 it is expected to have a significant impact on presentation and disclosure of construction contracts.

- *IFRS 16 – Leases*

  IFRS 16 specifies how to recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the term is 12 months or less or the underlying asset has a low value lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

  IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 16 as it is expected to have a significant impact on presentation and disclosure of leases

The following new or amended standards are not expected to have a significant impact on the Group's consolidated financial statements:

- *Amendments to IAS 7 Statement of Cash Flows - improvements to disclosures*
- AASB 2014-3 *Amendments to Australian Accounting Standards – Accounting for acquisitions of interests in joint operations*
- AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of acceptable methods of depreciation and amortisation*
- AASB 2014-9 *Amendments to Australian Accounting Standards – Equity method in separate financial statements*
- AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or contribution of assets between investor and its associate and joint venture*
- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual improvements to Australian Accounting Standards 2012-2014 cycle*
- AASB 2015-2 *Amendments to AASB 101*
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of *AASB 1031 Materiality*
- AASB 2015-4 *Financial Reporting Requirements for Australian Groups with a Foreign Parent*
- AASB 2015-5 *Investment Entities: Applying the Consolidation Exception*
- AASB 1056 *Superannuation Entities* – replaces AAS 25 Financial Reporting by Superannuation Plans

Notes continued

for the year ended 31 December 2015

41. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to reporting date:

- The Group determined a 100% franked dividend of 50.0 cents per share.
- On 14 December 2015 the CIMIC Group Board approved a proposal to conduct an on-market share buy-back of up to 10% of CIMIC's fully paid ordinary shares over the next 12 months. The buy-back will be funded by a combination of CIMIC's existing cash balances and working capital facilities. No shares were bought back in the period ended 31 December 2015 but subsequent to year end the company has bought back ordinary shares on market with the relevant announcements made to the ASX. The shares so purchased have been cancelled.
- During 2015 CPB Contractors Pty Ltd, a wholly owned subsidiary of the Group, together with its consortium partners, Saipem SA and Saipem Portugal Comércio Maritimo LDA, has been in negotiations with Chevron Australia Pty Ltd in relation to collection of contract debtors from the Gorgon LNG Jetty and Marine Structures Project ("Gorgon Contract"). Since 31 December 2015 the Company has commenced a further process of negotiations under the Gorgon Contract which may see the parties enter into a private arbitration under the provisions of the Gorgon Contract. The continuation of the negotiation process to 31 December 2015 and the further steps now being taken do not require any change to the accounting treatment of the contract debtors relating to the Gorgon Contract included within total contract debtors (note 8: *Trade and other receivables*) in the Group's financial report.
- On 13 January 2016 CIMIC Group Limited, through its wholly owned subsidiary CIMIC Group Investments Pty Limited (CGI), announced its intention to make an unconditional offer to acquire the 63.01% of Sedgman that it does not already own pursuant to an off-market takeover at a price of $1.07 per share. Refer to note 25*: Associates*.

The Directors approved the financial report on 10 February 2016.

Statutory Statements

DIRECTORS' DECLARATION

1. In the opinion of the Directors of CIMIC Group Limited ("the Company"):

    a) The financial statements and notes, set out on pages 48 to 139, are in accordance with the *Corporations Act 2001*, including:

        i) giving a true and fair view of the Company's and the Consolidated Entity's financial position as at 31 December 2015 and of their performance for the financial year ended on that date; and

        ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

    b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the controlled entities identified in note 39 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between the Company and those controlled entities pursuant to ASIC Class Order 98/1418.

3. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2015.

4. The Directors draw attention to note 1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Dated at Sydney this 10th day of February 2016.

Signed for and on behalf of the Board in accordance with a resolution of the Directors:

Marcelino Fernández Verdes
Executive Chairman and Chief Executive Officer

Russell Chenu
Chairman Audit and Risk Committee

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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Independent Auditor's Report to the members of CIMIC Group Limited

Report on the financial report

We have audited the accompanying financial report of CIMIC Group Limited, which comprises the Consolidated Statement of Financial Position as at 31 December 2015, and the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 48 to 140.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of CIMIC Group Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of CIMIC Group Limited is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 45 of the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of CIMIC Group Limited for the year ended 31 December 2015, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

G. Couttas

G Couttas
Partner
Chartered Accountants
Sydney, 10 February 2016

CIMIC

EIC ACTIVITIES

EIC Activities' digital engineering capability enables the Group to build digitally through virtual construction and Building Information Modelling (BIM). This has led to a way of improving planning, construction and operation of buildings with the help of 3D computer models. BIM provides improved ability to measure, map, visualise and control our business.

Shareholdings

The information below is current as at 25 January 2016.

TWENTY LARGEST SHAREHOLDERS

The 20 largest shareholders on the Company's register of members hold 90.96% of the Company's issued capital.

Name	No. of shares	% of issued capital
HOCHTIEF Australia Holdings Limited	235,661,965	69.93
J P Morgan Nominees Australia Limited	31,057,553	9.22
HSBC Custody Nominees (Australia) Limited	17,936,470	5.32
Citicorp Nominees Pty Limited	8,187,683	2.43
National Nominees Limited	7,015,192	2.08
BNP Paribas Noms Pty Ltd <Drp>	1,559,133	0.46
Milton Corporation Limited	791,239	0.23
BNP Paribas Nominees Pty Ltd <Agency Lending Drp A/C>	645,616	0.19
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	617,160	0.18
HSBC Custody Nominees (Australia) Limited - A/C 2	488,202	0.14
Argo Investments Limited	439,733	0.13
Gwynvill Investments Pty Limited	427,188	0.13
HSBC Custody Nominees (Australia) Limited <Nt-Comnwlth Super Corp A/C>	326,805	0.10
Gwynvill Trading Pty Limited	284,791	0.08
AMP Life Limited	216,880	0.06
HSBC Custody Nominees (Australia) Limited-Gsco Eca	213,471	0.06
National Nominees Limited <Db A/C>	185,364	0.06
Sandhurst Trustees Ltd <Harper Bernays Ltd A/C>	183,340	0.05
Navigator Australia Ltd <Mlc Investment Sett A/C>	159,552	0.05
Mr Jonathan Leighton Stanley Ellis	138,150	0.04
Total	**306,535,487**	**90.96**
Total shares on issue	**337,010,272**	**100**

DISTRIBUTION SCHEDULE

The Company has 337,010,272 ordinary shares on issue. The distribution of shareholders is as follows:

Size of shareholding	No. of holders	Ordinary shares held	% of issued capital
1 – 1,000	30,563	8,271,635	2.45
1,001 – 5,000	5,936	12,091,308	3.59
5,001 – 10,000	570	3,949,073	1.17
10,001 – 100,000	268	5,919,781	1.76
100,001 and over	22	306,778,475	91.03
Total	**37,359**	**337,010,272**	**100**

The voting rights for ordinary shares are as follows: on a show of hands every member present in person or by proxy or attorney or duly appointed representative has one vote, and on a poll every member so present has one vote for every fully paid share held by that member.

There were 1,081 shareholders with less than a marketable parcel (21 shares), based on the closing market price of $24.53 on 25 January 2016.

SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders and the number of equity securities to which they have a relevant interest, as disclosed in substantial holding notices given to the Company under the Corporations Act are:

Name	No. of shares	Voting power
HOCHTIEF Australia Holdings Limited and its associates as detailed in the notice dated 12 May 2014	235,664,817*	69.62

* Number of shares as at 12 May 2014, the date of disclosure in substantial shareholding notices given to the Company.

SHARE RIGHTS

The Company has 1,096,928 share rights on issue. The distribution is as follows:

Size of holding	No. of holders	Share rights
1 – 1,000	8	4,606
1,001 – 5,000	35	89,267
5,001 – 10,000	30	229,859
10,001 – 100,000	26	649,275
100,001 and over	1	123,921
Total	**100**	**1,096,928**

The share rights do not carry any rights to voting.

OPTIONS

The Company has 735,636 options on issue*. The distribution is as follows:

Size of holding	No. of holders	Share rights
1 – 1,000	0	-
1,001 – 5,000	1	2,960
5,001 – 10,000	14	113,716
10,001 – 100,000	20	514,348
100,001 and over	1	104,612
Total	**36**	**735,636**

* The issue of options under the LTI plan were made to eligible Senior Executives in February 2016 as their 2015 LTI. On 28 October 2015, the Board approved the replacement of the previous performance rights based plan with an options based plan. The 2015 award represents the first grant under the new plan.

The options do not carry any rights to voting.

Shareholder information

ENQUIRIES AND SHARE REGISTRY

If you have any questions about your shareholding, dividend payments, tax file number, change of address or any other enquiry, please contact Computershare Investor Services Pty Limited:

- Telephone: 1300 850 505 (local) or +61 3 9415 4000 (international)
- Fax: (03) 9473 2500 (local) or +61 3 9473 2500 (international)
- Email: www.investorcentre.com/contact
- Post: GPO Box 2975, Melbourne, VIC, 3001, Australia

REGISTERED OFFICE

Principal registered office in Australia
472 Pacific Highway, St Leonards, NSW, 2065, Australia
Telephone: +61 2 9925 6666
Fax: +61 2 9925 6000
Website: www.cimic.com.au

TAX FILE NUMBERS

Since 1 July 1991, all companies have been obliged to deduct tax at the top marginal rate from unfranked dividends paid to investors resident in Australia who have not supplied them with a tax file number or exemption particulars. Tax will not be deducted from the franked portion of a dividend.

If you have not already done so, a Tax File Number Notification form or Tax File Number Exemption form should be completed for each holding and returned to our Share Registrar, Computershare Investor Services Pty Limited. Please note you are not required by law to provide your tax file number if you do not wish to do so.

SECURITIES EXCHANGE LISTINGS

CIMIC's shares are listed on the ASX and are traded under the stock code 'CIM'. The ASX home branch is Sydney, Australia. A Subsidiary, CIMIC Finance (USA) Pty Limited, has notes on issue which are listed on the Singapore Exchange.

YEAR-ON-YEAR PERFORMANCE SNAPSHOT

The five-year performance of the Group is set out in a table within the 'Company Performance' section of the Remuneration Report.

CORPORATE GOVERNANCE STATEMENT

The CIMIC Group corporate governance statement is available on our website, in the section titled Corporate Governance (www.cimic.com.au/our-approach/corporate-governance).

SUSTAINABILITY REPORT

The CIMIC Group sustainability report is available on our website at: www.cimic.com.au/our-approach/sustainability.

ANNUAL GENERAL MEETING

The 55th Annual General Meeting of the members of CIMIC will be held in the Wentworth Ballroom, Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney, New South Wales on 21 April 2016. Shareholders will be notified of the meeting and any resolutions in accordance with the Corporations Act.

SHAREHOLDER COMMUNICATIONS

Shareholder communications, including this Annual Report, are available on our website (www.cimic.com.au). CIMIC encourages shareholders to receive notification of all communications by email. Printed copies of shareholder communications are available on request by contacting +61 2 9925 6666 or visiting our website: www.cimic.com.au/enquiries-form.

Glossary

Term	Description
4Q15	Fourth quarter of the 2015 Financial Year
2H14 or 2H15	Second six month period of the relevant Financial Year
2014 Financial Year or FY14	Financial year ended 31 December 2014
2015 Financial Year or FY15	Financial year ended 31 December 2015
2016 Financial Year or FY16	Financial year ending 31 December 2016
A$ or $	Australian dollars, unless otherwise stated
AASB	Australian Accounting Standards Board
ACS or ACS Group	Actividades de Construcción y Servicios S.A.
AGM	Annual General Meeting of CIMIC's shareholders
ASIC	Australian Securities and Investments Commission
ASEAN	Association of Southeast Asian Nations
ASX	Australian Securities Exchange
ASX Principles and Recommendations	ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition)
CDP	Contract debtors portfolio provision
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Company or CIMIC	CIMIC Group Limited
Constitution	Constitution of CIMIC Group Limited dated 5 November 1998
Corporations Act	Corporations Act 2001 (Cth)
Deloitte	Deloitte Touche Tohmatsu
Devine	Devine Limited
Divestments or the divestment or sale of John Holland and Services	The John Holland sale and sale of 50% of the Group's Services businesses (refer to 'Services or Ventia' definition)
DJSI	Dow Jones Sustainability Indices
EBIT	Earnings before interest and taxes
EIP	The CIMIC Equity Incentive Plan approved by shareholders at the 2012 AGM, under which the STI and LTI programs are administered
EPS	Earnings per share
ESA	Executive service agreement
FY	Financial year
FY17	Financial year ending 31 December 2017
FY18	Financial year ending 31 December 2018
Group or CIMIC Group	CIMIC Group Limited and certain entities it controls
HLG	Habtoor Leighton Group
HOCHTIEF Australia	HOCHTIEF Australia Holdings Limited, a wholly owned subsidiary of HOCHTIEF AG
HOCHTIEF or HOCHTIEF AG	HOCHTIEF Aktiengesellschaft
John Holland or JHG	John Holland Group Pty Limited, a former wholly owned subsidiary of CIMIC
John Holland sale	In December 2014, the Group announced the successful divestment of JHG to CCCC International Holding Limited. Completion of the sale occurred on 20 April 2015
JV	Joint venture
KMP	Key Management Personnel as defined in AASB 124 Related Party Disclosures
KPI	Key performance indicators
LNG	Liquefied natural gas
LTI	Long term incentive
Moody's	Moody's Investors Service
NGER Scheme	National Greenhouse and Energy Reporting Scheme which operates under the NGER Act 2007 (Cth)
NPAT	Net profit after tax
Operating Companies	CPB Contractors, Thiess, Leighton Properties, Leighton Asia, India and Offshore, Pacific Partnerships and EIC Activities
PBT	Profit before tax
pcp	Prior comparable period
PPP	Public private partnership
SAR	Share appreciation right
Sedgman	Sedgman Limited
Services or Ventia	50:50 Partnership for CPB Contractors' and Thiess' operations and maintenance services businesses with certain funds managed by affiliates of Apollo Global Management, LLC. Completion of the transaction occurred on 31 March 2015, with the business now

	operating under the name 'Ventia'
S&P	Standard & Poor's
STI	Short term incentive
Subsidiary	Subsidiary of the Company as defined in the Corporations Act
TRIFR	Total recordable injury frequency rate
TSR	Total shareholder return
VWAP	Volume weighted average price
WIH	Work in hand

CIMIC.COM.AU

ASX / Media Release

10 FEBRUARY 2016

2015 NPAT UP 20% ON PCP[1] TO $520.4M, AT TOP OF GUIDANCE RANGE

OPERATING CASH FLOW OF $1.92BN, UP 36%

BALANCE SHEET STRENGTH ENHANCED, NET CASH OF $1.1BN[2]

FIRM ORDER BOOK, WITH WIH[3] OF $29BN

CIMIC Group today announced positive results for the 12 months to 31 December 2015 with NPAT at the top of the guidance range. Net cash was substantially higher at year end, further strengthening the balance sheet, and the Group had a firm level of work in hand. Highlights of the results were:

- NPAT of $520.4 million at the top end of the guidance range; up 20% on the prior comparable period (pcp) for the Group's continuing operations.
- EBIT and NPAT margins of 6.3% and 3.9% respectively, representing 150 and 130 basis point increases on the pcp, on revenue of $13.28 billion[4].
- Operating cash flow of $1.92 billion, up $510 million on FY14, reflects improved project performance and working capital management.
- Net cash[2] up nearly $500 million as at 31 December 2015 to over $1.1 billion.
- Positive trend in net contract debtors, down 23.7% to $1.5 billion.
- New work of $14.13 billion[5] won during 2015; firm level of work in hand of $29 billion as at 31 December 2015.
- Guidance for 2016 NPAT in the range of $520 million to $580 million, subject to market conditions.

In January 2016, CIMIC commenced an on-market share buy-back of up to 10% of its fully paid ordinary shares over 12 months. The buy-back will improve shareholder returns and enhance capital efficiency.

The Board has determined a 100% franked final dividend of 50 cents per share ($168.5 million in total based on shares on issue as at 10 February 2016) to be paid on 8 April 2016. This

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[1] Performance is for the comparable 12 month period to December 2014, which includes 50% of Ventia's profit after tax of $76.6 million, and excludes the $472.5 million ($675.0 million before tax) contract debtors portfolio provision in continuing operations. Refer to the Operating and Financial Review within the Annual Report for a reconciliation.
[2] Net cash excluding operating leases of $583.4 million.
[3] Work in hand (WIH) includes CIMIC's share of work in hand from Joint Ventures and Associates. Work in hand includes work in hand beyond five years of $1,663 million (Mining $921 million, Corporate $742 million) and 2014 has been restated to include work in hand beyond five years of $817 million (Mining $110 million, Corporate $707 million).
[4] Margin calculated on revenue excluding interest income ($89.9 million in FY15; $87.8 million in FY14).
[5] New work includes new contracts and contract extensions and variations including the impact of foreign exchange rate movements.

represents a full year payout ratio of 62% of NPAT. Due to the share buy-back the Board estimates the payout ratio will be approximately 60% of NPAT at the time the dividend is paid, consistent with our dividend policy.

CIMIC Executive Chairman and Chief Executive Officer Mr Marcelino Fernández Verdes said: "CIMIC Group performed strongly during 2015, either meeting or exceeding key financial targets.

"2015 NPAT is at the top end of our profit guidance range and we have improved margins by reducing overheads and effectively managing financial and other costs. With our enhanced tendering approach, we have won new work of more than $14 billion. Our activity-focused operating model, and increased attention to cash and cost control, delivered a solid result and has put us in a strong net cash position.

"The strength of our balance sheet has enabled us to improve our capital allocation, including making offers to acquire shares in Devine and Sedgman, and to commence an on-market share buy-back for the benefit of our shareholders.

"We have made significant improvements to CIMIC's competitive position and entered 2016 with a stronger base, ready to keep pursuing our pipeline of work and continuing to win and deliver profitable projects."

Regarding the Gorgon LNG Jetty and Marine Structures Project, it is in CIMIC's best interests to move the negotiation process with Chevron to the next stage. This may see the parties enter into an arbitration procedure in accordance with the contract.

Looking forward, CIMIC's markets offer a range of new project opportunities. There is a strong pipeline of infrastructure and mining projects relevant to CIMIC of $60 billion (60% of which is in Australia and New Zealand) which is expected to be awarded in FY16; and more than $170 billion (70% of which is in Australia and New Zealand) in FY17 and FY18. Of these figures, mining accounts for $18 billion in FY16, and, currently, more than $20 billion in subsequent years.

Since year-end, Pacific Partnerships and CPB Contractors, with their partners, were selected as the preferred proponents to deliver the first stage of Canberra's light rail project.

Mr Fernández Verdes said: "CIMIC's PPP expertise, financial strength, diverse capabilities and major project experience position us strongly for light rail and other projects in the PPP pipeline.

"We remain focused on further developing our core contracting business, and extending into new markets and exploring new value-creating opportunities within our existing and complementary areas of expertise."

ENDS

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CIMIC

FULL YEAR RESULTS 2015

Marcelino Fernández Verdes / Angel Muriel
10 February 2016

2015 financial highlights

Solid increase in NPAT[1] to $520.4m up 19.9%

- ✓ At the top end of guidance of $450-$520m
- ✓ EBIT margin 6.3%[2] up 150bp yoy and NPAT margin 3.9% up 130bp

Strong balance sheet position; net cash[3] over $1.1b (+$487m yoy)

- ✓ Net cash (including operating leases) up over $500m[4] to $528m
- ✓ Net contract debtors[5] down 24% yoy to under $1.5b, despite foreign exchange effects

Cash flow from operating activities[6] of $1.9b, up over $500m yoy

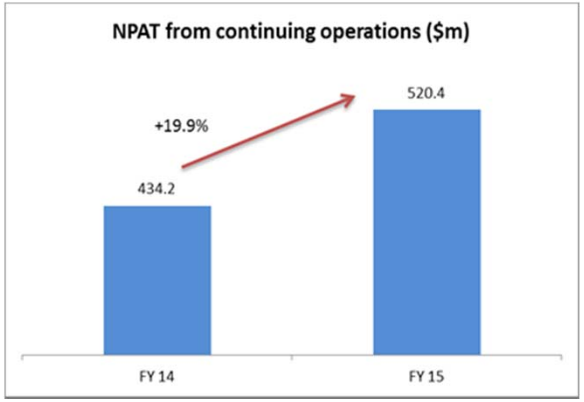
- ✓ Gross capex[7] reduced by $439m to $266m
- ✓ Free operating cash flow[8] increased by $745m to $1.2b

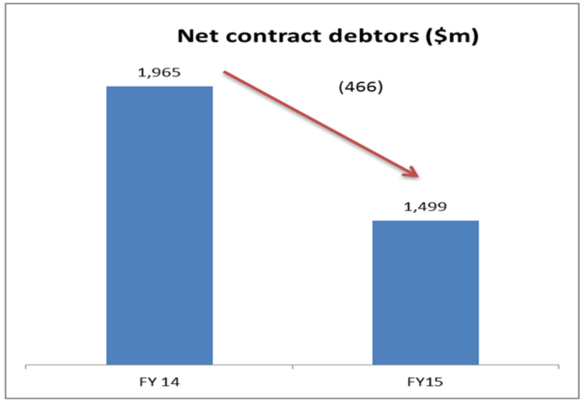
WIH[9] of $29b evolving firmly

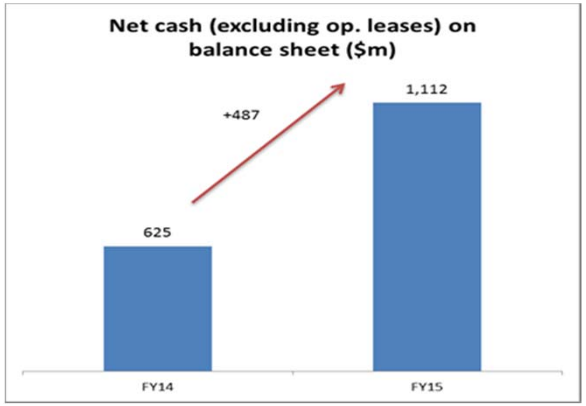
- ✓ Solid level of new work[10] of $14.1b FY15
- ✓ Strong pipeline[11] of infrastructure and mining projects expected to be awarded (≈ $60b in FY16, 60% in Australia and New Zealand; ≈ $170b in FY17 and FY18, 70% in Australia and New Zealand)

2016 NPAT guidance in the range of $520-$580m

- ✓ Focus on sustainable level of profits and cash flow
- ✓ Continue to further diversify by geography (new markets) and commodity (contract mining)
- ✓ Robust balance sheet flexibility to pursue future growth and potential market opportunities
- ✓ Strong focus on risk management unchanged



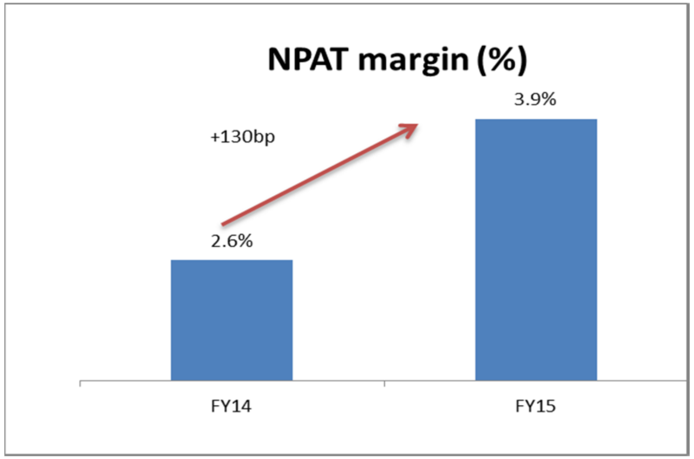




Improved operating results

Improved operating results

- ✓ NPAT $520m up 19.9% yoy (margin 3.9% up 130bp yoy)
- ✓ PBT $735m up 11.2% yoy (margin 5.5% up 160bp yoy)
- ✓ EBIT $839m up 3.2% yoy (EBIT margin 6.3% up 150bp yoy)
  - ✓ Both construction and contract mining showed improved margins and profit
  - ✓ Significant margin enhancement due to improved project delivery
  - ✓ Substantial fall in net financial cost



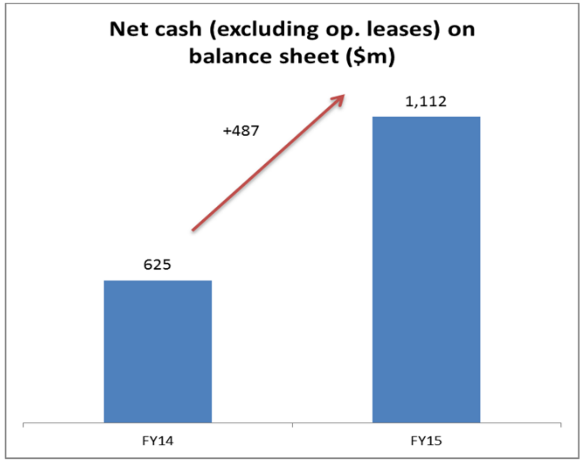
Financial Performance ($m)	FY14 Comparable	FY15	Chg. % FY
Group Revenue[12]	*18,406.0*	*16,218.7*	*(11.9%)*
Revenue Joint Venture and Associates	*(1,530.2)*	*(2,848.0)*	*86.1%*
Revenue	*16,875.8*	*13,370.7*	*(20.8%)*
Interest income	*(87.8)*	*(89.9)*	*2.4%*
Revenue excluding interest	**16,788.0**	**13,280.8**	**(20.9%)**
EBIT	**813.1**	**838.9**	**3.2%**
EBIT margin	***4.8%***	***6.3%***	***150bp***
Net finance costs[13]	(152.2)	(103.9)	(31.7%)
Profit before tax	**660.9**	**735.0**	**11.2%**
PBT margin	***3.9%***	***5.5%***	***160bp***
Income tax	(224.6)	(220.6)	(1.8%)
Profit for the year	436.3	514.4	17.9%
Non-controlling interests	(2.1)	6.0	(385.7%)
NPAT from continuing operations	**434.2**	**520.4**	**19.9%**
NPAT margin	***2.6%***	***3.9%***	***130bp***
NPAT from discontinued operations	714.8	-	
Profit for the year attributable to members	1,149.0	520.4	

Balance sheet strength enhanced

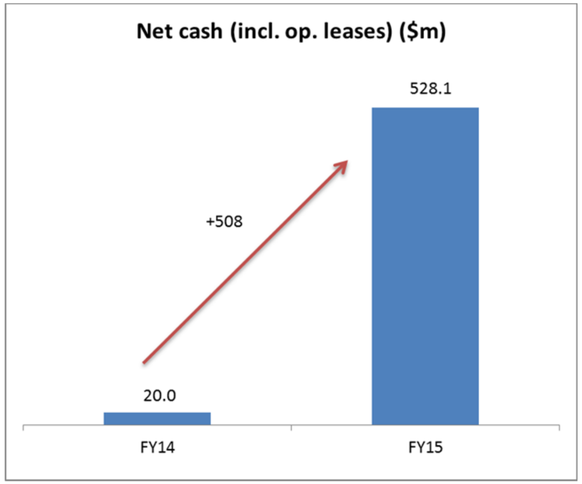
Strong net cash position achieved
- ✓ Net cash (excluding operating leases) up nearly $500m yoy to over $1.1b
- ✓ Net cash (including operating leases) up over $500m to $528m
- ✓ Improvement due to strong operating cash inflows and working capital management

Significant reduction in net contract debtors of $466m
- ✓ Net contract debtors reduced to under $1.5b
- ✓ Adjusting for foreign exchange effect, reduction even greater

Important reduction in finance costs
- ✓ Net finance costs reduced from $152m to $104m
- ✓ Avg. cost of debt reduced by
  - ✓ Reduction of margin in working capital and bonding facilities
  - ✓ Debt buy back (one-off cost in 1H15)
  - ✓ Efficient financial management



Balance sheet ($m)	December 2014 Proforma	December 2015	Chg. % FY	Chg. FY
Net cash	624.8	1,111.5	77.9%	486.7
Operating leases	(604.8)	(583.4)	(3.5%)	21.4
Net cash (incl. op. leases)	**20.0**	**528.1**	**2,540.5%**	**508.1**
Net contract debtors	1,965.1	1,499.2	(23.7%)	(465.9)

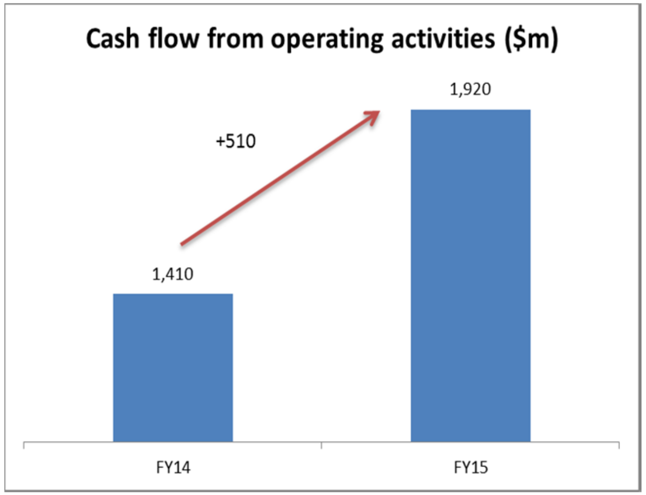


Substantial improvement in cash flow from operating activities

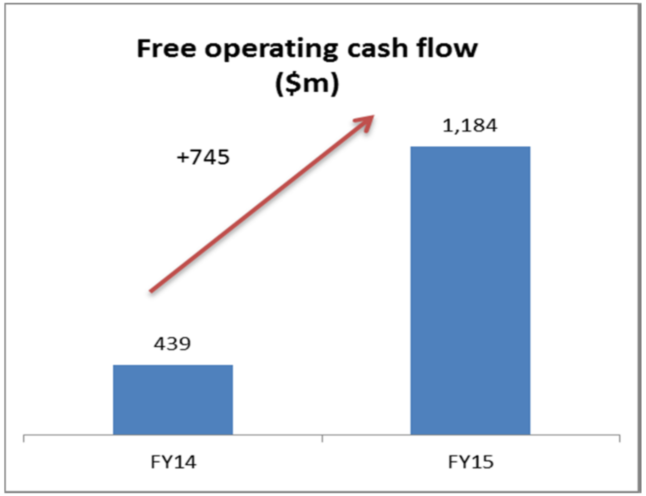
Cash flow from operating activities $1.9b up over $500m yoy
- ✓ improved working capital management
- ✓ cash focus discipline

Gross capex reduced by $439m to $266m

Free operating cash flow of nearly $1.2b, an increase of $745m



$m	December 2014	December 2015	Chg. % FY	Chg. FY
Cash flow from operating activities	1,409.8	1,919.6	36.2%	509.8
Interest, finance costs, taxes and dividend received	(266.0)	(469.4)	76.5%	(203.4)
Net cash from operating activities	**1,143.8**	**1,450.2**	**26.8%**	**306.4**
Gross capital expenditure	(705.1)	(266.3)	(62.2%)	438.8
Free operating cash flow	**438.7**	**1,183.9**	**169.9%**	**745.2**



Firm level of WIH

CIMIC

Firm level of work in hand of $29b

- ✓ Several major contract wins, domestically and internationally e.g.:
  - ✓ $4.3b new M5 Motorway in NSW (JV w/ Dragados & Samsung; $1.5b CIMIC's share)
  - ✓ $2.7b M4 East Motorway in NSW ($0.9b CIMIC's share)
  - ✓ $1.3b contract extension at Lake Vermont coal mine in QLD
  - ✓ $1.2b contract to develop a boundary control point in Hong Kong
  - ✓ $1b contract extension at Ukhaa Khudag coal mine in Mongolia

Solid new work

- ✓ Firm level of new work at $14.1b FY15 (FY14 $14.7b)
- ✓ Disciplined bidding approach

Strong longer-term tender pipeline

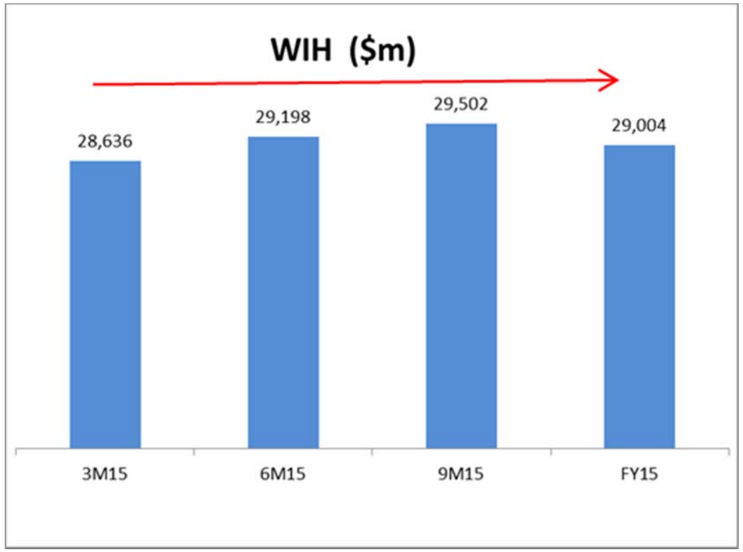
Strong project opportunities in our markets

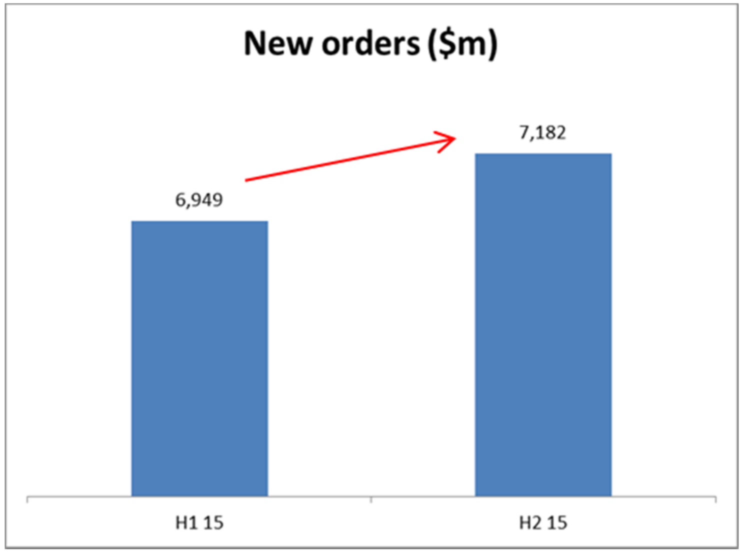
- ➢ ≈ $60b in FY16, 60% Australia and New Zealand ($18b in mining)
- ➢ ≈ more than $170b, 70% Australia and New Zealand, in subsequent years (more than $20b in mining)

Our PPP expertise, financial strength, diverse capabilities and major project experience position us strongly for light rail and other projects in the PPP pipeline.

- ➢ Pacific Partnerships and CPB Contractors were selected, with their partners, as the preferred proponents to deliver the first stage of Canberra's light rail project

- ✓ CIMIC will pursue major domestic and international PPP tenders such us:
  - ✓ Grafton Prison in NSW
  - ✓ Puhoi to Warkworth project in New Zealand
  - ✓ Melbourne Metro in VIC; Parramatta and Perth MAX Light Rail in NSW and WA
  - ✓ Canberra Hospital Redevelopment in ACT
  - ✓ NZ Schools bundle 3 in New Zealand
  - ✓ Singapore Marina East desalination plant





FY15 shareholder returns and FY16 guidance

Shareholder returns

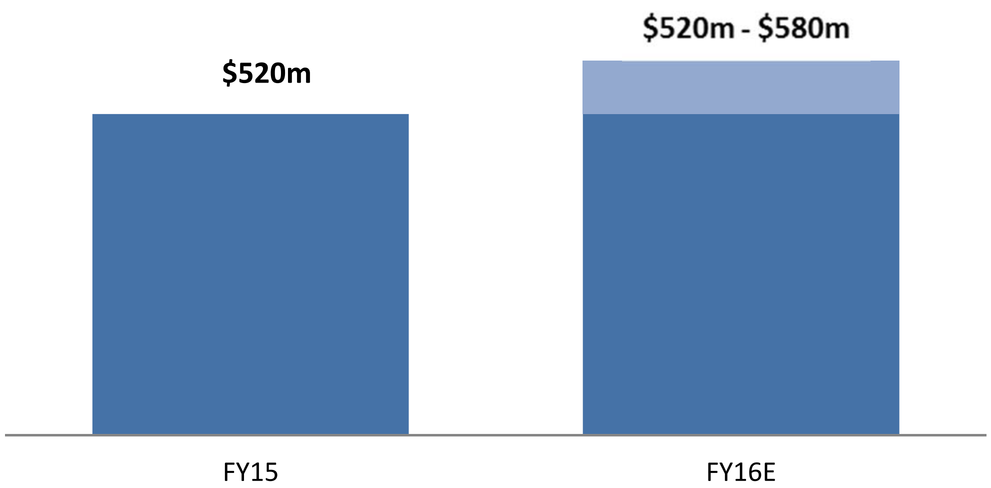
2015 dividend

- ✓ Final ordinary dividend for the year of 50 cents per share ($168.5m)[15], franked at 100%, to be paid on 8 April 2016
- ✓ This represents a full year payout ratio of approx. 60%[14]

On-market share buy-back on-going

- ✓ Buy-back of up to 10% of shares being carried out over a 12 month period
- ✓ Provides on-going benefits to shareholders through improved returns[16]

FY16 NPAT guidance in the range of $520-$580m



Strategic update

CIMIC

The Group is shaping its own destiny

Capital management

- ✓ Transactions:
  - Off-market takeover bid for share in Devine: Increased stake (59.1%); new CEO (a former CIMIC Group executive) and Board members appointed
  - Offer in progress for Sedgman[17]
- ✓ Share buy-back ongoing

Organic growth

- ✓ Winning our fair share of construction and mining projects given our strong competitive position
- ✓ Further expansion in PPP sector, given the current high demand for PPP projects in Australia Pacific and Asia
- ✓ Further development of FleetCo
- ✓ Diversification by commodity and activity in our existing markets and geographies and expansion into other countries

New opportunities

- ✓ Strengthened balance sheet allows CIMIC to evaluate market growth options

APPENDICES - FULL YEAR RESULTS 2015

Marcelino Fernández Verdes / Angel Muriel

10 February 2016

Financial Performance Reconciliation

Financial performance $m	FY14 Reported	CDP[18] Adjustment	50% Services Adjustment	FY14 Comparable	FY15
Group Revenue	18,406.0			18,406.0	16,218.7
Revenue Joint Ventures and Associates	(1,530.2)			(1,530.2)	(2,848.0)
Revenue	16,875.8			16,875.8	13,370.7
Interest revenue	(87.8)			(87.8)	(89.9)
Revenue excluding interest revenue	**16,788.0**			**16,788.0**	**13,280.8**
Expenses	(16,743.3)	675.0		(16,068.3)	(12,427.4)
Share of profit / (loss) of JVs & Associates	16.8		76.6	93.4	(14.5)
EBIT	61.5	675.0	76.6	813.1	838.9
EBIT margin[2]	0.4%			4.8%	6.3%
Net finance costs[13]	(152.2)			(152.2)	(103.9)
Profit before tax	(90.7)	675.0	76.6	660.9	735.0
PBT margin[2]	(0.5%)			3.9%	5.5%
Income tax	(22.1)	(202.5)		(224.6)	(220.6)
Profit for the year	(112.8)	472.5	76.6	436.3	514.4
Non-controlling interests	(2.1)			(2.1)	6.0
NPAT from continuing operations	**(114.9)**	**472.5**	**76.6**	**434.2**	**520.4**
NPAT margin	(0.7%)			2.6%	3.9%
NPAT from discontinued operations	791.4		(76.6)	714.8	-
Profit for the year attributable to members	**676.5**	**472.5**	**-**	**1,149.0**	**520.4**

Strong improvement in cash flow from operating activities

CIMIC

$m	December 2014	December 2015	Chg. % FY
Cash flow from operating activities	1,409.8	1,919.6	36.2%
Interest, finance costs, taxes and dividend received	(266.0)	(469.4)	76.5%
Net cash from operating activities	**1,143.8**	**1,450.2**	**26.8%**
Gross capital expenditure	(705.1)	(266.3)	(62.2%)
Free operating cash flow	**438.7**	**1,183.9**	**169.9%**

$m	December 2014	December 2015	Chg. % FY
Net cash from operating activities	**1,143.8**	**1,450.2**	**26.8%**
Gross capital expenditure	(705.1)	(266.3)	(62.2%)
Proceeds from sale of property, plant and equipment	81.8	156.2	91.0%
Proceeds from sale of investments	33.7	-	-
Proceeds from sale of investment in controlled entities	-	1,671.0	-
Income tax paid in relation to proceeds from sale of investments in controlled entities	-	(263.0)	-
Payments for investments in controlled entities	(110.0)	-	-
Cash disposed from sale of investments in controlled entities	(420.5)	-	-
Payments for investments	(1.9)	(35.1)	1,747.4%
Payments for intangibles	(28.3)	(15.2)	(46.3%)
Cash flow from investing activities	**(1,150.3)**	**1,247.6**	**(208.5%)**
Proceeds from share issues	23.9	-	-
Repayments of borrowings	(678.6)	(2,915.4)	329.6%
Proceeds from borrowings	1,458.2	871.2	(40.3%)
Repayments of finance leases	(181.7)	(124.7)	(31.4%)
Dividends paid to owners of the company	(395.6)	(385.9)	(2.5%)
Cash payments in relation to employee share plans	(25.9)	(4.1)	(84.2%)
Dividends paid to non-controlling interest	(0.3)	-	-
Cash flow from financing activities	**200.0**	**(2,558.9)**	**-**

FY15 Group and divisional profitability

CIMIC

CIMIC Group

- ✓ Construction and contract mining operations delivered strong increases in PBT contributions and margins

Construction

- ✓ EBIT $661.1m (+14.7% pcp), margin expanded to 6.9%
- ✓ Increased PBT contribution of $649.2m (+17.8% on pcp)
  - ✓ focus on more profitable work and stricter bidding discipline
  - ✓ strong domestic operations performance by CPB Contractors
  - ✓ transformation of business culture
- ✓ Pipeline ≈ $42b in FY16 and ≈ $150b in FY17 and FY18

Contract mining

- ✓ EBIT $240.9m (+24.6% pcp), margin expanded to 7.9%
- ✓ Increased PBT contribution of $225.0m (+30.1% on pcp)
  - ✓ Thiess' success in focusing on productivity
  - ✓ enhanced competitiveness by improved productivity
  - ✓ planning improvements
  - ✓ generating savings
- ✓ Pipeline ≈ $18b in FY16 and ≈ more than $20b in subsequent years

Group revenue **$m**	**FY14** **Comparable**	**FY15**
Construction	12,431.0	9,514.0
Contract mining	3,973.0	3,063.6
HLG	763.9	1,191.7
Commercial & residential	1,027.3	1,100.7
Corporate	210.8	1,348.7
Group Revenue	18,406.0	16,218.7
Revenue Joint Ventures and Associates	(1,530.2)	(2,848.0)
Revenue	16,875.8	13,370.7
Interest revenue	(87.8)	(89.9)
Revenue excluding interest revenue	**16,788.0**	**13,280.8**

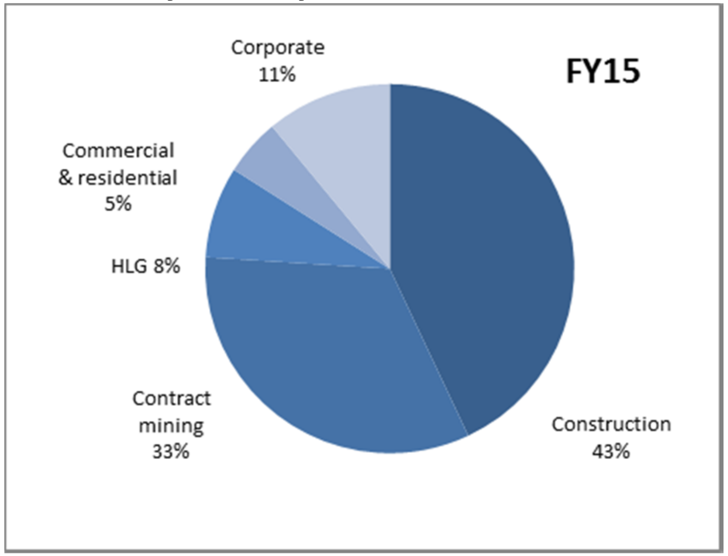
Profit before tax **$m**	**FY14** **Comparable**	**FY15**
Construction	551.0	649.2
Contract mining	173.0	225.0
HLG	28.8	17.9
Commercial & residential	58.8	70.5
Corporate[19]	(150.7)	(227.6)
Total profit before tax	**660.9**	**735.0**

Profit before tax margins[20] **%**	**FY14** **Comparable**	**FY15**
PBT construction margin	4.4%	6.8%
PBT contract mining margin	4.4%	7.3%

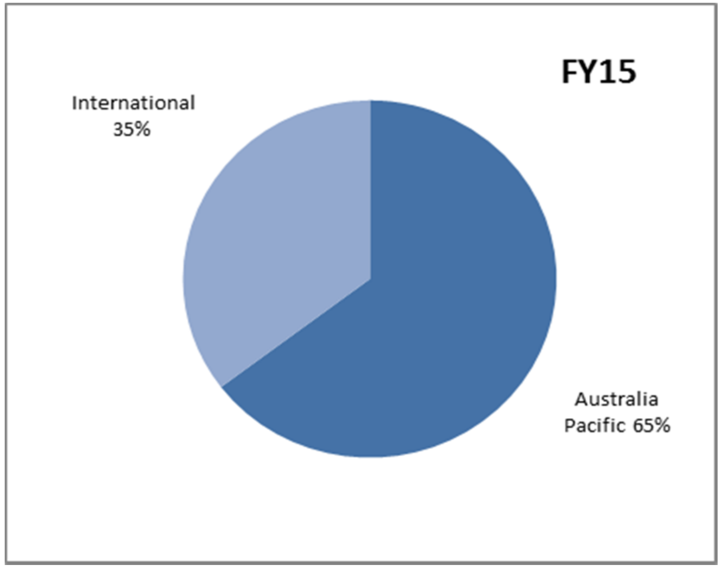
WIH by activities and markets

FY15

% WIH by activity

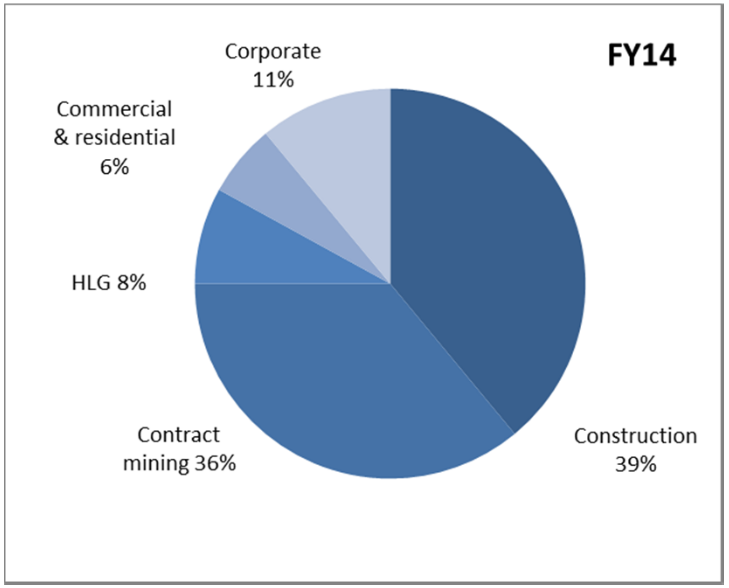


% WIH by market

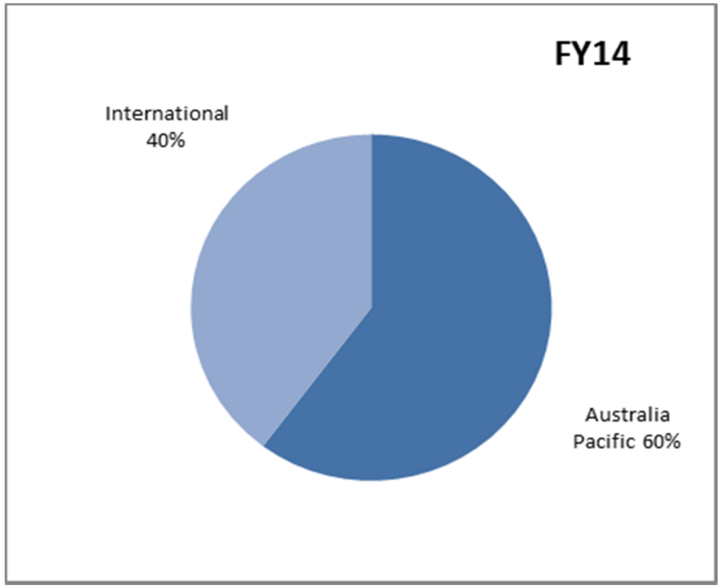


FY14

% WIH by activity



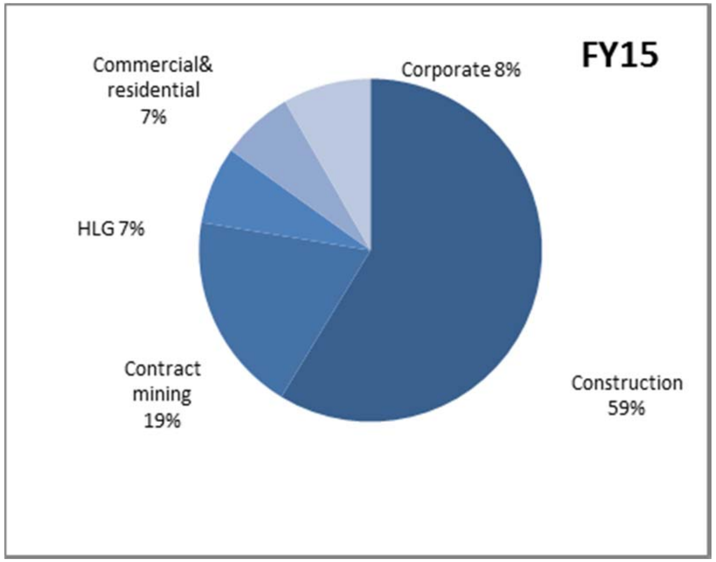
% WIH by market



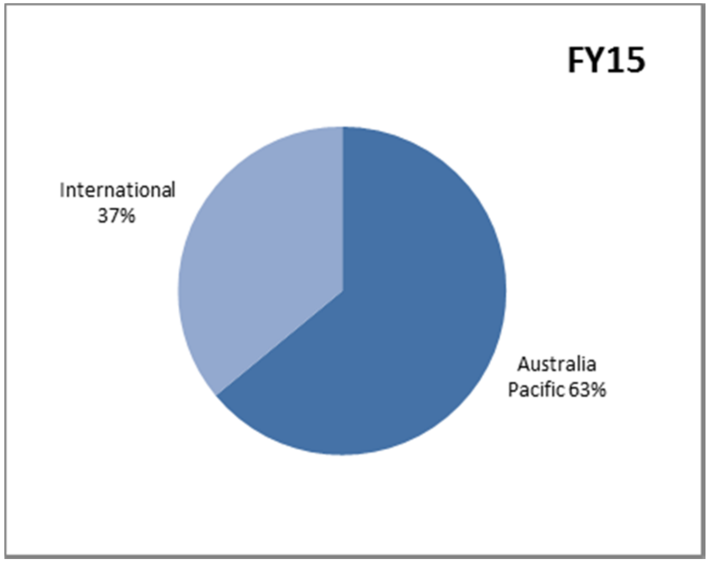
Revenue by activities and markets

FY15

% Revenue by activity

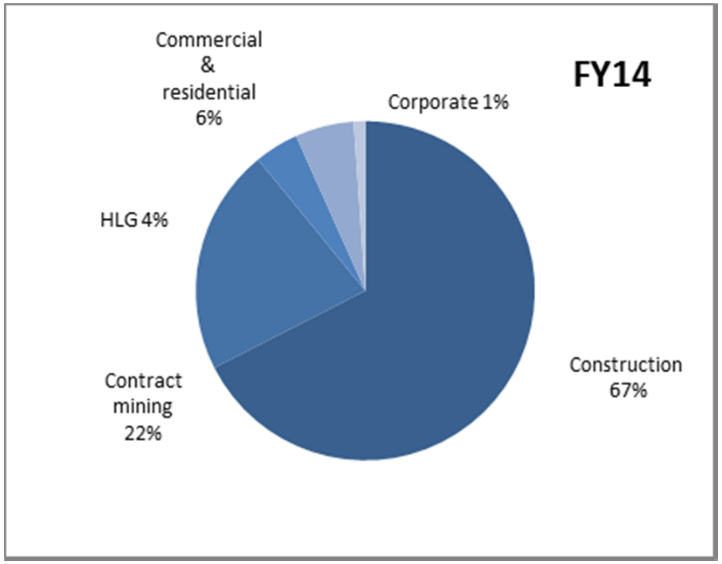


% Revenue by market

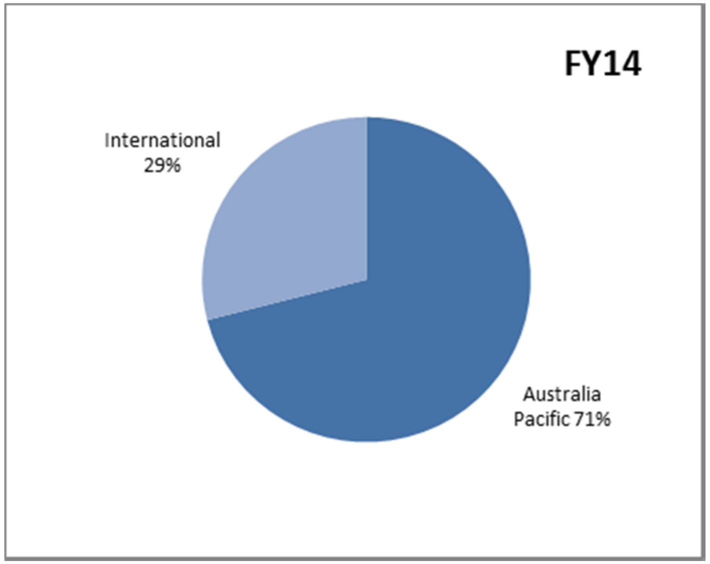


FY14

% Revenue by activity

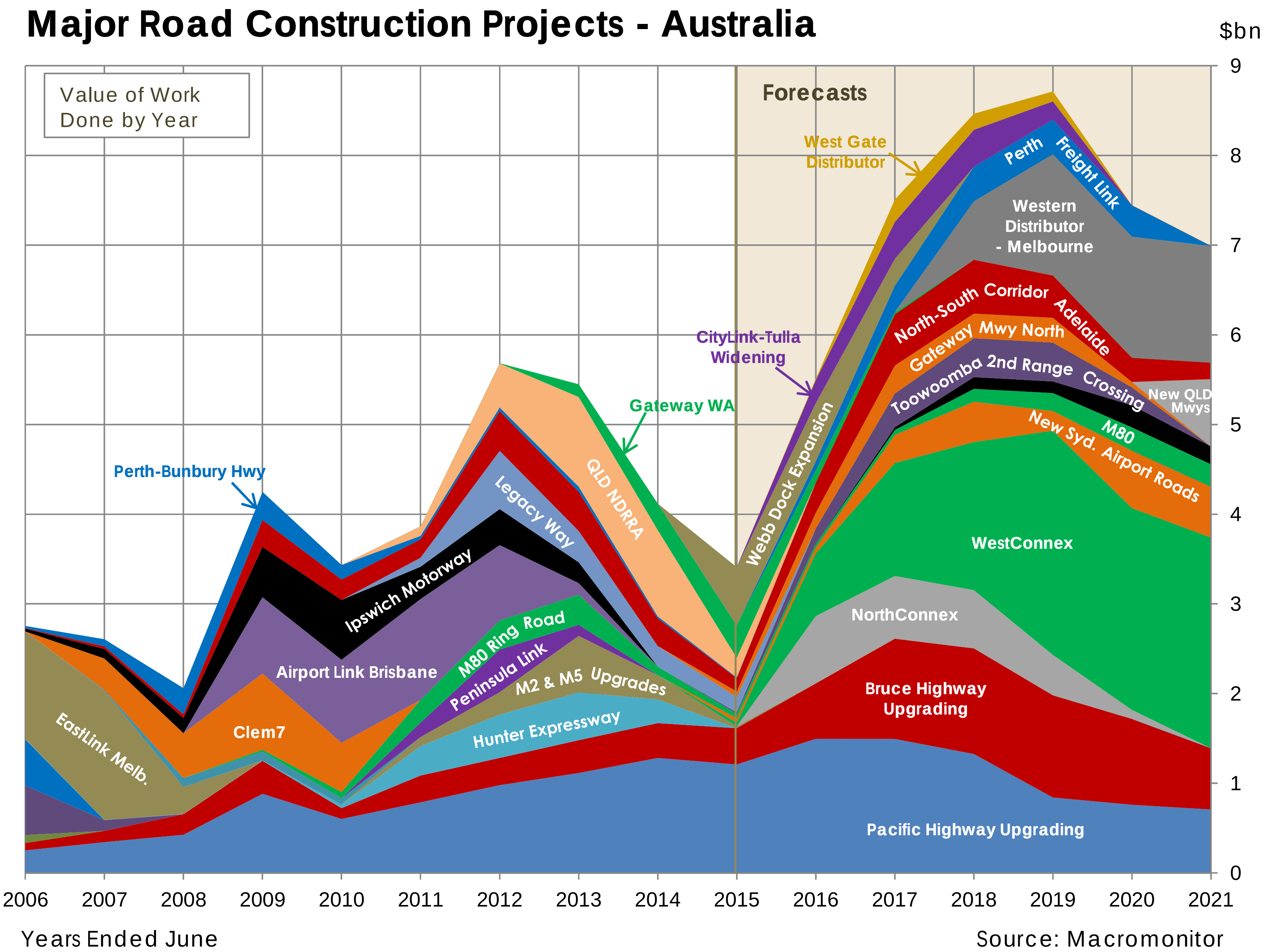


% Revenue by market

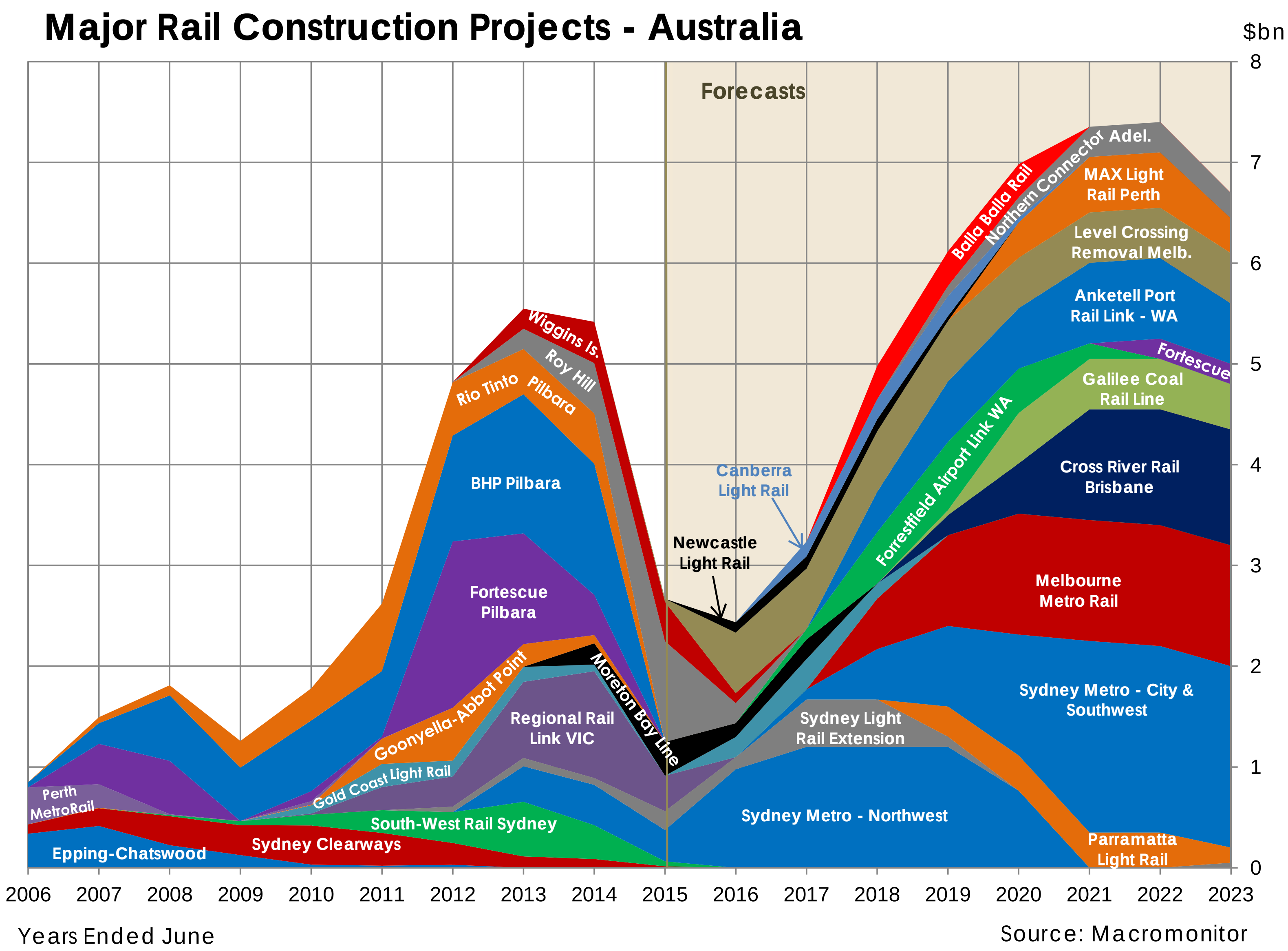


Australian construction outlook

CIMIC



Australian construction outlook



Group structure

CIMIC Group Limited (ASX: CIM) is one of the world's leading international contractors and the world's largest contract miner. CIMIC (previously Leighton Holdings) 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, 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, Sub-Saharan Africa and South America and, as at 31 December 2015, employed approximately 43,400 people directly and through its proportional ownership of HLG and Ventia.

Construction

Leading international construction contractors.

Delivering projects across the construction industry, including roads, rail, tunnelling, defence and building.

CPB Contractors (formerly Leighton Contractors) launched its new name and brand in January 2016. The Leighton Asia name is unchanged.

Mining

Thiess is the world's largest contract miner operating at 24 mines across six countries. Flexible and scalable in approach, Thiess' broad capabilities encompass mine planning, operations and technical services, continuous mining systems, mobile plant management, product handling and processing and mine infrastructure.

Thiess has long-term mining contracts in coal and iron ore, as well as gold, diamonds, nickel and copper.

PPPs

Pacific Partnerships is the CIMIC Group's PPP arm. It develops and invests in infrastructure projects built by CIMIC's operating companies and is a long-term partner to clients through the provision of operation and maintenance services throughout the life of the asset.

After the construction and ramp-up phases of PPP projects are complete, the Group's equity investments may be recycled by selling them in part or in full or will be retained on the balance sheet and form the basis for an efficient investment portfolio. A similar model for resources sector projects is also envisaged under a Build-Operate-Transfer model.

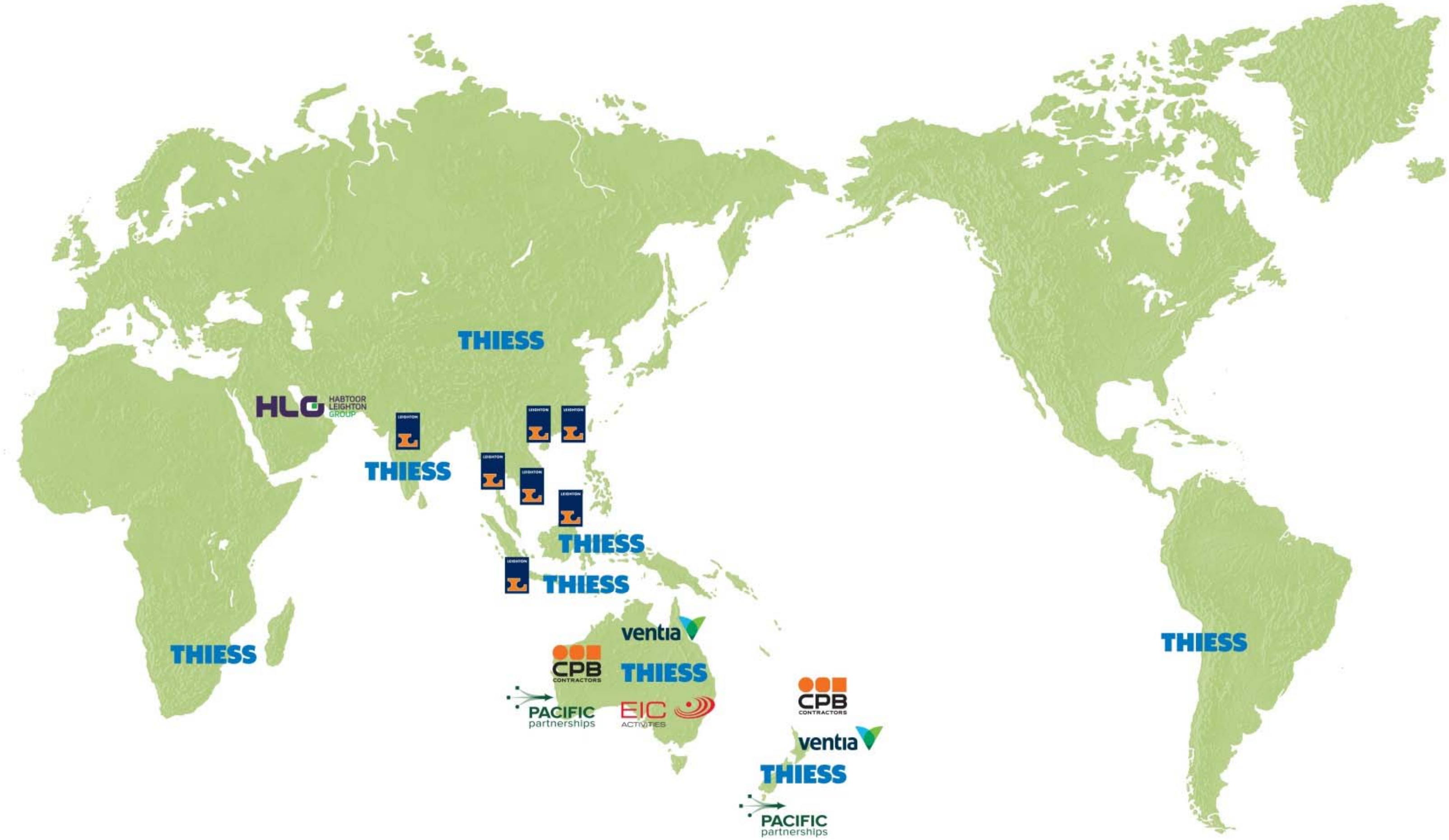
Engineering

EIC Activities is the CIMIC Group's engineering business.

It provides specialist design, technical support, research and technology for Group projects and enhances the Group's ability to mitigate and manage risk.

EIC undertakes substantial concept design and construction reviews for Group projects, identifying critical risks and providing engineering solutions to complex technical problems.

Group market position



F/X rates

	End of the period			
	December 2014	December 2015	Spot	Chg. % FY
AUD/USD	0.81	0.73	(0.08)	(9.9%)
AUD/EUR	0.67	0.67	-	-

	Period average 2015			
	FY14	FY15	Average	Chg. % FY
AUD/USD	0.90	0.75	(0.15)	(16.7%)
AUD/EUR	0.68	0.67	(0.01)	(1.5%)

[1]Performance is to the comparable 12 month period to December 2014, which includes 50% of Ventia's profit after tax of $76.6 million, and excludes the $472.5 million ($675.0 million before tax) contract debtors portfolio provision in continuing operations. Refer to the Operating and Financial Review within the Annual Report for a reconciliation.
[2]Margin calculated on revenue excluding interest income of $89.9 million in FY15 (FY14: $87.8 million).
[3]Net cash excluding operating leases.
[4]Proforma financial position as at 31 December 2014 showed the financial position after receipt of cash from divestments of $1,643.2 million.
[5]Net contract debtors represents the net of amounts due from customers and amounts due to customers. (Refer to Financial Statements 'Note 8: Trade and Other Receivables – Additional information on contract debtors'.)
[6]Cash flow from operating activities before interest, finance cost, taxes and dividends received.
[7]Gross capital expenditure is payments for property, plant and equipment.
[8]Free operating cash flow is net cash from operating activities including gross capital expenditure.
[9]Work in hand includes CIMIC's share of work in hand from Joint Ventures and Associates. Work in hand includes work in hand beyond five years of $1,663 million (Mining $921 million, Corporate $742 million) and 2014 has been restated to include work in hand beyond five years of $817 million (Mining $110 million, Corporate $707 million).
[10]New work includes new contracts and contract extensions and variations including the impact of foreign exchange rate movements.
[11]Relevant to CIMIC.
[12]Group Revenue includes revenue from Joint Ventures and Associates of $2,848.0 million (FY14: $1,530.2 million) and interest income of $89.9 million (FY14: $87.8 million).
[13]Net finance cost includes interest income of $89.9 million (FY14: $87.8 million) and finance costs of $193.8 million (FY14: $240.0 million).
[14] Due to the share buy-back the estimates the payout ratio will be approximately 60% of NPAT by the time the dividend is paid, consistent with our dividend policy.
[15]As at 18 January 2016, 1,493,291 shares (representing 0.44% of total CIMIC shares outstanding) had been bought back. Shares subject to buy back are cancelled on a daily basis.
[16]10% buy-back plan will improve future EPS by more than 6% according to CIMIC's estimates.
[17]On 13 January 2016, CIMIC announced its intention to acquire the shares in Sedgman that it did not already own (63.01%). CIMIC is seeking to increase its shareholding in Sedgman to a level where it can better support the future direction of Sedgman. CIMIC intends to continue the business of Sedgman including the company's plans for increasing market and commodity diversification. The Sedgman offer is in progress and we will update the market as required. As at 5 February 2016, CIMIC's shareholding in Sedgman had increased to 46.44% through purchasing shares on market.
[18]Contract debtors portfolio provision.
[19] FY14 comparable corporate segment includes 50% of Ventia's profit after tax of $76.6 million and excludes $675.0 million contract debtors portfolio provision.
[20]Margins calculated on revenue including Joint Ventures, Associates and interest.