

ASX Announcement

12 May 2017

INDICATIVE AND NON-BINDING PROPOSAL – MARKET EARNINGS UPDATE

Seymour Whyte Limited (ASX:SWL) ('Seymour Whyte' or 'the Company') refers to its announcements on 16 and 28 March 2017 and 28 April 2017 ('Prior Announcements') in relation to an indicative, non-binding and conditional proposal ('Indicative Proposal') from VINCI Construction International Network ('VINCI') to acquire 100 per cent of the Company's issued shares and associated exclusivity arrangements agreed between VINCI and Seymour Whyte.

Following approximately five weeks of due diligence, VINCI has now updated its Indicative Proposal to a total cash consideration of AU\$1.285 per ordinary share. A special dividend is expected to be incorporated as part of this total cash consideration. This has the potential to unlock an additional AU\$0.20 of value in franking credits for those shareholders who can capture the full benefit of them, noting Seymour Whyte's current franking credit balance is approximately AU\$17.8 million.

VINCI's updated Indicative Proposal is below the initially proposed range and reflects Seymour Whyte's reduced FY17 financial performance during the due diligence period. Based on the currently available information, the Company anticipates that its FY17 financial performance, net profit after tax, will be in the range of the prior year's results and breakeven.

Contributing factors to this anticipated result include planned investment in the Company's *2020 Strategic Plan* for geographical expansion and pursuit of more design and construct opportunities, impacts of a previously reported negative project (now completed), and significant transaction costs in relation to the Indicative Proposal. These have been further compounded by revenue being deferred to the FY18 financial period due to project delays from adverse weather conditions in March including Cyclone Debbie, as well as postponement of contract awards.

Seymour Whyte remains optimistic about the longer term outlook for the Company as it continues to target an improved position in FY18 and beyond. Its civil infrastructure division has shown substantial improvement in profitability under its *2020 Strategic Plan*. While its utilities infrastructure division is facing challenges on the East Coast, it is performing strongly in Western Australia and is currently pursuing several strategic opportunities. The Company has a secured strong order book of approximately AU\$535 million and is tendering for major contract opportunities in excess of AU\$1.5 billion for delivery from FY18.

VINCI's updated Indicative Proposal remains subject to several conditions including remaining confirmatory due diligence. Importantly, the Indicative Proposal also remains conditional upon VINCI and Seymour Whyte entering into a scheme implementation agreement on mutually acceptable terms, to be agreed.

The Company and VINCI have agreed that the exclusivity arrangements that were announced to ASX on 28 March 2017 will remain in place until 16 June 2017.

There is no certainty that the Indicative Proposal and outstanding due diligence investigations by VINCI will result in any binding offer for Seymour Whyte's shares. The Board cautions shareholders not to make any decisions about Seymour Whyte shares on the assumption that a transaction will proceed. Seymour Whyte shareholders do not need to take any action in response to the Indicative Proposal at this stage.

Seymour Whyte will continue to inform the market on any further developments in accordance with its continuous disclosure obligations.

Investec Australia Limited and Corrs Chambers Westgarth are acting as Seymour Whyte's financial and legal advisers, respectively.

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Note to editors: Seymour Whyte Limited is an ASX-listed company providing civil and utilities infrastructure services across Australia. Seymour Whyte Limited is the holding company of Seymour Whyte Constructions Pty Ltd and Rob Carr Pty Ltd.