



10 April 2013

Australian Stock Exchange Announcement

The Manager
Company Announcements Office
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

CIC Australia Limited ("CIC") today announced that it has entered into a Bid Implementation Agreement ("BIA") with Peet Limited ("Peet"), pursuant to which Peet will make an off-market takeover bid for all the outstanding shares in CIC for a cash price of \$0.60 per share ("Offer"). The offer price is on an ex-dividend basis, meaning that CIC shareholders who accept the Offer will be entitled to retain the fully franked dividend of \$0.03 per share to be paid in May 2013.

Peet has separately announced today that the Offer will be subject to a limited number of conditions, including a minimum acceptance condition of 50.1%. Full details of the conditions of the Offer are set out in Peet's announcement to the ASX and in the BIA, a copy of which was attached to Peet's announcement.

In February 2011, CIC's 73% shareholder, Guinness Peat Group plc ("GPG"), announced it would undertake an orderly value realisation of its investment portfolio over time. In light of the strategy outlined by its major shareholder, CIC's Board has engaged with a number of third parties in relation to the development of proposals that could provide liquidity for CIC shareholders.

The Offer represents the culmination of these discussions, and reflects:

- a 4.8% discount to the closing market price of CIC shares on 9th April 2013;
- a 9.9% premium to the volume weighted average price of CIC shares in the six months to 9th April 2013¹; and
- a 4.8% discount to CIC's cum-adjusted NTA of \$0.63².

The majority of CIC's Directors recommend that CIC shareholders **accept** the Offer, subject to no superior proposal being forthcoming.

¹ Adjusted for the 3 cent final dividend. CIC traded ex-dividend on 8 April 2013

² Last stated NTA of \$0.66, adjusted for 3 cent final dividend payable in May 2013.

Two of CIC's Directors, Mr Col Alexander and Mr Maurice Loomes, have determined to make no recommendation in relation to the Offer, on the basis that there are a number of factors in favour of either accepting or not accepting the Offer.

However, both Mr Alexander and Mr Loomes support the Offer being put to CIC shareholders so that shareholders can make their own decisions based on the information to be provided in Peet's Bidder's Statement, CIC's Target's Statement, and their individual positions. Mr Alexander has indicated that he intends to accept the Offer in relation to CIC shares held directly or indirectly by him in the absence of a superior proposal.

Peet has entered into pre-bid arrangements with GPG pursuant to which GPG will accept into the Offer for a 19.9% interest in CIC, or by direct sale to Peet.

It is expected that the Peet Bidder's Statement will be lodged with ASIC and released to ASX this week and the Bidder's Statement is expected to be dispatched to CIC Shareholders as soon as practicable thereafter.

CIC is currently preparing its Target's Statement, which will contain detailed reasons for the recommendation from the majority of the CIC Board, in addition to detailed factors that shareholders should consider in deciding to either accept or not accept the Offer. It is expected that the Target's Statement will be dispatched to CIC shareholders in late April 2013.

The BIA contains a number of provisions in relation to exclusivity arrangements including non-solicitation of competing proposals, break fees and liability for breaches of the BIA.

CIC has been advised by Fort Street Advisers and Baker & McKenzie.

For inquiries, contact:

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