



24 April 2013

Australian Stock Exchange Announcement

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

CNB Target's Statement

In accordance with item 14 of section 633(1) of the Corporations Act, we enclose a copy of CIC Australia Limited's Target's Statement in relation to Peet Limited's off-market takeover bid for all of the fully paid ordinary shares in CIC Australia Limited.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Col Alexander', written over a horizontal line.

Col Alexander
Managing Director and Chief Executive Officer
CIC Australia Limited

For inquiries, contact:
Col Alexander
Managing Director and Chief Executive Officer
Telephone 02 6230 0800
Email: col.alexander@cicaustralia.com.au



Target's Statement

This Target's Statement has been issued by
CIC Australia Limited (ABN 92 003 157 515)
in response to a takeover offer made by
Peet Limited (ABN 56 008 665 834)

**The Majority Directors of CIC
recommend that you**

ACCEPT the Offer
for your Shares in the absence of a superior proposal

This is an important document and requires your immediate attention.
If you are in any doubt as to how to deal with this document, you should consult your
broker or financial, legal or other professional adviser as soon as possible.

You should call 1800 815 610 (toll free for callers within Australia) or +61 2 8256 3357
(callers outside Australia), Monday to Friday between 9.00am and 5.00pm (Sydney
time), if you have any questions or require assistance.

Financial Adviser



Legal Adviser

BAKER & MCKENZIE

Important Information

This is a Target's Statement issued by CIC Australia Limited (**CIC**) in response to the Bidder's Statement issued by Peet Limited (**Peet**).

This Target's Statement is an important document and you should read it in its entirety before deciding whether to accept the Offer.

Key dates

Date of announcement of the Offer	10 April 2013
Date of Bidder's Statement lodged with ASIC	11 April 2013
Date of Offer	16 April 2013
Date of this Target's Statement	24 April 2013
Closing Date of the Offer (unless extended or withdrawn)*	24 May 2013

*Note: The Closing Date of the Offer may change as permitted by the Corporations Act. Any changes to the above timetable will be announced through the ASX website at www.asx.com.au under the ASX code CNB.

ASIC and ASX

A copy of this Target's Statement was lodged with ASIC on 24 April 2013 and sent to ASX on the same date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Target's Statement.

Investment decision

The information contained in this Target's Statement does not constitute financial product advice and this Target's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Shareholder. You should seek independent financial and taxation advice before making the decision whether to accept or reject the Offer.

Forward looking statements

This Target's Statement may contain forward looking statements which have not been based solely on historical facts, but are rather based on CIC current expectations about future events. Such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of CIC, its officers or any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement make any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events, or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any such statement.

The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

Risks

There are a number of risks which may affect the performance of CIC. Some of these risks are discussed in Section 8 of this Target's Statement.

Information on Peet

Except where disclosed otherwise, the information on Peet in this Target's Statement has been obtained from the Bidder's Statement and using publicly available information as at the date of this Target's Statement.

CIC has not commented on or verified any of the information relating to Peet in this Target's Statement. CIC does not, to the maximum extent permitted by law, make any representation or warranty (express or implied), nor assume any responsibility, as to the accuracy or completeness of such information. The information on Peet in this Target's Statement should not be considered to be comprehensive.

Notice to Foreign Shareholders

The distribution of this Target's Statement may in some countries be restricted by law or regulation. Accordingly, persons who come into possession of this Target's Statement should inform themselves of and observe those restrictions. This Target's Statement does not constitute a recommendation in any jurisdiction in which, or to any person to whom, it would be unlawful to make such a recommendation.

Privacy statement

CIC has collected your information from the Share Registry for the purpose of providing you with this Target's Statement. The type of information CIC has collected about you includes your name, contact details and information on your Shareholding in CIC. The Corporations Act requires the name and address of Shareholders to be held in a public register.

CIC has also provided or will provide personal information about its Shareholders to Peet in accordance with the Corporations Act and the ASX Settlement Operating Rules. Peet states in the Bidder's Statement that it may disclose this information on a confidential basis to its Related Bodies Corporate and external service providers and that it may be required to be disclosed to regulators such as ASIC.

Time

Unless otherwise specified, all references to time in this Target's Statement are to Canberra time.

Defined terms

A number of defined terms are used in this Target's Statement. The definitions are in the glossary in Section 12 of this Target's Statement.

Diagrams

All diagrams appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, graphs and tables in this Target's Statement is based on information available as at the date of this Target's Statement.

Further information

You should call 1800 815 610 (toll free for callers within Australia) or +612 8256 3357 (callers outside Australia), Monday to Friday between 9.00am and 5.00pm (Sydney time), if you have any questions or require assistance.

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CHAIRMAN'S LETTER

24 April 2013

Dear Shareholder,

PEET'S TAKEOVER OFFER FOR YOUR SHARES

On 10 April 2013, Peet Limited (**Peet**) announced an off-market takeover bid (**Offer**) for all of the ordinary shares (**Shares**) in CIC Australia Limited (**CIC**). Peet is offering \$0.60 cash per Share (**Offer Price**). The Offer Price is on an ex-dividend basis, meaning that CIC shareholders (**Shareholders**) on the register on 12 April 2013 who accept the Offer will be entitled to retain the fully franked dividend of \$0.03 per Share to be paid on 21 May 2013.

Peet Group is an ASX listed residential land development business with projects in Western Australia, Victoria, Queensland and New South Wales.

By now you should have received a Bidder's Statement from Peet which provides information on the Offer. This Target's Statement provides CIC's response to the Offer. The key terms of the Offer are also described in more detail in Section 7 of this Target's Statement and Section 9 of the Bidder's Statement. In addition, the key risks associated with accepting or not accepting the Offer are outlined in Section 8 of this Target's Statement.

The Directors have considered all of the information available to them in relation to the Offer.

Majority Directors' recommendation

The Majority Directors (being the four directors other than myself and Mr Col Alexander) recommend that you accept the Offer in the absence of a superior proposal for the reasons set out in this Target's Statement.

A full discussion of the key reasons for the Majority Directors' recommendation is set out in Section 1 of this Target's Statement, which you should read in full. The Majority Directors also consider that you should have regard to the factors set out in Section 2 of this Target's Statement as reasons why you may consider not accepting the Offer.

The other Directors

The other two Directors (namely Mr Alexander and myself) make no recommendation as to whether or not you should accept the Offer for the reason that there are a number of factors in favour of either accepting or not accepting the Offer.

In addition to the reasons why you might consider not accepting the Offer as set out in Section 2 of this Target's Statement, I draw your attention to the commentary in Section 3 of this Target's Statement.

However, both Mr Alexander and myself support the Offer being put to Shareholders so that you may make your own decision based on the information in the Bidder's Statement, this Target's Statement and your individual position.

Directors' intentions

All of the Directors (other than myself) intend to accept the Offer for the Shares which they own or control in the absence of a superior proposal.

Intentions of GPG

Guinness Peat Group plc (**GPG**), being a substantial holder in CIC via its Australian subsidiary, GPG (No 1) Pty Limited (with a holding of approximately 72.82% of the Shares), entered into pre-bid arrangements with Peet. Specifically, GPG agreed to accept into the Offer for a 19.9% interest in CIC or directly sell a 19.9% interest in CIC to Peet. Further, on 10 April 2013, GPG announced its intention to accept the Offer for its entire shareholding in CIC on or before 7 May 2013, in the absence of a superior proposal.

As GPG has previously announced that it would undertake an orderly realisation of its investment portfolio and would seek to exit individual investments at an appropriate time, the uncertainty regarding GPG's shareholding has affected CIC for some time.

Accordingly, if GPG accepts the Offer in respect of its entire holding in CIC, Peet will be in a position to control CIC and it is likely that the market liquidity for Shares would be lower than it is at present.

How to accept the Offer made by Peet

You may accept the Offer in respect of all or some of your Shares. To accept the Offer, you should follow the instructions set out in Section 9.4 of the Bidder's Statement and on the Acceptance Form. To be effective, your acceptance of the Offer must be received by 7.00pm (Sydney time) on 24 May 2013 (unless extended).

If you do not wish to accept the Offer you do not need to do anything.

Annual General Meeting

By now you will have received a Notice of Meeting for CIC's upcoming Annual General Meeting to be held on 28 May 2013. The Annual General Meeting is a separate process and will proceed regardless of the status of the Offer. However, any Shareholder that has accepted the Offer and whose Shares are transferred to Peet prior to 10.00am on 26 May 2013, will not be entitled to vote at the Annual General Meeting.

Enquiries

CIC will keep you informed of any further developments in relation to the Offer, and any other relevant developments, through ASX announcements which will be available on the ASX website at www.asx.com.au under the ASX code CNB.

If you have any questions or require assistance, please call the Offer Information Line on 1800 815 610 (toll free for callers within Australia) or +612 8256 3357 (callers outside Australia), Monday to Friday between 9.00am and 5:00pm (Sydney time).

We urge you to read this Target's Statement in its entirety and consider the Offer having regard to your own personal risk profile, investment strategy and tax position. In this regard, you may wish to consult a professional financial adviser.

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'M. Loomes', with a horizontal line extending to the right.

Maurice Loomes
Chairman

Your Choices as a Shareholder

As a Shareholder, you have the following choices in respect of the Offer:

- Accept Peet's Offer for all or part of your Shares; or
- Sell your Shares on the ASX; or
- Take no action.

Directors' assessment of the Offer

In carrying out their assessment of the Offer, each of the Directors has drawn on their experience of public company management in the property development sector. In determining whether to recommend the Offer, the Directors have considered:

- the results of their own analysis of the Offer;
- the analysis of the commercial advantages and disadvantages of the Offer, and the results of other discussions and negotiations over the last two years with potential bidders;
- the intention of GPG to exit its investment in CIC and the possible future implications that may have on any minority Shareholders;
- the alternative strategies available to CIC to pursue its corporate objectives and the relative risks and opportunities involved in those strategies; and
- Mr Loomes and Mr Alexander also took into account third party advice prepared for them.

After taking into account each of the matters described in this Target's Statement, in particular the reasons set out in Section 1, the Majority Directors recommend that you ACCEPT THE OFFER in the absence of a superior proposal.

In the absence of a superior proposal, each of the Directors (other than Mr Loomes) intend to accept the Offer in respect of the Shares which they own or control.

You should read this Target's Statement carefully to fully understand the views of the Directors.

How to ACCEPT Peet's Offer

There are several ways to accept Peet's Offer depending on whether your Shares are held in a CHESS Holding or an Issuer Sponsored Holding. Refer to Section 9.4 of the Bidder's Statement, and the specific instructions on your personalised Acceptance Form.

Once you have accepted Peet's Offer, you cannot later withdraw your acceptance (except in limited circumstances) even if the Offer is still conditional. This means you cannot sell your Shares on ASX or accept a superior proposal if one emerges during the Offer Period.

If you do not wish to accept the Offer you do not need to do anything.

1. REASONS WHY YOU SHOULD ACCEPT PEET'S OFFER

Majority Directors' recommendation

The Majority Directors, for the reasons set out below, recommend that Shareholders accept the Offer in the absence of a superior proposal. The Majority Directors consider that, in light of the intentions of GPG (its majority Shareholder) to sell down its interest in CIC, the Offer is a positive outcome for CIC as the combining of the skills and resources of CIC and Peet will foster growth of the merged business.

The Majority Directors are also conscious that GPG, as CIC's majority shareholder, supports a strategy that provides all CIC Shareholders with liquidity in the near term. GPG has made clear to the CIC Board that it would not support proposals involving the winding-up, or medium term value realisation, of CIC's portfolio. Whilst the CIC Board has in the past considered such alternatives, the Majority Directors have discounted them in considering the merits of the Offer given they are not supported by the majority Shareholder and there is no certainty that current management projections will be met given the many external and other influences that affect the Australian property market.

1 The Offer is a cash offer

The Majority Directors consider that the Offer provides cash certainty to Shareholders.

Although the CIC share price could eventually exceed \$0.60 per Share in the absence of the Offer, the volatility of share price returns and the inherent uncertainty in relation to the stock market valuation of any company means that the price of Shares could also fall. In contrast, if the Offer is declared unconditional, the Offer provides you with certain value and straightforward cash consideration for your Shares.

2 The Offer Price is comparable to market valuations for real estate companies

The Offer Price represents a:

- 4.8% discount to the closing market price of Shares on 9th April 2013¹;
- 9.9% premium to cum-adjusted volume-weighted average price of Shares in the six months to 9 April 2013; and
- 4.8% discount to CIC's cum-adjusted NTA (as at 31 December 2012) of \$0.63 per Share (on an ex-dividend basis).

Further, it has not been uncommon in recent years for the price offered to shareholders in respect of change of control transactions involving real estate entities listed on the ASX to be below the target entity's NTA.

The following table sets out selected examples of comparable transactions in recent years.

Date	Target	Bidder	Offer price premium/(discount) to NTA
Apr-13	CIC Australia	Peet Limited	(5%) ²
Apr-12	Thakral Holdings	Brookfield Asset Management	(16%)
Apr-11	Valad	Blackstone	(22%)
Dec-10	ING Industrial	Goodman Group	(5%)

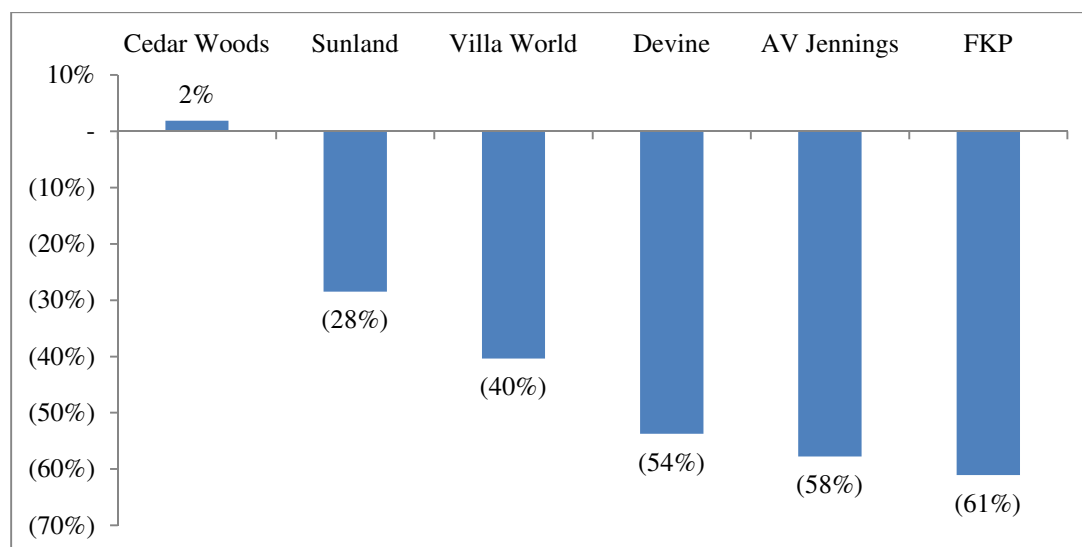
¹ Being the day before the Offer was announced.

² Based on cum-adjusted NTA (as at 31 December 2012) of \$0.63 per share on an ex-dividend basis

Aug-10	Macarthurcook Industrial	CommonWealth REIT	(32%)
Apr-10	Westpac Office	Mirvac	2%
Dec-09	Challenger Kennedix	Challenger Life	(44%)
Oct-09	M-REIT	Mirvac	(30%)

Moreover, the majority of ASX-listed, pure-play residential developers currently trade at large discounts to NTA. The valuation metrics implied by the Offer are attractive when considered relative to other market metrics (although no representation is made as to the offer price that would be offered to shareholders of those companies if they were subject to a change of control transaction).

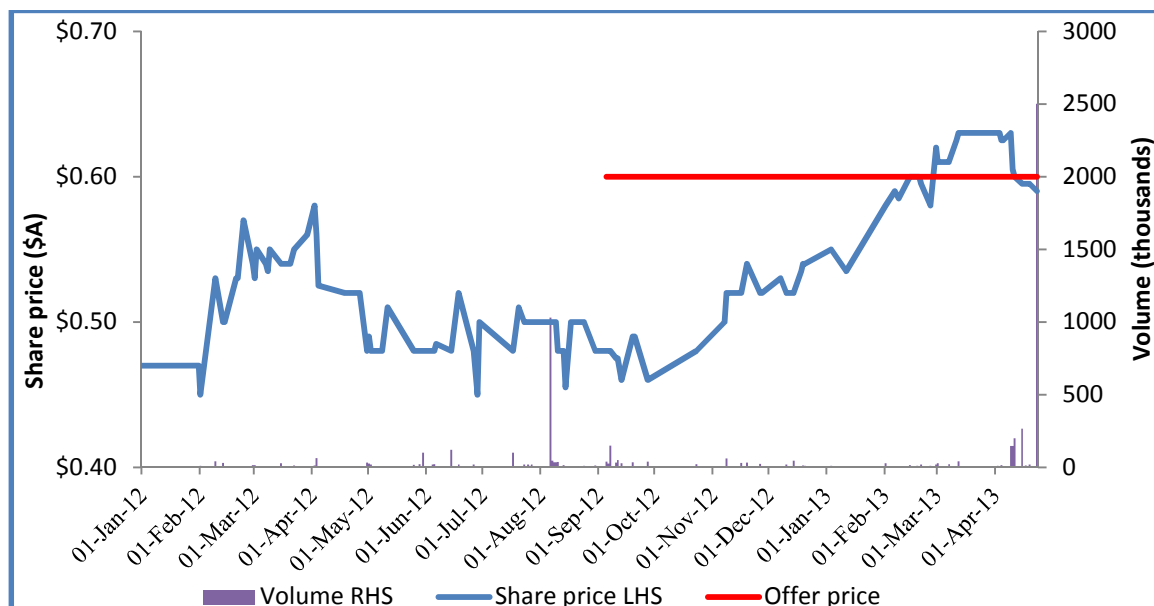
Current trading price premium/(discount) to NTA (as at 23 April 2013)



3 The Offer provides a liquidity opportunity

The Offer is an opportunity for you to realise your investment in CIC. The charts below show that there is relatively low liquidity in CIC Shares and, as such, it may prove difficult to sell large holdings on market without placing significant downward pressure on the CIC Share price.

Whilst the CIC Share price reflects the price at which small parcels of Shares trade, the Directors are aware that many Shareholders may not be able to access liquidity at prices approximating the current Share price.



4 The Offer will eliminate the future risks inherent in an investment in CIC

If you accept the Offer and it is declared unconditional, you will receive cash for your Shares. The certainty of the cash Offer Price should be compared against the risks and uncertainties of remaining a Shareholder, which include the risks specified in Section 8 of this Target's Statement. The Majority Directors consider that the opportunity to receive \$0.60 per Share (as well as retaining the FY12 Dividend) provides Shareholders with a superior outcome relative to the uncertainty and risks associated with CIC's current position.

5 There is currently no superior proposal

Peet's Offer represents the best offer currently available for all Shareholders.

As at the date of this Target's Statement, the Board is not aware of any proposal that is superior to the Peet Offer, and capable of being put to Shareholders. In this regard, the Bid Implementation Agreement restricts the Directors from seeking or (potentially) discussing new third party proposals by way of "no-shop" and "no-talk" restrictions (refer to Section 11.3 of this Target's Statement for further details). However, these restrictions on the Directors in the Bid Implementation Agreement in no way prevent a third party from making an unsolicited alternative proposal. That said, the Directors consider the probability of a superior proposal materialising to be low.

6 There are risks to remaining a minority holder in CIC

As noted earlier, Guinness Peat Group plc (**GPG**), being a substantial holder in CIC via its Australian subsidiary, GPG (No 1) Pty Limited (with a holding of approximately 72.82% of the Shares), entered into pre-bid arrangements with Peet. Specifically, GPG agreed to accept into the Offer for a 19.9% interest in CIC or directly sell a 19.9% interest in CIC to Peet. In its announcement of 10 April 2013, GPG indicated that it intends to accept the Offer for its entire shareholding in CIC on or before 7 May 2013, subject to there being no superior proposal at that time.

Therefore, subject to other conditions being waived or satisfied and the Offer being declared unconditional, it is likely that Peet will acquire GPG's entire interest in CIC, and therefore control CIC.

If Peet acquires at least 50.1% but is unable to acquire 100% of the Shares, those Shareholders who do not accept the Offer will remain minority Shareholders in CIC. This has a number of possible implications, including:

- Peet will be in a position to cast the majority of votes at a general meeting of CIC. This will also enable Peet to control the composition of the board of directors and senior management of CIC, and determine CIC's dividend policy and control the strategic direction of CIC;
- it is likely that the market liquidity of Shares would be even lower than at present; and
- potential dilution of your interest in CIC if an equity capital raising is implemented by CIC, for example if CIC needs to repay or refinance an existing finance facility in circumstances where the

consent of a third party bank is not obtained to the change of control of CIC and Peet waives the Banks Waiver Condition. If refinancing avenues (including an equity capital raising) are unavailable to CIC then there could be further serious consequences to the Company. Refer to Section 8.2.2(1) below.

Peet has set out its intentions for the business of CIC, if it acquires less than 100% of the Shares, in Section 4.5 of the Bidder's Statement. This includes:

- seeking the removal of CIC's listing on the ASX;
- appointment of all or a majority of CIC Board; and
- retaining cash to fund CIC's business and repay debt, and therefore **not** pay a dividend.

7 There are no brokerage costs payable by Shareholders on sale of their Shares under the Offer

If the Offer is declared unconditional and you accept the Offer you will not have to pay any brokerage fees that you may otherwise have to pay on the sale of your Shares on ASX.

2. REASONS WHY YOU MIGHT NOT ACCEPT PEET'S OFFER

In addition to the reasons in Section 1 as to why you should consider accepting Peet's Offer, the Directors consider that the following factors are also relevant to your decision. In particular, Mr Alexander and Mr Loomes are of the view that the following factors as well as the factors set out in Section 3 below, may tend to balance the factors listed in Section 1 in favour of accepting the Offer.

1 The long term value of CIC could be more than the Offer Price

If you have a longer term investment horizon, it is possible that CIC will deliver greater returns over the long term by remaining an independent company, particularly as the Offer Price is below CIC's NTA of \$0.63 per Share as at 31 December 2012 (on an ex-dividend basis).

There is potential for the longer term value of Shares to be higher than the Offer Price if CIC's projects are successfully fully developed, marketed and sold in accordance with existing plans. However, the returns from long term projects are subject to a number of risks and there is no guarantee that any higher value will necessarily be achieved. There is also no guarantee that Peet, if it obtains control of CIC, will continue CIC's projects in accordance with current plans. In these circumstances, you may wish to continue to hold your Shares and not accept the Offer provided that you are willing to accept the risks associated with remaining a minority Shareholder in a potentially unlisted company.

You may accept the Offer in respect of all or some of your Shares. Accordingly, if you accept the Offer and the Offer is declared unconditional, you will not participate in any potential upside that may result from being a Shareholder. This may include the right to participate in potential upside in CIC's value.

2 Peet's ownership may bring benefits

If GPG accepts the Peet Offer and Peet effectively replaces GPG as the controlling shareholder of CIC, this could bring certain benefits to CIC in the form of a combination of skills and resources of two real estate companies operating in the Australian market. These benefits may enhance the value of an investment in CIC for minority Shareholders.

However, there is no guarantee that Peet will continue to operate CIC's projects in accordance with current plans, or as to how the benefits of a merger of the two businesses will be shared as between Peet and CIC. In this regard, Shareholders should consider the intentions of Peet as set out in Section 4 of the Bidder's Statement in respect of the business of CIC if Peet were to obtain control of CIC.

3 You may wish to maintain your current investment profile

You may wish to maintain an investment in CIC in order to have an investment in a public listed company with the specific characteristics of CIC such as industry, operational profile, size and geography. It may be difficult to replicate these characteristics with another listed company. If you do not wish to change your investment profile, you may consider holding your Shares and not accepting the Offer.

4 Tax consequences of the Offer may not suit your financial position

By accepting the Offer, you may have triggered a tax consequence in relation to your Shares earlier than would otherwise have been the case. Section 9 of this Target's Statement sets out a general outline of the likely Australian tax consequences of the Offer for certain Shareholders. However, the tax consequences of accepting the Offer will depend on each Shareholder's individual circumstances. You should consider obtaining professional advice in relation to the tax consequences of the accepting the Offer.

3. ADDITIONAL COMMENTARY FROM THE TWO DIRECTORS OFFERING NO RECOMMENDATION

Mr Alexander and Mr 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.

In particular, it is the view of Mr Alexander and Mr Loomes that the Offer undervalues the Company as it fails to recognise CIC's:

- Strong cash flows – strong positive operating cash flow position including the realisation of significant presales of \$132 million (on which significant capital investment has already been incurred);
- Strategic assets – strategic projects, in particular, the attractive returns expected to be generated over the next 20 some years from CIC's investment in the Googong Joint Venture;
- Project fees – project development and sales management fee income, the value of which is not on balance sheet; and
- The franking account balance – there is a substantial franking account balance which, in their opinion, is of significant value to some Shareholders.

Mr Alexander and Mr Loomes have also obtained private and confidential third party valuation advice to assist them, and not for inclusion in this Target's Statement. The third party applied a discounted cash flow methodology to CIC management's cash flow forecasts for the existing portfolio of assets. The third party was briefed by Mr Alexander and Mr Loomes, and was not retained by the CIC Board.

After considering all of the above factors, Mr Alexander and Mr Loomes believe that the value of 100% of CIC is significantly higher than the Offer (ex-FY12 Dividend).

The Offer is also less than CIC's current net asset value per Share, which current net asset value per Share does not include the future value of the project fee income and the substantial franking credit balance.

However, Mr Alexander and Mr Loomes acknowledge that there are risks for those CIC Shareholders that wish to retain their interest in the Company:

- Illiquid – share trading in CIC has historically been relatively illiquid (and is likely to become more illiquid);
- Short-term share price – the future trading price of CIC is uncertain;
- Change of control will occur - regardless of the Offer, GPG intends to sell down its interest in CIC and there would most likely be an incoming new controlling Shareholder. An alternative sale transaction may not be as attractive to CIC Shareholders as the Offer;
- Peet obtains control – minorities may be subject to the risk of the operational strategies employed by Peet (as an example, Peet has signalled its intention to discontinue the payment of dividends);
- Delisting - Peet has also advised that they intend to seek to delist CIC from ASX; and
- Refinancing risk - if the Banks Waiver Condition is waived.

Notwithstanding the above views as to value, Mr Col Alexander intends to accept the Offer in respect of all the Shares which he owns and/or controls in the absence of a superior proposal.

4. FREQUENTLY ASKED QUESTIONS

This Section answers some commonly asked questions about the Offer. It is not intended to address all relevant issues for Shareholders. This Section should be read together with the rest of this Target's Statement before deciding whether or not to accept the Offer.

Further information is available from any ASX announcements released by CIC after the date of this Target's Statement, which will be available on the ASX website at www.asx.com.au under ASX code CNB.

If you have any questions or require assistance, please call the Offer Information Line on 1800 815 610 (toll free for callers within Australia) or +612 8256 3357 (callers outside Australia), Monday to Friday between 9.00am and 5:00pm (Sydney time).

Question	Answer
Who is making the Offer?	The bidder under the Offer is Peet. Peet is an Australian property group specialising in residential land development that is listed on the ASX. For further information on Peet, refer to Section 2 of the Bidder's Statement.
What is the Offer for my Shares?	Peet is offering to acquire all or part of your Shares by way of an off-market takeover bid. The Offer Price is \$0.60 cash for each Share. The Offer Price is on an ex-dividend basis, meaning that Shareholders on the register on 12 April 2013 who accept the Offer will be entitled to retain the FY12 Dividend.
What is the Bidder's Statement?	The Bidder's Statement is the document prepared by Peet containing the terms of the Offer in detail and information important to your decision on whether to accept or reject the Offer. You should have already received the Bidder's Statement from Peet. If you do not have a copy of the Bidder's Statement, please contact the Peet Offer Information Line on 1300 764 218 (callers within Australia) or +613 9415 4272 (callers outside Australia), Monday to Friday between 9.00am and 5:00pm (Sydney time).
What is the Target's Statement?	This Target's Statement has been prepared by the Directors of CIC and provides CIC's response to the Offer.
What choices do I have as a Shareholder?	As a Shareholder, you have the following choices in respect of your Shares: ▪ accept the Offer for all or part of your Shares; or ▪ sell all or part of your Shares on the ASX; or ▪ do nothing. There are several tax implications in relation to each of the above choices. A summary of these implications is set out in Section 9 of this Target's Statement.

Question	Answer
What do the Directors recommend?	The Majority Directors recommend that you ACCEPT THE OFFER. However, Mr Alexander or Mr Loomes make no recommendation as to whether or not you should accept the Offer. The key reasons for the Majority Directors' recommendation are detailed in Section 1 of this Target's Statement. Shareholders should also consider the reasons as to why you might consider not accepting the Offer as set out in Section 2 of this Target's Statement. Mr Alexander or Mr Loomes also draw your attention to additional commentary in Section 3 of this Target's Statement. If there is a change in this recommendation or any material developments in relation to the Offer, CIC will lodge a supplementary target's statement.
What do the Directors intend to do with their Shares?	Each Director (other than Mr Loomes) who holds or controls Shares presently intends to ACCEPT THE OFFER in relation to those Shares in the absence of a superior proposal.
What does GPG intend to do with its Shares?	Guinness Peat Group plc via its Australian subsidiary, GPG (No 1) Pty Limited (GPG), being a substantial holder in CIC (with a holding of approximately 72.82% of the Shares), entered into pre-bid arrangements with Peet. Specifically, GPG agreed to accept into the Offer for a 19.9% interest in CIC or directly sell a 19.9% interest in CIC to Peet. Further, on 10 April 2013, GPG announced that it intends to accept the Offer for its entire shareholding in CIC on or before 7 May 2013, subject to there being no superior proposal at that time.
How do I accept the Offer?	You may accept the Offer in respect of all or some of your Shares. To accept the Offer, you should follow the instructions set out in Section 9.4 of the Bidder's Statement and on the Acceptance Form. To be effective, your acceptance of the Offer must be received by Peet before 7pm (Sydney time) on 24 May 2013 (unless the Offer is extended).
Can I accept the Offer for only part of my holding?	Yes. You may accept the Offer for all or part of your Shares. Further, if you hold one or more parcels of Shares as trustee or nominee, you may accept the Offer as if a separate offer had been made in relation to each of those parcels and any parcel you hold in your own right. A person holding Shares on trust for, as nominee for, or on account of, any other person should refer to Section 9.10 of the Bidder's Statement.
If I accept the Offer, when will I be paid?	If you accept the Offer in respect of all or part of your Shares, Peet will pay you the Offer Price to which you are entitled on or before the earlier of: ▪ one month after receipt of your acceptance, or if the Offer is subject to a Condition, within one month after the Offer becomes unconditional; and ▪ 21 days after the end of the Offer Period.
Is the Offer conditional?	Yes. The Offer is subject to the following Conditions: ▪ the Minimum Acceptance Condition;

Question	Answer
	▪ no material adverse change occurring in relation to CIC; ▪ the Placement Agreement Condition; ▪ no dividends other than the FY12 Dividend; ▪ the Banks Waiver Condition; ▪ no termination of, or changes to CIC's obligations under, the financial arrangements or joint venture documents as a result of the Offer; ▪ no additional material capital expenditure or material acquisitions or disposals committed to by CIC other than as previously announced; ▪ no exercise by a third party of rights under any agreement that results in: - termination or modification of that agreement or instrument; - in the business of CIC being adversely affected, as a result of the acquisition of Shares by Peet; ▪ no regulatory action which would prohibit the Offer from proceeding; ▪ no Prescribed Occurrences; ▪ no JV Prescribed Occurrences; ▪ the CBA Facility Condition. Under the Bid Implementation Agreement, on the business day after the date that the Minimum Acceptance Condition, Banks Waiver Condition and CBA Facility Condition are satisfied, Peet has agreed to waive all of the remaining Conditions other than: ▪ the Placement Agreement Condition; ▪ the no Prescribed Occurrences Condition; and ▪ any other Condition in respect of which Peet has publicly announced a breach or suspected breach. Further details of the Conditions are set out in Section 10 of the Bidder's Statement.

Question	Answer
What happens if I accept the Offer and the Conditions are not satisfied or waived?	If the Conditions are not satisfied or waived at the end of the Offer Period (or in the case of the Condition described in Section 10(j) of the Bidder's Statement, within 3 business days after the end of the Offer Period): ▪ the Offer will lapse; and ▪ if you have accepted the Offer for all or part of your Shares, that acceptance will be void and the Offer Price payable to you for your Shares will not be paid to you and you will continue to own your Shares. In these circumstances, Peet will notify ASX Settlement of the lapse of the Offer. If all of the Conditions are satisfied or waived, you will be paid the Offer Price payable to you for your Shares by Peet in accordance with the terms of the Offer (refer to Section 9.5 of the Bidder's Statement.)
What are the consequences of accepting the Offer now?	Accepting the Offer would (subject to the availability of any withdrawal rights discussed below): ▪ prevent you from accepting any superior proposal that may emerge; and ▪ prevent you from selling all or part of your Shares on the ASX. The effect of accepting the Offer is set out in Section 9.7 of the Bidder's Statement. Shareholders should read those provisions in full to understand the effect that acceptance will have on their ability to exercise rights attaching to Shares and the representations and warranties which they make by accepting the Offer.
How can I tell if the Offer has become unconditional?	If the Offer becomes unconditional, Peet will make an announcement to the ASX, at which point it will commence processing acceptances under the Offer. Peet is not required to send Shareholders individual notifications relating to when acceptances are processed. You can check for ASX announcements about CIC on the ASX website (www.asx.com.au) under ASX code CNB.
If I accept the Offer, may I later withdraw my acceptance?	Under the terms and conditions of the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Refer to Section 9.7 of the Bidder's Statement.
Can Peet vary the Offer?	Yes. Peet can vary the Offer by extending the Offer Period, increasing the Offer Price or waiving some or all of the Conditions.
What are the prospects of receiving a superior proposal?	Since the Offer was announced, no superior proposal has been received by the Board. The Directors believe it is unlikely that a superior proposal will be forthcoming. Shareholders should note that CIC has agreed to certain exclusivity and break fee provisions in favour of Peet which are detailed in Section 11.3 of this Target's Statement.

Question	Answer
What happens if a superior proposal is received?	If a superior proposal emerges, this will be announced to ASX and the Directors will carefully reconsider the Offer and advise you of their recommendation.
What happens if I accept the Offer and a superior proposal for my Shares is made by someone else?	If the Offer is unconditional, you will be unable to withdraw your acceptance if you accept the Offer. For further information on the consequences of accepting the Offer, refer to Section 9.7 of the Bidder's Statement.
What happens if the Offer Price is increased?	If you accept the Offer and the Offer Price is subsequently increased, you will be entitled to receive the increased offer price if the Offer proceeds (that is, if all of the Conditions of the Offer are satisfied or waived by Peet).
Can I be forced to sell my Shares?	You cannot be forced to sell your Shares unless, during or at the end of the Offer Period, Peet (and its Associates) have: ▪ a relevant interest in at least 90% of all Shares; and ▪ the Offer becomes unconditional, and Peet proceeds to a compulsory acquisition of your Shares. Peet has stated that as at the date of the Bidder's Statement it would intend to exercise its compulsory acquisition rights, should those rights become available (refer to Section 4.4 the Bidder's Statement).
If I accept the Offer, will I still receive the dividend of 3 cents per Share payable on 21 May 2013?	Yes, the Offer Price is on an ex-dividend basis, meaning that Shareholders on the register on 12 April 2013 who accept the Offer will be entitled to retain the FY12 Dividend.
What are the tax implications of accepting the Offer?	A general outline of the tax implications of accepting the Offer is set out in Section 9 of this Target's Statement and Section 7 of the Bidder's Statement. As the outline in this Target's Statement is a general outline only, you are encouraged to seek your own specific professional advice as to the taxation implications applicable to your circumstances.
How can Shareholders get updates on the price of Shares?	Updates on the price of the Shares are available on the ASX website at www.asx.com.au under ASX code CNB. If you do not have access to the internet, all major metropolitan newspapers publish regular daily information on share prices. You can also inquire about CIC's Share price by contacting a stockbroker.
Is there a phone number I can ring if I have any queries?	If you have any questions or require assistance, please call the Offer Information Line on 1800 815 610 (toll free for callers within Australia) or +612 8256 3357 (callers outside Australia), Monday to Friday between 9.00am and 5:00pm (Sydney time).

5. INFORMATION ABOUT CIC

5.1 Background information

CIC commenced operations in Canberra in 1986 (then under the name Jerrabomberra Estates Limited). The principal activities of CIC are the acquisition, sub-division, development, construction and sale of real estate. CIC has undertaken major projects in the Australian Capital Territory, New South Wales, South Australia, Western Australia and the Northern Territory. CIC has offices in Canberra, Adelaide and Darwin.

CIC is listed on the Australian Securities Exchange (ASX Code: CNB) and has a market capitalisation of approximately \$75.5 million (based on the Offer Price of \$0.60).

A summary of the key milestones of CIC is set out below.

- GPG became major shareholder in 1993;
- GPG gained control in 1995;
- CIC moved into the Canberra market and renamed to Canberra Investment Corporation Limited (CIC) in 1997;
- CIC has achieved significant growth since then, with net assets growing from \$3m to approximately \$90m as at the date of this Target's Statement;
- CIC entered the South Australian market in 2003;
- CIC entered the Northern Territory market in 2005; and
- CIC was renamed CIC Australia Limited in 2010.

Further details of CIC and its operations are set out in the 2012 Annual Report which was sent to Shareholders on 18 April 2013.

5.2 Industry Overview

CIC participates in the purchase and subdivision of residential land for resale. CIC also, when opportunities arise, develops apartment building projects for resale. CIC also participates in a number of joint ventures and receives project management and marketing and sales fees.

5.3 CIC's current projects

CIC's current projects are as follows:

- Forde ACT – residential land subdivision (25% ownership)
- Crace (ACT) – residential land subdivision (40% ownership)
- Googong Township (NSW) – residential land subdivision (50% ownership)
- Lightsview (SA) – residential land subdivision (50% ownership)
- The Heights Durack (NT) – residential land subdivision (50% ownership)³
- Quayside Apartments (ACT) – apartment development (100% ownership)
- Eastern Industrial Estate (ACT) - Industrial land subdivision (100% ownership)
- Bay Ridge (NSW) – residential land subdivision (100% ownership)

³ On 15 March 2013, CIC acquired an additional 7.5% interest in Heights Durack (NT), taking its entire interest from 42.5% to 50.0%.

5.4 Recent strategic focus

In February 2011, CIC's 73% shareholder, 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 Shareholders.

During this time, the Board concluded that it was appropriate to focus the resources of the business on the development of its existing projects, with surplus capital being used to reduce CIC's outstanding debt. As a result, CIC has not entered into any new development projects, although the extension of existing projects, such as the inclusion of the Ross Smith High School site at Lightsvue, continues to be explored.

5.5 Directors and senior management

The current Board comprises the following persons:

- Mr. Col Alexander OAM (Chief Executive Officer and Managing Director);
- Mr. Anthony Carey (Executive Director and Chief Operating Officer);
- Mr. Maurice Loomes (Chairman and Non-Executive Director);
- Mr. Don Fox (Non-Executive Director);
- Mr. John Mackay OAM (Non-Executive Director); and
- Mr. Philip Tunstall (Non-Executive Director).

The senior management team of CIC comprises the following persons:

- Ms. Melanie Andrews (Chief Financial Officer and Company Secretary);
- Mr. Geoff Smith (Regional General Manager SA and NT).

5.6 Capital Structure

As at the date of this Target's Statement, CIC has on issue:

- (1) 125,791,118 CIC Shares; and
- (2) 2,450,000 Options.

CIC has also granted 720,000 Share Appreciation Rights (SARs), which are a right to be paid a cash amount by reference to CIC's Share price.

5.7 Directors' intentions

If the Offer is successful and Peet obtains control of CIC, it is intended that the Board will be reconstituted. It is for the reconstituted Board to determine its intentions as to:

- the continuation of the business of CIC;
- any major changes, if any, to be made to the business of CIC; and
- the future employment of the present employees of CIC.

The current intentions of Peet with respect to these matters are set out in Section 4 of the Bidder's Statement.

If the Offer does not proceed, and no superior proposal is received, CIC will continue to operate as an independent entity listed on the ASX and the Directors will continue to manage the business with a view to maximising shareholder returns.

5.8 GPG's intentions

Guinness Peat Group plc (**GPG**), whose subsidiary GPG (No 1) Pty Limited holds approximately 72.82% of CIC's issued Shares entered into pre-bid arrangements with Peet. Specifically, GPG agreed to accept into the Offer for a 19.9% interest in CIC or directly sell a 19.9% interest in CIC to Peet. Further, on 10 April 2013, GPG announced its intention to accept the Offer for its entire shareholding in CIC on or before 7 May 2013, in the absence of a superior proposal.

As GPG has previously announced that it would undertake an orderly realisation of its investment portfolio and would seek to exit individual investments at an appropriate time, the uncertainty regarding GPG's shareholding has affected CIC for some time as any sell down would likely result in a takeover of, or merger involving, CIC.

5.9 Financial Information

5.9.1 CIC's financial results

Section 6 of this Target Statement contains summary information regarding the audited financial performance and position of CIC for the financial years ended 31 December 2012 and 31 December 2011.

5.9.2 Material changes

Other than as outlined elsewhere in this Target Statement or below, there are no significant changes in the state of affairs of the Group since 31 December 2012.

5.9.3 Capital management

CIC's capital management will be business as usual if the transaction does not proceed. If Peet does not get to 90% acquisition of CIC shares, capital management will also be business as usual, however, this would be determined by Peet as they would have control of the CIC Board (refer to Section 8.2.2(l) below).

5.9.4 Dividends

CIC declared the FY12 Dividend on 28 February 2013. The FY12 Dividend is payable to those Shareholders on CIC's Share register on 12 April 2013 and will be paid on 21 May 2013.

CIC will continue to evaluate its capital position and dividend policy on a regular basis, especially in light of the capital intensity of its business. However, Peet has indicated in Section 4.5(d) of the Bidder's Statement that if it obtains control of CIC but not 100% that it intends that CIC should retain cash to fund its business and repay debt and therefore **not** pay a dividend on your Shares.

5.10 Effect of the Offer on Incentive Plans

5.10.1 The CIC Option Plan

CIC operates the CIC Option Plan, which is extended to 'eligible employees'. Eligible Employees is defined in the CIC Option Plan as including employees, directors, the company secretary and any other person determined by the Board to be eligible.

Under the CIC Option Plan, the Board may determine that all performance and vesting conditions in relation to the Options held by a participant in the CIC Option Plan are deemed to be satisfied and that the Options may be exercised:

- if a takeover bid is made in respect of CIC and the Board recommends its acceptance to Shareholders; or
- in any other circumstances that the Board determines in its absolute discretion.

Following a change of control of CIC and the Offer being declared unconditional by Peet, the Board may exercise its discretion to enable the Options to be exercised.

If an Option is exercised by a participant in the CIC Option Plan, CIC must issue to that participant the number of Shares in respect of which the Option has been exercised. Any Shares issued under the CIC Option Plan on exercise of an Option may then be accepted into the Offer.

As at the date of this Target's Statement, there are 2,450,000 Options held by participants under the CIC Option Plan.

5.10.2 The CIC Awards Plan

CIC operates the CIC Awards Plan, under which the Board may determine that an award of SARs granted to an Eligible Employee will qualify for a cash payment based on CIC's Share price. The Board may determine that all performance and vesting conditions in relation to SARs are waived:

- if a takeover bid is made in respect of CIC and the Board recommends its acceptance to Shareholders; or
- in any other circumstances that the Board determines in its absolute discretion.

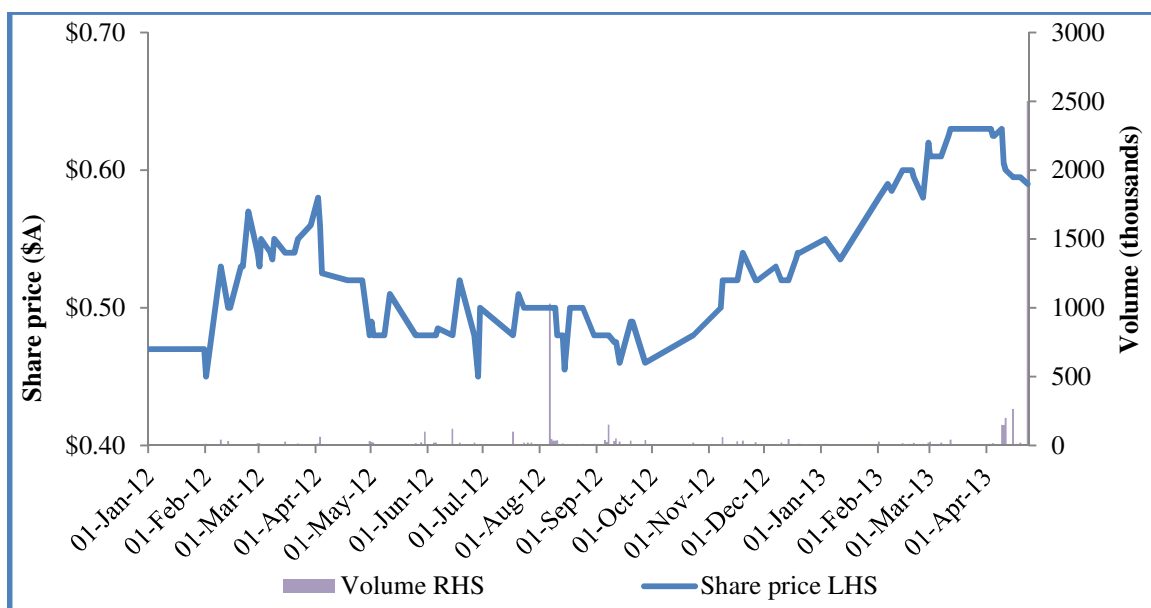
As at the date of this Target's Statement, there are 720,000 SARs held by participants under the CIC Awards Plan.

5.10.3 Proposed issues of options under the CIC Option Plan

CIC is not proposing to issue any further Options at this stage under the CIC Option Plan.

5.11 CIC share price history

The following chart highlights the recent Share price movement:



5.12 CIC ASX announcements

CIC is listed on ASX and is subject to the continuous and periodic disclosure requirements of ASX and the Corporations Act. Copies of CIC's announcements and disclosures are available, free of charge, from the ASX website at www.asx.com.au under the ASX code CNB.

6. FINANCIAL STATEMENTS FOR THE 2012 FINANCIAL YEAR

6.1 Financial Information

The financial information in this Section 6 is presented in abbreviated form and does not contain all of the disclosures or statements that are usually provided in an annual report prepared in accordance with Australian Accounting Standards and the Corporations Act.

Shareholders are cautioned not to place undue reliance on the summary audited financial information contained in this Target's Statement.

Shareholders should refer to CIC's audited consolidated financial statements for the financial years ended 31 December 2011 and 31 December 2012 for more detailed disclosures, including details of accounting policies. CIC's financial report for the year ended 31 December 2012, and the Directors' and Auditor's reports thereon, were released to the ASX on 28 February 2013 and are available on the ASX website at www.asx.com.au under the ASX code CNB.

6.2 Disclaimer regarding financial information

The audited summary financial information contained in this Section 6 is based on the CIC Annual Report, has been approved by the Board and is underpinned by certain assumptions that may involve subjective elements of judgement.

In applying the CIC's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The CIC Annual Report contains additional information in this regard.

6.3 Statements of Financial Performance

The following table shows the summary audited consolidated statements of consolidated income for CIC for the financial years ended 31 December 2011 and 31 December 2012.

Statement of comprehensive income

In thousands of AUD

	2012	2011
Revenue	19,860	92,764
Cost of sales	(5,781)	(68,983)
Gross profit	14,079	23,781
Other income	669	884
Share of profit of equity accounted investees (net of tax)	12,099	13,189
Property selling and holding expenses	(1,156)	(751)
Corporate and administrative expenses	(16,483)	(16,440)
Project investigation expenses	(315)	(1,232)
Write-down of inventory and asset classified as held for sale	(2,397)	(5,201)
Results from operating activities	6,496	14,230
Finance income	1,126	1,327
Finance expenses	(2,466)	(2,795)
Net finance (expense)	(1,340)	(1,468)
Profit before income tax	5,156	12,762
Income tax benefit/(expense)	1,467	(331)
Total comprehensive income for the period	6,623	12,431

6.4 Statements of Financial Position

The following table shows the summary audited consolidated statements of financial position for CIC as at 31 December 2011 and 31 December 2012.

Statement of financial position

In thousands of AUD

	2012	2011
Assets		
Cash and cash equivalents	3,969	1,262
Trade and other receivables	9,476	15,798
Inventories	10,785	15,543
Assets classified as held for sale	-	24,996
Prepayments and accrued income	1,154	735
Total current assets	25,384	58,334
Trade and other receivables	10,967	-
Inventories	30,662	55,335
Investments in equity accounted investees	72,398	39,793
Other investments	25	25
Deferred tax assets	6,725	5,259
Property, plant and equipment	2,038	2,078
Intangible assets	182	-
Total non-current assets	122,997	102,490
Total assets	148,381	160,824
Liabilities		
Trade and other payables	3,376	6,204
Loans and borrowings	4,100	16,086
Employee benefits	1,950	3,043
Provisions	241	1,252
Total current liabilities	9,667	26,585
Trade and other payables	237	245
Loans and borrowings	47,562	45,000
Employee benefits	302	334
Provisions	91	84
Total non-current liabilities	48,192	45,663
Total liabilities	57,859	72,248
Net assets	90,522	88,576
Equity		
Share capital	62,088	61,821
Reserves	626	578
Retained earnings	27,808	26,177
Total equity	90,522	88,576

7. KEY FEATURES OF THE OFFER

7.1 The Bidder

Peet Group is Australia's largest pure play, ASX listed residential land development business with projects in Western Australia, Victoria, Queensland and New South Wales.

7.2 The Offer

On 10 April 2013, Peet announced its intention to make the Offer, being an offer to Shareholders to acquire all of their Shares.

The Offer Price being offered to you under the Offer is \$0.60 cash for each Share you hold. The Offer Price is on an ex-dividend basis, meaning that Shareholders on the register on 12 April 2013 who accept the Offer will be entitled to retain the FY12 Dividend.

Any other Rights attaching to the Shares will be acquired by Peet under the Offer.

You may accept the Offer for all or part of your Shares.

Further details regarding the terms and conditions of the Offer are set out in Section 9 of the Bidder's Statement.

7.3 Offer Period

The Offer Period commenced on 16 April 2013 and ends at 7.00pm (Sydney time) on 24 May 2013, subject to any extension in accordance with the Corporations Act.

7.4 Your choices

As a Shareholder, you have the following choices in respect of all or part of your Shares:

- **Accept the Offer** for all or part of your Shares; or
- **Sell all or part** of your Shares on the ASX; or
- **Do nothing.**

The Majority Directors recommend that you **ACCEPT THE OFFER** made by Peet. However, Mr Alexander or Mr Loomes make no recommendation as to whether or not you should accept the Offer.

There are several ways to accept Peet's Offer depending on whether your Shares are held in a CHESS Holding or an Issuer Sponsored Holding. Refer to Section 9.4 of the Bidder's Statement and on the Acceptance Form.

If you do not wish to accept the Offer you do not need to do anything.

7.5 Conditions of the Offer

The Offer is subject to the following Conditions:

- the Minimum Acceptance Condition;
- no material adverse change occurring in relation to CIC;
- the Placement Agreement Condition;

- no dividends other than the FY12 Dividend;
- the Banks Waiver Condition;
- no termination of, or changes to CIC's obligations under, the financial arrangements or joint venture documents as a result of the Offer;
- no additional material capital expenditure or material acquisitions or disposals committed to by CIC other than as previously announced;
- no exercise of rights by a third party under any agreement that results in:
 - termination or modification of that agreement or instrument;
 - in the business of CIC being adversely affected,
 as a result of the acquisition of Shares by Peet;
- no regulatory action which would prohibit the Offer from proceeding;
- no Prescribed Occurrences;
- no JV Prescribed Occurrences; and
- the CBA Facility Condition.

Under the Bid Implementation Agreement, on the business day after the date that the Minimum Acceptance Condition, Banks Waiver Condition and CBA Facility Condition are satisfied, Peet has agreed to waive all of the remaining Conditions other than:

- the Placement Agreement Condition;
- the no Prescribed Occurrences Condition; and
- any other Condition in respect of which Peet has publicly announced a breach or suspected breach.

Further details of the Conditions are set out in Section 10 of the Bidder's Statement.

7.6 Consequences of the Conditions not being satisfied

There is a risk that the Conditions may not be satisfied or waived. You should be aware that, even if certain of the Conditions are not satisfied or triggered (as appropriate), they may be waived by Peet. If any Condition is unsatisfied or has not been triggered and has not been waived by the end of the Offer Period (or in the case of the Prescribed Occurrences Condition described in Section 10(j) of the Bidder's Statement within 3 business days after the end of the Offer Period), Peet can decide whether or not to proceed with the acquisition of Shares under the Offer or to allow the Offer to lapse as a result of the unsatisfied Condition.

7.7 Status of Conditions

Peet is required to give notice on the status of the conditions by no later than 7 days prior to the end of the Offer Period. Peet is required to give notice at that date:

- whether the Offer is free of the Conditions;

- whether, so far as Peet knows, the Conditions have been satisfied or waived; and
- of Peet's voting power in CIC.

If the Offer Period is extended before the time by which notice on the status of the conditions is given, the date that Peet must give notice will be taken to be postponed for the same period. In the event of such an extension, Peet is required, as soon as reasonably practicable after the extension, to give notice to the ASX and CIC that states the new date for giving notice on the status of the conditions.

In addition, if the Conditions are satisfied or waived during the Offer Period but before the date on which notice of the status of the conditions is required to be given, Peet must, as soon as practicable, give the ASX and CIC a notice which states that the Conditions have been fulfilled.

7.8 Withdrawal of the Offer

The Offer may only be withdrawn with the consent in writing of ASIC. The consent may be subject to conditions. If ASIC gives such consent, Peet will give notice to the ASX and CIC and will comply with any other conditions imposed by ASIC.

If Peet withdraws the Offer and the Offer has been made free of the Conditions, all contracts arising from acceptance of the Offer before it was withdrawn remain enforceable.

If Peet withdraws the Offer and the Offer has not become unconditional by the end of the Offer Period, the Offer will fail and all contracts resulting from its acceptance will automatically be void.

7.9 Lapse of the Offer

The Offer will lapse if the Conditions are not satisfied and have not been waived. If this occurs then any contracts resulting from acceptance of the Offer by Shareholders will become void. If the Offer lapses, then Shareholders who have accepted the Offer will continue to own the Shares the subject of any such acceptances and will be free to deal with them as they choose.

7.10 Effect of acceptance of the Offer

The effect of acceptance of the Offer is set out in Section 9.7 of the Bidder's Statement. You should read those provisions in full to understand the effect that acceptance of the Offer will have on your ability to exercise the Rights attaching to your Shares and the representations and warranties you give by accepting the Offer.

By accepting the Offer, and if the Offer becomes unconditional, you will receive the Offer Price of \$0.60 per Share on or before the earlier of:

- one month after receipt of your acceptance or, if the Offer is subject to a defeating Condition at the time you accept the Offer, within one month after the Offer becomes unconditional; and
- 21 days after the end of the Offer Period.

Your ability to deal with your Shares in respect of which you have accepted the Offer will be affected. Specifically, subject to the withdrawal rights discussed below, you:

- are prevented from accepting any higher takeover bid that may be made by a third party or any alternative initiative or proposal that may be recommended by the Directors; and

- are prevented from selling your Shares on ASX.

7.11 Withdrawal of your acceptance of the Offer

If you accept the Offer, you will have limited rights to withdraw your acceptance of the Offer.

Unless a withdrawal right arises under the Corporations Act you may only withdraw your acceptance of the Offer if the Offer is varied by Peet in a way that postpones for more than one month the time when Peet is required to meet its obligations under the Offer (for example, if the Offer Period is extended by more than one month at a time when the Offer is still subject to a Condition).

7.12 Extension of the Offer Period

Peet may extend the Offer Period at any time. However, if the Offer is still subject to a Condition, then Peet can only do so before giving notice of the status of the conditions (which it is currently scheduled to do on 17 May 2013 but which date may be deferred if the Offer Period is extended). In addition, if the Offer is unconditional (that is, the Conditions have been satisfied or are waived), Peet may extend the Offer Period at any time before the end of the Offer Period.

There will be an automatic extension, under the Corporations Act, of the Offer Period if, within the last 7 days of the Offer Period, Peet increases the Offer Price under the Offer. If Peet improves the Offer Price within the last 7 days of the Offer Period, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

The Offer Price that Peet has offered will only become payable to you if the Offer becomes unconditional. The Conditions are set out in Section 10 of the Bidder's Statement.

7.13 Improvement in the Offer Price

If Peet improves the Offer Price offered under the Offer, all Shareholders (whether or not they have accepted the Offer before that occurs) will be entitled to the benefit of the increased Offer Price. However, this improvement in Offer Price would not be available to Shareholders who have already sold their Shares on ASX.

7.14 Compulsory acquisition

Peet may compulsorily acquire all remaining Shares under Part 6A.1 of the Corporations Act if, during or at the end of the Offer Period, Peet (and its Associates) have a relevant interest in at least 90% of the Shares.

Peet has stated in Section 4.4 of the Bidder's Statement that it would intend to exercise its compulsory acquisition rights, should those rights become available.

In the event that Peet elected to exercise any rights it may have to compulsorily acquire Shares, Shareholders have statutory rights to challenge compulsory acquisition. However, if Peet establishes to the satisfaction of a court that the consideration being offered for the securities represents fair value, the court must approve the compulsory acquisition on those terms.

Under the compulsory acquisition process, remaining Shareholders will receive the same consideration for each Share as those who validly accepted the Offer. However, the receipt of consideration for those Shares of remaining Shareholders may be significantly delayed compared with those who accept the Offer.

8. KEY RISKS

8.1 Introduction

There are a number of risk factors, both specific to CIC and of a general nature, which may affect the future results of operations, financial performance and business of CIC, its investment returns and the value of Shares while you remain a Shareholder. Many of the circumstances giving rise to these risks are beyond the control of CIC.

This Section describes certain specific areas that are believed to be the key risks associated with an investment in CIC, and should therefore be considered before deciding to reject the Offer. Each of the risks described below could if they eventuate, have a material adverse effect on CIC's business, results of operations and financial performance.

You should note that the risks described in this Section are not an exhaustive list of the risks faced by an investor in CIC and should be considered in conjunction with all other information disclosed in this Target's Statement. Additional risks that CIC is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect CIC's business, results of operations and financial performance.

8.2 Risks specific to CIC

8.2.1 Business related risks

A broad overview of the primary business related risks borne by CIC are as follows:

- external shocks such as economic downturns (GFC), Federal and State/Territory elections and other external influences such as declines in market and consumer confidence;
- the ability to source new commercially sound projects;
- the availability of equity and debt funding to source and develop new projects;
- the ability to meet sales projections;
- the potential for delays to approvals processes and titles release;
- reliance on third party independent consultants and contractors for the delivery of professional services and construction services;
- exposure to a wide range of regulatory controls;
- the ability to deliver projects on time and on budget; and
- compliance with applicable workplace health and safety legislation.

8.2.2 Operational and legal risk

(a) General operational risks

Operational risk relates to the risk of loss resulting from inadequate or failed internal processes, people and systems, mismatched cash flows or from external events which impact on CIC's operations. CIC is exposed to operational risks arising from process error, fraud, system failure, failure of security and physical protection systems. Operational risk has the potential to have a material adverse effect on CIC's financial performance and position as well as reputation. CIC

will endeavour to take appropriate action or obtain appropriate insurance to mitigate these risks. However, certain residual risks will remain.

(b) Reliance on senior management and key personnel

The operating and financial performance of CIC is dependent on its ability to retain senior management and key personnel to manage the business and respond to its changing environment. CIC's continued ability to compete effectively depends on the capacity of CIC to retain and motivate these existing employees as well as attract new employees. The loss of key personnel could cause material disruption to CIC's activities and operations in the short to medium term.

(c) Reliance on technology, systems and outsourcing

The ability of CIC to conduct its operations is heavily reliant upon the capacity and reliability of its information technology infrastructure and systems, as well as the support of certain key outsource providers.

A significant or sustained failure in these systems or by an outsource provider could have a materially adverse effect on CIC's operations in the short term, which in turn could undermine longer term confidence in CIC.

A deterioration in global economic conditions may also affect the financial position and consequent performance by contractual counterparties of CIC. CIC could be adversely affected by changes in the business or financial condition of one or more of a significant outsource provider or joint venture partner.

(d) Dependence on key customer and supplier relationships

CIC will rely on various key customer and supplier relationships in certain of its businesses, including banking relationships, key consultants and major contractors. The loss or impairment of any of these relationships could have a material adverse effect on CIC's results of operation, financial condition and prospects, at least until alternative arrangements can be implemented. In some instances, however, alternative arrangements may not be available or may be less financially advantageous than the current arrangements.

(e) Risk of litigation

CIC is subject to the usual business risk that disputes or litigation may arise from time to time in the course of its business activities. Litigation risks relating to CIC include, but are not limited to, contractual claims, customer claims, employee claims, shareholder claims and regulatory disputes. There is a risk that material or costly disputes could arise which may have a material adverse effect on the financial performance and position of CIC.

(f) Regulatory and tax

CIC business and earnings could be affected by the legal and regulatory policies adopted by various regulatory authorities of the Australian government, foreign governments and international agencies. The nature and impact of future changes of such regulations and policies are not predictable and will be beyond the control of CIC. Changes in the regulation or regulatory policy could adversely affect one or more of CIC's businesses and could require substantial compliance costs. Also, any significant changes in taxation law could have an adverse effect on CIC's financial condition and financial performance.

(g) Insurance

CIC will seek to maintain insurance for (amongst other things) workers compensation, public liability, professional indemnity, industrial special risks and directors & officers. However, CIC's insurance will not cover every potential risk associated with its operations and, in some cases, will be subject to large deductibles. The occurrence of a significant adverse event, the risks of which are not fully covered by insurance, could have a material adverse effect on CIC's financial condition and financial performance. In addition, no assurance can be given that CIC will be able to maintain adequate insurance in the future at rates it considers reasonable.

(h) Environment

CIC's operations will be subject to environmental and planning laws and regulations in each of the jurisdictions in which it operates. A risk of material environmental liability may exist in relation to former sites (including where CIC has provided indemnities in connection with the divestment of sites), the discovery and rehabilitation of contaminated sites, and existing sites as a result of site contamination caused (or contributed to) by CIC's operations. CIC considers that it has robust systems in place to deal with most circumstances and makes adequate financial provision for potential environmental costs. However, there can be no guarantee that all risks will always be fully identified or mitigated, or that actual rehabilitation or remediation costs will not exceed these provisions.

Given the nature of CIC's primary business activity, namely the development of greenfield sites, CIC is exposed to other environmental risks associated with management of the environment before, during and after construction. These risks include dust and noise pollution, soil erosion, stormwater or waste water overflows or runoff and potential for damage to items of environmental or heritage significance.

While the Directors believe that their operations and activities are in compliance in all material respects with applicable environmental laws and regulations, no assurance can be given that the application of these laws and regulations or the adoption of new laws and regulations may not have a material adverse effect on the future financial position and performance of CIC.

(i) Occupational Health & Safety

CIC may face the risk of workplace injuries, which may result in production or industrial stoppages, workers' compensation claims, related common law claims and potential occupational health and safety prosecutions. CIC has in place a range of practices and policies which seek to provide a safe working environment for its employees, customers and visitors, consistent with the Work Health & Safety Act 2011 (Cth) and equivalent State legislation.

(j) Product risk

CIC maintains an internal risk management process in relation to the manufacture of its products and materials. However, due to the nature of its operations, it is possible that notwithstanding the procedures in place designed to minimise exposure and risk, claims against CIC could arise from defects in material or products manufactured and/or supplied by CIC. Such claims could have a material adverse effect on the future financial position and performance of CIC should insurance not be adequate to cover all liabilities it may incur, or current or potential customers choose alternative suppliers as a result of any adverse publicity. In addition, CIC may in some cases be required to assume responsibility for other risks associated with the supply of products and materials (including, costs incurred as a result of delay in supply), which may result in substantial

claims being made against CIC.

(k) Reputation risk

Various issues may give rise to reputational risk and cause harm to CIC's business and prospects. These issues include appropriately dealing with potential conflicts of interests, legal and regulatory requirements, ethical issues, project or site specific issues, impacts upon neighbours, environmental damage, community issues and financial performance. Failure to address these issues appropriately could give rise to additional legal risk, subject CIC to regulatory enforcement actions, fines and penalties or harm CIC's reputation among its customers and investors in the market place.

(l) Financing risk

The CIC Group and its joint ventures have various financing facilities with third party banks (including a Multi-Option Facility with St George Bank (*St George*)), the terms of which require the third party to consent to any change of control of CIC. Although Peet is in discussions with these third parties in respect of the Offer (with a view to obtaining their consent to its proposed acquisition of CIC), no assurances can be given that such consent will be obtained by Peet. In circumstances where Peet is unable to obtain any required consent to its proposed acquisition of CIC, the CIC Group or the joint venture concerned may be required to repay or refinance a particular financing facility. In order to fund any such repayment, CIC may seek to undertake an equity capital raising in the future which could result in your interests in CIC being diluted. If refinancing avenues are unavailable to CIC then there could be further serious consequences to the Company.

8.3 Risks relating to the outcome of the Offer

8.3.1 Liquidity risk

If Peet acquires some but not all of the Shares under the Offer, the number of Shares traded on the ASX could be significantly reduced. In addition, under item 9 of Section 611 of the Corporations Act, Peet is entitled to acquire up to an additional 3% interest in CIC every 6 months without needing to make a further takeover offer. In light of these factors, Shareholders who do not accept the Offer run the risk of being minority Shareholders in a company with reduced share trading liquidity. This may result in downward pressure on the trading prices of Shares and make it more difficult for Shareholders to sell their Shares.

8.3.2 Delisting of CIC

Peet will, in the circumstances where illiquidity and the ASX Listing Rules permit, seek to have CIC removed from the official list of the ASX. If this occurs, Shares will not be able to be bought or sold on the ASX, thereby eroding liquidity of the Shares.

8.3.3 Compulsory acquisition

While Shareholders do not have to accept the Offer, Peet has the ability under the Corporations Act to compulsorily acquire all remaining Shares if it achieves at least 90% ownership of CIC at the end of the Offer Period. Accordingly, it is possible that Shares may be compulsorily acquired under the Offer and Shareholders will be forced to receive consideration under the Offer. Further, in addition to possible compulsory acquisition in connection with the Offer, if Peet increases the number of Shares in which it has a beneficial interest or voting power to at least 90%, it can seek to acquire the remaining Shares under Part 6A.2 of the Corporations Act.

8.4 General risks

8.4.1 General market risks

The Shares are listed on the ASX and are subject to price fluctuations which can be significant and can substantially change the value of your investment. Some of the risks affecting the market value of the investment on the ASX are:

- Australian and international economic conditions and outlook, including inflation, interest rates and foreign exchange rates;
- global equity, debt and capital markets conditions;
- changes to Australian and international monetary and fiscal policies; and
- general operational and business risks.

As a listed investment on the ASX, the market value of CIC may be adversely impacted by the volume of Shares being bought or sold at any point in time and if buyers are scarce, this may impact the price at which an investor may be able to sell their Shares.

8.4.2 Economic risks

The activities of CIC are subject to a number of risks and other factors that may impact on its future performance. Many of these risks are outside the control of CIC and cannot be mitigated. There can be no guarantee that CIC will achieve its stated objectives or that any forward looking statements will eventuate. CIC does not give any form of guarantee of future dividends, return of capital or the price at which CIC might trade in the future on the ASX.

8.4.3 Tax risks

Future changes in taxation law in Australia, including changes in interpretation or application of the law by courts and taxation authorities in Australia, may affect tax treatment of an investment in Shares, or holding or disposal of those Shares. Further changes in taxation law, or the way in which CIC operates, may impact significantly on CIC's future tax liabilities.

8.4.4 Projections/guidance

Forward looking statements, opinions, estimates and projections are dependent on various factors, many of which are outside of the control of CIC. There is a risk that assumptions and contingencies upon which forward statements, opinions, estimates and projections are based, and hence any guidance provided, may differ from what may actually result. This could impact upon any investment returns projected in this Target's Statement.

9. TAX CONSIDERATIONS

9.1 Introduction

The following is a general outline of the Australian tax consequences that may apply for certain Shareholders who dispose of their Shares by accepting the Offer.

It does not take into account the specific circumstances of any particular Shareholder. Accordingly, Shareholders should not rely on this general outline in deciding whether or not to accept the Offer. Shareholders should consult their own independent tax adviser regarding the tax consequences of accepting the Offer to take into account their particular circumstances.

This outline reflects the Australian tax law and practice as at the date of this Target's Statement. This general outline does not take into account or anticipate changes in the law after the date of this Target's Statement, whether by way of judicial decision or legislative action, nor does it take into account tax legislation of countries apart from Australia.

This general outline does not apply to all Shareholders. For example, it does not apply to Shareholders that:

- (a) hold their Shares on revenue account (for example, as trading stock in the course of carrying on a business or for the purposes of re-sale at a profit);
- (b) are exempt from Australian tax;
- (c) are subject to the application of the taxation of financial arrangements rules included in Division 230 of the Tax Law;
- (d) acquired their Shares under an employee share or option scheme (including the CIC Option Plan) or otherwise acquired their Shares in respect of employment or services provided by them;
- (e) obtained rollover relief in connection with acquiring their Shares;
- (f) acquired their Shares by exercising an option;
- (g) hold, or have held, their Shares through a permanent establishment outside their country of tax residence;
- (h) are, or have been, temporary residents of Australia for the purposes of the Tax Law;
- (i) have not been resident in the same country for tax purposes throughout the period they have owned their Shares; or
- (j) have their Shares compulsorily acquired under Part 6A.1 of the Corporations Act.

If a Shareholder is a trustee, this outline also does not consider the tax consequences for the underlying beneficiaries.

Shareholders should consult their own independent tax advisers regarding the tax consequences of accepting the Offer to take into account their particular circumstances.

The tax consequences for a Shareholder disposing of their Shares may depend, in part, upon whether they are an individual or an entity (e.g. a company, the trustee of a trust or a complying

superannuation fund). Unless otherwise indicated, this outline applies to Shareholders who are individuals.

Shareholders that are not residents of Australia for the purposes of the Tax Law should seek their own independent professional advice regarding the tax consequences under the laws of their country of residence, as well as under Australian law, in relation to the Offer.

9.2 Capital gain or loss on disposal

Outlined below is a guide to calculating the capital gain or capital loss on the disposal of Shares by accepting the Offer. Foreign Shareholders should refer to the Section entitled "Foreign Shareholders".

Guide for calculating the capital gain or loss on the disposal of Shares

CGT event	The disposal of a Share by a Shareholder by accepting the Offer will give rise to a CGT event. The time of the CGT event should be the time the Shareholder accepts the Offer.
Capital gain	If the capital proceeds received by a Shareholder from the disposal of a Share exceeds the Share's cost base, a capital gain may arise.
Capital loss	If the capital proceeds received by a Shareholder from the disposal of a Share is less than the Share's reduced cost base, a capital loss may arise. A capital loss may be used to offset a capital gain made in the same income year, and a net capital loss (refer to section below entitled "Amounts" included in assessable income") may be carried forward to offset future capital gains. However, a net capital loss cannot be used to reduce the other assessable income of a Shareholder.
Capital proceeds	The capital proceeds for a Share should equal the Offer Price.
Cost base or reduced cost base	The cost base of a Shareholder's Shares should generally be the cost of acquisition plus any incidental costs of acquisition and disposal (e.g. brokerage and stamp duty, and certain other costs such as professional advisers' fees, to the extent not otherwise deductible). Certain amounts are excluded from, or may reduce, the "reduced cost base" for the purposes of calculating a capital loss.
Amounts included in assessable income	Capital gains and capital losses of a taxpayer from all sources are aggregated each income year, together with any unapplied net capital loss from prior years, to determine if the taxpayer made a net capital gain or a net capital loss. Any net capital gain for the income year is included in

Guide for calculating the capital gain or loss on the disposal of Shares

assessable income.

Net capital losses may not be deducted against other assessable income for income tax purposes, but may be carried forward to offset against capital gains derived in future income years. Specific loss rules apply to Shareholders that are companies and trusts. These rules may, among other things, limit the ability to offset or obtain capital losses in a current or future income year. These loss rules are complex. Companies and trustees should seek their own independent professional advice as to how these rules apply to them and their beneficiaries, having regard to their own particular circumstances.

CGT discount

The CGT discount may apply to a Shareholder's net capital gain. A Shareholder may be eligible to apply the CGT discount to their net capital gain to the extent that, broadly speaking:

- the net capital (after first setting any available capital losses) includes a capital gain from the disposal of a Share they acquired (for the purposes of the Tax Law) at least 12 months (excluding the date of acquisition and the date of the CGT event) prior to the time of the CGT event (for the purposes of the Tax Law); and
- they are an individual, a trust, or a complying superannuation entity.

Broadly, individuals and trusts may be entitled to a CGT discount of 50% (i.e. only 50% of their net capital gain may be included in assessable income) while complying superannuation entities may be entitled to a CGT discount of 33⅓%.

The CGT discount is not available to a company.

Foreign Shareholders

Foreign Shareholders may disregard the whole of the capital gain or capital loss they make on the disposal of their Shares if, broadly speaking:

- they are not a resident of Australia for the purposes of the Tax Law and have not at any time used the Shares in carrying on business through an Australian permanent establishment;
- they (together with any associates for the purposes of the Tax Law) do not hold 10% or more of the Shares in CIC at the time they dispose (for the purposes of Tax Law) of their Shares, and have not held 10% or more of the Shares in CIC throughout a 12 month period during the 24

Guide for calculating the capital gain or loss on the disposal of Shares

months preceding the disposal of their Shares.

Foreign Shareholders that have held 10% or more of the Shares in CIC, either alone or together with their associates (for the purposes of the Tax Law), should obtain specific advice on the application of the Australian CGT rules to any gain or loss that arises on disposal.

Foreign Shareholders should also obtain specific advice on the application of the laws of their country of residence and any Double Tax Treaty between their country of residence and Australia in determining the tax consequences of the disposal of their Shares.

9.3 Stamp duty

No stamp duty will be payable by any Shareholder on the disposal of their Shares to Peet. Peet, as the transferee/acquirer of those Shares, will be liable for any stamp duty that is payable in respect of the Offer.

9.4 GST

A Shareholder will not be liable to pay GST on the consideration received in respect of a disposal of their Shares.

Shareholders should seek their own advice to determine whether any GST incurred on costs in relation to the sale of their Shares is recoverable in the form of input tax credits (or reduced input tax credits).

10. INFORMATION ON DIRECTORS

10.1 Interests and dealings in Shares

10.1.1 Interests in Shares and other securities

The following table sets out each Director's relevant interest in CIC Shares, Options and SARs as at the date of this Target's Statement:

Director	No. of Shares		No. of Options over Shares and SARs
	Direct	Indirect	
Maurice Loomes	-	883,878	-
Colin Alexander	33,752	4,610,678	720,000 SARs
Anthony Carey	-	55,200	600,000 Options
Donald Fox	-	-	-
John Mackay	-	-	-
Philip Tunstall	-	-	-

10.1.2 Dealings in Shares

No Director has acquired or disposed of a relevant interest in any CIC Shares in the 4 month period ended on the date immediately before the date of this Target's Statement.

10.2 Interests and dealings in Peet securities

No Director has a relevant interest in any securities in Peet, nor has any Director acquired or disposed of a relevant interest in any securities in Peet in the 4 month period ended on the date immediately before the date of this Target's Statement.

10.3 Benefits and agreements

10.3.1 Agreements connected with or conditional on the Offer

There are no agreements made between any Director and any other person in connection with, or conditional upon, the outcome of the Offer.

10.3.2 Benefits from Peet

None of the Directors has agreed to receive, or is entitled to receive, any benefit from Peet or its Associates, or has any interest in any contract entered into by Peet, which is conditional on, or is related to, the Offer. Col Alexander (Chief Executive Officer and Managing Director of CIC) is expected to remain in his current role for a six month transitional period. Following the transitional period, Peet may negotiate an ongoing role with Mr Alexander. None of these benefits are likely to have the effect of inducing him to accept the Offer or dispose of CIC Shares.

11. ADDITIONAL INFORMATION

11.1 Capital Structure

As at the date of this Target's Statement, there are 125,791,118 Shares and 2,450,000 Options on issue.

CIC also has 720,000 SARs on issue, which are a right to be paid a cash amount by reference to CIC's Share price.

11.2 Substantial Shareholders

As at the date of this Target's Statement, the following persons have notified CIC that they hold a substantial holding in Shares:

Name	Number of Shares	Percentage of issued Shares
Guinness Peat Group plc and subsidiaries	91,606,394	72.82%
Kyleast Pty Ltd and its associates	7,886,588	6.27%

11.3 Bid Implementation Agreement

Peet and CIC entered into a Bid Implementation Agreement on 10 April 2013 in which Peet and CIC have agreed to co-operate with each other in relation to the Offer. A summary of certain key terms of the Bid Implementation Agreement is set out in Section 8.6 of the Bidder's Statement and below.

The summary below does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities attaching to each of Peet and CIC under the Bid Implementation Agreement. The full terms of the Bid Implementation Agreement can be viewed in the announcement made by Peet on the ASX in connection with the Offer on 10 April 2013 and is available at www.asx.com.au (ASX Code: PPC).

Under the Bid Implementation Agreement:

- Peet has agreed to make the Offer to all CIC Shareholders in respect of all of the issued Shares; and
- both Peet and CIC have agreed to procure that its representatives work together in good faith and in a timely and co-operative fashion with the other party to implement the Offer.

Exclusivity

The Bid Implementation Agreement contains certain clauses which provide that CIC and its Related Bodies Corporate and Associates, without the prior written consent of Peet, for a period of 120 days from 10 April 2013 (or earlier if the Bid Implementation Agreement terminates), must not in any manner and subject to the fiduciary duties of the Board, solicit any Competing Transaction (as that term is defined in the Bid Implementation Agreement) and will not solicit or facilitate any due diligence on CIC.

Matching right

CIC must inform Peet of a superior proposal and allow Peet a right to match that proposal with a proposal that is more favourable to CIC Shareholders.

Compensation

The Bid Implementation Agreement requires CIC to pay a compensating amount of A\$750,000 to Peet in any of the following circumstances:

- (a) a third party acquires or agrees with CIC to acquire the whole or a substantial part of the assets of CIC;
- (b) any director of CIC, other than Mr Colin Alexander and Mr Maurice Loomes, does not recommend accepting the Offer to CIC Shareholders or, having recommended it, withdraws or adversely modifies his or her recommendation of the Offer or approves or recommends or makes an announcement in support of a Competing Transaction (as that term is defined in the Bid Implementation Agreement) or announces an intention to do any of these acts unless the Bid Implementation Agreement has already been terminated by CIC;
- (c) the Bid Implementation Agreement is terminated by Peet because:
 - (i) an event or circumstances under the control of CIC occurs which constitutes a material adverse change; or
 - (ii) a Prescribed Occurrence occurs;
- (d) Peet terminates the Bid Implementation Agreement following a material breach by CIC, and that breach is not remedied within 5 Business Days of it receiving notice from Peet of the details of the breach and Peet's intention to terminate;
- (e) CIC is in breach of the exclusivity undertakings and does not cease the conduct which caused the breach within one Business Day following written notice from Peet outlining the nature of the breach;
- (f) where the Offer does not proceed because of a superior proposal; and
- (g) CIC or any of its Directors does (or omits to do) anything which results in any of the Defeating Conditions in Sections 10(d) and 10(g) of the Bidder's Statement being breached, where that breach is not remedied within 3 Business Days following written notice from Peet outlining the nature of the breach and Peet does not declare the Offer free of the breached Condition (which Peet is under no obligation to do).

The Bid Implementation Agreement also requires Peet to pay a compensating amount of A\$750,000 to CIC in any of the following circumstances:

- (a) CIC terminates the Bid Implementation Agreement following a material breach by Peet, and that breach is not remedied within 5 Business Days of it receiving notice from CIC of the details of the breach and CIC's intention to terminate;
- (b) a failure by Peet to use all reasonable endeavours to procure, within the extent of its powers, the fulfilment of the bid conditions where for at least 3 Business Days following written notice from CIC to that effect, Peet continues to fail to use reasonable endeavours;

- (c) Peet is in breach of its obligations to CIC regarding the Placement Agreement and does not remedy that breach within 3 Business Days following written notice from CIC outlining the nature of the breach; and
- (d) the Placement Agreement is terminated by the Underwriter because of a material adverse change in, or any event occurs which gives rise to, or is likely to give rise to, a material adverse change in the condition (financial or otherwise), assets, earnings, business, affairs, results of operations, management or prospectus of Peet from that existing at the date of the Placement Agreement.

Nomination Rights

Pursuant to the terms of the Bid Implementation Agreement, CIC is obliged to allow Peet to nominate members to the Board on the basis set out in Section 4.5(b) of the Bidder's Statement.

CIC Options

Pursuant to the terms of the Bid Implementation Agreement, CIC is obliged to cooperate with Peet in relation to the CIC Options on the basis set out in Section 4.3 of the Bidder's Statement.

11.4 Change of control implications under Material Contracts

CIC is a party to a number of joint venture agreements and has entered into financing facilities with its banks, the terms of which may give those third party joint venture partners and/or banks various rights on a change of control of CIC.

CIC believes that it has disclosed all contracts to Peet which give rise to change of control implications for CIC. As noted above, the Offer is conditional on various consents being obtained from those third parties and no assurances may be given as to whether those consents will be obtained.

11.5 Consents

The following persons have given and have not, before the date of this Target's Statement, withdrawn their consent to the inclusion of the following information in the form and context in which it is included, and to all references in this Target's Statement to that information in the form and context in which they appear:

- (a) Fort Street Advisers Pty Ltd to being named as financial adviser to CIC;
- (b) Baker & McKenzie to being named as legal adviser to CIC; and
- (c) Computershare Investor Services Pty Limited to being named as CIC's registry.

11.6 Disclaimers of responsibility

Each person or organisation named above in Section 11.5 as having given consent to the inclusion of a statement in this Target's Statement (or who is otherwise named in this Target's Statement as acting in a professional capacity for CIC in relation to the Offer):

- (a) does not make, or propose to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than a statement included in this Target's Statement with the consent of that person as set out above; and

- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than any statement included in the Target's Statement with the consent of that party.

11.7 Publicly available information and reliance on ASIC Class Orders

CIC is a disclosing entity under the Corporations Act and as such is subject to regular reporting and disclosure obligations. Copies of the documents that CIC lodges with ASIC under these obligations may be obtained from or inspected at an ASIC office. You can also ask CIC for a copy of CIC's most recent annual report and half-yearly financial reports and disclosure notices it issues. These documents may also be accessed on the ASX website under the ASX Code CNB.

As permitted by ASIC Class Order 01/1543, this Target's Statement contains statements which are made, or based on statements made, in documents lodged by Peet with ASIC or given to the ASX, or announced on the Company Announcements Platform of the ASX, by Peet. Pursuant to ASIC Class Order 01/1543, the consent of Peet is not required for the inclusion of such statements in this Target's Statement.

Any Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting the Offer Information Line on 1800 815 610 (toll free for callers within Australia) or +612 8256 3357 (callers outside Australia), Monday to Friday between 9.00am and 5:00pm (Sydney time).

As permitted by ASIC Class Order 03/635, this Target's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Target's Statement contains Share price trading data sourced from IRESS and the ASX website without their consent.

11.8 Material litigation

To the best of the knowledge of the Director's and senior management of CIC, CIC is not involved in any litigation or dispute which is material in the context of CIC and its Subsidiaries taken as a whole.

11.9 No other material information

This Target's Statement is required to include all of the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any Director.

The Directors are of the opinion that the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement); and
- the information contained in CIC's releases to the ASX, and in the documents lodged by CIC with ASIC before the date of this Target's Statement.

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any statements contained in it.

In deciding what information should be included in this Target's Statement, the Directors have had regard to:

- the nature of the Shares;
- the matters that Shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to Shareholders' professional advisers; and
- the time available to CIC to prepare this Target's Statement.

11.10 Authorisation

This Target's Statement has been unanimously approved by a resolution passed by the Directors.

12. GLOSSARY AND INTERPRETATION

12.1 Glossary

The meanings of the terms used in this Target's Statement are set out below.

Term	Meaning
Acceptance Form	the form of acceptance and transfers accompanying the Offer or any replacement for substitute acceptance form provided by or on behalf of Peet.
Announcement	the announcement of the Offer on the ASX.
Announcement Date	the date of announcement of the Offer, being 10 April 2013.
ASIC	Australian Securities and Investments Commission.
Associate	has the meaning given to that term in the Corporations Act. in the context of Chapter 6 of the Corporations Act
ASX	ASX Limited (ACN 008 624 691) or the securities market which it operates, as the context requires.
ASX Settlement Operating Rules	means the rules of ASX Settlement Pty Limited (ACN 008 504 532) from time to time, except to the extent of any relief given by ASX Settlement Pty Limited.
ASX Listing Rules	means the official listing rules of ASX, as amended or replaced from time to time except to the extent of any written waiver granted by the ASX.
Australian Accounting Standards	means the Accounting Standards issued by the Australian Accounting Standards Board.
ATO	Australian Tax Office.
Banks Waiver Condition	means the Condition set out in Section 10(e) of the Bidder's Statement.
Bid Implementation Agreement	means the bid implementation agreement entered into by CIC and Peet on 10 April 2013.
Bidder's Statement	refers to the Bidder's Statement of Peet dated 11 April 2013.
CBA Facility Condition	means the Condition set out in Section 10(l) of the Bidder's Statement.

Term	Meaning
CGT	capital gains tax.
CIC Annual Report	means the CIC Annual Report lodged with ASX on 28 February 2013 in relation to the financial year ended 31 December 2012.
CIC	CIC Australia Limited (ABN 92 003 157 515).
CIC Awards Plan	means the CIC Awards Plan under which SARs may be issued to eligible employees
CIC Group or Group	CIC and its Subsidiaries.
CIC Option Plan	means the CIC Option Plan under which options may be issued to eligible employees
Closing Date	means 7.00pm (Sydney time) on the later of 24 May 2013 or any date to which the period of the Offer is extended in accordance with the Corporations Act.
Conditions	means the defeating conditions set out in Section 10 of the Bidders Statement.
Corporations Act	the Corporations Act 2001 (Cth) (as modified or varied by ASIC).
Directors or Board	the board of directors of CIC.
FY12 Dividend	the fully franked dividend of \$0.03 per Share declared by CIC for the financial year ended 31 December 2012.
Foreign Shareholders	Shareholders with a registered address outside Australia.
GPG	Guinness Peat Group plc and/or its Subsidiaries, as the context requires.
GST	means goods and services tax or similar value added tax levied in Australia under the GST law to mean the same as in the A New Tax System (Goods & Services Tax) Act 1999 (Cth) or otherwise on a supply.
JV Prescribed Occurrence	means the Condition set out in Section 10(k) of the Bidder's Statement.
Majority Directors	means Mr John McKay, Mr Anthony Carey, Mr Donald Fox and Mr Philip Tunstall.

Term	Meaning
Minimum Acceptance Condition	means the Condition set out in Section 10(a) of the Bidder's Statement.
Non-Associated Shareholders	means those Shareholders not associated with Peet.
NTA	means Net Tangible Assets.
Offer	the offer by Peet for the Shares, which is contained in the Bidder's Statement.
Offer Information Line	the information line on 1800 815 610 (toll free for callers within Australia) or +612 8256 3357 (callers outside Australia), Monday to Friday between 9.00am and 5.00pm (Sydney time) established by the Share Registry to provide assistance to Shareholders.
Offer Period	the period during which the Offer will remain open for acceptance in accordance with the Bidder's Statement.
Offer Price	the offer consideration payable for a Share under the Offer, being \$0.60 per Share.
Option	an option over a Share.
Peet	Peet Limited (ABN 56 008 665 834).
Peet Group	Peet and each of its Subsidiaries.
Placement Agreement	means the agreement between Bidder and Merrill Lynch International (Australia) Limited .
Placement Agreement Condition	means the Condition set out in Section 10(c) of the Bidder's Statement.
Prescribed Occurrences Condition	means the Condition set out in Section 10(j) of the Bidder's Statement.
Related Body Corporate	has the meaning given to that term in the Corporations Act.

Term	Meaning
Rights	All accretions, rights or benefits of any kind attaching or arising from Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all distributions and all rights to receive them or rights to receive or subscribe for Share, notes, bonds, options or other securities declared paid or issued by CIC or any of its Subsidiaries, but does not include the FY12 Dividend).
SARs	share appreciation rights issued under a share based payment plan of CIC known as the CIC Awards Plan.
Share	a fully paid ordinary share in the CIC.
Share Registry	Computershare Investor Services Pty Ltd (ACN 078 279 277).
Shareholder	the holder of a Share.
Subsidiaries	has the meaning given to that term in the Corporations Act.
Target's Statement	this document, being the statement of CIC issued under Part 6.5 Division 3 of the Corporations Act.
VWAP	Volume weighted average price.

12.2 Interpretation

In this Target's Statement:

- (1) Other words and phrases have the same meaning (if any) given to them in the Corporations Act.
- (2) Words of any gender include all genders.
- (3) Words importing the singular include the plural and vice versa.
- (4) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa.
- (5) A reference to a Section, clause, attachment and schedule is a reference to a Section of, clause of and an attachment and schedule to this Target's Statement as relevant.
- (6) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re enactments of any of them.
- (7) Headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement.
- (8) A reference to time is a reference to Sydney time.

- (9) A references to \$ refer to Australian dollars, except where otherwise stated.

Corporate directory

Directors

Mr Maurice W Loomes
Mr Colin John Alexander
Mr John McKay
Mr Anthony N Carey
Mr Donald Arthur Fox
Mr Philip Tunstall

Company Secretary

Ms Melanie C Andrews

Registered Office

Level 3
64 Allara Street
Canberra ACT 2601
AUSTRALIA

Financial Advisers

Fort Street Advisers Pty Ltd
Level 11,
1 O'Connell Street
Sydney NSW 2000
Australia

Legal Adviser

Baker & McKenzie
Level 27, AMP Centre
50 Bridge Street
Sydney NSW 2000
Australia

Share Registry

Computershare Investor Services Pty Ltd
Level 4, 60 Carrington Street
Sydney NSW 2000
Australia

ASX Code

CNB