

This document is the first supplementary bidder's statement ("**First Supplement**") to the bidder's statement lodged by Peet Limited (ABN 56 008 665 834) with the Australian Securities and Investments Commission ("**ASIC**") on 11 April 2013, and despatched on 16 April 2013 ("**Bidder's Statement**"), in relation to the offer by Peet Limited for all of the ordinary shares in CIC Australia Limited (ABN 92 003 157 515) ("**Offer**").

This First Supplement supplements, and is to be read together with, the Bidder's Statement.

FIRST SUPPLEMENTARY BIDDER'S STATEMENT

13 May 2013

Cash Offer by:

Peet Limited

(ABN 56 008 665 834)

to purchase your shares in:

CIC Australia Limited

(ABN 92 003 157 515)

You will be paid 60 cents cash for each CIC Share (subject to the terms and conditions of the Offer)

If you were a registered CIC Shareholder on 12 April 2013 you will also be entitled to retain the fully franked 2012 Final Dividend of 3 cents per CIC Share, without there being any reduction in the consideration payable under the Offer.

The majority of CIC directors and the majority of CIC's independent directors support and recommend you **ACCEPT the Offer in the absence of a higher offer.**

If you require assistance with your acceptance of the Offer, please call 1300 764 218 or +61 3 9415 4272 between 9.00am and 5.00pm (Sydney time) on Business Days

The Offer is dated 16 April 2013 and will close at 7.00pm (Sydney time) on 24 May 2013, unless extended or withdrawn.

Financial Adviser

Merrill Lynch 

A subsidiary of
Bank of America Corporation

Legal Adviser

**KING & WOOD
MALLESONS**

Unless the context requires otherwise, defined terms in the Bidder's Statement have the same meaning in this First Supplement. This First Supplement prevails to the extent of any inconsistency with the Bidder's Statement.

A copy of this First Supplement was lodged with ASIC on 13 May 2013. Neither ASIC nor any of its officers takes any responsibility for the contents of this First Supplement.

1 Material developments relating to the takeover bid

Please see the ASX announcement attached as Schedule 1 which contains details of some material developments in relation to the takeover bid.

2 Authorisation

The copy of this First Supplement that is to be lodged with ASIC has been approved by a resolution passed by the directors of Peet Limited on 8 May 2013.

Signed by Domenico Scafetta for and on behalf of the Bidder in accordance with section 351 of the Corporations Act.



**DOMENICO SCAFETTA
GROUP COMPANY SECRETARY
PEET LIMITED**

Schedule 1

13 May 2013

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

WAIVER OF TAKEOVER OFFER CONDITIONS FOR CIC OFFER EXPECTED TO GO UNCONDITIONAL FRIDAY, 17 MAY 2013

Peet Limited (ASX: PPC) ("Peet" or the "Company") has today declared its cash takeover offer for CIC Australia Limited (ASX: CNB) ("CIC") (the "Offer") is now free of certain conditions set out in its Bidder's Statement dated 11 April 2013 and dispatched to CIC shareholders on 16 April 2013 ("Bidder's Statement"). A formal notice in accordance with section 630(4) and section 650F of the Corporations Act 2001 (Cwth) (the "Act") has been sent to CIC and the ASX today. In this announcement, Peet also provides further information to the market regarding its intentions for CIC.

TAKEOVER UPDATE

Peet has so far acquired a relevant interest in approximately 78% of CIC following acceptance of its bid by CIC's major shareholder, Guinness Peat Group, as well as CIC's Chief Executive Officer and Managing Director, Col Alexander, and CIC Director and Chief Operating Officer, Anthony Carey.

The Offer remains recommended by a majority of CIC's Independent Directors, subject to no superior proposal. No superior proposal has emerged for CIC. Peet notes that the Offer will close on Friday 24 May 2013, unless extended.

UPDATE ON STATUS OF DEFEATING BID CONDITIONS

Peet provides the following updates in relation to its defeating bid conditions.

Minimum acceptance – 50.1%

As disclosed to the market on Tuesday 7 May 2013, the minimum acceptance condition has been satisfied. Peet currently has a relevant interest in approximately 78% of CIC.

Banks' waivers

The Offer is subject to certain banks waiving their rights under loans to CIC and CIC joint ventures which could result in, among other things, requirements for early repayment of those loans as a result of the Offer.

As announced to the market by CIC on Thursday 9 May 2013, Westpac has unconditionally waived these rights under the facilities agreement for the Googong Project.

As announced to the market by CIC on Monday 6 May 2013, CIC received the relevant waivers from St George Bank in relation to CIC's financing facilities with St George Bank comprising the Quayside Construction facility and the Crace Construction loan facility. However, St George's consent to the change of control in relation to CIC's multi option facility was conditional on repayment of that facility by 30 September 2013 (9 months earlier than the current maturity date of the facility). Consequently, Peet's condition has not been satisfied. Nonetheless, Peet has decided to waive this aspect of the condition with the result that the Offer is now free of the condition concerning the banks' waiver rights for the change of control.

Execution of CBA facility

As set out in the Bidder's Statement, the Offer is conditional on a CIC joint venture entering into a binding agreement with Commonwealth Bank of Australia without a change of control clause. Peet has been informed by CIC that the relevant agreement has been entered into and that there is no change of control clause in the agreement. A mortgage which is a condition of the facility is expected to be signed shortly and Peet has decided to waive the condition with the result that the Offer is now free of the condition concerning the CBA facility.

Remaining defeating conditions

As it undertook to do in section 6 of the Bidder's Statement, Peet now waives all defeating conditions other than the condition in paragraph (c) (Placement Agreement not terminated) and the condition in paragraph (j) (no Prescribed Occurrences) of section 10 of the Bidder's Statement.

As announced to the market on 10 April 2013, Peet has undertaken an equity raising of \$124 million, comprised of three separate placements. Approximately \$66 million of the equity raising is conditional on the Offer becoming unconditional (but for certain prescribed occurrences and the placement agreement not being terminated) ("Conditional Placement"). Provided these final conditions are not breached prior to the issue of shares under the Conditional Placement (and not waived by Peet if they are breached), the new shares will be issued on Friday 17 May 2013. On the issue of shares under the Conditional Placement, the Offer will become unconditional and all acceptances under the Offer will become binding.

UPDATE ON PEET'S INTENTIONS REGARDING CIC

Peet's current intentions in relation to CIC remain consistent with those outlined in section 4 of its Bidder's Statement.

Intentions where Peet acquires 90% or more of CIC

If Peet acquires 90% or more of CIC, it intends to proceed to compulsory acquisition where entitled to do so, replace all non-executive directors of CIC (including the Chairman) with Peet nominees, seek to delist CIC but to otherwise continue the business of CIC without major changes to CIC's business, subject to a review of CIC's operations, assets, structure and employees as outlined in the Bidder's Statement.



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Intentions where Peet acquires less than 90% of CIC

In the event Peet acquires less than 90% of CIC, and is therefore not entitled to proceed to compulsory acquisition, Peet intends to replace all or a majority of the CIC Board (including the Chairman) with Peet nominees, seek to remove CIC's listing on the ASX in circumstances where illiquidity and the Listing Rules permit, but to otherwise continue the business of CIC without major changes to the business, subject to a review of CIC's operations, assets, structure and employees as outlined in the Bidder's Statement.

CIC shareholders should be aware that the payment of dividends will be at the discretion of the CIC Board, the majority of which will be comprised of Peet nominees. Peet intends that CIC should retain cash to fund the business and repay debt and would therefore not pay a dividend if CIC were to become a part-owned controlled entity of Peet.

As outlined above, St George Bank's consent in relation to CIC's multi option facility is conditional on repayment of that facility by 30 September 2013 (9 months earlier than the current maturity date of the facility). Because Peet has decided to waive what would have otherwise been an unsatisfied defeating condition (as set out in paragraph (e) of section 10 of the Bidder's Statement), there is a requirement for CIC to repay this facility by 30 September 2013.

As at 31 December 2012, the facility was drawn to approximately \$27 million. Peet believes that CIC is not in a position to fund that repayment using existing reserves or alternate debt financing and is therefore likely to require additional capital. This may require a significant equity raising relative to CIC's market capitalisation. Peet would expect to participate in any equity raising that may be required. CIC shareholders who do not participate in such an equity raising will have their shareholdings diluted. No equity raising from existing CIC shareholders would be required where Peet obtains greater than 90% of CIC and is able to proceed to compulsory acquisition.

CIC SHAREHOLDERS STILL HAVE AN OPPORTUNITY TO ACCEPT PEET'S OFFER

Peet's Offer will close at 7.00pm (Sydney time) on Friday 24 May 2013, unless it is extended. Shareholders wishing to accept the Offer should do so by following the instructions in the Bidder's Statement. Shareholders who accept the Offer will be paid within one month after the later of receipt of your acceptance and the date on which the Offer becomes unconditional (expected to occur on Thursday 16 May 2013) and in any event before 21 days after the end of the Offer Period.

EQUITY RAISING UPDATE

As stated above, following the satisfaction and waiver of certain bid conditions, the Conditional Placement is now unconditional with funds expected to be received on Thursday 16 May 2013 and new shares being issued on Friday 17 May 2013.



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Following the issue of shares under the Conditional Placement, Peet will undertake a non-underwritten Share Purchase Plan ("SPP"), of \$8 million or a higher amount determined by Peet¹. Under the SPP, eligible shareholders, registered as Peet shareholders as at 7.00pm (Sydney time) on Tuesday 9 April 2013, will be invited to participate to a maximum of \$15,000 per shareholder. Peet reserves the right (in its absolute discretion) to scale back the maximum participation amount per shareholder if total demand exceeds \$8 million or the higher amount. As outlined in the Notice of Meeting sent to all shareholders on 18 April 2013, Peet will also seek approval from shareholders for a placement of approximately \$8 million to an entity associated with Peet's Chairman ("Chairman Placement").

The Chairman Placement and SPP will be undertaken at an issue price of \$1.15 per share. New shares issued under the Chairman Placement and SPP will rank equally with existing Peet shares.

Updated transaction timetable

Record Date for SPP	7.00pm Tuesday, 9 April 2013
Conditional Placement cash received	Thursday, 16 May 2013
Issue of shares under Conditional Placement	Friday, 17 May 2013
Peet Extraordinary General Meeting	Friday, 17 May 2013
Offer closes (unless extended)	Friday, 24 May 2013

For investor inquiries, contact:

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¹ The SPP is subject to the terms set out in the SPP booklet which will be sent to eligible shareholders after the successful close of the Conditional Placement.