

12 December 2014

Leighton signs agreement to sell John Holland to CCCC

Leighton Holdings today announced it had entered a binding agreement for the sale of John Holland to CCCC International Holding Limited (CCCI).

CCCI is a wholly-owned subsidiary of China Communications Construction Company (CCCC), the fourth largest construction company in the world by revenue¹. CCCC has a market capitalisation of approximately A\$23.5 billion and is listed on the Hong Kong and Shanghai stock exchanges.

CCCI will purchase John Holland for an enterprise valuation of approximately A\$1.15 billion subject to certain adjustments.

Leighton Holdings Executive Chairman and Chief Executive Officer Marcelino Fernández Verdes said: "In June 2014 we announced that, as part of our Strategic Review we were analysing options for our Services, Property and John Holland businesses, including the potential divestment of, or introduction of new partners to, these businesses.

"The divestment of John Holland demonstrates the progress we have made with our Strategic Review initiatives over the past six months to strengthen the balance sheet, streamline the operating model and improve project delivery.

"Following a comprehensive and extensive global sale process we have achieved a value for John Holland which reflects its position as one of the country's leading engineering and construction companies.

"The divestment of John Holland supports our focus on further reducing gearing and strengthening our balance sheet so that we can be sustainably competitive. Proceeds will also be used to finance future growth, particularly in PPPs².

The indicative impact on Leighton Holdings is:

- A reduction in gearing of approximately 10 percentage points;
- A reduction in Leighton's annualised revenue of approximately A\$3.7 billion and work in hand of approximately A\$5.4 billion; and
- Approximately 4,100 employees to transfer with the business.

Mr Fernández Verdes said: "The existing John Holland management will work closely with CCCI to ensure a smooth transition so that the business continues to safely and efficiently provide services to its clients."

The sale is subject to customary approvals including by the Foreign Investment Review Board.

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Further information:

¹ The Top 250 Global Contractors, Engineering News Record, September 2014.

² Public Private Partnerships.

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LEIGHTON HOLDINGS LIMITED, founded in Australia in 1949, is the parent company of the Leighton Group, one of the world's leading international contractors. The Group is also the world's largest contract miner. Listed on the Australian Stock Exchange since 1962, Leighton Holdings has its head office in Sydney, Australia. The Group provides development, engineering, construction, contract mining, and operation and maintenance services to the infrastructure, resources and property markets. It operates in more than 20 countries throughout the Asia Pacific, the Middle East and Southern Africa. The Group directly employed approximately 49,800 people, as at 30 September 2014.

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