

**24 March 2013**

**Leighton appoints Bob Humphris Chairman, confirms Board independence**

The Board of Leighton Holdings Limited (Leighton) is pleased to advise that Mr Bob Humphris OAM has been elected Chairman of the Company. Ms Paula Dwyer has been appointed Deputy Chairman.

With 50 years of global construction and mining experience, including 10 years as Managing Director of Peabody Resources Pty Limited, Mr Humphris is Chairman of mining services company Ampcontrol Pty Limited and a Director of the ASX listed Australian Infrastructure Fund Limited. He spent 23 years in executive positions with a major UK based constructor.

Mr Humphris is a member of the advisory boards of two Leighton companies and also chairs Leighton's Tender Review and Risk Committee which is a significant component of the Company's business transformation strategy. He has been an Independent Non-Executive Director of Leighton Holdings Limited since September 2004.

Mr Humphris said that it was a privilege to become Chairman of 'one of Australia's great companies'.

"Leighton is in a strong position with real momentum. The Board, the major shareholder and management are all firmly committed to Leighton and are absolutely focused on managing the business in the best interests of all stakeholders," said Mr Humphris.

"Our immediate priority is to identify and appoint additional independent Directors with the capability to contribute to the further development of Leighton. Ms Dwyer will lead a special committee of the Board to oversee this process," he said.

Mr Humphris also noted that the Company's major shareholder has once again confirmed the current governance arrangements relating to Leighton's independence (refer attached letter).

In the letter, HOCHTIEF AG wrote that, "For several decades, Leighton and HOCHTIEF have chosen to follow a set of informal and non-binding governance principles which include a Board and management structure in which the majority of directors are not HOCHTIEF-associated directors. HOCHTIEF has at no time given the Leighton independent directors any cause to believe that it intends to depart from these principles."

"The Board are committed to Leighton's strategic objectives and totally support the CEO, Mr Hamish Tyrwhitt, and his management team," said Mr Humphris.

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**Further information:**

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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 is a top 40 company by market capitalisation and has its head office in Sydney, Australia. Leighton Holdings owns and operates through a number of diverse and independent operating companies: Leighton Contractors; Thiess; John Holland; Leighton Asia, India and Offshore; and Leighton Properties. The Leighton Group also has a 45% investment in the Habtoor Leighton Group. These companies provide development, construction, contract mining, and operation and maintenance services to the infrastructure, resources and property markets. They operate in more than 20 countries throughout Australia, Asia, the Middle East and Southern Africa. The operating companies directly employ more than 56,000 employees.

**Biography**

Robert Douglas Humphris OAM (70)

ARSM, BSc (Eng) Hons, CEng, FIMMM, FAIMM

An Independent Non-executive Director since September 2004, Chairman of the Advisory Board of Leighton Contractors Pty Limited and a member of the Advisory Board of Leighton Asia, India and Offshore since November 2012. Mr Humphris is an Honours graduate in Mining Engineering at the Royal School of Mines, Imperial College, London University. Chairman of Ampcontrol Pty Limited. Former Managing Director of Peabody Resources Pty Limited (previously Costain Australia Limited). Former Chairman of Eroc Holdings Pty Limited, New South Wales Mineral Council, Australian Coal Association and Newcastle Coal Shippers Limited. Former Director of Australian Coal Research Limited and Port Waratah Coal Services Limited. Former Director of Leighton Contractors Pty Limited from February 2012 to November 2012, former Director of Leighton Asia Limited from November 2011 to September 2012, and former Director of Leighton International Limited from September 2007 to November 2011. As at 31 December 2012, Mr Humphris was a Director of the following other ASX listed entity: Australian Infrastructure Fund Limited since August 2006.



**HOCHTIEF**

**AUSTRALIA HOLDINGS  
LIMITED**

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23 March 2013

The Company Secretary  
Leighton Holdings Limited  
472 Pacific Highway,  
St Leonards NSW 2065

Dear Mr Willcock and Leighton Board members,

We are writing to you in response to the resignations on March 22 of Stephen Johns, Wayne Osborne, and Ian Macfarlane AC on the basis that there has been 'a breakdown in relations with the major shareholder'.

We are disappointed by the resignations, as we do not consider that HOCHTIEF has done anything to undermine the independence of the Leighton Board or threatened any such action.

There are a number of assertions made by Mr Johns in his letter of resignation with which HOCHTIEF strongly disagrees. For instance, it is quite incorrect for Mr Johns to claim in his resignation letter that Mr Marcelino Fernandez Verdes interfered in the appointment process for a new independent director.

The entire Leighton Board, including the HOCHTIEF associated directors, has always participated in the selection and appointment process of independent directors. Mr Fernandez Verdes suggested that the Board would benefit from the addition of a new director with a different set of skills to that offered by the proposed candidate. He offered a résumé of an additional candidate for the Rem & Nom Committee's consideration. At this stage, the appointment of a director to fill this vacancy is still pending. Equally, the reasons for HOCHTIEF's lack of support for Mr Johns' re-election were advised to all other directors.

Neither of these matters relate to any attempt by HOCHTIEF to undermine the independence of the Board.

For several decades, Leighton and HOCHTIEF have chosen to follow a set of informal and non-binding governance principles which include a Board and management structure in which the majority of directors are not HOCHTIEF-associated directors. HOCHTIEF has at no time given the Leighton independent directors any cause to believe that it intends to depart from these principles.

However, consistent with its status as the major shareholder of Leighton, HOCHTIEF is free to reconsider these matters at any time if it so chooses.

Contrary to the assertions by the resigning independent directors that HOCHTIEF was seeking to amend or alter the spirit of the protocols, HOCHTIEF was greatly concerned by a proposal from the independent directors for a 'replacement set of governance protocols'. This was contained in their letter to the Mr Fernandez Verdes and, if implemented, would have the effect of excluding HOCHTIEF from any material role in the nomination of any future independent Director.

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HOCHTIEF, under these protocols, would also be excluded from any future role in the appointment of the Chairman which would be at the sole discretion of the Independent Directors.

HOCHTIEF sees no justification for amending the existing corporate governance protocols concerning the independence of the Board, which have enabled us to play our part in appropriate discussions and processes about the composition of the Board. HOCHTIEF cannot and will not agree to protocols that risk institutionalising Board disharmony and would disrupt, for no good purpose, the informal governance arrangements that have worked well for thirty years.

Finally it is important to stress that HOCHTIEF is committed to Leighton's strategic objectives and totally supports the CEO and his management team. HOCHTIEF regards a good working relationship between management and the Board as fundamental to the success of Leighton's business, and will work with its fellow board members to appoint a new independent Chairman and two replacement independent directors as soon as practicable.

For and on behalf of HOCHTIEF AG  
For and on behalf of HOCHTIEF Australia Holdings Limited

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.