

28 June 2013

ASX Market Announcements
Australian Securities Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

RE: Leighton completes sale of telecommunications assets, uses proceeds to strengthen balance sheet

Please find attached a copy of a media release to be issued today by Leighton Holdings.

Yours faithfully
LEIGHTON HOLDINGS LIMITED

VANESSA REES
Company Secretary

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Leighton completes sale of telecommunications assets, uses proceeds to strengthen balance sheet

Leighton Holdings is pleased to announce the completion of the sale of approximately 70% of its telecommunications assets to Ontario Teachers' Pension Plan (Teachers'ⁱ).

The sale price values 100% of the telecommunications assets (Nextgen Networks, Metronode and certain Infoplex assets) at \$885 million and will result in approximately \$500 millionⁱⁱ of post-tax proceeds, which will be used to strengthen Leighton's balance sheet and assist in deleveraging, reducing gearing by more than 10%.

Leighton will continue to own approximately 30% of the assets with Teachers'ⁱⁱⁱ.

Chief Executive Officer Mr Hamish Tyrwhitt said: "This transaction is compelling because it recycles capital through the sale of non-core assets and helps to reduce our debt. Through our 30% ownership share, the transaction also provides access to the upside value that will be created by the new ownership structure with Teachers' and ensures we have a valuable strategic partner for the future."

"The growth potential of these telecommunications businesses under the new ownership structure is bright. Capital expenditure will be funded by a combination of internal cash flow generation and new debt facilities, and any equity investment by Leighton will be offered proportional to the ownership and Leighton will make any decision to invest capital subject to minimum Leighton return hurdles."

The details of the transaction and the impact to Leighton are:

- The sale price values 100% of the telecommunications assets (Nextgen Networks, Metronode and certain Infoplex assets) at \$885 million
- Leighton's post-tax proceeds from the sale will be approximately \$500 million
- Leighton's gearing will be reduced by more than 10%
- On an annualized basis (based on CY12), the sale will reduce Leighton's revenue by approximately \$260 million and EBITDA by approximately \$120 million
- Approximately 350 employees will transition to the joint venture entity.

ENDS

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ⁱ Through Teachers' Long-Term Equities group.

ⁱⁱ Subject to a post-closing adjustment mechanism.

ⁱⁱⁱ The ownership arrangements include the following key matters:

- Teachers' and Leighton are each committed to the investment vehicle for a minimum period of 3 years, after that there are provisions regulating exit from the investment;
- Teachers' and Leighton will have equal board representation; and
- Leighton, whilst it holds an economic interest of 20% or greater, has customary board and shareholder voting rights in relation to material decisions.

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 57,000 employees.

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