



**Ashley Moir**  
Company Secretary  
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5 November 2007

Company Announcements Office  
Australian Stock Exchange Limited  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

**Re: Leighton and Macmahon announce partnering agreement**

Please find attached a copy of a media release to be issued by the company later today.

Yours faithfully  
LEIGHTON HOLDINGS LIMITED

ASHLEY MOIR  
Company Secretary

5 November 2007

## **Leighton and Macmahon announce partnering agreement**

Leighton Holdings Limited today announced that it had entered into a Memorandum of Understanding (MOU) with Macmahon Holding Limited which formalises a partnering relationship between the two companies. Under the MOU, Leighton will promote Macmahon as a “Partner of Choice” to joint venture on large infrastructure and resources related construction projects. Leighton currently has a 15% shareholding in Macmahon.

Leighton Holdings’ Chief Executive Officer, Mr Wal King, said that he was very pleased with the agreement which he believes represents a good outcome for shareholders of both Leighton and Macmahon.

“We see very strong infrastructure and resources markets in Australia at the moment and the outlook remains very positive. Having a partner of choice relationship with Macmahon increases the Leighton Group’s ability to take on and execute work, while boosting Macmahon’s ability to take on major projects.

“This relationship also gives Macmahon opportunities to participate in projects in regions and industry sectors where it does not currently have a significant presence. It will strengthen Macmahon’s position as a vigorous and expansive competitor in the Australian construction, engineering and contract mining industries,” said Mr King.

Macmahon Holdings’ Chief Executive Officer, Mr Nick Bowen, said that the Company’s expansion into the East Coast has continued to gain momentum and that Macmahon was emerging as a top-tier contractor in the national construction market.

“This agreement will allow Macmahon to fast track its move to the next level by taking on larger construction projects, including Public Private Partnerships. We believe it will lead to a bigger, stronger and expanding Macmahon, which will be good for our shareholders and our customers,” said Mr Bowen.

The MOU, which has an initial period of two years, includes the application of a probity regime, a standstill agreement and the appointment of a Leighton nominated Director to the Macmahon Board. A summary of these details is included in the attached Appendix.

ENDS

**Issued by Leighton Holdings Limited** ABN 57 004 482 982 [www.leighton.com.au](http://www.leighton.com.au)

**Further information:**

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MR SCOTT CHARLTON Chief Financial Officer T (02) 9925 6935

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LEIGHTON HOLDINGS LIMITED is the parent company of Australia’s largest project development and contracting group. Founded in 1949, the organisation has grown into a diversified group that includes Thiess, John Holland, Leighton Contractors, Leighton Asia, Leighton International and Leighton Properties. With over 27,800 employees, the Group’s operations are spread all around the Asia-Pacific region on projects in Australia, New Zealand, Hong Kong, Indonesia, Malaysia, Singapore, the Philippines, Thailand, Vietnam, China, Taiwan, Sri Lanka, Macau, India and the Arabian Gulf. Leighton Group companies offer a broad range of project development and contracting services and skills to public and private sector clients across a wide range of industries. Project development skills – infrastructure, property or resources based – and project management of construction and property developments complement the Group’s contracting activities. These activities include construction, mining and services. Leighton Holdings (LEI) is listed on the Australian Stock Exchange and has its head office in Sydney.

(continued...)

## **Appendix**

### Probity Arrangements

It is the policy of Leighton Holdings that all Leighton Group companies and joint ventures act independently of each other in the provision of services in the Australian market. This probity regime is an integral business proposition of the Leighton Group. It is proposed that Leighton Holdings and Macmahon would operate on a similar basis which it is believed will be mutually advantageous, but preserve the independence of both companies, while complying with all relevant laws.

In relation to any Leighton nominated Director appointed to the Board of Macmahon, that Director would absent himself from discussion at Macmahon Board meetings where any conflict of interest arises. The management structure, culture and operations of Macmahon will not be changed as a result of the MOU.

### Standstill by Leighton Holdings

A Standstill Period shall be put in place which will operate for a period of 2 years from the date of execution of the MOU. During the Standstill Period, Leighton agrees not to acquire or offer to acquire or agree to acquire beneficial ownership of any equity securities of Macmahon beyond 19.9% of the issued capital of Macmahon without the prior written consent of Macmahon.

### Appointment of nominated Director to Macmahon Board

Macmahon will appoint a Leighton nominee (currently intended to be Mr Vyril Vella) to its Board. Any Leighton nominee appointed to the Board of Macmahon will comply with Macmahon policies and act in the best interests of Macmahon.