



**Ashley Moir**  
Company Secretary  
**Leighton Holdings Limited**  
ABN 57 004 482 982  
Level 5, 472 Pacific Highway  
St Leonards NSW 2065, Australia  
PO Box 1002  
Crows Nest NSW 1585, Australia  
[www.leighton.com.au](http://www.leighton.com.au)  
T (02) 9925 6666  
F (02) 9925 6005

10 May 2006

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

Dear Sir,

**Re: Leighton launches US\$110 million debt issue to support operations in Indonesia**

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

Yours faithfully,  
LEIGHTON HOLDINGS LIMITED

ASHLEY MOIR  
Company Secretary

10 May 2006

## **Leighton launches US\$110 million debt issue to support operations in Indonesia**

Leighton Holdings Limited, the parent company of Australia's largest project development and contracting group, announced today the launch of a new US\$110 million debt issue of 5-Year Fixed-Rate Guaranteed Notes ('the Notes'). The proceeds of the Notes issue will be used to support the Leighton Group's operations in Indonesia.

The Notes will be issued by a special purpose vehicle, Leighton Finance International Limited (LFIL), a wholly-owned subsidiary of Leighton Holdings Limited. Leighton Group subsidiaries, PT Thiess Contractors Indonesia and PT Leighton Contractors Indonesia, will jointly and severally guarantee the obligations of the issuer and Noteholders will have no recourse to other Group companies.

The Notes have been rated BB/Stable/- by Standard and Poor's. Commonwealth Bank of Australia and HSBC have acted as joint Lead Managers and Bookrunners on the issue.

Leighton Holdings Limited Chief Executive Officer, Wal King, said the Notes issue, which will be listed on the Singapore Stock Exchange, would be used primarily to repay inter-company loans and would also support the Group's operations in Indonesia.

"Our operations in Indonesia have grown rapidly in recent years and as of 28 February the Group had some US\$1.5 billion worth of work in hand in Indonesia. By raising debt, under which recourse is limited to the Indonesian businesses, the Leighton Group can effectively reduce the risks associated with its exposure to Indonesia and create further opportunities for expansion in that country," said Mr King.

"We expect demand for Indonesia's resources to stay strong, providing a solid, long-term level of activity in that country based around PT Thiess Contractors Indonesia's large life-of-mine coal mining operations and PT Leighton Contractors Indonesia's presence on a number of smaller mines.

"An ambitious infrastructure development plan is also being pursued by the Indonesian government. The Group will continue to monitor those infrastructure opportunities closely, as well as other resources related projects," said Mr King.

"The Notes issue will act as a partial currency hedge of the Leighton Group's net investment in the Indonesian businesses, which is denominated in US Dollars. This will further enhance the risk profile of the Leighton Group.

"We are delighted with the strong demand we have seen from investors across Asia-Pacific and Europe for this debt issue," said Mr King.

PT. Thiess Contractors Indonesia originally established a presence in Indonesia in 1972 participating in numerous infrastructure projects. Since then, the company has developed into a major provider of services which include total mining services from mine to port and multidiscipline engineering, procurement and construction services for oil and gas, power, mineral processing, civil infrastructure, telecommunication and environmental projects.

PT Leighton Contractors Indonesia has successfully undertaken civil, rail, contract mining and building projects in the country for over 30 years.

ENDS

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

**Further information:**

MR WAL KING Chief Executive Officer (02) 9925 6911

MR DIETER ADAMSAS Deputy Chief Executive Officer & CFO T (02) 9925 6923

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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 (Northern), Leighton Asia (Southern) and Leighton Properties. Leighton Group companies undertake activity for public and private sector clients in the engineering and infrastructure, building and property, mining and resources, telecommunications and environmental services markets. A range of services are offered including project development, construction, operation and maintenance. With around 23,000 employees, the Group's operations are spread all around the Asia-Pacific region on projects in Australia, Hong Kong, Indonesia, Malaysia, the Philippines, Thailand, Vietnam, India, China and New Zealand. Leighton Holdings is listed on the Australian Stock Exchange and has its head office in Sydney.

## Schedule

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