

14 August 2008

Leighton to raise \$700 million in equity via an accelerated pro-rata entitlement offer

Leighton Holdings Limited (Leighton) today announced that it will raise approximately \$700 million (before expenses) in new equity via a 1 for 14 accelerated pro-rata entitlement offer to shareholders (Entitlement Offer).

Under the Entitlement Offer, Eligible Shareholders will be invited to subscribe for new Leighton shares (New Shares) at an Offer Price of \$35.35 per New Share. This represents a discount of 14.8% to the closing price¹ of Leighton shares on ASX Limited on Wednesday, 13 August 2008 and a 14.0%% discount to the theoretical ex-entitlement price².

New Shares equal in number to those not taken up by Eligible Shareholders and those which would otherwise have been offered to Ineligible Shareholders will be placed into an underwritten institutional or retail bookbuild as applicable. Any premium above the Offer Price achieved in these bookbuilds will be remitted to those relevant shareholders on a pro-rata basis. The Entitlements will not be tradeable on the ASX, and are non-transferable.

Leighton will use the net proceeds of the Entitlement Offer to invest in plant and equipment which will primarily be used to grow the Group's contract mining activities in Australia, Indonesia and India. The Leighton Group is currently the world's largest contract miner and is keen to take advantage of the opportunities arising from strong global demand for iron ore, coal and other minerals. The net proceeds will also be used to redeem the Leighton Notes, which have a total face value of \$200 million and are resettable on 1 December 2008.

Leighton's Chief Executive, Mr Wal King AO, said that "the Group's outlook remains very positive and the Entitlement Offer strengthens our ability to pursue contract mining opportunities that are expected to create further value for our shareholders".

Leighton's CFO, Mr Scott Charlton, said, "the pro-rata nature of the Entitlement Offer allows each eligible Leighton shareholder to participate on a pro-rata basis and to benefit from the future growth of the business".

"We are also very pleased with the continued support from our largest shareholder, HOCHTIEF, which has committed to take up its full entitlement under the Entitlement Offer".

The Entitlement Offer, which represents approximately 6% of Leighton's current market capitalisation of approximately \$11.8 billion, has been underwritten by ABN AMRO Equity Capital Markets Australia Limited and Macquarie Capital Advisers Limited (the Joint Lead Managers), except for the portion that will be taken up by Leighton's largest shareholder, HOCHTIEF. HOCHTIEF has also committed to subscribe for up to \$75 million of any shortfall

¹ Closing price of Leighton Shares on ASX before announcement of the Entitlement Offer adjusted downwards for Leighton's 85 cents per share final dividend for FY2008 as New Shares will not be entitled to receive this final dividend

² The theoretical ex-entitlement price is the theoretical price at which Leighton Shares should trade immediately after the ex-date for the Entitlement Offer and is adjusted downwards for Leighton's 85 cents per share final dividend for FY2008 as New Shares will not be entitled to receive this final dividend. The theoretical ex-entitlement price is a theoretical calculation only and the actual price at which Leighton Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the theoretical ex-entitlement price

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under the Retail Entitlement Offer, at the Offer Price per New Share, pursuant to a sub-underwriting arrangement with the Joint Lead Managers.

Summary of the Entitlement Offer:

Offer size	Approximately \$700 million
Entitlement ratio	1 New Share for every 14 existing Leighton shares
Offer Price	<ul style="list-style-type: none"> ▪ \$35.35 per New Share, which represents: <ul style="list-style-type: none"> ○ a 14.8% discount to \$41.51, the closing price³ on 13 August 2008, the last day of trading before Leighton announced the Entitlement Offer, and ○ a 14.0% discount to the theoretical ex-entitlement price⁴ of \$41.10
Record date	Tuesday, 19 August 2008 (7:00pm AEST) ⁵
HOCHTIEF participation	HOCHTIEF, which holds c.55% of the Leighton shares, has committed to take up its full entitlement under the Entitlement Offer and to sub-underwrite up to \$75 million of any Retail Entitlement Offer shortfall
Dividend entitlement	The New Shares will not be entitled to the final dividend payable by Leighton with respect to the financial year ended 30 June 2008
Joint Lead Managers and Underwriters	<ul style="list-style-type: none"> ▪ ABN AMRO Equity Capital Markets Australia Limited ▪ Macquarie Capital Advisers Limited

Further details on the Entitlement Offer are contained in the Appendix.

Prospectus lodged today

Full details of the Entitlement Offer are contained in a prospectus that has been lodged with the Australian Securities and Investments Commission (ASIC) today and is available for download at Leighton's website at www.leighton.com.au. A replacement prospectus is

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⁵ Notwithstanding the Record Date, Leighton has been granted a waiver by ASX so that in determining shareholder entitlements it may ignore any changes in shareholdings that occur after the trading halt announcement made on Thursday, 14 August 2008 (other than registrations of transactions that were effected through ITS on a normal T+3 settlement basis prior to the commencement of the trading halt on Thursday, 14 August 2008)

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expected to be lodged with ASIC on Wednesday, 20 August 2008 for the Retail Entitlement Offer (the Prospectus).

Trading halt

Leighton has requested that its shares be placed in a trading halt on ASX pending the outcome of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild. Leighton shares are expected to remain in trading halt until Wednesday, 20 August 2008. The record date for the Entitlement Offer will be 7:00pm (AEST) on Tuesday, 19 August 2008.

Key Dates of the Entitlement Offer

Institutional Entitlement Offer	
Lodgement of prospectus	Thursday, 14 August 2008
Institutional Entitlement Offer opens	Thursday, 14 August 2008 (10:00am)
Institutional Entitlement Offer closes for Australian institutions	Friday, 15 August 2008 (6:00pm)
Institutional Entitlement Offer closes for international institutions	Saturday, 16 August 2008 (6:00am)
Institutional Entitlement Bookbuild opens	Monday, 18 August 2008 (10:00am)
Institutional Entitlement Bookbuild closes	Tuesday, 19 August 2008 (noon)
Record Date	Tuesday, 19 August 2008 (7:00pm)
Settlement of Institutional Entitlement Offer and Institutional Entitlement Bookbuild	Thursday, 28 August 2008
New Shares issued under Institutional Entitlement Offer and Institutional Entitlement Bookbuild expected to commence trading (on a normal settlement basis)	Friday, 29 August 2008
Despatch of payments (if any) from Institutional Entitlement Bookbuild	Monday, 1 September 2008
<i>These dates are indicative only and subject to change. All times refer to AEST</i>	

Retail Entitlement Offer	
Record Date	Tuesday, 19 August 2008 (7:00pm)
Lodgement of replacement prospectus (Prospectus) for Retail Entitlement Offer	Wednesday, 20 August 2008 (by 10:00am)
Retail Entitlement Offer opens	Wednesday, 20 August 2008 (10:00am)
Prospectus despatched to Eligible Retail Shareholders	By Wednesday, 27 August

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	2008
Retail Entitlement Offer closes	Thursday, 11 September 2008 (5:00pm)
Retail Entitlement Bookbuild	Wednesday-Thursday, 17-18 September 2008
Settlement of Retail Entitlement Offer and Retail Entitlement Bookbuild	Tuesday, 23 September 2008
New shares issued under Retail Entitlement Offer and Retail Entitlement Bookbuild expected to commence trading (on a normal settlement basis)	Wednesday, 24 September 2008
Holding statements expected to be despatched	Thursday, 25 September 2008
Despatch of payments (if any) from Retail Entitlement Bookbuild	Thursday, 25 September 2008
<i>These dates are indicative only and subject to change. All times refer to AEST</i>	

ENDS

Issued by Leighton Holdings Limited ABN 57 004 482 982 www.leighton.com.au

Further information:

MR WAL KING AO Chief Executive Officer T (02) 9925 6912 or

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

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 37,000 employees, the Group's operations are spread all around the Asia-Pacific region with projects under way, or completed, in Australia, New Zealand, China, Taiwan, Indonesia, Malaysia, the Philippines, Vietnam, Thailand, Laos, Hong Kong, Macau, India, Sri Lanka, the United Arab Emirates and Qatar. 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 Securities Exchange and has its head office in Sydney.

This document is not a prospectus and does not constitute an offer of securities. The offer of shares will only be made in, or accompanied by, a copy of the Prospectus which will be sent to eligible shareholders. Eligible Retail Shareholders wishing to acquire New Shares should consider the Prospectus and will need to complete the Entitlement and Acceptance Form that will be in, or will accompany the Prospectus.

This document does not constitute a Redemption Notice (as defined in the terms of issue of Leighton Notes).

Not for release or distribution in the United States

The Entitlements and New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (Securities Act), or any U.S. state or other securities laws. The Entitlements and the New Shares may not be offered, sold or otherwise transferred except

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pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws.

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Appendix

Institutional Entitlement Offer

Eligible Institutional Shareholders will be invited to participate in the Institutional Entitlement Offer between 10:00am (AEST time) on 14 August 2008 and 6:00pm (AEST time) on 15 August 2008.

Eligible Institutional Shareholders can choose to take up or not take up all or part of their Entitlements. New Shares equal in number to those not taken up by Eligible Institutional Shareholders and those which would otherwise have been offered to Ineligible Institutional Shareholders will be offered for subscription to selected institutional investors through the Institutional Entitlement Bookbuild process.

If the price achieved in the Institutional Entitlement Bookbuild (Institutional Clearing Price) is higher than the Offer Price of \$35.35, Eligible Institutional Shareholders who do not take up all of their Entitlements and Ineligible Institutional Shareholders will be paid an amount equal to the difference between the Institutional Clearing Price and the Offer Price per share sold through the Institutional Entitlement Bookbuild process or you will be paid nothing if the Institutional Clearing Price is equal to the Offer Price.

Retail Entitlement Offer

Eligible Retail Shareholders in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer on the same terms as the Institutional Entitlement Offer under the Prospectus which is expected to be lodged with ASIC on 20 August 2008.

A copy of the Prospectus will be sent to Eligible Retail Shareholders on or about 27 August 2008 and will also be available for download at Leighton's website at www.leighton.com.au from 20 August 2008. The prospectus can also be obtained (free of charge) by calling the Leighton Entitlement Offer Information Line on 1300 366 172 (local call cost from within Australia) or +61 (3) 9415 4169 (from outside Australia) at any time between 8:30am and 5:00pm (AEST time), Monday to Friday.

The Retail Entitlement Offer will open at 10:00am (AEST time) on 20 August 2008 and close at 5:00pm (AEST time) on 11 September 2008.

Eligible Retail Shareholders can choose to take up or not take up all or part of their Entitlements. New Shares equal in number to those Entitlements not taken up by Eligible Retail Shareholders and those which would otherwise have been offered to Ineligible Retail Shareholders will be offered for subscription to selected institutional investors through the Retail Entitlement Bookbuild process.

If the price achieved in the Retail Entitlement Bookbuild (Retail Clearing Price) is higher than the Offer Price of \$35.35, Eligible Retail Shareholders who do not take up all of their Entitlements and Ineligible Retail Shareholders will be paid an amount equal to the difference

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between the Retail Clearing Price and the Offer Price per share sold through the Retail Entitlement Bookbuild process or you will be paid nothing if the Retail Clearing Price is equal to the Offer Price

Any Eligible Retail Shareholder who wishes to acquire New Shares under the Retail Entitlement Offer will need to complete the personalised Entitlement and Acceptance Form that will accompany the Prospectus.

Stock Lending

Eligible Shareholders will be entitled to apply for 1 New Share for every 14 Leighton shares held as at 7:00pm (AEST) on the Record Date, 19 August 2008. In the event a Leighton shareholder has Leighton shares out on loan, the borrower will be regarded as the shareholder for the purposes of determining the Entitlement (provided that those borrowed shares have not been on-sold).