



19 May 2008

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

Dear Sir,

Re: Thiess and John Holland preferred tenderer for \$4bn Airport Link project

Please find attached copies of media releases to be issued today by the Queensland State Government and the BrisConnections consortium, which includes Thiess Pty Limited and John Holland Group Pty Ltd, wholly owned subsidiaries of Leighton Holdings Limited.

Yours faithfully
LEIGHTON HOLDINGS LIMITED

ASHLEY MOIR
Company Secretary

**Premier
The Honourable Anna Bligh**

Monday, May 19, 2008

Premier gives the green light to Australia's largest road project

The State Government has pressed the go button on Australia's largest road infrastructure project to cut congestion and fix one of Brisbane's most notorious bottlenecks.

Today Premier Anna Bligh and Deputy Premier Paul Lucas announced BrisConnections as the preferred bidder to build Airport Link, the next section of the Northern Busway and a new fly-over road to fix the gridlocked airport roundabout.

Airport Link – which is the most complex road and tunnel engineering feat in Queensland's history will cost over \$3.4 billion to build - but a landmark finance deal means it will cost tax payers just \$47 million.

In total the three projects will cost \$4.8 billion, including land costs, of which the State will only contribute \$1.5 billion instead of the \$2.37 billion which the state had budgeted for.

Ms Bligh said the world-class consortium would build two road tunnels and a new airport connection — the 7km Airport Link mainly underground toll road, the 3km Windsor to Kedron section of the Northern Busway and a 750m fly-over above the airport roundabout.

"In terms of construction costs alone these projects combined are twice the size of the North South Bypass Tunnel. This is a huge step forward for road infrastructure in this city," said the Premier.

"This will bring relief for motorists and bus users by making it much faster and easier for them to get around Brisbane."

Despite the massive scope of the project the winning design was able to make way for Pop's Fig - a much loved fig tree of local heritage significance.

"Pop's Fig is highly valued by the local community and forms a landmark for locals and commuters as they make their way along Lutwyche Road," said the Premier.

"That's why I am pleased to be able to say that the project design preserves Pop's Fig by moving the busway alignment to the west."

The Premier said the three projects would have an unprecedented impact on traffic congestion in Brisbane.

"Airport Link will be a stunning addition to Brisbane's road network and will provide a vital new link between two of South East Queensland's most important economic centres — the airport and the city," she said.

"This world-class infrastructure will provide Queensland with Australia's premier airport-CBD connection and will continue to drive the economic growth that is attracting up to 60,000 people per year to our State.

"The Windsor to Kedron section of the Northern Busway will greatly expand the Brisbane busway network and help pave the way towards a city-wide busway.

"And the Airport Drive connection fly-over will help fix one of Brisbane's biggest bottlenecks and remove the current headache for people trying to reach or leave the airport through the airport roundabout."

The Premier said that the combined roads and busway solution construction of Airport Link and the Northern Busway (Windsor to Kedron) will start later this year and all three roads will be completed mid 2012 – six months earlier than originally planned.

The combined projects will cost more than \$4 billion to design and construct. Airport Link will cost \$3.4 billion, the Windsor to Kedron busway section \$444 million and the Airport Drive fly-over \$272 million.

"This is a fantastic outcome for the Queensland tax-payer on Airport Link," Ms Bligh said.

"In a very difficult national and international financial climate and amid rising construction costs, we have managed to keep the Queensland Government contribution to below what we had budgeted for."

"Based on current interest rates, we will now be contributing less than \$50 million for Airport Link instead of the budgeted \$850 million which will free up some money for other vital infrastructure."

Ms Bligh said the main features of the winning bid were:

- Airport Link

- longest road tunnel in Australia at 6.7km
- competitive toll of \$4.30 north-south and \$3.20 east-west (in 2008 dollars).
- bypasses up to 16 traffic lights
- trips between Bowen Hills and airport roundabout in as little as six minutes

- Northern Busway

- a 3km two-lane, two way busway, including 1.5km underground between Constitution Road, Windsor and Sadlier Street, Kedron
- modern new busway stations at Lutwyche and Kedron
- halve average travel time between Kedron and Royal Brisbane Hospital

- Airport Drive fly-over

- 750m section of fly-over to link the East-West Arterial and Airport Drive which bypasses roundabout and traffic lights

- Existing roundabout replaced by highly efficient signalised intersection
- Combined with Airport Link, will deliver motorists from the international terminal to Bowen Hills in as little as 10 minutes and bypassing 18 sets of lights
- Upgrade of the East-West Arterial to three lanes each way.

The bid includes a number of significant changes which Ms Bligh said were exciting innovations to the original designs.

Key project changes are:

- Massive reduction in impacts on Kedron State High School by relocating Airport Link underground; \$5.5m to mitigate impacts on Kedron High and Woolloowin State School
- Partial burying of two of Airport Link's three ventilation stations, including at Clayfield, to dramatically reduce noise and visual impacts
- Substantially improve traffic capacity at Kedron Brook intersection by relocating surface road and overhead road bridges underground
- Excellent pedestrian and cycle access, underground location and smart design of Lutwyche Busway Station.

Deputy Premier and Infrastructure and Planning Minister Paul Lucas said another change was the acquisition of extra properties for Airport Link and Northern Busway.

"This is a project Brisbane can be proud of. But it will have an impact," Mr Lucas said.

"Unfortunately because of the improved road connections included in the designs, we cannot do without some extra properties," he said.

"We will have to resume an extra 35 properties and we will work closely with these owners to acquire their properties in the most sensitive way possible.

"But there are also owners of six surface properties that thought they would be affected and will not be now because of the design changes."

The BrisConnections consortium includes Macquarie Capital Group, Thiess and John Holland. They employed hundreds of staff and invested millions of dollars on their bid as did the two unsuccessful bidders.

"It was a very competitive process and I want to thank all three groups for the amount of expertise and sheer hard work they brought to these bids," said Mr Lucas.

Airport Link is mainly underground and will comprise dual tunnels approximately six kilometres in length.

It will link major and local roads at Bowen Hills with the northern arterials of Gympie Road and Stafford Road at Kedron and Sandgate Road and the East-West Arterial in the north-east.

The Northern Busway will ultimately connect the Inner Northern Busway at Herston to Bracken Ridge via Windsor, Lutwyche, Kedron, Chermside and Aspley.

The Windsor to Kedron section of the busway is being delivered with Airport Link to save on build costs and minimise construction impacts.

In what will be Australia's largest Public-Private Partnership (PPP) project, BrisConnections will be asked to finance, design, construct, commission, operate and maintain Airport Link underground toll road.

The same contractor will also design and build the Windsor to Kedron section of the State-funded Northern Busway and the airport fly-over, before handing it back to the State to operate and maintain.

BrisConnections winning designs will be available for public viewing throughout May and June at the Airport Link and Northern Busway (Windsor to Kedron) Visitors' Centre at 109 Gympie Road, Kedron, which is scheduled to open on 22 May," Mr Lucas said.

"People will be given a chance to have their say on these changes," Mr Lucas said.

"They will have up to four weeks to make submissions about the changes and I can guarantee that all submissions will be carefully considered."

Premiers 07 32244500

<http://www.cabinet.qld.gov.au/MMS/StatementDisplaySingle.aspx?id=58107>

MEDIA RELEASE

19 May 2008

BrisConnections preferred bidder for Airport Link, Northern Busway (Windsor to Kedron) and Airport Drive Connection Projects

BrisConnections was today announced by the Premier of Queensland, the Honourable Anna Bligh, MP, as the preferred bidder for the Airport Link, Northern Busway (Windsor to Kedron) and Airport Drive Connection Projects. BrisConnections is a fully integrated consortium bringing together the expertise of Macquarie Capital Group Limited, Thiess Pty Ltd, John Holland Pty Ltd, Arup and PB.

BrisConnections will design, construct, finance, own and operate the Airport Link Project, design and construct the Windsor to Kedron section of the Northern Busway and design and construct a direct link between the East-West Arterial and Airport Drive known as the Airport Drive Connection.

These three projects are critical elements of the South East Queensland Infrastructure Program and Plan (SEQIPP) and vital pieces of infrastructure for tackling traffic congestion, primarily on the north side of Brisbane. Together, they represent the largest single investment in transport infrastructure ever undertaken in Australia, with a total project cost of over \$5 billion.

Airport Link, which also forms part of the Brisbane City Council's TransApex plan, will be the largest road tunnel to be built in Australia. It will be a fully-electronic toll road stretching some 6.7 kilometres with 5.25 kilometres underground, and will have one of the lowest per kilometre tunnel tolls in Australia.

BrisConnections Chairman, Trevor Rowe, said that the Airport Link project would avoid 17 sets of traffic lights and cut travel times between the city and the airport by up to 17 minutes in 2012. By 2022, the travel time savings are estimated to be up to 47 minutes.

When combined with the Airport Drive Connection project at the Airport roundabout, this will provide free-flow traffic conditions from the airport to city connections at Bowen Hills, with other important orbital connections to the



Inner City Bypass and the North-South Bypass Tunnel. In addition, there are arterial connections to Sandgate Road, Stafford Road and Gympie Road.

The Northern Busway from Windsor to Kedron will connect to the rest of TransLink's extensive busway network. The busway project will encourage greater bus patronage into the future. Features of the busway project include exciting new and imaginative designs for busway stations at Lutwyche and Kedron which will encourage greater bus patronage into the future.

Delivery of the tollway and busway projects as a single integrated package will enable significant construction efficiencies, compared with the projects being undertaken separately.

The Airport Drive Connection Project involves a major redevelopment of connections at the Airport roundabout. There will be a direct connection from the East West Arterial to Airport Drive cutting travel time significantly, and improved traffic flow and reduced delays particularly for motorists travelling to and from the airport and Australia Trade Coast regions.

Mr Rowe commented: "BrisConnections has developed innovative design solutions that will deliver on our vision of 'smarter ways to move'. This innovation has focussed on minimising the impact on the community and maximising the longer term benefits of urban design and social amenity. For example, we have reduced visual impacts of ventilation stations and outlets and minimised construction and traffic impacts on schools and other local communities."

"Our consortium brings together world-class tunnelling experience in a team that has been involved in most of the toll road and tunnelling projects undertaken in Australia in the past decade," he added.

The tunnels will be built to the stringent technical, safety and environmental standards prescribed by the State. BrisConnections is providing the State with the highest standard of engineering, construction and tunnelling expertise, backed by vast experience and an outstanding track record in safety and timely delivery of massive infrastructure projects.

Design and construction work will be undertaken by the Thiess-John Holland Joint Venture under a fixed-price, fixed term contract which will provide the State and taxpayers of Queensland with the greatest confidence that the project will be delivered on time and within budget.

Construction is scheduled to begin later this year, following consultation with the public and detailed design. All construction work on the three projects is due to be completed by the middle of 2012.

Another joint venture, comprising Thiess Services and John Holland Services, will deliver roadside operation and maintenance services for Airport Link under a fixed price contract for an initial five-year period following the opening of the tunnel to traffic.



Mr Rowe stated that the Airport Link project will be funded through a combination of debt and equity. The equity financing will be underpinned by an underwritten Initial Public Offering (IPO) of securities in BrisConnections, with the public offer expected to be launched later in the year. Significant equity investments are also being made by each of the project Sponsors.

The robust financing package has been arranged by Macquarie Capital Group, one of the world's leaders in infrastructure financing, and delivers absolute certainty to the Queensland Government in a difficult market environment.

"The BrisConnections team has worked long and hard to produce the best possible engineering and urban design solution for the people of Brisbane," said Mr Rowe.

"We have integrated these projects into one smart and effective solution, with new connections for buses, cars, commercial vehicles, pedestrians and cyclists alike - offering demonstrable and lasting benefits for both public and private transport users," he stated.

"BrisConnections is proud to be entrusted by the State to deliver these exciting and landmark projects which will transform the transport network of Brisbane.

Ends.

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