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

RE: Leighton's HQ South Tower sells for \$94 million

Please find attached a copy of a media release to be issued today by Leighton Contractors Pty Limited and Leighton Properties Pty Limited, wholly owned subsidiaries of Leighton Holdings Limited.

Yours faithfully,

A.J. MOIR
Company Secretary



Media Release

29 March 2010

Leighton's HQ South Tower sells for \$94 million

Leighton Properties and Leighton Contractors have signed a \$94 million contract of sale for the South Tower of their latest mixed-use development, HQ in Brisbane's Fortitude Valley, Queensland.

HQ South Tower was purchased by AFIAA – the investment foundation of 18 Swiss pension funds. The purchase is the second building for its Australian property portfolio, after the 2009 purchase of the American Express building in Pyrmont, Sydney, New South Wales.

Hans Brauwers, CEO of AFIAA describes the purchase as a logical development of the foundation's strategy of counter-cyclical investment.

"The Australian market is extremely attractive at the moment – as a country rich in raw materials and on the doorstep of Asia, Australia is benefitting directly from the pronounced upswing in the east, particularly China and India," Mr Brauwers said.

HQ South Tower is fully leased to high-profile tenant, Leighton Contractors, as their new head quarters on a fixed 10-year lease. Such a long-term lease with this type of tenant will offer a high and stable cash flow and overall returns on capital."

Leighton Properties' Executive Director and State Manager, Queensland, Andrew Borger, said that following the success of this recent sale, an EOI campaign for the HQ North Tower will commence immediately.

"There is still very strong interest in high quality, new assets from both national and international investors and we are confident bringing HQ North Tower to the marketplace," Mr Borger said.

"Fortitude Valley is now the most active city fringe office precinct in Brisbane. It's location is viewed as an extension of Brisbane's CBD and currently there is in the order of \$10.3 billion worth of government investment in the construction of road and public transport infrastructure that will benefit this area."*

"At HQ we've injected an economic stimulus to the Valley, bringing approximately 3,000 new office workers, plus additional retail outlets and public spaces," said Mr Borger

Jones Lang LaSalle Director, Simon Storry and Associate Director, Paul Noonan brokered the sale of the 15,000sqm building, which will provide an effective yield of 7.68 per cent.

"The recent increase in interest from international investors has shown that high quality assets like HQ, with world leading sustainability measures, will continue to be the strongest asset class sought in the market," Mr Storry said.

Leighton Contractors' Northern Region General Manager, Darren Weir, said HQ's sustainability credentials were a drawcard for AFIAA in assessing the South Tower purchase.



“HQ has been acknowledged as one of Australia’s most sustainable buildings, achieving a 6 Star Green Star – Office Design v2 accreditation from the Green Building Council of Australia,” Mr Weir said.

“At its core are smart technology solutions which have each undergone a rigorous life cycle analysis and assessment. The results, after incorporating the principles of Green Star, are solutions which are practical and a building which is bound to provide significant outcomes to its investors,” he said.

HQ is located on the corner of Wickham and Brookes Streets in the Fortitude Valley, Brisbane. It comprises two world class office towers, boutique shops, restaurants, wine bars and a 2,500m² central public plaza.

HQ North Tower next door, with more than 29,000sqm, has already secured leading, international engineering company AECOM as a major tenant.

Leighton Properties is one of Australia’s leading property development companies with offices in Brisbane, Sydney and Melbourne. It has over 35 years’ experience in commercial, residential, resort, industrial and retail projects and is committed to creating sustainable environments. As part of the Leighton Group, Leighton Properties has the capacity and resources to deliver.

Leighton Contractors is one of Australia’s leading contracting and project development groups with over \$9.6 billion work in hand, employing more than 9,000 people across Australia and New Zealand.

*Brisbane Economic and Demographic Report, Urbis

ENDS

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