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30 May 2006

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

Dear Sir,

**Re: Leighton Contractors preferred tenderer to construct new \$300 million
Defence Headquarters**

Please find attached a copy of a media release issued by the Department of Defence announcing Praeco Pty Ltd – a consortium comprising Leighton Contractors Pty Ltd and ABN AMRO Australia Ltd - as the preferred tenderer to construct the new \$300 million purpose-built Headquarters Joint Operations Command (HQJOC) near Bungendore, NSW.

Yours faithfully,
LEIGHTON HOLDINGS LIMITED

ASHLEY MOIR
Company Secretary



MEDIA RELEASE

THE HON. DR BRENDAN NELSON, MP

Minister for Defence

SENATOR THE HON. SANDY MACDONALD

Parliamentary Secretary to the Minister for Defence

Tuesday, 30 May 2006

089/2006

NEW \$300 MILLION HEADQUARTERS JOINT OPERATIONS COMMAND

I am pleased to announce that Praeco Pty Ltd has been selected as the preferred tenderer to construct the new \$300 million purpose-built Headquarters Joint Operations Command (HQJOC) near Bungendore, NSW.

Praeco Pty Ltd – a consortium comprising Leighton Contractors Pty Ltd and AMRO Australia Ltd – was selected after an extensive and detailed tender evaluation process following the release of the Request for Tender on 1 September, 2004.

Praeco Pty Ltd is to be complimented on providing a comprehensive bid that will give the Australian Defence Force (ADF) a first class command and control facility to support the planning and conduct of Defence operations and activities.

This announcement also marks a significant milestone for the Australian Government in that the consortium will be providing the buildings, infrastructure, maintenance and services components of the Project under private financing arrangements.

The private financing arrangements have been assessed to provide better value for money for the Commonwealth than traditional procurement as it transfers to the private sector many of the risks in the areas of design, construction, maintenance and operation of the facility which the private sector is better positioned to manage. Private financing also allows the Government to focus on delivering core services or capability.

The selection of Praeco Pty Ltd as the preferred tenderer is conditional on the consortium reaching agreement with Defence on a number of matters during contract negotiations. This is not unusual for a project of the scope and scale of the Headquarters project.

I also commend the unsuccessful consortia for presenting impressive bids for the Project.

Praeco Pty Ltd will be required to build, operate and maintain the new headquarters facility for the 30-year contract term. Defence has retained the responsibility for the procurement, installation and maintenance of the command, control, communications, computing and intelligence (C4I) systems for the facility.

A Queanbeyan-based company, Codarra Advanced Systems, was recently awarded a three-year, \$7 million contract for project management and systems engineering services to assist Defence in the delivery of the C4I systems for the facility.

As part of that process, in August 2006 Defence will release the Request for Tender for the Prime System Integrator who will undertake the procurement, design, installation, testing and accreditation of the C4I systems.

The Project is on course for Defence staff to occupy the facility toward the end of 2008, providing Defence with its first fully integrated command and control headquarters.

I would like to thank the Member for Eden-Monaro, the Hon Gary Nairn, for his ongoing support and advocacy on behalf of this project.

Media contacts

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