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

RE: AquaSure to deliver Australia's most advanced Desalination Plant

Please find attached a copy of a media release to be issued today by the AquaSure consortium, the winning bidder for the \$3.5 billion Victorian Desalination Project. The AquaSure consortium is made up of; Suez Environnement, through its affiliate Degrémont; Thiess, a wholly owned subsidiary of Leighton Holdings Limited; and Macquarie Capital.

Yours faithfully,

A.J. MOIR
Company Secretary



MEDIA RELEASE

31 July 2009

AQUASURE TO DELIVER AUSTRALIA'S MOST ADVANCED DESALINATION PLANT

Water Minister Tim Holding will today meet with the AquaSure team, who has pledged to deliver the most technically advanced, environmentally sensitive and energy efficient desalination facility in Australia.

The pledge follows yesterday's announcement by the Victorian Government of AquaSure as the winning bidder for the \$3.5 billion Victorian Desalination Project, to be delivered as a Public Private Partnership (PPP). The project will be one of the largest PPPs in the world and demonstrates Victoria's leadership in the delivery of privately funded projects.

AquaSure brings together three world leaders: SUEZ ENVIRONNEMENT through its affiliate Degrémont, world leader in desalination technology; Thiess, one of Australia's largest and most trusted construction and services companies; and Macquarie Capital, the world's strongest and most experienced infrastructure advisor.

AquaSure will finance, design, construct, operate and maintain one of the largest reverse-osmosis desalination plants in the world, and its associated transfer pipeline.

AquaSure will also deliver the Victorian Government's preferred underground power option and ensure water delivery by the end of December 2011.

The desalination plant will provide up to 150 billion litres of water a year – around a third of Melbourne's annual water supply – with the possibility of future expansion to 200 billion litres.

It will operate with a 100% renewable energy offset leading to the construction of a new wind farm in Victoria by AGL.

The Thiess-Degrémont Joint Venture will design and construct the project with state of the art technology to deliver this new water resource on time.

Following the commissioning of the plant, the Degrémont-Thiess Services Joint Venture will operate and maintain it for 27 years.

Responding to the community

Bid chairman Tony Shepherd said he was full of pride that the Victorian Government had entrusted AquaSure with the responsibility of delivering this vital water infrastructure project.

"From day one, we recognised the high expectations of the Government and the community with regard to protecting the environment and the local amenity," Mr Shepherd said.

“We have listened carefully to stakeholders and have worked hard to design the most environmentally sensitive and energy efficient desalination plant possible today. We have incorporated the most advanced and reliable seawater reverse-osmosis desalination technology available in the world.

“AquaSure will demonstrate an exceptional engagement with the community in all that we do, including minimising any disturbance for landholders from the construction of the power and pipelines.

Part of our lasting contribution will be the establishment by Degrémont of an international centre of excellence in desalination technology in Wonthaggi.”

A world class, green design

Unveiling AquaSure’s architectural concept for the desalination plant, Mr Shepherd said it successfully integrates architecture, ecology, landscape and technology.

“The AquaSure design concept is based on a ‘green line’ that runs through the site, changing form and content as it moves from a natural landscape element to a constructed dune formation, a living green roof, a footprint encompassing buildings and, ultimately, a restored landscape within a coastal park. It has been inspired by the tremendous community passion for sustainable landcare and coastcare and will be one of the largest single ecological restoration projects of its kind ever undertaken in Victoria.”

“Rather than the ‘industrial shed’ that some seemed to expect, the completed plant will be almost invisible from any public viewing point. The decision by the State to place the power line underground means that the whole project will have minimal visual impact.”

Further consultation will occur, with comments on this design to be invited from the community over the coming weeks.

Strong financial arrangements

Despite some of the toughest market conditions in modern history, AquaSure and the State have successfully worked together to secure a landmark financing package providing one of the largest bank debt finance packages for an Australian PPP.

Top Australian financial institutions National Australia Bank Limited and Westpac Banking Corporation lead an international bank group composed of Intesa Sanpaolo S.p.A., Banco Bilbao Vizcaya Argentaria S.A.; Banco Santander S.A.; The Hongkong and Shanghai Banking Corporation Limited; Sumitomo Mitsui Banking Corporation; The Bank of Tokyo-Mitsubishi UFJ; Dexia Credit Local; Industrial and Commercial Bank of China; Hong Kong Branch; Macquarie Bank Limited; and Mizuho Corporate Bank Ltd, Sydney Branch.

The banking group brings together experienced lenders in desalination, water, PPP and project finance transactions in Australia and across the globe, through the participation of banks from Belgium, France, Italy, Japan, Spain and the UK.

The transaction will also benefit from the leadership of a strong and experienced equity group with extensive credentials in infrastructure asset ownership and management, composed of equity from SUEZ ENVIRONNEMENT, Thiess Pty Ltd and Macquarie Capital Group Limited, and complemented by the Victoria-based superannuation fund UniSuper, HSBC Environmental Infrastructure Fund, Itochu Corporation, and a Korean investment vehicle grouping Samsung C&T corporation and financial co-investors KDB (Korean Development Bank), KLI (Korea Life Insurance) and KTCU (Korean Teachers Credit Union).

The finance package has been designed with a view to maximising financing volume and funding certainty for the State, adhering to the fundamentals of the PPP framework.

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Design Elements

Key elements of AquaSure's design include:

- A 'green line' that runs through the site, changing form and content as it moves from a natural landscape element to a constructed dune formation, a living green roof, a footprint encompassing buildings and, ultimately, a restored landscape within a coastal park.
- A revolutionary 'green roof' - the largest of its kind in Australia - made of recycled, biodegradable materials and completely covered with living indigenous vegetation to camouflage the plant, provide acoustic protection, corrosion resistance and thermal control, and reduce maintenance needs.
- Even though the plant will be one of the biggest in the world, it will have a very small footprint, taking up just 38 hectares of the 263 hectare site.
- One of the largest single ecological restoration projects of its kind ever undertaken in Victoria. The remaining 225 hectares of the existing site will be recreated into an ecologically sustainable landscape, including freshwater wetlands, woodland and coastal heath landscapes, new habitat for local fauna and a network of paths for local cyclists, pedestrians and horse riders.
- More than 150,000 trees and one million shrubs will be planted to reinstate indigenous vegetation cleared over past decades to make way for grazing and mining activities.
- Coastal dunes will be reconstructed to integrate the plant with adjacent landforms and minimise visual and noise impacts for neighbouring areas.

About us

AquaSure is a consortium of global leaders in their respective fields of designing, building, financing and maintaining water and desalination projects in Australia and across the globe.

Degrémont

Degrémont is the water treatment plant specialist within SUEZ ENVIRONNEMENT. Over 30 years, Degrémont has designed and built 250 reverse osmosis desalination plants and operates a significant portion of this installed capacity.

With business in over 70 countries and 4,600 employees, Degrémont generated sales of 1,014 million Euros (1,766 million AUD) in 2008. Each day, SUEZ ENVIRONNEMENT and its subsidiaries deal with the challenge to protect resources by providing innovative solutions to industries and to millions of people.

SUEZ ENVIRONNEMENT employs 65,400 people and, with its presence on a global scale, is a world leader exclusively dedicated to environmental services. In 2008, SUEZ ENVIRONNEMENT achieved sales turnover of 12.4 billion Euros (21.6 billion AUD).

Degrémont has been active in Australia for more than 30 years. Among its many projects, the company has operated the Sydney Prospect plant since 1996, which supplies around 80 per cent of Sydney's drinking water. In 2006, a Degrémont joint venture completed the first Australian seawater desalination plant in Perth, still the third largest of its kind in the world and the largest single water source for Perth's integrated water supply scheme.

Degrémont brings to the AquaSure consortium unrivalled international experience in seawater desalination designs and operations for very large plants, which is complemented by its operation and management experience in Australia. This project, its largest ever PPP project, confirms the company's world leadership in reverse-osmosis technology.

Thiess

With 75 years experience, Thiess is one of Australia's largest construction, mining and services contractors with operations throughout Australia and in New Zealand, Indonesia, UAE and India.

Thiess's impressive portfolio includes iconic projects like the Snowy Mountains Hydro Electric Scheme, Sydney Harbour Tunnel, Lane Cove Tunnel, EastLink and Airport Link. Thiess is also one of the country's leading water infrastructure builders, having built the Thomson Dam and other large dams, water treatment facilities as well as ancillary equipment for the delivery of water services.

Thiess Services is Australia's market leader in operations and maintenance for water utilities

With an annual turnover of A\$5.5 billion and A\$15.6 billion of work in hand, Thiess's strong financial position enables the company to undertake very large and complex projects.

Thiess is a wholly owned subsidiary of Leighton Holdings Limited, the largest publicly listed construction and development company in Australia.

Macquarie Group

Macquarie Group is a global provider of banking, financial, advisory, investment and funds management services.

Founded in 1969, Macquarie operates in more than 70 office locations in 26 countries. Macquarie employed approximately 12,700 people and had assets under management of A\$243 billion at 31 March 2009.

Macquarie Capital comprises Macquarie Group's corporate advisory, equity underwriting and specialised funds management businesses. Macquarie Capital's public private partnership (PPP) group provides specialist infrastructure financing advice on PPPs and private finance initiatives in Australia, the UK, Ireland, Europe, Canada, South Korea and the Middle East.

Macquarie Capital is active across all major sectors, including water and wastewater, healthcare, schools, police, prisons, defence, transport and street lighting. Macquarie has advised on a number of significant transactions in the water utilities sector.

Macquarie Capital brings to the AquaSure consortium the proven ability to ensure successful financing of the project through its unique network.