



Leighton Holdings Limited

12 December 2002

Company Announcements Office
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Re: John Holland acquires Transfield's construction business

Dear Sir,

Please find attached a copy of a media release to be issued today by John Holland Group Pty Limited. John Holland Group Pty Limited is a 70% owned subsidiary of Leighton Holdings Limited.

Yours sincerely,

A.J. MOIR
Company Secretary



MEDIA RELEASE

12 December, 2002

John Holland acquires Transfield's construction business

John Holland's Managing Director, Mr Bill Wild, announced today that the company had signed a Memorandum of Understanding (MoU) with Transfield Construction Pty Ltd for the acquisition of Transfield's construction business in Australia and overseas.

Under the MoU, John Holland will acquire the business contracts, property, plant, equipment and goodwill of Transfield Construction for an indicative purchase price of \$49.8 million. The transaction is expected to be completed by 31 January 2003.

"The acquisition of Transfield Construction's business will strengthen John Holland's presence in the Australian construction market and provide an immediate boost to work in hand of approximately \$500 million" said Mr Wild.

Mr Wild said that all of Transfield Construction's 800 employees will be offered employment with John Holland.

"John Holland has been actively looking to grow its business by acquisition to achieve both size and diversification," said Mr Wild.

"Transfield is a very good fit in terms of skills and experience and will significantly enhance the scale of John Holland. We will have annual revenues of around \$1.2 billion and a workforce of over 2000 people.

"This acquisition will bring specialist skills in the areas of structural, mechanical and process engineering, water and waste water, tunnelling and power transmission infrastructure. It will also strengthen John Holland's capability in telecommunications.

"We are looking to consolidate and expand Transfield's specialist skills as focused business divisions within John Holland. These businesses will extend John Holland's market presence and position it for further growth," said Mr Wild.

"Transfield has a long and proud history in Australia and has been involved in a number of landmark projects. In Sydney, Transfield projects include the Harbour Tunnel, Northside Storage Tunnel, the Walsh Bay Redevelopment and Airport Rail Link. Other major projects include Melbourne's CityLink, Perth's Graham Farmer Freeway and Brisbane's Airport Rail Link.

"Our combined customer base stands to benefit from a broadening of our capabilities, a strong financial position and an enhanced ability to deliver a range of services.

“We also expect to form a 50:50 joint venture with Transfield Holdings to pursue the development of major infrastructure projects, in which we can also invest. Transfield has a great track record in this area and we believe that a joint venture would position us well to participate in some of the large projects currently being developed around the country,” said Mr Wild.

ENDS

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The John Holland Group is one of Australia’s oldest and most respected contracting companies. Established in Victoria in 1949, the company has grown to become one of Australia’s pre-eminent contractors.

John Holland holds an outstanding record in construction contracting for the rail, road, marine, minerals processing, oil and gas sectors with a strong presence in telecommunications, education, health and defence. We pride ourselves on our engineering excellence, efficient performance, skilled professionals, ethical practices and strong client relationships. John Holland is a recognised industry leader in health, safety and environmental management.

John Holland operates under a regional structure. In addition to its Melbourne based head office the company’s principal regional offices are located in Melbourne, Sydney, Brisbane, and Perth and sub-regional offices in Darwin, Mackay, Newcastle, Singleton and Hobart. John Holland has over 1,500 permanent employees nationally. National turnover for the twelve months ending June 2002, was A\$730 million and current work in hand is close to A\$1 billion.