



Ashley Moir  
Company Secretary

**Leighton Holdings Limited**  
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9 August 2011

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

**RE: Leighton flags potential sale of Pilbara iron ore business to BHP Billiton**

Please find attached a copy of a media release to be issued today by Leighton Holdings Limited.

Yours faithfully,

A.J. MOIR  
Company Secretary

For personal use only

**9 August 2011**

**Leighton flags potential sale of Pilbara iron ore business to BHP Billiton**

Leighton Holdings Limited today announced that it has signed a Heads of Agreement for the sale of the HWE Iron Ore entities and assets that provide iron ore contract mining services to BHP Billiton in Western Australia.

Chief Executive Officer, Mr David Stewart said that BHP Billiton's publicly stated intention to transition to an owner operator model was widely known and the potential sale of the Pilbara based iron ore assets represents a positive result for both parties.

"The Heads of Agreement relates to the mining equipment, people and related assets that service the Area C, Yandi and Orebody 23/25 operations. The three operations collectively account for around 70 per cent of BHP Billiton's iron ore mining in Western Australia and currently represent around A\$1.1 billion of annual revenue and A\$1.4 billion worth of work in hand for the Leighton Group," said Mr Stewart.

"The purchase price, subject to working capital adjustments and final documentation, is expected to be around A\$705million. The potential sale would recognise the creation of substantial value by Leighton since it purchased HWE Mining out of administration in 2006.

"Over the past five years we have been successful in re-invigorating these assets and growing this business. Completion of this transaction will generate substantial cash for re-investment in the Leighton Group," said Mr Stewart.

"One particular focus for us as we work with BHP Billiton to finalise the sale is the orderly transition of our around 2500 people. We will work actively with BHP Billiton to ensure that our people are well looked after and informed throughout this process. I also wish to thank those employees for the tremendous work they have done over the last five years.

"We look forward to working cooperatively with BHP Billiton to finalise the sale and assist them to make their planned transition to owner operator as smooth and safe as possible. Workplace safety, right across the Leighton Group, is a fundamental element of our culture and relies on all of us to work to eliminate fatalities and permanent disabilities, and systematically reduce all other injuries across our operations," Mr Stewart said.

"BHP Billiton is our largest contract mining customer and we will continue to support their work and ambitions in a cooperative and beneficial manner.

Mr Stewart said the Leighton Group is committed to remaining an industry leader in the contract mining industry.

"We are currently in the process of tendering for a number of new significant mining opportunities in Western Australia. We remain the world's largest contractor miner and continue to see resources related opportunities opening up in markets like Mongolia, Southern Africa, South East Asia and the other parts of Australia," Mr Stewart said.

Subject to due diligence, definitive agreements and relevant internal and regulatory approvals, the transaction is expected to close during the fourth quarter of calendar year 2011.

ENDS

**Issued by Leighton Holdings Limited** ABN 57 004 482 982 [www.leighton.com.au](http://www.leighton.com.au)

**Further information:**

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LEIGHTON HOLDINGS LIMITED, founded in Australia in 1949, is the parent company of one of the world's major project development and contracting organisations. We are also the world's largest contract miner. Listed on the Australian Stock Exchange since 1962, Leighton Holdings is a top 40 company by market capitalisation and has its head office in Sydney, Australia. Leighton Holdings owns and operates through a number of diverse and independent operating companies: Leighton Contractors, Thiess, John Holland, Habtoor Leighton Group, Leighton Africa, Leighton Asia, Leighton Welspun India, Leighton Offshore and Leighton Properties. These operating companies provide development, construction, contract mining, and operation and maintenance services to the infrastructure, resources and property markets. They operate in more than 20 countries throughout Australia, Asia, the Middle East and Africa from headquarters in Australia, Hong Kong and Dubai. These operating companies directly employ around 50,000 employees and each function autonomously with its own Board and Managing Director.