

18 December 2014

Singapore Exchange (SGX)
2 Shenton Way
#19-00 SGX Centre 1
Singapore 068804

RE: Leighton and certain Apollo funds agree to form 50:50 Services investment partnership

Please find attached a copy of a media release issued 17 December 2014 by Leighton Holdings Limited, parent company of Leighton Finance (USA) Pty Ltd.

Yours faithfully
LEIGHTON HOLDINGS LIMITED

VANESSA REES
Group Company Secretary

17 December 2014

**Leighton and certain Apollo funds agree to form 50:50
Services investment partnership**

Leighton Holdings today announced it had entered a binding agreement with funds managed by affiliates of Apollo Global Management, LLC (NYSE:APO) (together with its consolidated subsidiaries, "Apollo") to form a 50:50 investment partnership comprising the merged operations and maintenance services businesses of:

- Thiess Services which includes: Communications, Energy Solutions, Asset and Infrastructure Services, and Environmental Services; and
- Leighton Contractors Services which includes: Visionstream and Infrastructure Services.

Apollo is a leading global investment management firm with US\$164 billion¹ in assets under management and experience in successfully partnering with global corporates across the industries in which Leighton provides services.

The details of the transaction are:

- A price which represents an enterprise value for 100% of the assets (collectively referred to as the Services Business) of A\$1,075 million, subject to certain adjustments;
- Approximately A\$700 million in cash proceeds which will reduce Leighton Holdings' gearing by around 10 percentage points.

Leighton Holdings Executive Chairman and Chief Executive Officer Marcelino Fernández Verdes said: "As part of the Strategic Review announced in June 2014, we have undertaken a thorough analysis of our Services Business to ensure we maximise opportunities in the growing industrial and civil infrastructure services sector.

"By choosing to partner with funds managed by Apollo, a leading global investment management firm, we gain access to Apollo's expertise in creating a single, integrated and efficient business which will be better able to compete in the Australian market place. Moreover, we will continue to have exposure to the growing services market with its longer-term contracts and steady cash flows, and we will be positioned to allocate funds to the improvement in our gearing and balance sheet, and to the financing of future growth."

Steve Martinez, Senior Partner and Head of Asia-Pacific for Apollo said, "We are very excited to invest in two great businesses in partnership with Leighton. We look forward to working with the Services Business team to grow a world-class industrial and civil services company focused on continuing to deliver extraordinary results to customers."

The Services Business will be one of the largest services firms in Australia with combined 2014 revenue of more than A\$2.2 billion, approximately A\$4.0² billion of work in hand and approximately 6,400 skilled employees. Leighton and Apollo believe the business will be best positioned as a focused, independent business, led by a dedicated and experienced board and executive team.

The Services Business will provide a comprehensive range of operational maintenance, design and construction, remediation, and asset and facilities management services to clients across the resources, telecommunications, transport, energy, water, health and industrial sectors.

¹ As of 30 September 2014

² With a further ~\$1 billion beyond five years

Mr Fernández Verdes said: "The investment partnership with Apollo funds simplifies and focuses our structure, both the Services Business and the Leighton Group, and supports our goals of delivering sustainable returns to all Leighton shareholders and competitive solutions to our clients."

Thiess Services and Leighton Contractors Services management will work with the new Services Business board and executive team to ensure a smooth separation and integration process. The business is focused on continuing to safely and efficiently provide services to its clients.

The partnership is subject to customary regulatory approvals including Foreign Investment Review Board and New Zealand Overseas Investment Office approval.

ENDS

Issued by Leighton Holdings Limited ABN 57 004 482 982 www.leighton.com.au

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LEIGHTON HOLDINGS LIMITED, founded in Australia in 1949, is the parent company of the Leighton Group, one of the world's leading international contractors. The Group is also the world's largest contract miner. Listed on the Australian Stock Exchange since 1962, Leighton Holdings has its head office in Sydney, Australia. The Group provides development, engineering, construction, contract mining, and operation and maintenance services to the infrastructure, resources and property markets. It operates in more than 20 countries throughout the Asia Pacific, the Middle East and Southern Africa. The Group directly employed approximately 49,800 people, as at 30 September 2014.

APOLLO GLOBAL MANAGEMENT, LLC. Apollo is a leading global alternative investment manager with offices in New York, Los Angeles, Houston, Toronto, London, Frankfurt, Luxembourg, Singapore, Mumbai and Hong Kong. Apollo had assets under management of approximately \$164 billion as of 30 September 2014 in private equity, credit and real estate funds invested across a core group of nine industries where Apollo has considerable knowledge and resources. For more information about Apollo, please visit www.agm.com.

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