

15 November 2013

Vanessa Rees

**Group Company Secretary** 

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ASX Market Announcements
Australian Securities Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

RE: Leighton Properties sells North Sydney development for \$413 million

Please find attached a copy of a media release to be issued by Leighton Properties Pty Limited, a wholly owned subsidiary of Leighton Holdings Limited.

Yours faithfully LEIGHTON HOLDINGS LIMITED

VANESSA REES Group Company Secretary



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## **ASX ANNOUNCEMENT**

**15 November 2013** 

# LEIGHTON PROPERTIES SELLS NORTH SYDNEY DEVELOPMENT FOR \$413 MILLION.

Leighton Properties today announced the sale of its development at 177 Pacific Highway, North Sydney for \$413.19 million to Suntec Real Estate Investment Trust ("Suntec REIT"). The sale represents an initial yield of 6.89%.

Leighton Holdings Chief Executive Officer Mr Hamish Tyrwhitt said: "177 Pacific Highway will be North Sydney's first new commercial building in 6 years and it is set to become one of Sydney's most significant projects.

"The project was keenly sought by buyers domestically and internationally reflecting Leighton's ability to attract investors and the value of its relationships with key Asian partners.

"The sale to Suntec REIT, Singapore's second largest listed SREIT by asset under management, is testament to the building's design and it is in line with our strategy to align with key investors and efficiently use our capital through pre-selling developments.

"The project will be developed by Leighton Properties and built by Leighton Contractors – an example of how the collaboration of Leighton Group companies generates value for clients, strategic partners and shareholders."

Leighton Properties Managing Director Mr Mark Gray said: "Our core competency is the development of high quality, sustainable CBD buildings. This project uses those skills, while leveraging the Group's balance sheet and space occupancy needs.

"The project will be underwritten by the Leighton Group, which will take a head lease over 76% of the office space. The remaining 10,000 sqm will be available to other

corporates, meeting a demand in the North Sydney market that is experiencing record low vacancy rates.

"177 Pacific Highway will incorporate 40,000sqm of A-Grade commercial space across 30 levels and offer stunning harbour views. With its efficient, effective and flexible design, we are targeting a 5 Star Green Star and 5 Star NABERS energy rating for the building. The ground levels will provide a vibrant town square atmosphere, comprising a spectacular entry height of more than 13 metres, a café and retail areas. The building will provide a connected and interconnected workplace with amenity, transparency, flexibility, contextual fit and environmental responsiveness."

Suntec REIT's Chief Executive Officer Mr. Yeo See Kiat said: "177 Pacific Highway will be an iconic property prominently located in North Sydney's CBD. It is a strategic fit with Suntec REIT's portfolio of high quality commercial assets. We are excited about partnering with Leighton on this project which will be their corporate headquarters in Sydney. We look forward to its completion in early 2016."

The sale was undertaken jointly by Paul Noonan and Simon Storry of Jones Lang LaSalle and Josh Cullen and Richard Butler of CBRE.

#### -Ends-

#### **About Leighton Properties:**

Leighton Properties is one of Australia's leading property development companies with over 40 years of experience in commercial, retail, residential and urban projects. With a development pipeline of over \$6.5 billion and offices in Brisbane, Sydney, Melbourne and Perth, Leighton Properties is a 100 per cent owned subsidiary of Leighton Holdings, one of the world's leading international contractors

Leighton Properties is Australia's only investment grade pure developer of A Grade office buildings and urban and residential precincts.

### **About Suntec REIT**

Listed on 9 December 2004, Suntec REIT holds properties in Suntec City, Singapore's largest integrated commercial development (including one of Singapore's largest shopping mall), Park Mall, a one-third interest in One Raffles Quay, a one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall, and a 60.8% interest in Suntec Singapore Convention & Exhibition Centre.

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Its aim is to invest in income-producing real estate which is primarily used for retail and/or office purposes. Suntec REIT is managed by an external manager, ARA Trust Management (Suntec) Limited.

For further information, interviews or images please contact Helen Wright 02 9925 6167.