



Leighton Holdings Limited  
ABN 57 004 482 982  
472 Pacific Highway  
St Leonards NSW 2065, Australia  
PO Box 1002  
Crows Nest NSW 1585, Australia  
[www.leighton.com.au](http://www.leighton.com.au)  
T +61 2 9925 6666  
F +61 2 9925 6005

28 November 2013

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

**RE: Leighton corrects Fairfax Media claims regarding the Habtoor Leighton Group**

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

Yours faithfully  
LEIGHTON HOLDINGS LIMITED

VANESSA REES  
Group Company Secretary

**28 November 2013**

## **Leighton corrects Fairfax Media claims regarding the Habtoor Leighton Group**

Leighton Holdings today again rejected reports published by Fairfax Media. The reports, published in *The Australian Financial Review*, *The Age*, *The Sydney Morning Herald*, and *The Canberra Times*, are in relation to Leighton's 45 per cent investment in the Habtoor Leighton Group (HLG) and contain several significant errors.

Leighton's repeated responses to Fairfax's ongoing campaign against Leighton can be viewed in full on our website, as can Leighton's regular public disclosures on HLG ([www.leighton.com.au](http://www.leighton.com.au)).

Leighton reiterates that Fairfax has once again been inaccurate and unbalanced in its representation of Leighton's operations, governance, values and accounting policies in its more than 150 articles published since October 3 2013.

Leighton has repeatedly advised Fairfax of the facts of Leighton's position prior to publication of its articles. Leighton is considering all avenues of redress against the journalists and Fairfax.

In relation to stories published today, the facts are:

1. Leighton is a 45% investor in HLG.
2. During the past four years, Leighton has reflected an impairment in the carrying value of its investment in HLG by A\$357 million due to the performance of, and outlook for, the business, not \$500 million as reported. The key assumptions underlying these regular financial assessments are presented in Leighton's half year and full year financial reports.
3. As an Australian company, Leighton operates under the Corporations Act and adheres to the Australian Accounting Standards. These Standards require us to review, and update if necessary, the carrying value of our investment in HLG in our accounts every six months or more frequently if necessary. The carrying value of our investment includes the operating performance of HLG, with the value increasing due to HLG profits or reducing due to HLG losses. The carrying value also includes the impact of changes in exchange rates (AUD:AED) and any impairment charges. Leighton's external auditor audits the valuation annually and at the half year the accounts are subject to an audit review.
4. Leighton has loans to HLG of A\$557.9 million, not \$800 million as reported by Fairfax, and letters of credit and guarantees of A\$283.4 million. These are disclosed in the half year result to 30 June 2013. Loans are secured by assets, not borrowings, as reported by Fairfax. This information has been pointed out to Fairfax and ignored.
5. Leighton has kept the market fully informed of its investment in and loans to HLG, updating the market regularly, including at its financial results.
6. Leighton reports specific details of the award and performance of individual projects when it is material.
7. Fairfax's claim that HLG lost 'about \$80 million' on the Emerald Palace project is false, as is its claim regarding Al Ghurair. Fairfax has chosen again to publish allegations attributed to unnamed sources.

8. Leighton (and HLG) have received a range of advice from both internal and external advisers as to the value and recoverability of HLG's legacy receivables. HLG continues to believe that outstanding receivables are recoverable.
9. Fairfax's statement regarding the percentage of receivables yet to be recovered omits the fact that the total quantity has declined as HLG has successfully achieved recoveries.
10. Former Leighton Group executive John Faulkner is not engaged as a consultant with HLG to recover monies in the Middle East.
11. Leighton has repeatedly disclosed to the market that HLG's focus continues to be the collection of receivables and 'IPO-ready 2016' remains the target. The business is diversifying its sector, geographic and client base and it continues to secure new work. HLG has clear strategies in place to recover outstanding payments on its projects and has confidence in its claims.

ENDS

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

**Further information:**

MS JANET PAYNE, Group Manager Investor Relations T+61 2 9925 6121

MS FIONA TYNDALL, Group Manager Media Relations T+61 2 9925 6188

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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. Leighton Holdings owns and operates through a number of diverse and independent operating companies: Leighton Contractors; Thiess; John Holland; Leighton Asia, India and Offshore; and Leighton Properties. The Leighton Group also has a 45% investment in the Habtoor Leighton Group. These 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 Southern Africa. The Leighton Group directly employed 60,000 people, as at 30 September 2013.