Leighton Holdings Limited

14 October 2004

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Company Announcements Office
The Australian Stock Exchange Limited
Level 4
20 Bridge Street
Sydney NSW 2000

Re: Thiess John Holland awarded $2.5bn billion design and construction of Mitcham-Frankston Project

Dear Sir,

Please find attached copies of media releases to be issued today by the Victorian State Government, the ConnectEast Pty Ltd consortium and Thiess John Holland (ConnectEast Construct)

The ConnectEast Pty Ltd consortium is the preferred tenderer to design, construct, finance, operate and maintain the Mitcham-Frankston Project. Thiess, a wholly owned subsidiary of Leighton Holdings Limited and John Holland, a 70% owned subsidiary of Leighton Holdings Limited, are members of the ConnectEast Pty Ltd consortium and will undertake the $2.5 billion design and construction of the freeway in a 50:50 joint venture.

Yours sincerely,

A.J. MOIR
Company Secretary

Media release

From the Premier of Victoria

Thursday, 14 October 2004

PREMIER ANNOUNCES SUCCESSFUL BIDDER FOR MITCHAM FRANKSTON PROJECT WITH LOWEST TOLLS

The Premier, Steve Bracks, today announced the ConnectEast consortium as the successful bidder for the $2.5 billion dollar Mitcham Frankston Project.

Mr Bracks said the project would deliver the lowest private sector tolls in Australia, weekend and neighbourhood discounts and a significant investment in new public transport in the region.

"This is Australia's largest urban road project and offers the people of Melbourne's eastern and south eastern regions a fully integrated transport solution," Mr Bracks said.

"As part of the winning bid, there will be new roads, new public transport and facilities for cyclists and pedestrians. And it will have the lowest private sector tolls in the country."

The ConnectEast consortium includes Macquarie Bank, Thiess and John Holland.

Key features of the Project include:

- A toll cap of $4.43 for a one-way weekday journey for the full length of the road, Victoria's first discount tolls (20 per cent less) on weekends, public holidays and for neighbourhood users and customer-friendly toll products to suit all users, including casual users;

- 19 exits over 39 kilometres, including 88 bridges and eight pedestrian overpasses;

- A seamless tolling system between the Mitcham Frankston Project and other toll roads across Australia, including CityLink, meaning motorists will need only one e-tag;

- A $200 million public transport package, including four railway station upgrades at Heatherdale, Noble Park, Dandenong and Kananook;

- A SmartBus service along Wellington Rd to service growth suburbs such as Rowville;

- 10 kms of extra lanes to cope with the significantly higher traffic numbers forecast, including extending the project to three lanes in each direction to Thompsons Rd, Carrum Downs;

- An $85 million Dandenong Southern Bypass to stimulate jobs growth and boost economic development in the region, facilitating development of the Dandenong Transit City;

- Completion of the Ringwood Bypass, significantly boosting investment in the region;

- Major environmental improvements in the corridor, including 1.6 km long tunnels to protect the sensitive Mullum Mullum Valley and a series of wetlands along the corridor and

- A 40 km shared user path for cyclists and pedestrians, running from Donvale to Seaford.

Mr Bracks said motorists who used the road would experience significant travel time savings.

"For example, a car travelling between Knox City and Doncaster Shoppingtown will pay a toll of $3 and achieve travel time savings of 15 minutes.

"The most frequently used section will be the single section tunnel trip to and from the city which will cost $2.06 – this will also be the cost from Springvale Road to the Maroondah Highway."

Transport Minister, Peter Batchelor, said the project would deliver enormous benefits to all drivers – he said no roads would be closed and people would have a choice as to whether or not to pay tolls.

"It's estimated there will be around 350,000 trips per day on the road - ConnectEast has forecast the low tolls will attract significantly higher traffic volumes off arterial roads and on to the new facility," Mr Batchelor said.

"The Government has approved a far bigger project with extra lanes and connections to meet this demand. This will also take pressure off existing roads such as Springvale Rd and Stud Rd, with major reductions in traffic volumes of up to 30 per cent and significantly improved travel times."

Mr Batchelor said the provision of major public transport upgrades, especially the new State-funded Wellington Rd SmartBus service, would see a big increase in public transport use in growth areas like Rowville.

"SmartBus will provide Rowville with a direct, high frequency service linking up with areas like Monash University and, most importantly, linking with the rail network at three stations – Huntingdale, Oakleigh and Caulfield.

"This is the high quality, high frequency public transport that Rowville has needed and it will be delivered as part of this landmark project."

Treasurer John Brumby said the $2.5 billion Partnerships Victoria project would provide a huge boost for the State economy, generating 6500 jobs and driving massive investment in the corridor.

"The economic activity in construction of the project itself will be enormous - $600 million in construction every year for the next four years," Mr Brumby said. "Work will commence before the end of the year.

"The Dandenong Southern Bypass will provide a huge economic stimulus to the region, particularly for the growing commercial industrial areas. And regional tourism will be boosted because of faster connections to Frankston and the Mornington Peninsula.

"It's the same story in Ringwood, where major investors like QIC, which owns the Eastland Shopping centre, have signalled the completion of the Ringwood Bypass will lead to new investment worth hundreds of millions of dollars."

ConnectEast's winning proposal was assessed by the Southern & Eastern Integrated Transport Authority (SEITA), which will oversee the project until completion in November 2008.

Media contact: Jane Wilson 0407 831 456 or Kate Leonard 0438 084 094 www.vic.gov.au

connecteast

MITCHAM - FRANKSTON PROJECT

MEDIA RELEASE

14 October, 2004

CONNECTEAST CONSORTIUM AWARDED MITCHAM-FRANKSTON PROJECT CONCESSION

The ConnectEast Group, led by Macquarie Bank, Thiess and John Holland, was today awarded the concession to finance, design, construct and operate the Mitcham-Frankston Project (MFP) in Melbourne.

Australia's largest urban road project, the MFP comprises 39 km of toll road (including 1.5 kms of tunnels) in Melbourne's fast-growing east and south-eastern corridor. The MFP will connect the Eastern Freeway in Donvale to the Frankston Freeway, near Seaford.

Additional works that will not be subject to tolls will include the Ringwood and Dandenong Southern Bypasses. This will bring the total quantum of road works undertaken by ConnectEast to 45 km.

The 39-year concession period includes approximately four years of construction followed by approximately 35 years of operation.

Due for completion in 2008, the MFP will generate up to 6,500 jobs in Victoria and help to secure the economic future of the Mitcham-Frankston corridor, home to 1.5 million people and over 40 per cent of Melbourne's manufacturing output.

The road will be a fully-electronic tollroad based on the use of short-range microwave transponder tags and advanced video camera technology.

Victorian motorists will not need to get an extra vehicle tag. The Mitcham-Frankston Project will be fully interoperable with Melbourne's CityLink.

The ConnectEast Group, whose Australian-based partners boast a strong track record in delivering successful tollways, said the road will be one of the most advanced in the world in terms of its design, construction and tolling technology.

The ConnectEast toll for cars will be among the lowest for any tollroad in Australia, on a cents per kilometre basis -- extremely competitive with both the existing CityLink tolls and other domestic tollways.

The maximum toll payable for a single continuous trip by a car will be $4.43 (in 2004 dollars, inc. GST), providing value for money for Victorian motorists. Tolls will include neighbourhood and weekend discounts for cars, the first of their kind to be offered in Australia.

The road is a key part of Melbourne's future road network and will make a valuable contribution to the growth and amenity of the corridor, easing traffic congestion and improving cross-city accessibility for commercial, industrial and residential users.

ConnectEast Chairman Anthony Shepherd congratulated the Victorian Government and SEITA on the professionalism and thoroughness of the tender process.

"I would also like to acknowledge the professionalism of the ConnectEast Group members, who together will deliver a world class road for the people of Victoria.

"I would also like to thank Janet Holmes à Court for her role as Bid Chairman for ConnectEast. We are delighted that Mrs Holmes à Court will continue to have an important role with ConnectEast as a member of the Government's Community Advisory Group."

Mr Shepherd said the Mitcham-Frankston Project will be funded through a combination of debt and equity with a fully underwritten $1.12 billion IPO to be launched today*.

The ConnectEast Group sponsors will also invest in the project, with Thiess (together with John Holland) subscribing for $260 million in equity and Macquarie Bank investing $30 million via Deferred Equity Tranches.

A wholly owned subsidiary of Macquarie Bank, ConnectEast Management Limited, will be the responsible entity of the ConnectEast Group.

Under a fixed-price, fixed-term contract Thiess and John Holland will be responsible for the design and construction of the road.

Transfield Services will also deliver roadside operation and maintenance services for an initial five-year period under a fixed price contract.

Mr Shepherd said: "ConnectEast's robust financing arrangements and the fixed nature of the design and construction contract mean Victorians can be confident that the Project's completion timetable will be met."

For further information contact: Brett Wright, General Manager, Community and Public Affairs, ConnectEast Group (0410 636 434)

* An announcement relating to the IPO will be made at 1.30pm today. Please contact Jim Kelly (0412 549 083) or Mark Gold (0411 221 292) for further details.

Investors will be able to invest in stapled units issued by ConnectEast Management Limited as responsible entity of the ConnectEast Investment Trust and ConnectEast Holding Trust. A Product Disclosure Statement (PDS) will be available shortly at www.connecteast.com.au or by calling the ConnectEast Group Offer Hotline on 1800 207 622 in Australia or 0800 507 391 in New Zealand. Investors should consider the PDS in deciding whether to invest in the stapled units.

About ConnectEast

The ConnectEast Group has been awarded the right by the Victorian Government to design, finance, construct and operate the 39km Mitcham to Frankston toll road for a concession period of 39 years, including a construction period of approximately 4 years.

The ConnectEast Group is sponsored by Macquarie Bank and Thiess. Thiess and John Holland will be responsible for the design and construction of the road. A wholly owned subsidiary of Macquarie Bank will be the responsible entity of the ConnectEast Group.

MEDIA RELEASE

Thiess and John Holland to construct Melbourne's $2.5B Mitcham-Frankston Project

Issue Date: 14 October 2004

A joint venture between Thiess Pty Ltd and John Holland Group Pty Ltd was today selected by the Victorian Government, as part of the ConnectEast consortium, to design and construct Melbourne's newest motorway between Mitcham and Frankston.

Over the next four years, Thiess John Holland will construct a 39 kilometre motorway and 6 kilometres of untolled bypasses connecting Melbourne's eastern and southern suburbs - starting at the end of the existing Eastern Freeway and connecting with the Frankston Freeway on the Mornington Peninsula.

The project is Australia's largest urban road development and will involve the construction of a 39 kilometre roadway of predominantly three-lane capacity, 17 interchanges, over 78 bridges and a 1.5 kilometre twin lane tunnel under Mullum Mullum Creek. Over 35 kilometres of continuous bicycle and pedestrian paths and extensive urban design and landscaping will also be incorporated in the project.

As part of these works, Thiess and John Holland will also construct the Ringwood and Dandenong Southern Bypasses. Fully integrated into the Mitcham-Frankston Project, these non-tolled bypasses will enhance traffic flows and deliver the infrastructure necessary to accommodate growth in the region.

Thiess Managing Director Roger Trundle said he was looking forward to commencing construction on the motorway and that design and planning already begun.

"We are committed to delivering this critical link in the Victorian transport network by the end of 2008. It is a landmark project that once completed, will deliver substantial benefits to communities along the route by reducing traffic congestion on local streets and saving commuters valuable time when travelling around the city," said Mr Trundle.

"The engineering expertise and experience of both Thiess and John Holland in managing complex infrastructure projects in urban areas will ensure the completed project is constructed in an efficient, functional and environmentally sustainable way."

John Holland Managing Director Bill Wild said that the Mitcham Frankston Project is about connecting people and that there would be a range of opportunities for the community to be involved in this project.

"Over the four-year construction phase, the joint venture will directly and in-directly employ over 6,500 people ranging from apprentice carpenters to project managers and create wider employment opportunities in the area," said Mr Wild.

"The project represents a fantastic opportunity for the workforce to update and learn new skills, be innovatively and well rewarded for a fair day's work and make a lasting contribution to Victoria's future. Our aim is to assist the personal development of those working on the project by providing real training opportunities, family-friendly working conditions and a realistic work-life balance for all employees. We intend this project to set new levels in in productivity, performance and satisfaction for all stakeholders."

"To ensure the community is kept up-to-date about the project, a number of project displays will be established, and provide a venue for consultative community meetings that members of the public will be welcome to attend."

"Working with the local communities and authorities on environmental, traffic management and construction progress is crucial to the success of the project, and a dedicated community relations team will be employed and on call 24 hours a day to manage and resolve issues that may arise during the project's life," said Mr Wild.

Thiess and John Holland have committed combined equity of $260 million to the Mitcham-Frankston Project. Thiess and John Holland are also equity investors, and the design and construct contractor, on the $1.1 billion Lane Cove Tunnel Project in Sydney, which is due for completion in 2007.

For further information contact:

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