



Ashley Moir
Company Secretary
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
T (02) 9925 6666
F (02) 9925 6005

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

**Entitlement Offer - Letter to Ineligible Retail Shareholders
Leighton Holdings Limited (ABN 57 004 482 982) (ASX: LEI)**

In accordance with Listing Rule 3.17, attached is a copy of a letter which is today being sent to ineligible retail shareholders of Leighton Holdings Limited.

Yours sincerely

Ashley Moir
Company Secretary
Leighton Holdings Limited

19 April 2011

Dear Shareholder

LEIGHTON HOLDINGS \$757 MILLION ENTITLEMENT OFFER**Notice to Ineligible Shareholders**

On 11 April 2011, Leighton Holdings Limited (“**Leighton**”) announced a fully underwritten capital raising to raise approximately \$757 million by way of an accelerated pro rata renounceable entitlement offer to eligible shareholders to subscribe for 1 new ordinary share in Leighton (“**New Shares**”) for every 9 existing Leighton ordinary shares (“**Shares**”) held as at 7.00pm (Sydney time) on 12 April 2011 (“**Record Date**”) (“**Entitlement Offer**”). New Shares will be offered at an offer price of \$22.50 per New Share (“**Offer Price**”).

The proceeds from the Entitlement Offer will be used to strengthen Leighton’s balance sheet, provide financial flexibility to pursue growth opportunities and support investment grade rating metrics.

The Entitlement Offer comprises an institutional component (“**Institutional Entitlement Offer**”) and a retail component (“**Retail Entitlement Offer**”) to participate at the same Offer Price and offer ratio.

This letter is to inform you that under the terms of the Entitlement Offer, you are not eligible to subscribe for New Shares and no entitlements will be issued to you. This letter is not an offer to issue New Shares or entitlements to you, nor an invitation for you to apply for New Shares.

You are not required to do anything in response to this letter.

Eligibility criteria

“**Eligible Retail Shareholders**” are those persons who:

- are a holder of Shares as at 7.00pm (Sydney time) on 12 April 2011 (“**Record Date**”);
- have a registered address in Australia or New Zealand;
- were not invited to participate (other than as a nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer;
- are not in the United States; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Those Shareholders who are not Eligible Retail Shareholders, and who were not invited to participate (other than as a nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, are “**Ineligible Retail Shareholders**” and will not be able to subscribe for New Shares under the Retail Entitlement Offer.

Leighton has determined that, pursuant to section 9A of the Corporations Act and Listing Rule 7.7.1(a) of the ASX Listing Rules, it would be unreasonable to extend the Retail Entitlement Offer to Leighton shareholders who are in countries other than Australia and New Zealand. The decision relating to eligibility has been made having regard to the legal limitations on making or extending the Retail Entitlement Offer in jurisdictions outside of Australia and New Zealand, the potential cost of complying with regulatory requirements in those countries and the relatively small number of shareholders in those countries and as a result, the small number and value of New Shares to which those shareholders would otherwise be entitled.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder (see above) and have been identified as an Ineligible Retail Shareholder. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act 2001, Leighton wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer.

Leighton will arrange for the New Shares in respect of entitlements that would otherwise have been available to Ineligible Retail Shareholders had they been eligible to participate in the Retail Entitlement Offer to be offered for sale by a nominee (being UBS AG, Australia Branch, who is the underwriter to the Entitlement Offer ("**Underwriter**") who has been appointed by Leighton for this purpose) for subscription to certain institutional investors under a retail shortfall bookbuild process to be undertaken by the Underwriter, after the close of the Retail Entitlement Offer ("**Retail Offer Bookbuild**"). It is expected that the Retail Offer Bookbuild will commence on 11 May 2011.

Any proceeds in excess of the Offer Price that may be achieved under the Retail Offer Bookbuild ("**Retail Premium**") - relating to the New Shares in respect of entitlements that would otherwise have been available to Ineligible Retail Shareholders had they been eligible to participate in the Retail Entitlement Offer - will be remitted to Ineligible Retail Shareholders in proportion to the number of New Shares in respect of the entitlement which would otherwise have been available to them (net of any applicable withholding tax and any other withholdings required by law).

No assurance or guarantee can be given as to the price that will be achieved under the Retail Offer Bookbuild for the sale of New Shares. The Retail Premium may be zero, in which case no distribution will be made to Ineligible Retail Shareholders. The ability to sell New Shares in respect of entitlements under the Retail Offer Bookbuild and the ability to obtain any Retail Premium will be dependent on various factors, including market conditions. Similarly, the Retail Offer Bookbuild price may not be the highest price offered but will be determined by the Underwriter in consultation with Leighton (each acting reasonably) having regard to the outcome of the Retail Offer Bookbuild, provided that: (i) the Retail Offer Bookbuild price will not be set higher than the Offer Price unless the Underwriter has received binding and bona fide offers from institutional investors which, in the reasonable opinion of the Underwriter, will (if accepted) result in allocations to dispose of all of the New Shares offered for sale through the Retail Offer Bookbuild; and (ii) the Retail Offer Bookbuild price may not be higher than the price that would "clear" the book.

To the maximum extent permitted by law, Leighton, the Underwriter, and their respective related bodies corporate, agents or affiliates, or the directors, officers, employees or advisors of any of them, disclaim all liability, including for negligence, for any failure to procure applications for New Shares under the Retail Offer Bookbuild at a price in excess of the Offer Price of A\$22.50 per New Share.

Retail Premium amounts, if any, will be paid in Australian dollars. You will be paid by cheque sent by ordinary post to your address as recorded on the share register.

Any proceeds you may receive as a result of the Retail Offer Bookbuild may have Australian and/or overseas tax consequences for you, depending on your individual circumstances. You should seek professional tax advice regarding the taxation of any proceeds received.

You are not required to do anything in response to this letter.

For further information on the Entitlement Offer you should call the Leighton Offer Information Line on 1300 570 468 (from within Australia) or +61 3 9 415 4013 (from outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday until the end of the Retail Entitlement Offer period, which is currently 6 May 2011. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Leighton Board, I thank you for your continued support as a shareholder.

Yours sincerely,



David Mortimer AO
Chairman, Leighton Holdings Limited

Important information

This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Leighton in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of Leighton ordinary shares.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, neither the entitlements to subscribe for New Shares nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the entitlements or New Shares may not be offered or sold to, persons in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act or such other securities laws.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.