



Business Update



24 December 2010 ***Leighton and Welspun form Joint Venture to capitalize on \$500 Billion Indian infrastructure space***

Leighton International Limited and Welspun Group today announced that they have joined hand as strategic partners in a joint venture to pursue infrastructure opportunities in the Indian and nearby regional markets, including Sri Lanka. Welspun Group through its closely held entity, Welspun Infra Projects Pvt Ltd., has agreed to acquire 35% strategic stake in Leighton Contractors (India) Pvt. Ltd., Leighton International's Indian operations for Rs. 470 crore.

Speaking on the strategic relationship with Leighton, Mr B.K. Goenka, Chairman, Welspun said, "We believe that growth of the infrastructure sector is a critical prerequisite for sustainable growth of the economy. As Welspun continues to expand, we foresee great potential in the \$500 billion Indian infrastructure sector and other neighboring countries and look forward to this strategic partnership as a catalyst for growth."

Leighton Holdings' Chief Operating Officer, Mr David Savage said that this agreement was about building a strategic partnership which would bring a diversified portfolio of infrastructure work to the company.

"Leighton and Welspun are jointly interested in pursuing a range of opportunities across the infrastructure sector, including transport and power sector projects. Having a strategic partner like Welspun who have strong desire of developing infrastructure complements Leighton's extensive project development and delivery experience in India and internationally. This combination of local knowledge and international experience will be a continuing strength for the company," said Mr Savage.

"In India, at least US\$110 billion has been identified as investment necessary to improve road and rail infrastructure, with US\$30 billion targeted to be raised by the private sector. In the government's current five year-plan, around 35% of the US\$500 billion targeted for infrastructure development spending is expected to be in the power sector, driven by the energy demand as India continues to industrialize and urbanize.

"As a result of this proposed development, India's construction sector is forecast to grow at 10% per annum over the next three years, and more than US\$120 billion is set to be spent in 2011 alone. Our partnership with Welspun will allow us to bid very competitively for this upcoming infrastructure work, which is vital in keeping India on its current strong growth path," said Mr Savage.

The transaction is subject to customary statutory, regulatory and other corporate approvals and is scheduled to be completed in the next 90 days.



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LEIGHTON INTERNATIONAL LIMITED, is a fully owned subsidiary of Leighton Holdings, one of the world's major project development and contracting organisations. Since 1975 Leighton International's unique combination of local knowledge and extensive international experience has made us the international contractor of choice in the countries in which we operate. Leighton International focuses on the market segments of civil engineering and infrastructure, building, mining, offshore oil and gas and rail. We operate in Malaysia, India, Singapore, Sri Lanka and Brunei, and are expanding further across Africa and Central Asia. Our Offshore Oil and Gas business operates internationally with projects in India, Australia, Africa, Asia and the Middle East.

www.leightonint.com

WELSPUN GROUP, US\$ 3 billion Welspun Group, is an amalgamation of expertise, resources, opportunities and engineering excellence. With global leadership position in Line Pipe and Home Textiles, its marquee client list includes most of the Fortune 100 Companies operating in Oil & Gas and retail sector like Chevron, Exxon Mobil, Wal-Mart, Target amongst others. With strong foothold in over 50 Countries, over 24,000 employees & 100,000+ shareholders, Welspun is one of India's fastest growing conglomerates. Welspun believes in its crucial role of a responsible corporate citizen and sincerely practice empowerment of the underprivileged and sustenance of the environment. Guided by the six 'E's - Enrichment of mind, Enrichment of body, Education, Empathy, Empowerment of Women and Environment sustenance, each and every Welspunite contributes towards the betterment of the community at large.

www.welspun.com