Leighton Holdings

Media Release

5 November 2009

Leighton reports $38.2bn of work in hand and forecasts profit of $600m for the year

At Leighton Holdings' 48th Annual General Meeting held in Sydney today, Chairman, Mr David Mortimer, reported that the Company had recorded a solid operating performance in a year which was impacted by the impairment of asset values.

"The Group earned a healthy profit after tax of $440m after impairments. This is an excellent result given it is the third largest profit ever made by the Company," said Mr Mortimer.

"Total revenue, including joint ventures and associates, was up by 26% to $18.3bn while work in hand at 30 June 2009 was up by 22% to $37bn. The Group also paid a dividend of 115 cents per share and earned an average return on equity of 23% placing the Group 28th on the list of top 100 listed Australian companies by market capitalisation," he said.

"The 2010 financial year has started well for the Company with total revenue for the first quarter to 30 September 2009 up 10% to $4.5bn. Work in hand at 30 September stood at $38.2bn, up by $1.2bn since 30 June 2009. In addition, the Group is preferred on another $4bn worth of work which should be awarded in the near future," said Mr Mortimer.

"The core operating businesses remain strong and the Group has generated a profit after tax (unaudited) of $131m, an increase of 25% on the prior first quarter. The Group's outlook for the 2010 financial year remains solid despite the impacts of the global financial crisis.

"A decline in some of the Group's core markets has been countered by significant spending by Governments to stimulate economic activity both in Australia and overseas. For the 2010 financial year, the Group is confident that revenue will exceed $19bn and expects a net profit after tax of around $600m, subject to any further asset impairments," said Mr Mortimer.

A summary of financial information for the first quarter of the 2009/10 financial year is attached in the Appendix.

Mr Mortimer also noted the recent management changes with the appointment of Peter Gregg as Chief Financial Officer (CFO) of the Company and the resignation of Scott Charlton.

"Peter brings his extensive Australian and international financial experience as CFO of Qantas, a large Australian publicly listed company, to the role. I would also like to acknowledge Scott for his contribution to the Group," said Mr Mortimer.

"Over the past two years during Scott's tenure as CFO the Company has continued to grow and has successfully navigated the impacts of the global financial crisis. Scott leaves the Company in a very strong financial position and we wish him all the best with his future endeavours," he said.

Leighton's Chief Executive, Mr Wal King, stated in his presentation to shareholders that Leighton has a great track record of delivering returns to shareholders, a strong culture and an array of opportunities which positioned the company very well for the future.

"We see a positive long term outlook for infrastructure spending in Australia; buoyed by our growing population, catch up spending after long periods of underinvestment and a growing involvement of the private sector in financing and development. Engineering construction is expected to grow to $140bn by 2018 – more than doubling within a decade – which augurs well for long-term construction opportunities," said Mr King.

"The next decade should see a significant spend on utilities such as water and energy. Additionally, the new $43bn National Broadband Network (NBN) project should offer the Leighton Group significant construction opportunities.

"The Group is the world's largest contract miner with a large, new fleet and some of the best people in the industry. Mining volumes are expected to continue to grow on the back of the growth in demand in the region. In the longer run, China's growth should sustain Australia's iron ore and coal exports, and a good level of opportunities for our contract mining business.

"Oil and gas has emerged as a great opportunity with some $150bn worth of projects in the pipeline. These include liquefied natural gas (LNG) in Western Australia and Papua New Guinea, and coal seam methane (CSM) in Queensland," said Mr King.

"The Hong Kong Government has announced a substantial stimulus package with infrastructure spending forecast to more than double by 2011 from the current level. Over HK$200bn worth of rail, drainage, urban renewal, road, bridge and tunnel projects are in planning, and Leighton Asia is well placed to participate in this looming infrastructure boom.

"Mongolia's enormous reserves of natural resources offer a range of contract mining and construction prospects, and we have recently been awarded some new work," he said.

"Through the Habtoor Leighton Group we see an array of opportunities across the Middle East and North Africa region. In Abu Dhabi alone, US$275bn is forecast to be spent on infrastructure over the next 5 years," said Mr King.

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Issued by Leighton Holdings Limited ABN 57 004 482 982 www.leighton.com.au

Further information:

MR WAL KING AO Chief Executive Officer T (02) 9925 6912 or

MR PETER GREGG Chief Financial Officer T (02) 9925 6047

LEIGHTON HOLDINGS LIMITED, founded in Australia in 1949, is the parent company of one of the world's major project development and contracting organisations. We are also the world's largest contract miner. Listed on the Australian Stock Exchange since 1962, Leighton Holdings is a top 25 company by market capitalisation and has its head office in Sydney, Australia. Leighton Holdings owns six diverse and independent operating companies: Leighton Contractors, Thiess, Leighton International, John Holland, Leighton Asia and Leighton Properties. These operating 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 and the Middle East from headquarters in Australia, Hong Kong and Dubai. These operating companies directly employ around 40,000 employees and each function autonomously with their own Board and Managing Director.

In the 2008/09 year, Leighton Holdings had revenue of A$18.3bn, earned a profit after tax of A$440m and reported an average return on shareholders funds of 23%. As at 30 September 2009, the company had total assets of A$7.5bn and net assets of A$2.2bn. The company's financial strength is recognised by ratings agencies Moody's Investors Service, which currently assigns an issuer rating of Baa1 and Standard & Poors, which rates the company BBB.

(continued…)

APPENDIX

UNAUDITED KEY PERFORMANCE FEATURES FOR THE 3 MONTH PERIOD ENDED 30 SEPTEMBER

	30 Sept 2009	30 Sept 2008
Income Statement	**$'000**	**$'000**
Revenue - Group	3,500,904	2,932,762
- Joint ventures and Associates	1,031,176	1,173,148
Total Revenue	**4,532,080**	**4,105,910**
Profit before tax	**174,621**	**129,614**
Income tax expense	(43,835)	(25,315)
Profit after tax	130,786	104,299
Profit attributable to minority interests	114	702
Profit attributable to members	**130,900**	**105,001**
Balance Sheet		
Total assets	7,467,668	7,211,062
Total liabilities	5,254,683	5,015,371
Net assets	**2,212,985**	**2,195,691**
Net tangible assets	2,088,707	2,071,631
Net tangible assets per ordinary share ($)	$7.01	$6.95