

6 November 2008

## **Leighton confirms full year guidance of 15% profit growth**

At Leighton Holdings' 47th Annual General Meeting held in Sydney today, Chairman, Mr David Mortimer, reported that the company had achieved a 35% increase in profit after tax to a record \$608m for 2007/08. As at 30 September 2008, work in hand had increased to \$35.3bn and since then the Group has won around \$2.4bn worth of work.

"The Leighton Group has reported another strong year with excellent returns for shareholders based on our diversity, momentum and strategic initiatives. Dividends were increased by 32% to 145 cps and the Group reported an average return on shareholders funds of 43%," he said.

"Total revenue for the 2008 financial year, including joint ventures and associates, was up 22% to \$14.5bn. The Group's 2008 result was based on good contributions from a number of large construction projects in Australia and the Gulf, another solid property development performance and the contract mining of iron ore and coal in Australia and Indonesia.

"The 2008/09 financial year has also started positively for the Group with total revenue for the first quarter to 30 September 2008 up 32% to \$4.1bn. Our core operating businesses remain strong and the Group has generated an operating profit after tax (unaudited) of \$105m, an increase of 7% on the prior first quarter," said Mr Mortimer.

"The first quarter results have been negatively impacted by the deterioration in listed asset values and we expect the profit result for the 2008/09 half year to be similar to the previous half year after taking into account current asset pricing.

"We still expect an increase in revenue for 2009 of around 15% and an increase in net profit after tax for the 2009 financial year of 15%. The result is of course subject to the vagaries of the market and the impact that could have on asset values," he said.

A summary of financial information for the first quarter of the 2008/09 financial year is attached in the Appendix.

Chief Executive, Mr Wal King, said in his presentation to shareholders that the Leighton Group was well positioned to ride through the current financial market turmoil and emerge stronger.

"We have great foundations and the right ingredients for success. Our longer term outlook is positive based on a record level of work in hand, a strong position in our core markets, continued growth in those core markets and the implementation of a range of strategic initiatives to underpin long term growth," said Mr King.

"Investment on infrastructure is forecast to stay at historically high levels fuelled by existing funding commitments and boosted by the bringing forward of many national infrastructure projects by the Federal Government. Spending on transport and water projects in the capital cities and on a number of major hospitals will provide a solid base for increased activity levels.

"A recent highlight was the award to Thiess John Holland of the \$4bn Airport Link project in Brisbane which includes a 6.7 kilometre multi-lane toll road. In October, Thiess was also

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awarded a \$721m contract to design and construct the Royal North Shore Hospital Project, the largest-ever health Public Private Partnership undertaken in New South Wales. This project includes a facilities management contract worth \$400m over the 28 year concession,” he said.

“In Victoria, two consortium including Thiess and John Holland have recently been shortlisted to tender to design, construct, finance, operate and maintain the new \$3bn Desalination Plant Project, the largest in Australia, as a Public-Private Partnership.

“International demand for iron ore and coal, particularly from China and the rest of Asia, is expected to support the resources market. Export volumes are likely to continue to expand and increased work in hand, from new work awarded to the Group over the last 12 months, should see contract mining revenues grow,” said Mr King.

“Thiess recently secured a \$260m contract extension for coal mining and pre-strip overburden removal at the Curragh North Mine in Queensland’s Bowen Basin. In October, Thiess was also awarded a 5 year, \$1 bn contract for the development and operation of two coal mines in East Kalimantan,” he said.

“Property fundamentals remain sound however credit tightening is impacting investor confidence and activity levels in the property sector are therefore expected to slow in 2009.

“The Group is geographically diverse with operations spread across Australia, New Zealand, East and South-East Asia, the Indian sub-continent and the Gulf. Fuelled by oil and natural gas revenues, the Gulf is enjoying a construction boom which should continue to offer the Al Habtoor Leighton Group numerous opportunities. The Group’s other Asian markets should continue to grow,” said Mr King.

“We are confident that 2009 will be another strong year for the Leighton Group and we’re well positioned in the longer term. We’ve got the strategy, the structure, the financial resources and the people in place to facilitate the continued growth of Leighton,” he said.

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

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LEIGHTON HOLDINGS LIMITED is the parent company of Australia’s largest project development and contracting group. Founded in 1949, the organisation has grown into a diversified group that includes Thiess, John Holland, Leighton Contractors, Leighton Asia, Leighton International and Leighton Properties. With around 40,000 employees, the Group’s operations are spread all around the Asia-Pacific region on projects in Australia, New Zealand, China, Taiwan, Indonesia, Malaysia, the Philippines, Vietnam, Thailand, Laos, Hong Kong, Macau, India, Sri Lanka, the United Arab Emirates and Qatar. Leighton Group companies offer a broad range of project development and contracting services and skills to public and private sector clients across a wide range of industries. Project development skills – infrastructure, property or resources based – and project management of construction and property developments complement the Group’s contracting activities. These activities include construction, mining and services. Leighton Holdings (LEI) is listed on the Australian Securities Exchange and has its head office in Sydney.

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**APPENDIX**
**KEY PERFORMANCE FEATURES FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2008**

Unaudited figures for the 3 months ended	30 Sept 2008	30 Sept 2007
<b>Financial performance information</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue - Group	2,932,762	2,247,288
- Joint ventures	1,173,148	870,812
<b>Total Revenue</b>	<b>4,105,910</b>	<b>3,118,100</b>
<b>Operating profit from ordinary activities before income tax</b>	<b>129,614</b>	<b>126,384</b>
Income tax expense	(25,315)	(27,540)
Profit from ordinary activities after tax	104,299	98,844
Net profit attributed to outside equity interests	702	(836)
<b>Net profit attributed to members</b>	<b>105,001</b>	<b>98,008</b>
<b>Financial position information</b>		
Total assets	7,211,062	5,442,408
Total liabilities	5,015,371	4,195,508
<b>Net assets</b>	<b>2,195,691</b>	<b>1,246,900</b>
Net tangible assets	2,071,631	1,160,765
Net tangible assets per ordinary share (\$)	\$6.95	\$4.72
Earnings from ordinary activities per share	37¢	35¢
Number of employees*	40,759	29,495

\* Excluding Al Habtoor associated companies.