

8 November 2007

Leighton work in hand at \$24.5 billion, on track for 30% profit growth

At Leighton Holdings' 46th Annual General Meeting held in Sydney today, Chairman, Mr David Mortimer, reported that the Company had achieved a 63% increase in profit to an all time record \$450 million. As of 30 September 2007, work in hand had strengthened to \$23.5 billion.

"The Leighton Group has recorded another extremely successful year with an excellent financial performance, some significant new strategic initiatives progressed and great returns for shareholders. Dividends were increased by 67% to 110 cents per share and the Group reported an average return on shareholders funds of 36.7%, ranking us 15th out of top 100 listed Australian companies," said Mr Mortimer.

"Total revenue, including joint ventures, was up by 19% to \$11.9 billion. The major contributors to the 2006/07 result have again been construction activity from a number of large Australian infrastructure projects, contract mining in Australia and Asia, and another strong property development performance.

"The 2007/08 financial year has also started well for the Group with total revenue for the first quarter to 30 September 2007 up 9% to \$3.1 billion. This generated an operating profit after tax (unaudited) of \$98 million, an increase of 30% on the prior first quarter.

"Work in hand has increased by 11.5% in the first quarter, from \$21 billion at 30 June to \$23.5 billion as at 30 September 2007. These first quarter results, for the 2007/08 financial year, are very pleasing and in line with our expectations," he said.

A summary of financial information for the first quarter of the 2007/08 financial year is attached in the Appendix

Since the end of September, the Group has won an additional \$2.5 billion of contracts. Work in hand today is approximately \$24.5 billion and the Group's revenue will be over \$14 billion for the 2007/08 year. The directors expect to report a 30% increase in net profit after tax for the year," said Mr Mortimer.

Chief Executive Officer, Mr Wal King, said in his presentation to shareholders that the Leighton Group's core markets were all running strongly in the Company's favour and should continue to do so for the foreseeable future.

"The sustained strength of the Australian infrastructure market, complemented by the ongoing demand for Australia's resources, provide support for the Group's construction and contract mining activities. We also have a growing presence in Asia and the Gulf – the fastest growing region of the world – and a great opportunity to further extend the Group.

"But we are not going to take the positive market conditions for granted. We are actively pursuing a number of strategic initiatives that that will allow the business to keep growing and for shareholders to be rewarded," said Mr King.

(continued...)

“We are keen to expand our businesses in the growing markets of Asia and the Gulf region. Our investment in Al Habtoor Engineering, one of the leading construction contractors in the region, brings significant capacity to enable us to fully capitalise on the opportunities in the Gulf market,” he said.

“Globally, demand for raw materials is forecast to remain at very high levels into the foreseeable future, particularly for coal and iron ore, supporting the outlook for contract mining. The Group is the largest contract miner in the world and we want to further expand our international contract mining operations,” said Mr King.

“A number of very large infrastructure projects are still coming to market in Australia over the next few years. We believe the Group is well placed to play a bigger role in the development of much needed infrastructure, both here in Australia and around the region.

“We have entered the residential property development market by taking a 40% stake in Devine Limited. Our aim is to be a substantial player in this market and we would like to have a residential business similar in size to our existing non-residential property business.

“The services market, across transport, utilities, mining and the property sector continues to grow and is approaching \$30 billion per annum. We are continuing to grow our services businesses and will do so organically, via acquisitions and by moving up the value chain.

“Acquisitions have been, and will continue to be, a key part of our growth strategy, delivering revenue and people. The Group has an extremely strong credit rating and a range of funding options in place that provide in excess of \$1 billion of potential firepower.

“While our major markets are continuing to perform strongly, providing many opportunities, we are pursuing strategic initiatives that will allow the business to keep growing. As a result, the Board expects the Group to continue to deliver strong growth for shareholders over the next few years,” said Mr King.

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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 almost 29,500 direct employees, the Group's operations are spread all around the Asia-Pacific region on projects in Australia, New Zealand, Hong Kong, Indonesia, Malaysia, Singapore, the Philippines, Thailand, Vietnam, China, Taiwan, Sri Lanka, Macau, India and the Arabian Gulf. 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 Stock Exchange and has its head office in Sydney.

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APPENDIX
KEY PERFORMANCE FEATURES FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2007

Unaudited figures for the 3 months ended	30 Sept 2007	30 Sept 2006
Financial performance information	\$'000	\$'000
Revenue - Group	2,247,288	2,382,286
- Joint ventures	870,812	477,498
Total Revenue	3,118,100	2,859,784
Operating profit from ordinary activities before income tax	126,384	101,702
Income tax expense	(27,540)	(25,954)
Profit from ordinary activities after tax	98,844	75,748
Net profit attributed to outside equity interests	(836)	(48)
Net profit attributed to members	98,008	75,700
Financial position information		
Total assets	5,442,408	3,840,801
Total liabilities	4,195,508	2,778,078
Net assets	1,246,900	1,062,723
Net tangible assets	1,160,765	1,006,636
Net tangible assets per ordinary share (\$)	\$4.17	\$3.62
Earnings from ordinary activities per share	35¢	27¢
Number of employees*	29,495	25,653

* Excluding Al Habtoor associated companies.