

9 November 2006

Leighton work in hand at \$18 billion as of September

At Leighton Holdings' 45th Annual General Meeting held in Sydney today, Chairman, Mr Geoff Ashton, reported that the Company had achieved a record profit of \$276 million in 2005/06. As of 30 September 2006, work in hand had strengthened to \$18 billion.

"This has been another very successful year for the Leighton Group with profit after tax up 28% and a 32% increase in dividends to 66 cents per share. The major contributors to the 2005/06 result have been construction activity for a number of large Australian infrastructure projects, contract mining in Australia and Asia, and another strong property development performance," said Mr Ashton.

"Total revenue, including joint ventures, was up by 32% to \$10 billion. The Group reported an average return on shareholders funds of 27.7%, placing us 26th of the 100 largest listed Australian companies by market capitalisation.

"The new financial year has also started well for the Group with total revenue for the first quarter to 30 September 2006 up 22% to \$2.9 billion. This generated a profit after tax (unaudited) of \$67.7 million, an increase of 34% on the prior first quarter," he said.

"The result for the quarter has been supplemented by a net \$8 million profit after tax as a result of the revaluation of the investments in ConnectEast and RiverCity Motorway, which the Group is required to recognise under AIFRS. Although unrealised and non-cash, this profit increases the contribution to shareholder's equity for the quarter to \$75.7 million.

"Work in hand has increased by 13% in the first quarter of 2006/07, from \$16 billion at 30 June 2006 to \$18 billion as at 30 September 2006. This figure demonstrates the Group's diverse market presence and the continued strength of the upswing for infrastructure and resources," he said.

A summary of financial information for the first quarter of the 2006/07 financial year is attached in the Appendix.

Chief Executive Officer, Mr Wal King, said in his presentation to shareholders that the Leighton Group was in a strong market position, in Australia and Asia, and these major markets have very positive outlooks.

"Strong demand for new infrastructure is fuelling investment in roads, rail, water, health and energy. With all levels of government increasing spending on infrastructure, we are seeing a broad range of major engineering opportunities in Australia," said Mr King.

"Leighton Properties' portfolio is now its best ever in terms of quality and size, and should continue to generate good levels of construction work for the Group. The portfolio also underwrites contributions from property development activities for a number of years.

"Asia's demand for coal and iron ore is likely to remain strong for the foreseeable future providing good contract mining opportunities in Australia and Asia. This demand should

(continued...)

also support infrastructure and process engineering opportunities over the next few years,” said Mr King.

“Since the end of June, we have been awarded a number of significant contracts including the \$2 billion North-South Bypass Tunnel and the \$1.4 billion Gateway Bridge Upgrade, both in joint venture in Queensland, an \$800 million mining contract at Prominent Hill in South Australia and the new \$300 million Defence Headquarters near Bungendore in New South Wales.

“In addition, the Group is short listed or preferred on other large contracts including the \$1 billion Gold Coast desalination plant in Queensland, the \$400m+ Perth-Bunbury Highway in Western Australia and the \$1.7 billion City of Dreams project in Macau,” he said.

“Hong Kong, Macau, Indonesia and Malaysia will continue to provide a solid base for our operations in Asia, supplemented by our expansion into the newer markets of India and the Gulf Region,” said Mr King.

“India has emerged as potentially a very important market and we have \$350 million worth of work in hand in that country as of 30 September 2006. Opportunities being pursued include; industrial buildings, large-scale infrastructure such as tollroads and power stations, mining, and oil and gas.

“The Gulf Region is experiencing a construction boom, fuelled by massive oil and gas revenues. The Group is focused on the successful execution of the \$550 million Al Shaqab Equestrian Academy in Qatar and the City of Arabia project in Dubai, and will selectively pursue other building and infrastructure opportunities in Qatar, Dubai and Abu Dhabi.

“With all of this activity and the opportunities still emerging, it really is difficult to recall a more positive environment for the Group. As a result of our momentum and the continuing strength in both the infrastructure and resources sectors, we are well placed for sustained growth over the next few years,” said Mr King.

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Further information:

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

MR DIETER ADAMSAS Deputy Chief Executive Officer & CFO T (02) 9925 6923

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, and Leighton Properties. With over 25,000 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 2006

Unaudited figures for the 3 months ended	30 Sept 2006	30 Sept 2005
Financial performance information	\$'000	\$'000
Revenue - Group	2,382,286	1,993,132
- Joint ventures	477,498	349,689
Total Revenue	2,859,784	2,342,821
Operating profit from ordinary activities before income tax	89,702	72,445
Income tax expense	(21,954)	(21,807)
Profit from ordinary activities after tax	67,748	50,638
Revaluation of listed investments derivatives*	8,000	----
Net profit attributed to outside equity interests	(48)	(88)
Net profit after revaluation attributed to members	75,700	50,550
Financial position information		
Total assets	3,840,801	2,864,623
Total liabilities	2,778,078	1,965,802
Net assets	1,062,723	898,821
Net tangible assets	1,006,636	874,328
Net tangible assets per ordinary share (\$)	\$3.62	\$3.17
Earnings from ordinary activities per share	24¢	18¢
Number of employees	25,653	22,733

* The Group has committed to purchase a total of \$340 million worth of shares in ConnectEast and RiverCity Motorway at the completion of the construction, anticipated in 2008 and 2010 respectively. Even though the Group does not presently own any shares in these entities, the forward commitments are classified as a derivative under AASB132/139, which requires the commitments be carried at fair market value. The gain or loss (\$8 million gain), although unrealised and non-cash, is required to be booked to the profit and loss account at each reporting date.