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## **Leighton profit increases to \$289m and work in hand increased to \$38.4bn**

The directors of Leighton Holdings Limited today announced that the Group had reported a profit after tax of \$289m up 160% for the 6 months to December 2009 versus \$111m last year. This is despite the negative impact of the US\$/A\$ currency on overseas income. A fully franked interim dividend of 65 cents per share was announced by directors, up 8% on the previous half year.

Chief Executive, Mr Wal King, said this is a pleasing result which reflected good contributions from infrastructure construction in Australia, contract mining in Australia and Indonesia, and construction in Hong Kong.

“Total revenue, including JV’s and associates, was down 1% to \$9.0bn versus \$9.1bn last year, due to currency movements negatively affecting revenue by approximately \$500m. The Group’s major markets generating revenue were infrastructure \$5.2bn, resources \$2.6bn and property \$1.2bn,” he said.

“Work in hand at 31 December 2009 was \$38.4bn, 4% higher than \$37.0bn as at 30 June 2009. The order book was boosted by the award of some \$11.7bn worth of new work, extensions and variations during the period.

“The major construction projects awarded include the \$3.5bn Melbourne Desalination Project, some \$1.4bn worth of work at the Gorgon LNG plant in Western Australia and the \$430m Khalifa Port in Abu Dhabi. New mining work in Mongolia and extensions in Queensland supported the Group’s contract mining activities. Services work remained strong on the back of telecommunications work won by Nextgen and maintenance of water and sewerage infrastructure in Melbourne,” he said.

“Our balance sheet remains solid and a source of competitive advantage in tendering for work. Total assets were \$7.8bn as at 31 December 2009 with net assets of \$2.4bn and gross cash of \$901m.

“The Group successfully secured finance through the issuance of \$280m of Five-Year Fixed Medium Term Notes and a \$670m Syndicated Performance Bond Facility. These capital management initiatives are an integral element of strategic planning, ensuring we have the appropriate financial resources in place to provide the flexibility we require.

“The Group’s longer term outlook remains solid based on a record level of work in hand, a strong competitive position and a forecast rebound in the Group’s core markets from the uncertainty of the global financial crisis. While the timing of recovery in the various markets will vary, the outlook is positive and the Group is well positioned to take advantage of the opportunities being presented,” said Mr King.

“A sustained level of infrastructure spending over the next few years should provide a good level of construction opportunities for the Group’s Australian based operating companies. Opportunities include the National Building Stimulus, to be spent on education building; Federal and State Water programs over the next few years; the Federal Government’s National Broadband Network, to be commenced in 2010; and numerous large-scale transport initiatives,” he said.

(continued...)

“The resources sector is largely back to its best with good opportunities in Australia, Indonesia and Mongolia driven by strong demand in Asia. Indonesia’s coal exports are forecast to continue to grow which should underwrite solid levels of work for Thiess and Leighton Asia.

“A large number of LNG projects in and near Australia have been committed or planned. The Leighton Group’s companies are currently working on or have completed work on the \$12bn Pluto project, the \$43bn Gorgon project and the \$900m Devil Creek project. We see this market as offering significant potential over the next few years,” said Mr King.

“Infrastructure spending in Hong Kong is expected to increase significantly as the Government uses its large financial reserves to stimulate growth and catch up on delayed infrastructure projects. Leighton Asia is well placed to construct some of this infrastructure. Leighton International will continue to selectively pursue infrastructure, building, and oil and gas opportunities in India,” Mr King said.

“Mongolia’s mining industry is forecast to grow substantially over the next 5 years and Leighton Asia is positive about the prospects for contract mining and construction in this market.

“Construction in the Middle East remains at high levels, despite the recent issues in Dubai, with oil and gas, commercial and economic infrastructure projects continuing to support the market, whilst investment in education and other social infrastructure is expected to grow. The opportunities in the Middle East will provide a good base of construction work for the Habtoor Leighton Group for the foreseeable future,” he said.

“The Group is well placed with a very strong competitive base in Australia and leverage – both directly and indirectly – to the growth markets of Asia and the Middle East. Our Group’s strategy of diversification; by brand, market, geography and delivery systems continues to provide opportunities for growth which will continue to support good returns for shareholders.

“For the 2009/10 financial year the Group expects to report full year revenue of around \$19bn, net profit after tax in excess of \$600m and work in hand of around \$40bn. The final result and full year dividend are, of course, subject to market conditions for the remainder of this financial year,” said Mr King.

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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, 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 42,900 employees and each functions autonomously with its own Board and Managing Director.