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Company Secretary
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14 May 2007

Company Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Re: Leighton on the road to 55% profit increase

Please find attached a copy of a media release to be issued today by Leighton Holdings Limited.

Yours faithfully
LEIGHTON HOLDINGS LIMITED

ASHLEY MOIR
Company Secretary

14 May 2007

Leighton on the road to 55% profit increase

Leighton Holdings Limited today announced a substantial increase in operating profit after tax (unaudited) for the nine months to 31 March 2007 to \$273 million (\$169 million last year). The company has also upgraded the forecast for the full year and expects to report an increase in net profit after tax of approximately 55% on top of last year's record profit of \$276 million.

Leighton Holdings' Chief Executive, Mr Wal King, reported that the result for the period was a positive guide to a very strong performance for the full year. A summary of financial information for the quarter is attached (refer Appendix).

"We continue to be pleased with the Group's operational performance with total revenue for the nine months of \$8.6 billion (\$7.1 billion last year) and work in hand standing at \$19 billion.

"The outlook remains very strong for all of our major markets, which are continuing to provide a good level of opportunities in construction, mining and services. These opportunities will support work on hand and we expect to report some \$20 billion at 30 June," said Mr King.

"After decades of underinvestment in roads, rail, water, electricity and telecommunications, a sustained catch-up spend is required and we see this in the current planning for engineering projects. Ageing infrastructure, a growing population, a resources boom and issues such as the drought, support a positive long term outlook for infrastructure spending," he said.

"A highlight for the period was the successful completion of the Lane Cove Tunnel by Thiess John Holland, some two months early. New projects won during the quarter include; an alliance to upgrade a Queensland rail line, awarded to Thiess; a new ring road in Townsville for Thiess; and, in April, another rail alliance in Sydney, awarded to Leighton Contractors.

"Sustained investment in new mines and resources related infrastructure is providing a significant level of construction and process engineering opportunities for the Group, which in turn will lead to new supply. Export volumes should therefore be much stronger supporting good, long term opportunities for contract mining, particularly of iron ore and coal.

"John Holland has entered the contract mining market with the purchase of a central Queensland based mining and earthmoving business, CE Marshall and Sons Earthmoving Pty Ltd. The \$85 million acquisition brings 220 staff and annual turnover of around \$80 million for 2007, providing the opportunity to further diversify into mining services," said Mr King.

"During the period, Thiess secured further work at the Burton and South Walker Creek coal mines in Queensland. We are now the world's largest contract miner, mining in excess of 100 million tonnes per annum (mtpa) of iron ore and more than 90mtpa of coal," he said.

"In the building market, a joint venture including Leighton Properties has awarded Thiess a \$238 million contract to construct a new office tower at 400 George Street in Brisbane. Leighton Contractors has also been awarded new work to build the Tweed Heads Shopping Centre in Queensland and an accommodation complex for BHP Billiton in Port Headland.

(continued...)

“In April, Leighton acquired a strategic 40% stake in listed property developer Devine Limited for \$94.7 million. The stake increases Devine’s ability to fund and develop its business and further diversifies the Leighton Group into the residential property market,” said Mr King.

“In Queensland, Thiess Services entered into an alliance with the Brisbane City Council to manage four transfer stations and a landfill site at Rochedale. The alliance is initially for seven years, with options to extend for a further 5 years and is valued at \$150 million.

“Asia is forecast to continue growing strongly and the Group is leveraged both directly – undertaking mining and construction work across the region – and indirectly – providing services such as contract mining to companies selling commodities into Asia. However, the contribution from Asia will be substantially lower this year because of the poor performance of two process engineering projects in Indonesia,” said Mr King.

‘In Macau, the Leighton Asia (Northern)/John Holland/China State joint venture is making good progress on project managing the \$A1.7 billion City of Dreams for Melco/PBL. Nearby, the Leighton Asia (Northern)/China State joint venture is finalising the contractual arrangements to expand the existing Wynn Resort and Casino with a second hotel.

“We are excited by the prospects in India and are seeing good opportunities in toll roads, airports, oil and gas, building, and contract mining opportunities in the longer term. India has a pressing need for infrastructure but the market appears to be fragmented; in fact we are already a top 5 contractor in that country after less than 3 years.

“The balance sheet remains very strong with cash of \$619 million after making strategic acquisitions during the period.

“The Group’s work in hand provides great momentum and revenue for the full year is forecast to be approximately \$12 billion. We expect to report an increase in net profit after tax for the full year of approximately 55% and a further improvement for 2007/08,” said Mr King.

ENDS

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

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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, and Leighton Properties. With almost 27,000 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 9 MONTHS ENDED 31 MARCH 2007

	9 months ended 31 March 2007 Unaudited	9 months ended 31 March 2006 Unaudited
Income Statement information	\$'000	\$'000
Revenue - Group	7,348,136	6,113,653
- Joint Venture Entities	1,280,257	1,030,250
Total Revenue	8,628,393	7,143,903
Profit before tax	357,654	230,177
Income tax expense	(82,077)	(60,662)
Profit after tax	275,577	169,515
Profit attributable to minority interest	(2,144)	(509)
Profit attributable to members	273,433	169,006
Balance Sheet information		
Total assets	4,235,457	3,434,896
Total liabilities	3,064,932	2,430,407
Net assets	1,170,525	1,004,489
Earnings per share	98.3¢	60.8¢
Number of employees	26,996	25,714