

14 August 2008

**Leighton profit up 35% to \$608m, work in hand currently at \$34.5bn**

The directors of Leighton Holdings Limited today announced a 35% increase in profit after tax and minorities to \$608m (\$450m last year) and a pre-tax profit of \$768m for the 2008 financial year. The return on shareholders' funds averaged 43% for the year (37% last year).

A fully franked final dividend of 85 cents per share was also announced by the directors bringing the 2008 full year ordinary dividend to a total of 145 cents per share (up 32% from 110 cents per share last year).

Chief Executive, Mr Wal King, said that he was very pleased to report such a strong profit result which was based on the Group's diversity, momentum and strategic initiatives.

"The Group's result reflected 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," said Mr King.

"Total revenue, including joint ventures and associates, was up 22% for 2008 to \$14.5bn (\$11.9bn last year) with revenue from joint ventures and associates increasing by 124% to \$4.2bn. The Group's major markets generating revenue were infrastructure \$8.2bn, resources \$3.7bn and property \$2.7bn.

"The Group's work in hand has increased to \$30.3bn as at 30 June 2008 compared with \$21.1bn at 30 June 2007 and around 90% of this year's expected revenue is already contracted. Since 30 June, the award of the \$4bn Airport Link project in Brisbane and other new projects has increased work in hand to an all time high of \$34.5bn.

"Major infrastructure projects awarded included the \$1bn Sydney desalination project, the \$625m Sugarloaf water pipeline project in Victoria, the \$552m Ipswich Motorway Upgrade in Brisbane, the \$490m Ballina Bypass in New South Wales, the \$609m Saadiyat Island highway in Abu Dhabi and a \$812m offshore pipeline project in India," said Mr King.

New resources related contracts includes the Tarong, Sonoma and Lake Vermont coal mines in Queensland, and the Group's first major project in India. Significant extensions were also awarded at the Yandi and Area C iron ore mines in Western Australia, the South Walker Creek coal mine in Queensland, the Challenger gold mine in South Australia and at the MSJ coal mine in Indonesia.

Major new property related work includes a number of new projects in Qatar, Abu Dhabi and Dubai such as the new \$826m Trump Tower. In Australia, new property construction work includes a \$336m office tower in Brisbane and a number of defence related projects," he said.

"The Group's outlook remains strong for the 2009 financial year sustained by a record level of work in hand. This workload should be maintained at similar levels given the opportunities that are likely to emerge in the Group's core markets over the next year," said Mr King.

(continued...)

“Infrastructure investment is forecast to stay at historically high levels fuelled by major funding commitments from the Federal and State Governments. Spending on transport and water projects in the capital cities, such as the \$3bn desalination plant in Victoria, and on a number of major hospitals will provide a solid base for increased activity levels in the years ahead.

“The resources market is expected to remain strong for the Group fuelled by international demand for iron ore and coal. 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 continue to increase,” he said.

“Fuelled by petrodollars, the Gulf is enjoying a construction boom which should continue to offer the Habtoor Leighton Group numerous opportunities while another strong contribution is expected from Indonesia on the back of the Group’s contracting mining operations. In India, both Leighton International and Thiess have substantially increased their workloads which should develop into stronger revenues in the year ahead.

“The Group has maintained a strong financial position with total assets of \$6.5bn and net assets of \$1.5bn as at 30 June 2008. To support future growth the Group is seeking to raise some \$700m through an accelerated pro-rata Entitlement Offer of new shares to eligible shareholders,” said Mr King

“The net proceeds of the Entitlement Offer will be used for two purposes; 1) to invest in plant and equipment which will primarily be used to grow the Group’s contract mining activities in Australia, Indonesia and India; and 2) to redeem the Leighton Notes, which have a total face value of \$200 million and are resettable on 1 December 2008.

“The Group’s work in hand provides substantial momentum which should translate into an increase in revenue for the 2009 financial year of around 15% and more than 10% per annum for the following year. The directors remain confident of reporting an increase in net profit after tax for the 2009 financial year of at least 15%,” said Mr King.

**ENDS**

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

**Further information:**

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

MR SCOTT CHARLTON Chief Financial Officer T (02) 9925 6935

---

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 over 37,000 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.