



**Ashley Moir**  
Company Secretary  
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15 May 2006

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

Dear Sir,

**Re: Leighton on track for profit growth of approximately 20%**

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

15 May 2006

## **Leighton on track for profit growth of approximately 20%**

Leighton Holdings Limited today announced an improved operating profit after tax (unaudited) for the nine months to 31 March 2006 of \$169 million. Total revenue for the nine months was \$7.1 billion.

Leighton Holdings' Chief Executive, Mr Wal King AO, reported that it had been a very successful period with substantial increases in revenue and profit pointing the way to a strong result for the full year. A summary of financial information for the quarter is attached (refer Appendix A).

"We are very pleased with the results, which are being substantially driven by the continuing strength of the engineering and infrastructure market in Australia combined with growth in demand for commodities such as iron ore and coal. This strength is continuing to drive opportunities for the Group and is evidenced by our work in hand, which stands at a record \$16.1 billion compared with \$14.8 billion at the half year," said Mr King.

"A highlight for the period was the completion by Leighton Contractors of the HWE acquisition, which bought \$1.8 billion of new work and significantly broadens the Group's presence in the mining and resources market. Leighton Contractors was also awarded a \$300 million contract to develop the new Poitrel coal project in Central Queensland.

"The Leighton Group has a pre-eminent position as the world's largest contract miner and this year expects to mine approximately 90 million tonnes per annum (mtpa) of iron ore in Australia and some 90 mtpa of coal across Australia and Indonesia," he said.

"During the quarter, the Department of Defence awarded construction contracts to Leighton Contractors at the Amberley RAAF Base in Queensland and to John Holland at the Holsworthy Barracks in New South Wales. In Canberra, Thiess commenced the construction of an office tower for Leighton Properties, the second such development being undertaken by the Group in that city.

"The longer-term outlook remains very strong with sustained growth in our core infrastructure and resources markets expected to support work in hand. The upswing in construction activity is being fuelled by increased public and private spending on transport infrastructure with a number of major rail, road, port and airport projects currently underway or in planning.

"Since the end of March, the Group has been awarded or announced as preferred tenderer on a number of new engineering and infrastructure projects," said Mr King.

"A consortium including Leighton Contractors has been selected as the preferred proponent to develop Brisbane's North-South Bypass Tunnel project, which will be the city's largest ever road infrastructure project. Financial close on the project is expected in August with early construction works commencing as soon as September 2006," he said.

(continued...)

“A Leighton Contractors sponsored joint venture has also been chosen as the preferred tenderer on the NZ\$210 million Manukau Extension Project in New Zealand and a rail upgrade project in Sydney. In Queensland, a joint venture between Thiess and United Group has been chosen to construct four rail infrastructure projects over the next six years, worth \$665 million.

“Continued growth in global demand for resources over the next few years should provide further opportunities in contract mining and process engineering,” he said.

“The building and property market outlook is forecast to remain strong through until 2007, supported by business investment and public spending on social infrastructure such as health, educational and defence facilities. The services market should maintain a moderate level of growth with the major opportunities likely to be in rail maintenance and telecommunications.

“Asia is forecast to continue growing strongly, fuelled by the further industrialisation and urbanisation of China and India. This growth should continue to provide a range of mining and resources related opportunities across the region and select construction opportunities in other markets,” said Mr King.

“Last week, we announced that we had raised US\$110 million through an issue of 5-Year Fixed-Rate Guaranteed Notes (‘the Notes’) to support the continued growth of the Group’s operations in Indonesia. The Notes issue will act as a partial currency hedge of the Group’s net investment in the Indonesian businesses, further enhancing the risk profile of the Leighton Group,” he said.

“The balance sheet remains very strong and during the period we invested in the acquisition of HWE and the Group’s stakes in the Lane Cove Tunnel and the WestLink M7 projects.

“The Group’s work in hand provides great momentum and revenue for the full year is forecast to be approximately \$10 billion. We expect to record a strong final quarter operating profit and an increase in net profit after tax for the full year of approximately 20% on top of last year’s ‘AIFRS’ adjusted profit of \$215 million (\$205 million pre ‘AIFRS’ adjustments),” 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 DIETER ADAMSAS Deputy Chief Executive Officer & CFO T (02) 9925 6923

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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 (Northern), Leighton Asia (Southern) and Leighton Properties. Leighton Group companies undertake activity for public and private sector clients in the engineering and infrastructure, building and property, mining and resources, telecommunications and environmental services markets. A range of services are offered including project development, construction, operation and maintenance. With over 27,000 employees, the Group's operations are spread all around the Asia-Pacific region on projects in Australia, Hong Kong, Indonesia, Malaysia, the Philippines, Thailand, Vietnam, India, China and New Zealand. Leighton Holdings is listed on the Australian Stock Exchange and has its head office in Sydney.

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**APPENDIX A**
**KEY PERFORMANCE FEATURES FOR THE 9 MONTHS ENDED 31 MARCH 2006**

	9 months ended 31 March 2006 Unaudited	9 months ended 31 March 2005 Unaudited*
<b>Income Statement information</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue - Group	6,113,653	4,469,180
- Joint Venture Entities	1,030,250	964,486
<b>Total Revenue</b>	<b>7,143,903</b>	<b>5,433,666</b>
<b>Profit before tax</b>	<b>230,177</b>	<b>178,778</b>
Income tax expense	(60,662)	(56,553)
Profit after tax	169,515	122,225
Profit attributable to minority interest	(509)	(812)
<b>Profit attributable to members</b>	<b>169,006</b>	<b>121,413</b>
<b>Balance Sheet information</b>		
Total assets	3,434,896	2,564,183
Total liabilities	2,430,407	1,756,605
<b>Net assets</b>	<b>1,004,489</b>	<b>807,578</b>
Earnings per share	60.8¢	44.6¢
Number of employees	27,624	18,741

\* Figures to 31 March 2005 have been 'AIFRS' adjusted