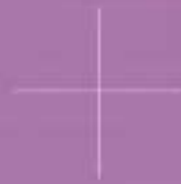


# Financisa



# Annual Report

## Contents

48  
Directors' Statutory  
Report

55  
Concise Financial Report

65  
Directory and Offices

51  
Directors' Résumés

62  
Shareholder Information

52  
Corporate  
Governance Policy

63  
Financial Calendar

54  
Shareholdings

64  
Statistical Summary

The Directors of Leighton Holdings Limited present their report for the financial year ended 30 June 2000 in respect of the Consolidated Entity constituted by the Company and the entities it controlled during the financial year (referred to in this report as either the 'Consolidated Entity' or the 'Group'). This report has been prepared in accordance with the requirements of Division 1 of Part 2M.3 of the Corporations Law.

#### Review of operations

A review of the operations of the Consolidated Entity during the financial year and of the results of those operations is contained on pages 1 to 45 of this Concise Annual Report.

#### Significant changes

Significant changes in the state of affairs of the Consolidated Entity during the financial year were as follows:

- the acquisition of a 70% interest in the John Holland Group Pty Limited from Heytesbury Holdings Limited. While no financial consideration was involved in the purchase price, Leighton Holdings is providing the business with working capital and supplying guarantees and bonds. (pages 7, 9, 40 and 41)
- Leighton Asia paid \$7.2m to acquire selected contracts and assets from John Holland Asia. (pages 9 and 39)
- Thiess acquired 100% of the issued capital of Hunter Valley Earthmoving Co. Pty. Limited for \$48m. (page 35)
- Thiess through its wholly owned subsidiary Quantum Explosives acquired the assets of Total Energy Systems for \$16m. (page 23)
- Leighton Contractors acquired 100% of the issued capital of LSE Technology Pty Limited for \$15m. (page 37)
- Thiess Environmental Services acquired a 6 year contract with extension options for the operation of transfer stations and a landfill at Rochedale in Brisbane from Pacific Waste. (page 35)
- through a rights issue Thiess acquired an additional 11 million shares in Portman Mining Limited for \$8m. (page 31)
- Thiess acquired a 50% interest in Silcar Maintenance Services from Simon Engineering for \$8m. (page 35)

#### Financial results

Total revenue for the Consolidated Entity for the financial year was up by 7.5% to \$3.6 billion. Operating profit after tax attributable to members of the Company increased by 10.1% to \$134.1 million.

#### Dividends

An unfranked final ordinary dividend of 20 cents per share was announced on 17 August 2000 and will be paid on 29 September 2000. Together with the interim ordinary dividend of 13 cents per share, fully franked at the 36% corporate tax rate, which was paid on 31 March 2000, the total dividend payment out of the profits for the financial year will be 33 cents per share and will amount to \$86.7 million.

The final fully franked dividend of 18 cents per share referred to in the Directors' statutory report for the financial year ended 30 June 1999 and payable out of the profits for that financial year was paid on 30 September 1999.

#### Principal activities

During the financial year there were no significant changes in the nature of the Consolidated Entity's principal activities which were building, civil engineering construction, contract mining, telecommunications, environmental services, property development and project management in Australia, Hong Kong and selected parts of South-East Asia.

#### Events after end of financial year

In the Directors' opinion, no matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the state of affairs of the Consolidated Entity, its operations or results in future financial years. In addition, the Directors are not aware of any specific developments, not covered generally in this Concise Annual Report, that are likely to have a significant affect on the operations of the Consolidated Entity or its expected results in future financial years.

#### Future developments

Likely developments in the operations of the Consolidated Entity in future financial years and their anticipated results are referred to in pages 6 to 9. Further information on likely developments in the operations of the Consolidated Entity, including the expected results of those operations in future financial years, would in the Directors' opinion result in unreasonable prejudice to the Company and has therefore not been included in this report.

#### Environmental Regulation

The Group's Australian operations are subject to a range of Commonwealth, State and Territory laws governing the protection of the environment. A number of the Group's diverse operations work under particular environmental licences and/or approvals at specific sites.

The Group has in place and adheres to an Environmental Policy that has established a quarterly environmental reporting regime that ensures environmental performance is

reported from project/site level, up through the levels of management, to the Board of Leighton Holdings Limited.

As part of the Group's internal reporting processes, operating management is required to report the numbers of environmental incidents occurring and what has happened to resolve such incidents, regardless of whether they infringe any regulations. At the commencement of this year the Directors reviewed and upgraded the criteria upon which the environmental performance achieved by Group companies is measured and reported to the Board each quarter. The environmental performance reported below reflects the implementation of this revised criteria which were adopted to further reinforce the requirement for all levels of management to be aware of environmental performance and of the need to act where performance does not meet Group expectations.

The following reporting categories are those adopted by the Group and show examples constituting such incidents.

Incident Classification:

Class 1: refers to pollution or degradation of the environment which:

- has a high short-term impact on the quality of the environment;
- is irreversible;
- is on a wide scale off-site.

Class 2: refers to pollution or degradation of the environment which:

- has a measurable short-term impact on the quality of the environment;
- is reversible;
- is contained on-site.

Class 3: refers to pollution or degradation of the environment which:

- has no measurable impact on the quality of the environment;
- affects the ability of people off-site to enjoy their normal environment, e.g. minor noise disturbance;
- may result in Class 1 or 2 damage if it continues to occur.

During the financial year the Group's Australian operations recorded and reported on the following environmental incidences:

Class 1	Class 2	Class 3
0	38	156

The circumstances which led to the above class 2 and 3 incidents have all been remedied as at the date of this report.

### Directors and Directors' interests

The Directors of Leighton Holdings Limited in office at the date of this report are listed below together with details of their shareholdings in the Company.

Names	No. of ordinary shares	No. of options over unissued shares
Morrish Alexander Besley AO	7,960	–
	2,000*	–
Wallace MacArthur King AM	6,660	600,000
Dieter Siegfried Adamsas	103,060	800,000
Geoffrey John Ashton	2,500	–
Geoffrey James Dixon	2,000	–
Achim Drescher	2,000	–
Ian Rutledge Johnson	2,000	–
Hans-Peter Keitel	1,560*	–
David Allen Mortimer	1,000	–
	22,500*	–
Busso Peus	2,305*	–
David Paul Robinson	1,250	–
Rodney Malcolm Wylie OBE	42,757	–

\*Non-beneficially held

### Directors' and Executives' Benefits

Details of the nature and amount of each major element of the emoluments of each Director of the Company and each of the five named executives receiving the highest emolument are:

Consolidated and Company	Remuneration Package (a)	Performance Based Bonuses	Superannuation Contributions	Retirement Benefits	Other Benefits (b)	Total Remuneration
<b>Executive Directors</b>						
W M King AM	1,581,412	1,700,000	100,098	–	–	3,381,510
D S Adamsas	1,022,365	1,100,000	213,291	–	–	2,335,656
<b>Non-executive Directors</b>						
M A Besley AO	192,196	–	–	–	–	192,196
G J Ashton	71,194	–	6,100	–	–	77,294
A Drescher	68,000	–	6,800	–	–	74,800
I R Johnson	80,993	–	6,800	–	–	87,793
H-P Keitel	94,000	–	9,400	–	–	103,400
D A Mortimer	68,000	–	6,800	–	–	74,800
B Peus	68,000	–	6,800	–	–	74,800
D P Robinson	72,000	–	7,200	–	–	79,200
R M Wylie OBE	129,000	–	–	–	–	129,000
G Dixon	58,860	–	5,886	–	–	64,746
<b>Senior Executives</b>						
J Faulkner	950,098	534,188	103,543	–	324,205	1,912,034
M Albrecht	931,616	800,000	124,026	–	–	1,855,642
R Trundle	454,525	550,000	76,500	–	–	1,081,025
P McMorrow	496,795	299,145	76,923	–	182,445	1,055,308
R Merkenhof	695,946	170,000	52,031	–	–	917,977

(a) Reflects the total remuneration package consisting of both payroll salary and benefits. Non-executive Directors' remuneration represents fees in connection with attending board and committee meetings.

(b) Options to acquire shares in the Company were granted to employees during the year under the Leighton Executive Share Option Plan (LESOP) which are exercisable in accordance with the Plan rules at the market price at date of issue. The exercise price of \$5.84 was higher than the market value at 30 June 2000 of \$5.38. Details of the terms under which the options were issued under LESOP are set out on page 50.

Details of Directors' qualifications, experience, special responsibilities and interest in shares in the Company are set out on pages 49 and 51 of this Concise Annual Report.

### Directors' and Senior Executives' emoluments

The Remuneration Committee is responsible for making recommendations to the Board on remuneration arrangements for the executive Directors and the executive team. The broad remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. In determining remuneration, regard is given to comparable companies and advice is periodically taken from leading independent remuneration consultants. The remuneration of non-executive Directors is determined by the executive Directors having regard to the level of fees paid to non-executive Directors by other companies of similar size and stature.

The aggregate amount payable to non-executive Directors in relation to Leighton Holdings Limited must not exceed the maximum amount approved by the Company's shareholders (currently \$950,000 as determined at the 1998 Annual General Meeting).

Executive Directors and senior executives may receive annual and deferred bonuses based on the achievement of specific operational and financial goals.

In addition, executive Directors and senior executives have the opportunity to qualify for participation in the Leighton Executive Share Options Plan which currently provides share option incentives where specified performance criteria are met. Non-executive Directors do not receive any performance related remuneration.

Certain executives are entitled to a benefit pursuant to service agreements subject to ongoing conditions being fulfilled.

The amounts are provided in the financial statements of the Consolidated Entity. Any amounts that become payable will be disclosed as remuneration in the relevant year.

### Directors' Meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Directors' Meetings		No. of Audit Committee Meetings		No. of Remuneration Committee Meetings		No. of Plan Committee Meetings		No. of Ethics Committee Meetings	
	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*
D S Adamsas	9	9	5	5	–	–	–	–	–	–
G J Ashton	9	9	–	–	–	–	–	–	2	2
M A Besley AO	9	9	–	–	2	2	2	2	2	2
G J Dixon (appointed 19 August 1999)	7	8	–	–	–	–	–	–	–	–
A Drescher	9	9	–	–	–	–	–	–	–	–
I R Johnson	9	9	–	–	–	–	–	–	1	1
H-P Keitel	2	9	–	–	2	2	–	–	–	–
W M King AM	9	9	4	5	2	2	2	2	1	1
D A Mortimer	9	9	–	–	–	–	–	–	–	–
B Peus	4	9	–	–	–	–	–	–	–	–
D P Robinson	9	9	5	5	–	–	–	–	–	–
R M Wylie OBE	9	9	5	5	–	–	2	2	–	–

\*Reflects the number of meetings held during the time the Director held office during the financial year.

**Indemnity for Group Officers and Auditors**

The Company's Constitution has included since 3 November 1994 indemnities in favour of persons who are or have been an Officer or auditor of the Company.

Briefly, to the extent permitted by law, the Company indemnifies every person who is or has been:

(a) an Officer against any liability to any person (other than the Company or related entity) incurred while acting in that capacity and in good faith; and

(b) an Officer or auditor of the Company, against costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

'Officer' for this purpose means any Director or Secretary of the Company and includes any other person who is concerned, or takes part, in the management of the Company.

The current Directors and Secretary of the company are named at page 6 and the Company's current auditors are KPMG.

**Deeds of Indemnity**

In prior financial years, by Deeds of Indemnity, each between the Company and a particular officer or former officer of the Company or a subsidiary, the Company has given similar indemnities in favour of that officer or former officer in respect of liabilities incurred by the officer while acting as an officer of the Company or any subsidiary or while acting at the request of the Company or any subsidiary as an officer of a non-controlled entity.

The officers who have the benefit of such a Deed of Indemnity are or were at the time a Director of the Company, the Company's Secretary and certain persons who are or were at the time Directors of a Leighton subsidiary or have or had the status of General Manager or Senior Manager within the Leighton Group.

**Directors Deed**

During the financial year, the Company entered into a Deed of Indemnity, Insurance and Access ("Directors Deed") with each current Director of the Company. These Deeds formalised the arrangements between the Company and the Directors as to indemnities, insurance and access to board records and replaced any existing Deeds of Indemnity previously executed by the Company in favour of each of those Directors. Under each Directors Deed the Company indemnifies the Director to the extent permitted by law against any liability (including liability for legal defence costs) incurred by the Director as an officer of former officer of the Company or any subsidiary or while acting at the request of the Company or any subsidiary as an officer of a non-controlled entity. In approving each Directors Deed the Board relied on the resolution approved by shareholders at the Annual General Meeting of the Company on 4 November 1999 and on section 195(1)(d) and section 212 of the Corporations Law.

No claims under the indemnities have been made against the Company during or since the financial year.

**Insurance for Group Officers**

During and since the financial year the Company has paid or agreed to pay premiums in respect of contracts insuring persons who are or have been a Group Officer against certain liabilities incurred in that capacity. 'Group Officer' for this purpose means any Director or Secretary of the Company or any subsidiary and includes any other person who is concerned, or takes part, in the management of the Company or of any subsidiary.

Under the above mentioned Deeds of Indemnity and Directors Deeds, the Company has undertaken to the relevant officer or former officer that it will insure the officer against certain liabilities incurred in his or her capacity as an officer of the Company or any subsidiary or as an officer of a non-controlled entity where the office is or was held at the request of the Company or any subsidiary.

The insurance contracts entered into by the Company prohibit disclosure of the nature of the liabilities insured by the insurance contracts and the amount of the premiums.

**Share options****Leighton Staff Equity Participation Plan ("LSEPP")**

The total number of options over unissued ordinary shares in the Company outstanding under LSEPP at the date of this report is 3,411,750 with each option having an exercise price of \$5.41 and an expiry date of 24 October, 2001.

Since 1 July 1999 under LSEPP:

(i) 647,950 shares have been issued on exercise of options at an exercise price of \$5.41 each and 55,000 options have lapsed;

(ii) no options have been granted.

In accordance with the amendments to LSEPP approved by shareholders at the Company's Annual General Meeting held in November 1998 no further invitations will be issued to Group employees to acquire shares or options under LSEPP unless and until shareholders determine otherwise.

**Leighton Executive Share Options Plan (LESOP)**

On 5 August 1999, the Company granted options over 6,965,000 unissued ordinary shares in the Company to 274 executives of the Group under LESOP which was established following receipt of approval of LESOP by shareholders at the Company's Annual General Meeting held in November 1998.

The exercise of these options issued under LESOP is subject to the following restrictions:

(i) the options may only be exercised between 5 August 2001 and 5 August 2004.

(ii) not more than 50% of the options issued may be exercised before 5 August 2002.

(iii) no option is exercisable unless the percentage increase in Leighton's total shareholder returns (that is, growth in share price plus dividends reinvested) during the period of the two years ending 28 days before the proposed exercise of the options equals or exceeds the percentage increase in either the ASX All Industrials Accumulation Index or the ASX 100 Industrials Accumulation Index during the same two year period.

Since 5 August 1999 140,000 of the options issued under LESOP have lapsed and the total number of options over unissued ordinary shares in the Company outstanding under LESOP at the date of this report is 6,825,000. Each of these options has an exercise price of \$5.84 and each will expire on 5 August 2004 except where they lapse automatically prior to that date on the occurrence of certain events specified in the Plan Rules including the Executive's termination of employment (other than on account of death, total and permanent disability, normal retirement age and certain other special circumstances mentioned in the Plan Rules).

Executives holding options under LESOP are only entitled to participate in a new issue of shares by the Company in the circumstances mentioned in the Plan Rules.

The following Executive Directors of the Company were granted options under LESOP:

Names	No. of options granted
D S Adamsas	400,000
W M King AM	600,000

The following five most highly remunerated officers of the Company were also granted options under LESOP:

Names	No. of options granted
M C Albrecht	300,000
J Faulkner	300,000
R J Merkenhof	200,000
R S Trundle	100,000
V A Vella	100,000

The names of the persons who currently hold options under LSEPP and LESOP are entered in the register of options kept by the Company pursuant to Section 170 of the Corporations Law. The register may be inspected free of charge.

These options do not entitle the holder to participate in any share issue of any other body corporate.

There are no unissued shares in the Company under option as at the date of this report, other than those issued under LSEPP and LESOP referred to above.

**Rounding off of amounts**

As the Company is a company of the kind referred to in ASIC Class Order 98/100 dated 10 July 1998, the Directors have chosen to round off amounts in this report and the accompanying Concise Financial Report to the nearest thousand dollars, unless otherwise indicated.

Signed at Sydney this 1st day of September 2000 in accordance with a resolution of the Directors.



M A Besley AO  
Chairman



W M King AM  
Chief Executive Officer

The Directors during or since the end of the year are:

**M A (Tim) Besley AO, (73)**

BE(Civil), BlegS, FTSE,  
FIEAust, FAIM

A graduate of the University of New Zealand and Macquarie University. A Non-executive Director since 1989. Elected Chairman February 1990. Former Chairman of The Commonwealth Bank of Australia. Chancellor Macquarie University and President of the Australian Academy of Technological Sciences and Engineering.

**W M King AM, (56)**

BE, MEngSc, Hon.FIEAust, CP Eng, FAICD, FAIM, FAIB, FTSE  
A graduate of the University of NSW. An Executive Director since 1975. Appointed Chief Executive in 1987. A civil engineer who joined Leighton Contractors in 1968 and became Managing Director of that company in 1977. Appointed Deputy Managing Director of Leighton Holdings in 1983. Participates in construction industry affairs and is the President of the Australian Constructors Association. Director of the Board and Member of the Business Council of Australia. Honorary Fellow of the Institution of Engineers and Fellow of the Australian Institute of Company Directors, the Australian Institute of Management, the Australian Institute of Building and the Academy of Technological Sciences and Engineering.

**D S Adamsas, (57)**

BComm, FAICD

A graduate of the University of NSW. An Executive Director since 1988. Joined the Company in 1971 and has held various senior accounting and commercial positions within the Group. Appointed Associate Director in 1985. Responsible for overall Group management reporting, statutory accounting, auditing, treasury, taxation and insurance. Member of the Financial Executives Institute of Australia. Fellow of the Australian Institute of Company Directors.

**G J Ashton, (62)**

FAICD, FAIM

A Non-executive Director since 1996. A Director of Evans Deakin Industries Limited, the NSW State Transit Authority and the Australian National Training Authority. Former Managing Director of Clyde Industries Limited and Monier Limited. National President of the Australian Industry Group.

**G J Dixon, (60)**

Appointed a Non-Executive Director on 19 August 1999. Deputy Chief Executive Officer and member of the Board of Directors of QANTAS Airways Pty Ltd responsible for all the Airline's commercial activities. Before joining QANTAS held senior commercial positions with both Australian Airlines and Ansett Airlines, and has served on the Commercial Board of the International Air Transport Association. A Director of Air Pacific Ltd, Fiji Resorts Ltd, Mission Australia (Sydney City Mission) and the Starlight Foundation.

**A Drescher, (60)**

BEC

A graduate in economics from Hamburg University, Germany. A Non-executive Director since 1996. Managing Director of Columbus Line Australia Pty Limited and Chairman of Otto Plastics Pty Limited. Non-executive Director of Austal Limited, Liner Shipping Services Limited and of the Australian Chamber of Shipping Limited. He was founding Director of the German Australian Chamber of Industry and Commerce in 1977 and the Chamber's Chairman from 1986 to 1993. In 1997 Mr Drescher was awarded the "Cross of the Order of Merit" by the Federal Republic of Germany.

**I R Johnson, (59)**

BSc(Hons), FAICD

A graduate of the University of New England. A Non-executive Director since 1997. Chairman of Newcrest Mining Limited. Director of Email Limited. Former Group Executive of CRA Limited.

**Dr H-P Keitel, (53)**

Dr. - Ing.

A graduate in studies on civil engineering at Technical University: Stuttgart and on business administration and economics at Technical University Munich, Germany. A Non-executive Director since 1992. Elected Deputy Chairman in November 1998. Joined HOCHTIEF AG in 1988 as Director to the Board responsible for international business. Became a member of the Board of Executive Directors in 1990 and was appointed Chairman of the Board of Executive Directors of HOCHTIEF AG in 1992. Other directorships include Pilkington PLC, Ballast Nedam NV and The Turner Corporation. A Director of HOCHTIEF Limited.

**D A Mortimer, (55)**

BEc(Hons), FCPA

A Non-executive Director since 1997. Chairman of Ci Technologies Group Limited, Medical Imaging Australasia Limited and The Sydney Airports Corporation Limited. A Director of FH Faulding and Co Limited, Adsteam Marine Limited, Petsec Energy Limited and Macquarie Infrastructure Investment Management Limited. Former Managing Director and Chief Executive Officer of TNT Limited.

**Dr B Peus, (58)**

Dr of Law

Studied at the Universities of Münster, Lausanne and Berlin. Graduated and awarded Doctorate of Law from the University of Münster. A Non-executive Director since 1994. Joined HOCHTIEF in 1977 and is a member of the Board of Executive Directors with responsibility for central departments (legal, audit, insurance, investment controlling, mergers and acquisitions) and international subsidiaries and associates. A member of the Supervisory Board of Ballast Nedam NV, Amstelveen, Netherlands, President of HOCHTIEF Inc., Wilmington, Delaware, USA and HOCHTIEF Canada Inc., Toronto. A Director of ARMBRO Enterprises Inc., Toronto and HOCHTIEF Limited.

**D P Robinson, (44)**

BEC, FCA

A graduate of the University of Sydney. A Non-executive Director since 1990. Alternate Director from 1987 to December 1990. A chartered accountant and partner with the firm of Harveys Chartered Accountants in Sydney. Responsible for business development services within that firm. Participates in construction industry affairs. A Director of HOCHTIEF Limited.

**R M Wylie OBE, (72)**

BComm, BA, FCA, FAICD, D.Univ (Griffith)

A graduate of the University of Queensland. A Non-executive Director since 1985. Elected Deputy Chairman in February 1990. A chartered accountant, formerly senior partner in the Queensland practice of Peat Marwick Mitchell & Co. Chairperson of the Queensland Competition Authority. Former Chairman of the Queensland Branch Council and Federal Councillor of both the Institute of Chartered Accountants and the Institute of Directors in Australia.

## 1

**The Board**

The Leighton Board is responsible to shareholders for the Group's overall corporate governance. The Board's responsibilities include:

- reviewing and determining strategic direction and policy;
- establishing goals for Management and monitoring the achievement of those goals;
- appointing, monitoring and rewarding senior Managers; and
- reporting to shareholders.

The Company has presently ten non-executive Directors and two executive Directors in conformity with the Board's policy that the Board have a majority of non-executive Directors.

The Chairman is a non-executive Director. HOCHTIEF is represented on the Board by three non-executive Directors, namely Messrs H-P Keitel, B Peus and D P Robinson.

The Board is balanced in its composition with each current Director bringing to the Company a range of complementary skills and experience, as set out on page 51 under the heading 'Directors' Resumes'.

It is the Board's policy that the Chairman and Chief Executive Officer, acting as a Nomination Committee, should assess and make recommendations to the Board regarding the membership of the Board, including proposed new appointments.

Where appropriate, independent consultants are engaged to identify possible new candidates for the Board.

The Board has nine scheduled full meetings each year. Other meetings are held on short notice when particular issues arise which require discussion and a decision by the Board.

Members of the Board visit significant locations and projects when it is considered that actual inspection and meetings with local management will assist Directors' understanding of important operational issues.

## 2

**Appointment and Retirement of Non-executive Directors**

It is the Board's policy to determine the terms and conditions relating to the appointment and retirement of non-executive Directors on a case by case basis and in conformity with the requirements of the ASX Listing Rules and the Corporations Law.

Non-executive Directors are subject to re-election by rotation at least every three years and must be re-elected at each Annual General Meeting following their 72nd birthday.

## 3

**Compensation Arrangements for Directors and Senior Executives**

The Board has established a Remuneration Committee whose principal functions include:

- review and approve the remuneration of executive Directors and other senior executives of the Group;
- review and make recommendations to the Board regarding:
  - the remuneration policies and practices for the Group generally including participation in the incentive plan, share scheme and other benefits; and
  - superannuation arrangements.

The current members of the Remuneration Committee are Messrs M A Besley (Chairman), W M King, H-P Keitel and A Drescher.

As Chief Executive Officer, Mr King absents himself from the meetings before any discussion by the Committee in relation to his own remuneration.

The remuneration of non-executive Directors is determined by the executive Directors having regard to the level of fees paid to non-executive Directors by other companies of similar size and stature.

The aggregate amount payable to non-executive Directors must not exceed the maximum amount approved by the Company's shareholders (currently \$950,000 as determined at the 1998 Annual General Meeting).

Under the policy approved by shareholders at the 1996 Annual General Meeting, retiring non-executive Directors who have held office for three years or more are permitted to receive a retiring allowance which rises with the length

of their service. The maximum allowance is payable in the case of a non-executive Director who has held office for at least ten years and in such a case the allowance is an amount equal to the Director's total fees during the last five years before retirement.

## 4

**Business Risk Management**

Areas of significant business risk to the Group are highlighted in the Business Plan presented to the Board by the Chief Executive Officer each year.

The Board reviews and approves the parameters under which such risks will be managed before adopting the Business Plan.

Arrangements put in place by the Board to monitor risk management include:

- regular monthly reporting to the Board in respect of operations, the financial position of the Group and new contracts;
- attendance and reports by the Managing Directors of the Group's main operating subsidiaries at Board Meetings on at least a quarterly basis;
- presentations made to the Board or Committees of the Board throughout the year by appropriate members of the Group's management team (and/or independent advisers, where necessary) on the nature of particular risks and details of the measures which are either in place or can be adopted to manage or mitigate the risk; and
- any Director may request that operational and project audits be undertaken by the Company's Technical Resources Division.

The Board has also adopted reporting and other procedures which allow it to monitor Group performance regarding:

- the Company's compliance with the continuous disclosure requirements of the ASX Listing Rules; and
- health and safety, environment and trade practices.

## 5

### **Audit Review**

An Audit Committee was established by the Board in June 1990. The functions of this Committee include:

- assist the Board in the discharge of its responsibilities in respect of the preparation of the Group's financial statements and the Group's internal controls;
- recommend to the Board nominees for appointment as external auditors;
- review the scope of the audit, the level of audit fees and the performance of the external auditors;
- provide a line of communication between the Board and the external auditors; and
- examine the external auditors evaluation of internal controls and management's response.

The current members of the Audit Committee are Messrs R M Wylie (Chairman), W M King, D S Adams and D P Robinson.

## 6

### **Board Committees Generally**

It is the Board's policy that Committees of the Board dealing with corporate governance matters should:

- be chaired by a non-executive Director;
- generally be constituted with at least half the membership being persons who are non-executive Directors;
- be entitled to obtain independent professional or other advice at the cost of the Company; and
- be entitled to obtain such resources and information from the Group, including direct access to employees of and advisors to the Group, as they may require.

Board Committees operate in accordance with terms of reference established by the Board and report to the Board.

## 7

### **Annual Review by the Board**

It is the Board's policy that the Board should at least annually:

- review the performance of the Board, the Group and Management; and
- review the allocation of the work of the Group between the Board and Management.

## 8

### **Directors' Access to Independent Professional Advice**

For the purposes of the proper performance of their duties, Directors are entitled to seek independent professional advice at the Company's expense, subject to the approval of the Board.

## 9

### **Equity Participation by Directors**

The Company's Constitution requires Directors to hold at least 1,000 shares in the Company but additional shareholdings by Directors are encouraged.

The Company has a policy which restricts the times and circumstances in which Directors and senior executives may buy or sell shares in the Company. Unrestricted trading is limited to specified short periods after announcements are made to the ASX of the half yearly and preliminary final results and after the Annual General Meeting.

## 10

### **Ethical Standards**

Leighton recognises the need for Directors and employees to observe the highest standards of behaviour and business ethics when engaging in corporate activity. The Group intends to maintain a reputation for integrity. To this end the Board established an Ethics Committee in November, 1998 whose principal function is to review and make recommendations to the Board regarding the maintenance of ethical standards and practices generally within the Leighton Group.

The current members of the Ethics Committee are Messrs M A Besley (Chairman), G J Ashton and I R Johnson.

In September 1995 the Board adopted a Code of Ethics which sets out the principles and standards with which all officers and employees are expected to comply in the performance of their respective functions.

Under the Code officers and employees are expected to:

- comply with the law;
- act honestly and with integrity;
- not place themselves in situations which result in divided loyalties;
- use Leighton's assets responsibly and in the best interests of Leighton;
- be responsible and accountable for their actions.

The Code and its implementation are reviewed each year.

A copy of the Code of Ethics is available to shareholders on request.

## 54 Shareholdings

Information as to shareholdings on 24 August 2000 is as follows:

### Substantial Shareholdings

The names of the substantial shareholders and the numbers of the equity securities in which they have an interest, as shown in the Company's Register of Substantial Shareholders, are:

Name	No. of Shares
HOCHTIEF Limited	130,870,304

The following companies hold a relevant interest in these shares.

HOCHTIEF Aktiengesellschaft, ("HOCHTIEF AG"),  
(the parent company of HOCHTIEF Limited.)  
RWE Aktiengesellschaft, (a majority shareholder in  
HOCHTIEF AG.)

Number of Shareholders	17,507
Of ordinary shares which have equal voting rights*	

\*Voting Rights: On a show of hands every member present in person or by proxy or attorney or duly appointed representative shall have one vote and on a poll every member present as aforesaid shall have one vote for each share of which he/she is the holder.

Distribution Schedule Category	No. of Shareholders
1-1,000	7,240
1,001-5,000	8,082
5,001-10,000	1,355
10,001-100,000	756
100,001 and over	74
	17,507

There were 114 shareholders with less than a marketable parcel (77 shares).

### Twenty Largest Shareholders

The percentage of the total holding of the 20 largest shareholders, as shown in the Company's Register of Members, is 73.53% and their names and numbers of shares are as follows:

Name	Number	% of Total Shareholdings
HOCHTIEF Limited	130,866,439	49.83
Westpac Custodian Nominees Limited	15,965,921	6.08
National Nominees Limited	8,168,106	3.11
Chase Manhattan Nominees Limited	7,667,071	2.92
Queensland Investment Corporation	4,044,912	1.54
AMP Life Limited	2,934,213	1.12
MLQE Nominees Pty Limited	2,650,000	1.01
Citicorp Nominees Pty Limited	2,401,922	0.91
Westpac Life Insurance Services Limited	2,081,860	0.79
MLC Limited	1,950,221	0.74
ANZ Nominees Limited	1,898,612	0.72
Westpac Financial Services Limited	1,788,016	0.68
AMP Nominees Pty Limited	1,641,918	0.63
GIO Personal Investment Services Limited	1,589,927	0.61
NRMA Nominees Pty Limited	1,548,302	0.59
Government Superannuation Office	1,475,162	0.56
Tower Life Australia Limited	1,221,238	0.47
Permanent Trustee Australia	1,217,076	0.46
Commonwealth Custodial Services Limited	1,114,343	0.42
Commonwealth Life Limited	885,304	0.34
	193,110,563	73.53

Shareholdings

# Concise

## Contents

56  
Profit and Loss  
Statement

59  
Notes to the  
Concise Financial  
Report

57  
Balance Sheet

61  
Statutory Statements

58  
Statement of  
Cash Flows

## Profit and Loss Statement

for the year ended 30 June 2000

	Consolidated	
	2000 \$'000	1999 \$'000
<b>Operating Profit before Income Tax</b>	<b>201,374</b>	181,818
Income Tax (Expense)/Benefit Attributable to Operating Profit	<b>(43,371)</b>	(50,424)
<b>Operating Profit after Income Tax</b>	<b>158,003</b>	131,394
Outside Equity Interest in Operating Profit after Income Tax	<b>(23,923)</b>	(9,585)
<b>Operating Profit after Income Tax Attributable to Members of the Company</b>	<b>134,080</b>	121,809
Retained Profits at the Beginning of the Financial Year	<b>247,166</b>	203,299
<b>Total Available for Appropriation</b>	<b>381,246</b>	325,108
Dividends provided for or paid	<b>(86,685)</b>	(78,511)
Aggregate of Amounts Transferred to Reserves	<b>(2,079)</b>	569
<b>Retained Profits at the End of the Financial Year</b>	<b>292,482</b>	247,166

The profit and loss statement is to be read in conjunction with the discussion and analysis and the notes to the financial statements set out on pages 59 to 60.

### Discussion and Analysis of Profit and Loss Statement

The Consolidated Entity delivered an improvement in both revenue and profits in the financial year ended 30 June 2000:

- Total revenue increased by 7.5% to \$3.6 billion.
- Operating profit before tax increased by 10.8% to \$201.4 million.
- Australian/Pacific operations contributed \$112 million profit before tax and after minorities from revenue of \$2.8 billion. Increased revenue compared to the prior year came primarily from civil engineering, building construction and telecommunications.
- Asian operations contributed \$55 million profit before tax and after minorities from operating revenue of \$772 million.
- The Consolidated Entity's effective tax rate for the year was below 36% primarily due to the recoupment of capital tax losses of prior years not previously recognised and overseas income tax rate differential.
- Financial performance measures showed continued improvement compared to the prior year:
  - Return on revenue (operating profit attributable to members on total revenue) remained at 3.7%
  - Return on total assets (operating profit attributable to members on total assets) increased from 7.7% to 7.8%
  - Return on equity (profit attributable to members on shareholders' equity attributable to members) increased from 19.9% to 20.3%.

# Profit and Loss

## Balance Sheet

as at 30 June 2000

	<b>Consolidated</b>	
	<b>2000</b>	1999
	<b>\$'000</b>	\$'000
<b>Current Assets</b>		
Cash	<b>348,029</b>	364,262
Receivables	<b>506,173</b>	369,997
Inventories	<b>186,593</b>	98,251
Other	<b>38,279</b>	27,615
<b>Total Current Assets</b>	<b>1,079,074</b>	860,125
<b>Non-Current Assets</b>		
Receivables	<b>16,950</b>	23,930
Investments	<b>33,469</b>	14,921
Inventories	<b>23,181</b>	86,872
Property, Plant and Equipment	<b>468,757</b>	480,140
Intangibles	<b>23,060</b>	—
Other	<b>84,830</b>	110,006
<b>Total Non-Current Assets</b>	<b>650,247</b>	715,869
<b>Total Assets</b>	<b>1,729,321</b>	1,575,994
<b>Current Liabilities</b>		
Accounts Payable	<b>684,729</b>	572,508
Borrowings	<b>28,433</b>	20,247
Provisions	<b>110,787</b>	118,881
Other	<b>2,598</b>	496
<b>Total Current Liabilities</b>	<b>826,547</b>	712,132
<b>Non-Current Liabilities</b>		
Accounts Payable	<b>17,446</b>	14,574
Borrowings	<b>69,346</b>	72,921
Provisions	<b>131,092</b>	143,489
<b>Total Non-Current Liabilities</b>	<b>217,884</b>	230,984
<b>Total Liabilities</b>	<b>1,044,431</b>	943,116
<b>Net Assets</b>	<b>684,890</b>	632,878
<b>Shareholders' Equity</b>		
Share Capital	<b>363,891</b>	361,884
Reserves	<b>4,207</b>	3,289
Retained Profits	<b>292,482</b>	247,166
Shareholders' Equity Attributable to Members of the Company	<b>660,580</b>	612,339
Outside Equity Interest in Controlled Entities	<b>24,310</b>	20,539
<b>Total Shareholders' Equity</b>	<b>684,890</b>	632,878

**Discussion and Analysis of Balance Sheet**

The Consolidated Entity's net assets increased during the year by 8.2% to \$685 million. Net tangible assets per ordinary share increased during the same period from \$2.42 to \$2.52.

Total assets increased from \$1.58 billion to \$1.73 billion following various business acquisitions by the Consolidated Entity. The continued expansion in the activity of the Consolidated Entity resulted in an increase in the level of receivables. The Consolidated Entity's investment in property, plant and equipment remained stable at \$470 million. During the year, there were changes in the expected timing of the sale of inventories, comprising development properties, resulting in the reclassification of certain properties between current and non-current assets.

The net level of cash (cash less borrowings) held by the Consolidated Entity at 30 June 2000 was \$250 million compared to \$271 million at 30 June 1999.

Other significant movements in balance sheet items include:

- an increase in accounts payable in line with the expansion in the activity of the Consolidated Entity.
- an increase in intangibles (goodwill) resulting from the acquisition of businesses.
- the assets increased due to consolidation of \$240,728 in assets of acquired businesses, mainly John Holland Group Pty Ltd.

The balance sheet is to be read in conjunction with the discussion and analysis and the notes to the financial statements set out on pages 59 to 60.

## Statement of Cash Flows

for the year ended 30 June 2000

	Consolidated	
	2000 \$'000	1999 \$'000
<b>Cash Flows From Operating Activities</b>		
Cash receipts in the course of operations	3,637,367	3,121,174
Cash payments in the course of operations	(3,327,005)	(2,758,666)
Interest received	12,256	12,154
Borrowing costs paid	(10,741)	(6,976)
Income taxes paid	(59,073)	(67,622)
<b>Net cash provided by operating activities</b>	<b>252,804</b>	300,064
<b>Cash Flows From Investing Activities</b>		
(Increase) in investment in controlled entities and businesses	(86,314)	(6,150)
Payments for property, plant and equipment	(178,253)	(289,649)
Proceeds from sale of non-trading assets	117,313	49,570
(Increase) in investment in other entities	(18,197)	(1,160)
Decrease in investment in other entities	—	35,993
(Loans to)/repayments by executives and staff shareholders	78	(377)
<b>Net cash used in investing activities</b>	<b>(165,373)</b>	(211,773)
<b>Cash Flows From Financing Activities</b>		
Proceeds from share issues	2,007	3,196
Proceeds from borrowings	183,667	
Repayment of borrowings	(207,440)	(19,675)
Dividends paid	(81,296)	(70,571)
<b>Net cash provided by/(used in) financing activities</b>	<b>(103,062)</b>	(87,050)
<b>Net increase/(decrease) in cash held</b>	<b>(15,631)</b>	1,241
<b>Net cash at the beginning of the financial year</b>	<b>363,704</b>	368,368
Effects of exchange rate changes on the balances of cash held in foreign currencies at the beginning of the year	(44)	(5,905)
<b>Net cash at the end of the financial year</b>	<b>348,029</b>	363,704

The statement of cash flows is to be read in conjunction with the discussion and analysis and the notes to the financial statements set out on pages 59 to 60.

### Discussion and Analysis of Cash Flow Statement

Net cash inflows from operations was \$253 million compared to \$300 million in the previous year. Receipts from customers increased from \$3.1 billion to \$3.6 billion, primarily reflecting the growth in revenue in the current year.

During the year the Group's cash requirements included plant expenditure of \$178 million and investments of \$105 million. These were largely self-financed from the sale of assets and cash provided by operating activities, however some short term borrowings were required.

The Group had a net repayment of borrowings of \$23 million in the year which was in accordance with the loan agreements entered into with third parties.

Statement  
of Cash Flows

# Notes to the Concise Financial Report

for the year ended 30 June 2000

## 1

### Basis of Preparation of Concise Financial Report

The concise financial report has been prepared in accordance with the Corporations Law, Accounting Standard AASB 1039 "Concise Financial Reports" and applicable Urgent Issues Group Consensus Views. The financial statements and specific disclosures required by AASB 1039 have been derived from the Consolidated Entity's full financial report for the financial year. Other information included in the concise financial report is consistent with the Consolidated Entity's full financial report. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial report.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the Consolidated Entity and are consistent with those of the previous year. Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

## 2

### Consolidated

<b>2000</b>	1999
<b>\$'000</b>	\$'000

### Revenue

#### Revenue from operating activities

Construction, mining and telecommunications contracts

– Consolidated Entity	<b>3,105,789</b>	3,001,216
– Joint Venture Entities	<b>31,728</b>	12,770
Other contracting services	<b>205,315</b>	141,656
Property development	<b>102,517</b>	64,903
Interest		
– Related Parties	<b>46</b>	50
– Other Parties	<b>12,530</b>	12,154
Proceeds from sale of Non-Current Assets	<b>119,439</b>	95,129
	<b>3,577,364</b>	3,327,878

## 3

### Segment Information

Industry	Contracting & Project Management \$'000	Property Development \$'000	Unallocated \$'000	Total \$'000
<b>2000</b>				
<b>Total Revenue</b>	<b>3,462,271</b>	<b>102,517</b>	<b>12,576</b>	<b>3,577,364</b>
<b>Operating Profit/(Loss) Before Tax</b>	<b>169,870</b>	<b>10,856</b>	<b>(3,209)</b>	<b>177,517</b>
<b>Total Assets</b>	<b>1,297,088</b>	<b>195,877</b>	<b>236,356</b>	<b>1,729,321</b>
1999				
Total Revenue	3,245,702	64,903	17,273	3,327,878
Operating Profit/(Loss) Before Tax	169,098	5,495	(3,006)	171,587
Total Assets	1,154,736	178,603	242,655	1,575,994
Geographic	Australia/ Pacific \$'000	Asia \$'000	Americas \$'000	Total \$'000
<b>2000</b>				
<b>Total Revenue</b>	<b>2,785,202</b>	<b>771,630</b>	<b>20,532</b>	<b>3,577,364</b>
<b>Operating Profit Before Tax</b>	<b>112,094</b>	<b>55,033</b>	<b>10,390</b>	<b>177,517</b>
<b>Total Assets</b>	<b>1,242,709</b>	<b>486,612</b>	<b>–</b>	<b>1,729,321</b>
1999				
Total Revenue	2,614,143	693,119	20,616	3,327,878
Operating Profit Before Tax	111,537	48,055	11,995	171,587
Total Assets	1,187,970	366,165	21,859	1,575,994

The segment analysis is reported after eliminating the minority interest pre tax profits to reflect the pre tax profits attributable to the members.

	Consolidated	
	2000 \$'000	1999 \$'000
<hr/>		
<b>4</b>		
<b>Earnings Per Share</b>		
Basic (cents per share)	51.1¢	46.6¢
Diluted (cents per share)	50.7¢	46.1¢
<hr/>		
<b>5</b>		
<b>Dividends</b>		
Dividends provided for or paid by the Company are:		
<b>Interim Dividend</b>		
A fully franked interim dividend of 13 cents per share, (1999: 12 cents per share) was paid on 31 March 2000. Franked at 36%	34,187	31,402
<b>Final Dividend</b>		
An unfranked final ordinary dividend of 20 cents per share, (1999: 18 cents per share fully franked at 36%) will be paid on 29 September 2000.	52,498	47,109
	<b>86,685</b>	78,511

The number of ordinary shares on issue at the end of the year was 262,491,867 (1999 - 261,716,620). During the year 775,247 ordinary shares were issued

## 6

### Events Subsequent to Balance Date

Since 30 June 2000, Leighton Contractors Pty Limited has entered into a Memorandum of Understanding with Macquarie Infrastructure Group to sell its 11% stake in Airport Motorways Limited

**Directors' Declaration**

In the opinion of the Directors of Leighton Holdings Limited the accompanying concise financial report of the Consolidated Entity, comprising Leighton Holdings Limited and its controlled entities for the year ended 30 June 2000 set out on pages 56 to 60:

(a) has been derived from or is consistent with the full financial report for the financial year; and

(b) complies with Accounting Standard AASB 1039 "Concise Financial Reports".

Signed in accordance with a resolution of the Directors.



M A Besley AO  
Chairman



W M King AM  
Chief Executive Officer

Dated at Sydney this 1st day of September, 2000.

**Independent Audit Report on the Concise Financial Report to the Members of Leighton Holdings Limited**

**Scope**

We have audited the concise financial report of Leighton Holdings Ltd and its controlled entities for the financial year ended 30 June 2000 as set out on pages 56 to 60 in order to express an opinion on it to the members of the Company. The Company's Directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Leighton Holdings Limited and its controlled entities for the year ended 30 June 2000.

Our audit report on the full financial report was signed on 1 September 2000 and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report and examination, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 "Concise Financial Reports".

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion the concise financial report of Leighton Holdings Limited and its controlled entities for the year ended 30th June 2000 complies with AASB 1039 "Concise Financial Reports".



KPMG  
Chartered Accountants



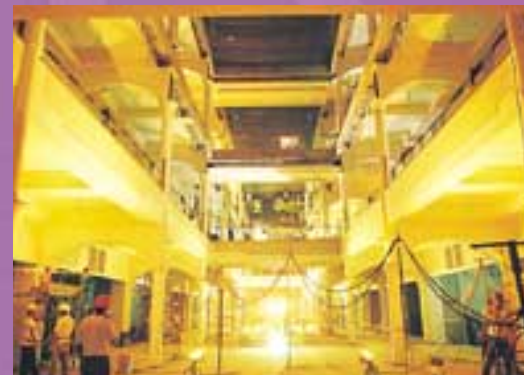
John H Richardson  
Partner

Dated at Sydney this 1st day of September, 2000.

**Telstra Customer Access Network**  
National, Thiess



**Rockwell Retail Centre,**  
Makati City, Philippines, Leighton Asia



**Sydney Aquatic Centre expansion**  
Homebush, New South Wales, Leighton Contractors



**Inner City Bypass**  
Brisbane, Queensland, Leighton Contractors



### 2000 Financial Report

A copy of the Group's 2000 Financial Report, including the independent Audit Report, is available to all shareholders, and will be sent to shareholders without charge upon request. The Financial Report can be requested by telephone from our Group Information Manager on (02) 9925 6612 and is available from the Leighton Internet site [www.leighton.com.au](http://www.leighton.com.au)

### Enquiries

If you have any questions about your shareholding, dividend payments, tax file number, change of address etc, you should contact the Company's Shareholder Enquiry Line at ASX Perpetual Registrars Limited by phone on (02) 9285 7111 or by fax on (02) 9261 8489.

Or write to:

ASX Perpetual Registrars Limited  
Locked Bag A14  
Sydney South Post Office  
Sydney NSW 1232

### Dividend payment

The final dividend of 20 cents per share will be paid on 29 September 2000 and will be unfranked for Australian tax purposes.

### Direct dividend deposit into bank accounts

If you choose, your Leighton dividends can be paid directly into a bank, building society or credit union account in Australia on the dividend payment date. Details of the dividend payment will be confirmed by an advice mailed to you on that date.

Application forms are available from our share registrar, ASX Perpetual Registrars Limited.

If you subsequently change your bank account, please promptly notify the registrar in writing quoting your old bank account number as an added security check.

### Tax file numbers

Since 1 July 1991, all companies have been obliged to deduct tax at the top marginal rate from unfranked dividends paid to investors, resident in Australia, who have not supplied them with a tax file number or exemption particulars. Tax will not be deducted from the franked portion of a dividend.

If you have not already done so, a Tax File Number Notification form or Tax File Number Exemption form should be completed for each holding and returned to our Registrars, ASX Perpetual Registrars Limited at the above address. Please note you are not required by law to provide your tax file number if you do not wish to do so.

### Stock exchange listing

The Company is listed on the Australian Stock Exchange. The home branch is Sydney.

### Share information

Information regarding Substantial Shareholders, the 20 largest holders and shareholding distribution is on page 54.

### Audit Committee

As at 1 September 2000, the Company has a formally constituted Audit Committee of the Board of Directors.

### Share Buy-back

Leighton Holdings does not have a current on-market buy-back program.

### Other available publications

In addition to the Annual Report the Company distributes the Chairman's Address, the Half Yearly and Preliminary Final Reports and quarterly Corporate Updates to all shareholders. Newsletters are published bi-monthly and are available on request. Should you wish to be put on the mailing list, please contact the Group Information Manager on (02) 9925 6612.

### Commemorative Book

As part of Leighton's 50th year celebrations, Leighton Holdings is pleased to offer shareholders a complimentary copy of the special commemorative book "*Leighton: 50 years of achievement 1949-1999*". Copies can be obtained by contacting the Group Information Manager on (02) 9925 6612 or via email at [leighton@leighton.com.au](mailto:leighton@leighton.com.au)

### Removal from Annual Report mailing list

If you do not wish to receive an Annual Report please advise the Company in writing.

### Financial Calendar\*

#### 2000

4 September	Shares begin trading ex Dividend
8 September	Books close for Final Dividend
29 September	Final Dividend paid
2 November	Annual General Meeting
31 December	Half year end

#### 2001

20 February	Half Year Results announced
12 March	Shares begin trading ex Dividend
16 March	Books close for Interim Dividend
30 March	Interim Dividend paid
30 June	Year end
16 August	Preliminary Final Results announced
10 September	Shares begin trading ex Dividend
14 September	Books close for Final Dividend
28 September	Final Dividend Paid
8 November	Annual General Meeting

\*Note timing of events can be subject to change

	2000 \$'000	1999 \$'000	1998 \$'000	1997 \$'000	1996 \$'000
Summary of Balance Sheets					
Share Capital	363,891	361,884	130,563	129,714	129,676
Shareholders' Equity Attributable to Members	660,580	612,339	573,803	524,306	472,032
Total Shareholders' Equity	684,890	632,878	590,594	542,897	489,745
Non-Current Liabilities	217,884	230,984	245,994	249,121	274,245
Current Liabilities	826,547	712,132	670,315	685,775	549,926
Non-Current Assets	650,247	715,869	666,346	656,711	717,381
Current Assets	1,079,074	860,125	840,557	821,082	596,535
Total Assets	1,729,321	1,575,994	1,506,903	1,477,793	1,313,916
Summary of Profit and Loss Statements					
Total Revenue	3,577,364	3,327,878	3,034,546	3,161,180	2,519,644
Operating Profit Before Interest and Income Tax	206,827	188,497	163,017	235,186	136,602
Operating Profit Before Tax	201,374	181,818	155,148	218,805	113,430
Income Tax Expense	43,371	50,424	44,981	80,202	37,688
Operating Profit after Tax	158,003	131,394	110,167	138,603	75,742
Operating Profit Attributable to Members	134,080	121,809	102,852	132,112	70,213
Financial Statistics					
Earnings per Ordinary Share					
– basic	51.1¢	46.6¢	39.5¢	50.9¢	29.1¢
– diluted	50.7¢	46.1¢	39.5¢	50.9¢	29.1¢
Dividends per Ordinary Share	33.0¢	30.0¢	26.0¢	32.0¢	15.0¢
Return on Shareholders' Equity Attributable to Members	20.3%	19.9%	17.9%	25.2%	14.9%
Return on Total Assets	7.8%	7.7%	6.8%	8.9%	5.3%
Operating Profit Before Interest and Tax to Total Revenue	5.8%	5.7%	5.4%	7.4%	5.4%
Operating Profit Attributable to Members to Total Revenue	3.7%	3.7%	3.4%	4.2%	2.8%
Dividend Times Covered	1.5	1.6	1.5	1.6	1.8
Dividend Payout Ratio	64.7%	64.5%	66.0%	62.8%	55.3%
Interest Times Covered	18.7	28.2	20.7	14.4	5.9
Net Tangible Assets per Ordinary Share	\$2.52	\$2.42	\$2.26	\$2.06	\$1.89
Current Ratio	1.3	1.2	1.3	1.2	1.1
Total Shareholders' Equity to Total Assets	39.6%	40.2%	39.2%	36.7%	37.3%
Total Shareholders' Equity to Total Liabilities	65.6%	67.1%	64.5%	58.1%	59.4%
Gross Borrowings to Total Shareholders' Equity	15.8%	14.7%	20.2%	32.1%	40.0%
Net Borrowings to Total Shareholders' Equity	(35.0%)	(42.8%)	(42.2%)	(45.8%)	6.1%
Number of Employees	12,688	10,502	11,970	12,160	10,633

**Leighton Holdings**

Head Office  
472 Pacific Highway  
St Leonards NSW 2065  
Tel. (02) 9925 6666  
Fax. (02) 9925 6005  
www.leighton.com.au

**Board of Directors**

Morrish Alexander Besley AO  
Wallace MacArthur King AM  
Dieter Siegfried Adamsas  
Geoffrey John Ashton  
Geoffrey James Dixon  
Achim Drescher  
Ian Rutledge Johnson  
Hans-Peter Keitel  
David Allen Mortimer  
Busso Peus  
David Paul Robinson  
Rodney Malcolm Wylie OBE

**Associate Directors**

Martin Carl Albrecht  
John Faulkner  
Robert John Merkenhof  
Roger Stewart Trundle  
Vyril Anthony Vella  
William Joseph Wild

**Secretary**

Ashley John Moir

**Principal Registered Office in Australia**

Level 5, 472 Pacific Highway  
St Leonards NSW 2065  
Tel. (02) 9925 6666

**Principal Banker**

Commonwealth Bank of Australia  
48 Martin Place  
Sydney NSW 2000

National Australia Bank Limited  
255 George Street  
Sydney NSW 2000

**Auditor**

KPMG  
Chartered Accountants  
The KPMG Centre  
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