

2001

Leighton Holdings Limited Corporate Update

Third Quarter Report issued May 2001.



Top Left
Burton Coal Mine
Queensland, Thiess

Top Right
Rehabilitation of Track Works
Thailand, Leighton Asia

Below Left
Austar Transmission Equipment Testing
New South Wales, LSE (a subsidiary of Vytel)

Below Right
Werribee Waste Water Treatment Plant Upgrade
Victoria, John Holland



Leighton
Holdings
Limited

Chief Executive's Review



"The Group's diversity of operations will deliver another record profit result." **Wal King AM** Chief Executive Officer

At the end of the third quarter of 2000/2001, the Leighton Group has maintained its high level of work in hand and expects to report another record profit for the full year. The offshore operations of Leighton Asia and Thiess Indonesia continue to make a strong contribution to this performance.

At 31 March 2001, the level of work in hand stood at \$7.71bn with incomplete management contracts valued at \$391m. This compares with \$7.57bn of work in hand and management contracts of \$444m at the half year.

Across Asia the Group has \$2.5bn worth of work in hand with an excellent spread across Indonesia, Hong Kong, Malaysia and Thailand.

Leighton Asia recorded another good quarter, securing two major rail contracts in Hong Kong and a telecommunications project in Malaysia. In Hong Kong, Leighton Asia will be upgrading and extending an existing light rail system for the KCRC at a cost of \$227m and has also been awarded a new \$68m contract to construct trackwork for the MTRC.

In Indonesia, a recovery in international coal prices has driven demand for increased production to the benefit of both Thiess and Leighton Asia.

A number of telecommunications projects are being pursued in the region by Vytel Asia, a joint venture between Leighton Asia and the Australian based Vytel.

The Group's Australian telecommunications business continues to develop with Visionstream, a subsidiary of Leighton Contractors, moving through the design phase of Nextgen Networks and the \$613m construction is expected to start in June of this year. In Queensland the Reef Networks fibre-optic cable development, stretching from Brisbane to Cairns, is almost complete.

Thiess has maintained its strong position in contract mining and was awarded a \$100m contract for underground coal mining at the Southland Colliery in NSW. Thiess has also been awarded a \$50m contract to undertake open cut mining at the St Ives gold mine at Kambalda in WA.

In Melbourne, Thiess was awarded two new building contracts during the quarter. Both the \$61m contract at Port Melbourne and the \$40m Metropolis contract are for the design and construction of apartments and associated services.

In April, Leighton Properties finalised the sale of its landmark property at 80 Pacific Highway, North Sydney for \$90.75m to the Investa Property Group. It is now focused on developing a new \$120m office building at 100 Pacific Highway with ISPT Pty Limited and its com.parks at Thomastown and Mulgrave in Victoria.

In the engineering and infrastructure market the medium term outlook is becoming more positive. A number of large infrastructure projects planned by Government such as Sydney's Cross City Tunnel, the Western Sydney Orbital and Melbourne's Scoresby Freeway should provide the impetus for an improvement in this market.

Australia's largest infrastructure project, the Alice Springs - Darwin rail line is now underway, delivering some \$220m worth of work to John Holland. A year after the acquisition, John Holland's integration into the Leighton Group has progressed well and it is now trading profitably.

The Group will continue to use its financial strength and core contracting skills to grow its diversified business. Telecommunications and mining have successfully insulated the Group from the construction downturn in Australia. The strategy of making selective acquisitions and taking strategic shareholdings will continue to be pursued to provide shareholders with enhanced returns.

The outlook for 2001 remains very positive with work in hand and revenues forecast to be up significantly on the previous year. Profit for the full year is expected to be an improvement on the previous year and the outlook for the future remains strong.

Wal King AM
Chief Executive Officer



Far Left
ABC Accommodation Building,
Computer Rendering
 New South Wales, Leighton Contractors

Left
Manjung Power Station
 Malaysia, Leighton Asia

Below Left
Rail Profile Rectification
 Victoria, John Holland

Below
Satui Coal Mine
 PT Thiess Contractors Indonesia



National Trust Offer

In recognition of Leighton Holdings' sponsorship and commitment to conserving Australia's heritage, the National Trust of Australia (NSW) would like to offer all shareholders a special membership offer waiving the 1st year joining fee with only the annual membership fee to pay (\$54 individual and \$76 for a family). This is a saving of \$27.50. Benefits include free access to National Trust properties in Australia and overseas, quarterly magazine and VIP invitations to events.

For further details please contact the Leighton Group Information Manager on (02) 9925 6612 or send an e-mail to either leighton@leighton.com.au or membership@nsw.nationaltrust.org.au

Significant Current Contracts

Total contract values are shown for all projects including associates and joint ventures.

Leighton Contractors

- \$211m contract to design and construct the 4.5km Inner City Bypass for Brisbane City Council, Qld.
- \$201m contract for mining of iron ore at Yarrie Nimingarra mine, 150km east of Port Hedland, WA, for BHP Iron Ore.
- \$120m contract to design, construct and commission a glass bottle manufacturing plant, Gawler, SA, for Amcor.
- \$115m management contract for a 14 storey accommodation building and car park, Sydney, NSW, for the ABC.
- \$97m contract to construct the 10 storey Xavier building at St Vincent's Hospital, Sydney, NSW, for the Sisters of Charity Health Services.
- \$77m contract to mine overburden and coal at Coppabella coal mine, Qld, for Australian Premium Coal.
- \$75m contract to design and construct road and bridge works on the Little River section of Geelong Road for VicRoads.
- \$70m management contract for redevelopment of RAAF base, Townsville, Qld, for Department of Defence.
- \$63m contract to construct an office building at 383 Kent Street, Sydney, NSW for AXA Australia Property Management.
- \$61m design and construct contract for the rollout of the mobile digital network throughout Vic, NSW, Tas and Qld, for Cable & Wireless Optus.
- \$51m contract for operation and maintenance of Eastern Distributor motorway, NSW, for Airport Motorway.
- \$46m contract to construct the Harvey Dam and associated works, Harvey, WA, for the Water Corporation of WA.

- \$45m contract to design and construct road and bridge works on the Corio section of Geelong Road for VicRoads.
- \$42m contract to design and construct the Narrows Bridge, Perth for Main Roads WA.
- \$31m contract to upgrade the Bass Highway, Tas, for the Department of Infrastructure Energy Resources.

Vytel

- \$613m contract to build the Nextgen fibre-optic cable network across Australia.
- \$310m contract to rehabilitate the Telstra network, throughout NSW and Vic, for Telstra Corporation.
- \$139m contract to operate and maintain the Nextgen fibre optic cable network across Australia.
- \$72m in various contracts for rehabilitation of Telstra's Customer Access Network, throughout Australia, for Telstra Corporation.
- \$32m contract for multi-dwelling unit connections throughout Australia for Telstra Corporation.

Thiess

- \$100m contract for underground coal mining at Southland Colliery, Cessnock, NSW, for Southland Coal.
- \$61m contract for the design and construction of apartments, retail and car parking, Port Melbourne, Vic, for Bayview Port Melbourne.
- \$50m contract for open cut mining at St Ives gold mine, Kambalda, WA, for WMC Resources.
- \$40m contract for design and construction of the Metropolis apartments, Melbourne, Vic, for Interprop construction and management.
- \$22m contract for earthworks at the Tintaya oxides plant, Tintaya, Peru, for BHP Tintaya SA.
- \$936m contract for mining and processing operations at Mt Owen coal mine, NSW, for Hunter Valley Coal Corporation.

- \$736m contract for mining operations at Burton coal mine, Qld, for Burton Coal.
- \$579m contract for infrastructure maintenance, mining, washing and loading of coal at Collinsville coal mine, Qld, for Mt Isa Mines and Itochu Coal Resources Australia.
- \$516m in alliance contracts for maintenance and renewal of the electrified infrastructure for the Swanston Tram and Bayside Train Networks, Melbourne, Vic, with National Express Australia Pty Ltd. Thiess share is \$258m.
- \$349m contract for mining, processing and loading operations at North Goonyella coal mine, Red Hill, Qld, for North Goonyella Coal Properties.
- \$327m maintenance contract for Telstra's National Telepower Network with Siemens as joint venture partner, trading as Silcar Maintenance Services. Thiess' share is \$164m.
- \$294m contract for mining operations at Newlands coal mine, Qld, for Mt Isa Mines and Itochu Coal Resources Australia.
- \$213m management contract for redevelopment of Royal Prince Alfred Hospital in Sydney, NSW, for the Department of Public Works and Services.
- \$141m management contract for design and construction of Lavarack Baracks Stage 2, Townsville, Qld, for Department of Defence.
- \$132m contract to design and construct Kwinana Freeway Interchanges and Extension including 13 bridges for Main Roads WA.
- \$130m joint venture contract for longwall punch mining operations at Alliance coal mine, Qld, with Namoi, for Oaky Creek Coal. Thiess' share is \$65m.
- \$115m contract for mining and infrastructure at Foxleigh coal mine, Middlemount, Qld, for Foxleigh Mining Pty Ltd.

• Indicates new projects won between 1 January 2001 and 31 March 2001. ◦ Indicates significant on-going projects.



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Significant Current Contracts

Total contract values are shown for all projects including associates and joint ventures.

- \$106m alliance contract to design and construct the Awoonga Dam enlargement and associated infrastructure works, Gladstone, Qld, with Gladstone Area Water Board, State Water Projects and PPK. Thiess' share is \$88m.
 - \$92m in fixed plant maintenance contracts throughout Australia with Siemens as joint venture partner. The joint venture trades as Silcar Maintenance Services. Thiess' share is \$46m.
 - \$82m joint venture contract to design and construct Project Waikato Pipeline and Treatment Plant in Auckland, New Zealand, for Watercare Services Ltd. Thiess' share is \$41m.
 - \$73m in contracts for mining and upgrade of plant at South Walker Creek coal mine, Coppabella, Qld, for BHP Mitsui Coal.
 - \$56m contract for construction of roadway, including earthworks, drainage, bridgeworks and pavement at Bookham for the NSW Roads and Traffic Authority.
 - \$51m contract to design and construct a private hospital in Brisbane, Qld, for Holy Spirit Northside Private Hospital Ltd.
 - \$32m contract for construction of buildings and civil works throughout NSW, Qld, WA and NT, associated with the modernisation of the high-frequency communication system for Boeing Australia Limited.
 - \$31m novated contract to design and construct the St Kilda Station Development project, Melbourne, Vic, for Metropol.
- PT Thiess Contractors Indonesia**
- \$1.2bn contract for mining operations at the Satui and Senakin coal mines, South Kalimantan, Indonesia, for PT Arutmin Indonesia.
 - \$469m contract for overburden removal and coal haulage at Kideco coal mine, Kalimantan, for PT Kideco Jaya Agung.
 - \$97m contract for mine planning, overburden removal, coal mining and dump rehabilitation at Sangatta, East Kalimantan, for PT Kaltim Prima Coal.
- Thiess Services**
- \$234m in waste collection and recycling services for various local government clients in NSW and ACT and the Waste Service of NSW at Chullora.
 - \$162m joint venture contract for two Telstra Access Network installation packages, with Siemens, Qld and NSW. Thiess' share is \$81m.
 - \$152m in contracts for the operation of transfer stations and landfills in Brisbane, Qld.
 - \$115m long term contract to operate the waste water treatment plant at Port Kembla, NSW, for BHP Steel.
 - \$81m in utilities maintenance contracts in Melbourne, Vic.
 - \$45m in waste collection and recycling contracts for various local governments and councils in metropolitan Melbourne and regional Victoria.
 - \$35m in contracts for the provision of hydrographic services to various water and irrigation clients throughout Victoria.
 - \$33m in sludge treatment contracts, throughout Australia, for public utility and local government clients.
- Hunter Valley Earthmoving**
- \$133m contract for overburden removal, mining and transport of coal at Liddell open cut mine, NSW, for Liddell Coal Operation Pty Ltd.
- Leighton Asia**
- \$263m joint venture contract for upgrading and extending an existing light rail system, Hong Kong, for Kowloon Canton Railway Corporation. Leighton Asia's share is \$227m.
 - \$68m contract for construction of trackwork, overhead lines and noise barriers, Hong Kong, for the Mass Transit Rail Corporation.
 - \$62m contract for design, construction, testing, and installation of an optic fibre network, between Johor Baru and Padang Besar, Malaysia, for Maxis Broadband Sdn Bhd.
 - \$339m contract for construction of 7,200 teachers' apartments and project management for a further 2,800 teachers' apartments, Malaysia, for Encorp Construct Sdn Bhd.
 - \$308m joint venture rail contract for construction of an underground station, two cut and cover tunnels, a transport interchange and associated substructures at Tseung Kwan O, Hong Kong, for the Mass Transit Rail Corporation. Leighton Asia's share is \$169m.
 - \$257m contract for mining, infrastructure, operation and maintenance at Sebuku coal mine, Indonesia, for PT Bahari Cakrawala Sebuku.
 - \$215m contract for construction of four 41-storey residential towers as part of the Tin Shui Wai housing development, Hong Kong, for the Hong Kong Housing Authority.
 - \$209m contract for main civil works for a 2,100MW power station, Manjung, Malaysia, for Alstom Export Sdn Bhd.
 - \$198m contract for construction of trackwork from Nam Cheong Station to Kam Sheung Road Station, Hong Kong, for Kowloon Canton Railway Corporation's West Rail project. Leighton Asia's share is \$158m.
 - \$168m contract to design and construct a coal offloading jetty and delivery system, Manjung, Malaysia, for Lekir Bulk Terminal Sdn Bhd.
 - \$165m joint venture contract for rehabilitation of 564km of track works, throughout Thailand, for the State Railway of Thailand. Leighton Asia's share is \$82m.
 - \$105m contract to mine, remove overburden, transport the coal and maintain haul roads at the ABK Loajanan coal mine, East Kalimantan, Indonesia, for PT Anugerah Bara Kaltim.
 - \$75m contract for mining, haulage and maintenance at Malinau coal mine, Indonesia, for PT Baradinamika Mudasukses.
 - \$66m contract for engineering infrastructure works for the Cyberport development, Hong Kong, for Carlyle International Ltd.
 - \$52m contract to design and construct the Australian International School, Hong Kong, for the Australian International School Foundation Limited.
 - \$43m contract to construct the north cargo apron works at Chek Lap Kok airport, for the Airport Authority of Hong Kong.
 - \$34m contract for installation of two submarine pipelines from Sham Tseng to Ma Wan Island, Hong Kong, for Sun Hung Kai.
- John Holland (70% owned)**
- \$228m Westrail contract for maintenance and rehabilitation of 4,000km of track for WA Government Railways Commission.
 - \$135m contract for design and construction of the new Townsville Hospital, for Queensland Health.
 - \$120m joint venture contract to design and construct a nuclear research reactor, Lucas Heights, NSW for ANSTO. John Holland's share is \$72m.
 - \$119m joint venture contract for facilities management of defence bases, across NSW, for Department of Defence. John Holland's share is 50%.
 - \$81m contract for ongoing development of radio base stations across Australia, for Vodafone.
 - \$67m contract to design and construct road and bridge works for 12km of the Geelong Road at Laverton, Vic, for VicRoads.
 - \$59m contract for the design, construction and maintenance of the Calder Freeway from Woodend South Interchange to Woodend North, for VicRoads.
 - \$50m contract to construct a biological and chemical research complex, North Ryde, NSW, for CSIRO.
 - \$49m contract for construction of Greenhills Shopping Centre, East Maitland, NSW, for Woolworths.
 - \$31m contract to construct the Wolston Park Hospital, Wacol, Qld, for Queensland Health.

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