



Leighton Holdings Limited

A.C.N. 004 482 982

PRELIMINARY FINAL REPORT
FOR YEAR ENDED 30 JUNE 1999

Issued 19 August 1999

LEIGHTON HOLDINGS LIMITED

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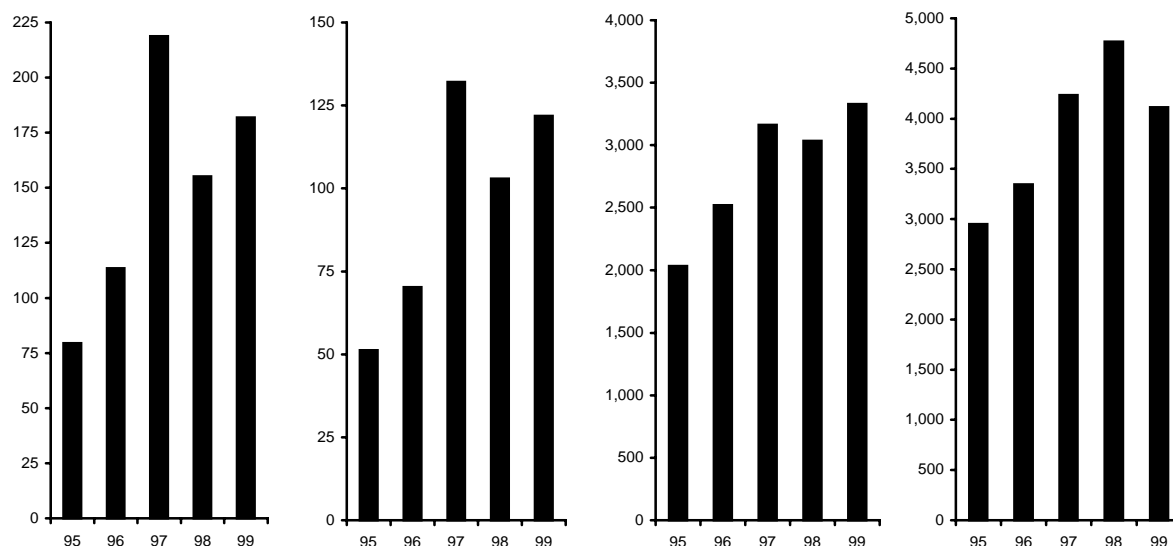
Chief Executive Officer

Dieter Adamsas

Director Finance & Administration

FINANCIAL HIGHLIGHTS

	30 June 1999 \$'000	30 June 1998 \$'000	%
			Change
Total Revenue	3,327,878	3,034,546	+9.7
Operating Revenue (Sales)	3,220,545	2,906,952	+10.8
New Contracts, Extensions & Variations	2,541,050	3,294,306	-22.9
Value of Work in Hand	4,115,048	4,767,008	-13.7
Value of Incomplete Management Contracts	321,653	31,180	+931.6
Operating Profit Before Tax	181,818	155,148	+17.2
Income Tax	(50,424)	(44,981)	+12.1
Operating Profit After Tax	121,809	102,852	+18.4
Dividends	78,511	67,893	+15.6
Total Capital and Reserves (excluding minorities)	612,339	573,803	+6.7
Total Assets	1,575,994	1,506,903	+4.6
Net Cash	271,094	248,979	+8.7
Undrawn Facilities	176,000	176,000	0.0
Earnings per Ordinary Share	46.6¢	39.5¢	+18.0
Dividends per Ordinary Share (fully franked)	30.0¢	26.0¢	+15.4

KEY PERFORMANCE INDICATORS FOR 12 MONTH PERIOD TO 30 JUNE 1999

**OPERATING PROFIT
BEFORE TAX
(\$M)**

**OPERATING PROFIT
AFTER TAX
(\$M)**

**TOTAL REVENUE
(\$M)**

**WORK IN HAND
(\$M)**

GROUP OPERATING REVENUE AND WORK IN HAND

REVENUE BY COMPANY	1999		1998		WORK IN HAND BY COMPANY	1999		1998	
	\$M	%	\$M	%		\$M	%	\$M	%
Leighton Contractors	957	30	978	34	Leighton Contractors	779	19	1,157	24
Thiess Contractors	1,783	55	1,486	51	Thiess Contractors	2,745	67	3,065	64
Leighton Asia	416	13	407	14	Leighton Asia	591	14	545	12
Leighton Properties	49	2	32	1	Leighton Properties	-	-	-	-
Other	16	0	4	0	Other	-	-	-	-
TOTAL	3,221	100	2,907	100	TOTAL	4,115	100	4,767	100

REVENUE BY MARKET	1999		1998	
	\$M	%	\$M	%
Civil & Infrastructure	1,070	33	857	30
Building	776	24	659	23
Contract Mining	792	25	823	28
Telecommunications	229	7	267	9
Process Engineering	147	5	149	5
Environmental	142	4	116	4
Property	65	2	36	1
TOTAL	3,221	100	2,907	100

REVENUE BY GEOGRAPHY	1999		1998	
	\$M	%	\$M	%
Australia/Pacific	2,542	79	2,239	77
Asia	663	21	664	23
America	16	0	4	0
TOTAL	3,221	100	2,907	100

AUSTRALIA/PACIFIC OPERATIONS

OPERATING REVENUE	1999		1998		WORK IN HAND *	1999		1998	
	\$M	%	\$M	%		\$M	%	\$M	%
Civil & Infrastructure	800	31	621	28	Civil & Infrastructure	575	18	940	24
Building	487	19	410	18	Building	324	10	582	15
Contract Mining	725	28	750	34	Contract Mining	1,857	58	2,115	53
Telecommunications	223	9	188	8	Telecommunications	162	5	9	0
Process Engineering	116	5	122	6	Process Engineering	24	1	79	2
Environmental	142	6	116	5	Environmental	257	8	226	6
Property	49	2	32	1	Property	-	-	-	-
TOTAL	2,542	100	2,239	100	TOTAL	3,199	100	3,951	100

* (excluding long term waste and mining)

ASIA OPERATIONS

OPERATING REVENUE	1999		1998		WORK IN HAND	1999		1998	
	\$M	%	\$M	%		\$M	%	\$M	%
Civil & Infrastructure	270	41	236	35	Civil & Infrastructure	228	25	152	19
Building	289	43	249	38	Building	405	44	432	53
Contract Mining	67	10	73	11	Contract Mining	283	31	205	25
Telecommunications	6	1	79	12	Telecommunications	-	-	16	2
Process Engineering	31	5	27	4	Process Engineering	-	-	11	1
TOTAL	663	100	664	100	TOTAL	916	100	816	100

FINANCIAL PERFORMANCE

The directors are pleased to report an 18% increase in Group operating profit after tax and minorities of \$121.8 million from a pre tax profit of \$181.8 million.

A fully franked final dividend of 18 cents announced by the directors will bring the full year ordinary dividend to a total of 30 cents per share, fully franked. This compares with 26 cents last year representing a 15.4% increase.

Over the past 10 years, the return on average shareholders' funds has steadily risen from 11% to 20% per annum demonstrating the Group's continued focus on generating long-term shareholder wealth.

The Group's balance sheet remained strong with total assets of \$1.57 billion and net assets of \$633 million. Net cash also was strong at \$271 million with undrawn facilities of \$176 million.

This year's profit results reflect the diversity of the Group's income streams from its contracting and project development businesses. Thiess Contractors had an outstanding year throughout its various markets, contributing a significant proportion of both revenue and profit.

Shares in Star City were sold, crystallising part of Leighton Properties' successful investment in Sydney's casino development. The resolution of outstanding claims in the USA also contributed to the result.

Principal sources of operating revenue, which totalled \$3.22 billion (up 11%), were civil engineering and infrastructure \$1,070 million, contract mining \$792 million and building \$776 million. Other major revenue sources were telecommunications \$229 million, process engineering \$147 million, environmental services \$142 million and property development \$65 million. Management contract work worth \$62 million also was completed.

At 30 June 1999, work in hand was \$4.12 billion, reducing from the record levels of \$4.37 billion at 31 December 1998 and \$4.77 billion at 30 June last year. In addition, \$322 million in management contracts were held.

AUSTRALIA/PACIFIC OPERATIONS

The Australian operations contributed \$118 million profit before tax from revenue of \$2.6 billion. Increased revenue primarily came from civil engineering and building construction. Contract mining stayed at a similar level accounting for one third of all work done in Australia. Non-construction/mining activities accounted for over 20% of the Australian operations.

CONSTRUCTION

The record level of construction activity was dominated by major roadworks in NSW and Queensland, and some large private and public sector building projects.

Leighton Contractors made good progress on the \$556 million Eastern Distributor motorway in Sydney. It is nearing completion and expected to open several months ahead of schedule. Other major road projects included a \$127 million contract for Leighton Contractors and a \$113 million contract for Thiess to upgrade sections of the Pacific Motorway between Brisbane and the Gold Coast. Also in Queensland, the dedicated busway and transit lanes project in Brisbane has generated new work for Thiess and more recently Leighton Contractors.

The recent 15 year agreement for Thiess to provide services to National Express Group in Victoria includes \$35 million in capital works and approximately \$40 million per annum in maintenance work for two of Melbourne's public transport businesses privatised by the State Government. The total value of work in the first five years is estimated at \$250 million.

Significant private sector building projects include the \$202 million office tower and recital hall at Angel Place in Sydney, under construction by Leighton Contractors, and a \$132 million upgrade at Ansett's Domestic Terminal at Sydney Airport, by Thiess.

A good level of new building work was won from the public sector, particularly in health. Thiess started work on management contracts for the \$170 million redevelopment of Royal Prince Alfred Hospital in Sydney and the \$140 million redevelopment of Lavarack Barracks in Townsville, Queensland.

CONTRACT MINING AND RELATED INFRASTRUCTURE

Mining activity remained at a high level due to the amount of a long-term coal mining contracts secured by Thiess over the past few years.

The two largest coal mines operated by Thiess, the Burton mine in Queensland and Mt Owen in NSW, have expanded or are currently expanding their operations. Other major mines in Queensland operated by Thiess include Collinsville coal mine (\$479 million), Newlands coal mine (\$185 million), Oaky Creek coal mine (\$148 million joint venture), Ernest Henry copper/gold mine (\$130 million) and South Walker Creek coal mine (\$122 million).

Another significant ongoing mining project is the Lihir gold mine in Papua New Guinea which was renegotiated by the Thiess-Roche joint venture during the year.

Leighton Contractors only have one major mine in progress, the \$197 million Yarrie Nimingarra iron ore mine in Western Australia. Mining remains a core activity for Leighton but the tough tender market, particularly in gold, has led to a highly selective approach to new work.

TELECOMMUNICATIONS

Leighton Contractors has consolidated its position as a multi-disciplined service provider in the expanding telecommunications industry with annual revenue of \$223 million. Visionstream, a wholly owned subsidiary, has broadened its business mix with contracts to upgrade Telstra's Customer Access Network and undertake multi-dwelling unit connections throughout Australia. Leighton also won contracts to design and construct a mobile digital network for Cable & Wireless Optus and build mobile digital radio base stations for Motorola.

ENVIRONMENTAL SERVICES

Thiess Environmental Services has achieved its fourth consecutive year of growth with revenue of \$142 million (\$116 million last year). The acquisition of Garrett's Waste earlier this year assisted Thiess' geographic diversification in the waste business into Victoria. The total value of long-term waste contracts in NSW, Victoria and Queensland is now around \$600 million, of which over \$250 million is work in hand.

PROPERTY

Leighton Properties performed below expectations as development income included only small sales in Brisbane and Sydney. Overall profitability was improved by the sale of property in the USA and the sale of shares in Star City. Considerable work went into new and ongoing developments. These included an office development at 80 Pacific Highway, North Sydney, a joint venture with National Mutual at 383 Kent Street in Sydney, and

a resort and residential joint venture with Ariadne at Noosa, Queensland. Work also is progressing on the development of a new industrial estate in Mulgrave, Melbourne.

ASIAN OPERATIONS

The Asian operations contributed \$51.8 million profit before tax from operating revenue of \$693 million. This was a great result in a difficult environment.

HONG KONG

Leighton Asia's construction operations in Hong Kong remain the largest source of revenue for the Group in Asia with a number of major projects for the public sector underway. Work won included a \$225 million contract at Tseung Kwan O for the Mass Transit Rail Corporation and a \$180 million contract at Tin Shui Wai for the Hong Kong Housing Authority. Other major projects such as the Tai Po aqueducts for the Hong Kong Water Supplies Department, and the Tsz Oi Estate housing contract, progressed well.

INDONESIA

Thiess' Indonesian operations had another very good year maintaining a similar level of revenue and improved profits. Having maintained a presence during the recent upheavals, Thiess is well positioned to take advantage of good opportunities particularly in the resources sector. An extension of work was negotiated at Kideco coal mine and new coal mining projects worth \$60 million were won in Kalimantan. Major infrastructure projects included construction of the Balambano dam associated with Inco's nickel mine in Sulawesi and infrastructure works at Newmont's Batu Hijau copper/gold mine on Sumbawa Island. Also, the telecommunications rollout in central Java was successfully completed.

THE PHILIPPINES

Leighton Asia has established a successful business in the Philippines, its second largest area of operations. A highlight for the year was the award of a \$94 million contract for a shopping centre development in Makati City, Manila for Rockwell Corporation. Other projects included infrastructure works at the SUAL and Pagbilao power stations and a jetty at Bataan Terminal.

OTHER COUNTRIES

A relatively modest loss was posted from Thailand, Malaysia and Vietnam due to the low level of activity and the costs of maintaining a presence.

GROUP PROSPECTS

OUTLOOK FOR 1999/2000

The Directors look forward to another improvement in Group operating profit next year. The diversity of the Group's businesses means that the earnings profile will continue to change.

Work in hand of just over \$4 billion provides a solid base for operating revenue from core contracting operations next year. The realisation of profits from project development investments such as Star City casino should further add to results.

Australia and Asia have a good level of construction and mining work with the prospect of continued expansion of telecommunications and environmental services in Australia. Thiess' long-term coal projects and leadership position in this sector should ensure that the level of mining work continues. However, growth in the Australian construction market has peaked and winning quality new projects in this sector will be tough.

A record level of work in hand and some exciting opportunities should result in another good year for operations in Hong Kong, Indonesia and the Philippines.

LONG-TERM OUTLOOK AND STRATEGY

The directors remain positive about the overall outlook for the longer-term.

The Group's growth strategy, developed following a review by Port Jackson Partners in 1998, is focused on maintaining the momentum of the operating companies and extending core businesses through selected investments, acquisitions and diversification.

During the year, Thiess took a number of initiatives to extend its business. A strategic alliance was formed with Portman Mining Limited to build on the successful Burton Coal project and undertake future projects together with particular focus on rationalisation in the Australia coal industry.

The recently concluded purchase of Hunter Valley Earthmoving in NSW will add \$80 million of new contracts and provide a stronger local presence in the Hunter Valley area. Similarly, the acquisition of the Garrett's Waste business enhanced Thiess Environmental Services' business in Victoria. Also in Victoria, a recent agreement with National Express Group will extend Thiess' engineering construction skills into rail maintenance operations.

Thiess' purchase of the assets of Australian based Total Energy Systems, from LSB Industries Inc of

the USA, will provide a new diversified earnings stream and vertical integration in the resources sector. The new business, Quantum Explosives, will supply a customised range of innovative explosive systems and introduce leading electronic detonation technology to the mining, quarrying and related industries.

Leighton Contractors has successfully developed its telecommunications capability through both its own contracting operations and Visionstream. This area of business is poised to benefit from continued growth in the sector.

Leighton Contractors is moving to develop Australia's first independently owned fibre optic network. Through its sponsorship of Reef Networks Pty Limited, it has signed a 30 year licence with Queensland Rail to utilise the railway corridor from Brisbane to Cairns and will enter into a long-term agreement with Cable & Wireless Optus for the provision of capacity on this route. Leighton will be the principal equity participant in Reef with Visionstream contracted to design, construct, operate and maintain the network.

Similar telecommunications infrastructure developments are being progressed in other parts of Australia.

Other project developments being pursued by Leighton Contractors include port infrastructure in NSW such as the Newcastle Coal Loader project being progressed in partnership with Brambles Australia. In Melbourne, development of the Viacom entertainment complex at the Docklands is expected to be finalised in the next six months. The largest potential project in which Leighton Contractors is involved is the \$3.7 billion Sydney-Canberra Very High Speed Train. It is a substantial opportunity in the medium term for both construction work and investment in a new transport business.

The outlook for Asia is encouraging with most countries in the region starting to emerge from recession.

Construction in Hong Kong should continue at a similar level over the next few years based on government infrastructure projects. Leighton Asia has recently been advised that it is the shortlisted contractor for another major rail project. In the longer-term, private sector investment will pick up again.

Geographic diversification has been difficult to achieve in the current environment although Leighton Asia's move into the Philippines a few years ago has proven a successful counter to restricted opportunities in other countries in the

region. Projects are being pursued in the Philippines and also on the Indian sub-continent.

Thiess' Indonesian business is well placed to resume growth following a relatively minor slowdown in activity through recent upheavals in the country. Mining and related infrastructure projects will remain the primary focus.

The envisaged extension of Thiess' successful mining operations into South America has been impacted by low commodity prices and the downturn in exploration spending. From a representative office now being established in South America, Thiess are continuing to evaluate mining opportunities in Peru and Argentina.

In conclusion, progress has been made in implementing significant parts of the long-term growth strategy with major project investments and acquisitions being progressed. These initiatives along with the underlying strength of the contracting operations should ensure that shareholders' wealth continues to be enhanced.

INVESTMENTS

Star City Casino: 25 million ordinary shares were sold to ABN AMRO for \$35.3 million realising a profit of \$10.3 million. A separate equity swap transaction was entered into with ABN AMRO enabling Leighton to participate in any movement in the economic value of the shares. Leighton continues to hold 37.45 million options and a 15% share in the casino management company.

Portman Mining Limited: Thiess Contractors formed a strategic alliance with Portman which - involved the acquisition of 27.6 million shares for \$20 million. Thiess maintains a 5% direct interest in Burton Coal Mine, Queensland.

Eastern Distributor Tollroad: No change has been made to Leighton Contractors' 11% interest in Airport Motorway Limited which holds the concession for the Eastern Distributor tollroad in Sydney.

SIGNIFICANT CURRENT CONTRACTS

TOTAL CONTRACT VALUES ARE SHOWN FOR ALL PROJECTS INCLUDING JOINT VENTURES

LEIGHTON CONTRACTORS

- \$68m design and construct contract for the rollout of the mobile digital network throughout Victoria, NSW, Tasmania and Queensland for Cable & Wireless Optus.
- \$42m contract to design and construct the Narrows Bridge in Perth for Main Roads WA.
- \$25m contract for site acquisition, design, construction and equipment installation of mobile digital radio base stations for Motorola.
- \$23m contract to upgrade the Bass Highway in Tasmania for the Department of Infrastructure Energy Resources.
- \$19m expansion of the Sydney Aquatic Centre for the Olympic Coordination Authority.
- \$14m in contracts to project manage several exchanges and building works at various locations throughout Sydney for Cable & Wireless Optus.
- Management contract for \$14m project to construct a new front entry building and refurbishment of the existing buildings of the Royal Melbourne Hospital
 - \$556m contract to design and construct the Eastern Distributor motorway, linking Sydney Airport to the city, for Airport Motorway.
 - \$202m contract for construction of a 35-storey office tower and recital hall at Angel Place, Sydney, for AMP Life.
 - \$197m contract for mining of iron ore at Yarrie Nimingarra mine, 150 kms east of Port Hedland in WA, for BHP Iron Ore.
 - \$127m contract for construction of 12 kms of roadworks between Brisbane and the Gold Coast on the Pacific Motorway for Queensland Department of Main Roads.
 - \$64m contract for construction of a new hospital, dental clinic and carpark at Blacktown Hospital for the NSW Department of Public Works and Services.
 - \$39m contract for road reconstruction on the Pacific Highway at Coffs Harbour for NSW Roads and Traffic Authority.

VISIONSTREAM

- \$91m contract to upgrade Telstra's Customer Access Network throughout Australia.
- \$34m contract for multi-dwelling unit connections throughout Australia for Telstra.

THIESS CONTRACTORS

- Management contract for \$170m redevelopment of Royal Prince Alfred Hospital in Sydney, NSW, for the Department of Public Works and Services.
- Management contract for \$140m redevelopment of Lavarack Barracks in Townsville, Queensland, for the Department of Defence.
- \$104m joint venture contract for construction of a dam and associated works at Balambano, Indonesia, for PT Inco. Thiess' share is \$52m.
- \$59m contract to design and construct a two lane busway for the South East Transit Project in Brisbane for the Queensland Department of Public Transport.
- \$57m contract for the construction of a multi-purpose venue stadium at Flinders Park in Melbourne for the Victorian Department of Infrastructure.
- \$39m contract for construction of 14.5 kms of roadway, including earthworks, drainage, bridgeworks and pavement at Bookham for the NSW Roads and Traffic Authority.
- \$37m design and construct contract for a private hospital at Robina, Queensland, for the Sisters of Charity Health Services.
- \$34m contract for coal mining planning, overburden removal, coal mine and dump rehabilitation at Sangatta, East Kalimantan, Indonesia for KPC.
- \$32m construction contract for a 332 cell expansion to Arthur Gorrie Correctional Centre in Brisbane, Queensland, for Australian Correctional Management.
- \$29m contract for construction of buildings and civil works throughout NSW, Qld, WA, NT and ACT associated with the modernisation of the high frequency communication system for Boeing Australia Limited.
- \$26m joint venture contract for installation of 9 inlet outlet pipes and construction of concrete intake structure for PT Newmont Nusa Tenggara at Batu Hijau. Thiess share \$13m.
- \$25m mining contract at BHP Satui Mine for BHP Minerals Indonesia.
- \$20m contract for design and construction of a 19 storey residential complex in Melbourne for Central Southbank Pty Limited.
- \$15m contract for widening of Loftus street in Perth, including construction of two bridges, a

Note: • indicates new project secured between 1 July 1998 – 30 June 1999
◦ indicates significant on-going project

- footbridge and several pedestrian underpasses for Main Roads WA.
 - \$14m contract for the Southern Loop Project with Epic Energy (WA) Transmission Pty Ltd.
 - \$13m contract for mechanical engineering works including fabrication of structural steel and tankage, and erection and installation of a lime kiln and associated equipment at Clarendon, Jamaica, for Rugby Plc.
 - \$823m contract for mining operations at Mt Owen coal mine, NSW, for Hunter Valley Coal Corporation.
 - \$712m contract for mining operations at Burton coal mine, Queensland, for Portman Mining Limited.
 - \$479m contract for infrastructure maintenance, mining, washing and loading of coal at Collinsville coal mine, Queensland, for Mt Isa Mines and Itochu Coal Resources Australia.
 - \$458m joint venture mining contract at Lihir gold mine, PNG, for Lihir Management Co. Thiess' share is \$298m.
 - \$308m contract for development, mining and haulage at Kideco coal mine, Kalimantan, Indonesia, for PT Kideco Jaya Agung.
 - \$185m contract for coal mining operations at Newlands coal mine for Mt Isa Mines and Itochu Coal Resources Australia.
 - \$148m joint venture contract for longwall punch mining operations at Oaky Creek coal mine, Queensland, for Oaky Creek Coal. Thiess' share is \$74m.
 - \$132m contract for alterations and additions to Ansett Domestic Air Terminal at Sydney Airport for Ansett Australia.
 - \$130m contract for open cut copper/gold mining and related infrastructure works at Ernest Henry mine, Queensland, for Ernest Henry Mining.
 - \$122m contract for the construction of mine infrastructure and mining, washing and loading of coal at South Walker Creek mine, Queensland, for BHP Coal.
 - \$113m contract to upgrade the Pacific Highway between Brisbane and the Gold Coast, for the Queensland Department of Main Roads.
 - \$78m for State Electricity Commission of Victoria for SECV Mobile Plant and Earthworks joint venture with Roche and Linfox.
 - \$72m joint venture contract to design and construct the Graham Farmer Freeway in Perth for WA Main Roads Department. Thiess' share is \$36m.
 - \$66m in building works for Australia Post in Victoria.
 - \$65m contract for mine work at Redoubtable/Intrepid open pit gold mine in WA, for WMC.
 - \$40m contract to design and construct a 14-storey office tower at 80 Pacific Highway, North Sydney, for Leighton Properties.
- THIESS ENVIRONMENTAL SERVICES**
- \$32m contract for domestic waste collection at various locations throughout Victoria.
 - \$372m in waste contracts in NSW and the ACT, including a \$97m long-term contract to operate the wastewater treatment plant for BHP Steel at Port Kembla.
 - \$123m in waste contracts in Victoria, including a \$67m contract for water and sewage maintenance services for South-East Water in Melbourne, Victoria.
 - \$103m in waste contracts in Queensland and the NT, including a \$22m contract for waste collection for Redcliffe Council and a \$22m operation contract for Swanbank Landfill.
 - \$27m contract for site rehabilitation for AGL gasworks at Mortlake, NSW.
- LEIGHTON ASIA (80% OWNED)**
- \$225m 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 \$124m.
 - \$180m contract for construction of four 41-storey residential towers as part of the Tin Shui Wai housing development in Hong Kong for the Hong Kong Housing Authority.
 - \$94m contract to design and construct a shopping centre, carpark and advance works for a hotel in Makati City, Philippines, for Rockwell Land Corporation.
 - \$12m contract for construction of an unloading jetty at Bataan Terminal in the Philippines for Peninsula Bay Land Realty Corporation.
 - \$11m contract at Polycarbonate compounding plant in Rayong, Thailand, for GE Plastics (Thailand) Pty Ltd.
 - \$218m contract for construction of two aqueducts between Tai Po and Butterfly Valley for treated water in Hong Kong for the Hong Kong Water Supplies Department. Leighton Asia's share is \$109m.
 - \$203m contract for the construction of six 41-storey residential towers for the Tsz Oi Estate at Tsz Wan Shan for the Hong Kong Housing Authority.
 - \$122m construction contract for four multi-storey residential towers at Fanling Area 49A housing development in the New Territories for the Hong Kong Housing Authority.

Note: • indicates new project secured between 1 July 1998 – 30 June 1999
◦ indicates significant on-going project

- \$25m contract for installation of two submarine pipelines from Sham Tseng to Ma Wan Island, Hong Kong, for Sun Hung Kai.

Note: • indicates new project secured between 1 July 1998 – 30 June 1999
 ◦ indicates significant on-going project



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FINANCIAL REPORT
FOR YEAR ENDED 30 JUNE 1999

Issued 19 August 1999

PRELIMINARY FINAL REPORT

Appendix 4B (equity accounted)

Name of entity

LEIGHTON HOLDINGS LIMITED

ACN or ARBN

004 482 982

Financial Year Ended ('current period')

30 June 1999

For announcement to the market

\$A'000

Sales (or equivalent operating) revenue (<i>item 1.1</i>)	up 11%	to	3,220,545
Abnormal items after tax attributable to members (<i>item 2.5</i>)	NIL	of	NIL
Operating profit after tax (before amortisation of goodwill) attributable to members (<i>item 1.26</i>)	Up 12%	to	124,846
Operating profit after tax attributable to members (<i>item 1.10</i>)	up 18%	to	121,809
Extraordinary items after tax attributable to members (<i>item 1.13</i>)	Nil	of	Nil
Operating profit and extraordinary items after tax attributable to members (<i>item 1.16</i>)	Up 18%	to	121,809
Dividends	Amount per security	Franked amount per security at 36% tax	
Final dividend (<i>item 15.4</i>)	18.0¢		18.0¢
Previous corresponding period (<i>item 15.5</i>)	15.0¢		15.0¢
Record date for determining entitlements to the dividend (<i>item 15.2</i>):	10 September 1999		
Details of any bonus or cash issue or other item(s) of importance not previously released to the market:	NIL		

Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
1.1 Sales (or equivalent operating) revenue	3,220,545	2,906,952
1.2 Share of Associates' net profit (loss) attributable to members (<i>refer item 16.7</i>)	-	-
1.3 Other revenue	107,333	127,594
Total revenue	3,327,878	3,034,546
1.4 Operating profit before abnormal items and tax	181,818	164,171
1.5 Abnormal items before tax (<i>detail in item 2.4</i>)	-	(9,023)
1.6 Operating profit before tax (<i>items 1.4 + 1.5</i>)	181,818	155,148
1.7 Less tax	(50,424)	(44,981)
1.8 Operating profit after tax but before outside equity interests	131,394	110,167
1.9 Less outside equity interests	(9,585)	(7,315)
1.10 Operating profit after tax attributable to members	121,809	102,852
1.11 Extraordinary items after tax (<i>detail in item 2.6</i>)	-	-
1.12 Less outside equity interests	-	-
1.13 Extraordinary items after tax attributable to members	-	-
1.14 Total Operating profit and extraordinary items after tax (<i>items 1.8 + 1.11</i>)	131,394	110,167
1.15 Operating profit and extraordinary items after tax attributable to outside equity interests (<i>items 1.9 + 1.12</i>)	(9,585)	(7,315)
1.16 Operating profit and extraordinary items after tax attributable to members (<i>items 1.10 + 1.13</i>)	121,809	102,852
1.17 Retained profits at beginning of financial period	203,299	168,429
1.18 Prior period adjustment	-	-
1.19 Aggregate of amounts transferred from reserves	569	-
1.20 Total available for appropriation	325,677	271,281
1.21 Dividends provided for or paid	(78,511)	(67,893)
1.22 Aggregate of amounts transferred to reserves	-	(89)
1.23 Retained profits at end of financial period	247,166	203,299

Profit restated to exclude amortisation of goodwill		Current period	Previous corresponding period
		\$A'000	\$A'000
1.24	Operating profit after tax before outside equity interests (<i>item 1.8</i>) and amortisation of goodwill	134,431	118,462
1.25	Less outside equity interests	9,585	7,315
1.26	Operating profit after tax (before amortisation of goodwill) attributable to members	124,846	111,147

Intangible, abnormal and extraordinary items		<i>Consolidated - current period</i>			
		Before tax	Related tax	Related outside equity interests	Amount (after tax) attributable to members
		\$A'000	\$A'000	\$A'000	\$A'000
2.1	Amortisation of goodwill	3,037	-	-	3,037
2.2	Amortisation of other intangibles	-	-	-	-
2.3	Total amortisation of intangibles	3,037	-	-	3,037
2.4	Abnormal items:	-	-	-	-
2.5	Total abnormal items	-	-	-	-
2.6	Extraordinary items	-	-	-	-
2.7	Total extraordinary items	-	-	-	-

Comparison of half year profits		Current year	Previous year
		\$A'000	\$A'000
3.1	Consolidated operating profit after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly report)	48,475	41,688
3.2	Consolidated operating profit after tax attributable to members for the 2nd half year	73,334	61,164

Consolidated balance sheet - Comparative Adjusted to Current Accounting Practices

	At end of current period	Adjusted * 30 June 1998	Adjusted * 31 December 1998
	\$A'000	\$A'000	\$A'000
Current assets			
Cash	364,262	368,368	334,795
Receivables	335,945	285,146	305,982
Investments	34,052	28,452	34,982
Inventories	90,254	121,627	61,022
Other	35,612	36,964	32,314
Total current assets	860,125	840,557	769,095
Non-current assets			
Receivables	23,930	5,415	6,152
Investments	14,921	27,729	28,030
Inventories	86,872	37,792	92,718
Exploration and evaluation expenditure capitalised	-	-	-
Development properties	-	-	-
Other property, plant and equipment (net)	480,140	486,658	511,368
Intangibles (net)	-	-	-
Other	110,006	108,752	101,343
Total non-current assets	715,869	666,346	739,611
Total assets	1,575,994	1,506,903	1,508,706
Current liabilities			
Accounts payable	567,534	519,924	539,703
Borrowings	20,247	20,871	21,756
Provisions	118,881	127,800	91,920
Other	5,470	1,720	3,730
Total current liabilities	712,132	670,315	657,109
Non-current liabilities			
Accounts payable	14,574	13,930	11,895
Borrowings	72,921	98,519	97,685
Provisions	143,489	133,545	128,398
Other	-	-	-
Total non-current liabilities	230,984	245,994	237,978
Total liabilities	943,116	916,309	895,087
Net assets	632,878	590,594	613,619

* The comparative figures as shown in the last annual report and the last half yearly report above have been adjusted to be comparable with the figures stated in the current year which have been prepared in accordance with the requirement of UIG26 "Accounting for Major Cyclical Maintenance and the Depreciation of Complex Assets", ED88 "Provisions and Contingencies" and new accounting standards and directives. The unadjusted balances shown in the last annual report and half yearly report are detailed on pages 16 to 17.

Consolidated balance sheet cont'd - Comparative Adjusted to Current Accounting Practices

	At end of current period \$A'000	Adjusted * 30 June 1998 \$A'000	Adjusted * 31 December 1998 \$A'000
Equity			
Capital	361,824	130,563	360,894
Reserves	3,349	239,941	15,341
Retained profits	247,166	203,299	220,389
Equity attributable to members of the company	612,339	573,803	596,624
Outside equity interests in controlled entities	20,539	16,791	16,995
Total equity	632,878	590,594	613,619

Consolidated balance sheet - As per ASX Listing Requirements

	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000	
Current assets				
4.1	Cash	364,262	368,368	334,795
4.2	Receivables	335,945	306,713	382,464
4.3	Investments	34,052	28,337	34,982
4.4	Inventories	90,254	121,627	61,022
4.5	Other	35,612	36,964	32,314
4.6	Total current assets	860,125	862,009	845,577
Non-current assets				
4.7	Receivables	23,930	5,415	6,152
4.8	Investments	14,921	27,834	28,030
4.9	Inventories	86,872	37,792	92,718
4.10	Exploration and evaluation expenditure capitalised	-	-	-
4.11	Development properties	-	-	-
4.12	Other property, plant and equipment (net)	480,140	582,525	619,782
4.13	Intangibles (net)	-	-	-
4.14	Other	110,006	133,233	131,677
4.15	Total non-current assets	715,869	786,799	878,359
4.16	Total assets	1,575,994	1,648,808	1,723,936
Current liabilities				
4.17	Accounts payable	567,534	461,953	538,045
4.18	Borrowings	20,247	20,870	21,756
4.19	Provisions	118,881	178,987	144,438
4.20	Other	5,470	1,720	3,730
4.21	Total current liabilities	712,132	663,530	707,969
Non-current liabilities				
4.22	Accounts payable	14,574	13,930	11,895
4.23	Borrowings	72,921	98,519	97,685
4.24	Provisions	143,489	282,235	292,768
4.25	Other	-	-	-
4.26	Total non-current liabilities	230,984	394,684	402,348
4.27	Total liabilities	943,116	1,058,214	1,110,317
4.28	Net assets	632,878	590,594	613,619

Consolidated balance sheet continued - As per ASX Listing Requirements

	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Equity			
4.29 Capital	361,824	130,563	360,894
4.30 Reserves	3,349	239,941	15,341
4.31 Retained profits	247,166	203,299	220,389
4.32 Equity attributable to members of the company	612,339	573,803	596,624
4.33 Outside equity interests in controlled entities	20,539	16,791	16,995
4.34 Total equity	632,878	590,594	613,619
4.35 Preference capital included as part of 4.32	NIL	NIL	NIL

Exploration and evaluation expenditure capitalised

	Current period \$A'000	Previous corresponding period \$A'000
5.1 Opening balance		
5.2 Expenditure incurred during current period		
5.3 Expenditure written off during current period		
5.4 Acquisitions, disposals, revaluation increments, etc.		
5.5 Expenditure transferred to Development Properties		
5.6 Closing balance as shown in the consolidated balance sheet (item 4.10)		

NOT APPLICABLE

Development properties

	Current period \$A'000	Previous corresponding period \$A'000
6.1 Opening balance		
6.2 Expenditure incurred during current period		
6.3 Expenditure transferred from exploration and evaluation		
6.4 Expenditure written off during current period		
6.5 Acquisitions, disposals, revaluation increments, etc.		
6.6 Expenditure transferred to mine properties		
6.7 Closing balance as shown in the consolidated balance sheet (item 4.11)		

NOT APPLICABLE

Consolidated statement of cash flows

	Current period \$A'000	Previous corresponding period \$A'000
Cash flows related to operating activities		
7.1 Receipts from customers	3,121,174	2,879,229
7.2 Payments to suppliers and employees	(2,764,816)	(2,639,072)
7.3 Dividends received from associates	-	-
7.4 Other dividends received	-	-
7.5 Interest and other items of similar nature received	12,154	16,577
7.6 Interest and other costs of finance paid	(6,976)	(6,052)
7.7 Income taxes paid	(67,622)	(69,932)
7.8 Other	-	-
7.9 Net operating cash flows	293,914	180,750
Cash flows related to investing activities		
7.10 Payment for purchases of property, plant and equipment	(289,649)	(203,427)
7.11 Proceeds from sale of property, plant and equipment	49,570	103,253
7.12 Payment for purchases of investments	(12,955)	(1,007)
7.13 Proceeds from sale of investments	35,993	23,604
7.14 Loans to other entities	(19,400)	(5,928)
7.15 Loans repaid by other entities	30,818	130
7.16 Other	-	-
7.17 Net investing cash flows	(205,623)	(83,375)
Cash flows related to financing activities		
7.18 Proceeds from issues of securities (shares, options, etc.)	3,196	9,079
7.19 Proceeds from borrowings	-	-
7.20 Repayment of borrowings	(19,675)	(79,941)
7.21 Dividends paid	(70,571)	(94,696)
7.22 Other	-	-
7.23 Net financing cash flows	(87,050)	(165,558)
7.24 Net increase/(decrease) in cash held	1,241	(68,183)
7.25 Cash at beginning of period	368,368	422,840
7.26 Exchange rate adjustments to item 7.25	(5,905)	13,711
7.27 Cash at end of period	363,704	368,368

Non-cash financing and investing activities

1998	NIL
1999	NIL

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding period \$A'000
8.1 Cash on hand and at bank	29,149	14,411
8.2 Deposits at call	335,113	353,957
8.3 Bank overdraft	(558)	-
8.4 Other	-	-
8.5 Total cash at end of period (item 7.27)	363,704	368,368
Ratios	Current period	Previous corresponding period
9.1 Profit before abnormals and tax/sales Consolidated operating profit before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)	5.6%	5.6%
9.2 Profit after tax/equity interests Consolidated operating profit after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.32)	19.9%	17.9%
Earnings per security (EPS)		
10.1 Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: <i>Earnings per Share</i>		
(a) Basic EPS	46.6¢	39.5¢
(b) Diluted EPS	46.1¢	39.5¢
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	261,420,099	260,270,379
NTA backing		
11.1 Net tangible asset backing per ordinary security	\$2.42	\$2.26

Details of specific receipts/outlays, revenues/ expenses

	Current period \$A'000	Previous corresponding period \$A'000
12.1 Interest revenue included in determining item 1.4	12,204	16,213
12.2 Interest revenue included in item 12.1 but not yet received	477	426
12.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	6,826	10,005
12.4 Interest costs excluded from item 12.3 and capitalised in asset values	NIL	NIL
12.5 Outlays (except those arising from the acquisition of an existing business) capitalised in intangibles	NIL	NIL
12.6 Depreciation and amortisation (excluding amortisation of intangibles)	204,291	124,432
12.7 Provision for Plant Maintenance	0	112,038
12.8 Income Tax		
The major items responsible for the difference in income tax at 36% on operating profit and reported income tax expense are:		
– Tax Losses not previously recognised in the accounts	(12,025)	(12,639)
– Other non-allowable items	1,156	575
– Depreciation and Amortisation not allowable for tax	893	3,492
– Overseas Income Tax Rate Differential	(4,916)	(2,274)

Control gained over entities having material effect

13.1	Name of entity	NIL
13.2	Consolidated operating profit and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was acquired	NIL
13.3	Date from which such profit has been calculated	NIL
13.4	Operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	NIL

Loss of control of entities having material effect

14.1	Name of entity	NIL
14.2	Consolidated operating profit and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	NIL
14.3	Date to which the profit in item 14.2 has been calculated	NIL
14.4	Consolidated operating profit and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	NIL
14.5	Contribution to consolidated operating profit and extraordinary items after tax from sale of interest leading to loss of control	NIL

Reports for Industry and Geographical Segments

INDUSTRY	Contracting & Project Management \$'000	Property Development \$'000	Unallocated \$'000	Total \$'000
1999				
Total Revenue	3,245,702	64,903	17,273	3,327,878
Operating Profit Before Tax	179,329	5,495	(3,006)	181,818
Total Assets	1,154,736	178,603	242,655	1,575,994
1998				
Total Revenue	2,974,231	36,452	23,863	3,034,546
Operating Profit Before Tax	176,290	(8,544)	(12,598)	155,148
Total Assets	1,228,906	167,462	252,440	1,648,808
GEOGRAPHIC	Australia/Pacific \$'000	Asia \$'000	America \$'000	Total \$'000
1999				
Total Revenue	2,614,143	693,119	20,616	3,327,878
Operating Profit Before Tax	118,055	51,768	11,995	181,818
Total Assets	1,187,970	366,165	21,859	1,575,994
1998				
Total Revenue	2,333,730	695,542	5,274	3,034,546
Operating Profit Before Tax	100,727	52,616	1,805	155,148
Total Assets	1,258,200	356,738	33,870	1,648,808

The division of the operating profit, before tax and abnormals, and assets into industry and geographic segments has been ascertained by reference to direct identification of assets and revenue/cost centres. Other expenses and assets which cannot be allocated to an industry segment are reported as unallocated.

Dividends

15.1 Date the dividend is payable:

30 September 1999

15.2 Record date to determine entitlements to the dividend (ie, on the basis of registrable transfers received up to 5.00 pm if paper based, or by "End of Day" if a proper SCH transfer)

10 September 1999

15.3 If it is a final dividend, has it been declared?

The dividend is payable on 30 September 1999 in accordance with a resolution of the Board made on 19 August 1999.

Amount per security

		Amount per security	Franked amount per security at 36% tax
15.4	Final ordinary dividend: Current year	18.0¢	18.0¢
15.5	Previous year	15.0¢	15.0¢
15.6	Interim ordinary dividend: Current year	12.0¢	12.0¢
15.7	Previous year	11.0¢	11.0¢

Total dividends per security (interims *plus* final)

	Current year	Previous year
15.8 Ordinary securities	30.0¢	26.0¢
15.9 Preference securities	NIL	NIL

Preliminary final report - final dividend on all securities

	Current period \$A'000	Previous corresponding period \$A'000
15.10 Ordinary securities	47,109	39,169
15.11 Preference securities	NIL	NIL
15.12 Total	47,109	39,169

The dividend plans shown below are in operation.

NIL

The last date(s) for receipt of election notices for the dividend plans

N/A

Any other disclosures in relation to dividends

NIL

Details of aggregate share of profits (losses) of associates

Entity's share of associates'	Current period	Previous corresponding period
	\$A'000	\$A'000
16.1 Operating profit (loss) before income tax	NIL	NIL
16.2 Income tax expense	NIL	NIL
16.3 Operating profit (loss) before income tax	NIL	NIL
16.4 Extraordinary items net of tax	NIL	NIL
16.5 Net profit (loss)	NIL	NIL
16.6 Outside equity interests	NIL	NIL
16.7 Net profit (loss) attributable to members	NIL	NIL

Material interests in entities which are not controlled entities

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to operating profit and extraordinary items after tax (item 1.14)	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
17.1 Equity accounted associated entities	NIL	NIL	NIL	NIL
17.2 Other material interests	NIL	NIL	NIL	NIL

The consolidated entity's interests in associates at 30 June 1999 were not of a material size or contribution to the consolidated entity's activities to warrant separate disclosure.

Issued and quoted securities at end of current period

Category of securities	Total Number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
18.1 Preference securities	NIL			
18.2 Changes during current period				
(a) Increases through issues	NIL			
(b) Decreases through returns of capital, buy-backs, redemptions	NIL			
18.3 Ordinary securities	261,716,620	261,716,620		
18.4 Changes during current period				
(a) Increases through issues	590,800	590,800	541¢	541¢
(b) Decreases through returns of capital, buy-backs	NIL	NIL		
18.5 Convertible debt securities	NIL			
18.6 Changes during current period				
(a) Increases through issues	NIL			
(b) Decreases through securities matured, converted	NIL			
18.7 Options	4,089,700	NIL	<i>Exercise price</i>	<i>Expiry date</i>
			541¢	24.10.2001
18.8 Issued during current period	NIL	NIL		
18.9 Exercised during current period	590,800	590,800	541¢	541¢
18.10 Expired during current period	25,000	NIL		
18.11 Debentures	NIL			
18.12 Unsecured notes	NIL			

Comments by directors

Refer to Narrative Report

Basis of accounts preparation

Material factors affecting the revenues and expenses of the consolidated entity for the current period

Refer to pages 2 to 9

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

NIL

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

\$12.2 million franking credits available at 30 June 1999. Dividends for the next year will be fully franked.

Changes in accounting policies since the last annual report are disclosed as follows.

Abolition of par value shares

The Company Law Review Act 1998 ("the Act") came into effect on 1 July 1998. The Act abolished par value shares, and any amount standing to the credit of the share premium reserve became part of the Company's share capital on 1 July 1998. As a result, the balance of the share premium reserve amounting to \$228,065,115 was transferred to the share capital account on 1 July 1998 increasing the share capital on that date to \$358,628,025.

From 1 July 1998 share capital does not have a nominal (par) value.

Annual meeting

The annual meeting will be held as follows:

Place	Grand Harbour Ballroom Star City 80 Pyrmont Street, Pyrmont, Sydney
Date	4 November 1999
Time	10.00am
Approximate date the annual report will be available	Late September 1999

Compliance statement

- 1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX.

Identify other standards used

NIL

- 2 This report, and the financial statements prepared under the Corporations Law, use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed.
- 4 This statement is based on financial statements which are in the process of being audited.
- 5 The financial statements are in the process of being audited and the audit report is not attached. Details of any qualifications will follow immediately they are available. The company does not expect that there will be any qualifications to its financial statements.
- 6 The entity has a formally constituted audit committee.

Sign here: Date: 19 August 1999
(Company secretary)

Print name: A.J. Moir