

# **The Leighton Group Annual Report 1990**





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## Notice of Annual General Meeting 1990

To: The Shareholders

Notice is hereby given that the Annual General Meeting of the members of Leighton Holdings Limited will be held in the Ballroom, The Regent Sydney, 199 George Street, Sydney, NSW on Thursday, 1st November 1990 at 11.00 am.

The closing date for the receipt in writing of nominations for the office of Director, to be voted on at the Annual General Meeting, is Friday, 19th October 1990.

A separate Notice of Meeting and Proxy Form is enclosed.

After the meeting a short presentation on the Group's operations will be given by Wal King, the Group's Chief Executive Officer, following which all present are invited to join the Directors for light refreshments.



Leighton Holdings operates through a diverse group of companies in Australia, Hong Kong, selected parts of South East Asia and specific regions in the USA.

The Group is a leading participant in Australia's engineering and building construction industries with selected property interests. In addition, Group companies provide project management and specialised services to the mining, manufacturing, power generation and waste industries and are moving into privatised infrastructure developments.

Leighton Holdings' principal objective is to develop and maintain a financially sound and competitively strong group of companies whilst recognising the needs and aspirations of clients, shareholders, employees and the communities within which it operates.

To strengthen its market position and technological capabilities, the Leighton Group is continuing to forge strategic relationships with leading international companies, including major shareholder Hochtief, a diversified European construction group.



"The Leighton Group has achieved improved profits and maintained revenue levels in the year's unforgiving environment."

## From the Chairman



MA (Tim) Besley  
Chairman

Following my appointment as Chairman in February of this year, I have great pleasure in providing my first report to shareholders.

Your Company has achieved increased levels of profitability, earnings and dividends in a year which proved to be the turning point for many Australian businesses. This continued improvement is reflected in the increased return on shareholders' funds over the past three years, from 8.2% in 1987/88 to 12.3% in 1989/90.

The results also reflect the quality of the Group's management and relevance of the strategy which guides its future. Leighton's diversification, through its decentralised network of specialised companies, both here and overseas, spans a broad range of activities within its core markets. These include civil engineering, contract mining, building, project management services, waste and environmental management and property development.

The Group's diversity and broad geographical spread within these core markets are great strengths. They offset to a significant extent the negative influences of economic fluctuations and trade cycles. The benefit of this strategy is self-evident in the results achieved during a year when high interest rates effectively slowed Australia's economy.

Achieving profit growth in buoyant economic times is one thing, sustaining this in an uncertain economy and rapidly changing market is a very different and much tougher challenge. The Group clearly met this challenge in the year just ended.

The stability implicit in Leighton's diversification strategy also places the Group in a good position for the future. Bonds have been forged with the resources sector, currently one of the strongest in Australia's economy, and the

Group's civil engineering expertise and experience is expected to make a significant contribution to a variety of prospective public and privatised infrastructure developments.

Your Directors recognise and support the need to improve the standard of financial responsibility and corporate conduct in Australia. In keeping with this view, a decision was taken recently to establish an Audit Committee of the Board, chaired by the Board's Deputy Chairman, Mr Rod Wylie.

As this report to shareholders shows, the Leighton Group demonstrated carefully structured growth in 1989/90's difficult environment. With the Group's diversified strategy and strong order book I have every confidence in this performance being maintained in 1990/91.

Finally, I would like to express appreciation to my colleagues on the Board and the senior management team, all of whom have given me valuable guidance and support during my initial months as Chairman.

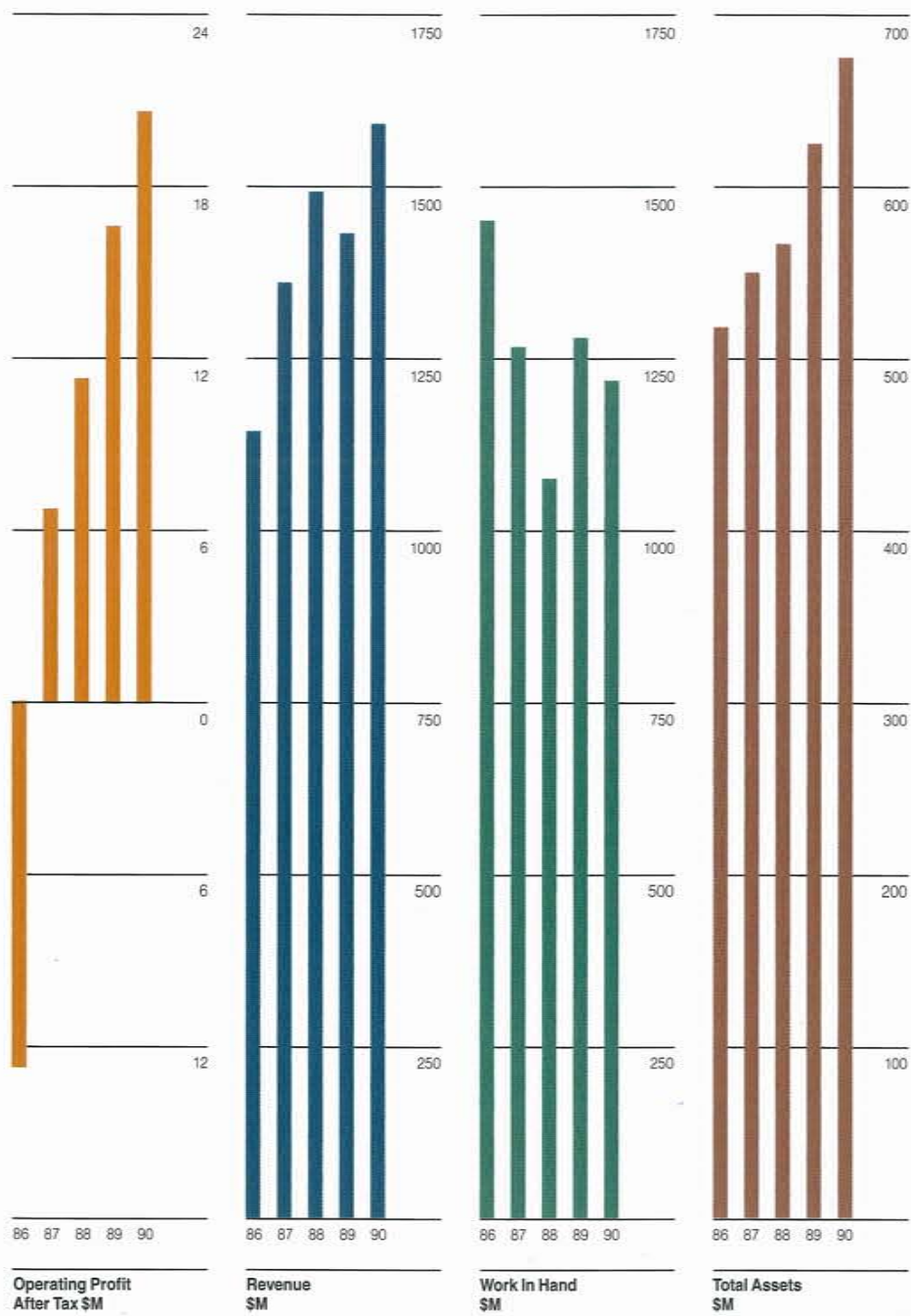
	1990 \$'000	1989 \$'000	% Change
Total Revenue	1,586,856	1,431,260	+10.9
Value of Uncompleted Work in Hand	1,218,000	1,280,000	-4.8
Value of Contracts Awarded during the Year	1,203,000	1,201,968	-

Operating Profit before Tax	35,043	27,110	+29.3
Income Tax	(14,563)	(10,575)	+37.7
Operating Profit after Tax	20,480	16,535	+23.9
Dividends	10,035	8,344	+20.3

Operating Profit and Income Tax includes Leighton's share of Associated Companies' results.

Total Capital, Subordinated Loans and Reserves	193,403	178,866	+8.1
Total Assets	674,907	624,990	+8.0
Net Tangible Assets per Ordinary Share	128.0c	121.0c	+5.8
Earnings per Ordinary Share	16.5c	14.2c	+16.2
Dividends per Ordinary Share	8.0c	7.0c	+14.3

No. of Shareholders	5,220	5,626	-7.2
No. of Employees	5,810	5,451	+6.6





Objectives	Achievements
Increase profitability and shareholders' returns	<ul style="list-style-type: none"> <li>– The Group's after-tax operating profit increased by 24% to \$20.5m.</li> <li>– Total annual dividends increased by 14% to 8 cents per share fully franked with \$10m distributed in total.</li> <li>– Return on shareholders' funds increased to 12.3% compared with 10.9% last year.</li> </ul>
Maintain balanced workloads and reduce operating exposures	<ul style="list-style-type: none"> <li>– Mix of work in hand balanced with market and economic conditions includes \$544m civil engineering, \$326m building work, and \$325m contract mining.</li> <li>– Long term funding being arranged to cover the exposure period on major property developments, with work in the immediate future confined to projects which have lease precommitments or end-buyers in place.</li> </ul>
Extend core businesses into specialised areas	<ul style="list-style-type: none"> <li>– Car parking business, Pacific Parking Pty Limited, acquired by Leighton Properties.</li> <li>– Specialised waste collection company established by Leighton Asia.</li> <li>– Contract to build, finance and operate a new waste water treatment plant for BHP at Port Kembla strengthens Thiess Contractors' Environmental Services division.</li> </ul>
Participate in value-added projects	<ul style="list-style-type: none"> <li>– A second management contract from Commonwealth Serum Laboratories secured by Leighton Contractors in Melbourne.</li> <li>– Major contract at BHP's Whyalla steel mill awarded to Multicon.</li> <li>– Project management of \$230m office development in Bangkok allows Leighton Asia to gain local industry knowledge.</li> </ul>
Achieve technological and market leadership	<ul style="list-style-type: none"> <li>– Technical Resources invests in providing a commercial capability to pursue privatised projects and implements unique Design Management system.</li> <li>– Multicon commissions Technical Resources to develop specialised controls management systems for BHP's Whyalla slab caster project.</li> <li>– Leighton Properties receives the annual BOMA award in NSW for the historic restoration project, Société Generale House.</li> </ul>

"It has been a growth year in terms of the Group's profit, dividend payments, and the strategic development of our core businesses."

## The Chief Executive's Report



Wal King  
Chief Executive Officer

### Financial Performance

The Group achieved an after-tax operating profit of \$20.5m, an increase of 24% over the previous year. This result comprised \$9.4m in the first half of the year and \$11.1m in the second. Over the past three years our after-tax profits have totalled \$48.2m, achieving annual compound growth of 45%.

Based on earnings of 16.5 cents per share and following the interim dividend of 4 cents, the Directors have recommended a fully franked final dividend of 4 cents per share. This makes a total dividend of 8 cents for the year which is a 14% increase on 1988/89. Shareholders will receive \$10m in dividends this year.

The Group's revenue, 76% of which was generated within Australia, was \$1.59bn compared with \$1.43bn in 1988/89. In addition, management contracts were completed for projects with a collective value of \$124m.

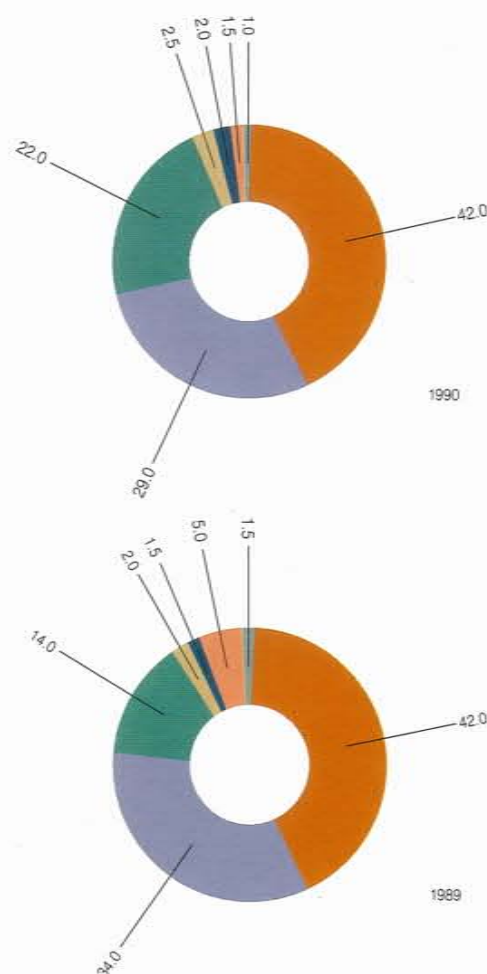
### Review of Operations

A total of 214 projects were completed and 239 new contracts with a total value of \$1.2bn were won during the year. At 30th June 1990, the value of our forward order book was \$1.22bn, one of the most diversified spreads of work in the Group's history.

Our core activities of civil engineering and contract mining protected the Group from the rapid downturn in the Australian private sector building and property development markets.

The Australian construction companies, Leighton Contractors and Thiess Contractors, continued to perform exceptionally well despite the difficult economic climate. Both achieved growth in profits and revenue from their respective, broadly spread mix of construction work.

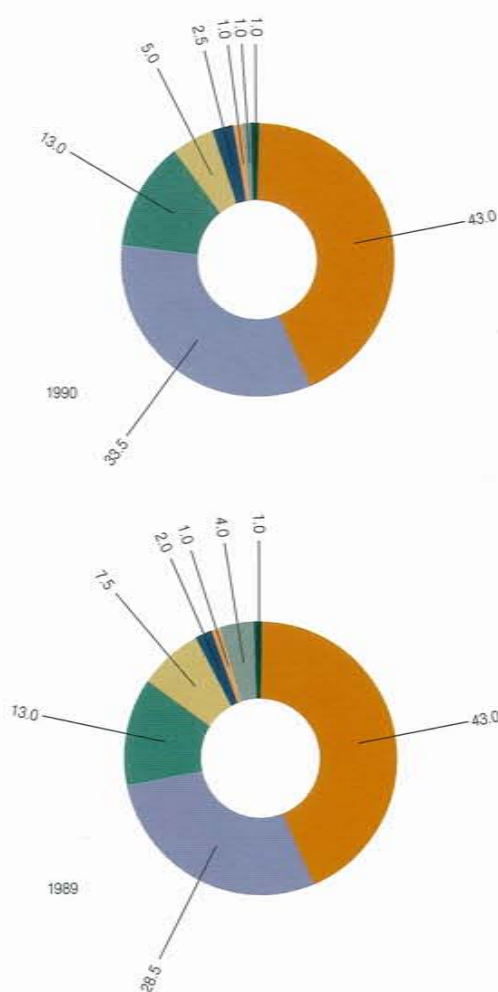
During the year both companies took further action to safeguard their revenue generation and profitability. This involved keeping the mix



#### Group Revenue By Market Segment %

Building	Foundation Engineering
Civil Engineering	Property Development
Mining	Waste & Environmental Management
Mechanical Engineering	





of building and non-building work in line with macro economic trends and market demand levels. New business activities are being focused on the more stable sectors of Australia's economy.

In the current economic and market conditions, an increasing proportion of the revenue earned by Leighton Contractors and Thiess Contractors will come from civil engineering, mining and other non-building work. Thiess' performance also will continue to benefit from the decision taken in 1988 to re-establish operations in Indonesia. This mining work has made a positive contribution in 1989/90 and momentum will be maintained over the next few years.

The activities of the Group's property development arm, Leighton Properties, were restricted to committed projects and commencing selected lower-risk suburban office-warehouse developments in Brisbane and Sydney. In addition, we are progressively arranging long-term funding for major developments to allow flexibility for the timing of sale.

Multicon's performance in 1989/90 was unsatisfactory due to low levels of available mechanical engineering work to cover fixed overheads. However, having won major contracts in the steel industry, Multicon's forward order book improved significantly during the year.

In South East Asia – the world's fastest growing economic region – Group companies were both active and successful during the year. Hong Kong-based Leighton Asia and Leighton Brückner (60% owned) improved their respective profitability in a market adversely influenced by events in mainland China and the continuing outflow of qualified, experienced people from Hong Kong. The specialised Singapore-based Ipco Group (45% owned) made a healthy contribution to our results.

In the USA, Green Holdings further consolidated its operations and maintained its breakeven trading position. There has been a significant reduction in the number of outstanding legal and contractual matters associated with the discontinued operations of Green Construction Company. In addition, all physical work from these operations was completed by March 1990.

Despite the current slowdown in California, the San Francisco-based Leighton Pacific Developments was able to complete scheduled projects, particularly in the residential market.

## Decentralised Growth Strategy

The test of any business is how it performs not only in favourable conditions but also in tougher times. In this respect, the Group was well served in 1989/90 by the decentralised growth strategy established three years ago. Since that time it has worked effectively in a variety of market and economic circumstances by:

- building on our traditional strengths and focusing on markets which have proven to be profitable;
- achieving a balanced workload which can be adjusted to respond to changing market and economic conditions. Effective steps have been taken to increase our civil engineering and mining work, decreasing our exposure to the property market;
- enabling us to make the most of opportunities to extend our core businesses. Leighton Properties' acquisition of Pacific Parking in 1989/90 is the latest example of this strategy.



Our strategy focuses resources in a flexible and disciplined way to reinforce and develop our core businesses. The Group's short-term results, long-term stability and prosperity are underpinned by our strategy and financial strength. The broad geographic and market spread of our activities insulates the Group's overall performance from downturns in particular market sectors. In 1989/90, the breadth of the Group's activities moderated the impact of the property market as it entered a period of realignment.

Our decentralised strategy works effectively because authority and responsibility have been delegated to line managers who are backed with the resources necessary to attain and retain a competitive edge. This enables the Group to respond quickly, flexibly and effectively to changing local market conditions.

Leighton Contractors' position as preferred tenderer for the \$200m F5 Tollway contract in Sydney is a particularly good example of our strategy at work and also of the potential offered by privatised public sector infrastructure developments.

The Group's managerial disciplines, financial strength and capacity to maintain a competitive edge provide the framework and resources for the successful implementation of our diversified, decentralised growth strategy.

Our Technical Resources division contributes to the effectiveness of the Group by providing a variety of technical resources and services to the operating companies. These include research and development, the application of advanced technology and the provision of consultancy services within the Group and to its clients.

### **Leighton People**

No review of the Group's activities would be complete without paying proper tribute to the achievements of our people during a year characterised by change and challenge. They fully deserve our congratulations and appreciation.

Skilled and dedicated people are our most important asset and determine the future of the Group. Their continued involvement, training, development and safety are all managerial goals and central to our success.

We are committed to developing our own managers and technical specialists through a variety of education and skill enhancement programmes. We strive to help people realise their potential. Our policy of promotion from within and our reward systems are based on merit and performance without regard for gender, race or religion.

### **Prospects**

In the immediate future, the Group's activities will continue to focus on Australia, Hong Kong, other selected parts of South East Asia and specific regions of the United States. Australia is our principal market with civil engineering, building and contract mining remaining our core activities.

The mix of our business will, over time, continue to change according to economic conditions and market demand levels. The immediate outlook is for less private sector building work from Australia's depressed property markets. This should be offset by more public sector infrastructure projects such as airports, hospitals, roads, prisons and large-scale privatised ventures. We also anticipate continued high demand levels from Australia's resources sector. Mining work, both here and overseas, should comprise a bigger proportion of our total business mix over the next few years.

In addition, the Group is well positioned to achieve increased revenue from its specialised services to the power generation, steel making

and materials-handling industries. The growth markets of environmental and waste management also represent valuable sources of revenue for the Group.

The Group's property development activities currently are being limited to committed projects and new projects which are pre-leased or have end-buyers in place. Long-term funding for these projects is arranged through Leighton Holdings to cover the development's exposure period.

An increased profit contribution in the medium term is expected from our companies' activities in Asia's fast-growing economic environment. We have a long-term commitment to the region and the announcement of Hong Kong's massive Port and Airport Development Scheme provides the opportunity to win a variety of further significant infrastructure work up to and after 1997.

The Group's work in hand is healthy and, despite the uncertain nature of Australia's economy, we expect to at least maintain our operating profitability in the coming year. In the medium term, we are strategically positioned to maximise the opportunities which will occur when the current economic difficulties pass.

"The challenge for the Leighton Group will be to remain ahead of the changing economic and industry environments within which we operate."

## **Special Feature**

# Strategies for the

Successful strategies for Australian companies in the 1990s must respond to the needs of a nation in transition; a nation with an economy undergoing great change through restructuring and deregulation.

Australian industry must compete effectively in world markets and to world standards if the critical problems of high inflation, interest rates, a large current account deficit and a rising foreign debt burden, are to be resolved. As the country further deregulates to allow greater flexibility so that industries may become more competitive, the business environment in Australia will change rapidly and enter a period of readjustment.

For many years, Australia as a nation has been unable to stand apart from world events and trends. The economy is heavily influenced by global conditions and recent events clearly indicate the speed with which changes can occur in the established political, social and economic order.

It is no longer sufficient to develop business strategies based on trends identified within the immediate market place, without understanding the broader influences. Global issues overlap and parallel national and industry issues. This is evidenced by the major impact of world commodity prices on the nation's economic activity, its resource sector and in turn, those associated with developing the resources.

Also, the economic growth of our South East Asian neighbours will require a reappraisal of Australia's role in this region and our ability to compete effectively for expanding market opportunities.

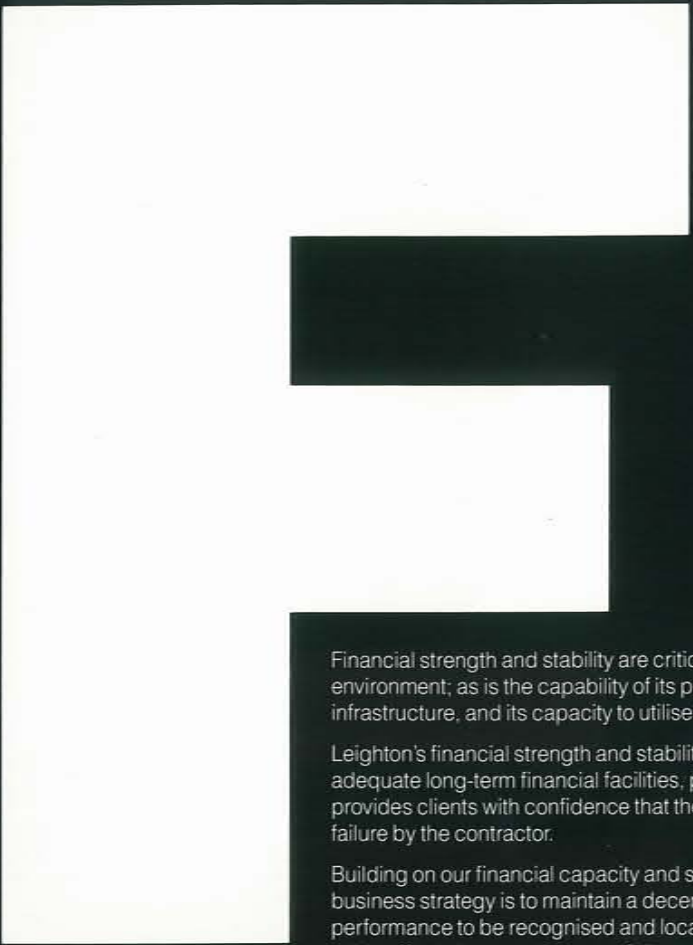
Australian companies such as the Leighton Group have a responsibility to shareholders and the wider community to help facilitate the nation's transition to greater prosperity. The challenge will be to remain ahead of the changing economic and industry environments within which we operate.

# 90s

As in other parts of the world, funding of massive infrastructure projects in Australia, Hong Kong and South East Asia will be a significant challenge for the 1990s. It is estimated that more than \$40bn will need to be spent over the next 10 years if governments wish to provide for the basic infrastructure needs of the Australian community. In Hong Kong and South East Asia, the cost to develop identified infrastructure needs for a population some 25 times that of Australia is likely to be in excess of \$150bn.

## Infrastructure





Financial strength and stability are critical to the success of any company working in the current environment; as is the capability of its people, the efficiency of its management systems and infrastructure, and its capacity to utilise leading technology to satisfy market needs.

Leighton's financial strength and stability is based on its significant net worth, availability of adequate long-term financial facilities, prudent debt policy and stable share register. This strength provides clients with confidence that their project will be funded and completed without risk of failure by the contractor.

Building on our financial capacity and strong market positioning, a key element of the Group's business strategy is to maintain a decentralised corporate structure which allows individual performance to be recognised and local market opportunities to be addressed. The capability to identify projects and successfully pursue their implementation through the various stages of design, financing and construction involves local knowledge, resources and the dedication of trained, professional staff.

Through its various operating companies, the Leighton Group has an extensive infrastructure including over 20 regional offices in Australia and four in South East Asia. Emphasis has always been placed on our people having professional qualifications and incentives for productivity. Opportunities are offered for the advancement of individual skills through training and participation in the development of technical and management systems.

The ability to maintain a balanced workload of civil engineering, contract mining and building projects is dependent upon the available human resources and infrastructure. The continued strength of these core activities and the potential for growth within the operating companies must be supported by advanced in-house technology as well as access to external technology when appropriate.

## Strength

The substantial construction know-how and technology within the operating companies is further advanced through transfer of knowledge from the Group's Technical Resources division. This focal point for the research and development of construction and management technologies supports the drive of operating companies into new markets. Marketing strategies are also developed to improve their competitive advantage through market differentiation whilst maintaining cost leadership in specific segments.

Strategic links with both Australian and international companies offering specialist capabilities have been developed to provide additional strength to Group companies. Partnerships range from project joint ventures such as those arranged by Thiess on the Sydney Harbour Tunnel project, to consortia arrangements which allow each company to accept the risk appropriate to that company, such as the one developed by Multicon to provide the winning team for BHP's slab-caster contract at their Whyalla steel mill. Co-operation and technical agreements also are entered into when international technology or processes are required to pursue market opportunities in Australia.

"Our business strategy developed over the past few years is focused on financial and operational strength."

"The Group's competitive advantage for the 90s based on a sound strategic plan is strength, stability and the flexibility to provide quality projects within clients' preferred financial structure and timetable."

The successful implementation of the Group's business strategy has provided a solid platform to take advantage of the opportunities that are emerging as Australia enters a period of adjustment and subsequent growth.

Australia's development requires improved infrastructure, increased benefit from its natural resources and a competitive manufacturing industry. Growing community pressure for better airports, roads and railways can no longer be ignored. Nor can growing concern for preservation of the natural environment and the subsequent demand for acceptable methods of waste disposal and restoration of industrial despoilation.

Upgrades and extensions to community infrastructure, whether it be to facilitate travel or provide water supplies, will generate substantial construction projects during this decade. Similarly, developing our natural resources provides construction and contract mining opportunities, and manufacturing facilities require engineering and building expertise.

Rapid growth in South East Asia will give businesses the added opportunity to develop Australia as a base for producing much needed services to the region.

Greater national prosperity requires special capabilities, adequate resources and the expertise to maximise the potential. The speed with which major public sector projects are progressed is largely dependent on the ability of the private sector to work with governments to structure appropriate funding. As government budget priorities become more difficult, the need for alternative methods of funding will inevitably lead towards privatisation.

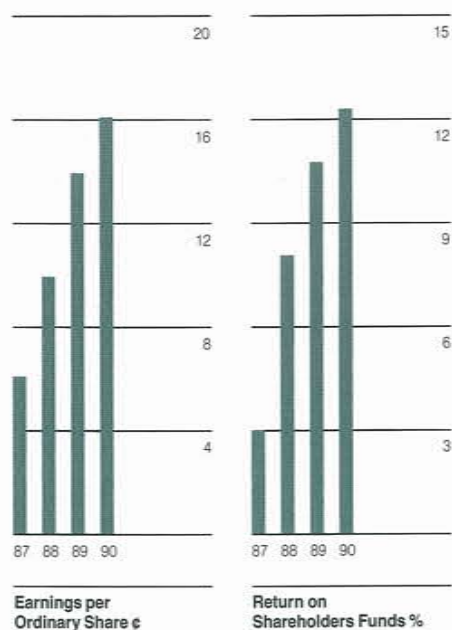
The Leighton Group is adapting to the changes of the 1990s by providing delivery systems that distribute the risk and responsibility in accordance with the needs and demands of government, industry and the environment.

Group companies have undertaken a number of privatised developments in recent years, both within Australia and in South East Asia, and have developed a specialist capability to structure total project packages. Our flexible approach to contractual strategies is aimed at satisfying individual client needs and ensuring that projects are delivered on time and within budget. Alternative systems offered range from project management through to total product delivery where the contractor operates the facility after construction.

In addition to our core construction activities, the strategic penetration of our Australian construction companies into growth markets such as waste management, industrial remediation, power generation, materials handling and corrective services facilities provides areas of opportunity for the Group.

Our track record of securing large, complex projects both within Australia and in South East Asia demonstrates our ability to compete effectively by international standards. The Leighton Group's strategic plan for the 1990s is to build on our strengths and provide services in tune with the needs of the market.





The Group is in a stable financial position after a year of steady growth in a testing economic environment. Assets grew in value from \$625m to \$675m and shareholders' equity (including subordinated perpetual loans) from \$179m to \$193m. At the end of the financial year, the ratio of shareholders' equity (including subordinated perpetual loans) to total assets remained steady at 29%.

## Control

The Group's decentralised companies operate as separate profit cells, each having the power to perform and the freedom to operate as independent enterprises within Leighton's corporate business plan. All companies are allocated levels of equity and borrowings and their financial performance is measured on a quarterly basis against agreed profitability and balance sheet objectives.

The allocation of resources and financial goals is essentially a "top-down" strategic planning process, whereas the analysis of financial performance is a "bottom-up" managerial discipline. In fact, all levels of line management – Project Managers, Branch Managers and Managing Directors – are judged on the returns they achieve on funds employed and by other financial benchmarks relevant to their responsibilities. Consequently, financial control is not only a widely-practiced corporate discipline, but also integral to managerial performance.

Corporate activities within the Leighton Group are regularly reviewed and, where applicable, non-operating companies are wound up. During the year 16 former subsidiaries were discontinued.

## Debt and Interest Exposure

The maturity profile of the Group's debt is constantly under review to ensure that an appropriate balance between short and long term debt is maintained. Funding is generally arranged to suit the term of the asset.

Our exposure to Australian and overseas interest rates also is actively managed.

At balance date, approximately 55% of the Group's debt had been covered to reduce the risk of exposure to interest rate fluctuations. Managing foreign currency exposures is another important part of the Treasury function and, where possible, overseas assets are matched with foreign currency liabilities.

## Funding strength

The strength and stability of the Group's financial position is illustrated by the level of its funding resources, its liquidity position and the fact that all borrowings are arranged and controlled by Leighton Holdings.

In addition to the long-term association with our principal banker, the Commonwealth Bank of Australia, the Group has relationships with a number of other Australian and international financial institutions. Funding support on selective projects has also been made available from our major shareholder, Hochtief.

At the end of the 1989/90 financial year, the Group was in a good liquidity position with \$48m of cash on deposit and undrawn facilities of \$102m.

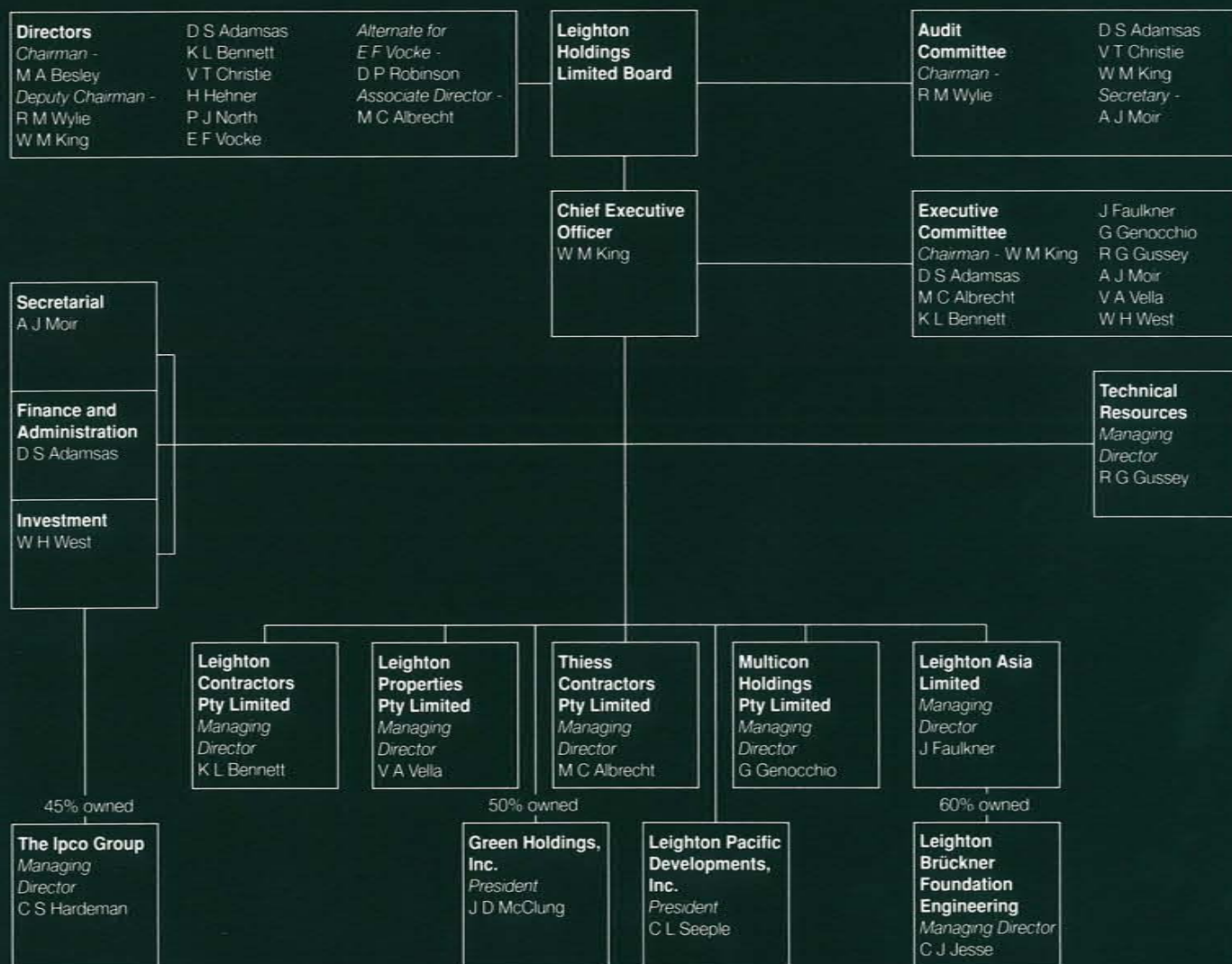
During the year, the Group finalised a US\$100m transferable loan certificate facility, of which US\$65m is underwritten. This is provided by a consortium of eight Australian and international banks, including the Commonwealth Bank which is responsible for managing the facility. The transferable loan certificate, which replaces the previous Euronote, demonstrates the Leighton Group's ability to attract support in a changing financial climate.

## Dieter Adamsas

Director of Finance and Administration



## Group Structure







"Leighton Contractors' building, civil engineering, contract mining and management work generated increased profit in 1989/90's variable market conditions."

## Leighton Contractors



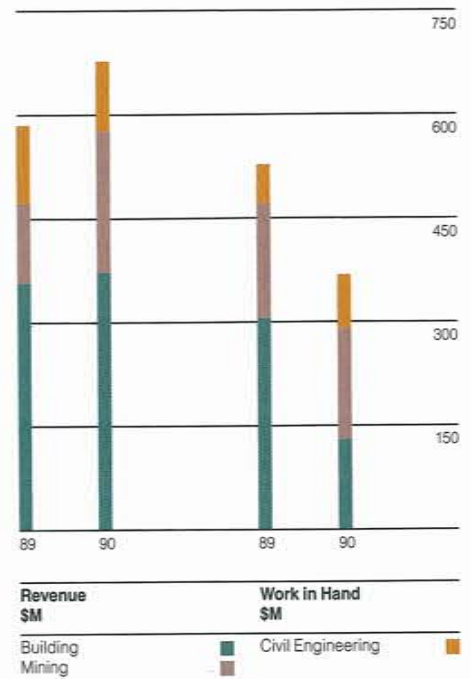
**Keith Bennett**  
Managing Director

1989/90 was an excellent year for Leighton Contractors despite mixed and fast-changing market conditions. Increased revenue and profit performance demonstrated the value and effectiveness of our long-term business development strategy. With a broad spread of profitable projects in carefully selected markets throughout Australia, Leighton Contractors successfully managed to counter the problems experienced in Australia's building construction industry during the year.

The company's profit-driven philosophy centres around delivering reliable performance to clients in the private and public sector. Within our core business of construction, focus is on maintaining a balanced workload of building, civil engineering, contract mining and management contracts. Leighton Contractors has successfully developed its business through achieving a geographically spread portfolio of small, medium and large projects with values ranging from two million to hundreds of millions of dollars.

Approximately 55% of our revenue came from private and public sector building work such as two adjacent office development and refurbishment projects in Kent Street, Sydney for the State Authority Superannuation Board. Other substantial building projects completed or nearing completion included the \$35m Sheraton Noosa Resort for Suncorp Insurance and Finance in Queensland and the \$26m office development in St George's Terrace, Perth for Home Properties.

With the property market's downturn there will be far less high-rise building development over the next few years. We expect the building activities to progressively reduce as a percentage of revenue, in line with market trends. However, the property market is by no means devoid of demand – especially from institutional investors and owner-occupiers requiring purpose-built accommodation.



### Opposite

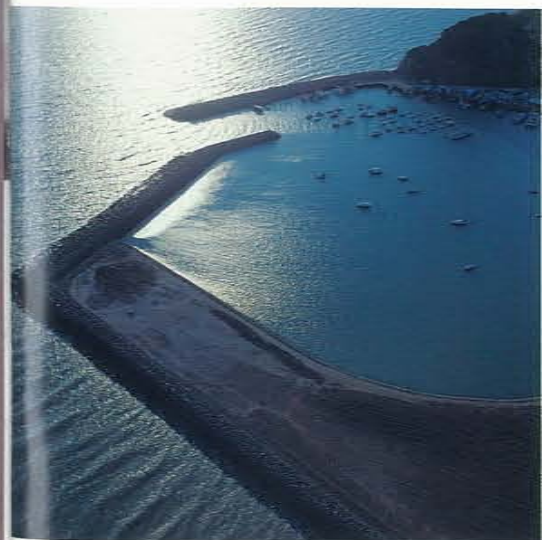
**309/321 Kent Street, Sydney**

The consolidation of two adjacent sites owned by the State Authorities Superannuation Board in Sydney's Kent Street is a fine example of Leighton Contractors' building and refurbishment work in the public sector. The \$100m commercial building at 321 Kent Street is scheduled for completion in October 1990. The adjoining \$39m project involved structural modifications to take maximum advantage of an increased floor space ratio and extensive refurbishment work to upgrade its design and services to complement its neighbour's high standards.









Examples of the company's work on behalf of owner-occupiers are a factory project for Arnotts Biscuits at Huntingwood in New South Wales and an office-warehouse development for Ericsson in Victoria. The demand for specialised projects of this type will continue to offer opportunities for which we are ideally positioned.

Project and construction management, particularly for the public sector, continued to be an important source of low risk work. Contracts include the \$105m Ultimo Radio and Orchestra project for the Australian Broadcasting Corporation in Sydney and a second contract from Commonwealth Serum Laboratories for a \$90m blood plasma facility in Melbourne.

During the year we won a total of 26 new civil engineering projects which ranged from entrance roadworks for the Sydney Harbour Tunnel to foundations for the new Glebe Island Bridge, also in Sydney, and the Gladstone State Pipeline in Queensland. 11% of our revenue came from civil engineering in 1989/90 and we expect the significance of this work to grow over the next few years as community pressure for improved infrastructure increases.

Based on strong overseas demand, the mining sector's continuing buoyancy is making a substantial contribution to Australia's economy. Mining also proved its value as a consistent source of profitable work for Leighton Contractors, accounting for 31% of the year's revenue.

A total of 17 new mining contracts worth \$130m were won during the year. The majority of these projects are in Western Australia where we have established a solid reputation for performance. However, we have recently won a new contract to mine gold in Bendigo, Victoria and are currently working at mines in Queensland and New South Wales.

**Opposite:**

**Revenge Gold Mine, Lake Lefroy, Western Australia**

The \$23m Revenge Gold Mine is located 12km south of Kambalda. Revenge occupies a 20-hectare site in Lake Lefroy. Before the excavation of salt crust, silt, clay and rock to reach the ore, the site had to be sealed with a bund wall and liner to prevent water seepage into the pit. "Fingers" were built out into the lake and waste infilled between them to form the site dump.

**This page upper left: 66 St George's Terrace, Perth**

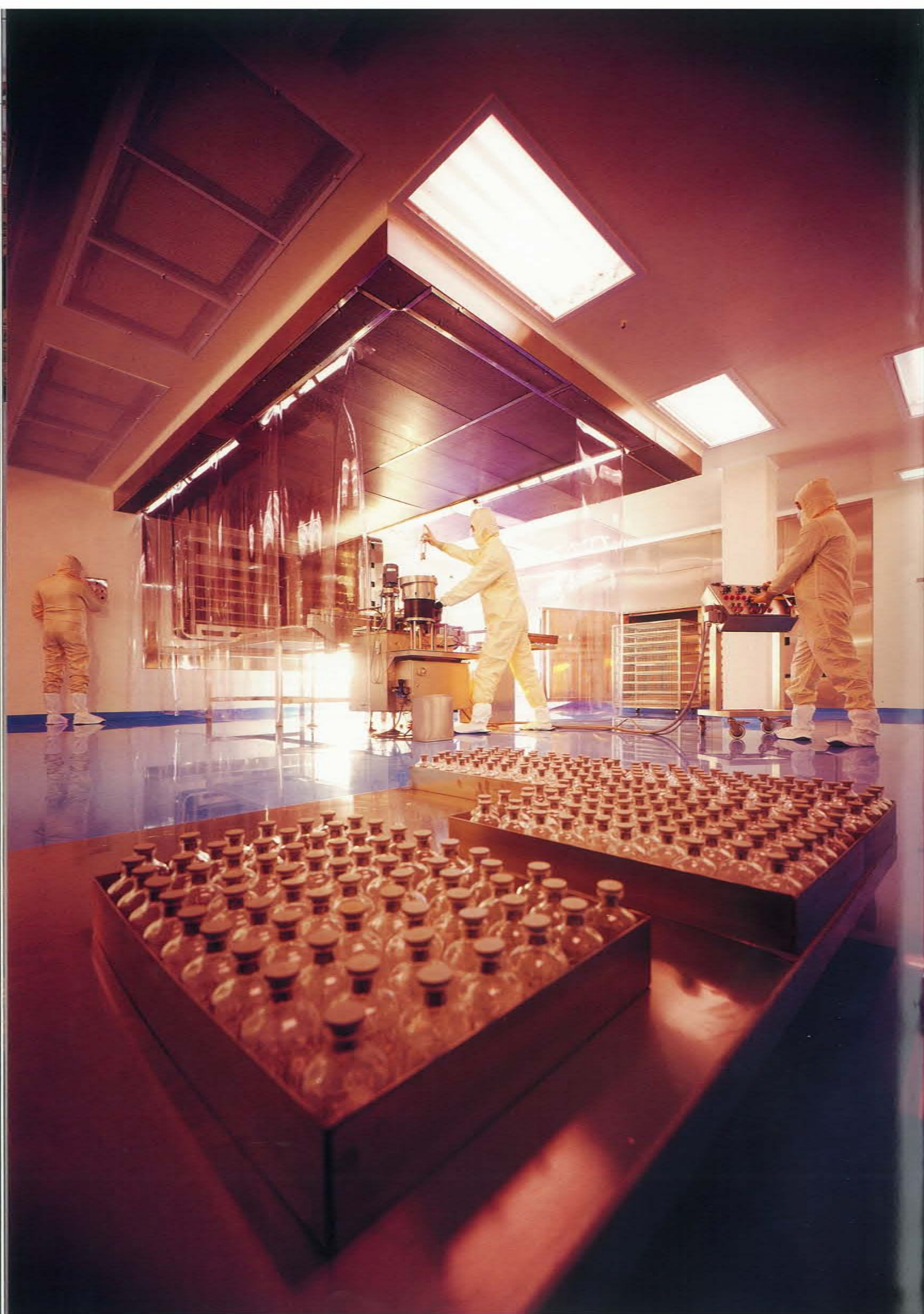
Prominently located on one of the best redevelopment sites in Perth's CBD, 66 St George's Terrace was completed in 1990. Designed and constructed for Home Properties Pty Limited, this outstanding development illustrates Leighton Contractors' ability to satisfy the client's need for quality office accommodation, delivered on schedule and within budget. A 12-level development with 12,000 square metres of prime space, St George's Terrace features a stepped facade of polished granite and tinted glass plus a generous proportion of public space in its forecourt and foyer areas.

**This page lower left:**

**Roslyn Bay Boat Harbour, Queensland**

Designed and constructed over a period of ten months, the Roslyn Bay Boat Harbour project reclaimed 12 hectares of sea bed by dredging and infilling 520,000 cubic metres of sand, silt and clay from the harbour. In addition, 590,000 tonnes of rock excavated from a local quarry were used to build the harbour's 1.05 kilometre breakwater which incorporated the relatively new "beach" design concept.









Leighton Contractors' performance in a far from ideal economic environment demonstrated the importance of our balanced and flexible business strategy which spans a variety of private and public sector markets.

This strategy is complemented by the way we do business. Our decentralised structure ensures that clients deal with decision-makers who are responsible for all aspects of a project's performance and delivery. In turn, these executives are backed by both local and centrally-based resources and specialised expertise.

Leighton Contractors' strengths are teamwork, disciplined managerial skills and technical expertise. To clients this means performance, satisfaction and a willingness to reward us with repeat business.

Our new business development activities will be synchronised with local market needs on a state-by-state basis around Australia. The portfolio of projects already committed reflects the changing nature of our business mix.

The value of our work in hand at 30th June 1990 was down on the previous year, but we currently are pursuing a number of significant civil engineering and mining opportunities which should enable us to maintain the level of work achieved in previous years.

We are both well positioned and confident of achieving our 1990/91 profitability and revenue goals.

## Opposite:

**CSL Plasma Facility, Parkville, Melbourne**  
Leighton Contractors' involvement with this blood plasma production centre began in 1986 when they submitted budget estimates and design concepts to upgrade and replace the existing plant. This project, subsequently modified by a change in the Federal Government's policy, was completed three months ahead of schedule in December 1989. The successful completion of this project has led to a second construction management contract for a \$100m Plasma Products Facility at Broadmeadows, also in Victoria.

**This page upper left: Glebe Island Bridge Foundations, Sydney**  
Leighton Contractors' \$8m engineering contract to construct the Glebe Island Bridge foundations which will support two superstructure towers was completed in 1990. This project, typical of the company's public sector infrastructure work, involved harbour dredging, excavation, piling and embanking using a variety of large scale barge-mounted and land-based cranes, drills and pile hammers.

**This page lower left: Tuggeranong College, Canberra**  
Located on the shore of Tuggeranong Lake, which was also constructed by Leighton, Tuggeranong College has an idyllic setting. The \$16.2m college comprises six two-storey pavilions and a library building all of which have easily-accessed sub-floor service areas and design versatility to suit future needs.

## Board

WM King - Chairman  
KL Bennett - Managing Director  
DS Adams  
BT Cattell  
PR Cooper  
RG Gussey  
RJ Merkenhof  
RP Turchini  
PJ Williams  
EE Young

## Associate WAC Service

Secretaries  
TRJ Cooper  
KJ Steen

Senior Executives  
KL Bennett, B.E.(Civ.)  
Managing Director  
PR Cooper, B.Tech.(Eng.)  
General Manager, Southern Region  
IM Luck, B.Tech.(Civ. Eng.), MIEAust.  
Manager, ACT & Southern NSW  
RJ Merkenhof, B.Eng.  
Manager, NSW Building  
RP Turchini, MIEAust.  
Manager, NSW Contracting  
PJ Williams, B.Eng., Grad.Dip.Mgt., FIEAust., FAIM  
General Manager, Qld & NT  
EE Young, B.E.(Civ.), MNZIE, MIEAust.  
General Manager, WA  
BA Bowman  
Manager, Information Systems  
BT Cattell, C.P.Eng., MIEAust., MICE  
Manager, Central Engineering  
RG Collins, B.Eng.(Hons), C.Eng., MIEAust., MICE, A.I.A.R.B.A.  
Manager, Contractual Services  
CW Coomer, MIEE, MIQ  
General Manager, Plant  
TRJ Cooper, CPA  
General Manager, Commercial  
BC Duggin, ASTC, LGE, FIEAust.  
Estimating Manager  
TJ Forgan, C.Eng., MIEAust.  
Projects Director  
ER Furney, B.Arch., ARAIA, ACDA  
General Manager, National Business  
KJ Steen, ASA  
Administration Manager  
JT Walshe, M.Sc., Dip. Ind. Psych.  
Manager, Industrial Relations, Safety and Personnel





"Leighton Properties' role is to research, identify and realise development opportunities within the framework of a minimum risk strategy which satisfies defined criteria."

## Leighton Properties



Vyril Vella  
Managing Director

The restructuring and rationalisation completed before the beginning of this financial year has enabled us to respond effectively to the property market's cyclical re-adjustment. Australia's property development market has weakened considerably during the year in the wake of a prolonged period of exceptionally high interest rates and flagging business confidence.

1989/90 was primarily a year of consolidation but also carefully-planned, targeted development for Leighton Properties including its acquisition of the Hooker Corporation's car parking division – now renamed "Pacific Parking". The company's diverse mix of projects generated a total revenue of \$15m and achieved a break-even position in a difficult year.

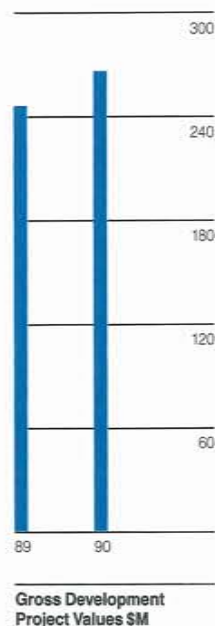
This result was achieved within the context of a decentralised risk-averse development strategy designed to optimise development opportunities which satisfy the following criteria:

- locations and markets that offer safe growth;
- quality projects targeted to market needs;
- a broad range of projects to minimise risk.

Leighton Properties' strategy is implemented by experienced senior executives who are resident in the markets for which they are responsible. Work in New South Wales, South Australia, Victoria and Queensland spanned a total of 13 projects – three of which were begun during the financial year.

Current projects range in value from \$5m to \$100m and comprise a variety of developments in the commercial, industrial, retail and residential property sectors. Delays have been experienced on our major development at St. Kilda Road in Melbourne due to an unsanctioned industrial relations dispute.

Smaller scale developments undertaken include the \$18m Epicentre industrial complex at Rosebery in NSW, the \$6m Hudson Connection strata title office and industrial development at Albion in Queensland, the \$4m



**Opposite:**  
84 Pacific Highway, North Sydney  
Leighton Properties' development of 84 Pacific Highway will maximise the site's potential. Despite recent downturns in some areas of Sydney's commercial property market, the demand for prime accommodation in North Sydney has remained strong. The Leighton Properties team of professionals – Andrew Cooper (Development Manager), Mark Gray (State Manager) and Cameron Clinton (Leasing Manager) – are working in association with architects Peddle, Thorp & Walker and with Leighton Contractors to complete the proposed 13-level development by August 1992.









Kessels on Logan regional office complex in Brisbane, and the further release of Edens Landing residential land at Beenleigh between Brisbane and the Gold Coast

A significant development is planned for the prime North Sydney site at 84 Pacific Highway purchased in January 1990. Owing to the low vacancy rate in North Sydney and the lack of development sites in the confined North Sydney CBD this project has generated considerable interest. During the year, Leighton Properties received the prestigious BOMA Award NSW 1989 for the restoration project Société Generale House at 350 George Street Sydney.

Pacific Parking, Leighton Properties' car parking division acquired in December 1989, represents a natural adjunct to the core business. This division provides a diversified earnings stream from its operations in Sydney, Brisbane, Melbourne and Adelaide. Suitable opportunities will be sought to expand the existing number of car park outlets in appropriate markets.

In the current tight economic environment which is expected to continue in the coming year, the implementation of our risk averse strategy will result in further consolidation and selected growth being strictly controlled within targeted property development markets. Our focus will be on projects which have pre-committed tenancies or end-purchasers in place and accordingly there will be no new speculative developments undertaken.

Constant monitoring of the property market has revealed opportunities to provide Development Management services on a fee basis to key institutional and investor based clients. In addition, we are continually evaluating the prospect of carrying out joint venture development projects.

Through this approach, we are confident of meeting our targets for 1990/91 and avoiding unacceptable levels of exposure in what has become a tough market.

**Opposite:**  
**The Hudson Connection, Albion, Brisbane**  
Completed in 1990, The Hudson Connection is strategically located in Albion, an area of increasing popularity among Brisbane's business community, just 4 km from the city's centre and within easy reach of the airport. The mixed office, warehouse, showroom development consists of nine strata title units of various sizes providing a total of some 4,700 square metres of space. The quality of the development as well as its proximity to local shopping and transport, have contributed to its marketability. Strong interest is evident from investors and owner-occupiers, including a commitment by the communications corporation, Ericsson, to nearly a third of The Hudson Connection's total area.

**This page:**  
**Pacific Parking's Henry Waymouth Centre, Adelaide**  
During the year, Leighton Properties acquired the car parking network of the Hooker Corporation which totals 15 parking stations in Sydney, Brisbane, Melbourne and Adelaide (pictured). This acquisition - now trading as "Pacific Parking" - is an example of the Group's strategy to develop activities with growth potential which are related to its core business and which broaden and enhance the Group's income stream.

**Board**  
RN Bennett - Chairman  
VA Vella -  
Managing Director  
DS Adamsas  
WM King  
RG Gussey  
T Newton  
DP Robinson

**Secretaries**  
PR Bull  
BW Clark

**Senior Executives**  
VA Vella, B.Sc., B.E. (Hons),  
M.Eng.Sc., MIEAust.  
Managing Director  
J Barrett, ARICS, AAIIV  
Southern Region Manager  
RH Borger  
Northern Region Manager  
BW Clark, Dip.Tech. (Acct.)  
Commercial Manager  
MC Gray, B.Sc. (Arch.),  
B.Arch. (Hons)  
Manager, NSW  
GC Harrold, B.Build., MAIB,  
AIMM, AFI,RAIA  
Director of Marketing

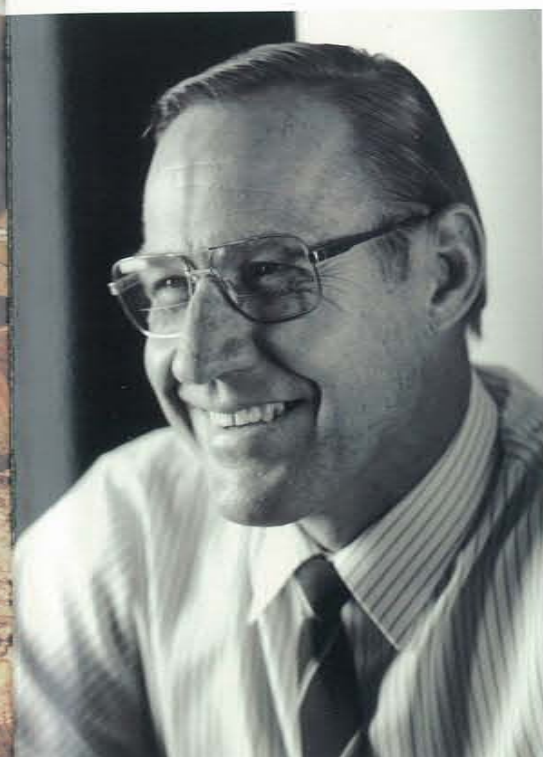






"A year of significant change and improved performance demonstrated the benefit of Thiess' long-term commitment to strategic planning and achievement of quality work in a broad spread of markets."

## Thiess Contractors



Martin Albrecht  
Managing Director

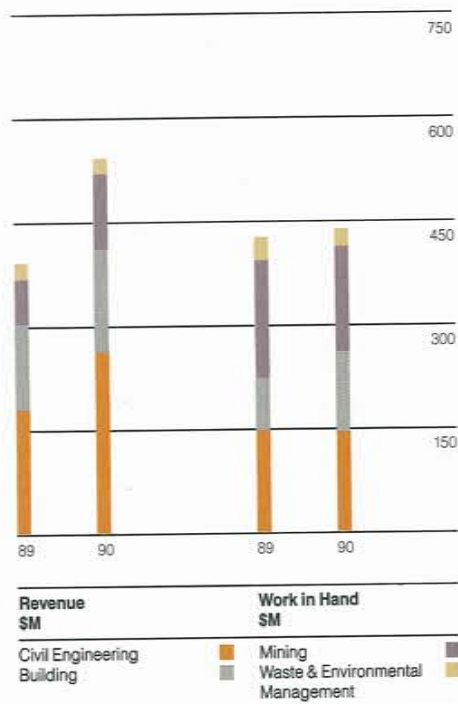
Thiess Contractors achieved a revenue of \$542m in 1989/90. This was 39% above the previous year's result and enabled us to make a greater contribution to the Leighton Group's profitability.

Our unprecedented growth during the year was attributable to long-term strategic planning and the skill and dedication of our people. The broad geographic cover and the multi-disciplinary nature of our decentralised profit cells enabled us to provide a more effective service to our clients. Despite the highly competitive and difficult economic environment, we have continued to diversify our business mix and achieve greater penetration of targeted markets.

New business and high quality work requires new and improved skills and accordingly the company has made a major commitment to education, training and quality improvement.

Thiess is now less reliant on its traditional civil engineering work. Road building and dam construction, which previously dominated the order book, accounts for approximately one third of our current civil engineering turnover. Building and development work, mining operations throughout Australia and Indonesia, mechanical, electrical, marine engineering, and environmental services are being successfully developed and are progressively contributing to improved profitability.

Nevertheless, civil engineering remains a core activity. Major civil engineering infrastructure work included: the North Shore Driven Tunnels and the Immersed Tube Sections of the Sydney Harbour Tunnel project, totalling nearly \$100m, the \$25m extensions to Cairns Airport, the \$17m Peter Faust Dam at Proserpine in North Queensland, the \$14m Harris Dam in Western Australia and the \$33m Burrinjuck Dam improvements in New South Wales.



**Opposite:**  
**Mt Leyshon Gold Mine, North Queensland**  
For over forty years Thiess Contractors has made a major contribution to the development of Australia's resources. The second phase contract on the Pan Australia Mining's Mt Leyshon Gold Mine 50km south of Charters Towers is typical of Thiess' extensive open pit gold mining work. Thiess' expertise spans all facets of mining, mine infrastructure and management. At Mt Leyshon, the current contract calls for the mining of over 40m tonnes of ore and waste.









Building work valued at \$147m, comprised 27% of total revenue during the year. New building projects covering a broad spectrum of building types were won including: the Garden Island Weapons Workshop in New South Wales, Marriott In-Flight Catering facilities in Brisbane and Cairns, and the \$39m Twin Waters Tourist Resort in Queensland, the \$25m redevelopment of Maribyrnong Medical Centre – Stage 2 in Victoria, the Adelaide Cosmopolitan Centre, and 10 commercial buildings in Perth.

As anticipated, contract mining and mine infrastructure development was a significant source of revenue during the year. The total collective value of mining work undertaken increased to \$110m, or 20% of the total. In Australia, our mining work spanned eleven sites including: the Mt Leyshon and Selwyn gold mines in Queensland, the Granny Smith Mining Project in Western Australia, the Northern Territory's White Ranger Mine and the Nagambie Gold Mine in Victoria.

During the first full year of operation, PT Thiess Contractors Indonesia executed contract mining and mine infrastructure development work to the value of \$52m. The company has ongoing work at five major mine sites and is well positioned to secure further mining contracts.

Our close association with Germany's Hochtief has enabled Thiess to develop a contaminated site remediation capability. This complements other business streams carried out as part of our environmental and waste management services.

Securing a 15 year industrial waste water treatment contract for BHP at the Port Kembla steelworks in New South Wales has been a significant achievement for the company's waste management specialists. The plant will be built using liquid waste treatment technology from Linde TVT of Munich, Germany.

**Opposite:  
Sydney Harbour Tunnel –  
Immersed Tube Units**

Thiess is involved with four major contracts awarded for the \$550m Sydney Harbour Tunnel project. One of which, the towing, lowering and fitout of the immersed tube units, is one of the largest single contracts awarded. A total of eight units, each 120 metres long, 26 metres wide and 7.5 metres deep, form the roadways in the marine section of the 4-lane, 2-way system which carries traffic north and south beneath the harbour. The photograph shows a barge and crane used to service the fitout and sinking of the tubes and the construction of a cofferdam required as a transition structure linking the underwater tunnel with the southern approach roadway.

**This page upper left:  
One-Man Truck  
Operations, Wollongong**  
Thiess' services to Australia's waste management industry dates from the early eighties when the company began operating Sydney's largest landfill at Menai. Now operating through a specialised Environmental Services division, Thiess has become a pioneer and leader in waste management and recycling. For example, its more efficient and flexible automated One-Man Truck Operation concept has replaced the Wollongong City Council's contract fleet of refuse vehicles staffed by teams of manual collectors.

**This page lower left:  
Borallon Correctional  
Centre, South Queensland**  
Borallon, located 14km west of Ipswich, is one of three new correctional centres recently built by Thiess Contractors and is the first to be managed by private enterprise. Through the application of Value Management techniques Borallon, with its 252 cells in seventeen self-contained accommodation modules is Australia's most economical and cost-effective prison. Value Management was also primarily responsible for saving the Queensland Government approximately \$5m or 18% of Borallon's contract value.









Thiess is a diverse, broadly-based and multi-disciplined organisation. The successful penetration of specialised market segments over the past few years should provide stability to our earnings base over the next year and in the longer term. Our strategy, in the current economic climate in Australia, is to consolidate our business in the different markets which relate to our expertise, experience and resources. The outlook for Indonesia continues to be strong.

Thiess is committed to delivering consistently high quality, cost effective services to our clients and meeting future planned revenue and profitability goals. With the high level of work in hand, we now have the foundation for further growth and development.



**Opposite:**  
**Kaltim Prima Coal Mine, Indonesia**  
Thiess took the decision to export its mining and mine infrastructure development technology to Indonesia in 1988. Now in its second full year of operation through its subsidiary, PT. Thiess Contractors Indonesia, the company has completed work to the value of \$56m. Work at the Kaltim Prima Coal Mine in East Kalimantan (pictured) comprises five separate contracts for mining and mine infrastructure work. The photograph shows the construction of a coal haul road to the mine pits.

**This page upper left:**  
**Western Institute Melton Campus, Victoria**  
Stage One of the \$10m Western Institute Campus development was completed on schedule during the year and in harmony with the client's need for phased occupation. Thiess' work on the Melton TAFE Campus illustrates the company's ability to fully satisfy the exacting criteria implicit in the development of public sector infrastructure.

**This page lower left:**  
**Harris River Dam, Western Australia**  
Located near the town of Collie in the south, the water from the \$12m, 900 hectare Harris River Dam will replace the Wellington Reservoir's saline supply. With a catchment area of some 321 square kilometres, the dam's capacity of over 71 megalitres will supply more than 30 towns and communities in the region. Constructed by Thiess on a two-stage basis over two years, the Harris River Dam was completed on schedule in 1990. The project adds yet another name to the company's extensive dam portfolio.

**Board**  
RM Wylie, OBE – Chairman  
MC Albrecht – Managing Director  
DS Adamsas  
BJ Campain  
S Christie, OBE  
AC Hardy  
WM King  
DG Young, ISO

**Secretary**  
DJ Argent

**Senior Executives**  
MC Albrecht, B.Tech. (Civ. Eng.)  
Managing Director  
DJ Argent, B.Comm., CPA  
General Manager, Commercial  
BJ Campain, B.E. (Civ.), MIEAust.  
General Manager, Operations  
NN Jukes, B.E. (Civ.)  
General Manager, WA & NT  
RR Sowter, B.E. (Civ.) Hons, MIEAust., P.Eng. (Singapore)  
General Manager, Indonesia  
RS Trundle, B.E. (Civ.), MIEAust., C.P.Eng.  
General Manager, Qld  
WI Plant, M.I.B. Eng., M.A.I.B.  
Manager, Building Services  
BJ Roberts, Dip. Mech. Eng.  
National Plant Manager  
WG Turner, B.E. (Mining), M.A.I.M.M.  
Manager, Engineering and Estimating  
LJ West, Dip. C.E., MIEAust.  
Manager, Marketing and Business Development  
LE Ainsworth  
Manager, Environmental Services  
RSH Aldis, B.E. (Civ.) Hons  
Manager, Vic, SA, Tas.  
IR Buchan, B.Sc. (Tech.), Dip. C.E.  
Manager, NSW & ACT Building  
RCDurant, C.P.Eng., MIEAust.  
Manager, Special Projects (Mech. & Eng.)  
RW Ferguson, B.E. (Civ.)  
Manager, Northern Territory  
RA Logan, Dip. C.E., B.E. (Civ.), M.Eng. Sc.  
Manager, Operations Mining and Environmental Services  
RJ Moore, B.E., MIEAust., C.P.Eng.  
Manager, Nth Qld.  
BE Neave, Dip. C.E., MIEAust.  
Manager, NSW & ACT Civil Engineering  
KJ Sutton  
Manager, Sth Qld Building  
JF Trio, Assoc. C.E.  
Manager, WA  
ID Wade, B.E. (Civ.)  
Manager, Sth Qld Civil Engineering







"One of the highlights of the year was the award of a significant contract from BHP at their Whyalla steel mill in the face of strong overseas competition."

## Multicon Holdings



**George Genocchio**  
Managing Director

Multicon's profit performance was unsatisfactory mainly due to the low levels of mechanical engineering work executed.

The year, however, ended with a record volume of work in hand. This achievement was attributable to our recent focus on a broader span of markets which resulted in the joint venture award of a \$111m contract for upgrading BHP's Whyalla steel mill.

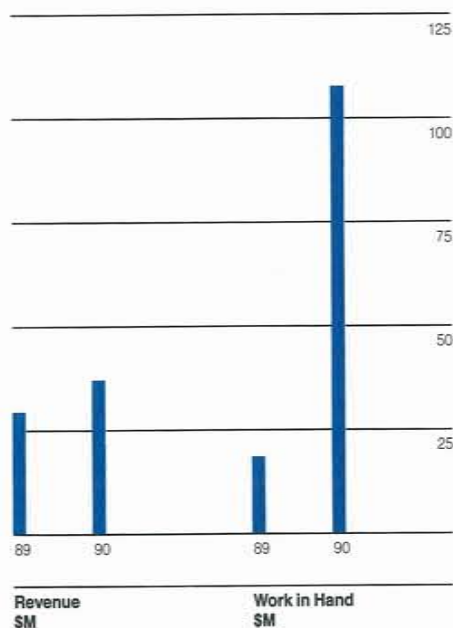
Multicon's specialist engineering design, manufacturing and construction services are now focused on three principal markets – power generation, steel making and the materials-handling industries.

Australia's power generation industry, facing significant annual demand growth, is improving its future supply capacity. Contracts won at the Mount Piper and Liddell power stations are examples of power industry repair and retrofit work in which Multicon has particular expertise.

A highlight of the year, the Whyalla steel mill contract, will involve the complete design, project management, supply, manufacture and installation of continuous steel-casting equipment with an annual production capacity of 1.2m tonnes. Whyalla and our other steel industry project to build a \$23m mini-mill at Rooty Hill near Sydney also for BHP comprise a solid core of our work until 1992.

Approximately 30% of Multicon's 1989/90 revenue came from projects in the materials handling industry, including the \$14.5m Newstan Coal Handling Facility in New South Wales and the Bulk Grain Queensland Shiploader Upgrade. Tough conditions have prevailed in this market for a number of years. However, Multicon has made a long-term commitment to this market and is well positioned to take advantage of the growth potential, particularly in the coal industry.

Multicon's prospects for the future are reassuring. With an order book at record levels and a diversified mix of work, we are confident of meeting our profitability targets for 1990/91.



**Opposite:**  
**Extension to the International Terminal, Sydney Airport**  
Multicon's specialised expertise in the fabrication and erection of structural steelwork enabled the company to win a \$16m contract from the Federal Airports Corporation for the first stage of a 71,000 square metre extension to the International Terminal at Sydney Airport. When completed in 1992, this project will increase the airport's area to approximately double the existing area and increase the handling capacity by 1,600 passengers per hour.

**Board**  
Sir John Mason – Chairman  
G Genocchio – Managing Director  
DS Adamsas  
AP Clune  
WM King  
GR Russell  
WH West

**Secretary**  
GM South

**Senior Executives**  
G Genocchio, B.E. (Hons), M.I.E.Aust., F.A.I.M., C.P. Eng.  
Managing Director  
GM South, B.E., ASA  
Company Secretary  
RP Gagliano, B.E., CPA  
Financial Controller  
V Selvatico, B.E., M.I.E.Aust., C.P. Eng.  
Operations Manager – Eastern Region  
JT Holt, Dip. Civ. Eng., M.I.E.Aust.  
Operations Manager – Western Region  
J Taraporewalla, B.E., F.I.E.Aust. FI. Struct. E. (London)  
Manager, Design  
MI Saul  
Commercial Manager  
J Hutchings  
Marketing Manager







"Leighton Asia's strong market position and the good longer term prospects in Hong Kong should ensure that we continue to improve profitability."

## Leighton Asia



**John Faulkner**  
Managing Director

Our improved profit contribution to the Group was achieved in a market adversely influenced by slower economic growth and the events of 4th June 1989 in mainland China. Fortunately, the Hong Kong Government's announcement of its Port and Airport Development Scheme, PADS, was effective in countering flagging business confidence.

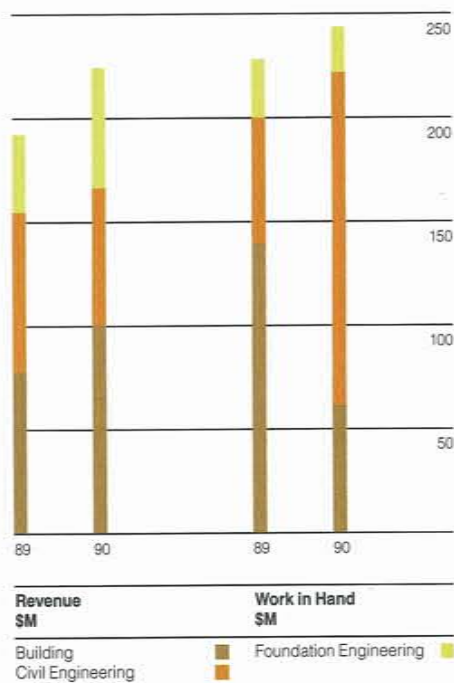
PADS is a development programme with enormous potential as a source of future work. Currently, the Government is appointing planning and engineering consultants and we are developing strategic relationships with local contractors to enable us to jointly bid these major projects.

The continuing migration of Hong Kong's skilled and experienced people has seriously depleted the availability of middle management and technical specialists. This outflow of talent is causing acute staffing problems throughout Hong Kong's business community, slowing its growth and eroding efficiency. Despite these difficulties, Leighton Asia increased revenue for the year by 17%.

The public sector market in Hong Kong remains the principal focus of our building and civil engineering contracting arm, whilst our joint venture company, Leighton Brückner, specialises in providing foundation services to both private and public sector clients.

### Leighton Asia's Projects

In Hong Kong, our twelve existing and four new projects won during the year comprised a good balance of building and civil engineering. Building activities centred around three major public housing projects for the Hong Kong Housing Authority with a collective value of \$155m.



**Opposite**  
**Ma On Shan Housing Project, Hong Kong**  
Begun in 1989, the \$69m Ma On Shan project is on schedule for completion in August 1991 when a total of 2,380 units will be delivered to the second phase of the Hong Kong Housing Authority's home ownership scheme. When completed, Ma On Shan will consist of seven 36-storey new Cruciform Blocks, a 3-storey primary school and a kindergarten. Leighton Asia's work also includes site formation, drainage, roadworks, retaining walls and slope protection.









Site formation and public infrastructure development continued to provide a valuable source of civil engineering projects. Site formation work continued at Lam Tin and commenced on the \$42m Shau Kei Wan contract. Infrastructure work with a collective value of \$61m included contracts at Victoria Road, Connaught Road, Kwai Chung and the Eastern Corridor on Hong Kong Island.

Our forward order book was recently strengthened by winning the \$35m site reclamation and formation contract for Mobil's new installation on Tsing Yi Island in Hong Kong harbour. This major installation has the potential for further construction work.

Efforts to selectively expand our operations in Thailand have been rewarded by winning three management contracts for private clients. The focus has been on securing low risk management projects to enable us to gain a better understanding of the local working environment with minimum exposure. The high profile \$230m Wireless Road office development is establishing our presence in the buoyant Thai market which offers expanding opportunities for our services.

### Leighton Brückner's Contribution

During the year, Leighton Brückner successfully completed fifteen projects with a total value of some \$60m. This joint venture company (60% owned by Leighton and 40% by Hochtief) provided a significant contribution to Leighton Asia's result by exceeding both its profitability and revenue goals.

The major contract completed during the year was Phase 1 of the piling and foundation work at Kwai Chung Container Terminal for the Hutchison Group with a total value of \$23m. A further contract completed for the Hutchison Group was the Phase 1 Site Formation and Foundation Works for the new major residential development at Ap Lei Chau.

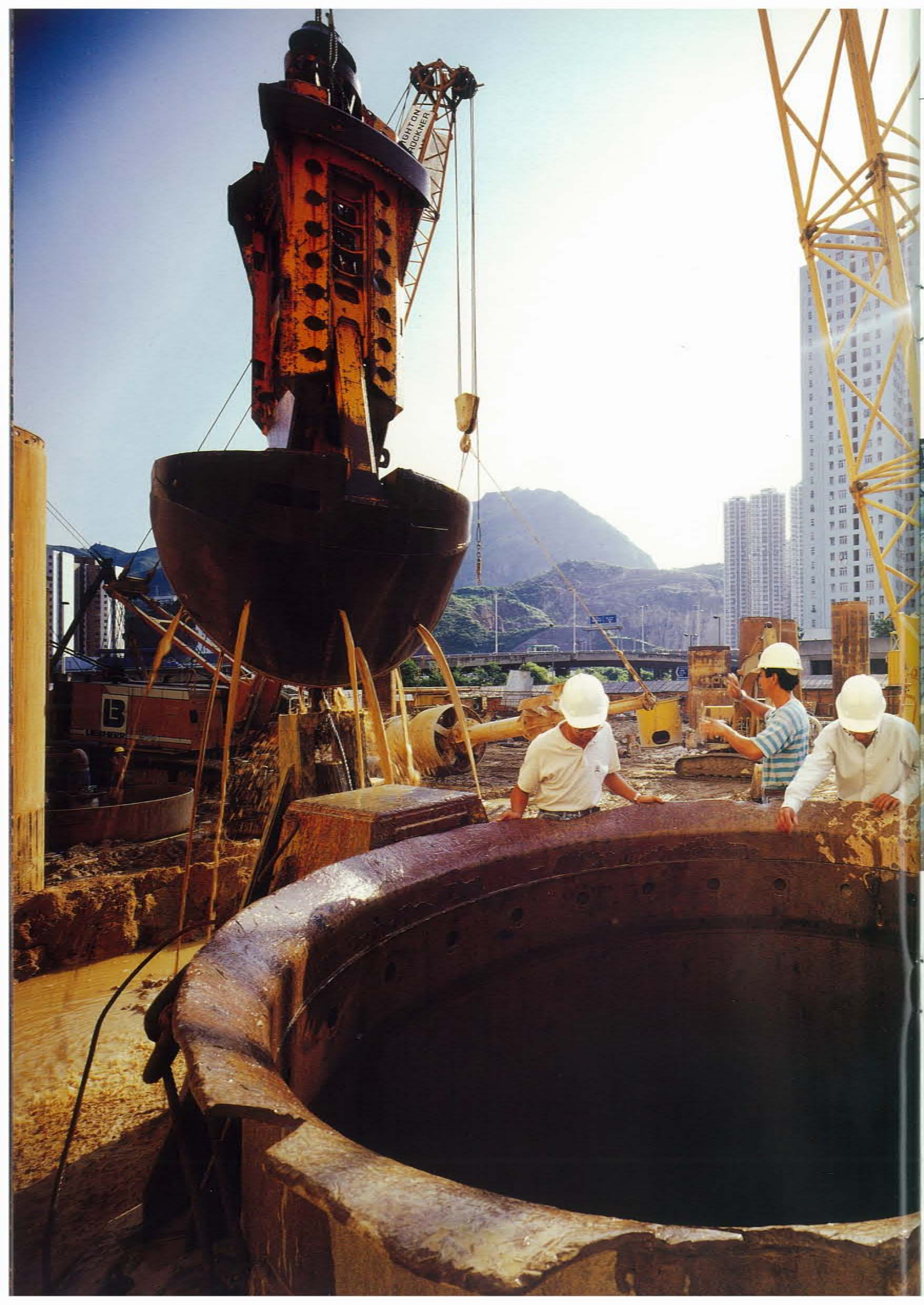
Other projects completed during the year included piled foundations and pile caps on three adjacent sites in Tuen Mun valued at \$15m, a number of bored pile foundation contracts for building developments and foundation work for Shell's new terminal on Tsing Yi Island.

#### Opposite: Shau Kei Wan Site Formation, Hong Kong Island

The site formation and associated works at Shau Kei Wan West for the Hong Kong Government requires Leighton Asia to excavate 1.85 million cubic metres of material to form platforms for future housing blocks. The \$42m contract also calls for the construction of roadworks, water mains, drainage, ducts for utilities, slope stabilisation as well as the design, construction, maintenance and later removal of the project's conveying systems and materials handling areas.

This page:  
Museum of Science and  
Technology, Hong Kong  
The \$20m Museum of  
Science and Technology,  
which forms part of  
Kowloon's Tsim Sha Tsui  
waterfront complex was  
completed by Leighton  
Asia in 1990. This  
5-storey development  
has an atrium space in  
which Cathay Pacific's  
first DC3 aircraft will be  
displayed. It also  
includes two exhibition  
halls and a lecture  
theatre, a Plaza and  
a display area  
which are linked to the  
waterfront by a walkway,  
an administration centre  
and a laboratory and  
restoration facility.









### Prospects

Whilst the PADS development is being brought to fruition, Hong Kong's market is currently characterised by limited work, tighter margins and increased levels of price based competition. Nevertheless, 1989/90 was a good year and we have maintained the level of work in hand.

As part of our planned future growth, Leighton Asia has established a specialist company that currently provides waste collection services to the construction industry and will be expanded to provide other environmental services. Whilst our focus will remain on core business activities in Hong Kong, we will continue to pursue profitable opportunities in other Asian countries such as Thailand. Leighton Brückner also is reviewing prospects elsewhere in Asia based on the strength of its bored pile technology and is developing the newly established capability in diaphragm walling installation.

Our strong order book together with the potential for growth should ensure that we continue to meet Group targets and improve profitability.

### Opposite:

**Lam Hing Street, Factory Development**  
Leighton Brückner's specialised expertise and experience in foundation work won Sino Land's contract for deep large-diameter bored piles and pile caps. This piling work forms the foundations for a multi-storey warehouse development in Lam Hing Street, Kowloon. This project requires sixty three, 2.5 metre diameter piles bored to a depth of 70 metres. The \$6m contract is to be completed in ten months.

### This page:

**Kwai Chung Road South Container Port Road, Hong Kong**  
Upgrading the road infrastructure servicing Hong Kong's container terminal at Kwai Chung is an excellent example of Leighton Asia's civil engineering capabilities and its services to the public sector. On completion in 1993, this \$55m contract will modernise and develop Kwai Chung's roadway system, integrating it with Hong Kong's established network. Leighton Asia's work includes road widening and realignment, the construction of single and dual carriageways, slip and access roads, flyovers, underpasses, footbridges and stairways. Work also includes the associated embankment and slope work, the provision of surface water and sewerage systems, traffic signalling and utility ducting as well as landscaping the irrigation works.

### Board

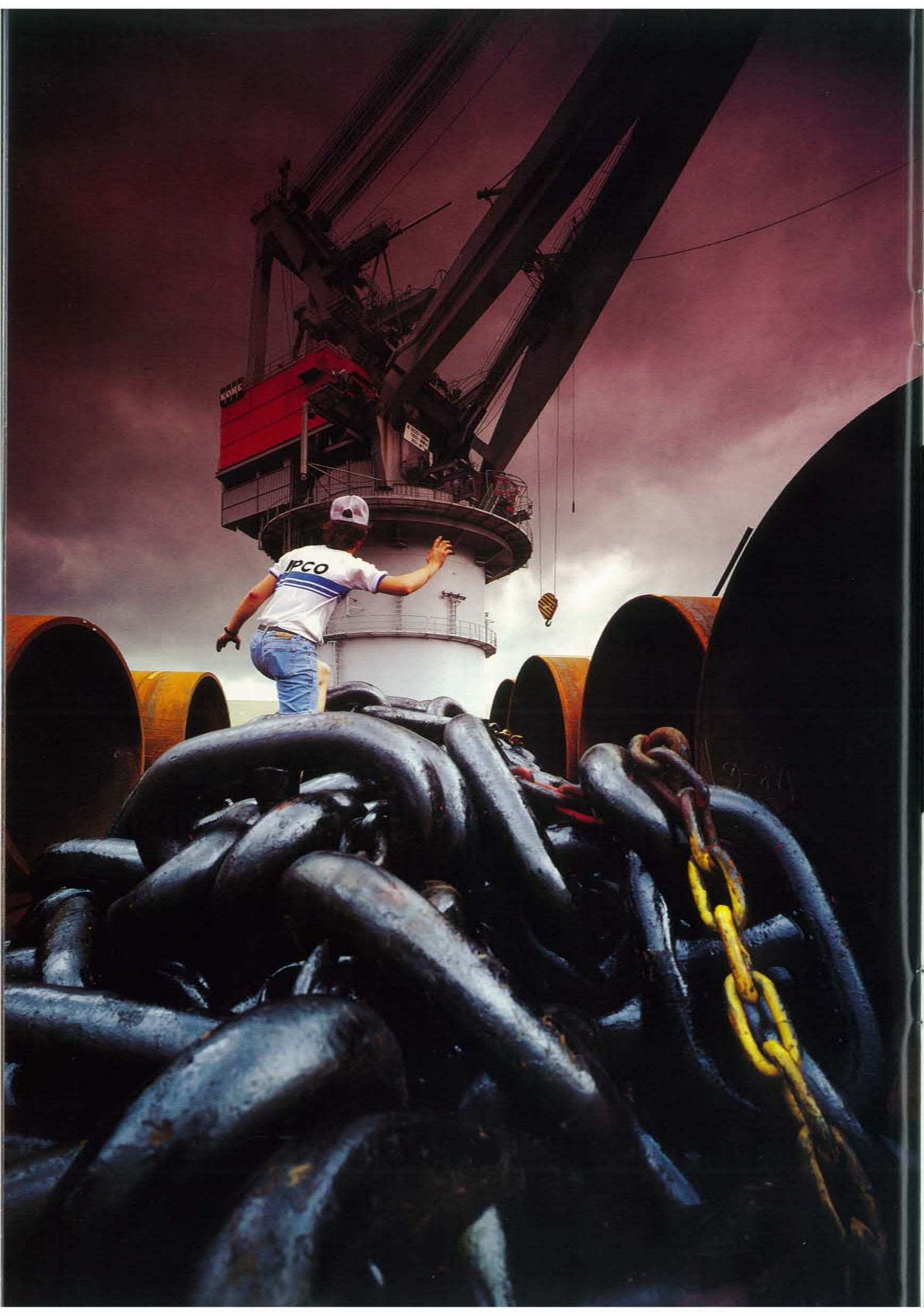
J Faulkner -  
Managing Director  
WM King  
RG McIntyre  
WJ Wild

Secretary  
S Lo

### Senior Executives

J Faulkner  
Managing Director  
WJ Wild, B.E.(Civ.),  
M.Eng.Sc., MIEAust.  
General Manager,  
Construction  
RG McIntyre  
General Manager,  
Finance & Administration  
EA Mitchell, B.Sc.  
General Manager,  
Engineering & Estimating  
PW Porter, B.E., MIEAust.  
Construction Manager, Civil  
Engineering  
PJ McMorrow  
Assoc. Highway Eng.  
Construction Manager, Civil  
Engineering  
WK Hamilton, B.E.(Civ.)  
Construction Manager,  
Building  
T Goodman, B.Sc., MCIQB  
Manager, Special Projects  
Thai Leighton  
Representative Office  
A Chong, B.Soc.Sc., ACCA,  
AHKSA  
Accounting Manager  
S Lo, B.B.A. Hons, M.Sc.  
(BA)  
Company Secretary  
Leighton Brückner  
Foundation Engineering  
Group (60% owned)  
CJ Jesse, B.Eng.  
Managing Director







"The Ipco Group, 45% owned by Leighton Holdings, specialises in bringing public and private infrastructure projects to fruition through advanced engineering, construction solutions and financing structures."

## The Ipco Group



Charles Hardeman  
Managing Director

The Ipco Group achieved its profit goal for the year on increased revenue of \$46m. With a total of \$16m of work in hand, and letters of intent for further significant projects, Ipco is poised to deepen its market penetration in 1990/91.

Specialising in infrastructure engineering and project development in remote locations, Ipco's work spans a broad range including ports and harbours, marine works, oil, gas, power and water supply, as well as industrial projects.

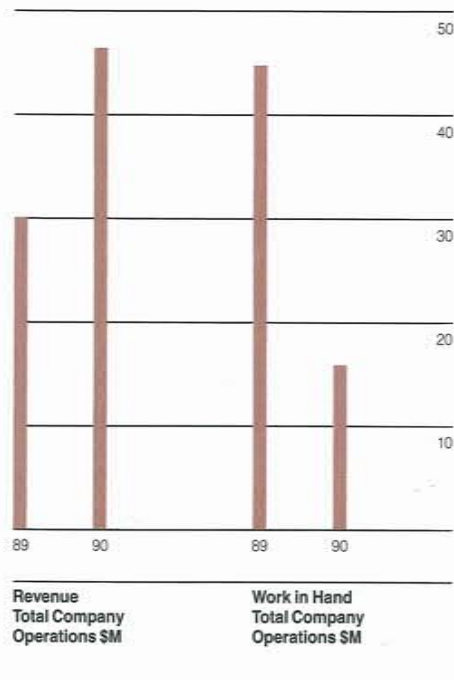
Our primary focus is on the fast-growing South East Asia region where there is strong public and private sector demand for "Build, Operate and Transfer" (BOT) infrastructure development.

The Ipco Group's capacity to conceive, develop, finance, build and operate major infrastructure projects was demonstrated in 1989/90 by the Labuan-Beaufort Interconnection (LBI) project. This power transmission facility, the third Ipco BOT development in Malaysia, was completed four months ahead of schedule. Ipco is now operating this \$40m facility.

In addition to developing its core activities, Ipco also broadened its earnings base during the year by investing in the LBI project and acquiring a 35% holding in the South East Asian-based Midcontinent Group, a large and leading oilfield supply company and manufacturer of drill collars.

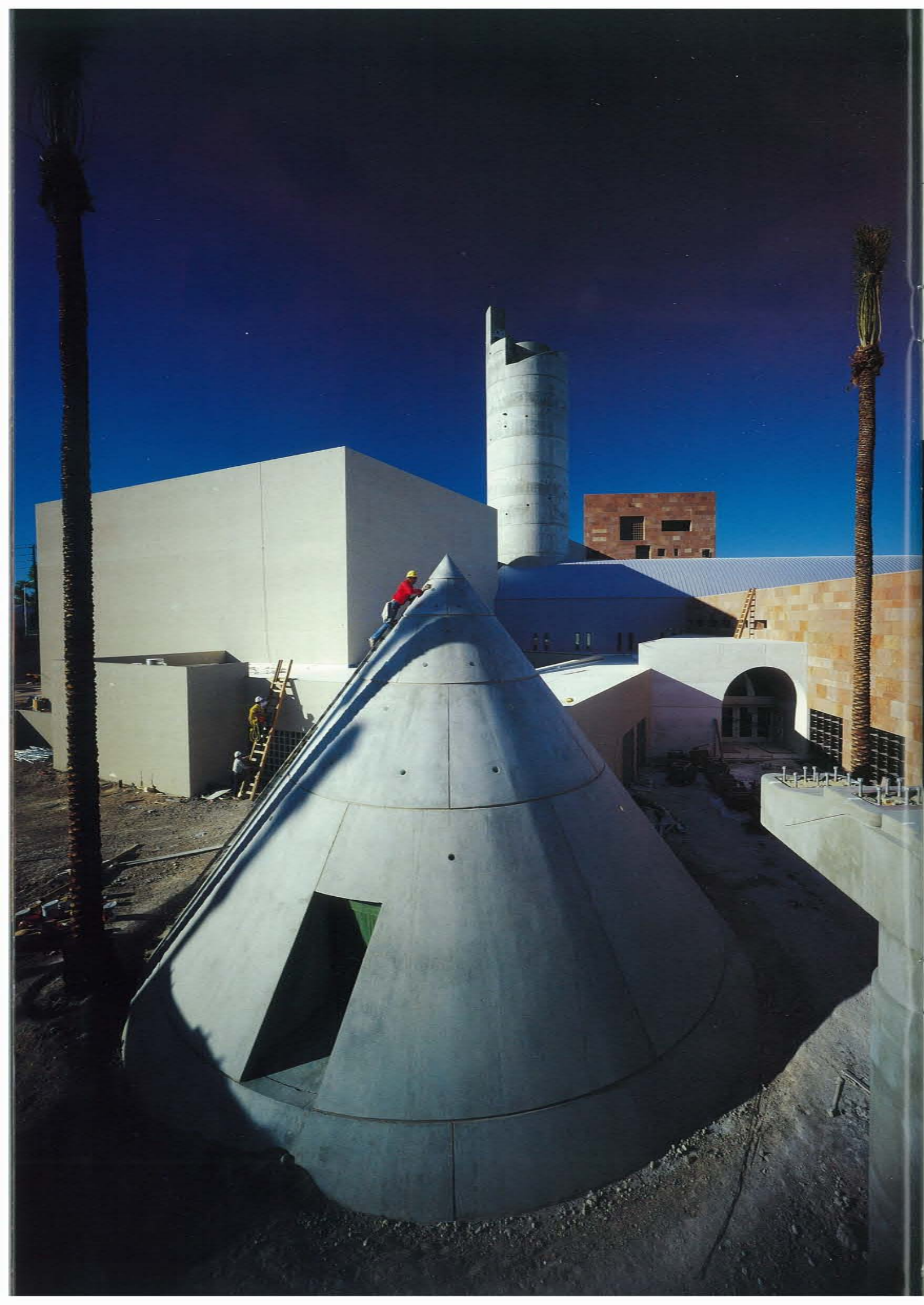
During the year, Ipco won a major public sector contract for the hook-up and commissioning of an offshore oil platform to be located in the Indian Ocean. Our order book was also strengthened with the addition of an offshore mooring system contract in Vietnam and a development contract for a major oil and gas deep water port facility in Thailand.

Ipco's demonstrated ability to successfully develop value-added projects in its target markets forms a strong base for continued success in the period ahead.



**Opposite:**  
**Vietnam Contract – Offshore Mooring System**  
In 1990, Ipco completed a \$7m contract to supply components for an offshore mooring system which forms part of a 150,000 dwt tanker storage system in Vietnam. Within 120 days, Ipco supplied 464 tonnes of high quality steel piles, 1,000 tonnes of mooring chain, underwater and floating hoses, buoyancy tanks and a 27 tonne submarine pipeline manifold. All the contract supplies were loaded on board the client's offshore work barge in Singapore, 48 hours ahead of schedule.

**Board**  
CS Hardeman - Managing Director  
AS Aurol  
B Chang  
Dr B Chang  
J Faulkner  
WM King  
WH West  
  
**Senior Executives**  
CS Hardeman, B.B.A., B.Sc.  
Managing Director  
BW Miller, MICE, C.Eng.  
General Manager  
A Ling, B.Sc.(Econs) Hon., FCCA  
Financial Controller  
DB Rabinowe, B.A.  
Business Development Manager





"In a year of restructuring and consolidation, the company stabilised its revenue, maintained its breakeven trading position and achieved a more desirable mix of work."

## Green Holdings



J David McClung  
President

Green Holdings, Inc. (50% owned by Leighton Holdings) operates through three companies: The Argee Corporation based in Denver, Colorado, Green Alaska, Inc. operating from Anchorage, and Green Mining, Inc. operating in Guyana, South America.

In total, Green successfully completed eight projects valued at \$180m. Seven new contracts worth \$104m were won, enabling the forward order book to be maintained at similar levels to last year.

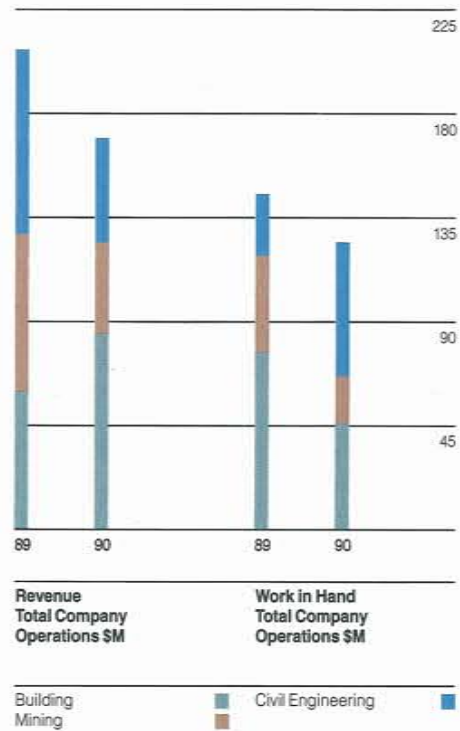
1989/90 was a year of restructuring and consolidation. The company stabilised its revenue, maintained its breakeven trading position and achieved a more desirable mix of work.

The Argee Corporation's revenue grew to \$126m from 14 projects in a broad spread of markets, primarily in western and southern USA. Argee's principal focus is on gold mining, civil engineering and medium-sized public sector building projects.

Founded in 1939, Green Alaska is one of the largest contractors in Alaska and has achieved a leadership position in civil construction mine development and maintenance work in remote arctic locations. The remote Red Dog Mine, 300 kilometres north of Nome, Alaska, is the most recently completed example of the company's specialised work.

Green Mining successfully re-entered Guyana's bauxite mining market in 1989 and is currently expanding its operations in South America to meet well researched needs.

With a broader base to its business and a strategic approach to the development of profitable new business, Green Holdings has benefited from its period of consolidation. With a stable US market, the management team is confident of meeting its revenue and profitability goals in the coming year.



**Opposite:**  
**Library, Discovery Museum and People Mover Station, Las Vegas, Nevada**  
The Argee Corporation's \$16m contract to build the public Library and Discovery Museum was completed on schedule in 1990. The complex comprises a Science Tower, a conical birthday room, a library-museum featuring a barrel-vaulted children's library with a circular story room. The centre is linked to the downtown area by a magnetic levitation "people-mover" train system.

**Board**  
WM King - Chairman  
JD McClung - President  
DS Adamsas  
WA Brown  
WJ Deasy  
PJ Moore - Secretary

**Senior Executives**  
JD McClung, B.S., J.D.  
President and CEO  
PJ Moore, B.B.A., C.P.A.  
Vice President,  
Finance and Administration  
WJ Roberts Vice President,  
Business Development and  
Contract Administration  
WG Scott, A.A.S., C.T.  
Senior Vice President, Civil  
President, Green Mining, Inc.  
DL Finger, A.S., M.E.  
Senior Vice President, Mining  
GL Wilson, B.S.C.E., P.E.  
Vice President, Mining  
LH Foels  
Vice President, Building  
RK Skerik  
Vice President, Estimating  
WG Jenkins, B.S.  
President, Green Alaska, Inc.  
DL Langerman, B.B.S.  
Vice President, Administration  
Green Alaska, Inc.







"Based in San Francisco, the company advanced and completed a number of projects despite a significantly slower Californian property market."

## Leighton Pacific Developments



**Courtney Seepie**  
President

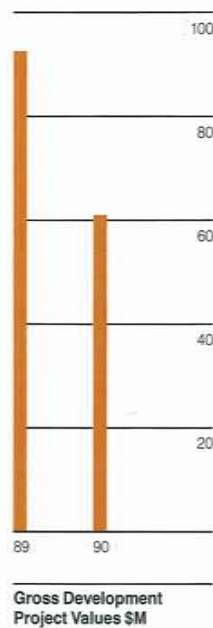
During the year, Leighton Pacific Developments completed a total of three projects and commenced work on three new developments in California. Two of the three new projects are scheduled to generate revenue in the 1992 fiscal year and beyond. The relatively low level of near term new work is a necessary precaution against difficult market conditions.

This downturn, particularly evident in the residential sector, is the consequence of uncertain future economic conditions and housing affordability issues. Nevertheless, in 1989/90 we carried out a mix of residential and commercial property projects. These included the now completed Johnson Ranch, Lakemont and Quarry Business Park developments which achieved combined sales of \$17.5m.

In Southern California, residential projects being developed in joint venture with local partners include the Aviara housing estate in San Diego and the Northwest and Rialto developments near Los Angeles. These projects are being developed to meet the demand for affordable housing in California.

Our commercial and industrial work included the 76% leased, \$20.3m Security Pacific Financial Services Building (formerly Leighton Business Centre) in Fremont, California, the \$9.2m fully leased Hewson Simi Business Centre in the Los Angeles area and the \$23.8m 20 California Street CBD development in San Francisco which is currently 62% leased.

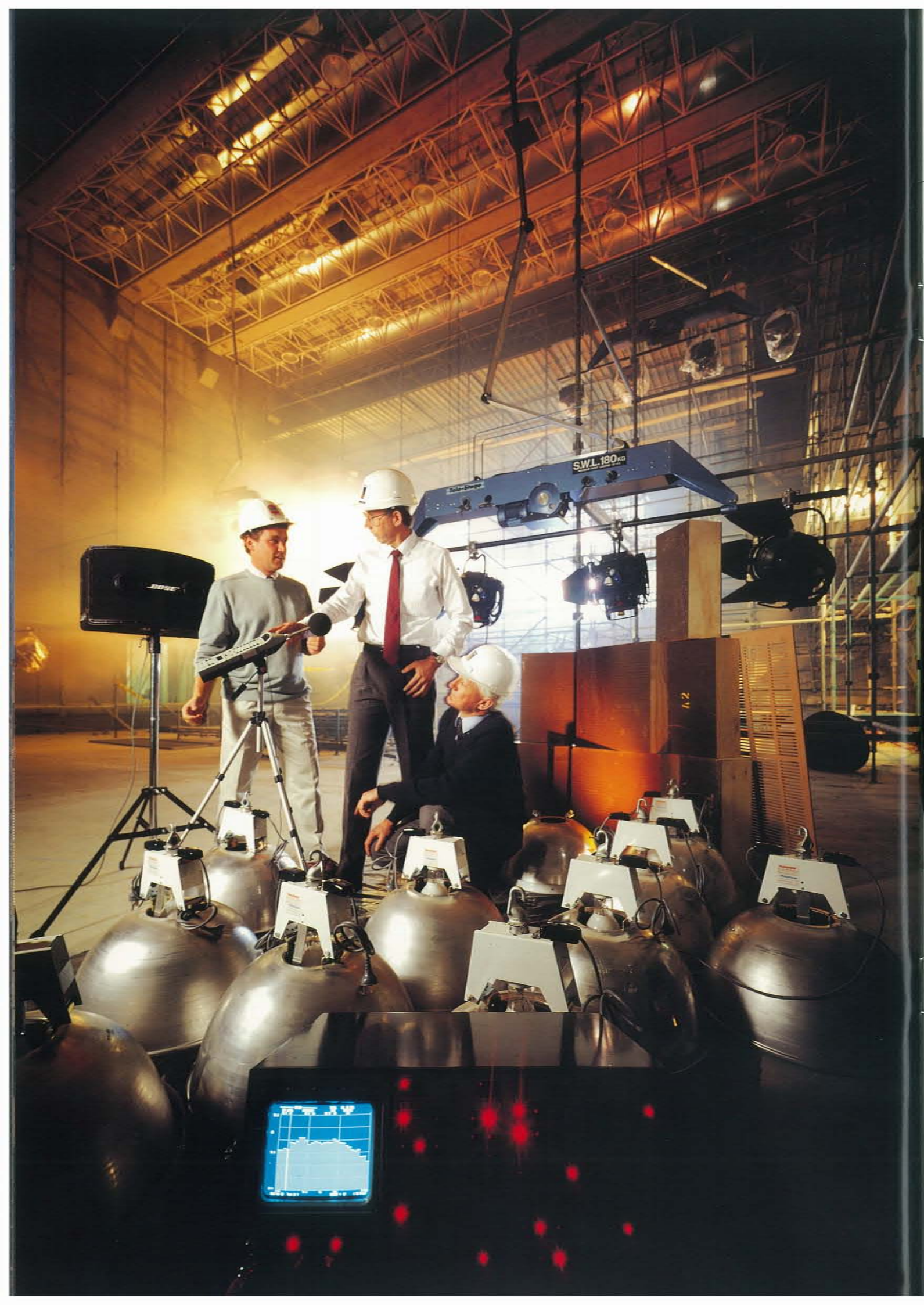
Having achieved a presence in California, the world's 6th largest economy and one of the most diverse, our strategy is to wait out the downturn. Our currently low level of activity is a necessary discipline to minimise our exposure and position us to take advantage of carefully selected opportunities when the market improves.



**Opposite:**  
**Maplewood Housing Development, Rialto, California**  
Maplewood in southern California is an affordable, quality residential project developed in joint venture with a local company, Bretton Homes. The development has been planned in two stages to allow versatility in the timing and design of the second stage. Completed in June 1990, 19 of the initial 21 units constructed have been sold and Stage Two is scheduled to commence towards the end of the year.

**Board**  
RN Bennett - Chairman  
CL Seepie - President  
GC Berkeley  
DK Felt  
WM King  
DL Votra  
OP Wolcott  
**Secretary**  
PW Dickinson  
**Senior Executives**  
CL Seepie, B.A.(Bus.) M.U.P.  
President  
RF Snook, B.A., M.B.A.  
Vice President,  
Acquisitions and Finance  
PW Dickinson, B.A., C.P.A.  
Controller







"Technical Resources is using R&D and applied technology to achieve and retain a competitive, value-added advantage for the Leighton Group."

## Technical Resources



**Bob Gussey**  
Managing Director

The highly qualified specialist staff who comprise Technical Resources provide strategic initiatives in international and local marketing as well as support in communication and the core construction activities of quality management, planning, scheduling, design management and construction management.

Over the past ten years, the benefits of our technical management and marketing skills have been applied to such major Group projects as the public sector involvement in the redevelopment of Darling Harbour, Sydney, the construction management of the Brisbane International Airport pavement, the new Chinese Embassy building in Canberra and the turnkey development of the Commonwealth Government offices at Parramatta.

Technical Resources introduced its own unique corporate identity during the year to communicate its pride in the achievements of recent years and vision for the challenges of the 90s. The new identity symbolises our focus on providing a leading edge for the Group, both within Australia and targeted areas of the Asia Pacific region which offer strategic opportunities.

In 1989/90 Technical Resources' people made substantial contributions to several of the Group's projects. For example, in Australia we established the management and technical systems for Multicon's BHP slab caster project at Whyalla and for Leighton Contractors' Blood Plasma Facility project for the Commonwealth Serum Laboratories in Melbourne. Overseas, assignments were undertaken in Thailand, Hong Kong and New Zealand.

Our marketing activities are strategic to the Leighton Group and supportive of the operating companies. Through a process of examining client needs and developing appropriate delivery systems, Technical Resources works with Group companies to provide proposals with a competitive advantage. Marketing activities are supported by communications professionals and state of the art production facilities.

During the coming year Technical Resources will develop and apply technologies and systems to a variety of projects including the Pepsi Cola Bottling Plant in Sydney and the massive Wireless Road office development in Bangkok.

The focus will be on responding to the changing demands of the market, particularly in the areas of privatisation, project funding and owner-tenant opportunities. We are developing a specialist capability for working with Group companies, government and investors to pursue potential "Build, Operate and Transfer" projects and are progressing a number of prospective projects.

The bottom line to Technical Resources' activities is that the Group and its clients have been able to achieve and retain a competitive edge through sustainable improvements in performance and cost effectiveness.

**Opposite:**  
**ABC Radio and Orchestra Project, Ultimo, Sydney.**  
**Technical Resources has worked with Leighton Contractors from the initial management proposal and project planning through to ensuring that the stringent technical requirements of the ABC's brief were addressed during the construction phase.**  
**Pictured is Technical Resources' Quality Systems Manager, Kevin Bradley (right) with consultant Richard Bussell (left) from Arup Acoustics and Leighton Contractors' Project Manager, Chris Herbert, setting up equipment for acoustic measurements to establish the performance level of the Rehearsal Hall.**

**Board**  
RG Gussey - Managing Director  
RL Hawkins  
RDF Hunter  
WM King  
NA Sallustio

**Senior Executives**  
RG Gussey, C.Eng., MICE, M.N.Z.I.P.Eng., MAIB, A.A.I.Arb.  
Managing Director  
GR Andrews, B.E. (Hons), MIEAust.  
Technical Computer Services Manager  
P Bingham-Hall, B.A. Ind. Des.  
Group Communications Manager  
RL Hawkins, B.Arch. (Hons), A.R.A.I.A.  
Design Director  
JK Hirst, B.Comm.  
Overseas Business Development Director  
RDF Hunter, B.Arch., M.Sc. (Bldg)  
Proposals and Graphics Manager  
NA Sallustio, A.C.E., MIEAust., C.P.Eng.  
Project Services Manager  
DR Stitt, Dip.(M&E)Eng.  
Process & Industrial Manager  
JS Turner, B.E. (VWA), AMP (Harvard)  
Commercial Services Director



# Directors' Statutory Report

This Report of the Directors of Leighton Holdings Limited is prepared in accordance with the requirements of Section 270(2) of the Companies (Victoria) Code. The information contained on pages 3 to 47 forms part of this Report and provides a review of operations, the results of those operations during the financial year and particulars regarding the state of affairs of the Group.

We are pleased to report that revenue levels for the financial year increased by 11% to \$1.6bn and that the Group achieved a 24% increase in **operating profit** to \$20.5m. This figure is after income tax and includes equity share of associated companies.

A **final ordinary dividend** of 4 cents per share, 100% franked, has been recommended for payment on 1st November 1990. Together with the interim dividend of 4 cents per share, 100% franked, the total dividend payment for the year will be 8 cents per share and will amount to \$10m.

During the financial year, there were no significant changes to the Group's **principal activities** which were building, civil and mechanical engineering construction, contract mining, property development and project management.

It is our opinion that there has not arisen since the end of the financial year any matter or circumstance that has significantly affected or may significantly affect the state of affairs of the Group, its operations or results in subsequent financial years. In addition, we are not aware of any specific developments, not covered generally in this Report, that are likely to have a significant effect on the operations of the Group or its expected results.



### Information regarding the Directors

(a) The Directors of Leighton Holdings Limited in office at the date of this Report are listed below together with details of shares and options held by them in the Company:

Names	No. of Ordinary Shares	No. of Options Over Unissued Shares
Morrish Alexander Besley, AM	1,000	—
Wallace MacArthur King	104,860	45,000
Dieter Siegfried Adamsas	127,444	45,000
Keith Leslie Bennett	100,000	45,000
Verner Thomas Christie, AO	1,000	—
Holm Hehner	1,396*	—
Peter John North	6,480	—
	10,000*	—
Enno Friedrich Vocke	1,396*	—
Rodney Malcolm Wylie, OBE	23,553	—
David Paul Robinson (Alternate for EF Vocke)	—	—

\*Non-Beneficially held

(b) The following changes to the Board occurred during the year:

- (i) As reported last year, Mr. Gian Carlo Cecchini retired on 1st July 1989.
- (ii) Mr. Morrish Alexander (Tim) Besley was appointed a Director on 30th November 1989 and elected Chairman on 7th February 1990.
- (iii) Mr. Rodney Malcolm Wylie was elected Deputy Chairman on 7th February 1990.
- (iv) Mr. Stewart Laurence Wallis retired as Chairman and as a Director on 7th February 1990.

(c) No Director has declared any interest in a contract or proposed contract with the Company such as is required to be reported pursuant to Section 270(3A)(c) of the Companies (Victoria) Code.

(d) Details of Directors' qualifications, experience and special responsibilities are set out on page 51.

(e) Since the end of the previous financial year no Director of the Company has received or become entitled to receive a benefit, other than:

(i) a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the Group accounts, or

(ii) the fixed salary of a full-time employee of the Company or of a related corporation, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except Mr. P J North in his capacity as a member of the firm Streeton Consulting Pty Ltd for professional services rendered to a subsidiary company.

### Additional Information

**Options.** The Holding Company has granted to certain persons participating in The Leighton Staff Equity Participation Plan options to have issued to them shares in the Company.

(a) At the date of this Report there are 935,000 unissued ordinary shares of the Company under option. Particulars of these options, which were granted during the financial year, are set out below.

(i) The persons to whom the options were granted are:

Adamsas, Dieter Siegfried	Liotta, Alfredo
Ainsworth, Leigh Elwin	Logan, Robert Alexander
Albrecht, Martin Carl	McClung, J. David
Aldis, Robin Stuart Harold	McIntyre, Robert George
Argent, Donald James	McOrist, Graeme Ewen
Borger, Robert Henry	Merkenhof, Robert John
Campain, Bevan John	Neave, Bruce Edward
Clark, Barry William	Porter, Robert William
Cooper, Philip Rothsay	Roberts, Barry John
Dunkley, John Jeffrey	Sallustio, Nicol Angelo
Faulkner, John	Saul, Marcel Isaac
Genocchio, Giorgio	Service, William Alan Campbell
Gray, Mark Charles	Stitt, Darryl Reid
Gussey, Robert George	Trundle, Robert Stewart
Hamilton, William Kernot	Turchini, Richard Peter
Harrold, Graham Clifford	Vella, Vynil Anthony
Hawkins, Robert Lawrence	Voyer, Lawrence William
Hirst, John Kerrick	Wade, Ian Donald
Holt, James Thomas	West, Leslie John
Hunter, Robert David Forsyth	West, Wilton Harold
Hutchings, Jeremy Charles	Wild, William Joseph
Jesse, Colin John	Williams, Peter Jeffrey
Jukes, Nicholas Neil	Young, Edward Emmerton
K & A Investments Pty Limited	Young, Travis Garth
King, Wallace MacArthur	

(ii) The date of expiration of the options is 31st July 1994.

(iii) The basis upon which the options are to be exercised is that the exercise price, determined in accordance with the Trust Deed, is payable in cash at the time of exercise of the options and is not less than the par value of the Company's ordinary shares (50 cents) and not greater than the exercise price at the time of granting the option (81 cents).

(iv) No person entitled to exercise an option had or has any right, by virtue of the option, to participate in any share issue of any other corporation.

(b) There were no shares issued during the financial year or since the end of the financial year by virtue of the exercise of an option.

(c) Options over 575,000 unissued shares expired on 31st July 1989, without being exercised.

**Rounding off of Amounts.** As the Company is of the kind referred to in Regulation 58(6) of the Companies (Victoria) Regulations, the Directors have chosen to round off amounts in this Report and the accompanying accounts to the nearest thousand dollars in accordance with Section 271 of the Companies (Victoria) Code and Regulation 58 of the Companies (Victoria) Regulations, unless otherwise indicated.

Dated at Sydney this seventh day of September 1990.

Signed and made in accordance with a resolution of the Directors.



MA Besley  
Chairman



WM King  
Group Managing Director and  
Chief Executive Officer





VT Christie DP Robinson



KL Bennett PJ North



WM King MA (Tim) Besley





Dr H Hehner DS Adamsas RM Wylie



Dr EF Vocke

**MA (Tim) Besley, AM (63)**  
B.E. (Civ.), B.Leg.S., F.T.S., FIEAust., F.A.I.M.  
A graduate of the University of New Zealand and Macquarie University. Appointed a Non-Executive Director on 30th November 1989 and elected Chairman on 7th February 1990. Chairman of the Commonwealth Banking Corporation and The Commonwealth Industrial Gases Limited, as well as being a Director on the Boards of a number of other public companies. Member of the Premier's NSW Management Council, the Companies and Securities Advisory Committee and the Board of Management, Australian Graduate School of Management.

**WM King (46)**  
B.E., M.Eng.Sc., FIEAust.  
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. Member of the Business Council of Australia, the Australian Federation of Construction Contractors and The Australian Institute of Company Directors.

**DS Adamsas (47)**  
B.Comm.  
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.

**KL Bennett (47)**  
B.E. (Civ.), FIEAust.  
A graduate of the University of Queensland. An Executive Director since 1987. A civil engineer who joined the Company in 1970 and became Managing Director of Leighton Contractors Pty Limited in 1984. Participates in construction industry affairs within Australia and is currently Vice President, Australian Federation of Construction Contractors.

**VT Christie, AO (67)**  
B.E., F.A.I.B.  
A graduate of the University of Sydney. A Non-Executive Director since 1987. Formerly Managing Director, Commonwealth Banking Corporation and Inaugural Chairman of Austrade. Chairman, Comrealty Management Limited. Deputy Chairman, Occidental Life Insurance Company of Australia. Deputy Chairman, County NatWest Australia Ltd. and Battery Group. Director, NatWest Australia Bank Ltd. and Renison Goldfields Consolidated Limited. Member of the Australian Opera National Council.

**Dr H Hehner (60)**  
M.B.A., Doctor of Economics.  
Graduate of Freie Universität, Berlin, Germany. A Non-Executive Director since 1983. Specialist in business administration, international trade and investments. Since 1978 General Manager of Hochtief's international division. A Director of Hochtief Limited.

**PJ North (56)**  
B.E., M.B.A., F.A.I.M.  
A graduate of the University of Sydney and Harvard University. A Non-Executive Director since 1981. Consultant specialising in corporate strategy and policy. Former Chief Executive in manufacturing industry. Director (former Chairman) Mildara Wines Ltd., Deputy Chairman of Heggies Transport Pty. Ltd. and Director of The Warren Centre for Advanced Engineering (University of Sydney).

**Dr EF Vocke (65)**  
Dip-Ing.  
A graduate of Technical University, Karlsruhe, Germany. A Non-Executive Director since 1983. A construction engineer who joined Hochtief AG in 1969. Has been a full member of the Board of Executive Directors of Hochtief AG since 1972 and was appointed Chairman of the Board in 1981. A Director of Hochtief Limited.

**RM Wylie, OBE (62)**  
B.Comm., B.A., FCA.  
A graduate of the University of Queensland. A Non-Executive Director since 1985. Elected Deputy Chairman on 7th February 1990. A chartered accountant, formerly senior partner in the Queensland practice of Peat Marwick Mitchell & Co. Chairman of Q.U.F. Industries Ltd. and of Queensland Alumina Limited and a member of the Principal Board and Chairman of the Queensland Board of Advice of the AMP Society. Former Chairman of the Queensland Branch Council and Federal Councillor of both the Institute of Chartered Accountants and The Australian Institute of Company Directors.

Alternate for EF Vocke

**DP Robinson (34)**  
B.E., ACA.  
A graduate of the University of Sydney. Appointed Alternate Director in 1987. A chartered accountant and partner with the firm of Harveys Chartered Accountants in Sydney. Responsible for a variety of international corporations and management services within that firm. A Director of Hochtief Limited.



# Statistical Summary

for the ten years 1981 – 1990

	1990 \$'000	1989 \$'000	1988 \$'000	1987 \$'000	1986 \$'000	1985 \$'000	1984 \$'000	1983 \$'000	1982 \$'000	1981 \$'000
<b>Summary of Equity Accounted Balance Sheets</b>										
Issued and Paid-up Capital	62,826	60,706	56,502	56,007	51,793	49,961	39,696	27,015	14,817	14,441
Total Capital and Reserves	193,403	178,866	165,612	151,041	148,643	137,365	104,267	67,124	52,798	38,863
Non-Current Liabilities	195,499	173,556	141,715	157,468	157,953	133,771	60,205	17,272	10,290	1,126
Current Liabilities	286,005	272,568	258,693	241,383	211,542	192,098	169,724	78,435	75,839	39,388
Non-Current Assets	363,741	320,224	265,938	287,054	284,923	250,502	154,959	70,707	55,813	28,492
Current Assets	311,166	304,766	300,082	262,838	233,215	212,732	179,281	92,184	83,174	50,885
Total Assets	674,907	624,990	566,020	549,892	518,138	463,234	334,240	162,891	138,987	79,377
<b>Summary of Equity Accounted Profit and Loss Statements</b>										
Revenue	1,586,856	1,431,260	1,489,100	1,355,345	1,138,338	850,179	653,066	335,288	348,799	197,422
Operating Profit Before Tax	35,043	27,110	18,856	16,731	(14,487)	14,808	25,446	21,581	11,402	5,884
Income Tax Expense	14,563	10,575	7,731	10,016	(1,777)	1,805	5,457	6,902	1,111	525
Operating Profit after Tax	20,480	16,535	11,125	6,715	(12,710)	13,003	19,989	14,679	10,291	5,359
<b>Financial Statistics</b>										
Earnings per Ordinary Share	16.5¢	14.2¢	9.9¢	6.2¢	–	13.7¢	24.7¢	26.3¢	21.7¢	13.5¢
Dividends per Ordinary Share	8.0¢	7.0¢	4.0¢	–	–	12.0¢	12.0¢	12.0¢	11.0¢	9.25¢
Dividend Times Covered	2.0	2.0	2.5	–	–	0.9	2.2	1.9	2.9	2.2
Net Tangible Assets per Ordinary Share	128¢	121¢	115¢	113¢	111¢	127¢	121¢	109¢	151¢	127¢
Current Ratio	1.09	1.12	1.15	1.09	1.10	1.11	1.06	1.18	1.10	1.29



# Financial Statements

for the year ended 30th June 1990

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# Balance Sheets

as at 30th June 1990

	Note	Consolidated		Holding Company	
		1990 \$'000	1989 \$'000	1990 \$'000	1989 \$'000
<b>Current Assets</b>					
Cash	6	64,340	67,623	31,974	27,903
Receivables	7	184,599	178,390	2,507	10,684
Investments	8	10,184	10,813	87	87
Inventories	9	47,768	44,868	—	—
Other	10	4,275	3,072	1,240	1,281
<b>Total Current Assets</b>		<b>311,166</b>	<b>304,766</b>	<b>35,808</b>	<b>39,955</b>
<b>Non-Current Assets</b>					
Receivables	11	5,221	6,792	5,221	6,792
Investments	12	63,237	55,006	217,362	156,597
Inventories	13	23,434	16,726	—	—
Property, Plant and Equipment	14	249,833	212,832	24,293	29,109
Intangibles	15	4,321	4,812	—	—
Other	16	17,695	24,056	5,069	6,807
<b>Total Non-Current Assets</b>		<b>363,741</b>	<b>320,224</b>	<b>251,945</b>	<b>199,305</b>
<b>Total Assets</b>		<b>674,907</b>	<b>624,990</b>	<b>287,753</b>	<b>239,260</b>
<b>Current Liabilities</b>					
Creditors and Borrowings	17	254,282	238,374	12,011	10,905
Provisions	18	31,157	32,892	5,505	6,381
Other	19	566	1,302	—	97
<b>Total Current Liabilities</b>		<b>286,005</b>	<b>272,568</b>	<b>17,516</b>	<b>17,383</b>
<b>Non-Current Liabilities</b>					
Creditors and Borrowings	20	145,954	127,456	104,742	60,588
Provisions	21	49,545	46,100	6,412	7,215
<b>Total Non-Current Liabilities</b>		<b>195,499</b>	<b>173,556</b>	<b>111,154</b>	<b>67,803</b>
<b>Total Liabilities</b>		<b>481,504</b>	<b>446,124</b>	<b>128,670</b>	<b>85,186</b>
<b>Net Assets</b>		<b>193,403</b>	<b>178,866</b>	<b>159,083</b>	<b>154,074</b>
<b>Shareholders' Equity</b>					
Share Capital	22	62,826	60,706	62,826	60,706
Reserves	23	68,567	65,061	64,395	60,131
Retained Profits		31,611	23,769	4,707	6,082
Shareholders' Equity Attributable to Members of the Holding Company		163,004	149,536	131,928	126,919
Minority Shareholders' Interest in Subsidiaries		3,244	2,175	—	—
<b>Total Shareholders' Equity</b>		<b>166,248</b>	<b>151,711</b>	<b>131,928</b>	<b>126,919</b>
Subordinated Perpetual Loans	24	27,155	27,155	27,155	27,155
<b>Total Shareholders' Equity and Subordinated Perpetual Loans</b>		<b>193,403</b>	<b>178,866</b>	<b>159,083</b>	<b>154,074</b>

The balance sheets are to be read in conjunction with the notes to and forming part of the accounts set out on pages 58 to 73.



# Profit and Loss Statements

for the year ended 30th June 1990

	Note	Consolidated		Holding Company	
		1990 \$'000	1989 \$'000	1990 \$'000	1989 \$'000
Operating Profit/(Loss)	2, 3	35,602	27,032	13,353	(3,453)
Income Tax Attributable to Operating Profit/(Loss)	4	(14,011)	(10,060)	(2,295)	411
<b>Operating Profit/(Loss) After Income Tax</b>		<b>21,591</b>	<b>16,972</b>	<b>11,058</b>	<b>(3,042)</b>
Minority Interests in Operating Profit after Income Tax		(1,111)	(437)	—	—
<b>Operating Profit/(Loss) After Income Tax and Minority Interests</b>		<b>20,480</b>	<b>16,535</b>	<b>11,058</b>	<b>(3,042)</b>
(Loss) on Extraordinary Items		(980)	(11,739)	—	(12,378)
Income Tax Attributable to (Loss) on Extraordinary Items		—	4,827	—	4,827
(Loss) on Extraordinary Items after Income Tax	5	(980)	(6,912)	—	(7,551)
<b>Operating Profit/(Loss) and Extraordinary Items after Income Tax Attributable to Members of the Holding Company</b>		<b>19,500</b>	<b>9,623</b>	<b>11,058</b>	<b>(10,593)</b>
Retained Profits at the Beginning of the Financial Year		23,769	23,087	6,082	23,673
<b>Total Available for Appropriation</b>		<b>43,269</b>	<b>32,710</b>	<b>17,140</b>	<b>13,080</b>
Dividends provided for or paid		(10,035)	(8,344)	(10,035)	(8,344)
Aggregate of Amounts Transferred to Reserves	23	(1,623)	(597)	(2,398)	1,346
<b>Retained Profits at the End of the Financial Year</b>		<b>31,611</b>	<b>23,769</b>	<b>4,707</b>	<b>6,082</b>

The profit and loss statements are to be read in conjunction with the notes to and forming part of the accounts set out on pages 58 to 73.

# Equity Accounted Balance Sheets

as at 30th June 1990

	Note	Consolidated		Holding Company	
		1990 \$'000	1989 \$'000	1990 \$'000	1989 \$'000
<b>Current Assets</b>					
Cash	6	64,340	67,623	31,974	27,903
Receivables	7	184,599	178,390	2,507	10,684
Investments	8	10,184	10,813	87	87
Inventories	9	47,768	44,868	—	—
Other	10	4,275	3,072	1,240	1,281
<b>Total Current Assets</b>		<b>311,166</b>	<b>304,766</b>	<b>35,808</b>	<b>39,955</b>
<b>Non-Current Assets</b>					
Receivables	11	5,221	6,792	5,221	6,792
Investments	12	63,237	55,006	217,362	156,597
Inventories	13	23,434	16,726	—	—
Property, Plant and Equipment	14	249,833	212,832	24,293	29,109
Intangibles	15	4,321	4,812	—	—
Other	16	17,695	24,056	5,069	6,807
<b>Total Non-Current Assets</b>		<b>363,741</b>	<b>320,224</b>	<b>251,945</b>	<b>199,305</b>
<b>Total Assets</b>		<b>674,907</b>	<b>624,990</b>	<b>287,753</b>	<b>239,260</b>
<b>Current Liabilities</b>					
Creditors and Borrowings	17	254,282	238,374	12,011	10,905
Provisions	18	31,157	32,892	5,505	6,381
Other	19	566	1,302	—	97
<b>Total Current Liabilities</b>		<b>286,005</b>	<b>272,568</b>	<b>17,516</b>	<b>17,383</b>
<b>Non-Current Liabilities</b>					
Creditors and Borrowings	20	145,954	127,456	104,742	60,588
Provisions	21	49,545	46,100	6,412	7,215
<b>Total Non-Current Liabilities</b>		<b>195,499</b>	<b>173,556</b>	<b>111,154</b>	<b>67,803</b>
<b>Total Liabilities</b>		<b>481,504</b>	<b>446,124</b>	<b>128,670</b>	<b>85,186</b>
<b>Net Assets</b>		<b>193,403</b>	<b>178,866</b>	<b>159,083</b>	<b>154,074</b>
<b>Shareholders' Equity</b>					
Share Capital	22	62,826	60,706	62,826	60,706
Reserves	23	68,567	65,061	64,395	60,131
Retained Profits		31,611	23,769	4,707	6,082
Shareholders' Equity Attributable to Members of the Holding Company		163,004	149,536	131,928	126,919
Minority Shareholders' Interest in Subsidiaries		3,244	2,175	—	—
<b>Total Shareholders' Equity</b>		<b>166,248</b>	<b>151,711</b>	<b>131,928</b>	<b>126,919</b>
Subordinated Perpetual Loans	24	27,155	27,155	27,155	27,155
<b>Total Shareholders' Equity and Subordinated Perpetual Loans</b>		<b>193,403</b>	<b>178,866</b>	<b>159,083</b>	<b>154,074</b>

The balance sheets are to be read in conjunction with the notes to and forming part of the accounts set out on pages 58 to 73.



# Equity Accounted Profit and Loss Statements

for the year ended 30th June 1990

	Note	Consolidated		Holding Company	
		1990 \$'000	1989 \$'000	1990 \$'000	1989 \$'000
Operating Profit/(Loss)	2, 3	33,420	25,479	13,353	(3,453)
Income Tax Attributable to Operating Profit/(Loss)	4	(14,011)	(10,060)	(2,295)	411
<b>Operating Profit/(Loss) After Income Tax</b>		<b>19,409</b>	<b>15,419</b>	<b>11,058</b>	<b>(3,042)</b>
Minority Interests in Operating Profit after Income Tax		(1,111)	(437)	—	—
Share of Associated Companies Profit after Income Tax	25	2,182	1,553	—	—
<b>Operating Profit/(Loss) After Income Tax and Minority Interests</b>		<b>20,480</b>	<b>16,535</b>	<b>11,058</b>	<b>(3,042)</b>
(Loss) on Extraordinary Items		(980)	(11,739)	—	(12,378)
Income Tax Attributable to (Loss) on Extraordinary Items		—	4,827	—	4,827
(Loss) on Extraordinary Items after Income Tax	5	(980)	(6,912)	—	(7,551)
<b>Operating Profit/(Loss) and Extraordinary Items after Income Tax Attributable to Members of the Holding Company</b>		<b>19,500</b>	<b>9,623</b>	<b>11,058</b>	<b>(10,593)</b>
Retained Profits at the Beginning of the Financial Year		23,769	23,087	6,082	23,673
<b>Total Available for Appropriation</b>		<b>43,269</b>	<b>32,710</b>	<b>17,140</b>	<b>13,080</b>
Dividends provided for or paid		(10,035)	(8,344)	(10,035)	(8,344)
Aggregate of Amounts Transferred to Reserves	23	(1,623)	(597)	(2,398)	1,346
<b>Retained Profits at the End of the Financial Year</b>		<b>31,611</b>	<b>23,769</b>	<b>4,707</b>	<b>6,082</b>

The profit and loss statements are to be read in conjunction with the notes to and forming part of the accounts set out on pages 58 to 73.

# Statement of Accounting Principles and Methods

The accounting methods adopted by the Group are in accord with the accounting standards required by the Australian accounting bodies and/or by law. The accounts have been prepared primarily on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounts of the Company and the Group have been prepared in accordance with the provisions of Schedule 7 to the Companies (Victoria) Regulations. Set out below is a summary of the significant accounting methods adopted where there exists a choice between acceptable methods.

## (a) Statement of Accounts

The amounts shown in the financial statements and in this report, where appropriate, have been rounded to the nearest thousand dollars. This is in accordance with Section 271 of the Companies (Victoria) Code and Regulation 58 of the Companies (Victoria) Regulations.

## (b) Consolidation

The consolidated accounts of the Group include all subsidiaries of Leighton Holdings Limited, as defined by the Companies (Victoria) Code. These subsidiaries are listed in note 35 to the accounts.

The Group's interests in companies which are not subsidiaries or associated companies are shown in the accounts as investments and where applicable dividends are included in operating profit. The investment in associated companies (excluding preference shares and advances) in the consolidated balance sheet has been revalued by the Directors to reflect the Group's share of losses or profits not declared as a dividend.

The Group has prepared equity accounts reflecting its investment in associated companies, which are corporations in which it has a material holding and participated in commercial and policy decision making. Associated companies included in the Group accounts are listed in note 25. Equity profits are not available for distribution until received as a dividend.

Interests in partnerships are shown in the accounts at valuation after bringing to account the Group's proportion of profits and losses.

## (c) Trade Debtors

Trade debtors includes all net receivables and is the progressive valuation of work completed on construction contracts represented by amounts billed to and receivable from clients less cash received. The valuation of work completed is made after bringing to account a proportion of the estimated contract profits available and after recognising all known losses.

## (d) Profit Recognition

(i) The Group recognises profit on construction contracts on the basis of the value of work completed.

(ii) The whole of any expected loss on a construction contract is recognised in the accounts as soon as a loss has become apparent.

(iii) The Group recognises each year its proportion of revenue and profits from partnerships on the basis of the value of work completed. The whole of any expected loss is brought to account as soon as it becomes apparent.

(iv) Holding charges comprising rates, taxes and interest on properties currently being developed are capitalised. Holding charges on all other development properties are written off as incurred.

(v) The Group recognises profits from property development, housing and land sales on settlement of the contracts.

## (e) Fixed Assets

(i) Depreciation is calculated so as to write off the net book value of fixed assets over their estimated effective working lives using in the case of:

- freehold buildings - the straight line method;
- major plant and equipment - the cumulative number of hours worked;
- other equipment - the diminishing value method.

(ii) Leasehold properties and improvements and carpark leases are amortised over the terms of the leases.

(iii) In revaluing land and buildings, the potential capital gains tax in relation to assets acquired after 19th September 1985 has not been taken into account as the Directors believe it is unlikely the Group will be liable for this tax on the basis there is no intention to sell the applicable properties.

## (f) Income Tax

The Group adopts the liability method of tax effect accounting.

## (g) Foreign Exchange

Translation of overseas subsidiaries' accounts, investments, loans and borrowings have been made in accordance with the Approved Accounting Standard ASRB1012 "Foreign Currency Translation".

## (h) Development Properties

The Group capitalises land and buildings and development expenses at cost for properties which have been or are in the process of being developed for re-sale.

## (i) Employee Benefits

The Group includes in its accounts the liability to its employees for annual leave, and for long service leave after five years' service has been completed. Employee superannuation funds exist to provide benefits for eligible employees or their dependants on retirement, disability or death. Contributions by Group companies are charged against profits.

## (j) Contract and Plant Maintenance

Group companies provide for maintenance on construction contracts, and repairs and maintenance on plant and equipment over the estimated economic working life of the equipment. The provision at 30th June 1990 (refer notes 18 and 21) represents anticipated costs not yet incurred.

## (k) Bills Payable and Promissory Notes

The Group's liability for bills payable and promissory notes is shown at face value.

## (l) Leased Assets

Where fixed assets are acquired by means of finance leases, the present value of the lease rentals and residuals is included as an asset in the balance sheet and is depreciated over the expected effective working life of those assets.

The net present value of future lease rentals and residuals is included in the balance sheet as a leasing liability.

## (m) Goodwill

The excess of the purchase consideration of investments in associated companies and for the acquisition of subsidiary operations over the net assets acquired is amortised over the period during which the benefits are expected to arise.

## (n) Mining Tenements

The tenements are capitalised at cost and are amortised over the economic life of the investment from the commencement of mining operations.



## Notes to the Accounts

		Consolidated		Holding Company	
		1990 \$'000	1989 \$'000	1990 \$'000	1989 \$'000
<b>Note 1 Revenue</b>	Operating Revenue	1,426,004	1,269,200	–	20
	Other Revenue	8,895	8,079	37,115	22,860
	Proceeds from Sales of Non-Current Assets	48,013	36,381	5,338	518
	Group Revenue	1,482,912	1,313,660	42,453	23,398
	Share of Associated Companies' Revenue	103,944	117,600	–	–
	<b>Total Revenue</b>	<b>1,586,856</b>	<b>1,431,260</b>	<b>42,453</b>	<b>23,398</b>
<b>Note 2 Operating Profit</b>	The operating profit/(loss) before income tax is arrived at after crediting and charging the following specific items:				
	<b>Crediting as Revenues:</b>				
	Profit on sale of Non-Current Assets	7,451	8,432	1,425	3
	Dividends Received				
	– Related Corporations	–	–	7,800	1,692
	Gain on Foreign Exchange	–	–	1,875	–
	<b>Charging as Expense:</b>				
	Depreciation and Amortisation				
	– Company Owned Assets and Leaseholds	55,901	34,678	1,190	1,294
	– Finance Leased Plant and Equipment	304	537	–	–
	Operating Lease Rental Expense	26,941	9,882	79	841
	Auditors' Remuneration				
	– Amounts received or due and receivable for audit services by:				
	Auditors of the Holding Company	487	390	452	362
	Other Auditors	15	63	–	–
	– Amounts received or due and receivable for other services by:				
	Auditors of the Holding Company	264	263	126	179
	Other Auditors	6	9	–	–
	Loss on Sales of Non-Current Assets	1,263	2,281	87	6
	Loss on Foreign Exchange	–	–	–	1,346
	Goodwill Written Off	1,360	1,589	–	–
	Gross Amount Charged to Provisions	73,348	42,632	2,465	1,318
	Investment write-down	–	750	–	–
	Operating profit before income tax in the Consolidated Profit and Loss Statement on page 55 includes				
	– Net increment in the value of the investment in associated companies after allowing for dividends received of \$1,582 (1989 \$2,852)	2,182	1,553	–	–
<b>Note 3 Interest Expense and Income</b>	The operating profit/(loss) before income tax is arrived at after crediting and charging the following specific items:				
	<b>Interest Paid or Payable</b>				
	– Related Parties	4,820	4,333	4,820	4,333
	– Other Corporations	18,310	13,196	12,714	9,063
		<b>23,130</b>	<b>17,529</b>	<b>17,534</b>	<b>13,396</b>
	<b>Interest Received</b>				
	– Related Corporations	–	–	27,029	18,720
	– Other Related Parties	4,031	4,483	175	173
	– Other Corporations	4,864	3,596	2,109	2,274
		<b>8,895</b>	<b>8,079</b>	<b>29,313</b>	<b>21,167</b>
	<b>Interest previously Capitalised</b>	<b>909</b>	<b>5,725</b>	<b>–</b>	<b>–</b>
	<b>Finance Charges</b>				
	– Finance Leased Assets	324	357	–	–

## Notes Continued

	Consolidated		Holding Company	
	1990 \$'000	1989 \$'000	1990 \$'000	1989 \$'000
<b>Note 4</b>				
<b>Income Tax</b>				
<b>Expense</b>				
Operating profit/(loss) before income tax	35,602	27,032	13,353	(3,453)
Net (increment) in the value of the investment in associated companies	(2,182)	(1,553)	-	-
<b>Operating profit/(loss) before income tax – excluding associated companies</b>	<b>33,420</b>	<b>25,479</b>	<b>13,353</b>	<b>(3,453)</b>
Prima facie income tax expense at 39%	13,034	9,937	5,207	(1,347)
The following items have affected income tax expense for the period:				
– Rebateable dividends	-	-	(3,042)	(660)
– Fringe benefits tax and other non-allowable items	3,531	2,005	495	883
– Depreciation and amortisation not allowable for tax	296	203	131	86
– Capital profits non-taxable	(564)	(491)	(518)	-
– Future Income Tax Benefit not recognised in the accounts	549	998	-	1,552
– Recoupment of tax losses not previously recognised in the accounts	(1,589)	(511)	-	-
– Overseas income tax differential	(1,438)	(1,329)	-	-
Current period income tax expense	13,819	10,812	2,273	514
– Under/(Over) provision for prior year	192	(752)	22	(925)
<b>Total Income Tax Expense</b>	<b>14,011</b>	<b>10,060</b>	<b>2,295</b>	<b>(411)</b>
<b>Provision for Income Tax</b>				
Income tax expense	14,011	10,060	2,295	(411)
Tax losses transferred within Group	-	-	(2,230)	1,010
Taxable foreign currency gains	996	(18)	784	(18)
Net Timing differences	(6,212)	3,327	(849)	638
Prior periods – provision for income tax	-	49	-	-
<b>Income Tax Payable (note 18)</b>	<b>8,795</b>	<b>13,418</b>	<b>-</b>	<b>1,219</b>
<b>Future Income Tax Benefits</b>				
Included in future income tax benefit (Note 16) is \$1,652 (1989 - \$2,749) attributable to operating and capital gains tax losses, \$6,202 (1989 - \$12,611) in provisions not currently allowable as an income tax deduction and \$5,758 (1989 - \$4,973) in increased contract profit recognition for taxation purposes. The unrecorded future tax benefit available to some Group companies at 30th June 1990 at the applicable rates of tax was \$5,889 (1989 - \$5,175). The benefit of these income tax losses will be utilised only if the companies earn sufficient profit in the future and continue to comply with the provisions of the income tax legislation relating to the deduction of carried forward tax losses.				
The holding company is taxed as a public company.				
<b>Note 5</b>				
<b>Extraordinary</b>				
<b>Items (Net of Tax)</b>				
Surplus on sale of non-current asset (Income Tax Expense \$113)	-	639	-	-
Write-off of investment in Multicon's Italian operations (Income tax benefit – Nil)	(980)	-	-	-
Write-off of investment in discontinued activities (Income Tax Benefit \$4,827)	-	(7,551)	-	(7,551)
	(980)	(6,912)	-	(7,551)



# Notes Continued

		Consolidated		Holding Company	
		1990 \$'000	1989 \$'000	1990 \$'000	1989 \$'000
<b>Note 6</b>	Deposits	47,525	55,835	22,256	23,000
<b>Current Assets</b>	Cash at Bank and in Hand	16,815	11,788	9,718	4,903
<b>- Cash</b>		64,340	67,623	31,974	27,903
<b>Note 7</b>	Loans	-	10,600	-	9,000
<b>Current Assets</b>	Trade Debtors Receivable	157,590	144,700	-	-
<b>- Receivables</b>	Other Amounts Receivable	27,009	23,090	2,507	1,684
		184,599	178,390	2,507	10,684
	<b>Contract Valuations</b>				
	Progressive value of work completed at 30th June	3,009,913	2,525,096	-	-
	<b>Progressive Billings</b>				
	Contract Receivables	146,080	129,984	-	-
	Retentions held by Clients	14,363	14,716	-	-
	Payments in Advance by Clients	(2,853)	-	-	-
	<b>Trade Debtors Receivable from Clients</b>	157,590	144,700	-	-
	Cash received to date	2,852,323	2,380,396	-	-
	<b>Total Progress Billings and Receivables</b>	3,009,913	2,525,096	-	-
<b>Note 8</b>	Interest in construction partnerships	10,184	10,813	87	87
<b>Current Assets</b>					
<b>- Investments</b>					
<b>Note 9</b>	Development Properties				
<b>Current Assets</b>	Cost	22,777	24,809	-	-
<b>- Inventories</b>	Development expenses capitalised	26,751	23,366	-	-
	Rates, taxes, interest, etc capitalised	5,955	4,407	-	-
	Total Project Costs	55,483	52,582	-	-
	Less: External USA borrowings secured under non-recourse loan facilities	7,715	7,714	-	-
		47,768	44,868	-	-
<b>Note 10</b>	Prepayments	4,275	3,072	1,240	1,281
<b>Other Current Assets</b>					
<b>Note 11</b>	Loans	5,221	6,792	5,221	6,792
<b>Non-Current Assets</b>					
<b>- Receivables</b>					
<b>Note 12</b>	<b>Shares and Securities</b>				
<b>Non-Current Assets</b>	Government and semi-government securities - cost	121	121	-	-
<b>- Investments</b>					
	<b>Subsidiary Companies</b>				
	Shares not quoted on a prescribed Stock Exchange - cost (Note 35)	-	-	241,769	241,769
	Amounts receivable from subsidiaries	-	-	87,095	53,797
	Provision for diminution in value	-	-	(5,065)	(5,065)
		-	-	82,030	48,732
	Amounts payable to subsidiaries	-	-	(129,395)	(149,799)
		-	-	(47,365)	(101,067)
	<b>Total Investment in Subsidiaries</b>	-	-	194,404	140,702

# Notes Continued

		Consolidated		Holding Company	
		1990	1989	1990	1989
		\$'000	\$'000	\$'000	\$'000
<b>Note 12</b> <b>Non-Current Assets</b> <b>– Investments</b> <b>(continued)</b>	<b>Other Corporations</b>				
	Interest in Trusts	2,734	1,987	–	–
	Interest in Partnerships*	4,443	5,180	4,443	5,180
	Shares not quoted on a prescribed Stock Exchange – cost	4,257	4,266	4,182	4,182
		11,434	11,433	8,625	9,362
	<b>Associated Companies (note 25)</b>				
	Shares not quoted on a prescribed Stock Exchange – at cost	14,000	14,000	14,000	6,200
	– officers' valuation – June 1989	–	18,252	–	333
	– officers' valuation – June 1990	18,403	–	333	–
	Advances	19,279	11,200	–	–
		51,682	43,452	14,333	6,533
<b>Total Investments</b>		63,237	55,006	217,362	156,597
* Leighton Holdings Ltd has granted a registered charge over its interest in Australia's Wonderland to provide funding to the partners for the development. No claim is anticipated against this charge as the assets of the partnership exceed its liabilities.					
<b>Note 13</b> <b>Non-Current Assets</b> <b>– Inventories</b>	<b>Development Properties</b>				
	Cost	13,290	12,444	–	–
	Development expenses capitalised	4,878	656	–	–
	Rates, taxes, interest, etc, capitalised	5,266	3,626	–	–
		23,434	16,726	–	–
<b>Note 14</b> <b>Non-Current Assets</b> <b>– Property, Plant and Equipment</b>	<b>Land</b>				
	Cost	3,518	163	107	107
	Independent valuation – December 1988	17,458	19,782	9,674	11,311
		20,976	19,945	9,781	11,418
	<b>Buildings</b>				
	Cost	2,273	1,289	327	327
	Independent valuation – December 1988	23,195	25,838	11,999	14,111
		25,468	27,127	12,326	14,438
	Provision for depreciation	(935)	(346)	(433)	(168)
		24,533	26,781	11,893	14,270
	<b>Leasehold Land and Building</b>				
	Cost	4,801	16	–	–
	Independent valuation – December 1988	1,700	1,700	–	–
		6,501	1,716	–	–
	Provision for Depreciation	(476)	(37)	–	–
		6,025	1,679	–	–
	<b>Plant and Equipment</b>				
	Cost	327,161	266,944	5,966	7,210
	Provision for depreciation	(132,057)	(104,829)	(3,347)	(3,789)
		195,104	162,115	2,619	3,421
	<b>Leased Plant and Equipment</b>				
	Cost	3,686	2,587	–	–
	Provision for depreciation	(491)	(275)	–	–
		3,195	2,312	–	–
		198,299	164,427	2,619	3,421
<b>Total Property Plant and Equipment</b>		249,833	212,832	24,293	29,109

Plant and Equipment includes motor vehicles, office furniture and equipment and construction equipment.  
All properties held at valuation were revalued on an open market basis.



## Notes Continued

		Consolidated		Holding Company	
		1990	1989	1990	1989
		\$'000	\$'000	\$'000	\$'000
<b>Note 15</b>					
<b>Non-Current Assets</b>					
<b>– Intangibles</b>					
	Goodwill arising from the purchase of an investment in an associated company of \$8,522 and from the acquisition of subsidiary operations of \$6,462 is being written off over a period of 10 years.				
	<b>Unamortised balance in subsidiary operations</b>	<b>4,812</b>	5,490	–	–
	Goodwill on acquisition	69	140	–	–
	Less: goodwill written off during the period	560	818	–	–
	Cost less amount written off	4,321	4,812	–	–
	<b>Unamortised balance in an associated company</b>	<b>4,899</b>	5,670	–	–
	Less: goodwill written off during the period	800	771	–	–
	Cost less amounts written off*	4,099	4,899	–	–
	* Included in Investment in Associated Companies at valuation (note 25)				
<b>Note 16</b>					
<b>Other Assets</b>					
	Future Income Tax Benefit (Note 4)	13,612	20,333	5,069	6,807
	Mining Tenements – Cost	4,083	3,723	–	–
		17,695	24,056	5,069	6,807
<b>Note 17</b>					
<b>Current Liabilities</b>					
<b>– Creditors &amp; Borrowings</b>					
	Trade Creditors	225,165	208,904	10,153	9,036
	Other Creditors	11,761	19,831	1,858	1,869
	Bank Overdraft	43	5,466	–	–
	Leasing Liabilities (note 34)	890	476	–	–
	Unsecured Loans	16,423	3,697	–	–
		254,282	238,374	12,011	10,905
<b>Note 18</b>					
<b>Current Liabilities</b>					
<b>– Provisions</b>					
	Income Tax Payable (note 4)	8,795	13,418	–	1,219
	Employee Benefits	11,579	10,189	479	306
	Dividend	5,026	4,856	5,026	4,856
	Contract and Plant Maintenance	5,757	4,429	–	–
		31,157	32,892	5,505	6,381
<b>Note 19</b>					
<b>Other Current Liabilities</b>					
	Amounts Payable to Construction Partnerships	566	1,302	–	97
<b>Note 20</b>					
<b>Non-Current Liabilities</b>					
<b>– Creditors &amp; Borrowings</b>					
	Trade Creditors	4,268	3,017	–	–
	Unsecured Loans	119,631	100,451	84,742	38,588
	Bills Payable	20,000	22,000	20,000	22,000
	Leasing Liability (note 34)	2,055	1,988	–	–
		145,954	127,456	104,742	60,588
<b>Note 21</b>					
<b>Non-Current Liabilities</b>					
<b>– Provisions</b>					
	Deferred Income Tax	18,719	18,489	1,955	2,446
	Employee Benefits	14,668	14,336	4,021	4,769
	Contract and Plant Maintenance	16,158	13,275	436	–
		49,545	46,100	6,412	7,215

# Notes Continued

		Consolidated		Holding Company	
		1990 \$'000	1989 \$'000	1990 \$'000	1989 \$'000
<b>Note 22</b> <b>Share Capital</b>	<b>Authorised</b>				
	199,400,000 Ordinary shares of 50c each	99,700	99,700	99,700	99,700
	3,000,000 first ranking cumulative redeemable non participating preference shares of 10c each	300	300	300	300
		100,000	100,000	100,000	100,000
	<b>Issued</b>				
	125,652,591 Ordinary shares of 50c each fully paid (1989 – 121,411,849)	62,826	60,706	62,826	60,706
	<b>Increase in Issued Capital During the Year</b>				
	2,968,580 ordinary shares of 50c each issued under the Hochtief Convertible Loan Agreement at a premium of 45c per share	–	1,484	–	1,484
	273,427 ordinary shares of 50c each issued under the Dividend Reinvestment Plan at a premium of 15c per share	–	137	–	137
	3,141,473 ordinary shares of 50c each issued under the Dividend Reinvestment Plan at a premium of 6c per share	–	1,571	–	1,571
	2,025,000 ordinary shares of 50c each issued under the Leighton Staff Equity Participation Plan at a premium of 11c per share	–	1,012	–	1,012
	3,801,830 ordinary shares of 50c each issued under the Dividend Reinvestment Plan at a premium of 22c per share	1,901	–	1,901	–
	438,912 ordinary shares of 50c each issued under the Dividend Reinvestment Plan at a premium of 23c per share	219	–	219	–
	<b>Options</b>				
	Since 30th June 1989, 575,000 options convertible to 575,000 shares expired on 31st July 1989 without being exercised. As at 30th June 1990, on issue were 935,000 options convertible to 935,000 shares exercisable before 31st July 1994 pursuant to the Leighton Staff Equity Participation Plan.				



# Notes Continued

		Consolidated		Holding Company	
		1990 \$'000	1989 \$'000	1990 \$'000	1989 \$'000
<b>Note 23 Reserves</b>	General	25	25	25	25
	Redemption	60	60	60	60
	Capital Profits	9,184	6,204	3,393	744
	Foreign Currency Translation	(2,869)	(3,814)	1,477	(544)
	Asset Revaluation	9,656	11,013	6,929	8,273
	Share Premium	52,511	51,573	52,511	51,573
		68,567	65,061	64,395	60,131
<b>Movements</b>					
<b>Capital Profits</b>					
	Opening Balance	6,204	5,255	744	744
	Profit on sale of non-current assets transferred from:				
	– Asset revaluation	1,357	352	1,344	–
	– Profit and Loss Account	1,623	597	1,305	–
	Closing Balance	9,184	6,204	3,393	744
<b>Foreign Currency Translation</b>					
	Opening Balance	(3,814)	(3,884)	(544)	802
	Translation of overseas subsidiaries accounts & borrowings applicable to overseas investments	945	70	928	–
	Transfer from Profit and Loss Account	–	–	1,093	(1,346)
	Closing Balance	(2,869)	(3,814)	1,477	(544)
<b>Asset Revaluation</b>					
	Opening Balance	11,013	3,709	8,273	3,275
	Transfer to capital profits reserve	(1,357)	(352)	(1,344)	–
	Surplus on revaluation of land and buildings	–	7,656	–	4,998
	Closing Balance	9,656	11,013	6,929	8,273
<b>Share Premium</b>					
	Opening Balance	51,573	49,785	51,573	49,785
	Ordinary Shares issued at a premium				
	– 4,240,742 shares in 1989/90	938	–	938	–
	– 8,408,480 shares in 1988/89	–	1,788	–	1,788
	Closing Balance	52,511	51,573	52,511	51,573
<b>Note 24 Subordinated Perpetual Loans</b>	Subordinated Loan	–	20,000	–	20,000
	Subordinated Convertible Loan	–	7,155	–	7,155
	Subordinated Perpetual Convertible Loan	7,155	–	7,155	–
	Subordinated Perpetual Loan	20,000	–	20,000	–
		27,155	27,155	27,155	27,155

The Directors consider the unsecured subordinated perpetual loans which are subordinated to all creditors of the Company to be in the nature of capital. On the 29th June 1990 the Subordinated Loan was amended to a Subordinated Perpetual Loan. On the 29th June 1990 the Subordinated Convertible Loan was amended to a Subordinated Perpetual Convertible Loan. Under the terms and conditions of the Agreement if the whole of the loan is not converted into ordinary shares before 1st July 1998 the balance of the loan converts to a Subordinated Perpetual Loan.

### Note 25

### Equity Accounted

All retained earnings or accumulated retained losses and other reserves of the associated companies are included in the carrying amount of the investment. There were no post balance date events which would materially affect the financial position or performance of any associated company and there were no dissimilar accounting policies used by the associated companies.

Equity share of profits and losses is brought to account in the equity accounted balance sheets and profit and loss statements as shown on pages 56 and 57.

The Group has interests in other associated companies which, at 30th June 1990, were not of a material size or contribution to Group activities to warrant separate disclosure.

### Note 26

Plant and Equipment	25,007	35,284	-	-
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All capital commitments contracted are payable within one year.

### Note 27

**Bank  
Guarantees and  
Insurance Bonds**

Contingent liability under indemnities given in respect of:					
i) Bank Guarantees	126,018	142,757	-	-	-
ii) Insurance, Performance & Payment Bonds	46,256	48,967	-	-	-
iii) Letters of Credit	15,033	15,425	7,695	5,203	



**Note 28  
Contingent  
Liabilities**

(i) Leighton Holdings Limited is called upon from time to time to give guarantees and indemnities in respect of borrowings, performance and payment bonds, and performance of subsidiary companies, some associated companies and related parties for construction contracts and development projects within the Group. It is not possible to quantify these guarantees except to the extent of \$179,612 for guarantees of subsidiaries included in Note 27 and \$46,805 of borrowings in subsidiary corporations.

(ii) A liability may exist under the Leighton Staff Equity Participation Plan in the event of the share price being lower than the issue price for the sale of shares on termination of employment of participating employees.

(iii) There exists in some Group companies the normal design liability in relation to completed design and construction projects. The Directors are of the opinion that there is adequate insurance cover for this liability.

(iv) Certain Group companies have the normal contractor's liability for the contractual completion of construction contracts.

(v) Subsidiary companies have entered into various Partnership and Trust arrangements under which the subsidiary may be jointly and severally liable for the liabilities of the Partnership or Trust. The assets of the Partnerships and Trusts are sufficient to meet the liabilities.

(vi) There were no open put or call options related to assets or liabilities (or potential assets or liabilities) of a material significance to the group at 30th June 1990 which could if exercised, have a material effect on the carrying amount of assets and liabilities and profit and loss results for the year ended 30th June 1990.

(vii) Leighton Holdings Limited has guaranteed the performance of Green Holdings Inc and Subsidiaries under loan agreements between Greens and the Continental Bank.

(viii) Under the terms of the Class Order pursuant to Section 273 (5) of the Companies (Victoria) Code issued by the National Companies and Securities Commission Leighton Holdings Limited has entered into approved deeds of indemnity for the cross-guarantee of liabilities with participating Australian subsidiary companies (refer Note 35).

(ix) The maximum contingent liability of the Company and its subsidiaries for termination benefits under service agreements with Executive Directors and persons who take part in the management of the Company in excess of the amounts provided for in the accounts as at 30th June 1990 was \$2,579 (1989 - \$3,387).

No claims or losses are anticipated in respect of contingent liabilities.

**Note 29  
Result by  
Segments**

Industry	Contracting & Project Management \$'000	Property Development & Home Building \$'000	Unallocated \$'000	Total \$'000
<b>1990</b>				
<b>Total Revenue</b>	<b>1,441,795</b>	<b>32,222</b>	<b>8,895</b>	<b>1,482,912</b>
<b>Operating Profit/(Loss)</b>				
<b>Before Tax</b>	<b>48,372</b>	<b>(2,771)</b>	<b>(9,999)</b>	<b>35,602</b>
<b>Total Assets</b>	<b>550,111</b>	<b>82,222</b>	<b>42,574</b>	<b>674,907</b>
<b>1989</b>				
Total Revenue	1,238,265	67,316	8,079	1,313,660
Operating Profit/(Loss)				
Before Tax	36,256	(1,974)	(7,250)	27,032
Total Assets	508,279	69,674	47,037	624,990
<b>Geographic</b>	Australia \$'000	S. E. Asia \$'000	U.S.A. \$'000	Total \$'000
<b>1990</b>				
<b>Total Revenue</b>	<b>1,194,763</b>	<b>271,093</b>	<b>17,056</b>	<b>1,482,912</b>
<b>Operating Profit/(Loss)</b>				
<b>Before Tax</b>	<b>30,745</b>	<b>7,628</b>	<b>(2,771)</b>	<b>35,602</b>
<b>Total Assets</b>	<b>491,869</b>	<b>126,961</b>	<b>56,077</b>	<b>674,907</b>
<b>1989</b>				
Total Revenue	1,108,247	192,032	13,381	1,313,660
Operating Profit/(Loss)				
Before Tax	26,048	4,088	(3,104)	27,032
Total Assets	464,017	105,550	55,423	624,990

The division of the operating profit/(loss) 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.

# Notes Continued

		Consolidated		Holding Company	
		1990 \$'000	1989 \$'000	1990 \$'000	1989 \$'000
<b>Note 30</b>					
<b>Directors'</b>	Amounts received, or due and receivable, by				
<b>Emoluments</b>	Directors (excludes Superannuation payment included in note 32)	<b>2,219</b>	2,448	<b>2,025</b>	2,303
	Number of Directors of Leighton Holdings Limited whose remuneration, which includes salary and allowances, performance bonus, provision of motor vehicles, fringe benefits and accommodation costs, were within the following bands:				
	\$ 20,000 – \$ 29,999			<b>2</b>	5
	\$ 30,000 – \$ 39,999			<b>4</b>	–
	\$120,000 – \$129,999			–	1
	\$220,000 – \$229,999			–	1
	\$350,000 – \$359,999			<b>1</b>	–
	\$520,000 – \$529,999			–	1
	\$600,000 – \$609,999			–	1
	\$640,000 – \$649,999			<b>1</b>	–
	\$700,000 – \$709,999			–	1
	\$830,000 – \$839,999			<b>1</b>	–
<b>Note 31</b>					
<b>Remuneration</b>	Amounts received or due and receivable by				
<b>of Executive</b>	executive officers, whose remuneration equals or exceeds \$85,000.	<b>6,295</b>	5,842	<b>2,315</b>	2,455
<b>Officers</b>	Number of executive officers whose remuneration, which includes salary and allowances, performance bonus, provisions of motor vehicles, fringe benefits and accommodation costs, equals or exceeds \$85,000 were within the following bands:				
	\$ 85,000 – \$ 94,999	–	1	–	–
	\$125,000 – \$134,999	–	2	–	–
	\$145,000 – \$154,999	–	1	–	–
	\$155,000 – \$164,999	<b>1</b>	–	–	–
	\$165,000 – \$174,999	–	1	–	–
	\$175,000 – \$184,999	<b>1</b>	2	–	–
	\$185,000 – \$194,999	<b>1</b>	3	–	1
	\$195,000 – \$204,999	<b>2</b>	1	–	–
	\$205,000 – \$214,999	<b>1</b>	1	–	1
	\$215,000 – \$224,999	<b>2</b>	1	–	1
	\$235,000 – \$244,999	<b>3</b>	2	<b>1</b>	–
	\$245,000 – \$254,999	<b>1</b>	–	<b>1</b>	–
	\$275,000 – \$284,999	<b>1</b>	–	–	–
	\$295,000 – \$304,999	<b>1</b>	2	–	–
	\$345,000 – \$354,999	<b>1</b>	2	<b>1</b>	–
	\$405,000 – \$414,999	<b>1</b>	–	–	–
	\$425,000 – \$434,999	<b>1</b>	–	–	–
	\$475,000 – \$484,999	<b>1</b>	–	–	–
	\$515,000 – \$524,999	–	1	–	1
	\$605,000 – \$614,999	–	1	–	1
	\$645,000 – \$654,999	<b>1</b>	–	<b>1</b>	–
	\$705,000 – \$714,999	–	1	–	1
	\$825,000 – \$834,999	<b>1</b>	–	<b>1</b>	–



	Consolidated		Holding Company	
	1990 \$'000	1989 \$'000	1990 \$'000	1989 \$'000
<b>Note 32 Superannuation Benefits and Commitments</b>	<p>Superannuation Benefits:</p> <p>Amounts paid to a superannuation fund for Executive Directors are disclosed in aggregate as the Directors believe the provision of full particulars would be unreasonable</p> <p>On retirement, disability or death employees are entitled to benefits under the various funds. The superannuation plans provide defined benefits based on years of service and final average salary or accumulated benefits based on the employee's contribution and the actual earnings of the fund.</p> <p>Employees contribute to the plans at various percentages of their salaries or wages. The Group companies also contribute to the plans at various percentages of the employee's salary or wages. The contributions are not legally enforceable.</p> <p>Actuarial assessments of the applicable plans were last made on 1st July 1988 by Mercer Campbell Cook &amp; Knight Pty Ltd and 1st January 1987 by Palmer Gould Evans Pty Ltd. Based on these assessments, the Directors are of the view that the assets of each of the funds are sufficient to satisfy all benefits that would have vested under the plans in the event of termination of the plans, and voluntary or compulsory termination of employment of each employee.</p>			
	69	96	69	71
<b>Note 33 Loans to Executive Directors</b>	<p>Approval was given by shareholders for the establishment of the Leighton Staff Equity Participation Plan on 22nd July 1981 and a senior executive loan plan on 29th October 1982. Under both plans loans amounting to \$1,507,851 and ranging from \$3,570 to \$110,000, have been made to 30 Executive Directors of Leighton Holdings Limited and related corporations. These amounts have not been rounded off to the nearest thousand dollars.</p>			
<b>Note 34 Lease &amp; Rental Commitments</b>	<p><b>Finance Leases</b></p> <p>Lease Commitments capitalised</p> <p>– Not later than one year</p> <p>– Later than one year but not later than two years</p> <p>– Later than two years but not later than five years</p> <p>– Later than five years</p> <p>Less future finance charges</p> <p>Present value of leasing liability</p> <p>Current Liability (note 17)</p> <p>Non current liability (Note 20)</p> <p><b>Operating Leases</b></p> <p>Plant &amp; Equipment Leases</p> <p>Carpark Leases</p> <p>Property Leases</p> <p>Lease Commitments not capitalised</p> <p>– Not later than one year</p> <p>– Later than one year but not later than two years</p> <p>– Later than two years but not later than five years</p> <p>– Later than five years</p>			
	982	528	–	–
	912	598	–	–
	1,176	769	–	–
	–	706	–	–
	3,070	2,601	–	–
	125	137	–	–
	2,945	2,464	–	–
	890	476	–	–
	2,055	1,988	–	–
	63,587	47,343	171	227
	59,251	–	–	–
	16,877	5,268	–	–
	139,715	52,611	171	227
	37,131	15,416	56	106
	36,416	15,067	52	114
	40,970	22,128	63	7
	25,198	–	–	–
	139,715	52,611	171	227

Plant and Equipment used in contract mining and civil engineering is leased over its economic life. The operating leases are normally structured to match income from contracts. Pacific Parking Pty Ltd has entered into long-term leases up to 10 years for car parking facilities.

# Notes Continued

## Note 35

### Leighton Holdings Limited and Subsidiaries

All subsidiaries carry on business in the country of incorporation except where noted

	Class of Shares	Holding Company's Investment	Holding Company's Beneficial Interest	Place of Incorporation	Contributions to Group Operating Profit/(Loss) After Income Tax	
		\$'000			1990 \$'000	1989 \$'000
+ Leighton Holdings Limited				Vic.	1,681	387
+ Actrip Pty Ltd	Ord.	Nil	100%	A.C.T.	-	(2)
+ Algester Properties Pty Ltd	Ord.	Nil	100%	Qld.	-	30
+ Altikar Pty Limited	Ord.	Nil	100%	N.S.W.	(223)	(1,304)
+ Atchison Investments Pty Ltd	Ord.	13,500	100%	N.S.W.	1,013	1,148
# Aus. Construction and Dredging B.V.	Ord.	2\$	100%	Netherlands	862	-
* Ausindo Holdings Pte Ltd	Ord.	Nil	90%	Singapore	(118)	(109)
+ Black Hill Mining Pty Ltd	Ord.	Nil	100%	N.S.W.	-	-
+ Bonedale Pty Ltd	Ord.	Nil	100%	A.C.T.	-	-
+ Burton Properties Pty Ltd	Ord.	Nil	100%	N.S.W.	-	1
+ Bymer Pty Ltd	Ord.	200\$	100%	N.S.W.	-	(20)
+ C.L. Mine Management (N.Q.) Pty Ltd	Ord.	Nil	100%	N.S.W.	-	-
+ Comserv (No. 1776) Pty Ltd	Ord.	Nil	100%	N.S.W.	-	-
+ Gabeze Pty Ltd	Ord.	Nil	100%	N.S.W.	-	-
+ Gapwell Pty Ltd	Ord.	Nil	100%	Qld.	-	(71)
Giddens Investments Ltd	Ord.	Nil	100%	Hong Kong	19	-
Integrated Concrete Repairs Pty Ltd	Ord.	Nil	50%	A.C.T.	(35)	29
Interlink Roads Pty Ltd	Ord.	Nil	100%	N.S.W.	-	-
* Lai Lap Foundation Engineering Ltd	Ord.	Nil	100%	Hong Kong	(16)	(40)
+ Landetting Nominees Pty Ltd	Ord.	Nil	100%	Vic.	137	1,525
+ L.B. Developments	Ord.	Nil	100%	Qld.	(54)	(988)
* Leighton (Asia) Limited	Ord. } Red. Pref. }	500 } 60,711 }	100%	Hong Kong	(531)	(72)
* Leighton Bruckner Foundation Engineering Ltd	Ord.	Nil	60%	Hong Kong	3,413	1,377
* Leighton Constructions (Singapore) Pte Ltd	Ord. } Red. Pref. }	Nil }	100%	Singapore	9	(3)
* Leighton Contractors (Asia) Ltd	Ord. } Red. Pref. }	Nil }	100%	Hong Kong	(122)	1,038
* Leighton Contractors Inc.	Ord.	Nil	100%	U.S.A.	1,752	-
* Leighton Contractors (Malaysia) Sdn. Bhd.	Ord.	Nil	100%	Malaysia	95	(94)
* Leighton Contractors (Middle East) Ltd (2)	Ord.	Nil	100%	Hong Kong	102	(135)
* Leighton Contractors (PNG) Pty Ltd	Ord.	Nil	100%	P.N.G.	-	-
+ Leighton Contractors Pty Ltd (1)	Ord.	69,060	100%	N.S.W.	10,096	12,359
+ Leighton Contractors (S.A.) Pty Ltd	Ord.	Nil	100%	S.A.	-	-
Leighton Finance Limited	Ord.	5\$	100%	N.S.W.	(2,098)	(320)
* Leighton-Ipco Limited	Ord.	Nil	100%	Hong Kong	(60)	(5)
Leighton Lifestyle Pty Ltd	Ord.	Nil	100%	N.S.W.	-	-
+ Leighton Major Projects Pty Limited	Ord.	30,000	100%	N.S.W.	804	(2,692)
+ Leighton Nominees Pty Ltd	Ord.	9	100%	Vic.	1	-
* Leighton Pacific Developments Inc.	Ord.	Nil	100%	U.S.A.	(1,907)	1,864
+ Leighton Properties Pty Ltd	Ord.	1\$	100%	N.S.W.	(4,569)	55
+ Leighton Properties (Qld) Pty Ltd	Ord.	Nil	100%	Qld.	(43)	(24)
+ Leighton Properties (Vic.) Pty Ltd	Ord.	Nil	100%	Vic.	-	-
+ Leighton Resources Pty Ltd	Ord.	Nil	100%	N.S.W.	-	(224)
+ Leighton Staff Shares Pty Ltd	Ord.	2\$	100%	Vic.	-	-
+ Leighton Superannuation Pty Ltd	Ord.	2\$	100%	N.S.W.	-	-
* Leighton U.S.A. Holdings Inc.	Ord.	7,353	100%	U.S.A.	(992)	(2,220)
+ Lomo Pty Ltd	Ord.	15,091	100%	Qld.	4,047	183



**Note 35****Leighton Holdings Limited and Subsidiaries (continued)**

All subsidiaries carry on business in the country of incorporation except where noted	Class of Shares	Holding Company's Investment	Holding Company's Beneficial Interest	Place of Incorporation	Contributions to Group Operating Profit/(Loss) After Income Tax	
					1990	1989
					\$'000	\$'000
		\$'000				
+ Mount Sugarloaf Collieries Pty Ltd	Ord.	Nil	100%	N.S.W.	45	—
+ Moussewood Pty Ltd	Ord.	Nil	100%	Qld.	—	—
+ Multicon Engineering (W.A.) Pty Limited	Ord.	Nil	100%	N.S.W.	135	(1,096)
+ Multicon Engineering Pty Limited	Ord.	Nil	100%	N.S.W.	(5,422)	(1,452)
+ Multicon Holdings Pty Limited	Ord.	17,517	100%	N.S.W.	(429)	(413)
+ Pacific Parking Pty Ltd	Ord.	Nil	100%	N.S.W.	(214)	—
Pittwater Palms Pty Limited	Ord.	Nil	100%	N.S.W.	—	324
* PT Thiess Contractors Indonesia	Ord.	Nil	90%	Indonesia	815	(1976)
# Rail Waste Technology Pty Ltd	Ord.	Nil	100%	Qld.	—	—
+ Ridgewood Development Pty Ltd	Ord.	Nil	100%	Qld.	365	(1,286)
+ Rosejoss Properties Pty Ltd	Ord.	Nil	100%	A.C.T.	694	—
* Solomon Insurance Pte Ltd	Ord.	662	100%	Singapore	1,172	2,805
+ Technical Resources Pty Ltd	Ord.	25	100%	N.S.W.	238	—
+ Thiess Construction Ltd	Ord.	Nil	100%	Qld.	—	—
+ Thiess Contractors Pty Ltd	Ord.	27,365	100%	Qld.	8,757	6,846
+ Thiess Contractors (Qld.) Pty Ltd	Ord.	Nil	100%	Qld.	—	—
+ Thiess Superannuation Nominees Pty Ltd	Ord.	Nil	100%	Qld.	—	—
* Thiess Contractors (PNG) Pty Ltd	Ord.	Nil	100%	P.N.G.	—	—
# Welded Mesh Pty Limited	Ord.	Nil	82.5%	N.S.W.	—	—
<b>Companies in Liquidation or Liquidated</b>						
+ Altikar Bristol Pty Limited	Ord.	Nil	100%	N.S.W.	—	—
+ Altikar Electrical Manufacturing Pty Ltd	Ord.	Nil	100%	N.S.W.	—	—
+ Altikar Manufacturing Limited	Ord.	Nil	100%	N.S.W.	—	—
* Auscon (Netherlands Antilles) NV	Ord.	Nil	100%	Antilles	—	—
* Auscon (Netherlands) BV	Ord.	Nil	100%	Netherlands	—	—
+ Avril Investments Pty Ltd	Ord.	Nil	100%	W.A.	—	—
+ Colforce Pty Ltd	Ord.	Nil	100%	Qld.	—	(2)
# Comsub (S.r.l.)	Ord.	Nil	50%	Italy	—	—
* Crighton Management Sdn. Bhd.	Ord.	Nil	100%	Brunei	(3)	(3)
+ Gabba Properties Pty Ltd	Ord.	Nil	100%	Qld.	—	—
# Multicon Cyprus Pty Ltd	Ord.	Nil	100%	Cyprus	—	—
+ Multicon Engineering (Investments) Pty Ltd	Ord.	Nil	100%	N.S.W.	—	1
Multicon Engineering Italia (S.r.l.)	Ord.	Nil	100%	Italy	—	—
* Price Property Developers & Managers Sdn. Bhd.	Ord.	Nil	100%	Brunei	(7)	(2)
# Roxana Investments Ltd	Ord.	Nil	100%	Cyprus	—	—
#+ Tarrail Pty Ltd	Ord.	Nil	100%	N.S.W.	—	—
Contribution to Equity Consolidated Operating Profit/(Loss)					19,409	15,419
Reversal of diminution of investment in Associated Companies					2,182	1,553
Contribution to Consolidated Operating Profit/(Loss)					21,591	16,972

241,769

(1) Carries on business in Hong Kong

(2) Carries on business in the Middle East

\* Audited by overseas Klynveld Peat Marwick Goerdeler Member Firms

# Audited by firms other than KPMG Peat Marwick

+ Companies participating in the Class Order

‡ These amounts have not been rounded off to the nearest thousand dollars.

**Note 36**  
**Related Party**  
**Information**

**Directors**

The Directors who held office as Directors of the holding company during the year ended 30th June 1990 were:

Morrish Alexander Besley, AM (Appt 30.11.89)	Gian Carlo Cecchini (Retired 1.7.89)
Stewart Laurence Wallis, AO (Retired 7.2.90)	Peter John North
Wallace MacArthur King	Enno Friedrich Vocke*
Dieter Siegfried Adamsas	Rodney Malcolm Wylie, OBE
Keith Leslie Bennett	
Verner Thomas Christie, AO	*Alternate for E.F. Vocke:
Holm Hehner	David Paul Robinson

**Transactions with Related Parties**

The Group has interests in a number of construction partnerships and trading trusts which are included in other related parties. All transactions with related parties are made in normal commercial terms and conditions and the aggregate of the related party transactions were not material in the overall operations of the Group or the holding company except for the provision of subordinated and convertible loans from Hochtief Limited as shown in note 24 on which interest was paid in accordance with the loan agreements. Dividends were received during the year from Ipco Marine Limited, an associated company. Interests held in subsidiary and associated companies are set out in notes 35 and 25 to the accounts.

**Amounts Receivable from and Payable to Related Parties**

**Aggregate amounts receivable at balance date from**

– Directors	385	398	385	398
– Other related parties – Associated Companies	19,279	11,200	–	–
– Other	9,959	12,341	87	87

**Aggregate amounts payable at balance date to**

– Other related parties – Hochtief	27,155	27,155	27,155	27,155
– Other	651	651	–	–



# Notes Continued

		Consolidated	
		1990	1989
		\$'000	\$'000
<b>Note 37</b>	<b>Sources of Funds</b>		
<b>Statement of</b>	Funds from Operations		
<b>Sources and</b>	Operating Revenue	1,426,004	1,269,200
<b>Applications of</b>	Proceeds from Sale of Non-Current Assets	48,013	36,381
<b>Funds</b>	Other Revenue	8,895	8,079
	Inflow of funds from Operations	1,482,912	1,313,660
	Less Outflow of Funds from Operations	1,276,754	1,177,763
		206,158	135,897
	Exchange movement for period	945	70
	<b>Reduction in Assets</b>		
	Other Assets	11,824	(5,632)
	Cash and Deposits	3,283	1,577
	<b>Increase in Liabilities</b>		
	Trade Creditors	17,578	13,743
	Loans	24,384	17,527
	Leasing Liabilities	481	(3,286)
	<b>Share Capital</b>		
	Minority Interest in Subsidiary	(41)	639
	Proceeds of Share Issue	3,058	5,992
		267,670	166,527
	<b>Applications of Funds</b>		
	<b>Increase in Assets</b>		
	Purchase of Mining Tenement	360	3,723
	Purchase of Fixed Assets	135,030	108,555
	Development Properties	9,608	(1,119)
	Trade Debtors	18,015	3,834
	Investments	6,850	5,867
	Goodwill on Acquisition of Business	69	140
	<b>Reduction in Liabilities</b>		
	Other Current Liabilities	8,774	(4,555)
	Payment from Provisions	67,415	38,457
	Taxation Paid	11,684	797
	<b>Subordinated Loan Converted to Capital</b>	-	2,820
	<b>Dividends Paid</b>	9,865	8,008
		267,670	166,527
	<b>Funds from Operations</b>		
	Reconciliation of Funds from Operations with Operating Profit before Tax:		
	Funds from Operations	206,158	135,897
	Add/(subtract) Non-fund items:		
	Depreciation and Amortisation	(56,205)	(35,215)
	Cost of sale of Non-Current Assets	(41,825)	(30,232)
	Provisions	(73,348)	(42,632)
	Investment write-down	-	(750)
	Amortisation of Goodwill	(1,360)	(1,589)
	<b>Operating Profit/(Loss) before Income Tax</b>	33,420	25,479
	<b>Acquisition of Business</b>		
	Consideration - Cash	-	281
	Net Assets of Business Acquired		
	Plant and Equipment	-	141
	Other Assets		
	Provision	(69)	-
		(69)	141
	Goodwill on Acquisition	69	140
		-	281

## Statutory Statements

### Statement by Directors

In accordance with a resolution of the Directors of Leighton Holdings Limited, we state that:

(1) In the opinion of the Directors:

- (a) the profit and loss statement is drawn up so as to give a true and fair view of the results of the Company for the financial year ended 30th June 1990;
- (b) the balance sheet is drawn up so as to give a true and fair view of the state of affairs of the Company as at 30th June 1990; and
- (c) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they shall fall due and to meet any obligations or liabilities that may arise from any guarantees or undertakings given to its subsidiaries.

(2) In the opinion of the Directors, the Group accounts are drawn up so as to give a true and fair view of:

- (a) the results of the Company and its subsidiaries for the financial year ended 30th June 1990; and
- (b) the state of affairs of the Company and its subsidiaries as at 30th June 1990 so far as they concern members of the Company.

(3) The accounts of the Company and the Group accounts are made out in accordance with Australian Accounting Standards and applicable Approved Accounting Standards.

Dated at Sydney this seventh day of September 1990.



MA Besley  
Chairman



WM King  
Group Managing Director and  
Chief Executive Officer

### Auditor's Report to the Members

We have audited the accounts set out on pages 54 to 73 in accordance with Australian Auditing Standards.

In our opinion the accounts of Leighton Holdings Limited, and Group accounts, are properly drawn up in accordance with the provisions of the Companies (Victoria) Code and so as to give a true and fair view of:

- (i) the state of affairs of the Company and of the Group as at 30th June 1990 and the results of the Company and the Group for the year ended on that date so far as they concern members of the Company; and
- (ii) the other matters required by Section 269 of that Code to be dealt with in the accounts and in Group accounts;

and are in accordance with Australian Accounting Standards and applicable Approved Accounting Standards.

The names of the subsidiaries of which we have not acted as auditor are identified in Note 35 to the accounts together with those subsidiaries granted relief from the preparation of accounts, and in respect of which we have not been required to form an individual opinion, in accordance with the Class Order.

Dated at Sydney this seventh day of September 1990.



KPMG Peat Marwick  
Chartered Accountants



John H Richardson  
Partner



# Shareholdings

Information as to shareholdings on 7th September 1990 is as follows:

## Substantial Shareholdings

The names of the substantial shareholders and the numbers of 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	60,436,431
*Hochtief Aktiengesellschaft vorm. Gebr. Helfmann ("Hochtief AG")	

\*Hochtief Limited is a wholly owned subsidiary of Hochtief AG and accordingly Hochtief AG is shown in the Company's Register of Substantial Shareholders as holding an interest in the above shares. Hochtief has entered into formal agreements with the Company which ensure the continuing independence of Leighton and which also provide Leighton with continual access to Hochtief's extensive, specialised technological know-how.

## Number of Shareholders

Of ordinary shares which have equal voting rights\* – 5,160

### \*Voting Rights (Article 96):

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 is the holder PROVIDED ALWAYS HOWEVER that if the capital of the Company at any time consists of shares of different monetary denominations, every member present as aforesaid shall on a poll have one vote in respect of each unit of capital comprised in each share held by him as is equal to the lowest of such different monetary denominations.

## Distribution Schedule

Category	No. of Shareholders
1 - 1,000	1,581
1,001 - 5,000	2,222
5,001 - 10,000	736
10,001 and over	621
	5,160

There were 673 shareholders with less than a marketable parcel (500 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 75.47% and their names and numbers of shares are as follows:

Name	Number	Percentage of Total Shareholdings
Hochtief Limited	60,433,639	48.10
ANZ Nominees Ltd	6,802,562	5.41
National Nominees Ltd	3,862,225	3.07
Chase AMP Nominees Limited	3,531,538	2.81
Citicorp Nominees Pty Limited	3,110,000	2.48
Winchcombe Carson Trustee Company Limited	2,495,100	1.98
Tyndall Life Insurance Company Limited	2,449,500	1.95
Bank of New South Wales Nominees Pty Limited	2,356,762	1.88
Elcos Pty Ltd	1,608,900	1.28
Prudential Assurance Company Limited	1,160,500	0.92
MLC Life Limited	1,108,739	0.88
Gas & Fuel Corporation	1,100,000	0.88
Legal & General Life of Australia Limited	921,206	0.73
Co-operative Insurance Society Ltd	900,000	0.72
Labrador Pty Limited	683,500	0.54
Perpetual Trustee Company Limited	579,976	0.46
Oceanic Life Limited	466,000	0.37
Nordiv Holdings Pty Ltd	434,186	0.35
Phillips River Proprietary Limited	430,000	0.34
Unitraders Investments Pty Ltd	400,000	0.32
	94,834,333	75.47

## Directory

**Board of Directors**  
 Morrish Alexander Besley, AM  
 Wallace MacArthur King  
 Dieter Siegfried Adamsas  
 Keith Leslie Bennett  
 Verner Thomas Christie, AO  
 Holm Hehner  
 Peter John North  
 Enno Friedrich Vocke  
 Rodney Malcolm Wylie, OBE  
 Alternate for EF Vocke  
 David Paul Robinson

**Associate Director**  
 Martin Carl Albrecht

**Secretary**  
 Ashley John Moir

**Principal Registered Office in Australia**  
 5 Queens Road  
 Melbourne Vic 3000  
 Tel. (03) 828 5800

**Principal Banker**  
 Commonwealth Bank of Australia  
 Cnr Pitt Street & Martin Place  
 Sydney NSW 2000

**Financial Advisor**  
 Lloyds Corporate Advisory Services Pty Limited  
 35 Pitt Street  
 Sydney NSW 2000

**Auditor**  
 KPMG Peat Marwick Chartered Accountants  
 Tower Building, Australia Square  
 Sydney NSW 2000

**Share Register Office**  
 C/- Coopers & Lybrand  
 580 George Street  
 Sydney NSW 2000  
 Tel. (02) 285 7777

**Branch Share Register Offices**  
 C/- Coopers & Lybrand  
 150 Queen Street  
 Melbourne Vic 3000

1 Eagle Street  
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1 William Street  
 Perth WA 6000

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**Leighton Contractors Pty Limited**  
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## The Ipco Group

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**The Argee Corporation**  
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**Green Alaska, Inc.**  
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**Leighton Pacific Developments, Inc.**  
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**Technical Resources Pty Limited**  
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## Corporate Management

**Leighton Holdings Limited**  
 WM King, B.E., M.Eng.Sc., FIEAust.  
 Chief Executive Officer  
 DS Adamsas, B.Comm.  
 Director of Finance and Administration  
 AJ Moir, FCPA  
 Company Secretary  
 GE McOrist, CPA  
 General Manager, Treasury  
 WH West, B.Sc. (Tech.), MIEAust.  
 Manager, Investment  
 TG Young, B.B.S., Dip.Tech. (Comm.), CPA, FTIA, FCIS  
 Group Financial Controller





