

Leighton Holdings Limited is the parent company of Australia's largest construction and contract mining Group. Founded in Victoria in 1949, the company has grown from a small, privately owned civil engineering firm into a dynamic Group which includes Leighton Contractors, Thiess Contractors, Leighton Asia, Leighton Properties and Technical Resources. The Group's 12,160 employees can be found all around the Asia-Pacific region on projects in Australia, Hong Kong, Indonesia, Papua New Guinea, Thailand, Vietnam, Malaysia, China and the Philippines. Leighton Holdings is listed on the Australian Stock Exchange and has its head office in Sydney.

The Group's momentum creates tremendous potential for

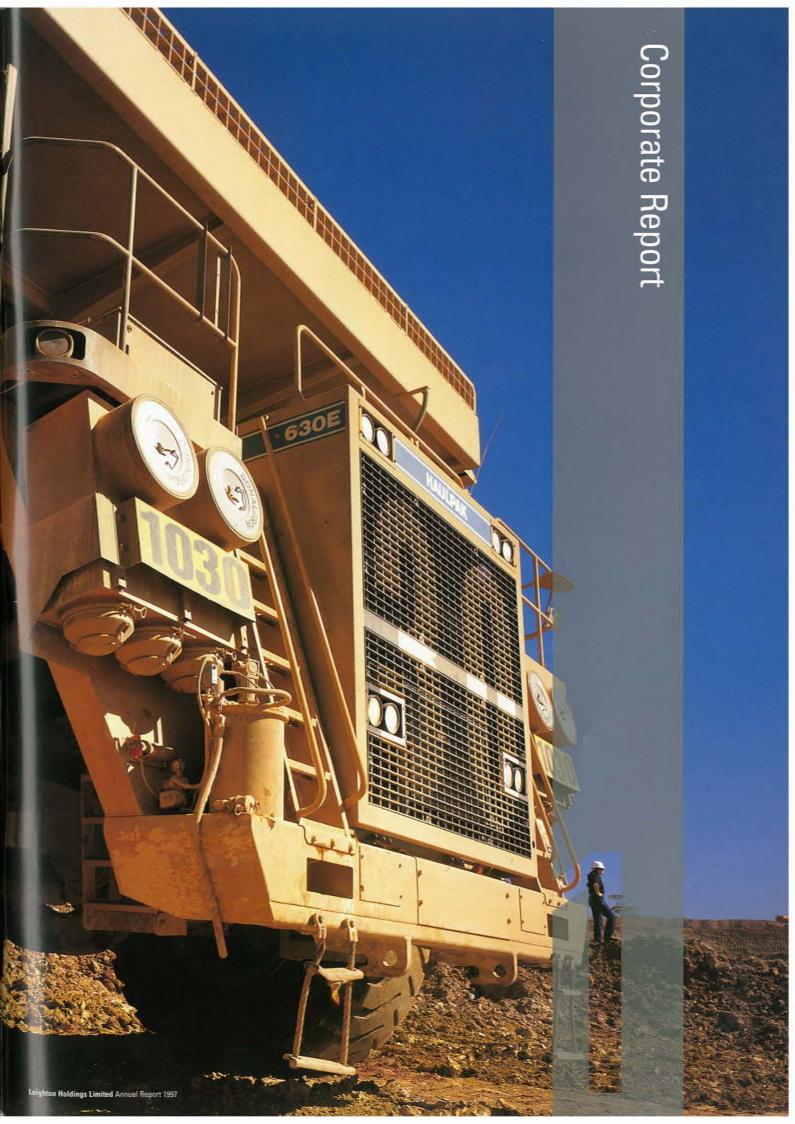
Leighton Group companies offer a broad range of services including design and construction, project management, infrastructure development, process engineering, operation and maintenance, environmental services and property development. These services are tailored to suit public and private sector clients in the Group's core markets of civil engineering and infrastructure, non-residential building, and contract mining. Experienced, long-serving management teams create a stable environment which generates high levels of repeat business. The Group maintains the largest fleet of mobile plant and equipment in Australia.



further growth.

Momentum

Over the past five years, the Leighton Group has gathered momentum both in terms of its performance for shareholders and its future business directions. Annual revenue and operating profit have doubled. Dividends have more than doubled. And the operational and financial base of the Group is in its strongest position ever with \$250 million of surplus funds, 12,160 employees and over \$4 billion of work in hand.



The Year in Review

Record operating revenue and operating profit

Sale of Welded Mesh and other investments delivered \$46 million of abnormal profit

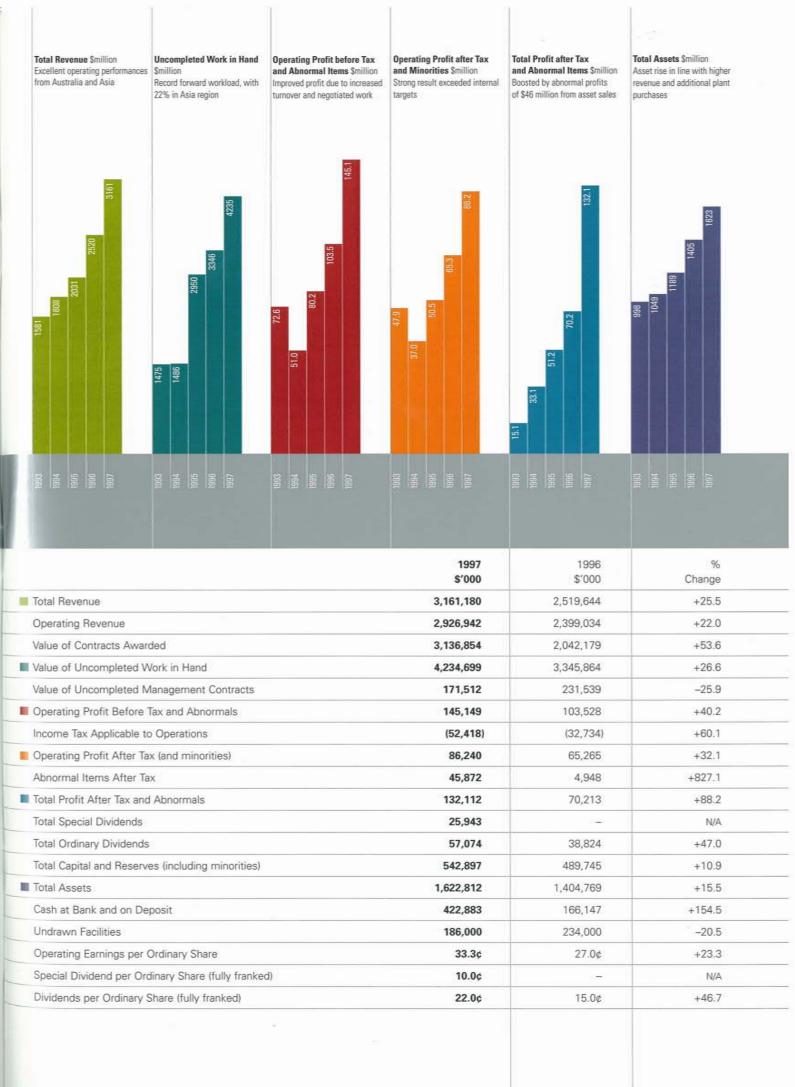
Special dividend of 10¢ paid in addition to a total full year ordinary dividend of 22¢

Strong balance sheet and net funds of \$249 million

Work in hand at new high levels in Australia and Asia

Excellent performances from Leighton Contractors, Thiess Contractors and Leighton Asia

Leighton Properties returned to profitability



Operations Overview









Leighton Holdings

Total Revenue \$3,161m Total Operating Revenue \$2,927m° Major Shareholder HOCHTIEF 45% No. of Corporate Employees 23 No. of Group Employees 12,160 Head Office Sydney Listed on ASX 1962 Chief Executive Wal King

Leighton Contractors

Operating Revenue \$1,182m Work in Hand \$1,113m Percentage Ownership 100% No. of Employees 3,807 Head Office Sydney Established 1949 Managing Director Keith Bennett

Thiess Contractors

Operating Revenue‡ \$1,119m Work in Hand‡ \$2,551m Percentage Ownership 100% No. of Employees 4,566 Head Office Brisbane Established 1935 **Managing Director** Martin Albrecht

Leighton Asia

Operating Revenue# \$448m Work in Hand‡ \$556m Percentage Ownership 80%* No. of Employees 3,677 Head Office Hong Kong Established 1975 Managing Director John Faulkner

Activities

- Strategic direction and planning
- Financial management
- Market positioning
- Corporate and public affairs

See pages 8-21

Location

Australia, Asia

Activities

- Civil engineering
- Building
- Contract mining
- Process engineering
- Telecommunications services

See pages 28-31

Activities

- Civil engineering
- Building
- Mining
- Process engineering
- Environmental services

See pages 32-35

Activities

- Civil engineering
- Buildina
- Contract mining
- Marine engineering
- Foundation engineering

See pages 36-39

Location

Australia

Location

Australia, Indonesia, near Pacific Region

Location

Hong Kong, Thailand, Malaysia, Vietnam, China, the Philippines and other selected countries in Asia

Performance

- Another year of record profit, revenue and work in hand
- Sold Welded Mesh to Smorgon Steel
- Sold Ipco International, Australia's Wonderland and Health Care Corporation
- Special dividend paid in September 1997
- Share price reflects strong growth

Performance

- Continued strong profit contribution
- High level of revenue
- NSW and Victoria above expectations
- Secured Eastern Distributor contract in Sydney
- Acquired Visionstream telecommunications business
- Sydney Casino project on target for completion in late 1997
- Olympic projects on time and budget

Performance

- Record work in hand
- Improved profit based on higher turnover
- Negotiated significant contract extensions to major coal projects
- Good level of Olympic work
- Excellent performance from Indonesia
- New waste facility for environmental division

Performance

- Revenue and profit up
- Business confidence in Hong Kong high
- Remaining airport projects progressed well
- Major new housing and water supply contracts
- Commenced mining work in Malaysia and the Philippines
- Difficult markets in Thailand and Vietnam

Future

- Undertaking strategic review of operations
- Good level of cash reserves
- Maintain selective and disciplined approach to new work
- Fully franked dividend in 1998

Future

- More road and rail infrastructure
- Good prospects in resources markets
- Selected process engineering opportunities
- Continued demand for telecommunications services

Future

- Continue focus on larger projects
- Positive outlook for contract
- Opportunities in health sector
- More telecommunications prospects in Indonesia

Future

- Major housing and infrastructure programmes in Hong Kong
- Resources offer good potential in the Philippines
- Consolidate presence in Vietnam and Malaysia
- Increase emphasis on China

Total Revenue \$3161m

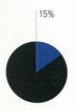


- Total Operating Revenue
- Other Revenue
- Includes \$130 million Welded Mesh revenue or 4% of Total Operating Revenue





‡ Including minority interests



- # Including minority interests.
- * Other 20% held by HOCHTIEF

Investments





Leighton Properties

Operating Revenue \$48m Work in Hand \$16m Percentage Ownership 100% No. of Employees 21 Head Office Sydney Established 1972 Managing Director

Technical Resources

Percentage Ownership 100% No. of Employees 39 Head Office Sydney Established 1980 General Manager Robert Hawkins

Activities

- Property development
- Development risk management

See pages 40-41

Location

Australia

Activities

- Business development and positioning
- Process engineering
- Strategic guidance
- Communications

See pages 42-43

Location

Australia, Asia-Pacific region

Performance

- Produced modest profit
- Assets reduced to \$134 million
- Sydney Casino development progressed well
- North Sydney office development proceeding

Performance

- High level of staff seconded to projects
- Growing demand for audit and controls management
- Assisted Sydney Casino project
- Completed process engineering at CSR Oberon
- Conducted management workshops for Thiess
- Refined intranet technology

Future

- Growth in entertainment/leisure market
- Good recovery in Sydney property markets
- Possible extension to Casino work

Future

- Help position Group companies within their markets
- Integrate new technologies with construction applications
- Greater focus on new business opportunities for the Group

2%

Sydney Harbour Casino

Sydney Harbour Casino Limited is listed on the Australian Stock Exchange. Leighton has a 5% interest in this company, comprising 25 million ordinary shares held at the original purchase price of \$1.00 per share, as well as a further 37.45 million options exercisable in 1998 at \$1.15. Leighton also has a 15% interest in the casino management company. These interests are held in trust for Leighton by National Mutual Trustees.

The Eastern Distributor

Airport Motorway Limited was awarded the concession to build and operate the Eastern Distributor tollroad in Sydney in June 1997. Airport Motorway Limited is 16.6% owned by Leighton, 73.4% by Trust Company of Australia Limited and 10% by Unisuper Limited. Leighton will contribute its share, of the equity funding on completion of construction in the year 2000.

Burton Coal Mine

Thiess Contractors has a 5% interest in Burton Coal Mine, Queensland valued at approximately \$6.6 million. Thiess is undertaking contracts at that site worth \$300 million for mining, processing, haulage and train loading of coal for Portman Mining. Negotiations are currently underway to double the mine's output.

Green Holdings

Leighton entered the USA construction market in 1983 by taking a shareholding in Green Holdings. After a period of unsatisfactory performance, steps were taken to exit this market in 1993. During 1996/97 a favourable settlement was negotiated on the Rifle UMTRA mining project with proceeds to be received in December 1997. The remaining major claim submitted to the USA government insurance agency, OPIC, for payment for bauxite mining work completed in Guvana, looks to remain unresolved until 1998.

Divestments

Welded Mesh

Founded in 1984, Welded Mesh is Australia's third largest manufacturer and supplier of steel reinforcing mesh, bar and allied products. In 1988 Leighton became the company's major shareholder. In April 1997, the business and assets of Welded Mesh were sold to Smorgon Steel for \$145 million, generating \$47 million in abnormal profit after tax.

lpco International

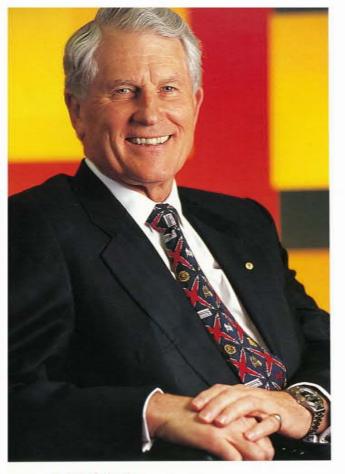
Ipco International, based in Singapore, specialises in the development and turnkey construction of major infrastructure projects. In November 1996 after 13 years as a major shareholder, Leighton divested its 30% stake in Ipco, comprising 11.7 million shares, for \$35 million resulting in a \$5.8 million abnormal loss.

Australia's Wonderland

Construction of Australia's Wonderland, a theme park located in the western suburbs of Sydney, was completed by Leighton in 1986. In March 1997, Leighton's 18% of the venture was sold for \$9.4 million, realising a \$4.5 million abnormal profit.

Health Care Corporation

Leighton disposed of its shares in this company in August 1997. This transaction had no material affect on the Group's accounts.



M A (Tim) Besley AO Chairman

The Leighton Group has produced results for 1996/97 which are, by any measure, even better than last year's figures. Total revenue for the year rose 25% to \$3.2 billion and total profit after tax and abnormal items was \$132 million - up 88% on last year. These remarkable results, boosted by the sale of assets and investments, were underpinned by the strong performances of our operating divisions. Their achievements are reviewed in more detail in Section 2 of this report.

Operating earnings per share increased by 23% to 33.3 cents, and the return on shareholders' funds before abnormals further improved to 15.9%. The Group also finds itself in an extremely strong cash position with an unencumbered balance sheet and no net debt. These factors have allowed your Directors to recommend a 47% increase in the full year ordinary dividend from 15 cents last year to 22 cents for 1996/97, fully franked. The total ordinary dividend of \$57.1 million represents a pay-out ratio of 66% to operating profit.

In line with our commitment to increasing shareholder wealth, your Directors also paid a special dividend. Announced in August 1997, the special dividend of 10 cents per share fully franked is to be paid in September 1997. The total special dividend was \$25.9 million.

With over 12,000 employees and \$4.2 billion of work in hand, Leighton is now more than twice the size of its nearest Australian competitor. Our businesses in Asia continue to develop, especially in Hong Kong and Indonesia.

Increasing shareholder wealth is one of the primary aims of the Board.

A forthright approach to governance issues has helped the Group remain focused on achieving growth.

From the Chairman



Rod Wylie OBE Deputy Chairman

Wal King Chief Executive

Dieter Adamsas

The Group's steady growth has been reflected on the Australian Stock Exchange. In October 1996 the LEK Partnership, a financial consulting group, and The Australian newspaper carried out a review of the share performance of Australia's top 100 companies. Leighton Holdings emerged as the best performed stock over the last ten years.

The Australian economy, though still patchy, is recording steady improvement. We are experiencing a period of low inflation and interest rates, both of which look set to continue. Business spending is reasonably strong overall in Australia at present and the Reserve Bank is forecasting further economic growth. However sectors such as retail and manufacturing remain comparatively weak as a result of unemployment and community uncertainty about the future. Investment in the resources sector has also slowed due to a fall in gold prices and unresolved issues concerning native title. Decisive leadership from the Federal Government and from business in the years leading up to the new millennium is important in restoring a level of certainty to the economy.

Encouraging levels of growth continue in many of the Asian economies in which we work. Hong Kong in particular is looking to the future with confidence, and has foreshadowed some very large public sector contracts which should present us with new opportunities. Our operations in Indonesia continued to grow in scope and depth, and we secured significant new contracts in Malaysia and the Philippines. However, Thailand and Vietnam will remain difficult places in which to do profitable business in the short term.

Your Directors visited a wide range of projects during the year. One of the reasons we encourage this policy is to ensure the Board remains familiar with safety and environmental issues facing our people at project level. In addition to site tours of major Australian projects such as the Sydney Casino and Mt Owen coal mine. Directors visited sites in Hong Kong, Indonesia and Vietnam. Remote mining operations in Western Australia and

The Board itself has undergone some changes. Geoff Ashton and Achim Drescher were appointed to the Board in August and November 1996 respectively, and Peter North retired in June 1997. Peter joined the Board in 1981 and his management and engineering expertise made him a valued Director over the years. I would like to thank him for his contributions and loyal service.

Looking to the future, we have every reason to believe that the Leighton Group can continue to grow and improve. In my view, a company needs three things if it is to deliver growth. First, it must be very good at what it does. Second, it needs skills which can be applied effectively in related areas. Third, and above all, it needs to have the will to grow. I believe that Leighton has all of these qualities, and in addition it operates in exciting and expanding markets which offer enormous potential.

We appreciate the continued support of our shareholders and on their behalf I would like to thank our dedicated management and staff for their hard work during the year. I also thank my Board colleagues for their continued support and advice. We look forward to another successful year ahead.

M A (Tim) Besley AO

Chairman





Geoff Ashton

Keith Bennett

Achim Drescher

Dr Hans-Peter Keitel

Dr Russo Peus

Mark Rayner

David Robinson

The strength and consistency of the Group's operating performances over the last five years reflect sound business and market strategies and a disciplined approach to selecting projects.

Chief Executive's Report

performa

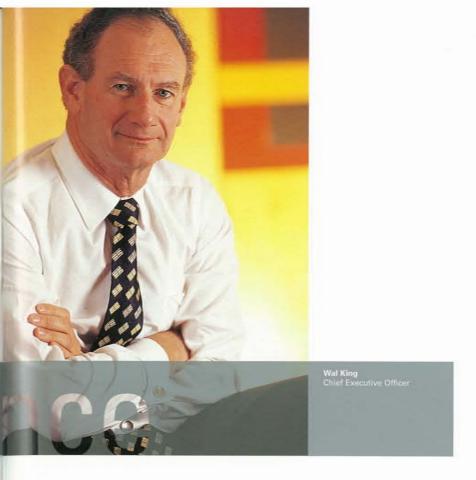
Operating Revenue by Market Segment 1997 \$million 33% Civil Engineering 32% Building 24% Contract Mining 4% Construction Material Supply 3% Environmental Engineering 2% Mechanical Engineering 2% Property Development 1996/97 was another exceptional year for the Leighton Group. We again set new records for operating revenue and profit, and work in hand is at its highest ever level.

Outstanding performances from Group companies saw operating profit after tax again exceed internal targets, rising 32% to \$86 million. Operating profit before tax rose by 40% to \$145 million. It is important to note that these figures exclude abnormal items, such as the sale of Welded Mesh. When abnormal profits of \$46 million are included, total profit after tax and abnormal items was \$132 million.

Operating revenue also increased, rising 22% to \$2.9 billion. An additional \$234 million in revenue from sales and interest brought total revenue to \$3.2 billion. All major market segments experienced growth during the year as market cycles continued to trend upwards. Civil engineering revenue was up 2% to \$957 million, building increased 40% to \$926 million and contract mining rose 54% to \$719 million.

Work in hand increased 27% to \$4.2 billion, supplemented by an additional \$172 million of uncompleted management contracts.

The Australian business environment is improving, but not uniformly. The economy today could best be described as multi-layered. Some sectors, such as contract mining, are moving ahead while others, including the general industrial sector, are improving slowly. The ability of our Australian operations to adapt to these patchy conditions is reflected in \$2.3 billion



Operating Revenue by Geographic Area Smillion

Australia
Asia

of new contracts won in 1996/97. For the same period, Australian operations generated 78% of Group operating revenue, or \$2.3 billion.

The growing strength of the New South Wales economy was evident during the year. Property markets, boosted by low interest rates, have recovered strongly and building and engineering projects have moved ahead particularly well as the 2000 Olympic Games approach. The signing of contracts for Sydney's \$565 million Eastern Distributor project was one of the highlights for the year in this State. Western Australia and Queensland are producing opportunities, mainly in the mining and resources area. We are involved in a number of successful coal, gold and copper mining projects in these States. Although there has been some hesitancy in recent months in the resources sector, fuelled by the Reserve Bank's sale of gold reserves and industrial relations issues within the coal industry, the trend to contract mining looks set to continue.

It is fair to say that any major project in Australia today will be controversial. This tends to result in protracted lead times, but provides more opportunities for community consultation. The construction of pay-TV networks and new transport infrastructure are good examples of projects that have attracted considerable public interest. Leighton Group companies are increasingly required to manage or participate in the community consultation process, and we have implemented community relations procedures on a number of projects. These responsibilities have added a new dimension to our construction capabilities.

The industrial relations scene in Australia has remained calm, with low levels of disputation across all business sectors. Although the comparatively high unemployment figures probably contribute to this, we believe that there is a more balanced and sensible industrial relations climate prevailing in Australia at present with good sense

shown by all parties. While the run up to the Olympics will put pressure on the cost and availability of labour and materials, the Group does not anticipate a return to the 'bad old days'.

Our businesses in Asia have performed extremely well this year, achieving record results. Operating revenue from Asia reached \$631 million, or 22% of the Group's total. New contracts valued at \$807 million were secured during the year.

In Hong Kong, we are undertaking a number of large projects including the \$206 million Aviation Fuels Service Facility at Chek Lap Kok Airport, a \$187 million aqueduct joint venture and a \$119 million housing project - both in the New Territories. As expected, the handover had virtually no impact on the business environment in Hong Kong. The population there is expected to grow rapidly, and that will require further commitments to public infrastructure. New transport, water, sewerage and public housing projects are all expected to take shape in the next few years.

Indonesia is emerging as an increasingly important market for the Group. We continue to win contract mining and mine infrastructure work in the resources sector, and have expanded into engineering and telecommunications. This wide spread of work represents a confident step in the development of our business in that country.

New contracts were won in the Philippines and in Malaysia this year. However the markets in Thailand and Vietnam remain highly competitive and the opportunities are more limited.

In terms of business strategy, the Group's rationalisation program is now complete. This was finalised with the sale of our holdings in Australia's Wonderland, Health Care Corporation and Ipco International during the year. We also sold our material supply business, Welded Mesh, to Smorgon Steel. Welded Mesh had performed extremely well over the years, but required stronger links to a steel manufacturer to achieve the same level of growth. A leading player in the Australian steel industry, Smorgon made an attractive offer for the business in April 1997. These sales produced additional revenue of \$184 million, some of which was used to retire debt. This has helped underpin this year's exceptionally strong balance sheet.

Leighton also made an important acquisition in December 1996 when it purchased the Visionstream telecommunications business from Telstra Corporation. This move establishes the Leighton Group as the clear leader in contracting work associated with telecommunications infrastructure. We have carried out around 80% of the available work in this sector in Australia in recent years. The purchase of Visionstream, which brings to Leighton some 1,800 skilled employees, greatly strengthens our position in this market. Although there is bound to be a rationalisation of the ownership and distribution of cable in Australia, we believe the market segment still has considerable room to grow both here and in the Asia-Pacific region.

Management changes during the year were minimal. However we regret the departure of Phil Cooper, Managing Director-elect of Leighton Contractors, for personal reasons. We are pleased that Keith Bennett will remain Managing Director of that company.

The Leighton Group is highly successful in an industry renowned for its competitiveness. Our profit levels are on par with the best in the world for our industry. We strive to achieve world class environmental, occupational health and safety, training and development, and ethical standards. A code of ethics applies to every employee at all levels.

The Group's decentralised structure has played an important role in our success. It allows each operating company maximum flexibility while maintaining high levels of accountability and control. It also encourages responsibility and a commitment to success.

There is every reason to suppose that this approach will continue to produce good results and generate wealth for shareholders. There is plenty of room to explore the markets in which we operate, both in Australia and overseas, and we have initiated a planning process to ensure the sustained growth and optimisation of our core businesses. While we are always open to new opportunities, we are under no pressure to change direction or to adopt radical new policies. Any change will happen in our own time and at our own pace.

We believe that the Leighton Group will again produce excellent revenue and profit next year, and that there is scope for continued improvement for the foreseeable future.

Wal King

Chief Executive Officer

Group Structure



The Leighton Group The construction and property companies that make up the Leighton Group undertake some of the most advanced civil angineering, infrastructure, building and contract mining projects in Australia and Asia.

Each company exists as a separate entity with its own advisory board, balance sheet and distinct corporate culture. With high levels of autonomy and responsibility, Group companies are encouraged to develop their own markets and client relationships.

Leighton Holdings, the Group's parent company, provides strategic direction and planning, financial management, market positioning, corporate and oublic affairs support. It also manages a number of extrategic investments

Leighton Contractors and Thiess Contractors are wo of the most diverse and successful construction ompanies operating throughout Australia. They undertake a broad range of work across three core narkets of civil engineering, building and contract hining. Leighton Properties manages the Group's gronerty portfolio and development opportunities.

Leighton was one of the first Australian construction companies to set up operations in Asia in the early 1970s and established Leighton Asia Limited as a regional headquarters in Hong Kong in 1975.

Thiess also operates in Asia after re-establishing a presence in Indonesia in 1999.

Technical Resources is a centralised consulting division that offers specialist skills and resources to Group companies.

The Group's strong financial position allows it to participate in projects of any size, contributing sponsorship equity where appropriate. It has the skills and experience to assemble competitive consortiums for private and public sector projects, including privatised infrastructure.

Leighton Holdings Limited Board M A Besley AO Chairman R M Wylie OBE Deputy Chairman W M King, D S Adamsas, G J Ashton, K L Bennett, A Drescher, H-P Keitel, B Peus, M R Rayner, D P Robinson Associate Directors M C Albrecht, J Faulkner, V A Vella Secretary A J Moir

Audit Committee R M Wylie OBE Chairman D S Adamsas, W M King, D P Robinson Secretary A J Moir

Executive Committee
W M King Cheirman
D S Adamsas, M C Albrecht,
K L Bennett, J Faulkner,
R G Gussey, R L Hawkins,
A J Moir, C J O'Donnell,
V A Vella, W H West

Leighton Holdings Limited Corporate Management W M King BE, MEngSc, FIEAust. CPEng, FAICD, FAIM, FAIB, FTSE Chief Executive Officer D S Adamsas BComm, FAICD Director, Finance and Administration R G Gussey CPEng, FIEAust, MICE, MNZIPEng, MAIB, AAIArb General Manager, Engineering A J Mair FCPA, FCIS Company Secretary C J O'Donnell DipBus, NZCB, AIQS(Aff) General Manager, Property Services W H West BSc(Tech), MIEAust Manager, Investment P Bingham-Hall BA(Ind Des), SIA(Aff) General Manager, Corporate Affairs G E McOrist FCPA General Manager, Treasury T G Young BBus, DipTech(Comm), CPA, FTIA, FCIS General Manager-Controller, Financial C H Clark BBus, ACA, ACIS P C Janu BEc, LLB, ACA, FTIA Group Taxation Manager

Our financial strength gives Group companies the ability to participate in large and commercially complex projects.

Financial Management

strend

The Group's balance sheet is now stronger than it has been at any time in our history. The 1996/97 result was significantly better than the previous year and exceeded internal forecasts.

While assets sales added to the overall result, it is important to stress that the underlying profitability of Leighton's operations is the cornerstone of the Group's success. The financial indicators bear this out.

During 1996/97 shareholders' funds rose to \$543 million, an increase of 11%, and return on assets before abnormals rose to 5.31%. Proceeds from asset sales significantly improved liquidity. At 30 June gross debt stood at \$174 million and cash on hand and deposits was \$423 million, resulting in net funds of \$249 million. Retained earnings increased by 43% and undrawn cash facilities stood at \$186 million.

In line with the strong profit result the Leighton Group returned an improved total ordinary dividend per share, rising 47% to 22 cents. Due to the high level of abnormal profit, a special dividend of 10 cents per share is to be paid in September 1997.

Three abnormal items impacted on our results this year. The largest of these was the sale of Welded Mesh for \$145 million which produced an abnormal profit of

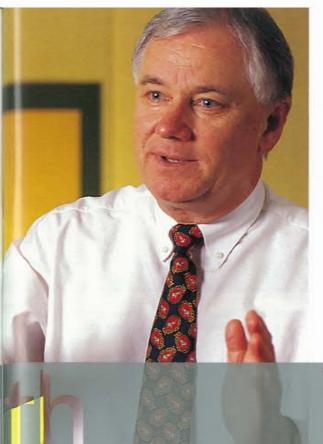
\$47 million. We also disposed of our holdings in Australia's Wonderland, for \$4.5 million above book value, and Ipco International, for \$5.8 million below book value.

In order to meet the demands of increasing levels of work, this year we added to our plant and equipment fleet so that it now accounts for \$565 million, or 35%, of total assets. It remains Group policy to maintain a high standard of equipment at all times, and we replace all plant regularly. This year's plant and equipment purchases of \$220 million were all funded internally. Plant sales of \$69 million were made and depreciation of \$139 million was recorded in 1996/97.

Meanwhile we have reduced our level of property investment in Australia by another \$16 million and this brings our property holdings down to \$134 million or about 8% of total assets. The property division is in a good position to go forward and with the backing of the Group's financial strength behind it should be able to take advantage of the improving property market.

Risk management remains a top priority for Leighton Holdings. The Group has several lines of defence to guard against exposure to undue risk. The individual operating companies have their own balance sheets with appropriate checks and balances to manage the exposure in their own businesses. Risk management procedures are stringently applied. Leighton Holdings oversees these procedures, conducts regular financial reviews of the operating companies and where applicable arranges for technical reviews of individual proposals and projects. This approach allows a healthy level of freedom for the operating companies, but within a disciplined framework.

The Group's financial capability contributed to the successful award of the Eastern Distributor tollroad project to Airport Motorway Limited, of which Leighton



Dieter Adamsas Director, Finance (Administration

owns 16.6%. As the sponsor of this major infrastructure development, Leighton will operate and maintain the tollroad over the 48 year concession period.

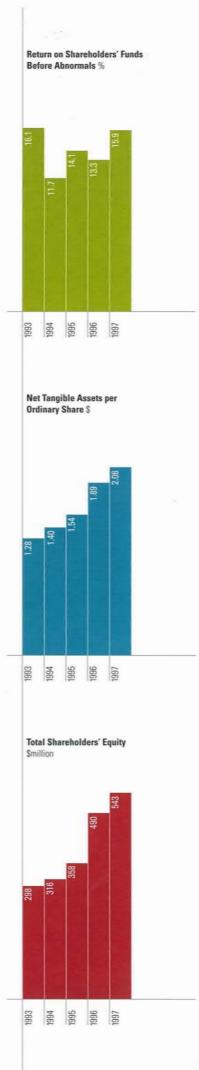
We maintain an active communications programme to keep our shareholders, stockbrokers, bankers, clients and other shareholders informed of Group developments. Communication with financial and media organisations in Asia is a necessary part of the programme due to the high level of activity in the area.

Leighton continues to maintain strategic links with Australian and international financial institutions which provide funding facilities for the Group's operational development.

This year's strong result, building on the efforts of previous years, should allow the Group to continue to participate in major privatised and public infrastructure and large scale resources projects.

Dieter Adamsas

Director, Finance & Administration



Corporate Governance

1. The Board

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

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

The Company has presently eight non-executive Directors and three executive Directors in conformity with the Board's policy that the Board have a majority of non-executive Directors. The Chairman is a non-executive Director. HOCHTIEF is represented on the Board by three non-executive Directors, namely Messrs H-P Keitel, B Peus and D P Robinson.

The Board is balanced in its composition with each current Director bringing to the Company a range of complementary skills and experience, as set out on page 48 under the heading 'Directors' Resumes'.

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

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

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

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

2. Appointment and Retirement of Non-Executive Directors

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

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

3. Compensation Arrangements for Directors and Senior Executives

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

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

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

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

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

The aggregate amount payable to non-executive Directors must not exceed the maximum amount approved by the Company's shareholders (currently \$700,000 as determined at the 1996 Annual General Meeting).

Under the policy approved by shareholders at the 1996
Annual General Meeting, retiring non-executive Directors
who have held office for three years or more are permitted to
receive a retiring allowance which rises with the length of
their service. The maximum allowance is payable in the case
of a non-executive Director who has held office for at least
ten years and in such a case the allowance is an amount
equal to the Director's total fees during the last five years
before retirement.

4. Business Risk Management

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

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

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

 regular monthly reporting to the Board in respect of operations, the financial position of the Group and new contracts; Corporate governance aims to achieve high standards of corporate behaviour and enhance a company's performance by adopting policies and practices that ensure the company's business and affairs are managed and conducted in the best interests of shareholders, consistent with obligations to all parties with which it interacts. As the crucial link between shareholders and

the managers who operate the business on a day-today basis, a company's board of directors must assume primary responsibility for corporate governance. The Leighton Board is committed to good corporate governance within the Leighton Group. It has a majority of non-executive directors, including the Chairman and his Deputy, and seeks to maintain a broad range of skills and experience among its members. Committees are established to address specific areas,

such as audit and remuneration.

Policies are monitored in various areas, including the Group's Code of Ethics, occupational health and safety, environmental management and work tendering. Further details of the policies and practices are set out below.

- attendance and reports by the Managing Directors of the Group's main operating subsidiaries at Board Meetings on at

- presentations made to the Board or Committees of the Board throughout the year by appropriate members of the Group's management team (and/or independent advisers, where necessary) on the nature of the risk and details of the measures which are either in place or can be adopted to manage or mitigate the risk; and
- any Director may request that operational and project audits be undertaken by the Company's subsidiary, Technical Resources Pty Limited.

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

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

5. Audit Review

least a quarterly basis;

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

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

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

6. Board Committees Generally

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

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

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

7. Annual Review by the Board

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

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

8. Directors' Access to Independent Professional Advice

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

9. Equity Participation by Directors

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

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

10. Ethical Standards

Leighton recognises the need for Directors and employees to observe the highest standards of behaviour and business ethics when engaging in corporate activity. The Group intends to maintain a reputation for integrity. The Board has adopted a Code of Ethics which sets out the principles and standards with which all officers and employees are expected to comply in the performance of their respective functions.

Under the Code officers and employees are expected to:

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

The Code and its implementation are reviewed each year.

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



People and the Workplace



People The Lei

The Leighton Group's success is built around its people. A large number of employees have been with the Group for 10-20 years which gives us the 'critical mass' of skills and experience necessary to undertake a wide range of projects at any given time. It also enables us to respond rapidly to the demands of the market.

In a largely decentralised organisation, autonomy and responsibility are encouraged. We believe in rewarding skill and loyalty at all levels, and try to promote from within wherever possible. Identifying good performance and recognising it is an important factor in maintaining the commitment of our workforce.

Group companies offer a number of scholarships at tertiary institutions around Australia in an effort to identify and develop young engineers, builders, and accountants. We also take an active role in course structure and curriculum development.

The Australian construction industry's reputation for world's best practice is reflected in the high productivity levels of our employees. Leighton aims to maximise the potential of its employees through career development, training and education programmes. The Leighton Group is committed to a policy of equal opportunity.



Occupational health and safety is, and will continue to be, an integral part of the Leighton Group's management systems and policy. The Board of Leighton Holdings takes a close interest in these matters, reviewing the Group's performance at regular intervals.

In 1996/97 awards were won by Leighton Contractors for the Sydney Casino project, Thiess Contractors for the Mt Owen coal mine in NSW, and Leighton Asia for the Aviation Fuel Service Facility in Hong Kong.

We acknowledge that the construction industry is, by nature, potentially dangerous. By striving for higher levels of safety awareness, we are able to deliver better workplaces for our employees resulting in better projects for our clients.

Industrial Relations

Each operating company has responsibility for its own employee relations. Industrial relations is managed at branch level, allowing issues to be identified and resolved quickly. In 1996/97, levels of industrial disputation remained low. Although high unemployment is obviously a contributing factor, a workable negotiating framework and a balanced and sensible industrial relations climate are the primary reasons for the stable environment. Whilst we expect labour costs to rise in Sydney due to high activity levels, a mature approach from employers and unions should help avoid the adversarial positions of the 1980s.

The Environment

The Leighton Holdings' Board sets environmental policy which is adhered to by all Group companies. In addition, each operating company has developed environmental procedures as part of its management systems, with Leighton Contractors achieving certification to International Standard ISO 14001:1996 for every branch.

This expertise is used in the field to help support clients' activities, advising them on environmental aspects of their projects and helping them find solutions.

In 1996/97 the Leighton Group received various environmental awards including the 1996 Queensland Premier's Award for Environmental Excellence presented to Thiess Contractors for South Walker Creek coal mine in Queensland. Thiess also received a 1997 Earth Awards Commendation for the Gateway Motorway Arterial Extension in Queensland.

Innovation, Technology and Value

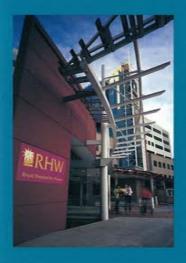
Continuous improvement in management systems, project controls and construction technologies helps the Leighton Group maintain its competitive edge. Each operating company invests in research and development, maintains links with technology specialists, and draws on the expertise of the Group's Technical Resources division.

At the same time, each operating company strives to make its management systems more effective and accountable, resulting in better ways of managing projects for clients.

This aspect of the way we do business is becoming increasingly important as companies negotiate a greater proportion of work. Innovation, technology and value are competitive and commercial benefits we can bring to the bargaining table.



Part of the Community









Leighton Group companies realise that wherever they work they are part of the local community. Increasingly they are called upon to implement community relations programmes - often on behalf of their clients - on projects that impact on local residents, commuters or end users. Consultation and education are integral parts of these programmes which aim to keep the public fully informed on the progress of the work and all relevant issues affecting the community.

Current projects featuring extensive community relations activities include the Sydney Casino (Leighton Contractors and Leighton Properties), the Eastern Distributor (Leighton Contractors), and the Mt Owen coal mine (Thiess Contractors).

Sponsorship

Each company in the Group maintains a sponsorship programme. For operating companies, sponsorships are often awarded in a region or local community where they are currently working. These sponsorships often provide an opportunity for project employees to integrate with the local community, as well as demonstrating their commitment to returning something to these communities.

For Leighton Holdings, sponsorships are more concerned with developing long term partnerships with appropriate organisations in the broader community. Organisations such as the National Trust of Australia (NSW) play an important role in preserving Australia's heritage, particularly its built environment. As a major sponsor, Leighton is proud to provide assistance and be associated with this cause.

Other sponsorships in 1996/97 included the Landcare Foundation, the Universities of Sydney and NSW, the AFS Scholarship programme, the St James Ethics Centre, the Museum of Contemporary Art, the Institution of Engineers Australia Engineering Excellence Awards, and the Property Industry Foundation.

Donations

In Australia and Asia, the Group actively supports medical research, charitable and community organisations, youth and education projects, disadvantaged groups, and initiatives to help protect the environment.

Major donations in 1996/97 were made to the Royal Hospital for Women and the Royal Botanic Gardens, both in Sydney. Leighton is also encouraging staff to become involved in various community fundraising campaigns such as Jeans for Genes Day and World Environment Day.

A guiding principle for all Group companies is to concentrate on selecting projects to which we can add value and create benefits for both our clients and ourselves. This does not mean we avoid competing in the open tender market. Rather, we strive to achieve a balanced portfolio of work which involves varying degrees of risk and reward, as well as geographic and product diversity. Satisfied clients and profitable projects are the key to our success.

Market Strategies and Outlook



The Group collectively is the largest construction and mining contractor in Australia, although we are not necessarily the largest in each of the market segments and states within which we operate.

Our market strategy is based on understanding those sectors of the economy which are most likely to invest in capital works, and on having the ability to deliver a broad range of projects. Our workload involves engineering, building, mining and project development skills. This diversity enables the Group to minimise its exposure to any one market and maintain a steady level of activity across cyclical industries.

The Group's two main operating arms in Australia, Leighton Contractors and Thiess Contractors, operate in the construction and mining sectors with some degree of overlap, but with distinctly different approaches and market focus. Thiess also competes in the waste management and environmental services field.

Other operations in Australia include Leighton Properties, a property project management and development company, which concentrates on the commercial and industrial sectors, and Visionstream, a provider of design and installation services to the telecommunications industry.

The Australian non-residential construction industry is our biggest market. It continues its upward cycle with the total value of work done in 1996/97 estimated to be around \$22 billion.* Whilst the strong growth of past years is forecast to slow somewhat as we approach the year 2000, the overall level of opportunities will be influenced by growth in the resources sector and the private infrastructure market.

Transport infrastructure is one of the major sources of growth in civil engineering projects with roads remaining the largest recipient of public sector capital works programmes. Some major public and private sector projects in rail, airports and port developments should contribute to a strong civil engineering market over the next few years.

Telecommunications remains a significant niche market for the Group. Despite the slow-down in cable laying for pay-TV infrastructure, the newly deregulated environment should create some interesting business developments.

The continued strength of the property market will have a significant effect on building opportunities post 2000. In addition to increased activity in the commercial office sector, the tourism, entertainment and hospitality industries should generate prospects over the next few years leading

up to the Olympic Games. As most of the Olympic facilities are now underway, the best public sector building opportunities are expected to be health related.

The commercial property market in Australia has improved significantly in the past 12 months, particularly in Sydney where CBD office vacancies have dropped to 7.5%. Brisbane and then Melbourne are expected to follow with some reasonable opportunities along the eastern seaboard. Property development activities for the Group will remain focused in the Sydney area.

The resources sector continues to offer good prospects for both infrastructure and contract mining projects. \$22 billion of major resource projects are expected to commence over the next year with some \$65 billion of projects in the active planning phase.#

Most of the major resource projects likely to proceed over the next few years are in Western Australia and Queensland. They include manufacturing/processing plants, oil and gas developments, pipelines, mineral and coal mining projects. Deregulation of the electricity sector will produce direct generation and distribution facilities as well as being the catalyst for processing developments which will become feasible in a low cost energy market.

The volume of mine production in Australia is expected to grow around 5-6% per annum over the next couple of years.* Whilst the world wide drop in gold prices may affect some mine developments, this is unlikely to affect the level of ongoing work as gold currently accounts for less than 5% of the Group's work in hand. Also, the trend towards outsourcing should ensure that contractors expand their share of the existing market. Over the past 10 years to 1995, the contract mining market has increased from around \$500 million pa to nearly \$2.5 billion per annum.*

The Group's operations in Asia are approached on a geographic basis with the bulk of activity and prospects in Hong Kong and Indonesia. Our success in Asia has been a combination of persisting with a long term presence, understanding the local cultures and only choosing projects for which we have a competitive advantage. We are now the biggest Australian construction group in Asia with branch offices in six countries and project experience in virtually every country in South East Asia.

Both Leighton Asia and Thiess Contractors operate in the region. Leighton Asia's head office is in Hong Kong with branches in Thailand, Malaysia, Vietnam and the Philippines. It also operates in mainland China on a



selective basis out of Hong Kong. Activities include commercial and high-rise residential building work as well as civil, marine and foundation engineering construction and some contract mining.

Thiess Contractors' activities are concentrated in Indonesia with its regional head office in Jakarta. The business was built on the back of the huge resources market in Indonesia. Contract mining and resources related infrastructure are still the core of Thiess' activities but it has successfully diversified into telecommunications infrastructure and industrial building and engineering projects.

Construction opportunities in Hong Kong look positive with a number of major infrastructure developments proposed by the new government.

Business confidence remained high before and after the handover to Chinese rule on 1 July 1997, with the economy forecast to maintain 5% per annum growth. Public housing initiatives should significantly increase the amount of residential building work available. Extensions to existing rail networks and proposed new container terminals should generate good engineering opportunities. A reasonable level of private sector commercial and industrial projects is also expected to continue.

The combined size of the resources and construction industries in Indonesia make this country an attractive market for the Group. Prospects in this country are promising with a range of resources related infrastructure, mining and industrial projects. Whilst the majority of work undertaken to date has been for multinational companies, recent success in penetrating the local market should open up further opportunities. Niche markets such as telecommunications also offer potential for utilising a greater range of construction skills.

In other countries in which we operate, economic growth is expected to be somewhat slower than in the past, dampening the market outlook. In Thailand the current economic problems dictate a conservative approach to bidding for work including credit risk evaluation. The level of activity in Malaysia and Vietnam is expected to stay modest with a growing presence in the Philippines.

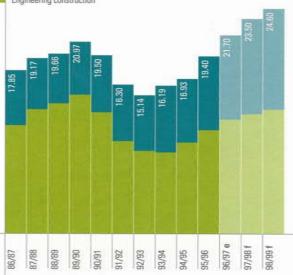
Opportunities to expand our operations in mainland China over the medium term will continue to be reviewed.

Source

*ABS Catalogue 8752.0 & 8762.0.

Australian Non-Residential Building and Engineering Work Done Stillion Non-residential

Engineering construction



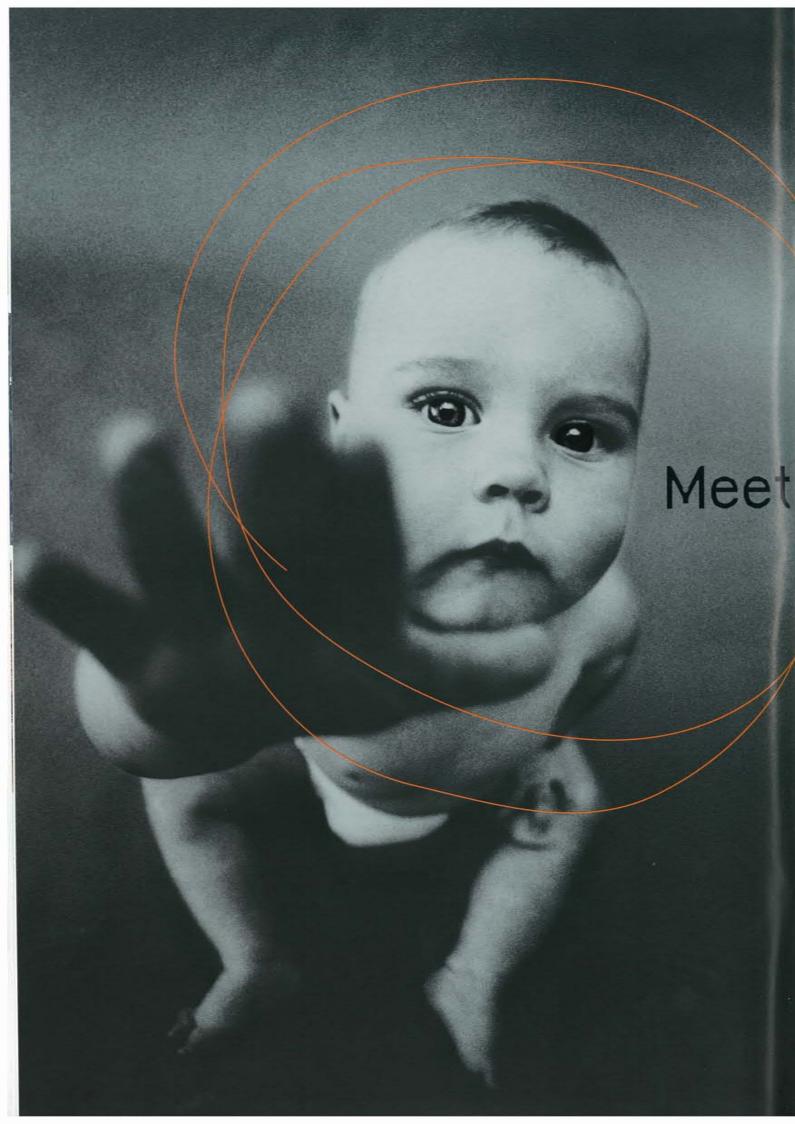
Note All figures in 1996/97 Shillion Source ABS Catalogues No. 8752.0 & 8762.0 Forecasts and estimate Federal government's construction forecast committee e: estimate, f: forecast

Australian Contract Mining Industry Growth Spillion

37 758.5 1160.5 1771.5 2079.0 2047.9

Note All figures in 1996/97 \$billion Source ABS Catalogues No. 8414.0

[#]Access Economics Investment Monitor No. 30, June 1997



The shift towards privately owned and operated infrastructure is changing many of the ways governments and contractors do business. The mums and dads in the community - the users of these facilities - are replacing the government works departments as the 'client.'

By Tom Burton

the new

Spurred on by the privatisation of Australia's utilities, the fledgling infrastructure market is set to boom, with up to \$200 billion of privatisations predicted over the next decade.

The privatisation push, which began in the 1980s as an ideological response to state ownership, has now become an unstoppable process as governments of all types have come to see the benefits of being a buyer of services on behalf of the community, rather than the supplier of the service.

For sectors such as the construction industry - which historically received a large proportion of its work from the public sector - this has profound consequences, with contractors now being required to take on many of the traditional responsibilities of governments.

This has led to fundamental changes in the roles of the various stakeholders associated with a 'public' project, with contractors now required to have a much more direct relationship with the community for whom the facility is ultimately being built.

This suggests a very different set of skills from the traditional engineering functions of a civil contractor.

Gone are the days of straightforward construction as firms find themselves involved in all facets of a project, including development and management of an equity consortium, project and financial risk assessment, supervision of the regulatory requirements, certification and environmental management, as well as oversight of key political, community and media relations.

The shift to private provision of infrastructure has come after a three decade decline in the growth rate of capital stock in the Australian economy, mostly due

to cuts to public investment in infrastructure. Public investment is now about half of what it was in the early 1960s, down from 8 per cent of GDP to 4 per cent, according to the Reserve Bank.

The run down of public infrastructure has led to a build up in demand for community facilities and governments have come under increasing pressure to find innovative solutions.

The decline in Australia's capital stock is also having a measurable impact on national economic performance.

"Without much doubt, this decline (in capital investment) has led to a decline in Australia's sustainable rate of economic growth," the Allen Consulting Group concluded in a recent submission to the Federal Government arguing for government support for privately owned infrastructure.

This realisation has occurred at a time when global capital markets are effectively limiting governments' ability to fund large infrastructure projects.

Markets have demanded a premium to fund governments with excessive borrowings. This premium impacts on governments and taxpayers because of the higher servicing costs of the debt, as well as consumers and business who also pay higher local interest rates because of the higher sovereign risk.

This has made State and Federal treasuries acutely aware of the big sale prices some of the public utilities are attracting, giving them much needed cash to either pay out debt er fund higher priority services such as health care and police services.

These fiscal pressures have coincided with the drive to create a national competition regime.

Inspired by Professor Fred Hilmer's landmark 1993 report on national competition reform, the Federal and State Governments have now accepted a set of rules and laws which seek to establish a level playing field between the public and private sectors.

For the traditionally government owned utilities this has had a dramatic effect, losing many of the advantages of public ownership as well as being forced to allow third parties access to their infrastructure.

Indeed it is the opening up of core infrastructure to third parties which has created a whole new market place, generating new investment as private companies move to take advantage of new 'open access' rules.

"It is access which creates contestability at either end and means government no longer has a role," according to Professor Hilmer.

"In fact it is problematic for government to be involved, because whereas previously they could be assured of low risk returns, a competitive market increases the risk.

"Opening the market up for competition leads to far more innovation with the private sector in a much better role to creatively manage variables such as design, capacity and financing than governments," Professor Hilmer said.

The result is that private firms are now moving to develop facilities to supply or connect into national energy, telecommunication and transport networks.

foll roads were an early example of this type of development. The opening up of the communications sector has spurred massive investment in broadband cable systems and there are several projects now being considered for development of gas fired generators.

The new rules are also prompting governments to separate the regulation of the utilities and their market place from the operation and ownership of the utility, a task made easier by the development of new technologies such as digital telephony and energy metering systems.

The consumer and economic benefits from these changes have already begun to flow with both telecommunication and spot electricity prices tumbling, vastly improved customer choice and service, and a raft of new services such as pay TV and high speed internet access.

This combination of fiscal constraints, competition and technology is creating a quiet, but profound change in how governments do business.

"The focus has shifted from process to outcomes," according to Leighton chief executive Wal King, who recalled his days as a young government employed engineer working for the state power authority.

"There were floors and floors of designers and engineers, plus a huge day labour force. Now these are gone and governments are looking for the best value deal rather than ownership."

King sees long run benefits from these changes: "Australia has to realise it is in a world game. It has to be able to provide infrastructure at a competitive cost."

This convergence of privatisation, competition and corporatisation is likely to see a massive increase in the private provision of infrastructure.

It marks a significant change in the nature of the infrastructure market with governments moving from a position of encouragement of private sector involvement to a new phase where the private sector is being asked to own and operate whole sectors.

Governments have continued to retain a broad regulatory and supervisory role but as the success of the new approach becomes more apparent, they have become more and more comfortable to leave the actual delivery of the service to the market place.

This process is expected to continue with predictions the electricity sector will move from being 20% privately owned to 80% by the year 2006.

Railway ownership is expected to move from the current 5% private ownership to a position where about half the infrastructure will be privately owned.

Water is expected to follow a similar pattern, as governments look for new solutions to update their rundown water and sewerage infrastructure. The initial sale of Telstra shares will begin a process which will see the \$50 billion sector move to being privately owned.

All up, investment bankers are predicting that some \$200 billion of infrastructure will be privatised over the next 10 to 12 years, suggesting a significant maturing of the private infrastructure market.



This raises significant new challenges for construction firms taking them a long way from their traditional contractor role, starting with a fundamental change in who the ultimate client is.

Typically the anonymous men of the government works departments were the clients, but the evolution to private provision now creates a far broader set of stake holders with families - mums and dads - now ultimately the end users and clients.

Leighton's General Manager Engineering, Bob Gussey has already seen a major change in how the industry works.

"Fifteen years ago most of the government work was by tender, with the lowest bid winning the job," recalled Gussey.

This evolved from first a short listing process, to contractors contributing through a construction management role and then a project management function. Now the move to private infrastructure sees the company playing a 'sponsor - manager' role.

Probably the most obvious change this has meant for contractors is in the relationship with the community.

"We have come a long way since the days when our concern was with dust in the neighbour's swimming pool, said Gussey.

"As a contractor we would have seen it (broader community relations) as the government's problem."

Now the company regularly finds itself in detailed negotiations with the community over key aspects of the project.

The M5 motorway and now the Eastern Distributor - both in Sydney - have involved the company in a sophisticated programme of managing community relations.

Similarly the company has had to take on much more of the environmental management rele. The government traditionally looked after the environmental impact of the project and still retains a role through the environmental impact statement.

But the government now expects contractors to be able to manage all the environmental aspects of the project through a management plan.

"Also, we are often intrinsically part of the accountability process. This puts us in a very different governance role which we have had to adjust to," Gussey observed.

It is the evolution of contractors to sponsor-managers which has forced firms seeking to take advantage of the surging infrastructure sector to build the skills and resources necessary to take on both the engineering and financial aspects of a project.

"In the old days infrastructure was all about engineering. Now it is a partnership between engineering and finance," said Professor Hilmer.

Wal King is firm about what role he sees Leighton taking: "Leighton is not a long term investor, we are a construction company.

"We are prepared to put in facilitation equity - hurt money - but we have some basic requirements: there has to be construction work involved with the project, we have to be comfortable with the project and we have to be able to see a realistic exit strategy."

Director of Finance and Administration, Dieter Adamsas, said Leighton's strong financial position is an important asset in the new world of outsourced infrastructure.

"We have the financial capability to undertake these projects. Smaller firms can't make that claim," said Adamsas.

He warns that Leighton's capacity means it gets many approaches to participate in large projects: "We are not about to bet the company on any one project. You have got to understand the risk."

Part of that risk assessment is a political analysis of whether a project is likely to go ahead. "It costs a lot of money to develop a project, so we have to consider early if it is going to clear the political hurdles," Adamsas said.

King says it is important there be adequate financial instruments so that investors can liquidate their stakes easily and points to the problem that infrastructure projects typically do not yield positive cash flows for many years after construction costs have been incurred.

"There has to be some way of improving the tax efficiency of infrastructure projects," he said.

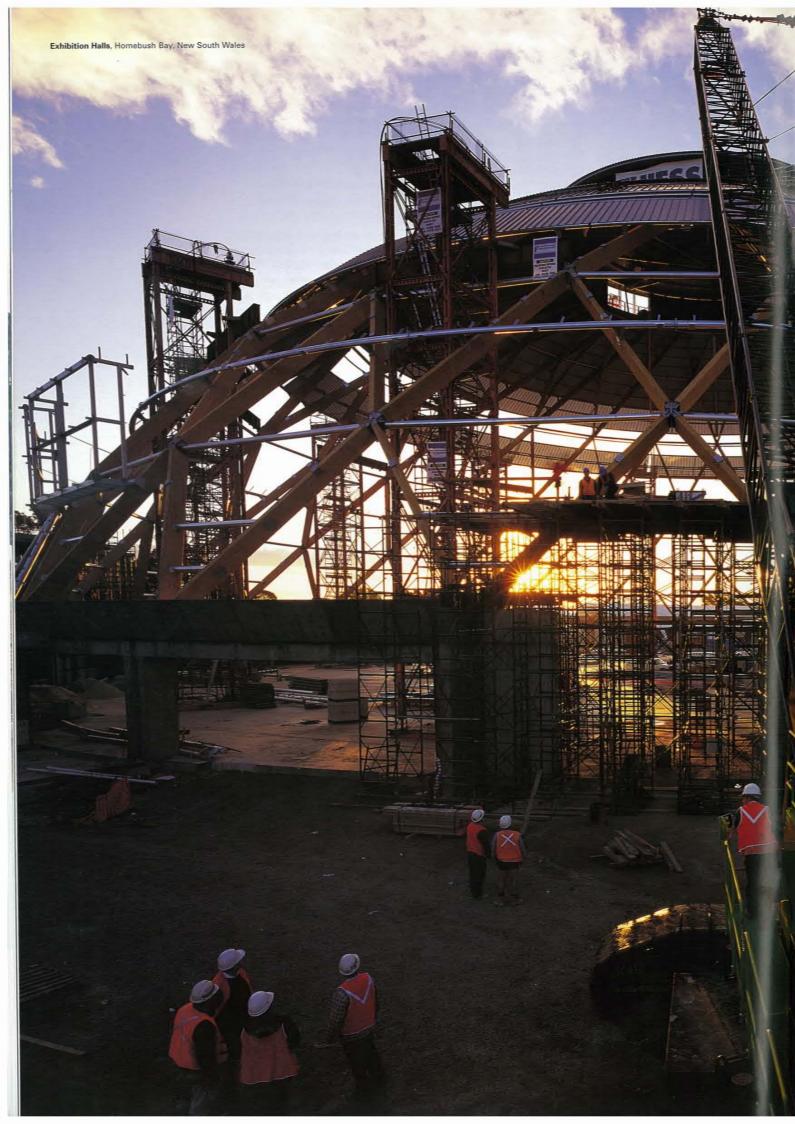
The privatisation and opening up of infrastructure markets is leading to a transformation of the infrastructure capital market, with widescale privatisations likely to bolster an equity market which is still in its development phase.

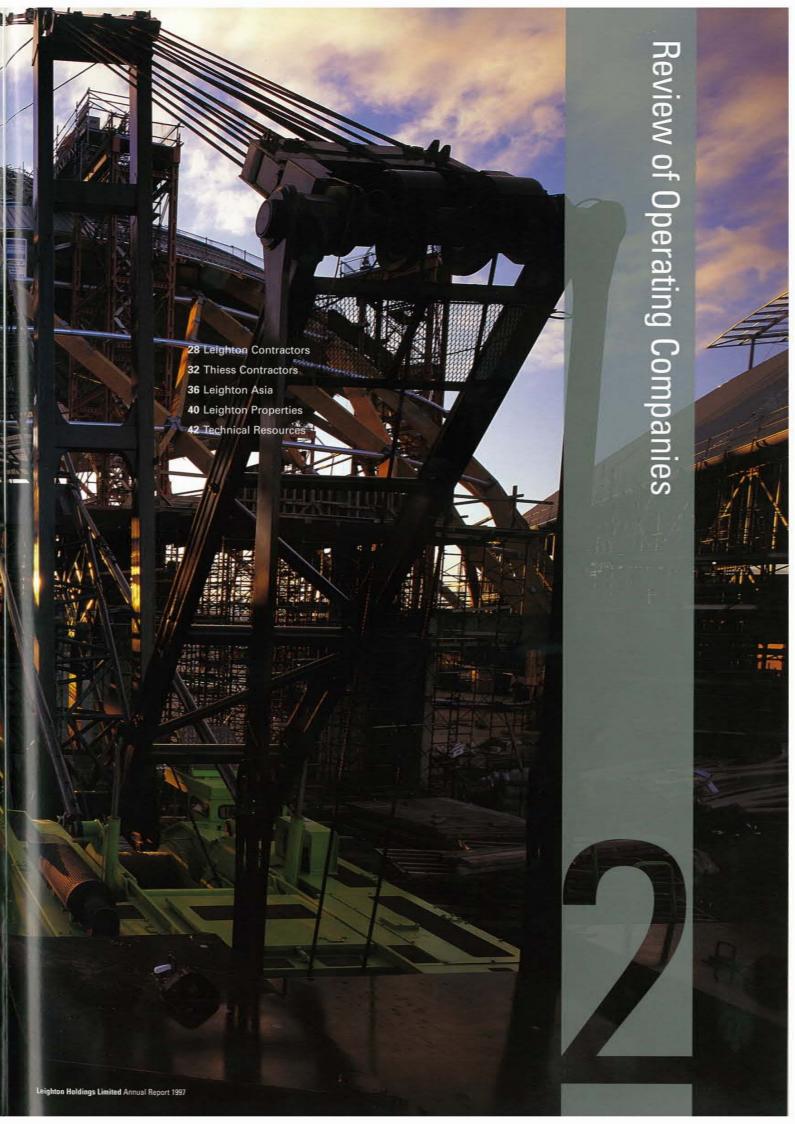
This will give a much needed depth to the market place which has performed strongly in recent years and which analysts believe will become increasingly attractive to institutional investors seeking secure long run returns.

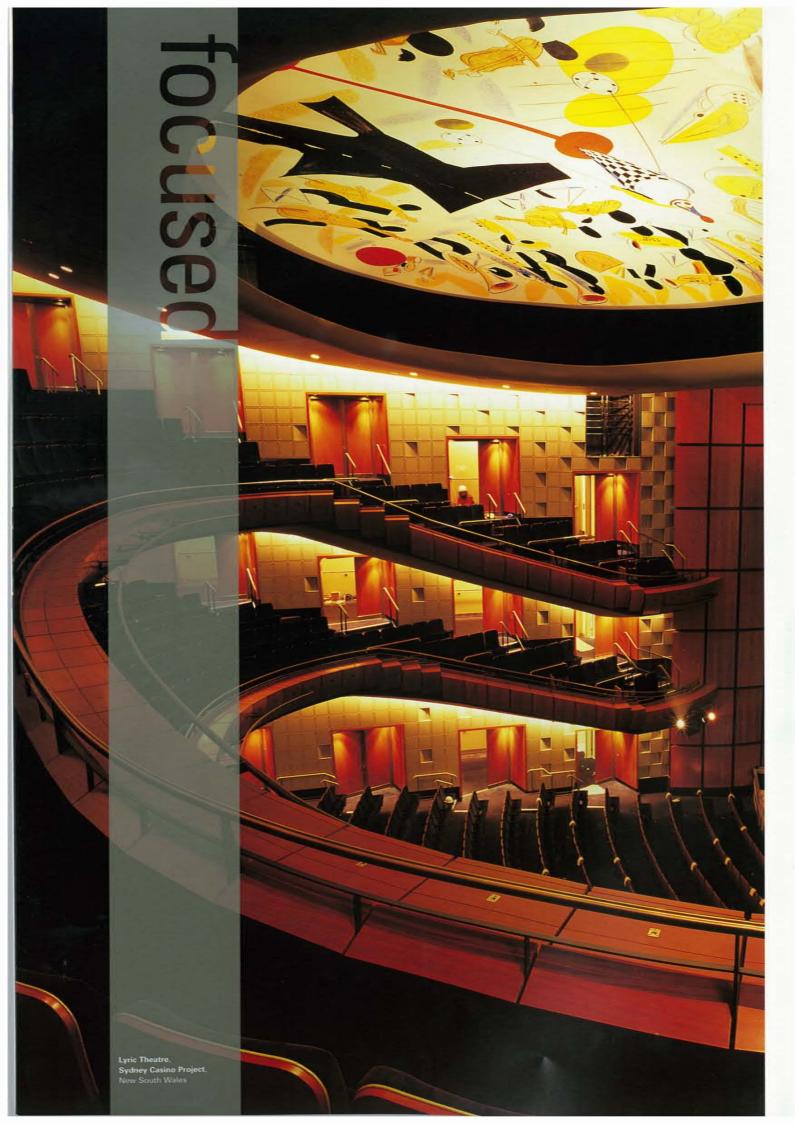
In turn this will create a far more sophisticated market place with firms like Leighton well placed to take advantage of the opportunities.

> Tom Burton is Canberra Bureau Chief for The Australian Financial Review

community







A willingness to adapt to client and market needs, disciplined management, and the hard work of our people produced another profitable performance in 1996/97.

Leighton Contractors

In 1996/97 Leighton Contractors made another strong contribution to Group profit, thanks to a high level of revenue and a disciplined approach to management. Revenue increased 12% to \$1.18 billion after good performances in all major markets. Work in hand stood at \$1.11 billion, boosted by the \$565 million Eastern Distributor tollway project in Sydney which was secured at the end of June.

The revenue generated by each of our core markets in 1996/97 was consistent with previous years. Civil engineering produced revenue of \$500 million, up 6%. Building rose 40% to \$421 million, largely due to the fast tracking of the Sydney Casino project. Contract mining recorded a slight decrease of 8% to \$261 million as a number of contracts were completed.

New South Wales operations again performed well above target. We won praise from the Area Health Network for our work on the \$63 million Bankstown Hospital development in Sydney, completed this year. The \$661 million Sydney Casino project has progressed well and is expected to be finished before the end of 1997, on schedule and within budget. The \$362 million contract to project manage and build a medium density fibreboard plant at Oberon for CSR is also nearing completion. Each project has set new internal benchmarks for technical and management aspects of the construction process.

In Victoria we completed the \$73 million. South East Arterial road extension despite the complexities of performing the works whilst the road remained in use. In Western Australia one of the year's outstanding achievements was the successful completion of the \$87 million contract to build an offshore oil platform for Ampolex. Leighton Contractors was part of the fivemember Wandoo Alliance formed to undertake this project, which received a series of awards including the Kevin Cavanagh Medal for Excellence in Concrete by the Concrete Institute of Australia, and an Award of Merit in the 1997 Excellence Awards by the Association of Consulting Engineers Australia. The platform is now in place off the Western Australian coast and production is underway. Queensland operations were relatively static, although prospects in that state are again improving.

The most significant new contract won during the year is the Eastern Distributor tollway in Sydney. The design and construction of this road is a major civil engineering project, but with the added challenge of managing the interface between the project and the local community. Leighton Contractors and Airport Motorway, the tollroad's operator, are developing policies and systems to actively accommodate community issues.

We secured contracts worth approximately \$80 million for the Olympic Coordination Authority during the year. The largest of these is a rail loop and triple platform railway station for Homebush Bay, capable of handling up to 50,000 people every hour during the Games. We are also constructing a carpark and related infrastructure.

In a strategic move, we acquired the Visionstream business from Telstra in December 1996. Visionstream is an important player in the design and installation of telecommunications infrastructure, and has the potential to expand into other related areas. It has significantly broadened our skills base in the telecommunications sector, and we will build on this expertise.

In the future, we expect to see contract mining remain strong, with more movement in the Queensland market as issues associated with the High Court's Wik and Mabo decisions are clarified. A worldwide drop in the price of gold has seen a slowdown in Western Australia, but opportunities to move into the base mineral sector are emerging. Fresh discoveries of oil and gas off the Western Australian coast indicate that there may also be new work in the energy development field.

In civil engineering, there are opportunities for us to undertake new road projects, especially in northern New South Wales and southern Queensland. In the south eastern states we expect continued strong growth in work related to telecommunications, particularly as new players seek to enter the deregulated marketplace. In addition there may well be new openings in power generation and transport infrastructure, and Leighton Contractors is already involved in the Speedrail consortium bidding to build a Very High Speed Train link between Sydney and Canberra. In general there is a recovery in the commercial property market, and . as development activity gathers pace this could well present new opportunities for us in commercial and industrial building.



Keith Bennett Managing Director



- Ouarters Open Pit Gold Mine, Western Australia
- Sydney Casino Project, New South Wales
- 8 PTC Light Rail Maintenance Facility, Southbank, Victoria
- Homebush Bay Rail Link, New South Wales
- 6 Visionstream acquired by Leighton Contractors
- G CSR MDF Plant, Oberon, New South Wales
- Paddington Gold Mine, Western Australia
- 3 Peel Health Campus, Mandurah, Western Australia











Stability and depth of management at all levels allows us to offer clients complete reliability and versatility.

We are more than a construction company and offer a broad range of management skills. The Wandoo Alliance, for example, selected a Leighton manager to run the whole project, even though Leighton Contractors was constructing only one component.

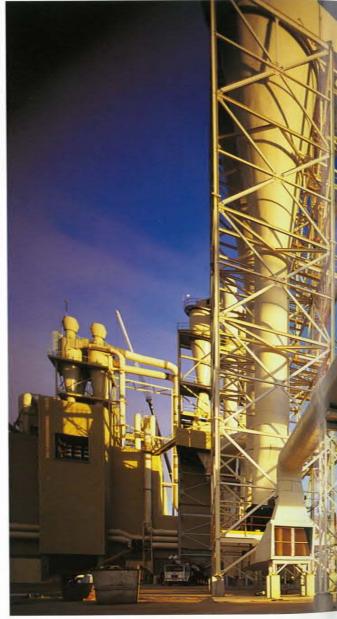
Client relationships vary from job to job and from client to client, but we approach each contract with the aim of developing a long term relationship. For that reason, a substantial proportion of our business is negotiated rather than won at open tender. We will always compete in the hard dollar tender market, but negotiated work provides more opportunity to deliver greater value to our clients.

Management strength, combined with proven management systems and a commitment to success, helps Leighton keep abreast of developments in the different industry sectors around the country. This is a major benefit to clients in a complex and rapidly changing industry. It permits us to offer value in a number of different fields. Such diversification allows us to moderate the cyclical nature of individual business sectors. Leighton Contractors is not obsessed by revenue, but is concerned with handling profitable quality work which provides an excellent and predictable outcome for the client and good returns for our shareholders.

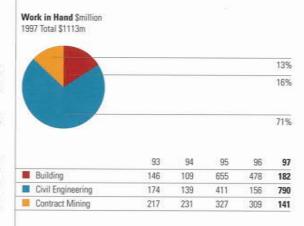
Through the diversity of its skills base and the strength of its management structure, Leighton Contractors looks forward to further progress in the years ahead.



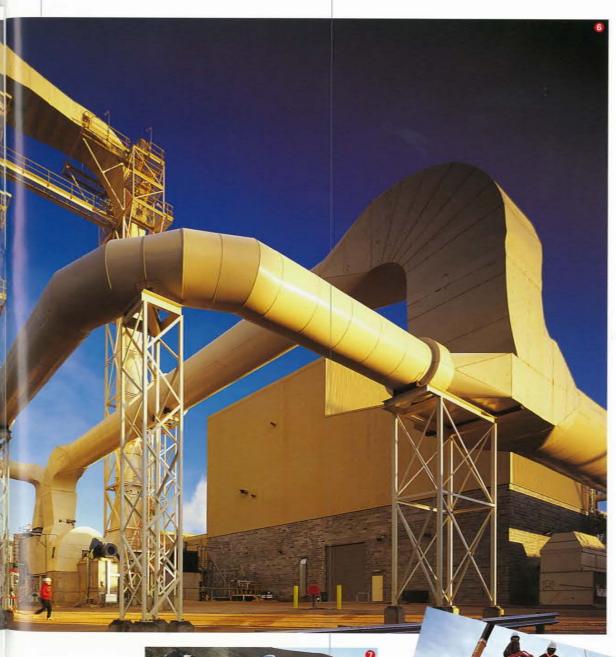
Keith Bennett Managing Director



Operating Revenue Smillion 1997 Total \$1182m 22% 36% 42% 93 94 95 96 97 **Building** 160 148 421 236 301 ■ Civil Engineering 209 230 258 470 500 Contract Mining 148 204 231 284 261



31



Board
W M King Chairman
K L Bennett Managing Director
D S Adamsas, T R J Cooper,
J J Dunkley, R G Gussey, I M Luck,
R J Merkenhof, R F Morris,
R P Turchini, L W Voyer
Secretaries T R J Cooper, K J Steen

Senior Executives K L Bennett BE(Civ), FIEAust Managing Director R P Turchini MIEAust General Manager, NSW & ACT R J Merkenhof BEna General Manager, WA J J Dunkley FIEAust, CPEng Civil Manager, WA I M Luck BTech(CivEng), MIEAust General Manager, Southern Region L W Voyer Assoc CivEng, FIEAust General Manager, Northern Region B A Bowman Manager, Information D R Boyling MIEAust, CPEng National Plant Manager R G Collins BEng(Hons), CEng. MIEAust, MICE, AIARBA Manager, Contractual Services T R J Cooper FCPA, FCIS, FAICD General Manager, Commercial M G Delaney FIEAust, MAuslMM Menager, Central Engineering R L Maxam BJuris, LLB(UWA), LUM(Syd) J D McNab BE, MIEAust Estimating Manager R F Morris BSc(Maths), BE(Civ), MEngSci, MIEAust Manager, Special Projects K J Steen ASA National Administration Manager J T Walshe MSc, DiplndPsych Manager, Employee Relations & Environment

Our work in hand has grown across all market sectors. We are particularly pleased with our success in contract mining, especially the coal industry.

Thiess Contractors



Martin Albrecht Managing Director

Thiess Contractors achieved record levels of profit, revenue and work in hand in 1996/97. This improved performance is the culmination of the hard work and commitment of all our people and a strategy of focusing on securing larger and more profitable projects in selected markets.

Our contribution to Group profit was considerably higher this year. Revenue increased by 38% to \$1.1 billion, driven by the significant growth in contract mining and further expansion of our business in Indonesia. The company has secured over \$1 billion of new work each year for the past three years and accordingly work in hand rose 42% to \$2.5 billion.

The major portion of Thiess' new business is now repeat business from highly valued clients. Among the new projects secured during 1996/97 was a \$52 million contract for port infrastructure at Cannington in North Queensland for BHP, mining contracts valued at \$172 million at Kideco coal mine in Indonesia, and various contracts for MIM including negotiation of the \$272 million four-year extension for the life of mine contract at Collinsville, Queensland. Portman Mining also announced that it has commenced an expansion study to double coal production from the Burton coal mine in Queensland. At \$300 million. Burton is already one of Thiess' biggest Australian contract mining projects.

The level of work undertaken on resources projects continued to rise sharply during the year. The Lihir gold mine in Papua New Guinea generated over \$55 million worth of work for Thiess. We completed the construction of infrastructure for BHP's Mt Owen coal mine in New South Wales, and commenced mining at the rate of 3.5 mega tonne per annum. In Queensland, Thiess won the inaugural Premier's award for Environmental Excellence for work on South Walker Creek coal mine on behalf of BHP. Our skills in this area are increasingly sought after by clients.

Thiess enjoys a leading position in the contract mining sector, with demonstrated expertise in the Australian and Indonesian coal mining industries. However, we continue to undertake significant projects and look for further opportunities in other mineral sectors, such as iron-ore, gold, zinc, bauxite, nickel and copper.

In an exciting new development,
Thiess was awarded a major
telecommunications contract in
Indonesia. Valued at \$208 million, this
joint venture project involves cable
laying and associated infrastructure
works in Central Java. This is an
important diversification of our work in
Indonesia, and we see this as a
strategic step in actively pursuing
telecommunications work in the region.

We also secured a number of major civil engineering contracts during the year. Notable among these was the \$105 million Bulahdelah road project north of Newcastle in New South Wales and a \$35 million contract for roadworks, landscaping and services at Homebush Bay for the Sydney Olympics. The application of an innovative construction method helped

us secure the contract for the \$80 million Exhibition Halls for the Olympic Games which is progressing in accordance with programme.

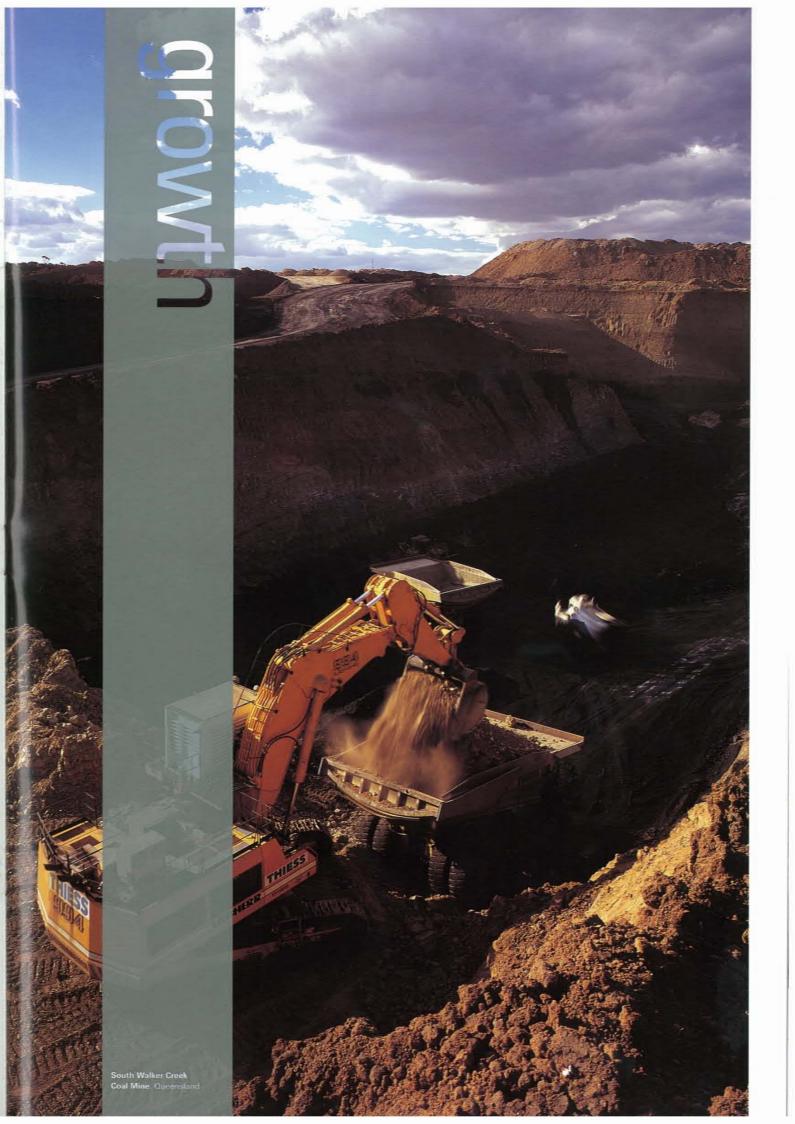
Several important projects were completed during the year. In Victoria these included the Torrumbarry Weir on the Murray River, and Fulham Correctional Centre which is a major privately operated prison at Sale. In Queensland we completed extensions to Cairns Airport, Teemburra Dam, and a major extension to the Gateway Motorway in Brisbane.

Our Environmental Services business unit increased revenue by 36% during 1996/97 to reach \$91 million. The completion of our integrated transfer station and waste disposal site in Brisbane was a major milestone for this area of Thiess' business. We now have the only privately held putrescible waste disposal license in Queensland which has the capacity to handle the same kinds of waste currently treated by Brisbane City Council. These facilities have enormous potential for future growth. Our leadership as an integrated provider of environmental services has us well positioned for future growth, particularly as industry in general becomes more sensitive to environmental issues

In terms of industry sectors, contract mining has become the major business area and is still growing.

There was a modest increase in civil engineering work although the level of mechanical work fell as infrastructure for resource projects was completed.





The non-residential building market remains patchy, though here too there are some prospects for growth, especially in the health sector. Thiess has won health related contracts in both Geelong and Canberra during the year. Work in hand and additional opportunities indicate there will be a further increase in the volume of business next year.

Five of our business units, Queensland, New South Wales, Victoria. Environmental Services and Indonesia achieved business volumes and profits which exceeded their original budget expectations. In Indonesia the mix of

- 1 Telecommunications Project, Java, Indonesia
 - 2 Infrastructure Works for Inco Nickel Mine, South Sulawesi, Indonesia
 - 1 Integrated Waste Transfer Station, Brisbane, Queensland
 - Cannington Port, Townsville, Queensland
 - 6 Exhibition Halls, Homebush Bay, New South Wales
 - Burton Coal Mine Queensland



34

Operating Revenue Smillion

1997 Total \$1119m



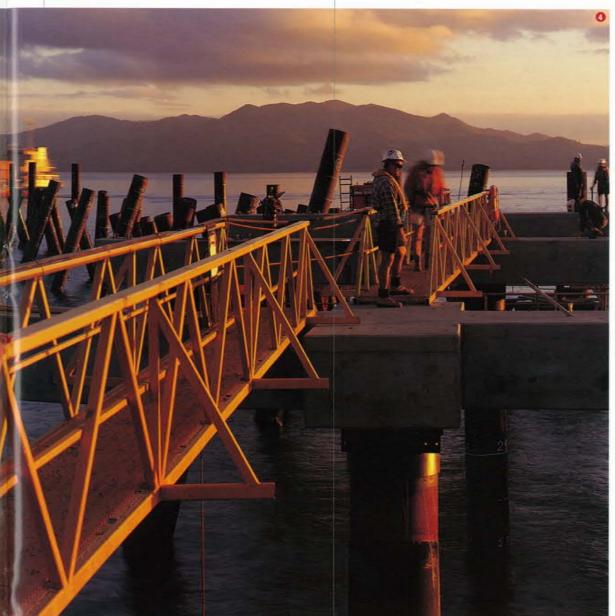
	93	94	95	96	97
Building	124	103	95	144	248
Civil/Mech/Eng	251	311	333	417	347
Contract Mining	183	147	145	183	433
■ Environmental	53	66	64	67	91

Work in Hand Smillion 1997 Total \$2551m

9% 6% 18%

	93	94	95	96	97
Building	62	51	74	188	148
Civil/Mech/Eng	206	204	352	244	472
Contract Mining	188	251	546≠	1161 ^Ω	1705
■ Environmental	137*	53*	153 [†]	207°	226

Excluding long term waste contracts valued at \$74 million', \$87 million', \$73 million', \$58 million', \$49 million', Excluding long term mining contracts valued at \$209 million', \$178 million', \$26 million'



67%

R M Wylie DBE Chairman M C Albrecht Managing Director D S Adamsas, D J Argent, E F Finger, A C Hardy, W M King, G S McDonald OBE Associate Directors B J Campain, N N Jukes, R S Trundle, W Wild Secretary D J Argent

Senior Executives M C Albrecht BTech, CivEng Managing Director D J Argent BComm, CPA, FCIS
Director, Finance and Administration B J Campain BE(Civ), MIEAust Associate Director, General Manager, Environmental Services N N Jukes BE(Civ) Associate Director, General Manager, Operations R S Trundle BE(Civ), MIEAust, CPEng Associate Director, General Manager, Old, NT, Pacific W Wild BE, MEngSc, CPEng, MiEAust, MHKIE General Manager, South East Asia, Process Engineering R H Wilson BE(Hons), MS, PhD. MIPENZ, MASCE General Manager, Development and Technical Services D A Clark BE(Civ) Manager, VIC, Tas, SA

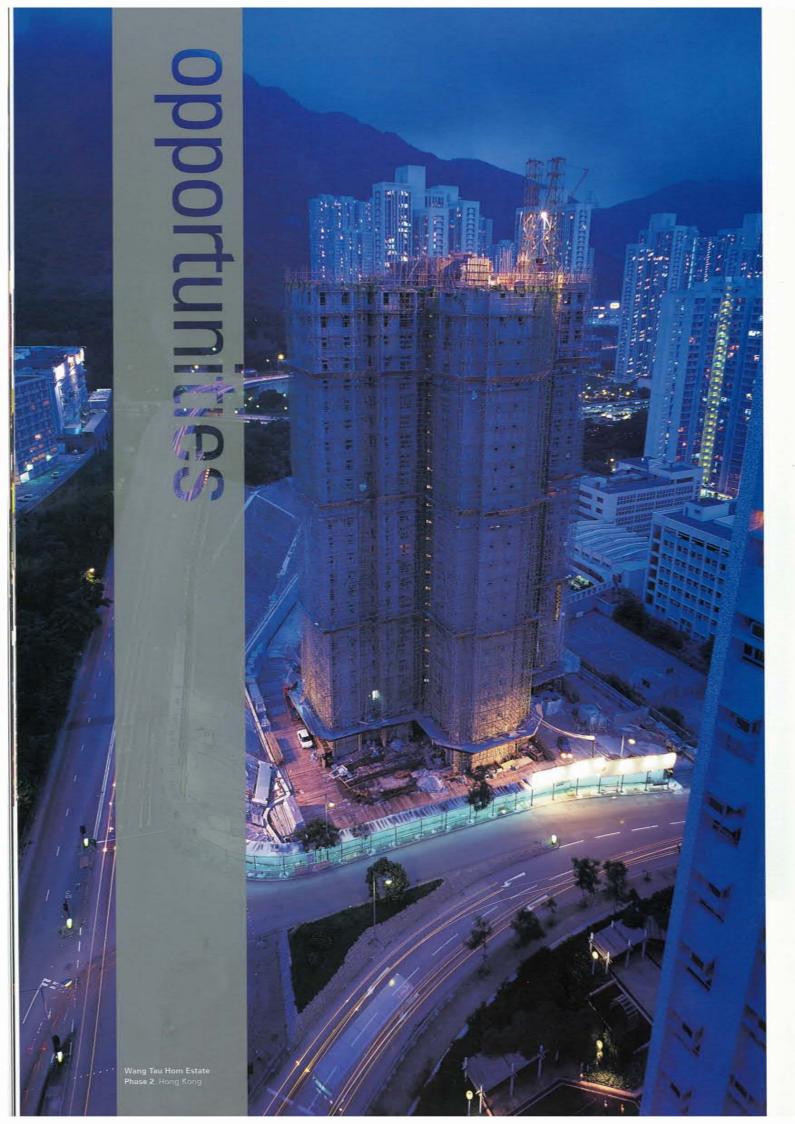
B H Kenny Group Plant Manager D K Saxelby BE[Civ] Manager NSW & ACT D G Stewart BSc, BE(Civ) Manager

R Franklin BArts, GDipIndRel Group Manager, Human Resources

J F Trio CPEng, MIEAust Manager, WA



Leighton Holdings Limited Annual Report 1997



In a region with abundant opportunities, our selective approach to winning new work is fundamental to the successful and profitable execution of our construction and contract mining projects.

Leighton Asia

Leighton Asia has enjoyed another year of record profits and turnover.

Our revenue increased by some 21% to \$448 million and our contribution to Group profit was also up. Work in hand stood at \$556 million at year end.

Excellent results from Hong Kong were supported by good performances in other countries.

Business confidence in Hong Kong remained high in the months before and after the hand-over to Chinese rule. Our operations there reflected this confidence and provided 70% of Leighton Asia's total revenue. By contrast, monetary problems adversely affected Thailand's economy. Nevertheless, we generated 17% of our revenue in the tough and competitive Thailand market. Work in Vietnam and Malaysia accounted for another 12% of revenue. Most projects in Vietnam performed relatively well, although it remains a difficult business environment. We undertook smaller, but still significant, projects in China and the Philippines. Both countries offer exciting prospects for the future.

Our biggest on-going project remains the \$200 million contract for the Aviation Fuel Service Facility at Hong Kong's new airport. The job is progressing well and is expected to be finished within budget and ahead of schedule early in 1998. Another successful Hong Kong project completed during the year was the \$65 million Haven of Hope Hospital.

The contract advanced very smoothly to completion, mainly as the result of the strong partnering agreement established with the client.

The changes to Hong Kong's sovereignty are not expected to have any immediate effect on the business environment. For Leighton Asia, the situation may well present new opportunities to further develop our business in mainland China. We have established a relationship with China State Construction company to facilitate this process.

In Hong Kong itself, new transport infrastructure projects are planned including major extensions of the Mass Transit Railway (MTR) and Kowloon-Canton Railway Corporation (KCRC) systems. Recently, we were awarded a \$187 million joint venture contract to design and construct two aqueducts in the New Territories. There are also plans to build 85,000 apartments per year for the next 10 years under an expanded public housing initiative. At year end, we secured a \$119 million contract to build four 41-storey residential towers in the New Territories

With this level of planned activity, it seems likely that Leighton Asia will continue to perform well in Hong Kong. In some other regional economies, however, growth may be slower than in the past. We are taking a particularly cautious approach towards new work in Thailand, where the country's economic difficulties look set to continue.

One of the highlights for the year was the award of new work in the Philippines. We provided infrastructure works for the Sibutad gold mine for the Philex Mining Corporation, and have

since been awarded the contract to mine the ore and prepare it for processing. The total project value is \$52 million. With favourable geological and economic conditions, there is considerable potential for growth in the Philippines contract mining sector. Leighton's good environmental credentials should develop into a strong competitive advantage. We are also developing other parts of our business in the Philippines. Recently, Leighton Asia won a \$9 million contract to build a fibre cement plant for Hardie-Jardine. In addition we are pursuing a number of building and civil engineering contracts.

In terms of business sectors, contract mining has performed well with work secured in the Philippines and a \$55 million contract at Penjom Gold Mine at Kuala Lipis, Malaysia, for Avocet Gold Ltd. Although contract mining makes up only 6% of our total business, we are exploring possibilities for this type of work in China and elsewhere in South East Asia.

Building accounted for 57% of revenue, \$257 million, and civil engineering was 37% or \$166 million. Both areas performed strongly this year. Foundation engineering had a disappointing year, hit by the very high levels of competition in Hong Kong and Thailand. Figures for foundation engineering are now incorporated into civil engineering totals.



John Faulkner Managing Director



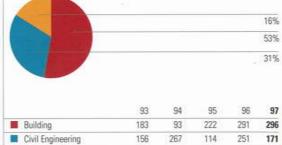
Operating Revenue \$million 1997 Total \$448m



	93	94	95	96	97
■ Building	132	114	100	219	257
Civil Engineering	136	236	329	150	166
Contract Mining		-		_	25

Work in Hand \$million 1997 Total \$556m

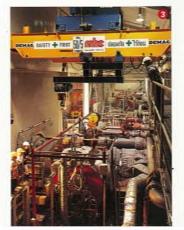
Contract Mining



89

- 1 Aviation Fuel Service Facility, Chek Lap Kok, Hong Kong
- 2 Elevated Roadway, Kuala Lumpur, Malaysia
- 3 AMATA-EGCO Power Plant, Bang-Pakong, Thailand
- Penjom Gold Mine, Kuala Lipis, Malaysia
- 3 Earth Station for Laostar Telecommunications Satellite, Vientiane, Laos
- Australian Embassy, Hanoi, Vietnam
- 10 LSG Lufthansa Service Skychefs' Catering Facility, Chek Lap Kok, Hong Kong









Leighton Asia remains focused on improving its project management and engineering capabilities.

We prefer to work in close partnership with our clients towards a clearly understood and shared outcome, using and managing our own labour wherever possible. This approach is particularly effective when the client is also the end user of the facility. Clients understand that we are working with them towards the same goals, delivering the highest quality work on time and within budget. Success in this area also encourages high levels of repeat business.

During the year, Chairman Sir Gordon Macwhinnie and Director Peter North retired from the Board of Leighton Asia after more than six years of service. They have presided over a period of strong growth and geographic expansion and I would like to thank them both for their valued contribution. We welcome our new Chairman, Dr Nicky Chan who has served on the Leighton Asia Board since 1990, and has more than 40 years experience in various senior management roles in both the public and private sectors. Dr Chan was a member of the Preparatory Committee responsible for the establishment of the Hong Kong Special Administrative Region, and is the former Hong Kong Secretary for Lands and Works. Three key executives were also appointed to the Board, Peter McMorrow, Ric Grosvenor and Will Hamilton.

In a region which offers an increasing number of large and exciting opportunities, Leighton Asia is well equipped to prosper in coming years.

John Faulkner Managing Director

Board

N K Chan Cheirman
J Faulkner Managing Director
D C Bray, R F Grosvenor, W K Hamiliton,
A L Jacobs, W M King, Dr W Leichnitz,
P J McMorrow, Dr K Rönnberg
Secretary M Wong

Senior Executives

J Faulkner Managing Director
A L Jacobs BCom, FASCPA
Director, Finance & Administration
M Wong AHKSA, ACCA, MBA
Corporate Financial Controller
M Chan BA, MIHRM
Personnel Manager
C I Gordon BA(Comm)
Corporate Communications Manager
B Cunningham BE, MIEAust, CPEng
Business Development Director,
Australia/Asia

Heng Kong

P J McMorrow Assoc Highway Eng. Director & General Manager J F Nash BA(Hon), MEng(Civ) Manager, Engineering & Estimating ennetto BEng(Civ) Executive Director, Civil Engineering R F Grosvenor Dip Bldg Executive Director, Hong Kong Building & China S Chau BSc(Hon) Executive Director, M J Plummer BE(Civ) Executive Director, Major Projects P G Pollard ASCPA, ACIM acial Controller N M Hodge BSc(CEng), MIEAust, CPEng Project Director P Blennerhassett Plant Manager

Thailand & Indochina
W K Hamilton BE(Civ)
Director & General Manager
P E Gibney BBus, MBA.
Finance & Administration Manager
J V Berlass Construction Manager, Building
J P Leslie BE(Civ)
Construction Manager, Civil
S Despotidis BE(Civ)
Special Projects Manager
T Meesomklin BE(Civ)
Business Development Manager
L Thornton MCIOB Estimating Manager
G Francis BSc(Civ)(Hons)
Country Manager, Vietnam

Asia Regional

A V Atkinson B(Build)
Director & General Manager
R F W Budden BSc, CEng, MICE, MHKIE
Contracts Manager
G P Hutchinson BEc, ACA
Corporate Manager. Finance &
Administration
H G Tyrwhitt BEng(Cvil), MIEAust, CPEng
Area Manager, East Malaysia & Brunei
K G Plumbe BSc, CEng, MICE, MIHT
Projects Director
N H Walsh BSc(Hons), ARICS
Commercial Manager
M J Cuell BSc, CEng
Estimating Manager, Engineering
E L J Hook BEc, ACA
Estimating Manager, Building







A resurgence in commercial property markets will generate good prospects for Leighton Properties' development team.

Leighton Properties



Vyril Vella Managing Director

Leighton Properties returned to profitability in 1996/97. We continued to reduce our level of property investment on the balance sheet in line with company strategy, and at year's end our portfolio was valued at \$134 million. This, and the general drop in Australian interest rates, meant that our holding costs for the year fell by some \$4 million. Total revenue was up \$10 million on last year.

The property market has strengthened, especially in Sydney.

New South Wales made the biggest contribution of any state to our improved result this year. Victorian property has also picked up, although at a slower rate. In Queensland any recovery in land development projects was patchy, adversely affected by the downturn in residential property. There are some signs of a recovery, however. We will continue to focus on these markets in the medium term.

Work on our major development project, the Sydney Casino, continues to progress well and is on target for completion towards the end of 1997.

The first stage of apartment sales progressed rapidly, with 70% take up in value. The remaining stages have been

retained by the client, Star City Casino. Leighton Properties is also managing the project's retail leasing and fit-out activities. During the year, we consulted extensively with the project partners on planned developments associated with the main Casino development. This consultation work could lead to additional work as the Casino nears completion.

The sale of Building 200 - the first stage in our Hornsby Northlink project north of Sydney - signals returning strength in the commercial property market in the area. Apartments in the Waitara development on Sydney's North Shore sold well, and by year's end only eight remained. A buyer was also found for the last commercial site in our Interlink development in Brisbane during the year. All sales were achieved at book value or above.

Our major investment property in St Kilda Road, Melbourne, was 95% leased at the end of 1996/97 and continues to provide good yields.

In a move with exciting potential for the future, we lodged a new development application for our Pacific Highway site in North Sydney.

This could see construction of a major prestige building in North Sydney with premium office space complemented by theatres and high quality retail. The new complex would link into the existing Greenwood Centre, offering an expanded foodhall, new cinemas and retail outlets, enhanced carparking facilities and links with public transport. If approved, the project would give North Sydney much needed high tech office space with quality facilities for the public.

Leighton Properties has built up considerable expertise in analysing complex commercial, industrial, retail and leisure developments. We have the ability to drive developments forward and, with the Leighton Group behind us, we have the weight to invest in projects that fit our business strategy.

We look back on our strongest year for some time, achieved against a background of a gradually improving economy. With business confidence continuing to firm, especially with the Olympic Games now in sight, we look forward to a stronger result next year.

Ville

Vyril Vella Managing Director

Management Committee

V A Vella Managing Director D S Adamsas, B W Clark, W M King,

D P Robinson

Secretary B W Clark

Senior Executives

V A Vella BSc, BE(Hons) MEngSc, FlEAust Managing Director

J C Barrett ARICS, AVLE (Val)

Victoria, Development Manager

R H Borger ASLE

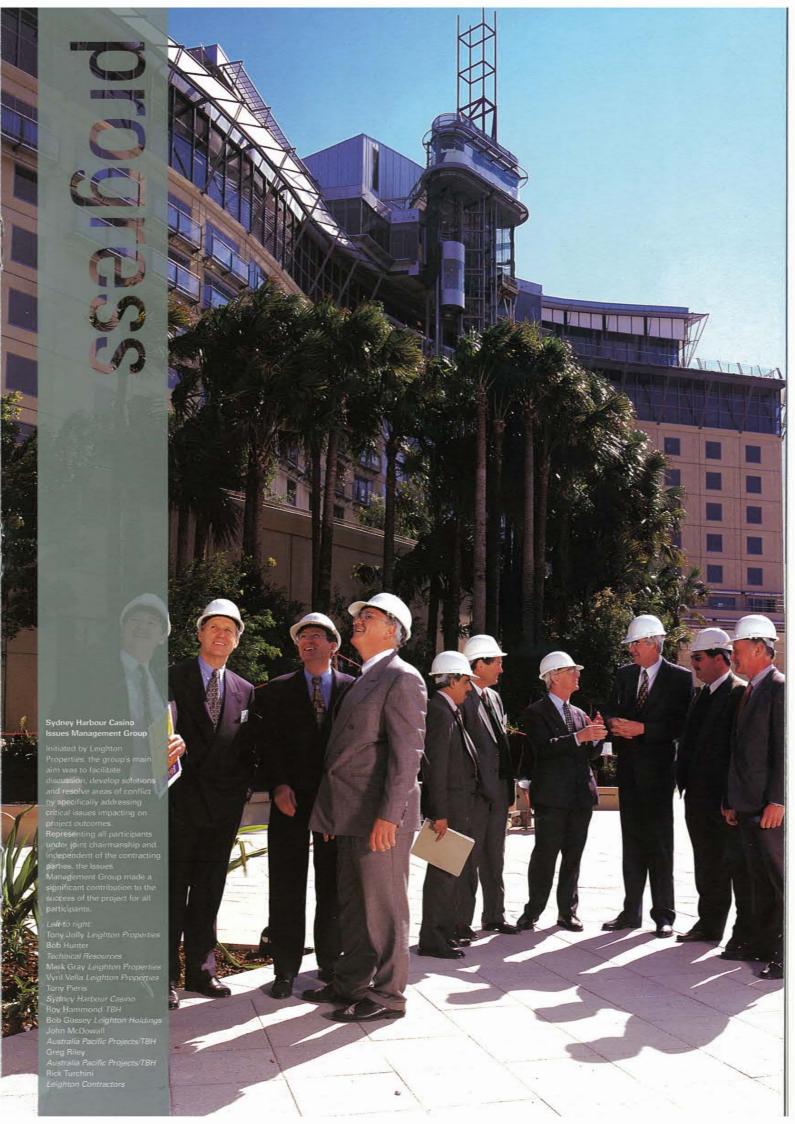
Queensland, Development Manager

B W Clark ASA, DipTech(Acct) Commercial Manager/Company Secretary

M C Gray BSc(Arch), BArch(Hons)

Manager, NSW Projects
A C Jolly BE(Chem), MBA
Casing Development Manager







Technical Resources

By assisting Group companies to win and perform work, we are investing in the future profitability of the Group.

Robert Hawkins General Manager

During the year Technical Resources staff were seconded to work full time on a number of projects and in a variety of roles in support of Group companies. Up to 40 of Technical Resources' specialists and consultants worked on Leighton Contractor's CSR Oberon project alone. Most were engaged in process engineering and controls management, which are emerging as important areas increasingly in demand by Group companies. At the BHP Mt Owen coal mining project, we assisted Thiess in controls engineering, conducted a series of audits, and helped develop a public and community relations programme. Key Technical Resources' staff are also working for Leighton Contractors and Leighton Properties on the Sydney Casino project. In addition to traditional procurement and development roles, we carried out project audits, provided technical support and facilitated issues management.

This level of service helps projects run smoothly and efficiently, strengthening the relationships between Group companies and their clients.

We are also investing in the future by playing a key role in positioning Group companies to take advantage of opportunities in entertainment and leisure, telecommunications and public infrastructure.

Technical Resources assisted Group operating companies at all levels with occupational health and safety and environmental compliance and reporting. In particular we worked closely with Leighton Contractors during the year to help the company win full environmental accreditation to International Standard ISO14001: 1996 making it the first major contractor in Australia to do so.



Process Engineering at the CSR MDF Plant, Oberon, New South Wales



The Future

The task of Technical Resources is to help support the future growth of Leighton Group operating companies and their clients by providing consultancy services and specialist skills. In line with that charter, our emphasis in the short and medium term is to help Group companies to develop new business by supporting them with our people, our technology, and our imagination.

We are most effective when we are directly involved as part of the project team, and from the earliest possible stage. An independent position gives us the ability to act as the link between the client's project values and the priorities of the construction process. This type of value added activity has increased the demand for Technical Resources' skills and resources among the Group's operating divisions.

We believe that a number of industry areas hold great potential for the future. Among these are telecommunications, process engineering, public infrastructure, resources and the power sector. As the Group moves more aggressively into these areas, we expect to see Technical Resources playing an increasingly important role in developing new business areas, maximising returns from new projects, and assisting with risk management.

Technical Resources, with its unique strength in people and technology, has a role as large as the collective imagination of its people in contributing to the future wealth of the Group.

We continued to progress the role of technology within the Group.

The highlight for the year was the development and successful trialling of an intranet network for application within Group companies, designed to improve internal communication and provide employees rapid access to relevant information.

Our graphic design and multimedia skills were again in demand during 1996/97. We produced a wide range of products including interactive multimedia presentations, corporate videos, tender submissions, brochures and newsletters.

By combining these skills with those of our technical people, we are expanding the capabilities of a range of electronic technologies for use as practical engineering and management tools, especially in the process engineering sphere. Currently under development are advanced 3-D modelling tools, document databases, and enhanced multimedia capabilities.

This year Group companies have invited Technical Resources to undertake project reviews and audits more frequently than in the past.

This is an indication that the operating companies and their clients recognise the importance of objective input, and see its potential to add value to their projects. In our view, clients are increasingly accepting that lowest price does not mean best value. The skills of Technical Resources help Leighton Group companies maximise their client's investment in any project.

Jobert Howkins

Robert Hawkins General Manager

Room

R L Hawkins General Manager

R E Alexander, P Bingham-Hall, R D F Hunter, W M King, N A Sallustio

Senior Executives

R L Hawkins BArch(Hons), ARAIA, FAICD

eneral Manager

R E Alexander BE(Hons), MEngSc, FIEAust

General Manager, Design Services

R.D.F. Hunter Rötch, MSc/Bldol

R D F Hunter BArch, MSc(Bldg)

G R Andrews BE(Hons), MiEAust Technical Computer Services Manager

D R Eagar BA

Market Development Manage

G Heaton BSc, ARICS

Cost Planning Manager A Henderson BE(Hons), MBA

Engineering Manager

D T Lovell BEc, BFinAdmin, DipEconStats Project Finance Manager

J M Malout Group Information Manager

M K McAuley BA(VisCom)

Communications Manager

D A Robinson MCIOB, UcIQA, IRCA Lead

Auditor Management Systems Manager

I A Scoular BE(Hons), MiAust, CPEng.

MAIPM Project Services Manager D R Stitt Dip(M6E)Eng

Industrial & Process Engineering Manager

P Williams BA (Bldg)

Project Review Manager

- 46 Directors' Statutory Report
- 48 Directors' Resumes
- 49 Shareholdings
- 50 Profit and Loss Statements
- 51 Balance Sheets
- 52 Statements of Cash Flows
- 53 Statement of Accounting Principles and Methods

- 54 Notes to the Accounts
- 54 Note 1 Revenue
- 54 Note 2 Operating Profit
- 55 Note 3 Interest Expense and Income.
- 55 Note 4 Income Tax Expense
- 56 Note 5 Abnormal Items (Net of Tax)
- 57 Note 6 Current Assets Cash
- 57 Note 7 Current Assets Receivables
- 57 Note 8 Current Assets Investments
- 57 Note 9 Current Assets Inventories
- 58 Note 10 Current Assets Other
- 58 Note 11 Non-Current Assets
 - Receivables
- 58 Note 12 Non-Current Assets Investments
- 59 Note 13 Non-Current Assets - Inventories
- 59 Note 14 Non-Current Assets

 Property, Plant and Equipment
- 59 Note 15 Non-Current Assets Intangibles
- 60 Note 16 Non-Current Assets Other
- 60 Note 17 Current Liabilities Accounts Payable
- 60 Note 18 Current Liabilities - Borrowings
- 60 Note 19 Current Liabilities
 Provisions
- 60 Note 20 Current Liabilities Other
- 60 Note 21 Non-Current Liabilities - Accounts Payable
- 60 Note 22 Non-Current Liabilities - Borrowings
- 61 Note 23 Non-Current Liabilities Provisions

- 61 Note 24 Share Captial
- 61 Note 25 Reserves
- 62 Note 26 Outside Equity Interests in Controlled Entities
- 62 Note 27 Dividends and Earnings Per Share
- 63 Note 28 Investments Associated -Companies
- 64 Note 29 Consolidated Result by Segments
- 65 Note 30 Capital Commitments
- 65 Note 31 Bank Guarantees, Insurance Bonds and Letters of Credit
- 65 Note 32 Other Contingent Liabilities
- 66 Note 33 Directors' Emoluments
- 67 Note 34 Remuneration of Executives
- 68 Note 35 Employee Entitlements
- 70 Note 36 Loans to Executive Directors70 Note 37 Lease and Rental Commitments
- 71 Note 38 Leighton Holdings Limited and Controlled Entities
- 73 Note 39 Acquisition and Disposal of Controlled Entities and Businesses
- 73 Note 40 Related Party Information
- 75 Note 41 Cash Flow Information

Financial Statements

- 77 Statutory Statements
- 78 Shareholder Information

Sydney Casino Project, New South Wales

- 79 Financial Calendar
- 80 Statistical Summary
- 81 Directory and Offices

3

Directors' Statutory Report

The Directors of Leighton Holdings Limited present their report for the financial year ended 30 June 1997 in respect of the economic entity constituted by the Company and the entities it controlled during the financial year ('Economic Entity'). This report has been prepared in accordance with the requirements of Division 6 of Part 3.6 of the Corporations Law.

Review of Operations

A review of the operations of the Economic Entity during the financial year and of the results of those operations is contained on pages 1 to 43 of the Annual Report and forms part of this report.

The Directors are not aware of any significant changes in the state of affairs of the Economic Entity during the financial year other than as disclosed in this report.

Financial Results

Total revenue levels for the Economic Entity for the financial year increased by 25% to a record \$3.16 billion. Operating profit after abnormals and tax increased by 88% to \$132.1 million.

Dividends

A special dividend of 10 cents per share fully franked at the corporate tax rate of 36%, was declared on 14 August 1997 and will be paid on 15 September, 1997.

A final ordinary dividend of 13 cents per share, fully franked at the corporate tax rate of 36%, has been recommended for payment on 7 November 1997. These dividends when added to the interim ordinary dividend of 9 cents per share, fully franked at the 36% corporate tax rate, which was paid on 1 April 1997 will bring the total dividend payment out of the profits for the financial year to 32 cents per share and will amount to \$83 million.

The final fully franked dividend of 8.5 cents per share referred to in the Directors' statutory report for the financial year ended 30 June 1996 and payable out of the profits for that financial year was paid on 4 November 1996.

Principal Activities

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

Events after end of Financial Year

In the Directors' opinion, no matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the state of affairs of the Economic Entity, its operations or results in subsequent financial years. In addition, the Directors 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 Economic Entity or its expected results.

Future Developments

Likely developments in the operations of the Economic Entity in subsequent financial years and their anticipated results have been reported as appropriate in this report. Further information on likely developments in the operations of the Economic Entity, including the expected results of those operations in subsequent financial years, would in the Directors' opinion result in unreasonable prejudice to the Company and has therefore not been included in this report.

Information regarding the Directors

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

Names	No of ordinary shares	No. of options over unissued shares
Morrish Alexander Besley, AO	7,400	-
Wallace MacArthur King	6,100	-
Dieter Siegfried Adamsas	102,500	400,000
Geoffrey John Ashton	1,000	Y=.
Keith Leslie Bennett	1,000	3,-3
Achim Drescher	1,000	-
Hans-Peter Keitel	1,000*	×.
Busso Peus	1,745*	:=:
Mark Richard Rayner	1,000	-
	9,000*	-
David Paul Robinson	1,250	-
Rodney Malcolm Wylie, OBE	42,197	=

^{*}Non-beneficially held

The following changes to the Board occurred during or since the financial year:

- G.J. Ashton was appointed a Non-Executive Director on 14 August 1996.
- A. Drescher was appointed a Non-Executive Director on 26 November 1996.
- P.J. North retired as a Non-Executive Director on 30 June 1997.

Except for the interests disclosed in Note 40 to the Accounts and except for the Deeds of Indemnity and insurance contracts mentioned below, 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 307(1)(c) of the Corporations Law.

Details of Directors' qualifications, experience, special responsibilities and interests in shares in the Company are set out on pages 46 and 48 of the Annual Report.

Directors' Benefits

During or since the financial year no Director of the Company has received or become entitled to receive any benefit (other than firstly a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in Note 33 to the Accounts secondly, the benefits derived under the below mentioned Deeds of Indemnity and, thirdly in the case of D.S. Adamsas the benefit derived under the below mentioned options granted to him under the Leighton Staff Equity Participation Plan) by reason of a contract made by the Company or any related or controlled entity 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.

Indemnity for Group Officers and Auditors

The Company's Articles of Association have included since 3 November 1994 indemnities in favour of persons who are or have been an Officer or auditor of the Company. To the extent permitted by law, the Company indemnifies every person who is or has been:

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

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

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

Directors' Meetings

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

	No. of Director	rs Meetings	No. of Audit Committee Meetings No. of Other		No. of Other Committe	er Committee Meetings	
Director	Attended	Held*	Attended	Held*	Attended	Held*	
D.S. Adamsas	9	10	4	4	1	1	
G.J. Ashton (appointed August 1996)	10	10	_		v ::=:	1=	
K.L. Bennett	9	10	*#	<u></u>	1	1	
M.A. Besley	10	10	*	-	6	6	
A. Drescher (appointed November 1996)	5	6	-	-	1-1	-	
H.P. Keitel	2	10	a775.	-	4	4	
W.M. King	10	10	4	4	6	6	
P.J. North (retired June 1997)	10	10	<u>-</u>	22	1	1	
B. Peus	4	10	-	-	-	=	
M.R. Rayner	9	10	-	-	-	_	
D.P. Robinson	10	10	4	4	1	1	
R.M. Wylie	9	10	4	4	1	1	

^{*}Reflects the number of meetings held during the time the Director held office during the financial year.

The current Directors and Secretary of the Company are named at page 13 and the Company's current auditors are KPMG.

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

The officers who have the benefits of such a Deed of Indemnity are each Director of the Company, the Company's Secretary and certain senior executives within the Leighton Group who are directors of a Leighton subsidiary or have the status of General Manager or Senior Manager within the Leighton Group.

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

Insurance for Group Officers

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

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

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

Share Options

On 24 October 1996, the Company granted options over 5,005,500 unissued ordinary shares in the Company to 184 employees under the Leighton Staff Equity Participation Plan ("LSEPP").

The options may be exercised in the six week period commencing on the date the Company releases to the Australian Stock Exchange its preliminary final report for the financial years ending 30 June 1998,

30 June 1999, 30 June 2000 and 30 June 2001 at a price of \$5.41 per share. D.S. Adamsas, an Executive Director of the Company, was granted 400,000 options. No options have been exercised as at the date of this report.

Options may also be exercised in the event that the Company makes a pro rata rights issue of securities to shareholders or in certain circumstances where there is an anticipated change in the control of the Company.

The options will lapse on the earlier of 24 October, 2001 or termination of the relevant employee's employment for any reason other than death or retirement with the consent of the Company.

Since the end of the financial year 215,000 options have lapsed leaving a balance of 4,790,500 options outstanding as at the date of this report.

The names of the persons who currently hold options under the LSEPP are entered in the register of options kept by the Company pursuant to Section 216C of the Corporation Law. The register may be inspected free of charge. As permitted under ASC Class Order 97/1011, issued on 9 July 1997 and except as required under that Class Order, the names of persons to whom options were issued, and the number of options issued to each person, are not disclosed in this report.

There are no unissued shares in the Company under option as at the date of this report, other than those referred to above. These options do not entitle the holder to participate in any share issue of any other body corporate.

Rounding off of Amounts

As the Company is a company of the kind referred to in subregulation 3.6.05(6) of the Corporations 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 311 of the Corporations Law and Regulation 3.6.05 of the Corporations Regulations, unless otherwise indicated.

Signed at Sydney this 5th day of September 1997 in accordance with a resolution of the Directors.

Ma Besley AO

W M King

Chief Executive Officer

Directors' Resumes

M A (Tim) Besley, AO (70)

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

A graduate of the University of New Zealand and Macquarie University. A Non-Executive Director since 1989. Elected Chairman February 1990. Chairman of The Commonwealth Bank of Australia. Chancellor Macquarie University. Councillor (NSW) and member of National Executive of the Metal Trades Industry Association of Australia.

W M King, (53)

BE, MEngSc, FIEAust, CP Eng, FAICD, FAIM, FAIB, FTSE

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

DS Adamsas, (54)

BComm, FAICD

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

G J Ashton, (59)

FAICD, FAIM

A Non-Executive Director since 1996. A Director of Evans Deakin Industries Limited, the NSW State Transit Authority and the Australian National Training Authority. Former Managing Director of Clyde Industries Limited and Monier Limited. President of the NSW Branch and National Vice-President of the Metal Trades Industry Association.

K L Bennett, (54)

BE(Civil), FIEAust

A graduate of the University of Queensland. An Executive Director since 1995. A Fellow of the Institution of Engineers who joined the Company in 1970 and became Managing Director of Leighton Contractors Pty Limited in 1984. Participates in construction industry affairs within Australia.

A Drescher, (57)

BEc

A graduate in economics from Hamburg University, Germany. Appointed a Non-Executive Director on 26 November, 1996. Managing Director of Columbus Line Australia Pty Limited and Chairman of Otto Plastics Pty Limited.

Dr H P Keitel, (50)

Dr. - Ing.

A graduate in studies on civil engineering at Technical University: Stuttgart and on business administration and economics at Technical University Munich, Germany. A Non-Executive Director since 1992. Joined HOCHTIEF AG in 1988 as Director to the Board responsible for international business. Became a member of the Board of Executive Directors in 1990 and was appointed Chairman of the Board of Executive Directors of HOCHTIEF AG and Member of the Board of RWE AG (Holding) in 1992. Other directorships include Pilkington plc and Ballast Nedam N.V. A Director of HOCHTIEF Limited.

Dr B Peus, (55)

Dr of Law

Studied at the Universities of Münster, Lausanne and Berlin. Graduated and awarded Doctorate of Law from the University of Münster. A Non-Executive Director since 1994. Joined HOCHTIEF in 1977 and is a member of the Board of Executive Directors with responsibility for international subsidiaries and associates. A member of the Supervisory Board of Ballast Nedam N.V. A Director of HOCHTIEF Limited.

M R Rayner, (59)

BSc(Hons), ChemEng, FTSE, FAusIMM, FIEAust

Graduate in Chemical Engineering from the University of New South Wales. A Non-Executive Director since 1995. Chairman of Pasminco Limited and Mayne Nickless Limited. A Director of National Australia Bank Limited and Boral Limited. Past President of the Australian Mining Industry Council

D P Robinson, (41)

BEc, ACA

A graduate of the University of Sydney. A Non-Executive Director since 1990. Alternate Director from 1987 to December 1990. A chartered accountant and partner with the firm of Harveys Chartered Accountants in Sydney. Responsible for management services within that firm.

Participates in construction industry affairs. A Director of HOCHTIEF Limited.

R M Wylie, OBE (69)

BComm, BA, FCA

A graduate of the University of Queensland. A Non-Executive Director since 1985. Elected Deputy Chairman in February 1990. A chartered accountant, formerly senior partner in the Queensland practice of Peat Marwick Mitchell & Co. Chairman of Q.U.F. Industries Ltd, a Director of Queensland Alumina Limited and a member of the Principal Board of the AMP Society. Former Chairman of the Queensland Branch Council and Federal Councillor of both the Institute of Chartered Accountants and the Institute of Directors in Australia. Chairperson of the Queensland Competition Authority.

Shareholdings

Information as to shareholdings on 28 August 1997 is as follows:

Substantial Shareholdings

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

Name	No. of Shares
HOCHTIEF Limited	116,483,629
The following companies hold a relevant interest in these shares.	
HOCHTIEF Aktiengesellschaft, ("HOCHTIEF AG"), (the parent company of HOCHTIEF Limited.) RWE Aktiengesellschaft, (a majority shareholder in HOCHTIEF AG.)	
Mercury Asset Management Group	17,064,035

Number of Shareholders		
Of ordinary shares which have equal voting	rights*	6,615

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

Distribution Schedule

Category	No. of Shareholders
1–1,000	2,036
1,001-5,000	3,227
5,001-10,000	724
10,001-100,000	547
100,001 and over	81
	6,615

There were 132 shareholders with less than a marketable parcel (100 shares).

Twenty Largest Shareholders

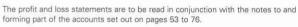
The percentage of the total holding of the 20 largest shareholders, as shown in the Company's Register of Members, is 83.55% and their names and numbers of shares are as follows:

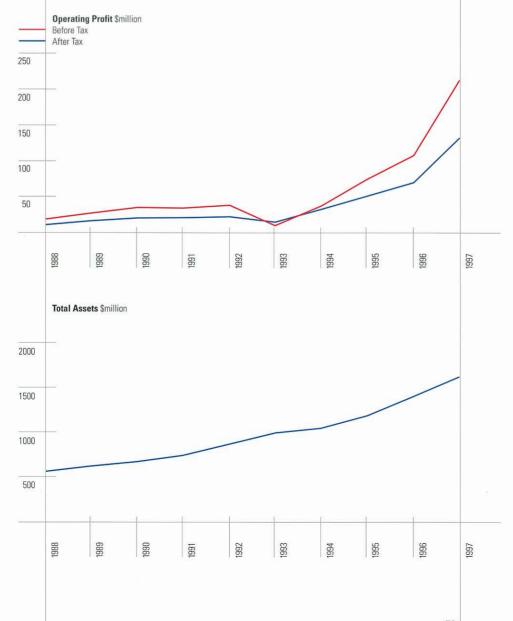
Name	Number	%of Total Share- holdings
Hochtief Limited	116,480,884	44.90
Westpac Custodian Nominees Limited	32,462,995	12.51
National Nominees Limited	15,426,772	5.95
ANZ Nominees Limited	11,859,058	4.57
Chase Manhattan Nominees Limited	11,266,149	4.34
Australian Mutual Provident Society	6,240,282	2.41
The National Mutual Life Association of		
Australasia Limited	5,454,698	2.10
Perpetual Trustees Victoria Limited	3,331,820	1.28
Commonwealth Custodial Services Limited	1,910,236	0.74
Pendal Nominees Pty Limited	1,823,765	0.70
Tower Life Australia Limited	1,754,301	0.68
MLC Limited	1,654,007	0.64
Perpetual Trustees Victoria Limited	1,103,400	0.43
Citicorp Nominees Pty Limited	1,084,445	0.42
Commonwealth Life Limited	1,066,932	0.41
Commonwealth Superannuation		
Board of Trustees No. 2	911,759	0.35
Victorian Superannuation Board	840,006	0.32
Westpac Life Insurance Services Limited	806,624	0.31
Labrador Pty Limited	683,500	0.26
Perpetual Trustees Victoria Limited	588,600	0.23
	216,750,233	83.55

Profit and Loss Statements

for the year ended 30 June 1997

		Consolidated		Cor	Company	
	Note	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000	
Operating Profit before Abnormal Items and Income Tax		145,149	103,528	102,544	43,134	
Abnormal Items	5	73,656	9,902	(1,343)	(23, 168)	
Operating Profit	1,2,3	218,805	113,430	101,201	19,966	
Income Tax (Expense)/Benefit Attributable to Operating Profit	4	(80,202)	(37,688)	1,338	1,351	
Operating Profit After Income Tax		138,603	75,742	102,539	21,317	
Outside Equity Interest in Operating Profit after Income Tax		(6,491)	(5,529)			
Operating Profit After Income Tax						
Attributable to Members of the Chief Entity		132,112	70,213	102,539	21,317	
Retained Profits at the Beginning of the Financial Year		117,461	85,807	4,535	22,042	
Total Available for Appropriation		249,573	156,020	107,074	43,359	
Dividends provided for or paid	27	(83,017)	(38,824)	(83,017)	(38,824)	
Aggregate of Amounts Transferred (to)/from Reserves	25	1,873	265	(3,180)	=	
Retained Profits at the End of the Financial Year		168,429	117,461	20,877	4,535	





Balance Sheets as at 30 June 1997

		Cons	olidated	Co	Company	
		1997	1996	1997	1996	
	Note	\$'000	\$'000	\$'000	\$'000	
Current Assets						
Cash	6	422,883	166,147	11,526	8,131	
Receivables	7	259,787	319,787	10,166	13,994	
Investments	8	15,962	58,021	-	41,572	
Inventories	9	134,967	48,733	-	WW.	
Other	10	40,540	41,283	1 2	179	
Total Current Assets		874,139	633,971	21,692	63,876	
Non-Current Assets	-s de		:			
Receivables	11	3,394	1,360	343	1,360	
Investments	12	45,918	50,266	916,203	708,466	
Inventories	13	25,260	139,135		_	
Property, Plant and Equipment	14	583,120	517,559	23,800	24,356	
Intangibles	15	8,943	853	-	_	
Other	16	82,038	61,625	9,357	22,651	
Total Non-Current Assets		748,673	770,798	949,703	756,833	
Total Assets		1,622,812	1,404,769	971,395	820,709	
Current Liabilities						
Accounts Payable	17	473,975	460,561	10,765	19,970	
Borrowings	18	57,056	304	-	-	
Provisions	19	185,178	100,619	61,482	28,523	
Other	20	6,171	4,245			
Total Current Liabilities		722,380	565,729	72,247	48,493	
Non-Current Liabilities						
Accounts Payable	21	19,672	7,393	-	-	
Borrowings	22	117,164	195,803	482,348	395,893	
Provisions	23	220,699	146,099	40,418	19,895	
Total Non-Current Liabilities		357,535	349,295	522,766	415,788	
Total Liabilities		1,079,915	915,024	595,013	464,281	
Net Assets		542,897	489,745	376,382	356,428	
Shareholders' Equity						
Share Capital	24	129,714	129,676	129,714	129,676	
Reserves	25	226,163	224,895	225,791	222,217	
Retained Profits		168,429	117,461	20,877	4,535	
Shareholders' Equity Attributable to Members of						
the Chief Entity		524,306	472,032	376,382	356,428	
Outside Equity Interest in Controlled Entities	26	18,591	17,713	_	 2	
Total Shareholders' Equity		542,897	489,745	376,382	356,428	
The balance sheets are to be read in conjunction with the notes to and forming part of the accounts set out on pages 53 to 76.						

Statements of Cash Flows

for the year ended 30 June 1997

		Cons	olidated	Company	
		1997	1996	1997	1996
	Note	\$'000	\$'000	\$'000	\$'000
Cash Flows From Operating Activities					
Cash receipts in the course of operations		2,902,673	2,346,337	30,310	23,594
Cash payments in the course of operations		(2,518,127)	(2,038,903)	(35,772)	(43,599)
Dividends received			647	115,217	33,130
Interest received		10,797	4,892	324	495
Interest paid		(16,433)	(22,706)	(13,062)	(19,740)
Income taxes paid		(46,416)	(9,279)	(3,361)	(1,323)
Net cash provided by/(used in) operating activities	41	332,494	280,988	93,656	(7,443)
Cash Flows From Investing Activities					
(Increase) in investment in controlled entities		10 <u></u> 1	(F	(200,500)	(22,000)
Decrease in investment in contolled entities		1 <u></u>	·—	31,337	12,000
Payments for property, plant and equipment		(265,716)	(266,634)	(600)	(2,494)
Proceeds from sale of non-trading assets		76,288	53,386	44,225	103
(Increase) in investment in other entities		(37,317)	(24,512)	(15,743)	(19,927)
Decrease in investment in other entities		225,987	20,878		<u></u>
Loan repayments by executive and staff shareholders		1,143	523	1,119	523
Net cash provided by/(used in) investing activities		385	(216,359)	(140,162)	(31,795)
Cash Flows From Financing Activities					
Proceeds from share issues*		478	90,719	432	90,349
Proceeds from borrowings		191,944	77,050	54,232	21,628
Repayment of borrowings		(220,897)	(148,793)	(129,770)	(79,683)
Loans from related entities		8. 	-	235,234	183,533
Repayment of loans to related entities		1	_	(64,920)	(162,008)
Dividends paid*		(48,275)	(21,193)	(45,394)	(19,785)
Net cash provided by/(used in) financing activities		(76,750)	(2,217)	49,814	34,034
Net increase/(decrease) in cash held		256,129	62,412	3,308	(5,204)
Net cash at the beginning of the financial year Effects of exchange rate changes on the balances of cash held in foreign currencies	41	165,843	105,673	8,131	13,755
at the beginning of the year		868	(2,242)	87	(420)
Net cash at the end of the financial year	41	422,840	165,843	11,526	8,131
The statement of each flowers to be each in each in the site the each flowers.					

The statements of cash flows are to be read in conjunction with the notes to and forming part of the accounts set out on pages 53 to 76.

*Net of Dividend Reinvestment Plan of NIL (1996 – \$12,067)

Statement of Accounting Principles and Methods

The accounting methods adopted by the Economic Entity are in accord with the accounting standards and disclosure requirements of the Australian accounting bodies, Urgent Issues Group, applicable Australian Accounting Standards and the requirements of law. The accounts have been prepared 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 carrying amounts of all non-current assets are reviewed to determine whether they are in excess of their recoverable amount and in assessing recoverable amounts net present value methods have not been used. The accounts of the Chief Entity (Company) and the Economic Entity (Consolidated) have been prepared in accordance with the provisions of the Corporations Law and Regulations. Set out below is a summary of the significant accounting methods adopted.

(a) Consolidation

The consolidated accounts comprise the accounts of Leighton Holdings Limited, being the Chief Entity, and its controlled entities. These controlled entities are listed in note 38 to the accounts. Profits and losses of controlled entities are included in the consolidated profit and loss from the date control is obtained and excluded from the date the entity is no longer controlled. Transactions and balances between entities within the Economic Entity have been eliminated in full.

(b) Trade Debtors

Trade debtors includes all net receivables and includes 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.

(c) Profit Recognition

- (i) Profit is recognised 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 Economic Entity 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 under active development are capitalised. Holding charges on all other development properties are written off as incurred.
- (v) Profits from property development, housing and land sales are recognised on settlement of the contracts.

(d) Property, Plant and Equipment

(i) Depreciation is calculated so as to write off the net book value of property, plant and equipment over their estimated effective useful 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 are amortised over the terms of the leases.
- (iii) Land and buildings are revalued at least every three years and any potential capital gains tax in relation to assets acquired after 19 September 1985 has not been taken into account as the Directors believe it is unlikely the Economic Entity will be liable for this tax on the basis there is no intention to sell the applicable properties.
- (iv) 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 useful life of those assets. The net present value of future finance lease rentals and residuals is included in the balance sheet as a leasing liability. Operating lease rentals are charged to the Profit and Loss Account as incurred.

(e) Income Tax

The Economic Entity adopts the liability method of tax effect accounting in accordance with the Accounting Standard AASB1020 "Accounting for Income Tax (Tax-effect Accounting)".

(f) Foreign Currency

Overseas controlled entities' accounts, investments, loans and borrowings are translated in accordance with the Accounting Standard AASB1012 "Foreign Currency Translation".

(a) Inventories

(i) Development Properties

Development properties are carried at the lower of cost and net realisable value. (ii) Trading Inventories

Finished goods and raw materials are carried at the lower of cost and net realisable value.

(h) Employee Entitlements

(i) Wages, Salaries, Annual Leave

The provisions for employee entitlements to wages, salaries and annual leave represent the amount which the Economic Entity has a present obligation to pay resulting from employees' services provided up to the balance date. The provisions have been calculated at nominal amounts based on current wage and salary rates and include related on-costs.

(ii) Long Service Leave

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the Economic Entity resulting from employees' services provided up to the balance date. Liabilities for employee entitlements which are not expected to be settled within twelve months are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities. In determining the liability for these employee entitlements, consideration has been given to estimated future increases in wage and salary rates, and the Economic Entity's experience with staff departures. Related on-costs have also been included in the liability.

(iii) Superannuation

Employee superannuation funds exist to provide benefits for eligible employees or their dependants. Contributions by members of the Economic Entity are charged against profits.

(i) Contract and Plant Maintenance

Members of the Economic Entity provide for maintenance on construction contracts and repairs and maintenance on plant and equipment over the estimated effective useful life of the equipment.

(j) Bills Payable and Promissory Notes

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

(k) Goodwill

The excess of the purchase consideration for the acquisition of controlled entity operations over the net assets acquired is amortised using the straight line method over the period during which the benefits are expected to arise, which period at present does not exceed ten years (note 15).

(I) Mining Tenements

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

(m) Investments

Interests in entities which are not controlled entities are shown in the accounts as investments and where applicable dividends are included in operating profit. The investment in associated companies includes those corporations in which significant influence is exercised. The investment in associated companies has been reviewed by the Directors at balance date and the associated companies are listed in note 28. Interests in partnerships are shown in the accounts at cost with the addition of the Economic Entity's proportion of retained profits and losses.

(n) Derivatives

Members of the Economic Entity from time to time are exposed to changes in interest rates and foreign exchange rates from their activities. Derivative financial instruments are utilised to reduce these risks. The policy of the Economic Entity is to not enter, hold or issue derivative financial instruments for trading purposes. Controls have been put in place to monitor compliance with this policy. Derivative financial instruments that are designated as effective hedges of underlying exposures are accounted for on the same basis as the underlying exposure. Refer to note 32.

(o) Rounding off of Amounts

As the Company is of the kind referred to in Regulation 3.6.05(6) of the Corporations Regulations amounts in the accounts and notes to the accounts have been rounded to the nearest thousand dollars in accordance with Section 311 of the Corporations Law and Regulation 3.6.05 of the Corporations Regulations, unless otherwise indicated.

(p) Comparative Figures

Comparative figures have been, where appropriate, reclassified so as to be comparable with the figures stated in the current year.

Notes to the Accounts

for the year ended 30 June 1997

			Consolidated		Company	
		Note	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
4	Revenue					
	Operating Revenue		2,926,942	2,399,034	7.	
	Other Revenue		9,330	6,462	143,975	65,930
	Proceeds from Sales of Non-Current Assets - Plant		36,020	53,386	121	103
	- Investments		188,888	60,762	44,104	s: :
	Total Revenue of the Economic Entity	29	3,161,180	2,519,644	188,200	66,033
2	Operating Profit					-
	The operating profit before income tax is arrived at after:					
	Crediting as Revenue:					
	Gain on sale of Property, Plant and Equipment		10,266	12,217	23	7
	Gain on sale of Investments		78,552	39,762	4,478	
	Dividends Received/Receivable					
	- Related Body Corporate			15	115,217	32,483
	- Related Entities	28	-	647	·	647
	Charging as Expense:					
	Loss on sale of Property, Plant and Equipment		2,817	1,463	5	247
	Loss on sale of Investments		6,321	-	6,321	-
	Depreciation and Amortisation					
	 Company Owned Assets and Leaseholds 		139,659	118,367	1,052	1,065
	Operating Lease Rental Expense		26,512	32,286	V !	-
	Auditors' Remuneration					
	 Amounts received or due and receivable for 					
	audit services by:			11600		53520
	Auditors of the Company		889	695	133	143
	Other Auditors - Amounts received or due and receivable for other services by:		166	99	-	
	Auditors of the Company		360	430	53	83
	(Gain)/Loss on Foreign Exchange		_	5. -	8,037	(13,872)
	Goodwill Amortised		13,257	621		0234723C
	Revaluation of Non-Current Investments	5	-	29,860	·	23,168
	Other Writedowns		5,255	840	-	840
	Gross Amount Charged to Provisions		2,4,762			
	- Employee Entitlements		68,031	41,570	14,804	3,190
	- Plant and Contract Maintenance		155,662	99,594	252	221
	- Doubtful Debts		1,040	421	2	-

				Consolidated		Company	
		Note	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000	
3	Interest Expense and Income The operating profit before income tax					-	
	is arrived at after including:						
	Interest Expense						
	Other Corporations	-	15,351	22,291	13,014	18,679	
		-	15,351	22,291	13,014	18,679	
	Interest Income				00.400	04 007	
	Related Corporations		-	1 27/	28,438	31,087	
	Related Entities		0.246	1,374 4,441	246	1,588 125	
	Other Corporations	-	9,246	5,815	28,758	32,800	
	tana and the same of the same						
	Interest previously capitalised expensed against property sale proceeds		1,030	431	_	-	
	Finance Charges - Leased Assets		~ 10	450	_	_	
4	Income Tax Expense					40.000	
	Operating profit before income tax	-	218,805	113,430	101,201	19,966	
	Prima facie income tax expense at 36%		78,770	40,835	36,432	7,188	
	The following items have affected income tax expense for the period:						
	- Entertainment and other non-allowable items		2,545	1,576	473	512	
	- Depreciation and amortisation not allowable for tax		5,267	647	161	149	
	- Revaluation and capital profits		1,295	990	(527)	2,195	
	- Building allowance		(659)	(683)	(71)	(57)	
	 Income not subject to tax/rebatable dividends 		(288)	(497)	(41,477)	(13,135)	
	- Tax losses not previously recognised in the accounts		-	(5,220)	-	(2,616)	
	 Overseas income tax rate differential 		(4,378)	(639)	3,287	5,574	
	Current period income tax expense/(benefit)		82,552	37,009	(1,722)	(190)	
	 Under/(over) provision for prior year 		(2,350)	679	384	(1,161)	
	Total Income Tax Expense/(Benefit)		80,202	37,688	(1,338)	(1,351)	
	Provision for Income Tax						
	Income tax expense		80,202	37,688	(1,338)	(1,351)	
	Net timing differences		(25,139)	5,605	3,395	7,607	
	Tax Instalments already paid		(17,134)	(3,130)	(1,156)	(266)	
	Income Tax Payable	19	37,929	40,163	901	5,990	

Future Income Tax Benefits

The future income tax benefits (note 16) of \$75,099 (1996 – \$58,623) reflect provisions for employee benefits, contract maintenance, plant maintenance and provisions for asset writedowns not currently allowable as an income tax deduction. The unrecorded future tax benefit available to some members of the Economic Entity at 30 June 1997 in respect of tax losses at the applicable rates of tax was \$4,310 (1996 – \$5,123). The benefit of these tax losses will be utilised only if those entities 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.

			Consolidated		Company	
		Note	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
5	Abnormal Items (Net of Tax) Investments					
	Ipco International – Loss on sale		(5,821)	=	(5,821)	-
	Tax Expense		(5,821)		(5,821)	
	Australia's Wonderland – Gain on Sale		4,478	_	4,478	-
	Tax Expense	1	_		: - >	
			4,478		4,478	_
	Green Holdings – Revaluation Tax Benefit		_	(26,000) 9,360	_	(19,308) 6,951
			_	(16,640)	a 10	(12,357)
	Ipco International – Revaluation		_	(3,860)	_	(3,860)
	Tax Expense		_	(3,860)	5 <u></u>	(3,860)
	Total – Investments	-		10,000)		(0,000)
	Included in operating profit Tax Benefit		(1,343)	(29,860) 9,360	(1,343)	(23,168) 6,951
			(1,343)	(20,500)	(1,343)	(16,217)
	Group Companies Welded Mesh - Gain on sale Tax Expense		74,999 (27,784)	_	2	_
			47,215		12—12	
	Interlink Roads – Gain on sale			20.762		
	Tax Expense		_	39,762 (14,314)		7_
	is Enjoyed		_	25,448		
	Total – Group Companies		74.000	20.700		
	Included in operating profit Tax Expense		74,999 (27,784)	39,762 (14,314)		=
	ian Experise		47,215	25,448	9 2	
	Total Abnormal Items		CONTRACTOR OF THE		(1 242)	/22 160
	Included in operating profit Tax Benefit/(Expense)		73,656 (27,784)	9,902 (4,954)	(1,343)	(23,168) 6,951
	Net Abnormal Items		45,872	4,948	(1,343)	(16,217

			Consolidated		Company	
		Note	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
C	Current Assets - Cash					
6	Funds on Deposit		395,455	147,235	6,533	1,456
	Cash at Bank and in Hand		27,428	18,912	4,993	6,675
			422,883	166,147	11,526	8,131
-7	Current Assets - Receivables	(-
	Contract Debtors Receivable		216,073	210,432	- T	-
	Trade and Other Amounts Receivable		43,538	109,077	9,990	13,716
	Loans - Secured		176	278	176	278
			259,787	319,787	10,166	13,994
	Contract Valuations Progressive value of work completed at 30 June		5,371,516	3,902,379	:	-
	Progressive Receivable Contract Receivables		202,327	196,880	2 6	
	Retentions held by Clients		13,746	13,552	3-1	
	Contract Debtors Receivable from Clients Cash received to date		216,073 5,155,443	210,432 3,691,947	_	5 = 5 5 = 5
	Total Progressive Value		5,371,516	3,902,379	2 	
0	Current Assets – Investments					
8	Interest in Construction Partnerships		15,126	15,996	34	2-
	Associated Companies	28	836	42,025	_	41,572
			15,962	58,021	ÿ = 2	41,572
_	Current Assets – Inventories					
9	Development Properties					
	Cost		68,236	23,029		-
	Development expenses capitalised		95,661	25,908		-
	Rates, taxes, interest, etc capitalised		35,587	9,144	22 — E	
			199,484	58,081	80 	-
	Less: Property provisions		64,517	20,097	-	
			134,967	37,984		
	Trading Inventories					
	Finished Goods		_	5,159		-
	Raw Materials			5,590	y 	-
				10,749	93 3	-
				500000000		

		Cons		Consolidated		Company	
			1997	1996	1997	1996	
		Note	\$'000	\$'000	\$'000	\$'000	
10	Current Assets - Other						
10	Prepayments		11,796	8,994	_	179	
	Plant and equipment held for sale		28,744	32,289	_	_	
			40,540	41,283		179	
AA	Non-Current Assets – Receivables						
	Loans – secured		343	1,360	343	1,360	
	Other Accounts Receivable		3,051		-	-	
			3,394	1,360	343	1,360	
40	Non-Current Assets – Investments						
12	Controlled Entities						
	Shares - cost		72-05	8_0	609,700	455,628	
	Amounts receivable from						
	controlled entities		> 		296,889	250,431	
	Provision for diminution in value	-	-	_	(2,917)	(2,917)	
			×-1:		293,972	247,514	
	Total Investment in Controlled Entities		.c <u>—</u> .c	55	903,672	703,142	
	Other Entities						
	Interest in Trusts						
	- Cost		42	13		-	
	- Directors Valuation June 1994		221	221	_	_	
	Interest in Partnerships						
	- Cost		_	2,334		2,334	
	- Directors Valuation June 1994		-	2,490		2,490	
	Shares						
	- Listed - Cost#		25,000	25,000	-		
	 Unlisted - Directors Valuation June 1996 		(- 3	500	-	500	
			25,263	30,558	_	5,324	
	Associated Companies						
	Shares - Unlisted						
	- Cost		827	761	_	_	
	- Directors Valuation June 1995		722	663	_	_	
	Advances						
	- Cost		11		12,531	_	
	- Directors Valuation June 1996		19,106	18,284			
		28	20,655	19,708	12,531		
	Total Investments		45,918	50,266	916,203	708,466	
		1					

#Quoted market value of shares \$52 million (1996 - \$43.8 million).

		(Consolidated		Company	
	14 		1997	1996	1997	1996	
	N	lote	S'000	\$'000	S'000	\$'000	
12	Non-Current Assets – Inventories						
5	Development Properties						
	Cost		22,076	71,195		-	
	Development expenses capitalised		16,896	93,068	12 		
	Rates, taxes, interest, etc capitalised		3,307	31,164	E	-	
			42,279	195,427	F	F	
	Less: Property provisions		17,019	56,292	75 <u></u> 77	2.5	
	Total Development Properties		25,260	139,135		3=	
Λ	Non-Current Assets - Property, Plant, and Equipment						
	Land						
	Independent valuation – June 1995		10,875	14,010	5,200	5,200	
	At cost		118	-		-	
			10,993	14,010	5,200	5,200	
	Buildings						
	Independent valuation – June 1995		24,187	37,572	16,192	16,192	
	At cost		7,821	1,696	1,696	1,696	
			32,008	39,268	17,888	17,888	
	Provision for depreciation		(1,501)	(1,037)	(860)	(413	
	166. We have the contributed in the Contribute of the Contribute of Cont		30,507	38,231	17,028	17,475	
	Leasehold Land and Building			V	_ 3445		
	Independent valuation – June 1995		1,200	1,200	53 	S 	
	Provision for amortisation		(50)	(25)	50 <u></u> 00	-	
			1,150	1,175	1 		
	Leasehold Improvements						
	Cost		7,915	6,909	T-0	-	
	Provision for amortisation		(4,464)	(3,561)	_	_	
			3,451	3,348			
	Plant and Equipment			22222			
	Cost		926,422	773,039	7,415	7,266	
	Provision for depreciation		(389,403)	(312,244)	(5,843)	(5,585	
		-	537,019	460,795	1,572	1,681	
	Total Property, Plant and Equipment	_	583,120	517,559	23,800	24,356	
	Plant and Equipment includes construction equipment, motor	-					
	vehicles and office furniture and equipment.						
	Land and buildings are independently revalued at least every						
	three years and included in the financial statements at the						
	revalued amounts. As part of this policy all land and buildings						
	were revalued during the 1995 financial year on an open						
	market basis.						
	Non Current Access Intensibles						
5	Non-Current Assets – Intangibles		21 247	A 272	23.5		
	Cost of goodwill Accumulated amortisation		21,347	4,372		-	
	Accumulated amortisation		(12,404)	(3,519)	T	-	
			8,943	853		2-	
			8,943	853	¥-	200	

			Consolidated		Company	
		Note	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
16	Non-Current Assets - Other					
16	Future Income Tax Benefit Mining Tenements	4	75,099	58,623	9,357	22,651
	- Cost*		2,002	2,002	_	922
	– Directors valuation 1997		300	1.000		_
	– Directors valuation 1995		4.007	1,000		-
	Waste Management Development	1	4,637 82,038	61,625	9,357	22,651
	Certain tenements are valued at Directors valuation based on cash flows of estimated reserves. Tenements at cost and valuation will be amortised over the economic life of the investment from commencement of the mining operations. The recoupment of this value is dependent on successful development or sale. The tenements are under development or exploration assessment.			57,000		
	*Thiess Construction Ltd has given a registered charge over the mining tenements to the National Australia Bank.					
17	Current Liabilities – Accounts Payable Trade Creditors		427,550	435,162	10,252	19,787
	Other Creditors		46,425	25,399	513	183
			473,975	460,561	10,765	19,970
18	Current Liabilities - Borrowings			120-00		
10	Bank Overdraft Secured Loan*	22	43 813	304		_
	Unsecured Loan	22	56,200	_		
	0.0000.00		57,056	304	2 - 3	
19	Current Liabilities - Provisions			10.100	.004	F 000
	Income Tax Payable	35	37,929	40,163 21,580	901	5,990 488
	Employee Entitlements Dividend	30	49,696 59,669	22,045	59,669	22,045
	Contract and Plant Maintenance	1	37,884	16,831	-	-
		İ	185,178	100,619	61,482	28,523
-						
20	Current Liabilities – Other Amounts Payable to Construction Partnerships	1	6,171	4,245	gs 	
04	Non-Current Liabilities – Accounts Payable					
21	Trade Creditors	-	19,672	7,393	334	
22	Non-Current Liabilities – Borrowings					
~~	Secured Loan		2,830	1,200		-
	Unsecured Loans#		114,334	194,603	114,334 368,014	181,945 213,948
	Payable to Controlled Entities	-	117,164	195,803	482,348	395,893
	*This loan is secured by a controlled entity's mineral rights and its share of assets and revenue of a mining joint venture.		11.7 Action 1			
	#The unsecured loans are provided under negative pledge agreements with					
	financial institutions.					

		Conso		Consolidated		Company	
		Note	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000	
23	Non-Current Liabilities – Provisions Deferred Income Tax Employee Entitlements Contract and Plant Maintenance	35	94,547 42,418	47,772 37,688	9,662 29,476	3,228 15,640 1,027	
	Contract and Flant Maintenance		83,734 220,699	60,639 146,099	1,280 40,418	19,895	
24	Share Capital Issued 259,428,886 Ordinary shares of 50¢ each fully paid (1996 – 259,352,763)		129,714	129,676	129,714	129,676	
	Increase in Issued Capital During the Year - ordinary shares of 50¢ each issued under: Share Top Up						
	76,123 shares at a premium of \$5.18 per share Dividend Reinvestment Plan		38		38		
	2,789,412 shares at a premium of \$2.21 per share		-	1,395	_	1,395	
	1,211,770 shares at a premium of \$3.22 per share		-	606	_	606	
	Share Placement 23,467,363 shares at a premium of \$3.35 per share		-	11,734	_	11,734	
25	Reserves						
20	General Redemption		25 60	25 60	25 60	25 60	
	Foreign Currency Translation		(4,664)	(7,411)	570	570	
	Asset Revaluation		10,907	12,780	5,301	2,121	
	Share Premium		219,835	219,441	219,835	219,441	
			226,163	224,895	225,791	222,217	
	Movements Foreign Currency Translation Opening Balance		(7,411)	(2,412)	570	570	
	Translation of overseas controlled entity accounts & borrowings applicable to overseas investments		2,747	(4,999)			
	Closing Balance	1	(4,664)	(7,411)	570	570	
	Asset Revaluation	-	13/2-12	3.7			
	Opening Balance		12,780	13,045	2,121	2,121	
	Transfer (to)/from Profit and Loss Account		(1,873)	(265)	3,180	_	
	Closing Balance		10,907	12,780	5,301	2,121	
	Share Premium Opening Balance		219,441	130,758	219,441	130,758	
	Ordinary Shares issued at a premium – 76,123 shares in 1997		394		394		
	- 27,468,545 shares in 1996		-	88,683	-	88,683	
	Closing Balance		219,835	219,441	219,835	219,441	
		-					

		Note	Consolidated		Company	
	·-		1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
26	Outside Equity Interests in Controlled Entities Share Capital Reserves Retained Profits		601 2,125 15,865 18,591	927 3,214 13,572 17,713	=	
27	Dividends and Earnings Per Share Dividends Dividends provided for or paid by the Company are:					
	Interim Dividend A fully franked interim ordinary dividend of 9 cents per share, (1996: 6.5 cents per share) was paid on 1 April 1997. Franked at 36%		23,349	16,779	23,349	16,779
	Special Interim Dividend A fully franked special interim dividend of 10 cents per share, (1996: Nil) was declared and will be paid on 15 September 1997. Franked at 36%		25,943	_	25,943	_
	Final Dividend A fully franked final ordinary dividend of 13 cents per share, (1996: 8.5 cents per share) is recommended by the directors. Franked at 36%		33,725	22,045	33,725	22,045
			83,017	38,824	83,017	38,824
	Dividend Franking Account Balance of the franking account adjusted for franking credits which arise from the payment of income tax provided for in the financial statements, and after deducting franking credits to be used in payments of the above dividend: Further franking credits will arise in the 1998 financial year from		22,510	11,292	22,510	11,277
	the payment of income tax instalments on 1998 profits.					
	Earnings Basic earnings per share (cents per share)					
	Operating Profit		33.3¢	27.0¢		
	Total Profit		50.9¢	29.1¢		
	Diluted earnings per share (cents per share)		50.9¢	29.1¢		
	Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share		259,390,512	241,394,874		
	There have been no other conversions to, calls of or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of these financial statements.					

		Consolidated		Company	
	·	1997	1996	1997	1996
	Note	\$'000	\$'000	s'000	\$'000
Investments - Associated Companies					
Current	8	836	42,025		
Non-Current	12	20,655	19,708		
		21,491	61,733		

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. Investments in associated companies have been reviewed by the Directors at 30 June 1997. The Economic Entity has interests in other associated companies which, at 30 June 1997, were not of a material size or contribution to the Economic Entity's activities to warrant separate disclosure.

					Econo	mic Entity
Associated Company	Balance Date	Activity		Location	Interest a	t Year End
					1997	1996
					%	%
Green Holdings, Inc.	31 Oct 1996	Civil Engineering		USA	50	50
Ipco International Limited	30 June 1997	Marine & Civ	vil Engineering	Asia	70 	30
Kaparidge Pty Limited	30 June 1997	Property Dev	velopment	Aust	50	50
Leighton Terraform Ltd#	30 June 1997	Site Investig	ation - Foundati	on Asia	50	50
Vina Leighton Ltd#	30 June 1997	Building		Asia	50	50
Zappaway Ltd	30 June 1997	Environmental Services		Asia	50	50
Associated Company	.0	Carrying Value		Advances	Dividends	Received/
		of Shares			F	leceivable
	1997	1996	1997	1996	1997	1996
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Green Holdings, Inc.	3	_	18,550	16,686	11 m	-
Ipco International Limited	·	41,572	(a		22	647
Kaparidge Pty Limited	_	_	316	1,395	2	22
Vina Leighton Ltd#	794	754	440	176	8,	-
Leighton Terraform Ltd#	214	203	155	122	<i>₹</i>	-
Zappaway Ltd	436	342	85	81	2-2	-
Other	105	125	396	277	2-1	_
	1,549	42,996	19,942	18,737	¥ —	647

[#] Incorporated construction partnerships
The details of Associated Companies disclosed are for the Economic Entity.
The only significant investments held by the Chief Entity were Green Holdings
Inc where the loan balance was \$12,531 (1996: Nil) (Note 12) and Ipco International Limited where the shares held were Nil (1996 - \$41,572).

29

Consolidated Result by Segments				
	Contracting			
	& Project	Property		
	Management	Development	Unallocated	Total
Industry	\$'000	\$'000	\$'000	\$'000
1997				
Total Revenue	3,094,712	47,967	18,501	3,161,180
Operating Profit/(Loss) Before Tax	166,504	1,050	(22,405)	145,149
Abnormal Profit/(Loss) Before Tax	69,178	6 	4,478	73,656
Total Assets	1,079,409	176,211	367,192	1,622,812
1996				
Total Revenue	2,476,832	35,598	7,214	2,519,644
Operating Profit/(Loss) Before Tax	129,821	(4,006)	(22,287)	103,528
Abnormal Profit/(Loss) Before Tax	9,902	-	· ·	9,902
Total Assets	1,034,787	191,175	178,807	1,404,769
	Australia	S. E. Asia	U.S.A.	Total
Geographic	\$'000	\$'000	\$'000	\$'000
1997				
Total Revenue	2,483,197	677,959	24	3,161,180
Operating Profit/(Loss) Before Tax	101,229	43,920	7-	145,149
Abnormal Profit/(Loss) Before Tax	79,477	(5,821)	5 <u> </u>	73,656
Total Assets	1,258,357	318,183	46,272	1,622,812
1996				
Total Revenue	2,015,534	504,097	13	2,519,644
Operating Profit/(Loss) Before Tax	67,655	35,873	-	103,528
Abnormal Profit/(Loss) Before Tax	39,762	(3,860)	(26,000)	9,902
Total Assets	1,015,988	346,698	42,083	1,404,769

All transactions with related parties are made on normal commercial terms and conditions and the aggregate of related party transactions are not material in the overall operations of the Economic Entity or the Chief Entity. 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.

			Consolidated		Company	
		Note	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
30	Capital Commitments Plant and Equipment		24 242	110.150		
	All capital commitments contracted are payable within one year.		24,343	119,150	2 4	×=
31	Bank Guarantees, Insurance Bonds and Letters of Credit					
O I	Contingent liability under indemnities given on behalf of controlled entities in respect of:					
	i) Bank Guarantees		344,323	307,542	344,323	307,542
	ii) Insurance, Performance & Payment Bonds		8,815	7,878	8,815	7,878
	iii) Letters of Credit		3,714	3,439	3,714	3,439
	Contingent liability under indemnities given on					
	behalf of an associated company in respect of:		No. of the Contract of			
	i) Letters of Credit		3,013	2,861	3,013	2,861
	The Company has indemnified a bonding company which has					
	provided bonds to an associated company, Green Holdings Inc.					
	and its subsidiaries. The value of these bonds is \$US42 million					
	(1996 – \$US72 million) of which Nil (1996 – \$US3 million) is					
	related to uncompleted work. The above amounts are the face value of the relevant securities and no claims are anticipated					
	under the indemnities.					
22	Other Contingent Liabilities					
32	(i) Guarantees and undertakings given in respect of borrowings					
	by controlled entities		-	-	56,511	12,658
	(ii) The Company is called upon to give in the ordinary course of					
	business guarantees and indemnities in respect of the					
	performance by controlled entities, associated companies and related parties of their contractual and financial obligations.					
	These guarantees and indemnities are indeterminable in amount.					
	(iii) 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.					
	(iv) There exists in some members of the Economic Entity 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.					
	(v) Certain members of the Economic Entity have the normal					
	contractor's liability in relation to construction contracts which					
	liability may include litigation by or against the entities. (vi) Controlled entities have entered into various partnership					
	and trust arrangements under which the controlled entity may be					
	jointly and severally liable for the liabilities of the partnership					
	or trust.					
	(vii) Under the terms of the Class Order issued pursuant to					
	Section 313(6) of the Corporations Law the Company and a					
	subsidiary has entered into approved deeds of indemnity for the					
	cross-guarantee of liabilities with participating Australian					
	subsidiary companies. Refer to note 38.					
	(viii) Certain members of the Economic Entity utilise derivative financial instruments to manage the risks associated with					
	exposure to interest rate and foreign currency exchange rate					
	fluctuations.					14
	a) Interest Rate Risk					
	WELF-CHINA DE TENTRO TENTRO DE CONTROL DE CO					
	Interest rate swaps and caps are entered into for the purpose of					
	Interest rate swaps and caps are entered into for the purpose of managing the exposure to interest rate fluctuations. Maturities of					

1996 Annual General Meeting.

			Consoli	Consolidated		Company	
	; -	Note	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000	
22	Other Contingent Liabilities (continued)						
	b) Foreign Exchange Risk						
	Members of the Economic Entity enter into forward exchange						
	contracts to hedge specific project receipts and plant and						
	equipment purchase commitments denominated in foreign						
	currencies. The terms of these instruments are less than 12						
	months and are mainly in relation to US dollars.						
	The effect of these contracts is included on a net basis as part						
	of the transaction when it is completed.						
	c) Credit Risk						
	Credit risk represents the accounting loss that would be						
	recognised if counterparties failed to perform as contracted.						
	Swap and forward exchange contracts are subject to the credit						
	worthiness of counterparties, which are financial institutions.						
	At balance date the Economic Entity does not have a significant						
	exposure to any individual customer or counterparty.						
	(ix) Amounts Payable/Receivable in Foreign Currencies						
	The Australian dollar equivalents of unhedged amounts payable						
	or receivable in foreign currencies, calculated at year end						
	exchanged rates are as follows:						
	Amounts Payable						
	Non Current						
	United States Dollar		-	-	63,815	116,1	
	No significant claims are anticipated in respect of contingent						
	liabilities.						
2	Directors' Emoluments						
J	Income paid or payable or otherwise made available to directors						
	of Leighton Holdings Limited and executive and non-executive						
	directors of controlled entities.		34,584	28,145	8,020	6,5	
	Number of directors of Leighton Holdings Limited whose	1					
3	remuneration, were within the following bands:						
3		4					
	\$30,000 - \$39,999				1		
	\$40,000 - \$49,999				1		
	\$50,000 - \$59,999				2		
	\$60,000 - \$69,999				2		
	\$100,000 - \$109,999						
	\$110,000 - \$119,999				1		
	\$130,000 - \$139,999				1		
	*\$320,000 - \$329,999				1		
	\$1,250,000 - \$1,259,999				K-		
	\$1,880,000 - \$1,889,999				1		
	\$2,350,000 - \$2,359,999				7 . -		
	\$2,430,000 - \$2,439,999				-		
	\$2,580,000 - \$2,589,999				1		
	\$2,660,000 - \$2,669,999				1		
	*Includes retirement benefits to a Non-executive director paid						
	pursuant to the Non-executive Retirement Plan approved at the						
	1996 Appeal Coperal Mosting						

		Consolidated		Company	
-	Note	1997 \$'000	1996 \$'000	1997 S'000	1996 \$'000
Remuneration of Executives		24,194	20,567	6,179	5,080
The number of executive officers whose remuneration equals or					
exceeds \$100,000 were within the following bands:					
\$250,000 - \$259,999		2	_	5 <u></u> 3	-
\$260,000 - \$269,999		_	1	_	-
\$270,000 - \$279,999		1	1	-	72
\$290,000 - \$299,999		1		-	_
\$300,000 - \$309,999		_	1	-	
\$310,000 - \$319,999		1	1	7	_
\$320,000 - \$329,999		_	1	_	1
\$340,000 - \$349,999		_	1		_
\$360,000 - \$369,999		2	1		
\$370,000 - \$379,999		_	2		
		_	1		-
	=	_		_	-
\$420,000 - \$429,999		1	_	1	= =
\$430,000 - \$439,999			1		
\$440,000 - \$449,999		1	19-	73	-
\$450,000 - \$459,999		3	1	_	_
\$460,000 - \$469,999		1	_	_	_
\$470,000 - \$479,999		1	÷ -	F	-
\$480,000 - \$489,999		2	1	-	F
\$500,000 - \$509,999		-	1	V	_
\$510,000 - \$519,999		-	1		200
\$520,000 - \$529,999		1	1	7	3
\$530,000 - \$539,999		·	1	(==)	-
\$540,000 - \$549,999		1	2	-	9
\$550,000 - \$559,999		1	_	_	
\$560,000 - \$569,999		2	.—		
\$570,000 - \$579,999		1	_	1	
\$610,000 - \$619,999		1	-	_	
\$620,000 - \$629,999			1		
		1		1	-
\$630,000 - \$639,999		1	_		
\$670,000 - \$679,999		_	1	-	_
\$720,000 - \$729,999		1	-	1.—	_
\$730,000 - \$739,999		-	1	-	_
\$740,000 - \$749,999		_	1	-	-
\$750,000 - \$759,999		_	1	7 . → 6	-
\$830,000 - \$839,999		_	1	_	-
\$860,000 - \$869,999		1	-	_	_
\$870,000 - \$879,999	1	1	_	- ·	-
\$930,000 - \$939,999	1	_	1	_	1-2-
\$970,000 - \$979,999		1	_	ş — 5	-
\$1,030,000 - \$1,039,999		1	-	1-0	-
\$1,120,000 - \$1,129,999		1	· ·	-	-
\$1,250,000 - \$1,259,999		-	1		
\$1,340,000 - \$1,349,999		-	1	N-	_
\$1,470,000 - \$1,479,999		1	_		
\$1,880,000 - \$1,889,999		1		1	-
\$2,350,000 - \$2,359,999			1	-	
\$2,430,000 - \$2,439,999			1		-
		_)}	Ü
\$2,580,000 - \$2,589,999		1	-	_	
\$2,660,000 - \$2,669,999		1	_	1	-

			Consolidated		Company	
			1997	1996	1997	1996
		Note	\$'000	\$'000	\$'000	\$'000
35	Employee Entitlements Aggregate Employee Entitlements					
	Current	19	49,696	21,580	912	488
	Non-Current	23	42,418	37,688	29,476	15,640
			92,114	59,268	30,388	16,128
	Superannuation					
	The superconduction plane provide defined benefits based on					

The superannuation plans provide defined benefits based on years of service and final average salary or accumulated benefits based on contributions and the actual earnings of the fund. Employees contribute to the plans at various percentages of their salaries or wages. The Company and its controlled entities also contribute to the plans at various percentages of the employee's salary or wages. Future contributions to superannuation plans sponsored by the Economic Entity are not legally enforceable provided that vested benefits are fully funded. The Economic Entity also contributes to various industry award funds in accordance with the relevant awards. Contributions are enforceable in accordance with the relevant award. The Leighton Superannuation Fund and the Leighton Asia Superannuation Fund are the only plans providing defined benefits to employee members.

Actuarial assessments are performed every three years. The Leighton Superannuation Fund was assessed at 30 June 1997 by Mercer Campbell Cook & Knight Pty Ltd. The Leighton Asia Superannuation Fund was assessed at 30 June 1995 by the Wyatt Company. 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 each employee. The following values are based on the defined benefits section only of the most recent financial reports of the funds which were prepared as at 30 June 1997 for the Leighton Superannuation Fund and 30 June 1996 for the Leighton Asia Superannuation Fund.

	Accrued N	Narket Value	Surplus/ (Deficit)	Vested Benefits
Fund	Benefits	of Assets		
Leighton Superannuation Fund - 30 June 1997	58,497	62,392	3,895	48,581
Leighton Asia Superannuation Fund - 30 June 1996	2,004	1,782	(222)	1,059
Total	60,501	64,174	3,673	49,640

Accrued benefits have been determined based on the amounts calculated in the last actuarial assessments and Directors' estimates, based on the advice of the trustees of the funds, of the benefits that have accrued in the periods between the last actuarial assessment and the financial year end. Accrued benefits are benefits the plans are presently expected to pay at some future date, resulting from membership of the plans. Vested benefits are benefits which are not conditional upon the continued membership of the plan or any factor, other than resignation from the plan.

35

Employee Entitlements (continued)

Leighton Staff Equity Participation Plan

Leighton has an employee share acquisition scheme known as the Leighton Staff Equity Participation Plan ("the Plan") established by a Trust Deed dated 23 June 1981, as amended by further Deeds dated 18 March 1983 and 6 October 1995 ("the Trust Deed").

Leighton members approved renewal of the Plan for three years commencing 2 November 1995 in accordance with the Australian Stock Exchange Listing rules at the Annual General Meeting held on 2 November 1995.

Under the Plan, options to acquire fully paid ordinary shares in Leighton may be granted and fully paid ordinary shares in Leighton may be allotted to Group employees. Interest free loans may be provided by Leighton to assist in financing the acquisition of shares allotted pursuant to the Plan.

The total number of shares and options which may be issued under the Plan, when aggregated with the number of shares issued by the Company during the previous 5 years under all employee share schemes adopted by the Company, must not exceed 5% of the Company's issued ordinary shares as at the date any invitation to acquire shares or options under the Plan is extended. Further, under the Australian Stock Exchange Listing Rules no shares or options may be granted to Directors or their associates without shareholder approval.

Shareholder approval was received at the Annual General Meeting on 2 November 1995 to grant options to each of the Executive Directors W.M. King, D.S. Adamsas and K.L. Bennett. On 24 October 1996, the Company granted options over 5,005,500 unissued ordinary shares to 184 employees under the Leighton Staff Equity Participation Plan including 400,000 options issued to D.S. Adamsas. The options may be exercised in the six week period commencing August 1998, 1999, 2000 and 2001 at a price of \$5.41 per share. No options were exercised during the year. The options will lapse on the earlier of 24 October 2001 or termination of the employee's employment for any reason other than death or retirement. Since the end of the financial year 215,000 options have lapsed leaving a balance of 4,790,500 options.

As at 30 June 1997 there were on issue under the Plan 366,000 shares in respect of which there were outstanding loans totalling \$176 (1996 - \$278). These shares were issued at market value. No shares have been issued under the terms of the Plan during or since the end of the financial year. There have been 9,994,000 shares issued under the terms of the Plan since its inception.

			Consolidated		Company	
	-	Note	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
36	Loans to Executive Directors Approval was given by shareholders for the establishment of the Leighton Staff Equity Participation Plan on 22 July 1981 and a senior executive loan plan on 29 October 1982. Under both plans loans amounting to \$317,846 (1996 – \$1,469,648) and ranging from \$5,523 to \$246,583 (1996 – \$1,470 to \$1,360,000) have been made to 7 (1996 – 9) Executive Directors of Leighton Holdings Limited and related entities. Interest of \$73,573 (1996 – \$85,283) was received on senior executive loans.					
	Loans under the Staff Equity Participation Plan are interest free and repayable from dividend income earned by the shares acquired under the Plan. The loans are secured by a charge over the shares issued under the Plan. No new loans were issued during the year. During the year repayments totalling \$38,385 (1996 – \$177,003) were received in respect of the Plan from D. Adamsas, P. Cooper, R. Gussey, R. Hunter, N. Jukes, N. Sallustio, W. West and E. Young.					
	Loans under the Senior Executive Loan Plan were charged interest between 6% p.a. and 10% p.a. (1996 – 6% p.a. and 10% p.a.), were secured by mortgages over property and were repayable up to 20 years from the dates of the loans. Loans of \$100,000 (1996 – \$NIL) were made during the year. Repayments of \$1,117,047 (1996 - \$148,242) in respect of senior executive loans were received during the year.					
	The amounts in this note have not been rounded off to the nearest thousand dollars.					
37	Lease and Rental Commitments Operating Leases					
	Plant, Equipment and Motor Vehicle Leases		25,644	16,755	_	
	Carpark Leases		10,401	14,036	_	
	Property Leases		22,007	12,893	-	
		L	58,052	43,684	_	555
	Lease Commitments not capitalised					
	 Not later than one year 		27,281	18,158	_	-
	 Later than one year but not later than two years 		13,559	11,882	_	-
	 Later than two years but not later than five years 		15,282	12,238	_	
	I standbase files conserve		4 000	1 400		

Plant and Equipment used in contract mining and civil engineering is leased over its economic life and the leases are structured to match income from contracts.

- Later than five years

1,406

43,684

1,930

58,052

38

Leighton Holdings Limited and Controlled Entities		
	Entity's	
	Share of	Place of
	Equity	Incorporation
†Leighton Holdings Limited		Vic.
† Adelaide Terrace Investments Pty Ltd	100%	S.A.
* Asia Mining Services (2)	80%	Vietnam
* Asian Region Investment Ltd	80%	Hong Kong
Aus. Construction and Dredging B.V.	100%	Netherlands
* Ausindo Holdings Pte Ltd	100%	Singapore
Australian Paper Recovery Pty Ltd	100%	N.S.W.
Bonedale Pty Ltd (in Liq.)	100%	A.C.T.
Burton Properties Pty Ltd	100%	N.S.W.
† Comserv (No. 1776) Pty Ltd	100%	N.S.W.
† Dovida Pty Limited	100%	N.S.W.
* Giddens Investment Ltd	80%	Hong Kong
* Hai Van Thiess Contractors Ltd	56%	Vietnam
Integrated Concrete Repairs Pty Ltd	50%	A.C.T.
* Lai Lap Foundation Engineering Ltd	80%	Hong Kong
Landetting Nominees Pty Ltd	100%	Vic.
#Lao Thiess Contractors Ltd (2)	80%	Laos
* Leighton Asia Finance Ltd	80%	Hong Kong
* Leighton Asia Fund Management Limited (4)	80%	Hong Kong
* Leighton Asia (Hong Kong) Holdings Ltd (2)	80%	Hong Kong
* Leighton Asia Limited	80%	Cayman Islands
* Leighton Asia Management Services Co Ltd	80%	Hong Kong
* Leighton Contractors (Asia) Ltd	80%	Hong Kong
* Leighton Contractors (China) Ltd	80%	Hong Kong
* Leighton Contractors (Indo-China) Ltd	80%	Hong Kong
* Leighton Contractors (Malaysia) Sdn. Bhd.	80%	Malaysia
#Leighton Contractors (Philippines) Inc. (1)(2)	32%	Philippines
* Leighton Contractors (Philippines) Ltd	80%	Hong Kong
Leighton Contractors Pty Ltd	100%	N.S.W.
* Leighton Contractors (Singapore) Pte Ltd	80%	Singapore
Leighton Equipment Leasing Pty Ltd (2)	100%	N.S.W.
† Leighton Finance Limited	100%	N.S.W.
* Leighton Foundation Engineering Ltd	80%	Hong Kong
#Leighton Geotech Co. Ltd	80%	Thailand
Leighton International Pty Ltd	100%	Qld.
#Leighton Investments Malaysia (L) Ltd (2)	80%	Malaysia
* Leighton Investments Singapore Pte Ltd (2)	80%	Singapore
Leighton Motorway Investment Pty Ltd (2)	100%	N.S.W.
* Leighton Pacific Developments Inc	100%	U.S.A.
† Leighton Parking Pty Ltd	100%	N.S.W.
† Leighton Properties (Brisbane) Pty Ltd		
(formally LB Developments Pty Ltd)	100%	Qld.
† Leighton Properties Pty Ltd	100%	N.S.W.
Leighton Properties (Qld) Pty Ltd	100%	Qld.
Leighton Staff Shares Pty Ltd (4)	100%	Vic.
Leighton Superannuation Pty Ltd (4)	100%	N.S.W.
* Leighton-Ted Partnership (in Liq)	53%	Hong Kong
* Leighton USA Holdings Inc	100%	U.S.A.
* Leighton USA Inc	100%	U.S.A.
† Mamasan Pty Limited	100%	A.C.T.
† Moussewood Pty Ltd	100%	Qld.

Leighton Holdings Limited and Controlled Entit	ties (continued)		
		Entity's	
		Share of	Place of
		Equity	Incorporation
† Multicon Engineering Pty Limited		100%	N.S.W.
† Multicon Holdings Pty Limited	Y .	100%	N.S.W.
#Northcoast Motorway Pty Ltd		100%	N.S.W.
Pacific Water Pty Ltd		100%	N.S.W.
#Pluteus ACT (No 7) Pty Limited		100%	A.C.T.
* PT Thiess Contractors Indonesia		100%	Indonesia
† Ridgewood Development Pty Ltd		100%	Qld.
Sydney Coliseum Pty Ltd	(2)	100%	N.S.W.
* Technical Resources Asia Ltd		80%	Hong Kong
† Technical Resources Pty Ltd		100%	N.S.W.
#Thai-Leighton Ltd	(1)	39%	Thailand
Thiess Construction Ltd		100%	Qld.
Thiess Contractors International Pty Ltd		100%	Qld.
* Thiess Contractors (Malaysia) Sdn.Bhd.		100%	Malaysia
Thiess Contractors (NZ) Ltd	(2)	100%	New Zealand
* Thiess Contractors (PNG) Pty Ltd		100%	P.N.G.
Thiess Contractors Pty Ltd		100%	Qld.
Thiess Environmental Services Pty Ltd			
(formerly South East Queensland Regional Landfill I	Pty Ltd)	100%	Qld.
Thiess Services Pty Ltd		100%	Vic.
Visionstream Pty Ltd	(3)	100%	Qld.
† Yifta Pty Limited		100%	N.S.W.
ACN 002 821 892 Pty Ltd (formerly Welded Mesh F	Pty Limited)	100%	N.S.W.

⁽¹⁾ Entities controlled under shareholder agreements

†These companies (Leighton Holdings Limited (LHL) Class Order Companies) have the benefit of an ASC Class Order 95/1530. Pursuant to the Class Order, relief was granted to the LHL Class Order Companies from the Corporations Law requirements for preparation, audit and publication of accounts. As a condition of the Class Order the Company and each of the LHL Class Order Companies are party to a Deed of Cross Guarantee dated 9 June 1994. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt of a LHL Class Order Company in the event of its winding up under certain provisions of the Corporations Law. If a winding up occurs under other provisions of the Law, the Company will only be liable in the event that after six months any creditor has not been paid in full. The LHL Class Order Companies have also given similar guarantees in the event that the Company or other LHL Class Order Companies party to the Deed of Cross Guarantee are wound up. At balance date the Company and LHL Class Order Companies which are a party to the Deed have aggregate assets of \$1,017,755 (1996 - \$679,332), aggregate liabilities of \$872,804 (1996 -\$596,892), and their contribution to the consolidated operating profit and extraordinary items after income tax for the year was \$100,991 (1996 - \$8,740).

⁽²⁾ Incorporated in 1997 year

⁽³⁾ Consolidated in 1997 year

⁽⁴⁾ Trustee Company

^{*} Audited by overseas KPMG member firms

[#] Audited by firms other than KPMG

39

Acquisition and Disposal of Controlled Entities

and Businesses			7a 55
Name	Date Acquired	Proportion Acquired	Cash Consideration \$000
Entities Acquired Visionstream Pty Ltd Businesses Acquired Nil	11 Dec 1996	100%	21,345
Name	Date Disposed	Proportion Retained	Profit on Sale \$000
Disposal of Entities Nil Disposal of Businesses Welded Mesh Liquidated Entities Altikar Pty Ltd Leighton Interlink Pty Ltd Leighton Properties (Vic) Pty Ltd Leighton Ted Partnership Lomo Pty Ltd NSW Welded Mesh Unit Trust	30 May 1997	Nil	74,999

40

Related Party Information

Directors

The Directors who held office as Directors of Leighton Holdings

Limited during the year ended 30 June 1997 were:

Morrish Alexander Besley, AO

Wallace MacArthur King

Dieter Siegfried Adamsas

Geoffrey John Ashton (appointed 14 August 1996)

Keith Leslie Bennett

Achim Drescher (appointed 26 November 1996)

Hans-Peter Keitel

Busso Peus

Mark Richard Rayner

David Paul Robinson

Rodney Malcolm Wylie, OBE

Peter John North (retired 30 June 1997)

Directors' Transactions

During the year dividends were paid to Directors on their shareholdings on the same basis as other shareholders.

M.A. Besley is Chairman of the Commonwealth Bank,.
M.R. Rayner is a director of National Australia Bank Limited.
These banks provide banking services and facilities on normal commercial terms to the Economic Entity.

M.A. Besley was a director of Amcor Limited. P.J. North, who retired at 30 June 1997, is a director of Heggies Bulkhaul Ltd.
M.R. Rayner is a director of Comalco Limited, Pasminco Limited, Boral Limited and Mayne Nickless Limited. G.J. Ashton is a director of Evans Deakins Industries Limited and the NSW State Transit Authority. A.C. Hardy, a director of a controlled entity, is a director of the Frankipile Group. E.F. Finger, a director of a controlled entity is a director of Queensland Motorways Ltd.

			Consc	Consolidated		npany
	-	Note	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
40	Related Party Information (continued) A director related entity of D.G. Stewart, a director of a controlled entity, is a director of Australian Resources Limited. K.J. Ferguson and J.A. Thomson, directors of a controlled entity, are directors of PT Longyear Mintek.					
	These companies may provide or receive from time to time on normal commercial terms general construction materials and services. D.P. Robinson is a partner in the firm of chartered accountants Harveys which receives fees from Hochtief Limited for services provided to that company which is a related party.					
	Legal services and consulting services were provided to a member of the Economic Entity on normal commercial terms and conditions by a firm in which T. Addisorn, who is a director of certain controlled entities, is a partner.					
	Engineering advice has been provided to certain members of the Economic Entity on normal commercial terms and conditions by a firm, a partner of which is a director related entity of P. Bingham-Hall, a director of a controlled entity.					
	During the year Directors of Leighton Holdings Limited acquired and disposed of shares on the open market and acquired shares in accordance with the dividend re-investment plan. The aggregate details of those transactions were 2,154 (1996 – 14,038) shares acquired and Nil (1996 – 45,000) shares sold. During the year Hochtief Limited acquired Nil (1996 – 1,439,115) shares giving a shareholding at year end of 116,480,884 (1996 – 116,480,884) shares. H.P. Keitel, B. Peus and D.P. Robinson were directors of Hochtief Limited during the year.					
	Transactions with Related Parties The Economic Entity has interests in a number of construction partnerships and trading trusts which are included in other related parties shown below. Transactions with related parties are made on normal commercial terms and conditions and the aggregate of the related party transactions was not material in the overall operations of the Economic Entity or the Chief Entity except for advances to associates as shown in notes 8 and 12. Dividends were received or receivable during the year from associated companies are disclosed in note 28. Interests held in associated and controlled entities are set out in notes 28 and 38 to the accounts.					
	Amounts Receivable from and Payable to Related Parties					
	Companies aggregate amounts receivable at balance date from Directors: - Current - Non-Current Other related parties: - Associated Companies		71 247	110 1,360	22 247	34 1,360
	Current – InvestmentNon-Current – Investment		836 19,106	453 18,284	12,531	
	OtherCurrent – PartnershipsAggregate amounts payable at balance		15,125	15,996	_	*
	date to other related parties: - Current		6,171	4,245	_	:

		Cons	olidated	Cor	npany
-	Note	1997 \$'000	1996 \$'000	1997 \$'000	1996 \$'000
Cash Flow Information			======================================		**********
Reconciliation of Cash Balances					
For the purposes of the Statements of Cash Flows, cash					
includes cash on hand, at bank and short term deposits at call,					
net of outstanding overdrafts. Cash as at the end of the financial					
year as shown in the Statements of Cash Flows is reconciled to					
the related items in the balance sheet as follows:					
Cash at Bank and on Hand		27,428	18,912	4,993	6,675
Interest Bearing Deposits		395,455	147,235	6,533	1,456
Bank Overdraft		(43)	(304)	_	_
		422,840	165,843	11,526	8,131
Reconciliation of Operating Profit After Income Tax to					
Net Cash Provided by Operating Activities					
Operating profit after income tax		138,603	75,742	102,539	21,317
Add (less) non-cash items					
Depreciation		139,659	118,367	1,052	1,065
Amortisation and write off of goodwill		13,257	621	_	_
Amounts set aside to provisions		224,733	141,585	15,056	3,411
Revaluation of non-current assets			29,860	-	23,168
Other writedowns		5,255	840	_	840
Foreign currency (Gains)/Losses); 		8,665	(13,868)
Income tax payable		33,785	28,409	(4,699)	(2,673)
(Gain)/Loss on sales of non-current assets		(79,679)	(50,516)	1,824	240
Partnership results		(19,346)	(11,231)	685	453
Intercompany transactions		F	-	(25,620)	(56,754)
Interest charged to associated companies		2,106	(785)		_
Net cash provided by operating activities before					
changes in assets and liabilities		458,373	332,892	99,502	(22,801)
Net changes in assets/liabilities (Increase)/Decrease in Prepayments		(2,947)	4,026	179	302
(Increase)/Decrease in Other Receivables		(4,298)	12,913	3,722	6,538
(Decrease)/Increase in Trade Creditors		25,082	90,089	(9,535)	9,707
(Decrease)/Increase in Other Creditors		12,619	5.470	330	(113)
(Decrease)/Increase in Provisions		(160,499)	(124,469)	(542)	(1,076)
Proceeds of Sales of Development Properties		11,142	5,148	-	(1,070)
(Other Net Movement) in Development Properties		3,641	1,745		_
(Increase)/Decrease in Trade Debtors		(8,972)	(45,788)	_	
(Increase)/Decrease in Inventory		(1,647)	(1,038)		
managed and an arrow of the state of the sta		(125,879)	(51,904)	(5,846)	15,358
Net cash provided by operating activities		332,494	280,988	93,656	(7,443)
	_				

Statutory Statements

Statement by Directors on the Financial Statements set out on pages 50 to 76

In the opinion of the Directors of Leighton Holdings Limited

- (a) The profit and loss statement gives a true and fair view of the Company's profit for the financial year ended 30 June 1997;
- (b) The balance sheet gives a true and fair view of the Company's state of affairs as at 30 June 1997;
- (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 fall due;
- (d) The consolidated accounts:
 - (i) have been made out in accordance with Divisions 4A and 4B of Part 3.6 of the Corporations Law; and
 - (ii) in particular, give a true and fair view of the matters with which they deal;
- (e) The financial statements have been made out in accordance with applicable Australian Accounting Standards; and
- (f) There are reasonable grounds to believe that the Company and certain subsidiaries will, as an Economic Entity, be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries pursuant to a Class Order. Refer to note 38 for further details.

Dated at Sydney this 5th day of September, 1997.

Signed in accordance with a resolution of directors:

M A Besley AO

Chief Executive Officer

Independent Auditors' report to the members of Leighton Holdings Limited

Scope

We have audited the financial statements of Leighton Holdings Limited for the financial year ended 30 June 1997, consisting of the profit and loss statements, balance sheets, statements of cash flows, accompanying notes, and the statement by Directors set out on pages 50 to 77. The financial statements comprise the accounts of the Company and the consolidated accounts of the Economic Entity, being the Company and its controlled entities. The Company's Directors are responsible for the financial statements. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and statutory requirements so as to present a view which is consistent with our understanding of the Company's and the Economic Entity's financial position, the results of their operations and their cash flows.

The names of the controlled entities of which we have not acted as auditors are set out in note 38. We have received sufficient information and explanations concerning these controlled entities to enable us to form an opinion on the consolidated accounts.

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

Audit Opinion

In our opinion, the financial statements of Leighton Holdings Limited are properly drawn up:

- (a) So as to give a true and fair view of:
 - (i) the state of affairs of the Company and the Economic Entity at 30 June 1997, and the results and cash flows of the Company and the Economic Entity for the financial year ended on that date; and
 - (ii) the other matters required by Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements;
- (b) In accordance with the provisions of the Corporations Law; and
- (c) In accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements.

KPMG

Chartered Accountants

John H Richardson

Partner

Dated at Sydney this 5th day of September, 1997.

Shareholder Information

Enquiries

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

Or write to: Coopers & Lybrand Locked Bag A14 Sydney South Post Office Sydney NSW 1232

Dividend Payment

The special dividend of 10 cents per share will be paid on 15 September 1997 and the final dividend of 13 cents per share, if approved at the Annual General Meeting on 6 November 1997, will be paid on 7 November 1997. For Australian tax purposes both of these dividends will be fully franked at the 36% corporate tax rate. Overseas shareholders will benefit by having no Australian withholding tax deducted from their franked dividends.

Direct dividend deposit into bank accounts

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

Application forms are available from our share registrar, Coopers & Lybrand.

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

Tax File Numbers

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

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

Stock Exchange Listing

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

Share Information

Details of share capital and issued shares are contained in Note 24 to the Accounts on page 61. Information regarding Substantial Shareholders, the 20 largest holders and shareholding distribution is on page 49.

Audit Committee

As at 5 September 1997, the Company has a formally constituted Audit Committee of the Board of Directors.

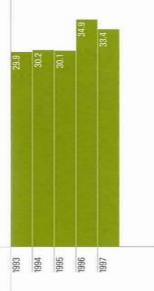
Other Available Publications

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

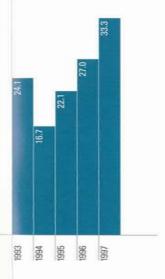
Removal from Annual Report Mailing List

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

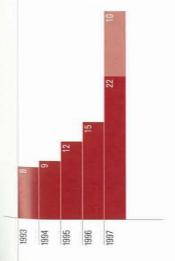
Total Shareholders' Equity to Total Assets %



Earnings per Ordinary Share Before Abnormals ¢



Dividends per Ordinary Share \$
Special Dividend
Ordinary Dividend



Financial Calendar

Shares begin trading ex Dividend						
Books close for Final Dividend						
Annual General Meeting						
Final Dividend paid						
Half year end						
Half Year Results announced						
Shares begin trading ex Dividend						
Books close for Interim Dividend						
Interim Dividend paid						
Year end						
Preliminary Final Results announced						
Annual General Meeting						
	Books close for Final Dividend Annual General Meeting Final Dividend paid Half year end Half Year Results announced Shares begin trading ex Dividend Books close for Interim Dividend Interim Dividend paid Year end Preliminary Final Results announced					

Statistical Summary

for the ten years 1988 - 1997

	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Summary of Balance Sheets*							00 500	00.000	00 700	F0 F00
Issued and Paid-up Capital	129,714	129,676	115,942	111,948	109,665	96,721	92,569	62,826	60,706	56,502
Total Capital and Reserves	542,897	489,745	358,049	316,195	298,120	249,059	238,453	193,403	178,866	165,612
Non-Current Liabilities	357,535	349,295	413,120	381,293	367,815	330,204	207,636	195,499	173,556	141,715
Current Liabilities	722,380	565,729	418,127	351,356	331,860	292,203	297,593	286,005	272,568	258,693
Non-Current Assets	748,673	770,798	768,820	689,003	663,593	570,250	429,608	363,741	320,224	265,938
Current Assets	874,139	633,971	420,476	359,841	334,202	301,216	314,074	311,166	304,766	300,082
Total Assets*	,622,812	1,404,769	1,189,296	1,048,844	997,795	871,466	743,682	674,907	624,990	566,020
Summary of Profit and Loss Statement	ts [©]									
Revenue	3,161,180	2,519,644	2,031,377	1,807,728	1,580,582	1,590,196	1,710,044	1,636,460	1,431,260	1,489,100
Operating Profit Before Interest										
and Income Tax+	155,039	121,240	100,267	67,245	94,768	69,327	56,276	54,586	46,388	39,505
Operating Profit Before Tax	212,314	107,901	74,599	37,820	10,169	38,468	34,364	35,043	27,110	18,856
Income Tax Expense	80,202	37,688	23,365	4,738	(4,901)	15,959	13,335	14,563	10,575	7,731
Operating Profit after Tax	132,112	70,213	51,234	33,082	15,070	22,509	21,029	20,480	16,535	11,125
Financial Statistics										
Earnings per Ordinary Share										
Operating Profit*	33.3¢	27.0¢	22.1¢	16.7¢	24.1¢	11.6¢	16.1¢	16.5¢	14.2¢	9.9¢
Total Profit	F0.04	20.14	20.44	14.04	7.04	11 04	10.14	16 54	14.2¢	9.9¢
– basic – diluted	50.9¢	29.1¢ 29.1¢	22.4¢ 22.4¢	- 10 m or 150	7.6¢ 7.6¢	11.6¢	16.1¢ 15.1¢		13.2¢	9.3¢
Dividends per Ordinary Share	32.0¢		12.0¢		8.0¢	8.0¢	8.0¢	2001-1977	7.0¢	4.0¢
Return on Ordinary Shareholders Funds+	15.9%	- 1.51	14.1%	11.7%	16.7%	9.0%	8.8%		9.2%	6.7%
Return on Assets+	5.3%		4.3%	3.5%	4.8%	2.6%	2.8%	3.0%	2.7%	2.0%
	3.376	4.0 /0	4.3 /0	3.376	4.0 /0	2.0 /0	2.070	3.070	2.7 70	2.070
Operating Profit Before Interest and Tax to Total Revenue+	4.9%	4.8%	4.9%	3.7%	3.7%	6.0%	4.4%	3.3%	3.3%	2.6%
Dividend Times Covered	1.6	1.8	1.9	1.7	0.9	1.4	1.7	2.0	2.0	2.5
Dividend Payout Ratio	62.8%	55.3%	54.0%	60.5%	110.1%	68.6%	60.2%	49.0%	50.5%	40.6%
Interest Times Covered	14.0	5.6	4.0	2.9	1.5	2.3	2.6	2.8	2.4	1.9
Net Tangible Assets per Ordinary Share	\$2.06	\$1.89	\$1.54	\$1.40	\$1.28	\$1.26	\$1.23	\$1.28	\$1.21	\$1.15
Current Ratio	1.21	1.12	1.01	1.02	1.00	1.04	1.06	1.09	1.12	1.15
Shareholders Funds to Total Assets	33.4%	34.9%	30.1%	30.2%	29.9%	28.6%	32.1%	28.7%	28.6%	29.3%
Shareholders Funds to Total Liabilities	50.3%	53.5%	43.1%	43.2%	42.6%	40.0%	47.2%	40.2%	40.1%	41.4%
Gross Borrowings to Shareholders Funds	32.0%	40.0%	81.0%	89.0%	97.0%	82.0%	56.0%	82.0%	75.0%	72.0%
Net Borrowings to Shareholders Funds	(46.0%)	2,0200-01-0	12 1-12	120000000000000000000000000000000000000	68.0%	39.0%	24.0%	49.0%	37.0%	31.0%
Number of Employees	12,160	1,197.05.04.053	(34/3/6/24)		7,175		6,361	5,810	5,451	5,594

Excludes abnormal items.
 Includes consolidation of controlled entities under AASB1024 from 1992.
 Prior to 1992, the Summary of Profit and Loss Statements reflected the equity accounted revenue and profit and loss of associated companies.

Directory and Offices

Leighton Holdings Limited

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

Directory

Board of Directors

Morrish Alexander Besley AO
Wallace MacArthur King
Dieter Siegfried Adamsas
Geoffrey John Ashton
Keith Leslie Bennett
Achim Drescher
Hans-Peter Keitel
Busso Peus
Mark Richard Rayner
David Paul Robinson
Rodney Malcolm Wylie OBE

Associate Directors

Martin Carl Albrecht John Faulkner Vyril Anthony Vella

Secretary

Ashley John Moir

Principal Registered Office in Australia

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

Principal Banker

Commonwealth Bank of Australia 48 Martin Place Sydney NSW 2000

Financial Advisor

Centaurus Corporate Finance Pty Limited 35 Pitt Street Sydney NSW 2000

Auditor

KPMG
Chartered Accountants
The KPMG Centre
45 Clarence Street
Sydney NSW 2000

Share Register Office

C/- Coopers & Lybrand Level 8 580 George Street Sydney NSW 2000 Tel. (02) 9285 7111

Leighton Contractors Pty Limited

Head Office

472 Pacific Highway St Leonards NSW 2065 Tel. (02) 9925 6666 Fax. (02) 9925 6004

New South Wales

Levels 9 and 10 12 Help Street Chatswood NSW 2067 Tel. (02) 9414 3333 Fax. (02) 9415 2509

Queensland

Level 3 143 Coronation Drive Milton QLD 4064 Tel. (07) 3215 4400 Fax. (07) 3215 4480

Victoria

Level 1 5 Queens Road Melbourne VIC 3004 Tel. (03) 9228 7700 Fax. (03) 9228 3000

Western Australia

1 Altona Street West Perth WA 6005 Tel. (08) 9324 1166 Fax. (08) 9481 2449

Leighton Asia Limited

Head Office Leighton Contractors (Asia) Limited

49th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong Tel. (852) 2823 1111 Fax. (852) 2529 8784

Leighton Contractors (China) Limited

49th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong Tel. (852) 2823 1111 Fax. (852) 2528 9030

Thai Leighton Limited

6th Floor, SPC Building 1 Soi Chaemchan Sukhumvit 55 Road Bangkok 10110 Thailand Tel. (662) 381 3344 Fax. (662) 391 4503

Leighton Contractors (Malaysia) Sdn Bhd

No 14.03, 14th Floor Menara Multi-Purpose Capital Square No 8 Jalan Munshi Abdullah 50100 Kuala Lumpur, Malaysia Tel. (603) 292 2388

Fax. (603) 293 5388 East Malaysia Office

Lot B701, 7th Floor Wisma Merdeka Phase II Jalan Tun Razak 88000 Kota Kinabalu Sabah, Malaysia Tel. (088) 268 311 Fax. (088) 251 311

Leighton Contractors (Philippines) Inc

19th Floor Rufino Pacific Tower 6784 Ayala Avenue Makati City 1200 Metro Manila Philippines Tel. (632) 811 0152 Fax. (632) 811 0158

Cebu City Office

Room 114
Centro Maximo Building
Uptown D Jakosalem Street
Cebu City Philippines
Tel. (6332) 254 1870

Vina Leighton Limited

31 Han Thuyen Street District 1 Ho Chi Minh City SR Vietnam Tel. (848) 829 5681 Fax. (848) 829 5743

Vina Leighton Limited

Unit 01, 3rd Floor 30 Nguyen Du Street Hanoi SR Vietnam Tel. (844) 943 0969 Fax. (844) 943 0972

Thiess Contractors

Pty Limited Viet Thiess Contractors

Limited Hai Van Thiess Contractors Limited

Kimdo Business Centre 123 Le Loi Street District 1 Ho Chi Minh City SR Vietnam Tel. (848) 821 0635 Fax. (848) 821 0637

Thiess Contractors Pty Limited

Head Office 146 Kerry Road Archerfield QLD 4108 Tel. (07) 3275 8500 Fax. (07) 3275 8517

New South Wales and Australian Capital Territory

Level 5 26 College Street Sydney NSW 2000 Tel. (02) 9332 9444 Fax. (02) 9331 4264

Queensland and Northern Territory

Level 2 40 McDougall Street Milton OLD 4064 Tel. (07) 3368 0200 Fax. (07) 3368 0250

Victoria

Level 2 493 St Kilda Road Melbourne VIC 3004 Tel. (03) 9820 2000 Fax. (03) 9820 9717

Western Australia

Level 6, East Tower The Capital Centre 256 St Georges Terrace Perth WA 6000 Tel. (08) 9481 0199 Fax. (08) 9321 1222

PT Thiess Contractors

Indonesia

Cilandak Commercial Estate Building 412 Jalan Raya KKO Cilandak Jakarta, Selatan 12560 Indonesia

Tel. (62-21) 780 0796 Fax. (62-21) 780 0778

Thiess Environmental Services

69 Grindle Road Rocklea OLD 4106 Tel. (07) 3346 1500 Fax. (07) 3346 1522

Leighton Properties Pty Limited

Head Office & NSW Branch Ground Floor 472 Pacific Highway

St Leonards NSW 2065 Tel. (02) 9925 6666 Fax. (02) 9925 6003

Leighton Properties (Vic) Pty Limited

5 Queens Road Melbourne VIC 3004 Tel. (03) 9866 1688 Fax. (03) 9866 8847

Leighton Properties Ptv Limited

Suite 3, Level 1 96 George Street Beenleigh QLD 4207 Tel. (07) 3807 1299 Fax. (07) 3807 3232

Technical Resources Pty Limited

Level 2 472 Pacific Highway St Leonards NSW 2065 Tel. (02) 9925 6666 Fax. (02) 9925 6002

