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Company Secretary
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12 February 2009

Company Announcements Office
Australian Securities Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Re: Leighton Holdings Limited – Half Year Report

In accordance with Listing Rule 4.2A please find attached a copy of the Company's Half Year Report to 31 December 2008.

We advise that this document will not be lodged separately with ASIC.

Also attached is a copy of a Media Release dated 12 February 2009.

Yours faithfully,

A. J. MOIR
Company Secretary



2008/09

**DECEMBER QUARTERLY UPDATE
& HALF YEAR REPORT**
TO 31 DECEMBER 2008 / ISSUED 12 FEBRUARY

2008/09

DECEMBER QUARTERLY UPDATE & HALF YEAR REPORT TO 31 DECEMBER 2008 / ISSUED 12 FEBRUARY

For more information please contact:

Wal King AO
Chief Executive Officer

Scott Charlton
Chief Financial Officer

Cover: TrackStar Alliance, Thiess, QLD

Financial Highlights

	31 Dec 2008 \$'000	31 Dec 2007 \$'000	% Change
Revenue - Group	6,551,116	4,780,735	37%
- Joint Ventures and Associates	2,595,205	1,755,074	48%
Total Revenue #	9,146,321	6,535,809	40%
New Contracts, Extensions & Variations	14,051,455	12,347,103	14%
Value of Work in Hand #	37,532,775	26,657,038	41%
Profit before tax	147,651	321,712	(54%)
Income tax expense	(37,579)	(70,989)	(47%)
Profit after tax	110,072	250,723	(56%)
Profit attributable to minority interests	1,078	(473)	328%
Profit attributable to members	111,150	250,250	(56%)
Earnings per Ordinary Share	38.2¢	86.0¢	(56%)
Dividends per Ordinary Share	60.0¢	60.0¢	0%

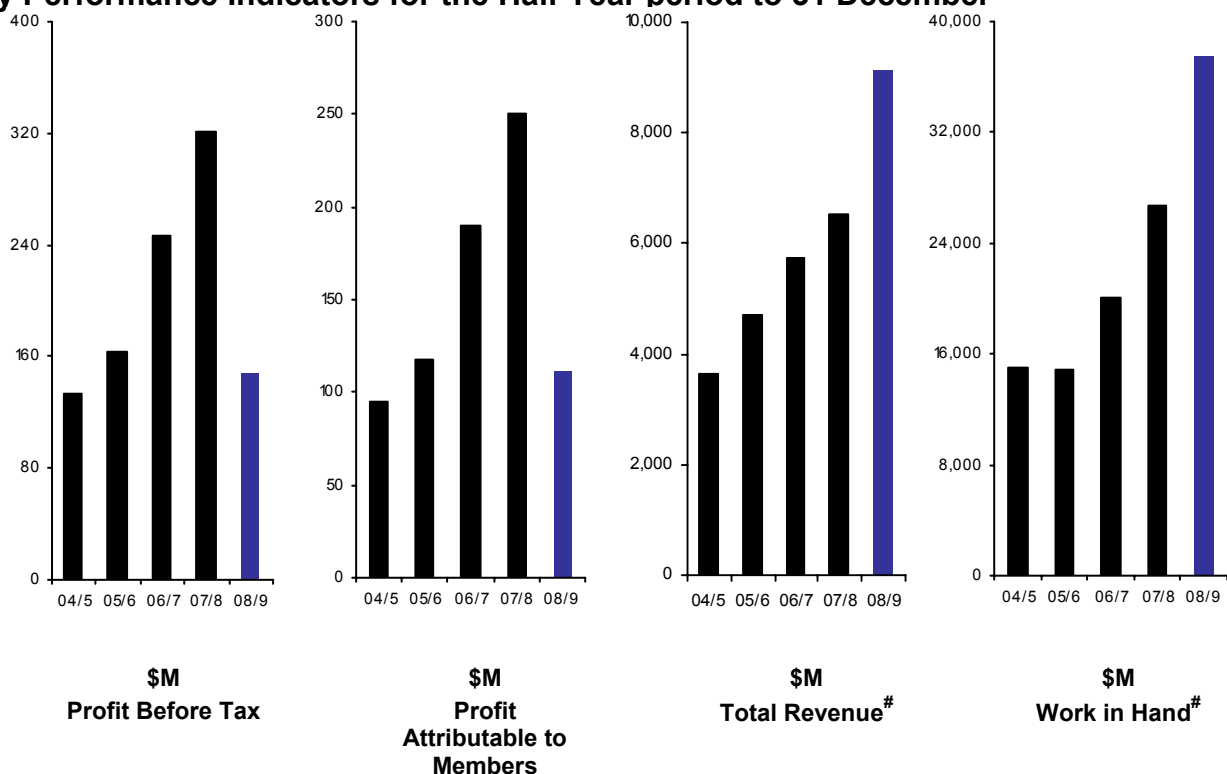
	31 Dec 2008 \$'000	30 June 2008 \$'000	% Change
Total Capital and Reserves *	2,368,450	1,484,991	59%
Total Assets	7,770,675	6,464,227	20%
Cash net of recourse borrowings +	(25,537)	(81,848)	69%
Undrawn Facilities and Guarantees	988,634	1,216,241	(19%)

* Excludes minority interests

Includes the Group's share of Joint Ventures and Associates

+ Excludes Leighton Notes and Limited Recourse Borrowings

Key Performance Indicators for the Half Year period to 31 December



Includes the Group's share of Joint Ventures and Associates

December Quarterly Update

Financial Performance

The directors are disappointed to report that the Group's profit after tax and minority interests for the half year was down by 56% to \$111 million versus \$250 million last year. The reduction in profit is entirely due to a \$239 million pre-tax write down of investment values in ConnectEast, RiverCity Motorway, BrisConnections, Devine and Macmahon and a reduced property development contribution.

A fully franked interim dividend of 60 cents per share (60 cents per share 50% franked last year) was announced by directors.

The Group reported a robust operating result before impairments for the period of \$387 million before tax, up 20% on the previous year. The operating result reflected good contributions from the construction of infrastructure projects in Australia, the contract mining of iron ore and coal in Australia, and construction in the Gulf region through the 45% stake in the Al Habtoor Leighton Group.

Total revenue, including joint ventures and associates, was up 40% to \$9.1 billion (\$6.5 billion last year). Revenue from joint ventures and associates increased by 48% to \$2.6 billion.

The Group's major markets generating revenue were infrastructure \$5.2 billion, resources \$2.5 billion and property \$1.5 billion. The Group's major activities in these markets were construction \$5.9 billion, contract mining \$2.4 billion and services (or operations and maintenance (O&M)) \$791 million.

Balance Sheet

The Group further strengthened its financial position during the period with the successful completion of a \$700 million equity raising in September. The majority of the funds are being used to invest in plant and equipment which will primarily be used to grow the contract mining activities in Australia and Indonesia. The proceeds have also been used to redeem the Leighton Notes, which had a total face value of \$200 million.

As at 31 December, total assets were \$7.8 billion and net assets were \$2.4 billion. During the period the Group acquired \$838 million worth of plant and equipment, \$450 million of which was on-sold into operating lease facilities. The total book value of plant and equipment, both on and off balance sheet is approximately \$3 billion.

Gross cash is \$800 million with short term borrowings of \$183 million. Limited recourse borrowings stand at \$772 million and undrawn facilities and guarantees were up to \$989 million.

Work in Hand

At 31 December 2008, the Group's work in hand was \$37.5 billion. This compares with \$30.3 billion at 30 June 2008 and \$26.7 billion at 31 December 2007.

The order book was boosted by the award of some \$14 billion worth of new work, extensions and variations during the period and movements in the currency. The major construction projects awarded included the \$4 billion Airport Link Project in Brisbane, the \$721 million Royal North Shore Hospital in New South Wales, and \$3.5 billion for the Dubai Pearl and \$2 billion for the New Concourse 3 at the Dubai Airport. New mining contracts or extensions were awarded at the Bayan FKP coal mine in Indonesia, and the Curragh North and Moorvale coal mines in Queensland.

Acquisitions, Investments and Sales

The Group acquired a further 2% of Macmahon Holdings Limited taking the Group's stake to above 17%. The relationship with Macmahon is proving beneficial to both companies with a number of joint ventures being successfully progressed.

Australia/Pacific Operations

The Australia/Pacific operations contributed \$119 million of profit before tax, down 60% from revenue of \$7 billion. The investment impairment incurred by the Group was recorded entirely within the Australia/Pacific Operations. Work in hand was up substantially at \$25 billion.

Infrastructure

Infrastructure remained the Group's largest Australian market contributing revenue of \$4.5 billion, up 31% versus December 2007. Work in hand was up 24% against December 2007 to \$14.1 billion.

A highlight, in July, was the achievement of financial close by a consortium including Thiess and John Holland on the concession to design, construct, operate and maintain the \$4 billion Airport Link Project in Brisbane. This 6.7km multi lane toll road will be built over 47 months and construction has started well for the consortium.

In Queensland, a Leighton Contractors led alliance was also selected as preferred construction partner for the Eastern Busway – Buranda to Main Avenue - project in Brisbane's south, which consists of a 1km two-direction single carriage busway.

Leighton Contractors progressed with the construction of a number of major road projects including the \$2 billion North-South Bypass Tunnel, the \$1.3 billion Gateway Upgrade Project, the Ipswich Motorway/Logan Motorway Upgrade, a

package of the South West Transport Corridor and the Northern Busway project. Thiess also made good progress on Stage 2 of the Boggo Road Busway Alliance in Brisbane.

In New South Wales, Thiess progressed a \$456 million upgrade of the Pacific Highway from Coopernook to Herons Creek while a Leighton Contractors' led alliance continued work on the \$491 million Ballina Bypass and a \$412 million duplication of the Hume Highway. In Sydney, the Eastern Distributor, Cross City Tunnel and M7 tollways provided Leighton Contractors with a good level of operations and maintenance work.

In Victoria, John Holland was awarded a \$200 million alliance contract to strengthen the West Gate Bridge while Thiess was awarded a separate alliance package on the same project worth \$257 million.

Leighton Contractors made solid progress on the Deer Park Bypass in Melbourne's west.

In Western Australia, Leighton Contractors are nearing completion on the 70km, \$668 million Perth to Bunbury Highway alliance.

In Auckland, New Zealand, an alliance including Leighton Contractors commenced a NZ\$250 million contract to maintain one third of Auckland City Council's road network for 5 years. New work was also awarded to re-construct the Newmarket viaduct in Auckland. Good progress has been made on the Manukau Motorway Link and the Northern Gateway Alliance is nearing completion.

Construction and maintenance of rail infrastructure remains a major source of revenue for the Group. Thiess continued work on four rail projects as part of the \$700 million TrackStar alliance in Queensland. John Holland progressed work on the \$500 million Horizon Alliance, an integrated rail and road link in Brisbane.

In New South Wales, Leighton Contractors has progressed the \$437 million Kingsgrove to Revesby Rail Duplication. John Holland are continuing with the Cronulla line duplication, the Mildura freight rail line and the \$400 million Southern Improvement Alliance. Thiess successfully completed the Revesby Turnback rail project.

In Victoria, Leighton Contractors are nearing completion of Melbourne's Dynon Port rail link. Rail maintenance in Victoria, South Australia and Western Australia provided John Holland with a good level of activity. John Holland was awarded new concrete resleeper work by WestNet Rail in Western Australia.

Construction of water related infrastructure continued to provide a substantial level of activity. In Queensland, the John Holland/Veolia consortium are nearing completion of the \$953 million Gold Coast desalination project. John Holland also commenced work on an alliance contract to upgrade the

Murrumba Downs water treatment plant. On the Gold Coast, Thiess made good progress on a \$319 million contract to raise the Hinze Dam and double the storage capacity.

In New South Wales, John Holland continued work on the \$995 million Sydney Desalination Plant. In the ACT, John Holland commenced work on three dam and pipeline projects which aim to secure future water supplies for the Territory.

In Victoria, John Holland commenced a \$171 million sewer replacement contract which follows on from work already awarded for Stages 1 and 2 of Melbourne's Northern Sewerage Project. A John Holland led alliance has also commenced work on a \$625 million contract to construct the 70km Sugarloaf Pipeline Project.

Two consortia including Thiess and John Holland have been shortlisted for the design, construction, financing, operation and maintenance of Victoria's \$3 billion Desalination Plant Project.

Leighton Contractors and Silcar, (Thiess Services' joint venture with Siemens) both progressed well with telecommunications O&M work around Australia for various clients.

Other new infrastructure projects awarded during the period included a \$154 million management contract awarded to John Holland for the redevelopment of the RAAF Base Pearce in Western Australia and construction of the Ross-Strathmore North power transmission link in Queensland.

Thiess Services maintained a good level of waste collection and recycling work in Queensland, New South Wales and Victoria.

Resources

The Australian resources market provided \$1.9 billion of revenue, up 43% relative to the corresponding period last year and work in hand was up marginally to \$8.9 billion from December 2007.

The contract mining of coal in Queensland, New South Wales and, to a lesser extent, Victoria continued to underpin the Group's resources activities. New coal mining work was awarded to Thiess for coal mining and pre-strip overburden removal at the Curragh North Mine in Queensland's Bowen Basin. Thiess' other coal contract mining activities performed well and made a good contribution to the Group's result.

Leighton Contractors also recorded a solid performance for the period on 8 coal mines in New South Wales and Queensland. New work was awarded at the Carborough Downs and Moorvale coal mines in Queensland.

John Holland's smaller mining business continued work on its Blackwater coal mine in Queensland.

Iron ore mining was again a major source of activity with iron ore volumes and demand for mining services holding up well during the period. Leighton Contractors progressed work at 4 mines in the Pilbara region in Western Australia for blue chip clients.

The contract mining of other minerals provided some opportunities. Thiess continued work at the Prominent Hill copper-gold mine in South Australia during the period.

Construction of resources related infrastructure provided some discrete opportunities and new work was awarded to John Holland for structural, mechanical and piping construction works on the Worsley Alumina Refinery Project in Western Australia.

John Holland and Leighton Contractors were both awarded civil works packages at the Pluto LNG project in the North West of Western Australia by Woodside. Thiess was awarded civil and infrastructure work at the Yandi iron ore mine to facilitate an expansion by BHP Billiton.

In Queensland, John Holland commenced work on a \$136 million construction contract for works associated with the Yarwun 2 Alumina Refinery in Gladstone. Also in Queensland, John Holland started construction on two contracts worth \$287 million to construct a 500 metre long berth, approximately 2.9 kilometres off-shore, and to supply a 7,200 tonnes per hour coal shiploader and all associated infrastructure at Abbott point.

In New South Wales, Thiess was awarded construction work on the expansion of the Newcastle coal export terminal.

Property

Revenue from building and property development was down 5% from December 2007 to \$681 million, while work in hand was up by 33% to \$2 billion versus December 2007. While building construction work has remained healthy, the global financial crisis is expected to slow down the level of property development transactions.

In Brisbane, Leighton Contractors completed the construction of Leighton Properties' Green Square development and Thiess made good progress on the 34 storey 400 George Street office tower. Leighton Properties' half share of this development was previously pre-sold to HSBC Trinkhaus. Also in Queensland, Leighton Properties and Devine progressed their joint ventures developments at Hamilton Harbour in Brisbane and at Southbank in Townsville.

A highlight was the selection of a Leighton Properties/ Mirvac joint venture as preferred partner of Landcom to deliver the first phase of the \$1.7 billion Green Square Town Centre in Sydney. The urban renewal project, to commence in 2010, will see

the development of six hectares of a new Town Centre, providing over 1,000 homes and offices for 7,000 workers when it is completed.

Construction was completed at Leighton Properties' industrial site at Matraville, Sydney.

A highlight was the award to a consortium, including Thiess, of a contract to deliver the Royal North Shore Hospital and Community Health Services Project. The redevelopment - the largest-ever health PPP undertaken in New South Wales - will consolidate 53 outdated buildings on the existing campus into two purpose-built, patient-centred facilities that can expand to meet future healthcare needs. Thiess has a \$721 million design and construction contract and a 28 year facilities management concession to undertake building, plant and equipment maintenance.

In other building work, John Holland was awarded the construction of a student village at Southbank in Queensland and completed the nearby Southbank TAFE Public-Private-Partnership (PPP).

Thiess progressed a \$208 million management contract for Stage 4 of the Lavarack Barracks Redevelopment in Townsville, Queensland. Leighton Contractors commenced work on a \$336 million 44 storey office tower at 111 Eagle Street in Brisbane.

In Sydney, Thiess made good progress on a 21 storey commercial office tower in North Sydney. John Holland continued to construct a new rail maintenance facility for the Reliance Rail PPP and defence facilities at the Holsworthy base.

In Western Australia, John Holland commenced construction of a new performing arts centre and Leighton Contractors' subsidiary Broad progressed work on two office towers.

Asian and Gulf Operations

The Group's Asian and Gulf operations reported an improved profit before tax of \$104 million, up from \$57 million in the previous period, from revenue of \$2.1 billion. Work in hand was up by 151% since December 2007 to \$12.5 billion, boosted by the award of a number of new projects in the Gulf region.

Indonesia

Contract mining of coal continued to be the major driver of activity in Indonesia and a significant contributor to the Asian result.

Thiess was awarded a 5 year, \$1 billion contract for the development and operation of the Teguh Sinar Abadi (TSA) and Firman Ketaun Perkasa (FKP) coal mines. The new contract includes mine planning, overburden removal, coal mining, plus loading and transportation of coal from the mine to the river port.

Thiess' also progressed well with contract mining work at the Sangatta, Satui and Senakin coal mines in Kalimantan.

Leighton International was awarded new mining work at the Haju coal mine, progressed the development of the Wahana coal mine and continued with contract mining works at the MSJ and MHU coal mines in Kalimantan.

Gulf Region

The Gulf has experienced volatility with a number of large projects awarded being offset by some deferments and cancellations.

A joint venture, including the Al Habtoor Leighton Group, was awarded a construction contract worth \$2 billion for the construction of Dubai Airport's new Concourse 3. Also in Dubai, the Al Habtoor Leighton Group has signed a letter of intent for the \$3.5 billion Dubai Pearl mixed-use development. The 1.5 million m² project involves the construction of an integrated city overlooking the Palm Jumeirah development and will be the largest building in the world by floor space on completion.

In Abu Dhabi, the Al Habtoor Leighton Group, in joint venture, has been awarded a \$1.2 billion contract for the design and construction of the new Zayed University campus. Also awarded was an alliance contract worth approximately \$2.5 billion for the construction of the major Tameer Towers mixed-use development and a \$886 million contract for the Al Bustan mixed-use development.

The Trump Tower project that the Al Habtoor Leighton Group was constructing in Dubai in joint venture has been suspended following Nakheel's announcement that it was scaling back work on some of its projects to accommodate the current easing market conditions. Nakheel has agreed to cover all the joint venture's costs incurred to date.

In Abu Dhabi, the Tourism Development and Investment Company (TDIC) has determined that all future work must be competitively tendered. While this is disappointing, it has no impact on existing projects or work in hand and will mean that we will tender for projects in Abu Dhabi in our own right, rather than as TDIC-Leighton.

India

The Group has maintained its position in India with a number of projects being progressed. Work commenced on the engineering, procurement and installation of over 200km of offshore petroleum pipelines off the coast of India in a contract worth \$898 million. New work was awarded on an offshore pipeline at Paradip and construction commenced on pipeline work at the Bina Refinery at Jamnagar.

Work was continued by Leighton International on two toll road projects; 45km of National Highway 2 between Agra and Bharatpu, near Delhi; and 72km of National Highway 3 between Indore and Khalghat, south of Delhi. Both projects will be completed this year.

Thiess' development of the Chitarpur open cut coal mine in north-eastern India has been delayed until

the client's financial situation can be clarified. Thiess has received payments for work done.

Hong Kong/Macau

In Hong Kong, Leighton Asia was awarded a \$206 million contract for the design and construction of the 3.7km Lai Chi Kok storm water drainage tunnels in Hong Kong and a \$232 million expansion and redevelopment of the Ocean Park theme park.

Existing work on the Central Reclamation project, the Permanent Aviation Fuel Facility, an aircraft maintenance hanger and the Kowloon Southern Rail Link, in joint venture with John Holland, all proceeded well for Leighton Asia.

In Macau, construction of the US\$2 billion City of Dreams gaming and entertainment resort and the third phase of the Wynn Resorts hotel and casino complex progressed well for Leighton Asia.

Other Countries

In other countries, Leighton Asia continued work on the design and construction of a gold processing plant at the Masbate gold mine in the Philippines and progressed the construction of the new Australian Embassy in Phnom Penh, Cambodia.

In Thailand, Leighton Asia commenced work on the construction of a new Conrad resort and residential complex on Koh Samui Island. In Mongolia, Leighton Asia secured a preliminary mining contract for the Ukhaakhudag coal project and has, since December, been awarded a \$350 million contract over 6 years to remove overburden and mine coal.

Group Prospects

Outlook for the Full Year

For the 2009 financial year the Group expects to report full year revenue approaching \$19 billion and a good underlying operating result after tax of approximately \$650 million. The Group is forecasting to report net profit after tax of approximately \$480 million, which includes the write down of investment values already recognised and to maintain the full year dividend at the same level as last year. The final result and full year dividend are however subject to market conditions for the remainder of this financial year.

Long-Term Outlook

The Group's longer term outlook remains solid based on a record level of work in hand, a strong competitive position and a forecast rebound in the Group's core markets from the current uncertainty of the global financial crisis. While the timing of recovery in the various markets will vary, the outlook is positive and the Group is well positioned to take advantage of the opportunities that will be presented.

Infrastructure

The total engineering construction market is expected to continue growing into 2009 based on the substantial capital works programs of the various State Governments and investment in mining and heavy engineering projects. Even though resources related investment is likely to fall over the next few years, work levels should stay at historically high levels supported by prioritised economic and social infrastructure investment.

The Federal and the State Governments have ambitious infrastructure plans aimed at stimulating the economy and overcoming previous underinvestment. Whilst the full infrastructure wish list of the States and various Councils won't be fulfilled, the preparedness of various governments to move into deficit to boost infrastructure investment is a positive sign.

Transport infrastructure spending is expected to ease over the next few years before the next toll road spending cycle commences around 2012/13. Rail construction opportunities could support an upturn in the market if the Federal Government commits to some of the capital city Metro projects which are being planned.

Utilities infrastructure has been a growing market over the last decade and is likely to remain strong as governments encourage investment aimed at securing supplies of water and electricity. Desalination will remain a significant sector over the next few years and the Federal Government's proposed National Broadband Network should deliver construction opportunities over the next few years.

Social infrastructure is likely to continue to receive solid levels of investment, particularly in health and education, as governments grapple with the needs of an ageing population and a commitment to greater spending on education. The fast tracking of funds from the Federal Government's \$8.7 billion Education Investment Fund and the \$5.0 billion Health and Hospitals Fund should stimulate construction opportunities.

Resources

The longer term outlook for commodity volumes remains positive despite a substantial reduction in prices. While recent cutbacks have been announced by some iron ore and coal producers the fundamentals for long term growth, and therefore for the Leighton Group, are sound.

World consumption of steel and hence iron ore is still forecast to grow moderately in 2009 and further growth can be expected beyond that as the Asian region, and particularly China, recovers. Australian producers, well placed on the cost curve and close to Asia, are positioned to benefit from a recovery in regional markets.

As China is relatively self sufficient in coal and proportionally more of Australia's coking coal than iron ore is sold to countries other than China, a recovery in coking coal is likely to lag that of iron ore. Coking coal volumes are expected to be down marginally in 2009 before recovering and growing in 2010 and beyond.

Australia's high quality thermal coal is typically exported under longer term contracts to countries with consistent and growing demand for electricity. Thermal coal volumes are expected to remain reasonably consistent through 2009 with solid growth forecast from 2010.

The implication for the Group is that mining volumes should not be significantly affected in 2009 or beyond, particularly as most of the Group's clients are blue-chip and operating mines that are high quality and/or relatively low cost producers.

Bulk commodity related construction opportunities are expected to taper off in the short term as capital spending on new mines and increasing production capacity is being deferred. However a number of energy related projects are expected to progress which should provide some construction related opportunities.

Property

The commercial and industrial property markets are expected to continue to feel the effects of the global financial crisis for some time due to a lack of credit and an easing of demand from the economic slowdown. Total building commencements are expected to fall over the next 1-2 years, however they should still remain above long term averages as the market hasn't seen the overbuild which was recorded before the last property downturn.

The office market is forecast to be the main drag on the sector for the next two years, however conditions are expected to remain better than levels seen across most of the 1990's. While the fundamentals remain sound there is some potential for yields to deteriorate which could impact asset values across the commercial and industrial property market.

The residential market is forecast to lead the recovery of the property market due to lower interest rates, record levels of population growth and a continued tight supply-demand balance. Improving household affordability, stimulated by incentives for first home buyers, should encourage demand and therefore developers back to the market, albeit the current financing restrictions may slow the recovery.

Asia and the Gulf

Whilst growth has slowed across Asia in recent months, like everywhere else, the countries of the region are well placed to recover quickly. China, the giant of the region, has instigated a massive RMB 4 trillion stimulus package and put in place a range of pro-growth macroeconomic policies. A core element

of the package is construction focused which should benefit steel demand in China and hence exports of Australia's iron ore.

Hong Kong's sound financial position provides scope for a fiscal stimulus and the Government has announced a package that includes investment in infrastructure. In Macau, the Group's work load is related to the completion of two casinos and any further work in the future will depend to some extent on China's support for further gaming in the colony and the impact this has on future casino developments.

A return to more substantial growth in China should also result in greater demand for oil with the resultant impact on oil prices. Whilst falling oil prices have undermined the short term outlook for the countries of the Gulf Co-operative Council (GCC), including the UAE and Qatar, these countries are better positioned to recover quickly given their break-even oil prices are relatively low. The pipeline of new projects has seen a significant reduction over the last 6 months but there is still some US\$2.5 trillion worth of projects in planning across the GCC. Even if some more of these projects are delayed or cancelled the region is expected to provide a good level of opportunities over the next few years.

Indonesia remains largely a resources related market for the Group and the country's large, quality reserves of coal and its proximity to export markets should support existing work levels. Recent amendments to mining laws in Indonesia are not expected to have any impact on the Group's operations in the future.

India, like China, is now facing a sharper than previously expected downturn but growth is expected to remain positive placing India amongst the fastest growing countries in the world. Infrastructure investment is expected to remain a key priority and the government is still targeting investment in the electricity, transport and telecommunications sectors, and is encouraging private and foreign involvement via the PPP model. The Indian oil and gas sector remains an attractive market for Leighton International which has developed a specialised business to install offshore pipelines and related petroleum infrastructure.

In other countries, Mongolia has massive reserves of coal and Leighton Asia is well positioned to develop a contract mining business in that country where little local expertise is available. In the Philippines, existing work on the Masbate gold mine will sustain a reasonable level of activity.

The Group remains committed to its strategy of diversity and will continue to pursue opportunities to further diversify and grow the business in the longer term. These opportunities, combined with a rebound in the Group's core markets, auger well for the next few years.

Work in hand is expected to be maintained at around similar levels which should lead to revenue and profit growth. The Group expects to continue to earn a good return on shareholders funds and to provide positive returns to shareholders.

Property Developments and Investments

Property Developments

- **Beauchamp Rd:** Leighton Properties owns a site and is developing an industrial strata complex at Matraville, Sydney.
- **Sydney Airports:** Leighton Properties holds a 33⅓% stake in leasehold development land at Bankstown airport, a 25% interest in leasehold land at Camden airport and a 50% stake in freehold development land at Hoxton Park airport, in Sydney.
- **Hassall St:** Leighton Properties is a 50% owner and joint venture development partner to develop a commercial building in Parramatta, Sydney.
- **Picton:** Leighton Properties holds an option over a potential residential rezoning site in Sydney.
- **486 Pacific Hwy:** Leighton Properties owns a commercial office building which is proposed for redevelopment in Sydney.
- **Kingscliff:** Leighton Properties holds a long term lease on a site which is being developed into an eco-tourism resort in northern New South Wales.
- **Section 63:** Leighton Properties is a 50% owner and joint venture development partner in a commercial development property in Canberra.
- **HQ Development:** Leighton Properties and Leighton Contractors are jointly developing a commercial office in Brisbane.
- **Viridian Noosa:** Leighton Properties is a 50% owner and joint venture development partner in a resort development at Noosa, Queensland
- **400 George Street:** Leighton Properties is developing a 34 storey commercial building in Brisbane.
- **Beckmans Green:** Leighton Properties owns and is developing a residential land subdivision site at Noosaville, Queensland.
- **Ann Street:** Leighton Properties and Devine jointly hold an option on a property where a commercial office tower is proposed to be developed in Brisbane.
- **Hamilton Harbour:** Leighton Properties and Devine jointly own a property where a mixed use residential and office precinct is being developed in Brisbane.
- **Townsville:** Leighton Properties and Devine jointly own a property where a mixed use residential and office precinct is being developed in Townsville.
- **Mulgrave:** Leighton Properties owns a site and is developing a suburban office park in Melbourne.
- **Toorak:** Leighton Properties owns a development site in Toorak, Melbourne.
- **Bay Road:** Leighton Properties owns a development site where a suburban office park and industrial precinct is under development at Cheltenham in Melbourne.
- **567 Collins Street:** Leighton Properties owns a site where a commercial building is proposed in Melbourne.

- **Hallam:** Leighton Properties is a 50% owner and joint venture development partner of a site where industrial lots are being developed in Melbourne.
- **Merinda Park:** Leighton Properties owns a development site in Melbourne.
- **Deer Park:** Leighton Properties is jointly developing an industrial site in Victoria.

Investments

Engineering & Infrastructure

- **Connector Motorways:** Thiess and John Holland have 11% of the company that owns, operates and maintains the Lane Cove Tunnel in Sydney.
- **Cross City Motorway:** Leighton Contractors has 6% of the company that owns, operates and maintains the Cross City Tunnel in Sydney.
- **ConnectEast Group:** Thiess and John Holland have 5.2% of the company that owns, operates and maintains the EastLink Project in Melbourne.
- **RiverCity Motorway:** Leighton Contractors will have an 8.4% share of the consortium that will own, operate and maintain the RiverCity Motorway in Brisbane.
- **BrisConnections:** Thiess and John Holland will invest \$200 million in the consortium that will own, operate and maintain the Airport Link Project in Brisbane.
- **North Luzon Expressway:** Leighton holds a 16.5% stake in the Manila North Tollway Corporation in the Philippines.
- **Oriental Pathways (Agra):** Leighton International holds a 15% stake in the consortium developing a tollway between Agra and Bharatpur in India.
- **Oriental Pathways (Indore):** Leighton International holds a 15% stake in the consortium developing a tollway between Indore to Khalghat in India.

Mining and Resources

- **Burton Coal Mine:** Thiess holds a 5% investment in the Burton Coal Mine in Queensland.

Operational Analysis

Operating Revenue

Group by Company	Dec 2008		Dec 2007	
	\$M	(%)	\$M	(%)
Leighton Contractors	2,869	(31)	2,076	(32)
Thiess	2,724	(30)	2,181	(33)
John Holland	1,696	(19)	1,253	(19)
Leighton International	1,475	(16)	656	(10)
Leighton Asia	289	(3)	187	(3)
Leighton Properties	93	(1)	183	(3)
TOTAL	9,146	(100)	6,536	(100)

Work in Hand

Group by Company	Dec 2008		June 2008		Dec 2007	
	\$M	(%)	\$M	(%)	\$M	(%)
Leighton Contractors	8,343	(22)	9,405	(31)	8,828	(33)
Thiess	12,972	(34)	9,493	(31)	9,869	(37)
John Holland	6,227	(17)	4,630	(16)	4,427	(17)
Leighton International	8,488	(23)	5,222	(17)	2,964	(11)
Leighton Asia	1,193	(3)	706	(2)	569	(2)
Leighton Properties	310	(1)	847	(3)	0	(0)
TOTAL	37,533	(100)	30,303	(100)	26,657	(100)

Group by Market	Dec 2008		Dec 2007	
	\$M	(%)	\$M	(%)
Infrastructure	5,172	(56)	3,624	(56)
Resources	2,519	(28)	1,710	(26)
Property	1,455	(16)	1,202	(18)
TOTAL	9,146	(100)	6,536	(100)

Group by Market	Dec 2008		June 2008		Dec 2007	
	\$M	(%)	\$M	(%)	\$M	(%)
Infrastructure	19,925	(53)	12,964	(43)	12,228	(46)
Resources	13,954	(37)	12,325	(41)	11,366	(43)
Property	3,654	(10)	5,014	(16)	3,063	(11)
TOTAL	37,533	(100)	30,303	(100)	26,657	(100)

Group By Activity	Dec 2008		Dec 2007	
	\$M	(%)	\$M	(%)
Construction	5,858	(64)	4,211	(64)
Contract Mining	2,404	(26)	1,655	(26)
Services	791	(9)	486	(7)
Development	93	(1)	184	(3)
TOTAL	9,146	(100)	6,536	(100)

Group By Activity	Dec 2008		June 2008		Dec 2007	
	\$M	(%)	\$M	(%)	\$M	(%)
Construction	20,862	(55)	14,808	(49)	13,158	(49)
Contract Mining	13,522	(36)	12,167	(40)	11,194	(42)
Services	2,839	(8)	2,481	(8)	2,305	(9)
Development	310	(1)	847	(3)	0	(0)
TOTAL	37,533	(100)	30,303	(100)	26,657	(100)

Australia/Pacific by Market	Dec 2008		Dec 2007	
	\$M	(%)	\$M	(%)
Infrastructure	4,460	(63)	3,410	(63)
Resources	1,910	(27)	1,319	(24)
Property	681	(10)	717	(13)
TOTAL	7,051	(100)	5,446	(100)

Australia/Pacific by Market	Dec 2008		June 2008		Dec 2007	
	\$M	(%)	\$M	(%)	\$M	(%)
Infrastructure	14,108	(56)	11,268	(50)	11,401	(52)
Resources	8,923	(36)	8,968	(39)	8,805	(41)
Property	1,958	(8)	2,555	(11)	1,468	(7)
TOTAL	24,989	(100)	22,791	(100)	21,674	(100)

Asia and Gulf by Country	Dec 2008		Dec 2007	
	\$M	(%)	\$M	(%)
Gulf	862	(41)	393	(36)
Indonesia	566	(27)	315	(29)
India	293	(14)	130	(12)
Hong Kong/Macau	253	(12)	185	(17)
Other	121	(6)	67	(6)
TOTAL	2,095	(100)	1,090	(100)

Asia and Gulf by Country	Dec 2008		June 2008		Dec 2007	
	\$M	(%)	\$M	(%)	\$M	(%)
Gulf	5,276	(42)	2,823	(38)	1,827	(37)
Indonesia	4,563	(36)	2,855	(38)	2,269	(46)
India	935	(8)	1,002	(13)	208	(4)
Hong Kong/Macau	894	(7)	464	(6)	564	(11)
Other	876	(7)	368	(5)	115	(2)
TOTAL	12,544	(100)	7,512	(100)	4,983	(100)

Note 1: Operating revenue includes the Group's share of joint venture and associates revenue.

Note 2: See Note 5 Segment information, Primary segment - Geographical on page 27 of the Appendix 4D & Interim Financial Report for greater detail.

Note 1: Work in hand includes the Group's share of work in hand from joint ventures and associates.

Note 2: Work in hand only includes work for 5 years from the reporting date. The value of long-term contracts running past Dec 2013 is not included.

Significant Current Contracts

- Total contract values are shown in A\$ for all projects (less than 95% complete), including joint ventures (JVs) and associates, with the figures in brackets indicating the operating company's share of the contract.
- For long term contracts extending beyond five years, the total contract value shown includes the value of work completed to date plus five years worth of work in hand.



Thiess

- \$4.13bn (\$2.06bn) for the construction of the Airport Link toll road, Northern Busway (Windsor to Kedron) and Airport Roundabout Upgrade, Brisbane, Qld, for BrisConnections.
- \$722m for the construction of the Royal North Shore Hospital Redevelopment, NSW, for Infrashore.
- \$132m for construction of infrastructure at the Yandi iron ore mine, WA, for BHP Billiton Iron Ore.
- \$33m for construction at the Newcastle coal export terminal, NSW, for Newcastle Coal Infrastructure Group.
- \$2.44bn for mining operations at the Burton coal mine, Qld, for Burton Coal.
- \$2.33bn for mining operations at the Mt Owen coal mine, NSW, for Hunter Valley Coal Corp.
- \$1.67bn for mining operations at the Collinsville coal mine, Qld, for Mt Isa Mines and Itochu Coal Resources Australia.
- \$875m for contract mining services at the Prominent Hill copper-gold mine, SA, for OZ Minerals.
- \$785m in management contracts for mining and infrastructure works at the South Walker Creek coal mine, Coppabella, Qld, for BHP Mitsui Coal.
- \$613m for mining services at the Lake Vermont coal project, Qld, for Lake Vermont Resources.
- \$594m (\$297m) for rail work under the TrackStar Alliance, Qld, for Queensland Rail.
- \$559m for construction and mining for the Curragh North project, Blackwater, Qld, for Wesfarmers.
- \$544m (\$225m) alliance to construct the Monash Citylink West Gate Upgrade, VIC, for VicRoads.
- \$506m in contracts for design, construction and mining operations at the Wilpinjong coal mine, Wollar, NSW, for Wilpinjong Coal.
- \$456m to upgrade the Coopernook to Herons Creek section of the Pacific Highway, NSW, for NSW Roads & Traffic Authority.
- \$448m for mining and related works at the Tarong coal project, Qld, for Tarong Energy.
- \$380m (\$190m) JV design and construct the Bundamba Advanced Water Treatment Plant, Bundamba, Qld, for Queensland Govt.
- \$319m to construct Stage 3 of the Hinze Dam , Advancetown, Qld, for Gold Coast City Council.
- \$266m (\$133m) JV for Metro Alliance wastewater treatment plant upgrades, WA, for Water Corporation of WA.
- \$208m to manage Stage 4 of the Lavarack Barracks Redevelopment, Townsville, Qld, for the Department of Defence.
- \$184m to design and construct Stages 1 and 2 of the Boggo Road Busway, Brisbane, Qld, for the Department of Transport.
- \$174m to construct the 400 George Street commercial building, Brisbane, Qld, for Leighton Properties and Grosvenor Australia.
- \$121m to construct the Polaris data centre, Qld, for Spring Field Land Corp.
- \$109m to construct the Townsville Ring Road, Qld, for Department of Main Roads.
- \$107m to construct the Corinda to Darra rail upgrade, Qld, for Queensland Rail.
- \$101m to construct a commercial building at 16-40 Mount Street, NSW, for Investa Commercial Developments.
- \$91m to construct Section 1 of the Eastern Busway, Qld, for Department of Main Roads.
- \$76m to construct the HMAS Cairns Redevelopment, Qld, for the Department of Defence.
- \$75m for earthworks for new alumina facilities, WA, for Worsley Alumina.
- \$62m for earthworks at the Sino iron project, WA, for MCC mining.
- \$60m to construct the South Road/ANZAC Highway underpass, Adelaide, SA, for South Australia Department for Transport.
- \$55m to construct the City West cable tunnel, Pymont, NSW, for Energy Australia.

THIESS

PT. THIESS CONTRACTORS INDONESIA

PT Thiess Contractors

Indonesia

- \$2.3bn for mining and related works at the Senakin and Satui coal mines, South Kalimantan, Indonesia, for Arutmin Indonesia.
- \$1.47bn for mining and related works at the KPC (Sangatta) coal mine, East Kalimantan, Indonesia, for Kaltim Prima Coal.
- \$200m to mine overburden at the Inkor Prima coal mine, Indonesia, for Inkor Prima Coal PT.
- \$60m to construct the Tabang coal upgrade project, Indonesia, for Kaltim Supacoal PT.

THIESS Thiess India

- \$924m to develop, design, construct, operate and maintain the Chitarpur coal mine, India, for Abhijeet Mining Limited.

Note: ■ Indicates new project secured between 1 July 2008 – 31 December 2008
▪ Indicates significant on-going project

- \$36m to construct the Chitarpur coal handling plant and infrastructure, India, for Abhijeet Infra Private Limited.



Thiess Services

- \$30m (\$15m) for the operation and maintenance of the AirportLink Toll Road, Brisbane, QLD, for BrisConnections.
- \$80m for building maintenance for the Royal North Shore, Sydney, NSW, for Infrashore.
- \$719m (\$360m) JV with Siemens, operating as Silcar for fixed plant maintenance and telecommunications, across Aust, for various clients.
- \$384m for operation and maintenance services, Vic, for South East Water.
- \$353m (\$176m) for National Telepower design and construct services, across Aust, for Telstra.
- \$270m for installation and maintenance of Broadband and Access Services (SIMBA), NSW and Qld, for Telstra.
- \$255m to provide waste collection and recycling services for various local governments, Vic.
- \$186m to provide maintenance services, Vic, for Melbourne Water.
- \$172m to provide waste collection and recycling services, for various local governments, ACT/NSW.
- \$171m alliance for the operation of transfer stations and landfills, Qld, for Brisbane City Council.
- \$166m to provide waste services, NSW, for Gosford and Wyong Councils.
- \$162m for electricity works for the South West Interconnected System, WA, for Western Power.
- \$117m JV for the provision of Sentinar Telepower management services, across Aust, for Telstra.
- \$85m to operate and maintain the Metro Water utility network, New Zealand, for Metro Water.
- \$84m for site remediation at Homebush Bay renewal, NSW, for RHB.
- \$68m for electrical construction and maintenance services, Qld, for Energex.
- \$49m to operate and maintain recyclable materials recovery facility, Canberra, ACT, for Dept of Urban Services.



Hunter Valley Earthmoving

- \$479m for mining operations at the Liddell coal mine, NSW, for Liddell Coal Operations.
- \$69m for mining operations at the Westside coal mine, NSW, for Oceanic Coal Australia.



Leighton Contractors

- \$142m for mining operations at the Moorvale coal mine, Coppabella, QLD, for Macarthur Coal.
- \$60m for construction works at the Newmarket Viaduct, Auckland, NZ, for NZ Transport Agency.

- \$44m to construct a generator at the Newman Power Station, WA, for Rolf Steinman.
- \$44m for mining operations at the Carborough Downs coal mine, Coppabella, QLD, for Carborough Downs Coal Management.
- \$2.1bn (\$1.05bn) JV to design and construct the North South Bypass Tunnel, Qld, for Rivercity Motorway.
- \$1.37bn (\$687m) JV to design and construct the Gateway Bridge upgrade, Qld, for Queensland Motorways.
- \$668m (\$461m) alliance to construct the Perth to Bunbury Hwy, WA, for Main Roads WA.
- \$592m (\$296m) alliance to upgrade the Ipswich Motorway between Wacol to Darra, Qld, for Department of Main Roads.
- \$517m for mining operations at the Sonoma coal mine, Collinsville, Qld, for Sonoma Mine Management.
- \$514m for contract mining at the Middlemount coal mine, Qld, for Custom Mining.
- \$491m alliance to construct the Ballina Bypass, NSW, for RTA NSW.
- \$472m for mining operations at the Poitrel coal mine, Qld, for BHP Mitsui Coal.
- \$437m alliance to construct the Kingsgrove to Revesby rail quadruplication, Sydney, NSW, for Transport Infrastructure Development Corp.
- \$412m alliance for construction of an upgrade of the Hume Highway, NSW, for RTA NSW.
- \$338m to construct a 44 storey commercial office tower at 111 Eagle St, Brisbane, Qld, for GPT Funds Management.
- \$301m for mining services at the Peak Downs coal mine, Mackay, Qld, for the BHP Mitsubishi Alliance.
- \$280m for operations and maintenance of the Cross City Tunnel, Eastern Distributor, Westlink M7, North South Bypass Tunnel, T-Ways, Inner City Bypass and the Gateway Upgrade Project for various clients.
- \$241m to design and construct the Ipswich Logan interchange upgrade, Qld, for Department of Main Roads.
- \$239m to design and construct the Deer Park Bypass, Vic, for Vic Roads.
- \$223m for site preparation at the Pluto LNG project, Burrup Peninsula, WA, for Woodside Burrup Pty Ltd.
- \$207m to construct the Northern Access Roads Project, Qld, for Brisbane Airport Corporation.
- \$182m (\$91m) JV to design and construct the Gap Ridge Village, Karratha, WA, for Woodside Burrup Pty Ltd.
- \$176m (\$88m) JV to design and construct the Manukau Motorway Link, New Zealand, for Transit NZ.
- \$159m for mining operations at the Rotowaro coal mine, Huntley, Nth Island, New Zealand, for Solid Energy.
- \$174m to design and construct the HQ development project at 512 Wickham St, Brisbane, Qld

Note: ■ Indicates new project secured between 1 July 2008 – 31 December 2008
 ▪ Indicates significant on-going project

- \$122m to upgrade the Bruce Hwy at Uhlmann Rd, Caboolture, Qld, for Dept of Main Roads.
- \$119m to design and construct the Dynon Port Rail Link, Melbourne, Vic, for the Department of Infrastructure.
- \$119m for mining operations at the Duralie coal mine, Hunter Valley, NSW, for Gloucester Coal.
- \$96m to construct Stage 3 of the Amcor glass manufacturing facility, Gawler, SA, for Amcor Packaging.
- \$94m to construct the City West Offices, Canberra, NSW, for Walker Canberra.
- \$89m alliance to provide road maintenance services, Auckland, New Zealand, for Auckland City Council.
- \$69m for mining operations at the Broadmeadow coal mine, Moranbah, Qld, for the BHP Mitsubishi Alliance.
- \$64m for mining operations at Coal Connect, Newlands, QLD, for QR Limited.
- \$53m to design, construct and manage Optus' mobile network rollout, Vic, Qld, WA & NSW, for Optus Mobile.

HWE MINING **HWE Mining**

- \$423m for mining operations at the Oreboddy 23/25 Extension, Pilbara, WA, for BHP Billiton.
- \$1.22bn extension to mining operations at Yandi iron ore mine, Pilbara, WA, for BHP Billiton.
- \$712m extension to mining operations at Area C iron ore mine, Pilbara, WA, for BHP Billiton.
- \$499m for mining operations at the SMR Magnet mine, Whyalla, SA, for OneSteel Manufacturing.
- \$362m for mining operations at the Callie gold mine, near Alice Springs, NT, for Newmont.
- \$353m for mining development services at the Mesa A iron ore mine, Robe River, WA for Robe River Mining.
- \$256m for mining operations at the St Ives gold mine, Kambalda, WA, for St Ives Gold Mining.
- \$172m for mining operations at the Challenger gold mine, for NW of Adelaide, SA, for Dominion Mining.
- \$98m for mining operations at the Favona gold mine, Waihi, Nth Island, NZ, for Newmont.
- \$65m for maintenance work, Newman, WA, for BHP Billiton.
- \$40m for mining operations at the Woodie Woodie manganese project, South Headland, WA, for Pilbara Manganese.

BROAD **Broad**

- \$114m for the construction of an office at 54-58 Mounts Bay Rd Office, WA, for Cape Bouvard Investments.
- \$71m to construct the St Cecelias Housing project, Port Hedland, WA, for BHP Billiton.
- \$51m to construct a 4 story office building at 130 Stirling Street, Perth, WA, for Charter Hall Group.
- \$37 to design and construct a new cinema complex in Rockingham City.

visionstream **Visionstream**

- \$39m for the provision and connection of telecommunication infrastructure, various areas, NSW, for Telstra.
- \$210m for installation and maintenance, access and associated services, Vic, for Telstra.
- \$62m for operations and maintenance of an Emergency Alerting System, across Vic, for the Department of Justice.
- \$53m to design, construct and manage Optus' mobile network rollout, Vic, Qld, WA & NSW, for Optus Mobile.

John Holland

John Holland

- \$4.13bn (\$2.06bn) for the construction of the Airport Link toll road, Northern Busway (Windsor to Kedron) and Airport Roundabout Upgrade, Brisbane, Qld, for BrisConnections.
- \$200m to strengthening the Westgate Bridge, Melbourne, Vic, for Vic Roads.
- \$133m for construction works at the Worsley refinery, Collie, WA, for Worsley Alumina.
- \$80m for construction at the Pluto LNG plant, Karratha, WA, for Woodside Burrup.
- \$60m to construct the Ross to Strathmore transmission line, Qld, for Powerlink.
- \$56m to construct the Southbank Student Village, Brisbane, Qld, for ECC Southbank.
- \$39m for re-sleepering of the South West Main Rail Stage 3, WA, for WestNet Rail.
- \$37m to design and construct the Yule River Bridge, Port Hedland, WA, for BHP Billiton.
- \$34m for the Portman rail track upgrade Stage 1, Kalgoorlie to Esperance, WA, for WestNet Rail
- \$30m (\$15m) for the operation and maintenance of the AirportLink Toll Road, Brisbane, QLD, for BrisConnections.
- \$995m (\$625m) JV to design, construct and operate the Sydney Desalination Plant, Kurnell, NSW, for Sydney Water.
- \$953m (\$593m) alliance to develop, design, construct, operate and maintain the Gold Coast Desalination plant, Qld, for Gold Coast City Council and the QLD Government.
- \$625m (\$430m) alliance to construct the Sugarloaf Water Pipeline project, Goulbourn Valley, Vic, for Melbourne Water.
- \$571m (\$134m) JV to manage the construction of the City of Dreams development, Macau, for Melco PBL Entertainment.
- \$497m alliance to construct road and rail links between Darra to Springfield, Qld, for Queensland Rail and the Department of Main Roads.
- \$493m (\$29m) alliance to manage the Priority Sewerage Program (PSP) Alliance, NSW, for Sydney Water.
- \$400m (\$320m) alliance to upgrade the southern portion of the Sydney to Melbourne rail line (the Southern Improvement Alliance), NSW/Vic, for Australian Rail Track Corp.

Note: ■ Indicates new project secured between 1 July 2008 – 31 December 2008
 ▪ Indicates significant on-going project

- \$338m (\$169m) alliance to construct water infrastructure, Canberra, ACT, for ACTEW Corporation.
- \$308m to construct sewer tunnels for the Northern Sewer Project 1, Melbourne suburbs, Vic, for Melbourne Water.
- \$298m to provide mining services at the Blackwater coal mine, Blackwater, Qld, for BHP Billiton Mitsubishi Alliance.
- \$210m to expand the Melbourne Airport International Terminal, Tullamarine, Vic, for Australia Pacific Airports.
- \$184m for construction of terminal facilities at Abbot Point, Qld, for Ports Corporation.
- \$182m extension of Westnet Rail maintenance contracts, WA, for WestNet Rail Pty Ltd.
- \$177m to construct the Cronulla rail line duplication, NSW, for the Transport Infrastructure Development Corp (TIDC).
- \$171m for the replacement of main sewers, Melbourne suburbs, Vic, for Melbourne Water.
- \$160m to construct tunnels for Stage 2 of the Northern Sewer project, Yarra Valley, Vic, for Yarra Valley Water.
- \$150m JV to provide comprehensive maintenance services, Sydney/Shoalhaven, Sydney, NSW, for Department of Defence.
- \$143m contract to design and construct the Reliance Rail PPP train maintenance facility, Sydney, NSW, for EDI Rail.
- \$140m for construction works at the Yarwun 2 alumina refinery, Gladstone, Qld, for Rio Tinto Aluminium.
- \$135m alliance to construct the Murrumba Downs waste water treatment plant, Qld, for Moreton Bay Regional Council.
- \$135m (\$68m) JV for a wastewater and recycling project, Mackay, Qld, for the Mackay City Council.
- \$110m alliance to upgrade the Sunset Coast waste water treatment plant, Kwinana, WA, for the Water Corporation.
- \$98m for construction of a shiploader at Abbot Point, Qld, for Ports Corporation.
- \$95m (\$47m) alliance to design and construct water and building infrastructure, NSW, for Coffs Harbour City Council.
- \$86m to design and construct the Merrimac Wastewater Treatment Plant, Qld, for Gold Coast City Council.
- \$84m to design and construct the Newman Hub, WA, for BHP Billiton Iron Ore.
- \$83m (\$39m) alliance for infrastructure construction and maintenance of the North Head sewerage treatment plant, Manly, NSW, for Sydney Water.
- \$70m to construct a new Performing Arts Centre, Perth, WA, for the Ministry of Works.
- \$60m alliance for the provision of rail track services, Sydney, NSW, for Rail Corp.
- \$57m to supply and construct the Wollar to Wellington power line, NSW, for TransGrid.
- \$51m to expand the Abbot Point coal terminal, Qld, for Ports Corporation.
- \$46m to construct a multi-level carpark at Melbourne Airport, Tullamarine, Vic, for Australia Pacific Airports.



Leighton Asia

- \$232m for the construction of the Ocean Park theme park redevelopment, Hong Kong, for Ocean Park Hong Kong.
- \$206m to construct the Lai Chi Kok sewerage transfer scheme, Hong Kong, for Hong Kong Drainage Service Department.
- \$84m to construct the Conrad Resort and Spa, Koh Samui, Thailand, for Hillcrest Resorts.
- \$615m (\$277m) JV for the reclamation and construction of Central Reclamation Phase III, Hong Kong, for, Civil Engineering & Development Department, Government of Hong Kong.
- \$587m (\$293m) JV to construct the Wynn Resorts Diamond Suites, Macau, for Wynn Resorts Macau (S.A.).
- \$571m (\$228m) JV to manage the construction of the City of Dreams development, Macau, for Melco PBL Entertainment.
- \$358m (\$205m) JV to design and construct part of the Kowloon Southern Link, Hong Kong, for Kowloon Canton Railway Corp.
- \$262m for mining operations at the Masbate Gold Mine, Philippines, for Philippines Gold Processing & Refining Corp.
- \$209m to design and construct the Hong Kong International Aviation fuel facility, Hong Kong, for ECO Aviation Fuel Developments.
- \$128m to engineer, procure and construct the Masbate Gold Project, Philippines, for OGA Mining Ltd.
- \$118m (\$59m) JV to construct an aircraft maintenance hangar, Hong Kong, for HAECO (Hong Kong Aircraft Engineering Co Ltd).



Leighton International

- \$696m for the extension at the MSJ coal mine, Samarinda, East Kalimantan, Indonesia, for PT Mahakam Sumber Jaya.
- \$106m for the installation and commissioning of the SPM and PLEM System and Offshore Pipeline for Brunei Methanol Plant, Belait District, Brunei, for Brunei Economic Development Board.
- \$88m to construct Haju trial mine infrastructure, Central Kalimantan, Indonesia for PT Lahai Coal (BHP Billiton).
- \$69m for the installation of SPM System, 48" Offshore/Onshore Pipeline and Associated Facilities for Bina Refinery Project, Vadinar, Gujarat, India for Bharat Oman Refineries Ltd.
- \$36m for the installation of the Shuqaiq-2 Independent Water and Power Plant Installation and Pre-Commissioning of Offshore Fuel Oil Pipelines, 10km South of Ash Shuqaiq off the shore of the Red Sea, Saudi Arabia, for Zelan Saudi Arabia Co. Ltd.

Note: ■ Indicates new project secured between 1 July 2008 – 31 December 2008
 ▪ Indicates significant on-going project

- \$33m for the Residual Offshore Construction for ROCW Paradip Project, Paradip Port, India for Indian Oil Corporation Limited.
- \$1.7bn for mining operations at the Wahana coal mine, South Kalimantan, Indonesia for PT Wahana Baratama Mining.
- \$898m to construct a pipeline replacement project 2, India, for Oil & Natural Gas Corp.
- \$210m (\$105m) JV to construct 75km of highway from Indore to Khalghat, India, for Oriental Structural Engineers Private Ltd.
- \$125m for mining operations at the MHU coal mine, Indonesia, for PT Multi Harapan Utama.
- \$94m to construct the Muthurajawela New SPBM and Offshore Pipeline infrastructure, Sri Lanka, for Ceylon Petroleum Storage Terminal Ltd.
- \$94m (\$48m) JV to construct 45km highway from Agra to Bharatpur, India, for Oriental Structural Engineers Private Ltd.
- \$455m (\$102m) to expand the Abu Dhabi Airport, UAE, for the Supervision Committee for the Expansion of Abu Dhabi International Airport.
- \$431m (\$194m) to construct the 88 storey commercial/residential Dubai Tower, Qatar, for Dubai International Properties.
- \$429m (\$193m) to construct a JW Marriott Hotel, Abu Dhabi, UAE, for Abu Dhabi National Hotels.
- \$425m (\$191m) to construct the Emerald Palace residential hotel and villas, Dubai, UAE, for The Emerald Palace Group.
- \$374m (\$168m) to construct the Feature Tower at the new exhibition halls, Abu Dhabi, UAE, for Abu Dhabi National Exhibition Company.
- \$347m (\$156m) to construct the Habtoor Grand Palm Resort, Dubai, UAE, for Al Habtoor Group.
- \$268m (\$60m) to construct the Saadiyat Island labour village, UAE, for Tourism Development & Investment Company.
- \$245m (\$110m) to construct the Yas Island Hotels, Abu Dhabi, UAE, for Aldar.
- \$241m (\$60m) to construct the Saadiyat construction village, UAE, for Tourism Development & Investment Company.
- \$140m (\$63m) to construct the Iris Bay commercial development, Dubai, UAE, for Sheth Estate (International) Ltd.
- \$106m (\$24m) to construct the enabling works for Eastern Mangroves, Abu Dhabi for Tourism Development & Investment Company.
- \$100m (\$22m) to construct the Gary Player Golf Course, UAE, for Tourism Development & Investment Company.
- \$97m (\$43m) to construct the Samriya Tower, Qatar, for Sheikh Faisal Bin Qassam Al Thani.
- \$96m (\$43m) to construct the Faisal Tower, Qatar, for Sheikh Faisal Bin Qassem Al Thani.
- \$82m (\$18m) to construct the TDIC Headquarters, Abu Dhabi for Tourism Development & Investment Company.
- \$80m (\$36m) to construct the residential Al Dareen Tower, Qatar, for Sheikh Faisal Bin Qassem Al Thani.
- \$79m (\$18m) to construct the Etihad Terminal Car Park, Abu Dhabi, UAE, for Scadia.
- \$73m (\$33m) to construct the Al Habtoor Tower, Dubai, UAE, for Al Habtoor Group.
- \$71m (\$30m) to construct the Al Jazeera Towers, Abu Dhabi, UAE, for Al Jazeera Sports & Cultural Club.
- \$69m (\$31m) to construct the Arwa Tower, Qatar, for Sheikh Faisal Bin Qassem Al Thani.
- \$59m (\$13m) to construct the enabling works for TDIC Headquarters, Abu Dhabi, UAE for Tourism Development & Investment Company.
- \$50m (\$11m) to construct the Abu Dhabi Golf Course Hotel – Phase 1, Abu Dhabi for Tourism Development & Investment Company.



Al Habtoor – Leighton

- \$3.48bn (\$1.57bn) to construct the Dubai Pearl, United Arab Emirates, for Pearl Dubai FZ LLC.
- \$2.54bn (\$381m) to construct the Tameer Towers, Abu Dhabi, United Arab Emirates, for Tameer Holding Investment LLC.
- \$1.93bn (\$349m) to construct the Dubai Airport Concourse 3, Dubai, United Arab Emirates, for Dubai Department of Civil Aviation.
- \$1.18bn (\$265m) to construct the Zayed University, Abu Dhabi, United Arab Emirates, for Mubadala Development PJSC.
- \$291m (\$130m) to construct the Olgana and Hilliana Towers, Dubai, United Arab Emirates, for Abyaar Real Estate Development.
- \$1.31bn (\$592m) to construct the 11 Towers at Business Bay, Dubai, UAE, for Dubai Properties.
- \$886m (\$399m) to construct the Al Bustan mixed use development, Abu Dhabi, UAE, for Al Hamid Group.
- \$854m (\$384m) to construct the Saadiyat Link project, Abu Dhabi, UAE, for Tourism Development and Investment Company.
- \$848m (\$382m) to construct the Al Shaqab Equestrian Centre, Qatar, for Qatar Foundation.
- \$777m (\$349m) to construct the Jafza Convention Centre, Dubai, UAE, for the Jebel Ali Free Zone Authority.
- \$596m (\$268m) to construct the City Centre Expansion at Doha, Qatar, for Al Rayyan Tourism Investment Company.
- \$586m (\$132m) JV to construct the 72 storey commercial Landmark Tower, Abu Dhabi, UAE, for the Dept of Presidential Affairs.
- \$517m (\$233m) to construct the P9 mixed use development, Abu Dhabi, UAE, for United Holdings.
- \$506m (\$228m) to construct the Al Ghurair City shopping centre expansion, Dubai, UAE, for Al Ghurair Centre LLC.
- \$474m (106m) to construct the Paris-Sorbonne University campus, Abu Dhabi, UAE, for Mubadala Development PJSC.

Note: ■ Indicates new project secured between 1 July 2008 – 31 December 2008
 ▪ Indicates significant on-going project

Directors' Report

The Directors of Leighton Holdings Limited present their report for the half-year ended 31 December 2008 in respect of the Consolidated Entity constituted by the Company and the entities it controlled during the half-year. A review of the operations of the Consolidated Entity and the results of those operations during the half-year are contained on pages 2 to 15 and form part of this report.

The Consolidated Entity's interim financial report for the half-year ended 31 December 2008 and the auditor's review report are presented on pages 18 to 36.

Information regarding Directors

The Directors of the Company at any time during or since the end of the half-year are:

David A Mortimer AO

Chairman

An Independent Non-executive Director since 1997.

Wallace M King AO

Chief Executive

An Executive Director since 1975. Appointed Chief Executive in 1987.

Achim Drescher

An Independent Non-executive Director since 1996.

Robert D Humphris OAM

An Independent Non-executive Director since 2004.

Dr Herbert H Lütkestratkötter

A Non-executive Director since 2007.

Wayne G Osborn

Appointed an Independent Non-executive Director on 6 November 2008.

Alternate Director:

Robert L Seidler

An Alternate Director for Dr Herbert Lütkestratkötter since July 2007. Previously an Alternate Director for Dr Hans-Peter Keitel from 2003 until July 2007.

Dr Peter M Noé

Deputy Chairman

A Non-executive Director since 2003.

Dieter S Adamsas

A Non-executive Director since 1 July 2007.

An Executive Director from 1988 to 30 June 2007.

Peter A Gregg

An Independent Non-executive Director since 2006.

Dr Burkhard Lohr

A Non-executive Director since May 2008.

Ian J Macfarlane AC

An Independent Non-executive Director since 2007.

David P Robinson

A Non-executive Director since 1990.

Retired Director:

Martin C Albrecht AC

An Independent Non-executive Director since 2001. Resigned from the Board on 6 November 2008.

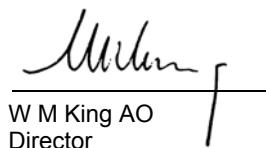
The lead auditor's independence declaration is set out on page 37 and forms part of the Directors' Report for the half-year ended 31 December 2008.

Rounding Off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the interim financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Sydney this 12th day of February 2009.

Signed in accordance with a resolution of the Directors:



W M King AO
Director

2008/09

**APPENDIX 4D
& INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008**

Results for Announcement to the Market

for the six months ended 31 December 2008

Name of Entity

LEIGHTON HOLDINGS LIMITED

A\$'000

Revenue - Group, joint ventures and associates	Up 40%	To	9,146,321
Revenue - joint ventures and associates	Up 48%	To	2,595,205
Revenue	Up 37%	to	6,551,116
Profit attributable to members of the parent entity	Down 56%	to	111,150

For a brief explanation of the figures reported above: refer to page 2 to 15 of this document.

Dividends	Amount per security	Franked amount per security
Interim dividend	60.0¢	60.0¢ (100%)
Previous corresponding period	60.0¢	30.0¢ (50%)

Record date for determining entitlements to the dividend: 20 March 2009

Date for payment of dividend: 31 March 2009

Income Statement

for the six months ended 31 December 2008

	Note	Consolidated Entity	
		Dec 2008 \$'000	Dec 2007 \$'000
Revenue	2	6,551,116	4,780,735
Expenses	3	(6,364,583)	(4,593,560)
Impairments and loss on sale of investments	4	(239,260)	-
Finance costs	4	(84,971)	(48,190)
Share of profits of associates and joint venture entities		285,349	182,727
Profit before tax		147,651	321,712
Income tax expense		(37,579)	(70,989)
Profit for the period		110,072	250,723
Attributable to:			
Members of the parent entity		111,150	250,250
Minority interest		(1,078)	473
Profit for the period		110,072	250,723
Dividends per share - interim	6	60.0¢	60.0¢
Basic earnings per share		38.2¢	86.0¢
Diluted earnings per share		38.0¢	85.5¢

The income statement is to be read in conjunction with the notes to the interim financial report.

Statement of Recognised Income and Expense

for the six months ended 31 December 2008

	Consolidated Entity	
	Dec 2008 \$'000	Dec 2007 \$'000
Foreign exchange translation differences (net of tax)	359,604	(22,731)
Effective portion of changes in fair value of cash flow hedges (net of tax)	(27,436)	(31)
Change in fair value of available-for-sale assets (net of tax)	(22,419)	27,338
Change in value of associate's equity	540	5,651
Net gain/(loss) recognised directly in equity	310,289	10,227
Profit for the period	110,072	250,723
Total recognised income and expense for the period	420,361	260,950
Attributable to:		
Members of the parent entity	421,439	260,477
Minority interest	(1,078)	473
Total recognised income and expense for the period	420,361	260,950

The statement of recognised income and expense is to be read in conjunction with the notes to the interim financial report.

Balance Sheet

as at 31 December 2008

	Note	Consolidated Entity	
		Dec 2008 \$'000	Jun 2008 \$'000
Assets			
Cash and cash equivalents		799,745	686,563
Trade and other receivables		2,435,487	1,689,092
Current tax assets		49,010	42,642
Inventories		430,478	371,327
Investments accounted for using the equity method		1,848,779	1,497,529
Other investments		139,084	411,126
Deferred tax assets		233,181	184,036
Property, plant and equipment		1,708,291	1,461,492
Goodwill		126,620	120,420
Total assets		7,770,675	6,464,227
Liabilities			
Trade and other payables		3,361,014	2,885,237
Current tax liabilities		5,807	162,644
Provisions		438,585	393,053
Interest-bearing loans	11	825,282	768,411
Interest-bearing limited recourse loans	11	772,054	569,668
Leighton Notes	11	-	200,000
Total liabilities		5,402,742	4,979,013
Net assets		2,367,933	1,485,214
Equity			
Share capital		1,171,826	480,988
Reserves		227,214	(90,632)
Retained earnings		969,410	1,094,635
Total equity attributable to equity holders of the parent		2,368,450	1,484,991
Minority interest		(517)	223
Total equity	7	2,367,933	1,485,214

The balance sheet is to be read in conjunction with the notes to the interim financial report.

Statement of Cash Flows

for the six months ended 31 December 2008

	Consolidated Entity	
	Dec 2008 \$'000	Dec 2007 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations (including GST)	7,175,494	5,251,172
Cash payments in the course of operations (including GST)	(6,718,792)	(4,881,759)
Cash flows from operations	456,702	369,413
Dividends received	14,863	8,542
Interest received	8,813	14,145
Finance costs paid	(82,313)	(31,585)
Income taxes paid	(221,093)	(199,084)
Net cash from operating activities	176,972	161,431
Cash flows from investing activities		
Payments for plant and equipment	(387,637)	(353,713)
Payments for plant and equipment - major component parts	(88,942)	(50,956)
Payments for other property, plant and equipment	(12,896)	(31,569)
Proceeds from sale of property, plant and equipment	39,846	104,660
Payments for investments in controlled entities and businesses	(57,700)	(16,173)
Proceeds from sale of investments in controlled entities and businesses	-	35,351
Payments for other investments	(24,104)	(975,555)
Proceeds from sale of other investments	99,313	367
Net cash used in investing activities	(432,120)	(1,287,588)
Cash flows from financing activities		
Proceeds from share issues	690,838	-
Proceeds from borrowings	730,689	996,630
Repayment of borrowings	(875,747)	(5,627)
Distributions to minority interests	-	(3,078)
Dividends paid	(236,375)	(180,757)
Net cash from financing activities	309,405	807,168
Net increase/(decrease) in cash held	54,257	(318,989)
Net cash at the beginning of the period	686,563	831,372
Effects of exchange rate fluctuations on cash held	58,925	(1,239)
Net cash at reporting date	799,745	511,144

The statement of cash flows is to be read in conjunction with the notes to the interim financial report.

Notes to the Interim Financial Report

for the six months ended 31 December 2008

1. BASIS OF PREPARATION

Leighton Holdings Limited (the "Company") is a company domiciled in Australia. The interim financial report of the Company for the six months ended 31 December 2008 comprises the Company and its controlled entities (the "Consolidated Entity" or "Group") and the Group's interests in associates and jointly controlled entities.

The interim financial report is presented in Australian dollars and has been prepared on an historical cost basis, except for derivative financial instruments and available-for-sale assets that have been measured at fair value at reporting date.

The interim financial report was approved by the Directors on 12 February 2009.

Statement of compliance

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, and complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

The interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the annual financial report of the Group for the year ended 30 June 2008.

The Company is a company of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the interim financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Significant accounting policies

The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in the annual financial report for the year ended 30 June 2008.

Accounting estimates and judgements

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing the interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial report for the year ended 30 June 2008.

Notes to the Interim Financial Report continued

for the six months ended 31 December 2008

2. REVENUE

	Consolidated Entity	
	Dec 2008 \$'000	Dec 2007 \$'000
Construction contracting services	3,761,825	2,698,971
Mining contracting services	2,372,421	1,648,641
Property development revenue	6,584	95,968
Other services revenue	382,346	312,030
Revenue from external customers	6,523,176	4,755,610
Interest	10,157	16,583
Dividends	17,783	8,542
Other revenue	27,940	25,125
Total revenue	6,551,116	4,780,735

The Group's share of revenue from joint ventures and associates is excluded from Revenue noted above and from the income statement in accordance with Accounting Standards. The delivery of a number of projects by the Group is through various joint venture and associate arrangements. Details of the Group's share of joint ventures and associates' revenue are provided as additional information below as Revenue - Group, joint ventures and associates. Revenue - joint ventures and associates represents the Group's share of the operations of the joint venture or associated entity.

Revenue - Group, joint ventures and associates		
Revenue - Group	6,551,116	4,780,735
Revenue - joint ventures and associates	2,595,205	1,755,074
Revenue - Group, joint ventures and associates	9,146,321	6,535,809

Notes to the Interim Financial Report continued

for the six months ended 31 December 2008

3. EXPENSES

	Consolidated Entity	
	Dec 2008 \$'000	Dec 2007 \$'000
Materials	1,682,732	1,178,939
Subcontractors	1,493,324	1,003,577
Plant costs	668,204	447,340
Depreciation of property, plant and equipment	280,364	224,843
Personnel	1,678,791	1,286,904
Operating lease payments - plant and equipment	200,159	158,176
Operating lease payments - other	10,078	7,580
Professional and management fees	109,911	121,592
Foreign exchange (gains)/losses	(46,943)	(179)
Net (gain) on sale of controlled entities	-	(19,557)
Net (gain) on the sale of other investments	(6,000)	(367)
Net (gain) on the sale of plant and equipment	(10,014)	(10,671)
Cost of development properties sold	6,141	11,184
Impairment of property developments	11,524	-
Other expenses	286,312	184,199
Total expenses	6,364,583	4,593,560

Notes to the Interim Financial Report continued

for the six months ended 31 December 2008

4. PROFIT BEFORE TAX

	Consolidated Entity	
	Dec 2008 \$'000	Dec 2007 \$'000
Finance costs		
- Related parties	6	15
- Other parties	84,965	48,175
Total finance costs	84,971	48,190
Depreciation of property, plant and equipment		
- Buildings	1,693	614
- Plant and equipment	182,541	154,695
- Plant and equipment - major component parts	87,871	63,792
- Leasehold land, buildings and improvements	6,757	4,077
- Waste management assets	1,502	1,665
Total depreciation	280,364	224,843
Impairments and loss on sale of investments		
Impairments of:		
Investments in infrastructure toll road companies	153,800	-
Investments accounted for using the equity method	62,342	-
Loss on sale of:		
Investment in infrastructure toll road companies	23,118	-
Total impairments and loss on sale of investments	239,260	-

Notes to the Interim Financial Report continued

for the six months ended 31 December 2008

5. SEGMENT INFORMATION

Primary segment - geographical	Australia/Pacific \$'000	Overseas \$'000	Total \$'000
December 2008			
Revenue - Group, joint ventures and associates	7,051,312	2,095,009	9,146,321
Segment revenue	5,551,016	989,943	6,540,959
Interest revenue			10,157
Revenue			6,551,116
Segment result	168,819	7,557	176,376
Impairments and loss on sale of investments	(239,260)	-	(239,260)
Share of profit of associates and joint venture entities	189,089	96,260	285,349
	118,648	103,817	222,465
Interest revenue			10,157
Finance costs			(84,971)
Profit before tax			147,651
Income tax expense			(37,579)
Profit for the period			110,072
December 2007			
Revenue - Group, joint ventures and associates	5,446,111	1,089,698	6,535,809
Segment revenue	4,095,662	668,490	4,764,152
Interest revenue			16,583
Revenue			4,780,735
Segment result	149,203	21,389	170,592
Share of profit of associates and joint venture entities	147,201	35,526	182,727
	296,404	56,915	353,319
Interest revenue			16,583
Finance costs			(48,190)
Profit before tax			321,712
Income tax expense			(70,989)
Profit for the period			250,723

Notes to the Interim Financial Report continued

for the six months ended 31 December 2008

6. DIVIDENDS

	Cents per share	\$'000
2009 interim dividend		
Subsequent to reporting date the Company announced a 100% franked interim dividend in respect of the year ended 30 June 2009. The dividend is payable on 31 March 2009. This dividend has not been provided for in the balance sheet.	60.0	178,783
Dividends recognised in the reporting period to 31 December 2008		
2008 final ordinary dividend 100% franked paid on 30 September 2008	85.0	236,375
Dividends recognised in the reporting period to 30 June 2008		
2008 interim ordinary dividend 50% franked paid on 31 March 2008	60.0	166,853
2007 final ordinary dividend 50% franked paid on 28 September 2007	65.0	180,757
		347,610

7. TOTAL EQUITY RECONCILIATION

	Consolidated Entity	
	Dec 2008 \$'000	Jun 2008 \$'000
Total equity reconciliation		
Total equity at the beginning of the period	1,485,214	1,354,599
Total recognised income and expense	420,361	475,381
Rights issue*	690,838	-
Dividends to shareholders	(236,375)	(347,610)
Other reserves movements	7,558	7,950
Total changes in minority interest	337	(5,106)
Total equity at the end of the period	2,367,933	1,485,214

*** Rights issue**

On 14 August 2008 the company invited its shareholders to subscribe to a rights issue of 19,883,769 shares at an issue price of \$35.35 per share on the basis of 1 share for 14 fully paid ordinary shares held, with such shares participating in dividends after 30 June 2008. The issue was fully subscribed. The amount disclosed above is net of transaction costs of \$12.1 million.

Notes to the Interim Financial Report continued

for the six months ended 31 December 2008

8. LIQUIDITY ANALYSIS

	Consolidated Entity	
	Dec 2008 \$'000	Jun 2008 \$'000
Assets and (liabilities) expected to be realised/(settled) within 12 months		
Cash and cash equivalents	799,745	686,563
Trade and other receivables	2,396,181	1,617,524
Current tax assets	49,010	42,642
Other Investments	-	339,558
Inventories	292,838	272,522
Trade and other payables	(3,004,345)	(2,671,283)
Current tax liabilities	(5,807)	(162,644)
Provisions	(217,983)	(191,230)
Interest-bearing loans	(122,519)	(250,000)
Interest-bearing limited recourse loans	(60,341)	(104,211)
Leighton Notes	-	(200,000)

9. NET TANGIBLE ASSET BACKING

	Dec 2008	Jun 2008
Net tangible asset backing per ordinary share	\$7.52	\$4.91

Notes to the Interim Financial Report continued

for the six months ended 31 December 2008

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name of entity	Principal activity	Consolidated Entity Ownership interest	
		Dec 2008 %	Jun 2008 %
145 Ann Street Trust	Property development	50	50
400 George Street Partnership	Property development	50	50
ADrail joint venture	Construction	20	20
Al Habtoor Engineering Enterprises LLC	Construction	45	45
Bac Devco Pty Limited	Property development	33	33
Bayview Noosa Partnership	Property development	50	50
Beenyup Alliance	Construction	47	47
BJB joint venture	Maintenance	38	38
Brisbane Motorway Services Pty Limited	Facilities management	50	50
China State - Leighton joint venture	Construction	50	50
Cockatoo Iron Ore joint venture	Mining	50	50
Complete joint venture	Construction	50	50
Cotter Googong Bulk Transfer joint venture	Construction	50	50
Dam Improvement Services joint venture	Construction	40	40
Defence Maintenance Management Pty Ltd	Maintenance	50	50
Devine Hamilton Unit Trust	Property development	50	50
Devine Limited	Property development	45	42
Dunsborough Lakes Partnership	Property development	18	18
Folkestone/Leighton JV Pty Limited	Property development	50	50
Gateway Motorway Services Pty Limited	Facilities management	50	50
Hassall Street Trust	Property development	50	50
Holland York joint venture	Construction	50	50
HPAL Freehold Pty Limited	Property development	50	50
Infocus Infrastructure Management Pty Limited	Facilities management	50	50
James Fielding Infrastructure Pty Limited	Infrastructure	50	50
JM joint venture	Construction	50	50
JM JV SIA joint venture	Construction	80	80
John Holland Abigroup Contractors joint venture (Bulk Water)	Construction	50	-
John Holland Abigroup Contractors joint venture (Coffs Infrastructure)	Construction	50	50
John Holland Asia Limited/Namprasert Construction Company Limited joint venture	Process engineering	50	50
John Holland Barclay Mowlem joint venture	Construction	50	50
John Holland BRW joint venture	Construction	50	50
John Holland Colin Joss joint venture	Construction	50	50

Notes to the Interim Financial Report continued

for the six months ended 31 December 2008

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD CONTINUED

Name of entity	Principal activity	Consolidated Entity Ownership interest	
		Dec 2008 %	Jun 2008 %
John Holland Downer EDI joint venture	Construction	60	60
John Holland Downer EDI Engineering Power joint venture	Construction	65	65
John Holland Downes Graderway joint venture	Construction	50	50
John Holland Fairbrother joint venture	Construction	50	50
John Holland Fulton Hogan joint venture	Construction	50	50
John Holland Lahey joint venture	Construction	50	50
John Holland Macmahon joint venture (Bell Bay)	Construction	80	80
John Holland Macmahon joint venture (Roe and Tonkin Highways)	Construction	50	50
John Holland Macmahon joint venture (Ross River Dam)	Construction	50	50
John Holland McConnell Dowell joint venture	Construction	50	50
John Holland MVM joint venture	Construction	50	50
John Holland Tenix Alliance joint venture	Construction	50	50
John Holland Thames Water joint venture	Construction	50	50
John Holland United Group Infrastructure joint venture	Construction	47	47
John Holland Veolia Water Australia joint venture (Gold Coast Desalination Plant)	Construction	65	65
John Holland Veolia Water Australia joint venture (Blue Water)	Construction	63	63
Leighton Abigroup joint venture	Construction	50	50
Leighton China State John Holland joint venture (City of Dreams)	Construction	70	70
Leighton China State joint venture (Wynn Resort)	Construction	50	50
Leighton-China State-Van Oord joint venture	Construction	45	45
Leighton Construction India Pvt Limited	Construction	50	50
Leighton Contractors & Boulderstone Hornibrook Bilfinger Berger joint venture	Construction	50	50
Leighton Hsin Chong joint venture	Construction	50	50
Leighton-Kier joint venture	Construction	50	50
Leighton Kumagai joint venture	Construction	55	55
Leighton Kumagai joint venture (Route 9-Eagle's Nest Tunnel)	Construction	51	51
Leighton Kumagai joint venture (Wanchai East & North Point Trunk Sewers)	Construction	51	51
Leighton-Oriental Structural Engineers joint venture	Construction	50	50
Link 200 joint venture	Construction	48	48
Link 200 Station joint venture	Construction	60	60
Link 200 Tunnel joint venture	Construction	60	60
Macmahon Holdings Limited	Construction/ contract mining	17	-

Notes to the Interim Financial Report continued

for the six months ended 31 December 2008

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD CONTINUED

Name of entity	Principal activity	Consolidated Entity Ownership interest	
		Dec 2008 %	Jun 2008 %
Manukau Motorway	Construction	50	50
Ngarda Civil and Mining Pty Limited	Mining	50	50
Ngarda Civil and Mining Pty Limited and Leighton Contractors Pty Limited	Construction	50	50
Northern Gateway Alliance	Construction	50	50
Norton Street Investments Pty Ltd	Property development	45	45
Praeco Holdings Limited	Property development	-	50
Promet Engineers Pty Limited	Design	50	50
Rail Link joint venture	Construction	65	65
River Links Unincorporated joint venture	Construction	18	18
Roche Thiess Linfox joint venture	Mobile plant/earthmoving	44	44
Safelink Alliance	Construction	50	50
Section 63 Trust	Property development	50	50
Sedgman Pty Limited	Design	38	38
Silcar Pty Limited	Telecommunications	50	50
Southern Gateway Alliance	Construction	70	70
St Ives Gold Project joint venture	Construction	50	50
Taiwan Track Partners joint venture	Construction	28	28
Thiess Alstom joint venture	Construction	50	50
Thiess Black and Veatch joint venture	Construction	50	50
Thiess Hochtief joint venture	Construction	50	50
Thiess Kentz Pty Limited	Construction	50	50
Thiess Sedgman joint venture	Construction	50	50
Thiess Services Middle East LLC	Facilities management	50	-
Thiess United Group joint venture	Construction	50	50
Townsville City Project Trust	Property development	50	50
Universal Portfolio Services Pty Limited	Property development	50	50
Viridian Noosa Pty Limited	Property development	50	50
Viridian Noosa Trust	Property development	50	50
Wedgwood Road Hallam Trust	Property development	50	50
Westlink Services Pty Limited	Facilities management	50	50

Notes to the Interim Financial Report continued

for the six months ended 31 December 2008

11. INTEREST BEARING LIABILITIES

	Consolidated Entity	
	Dec 2008 \$'000	June 2008 \$'000
Interest-bearing loans - unsecured	825,282	768,411
Limited recourse loans	612,634	453,879
Leighton Finance International Notes	159,420	115,789
Interest-bearing limited recourse loans	772,054	569,668
Leighton Notes	-	200,000

Interest-bearing loans - unsecured

Syndicated Loans

On 10 October 2008, Leighton Finance Limited, a wholly-owned subsidiary of the Company, entered into a syndicated bank facility for \$520 million, maturing on 10 October 2011. \$280 million was outstanding under this agreement as at 31 December 2008.

Guaranteed Senior Notes

On 15 October 2008, Leighton Finance Limited, a wholly-owned subsidiary of the Company, issued a total of US\$280 million Guaranteed Senior Notes in three series:

- Series A Notes: US\$111 million Guaranteed Senior Notes at the rate of 6.91% maturing on 15 October 2013
- Series B Notes: US\$90 million Guaranteed Senior Notes at the rate of 7.19% maturing on 15 October 2015
- Series C Notes: US\$79 million Guaranteed Senior Notes at the rate of 7.66% maturing on 15 October 2018

\$405 million was outstanding as at 31 December 2008. Interest on the above notes will be paid semi-annually on the 15th day of April and October in each year.

Other unsecured loans outstanding as at 31 December 2008 totalled \$139 million.

Interest-bearing limited recourse loans

On 14 September 2007 LMENA No.1 Pty Limited, a wholly-owned subsidiary of the Company, entered into a syndicated bank loan for US\$434 million loan maturing on 30 September 2012. The loan is recourse only to the investment in Al Habtoor Engineering Enterprises LLC. The loan has a 7.41% fixed interest rate. US\$411 million (\$596 million) was outstanding as at 31 December 2008. Repayment instalments totalling US\$30 million are due within 12 months of the reporting date.

The Group has non-recourse property development loans of \$16 million as at 31 December 2008 secured against certain property development assets of the Group.

Leighton Finance International Notes

On 16 May 2006, Leighton Finance International Limited (the "Issuer"), a wholly-owned subsidiary of the Company, issued US\$110 million of 5-Year Fixed-Rate Guaranteed Notes ("Leighton Finance International Notes").

Leighton Finance International Notes will mature on 16 May 2011 unless previously redeemed or purchased and cancelled and are subject to redemption in whole at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in Australia or Indonesia.

PT Thiess Contractors Indonesia and PT Leighton Contractors Indonesia, both wholly-owned subsidiaries of the Company, jointly and severally guarantee the obligations of Leighton Finance International Limited and Noteholders have no recourse to other Group companies.

Notes to the Interim Financial Report continued

for the six months ended 31 December 2008

11. INTEREST BEARING LIABILITIES CONTINUED

Leighton Notes

2,000,000 Convertible Unsecured Subordinated Resettable Notes of \$100 each were repaid to the Noteholders on 1 December 2008.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since 30 June 2008.

13. EVENTS SUBSEQUENT TO REPORTING DATE

There were no events subsequent to the reporting date that have not been disclosed in the interim financial report other than the interim dividend declared after the reporting date.

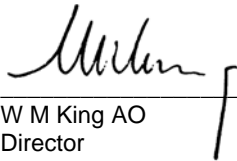
Directors' Declaration

In the opinion of the Directors of Leighton Holdings Limited ("the Company"):

1. the interim financial report and notes set out on pages 19 to 34, are in accordance with the Corporations Act 2001 including:
 - a) giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2008 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 12th day of February 2009.

Signed in accordance with a resolution of Directors:



W M King AO
Director



Independent auditor's review report to the members of Leighton Holdings Limited

We have reviewed the accompanying interim financial report of Leighton Holdings Limited, which comprises the consolidated interim balance sheet as at 31 December 2008, the consolidated interim income statement, statement of recognised income and expense and cash flow statement for the half-year ended on that date, selected explanatory notes 1 to 13 and the Directors' Declaration of the Consolidated Entity comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the Company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Leighton Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Leighton Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Steve Gatt
Partner

Sydney
12 February 2009



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Leighton Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2008 there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
2. no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'Steve Gatt'.

Steve Gatt
Partner

Sydney
12 February 2009

12 February 2009

Leighton reports increased operating profit and work in hand at record \$37.5 billion

The directors of Leighton Holdings Limited today announced a 20% increase in pre-tax operating profit before impairments to \$387m but a 56% decrease in after tax Group profit to \$111m due to the recognition of \$239m of pre-tax asset impairments. A fully franked dividend of 60 cents per share was also announced by the directors versus a 50% franked interim dividend of 60 cents last year.

Chief Executive, Mr Wal King, said that he was disappointed to report a fall in profit which was due to the write down of investments in ConnectEast, RiverCity Motorway, BrisConnections, Devine and Macmahon announced in January, and a reduced property development contribution.

“The operating result reflected good contributions from the construction of infrastructure projects in Australia, the contract mining of iron ore and coal in Australia, and construction in the Gulf region through the 45% stake in the Al Habtoor Leighton Group,” said Mr King.

“Total revenue, including joint ventures and associates, was up 40% to \$9.1bn (\$6.5bn last year) while revenue from joint ventures and associates increased by 48% to \$2.6bn. The Group’s major markets generating revenue were infrastructure \$5.2bn, resources \$2.5bn and building and property \$1.5bn,” said Mr King.

“Work in hand as at 31 December 2008 stood at \$37.5bn which compares with \$30.3bn at 30 June 2008 and \$26.7bn at 31 December 2007. The order book was boosted by the award of some \$14bn worth of new work, extensions and variations during the period.

“The major construction projects awarded included the \$4bn Airport Link Project in Brisbane, the \$721m Royal North Shore Hospital in New South Wales, and \$3.5bn for the Dubai Pearl and \$2bn for the New Concourse 3 at the Dubai Airport in the Al Habtoor Leighton Group. New mining contracts or extensions were awarded at the Bayan FKP coal mine in Indonesia, and the Curragh North and Moorvale coal mines in Queensland,” he said.

“The Group’s longer term outlook remains solid based on a record level of work in hand, a strong competitive position and a forecast rebound in the Group’s core markets from the current uncertainty of the global financial crisis. While the timing of recovery in the various markets will vary, the long-term outlook is positive and the Group is well positioned to take advantage of the opportunities that will be presented.

“The total engineering construction market is expected to continue growing into 2009 based on the substantial capital works programs of the various State Governments and investment in mining and heavy engineering projects. Two consortia including Thiess and John Holland have been shortlisted for the design, construction, financing, operation and maintenance of Victoria’s \$3bn Desalination Plant Project,” said Mr King.

“The Federal and the State Governments have ambitious infrastructure plans aimed at stimulating the economy and overcoming previous underinvestment. The fast tracking of funds from the Federal Government’s \$8.7bn Education Investment Fund and the \$5bn Health and Hospitals Fund should stimulate construction opportunities,” he said.

(continued...)

“The longer term outlook for commodity volumes remains positive despite a substantial reduction in prices. While recent cutbacks have been announced by some iron ore and coal producers, the fundamentals for long term growth and therefore for the Group are sound.

“In Mongolia, Leighton Asia secured a preliminary mining contract for the Ukhaakhudag coal project and has recently been awarded a \$350m mining contract over 6 years to remove overburden and mine coal. In February 2009, Thiess was awarded a US\$1.5bn extension at the PT Arutmin coal mines in Indonesia,” said Mr King.

“The Group further strengthened its financial position during the period with the successful completion of a \$700m equity raising in September and a US\$280 million private placement. The majority of the funds are being used to invest in plant and equipment which will primarily be used in the contract mining activities in Australia and Indonesia.

“As a 31 December, total assets were \$7.8bn and net assets were \$2.4bn. Gross cash is \$800m with short term borrowings of \$183m. Limited recourse borrowings stand at \$772m and undrawn facilities and guarantees were up to \$989m,” he said.

“For the 2009 financial year the Group expects to report full year revenue approaching \$19bn and a good underlying operating result after tax of approximately \$650m. The Group is forecasting to report net profit after tax of approximately \$480m, which includes the write down of investment values already recognised and to maintain the full year dividend at the same level as last year. The final result and full year dividend are however subject to market conditions for the remainder of this financial year,” said Mr King.

“We remain committed to our strategy of diversity and will continue to pursue opportunities to further diversify and grow the business in the longer term. These opportunities, combined with a rebound in the Group’s core markets, auger well for the next few years.

“Work in hand is expected to be maintained at around similar levels which should lead to revenue and profit growth in the longer term. The Group expects to continue to earn a good return on shareholders funds and to provide positive returns to shareholders,” said Mr King.

ENDS

Issued by Leighton Holdings Limited ABN 57 004 482 982 www.leighton.com.au

Further information:

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MR SCOTT CHARLTON Chief Financial Officer T (02) 9925 6935

LEIGHTON HOLDINGS LIMITED is the parent company of Australia’s largest project development and contracting group. Founded in 1949, the organisation has grown into a diversified group that includes Thiess, Leighton Contractors, John Holland, Leighton Asia, Leighton International and Leighton Properties. With around 40,000 employees, the Group’s operations are spread all around the Asia-Pacific region on projects in Australia, New Zealand, Hong Kong, Indonesia, Malaysia, Singapore, the Philippines, Thailand, Vietnam, China, Mongolia, Taiwan, Sri Lanka, Macau, India and the Arabian Gulf. Leighton Group companies offer a broad range of project development and contracting services and skills to public and private sector clients across a wide range of industries. Project development skills – infrastructure, property or resources based – and project management of construction and property developments complement the Group’s contracting activities. These activities include construction, mining and services. Leighton Holdings (LEI) is listed on the Australian Stock Exchange and has its head office in Sydney.