

6 May 2013

ASX Market Announcements
Australian Securities Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

RE: Leighton reports Q1 2013 net profit of \$123 million, reaffirms guidance

Please find attached a copy of a media release to be issued today by Leighton Holdings Limited.

Yours faithfully
LEIGHTON HOLDINGS LIMITED

VANESSA REES
Company Secretary

6 May 2013

**Leighton reports Q1 2013 net profit of \$123 million,
reaffirms guidance**

Leighton Holdings Limited today announced Net Profit after Tax (NPAT)¹ of \$123 million for the first quarter of financial year 2013, compared to a loss of \$80 million in the prior comparable period. Revenue was \$5.4 billion, compared to \$5.1 billion in the prior comparable period.

Chief Executive Officer, Mr Hamish Tyrwhitt, said that it was pleasing to report a rise in NPAT margin in quarter one, to 2.3 per cent compared to the full year 2012 margin of 1.9 per cent.

"This result reflects the advantages of the Group's diverse business portfolio, benefitting from both our geographic spread and the range of sectors in which we operate. It was delivered against the backdrop of a challenging macroeconomic environment especially in contract mining and some adverse weather conditions in Queensland and Western Australia," Mr Tyrwhitt said.

"Our work in hand was \$42.2 billion, with over \$4 billion of work awarded during the period. We are not targeting top-line growth, rather we are onboarding projects with good margins as demonstrated by a closing project margin-in-hand of over 10 per cent. The net decline of \$1.3 billion from December 2012 reflects this discipline but also indicates a softening in the overall level of contract awards in construction and contract mining.

"During the quarter, we continued our capital recycling initiatives by reaching agreement for the sale of our telecommunication infrastructure assets. The sale will unlock an enterprise value of around \$885 million and, through retaining a 30 per cent share in the joint venture, we will continue to have ongoing exposure to this sector," Mr Tyrwhitt said.

The Group's gearing² increased from 35.0 per cent to 47.7 per cent in the quarter, driven by the early payment of the equity in BrisConnections and the scheduled final dividend payment, each of \$200 million, together with seasonal deterioration in working capital. It also reflects an increased level of net project underclaims from both scope growth and contract variations.

Mr Tyrwhitt said, "Management of underclaims was noted as a key focus at the time of our 2012 results. Importantly, we have detailed plans in place to reduce these underclaims and expect resolution on a number of the claims during the remainder of the year.

"Notwithstanding current market conditions, we remain on track to deliver a full year underlying NPAT within our previous guidance range of \$520 to \$600 million and a gearing level within the target band of 25 to 35 per cent by year-end.

"The importance of our 'stabilise, rebase and grow' strategy in today's challenging environment is self-evident. Throughout the remainder of the year, we will continue to rebuild our operating model and progress net margin expansion and cash flow initiatives, in order to realise further improvements in 2014 and beyond. Rebased, we will have the right platform to leverage long-term growth domestically and internationally and to deliver sustainable returns to our shareholders," Mr Tyrwhitt concluded.

ENDS

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

Further information:

MS FIONA TYNDALL, Manager Media Relations T+61 2 9925 6188

MS JANET PAYNE, Manager Investor Relations T+61 2 9925 6121

LEIGHTON HOLDINGS LIMITED, founded in Australia in 1949, is the parent company of the Leighton Group, one of the world's leading international contractors. The Group is also the world's largest contract miner. Listed on the Australian Stock Exchange since 1962, Leighton Holdings is a top 40 company by market capitalisation and has its head office in Sydney, Australia. Leighton Holdings owns and operates through a number of diverse and independent operating companies: Leighton Contractors; Thiess; John Holland; Leighton Asia, India and Offshore; and Leighton Properties. The Leighton Group also has a 45% investment in the Habtoor Leighton Group. These companies provide development, construction, contract mining, and operation and maintenance services to the infrastructure, resources and property markets. They operate in more than 20 countries throughout Australia, Asia, the Middle East and Southern Africa. The operating companies directly employ more than 57,000 employees.

¹ NPAT and Underlying NPAT were \$123 million. There were no gains/ losses on sale and impairments on investments.

² Gearing is expressed as the ratio of net debt and operating leases to net debt, operating leases and shareholder equity.

APPENDIX

KEY PERFORMANCE FEATURES FOR THE 3 MONTHS ENDED 31 MARCH

	3 months ended 31 March 2013 Unaudited	3 months ended 31 March 2012 Unaudited
Income Statement information	\$m	\$m
Revenue - Group	4,863	4,137
- Joint Ventures and Associates	488	957
Total Revenue	5,351	5,094
Profit/(loss) before tax	151	(104)
Income tax (expense)/benefit	(30)	23
Profit/(loss) after tax	121	(81)
Profit/(loss) attributable to minority interests	2	1
Profit/(loss) attributable to members	123	(80)
	As at 31 March 2013 Unaudited	As at 31 March 2012 Unaudited
Balance Sheet information		
Total assets	11,390	9,939
Total liabilities	8,590	7,490
Net assets	2,800	2,449
Net tangible assets	2,495	2,175
Net tangible assets per share (\$)	\$7.40	\$6.45