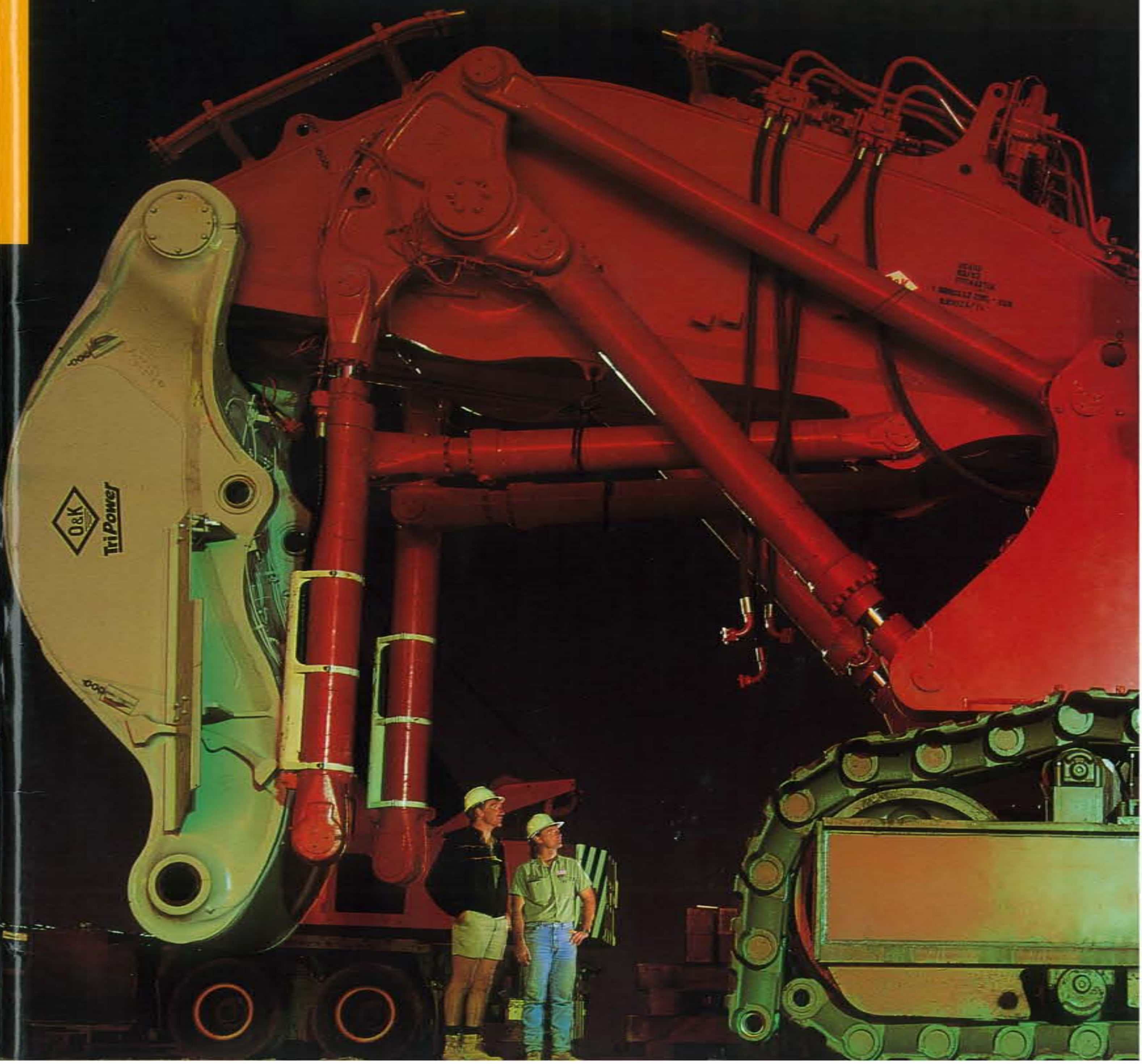
Leighton Group

Annual Report 1993



Leighton Holdings Limited
A.C.N. 004 482 982
Notice of Annual General Meeting 1993

To: The Shareholders
Notice is hereby given that the Annual General Meeting of the members of Leighton Holdings Limited will be held in the Ballroom, The Regent of Sydney, 199 George Street, Sydney, NSW, on Thursday, 4 November 1993 at 10.00 am.

A separate Notice of Meeting and Proxy Form is enclosed.

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

Financial Calendar

1993	
29 September	Shares begin trading ex Dividend
8 October	Books close for Final Dividend
4 November	Annual General Meeting
4 November	Final Dividend paid
31 December	Half year end
1994	
16 February	Half Yearly Results announced
9 March	Shares begin trading ex Dividend
16 March	Books close for Interim Dividend
31 March	Interim Dividend paid
30 June	Year end
17 August	Preliminary Final Results announced
3 November	Annual General Meeting

Leighton congratulates the Sydney Olympics 2000 Bid Committee and is proud to have been a sponsor.

Leighton Holdings Limited

Contents

We will focus on the strengths of our core construction businesses in Australia and Asia, and develop related engineering, environmental and manufacturing services. Our companies will foster mutually beneficial relationships with organisations who require quality work and financial security. Adding value for our clients and shareholders is a key strategy.

Strategic Directions

Adding Value

'Work in hand

Financial Overview

	1993 $'000	1992 $'000	% Change
Total Revenue	1,580,582	1,590,196	–
Value of Uncompleted Work in Hand	1,474,811	1,332,039	+10.7
Value of Contracts Awarded	1,318,480	1,244,250	+6.0
Operating Profit before Tax and Abnormals	72,632	39,306	+84.8
Income Tax	4,901	(15,959)	N/A
Operating Profit After Tax and Abnormals	15,070	22,509	-33.0
Dividends	16,596	15,438	+7.5
Total Capital and Reserves	298,120	249,059	+19.7
Total Assets	997,795	871,466	+14.5
Net Tangible Assets per Ordinary Share	128c	126c	+1.6
Earnings per Ordinary share	7.6c	11.6c	-34.5
Dividends per Ordinary share	8.0c	8.0c	–

1.47 billion'

Operating Profit Before Tax and Abnormals
$'000
Unusually high return due to a particularly good profit performance from our three main operating companies and the settlement of some outstanding contractual issues.

Operating Profit After Tax and Abnormals
$'000
Lower as a result of a number of abnormal items resulting from a combination of strategic actions taken in the second half of the financial year and provisions against development properties.

Group Revenue Excluding Associates
$'000
Remained at a high level with an additional $153m of management contract work also completed.

Work in Hand Excluding Associates
$'000
Increase due to a high level of new construction work won in Australia and Asia. In addition, Group companies held $212m of uncompleted management contracts and $74m in long-term waste contracts.

Total Assets Excluding Associates
$'000
Increase resulted from a higher level of plant and equipment, and changed accounting practice.

*Includes Property Associates

Operations Overview

Leighton Holdings Limited
Leighton Holdings Limited is the parent public company of the Leighton Group and provides strategic direction and planning, financial management, market positioning and communication.

Business activities in Australia and Asia comprise engineering and building design and construction, project management, contract mining, property development, specialist engineering, environmental services and construction material supply.

Founded in 1949 in Victoria as a small privately owned civil engineering company, Leighton was listed on the Australian Stock Exchange in 1962. Leighton became one of the first Australian companies to set up operations in Asia in the early 1970s with regional headquarters established in Hong Kong in 1975. This was followed in 1983 by a series of acquisitions including Thiess Contractors, which introduced HOCHTIEF as the Group's major shareholder.

In line with the Group's focus on core businesses, over the past few years the Australian activities have been consolidated and the US operations wound down. In Asia, the Group's activities have expanded as the Asian economies and markets have grown.

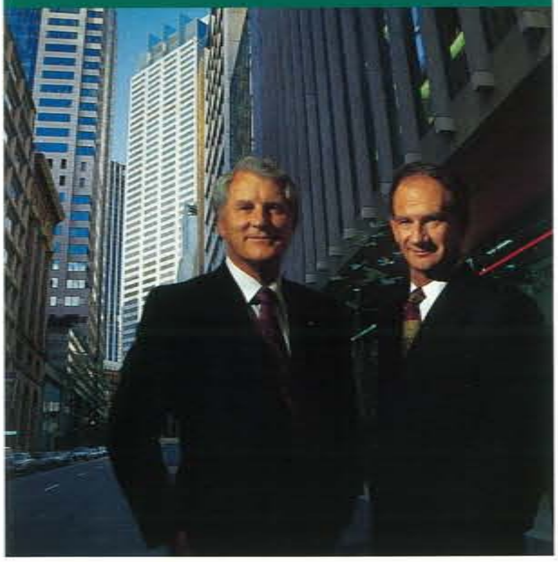
	Leighton Contractors	Thiess Contractors
Revenue	$517m††	$611m††
Work in Hand	$537m††	$667m††
Total Development Costs	–	–
Percentage Ownership	100%	100%
No. of Employees	1,487	2,964
Head Office	Sydney	Brisbane
Established	1949	1935
Managing Director	Keith Bennett	Martin Albrecht
Key Activities	– Civil engineering – Building – Contract mining	– Civil engineering – Building – Mining – Environmental services
Locations	Australia	Australia, Indonesia, Malaysia and Indochina
Performance	– Major contributor to Group profit – Excellent return on assets – Results maintained at high level – Four operating regions performed well – Substantial contracts won – Enterprise agreements implemented – Improvements in productivity	– Financial results steady – Geographic spread and involvement in niche markets assisted results – Partnering arrangements on $100m of contracts – Asia increasingly important – Environmental services and process engineering grew
Future	– Outlook is challenging but positive – Work in hand high – Client satisfaction and productivity targeted for further improvement – Opportunities in infrastructure and tourism	– Current performance should be maintained – Competitive conditions to continue in Australia – Positive prospects for Indonesia and Malaysia – Environmental services to grow further
	†† Including minority interests	†† Including minority interests
% of Total Revenue	33%	39%

Leighton Asia	Leighton Properties	Ipco International	Welded Mesh	Technical Resources
$268m††	$27m	$183m*	$66m*	–
$339m††	–	Not Available	–	–
–	$192m	–	–	–
80%	100%	33.6%	90%	100%
2,326	20#	414	195	38
Hong Kong	Sydney	Singapore	Sydney	Sydney
1975	1972	1975	1984	1980
John Faulkner	Vyril Vella	Charles Hardeman	John Hicks	Bob Gussey
– Civil engineering – Building – Foundation engineering	– Property development – Development management – Car parking operations	– Project development – Engineering – Construction	Manufacturer of: – Processed bar and rod – Welded fabric – Hard drawn wire	– Business development – Technology R&D – Communications – Project services
Hong Kong, Thailand, China and other selected countries in Asia	Australia	South East Asia, International	Australia	Australia, Asia Pacific region
– Profit and revenue up substantially – Business reached new plateau of activity – Thailand revenue up eightfold, now 35% of total – HOCHTIEF buys 20% share of the company – New work in China, Vietnam	– Market very difficult – Overall operating loss but costs contained within budget – Focus has been on reducing assets – Small sales made and some new leases negotiated	– Profit and revenue increased – Listed on Stock Exchange of Singapore and raised $32m – Good returns from core business of privatised infrastructure – Major projects progressed well – Significant new work in Malaysia	– Profit at a record level – Revenue increased marginally – Market competitive but better in second half of year – Operations in NSW, Vic and WA all performed well	– Increased opportunities to add value across the Group – Business development initiatives expanded – Success in penetrating specialised markets – Communications enhanced Group profile – Project services focused on R&D and quality – Good process engineering prospects
– Revenue to increase – High level of work in hand – Growth in Asian economies to continue – Geographic coverage to increase – Closer involvement with HOCHTIEF	– Market confidence likely to slowly improve – Asset reduction programme to continue	– Infrastructure needs and environmental awareness will generate business – Emerging economies in high growth areas being targeted – Positive, long-term growth prospects	– Revenue to be maintained – New capital equipment to improve efficiency	– Using technology to provide market advantage a prime focus – Demand for strategic planning skills and control systems – Technology transfer into Asia more important – Focus on partnering and privatisation
†† Including minority interests	#In addition Pacific Parking has some 37 employees	*100% Ipco values	*100% Welded Mesh values	
17%	2%		4%	
				

Left: ***MA (Tim) Besley***
Chairman
Right: ***WM King***
Chief Executive Officer

From the Chairman

The past year was one of consolidation for the Group and with major problems behind us, we look forward to resuming steady growth.



Operating performance from the core construction companies was excellent in difficult economic circumstances and a series of actions taken during the year improved Leighton's focus on these core businesses.

In economic terms, the year was as tough as any over the past five years. The Australian economy was sluggish and the recovery patchy. Major nations in other parts of the world also experienced varying degrees of poor performance. The one bright spot was Asia. Growth continued strongly and supports the prediction that in 25 years time some 45% of the world's gross domestic product will come from the Asian region.

Within a tough operating environment, maintaining work levels would have been a good performance but our main construction companies all demonstrated an ability to win significant new contracts.

Management and staff in all Group locations made a magnificent effort in trying times and for this I express the Board's thanks.

Property continued to be a drain on the Group as the Australian market further deteriorated. The state of the market and a change in accounting practice resulted in the Board deciding to make substantial provisions against properties. Progress on reducing the negative impact of existing development properties is expected to be slow.

RM Wylie
Deputy Chairman
DS Adamsas

KL Bennett
PJW Cottrell

Dr H Hebner
Dr H-P Keitel

PJ North
DP Robinson

The Leighton Group has shown that it is a leader in the Australian construction industry. In Asia, where it had the foresight to establish operations some 20 years ago, the Group has reached a new and higher level of activity and profitability.

This focus on Australia and Asia was apparent in the decisions made to curtail poorly performing activities and raise capital for the expansion of core businesses. The decisions to exit the USA construction market and wind down Multicon came at a substantial cost to the Group but your Directors agreed that these issues had to be addressed during the year for the future prosperity of all shareholders.

The 20% sale of Leighton Asia to HOCHTIEF, approved by shareholders in June, and the listing of Ipco International on the Stock Exchange of Singapore will assist the Leighton Group achieve growth in Asia where it is competing with some of the biggest and strongest construction companies in the world.

We are fortunate in having an experienced and dedicated Board of Directors and this team was strengthened by the appointment of Mr Peter Cottrell as a Director in February 1993. Mr Cottrell has extensive experience in the manufacturing sector and in business life, and we welcome his contribution at Board level.

Economic forecasts for the year ahead indicate that it will again be tough. However, the Leighton Group continues to show it has the capability, market position and people that enable it to do well even in difficult circumstances. In Australia, growth will be tempered by economic prospects while in Asia we have the ability to continue strong performance.

Once again I express my thanks to our shareholders for their continuing commitment to Leighton and to my Board colleagues for their support and counsel throughout the year.

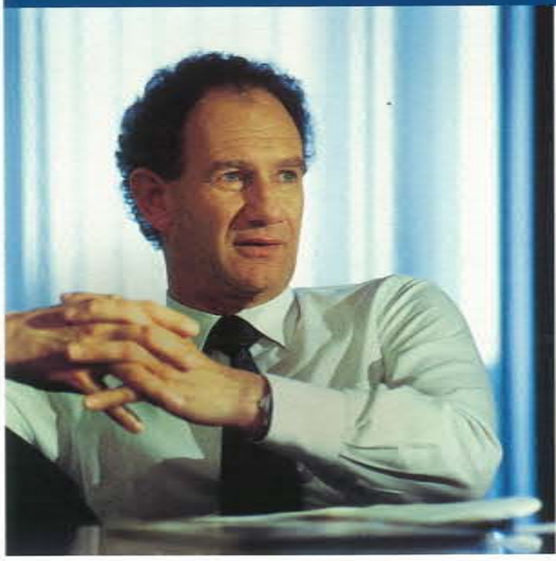
MA Besley

MA (Tim) Besley
Chairman

Wal King
Chief Executive Officer

Chief Executive's Report

Operating performances from our core construction businesses in Australia and Asia were excellent and reinforced the importance of concentrating our resources in these areas.



Overview

The performance from our Australian operations was particularly pleasing in a restrained economy which was clouded by political, economic and international events. Our Asian operations also prospered but in an economic environment dominated by high growth rates.

We maintained our concentration on core construction work and made several initiatives aimed at supporting the growth in Asia and eliminating loss making activities. Actions taken included:

- Selling 20% of Leighton Asia to HOCHTIEF to enhance Leighton Asia's ability to compete for large scale opportunities.
- Floating Ipco International on the Stock Exchange of Singapore which raised additional capital for Ipco to fund future growth (diluting Leighton's shareholding from 45% to 33.6%).
- Winding down Multicon and liquidating its assets.
- Withdrawing from the USA construction market by merging Green Holdings with the Canadian based PCL Construction Group Inc.
- Strengthening Leighton Holdings' balance sheet by a 10% share placement which raised $33m.

Financial Results

Underlying financial performance for the year was pleasing although our result tended to be overshadowed by a number of abnormal items.

Operating profit before tax and abnormal items was up 85% to $72.6m due to a particularly good profit performance from Leighton Contractors, Thiess Contractors and Leighton Asia, and the settlement of some outstanding contractual issues.

Profit after abnormals and tax was lower at $15m because of the net effect of a number of abnormal items. These items were the result of strategic actions and provisions against properties. Full details of these adjustments are set out in Financial Management on page 16.

Group revenue remained at a high level of $1.58bn with an additional $153m of management contracts also completed. A high level of new construction work was won in Australia and Asia with work in hand up 10% to $1.47bn at 30 June, with a further $212m in management contracts and $74m in long-term waste contracts.

Australian Operations

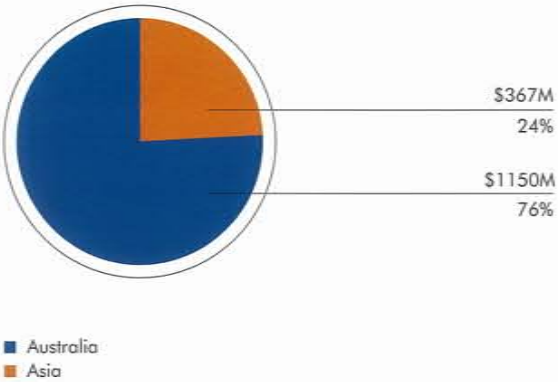
Civil engineering continued to be a key area of activity for the Group despite this sector being generally restrained. The overall level of privatised infrastructure construction was disappointing and major expenditure on infrastructure projects failed to materialise.

Building work produced better than anticipated opportunities in selected areas of the market. New public sector work, such as the $170m Brisbane Convention & Exhibition Centre and various hospital projects, demonstrated the success achieved in pursuing these selected opportunities.

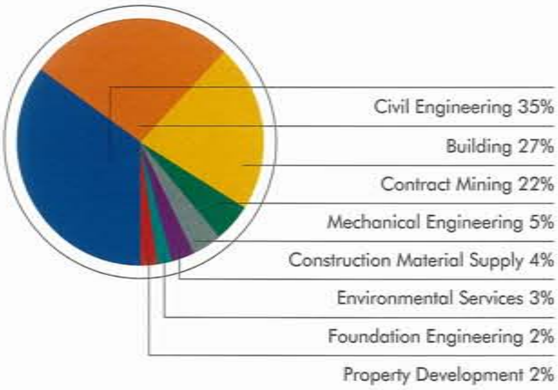
Mining remained a good source of work with a number of new contracts awarded, the most significant being from Western Mining Corporation for the Mt Keith nickel project in Western Australia. In addition, several existing contracts were renegotiated during the year.

Other activities in related areas such as environmental management and material supply have produced good returns and increased their contribution to our total revenue base.

Group Operating Revenue By Geographic Area 1993
Excluding Associates



Group Operating Revenue By Market Segment 1993
Excluding Associates



Group Operating Revenue By Market Segment 1993
Excluding Associates $M

	'89	'90	'91	'92	'93
Civil Engineering	444	476	512	633	529
Building	482	539	446	308	410
Contract Mining	178	296	327	333	332
Mechanical Engineering	25	37	106	85	74
Construction Material Supply	38	52	61	62	66
Environmental Services	13	22	26	34	52
Foundation Engineering	25	23	53	50	27
Property Development	63	32	29	50	27

Chief Executive's Report

As a consequence of the poor state of the mechanical engineering market and the operating losses produced by Multicon, the decision was taken to close down its operations. New business development was terminated and assets are being sold progressively. Multicon's existing contracts will be completed by mid 1994.

Property

The continued deterioration in Australian property markets and a change in accounting practice has resulted in substantial property losses. At the half year, provisions were made against most properties and the Board considered it prudent to increase some of these provisions in the second half, making a total for the year of $58.5m.

Development property represents approximately 20% of Group assets and our efforts to reduce this exposure will continue. However, limited progress was made during the past year with only minor leasing and sales. The cost of holding properties meant another significant operating loss.

Asian Operations

Revenue from Asia was 24% of total Group turnover in 1993, compared with 17% in 1992. Profits from the region were not only a record but at a new and sustainably higher level.

A number of substantial achievements in Asia reflect the value of our commitment to the region over the past 20 years.

Leighton Asia's improved profitability was the result of increased activity in Hong Kong and Thailand. Highlights included a second major contract associated with the massive airport development in Hong Kong, $54m of new work in Thailand and our first management contracts in China.

Thiess Contractors is gradually developing its Asian operations from its base in Indonesia and has established a presence in Indochina. New work included a $54m joint operation for the design and construction of a gas project in Indonesia and a five year mining contract in Malaysia.

Ipco International was awarded its third Build, Operate and Transfer project in Malaysia and on-going projects such as the privatised Cikarang Listrindo Power Station in Indonesia, progressed very well.

USA Operations

An important step in ensuring our resources are concentrated in Australia and Asia was the decision to withdraw completely from the USA construction market. Our investment in the USA has been a substantial loss maker and has taken an inordinate amount of management attention over the past 10 years. With an extreme over capacity in the markets in which Green Holdings operates, we saw no real prospect of a turnaround in the market or at Green. It will take a number of years to finalise the outstanding issues and a substantial provision has been made to cover all expected future costs.

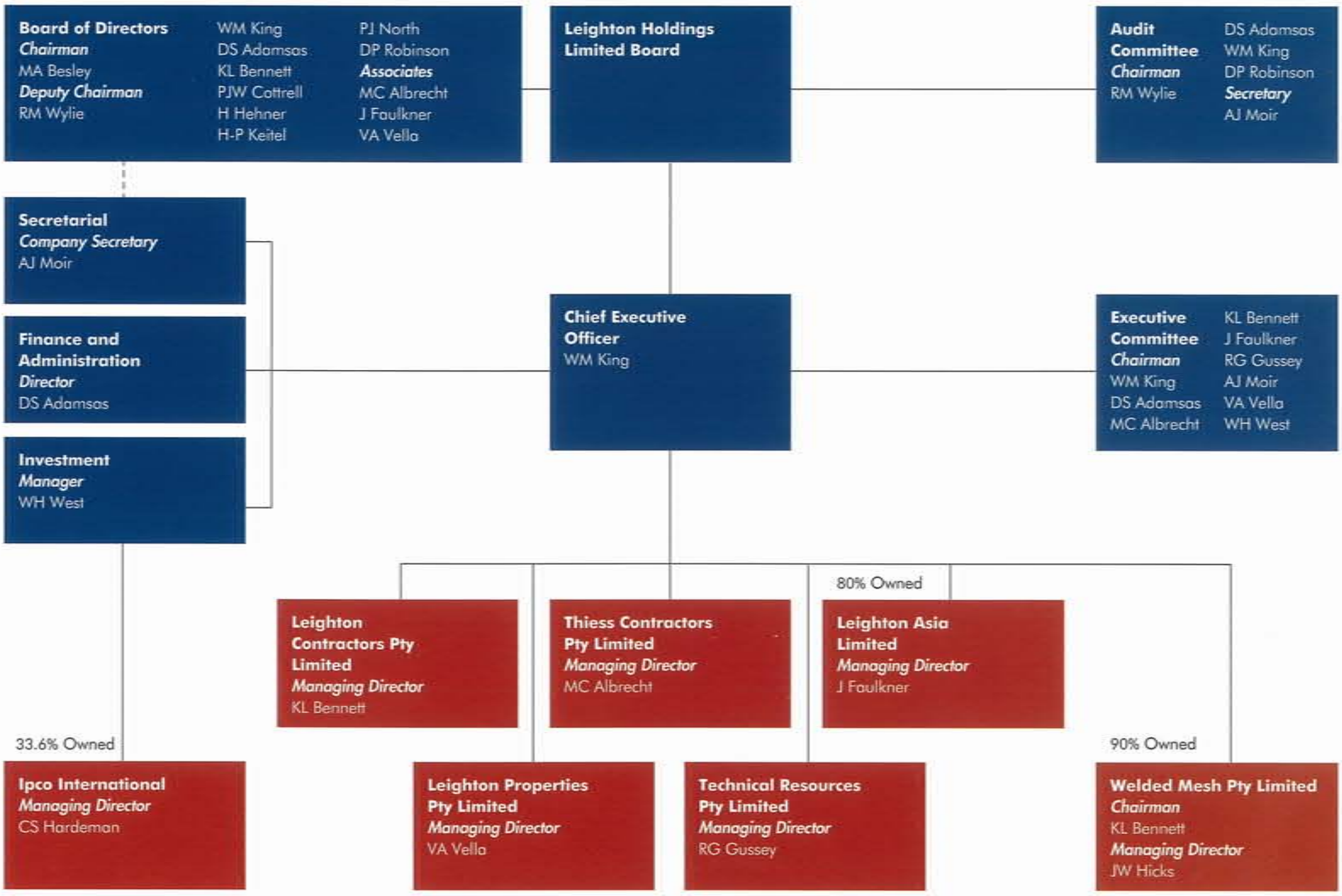
Business Strategy and Issues

Our corporate strategy has remained consistent for some years although greater priority is being given to managing change. Over the medium-term we are faced with low growth in Australia and while growth in Asia is forecast to be much higher, the region is subject to rapid and unpredictable change.

Building a strong financial position for the Group has been a key element in our capability to withstand risk and support long-term growth. In seeking to manage change we have put in place an evaluation and planning process which aims to identify critical issues and opportunities. We have also developed an inherently flexible corporate structure which can respond and adapt to the changing environment.

Essentially, we are a service industry and this underlines the importance we attach to the professionalism of our people and our ability to

Group Structure Chart



deliver client satisfaction. Human resources are fundamental to the success of our business and the Group's incentive scheme provides motivation and commitment for our people, and ensures that performance is recognised and rewarded.

Protecting the environment and the health and safety of our employees is a key concern. Systems have been implemented to monitor the effectiveness of the Group's policies in these areas and will continue to be developed.

A favourable industrial relations climate, with enterprise bargaining offering further productivity gains, is providing benefits to employees as well as clients. This shift to "working smarter" flows across a broad range of issues from quality standards to multi-skilling and training.

Value added strategies and improved delivery systems with less risk of contractual disputation is another key ingredient in generating better solutions for clients which justify higher returns to the contractor.

Effectively managing change and adding value for our clients have certainly contributed to improved profitability this year and will play an important role in continued growth. A Special Feature in this year's Annual Report explores the concept of value adding and provides current project case studies.

Chief Executive's Report

Prospects in Australia

Good opportunities are available for our construction companies despite modest economic growth predictions.

Traditional civil engineering work will remain strong although tendered projects will be very competitive. Infrastructure developments will continue to be controlled by economic and political considerations but should generate some major prospects over the next few years.

Special purpose buildings such as health, educational, correctional and tourist facilities offer potential. The commercial office sector will remain depressed but there are signs that the building market has reached the bottom of the cycle.

Our strong position in contract mining will provide opportunities for renegotiating existing contracts and recent improvements in gold prices should stimulate mining activity. In addition, we anticipate that environmental services and our construction material supply business will continue to steadily grow.

Prospects in Asia

The general business environment and economic outlook is positive with most Asian countries experiencing growth.

Group companies are well established in Hong Kong, Thailand and Indonesia with more recent success in securing work in Malaysia and China. Over the next few years this focus is expected to broaden into other countries which offer opportunities within acceptable risk parameters and our capacity.

Healthy prospects exist for the Group despite increasingly fierce competition from international contractors. Closer co-operation with HOCHTIEF will strengthen Leighton Asia's ability to pursue large scale projects. New Hong Kong contracts worth nearly $200m have been won since 30 June.

Group Outlook

Recent action taken to streamline operations has placed a number of problems behind the Group which is well positioned to resume steady growth.

As we look ahead, it seems likely that political and economic influences will have the greatest impact on performance.

Australian property markets will remain difficult and although no further deterioration is expected, the market is likely to languish with perhaps some very small improvement beginning towards the middle of 1994. While every effort is being made to rationalise existing property holdings, progress is expected to be slow and can only be achieved within market constraints.

The strength of the Group is its three main operating companies in Australia and Asia. Our confidence for the year ahead is based on the high level of quality work currently held by these companies and their ability to take advantage of available opportunities.

For 1993/94, operating profit before tax and abnormals will be strong but more in line with the pattern of previous years than the unusually high level achieved in 1992/93. After tax profit should increase as the high level of adverse abnormal items is not expected to be repeated.

A very solid performance over the past year shows what can be achieved when we work together to improve productivity, client satisfaction and shareholder value.

Wal King
Chief Executive Officer

Value Added Strategies

Special Feature

Value can be added to projects when contractors are given the opportunity to apply a broad range of experience and innovative skills to improve the outcome for both client and contractor. This extra value extends from traditional time, cost and quality measures to more complex financial, technical, operational and social values.

Contractors traditionally have been allowed a relatively narrow role responding to a client-defined project concept, design and approach. In an increasingly competitive world, the demands placed on all members of a project team have resulted in new kinds of relationships and delivery methods that allow more efficient co-ordination of construction and non-construction project elements.

These new relationships often involve a partnership arrangement whereby the client draws on the contractor's experience and skills in adding value to enhance the project's inherent viability. The contractor usually is brought into the project at an early stage and an integrated management approach ensures that each specialist role contributes to an optimum solution for the client.

The extent and type of value added strategies applied to any project depend on the client's objectives and the local market place. Greater flexibility in project delivery methods facilitates greater opportunities for adding value. Where contractors were once limited to construction only type contracts, delivery systems now range from design and construct through full turnkey contracting, project management and operation and maintenance, to the total development of build, own, operate and transfer facilities.

These systems allow single point accountability for the delivery of physical assets and operational systems as well as the clear and optimal allocation of risk. The technical sophistication of the local workplace and the social requirements for safety, training, community consultation and environmental management all influence the potential for adding value.

Adding value in contracting might involve managing design input to reduce construction time or cost without reducing quality, or it may involve the contractor taking a major role in the conception, funding, design, construction and operation of a complex project.

The Leighton Group's focus on value added strategies is generating significant benefits for our clients whilst improving returns to our shareholders. In this year's Annual Report, current examples of value added projects are included in the review of each of our three main operating companies.

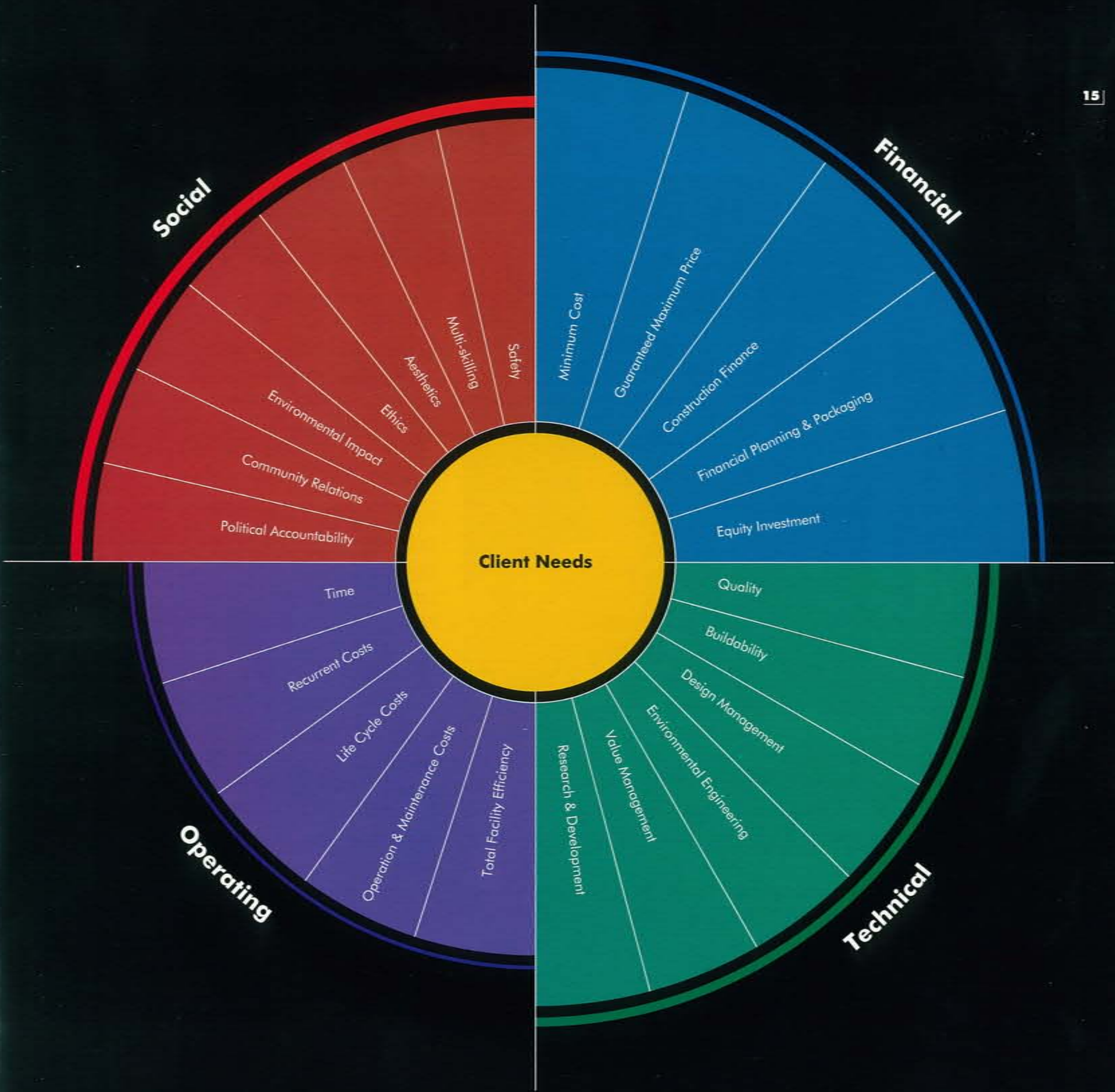
Optus Communications Network
See Leighton Contractors
Page 23

Melbourne Water Maintenance Services
See Thiess Contractors
Page 29

Muang Thong Bangna Housing Development
See Leighton Asia
Page 35

Value Added Spectrum

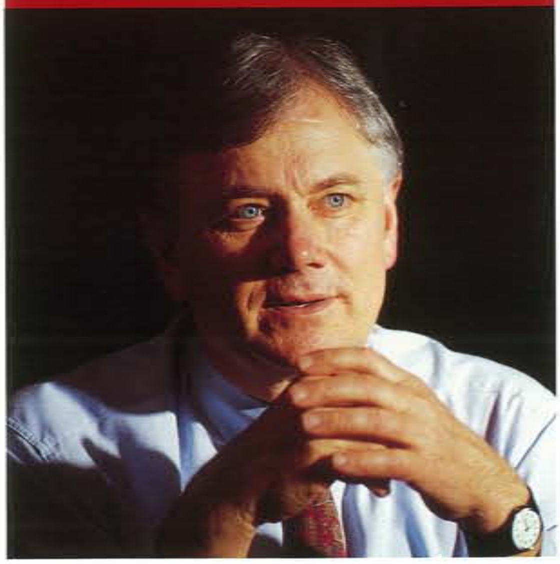
The diagram below illustrates some of the more important value added components being utilised by Group companies. For convenience they have been categorised as either financial, technical, operational or social. Client needs dictate which of the components of the spectrum add value and to what extent they can be effectively applied. More flexible project delivery systems are the key to facilitating this process. The opportunity to provide services that add value can be further enhanced through partnering and workplace reform.



Dieter Adamsas
Director of Finance and Administration

Financial Management

Leighton Holdings' financial position was enhanced by exceptional construction performances and a 10% share placement.



Financial Strength

At 30 June, shareholders' funds had increased to $298m representing 30% of total assets. The level of gross borrowings was $289m inclusive of non-recourse borrowings of $66m. The Group's satisfactory liquidity position was maintained with cash on deposit of $87m and undrawn cash facilities of $154m.

Profit and Abnormal Items

Operating profit before tax and abnormals was significantly higher due to the excellent performances by our three main operating companies together with the settlement of a number of contractual issues. The level of operating profit before tax and abnormals is not expected to be repeated in 1993/94.

Abnormal items have had a significant impact on after tax profit. Details are provided in Note 5 to the accounts and are summarised below:

- Development property provisions of $58.5m against Australian properties. This was in addition to a provision created in previous years of $10m and results in total provisions of $68.5m.
- Sale of 20% of Leighton Asia to HOCHTIEF resulted in a profit of $13m.
- Net decrement in the investment of the Green and Ipco associates of $11.4m. The write-down of the investment in Green was due to losses during the year as well as a provision to wind up Leighton's involvement in the company. Investment in Ipco was revalued as a result of the public float of that company. The revaluation included a premium of 25% above the prospectus placement price of $US2.45. Ipco's shares traded at US$5.50 at June 1993.

Abnormal items totalled $64.4m and the after tax effect on profit was a decrement of $32.8m.

Financial Management

Companies within the Group operate as individual profit centres. Resources are allocated in accordance with profit opportunities and defined financial goals. Performance is monitored within all operating companies including Leighton Asia which will continue to be controlled as a major Group subsidiary.

Project audits are carried out by independent technical and financial personnel on construction contracts in Australia and Asia to provide detailed and objective analysis of performance.

Our associated company Ipco International will be accounted for on a dividend received basis. With Green Holdings, the major decisions have been made regarding disposal of assets and plant, merger and management agreements have been finalised and a management team is in place to conclude Leighton's involvement.

Treasury

Leighton has continued its treasury management policies, with no changes to the existing funding strategies or interest rate and foreign exchange management. Debt profiles are reviewed and balanced between short and long term. Foreign assets and liabilities are similarly denominated to minimise effects of exchange rate movements.

In addition to our strong and long established relationship with our principal banker, The Commonwealth Bank of Australia, the Group maintains strategic links with a number of other significant local and overseas financial institutions which provide funding facilities principally through negative pledge arrangements.

Investor Relations and Communications

Investor relations is an important corporate function and a focus for communication about the Group. We have an ongoing obligation to keep the market informed of significant developments and this is achieved by a programme of direct communication through the Australian Stock Exchange to the investment community and the media. Due to increasing activity in Asia, communication with financial and media organisations in that region has become a necessary part of the programme.

Accounting Practices

Leighton has made a change to its accounting practice in relation to the carrying value of development properties. Previously, development properties were carried at cost. The 1993 accounts reflect a significant diminution of the carrying value of the properties due to the application of provisions to individual properties.

A further change in accounting practice means that all non-recourse funding is now included in non-current borrowings and the corresponding asset is included in non-current inventories. Prior to this report, non-recourse borrowings were disclosed as an offset against the corresponding inventories.

Future

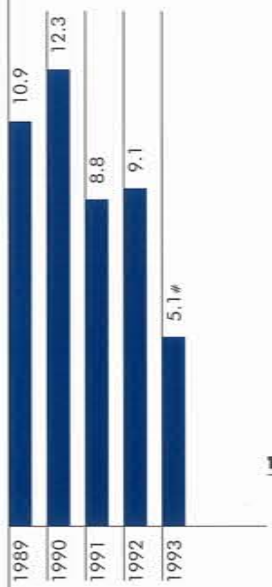
Maintaining our strong financial position and the support of major financial organisations is an essential part of our financial management.

Financial strength and capability is as important as technical know-how if the Leighton Group is to successfully compete for some of the large infrastructure projects and special purpose developments available in Australia and Asia.

Every effort will be made to free up funds from non-performing assets where practical and resources will be allocated to operating companies in accordance with profit potential.

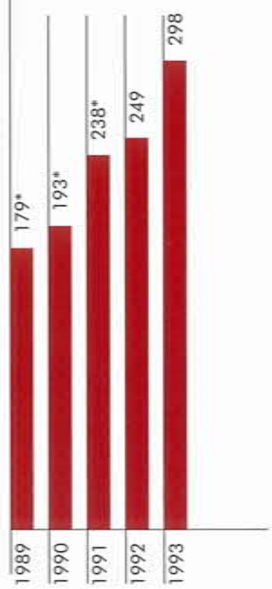
Dieter Adamsas
Director of Finance and Administration

Return on Shareholders Funds %



Net Tangible Assets per Ordinary Share $

Total Shareholders Equity $M



*Includes subordinated perpetual loans
#After Abnormals

University of Technology, New Faculty Building, Sydney, New South Wales
Left: Steve Axam, Project Manager, Leighton Contractors. Right: Reuben Lane, Director Property Development Unit, UTS.

Leighton Contractors

Leighton Contractors has maintained results at a high level, won major projects, controlled costs and improved productivity despite a tough environment.

Keith Bennett
Managing Director

Highlights

– Financial results maintained at high level
– Business mix predominantly civil and mining with building higher than expected
– Further alliances formed with major clients
– Significant level of new work won
– Future prospects good

Performance

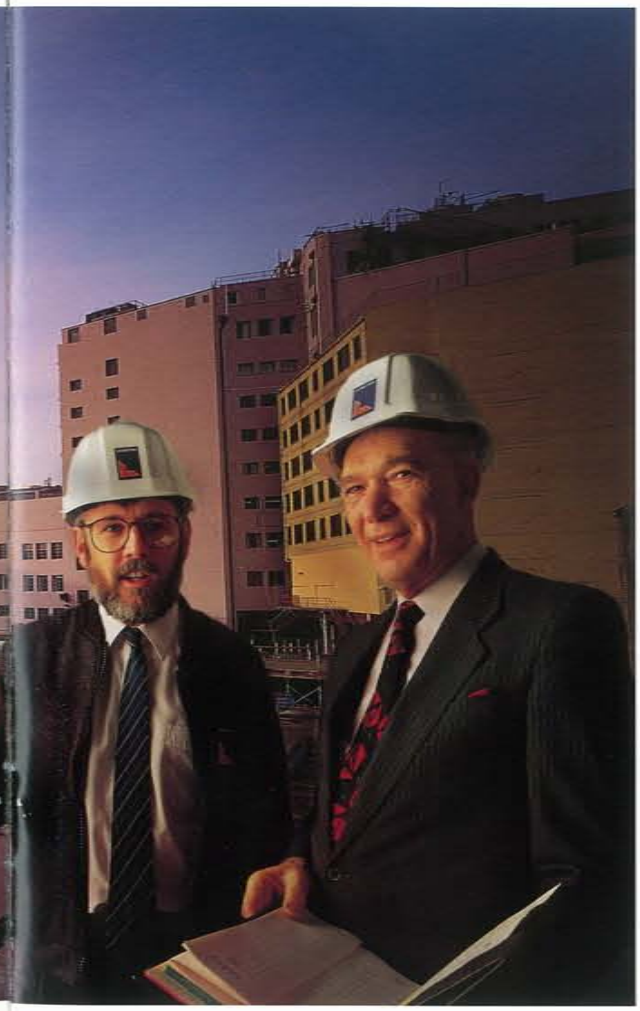
Leighton Contractors' financial results for the year were maintained at the plateau reached last year. Revenue and profit were slightly less than last year but still represented a very satisfactory outcome with all four operating regions providing a sound contribution to profit.

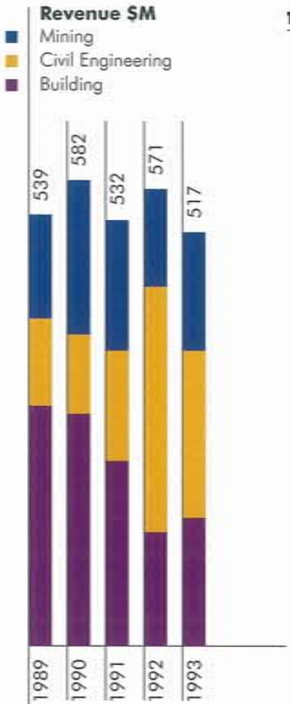
This performance took place in the midst of economic recession demonstrating that the business environment was not entirely unfavourable. Even though competition was tough in many areas, the number of competitors was less, costs were easier to control and productivity showed considerable improvement.

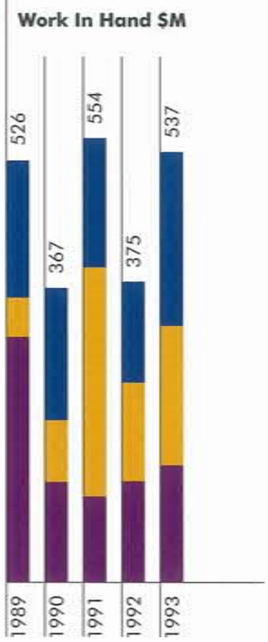
Our revenue mix includes a good spread of business by activity and location with building work contributing more than projected.

Return on assets was highly satisfactory, with assets employed at a similar level to last year but controlled well within corporate guidelines. Assets will increase next year as more earthworks plant is purchased for contract mining. Leighton Contractors has a strong policy of continually upgrading plant and equipment to ensure the most suitable technology and equipment is available to best service clients.

Work in hand is significantly higher than last year with mining forming the greater proportion.



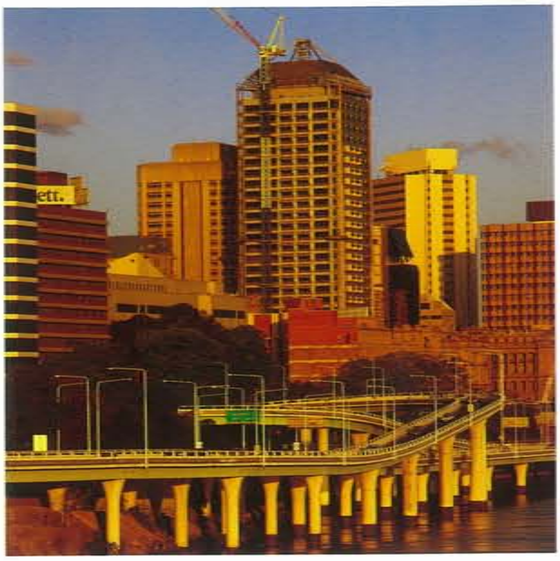




State Office Building, Brisbane, Queensland

Albury Base Hospital, Albury, New South Wales
Left: Simon Oliver, Project Manager, Leighton Contractors. Right: Richard Bradley, Senior Quantity Surveyor, Leighton Contractors.

Leighton Contractors



Operations Overview

Market conditions and our success in securing work proved to be better than anticipated at the start of the year. While building and civil engineering tendering work is still very competitive, Leighton Contractors found better overall opportunities for selling its brand of superior service, a strong balance sheet, efficient management and a quality product. Our ability to demonstrate these characteristics to clients was influential in securing new work. Examples include hospitals, educational institutions, infrastructure and the Convention & Exhibition Centre in Brisbane.

A feature of Leighton Contractors' achievements during the year was a concentration on relationships with clients and delivering projects to their expectations. While much of our work is built on longer-term relationships, with as much as 85% of work each year being repeat business, development of formal alliances with some clients has also been beneficial.

We are working to improve the extent of communication and co-operation with clients to enhance delivery, cost effectiveness and performance.

New forms of contractual arrangement have been developed, aimed at eliminating conflict which in the past has often been associated with traditional delivery systems within the construction industry.

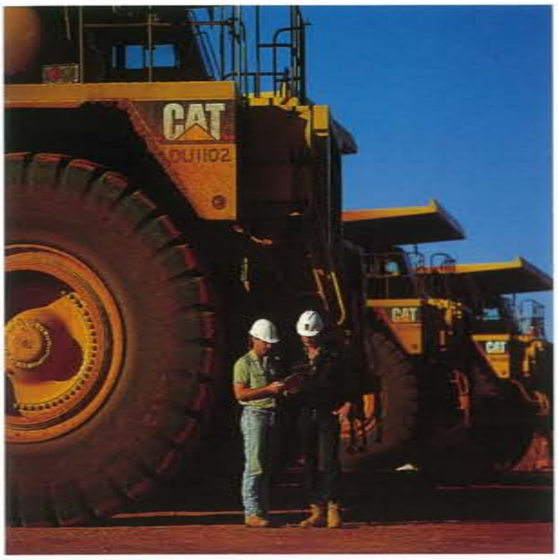
Employee relations have improved significantly and enterprise agreements are being implemented throughout our operations on a geographic and activity basis. An umbrella agreement has been signed with two major unions, the CFMEU and the AWU, which substantiates the direction of improved co-operation.

Contract Mining

Contract mining continues to be a successful area of our business. A significant new contract for over $100m was won during the year at the Mt Keith nickel mine for Western Mining Corporation. Other new contracts in Western Australia included a $34m contract at the Nifty Copper Mine, also for Western Mining, and a $19m contract extension for Pancontinental Gold Mining at Paddington Gold Mine.

Western Link to The M5 South West Motorway, New South Wales
Left: Ed Sancbergs, Private Ventures Manager, Roads and Traffic Authority. Right: Tony Spink, Project Manager, Leighton Contractors

Mt Keith Nickel Mine, Western Australia
Left: Peter Quinn, Mine Engineer, Western Mining Corporation. Right: Steve Bell, Project Manager, Leighton Contractors.



Leighton Contractors further expanded its workload through an agreement with the receiver of Civils Australia Pty Ltd to take over existing mining and transportation contracts in Western Australia. This has resulted in $60m of work with new clients and introduces the activity of on-highway bulk haulage. Among the Civils work is a $18m contract at Tuckabianna Gold Mine for a subsidiary of Newcrest Mining and a $17m contract at Mt McClure Open Cut Gold Mine for Arimco.We also have extensive ongoing mining work in Western Australia with large contracts for gold mines at Hill 50, Perseverance and Plutonic.

Civil Engineering

Civil engineering continued to be a substantial part of our business with revenue from this market increasing during the year. New work won includes a large number of smaller contracts and it is pleasing that a growing proportion of our work is achieved through negotiation with clients.

Towards the end of the year, Leighton Contractors was successful in securing the $65m design and construction of the western link to The M5 South West Motorway in Sydney.

The cable laying contracts for Optus Communications continue and are proving to be a practical example of successful partnering.

Building

A number of building contracts were won during the year. The largest was for the design and construction of the $170m Brisbane Convention & Exhibition Centre, a particularly high profile project.

Leighton Contractors also increased its coverage of the institutional sector, especially in health care and education. Two new design and construct hospital projects won during the year were the $30m Albury Base Hospital for the NSW Health Department and a $21m contract for a new hospital at Burnie in Tasmania.

In education, new projects include extensions at the University of Technology, Sydney, a health facility building for Queensland University, the

World 4 Kids Toy Store fit outs, Chatswood, New South Wales

Leighton Contractors

Board
W M King – *Chairman*
K L Bennett – *Managing Director*
D S Adamsas
P R Cooper
T R J Cooper
R G Gussey
R J Merkenhof
R P Turchini
P J Williams
E E Young

Associate Director
W A C Service

Secretaries
T R J Cooper
K J Steen

Senior Executives
K L Bennett BE(Civ), FIEAust
Managing Director
P R Cooper BTech(Eng)
General Manager, Southern Region
I M Luck BTech(CivEng), MIEAust
Manager, Vic
R P Turchini MIEAust
General Manager, NSW & ACT
R J Merkenhof BEng
Manager, NSW Building
L W Voyer Assoc CivEng, FIEAust
Manager, NSW Contracting
P J Williams BE(Civ), ME, FIEAust
General Manager, Northern Region
E E Young BE(Civ), MNZIE, MIEAust
General Manager, WA
B A Bowman
Manager, Information Systems
D Boyling MIEAust, CPEng
National Plant Manager
R G Collins BEng(Hons), CEng, MIEAust, MICE, AIARBA
Manager, Contractual Services
T R J Cooper FCPA, MAICD
General Manager, Commercial
M G Delaney FIEAust, MAusIMM
Administrator, Central Engineering
B C Duggin ASTC, LGE, FIEAust
Estimating Manager
E R Furney BArch, ARAIA, ACDA
General Manager, National Business
R L Maxam BJuris, LLB(UWA), LLM(Syd)
Company Solicitor
W A C Service BSc, BE, FIEAust, CPEng, MAIB, MNZIOB
National Building Manager
K J Steen ASA
National Administration Manager
J T Walshe MSc, DipIndPsych
Manager, Employee Relations

Science and Technology buildings at Macquarie University and various contracts at Newcastle University.

An important new private sector client is Coles Myer. Leighton has been contracted to refurbish retail centres in several locations to launch their new 'World 4 Kids' outlets.

Future

Working in a low inflation environment provides new challenges for our management but does not distract us from our focus on solid Australian industries and servicing government and public sector investments. We see no significant change to the level of work available and are confident of satisfying our profit objectives.

In 1993/94 projects are likely to flow from the Federal Government's 'One Nation' programme, providing both civil engineering and building infrastructure work. We also see more opportunities in tourism and privatisation. In these times, our greatest initiative is to deliver improved client satisfaction at no extra cost to the client. From our ongoing emphasis on better project delivery and enhanced quality of service, we see good business prospects ahead.

Keith Bennett
Managing Director

Optus Communications

Value Added Project

Working with a team of strategic suppliers is an important element in Optus Communications' corporate philosophy which revolves around a competitive customer service.

Leighton Contractors entered into a formal partnership agreement with Australia's new telecommunications carrier in 1992 and has jointly introduced a comprehensive partnering arrangement to improve lines of communication and increase team productivity. The flexible project delivery approach chosen by Optus has enabled extremely demanding timetables to be achieved.

Value has been added across the spectrum of design and construction services provided, including the fibre optic cable network (between capital cities and around metropolitan areas), transmission towers and shelters, all major exchanges as well as office and retail fitouts.

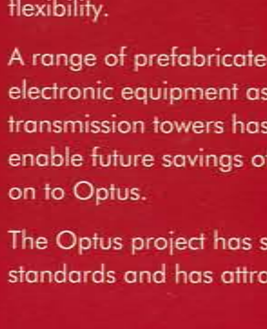
Leighton accepted total responsibility for all aspects of the engineering and construction of the fibre optic cable from route selection and establishment of right of way, to assisting with environmental clearances and Aboriginal heritage issues.

Technical innovations included a purpose designed, computerised Geographic Information System (GIS) and an extensive research and development programme to improve techniques for handling and placing fibre optic cable. The GIS system accurately records the location of underground cable data and achieves network operational efficiencies through electronic access to location data. Techniques used for the cable laying resulted in fewer splices and access holes, lower transmission losses and increased cable life.

Other technical innovations include the design of a fully adjustable head frame for transmission towers which improved network tuning capabilities and increased antennae placement flexibility.

A range of prefabricated shelters to store sensitive electronic equipment associated with the transmission towers has been developed to enable future savings of up to 25% to be passed on to Optus.

The Optus project has set new international standards and has attracted worldwide interest.



Granny Smith Gold Mine, Western Australia
Left: Gary Zuvich, Project Manager, Thiess Contractors. Right: Steve Hunt, Senior Mine Geologist, Placer (Granny Smith)

Thiess Contractors

Specialised construction projects and a geographic spread ensured that Thiess met its targets. Good prospects in South East Asia are a positive sign for the future.

Martin Albrecht
Managing Director

Highlights
- Financial results steady
- Outsourcing by government provides increased work
- Indonesia a solid contributor
- Business units restructured
- Enterprise agreements progressed
- Future performance depends on economic improvement

Performance
Thiess contributed a steady profit and slightly increased revenue despite subdued activity in Australia and increasing competition in Indonesia.

Market conditions proved to be more difficult than expected with mixed results from our various profit centres. In civil engineering, Western Australia and Victoria made a good contribution whilst New South Wales and Queensland suffered from reduced volumes of work. Building activities in most centres performed well, particularly the correctional services work. Environmental services and process engineering activities increased revenue substantially over the past year.

Operations in Indonesia continued to provide a healthy contribution to profit despite competition from more contractors entering the mining market. Assets have increased, largely due to new equipment acquired for new mining contracts.

Operations Overview
Although conditions were difficult during the year, Thiess benefited from having a geographical spread of activities and from involvement in niche construction markets such as tourism and correctional services.

Thiess also benefited from the success of new partnering arrangements with clients essentially aimed at improving project delivery. Partnering establishes a framework for all project participants to work towards shared objectives which include completion on time and within budget, agreement on safety guidelines and dispute resolution procedures. We now have 14 contracts totalling over $100m operating well under these arrangements.

Outsourcing is growing steadily as an area of business for us. A new project, the $37m maintenance contract with Melbourne Water, is a good example of the sort of work we are pursuing.

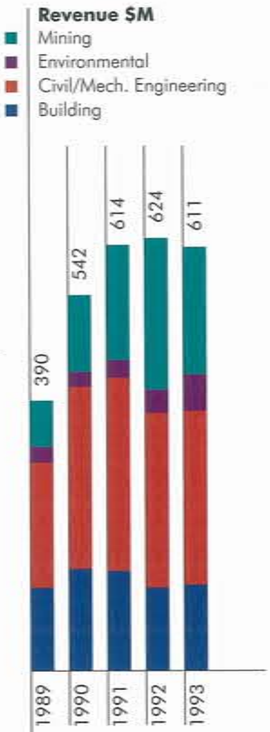
We made considerable progress developing enterprise agreements with our workforce and are currently working towards a national agreement. Training also remains a priority, with emphasis on quality of output.

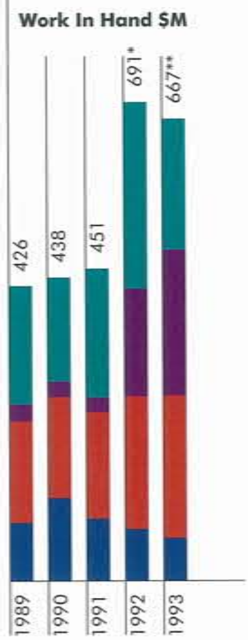
Clients are increasingly seeking single point accountability and evidence of a contractor having accreditation to appropriate quality standards. Consequently, we are developing a culture of continuous improvement among our workforce and quality accreditation is now well advanced for a number of our business units.

The Thiess organisation was restructured by consolidating smaller profit centres into larger State based units in Australia and merging activities in Indonesia, Malaysia and Indochina under one General Manager for South East Asia.

Mining
Turnover from mining activity in Australia was reduced from the previous year as a result of the completion of contracts in New South Wales and Queensland. A new mining contract was secured at the Butcher Well Gold Project, Western Australia, from Mt Burgess Gold Mining Company NL. In addition, work continues on an extended contract at the Granny Smith gold mine and at Darlot gold mine, both in Western Australia.

Building
Building was a highly competitive market but Thiess was successful in maintaining a constant volume of work and winning a variety of new contracts. We confirmed our reputation as one of





*Includes $84M in long-term waste contracts

**Includes $74M in long-term waste contracts

Belmont Ocean Outfall, New South Wales
Barry McCalla, Offshore Foreman, Candac Thiess Joint Venture.

Green Island Resort, Far North Queensland
Left: Rob Wilson, Project Manager, Thiess Contractors. Right: Don Ramsey, Construction Manager, Daikyo Developments Pty Ltd.

Thiess Contractors

the best known builders in Queensland's tourism sector by winning the $23m contract for resort development on Green Island. Another significant new building project was an $18m contract for the Department of Defence in New South Wales.

A successful privatised building project completed during the year was the Junee Correctional Centre in New South Wales. Our specialist design and construct capability has resulted in a high quality, cost effective solution.

Engineering

Significant civil projects won during the year include 20 road construction contracts worth $138m for the State governments of New South Wales, Queensland, Victoria and Western Australia. It is pleasing to see the State road authorities increasingly using our abilities to co-ordinate the design and construction of their projects.

New marine contracts won in joint venture with Candac include the $13m Belmont Ocean Outfall and more recently the $57m Kooragang Coal Terminal, both in New South Wales. Good progress was made on the $56m Dawesville Channel civil and marine contract in Western Australia.

Revenue from our process engineering group increased to $45m based on strong performances in Queensland, Western Australia, and Indonesia.

Environmental Services

Our environmental services business has grown according to plan with revenue up 66% to $52m. A new $25m refuse handling contract for Redcliffe City in Queensland was an important addition to the existing waste disposal contracts in New South Wales. Our recycling operations were extended through the acquisition of Organic Industries and new site remediation contracts were secured. Thiess continues to successfully operate a waste water treatment plant for BHP at Pt Kembla under a 15 year contract.

Dawesville Channel
Bridge, Western Australia

Thiess Contractors

Western Ring Road, St Albans Section, Victoria
Left: Dave Clark, Manager Vic, SA, Tas, Thiess Contractors.
Right: David Berry, Director, Metropolitan Operations VicRoads.

Dense Medium Coal Wash Plant, Senakin Mine, Kalimantan, Indonesia

Board
R M Wylie OBE – *Chairman*
M C Albrecht – *Managing Director*
D S Adamsas
D J Argent
B J Campain
A C Hardy
W M King
G S McDonald OBE
D G Young ISO

Secretary
D J Argent

Senior Executives
M C Albrecht BTech (CivEng) *Managing Director*
D J Argent BComm, CPA, FCIM, FCIS *Director, Finance & Administration*
B J Campain BE(Civ), MIEAust *Executive Director, Operations/Services*
N N Jukes BE(Civ) *General Manager, Operations*
R A Logan DipCE, BE(Civ), MEngSc *General Manager, South East Asia*
R S Trundle BE(Civ), MIEAust, CPEng *General Manager, Qld & NT*
D A Clark BE(Civ) *Manager, Vic, SA, Tas*
P A Darrouzet BBus *Manager, Human Resources*
J D Davis BE(Civ) *Manager, Environmental Services*
R C Durant CPEng, MIEAust *Manager, Process Engineering*
R Molloy BSc(Civ) *Manager, Malaysia*
B A Munro BE(Civ) *Manager, Indochina*
A J Ransley BE(Mech) *Group Plant Manager*
D K Saxelby BE(Civ) *Manager, NSW*
D G Stewart BSc, BEng *Manager, Indonesia*
J F Trio CPEng, MIEAust *Manager, WA*
W G Turner BE(Mining) MAIMM *Manager, Engineering & Estimating*
I D Wade BE(Civ), MIEAust, CPEng *Manager, Technical Services*

South East Asia

South East Asia is becoming an increasingly important area for Thiess. Indonesia increased its contribution to results and work continues on a number of mining contracts in Kalimantan.

A significant new contract won was the $54m joint venture with Linde Australia for the design and construction of a natural gas plant. This project, for the Indonesian Oil and Gas Company, Pertamina, is Thiess' first major project in Sumatra since re-establishing in Indonesia in 1988.

Thiess is working in Malaysia under contract to develop the Merit Pila coal fields in Sarawak for Global Minerals Sdn Bhd. In Indochina, we are pursuing opportunities with particular focus on Vietnam. While some small contracts have been won, larger projects are a medium-term prospect.

Future

The outlook is for a challenging environment with performance depending to some extent on improvement in the Australian economy. Our traditional construction markets are expected to remain competitive in all States of Australia.

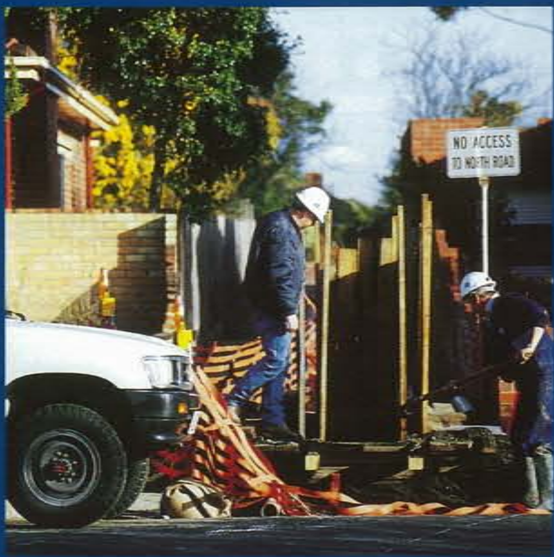
An area of untapped potential is increased involvement by the private sector in infrastructure development. A preparedness by institutions to invest in infrastructure would have a beneficial effect on economic activity in Australia and provide Thiess with major opportunities.

We see more positive prospects in Indonesia and Malaysia particularly in mining and infrastructure. Also, the environmental services business is anticipated to grow steadily. Thiess expects to be able to achieve its key objective to maintain current levels of performance.

Martin Albrecht
Managing Director

Melbourne Water

Value Added Project



In February 1993, Melbourne Water Corporation invited contractors to register interest for the provision of maintenance services for their water supply, sewerage and drainage systems for the greater Melbourne metropolitan area.

The decision to outsource part of its maintenance services to the private sector was integral to Melbourne Water's strategic plan to lift productivity and provide cost savings to the people of Victoria. This had to be achieved without jeopardising customer service or environmental management objectives.

A key to Thiess Environmental Services' successful proposal for the South East Region maintenance contract was experience in operations contracting and a proven ability in enterprise bargaining.

Thiess' industrial relations skill accelerated the transition to improved work practices. Even before the contract was signed, an enterprise agreement was negotiated with employees and the Australian Workers Union. The agreement involves improved rates of pay with clearly identified performance incentives, accredited training programmes for multi-skilling and a five step competency rating system.

Melbourne Water's decision to outsource non-core services to private contractors created an environment conducive to change in the workplace. It has also provided a large proportion of their original employees with an opportunity to apply their industry knowledge and develop their skills within a framework which provides better remuneration in return for substantial productivity gains.

This co-operative approach to adding value to a critical community service is also extended to quality management within the contract. Thiess is working with Melbourne Water to introduce Quality Assurance procedures and is also discussing the value adding potential of a formal partnering arrangement for this project.

Route 3/Lantau Fixed Crossing Interchange, advance earthworks, Hong Kong

Leighton Asia

Focus on the core business and a higher level of activity resulted in record revenue and profit. We expect to maintain growth and further expand our geographic presence.

John Faulkner
Managing Director

Highlights

- Record revenue and profit
- Return on assets above objectives
- Hong Kong performed well despite stiff competition
- Thailand achieved significant growth
- New division to focus on other countries

Performance

Leighton Asia has attained a satisfying new level of financial performance. It has come from concentrating on our core business, tighter controls and sound management. For the year to June 1993, revenue increased 40% while profit was up significantly compared with last year. Return on assets was well in excess of objectives.

Main components of the improved results were several large and successful contracts in Hong Kong, the satisfactory settlement of outstanding claims on completed contracts and a significantly increased contribution from Thailand. Revenue from Thai Leighton was up eightfold to become 35% of our total revenue.

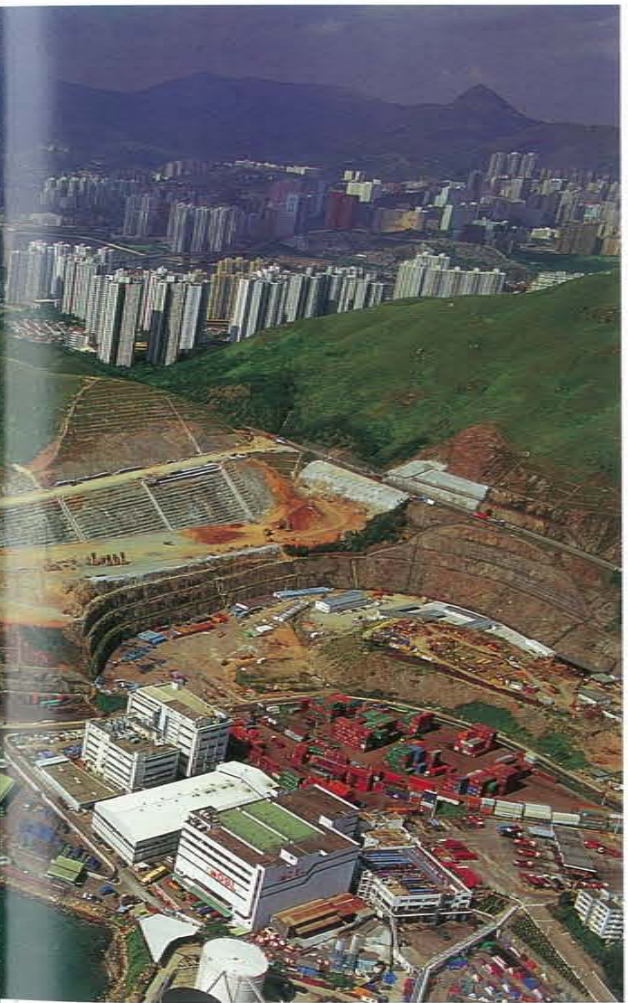
Work in hand at 30 June was at the same high level as last year and has been boosted by additional new contracts in Hong Kong worth nearly $200m.

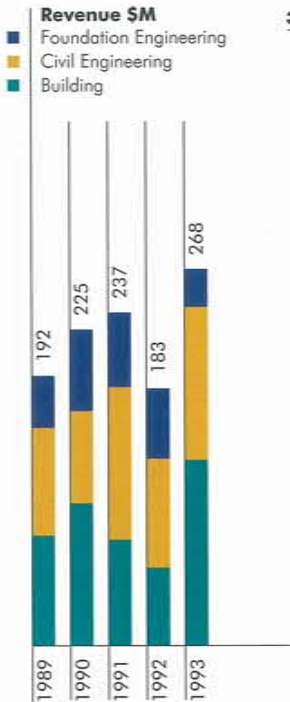
Operations Overview

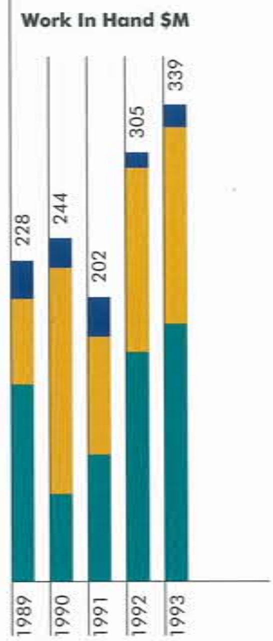
Vigorous economic growth in the Asian region remains a positive factor, but it has also meant that many large international construction groups have been attracted to the region.

Within this competitive environment, our 20 years of experience in Asia and the market position we have established over that time have been of great benefit. We have a track record and a reputation for reliability, quality, safety and the completion of jobs ahead of schedule.

All of these characteristics, especially high standards of safety, have been influential in winning work and in building relationships with potential partners and clients.

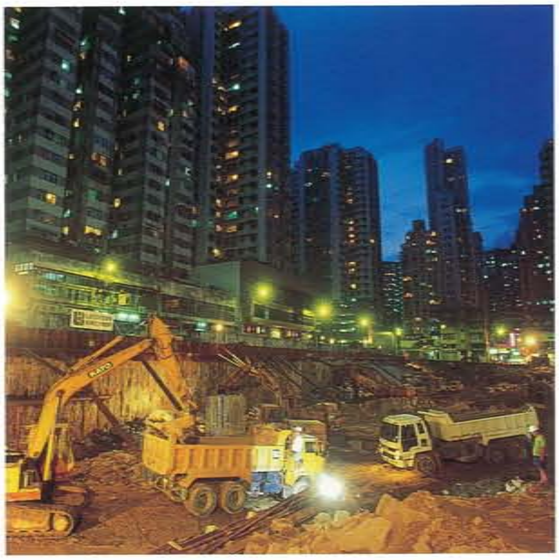


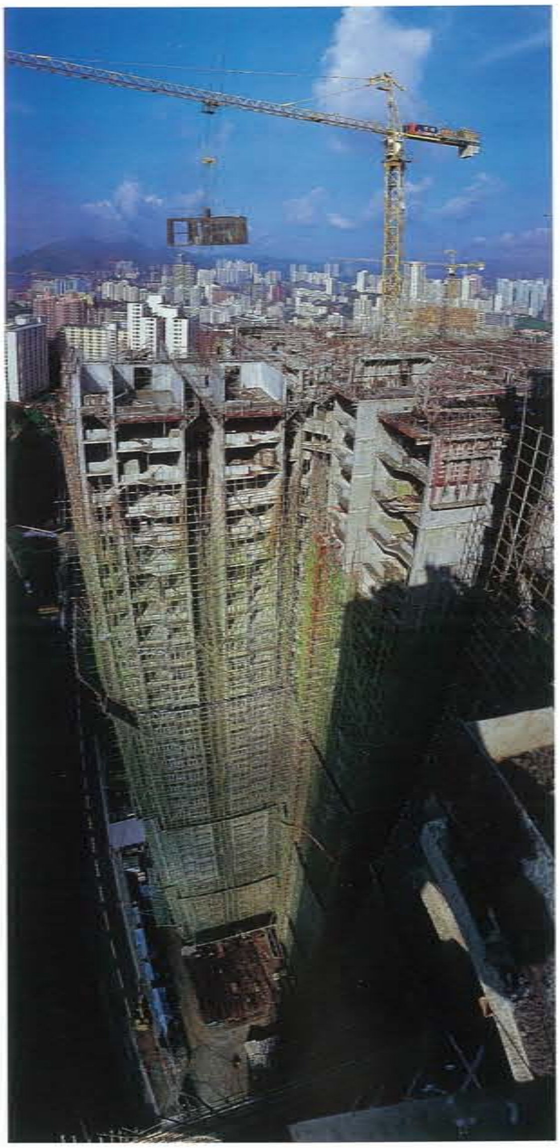




Clockwise from top left:
North Point Foundations, Hong Kong.
Shek Lei Estate, Hong Kong.
Mobil Refinery, Singapore.

Leighton Asia





Leighton Asia has achieved quality accreditation to international standard ISO9000. This is important in terms of achieving client satisfaction and developing new business. It also ensures we comply with government guidelines in Hong Kong for public sector housing work.

Hong Kong

1993 has been a good year for our Hong Kong operations despite increased competition as more international contractors pursue the large scale opportunities generated by the Port and Airport Development Scheme (PADS).

Revenue from Hong Kong increased, the majority of which was in public sector civil engineering projects. Work continued on a number of large contracts including our first airport core project from PADS, the $111m Route 3/Lantau Fixed Crossing Interchange advance earthworks on Tsing Yi Island. This is proving to be a successful project and work is currently ahead of schedule.

During the year we won our second airport core project which was the $469m joint venture contract for the West Kowloon Reclamation - Northern Area Phase III for the Hong Kong Government. Leighton will be working closely with the China State Construction Engineering Corporation on the landworks component of the project. This is a significant step in developing co-operative relationships with mainland Chinese organisations as part of the company's future business development.

In building, the continuing pressure on housing space in Hong Kong has led to another major contract for high rise apartments. The Hong Kong Housing Authority awarded Leighton a $40m contract to build 970 high rise apartments in the Shatin area. Another contract won during the year was the $37m building extension, refurbishment and associated civil work for Lo Wu Terminal railway station on the border with China.

Since 30 June, three new major contracts have contributed to a healthy workload. These projects are the $40m construction of the South China Morning Post's new printing facility at Tai Po, a $40m contract for civil works at Black Point Power Station and $100m earthworks for the South East New Territories Landfill.

Thailand

Success in any area of business depends on a sound understanding of the local market. Our growth in Thailand has resulted from a gradual familiarisation with market conditions over the past four years enabling us to establish a solid basis for securing new work.

Work progressed well on projects won towards the end of last year including the $130m design and construct contract for Bangkok Land's Muang Thong Bangna residential development. A new project secured was the $38m joint venture construction of the Ao Udom Jetty, near Pattaya, the first marine engineering contract to be undertaken by Thai Leighton. Two office buildings in Bangkok were also awarded.

Other Countries

Leighton Asia has already secured project management contracts in China totalling $27m. This provides a low risk introduction to the market in China where the rapid rate of development is offering good opportunities, particularly with international investors.

We have recently established a division to concentrate on expanding coverage of opportunities in other countries in the Asian region, particularly China and Vietnam.

In Vietnam, we established a joint venture company with a local contractor, Vinaconex, and successfully completed a small building project for BHP. In Singapore, experience was gained in the industrial engineering field through our joint venture project at the Mobil refinery.

Ao Udom Jetty, Thailand.

Leighton Asia

Board
Sir G M Macwhinnie – *Chairman*
J Faulkner – *Managing Director*
D C Bray
N K Chan
A L Jacobs
W M King
P J North
Dr B Peus
Dr K Rönnberg
W J Wild

Secretary
M Chung

Senior Executives
Leighton Asia Limited
J Faulkner *Managing Director*
A L Jacobs BCom *Director, Finance & Administration*
M Chung
Corporate Financial Controller
D G Pestridge RICS, *Corporate Commercial Manager*
Leighton Contractors (Asia) Limited
W J Wild BE(Civ), MEngSc, MIEAust
Director & General Manager
J D Nash BA(Hons), MEng(Civ)
Manager, Estimating
H S H Wu BSc(Eng), MSc, MIStructE, MHKIE
General Manager, Engineering & Technical Services
P J McMorrow Assoc Highway Eng
Construction Manager, Engineering
R F Grosvenor Dip Bldg
Construction Manager, Building
R Gagliano
Financial Controller
Thai Leighton Limited
W K Hamilton BE(Civ)
Director and General Manager
T Goodman BSc, MCIOB
Construction Services Manager
P E Gibney BBus, MBA
Finance and Administration Manager
J V Barlass *Project Director*
T Meesomklin BE
Contracts Manager
T J Ransome *Contracts Manager*
Leighton Contractors (China) Limited
A V Atkinson
Director & General Manager
G O White
BE(Mech), MAIE, MIEAust
Business Development Manager
Leighton Brückner Foundation Engineering Limited
(60% owned)
B W Adcock
BSc(Eng), ACGI, MICE, MHKIE
General Manager, Hong Kong

Leighton Brückner

Leighton Asia's 60% owned foundation engineering company, Leighton Brückner, performed poorly in 1992/93. Most of the problems stemmed from limited opportunities and stiff competition and were reflected in a drop in revenue. Conditions were particularly difficult in Thailand where a downturn in the market resulted in limited profitable work. A recovery plan focusing on the core business in Hong Kong and reducing overheads has been implemented. Next year, we anticipate an increase in foundation engineering work available in Hong Kong resulting from the airport rail link and further PADS projects.

Future

Our good level of work in hand will result in increased revenue for 1993/94 from our two key operations in Hong Kong and Thailand. Closer involvement with HOCHTIEF as a 20% shareholder should bring new opportunities, especially in a region which is attracting major international construction groups and where a stronger balance sheet is an advantage.

Leighton Asia will benefit from the better delivery systems and management controls it has implemented. A preparedness to be innovative in contractual arrangements and a new management group focusing on opportunities in other Asian countries should ensure we achieve further geographic expansion in the region. We are well positioned to maintain growth over the next few years.

John Faulkner
Managing Director

Muang Thong Bangna

Value Added Project

Bangkok Land Company, a leading Thai property developer, brought Thai Leighton (a division of Leighton Asia) into the massive Muang Thong Bangna low cost housing development in the early stages of concept development.

In negotiating a design and construct proposal, Thai Leighton re-examined the design issues in the context of available manpower, construction and site issues, taking into account the client's funding and marketing objectives.

The result is a new system of construction for Bangkok, using the experience of Leighton Asia people and a project team assembled from all over the region.

The construction employs a large-scale, high output precasting battery and premanufactured bathroom units and sanitary fittings, all specifically developed for the project. Lower costs and a construction time shorter than normal for Thailand, have been achieved. Sewage and building systems are more reliable, long-term maintenance will be far easier and product quality and market appeal has increased substantially.

Thai Leighton's approach to project management has also produced some "firsts" for Thailand. Site safety is far more stringent than local standards in Bangkok and site workers and their families enjoy upgraded accommodation and free movies, as well as purified drinking water.

In January 1992, before the design development was completed, Thai Leighton took over a 13 hectare rice paddyfield that was still under water. With a contract value of $130m the project is now 66% complete and Phase 1, which includes 4,000 apartments and a swimming pool, will be handed over to the client two months ahead of schedule. The project has been very well received by Bangkok Land and they are confident of reaching high sales levels. Marketing of the third and final phase which provides for a total of 20,000 residents in 5,300 apartments and includes a major shopping centre, is set to coincide with the completion of Phase 1.

Bangkok Land and Thai Leighton are now discussing where next in Asia their partnership may be used to mutual benefit. Future projects such as a development of 3,000 individual houses and a medium cost residential development 10 times larger than Bangna are under consideration.

Edens Landing Residential Land Development at Beenleigh, South East Queensland.

Leighton Properties

Leighton Properties continues to face a tough market in which the greatest future influence is the lack of business confidence and a general oversupply of office space.

Vyril Vella
Managing Director

Key Events

- Occupancy of St Kilda Road property in Melbourne
- Full leasing and sale of Hudson Road in Brisbane
- Further leasing at Edgeworth David Corporate Park, Hornsby, in Sydney
- Sales of residential units at Waitara in Sydney
- Residential land sales at Edens Landing in South East Queensland

Performance

In the face of continued deterioration of the property market, which is the worst for over 60 years, Directors of Leighton Holdings decided to change the Group's accounting practice and make provisions against development properties held by Leighton Properties. The state of the market made leasing and sales difficult, resulting in a significant operating loss even though costs were contained within budget.

Pacific Parking had a disappointing year. The combination of new taxes, a lack of tenancies in the buildings in which the car parks are situated, and keen competition produced a loss for the year.

Review of Operations

A further deterioration of already poor market conditions was the dominant feature of the year. Leasing all of our remaining space by the end of 1993, as we predicted last year, is unlikely to be achieved. However, one sale finalised was the office and warehouse property at Hudson Road in the Brisbane suburb of Albion. All units were fully leased prior to sales. Also, our quality office building at 417 St Kilda Road in Melbourne was progressively occupied by major tenant, Mobil, from December 1992.

Some leasing successes were achieved at the Edgeworth David Corporate Park in Sydney and at the Cosmopolitan Centre in Hindley Street, Adelaide. Stage one of the Waitara residential development in Sydney has been completed. A few sales have been made but a slackening in demand means that the next stages of the development will not proceed until the market improves.

Alternative uses for development sites are being considered. A successful development application for remaining land at Edgeworth David changed the site's approved usage from commercial to residential. Alternatives have been analysed for the commercial site at 80 Pacific Highway, North Sydney, but no firm proposal has been determined.

Demand has proven to be quite strong for residential land sales at Edens Landing, located in the growth corridor between Brisbane and the Gold Coast. The development is expected to be completed in 18 months.

Property development operations in the USA have been wound down further. Two buildings, which are cash flow positive, remain to be sold.

Future

The property market is expected to improve gradually, although not to a level that will significantly affect development prospects.

In a market which is at best static, the primary objective of Leighton Properties is to reduce its level of assets.

The extent of new investment activity in the market over the next year is difficult to predict as the greatest influence on the market will be the prevailing level of business confidence.

We will continue to use our development management expertise where substantial pre-commitments have been negotiated. However, until the market improves every effort will be made to reduce the budgeted loss associated with holding existing properties.

Vyril Vella
Managing Director

Management Committee
V A Vella –
Managing Director
D S Adamsas
W M King
D P Robinson
B W Clark

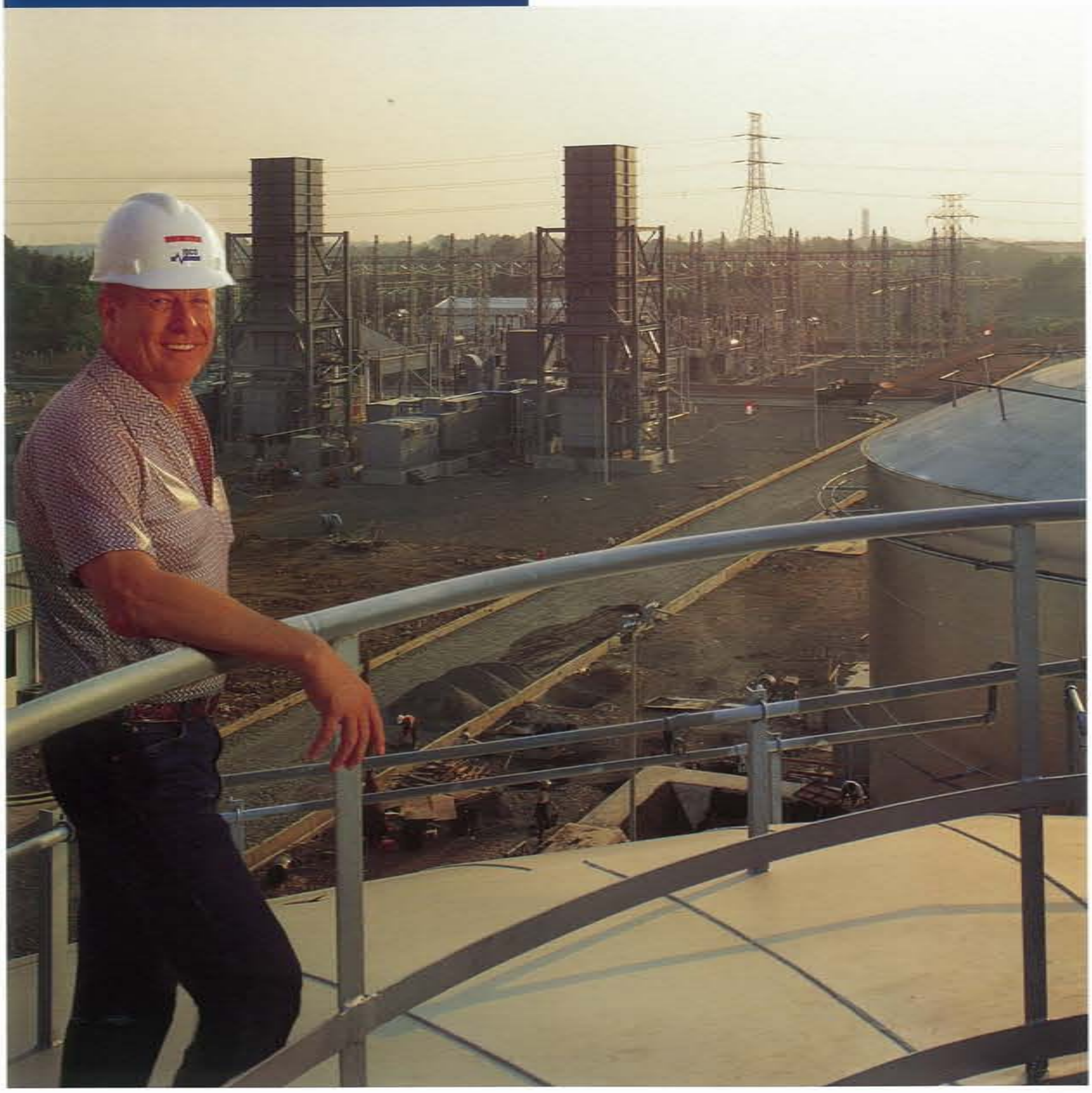
Secretary
B W Clark

Senior Executives
V A Vella BSc, BE(Hons), MEngSc, MIEAust
Managing Director
J C Barrett ARICS, AVLE(Val)
Southern Region Manager
R H Borger ASLE
Northern Region Manager
B W Clark ASA, DipTech(Acct)
Commercial Manager
M C Gray BSc(Arch), BArch(Hons)
Manager, NSW
G M Inberg BComm
Finance Manager

Cikarang Listrindo
Power Station, Indonesia
Jim Bazor, Power Division Manager, Ipco International.

Ipco International

Ipco increased revenue and profit. Listing on the Stock Exchange of Singapore has provided a strong financial base from which to grow.



Charles Hardeman
Managing Director

Highlights

- Listing on Stock Exchange of Singapore
- Operational Headquarters status in Singapore
- Revenue and profit increased
- Resources decentralised to opportunity areas
- Privatised infrastructure remains a key focus
- Good growth prospects

Performance

Ipco International met profit targets for the year, achieving a 14.5% increase after tax on an increased revenue base. Core business activities, which account for around 80% of revenue, generally performed very well.

Returns from our core business investments in privatised infrastructure developments were better than anticipated. Investments in related businesses such as international engineering consultant, WEI (20% owned), and oilfield equipment and services supplier, Mid-Continent Group (50% owned), performed as expected. Ipco Insituform, a 100% owned subsidiary, provided a particularly pleasing result which was above expectations.

At year end, work in hand was slightly lower than last year but this does not reflect current negotiations on a number of long-term projects.

Review of Operations

Ipco's most significant event during the year was its listing on the Stock Exchange of Singapore. New shares issued to the public raised $32m, resulting in the dilution of Leighton Holdings' interest in the company from 45% to 33.6%.

Another important achievement was the award of Operational Headquarters status by the Singapore Economic Development Board. This prestigious award gives certain tax incentives to develop our base in Singapore and greater recognition of Ipco's position in the business community.

On-going projects in Asia have progressed well. The largest of these, the Cikarang Listrindo Power Station in Indonesia, will soon be in operation.

New work included a $22m contract to design, supply and install 26 kilometres of 12 inch and 20 inch gas pipelines in Malaysia.

Our third build, own, operate and transfer project in Malaysia, the Lumut Maritime Terminal Sdn Bhd in Perak, was recently inaugurated.

Ipco is a 40% shareholder in the joint venture company to build, own and operate the port and develop related industrial land in Perak. Ipco will be the turnkey contractor for the port project.

In Nigeria, increased resources created a 'hub' of expertise to assist with a growing workload. Currently we are undertaking the initial engineering for a large project involving a direct loading "sea island" scheme for an oil products terminal.

A new area of business which is performing well and has good potential is trenchless construction technology which enables the repair or installation of pipes, shafts, conduits etc without excavation or damage to existing structures. Through Ipco Insituform, a patent has been acquired for using this technology in Hong Kong and Singapore.

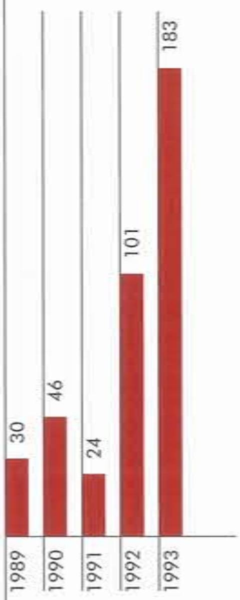
Future

The Asia Pacific region will remain our focus because of strong economic growth, infrastructure needs and environmental opportunities. We aim to increase our involvement in the development of privatised infrastructure, build on our success in the power industry and target gas related industries. Opportunities in other economies in high growth areas will also be pursued.

The strength and diversity of our core business, together with an increasing income stream from our business investments, should generate positive long-term growth for our shareholders.

Charles Hardeman
Managing Director

Revenue Total Company Operations $M



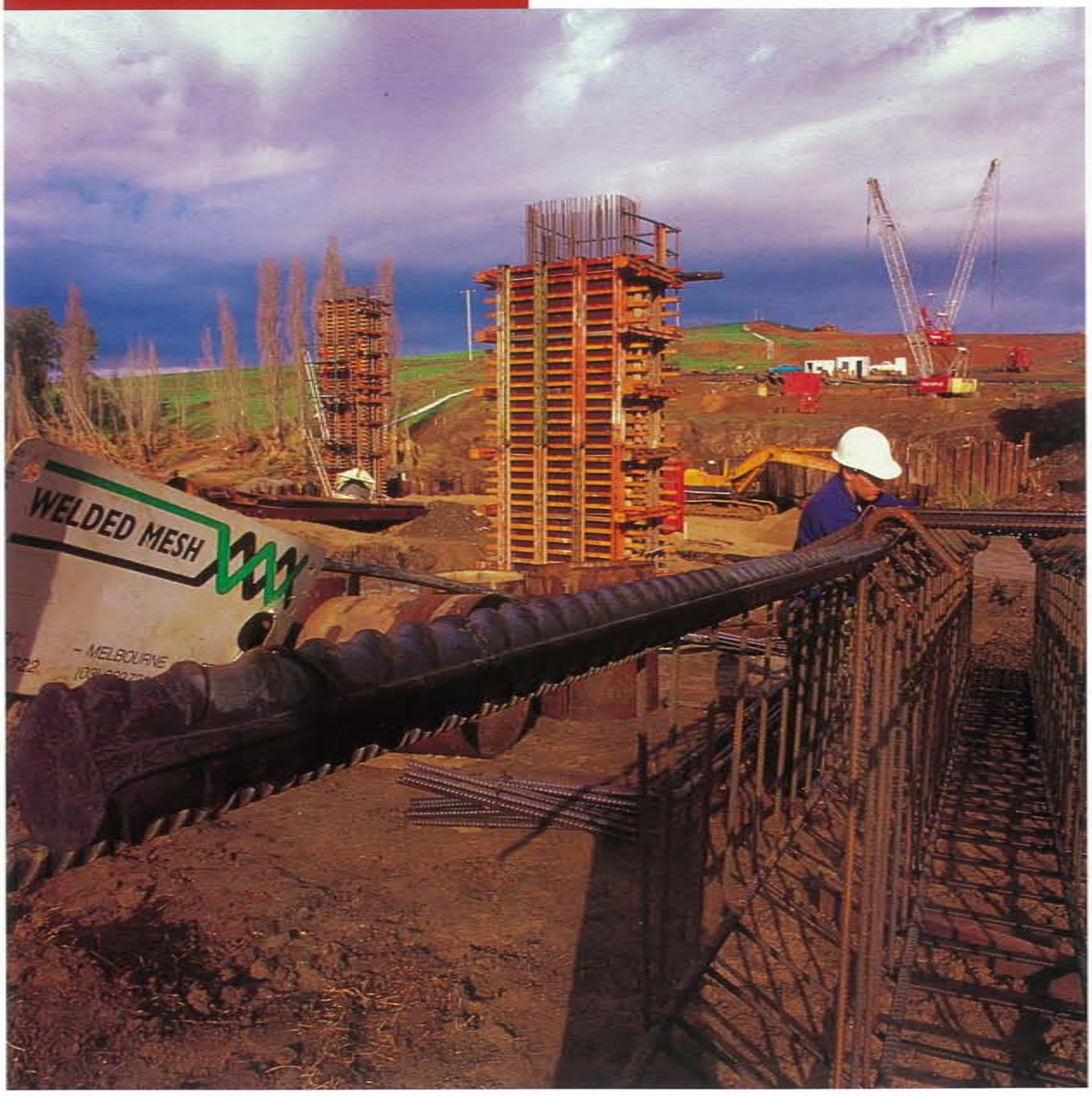
Board
C S Hardeman –
Managing Director
A S Aurol
J Faulkner
W M King
C Letts
J K Lim
S K Lim
I W Spence
W H West

Senior Executives
C S Hardeman BBA, BSc
Managing Director & President
B W Miller CEng, MICE
Managing Director, Ipco Nigeria Ltd (INL)
A Ling BSc(Econs)Hon, FCCA
Executive Vice President Finance, Administration & Investments
B J Youngman MBA
Executive Vice President International Business Development
P J Mallett CEng, MIMechE
Executive Vice President Chief Operating Officer
D Atkin FInst Petroleum, MACostE, MBIM
Executive Vice President Technical & Commercial Services

Jugiong Bypass Bridge, Yass, New South Wales

Welded Mesh

Good performances in each State resulted in our best year yet. New equipment will increase efficiency and should improve our prospects.



WELDED MESH

John Hicks
Managing Director

Highlights

- Results considerably improved
- New South Wales performed well
- Western Australia completed successful first year
- Victoria produced turnaround to profit
- Mesh increased in business mix
- Business prospects appear good

Performance

Welded Mesh had its best year since establishment nine years ago achieving a record profit and increased revenue.

Principal reasons for improved performance were stabilised pricing levels in the second half of the year, a good performance in New South Wales, Victoria returning to profit after two years of losses, and an excellent first full year of operations in Western Australia. Another contributing factor was a shift in the business mix towards mesh, which is less labour intensive. Our share of the national market was maintained.

Review Of Operations

Welded Mesh's business overall is still affected by the poor state of the building industry. However, better industry pricing and ongoing infrastructure work, both civil and mining, helped maintain business activity at a satisfactory level. We confirmed our position as the third largest producer in Australia. An emphasis on quality, customer satisfaction and productivity have all contributed to securing business in a tight market.

All State operations performed well. New South Wales gained some new coal mining contracts, Victoria benefited from civil projects and a slight upturn in housing, and Western Australia achieved revenue of $5m in its first year.

Major projects in New South Wales where Welded Mesh supplied products include the Yass bypass on the Hume Highway, the Hume Highway duplication at Gundagai and the Children's Hospital at Westmead in Sydney.

In Victoria we supplied material for seven bridges on the new Western Ring Road in Melbourne and in Western Australia, most of our work was on mining projects.

Our three year contract continues with the New South Wales Government to supply reinforced steel products to the State's utilities such as the Roads and Transport Authority, State Rail, the Water Board and also local councils.

While no major investment in capital equipment was made during the year, some research went into spending decisions for next year. New machinery we are acquiring will improve capacity, capability and productivity and also target market niches. The two major items of machinery will be in Sydney. One will produce non-standard sheets of mesh product, for which Welded Mesh has targeted reasonable demand, and the other is an automatic fitment machine which straightens and cuts reinforcing bar, providing considerable savings through reduced scrap. New machinery will also be located in new premises in Perth later in 1993.

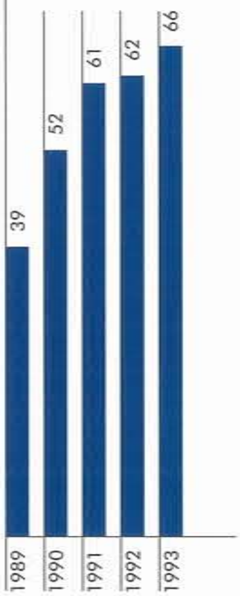
The efforts of our people, many of whom have been with us for a long time, greatly contributed to the good result this year. Improvements to productivity were achieved in all our locations.

Future

We are projecting a modest increase in revenue in the coming year. New capital equipment, which will gradually provide benefits through improved efficiency, establishes a basis for increasing turnover without further financial outlay.

John Hicks
Managing Director

Revenue Total Company Operations $M



Board
K L Bennett – *Chairman*
J W Hicks – *Managing Director*
T R J Cooper

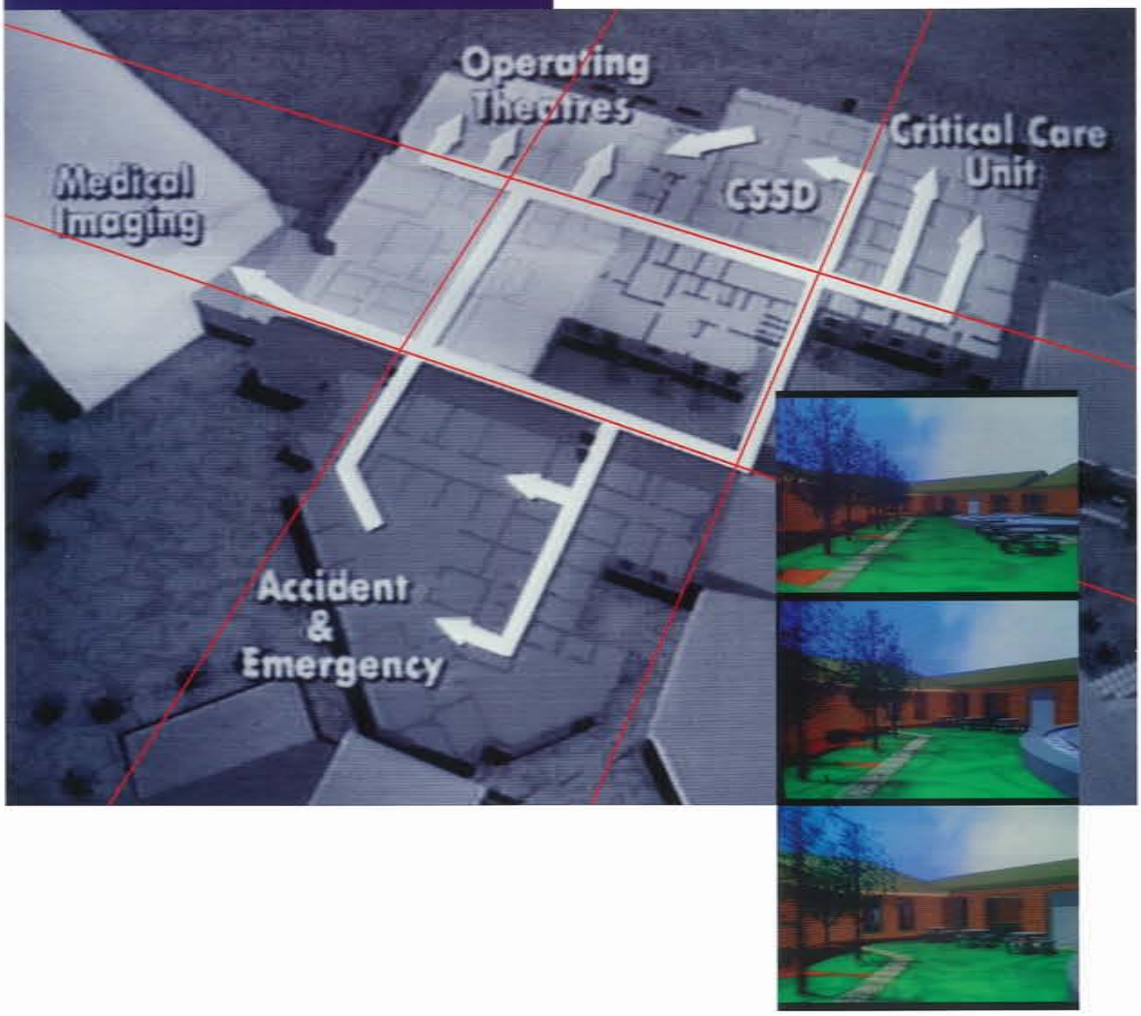
Secretary
T R J Cooper

Senior Executives
John Hicks
Managing Director
Scott Linstid
Chief Financial Controller
Peter Scott
NSW Manager
Bob Brown
Victorian Manager
Gary Murden
WA Manager

Video images from the computer generated and animated 3D simulation of the North West Regional Hospital, Burnie, Tasmania. These images show functional relationships between emergency zones and a "walkthrough" of the integrated landscaped courtyards.

Technical Resources

By focusing on technologies which provide clients with added value services, Technical Resources is enhancing the Group's competitive edge.



Bob Gussey
Managing Director

Board
R G Gussey –
Managing Director
R L Hawkins
R D F Hunter
W M King
N A Sallustio

Senior Executives
R G Gussey
CP Eng, FIEAust, MICE, MNZIPEng, MAIB, AAIArb
Managing Director
R L Hawkins BArch(Hons), ARAIA
General Manager & Business Development Director
G R Andrews
BE(Hons), MIEAust
Technical Computer Services Manager
P Bingham-Hall BA(IndDes)
Group Communications Manager
D R Eagar BSc
Development & Marketing Manager
R D F Hunter
BArch, MSc(Bldg)
Proposals & Design Director
J M Malouf
Group Information Manager
N A Sallustio
ACE, MIEAust, CPEng
Project Services Director
D R Stitt
Dip(M&E)Eng
Industrial & Process Engineering Manager

Highlights

- Business development initiatives expanded opportunities for the Group
- Successful proposal strategies for key markets
- Communications enhanced Group profile
- Project services systems fundamental to client satisfaction and internal accountability
- Developed process engineering controls package

Performance Review

Technical Resources adds value and quality to the Group's operations by providing specialist skills across a broad range of technological, finance and marketing needs. The main areas of activity were business development, communications, proposals, design, project services and process engineering.

Our focus has been on developing and placing technologies for securing, designing and constructing projects that are fundamental to the Group's success in meeting marketplace demands.

Business development initiatives involved close working relationships with the operating companies and their partners. Technical Resources contributed to a number of of new projects including the Albury Base Hospital, North West Regional Hospital Burnie, the Brisbane Convention & Exhibition Centre and the World 4 Kids project.

Strategies for penetrating specialised markets involved significant input in aspects such as concept development, design and planning, value management, submission strategies and financial modelling.

Marketing support was provided to Group operating companies through the preparation of marketing plans, liaison with industry and government bodies, and by working with international clients.

Management of the Group's media and investor relations continued to ensure that our profile as a substantial public company operating in Australia and Asia was maintained. Communications planning and public relations support was provided for major projects undertaken by Group companies. Also, new techniques in computerised graphic design and video were applied to various project proposals.

We were instrumental in the research and development of new project technologies and services demanded by governments and the community. Quality systems were extended to meet requirements for certification by Australian Standards and policies and procedures for environmental management were formalised. Audits and the Project Control Group concept have been successfully implemented and include projects in both Asia and Australia.

Process engineering support on the CSL Blood Plasma facility in Melbourne contributed to the project's good progress. A system for integrating project estimates, costs and schedules has been developed and now forms part of our process engineering controls package. Initial engineering and estimating for the proposed APPM recycled paper plant at Shoalhaven, New South Wales, has the potential to lead to a construction project.

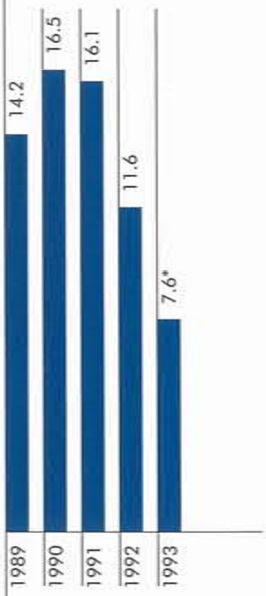
Future

Technical Resources will continue to anticipate the technological demands of a changing marketplace. As the Group works on more complex, higher quality projects there will be a greater demand for our strategic planning skills and control systems. Areas of activity that will become increasingly prominent are partnering, taking Australian skills and technologies into Asia, and privatisation projects. Technical Resources' active involvement in these areas will ensure value adding strategies continue to be developed and implemented.

R. G. Gussey

Bob Gussey
Managing Director

Earnings per Ordinary Share ¢



*After Abnormals

Dividends per Ordinary Share ¢

Total Shareholders Equity to Total Assets %

Shareholder Information

Enquiries

If you have any questions about your shareholding, dividend payments, Tax File Number, change of address etc, you should telephone the Company's Shareholder Enquiry Line at Coopers & Lybrand on (02) 285 7111.

Dividend Payment

The final dividend of 4.0 cents per share, if approved at the Annual General Meeting on 4 November 1993, will be paid on 4 November 1993. For Australian tax purposes the dividend will be fully franked. Overseas shareholders will benefit by having no Australian withholding tax deducted from their franked dividends.

Dividend Reinvestment Plan

Through the Leighton Dividend Reinvestment Plan, shareholders may reinvest all or part of their dividends to acquire additional shares with no transaction costs and at a 10% discount on market price. A booklet providing full details of the Plan and including the necessary forms, is available either from the Company Secretary on (02) 925 6672 or Coopers & Lybrand on the above enquiry line.

Tax File Numbers

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

If you have not already done so, a Tax File Number Notification form or Tax File Number Exemption form should be completed for each holding and returned to our Registrars, Coopers & Lybrand, Locked Bag 14, Sydney South Post Office, Sydney NSW 2000.

Please note you are not required by law to provide your Tax File Number if you do not wish to do so.

Stock Exchange Listing

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

Share Information

Details of Share capital and issued shares are contained in Note 22 to the Accounts on page 61. Information regarding Substantial Shareholders, the 20 largest holders and shareholding distribution is on page 49.

Audit Committee

As at 10 September 1993, the Company has a formally constituted Audit Committee of the Board of Directors.

Other Available Publications

In addition to the Annual Report the Company distributes the Chairman's Address, the Half Yearly Report and the Preliminary Final Statement to all shareholders.

Newsletters are published bi-monthly and are available on request. Should you wish to be put on the mailing list, please contact the Group Information Manager on (02) 925 6612.

Removal from Annual Report Mailing List

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

Financial Statements

Leighton Holdings Limited Annual Report 1993

Contents

Directors' Statutory Report

This Report of the Directors of Leighton Holdings Limited is prepared in accordance with the requirements of Division 6 of Part 3.6 of the Corporations Law.

A review of the Economic Entity's operations, the results of those operations during the financial year and particulars regarding the Economic Entity's state of affairs are contained on pages 1 to 44 and form part of this Report.

Total revenue levels for the economic entity for the financial year remained steady at $1.6bn while operating profit reduced by 33% to $15 million after abnormals of $64.4 million and tax.

A final ordinary dividend of 4 cents per share, 100% franked, has been recommended for payment on 4 November 1993. Together with the interim dividend of 4 cents per share, 100% franked, the total dividend payment for the year will be 8 cents per share and will amount to $16.6m. Franking credits available at 30 June 1993 were $2.3m. The Company expects to pay fully franked dividends for the period ending 30 June 1994.

The Economic Entity's principal activities during the financial year were building, civil and mechanical engineering construction, contract mining, property development and project management in Australia, Hong Kong and selected parts of South-East Asia & USA.

A number of significant changes to the Economic Entity's principal activities were implemented in the second half of the financial year to ensure that future focus and resources are concentrated on the Economic Entity's core activities in Australia and Asia. These involved the public float of our Singapore based associated company, Ipco International, the sale of 20% of Leighton Asia to our major shareholder, HOCHTIEF, and withdrawal from an active participation in the USA construction market.

In addition, a decision was taken to wind down the current operations of Multicon after a number of years of unsatisfactory performance. Multicon's existing contracts will be completed by mid 1994.

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

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

Information regarding the Directors

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

Names	No of ordinary shares
Morrish Alexander Besley, AO	1,561
Wallace MacArthur King	51,075
Dieter Siegfried Adamsas	122,444
Keith Leslie Bennett	30,000
Peter John Waraker Cottrell, AO, OBE	3,000
Holm Hehner	1,745*
Hans-Peter Keitel	1,000*
Peter John North	8,883
	13,710*
David Paul Robinson	1,250
Rodney Malcolm Wylie, OBE	36,699

*Non-beneficially held

(b) The following changes to the Board occurred during the year:
(i) Dr E F Vocke retired as a Non-Executive Director immediately following the Annual General Meeting held on 4 November, 1992.

(ii) Mr P J W Cottrell was appointed a Non-Executive Director on 17 February, 1993 and elected by shareholders at the General Meeting of Members held on 25 June, 1993.

(c) Other than disclosed in the Accounts no Director has declared any interest in a contract or proposed contract with the Company such as is required to be reported pursuant to Section 307(1)(c) of the Corporations Law.

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

(e) During and since the financial year no Director of the Company has received or become entitled to receive a benefit, other than:

(i) a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the Group accounts;
(ii) the fixed salary of a full-time employee of the Company or of a related corporation, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest;
(iii) since 30 June, 1993 a payment has been made to an Executive Director in accordance with his incentive agreement with the Company. In addition, an advance has been made to an Executive Director pursuant to the Company's Senior Executive Loan Plan approved by Shareholders at the 1982 Annual General Meeting.

Directors' Meetings

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

Director	No. of Directors Meetings		No. of Audit Committee Meetings		No. of Allotment Committee Meetings		No. of Renumeration Committee Meetings	
	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*
D.S. Adamsas	11	12	5	5	1	1		
K.L. Bennett	8	12						
M.A. Besley	12	12					2	2
P.J. Cottrell (Appointed Feb 93)	2	5						
H. Hehner	6	12					2	2
H.P. Keitel (Appointed Aug 92)	2	10						
W.M. King	12	12	5	5	1	1	2	2
P.J. North	11	12						
D.P. Robinson	12	12	5	5				
E.F. Vocke (Retired Nov 92)	1	7						
R.M. Wylie	10	12	5	5				

*Reflects the number of meetings held during the time the director held office during the year.

Additional Information

Options. Leighton Holdings Limited had granted to certain persons participating in The Leighton Staff Equity Participation Plan options to have issued to them shares in the Company. The date of expiration of the options was 31 July 1994.

(a) Particulars of these options, which were granted on 18 December 1989, were set out in the 1990 Annual Report.

(b) During July 1993 there were 545,000 ordinary shares issued by virtue of the exercise of options at an exercise price of $0.50 per option.

(c) At the date of this report there are no remaining unissued ordinary shares of the Company under option.

Rounding off of Amounts. As the Company is of the kind referred to in Regulation 3.6.05(6) of the Corporations Regulations, the Directors have chosen to round off amounts in this Report and the accompanying accounts to the nearest thousand dollars in accordance with Section 311 of the Corporations Law and Regulation 3.6.05 of the Corporations Regulations, unless otherwise indicated.

Dated at Sydney this 10th day of September 1993.

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

M A Besley
Chairman

W M King
Chief Executive Officer

Directors' Resumes

M A (Tim) Besley, AO (66)
BE(Civil), BLegS, FTS, FIEAust, FAIM.
A graduate of the University of New Zealand and Macquarie University. A Non-Executive Director since 1989. Elected Chairman February 1990. Chairman of The Commonwealth Bank of Australia and Redland Australia Limited. Other directorships include Amcor Limited, Clyde Industries Limited, Fujitsu Australia Limited and Monier PGH Limited. Councillor (NSW) and member of National Executive of the Metal Trades Industry Association of Australia. A Governor of the Council for International Business Affairs.

W M King, (49)
BE, MEngSc, FIEAust, FAIM.
A graduate of the University of NSW. An Executive Director since 1975. Appointed Chief Executive in 1987. A civil engineer who joined Leighton Contractors in 1968 and became Managing Director of that Company in 1977. Appointed Deputy Managing Director of Leighton Holdings in 1983. Participates in construction industry affairs. Member of the Business Council of Australia and Foundation Fellow of Australian Institute of Company Directors.

D S Adamsas, (50)
BComm.
A graduate of the University of NSW. An Executive Director since 1988. Joined the Company in 1971 and has held various senior accounting and commercial positions within the Group. Appointed Associate Director in 1985. Responsible for overall Group management reporting, statutory accounting, auditing, treasury, taxation and insurance. Member of the Financial Executives Institute of Australia.

K L Bennett, (50)
BE(Civil), FIEAust.
A graduate of the University of Queensland. An Executive Director since 1987. A civil engineer who joined the Company in 1970 and became Managing Director of Leighton Contractors Pty Limited in 1984.

P J W Cottrell, AO, OBE (65)
ME (Syd), DGS (Birm)
A master of engineering from the University of Sydney with a post graduate diploma in management from Birmingham University in the United Kingdom. Appointed a Non-Executive Director on 17 February 1993. Managing Director of Email from 1974 until 1992. Chairman of Email and Pacific BBA and since 1992 Chairman of the Adelaide Steamship group of companies. Other directorships include Boral and the National Australia Bank.

Dr H Hehner, (63)
MBA, Doctor of Economics
Graduate of Freie Universität, Berlin, Germany.
A Non-Executive Director since 1983. Specialist in business administration, international trade and investments.
Since 1978 General Manager of HOCHTIEF's international division.
A Director of HOCHTIEF Limited.

Dr H-P Keitel, (46)
Dr. – Ing
A graduate in studies on civil engineering at Technical University – Stuttgart and on business administration and economics at Technical University Munich, Germany. A Non-Executive Director since 1992. Joined HOCHTIEF in 1988 as Director to the Board responsible for international business. Became a member of the Board of Executive Directors in 1990 and was appointed Chairman of the Board of Executive Directors of HOCHTIEF and Member of the Board of RWE AG (Holding) in 1992. A Director of HOCHTIEF Limited.

P J North, (59)
BE, MBA, FAIM, FAICD
A graduate of the University of Sydney and Harvard University. A Non-Executive Director since 1981. Consultant specialising in corporate strategy and policy. Former chief executive in manufacturing industry. Director of Mildara Blass Ltd, Leighton Asia Limited and The Warren Centre for Advanced Engineering (University of Sydney).

D P Robinson, (37)
BEc, ACA
A graduate of the University of Sydney. A Non-Executive Director since 1990. Alternate Director for E F Vocke from 1987 to December 1990. A chartered accountant and partner with the firm of Harveys Chartered Accountants in Sydney. Responsible for a number of international corporations and management services within that firm. Participates in construction industry affairs. A Director of HOCHTIEF Limited.

R M Wylie, OBE (65)
BComm, BA, FCA
A graduate of the University of Queensland. A Non-Executive Director since 1985. Elected Deputy Chairman in February 1990. A chartered accountant, formerly senior partner in the Queensland practice of Peat Marwick Mitchell & Co. Chairman of Q.U.F. Industries Ltd, a Director of Queensland Alumina Limited and a member of the Principal Board of the AMP Society. Former Chairman of the Queensland Branch Council and Federal Councillor of both the Institute of Chartered Accountants and the Institute of Directors in Australia.

Shareholdings

Information as to shareholdings on 10 September 1993 is as follows:

Substantial Shareholdings

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

Name	No. of Shares
HOCHTIEF Limited	101,598,545
The following companies hold a relevant interest in these shares.	
HOCHTIEF Aktiengesellschaft ("HOCHTIEF AG") (The parent company of HOCHTIEF Limited.)	
RWE Aktiengesellschaft (A majority shareholder in HOCHTIEF AG.)	

HOCHTIEF has entered into formal agreements with the Company which ensure the continuing independence of Leighton and which also provide Leighton with continual access to HOCHTIEF's extensive, specialised technological know-how.

Number of Shareholders

Of ordinary shares which have equal voting rights*	5,156

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

Distribution Schedule

Category	No. of Shareholders
1-1,000	1,276
1,001-5,000	2,375
5,001-10,000	802
10,001 and over	703
	5,156

There were 182 shareholders with less than a marketable parcel (100 shares).

Twenty Largest Shareholders

The percentage of the total holding of the 20 largest shareholders, as shown in the Company's Register of Members, is 83.47% and their names and numbers of shares are as follows:

Name	Number	Percentage of Total Shareholdings
HOCHTIEF Limited	101,595,800	46.21
ANZ Nominees Limited	29,634,827	13.48
National Nominees Limited	13,800,354	6.28
Chase Manhattan Nominees Limited	7,750,514	3.52
Westpac Custodian Nominees Limited	7,405,635	3.37
State Authorities Superannuation Board	4,469,358	2.03
MLC Life Limited	2,843,492	1.29
Permanent Nominees (Aust) Limited	2,298,431	1.05
Transport Accident Commission	2,128,316	.97
Perpetual Trustees Victoria Limited	1,940,000	.88
State Superannuation Board of Victoria	1,797,948	.82
Permanent Trustee Australia Limited	1,747,000	.79
Pendal Nominees Pty Limited	1,060,000	.48
Colonial Mutual Life Assurance Society Limited	1,006,200	.46
Perpetual Trustee Company Limited	763,595	.35
Barclays Australia Custodian Services Limited	700,300	.32
Labrador Pty Limited	683,500	.31
Suncorp Insurance & Finance	656,873	.30
HKBA Nominees Limited	645,658	.29
Permanent Trustee Company Limited	600,000	.27
	183,527,801	83.47

Balance Sheets

as at 30 June 1993

	Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Current Assets					
Cash	6	**87,535**	106,247	**37,500**	78,556
Receivables	7	**189,637**	160,765	**9,476**	6,529
Investments	8	**12,860**	11,424	**–**	–
Inventories	9	**29,727**	18,771	**–**	–
Other	10	**14,443**	7,785	**292**	768
Total Current Assets		**334,202**	304,992	**47,268**	85,853
Non-Current Assets					
Receivables	11	**1,357**	2,872	**1,357**	2,813
Investments	12	**86,105**	74,339	**526,237**	446,058
Inventories	13	**206,104**	193,839	**–**	–
Property, Plant and Equipment	14	**334,720**	259,547	**20,910**	21,555
Intangibles	15	**4,099**	5,094	**–**	–
Other	16	**31,208**	30,783	**11,360**	5,571
Total Non-Current Assets		**663,593**	566,474	**559,864**	475,997
Total Assets		**997,795**	871,466	**607,132**	561,850
Current Liabilities					
Creditors and Borrowings	17	**287,059**	258,615	**7,388**	6,420
Provisions	18	**43,138**	32,929	**12,713**	11,311
Other	19	**1,663**	659	**–**	–
Total Current Liabilities		**331,860**	292,203	**20,101**	17,731
Non-Current Liabilities					
Creditors and Borrowings	20	**289,381**	213,581	**331,927**	325,692
Provisions	21	**78,434**	116,623	**10,678**	10,825
Total Non-Current Liabilities		**367,815**	330,204	**342,605**	336,517
Total Liabilities		**699,675**	622,407	**362,706**	354,248
Net Assets		**298,120**	249,059	**244,426**	207,602
Shareholders' Equity					
Share Capital	22	**109,665**	96,721	**109,665**	96,721
Reserves	23	**124,738**	105,307	**118,829**	93,996
Retained Profits		**51,443**	41,924	**15,932**	16,885
Shareholders' Equity Attributable to Members of the Chief Entity		**285,846**	243,952	**244,426**	207,602
Outside Equity Interest in Controlled Entities	24	**12,274**	5,107	**–**	–
Total Shareholders' Equity		**298,120**	249,059	**244,426**	207,602

The balance sheets are to be read in conjunction with the notes to and forming part of the accounts set out on pages 53 to 74.

Profit and Loss Statements
for the year ended 30 June 1993

		Consolidated		Company	
	Note	**1993 $'000**	1992 $'000	**1993 $'000**	1992 $'000
Operating profit before abnormal items and income tax		**72,632**	39,306	**18,341**	18,322
Abnormal items	5	**(64,370)**	-	**(9,629)**	-
Operating Profit	1,2,3	**8,262**	39,306	**8,712**	18,322
Income Tax Benefit/(Expense) Attributable to Operating Profit	4	**4,901**	(15,959)	**4,809**	(2,312)
Operating Profit After Income Tax	36	**13,163**	23,347	**13,521**	16,010
Outside Equity Interest in Operating Profit after Income Tax		**1,907**	(838)	**-**	-
Operating Profit After Income Tax Attributable to Members of the Chief Entity		**15,070**	22,509	**13,521**	16,010
Retained Profits at the Beginning of the Financial Year		**41,924**	34,605	**16,885**	12,405
Adjustment for adoption of AASB1024	38	**-**	253	**-**	-
Total Available for Appropriation		**56,994**	57,367	**30,406**	28,415
Dividends provided for or paid		**(16,596)**	(15,438)	**(16,596)**	(15,438)
Aggregate of Amounts Transferred from/(to) Reserves	23	**11,045**	(5)	**2,122**	3,908
Retained Profits at the End of the Financial Year		**51,443**	41,924	**15,932**	16,885

The profit and loss statements are to be read in conjunction with the notes to and forming part of the accounts set out on pages 53 to 74.

Statements of Cash Flows

for the year ended 30 June 1993

	Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Cash Flows From Operating Activities					
Cash receipts in the course of operations		**1,445,349**	1,542,182	**12,662**	19,672
Cash payments in the course of operations		**(1,314,232)**	(1,347,724)	**(27,813)**	(25,855)
Dividends received		**6,013**	1,070	**6,909**	10,213
Interest received		**3,115**	4,977	**6,428**	9,418
Interest paid		**(18,850)**	(27,011)	**(9,413)**	(9,601)
Income taxes paid		**(11,854)**	(11,950)	**(3,074)**	(3,522)
Net cash (used)/provided by operating activities	41	**109,541**	161,544	**(14,301)**	325
Cash Flows From Investing Activities					
Proceeds from sale of Investment in Controlled Entity		**21,270**	–	**21,270**	–
(Increase) in Investment in Controlled Entities		**–**	–	**(37,097)**	(71,976)
Decrease in Investment in Controlled Entities		**–**	–	**47,999**	12,680
Payments for property, plant and equipment		**(181,899)**	(84,815)	**(1,271)**	(265)
Proceeds from sale of non-current assets		**35,446**	28,488	**15**	59
(Increase) in Investment in Other Entities		**(36,717)**	(21,067)	**(48,537)**	(1,891)
Decrease in Investment in Other Entities		**11,012**	7,055	**–**	–
Loan Repayments by Executives and Staff Shareholders		**686**	1,417	**686**	1,417
Net cash (used) by investing activities		**(150,202)**	(68,922)	**(16,935)**	(59,976)
Cash Flows From Financing Activities					
Costs of Shares Issue		**(230)**	–	**(230)**	–
Proceeds from Share Issues*		**33,112**	3,793	**32,992**	3,002
Proceeds from Borrowings		**37,753**	34,498	**9,082**	18,083
Repayment of Borrowings		**(54,481)**	(86,127)	**(20,000)**	–
Loans from Related Entities		**10,229**	–	**297,773**	391,555
Repayment of Loans to Related Entities		**–**	–	**(321,156)**	(293,347)
Repayment of Subordinated Perpetual Loan		**–**	(2,910)	**–**	(2,910)
Dividends Paid*		**(8,475)**	(12,836)	**(8,383)**	(12,205)
Net cash (used)/provided by financing activities		**17,908**	(63,582)	**(9,922)**	104,178
Net increase/(decrease) in cash held		**(22,753)**	29,040	**(41,158)**	44,527
Net cash at the beginning of the financial year	41	**106,247**	77,008	**78,556**	34,029
Effects of exchange rate changes on the balances of cash held in foreign currencies at the beginning of the year		**3,996**	199	**102**	–
Net cash at the end of the financial year	41	**87,490**	106,247	**37,500**	78,556

The statements of cash flows are to be read in conjunction with the notes to and forming part of the accounts set out on pages 53 to 74.

*Net of Dividend Reinvestment Plan of $7,162 (1992 – $2,951)

Statement of Accounting Principles and Methods

The accounting methods adopted by the Economic Entity are in accord with the accounting standards and disclosure requirements of the Australian accounting bodies, applicable Australian Accounting Standards and the requirements of law. The accounts have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The carrying amounts of all non-current assets are reviewed to determine whether they are in excess of their recoverable amount and in assessing recoverable amounts net present value methods have not been used. The accounts of the Chief Entity (Company) and the Economic Entity (Consolidated) have been prepared in accordance with the provisions of Schedule 5 to the Corporations Regulations. Set out below is a summary of the significant accounting methods adopted where there exists a choice between acceptable methods.

(a) Consolidation

The consolidated accounts comprise the accounts of Leighton Holdings Limited, being the Chief Entity and its controlled entities. These controlled entities are listed in note 36 to the accounts. Profits and losses of controlled entities are included in the consolidated profit and loss from the date control is obtained and excluded from the date the entity is no longer controlled. Transactions and balances between entities within the Economic Entity have been eliminated in full.

(b) Trade Debtors

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

(c) Profit Recognition

(i) Profit is recognised on construction contracts on the basis of the value of work completed.

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

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

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

(v) Profits from property development, housing and land sales are recognised on settlement of the contracts.

(d) Property, Plant and Equipment

(i) Depreciation is calculated so as to write off the net book value of property, plant and equipment over their estimated effective working lives using in the case of:

freehold buildings – the straight line method;

major plant and equipment – the cumulative number of hours worked;

other equipment – the diminishing value method.

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

(iii) Land and buildings are revalued at least every three years and any potential capital gains tax in relation to assets acquired after 19 September 1985 has not been taken into account as the Directors believe it is unlikely the Economic Entity will be liable for this tax on the basis there is no intention to sell the applicable properties.

iv) Where fixed assets are acquired by means of finance leases, the present value of the lease rentals and residuals is included as an asset in the balance sheet and is depreciated over the expected effective working life of those assets. The net present value of future finance lease rentals and residuals is included in the balance sheet as a leasing liability. Operating lease rentals are charged to the Profit and Loss as incurred.

(e) Income Tax

The Economic Entity adopts the liability method of tax effect accounting in accordance with the Approved Accounting Standard AASB1020.

(f) Foreign Currency

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

(g) Inventories

(i) Development Properties

Development properties are carried at the lower of cost and net realisable value.

(ii) Trading Inventories

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

(h) Employee Benefits

The Economic Entity includes in its accounts the liability to its employees for annual leave and for long service leave in Australia after five years' service has been completed and as required by law in overseas subsidiaries. Employee superannuation funds exist to provide benefits for eligible employees or their dependants. Contributions by members of the Economic Entity are charged against profits.

(i) Contract and Plant Maintenance

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

(j) Bills Payable and Promissory Notes

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

(k) Goodwill

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

(l) Mining Tenements

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

(m) Investments

Interests in entities which are not controlled entities are shown in the accounts as investments and where applicable dividends are included in operating profit. The investment in associated companies is those corporations in which significant influence is exercised.

The investment in associated companies has been revalued by the Directors at balance date and the associated companies are listed in note 26.

Interests in partnerships are shown in the accounts at cost with the addition of the Economic Entity's proportion of retained profits and losses.

(n) Rounding off of Amounts

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

(o) Comparative Figures

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

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 1 Revenue	Operating Revenue		**1,517,310**	1,556,403	**–**	–
	Other Revenue		**6,561**	5,305	**30,750**	33,313
	Proceeds from Sales of Non-Current Assets		**56,711**	28,488	**21,787**	492
	Total Revenue of the Economic Entity		**1,580,582**	1,590,196	**52,537**	33,805
Note 2 Operating Profit	The operating profit before income tax is arrived at after including:					
	Crediting as Revenue:					
	Profit on Sales of Non-Current Assets	5	**19,776**	5,087	**21,172**	5
	Dividends Received/Receivable					
	– Related Body Corporate		**–**	–	**7,336**	10,213
	– Related Entities	26	**2,228**	3,784	**–**	–
	Charging as Expense:					
	Depreciation and Amortisation					
	– Company Owned Assets and Leaseholds		**74,783**	58,965	**1,718**	967
	– Finance Leased Plant and Equipment		**1,787**	2,765	**–**	–
	Operating Lease Rental Expense		**33,229**	44,101	**40**	56
	Bad Debts Written Off		**143**	–	**–**	–
	Loan Written Off		**–**	–	**2,636**	–
	Auditors' Remuneration					
	– Amounts received or due and receivable for audit services by:					
	Auditors of the Company		**690**	631	**597**	567
	Other Auditors		**94**	63	**–**	–
	– Amounts received or due and receivable for other services by:					
	Auditors of the Company		**521**	402	**337**	238
	Other Auditors		**187**	35	**–**	–
	Loss on Sales of Non-Current Assets		**3,082**	3,283	**192**	8
	Loss on Foreign Exchange		**–**	–	**595**	1,523
	Goodwill Written Off		**995**	1,521	**–**	–
	Abnormal Items					
	– Net Revaluation of Non-Current Investments	5	**13,822**	–	**30,797**	2,979
	– Property and other writedowns	5	**63,540**	–	**–**	–
	Other Revaluations and writedowns		**4,921**	–	**–**	–
	Gross Amount Charged to Provisions					
	– Employee Benefits		**18,836**	27,174	**2,576**	2,832
	– Plant and Contract Maintenance		**46,016**	55,226	**(444)**	252
	– Doubtful Debts		**449**	1,293	**–**	–
	Share issue expenses written off (Includes $Nil (1992-$3) fees to Auditors of the Chief Entity)	23	**–**	35	**–**	35

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 3 Interest Expense and Income	The operating profit before income tax is arrived at after including:					
	Interest Expense					
	Related Corporations		–	–	4,915	–
	Related Entities		12	293	–	293
	Other Corporations		19,318	26,059	9,766	8,744
			19,330	26,352	14,681	9,037
	Interest Income					
	Related Corporations		–	–	22,165	20,969
	Related Entities		1,612	1,795	639	110
	Other Corporations		2,721	3,512	1,037	2,021
			4,333	5,307	23,841	23,100
	Interest previously capitalised expensed against property sale proceeds		548	3,904	–	–
	Finance Charges					
	Finance Leased Assets		363	896	–	–

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 4 Income Tax Expense	Operating profit before income tax		8,262	39,306	8,712	18,322
	Prima facie income tax expense at 39%		3,222	15,329	3,397	7,146
	The following items have affected income tax expense for the period:					
	– Rebateable dividends		(388)	–	(2,861)	(7,517)
	– Fringe benefits tax and other non-allowable items		4,162	3,134	531	430
	– Depreciation and amortisation not allowable for tax		1,174	699	128	114
	– Revaluation and Capital Profits non-taxable		(20,173)	(76)	(18,345)	1,161
	– Building and plant allowance		(1,962)	(833)	(33)	–
	– Tax Losses not recognised in Accounts		14,673	–	10,635	–
	– Recoupment of tax losses not previously recognised in the accounts		–	(1,679)	–	–
	– Overseas income tax rate differential		(2,612)	(1,078)	355	880
	Current period income tax expense		(1,904)	15,496	(6,193)	2,214
	– Under/(over) provision for prior year		(3,324)	463	(605)	98
	– Income Tax Rate Change		327	–	1,989	–
	Total Income Tax Expense		(4,901)	15,959	(4,809)	2,312
	Provision for Income Tax					
	Income tax expense		(4,901)	15,959	(4,809)	2,312
	Taxable foreign currency gains/(losses)		–	(729)	–	–
	Net timing differences		18,635	(6,273)	7,674	870
	Income Tax Payable	18	13,734	8,957	2,865	3,182

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 4 Income Tax Expense (continued)	**Future Income Tax Benefits**					

Included in future income tax benefit (note 16) is $18,716 (1992 – $583) attributable to operating and capital gains tax losses, $8,221 (1992 – $20,838) in provisions not currently allowable as an income tax deduction and $771 (1992 – $5,236) in increased contract profit recognition for taxation purposes. The unrecorded future tax benefit available to some members of the Economic Entity at 30 June 1993 at the applicable rates of tax was $13,489 (1992 – $597). The benefit of these income tax losses will be utilised only if those entities earn sufficient profit in the future and continue to comply with the provisions of the income tax legislation relating to the deduction of carried forward tax losses. The Company is taxed as a public company.

The Economic Entity is currently under audit by the Australian Taxation Office as part of its large case audit programme. The directors and the Economic Entity's taxation advisers believe the Economic Entity has adequately provided for its taxation liabilities.

		Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 5 Abnormal Items (Net of Tax)	**Net Decrement – Investments**				
	Green – December 1992 Revaluation	(7,195)	–	(7,195)	–
	Tax Expense	–	–	–	–
		(7,195)	–	(7,195)	–
	Green – June 1993 Revaluation	(41,323)	–	(39,324)	–
	Tax Benefit	6,353	–	6,353	–
		(34,970)	–	(32,971)	–
	Ipco – June 1993 Revaluation*	37,088	–	18,114	–
	Tax Expense	–	–	–	–
		37,088	–	18,114	–
	Other – June 1993 Revaluation	(2,392)	–	(2,392)	–
	Tax Expense	–	–	–	–
		(2,392)	–	(2,392)	–
	Total – Investments				
	Included in operating profit	(13,822)	–	(30,797)	–
	Tax Benefit	6,353	–	6,353	–
		(7,469)	–	(24,444)	–
	Group Companies				
	Gain on sale 20% Leighton Asia	12,992	–	21,168	–
	Tax Expense	–	–	–	–
		12,992	–	21,168	–
	Development Property provision – Australia	(58,482)	–	–	–
	Tax Benefit	22,808	–	–	–
		(35,674)	–	–	–
	Development Property provision – USA	(2,192)	–	–	–
	Tax Benefit	800	–	–	–
		(1,392)	–	–	–
	Other	(2,866)	–	–	–
	Tax Benefit	1,574	–	–	–
		(1,292)	–	–	–
	Total – Group Companies				
	Included in operating profit	(50,548)	–	21,168	–
	Tax Benefit	25,182	–	–	–
		(25,366)	–	21,168	–
	Total Abnormal Items				
	Included in operating profit	(64,370)	–	(9,629)	–
	Tax Benefit	31,535	–	6,353	–
		(32,835)	–	(3,276)	–

*The Ipco investment has been revalued to include a premium of 25% above the prospectus placement price of $US2.45. The Ipco shares traded at $US5.50 on the Stock Exchange of Singapore at 30 June 1993.

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 6 Current Assets – Cash	Funds on Deposit		83,917	99,975	32,214	69,667
	Cash at Bank and in Hand		3,618	6,272	5,286	8,889
			87,535	106,247	37,500	78,556
Note 7 Current Assets – Receivables	Trade Debtors Receivable*		156,210	136,566	–	–
	Other Amounts Receivable		32,657	24,199	8,706	6,529
	Loans – Secured		770	–	770	–
			189,637	160,765	9,476	6,529
	Contract Valuations					
	Progressive value of work completed at 30 June		3,662,890	3,780,444	–	–
	Progressive Billings					
	Contract Receivables		135,545	115,647	–	–
	Retentions held by Clients		20,665	20,919	–	–
	Trade Debtors Receivable from Clients		156,210	136,566	–	–
	Cash received to date		3,506,680	3,643,878	–	–
	Total Progress Billings		3,662,890	3,780,444	–	–

*Thiess Contractors Pty Ltd has given a registered charge to Natwest Australia Bank over part of its revenue from a contract with BHP. Natwest Australia Bank has provided project funding for the project.

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 8 Current Assets – Investments	Interest in construction and property partnerships and trusts #		10,596	7,424	–	–
	Associated Companies – Advances	26	2,264	4,000	–	–
			12,860	11,424	–	–

#Thiess Contractors Pty Ltd has given a registered charge in favour of Asia Securities Australia Pty Limited over shares in Cullen Bay Estates Pty Limited and units held in the Cullen Bay Unit Trust.

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 9 Current Assets – Inventories	**Development Properties Inventories**					
	Cost		15,747	3,531	–	–
	Development expenses capitalised		8,998	8,403	–	–
	Rates, taxes, interest, etc, capitalised		1,754	885	–	–
	Total Project Costs		26,499	12,819	–	–
	Less: Property Provisions		3,227	–	–	–
			23,272	12,819	–	–
	Trading Inventories					
	Finished Goods		2,729	2,770	–	–
	Raw Materials		3,726	3,182	–	–
			6,455	5,952	–	–
			29,727	18,771	–	–

Development properties are held at the lower of cost and net realisable value.

Trading Inventory represents finished reinforcing steel and raw steel stocks. The net realisable value of the trading inventories is expected to be not less than cost.

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 10 Other Current Assets	Prepayments		5,511	4,009	292	768
	Plant and equipment held for sale		8,932	3,776	–	–
			14,443	7,785	292	768

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 11 Non-Current Assets – Receivables	Loans – secured		1,357	2,872	1,357	2,813
Note 12 Non-Current Assets – Investments	**Controlled Entities**					
	Shares not quoted on a prescribed Stock Exchange – cost	36	–	–	338,572	349,610
	Amounts receivable from controlled entities		–	–	128,384	66,043
	Provision for diminution in value		–	–	(5,000)	(5,065)
			–	–	123,384	60,978
	Total Investment in Controlled Entities		–	–	461,956	410,588
	Other Entities**					
	Interest in Trusts					
	– Valuation June 1992		–	449	–	–
	– Valuation June 1993		449	–	–	–
	Interest in Partnerships*					
	– Valuation June 1992		–	4,852	–	4,852
	– Valuation June 1993		2,490	–	2,490	–
	Shares not quoted on a prescribed Stock Exchange					
	– Valuation June 1992		–	1,338	–	1,338
	– Valuation June 1993		1,342	–	1,342	—
			4,281	6,639	3,832	6,190
	Associated Companies**	26				
	Shares not quoted on a prescribed Stock Exchange					
	– valuation – June 1992		–	47,572	–	25,373
	– valuation – June 1993		61,234	–	60,449	–
	Advances – at valuation June 1992		–	20,128	–	3,907
	– at valuation June 1993		20,590	–	–	–
			81,824	67,700	60,449	29,280
	Total Investments		86,105	74,339	526,237	446,058

*Leighton Holdings Ltd has granted a registered charge over its interest in Australia's Wonderland to provide funding to the partners for the development. No claim is anticipated against this charge as the assets of the partnership exceed its liabilities.

**All non-current investments in non-controlled entities were revalued at June 1993 by the directors and the net decrease in revaluation was taken to the profit and loss. The revaluation was based on an officers assessment of the non-controlled entities and the revaluation was not made in accordance with a policy of regular revaluation of this class of assets. In revaluing this class of assets the potential capital gains tax expense or benefit were taken into account in the calculation of the income tax benefit where the directors believe it is likely the Economic Entity will be liable for this tax.

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 13 Non-Current Assets – Inventories	**Development Properties – Australia**					
	Cost		91,101	97,776	–	–
	Development expenses capitalised		103,359	80,573	–	–
	Rates, taxes, interest, etc, capitalised		40,956	39,645	–	–
			235,416	217,994	–	–
	Less: External Australian borrowings secured under non-recourse loan facilities		–	52,178	–	–
	Less: Property provisions		66,099	–	–	–
			169,317*	165,816	–	–
	Development Properties – USA					
	Cost		17,360	27,416	–	–
	Development expenses capitalised		26,836	41,477	–	–
	Rates, taxes, interest, etc, capitalised		2,661	2,378	–	–
			46,857	71,271	–	–
	Less: External USA borrowings secured under non-recourse loan facilities		–	43,248	–	–
	Less: Property provisions		10,070	–	–	–
			36,787*	28,023	–	–
	Total Development Properties		206,104	193,839	–	–

*Non-recourse borrowings applicable to such properties included in non-current creditors and borrowings (note 20) total $66 million.

The three major developments within Leighton Properties are St Kilda Office, Adelaide Retail Car Park and North Sydney Land. The total cost of these properties is $176 million. The provisions for diminution against these three properties is $55 million. During the year additional monies were expended on the St Kilda Property including fit out in accordance with the long term lease for 95% of the Building.

		Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 14 Non-Current Assets – Property, Plant and Equipment	**Land**				
	Independent valuation – June 1992	15,407	16,146	6,320	6,320
	At cost	3,405	–	–	–
		18,812	16,146	6,320	6,320
	Buildings				
	Independent valuation – June 1992	23,164	24,416	13,046	13,130
	At cost	8,155	–	–	–
		31,319	24,416	13,046	13,130
	Provision for depreciation	(614)	–	(326)	–
		30,705	24,416	12,720	13,130
	Leasehold Land and Building				
	Independent valuation – June 1992	1,000	1,000	–	–
	Provision for amortisation	(240)	–	–	–
		760	1,000	–	–
	Leasehold Improvements				
	Cost	3,359	6,666	–	–
	Provision for amortisation	(1,193)	(1,804)	–	–
		2,166	4,862	–	–
	Plant and Equipment				
	Cost	496,894	391,740	6,772	6,358
	Provision for depreciation	(218,543)	(186,879)	(4,902)	(4,253)
		278,351	204,861	1,870	2,105

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 14 Non-Current Assets – Property, Plant and Equipment (Cont)	**Leased Plant and Equipment**					
	Cost		8,156	12,463	–	–
	Provision for depreciation		(4,230)	(4,201)	–	–
			3,926	8,262	–	–
			282,277	213,123	1,870	2,105
	Total Property Plant and Equipment		334,720	259,547	20,910	21,555

Plant and Equipment includes construction equipment, motor vehicles and office furniture and equipment. Land and buildings are independently revalued at least every three years and included in the financial statements at the revalued amounts. As part of this policy all land and buildings were revalued during the 1992 financial year on an open market basis.

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 15 Non-Current Assets – Intangibles	Unamortised balance of goodwill in controlled entities		5,094	3,761	–	–
	Goodwill acquired during the period		–	2,079	–	–
	Less: goodwill written off during the year		995	746	–	–
	Cost less amounts written off		4,099	5,094	–	–
	Unamortised balance of goodwill in an associated company		–	3,397	–	–
	Less: goodwill written off during the year		–	775	–	–
	Less: written back on revaluation		–	2,622	–	–
	Cost less amounts written off		–	–	–	–

Goodwill from the acquisition of controlled entity operations of $8,410 is being written off over a period of 10 years or the period the benefit is expected to arise, whichever is the lesser. The unamortised balance ($2,622) of the original Goodwill of $8,522 arising from the purchase of an investment in an associated company was written back on revaluation of the investment in 1992.

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 16 Non-Current Assets – Other	Future Income Tax Benefit	4	27,708	26,657	11,360	5,571
	Mining Tenements – Cost		–	4,126	–	–
	– Directors Valuation*		3,500	–	–	–
			31,208	30,783	11,360	5,571

*The tenements are valued at directors valuation based on cash flows on estimated reserves and will be amortised over the economic life of the investment from commencement of the mining operations. The recoupment of this value is dependent on successful development or sale. The tenements are under exploration assessment.

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 17 Current Liabilities – Creditors & Borrowings	Trade Creditors		272,139	235,146	5,760	4,283
	Other Creditors		12,887	19,299	1,628	2,137
	Bank Overdraft		45	–	–	–
	Lease Liabilities	35	1,529	3,760	–	–
	Unsecured Loans		459	410	–	–
			287,059	258,615	7,388	6,420

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 18 Current Liabilities – Provisions	Income Tax Payable	4	13,734	8,957	2,865	3,182
	Employee Benefits		13,503	11,179	1,053	385
	Dividend		8,795	7,744	8,795	7,744
	Contract and Plant Maintenance Provisions		7,106	5,049	–	–
			43,138	32,929	12,713	11,311

Notes continued

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 19 Other Current Liabilities	Amounts Payable to Construction Partnerships		1,663	659	–	–
Note 20 Non-Current Liabilities – Creditors & Borrowings	Trade Creditors		2,118	13,409	–	–
	Unsecured Loans		195,927	177,191	82,217	85,333
	Secured Loans*		70,607	–	–	–
	Bills Payable		20,000	20,000	20,000	20,000
	Lease Liability	35	729	2,981	–	–
	Payable to Controlled Entities		–	–	229,710	220,359
			289,381	213,581	331,927	325,692

*Non-recourse loans of $66 million have been made against certain development properties disclosed in Note 13 and do not have recourse to the general assets of the Economic Entity. The non-recourse loans were shown in 1992 as a reduction of development properties.

		Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 21 Non-Current Liabilities – Provisions	Deferred Income Tax	15,968	40,691	416	1,723
	Employee Benefits	24,389	23,460	9,838	8,234
	Contract and Plant Maintenance Provisions	37,817	37,287	424	868
	Property Provisions	260	15,185	–	–
		78,434	116,623	10,678	10,825
Note 22 Share Capital	**Authorised**				
	600,000,000 Ordinary shares of 50¢ each (1992 – 600,000,000)	300,000	300,000	300,000	300,000
		300,000	300,000	300,000	300,000
	Issued				
	219,329,650 Ordinary shares of 50¢ each fully paid (1992 – 193,442,415)	109,665	96,721	109,665	96,721
	Increase in Issued Capital During the Year				
	– ordinary shares of 50¢ each issued under:				
	Leighton Staff Equity Participation Plan				
	– 160,000 shares at a premium of 7.75¢ per share	80	–	80	–
	– 185,000 shares at a premium of 15.75¢ per share	–	93	–	93
	Dividend Reinvestment Plan				
	– 1,435,309 shares at a premium of 79¢ per share	718	–	718	–
	– 4,352,926 shares at a premium of 72¢ per share	2,177	–	2,177	–
	– 1,242,315 shares at a premium of 68¢ per share	–	621	–	621
	– 1,108,857 shares at a premium of 84¢ per share	–	554	–	554
	10% Placement				
	– 19,939,000 shares at a premium of 115¢ per share	9,969	–	9,969	–
	Conversion of Subordinated Perpetual Convertible Loan				
	– 3,218,470 shares at a premium of 45¢ per share	–	1,609	–	1,609
	Allotment to HOCHTIEF				
	– 2,549,309 shares at a premium of 63¢ per share	–	1,275	–	1,275

Options: As at 30 June 1993, on issue were 545,000 options convertible to 545,000 shares exercisable before 31 July 1994 pursuant to the Leighton Staff Equity Participation Plan. Since 30 June 1993, 545,000 options have been exercised.

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 23 Reserves	General		**25**	25	**25**	25
	Redemption		**60**	60	**60**	60
	Capital Profits		**–**	11,603	**–**	4,997
	Foreign Currency Translation		**510**	(2,961)	**2,390**	(518)
	Asset Revaluation		**9,379**	8,772	**1,590**	1,624
	Share Premium		**114,764**	87,808	**114,764**	87,808
			124,738	105,307	**118,829**	93,996
	Movements					
	Capital Profits					
	Opening Balance		**11,603**	9,960	**4,997**	3,393
	Increment/(Decrement) on sale of non-current assets transferred from:					
	– Asset Revaluation Reserve		**(91)**	1,638	**34**	1,604
	Transfer to Profit and Loss Account		**(11,512)**	5	**(5,031)**	–
	Closing Balance		**–**	11,603	**–**	4,997
	Foreign Currency Translation					
	Opening Balance		**(2,961)**	(3,365)	**(518)**	411
	Translation of overseas controlled entity accounts & borrowings applicable to overseas investments		**3,471**	404	**–**	–
	Transfer from Profit and Loss Account		**–**	–	**2,908**	(929)
	Closing Balance		**510**	(2,961)	**2,390**	(518)
	Asset Revaluation					
	Opening Balance		**8,772**	10,247	**1,624**	6,929
	Transfer to Capital Profits Reserve		**91**	(1,638)	**(34)**	(1,604)
	Transfer from Profit and Loss Account		**467**	–	**–**	(2,979)
	Surplus/(Deficiency) on Revaluations		**49**	163	**–**	(722)
	Closing Balance		**9,379**	8,772	**1,590**	1,624
	Share Premium					
	Opening Balance		**87,808**	82,948	**87,808**	82,948
	Ordinary Shares issued at a premium					
	– 8,303,951 shares in 1991/92		**–**	4,860	**–**	4,860
	– 25,887,235 shares in 1992/93		**27,210**	–	**27,210**	–
	Cost of Share Issue #		**(254)**	–	**(254)**	–
	Closing Balance		**114,764**	87,808	**114,764**	87,808

#The expenses associated with the June 1993 share placement have been charged to the share premium account.

Note 24 Outside Equity Interests in Controlled Entities	Share Capital	**3,460**	3,949	**–**	–
	Reserves	**1,374**	41	**–**	–
	Retained Profits	**7,440**	1,117	**–**	–
		12,274	5,107	**–**	–

Note 25 Earnings Per Share

	Note	Consolidated 1993 $'000	1992 $'000
Basic earnings per share (cents per share)		**7.6¢**	11.6¢
Diluted earnings per share (cents per share)		**7.6¢**	11.6¢
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share		**198,442,692**	193,518,898

Since the end of the financial year holders of options issued under the Leighton Staff Equity Plan have exercised the options to purchase 545,000 fully paid ordinary shares. There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of these financial statements. The change in accounting policy in 1992 as outlined in Note 38 had no financial effect on the calculation of the basic or the diluted earnings per share.

Note 26 Investments – Associated Companies

Associated Company	Balance Date	Activity	Location	Economic Entity Interest at Year End 1993 %	1992 %
Green Holdings, Inc.	31 Dec 1992	Civil Engineering, Building & Mining	USA	**50**	50
Ipco International Limited	30 June 1993	Marine & Civil Engineering	Asia	**33.6**	45
Kaparidge Pty Limited	30 June 1993	Property Development	Aust	**50**	50
Leighton-Brückner (Thailand) Co Ltd	31 Dec 1992	Foundation Engineering	Thai	**30**	30
Interlink Roads Pty Limited	30 June 1993	Tollroad Operations	Aust	**50**	50
Pluteus ACT (No. 7) Pty Limited*	30 June 1993	Property Owner	Aust	**100**	24
LCV Mud Dredging Co Ltd#	30 June 1993	Civil Engineering	Asia	**33**	–
LCV Services Co Ltd#	30 June 1993	Services – Civil Engineering	Asia	**33**	–
Leighton-Brückner Terraform Ltd#	30 June 1993	Site Investigation – Foundation	Asia	**30**	–

Associated Company	Carrying Value of Shares 1993 $'000	1992 $'000	Advances 1993 $'000	1992 $'000	Dividends Received/ Receivable 1993 $'000	1992 $'000
Green Holdings, Inc.	**–**	25,502	**7,609**	4,958	**–**	–
Ipco International Limited	**60,449**	21,869	**–**	–	**2,228**	4,854
Kaparidge Pty Limited	**–**	–	**5,395**	9,273	**–**	–
Leighton-Brückner (Thailand) Co Ltd	**754**	201	**924**	1,096	**–**	–
Interlink Roads Pty Limited	**–**	–	**6,184**	5,601	**–**	–
Pluteus ACT (No. 7) Pty Limited*	**–**	–	**–**	3,200	**–**	–
LCV Mud Dredging Ltd#	**–**	–	**1,635**	–	**–**	–
LCV Service Co Ltd#	**–**	–	**629**	–	**–**	–
Leighton-Brückner Terraform Ltd#	**–**	–	**478**	–	**–**	–
Other	**31**	–	**–**	–	**–**	–
	61,234	47,572	**22,854**	24,128	**2,228**	4,854

*Consolidated in 1993 #Incorporated construction partnerships

The details of Associated Companies disclosed are for the Economic Entity. The only material investments held by the Chief Entity were in Green Holdings Inc where the details are identical except that the advances from Leighton Holdings Ltd were $Nil (1992 – $3.907 million) and Ipco International Limited where the shares held were $60,449 (1992 – $Nil).

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 26 Investments – Associated Companies (Cont)	**Associated Companies – Summary**					
	– Advances (note 8)		2,264	4,000		
	– Net Investment (note 12)		81,824	67,700		
			84,088	71,700		
	Associated Companies Revenue		157,329	143,636		
	Associated Companies Profit*					
	Associated Companies Profit before Income Tax		*	4,862		
	Income Tax Expense		*	(1,078)		
	Net Profit of associated companies (note 12)		*	3,784		
	Dividends received or receivable					
	– Final Dividend 1991		–	1,070		
	– Final Dividend 1992		–	3,784		
	– Interim Dividend 1993		2,228	–		
			2,228	4,854		

*This information was not available at the date of preparation of these accounts.

There were no post balance date events which would materially affect the financial position or performance of any associated company and there were no dissimilar accounting policies used by the associated companies.

Investments in associated companies have been revalued based on officers' assessment at June 1993. The assessment of the investment in Green Holdings Inc. included an evaluation of the recoverability of a number of contractual claims, the major one being an offshore overdue trade receivable from a foreign government owned company of $US11 million (1992 – $US10.9 million) which is in the process of recovery under an overseas trade indemnity insurance policy. The Ipco investment has been revalued to include a premium of 25% above the prospectus placement price of $US2.45. Ipco shares traded at $US5.50 on the Stock Exchange of Singapore at 30 June 1993.

The Economic Entity has interests in other associated companies which, at 30 June 1993, were not of a material size or contribution to the Economic Entity's activities to warrant separate disclosure.

		Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 27 Capital Commitments	Plant and Equipment	64,030	31,234	–	–
	All capital commitments contracted are payable within one year.				
Note 28 Bank Guarantees, Insurance Bonds and Letters of Credit	Contingent liability under indemnities given on behalf of subsidiaries in respect of:				
	i) Bank Guarantees	175,487	115,963	175,487	115,963
	ii) Insurance Performance & Payment Bonds	20,458	44,230	20,458	44,230
	iii) Letters of Credit	2,710	9,004	2,710	9,004
	Contingent liability under indemnities given on behalf of an associated company in respect of:				
	i) Letters of Credit#	30,448	7,734	30,448	7,734

#The letters of credit in part secure a loan of $21.8 million to Green Holdings Inc. by a bank. The loan is to be repaid through the realisation of Green Holdings Inc. assets or, in the case of a shortfall, by the Company in accordance with an agreed timetable. The value of loans falling due in the next twelve months is $8.2 million. The Company has indemnified a bonding company which has provided bonds to an associated company, Green Holdings Inc. and its subsidiaries. The value of these bonds is $US178 million (1992 – $US232 million) of which $US85 million (1992 – $US134 million) is related to uncompleted work. The above amounts are the face value of the relevant securities and no claims are anticipated under the indemnities.

		Note	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Note 29 Other Contingent Liabilities	(i) Guarantees and undertakings given in respect of borrowings by:					
	– Controlled Entities				**44,899**	31,990
	– Associated Companies		**–**	$US9,634	**–**	$US9,634

(ii) The Company is called upon to give in the ordinary course of business guarantees and indemnities in respect of the performance by controlled entities, associated companies and related parties of their contractual and financial obligations. These guarantees and indemnities are indeterminable in amount.

(iii) Some entities in the Economic Entity have entered into put and call options over shares in various controlled entities in connection with their project finance facilities. The options are not material.

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

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

(vi) Certain members of the Economic Entity have the normal contractor's liability for the completion of construction contracts which liability may include litigation by or against the entities.

(vii) Controlled entities have entered into various partnership and trust arrangements under which the controlled entity may be jointly and severally liable for the liabilities of the partnership or trust.

No claims are anticipated in respect of contingent liabilities.

Note 30 Result by Segments

Industry	Contracting & Project Management $'000	Property Development $'000	Unallocated $'000	Total $'000
1993				
Total Revenue	**1,527,836**	**16,208**	**36,538**	**1,580,582**
Operating Profit/(Loss) Before Tax	**112,111**	**(89,603) *A**	**(14,246)**	**8,262**
Total Assets	**641,895**	**234,253**	**121,647**	**997,795**
1992				
Total Revenue	1,534,306	50,091	5,799	1,590,196
Operating Profit/(Loss) Before Tax	79,229	(31,912)	(8,011)	39,306
Total Assets	550,114	224,723	96,629	871,466

Geographic	Australia $'000	S.E. Asia $'000	U.S.A. $'000	Total $'000
1993				
Total Revenue	**1,200,016**	**380,564**	**2**	**1,580,582**
Operating Profit/(Loss) Before Tax	**(16,233) *B**	**78,936 *C**	**(54,441)*D**	**8,262**
Total Assets	**748,344**	**199,143**	**50,308**	**997,795**
1992				
Total Revenue	1,326,697	262,334	1,165	1,590,196
Operating Profit/(Loss) Before Tax	22,600	16,906	(200)	39,306
Total Assets	641,058	171,418	58,990	871,466

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

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

*A Includes abnormal loss items of $60,074
*B Includes abnormal loss items of $63,740
*C Includes abnormal gain items of $50,080
*D Includes abnormal loss items of $50,710

		Consolidated		Company	
		1993 **$'000**	1992 $'000	**1993** **$'000**	1992 $'000
Note 31 Directors' Emoluments	Amounts received, or due and receivable, by Directors of Leighton Holdings Limited and executive and non-executive directors of controlled entities (excludes Superannuation payment included in note 33).	**15,270**	12,907	**3,545**	3,361
	Number of Directors of Leighton Holdings Limited whose remuneration, which includes salary and allowances, performance bonus, provision of motor vehicles, fringe benefits and accommodation costs, were within the following bands:				
	$ 10,000 – $ 19,999			**2**	–
	$ 30,000 – $ 39,999			**1**	–
	$ 40,000 – $ 49,999			**2**	3
	$ 50,000 – $ 59,999			**–**	1
	$ 60,000 – $ 69,999			**1**	–
	$ 80,000 – $ 89,999			**–**	1
	$ 90,000 – $ 99,999			**1**	1
	$ 100,000 – $ 109,999			**1**	–
	$ 450,000 – $ 459,999			**–**	1
	$ 630,000 – $ 639,999			**1**	–
	$ 1,100,000 – $ 1,109,999			**–**	1
	$ 1,160,000 – $ 1,169,999			**1**	–
	$ 1,320,000 – $ 1,329,999			**1**	–
	$ 1,440,000 – $ 1,449,999			**–**	1

		Consolidated 1993	Consolidated 1992	Company 1993	Company 1992
Note 32 Remuneration of Executives	Amounts received, or due and receivable by executive officers, whose remuneration equals or exceeds $100,000.	**11,506**	11,040	**3,727**	3,561
	Number of executive officers whose remuneration, which includes salary and allowances, performance bonus, provision of motor vehicles, fringe benefits and accommodation costs, equals or exceeds $100,000 were within the following bands:				
	$ 140,000 – $ 149,999	**–**	1	**–**	–
	$ 150,000 – $ 159,999	**–**	1	**–**	–
	$ 160,000 – $ 169,999	**1**	1	**–**	–
	$ 170,000 – $ 179,999	**–**	1	**–**	–
	$ 180,000 – $ 189,999	**2**	–	**–**	–
	$ 190,000 – $ 199,999	**1**	–	**–**	–
	$ 200,000 – $ 209,999	**–**	2	**–**	–
	$ 210,000 – $ 219,999	**–**	1	**–**	–
	$ 220,000 – $ 229,999	**–**	–	**–**	–
	$ 230,000 – $ 239,999	**2**	2	**–**	–
	$ 240,000 – $ 249,999	**–**	3	**–**	–
	$ 250,000 – $ 259,999	**–**	–	**–**	–
	$ 260,000 – $ 269,999	**3**	2	**–**	–
	$ 270,000 – $ 279,999	**1**	3	**–**	2
	$ 280,000 – $ 289,999	**2**	1	**–**	–
	$ 290,000 – $ 299,999	**2**	2	**1**	–
	$ 300,000 – $ 309,999	**2**	2	**1**	–
	$ 360,000 – $ 369,999	**–**	2	**–**	–
	$ 370,000 – $ 379,999	**1**	–	**–**	–
	$ 380,000 – $ 389,999	**1**	–	**–**	–
	$ 390,000 – $ 399,999	**2**	–	**–**	–
	$ 410,000 – $ 419,999	**1**	–	**–**	–
	$ 420,000 – $ 429,999	**–**	1	**–**	–
	$ 430,000 – $ 439,999	**–**	1	**–**	–
	$ 440,000 – $ 449,999	**1**	–	**–**	1
	$ 450,000 – $ 459,999	**–**	1	**–**	–
	$ 490,000 – $ 499,999	**–**	1	**–**	–
	$ 500,000 – $ 509,999	**1**	–	**–**	–
	$ 550,000 – $ 559,999	**1**	–	**–**	–
	$ 590,000 – $ 599,999	**–**	1	**–**	–
	$ 630,000 – $ 639,999	**1**	–	**1**	–
	$ 880,000 – $ 889,999	**1**	–	**–**	–
	$ 1,100,000 – $ 1,109,999	**–**	1	**–**	1
	$ 1,160,000 – $ 1,169,999	**1**	–	**1**	–
	$ 1,320,000 – $ 1,329,999	**1**	–	**1**	–
	$ 1,440,000 – $ 1,449,999	**–**	1	**–**	1

		Consolidated		Company	
		1993 $'000	1992 $'000	**1993 $'000**	1992 $'000
Note 33 Superannuation Benefits and Commitments	Superannuation and Retirement Benefits: Amounts paid to superannuation funds for Executive Directors of Leighton Holdings Limited and controlled entities are disclosed in aggregate as the Directors believe the provision of full particulars would be unreasonable.	**704**	623	**174**	78

An executive director of a controlled entity received a retirement benefit of $Nil (1992 – $355 thousand) from the entity in consequence of his termination of office.

On termination, employees are entitled to benefits under the various funds. The superannuation plans provide defined benefits based on years of service and final average salary or accumulated benefits based on the employee's contribution and the actual earnings of the fund.

Employees contribute to the plans at various percentages of their salaries or wages. The Company and its controlled entities also contribute to the plans at various percentages of the employee's salary or wages. Future contributions to superannuation funds sponsored by the Economic Entity are not legally enforceable provided that vested benefits are fully funded.

The Economic Entity also contributes to various industry award funds in accordance with the relevant awards. Contributions are enforceable in accordance with the relevant award.

Actuarial assessments of the applicable plans were last made at 30 June 1991 by Mercer Campbell Cook & Knight Pty Ltd and the Wyatt Company. Based on these assessments, the Directors are of the view that the assets of each of the funds are sufficient to satisfy all benefits that would have vested under the plans in the event of termination of the plans, and voluntary or compulsory termination of employment of each employee.

Note 34 Loans to Executive Directors

Approval was given by shareholders for the establishment of the Leighton Staff Equity Participation Plan on 22 July 1981 and a senior executive loan plan on 29 October 1982. Under both plans loans amounting to $964,895 (1992 – $1,160,421) and ranging from $1,332 to $150,000 (1992 – $1,772 to $150,000) have been made to 32 (1992 – 31) Executive Directors of Leighton Holdings Limited and related entities. Interest of $67,913 (1992 – $114,325) was received on senior executive loans.

Loans under the Staff Equity Participation Plan are interest free and repayable from dividend income earned by the shares acquired under the Plan. The loans are secured by a charge over the shares issued under the Plan. During the year repayments totalling $211,416 (1992 – $329,651) were received in respect of the Plan from D. Adamsas, M. Albrecht, D. Argent, K. Bennett, B. Bush, B. Campain, B. Cattell, B. Clark, P. Cooper, T. Cooper, J. Faulkner, C. Firmin, E. Furney, M. Gray, R. Gussey, R. Hawkins, J. Holt, R. Hunter, C. Jesse, W. King, R. Logan, G. McOrist, R. Merkenhof, E. Mitchell, J. McGee, N. Jukes, N. Sallustio, A. Spink, R. Turchini, V. Vella, W. West, W. Wild, P. Williams, H. Wu, E. Young and T. Young.

Loans under the Senior Executive Loan Plan were charged interest at 10% p.a. (1992 – 12% p.a.), were secured by mortgages over real estate property and were repayable after 10 years from the date of the loan. No repayments in respect of senior executive loans were received (1992 – $165,000).

The amounts in this note have not been rounded off to the nearest thousand dollars.

Note 35 Lease & Rental Commitments

	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Finance Leases				
Lease Commitments capitalised				
– Not later than one year	**1,617**	4,115	**–**	–
– Later than one year but not later than two years	**766**	2,392	**–**	–
– Later than two years but not later than five years	**–**	673	**–**	–
– Later than five years	**–**	–	**–**	–
	2,383	7,180	**–**	–
Less future finance charges	**(125)**	(439)	**–**	–
Present value of leasing liability	**2,258**	6,741	**–**	–
Current Liability (note 17)	**1,529**	3,760	**–**	–
Non-current Liability (note 20)	**729**	2,981	**–**	–
Operating Leases				
Plant & Equipment Leases	**6,945**	24,023	**24**	66
Carpark Leases	**43,649**	46,571	**–**	–
Property Leases	**17,328**	14,848	**–**	–
	67,922	85,442	**24**	66
Lease Commitments not capitalised				
– Not later than one year	**19,633**	31,955	**24**	41
– Later than one year but not later than two years	**14,053**	15,185	**–**	25
– Later than two years but not later than five years	**22,502**	23,921	**–**	–
– Later than five years	**11,734**	14,381	**–**	–
	67,922	85,442	**24**	66

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

Note 36 Leighton Holdings Limited and Controlled Entities

All controlled entities carry on business in the country of incorporation except where noted	Class of Shares	Entity's Investment $'000	Entity's Share of Equity	Place of Incorporation	Contribution to Economic Entity Operating Profit/(Loss) After Income Tax 1993 $'000	1992 $'000
Leighton Holdings Limited				Vic.	**10,365**	4,805
Aus. Construction and Dredging B.V. (3)	Ord.	10,060	100%	Netherlands	**1,124**	130
* Solomon Insurance Pte Ltd	Ord.	662	100%	Singapore	**(10)**	(8)
Atchison Investments Pty Ltd	Ord.	13,500	100%	N.S.W.	**(824)**	1,017
Leighton Finance Limited	Ord.	20,000	100%	N.S.W.	**(315)**	1,420
Leighton Major Projects Pty Limited	Ord.	30,000	100%	N.S.W.	**2,797**	23
Leighton Staff Shares Pty Ltd	Ord.	2§	100%	Vic.	**–**	–
Leighton Superannuation Pty Ltd	Ord.	2§	100%	N.S.W.	**–**	–
Lomo Pty Ltd	Ord.	15,091	100%	Qld.	**–**	–
Technical Resources Pty Ltd	Ord.	2§	100%	N.S.W.	**166**	178
Leighton Contractors Pty Ltd (1)	Ord.	99,060	100%	N.S.W.	**35,455**	30,126
# Welded Mesh Pty Limited	Ord.	900§	90%	N.S.W.	**–**	–
# Welded Mesh Unit Trust	Ord. Red. Pref.	994 9,067	90%	N.S.W.	**3,611**	467
* Leighton Contractors (PNG) Pty Ltd	Ord.	2§	100%	P.N.G.	**–**	–
Bonedale Pty Ltd	Ord.	2§	100%	A.C.T.	**(337)**	–
Leighton Interlink Pty Ltd	Ord.	2§	100%	N.S.W.	**459**	8,853

Note 36 Leighton Holdings Limited and Controlled Entities (Cont)

All controlled entities carry on business in the country of incorporation except where noted	Class of Shares	Entity's Investment $'000	Entity's Share of Equity	Place of Incorporation	Contribution to Economic Entity Operating Profit/(Loss) After Income Tax 1993 $'000	1992 $'000
Pluteus ACT (No 7) Pty Limited	Ord.	100§	100%	A.C.T.	–	–
Yarralink Pty Limited (5)	Ord.	2§	100%	Vic.	–	–
Leighton Properties (Qld) Pty Ltd	Ord.	1§	100%	Qld.	**(205)**	(313)
Ridgewood Development Pty Ltd	Ord.	3§	100%	Qld.	**838**	(533)
Leighton Properties Pty Ltd	Ord.	50,000	100%	N.S.W.	**(9,851)**	(14,371)
2 City Road Pty Ltd (5)	Ord.	2§	100%	N.S.W.	**(702)**	–
Actrip Pty Ltd	Ord.	2§	100%	A.C.T.	–	(932)
Algester Properties Pty Ltd	Ord.	2§	100%	Qld.	–	–
Burton Properties Pty Ltd	Ord.	1§	100%	N.S.W.	**(31)**	–
Gapwell Pty Ltd	Ord.	2§	100%	Qld.	–	(277)
Landetting Nominees Pty Ltd	Ord.	2§	100%	Vic.	–	–
LB Developments Pty Ltd	Ord.	2§	100%	Qld.	**(1,598)**	(569)
Leighton Properties (Vic) Pty Ltd	Ord.	1§	100%	Vic.	**(466)**	(581)
Moussewood Pty Ltd	Ord.	2§	100%	Qld.	**(488)**	(382)
Pacific Parking Pty Ltd	Ord.	2§	100%	N.S.W.	**(3,679)**	(877)
Adelaide Terrace Investments Pty Ltd	Ord.A Ord.B	20	100%	S.A.	**(12,175)**	(232)
Apical Pty Ltd	Ord.	2§	100%	N.S.W.	–	–
Comserv (No. 1776) Pty Ltd (4)	Ord.A	101§	100%	N.S.W.	**(100)**	1,225
Gabeze Pty Limited	Ord.	2§	100%	N.S.W.	**(43)**	(146)
Dovida Pty Limited (4)	Ord. 'A'	49§ 1§	50%	N.S.W.	**(7,168)**	–
Leighton Properties Pty Limited/ Hochtief Limited Dovida Partn. (4)	–	500§	99.9%	N.S.W.	**(2,108)**	(3,036)
Mamasan Pty Limited (4)	Ord. Red. Pref.	2§ 300§	50%	A.C.T.	**(13,230)**	1,362
Leighton Properties Pty Limited/ Lucrum Partnership (4)	–	–	99.9%	N.S.W.	**(3,924)**	(3,500)
Yifta Pty Limited (4)	Ord. 'A'	49§ 1§	50%	N.S.W.	**(3,133)**	299
Leighton Properties Pty Limited/ Hochtief Limited Yifta Partnership (4)	–	500§	99.9%	N.S.W.	**(1,186)**	(1,699)
Block 200 Partnership (4)	–	–	99.9%	N.S.W.	**(536)**	(969)
Leighton Lifestyle Pty Ltd	Ord.	–	–	N.S.W.	–	–
Pittwater Palms Pty Limited	Ord.	–	–	N.S.W.	–	207
Thiess Contractors Pty Ltd	Ord.	27,365	100%	Qld.	**7,202**	6,779
* Thiess Contractors (PNG) Pty Ltd	Ord.	110§	100%	P.N.G.	–	–
* Thiess Contractors (Malaysia) Sdn. Bhd.	Ord.	88	100%	Malaysia	**(682)**	(5)
Thiess Construction Ltd	Ord.	794	100%	Qld.	–	–
Thiess Superannuation Nominees Pty Ltd	Ord.	2§	100%	Qld.	–	–
Integrated Concrete Repairs Pty Ltd	Ord.	1§	50%	A.C.T.	–	–
Rail Waste Technology Pty Ltd	Ord.	100§	100%	Qld.	–	–
Thiess Contractors International Pty Ltd	Ord.	1	100%	Qld.	–	–
Thiess OGB (Yan Yean) Pty Ltd (5)	Ord.	2§	100%	Vic.	–	–
Thiess Mining Services Pty Ltd	Ord.	2§	100%	N.S.W.	–	–
* Ausindo Holdings Pte Ltd	Ord.	1,247	80%	Singapore	**(17)**	–
* PT Thiess Contractors Indonesia	Ord.	1,404	80%	Indonesia	**6,614**	2,647

Notes continued

Note 36 Leighton Holdings Limited and Controlled Entities (Cont)

All controlled entities carry on business in the country of incorporation except where noted	Class of Shares	Entity's Investment $'000	Entity's Share of Equity	Place of Incorporation	Contribution to Economic Entity Operating Profit/(Loss) After Income Tax 1993 $'000	1992 $'000
Multicon Holdings Pty Limited	Ord.	17,517	100%	N.S.W.	–	–
Multicon Engineering Pty Limited	Ord.	500	100%	N.S.W.	**(5,030)**	(15,548)
Altikar Pty Limited	Ord.	208	100%	N.S.W.	**(947)**	–
Multicon Engineering (WA) Pty Limited	Ord.	60	100%	N.S.W.	–	–
Bymer Pty Ltd	Ord.	200§	100%	N.S.W.	–	–
Leighton Resources Pty Ltd (in Liquid)	Ord.	2§	100%	N.S.W.	–	393
Mount Sugarloaf Collieries Pty Ltd	Ord.	668	100%	N.S.W.	–	54
Black Hill Mining Pty Limited (Liquid)	Ord.	2§	100%	N.S.W.	–	4
* Leighton USA Holdings Inc.	Ord.	54,910	100%	U.S.A.	**2,154**	1,646
* Leighton Pacific Developments Inc.	Ord.	50,882	100%	U.S.A.	**(3,631)**	7
* Leighton Contractors Inc.	Ord.	2,315	100%	U.S.A.	–	36
* Empire/Leighton Associates Partn. (4)	–	–	50%	U.S.A.	–	(546)
* Northcrest Development Inc.	Ord.	2,667	100%	U.S.A.	–	(91)
* Leighton Asia Limited	Ord.	405	80%	Hong Kong	**(588)**	(37)
* Crighton Management Sdn. Bhd. (in Liq.)	Ord.	6	100%	Brunei	**(1)**	(3)
* Lai Lap Foundation Engineering Ltd	Ord.	897	100%	Hong Kong	**(21)**	(21)
* Leighton Asia Waste Services Ltd	Ord.	–	100%	Hong Kong	–	–
* Leighton Brückner Foundation Engineering Ltd	Ord.	2,243	60%	Hong Kong	**(6,865)**	1,252
* Leighton Contractors (Malaysia) Sdn. Bhd.	Ord.	1,018	100%	Malaysia	**144**	(117)
* Leighton Contractors (Middle East) Ltd (2)	Ord.	2,736	100%	Hong Kong	**5,545**	(2,501)
* Leighton Contractors (Singapore) Pte Ltd	Ord. / Red. Pref.	1,040	100%	Singapore	**718**	(11)
* Leighton-Ipco Limited	Ord.	13	100%	Hong Kong	**2,219**	3,005
* Leighton Chemical Waste Ltd	Ord.	–	100%	Hong Kong	–	–
# Thai-Leighton Ltd (4)	Ord.	239	49%	Thailand	**3,459**	(914)
* Leighton Contractors (Asia) Ltd	Ord. / Red. Pref.	15,214	100%	Hong Kong	**10,047**	5,620
* Leighton Asia Fund Management Limited	Ord.	–	100%	Hong Kong	–	–
* Asia Chemical Waste Services Ltd	Ord.	–	100%	Hong Kong	–	–
* Giddens Investment Ltd	Ord.	–	100%	Hong Kong	**6**	11
* Hong Kong Landfills Ltd	Ord.	–	100%	Hong Kong	–	–
* Leighton-Ted Partnership (2)	–	–	66.7%	Hong Kong	**131**	–
Contribution to Consolidated Operating Profit					**13,163**	23,347
		432,896				
Elimination of investments other than in directly controlled entities		94,324				
		338,572				

Names inset indicates that the investment is held by entity immediately above the inset.

(1) Also carries on business in Hong Kong
(2) Carries on business in the Middle East
(3) Carries on business in Australia
(4) Entities controlled under shareholder agreements
(5) Incorporated in 1993 year

*Audited by overseas KPMG Peat Marwick member firms
#Audited by firms other than KPMG Peat Marwick
§These amounts have not been rounded off to the nearest thousand dollars

Note 37 Acquisition and Disposal of Controlled Entities and Businesses

Name	Date Acquired	Proportion Acquired	Cash Consideration $	Net Tangible Assets at Acquisition $
Entities Acquired				
Pluteus ACT (No 7) Pty Limited	June 1993	76%	76	100
Yarralink Pty Limited	Aug 1992	100%	2	2
Thiess Mining Services Pty Ltd	Oct 1992	50%	1	2

Name	Date Disposed	Proportion Retained	Profit on Sale $	Net Tangible Assets at Disposal $
Disposal of Entities				
Leighton Lifestyle Pty Limited	June 1993	–	–	2
Pittwater Palms Pty Limited	June 1993	–	–	2

Liquidated Companies
Leighton Nominees Pty Ltd
Leighton Contractors (SA) Pty Ltd
Rosejoss Properties Pty Ltd
C.L Mine Management (NQ) Pty Ltd
Price Property Development and Managers Sdn. Bhd.

The amounts in this note have not been rounded to the nearest thousand dollars.

Note 38 Consolidation of Controlled Entities

As a result of the adoption of accounting standard AASB1024, "Consolidated Accounts" and changes to the Corporations Law, all entities which the Chief Entity controls were consolidated in 1992. This was a change in accounting policy in 1992 from previous years when only companies which met the then companies legislation definition of subsidiaries were consolidated. The entities now consolidated are shown in note 36.

The effect of the aggregate increases and decreases in assets, liabilities and equities of the Economic Entity at the beginning of the 1992 financial year resulting from the inclusion of those controlled entities in the consolidated accounts were:

	1992 $'000
Assets	126,351
Liabilities	127,001
	(650)
Retained Earnings	253
Outside Equity Interests	(903)
	(650)

Note 39 Outside Equity Holdings in Controlled Entities

Name	Number of Shares Held by Outside Interests 1993 No.	1992 No.	Total Issued and Paid Up Capital 1993 $'000	1992 $'000	Equity Holdings of Outside Interests 1993 %	1992 %
Leighton Asia Ltd						
Ord. Shares of HK$10 each	**60,001**	–	**574**	–	**20**	–
Welded Mesh Pty Ltd						
Ord. Shares of $1 each	**100**	100	**1**	1	**10**	10
Welded Mesh Unit Trust						
Ord. Units of $1 each	**100**	100	**1**	1	**10**	10
Redeemable Pref Unit of $1 each	**520**	520	**5**	5	**10**	10
Mamasan Pty Ltd						
Ord. Shares of $1 each	**2**	2	**4§**	4§	**50**	50
Non Participating Red. Pref. Shares of $1 paid to $0.01	**–**	–	**300§**	300§	**–**	–
Dovida Pty Ltd						
Ord. Shares of $1 each	**50**	50	**99§**	99§	**50**	50
'A' Class Shares of $1 each	**–**	–	**1§**	1§		
Yifta Pty Ltd						
Ord. Shares of $1 each	**50**	50	**99§**	99§	**50**	50
'A' Class Shares of $1 each	**–**	–	**1§**	1§		
Ausindo Holdings Pte Ltd						
Ord. 'A' Shares of $S1 each	**–**	–	**4§**	4§	**20**	20
Ord. 'B' Shares of $S1 each	**1**	1	**1§**	1§		
Red. Pref 'A' Shares of $S1 each	**–**	–	**1,409**	1,268		
Red. Pref 'B' Shares of $S1 each	**424,800**	424,800	**352**	317		
PT Thiess Indonesia						
Ord. Shares of $US1,000 each	**300**	300	**2,181**	1,948	**20**	20
Leighton Brückner Foundation Engineering Limited						
Ord. 'A' Class of $US1 each	**–**	–	**2,443**	2,182	**40**	40
Ord. 'B' Class of $US1 each	**1,120,000**	1,120,000	**1,640**	1,455		

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

Note 40 Related Party Information

Directors

The Directors who held office as Directors of Leighton Holdings Limited during the year ended 30 June 1993 were:

Morrish Alexander Besley, AO
Wallace MacArthur King
Dieter Siegfried Adamsas
Keith Leslie Bennett
Peter John Waraker Cottrell AO, OBE (Appt. 17.2.93)
Holm Hehner
Hans-Peter Keitel (Appt. 19.8.92)
Peter John North
David Paul Robinson
Enno Friedrich Vocke (Ret. 4.11.92)
Rodney Malcolm Wylie, OBE

Directors' Transactions

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

Banking services and facilities are provided by the Commonwealth Bank of Australia on normal commercial terms to the Economic Entity. M.A. Besley is Chairman of the Commonwealth Bank. P.J.W. Cottrell is a director of National Australia Bank Limited which provides banking services and facilities on normal commercial terms to the Economic Entity.

M.A. Besley is a Director of Monier PGH Limited, Clyde Industries Limited and Amcor Limited. P.J.W. Cottrell is a director of Boral Limited. A.C. Hardy, a Director of a controlled entity, is a Director of the Frankipile Group. These companies may provide from time to time on normal commercial terms general construction materials and services. D.P. Robinson is a partner in the firm of chartered accountants Harveys which receives fees from Hochtief Limited for services provided to that company which is a related party.

	Consolidated		Company	
	1993 $'000	1992 $'000	**1993 $'000**	1992 $'000

Note 40 Related Party Information (Cont)

Legal services and consulting services are provided to members of the Economic Entity on normal commercial terms and conditions by firms in which G.J. Lay, G.C. Berkeley and P.G. Champlin, who are Directors of certain controlled entities, are partners.

During the year directors of Leighton Holdings Limited acquired and disposed of shares on the open market and acquired shares in accordance with the dividend re-investment plan. The aggregate details of those transactions were 7,708 (1992 – 2,803) shares acquired and 150,000 (1992 – 90,000) shares sold. During the year Hochtief Limited acquired 10,384,811 (1992 – 5,767,779) shares giving a shareholding at year end of 101,595,800 (1992 – 91,210,989) shares. H.P. Keitel, D.P. Robinson and H. Hehner are the directors of Hochtief Limited.

Transactions with Related Parties

A 20% interest in Leighton Asia Ltd, formerly a wholly owned subsidiary, was sold to the Economic Entity's major shareholder Hochtief Limited. The pricing formula for the sale provided for an initial payment of approximately $20 million on completion of the sale and a further payment if Leighton Asia exceeds agreed profit levels over the next three financial years. Approval of this sale was passed at a General Meeting of Shareholders on 25 June 1993.
The Economic Entity has interests in a number of construction partnerships and trading trusts which are included in other related parties. Transactions with related parties are made on normal commercial terms and conditions and the aggregate of the related party transactions was not material in the overall operations of the Economic Entity or the Chief Entity except for the provision of loans from Hochtief Limited as shown in note 20 on which interest was paid in accordance with the loan agreements, advances to property development partnerships and associates as shown in notes 8 and 12 and the sale of 20% of Leighton Asia. Certain indemnities and undertakings have been given by the Company to Hochtief Limited regarding guarantees given by Hochtief Limited in respect of project development finance provided to certain controlled entities. These indemnities are limited to the shortfall, if any, arising from the sale of the relevant development. Dividends were received or receivable during the year from associated companies as disclosed in note 26. Interests held in associated and controlled entities are set out in notes 26 and 36 to the accounts.

Amounts Receivable from and Payable to Related Parties

	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Companies aggregate amounts receivable at balance date from				
– Directors:				
– Current	**293**	–	**59**	–
– Non Current	**672**	1,160	**113**	239
Other related parties:				
– Associated Companies				
– Current	**2,264**	7,784	**–**	–
– Non Current	**20,590**	20,128	**–**	3,907
– Other				
– Current	**10,596**	7,424	**–**	–
– Non Current	**–**	–	**–**	–
Aggregate amounts payable at balance date to				
Other related parties				
– Hochtief				
– Non Current	**10,229**	–	**9,082**	–
– Other				
– Current	**1,663**	659	**–**	–

Note 41 Cash Flow Information

Reconciliation of Cash Balances

For the purposes of the Statements of Cash Flows, cash includes cash on hand, at bank and short term deposits at call, net of outstanding overdrafts. Cash as at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the balance sheet as follows:

	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Cash at Bank and on Hand	**3,618**	6,272	**5,286**	8,889
Interest Bearing Deposits	**83,917**	99,975	**32,214**	69,667
Bank Overdraft	**(45)**	–	**–**	–
	87,490	106,247	**37,500**	78,556

Note 41 Cash Flow Information (Cont)

	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Reconciliation of Operating Profit After Income Tax to Net Cash Provided by Operating Activities				
Operating profit after income tax	**13,163**	23,347	**13,521**	16,010
Add (less) non-cash items				
Depreciation	**76,570**	61,730	**1,718**	967
Amortisation of Goodwill	**995**	1,521	**–**	–
Amounts set aside to provisions	**65,301**	83,693	**2,132**	3,084
Bad Debts Writeoff	**143**	–	**–**	–
Loan Writeoff	**–**	–	**2,636**	–
Revaluation of non-current assets	**13,822**	–	**30,797**	2,979
Property and other writedowns	**68,461**	–	**–**	–
Foreign Currency (Gains)/Losses	**–**	–	**909**	(371)
Income Tax Payable	**(16,748)**	4,009	**(7,883)**	(1,211)
(Gain)/Loss on Sales of Non-Current Assets	**(16,694)**	(1,804)	**(20,980)**	3
Partnership results	**(1,864)**	1,870	**734**	1,540
Intercompany transactions	**–**	–	**(32,399)**	(23,003)
Net cash provided by operating activities before changes in assets and liabilities	**203,149**	174,366	**(8,815)**	(2)
Net Changes in Assets/Liabilities				
(Increase)/Decrease in Prepayments	**(1,502)**	3,475	**476**	(3)
(Increase)/Decrease in Other Receivables	**(3,077)**	(1,721)	**(3,019)**	419
(Decrease)/Increase in Trade Creditors	**23,672**	16,794	**(2,130)**	(1,806)
(Decrease)/Increase in Other Creditors	**(6,412)**	4,277	**(509)**	1,809
(Decrease)/Increase in Provisions	**(53,947)**	(61,558)	**(304)**	(92)
Proceeds of Sales of Development Properties	**1,416**	28,460	**–**	–
(Other Net Movement) in Development Properties	**(31,440)**	(13,547)	**–**	–
(Increase)/Decrease in Shares in Associates	**(1,254)**	550	**–**	–
(Increase)/Decrease in Trade Debtors	**(20,560)**	11,481	**–**	–
(Increase)/Decrease in Inventory	**(504)**	(1,033)	**–**	–
	(93,608)	(12,822)	**(5,486)**	327
Net cash provided by operating activities	**109,541**	161,544	**(14,301)**	325

Details of Credit Facilities

The Economic Entity has a total of $310 million (1992 – $270 million) committed facilities of which $154 million (1992 – $127 million) were undrawn as at 30 June 1993. These include a $US70 million (1992 – $US70 million) TLC facility provided by a syndicate of banks. The facilities have fixed maturity dates ranging between February 1994 and October 1997.

Non-Cash Financing and Investing Activities

During the year $7.162 million (1992 – $2.951 million) of dividends was reinvested as capital in the Chief Entity pursuant to the Dividend Reinvestment Plan. Also, $Nil (1992 – $3.058 million) of the Subordinated Perpetual Convertible Loan was converted to capital in the Chief Entity.

Fair Value of Assets of Controlled Entities Acquired

	Consolidated 1993 $'000	Consolidated 1992 $'000	Company 1993 $'000	Company 1992 $'000
Property Plant and Equipment	**10,200**	–	**–**	–
Creditors and Borrowings	**(7,000)**	–	**–**	–
Intercompany Borrowings	**(3,200)**	–	**–**	–
	–	–	**–**	–

Statutory Statements

Statement by Directors on the Financial Statements set out on pages 50 to 74

In the opinion of the Directors of Leighton Holdings Limited

(a) the profit and loss statement gives a true and fair view of the Company's profit for the financial year ended 30 June 1993;

(b) the balance sheet gives a true and fair view of the Company's state of affairs as at 30 June 1993;

(c) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due;

(d) the consolidated accounts:

(i) have been made out in accordance with Divisions 4A and 4B of Part 3.6 of the Corporations Law; and

(ii) in particular, give a true and fair view of the matters with which they deal;

(e) the financial statements have been made out in accordance with applicable Australian Accounting Standards.

Dated at Sydney this tenth day of September, 1993.

Signed in accordance with a resolution of the Directors:

M A Besley

M.A. Besley
Chairman

W.M. King
Chief Executive Officer

Auditors' Report to the Members of Leighton Holdings Limited

Scope

We have audited the financial statements of Leighton Holdings Limited for the financial year ended 30 June 1993, consisting of the profit and loss accounts, balance sheets, statements of cash flows, accompanying notes, and the statement by Directors set out on pages 50 to 75. The financial statements comprise the accounts of the Company and the consolidated accounts of the Economic Entity, being the Company and its controlled entities. The Company's Directors are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Company.

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

The names of the controlled entities of which we have not acted as auditors are set out in note 36. We have received sufficient information and explanations concerning these controlled entities to enable us to form an opinion on the consolidated accounts.

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

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

(a) so as to give a true and fair view of:

(i) the state of affairs of the Company and the Economic Entity at 30 June 1993, and the results and cash flows of the Company and the Economic Entity for the financial year ended on that date; and

(ii) the other matters required by Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements;

(b) in accordance with the provisions of the Corporations Law; and

(c) in accordance with applicable Australian Accounting Standards.

Dated at Sydney this tenth day of September, 1993.

KPMG Peat Marwick

KPMG Peat Marwick
Chartered Accountants

John H. Richardson
Partner

Statistical Summary
for the ten years 1984-1993

	1993 $'000	1992 $'000	1991 $'000	1990 $'000	1989 $'000	1988 $'000	1987 $'000	1986 $'000	1985 $'000	1984 $'000
Summary of Balance Sheets*										
Issued and Paid-up Capital	**109,665**	96,721	92,569	62,826	60,706	56,502	56,007	51,793	49,961	39,696
Total Capital and Reserves	**298,120**	249,059	238,453	193,403	178,866	165,612	151,041	148,643	137,365	104,267
Non-Current Liabilities	**367,815**	330,204	207,636	195,499	173,556	141,715	157,468	157,953	133,771	60,205
Current Liabilities	**331,860**	292,203	297,593	286,005	272,568	258,693	241,383	211,542	192,098	169,724
Non-Current Assets	**663,593**	570,250	429,608	363,741	320,224	265,938	287,054	284,923	250,502	154,959
Current Assets	**334,202**	301,216	314,074	311,166	304,766	300,082	262,838	233,215	212,732	179,281
Total Assets*	**997,795**	871,466	743,682	674,907	624,990	566,020	549,892	518,138	463,234	334,240
Summary of Profit and Loss Statements°										
Revenue	**1,580,582**	1,590,196	1,710,044	1,636,460	1,431,260	1,489,100	1,355,345	1,138,338	850,179	653,066
Operating Profit Before Tax	**10,169**	38,468	34,364	35,043	27,110	18,856	16,731	(14,487)	14,808	25,446
Income Tax Expense	**(4,901)**	15,959	13,335	14,563	10,575	7,731	10,016	(1,777)	1,805	5,457
Operating Profit after Tax	**15,070**	22,509	21,029	20,480	16,535	11,125	6,715	(12,710)	13,003	19,989
Financial Statistics										
Earnings per Ordinary Share										
– basic	**7.6¢**	11.6¢	16.1¢	16.5¢	14.2¢	9.9¢	6.2¢	–	13.7¢	24.7¢
– diluted	**7.6¢**	11.6¢								
Dividends per Ordinary Share	**8.0¢**	8.0¢	8.0¢	8.0¢	7.0¢	4.0¢	–	–	12.0¢	12.0¢
Dividend Times Covered	**0.9**	1.4	1.7	2.0	2.0	2.5	–	–	0.9	2.2
Net Tangible Assets per Ordinary Share	**128¢**	126¢	123¢	128¢	121¢	115¢	113¢	111¢	127¢	121¢
Current Ratio	**1.00**	1.04	1.06	1.09	1.12	1.15	1.09	1.10	1.11	1.06

*Includes consolidation of controlled entities under AASB1024 from 1992.

°Prior to 1992, the Summary of Profit and Loss Statements reflected the equity accounted revenue and profit and loss of associated companies.

The Financial Statements are printed on 100% Australian made recycled paper.

Directory and Offices

Leighton Holdings Limited
Head Office
472 Pacific Highway
St Leonards NSW 2065
Tel. (02) 925 6666
Fax. (02) 925 6005

Directory
Board of Directors
Morrish Alexander Besley, AO
Wallace MacArthur King
Dieter Siegfried Adamsas
Keith Leslie Bennett
Peter John Waraker
Cottrell, OBE, AO
Holm Hehner
Hans-Peter Keitel
Peter John North
David Paul Robinson
Rodney Malcolm Wylie, OBE

Associate Directors
Martin Carl Albrecht
John Faulkner
Vyril Anthony Vella

Secretary
Ashley John Moir

Principal Registered Office in Australia
Level 5, 472 Pacific Highway
St Leonards
Sydney NSW 2065
Tel. (02) 925 6666

Principal Banker
The Commonwealth Bank of Australia
48 Martin Place
Sydney NSW 2000

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

Auditor
KPMG Peat Marwick
Chartered Accountants
The KPMG Centre
45 Clarence Street
Sydney NSW 2000

Share Register Office
c/- Coopers & Lybrand
Level 8
580 George Street
Sydney NSW 2000
Tel. (02) 285 7111

Corporate Management Leighton Holdings Limited

W M King
BE, MEngSc, FIEAust, FAIM
Chief Executive Officer

D S Adamsas
BComm
Director of Finance and Administration

A J Moir
FCPA, FCIS, FCIM
Company Secretary

G E McOrist
CPA
General Manager, Treasury

W H West
BSc(Tech), MIEAust
Manager, Investment

T G Young
BBS, DipTech(Comm), CPA, FTIA, FCIS
Group Financial Controller

Leighton Contractors Pty Limited
Head Office
472 Pacific Highway
St Leonards NSW 2065
Tel. (02) 925 6666
Fax. (02) 925 6004
Telex 23681

New South Wales
Levels 9 and 10
12 Help Street
Chatswood NSW 2067
Tel. (02) 414 3333
Fax. (02) 415 2509
(02) 415 2510

Queensland
19 Lang Parade
Milton QLD 4064
Tel. (07) 870 3355
Fax. (07) 870 1451
Telex 41024

South Australia
140 Greenhill Road
Unley SA 5061
Tel. (08) 272 0300
Fax. (08) 272 0235

Victoria
Level 1
5 Queens Road
St Kilda VIC 3004
Tel. (03) 828 5800
Fax. (03) 866 8870

Western Australia
1 Altona Street
West Perth WA 6005
Tel. (09) 324 1166
Fax. (09) 481 2449

Thiess Contractors Pty Limited
Head Office
146 Kerry Road
Archerfield QLD 4108
Tel. (07) 275 8500
Fax. (07) 275 8517
Telex 41236

Australian Capital Territory
14 Napier Close
Deakin ACT 2600
Tel. (06) 285 4088
Fax. (06) 285 4078

New South Wales
2-10 Parraweena Road
Taren Point NSW 2229
Tel. (02) 526 9444
Fax. (02) 525 7135
Telex 20513

North Queensland
788-794 Ingham Road
Bohle
Townsville QLD 4816
Tel. (077) 74 9900
Fax. (077) 74 5650

Northern Territory
1627 Coonawarra Road
Winnellie NT 0820
Tel. (089) 84 3288
Fax. (089) 84 4150

Victoria
Level 2
493 St Kilda Road
Melbourne VIC 3004
Tel. (03) 820 2000
Fax. (03) 820 9717

Western Australia
Level 6, East Tower
The Capital Centre
254 St Georges Terrace
Perth WA 6000
Tel. (09) 481 0199
Fax. (09) 321 1222

Waste Hawk
Lot 2 Pacific Highway
Hexham NSW 2322
Tel. (049) 64 8511
Fax. (049) 64 8639

Environmental Services
Marley Place
Unanderra NSW 2526
Tel. (049) 71 1588
Fax. (049) 71 1487

PT Thiess Contractors Indonesia
Cilandak Commercial Estate
Building 412
Jalan Raya KKO Cilandak
Jakarta, Selatan 12560
Indonesia
Tel. (62-21) 780 0796
Fax. (62-21) 780 0778

Thiess Contractors (Malaysia) Sdn Bhd
16B Jalan SS 21/62
Damansara Utama
47400 Petaling Jaya
Kuala Lumpur
Tel. (6003) 718 5875
Fax. (6003) 718 4373

Thiess Contractors International Pty Ltd
151B Hai Ba Trung Street
District Q3
Ho Chi Minh City
Vietnam
Tel. (848) 294 140
Fax. (848) 294 140

Leighton Asia Limited
49th Floor Hopewell Centre
183 Queen's Road East
Wanchai Hong Kong
Tel. (852) 823 1111
Fax. (852) 529 8784
Telex (020 802) 85145
LAL HX

Thai Leighton Limited
6th Floor, SPC Building
1 Soi Chaemchan
Sukhumvit 55 Road
Bangkok 10110 Thailand
Tel. (662) 381 3344
Ext 600
Tel. (662) 391 3016
Tel. (662) 391 3668
Fax. (662) 391 4503

Leighton Brückner Foundation Engineering Limited
49th Floor Hopewell Centre
183 Queen's Road East
Wanchai Hong Kong
Tel. (852) 823 1166
Fax. (852) 865 1277
Telex (020 802) 85145
LAL HX

Leighton Brückner (Thailand) Co. Limited
6th Floor, SPC Building
1 Soi Chaemchan
Sukhumvit 55 Road
Bangkok 10110 Thailand
Tel. (662) 381 3344
Ext 600
Tel. (662) 381 8122
Tel. (662) 391 3668
Fax. (662) 391 4503

Leighton Properties Pty Limited
Head Office & NSW Branch
Level 3
472 Pacific Highway
St Leonards NSW 2065
Tel. (02) 925 6666
Fax. (02) 925 6003

Leighton Properties (Vic) Pty Limited
Level 3
5 Queens Road
Melbourne VIC 3004
Tel. (03) 866 1688
Fax. (03) 866 8847

Leighton Properties (Qld) Pty Limited
Unit 2, 10 Hudson Road
Albion QLD 4010
Tel. (07) 862 2455
Fax. (07) 862 2419

Ipco International
Ipco Building
24 Pandan Road
Singapore 2260
Tel. (65) 264 2711
Fax. (65) 264 2091
Telex 23300 IPCO RS

Welded Mesh Pty Limited
Head Office
11 Amour Street
Milperra NSW 2212
Tel. (02) 792 1722
Fax. (02) 772 4737

Victoria
136-158 Cherry Lane
North Laverton VIC 3026
Tel. (03) 369 7211
Fax. (03) 369 4231

Western Australia
20 Newburn Road
Kewdale WA 6105
Tel. (09) 353 3366
Fax. (09) 353 3365

Technical Resources Pty Limited
Level 2
472 Pacific Highway
St Leonards NSW 2065
Tel. (02) 925 6666
Fax. (02) 925 6002
Telex 75820

Design: Emery Vincent Associates. Photography: John Marmaras, Evan Collis, Neil Duncan. Editorial Consultant: Westbrook Communications. Printing: KT Kelly. Colour Separations: Imatec and the Production Centre. Produced by Technical Resources.