

## FOCUS ON QATAR

Page 8

### INSIDE

**6** HLG signs five-year tower crane supply alliance

**10** World cup boost for Qatar's construction industry

**16** World class equestrian project takes shape

**20** Advance Rail Group targets Qatar growth market

**22** HLG launches new safety message

**24** Leighton looks to the future with A\$46.2 billion of work in hand



## CONTENTS

### In brief

- 4 | First concrete pour at hospital project site
- 5 | HLG continues new branding roll out
- 6 | New safety message for HLG  
HLG signs five-year tower crane supply alliance
- 7 | Qatar site hits safety milestone

7 | **They said it**

### Theme overview

8 | Business is booming in Qatar

### Industry news

10 | World cup boost for Qatar's construction industry

### Project updates

- 12 | HLG hands over Doha City Centre site
- 13 | Four towers grace Doha skyline
- 16 | World class equestrian project takes shape

### In depth

20 | Advance Rail Group targets Qatar growth market

### New projects

22 | HLG launches new safety message

### Company news

24 | Leighton looks to the future with A\$46.2 billion of work in hand

## CHAIRMAN'S MESSAGE



HLG is committed to providing a safe workplace and working environment for all its employees.

Our new safety slogan, Safety: We can't Live without It, accurately reflects this commitment and I am pleased to see it launched across our business (page 22).

With this edition of Akhbar AlDar highlighting our excellent work in our Qatar market, it is appropriate then that the project that reached a key safety milestone is located in Qatar.

Al Shaqab Equestrian Academy project has reached 15 million man hours without lost time due to injury and I would like to congratulate them on this milestone (page 7).

I would like to thank all the HLG employees, clients and stakeholders for supporting our approach to safety across the business and I hope you enjoy this edition of Akhbar AlDar.

Riad T. Sadik  
Chairman

## CEO AND MD'S MESSAGE



Qatar is one of HLG's most important markets. Our team has been operating there since 2005 and we have a great business that has an excellent reputation among clients and stakeholders.

This edition of Akhbar AlDar showcases our work in this market, from our Doha City Centre project (page 12) and our spectacular Al Shaqab Equestrian Academy complex (page 16) to our more recent focus on rail opportunities in the region (page 20).

With a strong market outlook and some ambitious government infrastructure plans, Qatar has a strong pipeline of opportunities that HLG is well placed to tap into.

I trust you enjoy this edition of Akhbar AlDar and its focus on our Qatar business.

Laurie Voyer  
CEO and Managing Director

## AKHBAR ALDAR

Akhbar AlDar, which in Arabic means "news of the house", is the corporate magazine of the Habtoor Leighton Group (HLG).

HLG is one of the leading diversified international contractors in the Middle East and North Africa. The Group employs more than 25,000 people, making it one of the largest construction groups in the region.

HLG is part of the Leighton Group, Australia's largest project development and contracting group with annual revenues exceeding US\$18 billion. The Leighton Group's major shareholder is HOCHTIEF AG, the world's largest international contractor.

HLG focuses on five core market sectors:

Infrastructure

Building

Rail

Oil and Gas

Mining

The Group also operates a diverse range of complementary Associated Businesses, offering clients a one-stop solution for all their construction, development and asset management needs.

HLG has an extensive track record in large-scale projects across the region. For more than 40 years it has built a strong and loyal client base across both the public and private sectors.

Cover picture: Al Shaqab Equestrian Academy, Doha, Qatar

## First concrete pour at hospital project site

HLG's AED2.2 billion new Mafraq Hospital project in Abu Dhabi has reached a key milestone recently, undertaking the first concrete pour of the project.

A joint venture between Habtoor Leighton Group and Murray and Roberts, the new Mafraq Hospital project was awarded by the Abu Dhabi Health Services Company (SEHA) in March this year.

The hospital's main raft foundation consists of a 1,500 millimetre deep reinforced concrete slab below the four ward towers, as well as a 1,000 millimetre ground-bearing reinforced concrete slab covering the remaining areas of the basement.

Four truck-mounted concrete placing booms were used on the pour, with each boom pumping 50 cubic metres of concrete per hour

for more than nine hours. During this time a staggering 1,900 cubic metres of concrete was poured into a mesh of 190 tons of reinforced fixed bars.

Project Director Vanessa Currie said the weather proved to be a challenge for the project team, with almost 75 tonnes of ice used to maintain an upper temperature limit of 30°C during the pour.

"Maintaining the temperature of the concrete during the pour was crucial. Given the summer temperatures we poured most of it at night when it was cooler," she said,

"The team put in a great deal of work and I am pleased to say everything went as planned on this crucial stage of this remarkable hospital project."

**A joint venture between Habtoor Leighton Group and Murray and Roberts, the new Mafraq Hospital project was awarded by the Abu Dhabi Health Services Company (SEHA) in March this year.**



## HLG continues new branding roll out

HLG continues to roll out its new branding across the business, with the second phase of the process well underway.

With the new brand officially launched in June, HLG now has also recently launched a new-look website, with new branding and revised content.

The company has also begun the task of rebranding its project sites as well as its plant and equipment.

Group General Manager Strategy and Corporate Affairs Chris Gordon said the new brand had been embraced by clients, stakeholders and employees.

"We have received a lot of praise for the new landmark, which has been designed to

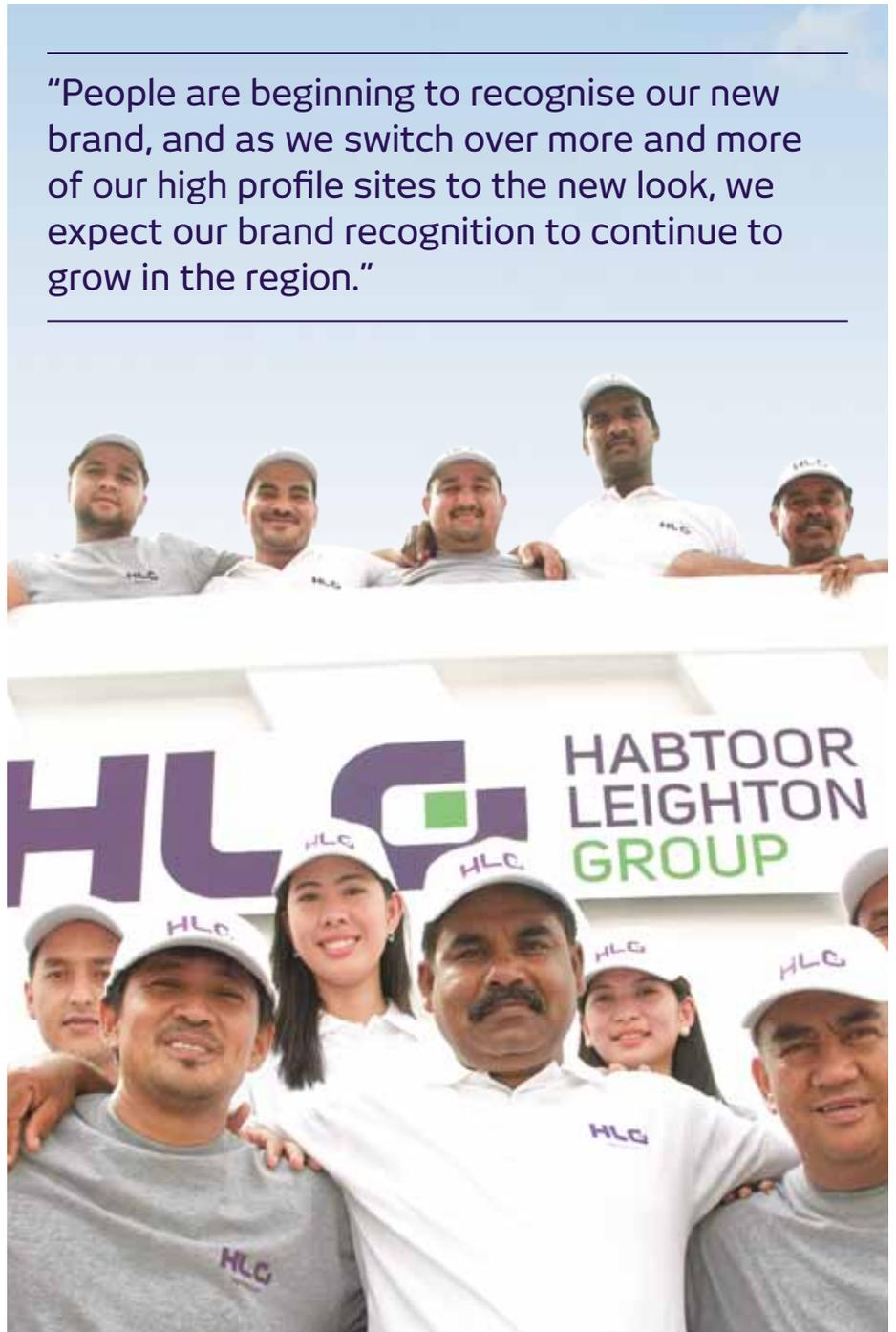
reflect a fresh new approach for the company," he said.

"People are beginning to recognise our new brand, and as we switch over more and more of our high profile sites to the new look, we expect

our brand recognition to continue to grow in the region."

To view the company's new website, visit [hlgroup.com](http://hlgroup.com)

"People are beginning to recognise our new brand, and as we switch over more and more of our high profile sites to the new look, we expect our brand recognition to continue to grow in the region."



## New safety message for HLG

**Safety: We Can't Live Without It** has been chosen as the new safety message for HLG, to help the company promote its commitment to becoming an industry leader in health and safety.

Group Manager OHSE and Training Tom McGuire said the company ran an internal competition to select an appropriate slogan for the company to use in all its safety materials.

"We received more than 2,500 entries from across the business. With so many entries, we expected a number of them to be high quality and we were not disappointed," he said.

**"We chose this message as it communicates the importance of not only protecting lives, but protecting the business. Without excellent health and safety practices the ability of the company to survive is compromised."**

Mr McGuire said the new message had been embraced by employees and was being rolled out across the business.

"The lives of our people and those under our care is of paramount importance to HLG. We are focused on becoming a leader in health and safety in our industry and this is a great way for us to spread this message through the business."

For more on HLG's new safety slogan and its approach to promoting health and safety across the business see page 22.

## HLG signs five-year tower crane supply alliance



HLG has formed an alliance with Wolffkran Arabia, to supply tower cranes and plant as part of a five-year purchasing and rental deal.

Wolffkran Arabia is a joint venture between Dubai-based Kanoo Group and German crane manufacturer Wolffkran, and the recently signed alliance with HLG includes supply of new cranes, crane hire and disposal of redundant cranes. The deal, covering HLG's requirements throughout the GCC, was formally signed-off at a recent ceremony by executives from Wolffkran Arabia, Wolffkran AG and HLG.

Under the agreement, Wolffkran Arabia will initially supply five cranes to HLG and it will receive first option on the Group's future tower crane requirements. Wolffkran Arabia will also support HLG with the disposal of older tower cranes from its fleet.

"Already HLG has eight Wolffkran units allocated to the Mafraq Hospital project and a further Wolffkran 6531 unit working on the Abu Dhabi Islamic Bank project. Together with the five units purchased by HLG, this has been a strong endorsement of the alliance."

HLG Operations Manager for the UAE Andrew Henry said the deal was a benefit for HLG.

"This holistic approach to updating our tower crane fleet is a real draw card for us," he said. "The flexibility and support from Wolffkran were key features that attracted us to form this alliance."

## Qatar site hits safety milestone

HLG's Al Shaqab Equestrian Academy Project has reached more than 15 million hours without a lost time injury.

The project has had a strong safety record and recently celebrated its commitment to a safe workforce by reaching more than 15 million continuous hours safely.

Project Director Dale Burtenshaw said the project was thrilled with the recognition for their efforts.

"We were pleased to be recognised by the client as our team puts in a lot of hard work to ensure our site operates with the best possible safety practices," he said.

For more information on progress at the world-class Al Shaqab Equestrian Academy project site see page 16.



## THEY SAID IT

**"With the 2022 FIFA World Cup now confirmed, Qatar could soon emerge as the most expensive place for construction in the Middle East particularly if there is any misalignment between supply and demand in the short to medium term."**

Nick Smith, Regional Head of Cost and Commercial Management in the Middle East for EC Harris, speaking about their annual International Construction Cost Report. The UAE featured in the top three of the most expensive countries in the Middle East in which to build, with construction costs deemed to be nine percent cheaper than in Bahrain and three per cent lower than in neighbouring Qatar.

**The quarterly gross domestic product (GDP) [of Qatar] at current prices is estimated at QR141.84 billion in Q1 of 2011 compared to QR110.46 billion in Q1 2010.**

The Qatar Statistics Authority (QSA), which used information collected through the quarterly economic indicator survey and from other agencies and ministries/departments.

**"The enforcement of the rule is in line with the federal law No 1980 on the legislation and laws on workers' rights."**

Mubarak Saeed Al Dhahiri, Undersecretary of the Ministry of Labour speaking on the enforcement of the midday work ban in the UAE. As many as 99.7 percent of private companies complied with the UAE's three-month midday work ban in the first two weeks of enforcement. The ban runs from mid-June until mid-September.

**"We have had just a handful of workers come by complaining of heat exhaustion; maybe just one or two men every three days or so. This is such a huge improvement from years past, when we'd treat dozens of heat exhaustion cases and even heat stroke patients every week during the summer."**

Dr Jihad Awad, head of Emergency at Mafraq Hospital in Abu Dhabi.

**"By facilitating industry-specific seminars that are customised to the work environment and needs of various industries, we are going the extra mile in promoting green building management initiatives."**

Annan Sharafi, Chairman, Emirates Green Building Council on customising seminars and workshops for corporate organisations as part of its expanded education program.

**"The GCC's interior design industry is currently witnessing rapid growth and development and is strongly reflected in the high number of design projects that accompany the current batch of world class development projects in the region."**

Farida Kamber Al Awadhi, President, Association of Professional Interior Designers. The GCC's interior design spending surpassed US\$59 billion, up from last year's recorded figure of US\$56.9 billion.



# BUSINESS IS BOOMING IN QATAR

---

HLG's Qatar business has been in operation since 2005. With a number of landmark projects completed and some promising projects on the horizon, Executive General Manager Qatar and Bahrain Tony Saadie talks about the future for his growing business.

---

**A**s one of the major international contractors in Qatar, HLG has secured a solid reputation for delivering high quality projects in the region.

If you look at a lot of the other international companies tendering for projects here in Qatar they don't have the kind of presence or history that we have worked hard to build.

We have been operating here since 2005. Since this time we have built a workforce of around 8,000 direct employees and made a substantial investment in plant and equipment. We've established our head office in Doha and have all the people and infrastructure we need to support our projects. As a standalone operation we have a well established supply chain and the authority to make quick decisions.

We also have a strong and credible balance sheet and we are well positioned to take advantage of Qatar's strong market outlook for the 2011-2015 period.

Our largest shareholder, Leighton, turns over around US\$20 billion a year, so we have access to funding, bonding and resources, which provide comfort to our clients. Because we are a large company we are able to attract the best people from across both Habtoor Leighton Group and Leighton and position them in Qatar. We have access to a substantial number of very experienced and committed people.

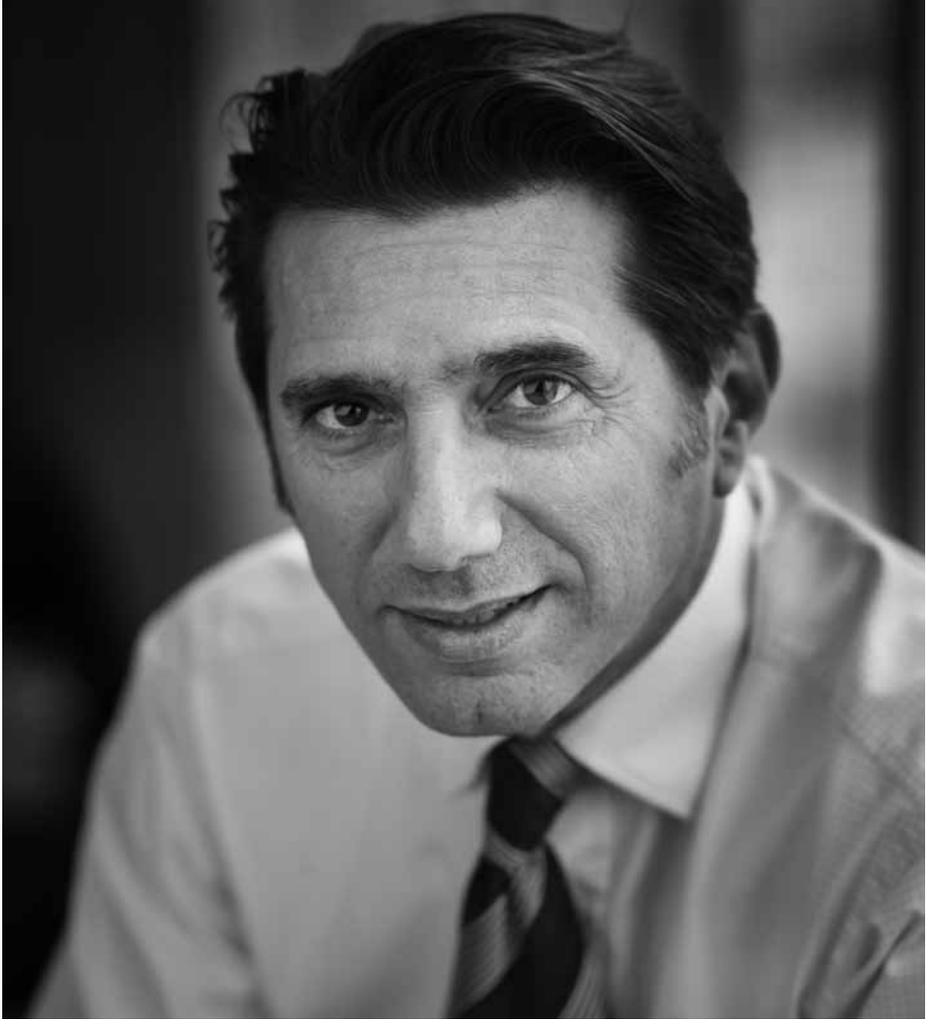
The award of the 2022 FIFA World Cup to Qatar will be the catalyst to kick start the delivery of QAR360 billion of planned projects by Government departments and State controlled companies. This includes QAR73 billion on roads and QAR130 billion on rail projects.

We have invested heavily in Qatar and I believe our clients see it as a sign of our commitment to Qatar.

One of the key things we have done here to build a sustainable and solid business is to align ourselves with the Qatar National Vision 2030.

The vision has helped us identify our own direction and we have married our business plan to this 2030 vision.

Qatar's four pillars; human development, social development, economic development



**One of the key things we have done here to build a sustainable and solid business is to align ourselves with the Qatar National Vision 2030. The vision has helped us identify our own direction and we have married our business plan to this 2030 vision.**

and environmental development, are all areas we are focusing on for our future business opportunities.

The Government is spending significant amounts on universities, hospitals and research facilities and we have a long history in delivering these types of facilities. We also have an established relationship with the Qatar Foundation which is currently building a world class Hospital and Education facilities in Education City.

On the social development side we are currently finalising the Al Shaqab Equestrian Facility at Education City on behalf of the Qatar Foundation. It is a magnificent facility and will be one of the largest and best in the world and one that we are very proud to have built.

We are also supporting the country to meet its water needs by constructing a large reservoir

and pipeline project for the Qatari Electricity and Water Corporation (KAHRAMAA) which has significant plans in place to guarantee water supply for the expanding economy and population in an energy efficient manner.

In regards to rail we have announced our plans to expand into Qatar with HLG's rail provider Advance Rail Group (ARG) offering its rail and tunnel expertise to the Qatar Government's planned US\$35 billion rail program.

The Group is currently looking at the Doha Metro, the West Bay People Mover and the National Passenger and Freight Program.

When I consider the developments that are being planned for Qatar, it's clearly both a tremendous opportunity and an exciting time for us as a contractor to be part of Qatar's continuing development over the next 15 to 20 years and beyond.

# WORLD CUP BOOST FOR QATAR'S CONSTRUCTION INDUSTRY

The announcement of Qatar as the host venue for the 2022 FIFA World Cup was welcomed by the construction industry, which is set to benefit from an estimated infrastructure and building spend of more than US\$100 billion.

**Q**atar has 10 years to deliver the World Cup stadiums and team facilities and the transport, accommodation and utilities infrastructure required to support them. All must be complete in time for the FIFA Confederation Cup in 2021, the forerunner to the World Cup in 2022.

The tournament will be held in twelve stadiums in seven urban centres on the east and north coasts of Qatar - Doha, Al Rayyan, Lusail, Umm Slal, Al Khor, Al Wakrah and Al Shamal.

The 2022 World Cup will be the most compact ever, with travel time between venues, by rail or road, being less than 60 minutes and in no case longer than 100 minutes.

The event requires 12 stadiums, nine of which are to be newly constructed and three that are to be extensively renovated. Nine of the stadiums will have temporary modular upper tiers with total seating for over 200,000 people. After the World Cup these will be dismantled and used to construct 22 stadiums in developing countries around the world.

Qatar will provide 55,000 new hotel rooms or guest apartments, including those for the team hotels. This will involve 140 new projects, the majority to be completed by the end of 2016. Two thirds of the rooms will be in 17 new projects.

Habtoor Leighton Group Qatar and Bahrain Executive General Manager Tony Saadie said

while the pipeline of work was steady, most of the infrastructure development plans were already in place prior to the announcement.

"We were already familiar with a number of these projects, many of them having been already planned. World Cup 2022 will be the catalyst to kick-start the projects and the driver to ensure delivery by 2021," he said.

"There are a number of planned infrastructure projects but the World Cup is likely to give additional stimulus to development projects such as the 37 square kilometre Lusail City to the north of Doha and the Barwa Al Doha mixed used city centre development."

Mr Saadie said HLG was in a good position to make a bid for a number of the projects in the pipeline for Qatar.

HLG Qatar has around 7,000 workers in the country, a major plant fleet, and has delivered or is nearing completion of approximately US\$2 billion worth of projects in the last five years.

"Our primary focus will be on the infrastructure opportunities available – specifically rail, roads, and waste/water projects," he said.

"We are ideally placed to capitalise on some of these opportunities as we have the systems and resources in place to make a significant contribution to the delivery of the infrastructure required.

"We are already well-established in this market and we have the supply chain in place, as well as a proven track record of project delivery."

Mr Saadie said while constructing the infrastructure for the World Cup was a big undertaking, he was confident the industry could deliver.

"The infrastructure required for the World Cup in 2022 can be completed in time, providing the traditional tendering process is streamlined," he said.

"It will be of critical importance that plant, material and staff resources are able to enter Qatar easily to enable on-time construction of the numerous projects required by 2022.

"I believe this is an excellent win for Qatar and it's a great way for Qatar to showcase itself to the world."



"We were already familiar with a number of these projects, many of them having been already planned. World Cup 2022 will be the catalyst to kick-start the projects and the driver to ensure delivery by 2021."

# HLG HANDS OVER DOHA CITY CENTRE SITE

In May this year, Habtoor Leighton Group (HLG) successfully handed over Phase II of a key project in Qatar's capital city of Doha.

The Doha City Centre project began in 2005 and involved the construction of five towers with a direct link to the existing Doha City Centre, one of the largest malls in the Gulf.

Valued at US\$450 million the project for Al Rayyan Tourism Investment Company was divided into three phases; Phase II, Phase IIIA and Phase IIIB. The total project involves construction of a total built up area of around 438,000 square metres and includes a reinforced concrete structure, external cladding with a glazed curtain walling system, MEP services, and soft and hard landscaping.

Senior Project Manager Ziad Hodroge said HLG had successfully handed over Phase II of the project in May this year.

Phase II included the construction of the 258-room, 50-storey Marriott Renaissance Hotel, the 204-room and 124 executive apartment, 50-storey Marriot Courtyard and a podium. These world class facilities are due to open in August 2011.

"The team worked hard to deliver this project to the high standards expected by the client," Mr Hodroge said.

"The sheer size of the project meant we had to overcome a few challenges, particularly sourcing materials and managing subcontractors. With such a volume of work we had a number of different subcontractors working with us so we had to constantly coordinate works to make sure we hit our key milestones."

He said completing the project was an excellent achievement for the team and the wider company.

"This brings to close a complex and challenging projects for HLG. We are proud to deliver this world class hotel facility to Doha and the quality of our work will be witnessed by the many people who will stay in this hotel in the years to come."

Subsequent phases of the project remain under construction with completion scheduled for 2012. Phase IIIA includes the construction of the 200-room, 50-storey, Shangri-La Tower, the 50 storey Rotana Tower and a podium. Phase IIIB involves the construction of the 48-storey Merweb Tower and a podium.



# FOUR TOWERS GRACE DOHA SKYLINE

Four high profile towers are taking shape on Qatar's skyline thanks to the hard work of Habtoor Leighton Group's Qatar construction team.

HLG was awarded a combined US\$244 million contract for the design and construction of four towers in 2008; the Arwa Tower, the Al Dareen, Traders and Al Faisal Tower.

HLG Project Director Fawzi Omari said the towers were in advanced stages of completion.

"We currently have more than 2,000 people on site, the Al Faisal and Al Dareen towers are in the final stages of construction and we expect them to be finished this year," he said.

"The structural work at both Arwa and Trader's towers has been successfully completed so we are pleased with the progress on this as well."

Three of the towers are being constructed for Al Jazi Real Estate. The US\$48 million Arwa Tower is a 42-storey luxury residential tower. It has two basement parking floors, a ground floor and 41 floors of apartments. It is 176 metres high with a built up area of more than 63,000 square metres.

The US\$46 million Al Dareen Tower is a luxury residential complex reaching 36 stories and 159-metres high. It has two basements, a ground floor, and 67 two-bedroom and 199 three-bedroom apartments.

Also being built for Al Jazi Real estate is the Traders Doha tower. This mixed-use hotel and serviced apartments tower has a height of 152 metres and will house a 238-room hotel in addition to 84 serviced apartments. The scope of work includes the construction of the 34



"The towers look very striking and getting the architectural shape of Al Dareen and Al Faisal towers right was a real challenge that the team achieved."

storey tower, two basement parking floors, a ground floor and an atrium.

The Al Faisal Tower, being constructed for Qatar Islamic Bank, is a US\$68 million tower that consists of two basements, a ground floor and 52 floors of premium office suites. The tower features a helipad and is serviced by 12 lifts. The tower has a built up area of more than 65,000 square metres.

Mr Omari said the towers had allowed HLG Qatar to clearly demonstrate its reputation for delivering complex large-scale projects.

"The towers look very striking and getting the architectural shape of Al Dareen and Al Faisal towers right was a real challenge that the team achieved," he said.

"It wasn't only the shape; we also had a challenge with the facade for both towers. We sourced the honeycomb cladding from the Netherlands for Al Faisal and from South Korea for Al Dareen, which has made the towers unique in Doha."



---

The landmark Al Shaqab Equestrian Academy is in its final stages of completion. This project has involved the construction of a world-class equestrian academy and includes 5-star standard competition facilities, facilities for the Royal Family, an equine breeding facility, an equine hospital, an Olympic standard indoor arena, a members' clubhouse and stables.

---



# WORLD CLASS EQUESTRIAN PROJECT TAKES SHAPE

Spread across more than one million square metres, the world class Al Shaqab Equestrian Academy in Doha is one of HLG's most prestigious construction projects.

Under construction for the Qatar Foundation, the US\$850 million project involves the construction of a world-class equine management and competition facility, complete with water features and canals in a pristine landscaped environment.

The facility has been constructed with buildings grouped together to cater for specialist equine functions. There are in total 455 horse stables within climate and security access controlled buildings. The stable accommodation buildings have

unique requirements to accommodate Arabian horses for endurance, show jumping, dressage, breeding and veterinary care. Importantly, accommodation has also been provided for HH Emir of Qatar's private horses.

A hospital building is dedicated for equine medical care with administration, operating, intensive care, and recovery areas, while a laboratory building has facilities dedicated to diagnostic, DNA genotyping and forensic laboratory services.

The Breeding Centre caters for horse breeding with specialist accommodation, training facilities, an indoor pool and administration building.

The striking design of the performance arena roof has been inspired by the back of a turtle. The arena includes an indoor air-conditioned multipurpose arena and an adjoining outdoor multipurpose arena.

The four-level grandstand is dedicated to VIPs and overlooks both the indoor and outdoor arena. The VIP areas incorporate the highest quality interior finishes and furnishings while the public spectator areas also boast high quality timber flooring and stone finishes.

Although originally designed specifically for equine events the facility, with its multipurpose arena pavement, conference and catering areas, will also be used for a range of other functions.

In addition, the complex also features an Equestrian Club with a fine dining restaurant, child minding areas and a health club, along with accommodation buildings for endurance riders, competitors and staff.

Specialist work on the project involved the reconstruction of existing buildings, structures, pools and wells to traditional Qatari architecture with traditional building materials being utilised to conserve the local historical architecture and culture.



The striking design of the performance arena roof has been inspired by the back of a turtle. The arena includes an indoor air-conditioned multipurpose arena and an adjoining outdoor multipurpose arena. The four-level grandstand is dedicated to VIPs and overlooks both the indoor and outdoor arena.



## PROJECT UPDATES

Project Director Dale Burtenshaw said HLG began the project in 2006 and had worked closely with the client to reach its near-complete stage.

“Substantial areas of the site are complete and our clients are happily using these spaces already,” he said.

**“Staff and horses have relocated to the facility and the Al Shaqab riding school is using the temperature-controlled indoor arena to host riding classes. The performance arena is also used regularly.**

“With these areas functioning well, we are now focused on finalising the hospital, laboratory and equestrian club.”

Mr Burtenshaw said the team had worked hard to meet a number of construction challenges on the site, but most importantly, the work was done safely.

“Our site celebrated an important achievement recently, with more than 15 million man hours worked without any lost time caused by injuries,” he said.

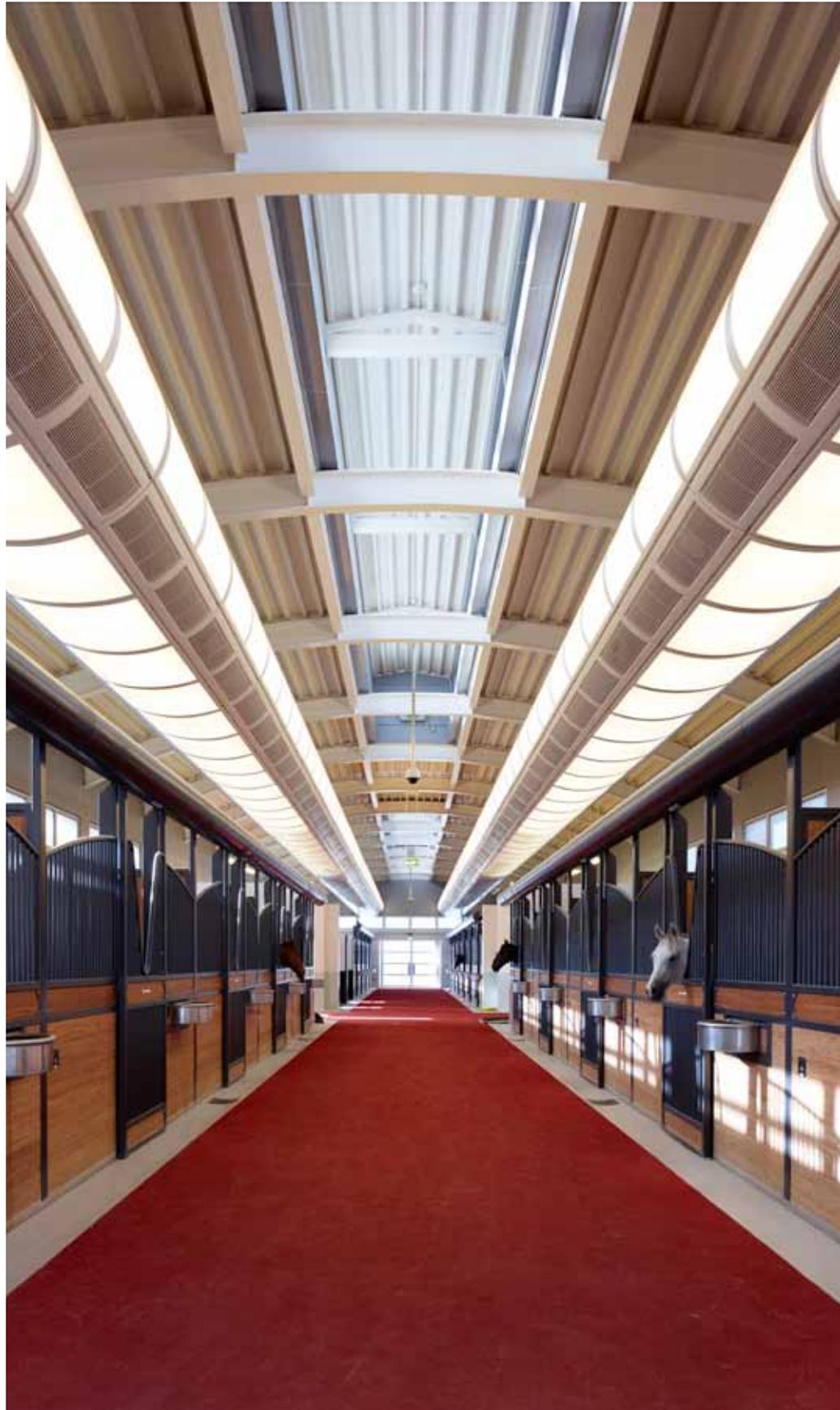
“This is a fantastic achievement and one that reflects our commitment to international standards of safety in construction. The client also acknowledged this achievement which was a great boost for the site team.”

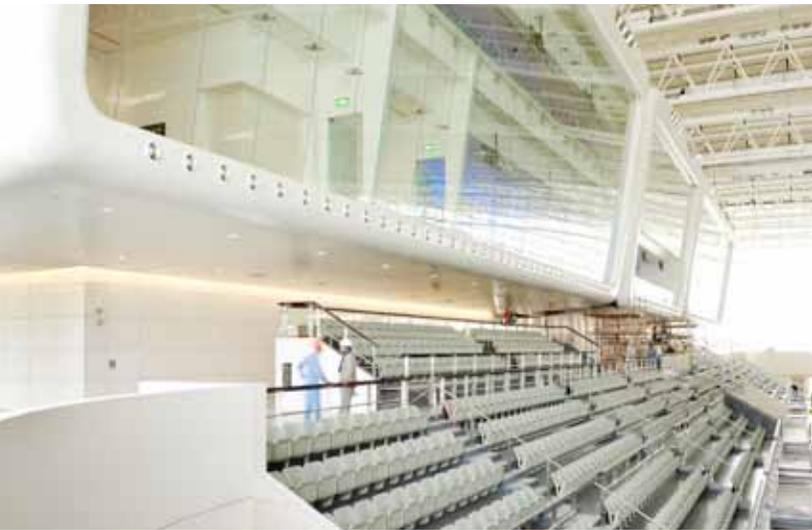
As the project reaches its final stages, Mr Burtenshaw said HLG had again proved it could deliver complex projects to the exacting requirements of the client.

“This is a large and challenging project. To give an idea of its size and scale, the total power supply is 23.5MW, which is enough to run a small town.

“There are 22,000 metres of high voltage cable, 42,500 lights and 127,000 metres of fibre optic cables throughout the equestrian academy.

“We are pleased to be part of creating such a valuable and worthwhile facility for the people of Qatar to use for generations to come.”







**Warwick Georgeson**  
ARG General Manager

---

"I'm proud to be leading ARG. Our two shareholders, HLG and John Holland, have many high profile projects in their portfolios and with this support we are being sought after to partner with local companies across a number of GCC countries.



# ADVANCE RAIL GROUP TARGETS QATAR GROWTH MARKET

---

Advance Rail Group (ARG) has recently announced it will expand its operations into Qatar, offering its rail and tunnelling expertise to the Qatar Government's planned US\$35 billion rail program. **ARG General Manager Warwick Georgeson** talks about the Group's future plans in an exciting new market.

---

**F**or Advance Rail Group sharing in the lucrative rail projects across the GCC region is about building key partnerships and establishing solid foundations in a crowded market.

Valued at an expected \$US75 billion, the GCC rail industry has plans for high speed rail, metros, and passenger and freight services across the region.

ARG General Manager Warwick Georgeson believes his business is ideally placed to capture some of this market.

"Should the plans of GCC governments come to fruition, there will be a doubling in the size of the region's mainline rail network over the next few decades," he said.

"We established ourselves as a dedicated railway contractor for the Middle East to pursue, secure and deliver these metropolitan and regional railway projects across all sectors of the rail industry – and we are busy doing just that."

ARG was formed in October 2010 when Habtoor Leighton Group (HLG) joined forces with Australian rail contractor John Holland. The Group is registered as the Advance Rail International Company LLC in the UAE and has commenced a formal registration process for licensing in Qatar.

"We are looking at Qatar as one of our key markets," Mr Georgeson said.

"Drawing on the experience of our shareholders, we are actively offering our rail and tunnelling expertise to the Qatar Government's planned US\$35 billion rail program."

Mr Georgeson has a varied international career, having worked in tunnelling, motorways and wharf construction in the UK. He began working in the railway industry in Australia in the 1970s and has since worked on landmark railway projects in the UK, the Philippines, Hong Kong, Malaysia, Taiwan and Thailand.

He joined ARG to help lead the Group to some of the key projects on offer in the GCC.

"The opportunities in this region are second to none. The projects are complex and large-scale, so they have their challenges, but this is a very exciting time to be a part of this industry," he said.

"I'm proud to be leading ARG. Our two shareholders, HLG and John Holland, have many high profile projects in their portfolios and with this support we are being sought after to partner with local companies across a number of GCC countries.

"A bonus for us is that ARG can utilise John Holland's experience of constructing railways in remote parts of Australia. As an example, the Alice Springs to Darwin Railway across Australia was constructed in a very similar desert environment to that of the Middle East, which is of enormous benefit to our knowledge and skill set."

Mr Georgeson said ARG was initially focussing its attention on Qatar, which was moving quickly with its rail program.

"As a result of Qatar hosting the FIFA World Cup in 2022, Qatar is pressing ahead to construct its rail plans," he said.

"Also, Qatar's population is expected to increase to 3 million by 2030 and revitalised and modern infrastructure is needed to provide a transport system for these people, as well as freight."

With the metro projects remaining a priority for the Qatar Railways Company, the opportunities for ARG remain in tunnelling, station fit-out, depots and yard construction, trackwork and electrification works.

But Mr Georgeson said developing key partnerships was the real key to ARG's success in Qatar.

"ARG is working with HLG's construction business in Qatar and this – combined with the support of our strategic local partners – is going to enable us to offer integrated project delivery solutions," he said.

"We are currently developing relationships with key clients and consultants so we can position the business to provide pre-contract input and advice on project design features and procurement models."

He said ARG was showcasing its capabilities and engaging with strategic local partners to address some of the complex issues associated with the development and delivery of projects planned for Qatar.

These projects include the Doha Metro, the West Bay People Mover and the National Passenger and Freight Program.

"An important aspect of our approach is to engage with Qatari nationals and ensure their local knowledge is incorporated into our business," he said.

"We also want to make sure we recruit local people, utilise local resources and services and assist with the development of a sustainable operational railway culture that has lasting benefits to the region.

"We want to establish this company not just for these current projects but to demonstrate our long term commitment to the Qatar rail industry."

Mr Georgeson said while there were many issues to face while establishing a presence in Qatar the group looked forward to rising to the challenge.

"ARG offers a full service delivery to meet its client needs, from complex metro systems operations to strategic rail projects including key freight rail and resource and mining based railway infrastructure and operating solutions, all of which are part of the Qatar Government's future rail development program," he said.

"We are very much looking forward to meeting our target of becoming the pre-eminent provider of rail infrastructure and operating and maintaining these important services for this region."

## ADVANCE RAIL GROUP (ARG)

Advance Rail Group (ARG) is one of the most experienced rail contractors in the Middle East and North Africa region. Its team of experienced project managers and specialist engineers is backed by access to modern, state-of-the-art plant and equipment.

ARG has the capability to provide track construction, including specialist tunnelling, rail maintenance, overhead line wiring and signalling.

The Group offers full service delivery for all its client needs, from complex metro systems to strategic rail projects, including key freight and resource-based rail solutions.

ARG benefits from the combined strength and experience of its parent companies, Habtoor Leighton Group and Australia's John Holland.

For more information on ARG see [www.advancerrailgroup.com](http://www.advancerrailgroup.com)

# HLG LAUNCHES NEW SAFETY MESSAGE

HLG has launched a new safety slogan to help promote its approach to creating a safe and healthy work environment. Group Manager, OHSE and Training, Tom McGuire says the new message Safety: We Can't Live Without It - reflects the Group's ongoing commitment to making HLG an industry leader in health and safety.



“The lives of our people and those under our care are at stake, therefore health and safety is at the very top of our agenda. That’s why we are so focused on becoming the leader in safety in our industry. HLG will not compromise in its efforts to eliminate accidents and injuries from our workplaces.”





When it came to designing a new health and safety message for HLG, Group Manager OHSE and Training Tom McGuire knew exactly which approach to take.

"Promoting safety is only as effective as the workers who support and embrace it," he said.

"To meet our goal of becoming a leader in safety we need each and every HLG employee to support safe and healthy work practices."

In order to do this, Mr McGuire ran a company-wide competition for HLG employees to submit their best safety message. This message was to be used on all HLG safety programs, in all its safety education materials and across each site in the business.

"We wanted something that appealed to staff, something that employees could relate to and something that they could stand behind. Asking staff to design the slogan was the most effective way of ensuring our safety message has a direct meaning for them."

McGuire received 2,500 entries from across the business and eventually selected an entry from Sharon Sandagon, a project-based procurement assistant – Safety: We Can't Live Without It

"We wanted something that enabled HLG to communicate the critical importance we place on the protection of our work force, and we felt this message conveyed that very clearly," he said.

"Safety: We Can't Live Without It, was selected because it accurately captures a message that is appropriate for all of HLG's stakeholders and communicates the importance of not only protecting lives, but also protecting the business."

While the new slogan helps to communicate the safety message, Mr McGuire said it did not alter the foundation of HLG's safety program, which maintains a senior management commitment to continually improve occupational health and safety performance through focused risk assessment and management.

"Our main drivers are around leadership, risk management, visibility, commitment, focus, accountability, recognition and no-compromise. These remain the key to maintaining our excellent safety record," he said.

"The lives of our people and those under our care are at stake, therefore health and safety

is at the very top of our agenda. That's why we are so focused on becoming the leader in safety in our industry. HLG will not compromise in its efforts to eliminate accidents and injuries from our workplaces."

He said three HLG sites were currently operating at best-practice for their approach to safety and were reaching record numbers of consecutive working hours without any lost-time due to injury (LTI).

"The Al Shaqab Equestrian Academy and the Doha City Centre in Qatar have both recorded 15 million hours LTI free, and the Zayed University site in Abu Dhabi has recorded 18 million hours LTI free," he said.



**"Safety: We Can't Live Without It, was selected because it accurately captures a message that is appropriate for all of HLG's stakeholders and communicates the importance of not only protecting lives, but also protecting the business."**



"Both projects are excellent examples of what we can do when we work together, and with our clients and stakeholders to constantly improve safety practices."

Mr McGuire said employee support was crucial to the success of HLG's health and safety approach.

"Our employees are the lifeblood of the company and their contribution to health and safety is critical to their own – and the company's – survival," he said.

"By focusing on their own safety and wellbeing and that of others in their workplace staff can make a massive contribution to the creation of a safe working environment.

"By treating the workplace in the same way they would treat their own home, they can improve their own working environment which serves to improve the health and safety performance of HLG as a whole."

# LEIGHTON LOOKS TO THE FUTURE WITH A\$46.2 BILLION OF WORK IN HAND

Leighton Holdings Limited announced an after tax loss of A\$409 million for the 2010/11 financial year - confirming its most recent guidance - and improving on the guidance provided to the market in April 2011 (a loss of A\$427 million).

**L**eighton Holdings' Chief Executive Officer, Mr David Stewart, said this was an extremely disappointing result brought about by a number of challenges, particularly the Airport Link and Victorian Desalination projects, which the Company has brought to account in the financial year.

"Pleasingly though, the Leighton Group maintains a strong level of work in hand, has a strong balance sheet and anticipates reporting an after tax profit of between A\$600-650 million for the 12 months to 30 June 2012. This guidance does not include the potential impacts of the sale of the HWE Mining iron ore business," said Mr Stewart.

"The Leighton Group's underlying results across the core contracting business were solid

during the year with good performances from markets such as Asia, telecommunications, and oil and gas related construction. The Group's operating companies have been awarded some significant projects in the last quarter which supports work in hand, including contract mining in Australia and Botswana, rail construction in Singapore and Hong Kong, construction work for the NBN and two major hospital projects.

"Leighton Contractors, in joint venture, will build the A\$1.85 billion New Royal Adelaide Hospital, the largest and most advanced hospital project ever undertaken in Australia. Recently, John Holland was awarded the construction management of the A\$1.2 billion New Children's Hospital in Western Australia (John Holland's share is valued at A\$800 million)," said Mr Stewart.

"The Group's work in hand at 30 June 2011 was 11 per cent higher than last year, reaching a new high of A\$46.2 billion, with 69 per cent coming from Australia and 31 per cent from offshore markets. The order book was boosted by the award of some A\$26 billion worth of new work, extensions and variations during the period.

"Total revenue, including joint ventures and associates, was up four per cent to A\$19.4 billion versus A\$18.6 billion last year. The revenue generating markets for the Group were infrastructure A\$10.7 billion, resources A\$7.4 billion and property and building construction A\$1.3 billion.

"During the half year, we implemented a strategic



review of our investments. Key initiatives taken as a result of the review have been the sale of Thiess' five per cent stake in the Burton coal mine for A\$35 million, resulting in a post-tax profit of around A\$20 million, and the decision to increase the stake in Devine Limited to 50.06 per cent, resulting in an after tax gain of A\$71 million. The review of other investments and assets is ongoing," said Mr Stewart.

"We moved to strengthen our balance sheet in April 2011, raising A\$758 million in equity via an accelerated renounceable entitlement offer and we thank shareholders for their support. Leighton has a strong capital base with shareholders' equity of A\$2.3 billion, total assets of A\$9.8 billion and debt and finance facilities of around A\$1.8 billion.

"Cash at bank at 30 June 2011 remained high at A\$1.4 billion and cash generated from operating activities during the year was A\$1.7 billion. The Company's balance sheet is expected to be further strengthened by the proposed sale of HWE Mining's iron ore business to BHP Billiton and we are comfortable with our liquidity and gearing," said Mr Stewart.

"In early August, we announced the potential sale of the HWE Iron Ore entities and assets in Western Australia for around A\$705 million, which will facilitate BHP Billiton in their well known intention to transition from a contract miner to an owner operator model. The sale of the Pilbara based iron ore assets represents a positive result for both parties and recognises the creation of substantial value by Leighton since it purchased HWE Mining out of administration in 2006.

"While subject to due diligence, definitive agreements, and relevant internal and regulatory approvals, the sale is expected to close during the fourth

**"The Group's work in hand at 30 June 2011 was 11 per cent higher than last year, reaching a new high of A\$46.2 billion, with 69 per cent coming from Australia and 31 per cent from offshore markets. The order book was boosted by the award of some A\$26 billion worth of new work, extensions and variations during the period.**

quarter of the 2011 calendar year," said Mr Stewart.

"Looking forward, the Australian non-residential construction market is forecast to rise by 5 per cent per year, in real terms, over the next four years offering a good range of construction opportunities. The key drivers will be resources investment, backed by transport infrastructure and utilities construction, and a gradual recovery in commercial building.

"Sustained demand from Asia for commodities such as iron ore and coal is continuing to underpin new infrastructure and mining opportunities in Australia and across the Asian region. In addition, a number of large LNG and CSG projects in Australia and neighbouring regions are committed or planned, benefiting from economic development in Asia and a push towards cleaner energy sources, which should further boost construction activity," said Mr Stewart.

"Construction across the major markets in Developing Asia is forecast to grow strongly over the next five years, supporting a positive outlook for the Leighton Group. High oil prices are underpinning public investment in infrastructure in the Middle East, which should

continue to boost domestic demand and provide opportunities for the Habtoor Leighton Group.

"Our long-term outlook remains positive based on A\$46.2 billion worth of work in hand, a strong competitive position and strong economic activity in our major markets. The Group's diversity strategy is providing us with a range of Australian based construction and mining opportunities and, supplemented by our presence in the growth markets of Asia, positions the Company well for future growth," said Mr Stewart.



# NEXT ISSUE

## COMING UP

---

Focus on Saudi Arabia

---

Capital Gate

---

Project updates

---

New project wins

## CORPORATE OFFICE

Al Habtoor Leighton LLC  
Airport Road, Rashidiya  
P.O. Box 10869, Dubai, United Arab Emirates  
T: +971 4 285 7551, F: +971 4 285 7479



## DUBAI

Al Habtoor Leighton LLC  
Airport Road, Rashidiya  
P.O. Box 10869, Dubai, United Arab Emirates  
T: +971 4 206 0686, F: +971 4 285 5450

Gulf Leighton LLC  
Airport Road, Rashidiya  
P.O. Box 123065, Dubai, United Arab Emirates  
T: +971 4 206 0686, F: +971 4 285 5450



## ABU DHABI

Al Habtoor Leighton LLC  
Al Habtoor Engineering Enterprises - Abu Dhabi  
Villas 2 – 8, Sector 23, Plot 28A/B, Umm Al Nar Area  
P.O. Box 4284, Abu Dhabi, United Arab Emirates  
T: +971 2 401 5959, F: +971 2 558 7901

Leighton Contracting (Abu Dhabi) LLC  
Villas 2 – 8, Sector 23, Plot 28A/B, Umm Al Nar Area  
P.O. Box 94267, Abu Dhabi, United Arab Emirates  
T: +971 2 401 5969, F: +971 2 667 5592



## QATAR

Al Habtoor Engineering Enterprises Qatar WLL  
4<sup>th</sup> Floor, Al Jassim Tower Building, Near Ramada Signal  
C - Ring Road, P.O. Box 22478, Doha, Qatar  
T: +974 4405 9444, F: +974 4441 0494

Leighton Contracting (Qatar) WLL  
3rd Floor, Al Jassim Tower Building, Near Ramada Signal  
C - Ring Road, P.O. Box 11346, Doha, Qatar  
T: +974 4405 9444, F: +974 4441 0494



## KUWAIT

Leighton Middle East WLL  
Block No 3, Street 4, Villa 93, Yarmouk Area 72656, Kuwait  
T: +965 2 535 6206 / 207



## KINGDOM OF SAUDI ARABIA

Leighton Middle East Contracting Company  
Sahafa Gallery – 1st Floor, Riyadh - Sahafa Quarter  
P.O. Box 88989, Postal Code 11672, Kingdom of Saudi Arabia  
T: +966 1 489 1210, F: +966 1 487 1099



## KINGDOM OF BAHRAIN

Al Habtoor Leighton Bahrain SPC  
Bahrain Financial Harbour, Level 22, West Tower, King Faisal Highway  
P.O. Box 20705, Manama, Kingdom of Bahrain  
T: +973 1 750 2770, F: +973 1 750 3030



## SULTANATE OF OMAN

Leighton Middle East LLC  
P.O. Box 306, Postal Code 115  
Madinat Sultan Qaboos, Muscat, Sultanate of Oman  
T: +968 2449 5814, F: +968 2449 5210



## IRAQ / AFGHANISTAN

Al Habtoor Leighton LLC  
Airport Road, Rashidiya  
P.O. Box 10869, Dubai, United Arab Emirates  
T: +971 4 285 7551, F: +971 4 284 3491

Gulf Leighton LLC  
Airport Road, Rashidiya  
P.O. Box 123065, Dubai, United Arab Emirates  
T: +971 4 285 7551, F: +971 4 284 3491



