



FOCUS ON KINGDOM OF SAUDI ARABIA

Page 8

INSIDE

6 New brand roll-out continues

8 Meeting milestones in Saudi Arabia

10 Saudi Arabia's construction sector

12 HLG opens its doors to future recruitment and growth

22 Seizing opportunities in Saudi Arabia

22 Leighton Holdings appoints new Chairman and Chief Executive Officer



CONTENTS

In brief

- 4** | Changes to HLG's senior management team
New leadership at Leighton Holdings
HLG reaches one year safety milestone
 - 5** | ARG partners with Spanish construction giant
 - 6** | New brand roll-out continues
-

7 | They said it

Theme overview

8 | Meeting milestones in Saudi Arabia

Industry news

10 | Saudi Arabia's construction sector

In Saudi Arabia

12 | HLG opens its doors to future recruitment and growth

16 | Advance Rail Group secures Saudi Arabia partnership

New Projects

- 18** | HLG awarded OR117 million road contract in Oman
New project secured
- 19** | HLG awarded QR1.06 billion Qatar shopping mall and office project

In depth

20 | Seizing opportunities in Saudi Arabia

Company news

22 | Leighton Holdings appoints new Chairman and Chief Executive Officer

CHAIRMAN'S MESSAGE



The Kingdom of Saudi Arabia is one of the Habtoor Leighton Group's key growth markets. The business has been establishing itself steadily in Riyadh and further afield for almost a year.

We have a high quality and professional team on the ground and we are currently establishing strong relationships with clients across Saudi Arabia. We are well placed to take advantage of some of the huge opportunities on the horizon.

HLG continues its success in our identified growth markets, with a new infrastructure project award in Oman, as well as a significant office development in Qatar (see page 19).

These new projects represent HLG's expanding business and one that continues to build on its reputation for delivering high-quality, complex projects.

I hope you enjoy reading this edition of Akhbar AlDar and catching up on the news from HLG.

Riad T. Sadik
Chairman

CEO AND MD'S MESSAGE



With a projected government budget spend of US\$385 billion between 2010 and 2014, Saudi Arabia presents some exciting new opportunities for the Habtoor Leighton Group.

Operating in Saudi Arabia as Leighton Contracting Middle East we have established ourselves in Riyadh and have identified new award prospects in the areas of rail, mining and infrastructure.

Our commitment to fostering mutually beneficial partnerships in the region is highlighted by our rail business, Advance Rail Group, partnering with RTCC to pursue rail opportunities (see page 16).

As we prepare ourselves to tap into this pipeline of work we are gearing up with strategies to meet the anticipated resources required (see page 12).

This edition of Akhbar AlDar focuses on our growing presence in Saudi Arabia and I trust you enjoy it.

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: Riyadh's Kingdom Tower represents the ambition of modern-day Saudi Arabia.

Changes to HLG's senior management team

HLG has announced changes to its senior management team in its UAE and Oman business.

The changes follow the announcement that current Executive General Manager Joe Dujmovic will relocate to Australia by the end of this year. He is currently operating in the interim role of Chief Operating Officer for HLG until his departure.

Mark Scorer has replaced Joe as Executive General Manager of the UAE and Oman and Mahmoud Ghandour has taken on an expanded role as Abu Dhabi-based General Manager of the UAE's Building Division.

Jeremy Truebridge is now General Manager-Infrastructure for the UAE. He will also assume responsibility for the management of HLG's Infrastructure Centre of Excellence.

Keith Plumbe remains in Muscat as General Manager-Oman, reporting to Mark Scorer.

New leadership at Leighton Holdings

HLG's largest shareholder Leighton Holdings announced a new Chairman and Chief Executive Officer in August this year.

The Board of Leighton Holdings announced that Mr Stephen Johns was elected to succeed Mr David Mortimer as Chairman following David's resignation from the Board.

Leighton also announced the appointment of Mr Hamish Tyrwhitt as Chief Executive Officer and Managing Director. Mr Tyrwhitt succeeded Mr David Stewart and commenced in the role with immediate effect.

For more information on the new appointments see page 22.

HLG reaches one year safety milestone

On 18 August 2011 HLG completed one full year without a reportable Class 1 incident. This was the first continuous 12 month period since the inception of HLG without a Class 1 incident.

HLG CEO and Managing Director Laurie Voyer welcomed the safety milestone. "This is a significant achievement and due in no small part to the efforts of our dedicated health and safety teams in our offices and on our project sites," he said.

"HLG's safety vision is to eliminate all Class 1 incidents and serious accidents across its business. This was a big step towards achieving this goal.

"Our safety statistics show that we are committed to ensuring we continually work to improve and better our safety practices. With the continued support of staff, clients and stakeholders we should be able to reach a point where we are actually incident free."

At the point of reaching this milestone, HLG had recorded more than 200 million man hours without a Class 1 Incident.



ARG partners with Spanish construction giant

Advance Rail Group (ARG) has announced a new partnership with Spanish construction giant Dragados to pursue rail projects in Qatar.

The companies have signed a joint venture agreement to bid for railway projects that are part of Qatar Railways' extensive rail program, with a particular focus on the Doha Metro.

Dragados is the flagship construction arm of Spain's ACS Group, one of the world's largest construction and services conglomerates. ARG was formed in October 2010, when HLG joined forces with leading Australian rail contractor John Holland, to pursue an expected US\$75 billion in rail projects within the GCC region.

ARG General Manager Warwick Georgeson said the partnership would benefit both companies, and ultimately benefit Qatar.

"This strategic joint venture will ensure that Qatar has access to the very best international rail infrastructure and tunnelling expertise," he said.

"ARG's decision to partner with Dragados was based on their unparalleled track record in rail and tunnelling and their successful completion of several high profile rail projects across the globe. Additionally, through Dragados the joint

venture will be able to utilise the vast resources and technical skills of their associated businesses, including Cobra and ACS Industrial.

"Our initial focus will be on tunnelling opportunities related to the Doha Metro, but we are considering expanding the relationship further across the region to capitalise on the many rail opportunities available," he said.

"This type of partnership supports Qatar's desire to have access to the best international partners. It allows international companies such as ARG and Dragados to share our skills and to assist in the continuing development of the country."



New brand roll-out continues

HLG's Associated Businesses are the latest to receive new branding as part of the Group's roll-out of a new corporate identity.

New branding has been launched for Habtoor Leighton Group Interiors (HLGI), Habtoor Leighton Group Steel (HLGS) and the Group's MEP specialist Habtoor Leighton Specon (HLS).

The new HLG brand was officially launched in June and the rebranding of the Group's Associated Businesses is part of the third phase of the roll-out. HLG's Associated Businesses are formed through strategic

joint ventures with leaders in their respective industries.

Group General Manager Strategy and Corporate Affairs Chris Gordon said the new branding helped the external market understand the link between HLG and its Associated Businesses

"The Associated Businesses complement HLG's core construction activities. They are a key part of HLG's ability to offer clients a one-stop shop for their project needs," he said.

"This branding will help them establish a strong presence in the market as part of the wider Habtoor Leighton Group as well as successful operations in their own right."





THEY SAID IT

“This project will transport containers to the local and neighbouring gulf markets as a main activity... which will lower the cost for transporting goods.”

Saudi Railway Organisation President Abdul Aziz Al Hokail on approvals for plans to build a freight and passenger railway connecting the western port of Jeddah with the eastern ports of Dammam and Jubail.



“Saudi Arabia is making a real and determined effort to tackle the housing shortfall, and, in doing so, is creating a wealth of opportunities for businesses looking to extend or even initiate their operations in the kingdom.”

MEED Events Chairman Edmund O'Sullivan on Saudi Arabia allocating US\$67 billion for housing development in order to deliver the projected requirement of 500,000 additional housing units by 2013.



“Five years [ago], there may have been three companies interested [in school contracts], now there are about 40.”

Director of Wates Steve Yazdabad speaking about the over 200 campuses, costing billions of dirhams, that are under development in the UAE, drawing interest from builders around the world. The Abu Dhabi Education Council has already approved requests to open 47 new schools to serve more than 60,000 students in the next two years.



“The proposed metro rail network will have four lines spread across 212 kilometres; of which 42 per cent (89 kilometres) will be constructed underground and 38 per cent (81 kilometres) elevated, and the remaining 20 per cent (42 kilometres) on the ground.”

Engineer Ghanim Al Ibrahim, Group Director at the Qatar Railways Company on Qatar's Integrated Rail Network which comprises a long-distance passenger and freight rail route of about 490 kilometres, nine passenger stations and six terminals.



“The room growth in the region still continues, as 4,390 rooms have been added to the total active pipeline since August. With 36,205 rooms in the region's pipeline for 2012 and 29,260 rooms planned for 2013, it is clear the Middle East/Africa region is still an attractive region for development.”

Elizabeth Randall, Managing Director of STR Global on hotel rooms in the MENA region.

“The Group's diversity strategy positions the Group to pursue the numerous infrastructure and resources projects likely to proceed over the next few years.”

Leighton Chief Executive Hamish Tyrwhitt on the Leighton Group's long-term positive outlook, based upon a record level of work in hand, a strong competitive position and positive economic activity across its major markets.



MEETING MILESTONES IN KINGDOM OF SAUDI ARABIA

Habtoor Leighton Group operates as Leighton Middle East Contracting in Saudi Arabia. The Group has spent 2011 building its business in the Kingdom. With pre-contracts teams mobilised and targeting key opportunities, Leighton Middle East Contracting General Manager Paul Redstone gives an update on activities in the Kingdom.



Paul Redstone
General Manager
Leighton Middle East Contracting



Since joining Leighton Middle East Contracting at the beginning of the year the pace of change in Saudi Arabia has been accelerating.

The country has announced a major government spend on social housing, building works and infrastructure projects, the introduction of the Nitaqat system and the implementation of Saudisation and the decision to grant women the right to vote in municipal elections and to be appointed in the consultative Shura Council.

Against this backdrop, Leighton Middle East Contracting has achieved a number of important milestones in the development of our Saudi business.

We have mobilised a pre-contract tender team based in Riyadh and are in the process of finalising the Leighton Middle East Contracting management team.

In parallel we have identified numerous project opportunities and have commenced a substantial tendering programme, drawing upon the wider resources of the Group where necessary, but particularly in the areas of water, rail and mining, to support our efforts. We are currently awaiting the outcome of several exciting opportunities in our diverse market segments.

We have set ourselves the target of being an employer of choice and leading our industry in terms of sustainability and corporate social responsibility. I am pleased to report the achievement of over 11 million man-hours worked without a lost-time injury on the ITCC project in Riyadh, where we are providing management support (including health and safety management) to Al Rajhi Projects.

This is a major achievement, recognised and acknowledged by the client, and I would like to pass on my personal thanks to all stakeholders who have made this possible. Building a positive health and safety culture is everyone's responsibility and I am pleased that everyone is doing their bit to maintain our solid record.

Leighton Middle East Contracting is embracing the new requirements of Saudisation and the Nitaqat system. We have been successful in attracting young Saudi managers to our business and we are currently in the 'Excellent' category. We will continue with our Saudisation strategy and are currently in preliminary discussions with Saudi universities to sponsor and recruit graduates. In addition we are going to offer a Masters Degree Programme in Project Management for suitable candidates.

We are a people-focused business and our future development and success in Saudi Arabia (as any other market) depends on the quality and progression of our people. I will continue to give this, and health and safety, my highest priority. Setting up a new business in any country is hard work and establishing Leighton Middle East Contracting has required the support of many of our partners and stakeholders.

In particular I would like to acknowledge the support, help and encouragement of Austrade's Michael Kavanagh, Counsellor (Commercial) and Senior Trade Commissioner in Riyadh.

These are exciting times for Leighton Middle East Contracting and we look to the future development of our business in Saudi Arabia. We are well placed to benefit from the Government infrastructure and construction spend, and we have the right team in place, backed up by expert Group resources, to deliver.



SAUDI ARABIA'S CONSTRUCTION SECTOR

MEED Construction Reporter Andrew Roscoe on the long term potential of Saudi Arabia's booming construction market.

The construction and real estate market in Saudi Arabia is the biggest and fastest-growing market in the Gulf region. While the smaller Gulf states witnessed a contraction in their construction sectors following the collapse of their real estate markets, Saudi Arabia offers long-term potential as its population continues

to grow sharply. And with oil currently above US\$100 a barrel, Riyadh has more than enough funds to finance its ambitious project plans.

Saudi Arabia became the GCC's most active construction market in 2010, awarding more than 42 per cent of the US\$68 billion

construction and infrastructure contracts awarded in the region. The Kingdom currently has US\$135 billion of construction projects planned or under way, according to data from projects tracker, MEED projects.

In the first three quarters of 2011, close to US\$23 billion worth of construction and infrastructure contracts were awarded in the Kingdom. This figure is expected to rise by the end of the year.

Saudi Arabia has avoided the recent wave of political unrest that has spread across the region, but the Arab Spring has prompted King Abdullah to address the Kingdom's social and housing problems by injecting more than US\$100 billion of additional funds into its social infrastructure sector.

All told, the government is planning to spend US\$385 billion on infrastructure development over the next five years. The spending plans were laid out in the Kingdom's ninth five-year National Development Plan (NDP), which was approved by King Abdullah in August 2010. The NDP exceeds the previous five-year state spending programme by about 67 per cent.

Andrew Roscoe
Construction Reporter, MEED

Saudi Arabia became the GCC's most active construction market in 2010, awarding more than 42 per cent of the US\$68 billion construction and infrastructure contracts awarded in the region. The Kingdom currently has US\$135 billion of construction projects planned or under way, according to data from projects tracker, MEED projects.

Rapid population growth

Saudi Arabia has recorded consistent population growth in recent years, with its population rising from 23.7 million in 2006 to 26.1 million in 2010. This trend is set to continue and the Kingdom's population is expected to reach 29 million by 2015.

This sharp population increase has resulted in the Kingdom facing a looming housing crisis. The housing problem was brought more sharply into focus at the beginning of 2011 after the beginning of the regional pro-democracy protests. In response to the protests, on 18 March, King Abdullah announced that the government will spend US\$67 billion on building 500,000 low cost houses by 2014.

The Interior Ministry is undertaking a number of large projects to provide housing and facilities for its National Guard staff and their families. In July, the ministry received bids for the estimated US\$6 billion third phase of its security compounds programme, which will cover the construction of 28 different types of facilities at more than 50 locations throughout the Kingdom.

Social Infrastructure

The Kingdom's rapidly-expanding population is also a young population, with approximately 43 per cent of local citizens under the age of 15. Riyadh is planning to invest heavily in the education sector in the coming years to increase the capacity of its facilities. This will involve a substantial construction programme. The NDP set aside US\$195 billion towards

developing the Kingdom's education sector, which will include massive investment in new schools and universities.

Saudi Arabia will also be undertaking a vast healthcare infrastructure programme to provide adequate facilities and treatment for its growing population. The NDP has earmarked US\$73 billion to be spent on expanding and improving the Kingdom's healthcare sector. This will include the construction of 117 new hospitals, 750 primary healthcare centres and 400 emergency centres.

Infrastructure

Saudi Arabia's road infrastructure is also set to receive heavy investment from the government in the next five years. The NDP set aside US\$29.6 billion to upgrade Saudi Arabia's transport infrastructure and communications networks. The infrastructure programme will involve local municipal projects and major highway road schemes.

In the current budget, Saudi Arabia's Transport Ministry has allocated US\$3 billion for the construction of 389 new road projects, with a total length of 6,600 kilometres.

Mega projects

In August, the local Saudi Binladin Group was awarded an estimated US\$1.2 billion private sector contract to build the world's tallest tower on the outskirts of Jeddah. The one kilometre-high tower, and 23-square kilometre surrounding area, is being developed by the Kingdom Holding Company.

One of the largest mega-projects currently under construction in Saudi Arabia is the King Abdullah Financial District (KAFFD). KAFFD is located on a 1.6 kilometre area in the Al-Khozama district of Riyadh, and is planned to make the Saudi capital a major regional financial hub. Close to US\$6.2 billion of construction contracts have already been awarded on the scheme.

Economic Cities

The proposed economic cities are some of the largest projects planned in Saudi Arabia. Initial plans for six economic city projects have been downsized to four following a revaluation of the programme. However, the remaining economic city projects promise to offer a number of opportunities for the construction sector over the next 15-20 years. The projects are to be supervised and managed by the Saudi Arabian General Investment Authority (Sagja).

After stalled progress so far, this year has seen renewed efforts from the government to inject some fresh impetus into the schemes. In May, the Saudi government pledged a \$1.3bn loan to accelerate the progress of the US\$27 billion King Abdullah Economic City scheme. Prior to this in March, the local Al-Rahji Steel received a gas allocation from the government to enable it to develop a US\$3 billion integrated steel project at Kaec.

This is the first gas allocation awarded for the development and should act as a catalyst for further industrial development at the site.

Saudi Arabia will also be undertaking a vast healthcare infrastructure programme to provide adequate facilities and treatment for its growing population. The NDP has earmarked US\$73 billion to be spent on expanding and improving the Kingdom's healthcare sector. This will include the construction of 117 new hospitals, 750 primary healthcare centres and 400 emergency centres.

LMEC OPENS ITS DOORS TO FUTURE RECRUITMENT AND GROWTH

From its new office in the Sahafa Quarter in Riyadh, Saudi Arabia, Leighton Middle East Contracting (LMEC) has set itself up to manage the growing demands of one of the region's booming markets.

The office, which is due to undergo an official, ceremonial opening later this year, has been operational since December 2010 and is currently staffed by 28 highly skilled international and local staff.

This small but specialised team of construction industry experts is responsible for the pursuit of new work and for providing support to the LMEC management team responsible for the construction of the 640,000 square metre Information Technology and Communication office development in the Al Nakheel district

Human Resources Manager Abdullah Al Jeraiwi said the business was well positioned to win new work in the market, but had to ensure it was focused on recruitment for the anticipated demand.

"Saudi Arabia is the biggest market in the Middle East, and is a viable investment option

for serious investors, due to its political stability, economic resilience and long-term sustainable policies," Mr Al Jeraiwi said.

"We expect LMEC will be successful in contributing professionally and efficiently toward the economic growth of KSA. We are certain we will be successful in winning new work in the market and for this we will be looking at recruiting 3000 people in the next three years, including managerial, middle tier and skilled labour."

As the person responsible for HR operations, recruitment, supervision of public and governmental relations and HR policy development in the business, Mr Al Jeraiwi said he was acutely aware of some of the recruitment challenges faced by large contractors operating in the region.

"For a contractor, the most important consideration is mobilisation of resources. Mega-scale construction projects require mobilisation of thousands of labour and professionals, as well as plant and equipment and other resources in a short time frame," he said.

"None of this is possible without the necessary governmental approvals. This process has improved greatly in the past 10 years with the Kingdom introducing a series of very useful and remarkable e-Service and e-Government portals.

Abdullah Al Jeraiwi
Human Resources Manager

"We expect LMEC will be successful in contributing professionally and efficiently toward the economic growth of KSA.

We are certain we will be successful in winning new work in the market and for this we will be looking at recruiting 3000 people in the next three years, including managerial, middle tier and skilled labour."

"However, we remain aware that Saudisation and short-term scarcity of resources in the midst of a construction boom remains a formidable challenge for us."

Despite these challenges Mr Al Jeraiwi said LMEC had a recruitment strategy that was based on supporting and encouraging Saudi Arabia's young population.

"Saudi Arabia has a rapidly increasing population of youth, most of whom are fresh graduates. The proportion of young men and women to the total population in Saudi Arabia is one the highest in the world," he said.

"Though the construction industry remains a less attractive occupation for young Saudis in urban areas, construction is seen as an opportunity in rural areas of the country, where the government has initiated several substantial economic improvement initiatives.

"By attracting and developing local resources at this stage, we believe that we will be able to provide high-quality employment opportunities to talented Saudis in a multi-disciplinary environment for many years to come. We also plan to invest heavily in retention-based initiatives such as training and educational support."



Leighton Middle East Contracting provides a management role in the construction of the Information Technology and Communication Complex project in Riyadh. The first phase of the US\$1.65 billion development is a central office complex comprised of four towers on a development area of about 640,000 square metres. The site is located in the Al Nakheel district, approximately 15 kilometres west of Riyadh city centre, at the junction of two major roads, King Abdullah Road and Prince Turki Bin Abdul Street.





ADVANCE RAIL GROUP SECURES SAUDI ARABIA PARTNERSHIP

UAE-based Advance Rail Group (ARG) has announced a new partnership with a major Saudi Arabia contractor to bid on more than 3 billion Saudi Riyals worth of future rail opportunities in the Kingdom.



Warwick Georgeson
ARG General Manager

ARG and Saudi Arabia-based Al Rashid Trading and Contracting Company (RTCC) have signed an agreement to strategically bid for railway projects that are part of Saudi Railway Company's (SAR) rail network.



ARG General Manager Warwick Georgeson said the partnership would be mutually beneficial for both companies.

"This strategic joint venture will ensure both parties capitalise on each other's strengths," he said.

"ARG's decision to partner with RTCC was founded on their strong history in the Kingdom and their successful completion of several high profile projects in the region."

SAR has prequalified the consortium for several railway opportunities in the Kingdom.

"This type of allegiance supports the Kingdom's drive for international partners. It allows international companies such as ARG to share our skills and to assist in the exciting development of the Kingdom," Mr Georgeson said.

"We have a strong belief in supporting local partnerships and utilising the skills and abilities of local employees and suppliers so our philosophy fits well with this partnership."

RTCC is currently completing a contract in Saudi Arabia to construct 817 kilometres of SAR's 2,400 kilometre North-South Railway.

ARG was formed in October 2010, when HLG joined forces with leading Australian rail contractor John Holland, to pursue an expected US\$75 billion in rail projects within the GCC region.

HLG is a leading multi-disciplined international contractor in MENA and John Holland is Australia's largest rail construction and maintenance contractor and operator of railway networks in Australia. HLG CEO and Managing Director and ARG shareholder Laurie Voyer welcomed the partnership as a positive step for the Group's operations in Saudi Arabia.

"This joint venture with RTCC to bid for some of these key railway opportunities will complement our already established business in KSA," he said.

"We have identified the Kingdom as a strategic geographic region for our business and the market there is robust and sustainable with predominantly government-funded infrastructure works. I welcome this partnership and look forward to building a strong and successful relationship with RTCC."

HLG is a leading multi-disciplined international contractor in MENA and John Holland is Australia's largest rail construction and maintenance contractor and operator of railway networks in Australia.



NEW PROJECT SECURED

HLG has secured an award for the AED337 million Sweihan Airbase Airside Works in Abu Dhabi in joint venture with Murray and Roberts.

This is the Group's second project on the airbase, having won an AED500 million building contract there at the end of 2010.

The project includes 800,000 cubic metres of earthworks, the installation of 221,000 square metres of rigid pavements and 768,000 square metres of flexible pavements, as well as the installation of navigational aids and airfield ground lighting.

The project is scheduled for completion in 2013.

HLG AWARDED OR117 MILLION ROAD CONTRACT IN OMAN

HLG has been awarded an OR117 million contract by Oman's Ministry of Transport and Communications (MOTC) for the dualisation of a section of Oman's Bidbid-Sur highway.

In joint venture with Turkey's Sezai Turkes-Feyzi Akkaya (STFA), the contract involves the expansion of a 75-kilometre section of road from a single, two-lane carriageway to a four-lane dual carriageway.

The scope of work also includes the construction of nine interchanges and 50 kilometres of service roads.

When complete, the road will facilitate safer travel for the increased volumes of traffic using this important arterial highway, which will by-pass the important rural town of Ibra, some 100 kms south of Muscat.

Its dualisation is part of the Oman Government's comprehensive upgrading of the country's road network.

Work on this section of the highway is underway and is expected to be completed in 2014.

HLG CEO and Managing Director Laurie Voyer said the award was a significant win in one of the Group's target growth markets.

"We identified Oman as a key growth market for us as we expand across the Middle East," he said.

"We have an established reputation for delivering infrastructure and building projects in the UAE and Qatar and this

award represents a significant step forward as we expand our operating footprint further afield."

HLG has a reputation for delivering high-quality road infrastructure projects, having successfully delivered the Saadiyat Link Expressway in Abu Dhabi.

"We have a proven track record in delivering complex projects to the highest quality and this project allows us to showcase our skills and deliver a project that will be of long-term benefit to the people of Oman for generations to come," Mr Voyer said.

Mr Voyer said that the Group was currently pursuing a number of other opportunities across the Middle East.

"We continue to see significant opportunities in large-scale infrastructure across the region and we look forward to further award announcements in the near future," he said.

75 km
dualisation of Oman's
Bidbid-Sur highway

OR 117 million
contract value

50 kms
service roads



HLG AWARDED QR1.06 BILLION QATAR SHOPPING MALL AND OFFICE PROJECT

HLG has been awarded a QR1.06 billion contract for the construction of Phase 1 of the North Gate Mall and Office Buildings in Doha, Qatar, for local developer North Gate WLL.

The project represents the first phase of the North Gate mixed-use development in a growing neighbourhood on one of Doha's strategically important arterial roadways, Al Shamal Road (North Road), north of Doha's West Bay central business district.

The North Gate Mall is positioned as a mid- to premium-development with targeted luxury attracting leading fashion, home, dining, leisure and entertainment brands and outlets along with superior office accommodation. Designed by Callison, the property comprises a number of unique spaces including the Crystal Garden, Market Street indoor/outdoor dining precinct, and Shamal Hall with its unique architectural features. The development will be serviced by 4,000 underground car parks.

Phase 1 comprises a total built-up area of around 375,000 square metres, with a podium comprising two levels of carpark, a three-level mall and six, five-level office buildings.

Construction will commence immediately and the project is due for completion in March 2014.

HLG CEO and Managing Director, Laurie Voyer, said the new project further illustrated the potential of the Qatar market for the Group.

"Qatar is a very important market for HLG," he said.

"We're seeing major opportunities across all our market sectors as the country continues its

rapid development, and this is just one example of the type of work we are pursuing," he said.

"We're targeting a number of large-scale infrastructure and building projects in the country – such as the new Doha Metro and Lusail Expressway - and we see Qatar as one of our key markets going forward.

"We've developed a very strong reputation and presence in the Qatar construction market, and are one of the largest international construction groups in the country.

"We are ideally positioned to capitalise on Qatar's desire to deliver its world-class transport and social infrastructure program," he said.

SEIZING OPPORTUNITIES IN KSA

Helping to expand the Leighton Middle East Contracting (LMEC) business in Saudi Arabia is a challenging task but Business Development Manager Abdulkareem Al Tawili has his sights set on exciting new opportunities in the Kingdom.



Abdulkareem Al Tawili
Business Development Manager

“The Saudi Arabia market is booming and Leighton Middle East Contracting’s international experience matches the current needs in the market.”



Abdulkareem Al Tawili is more than familiar with the Saudi Arabia construction market. As a graduate of the King Fahd University of Petroleum and Minerals (KFUPM) in Saudi Arabia, the Makkah-born Saudi national has worked in the design, real estate and construction industries for seven years.

In that time he has seen rapid growth and can identify more changes on the horizon for a country tipped to experience massive economic expansion.

“The Saudi Arabia market is booming and Leighton Middle East Contracting’s international experience matches the current needs in the market,” he said.

“This has created the perfect conditions for LMEC to realise some of the opportunities on offer in all sectors, but particularly in mining, infrastructure, water and transportation.”

As Business Development Manager for LMEC, Mr Al Tawili is focused on identifying

and targeting opportunities to meet LMEC’s ambitious growth plan.

“As well as local companies, I have worked for couple of international, multi-national and multi-discipline construction companies which has given me the capability to identify business opportunities, determine their merit and ultimately source and secure business,” he said.

“I look to develop new business opportunities related to construction projects, filter opportunities and target key prospects in order to ensure that LMEC has an advantage and a greater chance of success.”

Mr Al Tawili said he believed the Saudi Arabia market was one of the most stable in the world, with a growing demand in all sectors of construction including infrastructure, residential, hospitals and transportation.

“The Saudi Government is supporting and approving unprecedented spending. A key reason for this is that the population of Saudi Arabia is about 28 million people and 60 per cent of this population is aged between 18-25 years old,” he said.

“The proportion of young people in the population will continue to increase in the coming decade and this will further support the booming construction market.”

The Saudi Government has committed to one of the largest-ever construction spends. Between 2010 and 2014 there is a budgeted spend of US\$385 billion. The Government budget increased by 7.3 percent in 2011, over and above that of 2010.

While the market is forecast to continue growing Mr Al Tawili recognises that LMEC will face some difficult hurdles in securing new work in what has become a very competitive market.

“One of our biggest challenges is selecting the right partner,” he said.

“Getting started in a new market and dealing with a new culture and environment is not easy for anyone. For a foreign company, gaining the trust of local clients is very important.

“Selecting the right local partner for the right project is a must. Our business has a strategy of joining with local partners on a project-by-project, non-exclusive basis. The right partner brings the great advantage of local experience, logistics and market knowledge.”

LMEC is working hard to secure new partnerships and projects in the region and Mr Al Tawili said he was continuing to build strong

relationships with clients and get a clearer picture of the Saudi Arabia market.

“We are doing our very best to get connected and closer to our clients and their project stakeholders, developing the relationship and gaining their trust to enable us to explore future opportunities,” he said.

“We are also rapidly building our market understanding by participating in as many tenders as possible, including opportunities in mining, rail, infrastructure and construction.”

Mr Al Tawili said while there are challenges to be met, Saudi Arabia remained an exciting market to operate within.

“The Saudi market shows great vision with new construction projects. The leadership of this country is prepared to make large investments in key projects. They expect world class results and often in world record timeframes,” he said.

“Personally, I would like to see more Saudi’s involved in the construction sector. However, I believe the Government is addressing this concern with the new Nitaqat Saudisation program which LMEC fully supports.

“Currently we are aggressively penetrating the market. We offer the market a one-stop-shop construction company with world class expertise in almost all sectors. We have aligned ourselves with leading local joint venture partners on various opportunities and we believe we are positioned to offer clients the very best combination of local knowledge and international expertise.

“Within the coming five years I expect our business to be one of the five leading construction companies in KSA.

“We are very committed to Saudisation and I hope in another five years we can have a large percentage of Saudi’s working in our business which will benefit both our business and wider Saudi Arabia.”

LEIGHTON HOLDINGS APP AND CHIEF EXECUTIVE OF

HLG's largest shareholder Leighton Holdings Limited announced a new Chairman and Chief Executive was elected to succeed David Mortimer as Chairman following his resignation from the Board.

Mr Johns had been an Independent Non-Executive Director and Chairman of Leighton's Audit Committee since 2009. He was also a Non-Executive Director of Westfield Holdings Limited and Brambles Limited, and Chairman of Spark Infrastructure.

Paying tribute to David Mortimer's contribution to Leighton, Stephen Johns said. "On behalf of the Board I would like to thank David for his outstanding contribution to Leighton over his 14 years on the Board including four as Chairman. David has overseen the successful transition to new leadership following Wal King's 23 years as CEO and the start of a new

era for Leighton. The business is very well positioned for its next phase of growth and development."

Leighton also announced the appointment of Hamish Tyrwhitt as Chief Executive Officer and Managing Director. Mr Tyrwhitt succeeded David Stewart and commenced his new role with immediate effect. Mr Johns said that under David Mortimer and David Stewart's leadership the Leighton Group has been successfully transitioned into a new era.

"David Stewart has done a very good job stabilising the Company, bringing to account

complex issues that needed to be dealt with such as Brisbane Airport Link and Victorian Desalination projects and addressing issues in our Middle Eastern Joint Venture," said Mr Johns.

"The Board is confident that the business has a stable base from which to build and we believe that new leadership is now required for Leighton to move forward and capitalise on the significant growth opportunities that lie ahead. Hamish Tyrwhitt is well credentialed to lead the Leighton Group through the next exciting phase of its growth."

Stephen Johns

Chairman, Leighton Holdings



Stephen Johns was appointed an Independent Non-Executive Director of Leighton Holdings in 2009. He is a graduate in Economics from the University of Sydney, and a Fellow of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

Stephen was appointed as an Executive Director of Westfield Holdings Limited in 1985, and held a number of positions within Westfield, including Finance Director from 1985 to 2002. Stephen became a Non-Executive Director of the Westfield Group in October 2003.

Stephen is also Chair of the Spark Infrastructure Group and a Director of Brambles Limited.

Stephen commenced work as an auditor after graduation from university and then moved to Westfield where he worked his way through the ranks to become Finance Director. His business and finance experience is extensive and

covered a great deal of international activity, closely linked to Westfield's phenomenal growth and its move into the United States (1977) and the United Kingdom (2000). Stephen played an integral role in the corporate restructurings which occurred during his tenure as Finance Director and CFO.

Stephen retired from his position as Westfield's Finance Director in early 2002 and remained an Executive Director for about 18 months to facilitate a smooth transition to his successor. From late 2003 to the present time, he has served as a Non-Executive Director.

He was appointed to the Brambles Board as an Independent Director in 2004 and is currently Chairman of the Audit Committee and a member of the Nominations Committee.

Stephen was appointed Chairman of Spark Infrastructure (an ASX 100 company) in late 2005 at the time of its IPO, and has recently led the company through a major corporate restructure.

LEIGHTON CONTRACTORS APPOINTS NEW CHAIRMAN OF THE BOARD

Stephen Johns will be stepping down as Chairman of the Board of Leighton Contractors Limited in August this year. The Board of Leighton Holdings Limited announced that Stephen Johns

Hamish Tyrwhitt

CEO, Leighton Holdings

Born in England in 1963, Hamish Tyrwhitt is a Civil Engineer with a Bachelor of Engineering from the University of Western Australia. He is a Chartered Member of the Institution of Engineers, Australia, a Member of the College of Civil Engineers, Australia and a Member of the Hong Kong Institution of Engineers.

Hamish began his career with John Holland in Western Australia in 1986 and worked there until 1990 when he was appointed as a Project Manager in John Holland Construction (Malaysia, Laos and Thailand) where he worked until 1994. He joined Leighton Contractors (Malaysia) in 1994 and held various senior positions during his time with that business.

He was appointed General Manager and Director in 2002, responsible for business in Malaysia and Brunei. While in Malaysia, Hamish oversaw the successful delivery of the A\$346 million Manjung Power Station project, the A\$40 million Duta Plaza development, the A\$310 million Kuala Lumpur to Putrajaya Highway and the A\$376 million Teacher's Housing project.

As Project Director, he was directly responsible for a workforce of 6,000, spread over 90 sites that constructed 10,000 apartments for Malaysian teachers.

Hamish returned to Australia in 2005 to take up the role of General Manager and Director of Leighton Contractors Victoria/South Australia/Tasmania/New Zealand. During that period he supervised the successful completion of the A\$404 million Spencer Street Station after the project had encountered difficulties under previous management.

Other projects undertaken under his direction included the A\$125 million Monash Freeway-Eastlink interchange, the A\$248 million



Northern Gateway Alliance in New Zealand, the 700 Collins Street office in Melbourne and the A\$113 million Amcor container glass plant in South Australia.

In 2007, Hamish was promoted to the role of Managing Director of Leighton Asia Limited and a Director of Leighton Contractors (Asia) Limited. In this role Hamish diversified Leighton Asia into Mongolia, developing a new contract mining market for the Leighton Group and opening up a range of construction and mining opportunities.

As Managing Director, Hamish saw Leighton Asia successfully deliver the A\$2 billion City

of Dreams casino development and the A\$1.1 billion Wynn Resort project, both in Macau. In Hong Kong, Leighton Asia has continued to grow and is now considered one of the top tier contractors in that market. Indonesia, under Hamish's stewardship, has also grown and Leighton Asia is successfully operating on nine mines in that country. In 2011, Hamish was given responsibility for Leighton Offshore and Leighton Welspun India.

With 23 years experience in the construction industry, Hamish has extensive senior-management experience in multi-discipline projects, combined with international contracting experience.

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
4th 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 1 489 1765

**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

