



A NEW PHASE OF GROWTH

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CHAIRMAN'S MESSAGE



As 2012 draws to a close, so too does Laurie Voyer's time with the Habtoor Leighton Group.

Since announcing his decision to return to Australia earlier in the year, Laurie and HLG's leaders have remained focused on ensuring a smooth transition – re-establishing the leadership team and re-affirming the Group's strategy to ensure we are in the best possible position to expand our operations and commence a new phase of growth in 2013.

Guiding HLG through its next stage of growth will be the Group's new CEO and Managing Director, Mr. José Antonio Lopez-Monis, whose strong leadership credentials will ensure HLG remains on track to deliver our key strategic objective of being IPO-ready by 2016.

José has extensive international construction experience, having worked in senior management roles for Dragados, S.A, one of the world's largest construction companies, and a part of ACS – the Leighton Group's largest shareholder, since 1989.

I wish Laurie and his family all the best for their return to Australia, and welcome José to the Group.

Best wishes for a prosperous and healthy 2013.

Riad T. Sadik



Riad T. Sadik
Chairman

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: Duhail and Umm Qarn Reservoirs, Qatar.

HLG awarded Qatar's first rail system

In line with Qatar's plans for a highly advanced national transport network, HLG's Qatar team is part of a consortium that was recently awarded a QR1.25 billion (US\$340 million) contract for the design, construction, installation, commissioning, and operation & maintenance of a new People Mover System.



Located in Doha's Education City for Qatar Foundation for Education, Science and Community Development (QF), the People Mover System is designed to reduce the flow of traffic within Education City, and will enable students to park their cars in purpose-built, multi-storey car parks – travelling free of charge on the battery-powered tram system to their destination within Education City.

The project will be the first operating rail transport system in Qatar, and represents the start of the country's QR127 billion (US\$35 billion) investment in rail infrastructure over the next 10 years as part of the 2022 FIFA World Cup infrastructure program.

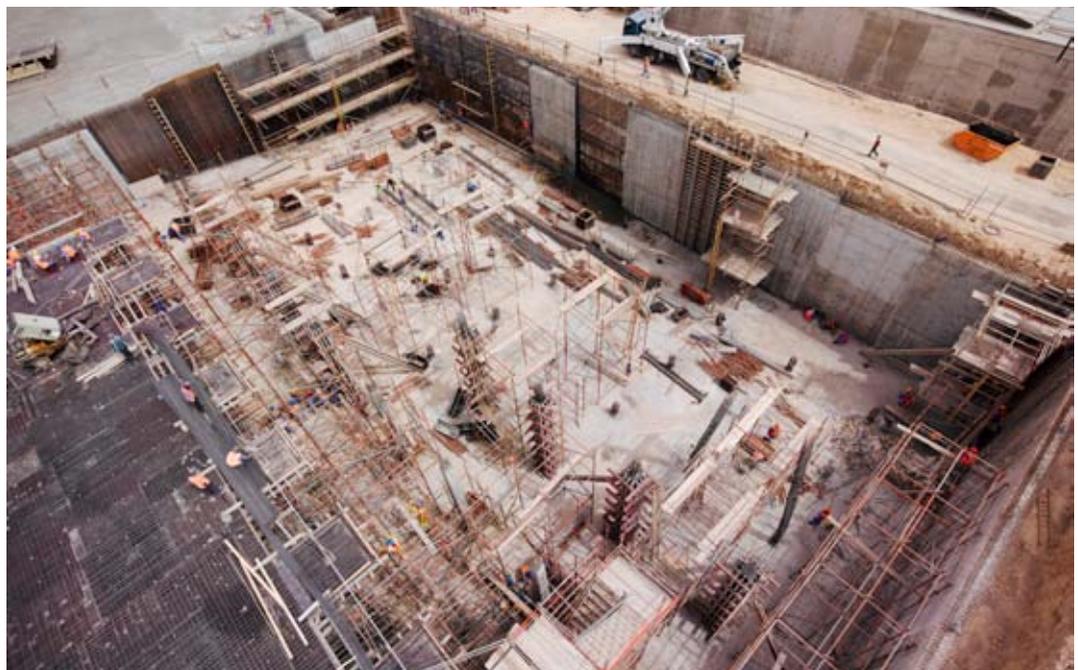
HLG's component of the project is worth QR450 million (US\$122 million), and the scope of works incorporates the design and construction of track-work, 18 tram-stops and the depot facility, which includes maintenance workshops, tram cleaning, and administration and control buildings. The project is scheduled for completion in September 2015.

HLG awarded QR246 million (US\$68 million) reservoirs project in Doha

HLG has been awarded a QR246 million (US\$68 million) contract for the construction of additional reservoirs at Al Duhail and Umm Qarn Reservoir and Pumping Stations (RPS) for the Qatar General Electricity and Water Corporation (KAHRAMAA).

HLG, operating as Leighton Contracting Qatar WLL, is responsible for the construction of nine new six-million gallon reservoirs at Umm Qarn and one 25-million gallon reservoir at Al Duhail, along with pipe works, associated MEP and instrumentation works, road works and landscaping.

The new project, which will commence immediately and is scheduled for completion in 12 months, is the fourth project to be awarded to HLG by KAHRAMAA.



HLG JV awarded healthcare project worth SAR1.18 billion (US\$316 million) in the Kingdom of Saudi Arabia

HLG, operating as Leighton Middle East Contracting, has been awarded two contracts in Riyadh for a healthcare project worth a total SAR1.18 billion (US\$316 million) by the Ministry of Health King Fahad Medical City.



Awarded in September 2012, the first contract is worth SAR1.18 billion (US\$316 million) and involves the construction of new medical centres on the current King Fahad Medical City campus to integrate with existing medical facilities.

HLG CEO and Managing Director, José Antonio Lopez-Monis, said the new project further reinforced the success of HLG's strategy to expand into new geographic markets.

"The project is in line with our growth strategy to diversify our geographic footprint, and we look forward to working with our 50/50 JV partner, Al Latifia Trading and Contracting, to successfully deliver this prestigious development for our client," Mr Lopez-Monis said.

He said it also underlined the importance of Saudi Arabia to the Group's growth plans.

"Saudi Arabia is our largest growth market, and this project underlines our ability to secure work there," he said.

The medical project will be the first of five specialist hospitals to be built in Saudi Arabia over the next five years, and will see the delivery of state-of-the-art medical facilities.

"We are privileged to be awarded a project of this scale and significance, and look forward to delivering it to the highest standards of international quality."

"We have developed a strong track-record in delivering state-of-the-art healthcare projects, with Mafrq Hospital and Arzanah Wellness & Diagnostic Centre, both located in Abu Dhabi, leading examples of our specialist skills and technical expertise in this growing sector," Mr Lopez-Monis said.

The Group's scope of works consists of the development of the following facilities:

- National Neurosciences Institute (11 storeys)
- Comprehensive Cancer Centre (11 storeys)
- Cardiac Centre (3 storeys)
- Laboratories and office building (7 storeys)
- Below ground car park (2 levels)

Additionally, the 234,000 square metre project proposes the construction of a central services building spanning four levels, and a services tunnel approximately 320 metres in length. It will also house the first Proton Therapy Centre in the Gulf region.

Awarded in October, the Proton Therapy Centre was the second contract awarded to HLG and is worth SAR278 million (\$US74 million).

Mr Ayed Awadh Alqahtani, Program Director for the Construction and Preparation of the

New Medical Centres, said King Fahad Medical City is one of the leading organisations in Saudi Arabia – aiming to build state-of-the-art excellence centres across the region.

"The Proton Therapy Centre will be located in Riyadh and is part of the Ministry of Health King Fahad Medical City Prince Salman Heart Centre Expansion project. Known as PPNNCC, the project involves the construction of new medical centres on the current King Fahad Medical City campus, where we are also setting the trend of building tertiary facilities in the region," said Mr Alqahtani.

The Proton Therapy Centre spans three levels, including two basement levels and a striking ground floor entrance. While linked to the main hospital building and a new Central Services Building, the Proton Therapy Centre is separately contained.

The Central Services Building will also provide electrical and mechanical services to the main King Fahad Medical City project being delivered by HLG.

This will be the first development activity this site has seen since the 1990s and in addition to 510 additional hospital beds, it will provide oncology, cardiology and other much-needed specialist services to the community.

The project is expected to be delivered in stages over the next three years.

HLG projects celebrate safety milestones

Occupational health and safety is a priority for HLG, and the Group is committed to providing a safe, healthy and positive working environment for all our employees and those under our care. In line with this commitment, two HLG projects have recently celebrated noteworthy safety milestones.



The Arzanah Medical Complex in Abu Dhabi completed five million man-hours without a lost-time injury (LTI).

The health and safety team on the project, led by Eamon Doyle and Keith Finnigan, has actively implemented a culture of safety being everyone's responsibility and not just the responsibility of the safety department. In addition to monitoring personnel safety, the construction teams conducted:

- Weekly safety walks
- Personnel action statements
- Safety meetings – both internal and client focused
- Tool-box meetings

"Spreading the safety message from senior management throughout our supervisory staff and then down to the workforce, has assisted in the achievement of the five million man-hours LTI-free milestone," said Mr. Doyle.

The second project, which has also achieved a significant safety milestone, is the Al Bustan Complex in Abu Dhabi.

Under the guidance of Project Safety Manager Prince Mohamed and his team, the project team has achieved 15 million man hours

without a lost-time injury over a 15 months period.

The achievements reached on both these projects highlight HLG's commitment to operational health and safety, and reinforces the Group's safety culture.



British Safety Council International Safety Award for the Jewel of the Creek

The Jewel of the Creek (JOTC) project has been awarded an International Safety Award (ISA) by the British Safety Council (BSC). The award was presented by BSC Director of Commercial Affairs, Roni Kotecha, when he visited the project in November 2012.

Presented annually, the BSC ISA is judged by a panel of independent health and safety professionals, and recognises the health and safety management of a project.

The 2012 award panel received 570 applications from around the world, with applications evaluated on the basis of the project's risk assessments and other occupational health and safety measures, as well as special initiatives carried out on projects. JOTC received the award with merit, achieving a score of 54 out of a maximum score of 60.

HLG is currently constructing the US\$130 million Package #7 of the JOTC development in Port Saeed, Dubai, and the award is recognition of HLG's strong commitment to occupational health and safety.

The award was received by the site's safety and construction team. JOTC Project Safety Manager Dave Leader said "It is a privilege to have received the award from the BSC, and I thank the project safety team and the construction team for all the effort they've put into making the JOTC project one of the safest in the UAE."

Mr Kotecha also toured the project site and attended one of the weekly tool box talks along with workers on site.

"It is a privilege to have received the award from the BSC, and I thank the project safety team and the construction team for all the effort they've put into making the JOTC project one of the safest in the UAE."



HLG launches Advance Water and Environment



HLG has joined forces with Australia's leading engineering, contracting and services provider, John Holland, to create Advance Water and Environment.

Based in Dubai, United Arab Emirates, Advance Water and Environment is set to become the region's preferred water and environment contractor, combining the local knowledge of HLG with the technical expertise of John Holland's Water & Enviro business – an industry leader with more than 30 years' experience in the delivery of major public sector water and wastewater projects.

HLG CEO and Managing Director José Antonio Lopez-Monis welcomed the launch of Advance Water and Environment at the MEED Water and Wastewater Conference in Abu Dhabi, and said the company was uniquely placed to pursue water and environment opportunities in the region.

"Water and water-related projects are key growth markets for HLG. Advance Water and Environment, and the strength of both HLG and John Holland, places us in an excellent position to take advantage of the increasing opportunities in this growing sector.

"This strategic partnership will put us at the forefront of desalination, wastewater treatment and recycling, water storage & transmission, and specialist environmental projects in the region," Mr Lopez-Monis said.

Driven by population growth and an increasing demand for modern infrastructure, it is expected that more than US\$50 billion will be invested in GCC water-related projects over the next five years.

"Given the size, complexity and specialist skills required for this market, Advance Water and Environment is in the enviable position of being able to tap into the expertise of its joint venture partners, HLG and John Holland, and more broadly with our shared parent companies – the Leighton Group, HOCHTIEF and ACS – to deliver early and effective entry into this sector in the Gulf region.

"The establishment of this new specialist business aligns with HLG's strategy to diversify into new markets and new geographies. Our initial focus is on delivering more projects in Qatar, where we already have a strong track-record with KAHRAMAA, and pursuing more opportunities in the Kingdom of Saudi Arabia, Kuwait and Iraq," Mr Lopez-Monis said.



Greg Taylor, General Manager of John Holland's Water and Environment business, said the launch of Advance Water and Environment is part of John Holland's strategy of further penetrating international markets by exporting its specialist capabilities and engaging with local partners.

"John Holland's unparalleled experience and technical expertise has seen it deliver some of the most challenging and technically complex projects around Australasia. We are proud to bring our skills and ingenuity to new partnerships with other Leighton Group companies in offshore markets," he said.



L to R: Graduate Mohammed Abdulaziz Al Maziad, Graduate Mohammed A-Ghofaili, HLG Chairman Mr. Riad T. Sadek, HR Manager Saudi Arabia Ms. Diana Orabi, Graduate Turki Alabdulkarim, Graduate Farhan Abdullah Al-Madhari

HLG RECRUITS ITS NEXT GENERATION OF LEADERS

HLG is recruiting and developing some of the Saudi region's top local talent.

With an increased focus on nationalization across the Gulf, HLG supports the nationalization policies of Gulf governments and is committed to harnessing the talent of citizens in the regions where we have a presence.

To achieve this, HLG's senior leaders work closely with operational HR Managers on a number of initiatives to recruit and develop our next generation leaders who will grow with HLG from the ground up and work towards the company's shared vision.

In HLG's Saudi Arabia operation unit, in addition to the appointment of our Saudi HR Manager, the Group's ongoing involvement with local universities, through open days and work placement programs, has resulted in the successful appointment of four Saudi graduates as part of HLG's new Graduate Recruitment Program.

The four young Saudi men recently travelled to HLG's head office in Dubai

where they spent 10 days familiarising themselves with HLG.

Having completed their OHSE induction, the graduates, who are made up of three engineers and an architect, visited some of HLG's most recognisable past projects and spent time with site teams to learn more about HLG's work-in-hand.

The graduates will now be based in Saudi Arabia where they will spend three months with various departments to broaden their understanding of the many facets of construction, before being deployed to a project team early in the new year.

Topping-out ceremony held at the new Mafraq Hospital

A topping-out ceremony was held at the construction site of the new Mafraq Hospital in Abu Dhabi in November – marking completion of structural concrete frameworks for the hospital’s bed towers.



Representatives of HLG, SEHA and Murray & Roberts

Located in Al Mafraq, the US\$600 million new Mafraq Hospital, which was commissioned by Abu Dhabi Health Services Company (SEHA), is being constructed by the Habtoor Leighton Group in joint venture with Murray & Roberts Contractors Middle East (HLMR).

The design and construction administration services are being undertaken by Burt Hill/Stantec, while the project management services are being provided by Allen & Shariff Corporation.

Group Chief, Construction and Facilities for SEHA, Saif Al Hameli, said the delivery of this much-needed facility is in line with SEHA’s vision to provide its customers with world-class healthcare facilities.

“The new Mafraq hospital is a leading example of the coordination that occurs between quality improvements in safety and efficiency, improved information and intelligence systems, and responsible operations management. It has been planned and designed as a masterpiece and will be one of the cornerstones of healthcare provision in the UAE.

“The completion of the structural concrete framework for the towers is the achievement of a significant milestone at the project, and is being followed by the installation of the façade as well as carrying out of fit-out works in the buildings,” Mr Al Hameli said.

On completion, the 739-bed general hospital will be one of the leading trauma/surgery hospitals in the region, and will provide a cost-effective alternative for patients who previously had to

seek specialised care overseas for neurosurgery, orthopedics, acute rehabilitation and plastic surgery.

CEO and Managing Director of HLG, José Antonio Lopez-Monis believes that successful project delivery is reliant on communication, collaboration and a high degree of technical competency.

“HLG’s success in the healthcare sector is based on our approach to working in partnership with our clients, JV partners and sub-contractors – working as one team to deliver the project vision and overcome any challenges that may arise along the way. Together, we have achieved numerous strategic, operational and technical successes on the new Mafraq hospital project.”

Managing Director of Murray and Roberts Contractors Middle East (M&R), Mark Andrews, praised the team for their work.

“Mafraq Hospital is a state of the art facility being built to world-class standards. I congratulate the HLMR JV Project Team, along with those of SEHA and their Professional Advisors, Allen & Shariff Corporation and Burt Hill/Stantec, in reaching this important and symbolic milestone.

We look forward to continuing our collaborative efforts in achieving a successful outcome to this demanding project”.

“The new Mafraq hospital is a leading example of the coordination that occurs between quality improvements in safety and efficiency, improved information and intelligence systems, and responsible operations management.”



The complete scope of works includes:

- Construction of a two-storey basement, including service accommodation, laboratories, dining and car parking
- A three-storey outpatient building, including clinics and a link bridge
- A three-storey podium building, including diagnostics, operating theatres, an emergency room (ER), an intensive care unit (ICU), rehabilitation and emergency rooms
- Two nine-storey and two 11-storey inpatient towers
- Peripheral buildings and infrastructure, including substations, a cooling plant, workshop, mortuary, underground tanks and service tunnels
- Landscaping and external works

Scheduled for completion in 2014, the project currently has a workforce of over 5,300 people who have completed more than 15 million man-hours of work to date.

THEY SAID IT

“A steady rise in the demand for rebar and the anticipation of an impending boom in construction spend is driving up the price significantly higher than in the UAE.”

Emil Rademeyer, General Manager of MEED Cost Indices, while referring to a Q3 construction costs report. The report also showed that labour costs in Saudi Arabia are on average 18 per cent higher than in the UAE, and 51 per cent greater than in Qatar.

“The contractor will move in very soon. Construction will start in the first quarter of 2013.”

Nabil Al Kendi, Tourism Development & Investment Company’s chief development officer, while talking about the construction of Abu Dhabi’s Louvre Museum.

“We are in the process of getting approval for our metro system. We have proposed a 108-km network around the city. Once the budget is approved, construction can begin.”

Hani Mohammed Aburas, the Mayor of Jeddah. Saudi Arabia recently announced plans to build a metro system estimated at 9.3 billion in Jeddah, which will include three lines and 46 stations.

“Performance of hotels in terms of both room rates and occupancy has increased during the last six to nine months and its encouraging people to start planning new hotels.”

Craig Plumb, head of research for the Middle East and North Africa at Jones Lang LaSalle. Referring to the fourth phase of the Madinat Jumeirah expansion and the Creek Panorama project. Both projects were recently approved by His Highness Shaikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai.

“Wynn Cotai is a testament to our track record and to our reputation for successfully delivering projects on time and to the highest standard of quality and safety.”

Hamish Tyrwhitt, Chief Executive Officer of Leighton Holdings. Leighton Holdings Ltd subsidiary, Leighton Contractors (Asia), secured a deal to design and build Wynn Resort’s Wynn Cotai hotel in Macau.



The Ritz-Carlton Abu Dhabi, Grand Canal

The recently completed Ritz-Carlton Abu Dhabi spans 210,000 square metres and boasts 395 hotel guestrooms, 85 villas, 54 apartments and its own private beach overlooking the Grand Canal.

Ten striking towers form a crescent shape along the perfectly landscaped grounds of what is the Ritz-Carlton brand's largest hotel by site area.



HLG'S NEW CEO & MANAGING DIRECTOR ON THE GROUP'S STRATEGY

It seems not so long ago that HLG set out to achieve a single corporate plan, a single brand, a single vision and a single set of values that were meaningful to a diverse workplace. And in just a few years, the Group has become one of the most recognisable and reputable brands in construction across the Middle East – continuing to enjoy long-term relationships with existing clients, while establishing mutually beneficial relationships with new ones.

"The Middle East remains one of the most active construction markets in the world. Some of the opportunities our people are being exposed to are once in a lifetime projects. It's great for them personally, and for HLG as a company," said new CEO and Managing Director, José Antonio Lopez-Monis.

Mr Lopez-Monis joined HLG in October and has been working with outgoing CEO Laurie Voyer to ensure a seamless transition for the Group.

He brings with him more than 20 years' experience, gained at ACS – one of the biggest construction companies in the world – where he spent the majority of his career as an expat, managing projects in every sector within the industry.

"Construction is, and always has been, a 'live' industry. It happens in real time and consequently is very sensitive to market changes.

"For those of us who have been around for a while, we have seen the impact that market highs and market lows have on a construction company. The key to survival is being able to quickly innovate and adapt to market changes."

In 2010, HLG set about making that change and began diversifying by geography and work type. The strategy was simple – find emerging markets and deliver best-in-class infrastructure and building solutions that respond to market needs and align with the Group's expertise.

"HLG's strategy to diversify into profitable market sectors and new geographies is as valid today as it was two years ago.

"The company is starting to see the results of this strategy take shape in the form of recent project wins such as the Ma'aden Mine project in Saudi Arabia; the People Mover System in Qatar; the ZADCO oil field development in Abu Dhabi; and the oil and gas contract in Southern Iraq."

This year, HLG has been awarded several projects that have been in the pipeline for some time. Each of them in a profitable market sector and each of them aligned with the Group's core capabilities.

The Group was also recently selected to deliver two healthcare projects in Saudi Arabia and contracted to construct additional reservoirs for the Qatar General Electricity and Water Corporation (KAHRAMAA) – making it the fourth project awarded to HLG by KAHRAMAA.

"In this economy, being able to build to specifications for the right price is not good enough. The market is competitive and to be the contractor of choice in the Gulf region you need to not only offer the best solution, with consideration to price, but you need to be able to take the time to build solid and lasting relationships with clients. This is one area where HLG has a considerable advantage."

The Group was awarded the original QR750 million (US\$210 million) contract for the construction of the Duhail and Umm Qarn Reservoirs in 2009 by KAHRAMAA. Earlier this

year, HLG handed over a major component of this project, the RPS milestone one (MS1) project in Al Duhail, which connects the Al Duhail RPS to the water network, enabling the commissioning of the pumping station four weeks ahead of schedule. A further contract for the construction of two reservoirs and associated works in Shahaniya was secured in 2010, and in June this year the Group secured the contract for the construction of the Al Kaaban reservoir and pipeline.

"Securing repeat work, such as this, is an indication of the effort our team puts into developing strong relationships with clients – clients who are confident in our ability to deliver large, complex projects."

Qatar is a key market for HLG and the award of the reservoir project, in addition to the award to deliver Qatar's first operating rail transport system, confirms the Group's status as one of the largest and most established contractors in the country. HLG has been active in Qatar for more than six years, employs over 6,000 people across the country and has completed a range of large-scale infrastructure and building projects for both the private and public sector.

"Our diversification strategy hinges on our ability to focus on infrastructure projects where HLG has a clear competitive advantage, in markets that will grow to be among the largest in the world."

Saudi Arabia's healthcare sector is another such market, where it is currently the largest market for healthcare products and services in the Gulf. New medical colleges, coupled

“Our diversification strategy hinges on our ability to focus on infrastructure projects where HLG has a clear competitive advantage, in markets that will grow to be among the largest in the world.”

with expanded healthcare facilities are only the beginning, with the Saudi Government allocating more than US\$23 billion for improved medical infrastructure across the region.

“Over the years, HLG has gained extensive local experience in delivering state-of-the-art medical facilities. The population boom in Saudi, and the increase in healthcare demand, provides HLG with an opportunity to be part of the significant improvements taking place in the country’s medical sector.”

HLG’s recent project wins are a good indication of the Group’s experience and expertise being recognised in both new markets and geographies.

The Group is in the enviable position of being able to leverage from the big pool of knowledge available to them through its affiliated brands in the Leighton Group, ACS, HOCHTIEF and its Associated Businesses.

“As we head into 2013, we will do so with renewed focus on pursuing projects well-suited to our capabilities, while implementing good cost controls and sensitivity to risk.

HLG set out to be the leading diversified international contractor in the Middle East, and we are close to realising this vision.”

José Antonio Lopez-Monis
CEO and Managing Director





**Mr. Mohammed Salem
Al Mansoori**

Manager of Water Projects Department,
KAHRAMAA

**How did your career start and
what is your experience in the
construction of water facilities?**

I have Bachelor of Science in Civil Engineering, which I achieved at the University of Qatar in 1998, and a Master Certificate in Project Management, which I completed in 2008. I joined KAHRAMAA in 1999 as a Project Engineer for Water Projects, and was promoted to Senior Project Engineer in 2003.

In 2005 I became the Head of Secondary Water and was responsible for the construction of extension and replacement pipelines from reservoirs located across Qatar. In 2008 I became the Head of Main Water Projects, where I was responsible for the construction and upgrading of Head Works on reservoirs, pumping stations and associated primary pipelines in Qatar.

Since 2011, I have been the Manager of the Water Projects Department and am now responsible for all of KAHRAMAA's Secondary & Main Water Projects, in addition to Building of General facilities projects, from the first stage of design to the completion of the projects and handover to the end users.

**Tell us about KAHRAMAA's role
and its portfolio of water-related
developments.**

KAHRAMAA is the only water supplier in Qatar and is responsible for executing water projects such as the construction of reservoirs in existing stations, in addition to developing plans for the construction of additional water stations, construction of pump stations, and delivery of transmission and distribution pipelines to meet the region's growing demands.

There are 30 water reservoirs and pumping stations across the state, with a total capacity of approximately 670 million gallons.

KAHRAMAA: MEETING THE REGION'S FUTURE NEEDS

We take a long-term approach to planning and as such, we are prepared to meet the region's future needs as the population grows.

KAHRAMAA's main water distribution networks are subject to parallel upgrading plans to cope with production increase.

Describe the process and timeframes involved with the development of water-related projects. What stages does the development go through as a whole and what is the contractor's involvement at each stage?

The design stage for water projects depends on the size and type of the project, but in the case of constructing new pump stations, reservoirs and transmission pipelines, the design stage can take approximately six months, with the construction stage taking up to two years.

Normally, headworks are designed by professional consultants hired by KAHRAMAA, or alternatively the contractors uses the preliminary design prepared by KAHRAMAA's design team and then assign a design consultant who is responsible for preparing

We take a long-term approach to planning and as such, we are prepared to meet the region's future needs as the population grows. KAHRAMAA's main water distribution networks are subject to parallel upgrading plans to cope with production increase.

the detailed design of the project, which will be reviewed and approved by KAHRAMAA's design team. Contractors start work on site according to the approved design, in coordination with a KAHRAMAA supervision team.

From Day 1, KAHRAMAA fosters a good client/contractor/consultant relationship and provides whatever support the team needs to meet challenges. We act as one team, but respect the contractual rights of each party.

What are the special considerations when tendering and constructing a water-related project?

The two most important considerations are always design and value, however we also look at the reputation of the company tendering, the experience of key people on the proposed project team and the company's financial report statement.

During tender stage we carefully study the submitted tender documents for all bidders in order to approve a qualified one. During the construction period, it is extremely important to follow up the construction stages carefully in order to avoid any mistake that may be incurred, and to also ensure the contractor finalises his work on time to avoid any unnecessary delay.



What is the importance of the client, consultant and contractor relationship in infrastructure projects?

A good relationship between the client, contractor and consultant is vital to a project's success, and relies on open lines of communication, at the right time, to avoid discrepancies.

What do you look for in a contractor?

We look for many aspects in a quality contractor, which includes but is not limited to:

1. Their experience. An experienced contractor is better able to deal with the work easily and give confidence in their ability to complete all the works on time.
2. Their staff. Deploying experienced qualified staff has a vital impact on the project's success.
3. Plant and Equipment. Ensuring the contractor has access to enough machinery and equipment required to execute project works.

Are there any unique initiatives or procedures put in place for the construction of new reservoirs, and how do these tie in to KAHRAMAA's overall water-related strategy?

In the near future, KAHRAMAA will tender for its Mega Reservoirs Project. At an estimated cost QR15 billion, this is a unique strategic project and upon completion the mega reservoirs will be the largest of its kind in the world.

Of course, constructing a project of this magnitude will significantly increase KAHRAMAA's water storage capacity. The initial stage of the project will be completed in 2016 and includes five pumping stations and mega reservoirs sites. It will meet Qatar's needs until 2026. Phase two will be additional mega reservoirs and storage to be constructed within the Phase 1 sites, which is intended to meet water demand until 2036.

HLG is one of our qualified contractors and they have skilled and experienced staff and enough resources to complete the work. During construction of the project, HLG remains cooperative with KAHRAMAA – coordinating closely with management and staff to resolve any issues and solve any problems that arise. Such things lead to completing the project on time, constructing the works according to the specification, and importantly, delivering it to very high quality.

How has the relationship with the Habtoor Leighton Group grown over the course of your association?

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Such things lead to completing the project on time, constructing the works according to the specification, and importantly, delivering it to very high quality.

How does KAHRAMAA promote sustainability and water conservation?

KAHRAMAA is giving very important consideration to water conservation and sustainability and as such we employ specialists in this field who can work with KAHRAMAA's teams and also ensure we raise water conservation awareness to customers.

We are in very early stages but are looking at a number of initiatives, such as solar energy, to reduce our impact on the environment. To achieve our targets, we will continue to work closely with consultants and our internal conservation team.

Does hosting the FIFA World Cup pose any unique challenges or opportunities for KAHRAMAA?

Of Course. Hosting the FIFA world Cup will require the delivery of many new facilities, which all rely on water supply. This will be KAHRAMAA's responsibility and will be catered for by the new mega reservoir which will be completed in 2016 – well ahead of demand.







“Our number one priority is safety, and we have a strong project execution plan in place to address the project’s safety, quality and procurement objectives.”

Noel Madigan, Client Liaison Director

HABTOOR PALACE HOTELS COMPLEX

The 44-month construction program for the Habtoor Palace Hotels Complex began in May 2012, with the Habtoor Leighton Group awarded the AED1.9 billion (US\$515 million) contract in February 2012 by the Al Habtoor Group.

What will be Dubai's largest hotel development on completion, this landmark building, which is valued at a total of AED4.875 billion (US\$1.33 billion) will include 1,650 hotel rooms spread between three Starwood-operated hotels, an iconic Las Vegas-style 'Aqua' theatre with seating for over 1,200 people, a manicured French provincial-inspired garden, an enviable selection of food and beverage destinations and 2,300 undercover parking spaces.

HLG is responsible for the overall construction of the project and Khatib & Alami has been engaged by the Al Habtoor Group as project designers, engineers and project managers. Tendering, shoring, excavation and piling works are being undertaken by HLG's Associated Business – HLG STFA Soil Group (HSSG).

With the support of the Al Habtoor Group, shoring works commenced within two weeks of project award, and demolition of the existing Metropolitan Hotel was completed on schedule by the appointed demolition contractor. Client Liaison Director Noel Madigan gives Akhbar AlDar some insight into the project delivery program.

"Delivery of the Habtoor Palace Hotels Complex is in line with our target program for design and procurement, with major building works scheduled to commence in early 2013. We have a core project team of 130 on site, and this is expected to grow to 180 at the peak of the development, with in excess of 6,000 workers on site, despite the use of prefabricated elements."

The three hotels, which include The Westin, the W Hotel and the St. Regis, are being built in parallel – with dedicated management teams for each.

"The project is being coordinated via five demarcated zones. Each of the three hotels is an individual zone, while the theatre is a fourth zone. Basement car parking, landscaping and other external areas make up the fifth zone," said Mr. Madigan.

Individual project teams are responsible for each of the zones. They coordinate their work

through both daily and weekly team meetings, and are supported by the latest electronic data management software which is being run across the project.

The project site will be busy, with eight tower cranes and numerous mobile cranes feverishly at work. Workers are busy with the piling and substructure concrete works, as construction vehicles scurry in and out. All the while, the Dubai Metro runs effortlessly along the perimeter affording a birds-eye view.

The Habtoor Residence, located adjacent to the site, remains occupied during construction; therefore the team is giving their utmost attention to minimising disturbance to residents. An alternative access road has been constructed exclusively for the use of residents and several other measures have been put in place to ensure they are better insulated from the construction process.

"Our number one priority is safety, and we have a strong project execution plan in place to address the project's safety, quality and procurement objectives.

"One of the biggest project challenges is the logistics of building over such a large plot. The site spans 370 metres along Sheikh Zayed Road and is 120 metres wide, which has required the excavation of approximately 600,000 cubic metres of earth," Mr. Madigan added.

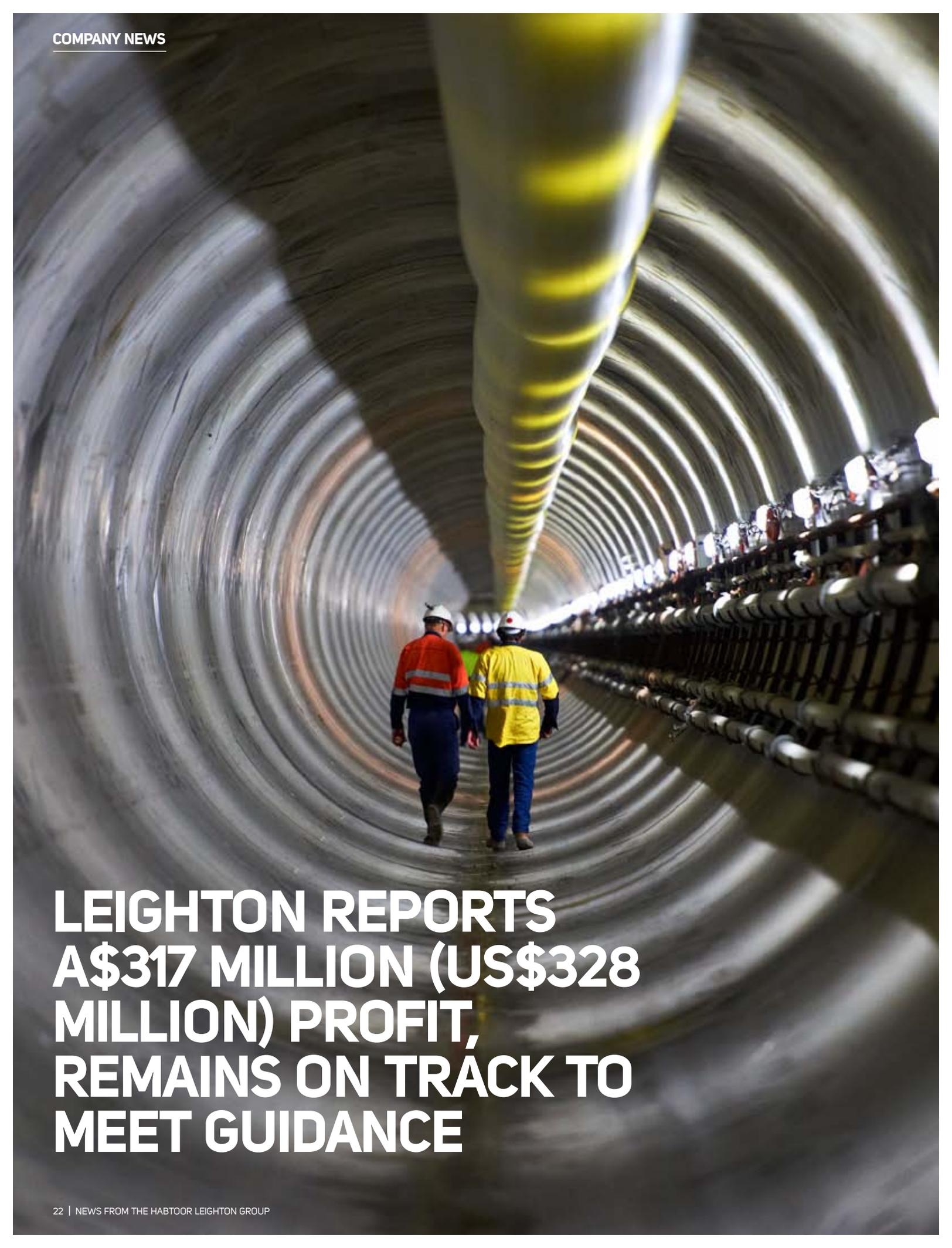
The project is visited weekly by Al Habtoor Group's Chairman, Mr Khalaf Ahmad Al Habtoor, and Vice-Chairman and CEO, Mr Mohammed Al Habtoor.

The project team is benefitting from the strong synergy and close working relationship between the client, consultant and the construction team.

"Works are constantly progressed through a well-entrenched process of staged-document handovers and multiple-approvals."

The target construction period allows for the early accommodation of hotel operators for a 90-day training period and soft opening prior to the official launch of the hotels.



A large tunnel under construction, viewed from the perspective of someone walking inside. The tunnel walls are made of corrugated metal, and a large yellow pipe runs down the center. Two workers in high-visibility clothing and hard hats are walking away from the camera. The tunnel is illuminated by bright lights, creating a strong sense of depth and perspective.

LEIGHTON REPORTS A\$317 MILLION (US\$328 MILLION) PROFIT, REMAINS ON TRACK TO MEET GUIDANCE



Hamish Tyrwhitt
Chief Executive Officer, Leighton Holdings

On 30 October 2012, Leighton Holdings Limited announced Net Profit after Tax (NPAT) for the nine months ended 30 September 2012 of A\$317 million (US\$328 million), compared to a loss after tax of A\$325 million (US\$337 million) in the prior comparable period.

Commenting on the results, Chief Executive Officer, Mr Hamish Tyrwhitt said that the Group was continuing to deliver solid operating results, make progress on legacy issues, and advance its strategy to 'stabilise, rebase and grow' the business.

"In the three months to September 2012, we completed Airport Link and substantially advanced the Victorian Desalination Project with the granting of Preliminary Commercial Acceptance following commissioning of stream one. Last week, we completed testing on stream two and we remain on target for hand-over by the end of this year.

"While conditions are challenging in the Middle East, the Habtoor Leighton Group was awarded a number of new projects, including construction of a People Mover System in Qatar and a medical centre in Saudi Arabia. Progress also continues to be made on the recovery of legacy receivables," Mr Tyrwhitt stated.

"Our work in hand as at 30 September 2012, was A\$45.3 billion (US\$47 billion), which was broadly in line with June 2012 levels after adjusting for the sale of Thiess Waste Management (TWM) and foreign exchange movements. Major project wins since 1 July 2012 include contract mining at the Lake Vermont coal mine and Solomon iron ore mine in Australia, construction of the Australian embassy in Jakarta and work on the GLNG and Ichthys gas projects, in Queensland and Western Australia respectively.

"While our addressable market continues to provide us with opportunities in Australia and overseas, we are experiencing some minor slowdown in activity in the mining sector, albeit this has not impacted on our FY 2012 forecast. Our underlying NPAT3 guidance for the year to 31 December 2012 is reconfirmed for A\$400 - A\$450 million (US\$415 million - US\$467 million).

"Importantly, our strategy of 'stabilise, rebase and grow' is aimed at net margin expansion rather than top-line growth including cost and overhead reductions across the Group. To this end, our immediate focus is on strengthening the balance sheet, with initiatives to reduce working capital requirements, tighten capital allocation and extend the duration of our financings.

"We finalised the sale of TWM for a profit of A\$115 million (US\$119 million) before tax and A\$81 million (US\$84 million) after tax. We have also sought expressions of interest for our non-core telecommunications infrastructure assets in line with our capital recycling strategy. Additionally, we have completed or extended a number of loan facilities.

"Moving ahead, as we rebase the business and rebuild our financial strength, we are developing the foundations for a successful and sustainable future," concluded Mr Tyrwhitt.

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