IN THE FEDERAL COURT OF AUSTRALIA (FCA)
NEW SOUTH WALES REGISTRY - FEDERAL COURT OF AUSTRALIA
GENERAL DIVISION **No: NSD2244/2013**

NOTICE OF FILING

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District Registry:	NEW SOUTH WALES REGISTRY - FEDERAL COURT OF AUSTRALIA

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Note

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Form 17
Rule 8.05(1)(a)

Statement of claim

No. NSD of 2013

Federal Court of Australia

District Registry: New South Wales

Division: General

Inabu Pty Ltd (ACN 003 657 654) as trustee for the Alidas Superannuation Fund
Applicant

and

Leighton Holdings Limited (ACN 004 482 982)
Respondent

TABLE OF CONTENTS

This statement of claim is arranged as follows:

Section		Page
	Note as to terminology	2
I.	Parties	2
II.	Application of section 674(2) of the Corporations Act to Leighton	3
III.	Leighton's business and the Leighton group	4
IV.	Leighton's accounting obligations	5
V.	11 April 2011 disclosures	7
VI.	Brisbane Airport Link project	10
VII.	Victorian Desalination Plant project	19
VIII.	Habtoor Leighton joint venture	21
IX.	Continuous disclosure contraventions: BAL Project, VDP Project and Habtoor Leighton	27

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X.	Leighton's statements during the relevant period	29
XI.	Representations	34
XII.	Continuous disclosure contraventions: Profitability Information	51
XIII.	Causation and loss and damage	54
	Annexure A	60
	Annexure B	61
	Annexure C	65

NOTE AS TO TERMINOLOGY

In this Statement of Claim, the following conventions are used in referring to financial results:

(a) 2010 financial year and 2011 financial year refers to the financial years ended 30 June 2010 and 30 June 2011, etc;

(b) first half and second half refers to the first and second half of the relevant financial year (2010 first half being the six month period ended 31 December 2009 and 2010 second half being the six month period ended 30 June 2010, etc); and

(c) first quarter, second quarter, third quarter and fourth quarter refer to the first, second, third and fourth quarters of the relevant financial year (2011 first quarter being the three month period ended 30 September 2010 and second quarter 2011 being the three month period ended 31 December 2010, etc).

The defined terms and document references in this pleading are set out in **Annexure C** to this Statement of Claim.

The $ sign refers to Australian dollar currency.

I. PARTIES

1. This proceeding is commenced as a representative proceeding pursuant to Part IVA of the *Federal Court of Australia Act 1976* (Cth) by the Applicant on its own behalf and on behalf of other persons ("**Group Members**") who:

(a) obtained an interest in ordinary shares ("**Securities**") in the Respondent ("**Leighton**") by purchase of those Securities on the financial market operated by the Australian Securities Exchange Limited ("**ASX**") during the period from 16 August 2010 to 11 April 2011 ("**Relevant Period**"); and

(b) suffered loss or damage by reason of the Contraventions.

2. As at the date of the commencement of this proceeding, seven or more Group Members have claims against Leighton.

3. The Applicant purchased Leighton's Securities during the Relevant Period.

Particulars

The Applicant's purchase details are set out in Annexure A to the Statement of Claim.

4. During the Relevant Period, Group Members acquired interests in Leighton's Securities.

Particulars

Particulars of Group Members' share acquisitions will be provided after the determination of the common issues.

5. Leighton is and at all material times was:

(a) a company duly incorporated pursuant to the *Corporations Act 2001 (*Cth*)* ("**Corporations Act**") and capable of being sued;

(b) a corporation included in the official list of the financial market operated by ASX and whose ordinary shares are ED securities for the purposes of s 111AE of the Corporations Act;

(c) subject to and bound by the Listing Rules of the ASX ("**Listing Rules**");

(d) a listed disclosing entity within the meaning of subs 111AL(1) of the Corporations Act;

(e) a trading corporation within the meaning of the Australian Securities and Investments Commission Act 2001 (Cth) ("**ASIC Act**"); and

(f) a corporation within the meaning of the *Trade Practices Act 1974* (Cth) ("**Trade Practices Act**") and the *Competition and Consumer Act 2010.*

II. APPLICATION OF SECTION 674(2) OF THE CORPORATIONS ACT TO LEIGHTON

6. At all material times, the ASX was a market operator of a listing market, namely the ASX's financial market, in relation to Leighton for the purposes of s 674(1) of the Corporations Act.

7. At all material times, Leighton was bound by Rule 3.1 of the Listing Rules.

8. At all material times, Rule 3.1 of the Listing Rules provided that once an entity is, or becomes aware of, any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must, unless the exceptions in Listing Rule 3.1A apply, immediately tell the ASX that information.

9. At all material times, Rule 19.12 of the Listing Rules provided that an entity becomes aware of information if a director or executive officer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity.

10. At all material times, s 674(2) of the Corporations Act applied to Leighton by reason of:

    (a) the matters alleged in paragraphs 5 to 7; and

    (b) sections 111AP(1) and/or 674(1) of the Corporations Act.

III. LEIGHTON'S BUSINESS AND THE LEIGHTON GROUP

11. At all material times, Leighton's business included:

    (a) building;

    (b) civil engineering construction;

    (c) contract mining;

    (d) telecommunications;

    (e) environmental services;

    (f) property development; and

    (g) project management.

12. At all material times:

    (a) Thiess Pty Ltd ("**Thiess**") was a wholly owned subsidiary of Leighton;

    (b) John Holland Pty Ltd ("**John Holland**") was a wholly owned subsidiary of Leighton;

    (c) financial reporting for Thiess and John Holland was consolidated with financial reporting for Leighton;

(d) Thiess and John Holland, both separately and together, accounted for a substantial proportion of Leighton's revenue and profits;

Particulars

For the 2010 and 2011 financial years see Leighton's 29 September 2011 Concise Annual Report at pp 105 to 106.

(e) Leighton held a 45 per cent interest in a Middle East based construction company, Al Habtoor Leighton LLC (**Habtoor Leighton**); and

(f) Habtoor Leighton was an associate of Leighton within the meaning of AASB 128 (Investment in Associates).

IV. LEIGHTON'S ACCOUNTING OBLIGATIONS

13. At all material times during the Relevant Period, Leighton:

(a) was required by section 292 of the Corporations Act to prepare a financial report for each financial year pursuant to section 292 of the Corporations Act;

(b) was required by section 296 of the Corporations Act to prepare a financial report for each financial year that was compliant with accounting standards;

(c) was required by section 297 of the Corporations Act to prepare financial statements and notes for a financial year that gave a true and fair view of the financial position and performance of the company;

(d) was required by section 302 of the Corporations Act to prepare a financial report for each half-year;

(e) was required by section 304 of the Corporations Act to prepare a financial report for a half year that was compliant with accounting standards; and

(f) was required by section 305 of the Corporations Act to prepare financial statements and notes for a half-year that gave a true and fair view of the financial position and performance of the company.

14. At all material times Leighton reported on a consolidated basis for Leighton and its controlled entities ("**Group**") and for the Group's interest in associates and jointly controlled entities.

15. At all material times AASB 101 (Presentation of Financial Statements) was applicable to Leighton.

16. At all material times AASB 101 (Presentation of Financial Statements) required in respect of Leighton that:

    (a) financial statements present fairly the financial position, financial performance and cash flows of an entity; and

    (b) information about assumptions that Leighton made about major sources of estimation uncertainty at the end of the reporting period be disclosed, where those assumptions had a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

17. At all material times, AASB 111 (Construction Contracts) was applicable to Leighton.

18. At all material times, AASB 111 (Construction Contracts) required in respect of Leighton that:

    (a) contract revenue for a construction contract be measured at the fair value of the consideration received or receivable;

    (b) when the outcome of a construction contract could be estimated reliably, contract revenue and contract costs associated with a construction contract be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period;

    (c) when the outcome of a construction contract could not be estimated reliably, revenue be recognised only to the extent of contract costs incurred that it was probable would be recoverable; and contract costs be recognised as an expense in the period in which they were incurred;

    (d) where the outcome of a construction contract could not be estimated reliably, no profit in respect of the contract be recognised; and

    (e) when it was probable that total contract costs for a construction contract would exceed total contract revenue, the expected loss be recognised as an expense immediately.

19. At all material times AASB 128 (Investments in Associates) was applicable to Leighton.

20. At all material times, AASB 128 (Investments in Associates) required in respect of Leighton that:

    (a) Leighton's investment in Habtoor Leighton be accounted for using the equity method of accounting whereby:

        (i) Leighton's investment was to be initially recognised at cost and adjusted thereafter for the change in Leighton's share of the profit or loss of Habtoor Leighton after the date of acquisition;

        (ii) Leighton's share of the profit or loss of Habtoor Leighton was required to be recognised in Leighton's profit or loss; and

        (iii) any additional impairment loss to Leighton's net investment in Habtoor Leighton was required to be determined by the application of AASB 136 and 139.

21. At all material times AASB 136 (Impairment of Assets) and AASB 139 (Financial Instruments: Recognition and Management) were applicable to Leighton.

22. At all material times, AASB 139 (Financial Instruments: Recognition and Management) required Leighton to assess at the end of each reporting period whether there was any objective evidence that its investment in Habtoor Leighton was impaired by reference to a single event or the combined effect of several events.

23. At all material times, AASB 136 (Impairment of Assets) provided that Leighton was required to recognise an impairment loss in respect of its investment in Habtoor Leighton where the carrying value of that investment exceeded the recoverable amount for that investment (being the greater of the "value in use" or "fair value less costs to sell").

24. At all material times, Leighton's accounting policies provided that it was to review the carrying amount of the Group's assets at each reporting date to determine whether there was any indication of impairment and recognise an impairment loss in its income statement.

V 11 APRIL 2011 DISCLOSURES

25. During the 2011 financial year Leighton was engaged in the construction of an airport link infrastructure project in Brisbane ("**BAL Project**"), a desalination plant infrastructure project in Victoria ("**VDP Project**") and Leighton also held a 45 per cent interest in, Habtoor Leighton.

26. From 1 July 2010 to 11 April 2011 Leighton forecast net profit after tax ("**NPAT**") for the 2011 financial year of $480 million or more.

27. On 11 April 2011 Leighton lodged with the ASX and publicly released the following public announcements:

    (a) the 11 April 2011 Media Release;

    (b) the 11 April 2011 Investor Presentation;

    (c) the 11 April 2011 Capital Raising Media Release; and

    (d) the 11 April 2011 Capital Raising Presentation.

    (together "**11 April 2011 Announcements**").

28. The 11 April 2011 Media Release stated:

    (a) that the company was revising its profit forecast for the 2011 financial year;

    (b) Leighton expected to report a loss of $427 million for the 2011 financial year, compared to its previous guidance of a profit of $480 million after tax;

    (c) the BAL Project was forecast to make a loss of $430 million, as compared to Leighton's original budget of a profit of $407 million;

    (d) the matters leading to the decrease in the expected profit for the BAL Project were design, access, weather, engineering, planning and coordination difficulties;

    (e) the VDP Project was forecast to make a profit of $6 million, as compared to Leighton's previous forecast of a profit of $288 million;

    (f) completion of the VDP Project was expected to be delayed from the initially estimated date of 10 November 2011 to mid 2012;

    (g) the delay to the VDP Project may trigger a penalty of $15 million and extra costs;

(h) cash-flow for legacy projects for Habtoor Leighton had continued to deteriorate and opportunities for it had remained slow;

(i) Habtoor Leighton had required the injection of AED1 billion in additional shareholder loans;

(j) Leighton had revised down its estimate of the contribution to be booked from Habtoor Leighton such that Leighton's equity share of that expense was $120 million;

(k) the additional provisioning and shareholder funding had impacted the carrying value of the Habtoor Leighton asset and Leighton had written down the book value of its investment in Habtoor Leighton by $200 million to reflect Leighton's revised expectation of Habtoor Leighton future earnings; and

(l) Leighton's revised valuation of Habtoor Leighton was $525 million.

Particulars

11 April 2011 Media Release at pp 1 and 2 and the Appendix

29. In the Appendix to the 11 April 2011 Media Release Leighton provided the following reconciliation of the old and new 2011 financial year NPAT forecast as of 11 April 2011.

	Pre-tax impact ($m)	Post-tax impact ($m)	NPAT ($m)
Forecast as of Feb 2011			**480**
Airport Link Project write-back	(470)	(329)	
Victorian Desalination Project write-back	(282)	(197)	
Habtoor Leighton Group Equity impairment	(200)	(200)	
Habtoor Leighton Group expense	(120)	(120)	
Other	(76)	(61)	
Total	(1148)	(907)	
Forecast as of 11 April 2011			**(427)**

30. In the 11 April 2011 Investor Presentation Leighton stated that the cash impact in the 2012 financial year of the BAL Project was expected to be $708 million and the cash impact of the VDP Project was expected to be $282 million with a combined impact of $779 million after taking into account the tax impact.

Particulars

11 April 2011 Investor Presentation at p 5.

31. In the 11 April 2011 Capital Raising Media Release, Leighton announced that it was to raise $757 million in equity via an accelerated renounceable entitlement offer.

Particulars

11 April 2011 Capital Raising Media Release at p 1.

VI. BRISBANE AIRPORT LINK PROJECT

(A) Brisbane Airport Link Project announcement

32. On 19 May 2008, Leighton requested that ASX halt trading in Leighton's securities pending the announcement of the award of a material contract for the BAL Project.

Particulars

Letter from Leighton to ASX dated 19 May 2008.

33. On 19 May 2008 Leighton lodged with the ASX and publicly released media releases by the Queensland State Government and BrisConnections which reported that:

(a) the Queensland Government had announced that BrisConnections, which was a consortium including Thiess and John Holland, was the preferred bidder for the BAL Project;

(b) the Queensland Government had announced that the BAL Project would cost $4.8 billion to build; and

(c) BrisConnections had announced that the design and construction work in relation to the airport link project would be undertaken by Thiess and John Holland under a fixed price and fixed term contract.

Particulars

ASX announcement by Leighton dated 19 May 2008 titled 'Thiess and John Holland preferred tenderer for $4bn project'.

(B) Entry into the relevant contractual agreements

34. On or about 2 June 2008, the State of Queensland, BrisConnections Operations Pty Ltd and BrisConnections Nominee Company Limited (in its capacity as trustee for the BrisConnections Asset Trust) entered into a

project deed pursuant to which the State of Queensland granted certain rights to design, build, and operate the BAL Project.

35. On or about 2 June 2008, Thiess, John Holland, BrisConnections Operations Pty Limited, BrisConnections Nominee Company Pty Ltd (as trustee of the BrisConnections Asset trust), BrisConnections Contracting Pty Limited and Northern Busway Contracting Pty Limited entered into a fixed price and fixed term contract in relation to the design and construction of the BAL Project ("**D&C Contract**").

36. The terms of the D&C Contract provided that:

(a) Thiess and John Holland were obliged to carry out certain design and construction work ("**Project Works**") as defined in the D&C Contract;

(b) Thiess and John Holland were obliged to carry out their obligations under the D&C Contract at their own cost;

Particulars

Clause 1.8 of the D&C Contract.

(c) Except as expressly provided for in the D&C Contract, Thiess and John Holland accepted all risk associated with the Project Works including the risk that the Project Works would cost more than anticipated to construct under the D&C Contract and were not entitled to make any claim against any other party to the D&C Contract arising out of, or in connection with, such risks;

Particulars

Clauses 4.3 and 13.3 of the D&C Contract.

(d) Thiess and John Holland assumed responsibility for all aspects of the quality of all things to be carried out in connection with the design and construction of the Project Works;

Particulars

Clause 7.2(a)(i) of the D&C Contract.

(e) Thiess and John Holland accepted the areas the subject of the D&C Contract in their present condition and state of repair and subject to, inter alia, all defects, including sub-surface conditions;

Particulars

Clause 8.3(b) of the D&C Contract.

(f) Thiess and John Holland were required to provide everything necessary (including labour, materials, plant and equipment) for the design, construction and commissioning of the Project Works under the D&C Contract;

Particulars

Clause 12.1(c) of the D&C Contract.

(g) Thiess and John Holland were required to achieve the completion dates set out in clause 15.2 of the D&C Contract;

Particulars

Clause 15.2 of the D&C Contract.

(h) In the event that the completion dates set out in the D&C Contract were not achieved, Thiess and John Holland could be liable to pay liquidated damages; and

Particulars

Clause 5.7 of the D&C Contract.

(i) The contract price was $4,115,610,026.

Particulars

Schedule 26 of the D&C Contract.

37. By no later than 25 July 2008, Leighton entered into a deed with Brisconnections Operations Pty Ltd, Brisconnections Nominee Company Pty Ltd (as trustee of the BrisConnections Asset Trust), BrisConnections Contracting Pty Limited and Northern Busway Contracting Pty Limited, guaranteeing the performance of Thiess' and John Holland's obligations under the D&C Contract.

(C) Report on Brisbane Airport Link construction risks

38. In 2008, the BrisConnections consortium comprised of Thiess, John Holland and Macquarie Capital Group Limited commissioned URS Australia Pty Ltd to conduct a high level review of the engineering, design, construction, operation and other technical aspects of the BAL Project.

39. On or about 24 June 2008, URS Australia Pty Ltd published its report in connection with the BAL Project ("**URS Report**").

40. The URS Report stated:

(a) there was a significant risk in estimating the project cost, complexity and duration based on a tender design;

(b) the final design could change significantly when compared to the tender design and result in additional construction cost and time to Thiess and John Holland and the preliminary nature of the tender design could give rise to significant construction risks including costs increases and schedule delays;

(c) due to the recent extraordinary increases in prices for construction staples such as steel, cement and fuel, the prices paid for these commodities in the project might be outside of the estimated range which could adversely affect total construction cost; and

(d) the geotechnical risks that subsurface conditions may be other than anticipated might significantly impact timing and cost of the project or cause delays.

41. By reason of the risks identified in the URS Report that are set out in paragraph 40 above, any public statement made by Leighton in connection with the BAL Project was required to be made having regard to the possibility of those risks.

(D) Leighton tendering processes and risk management systems

42. From at least mid-2008 and continuing throughout the Relevant Period Leighton's tendering and risk management systems and procedures were inadequate and required significant updating and improvement in the areas of tender accuracy, risk identification and the pricing of risk.

Particulars

11 April 2011 Investor Presentation p25; and Leighton's 7 August 2012 Media Release titled 'Solid earnings and repositioning for growth' at p 2. Further particulars will be provided following discovery.

(E) Materiality of Brisbane Airport Link contract

43. The BAL Project:

(a) was Leighton's largest infrastructure project;

Particulars

16 August 2010 Preliminary Final Report, at p 25.

(b) comprised $4.1 billion of Leighton's $41.541 billion work in hand, being Leighton's current and confirmed orders or about 9.9% of Leighton's work in hand; and

Particulars

2010 Preliminary Results, at pp 35-38.

(c) had the capacity to substantially affect Leighton's profit in the 2010, 2011 and 2012 financial years.

44. In or around November 2008, Leighton privately forecast that it would generate a profit before tax of approximately $407 million by reason of Thiess and John Holland's performance of their obligations under the D&C Contract.

Particulars

Appendix to 11 April 2011 Media Release.

(F) Construction of the Brisbane Airport Link

45. In November 2008, construction on the BAL Project commenced.

46. By no later than 23 April 2009:

(a) adverse ground conditions that would affect construction of the BAL Project, unanticipated at the time of entry into the D&C Contract, had been identified in the vicinity of the Kedron ground ramps; and

(b) there was a meeting to discuss a proposal by Thiess and John Holland to increase the rock support regime and increase the design and construction complexity of the rock support regime in the vicinity of the Kedron ground ramps that would affect construction of the BAL Project.

Particulars

BrisConnections Meeting notes dated 23 April 2009 and Kedron Ramps & Caverns April 2009 presentation.

47. By no later than June 2009:

(a) progress on the BAL Project had been delayed by the poorer than anticipated ground conditions in the Kedron ramp area and slower excavation rates than originally anticipated had increased the construction program for each part of the Kedron Ramps and Caverns;

Particulars

Airport Link – Wooloowin Worksite Modification, Request for Project Change June 2009 at pp 8, 37 and 42.

(b) extra work was required in order to construct more complex tunnel supports and it was necessary to change the delivery methodology for the BAL Project by the establishment and use of an additional worksite at Rose Street, Wooloowin and the construction of a shaft and access passage from that worksite;

Particulars

Airport Link – Wooloowin Worksite Modification, Request for Project Change June 2009 at pp 8,16 and 37.

(c) the tunnel excavation works affected by the adverse ground conditions were critical to the completion of the BAL Project and a delay to those works would affect other critical activities in relation to the BAL Project and their consequent completion on schedule;

Particulars

Airport Link – Wooloowin Worksite Modification, Request for Project Change June 2009 at pp 9, 36-37.

(d) at least an additional 220 persons would be required to be employed in connection with the BAL Project; and

Particulars

Airport Link – Wooloowin Worksite Modification, Request for Project Change at pp 46, 49.

(e) the proposed project change altered the intended order of completion of construction activities and the overall impact was dependent on factors such as the actual ground conditions, the number of work areas that could be opened up and the level of resourcing.

Particulars

Airport Link – Wooloowin Worksite Modification, Request for Project Change at p 40.

48. By reason of the matters in paragraphs 46 and 47 above, by no later than June 2009:

(a) delays were likely to be occasioned to the completion of the BAL Project unless additional costs, not originally budgeted, were incurred by Thiess and John Holland; and

(b) significant additional costs would be incurred by Thiess and John Holland in performing their obligations under the D&C Contract.

Particulars

Those additional costs included additional major equipment purchases or hires in at least the amount of $8 million, additional materials in at least the amount of $3 million and decommissioning costs: Airport Link – Wooloowin Worksite Modification, Request for Project Change at p 47. Additional costs would also include the employment of additional employees for an amount of approximately $27 million, supervising engineers' costs, consumables and impact mitigation works: Co-ordinator General's Change Report, Airport Link Project – Wooloowin Worksite Modification at p 10. The additional costs also included approximately $30-$50 million in respect of the cost of creating an additional shaft in Rose Street: 2 November 2010 Leighton Investor Teleconference Transcript at p 15.

49. By no later than 9 September 2009, the construction program for the BAL Project was 3.5 months behind schedule.

Particulars

Queensland Department of Infrastructure and planning briefing note dated 9 September 2009.

50. By no later than 16 August 2010 Leighton had expended, or it was apparent that Leighton would expend, significantly more than budgeted amounts for contract design, personnel costs, materials and plant and equipment for the BAL Project.

Particulars

The Applicant repeats paragraphs 46 to 48 above. Further particulars will be provided after discovery.

51. In the period from October 2010 to January 2011 wet weather in Brisbane:

(a) affected the ability of Thiess and John Holland to perform work in connection with the D&C Contract; and

Particulars

14 February 2011 December Quarterly Update at p 30, 11 April 2011 Investor Presentation at p 11.

(b) increased the cost to complete the BAL Project.

Particulars

24 February 2011 Open Briefing at p 4.

52. By in or around November 2010, Leighton had reduced (but did not publish) its private forecast profit before tax for the BAL Project by $274 million from $407 million to $133 million.

Particulars

Appendix to 11 April 2011 Media Release.

53. On 18 March 2011, officers of Leighton attended a meeting in relation to the financial position of the BAL Project ("**18 March 2011 BAL meeting**").

54. At the 18 March 2011 BAL meeting:

(a) possible scenarios were considered relating to the forecast final profit margin for the BAL Project;

(b) the scenarios considered at the 18 March 2011 BAL meeting forecast that the BAL Project would generate a loss for Leighton of between $182 million and $610 million;

(c) each of the scenarios considered at the 18 March 2011 BAL meeting forecast a result in relation to the BAL Project that would cause Leighton's profit for the 2011 financial year to be substantially less than its then public forecast of a net profit after tax ("**NPAT**") of approximately $480 million.

Particulars

ASIC Summary of Infringement Notices issued to Leighton dated 18 March 2012 at p 1. Further particulars will be provided following discovery.

55. By no later than 18 March 2011 by reason of the matters pleaded in paragraph 54 Leighton was required in its 2011 financial year accounts to:

(a) write back any profit amounts previously recognised on the BAL Project;

(b) recognise an expense in relation to the likely amounts by which contract costs were expected to exceed total contract revenue on the BAL Project immediately; and

(c) alternatively to (b) recognise no further amounts in relation to profit on the BAL Project.

56. By reason of the matters in paragraphs 46 to 50 by 16 August 2010, it was the fact, and Leighton knew, or ought to have known that:

(a) Leighton would not achieve the completion dates set out in the D&C Contract without incurring significant costs not originally estimated in relation to the project;

(b) the BAL Project would substantially exceed its costs as those costs were originally budgeted by Leighton;

(c) the BAL Project would generate profit for Leighton (calculated on a consolidated basis) of substantially less than $407 million profit before tax; and

(d) the BAL Project would substantially reduce Leighton's forecasted NPAT for the 2011 financial year.

57. Further, or alternatively to paragraph 56, by reason of the matters in paragraphs 46 to 50 by 16 August 2010 Leighton knew that there was a material risk that:

(a) Leighton would not achieve the completion dates set out in the D&C Contract without incurring significant costs not originally estimated in relation to the project;

(b) the BAL Project would substantially exceed its costs as those costs were originally budgeted by Leighton;

(c) the BAL Project would generate profit for Leighton (calculated on a consolidated basis) of substantially less than $407 million profit before tax; and

(d) the BAL Project would substantially reduce Leighton's forecasted NPAT for the 2011 financial year.

58. Further or in the alternative, by reason of the matters pleaded in paragraphs 46 to 55, by no later than 18 March 2011, it was the fact and Leighton knew or ought to have known that:

(a) Leighton would not achieve the completion dates set out in the D&C Contract without incurring significant costs not originally estimated in relation to the project;

(b) the BAL Project would substantially exceed its costs as those costs were originally budgeted by Leighton;

(c) the BAL Project would generate profit for Leighton (calculated on a consolidated basis) of substantially less than $407 million profit before tax; and

(d) the BAL Project would substantially reduce Leighton's NPAT for the 2011 financial year.

59. To the extent that Leighton's knowledge in paragraphs 56 to 58 above related to Leighton's NPAT for the 2011 financial year, Leighton ought to have considered that information in light of the following matters (to the extent that information in relation to those matters was available at the relevant time):

(a) the matters in respect of the VDP Project set out in paragraph 71 below; and

(b) the matters in respect of Habtoor Leighton set out in paragraphs 90 to 93 below.

VII. VICTORIAN DESALINATION PLANT PROJECT

60. In or around mid-2008, Suez Environment, Thiess and Macquarie Capital Group Pty Ltd formed a consortium through Aquasure Pty Ltd ("**Aquasure**") for the purposes of bidding for, and if successful, designing, constructing operating and maintaining a proposed desalination plant in Victoria.

61. On or about 30 July 2009, the Minister for Water for the State of Victoria entered into a deed with Aquasure, pursuant to which Aquasure undertook to design, construct, operate and maintain the Victorian desalination plant ("**VDP Project Deed**").

62. Under the terms of the VDP Project Deed Aquasure assumed:

(a) all of the risks associated with design and construction; and

(b) risks that the facility would not be fit for its intended purposes and that it would cost more than expected.

Particulars

VDP Project Deed at cls 18.5 and 43.1. The terms of the Project Deed relating to risk at pp 33-34, 192-196 and 192-196.

63. In or about August 2009, Aquasure entered into a D&C contract with Thiess and Degremont Pty Ltd, pursuant to which Thiess and Degremont Pty Ltd

undertook to design, construct and commission the VDP Project. ("VDP D&C Contract").

Particulars

Further particulars of the VDP D&C Contract will be provided following discovery.

64. The VDP D&C contract value was $3.48 billion and Thiess' share of the contract value was $2.64 billion.

65. As at 2010, Leighton privately forecast that it would earn a profit before tax of $288 million from the VDP Project.

Particulars

Appendix to 11 April 2011 Media Release.

66. In September 2009, Thiess commenced construction work on the VDP Project.

67. By no later than 7 December 2009, a dispute between the Construction, Forestry, Mining and Energy Union and the Australian Workers Union had caused a delay in the hiring of 200 workers for the VDP Project.

68. On or around 18 November 2010, work was halted on the VDP Project as a result of an industrial dispute.

69. On 16 March 2011, the Steering Committee for the VDP Project held a monthly meeting at which it reviewed an amended program for the VDP Project and updated costs forecasts which indicated that the VDP Project costs were substantially in excess of those initially estimated.

Particulars

ASIC Summary of Infringement Notices issued to Leighton dated 18 March 2012 at p 3. Further particulars will be provided following discovery.

70. By no later than 18 March 2011, Thiess had reviewed the overall financial position of the VDP Project and had concluded that:

(a) the forecast costs had increased by about $200 million;

(b) there was a risk of further cost increases; and

(c) there was a risk that completion of the VDP Project would be delayed.

Particulars

ASIC Summary of Infringement Notices issued to Leighton dated 18 March 2012 at 3. Further particulars will be provided following discovery.

71. By reason of the matters pleaded in paragraphs 67 to 70 above, by no later than 18 March 2011, it was the fact and Leighton was aware, or ought to have been aware, that:

(a) the completion of the VDP Project would be significantly delayed beyond the time for completion originally estimated by Leighton;

(b) the delay in the VDP Project was likely to result in an obligation for Thiess to pay liquidated damages pursuant to the terms of the VDP D&C Contract;

(c) the costs of the VDP Project would significantly exceed the costs originally forecast by Leighton;

(d) the VDP Project would generate profit before tax for Leighton (calculated on a consolidated basis) of substantially less than $288 million; and

(e) the VDP Project would reduce Leighton's NPAT in the 2011 financial year substantially below $480 million.

Particulars

Further particulars will be provided after discovery.

72. To the extent that Leighton's knowledge in paragraph 71 above related to Leighton's profit for the 2011 financial year, Leighton ought to have considered that information in light of the following matters (to the extent that information in relation to those matters was available at the relevant time):

(a) the matters in respect of the BAL Project set out in paragraphs 56 to 58 above; and

(b) the matters in respect of Habtoor Leighton set out in paragraphs 90 to 93 below.

VIII. HABTOOR LEIGHTON JOINT VENTURE

73. In or around September 2007, Leighton acquired a 45 per cent interest in Habtoor Leighton for consideration of approximately $870 million.

74. At all material times Habtoor Leighton operated as a construction contractor in the Middle East, with a particular emphasis on Dubai.

75. At all material times, Leighton's interest in Habtoor Leighton was accounted for using the equity method.

76. At all material times, Leighton determined the value it would attribute to its interest in Habtoor Leighton using a discounted cash flow method.

77. The method adopted by Leighton for valuing its interest in Habtoor Leighton depended on assumptions as to, *inter alia*:

(a) the discount rate to be applied;

(b) the growth rate to be applied;

(c) legacy project receivables;

(d) borrowings; and

(e) forecast cash flow.

78. As at 30 June 2010, Leighton attributed a value of approximately $1.376 billion to its investment in Habtoor Leighton.

Particulars

14 February 2011 Half Year Report at p 15.

79. From 14 February 2011, Leighton attributed a value of approximately $845 million to its investment in Habtoor Leighton.

Particulars

14 February 2011 Half Year Report at p 15.

80. In the period from 1 July 2010 to 31 December 2010, no significant payments were received by Habtoor Leighton for outstanding payments on pre-acquisition projects.

Particulars

14 February 2011 December Quarter Update at p 32.

81. By no later than 30 June 2010:

(a) economic conditions in Dubai were difficult;

(b) Habtoor Leighton had been awarded limited new projects in the previous 12 months;

(c) Habtoor Leighton was owed substantially overdue money for construction projects;

(d) Habtoor Leighton was negotiating recovery of payments for outstanding projects; and for certain projects recovery was not expected for a number of years;

(e) there were serious problems with Habtoor Leighton's management, systems and controls; and

(f) there was conflict between the shareholders of Habtoor Leighton which was undermining the operation of the company and its ability to win new work.

Particulars

Zawya media article dated 10 March 2010 titled 'Al Habtoor eyes Kuwait, Saudi projects' and 22 June 2010 Open Briefing at p 4. Further particulars will be provided after discovery.

82. By no later than 30 June 2010 Habtoor Leighton had a working capital shortfall and was forced to seek additional funding including by way of interest free loans from Leighton in order to meet working capital requirements.

Particulars

The relevant funding included an interest free loan from Leighton for approximately $38 million for the period to 30 June 2010: 14 February 2011 Half Year Report at p 15

83. In the period from 1 July 2010 to 31 December 2010, Habtoor Leighton continued to receive interest free loans from Leighton, in order to meet working capital requirements.

Particulars

The relevant funding included an interest free loan from Leighton in the amount of approximately $76 million in the period from 1 July 2010 to 31 December 2010: 14 February 2011 Half-Year Report at p 15. In addition, Habtoor Leighton also obtained a US$136 million working capital facility from the banking sector: 14 February 2011 December Quarterly Update at p 32. Further particulars will be provided after discovery.

84. By no later than 16 August 2010:

(a) economic conditions in Dubai were challenging for construction contractors and there was a reduced level of activity in the industry; and

Particulars

16 August 2010 Preliminary Final Report at p 29.

(b) construction contractors other than Habtoor Leighton were pursuing work in Gulf countries other than Dubai with aggressive competitive tendering.

Particulars

16 August 2010 Preliminary Final Report at p 29.

85. By no later than 29 September 2010:

(a) activity levels in the construction industry in Dubai remained subdued; and

Particulars

29 September 2010 Concise Annual Report at p 7.

(b) Habtoor Leighton had been required to negotiate settlements in relation to payment for some projects it had performed work in relation to, which settlements involved the deferral of Habtoor Leighton's payment.

Particulars

29 September 2010 Concise Annual Report at pp 7-8.

86. By no later than 31 December 2010:

(a) Habtoor Leighton had experienced a slower flow of work than had been estimated by Leighton as at 30 June 2010; and

Particulars

24 February 2011 Open Briefing at p 2, 14 February 2011 Half-Year Presentation at p 28, 9 March 2011 Second Quarter Report at p 6.

(b) Habtoor Leighton had experienced unrecovered amounts in respect of work it had performed that were higher than estimated as at 30 June 2010.

Particulars

24 February 2011 Opening Briefing at p 2, 14 February 2011 Half-Year Presentation at p 28, 9 March 2011 Second Quarter Report at p 6.

87. In the period from 31 December 2010 to 14 February 2011, Habtoor Leighton was forced to seek further additional funding, including by way of

interest free loans from Leighton, in order to meet working capital requirements.

Particulars

The relevant funding included an interest free loan from Leighton in the amount of approximately $68 million: 14 February 2011 Half-Year Report at p 15.

88. By no later than 16 January 2011, Habtoor Leighton:

(a) was owed more than $1.08 billion in respect of work that had been performed; and

(b) was still seeking payment in respect of work completed 18 months previously.

Particulars

Statements by Habtoor Leighton CEO Khalaf Al Habtoor in arabianbusiness.com, "Al Habtoor Leighton Group Owed $1.8 billion in late payments", 16 January 2011.

89. By no later than 18 March 2011:

(a) quarterly reviews for each project and business unit of Habtoor Leighton had been completed;

(b) the results of the reviews showed that Habtoor Leighton's financial position had deteriorated and that it urgently required additional funding;

(c) Leighton had received a revised cash flow forecast for Habtoor Leighton;

(d) Habtoor Leighton had requested that drawdown of a previously agreed shareholder loan with Leighton be accelerated;

(e) Habtoor Leighton had requested an additional loan from Leighton for $230 million.

Particulars

ASIC Summary of Infringement Notices issued to Leighton dated 18 March 2012 at 6. Further particulars will be provided following discovery.

90. By reason of the matters pleaded in paragraphs 80 to 84 above, by no later than 16 August 2010, it was the fact and Leighton knew or ought to have known that:

(a) Habtoor Leighton was being provided with substantial operational funds by Leighton on an interest free basis;

(b) it was likely that Habtoor Leighton would have difficulty in obtaining new work;

(c) it was likely that Habtoor Leighton would have difficulty in obtaining payment for projects in respect of which it had already completed work;

(d) as a result of the combined effect of the matters pleaded in paragraphs 80 to 84 it was or ought to have been apparent to Leighton that its investment in Habtoor Leighton was impaired and Leighton's then extant valuation of Habtoor Leighton of approximately $1.4 billion was likely to require substantial reduction; and

(e) Leighton's estimated profit for the 2011 financial year was likely to be substantially reduced by reason of a reduction in the carrying value of Habtoor Leighton, the recognition of an impairment loss in respect of Leighton's investment in Habtoor Leighton, and a reduction in Leighton's share of any profit or loss generated by Habtoor Leighton.

91. Further or in the alternative to paragraph 90 by reason of the matters pleaded in paragraphs 80 to 85 above, by no later than 29 September 2010, it was the fact and Leighton knew or ought to have known that:

(a) Habtoor Leighton was being provided with substantial operational funds by Leighton on an interest free basis;

(b) it was likely that Habtoor Leighton would have difficulty in obtaining new work;

(c) it was likely that Habtoor Leighton would have difficulty in obtaining payment for projects in respect of which it had already completed work;

(d) as a result of the combined effect of the matters pleaded in paragraphs 80 to 85 it was or ought to have been apparent to Leighton that its investment in Habtoor Leighton was impaired and Leighton's then extant valuation of Habtoor Leighton of

approximately $1.4 billion was likely to require substantial reduction; and

(e) Leighton's estimated profit for the 2011 financial year was likely to be substantially reduced by reason of a reduction in the carrying value of Habtoor Leighton, the recognition of an impairment loss in respect of Leighton's investment in Habtoor Leighton, and a reduction in Leighton's share of any profit or loss generated by Habtoor Leighton.

92. Further or in the alternative to paragraphs 90 and 91 above, by reason of the matters pleaded in paragraphs 80 to 86 above, by no later than 31 December 2010, it was the fact and Leighton knew or ought to have known that:

(a) Habtoor Leighton was being provided with substantial operational funds by Leighton on an interest free basis;

(b) it was likely that Habtoor Leighton would have difficulty in obtaining new work;

(c) it was likely that Habtoor Leighton would have difficulty in obtaining payment for projects in respect of which it had already completed work;

(d) as a result of the combined effect of the matters pleaded in paragraphs 80 to 86 it was or ought to have been apparent to Leighton that its investment in Habtoor Leighton was impaired and Leighton's valuation of Habtoor Leighton was likely to require substantial reduction (Leighton's valuation of Habtoor Leighton was approximately $1.4 billion in the period from 30 June 2010 to 14 February 2011 and $845 million in the period from 14 February 2011 to 11 April 2011); and

(e) Leighton's estimated profit for the 2011 financial year was likely to be substantially reduced by reason of a reduction in the carrying value of Habtoor Leighton, the recognition of an impairment loss in respect of Leighton's investment in Habtoor Leighton, and a reduction in Leighton's share of any profit or loss generated by Habtoor Leighton.

93. Further or in the alternative to the matters in paragraphs 90 to 92 above, by reason of the matters pleaded in paragraphs 80 to 89 above, by no later than 18 March 2011, it was the fact and Leighton knew or ought to have known that:

(a) Habtoor Leighton was being provided with substantial operational funds by Leighton on an interest free basis;

(b) it was likely that Habtoor Leighton would have difficulty in obtaining new work;

(c) it was likely that Habtoor Leighton would have difficulty in obtaining payment for projects in respect of which it had already completed work;

(d) as a result of the combined effect of the matters pleaded in paragraphs 80 to 89 it was or ought to have been apparent to Leighton that its investment in Habtoor Leighton was impaired and Leighton's then extant valuation of Habtoor Leighton of approximately $845 million was likely to require substantial reduction; and

(e) Leighton's estimated profit for the 2011 financial year was likely to be substantially reduced by reason of a reduction in the carrying value of Habtoor Leighton, the recognition of an impairment loss in respect of Leighton's investment in Habtoor Leighton, and a reduction in Leighton's share of any profit or loss generated by Habtoor Leighton.

94. To the extent that Leighton's knowledge in paragraphs 90 to 93 above related to Leighton's profit for the 2011 financial year, Leighton ought to have considered that information in light of the following matters (to the extent that information in relation to those matters was available at the relevant time):

(a) the matters in respect of the BAL Project set out in paragraphs 56 to 58 above; and

(b) the matters in respect of the VDP Project set out in paragraph 71 above.

IX. CONTINUOUS DISCLOSURE CONTRAVENTIONS: BAL PROJECT, VDP PROJECT AND HABTOOR LEIGHTON

95. Leighton became aware within the meaning of Listing Rule 19.12 of each of:

(a) the matters pleaded in paragraph 56 and/or 57 above by 16 August 2010 ("**Initial BAL Information**") and/or alternatively the matters pleaded in paragraph 58 above by 18 March 2011 ("**Further BAL Information**");

(b) the matters pleaded in paragraph 71 above ("**VDP Information**") by 18 March 2011;

(c) the matters pleaded in paragraphs 90 to 92 above ("**Initial Habtoor Leighton Information**") by 16 August 2010, 29 September 2010, or alternatively, 31 December 2010; and

(d) the matters pleaded in paragraph 93 above ("**Further Habtoor Leighton Information**") by 18 March 2011.

(together "**Project Information**").

96. The Project Information was not generally available information within the meaning of section 676 of the Corporations Act and was information:

(a) which affected the assessment of the performance of Leighton and the likely future performance of Leighton and whether the financial performance reported in the 16 August 2010 Preliminary Final Report was likely to be repeated or improved in subsequent periods;

(b) that was material to the assessment of the value of Leighton and the appropriate price for Leighton's Securities;

(c) that, separately and collectively, a reasonable person would expect to have a material effect on the price or value of Leighton's Securities within the meaning of Listing Rule 3.1;

(d) that would be likely to influence persons who commonly invest in securities in deciding whether to acquire or dispose of Leighton's Securities; and

(e) that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of Leighton's Securities.

97. Leighton became obliged pursuant to Listing Rule 3.1 to tell the ASX:

(a) the Initial BAL Information on or about 16 August 2010, or alternatively the Further BAL Information on or about 18 March 2011;

(b) the VDP Information on or about 18 March 2011;

(c) the Initial Habtoor Leighton Information on or about 16 August 2010, or 29 September 2010, or, 31 December 2010; and

(d) the Further Habtoor Leighton Information on or about 18 March 2011.

98. Leighton did not tell the ASX:

(a) the Initial BAL Information on or about 16 August 2010 or, alternatively the Further BAL Information on or about 18 March 2011;

(b) the VDP Information on or about 18 March 2011;

(c) the Initial Habtoor Leighton Information on or about 16 August 2010, or 29 September 2010 or 31 December 2010; and

(d) the Further Habtoor Leighton Information on or about 18 March 2011.

99. In the period:

(a) from 16 August 2010, and continuing to 11 April 2011, Leighton did not tell the ASX the BAL Information;

(b) from 18 March 2011 and continuing to 11 April 2011, Leighton did not tell the ASX the Further BAL Information;

(c) from 18 March 2011 and continuing to 11 April 2011, Leighton did not tell ASX the VDP Information;

(d) from 16 August 2010 or alternatively from 29 September 2010 or alternatively from 31 December 2010 and continuing to 11 April 2011, Leighton did not tell ASX the Initial Habtoor Leighton Information; and

(e) from 18 March 2011 and continuing to 11 April 2011, Leighton did not tell the ASX the Further Habtoor Leighton Information.

100. In the premises, Leighton contravened section 674(2) of the Corporations Act by not telling ASX:

(a) the Initial BAL Information on about 16 August 2010 ("**First Continuous Disclosure Contravention**");

(b) the Further BAL Further Information on or about 18 March 2011 ("**Second Continuous Disclosure Contravention**");

(c) the VDP Information on or about 18 March 2011 ("**Third Continuous Disclosure Contravention**");

(d) the Initial Habtoor Leighton Information on or about 16 August 2010, or 29 September 2010, or 31 December 2010 ("**Fourth Continuous Disclosure Contravention**"); and

(e) the Further Habtoor Leighton Information on or about 18 March 2011 ("**Fifth Continuous Disclosure Contravention**").

101. The contraventions pleaded in paragraph 100 above were continuing contraventions and continued until 11 April 2011.

X. LEIGHTON'S STATEMENTS DURING THE RELEVANT PERIOD

102. In the period from 16 August 2010 to 9 March 2011, Leighton made the following public announcements and released the following public documents in the following order:

(a) the 16 August 2010 ASX Announcement (comprising the 16 August 2010 Preliminary Final Report, the 16 August 2010 June Quarterly Update, the 16 August 2010 Investor Presentation and the 16 August 2010 Media Release);

(b) the 8 September 2010 Fourth Quarter Update Report;

(c) the 29 September 2010 Concise Annual Report;

(d) the 29 September 2010 Financial Report;

(e) the 2 November 2010 Announcement;

(f) the 2 November 2010 Transcript;

(g) the 4 November 2010 Chairman's Address;

(h) the 10 December 2010 First Quarter Report;

(i) the 14 February 2011 ASX Announcement (comprising the 14 February 2011 Half-Year Report; the 14 February 2011 Half-Year Results Presentation,, the 14 February 2011 December Quarterly Update and the 14 February 2011 Media Release); and

(j) the 9 March 2011 Second Quarter Report;

(together "**Relevant Period Announcements**").

103. In the 16 August 2010 ASX Announcement, Leighton stated that:

(a) group profit for the 2010 financial year after tax and minority interests was a record amount of $612 million;

(b) the BAL Project was Leighton's largest infrastructure project;

(c) construction of the BAL Project had reached 50 per cent completion and remained on track to finish in June 2012;

(d) work on the VDP Project had gained momentum and was in excess of 25 per cent complete;

(e) the outlook for the financial year 2011 remained positive;

(f) Leighton expected to increase its operating profit in the 2011 financial year; and

(g) very substantial investments were being made, and would continue to be made in construction and infrastructure in the Middle East and the Habtoor Leighton was well positioned to pursue these.

Particulars

(i) *16 August 2010 Preliminary Final Report, pp 3, 25, 26, 30, 31.*

(ii) *16 August 2010 June Quarterly Update pp1-3.*

(iii) *16 August 2010 Investor Presentation pp 5 and 30.*

104. In the 8 September 2010 Fourth Quarter Report, Leighton stated:

(a) it had recorded a record profit after tax of $612 million for the 2010 financial year; and

(b) in the 2011 financial year it expected to report an increased operating profit from that reported in the 2010 financial year.

Particulars

8 September 2010 Fourth Quarter Report, pp 2 and 6.

105. In the 29 September 2010 Concise Annual Report, Leighton stated:

(a) it had reported a profit after tax of $612 million for the 2010 financial year;

(b) the operating cash for the 2010 financial year was over $1.7 billion from excellent project performances, a reduction in variations and claims and a strong level of depreciation;

(c) it remained positive for the 2011 financial year and expected to report an increased operating profit for that year;

(d) the BAL was Leighton's largest infrastructure project;

(e) work on the BAL Project was 50 per cent complete and was on track to be completed in June 2012;

(f) work on the VDP Project was 25 per cent complete;

(g) the company was committed to complying with its continuous disclosure obligations under the ASX Listing Rules and Corporations Act and to ensuring that its shareholders and investors had timely access to material information. It had established reporting systems from the Managing Director to a Continuous Disclosure Officer and comprehensive policies and procedures for each operating company;

(h) risk management was embedded in all activities of the Group and was a core part of the Group's culture;

(i) the company's risk management and internal compliance and control framework was operating effectively in all material respects in relation to financial reporting risks; and

(j) other than the matters disclosed in note 9, there had not arisen in the interval between the end of the financial period and the date of the report any matter or circumstance that was likely in the opinion of the Directors to affect significantly the operations or results of Leighton.

Particulars

29 September 2010 Concise Annual Report, pp 2, 3, 4, 5, 8, 33 and 91.

106. In the 2 November 2010 Announcement, Leighton stated that:

(a) it expected to report an operating profit after tax of around $510 million for the 2011 financial year;

(b) Leighton's results for the September quarter would reflect a deterioration of $85 million due to the BAL Project, currency movements and a joint venture rail project in Western Australia;

(c) it was expected that the BAL Project would be completed in mid-2012; and

(d) profits from the expected sale of a 35 per cent stake in Leighton's Indian operations would more than offset the matters requiring the decrease in Leighton's expected profit for the 2011 financial year and would allow Leighton to report a full year profit for financial year 2011 in line with market expectations.

Particulars

2 November 2010 Announcement at p 1.

107. In the 2 November 2010 Transcript, and the teleconference that is recorded in that transcript, Leighton stated that:

(a) it expected to make an operating profit after tax of around $510 million for financial year 2011;

(b) if Leighton completed the sale of a stake in its Indian business then it would offset the announced reduction in expected profit after tax in the 2011 financial year from $612 million to $510 million and Leighton would report a profit in the 2011 financial year in line with the market's then forecast;

(c) Leighton had written back approximately $80 million of profit in relation to the BAL Project that had been recognised in its results for financial year 2010;

(d) the full year effect of the write-back of profit on the BAL Project was between $100 and $120 million;

(e) there were no delays to the VDP Project;

(f) the VDP Project remained on target;

(g) the Habtoor Leighton was producing a small profit;

(h) it remained confident in the valuation it had adopted for the Habtoor Leighton; and

(i) if the Habtoor Leighton won the jobs it was expected to win then its carrying value would not be affected.

Particulars

2 November 2010 Transcript, pp 1, 2, 8, 9, 10, 12, 17 and 18.

108. In the 4 November 2010 Chairman's Address, Leighton stated that:

(a) Leighton expected to report an operating profit after tax for the 2011 financial year of around $510 million; and

(b) the sale of a stake in Leighton's Indian business which was expected to be finalised within a few weeks would allow Leighton to report a full year profit after tax in excess of $612 million.

Particulars

4 November 2010 Chairman's Address, pp 2, 7.

109. In the 10 December 2010 First Quarter Update, Leighton stated:

(a) Leighton expected to report an operating profit after tax of around $510 million for the 2011 financial year; and

(b) the matters set out in paragraph 108 above that are contained in the 4 November 2010 Chairman's Address.

Particulars

10 November 2010 First Quarter Update, pp ii and 8-12.

110. In the 14 February 2011 Announcement, Leighton stated:

(a) that it had decreased the recoverable amount of Leighton's investment in Habtoor Leighton from approximately $1.4 billion to $845 million;

(b) progress on the Victorian desalination plant was proceeding well and the project was on schedule for completion by the end of 2011; and

(c) Leighton expected to report a NPAT of $480 million.

Particulars

(i) *14 February 2011 Half-Year Report, pp 15, 28, 29, 32, 33.*

(ii) *14 February 2011 Media Release p 1.*

(iii) *14 February 2011 Half Year Presentation p 40.*

111. In the 9 March 2011 Second Quarter Report, Leighton stated:

(a) that it expected to report a full year NPAT of approximately $480 million for the financial year 2011; and

(b) the matters set out in respect of the 14 February 2011 Announcement in paragraph 110 above.

Particulars

9 March 2011 Second Quarter Report, second page and pp 6, 11, and 26.

XI. REPRESENTATIONS

(A) First Profit Forecast Representations

112. On 16 August 2010, 8 September 2010 and 29 September 2010, Leighton represented that:

(a) it estimated that its profit after tax and minority interests for the 2011 financial year would be in excess of $612 million; and

Particulars

The representation was express and was contained in:

(i) the *16 August 2010 Preliminary Final Report at p 3, 16 August 2010 June Quarterly Update pp 30 and 31; 16 August 2011 Media Release at pp 1,2 and 3, 16 August 2011 Investor Presentation at pp 5 and 30;*

(ii) *the 8 September 2010 Fourth Quarter Report at pp 2 and 6; and*

(iii) *the 29 September 2010 Concise Annual Report at pp 2, 3, 4 and 8.*

(b) it had reasonable grounds for its estimate of profit for the 2011 financial year.

(Individually or together the "**First Profit Forecast Representations**")

Particulars

(i) *The representation was implied as a matter of law, including by section 769C of the Corporations Act, section 12BB of the ASIC Act, section 4 of the Australian Consumer Law and section 51A of the Trade Practices Act.*

(ii) *Further or in the alternative, the representation was to be implied by reason of the fact that Leighton's estimate of profit was made in company documents released to the market by means of the ASX company announcements platform and Leighton knew or ought to have known that investors and potential investors in its Securities may rely upon the statements and forecasts in those documents in making decisions about whether to acquire or retain Securities in Leighton.*

113. The First Profit Forecast Representations were continuing representations in the period from 16 August 2010 to 2 November 2010.

114. The First Profit Forecast Representations were representations as to future matters, namely Leighton's operating profit for the 2011 financial year, within the meaning of:

(a) section 769C(1) of the Corporations Act;

(b) section 12BB of the ASIC Act;

(c) section 4 of the Australian Consumer Law; and/or

(d) section 51A of the Trade Practices Act.

115. The First Profit Forecast Representations was conduct engaged in by Leighton:

(a) in relation to a financial product or a financial service within the meaning of section 1041H(1) of the Corporations Act;

(b) in trade or commerce in relation to financial services within the meaning of section 12DA(1) of the ASIC Act; and/or

(c) in trade or commerce within the meaning of section 18 of the Australian Consumer Law and section 52 of the Trade Practices Act.

116. From 16 August 2010 to 2 November 2010, the First Profit Forecast Representations were misleading or deceptive, or likely to mislead or deceive as Leighton did not have reasonable grounds for the First Profit Forecast Representations.

Particulars

(i) *The Applicant relies on section 769C of the Corporations Act, section 12BB of the ASIC Act, section 4 of the Australian Consumer Law and section 51A of the Trade Practices Act.*

(ii) *Further or in the alternative, Leighton did not have reasonable grounds for the First Profit Representation by reason of the matters pleaded in paragraphs 56, 57 and 59 in respect of the BAL Project; and paragraphs 90, 91 and 94 in respect of Habtoor Leighton.*

(iii) *Further or in the alternative, Leighton did not have reasonable grounds for the First Profit Forecast Representation because there was material uncertainty about future project costs on the BAL project and the VDP Project as a result of Leighton's inadequate risk*

management and tendering systems and procedures pleaded in paragraph 42.

(The information referred to in the above particulars is referred to as the "**First Profit Forecast Information**").

117. In the premises, the First Profit Forecast Representations was conduct engaged in by Leighton that was misleading or deceptive, or likely to mislead or deceive in contravention of:

(a) section 1041H(1) of the Corporations Act;

(b) section 12DA(1) of the ASIC Act;

(c) section 18 of the Australian Consumer Law; and/or

(d) section 52 of the Trade Practices Act.

(The conduct in paragraphs 112 and 116 is referred to separately or together as the "**First Profit Forecast Misleading Conduct Contravention**").

(B) Second Profit Forecast Representations

118. On each of 2 November 2010, 4 November 2010 and 10 December 2010 Leighton represented that:

(a) it estimated that its profit after tax for the 2011 financial year would be at least $510 million;

Particulars

The representation was express and was contained in:

(i) *the 2 November 2010 Announcement at p 1;*

(ii) *the 2 November 2010 Transcript at p 2;*

(iii) *the 4 November 2010 Chairman's Address at p 7; and*

(iv) *the 10 December 2010 First Quarter Report at pp ii and 12.*

(b) if Leighton proceeded with a sale of a 35% interest in its Indian operations then Leighton's profit after tax for the 2011 financial year would be in excess of $612 million; and

Particulars

The representation was express and to be implied from statements contained in:

(i) *the 2 November 2010 Announcement at p 1;*

(ii) *the 2 November 2010 Transcript at pp 2 and 3;*

(iii) *the 4 November 2010 Chairman's Address at p 7; and*

(iv) *the 10 December 2010 First Quarter Report at pp ii and 12.*

(c) it had reasonable grounds for its estimate of profit for the 2011 financial year.

(individually or together the "**Second Profit Forecast Representations**").

Particulars

(i) *The representation was implied as a matter of law, including by section 769C of the Corporations Act, section 12BB of the ASIC Act, section 4 of the Australian Consumer Law and section 51A of the Trade Practices Act.*

(ii) *Further or in the alternative, the representation was to be implied by reason of the fact that Leighton's estimate of profit was made in company documents released to the market by means of the ASX company announcements platform and Leighton knew or ought to have known that investors and potential investors in its Securities may rely upon the statements and forecasts in those documents in making decisions about whether to acquire or retain Securities in Leighton.*

119. The Second Profit Forecast Representations were continuing representations in the period from 2 November 2010 to 13 February 2011.

120. The Second Profit Forecast Representations were representations as to future matters, namely Leighton's operating profit for the 2011 financial year, within the meaning of:

(a) section 769C(1) of the Corporations Act;

(b) section 12BB of the ASIC Act;

(c) section 4 of the Australian Consumer Law; and/or

(d) section 51A of the Trade Practices Act.

121. The Second Profit Forecast Representations was conduct engaged in by Leighton:

(a) in relation to a financial product or a financial service within the meaning of section 1041H(1) of the Corporations Act;

(b) in trade or commerce in relation to financial services within the meaning of section 12DA(1) of the ASIC Act; and/or

(c) in trade or commerce within the meaning of section 18 of the Australian Consumer Law and section 52 of the Trade Practices Act.

122. From 2 November 2010 to 13 February 2011 the Second Profit Forecast Representations were misleading or deceptive, or likely to mislead or deceive as Leighton did not have reasonable grounds for the Second Profit Forecast Representations.

Particulars

(i) *The Applicant relies on section 769C of the Corporations Act, section 12BB of the ASIC Act, section 4 of the Australian Consumer Law and section 51A of the Trade Practices Act.*

(ii) *Further or in the alternative, Leighton did not have reasonable grounds for the Second Profit Forecast Representations by reason of the matters pleaded in paragraphs 56,57 and 59 in respect of the BAL Project; and Paragraphs 90 to 92 and 94 in respect of Habtoor Leighton.*

(iii) *Further or in the alternative, Leighton did not have reasonable grounds for the Second Profit Representation because there was material uncertainty about future project costs on the BAL Project and VDP Project as a result of Leighton's inadequate risk management and tendering systems and procedures pleaded in paragraph 42.*

(The information referred to in the above particulars is referred to as the "**Second Profit Forecast Information**").

123. In the premises, the Second Profit Forecast Representations was conduct engaged in by Leighton that was misleading or deceptive, or likely to mislead or deceive in contravention of:

(a) section 1041H(1) of the Corporations Act;

(b) section 12DA(1) of the ASIC Act;

(c) section 18 of the Australian Consumer Law; and/or

(d) section 52 of the Trade Practices Act.

(The conduct in paragraphs 118 and 122 is referred to separately or together as the "**Second Profit Forecast Misleading Conduct Contravention**").

(C) Third Profit Forecast Representations

124. On each of 14 February 2011 and 9 March 2011, Leighton represented that:

(a) it estimated that its profit after tax for the 2011 financial year would be approximately $480 million; and

Particulars

The representation was express and was contained in the 14 February 2011 Half-Year Report at p 33, 14 February 2011 Media Release at p 3; 14 February 2011 Half-Year Results Presentation at p 40 and the 9 March 2011 Second Quarter Report at the second page.

(b) it had reasonable grounds for its estimate of profit for the 2011 financial year.

(individually or together the "**Third Profit Forecast Representations**").

Particulars

(i) *The representation was implied as a matter of law, including by section 769C of the Corporations Act, section 12BB of the ASIC Act, section 4 of the Australian Consumer Law and section 51A of the Trade Practices Act.*

(ii) *Further or in the alternative, the representation was to be implied by reason of the fact that Leighton's estimate of profit was made in company documents released to the market by means of the ASX company announcements platform and Leighton knew or ought to have known that investors and potential investors in its Securities may rely upon the statements and forecasts in those documents in making decisions about whether to acquire or retain Securities in Leighton.*

125. The Third Profit Forecast Representations were continuing representations in the period from 14 February 2011 to 11 April 2011.

126. The Third Profit Forecast Representations were representations as to future matters, namely Leighton's operating profit for the 2011 financial year, within the meaning of:

(a) section 769C(1) of the Corporations Act;

(b) section 12BB of the ASIC Act;

(c) section 4 of the Australian Consumer Law; and/or

(d) section 51A of the Trade Practices Act.

127. The Third Profit Forecast Representations was conduct engaged in by Leighton:

(a) in relation to a financial product or a financial service within the meaning of section 1041H(1) of the Corporations Act;

(b) in trade or commerce in relation to financial services within the meaning of section 12DA(1) of the ASIC Act; and/or

(c) in trade or commerce within the meaning of section 18 of the Australian Consumer Law and section 52 of the Trade Practices Act.

128. From 14 February 2011 to 11 April 2011 the Third Profit Forecast Representations were misleading or deceptive, or likely to mislead or deceive as Leighton did not have reasonable grounds for the Third Profit Forecast Representations.

Particulars

(i) *The Applicant relies on section 769C of the Corporations Act, section 12BB of the ASIC Act, section 4 of the Australian Consumer Law and section 51A of the Trade Practices Act.*

(ii) *Further or in the alternative, Leighton did not have reasonable grounds for the Third Profit Forecast Representations by reason of the matters pleaded in:*

a. *paragraphs 56 to 59 in respect of the BAL Project;*

b. *paragraphs 71 and 72 in respect of the VDP Project; and*

c. *paragraphs 90 to 94 in respect of Habtoor Leighton.*

(iii) *Further or in the alternative, Leighton did not have reasonable grounds for the Third Profit Forecast Representations because there was material uncertainty about future project costs on the BAL Project and VDP Project as a result of Leighton's inadequate risk management and tendering systems and procedures pleaded in paragraph 42.*

(The information referred to in the particulars is referred to as "**Third Profit Forecast Information**").

129. In the premises, the Third Profit Forecast Representations was conduct engaged in by Leighton that was misleading or deceptive, or likely to mislead or deceive in contravention of:

(a) section 1041H(1) of the Corporations Act;

(b) section 12DA(1) of the ASIC Act;

(c) section 18 of the Australian Consumer Law; and/or

(d) section 52 of the Trade Practices Act.

(The conduct in paragraphs 124 and 128 is referred to separately or together as the "**Third Profit Forecast Misleading Conduct Contravention**").

(F) Write-back Representations

130. On 2 November 2010, 4 November 2010 and 10 December 2010, Leighton represented that:

(a) it had made a write-back of profit as a result of the deterioration of the BAL Project (together with write-backs associated with currency movements and a joint venture rail project in Western Australia) that would decrease its profit in the 2011 financial year by no more than between $100 million and $120 million; and

Particulars

The representation was express and to be implied from statements contained in the:

(i) *2 November 2010 Announcement at p 1;*

(ii) *2 November 2010 Transcript at p 8, 10, 11, 17 and 19;*

(iii) *4 November 2010 Chairman's Address at p 7; and*

(iv) *10 December 2011 First Quarter Report at pp ii and 12.*

(b) it had reasonable grounds for determining that the write-back required to be made in accordance with the Accounting Standards was no greater than between $100 million and $120 million (individually or together the "**Write-back Representations**").

Particulars

(i) *The representation was implied as a matter of law, including by section 769C of the Corporations Act, section 12BB of the ASIC Act, section 4 of the Australian Consumer Law and section 51A of the Trade Practices Act.*

(ii) *Further or in the alternative, the representation was to be implied by reason of the fact that the Write-back Representations were made in company documents released to the market by means of the ASX company announcements platform and Leighton knew or ought to have known that investors and potential investors in its Securities may rely upon the statements and forecasts in those documents in making decisions about whether to acquire or retain Securities in Leighton.*

131. The Write-back Representations were continuing representations in the period from 2 November 2010 to 11 April 2011.

132. The Write-back Representations were representations as to future matters, namely Leighton's operating profit for the 2011 financial year, within the meaning of:

(a) section 769C(1) of the Corporations Act;

(b) section 12BB of the ASIC Act;

(c) section 4 of the Australian Consumer Law; and/or

(d) section 51A of the Trade Practices Act.

133. The Write-back Representations was conduct engaged in by Leighton:

(a) in relation to a financial product or a financial service within the meaning of section 1041H(1) of the Corporations Act;

(b) in trade or commerce in relation to financial services within the meaning of section 12DA(1) of the ASIC Act; and/or

(c) in trade or commerce within the meaning of section 18 of the Australian Consumer Law and section 52 of the Trade Practices Act.

134. From 2 November 2010 to 11 April 2011 the Write-back Representations were misleading or deceptive, or likely to mislead or deceive by reason of:

(a) the matters pleaded in paragraph 52 above; and

(b) further or in the alternative, the fact that Leighton did not have reasonable grounds for the Write-back Representations.

Particulars

(i) *The Applicant relies on section 769C of the Corporations Act, section 12BB of the ASIC Act, section 4 of the Australian Consumer Law and section 51A of the Trade Practices Act.*

(ii) *Further or in the alternative, Leighton did not have reasonable grounds for the Write-back Representations by reason of the matters pleaded in:*

a. paragraphs 56 to 59 in respect of the BAL Project;

b. paragraphs 71 and 72 in respect of the VDP Project; and

c. paragraphs 90 to 94 in respect of Habtoor Leighton.

(iii) *Further or in the alternative, Leighton did not have reasonable grounds for the Write-back Representations because there was material uncertainty about future project costs on the BAL Project and VDP Project as a result of Leighton's inadequate risk management and tendering systems and procedures pleaded in paragraph 42.*

(The information referred to in the particulars is referred to as "**Write-back Information**").

135. Further or in the alternative to paragraph 134 above from 2 November 2010 to 11 April 2011, it was misleading or deceptive, or likely to mislead or deceive for Leighton to fail to disclose its reduction in the forecast profit for the BAL Project from $407 million to $133 million ("**Write-back Non-Disclosure**") pleaded in paragraph 52 above.

Particulars

(i) *There was a reasonable expectation that Leighton would disclose the matters the subject of the Write-back Non-Disclosure by reason of the application of the Listing Rules (in particular Listing Rule 3.1) and section 674 of the Corporations Act to Leighton.*

(ii) *Further or in the alternative, there was a reasonable expectation that Leighton would disclose the matters the subject of the Write-back Non-Disclosure in circumstances where Leighton knew, or ought to have known, that investors, in making their investment decisions, relied on it to disclose all material information in relation to the* company.

136. In the premises, the Write-back Representations and/or the Write-back Non-Disclosure, was conduct engaged in by Leighton that was misleading or deceptive, or likely to mislead or deceive in contravention of:

(a) section 1041H(1) of the Corporations Act;

(b) section 12DA(1) of the ASIC Act;

(c) section 18 of the Australian Consumer Law; and/or

(d) section 52 of the Trade Practices Act.

(The conduct in paragraphs 130, 134 and 135 is referred to separately or together as the "**Write-back Misleading Conduct Contravention**").

(G) Habtoor Leighton Representations

137. Leighton represented that:

(a) In the period from 16 August 2010 to 13 February 2011, its valuation of the Habtoor Leighton was $1.4 billion;

Particulars

The representation was to be implied from the fact that the valuation of Habtoor Leighton was an integer used in determining, or alternatively affected, the value of Leighton's assets as recorded in its financial reports.

(b) In the period from 14 February 2011 to 11 April 2011, its valuation of the Habtoor Leighton was $845 million; and

Particulars

(i) *The representation was partly express and partly implied. To the extent that it was express, it was contained in:*

a. the 14 February 2011 Half-Year Report at p 15 and 32, the 14 February 2011 Media Release at p 1; and

b. the 9 March 2011 Second Quarter Report at p 16.

(ii) *To the extent that the representation was implied, it was implied from the fact that the valuation of Habtoor Leighton was an integer used in determining, or alternatively affected, the value of Leighton's assets as recorded in its financial reports.*

(c) Its valuation of Habtoor Leighton was based on reasonable grounds and was the product of the exercise of reasonable care and skill.

Particulars

(i) *The representation was implied as a matter of law, including by section 769C of the Corporations Act, section 12BB of the ASIC Act, section 4 of the Australian Consumer Law and section 51A of the Trade Practices Act.*

(ii) *Further or in the alternative, the representation was to be implied by reason of the fact that the representation was made or affected matters in company documents released to the market by means of the ASX company announcements platform and Leighton knew or ought to have known that investors and potential investors in its Securities may rely upon the statements and forecasts in those documents in making decisions about whether to acquire or retain Securities in Leighton.*

(iii) *Further or in the alternative, the representation was to be implied from statements made by Leighton in:*

a. *the 5 March 2010 Open Briefing at p 3 to the effect that Leighton was not facing a write-down of the carrying value of the 45% stake in Habtoor Leighton; and*

b. *the 22 June 2010 Open Briefing at p 5 and the 2 November 2010 Transcript at pp 9, 10 and 12 both to the effect that Leighton remained confident in respect of the carrying value of Habtoor Leighton.*

(The representations in (a) to (c) above are referred to individually or together as "**Habtoor Leighton Representations**").

138. In respect of the Habtoor Leighton Representations:

(a) the representation pleaded in paragraph 137(a) above was a continuing representation in the period from 16 August 2010 to 13 February 2011;

(b) the representation pleaded in paragraph 137(b) above was a continuing representation in the period from 14 February 2011 to 11 April 2011; and

(c) the representation pleaded in paragraph 137(c) above was a continuing representation in the period from 16 August 2010 to 11 April 2011.

139. Further or in the alternative, the Habtoor Leighton Representations were representations as to future matters within the meaning of:

(a) section 769C(1) of the Corporations Act;

(b) section 12BB of the ASIC Act;

(c) section 4 of the Australian Consumer Law; and/or

(d) section 52 of the Trade Practices Act.

140. The Habtoor Leighton Representations was conduct engaged in by Leighton:

(a) in relation to a financial product or a financial service within the meaning of section 1041H(1) of the Corporations Act;

(b) in trade or commerce in relation to financial services within the meaning of section 12DA(1) of the ASIC Act; and/or

(c) in trade or commerce within the meaning of section 18 of the Australian Consumer Law and section 52 of the Trade Practices Act.

141. From 16 August 2010 to 11 April 2011 the Habtoor Leighton Representations were misleading or deceptive, or likely to mislead or deceive by reason of the fact that Leighton's valuation of Habtoor Leighton (both in the period from 16 August 2010 to 13 February 2011 and in the period from 14 February 2011 to 11 April 2011) was not based on reasonable grounds and was not the product of the exercise of reasonable care and skill.

Particulars

(i) *The Applicant relies on section 769C of the Corporations Act, section 12BB of the ASIC Act, section 4 of the Australian Consumer Law and section 51A of the Trade Practices Act; and*

(ii) *Further or in the alternative, Leighton did not have reasonable grounds for the Habtoor Leighton Representations, or, alternatively, the representations were not the product of the exercise of reasonable care and skill by reason of the matters pleaded in paragraphs 90 to 93 above.*

142. In the premises, the Habtoor Leighton Representations was conduct engaged in by Leighton that was misleading or deceptive, or likely to mislead or deceive in contravention of:

(a) section 1041H(1) of the Corporations Act;

(b) section 12DA(1) of the ASIC Act;

(c) section 18 of the Australian Consumer Law; and/or

(d) section 52 of the Trade Practices Act.

(The conduct in paragraphs 137 and 141 is referred to separately or together as the "**Habtoor Leighton Misleading Conduct Contravention**").

(H) VDP Representations

143. On 2 November 2010, 14 February 2011 and 9 March 2011, Leighton represented that:

(a) the VDP Project was within its originally estimated budget; and

Particulars

The representation was express and to be implied from statements contained in the:

(i) *2 November 2010 Transcript at p 9;*

(ii) *14 February 2011 Half-Year Report at p 29;*

(iii) *24 February 2011 Open Briefing at p 4; and*

(iv) *9 March 2011 Second Quarter Report at p 11.*

(b) The VDP Project was not delayed from the originally estimated schedule for completion in respect of the project (individually or together "**VDP Representations**").

Particulars

The representation was express and to be implied from statements contained in:

(i) *2 November 2010 Transcript at p 9;*

(ii) *14 February 2011 Half-Year Report at p 29; and*

(iii) *9 March 2011 Second Quarter Report at p 11.*

144. The VDP Representations were continuing representations in the period from 2 November 2010 to 11 April 2011.

145. The VDP Representations was conduct engaged in by Leighton:

(a) in relation to a financial product or a financial service within the meaning of section 1041H(1) of the Corporations Act;

(b) in trade or commerce in relation to financial services within the meaning of section 12DA(1) of the ASIC Act; and/or

(c) in trade or commerce within the meaning of section 18 of the Australian Consumer Law and section 52 of the Trade Practices Act.

146. From 18 March 2011 to 11 April 2011 the VDP Representations were misleading or deceptive, or likely to mislead or deceive, by reason of the matters pleaded in paragraph 71 above.

147. In the premises, by making the VDP Representations, Leighton engaged in conduct that was misleading or deceptive, or likely to mislead or deceive in contravention of:

(a) section 1041H(1) of the Corporations Act;

(b) section 12DA(1) of the ASIC Act;

(c) section 18 of the Australian Consumer Law; and/or

(d) section 52 of the Trade Practices Act.

(The conduct in paragraph 143 and 146 is referred to as the "**VDP Misleading Conduct Contravention**").

(l) Corporate Governance and Disclosure Representations

148. By making all or any one of the Relevant Period Announcements Leighton represented that:

(a) Leighton had implemented risk management and management communication systems which were adequate to inform it accurately as to the state of its business;

Particulars to (a)

(i) *The representation was partly express and partly implied. To the extent that it was express it was made in the 29 September 2010 Concise Annual Report at pp 33 and 34 which refers to risk management and internal control systems for providing information to the Board and Board Committees.*

(ii) *To the extent that the representation was implied, it arose from Leighton's obligation pursuant to Listing Rule 3.1 and section 674 of the Corporations Act to tell the ASX as soon as it was or ought to have been aware of information material to the price or value of its securities, which obligation depended for its compliance on the existence of adequate risk management and management communication systems.*

(b) Leighton had publicly disclosed all information that a reasonable person would expect to have a material effect on the price or value of its Securities immediately it was, or ought reasonably to have been aware of such information; and

(c) Leighton was not aware, or ought not reasonably to have been aware, of any material matters arising either individually or collectively from the BAL Project, the VDP Project or the Habtoor Leighton which made it likely that Leighton would not achieve any profit forecast it made from time to time;

(Individually or together "**Corporate Governance and Disclosure Representations**").

Particulars to (b) and (c)

The Corporate Governance and Disclosure Representations are partly express and partly implied from the statements referred to in

paragraphs 105 (g) – (i). They are also to be implied from Leighton's obligation pursuant to ASX Listing Rule 3.1 and section 674 of the Corporations Act to tell the ASX as soon as it was or ought to have been aware of information material to the price or value of its securities.

149. The Corporate Governance and Disclosure Representations were continuing representations in the period from 16 August 2010 to 11 April 2011.

150. The Corporate Governance and Disclosure Representations was conduct engaged in by Leighton:

(a) in relation to a financial product or a financial service within the meaning of section 1041H(1) of the Corporations Act;

(b) in trade or commerce in relation to financial services within the meaning of section 12DA(1) of the ASIC Act; and/or

(c) in trade or commerce within the meaning of section 18 of the Australian Consumer Law and section 52 of the Trade Practices Act.

151. From 16 August 2010 to 11 April 2011 the Corporate Governance and Disclosure Representations were misleading or deceptive, or likely to mislead or deceive because:

(a) Leighton had not implemented risk management and management communication systems which were adequate to inform it accurately as to the state of its business;

Particulars to (a)

It was implicit from the statements on p25 of the 11 April 2011 Investor Presentation that Leighton's risk identification and management systems were inadequate and it was expressly stated at p30 of the 7 August 2012 Half Year Result that Leighton had outgrown its existing processes and procedures. The fact that Leighton did not implement adequate risk management and management communication systems is also to be inferred from the fact that Leighton failed to disclose in a timely manner the matters set out in:

(i) *paragraphs 56 to 59 in respect of the BAL Project;*

(ii) *paragraphs 71 and 72 in respect of the VDP Project; and*

(iii) *paragraphs 90 to 94 in respect of Habtoor Leighton.*

(b) Leighton did not publicly disclose all information that a reasonable person would expect to have a material effect on the price or value

of its Securities immediately it was, or ought reasonably to have been aware of such information; and

(c) Leighton was aware, or ought reasonably to have been aware, of material matters arising either individually or collectively from the BAL Project, the VDP Project or Habtoor Leighton which made it likely that Leighton would not achieve the profit forecasts it made from time to time.

Particulars to (b) and (c)

The Applicant repeats:

(i) *paragraphs 56 to 59 in respect of the BAL Project;*

(ii) *Paragraphs 71 and 72 in respect of the VDP Project; and*

(iii) *paragraphs 90 to 94 in respect of Habtoor Leighton.*

Further or in the alternative, Leighton was aware that there was material uncertainty about future project costs on the BAL Project and VDP Project as a result of Leighton's inadequate risk management and tendering systems and procedures pleaded in paragraph 42 above.

(The information referred to in paragraphs 148 and 151 above is referred to as "**Corporate Governance and Disclosure Information**").

152. In the premises, the Corporate Governance and Disclosure Representations was conduct engaged in by Leighton that was misleading or deceptive, or likely to mislead or deceive in contravention of:

(a) section 1041H(1) of the Corporations Act;

(b) section 12DA(1) of the ASIC Act;

(c) section 18 of the Australian Consumer Law; and/or

(d) section 52 of the Trade Practices Act.

(The conduct in paragraphs 148 and 151 is referred to separately or together as the "**Corporate Governance and Disclosure Misleading Conduct Contravention**").

XII. CONTINUOUS DISCLOSURE CONTRAVENTIONS: PROFITABILITY INFORMATION

153. Leighton became aware within the meaning of Listing Rule 19.12 of each of:

(a) the First Profit Forecast Information pleaded in paragraph 116 by 16 August 2010;

(b) the Second Profit Forecast Information pleaded in paragraph 122 by 2 November 2010;

(c) the Third Profit Forecast Information pleaded in paragraph 128 by 14 February 2011;

(d) the Write-back Information pleaded in paragraph 134 by 2 November 2010; and

(e) the Corporate Governance and Disclosure Information pleaded in paragraph 151 by 16 August 2010.

(together "**Profitability Information**").

154. The Profitability Information was not generally available and was information:

(a) which affected the assessment of the performance of Leighton and the likely future performance of Leighton and whether in subsequent financial periods the financial performance reported in the 16 August 2010 Preliminary Final Report was likely to be repeated or improved, whether dividends were likely to be sustained and increased in amount and whether it would be necessary to raise capital;

(b) that was material to the assessment of the value of Leighton and the appropriate price for Leighton's Securities;

(c) that, separately or collectively, a reasonable person would expect, if it were generally available, to have a material effect on the price or value of Leighton's Securities;

(d) that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of Leighton's Securities; and

(e) that would be likely to influence persons who commonly invest in securities in deciding whether to acquire or dispose of Leighton's Securities.

155. Leighton became obliged pursuant to Listing Rule 3.1 to inform the ASX of:

(a) the First Profit Forecast Information on or about 16 August 2010;

(b) the Second Profit Forecast Information on or about 2 November 2010;

(c) the Third Profit Forecast Information on or about 14 February 2011;

(d) the Write-back Information on or about 2 November 2010; and

(e) the Corporate Governance and Disclosure Information on or about 16 August 2010.

156. Leighton did not tell the ASX:

(a) the First Profit Forecast Information on or about 16 August 2010;

(b) the Second Profit Forecast Information on or about 2 November 2010;

(c) the Third Profit Forecast Information on or about 14 February 2011;

(d) the Write-back Information on or about 2 November 2010; and

(e) the Corporate Governance and Disclosure Information on or about 16 August 2010.

157. In the period:

(a) from 16 August 2010 and continuing to 11 April 2011 Leighton did not tell the ASX the First Profit Forecast Information;

(b) from 2 November 2010 and continuing to 11 April 2011 Leighton did not tell the ASX the Second Profit Forecast Information;

(c) from 14 February 2011 and continuing to 11 April 2011 Leighton did not tell the ASX the Third Profit Forecast Information;

(d) from 2 November 2010 and continuing to 11 April 2011 Leighton did not tell the ASX the Write-back Information; and

(e) from 16 August 2010 and continuing to 11 April 2011 Leighton did not tell the ASX the Corporate Governance and Disclosure Information.

158. In the premises, Leighton contravened section 674(2) of the Corporations Act by not telling ASX:

(a) the First Profit Forecast Information on or about 16 August 2010 ("**Sixth Continuous Disclosure Contravention**");

(b) the Second Profit Forecast Information on or about 2 November 2010 ("**Seventh Continuous Disclosure Contravention**");

(c) the Third Profit Forecast Information on or about 14 February 2011 ("**Eighth Continuous Disclosure Contravention**");

(d) the Write-back Information on or about 2 November 2010 ("**Ninth Continuous Disclosure Contravention**"); and

(e) the Corporate Governance and Disclosure Information on or about 16 August 2010 ("**Tenth Continuous Disclosure Contravention**").

159. The contraventions pleaded in paragraph 158 above were continuing contraventions and continued until 11 April 2011.

XIII. CAUSATION AND LOSS AND DAMAGE

Leighton Share Price Reaction to 11 April 2011 Announcement

160. On 6 April 2011, the closing price of Leighton's Securities was $28.94.

161. On 7 April 2011, at the request of Leighton, trading in Leighton's Securities on the ASX was halted from the commencement of trading pending the completion of a review by Leighton's board of, and an announcement in relation to, earnings guidance. Trading in Leighton's Securities remained suspended on 7 April 2011 and 8 April 2011.

162. On 11 April 2011, at the request of Leighton, trading in Leighton's Securities on the ASX was halted from the commencement of trading for two days and a voluntary suspension pending an announcement concerning the institutional component of an equity capital raising to be undertaken by Leighton.

163. During 11 April 2011, Leighton released its 11 April 2011 ASX Announcements referred to in Section V of the Statement of Claim.

164. Trading in Leighton's Securities on the ASX resumed on 14 April 2011 and on and from that day Leighton's share price declined significantly.

Particulars

Leighton's share price:

(a) *on 14 April 2011, fell to a low of $24.00 per share and closed at $24.93 per share;*

(b) *on 15 April 2011, fell to a low of $24.35 per share and closed at $24.88 per share;*

(c) *on 18 April 2011, fell to a low of $24.51 per share and closed at $24.63 per share; and*

(d) *on 19 April 2011, fell to a low of $23.80 per share and closed at $24 per share.*

Leighton's share price history from 16 August 2010 to 19 April 2011 is set out in **Annexure B** to this Statement of Claim.

Contraventions caused loss to Applicant and Group Members

165. The Applicant and each of the Group Members acquired their interests in Securities in Leighton:

(a) in a market regulated by, inter alia, the ASX Listing Rules, sections 674(2) and 1041H of the Corporations Act, s 12DA of the ASIC Act, s 4 of the Australian Consumer Law and/or s 52 of the Trade Practices Act;

(b) in a market where the price or value of Leighton's Securities would reasonably be expected to have been informed or affected by information disclosed in accordance with the ASX Listing Rules, sections 674(2) and 1041H of the Corporations Act, s 12DA of the ASIC Act, s 4 of the Australian Consumer Law and/or s 52 of the Trade Practices Act;

(c) in a market to which the representations alleged in this statement of claim had been made that a reasonable person would expect to have a material effect on the price or value of Leighton's Securities; and/or

(d) further or alternatively to subparagraph (c), in a market to which the material information alleged in this statement of claim had not been disclosed and which a reasonable person would expect, had it been disclosed, would have had a material effect on the price or value of Leighton's Securities.

166. By reason of the:

(a) First to Fifth Continuous Disclosure Contraventions (paragraph 100);

(b) First Profit Forecast Misleading Conduct Contravention (paragraph 117);

(c) Second Profit Forecast Misleading Conduct Contravention (paragraph 123);

(d) Third Profit Forecast Misleading Conduct Contravention (paragraph 129);

(e) Write-back Misleading Conduct Contravention (paragraph 136);

(f) Habtoor Leighton Misleading Conduct Contravention (paragraph 142);

(g) VDP Misleading Conduct Contravention (paragraph 147);

(h) Corporate Governance and Disclosure Misleading Conduct Contravention (paragraph 152); and

(i) Sixth to Tenth Continuous Disclosure Contraventions (paragraph 158);

(individually, collectively or in any combination, "**Contraventions**") the information available to the market of investors and potential investors in Leighton's Securities was different to the information that would have been available had the Contraventions not occurred.

167. On and from the time of, and as a consequence of the Contraventions, the market price of Leighton's Securities was greater than:

(a) their true value; and/or

(b) the price that would have prevailed but for the Contraventions.

168. The Applicant acquired interests in Securities in Leighton during the Relevant Period:

(a) on the assumption that the price paid was the market price in a market in which companies participating in that market (including the Respondent) complied with the regulatory regime in respect of that market; and

(b) further or alternatively on the assumption that the price paid represented the market price in a market that had been informed of all material information.

169. Further to paragraphs 160 to 168 or alternatively in its decision to acquire interests in Leighton's Securities, the Applicant relied on:

(a) the Second Profit Forecast Representations; and

(b) the Corporate Governance and Disclosure Representations.

Particulars

Further particulars of the Applicant's reliance upon the Respondent's conduct will be provided after the filing of the evidence upon which the Applicant relies.

170. Further to paragraphs 160 to 168, in making their decision to acquire interests in Leighton Securities, some or all of the Group Members relied on:

(a) the First Profit Forecast Representations;

(b) the Second Profit Forecast Representations;

(c) the Third Profit Forecast Representations;

(d) the Write-back Representations;

(e) the Habtoor Leighton Representations;

(f) the VDP Representations; and/or

(g) the Corporate Governance and Disclosure Representations.

Particulars

The reliance by Group Members on the representations in (a) to (g) above is an individual question which will not be determined until after the common issues hearing. Further particulars of the reliance by Group Members will be provided after the determination of the common issues.

171. If the Contraventions had not occurred, the Applicant and Group Members would either have acquired interests in Leighton Securities at a price which had not been inflated or would have acquired shares in another listed entity instead.

Particulars

Further particulars will be provided after the filing of the evidence upon which the Applicant relies.

Loss or damage suffered by the Applicant and Group Members

172. The Applicant and Group Members have suffered loss and damage by and resulting from the Contraventions pleaded above (or any one or combination of those Contraventions).

Particulars

The loss suffered by the Applicant and Group Members will be calculated by reference to:

(i) *the difference between the price at which they acquired their interest in Securities in Leighton during the Relevant Period and the true value of that interest; or*

(ii) *the difference between the price at which they acquired an interest in Securities in Leighton and the market price that would have prevailed had the Contraventions not occurred; or*

(iii) *alternatively, the difference between the price at which they acquired their interest in Securities in Leighton during the Relevant Period and whatever is "left in hand" or was realised upon a sale of those Securities following the 11 April 2011 ASX Announcement; or*

(iv) *alternatively the difference between the price at which they acquired their interest in Securities in Leighton during the Relevant Period and whatever is "left in hand" or was realised upon a sale of those Securities following the 11 April 2011 ASX Announcement modified to take into account so much, if any, of the movement in the traded price of Leighton's Securities which did not result from the Contraventions; or*

(v) *alternatively, for days during the Relevant Period where the traded price of Leighton's Securities fell as a result of the disclosure of information which had not previously been disclosed because of the Contraventions, the quantum of that fall; or*

(vi) *alternatively, for days after the Relevant Period when the traded price of Leighton's Securities fell as a result of the disclosure of information which had not previously been disclosed because of the Contraventions, the quantum of that fall; or*

(vii) *alternatively, for the Applicant and those Group Members who would have, but for the Contraventions, retained or acquired an alternative investment, the difference, at the date of hearing, between their actual position as a result of having acquired Securities in Leighton during the Relevant Period and the position in which they would have been had they made that alternative investment.*

Further particulars in relation to the Applicant's losses will be provided after the service of expert evidence; and further particulars in relation to Group Members will be provided after the trial of the Applicant's claim.

173. By reason of the matters alleged in paragraphs 158 to 172 above, the Applicant and each of the Group Members may recover the amount of the loss and damage suffered by them from Leighton pursuant to s 1041I of the Corporations Act, s 12GF of the ASIC Act, s 236 of the Australian Consumer Law and/or s 82 of the Trade Practices Act.

174. Further or alternatively, by reason of the matters alleged in paragraphs 157 to 172 above, Leighton is obliged pursuant to s 1317HA of the Corporations

Act to compensate the Applicant and the Group Members for the damage that resulted from its contravention of s 674(2).

AND THE APPLICANT CLAIMS, for itself and on behalf of the Group Members, the relief set out in the Application.

This pleading was prepared by Imtiaz Ahmed of counsel and Rebecca Gilsenan and Jenny Tallis of Maurice Blackburn and settled by Steven Finch of Senior Counsel.

DATED: 30 October 2013



Maurice Blackburn Pty Limited
Lawyers for the Applicant

ANNEXURE A

Applicant's purchase of Leighton Securities

The Applicant purchased 3400 Leighton Securities during the Relevant Period.

The Applicant participated in Leighton's 14 April 2011 Entitlement Offer and 378 Securities were allotted on 18 May 2011.

The Applicant has not sold any Leighton Securities.

Date	Number of Leighton Securities	Average price per Security	Amount paid ($) (not including brokerage & GST)	Brokerage ($)	GST on brokerage ($)	Amount paid ($) (including brokerage)
28/10/2010	700	36.72	25,704.00	257.04	25.70	25,986.74
2/11/2010	700	33.29	23,302.99	233.03	23.30	23,559.32
10/11/2010	600	32.78	19,668.00	196.68	19.67	19,884.35
24/12/2010	700	31.35	21,945.00	219.45	21.95	22,186.40
5/01/2011	400	30.27	12,108.00	121.08	12.11	12,241.19
13/01/2011	300	31.44	9,432.00	100.00	10.00	9,542.00
Total in Relevant Period	**3,400**		**11,2159.99**	**1,127.28**	**112.73**	**113,400**
18/05/2011	378	22.50	8,505.00			8,505.00
Total	**3,778**		**120,664.99**	1,127.28	112.73	**121,905.00**

ANNEXURE B

LEIGHTON'S SHARE PRICE DURING THE RELEVANT PERIOD*

Date	Opening	High	Low	Close
16-Aug-10	$29.70	$30.98	$29.50	$30.60
17-Aug-10	$31.00	$32.01	$30.76	$31.70
18-Aug-10	$31.75	$31.89	$31.20	$31.56
19-Aug-10	$31.82	$32.44	$31.72	$31.98
20-Aug-10	$31.77	$31.80	$31.06	$31.71
23-Aug-10	$31.83	$31.86	$31.28	$31.46
24-Aug-10	$31.43	$31.50	$31.01	$31.04
25-Aug-10	$30.80	$30.82	$30.12	$30.16
26-Aug-10	$30.31	$30.40	$29.75	$30.00
27-Aug-10	$29.82	$30.88	$29.82	$30.56
30-Aug-10	$31.17	$31.59	$30.81	$30.99
31-Aug-10	$30.56	$30.98	$30.56	$30.70
1-Sep-10	$31.10	$31.54	$31.02	$31.54
2-Sep-10	$32.38	$32.69	$32.12	$32.27
3-Sep-10	$32.42	$32.66	$32.31	$32.58
6-Sep-10	$32.40	$32.47	$31.55	$32.17
7-Sep-10	$32.20	$32.87	$32.05	$32.42
8-Sep-10	$32.10	$32.48	$31.88	$32.15
9-Sep-10	$32.75	$33.52	$32.70	$33.52
10-Sep-10	$33.84	$33.84	$33.10	$33.37
13-Sep-10	$33.80	$34.36	$33.60	$34.34
14-Sep-10	$34.39	$34.97	$34.18	$34.20
15-Sep-10	$34.43	$34.57	$33.93	$34.07
16-Sep-10	$34.21	$34.23	$33.45	$33.57
17-Sep-10	$34.42	$34.70	$33.66	$34.02
20-Sep-10	$33.55	$33.70	$33.13	$33.29
21-Sep-10	$33.82	$33.97	$33.22	$33.23
22-Sep-10	$33.41	$33.45	$32.90	$32.95
23-Sep-10	$32.85	$33.20	$32.46	$33.20
24-Sep-10	$32.98	$33.48	$32.78	$32.82
27-Sep-10	$33.03	$34.27	$33.02	$34.17
28-Sep-10	$34.24	$34.50	$34.12	$34.20
29-Sep-10	$34.45	$34.45	$33.85	$33.96
30-Sep-10	$34.08	$34.09	$33.01	$33.06
1-Oct-10	$33.28	$33.39	$32.42	$32.83
4-Oct-10	$33.30	$33.96	$33.08	$33.81
5-Oct-10	$33.60	$34.39	$33.31	$34.24
6-Oct-10	$34.58	$34.87	$34.50	$34.87
7-Oct-10	$34.87	$35.08	$34.46	$35.05

* As provided by the ASX

Date	Opening	High	Low	Close
8-Oct-10	$35.08	$35.79	$34.99	$35.73
11-Oct-10	$35.98	$36.47	$35.92	$36.34
12-Oct-10	$36.00	$36.00	$35.74	$35.85
13-Oct-10	$36.03	$36.30	$35.98	$36.03
14-Oct-10	$36.50	$36.79	$36.10	$36.78
15-Oct-10	$36.65	$37.56	$36.60	$37.44
18-Oct-10	$37.45	$38.09	$37.03	$37.32
19-Oct-10	$37.40	$37.97	$37.40	$37.77
20-Oct-10	$37.21	$37.25	$36.20	$37.21
21-Oct-10	$37.60	$37.69	$36.76	$37.25
22-Oct-10	$37.25	$37.28	$36.65	$37.04
25-Oct-10	$37.50	$38.11	$37.05	$38.11
26-Oct-10	$37.82	$38.11	$37.79	$37.85
27-Oct-10	$37.81	$37.89	$36.83	$36.93
28-Oct-10	$36.72	$36.75	$36.36	$36.59
29-Oct-10	$36.80	$37.25	$36.60	$36.70
1-Nov-10	$36.50	$36.56	$36.12	$36.30
2-Nov-10	$35.93	$36.45	$32.75	$33.75
3-Nov-10	$33.00	$34.03	$32.82	$33.10
4-Nov-10	$33.00	$33.04	$32.68	$32.85
5-Nov-10	$33.35	$33.50	$33.00	$33.18
8-Nov-10	$33.35	$33.66	$33.10	$33.51
9-Nov-10	$33.51	$33.51	$33.00	$33.09
10-Nov-10	$33.05	$33.05	$32.21	$32.34
11-Nov-10	$32.62	$32.74	$32.08	$32.10
12-Nov-10	$32.05	$32.15	$31.78	$31.79
15-Nov-10	$31.80	$32.50	$31.80	$32.50
16-Nov-10	$32.50	$32.60	$32.05	$32.25
17-Nov-10	$31.80	$32.15	$31.75	$32.08
18-Nov-10	$31.91	$32.25	$31.82	$32.25
19-Nov-10	$32.21	$32.49	$32.21	$32.39
22-Nov-10	$32.48	$32.50	$32.30	$32.45
23-Nov-10	$32.49	$32.94	$32.28	$32.55
24-Nov-10	$32.05	$32.15	$31.75	$32.10
25-Nov-10	$32.15	$32.30	$31.64	$31.69
26-Nov-10	$31.95	$32.49	$31.93	$31.93
29-Nov-10	$31.95	$32.05	$31.20	$31.91
30-Nov-10	$31.64	$31.90	$31.47	$31.50
1-Dec-10	$31.35	$31.58	$31.18	$31.26
2-Dec-10	$31.50	$32.62	$31.36	$32.31
3-Dec-10	$32.60	$32.72	$32.38	$32.52
6-Dec-10	$32.85	$32.85	$32.52	$32.56
7-Dec-10	$32.61	$33.36	$32.20	$33.20
8-Dec-10	$33.20	$34.15	$33.20	$33.79
9-Dec-10	$33.91	$33.91	$33.37	$33.50

Date	Opening	High	Low	Close
10-Dec-10	$33.40	$33.99	$33.31	$33.75
13-Dec-10	$33.97	$34.29	$33.73	$33.83
14-Dec-10	$33.75	$33.99	$33.40	$33.62
15-Dec-10	$33.60	$33.71	$33.16	$33.22
16-Dec-10	$33.11	$33.45	$32.80	$33.30
17-Dec-10	$33.02	$33.35	$32.62	$32.70
20-Dec-10	$32.63	$32.65	$32.08	$32.11
21-Dec-10	$32.13	$32.43	$32.03	$32.16
22-Dec-10	$32.14	$32.18	$31.43	$31.52
23-Dec-10	$31.52	$31.60	$31.09	$31.15
24-Dec-10	$31.35	$31.58	$31.15	$31.18
29-Dec-10	$31.68	$31.69	$31.21	$31.35
30-Dec-10	$31.40	$31.42	$31.03	$31.10
31-Dec-10	$31.03	$31.11	$30.78	$30.78
4-Jan-11	$30.81	$30.83	$30.34	$30.41
5-Jan-11	$30.40	$30.47	$30.19	$30.35
6-Jan-11	$30.40	$30.42	$30.11	$30.34
7-Jan-11	$30.49	$31.00	$30.47	$30.79
10-Jan-11	$30.80	$31.50	$30.66	$31.40
11-Jan-11	$31.27	$31.71	$31.27	$31.68
12-Jan-11	$31.50	$31.60	$30.75	$31.06
13-Jan-11	$31.40	$31.62	$31.28	$31.51
14-Jan-11	$31.51	$31.87	$31.45	$31.75
17-Jan-11	$31.90	$31.90	$31.32	$31.50
18-Jan-11	$31.45	$31.56	$31.26	$31.45
19-Jan-11	$31.63	$31.64	$31.10	$31.20
20-Jan-11	$31.30	$31.64	$31.22	$31.35
21-Jan-11	$31.49	$31.50	$30.89	$31.30
24-Jan-11	$31.45	$31.75	$31.29	$31.65
25-Jan-11	$31.65	$31.95	$31.52	$31.55
27-Jan-11	$31.60	$31.90	$31.60	$31.73
28-Jan-11	$31.71	$32.09	$31.70	$32.09
31-Jan-11	$31.63	$31.78	$31.45	$31.55
1-Feb-11	$31.45	$31.64	$31.25	$31.50
2-Feb-11	$31.90	$31.95	$31.71	$31.77
3-Feb-11	$31.65	$31.79	$31.29	$31.45
4-Feb-11	$31.35	$31.40	$30.99	$31.30
7-Feb-11	$31.34	$31.45	$30.88	$31.00
8-Feb-11	$31.14	$31.17	$30.57	$30.59
9-Feb-11	$30.97	$30.97	$30.71	$30.77
10-Feb-11	$30.84	$30.93	$30.72	$30.75
11-Feb-11	$30.81	$31.17	$30.70	$30.71
14-Feb-11	$30.50	$31.18	$29.98	$30.97
15-Feb-11	$31.20	$31.80	$31.17	$31.40
16-Feb-11	$31.40	$31.76	$31.34	$31.58

Date	Opening	High	Low	Close
17-Feb-11	$31.51	$31.96	$31.49	$31.79
18-Feb-11	$31.76	$31.88	$31.25	$31.37
21-Feb-11	$31.65	$31.70	$31.03	$31.07
22-Feb-11	$31.20	$31.20	$30.82	$30.89
23-Feb-11	$30.80	$31.35	$30.75	$31.15
24-Feb-11	$31.12	$31.12	$30.63	$30.95
25-Feb-11	$31.00	$31.10	$30.79	$30.79
28-Feb-11	$31.07	$31.07	$30.63	$30.94
1-Mar-11	$31.14	$31.38	$30.99	$31.30
2-Mar-11	$30.90	$31.09	$30.73	$30.85
3-Mar-11	$30.75	$30.97	$30.69	$30.90
4-Mar-11	$31.27	$31.42	$31.12	$31.42
7-Mar-11	$31.40	$31.59	$31.05	$31.14
8-Mar-11	$31.01	$31.25	$30.96	$31.18
9-Mar-11	$31.13	$31.45	$30.79	$30.94
10-Mar-11	$31.10	$31.15	$29.99	$30.08
11-Mar-11	$29.00	$29.28	$28.82	$28.85
14-Mar-11	$29.01	$29.25	$28.37	$29.10
15-Mar-11	$29.16	$29.24	$28.12	$28.41
16-Mar-11	$28.45	$29.16	$28.39	$29.16
17-Mar-11	$28.65	$28.80	$28.12	$28.32
18-Mar-11	$28.44	$28.63	$28.20	$28.43
21-Mar-11	$28.44	$28.90	$28.43	$28.90
22-Mar-11	$29.65	$29.65	$29.36	$29.40
23-Mar-11	$29.55	$29.56	$28.97	$29.16
24-Mar-11	$29.25	$29.46	$29.13	$29.27
25-Mar-11	$29.60	$29.77	$29.42	$29.50
28-Mar-11	$29.50	$29.70	$29.45	$29.50
29-Mar-11	$29.63	$29.66	$29.40	$29.56
30-Mar-11	$29.61	$29.87	$29.56	$29.69
31-Mar-11	$29.80	$29.83	$29.30	$29.49
1-Apr-11	$29.60	$29.79	$29.35	$29.66
4-Apr-11	$30.00	$30.03	$29.30	$29.40
5-Apr-11	$29.52	$29.58	$29.38	$29.42
6-Apr-11	$29.25	$29.30	$28.83	$28.94
7-Apr-11	$0.00	$0.00	$0.00	$0.00
14-Apr-11	$24.20	$25.04	$24.00	$24.93
15-Apr-11	$24.35	$24.88	$24.35	$24.88
18-Apr-11	$24.76	$24.88	$24.51	$24.63
19-Apr-11	$24.13	$24.40	$23.80	$24.00

ANNEXURE C

Definitions

18 March 2011 BAL meeting means the meeting held on 18 March 2011 between officers of Leighton in relation to the financial position of the BAL Project

AASB means Australian Accounting Standards Board

Applicant means Inabu Pty Ltd (ACN 003 657 654)

Aquasure means Aquasure Pty Ltd

ASIC Act means the *Australian Securities and Investments Commission Act 2001* (Cth)

ASX means Australian Securities Exchange Limited

Australian Consumer Law means the Australian Consumer Law set out in Schedule 2 of the *Competition and Consumer Act 2010.*

BAL Project means the construction project known as the Brisbane Airport Link

Contraventions means the conduct identified in paragraph 166 of this Statement of Claim

Corporate Governance and Disclosure Information means the information pleaded in paragraph 151 of this Statement of Claim

Corporate Governance and Disclosure Misleading Conduct Contravention means the contravention pleaded in paragraph 152 of this Statement of Claim

Corporate Governance and Disclosure Representations means the representations pleaded in paragraph 148 of this Statement of Claim

Corporations Act means the *Corporations Act 2001* (Cth)

D&C Contract means the contract entered into on or about 2 June 2008 by Thiess, John Holland, BrisConnections Operations Pty Ltd, BrisConnections Nominee Company Pty Ltd (in its capacity as trustee of the BrisConnections Asset Trust), BrisConnections Contracting Pty Ltd and Northern Busway Contracting Pty Ltd

Eighth Continuous Disclosure Contravention means the contravention pleaded in paragraph 158(c) of this Statement of Claim

First Continuous Disclosure Contravention means the contravention of section 674(2) of the Corporations Act pleaded in paragraph 100(a) of this Statement of Claim

Fifth Continuous Disclosure Contravention means the contravention of section 674(2) of the Corporations Act pleaded in paragraph 100(e) of this Statement of Claim

First Profit Forecast Information means the information referred to in paragraph 116 of this Statement of Claim

First Profit Forecast Misleading Conduct Contravention means the contravention pleaded in paragraph 117 of this Statement of Claim

First Profit Forecast Representations means the representations identified in paragraph 112 of this Statement of Claim

Fourth Continuous Disclosure Contravention means the contravention of section 674(2) of the Corporations Act pleaded in paragraph 100(d) of this Statement of Claim

Further Habtoor Leighton Information means the matters pleaded in paragraph 93 of this Statement of Claim

Further BAL Information means the matters pleaded in paragraph 58 of this Statement of Claim

Group means Leighton and its subsidiaries

Group Members has the meaning set out in paragraph 1 of this Statement of Claim

Habtoor Leighton means Al Habtoor Leighton LLC

Habtoor Leighton Misleading Conduct Contravention means the contravention pleaded in paragraph 142 of this Statement of Claim

Habtoor Leighton Representations means the representations identified in paragraph 137 of this Statement of Claim

Initial Habtoor Leighton Information means the matters pleaded in paragraphs 90 to 92 of this Statement of Claim

Initial BAL Information means the matters pleaded in paragraphs 56 and/or 57 of this Statement of Claim

John Holland means John Holland Pty Ltd

Listing Rules means the Listing Rules of the ASX

Leighton means the Respondent, Leighton Holdings Limited

Market Price has the meaning set out in paragraph 168 of this Statement of Claim

Ninth Continuous Disclosure Contravention means the contravention pleaded in paragraph 158(d) of this Statement of Claim

Profitability Information means the information identified in paragraph 153 of this Statement of Claim

Project Information means the matters pleaded in paragraph 95 of this Statement of Claim

Project Works means the design and construction work on the Brisbane Airport Link Project defined in the D&C Contract

Relevant Period means the period from 16 August 2010 to 11 April 2011

Relevant Period Announcements means the announcements set out in paragraph 102 of this Statement of Claim

Second Continuous Disclosure Contravention means the contravention of section 674(2) of the Corporations Act pleaded in paragraph 100(b) of this Statement of Claim

Second Profit Forecast Information means the information referred to in paragraph 122 of this Statement of Claim

Second Profit Forecast Misleading Conduct Contravention means the contravention pleaded in paragraph 123 of this Statement of Claim

Second Profit Forecast Representations means the representations identified in paragraph 118 of this Statement of Claim

Seventh Continuous Disclosure Contravention means the contravention pleaded in paragraph 158(b)of this Statement of Claim

Sixth Continuous Disclosure Contravention means the contravention pleaded in paragraph 158(a) of this Statement of Claim

Tenth Continuous Disclosure Contravention means the contravention pleaded in paragraph 158(e) of this Statement of Claim

Thiess means Thiess Pty Ltd

Third Continuous Disclosure Contravention means the contravention of section 674(2) of the Corporations Act pleaded in paragraph 100(c) of this Statement of Claim

Third Profit Forecast Information means the information referred to in paragraph 128 of this Statement of Claim

Third Profit Forecast Misleading Conduct Contravention means the contravention pleaded in paragraph 129 of this Statement of Claim

Third Profit Forecast Representations means the representations identified in paragraph 124 of this Statement of Claim

Trade Practices Act means the *Trade Practices Act 1974* (Cth)

URS Report means the 24 June 2008 report of URS Australia Pty Ltd published in connection with the Brisbane Airport Link Project

VDP Information means the matters pleaded in paragraph 71 of this Statement of Claim

VDP Misleading Conduct Contravention means the contravention pleaded in paragraph 147 of the Statement of Claim

VDP Project means the Victorian Desalination Plant Project

VDP Project Deed means the deed between the Minister for Water for the State of Victoria with Aquasure, pursuant to which Aquasure undertook to design, construct, operate and maintain the Victorian desalination plant

VDP Representations means the representations identified in paragraph 143 of this Statement of Claim

Write-back Information means the information referred to in paragraph 134 of this Statement of Claim

Write-back Misleading Conduct Contravention means the contravention pleaded in paragraph 136 of this Statement of Claim

Write-back Non-Disclosure means the non-disclosure identified in paragraph 135 of this Statement of Claim

Write-back Representations means the representations identified in paragraph 130 of this Statement of Claim

Leighton ASX announcements and reports

5 March 2010 Open Briefing means the Open Briefing with CFO Peter Gregg lodged with the ASX and publicly released on 5 March 2010

22 June 2010 Open Briefing means the Open Briefing with CEO Wal King lodged with the ASX and publicly released on 22 June 2010

16 August 2010 Preliminary Final Report means the Appendix 4E & Preliminary Final Financial Report for the year ended 30 June 2010 lodged with the ASX and publicly released by Leighton on 16 August 2010

16 August 2010 June Quarterly Update means the June Quarterly Update & Preliminary Final Report to 30 June 2010 lodged with the ASX and publicly released by Leighton on 16 August 2010

16 August 2010 Investor Presentation means the Investor Presentation entitled 'Preliminary Final Report' lodged with the ASX and publicly released by Leighton on 16 August 2010

16 August 2010 Media Release means the Media Release entitled *'Leighton announces record profit of $612m and work in hand of $41.5bn'* lodged with the ASX and publicly released by Leighton on 16 August 2010

8 September 2010 Fourth Quarter Report means the Fourth Quarter Update Report for Leighton for the 2010 financial year lodged with the ASX and publicly released by Leighton on 8 September 2010

29 September 2010 Concise Annual Report means Leighton's concise annual report for the 2010 financial year lodged with the ASX and publicly released by Leighton on 29 September 2010

29 September 2010 Financial Report means the financial report for Leighton for the 2010 financial year lodged with the ASX and publicly released by Leighton on 29 September 2010

2 November 2010 Announcement means the ASX announcement made by Leighton on 2 November 2010 entitled 'Leighton operating profit expected to be offset by Indian sale'

2 November 2010 Transcript means the transcript of the investor teleconference held on 2 November 2010 and published by Leighton on its website at www.leighton.com.au

4 November 2010 Chairman's Address means the address by the Chairman of Leighton's to Leighton's AGM on 4 November 2010, which was lodged with the ASX and publicly released by Leighton on 4 November 2010

10 December 2010 First Quarter Update means the First Quarter Update Report for Leighton for the 2011 financial year lodged with the ASX and publicly released by Leighton on 10 December 2010

14 February 2011 Half Year Report means the 2011 Half Year Report lodged with the ASX and publicly released by Leighton on 14 February 2011

14 February 2011 December Quarterly Update means the December Quarterly Update to 31 December 2010 lodged with the ASX and publicly released by Leighton on 14 February 2011

14 February 2011 Half Year Results Presentation means the Half Year Results Presentation lodged with the ASX and publicly released by Leighton on 14 February 2011

14 February 2011 Media Release means the Media Release entitled *'Leighton reports $217m profit and record $45.6bn of work in hand at half year'* lodged with the ASX and publicly released by Leighton on 14 February 2011

24 February 2011 Open Briefing means the Open Briefing with CFO Peter Gregg lodged with the ASX and publicly released on 24 February 2011

9 March 2011 Second Quarter Report means the Second Quarter Update Report for Leighton for the 2011 financial year lodged with the ASX and publicly released by Leighton on 9 March 2011

11 April 2011 Media Release means Media Release entitled 'Leighton to downgrade profit forecast for 2010/11' lodged with the ASX and publicly released by Leighton on 11 April 2011

11 April 2011 Investor Presentation means the Investor Presentation lodged with the ASX and publicly released by Leighton on 11 April 2011

11 April 2011 ASX Capital Raising Media Release means the Media Release entitled 'Leighton to raise $757 million in equity via an accelerated renounceable entitlement offer' lodged with the ASX and publicly released by Leighton on 11 April 2011

11 April 2011 Capital Raising Presentation means the Capital Raising Investor Presentation lodged with the ASX and publicly released by Leighton on 11 April 2011

29 September 2011 Concise Annual Report means Leighton's concise annual report for the 2011 financial year lodged with the ASX and publicly released by Leighton on 29 September 2011

No. NSD of 2013

Federal Court of Australia

District Registry: New South Wales

Division: General

CERTIFICATE OF LAWYER

I, Rebecca Gilsenan, certify to the Court that, in relation to the statement of claim filed on behalf of the Applicant, the factual and legal material available to me at present provides a proper basis for each allegation in the pleading.

Date: 30 October 2013

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Rebecca Gilsenan
Lawyer for the Applicant