



HERITAGE TO HORIZONS

ANNUAL REVIEW 2008-2009

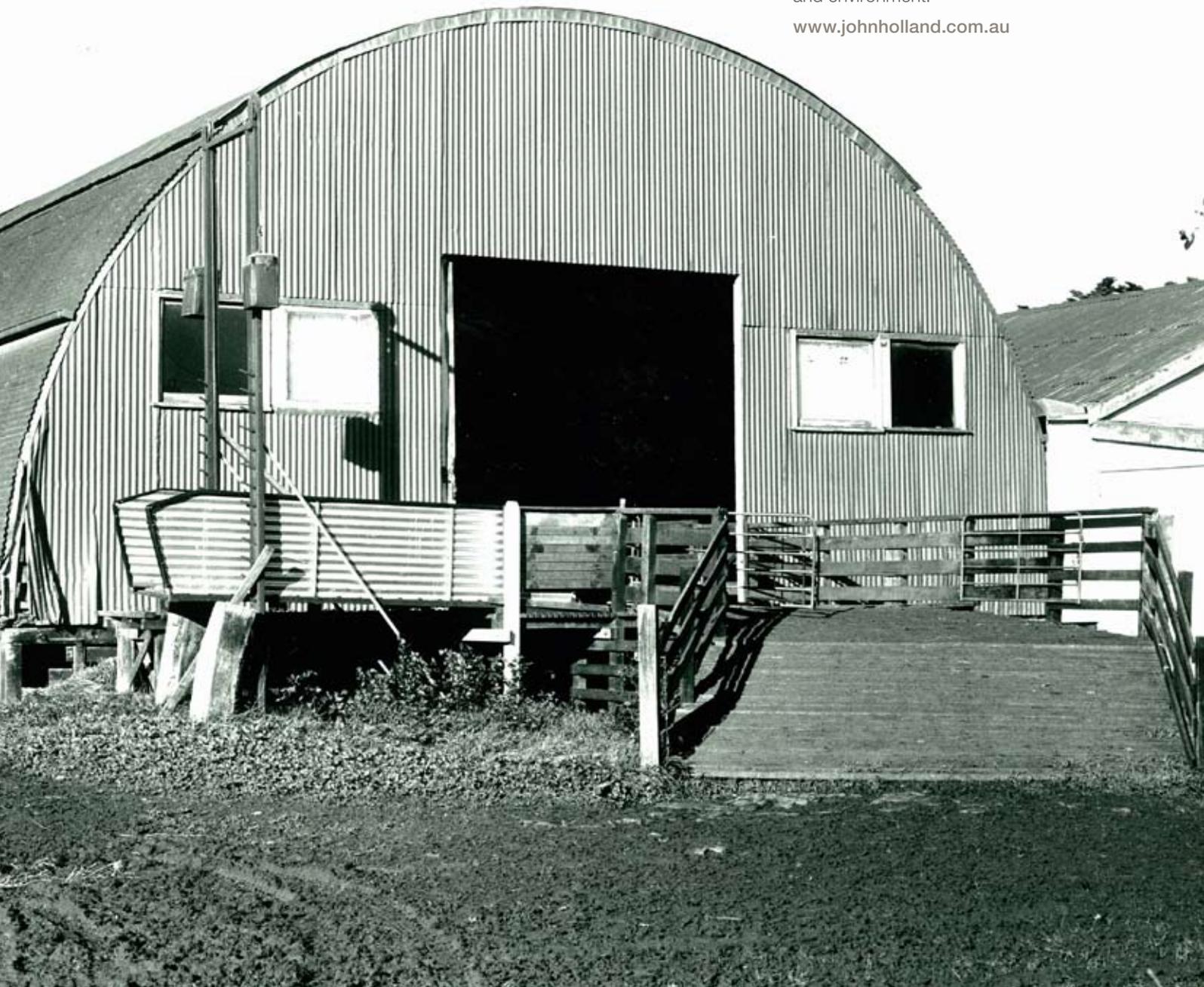
JOHN HOLLAND ANNUAL REVIEW 2008-2009

HERITAGE TO HORIZONS

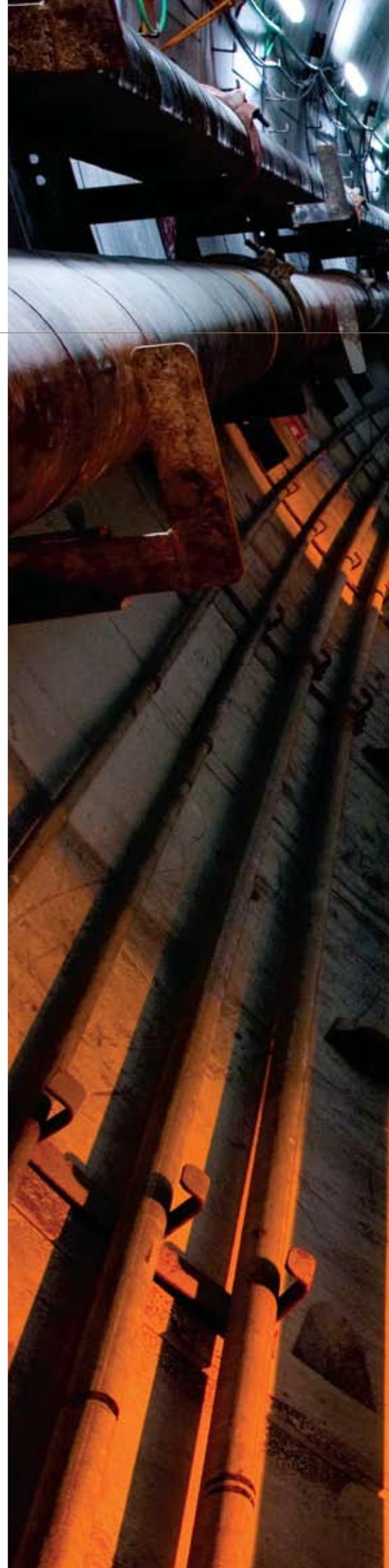
Beginning with a £200 contract to build a woolshed and a workforce of seven, the company founded by the late Sir John Holland in Victoria in 1949 has grown into one of Australia's largest and most diverse specialist contracting businesses. With a unique business model providing the capacity to deliver challenging major projects across Australia, John Holland today has work in hand exceeding \$5 billion and employs more than 6,000 people.

The 2008-2009 John Holland Annual Review celebrates our 60th anniversary, both acknowledging the lasting legacy that has been built over 60 years of construction excellence and capturing the potential of the organisation in the years ahead. Documenting corporate performance during the 2008-2009 financial year, the Review highlights major projects and achievements within each of our 12 business units. It also outlines our activities over the last year with regard to safety, training and development, community relations and environment.

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OUR ORGANISATION

Our organisation

John Holland is committed to being Australia's leading and most diversified contracting, engineering and services provider. Our unique delivery model of National Specialist businesses integrated with the strong civil and building capabilities of our Regional businesses provides our organisation with the capacity to deliver complex and challenging major works in a variety of sectors right across Australia.

The vision for the business has always been to develop an organisation based on outstanding technical skills, tenacity, innovation and an absolute commitment to people and their careers. Celebrating 60 years in 2009, this vision remains a fundamental part of the way we do business.

John Holland is a wholly owned subsidiary of Leighton Holdings Limited, a company listed on the Australian Securities Exchange.

Our locations

John Holland has offices in all metropolitan and major regional centres throughout Australia. At any one time, we are involved in over 100 projects across Australia and South-East Asia.

Our capabilities

John Holland has enjoyed incredible growth through our operational diversity, wide capabilities and industry experience and we are continually developing these strengths. Our expertise stretches beyond the traditional civil engineering and building markets to industry leading

competencies in rail, tunnelling, water, energy and resources, power, mining, aviation services and communications.

Our operating principles

Our key operating principles – People, Performance, Partnerships and Profit – remain a focus in all that we do. We are absolutely committed to our people, see project performance as a fundamental driver of business success and seek to develop trusting and mutually beneficial relationships with all our partners.

Through our focus on these principles, our aim is to achieve profit to guarantee the long-term sustainability of our organisation.

Our people

We employ more than 6,000 people across Australia in a diverse range of project, operational and support service roles. We recognise that our success is inextricably linked to the talents and efforts of all our people and, for this reason, we strive to be considered an employer of choice in our industry. We pride ourselves on being a market leader in our approach to safety, targeted training, career development, staff benefits and remuneration.

Our stakeholders

Our stakeholders range from clients, government and other business partners to the local communities we operate in through our ongoing project delivery. Understanding stakeholder needs is critical to the success of every project we undertake and we remain committed to communicating openly with each of these groups.



CORPORATE STRUCTURE

REGIONAL BUSINESSES	NATIONAL BUSINESSES	RAIL	SERVICES
			
NORTHERN REGION	ENERGY & RESOURCES	RAIL	AVIATION SERVICES
			
SOUTHERN REGION	TUNNELLING		COMMUNICATIONS
			
NSW/ACT REGION	WATER		
			
WESTERN REGION	POWER		
			
	MINING		

> Janet Holmes à Court AC, Chairman



> Glenn Palin



> David Stewart



> Bill Bloking

BOARD OF DIRECTORS

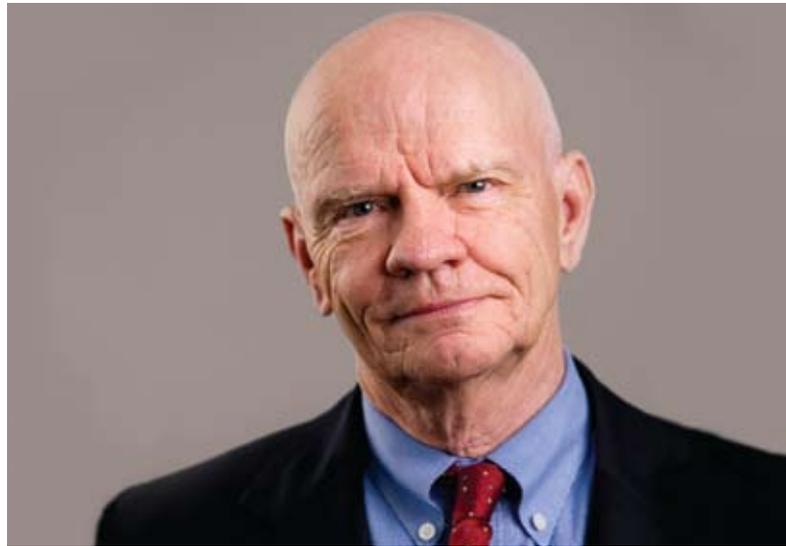
> Nick Stump



> Wal King AO



> Ian Johnson



> Hans Ohff

> Janet Holmes à Court AC / Chairman



John Holland is now one of Australia's largest and most diverse specialist contracting businesses. Acknowledged, too, as being Australia's largest construction contractor, the company has experienced incredible growth over the past 60 years. I am proud of the business evolution and legacy of excellence in infrastructure delivery across Australia.

In reviewing our history, a key theme has been the contribution of outstanding people. When I purchased the company in 1991 there were no tangible assets in the business. Our strength was our people and the skill, creativity and innovation that they brought into the business. In the nine years of Leighton Holdings ownership, we have had outstanding leaders – most recently Bill Wild and David Stewart – who have led the company on the road to financial strength and sustainability, growing turnover from \$400,000 in 2000 to \$3.7 billion in 2009.

I would like to thank David Stewart for his contribution to John Holland, and his commitment as Group Managing Director over the past three years. Glenn Palin, incoming Group Managing Director, has been with the company for 16 years, during that time demonstrating a commitment to safety, people and performance. I personally remember many site safety visits with him over the years and welcome him to his new role.

CHAIRMAN'S REPORT

Our commitment to our 4Ps continues to underpin our business, with People, Performance, Partnerships and Profit our focus for success. Twelve business units, diverse opportunities, and a culture of collaboration all encourage our people to pursue careers for life with John Holland. Our women engineers still make up a small percentage of our numbers, but opportunities abound. We have committed to an indigenous employment policy, and we are actively involved in developing skills across our business and industry through engineering scholarships, apprenticeships and people development programs.

Over the years our projects have become larger and more complex, presenting a safety challenge to all our people. As Chairman, my continued commitment to safety and our 'No Harm' policy is unwavering. Tragically, we have had a fatality in our business in the past year, with the death of Wayne Moore at Newman in Western Australia. The distress across our organisation and beyond was immense, and we have since developed our Safety, Quality and Environment Risk Management Program that analyses potential hazards from the outset of the project, and is designed to ensure the safety of our people.

The opening of the EastLink Project was just one example of our performance

over the year. I was delighted to be involved with sculptors and designers developing public art and decoration on a beautifully engineered and well executed project, one of the biggest in Australia. The National Portrait Gallery is yet another example of the great craftsmanship and skill that our people bring to projects and buildings of such national significance. Our iconic infrastructure projects are too many to mention but include transport infrastructure; cultural infrastructure; health; and the list continues.

Our partnership approach is an about turn from the adversarial industry approach that existed in 1991, and I believe that it is a critical component of our continued success. Our community engagement, where each project sponsors a local community, involves all our people in developing sustainable relationships in the communities where we operate. Our environmental impact is carefully monitored and is another area on which we place great emphasis across all our projects.

The sustainability of our business is a key issue for us, especially in the current turbulent economic times. I am confident that we will emerge strongly through the global financial crisis. We are well placed to take advantage of the Government's infrastructure package and have already won school upgrade projects

in Western Australia and Queensland. Our integrated model of Regional and National Specialist businesses working in partnership and combining local knowledge and specialist technical expertise is economically sound and fundamental to our success.

Our prospects are promising. We have a great team in place to lead us through the challenging times ahead. Through this 2008-2009 Annual Review we celebrate the milestones of the past year, but also provide a glimpse into the future for our company. I want to acknowledge the support and commitment of the Board, the senior executive team, and in particular, I would like to thank all the people who make John Holland great and in so doing allow us to make a significant contribution to Australia and our economy.



Janet Holmes à Court AC
Chairman

> Glenn Palin / Group Managing Director



Despite a year of incredible challenge and uncertainty caused by the unprecedented global financial crisis, the 2008-2009 financial year has been one of outstanding achievement and success for John Holland.

We have successfully adapted to address the demands of an extremely volatile market to deliver a record financial operating result and an exciting course for future growth has been charted. This achievement has been made possible through the dedicated effort of all our employees. I would personally like to congratulate and thank all our staff for their commitment over the last 12 months.

As new Group Managing Director, I consider it a privilege to have the opportunity to lead John Holland during these exciting and challenging times. I pay tribute to the leadership of David Stewart, outgoing Group Managing Director, and to our Board, led by our Chairman, Janet Holmes à Court. Our founder, Sir John Holland, who passed away on 31 May this year, fostered a culture of innovation, technical excellence and tenacity, underpinned by an absolute commitment to our people and their careers. These cultural values remain the foundation of the company today.

From a financial perspective, this year has been extremely successful and the company results are outstanding. Over the past year our operating revenue increased by 28 per cent and we have undertaken more than \$3.7

GROUP MANAGING DIRECTOR'S REPORT

billion worth of work. While profits were lower than the previous year due to equity writedowns on a number of major projects, John Holland is on track to meet financial targets for the coming year and we are well positioned to take advantage of many emerging opportunities. We confidently predict that over the next 12 months profits will rise, returning to levels achieved before the financial crisis.

Since 2001 John Holland has enjoyed unprecedented growth, expanding into new markets and industry sectors, and we have recently been acknowledged as Australia's largest construction contractor. We are arguably Australia's most diversified contractor as well, offering our clients a unique depth of skill in our eight specialist business units complementing the local strength, experience and know-how of our four regional businesses. It is this breadth and depth of diversity that brings the greatest value to our clients, our shareholders and our employees.

In May this year, we celebrated our 60th anniversary and we now hold the strongest position in our history. We employ more than 6,000 people across more than 100 projects throughout Australia. However, we need to build on this success, consolidate our strengths and take advantage of future opportunities.

In order to keep pace with the growth trend of the previous nine years, we

have an adventurous expansion strategy for various parts of our business. Our executive leadership team has also been expanded to ensure the organisation is strategically supported in working towards our aspirational goals.

The Federal Government's economic stimulus package, emerging opportunities in the oil and gas sector, and in the energy market are some areas of new direction. The newly rebranded John Holland Energy & Resources business is operational and recently secured the Devil Creek Development Project in Western Australia; while our Power business is looking at several major opportunities including generation, renewable and green energy projects.

Our Tunnelling and Rail businesses are currently exploring offshore opportunities in Hong Kong to take advantage of the large infrastructure expansion program planned. In addition, we are well positioned to play a major role throughout Australia on the various government initiated transport infrastructure expansion programs.

The recent appointment of the Metro Trains Melbourne (MTM) Consortium to operate and maintain Melbourne's passenger train franchise has also opened up a new era in our Rail business. Working in a fully integrated joint venture with our partners MTR (Hong Kong) and United Group, John Holland will be involved in this project for up to 15 years.

As before, our operating principles, commonly known as the 4Ps, are fundamental to our success. Our focus remains on developing our People; being vigilant in our Performance; working in Partnership with our clients, joint venture and alliance partners; and operating the business to achieve a sustainable Profit. Despite the global financial crisis, we remain firmly committed to developing our people, to the principle that we undertake our projects in the most sustainable way, that positive community engagement is fundamental, and that our unique model for success is based on how we deliver, not only on what we deliver.

Finally, the safety of our people remains paramount. We have recently introduced an integrated Safety, Quality and Environment Risk Management Program designed to improve our performance across these critical areas of our business. It will require commitment from every member of the John Holland team to ensure that we meet our objective of 'No Harm' across our business. My executive team and I are fully committed to this process and it is the number one priority of our business over the next 12 months.



Glenn Palin
Group Managing Director

> Darryn Ray / Chief Financial Officer



During the 2009 financial year, we witnessed the largest upheaval in the global economy for generations. Significant downgrades in the stability and capacity of financial institutions, rising unemployment levels and dramatic falls in equity markets severely inhibited the growth strategies and financial results of many companies. As a consequence, governments around the world were forced to provide previously unimaginable levels of cash injections to the financial sector to provide stability and restore the flow of credit and deliver economic stimulus packages to fill the spending void left by the retreating private sector.

Despite these global economic conditions impacting on the Australian economy, John Holland has demonstrated strong resilience and managed to navigate a steady path through the turmoil. We have benefited from our strong balance sheet and continued to grow our order book. Our diversity, both in geography and in service capability, has mitigated business risk and our focus on the fundamentals of cash and project risk management has provided a stable foundation for strong operational performance throughout the year.

Financial capacity

Revenue for the year, including our share of joint ventures and associates, was a record \$3.7 billion, an increase of 28 per cent on the prior year. Strong profitability and operating cash flow has further strengthened our balance sheet, which reflects cash assets of \$517 million, total assets of \$1.5 billion and net assets of \$441 million.

We have continued to reinvest cash flow in new plant and equipment. Operating leases for mining plant were utilised during the year which provides significant cash flow benefits and fleet management flexibility.

Our balance sheet size and structure attracts the best for project business partners, allowing us to successfully develop bids for major projects and provide clients with confidence in our ability to deliver.

Project risk management

Project life cycle risk management is a fundamental driver of our profitability and a key element in protecting our balance sheet. We continue to invest in pre-contract risk management initiatives which focus on the early identification of risks and opportunities embedded in project tenders and the development of strategies to mitigate the risks and maximise opportunities.

Execution risk is constantly reviewed throughout all levels of the organisation, with new initiatives to improve the transfer of project learnings from the execution phase of projects back into the pre-contracts group and to the wider project delivery community.

Corporate governance

We continue to maintain a strong corporate governance culture at John Holland, consistent with our inclusion in the listed Leighton Holdings Group. Financial controls are continually reviewed and modified as required to ensure that financial resources are managed effectively, financial performance is measured accurately and regular and timely reporting of financial results to the Board of Directors is achieved. External auditors report directly to the Board twice a year.

An Ethics Committee has been in place for several years and is responsible for the monitoring and formulating of the Group's ethical policy direction and reporting. The Committee is made up of senior management including the

CHIEF FINANCIAL OFFICER'S REPORT

Group Managing Director and the CFO and actively promotes the John Holland Code of Ethics to all employees.

In the current volatile economic times, these underlying governance principles have risen to greater prominence in the management of John Holland's activities and are fundamental to our success.

Outlook

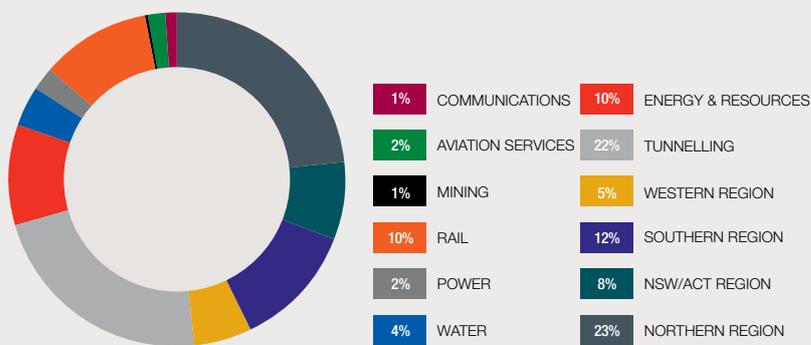
Whilst the current economic environment has provided challenges to all businesses, we see significant opportunities. Work in hand at June 2009 was \$5 billion and growing. Since year end we have secured a number of new contracts, including a 20 per cent interest in the Metro Trains Melbourne Consortium which will operate and maintain Melbourne's passenger train franchise for at least the next eight years.

Tendering activity remains high. Governments have committed to invest in new infrastructure which will create opportunities across the business, as will the return of private sector investment. Our diversity allows us to build integrated solutions for clients undertaking multi-faceted construction projects. With our skill base, financial capacity and values, we see ourselves as the partner of choice for clients and other stakeholders.

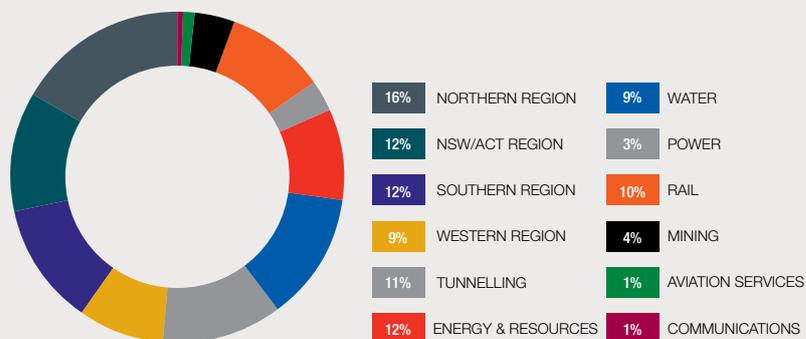


Darryn Ray
Chief Financial Officer

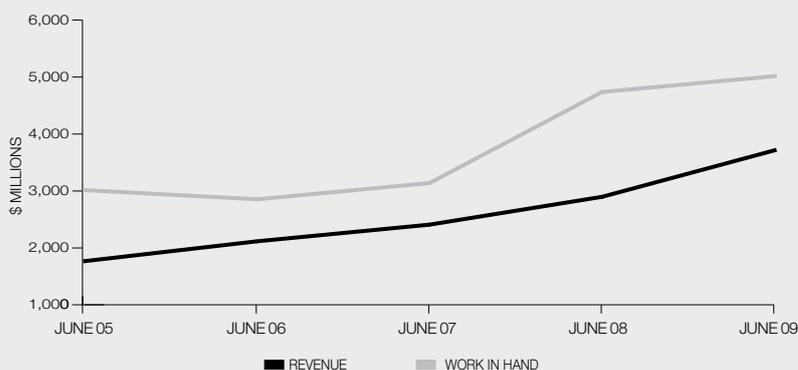
> WORK IN HAND



> OPERATING REVENUE



> WORK IN HAND AND OPERATING REVENUE 2005-2009



> Stephen Sasse / Executive General Manager, Human Resources and Organisation Strategy



John Holland's model of providing regional shared support services for each of our 12 individual business units has continued to improve over the last year. Our focus has been on delivering value and increasing efficiency in service delivery to help each of our business units achieve their revenue and profit targets. We have also looked to review and improve underperforming areas of the support functions that have impacted business performance. In providing business critical support services, we have continued to

cultivate the individual characteristics of each business unit to maximise the effectiveness of John Holland's collaborative business model and support John Holland's ongoing growth and performance.

The development of a new Safety, Quality and Environment (SQE) Risk Management Program has been the result of an exhaustive review of our safety incidents in recent years. It is also an acknowledgement of our failure to meet performance targets in this area of our business. Our new approach to managing risk, which was developed and tested over the last 12 months, acknowledges early assessment and identification of risk as the key drivers of improvement in safety performance. The new process provides a robust base for improvement as we look ahead.

In concert with this new approach, we have also taken important steps forward in establishing the foundation of a new safety culture that underpins all operational decisions. Part of this strategy is a new program to engage and empower Health and Safety Representatives (HSRs) across the business to provide a voice for the workforce on safety issues and reinforce our key message that operational success must not come at the cost of workplace safety. To this end, an inaugural series of HSR forums were held in August in major cities across Australia and a new Comcare-approved HSR training program has been established.

The new SQE program also focuses on creating benchmarks for ongoing improvement in the performance of our quality and environment teams. With regard to environment, our teams have responded well to the changing regulatory environment and we are now in a better position to meet expectations for monitoring and reporting energy usage and greenhouse gas emissions.

Our commitment to training and development has not wavered throughout the year. Having identified the major shortfalls in our workforce skills, a coordinated approach to talent development is now being rolled out. The strategy is designed to ensure we continue to develop the skills of our project managers by providing access to industry-recognised training courses. We also continue to extend the scope of our registered training organisation (RTO) in anticipation of continued business growth and have consolidated our investment in emerging talent through the extension of our graduate program. In the coming year, we will launch a new approach to talent identification and leadership development to ensure we are well positioned to manage our future leadership needs.

Our industrial relations practices have adapted to changes in federal legislation. With the enactment of the Fair Work Act 2009, we have worked closely with project, operational and management teams to ensure all our business units are aware of their obligations under

ORGANISATION STRATEGY OVERVIEW

> Courtney Hollis and Daniel Squillace, 2009 National Graduate Program

the new regulations. John Holland remains committed to working within the rules and regulations set out under the prevailing industrial relations system. We will continue to regulate our employee relationships with the full range of employment agreements available to us. Our industrial relations policy is project driven and seeks to maximise productivity and efficiency.

With regard to occupational health and safety, we continue to see marked improvements in this area of our business. We support the Federal Government's move to create a national workplace safety framework as a means of managing costs and improving efficiency in the delivery of major projects, and we will be contributing widely to the development of this new policy framework.

John Holland's support services model remains an important contributor to our performance as a business. The consolidation of this structure over the last year is acknowledgement of its important role in supporting our collaborative model and positioning the business for long-term growth.



Stephen Sasse
Executive General Manager, Human
Resources and Organisation Strategy



SAFETY

John Holland's approach to safety has gone through a period of review and refocus over the last 12 months. Across the business, we have examined our safety incidents over recent years and embarked on a new approach to risk management in order to achieve constant improvement in our safety performance. This has led to the establishment of robust new goals for safety achievement.

Our performance this year was marred by the tragic death of Wayne Moore at Newman in Western Australia on 19 March 2009. The thoughts of the entire company remain with Wayne's family.

Our Total Recordable Injury Frequency Rate (TRIFR) performance is effectively unchanged; however, it is pleasing to report a significant improvement in our Severity Rate and an associated reduction in the average workers' compensation claims cost. These data suggests that we are succeeding in our objective of open and comprehensive

reporting of incidents; that the severity of incidents is reducing; and that we are achieving effective return to work outcomes through our direct management of workplace injuries and rehabilitation.

As at June 2009, we have completed 30 months as a Comcare self-insurer and it is clear that the greatest benefit of our participation in Comcare is our ability to secure prompt and effective returns to normal work for employees injured at work. The Comcare workers' compensation benefits are buttressed by one of the most comprehensive suites of employee disability benefits in Australia. These are provided through John Holland Group Mutual Limited. Through the Mutual structure we can provide cost effective salary continuance for illness and injury together with journey and recess coverage; providing employees with a seamless package of support for any illness or injury – whether work related or not.



Looking ahead, our safety improvement strategy rests on three pillars:

- » leveraging our Passport to Safety Excellence Program to ensure that all staff understand their safety obligations and are fully competent in the execution of those responsibilities;
- » embedding the identification and mitigation of safety risks early into our key business processes and involving the right people at the right times during these processes; and
- » building a strong, effective and just safety culture that underpins all our operational decisions by consulting, communicating with and empowering our workforce.

John Holland's Passport to Safety Excellence Program identifies all those positions within the company which can influence safety. Each of those positions

YEAR	TRIFR	SEVERITY	AVG CLAIMS COST
2007-2008	26.63	71.91	\$8,213
2008-2009	27.13	52.76	\$5,316



> Joshua Burns, Airport Link Project, Queensland



has documented skill and behavioural competency standards which are satisfied by the successful completion of the program. The program covers a range of areas, from safety leadership to risk assessment; and from incident investigation to claims management.

The ongoing rollout of our new Safety, Quality and Environment Risk Management Program has been designed to ensure that occupational health and safety risk is identified as early as possible in the business cycle; to ensure that our reliance on procedural controls is reduced in favour of an increase in the use of engineering and elimination controls. The new

program was comprehensively piloted in 2008-2009 and is the subject of a fully integrated change management program which will be rolled out through 2009-2010.

Finally, we are seeking to build and entrench a robust safety culture which will underpin all of our operations. We aspire to a culture which encourages and reinforces open reporting of hazards and near miss events; a culture that ensures that all employees are empowered to stop work where there is uncertainty or risk; and most importantly, a culture which ensures that trade-offs between production and safety are explicit, openly discussed and

resolved in accordance with our core value of 'No Harm'.

The Council of Australian Governments' introduction of a model occupational health and safety (OHS) law gives industry a generational opportunity to reshape the regulatory framework around improved safety outcomes at work and John Holland will continue its involvement in shaping the new regime. We will lobby hard for a regulatory framework that recognises the unique challenges posed by the construction industry, with particular emphasis on the need for more robust regulation and guidance of design and pre-construction planning to ensure safe outcomes in construction.





TRAINING AND DEVELOPMENT

> Mining General Manager Rob Monaci, 2009 Mining Graduate Danyal Nabi, National Graduate Conference

John Holland's approach to training and development has been consolidated over the last year as we have improved performance in key areas of the business and built training programs to facilitate the ongoing growth of the organisation. With the establishment of a new risk management system, the expansion of our scope as a registered training organisation and investment in new development initiatives, we have cultivated the skills of staff across the business to ensure the organisation has the capability to achieve our performance targets.

The development and introduction of the new Safety, Quality and Environment Risk Management Program is a significant milestone. The process acknowledges our commitment to improving our performance in this area and the need to achieve a fundamental change of business culture. As we move ahead with program rollout, our focus will be on developing the skills and knowledge of our line managers and OHS, Environment and Quality support staff so that they can lead and implement this change.

The last 12 months have seen a consolidation of training across the business. Following an assessment of our skills shortages, a national approach to training has been developed to target improvement in these areas. The development of our project management teams is a major area of focus, with the first stages of a Project Delivery



Training Program established to build knowledge of John Holland's internal project delivery processes. Moreover, the program provides a pathway for staff to achieve a Diploma of Project Management through the Australian Institute of Project Management and ultimately, to enrolment in the Leighton Holdings Masters of Project Management Program.

The breadth of work undertaken by John Holland's registered training organisation (RTO) has also increased significantly with the expansion of the Passport to Safety Excellence Program and the introduction of the John Holland Health and Safety Representative Program. These two programs reflect the importance of developing the skills needed to manage and improve our

safety performance. We have also acknowledged our increasing focus on new work in the rail sector, with several training programs added for our staff in this part of our business. In May, John Holland's RTO was re-registered for another five years after being audited for compliance with the Australian Quality Training Framework.

John Holland's National Graduate Program continued to expand as the first group of staff completed the program and 71 new graduates entered the business. Our National Graduate Conference was held on the Gold Coast in February, focusing on introducing participants to John Holland and developing their understanding on the way behaviour and human interaction can impact their success. For the





> Emerging Supervisors and Superintendents develop their skills as part of the Super Leaders Challenge (left)
 > 2008 Graduate Saskia Oakenfull, Melbourne Main Sewer Replacement, Victoria (right)



first time, this year's graduates will be involved in formal communication and presentation skills training.

Finally, over the last 12 months we have amended our staff climate survey to better reflect the needs of the business. The change follows a comprehensive review of the survey through feedback from staff across the business. The John Holland Staff Survey remains an important tool in assessing the satisfaction of our people, our business culture and our performance in creating positive work environments for our staff.

2009-2010 will see a shift in focus as we re-examine our approach to performance management and succession planning. Fundamental in this review will be the creation of

an effective system for the long-term management of these two processes through a formal review of the capability requirements of the various position classifications across the business. The goal is to achieve a simple procedure that encourages discussion between employee and employer and enables the establishment of individual development programs and long-term career paths.

The coming year will also see an emphasis on developing the skills of our frontline leadership staff. Building on the highly successful Super Leaders Challenge, a more structured approach to developing our emerging managers will be implemented at various levels of the organisation. A new Frontline Management Program will be implemented to give our first time

managers the skills and knowledge they need to excel in their positions and develop through the organisation.

As one of our four key operating principles, John Holland continues to place a strong emphasis on the development of all our people. We believe that our success and ability to grow as an organisation is inextricably linked to our success in attracting and retaining the best people within the construction industry. Given the increasing challenges of a skills shortage, our commitment to training and development positions us well to meet the long-term needs of our business.



COMMUNITY RELATIONS

> Arlene D'Souza, Young Endeavour Youth Scheme, June 2009

John Holland takes pride in the manner in which we deliver projects for our clients, measuring our success as much by the community outcomes, as by commercial indicators. This year we strengthened our commitment to active community engagement by supporting initiatives that help to create healthy, self supporting and sustainable communities.

Consistent with our policy of leaving a lasting legacy in the communities where we operate, all our project teams are required to support their local communities in some way. This approach ensures we work together as neighbours, engage in consistent dialogue and develop effective relationships with community groups.

The aim of John Holland community projects is to support the spirit of good neighbourliness at all times. Projects are deemed successful if they involve our employees contributing time and labour to generate goodwill and long-term benefit to the communities within which they operate.

Sponsorships and community initiatives across the business are many and varied, and there have been numerous highlights over the past year. From a donation of time and resources by John Holland's Mining team at Blackwater to the relocation of two mature *Brachychiton Rupestris* trees, to the RAAF Darwin C-17 Infrastructure Works team who raised \$9,000 for Camp



Quality in the Northern Territory. In NSW, the HQo Commercial Development team donated \$10,000 to the John Hunter Children's Hospital, while close to 80 team members from the Sugarloaf Pipeline Project donated time to help fight the devastating Victorian bushfires of February 2008.

At a corporate level, our commitment to community development is underscored by our sponsorship approach. One example is our major corporate sponsorship of the Victorian Opera which, among other things, provides emerging artists with the opportunity

to development their careers. We also continue our sponsorship of the Young Endeavour Youth Scheme, providing four berths annually for young John Holland employees and children of John Holland employees.

Whether providing financial support for charitable and worthy causes, delivering community infrastructure that goes beyond the project brief, or training local youngsters in engineering disciplines that provide a starting point for their future careers, we value community contributions as a fundamental measure of our success as a business.

ENVIRONMENT

> Matthew Telfer and Nathan Grima, Clifton Hill Rail Project, Victoria

The 2009 financial year has been a challenging period for John Holland due to increasing expectations of stakeholders and the rapidly changing legislative landscape. We have responded well to these challenges through our people and processes and remain committed to achieving the best environmental outcomes on our projects for both John Holland and our clients.

Effective management of environmental issues on John Holland projects is achieved through embedding environmental roles within project delivery teams. These project environmental teams are supported by regional environmental management and support teams based in each state office, and a national Group Manager, Environment providing further management, support and policy direction. In support of the delivery of improved environmental outcomes of projects, John Holland has implemented a risk-based Environmental Management System (EMS) which complies with the requirements of ISO14001. Environmental risk is identified and assessed for all projects at the pre-contracts phase, where risk assessments are completed and used as the basis for the development of project Environmental Management Plans. Implementation of the EMS is reviewed through regular surveillance and certification audits.

In line with standard industry practices, John Holland uses an Environmental

Incident Frequency Rate (EIFR) to track our environmental performance across all projects. This tracking system allows the business to assess and compare performance across all our business units, with the aim of driving ongoing improvement.

No Class 1 environmental incidents were recorded during the year, however our target EIFR of 0.08 or lower for the year was exceeded with a result of 0.12 recorded. John Holland considers any environmental infringements or breaches to be an unacceptable outcome of our activities and we will continue to work to improve our performance.

There were a number of environmental highlights over the last 12 months. We are pleased to have been recognised as part of the Link 200 Joint Venture for our environmental performance on the Kowloon Southern Link Project. The joint venture received the Silver Award for the Construction Industry at the Hong Kong Awards for Environmental Excellence. Our work on the EastLink Project was also recognised, with the Thiess John Holland Joint Venture a finalist in both the Sustainable Built Environment and People's Choice categories at the Banksia Awards, Australia's most prestigious environmental awards.

Looking ahead, John Holland faces a number of environmental challenges in the external regulatory environment, particularly with the forthcoming introduction of the Carbon Pollution Reduction Scheme (CPRS) and the



continuing evolution of the National Greenhouse and Energy Reporting legislation. Consequently, our environmental strategy is focussed on new initiatives aimed at improving environmental performance at a project level and the identification of opportunities to reduce costs and improve environmental outcomes through greater efficiency and innovation. We are also continuing to prepare for the introduction of the CPRS, with a concerted effort to further refine our systems for collecting data on energy usage and greenhouse gas emissions.

> Dennis Brewer / Executive General Manager, Strategic Projects



The establishment of John Holland's Strategic Projects Group represents another positive step forward for the business. Consisting of senior representatives from within our project, operational and management teams, the group was established late in 2008 to facilitate the ongoing growth of the business. Through a targeted approach to the identification, assessment and development of responses to emerging major projects, the group is responsible for the long-term business development strategy for John Holland.

The formation of the Strategic Projects Group acknowledges the importance of major infrastructure projects to John Holland's development. Over the last five years, John Holland has achieved significant growth and has continued to produce record profit and revenue. This growth has been underpinned by

the delivery of complex major projects such as the \$1.1 billion Lane Cove Tunnel Project, completed in 2007, the \$2.5 billion EastLink Project, completed in 2008, and the \$1.1 billion Sydney Desalination Plant and \$4.8 billion Airport Link Project which are currently in the project delivery phase.

The focus of John Holland's Strategic Projects Group is two-fold. First, to assess the suitability of emerging major projects through an analysis of delivery requirements and the identification of potential bid partners. This function is predominantly about ensuring that the business is well positioned to be shortlisted for targeted projects. Second, the group is responsible for ensuring a successful transition is made from the tender to the project delivery phase following appointment to a major project. To this end, the group incorporates a number of highly capable Project Directors who can be engaged at the outset to move a project forward.

The role of the group has particular significance given the increasing public and private investment in new major infrastructure programs. Despite the constraints that have emerged in financial markets, new investment in major transport and rail infrastructure is beginning to emerge as governments assess the future infrastructure needs of a growing population. We are also seeing an exciting period of investment planning in the Australian resources sector, where major oil and gas and other minerals projects are emerging.

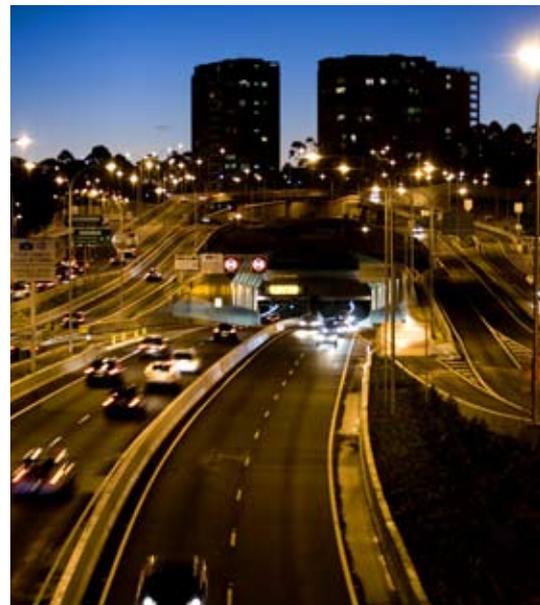
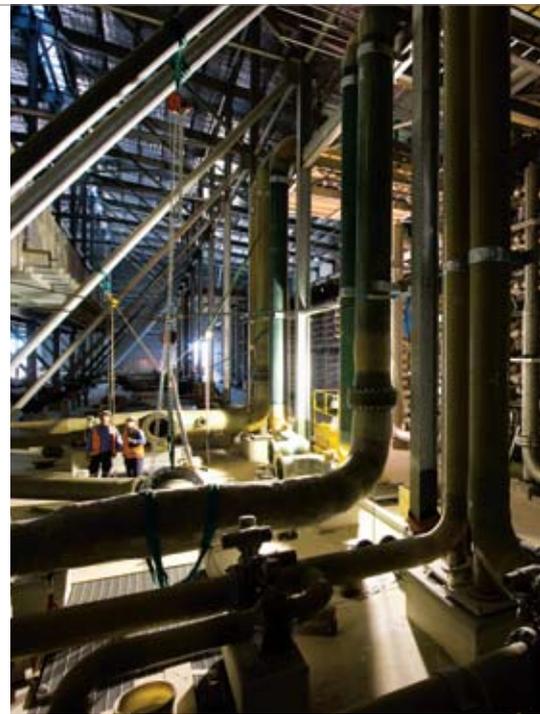
John Holland's main focus over the next three to five years will be on emerging transport and resources projects right across Australia. This includes major roads and rail projects planned as part of the \$38 billion Victorian Transport Plan, new investment in the New South Wales public transport network and major roads projects planned in Queensland. Specifically, the \$750 million Peninsula Link freeway south-east of Melbourne, the permanent route infrastructure required for the Sydney Metro Project, along with the \$1.7 billion Northern Link Project in Brisbane are a close fit with the existing strengths and capabilities within our business. We also will look to leverage the full scope of our construction capabilities on emerging opportunities in the resource sector.

The Strategic Projects Group has a fundamental role to play in allowing our individual business units to remain focused on short-term business development priorities. This will ensure the wider business has a solid foundation of work in hand to maintain our existing revenue targets. By enabling a separate group of senior individuals to look over the horizon at emerging major works, the creation of the group will help position John Holland to meet its long-term business growth targets.

Dennis Brewer
Executive General Manager,
Strategic Projects

STRATEGIC PROJECTS GROUP

> Airport Link Project, Queensland (top left) > Sydney Desalination Plant, New South Wales (top right)
> EastLink Project, Victoria (bottom left) > Lane Cove Tunnel, New South Wales (bottom right)



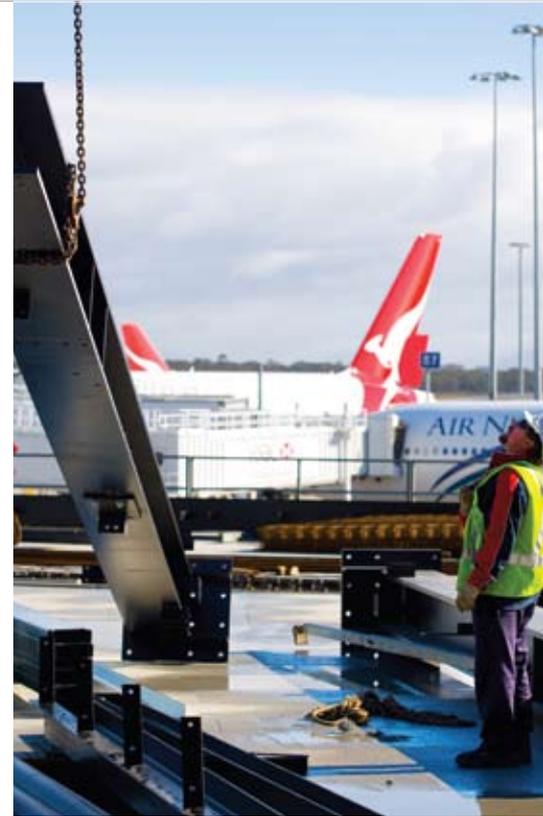
REGIONAL BUSINESS OVERVIEW

John Holland's four Regional construction businesses have performed strongly throughout 2008-2009. In financial terms, our revenue of \$1.7 billion represents a 21 per cent increase on last year. Through our performance we have again demonstrated John Holland's industry leading capabilities in both building and civil construction.

The strength of our wider business is underpinned by our skills in civil construction as we continue to extend our relationships with our National Specialist businesses right across Australia. This has been particularly significant as private sector investment in new capital works and building projects has diminished over the last year as a result of the global financial crisis. These capabilities leverage the benefits of John Holland's unique collaborative model which encourages the delivery of major projects in concert with our National Specialist business partners.

The value of this collaborative model is demonstrated in the scope and complexity of major projects that are being delivered across the business. Over the last 12 months, we have worked closely with our colleagues in Tunnelling, Water, Rail, Energy & Resources and Power on projects as diverse as the \$4.8 billion Airport Link Project and the Nebo to Strathmore Transmission Line Project in Queensland, the Sunset Coast Water Alliance in Western Australia, the Cronulla Rail Duplication Project in New South Wales and the Sugarloaf Pipeline Project in Victoria. This increase in internal joint venture work throughout the year has been particularly pleasing and represents another significant step forward in delivering major, complex projects collaboratively for our clients.

It has been an exciting year for our Northern Region. Across Queensland and



the Northern Territory, we have continued to build our reputation in both the civil and building sectors on a wide range of projects. Highlights have included the recently completed Mackay Water Recycling Project along with various projects in the defence sector, including the RAAF C-17 Infrastructure Works and the Enoggera Army Base Redevelopment Project. Other major projects currently underway include the Horizon Alliance at Springfield and the Student Village Project at Southbank in Brisbane.

Our performance in the Northern Territory has also been strong with the completion of the SkyCity Casino Redevelopment and the commencement of work on the Plenty Highway Upgrade in Alice Springs.

Looking ahead, our focus in Northern Region is on increasing public investment in the transport, education, health and defence sectors and

emerging private infrastructure works in the resources sector.

Our Southern Region has continued to build on its outstanding record of achievement in the delivery of new transport and water infrastructure. With the ongoing delivery of the West Gate Bridge Strengthening Project, the Sugarloaf Pipeline Project, the Springvale Road Rail Separation Project and the Laverton Rail Upgrade and the recent commencement of work on the Western Highway Realignment Alliance, the business is well positioned for a successful period ahead. We have also strengthened our relationship with Melbourne Airport with a major runway upgrade completed and various airport facilities expansion works currently underway.

There have also been a number of positive developments in Tasmania, with the commencement of the Brighton



THE STRENGTH OF OUR WIDER BUSINESS IS UNDERPINNED BY OUR SKILLS IN CIVIL CONSTRUCTION AS WE CONTINUE TO EXTEND OUR RELATIONSHIPS WITH OUR NATIONAL SPECIALIST BUSINESSES RIGHT ACROSS AUSTRALIA.

Bypass Project and a large portion of building works commissioned at the University of Tasmania. As a business, we continue to see Tasmania as a strong ongoing focus. We have also recently commenced work on the Urbanest Student Accommodation Project in Adelaide, as we look to selectively expand our operations in South Australia.

In NSW/ACT, the completion of the new National Portrait Gallery in Canberra and a redevelopment of the Bathurst Base Hospital have been standout achievements, along with the successful completion of the \$2 billion City of Dreams Project in Macau in joint venture with Leighton Asia. Ongoing works include the Sydney Desalination Plant, the Cronulla Rail Duplication and Reliance Rail projects and a variety of defence projects, including the Enhanced Land Force Project at Kapooka Army Base.

The NSW/ACT Region will continue to focus on emerging rail infrastructure projects both in Sydney and northern New South Wales and we expect to build upon our strong diversified operations in Newcastle and the wider Hunter region.

Over the past year, our Western Region completed a broad cross-section of projects including the Yule River Rail Bridge Project and the Sunset Coast Water Alliance. Current projects include a refurbishment of the Central Law Courts in Perth, a redevelopment of the Hollywood Private Hospital, as well as delivering Perth's new State Theatre Centre. We have also commenced an accelerated program of works as part of the federally funded 'Building the Education Revolution' program. The breadth of this ongoing work highlights the strength of John Holland's building capabilities in Western Australia.

The Region is also positioned well for new major works in the resources sector, as demonstrated by our ongoing work on BHP Billiton's Rapid Growth Project 4 and the recent commencement of work on Apache Energy's Devil Creek Development Project. Our Western Region will work closely with John Holland's Energy & Resources business to further develop new opportunities in this area.

John Holland has a proud history delivering exceptional work in the areas of building and civil construction throughout Australia. This history is highlighted by the string of iconic major projects that have been delivered by our business over the last 60 years. Given the quality of current projects in hand, we are confident that this trend will continue well into the future.



NORTHERN REGION

> Darra to Springfield Transport Corridor Project, Queensland

GENERAL MANAGER

Chris Evans

REVENUE

\$606 million

KEY PROJECTS

Airport Link, Northern Busway and Airport Roundabout Upgrade, Darra to Springfield Transport Corridor Project, Enoggera Base Redevelopment, Gold Coast Desalination Alliance, RAAF Darwin & RAAF Amberley C-17 Infrastructure Works, SkyCity Casino Redevelopment.

MILESTONES

Commenced work on Airport Link, Northern Busway and Airport Roundabout Upgrade, completed the Southbank Institute of Technology, Mackay Water Recycling Project, RAAF Darwin C-17 Infrastructure Works and SkyCity Casino Redevelopment, awarded the Tanami Road and Plenty Highway Upgrade Project.



> Adam Kinder and Des Bullock, Abbot Point Coal Terminal Expansion, Queensland

< **HERITAGE** “OUR REPUTATION AS INDUSTRY LEADERS HAS BEEN BUILT AROUND OUR COMMITMENT TO EXCELLENCE IN PROJECT DELIVERY, OUR ABILITY TO LEVERAGE THE NICHE SKILLS WITHIN OUR BUSINESS AND THE ABSOLUTE COMMITMENT OF ALL OF OUR PEOPLE TO DELIVERING INNOVATIVE SOLUTIONS FOR OUR CLIENTS.”

> **HORIZONS** “MANAGEMENT OF POPULATION GROWTH AND THE DELIVERY OF SUPPORTING INFRASTRUCTURE, TOGETHER WITH WORLD DEMAND FOR AUSTRALIAN RESOURCES WILL CONTINUE TO CREATE NEW OPPORTUNITIES ACROSS THE NORTHERN REGION.”



John Holland’s Northern Region has continued its recent strong growth through 2008-2009. Building on the strength of our relationships with our internal business partners, we have successfully delivered major infrastructure projects across Queensland and the Northern Territory, continuing to enhance our reputation in the areas of building, civil and engineering construction.

It has been particularly pleasing to see ongoing growth in the number of projects being delivered by internal joint ventures and the consistently high quality delivery outcomes being achieved. John Holland’s unique delivery model enables the seamless integration of niche construction skills on challenging projects. Through our work with our colleagues in our specialist businesses of Rail, Tunnelling, Water and Energy & Resources we continue to build our business and deliver value-for-money solutions for all our clients.

The completion of the Brisbane Water Enviro Alliance, Mackay Water Recycling Project and the Dalrymple Bay Coal Terminal 7X Project are all examples of this. After a program of works lasting more than six years, the Brisbane Water Enviro Alliance was brought to a close, having successfully upgraded four wastewater treatment plants and delivering a new water reclamation plant. The alliance, delivered with Brisbane City Council and our specialist Water business, received the 2008 National Project of the Year Award from the Australian Institute of Project Management. Additionally, the Mackay Water Recycling Project was completed after achieving significant environmental and community performance targets and the Dalrymple Bay Coal Terminal 7X Project was completed and commissioned after three years of works with our colleagues in Energy & Resources.

Our civil construction teams have also performed well throughout the year, consolidating our reputation as a major player in the delivery of road and rail infrastructure. On the Horizon Alliance, the delivery of the first stage of the \$800 million Darra to Springfield Transport Corridor Project has progressed extremely well. As the first major integrated road and rail project being delivered in Queensland, the alliance is another example of the benefits of John Holland’s collaborative delivery model.

Works on the \$4.8 billion Airport Link, Northern Busway and Airport Roundabout Upgrade projects have accelerated throughout the year. With the establishment of four main construction sites and the commencement of major tunnelling works, Australia’s largest infrastructure project is on track for completion in 2012. Finally, the Gold Coast Desalination Plant commenced supply of drinking water to

> SkyCity Casino Redevelopment, Northern Territory (left and top right)
> Airport Link Project, Queensland (bottom right)



the South East Queensland Water Grid, having entered the final commissioning stage through the first half of the year. The plant, which was named the 2009 Membrane Desalination Plant of the Year at the International Desalination Association's Global Water Awards, is supplying 133 megalitres of water per day in support of the government's objective of drought-proofing this rapidly growing population centre. The plant will be finally handed over in 2010, with the alliance continuing in an operating capacity.

The year has also been notable for the continued success of our building teams. The Southbank Institute of Technology, Queensland's first Public Private Partnership, was formally handed over to our client in the second half of 2008 and has since been formally recognised in numerous industry award categories, including two awards at the Australian Institute of Project Management's 2009 Queensland Project Management Achievement Awards. Such

acknowledgement reflects the team's outstanding performance across all areas of the project throughout its duration.

Construction works were also successfully completed early in 2008 on the RAAF Darwin C-17 Infrastructure Works Project, while similar works continue at RAAF Base Amberley, consolidating our strong relationship with the Department of Defence. We also commenced work on several projects related to the Enoggera Base Redevelopment, including planning for the \$600 million Enhanced Land Force Phase 2B program.

In the Northern Territory, the \$25 million redevelopment of SkyCity Casino was completed, highlighting our ability to work within complex delivery environments. The casino remained operational throughout the delivery of these major upgrade works. John Holland has a proud history in the Northern Territory and this part of our business remains a major focus.

Over the last three years, John Holland's Northern Region has achieved a dramatic increase in turnover and is one of the leading building, civil and engineering contractors in north-eastern Australia. This growth has been built around our commitment to excellence in project delivery, our ability to leverage the niche skills within our business and the absolute commitment of all our people to delivering innovative solutions for our clients. Despite the uncertainty created by global financial markets, we are focused on achieving sustainable growth in the years ahead. New opportunities are emerging through increased public spending in sectors such as transport and defence, and we look forward to the opportunity to apply the strength and diversity of our business to new private sector investment in the resources sector.

I congratulate all of our teams for their significant efforts over the last 12 months.



SOUTHERN REGION

> Melbourne Airport Terminal Two Expansion Project, Victoria

GENERAL MANAGER

David Moran

REVENUE

\$432 million

KEY PROJECTS

Albury Wodonga Bypass Project, Laverton Rail Upgrade, Melbourne Main Sewer Replacement Project, Melbourne Airport Terminal Two Expansion and Car Park Project, Northern Sewerage Project, Sugarloaf Pipeline Project, UTas Co-location Project, West Gate Bridge Strengthening Project.

MILESTONES

Completed the Clifton Hill Rail Project and the Eastern Treatment Plant Odour Control Project, commenced work on Barwon Water's Capital Works Program Alliance, Springvale Road Rail Separation Project, Urbanest Student Accommodation Project, Brighton Bypass Project and Northern Hospital Project.



> Jeremy Wee and Justin Balasa, Melbourne Airport Terminal Two Expansion Project, Victoria

< HERITAGE “THE SUBSTANTIAL INCREASE IN OUR REGIONAL CAPABILITY AS A RESULT OF EASTLINK GIVES THE BUSINESS A DISTINCT PEOPLE ADVANTAGE THAT POSITIONS US FOR STRONG CONTINUED GROWTH.”

> HORIZONS “OUR VISION IS TO HARNESS THE DEPTH OF OUR SKILLS AND EXPERIENCE AND THE DIVERSITY OF OUR SERVICES TO BE THE PARTNER OF CHOICE FOR CLIENTS IN SOUTHERN AUSTRALIA.”



It has been another significant year of growth for John Holland’s Southern Region. In 2008-2009, we have continued to cement our position as a leading contractor in Victoria with the delivery of a number of diverse and complex projects. The business also further expanded its footprint into Tasmania and South Australia with the award and commencement of a number of new projects.

In close partnership with our National Specialist businesses and Melbourne Water, we worked on the delivery of a range of critical water infrastructure projects. Most significantly, the \$625 million Sugarloaf Pipeline Project linking the Goulburn River to the Sugarloaf Reservoir in outer Melbourne moved forward successfully. The technically complex Northern Sewerage and

Melbourne Main Sewer Replacement projects were also advanced throughout the year in partnership with both Melbourne Water and Yarra Valley Water. At Melbourne Water’s Eastern Treatment Plant, we successfully completed the Odour Control Project.

Works also commenced on a number of water infrastructure upgrade projects for the City of Greater Geelong through the Barwon Water Capital Works Program Alliance and the Barwon Water Northern Water Plant. These new projects have cemented our strong ongoing relationship with John Holland’s Water business.

With the country’s largest transport program being steadily rolled out in Victoria, we partnered with VicRoads on the West Gate Bridge Strengthening Project. We also worked closely with



> Melbourne Airport Terminal Two Expansion Project, Victoria (left)
> Sugarloaf Pipeline Project, Victoria (right)



VicRoads and John Holland's Rail business on the commencement of grade separation works on one of Melbourne's most lamented traffic bottlenecks, the Springvale Road rail crossing. This project is expected to be completed early in 2010.

Southern Region also broadened its presence in Tasmania, capitalising on John Holland's strong track record in that state for successful project delivery in partnership with our clients. We continued work on the University of Tasmania's new futuristic medical research facilities as part of the UTas Co-location Project, while works also commenced on the Brighton Bypass Project and the Waddamana to Lindisfarne Transmission Line Project with our colleagues in John Holland's Power business. Our long-term

commitment to the Tasmanian market was underscored with the establishment of a Hobart office.

On the back of our strong relationship with student accommodation developer Urbanest on the Southbank Student Village Project in Brisbane, we negotiated and commenced the construction of Urbanest's next major project – a new purpose built student accommodation facility at 140 North Terrace in Adelaide. South Australia continues to present a growing number of opportunities for John Holland and remains a strong focus as we move ahead.

With a significant number of civil and building projects in hand, Southern Region's revenue is now greater than that generated during the delivery of the award-winning EastLink Project.

We expect our strong performance to continue over the coming year as a range of opportunities come to market which align to our unique capabilities and strong relationships, particularly in the road, rail and water sectors. We will also be sharpening our focus on the growing health sector, responding to the increasing public investment in this area and drawing on our strong national capability for delivering technically complex projects.



NSW/ACT REGION

> National Portrait Gallery, Australian Capital Territory

GENERAL MANAGER

Rob Monaci

REVENUE

\$430 million

KEY PROJECTS

Bathurst Base Hospital Redevelopment, Bulk Water Alliance, City of Dreams, Energy Australia Stadium Stage 3 Project, National Portrait Gallery, Reliance Rail Project, Sydney Desalination Plant, Sydney Opera House Accessibility and Western Foyers Project.

MILESTONES

Completed tunnelling and marine works on Sydney Desalination Plant, commenced work on Bulk Water Alliance in ACT and Maitland to Whittingham Third Road Alliance in NSW, National Portrait Gallery named Project of the Year at the 2009 ACT Master Builders Excellence in Building Awards.



> Bathurst Base Hospital Redevelopment, New South Wales

< HERITAGE "OUR REPUTATION HAS BEEN BUILT ON THE QUALITY OF OUR PEOPLE, THE STRENGTH OF OUR RELATIONSHIPS WITH INTERNAL PARTNERS AND OUR COMMITMENT TO EXCELLENCE IN PROJECT DELIVERY."

> HORIZONS "THE DEVELOPMENT OF EXISTING AND NEW BUSINESS PARTNERSHIPS WILL CONTINUE TO DRIVE BUSINESS GROWTH AND HELP ENSURE EFFICIENT PROJECT DELIVERY OUTCOMES FOR OUR CLIENTS."



2008-2009 has been another successful year for John Holland in New South Wales and the ACT. Excellence in project delivery across our civil and building operations has been the highlight for the year as we move forward with strong prospects for growth.

Tunnelling and marine works were successfully completed this year for the region's largest infrastructure project, the \$1.1 billion Sydney Desalination Plant. Tunnelling crews finished ahead of schedule, recording 350,000 hours with no Lost Time Injury (LTI), while marine works were completed in highly challenging sea conditions off the Botany coast. In partnership with Veolia, the project is due for completion in January 2010.

Work commenced on the Bulk Water Alliance Scheme for ACTEW in Canberra at the Googong Dam Spillway and the Cotter Pumping Station, with further works recently secured for the \$299 million Enlarged Cotter Dam Project.

The Reliance Rail Project at Auburn nears successful completion, while the Cronulla Rail Line Duplication Alliance in the Sutherland Shire completed a major one month track possession and is forging ahead for completion early next year.

Strong relationships with our partners in John Holland's Rail and Water businesses have seen the Region secure new civil works on the Maitland to Minimbah Rail Upgrade near Newcastle and the Priority Sewerage Program Extension in western Sydney.

John Holland's building operation also reached several major milestones, with the completion of the prestigious new National Portrait Gallery in Canberra and the \$2.2 billion City of Dreams Project in Macau. This major international development saw in excess of \$100 million turnover per month and employed over 8,000 workers. The National Portrait Gallery was judged the 2009 Master Builders Association ACT Project of the Year.

Our high-profile work undertaking the Accessibility and Western Foyers Project at Sydney's iconic Opera House provided a unique opportunity to demonstrate our ability to deliver challenging construction works to

- > Reliance Rail Project, New South Wales (top left)
- > Michael Wylie, Bathurst Base Hospital Redevelopment, New South Wales (top right)
- > Luis Gonclaves and Jason Vella, Sydney Desalination Plant (bottom right)



the highest standards while retaining ongoing access to a major public venue.

John Holland has also continued its strong record of delivery excellence in the health and defence sectors. The Bathurst Hospital Redevelopment was completed in 38 months with 600,000 man hours recorded with no LTIs, while new contracts were secured for Kapooka ELF (Enhanced Land Force) and Singleton ELF. The Newcastle office also secured contracts for the Knauff Glass Wool Factory and the Energy Australia Stadium Stage 3 Project.

With regard to people and safety, the NSW/ACT Region has played a significant role in the development of the Safety, Quality and Environment Risk

Management Program which is aimed at empowering our staff, workforce and contractors to identify and address risks in the workplace. The program will be rolled out progressively across John Holland's business in the coming year.

As we continue to move forward, our reputation as a company that can deliver the most complex infrastructure projects will continue to serve us well. The challenge will be to remain agile and dynamic to meet changing business and market needs.

Our long-term goal is to be an organisation where employees are inspired to excel and where our clients can expect innovative and value for money construction solutions.





WESTERN REGION

> State Theatre Centre of Western Australia

GENERAL MANAGER

Adam Harry

REVENUE

\$315 million

KEY PROJECTS

Central Law Courts Refurbishment, Hollywood Private Hospital Redevelopment, Mesa A Rail Bridge Project, Pluto LNG Process Buildings, Qantas Domestic Terminal Interim Expansion Works, RAAF Base Pearce Redevelopment Stage 1, Rapid Growth Project 4 (Newman Hub), State Theatre Centre of Western Australia, Yule River Rail Bridge Project.

MILESTONES

Completed Yule River Rail Bridge Project and Mesa A Rail Bridge Project, commenced work on Pluto LNG Process Buildings and RAAF Base Pearce Redevelopment Stage 1, appointed to deliver Devil Creek Development Project.



> Travis Gaspar, Qantas Domestic Terminal Interim Expansion Works, Western Australia

< HERITAGE “WESTERN REGION HAS RECORDED ITS STRONGEST RESULT EVER IN 2008-2009, IN TERMS OF HIGHEST TURNOVER AND PROFIT AND GREATEST NUMBER OF PROFESSIONAL STAFF EMPLOYED.”

> HORIZONS “TO ENSURE SUSTAINABILITY WE HAVE STRUCTURED OUR BUSINESS TO MOST APPROPRIATELY MEET THE NEEDS OF THE DISTINCT MARKET SEGMENTS IDENTIFIED WITHIN THE BUILDING AND CIVIL ENGINEERING SECTORS IN WESTERN AUSTRALIA, OFFERING A COMPETITIVE AND TAILORED PRODUCT FOR EACH SEGMENT.”



The Western Region business continues to grow, with the Region returning its strongest financial result on record in 2008-2009. The Region's strategic approach to managed growth and focus on re-establishing its position in the West Australian market with tier one clients has now created a platform for sustained growth going forward. With a strong operational focus, the Region has been successful in establishing robust client partnerships, based on proven performance and delivery.

A significant project highlight during the past year has been the rise from the ground of the landmark State Theatre Centre of Western Australia building, currently under construction for the State Government. This building represents a world-class addition to

the city of Perth and, when complete, will showcase the excellence of design and construction skills and capabilities available in Western Australia. The building's foundations are 6.5metres below ground level, with the stringent requirements for acoustic isolation further compounding the complexity of the construction process. The theatre is due for completion in 2010.

Other construction projects due for completion in the coming 12 months include the further redevelopment of Hollywood Private Hospital, the expansion works to the Qantas Domestic Terminal at Perth Airport and the refurbishment of the Central Law Courts building in the Perth CBD. The works at Hollywood represent the culmination of more than 10 years of works undertaken by John Holland

on the Hollywood site, spanning a number of complicated, multi-staged refurbishment and construction projects undertaken within a demanding, operational hospital environment. John Holland's proven capability to deliver for client Ramsay Health Care has seen the recent award of the \$322 million redevelopment of Joondalup Health Campus for Ramsay Health Care and the State Government, a project that will further reinforce the Region's exceptional delivery capabilities within the specialised health sector.

The \$154 million redevelopment of RAAF Base Pearce further establishes John Holland's ongoing partnership with the Australian Department of Defence. This multi-faceted building and engineering services project represents the first major works to be undertaken



> Qantas Domestic Terminal Interim Expansion Works, Western Australia (left)
 > Germaine Roy, Pluto LNG Process Buildings, Western Australia (right)



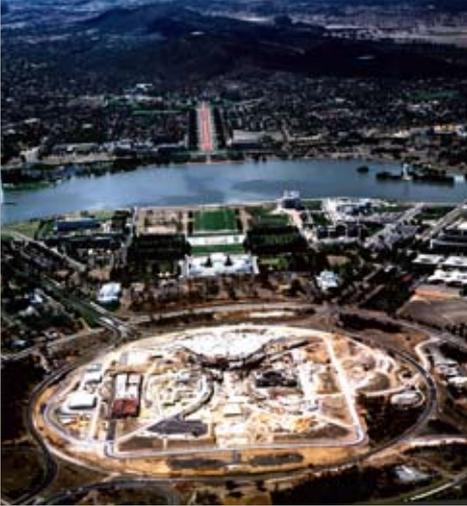
at the 75-year-old Base for many years. The redevelopment, scheduled for completion by early 2011, combines new construction and refurbishment works to enhance the Base's operational capability, reduce operational costs and improve the overall environment.

North-west resource projects completed in 2008-2009 include the award-winning Yule River Rail Bridge project for BHP Billiton Iron Ore, completed on time within a very tight schedule, and Rio Tinto's Mesa A Rail Bridge. The successful completion of these infrastructure development works for key resource clients has further established John Holland as a bridge construction specialist in the north-west. Other north-west resource projects due for completion in the second half of 2009 include the construction of

the substation and field auxiliary room buildings for Woodside's Pluto Liquefied Natural Gas Project on the Burrup Peninsula and the completion of Rapid Growth Project 4, Newman Hub, for BHP Billiton Iron Ore. The recent award of Apache Energy Limited's Devil Creek Development Project for the construction of a new \$160 million onshore gas plant in the Pilbara region will see John Holland's continual presence in Western Australia's north-west infrastructure expansion works within the oil and gas and resources sectors. This project, undertaken jointly between the Western Region and John Holland's Energy & Resources business, highlights the company's unique ability to integrate highly specialised construction services with complex civil works, presented in a single integrated package.

Continuing the Region's successful delivery of key construction projects for the Western Australian State Government, John Holland has been awarded a significant share of the metropolitan area works allocated by the Government for the federally funded 'Building the Education Revolution' program. The works, representing a total contract value of around \$200 million, will see the construction and refurbishment of major infrastructure, including libraries and multi-purpose halls, at State primary schools across Western Australia. This vital construction program, providing improved education facilities for the next generation of young West Australians, will be completed early 2011 under very tight construction deadlines.

OUR HERITAGE



PARLIAMENT HOUSE

Australian Capital Territory, 1988

John Holland was announced as the successful tenderer for the construction of Australia's New Parliament House in 1981. Officially opened by Queen Elizabeth II on 9 May 1988, the structure was designed to last for 200 years and would call for only the highest quality in materials and workmanship.

The building covers 250,000 square metres of floor space, incorporates 7,000 kilometres of cables and pipes and absorbs 210,000 cubic metres of concrete. The curved granite walls are 460 metres long and 27 metres high at their peak. The walls were constructed using 23,000 separate slabs of granite, a process which took over two years to complete.

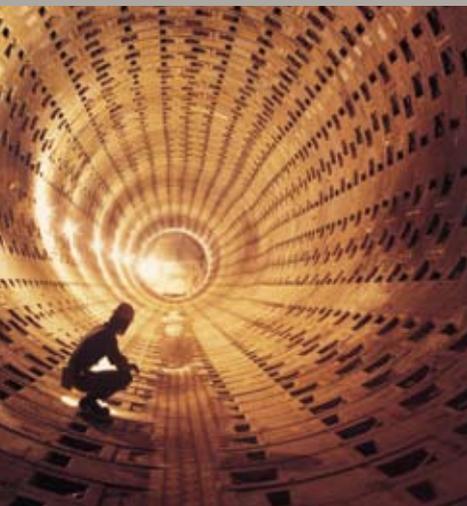


SOUTH-EASTERN FREEWAY

Victoria, 1961

The South-Eastern Freeway was the first freeway to be built in Victoria and one of the first in Australia. Works commenced in 1959 and were completed three months ahead of schedule in mid 1961.

Running along the northern banks of the Yarra River, the project utilised a 90-foot pile driving rig and a 20 tonne Coles Mobile Crane, the first of its kind to be used in Victoria. Prestressed concrete piles, 75 feet long and weighing six tonnes each, and prestressed concrete beams of 80 feet in length were used for the Morshead Overpass.



MELBOURNE UNDERGROUND RAIL LOOP

Victoria, 1978

John Holland was involved with the construction of the Melbourne Underground Railway from 1973 to its completion in 1982. During this period, the company completed 13 contracts valued at \$56 million.

A major contract for the construction of tunnels between Museum (Melbourne Central) and Flagstaff stations was awarded in early 1976. The project marked the company's first use of roadheader excavators. After encountering challenging ground conditions and significant levels of underground water, the project was successfully completed in 1978.

OUR HORIZONS

NATIONAL PORTRAIT GALLERY

Australian Capital Territory, 2008

Twenty years after the opening of Parliament House, Prime Minister Kevin Rudd opened the new National Portrait Gallery in Canberra in December 2008. The \$87 million, 14,000 square metre structure provides a dedicated home for the nation's 450-portrait collection in a world-class building.

John Holland was involved in the design, construction and commissioning, providing the highest quality materials, finishes and workmanship. The National Portrait Gallery was named Project of the Year at the 2009 ACT Master Builders Excellence in Building Awards.



AIRPORT LINK

Queensland, 2009

The \$4.8 billion Airport Link, Northern Busway (Windsor to Kedron) and Airport Roundabout Upgrade Project is the largest infrastructure project ever to be undertaken in Australia. The design and construction of this integrated transport solution, within the densely populated environment of the inner-city and northern suburbs of Brisbane, represents one of the most challenging engineering feats in Queensland's history.

25 bridges and 15 kilometres of tunnelling will be completed as part of the project. Seven kilometres of new road will be constructed. The Airport Link and Northern Busway (Windsor to Kedron) projects are scheduled for completion in mid 2012, with the Airport Roundabout Upgrade to be completed in late-2011.



SYDNEY DESALINATION PLANT

New South Wales, 2009

Tunnelling and marine works were successfully completed on the \$1.1 billion Sydney Desalination Plant in mid 2009. The two 2.5 kilometre tunnels that connect the desalination plant to intake and outlet structures in the ocean have an excavated diameter of 3.4 metres.

Two 140 metre long Herrenknecht tunnel boring machines excavated, grouted and lined the tunnels. In total, the two TBMs installed 22,800 segments, each weighing 1.2 tonnes, with the team removing 70,000 cubic metres of rock and spoil. Working 23 metres below the sea bed, the works were completed one month ahead of schedule.



OUR HERITAGE



PORT LATTA SHIPLOADING FACILITY

Tasmania, 1968

The Port Latta Shiploading Facility was awarded to a John Holland-led joint venture in April 1966. The location, at the western end of Bass Strait, was on an exposed coastline with no protection from notorious storms. Requiring the construction of a shiploading head 1,800 metres offshore, the project was regarded as the most difficult marine construction task ever undertaken in Australia.

The construction methods used on the project included large scale prefabrication of structures, the precision placement of 200 tonne units from floating equipment and the installation of large diameter piles using new rock drilling techniques. Such processes were unique in Australia and set the standard for many future marine projects. Despite losing almost 50 per cent of work time to difficult sea conditions, the project was successfully completed in March 1968.



THE SIDNEY MYER MUSIC BOWL

Victoria, 1958

The Sidney Myer Music Bowl was donated to the City of Melbourne by the Sidney Myer Charity Trust. The first major cable supported structure of its kind to be built in Australia, John Holland was appointed to deliver the project in January 1958.

The project was one of the most challenging to be delivered in the late 1950s. The erection of the main cable, five inches in diameter, and the fibreglass-clad, 70 feet tall steel columns called for precise engineering, as did the erection of the secondary cables. They were tensioned as the main anchorage behind the stage. The Sidney Myer Music Bowl was opened by Prime Minister Sir Robert Menzies on 12 February 1959.



JINDABYNE PUMPING STATION

New South Wales, 1968

Successful from a field of four invited tenderers, John Holland delivered the \$5 million Jindabyne Pumping Station as part of the Snowy Mountains Scheme. Notice to proceed was issued on 25 February 1966 with practical completion required on 1 August 1968.

Construction demanded some measure of every single civil engineering skill required for a hydroelectric project, including river diversion, channel excavation in rock, rockfill embankment and tunnel and shaft excavation in rock. The project was completed two months ahead of schedule in June 1968.

OUR HORIZONS

DALRYMPLE BAY COAL TERMINAL

Queensland, 2009

The Dalrymple Bay Coal Terminal 7X Project was completed in June 2009. Over three years, some 400 employees and subcontractors were engaged in the construction of the 3.8 kilometre jetty, new berth and associated conveyor systems. In total, John Holland installed 441 piles, 252 headstocks, 190 conveyor galleries and 1,642 precast deck units.

The \$380 million coal terminal expansion was delivered on behalf of the Ports Corporation of Queensland and will boost the terminal's capacity to 85 million tonnes per annum.



STATE THEATRE CENTRE OF WESTERN AUSTRALIA

Western Australia, 2009

The landmark State Theatre Centre of Western Australia is currently under construction for the State Government of Western Australia. The building represents a world-class addition to the city of Perth and, when complete, will showcase the excellence of design and construction skills available in Western Australia.

The building's foundations are 6.5 metres below ground level, with the stringent requirements for acoustic isolation further compounding the complexity of the construction process. The new venue will feature a 575-seat main theatre and a 200-seat flexible performance studio theatre, with associated rehearsal spaces and an outdoor multi-purpose space. The theatre is due for completion in 2010.



SUGARLOAF PIPELINE

Victoria, 2009

When completed in 2010, the 70 kilometre Sugarloaf Pipeline will link Goulburn River to Melbourne's Sugarloaf Reservoir. John Holland is constructing most of it using open cut and trenching methods, but the steep land of the Toolangi State Forest required a tunnel.

Faced with boring through hard rock, silt clay and boulders, the tunnelling team selected a German Tunnel Boring Machine (TBM) with a hard rock head. The machine jacks precast concrete pipes along the tunnel behind the TBM as excavation proceeds. At 826 metres, this is the second longest pipejack tunnel completed in Australia.



NATIONAL SPECIALIST BUSINESS OVERVIEW



It has been another year of milestones for John Holland's National Specialist businesses. With record work in hand and the achievement of a number of significant project delivery goals, over the last 12 months we have consolidated our relationship with our Regional business partners and are positioned well for growth. The coming year will bring an expansion of our core capabilities and a renewed focus on emerging business opportunities outside Australia.

The year has been punctuated by a series of project delivery milestones. The successful completion of complex tunnelling works on the Sydney Desalination Plant and Sugarloaf Pipeline Project has highlighted the scope of our capabilities in water and tunnelling. Moreover, the Nebo to Strathmore Transmission Line Project and the completion of the Dalrymple

Bay Coal Terminal expansion, along with the successful transition of mining operations at Blackwater Coal Mine, have demonstrated our broader commitment to excellence in project delivery.

Our relationship with our Regional business partners has also been consolidated. Throughout the year we have cultivated a greater understanding of John Holland's delivery model both inside and outside the business. This has helped crystallise the value that this model brings to clients looking to undertake complex construction projects. The Gold Coast Desalination Plant, Mackay Water Recycling Project, Brisbane Water Enviro Alliance and West Gate Bridge Strengthening Project are all good examples of Regional and Specialist businesses working collaboratively to create positive outcomes for our clients.

With regard to specific business achievements, our Water business has had another successful year, reflecting a position of market leadership in Australia. In addition to the project delivery milestones highlighted above, the business has achieved a number of new business wins and continued its strong record of performance in alliance contracting. In NSW, the work of the longstanding Priority Sewerage Program Alliance has been extended while the business has recently commenced new work as part of the Bulk Water Alliance in the ACT and the Barwon Water Alliance in Victoria.

Our Tunnelling business has also consolidated its position as a market leader. Having commissioned seven tunnel boring machines in the last 15 months and 29 roadheaders over the last three years, the business

> Airport Link Project, Queensland (top left)
 > Abbot Point Coal Terminal Expansion, Queensland (bottom left)



“THE COMING YEAR
 WILL BRING AN
 EXPANSION OF OUR
 CORE CAPABILITIES AND
 A RENEWED FOCUS ON
 EMERGING BUSINESS
 OPPORTUNITIES
 OUTSIDE AUSTRALIA.”

continues to demonstrate an ability to deliver innovative tunnelling solutions in challenging underground environments. In the last 12 months the business has also consolidated its reputation across a diverse range of tunnelling delivery methodologies, as highlighted in the recent delivery of an 826 metre pipejack tunnel on the Sugarloaf Pipeline Project.

Elsewhere, our SMP business has recently been rebranded as John Holland Energy & Resources, reflecting its established skills delivering capacity expansion projects in the resources sector and experience delivering highly technical processing facilities. Looking ahead, Energy & Resources will look to target emerging projects in the oil and gas sector, as reflected in the recent commencement of work on the Devil Creek Development Project for Apache Energy in Western Australia.

Finally, our Mining and Power businesses have had another successful year in both project delivery and in new work won. After a successful handover of operations at Blackwater Coal Mine, our Mining business has recently commenced work on a full service mining contract at Isaac Plains Coal Mine in Queensland's Bowen Basin. This project will provide an excellent base to consolidate and further develop our mining expertise.

Meanwhile, our Power business achieved outstanding safety, environment and community engagement performance in delivering the Nebo to Strathmore Transmission Line Project and has recently commenced work on the \$71 million Waddamana to Lindisfarne Transmission Line Project in Tasmania.

John Holland's National Specialist businesses are well positioned for

growth in the coming year as we look to build on our existing strengths. A new partnership with Leighton Asia in Hong Kong will create a number of opportunities to deliver major tunnelling works associated with significant investment in new rail infrastructure. Significant opportunities to leverage our expertise in the water sector are also expected to emerge in Hong Kong.

I congratulate each of our General Managers and their staff for their contribution over the last 12 months and look forward to another successful year ahead.

A handwritten signature in black ink, appearing to read "R Cuttler".

Russell Cuttler
 Executive General Manager,
 Specialist Businesses



ENERGY & RESOURCES

> Dalrymple Bay Coal Terminal 7X Project, Queensland

GENERAL MANAGER

Brendan Petersen

REVENUE

\$464 million

KEY PROJECTS

Abbot Point Coal Terminal X50 Expansion Project, SL2 Shiploader and X25 Expansion Inloading and Conveyor Upgrades, Dalrymple Bay Coal Terminal 7X Project, Devil Creek Development Project, Efficiency and Growth Alumina Refinery Project, Rapid Growth Project 4 (Newman Hub).

MILESTONES

Completed Dalrymple Bay Coal Terminal 7X Project, appointed to deliver Devil Creek Development Project, launched oil and gas joint venture partnership with Arup, established 'G6 Safety Leadership Team.





> Brett Venturin and Paul Heal, Rapid Growth Project 4 (Newman Hub), Western Australia

< **HERITAGE** “OUR MARKET LEADERSHIP POSITION IN THE DELIVERY OF NEW EXPORT INFRASTRUCTURE PROVIDES A STRONG FOUNDATION FOR GROWTH IN THE COMING YEAR.”

> **HORIZONS** “THE DIVERSIFICATION OF OUR BUSINESS IS REFLECTED IN OUR RECENT REBRAND AND OUR MOVE TO DEVELOP COMPREHENSIVE PROJECT DELIVERY CAPABILITIES IN THE OIL AND GAS SECTOR.”



The 2008-2009 financial year was one of success and change for John Holland’s Energy & Resources business. We have consolidated our position as a market leader in the delivery of export infrastructure projects in the resources sector, increased our penetration into important markets in Western Australia and made significant steps to reposition the business for growth in the coming years. This is reflected in the successful completion of several major projects, the award of new work in Western Australia and a recent business rebrand to more accurately reflect our industry focus and delivery capabilities.

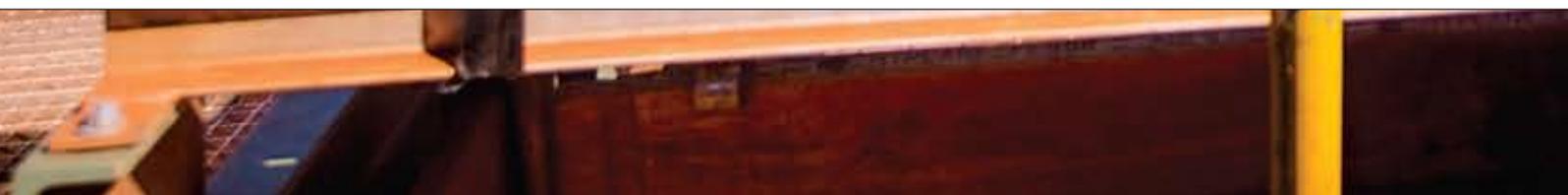
The recent rebrand of SMP as John Holland Energy & Resources represents the culmination of six months of strategic

planning, the successful integration of electrical contractor IMS Innsol into the business and our enhanced delivery capabilities. We are also setting the foundation for the business’s next stage of growth and expanded services offering. This change signifies an exciting new direction and position for our business as we build on our current success in the minerals resources sector and broaden our service offering to the oil and gas and energy sectors.

Significant steps forward have been taken over the last 12 months to position the business for new work in the oil and gas sector. In addition to our recent appointment to deliver Apache Energy’s Devil Creek Development Project in Western Australia, in July a formal partnership agreement was signed with Arup to target emerging infrastructure

projects. The agreement, combining John Holland’s capabilities in civil and marine construction with Arup’s global strength in design and engineering, harnesses our extensive past experience in the oil and gas sector and creates an integrated service offering for the delivery of major projects.

Throughout the year there have been a number of significant project delivery milestones. The \$380 million Dalrymple Bay Coal Terminal 7X Project was successfully completed and commissioned after three years of works. Almost 400 employees and subcontractors were engaged in the delivery of the new 3.8 kilometre jetty, 400 metre wharf and associated conveyor systems that will boost the terminal’s capacity to 85 million tonnes per annum.



> Abbot Point Coal Terminal Expansion, Queensland (left and bottom right)
> Efficiency and Growth Alumina Refinery Project, Queensland (top right)



Elsewhere, significant progress was made in the delivery of BHP Billiton Iron Ore's Rapid Growth Project 4 in Newman, Western Australia with completion expected in the second half of 2009. The \$280 million Abbot Point Coal Terminal X50 Expansion Project, SL2 Shiploader and X25 Expansion Inloading and Conveyor Upgrades projects on behalf of the Ports Corporation of Queensland have also moved forward, with completion expected in the first half of 2010.

Finally, Worsley Alumina's \$125 million Efficiency and Growth Alumina Refinery Project near Bunbury, Western Australia has showcased our specialist skills delivering highly technical mechanical and piping works for new refinery projects.

Over the last 12 months we have strengthened our relationships with our Regional business partners. Our work on the Dalrymple Bay Coal Terminal 7X Project in Queensland's Bowen Basin and the Devil Creek Development Project in the Pilbara region of Western Australia is testament to this. John Holland's unique ability to integrate civil and highly specialised construction teams continues to create a competitive advantage for our business. This will remain a focus as we look to bring the full scope of our construction services to bear on emerging projects in energy and resources sectors.

Finally, and most importantly, we have undertaken a comprehensive overhaul of our safety leadership program and built a safety leadership and performance

culture across all our operations. Our 'G6 Safety Leadership Team' leads the way by clearly setting behavioural and performance standards, verifying compliance and effectiveness of implementation through monthly safety valuations and ensuring effective employee engagement in all of our operations. We have made fundamental changes to the way we go about assessing and managing workplace risks through the identification and focus on our business specific high risk areas and the introduction of John Holland's new Safety, Quality and Environment Risk Management Program. We are enthusiastically approaching this coming year with the confidence that we will achieve our 'No Harm' vision.





TUNNELLING

> Airport Link Project, Queensland

**EXECUTIVE GENERAL
MANAGER**

Russell Cuttler

REVENUE

\$422 million

KEY PROJECTS

Airport Link, Northern Busway and Airport Roundabout Upgrade, Melbourne Main Sewer Replacement, Northern Sewerage Project Stages 1 and 2, Sugarloaf Pipeline Project, Sydney Desalination Plant.

MILESTONES

Completed Sydney Desalination Plant tunnelling works, launched three TBMs and completed excavation for two of the seven tunnel drives ahead of schedule on Northern Sewerage Project, launched TBM drive on Melbourne Main Sewer Replacement, launched first roadheader on Airport Link, completed second longest pipe jack tunnel drive in Australia on Sugarloaf Pipeline Project.





> Chad White and Edward Bowens, Airport Link Project, Queensland

< HERITAGE “JOHN HOLLAND HAS A LONG HISTORY OF DELIVERING SOME OF AUSTRALIA’S LANDMARK TUNNELLING PROJECTS AND THIS RECORD OF ACHIEVEMENT IS REFLECTED IN PROJECT DELIVERY PERFORMANCE TODAY.”

> HORIZONS “THE STRENGTH OF OUR EXISTING SKILL BASE PLACES US WELL TO DELIVER EMERGING MAJOR PROJECTS IN THE ROADS AND TRANSPORT SECTORS BOTH INSIDE AND OUTSIDE AUSTRALIA.”



It has been another successful 12 months for John Holland’s Tunnelling business. Throughout the 2008-2009 financial year we have continued to build the depth of our underground capabilities within our business and have enhanced our relationships with key internal and external stakeholders. We have also made significant investments to further develop our people base and extend our access to new tunnelling equipment. Through ongoing excellence in the delivery of diverse tunnelling projects, we have consolidated our reputation as one of Australia’s leading providers of innovative tunnelling solutions.

There have been numerous project milestones throughout the year. In Melbourne, Australia’s second longest pipejack tunnel drive was completed

on the Sugarloaf Pipeline Project and a three metre diameter TBM was launched in Port Melbourne as part of the Melbourne Main Sewer Replacement Project. Each of these projects demonstrates John Holland’s ability to develop innovative tunnelling solutions in technically challenging underground environments. The TBM launch on the Melbourne Main Sewer Replacement Project highlights our expertise working in soft ground conditions while the pipejack tunnel works for the Sugarloaf Pipeline Project accelerated program delivery and minimised environmental impacts.

Elsewhere, three TBMs were launched and the excavation of two drives completed during 2008-2009 on the Northern Sewerage Project in the northern suburbs of Melbourne.

Excavation of a further three tunnel drives will be completed by October 2009 with the remaining two drives to be completed by 2010. The team on the Northern Sewerage Project has performed strongly in the areas of community engagement and environment management, helping to protect and enhance the reputation of our two clients on this project.

Finally, the first roadheader was launched on the Airport Link Project in Brisbane and tunnelling works on the Sydney Desalination Plant were completed one month ahead of schedule. Two four metre diameter Herrenknecht TBMs excavated, lined and grouted the 2.5 kilometre long inlet and outlet tunnels for the new desalination plant. In total, the two TBMs installed 22,800 segments,





> Sugarloaf Pipeline Project, Victoria (left)
> Melbourne Main Sewer Replacement, Victoria (right)



each weighing 1.2 tonnes, with the team removing 70,000 cubic metres of rock and spoil from under Botany Bay. The next 12 months will see the delivery of two 12.5 metre diameter TBMs and a total of 15 roadheaders in operation on the Airport Link Project. These TBMs will be the largest ever assembled in Australia.

Throughout the year we have continued to extend our strong existing relationships with key business partners inside and outside John Holland. The consolidation of our relationship with our Regional business colleagues within John Holland has been particularly pleasing. Our ongoing growth is inextricably linked to the value our collaborative model brings to our clients. The success of this collaborative model, which allows clients to integrate

tunnelling programs with major civil construction works, is demonstrated in the scale and complexity of projects being delivered by John Holland right across Australia.

The model is also the foundation of a new partnership with our colleagues at Leighton Asia which will target emerging rail projects in Hong Kong over the coming years. The partnership, which will combine Leighton Asia's local knowledge and civil capabilities with our niche skills in tunnelling, will focus on Mass Transit Railway's planned expansion program in Hong Kong. This includes the HK\$38.7 billion Express Rail Link Project currently being tendered and the \$40.8 billion Shatin to Central Rail Link Project which will come to market in 2010-2011.

Having commissioned seven tunnel boring machines in the last 15 months and 29 roadheaders over the last three years, no other contractor in Australia has the depth of tunnelling experience that exists within John Holland. Our combined investment in new tunnelling equipment over the last five years has totalled \$400 million. Moreover, the diversity of tunnelling projects on our order book and our track record of excellence in project delivery demonstrates our ability to reliably deliver challenging works using the full scope of tunnelling methodologies. With renewed investment in new transport infrastructure across Australia and abroad, the diversity of John Holland's tunnelling skills places us well for strong growth as we look forward to another successful year ahead.



WATER

→ Sydney Desalination Plant, New South Wales

GENERAL MANAGER

Greg Taylor

REVENUE

\$328 million

KEY PROJECTS

Bulk Water Alliance, Gold Coast Desalination Alliance, Mackay Water Recycling Project, Merrimac Wastewater Treatment Plant, Murrumba Downs Advanced Water Treatment Plant and Waste Water Treatment Plant Alliance, Priority Sewerage Program Alliance, Sunset Coast Alliance, Sydney Desalination Plant.

MILESTONES

Practical completion of Gold Coast Desalination Alliance, appointed to Barwon Water's Capital Works Program Alliance, extended works contract on Priority Sewerage Program Alliance, hosted Safety, Quality and Environment Risk Management Program pilot trial.







> Steve Nash, Sunset Coast Water Alliance, Western Australia

< HERITAGE “WE HAVE A TRACK RECORD OF EXCELLENCE IN DELIVERING A DIVERSE RANGE OF WATER PROJECTS FOR A GROUP OF LONGSTANDING BUSINESS PARTNERS.”

> HORIZONS “THE FUTURE WILL PROVIDE MANY SHORT, MEDIUM AND LONG-TERM OPPORTUNITIES FOR US TO WORK WITH OUR CLIENTS TO DELIVER GREATER WATER SECURITY FOR THE PEOPLE OF AUSTRALIA.”



Over the last year, John Holland's Water business has undergone a period of consolidation and transition. We have maintained our position as one of Australia's most successful deliverers of new water infrastructure and cemented our reputation as a business partner of choice through the extension of some of our already longstanding client relationships. 2009-2010 will see a shift in our focus as we look to develop project opportunities in new areas of the water sector.

At an individual project level, we have performed well across Australia. In New South Wales, our relationship with Sydney Water continues to strengthen through works as part of the Priority Sewerage Program (PSP) Alliance and Process and Reliability/Renewals (PARR) Improvement Alliance. The PSP Alliance team has recently been awarded an

additional \$184 million worth of work and, after seven years, we are proud of the confidence Sydney Water has shown in the performance of this alliance team. Similarly, the PARR Alliance team has made significant steps forward in delivering upgrades to the North Head Sewage Treatment Plant in a challenging and restrictive work environment.

The Rouse Hill Recycled Water Plant Stage 2 Amplification was completed and commissioned during 2008-2009, passing all performance requirements during the first round of testing. This plant is one of the nation's highest quality water facilities. Likewise, our teams in Coffs Harbour have remained busy with the Coffs Harbour Infrastructure Alliance delivering and commissioning a new Recycled Water Plant and Water Treatment Plant prior to the end of the financial year.

The Sydney Desalination Plant has made enormous progress during the year. The planned flooding of the inlet and outlet tunnels has been completed in line with scheduled pre-commissioning activities and is on track for handover in 2010.

In Queensland, works have continued on the Merrimac Wastewater Treatment Plant and the Gold Coast Desalination Alliance successfully completed its first 30 day performance trial. We are committed to completing these projects over and above the expectations of our clients.

Murrumba Downs Advanced Water Treatment Plant was another positive project for our business with the facility completed and handed over to the client ahead of schedule. The second stage of our works at Murrumba Downs is currently underway and we expect similar success. This project





> Merrimac Wastewater Treatment Plant, Queensland (left)
> David Ellwood and Jason Julius, Mackay Water Recycling Project, Queensland (right)



was also home to a pilot trial rolled out as part of John Holland's new Safety, Quality and Environment Risk Management Program.

Finally in Queensland, the Mackay Water Recycling Project was opened by Prime Minister Kevin Rudd and has been held by client and community alike as an exemplary example in the field of water infrastructure delivery.

The Bulk Water Alliance was a triumphant return to the ACT for our business. This project will deliver an enlargement to the Cotter Dam, a pipeline from the Murrumbidgee River to the Googong Reservoir and an upgrade to the spillway at the Googong Dam.

In Western Australia, the Sunset Coast Alliance maintained its reputation as a noteworthy long-term partnership with the Water Corporation by gaining

extensions and additional works. To date, four Water Treatment Plants have been successfully delivered under this longstanding alliance.

Finally, in Victoria, works on the Eastern Treatment Plant have continued and the Sugarloaf Pipeline Project, linking the Goulburn River to the Sugarloaf Reservoir in Melbourne's north-east, has seen extraordinary amounts of work delivered. We also were successful in securing a role in Barwon Water's new Capital Works Program Alliance which will deliver over 100 projects under an initial four-year contract.

The last 12 months has seen John Holland's Water business continue its involvement in all of the major water security projects currently underway throughout Australia. In terms of volume and quality of work delivered, the year has been the most successful in our

history. As we look ahead, a renewed focus on emerging long-term water transfer projects, irrigation works, recycled water projects, advanced water treatment plants and major pipelines will supplement our longstanding focus on desalination, wastewater and sewerage treatment plant projects.

We will also look to renew our focus on achieving ongoing improvement in safety and quality performance. The rollout of the new Safety, Quality and Environment Risk Management Program across the wider business will help in this regard and is a positive step forward.

John Holland's success in the water sector has been driven by outstanding client relationships and excellence in project delivery. We look forward to working with our teams throughout Australia to deliver on the promise of another successful year ahead.





POWER

> Wollar to Wellington 330kV Transmission Line Project, New South Wales

GENERAL MANAGER

Robert Rabie

REVENUE

\$115 million

KEY PROJECTS

Nebo to Strathmore 275kV Transmission Line Project, Network Interconnection Works for West Pilbara Power Project, Strathmore to Ross 275kV Transmission Line Project, Waddamana to Lindisfarne 220kV Transmission Line Project, Wollar to Wellington 330kV Transmission Line Project.

MILESTONES

Completed Nebo to Strathmore and Nebo to Broadsound Transmission Line Project for Powerlink, achieved significant geographic growth with projects in four states, undertook first substation project in Western Australia.



> Wollar to Wellington 330kV Transmission Line Project, New South Wales

< **HERITAGE** “WE HAVE CONSOLIDATED OUR STRENGTH IN THE TRANSMISSION LINE MARKET AND HAVE PROVEN OUR ABILITY TO DELIVER FOR OUR CLIENTS.”

> **HORIZONS** “RENEWABLE ENERGY AND POWER GENERATION ARE THE FUTURE OF OUR BUSINESS. WE HAVE THE PARTNERS, THE PEOPLE AND THE PROJECT DELIVERY EXPERIENCE TO BE ABLE TO TAKE ADVANTAGE OF THIS SHIFT IN OUR INDUSTRY.”

John Holland’s Power business experienced considerable growth during 2008-2009. The year saw a broadening in our range of capabilities, the establishment of firmer structures around our procurement, delivery and support processes, and our expansion into the substation and power generation sectors. Topping off this success were some major project wins that now sees us with a project presence in NSW, Western Australia, Queensland and Tasmania.

Our business remains focused on three core areas: transmission lines, substations, and power generation projects, including both conventional and renewable technologies. In the last year, we have worked hard to build our capabilities in each of these areas. While transmission works still remain central to

our business, we have established a capability in the power generation area and are well placed to take advantage of some of the renewable energy opportunities emerging in the power sector.

The year has seen continued success in the delivery of a range of projects. Transmission work with Powerlink in Queensland has seen the successful delivery of a range of projects including Nebo to Strathmore and Nebo to Broadsound, which were both completed during the last 12 months. Work has also started on the Ross to Strathmore line. The successful delivery of these projects speaks volumes of our team’s commitment to excellence in project delivery. Further, our works on the Wollar to Wellington 330kV Transmission Line Project and the Waddamana to Lindisfarne

220kV Transmission Line Project are both progressing well in very different, although equally challenging, environments.

The next two to three years will be a transitional period for the whole power industry. As the sector begins to move towards renewable energy we must continue to consolidate our foothold in these emerging markets and maintain our growth in the traditional generation market. There are huge opportunities for businesses which can deliver proven cost effectiveness and efficient solutions in these sectors and there is no doubt that this will be the future of our industry.

Our key focus will be on increasing our diversity, a goal that is strongly supported by our internal business partners. The broader John Holland business provides a unique range of skill-sets that few of our competitors

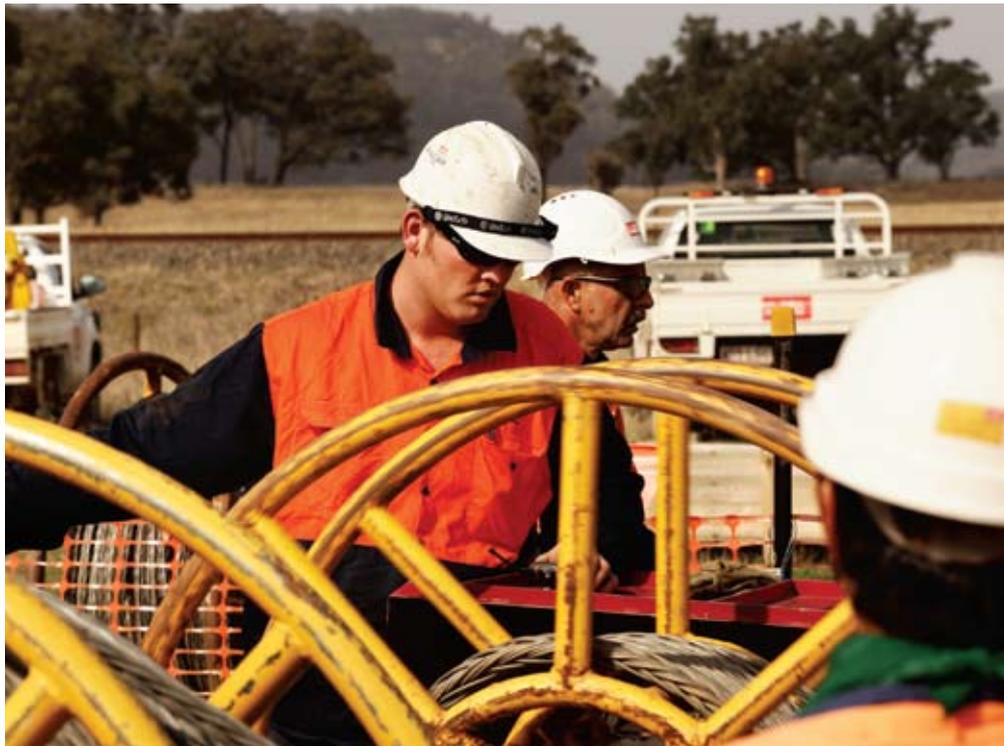


> Hamid Bajrami and Rowel Miranda, Wollar to Wellington 330kV Transmission Line Project, New South Wales (top right)
> Aden Ellem and Jimmy Woods, Wollar to Wellington 330kV Transmission Line Project, New South Wales (bottom right)



can boast. Specifically, our relationship with our Regional businesses enables us to provide clients with a complete multi-disciplined construction service for power station and renewable energy projects.

The last 12 months has seen our business continue its growth in the delivery of transmission line projects whilst creating a presence in the generation market. The next 12 months will see us maintain our focus on these two areas, while taking advantage of increasing investment in the sustainable energy market. It is an exciting time for our industry and our broad skill set, technical knowledge, experienced teams, focus on quality and proven project delivery ability will see us well placed to take advantage of this growth.





MINING



> Isaac Plains Coal Mine, Queensland

GENERAL MANAGER

Rob Monaci

REVENUE

\$102 million

KEY PROJECTS

Blackwater Mine – BMA,
Isaac Plains Coal Mine
– Isaac Plains Coal
Management Pty Ltd.

MILESTONES

Successfully decommissioned equipment at Blackwater Mine, selected as preferred contractor for 33-month mine operations contract at Isaac Plains Coal Mine, made \$55 million investment in new equipment, improved performance in safety and risk management.

> Blackwater Mine, Queensland

< **HERITAGE** “JOHN HOLLAND’S MINING BUSINESS HAS AN ESTABLISHED HISTORY IN QUEENSLAND’S MINING SECTOR AND THIS CONTINUES TO BE A MAJOR FOCUS FOR OUR BUSINESS.”

> **HORIZONS** “OUR RESPONSIVE, CUSTOMER FOCUSED APPROACH TO CLIENT RELATIONSHIPS IS A MAJOR PART OF OUR LONG-TERM STRATEGY FOR GROWTH.”



2008-2009 has been a year of transition for John Holland's Mining business. We have improved our operational efficiency, again met important markers in our safety and risk management performance, and consolidated our business with a new mine operations contract at Isaac Plains Coal Mine.

The major highlight for the year was being selected as preferred contractor for a 33-month mine operations contract to deliver works on behalf of Isaac Plains Coal Management Pty Ltd in Central Queensland. This represents a significant milestone for the business and an important foundation from which to achieve further growth.

The new work is a great fit with the existing skills of our operational teams

and our fleet of mining equipment. John Holland's Mining business will provide full service mining operations at Isaac Plains, including clearing, topsoil stripping, drill and blast, truck excavator waste removal, coal mining, rejects haulage, dump profiling and rehabilitation works. In the first 12 months of operation, we will move approximately 26 million cubic metres of waste and 3.6 million tonnes of coal. We look forward to building a strong relationship with the client to effectively establish our systems and procedures and meet our first year performance targets.

In terms of performance there have been many highlights throughout the year. At Blackwater, we again increased productivity and service reliability, moving 30 million cubic metres of

overburden and coal in the last financial year. Our total output for the 12 months represents a 50 per cent increase on our performance last year.

This result was aided by strategic investments in new equipment to boost our efficiency and provide greater capacity. A \$55 million investment in new plant and equipment represents the largest single acquisition of new capital resources in John Holland's history. The commissioning of the Terex RH340B and Komatsu PC 4000, two important new parts of our fleet, were significant milestones and part of our long-term strategy to develop new opportunities in other parts of the resources sector.

Moreover, we successfully achieved a smooth transition during decommissioning of our operations



> Paul Naish and Chad Robertson, Isaac Plains Coal Mine, Queensland (top left)
> Blackwater Mine, Queensland (top right) > Craig Buchanan, Blackwater Mine, Queensland (bottom right)



at BMA's Blackwater Mine. Total demobilisation is expected to be completed by the end of October 2009.

With the recent consolidation of our work in Queensland, a committed workforce and a customer focused approach to service delivery, we look forward to another successful year ahead. Fundamental to this will be developing a strong relationship with Isaac Plains Coal Management Pty Ltd. As markets begin to rebound and overseas demand for Australian minerals and resources increases, we will continue to look for the right opportunities to grow our business. Part of this strategy is finding the right fit for our skills, equipment and our approach to mine management.



RAIL BUSINESS OVERVIEW



2008-2009 has been a year of far reaching success for John Holland's Rail business. We have seen a level of continued growth and buoyancy within our sector without equal. The strong position we have placed ourselves in over the last two years has meant that we have been able to take advantage of the strength in our market throughout the year, leading to successes for the business.

An increase in government stimulus spending over the last 12 months, alongside planned investment in new rail infrastructure, has provided opportunities for agile and adept businesses whilst off-setting some of the resource sector projects that have been deferred due to the economic slowdown. As a result, our team has increased by around 150 people, our forward order book has increased to

around \$2.7 billion and our revenue has increased to \$384 million. Combined with this, an additional \$1.2 billion worth of associated works has been brought into the business and is being delivered via our internal joint venture partners, a reflection of the strong internal relationships we have established with our Regional and National Specialist business colleagues.

The overarching focus of our business through the last year has been on maintaining and growing our current market share and extending our presence in new markets across Australia. I am proud to say that we now have a presence in every state and territory, with projects making up more than 50 per cent of our overall revenue alongside our established rail maintenance services. Moreover, our market penetration and broad range of projects sees us increasingly recognised as Australia's pre-eminent deliverer of rail infrastructure and rail maintenance works.

Over the last 12 months, our business has secured some major long-term contracts, from our role as part of the Metro Trains Melbourne Consortium through to our success in securing the Maitland to Whittingham Third Road Alliance. Other notable project wins included new work as part of the Springvale Road Rail Alliance and an extension of the Trackwork Services Alliance in Sydney. We have continued to develop our strong relationships with a group of tier one clients, a key focus of our business, and this is best highlighted through the celebration of a 13-year partnership with WestNet in Western Australia.

In this, John Holland's 60th year of operation, we recognise the enormous contribution our people have made to our ongoing success. Our business has grown to be one of the largest

contributors to the John Holland order book, but we remain focused on the cultural and safety philosophies from which we have grown. Our commitment to developing our people remains strong and our safe working regimes are supported by a significant training effort. Our ultimate aim is to see our approach to safety recognised as industry leading in our field.

Innovation and technology are also of importance to our business. We are continually driving our teams to bring improved technology and innovation to each of our projects and the appointment of an Engineering Innovation and Technology Manager speaks highly of our commitment on this front. Our ongoing involvement in alliances and projects next to international partners, such as the Mass Transit Railway Corporation, also means we can bring the world's best innovations to the Australian market and our continued investment in plant and equipment extends the value of our service offering.

2008-2009 has been another stellar year for John Holland's Rail business. Our teams have continued to secure more work, we have continued to deliver projects over and above the expectations of our clients and we have maintained our focus on safety, innovation and technology. In the coming year, we look forward to continuing our growth trend and building on our existing strengths. Congratulations to each and every member of the Rail business, I look forward to working with each of you through the next year to deliver more wonderful results for John Holland.

Karl Mociak
Executive General Manager, Rail

- > Maitland to Whittingham Third Road Alliance, New South Wales (top left and bottom left)
- > Springvale Road Rail Separation Project, Victoria (bottom right)



“THE OVERARCHING FOCUS OF OUR BUSINESS THROUGH THE LAST YEAR HAS BEEN ON MAINTAINING AND GROWING OUR CURRENT MARKET SHARE AND EXTENDING OUR PRESENCE IN NEW MARKETS ACROSS AUSTRALIA.”





RAIL

> Maitland to Whittingham Third Road Alliance, New South Wales

**EXECUTIVE
GENERAL MANAGER**

Karl Mociak

REVENUE

\$384 million

KEY PROJECTS

Cronulla Rail Line Duplication Alliance, Maitland to Whittingham Third Road Alliance, Metro Trains Melbourne, South Improvement Alliance, Springvale Road Rail Separation Project, Trackwork Services Alliance, WestNet Alliance.

MILESTONES

Metro Trains Melbourne Consortium appointed to run Melbourne metropolitan train network, secured further work with VicRoads, celebrated 13 year relationship with WestNet in Western Australia, established offices in every major metropolitan city in Australia, added 150 people to our team, increased turnover by over 30 per cent from 2007-2008.



> Brad Gebhardt and Jihad Chahda, Springvale Road Rail Separation Project, Victoria

< **HERITAGE** “THE CORE VALUES OF OUR BUSINESS REMAIN THE SAME – EFFECTIVE DELIVERY, SAFETY AND AN ABSOLUTE FOCUS ON THE NEEDS OF OUR CLIENTS.”

> **HORIZONS** “IT IS AN EXCITING TIME FOR THE RAIL SECTOR IN AUSTRALIA AND WE ARE WELL PLACED TO TAKE ADVANTAGE OF THE FAVOURABLE CONDITIONS WITH SIGNIFICANT ONGOING BUSINESS GROWTH.”



The last three years have been a period of significant growth for John Holland’s Rail business. The 2008-2009 year saw the team continue this trend with strong growth in terms of work in hand, turnover and team size. We are now firmly established as Australia’s premier deliverer of rail infrastructure and the vast range of contracting arrangements we are involved in highlights the sophistication of our business and our project delivery teams.

While the business has continued its unmitigated successes throughout 2008-2009, the year has also seen some reorganising to ensure we are well placed to achieve our projected growth targets. Our pre-contracts team has been expanded to react to the increased expenditure within the rail sector across

Australia and we have worked hard to consolidate our market penetration and existing customer bases while expanding our skills and diversifying our service offering.

Without doubt the biggest milestone for the business this year was securing the rights to operate the Melbourne metropolitan rail network through our involvement in the Metro Trains Melbourne Consortium. This long-term contract will see our business, alongside partners Mass Transit Railway Corporation (MTR) and United Group Rail Services Ltd, responsible for the maintenance and operation of the entire Melbourne metropolitan rail network for an initial period of eight years. It is an exciting advance for our business and one we hope to follow up by securing similar opportunities in the coming year.

> South Improvement Alliance, Victoria (left)
 > Daniel Corey and Mark Packman, Clifton Hill Rail Project, Victoria (right)



We have also had great success throughout the year securing a range of new projects and further developing a number of existing client relationships. The Maitland to Whittingham Third Road Alliance will see us again working alongside the Australian Rail Track Corporation (ARTC) to deliver a major arterial expansion for the resources sector. We have also made important progress with the Transport Infrastructure Development Corporation (TIDC) on the Cronulla Rail Line Duplication Alliance and all partners have benefited from the move to an alliance style contract.

The Springvale Road Rail Separation Project is a noteworthy follow-up to the successes of our Middleborough Road Rail Separation Alliance with VicRoads. The project has seen us working in a challenging and intense environment in

order to minimise the ongoing impact of the project on a significant part of the Melbourne transport system. This project, which we are developing in partnership with our colleagues in John Holland's Southern Region, will result in safer and more efficient travel for the 50,000 vehicles, 218 trains and 5,000 pedestrians that use the crossing every day.

Our Trackwork Services Alliance and WestNet Alliance relationships have proven two very different, but equally valuable concepts for our business. First, the Trackwork Services Alliance has seen members of our team embedded within our client's business to produce a better performance for the entire project team. Meanwhile, the WestNet Alliance has entered its 13th year of operation, highlighting the success of our long-term collaborative approach with this client. Both projects show the success we have

seen in alliance contracts and illustrate a commitment to collaboration that has resulted in commercial success for all stakeholders involved.

The 2009-2010 year presents many exciting opportunities for our business. Our reinforced structure and strategy place us in a strong position to effectively engage and develop our relationships with all our clients. We have a strong, knowledgeable and loyal team that is excited about the future of our business. Moreover, we are working in a buoyant market and governments across Australia and the world are increasingly recognising the cost effectiveness of rail infrastructure. These business conditions provide our business with a unique opportunity to maintain our high levels of growth and we look forward to another successful year ahead.

SERVICES BUSINESS OVERVIEW



It has been a year of consolidation and repositioning for John Holland's Services business. Throughout the year we have refocused our broader business offering and restructured our two individual business units to develop a targeted approach to the communications and aviation services sectors. This brought a move away from facilities maintenance through the sale of our stake in the Defence Maintenance Management shareholding as well as the handover of our responsibilities at the Mid North Coast Correctional Centre to NSW/ACT Region. This has created an exciting platform for growth in the year ahead.

There is no doubt that both our Communications and John Holland Aviation Services (JHAS) businesses

were affected by market forces during the 2008-2009 year. For Communications, this was due to a lack of spending within the wider telecommunications industry. For JHAS, this was influenced by the dramatic slowdown in the aviation industry. In both businesses we reassessed our strategic priorities and our service offering and during the latter half of the year we began to see the benefits of these new approaches. Both businesses feature strong histories in their markets and with our proven project execution, value-add capability, client focus, sophisticated offering and project management skills we are looking forward to a buoyant and exciting 2009-2010.

JHAS maintained its focus on giving our customers the best value for money in the aviation sector, whilst broadening its market capabilities. This resulted in some strong contract wins including the extension of the Tiger Airways agreement, growth in line maintenance for international airlines, exclusive support for Virgin Blue Embraer Aircraft and a line maintenance contract for Strategic Airlines across a number of cities, whilst work for Jetstar continues to grow strongly.

In the two years since the acquisition of JHAS we have seen a three-fold increase in the size of the business. We are proud of being Australia's leading independent provider of aviation maintenance services and are building momentum as we move into the new financial year.

Our Communications business has also undergone a major strategic shift, beginning with the rebranding of the business from 'Telecommunications'. Our Communications business is now focused on three market sectors of

NBN/Telco, transport systems and defence/government. We are upskilling and repositioning the business to deliver more complex, turnkey projects backed by technical and process innovation. Like JHAS, we are already seeing some major benefits in this strategy and again it bodes well for a strong upcoming year for the business.

There have also been some major successes for Communications during the last year in both its traditional and newer markets. Securing an extension of the Inter Exchange Network Project with Telstra spoke volumes of our relationship with this major industry player. Likewise, we are developing a similar collaborative relationship with Transgrid through the Communications Upgrade and Replacement Program. There is little doubt that the National Broadband Network rollout is the next major industry-wide investment and we are currently identifying and establishing partnerships to place ourselves at the forefront of the industry in anticipation of this work.

2008-2009 has been one of challenges for John Holland's Services business. However, our two businesses have an established history in collaborating with our partners to effectively deliver a wide range of projects. This approach will not waver in the coming year and we believe that this underlying strength in delivery, the quality of our people and our new strategic vision will position us well for an exciting year ahead.

David Harvey
Executive General Manager, Services

- > Rajesh Valji and Adrian Lane, Virgin Blue Heavy Maintenance Alliance, Victoria (bottom left)
- > Rapid Growth Project 4 (Newman Hub), Western Australia (bottom right)



“THROUGHOUT THE YEAR WE HAVE REFOCUSSED OUR BROADER BUSINESS OFFERING AND RESTRUCTURED OUR TWO INDIVIDUAL BUSINESS UNITS TO DEVELOP A TARGETED APPROACH TO THE COMMUNICATIONS AND AVIATION SERVICES SECTORS.”



JOHN HOLLAND AVIATION SERVICES

> Tylle Frizzell and Steve Lekkas, Jetstar Airways Overnight Maintenance, Melbourne Airport, Victoria

GENERAL MANAGER

Andrew Henderson

REVENUE

\$44 million

KEY PROJECTS

Air Pacific Heavy and Line Maintenance, Jetstar Airways Overnight Maintenance, Menzies Ground Support Equipment Maintenance, RAAF Instrument and Oxygen Contracts, Tiger Airways Comprehensive Maintenance Contract, Virgin Blue Heavy Maintenance Alliance.

MILESTONES

Secured Virgin Blue E-Jet Embraer Heavy Maintenance Contract, expanded port service coverage across Australia, finalised five year agreement with Strategic Airlines, secured new international accreditation, carried out the deepest heavy checks on B737 New Generation aircraft Australasia has seen.

< **HERITAGE** "WE CONTINUE TO BUILD ON THE SCOPE AND COVERAGE OF OUR SERVICES ACROSS AUSTRALIA, REFLECTING THE EARLY GOALS OF ANSETT AVIATION ENGINEERING SERVICES."

> **HORIZONS** "WITH OUR DEPTH OF CAPABILITIES, RESPONSIVENESS TO CLIENT NEEDS AND COMMITMENT TO THE HIGHEST LEVELS OF QUALITY, WE CONTINUE TOWARD OUR GOAL OF BEING AUSTRALIA'S LEADING PROVIDER OF AVIATION MAINTENANCE SERVICES."

John
Holland



There is no doubt that the 2008-2009 year saw John Holland Aviation Services (JHAS) dealing with difficult market trends. The aircraft maintenance repair environment was directly impacted by the global financial crisis, and our business has shown resilience in weathering this storm. In response to these market forces we have increased the depth of our offer, capability and organisational skills to create a responsive business model well placed to take advantage of the upswing in the Australian maintenance and repair sector.

Despite the economic forces within our industry, JHAS has secured a number of new and exciting contracts and partners. In the second half of 2008 we were successful in signing with Air Pacific to provide heavy maintenance services for

their fleet of Boeing B737 New Generation aircraft and Qantas Airways for heavy maintenance on some of its fleet of Boeing B737 300F freighter aircraft.

In early 2009, JHAS was awarded the contract to provide line maintenance services to Strategic Airlines' A320-200 and A330-200 aircraft in our Melbourne, Sydney and Perth facilities. We secured a 10 year contract to carry our heavy maintenance on Virgin Blue's full fleet of Embraer jets, strengthening our relationship with this major player in Australian aviation. JHAS is the dominant provider in the Asia Pacific region for Embraer maintenance.

2008-2009 has seen some difficulties for our industry, but we have not wavered from maintaining our reputation as Australia's premier fully independent maintenance and repair organisation. We have built an impressive list of

clients and contracts and are providing maintenance services to Virgin Blue, Tiger Airways, Jetstar, Air New Zealand, Singapore Airlines, Our Airline, Strategic Airlines, Qantas, AirAsia X, China Eastern, the Australian Defence Force and Menzies Aviation, amongst others.

JHAS has one of the most experienced teams of licensed aircraft maintenance engineers and one of the widest accreditation coverages in the region.

Over the last year we have seen our service offering spread throughout the major ports of Australia including Coolangatta, Adelaide, Melbourne, Sydney, Brisbane and Perth. As the maintenance repair industry begins to resurge in line with the broader financial recovery, JHAS is well positioned to improve our already enviable title as Australia's premier MRO and to exceed forecasted growth.

COMMUNICATIONS

> Rapid Growth Project 4 (Newman Hub), Western Australia

GENERAL MANAGER

Paul Gallo

KEY PROJECTS

BHP Rapid Growth Project 4 (Newman Hub), Cronulla Rail Line Duplication Alliance, NSN : VicTrack Digital Train Radio System, Telstra Inter Exchange Network WA/SA /NT 2008-2010, Transgrid Communications Upgrade and Replacement Program.

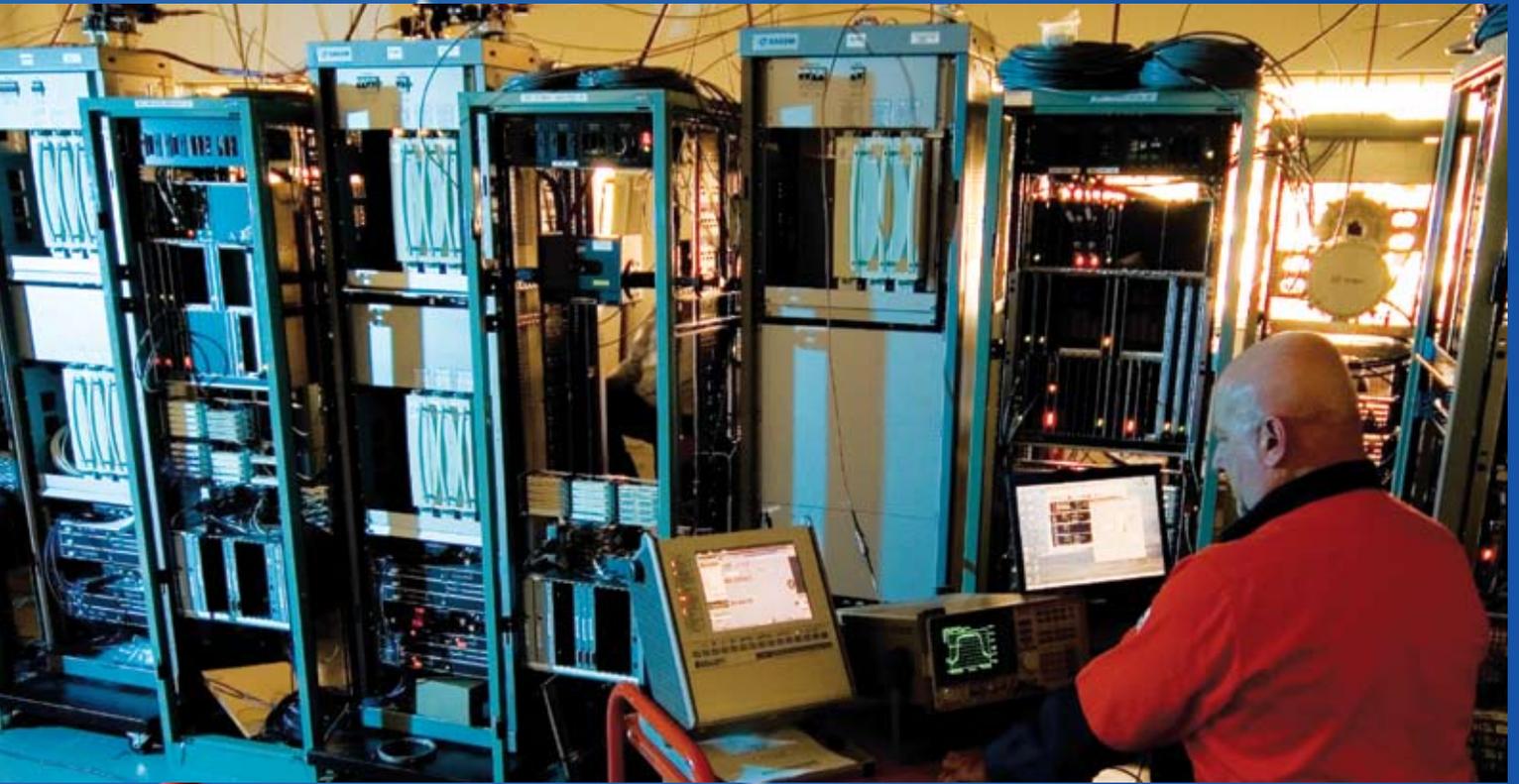
MILESTONES

Extended Telstra Inter Exchange Network contract, established relationship based delivery model with Transgrid, delivered upgrades to John Holland's information technology infrastructure, developed business partnerships for roll out of National Broadband Network, implemented fully integrated CRM system.

< HERITAGE "OUR INDUSTRY HAS REACHED A SHORT-TERM PINNACLE IN THE ROLLOUT OF WIRELESS NETWORKS ACROSS AUSTRALIA. UNLIKE MANY OF OUR COMPETITORS, WE ARE REPOSITIONING OUR BUSINESS FOR WORK THAT WILL EMERGE IN THE FUTURE."

> HORIZONS "OUR BROADENED DIVERSIFICATION, COMBINED WITH OUR FLEXIBILITY, EXPERIENCE AND FOCUS ON INNOVATION ALLOWS US TO DELIVER A WIDER RANGE OF PROJECTS TO A BROADER SET OF CLIENTS."

> Steve Greenwood, Seven Hills Cleanroom Facility, New South Wales



The 2008-2009 year has been one of transition for John Holland's Communications business. The first half of the year saw the business rebrand itself to better align with our own broadened capabilities in the NBN/Telco, transport systems and defence/government sectors, and our teams and clients have benefited from this closer alignment to our core business capabilities. Alongside this broadened offering to our clients, we have implemented our own project delivery process, significantly increasing both the fields in which we operate and the effectiveness of our business to deliver in those fields.

The rebranding of our business has occurred in parallel to our growth into new and exciting sectors. This year has seen an expansion in our

customer base, as well as a growth in our geographical profile with works ranging from Tasmania through to northern Western Australia. Our focus on the rollout of the Tasmanian National Broadband Network was confirmed with the announcement of our work with local contractor Nu Energy in its delivery of the Cambridge to Midway Point pilot project in Hobart. Our approach of partnering with local suppliers and independent selection of vendors in Tasmania allows us to bring the world's best technology and innovative solutions to this project while retaining the local knowledge of our partners.

Like many of our fellow businesses, we have seen significant benefits in strengthening long-term relationships with our clients and this continued with the extension of our Inter Exchange

Network project with Telstra. This will take the lifespan of that project to 10 years and is testament to the relationship we have with this important client. Likewise, we are well on our way to establishing a similar affiliation with Transgrid through our new, relationship based Communications Upgrade and Replacement Program.

Internally, we have placed considerable focus on up-skilling our pre-contracts and business development groups in line with our goals of expanding the range and location of our projects throughout Australia. This has seen us developing important opportunities and relationships in areas such as the National Broadband Network rollout, the most pivotal project in our sector for a number of years and a major focus for our business.

SIR JOHN HOLLAND 1914 - 2009



Born in 1914 and raised and educated at Flinders on the Mornington Peninsula, Sir John Holland attended Frankston High School before undertaking a civil engineering degree at Melbourne University.

An engineer with Commonwealth Oil Refineries just before the Second World War, in 1939 he joined the Australian Army's Engineering Corps and served in the Middle East, Greece and the South-West Pacific. Returning home after the war, Sir John worked with BP Australia until forming John Holland & Co Pty Ltd in 1949.

The company began trading on 16 May 1949, drawing heavily on the values instilled in Sir John during his service in the Second World War. Courage, initiative, fairness and leadership, along with a commitment to innovation in project delivery, became the central tenets of the business.

John Holland & Co Pty Ltd won its first major civil engineering project – the construction of a water treatment

and power station plant at Fairfield in Victoria – in 1950. Soon after, in 1956, Sir John would oversee the design and construction of the Sorell Causeway in Tasmania, the company's first venture interstate and the first major prestressed concrete bridge to be built in Australia.

In 1958 and 1959, work began on two landmark projects in Melbourne – the Sidney Myer Music Bowl and the South-Eastern Freeway. The Bowl was the first major cable-supported structure of its type to be built in Australia and was opened by Prime Minister Robert Menzies on 13 February 1959. The South-Eastern Freeway was the first freeway to be built in Australia and was completed three months ahead of schedule in mid 1961.

In 1962, the award-winning Captain Cook Bridge, linking Sans Souci and Taren Point over the Georges River in Sydney, would further advance the application of prestressed concrete technology in sophisticated bridge construction.

In 1968, the Jindabyne Pumping Station and the Talbingo Diversion Tunnel were completed as part of the Snowy Mountains Scheme. Later, in 1974, the company would play a significant role in rebuilding Darwin after Cyclone Tracy, and in 1975, Sir John was called on by then Tasmanian Premier Sir Eric Reece to rebuild the Tasman Bridge in Hobart.

In 1980, John Holland was appointed joint construction manager for Australia's new Parliament House in Canberra. The project would be one of the last Sir John would oversee in his role as Chairman of the company.

Sir John Holland retired as Chief Executive in 1975 and from the Board, as Chairman, in 1986. In 1973, he was created Knight Bachelor and was awarded an Honorary Doctorate of Engineering at Monash. He was awarded the Peter Nicol Russell Memorial Medal in 1974, the Kernot Medal in 1976, and the Consulting Engineers Advancement Society Medal in 1984. He became a Companion of the Order of Australia in 1988 and, in 1991, was appointed Honorary Fellow of The Institution of Engineers Australia. In 2001, he received the Distinguished Constructors Award from the Queensland University of Technology and the Australian Constructors Association Award for Distinguished Service. Finally, he was appointed Honorary Fellow of the Australian Academy of Technological Sciences and Engineering in 2004, a rarely awarded honour.

Sir John Holland has left an indelible mark on Australian engineering and construction. The company's major projects over the last 60 years stand as a lasting legacy to his contribution and commitment to excellence. He will be sorely missed.



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