



From the big picture

to the
smallest
detail

**John
Holland**

“To meet both the challenges and the opportunities of our markets, we have engaged in a significant reconfiguration of our business’s focus. 2011 marks year two of our five-year business plan. The plan aims squarely at building the foundations of a truly sustainable business.”

“We can be rightly proud of our many achievements during the year, while at the same time recognising that there are a number of areas where we must improve our performance.

To do this, our energy will be focused on accountable performance on all our projects and our overall business in the coming year. To ensure our success in the big picture, we continue to take the utmost care with each and every one of the smallest details.”

Glenn Palin
Group Managing Director
page 12

Contents

02	<hr/>	Our Organisation
		04 Who we are
		05 Highlights
		06 Our Board
08	<hr/>	Our Business
		10 Chairman's report
		12 Group Managing Directors's report
		14 Chief Financial Officer's report
		16 Infrastructure
		20 Energy & Resources
		24 Transport Services
		28 Operational Services, Strategic Operations and Pre-Contracts
34	<hr/>	Our Communities
		36 Our Partnerships
		40 Our People
44	<hr/>	Our Operations
		46 Northern Region
		48 NSW/ACT Region
		50 Southern Region
		52 Western Region
		54 Tunnelling
		56 Communications
		58 Water & Enviro
		60 Energy
		62 Mining
		64 Minerals & Industrial
		66 Rail Australia
		68 Rail International
		70 Aviation Services
72	<hr/>	Corporate Structure
		Company Directory

Our Organisation

The \$4.1-billion Airport Link in Queensland is a technically challenging project where John Holland has delivered work on a scale never before seen in Australia

CLEARANCE
5.0m



Who we are

John Holland, a wholly-owned subsidiary of Leighton Holdings Limited (ASX: LEI), is one of Australia's leading engineering, contracting and services providers to the infrastructure, energy and resources and transport services sectors. Operating across Australia and in New Zealand, South-East Asia and the Middle East, John Holland's business is driven by its collaborative approach to project delivery and its diversity of skills and capabilities. Its operating principles—People, Performance, Partnerships and Profit—are a key focus in the way John Holland conducts its business.

John Holland's experience covers a wide range of contracting and services capabilities, from tunnelling, communications, building and civil construction solutions in the infrastructure sector to the delivery of major water and environment, energy, mining and minerals and industrial projects in the energy and resources sector. John Holland is also a leading provider of services to the transport sector, with industry-leading skills in railway construction, operations and maintenance, aviation services and ports infrastructure and maintenance.

John Holland's strength lies in its ability to deliver diverse, complex and challenging major projects, its partnership approach to client relationships and an absolute commitment to people and their careers. John Holland has over 60 years' experience, employing some 8,000 people throughout its business operations.

Highlights



Who we are

8,000+ people on 80+ projects

Revenue

\$3.7 billion

New business

Total new work won during the year \$4.8 billion

Work in hand

Record work in hand \$7.7 billion
(up 45% from previous year)

Work in hand* business stream breakdown:

Infrastructure	\$3.3 billion (up 21%)
Energy & Resources	\$1.6 billion (up 102%)
Transport Services	\$2.8 billion (up 55%)

*Whilst some long-term contracts extend beyond five years, reported work in hand values only include up to five years' worth of work in hand.



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Our Board

1. Janet Holmes à Court AC, Chairman
2. Glenn Palin, Group Managing Director
3. Stephen Johns
4. Bill Bloking
5. Dr Bronwyn Evans
6. Nick Stump
7. David Stewart
8. Darryn Ray (Company Secretary)

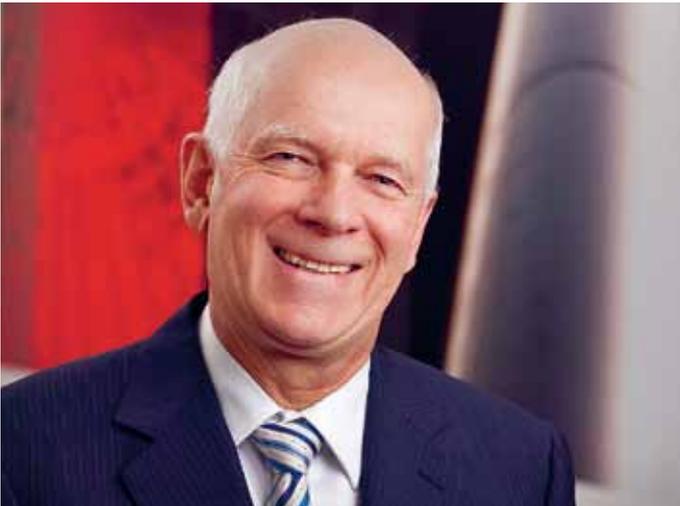
The following Board changes were made during the year:
Wal King retired as a Director in January 2011, Hans Ohff retired as a Director in April 2011 and Ian Johnson retired as a Director in September 2010. Stephen Johns joined as a Director in July 2011 and Dr Bronwyn Evans joined as a Director in January 2011.



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Our Business

The design of an overpass on the \$200-million Western Highway–Anthony's Cutting Realignment reflects aspects of the local environment and highlights the transition from urban to rural on Melbourne's western fringe





Chairman's report

It has been a year of challenges for John Holland. Despite record turnover and work in hand, cost increases on the Airport Link project in Brisbane have had a significant impact on our 2011 profit result. These issues notwithstanding, with strong performance across the large majority of our projects and business units, the outlook for the coming year and beyond is strong.

I would like to congratulate Group Managing Director Glenn Palin for the strength of his leadership throughout the year. Glenn's efforts in addressing issues and managing outcomes have helped get the Airport Link project—the largest and most complex single infrastructure project ever undertaken in Australia—on track and moving well toward completion in 2012. More importantly, Glenn has driven a number of strategic changes in the business over the last year, which will enable us to further diversify and better take advantage of market opportunities through the inherent skills within the business.

Central to this has been the repositioning of our operational businesses into the three streams of Infrastructure, Energy & Resources and Transport Services. These changes, which consolidate our traditional strength in building and civil construction, position the business for further growth in the resources sector, and expand our service offering in the transport services sector, represent the accomplishment of the initial objectives set out in our five-year strategic growth plan.

In the last year, it has also been pleasing to see the return of John Holland to international markets, with new work won in South-East Asia in joint venture with Leighton Asia, and a new partnership with Al Habtoor Leighton to pursue work in the burgeoning rail sector in the Middle East. Closer to home, our new partnership with Fulton Hogan positions us well to deliver emerging work in the New Zealand infrastructure sector. These strategic partnerships in key overseas markets represent a significant part of our growth plans and position us well for the future.

It has been pleasing to see milestones passed on many of our most significant projects. In particular, the completion of tunnelling works on the Airport Link project was a major achievement. In January, I was also proud to attend the

opening of the magnificent new \$80-million State Theatre Centre of Western Australia. I congratulate the project team for bringing to life a complex design and successfully delivering a vibrant venue—Western Australia's new premier outlet for contemporary performing arts.

Over the last year, John Holland has also cemented its position as Australia's leading provider of rail operations and maintenance services. This was consolidated with our appointment to operate, maintain and upgrade country railway lines across New South Wales as part of the Country Regional Network contract. With constant growth in the amount of rail infrastructure operated and maintained by John Holland across Australia, we look forward to further opportunities to expand this part of our business in the year ahead.

It has also been pleasing to see continued investment, training and improvement in our safety performance. In 2011, we have implemented numerous new programs to raise safety awareness amongst every employee, as well as improving our reporting systems, and taking further steps to develop a safety culture which puts primary emphasis on consultation and open communication between all levels of staff. As always, our commitment to improving our safety performance is unwavering.

In terms of our people, we have made significant steps toward the achievement of a more skilled and diverse workforce which better reflects the wider community in which we operate. As part of this process, I am pleased to say we now have a diversity policy in place which will better enable us to meet the skills shortage and ensure better project and organisational outcomes can be achieved across our business.

A big part of this is taking steps to increase the number of women employed in the business and, with the appointment of Dr Bronwyn Evans to the position of Non-executive Director in January this year, I take great pride in the fact that we now have two women on the John Holland Board. Looking across the Australian business community, this is a fabulous achievement.

But more than this, the success of women in our business is occurring at all levels. Earlier this year I was honoured to meet Lori Spiers, a fourth-year apprentice boilermaker working on the West Gate Bridge Strengthening Project in Melbourne. Lori is being hosted by John Holland as part of her ongoing apprenticeship training and I am proud to say that she is the first female to ever weld on the iconic West Gate Bridge structure.

We have also taken steps to strengthen our relationship with the National Association of Women in Construction, and I am pleased to say that in Victoria this year we had six nominations at its annual awards event. Our ongoing focus is on ensuring that we have appropriate training and development programs in place to nurture the next generation of senior women engineers.

In 2011, we have also taken important steps forward in the implementation of our Indigenous employment program, Career Tracks, and we have also seen a number of project successes. Just one example is in South Australia, where the South Road Superway project made an initial commitment to recruit 30 local Aboriginal people who completed a 10-week intensive training program. Applications for the program were triple the training places available. As a result, a second recruitment drive has commenced. The South Road Superway currently has over 50 Aboriginal people employed on the project through direct employment and subcontractors, and will have over 80 Aboriginal employees when the project reaches full capacity.

John Holland has been a traditional industry leader in efforts to improve the participation of Indigenous Australians in the construction sector, and we look forward to further innovative programs in the year ahead.

John Holland's *Annual Review 2011* documents the challenges and milestones from the last year and provides a snapshot of our future growth plans. Despite the challenges, we enter the new year with a robust outlook and exciting plans for future growth. As we look forward, I would like to recognise the support and commitment of the John Holland Board and our senior executive team for their ongoing leadership. In particular, I acknowledge the fantastic contribution of Ian Johnson who resigned from the Board in September 2010 after 10 years of loyal service, Hans Ohff who retired in April 2011, and of course Wal King who retired from the Board in January this year.

Most importantly, I pay tribute to each and every employee of John Holland whose day-to-day efforts continue to drive the success of this great company. We look forward to a successful year ahead.



Janet Holmes à Court AC
Chairman



Group Managing Director's report

From the big picture to the smallest detail

To meet both the challenges and the opportunities of our markets, we have engaged in a significant reconfiguration of our business's focus. 2011 marks year two of our five-year business plan. The plan aims squarely at building the foundations of a truly sustainable business.

During the year, we published our first Sustainability Report under the internationally-recognised Global Reporting Initiative (GRI) framework. Our approach to sustainability is a whole-of-business one which recognises the importance of building shared value for both our business and our many communities—our clients and partners, our employees, and the local communities in which we operate. In building this shared value, the challenge we undertake is to measure our performance against international best practice for our long-term business success.

In 2011, we aligned each of our existing divisions under the three new business streams of Infrastructure, Energy & Resources and Transport Services. We also created some new business units to cater to the emerging opportunities in the rail and oil and gas sectors. You'll find a detailed report from each of our three Executive General Managers of the business streams later in this review.

Some challenges we faced this year resisted our best attempts to address them. In 2011, John Holland's otherwise strong performance was marred by some poor results on a small number of individual projects. Difficulties at the Airport Link project in Queensland and the impact of wet weather in that state, as well as some higher than expected tendering costs, contributed to a severe deterioration in our financial result for the year.

On the one hand, we've successfully delivered for the vast majority of our public and private sector clients; on the other, specific areas have been disappointing. While we work to address the issues contributing to this result, we take heart from the underlying factors that speak of the real strength of our business.

The most encouraging of these is the record level of new work we have secured. Our work in hand has grown by 45% to \$7.7 billion, up from \$5.3 billion at June 2010. Revenue is also up slightly on the previous year to \$3.7 billion.

Among the new business we have won during the year, a number of public infrastructure projects stand out.

In November, the Company was awarded part of the Urban Superway Joint Venture in South Australia, the state's largest-ever investment in a road project. We will work with the South Australian and Federal Governments to construct a new 4.8-kilometre highway corridor, including 2.8 kilometres of elevated roadway. For our share in the project, we expect revenue of approximately \$218 million. In Western Australia, John Holland will construct the \$340-million Perth City Link rail project for the Public Transport Authority.

During the year we have won a string of health projects, demonstrating our longstanding expertise in this sector. We won stage two of the Albany Health Campus in Western Australia, following our earlier appointment to deliver the new Sunshine Coast Private Hospital in Queensland. We also secured the role of Managing Contractor for the \$1.2-billion New Children's Hospital Project for the Western Australian Government.

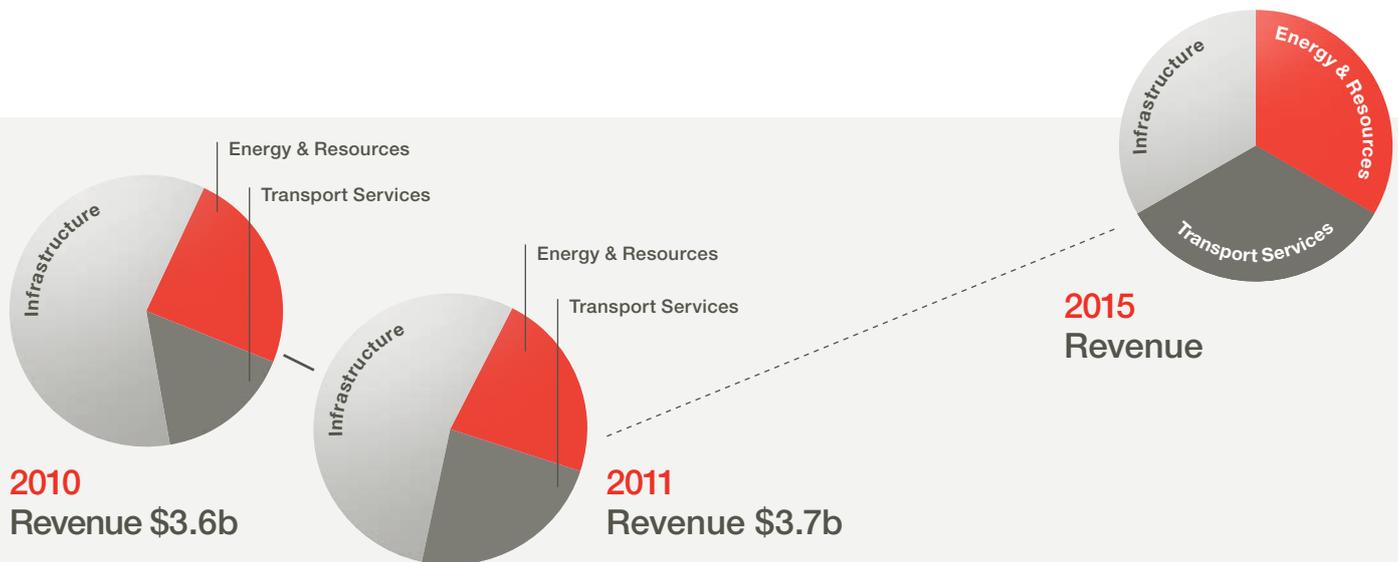
Building on our traditional strengths in civil infrastructure, we have taken significant steps to grow market share in the resources sector. Some key project wins this year include permanent buildings for the Gorgon Project in Western Australia and marine offloading facilities at the Gladstone Liquid Natural Gas (GLNG) Project on Curtis Island in Queensland.

These contract wins come on the back of previous marine infrastructure expansion projects at Cape Lambert in Western Australia, Abbot Point and Dalrymple Bay in Queensland, and for Newcastle Coal Infrastructure Group in New South Wales.

The Company also made headway in growing our offshore markets by securing two rail tunnelling projects in joint venture with Leighton Asia in Hong Kong and Singapore, and a major sludge treatment facility in Hong Kong in joint venture with Leighton Asia and Veolia Water SCL. We also forged a new joint venture partnership with Fulton Hogan in New Zealand, and we are targeting some exciting opportunities in that market. International joint ventures and projects are a major component of our forward business strategy.

We continued our resounding successes in rail during 2011 with the Company doing \$1.5 billion of work in this market. We were also awarded two new contracts for the provision of mining services. Whilst our mining division is comparatively young, we are pleased with its progress to date, and with the ancillary projects this market affords to our other business units.

Further tightening of the jobs market expected in coming years means it is vital we continue to be an attractive employer for professional staff and skilled workers alike. To this end, we have initiated a number of strategies to attract the right people, as well



as ensuring that all our people continue to bring energy, intellect and passion to their work each day.

One key group, our graduates, will make up the next generation of business leaders. We reinvigorated our National Graduate Program in 2011. The program now includes a structured rotation for graduates to ensure they receive broad-ranging exposure to the diversity of our business with a higher level and wider range of valuable business operations experience.

We invested heavily in strengthening our diversity programs during the year. Aimed at increasing both women's and Indigenous people's participation, diversifying career options for all staff and raising the participation levels of all age groups across the Company, our strategy has included the appointment of a National Diversity Manager to oversee these Company-wide initiatives. At a state and regional level, we have appointed Indigenous Affairs Advisors to drive our engagement with Indigenous communities and increase our levels of Indigenous participation.

In April 2011, we conducted our first employee engagement survey. This important poll provided insights about how our employees are feeling about working at John Holland. We asked questions on a wide range of topics from Company strategy, objectives and leadership to training, career development, and performance feedback and evaluation. John Holland's engagement score exceeded Australian company and global construction and engineering industry benchmarks, indicating the strong commitment of our people to the Company. The survey also identified areas where we can improve, and plans have been developed to ensure that these opportunities for improvement are addressed as a priority.

In 2011, we invested in improved performance management strategies and better ways to conduct performance evaluations. During the year, we piloted an exciting new program to develop our frontline leaders—leading hands, foremen and supervisors. The program coaches them about providing leadership and guidance to others. Another new program identifies high performers for accelerated development. We also undertook a review of our executive and senior leadership development programs, as well as talent management and succession planning.

While we continue to invest in further improving performance, we've nevertheless seen many examples of great performance across all our businesses during the year.

Some highlights include completing the \$550-million Darra to Springfield Transport Corridor Stage 1, the Googong Dam, and the Melbourne Main Sewer Replacement program.

We were delighted to receive numerous national and international awards during the year, including 'Desalination Plant of the Year' for the Sydney Desalination Plant at the Global Water Awards, presented in Berlin. Our Sydney plant beat projects from India, the United Kingdom and China.

While the financial outcome on the Airport Link project has been disappointing, next year the community in Queensland will benefit from an outstanding piece of infrastructure. The project has been complex and challenging—truly outstanding on an international scale—and has created some 10,000 direct and indirect jobs.

We welcome two new members to John Holland's Board: Dr Bronwyn Evans and Stephen Johns. I would like to also express my thanks for the expertise and support of the outgoing Board members, Deputy Chairman Wal King, Ian Johnson and Hans Ohff.

This year we achieved a very solid revenue result and secured a record work in hand position. Our market share increased, particularly in the oil and gas, rail and mining infrastructure sectors.

We continue to execute our five-year strategy to ensure that the business is sustainable over the long term. This strategy includes working to achieve a more balanced risk profile, investing in our people and our operating imperatives of safety, quality and environmental management. We have renewed our focus on our clients, and positioned the business for growth in emerging domestic and international markets.

We can be rightly proud of our many achievements during the year, while at the same time recognising that there are a number of areas where we must improve our performance.

To do this, our energy will be focused on accountable performance on all our projects and our overall business in the coming year.

To ensure our success in the big picture, we continue to take the utmost care with each and every one of the smallest details.

Glenn Palin
Group Managing Director



Chief Financial Officer's report

Financial year 2010–2011 was a year of mixed results for John Holland. While recording a loss for the full year as a result of a significant write-down on the \$4.1-billion Airport Link project, the Company also ended the year with work in hand at a record \$7.7 billion, representing a 45% growth over the prior year. Revenue, including our share of the revenue of joint ventures and associates, was \$3.7 billion, while new work won during the year was also at record levels.

John Holland maintains an appropriate balance sheet size and structure to support the business, to continue our investment in plant and equipment, and to give our clients confidence in our ability to deliver the sizeable projects we undertake.

Following the write-down of the Airport Link project, two capital management initiatives were completed in the period. New equity of \$200 million was issued, increasing the group's capital base to \$300 million and restoring the Company's balance sheet to a pre-loss position. A further \$200-million medium-term facility was also established to support the Company's future growth plans, especially in the capital intensive energy and resources and transport services sectors.

The capital injection addressing the Airport Link project, combined with an otherwise strongly profitable year, has ensured a robust balance sheet position at 30 June 2011, with \$514 million in cash, net assets of \$385 million and net current assets of \$110 million.

Our strategic realignment during the year into three business streams has provided a more diversified earnings base for the Company. The success of this strategy, as well as the underlying strength of the business, is reflected in the work in hand position of each business stream.

Work in hand for Transport Services is up 55% over the previous year, while Energy & Resources has increased by 102%, reflecting the increased focus on these growth sectors of the Australian economy.

Meanwhile our traditional strengths in building and civil infrastructure have remained strong. Work in hand for our Infrastructure business stream grew by 21% over the previous period.

A number of strategic diversification initiatives have also impacted positively on the Company's risk profile during the period. John Holland has worked to diversify across market sectors, project types and geography to successfully establish a more robust earnings platform.

Increased activity in both operations and maintenance and mining services has reconfigured the Company's project profile from a mainly construction focus to a multidisciplinary, broad based service offering.

Our geographic diversification strategy in joint venture with strong local partners is also well underway. During the year, projects in Hong Kong, Singapore and New Zealand were secured and commenced and further prospects were identified through South-East Asia and in the Middle East.

Effective corporate governance is also vital to maintaining a healthy approach to risk management. At John Holland, corporate governance systems and procedures cover all our operations and activities. Our employees are held accountable for their compliance with corporate governance standards, and compliance reporting is a requirement on all projects and in all business units.

The Company undertakes regular and timely reporting to the Board of Directors on a range of measures including key financial, ethical and safety indices. External financial auditors report directly to the Board at the end of each half year and an Ethics Committee comprising senior management meets at least four times a year. The Ethics Committee is tasked with educating all employees on ethical conduct and ensuring that the Company's Code of Ethics is well understood by all employees. The Board Safety Sub-Committee meets regularly to review all aspects of the Company's safety performance.

Risk is inherent in our business and industry. Our ability to manage risk is critical to our success and a key element of our business strategy. Initiatives undertaken during the year included the introduction of a revised risk management framework with new procedures and tools. This framework reflects the evolving nature of our industry and risk management generally, and the continuous improvement culture at John Holland. The framework is focused on improved processes to identify, allocate and manage all the risks that could delay or impede successful project delivery. The application of these processes continues to be a primary focus for management.

Our fast changing business requires the rapid provisioning of information and communications technology (ICT) and services. A number of key technology initiatives—overseen by the ICT

Strategy Steering Committee—commenced during the year and are continuing.

To support John Holland's collaborative business model, the business invested in ICT infrastructure designed to deliver information and systems from anywhere, at any time, via a web connection. The technology has been custom designed to enhance the business's speed of operation and capacity.

The use of cloud technologies is another example of innovative thinking being adopted at John Holland. The use of cloud technologies will enable dynamic commissioning and decommissioning of project sites and the rapid delivery of storage space on demand. Other new technologies being introduced include enhanced video conferencing and online, real-time document sharing.

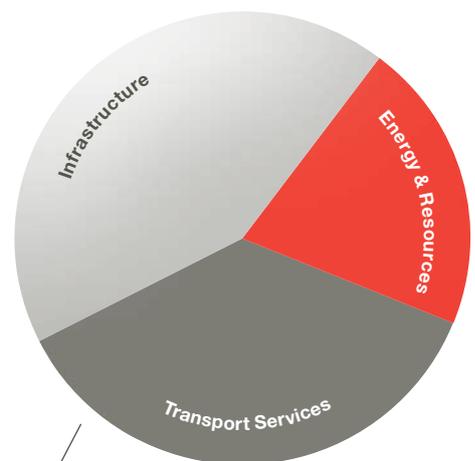
We continue to see significant opportunities across the Company and the outlook remains strongly positive. Despite the disappointing profit result, John Holland's underlying business remains exceptionally robust.

Our markets are enjoying strong economic activity. Our balance sheet strength and diversification strategy has positioned us well to capitalise on market opportunities. That diversification, together with disciplined risk management practices, has at the same time improved the Company's risk profile.

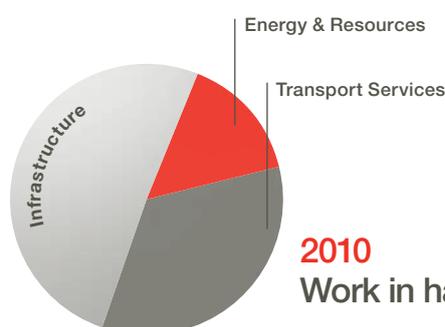
With our values, skills base and financial capacity, John Holland continues to be a partner of choice for our clients and our wider stakeholders, including our people, our partners and the communities in which we operate.



Darryn Ray
Chief Financial Officer



2011
Work in hand \$7.7b



2010
Work in hand \$5.3b



Chris Evans
Executive General Manager – Infrastructure

Infrastructure

Business stream total revenue

\$2.0 billion

Business stream total work in hand

\$3.3 billion (up 21% over previous year)

Business stream divisions

Northern Region

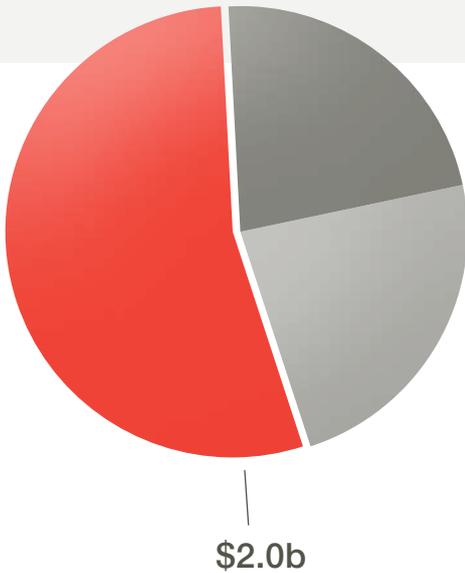
NSW/ACT Region

Southern Region

Western Region

Tunnelling

Communications



A continued focus on excellence in project delivery at an operational level remains a priority for the Company



Keepit Dam on the Namoi River, one of the water storage dams in New South Wales where John Holland is conducting upgrade works

Our Infrastructure business stream is home to John Holland's long-standing expertise in social infrastructure, civil construction and building.

In John Holland's 60 years of operations, these businesses have delivered some of the Company's most iconic projects for both the public and the private sector across many markets, and they continue to underpin our business.

With a strong revenue result and an overall record of success in the delivery of major infrastructure, it has nevertheless been a challenging year for our Infrastructure stream of businesses. The impact of cost overruns on the Airport Link project in Brisbane has weighed against a number of major wins and a buoyant market outlook.

At a technical level, progress on the Airport Link project is something our project teams can be justly proud of. These teams have delivered work that, in terms of complexity, skill and scale, has never been seen before in Australia. In addition to assembling, operating and burying the two largest tunnel boring machines ever used in this country, the project team also completed the largest 'jacked box' operation ever undertaken nationally under the North Coast Railway line at Toombul. This \$4.1-billion piece of transport infrastructure remains on track to be delivered by its original completion date in 2012.

Moreover, the Airport Link project has presented career and personal development opportunities for our employees which will aid the growth and success of our business in the years ahead.

As we continue to bid on emerging infrastructure work in Australia and overseas, we look forward to leveraging these skills to present the best technical engineering and project management solutions to our clients.

Importantly, a number of growth strategies have come to fruition this year. In our Tunnelling business, we have expanded overseas to help offset the cyclical nature of the local tunnelling market. Our appointment to deliver works as part of the South Island Line (East) Rail project in Hong Kong and the Downtown Line Stage 3 MRT project in Singapore represents the first part of this strategy.

Elsewhere, in 2011 we opened new offices in South Australia and Tasmania after a long history of significant projects in both states. Our permanent presence demonstrates our long-term confidence in the strength of these two markets and, in South Australia, the award and commencement of work on the South Road Superway—part of the Urban Superway Joint Venture—establishes an important foothold to continue our growth.

In terms of building, over the last year we have consolidated our position as one of the leading contractors to the health sector. In Western Australia, works commenced on the new Albany Health Campus and, in partnership with the Government of Western Australia and our long-standing client, Ramsay Health Care, works progressed well at the Joondalup Health Campus. Recently, we were also appointed as Managing Contractor to deliver the new children's hospital in Perth, the largest building project ever to be undertaken by John Holland. We were also successful in securing the contract to deliver the new Sunshine Coast Private Hospital, again in partnership with Ramsay Health Care.



The \$80-million State Theatre Centre of Western Australia, a stunning new performance space in the heart of Perth's revitalised cultural district

Our strengths in building and detailed program management were also evident in the provision of services to the education sector throughout the year, with successful delivery of extensive programs of work under the Federal Government's Building the Education Revolution in both Queensland and Western Australia. In a difficult and sensitive environment, our teams focused on the provision of value for money outcomes and were recognised for their strong performance in both regions. Our strength in education was also underlined through delivery of iconic medical research facilities in Hobart for the University of Tasmania, in a relationship that will further develop this year, with additional contract works now underway.

As one of the longest-established contractors in the Northern Territory, having maintained a continuous presence since 1959, we look forward to continuing to build our business in the area. Specifically, our ongoing work with both SKY CITY and Defence represents two long-standing relationships that have been developed through the delivery of a number of important building projects over recent years. The outlook for the Territory remains strong as the oil and gas industry continues to expand, and we look forward to our continuing role in the development of Darwin and its surrounding areas as part of this expansion.

Earlier this year, we were named one of the top 10 contractors to the defence sector in Australia and of these, the largest contractor in the defence facilities market. This underscores our ongoing work on a number of major defence projects, including the Enhanced Land Force Stage 2 project at Enoggera in Queensland and Singleton in New South Wales. We were also appointed as

Managing Contractor for the planning phase of two projects in New South Wales—the RAAF Base Williamtown Stage 2 and Package 1 of the Defence Logistics Transformation Project.

John Holland has a long and proud association with the Department of Defence, reflecting the legacy left by Sir John Holland. Our commitment to the development of Army technical and project management skills through our 37-year professional relationship with the Royal Australian Engineers is ongoing. Since 1974, John Holland has hosted 103 Army participants, and we look forward to continuing this important association in the years ahead.

Across our NSW/ACT business, we have seen significant activity in the area of dam rehabilitation and construction, with several projects delivered and/or underway throughout the year. Construction of a new spillway at the Googong Dam in Canberra was completed during the year and works continue nearby on the enlargement of the Cotter Dam to some 20 times its current capacity. In New South Wales, our civil teams have worked on the Keepit, Chaffey and Splitrock Dam upgrades, achieving outstanding results.

The communications market has been difficult, despite developing activity on the back of the Federal Government's National Broadband Network project. We continue to pursue emerging opportunities, particularly in the area of wireless communications. We have also consolidated our relationship with a number of long-standing clients, including Ericsson and Optus, as we prepare for further technology upgrades in the telecommunications industry in the not too distant future. The breadth of new work in our Transport



The \$650-million Northern Sewerage Project tunnelled under almost 2,500 properties and excavated over 370,000 tonnes of Melbourne's basalt, rock and spoil. John Holland's Michael Cocksedge, Senior Engineer and Melbourne Water's Peter Henwood, Clerk of Works

Services and Energy & Resources business streams will also continue to present new opportunities for Communications.

Continued growth in the rail market is also a key driver of new business, with opportunities emerging in both the public and the private sector. It has been pleasing to work closely with our Rail Australia business to deliver the Middlemount Coal Rail Loop—the first piece of new rail infrastructure to be delivered by the private sector in Queensland in many years—along with the South West Rail Link project in New South Wales, the Perth City Link in Western Australia and the South Morang Rail Extension project in Victoria. The Queensland and Western Australian rail markets will present a number of new opportunities for our business, particularly as growth in the resources sector continues to create demand for new rail infrastructure.

Looking forward to 2015, we continue to see significant growth opportunities across the business stream, particularly as new opportunities arise with our colleagues in Energy & Resources and Transport Services. Organically, the opportunities ahead support our long-term targets; however, this is tempered by the constraints of a tight labour market. To address this issue we continue to see the development of our diversity strategy—in terms of ethnicity, gender and age—which will enable us to better meet these resourcing constraints. We also remain committed to nurturing the great depth of young talent within the business, and over the coming year our focus will be on developing these individuals to create a strong pipeline of new leaders.

A continued focus on excellence in project delivery at an operational level also remains a priority. In terms of risk management, a focus

on our tender and project delivery processes and our overall governance structure for major projects is designed to enhance our performance in this area. In addition, investment in new training and development programs, particularly for our frontline leaders, will go a long way toward ensuring that our business fundamentals, measured in terms of our effectiveness in project delivery, are strong. Across the business there is recognition that the way we support our frontline leaders—how we bring them into the business, how we develop them and how we support them—will have a significant impact on our broader success.

With \$3.3 billion worth of work in hand, the Infrastructure stream of businesses is positioned well to achieve a strong result in the year ahead. Our ability to work closely with other parts of John Holland will continue to be integral to our success and, in turn, the broader success of John Holland will continue to be driven by our traditional strength in building and civil construction. The inherent diversity of skills within the business will continue to present new opportunities, as we continue to seek improvement in the value of our service offering to clients in Australia and abroad.

Chris Evans
Executive General Manager – Infrastructure



Brendan Petersen
Executive General Manager – Energy & Resources

Energy & Resources

Business stream revenue

\$831 million

Business stream work in hand

\$1.6 billion (up 102% over previous year)

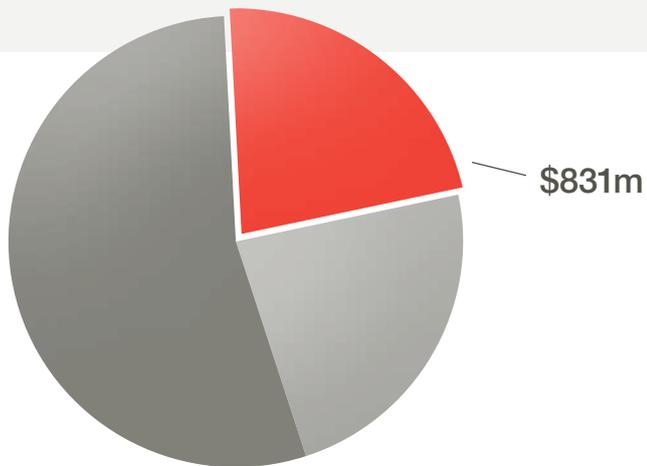
Business stream divisions

Water & Enviro

Energy

Mining

Minerals & Industrial



Energy & Resources represents
John Holland's increasing focus on this
fast growing and exciting market sector



The \$200-million Devil Creek Development Project near Karratha in Western Australia, where John Holland is delivering an onshore plant and pipeline

The formation of the Energy & Resources business stream in 2011 illustrates John Holland's increasing focus on this fast growing and exciting market sector. In 2011, the business stream contributed a growing portion of John Holland's revenue, with the four businesses together securing work in hand of \$1.6 billion—an outstanding 102% improvement over the previous year.

Each one of the businesses—Water & Enviro, Energy, Mining and Minerals & Industrial—has achieved a number of impressive project delivery goals during the year.

Our Water & Enviro business maintains its leadership position in the public sector water market in Australia. During the year, the business also pursued a geographic diversification strategy, continuing its pursuit of international projects. This strategy was successful in winning a key waste treatment facility in Hong Kong. The business aggressively pursued new opportunities for providing water treatment and distribution solutions to the expanding mining and oil and gas sectors.

Water & Enviro also focused its efforts particularly in the environment sector, by building new business opportunities, services offerings and technology solutions. These efforts were rewarded with the award of our first work extending our water

process capability into the renewable technologies sector for Aurora Algae. John Holland, in partnership with MWH, is working towards finalising the design and construction of the largest commercial-scale photosynthetic algae facility in the world in Western Australia.

From a performance perspective, Water & Enviro achieved a number of project milestones throughout the year. Significant progress has been made in the Priority Sewerage Program with the completion of schemes servicing seven towns at the base of the Blue Mountains in New South Wales. Elsewhere, Water & Enviro successfully completed the Murrumba Downs Wastewater Treatment Plant upgrade in Queensland and construction works on the Mardi to Mangrove pipeline in New South Wales.

Major highlights for the Water & Enviro business in 2011 include the award of several new contracts. In Hong Kong, the business won the \$660-million contract to design and construct a new waste treatment facility, in joint venture with Leighton Asia and Veolia Water. In New South Wales, John Holland was appointed to the Murrumbidgee Irrigation Program Alliance and was awarded the contract to construct new infrastructure for Sydney Water at Hoxton Park and Warriewood.

The Energy business continues to build on our oil and gas capability. The business has focused its activities on further positioning John Holland in the growing domestic gas, export LNG and petrochemical sectors. Since embarking on its diversification strategy, John Holland has been successful in securing significant oil and gas contracts and is well placed to



Laying pipe for Sydney Water's Priority Sewerage Program, a long-running program to provide improved wastewater services in environmentally sensitive areas, including near drinking water catchments, rivers and national parks

build on these successes. Our Energy business now incorporates power generation and transmission lines capabilities and is building new business opportunities in the growing electrical distribution sector.

In the oil and gas market, John Holland has demonstrated its multidisciplinary capability for complex gas plants. As the Devil Creek Development Project moves into its final stages, our Energy business has secured several new wins in the coal seam gas market in Queensland and major LNG projects in Western Australia. Most recently, the award of a contract for Woodside Energy's Browse LNG development further raises our profile in the oil and gas sector and positions John Holland strongly for exciting future opportunities in this market.

Our newly-formed Minerals & Industrial business is directed at the booming minerals resources sector. We continue to specialise in the construction of ports and marine infrastructure, mine infrastructure and material handling facilities, minerals processing plants and other heavy industrial facilities.

Forecasted growth in coal and iron ore exports will provide exciting new opportunities for the business. We will also be pursuing opportunities in other commodities such as copper, gold, alumina, nickel, uranium and other precious metals.

During the year, Minerals & Industrial consolidated its position as a market leader in the delivery of large scale marine infrastructure projects in the resources sector, with the completion and commissioning of the Abbot Point Coal Terminal expansion in Queensland. Works also commenced on Rio Tinto's new Cape Lambert Port B marine iron ore export facility expansion

in Western Australia. The business also increased its penetration into the coal sector in New South Wales with the award of a contract to supply and construct inbound and outbound structural, mechanical and electrical works at Kooragang Island. Further success was achieved in the marine infrastructure sector through securing marine offloading facilities and LNG export jetties for both Santos's GLNG Project and BG's QCLNG Project, both in Gladstone.

Our Mining business continued its organic growth through the provision of contract mining services to the Queensland thermal and coking coal sectors and has been developing new business opportunities in the metalliferous sector. During the year, our Mining business won a number of new contract mining services projects, including the Jellinbah Plains Coal Mine and Anglo Capcoal's Lake Lindsay and Oak Park surface coal mine operations. We are expecting more of these opportunities to materialise as this sector enjoys significant growth over the coming years.

Good progress has been achieved in geographic diversification in 2011. The strategy aims to expand our footprint in international markets while working in joint venture with strong local partners. Major milestones include the award, previously mentioned, of a contract to design and construct a new waste treatment facility in Hong Kong. In Thailand, we have formed a joint venture business with Leighton Asia for offshore fabrication and modularisation. This international supply chain delivers significant value to our current and future clients, offering competitive fabrication and modularisation solutions.



At the Jellinbah Plains Coal Mine in Central Queensland, John Holland is providing contract mining services at the Plains pit two hours west of Rockhampton

Other successful diversification strategies include the move during the year into the environment services sector and increased long-term capital maintenance and operations contracts.

The Energy & Resources sector in Australia is expecting to see strong growth over the coming years on the back of increasing demand for our natural resources from developing countries in our region and the continuing recovery in developed countries. As major private investment looks to take advantage of rising commodity prices, it is expected that the Australian energy and resources construction sector will see a 20% increase in construction and mining services activity, year on year, for the next five years.

John Holland has done the work to harness our diverse skills and carefully tailor our offering for the energy and resources sector. We are now well positioned to make the most of this exciting growth market.

A handwritten signature in black ink, appearing to read 'B.P. Petersen'.

Brendan Petersen
Executive General Manager – Energy & Resources



Karl Mociak
Executive General Manager – Transport Services

Transport Services

Business stream total revenue

\$843 million

Business stream total work in hand

\$2.8 billion (up 55% over previous year)

Business stream divisions

Rail Australia

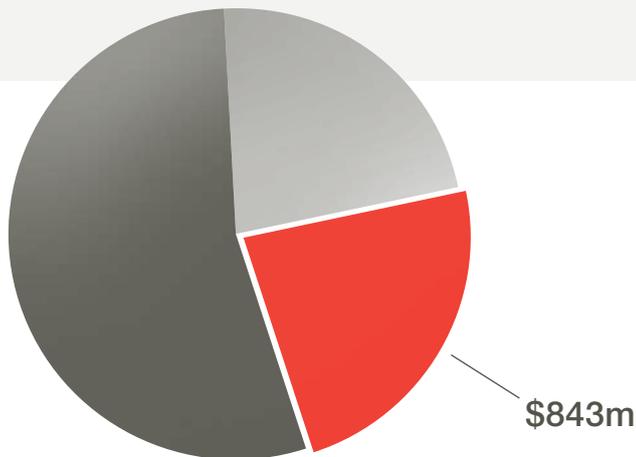
Aviation Services

Ports Operations & Maintenance

Metro Trains Melbourne (MTM)

Country Regional Network (CRN)

Advance Rail Group (ARG)



2011 saw John Holland complete some of Australia's most significant railway infrastructure projects



The RGP5 Rail South Project, for BHP Billiton, includes building the Cowra Camp and duplicating the existing mainline rail track from Shaw siding to Yandi mine in the remote Pilbara region of Western Australia

John Holland's Transport Services was established as a discrete business stream during the year. It includes our existing Rail Australia and Aviation Services businesses, with an additional four new businesses—Ports O&M, MTM, CRN and ARG.

Already strongly positioned to take advantage of the robust growth in transport-related infrastructure across Australia and overseas, in 2011 Transport Services won \$2.8 billion in new work and increased revenue by an impressive 47%.

The public sector remains a key driver of transport infrastructure contracts in Australia. The realisation that congestion on roads and public transport in major cities is reaching crisis point has seen public funding for metropolitan passenger railway lines boosted across all states. Capital works programs on offer in the private sector during the year were largely driven by private funding in hard minerals and the coal industry supply chain.

This financial year saw John Holland complete some of Australia's most significant railway infrastructure projects. The Southern Improvement Alliance was a \$1.1-billion program of work between Melbourne and Sydney to update, renew and provide expanded capacity of the railway corridor as part of ARTC's North South strategy. Springvale Road Rail Separation

was a \$140-million project in Melbourne and part of the Victorian Government's transport plan designed to ease traffic congestion. The project was delivered by John Holland in a fully live operational environment with 220 trains and 50,000 cars crossing Springvale Road each day. This award-winning project has now set the benchmark in Victoria.

In the Pilbara, Rail Australia and Western Region, in joint venture with Laing O'Rourke and earth works specialist NRW, delivered the southern rail package of BHP's \$200-million Rapid Growth Project. This project, in one of the harshest construction environments in the world, was delivered while BHP's iron ore revenue service operated unimpeded on adjacent rail infrastructure.

These exemplary projects demonstrate the diversity of the business stream's project delivery capability in metropolitan environments and interstate main line corridor works, as well as in the harsh environs of remote Western Australia.

To better position our rail businesses, John Holland has developed supplementary capabilities including asset management, operations management, system assurance and safety assurance, and design management.

Alongside completed works, Transport Services's capacity for growth is demonstrated by the strong pipeline of new work secured during the year. The \$1.5-billion, 10-year Country Regional Network contract in New South Wales includes the train control operation, asset management, procurement and maintenance of 7,700 kilometres of rail network. With this win, John Holland's Rail Australia business now maintains or manages more than 30% of Australia's national rail network.



The Metro Trains Melbourne (MTM) team manages the day-to-day operation of Melbourne's commuter rail network. Spanning 213 stations, MTM plays a critical role in the ongoing development and maintenance of the network

Successful collaboration among our businesses remains critical to winning work. Rail Australia, Western Region and Tunnelling together won the \$340-million Perth City Link Rail Alliance in Western Australia during the year. In Queensland, Rail Australia and Northern Region secured the \$104-million Middlemount Coal Rail Loop Project.

In South Australia, we have continued to develop our relationship with the State Government through the Early Contractor Involvement process for the \$180-million upgrade of state rail infrastructure.

Melbourne's \$650-million South Morang Alliance is another significant new win. The project will duplicate existing railway infrastructure and extend the metropolitan network to the north of Melbourne into the growth area of Plenty Valley. In Sydney, the \$560-million Glenfield to Leppington rail line also commenced during the year. Part of the South West Rail Link, the project is in collaboration with our NSW/ACT Region.

During the year, Transport Services established strong operational performance in two of our milestone projects—Metro Trains Melbourne and Trackwork Services Alliance.

Metro Trains Melbourne is now firmly a part of life in Victoria's state capital, Melbourne. During the year, the train network carried more than 235 million passengers, delivered 14,000 services a week, improved safety statistics by 30%, exceeded financial targets and established initiatives to address some long-standing performance challenges.

Trackwork Services Alliance, in alliance with RailCorp, continues to deliver a major program of renewal works in a brownfield environment in the Sydney metropolitan area. This \$200-million contract includes management of design and construction of major civil, rail, signalling and overhead traction work and requires work in multiple, complex rail locations.

During the year, John Holland clearly consolidated its position as Australia's leading rail contractor. Our work is evenly distributed across Australia and is a mix of public sector funded and resource-driven infrastructure requirements in Western Australia and Queensland—all delivered directly by our rail businesses or in collaboration with other John Holland businesses.

Internationally, the railway construction and maintenance market is worth around \$190 billion annually. Transport Services is strategically positioning itself—with partners in international markets in the Middle East and North Africa, India and in the Asia Pacific region—to capitalise on opportunities in the international railway construction and maintenance market.

In the aviation sector, our Aviation Services business has pursued a growth strategy over the last three years, through consolidation of client relationships, which has seen the business grow 27% in the period. The business is now aiming to strengthen its revenue lines with a greater focus on the more profitable elements.



John Holland's Aviation Services is Australia's largest fully independent maintenance, repair and overhaul organisation. We deliver engineering support to domestic and international airlines, as well as third-party operators

The Australian commercial aviation industry is now experiencing strong growth ahead of global levels. The single most significant addition to the Aviation Services business has been the rapid expansion in A330 aircraft maintenance capability to support the business's two largest customers, who both operate this aircraft type.

For the future, Transport Services is working to develop a market presence in transport logistics. We will form partnerships to expand our capability and strategically position the business by adding value to existing operations. Ports and terminal operations, together with train operations, offer significant opportunities to take advantage of our skills and expertise and enable us to offer fully integrated logistics solutions to clients.

The resource sector, largely driven by iron ore and coal, continues to offer significant growth opportunities. These opportunities are prevalent in the public and private sectors, nationally and internationally.

We have leveraged off the wider John Holland business, especially our civil and tunnelling businesses, to deliver significant, complex, multidisciplinary projects for our clients. The business is supported by a continual capital investment program that will ensure that John Holland remains at the forefront of innovation and technology in the rail sector across our region and beyond. This investment will continue to improve productivity across the group.

Transport Services will be a driver of change for John Holland and enable the business to identify new skills and new markets. Through partnering, joint ventures, and mergers or acquisitions, the business will continue to develop capabilities in railway procurement and transport logistics including ports operations and maintenance.

Karl Mociak
Executive General Manager – Transport Services



Russell Cuttler
Executive General Manager –
Operational Services



Dennis Brewer
Executive General Manager –
Strategic Operations



Greg Cain
Executive General Manager–
Pre-Contracts

**Operational
Services,
Strategic
Operations
and Pre-
Contracts**

Central to John Holland's business culture is our commitment to delivering quality products to our clients and the community



The 'No Harm' message rides high at Joondalup Health Campus in Western Australia, seen here by Joshua Benfatta and Stefanie Sugiarto. John Holland's safety initiatives are designed to involve, train and empower people at all levels of the business

Operational Services

In 2011, the business reviewed its overarching strategy guiding John Holland's commitment to the key operating imperatives of safety, quality and environment; people and systems; and project delivery.

As a result of an extensive strategic review, two business streams were formed under the banner of Operations Support. Called Operational Services and Strategic Operations, the streams were formed to improve the business's effectiveness in delivering projects. Aspects of implementation effectiveness within the business were aligned with activities to more closely match the needs of the business.

Operational Services brought together Safety, Quality and Environment, Operational Systems, Delivery Support and Human Resources, while Strategic Operations oversees the development of Project Directors, Strategic Projects, International Projects, and Design & Engineering Support Services.

Central to John Holland's business culture is our commitment to delivering quality products to our clients and the community; to preventing damage to the environment and to the health and safety of our employees, contractors and visitors to our workplaces.

Our 'No Harm' vision and values underpin this culture. No Harm is a belief that in any circumstance, harm, damage and rework can and should be prevented at all times. The No Harm philosophy also means that if harm, damage or rework do occur, everything practicable must be done to prevent them happening again. To make No Harm a reality, John Holland focuses on working to provide better plant, facilities and business processes. Excellent performance also depends on our people demonstrating behaviours that make our systems work in practice, and promote a strong business culture.

Effective risk management sits at the heart of a successful and sustainable business for John Holland, and has been at the forefront of planning since the alignment of three critical areas of risk in our business—Safety, Quality and Environment (SQE).

The financial year 2010–2011 saw an increased focus on SQE risk management at all phases of our business lifecycle. This focus provides a significant level of visibility to the risks associated with the work we engage in and a rigour to the control strategies we employ, with an emphasis on doing this very early in the delivery lifecycle.

How we apply management of the risks that present themselves at workplaces has been the principal focus of the SQE Risk Management program since it was implemented some 18 months ago. While significant improvements have been made in that time in managing our safety, quality and environment operational risks, a consultative review was conducted during the year to look for further opportunities to improve.



Adam Watson, Foreman, at the \$4.1-billion Airport Link in Queensland, a technically challenging project where John Holland has delivered work on a scale never before seen in Australia

The objectives of the review were to refine and improve the steps and linkage of the SQE Risk Management project life-cycle, improve supporting tools and materials, clarify roles and responsibilities within the SQE Risk Management process, identify barriers and limitations of the process and develop recommended solutions.

It was pleasing to note the wide range of people who were brought together for the review workshops—from general managers, bid leaders, project managers and engineers to workforce and staff in safety, quality and environment teams. As a result of the review, a working group was established and tasked to address a number of recommendations which will be progressively developed, re-tested and implemented over the coming year.

Safety

John Holland has implemented a number of key safety initiatives that have maintained a significant impact on our safety culture. These initiatives are primarily focused on reporting transparency and discipline, training skills and knowledge, leadership behaviours and commitment, Occupational Health, Safety & Rehabilitation (OHS&R) systems, and industry influence and improvement.

The initiatives are designed to involve, train and empower people at all levels of the business, develop robust operational systems and work with industry partners. We are committed to ensuring that our OHS&R management system is diligently applied throughout all our operating businesses and in each activity undertaken, while continuing to drive change in the way

we manage risk, plan and lead our operations to achieve better performance for all our stakeholders.

At the forefront of these initiatives is the development of a formal consultative structure to facilitate effective consultation and communication between our workplaces, Group HSC, the Executive Leadership Team and our Board's Occupational Health & Safety (OHS) Committee; our safety training and development programs, which are critical to delivering a structured approach to effective safety management; and our Operational Risk Management initiative, which has been implemented across all workplaces and now forms a cornerstone of our business planning processes.

John Holland fosters situational safety awareness through the introduction of Start Cards that are completed daily, prior to each new activity or if there are changes in the work environment; empowering the workforce via the Health & Safety Representatives network; the Passport to Safety Excellence Certificate IV in Safety Leadership training program; and the Safety Achievers Awards for excellence in safety leadership.

The Start Card has been designed to raise each and every employee's individual situational safety awareness and to create safety conversations between supervisor and employee. The Start Card process is about empowering our people to determine whether or not to proceed with a task or activity where they identify conditions that may pose a risk of injury, illness, or property or environmental damage. They are required to be completed daily, prior to each new task or activity, or if there are changes in the work environment.

John Holland's Health & Safety Representatives (HSRs) are a critical part of our safety program and the first line of defence in delivering a safe workplace to our people. Elected by their peers under the *Occupational Health and Safety Act 1991* (Cth), HSRs help support the vision of John Holland's senior executive leadership team that every person in our business feels empowered, encouraged and supported to discuss health and safety issues, hazards or concerns. They are often the eyes, ears and voice for our workforce.

The Passport to Safety Excellence Program (PSEP) is a John Holland national training program and a key element of our occupational health, safety and workers' compensation improvement strategy and recognises the importance of providing our people in safety-critical positions with the skills, knowledge and behaviours required to complete their work effectively and deliver safe outcomes for clients and our workforce. Currently, there are more than 3,000 employees in safety-critical positions who are or will be participating in this training initiative.

Each year, up to 15 John Holland employees from across our business are recognised for demonstrating the highest level of safety leadership in the workplace through personal behaviour, commitment, leadership and positive results. These employees are recognised through the prestigious Safety Achievers Award.

In 2011, John Holland achieved a strong improvement in safety performance. It has been pleasing to see that the commitment and efforts of our people on projects has resulted in a reduction of the Total Recordable Injury Frequency Rate (TRIFR) from the prior year. This was achieved through a sustained and targeted focus on leadership, governance, high-risk management and employee engagement by all the businesses.

Our focus going forward is to not only maintain this momentum of improvement but to redouble our efforts on key initiatives that are designed to further embed our 'No Harm' culture. We will be focusing on managing risks, raising our people's situational awareness, working with and empowering our workforce and developing understanding and capability through our Passport to Safety Excellence Program.

Quality

Over the past 12 months, Quality has placed a focus on developing the capability of our people and building a stronger knowledge base as part of providing a consistent level of support across the business. A number of key initiatives have been developed, which include business process efficiency and building a culture of responsibility and accountability for operational outcomes, as part of a strategic approach to driving improvement as the organisation grows and diversifies.

Quality is part of a strong SQE collaboration framework across the organisation and shares the commitment to SQE Risk Management and responsibility for improving operational effectiveness.

John Holland has enjoyed a continued excellent record of project delivery. Each year John Holland recognises the outstanding achievements of its people and projects through the Annual Achievement Awards. Our gold standard for quality is our annual Chairman's Award, and competition is fierce for the top honour.

This year's awards—given each December—recognised a number of outstanding projects and people. The Chairman's Award acknowledged the Sugarloaf Pipeline Project in Victoria as the most outstanding project for the year. The project was an internal joint venture between John Holland's Southern Region, Water, Tunnelling, Energy & Resources and Power businesses, and was a stand-out in all key assessment areas—safety, client

relations, employee relations, cash flow, quality, environment and community relations. The collaborative approach between the project and key stakeholders, including clients and members of the community, created a project reputation that assisted in achieving positive results. This, along with the project's positive approach to environmental management, led to a number of prestigious external awards being won.

In other highlights of the year, the Sydney Desalination Plant was awarded Best Desalination Plant of the Year at the Global Water Awards in Berlin in May 2011, while in the same month the National Portrait Gallery in Canberra was awarded the prestigious Property Council of Australia, Innovation and Excellence Award for Best Public Building of the Year.

The winners demonstrated the highest commitment to quality, safety, delivering value for money to the client and setting a high bar for the industry.

The year has seen the completion of a quality role and responsibility framework, resulting in far greater clarity and focus, and the establishment of a clearly defined and targeted quality strategy that supports the achievement of overall organisational objectives, improved resource effectiveness and shared process efficiency gains for key areas across Safety, Quality and Environment. Initiatives resulting from the framework include working collaboratively with operations and the functional support teams to develop a process for gathering, sharing and embedding lessons learnt to improve business performance; dedicated and specialist resources to support effective SQE Risk Management planning and guidance for pre-contracts; real-time training on key operational processes; and the development of tools and systems which focus on improving operational effectiveness.

Our challenges remain developing to the highest degree the capability and knowledge base of our people to support future needs of the organisation; ensuring that Quality continues to provide effective and efficient support for a growing and diversifying business; and building on a culture of responsibility and accountability of operational outcomes.

Environment

The financial year 2010–2011 has been a challenging period for John Holland's Environment team due to increasing expectations of stakeholders and the rapidly changing legislative landscape. The capability of our people, as well as the Company's strong culture, have meant we have been able to be agile in the face of increasing planning approval obligations and the evolution of the National Greenhouse and Energy Reporting Act.

Effective management of environmental issues on John Holland projects continues to be achieved through embedding environmental roles within project delivery teams. Projects are supported by regional environmental teams in each state office, as well as a national Group Manager providing guidance, governance and policy direction.

A particular focus in 2011 has been the development of a capability framework for environmental roles within the business. This framework describes the knowledge, skills and behaviours that lead to best practice in environmental and project outcomes.

John Holland's risk based Environmental Management System (EMS) has remained compliant with the requirements of the ISO14001 framework. Environmental risk continues to be identified, assessed and controlled for all projects through our SQE Risk Management planning process. Davis Langdon Certification Services has continued to audit the implementation of our EMS in 2011 and has recorded no major non-conformances against our operations.



Platypus is a key species in the Yarralong Valley. The Mardi to Mangrove environment team, including Celia Moloney, worked with construction teams and ecological specialists to preserve the platypus burrows during construction of the 22-kilometre freshwater pipeline

In line with standard industry practices, John Holland uses an Environmental Incident Frequency Rate (EIFR) to track our environmental performance across all projects. This 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 EIFR for the year was 0.18 which, while a significant improvement on last year, still exceeded our 2011 target of 0.08. Our operations also incurred a number of Penalty Infringement Notices totalling \$15,000, most of which were issued to the Thiess-John Holland joint venture constructing the Airport Link project.

John Holland considers any environmental infringements or breaches to be an unacceptable outcome of our activities, and we are committed to improving our performance. The Company continues to defend allegations raised in the previous year in relation to our operations at Abbot Point and Dalrymple Bay in Queensland.

There were also a number of environmental highlights during the year. In particular, we are pleased to have been recognised by the Department of Defence for our environmental performance on the Enhanced Land Force Stage 1-Kapooka project. The project team was awarded the Environment & Heritage Award by the Chief of the Defence Force and the Secretary of the Department of Defence for its innovation, cooperation and commitment to best practice in water efficient infrastructure and environmental protection.

There are a number of environmental challenges on the horizon. Preparation for the introduction of the Clean Energy Futures Scheme (CEFS) will be an important focus, as will preparation for participation in the Energy Efficiencies Opportunities Program. Another will be the recruitment and retention of experienced environmental professionals within our operations as the mining and oil and gas boom continues. Our environmental strategy is focused on initiatives aimed at improving environmental performance at a project level through the embedding of the function in our operations as far as practical, and the identification of opportunities to reduce costs and create sustainable outcomes through greater efficiency and innovation. We are also expanding our processes and systems for collecting data on energy usage, greenhouse gas emissions and other parameters.

Strategic Operations

In 2011, Strategic Operations has been involved in the preparation of a number of active Expressions of Interest and tenders across Australia, and has identified significant opportunities for John Holland in road, rail and water infrastructure provision over the next three to five years.

Internationally, Strategic Operations is heavily involved in the pursuit of prospects and relationships. 2011 has seen strategic partnerships formed with Fulton Hogan in New Zealand, Leighton Asia in Hong Kong, Habtoor Leighton for Middle East-North Africa (MENA) and Leighton India on the Indian subcontinent.

The growing geographical spread of major projects in new and diverse countries demands careful research into the opportunities presented, as well as the inherent risk contained in those opportunities.

John Holland is committed to identifying the best local partner, as well as ensuring an in-depth understanding of the local political landscape before a decision is made to enter a new market. Continuing analysis of the global market will be a significant role for Strategic Operations.

A Strategic Projects team was established in 2008 to develop a group of senior bid and delivery staff to identify, tender and deliver strategically important projects for John Holland. The team has been able to share senior resources across businesses in the interests of cost efficiency and to maximise productivity.

During the year, Strategic Operations was expanded to include senior corporate personnel overseeing engineering and design management, as well as planning and programming. The aim is a more consistent approach on prospects and projects of strategic importance, providing for greater governance and predictability of outcomes against each of the Company's core operating principals and business objectives. Strategic Operations will provide support to operational businesses to pursue core growth strategies, while allowing continued focus on delivery. In this way, John Holland will continue to build national and regional client recognition as a contractor and partner of choice for major infrastructure works.

Pre-Contracts

During the year, the Company significantly recalibrated the key functions under its Pre-Contracts/New Business banner. By applying best practice systems and engaging with our people, the team's role is to increase the quality of business coming in to the Company. Those key functions—business development, estimating and tendering, relationship contracting and knowledge management—ultimately help the Company to grow and to better manage its risk profile.

The Pre-Contracts team has a key role in supporting the Company's estimating and tendering efforts by providing specialist input in to bid preparation and review prior to the submission of offers to our clients. The team also provides centralised support to estimating and tendering teams across the business by ensuring that the tools, software and processes in use are both up to date and fit for their task, and that appropriate training is provided.

In 2011, John Holland changed its approach to business development. By adopting a greater client focus and providing a common platform for business development activities, the function now draws more fully on the range of skills and

capabilities in the business. This approach enables John Holland to take greater advantage of our collaborative business model, where diversified regional and national specialist business units share knowledge and expertise, in the development and delivery of solutions for our clients.

The Relationship Contracting Group (RCG), operating at John Holland for over five years, has also refined its focus during the year. The RCG are a dedicated internal team of specialists that exist to coach, facilitate, challenge and maximise pre-contracts and project delivery outcomes by working with individuals, project teams, support teams and management teams across the business. The ultimate aim of the group is to ensure the development of high performance teams at all levels of the business, driving continued success for John Holland and our clients.

In the area of knowledge management, the Company is focusing on better harnessing data, information and intellectual capital. By effectively tapping in to the diversity of skills, abilities and experience of our people, we'll be better placed to win work, build long-term relationships and deliver value for our clients.

We recognise the faith our clients place in us when we are entrusted to deliver their projects. We strive to ensure that we deliver quality products to our clients and the community, without damage to the environment or to the health and safety of our employees, contractors and visitors to our workplaces. Safety, quality and the environment, as well as our people, their knowledge, and the quality of our relationships, sit at the heart of our business. The Company views our investment in these key functions as an investment in our future success and the long-term sustainability of our business.



Russell Cuttler
Executive General
Manager –
Operational Services

Dennis Brewer
Executive General
Manager –
Strategic Operations

Greg Cain
Executive General
Manager –
Pre-Contracts

Our Communities

The Northern Sewerage Project remained accessible to the local community at all times to deal with issues promptly and efficiently.

Dave Krisky, Community Relations Manager, provides an update to a local resident







Gillian Burrows
Group General Manager –
Corporate Affairs

Our Partnerships

Total investment in community projects*

Approximately \$5 million

Projects with a community relations plan†

52%

Projects with community relations staff†

36%

Projects with current community partnership/sponsorship†

52%

Projects with a community
relations plan†

52%

(of 71
projects
evaluated
in 2010)

*Figures relate to financial year 2009–2010; figures for financial year 2010–2011 not yet available.

† Percentage of 71 projects evaluated in 2010.



John Holland businesses support many charitable organisations including Camp Quality, the Starlight Foundation, the Leukaemia Foundation, Legacy and OxFam. Seen here, Stephanie Iredale and Chris Curran of Camp Quality

At John Holland, we understand the importance of effective partnerships —with our clients, project partners, contractors, suppliers, the local communities in which we operate, and the wider community.

In our 60 years of operation, John Holland has a proud history of giving back to the communities in which we work. John Holland is committed to not only working with local communities, but to delivering a lasting legacy for those communities through the infrastructure we deliver and the partnerships we build throughout the life of our projects.

In 2011, the Company adopted a more strategic approach to corporate partnerships and community investment. A new Corporate Community Investment strategy formalised three levels of sponsorship and support—at the corporate, business unit and project levels. Our corporate sponsorship focus is on innovative, and socially or environmentally progressive sponsorships that give priority to programs that build our future skills base, protect the environment and promote excellence through the arts and culture. At the business unit level, we focus on developing and building market relationships, while each of our projects actively supports the community through sponsorships that help create healthy, self-supporting and sustainable communities. We choose sponsorship partners who share our community goals.

At a corporate level, John Holland is the major sponsor and community partner of Victorian Opera. Through this sponsorship we have been able to give back to the community the joy of music and singing. At the same time, we have helped Victorian Opera realise its vision by introducing opera to new audiences. In the last 12 months, we have brought opera to staff at Box Hill Hospital and introduced Victorian Opera's education program to local primary schools near the South Morang Rail Extension Project. We sponsored a performance of the company's fun new show called *How to Kill Your Husband – and other Handy Household Hints* for a talented group of women from the National Association of Women in Construction. We also brought entertainment to hundreds of locals at an outdoor performance in Footscray. Most recently, 200 guests from the Pascoe Vale Gardens Retirement Village were entertained by the magnificent young voices of Victorian Opera's Emerging Artists program.

John Holland has partnered with the University of Newcastle to assist with the funding of a Construction Management professorial position for the School of Architecture & Building Environment. The faculty's Construction Management (Building) is regarded as the most effective and successful teaching program of its type in Australia, conducting Australia's only online Construction Management degree program. There are currently over 800 students enrolled across Australia and overseas, with 100 students graduating in 2010. The University of Newcastle Foundation is bringing together a consortium of industry leaders, including John Holland, to part-fund the professorial position in an ongoing effort to maintain and improve the discipline's position as best course in Australia.



John Holland is a major sponsor and community partner of Victorian Opera, including sponsoring the Emerging Artists program. Dimity Shepherd, a Principal Artist at the Victorian Opera, entertains staff at a 2010 event

In January 2011, South-East Queensland experienced its worst flooding since 1974, coinciding with flooding across much of the state. In the first days of the crisis, John Holland made a \$300,000 contribution to the Queensland Premier's Flood Relief Appeal almost as soon as the fund was established. Our Company also provided in-kind assistance to the Brisbane City Council Flood Assistance Team via our involvement in community clean-up efforts.

Twenty-four separate John Holland events were held across the country to raise funds, including community barbecues, staff community clean-up programs, and in-kind and monetary donations to flood-affected community groups including at Ipswich, Fig Tree Pocket, Oxley and Rocklea. Baked goods, furniture and cleaning detergents were donated to many flood-affected communities. In total, more than \$325,000 were contributed to flood relief efforts and more than \$35,000 were raised by staff specifically for their flood-affected workmates.

Regionally, John Holland businesses support many charitable organisations including the Starlight Foundation, the Leukaemia Foundation, Camp Quality, Legacy and OxFam.

At a project level, every project is required to adopt a community sponsorship or initiative which adds value to the community within which the project is operating. Our approach is designed to ensure we leave behind more than we found, and that we leave behind sustainable community and social infrastructure.

As another way of ensuring that each one of our projects is involved with its local community, we have established the Sir John Holland Award for Community Engagement, awarded each year to the project which most successfully engaged with the local community during project delivery and created long-lasting benefits for the community. The award in 2009 was shared between the Sydney Desalination Plant in New South Wales and the Sugarloaf Pipeline Project in Victoria. Both projects were complex and challenging with great results for all stakeholders, especially the community.

The development of effective relationships with local communities and associated stakeholders in the areas in which we operate is another key plank of John Holland's success. Throughout the year, our projects have developed numerous partnerships with their local communities, and seek to build positive legacies in those communities.

One outstanding example is our work on Water & Enviro's Priority Sewerage Program (PSP). PSP—Glossodia, Freemans Reach and Wilberforce Sewerage Scheme (3 Towns) in New South Wales won the 2010 Sir John Holland Award for Community Engagement. The project involved extremely invasive construction in the front and back gardens of some 2,224 homes in the local community. The PSP project team went beyond all expectations to deliver lasting benefits to the community including a safety awareness program for local schools; upgrades to local school grounds; and successful lobbying for a permanent reduction to the speed limits on local roads. The development and implementation of these community initiatives delivered benefits to the community while



John Holland's Gavin Stubbs (right) General Manager – Northern Region, led the Company's Crisis Response Team during the Queensland Flood Disaster. He speaks to Annette and Cameron Fee, an employee affected by flooding to his home

ensuring the continued success of the project in construction and delivery.

Another outstanding example of John Holland's commitment to the communities in which it operates was at the Devil Creek Development Project in Western Australia. Using safety achievements to mark milestones for donations, John Holland has contributed thousands of dollars to many local Pilbara community organisations and charities.

This year, we focused on developing a deeper understanding of the needs and perceptions of our clients. We conducted an extensive client and stakeholder feedback survey and are working to build the results in to current business strategies.

We are undertaking the development of a new customer relationship management system which will be implemented in the near term. Through this process we have reviewed how we communicate with our clients and stakeholders, identifying weaknesses as well as strengths. One of the key strengths consistently nominated by our clients is the quality of the relationships John Holland has with its clients.

Again demonstrating our commitment to the communities in which we operate, we conducted an extensive review of our crisis management procedures and have refreshed our approach to crisis management. This has resulted in a move to a decentralised model which is being applied in order to ensure that we are closest to the communities which are affected during any crisis.

John Holland is committed to enriching the communities in which we work. We do this by delivering infrastructure and services that enhance utility for people and environments, are of high quality and are sustainable over the long term. In 2011, we launched our Sustainability program—a serious step forward in ensuring the sustainability of our business over the long term. With the publication of our first GRI report, we seek to measure our performance against international best practice.

The success of all of our partnerships is therefore a key platform for achieving long-term sustainability in our business. John Holland's approach to sustainability is a whole-of-business one. We approach building a sustainable business at an operational level by deliberately growing a pool of shared value with our many stakeholders. Sustainability is embedded in our business as 'the way we do things' rather than a list of 'nice-to-haves'.

We will continue to work to ensure the health of all our partnerships, recognising that the quality of these relationships has a direct impact on our ability to successfully deliver projects both now and in the future.



Lisa Interligi
Group Manager –
Organisational Development

Our People

Number of people

8,000+ people
(up approximately 15% over previous year)

Employment type

96% full time, 1% part time, 3% casual

Turnover of employees

16%

Gender of employees

13% women, 87% men

Number of people

8,000+

up approx.
15% over
previous
year



Skilled, diverse and happy teams are the backbone of our operations. Primus Hansen, Trade Assistant, on left, and Jenny Sudholz, Site Hand, at the Cape Lambert Port B Marine Works project in Western Australia

In 2011, we engaged in a number of initiatives to fortify our performance in this area. To strengthen our understanding of what our employees feel about working for John Holland, we conducted our first engagement survey in April 2010. We asked questions on a range of topics from Company strategy, objectives and leadership to training, career development and performance management.

The resulting report card rated the Company's overall engagement score higher than Australian and global construction and engineering industry benchmarks, confirming the strong commitment we know our people have to working for John Holland. At the same time, we identified areas of opportunity to improve our performance, and action plans have been developed to take advantage of those opportunities.

During the year, we also sought to better understand our value proposition for new recruits and to measure how effective our process is. A new entry survey asks employees about their experiences in their first three and 12 months after starting work at John Holland. The survey will provide us with a measure of how engaged our employees are and whether they would recommend John Holland as a place to work.

A newly implemented and refreshed induction process will ensure that every new starter receives consistent, relevant and important information about John Holland and how we do business. The next phase of the program will enhance project and role induction and will seek to reduce the time taken for new starters to reach productive levels.

We introduced an improved performance management program in 2011 aimed at making performance evaluations and development planning simpler and more effective. One of the key features of the new system is a secure personal journal. The journal allows managers and staff to capture feedback when in the field or travelling around using a handheld device. Journal information can then be shared and used in formal performance reviews.

In 2011, we piloted new talent management and succession plans. Our approach features enterprise-wide succession and talent reviews and is closely linked to the performance management program. The program will be fully implemented by the end of 2012.

We undertook a review of executive and senior leadership assessment, development and coaching providers in 2011. This review has resulted in a relationship with the Australian Graduate School of Management (AGSM) as a provider of leader assessment and development, and a menu of development opportunities for our current and emerging leaders.



Women like Suzanne Burza, Site Engineer at the Enhanced Land Force Stage 2 project at Enoggera in Queensland, represent 13% of John Holland's total employees. We are working to increase our ratio of women to men

Our team in Queensland established a partnership with the Australian Institute of Company Directors (AICD) Queensland Division to launch a new executive leadership program. The AICD Company Directors course is the first of its kind to support leadership development within a major Australian company and is part of our goal to develop world-class corporate leaders. From emerging leaders through to executives, at least 30 people will participate in this initiative over the course of our three-year partnership.

Critical to growing our business and entering new markets is the support and training of our people. Our success depends largely on our people and their skills. Developing those skills through ongoing training and development programs is therefore imperative. As we enter new international jurisdictions and new markets, it is more important than ever that our people are equipped to perform at the highest possible level and are skilled in the specific requirements of their roles. Our learning and development strategy features improved online training programs to support the rapid mobilisation of projects and more cost-effective learning outcomes for our business.

During the year, we designed a new program to address the specific development needs of our frontline leaders—from leading hands to superintendents. Based on data collected about training needs at the front line, it includes training programs to a certification IV level, targeted and short training opportunities, development for high potential frontline leaders—known as super leaders—and assistance to improve literacy and numeracy skills. To ensure our frontline development strategies meet

our operational needs, a steering committee was also established and is chaired by Chris Evans, Executive General Manager – Infrastructure.

2011 was a milestone in John Holland's commitment to developing workplace diversity. During the year, a new National Diversity Manager was tasked with ensuring that diversity remains a key priority for our business. Four areas of focus for John Holland's diversity strategy were identified—gender, cultural diversity and Indigenous engagement, career options and age. Finally, the Company further strengthened its Indigenous participation program with the appointment of Indigenous Affairs Advisors in each of our four regions.

Resourcing is a key challenge to meeting our growth targets. During the year, the Company has introduced a number of new resourcing initiatives including, in New South Wales, the introduction of a cadetship with the University of Wollongong in rail engineering, the establishment of the Les Tobler Skills Centre for the development of railway skills for Indigenous staff, and the introduction of a targeted resourcing program internationally. The Company is implementing a governance model to engage and support apprentices and trainees, while building a pipeline to address the current and emerging skills shortages across our industry.

John Holland's graduate program focuses on the attraction, recruitment and development of graduates across the business. In 2011, a new national program includes a structured rotation of graduates to ensure they receive broader exposure to the business.



In 2011, we piloted a new plan which aims to identify and support opportunities for staff, such as moving geographies or businesses. Brett Burke, left, seen here with Manfred Oechsle, recently moved interstate with John Holland to work on an exciting new building project

Underpinning many aspects of our performance is John Holland's Capability and Accountability Framework. This program of work is developing standardised role profiles for all core work streams of our business. These profiles are used to improve recruitment, performance management, development and career planning activities. Stage 1 of this program was undertaken in 2011. It focused on role profiles for commercial, safety, quality, environment, frontline, project management and human resources work streams. Stage 2 will be completed by early 2012 and will include general management, engineering, estimation, and design.

Our Operations

Rio Tinto's new Cape Lambert Port B marine iron ore export facility in Western Australia







General Manager

Gavin Stubbs

Key Projects

Airport Link, Northern Busway and Airport Roundabout Upgrade; Middlemount Coal Rail Loop; South Caboolture Waste Water Treatment Plant (WWTP); Bulimba Creek Trunk sewer upgrade; Flood Recovery Phase 2–Oxley Creek Water reclamation–Stage 1; Gladstone Liquefied Natural Gas Material Offloading Facility (GLNG MOF); Queensland Curtis Liquefied Natural Gas Material Offloading Facility (QC LNG MOF); Queensland Curtis Liquefied Natural Gas Permanent Buildings (QC LNG Permanent Buildings); Queensland Curtis Liquefied Natural Gas Jetty (QC LNG Jetty); Building the Education Revolution (BER); ELF2B Enoggera; Additional Rifle Flight Facilities, Amberley; Palmerston–Lambrick Catholic College, Darwin; SKYCITY Darwin–Resort Development; Sunshine Coast University Private Hospital; Robertson Barracks Redevelopment–Stage 1 (NT); Shoal Bay Receiving Station Facilities upgrade (NT); Robertson Barracks First Aviation Facilities upgrade

Milestones

Completion of the Darra to Springfield Transport Corridor–Stage 1; Charles Darwin University Pharmacy Teaching Facilities and 21 Construction Squadron Amberley; Completed Defence Credit Union; Temporary facilities for the 2nd Combat Engineer Regiment and the interim building for the 8th/9th Battalion; Royal Australian Regiment on the Enhanced Land Force Phase 2B





Northern Region

Northern Region's 2010–2011 performance has been challenging.

Despite strong fundamentals, the region has reported a loss due to cost increases on the Airport Link project. While this has had a significant impact on the financial results for the year, Northern Region remains in a strong financial position and on track to achieve its strategic plan forecasts over the 2012–2015 period.

It has been an outstanding year for industry recognition of our people and our projects. Northern Region attracted the attention of the largest and most prestigious industry organisations, securing 12 industry awards for outstanding achievement in project management, construction, innovation, quality, safety, and environmental and community performance. Our award-winning projects are the direct result of the high calibre of our people.

Our long-standing partnerships with key clients continue to form a solid foundation for future work. Our work with Ramsay Health Care Australia continues with the successful award of the Sunshine Coast Private Hospital. In Darwin, we have secured another project through our long-standing client SKYCITY, with the contract award for the SKYCITY Beach Resort. Taken overall, these awards consolidate John Holland's leading position as the major building contractor in the region.

Liquefied natural gas has also emerged as a significant market for Northern Region in partnership with our Minerals & Industrial business. A number of packages have been secured for Bechtel, which includes work in the liquefied natural gas site civil, material offloading facility and jetty projects.

In terms of ongoing projects, despite the wettest season ever for the Sunshine State, the team on the Middlemount Rail Spur project is well placed to complete the works and deliver the first coal train in November 2011.

We have also seen strong progress on the Airport Link, Northern Busway and Airport Roundabout Upgrade projects. Scheduled to be open in mid 2012, this vital project is now 80% complete with nearly 15 kilometres of tunnels and ramps excavated between Bowen Hills and Toombul. Twenty million hours have been worked to date and the projects have surpassed their expected peak employment, bringing the jobs total to more than 4,300.

On our Building the Education Revolution projects, 40 of the 46 schools have been constructed, with the final six projects due for completion shortly. We have also made good progress on the Enhanced Land Force Phase 2B project at Gallipoli Barracks, Enoggera, in Brisbane. Valued at \$770 million, the project is the largest building project Defence has undertaken and will continue for the next three years. All four project teams are now fully mobilised across 10 construction sites on the Barracks with a workforce numbering more than 600 John Holland employees and contractors.



ABOVE: The Darra to Springfield Transport Corridor–Stage 1 was the first major integrated road and rail project for South-East Queensland. Integration was a crucial accomplishment given that the many elements of work to both road and rail were not easily separable during construction

BELOW: Apart from meeting Defence capability and infrastructure needs, this project directly contributed to job creation around the Brisbane region, with just over 900 trade packages for the Gallipoli Barracks works

OPPOSITE: The Airport Roundabout Upgrade entailed dramatic changes to the existing heavily-congested roundabout and overpass at the intersection of the Gateway and east-west arterial roads



General Manager

Rob Monaci

Key Projects

Glenfield to Leppington Rail Link; Bulkwater Alliance; Hunter 8 Alliance; Energy Australia Stadium Stage 3; Equinix Data Centre; Newcastle Inner City Bypass; Priority Sewerage Program; ELF Singleton; ELF Kapooka; 60 Station Street, Parramatta; Telopea Urban Renewal; Bulk Liquids Berth, Port Botany; RAAF Base Williamtown Stage 2 Redevelopment; Macquarie Telecom Intellicentre 2 Data Centre; Hoxton Park Recycled Water Scheme; State Water Upgrades – Keepit Dam, Chaffey Dam and Split Rock Dam

Milestones

Awarded Glenfield to Leppington Rail Link; Opened Googong Dam Spillway; Newcastle office moves to larger premises; Opened new Albury regional office; Sydney Desalination Plant awarded Best Desalination Plant of the Year at the Global Water Awards; National Portrait Gallery awarded the prestigious Property Council of Australia, Innovation and Excellence Award for Best Public Building of the Year





NSW/ACT Region

In 2010–2011, NSW/ACT Region has achieved critical business wins across our civil and building divisions, established a stronger project presence in metropolitan Sydney and continued to build strong client relationships.

The Region has grown by 15% in the last year, closing with 11 projects underway within the Sydney area, and considerable success within targeted sectors such as data centre construction and defence infrastructure.

Over the last year, John Holland successfully completed two dam safety upgrade projects for State Water at Keepit Dam and Chaffey Dam in the Tamworth area, and was awarded a third project, the Split Rock Dam Stage 1 Safety Upgrade, in May 2011. In the ACT, the Bulk Water Alliance completed the Googong Dam Spillway, and is continuing construction of the Enlarged Cotter Dam.

In partnership with Water & Enviro, the Region has completed the \$65-million Mardi to Mangrove pipeline and commenced work on the Priority Sewerage Program at Appin, and the Hoxton Park Recycled Water Scheme. The close of the business year brought news of a further project win, with the Warriewood Wastewater Treatment Plant Upgrade.

The rail industry continues to experience major growth across Australia, with New South Wales no exception. The Region continues to work closely with our Rail Australia business unit on the Liverpool Turnback Project and, Sydney's largest infrastructure project, the \$550-million Glenfield to Leppington Rail Link Project. In the Hunter, work commenced on Stage 2 of the Hunter 8 Alliance for Australian Rail Track Corporation.

Also key to the Region's ongoing growth has been the strengthening of the building division to match the size of the civil engineering operation. Success came with the award of a number of projects, including early works for the Lifehouse Cancer Facility at the Royal Prince Alfred Hospital, the Telopea Urban Renewal project and the 60 Station Street office complex in Parramatta.

Our experience in the correctional services sector was further strengthened by our involvement in the Cessnock Correctional Centre Facility, building inmate accommodation and facilities, a chapel and security systems.

The Region identified a growing market in the field of commercial data centres, building on its existing capability and experience in this area with the award of the Equinix Data Centre project in Alexandria and the \$30-million Macquarie Telecom Intellicentre 2 Data Centre.

John Holland has unrivalled experience in the Defence sector, securing a number of new projects during the year, including the \$110-million Enhanced Land Force (ELF) Stage 2 Works at the Singleton Army Base in New South Wales and the Managing Contractor contract for the planning phase of the RAAF Base Williamstown Stage 2 Redevelopment Project.

Success in the coming year will be grounded in the Region's commitment to collaboration, both internally and externally, and the diversity of our service offering, which will enable us to deliver a smaller number of projects in a larger number of market sectors. As always, meeting and exceeding customer expectations is an overarching focus and will be fundamental to our ongoing growth.



ABOVE: Darren Williams, Supervisor, at the Hunter 8 Alliance in New South Wales

BELOW: Hunter 8 Alliance will create over 650 full time jobs during the construction of the third track and associated infrastructure along the 29 kilometres of line between Maitland and Minimbah

OPPOSITE: Works at Googong Dam in the ACT demanded strict and detailed planning to manage the safety risk associated with working within an active dam spillway



General Manager

David Moran

Key Projects

140 North Terrace; Western Highway–Anthony's Cutting Realignment; Box Hill Hospital Redevelopment; Northern Hospital Expansion; Cardinia Connection Alliance; Brighton Bypass–Southern Section; South Road Superway; West Gate Bridge Strengthening Project; State Coronial Services Centre; Barwon Water Northern Water Plant; South Morang Rail Extension Project; Growth Areas Station Program Stage 1 (GASP 1); Barwon Water Capital Works Alliance; Terminal Two Expansion (Melbourne Airport); Craigieburn Train Maintenance Facility; Medical Science Building Stage 2

Milestones

Opened permanent offices in Adelaide, Hobart and Albury; Awarded South Road Superway Project, Regional Rail Link Package A, Melbourne Airport: Project 3–Carousel 6 & 7 and Project 4–Project Gates and Institute for Marine and Antarctic Studies Building; Successfully opened new fifth lane in each direction as part of West Gate Bridge Strengthening Project





Southern Region

Southern Region has performed strongly this year despite tighter market conditions in Victoria. We look forward to further growth leveraged off solid partnerships with our clients and an increased regional presence.

We have concentrated on successful project delivery in operations while improving the level of project delivery excellence expected by our clients. We continue to realise opportunities through collaboration with our national business units. We have recognised the need to build on our strong regional presence and as a result have now set up permanent offices in Adelaide, Hobart and Albury.

In Victoria, the financial year 2010–2011 saw a number of major projects completed, including one of the most complex projects undertaken in recent times, the West Gate Bridge Strengthening Project. In June, the main alignment of the \$200-million Western Highway–Anthonys Cutting Realignment in alliance with VicRoads and AECOM was opened some nine months ahead of program. In the back half of the year, we completed the Cardinia Connection Alliance, which will facilitate the distribution of water in the Melbourne metropolitan area.

The South Morang Rail Extension is also well underway and, looking ahead, our business model has positioned us well to competitively tender work for the \$5.2-billion Regional Rail Link. The first of the packages, Package A, was recently awarded to the John Holland/Coleman Rail joint venture.

Our strong relationship with Melbourne Airport continued throughout the year with several projects aimed at increasing the airport's capacity moving along well. In the building sector, we successfully completed two health sector projects, the Box Hill Hospital Redevelopment and the Northern Hospital Expansion.

In South Australia, we completed 140 North Terrace student accommodation, and work is well underway on the \$812-million South Road Superway project, the largest and most complex transport infrastructure investment ever made in the state.

Finally, in Tasmania, the Brighton Bypass–Southern Section was completed 11 months ahead of program in joint venture with Hazell Bros. This project's success was recently acknowledged when it won the Civil Contractors Federation Earth Award, the Safety at Roadworks Award and a highly commended award at the Tasmanian Engineering Excellence Awards. Our strong partnership with the University of Tasmania and Fairbrother has progressed from Medical Science Stage 1 to Medical Science Stage 2 to the recent award of Stage 1 Managing Contract for the Institute for Marine and Antarctic Studies Building.

Although our operations in South Australia, Tasmania and the Northern Victoria/Southern NSW region are not new, our expansion into these areas by opening permanent offices highlights our ongoing commitment to undertaking business in these regions. Each of the areas has a number of exciting prospects that are coming to market and we look forward to delivering these in a way that improves both the local community and economy.

Looking ahead, we will continue to strengthen our partnerships by embracing our strength in diversity and sharing in a joint culture of pursuing excellence in all that we do. This will ensure the ongoing growth of the Southern Region business.



ABOVE: The \$164-million Brighton Bypass—a road and rail freight hub in outer Hobart—is designed to deliver better traffic movement for a major freight route and improve access to the east coast

BELOW: This twin tower project was constructed in a brownfields CBD environment and combines a mix of communal and studio apartment style living, extensive ICT facilities and retail outlets. 140 North Terrace includes green initiatives such as solar assisted hot water production, rain water catchment and reuse devices and a total building energy management system

OPPOSITE: The iconic West Gate Bridge is one of Australia's most important links in the national transportation network. The West Gate Bridge Strengthening Project has been one of the most complex and high risk engineering design and construction projects undertaken in Australia in recent years



General Manager

Adam Harry

Key Projects

Perth City Link Rail Alliance; Albany Health Campus Redevelopment; Cape Lambert Port B Project; East Kimberley Development Package; Joondalup Health Campus Redevelopment; Building the Education Revolution; Devil Creek Development Project; RAAF Base Pearce Redevelopment Stage 1; State Theatre Centre of Western Australia

Milestones

Completion of the State Theatre Centre of Western Australia, Building the Education Revolution and RAAF Base Pearce Redevelopment Stage 1; Commencement of works on Perth City Link Rail Alliance, Albany Health Campus Redevelopment, Cape Lambert Port B Project and East Kimberley Development Package; Award of New Children's Hospital, Yongah Hill Immigration Detention Centre and Gorgon Non-Process Infrastructure projects



Western Region

John Holland's Western Region business continues to prosper, with the 2010–2011 year building on past success and further consolidating the Company's position as one of Western Australia's leading construction contractors.

Several significant projects were completed throughout the year. The State Theatre Centre of Western Australia, Perth's first State Government constructed, purpose-built facility for contemporary performing arts, was opened in January and is now a defining architectural and engineering landmark in Northbridge's revitalised cultural district. John Holland also delivered a significant portion of the federally-funded Building the Education Revolution (BER) works across the Perth metropolitan area, constructing and refurbishing infrastructure in 118 primary schools over the course of the year. Additionally, the completion of the redevelopment of RAAF Base Pearce has significantly enhanced the base's amenity and operational capability.

John Holland's delivery of vital health infrastructure in Western Australia also continued, with the early handover of the new emergency department and ward block at Joondalup Health Campus. Expansion of both the private and public components of the facility, for Ramsay Health Care and the Government of Western Australia, is on track for completion by early 2013. The construction of the new Albany Health Campus to service the needs of Western Australia's Great Southern region also commenced onsite in January.

Major works in Western Australia's booming resources sector continued in collaboration with John Holland's specialist Energy and Minerals & Industrial businesses. The construction of an onshore gas plant and permanent process and non-process buildings at Devil Creek for Apache Energy Limited is due for completion later in 2011. Works are also underway on Rio Tinto's Cape Lambert Port B Project, involving the construction of a new port facility adjacent to the existing Cape Lambert port terminal. The award in May of the Gorgon Non-Process Infrastructure Package will see John Holland design and construct the permanent buildings for the Chevron-operated Gorgon Project.

Also in the North-West, John Holland is delivering key elements of the East Kimberley Development Package, a collaborative partnership between the Commonwealth and Western Australian Governments that aims to improve social, community and common-use health and education infrastructure in the Kimberley region.

A number of significant contracts were secured throughout the year. In March, John Holland, in an alliance with GHD and the Public Transport Authority, was appointed to deliver the rail component of the Perth City Link project, which includes sinking the Fremantle Line between William Street and Lake Street/King Street to reconnect the central business district with Northbridge and create new land for redevelopment. This landmark Perth project will be delivered in collaboration with John Holland's specialist Rail and Tunnelling businesses and completed in 2014.

The award to design and construct Western Australia's New Children's Hospital was a significant milestone, as it represents the largest building project ever undertaken by John Holland in Australia. The project forms the cornerstone of the State Government's investment in delivering major social infrastructure for future generations and consolidates John Holland's reputation as one of Australia's premier building contractors and a major construction provider to the health sector.

The continued and sustained growth of John Holland's business in Western Australia is a result of the careful planning and strategy set some five years ago. This strategy has focused on a targeted approach to client and project selection in market sectors representing the best fit for the business, a commitment to internal collaboration across John Holland's regional and specialist businesses to leverage its inherent diversity, and a focus on continuous improvement in project delivery. The business will continue to strive to position itself as the safest, most competitive, multidisciplinary engineering and building contractor in Western Australia.



ABOVE: The Devil Creek Development Project incorporated significant earthworks and a program of civil construction including an onshore processing facility and a range of permanent buildings

BELOW: The redevelopment of RAAF Base Pearce encompassed both new construction and refurbishment works that have significantly enhanced the base's operational capability, reduced operational costs and improved the overall environment on the base

OPPOSITE: The State Theatre Centre of Western Australia is the centrepiece of Perth's revitalised cultural district, providing a functional and inspiring venue for contemporary performing arts. The unique structure is embedded below ground level, with the various performance spaces stacked on top of one another



General Manager

Rob Muley

Key Projects

Perth City Link Rail Alliance (WA); Bulimba Creek Trunk Sewer Upgrade (Qld); Contract 904–South Island Line (East) Rail (Hong Kong); Contract 935–Downtown Line Stage 3 (Singapore); Northern Sewerage Project (Vic); Melbourne Main Sewer Replacement (Vic); Airport Link (Qld)

Milestones

Awarded Perth City Link Rail project; Bulimba Creek Trunk Sewer Upgrade; Contract 904–South Island Line (East) Rail; Contract 935–Downtown Line Stage 3; Completed tunnel boring machine (TBM) works on Airport Link, Northern Sewerage Project and the Melbourne Main Sewer Replacement





Tunnelling

The 2010–2011 year saw John Holland’s Tunnelling business win new work through increased collaboration, complete major tunnelling works across Australia, diversify into new work areas and increase our presence in markets overseas.

This success has enabled the business to consolidate its place as the pre-eminent tunnelling contractor in Australia.

There were some impressive project milestones throughout the year. None more impressive than the successful completion of tunnelling activities on Brisbane’s Airport Link project, Australia’s largest ever tunnelling project. Completion of tunnelling activities included commissioning, operating, and burying two of the biggest Tunnel Boring Machines (TBMs) ever seen on Australian shores. In addition to the TBM tunnelling, the project used 17 different roadheaders, the most ever used on a single project in Australia and successfully excavated over five kilometres of driven and cut-and-cover tunnels.

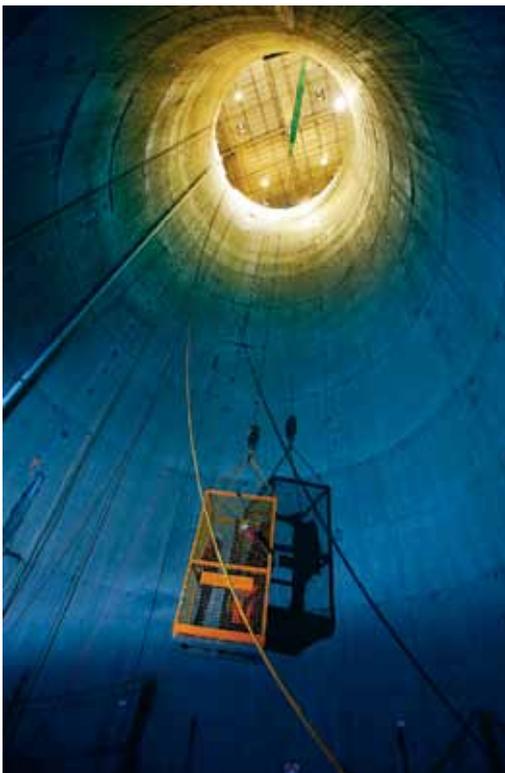
The project team also devised an innovative method for installing a pre-built tunnel box underneath one of Brisbane’s busiest rail corridors, minimising any disruption to the 380 daily train services that operated above ground. The 12.5-metre high by 38-metre wide concrete box tunnel was jacked into place via hydraulic jacks. It was one of the biggest operations of its kind ever undertaken in the world.

The tunnelling business also achieved major construction milestones in Melbourne, with TBM tunnelling completed on both the 12.5-kilometre, Northern Sewerage Project and the 2.3-kilometre Melbourne Main Sewer Replacement (MMSR). Additionally, the MMSR project team completed the pipe crossing underneath Melbourne’s Yarra River, using a staged wet cofferdam construction method.

Overseas we have also strengthened our presence and secured major project wins in joint venture with Leighton Asia on the South Island Line (East) Rail project in Hong Kong and the Downtown Line Stage 3 project in Singapore.

Looking ahead, our long-term goals include continuing our strategy to focus on diversification into new markets and pursuing opportunities interstate and overseas. We are targeting work outside of traditional tunnelling areas, including tunnel remediation, repairs and maintenance, mechanical and electrical fit-out, hyperbaric pressure tunnelling, submersed tube tunnels and rapid decline technology, along with pursuing opportunities in new market sectors such as the oil and gas and mining sectors.

Our core skills will continue to play a major part in the growth and success of John Holland as we pursue major projects throughout Australia in partnership with our regional construction business units. We will also focus on developing opportunities that enable us to be innovative and remain at the forefront of new technology in the underground construction industry, allowing us to continue operating as Australia’s pre-eminent tunnelling contractor.



ABOVE: Completion works on the Airport Link transport tunnel which—at 6.7 kilometres—is the longest road tunnel in Australian history

BELOW: A view from the bottom of the 32-metre deep shaft at Newlands Road Coburg looking up towards the surface at the Northern Sewerage Project

OPPOSITE: A purpose-built machine designed to install glass reinforced plastic (GRP) pipes within the 2.3-kilometre segmentally lined tunnel on the Melbourne Main Sewer Replacement



General Manager

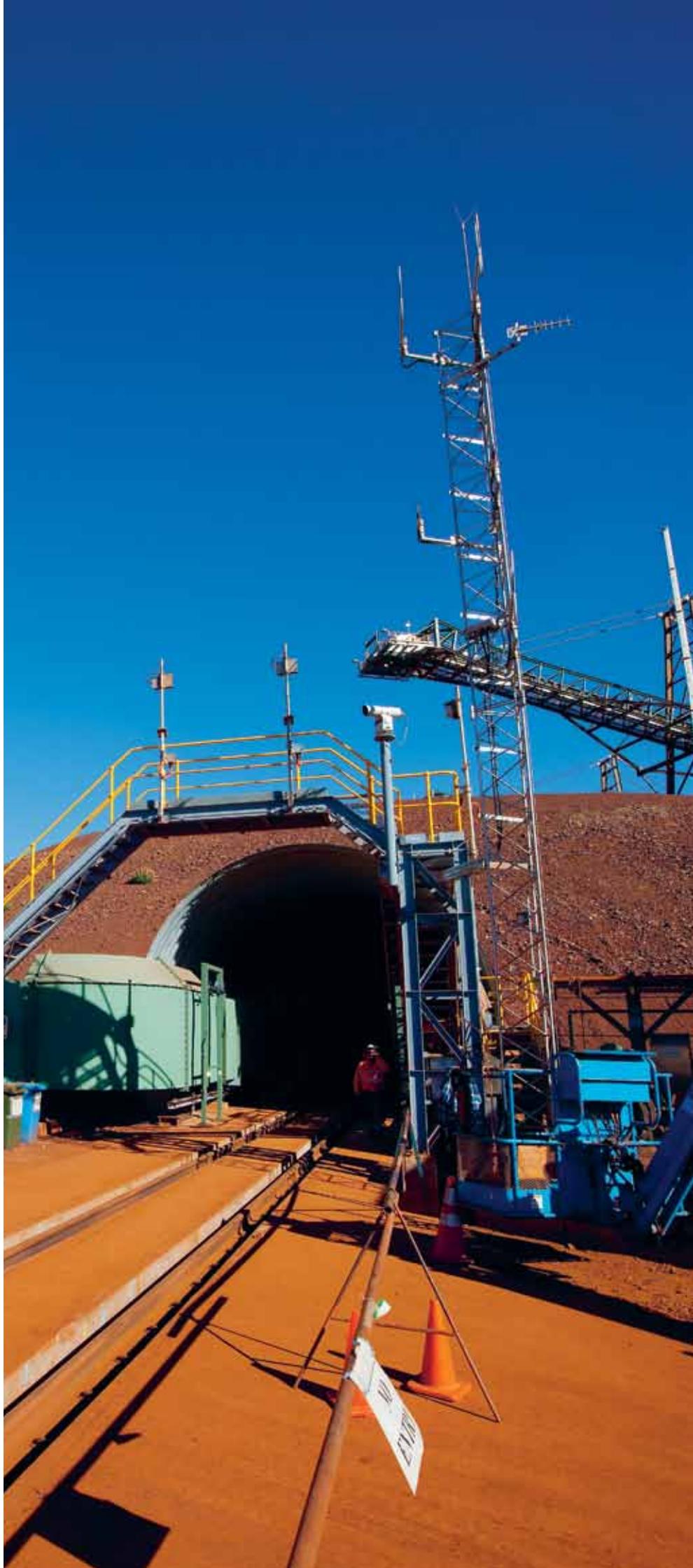
Dennis Brewer (Acting)

Key Projects

National Broadband Network Tasmania – Stage 1 FTTP Network Design and Construct; Nokia Siemens Networks – VicTrack Digital Train Radio System (DTRS) Project; Air Services Australia – Navex 2A

Milestones

Completed Nokia Siemens Networks – VicTrack DTRS Project, RGP4 Newman/ Jimblebar Communications Upgrade and Stage 1 of National Broadband Network; Secured new work with Ericsson, Optus and Air Services Australia





Communications

2010–2011 has been a year of restructuring for John Holland's Communications business.

Over the last 12 months the business has diversified to better service the needs of the individual business streams across John Holland. In addition to redefining our service offering to focus on emerging work in the transport, government and utilities sectors, we have broadened our focus to include both fibre and wireless technologies.

Project completion milestones from the last year include a Digital Train Radio System for VicTrack in Victoria, BHP Billiton Iron Ore's RGP4 Newman/Jimblebar Communications Upgrade in Western Australia, along with various alliance based communications upgrade projects for TransGrid in New South Wales. The business also completed works as part of stage 1 of the National Broadband Network in Tasmania.

There have also been a number of new business successes, with new contracts being secured with Air Services Australia, with Crown Castle for the wireless component of the National Broadband Network and with Ericsson for the communications upgrade of the Telstra network to 4G technology. New works have also been secured in close collaboration with our regional and national business partners on projects such as the South Morang Rail Extension project, the South Road Superway, the Wallerawang Substation Communications Upgrade and the structural design, drafting, prototype and testing of steel lattice towers for Powerlink's 500Kv Transmission Line project.

Looking ahead, the business is preparing for growth. Targeted projects include the National Broadband Network fibre/wireless projects, leveraging from our relationships with Ericsson and Crown Castle, along with Telstra's ongoing wireless capacity and 4G technology upgrades, working with Ericsson. New opportunities for rail communications projects are also expected to emerge in the Pilbara, working closely with BHP Billiton Iron Ore and Calibre. Existing contracts with Optus, Air Services Australia and TransGrid are also expected to yield a number of new opportunities for growth as we move forward.

With the restructuring completed, a number of new contracts awarded and a continued focus on collaboration with business units across John Holland, Communications is in a strong position for growth over the next five years.



ABOVE: Andrew Rzepecki, Site Supervisor, at Seven Hills Tower

BELOW: Geoff Scroop, Project Manager, South Australia

OPPOSITE: Mining rail communications in Western Australia



General Manager

Greg Taylor

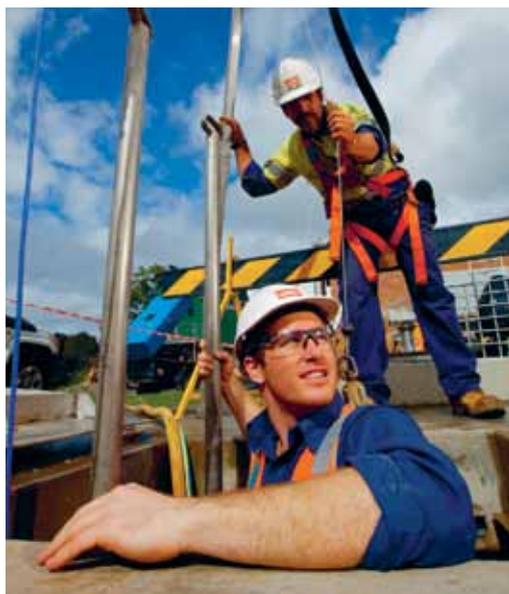
Key Projects

Priority Sewerage Program (PSP) Alliance; Barwon Capital Works Program; South Caboolture Sewerage Treatment Plant; Commenced Northern Interceptor Auxiliary Works (SA), Warriewood Wastewater Treatment Plant upgrade (NSW), Oxley Treatment Plant flood repair works (Qld), Aurora Algae (WA), Murrumbidgee Irrigation Program Alliance (NSW), Hoxton Park Recycled Water Scheme (NSW) and Hong Kong Waste Treatment Facility

Milestones

Completed Murrumba Downs Wastewater Treatment Plant, Mardi to Mangrove Link Project and PSP for 7 Towns; Completed the Hawkesbury Nepean Metering Project; Significant expansion of the Barwon Capital Works Program





Water & Enviro

Over the last year, John Holland's Water & Enviro business maintained its position as a market leader in the delivery of water infrastructure.

This year saw the business successfully complete several projects, extend its capabilities, diversify into new geographical areas and secure a project in the environmental sector.

Throughout the year, there have been a number of significant delivery milestones. In Queensland, we completed the \$130-million Murrumba Downs Wastewater Treatment Plant Upgrade; and in New South Wales, pipeline construction works on the \$70-million Mardi to Mangrove pipeline.

Significant progress has been made in the Priority Sewerage Program, with the completion of schemes servicing seven towns at the base of the Blue Mountains in New South Wales. In Victoria, we successfully expanded the Barwon Water Alliance program. The scope of work of this four-year program includes infrastructure for recycled water, water reclamation, sewer collection, water treatment and water distribution. There are currently 86 projects in various forms and phases of delivery in this program, which will be expanded by an additional 54 over the remaining two years of the Alliance. This reflects the delivery excellence achieved by the Alliance team and the confidence Barwon Water has in our supporting its future capital works program.

A number of new contracts were secured during the year, including the award of the Murrumbidgee Irrigation Program Alliance in conjunction with Murrumbidgee Irrigation and the award of a contract to construct vital new infrastructure for Sydney Water at Hoxton Park and Warriewood.

The Murrumbidgee Irrigation Program Alliance, comprising John Holland, Murrumbidgee Irrigation, GHD and United Group, commenced an irrigation modernisation program. The works include the delivery of irrigation pipelines to replace open channel water supply systems and the incorporation of an integrated water delivery system.

The Hoxton Park Recycled Water Scheme provides recycled water to approximately 14,000 homes in South-West Sydney. Stage one works commenced in the first half of 2011 and comprise design and construction of a water-recycling plant and pumping station at the existing Glenfield Wastewater Treatment Plant, and the design and construction of a recycled water reservoir at Edmondson Park.

In collaboration with our NSW/ACT Region, we were awarded the \$24-million contract to upgrade the Warriewood Wastewater Treatment Plant on Sydney's Northern Beaches.

Through a joint venture partnership with Leighton Asia and Veolia Water, we secured a role in the design, construction, testing and commissioning of a new waste treatment facility in Hong Kong. Construction of this project is underway, with Water & Enviro delivering vital sludge incineration works in the construction phase. Located in the western part of the New Territories and to be owned by the Hong Kong Government, the facility is critical to the region's waste disposal strategies and, at 2,000 tonnes per day capacity, will be the biggest sludge incineration facility ever built.

Of significance to the diversification of the Water & Enviro business was the award of the initial engineering contract to MWH and John Holland for the \$80-million Aurora Algae Commercial Farm, Karratha project, one of the largest commercial scale photosynthetic algae facilities in the world.

Elsewhere, it's been another year of strong collaboration with other John Holland divisions. In addition to our regionally based businesses, we have worked closely with our Communications business on the Nepean Hawkesbury Metering program, our Tunnelling business on the Bulimba Creek Truck Sewer and also with Leighton Asia on the Hong Kong Waste Treatment Facility.

ABOVE: Project Manager Ian Butler checks pipework on the Freemans Reach Wastewater Pumping Station. The PSP Alliance recently completed three schemes to provide mains sewerage connections to over 2,200 previously unserved properties in the Lower Blue Mountains and the Hawkesbury River catchment in Sydney's North-West

BELOW: The Mardi to Mangrove Link Project is constructing a 19-kilometre pipeline, a pump station and a transfer pump station for Gosford and Wyong Councils in New South Wales. Ben Crawshaw-Fardouly is inspecting the offtake pumping station

OPPOSITE: Welding work inside the stem of a new elevated water reservoir for the Hoxton Park Recycled Water Scheme, which will be one of the largest residential water recycling projects in Australia



General Manager

Ravi Syam

Key Projects

Devil Creek Gas Plant Development Project; Browse LNG Development; Wallerawang 132/66kV Substation; Waddamana to Lindisfarne Transmission Line; Burnie to Paloona OPGW; Wilga Park Substation; Gladstone to Calliope Transmission Line; Bouldercombe to Callide Transmission Line; 500kV Lattice Steel Structures Design and Prototyping; Strathmore to Ross 275kV Transmission Line

Milestones

Completed Strathmore to Ross 275kV Transmission Line; Awarded and mobilised FEED contract for the Browse LNG Development; Awarded new contracts for the Wallerawang 132/66kV Substation, Burnie to Paloona OPGW, Wilga Park Substation, Gladstone to Calliope Transmission Line, Bouldercombe to Callide Transmission Line and 500kV Lattice Steel Structures Design and Prototyping





Energy

John Holland's Energy business specialises in providing engineering, procurement and construction services to the oil and gas, petrochemical, power generation, transmission and distribution sectors.

Through its focus, knowledge and specialisation in this sector, the business is successfully increasing John Holland's exposure to this growing sector.

Over the last year, our Energy business has established John Holland firmly in the oil, gas and chemical sectors through the establishment of strategic partnerships with technology and engineering partners. The diversification strategy to target the oil and gas sector that commenced in the previous two years is developing to plan with a renewed focus on positioning the business for emerging LNG projects and domestic gas plants in Western Australia, Queensland and the Northern Territory. In the power and electrical sectors, we continue to successfully deliver a range of projects in our core areas of transmission lines, substations and power generation. In addition, we have expanded our capabilities and penetration into the substation and switchyards markets, capitalising on our contract wins and new strategic relationships with key partners in these important areas.

Throughout the year there have been a number of significant project delivery milestones. Construction is nearing completion at the \$200-million Devil Creek Gas Plant Development Project for Apache Energy in Western Australia. Our project team successfully completed and progressively handed over a large proportion of building and civil works. Mechanical, piping, electrical and instrumentation installation is near complete and gas plant construction is in line with the target of first gas introduction in the second half of 2011.

Separately, John Holland, in joint venture partnership with KBR and Leighton Contractors (KLH Australia), was awarded one of two FEED contracts by Woodside for the Company's Browse LNG Development in Western Australia. The joint venture provides services for the development of three, four million tonne per annum (MTPA) LNG trains, associated infrastructure, accommodation and marine facilities. Construction activities commenced in early 2011 and are progressing to plan.

The year has seen continued success in the delivery of a range of projects in the power and electrical sectors. In Tasmania, we successfully completed transmission work with Transend for the Waddamana to Lindisfarne 220kV transmission line and Powerlink for the Ross to Strathmore 275kV transmission line in Queensland.

In Queensland, our relationship with Powerlink continues to strengthen through the award of two new projects including the Gladstone to Calliope Transmission Line and the Bouldercombe to Callide Transmission Line. Similarly, our relationship with TransGrid was also strengthened, with Areva and John Holland selected to deliver the Wallerawang 132/66kV substation in New South Wales and with Transend for the Burnie to Palooona OPGW in Tasmania. In addition, we were also selected to deliver upgrade works to the Wilga Park substation in New South Wales on behalf of Eastern Star Gas. Mobilisation and construction activities commenced at these projects throughout the course of the year.

In the coming year, our focus is to position ourselves to participate in planned large scale conventional LNG developments in Western Australian and the Northern Territory, as well as coal seam gas-liquid natural gas developments in Queensland as investments come online, pursue opportunities to increase our presence in domestic gas processing facilities, power transmission and distribution projects on the back of growing local demand for energy and diversify our capabilities into power generation, petrochemical and chemical facilities, substations and switchyards for the resurgent resources sector.



ABOVE: Delfin Fanuel, Rigger, at the Gladstone to Calliope Transmission Line assembling a transmission line tower

BELOW: Stellica Mica, Gladstone to Calliope Transmission Line, sorting tower sections

OPPOSITE: John Holland's newly-formed Energy business is pursuing new opportunities in the power generation, oil and gas, and chemicals sectors. Recently, work has commenced on a substation at Wallerawang Power Station, shown here, near the Blue Mountains in New South Wales



General Manager
Robert Nowotny

Key Projects

Isaac Plains Coal Mine; Jellinbah Plains Coal Mine; Anglo Capcoal's Lake Lindsay and Oak Park Surface Coal Mines

Milestones

Awarded additional work as part of three-year mining services contract at Isaac Plains Coal Mine to maintain and operate the BE1370 Dragline recently built and commissioned; Added a fourth mining fleet in to the works at Isaac Plains; Awarded two new contracts with Jellinbah Mining Pty Ltd for a \$348-million contract for the provision of mining services to the 'Plains' pit of the Jellinbah coal mine and \$144-million mining services contract with Anglo American's Metallurgical Coal business for services at Anglo American Capcoal's Lake Lindsay and Oak Park surface coal mine operations





Mining

It has been a year of growth and consolidation for John Holland's Mining business.

The business improved project margins, met important milestones in safety performance and operational excellence, consolidated growth and increased revenue.

Central to our success this year has been the award of two new contracts—the provision of mining services to Jellinbah Plains Coal Mine and a mining services contract with Anglo American's Metallurgical Coal. Moreover, the business continued to increase service offerings to our existing customer at Isaac Plains.

Over the last year, the spot price for coal and other ores gained momentum and record prices. In the Bowen Basin, mining companies moved quickly to engage contractors and hire equipment to take advantage of the record coal spot prices. Prices were being driven by demand not only through activity in China and other expanding economies, but also by a series of natural disasters including floods and cyclones which limited supply.

Individual projects performed well despite challenging weather conditions including floods in Queensland. Our relationship with Isaac Plains Coal Management and its joint venture partners continues to strengthen through works for full service mining operations at Isaac Plains Coal Mine near Moranbah.

Productivity and service reliability increased over the year, with 27.5 million cubic metres of overburden and coal moved. The project also provided pumping operations and mud removal after the most severe wet season on record in Queensland. End of year results at Isaac Plains were further boosted by the addition of the Dragline operate and maintain contract, which was successfully commissioned and commenced operations in June 2011.

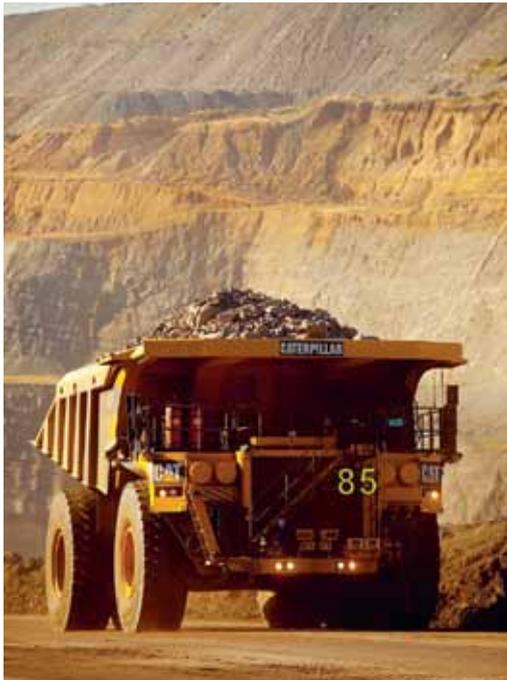
At Jellinbah, we commenced operations with significant mobilisation of new and existing equipment including five new 789 trucks, five 793 trucks, one RH340 shovel with a 34-cubic-metre bucket, one RH170 excavator with a 22-cubic-metre bucket, a 994B excavator, five 785 trucks and a 994-100 excavator.

Mining was selected to deliver a three-year \$144-million mining services contract with Anglo Capcoal's Metallurgical Coal business. The contract is for services at Anglo Capcoal's Lake Lindsay and Oak Park surface coal mine operations near Middlesmount. The contract includes mining services including mine planning and scheduling, drill and blast, truck excavator waste removal and coal mining. Fundamental to our success at this project has been our ability to mobilise key management and mining personnel and equipment to the site in a short period of time during difficult weather conditions. Over the full term of this contract, we will move over 30 million cubic metres of overburden.

Several important safety milestones were met, including no lost time injuries recorded for one million man hours across all operations. John Holland's mine maintenance team recorded two and a half years with no lost time injuries.

The business continues to roll out new safety initiatives such as personal safety activity statements and fatigue management training. At the end of June 2011, TRIFR in Mining was 6.32 and lost time injury frequency rate (LTIFR) was zero.

With the consolidation of our work at Isaac Plains and the new work at Jellinbah, Lake Lindsay and Oak Park as well as a market buoyed by increasing commodity prices, our strategic focus is to continue to consolidate our business and position ourselves for growth in the coal and metalliferous and iron ore sectors. We will also focus on diversifying our business into new geographic locations including South Australia, Western Australia and the Northern Territory, and expand our service offering to broader mine operational services such as pit dewatering, site water management and underground mine services.



ABOVE: Apprentice diesel fitter Todd Czaplewski is about to conduct a regular inspection of Mining's new 620-tonne Bucyrus face shovel. The shovel has a 34-cubic-metre bucket capable of moving in excess of 2,000 cubic metres per hour

BELOW: In-pit dumping operations at Jellinbah Plains Coal Mine. In-pit dumping forms an important part of the safe operation of the mine, providing geotechnical stability and support after the extraction of the coal seam

OPPOSITE: A Bucyrus RH340 face shovel loading a Caterpillar 793F rear dump truck with blasted overburden at Jellinbah Plains Coal Mine. The payload of the Caterpillar 793F rear dump truck is 225 tonnes



General Manager

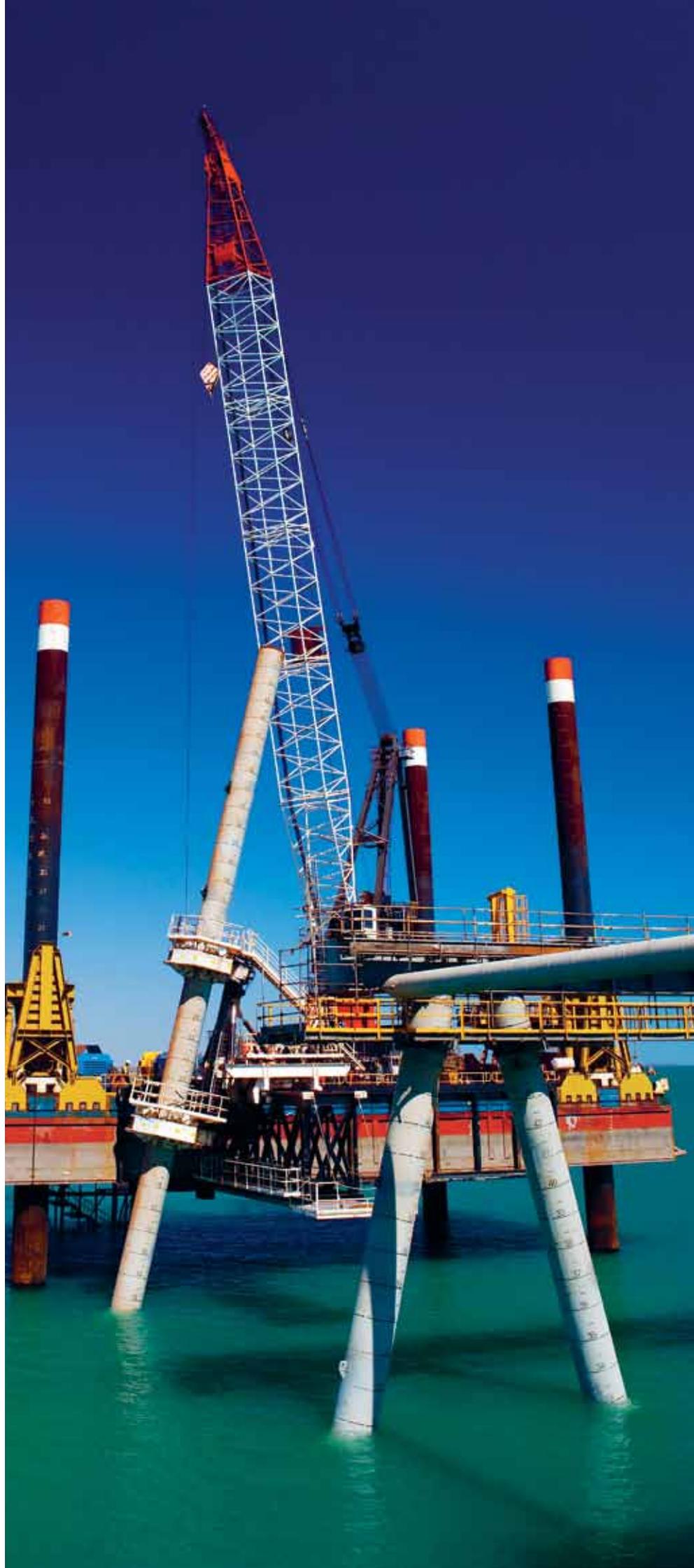
David Balmer

Key Projects

Abbot Point Coal Terminal X50 Marine Expansion; Worsley Efficiency and Growth Alumina Refinery Project; Curtis Island GLNG Marine Offloading Facility; Cape Lambert Port B Marine Expansion; Newcastle Coal Infrastructure Group (NCIG) Kooragang Island Coal Terminal; West Gate Bridge Strengthening Alliance

Milestones

Completion of the Abbot Point X50 Marine Expansion works, West Gate Bridge Strengthening Alliance and Darra to Springfield Transport Corridor (Horizon Alliance); Awarded the contracts to deliver Gladstone LNG's Curtis Island Marine Offloading Facility and NCIG's Stage 2AA of the inbound and outbound structural and mechanical works at Kooragang Island





Minerals & Industrial

It has been a significant year of success and growth for John Holland's Minerals & Industrial business.

During the financial year, we have consolidated our position as a market leader in the delivery of large scale marine infrastructure projects in the resources sector with the completion and commissioning of the Abbot Point Coal Terminal Marine Expansion in Queensland and increased our penetration into the coal sector in New South Wales and the Western Australia iron ore sector with the award of new contracts in these important markets. We have also made significant progress in positioning our business for growth in the coming years.

The past 12 months have seen the achievement of a number of important milestones. In Queensland, we successfully delivered and commissioned the \$238-million second berth and coal outloading stream at the Abbot Point Coal Terminal. The project comprised the construction of a new 500-metre berth, approximately three kilometres offshore, and involved driving 205 piles and the installation of 9,500 tonnes of structural steel. Additionally, John Holland undertook the construction of a shipping conveyor and associated drive tower, a second 2.9-kilometre jetty conveyor including all associated structural, mechanical and electrical works, as well as modifications at the head end of the jetty conveyor with the existing transfer tower and construction of the Abbot Point Coal Terminal X50 SL2 shiploader.

Our market leading position in the development of large scale materials handling infrastructure in the coal sector was supported by the award of a contract in early 2011 to supply and construct Stage 2AA of the inbound and outbound structural and mechanical works at Kooragang Island on behalf of Newcastle Coal Infrastructure Group.

In addition, John Holland was awarded \$150 million of works for the construction of marine offloading facilities as part of Gladstone LNG's proposed Curtis Island LNG facility in Queensland. The project, to be delivered for EPC contractor Bechtel Australia, involves the design and construction of a new ferry berth, a roll on/roll off berth, a load on/load off berth and a bulk aggregate unloading berth.

In Western Australia, significant progress has been made at the \$276-million Cape Lambert Port B Marine Expansion project in Port Walcott. The project involves the construction of a 920-metre jetty and two-berth wharf, new shiploading facilities and associated piping works.

Elsewhere, construction continues at the Worsley Efficiency and Growth Alumina Refinery Project near Bunbury, Western Australia. Over the past two and a half years, our project team has delivered some major achievements at the site including the successful relocation of the 1,100-tonne coarse seed building and the installation of the 102-tonne filter building roof. More recently, the team successfully completed the final major shutdown in a series of 10 in the refinery's heat interchange department. An extensive amount of shutdowns—as part of the scope of works—have taken place at the site over the past eight months, with a total of 80,000 man-hours used to successfully deliver these shutdowns. The final shutdown was handed over to operations with a total recordable injury frequency rate as per our target of 0.00.

In the coming year, our strategic focus is to continue to successfully capitalise on emerging opportunities in the coal and iron ore sectors in Queensland and Western Australia as planned developments come online, and to pursue opportunities in the delivery of coal preparation plant projects. We will also be pursuing opportunities in emerging commodity sectors such as metals and other minerals sectors to build upon our capabilities and the heavy industry expertise housed within the business.



ABOVE: Kim McMahon, Scaffolding Supervisor, and Ben Walker, Project Engineer, assessing the minor works required for the completion of Newcastle Coal Infrastructure Group's Stage 2 Transfer House extension

BELOW: Joe McGarry, Barge Master, and Allan Quinn, Training VOC Facilitator, discussing G6 safety requirements at Cape Lambert Port B Expansion Project in Western Australia

OPPOSITE: Cape Lambert Project's Eunsung barge preparing to drive a pile



General Manager

Richard Stewart

Key Projects

Perth City Link Rail Alliance (with Western Region) (WA); WestNet Infrastructure Maintenance (WA); MidWest Geraldton to Mullewa Track Upgrade (WA); South Morang Rail Extension (with Southern Region) (Vic); Regional Rail Link Package (with various partners for each package) (Vic); Glenfield to Leppington Rail Link (with NSW/ACT Region) (NSW); Hunter 8 (with NSW/ACT Region) (NSW); Trackwork Services Alliance (NSW); Middlemount Coal Rail Loop (with Northern Region) (Qld); Rail Revitalisation (with partners) (SA)

Milestones

Completed five-year program on South Improvement Alliance; Commissioned Rapid Growth Project 5 for BHP in the Pilbara; Opened Stage 1 of Hunter 8 for ARTC in the Hunter Valley; Completed 100 turnout installations in three years on the Trackwork Services Alliance





Rail Australia

In 2011, the business strengthened its position as the leader in the rail industry, achieving a further 30% growth. Competitive delivery of rail construction and maintenance was further enhanced by a broader range of product offerings to customers.

Australia is experiencing record levels of investment in rail infrastructure, and no contractor is better positioned than John Holland to lead that market. Demand is forecast to remain strong for at least the next three years. Rail Australia will remain the market leader in rail, with targeted opportunities to grow revenue to \$800 million by 2014.

The financial year has seen enormous growth for Rail Australia, due to its continued ability to win and successfully deliver a large portion of the railway infrastructure investment being made across the country by government and the private sector.

The 12-month period has seen the completion of a five-year program of work on the South Improvement Alliance, commissioning of Rapid Growth Project 5 in the Pilbara, the celebration of three years on the Trackwork Services Alliance with the installation of the 100th turnout, and the opening of Stage One of the Hunter 8 Project Alliance in New South Wales.

The year also saw the award of significant contracts in every state, including the South Morang Rail Extension in Victoria, the Glenfield to Leppington sector of the South West Rail Link in New South Wales, the Perth City Link in Western Australia, and the Tracksure Rail Revitalisation in Adelaide.

Rail Australia's greatest strength remains the size, skill and reputation of its specialist rail workforce. Continuing to grow remains the business's key focus. A highlight of this year has been the recruitment of over 500 new employees, and their development through training and targeted experience continues to be a priority for the business.

Rail Australia has the largest contractor fleet of specialised rail plant in Australia, allowing for a fast response to project demands, and the ability to win work at highly competitive rates through the use of innovative technology and significant productivity improvements.

Our capabilities continue to expand to meet evolving market requirements. In addition to ongoing development of signalling and overhead wiring capabilities, Rail Australia launched an engineering services team with skills in asset management, systems assurance, maintenance integration and design management to improve project development from design through to commissioning.

The overarching challenge for Rail Australia is to remain at the forefront of an industry attractive to strong competition from Australian and international organisations. Success will depend on consistently being the preferred choice of our clients, providing competent people in the right locations and ensuring our organisational capability is superior to our competitors. Our vision remains that of becoming the world's leading rail contractor.



ABOVE: Manoeuvring a turnout on the Sydney network using a PEM/LEM at the Trackwork Services Alliance

CENTRE: Constructing new track in Western Australia's Pilbara for BHP Billiton at RGP5

BELOW: Installing overhead contact wiring at the South Morang Rail Extension

OPPOSITE: Completion of Stage 1, including realigned highway, on the Hunter 8 – Maitland to Minimbah Third Road



General Manager
Wayne Donnelly

Key Projects
Sha Habshan–Abu Dhabi; Dedicated Freight Corridor–India

Milestones
Rail International established 1 April 2011; Advance Rail Group incorporated in the Middle East; First international project won in New Zealand; Strategic partnerships developed with Leighton Middle East, Leighton India and Leighton Asia





Rail International

The unprecedented growth of John Holland's rail operations in Australia over the past year has positioned the company within the top ten rail contractors in the world.

Key markets for the business have been identified as New Zealand, Hong Kong, the Middle East and North Africa (MENA) and India, with a combined annual worth of approximately \$24 billion.



The 2010–2011 business year has seen our Transport Services businesses form strategic partnerships in those key markets, with Fulton Hogan in New Zealand, Leighton Asia in Hong Kong, Habtoor Leighton for MENA, and Leighton India in India.

With the signing of a contract for a small rail renewal project for KiwiRail in New Zealand, from Ohau to Invercargill in the lower South Island, the business celebrated its first international project win.

The period also saw a tender submitted with joint venture partner Habtoor Leighton for the new \$1.2-billion Sha Habshan Railway in Abu Dhabi running from the Gulf at Ruwais to the gas fields in the western region of the Emirate for our client in the region, Etihad Rail. Trading as Advance Rail Group, the joint venture partnership features John Holland's Australian experience gained on the Alice Springs to Darwin Rail Project with its remote and harsh construction environment, and that of personnel based in the Middle East who bring the local knowledge of construction throughout the United Arab Emirates and Saudi Arabia.

India offers a significant opportunity, and as the period closed, Rail International presented credentials with partner Leighton India, for a \$1-billion rail duplication project running from Mumbai to Delhi. The project is the first of three track and civil infrastructure packages among a significant investment by the Indian Government in rail, in excess of \$27 billion.

Rail International will also continue to explore the world market for opportunities in the rail sector with cognisance of the specialist skills from within the wider John Holland Group, specifically the Tunnelling business for prospects such as the Doha Metro in Qatar.

The rail industry globally is experiencing unprecedented growth in both public and private expenditure on large scale infrastructure projects. Many capital works programs have been driven by private funding in the resource sector supply chain, while there is also a growing realisation that congestion on roads and on public transport in many cities is reaching crisis point. Connectivity in emerging regions for multi-use rail infrastructure is important for sustainability, and consequently there are significant levels of public funding over the next few years on metropolitan and regional freight and passenger railways.

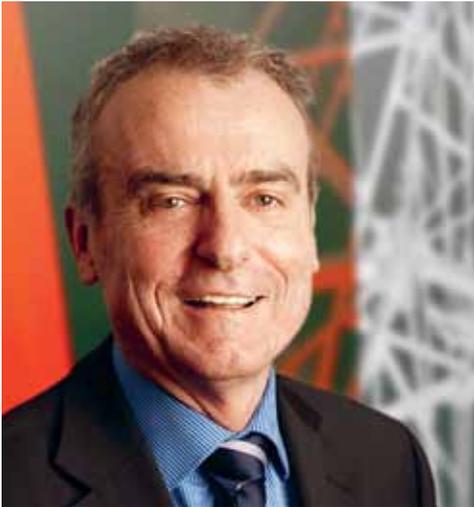
John Holland is positioning itself to capitalise on this major investment in railway infrastructure.



ABOVE: Karl Mociak, Executive General Manager—Transport Services, and Wayne Donnelly, General Manager—Rail International, in Abu Dhabi

CENTRE: John Holland is taking its expertise in operating in remote locations—shown here in line duplication work in the Pilbara region of Western Australia—to international markets

BELOW & OPPOSITE: The Hunter 8 Alliance in Australia illustrates John Holland's expertise in railway infrastructure projects



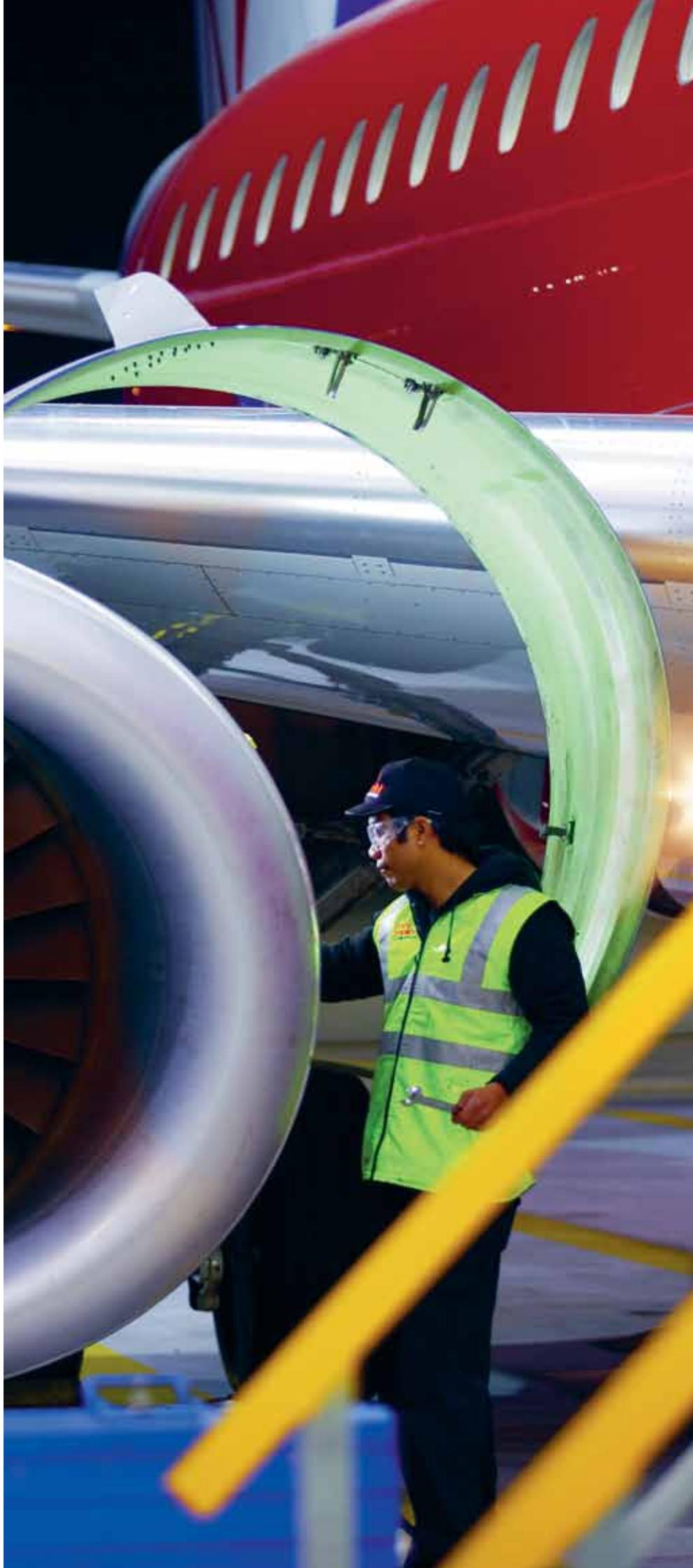
General Manager
Ian Wolfe

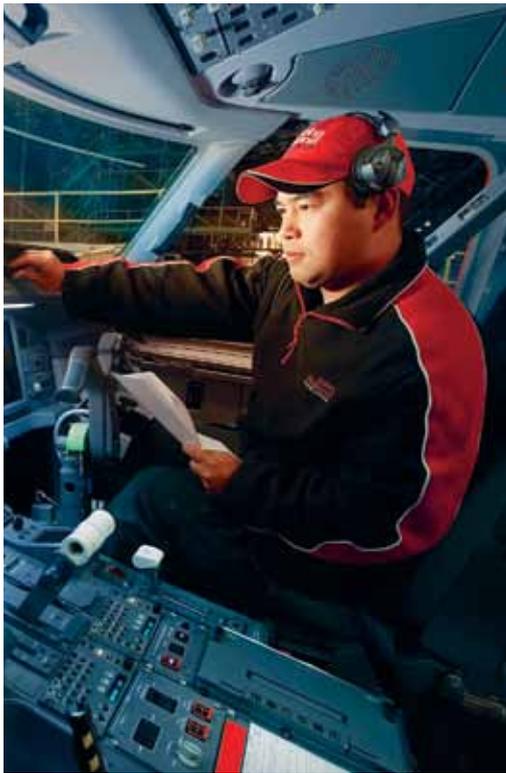
Key Projects

Virgin Australia Alliance; Jetstar Base Maintenance; Tiger Australia Maintenance Support; Menzies Ground Support Equipment Maintenance; ADF Component Maintenance

Milestones

First independent Maintenance and Repair Organisation (MRO) in Australia to achieve a substantial A330 maintenance capability





Aviation Services

After the challenging effects of the Global Financial Crisis, the Australian commercial aviation industry is now experiencing solid growth.

Major domestic carriers are growing their fleets, while international carriers continue to view the Australian market as an attractive target for business growth.

The combination of increasing fleets and maturity of operational fleets provides Aviation Services with further opportunity to grow aircraft and associated maintenance activity across the Australasian region.

Aviation Services currently operates in all Australian mainland states, along with a growing presence in New Zealand.

The business has pursued a growth strategy through consolidation of solid client relationships, and has grown business revenue by 100% over a three-year period. Aviation Services is focused on providing customer driven maintenance services to Australia's aviation sector, and with the unique skills within the business is well placed to support John Holland's broader diversity.

A significant addition to the business over the period has been the rapid expansion in A330 aircraft maintenance capability to support the Company's two largest clients—Virgin Australia and Jetstar.

This initiative has required significant investment in human resources and equipment, and complements the current product range Aviation Services offers to its core customers.

In addition, John Holland Aviation Services has moved towards a more consistent and reliable line and base maintenance service which continues to experience strong growth. It is expected these services will expand to over 50% of total revenue of the business within the next year, and will be further bolstered by improvements to production and planning methods.

These and other initiatives will provide the basis for projected growth and confirm John Holland's Aviation Services as the leading independent wide-body aircraft services provider in Australia.

John Holland's Aviation Services is now the only independent Maintenance and Repair Organisation within Australia to achieve substantial A330 capability.

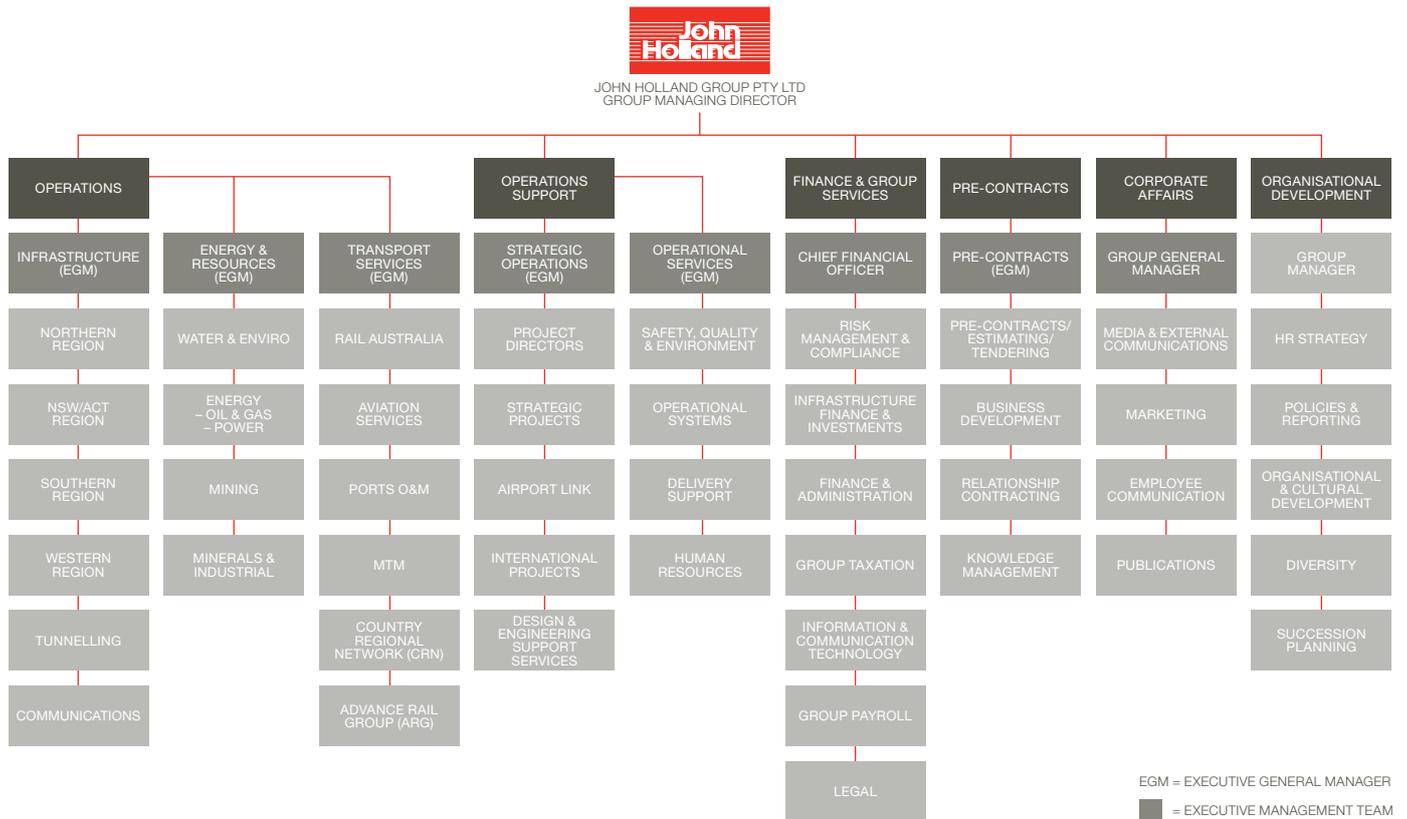
Overall profitability is expected to improve as high fixed costs inherent in the operation are spread over a larger-scale business. As greater productive capacity is introduced through initiatives such as the A330, the business will achieve the critical mass which will be a key driver in reaching profitability targets in 2011–2012.

As the business year closed, new service areas were identified to allow the business to grow its existing broad customer base and service offering. A robust organisation focused on quality, operational and commercial growth will underpin the targeted growth in profitability.



TOP, BOTTOM AND OPPOSITE:
John Holland's Aviation Services is the largest independent contractor in Australia, with strong capacity in both heavy maintenance and line and base maintenance services

Corporate Structure



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Contact

If you have any questions or comments about this review, please do not hesitate to send them to corporate.affairs@jhg.com.au

John Holland has taken all reasonable care in preparing this Annual Review 2011 (the 'Review') and believes it is correct in material respects. However, the Review is intended only to provide general and summarised information in relation to John Holland's activities and is not intended to be comprehensive or advisory in nature. John Holland does not, in any way, hold out, represent or warrant the accuracy or completeness of any of the information contained in the Review and readers must not rely upon or act on the basis of any such information. John Holland is not responsible in any way for any cost, loss, damage or other liability of whatsoever nature, which may directly or indirectly be suffered by any person, by way of reliance on any of the information in the Review.



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