



30 April 2014

Singapore Exchange (SGX)
2 Shenton Way
#19-00 SGX Centre 1
Singapore 068804

RE: Leighton Finance (USA) Pty Limited Financial Report 2013

Please find attached the financial report of Leighton Finance (USA) Pty Limited for the financial year ended 31 December 2013.

Yours faithfully
LEIGHTON HOLDINGS LIMITED

VANESSA REES
Group Company Secretary

LEIGHTON FINANCE (USA) PTY LIMITED **FINANCIAL REPORT 2013**

ABN 76 132 500 684

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Directors' Report

for the year ended 31 December 2013

The Directors present their report together with the financial report of Leighton Finance (USA) Pty Limited ("the Company") for the financial year ended 31 December 2013.

The Company was incorporated on 31 July 2008.

Directors

The Directors of the Company at any time during or since the end of the financial year were:

Name and qualifications

Steve J Fouracre Director	Appointed Director on 17 April 2013.
Malcolm R Ashcroft Director	Appointed Director on 17 April 2013.
Peter A Gregg Director	Appointed Director on 5 November 2009. Resigned 13 March 2014.
Richard Willcock Director	Appointed Director on 10 August 2012. Resigned 17 April 2013.

Company secretary

R Willcock was appointed secretary of the Company on 12 June 2012. He resigned on 17 April 2013.

V R Rees was appointed secretary of the Company on 7 July 2009.

Remuneration of key management personnel

Information about the remuneration of key management personnel is included in note 16: *Related party disclosures*.

Principal activity

The purpose and principal activity of the Company during the course of the financial year was the borrowing and lending of funds.

There were no significant changes in the nature of the activities of the Company during the year.

Directors' Report continued

for the year ended 31 December 2013

Review of operations

During the course of the financial year the Company continued to borrow funds on behalf of other related entities.

On 13 November 2012 the Company successfully issued US\$500.0 million of Guaranteed Senior Notes in the United States Rule 144A debt capital markets. The proceeds of the funds were used to provide further funding to related entities of the Company, and to repay the US\$110.0 million bilateral bank facility on 14 November 2012.

Dividends

No dividends were paid or declared during the year ended 31 December 2013.

Financial results

The profit after tax for the year ended 31 December 2013 amounted to US\$9.1 million (2012: US\$50.4 million).

Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years, other than as outlined below.

The Company's US\$500 million of 5.950% guaranteed senior notes due 2022 in the United States Rule 144A debt capital markets issue (the "Notes") are subject to a change of control provision which can be triggered if two events occur. First, HOCHTIEF Australia Holdings Limited ("HOCHTIEF", the ultimate Australian parent entity of the Company) announcing its intention to appoint, or actually appointing, 50% or more of the Leighton Holdings Limited's ("Leighton", the immediate parent entity of the Company) Board (a "Change of Control Event"), and consummating that Change of Control Event; and secondly, both Moody's and Standard & Poor's ceasing to rate the Notes as investment grade. As of 13 March 2014, HOCHTIEF has nominated 50% of the Directors appointed to the Board.

Currently the Notes are rated investment grade by Moody's and Standard & Poor's and no downgrade has occurred. Both rating agencies have placed Leighton on negative credit watch and have stated that they will review the business strategy and financial position of Leighton, together with that of its parents, to determine what action, if any, to take. The outcome of these reviews is uncertain. In order for the Notes to be rated non-investment grade by both Moody's and Standard & Poor's, Moody's must downgrade the Notes two notches from Baa2 to Ba1 and Standard & Poor's must downgrade one notch from BBB- to BB+. Ratings reviews typically take up to 90 days but can be shorter.

If both Moody's and Standard & Poor's were, in due course, to cease to rate the Notes as investment grade, Leighton, or a third party that it could procure, would be required by the Note terms to offer to repurchase the Notes at 101% of face value. It was also possible that there may have been a cross default under one of Leighton's other facilities if Leighton was to be required to offer to repurchase the Notes, however Leighton has in place binding arrangements which would remove any need for Leighton to offer for the Notes, so that the risk of cross default under that other facility is avoided.

Likely developments

The Company will continue to act as a borrower and lender of funds.

Environmental regulation

The Company is not subject to any significant environmental legislation or regulation.

Indemnification of officers

The Company has not during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer of the company or of any related body corporate against a liability incurred as such an officer.

Directors' Report continued

for the year ended 31 December 2013

Auditors Independence Declaration

The Auditor's Independence Declaration is set out on page 5 and forms part of the Directors' Report for the financial year ended 31 December 2013.

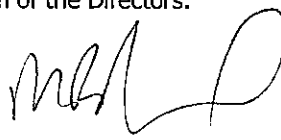
Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors:



Steven J Fouracre
Director



Malcolm R Ashcroft
Director

Dated at Sydney this 30th day of April 2014.

The Directors
Leighton Finance (USA) Pty Limited
472 Pacific Highway
ST LEONARDS NSW 2065

30 April 2014

Dear Directors

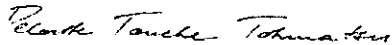
Auditor's Independence Declaration to Leighton Finance (USA) Pty Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Leighton Finance (USA) Pty Limited.

As lead audit partner for the audit of the financial report of Leighton Finance (USA) Pty Limited for the financial year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



G Couttas
Partner
Chartered Accountants

Statement of Profit or Loss

for the year ended 31 December 2013

	Note	12 months to December 2013 US\$'000	12 months to December 2012 US\$'000
Revenue	2	178,962	158,999
Expenses	3	(16,542)	(11)
Finance costs	3	(90,461)	(86,077)
Profit/(loss) before tax		71,959	72,911
Income tax (expense)/benefit	5	(62,825)	(22,471)
Profit/(loss) for the year		9,134	50,440

The statement of profit or loss is to be read in conjunction with the notes to the financial statements.

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2013

	12 months to December 2013 US\$'000	12 months to December 2012 US\$'000
Profit/(loss) for the year	9,134	50,440
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss</i>	-	-
<i>Items that will not be reclassified to profit or loss</i>	-	-
Other comprehensive income/ (expense) for the year	-	-
Total comprehensive income/ (expense) for the year	9,134	50,440

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

Statement of Financial Position

as at 31 December 2013

	Note	December 2013 US\$'000	December 2012 US\$'000
Assets			
Cash and cash equivalents	6	71,458	521,730
Trade and other receivables	7	100,897	50,001
<i>Total current assets</i>		172,355	571,731
Trade and other receivables	7	2,275,376	2,118,971
<i>Total non-current assets</i>		2,275,376	2,118,971
Total assets		2,447,731	2,690,702
Liabilities			
Trade and other payables	8	134,291	223,009
<i>Total current liabilities</i>		134,291	223,009
Trade and other payables	8	1,373,972	1,538,715
Interest bearing liabilities	9	842,043	840,687
<i>Total non-current liabilities</i>		2,216,015	2,379,402
Total liabilities		2,350,306	2,602,411
Net assets		97,425	88,291
Equity			
Share capital	10	-	-
Retained earnings	11	97,425	88,291
Total equity		97,425	88,291

The statement of financial position is to be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

for the year ended 31 December 2013

	Share Capital US\$'000	Retained Earnings US\$'000	Total Equity US\$'000
Total equity at 31 December 2011	-	37,851	37,851
Profit for the year	-	50,440	50,440
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	50,440	50,440
Total equity at 31 December 2012	-	88,291	88,291
Profit for the year	-	9,134	9,134
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	9,134	9,134
Total equity at 31 December 2013	-	97,425	97,425

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

for the year ended 31 December 2013

	Note	12 months to December 2013 US\$'000	12 months to December 2012 US\$'000
Cash flows from operating activities			
Cash receipts in the course of operations (including GST)		-	218,612
Cash payments in the course of operations (including GST)		(12)	(11)
Cash flows from operating activities		(12)	218,601
Interest received		441	1,602
Finance costs paid		(50,358)	(20,409)
Net cash from operating activities	12	(49,929)	199,794
Cash flows from financing activities			
Proceeds from borrowings		-	493,696
Repayments of borrowings		-	(110,000)
Net receipts/(payments) on amounts due from/(due to) related entities		(400,343)	(112,818)
Net cash from financing activities		(400,343)	270,878
Net increase/(decrease) in cash held		(450,272)	470,672
Net cash at the beginning of the year		521,730	51,057
Net cash at reporting date	6	71,458	521,730

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

for the year ended 31 December 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

Leighton Finance (USA) Pty Limited (the "Company") is a company domiciled in Australia.

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASB") adopted by the Australian Accounting Standards Board and in accordance with the Corporations Act 2001.

The financial report of the Company also complies with the International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board.

The standards, amendments to standards and interpretations available for early adoption at reporting date that have not been applied in preparing this financial report are detailed in note 17: *New accounting standards*.

The financial report was authorised for issue by the Directors on 30 April 2014.

Basis of preparation

Presentation

The financial report is presented in United States dollars and has been prepared on the historical cost basis.

The functional and presentation currency is United States dollars since the transactions of Leighton Finance (USA) Pty Limited are predominantly in United States dollars.

The Company is a company of the kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report have been rounded off to the nearest

thousand dollars, unless otherwise stated.

The significant accounting policies adopted in the preparation of the financial report are set out below. These policies have been applied consistently to all periods presented in the financial report.

Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances. Revisions to estimates are recognised in the period in which the estimate is revised and in any future period affected.

Judgements made in the application of AASBs that could have a significant effect on the financial report in the next year are in relation to the carrying value of receivables.

Revenue recognition

Interest revenue is recognised as it accrues (using the effective interest method, which is the rate that discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, interest bearing liabilities, and trade and other payables.

When acquired, non-derivative financial instruments are recognised at fair value. At subsequent reporting dates they are measured at amortised cost unless specifically discussed below.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank and short term deposits at call. For the purposes of the statements of cash flows, net cash includes cash on hand, at bank and short term deposits at call, net of bank overdrafts.

Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses.

Trade and other payables

Liabilities are recognised for amounts to be paid for goods or services received. Trade payables are normally settled within 60 days.

Interest bearing liabilities

All loans and borrowings are initially recognised at fair value, being the amount received less attributable transaction costs. After initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Notes to the Financial Statements

for the year ended 31 December 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Share capital

Issued and paid up capital is recognised at the consideration received by the Company.

Finance costs

Finance costs include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Income tax

Income tax expense on the profit or loss for the year comprises current tax expense and deferred tax expense. Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years. The Company adopts the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the statement of financial position date. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise

those temporary differences and losses.

The Company forms part of a tax-consolidated group of which Leighton Holdings Limited, the immediate Australian parent entity, is the head entity. The head entity recognises all of the current tax assets and liabilities and deferred tax assets in respect of tax losses of the tax-consolidated group (after elimination of intra-group transactions). Any deferred tax assets and liabilities in respect of temporary differences are recognised in the Company's financial statements. The tax-consolidated group has entered into a tax funding agreement that requires the Company to make contributions to the head entity for current tax assets and liabilities occurring after the implementation of tax consolidation. Under the tax funding agreement, the contributions are calculated using the "group allocation" approach so that the contributions are equivalent to the current tax balances generated by transactions entered into by wholly-owned subsidiaries.

The contributions are payable as set out in the agreement and reflect the timing of the head entity's obligations to make payments for tax liabilities to the relevant tax authorities. The assets and liabilities arising under the tax funding agreement are recognised as intercompany assets and liabilities with a consequential adjustment to current income tax.

Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of the Company's receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets).

Foreign currency translation

Functional and presentation currency

The financial statements are presented in United States dollars, which is Leighton Finance (USA) Pty Limited's functional and presentation currency.

Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Notes to the Financial Statements continued

for the year ended 31 December 2013

2. REVENUE

	Note	12 months to December 2013 US\$'000	12 months to December 2012 US\$'000
Interest			
- Related parties	16	178,521	156,811
- Other parties		441	1,305
Other revenue			
- Related parties		-	883
Total revenue		178,962	158,999

3. EXPENSES AND FINANCE COSTS

	Note	12 months to December 2013 US\$'000	12 months to December 2012 US\$'000
Other expenses		(12)	(11)
Impairment of amounts receivable from related parties	7	(16,530)	-
Expenses		(16,542)	(11)
Finance costs			
- Related parties	16	(40,774)	(60,481)
- Other parties		(49,335)	(25,569)
Facility fees		(353)	(8)
Foreign exchange (losses) /gains		1	(19)
Net finance costs		(90,461)	(86,077)
Total expenses and finance costs		(107,003)	(86,088)

During the reporting period, US\$16.5 million of related party receivables were impaired as the amount was determined to be unrecoverable.

4. AUDITOR'S REMUNERATION

During the year US\$13,500 was payable to Deloitte Touche Tohmatsu by a controlled entity of Leighton Holdings Limited, the Company's parent entity.

Notes to the Financial Statements continued

for the year ended 31 December 2013

5. INCOME TAX EXPENSE

	12 months to December 2013 US\$'000	12 months to December 2012 US\$'000
Income tax expense recognised in the statement of profit or loss		
Current tax expense	(62,262)	(22,400)
(Under)/over provision in prior periods	(563)	(321)
Other	-	250
Total income tax expense in statement of profit or loss	(62,825)	(22,471)
Reconciliation between tax expense and profit before tax:		
Profit before tax	71,959	72,911
Prima facie income tax expense at 30% (2012: 30%)	(21,588)	(21,873)
Foreign exchange	(35,715)	(527)
(Under)/over provision in prior periods	(563)	(321)
Other	(4,959)	250
Current year income tax expense	(62,825)	(22,471)
Income tax expense	(62,825)	(22,471)

Notes to the Financial Statements continued

for the year ended 31 December 2013

6. CASH AND CASH EQUIVALENTS

	December 2013 US\$'000	December 2012 US\$'000
Funds on deposit	-	1,053
Cash at bank and on hand	71,458	520,677
Total cash and cash equivalents	71,458	521,730

7. TRADE AND OTHER RECEIVABLES

	Note	December 2013 US\$'000	December 2012 US\$'000
Trade debtors		1	1
Amounts receivable from related parties	16	2,376,272	2,168,971
Total trade and other receivables		2,376,273	2,168,972
Current		100,897	50,001
Non-current		2,275,376	2,118,971
Total trade and other receivables		2,376,273	2,168,972

During the reporting period, US\$16.5 million of related party receivables were impaired as the amount was determined to be unrecoverable.

8. TRADE AND OTHER PAYABLES

	Note	December 2013 US\$'000	December 2012 US\$'000
Trade creditors and accruals		12,269	14,295
Amounts payable to related parties	16	1,495,994	1,747,429
Total trade and other payables		1,508,263	1,761,724
Current		134,291	223,009
Non-current		1,373,972	1,538,715
Total trade and other payables		1,508,263	1,761,724

Notes to the Financial Statements continued

for the year ended 31 December 2013

9. INTEREST BEARING LIABILITIES

	Note	December 2013 US\$'000	December 2012 US\$'000
<i>Non-current</i>			
Guaranteed Notes		842,043	840,687
Total non-current interest bearing liabilities	15	842,043	840,687
Total interest bearing liabilities	15	842,043	840,687

Notes to the Financial Statements continued

for the year ended 31 December 2013

10. TOTAL EQUITY

	December 2013 No. of shares	December 2012 No. of shares
Issued and fully paid share capital		
Balance at beginning of reporting period	2	2
Issue of shares	-	-
Balance at reporting date	2	2
	12 months to December 2013 US\$	12 months to December 2012 US\$
Share capital		
Balance at beginning of reporting period	2	2
Issue of shares	-	-
Balance at reporting date	2	2

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

11. RETAINED EARNINGS

	12 months to December 2013 US\$'000	12 months to December 2012 US\$'000
Balance at beginning of reporting period	88,291	37,851
Profit attributable to owners of the Company	9,134	50,440
Balance at reporting date	97,425	88,291

Notes to the Financial Statements continued

for the year ended 31 December 2013

12. RECONCILIATION OF PROFIT FOR THE YEAR TO NET CASH FROM OPERATING ACTIVITIES

	12 months to December 2013 US\$'000	12 months to December 2012 US\$'000
Profit for the year	9,134	50,440
<i>Adjustments for non-cash items:</i>		
Amortisation of transaction costs capitalised	1,186	516
Foreign exchange loss/(gain)	(1)	19
Amounts payable to related parties forgiven during the financial year	-	(834)
Impairment of amounts receivable from related parties	16,530	-
<i>Net changes in assets/liabilities:</i>		
(Increase)/decrease in trade and other receivables	-	218,860
(Increase)/decrease in net amounts receivable/ (payable) from related parties	(74,923)	(73,025)
Increase/ (decrease) in trade and other payables	(1,855)	3,818
Net cash from operating activities	(49,929)	199,794

13. SEGMENT INFORMATION

Description of segments

The company operates as one segment, being the borrowing and lending of funds.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customer, as shown below:

Geographical revenue information	12 months to December 2013 US\$'000	12 months to December 2012 US\$'000
Australia Pacific	168,130	139,934
Asia and Middle East	10,832	19,065
Total	178,962	158,999

Segment assets

The Company has no segment assets that meet the disclosure requirement criteria of AASB 8 *Operating Segments*.

Major customers

Revenue from one related party, LMENA No.1 Pty Limited, a wholly owned subsidiary of the Company's immediate parent entity, represents US\$166.3 million (2012:US\$136.8 million) of the Company's total revenue.

Notes to the Financial Statements continued

for the year ended 31 December 2013

14. CAPITAL RISK MANAGEMENT

Capital planning forms part of the business and strategic plans of the Company. Decisions relating to obtaining and investing capital are made following consideration of the Company's key financial and business objectives being, the provision of and borrowing of funds on behalf of related entities within the broader immediate parent entity's group.

15. FINANCIAL INSTRUMENTS

The activities of the Company expose it to credit risk, liquidity risk and interest rate risk.

a) Credit risk

Credit risk represents the risk that a counterparty will not complete its obligations under a financial instrument resulting in a financial loss to the Company.

The Company has a concentration of credit risk in relation to amounts due from related parties. The Company's maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Company has no receivables considered past due (2012: nil).

b) Liquidity risk

Liquidity risk is the risk of having insufficient funds to settle financial liabilities as and when they fall due. This includes having insufficient levels of committed credit facilities.

Liquidity risk of the Company is limited to the risk of having insufficient funds to settle financial liabilities as and when they fall due. Refer to note 15(e): *Financial instruments – interest bearing loans*.

Contractual maturities of financial liabilities as at 31 December 2013:

	Carrying amount	Contractual cash flows	US\$'000		
			Less than 1 year	1-5 years	More than 5 years
2013					
Trade and other payables	12,269	(12,269)	(12,269)	-	-
Amounts payable to related parties	1,495,994	(1,664,520)	(122,022)	(1,542,498)	-
Bilateral Loans	-	-	-	-	-
Guaranteed Notes	842,043	(1,202,673)	(48,025)	(407,354)	(747,294)
2012					
Trade and other payables	14,295	(14,295)	(14,295)	-	-
Amounts payable to related parties	1,747,429	(1,785,365)	(208,714)	(1,556,651)	-
Bilateral Loans	-	-	-	-	-
Guaranteed Notes	840,687	(1,241,385)	(48,025)	(418,982)	(774,378)

Notes to the Financial Statements continued

for the year ended 31 December 2013

15. FINANCIAL INSTRUMENTS CONTINUED

c) Interest rate

Interest rate risk is the risk that the value of a financial instrument or cash flow associated with the instrument will fluctuate due to changes in market interest rates.

The Company's interest rate risk arises from the interest receivable on Cash and cash equivalents and amounts receivable from related parties, and on the interest payable on interest bearing liabilities and amounts payable to related parties. At reporting date it is estimated that an increase of one percentage point in floating rate interest rates would have decreased the Company's profit after tax and retained earnings by US\$5.0 million (31 December 2012: decreased by US\$9.4million). A one percentage point decrease in interest rates would have had an equal and opposite effect on retained earnings and profit after tax.

Profile

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	December 2013 US\$'000	December 2012 US\$'000
Fixed rate instruments		
- Financial assets	2,095,046	1,923,055
- Financial liabilities	(854,340)	(852,687)
	1,240,706	1,070,368
Variable rate instruments		
- Financial assets	277,109	697,593
- Financial liabilities	(1,340,463)	(1,660,045)
	(1,063,354)	(962,452)

Notes to the Financial Statements continued

for the year ended 31 December 2013

15. FINANCIAL INSTRUMENTS CONTINUED

d) Fair value measurement of financial instruments

Fair value of hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the fair value hierarchy.

Fair value of financial assets and liabilities has been determined based on either the listed price or the net present value of cash flows using current market rates of interest. The carrying amounts of other financial assets and liabilities in the Company's statement of financial position, other than those listed below, approximate fair values.

The fair value of interest bearing liabilities is:

- *Listed:* 10-Year-Fixed-Rate Guaranteed Notes fair value US\$538.5 million; carrying value US\$492.7 million (31 December 2012: fair value US\$512.1 million; carrying value US\$491.7 million); and
- *Unlisted:* Guaranteed Senior Notes fair value US\$391.3 million, carrying value of US\$349.4 million (31 December 2012: fair value: US\$404.4 million, carrying value of US\$349.0 million).

No financial instruments are measured at fair value subsequent to initial recognition in the statement of financial position.

Methods and valuation techniques

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Listed and unlisted investments

The fair values of listed investments are determined on an active market valuation basis using observable market data such as current bid prices. The fair values of unlisted investments are determined by the use of internal valuation techniques using discounted cash flows. Where practical the valuations incorporate observable market data. Assumptions are generally required with regard to future expected revenues and discount rates.

e) Interest bearing loans

Guaranteed notes

On 21 July 2010, the Company issued a total of US\$350.0 million Guaranteed Senior Notes in three series:

- Series A Notes: US\$90.0 million Guaranteed Senior Notes at the rate of 4.51% maturing on 21 July 2015
- Series B Notes: US\$145.0 million Guaranteed Senior Notes at the rate of 5.22 % maturing on 21 July 2017
- Series C Notes: US\$115.0 million Guaranteed Senior Notes at the rate of 5.78 % maturing on 21 July 2020

Interest on the above notes is paid semi-annually on the 21st day of January and July in each year. Carrying amount at 31 December 2013: US\$349.4 million (31 December 2012: US\$349.0 million).

On 13 November 2012, the Company issued US\$500.0 million of 10-Year Fixed-Rate Guaranteed Notes.

The notes bear interest from 13 November 2012 at the rate of 5.95% per annum and mature on 13 November 2022. Interest on the notes will be paid semi-annually on the 13th day of May and November in each year, commencing on 13 May 2013. Carrying amount at 31 December 2013: US\$ 492.7 million (31 December 2012: US\$491.7 million).

Notes to the Financial Statements continued

for the year ended 31 December 2013

16. RELATED PARTY DISCLOSURES

Transactions with other related parties

Transactions with related parties are made on normal commercial terms and conditions. The related party relationship is by virtue of their immediate Australian parent entity, being Leighton Holdings Limited, incorporated in Australia.

	12 months to December 2013 US\$'000	12 months to December 2012 US\$'000
Aggregate amounts receivable from related parties at reporting date		
Other related entities	2,376,272	2,168,971
Aggregate amounts payable to related parties at reporting date		
Leighton Holdings Limited	(61,179)	(20,241)
Other related entities	(1,434,815)	(1,727,188)
Interest received from related parties		
Other related entities	178,521	156,811
Interest paid to related parties		
Other related entities	(40,774)	(60,481)

Number of employees

The Company has no employees.

Directors

The Directors who held office as Directors of Leighton Finance (USA) Pty Limited during the year ended 31 December 2013, or since the end of the financial year, were:

- Steven J Fouracre (appointed 17 April 2013)
- Malcolm R Ashcroft (appointed 17 April 2013)
- Peter A Gregg (appointed 5 November 2009, resigned 13 March 2014)
- Richard Willcock (appointed 10 August 2012, resigned 17 April 2013)

Directors' transactions

There were no transactions with Directors during the year.

Company information

Leighton Finance (USA) Pty Limited is domiciled in Australia. The Company was incorporated in NSW, Australia on 31 July 2008. The address of the registered office is 472 Pacific Highway, St Leonards, NSW, Australia, 2065.

Immediate parent entity

The immediate Australian parent entity is Leighton Holdings Limited, incorporated in Australia.

Notes to the Financial Statements continued

for the year ended 31 December 2013

16. RELATED PARTY DISCLOSURES CONTINUED

Ultimate parent entity

The ultimate Australian parent entity is HOCHTIEF Australia Holdings Limited and the ultimate parent entity is Actividades de Construcción y Servicios, SA ("ACS") incorporated in Spain.

Key management personnel

No compensation is provided by the Company or on behalf of the Company in exchange for services rendered to the Company by key management personnel.

17. NEW ACCOUNTING STANDARDS

The following standards, amendments to standards and interpretations have been identified as those which may impact the Company in the period of initial application. They are available for early adoption at 31 December 2013, but have not been applied in preparing this financial report. The Company's assessment of these new standards and interpretations is set out below:

- *AASB 9 Financial Instruments (revised December 2010)*
This standard addresses the classification, measurement and derecognition of financial assets and financial liabilities. AASB 9 will become mandatory for the Company's 31 December 2015 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the period ended 31 December 2012 or earlier. The Company has not adopted the standard and has not yet determined the potential effect of the standard.
- *AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements AASB 124*
This Standard makes amendments to remove individual key management personnel disclosure requirements from AASB 124. The amendments will become mandatory for the Company's 31 December 2014 financial statements. The amendments are not expected to have a significant impact on the Company's financial statements.
- *AASB 2012-3 Amendments to Australian Accounting Standards –Offsetting Financial Assets and Financial Liabilities*
AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of 'currently has a legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to net settlements. The amendments will become mandatory for the Company's 31 December 2014 financial statements. The amendments are not expected to have significant impact on the Company's financial statements.
- *AASB 1053 Application of Tier of Australian Accounting Standards*
This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements, being Tier 1: Australian Accounting Standards and Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements. As the Tier 2 reduced disclosure requirements apply to for-profit entities that do not have public accountability, which is not applicable to the Company, the Company will continue to adhere to the full financial reporting framework as required under Tier 1. As a result, the application of this framework will have no impact on the Company's financial statements.

18. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years, other than as outlined below.

Notes to the Financial Statements continued

for the year ended 31 December 2013

The Company's US\$500 million of 5.950% guaranteed senior notes due 2022 in the United States Rule 144A debt capital markets issue (the "Notes") are subject to a change of control provision which can be triggered if two events occur. First, HOCHTIEF Australia Holdings Limited ("HOCHTIEF", the ultimate Australian parent entity of the Company) announcing its intention to appoint, or actually appointing, 50% or more of the Leighton Holdings Limited's ("Leighton", the immediate parent entity of the Company) Board (a "Change of Control Event"), and consummating that Change of Control Event; and secondly, both Moody's and Standard & Poor's ceasing to rate the Notes as investment grade. As of 13 March 2014, HOCHTIEF has nominated 50% of the Directors appointed to the Board.

Currently the Notes are rated investment grade by Moody's and Standard & Poor's and no downgrade has occurred. Both rating agencies have placed Leighton on negative credit watch and have stated that they will review the business strategy and financial position of Leighton, together with that of its parents, to determine what action, if any, to take. The outcome of these reviews is uncertain. In order for the Notes to be rated non-investment grade by both Moody's and Standard & Poor's, Moody's must downgrade the Notes two notches from Baa2 to Ba1 and Standard & Poor's must downgrade one notch from BBB- to BB+. Ratings reviews typically take up to 90 days but can be shorter.

If both Moody's and Standard & Poor's were, in due course, to cease to rate the Notes as investment grade, Leighton, or a third party that it could procure, would be required by the Note terms to offer to repurchase the Notes at 101% of face value. It was also possible that there may have been a cross default under one of Leighton's other facilities if Leighton was to be required to offer to repurchase the Notes, however Leighton has in place binding arrangements which would remove any need for Leighton to offer for the Notes, so that the risk of cross default under that other facility is avoided.

The Directors approved the financial report on 30 April 2014.

Statutory Statements

Directors' Declaration

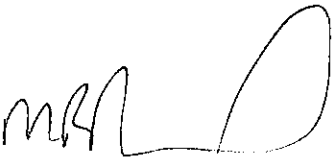
1. In the opinion of the Directors of Leighton Finance (USA) Pty Limited ("the Company"):
 - (a) the financial statements and notes, set out on pages 6 to 24, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors draw attention to Note 1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Dated at Sydney this 30th day of April 2014.

Signed for and on behalf of the Directors in accordance with a resolution of the Directors made pursuant to S295 of the Corporations Act 2001:



Steven J Fouracre
Director



Malcolm R Ashcroft
Director

Independent Auditor's Report to the members of Leighton Finance (USA) Pty Limited

We have audited the accompanying financial report of Leighton Finance (USA) Pty Limited, which comprises the Statement of Financial Position as at 31 December 2013, the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company, as set out on pages 6 to 25.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1 the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

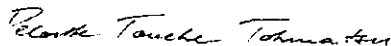
Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Leighton Finance (USA) Pty Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Leighton Finance (USA) Pty Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.



DELOITTE TOUCHE TOHMATSU



G Couttas
Partner
Chartered Accountants
Sydney, 30 April 2014