

**6 November 2003**

## **Leighton reports \$11.5 billion of work in hand at AGM**

At Leighton Holdings Limited 42<sup>nd</sup> Annual General Meeting held in Sydney today, Chairman, Mr John Morschel, reported that the results in the 2003 fiscal period reflected a strong underlying performance and that a record level of work in hand had been secured.

“Work in hand since 30 June has been boosted by the award of some large projects in Asia and at 30 September stood at \$10.0 billion. This record workload will lead to increased revenue and the Board is confident that the Group will achieve an after tax profit in excess of \$180 million in this financial year,” said Mr Morschel.

“The Group reported a solid operating profit after tax of \$140 million for 2002/03, despite the impact of the Nextgen write off. The return on average shareholders’ funds was 16.8%, ranking the Group 20th out of the top 100 companies listed on the Australian Stock Exchange.

“Total operating revenue, including joint ventures, increased by 7% to a record level of \$5.6 billion.

“The Directors were pleased to announce an increased final ordinary dividend of 27 cents per share. The total ordinary dividend for the year increased by 5% to 44 cents per share, franked to 100%,” he said.

The Chairman also reported that operating revenue recorded during the first three months of the current financial year was \$1.3 billion. Whilst this was in line with last year, it is expected to increase during the course of 2003/04 as major projects come on stream. An operating profit after tax (unaudited) of \$36.4 million was generated in the first quarter, which was in line with expectations. A summary of financial information for the first quarter of 2003/04 is attached in Appendix A.

Chief Executive Officer, Mr Wal King AM, said in his presentation to shareholders that the Group’s momentum, generated by the record level of work in hand, should provide improving returns for shareholders in the future.

“The recent award to Thiess of over \$1.7 billion worth of mining extensions in Indonesia has further boosted work in hand to \$11.5 billion at the end of October,” said Mr King

“The Group has the prospect of maintaining work at around this level given the number of construction opportunities still emerging in Australia. There is further upside in the engineering, building and resources markets across Australia with some very large projects being pursued.

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“A consortium including Thiess and John Holland has recently been announced as the preferred proponent to develop Sydney’s \$1 billion Lane Cove Tunnel project. In Melbourne, two consortia including Group companies have expressed an interest in developing the \$1.8 billion Mitcham-Frankston Freeway. Bids are due on this project by the end of March next year.

“The outlook for the non-residential building and property market is for an investment led upswing forecast through to 2007. Leighton Properties, with around \$1.4 billion of property developments currently underway and another \$300-\$400 million in the pipeline, is set to capitalise on this property upswing,” said Mr King.

“The outlook for the contract mining market remains positive with growth forecast for the next few years, particularly in the black coal industry.

“The Group is actively pursuing the operations and maintenance services market, which is estimated to be worth around \$20 billion per year in Australia,” he said.

“The outlook for the Asian region has been boosted by a number of recent project wins which takes work in hand in Asia to around \$4.0 billion at the end of October. Asia remains a fundamental element of our diversity strategy.

“The forecast for the next few years is strong with a record level of work in hand spread across the Group’s diverse business units in Australia and Asia,” said Mr King.

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Leighton Holdings Limited

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**Leighton Holdings Limited** is the parent company of Australia’s largest project development and contracting group. Founded in 1949, the organisation has grown into a diversified group that includes Thiess, Leighton Contractors, John Holland, Leighton Asia and Leighton Properties. Leighton Group companies undertake activity for public and private sector clients in the engineering and infrastructure, building and property, mining and resources, and operations and maintenance services markets. With around 15,000 employees, the Group’s operations are spread all around the Asia-Pacific region on projects in Australia, Hong Kong, Indonesia, Malaysia, the Philippines, Thailand, Vietnam, China and New Zealand. Leighton Holdings is listed on the Australian Stock Exchange and has its head office in Sydney.

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APPENDIX A

KEY PERFORMANCE FEATURES FOR THE 3 MONTHS ENDED 30  
SEPTEMBER 2003

	3 months ended 30 September 2003 Unaudited	3 months ended 30 September 2002 Unaudited
<b>Financial performance information</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue – group	1,107,492	1,292,367
– joint ventures	197,474	75,001
<b>Total Revenue</b>	<b>1,304,966</b>	<b>1,367,368</b>
<b>Operating profit from ordinary activities before income tax</b>	<b>54,861</b>	<b>53,785</b>
Income tax expense	(16,749)	(16,308)
Profit from ordinary activities after tax	38,112	37,477
Net profit attributed to outside equity interests	(1,720)	(2,801)
<b>Net profit attributed to members</b>	<b>36,392</b>	<b>34,676</b>
<b>Financial position information</b>		
Total assets	2,050,661	2,178,999
Total liabilities	1,222,012	1,332,916
<b>Net assets</b>	<b>828,649</b>	<b>846,083</b>
Net tangible assets	801,558	812,757
Net tangible assets per ordinary share (\$)	\$2.94	\$3.00
Earnings per share	13.3¢	12.9¢
Number of employees	14,915	15,526