



Ashley Moir
Company Secretary
Leighton Holdings Limited
ABN 57 004 482 982
Level 5, 472 Pacific Highway
St Leonards NSW 2065, Australia
PO Box 1002
Crows Nest NSW 1585, Australia
www.leighton.com.au
T (02) 9925 6666
F (02) 9925 6005

10 November 2005

Company Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Re: Leighton Renews CEO Contract and Appoints COO

Please find attached two press releases to be issued later today by the Company.

Yours faithfully,
LEIGHTON HOLDINGS LIMITED

ASHLEY MOIR
Company Secretary

10 November 2005

Leighton signs Wal King as CEO until at least November 2008

The Board of Leighton Holdings Limited today said it had finalised a new employment contract with Chief Executive Officer, Mr Wal King.

Leighton Holdings' Chairman, Mr Geoff Ashton, said that the Board is very pleased to have retained the services of Mr King as CEO for a further three years until 30 November 2008, with an option to extend until November 2009.

"Mr King has led the transformation of Leighton from a mid-tier contractor, with a market capitalisation of \$100 million in 1987, to one of the world's most successful project development and construction groups. Based on return on equity, Leighton is one of the leading contractors in the world," said Mr Ashton.

"Since Mr King was appointed CEO in 1987, profit after tax has increased by 30 times while the share price has increased from 90c to around \$15.00. Over a 10 year period to 30 June 2005, Leighton delivered a total shareholder return of 21.6% per annum.

"Leighton's significantly improved performance this year with a profit after tax up 87% to \$205 million, while work in hand rose by 19% to \$15.5 billion. Dividends were increased by 11% to 50 cents per share," said Mr Ashton.

"Leighton also reported an average return on shareholders' funds of 23.6%, ranking the company in the top 25% of major Australian companies in terms of shareholder returns.

"Mr King's leadership and experience will be critical in steering the company through its next stage of growth.

"Under the terms of the new contract the overall remuneration that Mr King can receive each year is capped and 70% of his potential remuneration will be at risk," said Mr Ashton.

"The capped remuneration structure includes growth hurdles, which require Leighton to meet set profit targets each year before Mr King receives an incentive. If the hurdles the Board has set are achieved, then shareholders stand to benefit substantially.

"This represents a very good outcome for shareholders as we have secured Mr King's services for at least another 3 years and put in place an incentive structure that is tightly aligned to shareholders interests," said Mr Ashton.

A summary of Mr King's new employment contract is detailed in the attached Appendix.

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Further information:

MR GEOFF ASHTON Chairman T (02) 9925 6042 or

MR JUSTIN GROGAN General Manager, Investor and Media Relations T (02) 9925 6628

(continued...)

Appendix - Summary of Proposed Material Terms for 2005 Employment Contract of Mr Wal King

Term of Contract - 3 years from 1 December 2005 to 30 November 2008 with provision for extension by mutual agreement for an additional 1 year to 30 November 2009.

Fixed Annual Remuneration (FAR) - Come-to-work pay which is not at risk. The FAR for the period commencing 1 December 2005 is \$2.7 million. Mr King's equivalent FAR or 'come-to-work' pay for the last financial year was \$2.6 million

Annual Incentive (AI) - Is at risk and is measured on the profit achieved by the company in a particular year. It specifies a minimum profit threshold before any AI is paid and a maximum profit which caps the amount of AI for each year. The maximum AI which can be paid in 2006 is \$2.7 million.

Long Term Incentive (LTI) - Is at risk and is calculated by reference to Total Shareholder Return (TSR) over a two or three year period. The LTI has two elements:

- Absolute Return – TSR must exceed a minimum return before any element of this incentive is payable. This element of the LTI is capped at 75% of FAR.
- Comparative Return – TSR must be at least the average of the ASX 100 before any element of this incentive is payable. This element of the LTI is capped at 75% of FAR.

Remuneration Cap - Remuneration (comprising FAR, AI and LTI) for each financial year will be subject to an overall cap. The Remuneration Cap for the year ending 30 June 2006 will be approximately \$9.2 million.

Existing Benefits - The current contractual retirement benefit entitlement will be frozen and will be due to Mr King on the date of the termination of his employment with the company.

Other benefits accrued to Mr King under his existing contract will all be paid out prior to the commencement of the new contract. These benefits total \$23.1 million.

Restraint On Termination - In consideration for agreeing to a 2 year restraint period on the conclusion of his contract, Mr King will receive a payment of \$3.6 million over the restraint period.

10 November 2005 **Bill Wild appointed Leighton Chief Operating Officer**

Leighton Holdings CEO, Mr Wal King, today announced the appointment of Mr Bill Wild, currently Managing Director of the John Holland Group, to the position of Chief Operating Officer of Leighton Holdings, effective 1 January 2006.

“I am delighted that Bill has agreed to join the Leighton Holdings corporate team to take a lead role in operational matters across the Group,” said Mr King.

“With 30 years contracting experience with the Group in both Australia and Asia, Bill is well qualified to assist me in managing the growth we expect to see in our construction, mining and services operations over the next few years. He will also be responsible for risk management.

“In addition, I’m pleased to announce that David Stewart will become Group Managing Director of John Holland when Bill joins Leighton Holdings in January,” said Mr King.

“David is currently Managing Director of John Holland’s national construction operations and has been with the Leighton Group in various management roles for nearly 20 years. David will continue to report to Bill until July 2006.

“These appointments demonstrate the strength of our executive management across the Leighton Group and our ability to promote from within the organisation.

Bill Wild will remain a Director on the John Holland Board led by its Chairman, Mrs Janet Holmes à Court. David Stewart is also a Director of John Holland.

John Holland, a subsidiary of Leighton Holding, is now one of Australia’s largest and most diverse contractors. Annual revenue for the 2004/05 financial year was \$1.7 billion and work in hand currently stands at approximately \$3.0 billion.

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Further information:

MR WAL KING AO Chief Executive Officer T (02) 9925 6912 or

MR DIETER ADAMSAS Deputy Chief Executive Officer & CFO T (02) 9925 6923

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, John Holland, Leighton Contractors, 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, telecommunications and environmental services markets. A range of services are offered including project development, construction, operation and maintenance. With over 22,700 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, India and New Zealand. Leighton Holdings is listed on the Australian Stock Exchange and has its head office in Sydney.