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11 May 2005

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

Re: Leighton remains on track for profit of at least \$180 million

Dear Sir

Please find attached a copy of a media release to be issued today by Leighton Holdings Limited.

Yours faithfully
LEIGHTON HOLDINGS LIMITED

ASHLEY MOIR
Company Secretary

11 May 2005

Leighton remains on track for profit of at least \$180 million

Leighton Holdings Limited today announced operating profit before tax (unaudited) for the nine months to 31 March 2005 of \$171.4 million and operating profit after tax (unaudited) of \$115.8 million. Operating revenue for the nine months was \$5.4 billion.

Work in hand stood at \$14.9 billion compared with \$15.0 billion at the half year. A summary of financial information for the quarter is attached (Appendix A).

Leighton Holdings' Chief Executive, Mr Wal King AO, reported that it had been a very busy period for the Group with a number of projects converted.

"Work in hand has held up very well, driven by the award of new road, services and building projects around Australia," he said.

"Leighton Contractors secured a number of road projects during the period including the design, construction and maintenance of Stage 1 of the bus only North-West Transitway in Sydney, the design and construction of a busway connection in Brisbane and roadworks at Noosa in Queensland.

"Leighton Contractors furthered its presence in the services market with the acquisition of the business and assets of AMEC Engineering's Technical Services (ATS) and Engineering and Construction (E&C) divisions. These businesses, to be renamed Mayfield and Metlabs, specialise in providing multidiscipline services and engineering solutions for clients in the resource, process, manufacturing and infrastructure sectors," said Mr King.

"Thiess Services, in joint venture with Siemens, secured a seven year operations, maintenance and construction alliance with South East Water in Melbourne, valued in excess of \$280 million. Thiess Services was also awarded a \$100 million alliance contract by Alinta Network Services for the delivery of electrical infrastructure construction and maintenance services in Melbourne.

In April, John Holland was awarded \$226 million worth of construction works as part of the Queensland Government's first Public Private Partnership (PPP) for the redevelopment of the Southbank Education and Training precinct. John Holland was also awarded the construction of the new 'Green Bridge' - a pedestrian, cycle and bus bridge - across the Brisbane River.

"Leighton Properties entered into a development agreement to sell land and develop a new bulky goods retail centre on Queensland's Sunshine Coast," said Mr King.

"In April, the Group's financial strength was re-affirmed when Moody's Investors Service (Moody's) initiated a credit rating of the Group. Moody's assigned an issuer rating of Baa1 to the company (equivalent to Standard & Poors' (S&P) current BBB+ rating) and a rating of Baa2 to Leighton's \$200 million Convertible Subordinated Notes issue (one notch higher than S&P's current BBB- rating).

(continued...)

“We are very pleased with the outcome of the rating review which gives the Leighton Group one of the highest ratings of any project developer and contractor, anywhere in the world. This rating reflects Moody’s expectation that the Leighton Group will maintain its strong position in Australia’s buoyant construction and mining market,” said Mr King.

“The Australian construction market remains in the midst of a transport led upswing and a number of large road projects now commencing should provide a substantial base of activity over the next few years. In addition, projects such as the tolling of the Pacific Highway and the recently announced ‘South East Queensland Infrastructure Plan and Program 2005-2026’, worth up to \$55 billion over the next 20 years, should provide further opportunities.

“The commercial and industrial property markets remain strong and are forecast to remain so for at least another few years. The Group has about \$1.4bn worth of building and property work in hand with a substantial amount driven by Leighton Properties, which has built a strong portfolio of development projects,” he said.

“China’s demand for Australian resources is fuelling activity in the contract mining sector, benefiting Thiess who have a strong local market position. The positive outlook for Australia’s minerals and energy sector should also lead to a period of growth for process engineering opportunities.

“We expect the Asian region to continue to provide a good contribution for the next few years, underpinned in part by Indonesia, where Thiess is working on large, long-term mining contracts. Hong Kong has a solid base load of infrastructure work and construction of the Kuala Lumpur to Putrajaya highway has resumed, which will underwrite activity levels for the next few years in Malaysia,” said Mr King

The outlook for the next few years remains very positive with record levels of work in hand providing a platform for growth in revenue. The directors expect to report full year revenues of around \$7 billion and an increased operating profit for the full year of at least \$180 million.

ENDS

Issued by Leighton Holdings Limited ABN 57 004 482 982 www.leighton.com.au

Further information:

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

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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, John Holland, Leighton Contractors, Leighton Asia (Northern), Leighton Asia (Southern) 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 18,500 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, Sri Lanka, China and New Zealand. Leighton Holdings is listed on the Australian Stock Exchange and has its head office in Sydney.

(continued...)

APPENDIX A

KEY PERFORMANCE FEATURES FOR THE 9 MONTHS ENDED MARCH 2005

	9 months ended 31 March 2005 Unaudited	9 months ended 31 March 2004 Unaudited
Financial performance information	\$'000	\$'000
Revenue from ordinary activities	5,418,386	4,095,088
Operating profit from ordinary activities before income tax	171,429	120,153
Income tax expense	(54,857)	(34,975)
Profit from ordinary activities after tax	116,572	85,178
Net profit attributed to outside equity interests	(812)	(7,701)
Net profit attributed to members	115,760	77,477
 Financial position information		
Total assets	2,554,530	2,225,025
Total liabilities	1,752,605	1,419,175
Net assets	801,925	805,850
 Earnings per share	42.5¢	28.3¢
Number of employees	18,741	15,662