Leighton Holdings

Media Release

11 November 2004

Leighton potential underwrites strong outlook

At Leighton Holdings Limited 43rd Annual General Meeting held in Sydney today, Chairman, Mr Geoff Ashton, reported that significant project provisions within Leighton Contractors had overshadowed a strong underlying performance in the 2004 fiscal period.

“The Group reported an operating profit after tax of $110 million for 2003/04, despite the impact of the Spencer Street Station and Sydney Hilton provisions. The return on average shareholders’ funds was 14%, ranking the Group 40th out of the top 100 companies listed on the Australian Stock Exchange,” said Mr Ashton.

“The Directors increased the total ordinary dividend for the year by 2% to 45 cents per share, franked to 100%, reflecting the Board’s confidence in both the underlying performance and the outlook for the next few years.

“Total operating revenue, including joint ventures, increased by 7 percent to a record level of $6.0 billion and work in hand at 30 June 2004 had grown to a record $13.0 billion,” he said.

The Chairman also reported that operating revenue recorded during the first three months of the current financial year was $1.7 billion, generating an operating profit after tax (unaudited) of $38.2 million. Work in hand stood at $12.5 billion as of 30 September 2004. A summary of financial information for the first quarter of 2004/05 is attached in Appendix A.

Chief Executive Officer, Mr Wal King, said in his presentation to shareholders that he expected the Group to spring back to more normal levels of profitability this year, given its inherent potential.

“Not only do we have a level of momentum across the Group, but our core construction and resources markets remain in the midst of an upswing. The engineering and infrastructure market is being boosted by a number of large transport related projects,” he said.

“In Melbourne, the ConnectEast consortium, which includes Thiess and John Holland, was recently announced as the preferred tenderer for the $2.5 billion Mitcham-Frankston Freeway, Australia’s largest ever transport infrastructure project.

“At the same time as the infrastructure market is booming, we are experiencing growth in demand for Australian resources, particularly from China. Global demand is expected to support Australian exports of minerals and energy commodities,” said Mr King

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"Thiess' strong position in contract mining was recently boosted by the award of a $300 million contract at Wesfarmers' Curragh North coal mine in Central Queensland," said Mr King.

"The outlook for the non-residential property market remains positive, given the strength of the domestic economy. The Group has over $2 billion worth of work in hand in building and property, with a mix of office, defence, industrial, retail, and hospital work," he said.

"The economies of the Asian region are experiencing solid growth and this seems set to continue into 2005, due to the strength of China and the US.

"The Group's momentum, based on its level of work in hand and the opportunities still to emerge, gives us a good deal of potential going forward.

The Group expects to substantially increase revenue in the coming year and the Board is confident that the Group will achieve an after tax profit of around $180 million in 2004/05.

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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 18,000 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, Sri Lanka 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 2004

	3 months ended 30 September 2004 Unaudited	3 months ended 30 September 2003 Unaudited
Financial performance information	**$'000**	**$'000**
Revenue – group	1,425,804	1,107,492
– joint ventures	320,010	197,474
Total Revenue	**1,745,814**	**1,304,966**
Operating profit from ordinary activities before income tax	**56,394**	**54,861**
Income tax expense	(16,672)	(16,749)
Profit from ordinary activities after tax	39,722	38,112
Net profit attributed to outside equity interests	(1,484)	(1,720)
Net profit attributed to members	**38,238**	**36,392**
Financial position information		
Total assets	2,623,448	2,050,661
Total liabilities	1,802,951	1,222,012
Net assets	**820,497**	**828,649**
Net tangible assets	795,711	801,558
Net tangible assets per ordinary share ($)	$2.92	$2.94
Earnings per share	14.0¢	13.3¢
Number of employees	17,967	14,915