



Ashley Moir
Company Secretary

Leighton Holdings Limited
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15 April 2005

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

Re: Leighton progresses contract renewal with CEO

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

15 April 2005

Leighton progresses contract renewal with CEO

The Board of Leighton Holdings Limited wishes to advise that progress is being made on negotiating a new contract of employment with Chief Executive Officer, Wal King.

Leighton Holdings' Chairman, Mr Geoff Ashton, said that the Board is very pleased that Mr King has indicated his intention to remain as CEO until 2008, following the expiry of his existing contract in December 2005.

"Mr King's leadership and experience will be invaluable in steering the company through the strong market upswing, which is likely to continue to run for a number of years. As CEO, Mr King has presided over a period of tremendous growth in the Leighton Group and the Board remains confident in his ability to continue to lead the company," said Mr Ashton.

"Since Mr King was appointed CEO in 1987, profit after tax has increased by 16 times whilst revenue has increased by a factor of 4.5. The number of employees has grown from 5,000 to around 18,000 in this time, while the share price has increased from around 90c to over \$10.00.

"Over a 10 year period to 30 June 2004, Leighton achieved a Shareholder Rate of Return of 23.6% per annum, ranking the Company in the top 20% of major Australian companies.

"By mutual agreement the Board has today paid Mr King's deferred incentive bonus entitlement, accrued to 11 February 2000, and interest on those deferred incentives. The deferred incentives, worth \$16 million, relate to the 12 year period from 1988, through to 2000, and the cumulative interest on those deferred incentives is worth an additional \$9.3 million," said Mr Ashton.

"These deferred incentives were disclosed in the Provisions notes of the 2002, 2003 and 2004 Financial Reports of the company. The deferred incentives and the cumulative interest, earned under a contract from 1988, have all been fully expensed in previous years and the payment will have no impact on the current year's results or shareholders' funds.

"The deferred incentives were performance based incentives, earned by achieving an actual profit result above a target return on shareholders' funds set by the Board.

"Mr King's contract has provided for substantially cash only remuneration, rather than equity based schemes, including share option or preferential share incentives used by a number of other major companies. During his tenure, Mr King has not been provided with any significant equity in the company.

"The Board believes that it is in the best interests of the company to pay these monies as it negotiates a new contract with Mr King," said Mr Ashton.

ENDS

(continued...)

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

Further information:

MR GEOFF ASHTON Chairman T (02) 9925 6042 or

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

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 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, Sri Lanka, China and New Zealand. Leighton Holdings is listed on the Australian Stock Exchange and has its head office in Sydney.