

Turner Office Network

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Buildings, Inc.
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Maumee*
The Lathrop
Company, Inc.
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Auburndale Co., Inc.
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Seattle* •
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Logistics
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MARKET SEGMENTS
Advanced Technologies
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Aviation
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Government Services
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Green Buildings
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Healthcare
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Interiors
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Justice
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Pharmaceutical & Biotechnology
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Public Assembly
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Sports
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Office includes

- * Turner Special Projects
- Turner Interiors



First Quarter Report 2004

First Quarter Report 2004

Turner achieved record results in the first quarter. The value of new contracts secured through March 31, 2004, at \$2.5 billion, is the highest ever quarterly sales figure in Turner's history. Gross sales earnings were \$83.6 million, another quarterly record, compared to \$77.0 million for the same period last year. The value of construction completed for the quarter was \$1.5 billion.

Earnings from construction contracts were \$47.1 million. The company's anticipated backlog earnings as of March 31 were a record at \$249.6 million, an increase of 7.4 percent over the \$232.3 million reported as of March 31, 2003. Construction backlog volume was also a record, at \$8 billion as of March 31, compared to \$6.9 billion for the same period last year.

In addition to its ongoing commitment to clients and employees, community affairs is a top priority at Turner. For more than three decades, Turner employees have been actively involved in "giving back" to the communities they live and work in. Their activities range from individual and business unit efforts such as contributing construction expertise to organizations like Habitat for Humanity, raising money through charity events and supporting local and national non-profit groups to participating in company-wide programs to advance equal opportunity employment and promote education. The corporation maintains many such programs, administered by a staff of more than 30 community affairs professionals and focusing on the education of youth, especially in the inner cities, and the development and progress of minority- and women-owned businesses (MBEs and WBEs) in the construction industry.

As a result of the corporation's efforts to increase diversity among its employees, 44 percent of new hires from January 2000 to the present have been women or members of minority groups. But Turner's commitment to equal employment opportunity extends beyond its own doors onto the job sites where it works. It strongly supports the increased representation of M/WBEs in the industry and has an annual goal of 20 percent utilization of these enterprises in the areas of construction, subcontracting, prime contracting, joint venture relationships and goods and services. Over the past three years, on an average annual volume of \$6.2 billion, an average volume of approximately \$864.6 million a year has been contracted to women and minority-owned firms.

In 1969, in order to help develop the economic viability and competitive potential of these

Sales:

**Value of New Contracts Secured
First Three Months 2004
\$2.5 Billion**

Building Types

Commercial/Retail	25%
Manufacturing	6%
Education/Science	27%
Healthcare	10%
Public	7%
Entertainment/Sports	4%
Residential/Hotel	6%
Aviation	9%
Other	6%

100%

firms, Turner established its pioneering construction management training program. The program, in which more than 20,000 firms have participated to date, assists them to build their capacity by strengthening their sales power and increasing their ability to obtain bonding and move on to ever bigger jobs. This has enlarged the pool of firms qualified to join Turner projects and strengthened the communities in which the company works. A more recent offshoot of the program is the leadership academy, which provides leadership skills, techniques and tools to individuals in small businesses.



Elementary school participants in the Science Lab pilot program in Philadelphia area schools, sponsored by Turner.

In the belief that the nation's future resides in its young people, Turner has also spearheaded a series of initiatives whose objective is to grow the next generation of construction professionals. By offering the resources and guidance to give young people direction, the corporation benefits both the community and the industry. In its early days, the education program was aimed chiefly at keeping kids in school and improving their skills. This led to Adopt-a-School programs in inner city neighborhoods where Turner employees volunteer in selected schools to awaken students to the opportunities in engineering and the construction trades. Over time, the program evolved into what is now YouthForce 2020, a nationwide initiative that serves to better prepare students at all levels for careers in construction and includes mentoring and hands-on internships to strengthen their competitive advantage in their quest for higher education and employment. A new dimension has recently been added to the effort through Turner's role in partnering with the United States Military Academy at West Point to identify potential recruits for its minority outreach program.

Turner's determination to be an exemplary corporate citizen is a defining element of its corporate culture and a respected component of its image. Community affairs is and will remain an integral part of the corporation's business, reflecting Turner's obligations and responsibilities as both the nation's leading builder and a key business leader in the communities where it works.

The Turner Corporation and Subsidiaries Consolidated Financial Highlights

(in thousands; unaudited)

For the three months ended March 31,	2004	2003
New contracts secured	\$2,469,135	\$2,374,639
Value of construction completed	\$1,474,422	\$1,451,998
Revenue from construction contracts	\$1,465,983	\$1,422,125
Cost of construction contracts	1,418,861	1,373,038
Earnings from construction contracts	\$47,122	\$49,087