



Leighton Group Profile

Leighton Holdings Limited is the parent company of Australia's largest project development and contracting group. Founded in Victoria in 1949, the organisation has grown from a small, privately owned civil engineering firm into a dynamic group that includes Thiess, Leighton Contractors, Leighton Asia (Northern), Leighton Asia (Southern), John Holland and Leighton Properties.

Leighton was listed on the Australian Stock Exchange (ASX) in 1962 and commenced operations in Asia in the early 1970s. With over 15,000 employees, the Leighton Group's operations are now spread all around the Asia-Pacific region on projects in Australia, Hong Kong, Indonesia, Malaysia, Singapore, the Philippines, Thailand, Vietnam, China, Taiwan, Sri Lanka and New Zealand.

Leighton Group companies offer a broad range of project development and contracting services and skills to public and private sector clients from a wide range of industries. Project development skills – community infrastructure, property or resources-based – and project management of construction and property developments complement the Group's contracting activities. These activities include engineering and building construction, contract mining, environmental services, operation and maintenance and facilities management. Key resources include an experienced, long-serving management team, a strong balance sheet and the largest fleet of mobile plant and equipment in Australia.

The Group reported total revenue of A\$5.62 billion in 2002/03, including some 18% from operations in Asia. Principal operating revenue sources last financial year were mining & resources A\$1.95 billion, engineering & infrastructure A\$1.86 billion, building & property A\$1.08 billion, telecommunications A\$419 million and environmental A\$138 million. Operating profit after tax and outside equity interests for the year was A\$140 million while work in hand at the end of October 2003 stood at A\$11.5 billion.

At June 2003, the Leighton Group was in a strong financial position with total assets of A\$2.2 billion, net assets of A\$871 million and net cash of A\$371 million. Borrowings have been reduced and the Group's credit rating remains a very solid BBB+. In Dec 2003, the Group issued A\$200 million of convertible unsecured subordinated resettable notes (Leighton Notes), further strengthening the balance sheet to support continued growth in the Group's core business. The balance sheet continues to be a source of competitive advantage allowing the Group to make strategic investments and support guarantee and bond facilities of around A\$1.2 billion.



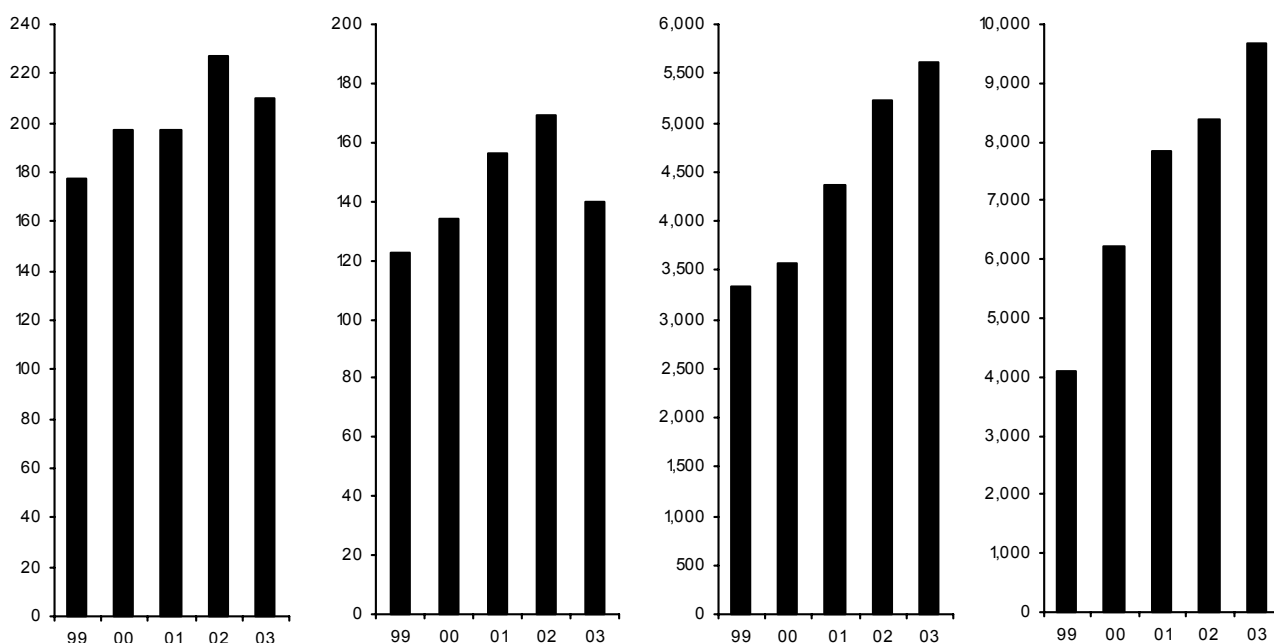
The Group's return on average shareholders' funds, at 16.8% in 2002/03, achieved a ranking of 21st out of the top 100 companies listed on the ASX. Over the past five years, the Leighton Group's return on equity has averaged around 20%. The company's current share price of \$11.40 gives a market capitalisation of approximately A\$3.1 billion.

Financial Highlights

	30 June 2003	30 June 2002	% change
	A\$'000	A\$'000	
Operating Revenue - Group	4,848,540	4,979,581	-3
- Joint Venture Entities	597,327	240,612	+148
Other Revenue	174,369	55,264	+215
Total Revenue	5,620,236	5,275,457	+7
New Contracts, Extensions & Variations	6,802,221	5,552,432	+23
Value of Work in Hand [#]	9,662,240	8,371,040	+15
Profit from ordinary activities before tax *	209,797	227,285	-8
Income Tax	(71,565)	(59,450)	+20
Profit from ordinary activities after tax	140,014	169,222	-17
Total Capital and Reserves *	856,312	789,259	+8
Total Assets	2,146,276	2,317,774	-7
Cash net of Borrowings	387,385	524,017	-26
Undrawn Facilities and Guarantees	421,969	435,281	-3
Earnings per Ordinary Share	51.7¢	63.1¢	-18
Dividends per Ordinary Share	44.0¢	42.0¢	5

* Excludes outside equity interests

Key Performance Indicators for 12 month period to 30 June



A\$M
Operating Profit
Before Tax and
After Minorities *

A\$M
Operating Profit
After Tax

A\$M
Total Revenue[#]

A\$M
Work in Hand

* Excludes outside equity interests # Includes Joint Ventures

Mining & Resources

Contract mining was one of the Leighton Group's earliest diversifications from construction. Mining and engineering expertise has evolved into a whole-of-business approach to resources development with a strong focus on enhancing productivity and generating efficiency gains for clients.

Traditionally mining has been a vital industry to the Australian economy. Coal was Australia's very first export commodity, sold to a visiting American ship in 1792. Today, black coal continues to be a major revenue earner for the country, consistently Australia's biggest single export, earning \$A13.5 billion in 2001-2002, just over 11 per cent of total Australian merchandise exports of \$A121.2 billion and almost 24% of Australia's minerals exports.

Leighton Group companies have been involved in the mining and resources sector since the 1940's. The mining and resources sector was the Leighton Group's largest single contributor in 2002/03 with revenue up 39% to A\$1.95 billion while work in hand increased to A\$3.57 billion as at 30 June 2003. Contract coal mining was again the dominant contributor to this sector.

In recent years, Thiess has developed a market leading reputation as a supplier and contractor to the national and international coal industry. In 2002/03, Thiess undertook work at 8 coalmines across New South Wales, Queensland and Victoria and mined in excess of 50 million tonnes last year.

With the objective of setting new benchmarks in overburden removal productivity, Thiess introduced the world's first Liebherr R996 530 tonne excavators to the international coal industry. Thiess also operates six walking draglines, and through refining the operation of these machines, has implemented productivity increases to various Queensland coal mines.

Thiess moves in excess of one million tonnes of material per day, contributing to almost half of the company's annual turnover. Their opencut and underground operations in both the coal and metalliferous sectors have encompassed coal, iron ore, gold, copper, uranium, silver, lead, zinc, nickel and magnesium.

A number of the Thiess operations are of a long-term nature with contracts extending well beyond the next five years. Partnering and alliancing agreements with notable mining and resources companies have enabled Thiess to work on projects such as the Mount Owen coal mine in New South Wales and the Mt Keith nickel mine in Western Australia.

Over the past couple of decades, Leighton Contractors has also been heavily involved in the mining sector, predominantly in gold and iron ore. Leighton performed civil and contract work on the Paddington Mine in Western Australia for 14 years, and currently has ongoing involvement at the Yarrie Nimingarra iron ore mine, also in Western Australia. Leighton's experience in the west is now being put to use in Queensland at the Coppabella Coal Mine.

The Group's work within this sector goes far and beyond that of simply the design and construction of engineering infrastructure. Contract mining is a core skill and one in which both Thiess and Leighton have a solid track record. These companies have often managed and operated mines for their lifetime. They have been involved in developing new skills to conduct mining, processing, haulage and train load-out operations.

Thiess has demonstrated its commitment to the sector by taking a 5% investment in the Burton Coal Mine with its client, Portman Mining, in 1995 and at the Southland Colliery in the Hunter Valley in 2001. Strategic investments and acquisitions such as Hunter Valley Earthmoving has consistently strengthened Thiess' core skills base in this sector over the years. In turn it also reflects the Group's commitment to the industry and our ability to offer a complete range of services within the field and across a number of geographic locations.

The skills and project expertise learnt in Australia have been vital assets used when pursuing opportunities in the mining and resources sector overseas. As a result Thiess has made a name for itself in Indonesia and is currently involved in a number of major mining and resources projects in the region.

Currently, Thiess is involved in an integrated service contract for coal mining at the Senakin and Satui mines in Kalimantan where it was recently awarded a A\$940 million, life-of-mine extension. At the same time, Thiess was also awarded an A\$800 million, long term contract at the Kaltim Prima Coal (KPC) mine in Indonesia. The new contract at KPC will eventually see Thiess mine some 12 mtpa (million tones per annum) of coal.

Leighton Asia's acquisition of PT John Holland Constructions Indonesia has introduced them to that country and brought with it two important mining contracts. This move sees Leighton Asia build upon its earlier mining projects in Malaysia and the Philippines.

The Leighton Group is well placed to respond to future mining and resources demands, and will utilise its experience and expertise to further enhance productivity and generate efficiency gains for clients.

Significant Current Mining and Related Contracts as at June 2003

Total Contract Values are shown for all projects including joint ventures

Thiess

- \$1.4bn contract for mining and processing operations at Mt Owen coal mine, NSW, for Hunter Valley Coal Corporation.
- \$1bn contract for mining operations at Burton coal mine, Qld, for Burton Coal.
- \$761m contract for mining operations, washing and loading of coal at Collinsville coal mine, Qld, for Mt Isa Mines and Itochu Coal Resources Australia.
- \$447m in contracts for underground coal mining at Southland Colliery, NSW, for Southland Coal.
- \$270m alliance contract for mining operations at Mt Keith Nickel mine, North Eastern Goldfields, WA, for WMC Resources.
- \$170m contract for mining and infrastructure works at South Walker Creek coal mine, Coppabella, Qld for BHP Mitsui Coal.
- \$160m contract for mining operations at Oaky Creek open cut mine, Qld, for Oaky Creek Coal.
- \$87m joint venture contract to design, construct and commission the Hail Creek coal handling plant, Nebo, Qld, for Hail Creek Coal. Thiess' share is \$44m.
- \$64m alliance contract for mining at Yallourn Mine, Latrobe Valley, Vic, for Yallourn Energy. Thiess' share is \$28m.
- \$31m contract for the removal of overburden and other ancilliary works at Hazelwood mine, Latrobe Valley, Vic, for Hazelwood Power. Thiess' share is \$14m.

PT Thiess Indonesia

- \$842m contract for mining operations at the Satui and Senakin coal mines, South Kalimantan, Indonesia, for PT Arutmin Indonesia.
- \$367m contract for overburden removal and coal haulage at Kideco coal mine, Kalimantan, for PT Kideco Jaya Agung.
- \$48m contract to remove overburden, mine and transport coal at the Melawan Pit, East Kalimantan, Indonesia, for Kaltim Prima Coal.
- \$18m contract to design and construct a coal terminal at Binugan coal mine, East Kalimantan, Indonesia, for PT Berau Coal.
- \$17m contract for civil works and plant hire for 2003, Sumbawa, Indonesia, for PT Newmont Nusa Tenggara.

Hunter Valley Earthmoving

- \$366m contract for overburden removal, mining and transport of coal at Liddell open cut mine, NSW, for Liddell Coal Operation Pty Ltd.
- \$70m in contracts for overburden removal, mining, transport and processing at Westside coal mine, NSW, for Oceanic Coal Australia Limited.

Leighton Contractors

- \$238m contract to strip overburden and mine the Moorvale Coal Mine - Stages 1 and 2, Coppabella, Qld, for Australian Premium Coals.
- \$182m contract for mining and train loading at the Yarrie Nimingarra open pit iron ore mine, 150 km east of Port Hedland, WA, for BHP Billiton Iron Ore.
- \$92m contract for mining operations at St Ives gold mine, Kambalda, WA, for St Ives Gold Mining Company.

Leighton Asia (Southern)

- \$187m contract for mining, infrastructure, operation and maintenance at Sebuku coal mine, Indonesia, for PT Bahari Cakrawala Sebuku.
- \$131m contract to mine, remove overburden, transport coal and maintain haul roads at the ABK Loa Janan coal mine, East Kalimantan, Indonesia, for PT Anugerah Bara Kaltim.
- \$30m contract for mining, haulage and maintenance at Malinau coal mine, Kalimantan, Indonesia, for PT Baradinamika Mudasukses.



Mr Wal King AM Chief Executive Officer

BE, MEngSc, Hon FIEAust, CPEng, FAICD, FAIM, FAIB, FTSE.

Wal King is Chief Executive of Leighton Holdings Limited, Australia's largest and most successful contracting and project development group, which has total annual revenue of over \$5.6 billion and some 15,000 employees in Australia and Asia.

Mr King was appointed CEO of Leighton Holdings Limited in 1987 after joining Leighton Contractors in 1968. He began his career working on major construction projects throughout Australia and quickly moved into management, becoming a Director of Leighton Holdings Limited in 1975. Over the past 20 years, Wal King has travelled extensively throughout Asia and the USA and is a Director of most major Group operating subsidiaries. Mr King is a key participant in construction industry affairs.

He has made significant contributions to the construction industry through the application of engineering and new technologies, sharing of knowledge and development of young engineers. He initiated the establishment of the Australian Constructors Association, which provides a forum for industry leaders to contribute to a more competitive, productive and ethical construction industry. At a company and personal level, Wal King contributes to and supports a variety of community organisations, ranging from heritage to health.

A civil engineer graduate of the University of NSW, Mr King is a Director of Coca-Cola Amatil Limited and the UNSW Foundation Limited. He is President of the Australian Constructors Association and a Member of the Business Council of Australia. Mr King is an Honorary Fellow of the Institution of Engineers and Fellow of the Australian Institute of Company Directors, the Australian Institute of Management, the Australian Institute of Building and the Academy of Technological Sciences and Engineering. He is also a Member of the American Society of Civil Engineers and a Founding Councillor of the Australia Business Arts Foundation.