



# media presentation

essen, january 2004



# **presentation outline**

- Overview**
- Group strategy**
- Australian market outlook**
- Asian market outlook**

# **group profile**

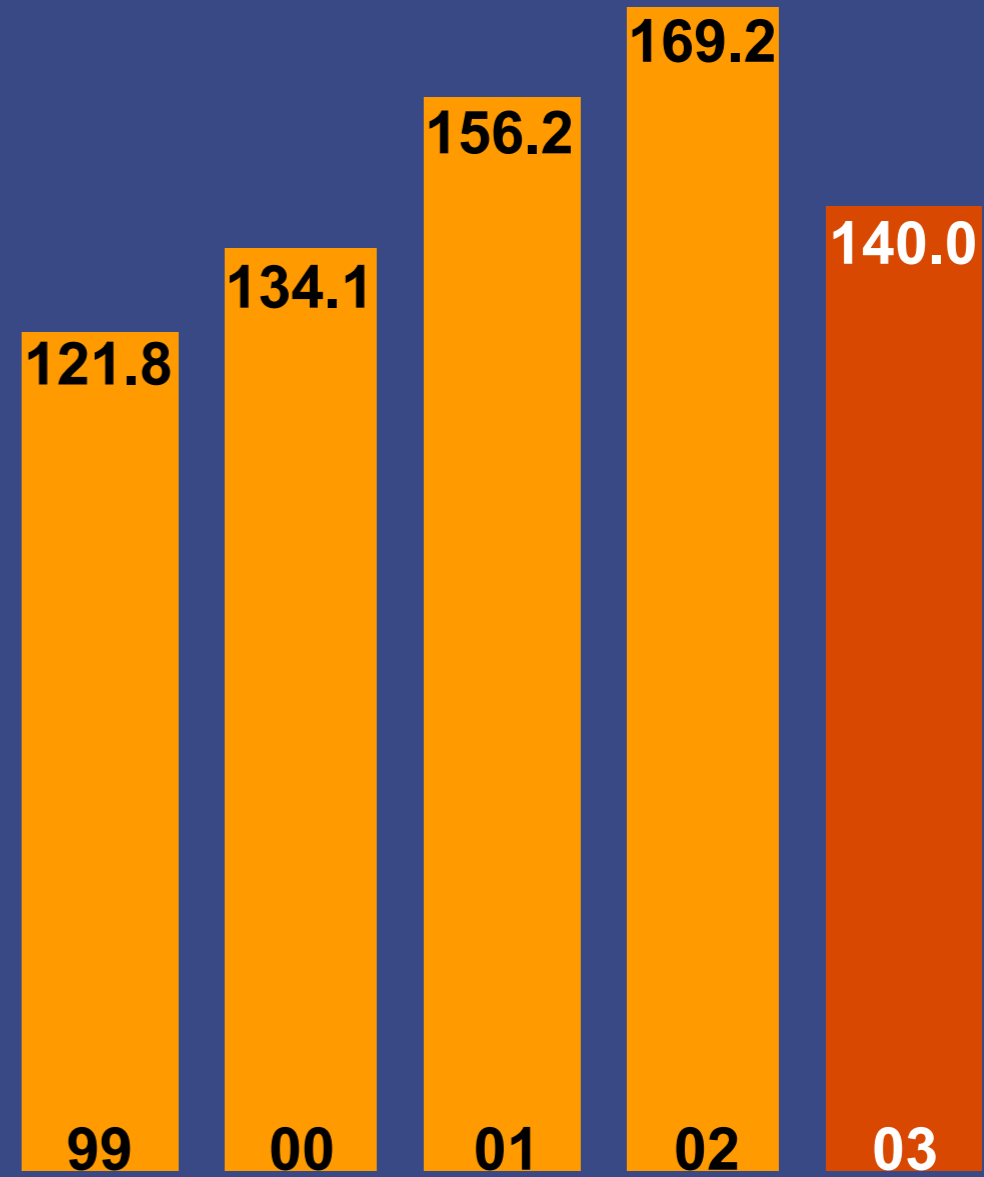
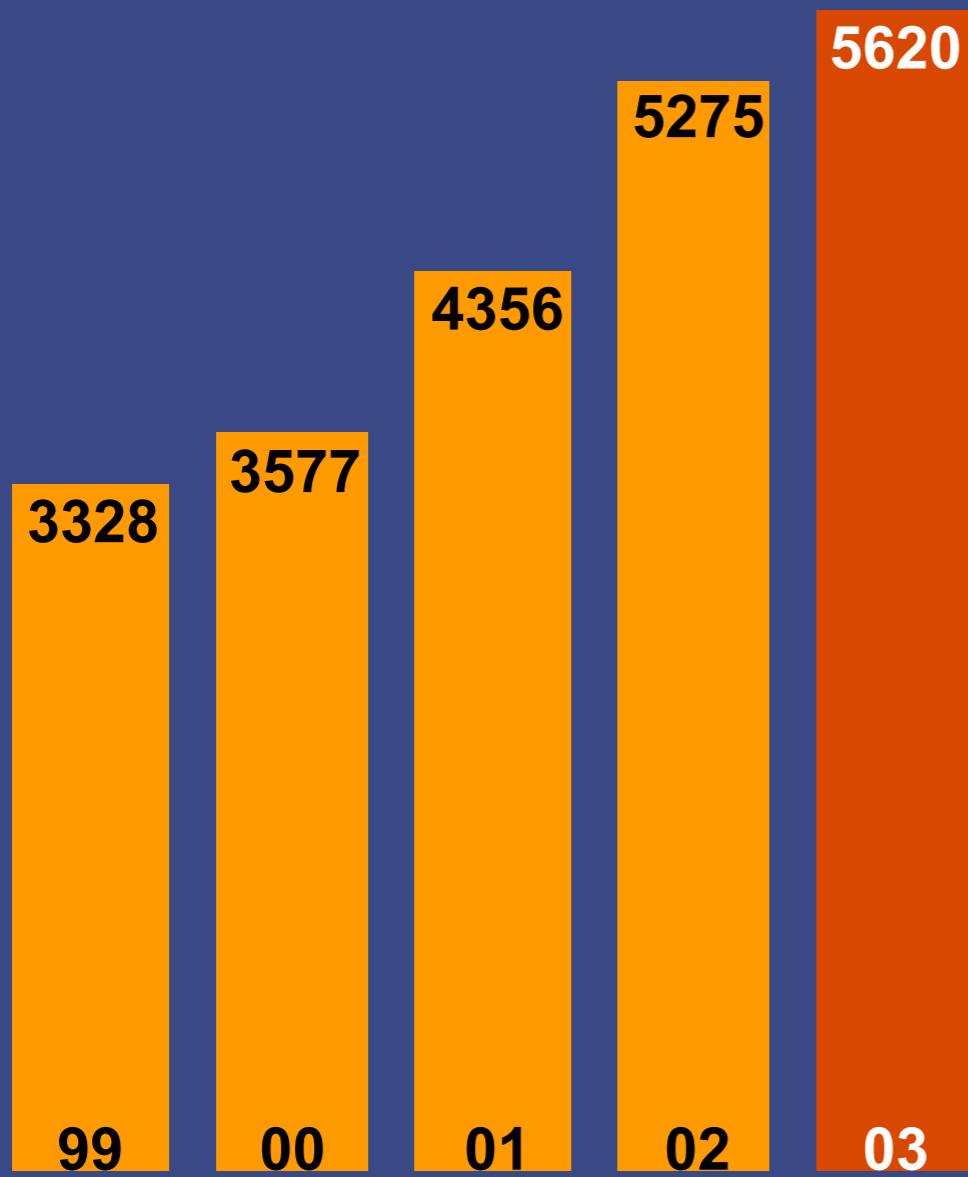
- **Australia's largest project development and contracting group**
- **Employ more than 15,000 staff**
- **Operate throughout Australia, Asia and the Pacific**
- **Annual revenue in excess of \$6.0 billion for 2003/04**
- **Work in hand of approx \$12.5 billion**
- **Strong balance sheet**

# financial highlights

	Jun 03 \$m
Total revenue	5,620
New contracts, extensions & variations	6,802
Value of work in hand	9,662
Operating profit before tax	209.8
Operating profit after tax	140.0
Earnings per ord share	52¢
Dividends per ord share	44¢

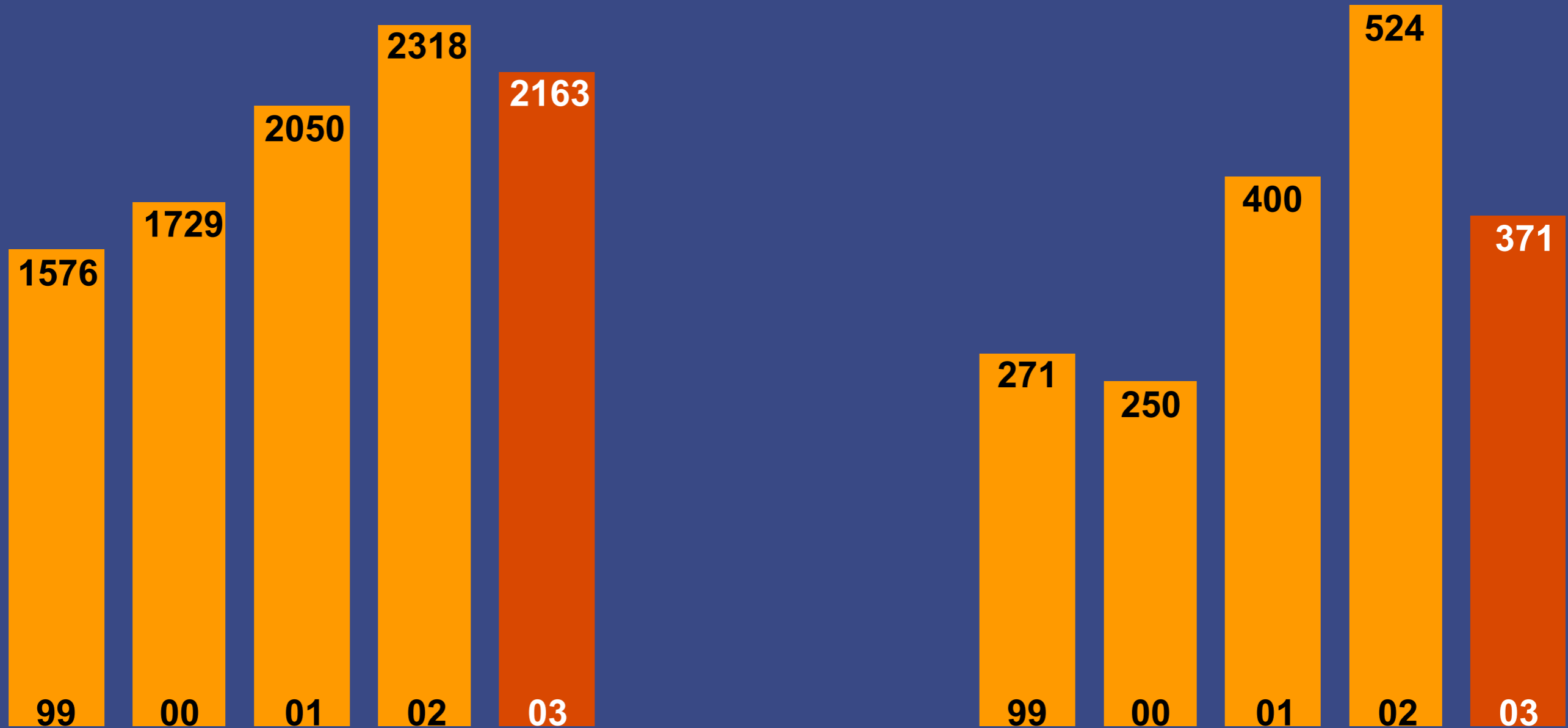
# total operating revenue \$m

# operating profit after tax \$m



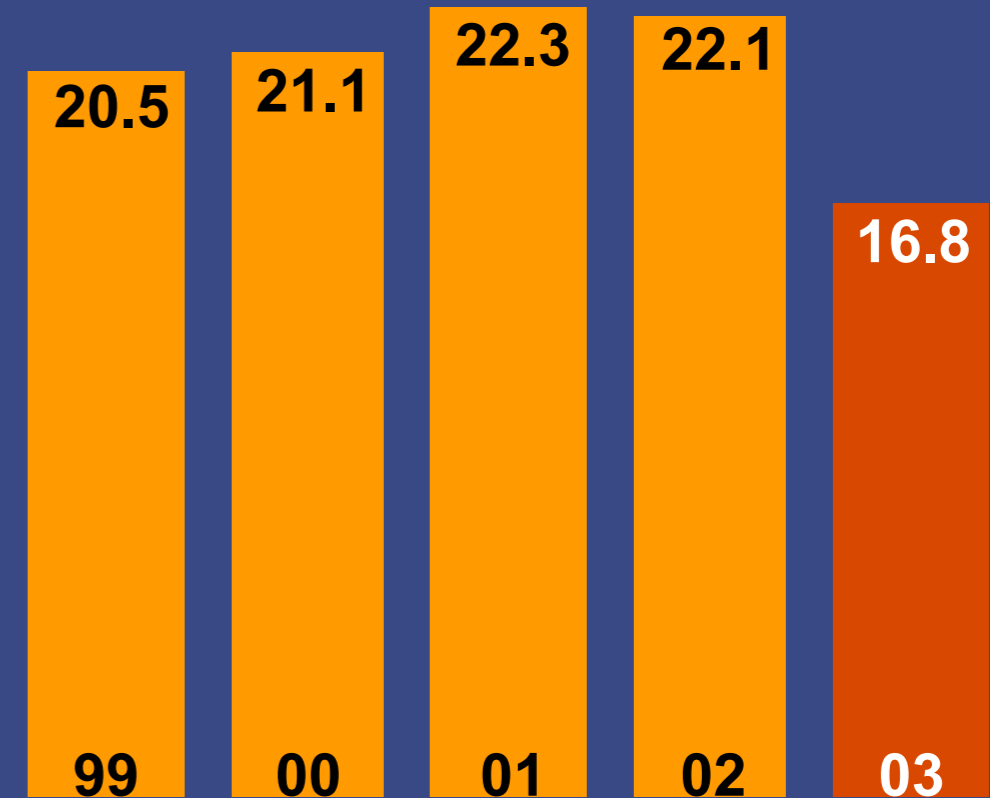
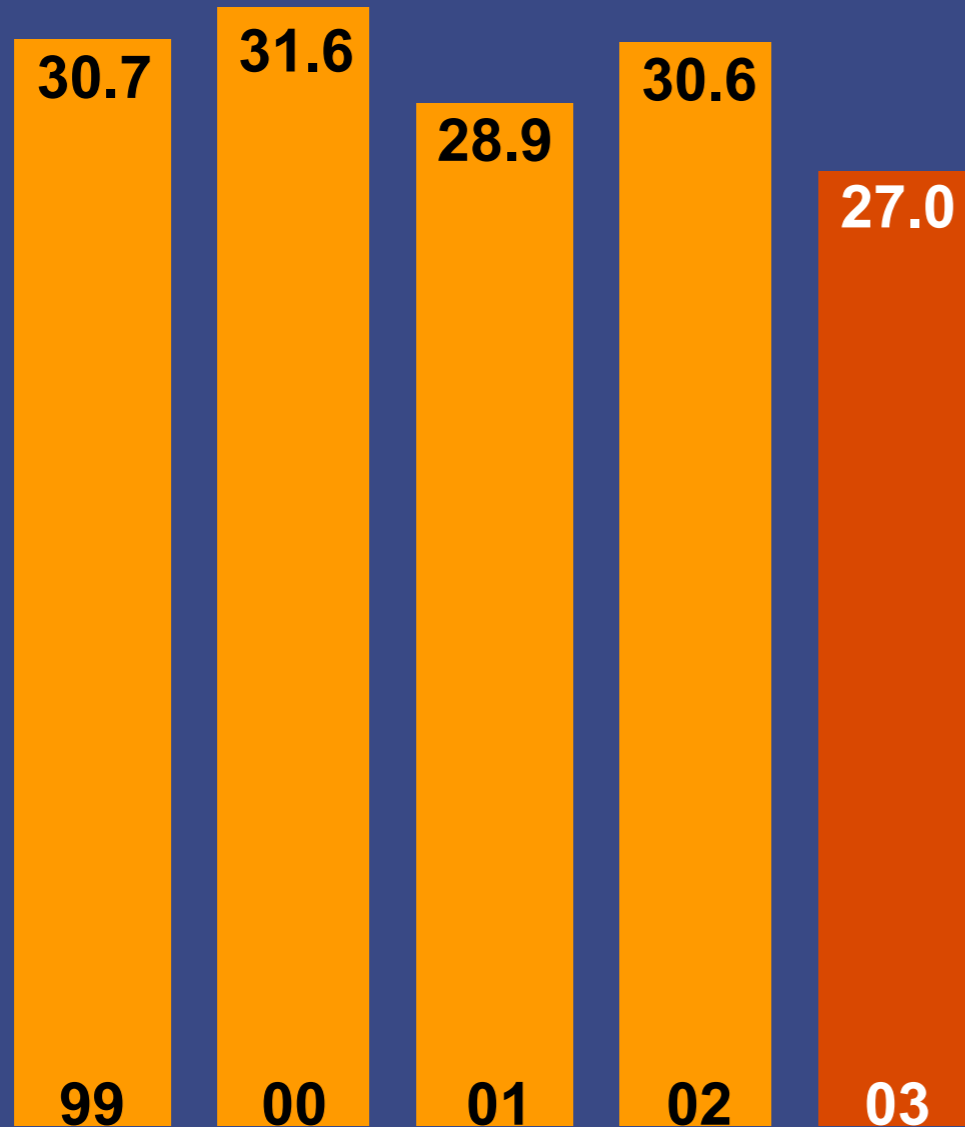
# total assets \$m

# cash net of borrowings \$m

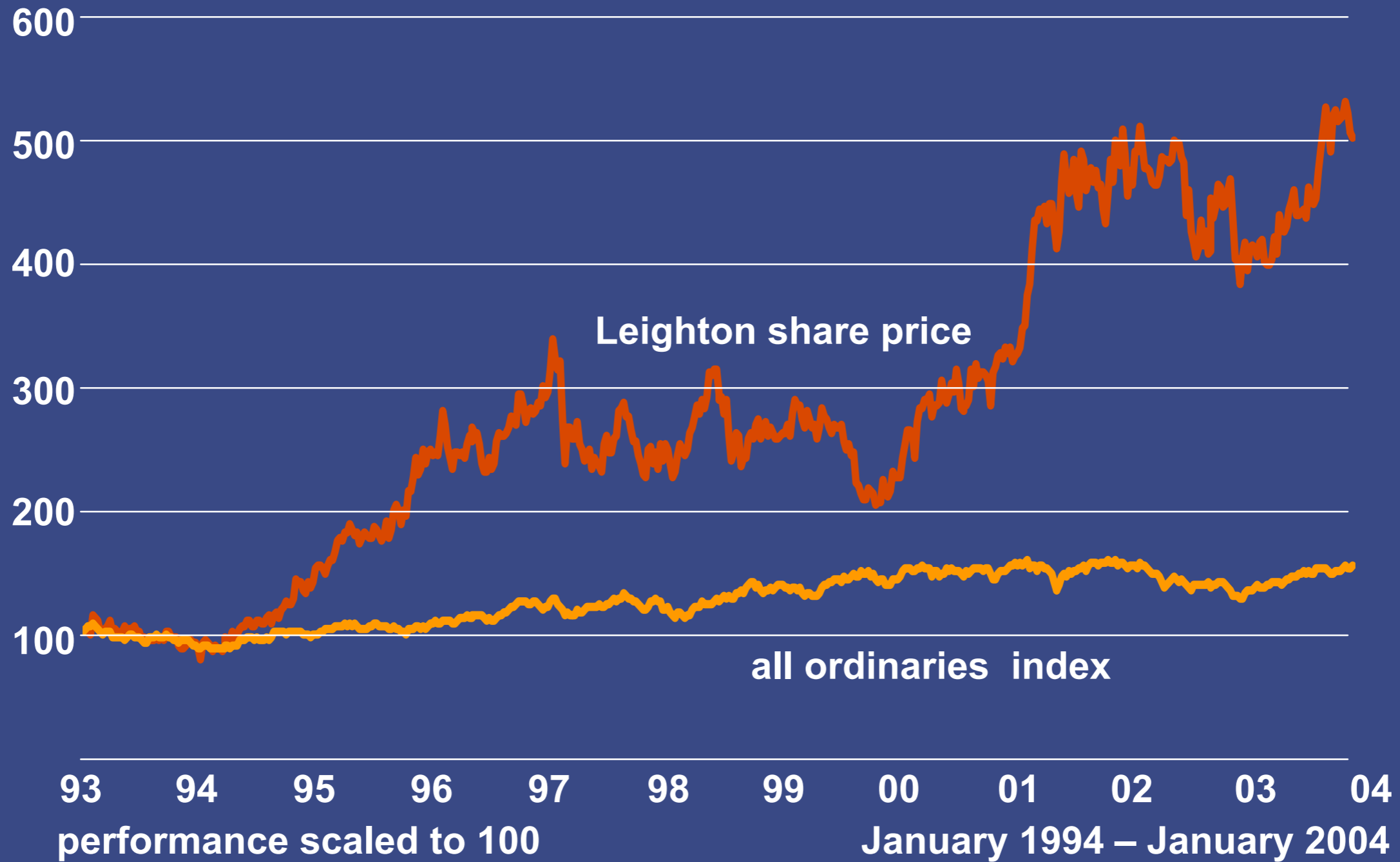


# return on average shareholders' funds before tax %

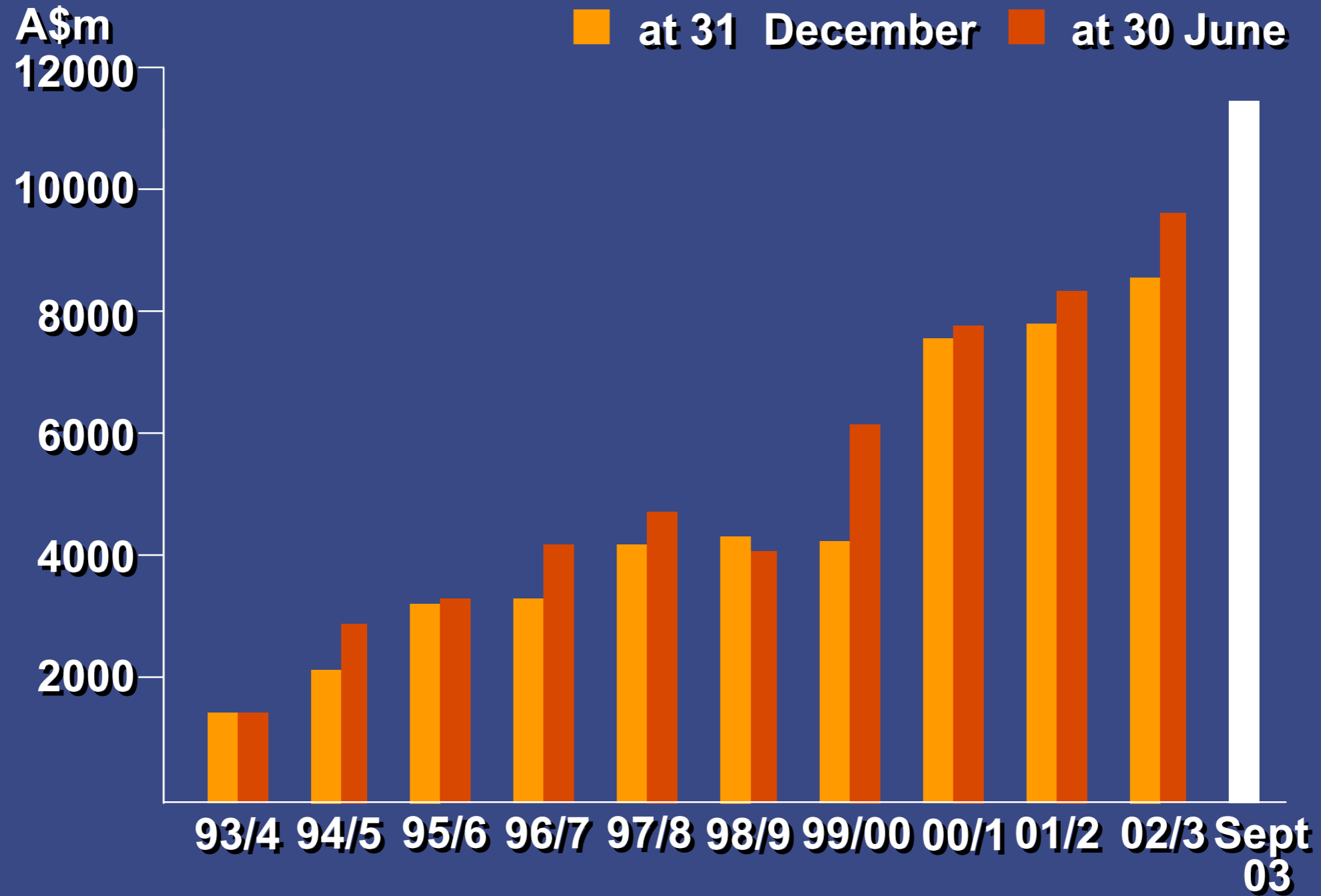
# return on average shareholders' funds after tax %



# 10 year share price performance



# work in hand



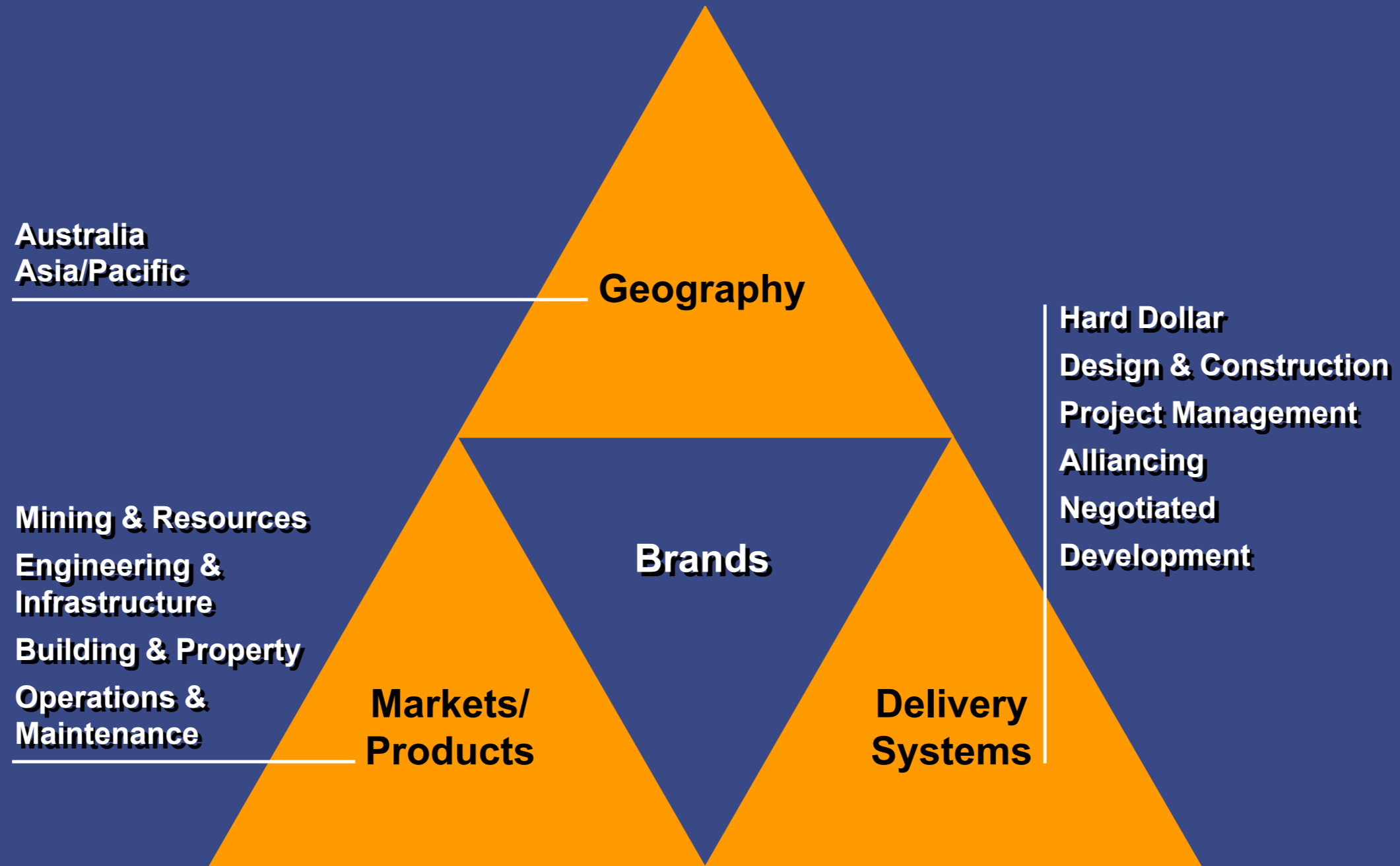
# **projects about to be awarded**

- \$280m – Perth-Mandurah rail infrastructure, WA, John Holland**
- \$100m – Perth-Mandurah bridge works, WA, Leighton Contractors**
- \$200m – Perth-Mandurah tunnelling, WA, Leighton Contractors**
- \$130m – Law Courts PPP, WA, Leighton Contractors or John Holland**
- \$650m – coal mining contracts, Qld**

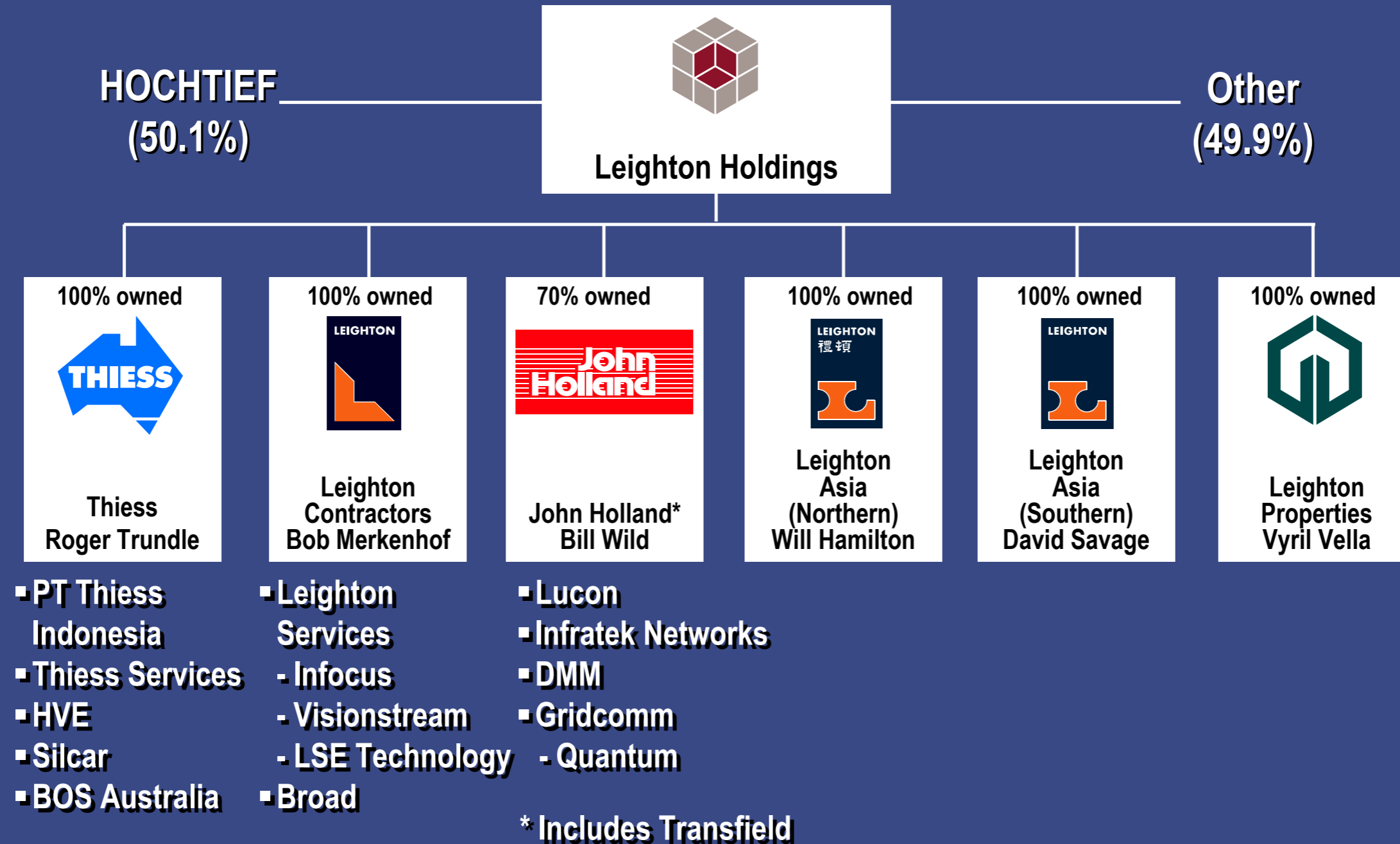
# **key elements of strategy**

- Diversified revenue base by markets/ products, geography, delivery systems and brand**
- Competitive structure develops market niches and fosters autonomy, competitive spirit and depth of management**
- Financial strength to invest in equity stakes, acquisitions, equipment and working capital**

# group strategy



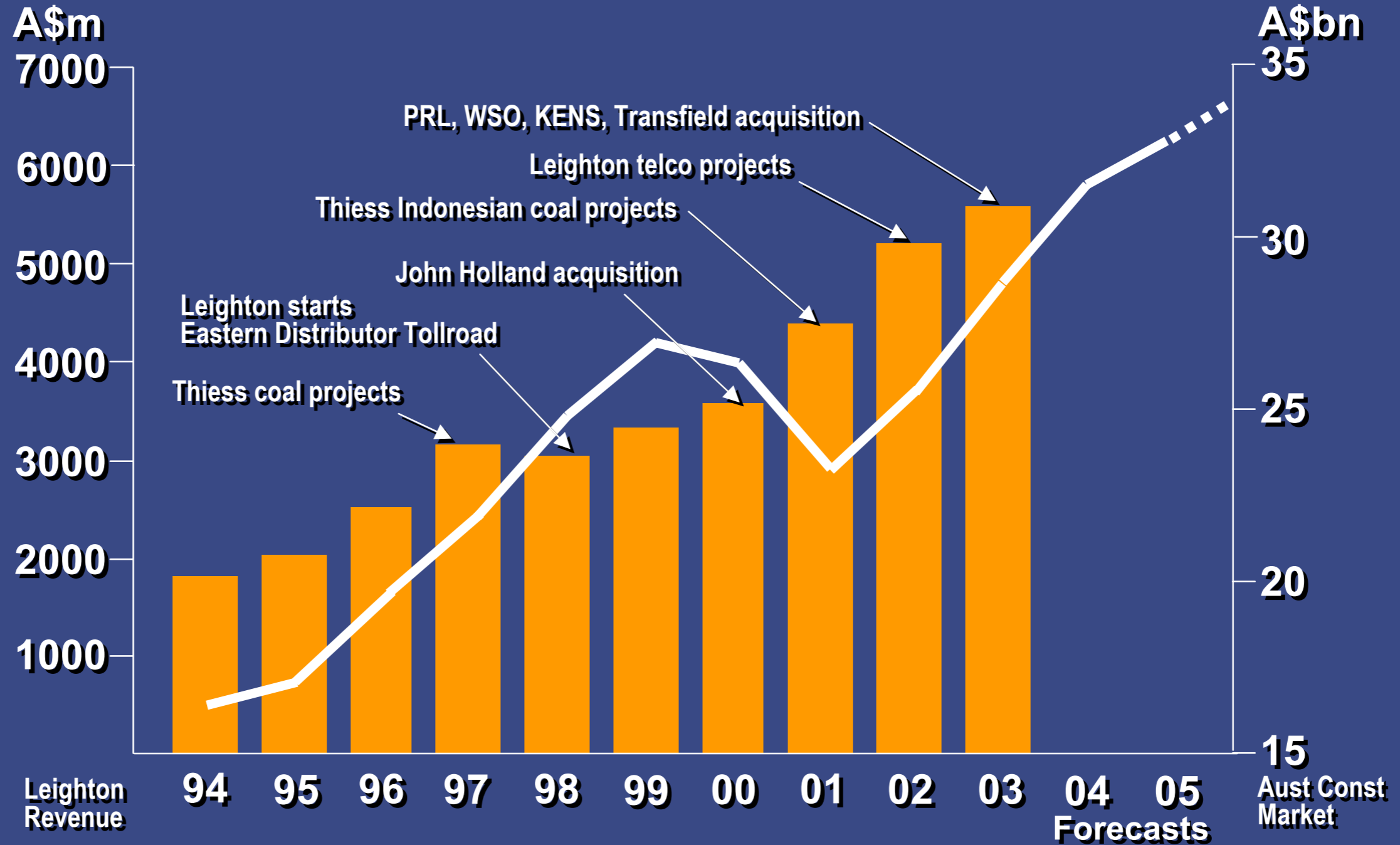
# structured for growth



# areas of operation



# leighton revenue vs aust construction market

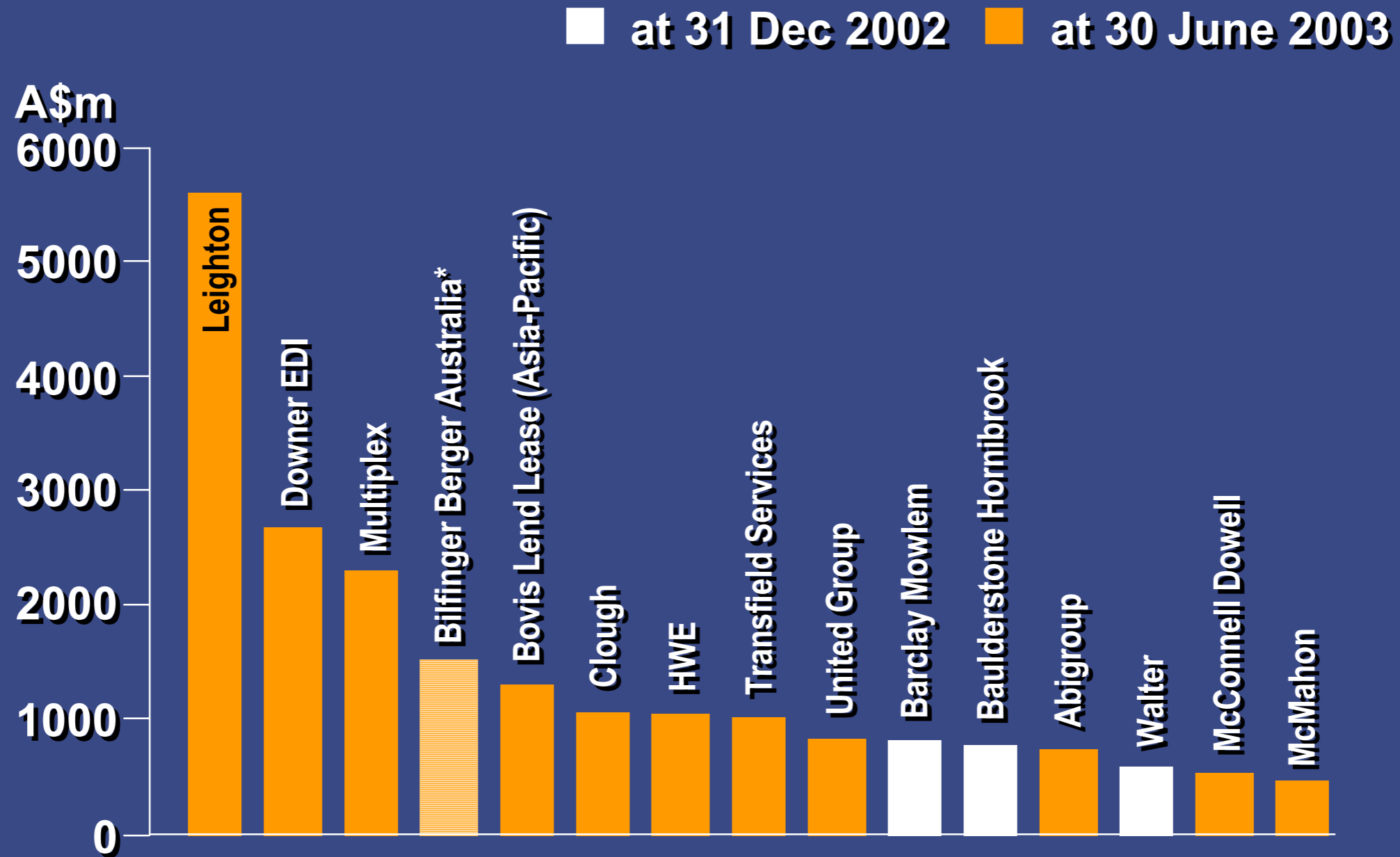


# competitor analysis

\* Offer O&M & facilities management services across these industries

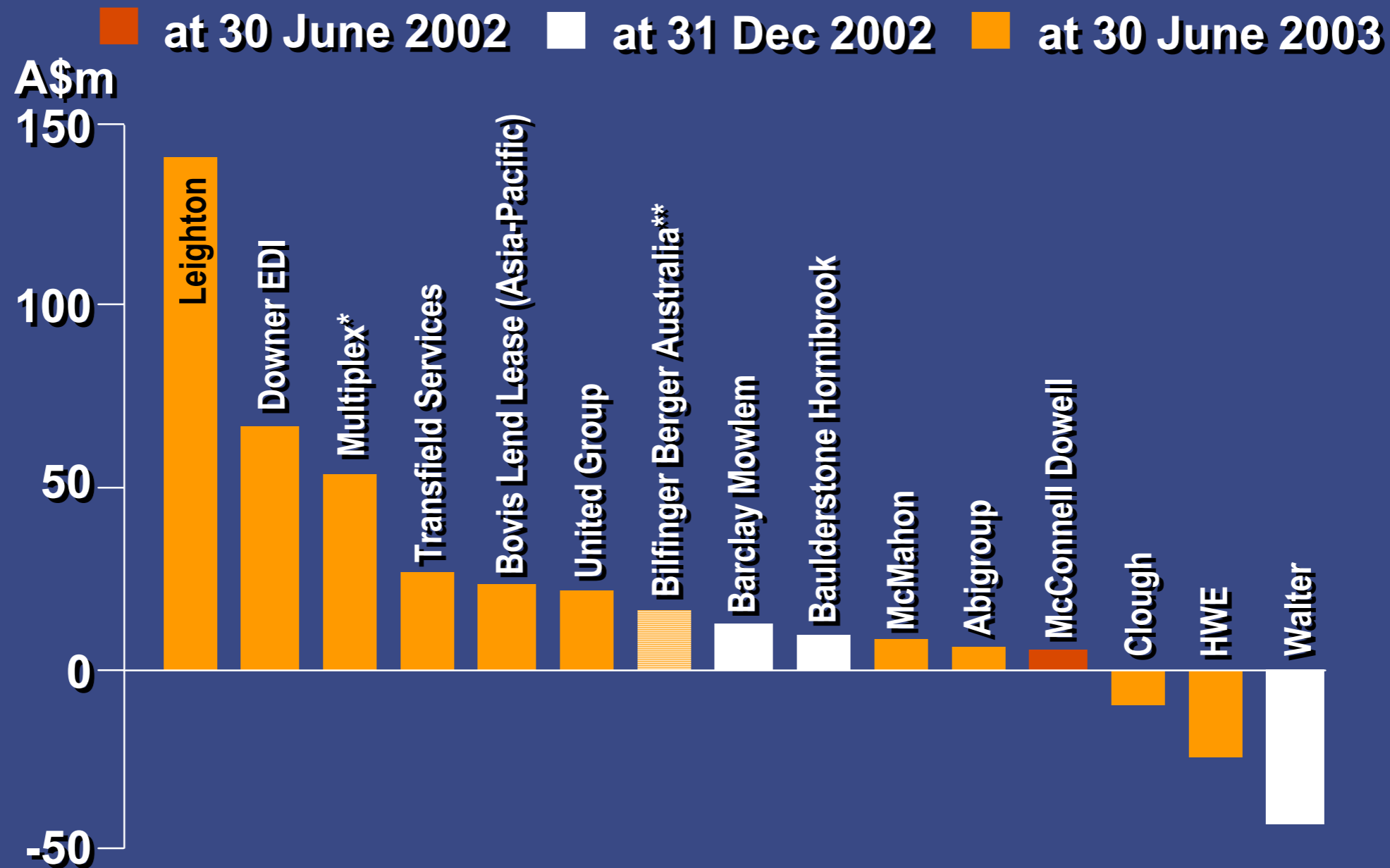
	Leighton Contractors	Thiess	John Holland	Abigroup	Baulderstone	Downer EDI	HWE	Bovis Lend Lease	Clough	United Group	McConnell Dowell	Macmahon	Multiplex	Walter	Barclay Mowlem	Transfield Services*
Roads	●	●	●	●	●	●	●		●			●		●	●	●
Rail		●	●	●		●	●			●					●	●
Electricity			●			●			●	●	●			●		●
Telecomms	●	●	●	●		●				●						●
Contract Mining	●	●				●	●		●			●				
Heavy Industry	●	●	●	●		●	●		●	●	●					
Bridges/Harbours	●	●	●	●	●				●		●	●	●	●		
Water Sewerage		●	●	●		●	●	●	●	●	●	●		●		●
Offices	●	●	●	●	●			●	●				●	●	●	●
Factories	●	●		●	●	●		●		●	●		●	●	●	●
Shops	●		●	●	●			●	●				●	●	●	
Hotels	●	●			●			●					●	●		
Health/Education	●	●	●	●	●			●					●	●	●	●
Defence	●	●	●	●	●					●				●		●
Offshore		●		●	●	●	●	●	●	●	●	●	●	●	●	●
Environment		●				●	●		●					●	●	
Facilities Mgmt	●		●	●		●	●	●		●			●			●

# competitors – revenue



\* Bilfinger Berger Australia reflects combined Baulderstone Hornibrook and Abigroup

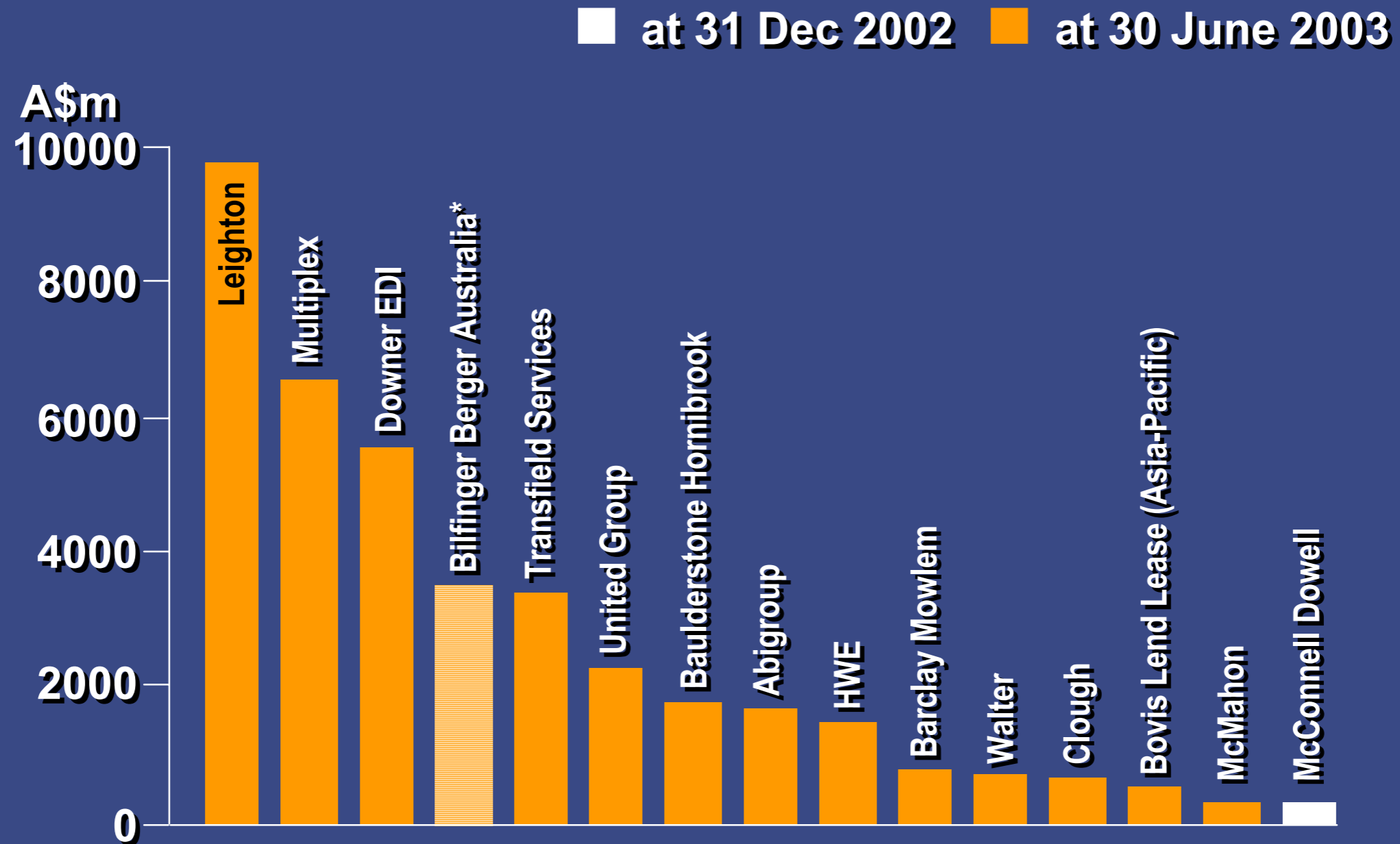
# competitors – profit after tax



\* NPBT \$67m – NPAT based on forecast tax-rate

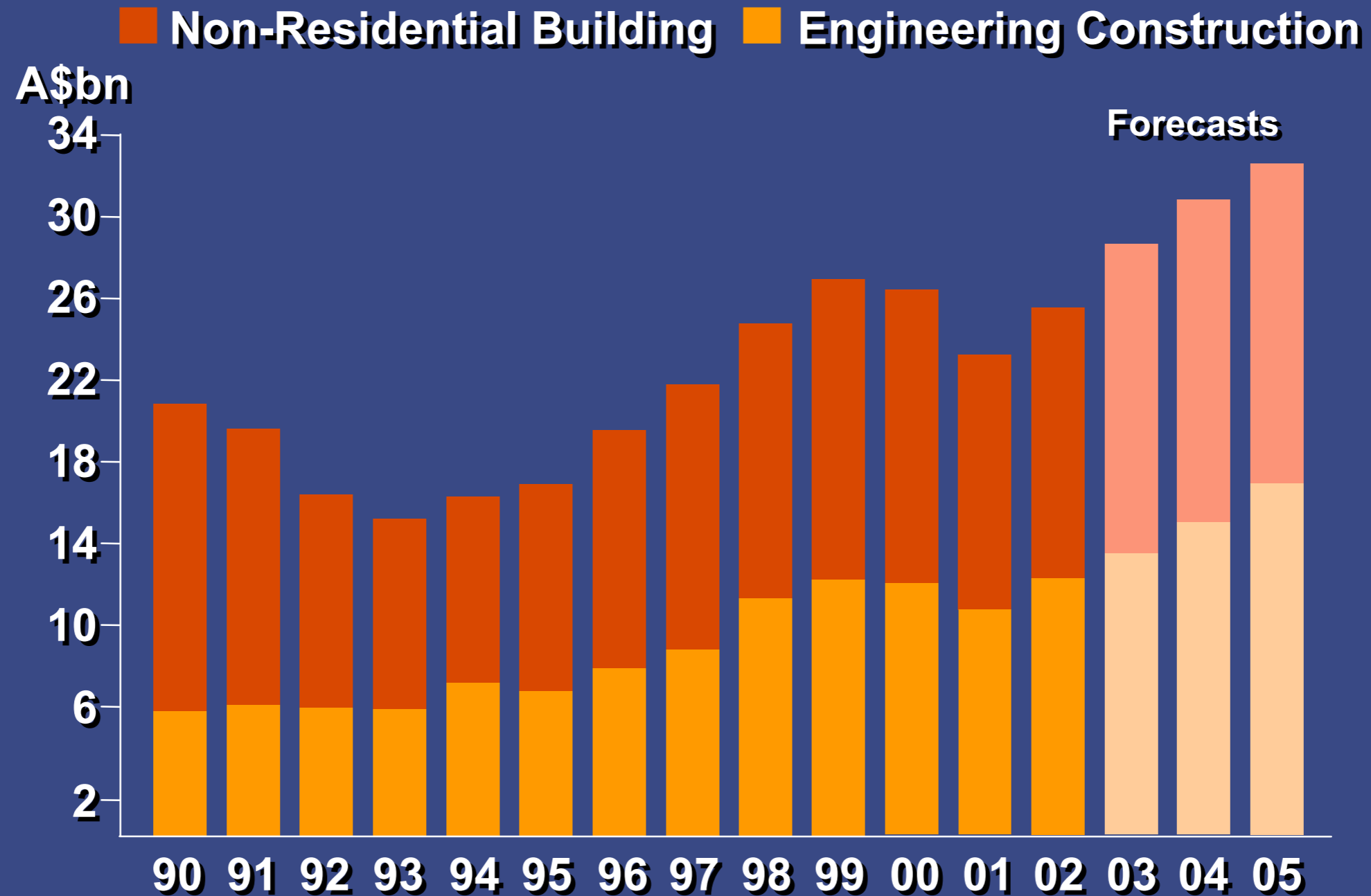
\*\* Bilfinger Berger Australia reflects combined Baulderstone Hornibrook and Abigroup

# competitors – work in hand



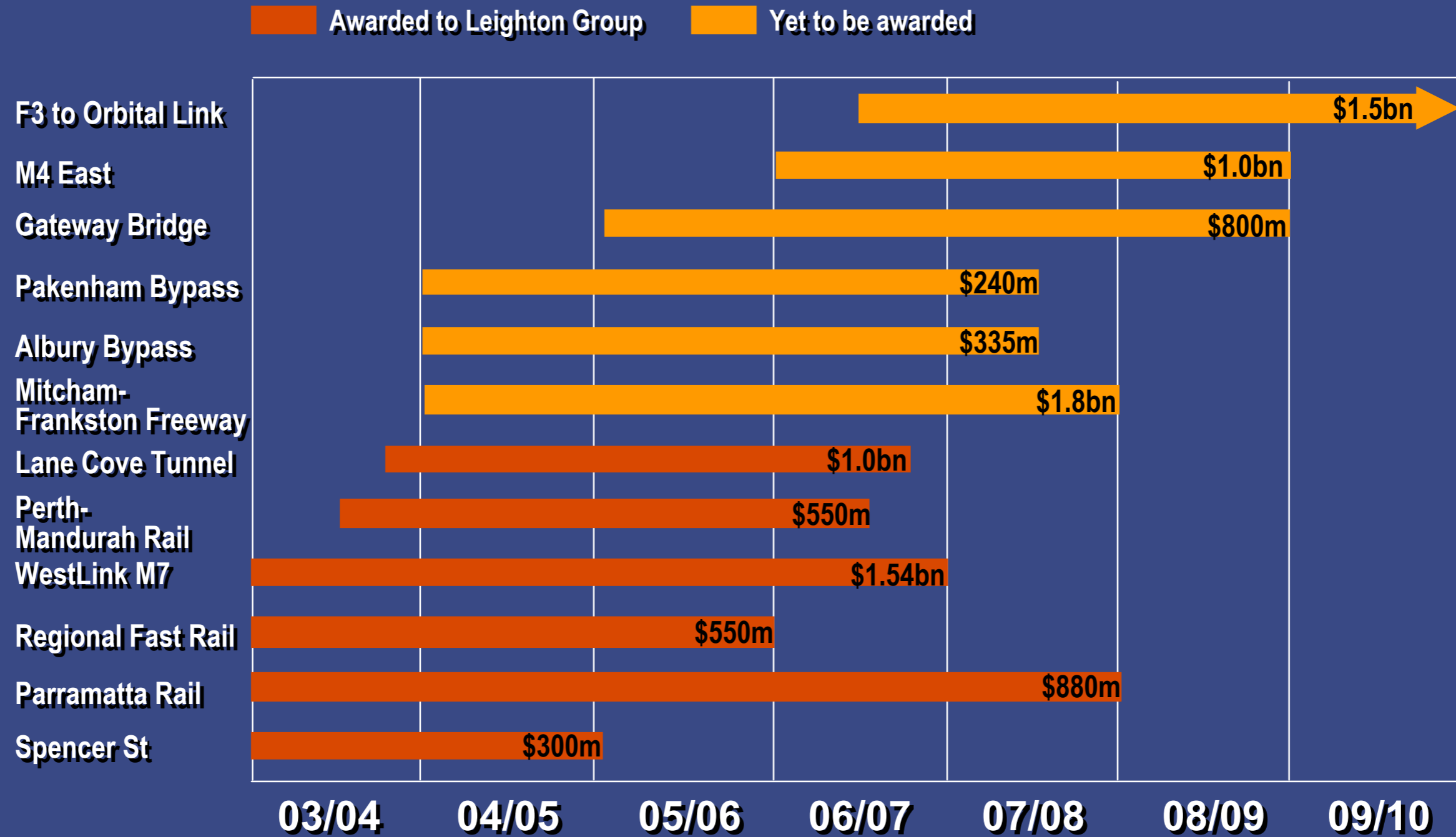
\*Bilfinger Berger Australia reflects combined Baulderstone Hornibrook and Abigroup

# building and engineering work

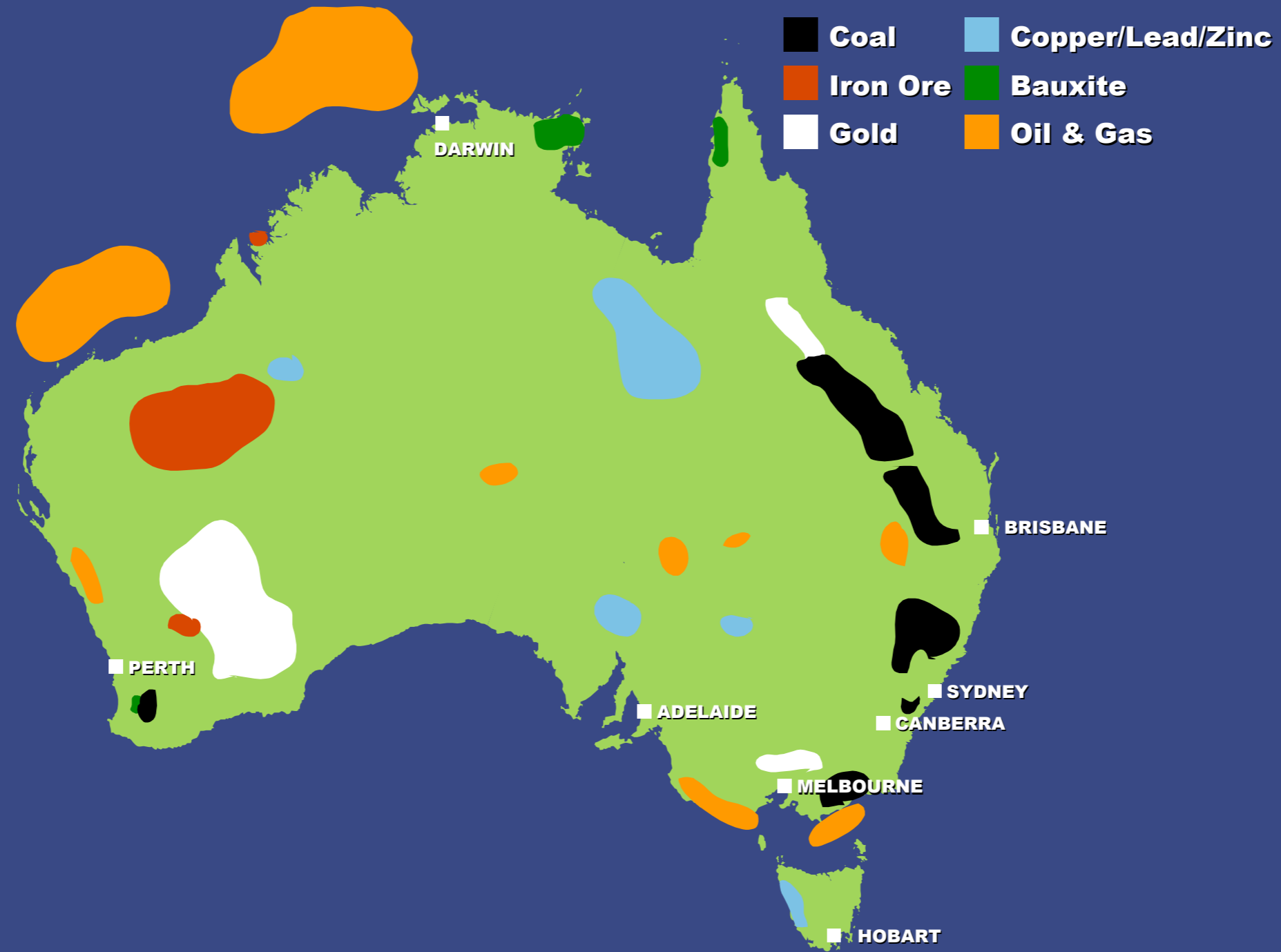


Source: BIS Shrapnel, ABS Data

# major project timing

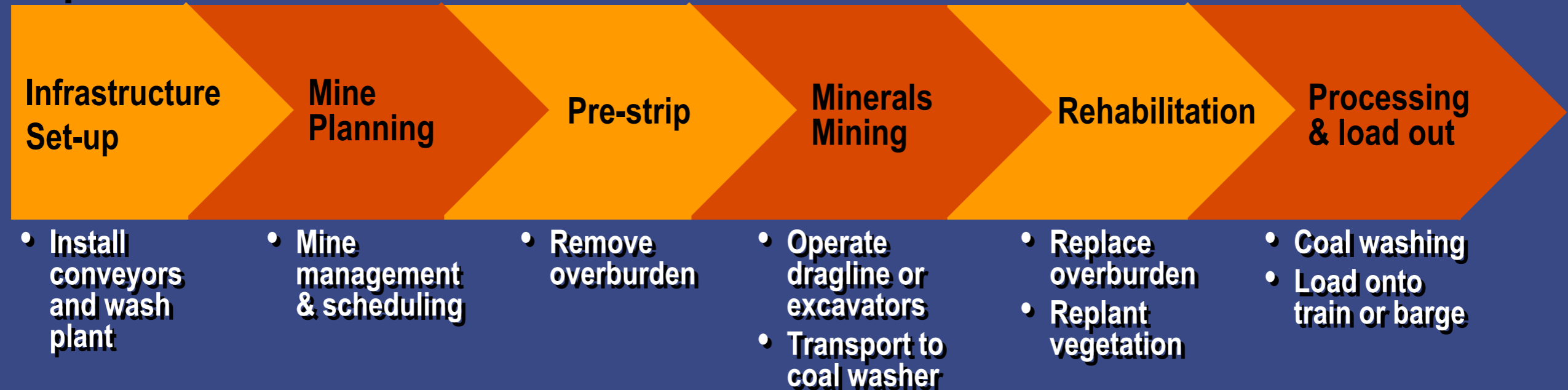


# major resource producing deposits



# the mining process

## Open Cut



## Underground



# Burton Coal Mine, Qld Thiess



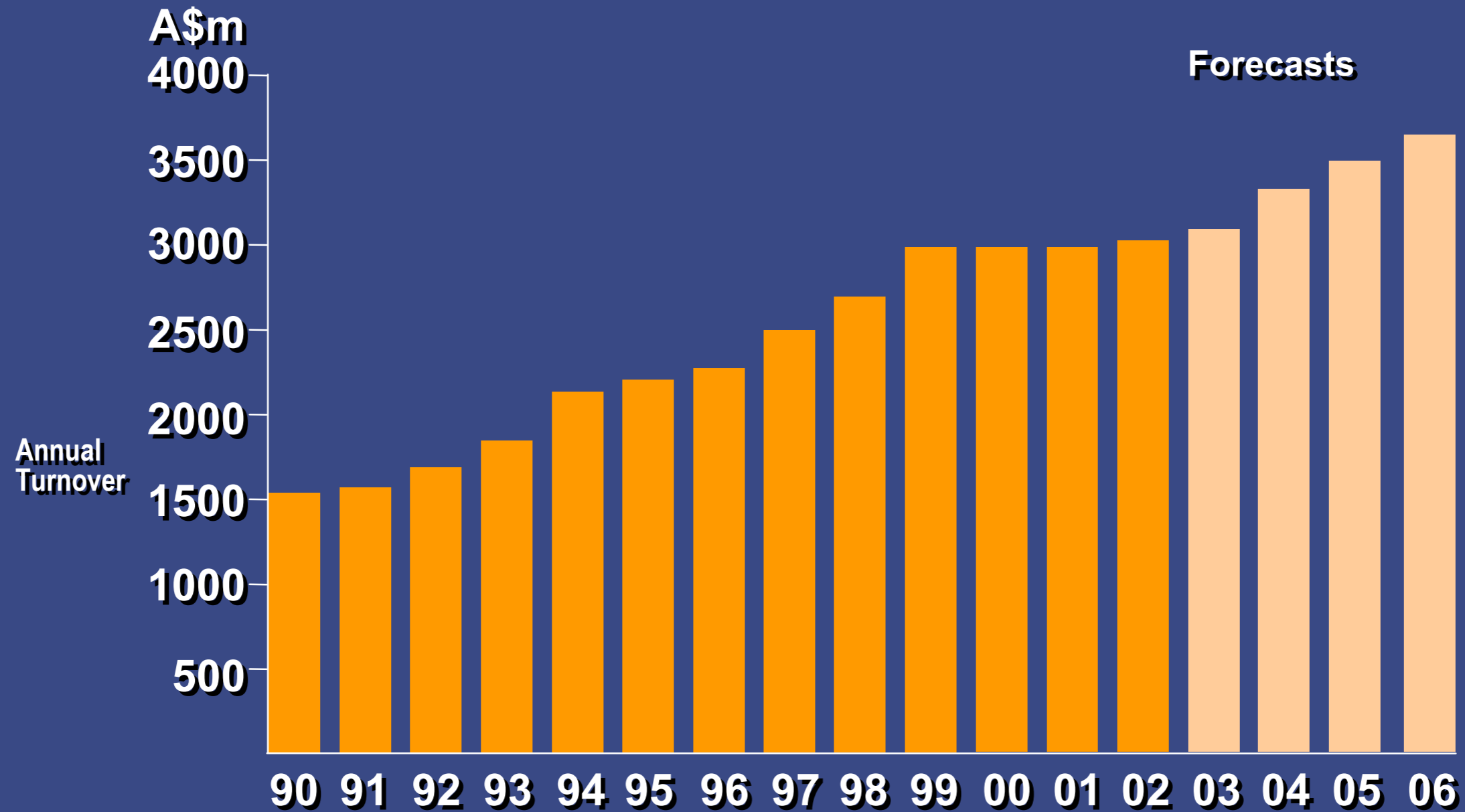
# role of contractor

	<b>Owner operator</b>	<b>Traditional Contracting Miner</b>	<b>Full Service Contracting</b>
<b>Contractor Activity</b>	<ul style="list-style-type: none"> <li>• Infrastructure set-up</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-strip</li> <li>• Minerals mining</li> <li>• Rehabilitation</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure set up</li> <li>• Mine planning</li> <li>• Pre-strip</li> <li>• Minerals mining</li> <li>• Rehabilitation</li> <li>• Processing &amp; load out</li> </ul>
<b>Delivery System</b>	<ul style="list-style-type: none"> <li>• Design &amp; construct</li> <li>• Lump sum</li> </ul>	<ul style="list-style-type: none"> <li>• Schedule of rates</li> </ul>	<ul style="list-style-type: none"> <li>• Alliancing/negotiated</li> <li>• Development</li> </ul>
<b>Investment by contractor</b>	<ul style="list-style-type: none"> <li>• Nil</li> </ul>	<ul style="list-style-type: none"> <li>• Plant &amp; equipment</li> <li>• Working capital</li> </ul>	<ul style="list-style-type: none"> <li>• Plant &amp; equipment</li> <li>• Working capital</li> <li>• May include stake in mine</li> </ul>
<b>Skills required by contractor</b>	<ul style="list-style-type: none"> <li>• Construction</li> </ul>	<ul style="list-style-type: none"> <li>• Earthmoving</li> </ul>	<ul style="list-style-type: none"> <li>• Construction</li> <li>• Mine planning</li> <li>• Earthmoving</li> <li>• O&amp;M</li> </ul>

# Yarrie Nimingarra Iron Ore Mine, WA Leighton Contractors



# australian contract mining industry

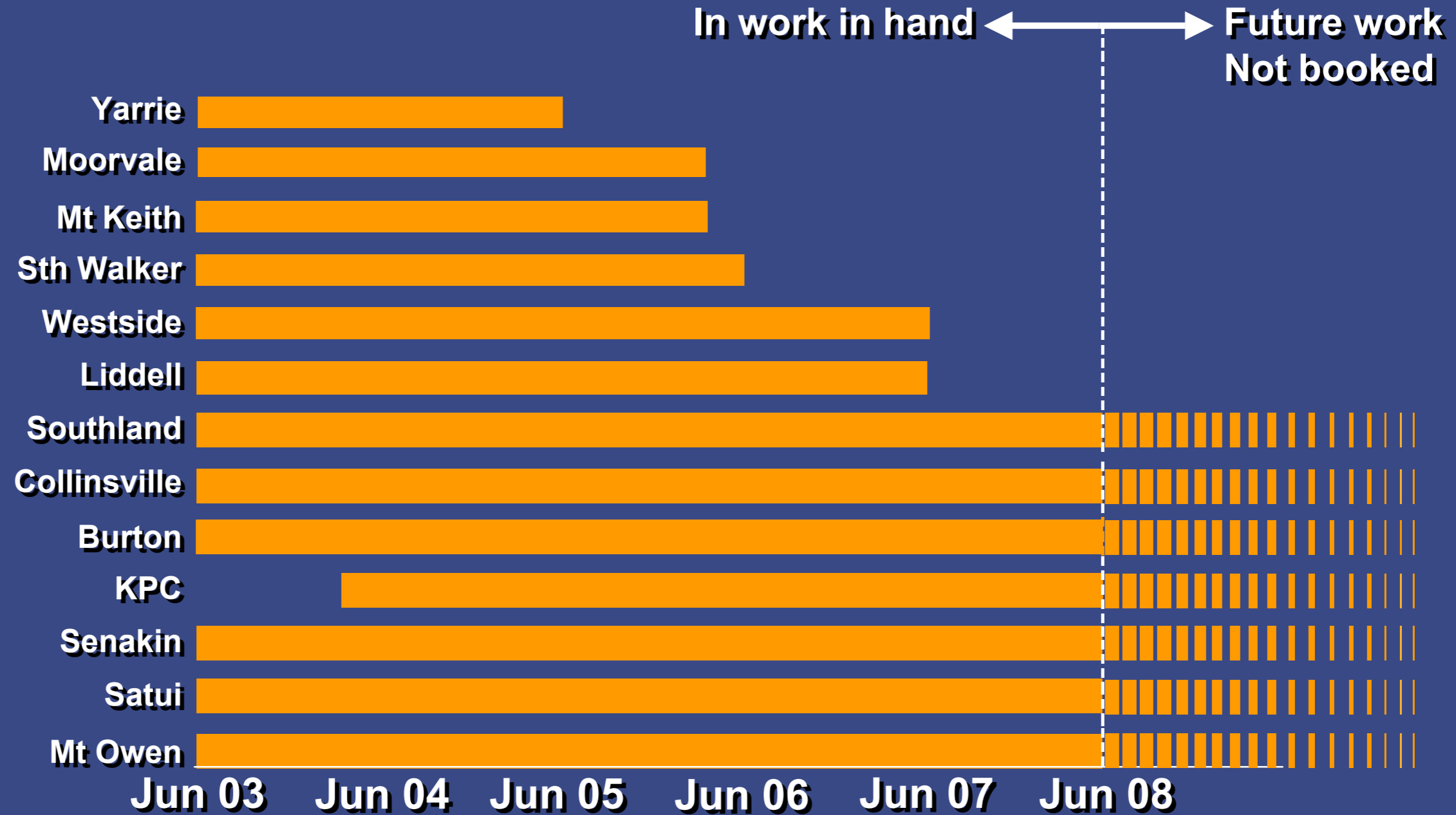


Source: IBIS World, June 2002

# **largest Australian contract miner**

- Currently mine coal, iron ore, nickel and gold**
- Dominant position in coal mining**
- Forecast to mine 66mtpa of coal and 320mtpa of overburden in 2003/04**
- 4<sup>th</sup> largest Caterpillar customer in the world**

# long-term mining contracts



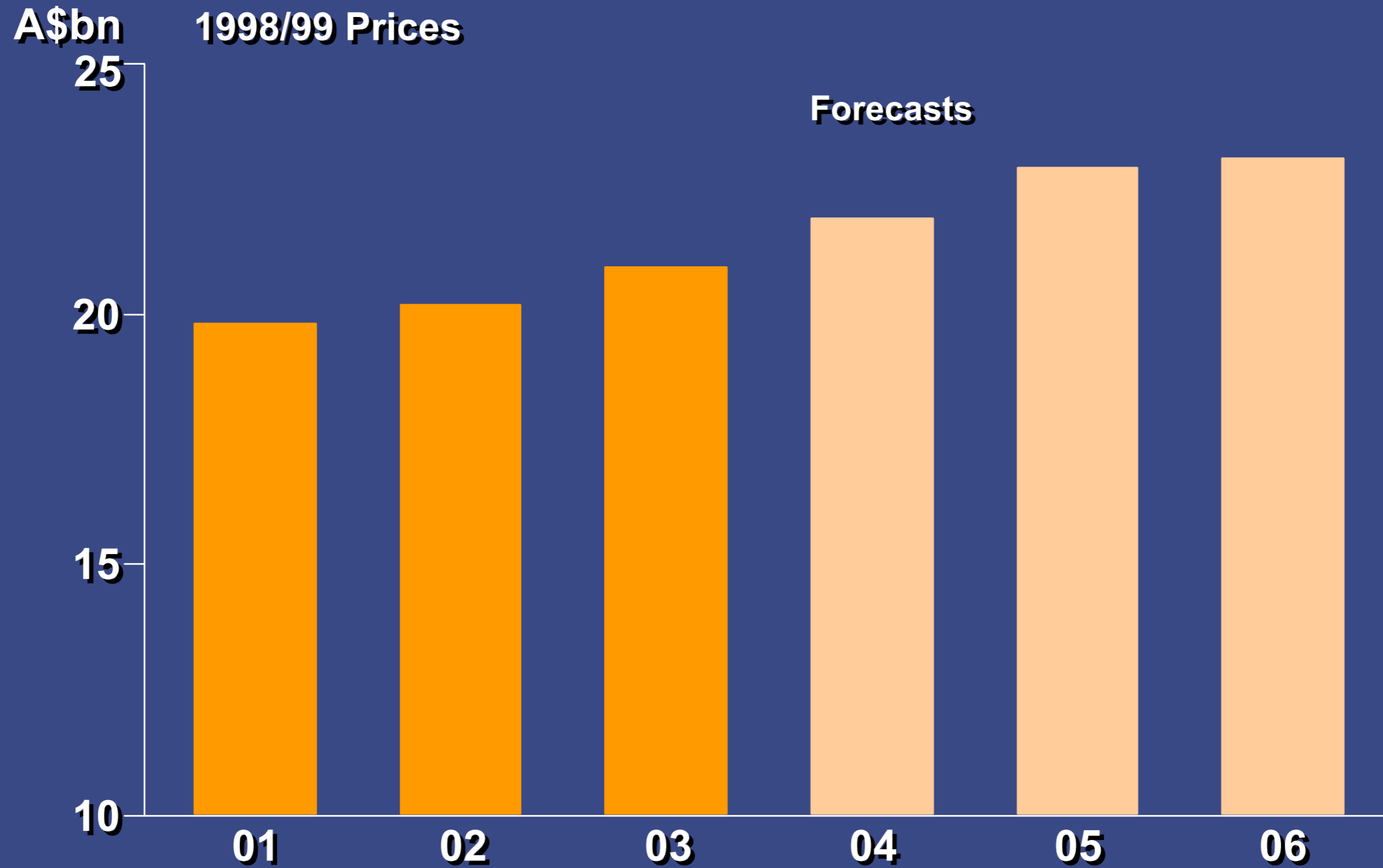
# ABK Loa Janan Coal Mine, Indonesia Leighton Asia (Southern)



# **property projects underway**

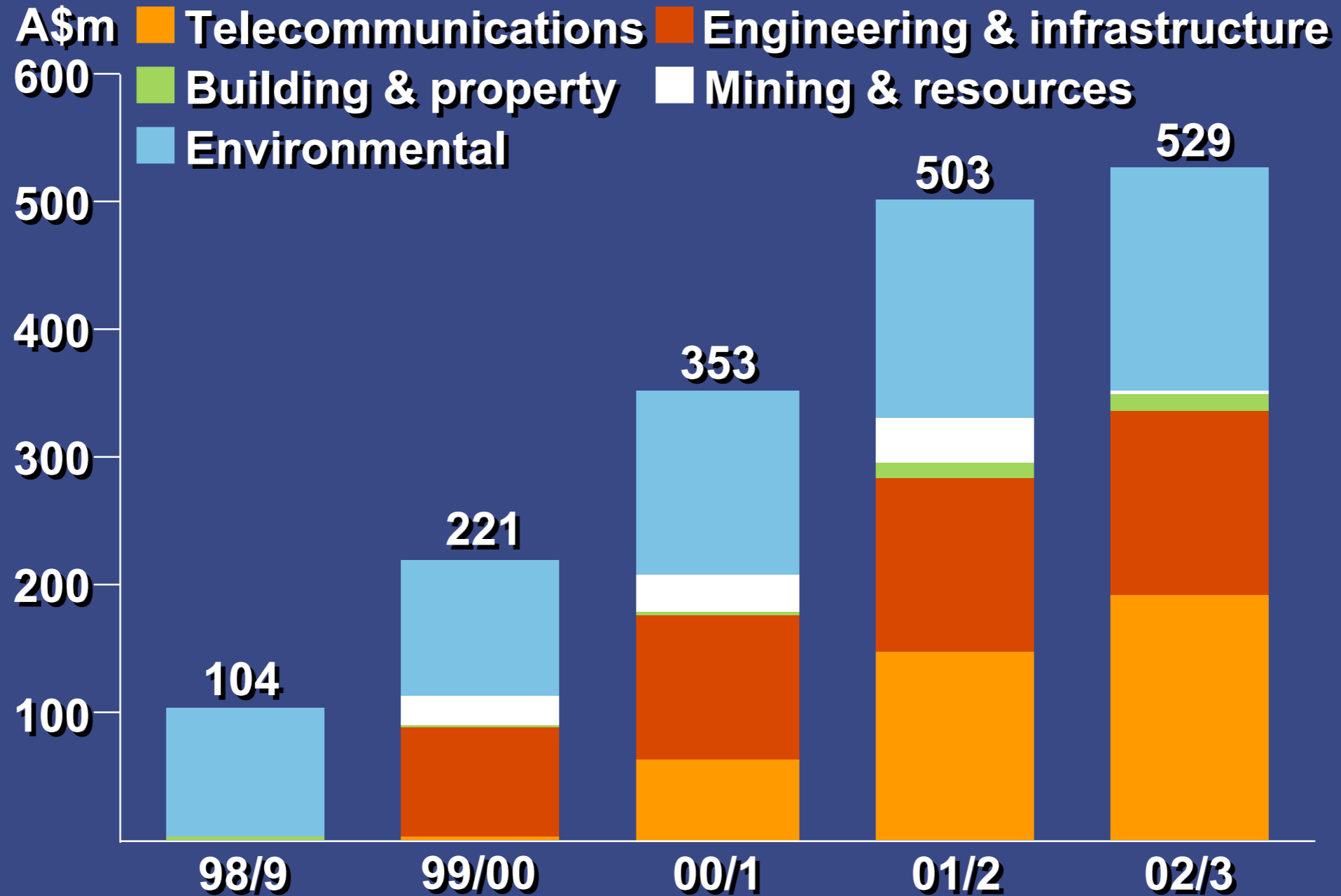
- \$630m KENS office tower, Sydney, NSW**
- \$300m rail station development, Melbourne, Vic**
- \$230m hospital redevelopment, Sydney, NSW**
- \$180m resort development, Noosa, Qld**
- \$170m hotel refurbishment, Sydney, NSW**
- \$170m defence development, Townsville, Qld**
- \$140m research reactor, Sydney, NSW**
- \$130m office tower, Melbourne, Vic**
- \$115m glass bottling facility, South Aust**

# operations and maintenance market



Source: BIS Shrapnel 'Maintenance in Australia 2001'

# group O&M revenue



# **overview of the asian region**

- Resources remains focus in Indonesia**
- Solid civil workload in Hong Kong**
- Pursuing other opportunities in Malaysia**
- Philippines has reasonable activity levels**
- Improving investment climate in Vietnam**
- Hopeful of further rail work in Taiwan**
- Select opportunities in Thailand**

# Senakin Coal Mine, Indonesia Thiess



# summary

- **Operating performance remains strong**
- **Work boosted to around \$12.5bn with new contracts**
- **Diverse range of major projects in both Australia and Asia**
- **Upswing in Australian construction, property and resources markets**
- **Expect similar underlying profit growth in 2003/04**



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