

Turner Office Network

Arizona
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(480) 557-4700

California
Los Angeles* •
(213) 891-3000

Oakland
(510) 267-8100

Orange County
Irvine
(949) 798-8100

San Diego
(619) 692-0960

San Francisco* •
(415) 705-8900

San Jose*
(408) 295-7598

Sacramento*
(916) 614-9311

Colorado
Denver*
(303) 753-9600

Connecticut
Milford*
(203) 783-8800

Florida
Miami* •
(305) 860-8600

Orlando*
Maitland
(407) 475-5900

Tampa
(813) 287-9420

Georgia
Atlanta* •
(404) 504-3700

Illinois
Arlington Heights
(312) 327-2770

Champaign
(217) 353-7890

Chicago* •
(312) 327-2770

Indiana
Indianapolis
(317) 573-2828

Maryland
Columbia
(410) 715-7260

Massachusetts
Boston* •
(617) 247-6400

Michigan
Detroit
(313) 596-0500

Special Projects Division
Farmington Hills
(248) 699-2600

Missouri
Kansas City*
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New Jersey
Somerset*
(732) 627-8300

New York
Albany
(518) 432-0277

Buffalo
(716) 853-1900

Long Island
Melville
(631) 424-5900

New York*
(212) 229-6000

North Carolina
Charlotte
(704) 554-1001

Raleigh-Durham
(919) 806-4600

Ohio
Cincinnati
(513) 721-4224

Special Projects Division
Cincinnati
(513) 542-8801

Cleveland
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Worthington
(614) 781-8550

Oregon
Portland
(503) 226-9825

Pennsylvania
Philadelphia*
(215) 496-8800

Pittsburgh*
(412) 255-5400

Texas
Dallas*
(214) 721-8400

Houston*
(713) 840-8441

Washington
Seattle* •
(206) 505-6600

Washington, DC
Arlington, VA* •
(703) 841-5200

TURNER • UNIVERSAL
Huntsville, AL
(256) 461-0568

Nashville*
Brentwood, TN
(615) 231-6300

TURNER INTERNATIONAL
New York, NY
(212) 229-6388

**THE LATHROP
COMPANY, INC.**
Maumee, OH
(419) 893-7000

**Service Products
Buildings, Inc.**
Maumee, OH
(419) 897-0708

Auburndale Co., Inc.
Toledo, OH
(419) 476-7300

CASUALTY AND SURETY
Woodcliff Lake, NJ
(201) 722-3800

LOGISTICS
Hawthorne, NY
(914) 593-6500

MARKET SEGMENTS
Automotive
(419) 893-7000

Aviation
(703) 841-7021

eTechnologies
(732) 627-8300

Healthcare
(615) 324-3880

Justice
(317) 573-2828

K-12 Education
(312) 327-2770

**Pharmaceutical &
Biotechnology**
(732) 652-7705

Sports
(703) 841-7030

Office includes
* **Turner** ≡ Special Projects
• **Turner** ≡ Interiors

Turner

First Quarter Report 2003

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An Equal Opportunity Employer

First Quarter Report 2003

Turner achieved strong results for the first quarter. The value of new contracts secured through March 31, 2003, at \$2.4 billion, approximates the highest ever quarterly sales figure in Turner's history. Gross sales earnings were \$77 million, an all-time quarterly record, compared to \$71.1 million for the corresponding period last year. The value of construction completed for the quarter was \$1.5 billion.

Earnings from construction contracts were \$49.1 million. The company's anticipated backlog earnings as of March 31 were a record, at \$232.3 million, and show an increase of 20.9% percent over the \$192.1 million reported as of March 31, 2002. Construction backlog volume was \$6.9 billion as of March 31, compared to \$6.3 billion for the same period last year.

In its ongoing effort to offer a wide range of services, Turner continues to launch new initiatives. One of these is Turner Casualty & Surety (TCS), which has steadily increased its value to the company's business units and clientele since being established in July of 2000. TCS is a corporate business set up specifically to manage Turner's insurance and surety programs. It has the breadth and expertise to handle all matters related to insurance coverage, claims, safety and loss control, thus giving Turner greater control in managing projects.

In today's rapidly evolving world, business risks have changed dramatically. TCS represents Turner's response to this new business climate. Instead of avoiding risk, companies should understand and embrace it by taking a more sophisticated approach and finding better products to manage it. TCS positions Turner to study the risks and to be more comprehensive in evaluating strategies that will benefit both clients and the industry as a whole. It provides solutions that allow business units to resolve insurance and risk management issues.

TCS succeeded in developing a contractor controlled insurance program that enables Turner to coordinate coverage and have a significant influence on claims settlement. This unified approach prevents a simple claim from spiraling into a litigious, time-consuming, costly event; with all parties under a single umbrella, everyone is



able to focus on the prime objective — delivering the project. Furthermore, given its enormous volume of work, Turner is able to purchase more coverage for all parties at an equal or lower cost.

TCS is also introducing new product lines into the market. Among these is Turner's Subguard program, which offers protection against subcontractor default. Underwritten by Zurich North America, it eliminates the need for business units to purchase payment and performance bonds from subcontractors. Another new product is a Master Builder's Risk policy, which provides coverage for all stakeholders involved in a project, from owner to subcontractors.

Last July, TCS also took on full responsibility for Turner's safety program, with the goal of creating a system to identify and quantify loss exposures, building a database to better analyze loss trends and streamlining reporting protocols with vendors. With these instruments in place, TCS seeks not only to provide the company's business units with timely and complete information, but also to serve as a model for the entire industry.

Sales:	Building Types	
Value of New Contracts Secured	Commercial/Retail	19%
First Three Months 2003	Manufacturing	12%
\$2.4 Billion	Education/Science	25%
	Healthcare	19%
	Public	1%
	Entertainment/Sports	5%
	Residential/Hotel	3%
	Aviation	13%
	Other	3%
		100%

The Turner Corporation and Subsidiaries Consolidated Financial Highlights

(in thousands; unaudited)

For the three months ended March 31,	2003	2002
New contracts secured	\$2,374,639	\$2,376,964
Value of construction completed	\$1,451,998	\$1,416,794
Revenue from construction contracts	\$1,422,125	\$1,360,629
Cost of construction contracts	1,373,038	1,306,632
Earnings from construction contracts	\$49,087	\$53,997