FUTURIS
CORPORATION LIMITED

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1 July 2003

Company Announcements Office
Australian Stock Exchange

Implementation Of Leadership Succession Previously Reported

Futuris confirms implementation of Leadership Succession as previously announced to the ASX on 13 February 2003.

Sonya Furey
Company Secretary

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Implementation of Leadership Succession Previously Reported

Futuris Corporation Limited confirms that the Board changes foreshadowed to the Australian Stock Exchange (ASX) on 13 February 2003 have been implemented today.

- Mr Bill Beischer has retired from the Board and been succeeded as Chairman by Mr Stephen Gerlach.

- Mr Les Wozniczka has succeeded Mr Alan Newman as Chief Executive Officer. Mr Newman remains on the Board as a non-executive director and, in addition, is providing strategic consulting services to the Company.

In keeping with the ASX advice of 1 May 2003 on disclosure of Chief Executive Officer remuneration terms, Futuris Corporation advises that the key terms of Mr Wozniczka's contract as Chief Executive Officer are as follows:

- Mr Wozniczka has been employed as Chief Executive Officer under a 5 year employment contract.
- Mr Wozniczka's remuneration package comprises three elements: a fixed base remuneration of $1 million per annum (and a 15% per annum superannuation contribution) determined having regard to current industry remuneration levels; a short term (annual) incentive which is subject to the achievement of annual performance hurdles and a long term incentive which is subject to the achievement of performance hurdles.
- The structure and performance targets for the annual incentive fee are determined by the Board in consultation with the Remuneration Committee and Mr Wozniczka. Performance targets for the annual incentive fee are to include quantitative financial measures and qualitative measures. The annual incentive fee can range up to 100% of the base remuneration depending on performance and, subject to shareholder approval, Mr Wozniczka can elect to receive all or a portion of the fee in the form of shares in the Company.
- the long-term incentive component (which is subject to shareholder approval) has been restructured to comprise a total of 2 million options split equally between 2 tranches. One tranche is subject to the achievement of total shareholder returns (TSR) performance hurdles, based on Futuris' comparative

performance against the ASX 200 over a rolling three-year period. The other tranche of options is subject to the achievement of earnings per share (EPS) growth performance hurdles over a rolling three-year period.

Shareholder approval of the long-term incentive component will be sought at the Company's 2003 Annual General Meeting in October this year. Full details will be disclosed in the notice of meeting.

In addition, Mr Wozniczka retains his rights in respect of tranches 1 and 2 of options that are already in place and have been previously reported (2002 Annual Report) but relinquishes all rights in respect of tranche 3 of those options.

- notice terms under the agreement are comparable with industry standards and ensure that both parties are protected. Either the company or Mr Wozniczka may terminate the employment contract at any time on 12 month's prior written notice. In specified (non-default) circumstances both parties have the right to terminate the contract on 1 months notice. If notice is given in the first 2 years of the agreement, a termination benefit equivalent to 18 month's fixed base remuneration (less any notice worked-out) is payable. If notice is given after the second anniversary, the termination payment is equivalent to 12 month's fixed base remuneration (less any notice worked-out).

Mr Wozniczka's remuneration arrangements have been determined on advice from an independent firm of external remuneration consultants, with a view to providing him with incentives to perform for the benefit of the Company and all shareholders, in a manner which the Board believes will accord with the expectations of shareholders for such arrangements.

For further information contact:

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