

**2011 Annual General Meeting**  
**Speech by David Crawford AO, Chairman**

**MR DAVID CRAWFORD:**

Annual General Meeting 2011



Good morning everyone.

My name is David Crawford and I am Chairman of the Lend Lease Board of Directors.

I acknowledge the traditional owners of the land we meet on today, the Wurundjeri people of the Kulin Nation, and pay my respect to them and their elders past and present.

## Important notice



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A reference to 2011 refers to the 2011 financial year unless otherwise stated.

Cover Image: Port Botany Container Terminal Expansion, Sydney, Australia. Photo courtesy of Sydney Ports Corporation.

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## Emergency Evacuation Procedures



In the event of a fire, or any other emergency occurring in the building, the following procedures shall apply:

The "Alert" signal (Beep, Beep, Beep) will be sounded to which the Wardens of the building will respond by initially checking their respective floors/areas for an emergency and will then make their way to their assigned Warden Intercommunication Point (WIP)

Personnel are to take no action unless specifically requested by a Warden. On the sounding of the "Evacuate" (whoop, whoop, whoop) signal, all occupants shall:

- Listen for any instructions from the Chief Warden via the PA or Warden Intercom system;
- Lend assistance to any guests on the floor and evacuate the floor via the nearest fire exit stair;
- Continue to listen for messages broadcast via the Public Address system as sudden changes may need to be made to the method of evacuation due to smoke and/or other hazards; and
- When clear of the building, proceed to the assembly area as directed by Chief Warden, at all times assisting your guests to evacuate the area.

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Before I commence my address I ask that everyone please turn off their mobile phones.

In the event of an emergency requiring the venue to be evacuated, the alert signal will be sounded to which the Wardens will respond. Take no action unless requested by a Warden. On

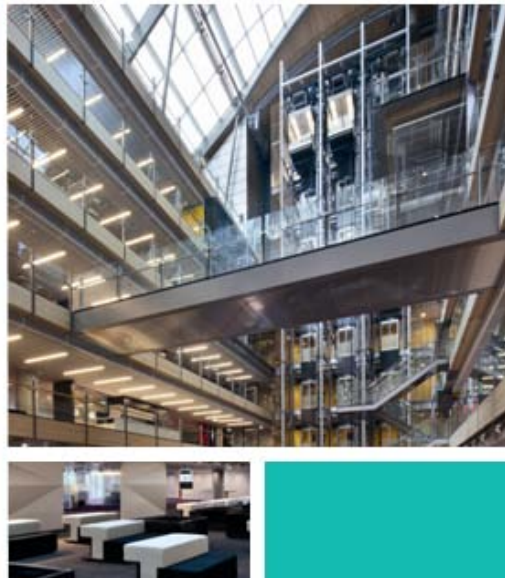
the sounding of the Evacuation tone, listen for instructions from the Chief Warden and evacuate the floor via the nearest fire stair exit.

Continue to listen for messages on the Public Address system and when clear of the building, proceed to the assembly area as directed.

## Presentation outline



1. Board of Directors
2. Chairman's Address
3. CEO's Address
4. Resolutions





I will now introduce the rest of the Board of Directors – on my right is David Ryan, Chairman of our Risk Management and Audit Committee; Jane Hemstrich who joined the Board in September; Phillip Colebatch, Chairman of our Personnel & Organisation Committee; Steve McCann, the Group’s CEO and Managing Director; and on my left is Gordon Edington; Peter Goldmark, Chairman of the Nomination Committee and Julie Hill, Chairperson of our Sustainability Committee who unfortunately cannot be with us today. The Company Secretary, William Hara is also sitting with us on stage.

Seated in the front rows of the auditorium are members of the executive management team. Also in attendance are the Group’s auditors, KPMG, who will be able to assist with answers to any questions you may have relating to the Group’s financial statements and their audit.

Board of Directors – David Ryan, AO



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Board of Directors – Jane Hemstrich



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Board of Directors – Phillip Colebatch



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Board of Directors – Steve McCann



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Board of Directors – David Crawford, AO



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Board of Directors – Gordon Edington, CBE



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Board of Directors – Peter Goldmark



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I will commence proceedings with an overview of the key events and achievements for the 2011 Financial Year. Steve McCann will then present his operations report before we move to the formal business of the meeting and resolutions. We will provide an opportunity for discussion and any questions you might have when we deal with each of the formal agenda items.

## Safety commitment



- Vision is to operate Incident & Injury Free
  
- Significant progress made in the year:
  - Uncompromising Leadership demonstrated across the group
  - Lost time injury frequency rates trending down
  - Reduced the number of falls from heights over the last five years by 80%
  - Embedded our global minimum safety requirements across all regions
  
- Tragically, one fatality occurred in 2011 in the Australian infrastructure business



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Lend Lease is committed to operating Incident & Injury Free wherever the Group has a presence. This is central to our business approach and is embedded in all our decision making. Tragically one fatality occurred in the Australian infrastructure business during the year. Our thoughts are with the family, friends and colleagues of the deceased.

To assist us in achieving our vision we have developed a set of operating disciplines and specific environmental, health and safety leadership behaviours, all of which are aimed at ensuring those who work with us, and for us, operate in a manner which means we never compromise on our vision.

This year we made significant progress in our efforts to further develop our people in the area of safety. Our Uncompromising Leadership program is about setting an example, and taking a strong stance when faced with any situation that compromises the safety of employees and contractors.

Over the past five years, we have achieved a material improvement in our incident frequency rates, and have significantly reduced our fall from heights by 80 per cent.

## Strong 2011 result performance



- **Operating profit of A\$485.3m, up 50%**
- **Progress on strategy**
  - Infrastructure acquisition
    - Integration of business progressing
    - On track to deliver earnings accretion
  - Milestones reached on major projects
  - Capital recycling
- **Continued momentum**
  - Infrastructure business has backlog of A\$6.3b and preferred on A\$1.2b of work
  - Sold additional PPP equity to UK Infrastructure Fund
  - Secured additional work with US military
- **Secured positions will deliver growth over medium term**



Silk, Jacksons Landing, Sydney

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During the 2011 year, the Group significantly progressed its strategy, with the acquisition of the infrastructure business and the achievement of key milestones on a number of major projects. In line with the Group's focus on portfolio management we have continued to recycle a number of assets.

Since announcing the Group's full year result in August we have continued to see momentum in project wins. The Infrastructure business has a backlog of A\$6.3 billion, including secured and pending work, and is preferred bidder on a further A\$1.2 billion of work. We launched a new retail fund in New Zealand, sold additional assets to the UK Infrastructure Fund and won additional work with the US military under the lodgings program.

While there is further work to be done, the Group is well placed to deliver growth over the medium term in our chosen market sectors and segments, despite the current uncertainty in global markets. In 2012 we will see the benefit of earnings from the infrastructure business and also the emergence of profits from our major projects, particularly Barangaroo South.

## Profit after tax up by 50% on prior year



	June 2011 A\$m	June 2010 A\$m	% change
Revenue	9,014.1	10,570.0	(14.7)
EBITDA from operating businesses	710.7	482.5	47.3
EBITDA margin (%)	7.9	4.6	71.7
Operating profit after tax	485.3	323.6	50.0
Statutory profit after tax	492.8	345.6	42.6
Earnings per security <sup>1</sup> (cents)	85.6	65.1	31.5
Distribution per security <sup>2</sup> (cents)	35.0	32.0	9.4
Return on equity <sup>3</sup> (%)	14.2	12.6	12.7

<sup>1</sup>Based on operating profit after tax and weighted average number of securities on issue including treasury securities

<sup>2</sup>The final distribution is unfranked and represents a payout ratio of 41% of Operating Profit after Tax for the year ended 30 June 2011. The prior period final distribution was 100% franked

<sup>3</sup>Return on equity is calculated as statutory profit after tax divided by the weighted average equity for the year

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For the year ended 30 June 2011 the Group delivered an Operating Profit after Tax of \$485.3 million, a 50 per cent increase on the prior year.

Earnings growth was achieved across all regions, in the face of challenging economic conditions in the UK, Europe and the Americas and a negative impact of the high Australian dollar.

Statutory Profit after Tax for the year was \$492.8 million, including net property revaluation gains of \$7.5 million.

Finally, return on equity moved closer to our target of 15% and remains a strong focus for the Group.

## Key financial targets – tracking well



Metric	Target	June 2011
Return on Equity <sup>1</sup>	▪ Greater than 15% per annum	14.2%
Credit Rating	▪ Committed to investment grade credit rating	BBB- / Baa3 (Stable)
Gearing <sup>2</sup>	▪ <20%	8.9%
Interest Coverage Ratio	▪ >5x	6.7x
Annuity Income <sup>3</sup>	▪ >15% of EBITDA	15.5%
Dividend Payout Ratio	▪ 40% to 60% of Operating Profit after Tax	41%

1 Return on equity is calculated as Statutory Profit after Tax divided by the weighted average equity for the year.  
2 Gearing is calculated as net debt divided by total tangible assets less cash.  
3 EBITDA includes the acquired infrastructure business from the sale of equilon.

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Lend Lease has built a solid platform for growth over the past few years and, despite continuing uncertainty and volatility in global markets, we are tracking well against our financial targets. We aim to achieve a return on equity greater than 15% per annum and we were just below this target for the full year.

Our debt metrics remain strong with gearing just below 9%. During 2011 15% of EBITDA came from annuity income and the Group will continue to target around 15% of EBITDA from a broad range of annuity income streams

The dividend payout ratio of 41% of Operating profit for the full year, resulted in a total cash distribution for the year of 35 cents. This was up 3 cents per security or 9% on the prior year.

The final dividend was unfranked reflecting lower tax payments in Australia. Going forward our franking capacity will vary depending upon a number of things including the quantum of timing differences, particularly in the Retirement Business and potential changes in tax consolidation legislation.

The rules of the DRP have been changed and we have removed the discount of 2.5 per cent. This was applied to the final distribution paid in September.

## Continued focus on key trends



Urban Regeneration	<ul style="list-style-type: none"><li>▪ Leading urban renewal projects in Australia, UK and Singapore</li><li>▪ Focus on delivery and execution</li></ul>
Ageing Population	<ul style="list-style-type: none"><li>▪ No. 1 senior living platform in Australia</li><li>▪ 70 retirement villages and 30 aged care facilities</li></ul>
Infrastructure	<ul style="list-style-type: none"><li>▪ Australia - significant opportunities from both public and private projects</li><li>▪ Infrastructure acquisition provides further capability in the Australian engineering and infrastructure market</li></ul>
Sustainability	<ul style="list-style-type: none"><li>▪ Investment in clean technologies and expansion of our green building practices</li><li>▪ Score of 80% on 2011 Dow Jones Sustainability World Index</li></ul>
Fund Growth Platform	<ul style="list-style-type: none"><li>▪ Leading wholesale property platform in Australia</li></ul>

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For some time we have talked about the key growth trends that will impact and shape our business. These include urban regeneration, the ageing population, infrastructure, sustainability and growth in sovereign wealth funds and pension funds.

One of the most significant achievements for 2011 was advancing our position in the infrastructure sector by acquiring Valemus Australia, the parent company of Abigroup, Boulderstone and Conneq. The acquisition materially increased the Group's capabilities and activities in the engineering and construction market in Australia.

Integration of the new business is progressing well and is on track to be a significant driver of earnings for Lend Lease from financial year 2012 onwards.

In the 2011 Dow Jones Sustainability World Index we achieved a score of 80% - a 2% improvement from the prior year and well ahead of the average industry score of 45%.

## Positioned for Growth



### Significant backlog, development pipeline and access to capital

- Continued deal momentum
- Capital requirements supported by third party equity
- Focus on portfolio management
- Emphasis on quality and consistency of execution

### Secured positions will deliver growth over medium term

- Accretion from infrastructure acquisition
- Key development projects to deliver returns in 2012



Peninsula Link, VIC

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In summary, the Group's financial strength, focus on capital recycling and access to third party capital gives Lend Lease the financial flexibility to continue to invest in its development pipeline and other opportunities.

We have continued to deliver on our strategy of investing in key growth areas through our development pipeline .... and the acquisition of the infrastructure business that will provide earnings accretion this year.

We are positive about the Group's operating outlook and remain focused on optimizing securityholder returns. Lend Lease is in good shape and well placed to deliver growth over the medium term.

Finally, I extend thanks to my board colleagues, senior management and Lend Lease employees around the world for their passion, hard work and commitment.

I will now hand over to Steve to take us through an update on the business.

**2011 Annual General Meeting**

**Speech by Steve McCann**

**Group Chief Executive Officer and Managing Director**

**MR STEVE McCANN:**



Thanks David.

Having focused on building a solid platform over the past few years, Lend Lease is in a very good position. While uncertainty remains in global markets, we have a prudent strategy for growth in all our regions. Our financial result this year clearly demonstrates that we are pursuing the right strategy.

## Business update



Australia	<ul style="list-style-type: none"><li>▪ Construction backlog revenue of A\$8.6b at June 2011</li><li>▪ Construction outlook – focus on health, internal projects and strong pipeline of infrastructure opportunities</li><li>▪ Major projects – focus on tenants and capital partners</li><li>▪ Residential – long term fundamentals strong but short term impacted by negative consumer sentiment</li><li>▪ Achieved zoning on large projects</li><li>▪ Investment management – strong FUM growth</li><li>▪ Retail sales environment slowing</li></ul>	
Asia	<ul style="list-style-type: none"><li>▪ JEM™ development progressing well with strong leasing pre-commitments</li><li>▪ 100% of commercial space leased</li><li>▪ Major anchor tenants signed</li></ul>	

The Green at Showground Hill, RNA, Brisbane

JEM™ Singapore  
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The Australian region had a strong result in 2011 with profit up 14%. This included a full 12 month contribution from the Retirement Living and Aged Care business and a small contribution from the acquired infrastructure business. Lend Lease continued to add to its significant development pipeline and progress key projects. In Australia, the New South Wales Government approved the Concept Plan amendment for the \$6 billion redevelopment of Barangaroo South in Sydney and construction has now commenced on site.

The combined project management and construction and infrastructure business has a robust backlog of government work, particularly healthcare and transport, and our backlog would be even higher if we included our internal development pipeline that has not been contracted to date.



The long term fundamentals of the residential sector remain strong, driven by the robustness of the Australian economy, low levels of unemployment, population growth and a growing housing stock deficiency in most states. However, as we previously flagged, we have seen reduced trading levels in the financial year to date, impacted by consumer confidence as buyers remain cautious and take longer to make purchase

decisions. Last week's interest rate cut is welcome but we remain cautious about the residential outlook.

In Asia, there are strong fundamentals across most markets and profit for the year was up nearly 40%. Our development of the Jurong Gateway mixed-use site, renamed Jem™, in conjunction with the Lend Lease managed Asian Retail Investment Fund, is progressing well with 100% of the commercial space leased as well as the majority of the retail anchor tenant space.

## Business update



EMEA	<ul style="list-style-type: none"> <li>▪ Construction remains challenging</li> <li>▪ Continued to progress major project approvals</li> <li>▪ No significant capital requirements in the short term</li> <li>▪ Bluewater continues to perform</li> <li>▪ Launched £220m UK Infrastructure Fund</li> <li>▪ Sold PPP assets to UK Infrastructure Fund</li> </ul>	 <p style="text-align: center; font-size: small;">Scottish National Arena, Glasgow</p>
Americas	<ul style="list-style-type: none"> <li>▪ Acquired DASCO – specialising in development, financing, leasing and management of medical facilities</li> <li>▪ Sold King of Prussia</li> <li>▪ Project wins in family housing and lodgings program</li> </ul>	 <p style="text-align: center; font-size: small;">National September 11 Memorial and Museum, New York, NY</p>

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In Europe, market conditions remain tough and this has slowed the volume of construction work. During the 2011 year we launched the Lend Lease managed UK Infrastructure Fund raising £220 million of capital. Subsequent to year end the Fund acquired three additional PPP assets realising £30 million of capital. We also continued to progress major projects, signing a conditional regeneration agreement with the London Borough of Southwark for the £1.5 billion regeneration of Elephant & Castle and meeting all conditions on the Framework Agreement for the £1.3 billion second stage of The International Quarter, Stratford City, London. We have achieved this with very little capital invested.

The Americas region had a strong year in 2011 principally due to the sale of King of Prussia which released over US\$500 million of capital. The market remains very challenging and construction revenue reduced although the volume of construction projects secured in the year did increase.

We have also added to our pipeline in the US military housing privatisation and lodgings sectors, and during 2011 we acquired DASC0, a developer of medical office buildings and outpatient care facilities with a strong development pipeline that will position Lend Lease in a rapidly growing sector.

### Infrastructure – trading update



- Backlog revenue of A\$6.3b at 30 September 2011 (secured and pending)
- Infrastructure integration is progressing in line with expectations
- On track to deliver EPS accretion announced at the time of the acquisition
- Expect to secure circa A\$1.2b of additional preferred work in the short term



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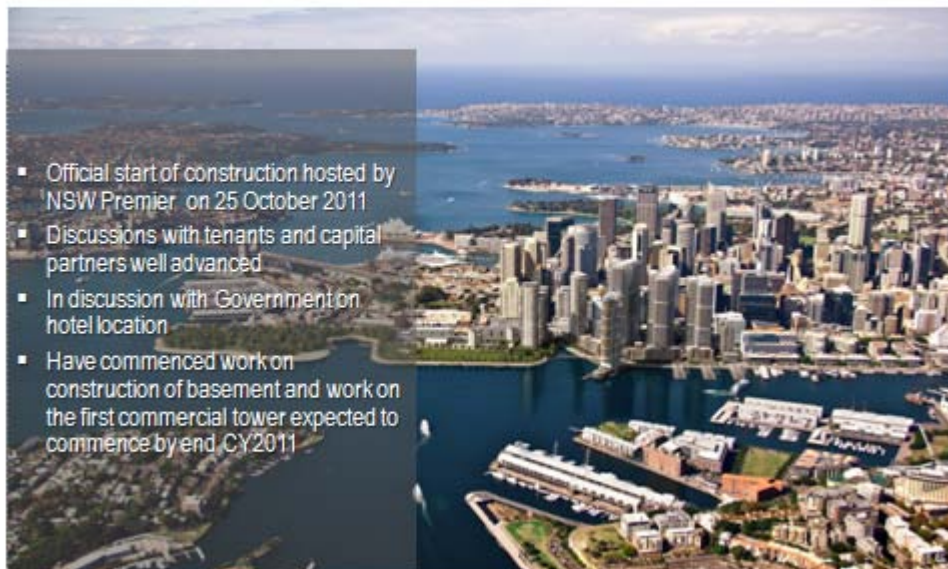
The acquisition of the infrastructure business continues to track in line with our expectations.

As at 30 September 2011, backlog revenue was A\$6.3 billion. The integration process is progressing as planned.

We remain on track to deliver the earnings accretion announced at the time of the acquisition and finally have significant visibility of new work with circa A\$1.2 billion of work at preferred bidder stage.

We announced yesterday a number of organisational structure changes as part of the integration of the infrastructure business. Most importantly, effective 1 February next year the infrastructure business will report into the Australian region. Our infrastructure businesses, Abigroup, Bauderstone and Conneq which has been rebranded Lend Lease infrastructure services, together with our project management and construction business will all report to Peter Brecht, who has been appointed Managing Director, Construction Australia. Peter will report into the regional CEO, Mark Menhinnitt.

## Update on Barangaroo South



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At Barangaroo South in Sydney construction work officially commenced on October 25th launched by the NSW Premier The Honourable Barry O'Farrell.

Lend Lease is well advanced in discussions with major tenants and third party investors and, as previously advised, we will provide an update on tenants and capital partners by the end of the calendar year. Importantly, we remain on track for the project to begin contributing earnings in the second half of this financial year.

The Barangaroo Review initiated by the NSW Government was completed in August and provides enhanced certainty for

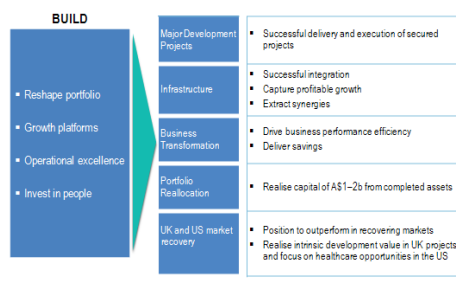
Barangaroo. The Review acknowledged the quality of the project and its importance to Sydney, as well as the integrity of the processes Lend Lease has undertaken for Barangaroo South.

Lend Lease is also working co-operatively with the NSW Government to explore alternative locations for the hotel at Barangaroo. The discussions take into account design excellence, our commercial position and the timing of the project.

Current construction work includes building the retaining wall for the shared basement under Barangaroo South's three commercial office towers with construction work on the first commercial tower expected to begin before the end of the calendar year.

Finally, work is underway on plans for the Wynyard Walk, a new pedestrian link from the Wynyard bus and rail transport hub to Barangaroo.

Key strategic objectives – 12 to 24 months 



Lend Lease has a clear Restore-Build-Lead strategy to realise the long term growth potential of the Group. The ability to operate Incident & Injury Free is fundamental to our success, and we are working hard to achieve this goal.

The first stage of the Group strategy, Restore, is coming to completion, with our businesses now restructured and realigned across four core regions. We are well into the next phase of our strategy, Build, where we have also achieved some significant milestones, including the acquisition of Valemus, which now forms our Australian infrastructure business. We are now focused on extracting the maximum value from the unique combination of businesses across the Group.

Over the next two years you will see the Group continue to focus on delivery and execution of our development pipeline, successful integration of the infrastructure business in Australia, active portfolio management and positioning our offshore businesses in preparation for a market recovery.

## Regional outlook

### Australia

- Stable economic conditions
- Attractive opportunities across most sectors, particularly infrastructure
- Residential – cautious outlook
- Focus on delivery of secured pipeline and integration of acquired infrastructure business

### Asia

- Strong fundamentals
- Focused on delivery of retail in Singapore
- Construction – develop market leading positions in pharmaceutical and life sciences

### Americas

- Opportunity to leverage into market recovery / establish positions in new sectors

### EMEA

- Focus on delivery of major projects
- Position construction business into market recovery



Darling Quarter, Sydney



Port Botany Expansion Project, Sydney  
Photo courtesy of Sydney Ports Corporation

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The market environment in Australia remains relatively stable. The outlook across most of our key sectors is positive, particularly the infrastructure sector, however we remain cautious of potential factors that may impact this.

Consumer sentiment, as has been widely flagged, is impacting the residential market in the short term. However the Australian economy is performing well relative to other economies, driven by the strength of resources demand from China, low levels of unemployment and strong growth in the infrastructure sector. We remain confident about the long term outlook for Lend Lease in Australia.

We continue to see strong fundamentals across most markets in Asia and there is continued investor demand for quality assets. In the Americas, economic conditions remain uncertain and market conditions are patchy. We are establishing positions in sectors such as healthcare development through the acquisition of the Dasco business.

In the UK, we are seeing some signs of a pick-up in both the construction market and in the residential market, however market conditions do remain tough. We are confident of our ability to leverage the market recovery with our strong pipeline of urban regeneration projects.

So overall the outlook for our business and sector mix is positive. Lend Lease is well placed to deliver growth for securityholders. The integration of the infrastructure business, delivery of our exceptional development pipeline, particularly Barangaroo South, and continued recycling of capital will drive the Group's growth over the coming years.

I would also like to take the opportunity to say thank you to Brad Soller, Group Chief Financial Officer who has chosen to leave the Group and will finish at the end of January. Thank you Brad for your hard work and contributions and it has been a pleasure working with you.

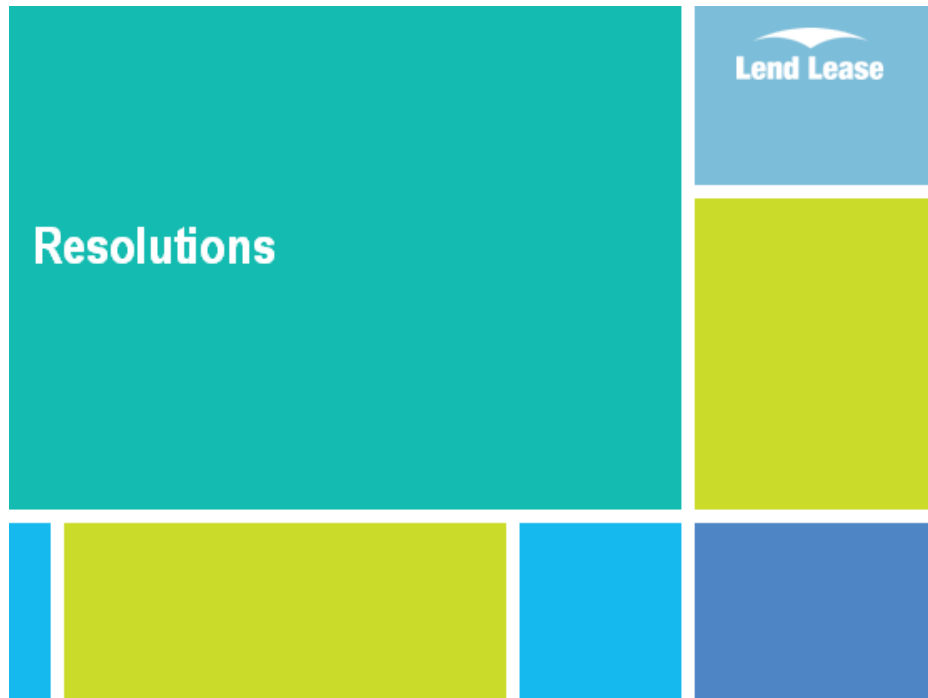
As always, our commitment to safety and sustainability will underpin all our activities, and with the ongoing hard work and dedication of our people, we look forward to progressing on our

path to becoming the leading international property and infrastructure group.

I will now hand back to the Chairman.

**2011 Annual General Meeting**  
**Speech by David Crawford AO, Chairman**

**MR DAVID CRAWFORD:**



Thanks very much Steve.

Before I start the formal part of the meeting I will address some of the key questions we have received from our security holders. These centred around the Group's approach to sustainability and the causes the company supports, as well as Diversity and remuneration.

Sustainability defines the way we do business. This includes considering the environment, the communities and our people. I touched on safety earlier so would like to briefly mention communities and people.

Lend Lease and its employees support a range of causes. Lend Lease and its employees during the year have made substantial cash donations to the Premier's Relief Appeal – supporting the Queensland floods in late 2010 and early 2011, and the Red Cross Japan and Pacific Disaster Appeal with the company also matching employee donations. In all our projects, proactive

community engagement and stakeholder relations are crucial to delivering a successful result. We strive to make a positive contribution to the communities in which we operate. Community Day is an important part of Lend Lease's support for the community. On this day Lend Lease employee's skills are matched with community needs. In 2011, 4,000 Lend Lease employees supported over 250 Community Day projects around the world.

The Board is committed to becoming a leader in establishing and maintaining a diverse and inclusive workplace. Lend Lease defines Diversity as all the ways in which we differ. We believe that a diverse workplace leads to greater creativity, stronger leadership and a positive impact on our bottom line. The Group has established a Diversity Council in each region to further drive our Diversity agenda. The Group has also established goals and related strategies regarding a range of diversity groups, including women in senior roles. We have always encouraged diversity at Lend Lease, and during the year the Board formalised this philosophy by approving a new Diversity and Inclusion Policy. The proportion of women employed by the Group was 32 per cent at 30 June 2011, and during the past twelve months we increased the proportion of senior executive positions held by women from 17 per cent to 23 per cent.

More information is available about our achievements in Sustainability in our new 2011 Sustainability Report which will be available on the Lend Lease website shortly.

Before moving to the formal part of the meeting I want to make a few comments on the Group's remuneration report. In 2010, the Board completed an extensive review of Lend Lease's Executive Reward Strategy acting on feedback from securityholders in the prior year and considering best practise. The objective of the Executive Reward Strategy is to enable the Group to attract, retain and motivate exceptional people, and to create value for our securityholders. The delivery of reward components over periods of up to four years encourages sustainable long term performance.

During the year the Group finalised the Executive Reward Strategy by implementing the actions that were described in the 2010 Remuneration Report. We will ensure that our Executive

Reward Strategy aligns to our business strategy and supports sustainable growth.

We will continue to listen to you and consider refinements to our reward strategy going forward.

We will now turn to the formal business of the meeting.

There are five items of business before the meeting today. To ensure that the views of all securityholders are taken into account I am declaring that a poll will be held on all items of business before the meeting where a vote is required. I declare all such polls to be now open. Voting on the poll for each motion will remain open until the end of the meeting. I will show a slide for each resolution which shows the proxy position with respect to that resolution. In each case, I intend to vote undirected proxies held by me in favour of the resolution.

The poll will close when all items on the agenda have been dealt with in accordance with the Notice of Meeting. Should you wish to leave early, please record your vote in the desired box on the yellow voting card and place it in the ballot box as you leave the meeting.

Let me outline the procedures for conducting the poll.

You are to record your vote in the desired box on the yellow voting card handed to you when you registered your attendance prior to entering the meeting. Proxy holders should note that all assigned votes have been accumulated and recorded. Proxy holders with open votes are asked to record a vote in the same manner as security holders. If you believe you are entitled to vote but do not have a yellow voting card, would you please speak to a member of the registry staff.

Proxy holders must lodge their yellow voting cards to ensure that all of their votes are recorded. If you are a securityholder and a proxy holder, it is important that you complete two voting cards – one in your own right and the second as a proxy.

Security holders holding red cards have already lodged a proxy vote and are not required to vote again. Visitors holding blue cards are not eligible to vote.

Completed voting cards are to be placed in the ballot boxes. These will be passed around at the close of all agenda items by members of staff from Computershare.

Mr Barry Azzopardi of Computershare has agreed to act as Returning Officer to conduct the poll and has the power to co-opt staff of the Company or members of Computershare as his agents. The Returning Officer will take charge of all voting papers immediately after the poll has been taken. Computershare will undertake counting of the votes. A representative of KPMG, the Company's external auditors, will act as scrutineer for the poll.

A poll is being declared to ensure that the views of all securityholders are taken into account, particularly if any security holder needs to leave before all resolutions are considered. Voting on a poll allows security holders to exercise the full entitlement which is proportionate to the number of securities which they hold. It is becoming common practice for companies to take a poll on all items of business of their AGMs.

Use of a poll also ensures that proxies are voted as directed.

At the end of the meeting I will ask you to record your vote if you have not already done so.

I will now move to the administrative arrangements concerning conduct of the meeting.

As has been our previous practice, I will allow general questions and discussion during the financial reports and accounts and relevant questions and discussion during each of the other resolutions.

To ensure that everyone who wishes to speak gets the opportunity, I will impose a reasonable time limit on each speaker and in that way everyone will get a fair go.

Please note that as this is a meeting of security holders, only Lend Lease securityholders and proxy holders are entitled to speak and vote at this meeting.

If you believe you are entitled to either speak or vote at this meeting and do not have a voting card, would you please speak to a member of the registry staff.

I will take questions from the microphones on a rotational basis, with each speaker being restricted to no more than two questions or comments at any one appearance at the microphone.

If any speaker wishes to ask further questions or make additional comments, they may, of course, line up for another turn, but I will give priority to those who wish to address the meeting for the first time.

Would you please identify yourself with your yellow card or red admission card to the microphone attendant before speaking?

Other than when I invite your general questions and comments, speakers should keep their questions and comments relevant to the resolution being proposed.

The Company Secretary has informed me that this is a properly constituted meeting and a quorum is present.

The meeting is also advised that copies of all documents required by the Corporations Act have been forwarded to members.

Finally, I report that the minutes of the Annual General Meeting held on 11 November 2010 have been signed as a correct record.

I now turn to consideration of the financial accounts and reports.

The Corporations Act requires the financial report and the reports of the Directors and Auditors to be laid before the Annual General Meeting, and the company's Constitution provides for these reports to be received and considered.

Neither the Corporations Act nor the Constitution requires a vote of security holders at the Annual General Meeting on these reports. However, securityholders will be given ample opportunity to raise questions in relation to the accounts and reports.

As usual, Mr Chris Hall and his team from our auditors, KPMG, are in attendance at this meeting and you may request that questions relating to the conduct of the audit or the preparation and content of the auditor's report be directed to them. I note also the attendance of Mr Stuart Marshall from KPMG who is the new lead audit partner with effect from 1 July 2011. This is in accordance with our corporate governance principles where the

audit partner is rotated every five years. I thank Mr Hall for his efforts over the last five years.

Now, I invite securityholders and proxy holders to ask any questions of or make any comments to the Board.

We have two microphones in the room, so that everyone can hear you clearly.

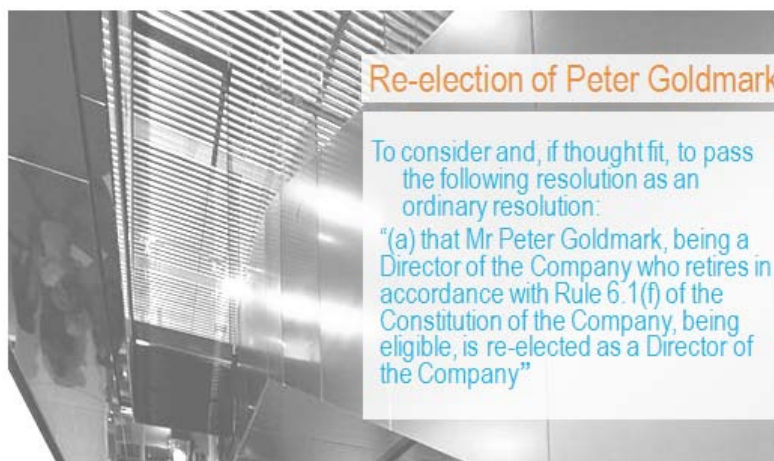
If you have a question, please make your way to the microphone nearest to you.

I now open the floor to general questions or comments.

I think we've had a good run on questions, so I propose now to continue with the formal business of the meeting.

The following resolutions relate to the election of Directors and we are happy for security holders to ask questions of those being nominated.

#### Resolution 2(a)



34

Turning now to Agenda item 2(a) relating to the re-election of Mr Peter Goldmark as a Director.

Peter joined the Board in 1999 and is Chairman of the Nomination Committee and a member of the Sustainability Committee. Until his retirement in December 2010, Peter was Director, Climate and Air Program at Environmental Defense, a US based non-profit environmental advocacy organisation. He was the Chairman and Chief Executive Officer of The International Herald Tribune in Paris between 1998 and 2003.

Prior to this, he was the President and Chief Executive Officer of the Rockefeller Foundation in New York for ten years. Peter has held positions including Senior Vice President of the Times-Mirror Corporation, Executive Director of the Port Authority of New York and New Jersey, and Director of the Budget for the State of New York. He now works as an independent consultant and columnist and is a writer and speaker on world affairs. Peter graduated with a BA from Harvard College, Government Department, magna cum laude. He brings to Lend Lease his wide experience as a Chief Executive Officer and senior executive in the private and public sectors, both in the USA and internationally.

In accordance with Corporate Governance principles, the Board has considered the nomination of Directors for re-appointment and the Board unanimously endorses Peter's re-election and I'll now ask Peter to say a few words.

[Peter Goldmark speaks]

Thank you Peter. Is there any discussion relating to the election of Peter as a Director?

Proxy Votes  
Resolution 2(a) – Re-election of Peter  
Goldmark



FOR	394,957,557	97.98%	<b>% to be cast FOR the Resolution: 98.39%*</b>
OPEN	2,853,746	0.71%	
AGAINST	5,294,455	1.31%	* On the basis that the Chairman votes open proxy votes in his favour FOR

35

I will now ask for the proxy votes on this motion to be put up on the screen

Resolution 2(a) – Re-election of Peter  
Goldmark



To consider and, if thought fit, to pass the following  
resolution as an ordinary resolution:

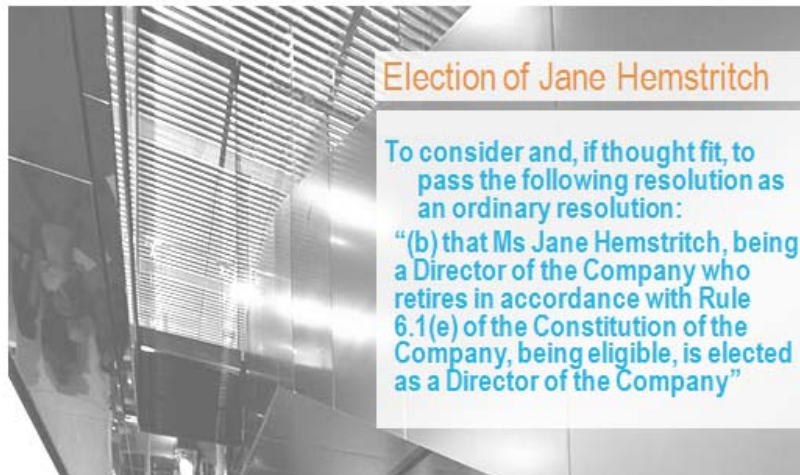
“(a) that Mr Peter Goldmark, being a Director of the  
Company who retires in accordance with Rule 6.1(f)  
of the Constitution of the Company, being eligible, is  
re-elected as a Director of the Company”

36

and I put the motion to the meeting that the following resolution be passed as an ordinary resolution,

“that Mr Peter Goldmark, being a Director of the Company who retires in accordance with Rule 6.1(f) of the Constitution of the Company, being eligible, is re-elected as a Director of the Company.”

## Resolution 2(b)



37

I now turn to Agenda item 2(b) relating to the election of Jane Hemstritch as a Director.

Jane joined the Board in September 2011. Jane has extensive senior executive experience in information technology, communications, change management and accounting. She also has broad experience across the financial services, telecommunications, government, energy and manufacturing sectors and in business expansion in Asia. Jane holds a Bachelor of Science degree in Biochemistry and Physiology from the University of London. She is a Fellow of the Institutes of Chartered Accountants in Australia and in England and Wales, is a member of Chief Executive Women Inc and a Fellow of the Australian Institute of Company Directors.

Jane currently serves as a Non Executive Director of the Commonwealth Bank of Australia, Tabcorp Holdings Limited, Santos Limited, the Victorian Opera Company and The Global Foundation. She is a Member of the Research and Policy Council of the Committee for Economic Development of Australia and Council of the National Library of Australia.

Jane was appointed by the Board in accordance with Rule 6.1(d) of the Constitution on 1 September 2011 and is submitting herself for election by securityholders for the first time at the Annual General Meeting in accordance with Rule 6.1(e) of the Constitution. The Board considers Jane to be an independent Director. Jane does not have any other relationships with either the Company or other Directors.

I will now ask Jane to say a few words.

[Jane Hemstritch speaks]

**Proxy Votes  
Resolution 2(b) – Election of Jane  
Hemstritch**



<b>FOR</b>	<b>399,496,959</b>	<b>99.11%</b>	<b>% to be cast FOR the Resolution: 99.52%*</b>
<b>OPEN</b>	<b>2,863,909</b>	<b>0.71%</b>	
<b>AGAINST</b>	<b>721,236</b>	<b>0.18%</b>	* On the basis that the Chairman votes open proxy votes in his favour FOR

38

Thank you Jane.

Is there any discussion relating to the election of Jane as a Director?

[Allow time]

I'll now ask the proxy votes for this motion to be put on the screen.

## Resolution 2(b) – Election of Jane Hemstritch



To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“(b) that Ms Jane Hemstritch, being a Director of the Company who retires in accordance with Rule 6.1(e) of the Constitution of the Company, being eligible, is elected as a Director of the Company”

39

and I put the motion to the meeting that the following resolution be passed as an ordinary resolution,

that Ms Jane Hemstritch, being a Director of the Company who retires in accordance with Rule 6.1(e) of the Constitution of the Company, being eligible, is elected as a Director of the Company”

## Resolution 2(c)



40

I now turn to Agenda item 2(c) relating to the re-election of David Ryan as a Director.

David joined the Board in December 2004. He is Chairman of the Risk Management and Audit Committee and a member of the Personnel and Organisation Committee.

David has a background in commercial banking, investment banking and operational business management. He has previously held senior executive management positions in investment banking and industry, as well as being the Chairman or a Non Executive Director of a number of listed public companies. He has a Bachelor of Business from the University of Technology in Sydney, Australia, and is a Fellow of the Australian Institute of Company Directors and CPA Australia.

David is the Non Executive Chairman of Tooth & Co Limited (appointed Director September 1999 and Chairman January 2003) and ABC Learning Centres Limited (administrators appointed, receivers and managers appointed) (appointed Director June 2003 and Chairman 30 May 2008).

He was formerly the Non Executive Chairman Transurban Holdings Limited (appointed Director April 2003, Chairman February 2007 and retired August 2010).

I will now ask David to say a few words.

[David Ryan speaks]

Mr Ryan was last re-elected as a Director at the Annual General Meeting held on 13 November 2008. In accordance with Rule 6.1(f) of the Company's Constitution he is submitting himself for re-election by securityholders at this meeting. The Board considers Mr Ryan to be an independent Director. Mr Ryan does not have any other relationships with either the Company or other Directors.

Thank you David.

Is there any discussion relating to the re-election of David as a Director?

I'll now ask the proxy votes for this motion to be put on the screen.

Proxy Votes  
Resolution 2(c) – Re-election of David Ryan



FOR	370,830,727	91.97%	<b>% to be cast FOR the Resolution: 92.39%*</b>
OPEN	2,881,587	0.71%	* On the basis that the Chairman votes open proxy votes in his favour FOR
AGAINST	29,482,276	7.31%	

put the motion to the meeting that the following resolution be passed as an ordinary resolution,

“that Mr David Ryan, being a Director of the Company who retires in accordance with Rule 6.1(f) of the Constitution of the Company, being eligible, is re-elected as a Director of the Company.”

Resolution 2(c) – Re-election of David Ryan



To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“(c) that Mr David Ryan, being a Director of the Company who retires in accordance with Rule 6.1(f) of the Constitution of the Company, being eligible, is re-elected as a Director of the Company”

I now turn to Agenda item 3 relating to consideration of the Remuneration Report set out in our Annual Report which was

sent to security holders who requested it. Copies of the Report are available at the venue and you can also view it on our website.

Although this is a non-binding vote, you can rest assured that the Board will take into account your comments when determining future policy and in the preparation of future reports. The 2011 report contains many refinements requested by securityholders in 2010.

A challenge for Boards is to ensure that the Company's remuneration policy will allow it to attract and retain the best talent, and appropriately motivate and reward outstanding performance.

During 2010 the Board completed an extensive review of the Company's Executive Reward Strategy. When undertaking this review, the Board extensively considered the views expressed by securityholders and tested this against market best practice with the use of our independent consultant PWC . Our aim was to implement a reward strategy that achieved the following objectives:

- a competitive pay level and mix that will help us to attract and retain the best executives;
- a balanced approach that considers financial, strategic, operational and people related goals to drive the success of the business with a balance between short term and long term performance;
- an approach to pay that aligns the interests of securityholders and executives;
- an approach to pay that will continue to serve the Company as it grows and evolves over time; and
- An overarching emphasis on pay for outstanding performance and overachievement.

With these objectives in mind we made a number of significant changes to executive remuneration that we foreshadowed to securityholders in the 2010 Remuneration Report. The following changes were implemented during 2011:

- completing a review of fixed remuneration, following two consecutive years of no increases. This fixed review took into account market benchmarking provided by the independent consultant, PwC;
- changing the Short Term Incentive Plan – so that the STI pool is linked directly to the profit of the Group and 50% of awards are delivered as deferred Lend Lease securities in order to focus executives on longer term performance;
- increasing the differentiation of reward outcomes for differing performance levels;
- changing the pay mix with emphasis on outperformance by increasing the maximum STI opportunity. The result is that the pool for LTI is restricted to senior executives who directly impact the long term performance of the company; and
- adopting a relative Total Securityholder Return metric measured over a three and four year period as the single measure for the LTI plan, with no retesting.

I will now comment in relation to the changes in the CEO's total package. Lend Lease had a very strong year in 2011. The CEO's remuneration outcome for the year ended 30 June 2011 reflects this performance.

With respect to the FY2011 short term incentive (STI), the Board established a balanced scorecard for the CEO, which was 50% financial and 50% non financial. With NPAT of A\$493 million the financial target was materially exceeded, partly as a result of successful capital recycling.

Of the non financial targets, among those materially exceeded was a goal to diversify the Group's source of cash earnings and the successful acquisition of the infrastructure business has enhanced our cash earnings significantly.

Our CEO's leadership in continuing to drive our safety culture was very visible throughout the year and the Board evaluated the CEO highly against this target. This target will continue for the foreseeable future.

A target where the Board felt more progress still needs to be made is developing further opportunities for earnings from major projects via our sustainability offering.

Other targets relating to more robust capital allocation and management, succession planning and driving a high performance culture were evaluated by the Board as either achieved or somewhat exceeded.

As a result overall, the Board concluded the CEO's FY11 STI performance was a significant over achievement on the financial measures along with a mix of over achievement and "more progress needed" in other areas, which resulted in the Board determining an STI reward of 125% of target for the CEO.

It should be noted that for 2011, the CEO's total target remuneration (fixed pay plus target STI plus LTI) was increased by only 2.9% and the bonus payment outcome was reflective of the Group's over-achievement of performance across the balanced scorecard.

For the 2012 year, Mr McCann's performance will be assessed using a balanced scorecard comprised of challenging financial and non-financial targets. Financial targets relate to profit after tax, margin, cash flow, return on securityholders equity and new work secured. Non financial targets relate to safety, talent management and succession, operational efficiency, business strategy and execution of key development projects. We acknowledge feedback from some securityholders that they would like to see additional disclosure in relation to these targets. The Board will review this and look at providing additional information in relation to these targets in the 2012 Remuneration Report.

### **Concluding comments**

Going forward the Board will continue to improve our approach to remuneration. We will continue to listen to your feedback and revise our approach to remuneration and on how we present the Report.

The Board unanimously recommends that securityholders vote in favour of this Resolution.

Is there any discussion or are there any questions?

I'll now ask for the proxy votes on this motion to be put up on the screen

### **Resolution 3 – Remuneration Report**



**To consider and, if thought fit, to pass the following resolution as an ordinary resolution:**

**“That the Company’s Remuneration Report for the year ended 30 June 2011 be adopted”**

45

and I put the motion to the meeting that the following resolution be passed as a non-binding advisory resolution,

“That the Company’s Remuneration Report for the year ended 30 June 2011 be approved.”

FOR	358,061,425	89.64%	<b>% to be cast FOR the Resolution: 89.64%*</b>
OPEN	1,162,474	0.29%	
AGAINST	40,227,765	10.07%	* On the basis that the Chairman votes open proxy votes in his favour FOR

<sup>43</sup> I now turn to Agenda item 4 relating to a resolution to approve the Allocations of Performance Securities in the Lend Lease LTI plan and Deferred Securities in the Lend Lease STI Plan to the Managing Director.

Securityholder approval is sought to issue to the Managing Director of Lend Lease Group, Mr Stephen McCann:

a) Performance Securities - which are part of Lend Lease's Long Term Incentive (LTI) Plan and seek to align the interests of executives with securityholders over a three to four year period; and

b) Deferred Securities - which are part of Lend Lease's Short Term Incentive (STI) Plan and reward achievement against a balanced scorecard of challenging financial and non-financial targets and seek to align the interests of executives and securityholders over a one and two year period.

It is intended that the above awards will be made to the MD on the following dates:

- a) Performance Securities – within one month of the meeting; and
- b) Deferred Securities – on or about 1 September 2012.

ASX Listing Rule 10.14 requires that securityholders approve awards of securities issued to Directors. Securityholders' approval

is required only if new securities are issued to a Director and not if securities are purchased on market. The intention of the requirement is to protect securityholders from dilution in the value of securities that may occur as a result of securities issued under employee incentive plans. No such dilution occurs if securities are purchased on market.

The Board of Directors may determine whether securities awarded will be purchased on market or issued. The Board's current intention is to purchase on market all Performance Securities and Deferred Securities awarded as this would cause no dilution to securityholders' interests. However, the Board considers it good governance to seek approval from securityholders for awards made to the Managing Director. Subject to securityholder approval being obtained, the Board reserves the right to issue new securities instead of buying on market.

Each year the Board reviews and approves the remuneration of the Managing Director. The Board sets the Managing Director's remuneration in accordance with the Executive Reward Strategy and based on market benchmarks provided by an independent consultant, presently PwC. The Board has received professional advice from PwC with respect to the structure and quantum of remuneration for persons in roles similar to that of Mr McCann's at Lend Lease.

It is proposed that Mr McCann will be granted 157,029 performance securities under the LTI plan. All of the Performance Securities granted will be subject to Lend Lease's Total Securityholder Return (TSR) compared to a comparator group of companies comprising the S&P ASX 100 Index over a three and four year period and subject to continuing employment.

It is also proposed that the Board may grant Deferred Securities to the MD. The number of Deferred Securities to be granted is dependent on the MD's achievement against financial and non-financial targets set by the Board under the Lend Lease Short Term Incentive Plan. The Board has determined that half of any STI awarded to Mr McCann will be provided as a grant of Deferred Securities.

Any Deferred Securities that are awarded to Mr McCann will vest subject to Mr McCann continuing in employment to the vesting date.

I now open the matter for discussion.

[Allow time]

If there are no other questions, I'll now ask for the proxy votes in this motion to be put up on the screen

and I put the motion to the meeting that the following resolution be passed as an ordinary resolution,

**Proxy Votes**

**Resolution 4 – Approval of Allocation of Performance Securities**



<b>FOR</b>	<b>372,773,051</b>	<b>93.08%</b>	<b>A\$559,159.58</b>	<b>% to be cast FOR the Resolution: 93.08%*</b>
<b>OPEN</b>	<b>1,148,713</b>	<b>0.29%</b>	<b>A\$1,723.07</b>	
<b>AGAINST</b>	<b>26,582,972</b>	<b>6.64%</b>	<b>A\$39,874.46</b>	<b>* On the basis that the Chairman votes open proxy votes in his favour FOR</b>

47

and I put the motion to the meeting that the following resolution be passed as an ordinary resolution,

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of each of the Company and Trust:

That approval is given to issue to the Managing Director of Lend Lease Group, Mr Stephen McCann:

- (a) Performance Securities; and
- (b) Deferred Securities,

On the terms and conditions described in the Explanatory Notes accompanying this Notice of Meetings and in accordance with the terms of the Lend Lease Long Term Incentive Plan and Short Term Incentive Plan respectively.

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That approval is given to issue to the Managing Director of Lend Lease Group, Mr Stephen McCann:

- (a) Performance Securities; and
- (b) Deferred Securities,

On the terms and conditions described in the Explanatory Notes accompanying this Notice of Meetings and in accordance with the terms of the Lend Lease Long Term Incentive Plan and Short Term Incentive Plan respectively.

I now turn to agenda item number 5 regarding the approval of Directors' Fees.

Securityholder approval is being sought to increase the aggregate amount which can be paid as fees to non executive directors from A\$2,500,000 to \$3,000,000, an increase of A\$500,000.

The current maximum aggregate amount of A\$2,500,000 was approved by securityholders at the 2008 Annual General Meeting. The maximum aggregate amount includes the total fees that may be payable to all Non Executive Directors, including any superannuation guarantee contributions payable by the company to Non Executive Directors.

The Board completed a review of its size and composition following the acquisition of Valemus Australia and having regard

to the Group's strategic direction. As a result of this, the Board decided to further increase the number of directors. Ms Hemstritch was appointed to the Board in September 2011 and the proposed increase will provide the Board with the flexibility to appoint an additional Director. Today we have announced the appointment of Mr Michael Ullmer to the Board. Michael was previously with National Australia Bank and is a non Executive Director of Fosters.

The actual fees paid to Non Executive Directors were last increased with effect from January 2009 (and July 2009 for the Chairman). In addition, with effect from January 2010, the Board resolved to discontinue the provision of retirement securities to Directors. This had the effect of reducing the remuneration of Directors by approximately 17%.

The Board believes that effective leadership and governance are essential to the Group's future success. For this reason the fees paid to Non Executive Directors need to be competitive and must enable the Group to attract, motivate and retain directors of international standing. Accordingly, the Board intends to complete a review of the fees paid to Non Executive Directors, having regard to external advice and relevant market benchmarks, during the year ending 30 June 2012. Depending upon the outcomes of the review, there may be an adjustment to fee levels. If there is any change to Non Executive Director fees, this will be disclosed in the Remuneration Report for the year ending 30 June 2012.

I now open the matter for discussion.

[Allow time]

If there are no other questions, I'll now ask for the proxy votes in this motion to be put up on the screen

Proxy Votes  
Resolution 5 – Approval of Directors' Fees



FOR	393,740,095	98.15%	<b>% to be cast FOR the Resolution: 98.15%*</b>
OPEN	1,165,252	0.29%	
AGAINST	6,261,238	1.56%	* On the basis that the Chairman votes open proxy votes in his favour FOR

51

and I put the motion to the meeting that the following resolution be passed as an ordinary resolution,

“That, for the purposes of Rule 6.3(a) of the Constitution and ASX Listing Rule 10.17, the maximum aggregate fees which may be paid to Non-Executive Directors under Rule 6.3(a) of the Constitution in any year be increased by A\$500,000 from A\$2,500,000 to A\$3,000,000.”

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**“That, for the purposes of Rule 6.3(a) of the Constitution and ASX Listing Rule 10.17, the maximum aggregate fees which may be paid to Non-Executive Directors under Rule 6.3(a) of the Constitution in any year be increased by A\$500,000 from A\$2,500,000 to A\$3,000,000.”**

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Thank you.

Ladies and gentlemen, that concludes the formal business. I’ll now allow one last opportunity if there are any pressing questions.

If you have not already done so, could you now please complete your voting card. If you have any questions on how to complete your Yellow voting card, please ask one of the Computershare attendants, who will be pleased to help you.

[Allow time]

Have all persons wishing to cast a vote completed their voting card? If not, please raise your hands.

Once I declare the poll closed, no further voting can be accepted. Members of staff from Computershare will now walk around with the ballot boxes. Please put your voting card in the box and remain seated until I close the poll.

I now close the poll. It will take some time to count the votes. Rather than wait for counting to be completed, I plan to close the meeting. The result of the poll will be announced to the ASX and posted on our website later today.

I now declare the meeting closed. Would you please join the Board and the Company’s Senior Executives for light refreshments, tea and coffee in the foyer.

Annual General Meeting 2011

