

29 September 2000

DEAR SHAREHOLDER

I am pleased to enclose your copy of the 2000 Lend Lease Annual Report. Much has happened during the year, including the sale of MLC, and the continued expansion of our global real estate capability.

As usual, the report is comprehensive. I would draw your attention in particular to the interviews with the senior executive team. These should give you a good insight into the integrated real estate strategy now being pursued by the Group.

Also enclosed is the Notice of our Annual General Meeting to be held:

Thursday, 2 November 2000

**Hordern Pavilion,
Fox Studios Australia,
Moore Park, Sydney**

Commencing at 7.00 pm

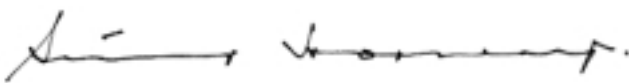
The Notice contains usual resolutions relating to the accounts and election of Directors and additional resolutions proposing a change in the basis of payment of Directors' fees and retirement benefits to reflect current international practice. In particular, Directors' benefits under the current retirement benefit plan will be reduced and a share plan will be introduced which will align the interests of Directors more closely with those of shareholders. I believe these changes are in the long term interests of both the Company and shareholders.

As usual, it is my pleasure, on behalf of the Board, to extend an invitation to you and your guest to attend this year's Meeting. Full details on how to RSVP and how to get to the Hordern Pavilion can be found on the attached information sheet.

As most of you know, Jill Ker Conway takes over as Chairman at the conclusion of the Annual General Meeting. So whilst this will not be the last meeting I will attend, it is certainly the last one I will Chair.

I look forward to seeing you there.

Yours sincerely,



Stuart Horner, AO
Chairman

Notice of Meeting

Notice is given to the members of the Company that the 2000 Annual General Meeting of Shareholders will be held in the Hordern Pavilion, Fox Studios Australia, Driver Avenue, Moore Park, Sydney, New South Wales on Thursday, 2 November 2000 at 7.00 pm.

ORDINARY BUSINESS

Accounts and Reports

1. To receive the Financial Statements for the year ended 30 June 2000, together with the reports of the Directors and Auditors thereon and the Directors' Statement.

Directors

- 2.-4. To elect Directors,
 Mr G G Edington retires in accordance with Rule 6.1(e) of the Constitution and, being eligible, submits himself for re-election.
 Mr P C Goldmark retires in accordance with Rule 6.1(e) of the Constitution and, being eligible, submits himself for re-election.
 Mr R A Longes retires in accordance with Rules 6.1(f) and 6.1(g) of the Constitution and, being eligible, submits himself for re-election.
Mr S G Hornery retires in accordance with Rules 6.1(f) and 6.1(g) of the Constitution but does not submit himself for re-election.

SPECIAL BUSINESS

To consider and, if thought appropriate, pass the following resolutions:

Amendment of Constitution

5. As a special resolution, that the Constitution be amended:
 - (a) by deleting the Memorandum of Association; and
 - (b) by amending the remainder of the Constitution in the manner described in the Explanatory Notes and shown in the copy of the Constitution submitted to the meeting and for the purposes of identification signed by the Chairman of the meeting (so that all text which is underlined in that copy is inserted into the Constitution and all text which is struck through in that copy is deleted from the Constitution).

Proportional Takeover Rules

6. As a special resolution, that the Company renew the proportional takeover provisions contained in Rule 15 of the Constitution for a period of 3 years from the date of this resolution.

Directors' Fees

7. As an ordinary resolution, that the maximum aggregate fees which may be paid to Directors under Rule 6.3(a) of the Constitution in any year be increased to US\$900,000.

Non-Executive Directors' Retirement Benefit Plan

8. As an ordinary resolution, that the Company:
 - (a) approve under section 200E of the Corporations Law the replacement of the Company's existing retirement allowance plan for Non-Executive Directors (approved by shareholders at the 1990 AGM) with a new retirement benefit plan as described in the Explanatory Notes; and
 - (b) approve, for this purpose, the issue to or acquisition by, or for the benefit of, each Non-Executive Director of fully paid ordinary shares in the Company under the new plan, on the basis that:
 - the total number of shares issued under the plan in any year may not exceed 0.01% of the Company's issued share capital as at 1 January in the relevant year; and
 - except as otherwise approved by the Company's shareholders or permitted under the ASX Listing Rules, this approval for the issue or acquisition of shares shall only apply for Non-Executive Directors in office as at the date of this resolution.

Non-Executive Directors' Share Ownership

9. As an ordinary resolution, that Non-Executive Directors be authorised to acquire shares or interests in shares in the Company on the basis that:
 - (a) the Company may issue to or fund the acquisition for, or for the benefit of, each Non-Executive Director of a number of shares in the Company in any year which is equal in value to the fees which would otherwise be payable to the Director for that year under Rule 6.3(a) of the Constitution;
 - (b) any acquisitions authorised by this resolution will be made on behalf of each participating Director each half year at the price for that period determined under the rules of the Company's Share Purchase Plan;
 - (c) a Director acquiring shares under this plan will not be entitled to Director's fees to an amount equal to the price of the shares acquired; and
 - (d) a Director may not deal with shares acquired under this plan until the date of retirement of the Director, except as necessary to meet an earlier tax liability in respect of those shares.

The Hornery Institute

10. As a special resolution, that the Company:
 - (a) approve, for all purposes, the issue to The Hornery Institute (as described in the 2000 Annual Report or an extract of it sent with the Notice of Meeting) of that number of fully paid ordinary shares in the Company which is equal

in value to \$10 million. For this purpose the value of the shares will be the weighted average price of the Company's shares traded on the ASX during the 5 business days prior to the date of this AGM; and

- (b) approve the giving of financial assistance to The Hornery Institute by the issue of those shares for no consideration.

The Company will disregard any votes of Directors and their associates on resolutions 7, 8 and 9 unless they are acting as proxy for other shareholders in accordance with directions given on the Proxy Form. The Chairman may also vote as proxy under a direction to vote as he may decide.

PROXIES

If you are unable to attend the Meeting, you may appoint a person to act as your proxy at the Meeting by completing the attached Proxy Form. Proxy Forms must be received in accordance with the instructions on the back of the Proxy Form by 7.00 pm on Tuesday, 31 October 2000. Please note that:

1. A shareholder entitled to attend and cast at least two votes may appoint not more than two proxies.
2. Where two proxies are appointed, each proxy may be appointed to represent a specified proportion of the shareholder's voting rights. If no proportion is specified, each proxy may exercise half of the shareholder's voting rights.
3. A proxy need not be a shareholder of the Company.

DETERMINATION OF RIGHT TO VOTE

The Board has determined that, for the purposes of the meeting, all shares on issue at the date of the meeting will be taken to be held by the persons who held them at 7:00pm on Tuesday, 31 October 2000.

CORPORATE SHAREHOLDERS

A corporate shareholder wishing to appoint a person to act as its representative at the Meeting must provide that person with a letter executed in accordance with the company's constitution and the Corporations Law authorising him or her to act as the company's representative. The authority may be sent to the Company and/or Share Registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

The accompanying Explanatory Notes form part of this Notice of Meeting.

By order of the Board.



Phil Crewes
Secretary, 29 September 2000

Proxy Form

For your vote to be counted this Proxy Form must be completed in accordance with the instructions overleaf.

1. TELEPHONE NUMBER

2. APPOINTS

or, if no person is named, or if the person named does not attend the Meeting or is not a legally effective choice, **the Chairman of the Meeting**, to vote in accordance with the following directions or, if no directions have been given, as the proxy or the Chairman sees fit at the Annual General Meeting of the Company to be held on Thursday, 2 November 2000 commencing at 7.00 pm and at any adjournment thereof.

3. ORDINARY BUSINESS

	For	Against	Abstain
1. Adoption of Reports and Financial Statements			
Election of Directors:			
2. Mr G G Edington			
3. Mr P C Goldmark			
4. Mr R A Longes			

SPECIAL BUSINESS

5. Amendment of Constitution			
6. Renewal of Proportional Takeover Rules			
7. Increase in Directors' Fees			
8. Amend Non-Executive Directors' Retirement Benefit Plan			
9. Amend Non-Executive Directors' Share Ownership Plan			
10. Issue of Shares to The Hornery Institute			

4. APPOINTMENT OF TWO PROXIES

If you are appointing two proxies state here the percentage of your voting rights applicable to this form.

 %

5. SIGNATURE OF SHAREHOLDER(S)

Signature

Companies Only

Executed in accordance with the company's constitution and the Corporations Law.

Company Seal	Director
	Director/Secretary
	Sole Director and Sole Secretary

Instructions

1. Insert your telephone number in case we need to contact you.
2. Insert here the name of the person you wish to appoint as proxy. A proxy need not be a shareholder of Lend Lease Corporation Limited. You cannot appoint yourself. **The Chairman of the meeting will act as your proxy if you do not appoint someone.** You can vote your shares by proxy even if you plan to attend the meeting.
3. If you wish to direct your proxy regarding how to vote on the resolution, place a mark in the appropriate box. If a mark is placed in a box, your total shareholding will be voted in that manner. You may, if you wish, split your voting direction by inserting the number of shares you wish to vote in the appropriate boxes. If the voting direction is split, the proxy holder will not be able to vote on a show of hands. The vote will be invalid if a mark is made in more than one box or if the total shareholding shown in 'FOR', 'AGAINST' and 'ABSTAIN' boxes is more than your total shareholding on the share register. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and your shares will not be counted in computing the required majority on a poll.
4. A shareholder is entitled to appoint up to two persons (whether shareholders or not) to attend the meeting and vote. If you wish to appoint two proxies, please obtain a second Proxy Form by telephoning 1800 230 300 (within Australia) or 61 2 8280 7123 (overseas callers). Both forms should be completed with the nominated percentage of your voting rights on each form. Please return both Proxy Forms together.
5. This Proxy Form must be signed by the shareholder or by his/her authorised attorney(s); or, in the case of a joint shareholding, by one of the joint shareholders, or by their authorised attorney(s). If the shareholder is a corporation, the Proxy Form must be signed either:

- under the Common Seal of the company by two directors, or a director and a secretary; or
- by two directors, or a director and a secretary; or
- in the case of a proprietary company that has a sole director who is also the sole company secretary, by that director; or
- under the hand of a duly authorised officer or attorney.

If the Proxy Form is signed by an attorney or authorised officer(s) of a company, then the relevant power of attorney or authority authorising that person or persons to sign must either have been exhibited previously with the Company or be enclosed with this Proxy Form. The attorney or authorised officer hereby states that no notice of revocation of power or authority has been received.

RETURN OF PROXY FORM

To be effective, this form, together with the power of attorney or other authority (if any) under which it is signed, must be sent to one of the following in sufficient time **to be received no later than 7.00 pm on Tuesday, 31 October 2000:**

- ASX Perpetual Registrars Limited, the Company's Share Registry, in the reply paid envelope provided, or post to Locked Bag A14, Sydney South NSW 1232; or
- the Company Secretary, Lend Lease Corporation Limited, Level 45 Australia Square, Sydney 2000; or
- by facsimile to the Share Registry on 61 2 8280 7646; or
- by facsimile to the Company Secretary on 61 2 9252 2192.

If you require further information on how to complete the Proxy Form please telephone Lend Lease Shareholder Services on 1800 230 300 (within Australia) or 61 2 8280 7123 (overseas callers).



Lend Lease 2000 Annual General Meeting – Explanatory Notes to Notice of Meeting

These Notes form part of the Notice of Meeting

RESOLUTION 5 - AMENDMENT OF THE CONSTITUTION

In 1997 the Company adopted a new Constitution. Since that time a number of amendments have been made to the Corporations Law (the "Law") as part of the Federal Government's Company Law Review Act 1998 and Corporate Law Economic Reform Program Act 1999.

As a result of these amendments, parts of the Constitution no longer reflect the existing Law.

The Board believes that it is appropriate to amend the Constitution to ensure it remains current.

In addition, the Board wishes to revise the indemnity provisions for administrative reasons (as detailed below).

These notes summarise the major changes to the Constitution. Our legal advisers, Freehills, have confirmed to the Directors that the information set out below summarises the key changes proposed. A copy of the revised Constitution identifying the detail of the changes will be available at the Meeting and is available from the Company on request to the Company Secretary.

Share capital and stock

The concepts of par value and authorised share capital have been abolished and the Company therefore no longer has a share premium account. Accordingly, it is proposed that Rule 2.4, which deals with altering authorised share capital, be deleted and that provisions dealing with these concepts and related terminology also be deleted.

The former section 202 of the Law, which dealt with the payment of interest on a company's share capital, is no longer part of the Law. Accordingly it is proposed that Rule 9.5 which permits the Company to exercise the powers conferred by section 202, be deleted.

The Law now provides that a company cannot issue bearer shares or stock or convert shares into stock. It is therefore proposed that Rule 2.9, which deals with the conversion of shares into stock, and other references to stock, be deleted.

Meetings

The Law now requires additional information to be included in notices of meeting. It is proposed to amend the provisions of the Constitution dealing with notices of meeting to clarify that a notice of meeting must include any matters required by the Law. Specific provisions have been introduced to the Law

concerning members' rights to ask questions and make comments at AGMs. It is proposed that the Constitution be amended to clarify that the chairman's powers to control discussion and debate are subject to members' rights under the Law.

The existing Constitution no longer reflects the statutory position concerning who may demand a poll and when a poll may be demanded. Specifically the Law allows a poll to be demanded by 5% of voting members rather than 10% as provided under the existing Constitution. It is proposed that the Constitution be amended to be consistent with the Law.

Proxies

The Constitution currently allows proxies to be appointed only for a specific meeting. It is proposed that this be amended to reflect the new position under the Law which allows members to appoint a proxy for several general meetings or make a standing proxy appointment.

The Law now provides that it is not mandatory, when appointing 2 proxies, to specify the proportion of votes each proxy may exercise. If the voting proportions are not specified the Law provides that each proxy may exercise half of the votes. The Constitution provides that an appointment which does not specify proportions is void. This is inconsistent with the current Law. The proposed amendments reflect the current position.

Execution of documents

It is no longer mandatory for companies to have a common seal. Whilst as a matter of practice the Company does have a common seal and intends to continue to do so, it is proposed to amend the Constitution to clarify that the seal is not mandatory and documents may be executed in accordance with the Law.

Minutes

The Law contains new provisions on the requirements of minutes of meetings of members and directors and of directors' resolutions passed without a meeting. It is proposed to set out these new requirements in the Constitution, including the new requirement that the minutes record particular details in relation to proxy votes and that minute books of members' meetings be open for inspection by members.

Indemnities

The provisions of the Law relating to indemnities of officers have been rewritten. The existing indemnification provisions in the Constitution reflect

the former wording of the Law. A mismatch between the wording of the Constitution and the Law may potentially result in the Company indemnifying officers to a greater or lesser extent than the Law permits. It is therefore proposed that the indemnity provisions of the Constitution be amended to reflect the new wording of the Law.

The existing indemnification provisions allow the Company to indemnify the directors and officers of related bodies corporate if determined by the directors generally or in a particular case. This means that the Board must formally approve the indemnification of individual or categories of directors and officers of related bodies corporate. Given the number of Group companies and their wide geographical spread this has proved to be administratively time consuming. The Board therefore wishes to amend this provision so that directors and officers of related bodies corporate are automatically indemnified under the Constitution unless the Board determines otherwise (either generally or in a particular case).

Terminology and section references

Under the Law, references to the "Articles of Association" should now be references to the "Constitution" and references to individual articles should be references to "Rules". The terminology used in the Constitution is proposed to be amended accordingly. Rule 15 is also to be amended to reflect different terminology used in the context of the proportional takeover provisions. Many of the section numbers of the Law have changed. It is proposed to update references to sections of the Law in the Constitution.

Memorandum of Association

The Law no longer provides for the concept of a "Memorandum and Articles of Association". This has been replaced with the concept of a "Constitution". Under transitional provisions of the Law, the Company's Memorandum and Articles of Association immediately before 1 July 1998 are now deemed to be the Company's Constitution.

With the removal of the concept of a company's share capital, paragraph 3 of the Company's Memorandum has been deleted by operation of law. The remaining provisions of the Memorandum relate to factual or historical matters which are not required to be in the Company's Constitution. It is therefore proposed that the Memorandum be omitted.

RESOLUTION 6 - PROPORTIONAL TAKEOVER BIDS

A proportional takeover offer is a takeover offer where the offer made to each shareholder is only for a proportion of that shareholder's shares. The Constitution currently includes proportional takeover provisions (Rule 15). These came into effect in 1997 when the Company adopted its existing Constitution. Under the Law, proportional takeover provisions expire after three years from adoption or renewal and may then be renewed. The Board is seeking shareholder approval to renew the proportional takeover provisions in the Constitution.

The proposed proportional takeover provisions are largely identical to those adopted in 1997 except that certain terminology has been changed in line with changes to the terminology used in the Law. A full copy of the proposed provisions will be provided to shareholders on request.

The Law requires that the following information be disclosed in this notice:

Effect

If takeover offers are made under a proportional takeover scheme, the Directors must ensure that a resolution of shareholders to approve the takeover scheme is voted on more than 14 days before the last day of the bid period.

Each shareholder has one vote for each fully paid share held. Each partly paid share carries a fraction of a vote, reflecting the amount paid up. The vote is decided on a simple majority. The bidder and its associates are not allowed to vote. If the resolution is not passed, transfers giving effect to takeover contracts for the bid will not be registered and the offer will be taken to have been withdrawn.

If the bid is approved (or taken to have been approved), the transfers must be registered (provided they comply with other provisions of the Corporations Law and the Constitution).

The Directors breach the Law if they fail to ensure the approving resolution is voted on. However, if the resolution is not voted on, the bid will be taken to have been approved.

The proportional takeover approval provisions set out above do not apply to full takeover offers and will only apply until 3 years after the date of renewal. The provisions may be renewed again, but only by a special resolution of shareholders.

Reasons

A proportional takeover bid involves an offer for only a proportion of each member's securities. This may allow control of the Company to pass without members having the chance to sell all their securities to the bidder. This may assist a bidder to take control of the Company without payment of an adequate control premium. The approval provisions will allow members to decide collectively if a proportional offer is acceptable in principle and will assist in ensuring that any partial offer is appropriately priced. At the date this notice was prepared, no Director is aware

of a proposal by a person to acquire (or to increase) a substantial interest in the Company.

Potential advantages and disadvantages

The Directors consider that the takeover approval provisions have no potential advantages or disadvantages for them. They remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The Board also considers that there have been no advantages or disadvantages for either the Directors or the Company's members during the period since 1997 during which the current proportional takeover provisions have been in effect.

The potential advantages of the takeover approval provisions for members of the Company are:

- members have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
 - the provisions may help members to avoid being locked in as a minority;
 - the bargaining power of members is increased (this may help ensure that any partial offer is adequately priced); and
 - knowing the view of the majority of members may help each individual member assess the likely outcome of the proportional takeover offer and to decide whether to accept or reject that offer.
- The potential disadvantages for members of the Company include:
- proportional takeover offers for securities in the Company may be discouraged;
 - members may lose an opportunity of selling some of their securities at a premium; and
 - the chance of a proportional takeover being successful may be reduced.

The Board considers that the potential advantages for shareholders of the takeover approval provisions outweigh the potential disadvantages. In particular, shareholders as a whole are able to decide whether or not a proportional takeover bid is successful.

RESOLUTION 7 - DIRECTORS' FEES

The Board believes that the leadership of the Company is an essential part of the Company's ability to achieve success. For this reason the fees paid to Non-Executive Directors need to be competitive and must enable the Company to attract directors of international standing. To better assist the Company to appoint and retain the best people on its Board, the Board is seeking the approval of shareholders to increase the maximum aggregate Directors' fees (i.e. the total fees payable to all Non-Executive Directors). The current maximum aggregate Directors' fees is A\$1,000,000.

Consistent with its aim to build a global business, a number of the Company's existing Directors are from outside Australia. As the Company grows its global business and its international profile expands the

Board expects that the number of non-Australian Directors on the Board will increase. The Board believes that it will be better able to appoint and retain people from outside Australia if it is able to pay Directors' fees in US currency.

If this resolution is approved by shareholders, individual Director's fees will be set at US\$50,000 per annum with additional allowances paid for chairing and travelling to Board and Committee meetings. These amounts have been set in conjunction with John Egan & Associates, independent compensation consultants, as appropriate rates against international benchmarks. The aggregate annual amount of US\$900,000 comprises an increase of A\$665,000. This reflects current (historically low) exchange rates and allows flexibility for additional Directors to be appointed should this be appropriate. Detailed information regarding Directors' compensation is set out in the Annual Report.

RESOLUTION 8 - NON-EXECUTIVE DIRECTORS' RETIREMENT BENEFIT PLAN

Current plan

In 1990, shareholders approved retirement allowances for Non-Executive Directors ("Existing Plan").

The allowances approved are broadly as follows:

- for Non-Executive Directors with up to 5 years service, 3 times their average annual emoluments over the previous three years;
- for Non-Executive Directors with more than 5 years service, between 3 and 5 times their average annual emoluments over the previous 3 years.

In each case, the approved allowance is proportional to length of service, with the maximum 5 times multiple paid to those with service of 15 years or more.

"Emoluments" includes fees for attending, chairing and travelling to Board meetings, and consultancy fees.

Proposed new plan

Recent US trends have been to close down "defined benefit" plans such as the Existing Plan, and to introduce share-based compensation designed to align the interests of Non-Executives Directors with those of shareholders.

To conform with US trends and to align the interests of Non-Executive Directors with those of shareholders, the Board wishes to discontinue the Existing Plan and introduce a plan for Non-Executive Directors which provides continuing benefits based on share participation ("New Plan").

The New Plan is proposed to operate as follows:

- Each year from 1 January 2002, the Company will issue to, or acquire for, or for the benefit of, each Non-Executive Director a number of shares in the Company which is equal in value to up to 0.25 times the Director's fees for the previous calendar year, being the amount of fees paid for attending, chairing and travelling to Board and Committee meetings (but not consultancy fees).

- A pro-rata amount will apply to Non-Executive Directors for any part years served.
- For this purpose, the value of the shares on acquisition will be the weighted average price of the Company's shares traded on the ASX during the 5 business days prior to 1 January in each year.
- Allocations are likely to be made through the issue of shares to one of the Company's employee trusts in the various jurisdictions in which the Company now operates.
- The first allocation would be on 1 January 2002.
- Dividends paid on shares acquired under the plan may participate in the Company's Dividend Reinvestment Plan.
- The shares would be accessible only on retirement. The Directors would be exposed to share price risk until this time. However, shares could be sold at an earlier time to the extent necessary to meet an earlier tax liability in respect of the shares.

Changeover arrangements

Changeover arrangements will need to be effected to transition from the Existing Plan to the New Plan. For **current Non-Executive Directors**, the Existing Plan would be discontinued on the following basis:

- The Existing Plan applies a multiple to average emoluments over the last 3 years of service.
The multiple is:
 - 0.6 for each of the first 5 years of service as a Non-Executive Director; and
 - 0.2 for each year over 5 years to 15 years.
- The multiple for each current Non-Executive Director would be frozen at the multiple which would have applied if the Director had retired on 31 December 2000. For example, the multiple for a Director who now has six years of service would be frozen at 3.2 (5 times 0.6 for the first 5 years plus 0.2 for the sixth year).

When a current Non-Executive Director retires they will receive an amount under the Existing Plan and an amount under the New Plan:

- Under the Existing Plan the Director will be paid an amount equal to the frozen multiple as at 31 December 2000 times their average annual emoluments over the 3 years prior to their retirement. Because the multiple will have been frozen the Non-Executive Director will receive a lesser amount under the Existing Plan upon retirement than they would have received if the Existing Plan had not been discontinued.
- Under the New Plan, the Director will receive the value of any shares acquired by them or for their benefit since its introduction.

New Non-Executive Directors will not be eligible to participate in the Existing Plan. This means that a Non-Executive Director appointed from 1 January 2001 will receive on retirement the value of their

benefit under the New Plan and nothing under the Existing Plan. The ASX currently requires that new Non-Executive Directors may not receive shares under the New Plan unless specifically approved by shareholders following their appointment. While this requirement continues, the Company will in future seek shareholder approval for each new Non-Executive Director to receive shares under the New Plan.

Comparisons of benefits

The New Plan provides simple accumulation benefits based on total Lend Lease share returns. These cannot be directly compared to the Existing Plan benefits which are complicated formula benefits depending on a Director's past period of service as a Director and a Director's average annual emoluments over the 3 years prior to retirement. Any comparison therefore depends on assumptions regarding the total return on Lend Lease shares, the level of a Director's future emoluments and the percentage used to determine the annual allocation amount under the New Plan.

Towers Perrin, international compensation and benefit consultants, have performed calculations based on the assumptions set out below and have advised that in respect of:

- **A new Non-Executive Director**, for the projected benefit under the New Plan after 10 years to exceed the projected benefit that would apply under the Existing Plan, the rate of return on Lend Lease shares would need to be approximately 13% or greater per annum.
- **Current Non-Executive Directors:**
 - The effect on benefits of the introduction of the proposed New Plan varies considerably depending on each individual Director's age, completed years as a Non-Executive Director, and level of consulting fees compared to the Director's total emoluments.
 - Assuming retirement in 5 years, all current Directors who participate in the Existing Plan are expected to receive lower benefits than if the Existing Plan continued.
 - Increasing the period to retirement to 10 years for those who would still be eligible to be Non-executive Directors, total projected retirement benefits under the New Plan for all current Directors who participate in the Existing Plan are expected to be less than they would be if the Existing Plan continued.

All the above calculations are based on fee and emolument data provided by Lend Lease for this purpose and assume a total share return of 10% per annum, fee and emolument increases of 3% per annum, share allocations under the New Plan of up to 0.25 times Director's fees, that a new Non-Executive Director would have no consultancy fees and that the level of consultancy services for current Non-Executive Directors would be maintained.

Comparison of Costs

The Existing Plan benefits are paid for directly by the Company.

Under the New Plan, there would be no payments made to current Non-Executive Directors and new shares would be issued each year to meet allocations to those Directors, subject to a maximum of 0.01% of the Company's issued share capital.

Factors affecting the value of the retirement benefit

The number of shares allocated to each Non-Executive Director each year under the New Plan will depend on the market price of the Company's shares at the time of allocation, the amount of the Director's fees during that year and on exchange rates between the US and Australian dollars on the allocation date. The value of the retirement benefit paid to each Non-Executive Director under the New Plan will depend on the length of the Director's term of office and on the total number of shares allocated to the Director under the New Plan during that term of office. Ultimately the value received on retirement will depend on the share price at the time of retirement and dividends paid since the shares were allotted. The share price may go up or down depending on the market and dividends may also vary. The ultimate retirement benefit will therefore be linked to share price performance.

Shareholder approval

The Board is seeking shareholder approval for the above arrangements under section 200E of the Corporations Law, effectively substituting the New Plan for the Existing Plan as described above. The ASX has granted waivers of Listing Rules 10.11 and 10.14 to allow for approval of share participation by current Non-Executive Directors under the New Plan. As a result, the Company will not be required to seek further approvals from shareholders for the acquisition of shares by Non-Executive Directors under the New Plan, provided that shareholders approve the New Plan under the Corporations Law. Further approvals under Listing Rules 10.11 and 10.14 will be required for new Non-Executive Directors if the Company wishes to allow share acquisitions by or for those Directors.

The resolution allows a maximum issue of 0.01% of the Company's issued share capital under the New Plan per year.

RESOLUTION 9 - NON-EXECUTIVE DIRECTORS' SHARE OWNERSHIP

In 1997 shareholders approved the introduction of a share ownership plan for Non-Executive Directors. At the time of approval, the ASX granted the Company the necessary Listing Rule waivers on the basis that the plan be approved again by shareholders every three years. The first three year period has now expired.

The Board continues to believe that it is desirable for Non-Executive Directors to own shares in the

Company. The Board has been advised that this is consistent with international best practice for alignment of interests with those of the shareholders. The Board is therefore seeking shareholder approval again for the share ownership plan on amended terms. Under the current plan, Non-Executive Directors may subscribe for a maximum of 2000 shares each year (the approval was for 1000 shares which was adjusted for the Company's bonus issue of shares in 1998). The timing and price of the subscription are on the same basis as under the Company's share purchase plan. The Director effectively pays for the subscription by forgoing an equivalent amount of Director's fees.

Based on the maximum of 2000 shares each year, Directors currently receive approximately half their fees in shares.

Shareholder approval is now sought to authorise an acquisition by or on behalf of Directors of a number of shares which is equal in value to the full amount of their Director's fees (being the fees paid to them for attending, chairing and travelling to Board and Committee meetings) during each twelve month period. A Director acquiring shares under this plan would not be entitled to Directors' fees to an amount equal to the value of the shares acquired. Essentially this would mean that a Non-Executive Director could elect to receive some of his or her fees in shares, rather than by monetary payment.

The allocations would be made each half year at the price determined for that period under the rules of the Share Purchase Plan.

A Director would be restricted from dealing with shares acquired in this manner until their retirement. The Directors would be exposed to share price risk until this time. However, a Director could deal with shares at an earlier time to the extent necessary to meet an earlier tax liability in respect of the shares. The ASX has granted the necessary Listing Rule waivers on the basis that the plan is approved by ordinary resolution of shareholders every 3 years. Your Board believes this plan will align the interests of Non-Executive Directors more closely with the interests of shareholders (at no extra cost to the Company) and recommends the resolution.

RESOLUTION 10 - THE HORNERY INSTITUTE

The Board is asking shareholders to approve the issue to The Horner Institute of that number of shares in the Company which is equal in value to \$10 million. For this purpose the value of the shares will be the weighted average price of the Company's shares traded on the ASX during the 5 business days prior to the date of the AGM. The shares will be fully paid ordinary shares and will be issued for no consideration. Based on the market value of \$19.94 being the closing price of the Company's shares at 18 September 2000, the number of shares to be issued would be approximately 501,505 shares which is 0.098% of the Company's issued capital as at that date. This percentage will change following completion

of the Company's buy-back on or about 1 October. At this stage it is not possible to predict with any certainty the number of shares which may be bought back. However, assuming a buy-back price of \$20.22 and that the buy-back is fully subscribed, the proposed issue would comprise approximately 0.118% of the Company's issued capital.

Employee representatives have approved an equal one-off grant from an employee benefit vehicle, subject to shareholders approving this resolution. A full description of The Horner Institute and its proposed activities is set out on pages 46 to 47 of the Company's Annual Report (or an extract of it) which accompanies this Notice.

By issuing the shares for no consideration, the Company is providing financial assistance to The Horner Institute to acquire shares in the Company. Under the Corporations Law a company may financially assist a person to acquire shares in the company without shareholder approval provided that the assistance does not materially prejudice the company, its shareholders or its ability to pay its creditors.

The Board does not consider that the issue of shares valued at \$10 million to The Horner Institute will materially prejudice the Company or its ability to pay its creditors or that the issue will materially prejudice shareholders.

The Board has decided to seek shareholder approval as it believes it is important for shareholders to have the opportunity to show their support for the establishment of The Horner Institute.

Annual General Meeting 2000



Thursday, 2 November, 7.00pm.
The Hordern Pavilion,
Fox Studios Australia,
Driver Avenue, Moore Park,
Sydney, Australia.

RSVP INFORMATION

If you are NOT able to attend the Meeting, you do not need to RSVP.
If you wish to attend the Meeting please RSVP by 20 October, in either of the following ways:

- By Phone: **1800 816 100**, or
- By Email: **agm_rsvp@lendlease.com.au**.

When you RSVP please advise:

- If you wish to bring a guest
- If you require free parking

IMPORTANT INFORMATION

- Registration will commence from 6.00 pm.
- For ease of registration, please bring your Notice of Meeting.
- A corporate shareholder wishing to appoint a person to act as its representative at the Meeting must provide that person with a letter executed in accordance with the company's constitution and the Corporations Law authorising him or her to act as the company's representative.
- Complimentary parking is available at Fox Studios – marked on the map overleaf.
- Supper will be served following the conclusion of the Meeting.
- After the Meeting, a bus shuttle service will operate from Driver Avenue, stopping at Central, Wynyard and North Sydney Railway Stations. The last shuttle will depart at approximately 11.00pm.

**THE MAP PRINTED ON THE
REVERSE SIDE IS YOUR GUIDE
TO THE VENUE.**

TRAVELLING TO THE HORDERN PAVILION, FOX STUDIOS AUSTRALIA

Train

- From Central, Wynyard or Town Hall stations, you can connect with the 339 bus service, which brings you directly to Fox Studios.
- Town Hall, Bondi and Wynyard stations connect with frequent bus services which run along Moore Park Road or Anzac Parade, and have stops close to Fox Studios.

Bus

- Buses leave Wynyard, Town Hall and Central railway stations regularly. The 339 service will bring you right to Fox Studios.
- The 355 service from Bondi Junction travels along Lang Road and links Bondi Junction and Marrickville to Fox Studios.
- Services which run along Anzac Parade and Moore Park Road have stops close to Fox Studios.

Taxi

Fox Studios Australia operates a managed taxi rank from Errol Flynn Boulevard. It is managed from 7pm - 1am daily.

Car

From the City take the Eastern Distributor. Exit the Distributor at the Randwick exit which joins Anzac Parade. Turn left into Lang Road and follow signs to Fox Studios Carpark.



Car Parking

Complimentary parking will be provided at Wilson Carpark (entrance via Lang Road).

Parking Instructions

- Upon entry to carpark take a ticket from the boom gate and proceed to Level 2.
- Upon leaving the Hordern Pavilion, take your parking ticket to the carpark pay station on the ground level.
- Mention you attended the Lend Lease AGM to the attendant, and your ticket will be validated.
- On leaving the carpark, place your validated ticket into the exit boom gate.