1 October 2003

Dear Shareholder

This has been a challenging year for Lend Lease and, as a shareholder, you are entitled to a comprehensive review of the Group's performance. In preparing this year's Annual Report our goal has been to provide a detailed explanation of the issues and challenges facing Lend Lease.

While this has been a difficult time for Lend Lease, I am pleased to report on a number of achievements across the Group. Within the three major regions in which we operate, Asia Pacific, Europe and The Americas, Lend Lease has excelled on numerous projects, and many of these achievements are documented in the Annual Report.

This report also discusses future plans and opportunities for the Group, as we simplify our business model and focus on our core strengths.

On the reverse of this letter is the Notice of our Annual General Meeting. Please note our new venue at:

City Recital Hall
Angel Place
Access via Pitt or George Streets
Sydney

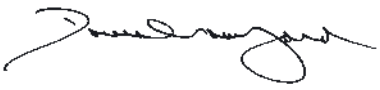
Wednesday, 12 November 2003
Commencing at 2.00 pm (registration commences at 1.00 pm)

The Notice contains resolutions relating to the adoption of accounts, the election of Directors, the acquisition by Non Executive Directors of shares in the Company, renewal of proportional takeover provisions contained in the Company's Constitution and an on market buyback. At the bottom of the Notice you will find information on how you can RSVP and register for the meeting. You are also welcome to join the Board after the meeting for light refreshments, tea and coffee. If you are unable to attend the meeting, please remember to either lodge your proxy by fax or by post in the enclosed reply paid envelope.

I invite you to join the Board, Greg Clarke and members of the Executive Team at our Annual General Meeting, where we will discuss Lend Lease's performance and plans for the future. We will also be happy to respond to any questions you may have.

On behalf of the Board of Directors, I look forward to seeing you on 12 November.

Yours sincerely



David Crawford
Chairman

notice of meeting

Notice is given to the members of the Company that the 2003 Annual General Meeting of Shareholders will be held at the City Recital Hall, Angel Place, Sydney, New South Wales on Wednesday, 12 November 2003 at 2.00 pm.

Ordinary Business

Accounts and Reports

1 To receive the Financial Report for the year ended 30 June 2003, together with the reports of the Directors and Auditors thereon.

Directors

2-5 To elect Directors,

Ms J E Curin retires in accordance with Rule 6.1e of the Constitution and, being eligible, submits herself for election.

Mr G G Edington retires in accordance with Rule 6.1f of the Constitution and, being eligible, submits himself for re-election.

Mr P C Goldmark retires in accordance with Rule 6.1f of the Constitution and, being eligible, submits himself for re-election.

Mr R A Longes retires in accordance with Rule 6.1f of the Constitution and, being eligible, submits himself for re-election.

Special Business

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

Proportional Takeover Rules

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

Non Executive Directors' Share Ownership Plan

7 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 all or part of the fees which would otherwise be payable to the Director for that year under Rule 6.3a 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.

Voting Exclusion Statement:

The Company will disregard any votes cast on this resolution by Non Executive Directors and any associates of Non Executive Directors. However, the Company will not disregard a vote if:

– it is cast by a Non Executive Director as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

– it is cast by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

On Market Share Buyback

8 As an ordinary resolution, that the shareholders authorise the Company to buy back up to 44 million shares (approximately 10% of its issued ordinary shares as at 30 June 2003), over the 12 months commencing on the date of passing of this resolution, by way of an on market buyback. This authorisation is in addition to the on market buyback currently in progress of up to 10% of the issued ordinary shares of the Company, being 43,452,820, calculated as at the commencement of the buyback, over the 12 months commencing on 13 June 2003.

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 2.00 pm on Monday, 10 November 2003. Please note that:

– a shareholder entitled to attend and cast at least two votes may appoint not more than two proxies.

– 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.

– 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 7.00 pm on Monday, 10 November 2003.

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 Act 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.

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 3 November 2003, either:

– by telephone: 1800 230 300; or

– by email: agm.rsvp@lendlease.com.au

When you RSVP, please advise if you wish to bring a guest.

Registration

– registration will commence at 1.00 pm.

– for ease of registration, please bring your Proxy Form to the meeting.

– the City Recital Hall is in Angel Place, which can be accessed from either George or Pitt Streets and is located between Martin Place and Hunter Street (please refer to the map on page 6 of this Notice to find the location of, and the nearest transport routes to, the meeting).

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

By order of the Board.

Sue Sharpe
Secretary, 1 October 2003.

Lend Lease 2003 Annual General Meeting – Explanatory Notes to Notice of Meeting

These Notes form part of the Notice of Meeting.

Resolution 1 – 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 shareholders at the Annual General Meeting on these Reports. However, shareholders will be given ample opportunity to raise questions at the Meeting.

Resolution 2-5 – To Elect Directors

The following information is provided in respect of each candidate:

Ms J E Curin, Finance Director (Executive)

Ms Curin, aged 45, joined the Board as Finance Director on 8 September 2003.

Experience and Qualifications

Ms Curin has a broad range of international experience as a senior finance executive and director with a number of large corporations. She was previously Finance Director of The Peninsular and Oriental Steam Navigation Company, and prior to that she was Finance Director of P&O Australia Limited. She holds a Bachelor of Commerce (Accounting) from the University of Auckland in New Zealand and she is a member of the Institute of Chartered Accountants in New Zealand.

Other Directorships and Positions

Nil.

Term of Office, Independence and Relationships with the Company and Other Directors

Ms Curin stands for election following her initial appointment as a full time Executive Director of the Company on 8 September 2003. Other than her employment arrangements, she does not have any relationships with either the Company or other directors.

The Board unanimously recommends that shareholders vote in favour of Ms Curin's election.

G G Edington (Non Executive)

Mr Edington, aged 58, joined the Board in 1999 and is Chairman of the Risk Management & Audit Committee and a Member of the Personnel & Organisation Committee.

Experience and Qualifications

Qualified as a Chartered Surveyor, Mr Edington brings to the Board extensive UK and international experience in the property sector. Mr Edington was a Director of BAA plc and Chairman of BAA International. He joined BAA plc in 1988, became a Member of the Board in 1991 and has been the Chairman of six BAA companies. He is a past President of the British Property Federation, was the Chairman of UK property company Greycoat Estates Limited and was a Member of the Bank of England Property Forum. He has also been involved with a number of charitable organisations.

Other Directorships and Positions

Mr Edington is Chairman of Garden Park Investments Limited and Chairman of the Trustees of NCH, a leading UK children's charity.

Term of Office, Independence and Relationships with the Company and Other Directors

Mr Edington was elected as a Director at the Annual General Meeting held on 2 November 2000. The Board considers Mr Edington to be an independent Director (refer to the 2003 Annual Report for the Company's assessment of independent Directors). Mr Edington does not have any relationships with either the Company or other Directors.

The Board unanimously recommends that shareholders vote in favour of Mr Edington's re-election.

P C Goldmark, Chevalier de la Legion d' Honneur (Non Executive)

Mr Goldmark, aged 62, joined the Board in 1999 and is Chairman of the Personnel & Organisation Committee.

Experience and Qualifications

Mr Goldmark is Director, Global and Regional Air Program at Environmental Defense, a US based non profit environmental advocacy organisation. He was the Chairman and CEO of The International Herald Tribune in Paris between 1998 and 2003. Prior to this, he was for ten years the President and CEO of the Rockefeller Foundation in New York.

He has held the positions of 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. Mr Goldmark graduated with a BA from Harvard College, Government Department, magna cum laude. He brings to Lend Lease his wide experience as a CEO and Senior Executive in the private and public sectors, both in the US and internationally.

Other Directorships and Positions

Nil.

Term of Office, Independence and Relationships with the Company and Other Directors

Mr Goldmark was elected as a Director at the Annual General Meeting held on 2 November 2000. The Board considers Mr Goldmark to be an independent Director (refer to the 2003 Annual Report for the Company's assessment of independent Directors). Mr Goldmark does not have any relationships with either the Company or other Directors.

The Board unanimously recommends that shareholders vote in favour of Mr Goldmark's re-election.

R A Longes, Deputy Chairman (Non Executive)

Mr Longes, aged 58, joined the Board in 1986 and was appointed Deputy Chairman in January 2000. He is a Member of the Risk Management & Audit Committee.

Experience and Qualifications

Mr Longes is an Executive Director of Investec Bank (Australia) Limited. He was previously an Executive Director of the Company, a Principal of the Corporate Advisory and Private Equity Group of Wentworth Associates and a Partner of the legal firm Freehills. Mr Longes' qualifications are BA, LLB, MBA.

Other Directorships and Positions

Mr Longes is Chairman of GPT Management Limited and a Director of Australian Water Services Pty Limited and Metcash Trading Limited. He is also a Director of the National Institute of Dramatic Art and a Member of the Aboriginal Tourism Leadership Group. Mr Longes was a Member of the panel reviewing the National Museum of Australia and he is heading an enquiry into Indigenous Business on behalf of the Commonwealth Government.

Term of Office, Independence and Relationships with the Company and Other Directors

Mr Longes was last re-elected as a Director at the Annual General Meeting held on 2 November 2000. The Board does not consider Mr Longes to be an independent Director (refer to the 2003 Annual Report for the Company's assessment of independent Directors). Mr Longes does not have any other relationships with either the Company or other Directors.

Notwithstanding Mr Longes' non independence, the Board believes that his level of experience and contribution to the Company are invaluable and unanimously recommends that shareholders vote in favour of Mr Longes' re-election.

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 and were renewed by shareholders in 2000.

Under the Corporations Act (the "Act"), 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 identical to those adopted in 1997 and renewed in 2000 except that:

- minor terminology changes have been made to more closely reflect the terminology used in the Act. Specifically;
  - i the word "scheme" in Rule 15.1c has been changed to "bid"; and
  - ii all references in Rule 15 to "Corporations Law" have been changed to "Corporations Act 2001 (Cth)".
- the definition of "approving resolution deadline" in Rule 15.1e has been amended to now read as follows (italics show changes):

  "**approving resolution deadline**, in relation to a proportional takeover bid, means the day that is 14 days before the last day of the bid period *during which the offers under the proportional takeover bid remain open or a later day allowed by the Australian Securities and Investments Commission*".

This reflects the position under the Act which allows Directors, in certain circumstances, to apply to the Australian Securities and Investments Commission for a longer timeframe to obtain a vote from shareholders for approval of a proportional takeover bid. This may be relevant where the time allowed under a particular bid is such that a shareholder vote is impracticable within the timeframe otherwise prescribed by the Act.

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

Effect

If a takeover offer is made under a proportional takeover bid, the Directors must ensure that a resolution of shareholders to approve the takeover bid is voted on more than 14 days before the last day of the bid period (or such later date as is approved by the Australian Securities and Investments Commission).

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 Act and the Constitution).

The Directors breach the Act 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 2000 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 – Non Executive Directors' Share Ownership Plan

In 1997 shareholders approved the introduction of a share ownership plan for Non Executive Directors which was amended and renewed in 2000.

Under the plan, Non Executive Directors may subscribe for a number of shares which is equal in value to all or part 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 or all of his fees in shares, rather than by monetary payment. The timing and price of the subscription are on the same basis as under the Company's Share Purchase Plan and only while that Plan is operative (note: the Plan was suspended on 1 September 2003). Directors effectively pay for the subscription by foregoing their entitlement to an equivalent amount of Director's fees.

The Board continues to believe that it is desirable for Non Executive Directors to own shares in the Company. The Board is therefore seeking shareholder approval again for the share ownership plan on the current terms.

A Director would be restricted from dealing with shares acquired in this manner until their retirement and 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 Australian Stock Exchange 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 8 – On Market Share Buyback

In May this year, the Company announced that it would undertake an on market share buyback of up to 10% of its issued capital calculated as at the commencement of the buyback (being 43,452,820 shares). The Company is undertaking the buyback as a means of distributing its surplus capital to shareholders. This buyback commenced on 13 June 2003 (the "current buyback").

Reasons for Further Buyback

The Board expects the Company to continue to be in a surplus capital position following the completion of the current buyback, which is due in part to proceeds received or receivable from the divestment of certain real estate investment businesses. Some of this capital may be applied to acquisitions. However, subject to the Company maintaining a strong financial position, the Company will continue to return surplus capital to shareholders out of cash reserves via on market share buybacks.

The Corporations Act limits companies to buying back no more than 10% of issued capital within a 12 month period without shareholder approval.

It is possible that the current on market share buyback will be completed well before 12 June 2004 and, to provide the Company with maximum flexibility to continue to purchase shares, approval is sought from shareholders to purchase up to a further 44 million shares (approximately 10% of the Company's issued capital of 439,769,303 as at 30 June 2003) (the "further buyback").

Terms of Further Buyback

As with the current buyback, the further buyback would be conducted on market. This means that shares are purchased in the ordinary course of trading at the prevailing market price on the Australian Stock Exchange ("ASX"), in the same way as any other on market sale. As at 10 September 2003, the closing price for ordinary shares in the Company was $10.50. For shareholders who sell shares into the on market buyback the tax treatment is also the same as for any other on market share sale.

On market buybacks are regulated by the ASX which requires the Company to file notices (consistent with this Explanatory Note) announcing commencement of the further buyback, period for the buyback and numbers of shares bought back each day during the buyback.

The ASX Listing Rules also require that the price for the buyback be no more than 5% higher than the average price for the Company's shares over the previous five business days.

The further buyback would involve the purchase by the Company of up to 44 million of its ordinary issued shares over the 12 month period from the date the resolution approving the further buyback is passed. Any shares purchased by the Company under the further buyback would be in addition to any shares purchased by the Company under the current buyback, which may be up to 43,452,820 shares. The purchase of shares under the further buyback would commence following completion of the current buyback.

Cumulatively, both buybacks would allow the Company to purchase up to 87,452,820 of its shares (being approximately 20% of its issued ordinary shares as at 30 June 2003) over the period from 13 June 2003 to the date which is 12 months from the passing of the resolution to approve the further buyback.

Financial Strength Impact

The impact on the Company's cash balances of the proposal is as follows:

- the balance of the current share buyback post 30 June 2003 (41.7 million shares) will cost approximately $417 million assuming an average purchase price of $10.00 per share. The cost will vary by approximately $4.2 million for every $0.10 movement in the average purchase price.
- the proposed share buyback of 44 million shares will cost approximately $440 million assuming an average purchase price of $10.00 per share. The cost will vary by $4.4 million for every $0.10 movement in the average purchase price.
- the average purchase price of $10.00 per share used is for illustrative purposes only.

The Board believes that the Company will remain in a strong financial position should both buybacks be completed given the Company's cash balance of $867 million at 30 June 2003 and net cash proceeds in excess of $900 million received/receivable post 30 June 2003 for the sale of certain real estate investment businesses and the interest in IBM Global Services Australia Limited.

The level of cash held by the Company is also subject to movements in working capital, dividends paid and investments made by the Company in the ordinary course of business, the net effect of which is not expected to materially impact the level of cash held by the Company over the next 12 months.

Financial Analysis

The financial analysis set out below is on a pro forma basis for illustrative purposes only and does not represent a forecast.

The following assumptions have been used in the financial analysis of this proposal:

- current buyback of 43,452,820 shares to be completed by 31 January 2004.
- proposed buyback of an additional 44 million shares to be commenced on 1 February 2004 and completed by 31 October 2004.
- a base profit after tax in both 2004 and 2005 equivalent to the 2003 financial year result of $230.2 million (this is not a forecast but used purely for illustrative purposes only).
- adjustments to the base profit to reflect the impact on interest earnings from the share buybacks assuming an average price of $10.00 per share:
  - 2004: profit after tax reduced by approximately $12 million.
  - 2005: profit after tax reduced by approximately $29 million.

The table below sets out the key financial implications arising from this proposal based on the assumptions above.

	Financial Year 2004	2005
Earnings per share (eps) – cents per share:		
– with no buyback	52.5	52.5
– with buybacks proposed	53.9	56.5
– growth on 2003 base (actual eps 52.5 cents, excluding writedown of REI businesses)	2.7%	7.6%
– growth on previous year	2.7%	4.8%

Earnings per share will be lower if the buybacks take longer to complete than that assumed above or if they are not completed. Completing both the current buyback and the further buyback will reduce net asset backing per share by approximately 75 cents per share (net asset backing per share at 30 June 2003 was $6.86).

Directors

The interests of Directors in Lend Lease shares are set out in the 2003 Annual Report.

Directors will be entitled to participate in the buyback if they wish to do so, subject to the Company's Constitution, the Board's share trading policy, the Board's policy on minimum shareholdings for Directors and restrictions imposed by the Non Executive Directors' Share Ownership Plan.

Your Board believes an additional on market buyback is in the interests of shareholders and recommends that shareholders vote in favour of the resolution.

How to find the meeting location?

You can use this map to find the location of, and the nearest transport routes to, the meeting at the City Recital Hall, Angel Place.

If you wish to attend the meeting, please let us know either:

- by telephone: 1800 230 300; or
- by email: agm.rsvp@lendlease.com.au

When you RSVP, please advise if you wish to bring a guest.

By Train

Martin Place or Wynyard Stations are a five minute walk from Angel Place.

By Bus

All buses to and from Circular Quay stop nearby on George Street or Pitt Street – near the corner of Martin Place.

Lend Lease

Response from Lend Lease to ASA letter overleaf

Members of the Australian Shareholders' Association Ltd ("ASA") have exercised their right under the Corporations Act to have a letter included with the information accompanying the Notice of Meeting. Their letter is copied overleaf. The Board believes that it is important to make a number of comments in relation to the ASA letter.

The ASA has made several observations about the Company's performance and the role of the Board. However, it is disappointing that the ASA does not appear to have adequately informed itself as to the large number of actions taken by the Board and management over the past year. The ASA letter was released and circulated two days prior to the release of the Company's results in August.

The 2003 Annual Report to shareholders provides a full and frank account of the issues that have affected Lend Lease over the past year. Whilst there have been a number of external influences, the Board and management team have accepted responsibility for the failure to successfully execute the previous global integrated real estate strategy.

The Company has moved decisively to deal with the challenges faced, and is now well placed to move forward to a more prosperous future. These moves have received wide media coverage since the announcement of the Company's results in August 2003.

Over the past year, the Board has made several fundamental changes to improve the Company's performance including the appointment of a new CEO after conducting a careful search. The new CEO, Greg Clarke, who has been favourably received by the market, has undertaken early and bold steps to implement the Company's new, more focused strategy, which is strongly supported by the Board. This has already had a major impact on turning the Company around, and we are confident he will continue to take Lend Lease forward. The Board recently appointed a new Finance Director, Joanne Curin, who took office on 8 September 2003.

There have also been numerous changes to the Board over the past year - of the eleven Directors who were with the Company at the start of the last financial year, seven have now retired. In May 2003 I was appointed Chairman. We are at present actively engaged in a global search to identify new Directors to rebuild the Board with a diverse range of skills and experience.

The Board considers that the ASA's suggestion to its members to vote against the re-election of the three Directors named in their letter to be ill-conceived. The non-election of these Directors would result in a Board of only three Directors, of whom only one would be Australian. The Board is strongly of the view that to do so would significantly impact the Company's ability to carry forward its new strategy, with resultant instability. The Board believes this would not be in the best interests of shareholders.

To suggest Lend Lease is in a "parlous state", as the ASA has asserted in the letter, clearly ignores the facts. The reality today is that Lend Lease has new leadership, is in a very strong financial position, and is well placed to take advantage of future opportunities. Importantly, the Company has restructured to focus on its core businesses, which have been performing well, and have positive outlooks.

The Board respects the right of every shareholder to vote on resolutions as they see fit. However, it is recommended that shareholders review all the relevant information including the points made in this communication so that an informed decision can be made in the best interests of the Company, and therefore all shareholders.

David Crawford
Chairman

Australian Shareholders' Association Ltd

ABN 40 000 625 669

Lend Lease Corporation Limited
Statement pursuant to Section 249P of the Corporations Act

Shareholders will be confronted with another unacceptable result in the Lend Lease Corporation Limited (Lend Lease) annual report that this statement accompanies.

The poor financial performance of Lend Lease has resulted in the company's:

- dividends paid per share falling 72% from 64 cents in 2000 to 18 cents in 2002.
- market capitalisation deteriorating $1.7 billion during the last two financial years alone.
- share price falling from $22.25 in November 2000 to around $9.00 today.

The board of Lend Lease presided over the costly U.S. Real Estate Investments strategy that has resulted in a $526 million write down (after tax) during the year under review.

The only way for shareholders to hold the board of an underperforming company accountable for its flawed strategy is to vote against the re-election of those directors who failed in their responsibility to deliver an acceptable result.

At the forthcoming annual general meeting shareholders should hold the board accountable for its failure to deliver reasonable company performance. There will be an election of directors who have been put on notice that they should consider their positions very seriously if they intend to stand for re-election.

Deputy Chairman Mr Richard Longes joined the board in 1986. Together with Mr PC Goldmark, Mr GG Eddington (both appointed in 1999) and other directors, he signed off on board decisions over a number of years that contributed to the current parlous state that Lend Lease finds itself in today. Shareholders that vote against the re-election of these three directors will be both encouraging the process of board renewal and holding these individuals to account.

If you would like to nominate a representative of the ASA to act as your proxy for voting at the Lend Lease annual general meeting please insert the name **Brian Johnson** on the proxy form and direct him on how to use your vote for each resolution. If the proxy form requires an address please insert PO Box 519, Chatswood, NSW 2057.

For further information on how the ASA representative will exercise any undirected proxy votes please visit our website www.asa.asn.au or telephone 1300 888 979.

Please do not send your proxy form to the ASA. After completion please lodge the proxy form in accordance with the instructions on the form itself.

Lend Lease
CORPORATION

Lend Lease Corporation Limited
ABN 32 000 226 228

All Registry communications to:
C/- ASX Perpetual Registrars Limited
Level 8, 580 George Street, Sydney, NSW, 2000
Locked Bag A14, Sydney South, NSW, 1235
Telephone: (02) 8280 7123
Toll Free: 1800 230 300
Facsimile: (02) 8280 7646
ASX Code: LLC
Email: registrars@asxperpetual.com.au
Website: www.asxperpetual.com.au

APPOINTMENT OF PROXY

If you propose to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.

I/We being a member(s) of Lend Lease Corporation Limited and entitled to attend and vote hereby appoint

A the **Chairman of the Meeting (mark box)** ☐ **OR** write here the name of the person you are appointing _____

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 2.00 pm on Wednesday, 12 November 2003 and at any adjournment of that meeting. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

IMPORTANT: FOR RESOLUTION 7 BELOW
If the Chairman of the Meeting is to be your proxy and you have not directed your proxy how to vote on Resolution 7 below, please note that the Chairman of the Meeting intends to vote undirected proxies in favour of that Resolution. Accordingly, if this is not your preference, please mark the appropriate box below.

Should you desire to direct your proxy how to vote on any resolution please insert [X] in the appropriate box below or insert the proportion of your votes to be cast.

	For	Against	Abstain*
Resolution 2 Election of Director, Ms J E Curin	☐	☐	☐
Resolution 3 Election of Director, Mr G G Edington	☐	☐	☐
Resolution 4 Election of Director, Mr P C Goldmark	☐	☐	☐
Resolution 5 Election of Director, Mr R A Longes	☐	☐	☐
Resolution 6 Renewal of Proportional Takeover Rules	☐	☐	☐
Resolution 7 Renewal of Non Executive Directors' Share Ownership Plan	☐	☐	☐
Resolution 8 Approval of On Market Share Buyback	☐	☐	☐

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

B SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the shareholder's constitution and the Corporations Act.

LLC PRX042

How to Complete the Proxy Form

Appointing Your Proxy
If you wish to appoint the Chairman of the meeting as your proxy, please mark the box at **A**. If the person you wish to appoint as your proxy is someone other than the Chairman, please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, then the Chairman of the meeting will be your proxy and will vote on your behalf. A proxy need not be a shareholder of Lend Lease Corporation Limited. You cannot appoint yourself. You can vote your shares by proxy even if you plan to attend the meeting.

Voting
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 specified proportion of shares (either the number or percentage) 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.

Appointing a Second Proxy
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 specified proportion (either the number or percentage) of your voting rights on each form. Please return both Proxy Forms together.

Signature
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 company, 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 2.00 pm on Monday, 10 November 2003***:

- ASX Perpetual Registrars Limited, the Company's Share Registry, in the reply paid envelope provided, or post to Locked Bag A14, Sydney South NSW 1235; or by facsimile on 61 2 8280 7646; or
- the Company Secretary, Lend Lease Corporation Limited, Level 45, Australia Square, Sydney 2000; or by facsimile 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).

ASX Perpetual Registrars Limited ("ASX Perpetual") advises that once you become a shareholder in Lend Lease Corporation Limited ("Lend Lease"), Chapter 2C of the *Corporations Act* 2001 requires information about you (including your name, address and details of the shares you hold) to be included in Lend Lease public register. This information must continue to be included in Lend Lease's public register for 7 years if you cease to be a shareholder. These statutory obligations are not altered by the *Privacy Amendment (Private Sector) Act* 2000. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. ASX Perpetual's privacy policy is available on its website (www.asxperpetual.com.au).