



16 November 2006

The Manager
Companies Section
Australian Stock Exchange Limited

The Manager
Companies Section
New Zealand Stock Exchange Limited

Pages: Twenty-two (22) pages

Dear Sir

Stock Exchange Announcement

Chairman's Address

In accordance with Listing Rule 3.13.3, I enclose a copy of the Chairman's Address to be delivered at the Annual General Meeting to be held at The Sydney Entertainment Centre on Thursday 16 November 2006 commencing at 10.00 am.

Yours faithfully
LEND LEASE CORPORATION LIMITED

S J SHARPE
Company Secretary

Lend Lease Corporation Limited
ABN 32 000 226 228
Level 4, 30 The Bond
30 Hickson Road
Millers Point NSW 2000
Australia

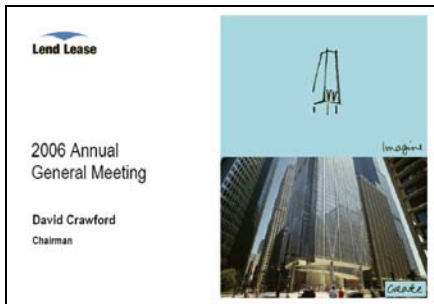
Telephone +612 9236 6111
Facsimile +612 9252 2192
www.lendlease.com



2006 Annual General Meeting

Speech by David Crawford

Chairman



Good morning, ladies and gentlemen, and welcome to the 2006 Annual General Meeting for Lend Lease Corporation.

I also welcome those participating by webcast today. My name is David Crawford and I am the Chairman of Lend Lease Corporation.

I will commence today's meeting with a brief report on the year, which will be followed by an overview of the Group's operations by our Managing Director and Chief Executive Officer, Greg Clarke.

We will then move to the formal business items, at which time we welcome your questions and comments.

After the meeting, we look forward to joining you for refreshments.

First, let me introduce the other members of the Board.

Our Directors are, starting on my far right, David Ryan, Chairman of our Risk Management and Audit Committee; Julie Hill, who is joining us for the first time; Peter Goldmark, Chairman of our Personnel and Organisation Committee; and Greg Clarke, the Group's Managing Director and CEO.

From my far left are Phillip Colebatch, who is also joining us for the first time; Ross Taylor, the Group's CEO, Retail and Communities; and Gordon Edington.

Also on stage is Sue Sharpe, our Company Secretary.

In the audience today are members of the Group's senior executive management team:

Roger Burrows, Chief Financial Officer; Steve McCann, CEO Investment Management; and Rob Lourey, Group Head of Human Resources.

Also in attendance are the Group's auditors, KPMG, who will be available to answer any questions shareholders may have relating to the audit of the accounts.

With those introductions, let me now turn to the Group, its performance and outlook for the future.

Your Directors are pleased with the progress that Lend Lease has made over the twelve months since we last met with shareholders.

It is also pleasing to see that this progress is now being recognised by the market, as reflected in the substantial increase in the value of Lend Lease shares since the 2006 result was announced in mid August.

It is clear from recent brokers' reports that the Group's strategy is becoming understood and supported. As you will see during the course of this meeting, there is good reason for that positive market sentiment.

Year to June 2006 - Profit After Tax		Lend Lease	
Statutory Profit	A\$415.2m	↑	84%
Operating Profit	A\$354.2m	↑	24%

The result for the year to June 2006 was very pleasing, and I want to make a few comments on the profit performance.

You should note that this year all Australian listed companies are presenting their results under new international accounting standards that are designed to bring greater consistency in company reporting around the world.

I will not delve into the changes other than to make two points.

First, the results for the 2005 year have been restated under the new standards so that you can make a meaningful comparison of the performance year-on-year, as shown on the slide before you now.

Secondly, the new standards require us to take unrealised valuation gains (or losses) on some assets and investments through the profit and loss account, or income statement as it is now called.

We have therefore decided to report the Group's profit at two levels.

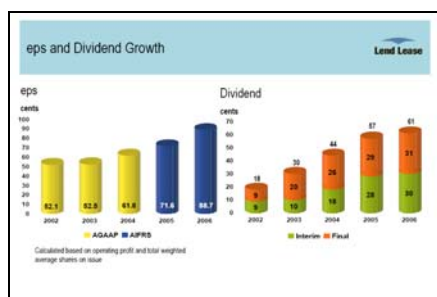
The Operating Profit that you can see on this slide is the profit earned from operations before taking into account any unrealised gains or losses.

This profit is the basis for setting the Group's dividend.

As you can see, Group Operating Profit was very strong at \$354 million after tax for the year to 30 June 2006 – an increase of 24% over the previous year.

Statutory Profit includes the unrealised valuation gains or losses on assets and investments. It also grew strongly to \$415 million – an increase of 84%. This gives you a good indication of the quality of the Group's retail assets in particular.

Greg will discuss the underpinnings of this strong performance in more detail during his presentation.



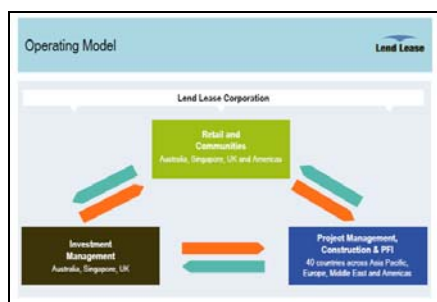
Earnings per share on Operating Profit continued the positive trend of recent years and were up 24% to 88.7 cents per share.

The Board declared a final fully franked dividend for the year of 31 cents per share, bringing total fully franked dividends to 61 cents for the year to June 2006.

This represents a payout ratio of 69% of Operating Profit, and is around the mid point of the Board's policy of paying out between 60 and 80% of Operating Profit as dividends.

Our objective within that 60-80% range is to provide shareholders with dividends that grow steadily in line with Group earnings.

While on the subject of dividends, it should be noted that an increasing portion of the Group's earnings will be sourced from overseas. As overseas earnings do not attract franking credits, we expect the 2007 dividends will only be partially franked to a level of between 30 and 50%.



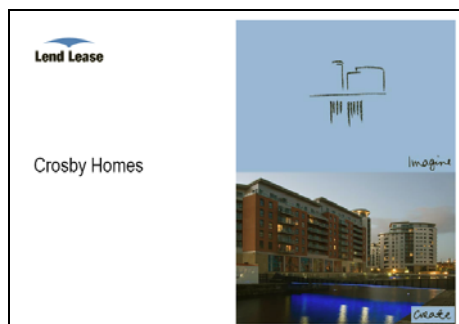
When I spoke at the equivalent of this meeting 12 months ago, I discussed the work that the Board and senior management had been doing on refining the Group strategy.

That work continued during the year, with good progress being made toward realising our vision of being “a leading international retail and residential property group, integrated with strong investment management and construction management businesses”.

In addition to the overall strong financial result from operations, the three businesses made significant progress in developing their pipeline of future earnings opportunities.

The Group also demonstrated the capacity to achieve continuing earnings synergies between the businesses.

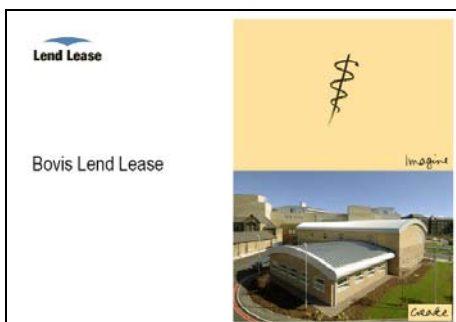
At year end, the retail development pipeline had grown to more than \$4 billion in projects that will generate multiple income streams in the future.



The Group completed the acquisition of Crosby Homes in the UK, significantly expanding its residential communities' reach and capabilities.



In the US, the Communities business completed the acquisition of the remaining minority interest in the highly successful Actus military housing operation. It also acquired a major masterplanned community development site in Denver.



The Construction and PFI business concluded the year with near record levels of secured contracts which have the potential to deliver more than \$680 million in gross profit margin over the next several years.

While on the construction business, as some of you will be aware, Bovis in the US is one of a number of defendants involved in litigation in relation to the clean-up of the World Trade Center site.

Last month we notified the market of a decision by the US Federal Court on a motion the defendants had brought for immunity from those claims.

The Court recognised that immunity should apply, but said the extent of that immunity would depend upon further evidence of the specific facts.

The defendants have decided to appeal this decision on the basis that the Court should have granted the immunity motion as presented. In other words, immunity should be granted now without the need for further evidence or hearings.

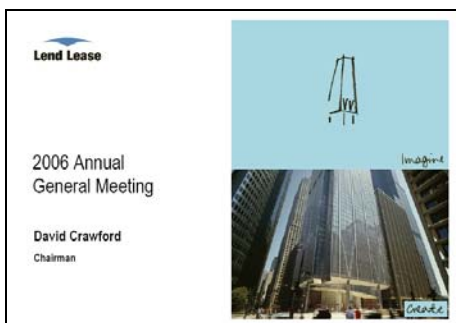
We will formally advise the market when the appeal is lodged, which we expect to be very soon.



The Investment Management business created two new wholesale funds in Australia, with a combined initial investment capacity of approximately \$500 million.

Most of the initial assets acquired by these funds have been sourced from the Group's Retail and Communities business.

This illustrates the Group's capacity to extract multiple earnings streams from projects including development, construction, asset and funds management.



At the corporate level, a great deal was also achieved in refining the way Lend Lease will manage its capital to maximise returns for shareholders.

As Lend Lease builds its Retail and Communities development pipeline, you should expect to see the Group sell down maturing assets, wherever possible, on a recurring basis to funds managed by the Group. These sales will generate profits which will allow us to reinvest in new opportunities that will generate future earnings.

This is a core part of our operating strategy – to acquire opportunities, develop them and sell them at the appropriate time.

By way of example, in the year to June 2006, the Group invested approximately \$2.5 billion in projects and investments. During the same period, the Group divested around \$2 billion in assets and projects. Profits on those divestments contributed to the 2006 earnings.

Overall, the Group's invested capital base increased from \$3.3 billion to \$4.1 billion at June 2006.

Strong Balance Sheet	
S&P / Moody's credit rating	BBB- / Baa3 (unchanged)
Weighted average debt maturity ⁽¹⁾⁽²⁾	12.6 years (out to 2021)
Fixed / floating debt ⁽¹⁾⁽²⁾	84% / 16%
Interest cover as at June 2006	7.8x
Debt to Total Tangible Assets as at June 2006 ⁽¹⁾	14.4%

(1) Debt includes other financial liabilities
(2) After recent bond issue

The Group continues to be in a strong financial position.

We have a stable, investment grade credit rating that is unchanged.

Management has taken a number of prudent steps, establishing a range of longer term debt facilities. Following the recent UK Bond issue, the Group now has a range of debt maturity dates stretching to 2021. As a result of these initiatives, we now have the majority of our debt at fixed rates. This insulates us against any potential interest rate shocks.

Debt to total tangible assets was 14.4% at June 2006. Thus the Group is well positioned to invest in further opportunities that fit our investment criteria.

So on many measures, the Group delivered a strong result for the year to June 2006 and made excellent progress in building a clear path for growth.

As you know, one of the key functions of the board of a public company is to ensure appropriately qualified and experienced management are in place to lead the company.

Over the years, I have been closely involved with the senior management of a number of large and complex Australian companies. So I can say that, based on my personal experience, for a Group such as Lend Lease, this responsibility is especially critical.

I am therefore pleased to confirm that Greg Clarke has agreed to continue as CEO beyond his current contract which expires in December 2007. He will continue to be employed under a 12-month rolling contract which we expect to run until at least December 2009.

It is also my pleasure to confirm that Ross Taylor has recommitted to the Group, entering into a new contract under which he will receive a share-based retention incentive over the next four years. Ross will continue in his current role as Chief Executive Officer, Retail and Communities, reporting to Greg Clarke.

Greg has a fine management team that has set this Company on a course for attractive and sustainable growth.

While on the subject of senior management, in line with good corporate governance practice, shareholders will have the chance to vote on the Remuneration Report during the formal part of this meeting.

This report details our policy on Directors' and executive compensation.

While today's vote is non-binding, it provides an excellent opportunity for Directors to understand your views.

It is appropriate to make some comments on remuneration. I have received a number of queries from interested shareholders, and I believe it is important to share with you the rationale behind the remuneration policy supported by the Board.

As you know, Lend Lease – like most public companies in Australia – has a three-tiered remuneration structure for senior executives.

This consists of a base salary, a Short Term Incentive and a Long Term Incentive.

When I became Chairman in 2003, the Group introduced a new remuneration plan for senior executives. This replaced a plan that had been in place since 1999.

As part of that process, a new Long Term Incentive benchmark was introduced which focused on the Total Shareholder Return of Lend Lease, compared to a basket of international property companies over a three-year period.

For the three years to June 2006, the Total Shareholder Return of the Group was 90%. However, over the same period Lend Lease was 11th out of 19 companies in the comparator set.

As a result, the 2003 Long Term Incentive did not vest.

On reflection, the Board determined that the achievement of senior management in transforming the Group from where it was three years ago needed to be recognised, even if the formal Long Term Incentive measure had not been met.

Therefore, for the year under review the Board decided to make an additional payment to senior management in recognition of the significant improvement in the Company's performance and outlook since 2003.

At the time the Board took this decision, we were of the view that the performance of management had not been fully recognised by the market. And as I mentioned earlier, following the release of the 2006 result, there has been a significant re-rating of Lend Lease, as reflected in the share price which increased from \$13.99 at 30 June to more than \$17.00 at close of business yesterday.

Taking into account all the circumstances, the Board believes the additional payments are reasonable and in the best interests of shareholders in terms of retaining and incentivising senior executives who are delivering very good results for shareholders.

The Board has revised the performance measures that will be used for assessing future Long Term Incentives to introduce a combination of internal and external, market-related measures.

Future Long Term Incentive performance measures will be based, in equal parts, on assessing the Company's Earnings Per Share growth against a hurdle set by the Board, and measuring the Company's Total Shareholder Return against the S&P / ASX 100 Index.

The Board considers these criteria will provide a better benchmark for senior management. The new measures will be introduced with effect from the 2007 financial year.

We will return to the Group's remuneration policy during the formal part of the meeting and you will have an opportunity to ask questions at that time.

As mentioned in my opening remarks, today we are joined by two new Directors, Phillip Colebatch and Julie Hill.

Phillip was on the Executive Board of the international reinsurance firm, Swiss Re, from which he retired in early 2006. Previously, he was an Executive Director of the Credit Suisse Group, where he was CFO and, subsequently, CEO of Credit Suisse Asset Management.

Phillip brings a wealth of international business and finance experience to the Board, and a skill-set to complement those of his fellow Directors.

Julie joined the board in May. She has extensive experience in the US development, construction and housing industries where she was Chairman, President and Chief Executive Officer of Costain Homes, Inc. She is currently a Director of a number of US based companies.

Her insights and experience will be invaluable as we expand our ambitions in the US, particularly the Communities operations.

Both Phillip and Julie are looking forward to introducing themselves to you during the formal part of the meeting.

As a Board, we are very aware of our responsibility to ensure that the inclusive nature of the Lend Lease culture is maintained and develops as the Group grows internationally.

That culture has seen the Group recognised as a leader in corporate responsibility in Australia over several decades. It has been at the core of the Group's capacity to attract and to develop the best talent. It has certainly been at the heart of the Group's capacity to innovate and lead in its chosen market sectors.

You may have noticed the theme "Imagine Create" that now appears on the Company's literature, website and projects around Australia and the world.

No matter what we are doing, be it our projects, our Incident and Injury Free program or developing the Group's sustainability practices, those two words remind us that Lend Lease is a company that wants its people to innovate and to set the pace rather than be followers.

The position that the Company is in today is the result of that culture working at its best.

Lend Lease is a very different company today to the one I joined as a Director in 2001. It is focused. It has a very clear strategy and each of the businesses is operating at the top or near the top of its chosen market sectors.

It is also a business working hard at establishing safe workplace practices everywhere we operate. Equally, as we all come to have a far greater appreciation of the way human activity is impacting the global environment, the Group is making significant efforts to minimise its impact on the environment.

I believe this philosophy will ensure that the Group is amongst the leaders rather than the followers in the very important environmental debate.

On behalf of the Board and shareholders, I extend our sincere thanks to the more than 9,800 Lend Lease employees around the world who are actively contributing to the Group's strong financial performance and its development as a sustainable corporation.

Ladies and gentlemen, as you can gather from my comments this morning, we believe the outlook for Lend Lease continues to be positive. The Group is clearly focused on its core businesses in geographies and markets where Lend Lease has a demonstrated capability and competitive advantage.

I am pleased to confirm that we are budgeting for an increase in Operating Profit in 2007, and the Group is well positioned for continuing growth in later years.

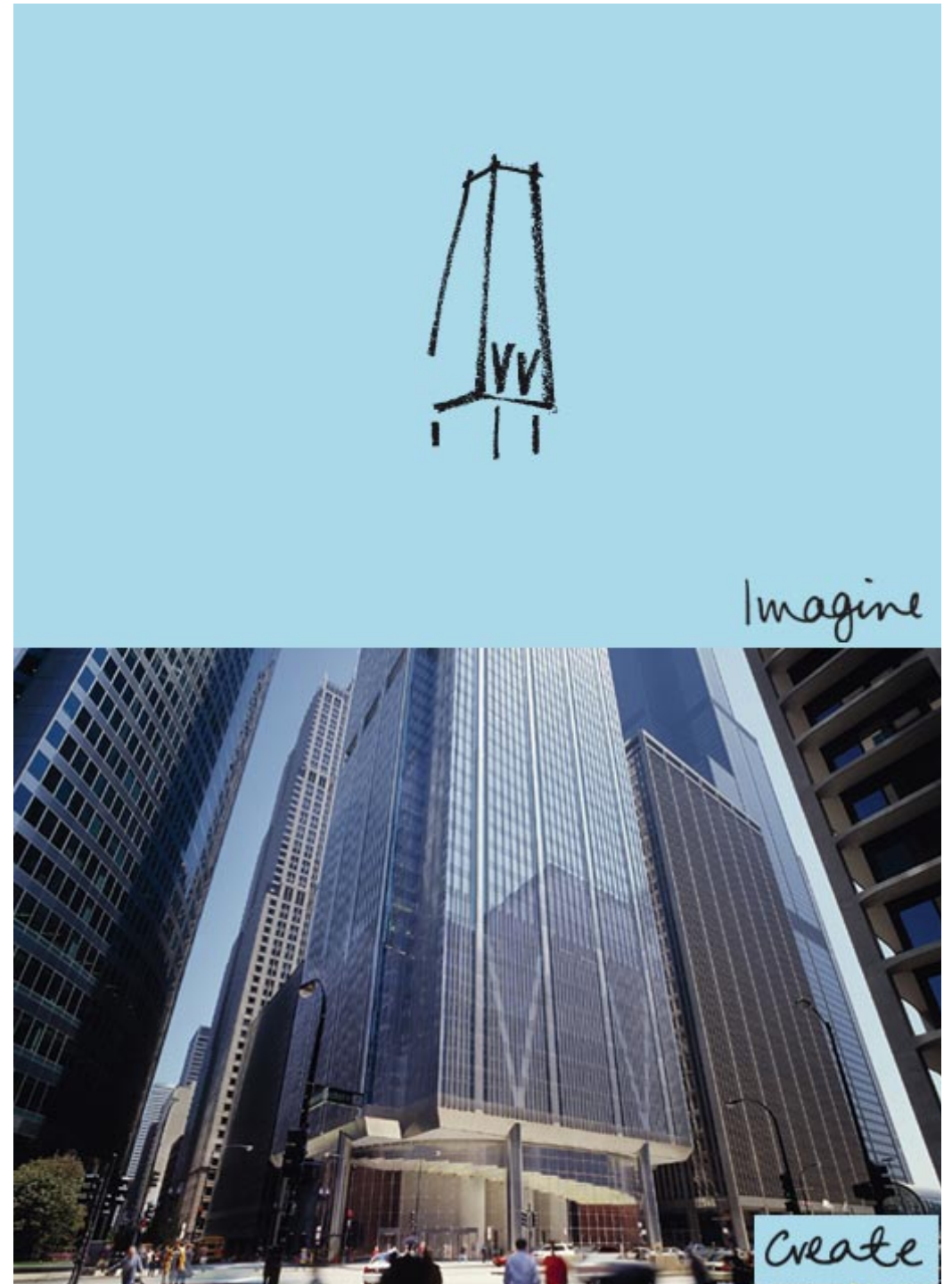
I will now hand over to our Managing Director and Chief Executive Officer, Greg Clarke, to deliver his review of operations.

ENDS



2006 Annual General Meeting

David Crawford
Chairman



Year to June 2006 – Profit After Tax



Statutory Profit

A\$415.2m



84%

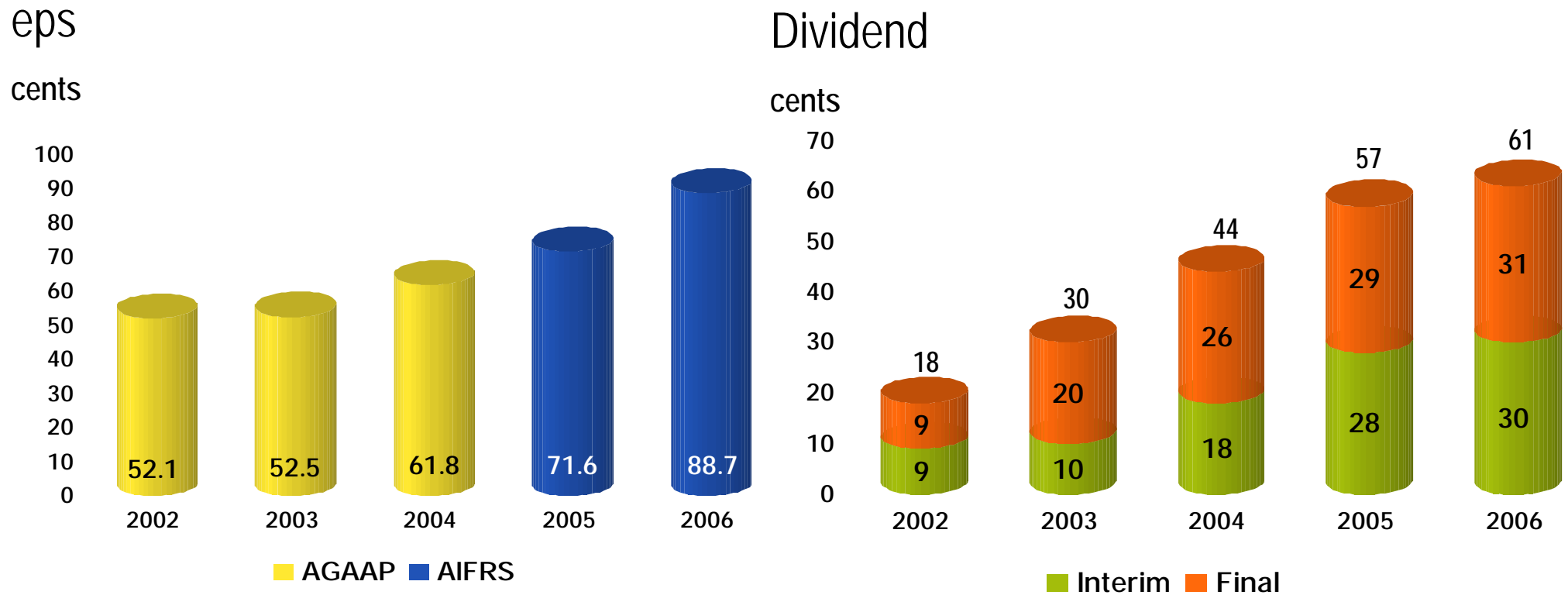
Operating Profit

A\$354.2m



24%

eps and Dividend Growth



Calculated based on operating profit and total weighted average shares on issue

Operating Model



Lend Lease Corporation

Retail and Communities

Australia, Singapore, UK and Americas



Investment Management

Australia, Singapore, UK

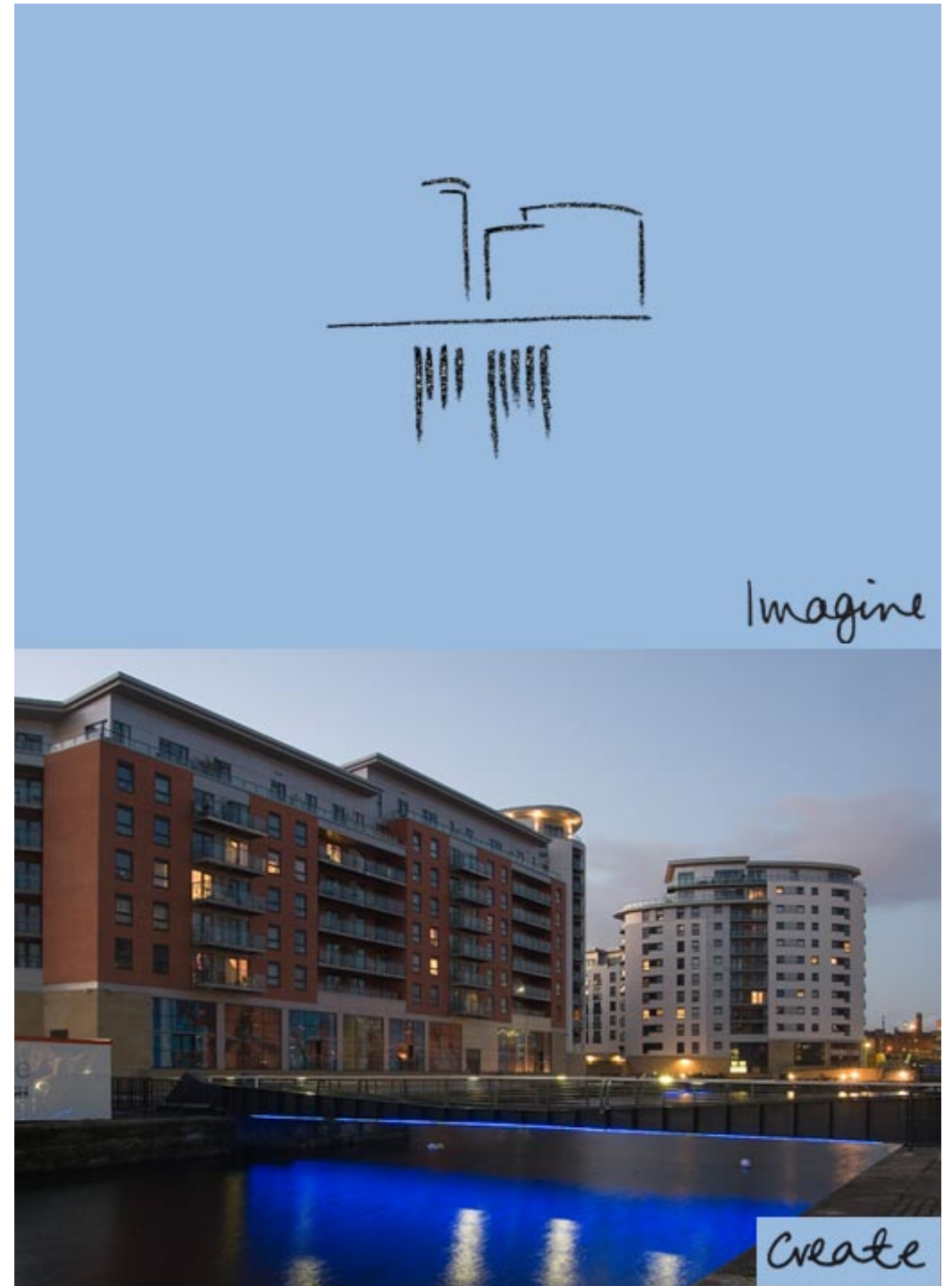


Project Management, Construction & PFI

40 countries across Asia Pacific, Europe, Middle East and Americas



Crosby Lend Lease





Actus Lend Lease



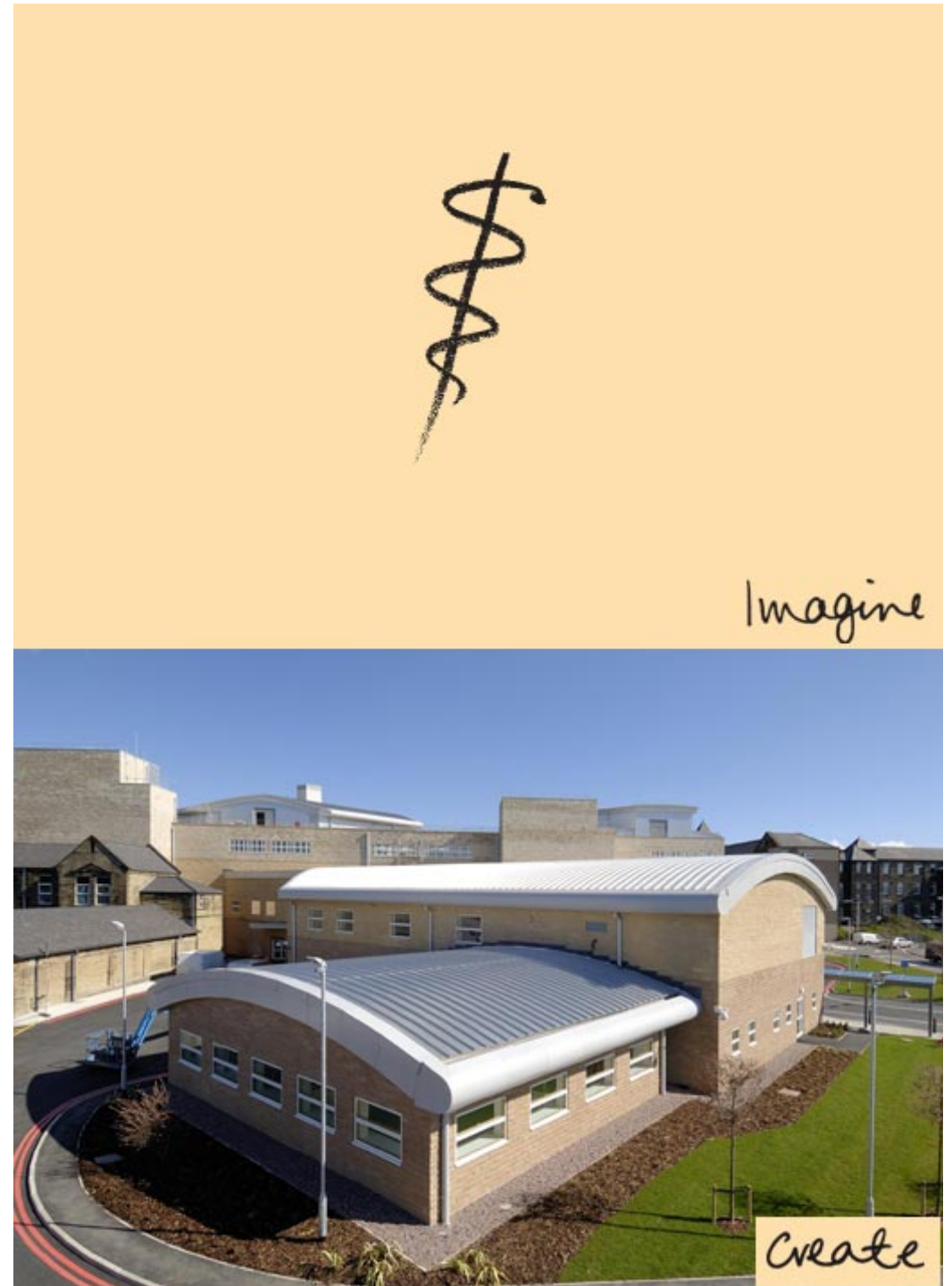
Imagine



Create

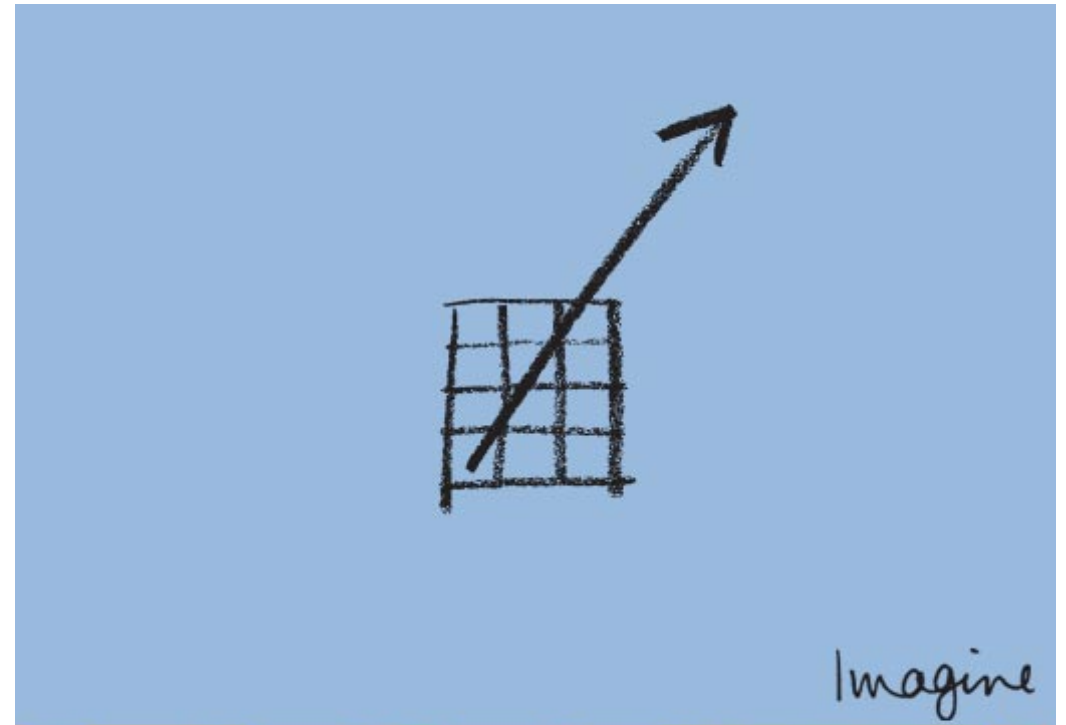


Bovis Lend Lease





Investment Management



Strong Balance Sheet



S&P / Moody's credit rating	BBB- / Baa3 (unchanged)
Weighted average debt maturity ⁽¹⁾⁽²⁾	12.6 years (out to 2021)
Fixed / floating debt ⁽¹⁾⁽²⁾	84% / 16%
Interest cover as at June 2006	7.8x
Debt to Total Tangible Assets as at June 2006 ⁽¹⁾	14.4%

⁽¹⁾ Debt includes other financial liabilities

⁽²⁾ After recent bond issue

Strong Result



Lend Lease lands a 24pc lift

Lend Lease reports 84pc jump in net profit

Clarke goes for organic growth

Earnings for Lend Lease up 84%

Property group confident

LEND LEASE
Back on track

Future brighter for Lend Lease

Lend Lease tips growth

Life after GPT... not bad after all

New Lease of life for fallen icon

Retail 'growth engine' of group's rally

\$415m Lend Lease

All smiles as Lend Lease lifts by 84%