



2007 Annual General Meeting

Speech by Greg Clarke

Managing Director and Chief Executive Officer



Thank you, David, and good morning, ladies and gentlemen.

We are indeed performing well.

Over each of the past three years, Lend Lease has outperformed management's stated earnings objectives.

But more importantly, as the Chairman has said, we can have confidence in the future because the Company has a clear strategy for ongoing growth.

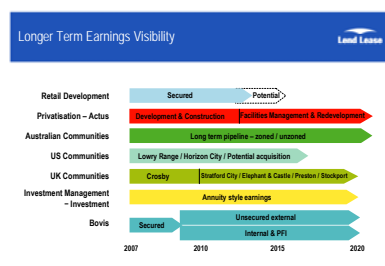
Strong Opportunities & Competitive Positioning		
Business Retail & Commercial 	Backlog Retail Development Pipeline - A\$5.3b Commercial - 115,000 sqm under management (A\$2.2b value) Military Housing - 62,400 units under management (Value under development A\$2.6b)	Competitive Positioning Integrated capability in retail 15-year residential backlog in Australia Growing backlog in US & UK Active leading player in military housing sector Building backlog in US
Investment Management 	A\$1.5b funds under management Established funds in Australia, UK and Singapore Coverage across all ends of risk spectrum	Largest wholesale fund in Australia Outstanding performance record Primarily retail assets Strong pipeline of external assets for funds
Project Management, Construction & PFI 	Backlog GPM of A\$7.5bn A\$30bn of GPM secured Equity of 624.2m in PFI assets	Top 4 player in UK Top 7 player East Coast US Leader in chosen sectors in Australia

I thought it would be good to commence my report to you today with this slide.

It shows the diversity of operations under the Lend Lease brand today; their competitive positioning in each of our markets; and the backlog – which is the source or estimated level of future profits from projects under our control.

Our strategy is to operate these businesses as a diversified portfolio, delivering a cumulative return on equity of at least 15% per annum.

The geographic and sector diversification that has been achieved across the Group's core businesses helps to reduce volatility of earnings at the Group level.



The other aspect of our future earnings that I want to point out is their visibility and long term nature.

We have a very good base of secured, major projects in Asia Pacific; the UK; Europe; the Middle East; and the USA, which will deliver profits out to 2020.

This slide graphically depicts the source and type of earnings we will be delivering across the portfolio.

In Retail for example, we have a pipeline of secured development and redevelopment projects in the UK, Singapore and Australia that will provide development earnings out to 2015.

In Australia, Delfin Lend Lease has a backlog of masterplanned community projects that will be progressively developed over the next 15 years. We have secured the first two similar projects in the US as we build our Communities business there.

Investment Management provides more regular annuity style earnings from funds management fees - year in, year out. Bovis Lend Lease has a shorter secured earnings outlook because it is a construction business. However, it has good visibility of future contracts arising from the Lend Lease development pipeline and its external client base.

The Group's businesses are operating in an increasingly integrated way. From any one project where we invest shareholder capital, we can extract multiple returns such as development, construction, financing, and funds and asset management fees.



In May this year, we set up a new Executive Office to match the evolution of Lend Lease into a much more integrated business than it has been in the past.

The Executive Office team comprises Ross Taylor as Chief Operating Officer; Steve McCann, Finance Director and CEO Investment Management, and myself.

This structure brings the three most senior executives closer together to ensure that decision making on capital allocation and oversight of synergy opportunities across the core operations is tightly controlled.

We are supported by a highly experienced and talented senior management team across the three core businesses. More than half of the senior executive team are long term Lend Lease employees and the remainder have been recruited from senior positions in the property industry around the world.

The management team established two new business initiatives during the year. One, Lend Lease Ventures, is looking for sustainability based growth businesses. The other is investigating opportunities for our business model in a fifth geography such as Japan, China or India.

So with those opening remarks about how well the Group is positioned today for the future, let me provide you with a more detailed look at how we performed for the year to June 2007.

Group Performance Summary After Tax			
	June 2007	June 2006	% change
	A\$m	A\$m	
Retail & Communities	183.4	167.5	9%
Project Management, Construction & PFI	57.6	134.6	(57%)
Investment Management	262.8	129.5	103%
Operating Businesses	503.8	431.6	17%
Group Services & Amortisation	(63.0)	(55.0)	14%
Group Treasury	5.1	(22.4)	n/m
Net Operating Profit	445.9	354.2	26%
Property Investment Revaluations	51.6	61.0	(15%)
Statutory Profit	497.5	415.2	20%
Net Operating Profit excluding ATO interest	413.7	354.2	17%

David has already given you the statutory and net operating profit numbers.

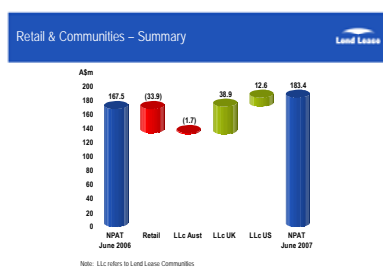
However it is worth noting one or two points within the profit report.

Firstly, the \$32 million after tax payment from the Australian Tax Office explains the major movement in the Group Treasury line from 2006 to 2007.

Secondly, because of the AIFRS Accounting Standards, the nearly \$52 million after tax in unrealised property revaluation gains does not fully reflect the valuation performance of all the Company's property assets.

As you can see from the slide, excluding the ATO payment, the net operating profit for the year was still up by a healthy 17%. So a pretty strong result, well ahead of our target, despite the construction provision in the first half.

Let's now turn to the core businesses, starting with Retail & Communities.



Overall, Retail & Communities turned in good profit growth of 9%.

This was achieved with no major asset sales in the Retail business; more normalised trading from Crosby as the impact of the fair value adjustment works through; and a substantially increased contribution from Actus.

Pleasingly the Communities numbers were up 36% despite the tough residential market conditions in New South Wales.

David showed you this slide before.

Global Scale

Region	Retail		Communities		Privatisation	
	No. of Centres	Value Under Development	Backlog No.	Backlog Sales Value	Total Assets	Value Under Development
UK	7	A\$3.2b	14,720	A\$13.0b	22	A\$0.9b
America	1	-	15,881	A\$2.3b	16 (62,400 homes)	A\$6.5b ⁽¹⁾
Australia	11	A\$1.4b	84,945	A\$17.7b	-	-
Singapore	4	A\$0.7b	-	-	-	-
Total	23	A\$5.3b	115,546	A\$33.0b	38	A\$7.4b

⁽¹⁾ Projects awarded and projects that have not achieved financial close

It shows the strength of the Group's development project pipeline across the three sectors where we invest the Group's capital – Retail; Communities and Privatisation.

The 2007 financial year saw us substantially expand the pipeline adding 5 retail, 2 communities and 5 privatisation projects. That momentum has been maintained post balance date with our selection to undertake two of the UK's highest profile urban regeneration projects to date:

- The £1.5 billion regeneration of the Elephant & Castle district, in London; and
- The £700 million town centre redevelopment at Preston, in the north of England.

I think the best way to report on the success of the Retail & Communities business is to run through some of the projects.

Lend Lease Communities - UK

Project: Stratford City
Location: 5 miles from Central London


Proposed development:

- Phase 1 – Athletes Village – London 2012 Olympics
 - Over 4,000 residential units
 - Substantial affordable housing component
- Phase 2 – rights post 2012
 - Over 500k sqm of retail and commercial
 - Residential / commercial

Total project value: £5.5b

Timeline: Phase 1 – commenced 2008

Services provided by Lend Lease: Preferred development partner – lead developer



Let's start with the 2012 London Athletes' Village and surrounding areas in Stratford. It showcases the scale and capabilities of our Communities operations.

Phase 1 involves the delivery of approximately 4,000 residential units to house the Olympic athletes. Phase 2, which is post the Olympics, involves the development of 500,000m² of community, retail and commercial areas surrounding the site.

Lend Lease is responsible for all aspects of the project including funding, design, construction, marketing and sale of completed dwellings, commercial and retail space. Total project development value over the two phases is around £5.5 billion.

This is a very exciting, very important and high profile project which will strengthen our brand reputation in the UK and generate multiple earnings opportunities for many years to come.

Lend Lease is focusing on these very big, complex and long term projects. Our integrated skill-set and business model give us a distinct competitive advantage where there are high barriers to entry for other players. These big projects are attractive to us as they provide the opportunity to secure long term earnings streams for our shareholders.

Turning to a retail development case study.

Lend Lease Retail – Australia

Centre:	Mid City Centre (Sydney CBD)
Location:	New South Wales
Area:	• Proposed Commercial 34,000m ² NLA • Proposed Retail 9,000m ² NLA
Redevelopment:	• September 2007 – 2010 • A\$750m
Owners:	• APPF Retail & Commercial Funds 25% • Fortius Funds Management 75%
Services provided by Lend Lease:	• Asset management • Development management • Property management • Project management • Design & construction
Lend Lease ownership interest:	Via APPF Retail & Commercial Funds



Mid City Centre in Sydney's CBD was an off-market acquisition utilising Lend Lease's integrated capabilities.

APPF Funds, which are managed by Lend Lease, acquired a 25% interest in both the retail and commercial components of the project.

APPF's 75% interest Joint Venture partner is Fortius Funds Management.

The new Mid-City Centre will comprise 38,000m² of offices over 29 levels and 9,000m² of prime retail between Pitt and George Streets.

We expect to start before Christmas.

Property and development management will be carried out by Lend Lease Retail and the design and construction services are to be provided by Bovis Lend Lease.

The slide shows that through our integrated business model, we will achieve five streams of earnings from this project.

Lend Lease Communities – US

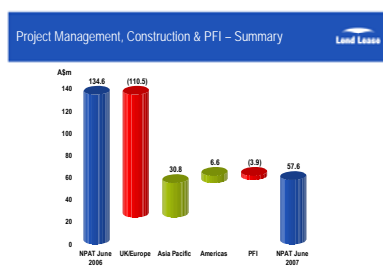
Project:	Hickam Community Housing Phases I & II
Location:	Hawaii
Units under management:	Phase I – 1,256 Phase II – 1,118
Concession term:	To 2055
Services provided by Actus Lend Lease:	• Development management • Design & construction • Asset management
Invested equity:	Phase I – US\$16m Phase II – US\$25m



The US\$240 million Hickam Community Housing project is a great example of the Actus Lend Lease military housing operation in the US.

The project involves the renovation, construction and management of on-base family housing under a 50-year concession agreement for approximately 1,350 homes.

Beyond the current family housing program, Actus has secured the first stage of the US\$1.2 billion base hotel lodging program, and is well placed to participate in the yet to commence US\$20 billion barracks program and Base Realignment and Closure program.



Turning now to the Project Management and Construction operations, clearly the provision taken against some UK construction projects in the first half was disappointing.

However, we have taken a number of steps to address the problems that led to the provision. We are now comfortable with the program and outlook for the Manchester Hospitals project. The other UK projects on which losses had been incurred are now either complete, or well advanced.

Apart from the first half provision, the UK construction operations have continued to win good levels of new work. It will take time for the UK to return to more normal levels of profitability but that journey has definitely commenced.

We should not let the UK result for 2007 obscure the very good performances from the other three regional Bovis Lend Lease operations.

Asia Pacific turned in a particularly strong result and has continued a strong new work win rate since June with wins on major projects such as the \$470 million redevelopment of Top Ryde shopping centre in Sydney; the \$850 million redevelopment of Royal Children's Hospital in Melbourne; and the \$180 million redevelopment of Robina Town Centre on the Gold Coast.

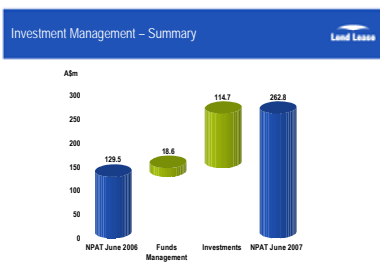
In the US, the construction operations achieved a 20% increase in net profit in local currency and enjoyed particularly strong deal flow in healthcare and education projects.

Strong Pipeline

Region	Value A\$m*	FY2004	FY2005	FY2006	FY2007
Bacon Hill Town Centre	415				
Brisbane Airport	287				
Australian Taxation Office, Canberra	265				
Abbott Laboratories	305				
Wells Stadium (JV)	350				
St David's 2, Cardiff	700				
Louis Oncology Wing	405				
Sheffield Student Accommodation	219				
Lancashire Schools	580				
St. Mary's	779				
Johns Hopkins	277				
Lancashire Waste (JV)	300				
New York Post Station (JV)	250				
WTC Renovation	600				
Mumbai	260				
Wool City Centre, 400 George Street, Sydney	260				
Top Ryde	450				
Fairfax Post Office, New York	1,350				
Generali Insurance, New York	1,250				
Approx. construction values	9,542		Secured	Profound Pipeline	

This slide shows a selection of the major projects in the strong pipeline of work for Bovis. The rate of new business wins remains strong – in fact all our markets across the globe are very strong.

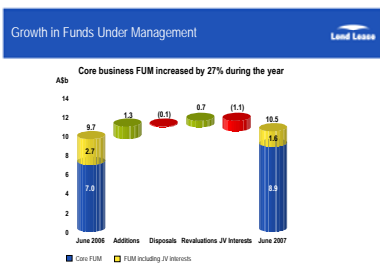
Finally, let me take you through the Investment Management results and operations.



This was an outstanding contributor to the Group profit with a nearly 100% increase in profit after tax over the previous year.

We reaped the rewards of holding on to the Group's investment in the Global Fund rather than selling it when we exited the US REI operations back in 2003 and 2004. We also generated a profit on the sale of a now non-core funds management joint venture in Europe.

Underlying profit from Investment Management is also strong, as is growth in funds under management.



This slide is particularly pleasing. Our core funds under management increased by 27%, represented by the blue bar. This excludes our JV interests in Generali and Resolution Capital, both of which were non-core and have been sold.

The growth was driven by strong new funds flow and a number of acquisitions – primarily by Australian Prime Property Fund.

The Investment Management business is clearly contributing to our integrated model.

A great example of this is the Asian Retail Investment Fund, or ARIF, as it is known.

Investment Management – Asia Pacific 

Fund	Asian Retail Investment Fund (ARIF)
Location	Singapore
Equity raising	<ul style="list-style-type: none">• First close December 2006 – \$375m• Second close May 2007 – \$325m
Target gearing	<ul style="list-style-type: none">• 60-65%• Capacity to invest in over \$2b of projects
Lend Lease co-investment	10%
Seed asset	Somerset Central (under development – completion 2010)



Somerset Central, Orchard Road Singapore

We launched ARIF in December 2006 and completed our second close in May 2007 with S\$700 million in total equity commitments. The fund will target a 15% geared IRR from retail and mixed-use assets, primarily in Singapore. ARIF also has the capacity to invest in Malaysia, Thailand and Taiwan.

ARIF has about \$2.4 billion of investment capacity. Its first asset will be Somerset Central, a prime site on Orchard Road where we are developing a 30,000m² shopping centre. Lend Lease will hold a 25% direct interest in the asset and a 10% interest in the ARIF fund, which will own the remaining 75%.

Again, in line with the strategy I explained at the outset, Lend Lease will manage all phases of Somerset Central – development, leasing, project management and construction and on completion, asset and property management services and funds management.

Construction is underway, leasing will start later this year and we are targeting completion by Christmas 2009.



2007 Annual General Meeting

Greg Clarke
Group CEO



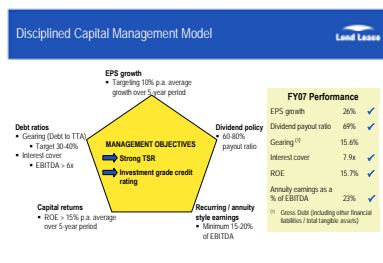
Imagine

Create

Ladies and gentlemen, the business performed well in 2007. I hope that the projects that I have introduced you to today give you a good

understanding of how we are maximising earnings for shareholders through our diversified, but increasingly integrated businesses.

I want to conclude my operations review today with a quick check against our stated financial performance parameters.



We introduced you to our “pentagon” of management’s key financial performance measures last year.

By ensuring that Lend Lease capital is actively managed so that the five parameters are achieved each year, we believe we will deliver consistently, strong total shareholder returns, while maintaining an investment grade credit rating to help minimise our cost of capital.

The pentagon also provides shareholders with a clear set of measures on which to judge the Company’s strategic decisions, use of your capital and management performance.

How did we go in FY 2007?

26% growth in earnings per share compared to targeted average 10% p.a. growth over five years.

Annuity style income was 23% of EBITDA compared to our minimum target of 15-20%.

The dividend payout and return on equity were both on target and while our gearing was lower than we want, our business plan for the next three years will see us move into the target range.

Overall we think that is a very good score, and the result suggests to us that the parameters are the right ones to be working within.



The Company has made a great deal of progress towards its ultimate objective of maximising, long term growth in shareholder value over this last year.

That of course is a never-ending challenge. However, I believe shareholders have good grounds to be confident about the outlook for Lend Lease.

Our proven ability to leverage the full range of earnings opportunities across the property value chain augurs well for continuing growth over the short to medium term.

We have a strong balance sheet to fund our quality development pipeline. Construction profit backlog is at record levels. Lend Lease managed property funds continue to deliver competitive returns, which in turn is attracting equity to those funds.

Lend Lease is indeed an opportunity rich company. We have a lot of work to do to execute our strategy over the next four or five years. We are well placed to do just that and we believe we will turn today's significantly improved performance into superior performance for our shareholders.

In pursuing that objective, I equally subscribe to the importance of achieving our goals to become an Incident and Injury Free and truly sustainable organisation. We cannot pursue growth in value for shareholders at the expense of the safety and well-being of any employee. Nor will we maintain growth in the long term if we don't understand and care about the impact our activities have on the environment and societies in which we operate.

Finally in closing my report to you, I extend a big vote of thanks and appreciation to my colleagues on the senior management team and to all employees for their commitment and their many outstanding achievements which have combined to deliver a very good result for the owners of Lend Lease.



2007 Annual General Meeting

Greg Clarke
Group CEO



Strong Opportunities & Competitive Positioning



Business

Retail & Communities



Backlog

Retail Development Pipeline – A\$5.3b

Communities – 115,000 lots under management (A\$33b sales value)

Military Housing – 42,400 units under management (Value under development A\$7.4b)

Competitive Positioning

Integrated capability in retail

15-year residential backlog in Australia

Growing backlog in US & UK

Actus leading player in military housing sector

Building backlog in US

Investment Management



A\$8.9b funds under management

Established funds in Australia, UK and Singapore

Coverage across all ends of risk spectrum

Largest wholesale fund in Australia

Outstanding performance record

Primarily retail assets

Strong pipeline of internal assets for funds

Project Management, Construction & PFI



Backlog GPM of A\$793m

A\$500m of GPM secured

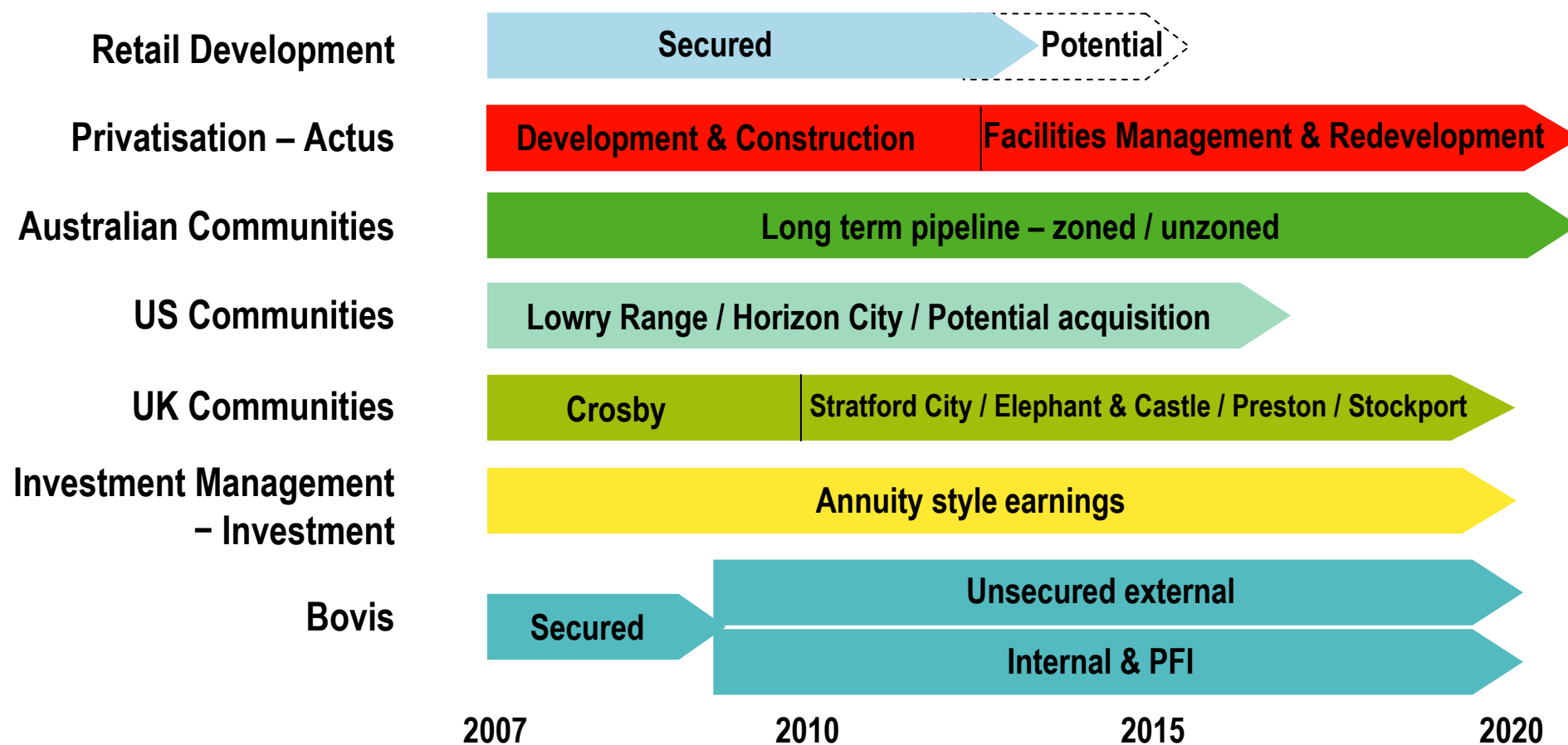
Equity of £94.2m in PFI stakes

Top 4 player in UK

Top 3 player East Coast US

Leader in chosen sectors in Australia

Longer Term Earnings Visibility



Organisation Structure



Greg Clarke
Chief Executive Officer



Ross Taylor
Chief Operating Officer



Steve McCann
CEO – Investment Management
Finance Director

Executive Office

- Corporate Centre**
- Communications
 - Group Finance
 - Human Resources
 - Incident & Injury Free
 - Information Technology
 - Legal
 - Risk
 - Strategy/M&A
 - Sustainability

Senior Operational Management

Bovis Lend Lease



Mark Menhinnitt
CEO – Project Management & Construction



Pete Marchetto
Americas



Sergio Casari
Asia Pacific



Murray Coleman
UK



Mark Fletcher
Continental Europe & Middle East

Retail & Communities



Nigel Hugill
UK



Mike Bellaman
US



David Hutton
Asia Pacific



Rod Fehring
New Opportunities

Investment Management



Anthony Pascoe
Chief Operating Officer



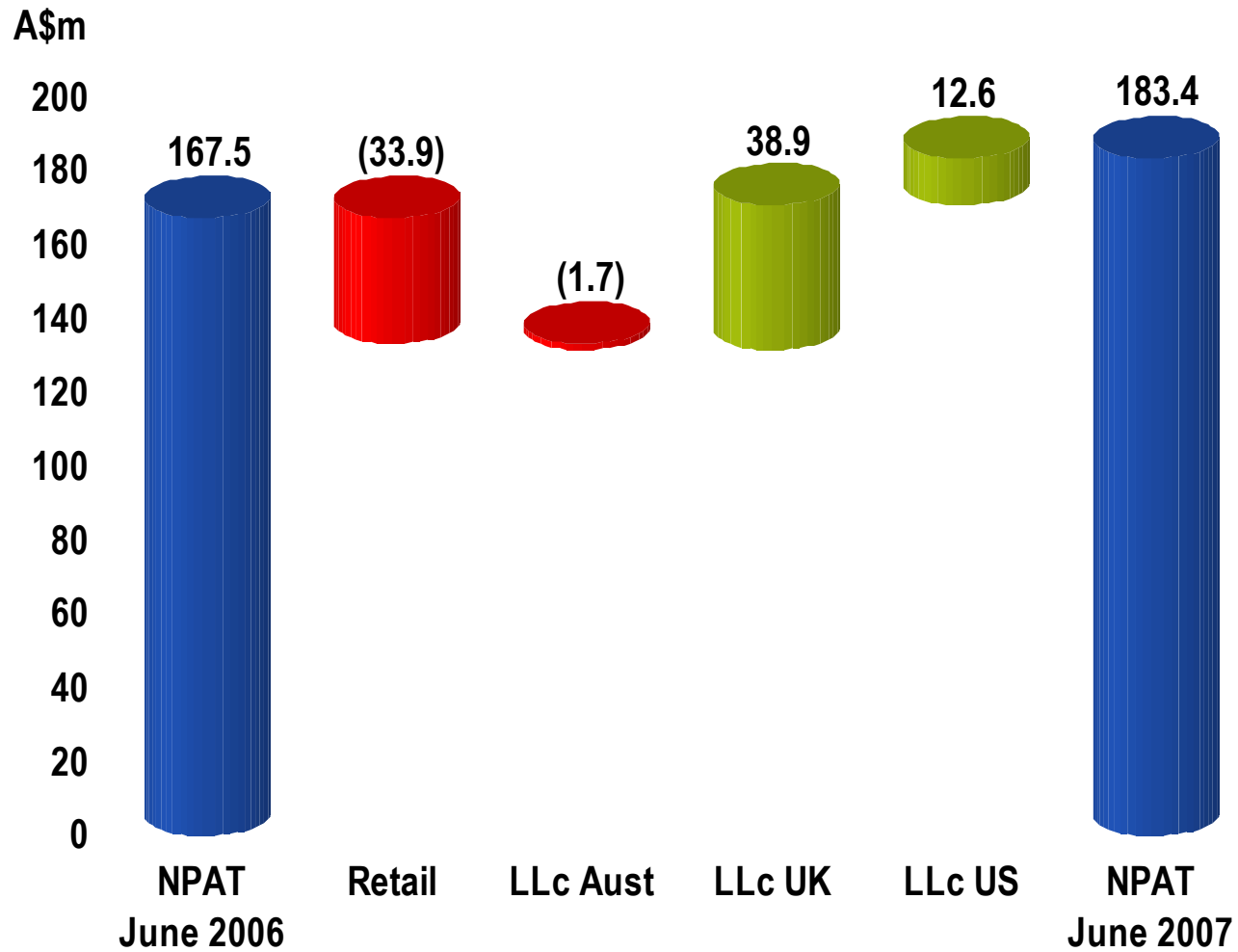
Rob Hattersley
Chief Investment Officer

Group Performance Summary After Tax



	June 2007 A\$m	June 2006 A\$m	% change
Retail & Communities	183.4	167.5	9%
Project Management, Construction & PFI	57.6	134.6	(57%)
Investment Management	262.8	129.5	103%
Operating Businesses	503.8	431.6	17%
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Net Operating Profit	445.9	354.2	26%
Property Investment Revaluations	51.6	61.0	(15%)
Statutory Profit	497.5	415.2	20%
Net Operating Profit excluding ATO interest	413.7	354.2	17%





Retail & Communities – Summary



Note: LLc refers to Lend Lease Communities

Global Scale



Region	Retail		Communities		Privatisation	
	No. of Centres	Value Under Development	Backlog No.	Backlog Sales Value	Total Assets	Value Under Development
UK 	7	A\$3.2b	14,720	A\$13.0b	22	A\$0.9b
America 	1	-	15,881	A\$2.3b	16 (42,400 homes)	A\$6.5b ⁽¹⁾
Australia 	11	A\$1.4b	84,945	A\$17.7b	-	-
Singapore 	4	A\$0.7b	-	-	-	-
Total	23	A\$5.3b	115,546	A\$33.0b	38	A\$7.4b

⁽¹⁾ Projects awarded and projects that have not achieved financial close

Lend Lease Communities – UK



Project:	Stratford City
Location:	5 miles from Central London
Proposed development:	<ul style="list-style-type: none">Phase 1 – Athletes Village – London 2012 Olympics<ul style="list-style-type: none">Circa 4,000 residential lotsSubstantial affordable housing componentPhase 2 – rights post 2012<ul style="list-style-type: none">Draw down land as requiredResidential / commercial
Total project value:	£5.5b
Timeline:	Phase 1 – commencement 2008
Services provided by Lend Lease:	Preferred development partner – lead developer



Lend Lease Retail – Australia



- Centre: Mid City Centre (Sydney CBD)
- Location: New South Wales
- Area:
- Proposed Commercial 34,000m² NLA
 - Proposed Retail 9,000m² NLA
- Redevelopment:
- September 2007 – 2010
 - A\$750m
- Owners:
- APPF Retail & Commercial Funds 25%
 - Fortius Funds Management 75%
- Services provided by Lend Lease:
- Asset management
 - Development management
 - Property management
 - Project management
 - Design & construction
- Lend Lease ownership interest: Via APPF Retail & Commercial Funds



Lend Lease Communities – US



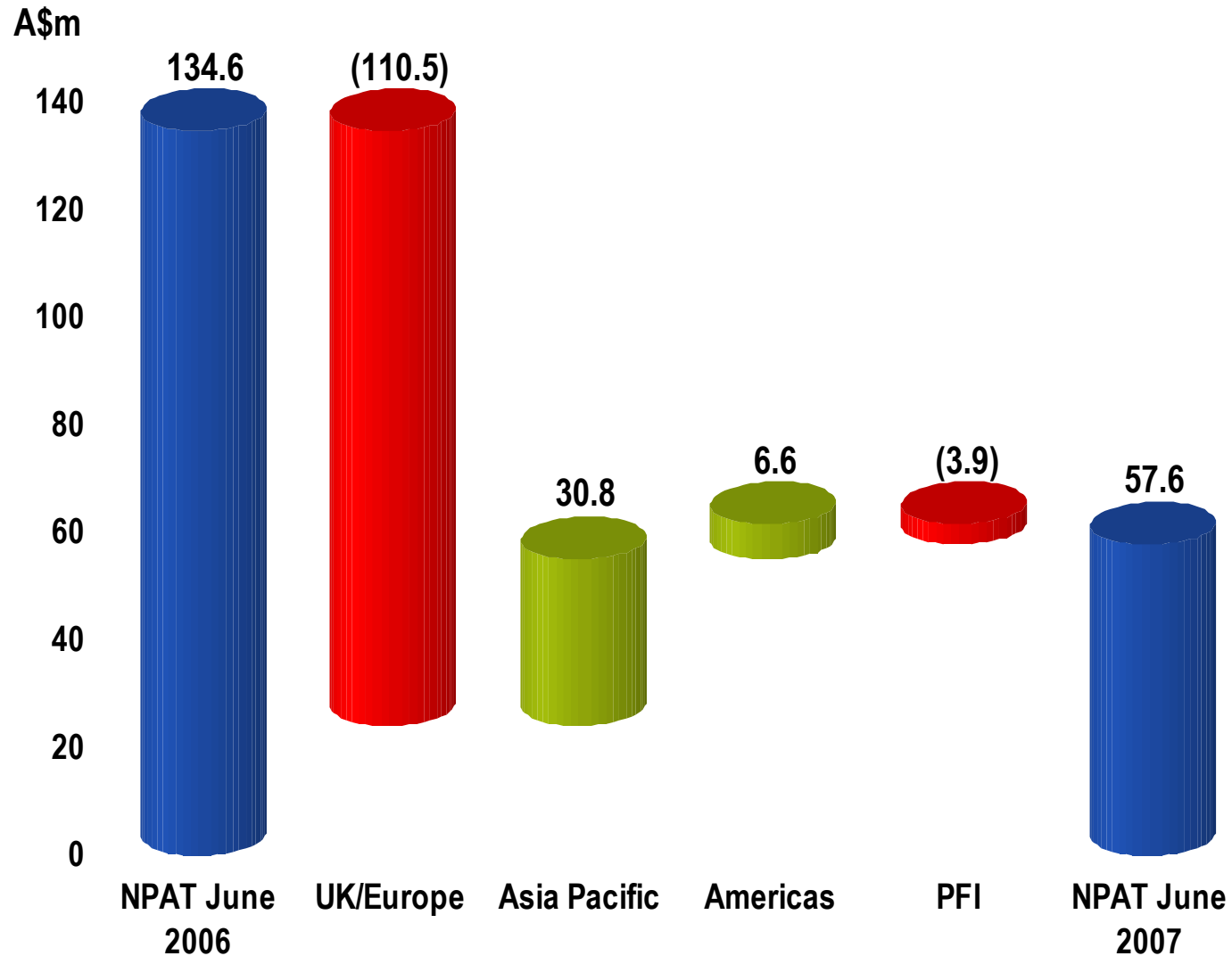
Project: Hickam Community Housing Phases I & II
Location: Hawaii
Units under management: Phase I – 1,356
Phase II – 1,118
Concession term: To 2055
Services provided by Actus Lend Lease:

- Development management
- Design & construction
- Asset management

Invested equity: Phase I – US\$16m
Phase II – US\$25m



Project Management, Construction & PFI – Summary

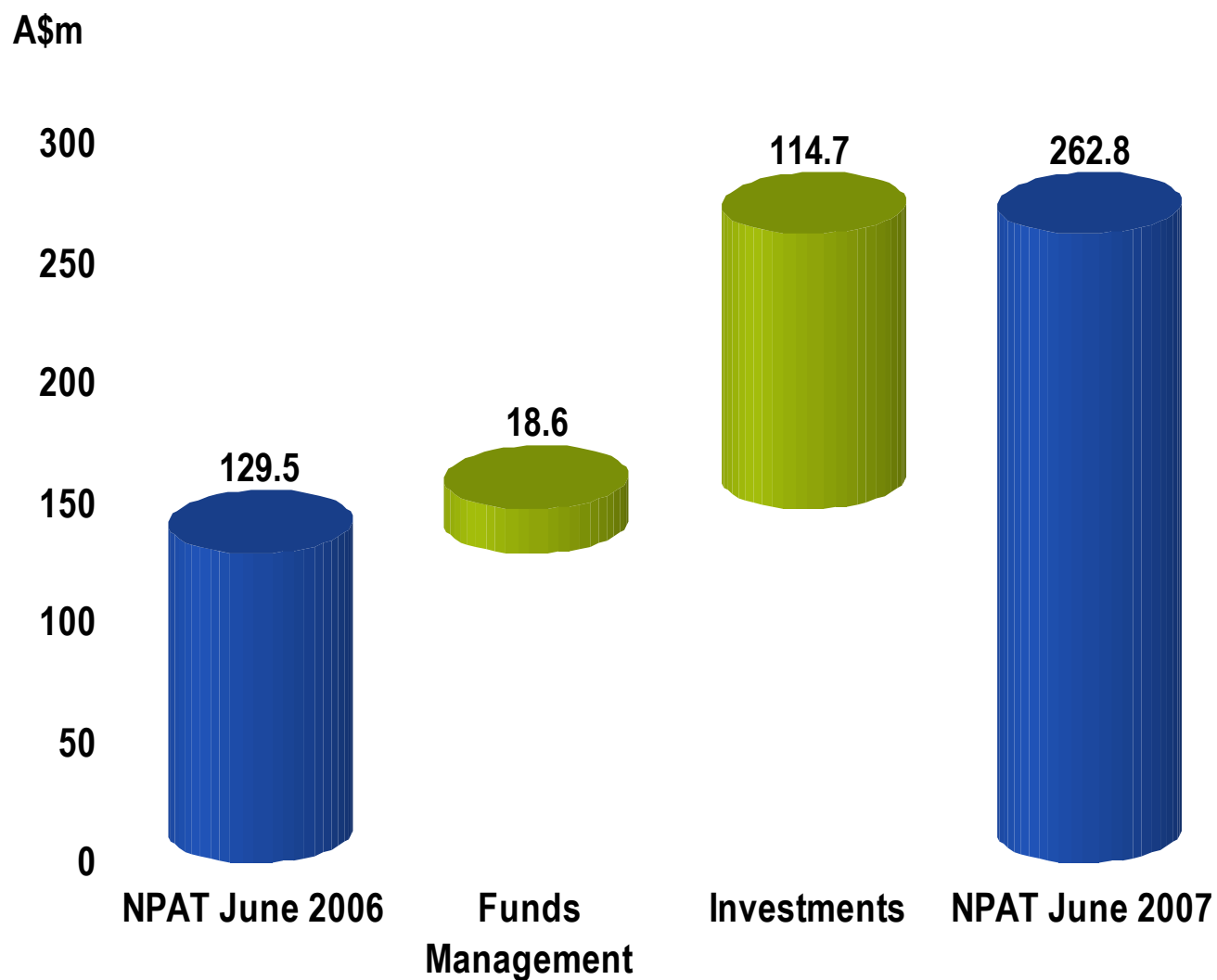


Strong Pipeline



	Region	Value A\$m*	FY2006	FY2007	FY2008	FY2009
Rouse Hill Town Centre	Asia Pacific	415				
Brisbane Airport	Asia Pacific	287				
Australian Taxation Office, Canberra	Asia Pacific	245				
Abbott Laboratories	Asia Pacific	305				
Mets Stadium (JV)	Americas	350				
St David's 2, Cardiff	Europe	700				
Leeds Oncology Wing	Europe	405				
Sheffield Student Accommodation	Europe	379				
Lancashire Schools	Europe	580				
SLAM 2	Europe	779				
ANZ@Docklands	Asia Pacific	377				
Lancashire Waste (JV)	Europe	300				
New York Path Station (JV)	Americas	250				
WTC Memorial	Americas	600				
Mulwala	Asia Pacific	260				
Mid City Centre, 420 George Street, Sydney	Asia Pacific	260				
Top Ryde	Asia Pacific	450				
Farleigh Post Office, New York	Americas	1,350				
Columbia University, New York	Americas	1,250				
* Approx. construction values		9,542		Secured	Preferred Position	

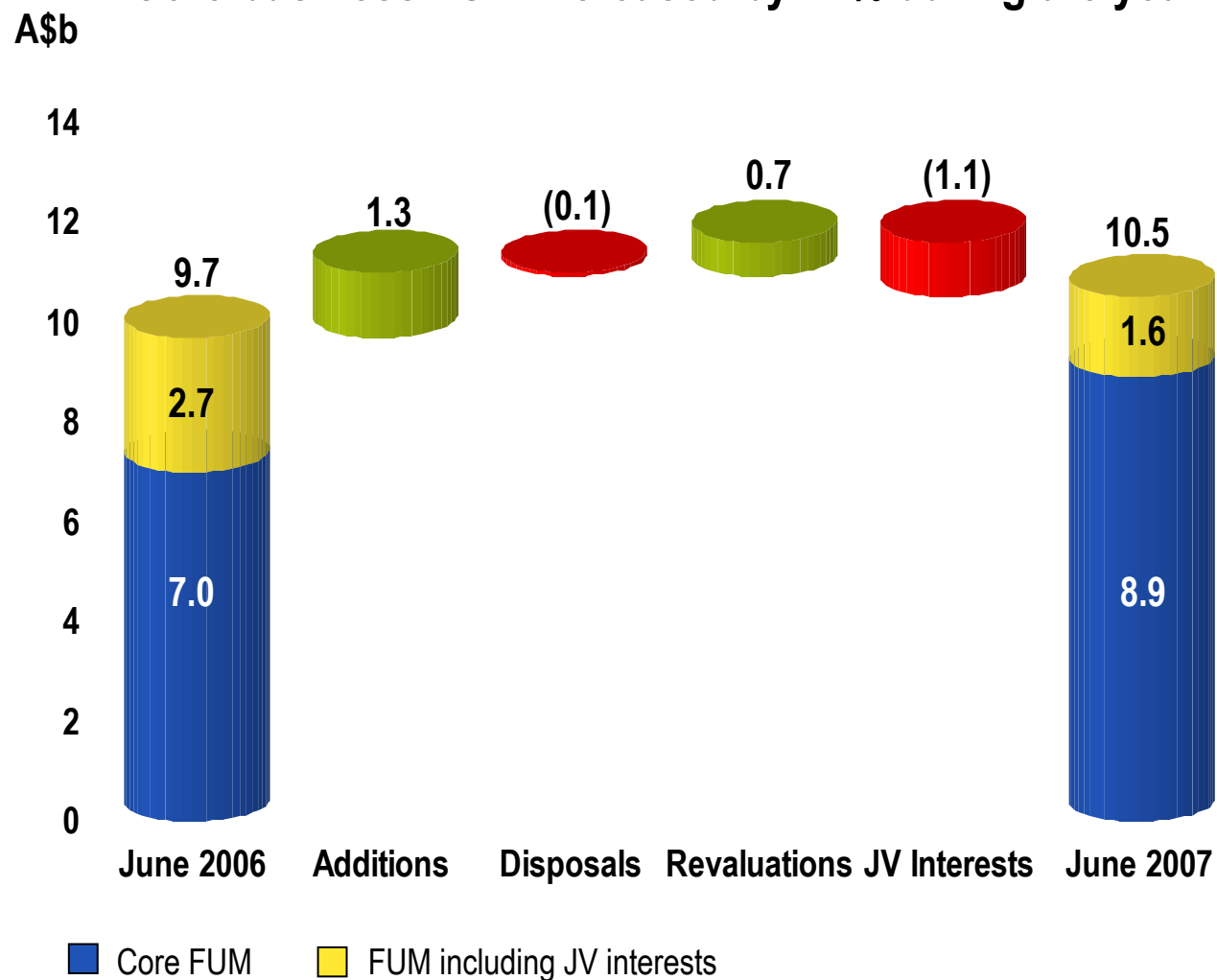
Investment Management – Summary



Growth in Funds Under Management



Core business FUM increased by 27% during the year



Investment Management – Asia Pacific

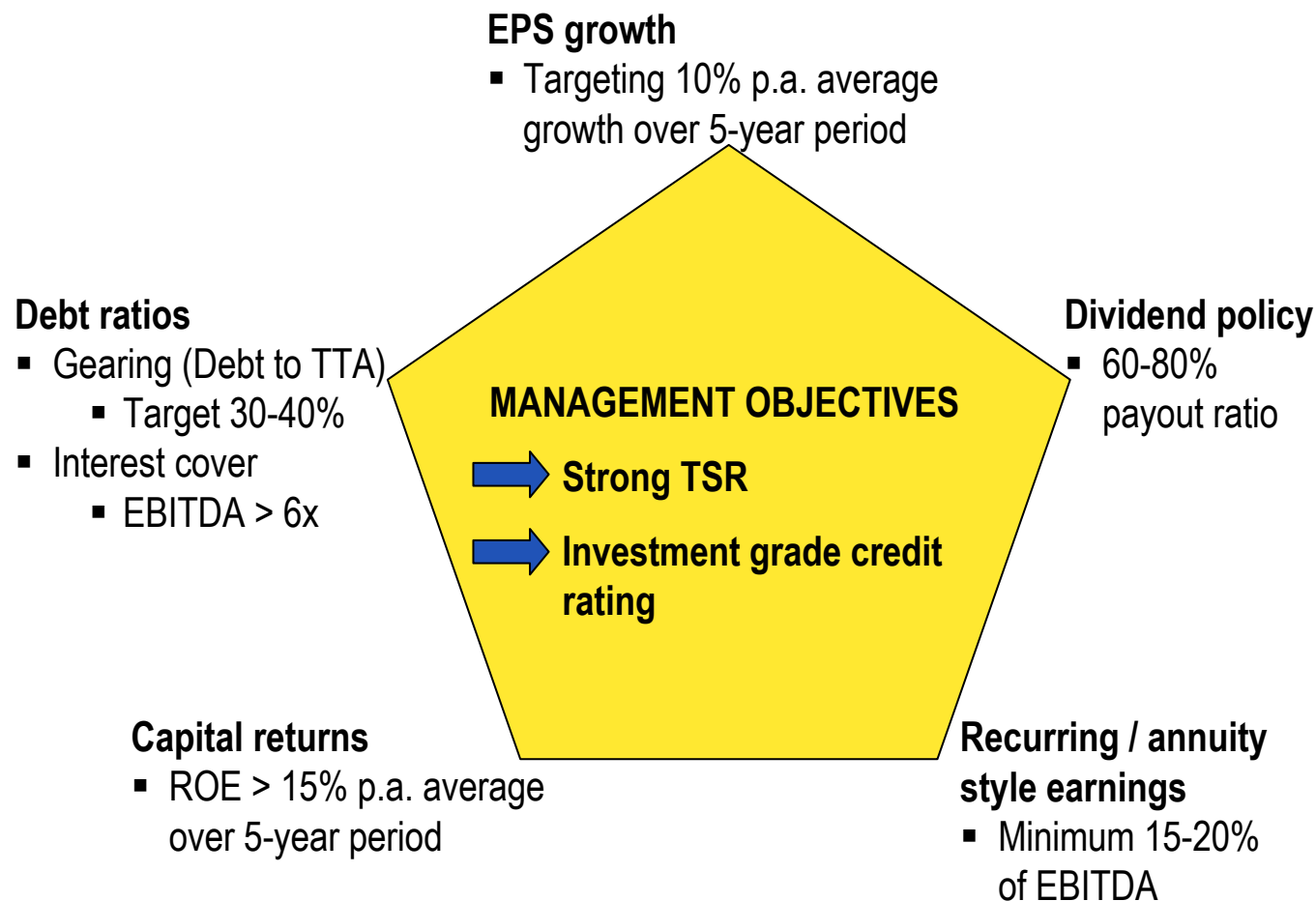


- Fund: Asian Retail Investment Fund (ARIF)
- Location: Singapore
- Equity raising:
- First close December 2006 – \$375m
 - Second close May 2007 – S\$325m
- Target gearing:
- 60-80%
 - Capacity to invest in over S\$3b of projects
- Lend Lease co-investment: 10%
- Seed asset: Somerset Central (under development – completion 2010)



**Somerset Central, Orchard Road
Singapore**

Disciplined Capital Management Model



FY07 Performance

EPS growth	26%	✓
Dividend payout ratio	69%	✓
Gearing ⁽¹⁾	15.6%	
Interest cover	7.9x	✓
ROE	15.7%	✓
Annuity earnings as a % of EBITDA	23%	✓

(1) Gross Debt (including other financial liabilities / total tangible assets)