2007 Annual General Meeting

Speech by David Crawford

Chairman

Good morning, ladies and gentlemen, and welcome to the 2007 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 left, David Ryan, Chairman of our Risk Management and Audit Committee; Ross Taylor, the Group's Chief Operating Officer; Peter Goldmark, Chairman of our Nomination Committee; Greg Clarke, the Group's Managing Director and CEO; Gordon Edington; Julie Hill, Chairman of our Sustainability Committee; and Phillip Colebatch, Chairman of our Personnel & Organisation Committee. Also on stage is Sue Sharpe, our Company Secretary.

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

Also in attendance are Steve McCann, Group Finance Director and the Group's auditors, KPMG, who will be available to assist with answers to any questions shareholders may have relating to the accounts and audit.

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

Statutory Profit of $497.5 million after tax for the year to June 2007 was up 20% on the 2006 result. Net Operating Profit rose 26% to just under $446 million after tax.

As we had always expected, Lend Lease won a drawn out dispute with the Australian Tax Office over a tax assessment on a transaction dating back to 1996. This resulted in a payment from the ATO to Lend Lease of more than $32 million after tax.

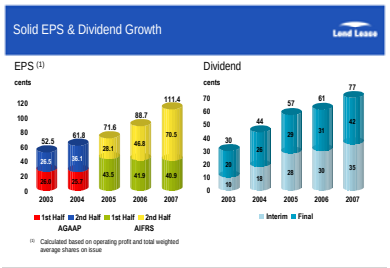
Excluding that payment, as well as unrealised revaluation gains on property investments, the Group's underlying Net Operating Profit was still up 17% on the previous year.

Earnings per share on Operating Profit continued the positive trend of recent years and was up 26% to 111.4 cents per share.

The Board declared a final dividend for the year of 42 cents per share, franked to 50%. The total dividend for the year was 77 cents per share.

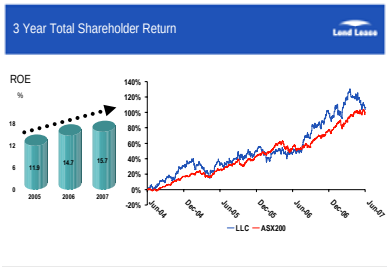
This represents a payout ratio of 69% of the operating profit, and is around the mid point of the Board's policy of paying out between 60 and 80% of operating profit as dividends.

We expect that dividends for the current financial year will be between 30% and 50% franked as the proportion of earnings from international operations continues to grow.



Lend Lease has established a solid growth record for growth in earnings per share and dividends over the last five years.

Your Board and senior management team are confident of the outlook for continued growth.



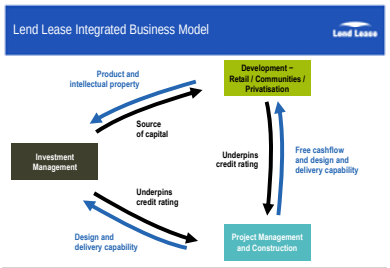
As earnings per share and dividends have grown, Lend Lease has also steadily moved towards, and this year exceeded, the Group's target of a minimum return on equity of 15%.

Capital is allocated across the Group always with an eye on the cumulative return on equity for shareholders.

The steady growth in EPS and dividends, the improvement achieved in return on equity, the Company's strong balance sheet and its secured pipeline of future earnings have attracted increased, positive market interest in Lend Lease.

That positive interest is reflected in the performance of Lend Lease shares compared to the ASX top 200 companies index.

For the year to June 2007 Lend Lease delivered a total shareholder return – that is dividends plus share price growth – of 38%. This compares to the total average return for the top 200 companies listed on the ASX of 28.5%.



We are confident about the future because of the strength of the Group's integrated business model and the Company's competitive position across the regions and sectors in which we choose to operate.

Today, Lend Lease is an integrated property company.

This slide shows how each of the core operations both underpins and derives benefits from the others.

The business model brings together the skills to develop, create, manage and securitise real estate assets, delivering value for our clients while generating multiple earning streams and other financial benefits for the Group.

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

Our geographic reach and sector diversity also mean that we are not overexposed to any one region or sector at varying stages of the business cycle. This means the Company's overall earnings growth should be less susceptible to external influences beyond the Group's control.

At June, Lend Lease had a pipeline of development projects across its Retail, Communities and Privatisation operations valued at around $45 billion. By September this year, that pipeline had increased to more than $60 billion in development value with wins on major urban regeneration projects in the UK, such as Stratford, Elephant & Castle and Preston.

The development pipeline is now very well diversified by sector, region and project timetable. Lend Lease is set to derive earnings from these projects over the next 15 years and there is ample opportunity to add new projects to the pipeline.

Global Construction Platform with Leadership Positions

Region	Headcount	Backlog GPM FY07	Key Sectors
Americas	3,067	A$297m (37%)	▪ Multi-family ▪ Healthcare ▪ Education
Europe	3,810	A$371m (47%)	▪ Commercial ▪ Retail ▪ Healthcare ▪ Government / Civic ▪ Project management services (CEMEA)
Asia Pacific	2,138	A$125m (16%)	▪ Commercial ▪ Retail ▪ Telecommunications

On the Construction side of the business, the future is also looking quite positive with record workload and high visibility of future project opportunities.

As you know, the Group took a substantial provision against some UK construction projects during the first half of the year to June 2007. Some shareholders have asked whether it might be better for Lend Lease to sell its Construction business in order to avoid the risk of any future construction losses.

We are firmly of the view that Construction is an integral component of the Lend Lease business model. Bovis Lend Lease brings multiple benefits to the Group.

Its operations generate positive cash and high return on equity. Its design and construction expertise gives Lend Lease a competitive edge in development activity and differentiates the Lend Lease service offering to clients. With 8,000 employees, it is also a vital breeding ground for future Group management talent.

Just a point of clarification. The numbers in the table here show Backlog Gross Profit Margin, i.e. the amount of estimated future profit before Group overheads embedded in construction contracts we have already won. This differs to a number of our competitors, who talk in terms of revenue backlog.

Investment Management – Our Products

Region	Type of Funds	FUM [1]	Pipeline / Investment Capacity
Australia	Core, Core Plus, Enhanced, Value Add	A$4.9b	A$1.3b development pipeline in APPF alone
Asia	Core Plus, Value Add	A$1.2b	A$2.4b of investment capacity in ARIF
UK	Core, Value Add	A$2.8b	Access to A$3.2b Lend Lease Retail & A$13b Communities pipeline

[1] Excludes JV interests

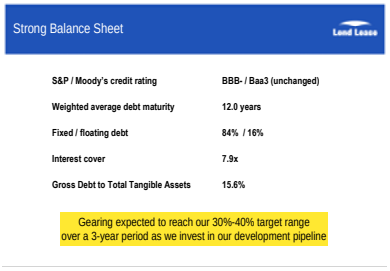
Our confidence in the future is also supported by the performance and outlook for the third leg of the Group's business model – Investment Management.

During the year to June 2007, Lend Lease increased Funds Under Management by 27%.

That growth was fuelled by new equity inflow and a number of asset acquisitions by the funds we manage.

Lend Lease established a major new fund, the Asian Retail Investment Fund, and management is looking at options to establish new funds in the UK over the next couple of years. Given the Group's $60 billion development pipeline, there is a lot of scope to grow both existing and new investment funds around the Group's development projects well into the future.

I trust that you will agree with me that your Directors and management have a sound basis for our confidence in the Company's future earnings prospects, and that the work we have done over recent years to refocus Lend Lease has created the opportunity for solid and continuing growth in shareholder value.



The Group has the required capacity to deliver on the growth opportunities it has secured.

The balance sheet is robust and the Company's investment grade credit rating is unchanged.

Gearing remains conservative. Given the upheaval in debt markets over recent months that conservatism has proven to be a distinct advantage.

With 84% of debt at fixed rates, average maturity of 12 years and interest cover at 7.9 times, Lend Lease has substantial debt capacity to fund its development pipeline and expansion plans.

The Company's growth will also be funded from recycling its capital.

This is an important part of the business model.

As projects mature, they are wholly or partially sold down, preferably to funds managed by Lend Lease. The capital and some profits released are reinvested to ensure the Group's capital base for future earnings continues to grow. For example, during the 2007 financial year, Lend Lease divested $1.1 billion of assets and investments but increased its invested capital base from $4.1billion to $4.4 billion.

We will be investing more than $5 billion over the course of the current three year business plan – that is about the same amount as we invested over the previous plan period. Most of that will be on identified pipeline projects.

As a result, we expect gearing to increase to over 30% over the next three years. This would put us at the lower end of the Board's target gearing range of 30%-40% excluding any material, strategic acquisitions.

Before asking Greg to deliver his report to you, I want to touch on one or two very important corporate governance matters.

The first matter I want to raise with you is safety in our work places.

Our aspiration to be a sustainable organisation must be founded on the safety of nearly 11,000 employees and the millions of people who work on our projects, shop at our retail centres and live in the residential communities we create.

While I am pleased to report that the Company-wide commitment to operating Incident and Injury Free has helped to deliver a global downward trend in lost time injury rates, nine people died on construction sites where Lend Lease has a presence.

This is not just a sad fact of life – it is clearly unacceptable.

Every Director of Lend Lease, every senior executive and we believe every single employee is committed to achieving and maintaining an Incident and Injury Free work place.

During the year we agreed that a more holistic approach to health and safety is needed – one that achieves a better linkage between our intentions and our behaviours and processes.

To achieve this, we have established a new safety leadership team headed by Ross Taylor in his new role as Group Chief Operating Officer. Included in our revised approach is a new set of standards for the Lend Lease team, our project clients, employees and contractors. This safety approach extends beyond Group employees to our supply chain and broader industry initiatives.

Safety performance will be a key criteria for all executives on short term incentives.

We are determined to succeed in our objective to work Incident and Injury Free everywhere we operate, irrespective of local regulatory, cultural and business attitudes.

The message is starting to get through. Nearly 90% of respondents to a recent global Lend Lease employee survey rated safety as a high priority. This was the highest score for all issues covered in the survey.

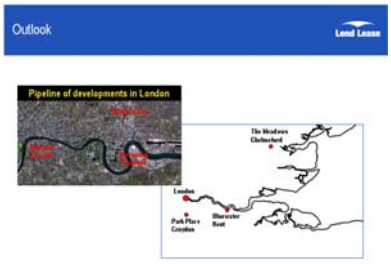
The second governance matter I want to address is how Lend Lease is tracking in its endeavours to become a truly sustainable organisation.

As you know, in 2005 the Group produced its inaugural Sustainability Report.

This year Lend Lease implemented a wide range of systems and processes that will enable us to begin to properly understand, monitor and ultimately improve the environmental and social impact of the Group's operations globally.

This includes monitoring and reporting right through to Board level on safety performance; greenhouse emissions; energy use and waste generation and recycling in our offices around the world.

This is a huge task, given the diverse and widespread nature of the Company's operations globally, but I am pleased to say we have made a good start this year. I encourage you all to read the sustainability report contained in the Annual Report.



To conclude my opening remarks, ladies and gentlemen, I extend my thanks to all Lend Lease employees, Greg and his senior management team and my fellow Directors for their energy and commitment to delivering an overall very good result for shareholders.

Lend Lease is performing well. The Group has a well-defined plan, strong balance sheet and an outstanding pipeline of business growth prospects which augurs well for ongoing growth in shareholder value.

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

Lend Lease

2007 Annual General Meeting

David Crawford

Chairman

Summary – Year to June 2007

Lend Lease

Statutory Profit	A$497.5m	↑	20%
Net Operating Profit [1]	A$445.9m	↑	26%
Earnings Per Share [2]	111.4¢	↑	26%
Full Year Dividend [3]	77¢	↑	26%

Notes:

(1) Net Operating Profit after tax excluding property revaluations, including interest from the ATO of A$32.2m

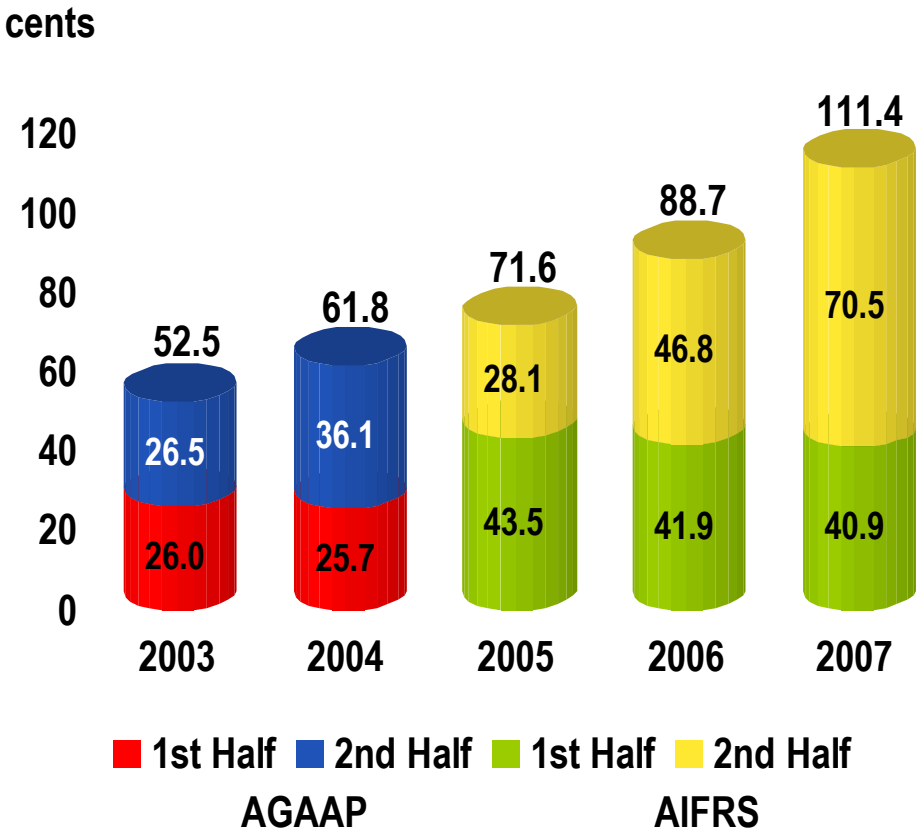
(2) Calculated based on operating profit and total weighted average shares on issue

(3) Franked to 50%

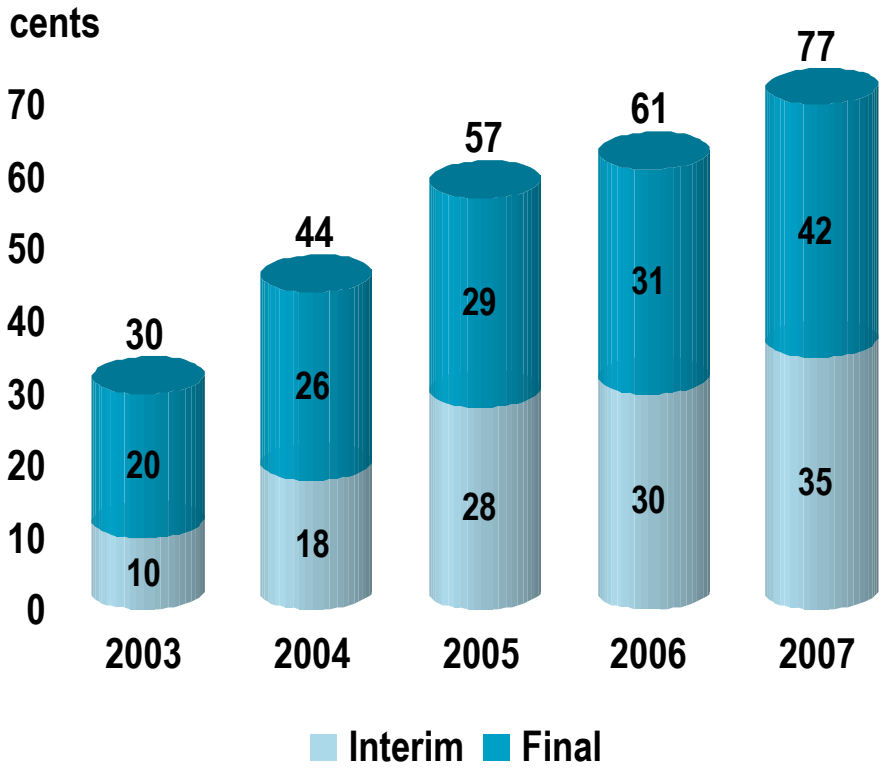
Solid EPS & Dividend Growth

Lend Lease

EPS [1]



Dividend



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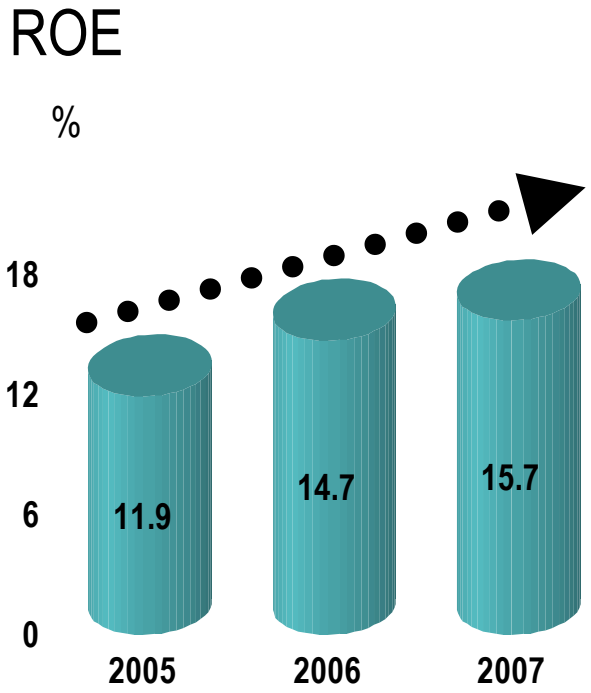
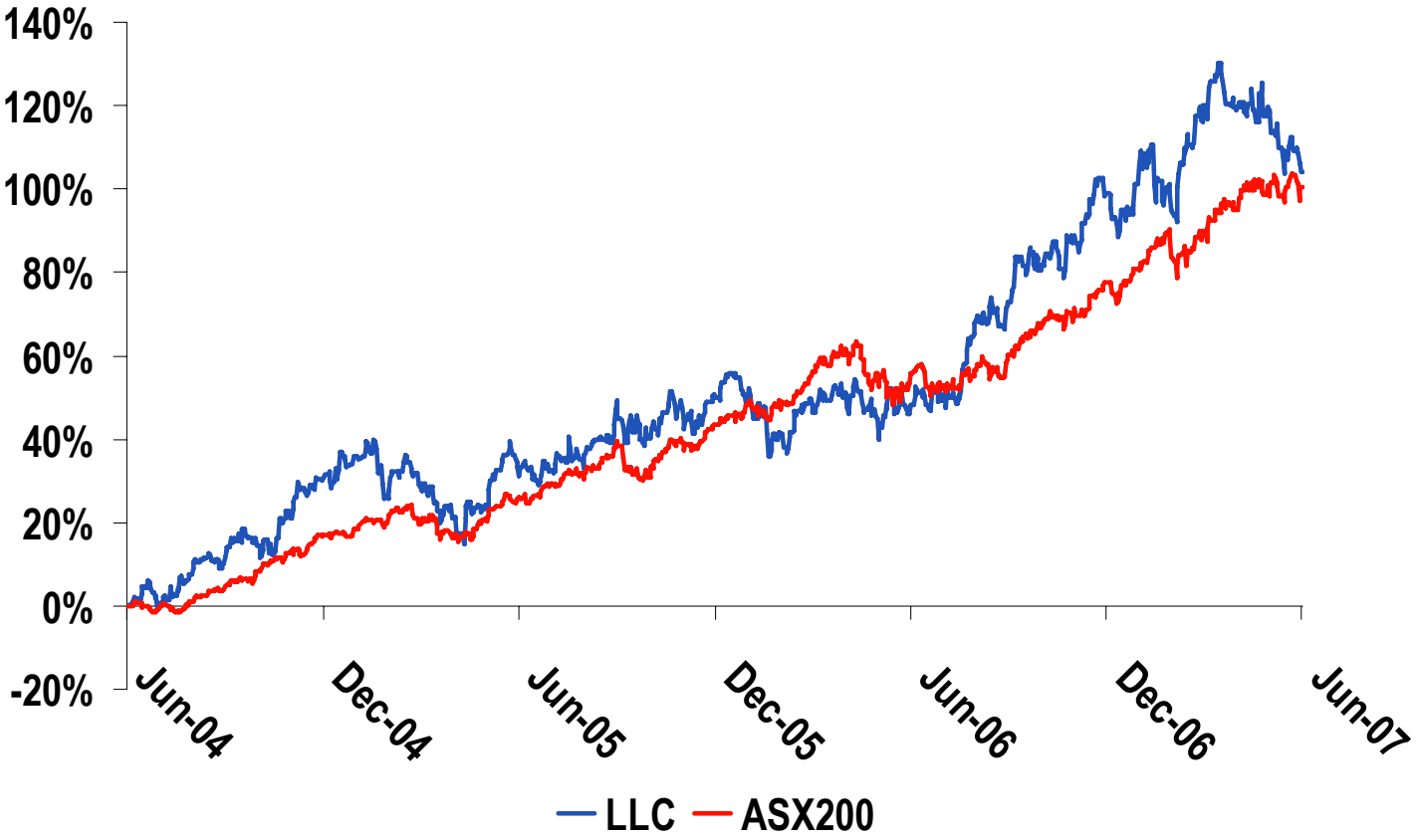
3 Year Total Shareholder Return

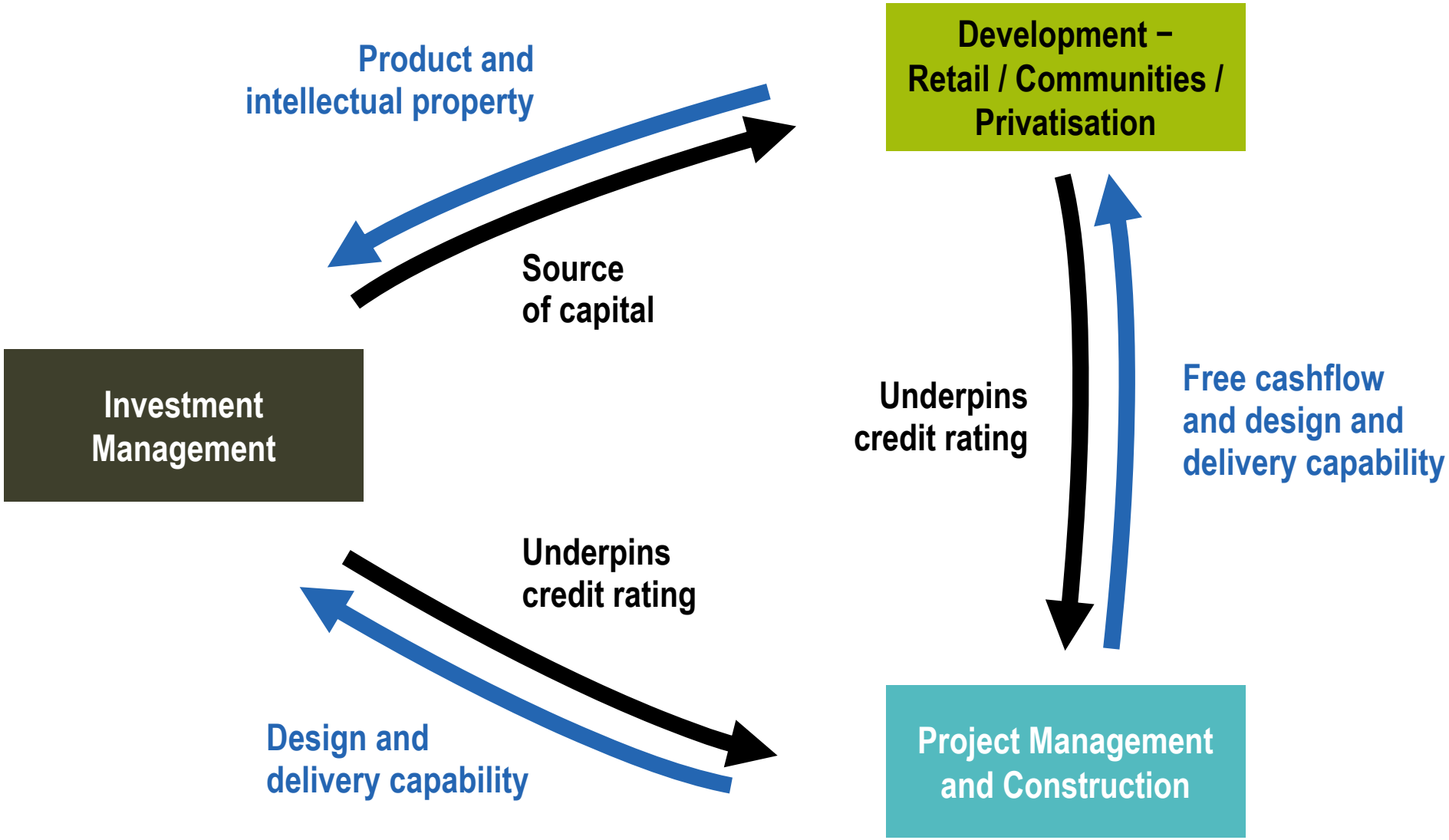
Lend Lease





Lend Lease Integrated Business Model

Lend Lease



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Lend Lease

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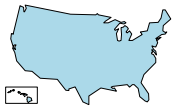
America 	1	-	15,881	A$2.3b	16 (42,400 homes)	A$6.5b [1]
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Strong Balance Sheet

Lend Lease

S&P / Moody's credit rating	**BBB- / Baa3 (unchanged)**
Weighted average debt maturity	**12.0 years**
Fixed / floating debt	**84% / 16%**
Interest cover	**7.9x**
Gross Debt to Total Tangible Assets	**15.6%**

Gearing expected to reach our 30%-40% target range over a 3-year period as we invest in our development pipeline

Injury & Incident Free

Lend Lease

Sustainability

Lend Lease

Lend Lease Retail – introduction of waterless wok stoves at Erina Fair

Community Day 2007 – Lend Lease volunteers at the Spastic Centre project, Allambie Heights

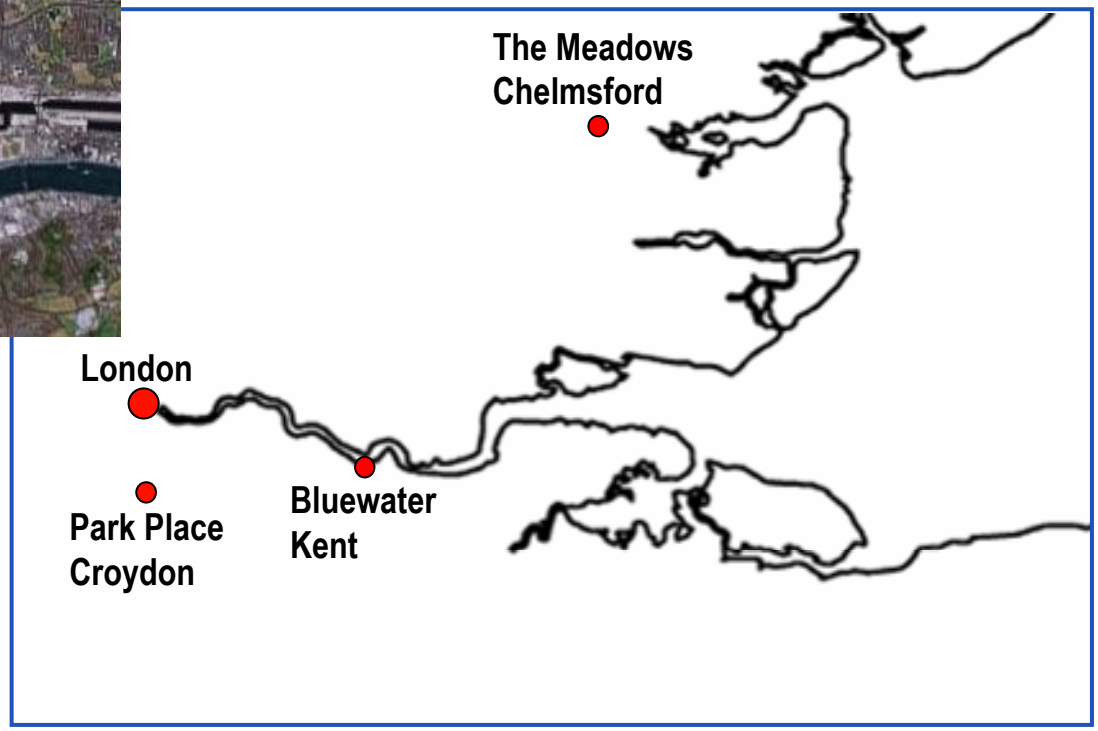
Dow Jones Sustainability Indexes
Member 2007/08

Courtesy of Global Renewables

Bovis Lend Lease JV with Global Renewables for Lancashire Waste – UR-3R process for treatment of household waste

Crosby Lend Lease – Archaeological works at Hungate,York

Outlook

Lend Lease

Pipeline of developments in London