



2008 Annual General Meeting

Speech by Greg Clarke

Managing Director & Chief Executive Officer



2008 Annual
General Meeting

Greg Clarke
Group CEO



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

David has very clearly laid out the severity of the current market and economic conditions and the fact that whilst we are well positioned, the current market conditions are not without impact on our business, how we deal with it and our outlook.

Operating Business – Summary

- Retail
 - Trading performance – NOJ growth of 5.0% in Asia Pacific
 - Strong development pipeline – A&L 10
 - Cap rates – continued weakening cap rates in the UK
- Communities
 - Australian Communities – pre-sales remain positive / lower expected commercial throughout
 - UK Communities – market conditions very challenging
- Public Private Partnerships
 - Actus – 6 financial closes and 1 preferred bidder win
 - PPP UK – closed Lancashire Schools Phase 2
- Project Management & Construction
 - Strong result – Bovis improved performance across all markets
 - Backlog GP&M growth of 10%
- Investment Management
 - Continued capital recycling – APFF stake / Global Fund
 - 4% funds under management growth / AS2 /6 internal pipeline



Quart of Bahrain



313 Somerset, Singapore

Before commenting on the Company's expectations for financial year 2009 and the outlook, I want to briefly review our operating performance for financial year 2008. The key standouts were strong contributions from Bovis Lend Lease, especially in Australia and the Asia Pacific region, and Actus Lend Lease in the US. Bovis completed the year with backlog gross profit margin increasing by 10% to \$788.3 million – that's the amount of gross profit we expect to make on contracted work either underway or yet to commence. Most of that is due to be earned over the next 12 months to 2 years. Actus Lend Lease in the United States finished the year with backlog gross profit margin of another \$448 million.

Across our Retail businesses weakening capitalisation rates in the UK have led to some weakening of the investment values of our centres in the UK. However, retail trading performance in the UK through these

prime centres has held up. Notwithstanding the short-term dip in valuations, we have an excellent forward retail development pipeline globally worth \$4.8 billion in today's market.

Our financing and development model means we have considerable flexibility over which projects to progress depending of the prevailing conditions in local markets as well as the overall UK retail market.

The Communities business in Australia saw an improvement in residential sales; however, as expected, non-residential sales were below previous years. In the UK the outlook for the Communities operations is expected to be tough in 2009. In the USA, six military housing projects reached financial close with a continuing strong performance across projects in delivery. In the UK, the PFI business closed on one project and is bidding on several more.

As David remarked earlier, Investment Management and its funds continued to perform strongly including capital recycling of co-investments and there was a further distribution and performance fee from the Global Fund.

Let's have a closer look now at the individual components of our business portfolio.

Communities		Land Lease	
Performance Highlights			
Asia Pacific			
• Strong settlements ↑ 23%, higher land settlements, lower built form			
• Continued deal flow - Casler / Blakeview / Darling Walk / Myer			
Europe			
• Corecity profit significantly down due to UK residential market slowdown			
• Inventory write-down of AS121.5m in statutory result			
• Signed development management agreement with ODA on Stratford			
• Construction started at Greenwich Peninsula			
• Preferred developer - Elephant & Castle			
Americas			
• 2 projects in planning / approval - will commence when market recovers			
Outlook			
• ↑ 16% in pre-sales offset by smaller contribution from non residential			
• Remain positive on apartments / look for further consolidation in retirement			
Europe - Corecity			
• Market conditions remain very challenging			
• Pursue stock reduction strategies / ensure overhead is proportional to business requirements			
• Discounting will be required to move stock and recycle capital			
Operating Result Adj	08	07	
Operating profit after tax	82.7	90.9	
• Asia Pacific	21.1	51.8	
• Europe	(3.3)	0.7	
• Americas	58.4	36.8	
Gross sales value of pre-sales	41.6	373.3	
• Asia Pacific			
• Europe			
• Americas			
Portfolio Summary	08	07	
Backlog (residential lots & apartments)	85,320	84,945	
• Asia Pacific	14,470	14,220	
• Europe	17,125	15,881	
• Americas			

Firstly Communities – in Australia, profit was slightly down due to a lower level of commercial sales. However the underlying business performed well, with settlements up 23% to around 3,400 lots, and pre-sales up 16% to nearly 1,600 lots.

In the UK, we finalised an interim development management agreement with the United Kingdom's Olympic Delivery Authority for the development of Stratford City, the first stage of which is the Athletes Village for the London 2012 Olympic and Paralympic Games. Elsewhere in the UK, construction started at Greenwich Peninsula and Lend Lease and its partners were selected as preferred development partner for the massive Elephant & Castle mixed use redevelopment in south-east London.

While short term conditions remain challenging, we are well placed with these benchmark developments.

Looking ahead for residential communities in the UK, we will be focusing on clearing the Crosby Lend Lease built stock in Manchester and Birmingham.

However, what needs to be remembered is there is a fundamental residential imbalance that provides a long-term opportunity in the UK residential market: too many people, too little stock – short term variations such as we are experiencing now do not change our strategic intent to be a serious player in that market.

Retail		Land Lease	
Performance Highlights			
<ul style="list-style-type: none"> • NOI growth of 5.0%+ across Asia Pacific portfolio • 9 centres under planning / development with values of circa A\$2.7b 			
Europe			
<ul style="list-style-type: none"> • Continued investment in retail development pipeline • Acquired 55% interest in Phoenix scheme with Grosvenor • Reduction in investment values due to weakening cap rates 			
Americas			
<ul style="list-style-type: none"> • King of Prussia <ul style="list-style-type: none"> • Share of income ↑ 4% in US\$ / valuation up 1% in US\$ 			
Outlook			
<ul style="list-style-type: none"> • Australia <ul style="list-style-type: none"> • Retail sales growth softening • Singapore <ul style="list-style-type: none"> • Underlying economy still relatively strong • Looking for further acquisitions in conjunction with ARIF • UK <ul style="list-style-type: none"> • Retail sales growth has slowed • Expected further cap rate weakness 			
Operating Result Adm		08	07
Operating profit after tax		(14.2)	(3.9)
• Property management		89.3	73.7
• Investment income		1.7	(0.9)
Operating profit after tax by geography			
• Asia Pacific		42.3	51.7
• Europe		22.1	19.9
• Americas			
Portfolio Summary		08	07
No. of centres managed		16	16
Assets under management Adm		16.8	12.0
Property investment realisations Adm		(71.5)	38.1
Retail development pipeline Adm		4.8	5.3

In Australia, the retail portfolio, excluding development assets recorded strong growth of 5% in Net Operating Income for the year. Importantly for the bottom line, many of these centres are either under development or have medium term development plans.

In Singapore, the Somerset project has a strong level of pre-commitment and is generating strong tenant interest. 313@Somerset is on target to open late 2009/early 2010.

King of Prussia mall in the US showed strong income growth of 4% in US dollars for the year.

In terms of short term outlook, Australian retail sales are beginning to slow. Singapore is also slowing but from a higher base, and values could be affected in both markets.

In the UK, retail sales growth has slowed and we can expect further cap rate weakness. Nevertheless, our retail development pipeline in the UK of around \$2 billion remains robust, although the decision to start some projects may be held over to a more favourable point in the cycle, depending on prospective returns, market outlook and appetite for pre-lettings.

However, as is often the case, the problems of others can bring opportunities to a company like Lend Lease with its strong financial

position, and we may possibly find value accretive opportunities to put into the pipeline.

Public Private Partnerships		Land Lease																																
Performance Highlights																																		
Europe - PPP																																		
<ul style="list-style-type: none"> Lower profit due to higher bid costs / reduced bid cost recovery Selected as 1 of 2 on Birmingham and Salford Building Schools for the Future Reached financial close on Lancashire Schools Phase 2 	<table border="1"> <thead> <tr> <th>Operating Result</th> <th>08</th> <th>07</th> </tr> </thead> <tbody> <tr> <td>Operating profit after tax Adm</td> <td></td> <td></td> </tr> <tr> <td>• Europe</td> <td>0.8</td> <td>14.3</td> </tr> <tr> <td>• Americas</td> <td>72.2</td> <td>43.0</td> </tr> <tr> <td colspan="4">Project wins during period</td> </tr> <tr> <td>• Europe</td> <td></td> <td></td> </tr> <tr> <td>• Financial close</td> <td>1</td> <td>1</td> </tr> <tr> <td>• Americas</td> <td></td> <td></td> </tr> <tr> <td>• Preferred</td> <td>1</td> <td>3</td> </tr> <tr> <td>• Financial close</td> <td>6</td> <td>4</td> </tr> </tbody> </table>			Operating Result	08	07	Operating profit after tax Adm			• Europe	0.8	14.3	• Americas	72.2	43.0	Project wins during period				• Europe			• Financial close	1	1	• Americas			• Preferred	1	3	• Financial close	6	4
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<ul style="list-style-type: none"> Recycle equity positions Future growth will not be at same levels as historic growth Continue to mine out existing opportunities and apply proven skill base to other services for US military <ul style="list-style-type: none"> • Affordable housing / Energy / Overseas bases / Navy privatisation 																																		

We made good progress in the UK with our privatisation business. The Group reached financial close on Lancashire Schools Phase 2, and was selected as one of two preferred bidders on projects in Birmingham £1 billion and Salford £360 million.

We have a steady Public Private Partnerships pipeline over the next 10 years across schools, health and waste with a total capex of around £50 billion.

In the US, although the military family housing renewal program is nearly complete, there will be ongoing growth for Actus from opportunities in facilities development (barracks, lodgings etc).

Project Management & Construction		Land Lease																																				
Performance Highlights																																						
Asia Pacific																																						
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<ul style="list-style-type: none"> Business performance in line with expectations Mike Bellman has assumed role of CEO - Americas 																																						
Outlook																																						
<ul style="list-style-type: none"> Will continue to focus on level of overhead Expansion into new geographies <ul style="list-style-type: none"> • Focus on high growth economies Continued focus on margin improvement 																																						

Bovis continued its recovery journey, especially in the Asia Pacific, with backlog gross profit margin up 10%, and well secured for the year ahead.

Asia Pacific grew profit by 26% and new work secured up was up over 100%. The market remained strong, especially for social infrastructure such as hospitals.

In the UK, the business continued its return to normal levels of profit. There are strong opportunities in the government sector, mitigating the slowdown in commercial. The big growth areas though will be in India and the Middle East, which should allow us to build on this year's strong performance.

In the Americas, despite the Deutsche Bank building fire in the first half, we are performing in line with expectation but we should recognise that as US market conditions become tougher, top line growth will soften.

We will continue to focus on safety in the workplace by driving consistent and sound operating disciplines across all operating regions, and ensuring we get the right balance between risk and reward.

We will also be looking at new growth options in strongly growing sectors where to date our exposure has been small.

Investment Management		Land Lease																									
Performance Highlights																											
<ul style="list-style-type: none"> Continued strong performance of Funds <ul style="list-style-type: none"> • APFF total 16.2% total return • APF 13.4% total return Continued support of Lend Lease capital recycling model New equity raised of A\$30m New CEO of APFF appointed – Carmel Hourigan Future FUM – locked in pipeline of A\$2.9b 	<table border="1"> <thead> <tr> <th>Operating Result Adj</th> <th>08</th> <th>07</th> </tr> </thead> <tbody> <tr> <td>Operating profit after tax</td> <td>54.1</td> <td>28.7</td> </tr> <tr> <td>Investment income</td> <td>83.2</td> <td>160.4</td> </tr> <tr> <td>Operating profit after tax by geography</td> <td></td> <td></td> </tr> <tr> <td>• Asia Pacific</td> <td>71.8</td> <td>29.7</td> </tr> <tr> <td>• Europe</td> <td>43.9</td> <td>123.4</td> </tr> <tr> <td>• Americas</td> <td>3.6</td> <td>4.0</td> </tr> <tr> <td>Total growth F108 vs F107</td> <td>4%</td> <td></td> </tr> </tbody> </table>	Operating Result Adj	08	07	Operating profit after tax	54.1	28.7	Investment income	83.2	160.4	Operating profit after tax by geography			• Asia Pacific	71.8	29.7	• Europe	43.9	123.4	• Americas	3.6	4.0	Total growth F108 vs F107	4%			
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<ul style="list-style-type: none"> Australia <ul style="list-style-type: none"> • Limited equity available for right opportunities • Looking to partner / JV with institutions Asia <ul style="list-style-type: none"> • Commit remaining ARF equity / potential Pan Asian retail fund UK <ul style="list-style-type: none"> • Difficult environment to raise money / retail fund on hold US <ul style="list-style-type: none"> • Establishing US platform / Gary Buechler CEO 	<table border="1"> <thead> <tr> <th>Portfolio Summary</th> <th>08</th> <th>07</th> </tr> </thead> <tbody> <tr> <td>Funds under management A\$m</td> <td>6.3</td> <td>6.9</td> </tr> <tr> <td>Property investment realisations after tax A\$m</td> <td>11.3</td> <td>13.5</td> </tr> <tr> <td>Market value of investments to L/C</td> <td>603.6</td> <td>912.0</td> </tr> <tr> <td>• Asia Pacific</td> <td>391.2</td> <td>651.1</td> </tr> <tr> <td>• Europe</td> <td>267.1</td> <td>299.2</td> </tr> <tr> <td>• Americas</td> <td>0.9</td> <td>2.7</td> </tr> </tbody> </table>	Portfolio Summary	08	07	Funds under management A\$m	6.3	6.9	Property investment realisations after tax A\$m	11.3	13.5	Market value of investments to L/C	603.6	912.0	• Asia Pacific	391.2	651.1	• Europe	267.1	299.2	• Americas	0.9	2.7					
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Moving to Investment Management, our funds continued their strong performance, boosting performance fee earnings.

The year also saw continued support of the Lend Lease capital recycling model, selling down an interest in our Australian Prime Property Fund and receiving further distributions and a performance fee from the Global Fund.

Despite the market volatility, some \$700 million new equity was raised and there is sufficient committed assets under management growth over the next three years from the development pipeline within the various funds.

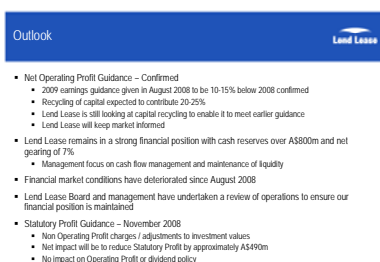
As well, toward the end of September this year, we were able to announce that Lend Lease had won the \$560 million Darling Walk 1.5 hectare regeneration project for Sydney Harbour Foreshore Authority. This project includes some 64,000 square metres of commercial space pre-let in its entirety to the Commonwealth Bank. Australian Prime Property Fund (APPF) Commercial, one of Lend Lease Investment Management's wholesale property funds, will finance and acquire the project in joint venture with one of its existing offshore institutional investment partners. Lend Lease Investment Management will act as Investment Manager for both owners.

In terms of the outlook, we expect investor appetite for new funds or equity is likely to be diminished for the coming year.

Fortunately our 'core' style funds are performing strongly and have a solid equity base and generally good capacity to take advantage of the advantages the current market is presenting.

However, taking into account market conditions, funds we launch in the immediate future will be more focused on higher return strategies or geographies, though mindful as ever to carefully evaluate the associated risks.

We expect to continue to partner directly with some of the larger property investors to create new funds.



The slide is titled "Outlook" and features the Lend Lease logo. It contains a list of bullet points regarding financial guidance and company performance.

- Net Operating Profit Guidance – Confirmed
 - 2009 earnings guidance given in August 2008 to be 10-15% below 2008 confirmed
 - Recycling of capital expected to contribute 20-25%
 - Lend Lease is still looking at capital recycling to enable it to meet earlier guidance
 - Lend Lease will keep market informed
- Lend Lease remains in a strong financial position with cash reserves over A\$800m and net gearing of 7%
 - Management focus on cash flow management and maintenance of liquidity
- Financial market conditions have deteriorated since August 2008
- Lend Lease Board and management have undertaken a review of operations to ensure our financial position is maintained
- Statutory Profit Guidance – November 2008
 - Non Operating Profit charges / adjustments to investment values
 - Net impact will be to reduce Statutory Profit by approximately A\$490m
 - No impact on Operating Profit or dividend policy

In terms of our outlook, as David indicated, financial markets have deteriorated significantly in recent months. However, Lend Lease remains in a very strong financial position with cash reserves of over \$800 million and gearing of 7% as measured by net debt to total tangible assets. To ensure that Lend Lease's financial position is maintained, the Board and management have undertaken a review of operations.

In August 2008 Lend Lease advised the market that it expected net operating profit for financial year 2009 to be 10-15% below 2008 net operating profit of \$447.1 million. Capital recycling was expected to contribute between 20-25% of this guidance.

Lend Lease confirms that its net operating profit expectation is broadly in line with the guidance given in August. We will keep the market informed as appropriate.

The Group continues to have a very strong cash position and low gearing, and management remains focused on cashflow management and maintenance of liquidity.

In addition, Lend Lease believes it is also prudent to announce a number of non-operating charges that, while excluded from operating profit, are expected to impact the Group's FY09 statutory profit. As David indicated, in aggregate the charges will negatively impact statutory profit by \$490 million.

- Adjustments to asset values
 - Cap rate expansion will result in up to A\$170m after tax reduction in Statutory Profit
 - Carrying value of UK Communities business – writedown of goodwill / inventory
 - Loss on interest in FKP
- Cost saving implementation costs – resize overhead for current market conditions
- Closure of UK Defined Benefit Pension Plan – benefit
- Tighter control over capital expenditure – development projects / reprioritised in line with market conditions

Lend Lease has made a number of adjustments to the carrying value of assets to reflect worsening market conditions.

Cap rates on assets are expanding in all markets, particularly in the UK. This will reduce the carrying value of Lend Lease's investment assets with the final amount subject to independent valuation.

As the UK residential market has continued to deteriorate, we have reviewed the carrying value of goodwill relating to the UK Communities business. Given the revised outlook, we believe it is prudent to write off the goodwill and to further write down the carrying value of inventory.

Lend Lease holds an interest in FKP Property Group. Although, Lend Lease no longer intends to pursue an offer for FKP, the Company is required to mark to market this investment.

In addition, the Board and management have been pro-actively managing the business to steer the Group through the current difficult market conditions and to position the Group strongly as markets recover by resizing overhead for current market conditions, closure of the UK Defined Benefit Pension Plan to new entrants and tighter control of capex on development projects.



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Greg Clarke
Group CEO



Finally, this is likely to be my last report to shareholders. Now towards the end of my sixth year of a seven-year commitment that I gave the Board when I was appointed CEO, it is time for the Board to select the CEO to lead Lend Lease through its next phase of development. I am committed to ensuring a smooth transition to my successor and will actively pursue my duties until the Board makes that appointment.

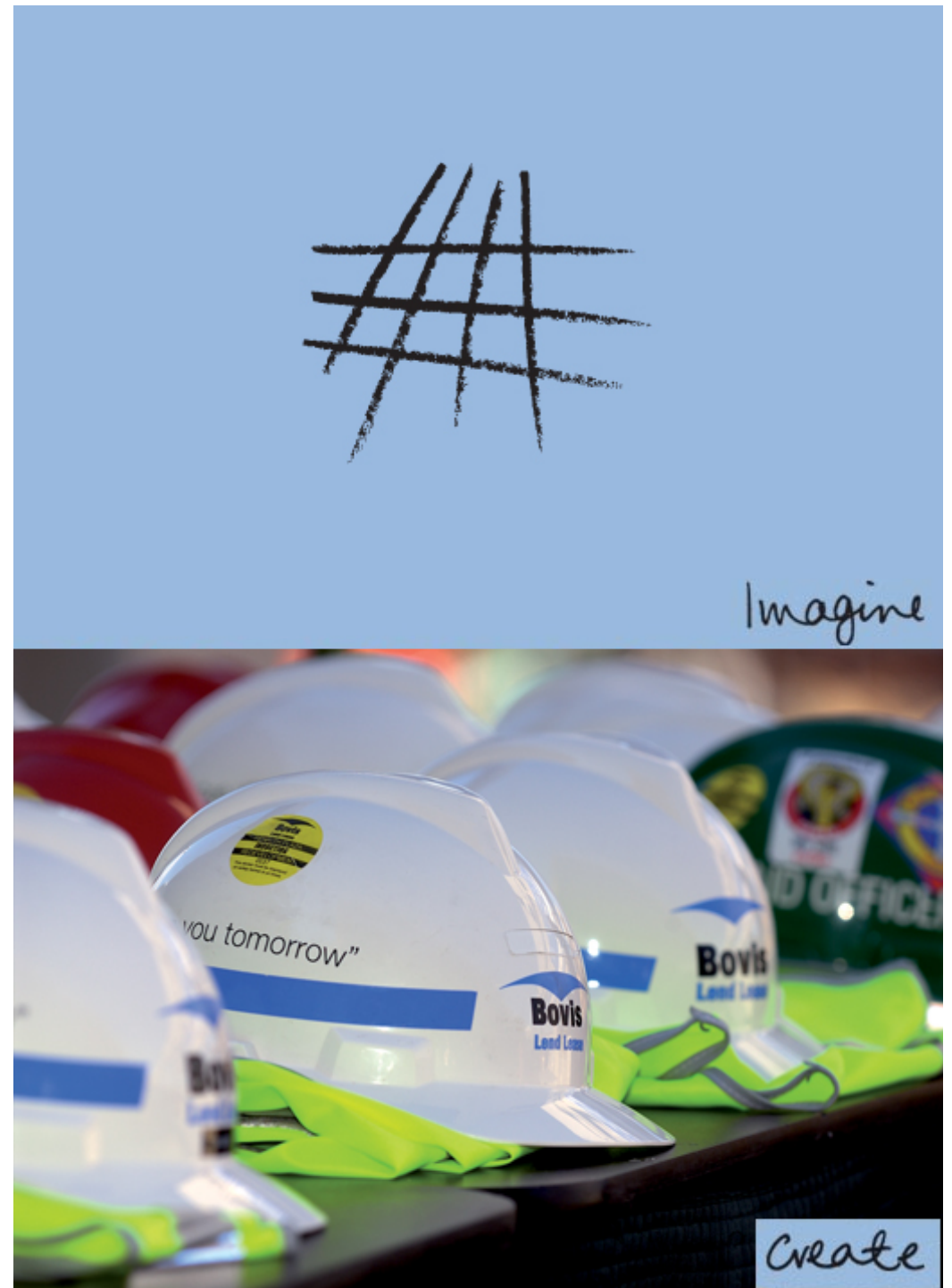
It has been an honour to serve Lend Lease. I wish to record my sincere appreciation for the support and wise counsel Directors have afforded me as we have repositioned Lend Lease and strengthened its foundations for a long and successful future. I am also very grateful for the untiring support and valuable insights that I have been given by my senior executive colleagues and so many Lend Lease team members around the world.

I believe that my successor will take charge of one of the best property businesses to be found in the world today. Lend Lease is extremely well positioned for the property market recovery when it eventuates.



2008 Annual General Meeting

Greg Clarke
Group CEO



Operating Business – Summary



- **Retail**
 - Trading performance – NOI growth of 5.0%+ in Asia Pacific
 - Strong development pipeline – A\$4.8b
 - Cap rates – continued weakening cap rates in the UK
- **Communities**
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Asia Pacific

- ↑ 16% in pre-sales offset by smaller contribution from non-residential
- Remain positive on apartments / look for further consolidation in retirement

Europe – Crosby

- Market conditions remain very challenging
- Pursue stock reduction strategies / ensure overhead is proportional to business requirements
- Discounting will be required to move stock and recycle capital

Operating Result A\$m	08	07
Operating profit after tax		
▪ Asia Pacific	82.7	90.9
▪ Europe	21.1	51.8
▪ Americas	(3.5)	0.7
Gross sales value of pre-sales		
▪ Asia Pacific	589.4	366.8
▪ Europe	41.6	371.3
Portfolio Summary	08	07
Backlog (residential lots & apartments)		
▪ Asia Pacific	85,330	84,945
▪ Europe	14,470	14,720
▪ Americas	17,125	15,881

Performance Highlights

Asia Pacific

- NOI growth of 5.0%+ across Asia Pacific portfolio
- 9 centres under planning / development with value of circa A\$2.7b

Europe

- Continued investment in retail development pipeline
- Acquired 50% interest in Preston scheme with Grosvenor
- Reduction in investment values due to weakening cap rates

Americas

- King of Prussia
 - Share of income ↑ 4% in US\$ / valuation up 1% in US\$

Outlook

- **Australia**
 - Retail sales growth softening
- **Singapore**
 - Underlying economy still relatively strong
 - Looking for further acquisitions in conjunction with ARIF
- **UK**
 - Retail sales growth has slowed
 - Expected further cap rate weakness

Operating Result A\$m	08	07
Operating profit after tax		
▪ Property management	(14.2)	(3.0)
▪ Investment income	80.3	73.7
Operating profit after tax by geography		
▪ Asia Pacific	1.7	(0.9)
▪ Europe	42.3	51.7
▪ Americas	22.1	19.9
Portfolio Summary	08	07
No. of centres managed	16	16
Assets under management A\$b	10.8	12.0
Property investment revaluations A\$m	(71.5)	38.1
Retail development pipeline A\$b	4.8	5.3

Public Private Partnerships



Performance Highlights

Europe – PPP

- Lower profit due to higher bid costs / reduced bid cost recovery
- Selected as 1 of 2 on Birmingham and Salford Building Schools for the Future
- Reached financial close on Lancashire Schools Phase 2

Americas – Actus Lend Lease

- Profit growth of 68% as 6 projects reached financial close
- Selected as preferred bidder on Alaskan Army project

Outlook

Europe

- Recycle equity positions

Americas

- Future growth will not be at same levels as historic growth
- Continue to mine out existing opportunities and apply proven skill-base to other services for US military
 - Affordable housing / Energy / Overseas bases / Navy privatisation

Operating Result	08	07
Operating profit after tax A\$m		
▪ Europe	0.8	14.3
▪ Americas	72.2	43.0
Project wins during period		
▪ Europe		
▪ Financial close	1	1
▪ Americas		
▪ Preferred	1	3
▪ Financial close	6	4
Portfolio Summary	08	07
Americas		
▪ Units under management	44,750	42,400
▪ Estimated capital spend US\$b	5.9	5.3
Europe		
▪ No. of projects	19	19
▪ Facilities management revenue backlog £m	366	350
▪ Invested equity £m	71	51

Performance Highlights

Asia Pacific

- Profit increase of 26%
- Continued strong market conditions, particularly for social infrastructure – new work secured ↑ 115%
- Backlog GPM ↑ 125%

Europe

- UK returns to profit
- Continued strong performance from CEMEA

Americas

- Business performance in line with expectations
- Mike Bellaman has assumed role of CEO – Americas

Outlook

- Will continue to focus on level of overhead
- Expansion into new geographies
 - Focus on high growth economies
- Continued focus on margin improvement

Operating Result	08	07
Operating profit after tax A\$m		
▪ Asia Pacific	69.0	54.6
▪ Europe	18.5	(77.2)
▪ Americas	59.7	65.9
Profitability ratio (EBITDA / Realised GPM)		
▪ Asia Pacific	50%	44%
▪ Europe	17%	N/A
▪ Americas	34%	47%
Gross margin (Realised GPM / Revenue)	5%	3%
Backlog A\$m	08	07
Backlog gross profit margin A\$m	788.3	717.2
New work secured A\$m	715.5	480.7
Backlog realisation		
▪ Year 1	57%	59%
▪ Year 2	29%	27%
▪ 3 years +	14%	14%

Performance Highlights

- Continued strong performance of Funds
 - APPF Retail 14.3% total return
 - APIC II 33.4% total return
- Continued support of Lend Lease capital recycling model
- New equity raised of A\$700m+
- New CEO of APPF appointed – Carmel Hourigan
- Future FUM – locked in pipeline of A\$2.9b

Outlook

- **Australia**
 - Limited equity available for right opportunities
 - Looking to partner / JV with institutions
- **Asia**
 - Commit remaining ARIF equity / potential Pan Asian retail fund
- **UK**
 - Difficult environment to raise money / retail fund on hold
- **US**
 - Establishing US platform / Gary Buechler CEO

Operating Result A\$m	08	07
Operating profit after tax		
▪ Funds management	54.1	28.7
▪ Investment income	83.2	160.4
Operating profit after tax by geography		
▪ Asia Pacific	71.8	29.7
▪ Europe	61.9	153.4
▪ Americas	3.6	6.0
FUM growth FY08 on FY07	4%	
Portfolio Summary	08	07
Funds under management A\$b	9.3	8.9
Property investment revaluations after tax A\$m	11.3	13.5
Market value of investments to LLC	603.8	917.0
▪ Asia Pacific	397.2	615.1
▪ Europe	205.7	299.2
▪ Americas	0.9	2.7

- Net Operating Profit Guidance – Confirmed
 - 2009 earnings guidance given in August 2008 to be 10-15% below 2008 confirmed
 - Recycling of capital expected to contribute 20-25%
 - Lend Lease is still looking at capital recycling to enable it to meet earlier guidance
 - Lend Lease will keep market informed
- Lend Lease remains in a strong financial position with cash reserves over A\$800m and net gearing of 7%
 - Management focus on cash flow management and maintenance of liquidity
- Financial market conditions have deteriorated since August 2008
- Lend Lease Board and management have undertaken a review of operations to ensure our financial position is maintained
- Statutory Profit Guidance – November 2008
 - Non Operating Profit charges / adjustments to investment values
 - Net impact will be to reduce Statutory Profit by approximately A\$490m
 - No impact on Operating Profit or dividend policy

Actions to manage through difficult market conditions



- Adjustments to asset values
 - Cap rate expansion will result in up to A\$170m after tax reduction in Statutory Profit
 - Carrying value of UK Communities business – writedown of goodwill / inventory
 - Loss on interest in FKP
- Cost saving implementation costs – resize overhead for current market conditions
- Closure of UK Defined Benefit Pension Plan – benefit
- Tighter control over capital expenditure – development projects / reprioritised in line with market conditions