



2008 Annual General Meeting

Speech by David Crawford

Chairman



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Good morning ladies and gentlemen, and welcome to the 2008 Annual General Meeting for Lend Lease Corporation.

Welcome also to those joining from around the globe by webcast.

My name is David Crawford and I am the Chairman of Lend Lease Corporation and will chair the meeting.

I will begin 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 part of the meeting and resolutions, at which time there will be an opportunity to put your questions and comments on the matters in hand.

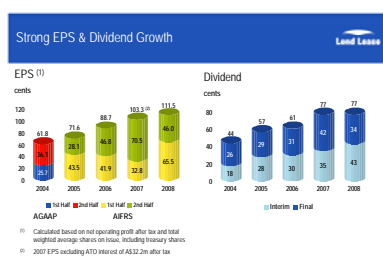
After the meeting we look forward to joining you for refreshments.

First let me introduce the other members of the Board here with me today, starting from my far left – Peter Goldmark, Chairman of the Nomination Committee; Gordon Edington; David Ryan, Chairman of our Risk Management and Audit Committee; Greg Clarke, the Group's current Managing Director and CEO; Phillip Colebatch, Chairman of our Personnel & Organisation Committee; Julie Hill, Chairman of our Sustainability Committee; and Mark Selway, our new Director who is joining us for the first time. Also on stage are William Hara, our Company Secretary and Steve McCann, our CFO.

Also in attendance are the Group's auditors, KPMG, who will be able to assist with answers to any questions you may have relating to the accounts and audit.

Several members of the Group's senior executive team are with us in the audience. They are also looking forward to catching up with you following the meeting. Let me introduce them, so that those of you here with us today know who to look out for later – Mark Menhinnitt, CEO of Bovis Lend Lease; David Hutton, CEO of Retail & Communities Asia Pacific; Rod Leaver, CEO of Investment Management; and Maria Atkinson, Head of Sustainability.

I will now give you a brief report on our performance during fiscal 2008 and our future outlook.



Over the last 12 months the global economy has encountered unprecedented headwinds and volatility that have tested the resilience of virtually every business.

The events that continue to unfold in the US in particular and in most countries are very serious.

No one can have any real certainty as to the short to medium term outlook.

Share prices have been adversely impacted by the global turmoil, reflecting investor uncertainty and often in disregard for the underlying strength of the businesses involved.

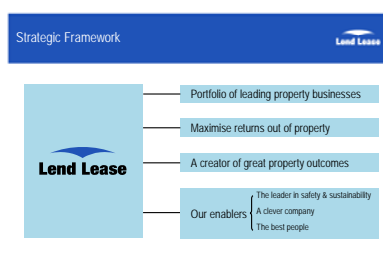
In the face of these volatile conditions, the diversified business model of the Group and its balance sheet have underwritten a creditable financial result for 2008 and stand us in good stead for the very difficult and uncertain times that all companies face in the immediate future.

For the year to June 2008, the Company achieved underlying net operating profit after tax of \$447.1 million, an 8% increase on prior year, excluding ATO interest. Earnings per share were up 8% over the prior year's base of 103 cents per share.

The statutory or reported profit after tax was \$265.4 million. This included a \$121.5 million after tax decrease in the carrying value of inventory in our UK Communities business, Crosby Lend Lease. The result also included an unrealised loss of \$60.2 million after tax on revaluation of our retail asset portfolio.

The Board declared a final dividend for the year of 34 cents per share franked to 45%, bringing the full year dividend to 77 cents per share, in line with last year's payment.

The full year dividend represents a payout ratio of 69% of net operating profit after tax, at the mid point of the Board's policy range of 60% to 80%.



Although market conditions have been and will continue to be difficult for some time, our strategic framework remains valid. Our endeavours to create long term sustainable shareholder value are framed by a clear focus on what we know best: that is property, its acquisition, development, construction and long term asset management.

To achieve this, we have created a portfolio of businesses with market leading positions through which we deliver one Group strategy and manage as a portfolio.

We seek to maximise returns out of property for shareholders, and we aim to manage our businesses and capabilities to consistently deliver superior property outcomes relative to our competitors.

Finally, in bridging the gap between our thoughts and our actions, we take all steps to ensure we are the employer of choice. We set out to create intellectual capital through encouraging imagination and innovation. Our delivery is driven by the constant quest to continually improve our record in safety and sustainability.

Diversified Earnings Base					
	Retail	Communities	Public/Private Partnerships	Project Management & Construction	Investment Management
Core Activities	Asset ownership, development, property and asset management	Multi-tenanted groundfit, communities and other organisations	Military housing, healthcare, education and waste	Project management and construction	Asset ownership, real estate investment management services
Operating Revenue	AS132.3m	AS166.5m	AS92.7m	AS12.426.8m	AS127.3m
EBITDA	AS78.6m	AS114.0m	AS60.0m	AS176.9m	AS151.3m
Proportion of Profit After Tax from Operating Businesses ¹¹	12.6%	19.2%	19.7%	20.0%	28.5%
Development Pipeline / Backlog CRRV / FSR	AS4.8b	AS33.9b	AS21.3m	AS188.3m	AS9.2b
Regional Business Operations	Australia, Singapore, UK, US	UK, Australia, US	UK, US	UK, Europe, Middle East, Americas, Asia Pacific	Australia, Singapore, UK

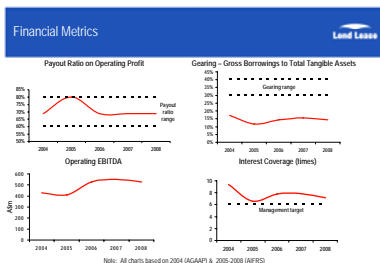
¹¹ Before Group Services, Treasury, Property Investment Revaluations and Adjustment to Carrying Value of Inventory

Today the Company's earnings are derived from a well diversified portfolio of property businesses – by sector and by geography.

In most of these, we enjoy market-leading positions or a well identified competitive advantage.

This is the major plank of our defence against market volatility and the basis for earnings growth over the medium term – both organic and by acquisition.

We are not totally immune from cycles, as we can see from the impact on the value of the UK Communities business this year and our lower earnings outlook for 2009. Nevertheless, compared to many of our peers, we are well placed as sector and geographic cycles around the world are rarely fully synchronised.

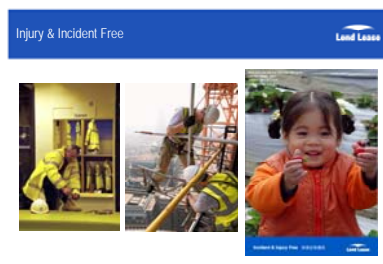


Against the sensational headlines of corporate and financial icon collapses, Lend Lease shareholders can remain confident that their Company remains in a strong financial position.

Having sold a number of assets at the top of the cycle to set us up for the downturn, our current gearing is an enviable net 7%. This means we remain well positioned to pursue value-add opportunities that will arise during current instability in markets. Our investment in Babcock & Brown Communities, which was announced last month, is a good example.

In addition, the source and location of our debt is well diversified between bank and debt capital markets, and in both US and UK currencies.

Interest cover continues above our target, and with our strong cash position, clearly we are under no pressure to sell good assets to pay down debt.

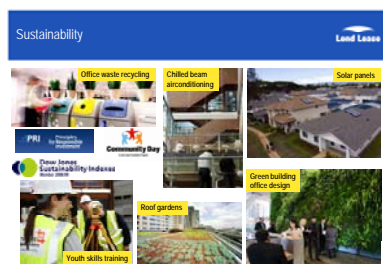


I mentioned earlier that our delivery is driven by the constant quest to better our strong record in safety and sustainability – they go hand in hand.

We have 12,000 employees of our own, and at any one time there are many more thousands of third party contractors on our sites and assets. There are literally hundreds of thousands of people visiting the shopping centres, offices, and residential assets we are creating around the world.

Last year, there were nine deaths on sites where Lend Lease had some kind of involvement. This year we report six deaths and, while this is an improvement, we do not regard it as an achievement. No workplace death is acceptable.

We continue to strive to realise our vision to be Incident & Injury Free through close monitoring and investigation of incidents, continually improving procedures in all work places and ongoing safety training programs for all staff.



Our Incident & Injury Free program is, of course, part of a much more comprehensive commitment to sustainability of this business in every respect – financially, environmentally and culturally. As you know, Lend Lease has been investing in its sustainability effort considerably in recent years as citizens and governments around the world have learned more about how human activity is impacting the finite resource which is our planet and its atmosphere.

Today, as just one part of our effort, Lend Lease has 855 employees trained in the application of green building rating tools. We know that the world's buildings, directly and indirectly, contribute a staggering 40% of global greenhouse gas emissions. We have recognised that there are significant and essential actions that must be taken by the property industry in relation to the contribution it can make to the reduction of greenhouse gases, not just in Australia, but worldwide.

As one of the first property companies to recognise this need, we are now well advanced with systems to measure our impacts. After all, you cannot address or change something that you have not measured and understood. The Company's sustainability performance is now rated by independent agencies including the Carbon Disclosure Project, undertaken on behalf of institutional investors representing over \$57 trillion in assets. Lend Lease was also the first Australian property company to be included in the worldwide Dow Jones Sustainability Index.

In terms of practical outcomes, we opened our first 6 star green rated building this year, and have made substantial progress in achieving high level green ratings for ten Lend Lease office tenancies globally. We are proud of our progress but have much more to do, and shareholders can be assured of the Company's genuine commitment to making a material difference when it comes to carbon emissions from our activities.



Let me now cover, in a little more detail, how we are placed to deal with the challenges immediately before us.

In recent months market conditions have continued to deteriorate significantly. As we announced to the Stock Exchange earlier today, the Lend Lease Board and management have undertaken a review of operations and have implemented a number of prudent measures to ensure the Company's strong financial position is maintained during current uncertain market conditions. Lend Lease remains in a strong financial position with cash reserves over \$800 million and net gearing of 7%.

I will leave Greg to talk through the detail, but the Company confirms that its net operating profit expectation for FY09 is broadly in line with the guidance given in August of this year. Part of this guidance included a contribution from the recycling of capital, which was expected to contribute between 20% to 25% of the Group's net operating profit after tax.

While we have decided not to proceed with the sale of our interest in the King of Prussia shopping mall in the US, we are in negotiation on a number of other potential transactions which, if successfully completed, will enable it to meet its earlier guidance. Lend Lease will keep the market informed as appropriate.

At the same time, the Company believes it is prudent to announce a number of non-operating charges which will reduce Lend Lease's statutory profit for FY 2009 by approximately \$490 million. These charges are primarily of a non-cash and non-operating nature and do not affect operating profit and will have no impact on dividend policy. The Company will keep the market and shareholders informed as appropriate.

The Board and management's priority is to manage the business efficiently, focusing in particular on cash management, while continuing to build a portfolio of superior long term property projects that will underwrite a return to growth as market and economic conditions turn around.



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On that note, I want to extend the Board's appreciation to Greg Clarke, who for the last six years has been Managing Director and Chief Executive. Greg and his senior management team have worked hard to ensure Lend Lease remains well positioned despite the very difficult market conditions we are facing and are likely to face for some time yet.

As you will have seen from an earlier announcement, this will be Greg's last Annual Meeting. When Greg joined the Company in 2002, he gave the Board a commitment of five to seven years. Now in his sixth year, Greg and the Board agreed that it was appropriate to commence a search for his successor. That search is progressing well and Greg's

successor will be announced in due course. We are very pleased that Greg will remain in his role until then and assist us with a smooth transition process. I will have more to say about Greg's very valuable contribution to the Company at that time.

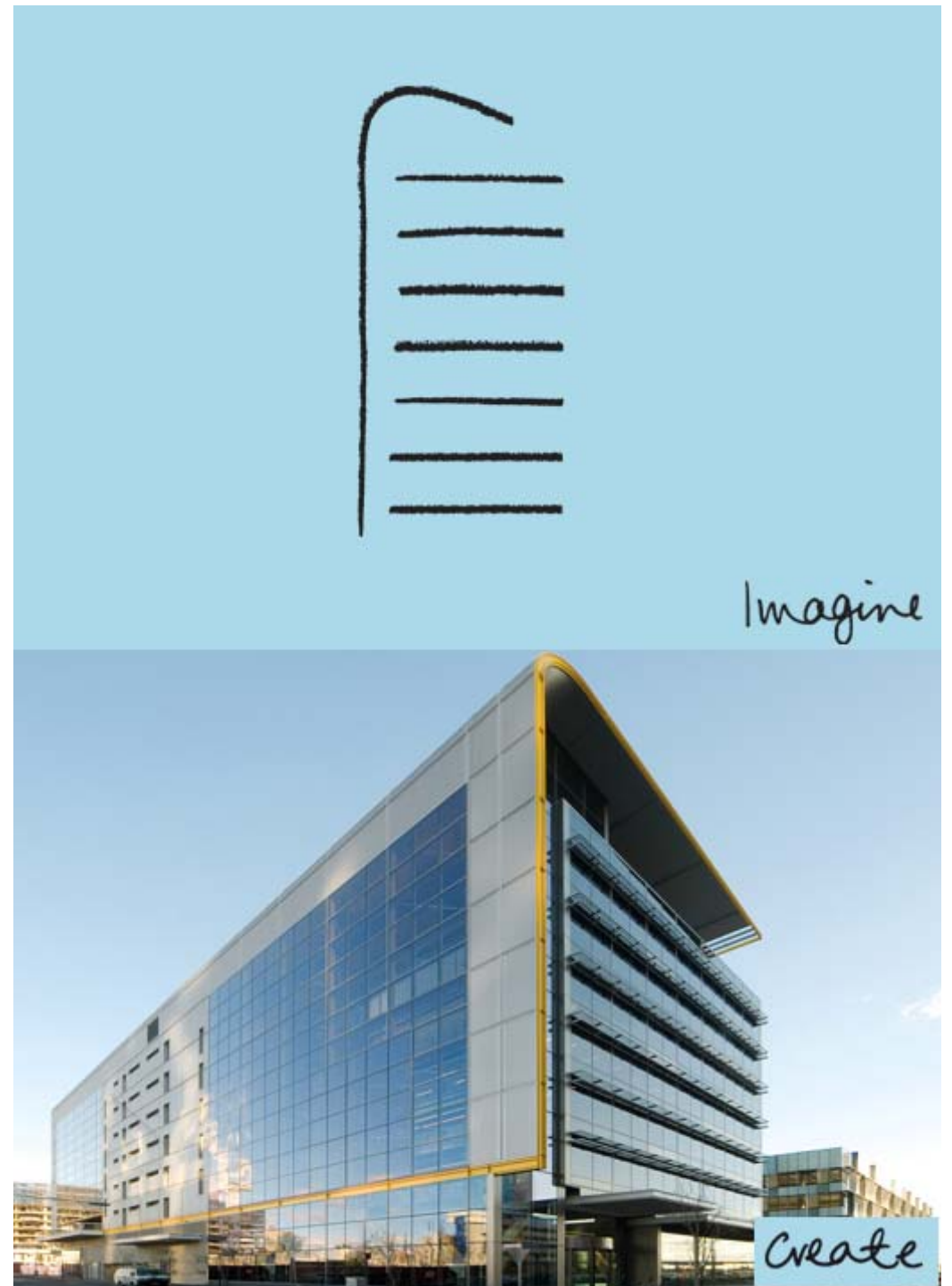
Before handing over to Greg for his operational review, I also take this opportunity to extend thanks to my fellow Board members, to Greg and his senior management team including Ross Taylor, Lend Lease's Chief Operating Officer, who is leaving the Company after over 20 years of service and all our people. They have contributed individually, collectively, enthusiastically and thoughtfully to the good governance and performance of Lend Lease on behalf of shareholders and all our other stakeholders.

2008 marks the 50th anniversary since Lend Lease Corporation was founded by Dick Dusseldorp in Sydney with a vision to create a company that successfully combined the disciplines of property, financing, development and investment. Lend Lease is now a leading global property company, bound together by the core values: people, safety and the environment. These values have underpinned Lend Lease's success over the last 50 years and will steer the Company over the next 50 years.



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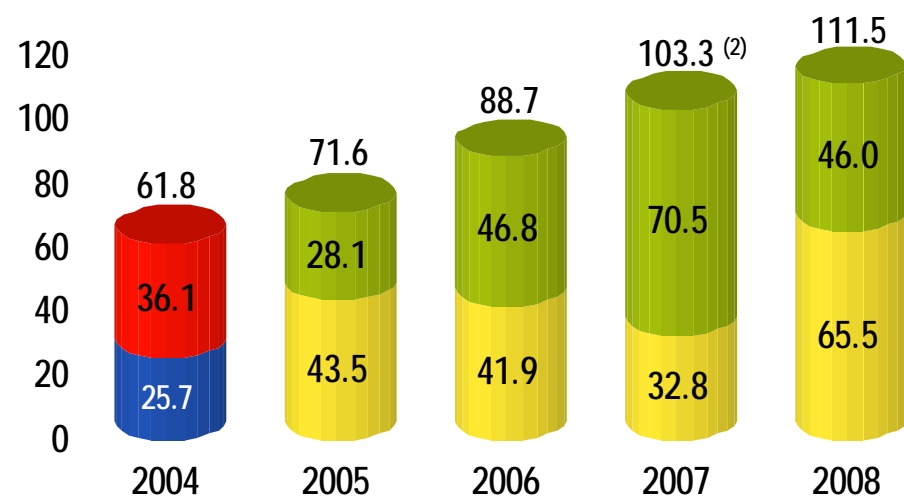


Strong EPS & Dividend Growth



EPS (1)

cents



■ 1st Half ■ 2nd Half ■ 1st Half ■ 2nd Half

AGAAP

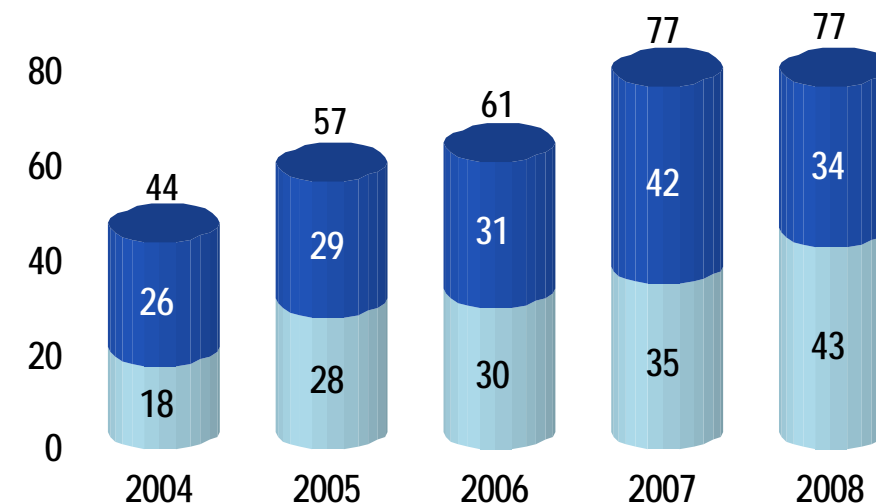
AIFRS

(1) Calculated based on net operating profit after tax and total weighted average shares on issue, including treasury shares

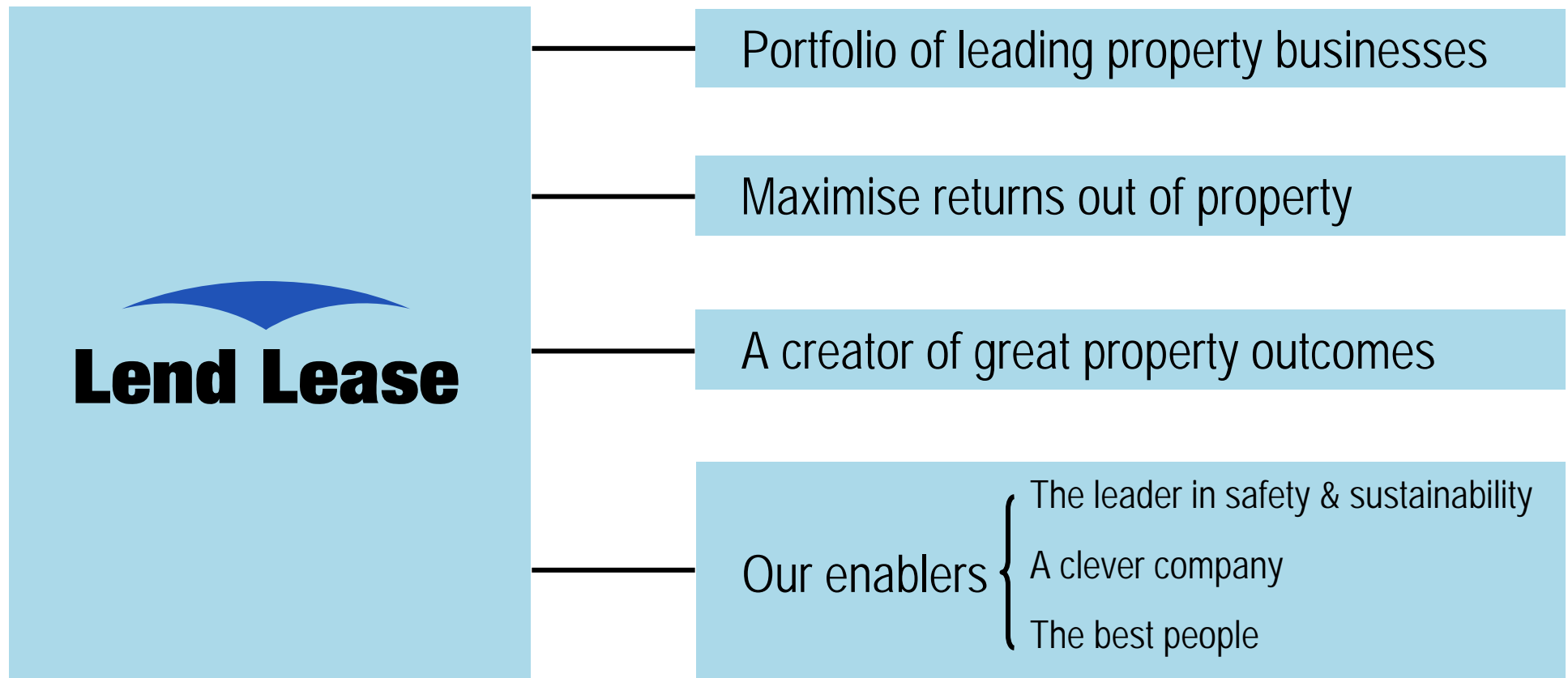
(2) 2007 EPS excluding ATO interest of A\$32.2m after tax

Dividend

cents



■ Interim ■ Final



Diversified Earnings Base



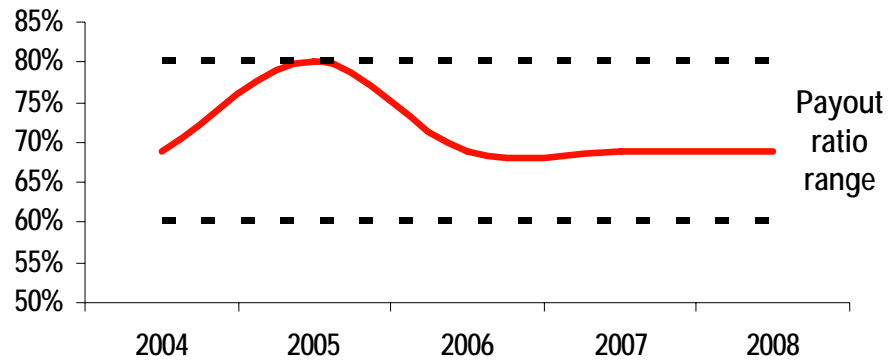
	Retail	Communities	Public Private Partnerships	Project Management & Construction	Investment Management
Core Activities	Asset ownership, development, property and asset management	Masterplanned greenfield communities and urban regeneration	Military housing, healthcare, education and waste	Project management and construction	Asset ownership, real estate investment management services
Operating Revenue	A\$130.7m	A\$969.5m	A\$962.7m	A\$12,426.8m	A\$127.3m
EBITDA	A\$79.4m	A\$124.0m	A\$60.0m	A\$198.9m	A\$151.2m
Proportion of Profit After Tax from Operating Businesses ⁽¹⁾	<p>12.6%</p> <p>↓ 6.5%</p>	<p>19.2%</p> <p>↓ 30.1%</p>	<p>13.9%</p> <p>↑ 27.4%</p>	<p>28.1%</p> <p>↑ 240.0%</p>	<p>26.2%</p> <p>↓ 27.4%</p>
Development Pipeline / Backlog GPM / FUM	A\$4.8b	A\$33.9b	A\$521.3m	A\$788.3m	A\$9.3b
Regional Business Operations	Australia, Singapore, UK, US	UK, Australia, US	UK, US	UK, Europe, Middle East, Americas, Asia Pacific	Australia, Singapore, UK

⁽¹⁾ Before Group Services, Treasury, Property Investment Revaluations and Adjustment to Carrying Value of Inventory

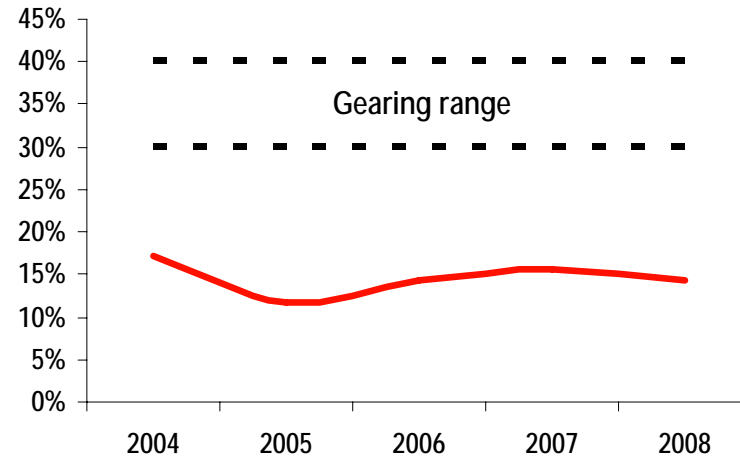
Financial Metrics



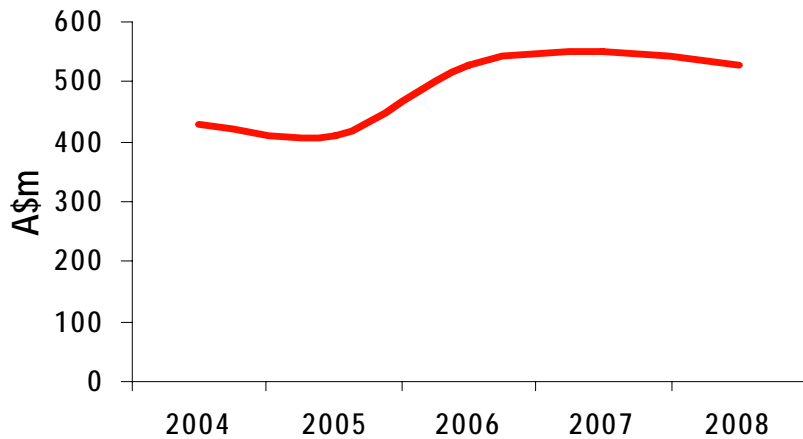
Payout Ratio on Operating Profit



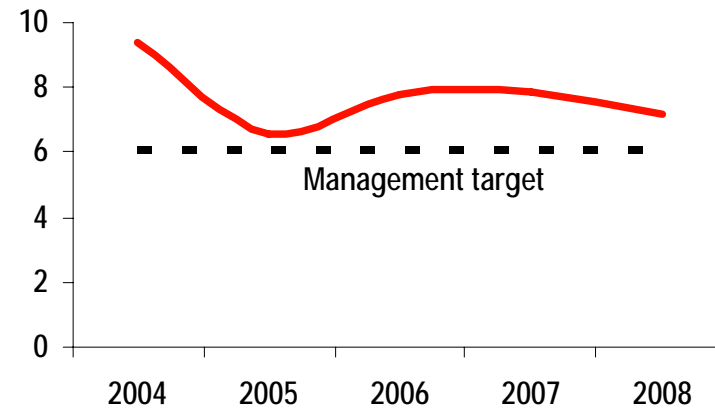
Gearing – Gross Borrowings to Total Tangible Assets



Operating EBITDA

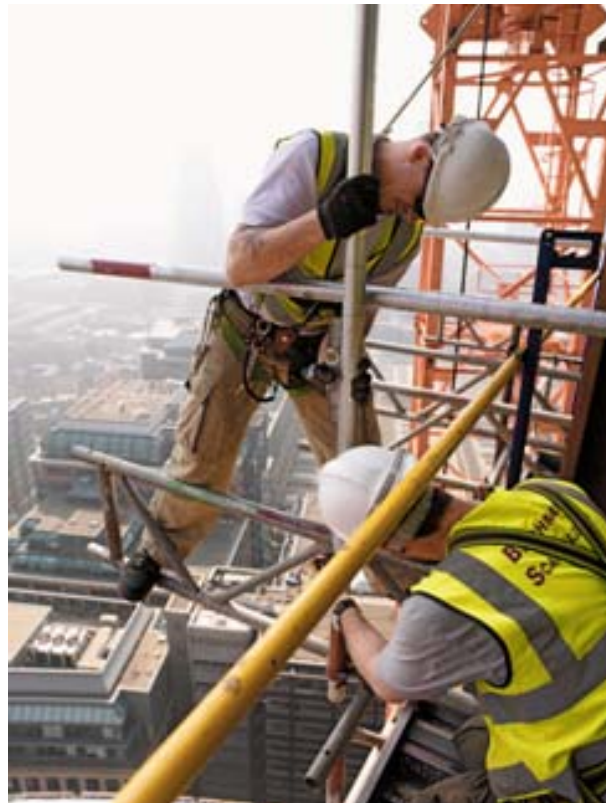


Interest Coverage (times)



Note: All charts based on 2004 (AGAAP) & 2005-2008 (AIFRS)

Injury & Incident Free



Incident & Injury Free 無事故無傷害



Sustainability



Office waste recycling



Chilled beam airconditioning



Solar panels



Youth skills training



Roof gardens



Green building office design

How are we placed going forward?

Business model – market leading positions

Efficient capital model /
Low holding costs

Financial strength –
cash & capacity

- Create long term shareholder value
 - Be financially disciplined