



16 November 2006

The Manager
Companies Section
Australian Stock Exchange Limited

The Manager
Companies Section
New Zealand Stock Exchange Limited

Pages: Forty-one (41) pages

Dear Sir

Stock Exchange Announcement

Managing Director's Address

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

Yours faithfully
LEND LEASE CORPORATION LIMITED

S J SHARPE
Company Secretary

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

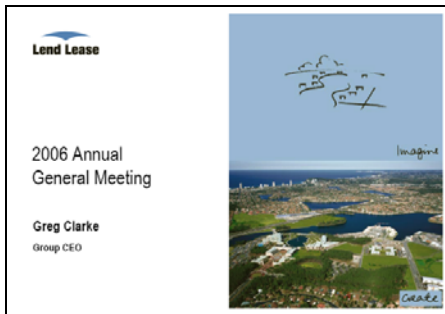
Telephone +612 9236 6111
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2006 Annual General Meeting

Speech by Greg Clarke

Managing Director and Chief Executive Officer



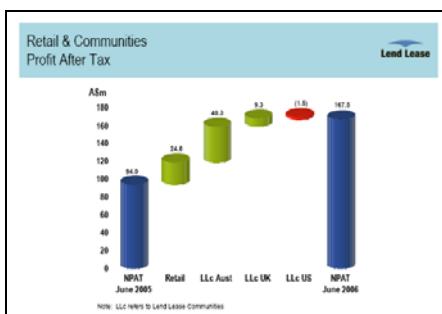
Thank you, David, and good morning, ladies and gentlemen.

The year to June 2006 saw a step change in the Group's performance.

I want to briefly review the result and outlook at the operating business level.

I then want to explain how our strategy is working to secure future earnings by taking you inside the three businesses to demonstrate performance, diversity and synergies.

Let's start with Retail and Communities.



Under Ross Taylor's leadership, Retail and Communities delivered a 78% increase in profit to \$167.5 million after tax.

This was driven by an increased contribution from the Retail operation following the sale of Chapelfield shopping centre in the UK.

There was also a strong contribution from the Australian Communities operation, despite continued tough operating conditions.

The overall UK Communities result includes the first earnings from Crosby Homes. This was reduced by the need to write down the project at North Weald following an unfavourable planning decision.

The US was flat year-on-year, but this was in line with expectations.



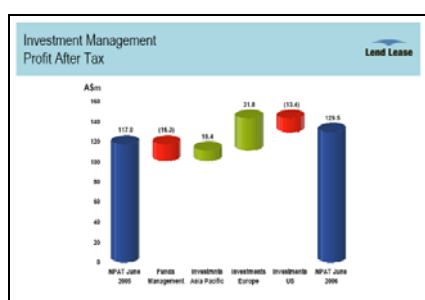
The market value of the Group's retail investment interests was up 26% to \$3 billion.

Around a quarter of that growth came from valuation gains; another quarter from increased net operating income.

This means that a good proportion of the value gains were based on rent increases at the centres, indicating strong performance and good asset management.

The other half of the asset growth came from investments in new development opportunities.

Let's now look at the result for the Investment Management business.



Under Steve McCann's leadership, Investment Management profit increased by 11% to \$129.5 million after tax.

Funds management income was down as expected, because of the absence of fees from GPT. However, this was more than offset by the increase in investment income.



Funds under management grew by 20% to \$9.7 billion, including joint ventures.

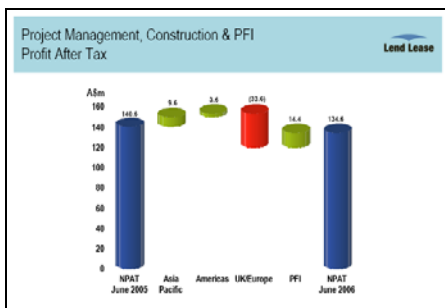
In Europe and North America, Bluewater and King of Prussia continued to perform strongly for Lend Lease with further valuation increases – up by 12% and 24% respectively.

Investment performance was also very strong.

All key funds exceeded target returns. The APPF Retail Fund continues to deliver top quartile returns with a three year annualised return of 17.2%.

In Singapore, APIC II has delivered a 19.3% annualised return since inception.

Finally on operating business results, let's have a look at the Project Management, Construction and PFI business.



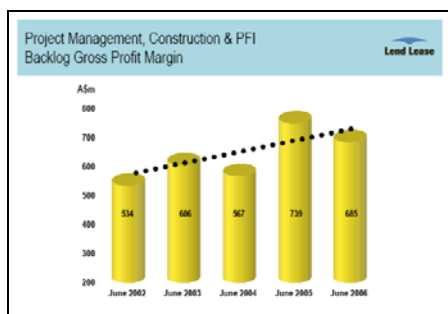
Under Bob Johnston's leadership, the Construction and PFI business delivered a \$134.6 million after tax profit.

Highlights of the result were an increased profit in Asia Pacific following the completion of a number of large projects such as Deutsche Bank Place and Darling Park stage 3 in Sydney.

The US operation continued to perform well, but profit was partially reduced by movements in foreign exchange rates.

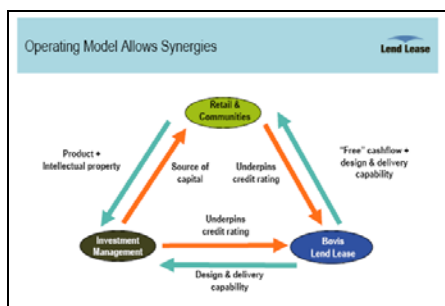
Europe was down for the full year because of UK project provisions in the first half, but had a good second half.

Private Finance Initiatives – or PFI – delivered a profit on a joint venture with Halifax Bank of Scotland. This joint venture is expected to increase our funding flexibility and capacity to pursue future PFI opportunities in the UK in particular.



Overall, while profit was broadly flat as we had expected, the Construction and PFI business finished the year with strong levels of New Work Secured and Backlog Gross Profit Margin that will be realised over the next several years.

I now want to turn to the Group strategy and business model.



This slide provides a good summary of how we see the strategic and operating relationships between the three businesses.

As indicated by the arrows, the Retail and Communities business is integrated operationally and strategically with Investment Management and Construction and PFI.

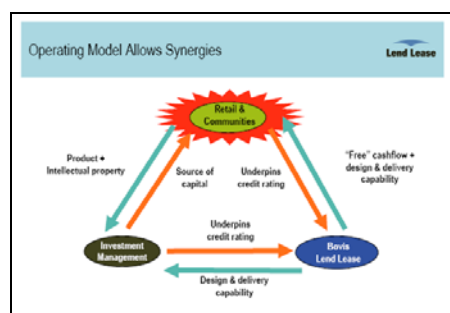
In my view, the strength of a business model and strategy is in the capacity to deliver on targets not just when things go well, but also when you encounter some knocks along the way.

The strong 2006 result was achieved despite the UK construction provisions made in the first half.

Retail and Communities is the engine room for our growth.

We are investing most of our balance sheet to secure retail and mixed-use residential development projects. These will throw off multiple earnings streams for the Group over many years.

These are the sectors that have the highest barriers to entry for competitors, and where Lend Lease has its greatest intellectual property and competitive advantage.



Let's have a look at the growth engine through some project examples. They provide a good insight to the quality and durability of future earnings.

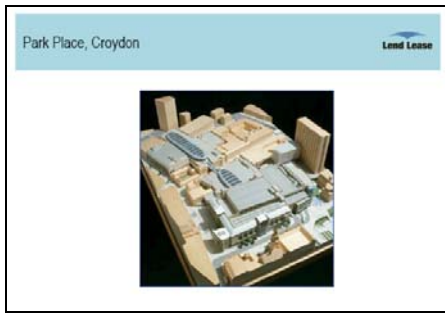


As David has already mentioned, at June this year the pipeline stood at more than \$4 billion, and it has grown further since balance date.

The latest addition to the pipeline is the Somerset Central development on Orchard Road in Singapore, which we acquired in August for Singapore \$617 million.

On completion around 2010, Somerset Central is expected to have a value in the order of Singapore \$1.1 billion.

Through our Investment Management business, we are offering institutional investors the opportunity to participate in development and ownership of this asset.



Earlier this month we took a 50% interest in the landmark Park Place retail development in Croydon, London. It involves an initial investment of £92.5 million.

At around 85,000m² and \$2 billion in value, the redeveloped Park Place will fundamentally reposition Croydon town centre

Each of our businesses should participate in earnings from these projects – from conception and funding through design, construction, ownership and management.

There are many more such opportunities for us, particularly in the UK and South East Asia.

The Communities operations present Lend Lease with very long term earnings opportunities.



Our large scale, masterplanned projects undertaken by Lend Lease Communities in Australia typically feature projects with several thousand lots.

Staged over 10 and 15 years, these mixed-use projects incorporate residential, retail, commercial and community facilities.

In Australia, while the residential market remains tough, that variety of product means that we have continued to generate good profits from the sale of commercial and retail centre facilities within the projects.



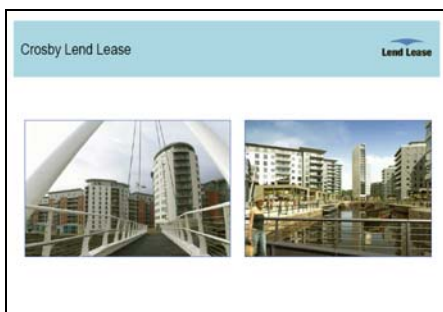
A good example of this is the sale of three assets to the new Lend Lease Core Plus Fund. These assets included two retirement villages which will continue to be managed by Lend Lease, and a 50% interest in the retail centre at Delfin's award winning Caroline Springs community in Melbourne.

The other 50% interest in the centre went to APPF Retail, which is also managed by Lend Lease.



After an exhaustive vetting process, ANZ recently selected our proposal to develop and build their 87,000m² office centre at our Victoria Harbour project in Melbourne.

This is one of the largest commercial tenancy commitments in Australian history.



In the UK, we are attracted to the fundamentals of the housing market where there is a long term shortfall in housing stock.

There are around 190,000 new housing starts a year in the UK versus around 150,000 a year in Australia.

That is, just 40,000 more housing starts a year for a country with around three times our population.



To illustrate the scale of projects we are now able to pursue in the UK market, we are currently one of two bidders on a major urban renewal at Elephant and Castle.

If we are successful, Lend Lease will become Southwark Council's development partner on 23 hectares of land. Today this is mostly Sixties' housing estate. It will be transformed into a vibrant, mixed-use, urban community.

We are also bidding to become the delivery partner for the 2012 Olympic Village.

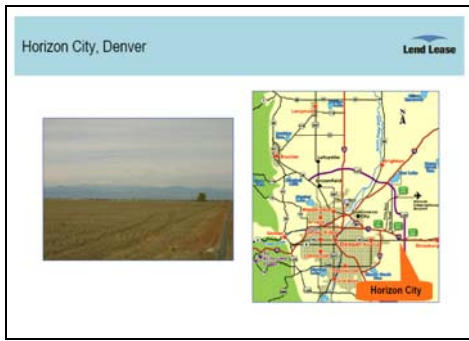
These are both long term, multi-billion dollar, urban renewal projects where we can leverage our integrated operating model with opportunities for all three businesses.



In the US, Actus continues to maintain its share of the military housing privatisation program.

It has a US\$3.4 billion portfolio of seven military base projects, and is preferred bidder on five more projects with a combined value of another US\$1.4 billion.

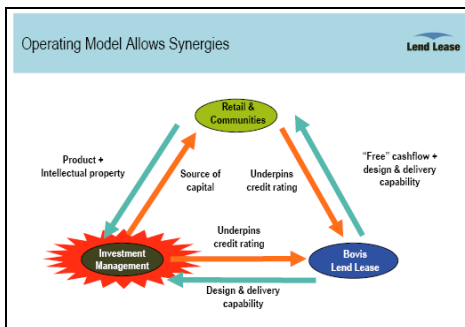
Actus has a promising future.



We have also taken the first step toward creating a US residential communities business similar to Delfin Lend Lease here in Australia.

We acquired the Horizon City mixed-use development in Denver, Colorado.

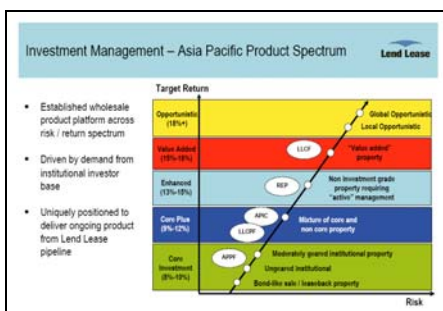
Let's now have a look at the Investment Management business.



There is a huge weight of capital seeking quality property assets in our chosen markets.

Increasingly, the Investment Management business will be a source of capital to partner with the Group in development and long term ownership of many of the assets we create.

It also plays an important role in underpinning the Group's investment grade credit rating.



We have built a portfolio of wholesale funds in Australia offering institutional investors specialist property investment opportunities across the risk / return spectrum.

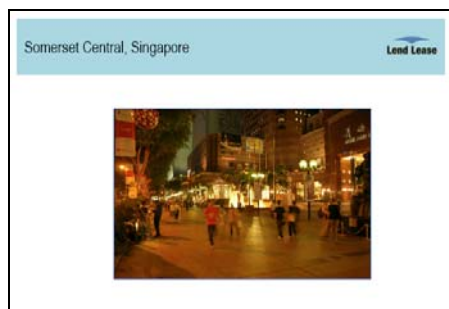
As well as launching the Lend Lease Core Plus Fund which I mentioned earlier, we also created the Lend Lease Communities Fund No. 1. It was launched shortly after balance date and has acquired interests in three of the Group's masterplanned community developments.

In addition to the profits realised on selling the assets into the funds, Lend Lease will continue to earn development and asset management fees, and of course fund management fees.

We have also taken co-investment positions in each of the funds to align our interests as Manager with those of our investors.

We intend to gradually replicate this offer in the UK and South East Asia, particularly Singapore.

I am not ruling out the US, but we see that very much as a long term play at this stage.

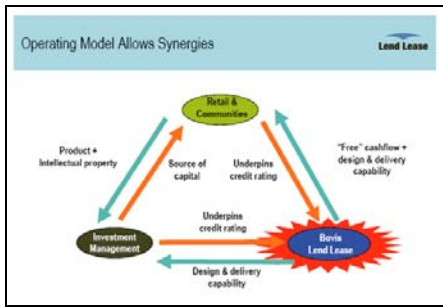


I mentioned the Somerset Central retail development in Singapore earlier.

At the beginning of November, we opened an offer to institutional investors to participate in a new Asia focused retail development and ownership fund.

That fund is expected to take a major interest in Somerset Central as its first investment.

Finally, let's look briefly at the opportunities for the Project Management, Construction and PFI business.



Within the Group model this is the business that, while operating and growing in its own right, is also a free cash generator for Lend Lease. It provides capital to invest in the Retail and Communities opportunities, while also providing valuable intellectual property to de-risk our development activities.

Pipeline Underpins Outlook

A number of key wins and opportunities will continue to support our QPM growth (sample list)

Region	Value A\$m	FY 2006	FY 2007	FY 2008	FY 2009
Ridge Hill Retail	250				
Imperial Square	250				
Australian Fashion Centre, Canberra	200				
Adopt Laboratories	200				
Wang Station	150				
St David's, Cardiff	850				
LIVERPOOL	420				
Spaichwen Hospital	400				
Stanfield Student Accommodation	400				
Mankak	250				
Top Hyde	250				
Foreign Trade Office	1,000+				
New York PATH Station	280				
WTC Memorial	600				
SLU 1	1,000				
Lancashire House	500				
Lancashire Offices	200				
Total	8,500				

Legend: Services Potential Projects

This slide provides just a sample of the current and potential workload for the Construction and PFI business. It shows 17 projects valued at around \$8.5 billion, due for completion from 2007 out to beyond 2009.

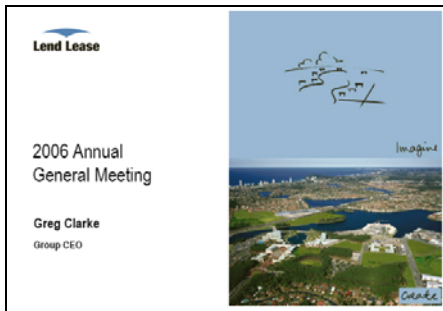


In the PFI operation, we now have 12 operational sites. A number of these are regarded as reference sites for good practice. This is an excellent competitive position for us in this very specialised market.

It will stand us in good stead when the next round of hospital PFIs are released over the next 12 – 18 months.

We also see opportunities in the Waste and Education sectors.

The Construction and PFI business has a good pipeline of opportunities in each of its geographies and target sectors.



As you can see, Lend Lease has a clear view of where its three businesses are headed, how they will maximise synergies, and where future earnings will come from.

In presenting this positive outlook for the Group over recent months, I have often been asked what the biggest risk is.

That is a fair question.

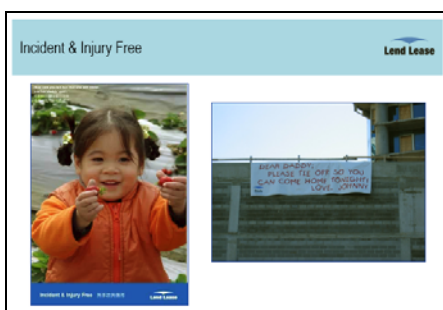
The answer is simple.

It is people.

It is essential to have sufficient, high quality people with the right skill-set and motivation to manage the execution of our strategy.

Around the world, while we face a very competitive market for good people, we are finding that the Lend Lease brand is a real advantage.

Talent is drawn to success. But I am also sure that the Group's culture and its commitment to safety, sustainability and people development play a big role in retaining and attracting the right people.



As a corporation with its roots in the construction industry, we are especially conscious of the need to focus on having a safe work environment.

Our Incident & Injury Free program, which is now in its fourth year, is about developing attitudes towards each other's and our own personal safety. Everyone has the right to go home to their loved ones at night safe, healthy and uninjured.

To effect real change, not only do we have to increase awareness among our employees, but we also have to influence sub contractors and competitors.

Even something as seemingly straight forward as getting accurate statistics takes time as trust has to be established regarding how the information will be used.

We do believe we are making a difference. However, this is no small task.

We cannot hide from the fact that we continue to face deaths on our sites which is horrifying to us all.

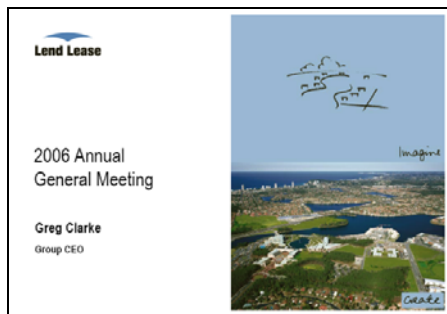
The Board and management continue to be fully committed to the Company ultimately achieving its Incident & Injury Free goals.



Beyond IIF, the Group has also invested a huge effort in beginning to understand what it means for Lend Lease to become a sustainable corporation.

On that point, I want to add my thanks to all our employees for their creativity and commitment to the changes we have brought about in Lend Lease over these last couple of years.

We have devoted a section of the Annual Report this year to Sustainability. I commend it to you.



As I said in my opening comments, this year has seen a step change for Lend Lease.

I would characterise our biggest single achievement as nailing the strategic settings – both business and financial – for the Group.

We have three core businesses that have market-leading positions operating in three key geographies.

We are leveraging synergies across the business to work on integrated opportunities. I've talked about some of those today.

Lend Lease is in great shape. The economic outlook in each of our geographies remains generally positive.

In this environment, the Group is well positioned to deliver sustainable growth for our shareholders.

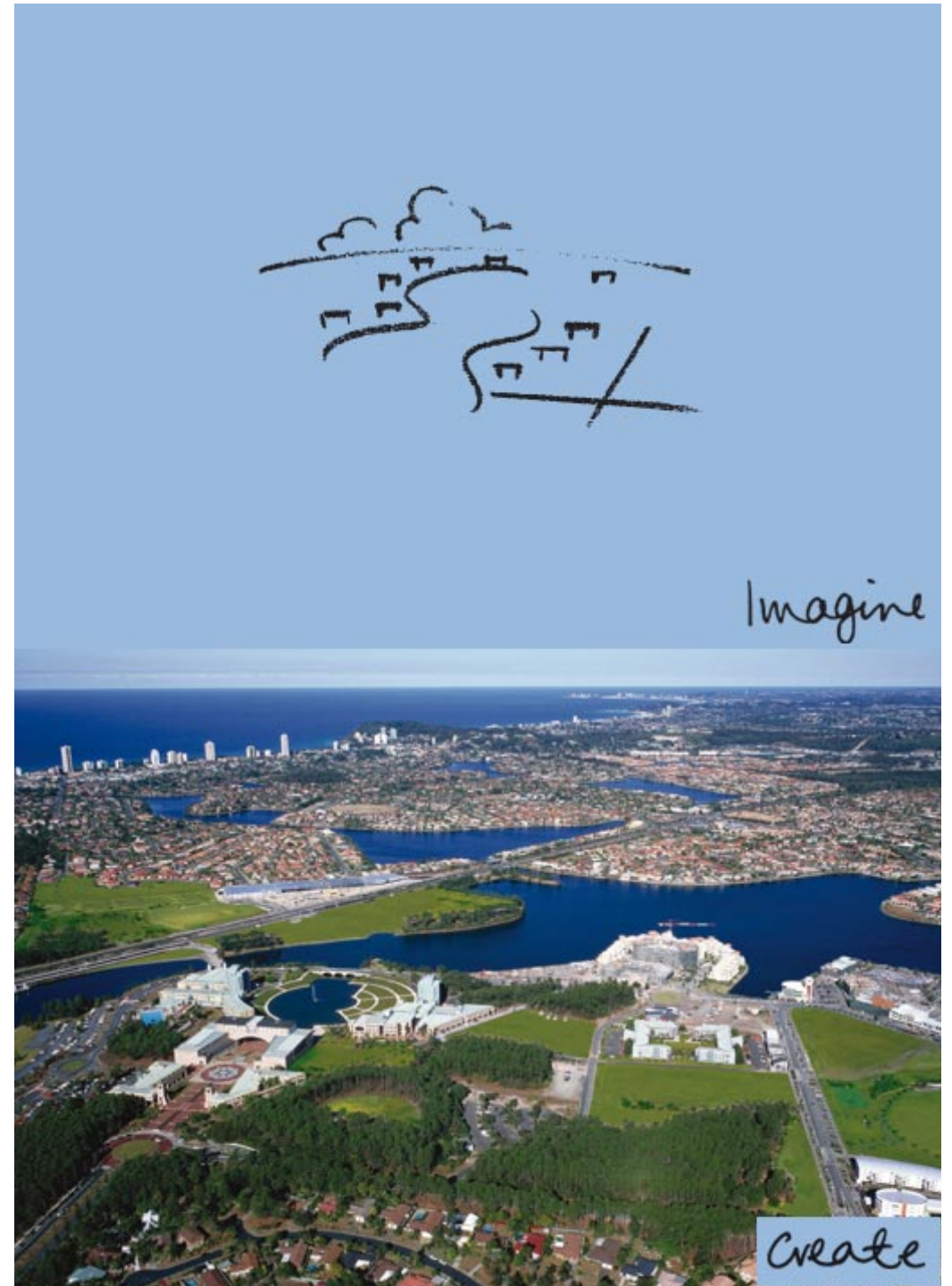
Thank you very much.

ENDS

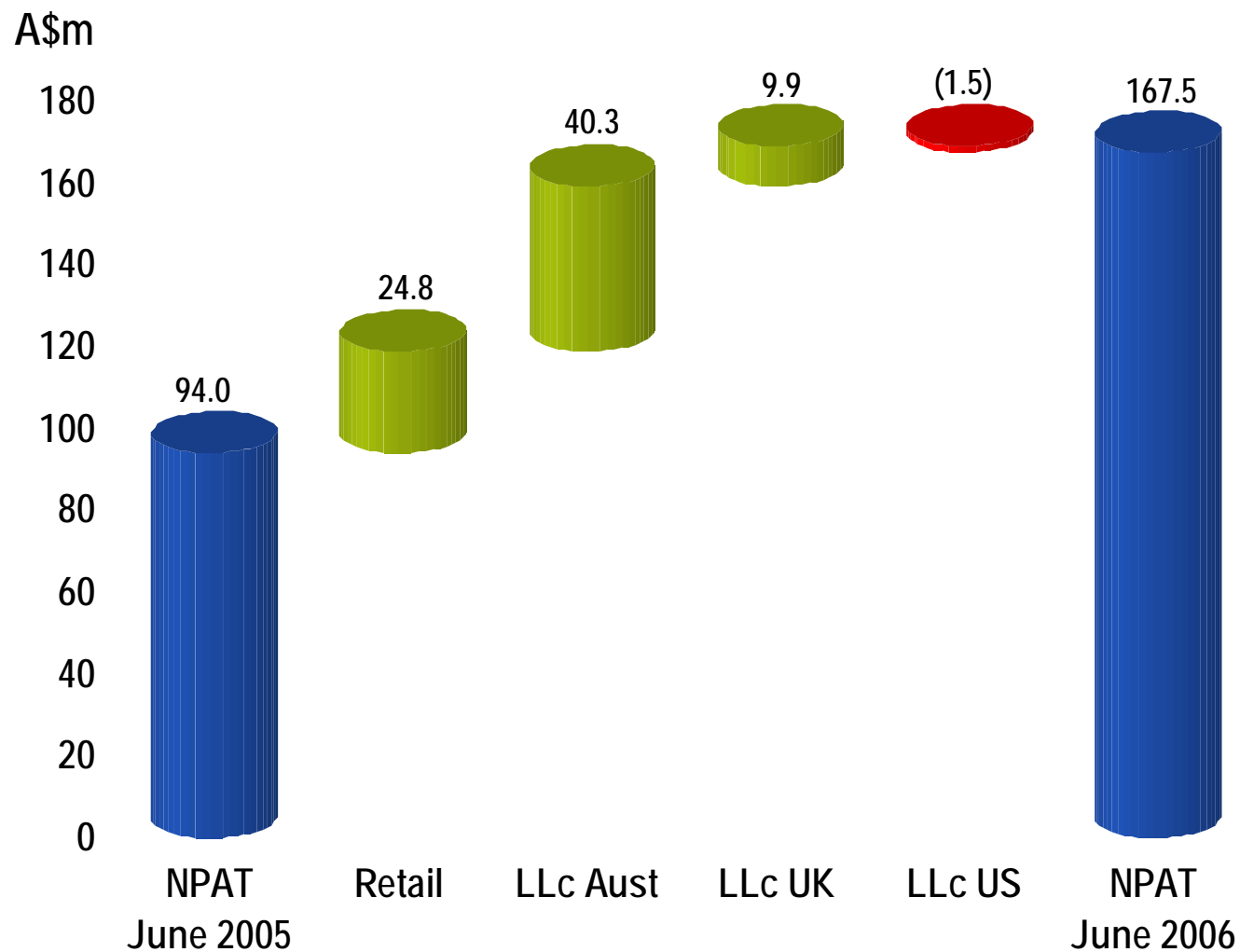


2006 Annual General Meeting

Greg Clarke
Group CEO

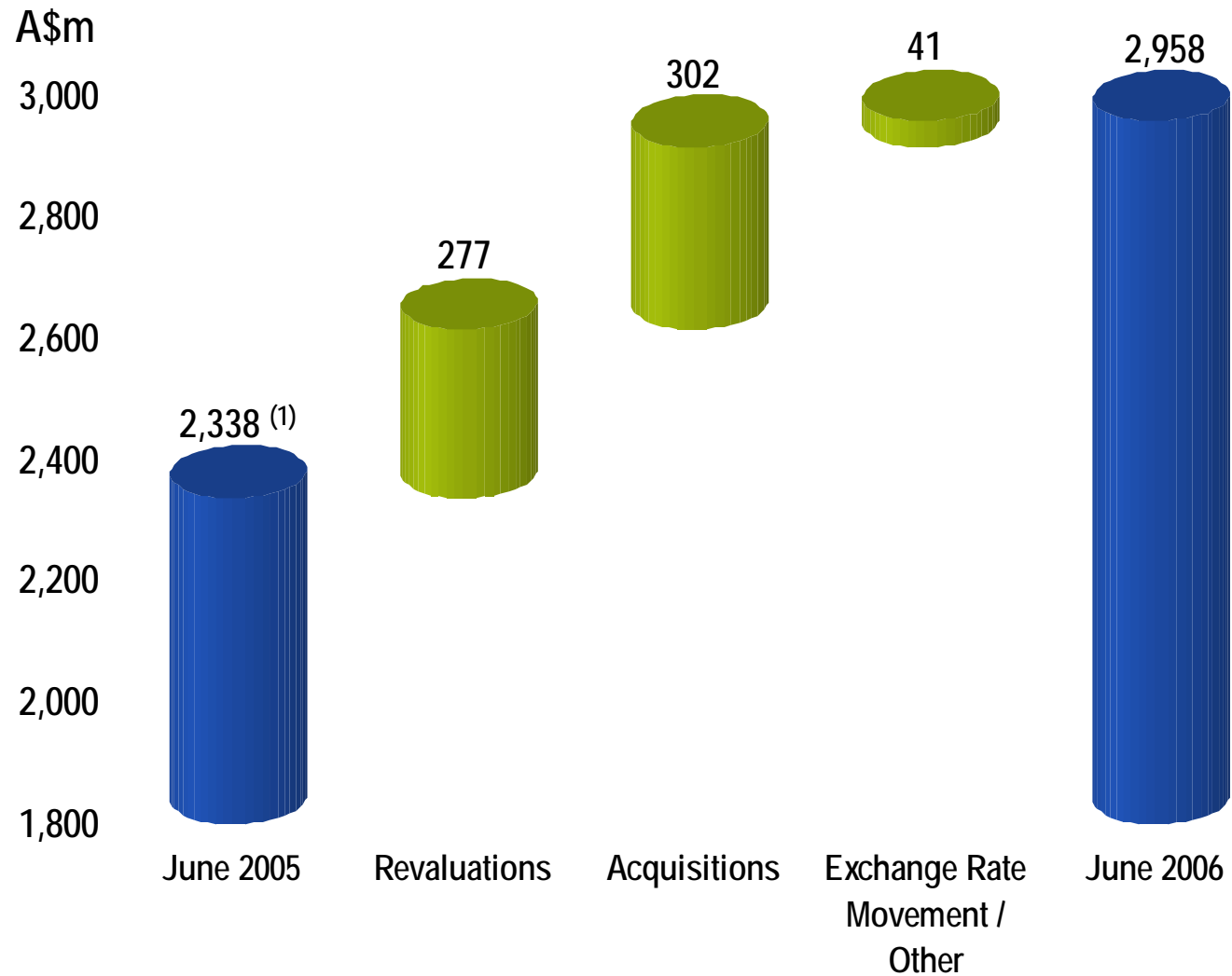


Retail & Communities Profit After Tax



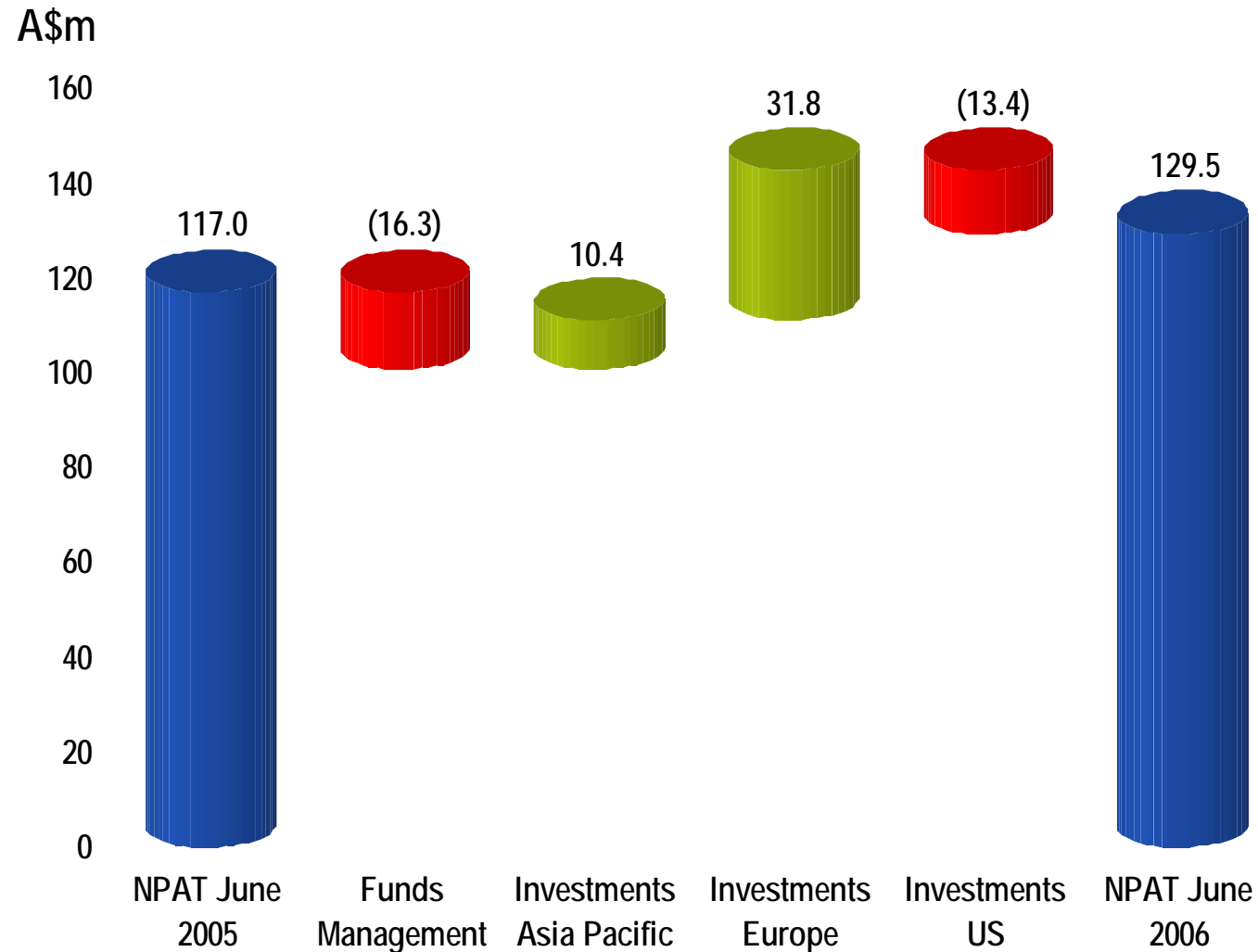
Note: LLc refers to Lend Lease Communities

Growth in Value of Group Retail Assets

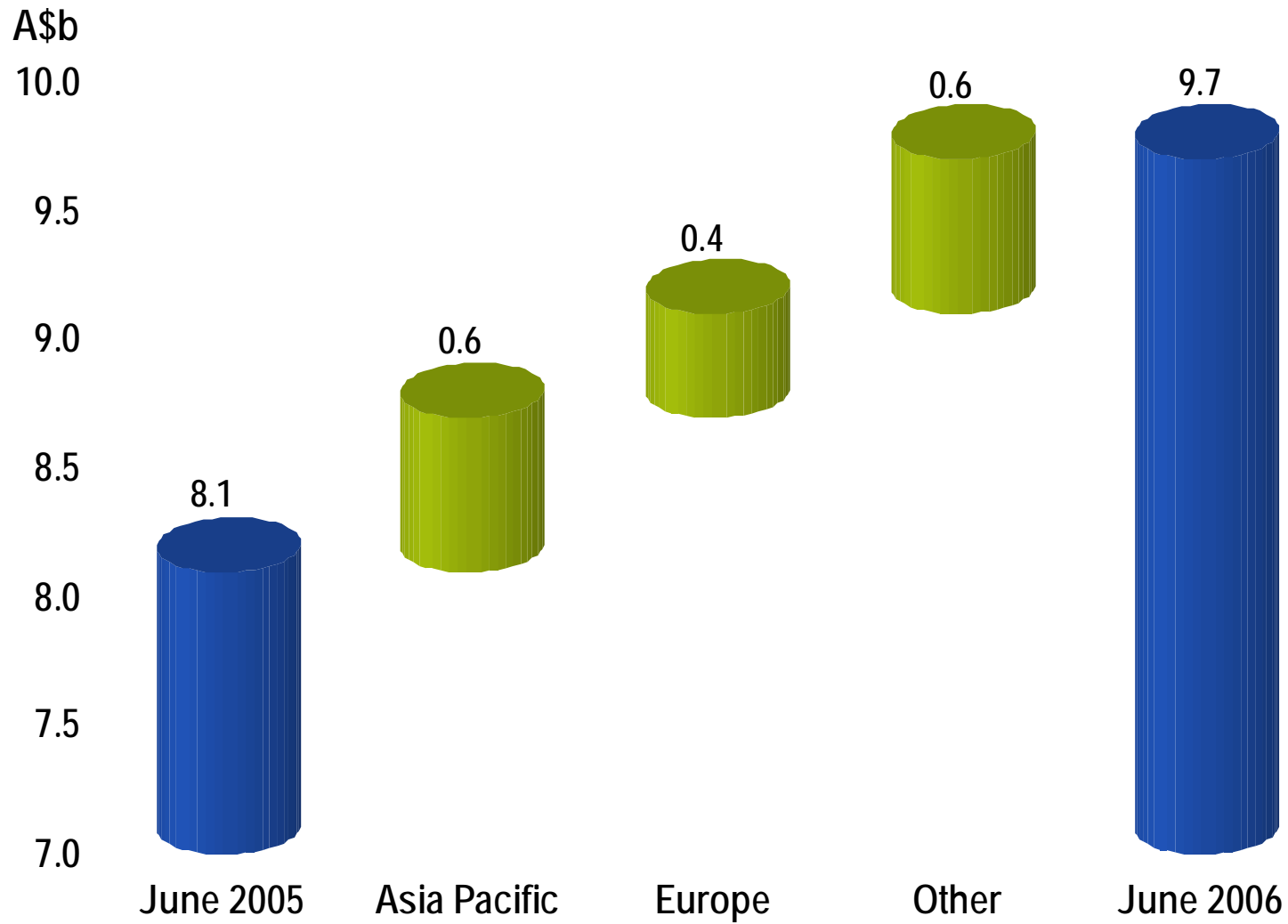


⁽¹⁾ Excludes Chapelfield which was under contract at June 2005

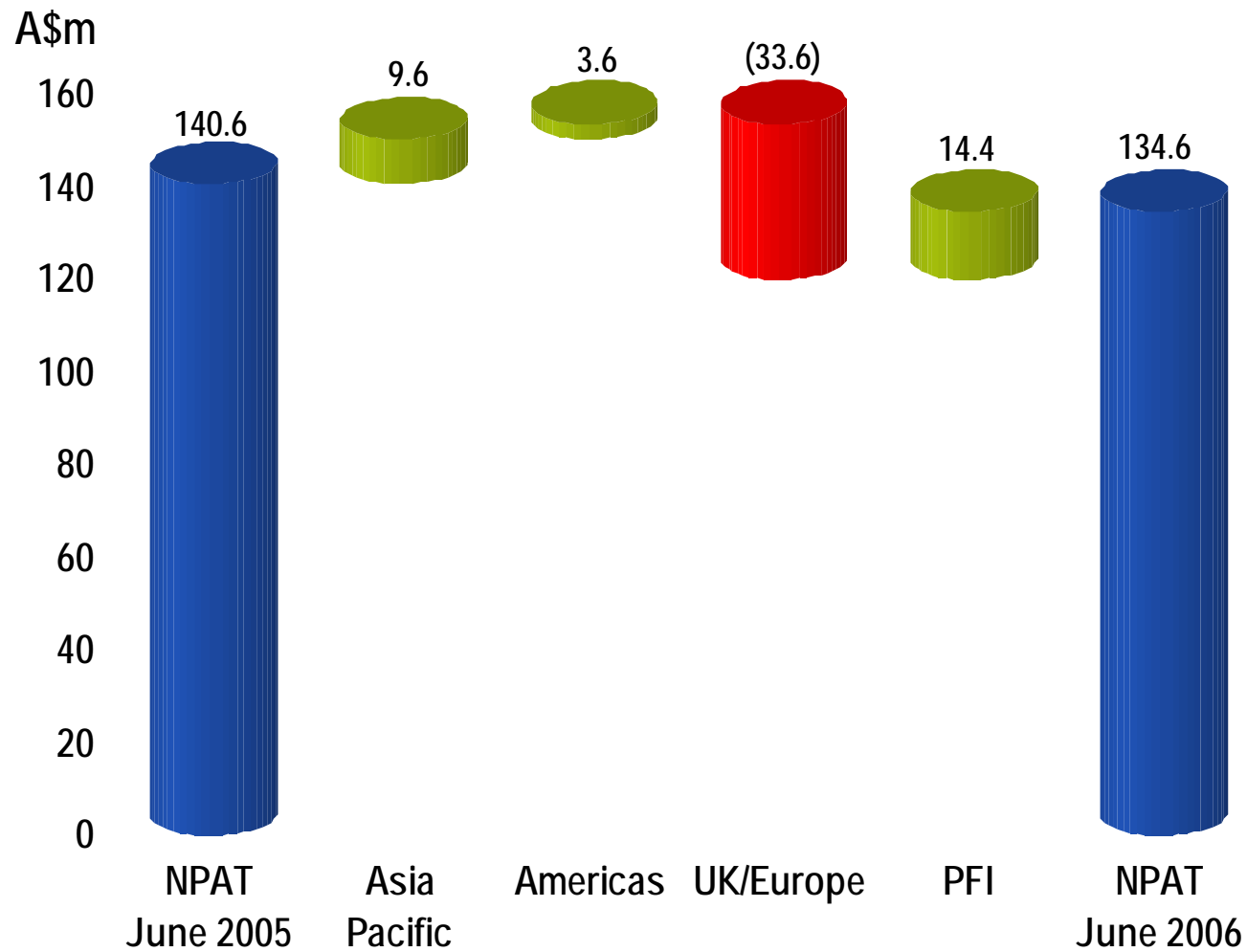
Investment Management Profit After Tax



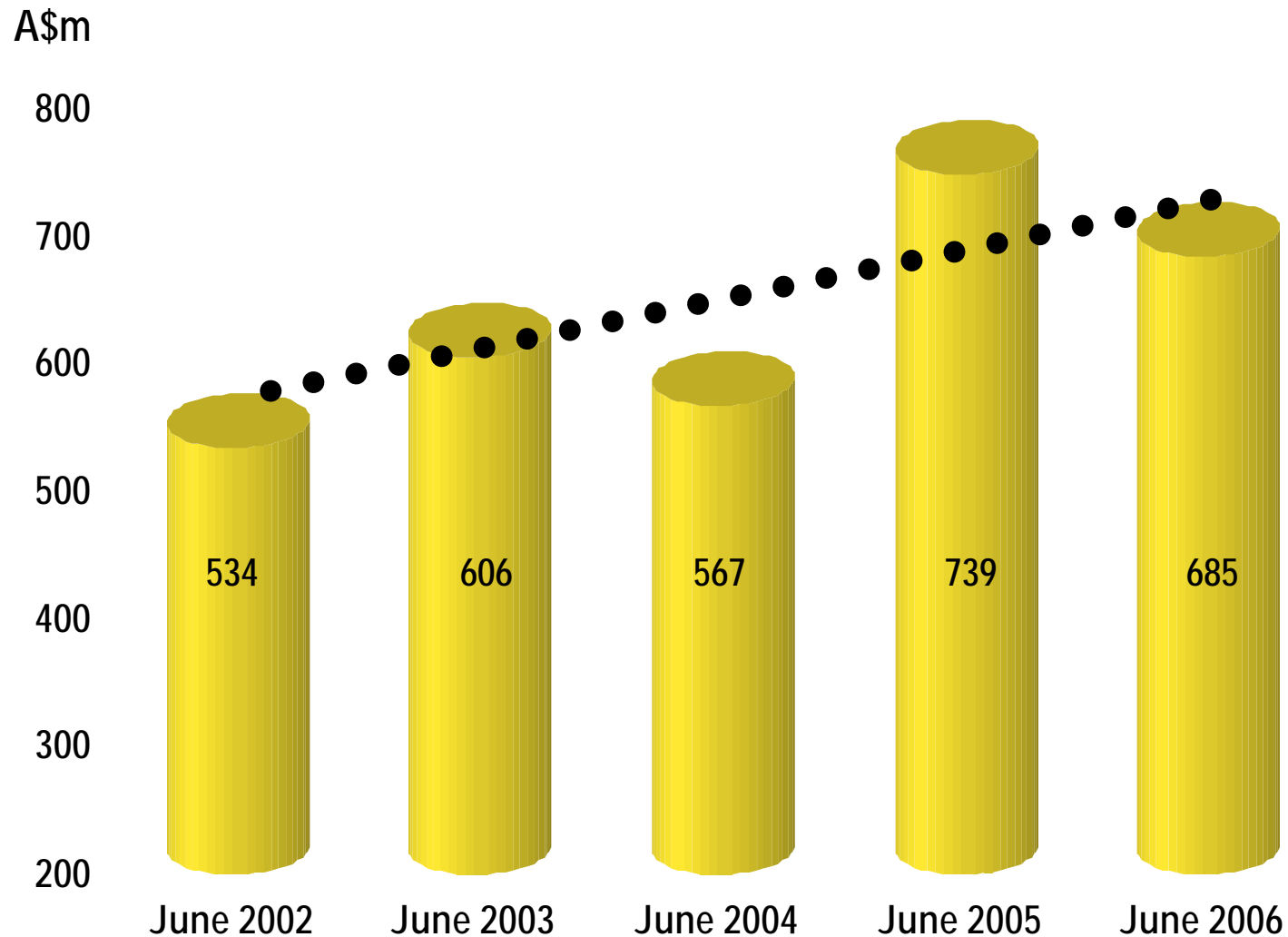
Growth in Funds Under Management



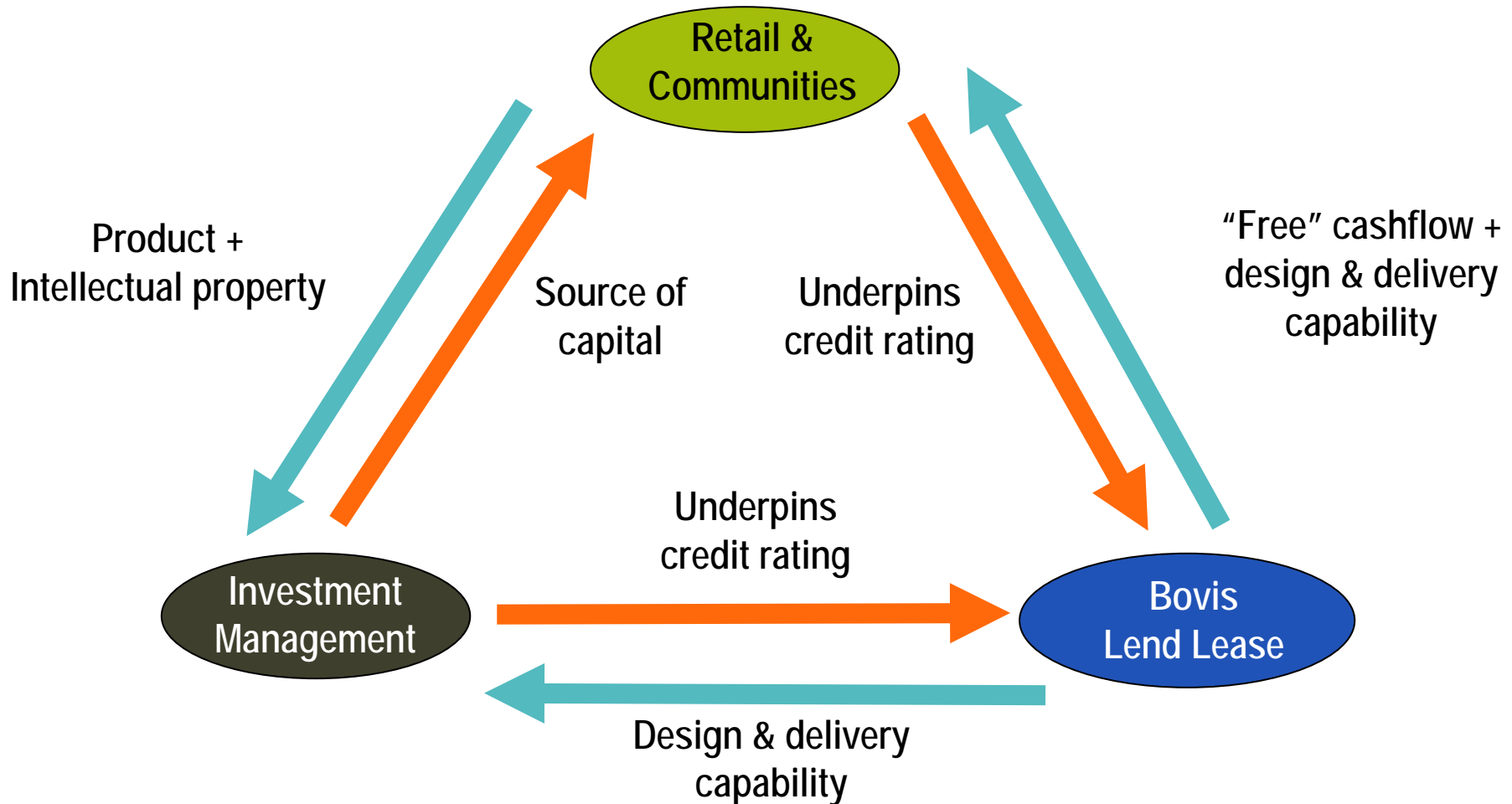
Project Management, Construction & PFI Profit After Tax



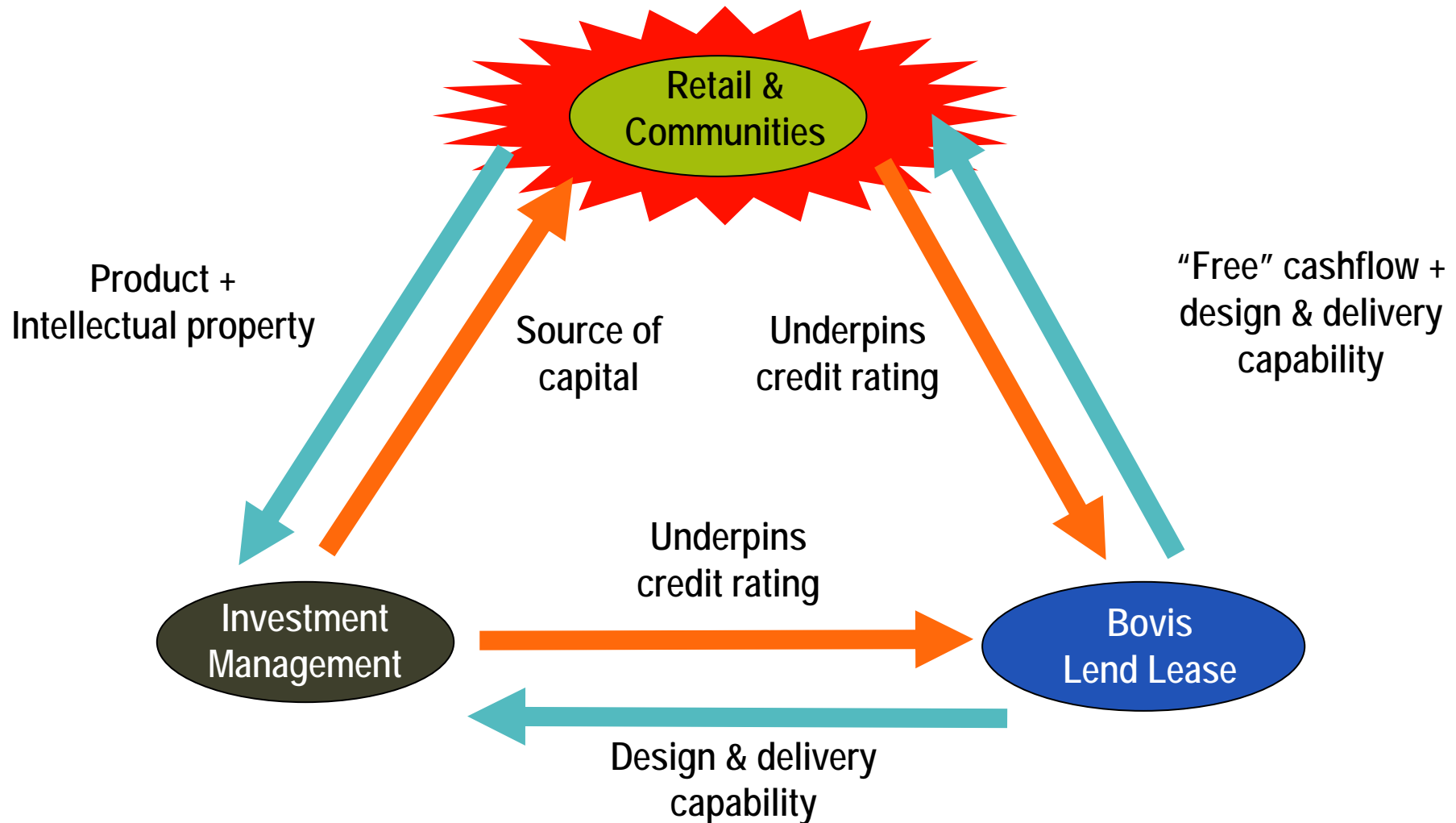
Project Management, Construction & PFI Backlog Gross Profit Margin



Operating Model Allows Synergies



Operating Model Allows Synergies





Retail

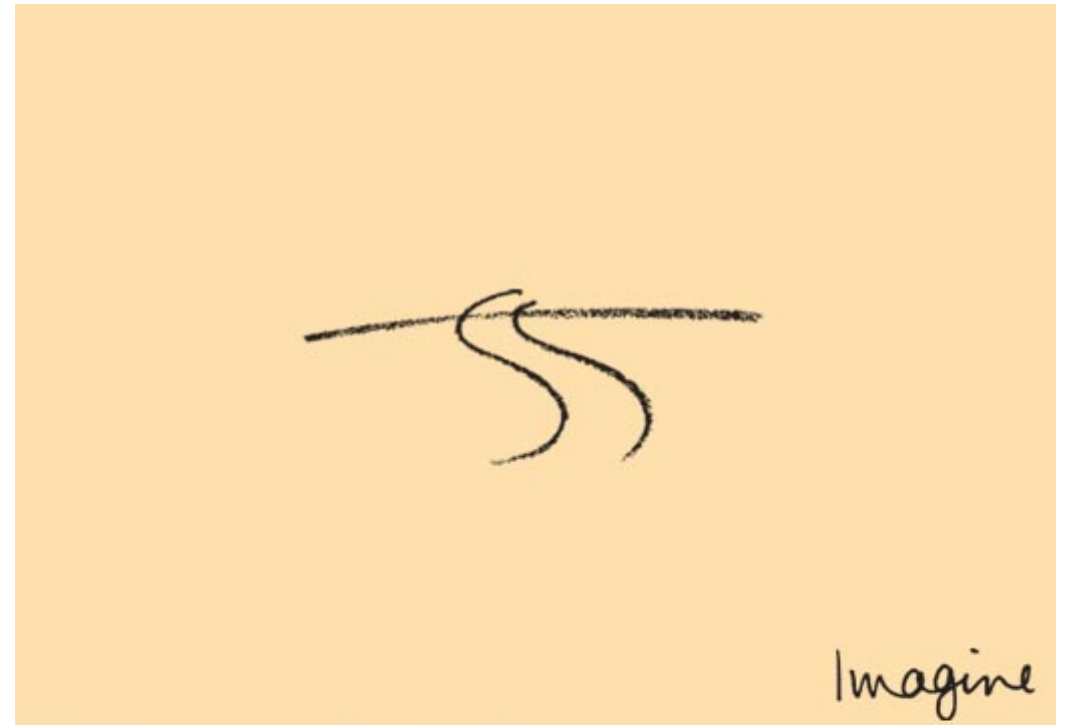


Park Place, Croydon





Communities



CS Centre, Caroline Springs



Victoria Harbour, Melbourne



Crosby Lend Lease



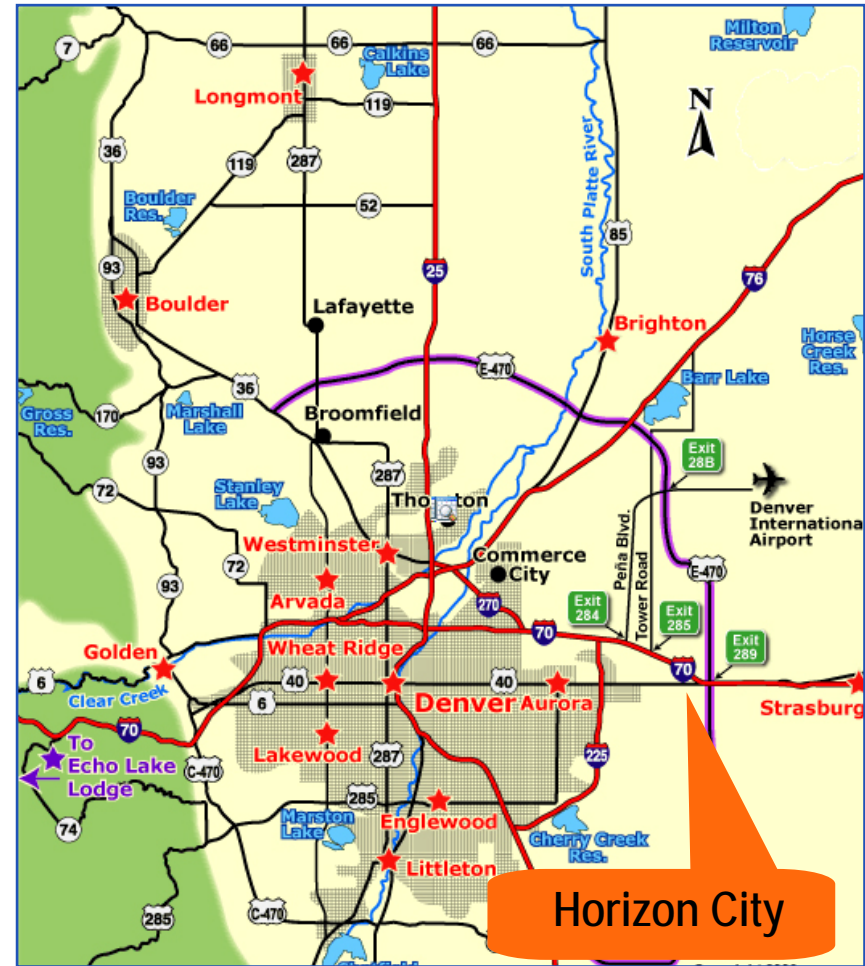
Elephant & Castle, London



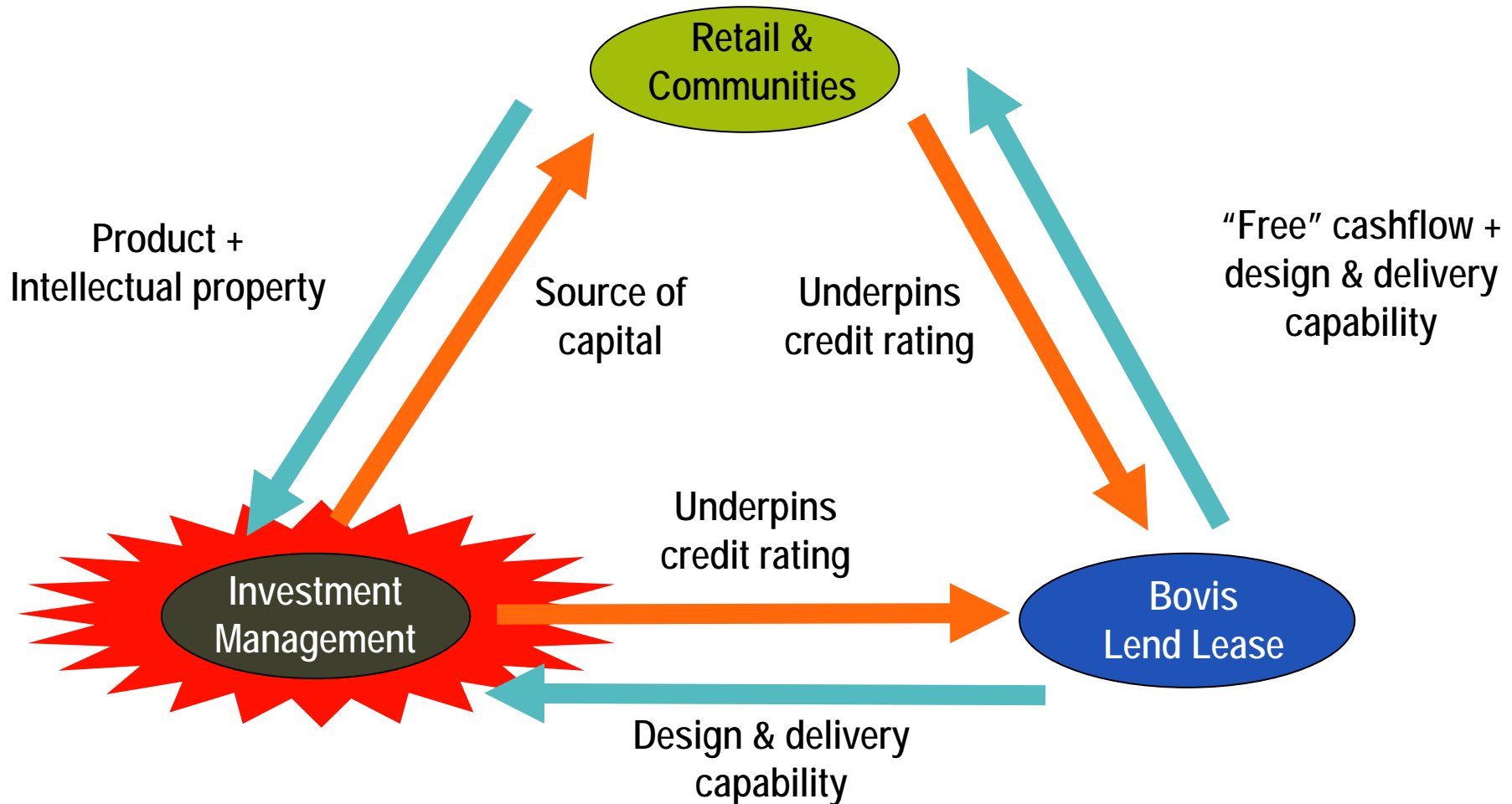
Actus Lend Lease



Horizon City, Denver



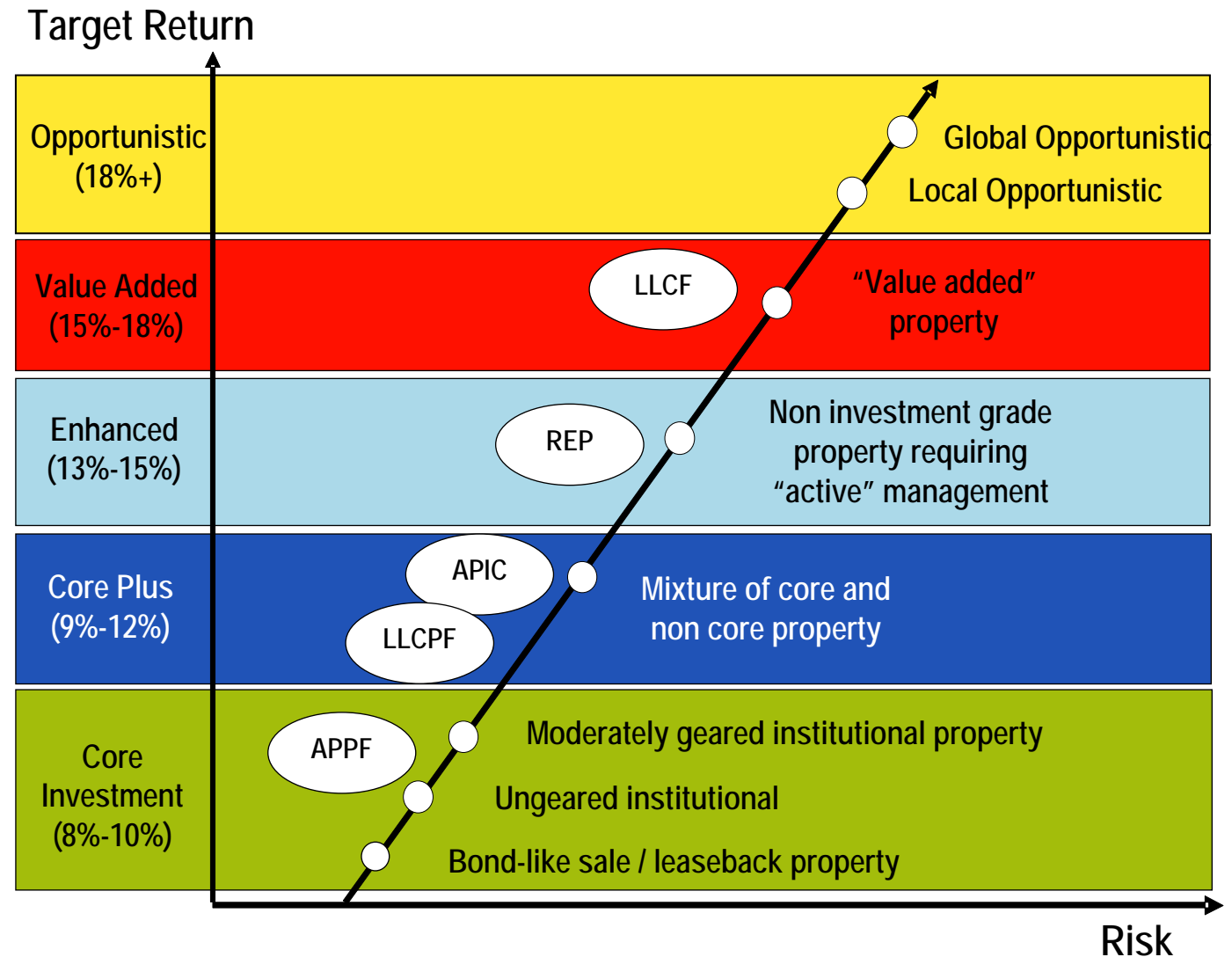
Operating Model Allows Synergies



Investment Management – Asia Pacific Product Spectrum



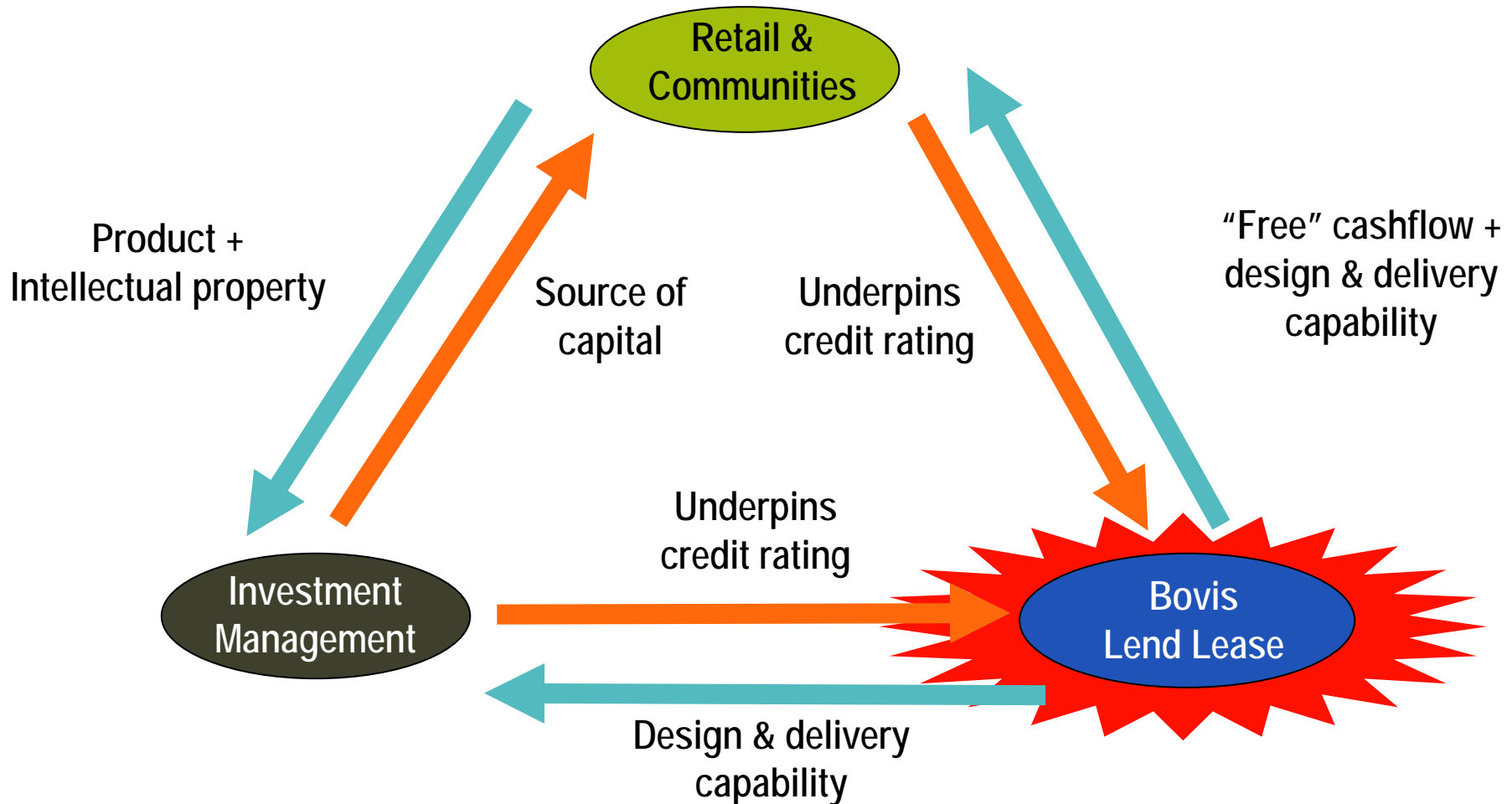
- Established wholesale product platform across risk / return spectrum
- Driven by demand from institutional investor base
- Uniquely positioned to deliver ongoing product from Lend Lease pipeline



Somerset Central, Singapore



Operating Model Allows Synergies



Pipeline Underpins Outlook



- A number of key wins and opportunities will continue to support our GPM growth (sample list)

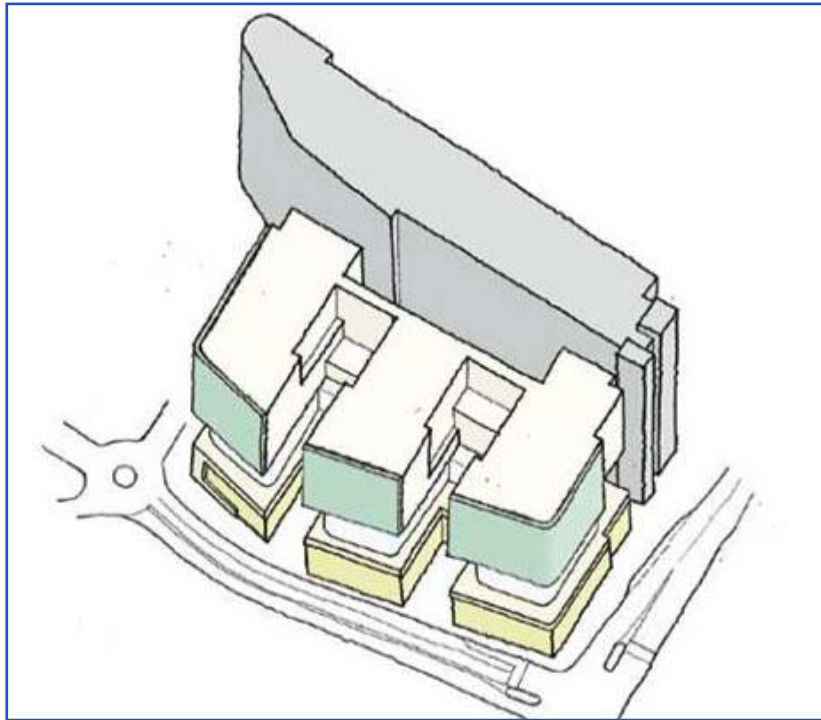
	Region	Value A\$m	FY 2006	FY 2007	FY 2008	FY 2009
Rouse Hill Retail	Asia Pacific	330				
Brisbane Airport	Asia Pacific	250				
Australian Taxation Office, Canberra	Asia Pacific	200				
Abbott Laboratories	Asia Pacific	200				
Mets Stadium	Americas	700				
St David's, Cardiff	Europe	660				
Leeds Hospital	Europe	420				
Manchester Hospital	Europe	900				
Sheffield Student Accommodation	Europe	400				
Mulwala	Asia Pacific	260				
Top Ryde	Asia Pacific	300				
Farleigh Post Office	Americas	1,000+				
New York Path Station	Americas	250				
WTC Memorial	Americas	600				
SLAM II	Europe	1,350				
Lancashire Waste	Europe	500				
Lancashire Schools	Europe	200				
		8,520				

Secured

Preferred Position

Project Management, Construction & PFI

PFI – St James's University Hospital, Leeds



Incident & Injury Free



Incident & Injury Free 無事故無傷害



Sustainability

