

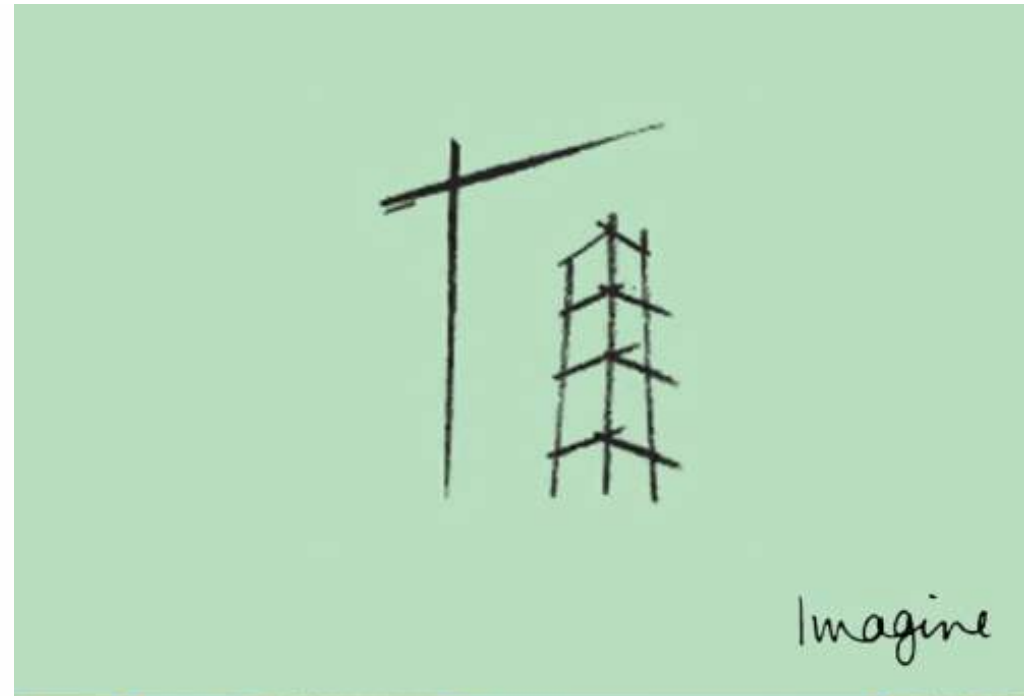


Bovis Lend Lease UK – Overview

Jason Millett

CEO, Bovis Lend Lease UK and PFI

Investor Roadshow
UK / US – May 2006



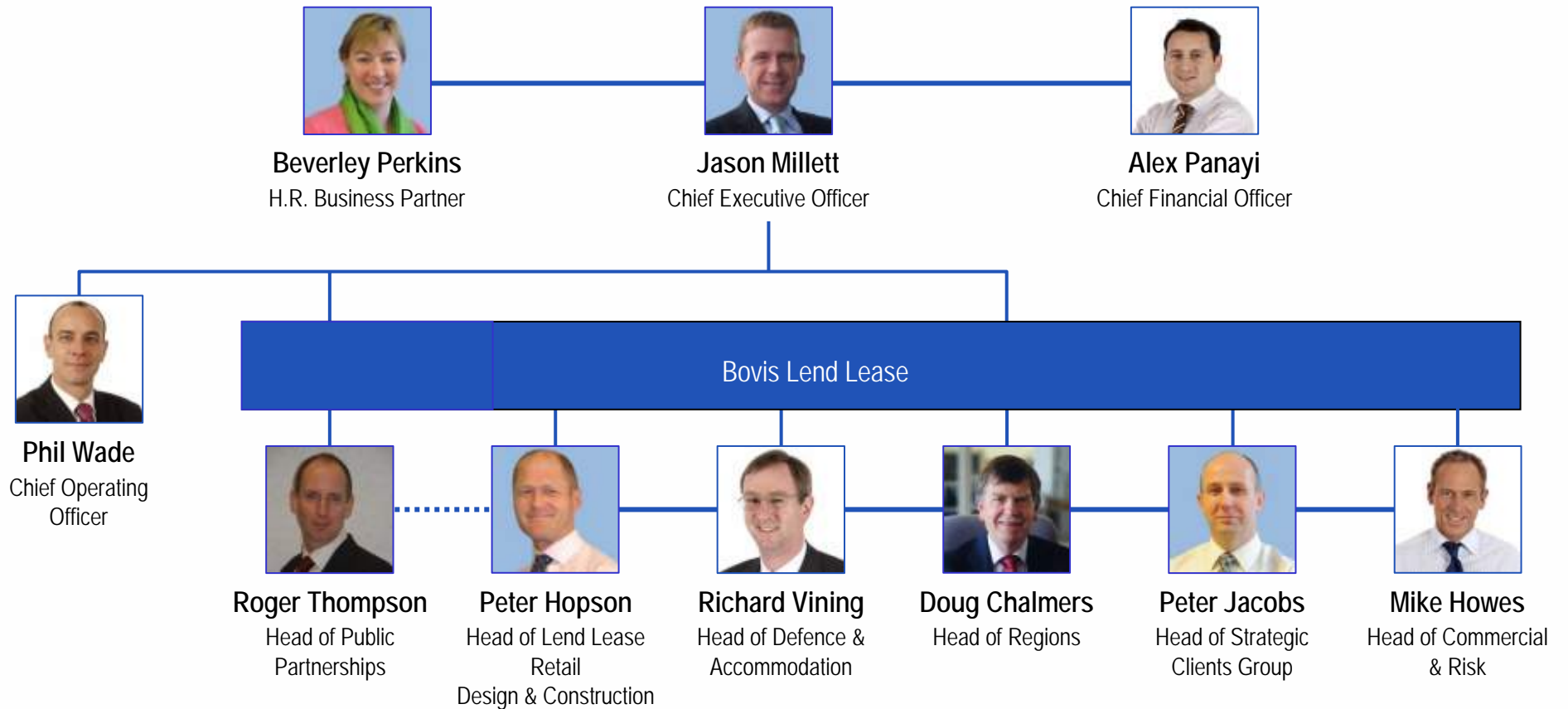
Agenda



- 1.0 The UK team
- 2.0 The UK construction market
- 3.0 Competitive strengths
- 4.0 Sector diversity
- 5.0 Key sectors forecast to grow
- 6.0 Strategic issues for business
- 7.0 Project performance over the past 4 years
- 8.0 Recent project successes
- 9.0 Summary

1.0 UK Senior Team

Bovis Lend Lease & Catalyst Lend Lease



2.0 UK construction: Market overview



- Market is in good shape overall with the commercial sector particularly buoyant and promise of new schemes coming to the market ahead of the 2012 Olympics
- Some uncertainty among retailers but developers see positive long-term opportunities and there is a clear project pipeline, to capture the next retail cycle
- UK's infrastructure is undergoing major change, particularly social housing, with new emphasis on affordable and key worker homes with good opportunities with companies like First Base, Lend Lease Communities and Crosby Homes
- Since 2000, clients have moved away from construction management and fee based contracts to lump sum and design & build
- Now seeing signs that speed of delivery is becoming the critical issue ahead of the Olympics. This favours 'early start' types of contract such as construction management

2.0 UK construction: Market statistics



Accessible market size of approximately £22bn per annum from of a total market of £100bn*

Key drivers:

GDP growth

- 2005 annual growth lower than expected at 1.8%, medium term still expecting 3-5% per annum growth in our sectors

Government capex

- PFI commitment to spend over £5bn per annum for the next 5 years (HM Treasury)

Defence facilities

- £1.2bn per annum over next 4 years (Under Secretary of State for Defence)

Planning policy

- Urban consolidation driving residential densities, retail, urban regeneration

2012 Olympics

- £2.8bn direct capex plus indirect hotel, retail, residential stimulus

*(Department of Trade and Industry)

2.0 UK Construction: Positive trend in market



Contracts awarded



Source: Glenigan April 2006

Construction News

Latest information shows:

- Sharp rise in orders in Q1 2006
- Over longer term i.e. 2004 to 2006 the trend is an uplift in the rolling 12 month average
- Bovis Lend Lease UK maintaining Top 3 position with market share circa 9% (Balfour Beatty and Laing O'Rourke also in civil engineering)

Top 20 contractors in 2005

Contractor	No	Man (£m)	Trad (£m)	Total (£m)
Balfour Beatty	142	10.0	1,741.1	1,751.1
Laing O'Rourke	55	0	1,696.4	1,696.4
Bovis Lend Lease	38	367.5	1,005.1	1,372.6
Kier	238	0	1,199.1	1,199.1
HBG	75	0	1,125.3	1,125.3
Sir Robert McAlpine	34	0	1,070.5	1,070.5
Skanska	17	0	988.8	988.8
Costain	51	0	986.5	986.5
Mowlem	84	0	957.1	957.1
Morgan Sindall	229	0	906.2	906.2
Bowmer & Kirkland	91	0	851.4	851.4
Carillion	23	0	810.8	810.8
Amec	23	0	624.1	624.1
Edmund Nuttall	58	0	532.9	532.9
Alfred McAlpine	25	0	515.3	515.3
Wates	69	0	488.4	488.4

2.0 Bovis Lend Lease UK



- 9% market share and a balanced portfolio of work, by size and by sector
- Lend Lease Projects, Bovis Lend Lease Technology, Bovis Lend Lease Interiors and our regions generate many smaller projects that deliver quicker GPM to offset the lumpiness of larger projects
- Repositioned the UK business to take maximum advantage of our skills and market opportunities – both large and small
- Aim is to strengthen our market position with additional PFI work and by cultivating new strategic clients such as Hammerson and Allied London

3.0 Bovis Lend Lease UK: Competitive strengths



History and extensive relationships

- A strong reputation with over 120 years of history
- Established relationships with key clients for negotiated work e.g. Peel Holdings and Stanhope
- Enduring and valued relationships with our supply chain



3.0 Bovis Lend Lease UK: Competitive strengths



Capacity and diverse expertise

- Resources and skills for large, complex projects where there are few competitors
- Diverse business streams (e.g. Regions, Technology, Projects) which also enable us to bid and win smaller, quicker delivery projects
- Established centres of expertise to win work in sectors with long pipelines, (e.g. Commercial, Health, Education, Defence, Accommodation)
- Capacity to invest in our technical and business development skills

Lend Lease Group

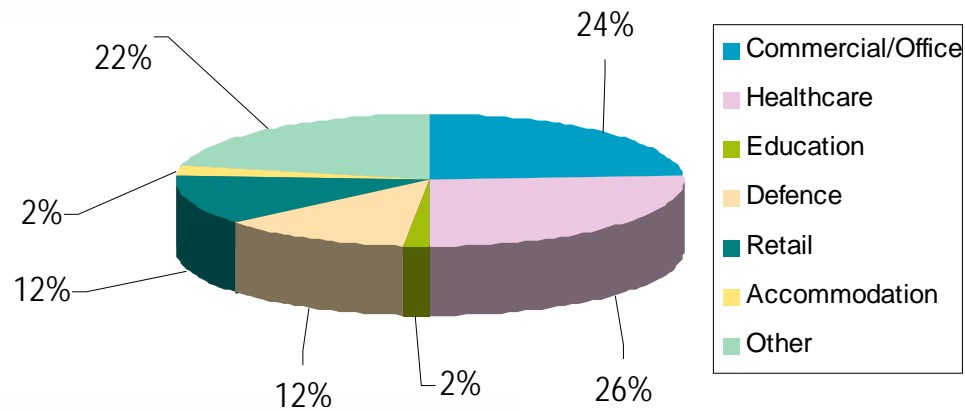
- Increasing access to pipeline of internal workload, e.g. Retail, PFI, First Base, Communities and Crosby Homes
- Integrated services offer within Lend Lease creates significant group opportunities
- Bovis Lend Lease UK relationships also open new doors for Lend Lease

4.0 Bovis Lend Lease UK: Sector diversity

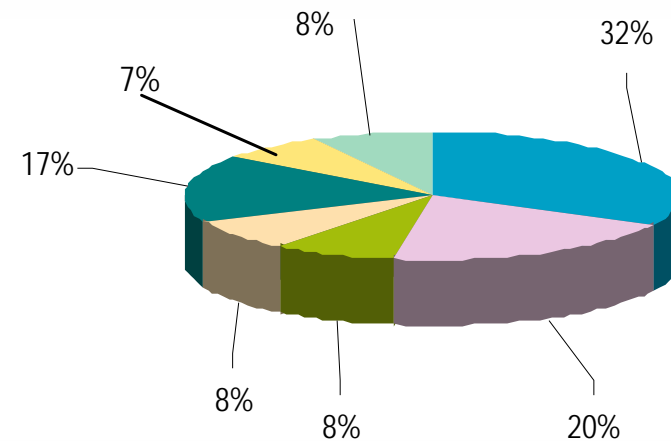


On track to achieve targeted sector diversity and balanced portfolio

**Backlog GPM
December 2005**



**Backlog GPM target
June 2008**

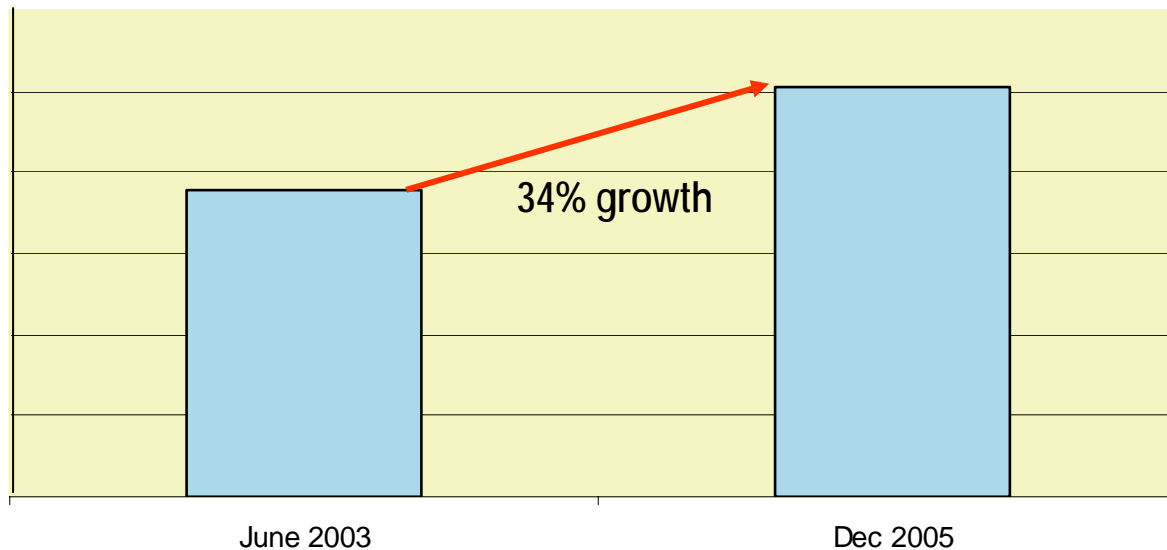


Note: Other includes BP Alliance

4.0 Bovis Lend Lease UK: Increased backlog GPM



- Bovis Lend Lease UK GPM backlog strengthened from £75m at June 2003 to £101m at December 2005



- December 2005 GPM backlog excludes projects at preferred bidder:
 - Sheffield University (value £160m)
 - Lancashire Schools Phase 1 (value £80m)
 - Lancashire Waste (value £200m)
- And recent win:
 - St David's Cardiff (value £260m)

4.0 Bovis Lend Lease UK: Sector diversity/project pipeline



- Strong pipeline of large projects generating visible backlog GPM

Project	Value (£m)	FY2005	FY2006	FY2007	FY2008
Manchester Joint Hospitals PFI	380				
Leeds Oncology Wing	175				
Kings Waterfront, Liverpool	120				
Bankside Buildings 2&3, London	105				
St. David's, Cardiff	260				
Lancashire Schools	80				
Lancashire Waste	200				
Sheffield student accommodation	160				

Key:	Secured
	Preferred position

In addition to the above, we have opportunities with British Land on Leadenhall Street Tower (£185m) and Land Securities on New Change (£205m) and Fenchurch Street (£205m) and have long standing relationships with BP and Defence Estates which generate consistent workload.

5.0 Bovis Lend Lease UK: Key sectors forecast to grow



Commercial

- Number 1 in London and Manchester office markets*
- Central London rebounding
- Vacancies <7% = 16 million square feet, compared with 25 million square feet at end 2003
- Strategic Clients deal flow
 - Land Securities
 - Stanhope
 - British Land

* (Construction News 20th April 2006)



201 Bishopsgate and Broadgate Tower

5.0 Bovis Lend Lease UK: Key sectors forecast to grow



Health

- One of the UK's top 4 builders/operators of PFI hospitals with 5 now fully operational:
 - Calderdale
 - Worcester
 - Hexham
 - Roehampton
 - Burnley
- Now 26% of backlog
- 3 major projects underway:
 - Romford (£200m)
 - Manchester Joint Hospitals (£380m)
 - Leeds Oncology (£175m)
- Currently negotiating variation opportunity at Hexham



Romford Hospital



Leeds Oncology

5.0 Bovis Lend Lease UK: Key sectors forecast to grow



Education

- Education sector projects now of sufficient scale to represent attractive opportunity
- £1bn per annum Building Schools for the Future (BSF) pipeline
- Lancashire BSF preferred bidder status – an ideal start

Defence

- Stable Ministry of Defence (MoD) annual accommodation budget
 - Minimum £1.2bn per annum MoD pipeline on construction and maintenance
- Top 3 position in this market
- Excellent reputation for modular build that can be leveraged on non-military accommodation projects
- Prime contracts provide long-term earnings and renewal opportunities



Building Schools for the Future



SLAM

5.0 Bovis Lend Lease UK: Key sectors forecast to grow



Retail – external clients

- St. David's win cements our top 2 position in the sector*
- Move towards town centre developments that are more sophisticated and complex playing to our building skills
- Secured workload of external projects
 - St. David's, Cardiff £260m, Land Securities
 - Arndale, Manchester £120m, Prudential
 - Grand Arcade, Cambridge £100m, Grosvenor
 - Drake Circus, Plymouth £80m, P&O Developments
 - Silverburn, Pollok £80m, Retail Property Holdings



St. David's Cardiff

*(Construction News 20th April 2006)

5.0 Bovis Lend Lease UK: Key sectors forecast to grow



Retail – Lend Lease Group

- Realigned focus on internal projects:
 - Separate team to manage these projects
 - Developing design and build solutions
 - Applying lessons learned to achieve consistency and risk management across all projects
- Pipeline from Lend Lease Group
 - Arndale, Eastbourne £145m, Q3 2008
 - Cameron Toll, Edinburgh £75m, Q2 2008
 - Overgate 2, Dundee £70m, Q3 2007
 - Blewater Events Venue £38m, Q1 2007



Arndale, Eastbourne

5.0 Bovis Lend Lease UK: Key sectors forecast to grow



Accommodation

- Supply/demand imbalance will be addressed through higher density accommodation
- Developing intellectual property in low cost modular construction
 - SLAM 1 & 2: 23,500 beds at total construction value £1.06bn
 - SLAM 1 25% remaining to complete
 - SLAM 2 contract to be awarded 2006
 - First Base: potential programme £300m over next 3-5 years
 - £20m Adelaide Wharf initial project 147 dwellings underway
 - Student accommodation: Potential opportunities up to £7bn over next 10 years
 - £160m of projects to date

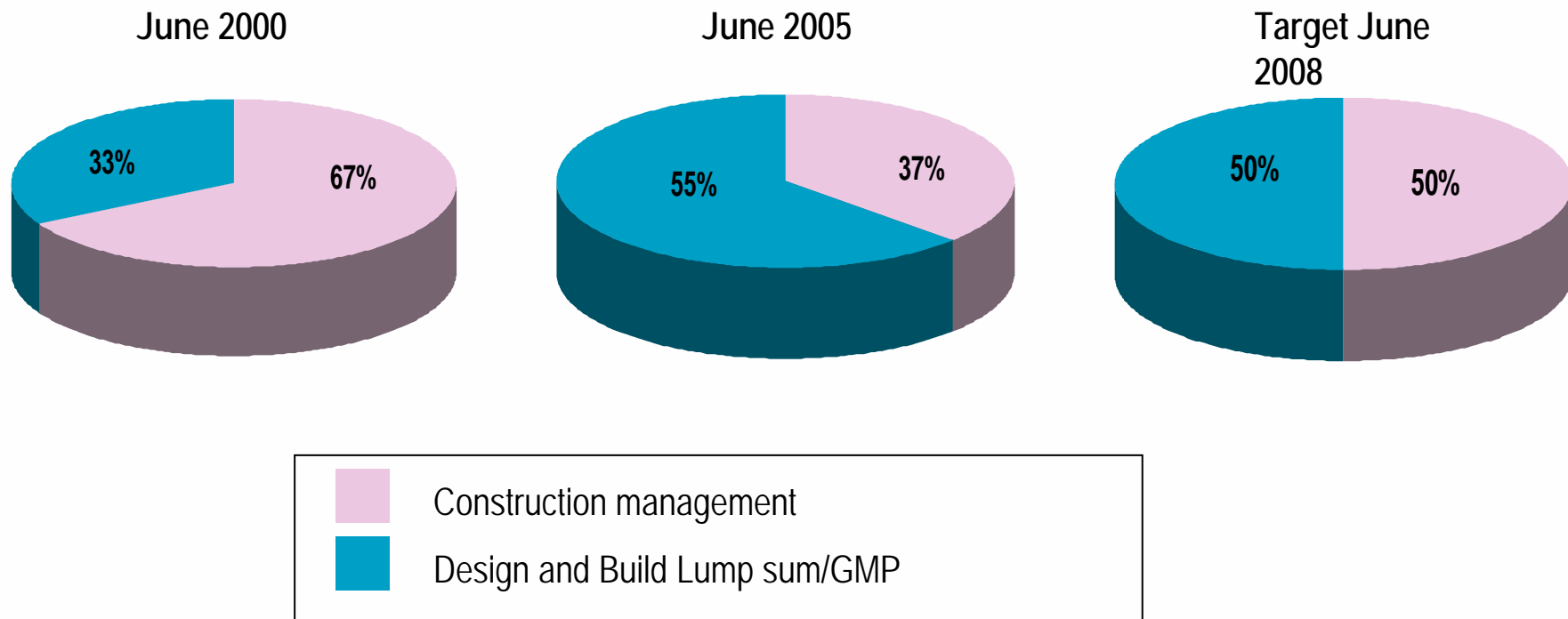


First Base

6.0 Bovis Lend Lease UK: Strategic issues for the business



1. Market has moved from construction management to design and build and lump sum contracts



6.0 Bovis Lend Lease UK: Strategic issues for the business



1. Market has moved from construction management to design and build and lump sum contracts

Our response:

- Moving with the market trend to maintain our market share
- Continuing to target diversity of contract types, including CM/negotiated and prime
- Aim to convert more clients to strategic
- Adapting risk management procedures to reflect higher risk profile
 - All projects subject to integrated project audits
 - 'Core Essentials' training programme mandatory for all site staff
- Developing an integrated design and construction philosophy
- Integrating specialist skills to deliver our developments
- Offering broader based service and advice using enhanced technology
- Developing differentiated offering
 - Enhanced design capability through WhiteBox

6.0 Bovis Lend Lease UK: Strategic issues for the business



2. Scarcity of skilled and experienced resources to deliver current industry workload, further exacerbated by 2012 Olympics

Our response: External

- Long-term relationships with nationwide supply chain lessens our exposure
- Industry ranking and range of projects makes Bovis Lend Lease an employer of choice
- Targeting projects in sectors/geographies we know best
- Closer sector focus enhances skill development and knowledge transfer

6.0 Bovis Lend Lease UK: Strategic issues for the business



2. Scarcity of skilled and experienced resources to deliver current industry workload, further exacerbated by 2012 Olympics

Our response: Internal

- Recruitment initiatives
 - Leverage brand and market position
 - Proven and popular undergraduate recruitment programme
 - Encourage employee and contractor referrals
- Improved engagement and training
 - Development centres for high-potentials
 - Specialised construction and business skills training
- Leveraging global network
 - Global operations highly attractive to employees and recruits
 - Enabling cross-border moves to meet regional skills shortages
 - Increased global collaboration across HR community

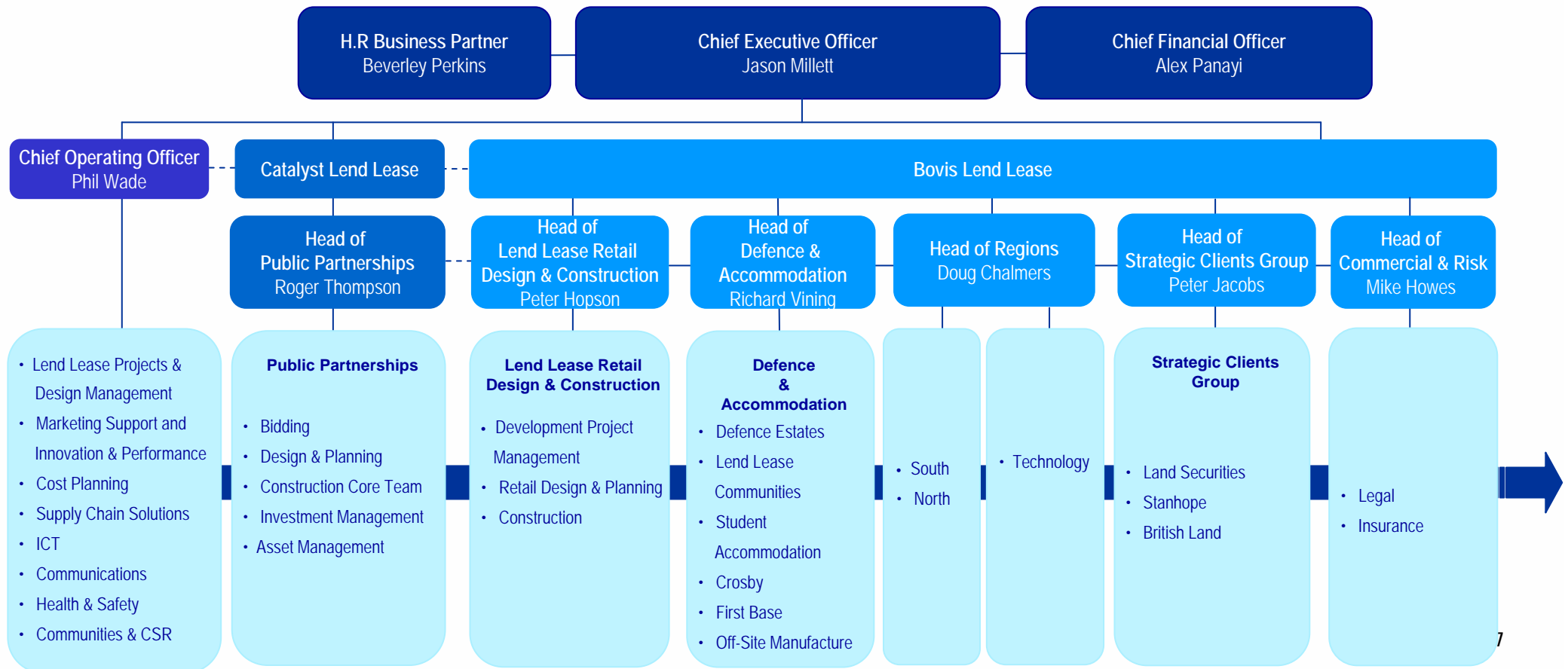


6.0 Bovis Lend Lease UK: Strategic issues for the business



3. Need to enhance differentiation and focus skill set on target sectors

Our response: Realigned our organisational structure in line with business and market needs



6.0 Bovis Lend Lease UK: Strategic issues for the business



3. Need to enhance differentiation and focus skill set on target sectors

Our response:

- Focus on execution in our chosen sectors through the quality of our people, operational excellence and specialist skills
- Enhancing market leadership in PFI sectors
- Achieving balance between long and short scale projects, targeting fewer but larger clients
- Regional businesses provide diversification of clients, project types and scale and complement the strategic client group

7.0 Bovis Lend Lease UK: BBC Broadcasting House / Bridgewater Place update and context



- BBC Broadcasting House
 - Detailed presentation and tour today
 - Completed phase 1 January 2006
 - Phase 2 design review will simplify project
 - Phase 2 commercial deal agreed, subject to final approval from BBC Board of Governors



BBC Broadcasting House

7.0 Bovis Lend Lease UK: BBC Broadcasting House/Bridgewater Place update and context



- Bridgewater Place, Leeds
 - Structure is at Level 22 with completion at Level 32 planned for mid-July
 - 98% procured
 - On track for completion
 - Offices Q4 2006
 - Residential Q4 2006
 - External works Q4 2006



Bridgewater Place

8.0 Bovis Lend Lease UK: Recent project successes



- Plantation Place, British Land
 - 1 million square feet
 - On time, on cost construction management contract
 - Satisfied client
 - Led to negotiated construction management contract for 201 Bishopgate



8.0 Bovis Lend Lease UK: Recent project successes



- Chapelfield retail centre, Lend Lease
 - Integrated group project
 - Completed on schedule September 2005
 - Set new benchmarks in retail and construction
 - Enhanced retail sector reputation



Chapelfield

8.0 Bovis Lend Lease UK: Recent project successes



- Burnley Hospital, National Health Service
 - Bovis Lend Lease's fifth PFI hospital project
 - Delivered on time and on cost in March 2006
 - Bovis Lend Lease is engaged in two other major PFI projects in region
 - Reinforced reputation, both in healthcare sector and locally in Lancashire



Burnley Hospital

9.0 Bovis Lend Lease UK: Summary



- Strong market presence in all our key sectors
- Loyal and active client base
- Clear visible pipeline of future projects
- Focus on sector diversity and balance of business
- Targeting new strategic clients and business streams
- Enhancing risk management processes
- Emphasis on negotiated opportunities
- Investing in succession and talent pool