

Address from Greg Clarke, Chief Executive Officer/Managing Director

Thanks very much, Jill. Good morning, ladies and gentlemen. I'll just say a few words and then hopefully we can get down to the business of answering any questions you may have.

I'm very excited to be joining Lend Lease. It's an organisation close to my heart. I've spent a lot of my career running global businesses. I've seen in practice the sort of competitive advantage and superior shareholder returns you can get from a well-executed global business strategy, and I'm uniquely aware of the problems of implementing such a strategy. It looks great on a set of charts, but whether it works in practice for investors and customers in each country and the staff who have to implement against that plan is the tough part.

I think the company itself is well positioned financially. It has got a wealth of intellectual capital. It knows this business well, and I'm surrounded by people who deeply understand the property business and, hopefully, I can bring the value add of understanding how to run a global line of business in terms of making it work globally, capturing the synergies and sharing the benefits between the investors and the customers so it works for the long term rather than just the short term.

I think the challenge facing Lend Lease led by myself is that of realising growth in shareholder value over time.

I've got a good track record of delivering many billions of Australian dollars worth of shareholder value to investors over a period of 10 years, and if you check out my track record, that speaks for itself. But it's about global business that I'm uniquely interested in, in this case and working with Lend Lease to successfully execute that business model.

My personal style is I'm a very people-oriented person. I don't like offices. I haven't had an office for six years. I had an open-plan desk. I like moving around the business, talking to people, talking to customers, eating in the canteens, queuing up at the coffee machine and really finding out what makes a business tick rather than just looking at the management reports and the graphs. So I aim to spend a lot of time on the road and on aircraft meeting people and learning about this business.

I can identify very strongly with Lend Lease's problem-solving and project management culture. Certainly in many of the businesses that I've been involved in historically you had to invest many, many billions of dollars on a country at a time before you saw any payback at all. Specifically most cellular networks cost US\$3 billion to deploy in a reasonable sized country, and it's seven or eight years before you start getting a cash payback, and the difference between getting your cash back and getting nothing is the quality of the implementation.

Can you control the costs, can you control quality, can you keep the shareholders together, because most of them are joint ventures, can you deliver the right price and the right quality to customers in significant volume? So it's an implementation of four, five, six, seven years before you start seeing economic returns, and the tight project management and the tight disciplines necessary to yield returns from that business I think have been a good training ground for me.

The first three things I intend to do is to get around and meet as many of the key stakeholders as possible in terms of investors, in terms of the staff and in terms of the customers themselves, just to find out what their perspectives are about what we do and

what we can do better, because it's a process of continuous improvement that I'm interested in.

I want to listen to what people have to tell me about the organisation. I want to reflect and challenge and learn. And I need to immerse myself totally in completing the review of the Real Estate Investments business and understanding what the options are and how we can move quickly to deciding what to do with that business.

Today is my first day on the job, so I've got a lot to soak up. I'm already starting to climb a very steep learning curve. I'm lucky in having some great industry experts to draw on. So with these brief comments, what I'd like to do is hand over for any questions you may have.