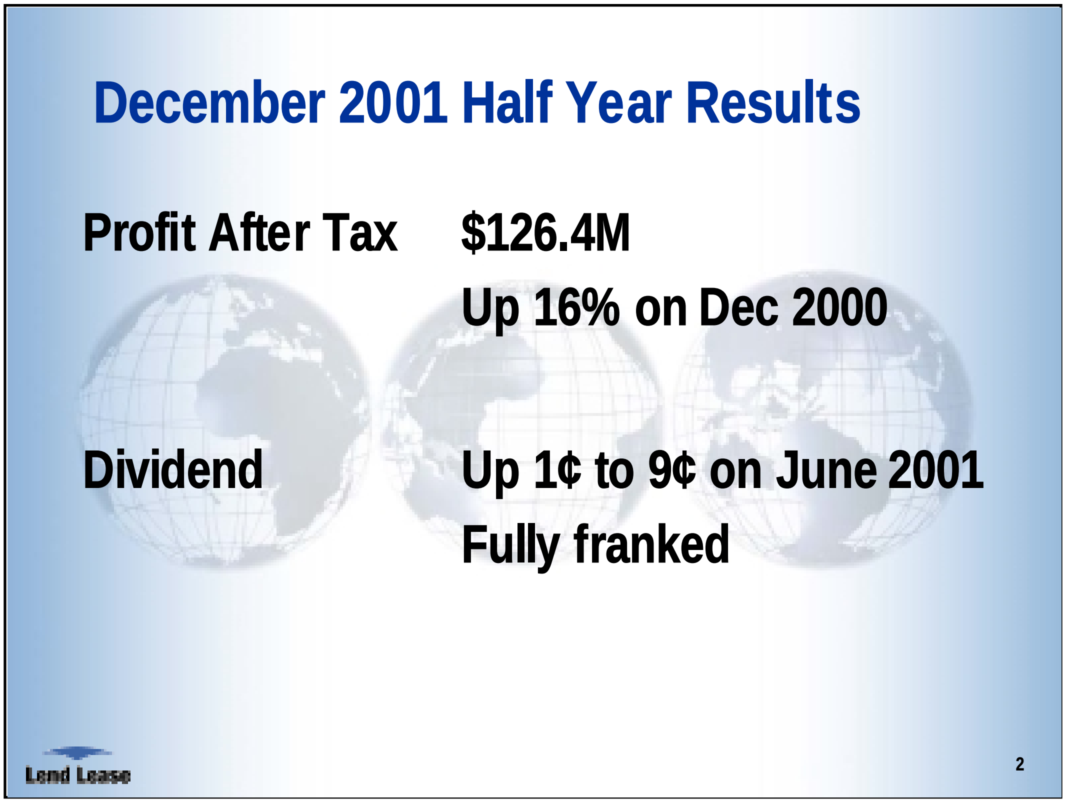
- Let's begin with our results for the half year which we have announced to the ASX this morning. I am pleased with the overall performance for this first half which puts us in a good position to achieve our previous forecast for the full year to June 2002.



- For the half year to December 2001 we have delivered a profit after tax of $126.4 million, up 16% on the same period last year.

- Our 2002 interim dividend is 9 cents per share fully franked, up 1 cent from the final dividend last year.

- Since our AGM, the global economic situation has continued to soften and the outlook for the business environments in which we operate can best be characterised as uncertain. It is a tough environment in which to achieve growth.

- But we have been well positioned for these conditions:
  * We continue to have a strong balance sheet;
  * And we have established good geographic and sector diversification in both the Real Estate Solutions and Real Estate Investment Management businesses, which has helped grow earnings despite the tough conditions.

- As I said back in August, we were expecting a profit after tax for the full year in 2002 in excess of $210 million. The December 2001 half year profit provides us with increased confidence that we can achieve that forecast, despite the extraordinary turbulence in the global economies of the past 6 months.

Earnings Per Share Growth

Earnings per share (eps)	Cents per share Dec 2000	Cents per share Dec 2001
Core Real Estate businesses	**20.3**	**30.3**
Westpac	9.1	6.6
Group Treasury/Financing	6.3	(0.3)
Amortisation	(8.5)	(9.4)
Non-core investments	(4.1)	2.2
Total eps	23.1	29.4
Pre-amortisation eps	31.6	38.8

Lend Lease 3

- This slide shows that we are beginning to deliver an increasing proportion of repeatable, stable earnings.

- The top line of the chart indicates the growth in earnings per share that we have achieved in the core real estate businesses in this half year period relative to the same period last year.

- It's been a busy 6 months for Real Estate Solutions.
- Bovis Lend Lease have continued to secure work and grow the Backlog in a difficult economic environment.
- Bovis Lend Lease's strong performance over the six months was largely driven by the U.S. and U.K. businesses.
- The Australian Urban Communities business has also performed strongly and completed the acquisition and integration of Delfin.
- And we have taken the first steps in globalising our Land Management business - winning preferred bidder status on the Greenwich Peninsula urban regeneration project in the U.K.
- We have also made good progress in reducing risks on development projects through both good leasing performance and pre-sales.

- The geographic and sector diversification benefits I mentioned earlier are clearly evident in the good Real Estate Solutions result.

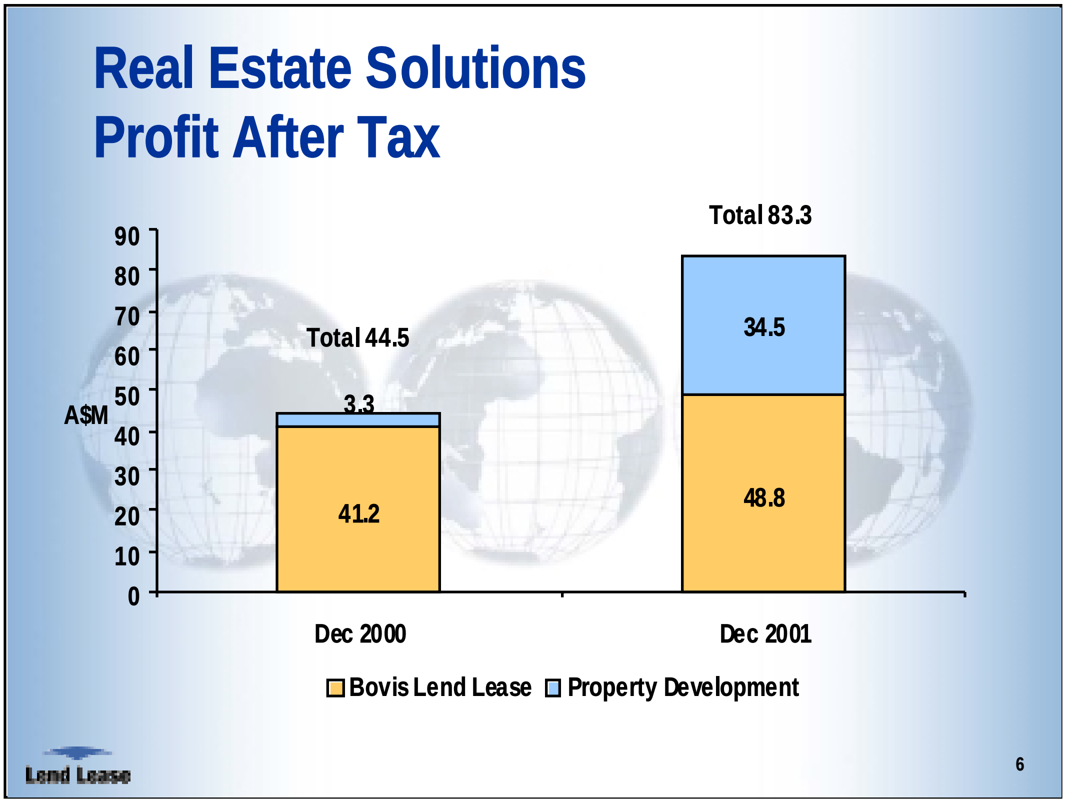
- The turbulence in the global economy has produced weakness in many regions and sectors, such as Chicago and Houston in the U.S., and the microelectronics, aviation and hotel sectors.

- Yet others, such as the U.K. construction market, have been resilient to date.

- In addition, we expect to benefit from increased Government spending, particularly in the U.S. and U.K. on defence related areas.

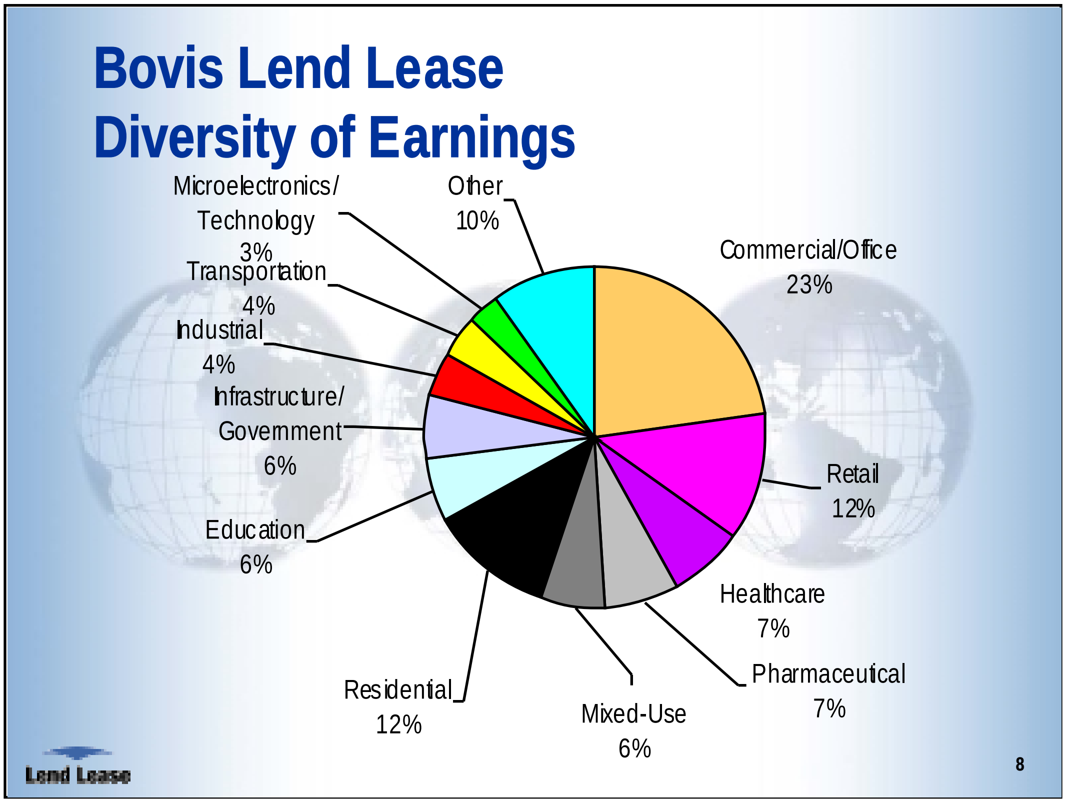
- Retail sales in the U.K. have recovered, which is flowing through to help recovery of the leasing market which is very good news for the impending Norwich development.

- In Australia the strong economy has allowed the residential housing sector to continue to perform well.



• Real Estate Solutions was a strong contributor to the Group's half year result, with the December 2001 profit of $83 million up 87% on the same period last year.

- Bovis Lend Lease have continued to perform well for us and has delivered an excellent result of an 18% increase in profits over the same period last year in the face of a tough business climate.
- We have secured a solid book of new business and have increased the Backlog over the past 6 months to $606 million at December 2001.
- 6% of the Backlog includes facilities management contracts, including PFIs, which deliver long-term earnings.
- In the U.S. we have continued to secure new work, the most notable contract being the clean-up of the World Trade Center Ground Zero site in New York. We have also finalised the Fort Hood military housing contract.
- In Europe we have experienced an extremely successful period of securing new work. Focus on key clients in the U.K. has delivered particularly good results.
- We have also secured our first schools PFI project in the U.K., and a hospital PFI in Italy.
- In Australia we have been successful in securing new work, including the project management of the BT Tower in Sydney.
- For the future we are involved in bids on a number of military housing projects, both in the U.S. and the U.K., as well as U.K. PFIs in health and schools.
- In time we expect to be bidding on projects in other countries as they embrace the PFI concept.



- While the volatility associated with economic cycles can never be eliminated, this chart shows the significant sector diversity we now have in place to dampen the effect of volatile economic conditions.

Property Development Profit After Tax

	A$M Dec 2001	A$M Dec 2000
Australia	26.0	5.8
Solihull	19.8	-
Bluewater	-	50.0
Aurora Place	-	19.6
Fox Studios Australia	-	(65.0)
Other (1)	(11.3)	(7.1)
	34.5	3.3

(1) Mainly Europe and Asia overheads

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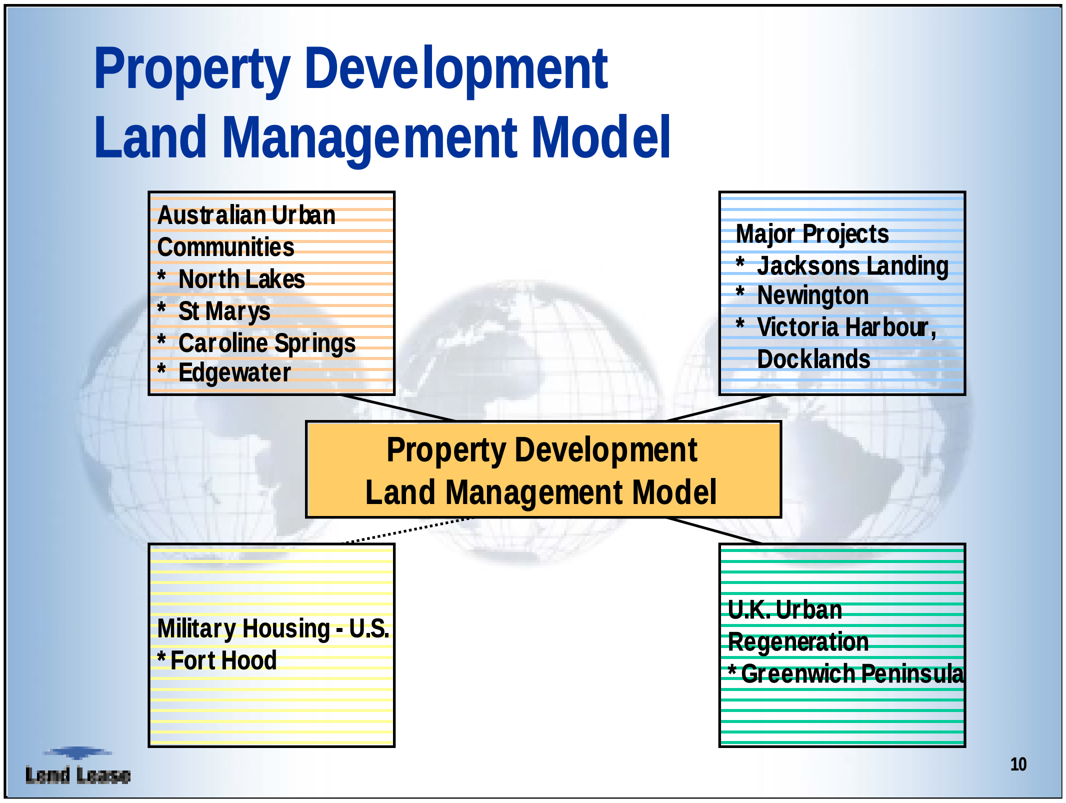
- The Property Development result reflects the changed development model.
- The Australian result of $26 million after tax is characterised by a growing, secure income stream from land management projects.
- This included contributions from the Newington and Jacksons Landing projects, and the Urban Communities business, including $7.6 million from Delfin for 4½ months, which was in line with expectations.
- There is skewing of profits in the Australian business to the first half of this year. However, the Australian business is on track to deliver reliable annuity style earnings of approximately $40 million per annum.
- The Property Development result includes most of the profit from the sale of Solihull, which was opened successfully, and is currently 96% leased.
- There has also been significant leasing progress on the TresAguas project in Madrid which is on track for opening in October.
- We have achieved final planning approval for Norwich, and are on track to commence construction in the second half of this year.
- Of course, consistent with our development model, commencement will be after we have completed a forward sale.



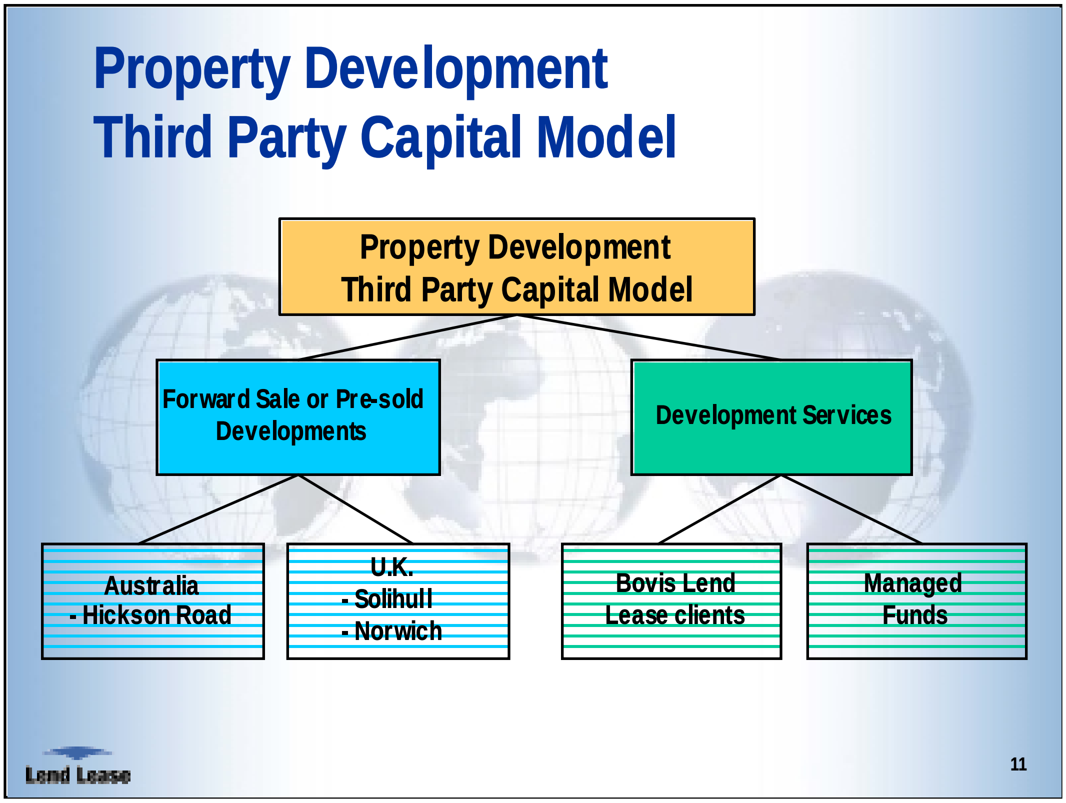
- There are 2 distinct parts to our development business.

- The first relates to projects utilising the land management model, which are focused on large urban community developments, primarily residential. These will be an important feature in Lend Lease's future development earnings.

- The model is attractive to both Lend Lease and the joint venture land owners. It is capital efficient for us and allows the landowners to receive a better return. It is this win-win outcome that allows us to secure attractive new development opportunities.

- The land management model underpins the Urban Communities business, which includes the acquired Delfin business. The land management concept also applies to major projects like Victoria Harbour.

- While the model has great potential for us in Australia, we are embarked on globalising it too:
  * The Greenwich Peninsula project, which is approximately 3 times the size of Victoria Harbour, is currently undergoing the due diligence process which we expect to be completed by May.
  * And we will be focusing on other major projects of this nature in the U.K.
  * The model also applies to the key elements of the Fort Hood and future U.S. military housing projects.



- The other part of our Development business relates to the third party capital model.

- This includes projects that are effectively pre-sold prior to commencement of construction. In these cases Lend Lease has typically secured the opportunity. Examples include Solihull and Norwich in the U.K., and Hickson Road in Sydney.

- The third party capital model also incorporates the provision of development services on a fee basis.

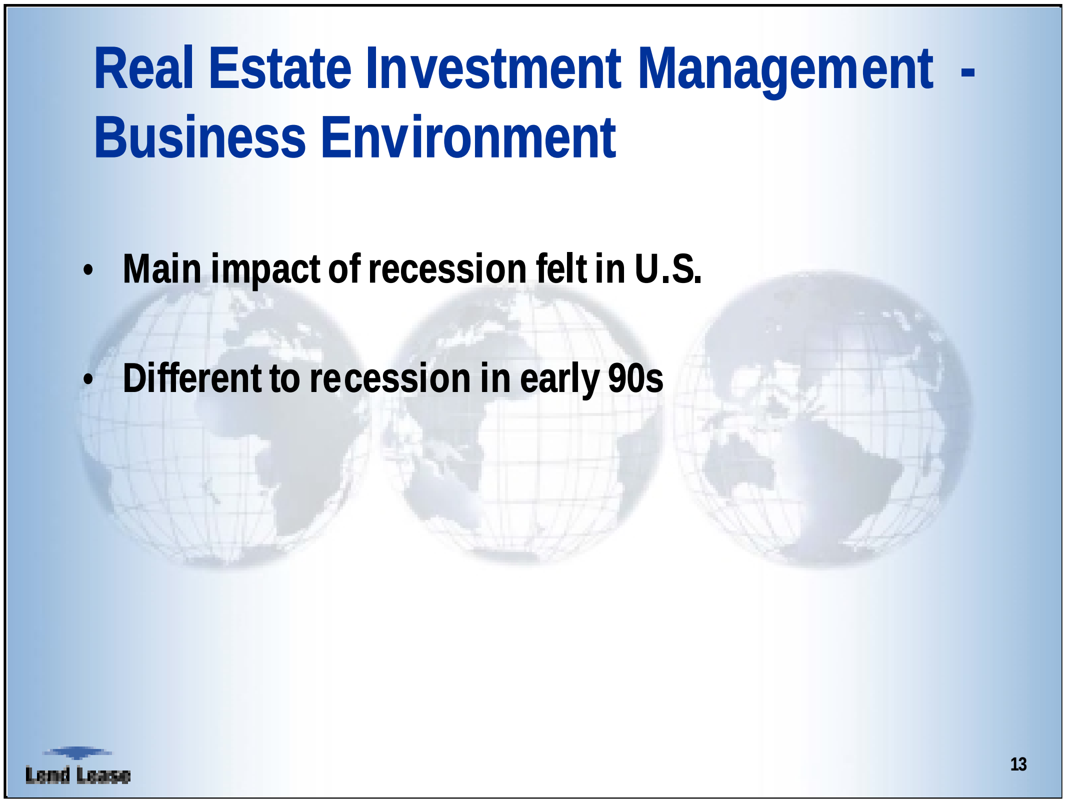
- This includes services provided to our real estate investment funds, and increasingly to Bovis Lend Lease's clients now that we have integrated Bovis Lend Lease with our development capability.

- Turning to Real Estate Investment Management.

- We have been active in Europe with the Generali joint venture completing its second transaction with the MesseTurm acquisition in Frankfurt that we announced earlier this week.

- In Australia both GPT and APPF saw significant growth through acquisitions such as the 2 Park Street Trust and Homemaker Retail Group for GPT, and the Suncorp Metway retail portfolio merger for APPF.

- In North America activity has been more subdued due to the economic conditions. The Commercial Credit business has increased its volumes, whilst it has been a more challenging environment to grow the real estate equity business over the past 6 months.



- The most significant impact of the difficult economic climate has been on our U.S. Real Estate Investment Management business, particularly the equity business.
- In the U.S. real estate has seen some valuation pressure as vacancies rise and rental growth becomes more difficult particularly in the office sector.
- But it is a vastly different scenario than that experienced in the early 90s.
- We are not facing the oversupply from speculative development that was evident back then.
- The main impact of the current recession, which has been exacerbated by the events of September 11, has been a significant reduction in the number of real estate transactions, and a difficult capital raising environment.

- The U.S. real estate market remains an attractive and important investment market for us.

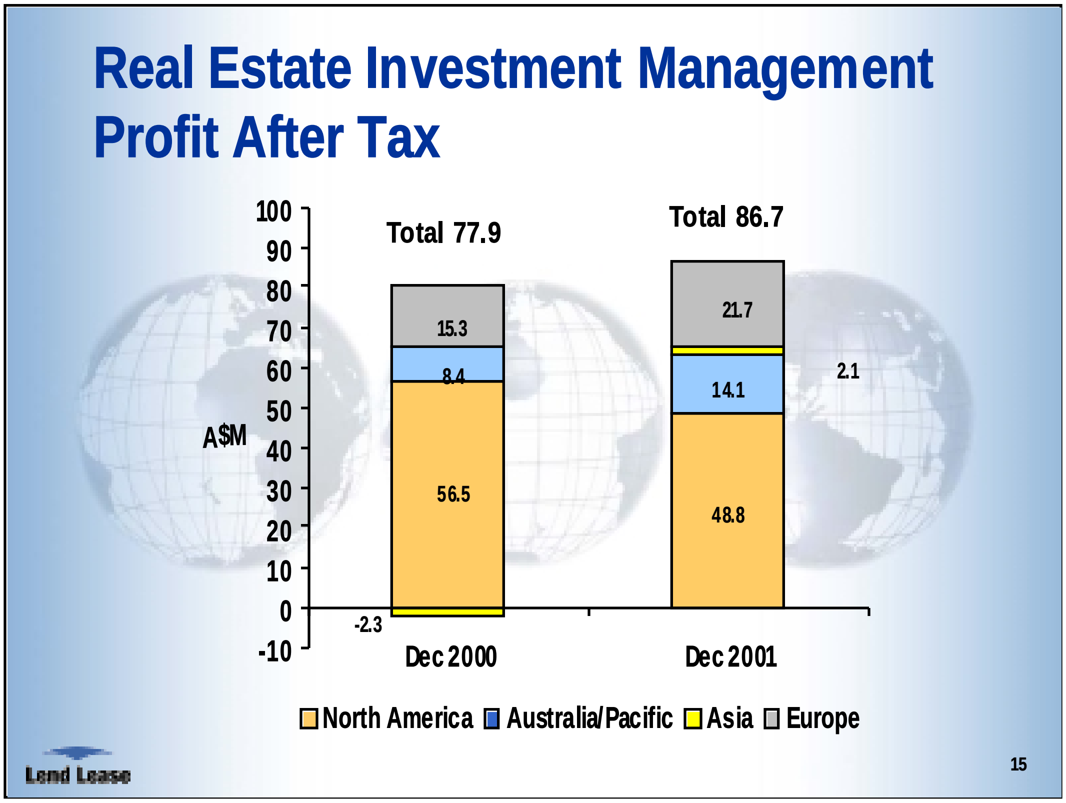
- It is the largest real estate market in the world, with the highest liquidity and will undoubtedly return to growth.

- There have been some early economic indicators to suggest a recovery is on the way. However, the timing of any recovery is uncertain.

- Our view for the U.S. real estate markets is that they will begin to steadily increase in terms of transaction numbers, particularly in the second half of calendar 2002.

- However, we expect it will be 2003 before we see a return to more historic levels of transactions.

- So, within that context, let’s turn to the Real Estate Investment Management results.



- The global Real Estate Investment Management half year result was up 11% on the same period last year. Three of the four regions turned in quite pleasing improvement.
- But their impact on the overall result was clearly held back by the U.S. operation which we have already said is feeling the greatest impact from the recession.
- The Investment Management - Equity business in the U.S. has been particularly affected by the overall market uncertainty. Another reason for the U.S. performance is the impact of lower interest rates affecting the float earnings for CapMark.
- The December half year result in the U.S. was below that earned for the same period last year.
- Given the market conditions expected over the remainder of this financial year, the full year result for the U.S. in 2002 is now expected to be below the 2001 annual result for the U.S. prior to the restructuring provisions raised in the prior year..
- I will go into more detail regarding the U.S. in a few moments.
- Australia/Pacific had a strong increase in profit after tax for the period. We have additional asset management fees resulting from the higher Assets Under Management. And we are now receiving for the first time fees from the Lend Lease U.S. Office Trust after an initial waiver period.
- In Asia we returned a profit for the period, mainly due to increased fees earned from Global Fund investments and co-investment income from our International Distressed Debt Fund.
- The result in Europe reflected continued strong earnings from our 30% interest in Bluewater and the profit from the sale of Arrábida.

Real Estate Investment Management Assets Under Management

		Dec 2001	June 2001
North America	US$B	35.0	36.0
Australia/Pacific	A$B	12.3	11.0
Asia	US$B	1.0	0.8
Europe	£B	2.0	1.8
Total	A$B	87.0	86.6

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- Worldwide Assets Under Management were A$87 billion, slightly up from the June figure of A$86.6 billion.
- In the U.S. however, Assets Under Management were down 2.8% from June 2001 due to less transaction volume for acquisitions, coupled with several large dispositions and some downward property valuations.
- Growth in excess of 10% was achieved in Australia, Asia and Europe.
- In Australia our managed funds made several large transactions during the period.
- In Asia the Global Fund acquired assets in Japan and Hong Kong.
- Whilst in Europe, Touchwood, Solihull was purchased by the Lend Lease Retail Partnership.

- U.S. institutional allocations to real estate remain largely static - a situation created by the good relative performance of real estate compared to listed equities.

- Transactions are well down, with owners refinancing instead of selling; and buyers repricing deals because they're afraid that more attractive bargains might be around the corner. As a result, the buy-sell spread is very wide at present, which is inhibiting transactions. These conditions are being experienced by everyone in the industry.

- It is important to note that we were not constrained by the availability of capital during the period.
- Our key issue was the right transactions for our clients were just not available.

- Dispositions for Investment Management - Equity were higher than usual due to some large assets being sold on behalf of clients, including a major non-U.S. investor.

- As a result, our operating revenue for Investment Management - Equity was higher this half than in the previous period. However, the second half revenue is expected to be lower than the first half.

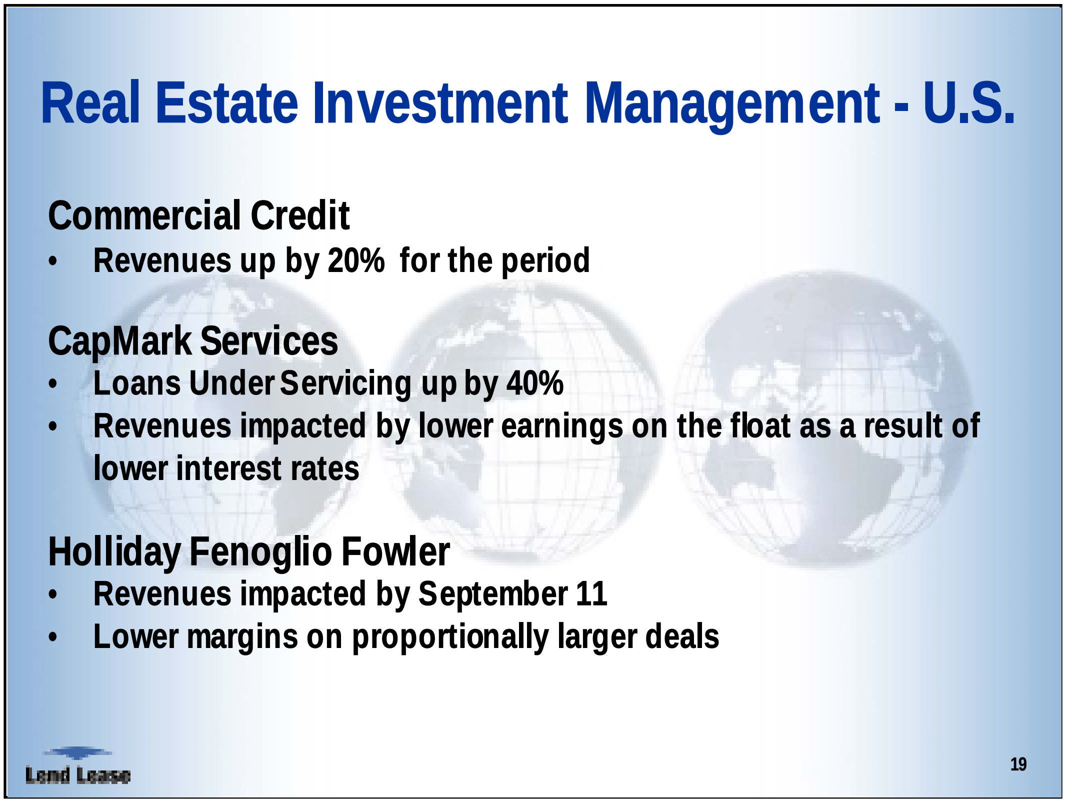
- In line with our views for a return to growth in transactions from 2003, we would expect to see the equity side of the Real Estate Investment Management business also return to growth from that time.

- We have recently seen some signs of increasing allocations to real estate, but it will take some time before we see a meaningful shift.

- HCI is on track for increased transactions and revenue for the full year 2002.

- As we advised at the AGM, there is some deferral of revenues to the second half of this financial year.

- This means, unlike last year, we expect revenue to be broadly 50/50 for each half year period.



- The Commercial Credit businesses' revenues were higher than last year due to a significant increase in origination volumes by the Mortgage Capital business. This was a strong performance, with the key driver being the lower U.S. interest rates during the period.

- During the period CapMark continued to gain market share and increased Loans Under Servicing by approximately 40%.

- As we advised at the AGM, CapMark's revenue decreased for the period, primarily due to a reduction in servicing float earnings from US$11.6 million in December 2000 to US$5.5 million in December 2001. This decrease was due to the lower U.S. interest rates.

- We expect continued growth in CapMark's Loans Under Servicing in the second half of the year, albeit at a lower rate than that achieved in the 6 months to December 2001.

- HFF's revenue was down due to a combination of a lower volume of originations for the period because of transaction delays after September 11, and a greater number of large originations which earn lower fees.

- We expect HFF's volume to be higher in the second half.

- We had an excellent performance by the Australian business over the last six months. There were a couple of items that contributed to the large increase in profit after tax, which was 68% up on the previous period.
- These included a reversal of a previous over provision for tax and the end of income support for Darling Park Trust.
- We expect continued strong growth in the second half.
- In the past 6 months GPT has been very active, with the completion of acquisitions for the 2 Park Street Trust and Homemaker Retail Group.
- APPF has also grown through the merger with Suncorp Metway's retail portfolio.
- There is a strong market here in which to raise capital in listed vehicles - both for domestic and offshore assets.
- This is where the importance and benefits of our global platform are so relevant.

- In Asia we closed the International Distressed Debt Fund, which raised US$350 million and has invested US$173 million of capital to date.
- The Global Fund has been active, with acquisitions in Japan and Hong Kong over the past 6 months.
- We are continuing to finalise the Joint Venture agreement with Tokyu to establish a real estate investment management business in Japan.
- The creation and growth of a transparent and liquid listed real estate market will be fundamental to allowing Japan to emerge from its economic problems in better shape.
- We are confident that the real estate investment management business we are looking to create with Tokyu will be well placed to capitalise on this enormous opportunity.

- In the U.K. we have continued to provide above benchmark returns for investors in the Lend Lease Retail Partnership.

- This has been underpinned by the strong trading performance of both Bluewater and Solihull.

- The Global Fund has been active in the region, selling its investments in Hayes Park and Arrábida - both generating above targeted returns for its investors, and is now focusing on new investments in Europe.

- The Generali Joint Venture has completed its first 2 transactions on behalf of clients by acquiring office buildings in Washington and Frankfurt.

- So, all in all, good progress with building both our global businesses.

- Given the quite turbulent economic conditions, I am very pleased that we have been able to maintain our course for earnings growth.

Profit After Tax Composition

	A$M	
	Dec 2001 Half Year Actual	June 2002 Full Year Expected
Operating Profit	138	262+
Westpac Hedge Profit	28	28
Less: Amortisation	(40)	(80)
	(12)	(52)
Reported Profit	126	210+

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- Our policy has been to realise the accounting profit from Westpac broadly in line with our accounting amortisation charge. Both are purely accounting entries.

- The December 2001 half year profit included the final Westpac hedge profit, which is the last of the profit to be realised from our investment made in Westpac shares in 1993.

- This partially offset the $40 million amortisation charge in this half year period.

- In the second half of fiscal 2002 we will have the full amortisation charge of approximately $40 million, but with no full or partial offsetting profit from the realisation of Westpac.

- As a consequence, the second half profit after tax will be lower than the first half, but we continue to forecast a full year profit in excess of $210 million.

- It is important to note that the expected full year 2002 profit in excess of $210 million will be achieved after firstly covering the approximate $52 million of amortisation expense not covered by Westpac hedge profits this year.

Amortisation

	Earnings per share (eps)		
	6 months Dec 2001 ¢	12 months June 2001 ¢	6 months Dec 2000 ¢
Pre-amortisation profits	38.8	52.0	31.6
Amortisation expense	(9.4)	(18.3)	(8.5)
Reported profits	29.4	33.7	23.1
Annualised impact of amortisation (approx.)	(19.0)		

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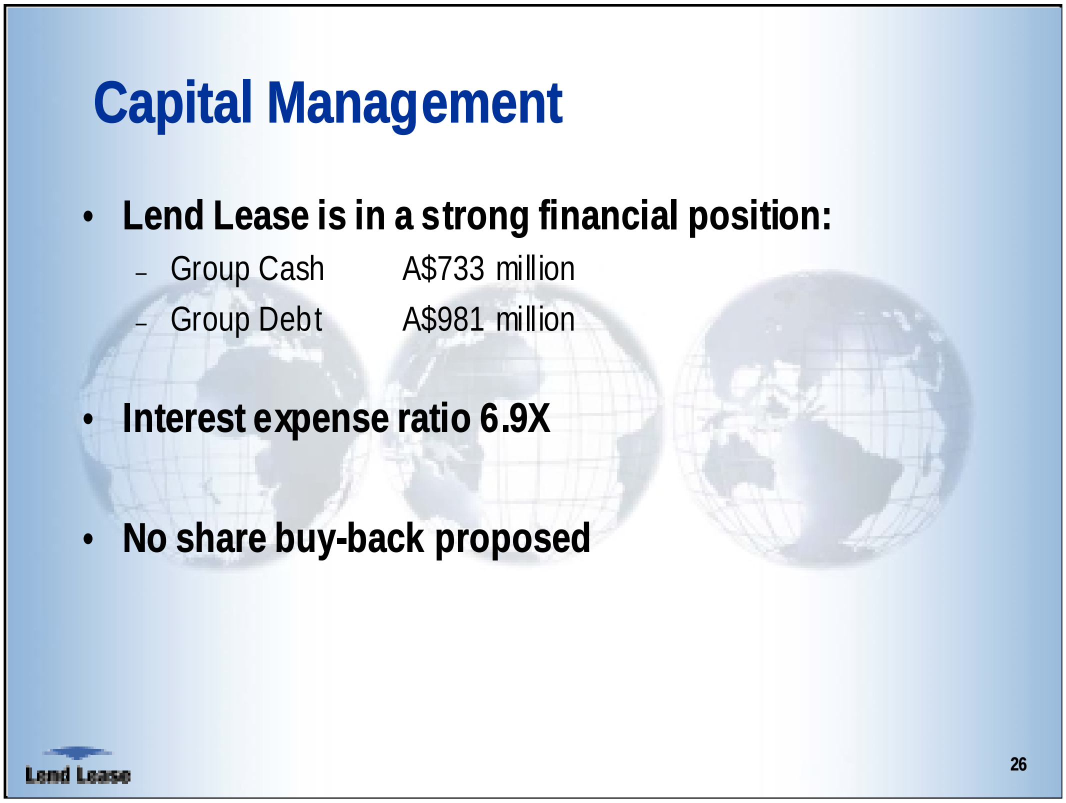
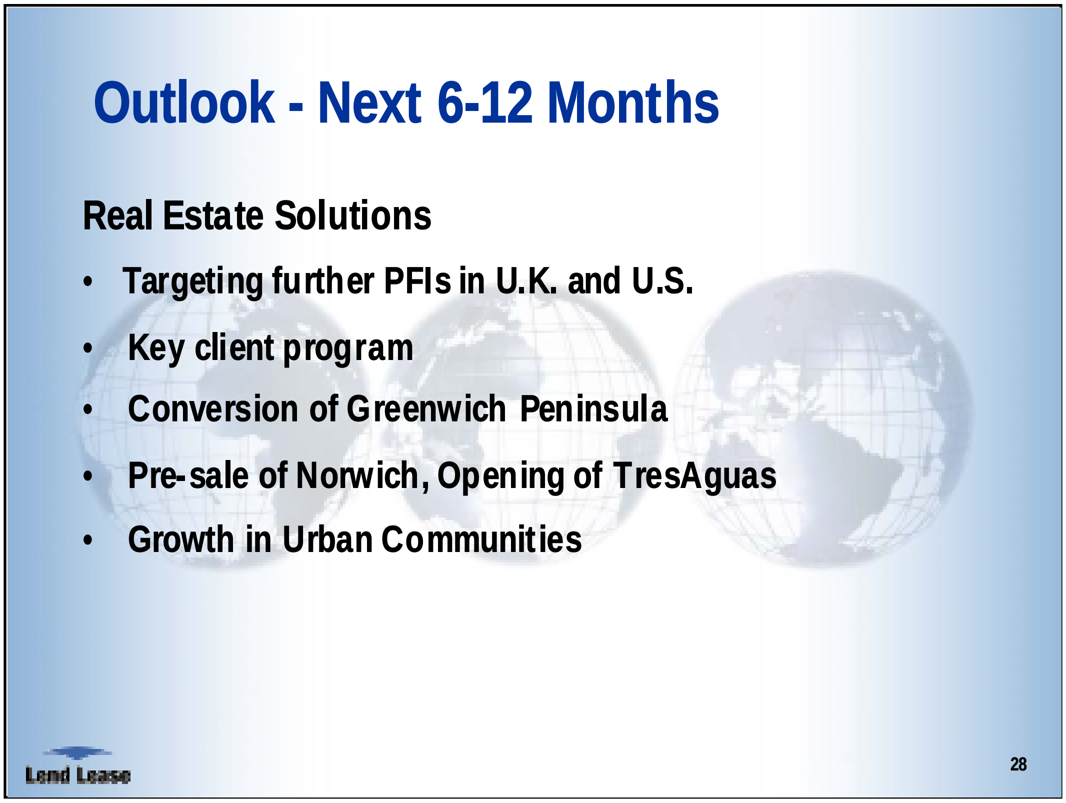
- We concur with the U.S. Standard regarding intangibles, which is based on an "impairment" test rather than the mechanical application of an amortisation charge.
- To put this in perspective, we believe the value of our Bovis acquisition and the Real Estate Investment management agreements have increased, yet we are forced by Australian Standards to charge approximately $80 million annually to our earnings.
- It has reduced earnings per share by 9.4 cents in the six months to December 2001. That is almost a quarter of pre-amortisation earnings, and approximately 19 cents per share on an annualised basis going forward.
- Clearly it is a charge against earnings that bears no reflection to the underlying assets and artificially reduces the reported earnings. The Australian Accounting Standards have simply not caught up with companies such as Lend Lease which acquire service companies with significant value in intangibles.
- For that reason we believe the most appropriate way to analyse Lend Lease's performance is on a pre-amortisation basis.
- We have made good progress with increasing earnings per share, which is demonstrated by the 27% increase in eps in this half year over the previous corresponding half.



- Lend Lease remains in a strong financial position. We have cash of $733 million and debt of $981 million.
- Our interest coverage ratio of 6.9 times in the half is consistent with our policy of maintaining a 7-9 times ratio.
- Whilst we have made total capital investments in the order of $450 million such as Delfin, and Real Estate Investment co-investments during the half year, the events of September 11 in general caused us to take a more cautious approach to investment opportunities.
- We have a relatively large capital investment program planned for the half year to June ‘02. It is expected to be in the same order of magnitude as the first half.
- It’s very difficult to forecast our cash position due to the timing of investments, dispositions and working capital movements (monthly cash balances can fluctuate by $300 million), but we anticipate that our cash balances will stabilise in the $400-500 million range some time this calendar year, which we believe is a prudent liquidity position to have, given the possible movements in our cash balances.
- In addition, with the global economy in recession, we also believe it is prudent to carry a larger amount of cash on the balance sheet.
- Our Board has reviewed our capital position, and we have concluded that a share buy-back is not currently appropriate, but we will continue to review that position.

- As you are aware, the Group is currently undertaking a Business Repositioning initiative.
- McKinsey are assisting in this process, which is expected to be implemented by June this year.
- The prime purpose of the initiative is to identify and implement the most effective way of executing our business model and assist us to perform more effectively for our clients. It is not a cost cutting exercise per se, but it will also reduce our cost base as we eliminate inefficiencies and duplications in business processes.
- We will not be publicly stating any targets or forecasts in relation to this initiative, but we are targeting a meaningful reduction in our cost base.
- We will not be raising a restructure provision. Importantly, this year's expected profit after tax in excess of $210 million will include these costs, and all investments/costs connected with this initiative will be expensed.
- The full benefit of the initiatives is expected to flow in the 2003 financial year and beyond.



- Thank you, Robert.
- So, what does the next 6-12 months hold?
- In Real Estate Solutions you should look for us to continue to secure new projects and alliances that will generate longer term annuity earnings.
- To this end we are targeting further PFIs for which we are currently shortlisted in both the U.K. and the U.S.
- We will continue the successful program of focusing on key, long-term global clients
- In Europe we expect to complete negotiations for the Greenwich Peninsula project in London; successfully open TresAguas in Spain; and to achieve a forward sale of the Norwich project.
- In Australia we are looking for further growth in the Urban Communities business by securing new projects.

- For Real Estate Investment Management, our overall strategy has not changed.
- In the medium to longer term, the retirement of the “baby boomer” generation will drive change in many areas including real estate markets.
- This is a view supported by industry research analysts. As far as pension fund investment strategies are concerned, it will stimulate a shift in investment strategy away from a growth-oriented, total return model to more of a current-income model.
- This will reshape the capital markets and affect the appetite for real estate and other income-oriented investments over the next several years.
- This is a trend that is already evident in Australia.
- Our ability to leverage the global business platform is integral to our capacity to maximise the opportunities that these changes will bring.
- David Ross, our Global CEO of Real Estate Investment Management, will relocate to Atlanta by mid year to be better placed to drive our objectives of leveraging the U.S. platform to international investors and continuing to expand the global business.
- And we will be allocating additional resources in line with our growth expectations for this business.
- David’s focus will be on global growth and working with the regional CEOs, including Fred Pratt who manages the U.S. business.

- Based together in Atlanta, David and Fred will now be able to collaborate more closely on how we better service and perform for our clients.

- In the U.S. we clearly need to secure growth in Assets Under Management, but in the short term that will be influenced by the economic conditions and their effect on real estate markets.

- However, we remain confident that we will achieve growth in Assets Under Management over the medium to long term.

- In Japan we expect to finalise the joint venture with Tokyu.

- In Europe we should see continued growth from investments by the Global Fund; a proposed European Value Enhancement Fund; and further initiatives within the Generali joint venture.

- In Australia we should see further organic growth as well as through capital raising for investment in real estate, both domestic and increasingly offshore.

- To summarise, we are in a strong financial position.
- And we are on track to deliver the 2002 profit in excess of $210 million after tax.
- Considerable effort has been expended by our senior leadership team on our Business Repositioning initiative.
- This, along with the growth opportunities we have identified throughout the presentation, will position us for earnings growth in 2003.
- Thank you. We will now be happy to take any questions.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