

LEND LEASE STRATEGY DAY

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APPF suite of funds as being various levels of interest. Can you give us a sense of your interest in APPF Retail now?

MR STEVE McCANN: Is it about five per cent or so? Just under five per cent.

QUESTION (Alistair Reid, JP Morgan): Thank you, and my final question is just for Brad. You've got a few of us twitching in our seats about the expected volatility now in reported earnings post those changes. Can you give us a sense - so there'll be big changes there on projects that are in development and marking those potential development profits during the various reporting periods but what about your property investment stakes that you book fair value adjustments against? Is that all going to be wrapped up there and we're just talking to one overall reported number which, through the cycle, is presumably going to be quite volatile?

MR BRAD SOLLER: We will continue to actually talk to both numbers so in terms of our revaluations, the revaluations will be clearly transparent in our statutory accounts so you will be able to actually see them. What we don't want to actually miss is the fact that we undergo a development like we did in Somerset and that actually falls under the radar and we never get recognition for the profit. So the step up in those values, because they'll be incremental each year, it will be much smaller. We do want to actually bring that to everyone's attention so that will be the focus of what we think is the underlying earnings.

QUESTION (Alistair Reid, JP Morgan): So will you separate the FEAs on, if you like, the mature assets that you have versus the FEAs being booked on the development properties?

MR BRAD SOLLER: We will give full disclosure to enable people to understand what's actually moved and driven those revaluation gains, yes.

MR STEVE McCANN: Just on that, I might just add something because I think this is something we grapple with quite a bit obviously. We're a developer and what we do is try to add value to assets that we create. Because of the way the accounting rules have evolved over time, unless we actually sell immediately post development and crystallise the realisable profit then and there, then we don't get full recognition for the value that we add because at 30 June if we revalue an asset like Somerset upwards and sell it on 1 July we've already accounted for the revaluation in the 30 June year end accounts. We've booked a cash profit and don't have a cash profit to show in the year that we sell the asset.

From our perspective, if you're an investor looking at the value of Lend Lease and the value creation then clearly that's a very important, in fact, arguably the most important part of our business. So we do have a couple of legacy assets; Bluewater and King of Prussia but that's pretty much it. We've actually worked through over the old US REI assets etc. So, apart from those two assets, everything we do today and going forward is adding value to assets. We're not an investor. We don't buy to invest in assets and enjoy cap rate compression over time. We buy to develop assets, add value in assets. Occasionally if there's a distressed opportunity where we may be able to assist our fund investors and take a coinvestment and then sell at a profit we make profit that way as well.

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We don't simply acquire assets and sit them on balance sheet. We're not a REIT so to actually not be recognised for that value creation is, in our view, undervaluing our ongoing earnings ability. Developers, by nature, are volatile. It's not a sector that's for fainthearted but we have a very long-term view and a lot of our development assets - and clearly the assets that we've acquired of the projects that we've secured in the last 18 months are 10 year projects and one of our core skills is measuring the delivery of those projects in line with the cycle. I made the comment at the breakfast on Tuesday that when we bid for Barangaroo - and I've said this before - we have been asked how we price an asset, how did you be comfortable that you could deliver the right sort of development returns and what price are the rents likely to be versus central CBD rents, what's your view cap rates, how much cap rate compression have you assumed etc?

The reality is we had signed a lease agreement so we weren't guessing on rents. We signed an agreement to sell the first commercial building so we weren't guessing on cap rates either. We also signed an agreement to sell 50 per cent of the first residential tower. So, yes, it's a risky potentially volatile industry but if you do engage, as we do, in large scale mixed use urban generation projects that are going to deliver across a number of different asset classes over a long period of time then you can manage and time that risk exposure through the cycle to minimise volatility. That's one of our core skills which we wouldn't be able to do, quite frankly, if we didn't have the skills across the value chain that we keep emphasising as our competitive advantage.

QUESTION (Unidentified Analyst): Just on the liquidity. Firstly, can we get some detail I guess, around the rollover of the UK debt? How does it compare in terms of the cost of that versus where it was previously? The second question relates to liquidity. Any company to maintain a credit rating has to maintain a particular level of available liquidity. How much of that \$1.7 billion of liquidity do you need to maintain at all times in order to maintain the credit rating?

MR BRAD SOLLER: In response to the first question on the rollover of the UK facility, we wish we could roll it over. The terms that we actually had which were put into place three years ago which was around about 80 basis points - never going to actually happen. The cost of the new facilities will be around about 225 basis points, the margin we actually pay on that facility. We have got terms which is on the facility so it is a new three year facility and very important for us is that we have stuck to our terms and conditions as they were previously. So the covenant package and the terms and conditions remain unchanged from the regional facility.

In terms of the liquidity buffer, we've done some work as to how much reserves and cash reserves we would like to keep in the business. The fact that inflows are dependent on asset sales and we always said we're not going to be full seller of assets and therefore we need to keep some reserves on hand and also given that the timing of some of the large inflows on Bovis projects. Our view is we probably need anywhere between \$700 million to \$1 billion and I think the rating agencies numbers are within those ballparks.

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QUESTION (John Richmond, Merrill Lynch): Just slipping back on the APPF sell down, I'm wondering whether or not you'll be booking that uplift this period and what the quantum in terms of dollars would be on that?

MR STEVE McCANN: We will be booking it this period. It's not a particularly material number. It's only about a one per cent premium to what the most recent March valuation was. We've sold \$150 million worth of stock so you can obviously work it out.

QUESTION (John Richmond, Merrill Lynch): Just, Brad to clarify again on a point raised earlier regarding the inclusion or exclusion of the revals on commercial development in your operating profit, can we assume that you will therefore be including all of those revals in your stated operating profit?

MR BRAD SOLLER: The issue is, in terms of operating profit, it's a term that we've actually come up with to help understand our business better. So what we will be talking to, to give you a better understanding of the underlying performance of the business, is a profit number inclusive of those development uplifts which come through revaluation and Steve outlined the reasons as to why we're going to do that.

QUESTION (John Richmond, Merrill Lynch): Just moving on to PPPs, I think you've mentioned \$500 million-odd of new investment into that space. What's your timeframe for that roughly? I know it's obviously dependent on project wins etc, firstly. Secondly, when the capital's invested, what's the general time period for recycling through a project? Then finally, if you can just talk about the current demand for the investors in the UK, the level of enquiry in terms of that fund?

MR STEVE McCANN: I might answer the last part of that question first in relation to the fund because I've got an update from Dan on that yesterday. We see that happening in the next financial year - year end 30 June 2011. It's fair to say that demand has come off in the UK pretty much across the board in property, not surprisingly, but we do have a lot of enquiry because that part of the market has still held up quite well.

In the event we don't get the right price outcome on a fund we'll sell to a third party and we've got to demonstrate a track record of doing that. We've got a pretty good idea of the sort of pricing parameters for a direct third party sale so we'll benchmark the fund against that on an ongoing basis to see what's best for us.

On the other part of the question on PPP, I might get Mark Menhinnitt to take that question.

MR MARK MENCHINNITT: In terms of the timing of placing equity into PPP projects, there's a number of considerations; the project scale, the duration of the construction period etc. If you look at the chart you can see the reduction in the capital allocation over time. I would see that as a sign of success in this space because what we need to do is make sure we've got the right capital model. We need to have the ability to underwrite these positions and then bring the right capital partners in at the right time. So if it's a smaller, simpler project over a shorter construction period, we may decide to hold the equity positions through that to get the

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maximum uplift. If it's a large complicated project that goes over quite a number of years we look to bring partners in with us either at the bid phase or soon after the financial close.

So the timing of equity going into projects really depends on a number of factors like that. There's also the geographical issues as well. Our positions here in Australia because it's predominantly bank financing so you've got aggregation issues you have to deal with, so you have to bring partners in with you so that we don't have aggregation or consolidation issues that may not be the same issues in other jurisdictions. So there's a lot of factors that come into the mix and so when we look at the capital allocation of about \$500 million that's sort of a holding position, if you like, that we see across the portfolio over time.

The slide that's not shown here that's interesting is what we see as our growth in funds under management coming out of this space because it's basically zero today. As we move forward in the UK - here in Australia and start to build that investment product for our investment partners you'll see that grow as well. So the \$500 million will be invested into projects over a two to three year period but sort of see that as a holding position as we grow the investment platform off the back of it.

QUESTION (John Richmond, Merrill Lynch): Just one follow-up from the previous point you made about the UK fund launched in FY11, the 12 projects there that you have identified for that fund, would all of those be put into the fund within that financial year? Also how much of your book value of equity is contained within those 12 projects?

MR STEVE McCANN: The answer to the first question is yes, they'll go into the fund at establishment and there'll be rules around what we would need to do to be able to grow that fund if we decided to take other opportunities to those investors down the track. On how much equity is currently on our balance sheet, I might turn that to Brad and let him make the decision as to whether we want to actually disclose that.

MR BRAD SOLLER: We'll come back to you on that number. It's actually in our portfolio report. We actually have given the equity by individual PPP projects. I need to go back and check the number. It's in our documentation.

MR STEVE McCANN: I can assure you the number at which we will sell into the fund will be materially higher than the number that's on our balance sheet.

MS SALLY CAMERON: The book value is about AUD160 million of the UK PPP assets. That's the total. The individual is in the portfolio.

MR BRAD SOLLER: That's the assets that are going to be sold, sir.

QUESTION (Ashton Reid, Legg Mason): Just a question around the regional CEO structure, maybe FR specifically to help answer. A forward looking Australian PPP project, who would get involved and when and who holds the decision making final?

MR STEVE McCANN: It's a good question because obviously in any matrix structure it's not

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So the deals that Tarun's been structuring and putting together with his team have been in Australia. So what we're looking to do is get Tarun's team to start looking in other geographies over time as well because it's been a team that's had a great success rate in the last couple of years.

QUESTION (Unidentified Analyst): On that theme then, if Tarun and Rod have let's call it a difference of opinion, it's Rod's final call then?

MR STEVE McCANN: They never have a difference of opinion. Yes it is, in Australia but, as I said earlier, if Rod is looking for Lend Lease capital that's going to a project and Tarun hasn't signed off on the use of that capital I won't, so he's not going to get it. They've got to end up on the same page but the reality is the projects we're talking about where that collaboration is required, it's a small number of very large projects. The regional day-to-day bread and butter running of the business, those decisions, are Rod's.

QUESTION (John Richmond, Merrill Lynch): With another follow-up on Barangaroo if I can? You mentioned equity commitments to date for Barangaroo, I think you mentioned that 50 per cent of the first residential tower has been committed. Could you just remind me how much of the commercial equity has been committed and also how far will that take you in terms of number of years of equity commitments, if you like? So, you plan to then raise, for example, equity for tower 2, at what point in time residential?

MR STEVE McCANN: It's obviously a bit of a moving feast. For example, we don't have the final DA on the whole scheme yet. We're still working towards that so what the product will look like, at the end of the day, is still moving a little bit. So therefore we can't be too prescriptive as to when equity will come in and timing of delivery etc. We will start delivering the first building before the end of this calendar year.

In terms of commitment, we did five years ago, and I have a very clear recollection of the first - I think it was the first meeting. Certainly one of the first meetings I had when I joined Lend Lease was with David Hutton and David Rolls talking about Barangaroo. What we talked about was a few innovative ways to position ourselves better than our competition and we also talked about what were going to be the key drivers of success. Our view was clearly capital and clearly tenancy pre-commitments.

So we made that our key priorities. Obviously, the design and all those other issues that go to winning the bid are critically important as well but everyone was going to have to do a good job on that. Our thinking was there's got to be a way to differentiate ourselves over and above what we would normally do. So the investment management team was charged with the responsibility of starting to engage with clients and seeing what interest there might be and we also started to engage through the development business and through Bovis on discussions with potential tenants and had a very good look at where the tenancy requirements were going to be over the next several years in Sydney. By the time we actually bid, I think probably 12 months ahead of bidding, we knew who the buyer of the first commercial building was going to be.

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The residential tower, I think, probably six months ahead of bidding, we knew who that was going to be. Clearly, their commitments are subject to us building something so we've got pre-conditions that apply to both of those investors and we've got to deliver what we've said we'll deliver which there's no reason to think that we won't, so we will do that.

We have a shortlist of key tenant targets. We're still engaged with all of those tenants and there's been a couple more, I think, that have come in to play since we won. I think about 40 per cent of the commercial space is currently under discussion.

One of those tenants had signed a heads of agreement for lease prior to us bidding. That tenant speaks for a material part of the first commercial tower. We were able to then go to the Government and say not only will we be able to bid a certain amount of staged payments over a 10 year timeframe but we can guarantee that if you deliver us approvals along these lines we will actually start and we will actually build the first couple of towers straight away. Whereas every other bidder, as far as I'm aware, was a bit of a wish and a promise.

That has been, in our view, one of the key differentiators in our bid. It means we will be well and truly under way straight away and our view has been to get stage 1 to be successful and profitable you've got to create an environment and, therefore, you've got to get started on a large part of the development quickly. To do that you need tenants and to do that you need capital, so that's the approach we've taken. I can't be much more specific because, obviously, it will evolve over a 10 year timeframe.

QUESTION (Simon Garing, Merrill Lynch): Just if we could focus a little bit on the investment management side from a global aspiration perspective, are we going back to where you were maybe 10 years ago into the US and trying to build up a very large global funds management business as a standalone business?

MR STEVE McCANN: Emphatically, no. The first thing I would say is we do not have any aspirations at all to buy our way through investment management growth [unclear] which is what we did last time. We don't have any aspiration to be the world's largest manager of real estate investments. In fact, what we actually aim to do - and our investors are fully supportive of this - is we intend to grow our investment management platform at pace with what our needs are as a group.

Two things drive that. One is obviously the development opportunities we're able to secure in our strategy in the various regions and the other is what the investors themselves need for us to continue to be able to service them properly. In APPF, for example, it has its own strategy, it has its own growth aspirations. As we said earlier, we're less than a five per cent holder in that fund and, obviously, will be diluted over time unless we put more equity in which is not our current plan.

So that will grow in its own right but in terms of our offshore aspirations today, the best example of what we'd like to do is the ARIF fund, I guess, which has \$700 million in equity targeting development in Asia. That \$700 million, if we're a 25 per cent investor on average in

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the assets that we develop, it gives us the capacity to develop our \$3 billion or \$4 billion worth of assets in that region and, obviously, earn the ancillary fees that go along with that if we deliver a successful product.

Interestingly too, with ARIF, the aim was to fund Somerset. It wasn't to actually create a blind pool of capital to pursue opportunities. As it happened, we were heavily oversubscribed so we raised \$700 million. We only needed about half of that. We haven't actually invested the balance and we've got until June next year to do that. Clearly, in the last two years, we put the brakes on in investment in that fund which is what our clients wanted. Whilst there are a lot of funds around the world that had equity committed, none of the investors really want that equity spent so we do tend to listen to them and we didn't pursue some of the opportunities we were looking at.

There are some things we're looking at today and we may or may not get the fund fully invested by 30 June 2011. We'd like to but we'll only do that if the right investments present themselves. That's the approach we'll take with the growth of our investment management platform around the world.

MS SALLY CAMERON: On that note, I think we might take a 20 minute break for everyone to have a coffee, check their Blackberry and feel free to have a chat to all the Lend Lease people here. Again, if anyone has anything they need please come and see Pam or myself. Thank you.

SECOND HALF OF MORNING PRESENTATIONS

MS SALLY CAMERON: Everyone if I could ask you to take your seats again that'd be great. I'd just like to introduce David Hutton who's our next speaker, our Group Head of Development. Thanks very much David.

MR DAVID HUTTON: Thanks Sally and good morning everyone. Just a couple of opening comments before I run through the presentation this morning and perhaps reflecting on some of the things Scott said.

People new to Lend Lease often see opportunities in the Group and I also think people who have been at Lend Lease a long time see a lot of opportunities still in Lend Lease.

My reflection on nearly 22 years with the Group is Lend Lease has always done great buildings, it's always done great projects, I think it's got some very talented people, but at times we've probably struggled to convert that into optimal returns back to shareholders. I think the real focus in the Group now from my perspective and the journey the senior team's working on with Steve is really how do we leverage that capability the Group's got by firstly buying well, obviously executing well but perhaps a little more efficiently and then seeing the appropriate returns come out of that.

I think a major part in the development focus is not looking at developing in isolation, but is putting a lot more focus on the capital model we use and how we think about both

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development and capital together and how we appropriately price and attract the right capital for the various development opportunities.

I think if you reflect on Lend Lease we were very focused on one or two funds in Lend Lease capital and Tarun will touch on later, but we're now starting to look a lot broader in terms of the capital we bring together and how we can really create and arbitrage between the costs of capital and the development opportunities the Group finds.

This morning I won't talk a lot about the development pipeline outside of Australia. Dan's going to talk about the UK, Paul will talk about retirement and obviously there's an emerging development pipeline out of the retirement sector as well. So I'll limit my comments to our core retail office and residential businesses here in Australia and then I'll overlay some of the major projects onto that.

Obviously the last six months has seen a terrific conversion in terms of backlog. Here in Australia we do believe we have bought very well. It will take time for those earnings to emerge, but again I think people who've been in development and in real estate for time understand the quality of the projects, but more importantly, how well you buy them is probably the key in terms of creating returns over time.

Ironically I actually think if you want to build the best development business you don't go out to build a development business, you go out to build the best sector businesses and I think it's interesting some of our competition has been talking about sector focus recently, but the reality is we are focused on core sectors in key geographies. If I look at a project even like Barangaroo I don't view Barangaroo as a development project in some respects, I view it as an opportunity to bring together leading capability in commercial office development, in residential development, in retail development and then the ability to coordinate that with the right delivery skills and obviously the right capital models.

So our focus is very deliberate; we are focused on key sectors and where we secure a large project we bring together those sector skills. We don't just create a project team to focus on it as a project.

Part of the reason for that and that thinking is it's really about creating scale in those key sectors that relates to the expertise and capability. Certainly in the residential space it relates to a consumer brand which is obviously key if you want to create a strong apartment business or a leading apartment business or a leading master plan community business. It all comes back to your ability to pre-sell and get consumer sales. Likewise in the office space it comes down to your ability to pre-let and pre-package.

Obviously there is a focus on the integrated model. In some respects Lend Lease has talked a lot about that over a lot of years. Yes the Group businesses work together, but now in the structure we've got there's not just the focus on working together, there's a focus on how we create value together. Again, that's not just semantics but it is a very different approach.

Having the preferred capital model, as I've already said, is fundamental. The focus on

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sustainability and safety yes it's the right thing to do, yes it's something we should be doing, but the reality is it gives us a very strong competitive advantage. No one likes to win big projects just based on price. Price should never be a competitive advantage in terms of when you're trying to bid things; like Barangaroo obviously 35% of the Government's competition related to economic benefit to government, but we put a huge focus and we'll deliberately set out to win the bid on the other 65%.

The last point there which has obviously been all our focus is trying to capitalise on where the Australian cycle is. So no one can ever predict the bottom of the cycle or the top, but our view has been the cycle was near the bottom. We had a real competitive advantage over the last 12 months and I think that's been demonstrated by the wins and the very significant increase in backlog we've put together.

I'll touch on these four opportunities, but I think the key element of these is they represent for the Group well over \$10 billion of end value in projects that will emerge over the next decade. As I've already touched on, rather than viewing them as individual projects, it's really what they do to our business platform.

So retail platform manages around \$5.5 billion of retail assets. It'll be that retail business that does the retail at RNA, that does the retail at Vic Harbour, that does the retail at Barangaroo.

Our apartment business was really a collection of a couple of projects. We've now built that to a backlog of approaching 6000 apartments and again it'll be that apartment team that do all the apartments in Barangaroo, in RNA and in Victoria Harbour.

Our office business, I would argue Lend Lease is clearly the leader in A grade and prime commercial space in Australia. Obviously at the moment we've just completed the ANZ building and the Myer building down at Vic Harbour. We're completing the headquarters for the Commonwealth Bank here in Sydney. We're getting close to the completion of 420 George Street here in Sydney. Now with RNA, with Barangaroo and obviously in addition to Vic Harbour we now have the leading portfolio opportunity really to ensure we can stay as the leader in that commercial business over the next decade.

Just in respect to Barangaroo, I appreciate this being quite a lot said about Barangaroo so I'll go through it relatively quickly. Some of you may have had the opportunity to have presentations before. Barangaroo for Lend Lease really relates to the development rights for the southern seven and a half hectares of the site. We will be lodging a concept plan amendment with the State Government in coming months. We will be applying for floor space of up to around 490,000sqm. There has been some controversy on design. I sat through two public consultations this week and it's amazing you get very different views, for example, the hotel piers, some people love it, some people aren't quite so keen on it. Obviously it's been our focus to do something special for Sydney. We don't treat Barangaroo as just another collection of buildings. We do believe the western side of Sydney deserves also to have pride and quality in architecture and to put a front door on that side of the city.

I don't know, around the room I should get a poll here. It's always interesting to do. Who's

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seen the scheme in any detail? Most people here? I'll go straight to the Pier Hotel; who thinks the Pier Hotel's a good idea? It's not just Lend Lease hands [laughter] -- a few plants in the room. Who's got significant concerns about it? There's a few there too, good.

I think we at Lend Lease encourage that debate. It's not a debate we believe we should retire from at all and what we put to the Government last November was a concept scheme. So we are evolving that design and we are listening and we will take into account the feedback we've had from the authorities, the feedback we've had from the city of Sydney, the feedback we've had from business and obviously the feedback we've had from the community.

So we're working through that now. We obviously believe our scheme had merit, but our scheme will evolve and the design will evolve from what you have seen. I'll run through the flythrough later today, but that was the flythrough as the design stood last November.

Just in terms of some key facts on Barangaroo, around \$6 billion of end value. As I said before it's around 490,000sqm of buildable space. Development period 10 to 15 years. We however believe the cycle for Barangaroo is very well placed in terms of the current cycle. There is a shortage of quality residential especially on the waterfront in Sydney. It is very hard and the supply of apartments is very limited in Sydney. We're down to our last two buildings at Jacksons Landing which we're already well through the pre-sales and there isn't another major residential on the waterfront in Sydney Harbour at all so we believe Barangaroo is very well placed on residential, very well placed for the commercial cycle recovery and given the timing of Barangaroo we're currently able to talk to tenants who have lease expiries anywhere between the end of 2013 up till the end of 2016. So that covers a lot of commercial tenants, both here and a number internationally, who are looking at new premises in Sydney.

Steve touched on the level of interest. That level of interest continues to increase and we believe there's a real opportunity to capture on that cycle or the current cycle and really plan our first five years of development at Barangaroo with a huge amount of momentum.

Retail at Barangaroo, we do intend to build around 30,000sqm. Those of you who are familiar with the western side of Sydney -- western part of the city -- there is very little retail on Sussex or Hickson Road or the hungry mile as we now call it. There's virtually no retail on Clarence or York or Kent Streets either, in fact for the businesses that are on the western edge of the city now you've really got to walk all the way back east of George Street. We see terrific opportunity for a comprehensive retail offer in Barangaroo, so 30,000sqm equates to around or up to around 200 retail tenancies, so fashion as well as food as well as convenience offer.

I've touched on the hotel. Generally no one makes money out of hotels. We believe the hotel for Barangaroo is an opportunity to enhance the scheme, but it's not part of our underlying commercial assessment. It's not contributing to the land or profit out of Barangaroo, but we believe it is a signature piece for the overall scheme. We believe it will be a great facility for the businesses that relocate to Barangaroo and we believe it'll enhance the retail and the residential at Barangaroo. So that's deliberately why we have done it. We're not approaching it on the basis of a major development opportunity and we will be looking for third party -- not only a third party operator, but obviously third party ownership prior to getting underway on

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the hotel.

Barangaroo obviously in terms of the success it is fundamentally about commercial space. Those of you who know the city office market very well, Sydney on average has a take up of around 60,000sqm of prime space per year, but the reality is there's never such a thing as an average or the market never hits the average. [The take up side of that is] either much more than that or much less than that.

As I said before, our focus now is very much on the pre-let market. Steve mentioned we have had heads of terms with a major tenant. We've actually got heads of terms with two major tenants now and we're talking to about five other major tenants about a significant quantum of space which as I said really relates to occupancy between the end of the '13 and the end of 2016.

There's very limited opportunity in the CBD now for large floor plate office. That's largely the fact that the sites are very constrained. Barangaroo has a whole array of benefits for occupiers and we would argue benefits for Lend Lease and the capital that will support us on the office floor space. For example, construction costs in the core CBD when sites are very constrained, if you look at the work we've done in George Street recently or the work that some of our competitors are doing in Bligh Street, access to those sites is very difficult, it's expensive, there's restriction on working hours and so forth. Barangaroo has a huge advantage in respect of that. We have a large site, we have a lot more flexibility, therefore we can build a lot more efficiency. Because we're building a lot more space we can procure more efficiently and if we get the level of pre-lets we anticipate, the whole procurement construction will have significant cost benefits over other sites in the CBD.

We are able to bring space to the market on the basis of our bid and forecasts a significant price advantage to other space in the city and likewise both for Lend Lease and for our third party investors we believe we can offer superior returns at Barangaroo.

Obviously sustainability and all those other attributes Barangaroo will be a clear leader. We're able to introduce sustainability into the precinct and into the infrastructure in addition to the buildings. So six star buildings at Barangaroo we'll consider standard. We will be able to provide a high level of sustainability because we'll also be able to coordinate all the precinct infrastructure.

In terms of location, those of you who are familiar I guess with extensions of city centres and I would put the Docklands in that in Melbourne, not many people who lived or worked in Melbourne saw the Docklands as part of Melbourne and they saw it outside the city centre to some extent. I think that's now changing but I think that was certainly the perception nearly for the first decade.

Canary Wharf stated life in London exactly the same; it was outside the city a long way from the West End and it took a decade to get any momentum.

La Défense in Paris exactly the same; it took a decade to get any momentum in terms of

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commitment to tenants and it was actually led by government tenancies.

Barangaroo is not like any of those. The reality is for those of you who again probably don't have a need to walk to the western edge of city a lot, albeit with organisations like KPMG, with organisations like Westpac and Macquarie, that's now changing. But if you look at this slide you can actually see Wynyard's really the life support in terms of transport for the northern half of the CBD in Sydney and I won't run through all the statistics on that but that's the reality. Barangaroo is actually closer distance to Wynyard than the Grosvenor building is and it's certainly a lot closer than the RBS building and the other buildings in the north-east corner of the city.

So once we upgrade the new pedestrian tunnel to Wynyard, the light rail comes online, Barangaroo is very convenient to Wynyard and when we get west Quay and the ferry service operating and the increase in ferry services over to Balmain Peninsula as well as around to the Quay and other parts of the harbour, it will be a major transport corridor for Sydney.

Obviously the Metro's not going to happen. That's got pluses and minuses. Obviously it's disappointing whenever transport infrastructure is delayed, however the benefit also for Barangaroo is it enables us to get in and start the southern end of the project straightaway rather than waiting four or five years for the Metro to be constructed.

A little bit there on office. I touched on those key points so I won't dwell on those again.

Just in terms of the flythrough, my apologies if some of you have seen this. It was, as I said, a reflection of the design from back in November which has continued to evolve. It runs for about two minutes and I'll just let that play.

[Presentation video 2:24:18.8 to 2:27:56.7].

If I leave Barangaroo I'm happy to take any questions later about Barangaroo and talk just for a moment in respect of the RNA in Brisbane.

As I responded to the question earlier we remain the preferred proponent in respect of the RNA but we're very close now to finalising contracts and expect to announce that shortly.

The project on RNA we see it as a very unique opportunity, similar to Barangaroo, similar to Vic Harbour, it is under the planning control of the respective State Government. That was also one of the reasons we saw RNA as a terrific project as we do Barangaroo. I think all of us are aware major projects that sit under planning of local councils often get delayed. The reality is that both Victoria Harbour where the Planning Consent Authority's Vic Urban, Barangaroo where it's a State Government, New South Wales and RNA it's the ULBA or the State Government in Queensland. We see that as a major advantage to those projects in respect of certainty.

RNA's very close to the core CBD in Brisbane. However that said, we're not focused primarily on the commercial market. The commercial market, as we all know, is quite soft in Brisbane,

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probably the softest of any of the markets in Australia. The focus of RNA really relates to the circa 1900 residential apartments and we see that as a strong market and a market that when you look over the next decade will place this project with some very significant benefits in terms of its scale, its sense of place, proximity of the city and obviously proximity to the Valley.

You can see there the makeup of the project. As I said the core focus is really on the residential apartments, that's the bulk of the project. The structure of the deal is similar to a land management arrangement, albeit the value of the land that's created off the private development we then reconstruct the RNA's facilities. So they're looking to update their industrial pavilion, their large animal pavilion and all the facilities they have that contribute to the annual Ekka event.

So hoping to make an announcement on that very shortly and we're targeting to get planning by year end and then actually commence the development prior to Christmas.

Moving down to Melbourne, down to Victoria Harbour. Not a new project. Many of you have visited the project before so again I won't spend a lot of time, but I think the other key lesson Lend Lease has learnt on major projects is really fundamentally they also come down to momentum. Victoria Harbour had a relatively slow start as did other parts of the Docklands. What we have done now is put a major focus on momentum. That requires the flexibility to be able to move with the market. So obviously we had a large push into the commercial sector with the conversion of Myer and ANZ around 110,000sqm of floor space, two major projects. Obviously the commercial market has slowed. Our focus is now on residential. We're just starting construction on our Convesso. It's 220 apartments on the waterfront. That's in a joint venture with HOSTPLUS again Tarun's team brought the capital together combined with Lend Lease capital. That's starting construction now. We're about 145 of the 220 apartments are presold, so largely derisked and we're launching to the market a cheaper product or more medium based residential product in the next couple of weeks called Serrata which we'll aim to get into construction. We've now got planning approval from Vic Urban and we'll aim to get that into construction by year end as well.

But I think you can see even from the buildings on that page those are basically, with the exception of NAB which was 2003, the rest of those buildings have all been completed in the last five or six years. Our focus is to get at least two major buildings underway every year and again that obviously flows onto work for the investment management team, work for the Bovis Lend Lease team and obviously with ANZ we're starting to change in the connection of Collins Street now the tram goes into Vic Harbour. I think the ultimate success will be when it's really viewed as part of Melbourne rather than part of the Docklands and that's certainly our goal.

I won't run through the two residential projects in any more detail. We are working with the Green Building Council and the residential building will be the first residential rated green star building in Victoria so a large focus on that. Again, we believe consumer preference to sustainability will inevitably follow as it has in the commercial sector.

That's the two residential buildings I've referred to.

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Over to WA very briefly; the Alkimos project. Our legal team are meeting with LandCorp today. They were with them yesterday in terms of finalising the project development agreement. As you can see there on the slide Alkimos is a very large project with LandCorp, the WA state land agency. We have won the first stage of that project. Obviously if we execute that well it's our intension to continue to work with LandCorp over the balance of the project which is up to 10,000 lots in total.

It's a prime piece of real estate north of Perth. Yes it's well north of the CBD, but it is right on the coast. The Perth residential market's been a market we've been trying to break into for some time. We struggled to find value and we struggled to find the right partner. Now we've got a partner with the Government. We're very, very happy with that. We think that's the right partner. Also this project is a great project to start from. It's an iconic project in many respects. It's got very good publicity and it will really build the foundation of our Delfin business in WA.

Just very quickly I'll just touch on our three businesses, one slide on each just in respect to trading conditions. Our focus on the Delfin business has really been -- we've had a big backlog. I think we've told the market many times before Delfin's got one of the largest backlogs in terms of master plan communities in Australia, just short of 80,000 lots. The reality is much of that was not zoned and was not trading. That has been where we've put the focus.

Our Rocky Springs, Townsville project over 10,000 lots, we look to be trading within 12 months.

Yarrabilba we spoke earlier, now that's with the ULDA. We'll look to see the acceleration of the infrastructure and getting that project underway.

Calderwood's now with the Planning Minister. It's a project down near Wollongong. It's 5000 lots. It's with the Planning Minister in New South Wales being determined at the moment and the Minister's very confident that will be approved very shortly.

Lockerbie's now within the Urban Growth Corridor in Melbourne and we're looking to see that accelerate.

Gawler in Adelaide we'll see come into trading within 12 months and the Alkimos project I've already spoken about.

So when you add up all that that's over 30,000 lots in that Delfin backlog that we're looking to convert into zoned ready for development and you'll see those projects commence over the next 24 months. So a major focus in Delfin is converting that backlog getting a trading.

Steve mentioned a couple of comments on Delfin's trading. It has picked up. Queensland however is still relatively slow. The Queensland market's very flat. New South Wales has improved. Victoria's the strongest market. Adelaide and ACT both small markets but a high

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level of inquiry there and obviously we're yet to release the Alkimos project in Perth, but the Perth market is also strong.

So we are seeing an increase of trading of historic levels of Delfin and we'll look to capitalise on that, albeit we are cautious. Obviously the investor residential market in Australia is still very soft. Our core focus in Delfin is upgrade as people who are buying their second home and upgrading, primarily upgrading, which relates to the quality of the communities we create.

In our Vivas business our focus has really been to create a business. We saw some of our competitors drifting away from this space and a real opportunity. It requires getting the capital model right. We joint venture, we bring in debt, lower our use of equity, improve our return on capital and get the required level of pre-sales. That's what we're about in the Vivas business and then as I mentioned before we've now got a very strong backlog added to not only by Barangaroo and RNA, but obviously the conversion of GTV9 in Melbourne and Orrong Road in Melbourne which are two terrific projects and then obviously building off the back of Jacksons Landing as well. So we believe a strong future, albeit profits again in that business given the nature realised in profit, takes some time to be realised.

Very briefly in retail; our retail business really underpins the performance of our fund. We now manage over \$5 billion and Tarun will touch briefly on this. I'm pleased to say our latest retail project which is Mid City Centre in the CBD will open on Tuesday the through link next to The Strand. It is 100% leased so we continue our track record from Somerset. Our major competition Across the Way reported they will not open 100% leased so our retail skills are still paramount to our business and a major focus. Obviously we've also started our Mackay development up in Queensland which is one of the largest retail projects in Australia underway now.

So core skill set for us. Obviously the retail market in yields and so on are softer but a core part of our business both in asset management and development.

So look in summary, as I've already mentioned I think it is about our development and our sector businesses about buying well, they're about executing well and they're about getting the right capital model. We have built our backlog and I think you'll see the value of that start to emerge over coming years. We believe we are clearly a leader in the commercial space, becoming a leader in the apartment space, the leader in the master plan community area, so we believe we are very well placed and that business obviously contributing to the growth of our investment management platform and underpinning a significant amount of earnings in our BLL business.

So on that note I might hand over to Paul. Thank you.

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MR PAUL WALSH: Thank you David. I'm Paul Walsh. I'm the CEO of Lend Lease Primelife. Last year I was the CFO. Lend Lease Primelife became 100% subsidiary of Lend Lease in December 2009 when Lend Lease acquired all the shares.

You only need to read the press to understand that the senior living sector is a growth area. Australia's population is growing strongly over the next 15 years, but the over 65 population is expected to grow by approximately 69% over that period which is far in excess of the 20% odd that you expect in the whole population.

Addressing this sectors plays to Lend Lease's core property skills and allows for multiple fee streams. We get development management profits from developing new villages, deferred management fees for managing and owning existing villages and asset management fees for redeveloping and refurbishing existing product to keep it regenerated.

Lend Lease's investment in the senior living sector is congruent with the Group's growth platforms which Steve talked about earlier.

The strongest growth is in the over 65 population, but the 75 year plus sector is growing even stronger and correlates with the average age of Lend Lease Primelife's residents which is in the order of 80 years old.

The growth rate of the over 65s is expected to increase in excess of 69% over the next 15 years, but when you look at the over 75 age group, that's something like a 77% increase.

Its importance is, if you look at the graph on the right, that shows that Australia has as little as 5% of its population in retirement living. If you compare this to New Zealand with 7% and the US with 12% penetration, you see that we're way under. The reasons for this will be many and varied and relate to requirements for people to want to own their product, but scope exists to increase penetration rates significantly.

If you look at Citigroup's latest release, they show that 200,000 new retirement living dwellings will need to be constructed over the next 15 years to meet both the projected demand made up of population growth and then that increase in penetration to just 7.5% from the roughly 5% that we've got now. This would equate to something like \$60 billion new construction over the next 15 years so this is a growth sector no doubt.

Lend Lease is the number one player in retirement sector with an unparalleled retirement village network and aged care network. The retirement village market is very fragmented and the 10 largest for profit operators only account for 15% of the market. As the industry moves from cottage industry, which is where it was a few years ago, the larger players are emerging with strong branding, strong operating platforms and access to the skills required to lift the industry to an institutional product.

The sector has good dynamics with that aging population we talked about before. A growing market penetration and that'll be fuelled by things like increasing personal wealth and the desire for value added services in the villages which can only be, in many instances, delivered

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in a village situation. You can't do that in the general community.

As an operating business earnings are generated over the lifecycle of a village from inception to ongoing management and regeneration. We get property development profits for new villages and new product we develop, deferred management fees for running the existing villages, management fees for managing third party capital in the sector, value added fees for extra services such as care services and fees for redeveloping the villages and units.

Achieving scale is important to secure viable business that has the ability to do growth and most importantly reliable cash earnings.

So retirement is about building and operating communities and Lend Lease is a leader in building communities.

So have a look at the retirement value chain. So development, we have the opportunity to use Delfin sites or some of the Vivas sites or lands that we select otherwise. It's a core Lend Lease capability developing product.

Deferred management fees; we receive this for the provision of the community centre and other services such as parking provided to the residents. Typically a DMF is structured as 3% of the outgoing sale price and typically -- and I say typically because they do vary -- capped at 10 years. We have the potential to modify the fee accrual period to enhance value.

Village management; this is for managing villages for third party capital. This typically charges a percentage of the DMF collected so you're aligned to who's providing the capital. We currently do this for the Lend Lease Core Plus Fund and Prime Retirement and Aged Care Trust. There's also resale commissions that we get as the turnover happens.

The value enhancement is the redevelopment of the individual living units and serviced apartments and that produces development management fees and/or profits depending how we structure it. Repositioning a village by reinvesting in the place is an asset management activity and generates asset management fees or we end up with a revaluation of the DMF stream. There is the ability to provide value enhanced services and these are typically outside the normal service fee that a resident will pay.

There's a potential for funds management activity. Typical funds management fees, as you'd know, are made up of base performance and acquisition fees. This is a relatively new product offering to investors in this space and provides exposure to a growth sector that hasn't yet been widely taken up in the wholesale funds management space.

All of these activities that you see on the screen are a part of Lend Lease's core competencies and it fits well in Lend Lease's integrated platform.

So what does the DMF look like, the deferred management fee? Typically a Lend Lease Primelife contract is 3% of the outgoing sale value capped at 30%, so it's 3% per annum capped at 30% or essentially at 10 years with 3% per annum. Another way of looking at it is

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that it's 3% of the ingoing price plus 30% of the capital gain as you can see from the graph.

Now contracts do vary and the 3% per annum capped at 30% is only one type. What we vary is the amount per annum and the maximum. We're also very focused on the drivers of value; what makes the cash increase? Resident entry age and turnover, so we try and see to the right age of person. The contract type and as I said this varies from village to village and we may offer different contracts to reflect the different occupancy durations we see in certain types of product. So in a lifestyle village we see people a lot younger and then in a mature village we have an older style of resident.

Serviced apartments; the residents there tend to arrive later and stay for shorter durations so a different contract is required; a shorter accrual period.

Property price movements obviously are something that affects our return. This is enhanced by our management and affected by the levels of service fees that we charge in the villages so it's important to make sure we've got our service fees at an efficient level and what level of asset management we've done to the village.

It's important to remember that the cashflows are long dated, so once a resident comes in, on average we only collect every 11 years. Some stay longer, some stay shorter.

So what does our retirement village portfolio look like? Well it's 70 villages and you can see them there. They're in all states but ACT and the Northern Territory and also New Zealand. This is our owned and managed portfolio and it's unparalleled in size and scale and diversity. This size, scale and diversity reduces the volatility in the cashflows. It's a high quality portfolio ranging from lifestyle villages for slightly younger residents to urban villages that have been well developed and also some in regional areas. There's a good dispersion of age of our villages; we've got some that are down to two years old, say at Parkland, Ellenbrook in Western Australia and up to 25 years old at Parkland Woodlands in WA. Our average age of villages is 16 years.

New Zealand villages are a great portfolio and performing extremely well and they're well placed in the north shore of Auckland or four of them are.

The average age of our residents is almost 80 years, with a recent average exit age of just over 81 years.

The villages are well rewarded. Elliot Gardens in South Australia won a UDIA Award for Excellence in the Senior Living category. Our manager from Parkland Villages Mandurah won the Manager of the Year from the RVA in 2008. Brentwood Village in New South Wales won an award for Excellence in Customer Service. Nelsons Grove in New South Wales won a Sustainability Award from Holroyd City Council and 41 of the villages have been accredited by the RVA.

So the development pipeline; we've got in excess of 1500 units in our backlog. These range from villages nearing the end of their development cycle to some that have just started, with

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the majority being in Victoria and New South Wales. We plan to increase the backlog, to increase the number of units delivered each year. Under previous ownership with capital being constrained, the development process was slowed down and the business has now been refocused on development and we intend to increase the volume of developed product that we bring to market.

In developing retirement product you've got to remember we get the two income streams; one is the development margins just like any other development product as we sell the product and we also earn a DMF.

It's important to remember that unlike the residential based product that typically Lend Lease sells, in this sector we continued to manage the village and so developing a sense of place and a service culture in the village is a very important part of the development process. For most of our residents it's not just about the real estate.

Our aged care portfolio; the aged care portfolio is primarily focused on New South Wales and Victoria with a couple of facilities in Queensland and one in South Australia. In Melbourne it's mainly suburban and in New South Wales suburban and Central Coast primarily.

Over the last year we've been consolidating the ownership positions and this puts our aged care business in a great position for the future. We have a good mix of low care high care beds and we've got two facilities that provide extra services to the residents. We cater for aging in place in the majority of our facilities which means that as someone progresses through the stage of life they don't need to move.

We have focused on increasing the efficiency of this business whilst always ensuring that the needs of our residents are catered for.

We have the three pillars: simplification, value creation and service culture and we're applying these through this business also.

In the last year 18 of our facilities were awarded accreditation by the Aged Care Accreditation Agency which is the governing body which is essentially the Government, for three years, so we've done a large percentage of our portfolio.

It's important to remember that the revenue stream in aged care is primarily derived from government sources, so our revenue streams are accommodation bonds on low care beds and we get an accommodation charge which is the government stream; daily care fees and these are subject to means testing. If we don't get a daily care fee then we have a higher accommodation charge so we don't lose out, it's just a play between the resident and the Government and then extra service charges on the extra service facilities.

So last year we put this at our investor presentations our strategic objectives, what we call the three pillars: simplification, value creation and the service culture. They're essentially unchanged from last year.

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The simplification is about driving operational efficiency as a key objective. We want a single operating platform because we have RBD and Lend Lease Primelife and in the last three years there's been significant acquisitions by Lend Lease Primelife in its former lives of villages and they need to be integrated.

Value creation: the object is to grow the development pipeline and leverage the Lend Lease integrated model and we also want to consolidate our brand. By doing the simplification we also will produce value.

Service culture: our residents are our best market resources that we have and they use word of mouth to promote our villages to their friends and families in our aged care and also the retirement villages and the focus on service and customer focus ensures that they will continue to recommend our villages and aged care facilities and so we'll continue to have record occupancy.

To achieve these strategic objectives we've dedicated a team to re-engineering the various aspects of the business and to bring together the Lend Lease Primelife and RBD businesses.

Thank you, I'll pass to --

MR TARUN GUPTA: Good morning ladies and gentlemen. The agenda for my presentation today will include an overview of the third party capital model that we're pursuing and how we're supporting the Group strategy. I'll then touch on our product platform and some key performance highlights. We'll then look at the ING transaction as a case study to give you an indication of I guess the third party model at play. I'll then touch on some investor key trends and wholesale institutional investor trends that we've seen and how Lend Lease is responding to that and then I'll finish off on some growth areas in terms of funds and products we're looking at.

So in terms of supporting the Group's strategy, the key role for the investment management COE and the business is to provide ready access of third party capital to support the Group's strategy and we're pursuing this from a diverse pool of capital not just our funds. We're pursuing joint ventures, we're pursuing club structures and direct mandates.

The other aspect of the strategy is that we're using an integrated solutions approach which has been operating now for about 12 months and that is an approach where we do the product development, the debt and capital raising, deal strategy and deal execution with third party capital and all of that is done in-house. We don't use investment banks, we do it in-house and the idea is that over time we think we will develop a real competitive advantage in dealing with third party capital.

The other thing we're really focused on is a consistent framework and process in dealing with third party capital. Previously different parts of Lend Lease would engage with third party capital. Now all capital comes through the investment management centre of excellence and in that way our capital is treated with some consistent teams and a consistent way of doing business.

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Finally, a focus for us in supporting the Group's strategy is to grow a best practice funds management business. I've been in the investment management business for the last 10 years and really the key planks we've built our platform on are our best practice corporate governance, strong alignment of interest between Lend Lease and our third party capital partners, an open consultative and communicative management style and very strong management stability; the basics of fund management, but we have been really focused on that and going into the GFC I think because of those key planks our investors have been very loyal to us and now coming out of the GFC we're seeing exceptional demand across our product platform.

So looking at our products, this is our current platform globally. We're managing 11 funds and some separate mandates and that's totaling around \$10 billion in funds under management currently.

The platform: we are aiming to construct it quite carefully. We want to play across the risk return spectrum from co-op. to opportunistic and across our primary sectors that Lend Lease operates in. Why we want to do that is that we have -- if we're able to achieve that product platform we can be much more flexible and creative in matching capital into deals and I'll illustrate that in the ING deal. The key plank of why we won that deal in our view was how we cut up the transaction into different buckets of capital.

Just some key highlights for just the platform: one of the things we're really focusing on is our separate mandate business which is the joint ventures with large sovereign funds and superannuation funds and that is a real growth area for us. It really compliments our development pipeline, those sorts of flexible structures and three years ago we had no mandate accounts. Now we have many, with funds under management exceeding \$1 billion in that particular market segment. It's quite a profitable part of the business because in most instances this capital is either JVing with our existing funds or with Lend Lease itself, so we don't need to create two sets of operating management platforms, we can leverage across that.

We currently have no redemptions across our platform and even during the GFC at the height of the GFC, say early last year, less than 4% of our equity or less than 4% of our funds under management wanting to effect transfers, which compares very favorably to any other manager I would argue in the market.

We have satisfied all those transfers over the last 12 months and, as I've said, currently no redemptions sit in any of our funds.

Generally our funds are very lowly geared. Our flagship fund, APP of Retail, has gearing of 10% which again gives a great capacity to acquire assets as the cycle improves.

We have also some of the best performing wholesale funds in the market. Again APP of Retail is consistently one of the best performers and its beating the Mercer's Index or the IPD Index over one, three, five and 10 years and over 10 years it's out performing by about 300

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basis points. So it really underpins the reputation of our platform when we obviously deliver superior investment performance.

Our fund in Singapore: APIC has delivered 17% [IRR] over the last three years and that includes the GFC period.

Some other key performance highlights for our platform: again we've seen, as I've said, some real momentum coming through into our IM business as the market conditions stabilise and property values stabilise. We've seen a 21% increase in funds under management predominantly through the ING deal and over the last period, that graph there, we've averaged about 11% compound growth in funds under management and that includes 2009 when values went down and therefore our funds under management also went down.

We've raised significant capital; \$5 billion out of which \$2 billion is equity and I'll give you some colour on that in following slides. We've introduced 24 new investors in the last six to nine months to our platform, all large institutions. Eleven of those were domestic and 13 offshore clients and that's to the Australian platform because that's where we've been raising capital, not in the other markets. Thirty of our existing Australian investors have also topped up their investments so the point there is that we're raising capital from a very diverse and deep pool of investors.

We've secured the ING deal and again I'll use that as a case study in the following slide and we launched our EP3 with \$400 million of funds under management in December and as we sit here today we're already 83% invested across four high quality sub-regional retail assets.

We secured the Future fund. The first Australian property group to secure them as a co-investor into our retail sector with a \$500 million mandate.

So our funds are positioned strongly; as I said, low levels of gearing, no redemptions and we have capacity in those funds to acquire assets as the cycle improves.

So to give you some colour on the equity raising: the key point here is that again we're raising equity across sectors and from different structures. We've raised money into our core funds, we've raised money into direct mandates, into joint venture with Lend Lease development projects.

So if you run down the list there I've mentioned \$500 million from the Future Fund into our retail sector in partnership in some instances with APP of Retail. We've secured three mandate clients in our development business and David Hutton mentioned the Convesso development in Victoria Harbour where we've introduced one of our significant clients, HOSTPLUS, into that deal. We've also got two commercial mandates that we've introduced.

APP of funds have raised about \$1 billion in equity across the three funds in the recent past and that included the \$500 million equity raising and the \$150 million that Steve mentioned earlier today.

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Now the other key point here -- I'll come back to that actually -- just touching on debt, again debt has been a real issue as you all know over the last 12 to 18 months, but we've rolled over debt or secured new debt across our funds platform and our development pipeline totaling about \$3 billion and that's coming from the major Australian banks, all of them and also some offshore banks and Asian banks. So we're getting very good support from the banking sector who are buying into I guess our pipeline and the performance of our products.

And just the point I wanted to make in conclusion on this slide was that all the capital that you see on the left hand side is very supportive of our integrated model. In all those instances, that capital is engaging the Lend Lease businesses to add value to those assets. So we will be deriving development management fees, design and construction fees, asset and property management fees where appropriate and investment management fees. So again, that capital is quite attractive because it's engaging all parts of the Group.

That is a key criteria we're using in selecting our capital partners where they do require the services of the integrated model.

So the ING Retail Property Fund; let's touch for a couple of minutes on some of the key highlights and hopefully this illustrates to you what investment management is trying to achieve in terms of building scale for our operating platforms and in this instance retail and investment management.

So a recap on the deal; this was a portfolio of assets that investors in this fund put to the market late last year. There were 14 assets, \$1.4 billion in value. We were in a competitive process against Colonial First State. The portfolio had regional, sub-regional, bulky goods, neighbourhoods and outlet centres so it was quite a mixed portfolio and rather than I guess using one source of capital, we brought in six partners into the deal. They were Future Fund and APP of Retail on the core assets. We put the sub-regional assets and launched REP3. We sold two assets to [unclear] before exchange, one to a private investor, a bulky good asset here in Sydney to a private investor again before exchange and Lend Lease acquired some of the assets. So there were six capital partners in the deal, each pricing the different component to its own restrictor and criteria. We believe that gave us a competitive advantage.

The other aspect of the deal was that the whole deal was managed internally by the Integrated Solutions Group in terms of all the debt raising, the product development, deal strategy and execution. We did not use any investment banks into this deal.

So what it's done for us, there's some stats. there; significant growth in funds under management. For our retail business it's added five assets under management giving all the benefits of scale. As part of the bidding we actually signed up Myer on an exclusive basis under an agreement for lease as part of our bid, which we again believe gave us a competitive advantage. We have received DA approval for that recently and we would be looking to kick off a major expansion of that asset in the coming period, again providing opportunities for our construction and development businesses. It's one of the best retail assets that I've ever looked at. It's a real strong performer.

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So again we believe we acquired this portfolio at a really attractive time in the property cycle. Late last year it was priced around September when we believe was really when the markets were bottoming out. So we believe it's an attractive acquisition for our platform and should provide good returns to our investment partners.

Just some general themes from institutional investors and the sort of key trends we're seeing. Allocations to property generally are back and that's because equity's bounced over the last 12 months and the property pricing has come down materially. So a lot of investors are at weight or underweight property. Obviously the last three or four weeks of volatility will adjust things and impact sentiment, but we haven't seen the last three or four weeks impact our platform immediately. As I said, we raised \$150 million for Lend Lease units that we sold only this week, we're doing commercial fund equity raising which is receiving encouraging support and investors at the moment are seeing the volatility as a correction rather than something that they will use to stop investing.

Most of the capital is still seeking core prime real estate. That's where most of the demand is and that's because core or prime real estate's offering returns at the upper end of what they normally deliver. Sometimes even enhanced returns coming out of core.

The other trend is that global capital we're finding with the large players it's very, very transient at the moment. If you go back six to nine months Asia Pac. was it, every global capital source was looking at investor in Asia Pac. and say the UK London market and now the sort of flavour seems to be the US in recent weeks. It is moving around, it's seeking good deals and as markets are bottoming out it is moving around quite rapidly.

The other trend we're seeing from our large pension funds and Sovereign Wealth Funds is there will be consolidation of the allocations going forward. One Sovereign Wealth Fund investor noted that going into the GFC they had a hundred manager relationships in 2007 and they're looking to cut those back in the coming years to 10 to 15 key relationships with global players who are experts in certain fields. We think that will play quite a significant role in how capital is allocated across the globe.

Governance and alignment post-GFC are absolutely paramount and the managers who did not behave I guess in an optimal way in managing conflicts or alignment issues during the GFC will not raise capital going forward or they will struggle to. So that's quite important as well in terms of how investors are engaging.

Investors want more control in terms of decision making, so JVs and club structures are quite popular rather than simple fund structures where the manager really carries the decision making and of course the use of gearing has come down materially.

So there are some key investor groups there and I've noted some key trends there and how Lend Lease is responding. Suffice to say we're raising capital from all of those sources of capital and we've either raised money or we're looking to execute from those sources and we're placed quite well.

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So in conclusion, our current growth focus and I guess focus areas are, as I said, the separate mandate business and joint ventures is very complimentary to our development pipeline. As Steve mentioned we've got capital partners lined up on Barangaroo in the residential and commercial space who will joint venture with Lend Lease using the integrated model and we're working with the development teams on placing capital into other development projects as they start to throw up product.

We're also working in the retail sector and the residential sector more generally on mandates from the large investors and we'll be looking to convert them in the coming months.

In our existing funds we continue to raise capital and retire debt and build acquisition capacity again to take advantage of the improving cycle.

In Asia we are exploring an investment vehicle to invest alongside Lend Lease as Lend Lease starts to deliver on its Group strategy of expansion into that region and also as Steve mentioned we're looking to invest the remaining equity in [unclear] over the next 12 months.

And finally in terms of new opportunities, we are working with the various business groups in creating products and mandate structures to bring in third party capital to deliver on those strategies, at the moment we're looking at products in the sectors of retirements, PPPs, infrastructure, sustainability, and of course, where appropriate, investment management growth.

So in summary what I'd like to leave you with is the thought that from our point of view, we think we're placed extremely well in attracting third party capital both locally and internationally, and supporting the Lend Lease aspirations of delivering on its pipeline and recycling its capital. Thank you.

MR MURRAY COLEMAN: Good morning everyone and thanks Tarun. My name is Murray Coleman and today I want to take you through some key market trends, give you a regional update on Bovis Lend Lease around the globe and finally touch on our progress in sustainability and safety which are both issues very close to my heart.

I am going to be fairly brief this morning. You have probably almost all just about suffered death by PowerPoint so I will be relatively quick going through these slides.

Bovis Lend Lease continues to be one of the leading construction brands in the world. As Steve and Brad highlighted, our construction business in offshore markets has been doing it pretty tough and I'll touch on some of those markets in a minute.

Backlog GPM at December was \$545.5 million globally and new work secured was \$173.2 million. Our expectations are that both of these measures will be lower at June 2010. However, our business does locally go from strength to strength and continues to have a strong backlog of government work and a strong pipeline of internally generated Lend Lease work, much of the work and the projects you've seen discussed here this morning. But before

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moving on to the regions, I just wanted to touch on some key market trends.

As market activity levels have fallen we've seen competition for work increase naturally I guess and this increased competition is putting pressure both on pricing and margins. We continue to remain very disciplined however in bidding for work with a very clear focus on not chasing volumes to drive revenue and that is anywhere in the world.

Market conditions have not improved in our offshore markets and are not expected to for some time. The PPP model continues to be the preferred delivery mechanism for infrastructure and some social infrastructure by governments in many of our key markets. I think the jury might be out a little bit on that at the moment in the UK. However, government work in some key markets is slowing as budget deficits rise and in Australia there is a large pipeline of infrastructure spend with over \$70 billion per annum expected for the next 10 years accounting for roughly 50% of the Australian market.

Finally, sustainability continues to be an area where Bovis Lend Lease, in our view, leads the Australian market and is recognised around the world for delivery of sustainable commercial premises driven by continuing client demand and operational and productivity savings as Steve outlined earlier.

So first to Australia. Our business in Australia, as I said, continues to have a strong base of government work with over \$1 billion of schools work where Bovis Lend Lease has an agreed managing contractor role. Our managing contractor delivery model generates value for our client by providing an open market tender process, a fixed base for cost and by ensuring delivery of projects safety, on time and to the required quality standards.

In addition, we have over \$3 billion of healthcare projects currently underway including the new Royal Children's Hospital in Melbourne, Liverpool Hospital here in Sydney and the new Gold Coast University Hospital which is going to be a fantastic site and is really a fantastic project.

Further, the Australian business continues to have a significant number of projects right across our traditional sectors, commercial retail and residential and also into the justice sector with the Brisbane Law Courts.

In terms of our key focus areas in Australia, we continue to operate in our traditional sector areas and also take the opportunity to move into some new adjacent sectors including rail, solar and we're having a good hard look at the National Broadband.

The pipeline remains strong and in conjunction with Lend Lease's equity partner Bovis, Lend Lease is bidding on a number of large healthcare PPP project - I think you heard them mentioned earlier - including the new Royal Adelaide Hospital and the \$1 billion PCCC (the Parkville Comprehensive Cancer Centre) in Melbourne.

In terms of outlook, investment is slowly returning to traditional sectors, demand for natural resources obviously driving mining and engineering, projects within these sectors leading the

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recovery in Australia. Business confidence has returned and capital is really starting to flow for major infrastructure projects.

The Federal Government's desire to nationalise health is likely to improve services and capital spending in the long term. As a whole, Bovis Lend Lease in Australia remains well positioned going in to FY11.

Now moving to Asia, we remain focused really on our key markets of China, Japan, Malaysia and Singapore. As Steve mentioned, we will consolidate our position in the region. The business delivered the Somerset Retail Project on time and budget in Singapore in the first half of the financial year and I can't underestimate how proud of the business is of that achievement. To be still excavating down in the lowest basement six months from completion and to then actually complete on time was really quite some achievement.

The Group's strength in the pharmaceutical sector remains, particularly in Singapore, with a number of projects underway including the Lonza Biologics project and a large project we're doing for Alcon.

In China, Lend Lease is a gold sponsor of the Australian Pavilion for the World Expo in Shanghai this year [inaudible] has started. Bovis Lend Lease is actually the design and construct contractor of the Australian Pavilion and played a key role in the prototype development of the Pavilion including this iconic steel façade. The team adapted features of the design to include sustainable features such as rainwater harvesting, solar power and energy saving lighting.

Lend Lease is hosting a number of key events at the Pavilion targeting clients and potential clients and investors. As Steve mentioned earlier, China and Asia remain a key growth area of focus for the Group.

Moving to the UK and Europe, in the UK tough economic conditions and low levels of activity continue. Despite some signs of recovery, this really hasn't translated for us into the construction sector. However, despite all of this, the Bovis Lend Lease business remains with a solid base of government work in education, health, waste and accommodation and continues to deliver, as part of the one Lend Lease team, the Athletes' Village which is on time and on budget and I'm sure Dan will elaborate on that in a minute.

Similarly, difficult market conditions continue in Europe and in the Middle East. We took a provision against the recovery of certain debtors in the first half of the financial year in the Middle East. Our strategic review of the CEMEA business continues and you heard Steve talk earlier about reducing our footprint. We will focus on countries clearly where we can operate safely, profitably and which offer growth opportunities right across the Group. You will really see the number of countries we operate in reduce over the coming years in Europe.

Moving to an update on the Americas, the American business reported a loss in the first half impacted by legal and restructuring costs. The business' traditional core markets of multifamily and commercial remain extremely difficult with very limited new work.

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To ensure the business keeps pace with declining volumes, further restructuring costs are expected in the second half of the financial year. Our focus for the business remains on consolidating and focusing our presence. We are not anticipating a recovery in volumes until probably 2012.

I now just want to turn attention briefly to two key areas which I am very passionate about, safety and sustainability and Scott spoke briefly on this earlier. Our safety vision in Lend Lease is to operate incident and injury free wherever we have a presence and that really means that every person who comes to work goes home safety to their family and loved ones at the end of the day and that's whether they work on one of our projects, whether they work on one of our retail centres, whether they work anywhere in our business in one of our offices. It covers all our sites, all our employees and all our contractors.

Pleasingly, I can report that the Group commitment to operating incident and injury free continues to deliver a decreasing trend in lost time injuries as you saw from the charts that Scott put up earlier today. We are holding workshops focusing on uncompromising leadership in safety across the whole of Bovis Lend Lease as Scott mentioned. We will proceed with this right across the whole of Lend Lease in the coming year. This is an ongoing journey for us and we will continue to drive our safety commitment in all projects and all operations.

In relation to sustainability, as I said before, Bovis Lend Lease really is at the leading edge of delivering environmentally sustainable buildings and solutions and with Lend Lease working to deliver environmentally sustainable precincts.

In addition, as Steve mentioned, green refurbishment is an exciting opportunity for Bovis Lend Lease, not just in Australia but right across the world. So that is all from me. Thank you and I will now hand over to Dan.

MR DAN LABBAD: Thanks Murray. For those of you who don't know me, I'm Dan Labbad, our Chief Executive of EMEA Lend Lease. I've spoken to a few of you this week so I apologise if I go over ground that I've already covered. Hopefully I can keep my messages consistent and if I don't you'll let me know I'm sure.

What I wanted to do to begin with, by way of introduction, was talk a little bit about the macroeconomic environment in the UK; not to take you through what you're already reading in the papers but just some of the subtleties that we're picking up on the ground there.

Obviously leading up to the UK election a few weeks ago on the 6th of May, there was a lot of concern leading into it because there wasn't a lot of debate pre-election on economic policy. Which was a concern for the private sector simply because everyone knew, not only in the UK but across Europe, that the Government had to cover and attack the deficit that existed. There was concern that there was going to be filibustering post-election and it was going to turn into a political deferral of economic cuts that needed to be made as opposed to dealing with the issues.

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Thankfully, in the last two weeks the new Libs and Tory Coalition has been quite aggressive in putting out messaging and leading to the 22nd of June Budget which is coming up in a few weeks highlighting the fact that there are going to be some quite significant austerity measures in the UK. I think in recent days you've seen the same come across Europe.

On the one hand, that is going to produce some short term volatility which we would expect but on the other hand what it is going to do is it is going to flush out a number of issues that have been stagnant in the economy for the last 18 months that we need to work through, not only in the public sector finances but also what we're seeing across the credit markets.

Interestingly, in addition to that, there has been a lot of talk about the UK being disaggregated from the rest of Europe simply because of the ability to leverage off the devaluation of the sterling. That is true in one sense. There is a mutual exclusivity there but at the same time, the UK relies on Continental Europe for over 50% of its exports so there is a linkage there that needs to work through.

In terms of investors, what we're seeing in the UK is a large weight in equity. Because of the sterling and because of what Steve spoke about earlier, the spread between say the 10 year gilts and yields in prime, commercial and retail property. That has seen a movement in yield compression over the last six to nine months that we're going to be trying to take advantage of in some of our asset sales that may emerge through 2011.

But at the same time, in my view there has been somewhat of an overcorrection and given the environment that I talked about a few seconds ago with the austerity measures that are going to come through, I think we might see some volatility in valuations in the prime and second markets moving forward over the next 12 months.

What we're also finding in some markets - for example residential and I'll talk a little bit more about this in a few moments - residential, given the supply/demand imbalance, has been constrained primarily because of the credit markets and interestingly the barriers to entry for a first time buyer in residential today are more than they were at the peak of the market for different reasons.

The cost of debt in an absolute sense--and what I mean by that is the cost of a deposit now in order to get a deposit on a residential property is 30-40% and in addition to that, retail interest rates aren't a few basis points north of the risk free rate; they're still up around the 5-6% mark. That is still more expensive as a barrier than taking into account the devaluation of residential across the sector.

Where you have seen in recent times some increases in residential valuation, that's predominantly a supply or lack of supply led phenomenon as opposed to a demand phenomenon because of the constraints on debt.

Talking a little bit about some of the sub-sectors and before I do that I'd just like to give I guess a broad view of Lend Lease's position. Obviously, given the state of the UK economy and what we expect to see in the short term, 18 months ago we talked about the fact that we

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were going to see some short to medium term volatility in the UK market. The question was when we were going to come out of that. As we sit here today, given the factors that I've just talked about, we are going to see moving forward some ongoing deferral in market recovery.

I also think, because of things like banking regulation and other elements that are playing into the economy, that recovery is going to be long term and it is going to be shallow coming through it slowly. But what I would say, given the devaluation of the property markets in the UK from the fall of 2007, there is some reversionary opportunity as we come out of this cycle and that is what we're planning on with a number of our positions that we're landing at the moment.

Our role and my goal is to obviously look at cost, be very clinical about the cost base that we're carrying. We've made significant cuts over the last 18 months. We'll continue to ensure that we're right sizing the proportion of our overheads to the market. At the same time, we want to ensure that we are positioning ourselves to take advantage of the recovery when it emerges, not only through our positions but also the capabilities that we nurture.

So, for example, what we've been able to do at with the Athletes' Village over the last three years is build a first class residential capability and obviously a key part of our portfolio moving forward as the market recovers is residential; making sure that we hold our nerve and we don't lose that capability so that we're prepared for the market recovery.

In addition to that, there are a number of growth opportunities that we're looking at but I think as we've said earlier and as Steve has said throughout the week, we are not going to be putting a large mix of capital into the UK until we see viability proven and a market recovery that is evident. But what we will ensure is that as that market recovery comes through we are first to market and we're able to extract value through the opportunities that we've landed.

Talking specifics, we are still the owner of five retail assets and we have key [inaudible] come off over the last 18 months obviously. We have seen a stabilisation in vacancy rates over the last six months. That stabilisation of vacancy rates and in rental isn't proportional to the valuation increases that we've seen but again, that shows signs of stabilisation that are very different to the free fall that we experienced through 2008 and the first half of 2009.

From a residential perspective, our focus is to continue on the delivery of the Athletes' Village and to sell through the remaining Crosby stock over the next four to five weeks and we expect to achieve the work through of the 800 odd units that sat on our books at the end of the last cycle by the end of this financial year.

From a PPP perspective, the 19 projects that we have on our books, a number of them still in delivery and a number of them, as Steve talked about earlier, we're looking to put into a capital solution through FY11.

From a construction perspective, as Murray talked about, there are ongoing tough market conditions in the UK and Europe. Thankfully, through some of the government work we have and also what we're doing at the Athletes' Village will continue to nurture that capability

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moving forward. But be very aware of the fact that it is going to be some time before we see those markets recover.

From a major projects perspective, with the Athletes' Village, with Stratford Stage 2, with Greenwich and with Elephant & Castle, ensuring that we're working through the master planning and de-risking those projects further so that we're ready to build out as the market recovers.

One of the things I also wanted to say as somebody that is about to become a regional chief executive offshore, firstly the EMC at Lend Lease, we're all involved in ensuring that we put the right thought and rigor into the new structure. From our perspective, it would be absolutely ludicrous of me with three to four million square feet of commercial now in our pipeline, to start to attack that in isolation out in Europe without drawing on the work that David Hutton and Rod Leaver have led in Australia on projects like Victoria Harbour for example.

We have the capability in the business and our strength moving forward, as markets recover in the Northern Hemisphere, will be to extract both capability and IP from the markets that have been healthier through the cycle, for example, the Australian market.

Talking now and turning to a few of the projects, the Athletes' Village, as Murray said, I sleep at night. We're on time, we're on budget. One of our biggest concerns there and something that always keeps -- you know as everyone has talked about I think this morning, top of mind is safety.

We have achieved over two million man hours through to March this year incident free but we are ramping up to a 4,000 manpower workforce in the next couple of months and very high cash flows per month as you would imagine.

This picture, like a number of them that you've seen this morning, gives you a small sense of not just the working at height risks but also the horizontal logistics with traffic management and just the very nature and dynamic of the site.

It is a very active site; 21 tower cranes, 4,000 people. You know, it has to be our first priority every day as we walk out there. Thankfully, not only Lend Lease but our subcontractors and certainly our client, have safety at its top of mind.

The other thing, talking about the capability a little bit earlier, sustainability despite the economic turmoil in Europe is still a high political priority. In some ways, you would expect that to be counterintuitive but both the EU and member states have really continued to ensure that they've pushed sustainability legislation forward.

So from a residential perspective, the manifestation of that is in something that is known as the Code for Sustainable Homes. That requires a regulated step change in sustainability performance of buildings. So you can imagine with the Athletes' Village where designing and delivering that for a 2013, 2014 and 2015 market -- and so the step change in that sustainability regulation is two or three rungs ahead of where the market is today.

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So our team has been at the forefront of actually delivering sustainability product for 2013 and 2014. That is a competitive advantage that is a fantastic thing for us to be able to nurture through the downturn. Most of our contemporaries haven't had the same opportunity and certainly no-one has had the opportunity at this scale.

Moving now to Greenwich and the two pictures there you can see one at the top is the site itself and to the bottom left of the picture at the top you can see the first commercial building which is the Transport for London letting, a 20 year effectively government backed lease.

To the right between the Transport for London building and the O2, the London Dome, you can see Ravensbourne College and that is the picture at the bottom. This building, there is no doubt, is going to win some design awards. Very important, as David Hutton was talking about earlier, in the way that we evolve our mixed use communities. Arguably there is nothing better than education to activate civic space which is one of the reasons why we've moved to ensure that one of the first tenants at the Greenwich Peninsula was in fact a renowned university in London.

Moving forward, Bellway Homes are erecting their first residential building and we have out of 10,000 homes over 1,000 through detailed planning consent and as the market recovers we'll be taking those to market progressively and again using the skills that we've developed at the Athletes' Village to effectively move across to Greenwich and take that project forward.

What we're also doing at Greenwich is the first lettings at the bottom of the Ravensbourne College and the TFL building will be announced shortly. On top of that Anschutz Entertainment Group which you can see is right at the bottom. They actually operate the O2 so they run the entertainment centre there. They are effectively moving to put in planning consent for the hotel and some residential buildings as well which again will just build the momentum.

You can see from the picture there how close Greenwich Peninsula is to Canary Wharf. It is one tube stop away so a lot of complementary opportunity in how those sites work together moving through the next cycle.

Elephant & Castle -- I've had a lot of questions on Elephant & Castle through the last few days from a few of you. It is a project that we're working in partnership with the London Borough of Southwark. €1.3 billion in value at today's values moving forward.

What is interesting about the Elephant & Castle -- it is in Zone 1, it is a fantastic regeneration opportunity and we're currently on site undertaking the demolition. We signed a Heads of Terms in November of last year and we expect to sign a Regeneration Agreement later this year.

The key focus on Elephant & Castle over the next 12 months is going to be achieving outline planning consent and moving the first residential plots to detailed planning which will enable, over the next 18 months to two years as the market recovers, the opportunity to take product

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to the market in a zone of London that is very different to what's on offer at Greenwich and at Stratford.

The Bluewater Events Venue is the largest capital injection that we've put into Bluewater with our partners and owners in the last 10 years. It is part of Bluewater as a destination complementing the retail use and looking at bringing in alternate uses so that we can not only extract value from those alternate uses - in this case an events space and we've signed a major events operator that will operate that space when it opens at the back end of 2011 - but also to use that complementary space to penetrate a different part of the catchment that wouldn't otherwise be attracted to Bluewater to increase retail footfall.

So what you'd expect in terms of the way that we start to diversify some of our more mature assets to keep them relevant and keep them top of market. Bluewater today after 10 years - we're now in its 11th year - still continue to be one of Europe's leading retail destinations.

This week we announced the agreement between Lend Lease and London Continental Railways for Stratford Stage 2. I don't think this diagram has been shown before but you can see - if I can just point this out - to the bottom left of the diagram is the Athletes' Village so you can see the buildings there.

You then have, in between the Athletes' Village and the retail shopping centre across the way, the Channel Tunnel Rail Link linking Kings Cross St Pancras to Paris and Brussels. In the red you can see the commercial and residential wrap that is stage 2 -- four million square feet of commercial and hotel space and residential space as well that will form the glue that brings Stratford together post Games.

Work is expected to start in 2013. We have purposefully moved to agreements this year so that as we go into 2011 in the lead up to the Games, we can use the momentum of the Games to market and position the commercial district as an opportunity for future commercial space in London post Games.

What is interesting is that not many people, even in the UK market, know about Stratford and given the fact that a lot of infrastructure has been delivered for the Games, there is a real opportunity for a price point advantage compared to other major sites in and around not only London but Europe.

Its links with the Continent are unprecedented -- twelve minutes from the City, from Bank (for those of you that know London or Liverpool Street) and seven minutes from Kings Cross St Pancras so very well connected. A very different contextual environment to what Homebush was. Stratford is part of London because of both its density and how close it is from a transport perspective to the Zone 1 area of London, again for those of you that know London. So we are very excited about this opportunity.

Notwithstanding that, the key for us is to ensure that we're diligent and clinical working through master planning. This particular site has an outline planning consent which gives us a huge advantage because effectively we know what we're delivering and now it is a matter of

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just waiting for the market to recover and using the Games' effect in order to move things forward.

I've also had a couple of questions around whether it is going -- you know, is 2013 the date no matter what? If we find that the market takes longer to recover, then we will obviously take longer before we bring that product to market and that's the way we've structured the deal. But our intent at the moment is to try to build on the Games' momentum.

Finally, just from a PPP perspective, the capital recycling of equity we talked about earlier; taking that to market in 2011. Key sectors of focus -- education, waste, health and accommodation. Clearly, the potential for some of those sectors like education to be deferred through some of the austerity measures being taken; we are still waiting to see.

We've started to move to diversify our portfolio and waste is one example again where sustainability measures have come in. The land tax and the cost to take waste to landfill has increased significantly in the last 12 months because of EU law around raising taxes for landfill. This has really opened up the opportunity for the waste market to open up and off the back of what we've already done and off the back of what we've already done.

At Lancashire Waste we have a fantastic PFI capability and development capability that we can take to that market as it emerges. Again, it just gives you an idea of some of the diversified capability we have in the UK market.

Projects where we are achieving operational handover shortly -- schools in Phase II. So we are effectively the Government's partner for the Building Schools for the Future program for both Birmingham and Lancashire. They are both long term schools programs and we're progressively taking those to market and the Sheffield University accommodation.

We are also going to see the ongoing emergence of residential coming to the PFI market. Just as an anecdote or as a small diversion, affordable housing where there is still a huge undersupply, is linked to private delivery. The equivalent of what I think is known as section 94 in New South Wales - certainly when I was here five years ago it was known as that - you have to deliver affordable housing under what's called section 106 in the UK.

So when you do private development there is element of affordable you need to deliver. Obviously with the market coming off in the way that it has over the last 18 months to two years, there has been no affordable housing delivered which is a real issue.

So what the Government is looking to do in the UK is move the affordable housing provision to a PFI model so it can be delivered in isolation of private units, ensuring that we get the product to market. Obviously, clearly given our residential skills, given the fact that the same sustainability requirements on private sector units are going to exist for affordable accommodation as well, it is a real opportunity again for us to take those capabilities to that market.

I will leave it there but just in summary just before we open it up to I think a panel discussion,

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we are going to remain disciplined, maintaining the proportionality of our overhead base, holding onto the options and nurturing the capability that we've got in the UK. Leveraging our expertise around the world for when the market recovers over the next 12 to 18 months. Thank you very much.

PANEL Q&A

MR STEVE McCANN: We're well ahead of time which is good. It gives us a bit more time for Q&A as we did in the earlier session and then I will have some closing comments before we go to lunch and then head off for the site tour afterwards. I will coordinate as I did previously.

QUESTION: Hi, can you please give us an update into the investigation that was taking place into Bovis in the US?

MR STEVE McCANN: Yes. So what you're referring to there is, as we have announced, previously there was an investigation some time ago commenced by the New York DA and Federal Attorney in the US in relation to billing practices in the construction industry. Unfortunately for us, I think we are the first cab off the rank and we won't be the last in our view.

The work that has been done is looking at a practice of billing overtime charges to clients and as we've said before, we have not charged any client anything that we haven't actually paid. So that is clear and we've demonstrated that. We've also offered and made restitutions to most of our clients and we're talking a small amount of money. When I say small, single digit millions of dollars over a 10 year period.

So unfortunately for us, it has just dragged on and on and that is not without us trying very hard to give them everything they need to bring it to a close. We are getting towards an end we hope. Certainly in the New York City area, it looks like it is coming to a conclusion. The Federal one is dragging behind that because it started more slowly.

It has impacted our ability to win government work in New York; I think that is clear. Having said that, in some ways if this had happened at a different point in the cycle it might have had a bigger impact but because there is not a lot of development going on in New York anyway, it has probably had a bit less of an impact.

So we are doing everything we can to cooperate and hopefully in the next couple of months we'll see an end to that.

QUESTION: Thanks and can you also give us a bit more detail on you mentioned three fatalities in the construction business? Are they just in the second half or were any of them in the first half and which regions were they in?

MR STEVE McCANN: The three fatalities are one in New York and that was on a building where a worker fell through an open window into a lift shaft. He wasn't in fact meant to be where he was at the time. That was on the Columbia University project and it was a couple of

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months ago.

The second was -- not the second in order of time. The first in order of time was in Peru on a project in Urubamba which is a pretty remote part of Peru. In fact so remote that our safety guy got altitude sickness when he went to visit the project. In that case, it was towards the end, it was in the last 10 days of building this hotel and a worker fell from some scaffolding and he fell about five metres I think or not even that but unfortunately it was fatal.

The third was very recent and it was in Sydney and in that case it was an extraordinary situation at a schools project in the Sydney metropolitan area where a truck driver had arrived at a site to take spoil away from the site, couldn't fit his trailer into the site and in the process of uncoupling his trailer from his truck outside of our site before entering our site, his truck rolled over him. So he was fatally injured in that.

It is essentially a motor vehicle accident but it is in relation a site that we manage so even though he was a subcontractor of the contractor we had employed, we still classify that as an injury in relation to a site which we're responsible for. So that is a fatality that we will report.

There are current investigations underway by the authorities to determine the exact root cause of what happened and to try and take some lessons away from that but it is obviously a difficult one for us to know what we could have done differently. But there is always something you could do differently and one of the things that is evident is that it is industry practice quite often for truck drivers to get out of their vehicle and not apply the park brake because they rely on their air brake.

So on an incline that, that is obviously foolish and hopefully that kind of practice will stop going forward. But there is always something you can actually identify where you say had this been done a bit differently, it wouldn't have happened. Our objective is to make sure we do everything we can to get to the bottom of that and make sure it doesn't happen.

So they are obviously very unfortunate incidents. Peru we're coming out of. I went to Latin America with our Head of Risk and Safety Neil Martin recently. We toured Mexico, Peru and Argentina which are the three markets that we're currently operating in to see how we were going on safety and whether or not it was something that we should continue to do -- projects that we should continue to pursue there.

The reality is that the business actually operates quite well and probably sets the leading standard in safety I would say in those three markets. But to operate in a remote location like we were in Peru, it is a very big challenge to get that to the level that we'd be satisfied with so we are not going to be operating in Peru any longer.

QUESTION: When do you think you can get it down to zero fatalities though? I mean are you committed to do it and can you do it?

MR STEVE McCANN: Yes we are committed to do it. In fact our target is not just zero fatalities but it's incident and injury free. So the aim is to not have any incidents at all because

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the difference between a fatality and a serious injury or a near miss is often not very much. So it is one thing to react to fatalities but what we need to be doing is reacting to anything that goes wrong.

It is an injury wide issue; we're all working hard to improve it. Neil, I don't know if you want to say any words. Neil has been in the safety role now for about 18 months and I think we have made a lot of progress over that timeframe.

MR NEIL MARTIN: I will just add. You've heard a lot about safety today and my view on this is you're not going to wake up one morning and say we've done it; this is just going to be an ongoing drive for us. So I think we'll continue to push. I think you have to look at both lead and lag indicators so we talk about LTIs and fatalities and so you need to understand those but you also need to look at what we're doing to drive up better performance across our industry and with other people.

We will continue to give it everything we possibly can. I have a great team, the EMT are behind and a lot companies say it but it really is our number one issue, our number one priority.

MR STEVE McCANN: We're not proud whenever something goes wrong. I will say though that we test ourselves against the rest of the industry. We have appointed DuPont in New York to have a look at our safety approach. They have told us that they believe our global minimum requirements and means and methods are world's best practice and they are the world leader in safety. So we think we do a pretty good job but we're not going to be satisfied until we do get it to zero.

QUESTION: Just a couple of questions for David actually, one just in relation to Barangaroo. You were talking about the cost advantage you have developing down at Barangaroo. Can you talk at all - and I'm sure it's not kind of set in stone at the moment - but just broadly in terms of the price points, so in terms of the office space, rents, just broad range and the retail space, the kind of rents you're expecting to deliver there? Then also on the resi front, just to get an idea for where that sits relative to competing product I guess in the core CBD.

MR DAVID HUTTON: Yes, I'll make some comments. How much space would you like?

[Laughing]

As I mentioned before, our whole approach to Barangaroo was we have -- as Steve mentioned, we created some minimum commitments to government in terms of both infrastructure and payments with the balance of our payments related to the outcome of development so that was very deliberate.

Obviously we've also spoken about we did that on the basis of testing the market and getting the initial commitments both from capital and tenancies. So that's the basis. We factored in very little growth, albeit we believe there was room for upside and we believe there was an opportunity to ride the recovery cycle.

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We also did it on the basis of being able to share what we saw as upside with both investors and Lend Lease. Tarun talked a lot about capital today. Obviously with the value of Barangaroo at an end value of around \$6 billion, we will be using some of Lend Lease's capital to participate in the returns but we will also clearly be using third party capital in terms of that.

Rental wise, obviously if you look at the Sydney market at the moment, there is significant incentives required. We believe they will decrease and the sort of period we're looking at to bring tenants into Barangaroo - the end of '13 as I mentioned is the earliest - and we're targeting tenants between '13 and '16 now. We believe incentives will return to a lot more sensible and market average rates over that period.

In terms of rentals, we are targeting, I mentioned before, certainly 10% below core CBD is where we're targeted. We believe -- if you look at the western edge of the City, obviously we've been involved historically in Darling Park. Obviously we're undertaking Darling Walk now so we've got a good feel for the sorts of tenants that move to the western edge of the City and the sorts of capital that's attracted to those assets.

We do believe Barangaroo, obviously being further north and it's connection to Wynyard, is a far superior location. We do also believe, as I mentioned before, the buildings we can create are far superior from a tenant perspective. So views, natural eye aspects, sustainability, quality, level of amenity on the ground plain, retail, childcare, bike paths, ferries, etc. We believe that is all significantly superior. Operating costs we're forecasting to be significantly lower.

We are confident if you're a tenant that's looking across the Sydney market, we can offer you a greener, more economical, healthier and better amenity for your team. It is interesting. Talking to a lot of the major tenants at the moment, even things like sustainability, a number of the leading organisations are paying for carbon offsets now and they're doing that partly in terms of their core values as organisations, partly their ability to attract the best talent so it is something that they are marketing to their staff, certainly to their graduate programs.

Barangaroo will offer that. They won't have to buy offsets. So again, you can argue is that an accommodation related cost or a cost of operating their business? So they are the sort of factors that they're taking in. I won't quote specific figures but I will say - and it is certainly reflected in the tenants we're talking to - we can offer very competitive -- on the cost side, I mentioned before, largely relates to economy to scale. Barangaroo offers a very different opportunity relative to doing a single building.

QUESTION: On the resi side?

MR DAVID HUTTON: On the resi side, again there is a blend of product. We are looking at products that include some high rise products, some lower rise product on the waterfront and some more affordable product back on Hickson Road. The room would be aware we've been undertaking Jacksons Landing over the last decade. We are down to our last two buildings

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and in fact we launched our last building to the market the weekend before last.

So we are very close to the values of residential on Sydney Harbour. We believe where Barangaroo is, we're not pricing it at the sort of East Circular Quay levels but we are pricing it at a premium over Piermont and are quite confident we'll get that.

The higher product has got views of the Harbour Bridge which there is a huge price differential with views to the Harbour Bridge and Sydney or not. Virtually all the product, with the exception of some on Hickson Road, has obviously got water views.

If you're talking in terms of probably a 20% premium to Piermont for those of you who are familiar with the product there and obviously if we do better on some the premium stock, then terrific but we're not aiming for sort of East Circular Quay and absolute premium values.

We've got around 700 apartments so depending on the first releases we will time whether we go harder on that or whether we slow that down and release it as the project goes.

QUESTION: Just a question in terms of the IRRs, I'm just thinking back to the capital raising presentation and some of the targeted IRRs from developments. Just in this presentation you've quoted kind of two office developments I guess which are complete or two developments there, the ANZ Centre and the Myer Centre. Can you provide an indication of what the IRRs achieved on those developments were?

MR DAVID HUTTON: Do you want to answer that?

MR STEVE McCANN: The key thing there is that we didn't use our capital on those projects so I guess in one sense the IRR was infinite. But ANZ was built by us for ANZ on ANZ's balance sheet and the Myer Centre was a joint venture between our fund and a JV investor. So both those returned very attractive returns from a construction and development management perspective.

On the Barangaroo question that you started with, I would say that what we've indicated to the market in terms of the returns we think we can get from the capital that we've raised is well and truly exceeded in our forecast on Barangaroo partly because again, we're not relying on our own capital entirely to drive that project.

In my view, if you undertake a development, particularly in the commercial space, over a reasonable period of time, you've got to be targeting at least a 20% development IRR which is the approach we take. To the extent that you then reduce the amount of capital that you use to deliver it yourselves and you still earn all of the fees associated with it, clearly the IRR goes upwards from there, not downwards. So that is the approach we're taking on Barangaroo.

QUESTION: A question for Paul Walsh on retirement. I'm just wondering what percentage of your earnings are backed by cash and whether or not there is any intention to remove the DMF reval from your earnings stream?

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MR PAUL WALSH: Our total return, part of it is accrual and part of it is cash. You need to go back and have a look at last year's Lend Lease Primelife results to get a feel for what that mix is. The second part was--

QUESTION: I was wondering if there is any intention to remove the DMF revaluation out of normalised earnings?

MR PAUL WALSH: I think that's a question for Brad.

MR BRAD SOLLER: In terms of the new vals of DMF, we actually consider that to be part of the operating [inaudible] because that's the way all of the other players in this space report the earnings. So we will actually [inaudible]. But it is another reason why, coming back to the point [inaudible] and revals and that whole issue, is why we actually want to get [inaudible] that we actually look at our earnings in cases of revaluation both in the retirement space and the development space.

MR STEVE McCANN: The only other point I would add to that is that clearly when we went into the retirement space recently, we did so with a view that we thought that was a distressed market. So we have acquired assets on discount rates and growth rate assumptions that we think are towards the bottom end of the cycle type assumptions.

As we come out of the cycle and those discount rates firm and growth rates improve, then the value of those assets should go up. We could recycle those assets today and introduce investors at the sort of returns we bought in at but we would be leaving, in our view, a lot of value creation on the table for those investors if we did that today.

What you will see is that over time we will bring investors in and we will only bring them in if we're going to crystallize a material profit on what we actually paid for those assets ourselves.

QUESTION: Thanks. Just one further for Murray Coleman. Given the lack of internally generated work that you're likely to have over the next few years in the US, is there the potential to wind that business up for Bovis?

MR MURRAY COLEMAN: No. I mean the reality is, in the US, the US has never really relied upon any internally generated work so the US has always been a player in the external market. What we're finding at the moment is just some of our traditional markets have -- some that have evaporated and we are re-tooling and re-gearing our business to work into some different business channels, particularly to look at Federal Government contracting work.

Once we get over the hurdle of the issue in New York City with investigations and back with New York City work and state work. Those other markets, our traditional markets, will come back. We are just kind of recalibrating our business and have been over the last 12 months to deal with that.

QUESTION: Just a final one for David Hutton. Interesting that some of your competitors such as Stockland are winding down their apartments business and you guys are quite the

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opposite there, you're really ramping it up in Australia. I'm wondering what makes it more profitable for you guys to develop apartments than your competitors?

MR DAVID HUTTON: A couple of comments on that. My first would be as outlined. You need to have a business focus on it, you can't just treat it as generic developments. We made a conscious decision that we could be a market leader in that space. You are quite right, Stockland have stepped back to a degree as have Mirvac. We see that as a great opportunity.

Obviously with the sites we've targeted and one of the competitive points of difference is being able to deliver mixed use. Again, the RNA project, Barangaroo, Vic Harbour all require a blend of expertise. Having an apartment expertise adds to our whole competitive ability to win a project like Barangaroo so we see it adding value to the business.

We are seeing demand from a number of investors into that sector. Tarun mentioned HOSTPLUS; we have a number of other investors who are very keen. Obviously the apartment sector in the end that we play -- we're not playing in the bottom end of the sector, we're not playing in very suburban apartments. We're playing in inner city, inner urban where a high quality product is the space that a tier one builder, obviously Bovis in our case, can deliver and make good returns out of.

I think the key is how you do the capital model. Lend Lease historically wasn't that focused on the capital model we use for apartments. We now are very focused on it so we bring in third party capital, we bring in the right debt structure, we minimise our amount of equity and then we are able to create very good returns on capital.

Obviously there is a lag in respected development profit until they're completed in terms of accounting standards but the reality is we're recognising BLL margins, investment management margins, development management fees on the way through. So when you look at that in totality, we believe it is highly accretive to the Group but we do apply strong discipline. So pre-sales - absolutely, third party capital - absolutely so we've got a strong discipline around the model.

QUESTION: Sorry back to Barangaroo, with reference to the Wynyard Train Station being a core public transport source I gather, right now I'm pretty sure Wynyard is full or is at capacity. We all know the State Government cannot and will not do anything about that. Is that an issue that is brewing or is it more it doesn't matter to you guys, just build the stuff and let the users worry about the problems of Wynyard Station?

MR DAVID HUTTON: No, look I think that is a really good question and it is a question that faces all of Sydney. So the reality -- the answer to that question is the challenges we have at Barangaroo will be the same challenges that are faced by every other asset in the City. So Barangaroo will not be worse and will not be better than any other building in the core CBD in terms of transport. Sydney has the challenge with transport.

That said, Barangaroo creates a catalyst for some improvements, not to the level we would all like to see but the reality is Barangaroo will be a catalyst for vastly improved ferry services.

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You've already seen the Lord Mayor and the Premier announce the extension of a light rail system. Barangaroo was a large catalyst for that.

There will be significantly improved pedestrian connections which will benefit not only Barangaroo but benefit our neighbours on the western edge of the City. So the Barangaroo Development Authority and the Planning Minister will be making announcements on the improved pedestrian access into Wynyard.

But you are quite right, ultimately the heavy rail system in Sydney is not ideal and the Wynyard facilities are not ideal. So the way we look at it, everything we can do to encourage the Government to further improve transport, terrific. But our view, it does not change the competitive benchmarking of Barangaroo at all. As I said, any building, any employer in Sydney, we're all playing on a level playing field. We would all like it to be better but Barangaroo will be no worse than any other building in the CBD.

QUESTION: Barangaroo adds significantly to the problem so is it at all possible that there is some fight back or government rewind, etc saying wait a second, Wynyard can't handle what Barangaroo is going to need to use? Am I stretching it there?

MR DAVID HUTTON: I think then, on a macro level you get to debate and you say does Sydney stop growing? I don't think again any of us or the Government feels that's an answer. Quite the contrary, most people feel Sydney has got to grow faster. It is interesting, you get into public transport debate and one of the challenges Sydney has is densities aren't high enough. The reason the Light Rail won't work is if the density of the buildings isn't high enough. The reason the West Quay Ferry Service won't work is if the densities aren't high enough.

So you get in Catch-22 and certainly don't take any of my remarks as sort of sounding like Lend Lease has got all the answers. It is a genuine challenge for Sydney how we improve transport. As I said, Barangaroo I think is the catalyst for some improvements that will happen but Barangaroo alone does not support and fix Sydney transport. But as I said, from a risk and commercial perspective, it is no worse than any other part of the City.

QUESTION: My first question is for Tarun. Just in terms of the ING Retail transaction and the warehousing of some those smaller assets by the Group, what should we be thinking in terms of the Group's intentions to sell down those assets and any potential asset sale gains that might be booked then? Would they be material in the context of the Group and just your sense of timing there?

MR TARUN GUPTA: We've acquired assets worth \$145 million. There are four assets in New Zealand; there is a portfolio of four assets. We believe we have acquired them at a very attractive price. From the investment management team's point of view, the intention is to add some value to those assets.

We think there are some low hanging fruit which we will convert into extra value and in time, I guess based on the Group's strategy of capital requirements, the timing of any recycling,

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whether it is in a sale or a recycling into another product, will depend on what Steve and Brad need going forward.

MR STEVE McCANN: The only thing I would add to that is when we first announced that transaction, our net exposure was about twice what it is now. In between announcing and settling, we had already sold all the assets apart from the four that Tarun has mentioned. We went into it confident we could do that and we've chosen to hold those assets for a bit longer because of the value enhancement we think we can deliver.

QUESTION: So is it something that, potentially over the next three years, something might happen there as opposed to say in FY11?

MR TARUN GUPTA: As I said, the divestment or recycling will depend on what the Group's capital requirements are but in the short term we're looking at adding value to those assets.

QUESTION: My next question is for Murray. Just in terms of Bovis Australia, you've got a number of large profitable projects right now i.e. the Royal Children's Hospital. Can you give us your sense of how you see the earnings trajectory for Bovis Australia given the potential lag in terms of the timing of new internal work coming on some of these large social infrastructure projects like the ACCC and the Royal Adelaide Hospital coming on line? Are you comfortable that there is no potential earnings hole there over the next few years?

MR MURRAY COLEMAN: I think our projections are that the Bovis business is very strongly positioned currently. Our outlook is very strong. We are well positioned on a number of major projects. There is no question that the BER was very timely for us and played to many of our strengths and played to some of our core expertise both in the education sector and with our multi site platform. We have a very positive outlook for the Bovis business in Australia.

QUESTION: Okay thank you. My final question is for Paul. Just for us laymans in the room, can you explain the relationship between DMF cash flows and reported earnings? Is there a relationship there and how should we think about it from a purely layman's perspective?

MR PAUL WALSH: The older the residents get, the closer the correlation between total earnings and cash flow. So our portfolio, the average age of exit is 81, 83 and we've got sub-80 in terms of the age of our residents so we've got a lag in terms of the cash flow and our accrual is growing. Over time, subject to getting the right residents in, those two will come together. Does that get it?

QUESTION: It does.

QUESTION: I've got three questions. We'll do them one at a time. The first question is for Dan. With regards to Stratford, recently it has been reported in the media that Eurostar are not going to stop at Stratford for the Olympics. They might reconsider post the Olympics. Would that have a negative impact on either the valuations of what you're doing or any of your competitors in the area?

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MR DAN LABBAD: No, not at all. In fact, post Games and leading up to the Olympics there is the idea to actually -- well what is going to happen is they're going to increase services to Europe, bringing in other operators as well. The weak link in the chain is how many trains you can get through the actual tunnel but what you're probably going to -- well what you will find in 2012 and onwards coming through that line is -- you know on Kings Cross you won't only be going to Brussels and Paris but you'll be going to Berlin and other destinations in Europe and that's fantastic for the valuation of the site.

QUESTION: Great thanks. The second question is for Murray. I just noticed in the presentation you were taking a look at the NBN, what competitive advantage do you think you guys could provide in the implementation of the National Broadband Network?

MR MURRAY COLEMAN: I guess that is one of the things we're looking at. I mean we're doing some early kind of exploratory work looking at some of our existing platforms and whether we can utilise those platforms in adjacent sectors, bring some of the both in-house and external engineering skills together to make a bigger play. NBN is potentially a big opportunity and an opportunity which will have room for many players I think.

We are reasonably early days with looking at that but that gives you a feeling for some of the other sector or adjacent sector work we're contemplating.

QUESTION: My final question is for Paul. With regard to your retirement villages, do you have any marketing strategy or business strategy with regard to the average age of your portfolio of residents? Are you looking at reducing that or keeping it where it is?

MR PAUL WALSH: Our objective would be to try and increase it and that is by marketing to an older age group and trying to bring in older people and they'll stay then we hope for less than 11 years and that's how you increase the value.

QUESTION: Great, thanks.

MR STEVE McCANN: We are running out of time but we are going to have lunch and then hopefully most of you will join us for the site tour provided you wear your safety equipment. So let me just wrap up with a couple of quick final comments and I'll race through this.

I mean you've heard all of this already. The Australian economy does remain resilient as you know. Obviously the stock market is very volatile at the moment and that will continue until we see signs of recovery offshore. We do see some good momentum in the residential market and you've heard quite a bit about that today.

Over the next couple of years you should see us investing capital in Asia. We are confident that we'll land a deal in China in that timeframe and we're aiming to get our Fund fully invested in Singapore and Malaysia.

Conditions do remain difficult clearly in the UK; we see the US gaining momentum at a faster pace than the UK. But as Dan has talked about, we have some fantastic urban regeneration

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opportunities in the UK and we think the timing of delivery of those will coincide with the upturn and we will certainly be managing our investment towards that outcome.

Construction markets may toughen. Particularly offshore, Brad's indicated to you that we expect backlog GPM to be down at year end a little but in the longer term, as our core businesses come back online in construction markets in the UK and the US we would hope to see longer term recovery.

We will reiterate our earnings guidance we gave earlier in the year. We do believe that we're very well placed for growth. In the medium to longer term, we have secured most of the assets or opportunities that we went after in the last 12 to 18 months so we're pretty happy with that progress.

We will remain very focused on the strategy of repositioning the business, keeping our cost base in line with whatever the work flows are in the markets more generally but also aiming for efficiency gains across all of our operating platforms and we'll be very disciplined in our growth aspirations.

We do have capital to invest, we are conscious of maintaining the right balance of where that capital gets allocated and we are working within the constraints of a credit rating which enables us to pursue opportunities in the PPP space and other areas which it is important to.

But again, as we come out of a recessionary environment offshore and operating cash flows begin to improve across in particular the construction business, then the constraints on our ability to invest that capital will start to reduce as well.

So hopefully in the next two to three years we will have some very good opportunities to recycle capital and invest in new development.

I think I'll hand over to Sally - it looks like I'm getting the signal - and then we'll head to lunch.

MS SALLY CAMERON: Thanks Steve. Just a quick few comments before we break for lunch. Lunch is again at Galileo Restaurant, unallocated seating. It is buffet style so sit next to who you want to and grab something to eat. Your safety gear will be lined up outside this room in Christian name order. Can you please come and grab that and also your afternoon tea which is in a brown bag and try and be outside to meet the bus around 1:40 please.

Also that capital allocation slide has been updated and is on our website. We also have copies available here for people who want it. Also, if you are not coming this afternoon to the site visits and you have replied yes, please let us know because again, we have to take you off the safety register.

Finally, can you please get changed on the bus because we do have a pretty tight schedule this afternoon. Thank you very much.

END OF TRANSCRIPT

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