

**LEND LEASE
STRATEGY DAY****27 MAY 2010**

MR SCOTT CHARLTON: Thanks Brad. Thanks everyone and thanks for coming and it's great to see so many familiar places. That's always a great thing about Australia, everywhere you go it's a very small market. It's really great to be here. I'll make some comments. The first thing is I really appreciate from all the senior Lend Lease team that's here today particularly from Brad and Steve that the welcome I've had in Lend Lease, the team's been very receptive. As Steve said, the only reason I've been able to hit the ground running is because the senior team has welcomed me in and said get on and do a job, so I really appreciate Rod and Dan and the whole team that's here, so thanks very much for that.

I might just start with a couple of observations. I've actually only been at Lend Lease just over two months. The good thing probably about that is one of the EAs, as we were putting the slides together, she goes there's a mistake on your slide. She says you've only been here two months. It feels like you've been here much longer, and I think it was a compliment. I'm not really sure but I think it was a compliment.

So just starting out, the first thing that I've noticed about Lend Lease is the passion and the talented people. I spent some time last week at Vic Harbour and a couple of the design team - the development team - took me around the ANZ building and Myer and The Gauge and just seeing the quality of the design, the interaction with the community there, the interaction with the client and what's being able to be delivered. The same with Somerset. I've been up to Singapore and seen some of the things there. It's really impressive the integration, the client's needs, the design passion and really now talented the people are, so that's been good to see.

The other thing is obviously the financial capacity to invest and Brad talked about obviously the capital, and Steve, the capital that's been raised and the debt that's available and the bonds and I think Brad and the team have done a great job particularly over the last two years given the industry and the environment on positioning the company. Also the amount of levers that actually exist inside Lend Lease with the recycling of property, being able to pick timing in different markets and timing in different business platforms. Even on top of the numbers that the guys have talked about obviously there's a lot of levers to pull to provide financial capacity.

There's a very high standard of ethics and social responsibility which is really pleasing from my perspective so when we make decisions in the investment committee, safety clearly is a number one priority but on top of that, how we impact communities and the long-term sustainability of Lend Lease which I think will serve the company in a good position.

The breadth of the business platform, one thing I have learned that is very different from other places is that Lend Lease is very humble and they don't talk a lot about what they actually do and the different platforms they have across the place. I've been surprised about the breadth of the business platform. There's a rail business here, there's a water business here, there's a design business here, there's sustainability here across the different platforms. I think one

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of the things in my job is the executives that we're doing now is to make sure we bring all those businesses together and use them as best we can. There is a lot of different drivers and platforms in the business which has been really pleasing.

There's been a lot of talk about the development pipeline so I might just leave that and go on to the next slide. Again, as I've been here for 30 days, I'm not going to jump into a lot of detail but just talk about some of my priorities as directors of operations moving forward.

The first and, as Steve said, the most important is to maintain momentum around the safety culture. I'd just like to acknowledge both Murray Coleman and Neil Martin who are both here who have driven the safety culture particularly in Bovis for the last few years where I think it's actually world class. I haven't seen what they're doing any better. There are pockets that obviously continue to need work and it's a long journey that never ends but what the guys have done in the last two years I put it up against basically all of our competitors and really starting to lead the market, so well done.

Obviously, restructuring the functions to achieve operational excellence and those, I know, are nice buzz words. In the future we'll come back with more detail but, again, it's sort of early days. We're in the planning stage but a lot of work has been planned and we'll provide detail at a later date. A lot of that will obviously revolve around restructuring along the regional lines and how best we set up a competitive environment to support the regional CEOs' platforms.

When we look at re-engineering business processes and risk reward management and client interaction, I think that goes back to any company that has had a long track record like Lend Lease. A lot of acquisitions, a lot of different business platforms and a lot of historical processes. What we're talking about is relooking at our competitive environment today, our growth strategy and then how we realign our processes to ensure that we're competitive and we can achieve those platforms in a short time. Again, I'll give more detail on that at a later date.

The remuneration framework around our strategy, we obviously have a growth strategy and a capital employment strategy that needs to be put forward. How we reward our people, we need to look at it to make sure that that's aligned with the objectives and performance of the overall group.

Around simplified messages and improved communication I think with our stakeholders there is, from different parties you get the comment quite a bit that it's a complex, big business, difficult to understand, a lot of moving parts. I guess, at the end of the day, we develop things, we construct things and we own things so actually it's a pretty simple cycle. So one of the jobs for Jocelyn and the rest of her team and myself is to try and simplify that message to make it easier for you guys to understand and for us to communicate where we're headed.

The most important role is to support the CEOs and the regional CEOs because they've got great platforms and we're going to push them out the door to work with our clients and become leading in our various markets and they've got a lot of work to do but they're

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positioned to take that forward.

I just wanted to touch on one of the key areas that we raised earlier on the safety side. The slide that you see all over the place on lagging indicators and I'll talk a bit more about the other side of that. As Steve said, Bovis and Lend Lease have made tremendous progress over the last few years. The group carried out over a thousand audits in 2009 on safety. There's a separate independent global audit team that Neil runs that looks at that as well so a lot of focus. We have an online real time incident reporting system so that if any incidents are recorded in the group anywhere in the world immediately Neil's notified, I'm notified and most of the safety team is notified in the senior executives.

If there's any actions that immediately come out of that, that's translated across the Group globally to ensure that we learn our lessons quickly and put measures in place.

I think one of the things that we also wanted to talk about is the leading indicators and one of the things that we'll be talking about more as well. We've been showing you the results of the safety journey in a historical basis but we also want to show you what we're actually doing to improve those numbers which is most important as opposed to just recording the numbers.

There's a new set of safety roles and responsibilities that was rolled out in the last year for all key construction and asset managers including old assets and funds that we've acquired and there's a whole rollout plan to bring those up to scratch. Murray's been leading an uncompromising leadership program around Bovis and that will be rolled out to all the Lend Lease groups over time. So, again, it's a long journey. It never ends and we understand that and we're continuing to refresh the group.

CEOs meet quarterly to review the safety and track all our initiatives in safety. We had Steve's team meeting yesterday morning and the first issue on the agenda was safety and we discussed where we were. All the employees do safety passport training. We now have global minimum requirements that are above all the regulatory hurdles across our different markets so we act in excess of what's legally required of us but we act to what we think is necessary to keep our employees safe and the public safe and all employees are required to attend safety and training sessions.

So, again, it's a long journey. I applaud Bovis and Lend Lease for what they've done to date and I'm really looking forward to being part of the leadership team and taking it forward and continuing to improve. I think Steve and Brad, when I'm finished we're doing a session on the stage so I'll turn it over to Sally. So thank you.

END OF TRANSCRIPT