



RE-SHAPING OUR FUTURE





Asia Pacific

Chief Executive Officer
Ross Taylor

Overview of Lend Lease Businesses

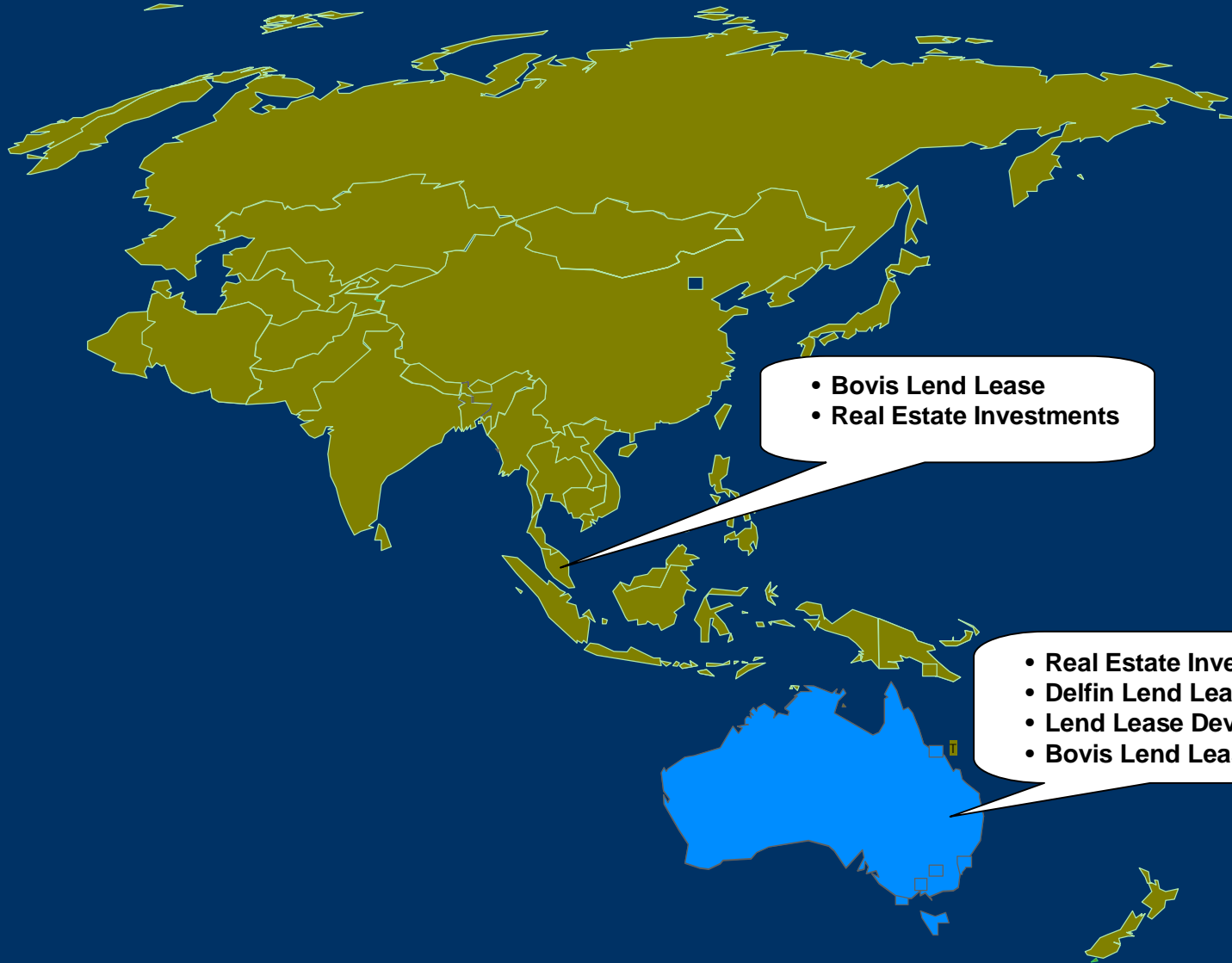
Asia Pacific

- **Bovis Lend Lease Overview & Asia Pacific** **Ross Taylor**
- **Real Estate Investments** **Ross Taylor**
- **GPT** **Neil Tobin**

Break

- **Lend Lease Development** **Des Marks**
- **Delfin Lend Lease** **Rod Fehring**
- **Rouse Hill Case Study** **David Hutton**
- **Erina Fair Case Study** **Mark Fookes**
- **Questions and Answers**

Overview



- **Bovis Lend Lease**
- **Real Estate Investments**

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- **Delfin Lend Lease**
- **Lend Lease Development**
- **Bovis Lend Lease**

Overview

APIC II



Parkway Parade, Singapore

Bovis Lend Lease



Darling Park I, II & III

Overview



Delfin Lend Lease



Varsity Lakes

Lend Lease Development



Hyatt Coolum

Overview



Bovis Lend Lease



NAB, Victoria Harbour

Bovis Lend Lease - Japan



JPhone, Kansai

In the Asia Pacific region

We have a deep and proven skill set that each year:

- Manages \$14b of assets for our funds
- Delivers retail, residential and office developments worth around \$500m
- Manages \$1.2b of construction revenue.

And which has a very large pipeline of work in front of it

- Over \$1b of retail development
- 58,000 lots/units of residential development (approx 10 years future work load).

Bovis Lend Lease Overview

An Overview of Bovis Lend Lease



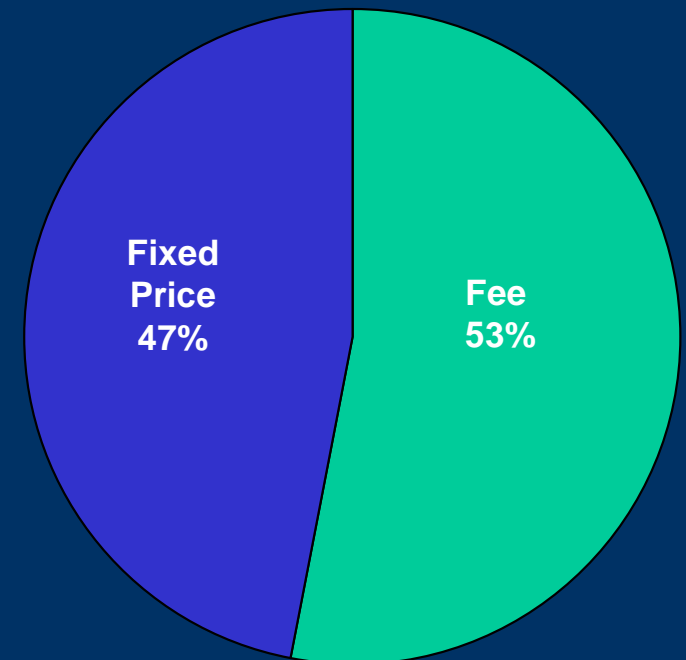
The spectrum of services Bovis Lend Lease provides varies from Fee for Service contracts through to PFI type contracts.

PFI Usually taking design and construction risk for the completed building, and entering into a maintenance contract for the building over a 20 to 30 year concession period.

Fixed Price Contracts Taking design and construction risk or just construction risk for the completed building

Fee for Service Contracts Either taking a lump sum up-front position for our people costs or simply charging a profit per person based on hours worked.

GPM by Contract Type



An Overview of Bovis Lend Lease



Risks in the business are very well managed through numerous and well established processes

- Risk off-load to substantial subcontractors
- Deep and long term management skills
- Run as a focused business unit
- Solid and established systems and processes.

An Overview of Bovis Lend Lease



Bovis Lend Lease is somewhat insulated from economic changes due to its strong repeat client base and its sector and geographic diversity.

Sectors	Asia Pacific %	US %	Europe %
Commercial	32	21	54
Retail	15	13	18
Residential	-	7	3
Defence	-	-	-
Health care	-	17	1
Pharmaceutical	12	8	11
Education	2	13	4
Telecommunications	17	-	-
Industrial	12	-	-
Infrastructure	3	-	-
Government	1	5	-
Other	6	16	9
	100	100	100

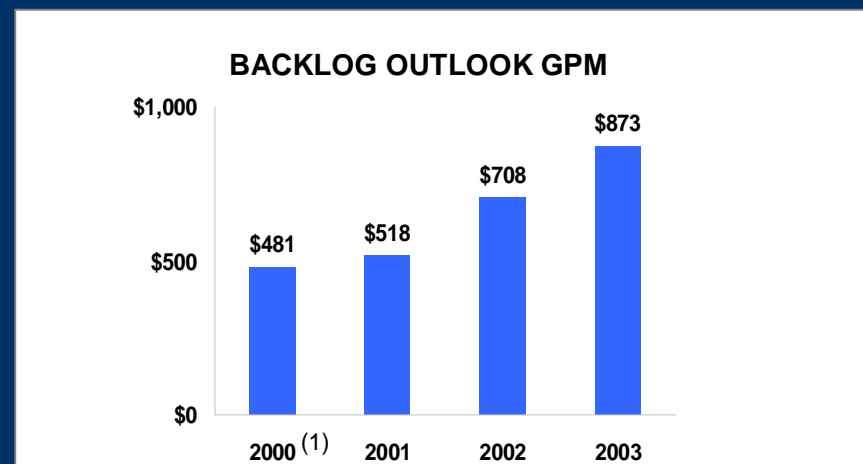
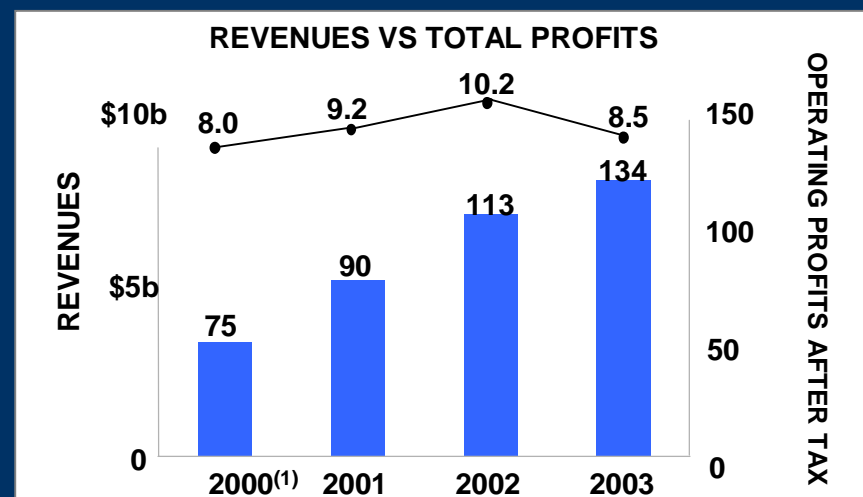
An Overview of Bovis Lend Lease



Since Lend Lease purchased Bovis in 1999 we have been progressively working to de-risk the business as well as get an effective risk / reward approach in place.

- ◆ Margins have almost doubled since Bovis was purchased
- ◆ We would expect this trend to continue based on work profile outlook
- ◆ Strong cash management disciplines have also been established to ensure credit risk and contractual risks are minimised
- ◆ Have focused the business on securing longer-term projects to better under-pin future years earnings

(1)= Normalised result included in graph.
Actual results for period since acquisition was \$56m NPAT and revenue of \$6.5b.



Bovis Lend Lease Outlook



The outlook for Bovis Lend Lease is solid as Australia returns to profitability and the large PFI projects in the UK move into construction.

Solid outlook for 2004 / 2005

- Solid new work secured position across the business (enter 2004 / 05 @ 60% committed)
- Robust deal pipelines with good established positions and solid back-ups
- Operational excellence now re-established

Well positioned for medium term growth

- Strong group synergies outlook
- USA economy returning to growth
- Multiple PFI concessions means future asset churn work and profit upside for Bovis
- New opportunities in existing regions (multi-site, intra-region expansion).

The loss of \$37.4m PAT in the Australian Bovis Lend Lease business, as a result of the Canberra projects, was exceptional relative to its history.

However, even after these losses it will have the effect of reducing the overall Bovis Lend Lease profit number on a year on year by approximately 20%.

What happened

- Sudden price escalation
- Poor contract / operational disciplines / compliance failure

Why

- Distracted senior management team – projects secured during Lend Lease leadership transitions (a feature of 2002)
- Bovis Lend Lease Australia CEO sent to Atlanta to help with REI disposition (now returned).

What's been done

- Right management team now in place
- Long established systems and processes (that were never broken) now being fully used.



These bottom line losses and their magnitude are unique in Bovis Lend Lease's history. Managed well, Bovis Lend Lease can and will deliver reliable growing profits for the Group.

Bovis Lend Lease's Relevance to Group Strategy

Bovis Lend Lease will be a valuable element of the Lend Lease Group to ensure we successfully deliver our development pipeline as it grows from circa \$900 m/pa today

- In-house construction allows better cost/time assurance, more flexibility in construction process, better end-product outcomes and better optimisation of the life cycle costing.
- Allows the Lend Lease Group to have a total and deep “in-house” skill in our key asset sectors.
- Provides established, proven delivery skills ahead of development/investment risk – UK, Singapore, USA.
- Project management is and has been a great training ground for future property executives.



Bovis Lend Lease's Relevance to Group Strategy **Lend Lease**

In-house construction is an established feature for those companies that achieve the best performance in Property

- Lend Lease has always approached it's key sectors this way – thus allowing value add beyond just investment management and fund management.
- Other top performers do it as well
 - Mirvac – residential
 - Westfield – retail
 - Australand – residential
 - Multiplex – residential
- Quite often those that do not have this skill “in-house” seek us out
 - Stockland
 - QIC
 - Legal & General (UK)
 - Investa
 - Colonial First State



Bovis Lend Lease's Relevance to Group Strategy **Lend Lease**

On top of Bovis Lend Lease being strategically important to the Group's strategy, it brings some other important benefits.

- ◆ Lend Lease Group will provide large and substantial synergies to BLL (circa 10% to 15% of annual turnovers and profits).
- ◆ High return on capital business and runs with negative working capital (of circa A\$300m pa).
- ◆ Provides a low capital and risk platform for entry into new markets / geographies.
- ◆ Provides a large network for accessing new partners, clients and opportunities for the broader Group.
- ◆ It has significant year on year growth potential if managed well and focused effectively.

Bovis Lend Lease Asia Pacific

Bovis Lend Lease Asia Pacific Market Position

While a major player in Australia and its chosen markets, Bovis Lend Lease still only accounts for under 5% of the building and construction sector in total.

- Main sectors are: office, retail, industrial and residential
- Large proportion of work is negotiated

In Asia, Bovis Lend Lease is a niche player focused in Japan, Singapore and China.

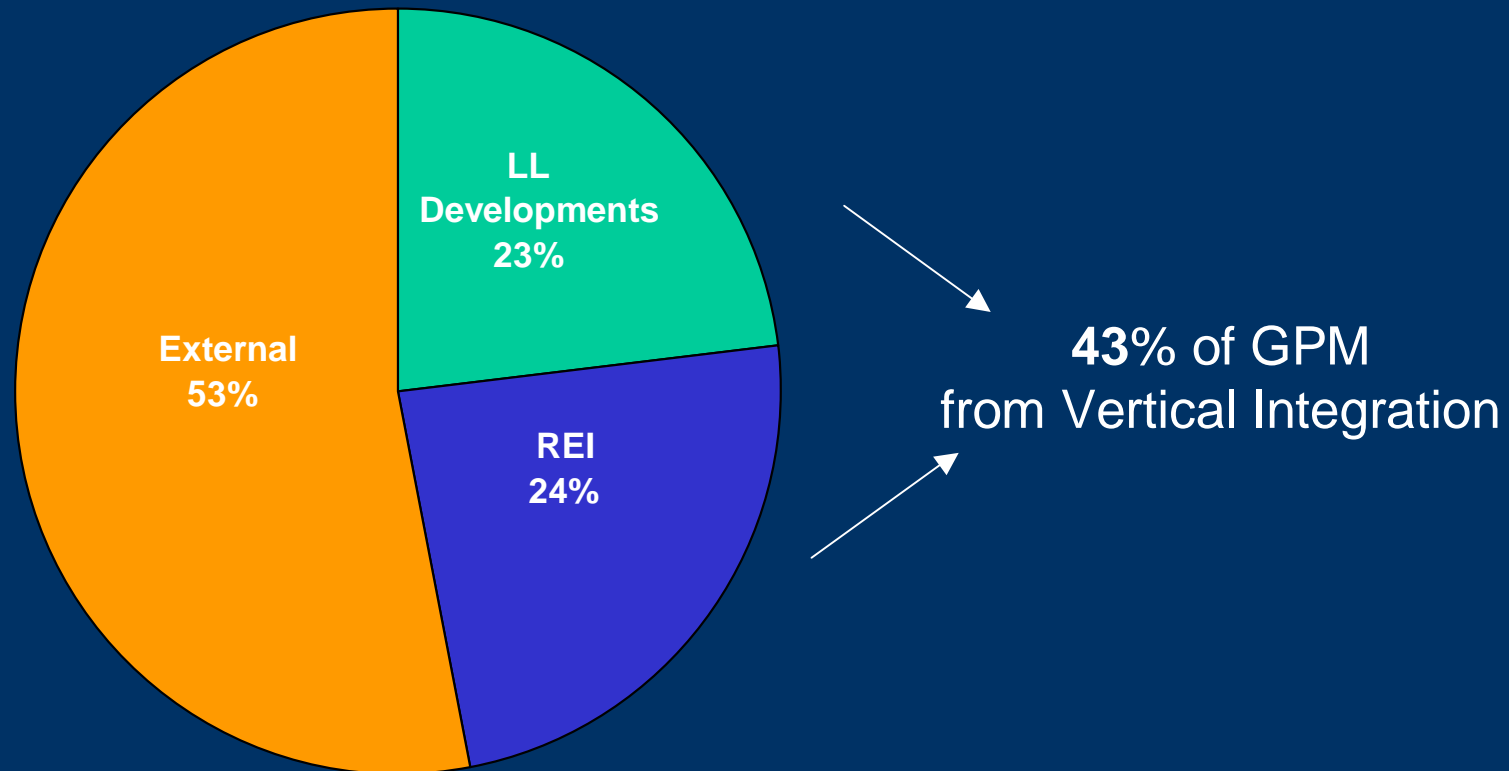
Work is predominately industrial and multi-site for MNCs.

Like Australia a large portion of the work is negotiated

Bovis Lend Lease Australia



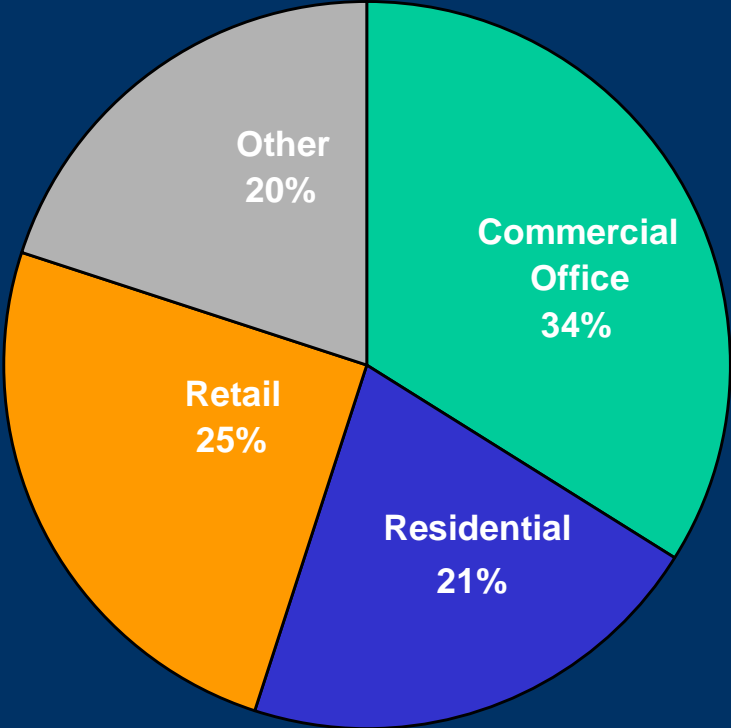
Over 40% of GPM from Lend Lease Group ⁽¹⁾



⁽¹⁾ For year ended 30 June 2003

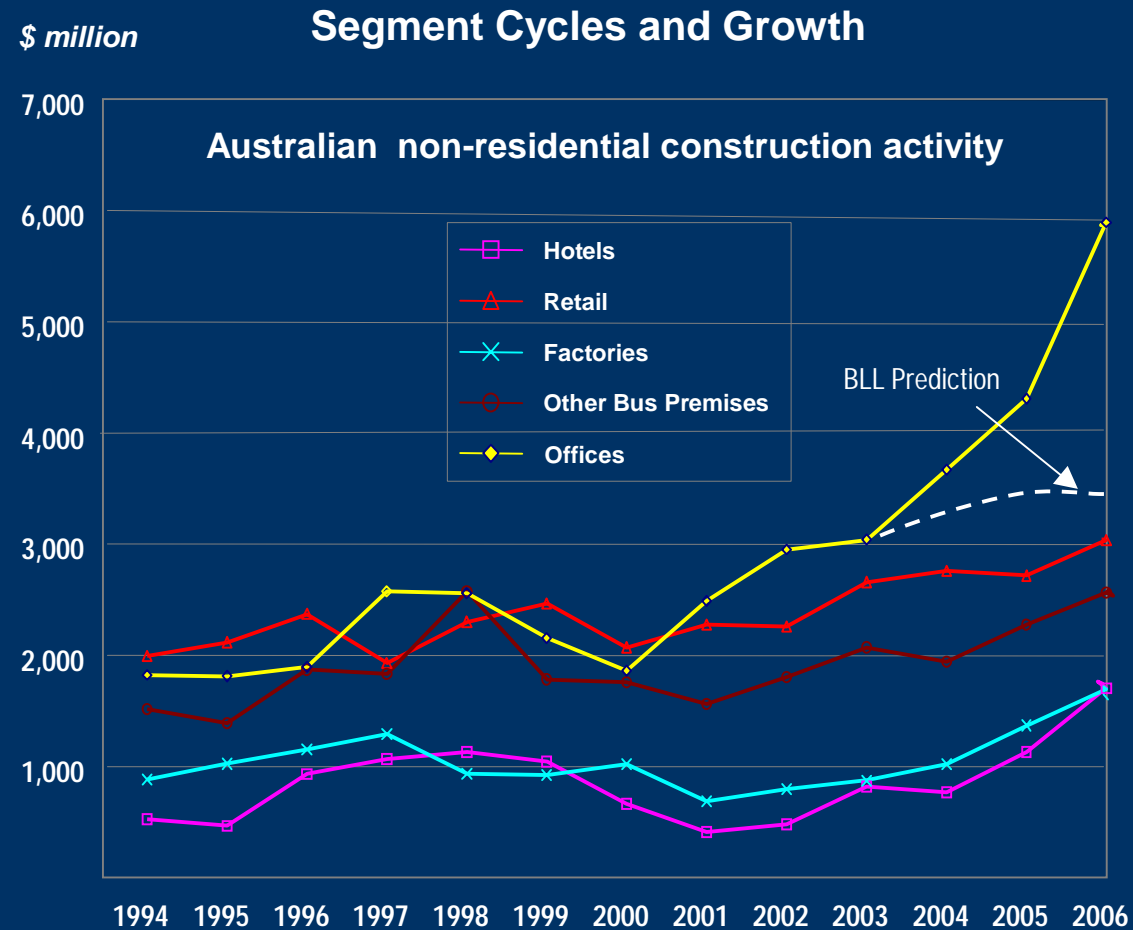
Specialty in Commercial, Residential and Retail Construction

**Bovis Lend Lease Revenue Streams by Industry Sector
Jun 03**



80% of Revenue from Specialisation

In our core sectors in Australia, the medium term outlook remains robust



Growth Potential

In Australia we see good growth potential from current sectors

- Commercial office and Retail
 - Should maintain sector volumes and profits
- Multisites: \$100 - \$250m p.a.
- Internal residential: \$50 - \$300m p.a.
- Industrial: \$100 - \$150m p.a.
- Government: \$150 - \$300m p.a.

And in Asia we will continue to focus on Japan, Singapore and China.

Having re-established operational excellence in Bovis Lend Lease in Australia, the go forward strategy is focused and simple

- Keep Bovis Lend Lease aligned to broader group strategy and support internal development activities
- Take advantage of growth opportunities in core Australian sectors
- Continue strong growth in multi-site work
- Stay focused on core geographies in Asia.

Bovis Lend Lease Asia Pacific Financials



New management, focus and strong group synergies will see Bovis Lend Lease return to good profit growth in the region over the medium term.

Year to 30 June (\$m)	2000	2001	2002	2003
Revenue	2,073	1,448	1,355	1,326
NPAT	47.0	33.4	27.4	23.6
GPM Backlog	58.2	60.3	68.9	85.2

Bovis Lend Lease is well positioned for the 2004/05 year with 56% of 2005 GPM forecast already secured.

Real Estate Investments (REI)

Overview - REI Asia Pacific Key Facts



- Around A\$14b of assets under management
- Product offering in both the public and private equity markets:
 - Public Equity (listed) – GPT and Property Securities
 - Private Equity (wholesale) – APPF, REP, APIC
- Unique service offering:
 - Dedicated Capital Transactions Team
 - Retail Management and Development Capability
 - Research Group
 - Aligned Project Management and Construction Management capability
- Top Quartile Asset returns across all wholesale funds.

Market Position



A\$14 billion of assets under management in both the Public (listed) and Private (wholesale) markets.

Public	AUM (Dec 2003)	Market Share
GPT	A\$7.7b	10%
Property Securities	A\$2.9b	6%
Private		
APPF (Series)	A\$2.5b	13%
REP (Enhanced)	A\$0.1b	N/A
APIC	A\$0.8b	N/A

Competitive Advantage



We can achieve out performance in our portfolio because we can bring to bear the full spectrum of Real Estate skills.

	Total Assets	Funds	Research & Transactions	Asset Management	Property Management	Development Management	Project & Construction Management	Facility Management
Retail	\$6.0b	GPT, APPF, APIC	Lend Lease				Others	
Office	\$3.7b	GPT, APPF	Lend Lease	Others		Lend Lease	Others	
Residential	\$0.2b	GPT	Lend Lease				N/A	
Industrial	\$0.6b	GPT, APPF	Lend Lease	Others		Lend Lease	Others	
Hotels	\$0.5b	GPT	Lend Lease	Voyagers		Lend Lease	Others	

Wholesale Key Performance Indicators



We continue to enjoy strong funds inflow into our wholesale funds (over \$700m in last 2 years) due to strong performance and the quality of the underlying assets.

Returns Per Annum

	1 Year (to 31/3/04)	3 Years (to 31/3/04)
APPF - Retail	17.8%	14.3%
- Office	9.7%	8.7%
- Industrial	12.3%	11.9%
REP I	18.7% to date	N/A
APIC II - Retail	18%	N/A
Mercers Index	12.2%	10.8%

Wholesale Strategy



We expect strong capital inflows into wholesale “direct property” funds to continue

- Capital inflows to continue to grow at over 10% pa
- APPF Funds are focused on capital raising to retire debt following strong acquisition activity late 2003
- REP 2 now closed and in the process of making investments
- APIC II now looking for next retail assets.
- The outlined merger strategy will strengthen our wholesale operations
 - co-investment
 - warehousing.

Summary Financial Overview



Year to 30 June	2000	2001	2002	2003
FUM	\$9.8b	\$11.0b	\$11.7b	\$12.4b
MPAT	\$14.6m	\$20.4m	\$35.9m	\$37.1m



RE-SHAPING OUR FUTURE





Asia Pacific Wrap Up

Chief Executive Officer
Ross Taylor

Summary Asia Pacific



The Base business is very strongly positioned.

- Real Estate Investments has strong funds inflow and good performance across all its assets
- Delfin Lend Lease leads its market, is positioned in strong growth corridors and has an effective 10 year workload in front of it
- Lend Lease Development has the largest unit backlog (10 years) in the country relative to its competitors, most of which is controlled through rights rather than land banking
- Bovis Lend Lease has been returned to operational excellence, has strong 2004/05 starting point and can look forward to strong inter-group synergies.

Merger benefits to Asia Pacific

A merger with GPT will deliver a number of immediate and medium term benefits to the business in Asia Pacific

- Achieves overall group scale that allows continued growth in our large scale urban community businesses
- Provides scale and the right model to take advantage of our strong retail position in Singapore
- Will increase potential for Bovis Lend Lease synergies in the region
- Provides complete alignment of interests with GPT unit holders
- Ability to grow the wholesale funds faster (co-investment, asset warehousing)



Q & A