



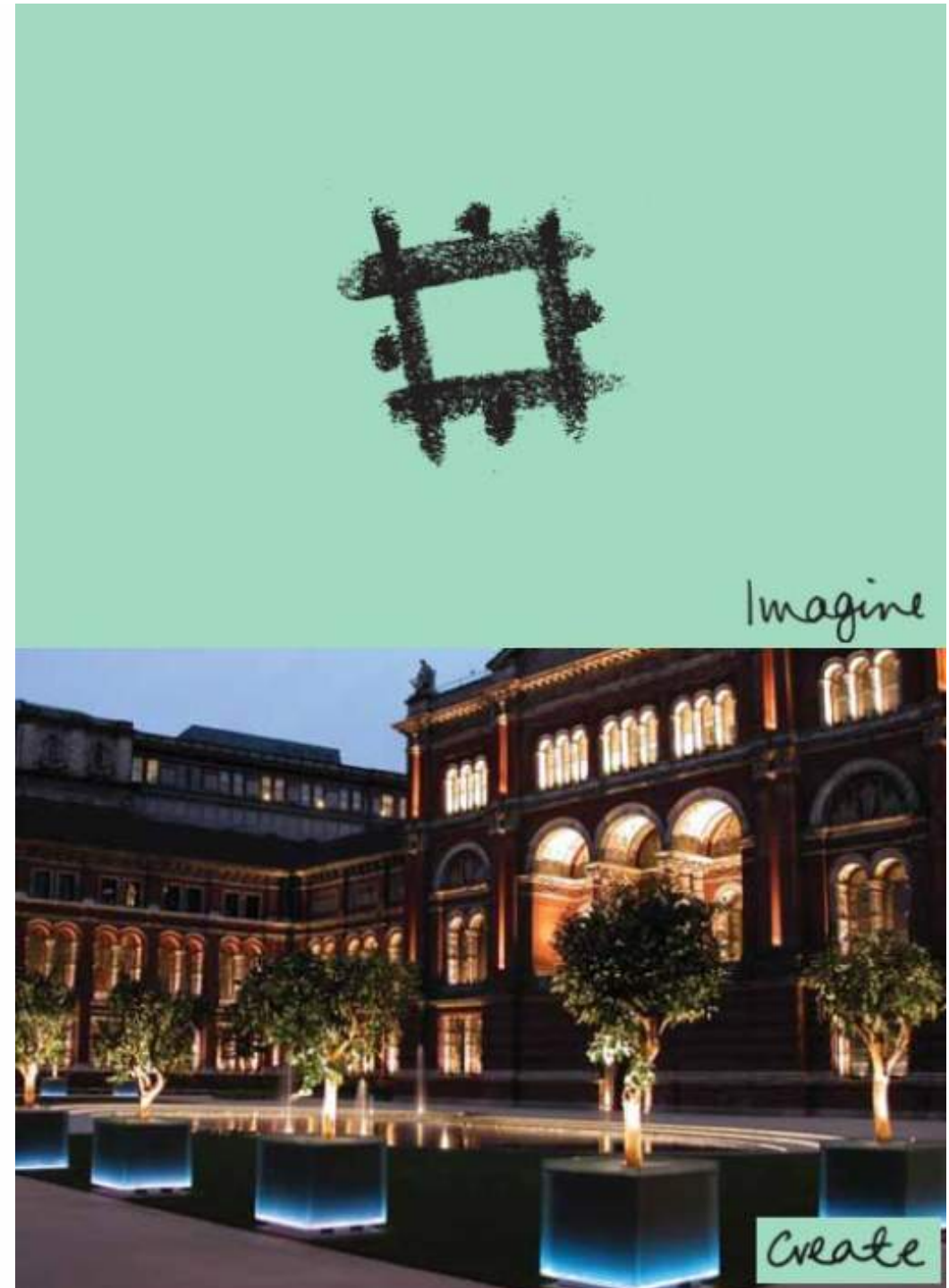
Market Briefing May 2006

Bob Johnston

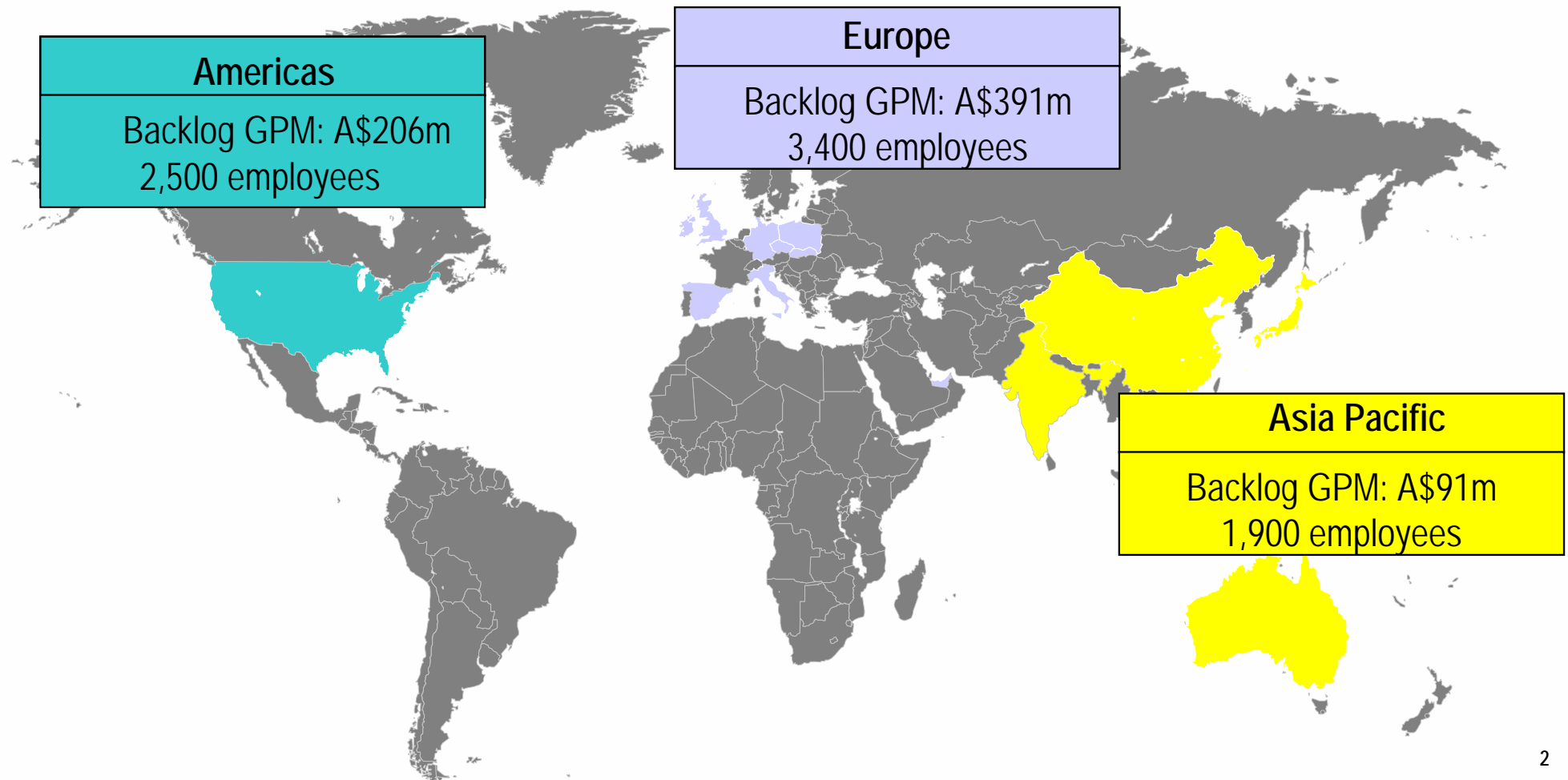
Global CEO

Project Management, Construction & PFI

Investor Roadshow
UK / US – May 2006



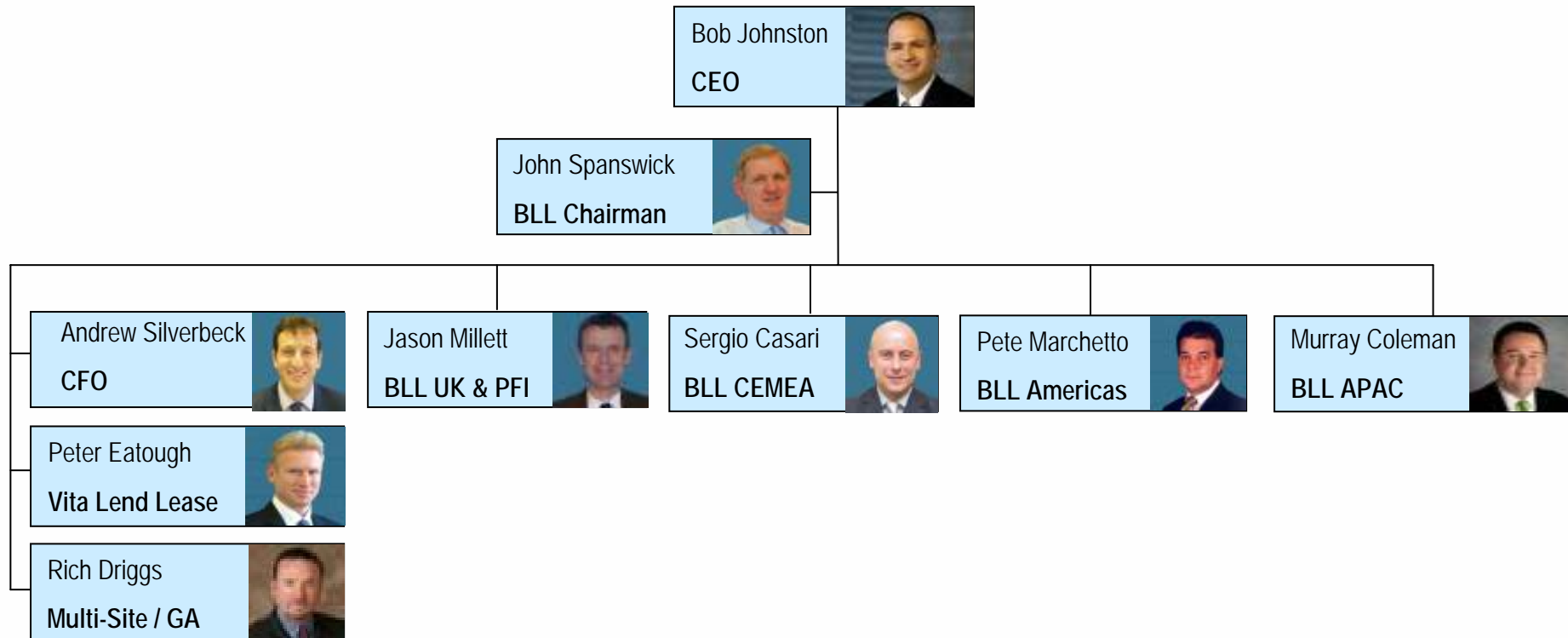
Project Management, Construction & PFI Global Presence



Note: Backlog figures as at December 2005

Project Management, Construction & PFI

Experienced Global Team



Project Management, Construction & PFI Fit with Lend Lease Group Strategy



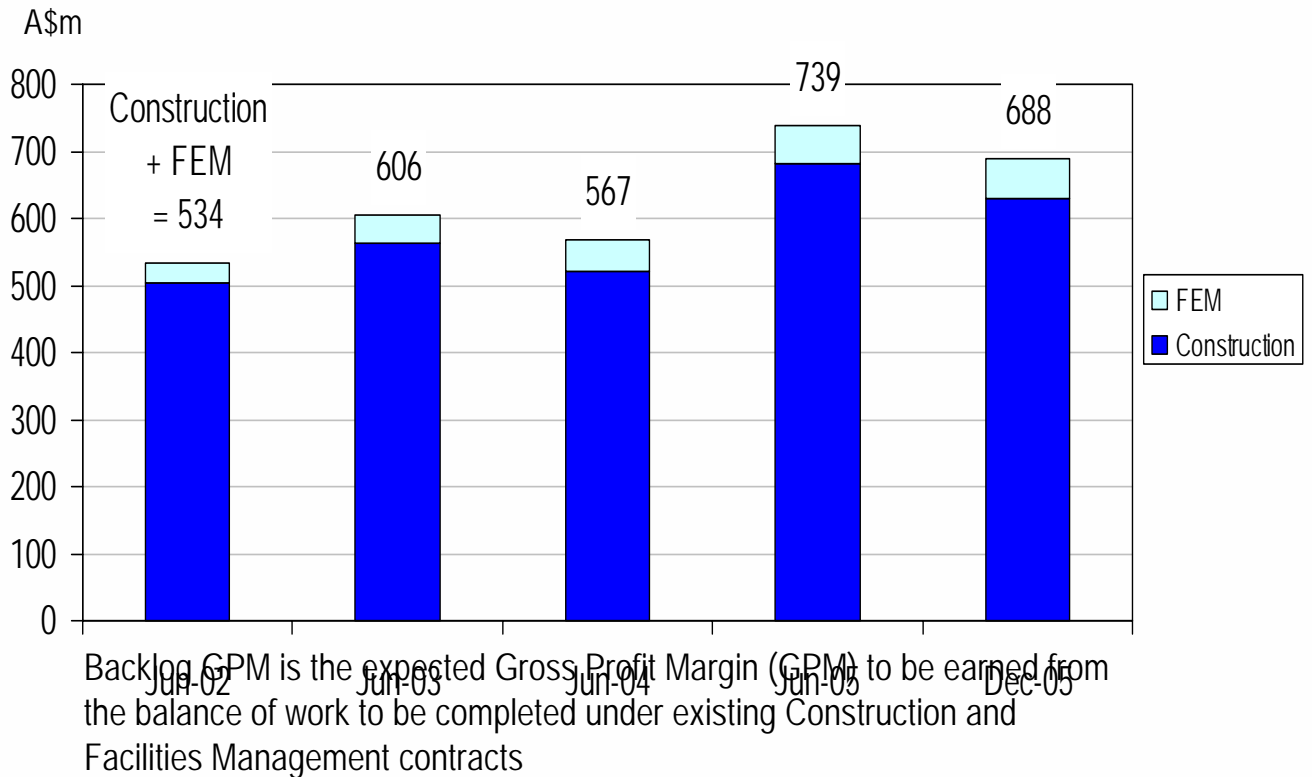
- Business model is based on end-to-end integrated services in sectors and geographies where we are advantaged
- Approx. 10% of GPM from internally generated deal flow
- Opportunities to leverage integrated skill set (IM, Development, etc) with large client base and annual revenues of circa \$10bn
- Significant cash generator
 - Net positive working capital \$450m-\$500m
- High return on Capital Employed
- Project Management, Construction & PFI profit contribution expected to remain significant but re-weighted to 20-25% over longer term

Sectors	Business Streams					
	Fund/ Finance	Invest /Funds Mgt	Develop	Construct	Manage	Service
Commercial Retail Office Hotel Industrial	Australia, UK, Singapore			UK US Australia		
<i>Residential Communities</i> Masterplanned Communities Inner urban / apartments	Australia, UK, US			CEMEA S/E Asia Japan		
<i>PFI</i> Health Education Military	UK, US, CEMEA					

Project Management, Construction & PFI Backlog



- Backlog GPM remains solid
- GPM for FY07 expected to be 60-65% secured at 30 June 2006
- Expect to maintain average margin forecast at circa 4.5%
- Strong pipeline of opportunities
- Short term outlook of flat PAT earnings remains



Project Management, Construction & PFI

Key Business Metrics



- A number of key wins will continue to support our GPM growth

* Project	Region	Value (A\$m)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Rouse Hill Retail	Asia Pacific	300					
Brisbane Airport	Asia Pacific	250					
Section 84, Canberra	Asia Pacific	220					
Abbott Laboratories	Asia Pacific	200					
St. David's, Cardiff	Europe	660					
Leeds Hospital	Europe	440					
Manchester Hospital	Europe	950					
Top Ryde	Asia Pacific	300					
Mulwala	Asia Pacific	240					
Farleigh Post Office	Americas	1,000+					
NY Path Station	Americas	250					
WTC Memorial	Americas	600					
Mets Stadium	Americas	700					
SLAM II	Europe	1,350					
Lancashire Waste	Europe	500					
Lancashire Schools	Europe	200					
Sheffield Student Accommodation	Europe	400					
		8,560					

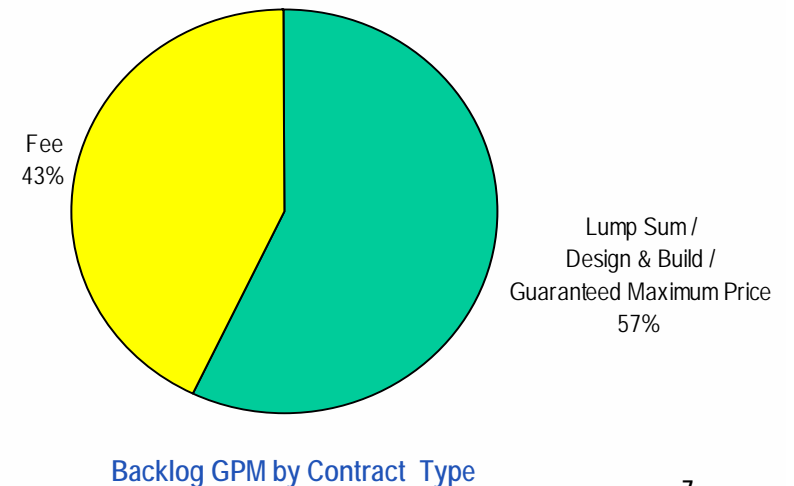
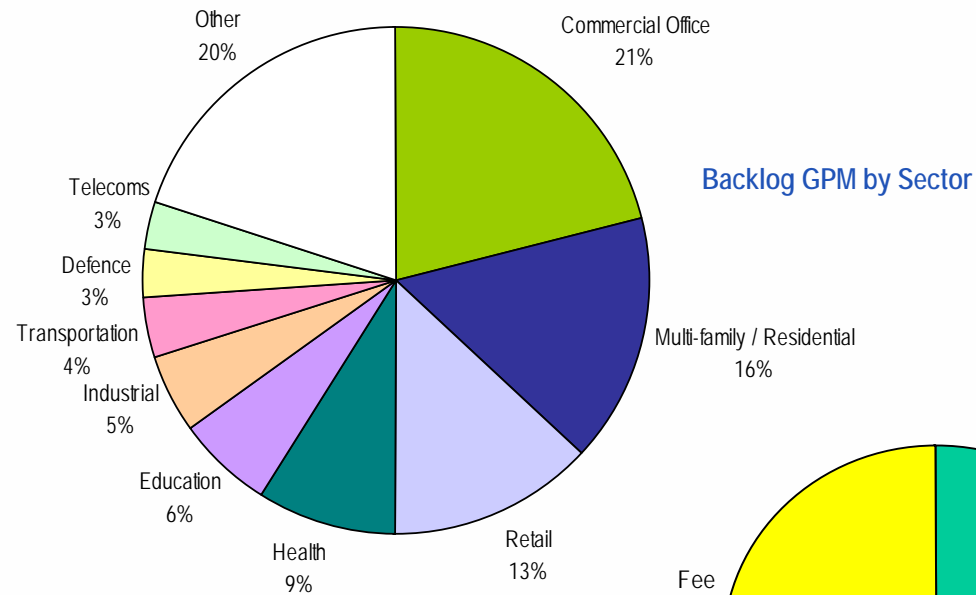
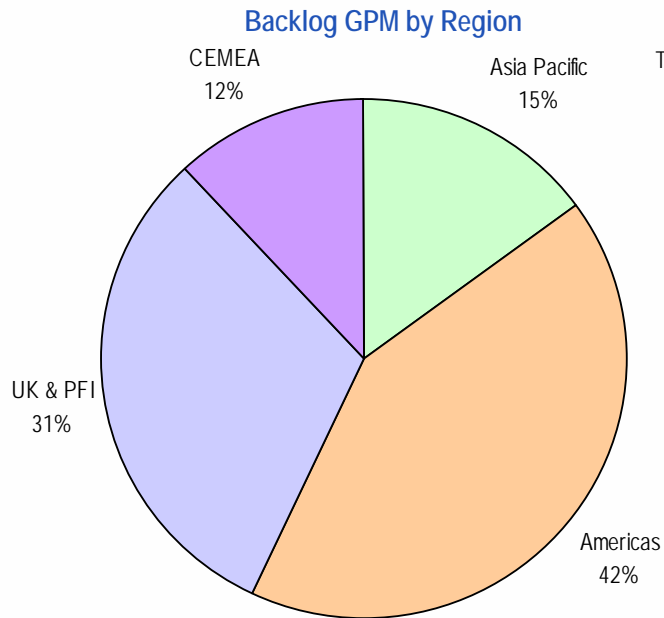
Key:	Secured
	Preferred Position

* Sample List

Project Management, Construction & PFI Diversified Portfolio



- Group profile is diversified by Region, Sector and Contract type



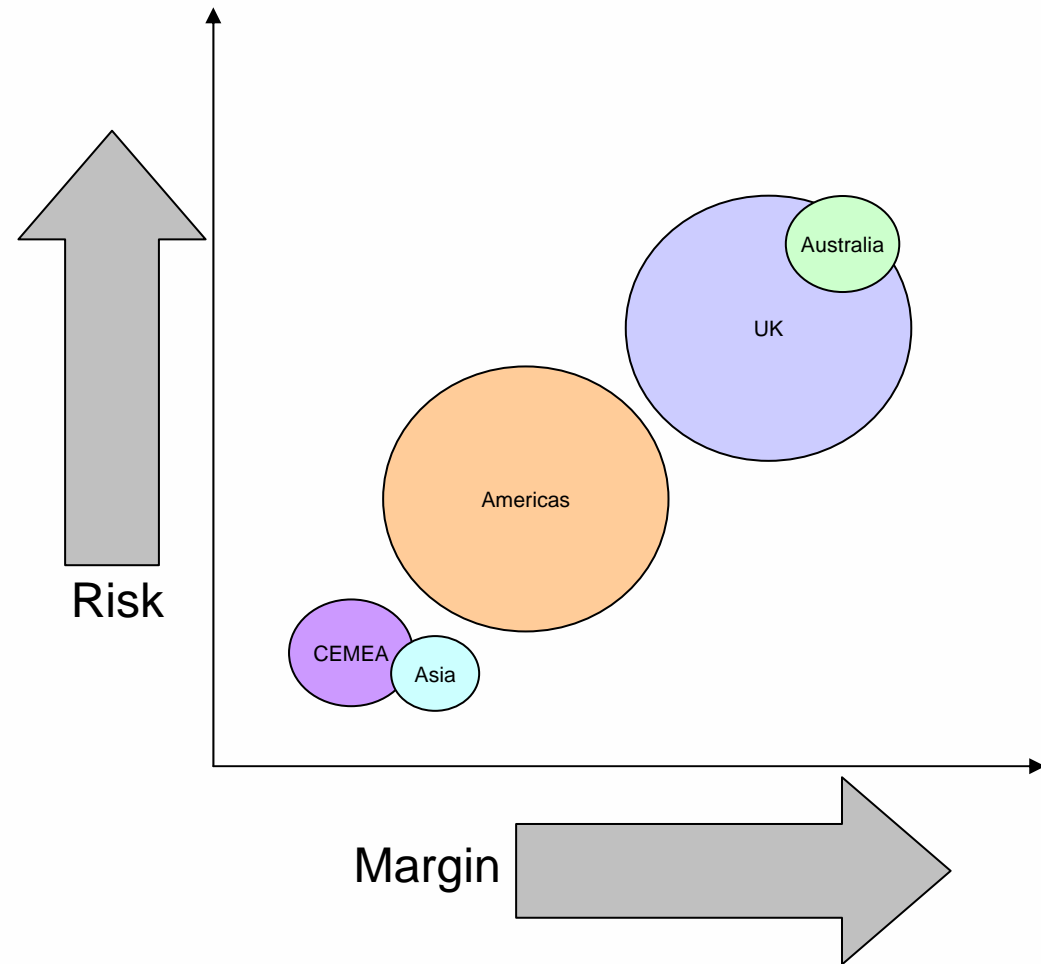
Note: Figures are based on FY 2007 forecasts

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Regional Risk / Reward Profile

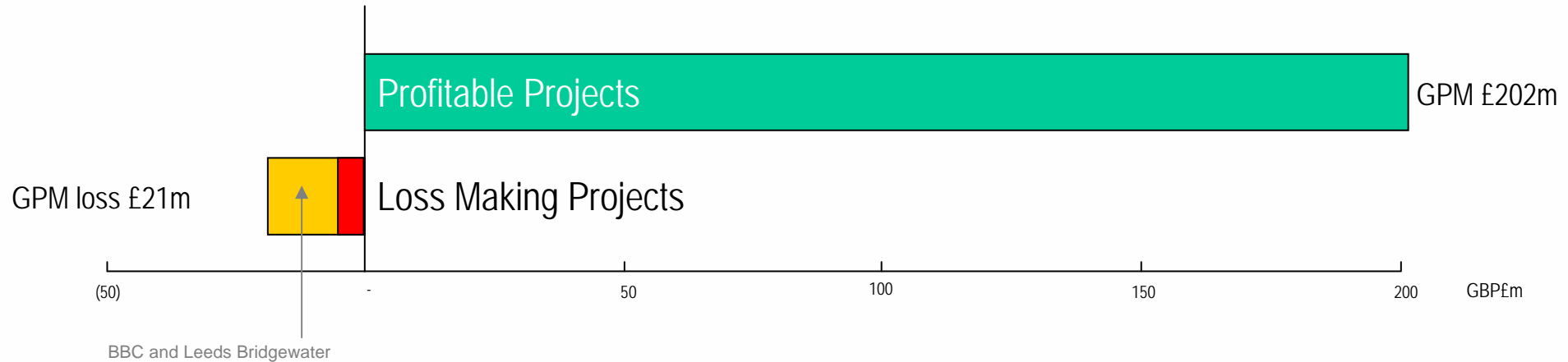


- Each region has a blend of fee and risk work
- CEMEA
 - Primarily low risk fee work
- US
 - Fee and 2 stage CM (GMP)
- UK & Australia
 - Fee / CM / GMP / D&C



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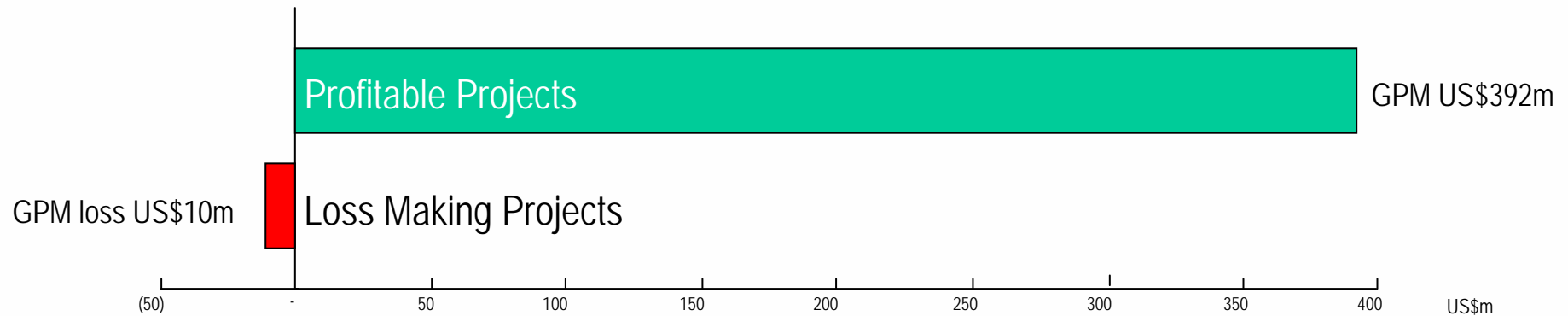
Project Performance Over Past 4 Years – UK



- 194 projects completed
- Excluding BBC and Leeds Bridgewater:
 - Total loss £5m
 - 2 projects lost >£0.5m

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Project Performance Over Past 4 Years – US

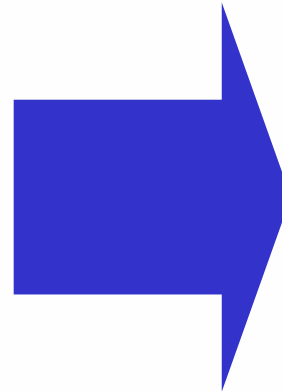


- 489 projects completed
- Total loss US\$10m
- 6 projects lost >US\$0.5m

Project Management, Construction & PFI Key Risk Management Processes



- Go/No Go Authority
- Project Profit Plan
- Conversion Strategy
- Investment Authorisation
- Pre Commitment Review
- Construction Authority
- Change Management
- Cost Report
- Project Review
- Close Out



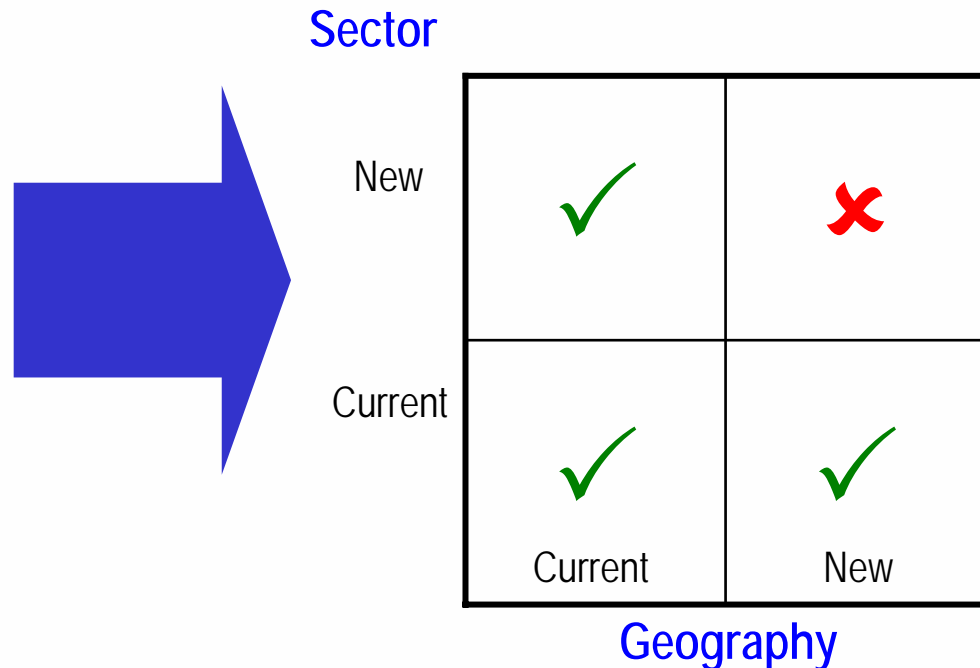
Processes are in place.

Our focus is on consistency of application for each key process.

Project Management, Construction & PFI Global Strategy



- Maximise opportunities in current pipeline and consistently deliver operational excellence
- Focus on opportunities for growth in core markets
 - UK – Privatisation, Commercial, Retail
 - US – Geographic (e.g. California) and sector growth (e.g. Sports, Healthcare, Multi-site)
 - Australia – Current and new sectors
- Exploit positions in emerging markets
 - CEMEA
 - Asia (e.g. China – MNC clients)
- Leverage capabilities of a global business



FY06

PFI Equity JV Update



- On 4 May 2006, announced 50/50 JV between BLL and Bank of Scotland
- JV will initially hold and manage A\$124 million equity investments in 11 PFI projects
- Equalise investments across the 11 PFI projects:
 - BLL received A\$25m net cash
 - A\$20m after tax gain
- BLL retaining an ongoing interest in equity returns from the portfolio through the JV
- Number of advantages that would not flow on a stand-alone basis

Project Management, Construction & PFI Summary



- Each of the regional business has a strong brand and excellent platform for growth
- Pipeline of opportunities remains strong, however short term outlook for after tax earnings remains flat as previously announced
- Focussed on operational disciplines and building backlog of quality opportunities
- Committed to operating safely wherever we have a presence

