ASX ANNOUNCEMENT

11 November 2016

2016 Annual General Meetings – Chairman and Managing Director Addresses

In accordance with ASX Listing Rule 3.13, attached are the addresses and accompanying slide presentation to be given by Lendlease Group's Chairman and Chief Executive Officer and Managing Director at the Annual General Meeting and Unit Holder meeting to be held today at 10.00am.

ENDS

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2016 Annual General Meeting
CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR SPEECHES

DAVID CRAWFORD, AO - Chairman:

Good morning Ladies and Gentlemen.

My name is David Crawford and I am Chairman of the Lendlease Board of Directors.

In meeting here today at the Grand Hyatt Melbourne, I acknowledge that we are on the land of the Wurundjeri people. The Wurundjeri people are the Traditional custodians of this land and form part of the wider Aboriginal nation known as the

Kulin nation. I extend my respect to their Elders past and present and to any Aboriginal and Torres Strait Islander people with us this morning.

Before I commence my address, I will refer to some housekeeping items.

In the event of an emergency requiring an evacuation, the alert signal will be sounded and the hotel staff will respond. On the sounding of the Evacuation tone, hotel staff will guide the evacuation of the floor via the nearest fire stair exit.

After exiting the hotel and meeting at the Russell Street entrance, you will be directed to an assembly location point by hotel staff.

Would you now please take a moment to ensure your mobile phones are turned to silent.

This meeting is being webcast and can be viewed on the Lendlease Group website and an archive will be available for viewing later this afternoon.

At the conclusion of the meeting, we invite securityholders to join the Board for refreshments in the lobby area outside.

As today is Remembrance Day, I will call for a minutes silence at 11am to remember those who have fought for our country and our freedom.

I will now introduce the rest of the Board of Directors. Moving from my far left we have David Craig, Steve Dobbs, Nicola Wakefield Evans, Colin Carter, and our Company Secretary Wendy Lee. To my right is our Group CEO and Managing Director Steve McCann, Jane Hemstritch, Michael Ullmer, Phillip Colebatch and David Ryan.

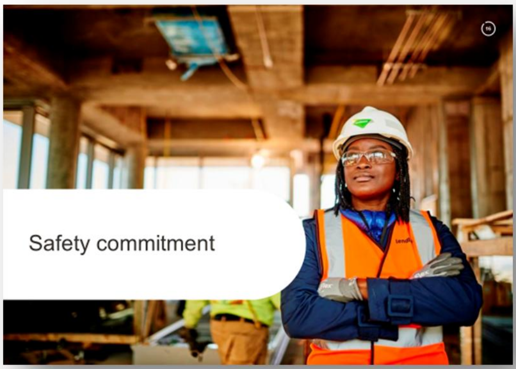
Seated in the front rows of the auditorium are some members of the executive management team. Also in attendance are the Group's auditors, KPMG, who will be able to assist with answers to questions you may have relating to the Group's financial statements and their audit.

I will commence proceedings with an overview of the key achievements for the 2016 Financial Year. Your CEO and Managing Director, Steve McCann will then present on our business and outlook, before we move to the formal business of the meeting and the resolutions.

We will provide an opportunity for discussion and any questions you might have when we deal with each of the formal agenda items.

This year we moved to an integrated Annual Report for the first time. This report is a consolidation of the former Annual Report, Directors' Report & Financial Statements and the Securityholder Review. We believe the integrated report provides a clearer way for us to articulate our value creation story, both financial and non-financial, of Lendlease.

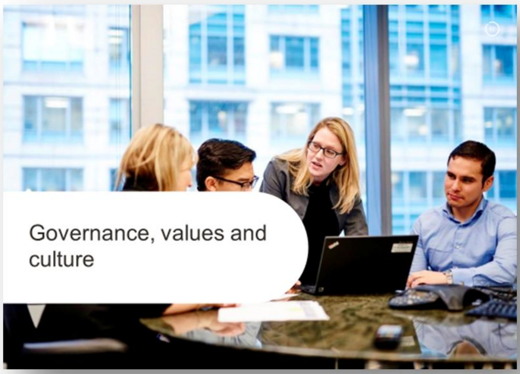
We have received positive feedback on the report and welcome your feedback.



At Lendlease, safety is our number one priority. For the third consecutive year there were no corporate reportable work related fatalities on Lendlease controlled operations. This is what we aim to achieve every year and is a very pleasing outcome.

We are committed to challenging our health and safety performance to ensure it aligns with the Lendlease strategy and remains effective across the sectors and markets in which we operate.

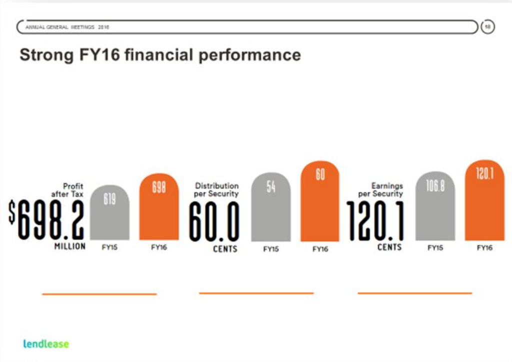
Our approach places a focus on planning so that safety begins well before a project commences. We encourage people to identify and manage health and safety risks, and strive for continual improvement. Ongoing refinements are essential to achieve our aim to operate incident and injury free.



We are committed to exceptional corporate governance policies and practices. These are fundamental to the long term success and prosperity of Lendlease. The Lendlease Code of Conduct which is endorsed by the Board sets out the standard of conduct expected of our businesses and people.

Sustainability is central to business strategy. Environmental, social and economic considerations are integral to creating value, sustaining value and managing risk. Around the world, governments and communities are seeking trusted partners who can enhance urban areas with efficient, healthy and resilient outcomes. At Lendlease, we are a leader in this space.

This year we welcomed David Craig to the Board, and today, along with the re-election of other Directors, we are seeking your endorsement for David's appointment. The Board Nomination Committee, which met eight times this year, believes the Board has a mix of skills, experience and diversity to contribute to effective corporate governance.



Turning to the performance of the company during the last year.

Lendlease delivered a solid performance for the financial year ended 30 June 2016, with Profit after Tax of $698 million, up from $619 million in the financial year ended 30 June 2015. The Development segment was the standout with residential and commercial development operations performing strongly.

Securityholders received a distribution of 60 cents per security for FY16. The payout ratio for the year was 50 per cent which was within the Board's target range of 40 to 60 per cent of earnings.

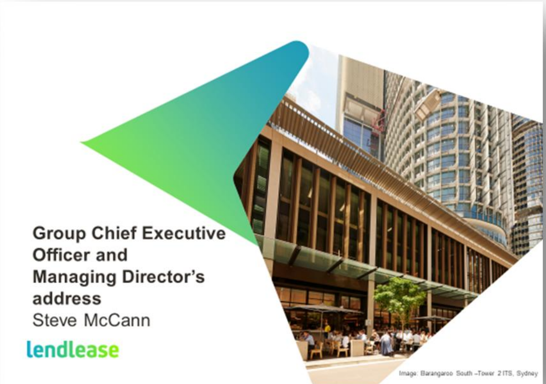
Lendlease entered FY17 in a very strong financial position. We had cash and cash equivalents of more than $1billion, gearing of 6.5 per cent and undrawn capacity of more than $2billion.

The resilience of the Lendlease balance sheet, including high levels of liquidity, combined with access to third party capital, provides the financial flexibility to fund our development pipeline and capitalise on potential growth opportunities.

We believe Lendlease is well placed to maintain its leadership position in the sectors in which it operates. Both our Development and Construction pipelines continue to grow, and combined with the Investments platform, provides strong earnings visibility.

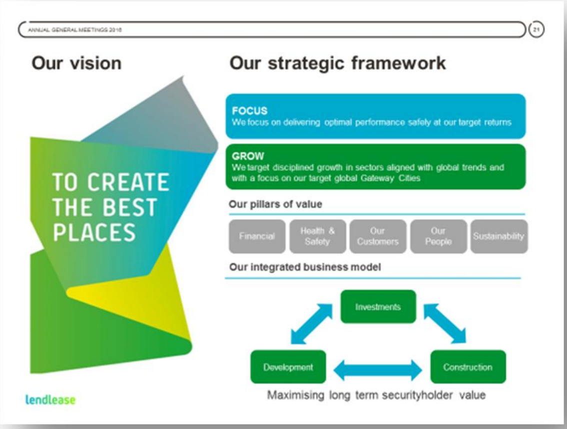
My thanks go to my fellow Board members, as well as the Lendlease management team and employees for their dedicated efforts throughout the year. I also thank you, our investors for your continued support as we work together to build Lendlease into the leading international property and infrastructure group.

I'll now hand over to Steve to talk about the business performance in a little more detail.



STEVE McCANN – Group Chief Executive Officer & Managing Director:
Thank you, David.

I too would like to acknowledge the Wurundjeri people of the Kulin nation and pay my respects to their elders past and present.



We continue to deliver on our strategy to be a leading international property and infrastructure group in the core markets in which we operate.

We believe we have the right strategy with the right business model to maximise long term securityholder value. The integrated model is performing well and we have made significant progress on our gateway cities strategy.

Our objective is to have a presence in cities that we believe will be among the most resilient and best performing cities around the world and to be in the position to pursue our integrated model in those markets.

Thanks to their history, age, location and often socioeconomic challenges, gateway cities usually contain large sites ripe for regeneration and infrastructure upgrades.

These large complex multi-stage sites that provide the opportunity to craft mixed use precincts is where Lendlease applies the breadth of our skills to great effect. We believe our capability in this space is world leading and enables us to realise our vision to create the best places.

We have built a significant pipeline of projects in our target cities and are focussed on executing well and delivering attractive outcomes for our stakeholders.

Our pillars of value, in conjunction with a strong risk management and governance framework, drive our approach to business and are critical to long term performance and securityholder value. I will now touch on the non-financial pillars.

Our health and safety approach is designed to support both physical and mental wellbeing for all people who interact with Lendlease. This is an important part of our goal to create places that will be more productive and improve the lives of people and communities.

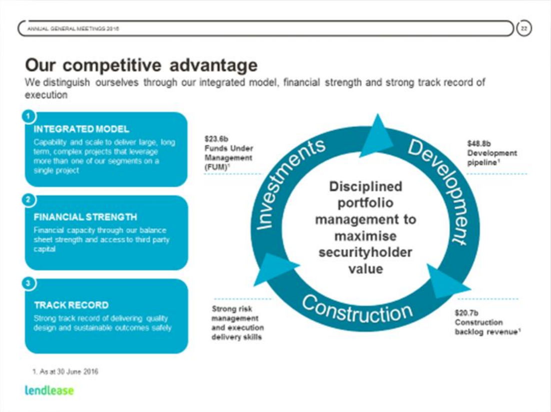
I'm extremely proud of our continuous improvement in safety. Our two main key performance indicators of lost time injury and critical incidents continued to improve in FY16 with the lost time injury frequency rate declining from 2.2% to 1.8% and a 37 per cent reduction in the critical incident frequency rate.

People are our greatest asset at Lendlease. We aim to attract and retain the best people by building a culture of collaboration and continuous learning, and recognising and rewarding success. Diversity and inclusion is a key element to ensuring success. This covers a range of issues from gender equity to flexible work practices and inclusive leadership.

Without customers we have no business. Our ambition is to manage our relationships in a collaborative way, deliver high quality service and respond to our customers' needs. We will be implementing initiatives over the coming year to continue to improve customer engagement.

Innovation is critical for both our customers and people. It forms part of our core values. For us, innovation is change that adds value for our customers and Lendlease. To support and nurture innovation throughout our business, we provide our people with the resources to support the development of value-add ideas.

Finally, sustainability is about meeting the needs of the future across environmental, social and economic outcomes. We pride ourselves on our sustainability credentials and continue to set ambitious targets.



We differentiate ourselves from peers through our integrated model, financial strength and strong track record.

The integrated model simply means that at least two of our operating segments of Development, Construction and Investment are working together on a project. This enables Lendlease to maximise returns across the whole value chain.

In combination, our three segments become more powerful and in our view provide a sustainable competitive advantage. And this is what underpins our ability to drive long term securityholder value. When it comes to our major urban regeneration projects, we have few direct competitors and the barriers to entry are high.

To be the best at what we do we need the best origination, delivery, funding and management capability. That's why we believe having the three segments operating in unison is so important. We would not have had the origination or delivery success in many of the large scale urbanisation projects had it not been for the integrated model.

Our businesses also win work from third party clients and deliver market best practice design, construction and project management skills. We leverage this capability on our own development projects and use these skills to attract third party investors.

We now have an enviable track record of delivering large complex projects. There is an array of product that prospective customers and investors, and for that matter the broader community, can touch, feel and experience. We have met strenuous deadlines for funding and delivery while generating attractive returns for our investors. In our view this will only strengthen our competitive positioning.

Lendlease generated strong financial returns in FY16. Earnings per security grew by 12 per cent and we delivered an attractive return on equity of 13 per cent.

Strong cash generation was a highlight of the result, with operating cash flow representing over 120% of Profit after Tax.

As a result of the strong outcome, the balance sheet is very solid. The Chairman just outlined our low gearing and strong liquidity position going into FY17.

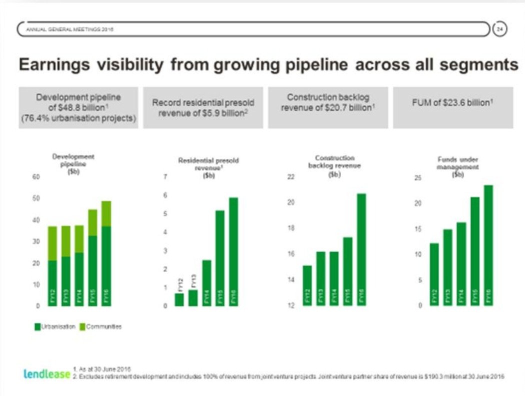
We now report financial performance via three operating segments: Development, Construction and Investments. This adjustment more accurately aligns the type of activity undertaken across our business and in each segment.

The Development segment delivered a very strong result in FY16 across the residential and commercial sectors. Our residential development business settled 4,790 units, up 7 per cent, including land lots across our Communities business and the completion of several Apartment buildings that form part of our urbanisation projects.

Construction reached its highest point at the 50th floor of the third and final commercial building at Barangaroo South. The commercial building at Darling Square in Sydney was sold to capital partners and fully leased to a major tenant, while the first two commercial buildings at the International Quarter London were also forward sold.

Our Construction segment, which includes our Engineering business, continues to expand its pipeline with a number of major new projects secured. During the year work commenced on NorthConnex, the $2.6 billion joint venture motorway project in north western Sydney, which is being undertaken by our Engineering business.

Across our Investments segment, our Retirement Living and Military Housing businesses, together with our fund co-investments, continued to provide reliable recurring style earnings. In addition, our funds under management grew by 11 per cent to $23.6 billion.



We are well placed heading into FY17 given our financial strength and earnings visibility, despite mixed market conditions.

While Australia will remain the dominant region, capital deployment will incrementally reweight off-shore over coming years. Activity will progressively shift to our gateway cities as our development pipeline is delivered. That shift reflects our view on the relative outlook and opportunity in the regions in which we operate, and the importance of earnings diversity.

The shift towards more recurring style earnings streams has now been embedded in our targeted earnings mix. We believe this is important to ensure our earnings become more stable and predictable.

Earnings visibility remains high, with a growing pipeline across all three operating segments.

The Development pipeline rose 9% to $48.8 billion. There is more than a decade of product already secured in the Communities and Retirement development pipeline. The Apartments business has an even longer profile. The current 5 thousand apartments in delivery will take us through to the end of FY19. Beyond that, there are in excess of 20 thousand apartments secured in the pipeline.

On Commercial development, there are currently 375 thousand square metres of office and retail space in delivery across 10 buildings. That leaves around a further 20 buildings in the pipeline. The duration of our existing pipeline is such that it affords us the flexibility to be both patient and disciplined with future opportunities.

Construction backlog revenue climbed 20% to $20.7 billion, with approximately $7 billion of further work at preferred bidder status. There was double-digit growth during FY16 in new work secured across each of Building, Engineering and Services.

The outlook for our Engineering business is strong with a meaningful improvement in earnings likely from FY18 onwards. The business provides earnings diversity that is often countercyclical and a skill set that is utilised across our integrated model.

The investment platform has come a long way over the last decade. We now have approximately 150 Institutions who invest with us, including some of the globe's largest sovereign wealth and pension funds.

There are significant barriers to entry in this space. Relationship, reputation and performance are critical and I would argue that our track record and access to capital is unrivalled. This has enabled us to record growth in funds under management of 18 percent per annum over the last five years.

Financial strength remains a priority of the Group given an uncertain external operating environment. That means we will continue to be extremely disciplined with the use of our capital.

With that, I'll hand back to the Chairman.

DAVID CRAWFORD, AO - Chairman:
Thanks very much Steve.

Before we move to the formal business of the meeting, I will refer to the decision by your Board, to withdraw resolution 5 on the changes to the Constitutions, from the items of business.

The resolution was withdrawn due to concerns raised with us. Based on proxies received, it was not expected that this resolution would pass on a poll given it requires a 75% majority.

The Company's current constitution was last amended at the 2009 AGM. Since then, there have been a number of developments in law, corporate governance principles and general corporate and commercial practice for ASX listed entities.

The new constitutions were proposed in response to those developments and the changes were administrative in nature.

I will now address some of the issues raised on these amendments, particularly by proxy advisors.

One issue related to the proposed requirement for board candidates to have the support of 100 members, or 5% of votes, before they are eligible to nominate as a director.

The proposed threshold mirrors what the law currently requires for shareholder resolutions to be included in a Notice of Meeting, thus aligning the director nomination requirement with the shareholder requisitioned requirements.

With today's technology advancements and social media, it is now easier to obtain 100 member signatures. This also demonstrates a foothold of support for potential director nominees. If a candidate does not have the support of 100 members or 5% of votes, they will not be able to get the majority required to be elected.

Another issue related to the introduction of a maximum board size. It is market practice for ASX listed companies to set a maximum board size. Of the top 20 ASX listed entities, 19 have set a maximum board size. By setting a limit at 12, your Board considered that there was sufficient headroom for shareholders to appoint additional directors and therefore preserve their rights.

Your Board believes that the amendments which were objected to are in the best interests of securityholders. We are not aware of any other concerns or issues that the proxy advisors had with the constitutional amendments.

Given this resolution has been withdrawn, it will not be put to the meeting. The withdrawal of the resolution has no effect on the other resolutions and will not affect the validity of the proxy form or any proxy votes already submitted.

I will now turn to the formal business of the meeting.

ENDS