Stock Exchange Announcement

Update on World Trade Center litigation – progress of proposed settlement and the James Zadroga 9/11 Health and Compensation Act

5 January 2011

Background

Lend Lease has issued previous statements to the market regarding claims brought against the City of New York and a number of other parties including Bovis Lend Lease LMB Inc (Bovis Lend Lease), a US subsidiary of Lend Lease, who assisted with the rescue, recovery, and debris removal following the terrorist attacks of 11 September 2001.

Bovis Lend Lease is one of the beneficiaries of the approximately US$1 billion captive insurance policy established by the US Congress to protect the City of New York and its contractors, including Bovis Lend Lease, against liabilities that may arise from the clean up (WTC Captive).

On 12 March 2010, Lend Lease issued an announcement to the ASX regarding an agreement to settle the current claims, which would become effective if, among other things, 95% of the relevant plaintiffs 'opted in' to the settlement within an agreed period.

Progress of proposed settlement

It has now been confirmed that more than 95% of the eligible plaintiffs have submitted documents opting into the current settlement agreement. The WTC Captive is reviewing the submitted documents to confirm that they are valid for the purposes of the settlement.

The proposed settlement does not impose any financial obligations on Bovis Lend Lease.

James Zadroga 9/11 Health and Compensation Act

On 2 January 2011, H.R. 847, the James Zadroga 9/11 Health and Compensation Act (Zadroga Act) was signed into law by US President Obama, having been passed by the United States Congress.

Importantly, Title II of the Zadroga Act establishes substantial limitations on the liability of certain entities that participated in the rescue, recovery and debris removal following 11 September 2001. For Bovis Lend Lease, any liabilities arising out of the debris removal effort are now limited to available insurance.

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and
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The Zadroga Act also provides ongoing medical monitoring for those who participated in the rescue, recovery and debris removal and reopens the 9/11 Victims Compensation Fund so that those injured in that effort are eligible to receive compensation in exchange for relinquishing any claims.

Lend Lease Group Chief Executive Officer and Managing Director, Steve McCann, said "Lend Lease is proud of the contribution of Bovis Lend Lease as one of the first responders to assist post the 9/11 tragedy. It is pleasing that this matter has progressed to a point now where we can be confident that any affected worker will have access to compensation without financial exposure (beyond insurance) to Lend Lease."

ENDS

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