



22 September 2020

Senator Katy Gallagher
Chair – Senate Select Committee on Covid-19
c/- Committee Secretary
Department of the Senate
Via email: covid.sen@aph.gov.au

Dear Senator

I am writing in relation to an error of fact made during the Committee's recent hearing on Thursday, 10 September.

During those proceedings, Senator Patrick stated "that Lendlease is being sold to a Spanish company".

This is untrue. Presumably Senator Patrick was referring to the recent sale of our Engineering business to Acciona, completed on 9 September (refer attached ASX announcement). The sale related to our Engineering operations only.

Lendlease remains a proudly Australian company, headquartered in Sydney and listed on the Australian Stock Exchange. We employ around 6,800 Australians and support 13,000 small businesses by purchasing their goods and services. In addition, we provided new employment opportunities to more than 37,000 Australians through our subcontractor network in FY20.

Our core business in shaping cities and creating strong and connected communities sees us deliver the urban precincts, workplaces and thousands of homes Australians need and value. And, in partnership with government, we will continue to construct essential civic and social infrastructure including defence infrastructure, hospitals, schools and sporting facilities. Through these projects, we will create new jobs and training opportunities for Australians and help expand the capability of small businesses and local industry.

We would greatly appreciate the Committee agreeing to publish this correspondence so this correction can be placed on the public record.

Yours sincerely

Steve McCann
Group Chief Executive Officer and Managing Director

ASX ANNOUNCEMENT

9 September 2020

Lendlease announces completion of Engineering sale

Lendlease today announced the completion of the sale of its Engineering business to Acciona Infrastructure Asia Pacific (Acciona).

The financial details for the transaction are consistent with those set out in our announcement of 17 August 2020.

Lendlease Group CEO and Managing Director, Steve McCann, said "The completion of the sale of our Engineering business represents a significant milestone for both Lendlease and Acciona."

"The sale represents a positive outcome for our people within the Engineering business as well as for our clients and securityholders. Our highly skilled workforce, deep client relationships and projects stand to enhance Acciona's existing footprint in Australia."

"I would like to acknowledge the contribution of our Engineering team for their unwavering focus on our projects and clients during the sale process."

"Lendlease's recent strategy update highlights the importance of focusing our resources in those areas where our competitive edge is strongest in order to drive value for our stakeholders. The sale of our Engineering business is consistent with this strategy."

Lendlease will retain the NorthConnex, Kingsford Smith Drive and Melbourne Metro Tunnel projects.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Investors:

Media:

Authorised for lodgement by the Lendlease Group Disclosure Committee

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REX PATRICK
Senator for South Australia

Our ref: NC/LLGS

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Dear Mr McCann,

Thank you for providing me a copy of your letter to the Chair of the Senate Select Committee on Covid-19 dated 22 September 2020.

As you are aware the discussion was on the topic of tier 1 and 2 contractors participating in the construction of infrastructure and the parcelling of projects. It is my understanding that LendLease has, through the sale to the Spanish firm Acciona, exited the infrastructure construction business which is apparent when the excerpt remains with the surrounding dialogue and was clearly understood by all in attendance.

“Senator PATRICK: That’s where I want to go to. Mr Danks might want to come to the table as well. Construction companies that get access to these programs or tender for these programs can be divided up, typically, into tier 1 and tier 2. Tier 1 is for major projects and tier 2 is perhaps for some of the smaller ones. Are you familiar with that? Or, Mr Danks, are you familiar with that at all—the concept of a tier 1 and a tier 2 construction company?”

Mr Danks: Yes, I’m aware of tier 1 and tier 2.

Senator PATRICK: Are you aware that all of the tier 1 companies—now that Lendlease is being sold to a Spanish company—are now multinationals? There are no Australian companies that are tier 1?

Mr Danks: I wasn’t aware of that until I read your media release this morning.”

If you are advising that LendLease will in fact continue to operate as a tier 1 infrastructure construction company, through another part of its business, your concern is understood and action should be taken to ensure this is appropriately reflected. I would ask you to clearly advise if that is the case, such that I can liaise with the Chair to determine what action may be appropriate.

Yours sincerely,

Rex Patrick

28/9/20

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