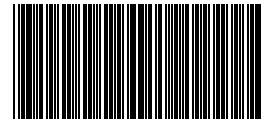




Filed: 8 September 2023 4:26 PM



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Commercial List Response

COURT DETAILS

Court	Supreme Court of NSW
Division	Equity
List	Commercial
Registry	Supreme Court Sydney
Case number	2019/00122037

TITLE OF PROCEEDINGS

First Plaintiff	David William Pallas & Julie Ann Pallas as trustees for the Pallas Family Superannuation Fund ABN 67014467929
Second Plaintiff	Martin John Fletcher
First Defendant	Lendlease Corporation Limited ACN 000226228
Second Defendant	Lendlease Responsible Entity Ltd as responsible entity for Lendlease Trust ABN 39 944 184 773 ARSN 128 052 595

FILING DETAILS

Filed for	Lendlease Corporation Limited, Defendant 1 Lendlease Responsible Entity Ltd as responsible entity for Lendlease Trust ABN 39 944 184 773 ARSN 128 052 595, Defendant 2
Legal representative	Jason Lawrence Betts
Legal representative reference	
Telephone	02 9225 5000
Your reference	82682656

ATTACHMENT DETAILS

In accordance with Part 3 of the UCPR, this coversheet confirms that both the Lodge Document, along with any other documents listed below, were filed by the Court.

Commercial List Response (2023.09.08 (D) Amended Commercial List Response.pdf)

[attach.]

Form 1 (version 4) ~~7A (version 5)~~

Practice Note No. SC EQ3 UCPR 14.3

AMENDED COMMERCIAL LIST RESPONSE**COURT DETAILS**

Court	Supreme Court of NSW
Division	Equity
List	Commercial
Registry	Sydney
Case number	2019/122037

TITLE OF PROCEEDINGS

<u>First</u> Plaintiff	David William Pallas and Julie Ann Pallas as trustees for the Pallas Family Superannuation Fund ABN 67 014 467 929
Second Plaintiff	Martin John Fletcher
First Defendant	Lendlease Corporation Limited ACN 000 226 228
Second Defendant	Lendlease Responsible Entity Ltd ABN 72 122 883 185 as responsible entity for Lendlease Trust ABN 39 944 184 773 ARSN 128 052 595

FILING DETAILS

Filed for	The Defendants
Filed in relation to	The Plaintiffs' claim
Legal representative	Herbert Smith Freehills
Legal representative reference	82682656
Contact name and telephone	Jason Betts, (02) 9225 5000
Contact email	Jason.Betts@hsf.com

PRELIMINARY MATTERS

- Headings used in this Amended Commercial List Response (**Amended Response**) are for convenience only. They do not form part of the response to the Amended Consolidated Commercial List Statement filed on 27 June 2023 ~~24 December 2019~~ (the **ACCLS**).

- 2 Unless the context requires otherwise, the Defendants adopt the defined terms used in the ACCLS, but do not admit any factual assertions contained in, or in any way implied by, any defined term used in the ACCLS and repeated in this Amended Response.
- 3 In respect of the defined term “**the Projects**” used in the ACCLS, the Defendants have interpreted this as collectively referring to the NorthConnex, Gateway Upgrade North, and Kingsford Smith Drive Upgrade ~~and Melbourne Metro~~ projects.

NATURE OF THE DISPUTE

- 1 The Defendants agree with the summary of the nature of dispute set out in paragraphs 1 to 4.

ISSUES LIKELY TO ARISE

- 1 The Defendants agree with the issues that the Plaintiffs believe are likely to arise and say that the following issues are also likely to arise:
- a. ~~[Not used] what is the true meaning of certain expressions used in the CLS, namely, the “Project Information” and the “Unreliable Performance Information”, in light of the multiple and overlapping contingencies within the definitions of those expressions;~~
 - b. whether the “17 October 2017 Provision Information”, “17 November 2017 Provision Information”, “21 February 2018 Provision Information”, “31 May 2018 Provision Information”, “22 August 2018 Provision Information”, “31 December 2017 Profit Information” and/or the “30 June 2018 Profit Information” whether the “Project Information” and/or the “Unreliable Performance Information” (as those matters are defined in the ACCLS and to the extent they are proven):
 - i. was information in the nature of an opinion or opinions;
 - ii. was information of which ~~Crawford~~, McCann, Gupta, Wilson, Connor, Dekker, Laslett, Mason and/or Letton ought to have been aware, such that it was information of which the Defendants were aware within the meaning of the ASX Listing Rules;
 - iii. was information that a reasonable person would expect to have a material effect on the price or value of the Securities; and

- iv. was within the exception to ASX Listing Rule 3.1 of the ASX Listing Rules by reason of the operation of ASX Listing Rule 3.1A because:
 - 1. the information comprised information that was insufficiently definite to warrant disclosure, and/or was generated for the internal management purposes of the Defendants;
 - 2. the information was confidential and the ASX had not formed the view that the information had ceased to be confidential; and
 - 3. a reasonable person would not have expected the Defendants to disclose the information; and
- c. whether, if the Plaintiffs or any Group Member suffered the loss claimed or any loss at all (which is denied):
 - i. the Plaintiffs or Group Member did so as a result partly of the Plaintiffs' or Group Member's failure to take reasonable care, such that the damages which the Plaintiffs or Group Member may recover in relation to the loss are to be reduced to the extent to which the Court thinks is just and equitable having regard to the Plaintiffs' or Group Member's share in the responsibility for the loss; and
 - ii. the Defendants acted honestly and, having regard to all the circumstances of the case, the Defendants ought fairly to be excused for any contravention of section 674(2) of the Corporations Act, such that the Court should relieve the Defendants wholly or partly from the liability to which they would otherwise be subject, or which might otherwise be imposed on them, because of any contravention of section 674(2) of the Corporations Act.

DEFENDANTS' RESPONSES TO PLAINTIFFS' CONTENTIONS

A THE PLAINTIFFS AND GROUP MEMBERS

- 1 In answer to paragraph 1 of the ACCLS, the Defendants:
 - a. admit that the Plaintiffs have commenced this proceeding as a representative proceeding pursuant to Part 10 of the *Civil Procedure Act 2005* (NSW);
 - b. do not admit the allegations in subparagraph (a);

- c. deny that any person has suffered loss or damage as pleaded in subparagraph (b);
- d. do not admit subparagraph (c); and
- e. otherwise deny the paragraph.

2 The Defendants do not admit paragraph 2 of the ACCLS.

3 The Defendants admit paragraph 3 of the ACCLS.

4 The Defendants ~~do not~~ admit paragraph 4 of the ACCLS.

B THE DEFENDANTS

B.1 Compliance and reporting requirements

5 The Defendants admit paragraph 5 of the ACCLS.

6 In answer to paragraph 6 of the ACCLS, the Defendants:

- a. admit subparagraphs (a) to (e); and
- b. deny subparagraph (f) insofar as it is alleged that the Second Defendant was obliged by sections 111AP(1) and/or 674(1) of the Corporations Act and/or ASX Listing Rule 3.1, once it became aware of any information concerning the First Defendant that a reasonable person would expect to have a material effect on the price or value of the Securities, to tell the ASX that information immediately (unless the exceptions in ASX Listing Rule 3.1A apply).

7 The Defendants admit paragraph 7 of the ACCLS.

B.2 Relevant Lendlease ~~personnel~~ officers

8 ~~[Not used] On the basis that “all material times” refers to the period 17 October 2017 to 8 November 2018 (inclusive), the Defendants admit paragraph 8 of the CLS and say further that Crawford was the Lendlease Group Chairman in the period from 17 October 2017 until 16 November 2018, after which he retired.~~

Particulars

- 1) — ~~By a letter dated 20 February 2020, the Plaintiffs (by their solicitors) confirmed that the phrase “at all material times” refers to the period of time from 17 October 2017 to 8 November 2018 (inclusive).~~

- 9 On the basis that "all material times" refers to the period 17 October 2017 to 8 November 2018 (inclusive), the Defendants admit paragraph 9 of the ACCLS.

Particulars

- 1) By a letter dated 20 February 2020, the Plaintiffs (by their solicitors) confirmed that the phrase "at all material times" refers to the period of time from 17 October 2017 to 8 November 2018 (inclusive).
- 10 In answer to paragraph 10 of the ACCLS, the Defendants:
- a. On the basis that "all material times" refers to the period 17 October 2017 to 8 November 2018 (inclusive), the Defendants admit paragraph 10 of the CLS. admit that Gupta was the Lendlease Group Chief Financial Officer in that period, acting in that capacity in respect of both the Defendants comprising Lendlease; and
 - b. otherwise do not admit the paragraph.
- 11 In answer to paragraph 11 of the ACCLS, ~~T~~he Defendants ~~admit paragraph 11 of the CLS;~~
- a. admit that on and from 15 January 2018, Wilson was the Lendlease Group Chief Commercial and Risk Officer, acting in that capacity in respect of both Defendants comprising Lendlease; and
 - b. otherwise deny the paragraph.
- 12 In answer to paragraph 12 of the ACCLS, ~~T~~he Defendants ~~admit paragraph 12 of the CLS;~~
- a. admit that on and from about March 2015 to about April 2017, Connor was the Lendlease Managing Director of Building Australia;
 - b. say that, on and from about April 2017 to at least 8 November 2018, Connor was the Lendlease Chief Executive Officer of Building Australia; and
 - c. otherwise deny the paragraph.
- 13 In answer to paragraph 13 of the ACCLS, ~~T~~he Defendants ~~admit paragraph 13 of the CLS and say further that, on and from about mid-September 2018 until early December 2018, Dekker was also the Lendlease Chief Executive Officer of Engineering and Services Australia;~~

- a. admit the allegations in subparagraphs (a) and (b); and
- b. otherwise deny the paragraph.

14 In answer to paragraph 14 of the ACCLS, the Defendants:

- a. admit ~~say~~ that on and from about January 2016 until about mid-September 2018, Laslett was the Lendlease Chief Executive Officer of Engineering ~~Australia~~ and Services Australia; and
- b. otherwise deny the paragraph.

15 In answer to paragraph 15 of the ACCLS, the Defendants:

- a. admit ~~say~~ that on and from about October 2017, Letton was the Lendlease Chief Financial Officer of Engineering and Services Australia; and
- b. otherwise deny the paragraph.

15A In answer to paragraph 15A of the ACCLS, the Defendants:

- a. admit that on and from about October 2016 to at least 8 November 2018, Mason was the Head of Operational Risk for Lendlease; and
- b. otherwise deny the paragraph.

16 In answer to paragraph 16 of the ACCLS, the Defendants:

- a. say that, on 13 February 2020, the Defendants (by their solicitors) made a request for further and better particulars of ~~the~~ paragraph 16 of the Plaintiffs' Consolidated Commercial List Statement filed on 24 December 2019;
- b. say that, on 20 February 2020, the Plaintiffs (by their solicitors) responded to the request for further and better particulars of ~~the~~ paragraph 16 of the Plaintiffs' Consolidated Commercial List Statement filed on 24 December 2019 and:
 - i. confirmed that the paragraph was intended to allege that, by reason of the definition of "aware" in ASX Listing Rule 19.12, information of which (relevantly) any of ~~Crawford~~, McCann, Gupta, Wilson, Connor, Dekker, Laslett and Letton became aware, or which ought reasonably to have come into their possession in the course of the performance of their respective duties as officers of Lendlease, was in turn information of which Lendlease was aware;

- ii. said that it is alleged that (relevantly) Crawford and McCann were
~~“officers”~~ was an “officer” of the Defendants (within the meaning of the
 ASX Listing Rules) because ~~Crawford and McCann were~~ was a
 directors of the Defendants;
- iii. said that it is alleged that Gupta and Wilson were “officers” of the
 Defendants (within the meaning of the ASX Listing Rules) because, in
 their respective roles, they:
 - 1. made, or participated in making, decisions that affected the
 whole, or a substantial part, of the business of the Defendants;
 and/or
 - 2. had the capacity to affect significantly the Defendants’ financial
 standing; and
- iv. said that it is alleged that Connor, Dekker, Laslett and Letton were
 “officers” of the Defendants (within the meaning of the ASX Listing
 Rules) because, in their respective roles, they:
 - 1. made, or participated in making, decisions that affected a
 substantial part of the business of the Defendants; and/or
 - 2. had the capacity to affect significantly the Defendants’ financial
 standing;
- c. ~~having regard to the particulars of the paragraph referred to in subparagraph~~
~~(b) herein: i. deny that any information of which Dekker, Laslett, Wilson,~~
 Connor, Mason or Letton became aware, or which ought to have come into
 their possession in the course of the performance of their respective duties,
 was necessarily information of which the Defendants were aware; ~~and~~
- d. ~~ii. deny that Dekker, Laslett, Wilson, Connor, Mason and Letton were “officers”~~
 of the Defendants within the meaning of the ASX Listing Rules or the
Corporations Act; and
- e. ~~do otherwise do not admit the paragraph.~~

B.3 Lendlease’s business

17 The Defendants admit paragraph 17 of the ACCLS.

18 On the basis that “all material times” refers to the period 17 October 2017 to 8
 November 2018 (inclusive), the Defendants admit paragraph 18 of the ACCLS.

19 The Defendants admit paragraph 19 of the ACCLS.

20 The Defendants admit paragraph 20 of the ACCLS.

21 [Not used] In answer to paragraph 21 of the CLS, the Defendants:

- a. ~~say that during the 21 February 2018 Call, McCann stated that “We identified the problems with these projects in the normal course of business, during their regular review cycles”;~~
- b. ~~say that during the 22 August 2018 Call, in response to a question from Rob Freeman of Macquarie, McCann stated that “We do continue, as you’ve rightly said, to assess [the projects] on an ongoing basis. What we’ve tried to capture is our expectation of both program and cost outcomes over the life of those projects”;~~
- c. ~~say that during the 9 November 2018 Call, McCann stated that “we conduct reviews on a very regular basis”; and~~
- d. ~~otherwise deny the paragraph.~~

22 In answer to paragraph 22 of the ACCLS, the Defendants:

- a. admit subparagraph (a);
- b. deny subparagraph (b); on the basis that the “Revenue” and “EBITDA” percentages in the table in subparagraph (b) exclude Lendlease’s total “Corporate” revenue and EBITDA for FY15, FY16, FY17 and FY18, admit subparagraph (b); and
- c. [Not used] ~~say that subparagraph (c) is embarrassing as it does not identify with sufficient specificity what is meant by “any significant increase” and a “material adverse impact”;~~
- d. [Not used] ~~say that by their letter dated 20 February 2020, the Plaintiffs (by their solicitors) responded to the Defendants’ (by their solicitors) request for further and better particulars and said that the phrases “any significant increase” and “material adverse impact” in subparagraph (c) had their “ordinary meaning”;~~
- e. [Not used] ~~say that the response to the request for particulars referred to in subparagraph (d) herein does not cure the embarrassing nature of the pleading referred to in subparagraph (c) herein;~~

f. ~~under the cover of that objection,~~ say further that:

- i. in the Defendants' Appendix 4D and Half Year Consolidated Financial Report dated 21 February 2018 at page 9, it was reported that the Defendants' Engineering Business contributed to 17% of the half year revenue generated by the Defendants' construction segment;
 - ii. in the Defendants' 2018 Annual Report dated 22 August 2018 at page 78, it was reported that the Defendants' Engineering Business contributed to 19% of the full year revenue generated by the Defendants' construction segment;
 - iii. in the Defendants' 2018 Annual Report dated 22 August 2018 at page 73, it was reported that 6% of the operating earnings before interest, tax, depreciation and amortization for the Lendlease group of companies was attributable to the construction segment;
 - iv. in the Defendants' Appendix 4D and Half Year Consolidated Financial Report dated 27 February 2017 at page 10, it was reported that the Defendants' Engineering Business contributed to 13% of the half year revenue generated by the Defendants' construction segment;
 - v. in the Defendants' 2017 Annual Report dated 28 August 2017 at page 70, it was reported that the Defendants' Engineering Business contributed to 14% of the full year revenue generated by the Defendants' construction segment; and
 - vi. in the Defendants' 2017 Annual Report dated 28 August 2017 at page 65, it was reported that 24% of the operating earnings before interest, tax, depreciation and amortization for the Lendlease group of companies was attributable to the construction segment; and
- g. otherwise deny the paragraph.

C RELEVANT PUBLICATIONS, ANNOUNCEMENTS AND DISCLOSURES

C.1 17 October 2017

23 The Defendants admit paragraph 23 of the ACCLS.

24 In answer to paragraph 24 of the ACCLS, the Defendants:

- a. admit that, by the 17 October 2017 Announcement, they made the statements set out in subparagraphs (a), (b) and (c); and

- b. ~~[Not used] deny that they made the statement set out in subparagraph (b) and say that in the 17 October 2017 Announcement they made the statement that the FY18 EBITDA contribution from the Australian construction business was expected to be lower than the prior corresponding period; and~~
- c. refer to and rely on the 17 October 2017 Announcement for its full force and effect.

C.2 17 November 2017

25 The Defendants admit paragraph 25 of the ACCLS and say further that, on 17 November 2017, they released to the market the addresses of the Chairman and Group CEO and Managing Director to be made at the 2017 AGM with the accompanying slide presentation (the **17 November 2017 Presentation**).

26 In answer to paragraph 26 of the ACCLS, the Defendants:

- a1. in respect of the statement at subparagraph (a1), admit that at the 2017 AGM, McCann stated that “We differentiate ourselves from peers through our financial strength and strong track record. The integrated model means that at least two of our operating segments of Development, Construction and Investments are working together on a project”;
- a2. in respect of the statement at subparagraph (a2), admit that at the 2017 AGM, McCann stated that “In combination, our three segments become more powerful and, in our view, provide a sustainable competitive advantage. To be the best at what we do we need the best origination, delivery, funding and management capabilities. That’s why we believe having the three segments operating in unison is so important. And this is what underpins our ability to drive long-term securityholder value”;
- a. in respect of the statements at subparagraphs (a) and (b), admit that at the 2017 AGM, McCann stated that “while the medium-term outlook for transport infrastructure activity in Australia continues to look positive, [Lendlease] recently announced there were some challenges in a small number of engineering projects. This will impact the earnings contribution from our construction segment in FY18. We expect this underperformance will be offset by outperformance in other parts of [Lendlease’s] business. Our diversification by both sector and geography ensures our business model is more resilient to market cycles and operational challenges”;

b. in respect of the statements at subparagraphs (c) and (d), admit that in response to a question from a holder of Securities and a representative of the Australian Shareholders Association, McCann stated that:

- i. “The projects which have underperformed in that [~~the Engineering Business~~] business for [Lendlease] this year are a combination of projects, and the factors that have impacted are mispricing of some of the risk issues that emerge during the delivery of those projects. However, the good news is that our diversified business model means that the outperformance in a number of our other businesses will absorb, in our view, the underperformance in that [~~the Engineering Business~~] business”; and
- ii. “We need to make sure that going forward our approach to risk management and pricing in that [~~the Engineering Business~~] business is best in class. We’ve made significant changes to our senior management team in that business and we’re cautious and conservative in our approach both to selecting projects that we bid for and in the analysis of the pricing of those projects. So certainly, our intention and securityholders’ expectation should be for improved performance in that business going forward”;

c1. say further that the statements referred to in subparagraphs (a1) and (a2) herein were set out in the transcript of the 2017 AGM at page 3;

- c. say further that the statement referred to in subparagraph (a) herein was also set out in the 17 November 2017 Presentation at pages 18-19;
- d. say further that at the 2017 AGM, McCann also stated that “these projects can, however, be risky, and there are a number of issues that you need to manage in the delivery and execution of those projects. In pricing those projects, often they are in a very competitive bidding environment where you need to estimate both program and price upfront”;
- e. refer to and rely on the transcript of the 2017 AGM and the 17 November 2017 Presentation for their full force and effect; and
- f. otherwise deny the paragraph.

C.3 21 February 2018

27 In answer to paragraph 27 of the ACCLS, the Defendants:

- a. admit subparagraph (a);
- b. in respect of subparagraph (b), admit that on 21 February 2018 they made an announcement to the ASX entitled “Lendlease Group Half Year 2018 Results Announcement, Presentation and Appendix” for their results for the half year ended 31 December 2017;
- c. in respect of subparagraph (c), admit that on 21 February 2018 they convened the 21 February 2018 Call, but do not admit that they convened the call in a manner likely to bring things said during it to the attention of the market of investors and potential investors in the Securities and/or ADRs; and
- d. otherwise deny the paragraph.

28 In answer to paragraph 28 of the ACCLS, the Defendants:

- a. in respect of the statement at subparagraph (a):
 - i. admit that the 1H18 Financial Report stated at page 9 that “The Construction segment delivered an EBITDA loss of \$26.1 million, compared to an EBITDA profit of \$170.2 million in the prior corresponding period”;
 - ii. admit that the 21 February 2018 Announcement at slide 38 referred to an “EBITDA loss of \$26.1 million” in the Construction segment, with the “Comparative period [being] the half year ended 31 December 2016 (the prior corresponding period)”;
 - iii. admit that in the 21 February 2018 Call, Gupta stated that “The Construction segment delivered an EBITDA loss of \$26.1 million, driven by a small number of underperforming Engineering projects that Steve [McCann] has discussed. We acknowledge this is a disappointing result. The financial impact this period includes the reversal of previously booked margin and recognition of expected losses until the projects complete”;
- b. in respect of the statement at subparagraph (b):
 - i. admit that the 1H18 Financial Report stated at page 9 that “The result was impacted by the underperformance of a small number of Engineering projects in Australia”;

- ii. admit that the 21 February 2018 Announcement at slide 38 stated that the EBITDA loss in the construction segment was “impacted by a small number of underperforming engineering projects” in Australia and that the “HY18 EBITDA included the reversal of previously booked margin and recognition of expected losses”; ~~and~~
 - iii. admit that in the 21 February 2018 Call, the statement referred to in subparagraph (a)(iii) herein was made by Gupta; and
 - iv. admit that in the 21 February 2018 Call, McCann made the statement referred to in subparagraph (e)(ii) herein:
- c. in respect of the statement at subparagraph (c):
 - i. admit that the 1H18 Financial Report stated at page 9 that “The EBITDA outcome was below the target EBITDA margin range of three to four per cent”; and
 - ii. admit that in the 21 February 2018 Call, Gupta stated that “In terms of EBITDA mix, the loss in the Construction segment has pushed each of the segments outside of their respective ranges...The Construction EBITDA margin is clearly well below the target range of 3-4 per cent”;
- d. in respect of the statement at subparagraph (d):
 - i. admit that the 21 February 2018 Announcement at slide 38 of the Appendix stated that in the construction segment in Australia there was an “EBITDA loss of \$66.1 million” and that “EBITDA [was] impacted by a small number of underperforming projects”; and
 - ii. admit that on the 21 February 2018 Call, McCann stated that “Moving to our Construction segment on slide 18. A \$66 million EBITDA loss for the Australian Construction business, compared to an EBITDA profit of almost \$100 million in the prior corresponding period was due to deterioration in the performance of the Construction segment”;
- e. in respect of the statement at subparagraph (e):
 - i. admit that the 1H18 Financial Report stated at page 9 that “Performance issues across a small number of Engineering projects were identified during the period. These projects are all at least 50 per cent complete. The impact of expected losses on these projects has been recognised in the result for the period, including the reversal of

previously booked margin. These projects will not contribute to margin for the remaining lives of the projects and will therefore impact the overall EBITDA margin of the segment until they complete”; and

- ii. admit that in the 21 February 2018 Call, McCann stated:

“Moving to slide 8, I’ll address the challenges facing our Engineering business. The underperformance in a small number of projects has resulted in a loss for the Construction segment in the half. We are very disappointed in the outcome and are acutely aware of the impact this has had on market confidence. To that end, we are focused on addressing these issues.

We identified the problems with these projects in the normal course of business, during their regular review cycles. We subsequently undertook a review of the Engineering portfolio to confirm that these problems were isolated and not more widespread”,

and say that in the 21 February 2018 Call, McCann also stated in response to a question from an analyst:

“...we have taken a very material provision against future performance of those projects. And we’ve done that, as I’ve said, from a bottom-up analysis. We don’t disclose it on a project-by-project basis, whether we’re outperforming or underperforming. And over the life of those projects, there are always variations in performance in both directions. We have over 300 projects globally, so breaking them down on a project-by-project basis in these circumstances is just not the way that we are going to report.

But what we can say is that we are obviously trying to make sure that we’ve been prudent. We don’t have a crystal ball. But we do have quite a lot of productivity data and we have a pretty good handle on where we’re at today on those projects. We expect that our shareholders would like to make sure that we don’t have repeated provisioning and we’ve approached it in that way.

The Building revenue we have said before was about \$2 billion in the period. So you can factor in the margin on that when you do your calculation, which take your own view on the provisioning. But in terms of the health of provisioning, we've done our very best to make sure that it's the right number";

f. in respect of the statement at subparagraph (f):

- i. admit that in the 1H18 Financial Report, the statement referred to in subparagraph (e)(i) herein was made;
- ii. admit that the 21 February 2018 Announcement at slide 8 stated in respect of the Engineering Business that the "near term focus" was:

"Small number of underperforming projects:

- The HY18 EBITDA includes the reversal of previously booked margin and recognition of expected losses
- These projects are all at least 50% complete
- Margin impact until completion

Issues are project specific:

- Primarily logistics and geotechnical"; and

- iii. admit that in the 21 February 2018 Call, McCann stated that "The underperforming projects are all at least 50 per cent complete. We do not expect these projects will contribute to margin for their remaining lives and will therefore dampen the overall construction margin until they complete. The revenue backlog associated with the underperforming projects accounts for 20 per cent of the total Engineering backlog – as highlighted in the chart" (referring to slide 8 of the 21 February 2018 Announcement);

g. in respect of the statement at subparagraph (g):

- i. admit that the 1H18 Financial Report made the statement referred to in subparagraph (e)(i) herein;
- ii. admit that the 21 February 2018 Announcement at slide 8 made the statement referred to in subparagraph (f)(ii) herein; and

- iii. admit that in the 21 February 2018 Call, Gupta made the statement referred to in subparagraph (a)(iii) herein;
- h. in respect of the statement at subparagraph (h):
 - i. admit that the 1H18 Financial Report made the statement referred to in subparagraph (e)(i) herein;
 - ii. admit that the 21 February 2018 Announcement at slide 8 made the statement referred to in subparagraph (f)(ii) herein; and
 - iii. admit that in the 21 February 2018 Call, Gupta made the statement referred to in subparagraph (a)(iii) herein;
- i. in respect of the statement at subparagraph (i):
 - i. admit that the 21 February 2018 Announcement at slide 8 made the statement referred to in subparagraph (f)(ii) herein; and
 - ii. admit that in the 21 February 2018 Call, McCann stated that “We identified the problems with these projects in the normal course of business, during their regular review cycles. We subsequently undertook a review of the Engineering portfolio to confirm that these problems were isolated and not more widespread. The issues are project specific and largely relate to logistical and geotechnical challenges which have a cascading impact on program and cost. These projects were bid and won in a competitive pricing environment. We are now more selective and disciplined in our bid strategy and place greater focus on the set-up phase of new projects. We believe this will be reflected in an improved performance in the new work we have won more recently”;
- j. in respect of the statement at subparagraph (j), admit that in the 21 February 2018 Call, Gupta stated, in response to a question from Ben Brayshaw from JP Morgan, that the Defendants had “reversed prior margin booked on the projects. We have looked at the rest of the life forecast for these projects, allowed for prudent contingencies and we’ve booked that forecast into the half year result”;
- k. in respect of the statement at subparagraph (k), admit that the 1H18 Financial Report at pages 1 and 3 made the statement ~~referred to in subparagraph (k);~~ that group profit after tax for the six months ended 31 December 2017 was

\$425.7 million (\$425.6 million attributable to security holders), which was an improvement of approximately 8% compared to the six months ended 31 December 2016:

- l. in respect of the statement at subparagraph (l), admit that the 1H18 Financial Report at page 3 made the statement referred to in subparagraph (l);
- m. in respect of the statement at subparagraph (m), admit that the 1H18 Financial Report at page 3 made the statement referred to in subparagraph (m);
- n. in respect of the statement at subparagraph (n), say that in the 1H18 Financial Report at page 25, it is stated that:

“In the opinion of the Directors of Lendlease Corporation Limited (the Company):

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the financial position of the Company as at 31 December 2017 and of its performance for the half year ended on that date”;

- o. in respect of the statement at subparagraph (o), say that in the 1H18 Financial Report at page 25, it is stated that:

“In the opinion of the Directors of Lendlease Corporation Limited (the Company):

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:

[...]

b. Complying with Australian Accounting Standards AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*”;

- p1. in respect of the statement at subparagraph (p), say that in the 21 February 2018 Call at page 3, McCann stated that “We identified the problems with these projects in the normal course of business, during their regular review cycles. We subsequently undertook a review of the Engineering portfolio to confirm that these problems were isolated and not more widespread”;

- p. say further that the 21 February 2018 Announcement included the following statement: “prospective financial information and forward looking statements, if any, have been based on current expectations about future events and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations expressed in, or implied from such information or statements”;
- q. refer to and rely on the 1H18 Financial Report, the 21 February 2018 Announcement and the 21 February 2018 Call for their full force and effect; and
- r. otherwise deny the paragraph.

C.4 22 August 2018

29 In answer to paragraph 29 of the ACCLS, the Defendants:

- a. admit subparagraph (a);
- b. admit subparagraph (b); and
- c. in respect of subparagraph (c), admit that they convened the 22 August 2018 Call, but do not admit that they convened the call in a manner likely to bring things said during it to the attention of the market of investors and potential investors in the Securities and/or ADRs.

30 In answer to paragraph 30 of the ACCLS, the Defendants:

- a. in respect of the statement at subparagraph (a), admit that the FY18 Annual Report stated at page 78 that “The Construction segment delivered an EBITDA of \$78.2 million, compared to \$338.3 million in the prior year”;
- b. in respect of the statement at subparagraph (b), admit that the FY18 Annual Report stated at page 78 that “Australian Construction delivered an EBITDA loss of \$23.1 million, impacted by weak performance in the Engineering business”;
- c. in respect of the statement at subparagraph (c):
 - i. admit that the 22 August 2018 Announcement at slide 10 of the FY18 financial results presentation stated that there was a “\$218m loss from Engineering and Services; solid Building performance”; and

- ii. admit that in the 22 August 2018 Call, Gupta stated that “The EBITDA loss from our Engineering and Services operations was \$218 million. This result includes the financial impact of the underperformance from a small number of Engineering projects. It also includes the second half impact of a negative outcome from a claim in the Services business that relates to a project completed in 2014”;
- d. in respect of the statement at subparagraph (d), admit that the 22 August 2018 Announcement at slide 41 of the FY18 financial results presentation stated under the heading “Construction FY18 – Drivers – Australia” that:
 - i. “FY18 Engineering and Services EBITDA includes the reversal of previously booked margin and recognition of expected losses on underperforming projects”; and
 - ii. “Services solid underlying performance but impact from adverse dispute outcome on a legacy project”;
- e. in respect of the statement at subparagraph (e):
 - i. admit that in the 22 August 2018 Call, Gupta made the statement referred to in subparagraph (c)(ii) herein; and
 - ii. admit that in the 22 August 2018 Call, McCann stated:

“Moving on to our Construction segment on slide 18.

The Construction segment returned to profitability in the second half of the year with EBITDA of \$104.3 million. As I noted earlier, the financial performance of our Engineering and Services business was not where it needs to be. We are working hard to drive improvement.

While it is our policy not to comment on individual projects, our client Transurban noted at their results that the timeframe of NorthConnex is under review. I confirm that NorthConnex was one of the Engineering projects that we identified as underperforming and subsequently informed the market about in October last year. The issues noted last year included logistical and geotechnical challenges, both of which have been experienced on NorthConnex.

The financial result of the Engineering & Services business that Tarun [Gupta] addressed, incorporates the anticipated cost for completing NorthConnex, with the overall position broadly in line with our assessment at the half year”;

- f. in respect of the statement at subparagraph (f), admit that in the 22 August 2018 Call, McCann made the statement referred to in subparagraph (e)(ii) herein;
- g. in respect of the statement at subparagraph (g):
 - i. admit that the 22 August 2018 Announcement at slide 41 of the FY18 financial results presentation made the statement referred to in subparagraph (d)(ii) herein; and
 - ii. admit that in the 22 August 2018 Call:
 - 1. Gupta made the statement referred to in subparagraph (c)(ii) herein; and
 - 2. in response to a question from Rob Freeman of Macquarie, McCann stated that “A claim Rob that related back to 2014. There was a reliance in our numbers back then which then went through a litigation process and the outcome was negative and it was in the second half. It took us a bit by surprise, but that’s impacted the performance in the second half of the year”;
- h. in respect of the statement at subparagraph (h):
 - i. admit that the 22 August 2018 Announcement at slide 41 of the FY18 financial results presentation stated that “Underperforming projects will not contribute to margin for their remaining life and will therefore impact the overall construction margin until they complete”; and
 - ii. admit that in the 22 August 2018 Call, McCann said in response to a question from Rob Freeman of Macquarie that “the projects that we’ve written down won’t contribute to margin going forward, which is why we’ve also said you’ve got to factor in a drag in FY19 because of that impact. We’ve made our own assessment. I think I said before there’s still two years to go. Don’t read anything into that timeframe. What I

mean is we've got two more financial years of those projects to run through";

- i. in respect of the statement at subparagraph (i), admit that in the 22 August 2018 Call, McCann stated that "The financial result of the Engineering & Services business that Tarun [Gupta] addressed, incorporates the anticipated cost for completing NorthConnex, with the overall position broadly in line with our assessment at the half year";
- j. in respect of the statement at subparagraph (j), admit that in the 22 August 2018 Call, McCann made the statement referred to in subparagraph (i) herein;
- k. in respect of the statement at subparagraph (k):
 - i. say that in the 22 August 2018 Announcement at slide 18, it is stated that "FY19 margin suppressed by underperforming projects not contributing to margin, new work not reaching 20% complete and elevated bid and overhead costs"; and
 - ii. say that in the 22 August 2018 Call, Gupta stated that "The FY19 margin will be suppressed by the underperforming projects not contributing margin, recently secured projects not reaching 20 per cent complete, which is when we book margin, and elevated bid and overhead costs as we prepare for greater activity in the Engineering business";
- l. in respect of the statement at subparagraph (l), say that in the Financial Results annexed to the 22 August 2018 Announcement at slide 6, the Portfolio Management Framework is set out stating "Target Returns" as "Construction EBITDA margin 3-4%";
- m. in respect of the statement at subparagraph (m):
 - i. repeat subparagraphs (c) to (l) herein; and
 - ii. otherwise do not admit that the statements referred to in subparagraphs (c) to (l) herein implied the statement pleaded in subparagraph (m);
- n. in respect of the statement at subparagraph (n):
 - i. repeat subparagraphs (c) to (m) herein; and

- ii. otherwise do not admit that the statements referred to in subparagraphs (c) to (l) herein, together with the alleged implied statement in subparagraph (m), implied the statement pleaded in subparagraph (n);
- o. in respect of the statement at admit subparagraph (o), admit that the FY18 Annual Report at pages 72, 141 and 142 made the statement that profit after tax for the full year ended 30 June 2018 was \$793.6 million, which was an improvement of approximately 5% compared to the twelve months ended 30 June 2017;
- p. admit subparagraph (p);
- q. admit subparagraph (q);
- r. in respect of the statement at subparagraph (r), say that in the FY18 Annual Report at page 196, it is stated that:

“In the opinion of the Directors of Lendlease Corporation Limited (the Company):

1. The financial statements and notes and the remuneration disclosures contained in the Remuneration Report in the Directors’ Report are in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the financial position of the Company and Consolidated Entity as at 30 June 2018 and of their performance for the financial year ended on that date”;

- s. in respect of the statement at subparagraph (s), say that in the FY18 Annual Report at page 196, it is stated that:

“In the opinion of the Directors of Lendlease Corporation Limited (the Company):

1. The financial statements and notes and the remuneration disclosures contained in the Remuneration Report in the Directors’ Report are in accordance with the *Corporations Act 2001*, including:

[...]

b. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

- t. say further that the 22 August 2018 Announcement included the statement that “Prospective financial information and forward looking statements, if any, have been based on current expectations about future events and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations expressed in, or implied from such information or statements”;
- u. refer to and rely on the FY18 Annual Report, the 22 August 2018 Announcement and the 22 August 2018 Call for their full force and effect; and
- v. otherwise deny the paragraph.

C.5 9 November 2018

31 In answer to paragraph 31 of the ACCLS, the Defendants:

- a. admit subparagraph (a); and
- b. in respect of subparagraph (b), admit that they convened the 9 November 2018 Call, but do not admit that they convened the call in a manner likely to bring things said during it to the attention of the market of investors and potential investors in the Securities and/or ADRs.

32 In answer to paragraph 32 of the ACCLS, the Defendants:

- a. in respect of the statement at subparagraph (a):
 - i. admit that the 9 November 2018 Announcement stated that “Lendlease announces that it has identified further underperformance in the financial position of its Engineering and Service Business”; and
 - ii. admit that in the 9 November 2018 Call, McCann stated that “today we announced we have identified further underperformance in the financial position of our Engineering and Services Business”;
- b. in respect of the statement at subparagraph (b):
 - i. admit that the 9 November 2018 Announcement stated that “To account for this underperformance it is anticipated Lendlease will take a provision in the order of \$350 million after tax for 1H19”; and

- ii. admit that in the 9 November 2018 Call, McCann stated that “We expect to take a provision of approximately \$350 million after tax in our Engineering and Services business for first half 2019 resulting predominately from further underperformance in a small number of projects. These were the projects that we had previously identified as having underperformance”;
- c. in respect of the statement at subparagraph (c):
 - i. admit that the 9 November 2018 Announcement stated that “This underperformance predominantly relates to further deterioration in the small number of projects previously identified”; and
 - ii. admit that in the 9 November 2018 Call, McCann made the statement referred to in subparagraph (b)(ii) herein;
- d. in respect of the statement at subparagraph (d):
 - i. admit that the 9 November 2018 Announcement stated that “This [underperformance of the Engineering Business] is attributed to a number of issues including lower productivity in the post tunnelling phases of NorthConnex; and excessive wet weather, access issues and remedial work arising from defective design on other projects”; and
 - ii. admit that in the 9 November 2018 Call, McCann stated that “The underperformance is attributed to a number of issues including lower productivity in the post tunnelling phases of NorthConnex. It also relates to excessive wet weather, access issues and remedial work arising from defective design on other projects”;
- e. in respect of the statement at subparagraph (e), admit that the 9 November 2018 Announcement stated that “Lendlease is undertaking a comprehensive review of the Engineering and Services Business in light of this underperformance”;
- f. admit subparagraph (f);
- g. admit subparagraph (g);
- h. in respect of the statement at subparagraph (h), admit that during the 9 November 2018 Call, McCann stated that “Obviously we conduct reviews on a

very regular basis and as we have uncovered problems here we have come to the market straight away and advised you of what we have uncovered”;

- i. in respect of the statement at subparagraph (i), admit that during the 9 November 2018 Call, McCann stated that “we’ve got to make sure that we maintain a rigorous risk management process and oversight of projects”; and

j1. refer to and rely on the 9 November 2018 Announcement and the 9 November 2018 Call for their full force and effect; and

- j. otherwise deny the paragraph.

C.6 Price effect of the 9 November 2018 Announcement and/or 9 November 2018 Call

33 In answer to paragraph 33 of the ACCLS, the Defendants:

- a. admit that the price of the Securities fell over the period identified, as particularised in paragraph (1) of the particulars to paragraph 33 of the ACCLS;
- b. admit that the price of the ADRs fell over the period identified, as particularised in subparagraphs (2)(a) and (b) of the particulars to paragraph 33 of the ACCLS;
- c. ~~deny subparagraph (2)(c) of the particulars to paragraph 33 of the CLS, and say~~ admit that the price of the ADRs fell from a closing price of \$9.48 on 12 November 2018 to a closing price of \$9.34 on 13 November 2018, as particularised in subparagraph 2(c) of the particulars to paragraph 33 of the ACCLS; and
- d. otherwise do not admit the paragraph.

C.7 16 November 2018

34 The Defendants admit paragraph 34 of the ACCLS.

35 In answer to paragraph 35 of the ACCLS, the Defendants:

- a. in respect of the statement at subparagraph (a), admit that at the 2018 AGM, McCann stated that “I want to provide some further information regarding the provision and the Engineering business. Approximately 90 per cent of the \$350 million post tax provision relates to three projects. These projects also impacted the FY18 results”;

- b. in respect of the statement at subparagraph (b), admit that at the 2018 AGM, McCann stated that “Further deterioration on NorthConnex and two other projects was identified during reviews completed last week. Due to client confidentiality and commercial considerations, we are unable to name the latter two projects... NorthConnex is approximately 65 per cent complete. The tunnel boring phase is now complete and was delivered at a cost within the range estimated in our previous provision. Unfortunately, productivity rates and costs on recently commenced phases of work have not achieved our estimates and we have now reforecast these costs. We have also reforecast costs arising from an acceleration of the mechanical and electrical works, the final major phase of the NorthConnex project”;
- c. in respect of the statement at subparagraph (c), admit that at the 2018 AGM, McCann stated that “The second project, which is approximately 90 per cent complete, has experienced unforeseen access issues resulting in our team not being able to work the number of hours per month required to finish the project within the forecast program. Associated delays including inclement weather have resulted in higher estimated costs to complete”;
- d. in respect of the statement at subparagraph (d), admit that at the 2018 AGM, McCann stated that “The third project is approximately 75 per cent complete. We have recently identified a defect in the design undertaken by external design consultants. This design defect has meant the work is outside the required tolerances and therefore requires rectification. In addition to the costs of rectification work, this has resulted in increased provision for delay and other ancillary costs”;
- e. refer to and rely on the transcript of the 2018 AGM for its full force and effect; and
- f. otherwise deny the paragraph.

C.8 26 November 2018

- 36 In answer to paragraph 36 of the ACCLS, the Defendants admit that they convened a call with market analysts on 26 November 2018, but do not admit that they convened the call in a manner likely to bring things said during it to the attention of the market of investors and potential investors in the Securities and/or ADRs.

Particulars

1) The Defendants say that the following individuals attended the 26 November 2018 call:

- McCann;
- Gupta;
- Benjamin Brayshaw;
- David Lloyd;
- Michelle Wigglesworth;
- Tony Sherlock;
- Paul Butler;
- Guy Robinson;
- Lou Capparelli;
- David Pace; and
- John Lee.

37 In answer to paragraph 37 of the ACCLS, the Defendants:

- a. in respect of the statement at subparagraph (a), admit that during the 26 November 2018 Call, McCann stated that “As noted at the AGM, approximately 90 per cent of the \$350 million post tax provision relates to the three projects and in the last week, the clients of the two previously unnamed projects have confirmed them and they are Gateway Upgrade North and Kingsford Smith Drive, both in Queensland and of course we’ve already discussed NorthConnex in New South Wales”;
- b. in respect of the statement at subparagraph (b), admit that during the 26 November 2018 Call, McCann stated that “Gateway Upgrade North, which is approximately 90 per cent complete, has experienced unforeseen access issues, which has resulted in our team not being able to work the number of hours per month required to finish the project within the forecast program. Associated delays, including inclement weather, have resulted in higher estimated costs to complete”;
- c. in respect of the statement at subparagraph (c), admit that during the 26 November 2018 Call, McCann stated that “Kingsford Smith Drive, the third

project, is approximately 75 per cent complete. Significant remedial work is required as a result of the identification of a design defect. The council has stated that further works, including ground anchors being drilled up to 15 metres into the underlying bedrock, will be required along the 1.2 kilometre riverfront section, to provide additional support for the structure. In addition to the costs of rectification work, this has resulted in increased provisions for delay and other ancillary costs”;

- d. refer to and rely on the transcript of the 26 November 2018 Call for its full force and effect; and
- e. otherwise deny the paragraph.

C.9 ~~24 and~~ 25 February 2019

38 ~~In answer to The Defendants admit paragraph 38 of the ACCLS, the Defendants:~~

- ~~a. say that they convened a call with market analysts on 25 February 2019 (**25 February 2019 Call**); and~~
- ~~b. otherwise deny the paragraph.~~

39 The Defendants admit paragraph 39 of the ACCLS.

40 In answer to paragraph 40 of the ACCLS, the Defendants:

- a. admit subparagraph (a);
- b. admit subparagraph (b);
- c. admit subparagraph (c);
- d. say in respect of subparagraph (d) that the 25 February 2019 Announcement at page 2 and the 25 February 2019 Presentation at page 5 stated that “These restructuring costs may include implementation costs...”;
- e. say in respect of subparagraph (e) that during the 25 February 2019 Call, McCann stated that “we’ve made an estimate of what we think the total cost of exiting the Engineering and Services business might be, which would include potentially someone stepping into one or more of our contracts and providing whatever assurances that we need to in that process”;
- f. admit subparagraph (f);

- g. on the basis that “Engineering Business Provision” refers to the provision in the order of \$350 million after tax for the six months ending 31 December 2018, the Defendants admit subparagraph (g); ~~and~~

Particulars

- 1) By a letter dated 20 February 2020, the Plaintiffs (by their solicitors) confirmed that the phrase “Engineering Business Provision” refers to the provision in the order of \$350 million after tax for the six months ending 31 December 2018.

h1. refer to and rely on the 25 February 2019 Announcement, 25 February 2019 Presentation and the transcript of the 25 February 2019 Call for their full force and effect; and

- h. otherwise deny the paragraph.

C1 THE TRUE POSITION

C1.1 Gateway Upgrade North

40A In answer to paragraph 40A of the ACCLS, the Defendants:

- a. say that the name of the Lendlease entity that was party to the Design and Construct Deed (**Gateway Upgrade North D&C Deed**) with The State of Queensland (acting through the Department of Transport and Main Roads) for the Gateway Upgrade North project was “Lend Lease Engineering Pty Limited”; and
- b. otherwise admit the paragraph.

40B In answer to paragraph 40B of the ACCLS, the Defendants:

- a. say that the Gateway Upgrade North project involved, in broad terms, among other things, the design and construction of an upgrade of approximately 11.3 kilometres of the Gateway Motorway between Southern Cross Way, Nudgee and the Deagon Deviation, Bracken Ridge;
- b. rely on the full project contract documentation for the complete scope of works; and
- c. subject to subparagraphs (a) and (b) herein, admit the paragraph.

40C In answer to paragraph 40C of the ACCLS, the Defendants:

- a. on the basis that the “start date” refers to the date Lendlease was required to start performing its obligations under the Gateway Upgrade North D&C Deed, admit the paragraph; and
- b. otherwise do not admit the paragraph.

40D In answer to paragraph 40D of the ACCLS, the Defendants:

- a. on the basis that the “original completion date” refers to the original date for completion specified under the Gateway Upgrade North D&C Deed, admit the paragraph; and
- b. otherwise do not admit the paragraph.

40E In answer to paragraph 40E of the ACCLS, the Defendants:

- a. say that the original total contract value for the Gateway Upgrade North project was approximately \$615 million; and
- b. otherwise do not admit the paragraph.

40F The Defendants admit paragraph 40F of the ACCLS.

40G [Not used]

40H The Defendants deny paragraph 40H of the ACCLS and say that, in respect of subparagraph (c), the memorandum titled “Update on Lendlease FY18 forecast position” presented by Gupta to the Lendlease Board on 16 November 2017 recorded on page 1 that the forecast whole of life gross profit margin for the Gateway Upgrade North project as at 17 October 2017 was \$15 million.

40I The Defendants deny paragraph 40I of the ACCLS and say that, in respect of subparagraphs (c) and (d), the memorandum titled “Update on Lendlease FY18 forecast position” presented by Gupta to the Lendlease Board on 16 November 2017 recorded on page 1 that the forecast whole of life gross profit margin for the Gateway Upgrade North project was \$15 million.

40J The Defendants deny paragraph 40J of the ACCLS and say that, in respect of subparagraphs (c) and (d), the memorandum titled “Update on Lendlease FY18 forecast position” presented by Gupta to the Lendlease Board on 20 February 2018 recorded on page 1 that the “LLE HY18 position” for the Gateway Upgrade North project was negative \$17.6 million, with additional provisions “outside LLE” of \$42.7 million, being a “Total HY18 position” of negative \$60.3 million.

40K The Defendants deny paragraph 40K of the ACCLS and say that, in respect of subparagraphs (c) and (d), the “CFO Report” presented by Gupta to the Lendlease Board on 23 May 2018 recorded on page 13 that the forecast whole of life gross profit margin for the Gateway Upgrade North project was negative \$56 million.

40L The Defendants deny paragraph 40L of the ACCLS and say that, in respect of subparagraphs (c) and (d), the “CFO Report” presented by Gupta to the Lendlease Board on 21 August 2018 recorded on page 13 that the forecast whole of life gross profit margin for the Gateway Upgrade North project was negative \$70 million.

40M [Not used]

C1.2 Kingsford Smith Drive Upgrade

40N In answer to paragraph 40N of the ACCLS, the Defendants:

- a. say that the name of the Lendlease entity that was party to the Project Deed (**Kingsford Smith Drive Upgrade Project Deed**) with the Brisbane City Council for the Kingsford Smith Drive Upgrade project was “Lend Lease Engineering Pty Limited”; and
- b. otherwise admit the paragraph.

40O In answer to paragraph 40O of the ACCLS, the Defendants:

- a. say that the Kingsford Smith Drive Upgrade project involved, in broad terms, among other things, a design and construct project to upgrade and widen Kingsford Smith Drive in Brisbane from four lanes to six lanes and involved a mixture of marine, earth and road works;
- b. rely on the full project contract documentation for the complete scope of works; and
- c. subject to subparagraphs (a) and (b) herein, admit the paragraph.

40P In answer to paragraph 40P of the ACCLS, the Defendants:

- a. on the basis that the “start date” refers to the date Lendlease was required to start performing its obligations under the Kingsford Smith Drive Upgrade Project Deed, admit the paragraph; and
- b. otherwise do not admit the paragraph.

40Q In answer to paragraph 40Q of the ACCLS, the Defendants:

- a. on the basis that the “original completion date” refers to the original date for practical completion specified under the Kingsford Smith Drive Upgrade Project Deed, admit the paragraph; and
- b. otherwise do not admit the paragraph.

40R In answer to paragraph 40R of the ACCLS, the Defendants:

- a. say that the original total contract value for the Kingsford Smith Drive Upgrade project was approximately \$440 million; and
- b. otherwise do not admit the paragraph.

40S The Defendants admit paragraph 40S of the ACCLS.

40T [Not used]

40U The Defendants deny paragraph 40U of the ACCLS and say that, in respect of subparagraph (c), the memorandum titled “Update on Lendlease FY18 forecast position” presented by Gupta to the Lendlease Board on 16 November 2017 recorded on page 1 that the forecast whole of life gross profit margin for the Kingsford Smith Drive Upgrade project as at 17 October 2017 was \$0.

40V The Defendants deny paragraph 40V of the ACCLS and say that, in respect of subparagraph (c), the memorandum titled “Update on Lendlease FY18 forecast position” presented by Gupta to the Lendlease Board on 16 November 2017 recorded on page 1 that the forecast whole of life gross profit margin for the Kingsford Smith Drive Upgrade project was \$0.

40W The Defendants deny paragraph 40W of the ACCLS and say that, in respect of subparagraphs (c) and (d), the memorandum titled “Update on Lendlease FY18 forecast position” presented by Gupta to the Lendlease Board on 20 February 2018 recorded on page 1 that the “LLE HY18 position” for the Kingsford Smith Drive Upgrade project was negative \$10 million, with additional provisions “outside LLE” of \$12 million, being a “Total HY18 position” of negative \$22 million.

40X The Defendants deny paragraph 40X of the ACCLS and say that, in respect of subparagraph (c), the “CFO Report” presented by Gupta to the Lendlease Board on 23 May 2018 recorded on page 13 that the forecast whole of life gross profit margin for the Kingsford Smith Drive Upgrade project was negative \$47.8 million.

40Y The Defendants deny paragraph 40Y of the ACCLS and say that, in respect of subparagraph (c), the “CFO Report” presented by Gupta to the Lendlease Board on 21 August 2018 recorded on page 13 that the forecast whole of life gross profit margin for the Kingsford Smith Drive Upgrade project was negative \$47.8 million.

40Z [Not used]

C1.3 NorthConnex

40AA In answer to paragraph 40AA of the ACCLS, the Defendants:

- a. say that the name of the Lendlease entity that was party to the D&C Deed (NorthConnex D&C Deed) with the NorthConnex Company Pty Ltd, NorthConnex State Works Contractor Pty Ltd and Bouygues Construction Australia Pty Ltd for the NorthConnex project was “Lend Lease Engineering Pty Limited”; and
- b. otherwise admit the paragraph.

40AB In answer to paragraph 40AB of the ACCLS, the Defendants:

- a. say that the NorthConnex project involved, in broad terms, among other things, a 50/50 joint venture between Bouygues Construction Australia Pty Ltd and Lend Lease Engineering Pty Limited for the design, construction, completion, operation and maintenance of two new road tunnels approximately nine kilometres in length to be located under Pennant Hills Road and the Northern Railway in Sydney linking the M2 Motorway and the M1 Motorway;
- b. rely on the full project contract documentation for the complete scope of works; and
- c. subject to subparagraphs (a) and (b) herein, admit the paragraph.

40AC In answer to paragraph 40AC of the ACCLS, the Defendants:

- a. on the basis that the “start date” refers to the date the joint venture was required to start performing its obligations under the NorthConnex D&C Deed, admit the paragraph; and
- b. otherwise do not admit the paragraph.

40AD In answer to paragraph 40AD of the ACCLS, the Defendants:

- a. on the basis that the “original completion date” refers to the original date for completion specified under the NorthConnex D&C Deed, admit the paragraph; and
- b. otherwise do not admit the paragraph.

40AE In answer to paragraph 40AE of the ACCLS, the Defendants:

- a. say that the original total contract value for NorthConnex was approximately \$2.5 billion in respect of the joint venture; and
- b. otherwise do not admit the paragraph.

40AF The Defendants admit paragraph 40AF of the ACCLS.

40AG [Not used]

40AH The Defendants deny paragraph 40AH of the ACCLS.

40AI The Defendants deny paragraph 40AI of the ACCLS.

40AJ The Defendants deny paragraph 40AJ of the ACCLS.

40AK The Defendants deny paragraph 40AK of the ACCLS.

40AL The Defendants deny paragraph 40AL of the ACCLS.

C1.4 Inadequate provisions

40AM The Defendants deny paragraph 40AM of the ACCLS and repeat paragraphs 40F, 40H to 40L, 40S, 40U to 40Y, 40AF and 40AH to 40AL herein.

40AN The Defendants deny paragraph 40AN of the ACCLS and repeat paragraphs 40F, 40H, 40S, 40U, 40AF, 40AH, 40AI and 40AM herein.

40AO The Defendants deny paragraph 40AO of the ACCLS and repeat paragraphs 40F, 40H, 40I, 40S, 40U, 40V, 40AF, 40AH, 40AI and 40AM herein.

40AP The Defendants deny paragraph 40AP of the ACCLS and repeat paragraphs 40F, 40H to 40J, 40S, 40U to 40W, 40AF, 40AH to 40AJ and 40AM herein.

40AQ The Defendants deny paragraph 40AQ of the ACCLS and repeat paragraphs 40F, 40H to 40K, 40S, 40U to 40X, 40AF, 40AH to 40AK and 40AM herein.

40AR The Defendants deny paragraph 40AR of the ACCLS and repeat paragraphs 40F, 40H to 40L, 40S, 40U to 40Y, 40AF and 40AH to 40AM herein.

C1.5 Overstated profits

40AS The Defendants deny paragraph 40AS of the ACCLS and repeat paragraphs 40F, 40H to 40J, 40S, 40U to 40W, 40AF, 40AH to 40AJ, 40AM and 40AP herein.

40AT The Defendants deny paragraph 40AT of the ACCLS and repeat paragraphs 40F, 40H to 40L, 40S, 40U to 40Y, 40AF, 40AH to 40AM and 40AR herein.

D MISLEADING OR DECEPTIVE CONDUCT ~~Representations made by Lendlease~~

D.1 Representations made on 17 November 2017

41 In answer to paragraph 41 of the ACCLS, the Defendants:

- a. repeat paragraphs 25 and 26 herein;
- b. deny that they made the 17 November 2017 Representations as pleaded in paragraph 41 of the ACCLS; and
- c. say further and in the alternative that, to the extent the Defendants made the 17 November 2017 Representations (which is denied), and the ~~2017~~17 November 2017 Representations were representations as to future matters, the Defendants had reasonable grounds for making them;
- d. say further and in the alternative that, to the extent the Defendants made the 17 November 2017 Representations (which is denied), and the 17 November 2017 Representations were statements of opinion, the Defendants genuinely held those opinions and had reasonable grounds for them; and
- e. otherwise deny the paragraph.

Particulars of reasonable grounds

- 1) See **Schedule 1** to this Amended Response.

42 In answer to paragraph 42 of the ACCLS, the Defendants:

- a. repeat paragraphs 25, 26 and 41 herein; and
- b. otherwise deny the paragraph.

43 In answer to paragraph 43 of the ACCLS, the Defendants:

- a. repeat paragraphs 25 to 30, 41 and 42 herein; and
- b. otherwise deny the paragraph.

43A In answer to paragraph 43A of the ACCLS, the Defendants:

- a. repeat paragraphs 41 to 43 herein;
- b. admit that to the extent the 17 November 2017 Representations and/or the 17 November 2017 Basis Representations were made or failed to be corrected (which is denied), that conduct was conduct engaged in by the Defendants in trade or commerce, and in relation to the Securities; and
- c. otherwise deny the paragraph.

43B In answer to paragraph 43B of the ACCLS, the Defendants:

- a. repeat paragraphs 40H to 40L, 40U to 40Y, 40AH to 40AR and 41 to 43A herein; and
- b. otherwise deny the paragraph.

43C In answer to paragraph 43C of the ACCLS, the Defendants:

- a. repeat paragraphs 40H to 40L, 40U to 40Y, 40AH to 40AR and 41 to 43B herein; and
- b. otherwise deny the paragraph.

43D In answer to paragraph 43D of the ACCLS, the Defendants:

- a. repeat paragraphs 41 to 43C herein; and
- b. otherwise deny the paragraph.

D.2 ~~Representations~~ Adequate provisions representations made on 21 February 2018

44 In answer to paragraph 44 of the ACCLS, the Defendants:

- a. repeat paragraphs 27 and 28 herein;
- b. deny that they made the Adequate Provisions 21 February 2018 Representations as pleaded in paragraph 44 of the ACCLS; and
- c. say further and in the alternative that, to the extent the Defendants made the Adequate Provisions 21 February 2018 Representations (which is denied),

and the Adequate Provisions 21 February 2018 Representations were representations as to future matters, the Defendants had reasonable grounds for making them-;

- d. say further and in the alternative that, to the extent the Defendants made the Adequate Provisions 21 February 2018 Representations (which is denied), and the Adequate Provisions 21 February 2018 Representations were statements of opinion, the Defendants genuinely held those opinions and had reasonable grounds for them; and
- e. otherwise deny the paragraph.

Particulars of reasonable grounds

1) See **Schedule 2** to this Amended Response.

45 In answer to paragraph 45 of the ACCLS, the Defendants:

- a. repeat paragraphs 27, 28 and 44 herein; and
- b. otherwise deny the paragraph.

46 In answer to paragraph 46 of the ACCLS, the Defendants:

- a. repeat paragraphs 27 to 30, 44 and 45 herein; and
- b. otherwise deny the paragraph.

46A In answer to paragraph 46A of the ACCLS, the Defendants:

- a. repeat paragraphs 44 to 46 herein;
- b. admit that to the extent the Adequate Provisions 21 February 2018 Representations and/or the Adequate Provisions 21 February 2018 Basis Representations were made or failed to be corrected (which is denied), that conduct was conduct engaged in by the Defendants in trade or commerce, and in relation to the Securities; and
- c. otherwise deny the paragraph.

46B In answer to paragraph 46B of the ACCLS, the Defendants:

- a. repeat paragraphs 40H to 40L, 40U to 40Y, 40AH to 40AR and 44 to 46A herein; and
- b. otherwise deny the paragraph.

46C In answer to paragraph 46C of the ACCLS, the Defendants:

- a. repeat paragraphs 40H to 40L, 40U to 40Y, 40AH to 40AR and 44 to 46B herein; and
- b. otherwise deny the paragraph.

46D In answer to paragraph 46D of the ACCLS, the Defendants:

- a. repeat paragraphs 44 to 46C herein; and
- b. otherwise deny the paragraph.

D.2A Financial performance representations made on 21 February 2018

46E In answer to paragraph 46E of the ACCLS, the Defendants:

- a. repeat paragraphs 27 and 28 herein;
- b. deny that they made the Financial Performance 21 February 2018 Representations as pleaded in paragraph 46E of the ACCLS;
- c. say further and in the alternative that, to the extent the Defendants made the Financial Performance 21 February 2018 Representations (which is denied), and the Financial Performance 21 February 2018 Representations were representations as to future matters, the Defendants had reasonable grounds for making them;
- d. say further and in the alternative that, to the extent the Defendants made the Financial Performance 21 February 2018 Representations (which is denied), and the Financial Performance 21 February 2018 Representations were statements of opinion, the Defendants genuinely held those opinions and had reasonable grounds for them; and
- e. otherwise deny the paragraph.

Particulars of reasonable grounds

- 1) See **Schedule 2** to this Amended Response.

46F In answer to paragraph 46F of the ACCLS, the Defendants:

- a. repeat paragraphs 27, 28 and 46E herein; and
- b. otherwise deny the paragraph.

46G In answer to paragraph 46G of the ACCLS, the Defendants:

- a. repeat paragraphs 27 to 30, 46E and 46F herein; and
- b. otherwise deny the paragraph.

46H In answer to paragraph 46H of the ACCLS, the Defendants:

- a. repeat paragraphs 46E to 46G herein;
- b. admit that to the extent the Financial Performance 21 February 2018 Representations and/or the Financial Performance 21 February 2018 Basis Representation were made or failed to be corrected (which is denied), that conduct was conduct engaged in by the Defendants in trade or commerce, and in relation to the Securities; and
- c. otherwise deny the paragraph.

46I In answer to paragraph 46I of the ACCLS, the Defendants:

- a. repeat paragraphs 40H to 40L, 40U to 40Y, 40AH to 40AS and 46E to 46H herein; and
- b. otherwise deny the paragraph.

46J In answer to paragraph 46J of the ACCLS, the Defendants:

- a. repeat paragraphs 40H to 40L, 40U to 40Y, 40AH to 40AS and 46E to 46I herein; and
- b. otherwise deny the paragraph.

46K In answer to paragraph 46K of the ACCLS, the Defendants:

- a. repeat paragraphs 46E to 46J herein; and
- b. otherwise deny the paragraph.

D.3 Representations Adequate provisions representations made on 22 August 2018

47 In answer to paragraph 47 of the ACCLS, the Defendants:

- a. repeat paragraphs 29 and 30 herein;
- b. deny that they made the Adequate Provisions 22 August 2018 Representations as pleaded in paragraph 47 of the ACCLS; and

- c. say further and in the alternative that, to the extent the Defendants made the Adequate Provisions 22 August 2018 Representations (which is denied), and the Adequate Provisions 22 August 2018 Representations were representations as to future matters, the Defendants had reasonable grounds for making them;
- d. say further and in the alternative that, to the extent the Defendants made the Adequate Provisions 22 August 2018 Representations (which is denied), and the Adequate Provisions 22 August 2018 Representations were statements of opinion, the Defendants genuinely held those opinions and had reasonable grounds for them; and
- e. otherwise deny the paragraph.

Particulars of reasonable grounds

1) See **Schedule 3** to this Amended Response.

48 In answer to paragraph 48 of the ACCLS, the Defendants:

- a. repeat paragraphs 29, 30 and 47 herein; and
- b. otherwise deny the paragraph.

49 In answer to paragraph 49 of the ACCLS, the Defendants:

- a. repeat paragraphs 29, 30, 47 and 48 herein; and
- b. otherwise deny the paragraph.

49A In answer to paragraph 49A of the ACCLS, the Defendants:

- a. repeat paragraphs 47 to 49 herein;
- b. admit that to the extent the Adequate Provisions 22 August 2018 Representations and/or the Adequate Provisions 22 August 2018 Basis Representations were made or failed to be corrected (which is denied), that conduct was conduct engaged in by the Defendants in trade or commerce, and in relation to the Securities; and
- c. otherwise deny the paragraph.

49B In answer to paragraph 49B of the ACCLS, the Defendants:

- a. repeat paragraphs 40H to 40L, 40U to 40Y, 40AH to 40AR and 47 to 49A herein; and

- b. otherwise deny the paragraph.

49C In answer to paragraph 49C of the ACCLS, the Defendants:

- a. repeat paragraphs 40H to 40L, 40U to 40Y, 40AH to 40AR and 47 to 49B herein; and
- b. otherwise deny the paragraph.

49D In answer to paragraph 49D of the ACCLS, the Defendants:

- a. repeat paragraphs 47 to 49C herein; and
- b. otherwise deny the paragraph.

D.3A Financial performance representations made on 22 August 2018

49E In answer to paragraph 49E of the ACCLS, the Defendants:

- a. repeat paragraphs 29 and 30 herein;
- b. deny that they made the Financial Performance 22 August 2018 Representations as pleaded in paragraph 49E of the ACCLS;
- c. say further and in the alternative that, to the extent the Defendants made the Financial Performance 22 August 2018 Representations (which is denied), and the Financial Performance 22 August 2018 Representations were representations as to future matters, the Defendants had reasonable grounds for making them;
- d. say further and in the alternative that, to the extent the Defendants made the Financial Performance 22 August 2018 Representations (which is denied), and the Financial Performance 22 August 2018 Representations were statements of opinion, the Defendants genuinely held those opinions and had reasonable grounds for making them; and
- e. otherwise deny the paragraph.

Particulars of reasonable grounds

- 1) See **Schedule 3** to this Amended Response.

49F In answer to paragraph 49F of the ACCLS, the Defendants:

- a. repeat paragraphs 29, 30 and 49E herein; and

- b. otherwise deny the paragraph.

49G In answer to paragraph 49G of the ACCLS, the Defendants:

- a. repeat paragraphs 29, 30, 49E and 49F herein; and
- b. otherwise deny the paragraph.

49H In answer to paragraph 49H of the ACCLS, the Defendants:

- a. repeat paragraphs 49E to 49G herein;
- b. admit that to the extent the Financial Performance 22 August 2018 Representations and/or the Financial Performance 22 August 2018 Basis Representation were made or failed to be corrected (which is denied), that conduct was conduct engaged in by the Defendants in trade or commerce, and in relation to the Securities; and
- c. otherwise deny the paragraph.

49I In answer to paragraph 49I of the ACCLS, the Defendants:

- a. repeat paragraphs 40H to 40L, 40U to 40Y, 40AH to 40AR, 40AT and 49E to 49H herein; and
- b. otherwise deny the paragraph.

49J In answer to paragraph 49J of the ACCLS, the Defendants:

- a. repeat paragraphs 40H to 40L, 40U to 40Y, 40AH to 40AR, 40AT and 49E to 49I herein; and
- b. otherwise deny the paragraph.

49K In answer to paragraph 49K of the ACCLS, the Defendants:

- a. repeat paragraphs 49E to 49J herein; and
- b. otherwise deny the paragraph.

E ~~Continuous disclosure contraventions~~ CONTINUOUS DISCLOSURE CONTRAVENTIONS

E1.1 17 October 2017 Provision Information

49L In answer to paragraph 49L of the ACCLS, the Defendants:

- a. say that the 17 October 2017 Provision Information is in the nature of an opinion or opinions;
- b. say that, on 9 June 2023, the Plaintiffs (by their solicitors) confirmed (among other things) that the Plaintiffs do not claim that any of the persons alleged to have been officers of Lendlease were actually aware of the precise amount of additional provisions for the Engineering Business that would need to be taken as a consequence of the Projects as at 17 October 2017, being the 17 October 2017 Provision Information;
- c. say that the Plaintiffs' case (which is denied) is that each of the persons alleged to have been officers of Lendlease ought to have known and/or ought to have formed an opinion that additional provisions for the Engineering Business would need to be taken as a consequence of the Projects, in the specific terms of the 17 October 2017 Provision Information, being approximately \$415.0 million for the Engineering Business;
- d. say further that, in any event, the basis on which it is alleged that any of persons alleged to have been officers of Lendlease had or reasonably ought to have formed an opinion and/or drawn an inference in the specific terms of the 17 October 2017 Provision Information, as defined in the ACCLS, by the start of the Relevant Period (or at any time during the Relevant Period), is not identified adequately or at all;
- e. say further that the Plaintiffs' case (which is denied) does not identify adequately or at all any basis for the contention that any of Lendlease and/or the persons alleged to have been officers of Lendlease knew, had, or was aware of, the 17 October 2017 Provision Information, as defined in the ACCLS, by the start of the Relevant Period (or at any time during the Relevant Period); and
- f. deny the paragraph.

49M In answer to paragraph 49M of the ACCLS, the Defendants:

- a. repeat paragraph 49L herein;
- b. otherwise deny the paragraph; and
- c. say further that:
 - i. the 17 October 2017 Provision Information was not information of which the Defendants were aware (within the meaning of the ASX

Listing Rules) and hence it was not required to be disclosed under s 674(2) of the Corporations Act;

- ii. if the 17 October 2017 Provision Information was information of which the Defendants were aware (which is denied), the Defendants deny that such 17 October 2017 Provision Information was information that a reasonable person would expect to have a material effect on the price or value of the Securities as pleaded; and
- iii. if the 17 October 2017 Provision Information was information of which the Defendants were aware (which is denied) and the 17 October 2017 Provision Information was information that a reasonable person would expect to have a material effect on the price or value of the Securities (which is also denied), then the 17 October 2017 Provision Information was within an exception to ASX Listing Rule 3.1 provided by ASX Listing Rule 3.1A because:
 - 1. the information as pleaded:
 - a. comprised matters of supposition or was insufficiently definite to warrant disclosure; and/or
 - b. was generated for the internal management purposes of the Defendants;
 - 2. the information was confidential and the ASX had not formed the view that the information had ceased to be confidential; and
 - 3. a reasonable person would not have expected the Defendants to disclose that information,

and accordingly, by virtue of ASX Listing Rule 3.1A, ASX Listing Rule 3.1 did not apply to that information.

49N In answer to paragraph 49N of the ACCLS, the Defendants:

- a. repeat paragraphs 49L and 49M herein; and
- b. otherwise deny the paragraph.

49O In answer to paragraph 49O of the ACCLS, the Defendants:

- a. repeat paragraphs 49L to 49N herein; and

- b. otherwise deny the paragraph.

49P In answer to paragraph 49P of the ACCLS, the Defendants:

- a. repeat paragraphs 49L to 49O herein; and
- b. otherwise deny the paragraph.

E1.2 17 November 2017 Provision Information

49Q In answer to paragraph 49Q of the ACCLS, the Defendants:

- a. say that the 17 November 2017 Provision Information is in the nature of an opinion or opinions;
- b. say that, on 9 June 2023, the Plaintiffs (by their solicitors) confirmed (among other things) that the Plaintiffs do not claim that any of the persons alleged to have been officers of Lendlease were actually aware of the precise amount of additional provisions for the Engineering Business that would need to be taken as a consequence of the Projects as at 17 November 2017, being the 17 November 2017 Provision Information;
- c. say that the Plaintiffs' case (which is denied) is that each of the persons alleged to have been officers of Lendlease ought to have known and/or ought to have formed an opinion that additional provisions for the Engineering Business would need to be taken as a consequence of the Projects, in the specific terms of the 17 November 2017 Provision Information, being approximately \$363.2 million for the Engineering Business;
- d. say further that, in any event, the basis on which it is alleged that any of Lendlease and/or the persons alleged to have been officers of Lendlease had or reasonably ought to have formed an opinion and/or drawn an inference in the specific terms of the 17 November 2017 Provision Information, as defined in the ACCLS, by 17 November 2017 (or at any time during the Relevant Period), is not identified adequately or at all;
- e. say further that the Plaintiffs' case (which is denied) does not identify adequately or at all any basis for the contention that any of Lendlease and/or the persons alleged to have been officers of Lendlease knew, had, or was aware of, the 17 November 2017 Provision Information, as defined in the ACCLS, by 17 November 2017 (or at any time during the Relevant Period); and

- f. deny the paragraph.

49R In answer to paragraph 49R of the ACCLS, the Defendants:

- a. repeat paragraph 49Q herein;
- b. otherwise deny the paragraph; and
- c. say further that:
 - i. the 17 November 2017 Provision Information was not information of which the Defendants were aware (within the meaning of the ASX Listing Rules) and hence it was not required to be disclosed under s 674(2) of the Corporations Act;
 - ii. if the 17 November 2017 Provision Information was information of which the Defendants were aware (which is denied), the Defendants deny that such 17 November 2017 Provision Information was information that a reasonable person would expect to have a material effect on the price or value of the Securities as pleaded; and
 - iii. if the 17 November 2017 Provision Information was information of which the Defendants were aware (which is denied) and the 17 November 2017 Provision Information was information that a reasonable person would expect to have a material effect on the price or value of the Securities (which is also denied), then the 17 November 2017 Provision Information was within an exception to ASX Listing Rule 3.1 provided by ASX Listing Rule 3.1A because:
 1. the information as pleaded:
 - a. comprised matters of supposition or was insufficiently definite to warrant disclosure; and/or
 - b. was generated for the internal management purposes of the Defendants;
 2. the information was confidential and the ASX had not formed the view that the information had ceased to be confidential; and
 3. a reasonable person would not have expected the Defendants to disclose that information.

and accordingly, by virtue of ASX Listing Rule 3.1A, ASX Listing Rule 3.1 did not apply to that information.

49S In answer to paragraph 49S of the ACCLS, the Defendants:

- a. repeat paragraphs 49Q and 49R herein; and
- b. otherwise deny the paragraph.

49T In answer to paragraph 49T of the ACCLS, the Defendants:

- a. repeat paragraphs 49Q to 49S herein; and
- b. otherwise deny the paragraph.

49U In answer to paragraph 49U of the ACCLS, the Defendants:

- a. repeat paragraphs 49Q to 49T herein; and
- b. otherwise deny the paragraph.

E1.3 31 December 2017 Profit Information and 21 February 2018 Provision Information

49V In answer to paragraph 49V of the ACCLS, the Defendants:

- a. say that the 31 December 2017 Profit Information and the 21 February 2018 Provision Information are in the nature of an opinion or opinions;
- b. say that, on 9 June 2023, the Plaintiffs (by their solicitors) confirmed (among other things) that the Plaintiffs do not claim that any of the persons alleged to have been officers of Lendlease were actually aware of the precise amount of additional provisions for the Engineering Business that would need to be taken as a consequence of the Projects as at 21 February 2018, being the 21 February 2018 Provision Information;
- c. say that the Plaintiffs' case (which is denied) is that each of the persons alleged to have been officers of Lendlease ought to have known and/or ought to have formed an opinion that:
 - i. additional provisions for the Engineering Business would need to be taken as a consequence of the Projects, in the specific terms of the 21 February 2018 Provision Information, being approximately \$331.3 million for the Engineering Business; and

- ii. a reduction in published profits was required, in the specific terms of the 31 December 2017 Profit Information, being a reduction in after-tax profits of \$231.9 million;
- d. say further that, in any event, the basis on which it is alleged that any of Lendlease and/or the persons alleged to have been officers of Lendlease had or reasonably ought to have formed an opinion and/or drawn an inference in the specific terms of the 31 December 2017 Profit Information or the 21 February 2018 Provision Information, as defined in the ACCLS, by 21 February 2018 (or at any time during the Relevant Period), is not identified adequately or at all;
- e. say further that the Plaintiffs' case (which is denied) does not identify adequately or at all any basis for the contention that any of Lendlease and/or the persons alleged to have been officers of Lendlease knew, had, or was aware of, the 31 December 2017 Profit Information or the 21 February 2018 Provision Information, as defined in the ACCLS, by 21 February 2018 (or at any time during the Relevant Period); and
- f. deny the paragraph.

49W In answer to paragraph 49W of the ACCLS, the Defendants:

- a. repeat paragraph 49V herein;
- b. otherwise deny the paragraph; and
- c. say further that:
 - i. the 31 December 2017 Profit Information and the 21 February 2018 Provision Information were not information of which the Defendants were aware (within the meaning of the ASX Listing Rules) and hence were not required to be disclosed under s 674(2) of the Corporations Act;
 - ii. if the 31 December 2017 Profit Information or the 21 February 2018 Provision Information was information of which the Defendants were aware (which is denied), the Defendants deny that such 31 December 2017 Profit Information or 21 February 2018 Provision Information was information that a reasonable person would expect to have a material effect on the price or value of the Securities as pleaded; and

iii. if the 31 December 2017 Profit Information or the 21 February 2018 Provision Information was information of which the Defendants were aware (which is denied) and the 31 December 2017 Profit Information or the 21 February 2018 Provision Information was information that a reasonable person would expect to have a material effect on the price or value of the Securities (which is also denied), then the 31 December 2017 Profit Information and the 21 February 2018 Provision Information were within an exception to ASX Listing Rule 3.1 provided by ASX Listing Rule 3.1A because:

1. the information as pleaded:
 - a. comprised matters of supposition or was insufficiently definite to warrant disclosure; and/or
 - b. was generated for the internal management purposes of the Defendants;
2. the information was confidential and the ASX had not formed the view that the information had ceased to be confidential; and
3. a reasonable person would not have expected the Defendants to disclose that information.

and accordingly, by virtue of ASX Listing Rule 3.1A, ASX Listing Rule 3.1 did not apply to that information.

49X In answer to paragraph 49X of the ACCLS, the Defendants:

- a. repeat paragraphs 49V and 49W herein; and
- b. otherwise deny the paragraph.

49Y In answer to paragraph 49Y of the ACCLS, the Defendants:

- a. repeat paragraphs 49V to 49X herein; and
- b. otherwise deny the paragraph.

49Z In answer to paragraph 49Z of the ACCLS, the Defendants:

- a. repeat paragraphs 49V to 49Y herein; and

- b. otherwise deny the paragraph.

E1.4 31 May 2018 Provision Information

49AA In answer to paragraph 49AA of the ACCLS, the Defendants:

- a. say that the 31 May 2018 Provision Information is in the nature of an opinion or opinions;
- b. say that, on 9 June 2023, the Plaintiffs (by their solicitors) confirmed (among other things) that the Plaintiffs do not claim that any of the persons alleged to have been officers of Lendlease were actually aware of the precise amount of additional provisions for the Engineering Business that would need to be taken as a consequence of the Projects as at 31 May 2018, being the 31 May 2018 Provision Information;
- c. say that the Plaintiffs' case (which is denied) is that each of the persons alleged to have been officers of Lendlease ought to have known and/or ought to have formed an opinion that additional provisions for the Engineering Business would need to be taken as a consequence of the Projects, in the specific terms of the 31 May 2018 Provision Information, being approximately \$393.6 million for the Engineering Business;
- d. say further that, in any event, the basis on which it is alleged that any of Lendlease and/or the persons alleged to have been officers of Lendlease had or reasonably ought to have formed an opinion and/or drawn an inference in the specific terms of the 31 May 2018 Provision Information, as defined in the ACCLS, by 31 May 2018 (or at any time during the Relevant Period), is not identified adequately or at all;
- e. say further that the Plaintiffs' case (which is denied) does not identify adequately or at all any basis for the contention that any of Lendlease and/or the persons alleged to have been officers of Lendlease knew, had, or was aware of, the 31 May 2018 Provision Information, as defined in the ACCLS, by 31 May 2018 (or at any time during the Relevant Period); and
- f. deny the paragraph.

49AB In answer to paragraph 49AB of the ACCLS, the Defendants:

- a. repeat paragraph 49AA herein;
- b. otherwise deny the paragraph; and

c. say further that:

- i. the 31 May 2018 Provision Information was not information of which the Defendants were aware (within the meaning of the ASX Listing Rules) and hence it was not required to be disclosed under s 674(2) of the Corporations Act;
- ii. if the 31 May 2018 Provision Information was information of which the Defendants were aware (which is denied), the Defendants deny that such 31 May 2018 Provision Information was information that a reasonable person would expect to have a material effect on the price or value of the Securities as pleaded; and
- iii. if the 31 May 2018 Provision Information was information of which the Defendants were aware (which is denied) and the 31 May 2018 Provision Information was information that a reasonable person would expect to have a material effect on the price or value of the Securities (which is also denied), then the 31 May 2018 Provision Information was within an exception to ASX Listing Rule 3.1 provided by ASX Listing Rule 3.1A because:
 1. the information as pleaded:
 - a. comprised matters of supposition or was insufficiently definite to warrant disclosure; and/or
 - b. was generated for the internal management purposes of the Defendants;
 2. the information was confidential and the ASX had not formed the view that the information had ceased to be confidential; and
 3. a reasonable person would not have expected the Defendants to disclose that information,

and accordingly, by virtue of ASX Listing Rule 3.1A, ASX Listing Rule 3.1 did not apply to that information.

49AC In answer to paragraph 49AC of the ACCLS, the Defendants:

- a. repeat paragraphs 49AA and 49AB herein; and

- b. otherwise deny the paragraph.

49AD In answer to paragraph 49AD of the ACCLS, the Defendants:

- a. repeat paragraphs 49AA to 49AC herein; and
- b. otherwise deny the paragraph.

49AE In answer to paragraph 49AE of the ACCLS, the Defendants:

- a. repeat paragraphs 49AA to 49AD herein; and
- b. otherwise deny the paragraph.

E1.5 30 June 2018 Profit Information and 22 August 2018 Provision Information

49AF In answer to paragraph 49AF of the ACCLS, the Defendants:

- a. say that the 30 June 2018 Profit Information and the 22 August 2018 Provision Information are in the nature of an opinion or opinions;
- b. say that, on 9 June 2023, the Plaintiffs (by their solicitors) confirmed (among other things) that the Plaintiffs do not claim that any of the persons alleged to have been officers of Lendlease were actually aware of the precise amount of additional provisions for the Engineering Business that would need to be taken as a consequence of the Projects as at 22 August 2018, being the 22 August 2018 Provision Information;
- c. say that the Plaintiffs' case (which is denied) is that each of the persons alleged to have been officers of Lendlease ought to have known and/or ought to have formed an opinion that:
 - i. additional provisions for the Engineering Business would need to be taken as a consequence of the Projects, in the specific terms of the 22 August 2018 Provision Information, being approximately \$415.5 million for the Engineering Business; and
 - ii. a reduction in published profits was required, in the specific terms of the 30 June 2018 Profit Information, being a reduction in after-tax profits of \$290.9 million;
- d. say further that, in any event, the basis on which it is alleged that any of Lendlease and/or the persons alleged to have been officers of Lendlease had or reasonably ought to have formed an opinion and/or drawn an inference in the specific terms of the 30 June 2018 Profit Information or the

22 August 2018 Provision Information, as defined in the ACCLS, by 22 August 2018 (or at any time during the Relevant Period), is not identified adequately or at all;

- e. say further that the Plaintiffs' case (which is denied) does not identify adequately or at all any basis for the contention that any of Lendlease and/or the persons alleged to have been officers of Lendlease knew, had, or was aware of, the 30 June 2018 Profit Information or the 22 August 2018 Provision Information, as defined in the ACCLS, by 22 August 2018 (or at any time during the Relevant Period); and
- f. deny the paragraph.

49AG In answer to paragraph 49AG of the ACCLS, the Defendants:

- a. repeat paragraph 49AF herein;
- b. otherwise deny the paragraph; and
- c. say further that:
 - i. the 30 June 2018 Profit Information and the 22 August 2018 Provision Information were not information of which the Defendants were aware (within the meaning of the ASX Listing Rules) and hence were not required to be disclosed under s 674(2) of the Corporations Act;
 - ii. if the 30 June 2018 Profit Information or the 22 August 2018 Provision Information was information of which the Defendants were aware (which is denied), the Defendants deny that such 30 June 2018 Profit Information or 22 August 2018 Provision Information was information that a reasonable person would expect to have a material effect on the price or value of the Securities as pleaded; and
 - iii. if the 30 June 2018 Profit Information or the 22 August 2018 Provision Information was information of which the Defendants were aware (which is denied) and the 30 June 2018 Profit Information or the 22 August 2018 Provision Information was information that a reasonable person would expect to have a material effect on the price or value of the Securities (which is also denied), then the 30 June 2018 Profit Information and the 22 August 2018 Provision Information were within an exception to ASX Listing Rule 3.1 provided by ASX Listing Rule 3.1A because:

1. the information as pleaded:
 - a. comprised matters of supposition or was insufficiently definite to warrant disclosure; and/or
 - b. was generated for the internal management purposes of the Defendants;
2. the information was confidential and the ASX had not formed the view that the information had ceased to be confidential; and
3. a reasonable person would not have expected the Defendants to disclose that information,

and accordingly, by virtue of ASX Listing Rule 3.1A, ASX Listing Rule 3.1 did not apply to that information.

49AH In answer to paragraph 49AH of the ACCLS, the Defendants:

- a. repeat paragraphs 49AF and 49AG herein; and
- b. otherwise deny the paragraph.

49AI In answer to paragraph 49AI of the ACCLS, the Defendants:

- a. repeat paragraphs 49AF to 49AH herein; and
- b. otherwise deny the paragraph.

49AJ In answer to paragraph 49AJ of the ACCLS, the Defendants:

- a. repeat paragraphs 49AF to 49AI herein; and
- b. otherwise deny the paragraph.

E.1 Information concerning the Projects

50 [Not used] In answer to paragraph 50 of the CLS, the Defendants:

- a. in respect of subparagraph (a):
 - i. say that the “information” referred to therein is in the nature of an opinion or opinions;
 - ii. say that the Plaintiffs’ case, as pleaded and particularised in paragraphs 1–18 of the particulars to paragraph 50 of the CLS, is that

~~McCann, Wilson, Gupta, Connor, Laslett, Letton and/or Dekker ought to have been aware of the information specified in subparagraph (a);~~

- ~~iii. say further that ASX Listing Rule 3.1 does not require an officer to form opinions that they did not in fact hold;~~
 - ~~iv. say further that, in any event, the basis on which it is alleged that McCann, Wilson, Gupta, Connor, Laslett, Letton and/or Dekker ought to have been aware of the information specified in subparagraph (a) is not identified adequately or at all;~~
 - ~~v. say that the expression “materially adversely affected” is embarrassing and liable to be struck out;~~
 - ~~vi. say that the particularisation of subparagraph (a) in paragraph 23 of the particulars to paragraph 50 of the CLS does not cure the embarrassing nature of the pleading referred to in subparagraph (v) herein;~~
 - ~~vii. say that by their letter dated 20 February 2020, the Plaintiffs (by their solicitors) confirmed that the phrase “financial periods after FY18” is a reference to the six and twelve month periods commencing on and after 1 July 2018; and~~
 - ~~viii. under the cover of those objections, deny subparagraph (a);~~
- ~~b. in respect of subparagraph (b):~~
- ~~i. say that the “information” referred to therein is in the nature of an opinion or opinions;~~
 - ~~ii. say that the Plaintiffs’ case, as pleaded and particularised in paragraphs 1-18 of the particulars to paragraph 50 of the CLS, is that McCann, Wilson, Gupta, Connor, Laslett, Letton and/or Dekker ought to have been aware of the information specified in subparagraph (b);~~
 - ~~iii. say further that ASX Listing Rule 3.1 does not require an officer to form opinions that they did not in fact hold;~~
 - ~~iv. say further that in any event, the basis on which it is alleged that McCann, Wilson, Gupta, Connor, Laslett, Letton and/or Dekker ought to have been aware of the information specified in subparagraph (b) is not identified adequately or at all;~~

- v. ~~say that the expression “materially adversely affected” is embarrassing and liable to be struck out;~~
- vi. ~~say that the particularisation of subparagraph (b) in paragraph 23 of the particulars to paragraph 50 of the CLS does not cure the embarrassing nature of the pleading referred to in subparagraph (v) herein;~~
- vii. ~~repeat subparagraph (a)(vii) herein;~~
- viii. ~~under the cover of those objections, deny the subparagraph;~~
- c. ~~in respect of subparagraph (c):~~
 - i. ~~say that the “information” referred to therein is in the nature of an opinion or opinions;~~
 - ii. ~~say that the Plaintiffs’ case, as pleaded and particularised in paragraph 20 of the particulars to paragraph 50 of the CLS under the heading “Engineering Business”, is that McCann, Wilson and/or Gupta ought to have been aware of the information specified in subparagraph (c);~~
 - iii. ~~say further that ASX Listing Rule 3.1 does not require an officer to form opinions that they did not in fact hold;~~
 - iv. ~~say further that, in any event, the basis on which it is alleged that McCann, Wilson and/or Gupta ought to have been aware of the information specified in subparagraph (c) is not identified adequately or at all; and~~
 - v. ~~under the cover of those objections, deny the subparagraph; and~~
- d. ~~in respect of the whole of paragraph 50 of the CLS, say that the presence of multiple and overlapping contingencies within the defined term “Project Information” have the effect that the whole of the allegations within paragraph 50 of the CLS are embarrassing and liable to be struck out; and~~
- e. ~~otherwise deny the paragraph.~~

~~E.2~~ Information concerning the Unreliable Performance

51 [Not used] In answer to paragraph 51 of the CLS, the Defendants:

- a. ~~say that each component of the alleged “Unreliable Performance Information”, as well as its composite whole, is in the nature of an opinion or opinions;~~

- b. ~~say that the Plaintiffs' case, as pleaded and particularised in paragraphs 1-13 of the particulars to paragraph 51 of the CLS, is that McCann, Wilson and/or Gupta ought to have been aware of the Unreliable Performance Information;~~
- c. ~~say further that ASX Listing Rule 3.1 does not require an officer to form opinions that they did not in fact hold;~~
- d. ~~say further that, in any event, the basis on which it is alleged that McCann, Wilson and/or Gupta ought to have been aware of the Unreliable Performance Information is not identified adequately or at all;~~
- e. ~~say that the presence of multiple and overlapping contingencies within the defined term "Unreliable Performance Information" have the effect that the whole of the allegations within paragraph 51 of the CLS are embarrassing and liable to be struck out; and~~
- f. ~~otherwise deny the paragraph.~~

~~E.3 Project Information continuous disclosure contraventions~~

52 ~~[Not used] In answer to paragraph 52 of the CLS, the Defendants:~~

- a. ~~repeat paragraph 50 herein;~~
- b. ~~otherwise deny the paragraph; and~~
- c. ~~say further that:~~
 - i. ~~the Project Information was not information of which the Defendants were aware (within the meaning of the ASX Listing Rules) and hence it was not required to be disclosed under section 674(2) of the Corporations Act;~~
 - ii. ~~if the Project Information was information of which the Defendants were aware (which is denied), the Defendants deny that such Project Information was information that a reasonable person would expect to have a material effect on the price or value of the Securities as pleaded; and~~
 - iii. ~~if the Project Information was information of which the Defendants were aware (which is denied) and the Project Information was information that a reasonable person would expect to have a material effect on the price or value of the Securities (which is also denied);~~

~~then the Project Information was within an exception to ASX Listing Rule 3.1 provided by ASX Listing Rule 3.1A because:~~

- ~~1. the information as pleaded:~~
 - ~~a. comprises matters of supposition or was insufficiently definite to warrant disclosure; and/or~~
 - ~~b. was generated for the internal management purposes of the Defendants;~~
 - ~~2. the information was confidential and the ASX had not formed the view that the information had ceased to be confidential; and~~
 - ~~3. a reasonable person would not have expected the Defendants to disclose that information,~~
- ~~and accordingly, by virtue of ASX Listing Rule 3.1A, ASX Listing Rule 3.1 did not apply to that information.~~

53 [Not used] ~~In answer to paragraph 53 of the CLS, the Defendants:~~

- ~~a. repeat paragraphs 50 and 52 herein; and~~
- ~~b. otherwise deny the paragraph.~~

54 [Not used] ~~In answer to paragraph 54 of the CLS, the Defendants:~~

- ~~a. repeat paragraphs 50, 52 and 53 herein; and~~
- ~~b. otherwise deny the paragraph.~~

55 [Not used] ~~In answer to paragraph 55 of the CLS, the Defendants:~~

- ~~a. repeat paragraphs 50 and 52 to 54 herein; and~~
- ~~b. otherwise deny the paragraph.~~

~~E.4 Unreliable Performance Information continuous disclosure contravention~~

56 [Not used] ~~In answer to paragraph 56 of the CLS, the Defendants:~~

- ~~a. repeat paragraph 51 herein;~~
- ~~b. otherwise deny the paragraph; and~~
- ~~c. say further that:~~

- ~~i. the Unreliable Performance Information was not information of which the Defendants were aware (within the meaning of the ASX Listing Rules) and hence it was not required to be disclosed under section 674(2) of the Corporations Act;~~
- ~~ii. if the Unreliable Performance Information was information of which the Defendants were aware (which is denied), the Defendants deny that such Unreliable Performance Information was information that a reasonable person would expect to have a material effect on the price or value of the Securities as pleaded; and~~
- ~~iii. if the Unreliable Performance Information was information of which the Defendants were aware (which is denied) and the Unreliable Performance Information was information that a reasonable person would expect to have a material effect on the price or value of the Securities (which is also denied), then the Unreliable Performance Information was within an exception to ASX Listing Rule 3.1 provided by ASX Listing Rule 3.1A because:

 - ~~1. the information as pleaded:

 - ~~a. comprises matters of supposition or was insufficiently definite to warrant disclosure; and/or~~
 - ~~b. was generated for the internal management purposes of the Defendants;~~~~
 - ~~2. the information was confidential and the ASX had not formed the view that the information had ceased to be confidential; and~~
 - ~~3. a reasonable person would not have expected the Defendants to disclose that information,~~~~

~~and accordingly, by virtue of ASX Listing Rule 3.1A, ASX Listing Rule 3.1 did not apply to that information.~~

57 [Not used] In answer to paragraph 57 of the CLS, the Defendants:

- ~~a. repeat paragraphs 51 and 56 herein; and~~
- ~~b. otherwise deny the paragraph.~~

58 [Not used] In answer to paragraph 58 of the CLS, the Defendants:

a. ~~repeat paragraphs 51, 56 and 57 herein; and~~

b. ~~otherwise deny the paragraph.~~

59 ~~[Not used] In answer to paragraph 59 of the CLS, the Defendants:~~

a. ~~repeat paragraphs 51 and 56 to 58 herein; and~~

b. ~~otherwise deny the paragraph.~~

~~F MISLEADING OR DECEPTIVE CONDUCT~~

~~F.1 Misleading conduct contraventions from 17 November 2017~~

60 ~~[Not used] In answer to paragraph 60 of the CLS, the Defendants:~~

a. ~~repeat paragraphs 41 to 43 herein;~~

b. ~~admit that to the extent the 17 November 2017 Representations and/or the 17 November 2017 Basis Representations were made or failed to be corrected (which is denied), that conduct was conduct engaged in by the Defendants in trade or commerce, and in relation to the Securities; and~~

c. ~~otherwise deny the paragraph.~~

61 ~~[Not used] In answer to paragraph 61 of the CLS, the Defendants:~~

a. ~~repeat paragraphs 31, 32, 34 to 41, 43, 50, 51 and 60 herein; and~~

b. ~~otherwise deny the paragraph.~~

62 ~~[Not used] In answer to paragraph 62 of the CLS, the Defendants:~~

a. ~~repeat paragraphs 31, 32, 34 to 41, 43, 50, 51, 60 and 61 herein; and~~

b. ~~otherwise deny the paragraph.~~

63 ~~[Not used] In answer to paragraph 63 of the CLS, the Defendants:~~

a. ~~repeat paragraphs 31, 32, 34 to 43, 50, 51, 60 to 62 herein; and~~

b. ~~otherwise deny the paragraph.~~

64 ~~[Not used] In answer to paragraph 64 herein, the Defendants:~~

a. ~~repeat paragraphs 60 to 63 herein; and~~

b. ~~otherwise deny the paragraph.~~

F.2 — ~~Misleading conduct contraventions from 21 February 2018~~

65 ~~[Not used] In answer to paragraph 65 of the CLS, the Defendants:~~

- ~~a. repeat paragraphs 44 to 46 herein;~~
- ~~b. admit that to the extent the 21 February 2018 Representations and/or the 21 February 2018 Basis Representations were made or failed to be corrected (which is denied), that conduct was conduct engaged in by the Defendants in trade or commerce, and in relation to the Securities; and~~
- ~~c. otherwise deny the paragraph.~~

66 ~~[Not used] In answer to paragraph 66 of the CLS, the Defendants:~~

- ~~a. repeat paragraphs 31, 32, 34 to 39, 44, 46, 50, 51 and 65 herein; and~~
- ~~b. otherwise deny the paragraph.~~

67 ~~[Not used] In answer to paragraph 67 of the CLS, the Defendants:~~

- ~~a. repeat paragraphs 31, 32, 34 to 39, 44, 46, 50, 51, 65 and 66 herein; and~~
- ~~b. otherwise deny the paragraph.~~

68 ~~[Not used] In answer to paragraph 68 of the CLS, the Defendants:~~

- ~~a. repeat paragraphs 31, 32, 34 to 39, 44 to 46, 50, 51, 65 to 67 herein; and~~
- ~~b. otherwise deny the paragraph.~~

69 ~~[Not used] In answer to paragraph 69 of the CLS, the Defendants:~~

- ~~a. repeat paragraphs 65 to 68 herein; and~~
- ~~b. otherwise deny the paragraph.~~

F.3 — ~~Misleading conduct contraventions from 22 August 2018~~

70 ~~[Not used] In answer to paragraph 70 of the CLS, the Defendants:~~

- ~~a. repeat paragraphs 47 to 49 herein;~~
- ~~b. admit that to the extent the 22 August 2018 Representations and/or the 22 August 2018 Basis Representations were made or failed to be corrected (which is denied), that conduct was conduct engaged in by the Defendants in trade or commerce, and in relation to the Securities; and~~

~~c. otherwise deny the paragraph.~~

71 ~~[Not used] In answer to paragraph 71 of the CLS, the Defendants:~~

~~a. repeat paragraphs 31, 32, 34 to 39, 47, 49 to 51 and 70 herein; and~~

~~b. otherwise deny the paragraph.~~

72 ~~[Not used] In answer to paragraph 72 of the CLS, the Defendants:~~

~~a. repeat paragraphs 31, 32, 34 to 39, 47, 49 to 51, 70 and 71 herein; and~~

~~b. otherwise deny the paragraph.~~

73 ~~[Not used] In answer to paragraph 73 of the CLS, the Defendants:~~

~~a. repeat paragraphs 31, 32, 34 to 39, 47 to 51 and 70 to 72 herein; and~~

~~b. otherwise deny the paragraph.~~

74 ~~[Not used] In answer to paragraph 74 of the CLS, the Defendants:~~

~~a. repeat paragraphs 70 to 73 herein; and~~

~~b. otherwise deny the paragraph.~~

G CONTRAVENING CONDUCT CAUSED GROUP MEMBERS' LOSS

G.1 Acquisition of Securities and ADRs

75 In answer to paragraph 75 of the ACCLS, the Defendants:

a. admit that during the Relevant Period the Plaintiffs acquired Securities as set out in paragraphs 3 and 4 of the ACCLS; and

b. otherwise do not admit the paragraph.

76 The Defendants do not admit paragraph 76 of the ACCLS.

G.2 Market based causation

77 In answer to paragraph 77 of the ACCLS, the Defendants:

a. repeat paragraphs 6 to 7 and ~~52 to 74~~ 41 to 49AJ herein; and

b. otherwise deny the paragraph.

78 In answer to paragraph 78 of the ACCLS, the Defendants:

a. repeat paragraph 77 herein; and

- b. otherwise deny the paragraph.

79 In answer to paragraph 79 of the ACCLS, the Defendants:

- a. repeat paragraphs 77 and 78 herein; and
- b. otherwise deny the paragraph.

80 In answer to paragraph 80 of the ACCLS, the Defendants:

- a. repeat paragraphs 77 to 79 herein; and
- b. otherwise deny the paragraph.

81 In answer to paragraph 81 of the ACCLS, the Defendants:

- a. repeat paragraphs ~~51 to 59~~ 40AN to 49AJ and 77 to 80 herein; and
- b. otherwise deny the paragraph.

G.3 Reliance

82 The Defendants deny paragraph 82 of the ACCLS.

G.4 Loss and damage

83 The Defendants deny paragraph 83 of the ACCLS.

84 In further answer to the ACCLS, insofar as the Plaintiffs and Group Members make claims pursuant to:

- a. section 1014I(1) of the Corporations Act in relation to economic loss allegedly caused by conduct of the Defendants that was allegedly done in contravention of section 1041H of the Corporations Act;
- b. section 12GF(1) of the ASIC Act in relation to economic loss allegedly caused by conduct of the Defendants that was allegedly done in contravention of section 12DA of the ASIC Act; and
- c. section 236 of the Australian Consumer Law in relation to economic loss allegedly caused by conduct of the Defendants that was allegedly done in contravention of section 18 of the Australian Consumer Law,

the Defendants plead as follows:

- d. if and to the extent that the Plaintiffs or any Group Member failed to have adequate regard to the 17 October 2017 Announcement, 17 November 2017

Presentation, the statements made in the 2017 AGM, the 1H18 Financial Report, the 21 February 2018 Announcement, the 21 February 2018 Call, the FY18 Annual Report, the 22 August 2018 Announcement, the 22 August 2018 Call, the 9 November 2018 Announcement, the 9 November 2018 Call, the 2018 AGM Addresses and the statements made in the 2018 AGM in full, then, if the Plaintiffs or Group Member suffered the loss claimed or any loss at all (which is denied), the Plaintiffs or Group Member did so as a result wholly or partly of the Plaintiffs' or Group Member's failure to take reasonable care;

- e. the Defendants did not intend to cause the loss claimed by the Plaintiffs or any Group Member or any loss at all and, if the Defendants caused that loss (which is denied), they did not do so fraudulently; and
- f. in the premises, if the Plaintiffs or any Group Member suffered the loss claimed or any loss at all (which is denied), the damages which the Plaintiffs or Group Member may recover in relation to the loss are to be reduced to the extent to which the Court thinks is just and equitable having regard to the Plaintiffs' or Group Member's share in the responsibility for the loss.

Particulars

- 1) The Defendants rely on section 1041I(1B) of the Corporations Act, section 12GF(1B) of the ASIC Act, and section 137B of the Australian Consumer Law.

85 In further answer to the ACCLS, insofar as:

- a. the Plaintiffs and Group Members make claims to compensation pursuant to section 1317HA(1) of the Corporations Act for damage resulting from one or more of the Defendants' alleged contraventions of section 674(2) of the Corporations Act; and
- b. it appears to the Court that the Defendants have, or may have, contravened section 674(2) of the Corporations Act (which is denied),

the Defendants plead as follows:

- c. the Defendants have acted honestly;
- d. having regard to all the circumstances of the case, the Defendants ought fairly to be excused for any contravention of section 674(2) of the Corporations Act; and

- e. in the premises, the Court should relieve the Defendants wholly or partly from the liability to which they would otherwise be subject, or which might otherwise be imposed on them, because of any contravention of section 674(2) of the Corporations Act.

Particulars

- 1) The Defendants rely on section 1317S of the Corporations Act.

86 In further answer to the whole of the ACCLS, the Defendants deny that the Plaintiffs and Group Members are entitled to the relief sought or to any relief at all.

QUESTIONS APPROPRIATE FOR REFERRAL TO A REFEREE

- 1 None at this time.

STATEMENT AS TO WHETHER THE PARTIES HAVE ATTEMPTED MEDIATION

- 1 The parties have not attempted formal mediation.
- 2 The Defendants are willing to proceed to mediation at an appropriate time but considers there can be no effective mediation without class closure.

SIGNATURE OF LEGAL REPRESENTATIVE

I certify under clause 4 of Schedule 2 to the [Legal Profession Uniform Law Application Act 2014](#) that there are reasonable grounds for believing on the basis of provable facts and a reasonably arguable view of the law that the defence to the claim for damages in these proceedings has reasonable prospects of success.

Signature



Capacity

Jason Betts, Legal Representative

Date of signature

~~28 February 2020~~ 8 September 2023

FURTHER DETAILS ABOUT FILING PARTY

Filing party

Name	Lendlease Corporation Limited and Lendlease Responsible Entity Ltd as responsible entity for Lendlease Trust
Address	Level 14, Tower Three International Towers Sydney Exchange Place, 300 Barangaroo Avenue Barangaroo NSW 2000

Legal representative for filing party

Name	Jason Betts
Practising certificate number	31327
Firm	Herbert Smith Freehills
Address	Level 33 161 Castlereagh Street Sydney NSW 2000
DX address	361 Sydney
Telephone	(02) 9225 5000
Fax	(02) 9322 4000
Email	jason.betts@hsf.com
Electronic service address	jason.betts@hsf.com

SCHEDULE 1

Particulars of reasonable grounds as at 17 November 2017

1. The Defendants had in place business practices for determining the actual and projected performance of the Projects ~~on foot~~ and the impact for the results of the Lendlease group as a whole. Those business practices included:
 - a. regular project reviews and monthly management reviews of the Projects;
 - b. Quarterly Business Reviews where the performance of the various parts of the Defendants' business, including the Engineering Business, were reviewed;
 - c. regular meetings of an Engineering Steering Committee which had been established around October 2017 to review and manage the performance of certain projects within the Engineering Business, including each of the Projects ~~when on foot~~;
 - d. regular meetings of the Lendlease Risk Management and Audit Committee, a committee of the Lendlease Board; and
 - e. regular meetings of the Lendlease Board.
2. Provisions and/or contingencies were held within the Lendlease group from time to time, including in respect of the Projects ~~a small number of projects experiencing project-specific challenges.~~
3. As to the specific Projects referenced in the ACCLS, as at 17 November 2017:
 - a. with respect to Gateway Upgrade North:
 - i. the project was approximately 70% complete; and
 - ii. the Defendants had made key personnel changes (including appointing a new regional EGM) and had identified strategies to improve the project's performance, including the recovery of revenue through claims and recoveries, weekly tracking of progress, a wet weather mitigation strategy, an independent productivity review and a further technical review by personnel within the Engineering Business;
 - b. with respect to Kingsford Smith Drive Upgrade:
 - i. the project was approximately 50% complete; and
 - ii. the Defendants had made key personnel changes (including appointing a new regional EGM and Project Director) and had identified strategies to improve the project's performance, including scope reduction, acceleration measures, specification relaxations, cash improvement, the recovery of revenue through claims and recoveries, as well as consideration of an alternative contractual arrangement; and
 - c. with respect to NorthConnex:
 - i. the project was approximately 40% complete; and
 - ii. the Defendants had identified strategies to improve the project's performance, including the recovery of revenue through claims, improved governance and reporting, a continued focus from senior management, a streamlining of commissioning and handover requirements, a scope review and a pursuit of procurement savings from mechanical and electrical works; ~~and~~

- d. ~~with respect to Melbourne Metro, contractual close had not yet occurred.~~
4. As at 17 November 2017, external and internal reviews had also been conducted in respect of the Projects ~~on foot at the time~~ and/or the performance of the Engineering Business, including the forecasts for the Projects mentioned in the ACCLS ~~(to the extent they were on foot at the time)~~ and the amounts provisioned in respect of them.
 5. As at 17 November 2017, changes to the senior management of the Engineering Business had been implemented and consideration given to the approach the Engineering Business would take to the selection of future projects for which it bid, with a view to improving the performance of the Engineering Business in the future.

SCHEDULE 2

Particulars of reasonable grounds as at 21 February 2018

1. The Defendants repeat paragraphs 1 and 2 of Schedule 1.
2. As to the specific Projects mentioned in the ACCLS, as at 21 February 2018:
 - a. with respect to Gateway Upgrade North:
 - i. the project was approximately 78% complete; and
 - ii. the Defendants were continuing to pursue claims and recoveries, and progress various cost reduction strategies to mitigate against further margin erosion;
 - b. with respect to Kingsford Smith Drive Upgrade:
 - i. the project was approximately 60% complete; and
 - ii. the Defendants had entered into a deed of amendment with the client that had increased the contract value and had progressed various other cost reduction strategies to mitigate against further margin erosion; and
 - c. with respect to NorthConnex:
 - i. the project was approximately 50% complete; and
 - ii. the Defendants had made key personnel changes (including appointing a new Executive Project Director) and had formulated strategies to mitigate against further margin erosion, including staff retention of key personnel, continuing to pursue claims and recoveries, and reviewing design options for waterproofing, ventilation redesign and traffic loops; and
 - ~~d. with respect to Melbourne Metro:~~
 - ~~i. contractual close was not achieved until 15 December 2017 and financial close until 18 December 2017;~~
 - ~~ii. the project had only recently commenced mobilisation and was approximately 3% complete; and~~
 - ~~iii. the Defendants were undertaking detailed project reviews at regular intervals and providing regular updates on the project status to the Board.~~
3. As at 21 February 2018, external and internal reviews had also been conducted in respect of the Projects mentioned in the ACCLS and/or the performance of the Engineering Business, including forecasts and any amounts provisioned in respect of them.

SCHEDULE 3

Particulars of reasonable grounds as at 22 August 2018

1. The Defendants repeat paragraphs 1 and 2 of Schedule 1.
2. All of the Projects were accounted for in the Defendants' financial results. Further, the Defendants' financial results took into account "Whole of Life Project Reconciliations" for at least the NorthConnex, Gateway Upgrade North and Kingsford Smith Drive Upgrade projects, with those reconciliations reflecting the outcome of the project reviews that had been conducted in accordance with the business practices for determining the actual and projected performance of those projects.
3. As to the specific Projects mentioned in the ACCLS, as at 22 August 2018:
 - a. with respect to Gateway Upgrade North:
 - i. the project was approximately 90% complete; and
 - ii. the Defendants' claims team was working to review and progress claims, recoveries and variations;
 - b. with respect to Kingsford Smith Drive Upgrade:
 - i. the project was approximately 75% complete; and
 - ii. to mitigate against further losses in respect of the project, ongoing workshops were being held with the Brisbane City Council to develop time mitigation strategies, and risks were being actively monitored and managed; and
 - c. with respect to NorthConnex:
 - i. the project was approximately 64% complete;
 - ii. to mitigate against further losses in respect of the project, commercial discussions with the client were ongoing and draft terms of settlement were advanced; and
 - iii. the remaining tunnel breakthrough dates were occurring as planned (or earlier) with less than 50 metres of tunnel heading remaining to be excavated, and commercial and cost controls were improving; and
 - ~~d. with respect to Melbourne Metro:~~
 - ~~i. the project was approximately 7% complete;~~
 - ~~ii. the Defendants had undertaken a review of the project status and were providing regular updates on the project status to the Board.~~
4. As at 22 August 2018, external and internal reviews had also been conducted in respect of the Projects mentioned in the ACCLS and/or the performance of the Engineering Business, including forecasts and any amounts provisioned in respect of them.