

## **ASX Announcement**

### **Update on World Trade Center litigation – Proposed settlement of current claims**

12 March 2010

#### **Background**

In September 2004, a class action was filed against a number of parties who responded to the World Trade Centre emergency and assisted with the rescue, recovery, and debris removal following the terrorist attacks of 11 September 2001. The action was brought against more than 50 defendants including the City of New York and Bovis Lend Lease LMB Inc ('Bovis'), a US subsidiary of Lend Lease Corporation Limited in the United States.

The number of claimants who have brought proceedings against Bovis is at present approximately 15,347 (comprising 9,232 first named claimants and 6,115 derivative claimants – for example, spouses).

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

#### **Update**

Counsel representing the claimants in these proceedings, the WTC Captive and counsel representing the defendants insured by the WTC Captive (including Bovis) have reached an agreement to settle the current claims (Settlement Agreement). The WTC Captive has stated that *"The settlement will cost the federal-taxpayer funded WTC Captive \$575 million at 95% plaintiff participation... There could be additional sums depending on the level of plaintiff participation and the extent of new lawsuits filed in the future"* (Press Release by WTC Captive, "WTC Captive Reaches Settlement of 9/11 Rescue and Debris Removal Claims," New York, New York – March 12, 2010).

The settlement will only become effective if certain conditions are satisfied. In particular, 95% of the plaintiffs who have brought claims against the defendants insured by the WTC Captive must accept the settlement terms and 'opt in' to the settlement within a 90 day period. If all of the plaintiffs opt into the settlement, the settlement amount may increase to \$657.5 million.

The Settlement Agreement does not impose any financial obligations on Bovis and the remaining assets of the WTC Captive will be available to meet any further claims that may be brought against Bovis and the other defendants.

The parties are applying to the US Federal Court for the Southern District of New York for a stay of the litigation, including the 12 expedited trials due to be heard in May 2010, for a period of 90 days consistent with the Settlement Agreement.

Yours faithfully

William Hara  
Chief Legal Counsel & Company Secretary

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and

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