

ASX ANNOUNCEMENT

27 February 2017

Appendix 4D, Half Year Consolidated Financial Report and Portfolio Report

Lendlease Group today announced its results for the half year ended 31 December 2016. Attached is the Appendix 4D, Half Year Consolidated Financial Report and Portfolio Report.

ENDS

FOR FURTHER INFORMATION, PLEASE CONTACT:

Investors:

Justin McCarthy
Tel: 02 9236 6464
Mob: 0422 800 321

Media:

Natalie Campbell
Tel: 02 9236 6865
Mob: 0410 838 914

Lend Lease Corporation Limited ABN 32 000 226 228 and
Lend Lease Responsible Entity Limited ABN 72 122 883 185 AFS Licence 308983
as responsible entity for **Lend Lease Trust** ABN 39 944 184 773 ARSN 128 052 595

Level 14, Tower Three, International Towers Sydney
Exchange Place, 300 Barangaroo Avenue
Barangaroo NSW 2000 Australia

Telephone +61 2 9236 6111
Facsimile +61 2 9252 2192
lendlease.com





Lendlease Group

Appendix 4D

Lendlease Group (the Group) comprises Lendlease Corporation Limited (the Company) ABN 32 000 226 228 and Lendlease Trust (LLT) ARSN 128 052 595 the responsible entity of which is Lendlease Responsible Entity Limited ABN 72 122 883 185

Preliminary Half Year Report for the period ended 31 December 2016
(previous corresponding period being the period ended 31 December 2015)

Results for Announcement to the Market

Profit After Tax

	6 months December 2016 A\$m	6 months December 2015 A\$m	% Change
Revenue	7,945.3	7,340.0	8.2%
Profit after tax attributable to securityholders	394.8	353.8	11.6%

Stapling of the Company Shares and LLT Units

Shares in the Company and units in LLT are traded as one security under the name of Lendlease Group on the Australian Securities Exchange (ASX). The Company is deemed to control LLT for accounting purposes and therefore LLT is consolidated into the Group's financial report. The issued units of LLT, however, are not owned by the Company and are therefore presented as non controlling interests in the consolidated entity statement of financial position within equity, notwithstanding that the unitholders of LLT are also the shareholders of the Company.

Dividends/Distributions

	Amount per security	Franked amount per security
Interim dividend/distribution – payable 24 March 2017	33.0 cents	0.0 cents

The interim dividend/distribution is comprised of an unfranked dividend of 29.762322 cents per share payable by the Company, sourced from the Conduit Foreign Income (CFI) account, and a trust distribution of 3.237678 cents per unit payable by LLT.

The record date for determining entitlement to the interim distribution is 3 March 2017 (Record Date) and the distribution is payable on 24 March 2017.

The Group's Distribution Reinvestment Plan (DRP) was reactivated in February 2011. The last date for receipt of an election notice for participation in the DRP is 6 March 2017. Subject to the rules of the DRP, the issue price is the arithmetic average of the daily volume weighted average price of Lendlease stapled securities traded on the Australian Securities Exchange for the period of five consecutive business days immediately following the Record Date. Stapled securities issued under the DRP rank equally with all other stapled securities on issue.

Additional Information

	December 2016	June 2016
Net tangible assets per security	A\$7.74	A\$7.16

The remainder of the information requiring disclosure to comply with listing rule 4.2A.3 is contained in the Performance & Outlook section of the December 2016 Directors' Report and the December 2016 Half Year Consolidated Financial Report.

Half Year
Consolidated
Financial Report
December
2016

Five Year Profile

		Half Year 31 December 2016	Half Year 31 December 2015	Half Year 31 December 2014	Half Year 31 December 2013	Half Year 31 December 2012 ¹
Profitability						
Revenue	A\$m	7,945	7,340	5,898	6,507	6,754
Profit before Tax	A\$m	542	426	368	296	347
Profit after Tax	A\$m	395	354	316	252	301
EBITDA	A\$m	640	512	467	398	426
Earnings per stapled security on Profit after Tax ²	cents	67.8	60.9	54.5	43.7	52.5
Profit after Tax to securityholders' equity for the period (ROE) ³	%	13.7	13.4	12.9	11.6	15.4
Dividend/Distribution payout ratio on Profit after Tax	%	49	49	50	50	42
Dividend/Distribution per stapled security	cents	33.0	30.0	27.0	22.0	22.0
Corporate Strength						
Total assets	A\$m	18,907	19,084	16,816	15,409	13,169
Cash	A\$m	1,021	570	777	1,067	1,082
Borrowings	A\$m	1,845	2,593	2,524	2,591	1,447
Current assets	A\$m	5,725	5,833	4,929	4,360	4,017
Non current assets	A\$m	13,181	13,251	11,887	11,048	9,152
Current liabilities ⁴	A\$m	9,479	9,505	8,010	7,168	6,611
Non current liabilities	A\$m	3,480	4,205	3,852	3,772	2,536
Total equity	A\$m	5,947	5,374	4,954	4,469	4,022
Operating cash flow	A\$m	(70)	201	(497)	(211)	(48)
Net asset backing per security	A\$	10.20	9.25	8.55	7.75	7.00
Ratio of current assets to current liabilities ⁴	times	0.6	0.6	0.6	0.6	0.6
Ratio of current assets to current liabilities (excluding resident and accommodation bond liabilities) ⁴	times	1.1	1.1	1.1	1.1	1.0
Net debt to total tangible assets, less cash (gearing) ⁵	%	5.1	12.1	12.4	12.5	5.8
Borrowings to total equity plus borrowings	%	23.7	32.5	33.7	36.7	26.5
Securities on issue	m	583	581	580	577	574
Number of securityholders	no.	60,530	60,678	55,737	55,136	52,939
Number of equivalent full time employees ⁶	no.	12,033	11,875	12,665	13,729	17,442
Securityholders' Returns and Statistics						
Proportion of securities on issue to top 20 securityholders	%	72.8	73.5	76.3	75.3	76.5
Security holdings relating to employees ⁷	%	3.7	5.6	5.7	6.0	6.3
Weighted average number of securities	m	582.7	580.9	578.6	576.1	573.6
Total dividends/distributions ⁸	A\$m	192	174	157	127	126
Security price as at 31 December as quoted on the Australian Securities Exchange	A\$	14.62	14.26	16.40	11.14	9.28

- December 2012 has been adjusted to reflect the impact of the first time adoption of the revised AASB 119 Employee Benefits standard and the new AASB 11 Joint Arrangements standard.
- Calculated using the weighted average number of securities on issue including treasury securities.
- Return on equity (ROE) is calculated on an annualised basis, using the half year profit/(loss) after tax divided by the arithmetic average of beginning and half year securityholders' equity.
- Ratio includes resident and accommodation bond liabilities related to the Retirement Living business. Under the current interpretation of accounting standards, these are required to be classified as current liabilities as any resident may choose to depart within 12 months. The investment properties, property, plant and equipment, and intangible assets to which they relate, however, are required to be classified as non current. Although a resident may choose to depart within 12 months, the Group's commercial history has shown that the majority of resident contracts are not due for a period greater than 12 months, which means these liabilities are effectively non current.
- Net debt and gross borrowings include certain other financial liabilities of A\$19.6 million (December 2015: A\$40.6 million).
- Casual and third party workers are excluded from full time equivalent employees at December 2016 and 2015; comparative periods 2014, 2013 and 2012 have been restated to conform with current period disclosure. The reduction from December 2014 mainly relates to restructure of the Australian Construction business. The reduction from December 2013 mainly relates to the restructure of the Australian Construction business and the sale of the European Facilities Management business. The reduction from December 2012 mainly relates to the sale of the Aged Care business.
- Securities held through employee benefit vehicles. The reduction from December 2015 relates to the disposal of Lendlease securities held by consolidated employee benefit vehicles.
- A\$173.5 million Company dividend was declared subsequent to the reporting date for December 2016.



Directors' Report

December 2016

Table of Contents

1.	Board/Directors	3
2.	Dividends/Distributions	3
3.	Events Subsequent to Balance Date	3
4.	Lead Auditor's Independence Declaration	3
5.	Rounding Off	3
6.	Performance & Outlook	4

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001		17
--	--	-----------

THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK

Directors' Report

The Directors present their Report together with the Half Year Consolidated Financial Report of the consolidated entity, being Lendlease Corporation Limited (the Company) and its controlled entities including Lendlease Trust (together referred to as the consolidated entity or the Group), for the six months ended 31 December 2016 and the Auditor's Report therein.

1. Board/Directors

The name of each person who has been a Director of the Company at any time between 1 July 2016 and the date of this Report are:

D A Crawford, AO	Director since 2001, Chairman since 2003
S B McCann	Group Chief Executive Officer since 2008 & Managing Director since 2009
C B Carter, AM	Director since 2012
P M Coffey	Appointed January 2017
P M Colebatch	Director since 2005
D P Craig	Director since 2016
S B Dobbs	Director since 2015
J S Hemstritch	Director since 2011
D J Ryan, AO	Director since 2004
M J Ullmer	Director since 2011
N M Wakefield Evans	Director since 2013

2. Dividends/Distributions

An unfranked interim distribution of \$192.4 million (December 2015: \$174.4 million unfranked) has been approved by the Directors. The interim distribution comprising of an unfranked dividend of 29.8 cents per share from the Company and a trust distribution of 3.2 cents per unit from Lendlease Trust will be paid on 24 March 2017 (December 2015: 21.4 cents per share from the Company and 8.6 cents per unit from Lendlease Trust paid on 15 March 2016).

3. Events Subsequent to Balance Date

There were no material events subsequent to the end of the financial period.

4. Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The Lead Auditor's Independence Declaration is set out at the end of this report and forms part of the Directors' Report for the six months ended 31 December 2016.

5. Rounding Off

Lendlease Corporation Limited is a company of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and, in accordance with that Instrument, amounts in the Half Year Consolidated Financial Statements and this report have been rounded off to the nearest tenth of a million dollars or, where the amount is \$50,000 or less, zero, unless specifically stated to be otherwise.

6. Performance & Outlook

The Performance & Outlook on pages 4 to 15 is based on the Group Consolidated Financial Statements for the six months ended 31 December 2016 and should be read in conjunction with those financial statements. All currency amounts are expressed in Australian dollars unless otherwise specified.

Group Highlights

Performance Update

Lendlease delivered a strong result for the period ended 31 December 2016, with Profit after Tax of \$394.8 million, up 12 per cent on the prior corresponding period and EBITDA of \$639.6 million, up 25 per cent.

Earnings growth was driven by a higher EBITDA contribution from all segments. The result in the Development segment was driven by the Australian operations, while the Construction segment was supported by an improved performance in the Americas. The Investments segment remains a strong contributor to the Group result, with the recurring earnings streams from this segment representing 40 per cent of operating business EBITDA for the period. Group Services costs were 4 per cent lower than the prior corresponding period on an EBITDA basis, as the Group continued to drive productivity across the global platform.

A key highlight in the period included the significant progress made in securing new tenants across the Group's commercial development pipeline. New leasing agreements were secured across approximately 85,000 sqm of commercial space in the period, predominantly in Australia. The significant progress made on leasing underpinned the forward sale of three office towers in the period, at Brisbane Showgrounds in Brisbane, and Melbourne Quarter and Victoria Harbour in Melbourne. The Group also sold down a majority interest in the Circular Quay Tower development in Sydney. These projects now move into the delivery phase, representing approximately \$2.5 billion of development end value in delivery, which will support future earnings across the Development, Construction and Investments segments.

The Group generated positive cash with total Operating and Investing cash flow up significantly on the prior corresponding period. Key items supporting the positive cash flow result included proceeds received following the practical completion of Tower One at Barangaroo South in Sydney, the sell down of a majority interest in the Circular Quay Tower development and proceeds from the Group's divestment of the New Zealand Retirement Living business which completed in the prior financial year. The Group also completed its first PLLACs transaction within its European Apartment business which contributed to cash flow.

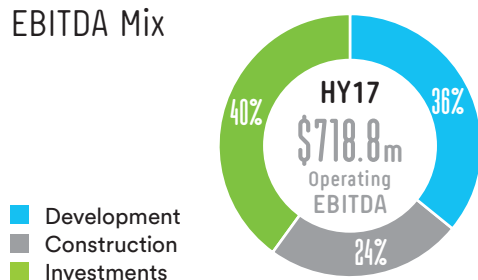
The positive cash outcome resulted in the Group maintaining a strong Balance Sheet, with gearing of 5.1 per cent, cash and cash equivalents of \$1.0 billion and total liquidity of \$3.3 billion, representing cash and cash equivalents and undrawn debt facilities, all improvements on the position at 30 June 2016.

The Group's Return on Equity was 13.7 per cent for the period, at the upper end of the 10 to 14 per cent target range. Earnings per Security was 67.8 cents per security, up 11 per cent on the prior corresponding period, and the Group's distribution is 33 cents per security, a payout ratio of 49 per cent, consistent with its target 40 to 60 per cent payout ratio.

Key Financials

FINANCIAL		HY16	HY17	Percentage Movement
Key Metrics				
Revenue ¹	\$m	7,354.8	7,950.8	8%
EBITDA	\$m	512.0	639.6	25%
Profit after Tax (PAT)	\$m	353.8	394.8	12%
Operating and Investing cash flow	\$m	(168.8)	243.0	244%
Net assets ²	\$m	5,614.7	5,947.2	6%
Net debt ²	\$m	1,052.4	843.7	(20%)
Effective tax rate ³	%	16.9	27.2	61%
Key Returns				
Earnings per Security	cents	60.9	67.8	11%
Distribution per Security	cents	30.0	33.0	10%
Weighted avg Securities	no.	580.9	582.7	0%

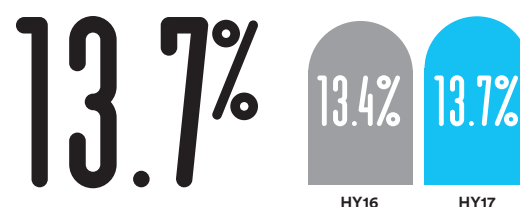
EBITDA Mix



Profit after Tax



Return on Equity



Earnings per Security



1. Includes finance revenue.

2. Comparative values represent June 2016 balances.

3. Lendlease's approach to tax and its policies are contained on the website (<http://www.lendlease.com/investor-centre/taxation/tax-disclosure>). Details on tax balances are included within the Consolidated Financial Statements.

Portfolio Management Framework

During the period the Group introduced a new Portfolio Management Framework, which is designed to:

- Maximise long term securityholder value through a well diversified, risk adjusted portfolio
- Leverage the competitive advantage of our integrated model
- Optimise our business relative to the outlook for our markets on a long term basis; and
- Ensure financial strength to execute our strategy and maintain a strong financial profile with flexibility to withstand market volatility.

As a part of this framework the Group has set target ranges on a number of key metrics which are set out below. Metrics for the period were broadly in line with the target guidelines. The regional capital mix in Australia was above the target guideline mix reflecting the significant production investment made in the development pipeline in recent years. This is expected to re-weight over the medium term with an increasing focus on the international markets.

Portfolio Management Framework

CAPITAL FRAMEWORK	Target	HY16	HY17
Group Metrics			
Return on Equity	10-14%	13.4%	13.7%
Dividend payout ratio	40-60%	49%	49%
Gearing ²	10-15%	6.5%	5.1%
EBITDA Mix			
Development	35-45%	39%	36%
Construction	20-30%	20%	24%
Investments	30-40%	41%	40%
Segment Returns			
Development	9-12% ROIC ^{3,4}	11.3%	12.7%
Construction	3-4% EBITDA	2.0%	2.7%
Investments	8-11% ROIC ^{3,4}	12.2%	13.4%
Regional Invested Capital Mix			
Australia	50-70%	77%	77%
Asia	5-20%	7%	8%
Europe	5-20%	13%	9%
Americas	5-20%	3%	6%

Group Outlook

Outlook

The Group remains well positioned with strong growth achieved across all segments of the operating platform compared to the prior corresponding period.

The remaining end development pipeline grew to \$49.0 billion, up 5 per cent on the prior corresponding period. This included \$35.0 billion of Urbanisation projects. The Development segment also continues to maintain a strong residential presales position, closing the period at \$5.7 billion. In the commercial space, the Group now has 13 major buildings in delivery with a total development end value of \$7.0 billion¹. A further \$9.2 billion of commercial end value remains in the development pipeline.

The Group's construction backlog revenue closed at \$20.5 billion, up 10 per cent on the prior corresponding period. This included \$6.3 billion of new work secured during the current period. The pipeline outlook remains strong, particularly in the transport sector in Australia for the Engineering business, while the internal Development pipeline is expected to support the outlook for the international businesses. Lendlease was also preferred bidder on approximately \$7 billion of work globally at period end.

Funds Under Management (FUM) grew to \$24.7 billion, up 12 per cent on the prior corresponding period. Together with approximately \$3 billion of additional secured FUM through the urbanisation pipeline in delivery and existing investment positions of \$3.3 billion, the Investments segment is well placed to continue to deliver a solid base of recurring earnings for the Group going forward.

The established operating platform provides the Group with strong earnings visibility. The strength of its balance sheet and access to third party capital provides the Group with flexibility to continue to explore new pipeline opportunities in line with strategy.

Development Pipeline

\$49.0 BILLION

Construction Backlog

\$20.5 BILLION

Funds Under Management

\$24.7 BILLION

1. Total end value of ~\$7.0 billion, with ~\$1.3 billion delivered to date.

2. Comparative value represents June 2016 balance.

3. Target segment returns are through-cycle returns based on a rolling 3 to 5 year timeline.

4. ROIC: Annualised Return on Invested Capital. ROIC definition: Operating Profit after Tax / Average Invested Capital.

Development Performance

Performance

The Development segment delivered Profit after Tax of \$181.5 million, down 1 per cent on the prior corresponding period. EBITDA for the period was \$260.2 million, up 10 per cent on the prior corresponding period. Development ROIC was 12.7 per cent annualised for the period, above the target range.

This result was driven by a strong performance in the Australian operations which was supported by significant progress made in securing new tenants for the commercial development pipeline. The Group forward sold three commercial office buildings in the period, at Brisbane Showgrounds in Brisbane, and Melbourne Quarter and Victoria Harbour in Melbourne. The Group also sold down a majority interest in the Circular Quay Tower development in Sydney. Significant leasing progress was made at Tower One at Barangaroo South in Sydney and with new tenant commitments secured in the period (including Heads of Terms), commercial leasing in the tower is now above 70 per cent. In addition, Tower One reached practical completion during the period, with all three office towers now operational. This shift to operational status facilitated a release of previously eliminated development profit. The result for Australia also included apartment settlements at Victoria Harbour in Melbourne. Communities settlements were down compared to the prior corresponding period due to project

timing. Communities presold revenue closed at \$0.8 billion, up 29 per cent on the prior corresponding period, on the back of strong underlying sales performance.

The Group continued to invest in its offshore pipeline during the period, with solid progress made across its Urbanisation projects in Asia, Europe and the Americas.

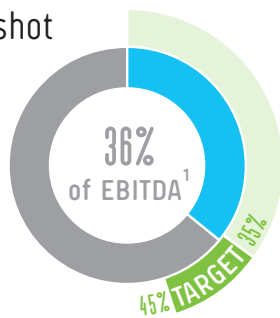
In Singapore, construction at the Paya Lebar Quarter is progressing well and during the period management secured two anchor tenants for the retail component of the development. The project remains on track for completion in FY19.

In Europe, apartment settlements were achieved at the Glasshouse Gardens at International Quarter London and South Gardens at Elephant and Castle in London. The result was down on the prior corresponding period in which the Group forward sold two commercial office buildings at the International Quarter London.

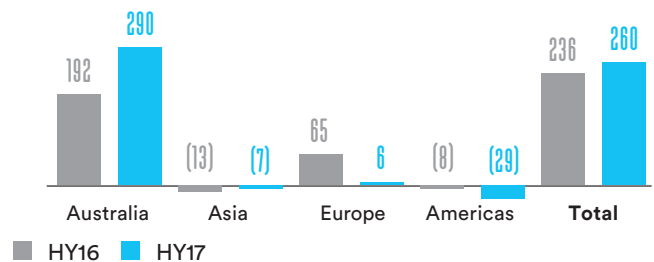
In the Americas, work has commenced at Riverline in Chicago, Clippership Wharf in Boston and 281 Fifth Avenue in New York. These projects are all in the residential sector, representing a mix of multi-family and condominium product.

The Group continues to explore new pipeline opportunities across the key target gateway cities across its four key regions.

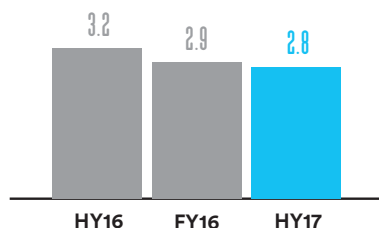
Segment Snapshot



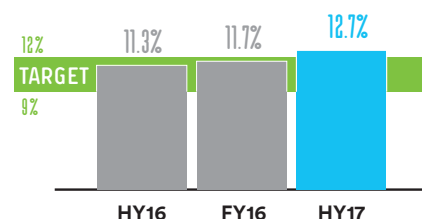
EBITDA by Region (\$m)



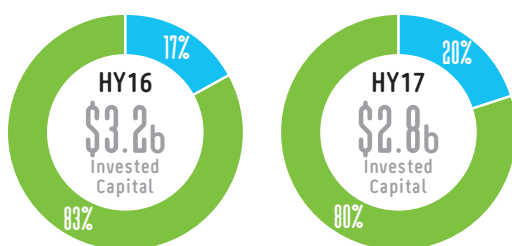
Invested Capital² (\$b)



Return on Invested Capital³

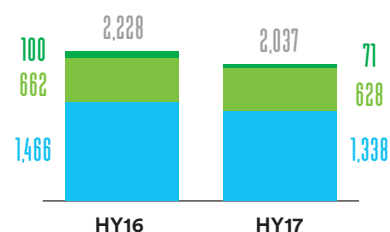


Invested Capital² by Product (\$b)



■ Communities ■ Urbanisation

Settlement Profile (Units)



■ Communities ■ Apartment ■ Retirement⁴

1. Represents the proportion of EBITDA from Operating businesses.
 2. Represents security holder equity plus net debt.
 3. Half year returns have been annualised.
 4. Retirement settlements exclude resales, Development activity only.

Development Outlook

Outlook

The growth outlook for Development remains positive. The remaining end development pipeline grew to \$49.0 billion, up 5 per cent on the prior corresponding period. This included \$35.0 billion of Urbanisation projects, including over 50 per cent in international markets.

The Development segment has maintained a strong residential presales position, closing the period at \$5.7 billion. The majority of the presold residential revenue will be recognised during the remainder of FY17 through to FY19 as underlying projects in delivery are completed.

Across the urbanisation pipeline the Group now has 13 major commercial buildings in delivery and 20 major apartment buildings presold and in delivery. In addition, the Group has a further \$25.0 billion of secured urbanisation pipeline, representing over 19,000 apartment units and approximately 762,000 sqm of commercial space, which will support the Group's medium to longer term outlook. These projects are typically held in capital efficient structures, providing the Group with flexibility around delivery timing in line with market cycles.

The Group remains well placed to deliver on its development pipeline despite some market challenges across the portfolio. The strong presales position provides solid earnings visibility

Segment Overview

The Development segment operates in all four geographic regions. It is split across two major products; Urbanisation and Communities.

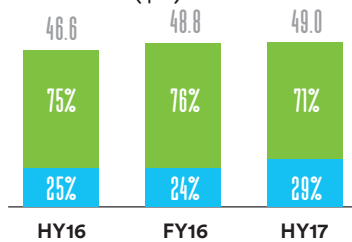
Urbanisation projects include large scale projects in gateway cities which deliver the infrastructure, high density residential and commercial built-form.

The Communities product includes outer urban residential masterplanned communities with integrated town centres.

Financial returns for the segment are generated via Development margins, Development management fees received from external co-investors and origination fees for the facilitation of infrastructure PPP transactions.

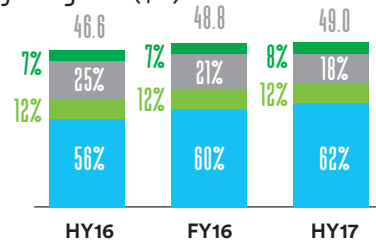
over the medium term. The Group's record remaining development pipeline offers strong diversification across both geography and sectors, and will support the management of market risk across the portfolio over the longer term.

Pipeline by Product (\$b)



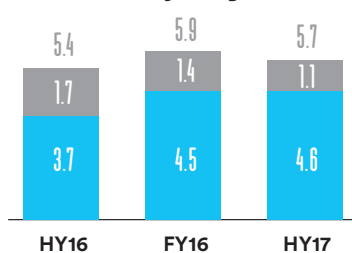
■ Communities ■ Urbanisation

Pipeline by Region (\$b)



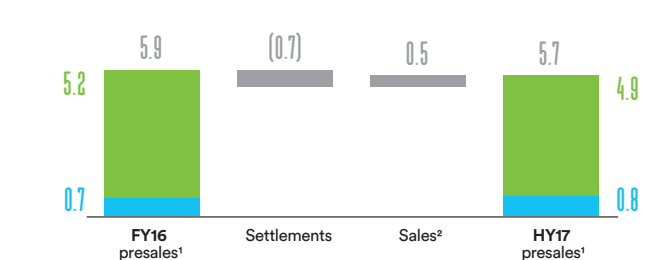
■ Australia ■ Asia ■ Europe ■ Americas

Residential Presales¹ by Region (\$b)



■ Australia ■ Europe

Movement in Residential Presales (\$b)



■ Communities ■ Apartments

Commercial Building Completion Profile

Project	Capital Model	sqm ('000)	Building	HY17	FY17	FY18	FY19
International Quarter London	Fund through ³	73	Stage 1 Commercial (2 buildings)				
Paya Lebar Quarter	Joint venture	93	Commercial (3 buildings)				
		44	Retail				
Darling Square	Fund through ³	26	Commercial				
		37	Hotel				
Barangaroo South	Fund through ³	102	Tower One	Completed			
		7	International House Sydney				
Melbourne Quarter	Fund through ³	26	One Melbourne Quarter				
Victoria Harbour	Fund through ³	38	Commercial Y3				
Circular Quay Tower ⁴	Joint venture	55	Commercial				FY21
Brisbane Showgrounds	Fund through ³	15	Commercial K5				

1. Includes 100 per cent of joint venture projects and therefore will not necessarily correlate with the Group's Profit after Tax.

2. Includes the impact of movement in foreign exchange rates.

3. A funding model structured through a forward sale to a capital partner resulting in staged payments prior to building completion.

4. Circular Quay Tower construction start remains subject to certain preconditions.

Development Pipeline

Urbanisation Pipeline Profile

Apartments

20 major apartment buildings presold and in delivery, estimated completion FY17 (H2) - FY19

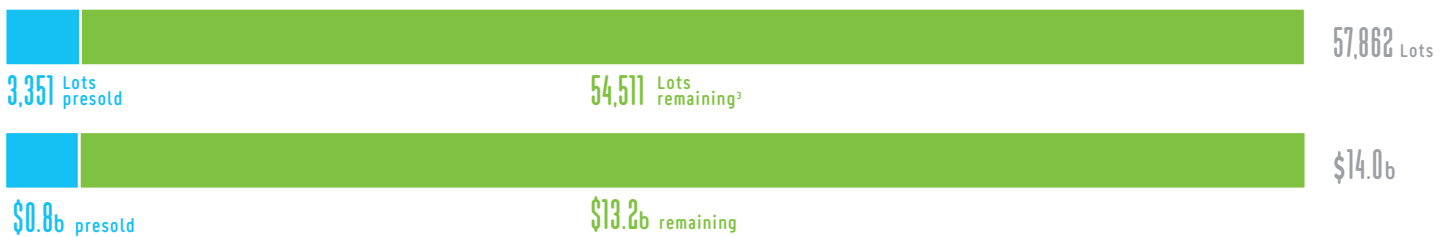


Commercial

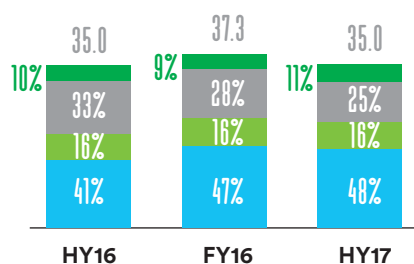
13 major buildings in delivery, estimated completion FY17 (H2) - FY21



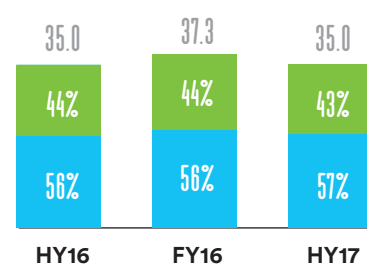
Communities Pipeline Profile



Urbanisation Pipeline by Region (\$b)



Urbanisation Pipeline by Product (\$b)



■ Australia ■ Asia ■ Europe ■ Americas

■ Apartments ■ Commercial

1. Represents presales balance on buildings in delivery only.
2. Total end value of ~\$7.0 billion, with ~\$1.3 billion delivered to date.
3. Includes built-form units to be sold with land lots.

THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK

Construction Performance

Performance

The Construction segment delivered Profit after Tax of \$107.2 million, up 39 per cent on the prior corresponding period. EBITDA for the period was \$170.2 million, up 45 per cent on the prior corresponding period. The global EBITDA margin was up 70 basis points to 2.7 per cent compared to the prior corresponding period, continuing an upward trend towards the Group's target range of 3 to 4 per cent for the global business.

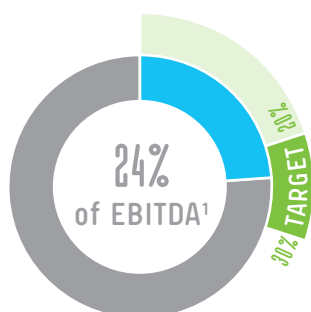
The increase in earnings was underpinned by a higher contribution from the Americas operations. The strong result in the region was supported by performance upside on a number of projects that were closed out during the period.

The earnings contribution from the Australian business remained strong with a shift in the earnings mix between Building and Engineering adjusting in line with revenue. The Engineering pipeline secured in recent years in Australia remains in the early stages of delivery, the full benefit of which is expected to be realised over future periods.

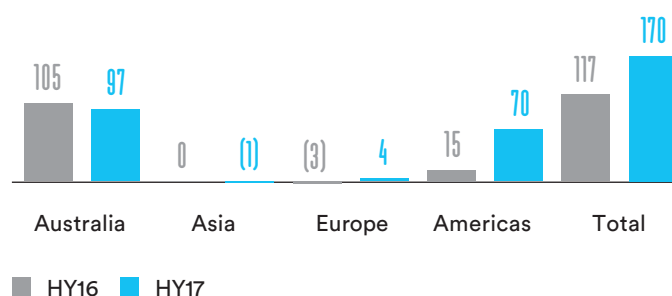
The performance of the Asia and Europe Construction businesses continues to be impacted by challenging market conditions experienced in those regions in recent years. In each region the internal development pipeline is expected to support the business outlook.

New work secured of \$6.3 billion was up 3 per cent on the prior corresponding period, with an increased contribution in both Asia and the Americas. This Asia result was supported by the Paya Lebar Quarter development project in Singapore converting to construction backlog. In Australia, new work secured was down due to a strong contribution from Engineering in the prior corresponding period. The Engineering pipeline remains strong with the business active on a number of large projects currently being tendered.

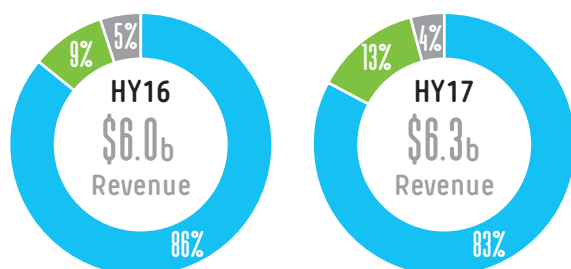
Segment Snapshot



EBITDA by Region (\$m)

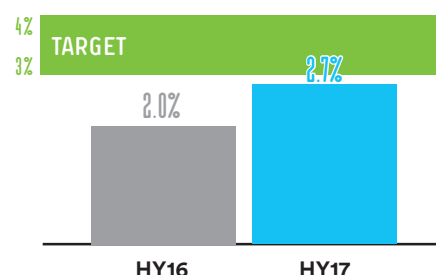


Revenue by Product (\$b)

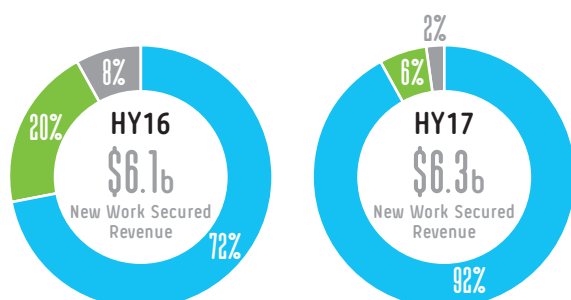


■ Building ■ Engineering ■ Services

EBITDA Margin

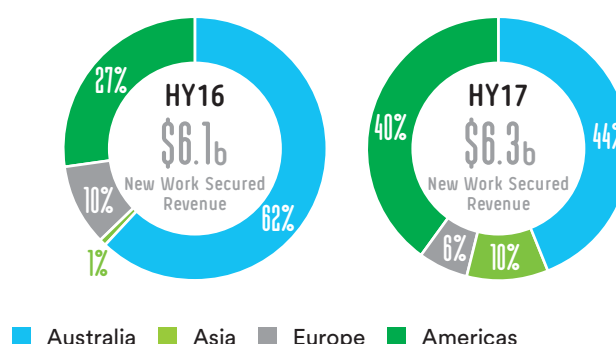


New Work Secured by Product (\$b)



■ Building ■ Engineering ■ Services

New Work Secured by Region (\$b)



1. Represents the proportion of EBITDA from Operating businesses.

Construction Outlook

Outlook

Construction backlog revenue closed at \$20.5 billion, up 10 per cent on the prior corresponding period. The backlog position is well diversified across multiple sectors and clients. In addition, the Group is in a preferred position on approximately \$7 billion of work globally which it expects to convert over the next 12 months.

The pipeline outlook remains strong for the Construction business, particularly in the transport sector in Australia for the Engineering business. The Lendlease development pipeline is expected to support the outlook for the international businesses. In addition, a number of attractive external opportunities are emerging in the UK and Americas markets which the business is pursuing. The Asia business will continue to focus predominantly on the internal pipeline.

The Group is well positioned to deliver on its strong position in the Construction segment. While market conditions across parts of the Group's traditional Building business remain mixed, the strong internal pipeline and the attractive infrastructure pipeline

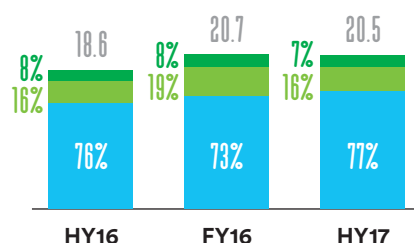
Segment Overview

The Construction segment operates across all four geographic regions to provide project management, design, and construction services, predominantly in the infrastructure, defence, mixed use, commercial and residential sectors.

The financial returns for the segment are generated via project management and construction management fees, in addition to construction margin.

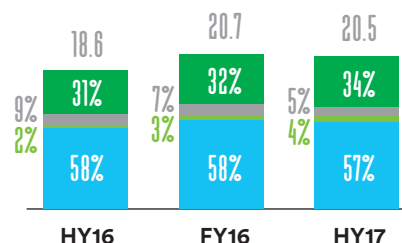
in Australia provide a solid backdrop for the segment. The existing backlog position underpins earnings visibility over the medium term for the segment.

Backlog by Product (\$b)



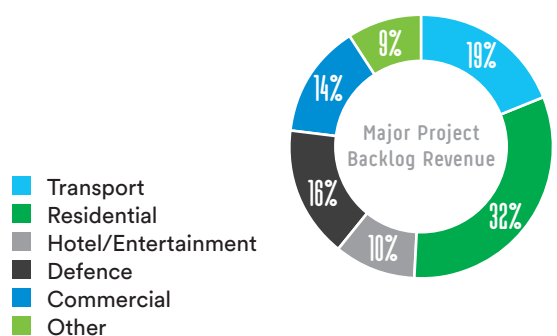
■ Building ■ Engineering ■ Services

Backlog by Region (\$b)

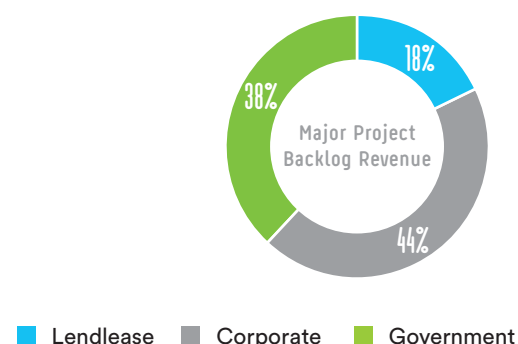


■ Australia ■ Asia ■ Europe ■ Americas

Backlog¹ by Sector

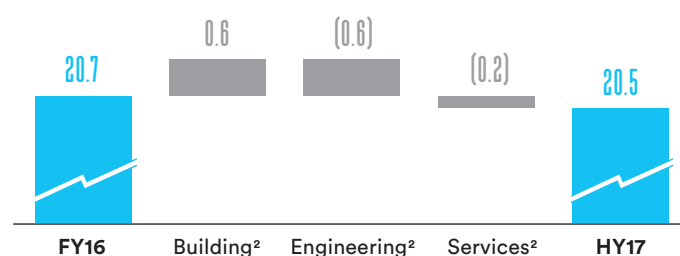


Backlog¹ by Client

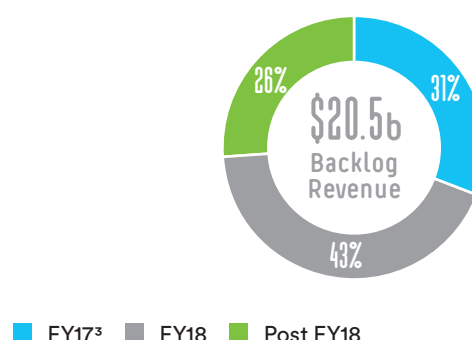


■ Lendlease ■ Corporate ■ Government

Backlog Revenue Movement by Product (\$b)



HY17 Backlog Realisation



■ FY17* ■ FY18 ■ Post FY18

1. Includes all Construction projects greater than \$100 million, which represents 78% (\$16.0 billion) of secured backlog.

2. Includes the impact of movement in foreign exchange rates, where applicable.

3. FY17 reflects backlog realisation from 31 December 2016.

Investments Performance

Performance

The Investments segment delivered Profit after Tax of \$215.4 million, up 6 per cent on the prior corresponding period. EBITDA for the period was \$288.4 million, up 19 per cent on the prior corresponding period. The EBITDA from operating activities was up \$20 million on the prior corresponding period, driven by higher base fees from the Funds Management business and higher asset management fees from the Americas' military housing operations and the Australian Investment Management business. This result delivered a solid source of recurring income to the Group, with the segment representing 40 per cent of Group operating EBITDA, at the top end of the target range. Investments ROIC was 13.4 per cent annualised for the period, above the target range, driven by improved performance in Australia and Asia.

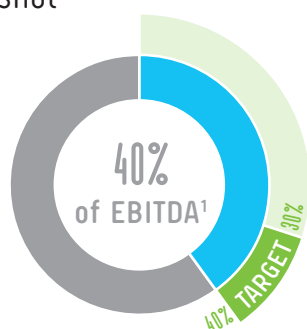
In Australia, the result was supported by the return on key investments in Lendlease International Towers Sydney Trust and Lendlease One International Towers Sydney Trust, with the underlying commercial assets now all having moved into the operational phase. The result was also supported by a strong contribution from the Retirement operations which recorded an 8.6 per cent uplift in unit pricing on resales during the period.

Late in FY16, the Group divested the New Zealand Retirement Living business, with over \$200 million in proceeds subsequently received in the current period.

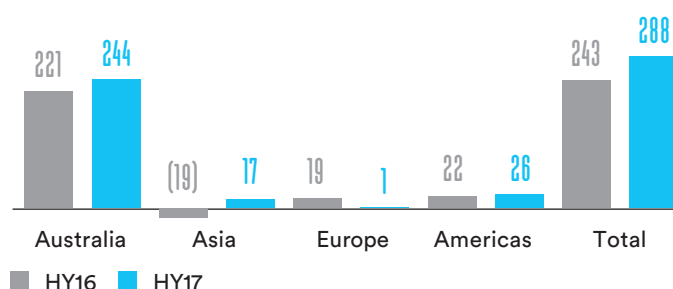
The Asia result in the prior corresponding period was impacted by a reduction in the value of the Group's 25 per cent direct investment in 313@somerset in Singapore. In Europe, the Group divested its interest in the Lendlease PFI/PPP Infrastructure Fund LP in the prior corresponding period. These items impact the period on period movement in these regions.

New equity of \$0.8 billion was raised during the period. This was mainly attributable to equity commitments relating to the sell down of the Group's majority interest in the Circular Quay Tower development in Sydney. Lendlease's strong network of capital partners provides additional capacity for the Group to develop its pipeline of opportunities, as well as providing a solid base of recurring income.

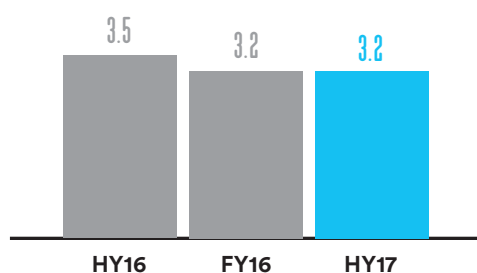
Segment Snapshot



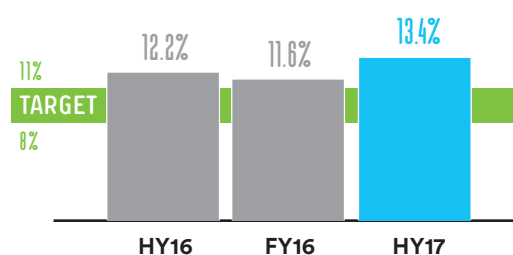
EBITDA by Region (\$m)



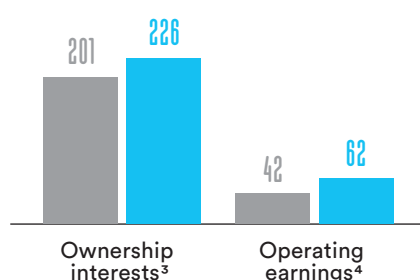
Invested Capital² (\$b)



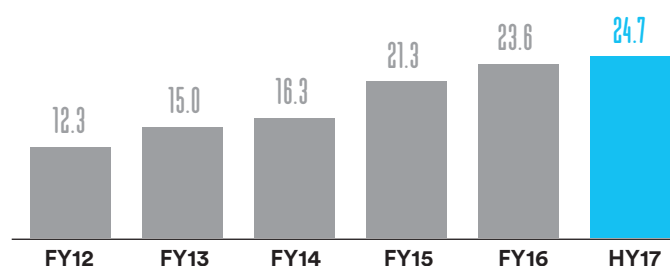
Return on Invested Capital



Investments EBITDA by Activity (\$m)



Growth in Funds Under Management (\$b)



1. Represents the proportion of EBITDA from Operating Businesses.

2. Security holder equity plus net debt.

3. Returns derived from Co-Investments, the Retirement Living business and equity returns from US military housing.

4. Earnings derived from the investment management platform and the management of US military housing operations.

Investments Outlook

Outlook

Funds Under Management grew to \$24.7 billion, up 12 per cent on the prior corresponding period. The result was driven by solid growth across the Australian fund platform, including Lendlease One International Towers Sydney Trust and the Australian Prime Property Fund series. The funds under management portfolio is well diversified across sectors and geographies. As the Group delivers on its urbanisation pipeline there is approximately \$3 billion of additional secured FUM relating to projects in delivery. Investments managed on behalf of the Group closed the period at \$3.3 billion. The Group had \$1.5 billion co-invested across its fund platform, providing strong alignment with investors and a high quality income stream. The Group also had invested \$1.7 billion of capital across 71 retirement villages in Australia, and in the Americas continued to manage over 50,000 units across its military housing operations.

The outlook for the Investments' segment remains solid, with an established relationship with approximately 150 institutional investors and a strong track record of performance. The further conversion of the urbanisation pipeline together with the Group's strong network of third party capital will provide

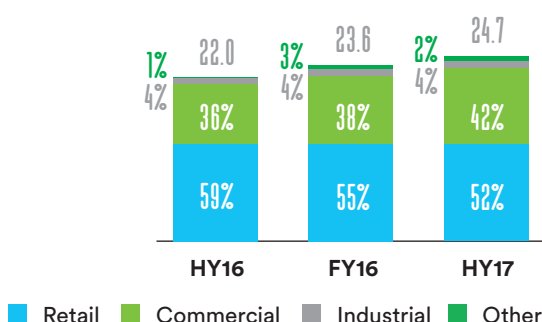
Segment Overview

Lendlease owns and/or manages investments across all four geographic regions. The Investments segment includes a leading wholesale investment management platform and also includes the Group's ownership interests in property and infrastructure Co-Investments, Retirement Living, and US military housing.

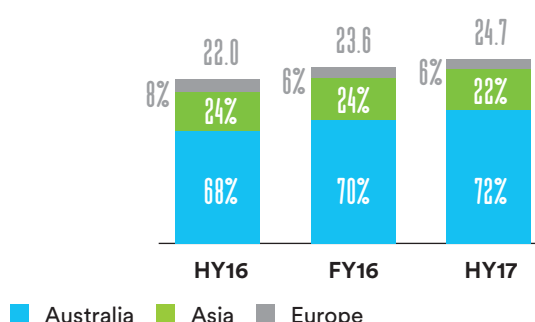
Financial returns for the segment include fund and property management fees, yield and capital growth on investment positions, and returns from the Group's retirement portfolio and US military housing operations.

future opportunities to continue to grow FUM. Combined with the Group's existing investments platform, the segment is well positioned to continue to deliver a solid base of recurring income streams to underpin the Group's future earnings.

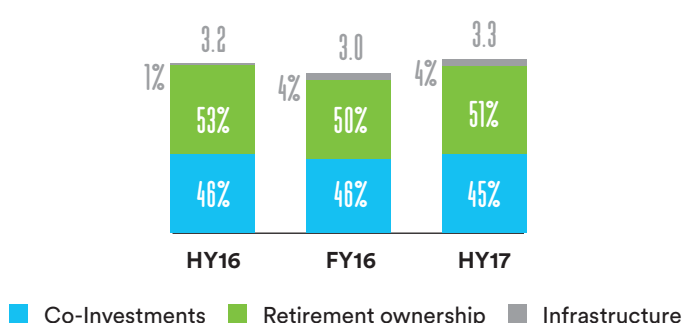
Funds Under Management by Asset Class (\$b)



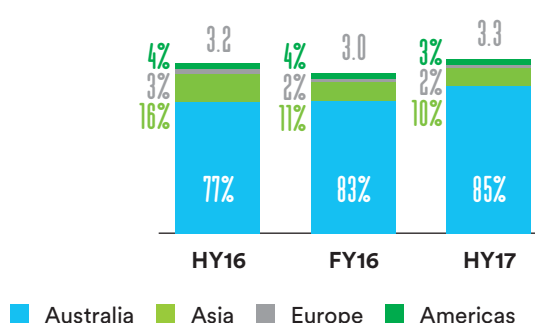
Funds Under Management by Region (\$b)



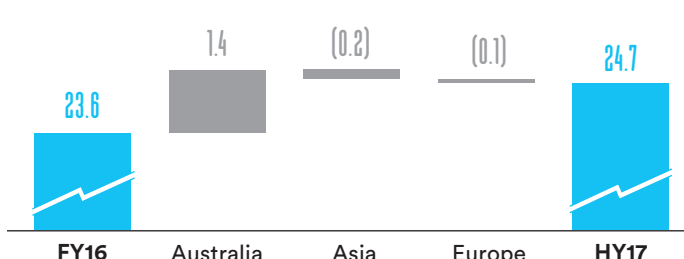
Investments¹ by Product (\$b)



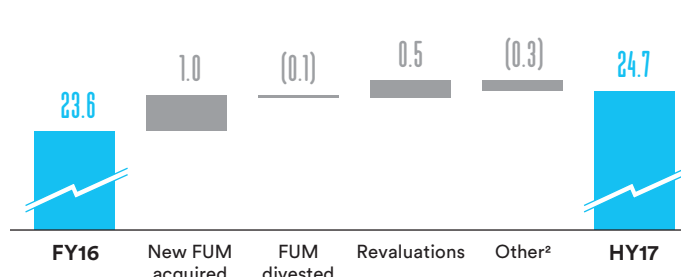
Investments¹ by Region (\$b)



Funds Under Management by Region (\$b)



Funds Under Management roll-forward (\$b)



1. Represents the Group's assessment of market value.

2. Includes the impact of movement in foreign exchange rates.

Financial Position and Cash Flow Movements

Financial Position

	FY16 \$m	HY17 \$m	Percentage movement
Cash and cash equivalents	1,008.4	1,020.8	1%
Inventories	4,602.9	4,963.6	8%
Equity accounted investments	1,152.6	744.0	(35%)
Investment properties	5,940.7	6,439.5	8%
Other assets (including financial)	5,888.3	5,738.6	(3%)
Total assets	18,592.9	18,906.5	2%
Borrowings and financing arrangements	2,031.3	1,844.9	(9%)
Other liabilities (including financial)	10,946.9	11,114.4	2%
Total liabilities	12,978.2	12,959.3	0%
Net assets	5,614.7	5,947.2	6%

Inventories

Inventories increased by 8 per cent on 30 June 2016 due to an increase in work in progress in relation to key Development projects including Darling Square in Sydney, Toorak Park in Melbourne and Elephant and Castle in London.

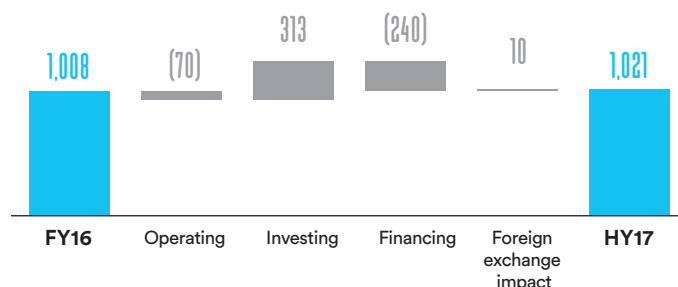
Investment properties

Investment properties increased primarily due to capital expenditure, acquisitions and valuation growth on the Retirement Living properties on a gross basis. This increase was offset by an increase in Resident Liabilities reported through Other Liabilities.

Equity Accounted Investments

Equity accounted investments decreased by 35 per cent on 30 June 2016 following a change in the accounting classification of the Group's investments in the Lendlease International Towers Sydney Trust and Lendlease One International Towers Sydney Trust. This was due to all underlying assets now having moved to the operational phase post completion. These investments are now reported within Other Financial Assets in the Statement of Financial Position.

Cash Flow Movements (\$m)



Operating

Positive operating cash flows were generated in the period from proceeds received following the practical completion of Tower One at Barangaroo South in Sydney, apartment settlements in Australia and Europe, and the completion of a PLLACs transaction within the European Apartment business. These items were offset by increased contributions towards the development projects in production.

Investing

Net cash inflow from investing activities during the period was primarily due to proceeds received from the sell down of a majority interest in the Circular Quay Tower development and proceeds from the divestment of the New Zealand Retirement Living business which completed in the prior financial year.

Financing

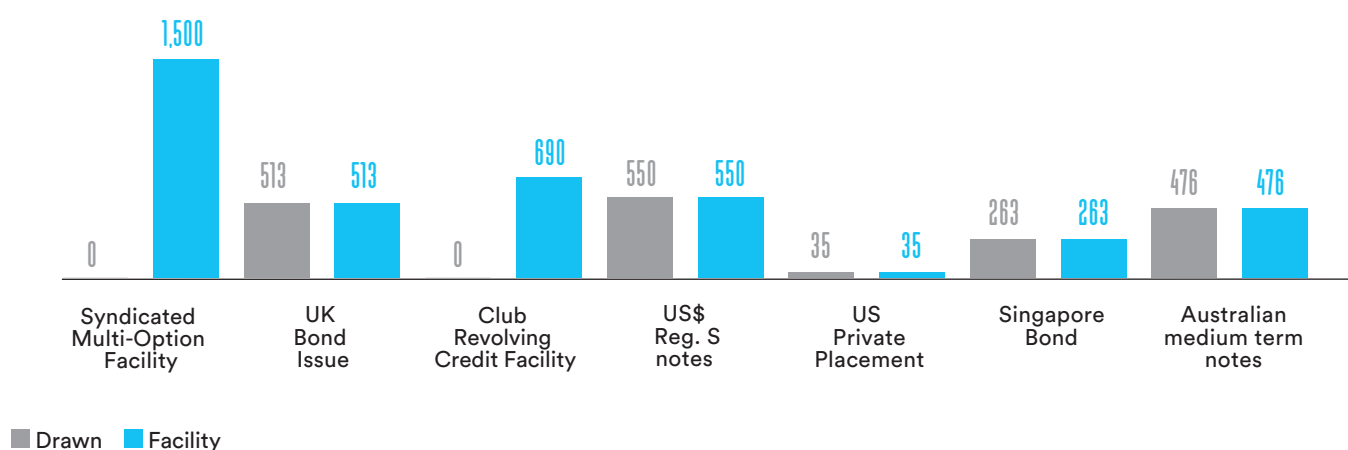
The net cash outflow from financing activities during the period was driven by repayments on the Club Revolving Credit Facility.

Group Funding and Debt Facilities

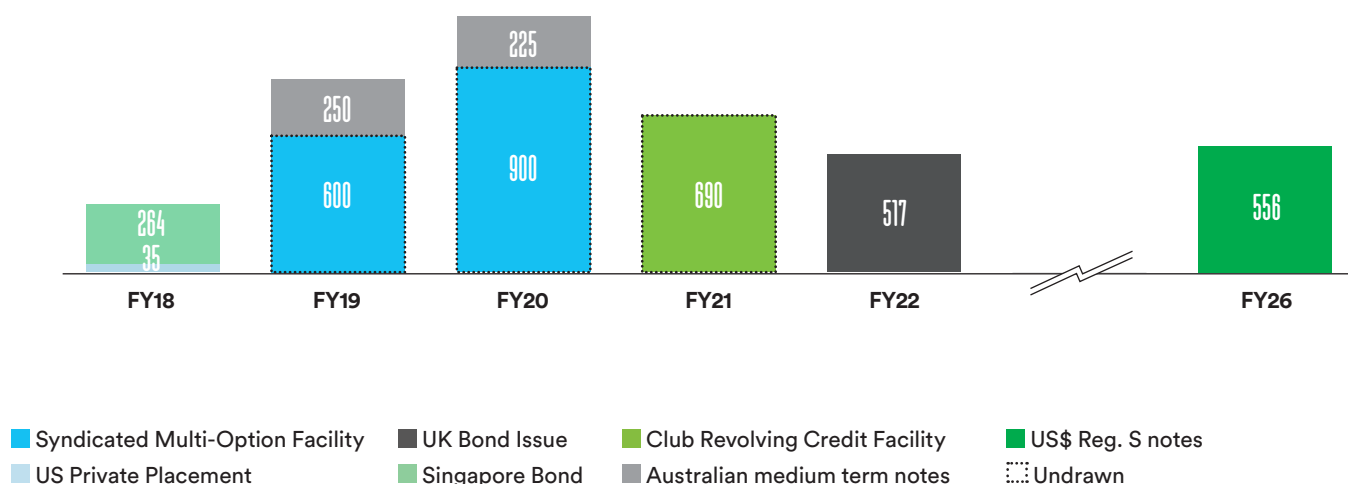
		FY16	HY17	Percentage Movement
Net debt	\$m	1,052.4	843.7	(20%)
Borrowings to total equity plus borrowings	%	26.6	23.7	(11%)
Net debt to total tangible assets, less cash	%	6.5	5.1	(22%)
Interest coverage	times	8.0	10.8	35%
Average cost of debt including margins	%	4.6	4.8	4%
Average debt duration	years	5.3	4.9	(8%)
Debt mix fixed: floating	ratio	91:9	100:0	
Undrawn facilities	\$m	2,172.6	2,313.3	6%

The Group's net debt and gearing position has continued to reduce this period, driven by the positive net operating and investing cash flow position, which has been used for the repayment of the Club Revolving Credit Facility. As a result, both gearing and interest cover improved as at 31 December 2016. The increase in the Group's average cost of debt reflects lower drawings under floating rate bank facilities during the period. The increase in the Group's fixed / floating debt mix similarly reflects the repayment of borrowings under floating rate bank facilities as at 31 December 2016.

Debt Facilities¹ (\$m)



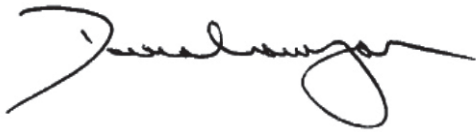
Debt Maturity Profile² (\$m)



1. Values are shown at amortised cost.
2. Values are shown at gross facility value.

Directors' Report

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



D A Crawford, AO
Chairman



S B McCann
Group Chief Executive Officer and Managing Director

Sydney, 27 February 2017



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Lendlease Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half year ended 31 December 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

D McLennan

Duncan McLennan

Partner

Sydney

27 February 2017

Lendlease Half Year Financial Report

December 2016

Table of Contents

Consolidated Financial Statements

Income Statement	1
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Consolidated Financial Statements	6

Notes Index

Section A: Performance

1. Segment Reporting	7
2. Dividends/Distributions	8
3. Earnings per Share/Stapled Security	8
4. Revenue	9
5. Other Income	9
6. Other Expenses	9
7. Finance Revenue and Finance Costs	10
8. Share of Profit of Equity Accounted Investments	10
9. Taxation	12
10. Events Subsequent to Balance Date	12

Section B: Investment

11. Inventories	13
12. Equity Accounted Investments	13
13. Investment Properties	16
14. Other Financial Assets	17

Section C: Liquidity and Working Capital

15. Borrowings and Financing Arrangements	18
16. Issued Capital	19

Section D: Other Notes

17. Fair Value Measurement	20
18. Contingent Liabilities	21

Section E: Basis of Consolidation

19. Consolidated Entities	22
---------------------------	----

Directors' Declaration	23
-------------------------------	-----------

Lendlease Corporation Limited (the Company) is incorporated and domiciled in Australia. The consolidated financial report of the Company for the half year ended 31 December 2016 comprises the Company and its controlled entities including Lendlease Trust (LLT) (together referred to as the Consolidated Entity or the Group). The Group is a for-profit entity and is an international property and infrastructure group. Further information about the Group's primary activities is included in Note 1 'Segment Reporting'.

Shares in the Company and units in LLT are traded as one security under the name of Lendlease Group on the Australian Securities Exchange (ASX). The Company is deemed to control LLT for accounting purposes and therefore LLT is consolidated into the Group's financial report. The issued units of LLT, however, are not owned by the Company and are therefore presented separately in the Consolidated Entity Statement of Financial Position within equity, notwithstanding that the unitholders of LLT are also the shareholders of the Company.

The consolidated financial report was authorised for issue by the Directors on 27 February 2017.

Consolidated Financial Statements

Income Statement

Half Year Ended 31 December 2016

	Note	6 months December 2016 A\$m	6 months December 2015 A\$m
Revenue	4	7,945.3	7,340.0
Cost of sales		(7,077.3)	(6,522.7)
Gross profit		868.0	817.3
Other income	5	139.0	85.1
Other expenses		(458.9)	(552.6)
Results from operating activities		548.1	349.8
Finance revenue	7	5.5	14.8
Finance costs	7	(55.1)	(60.5)
Net finance costs		(49.6)	(45.7)
Share of profit of equity accounted investments	8	43.7	121.4
Profit before Tax		542.2	425.5
Income tax expense	9	(147.7)	(71.9)
Profit after Tax		394.5	353.6
Profit after Tax attributable to:			
Members of Lendlease Corporation Limited		338.6	257.7
Unitholders of Lendlease Trust		56.2	96.1
Profit after Tax attributable to securityholders		394.8	353.8
External non controlling interests		(0.3)	(0.2)
Profit after Tax		394.5	353.6
Basic/Diluted Earnings per Lendlease Corporation Limited Share (EPS)			
Shares excluding treasury shares (cents)	3	60.9	46.7
Shares on issue (cents)	3	58.1	44.4
Basic/Diluted Earnings per Lendlease Group Stapled Security (EPSS)			
Securities excluding treasury securities (cents)	3	71.0	64.1
Securities on issue (cents)	3	67.8	60.9

The accompanying notes form part of these consolidated financial statements.

Consolidated Financial Statements continued

Statement of Comprehensive Income

Half Year Ended 31 December 2016

	6 months December 2016 A\$m	6 months December 2015 A\$m
Profit after Tax	394.5	353.6
Other Comprehensive Income/(Expense) After Tax		
Items that may be reclassified subsequently to profit or loss:		
Movements in fair value revaluation reserve	1.8	1.9
Movements in hedging reserve	20.6	0.9
Movements in foreign currency translation reserve ¹	6.1	41.8
Total items that may be reclassified subsequently to profit or loss²	28.5	44.6
Items that will not be reclassified to profit or loss:		
Movements in non controlling interest acquisition reserve	(2.4)	(3.7)
Defined benefit plans remeasurements	(5.5)	3.3
Total items that will not be reclassified to profit or loss	(7.9)	(0.4)
Total comprehensive income after tax	415.1	397.8
Total comprehensive income after tax attributable to:		
Members of Lendlease Corporation Limited	359.2	301.4
Unitholders of Lendlease Trust	56.2	96.1
Total comprehensive income after tax attributable to securityholders	415.4	397.5
External non controlling interests	(0.3)	0.3
Total comprehensive income after tax	415.1	397.8

1. Includes A\$nil relating to external non controlling interests (December 2015: A\$0.5 million).

2. Includes A\$9.0 million (December 2015: A\$4.3 million) relating to share of other comprehensive income on equity accounted investments.

Statement of Financial Position

As at 31 December 2016

	Note	December 2016 A\$m	June 2016 A\$m
Current Assets			
Cash and cash equivalents		1,020.8	1,008.4
Loans and receivables		2,057.4	2,785.0
Inventories	11	2,488.2	1,923.0
Other financial assets	14	65.0	50.7
Current tax assets			21.6
Other assets		94.0	69.2
Total current assets		5,725.4	5,857.9
Non Current Assets			
Loans and receivables		259.4	285.4
Inventories	11	2,475.4	2,679.9
Equity accounted investments	12	744.0	1,152.6
Investment properties	13a	6,439.5	5,940.7
Other financial assets	14	1,230.4	628.8
Deferred tax assets		116.2	109.5
Property, plant and equipment		413.1	432.3
Intangible assets		1,433.7	1,446.8
Defined benefit plan asset		6.5	7.5
Other assets		62.9	51.5
Total non current assets		13,181.1	12,735.0
Total assets		18,906.5	18,592.9
Current Liabilities			
Trade and other payables		4,353.5	4,328.8
Resident liabilities	13b	4,444.1	4,119.5
Provisions		321.8	292.4
Borrowings and financing arrangements	15a	297.8	
Current tax liabilities		38.5	
Other financial liabilities		23.5	83.6
Total current liabilities		9,479.2	8,824.3
Non Current Liabilities			
Trade and other payables		1,702.9	1,909.4
Provisions		49.2	70.6
Borrowings and financing arrangements	15a	1,547.1	2,031.3
Defined benefit plan liability		9.7	3.4
Other financial liabilities		1.7	9.7
Deferred tax liabilities		169.5	129.5
Total non current liabilities		3,480.1	4,153.9
Total liabilities		12,959.3	12,978.2
Net assets		5,947.2	5,614.7
Equity			
Issued capital	16	1,283.9	1,276.3
Treasury securities		(43.7)	(99.5)
Reserves		65.9	98.0
Retained earnings		3,552.3	3,289.6
Total equity attributable to members of Lendlease Corporation Limited		4,858.4	4,564.4
Total equity attributable to unitholders of Lendlease Trust		1,087.4	1,048.6
Total equity attributable to securityholders		5,945.8	5,613.0
External non controlling interests		1.4	1.7
Total equity		5,947.2	5,614.7

The accompanying notes form part of these consolidated financial statements.

Consolidated Financial Statements continued

Statement of Changes in Equity

Half Year Ended 31 December 2016

	Issued Capital A\$m	Treasury Securities ¹ A\$m	Reserves ² A\$m	Retained Earnings A\$m	Members of Lendlease Corporation Limited A\$m	Unitholders of Lendlease Trust A\$m	External Non Controlling Interests A\$m	Total Equity A\$m
Balance as at 1 July 2015	1,256.3	(89.9)	91.7	2,936.0	4,194.1	968.0	6.1	5,168.2
Total Comprehensive Income								
Profit for the period				257.7	257.7	96.1	(0.2)	353.6
Other Comprehensive Income (Net of tax)			40.4	3.3	43.7		0.5	44.2
Total Comprehensive Income	–	–	40.4	261.0	301.4	96.1	0.3	397.8
Transactions with owners of the Company								
Distribution reinvestment plan (DRP)	8.1				8.1	1.9		10.0
Dividends and distributions				(125.9)	(125.9)	(47.2)		(173.1)
Treasury securities acquired		(45.4)			(45.4)			(45.4)
Treasury securities vested		39.9			39.9			39.9
Fair value movement on allocation and vesting of securities			(18.2)		(18.2)			(18.2)
Other movements							(5.0)	(5.0)
Total other movements through reserves	8.1	(5.5)	(18.2)	(125.9)	(141.5)	(45.3)	(5.0)	(191.8)
Balance as at 31 December 2015	1,264.4	(95.4)	113.9	3,071.1	4,354.0	1,018.8	1.4	5,374.2
Balance as at 1 July 2016	1,276.3	(99.5)	98.0	3,289.6	4,564.4	1,048.6	1.7	5,614.7
Total Comprehensive Income								
Profit for the period				338.6	338.6	56.2	(0.3)	394.5
Other Comprehensive Income (Net of tax)			26.1	(5.5)	20.6			20.6
Total Comprehensive Income	–	–	26.1	333.1	359.2	56.2	(0.3)	415.1
Transactions with owners of the Company								
Distribution reinvestment plan (DRP)	7.6				7.6	1.7		9.3
Dividends and distributions				(152.3)	(152.3)	(19.1)		(171.4)
Treasury securities acquired		(4.6)			(4.6)			(4.6)
Treasury securities vested		46.2			46.2			46.2
Fair value movement on allocation and vesting of securities			(43.7)		(43.7)			(43.7)
Asset disposals and transfers ³			0.1		0.1			0.1
Other movements ⁴		14.2	(14.6)	81.9	81.5			81.5
Total other movements through reserves	7.6	55.8	(58.2)	(70.4)	(65.2)	(17.4)	–	(82.6)
Balance as at 31 December 2016	1,283.9	(43.7)	65.9	3,552.3	4,858.4	1,087.4	1.4	5,947.2

1. Opening balance for number of treasury securities at 1 July 2016 was 29.2 million (1 July 2015: 28.8 million) and closing balance at 31 December 2016 was 18.4 million (31 December 2015: 28.9 million).
2. Balance and movement in reserves are presented on a combined basis for the half year ended 31 December 2016. Half year ended 31 December 2015 has been restated to reflect current period presentation.
3. These movements in reserves were transferred to profit and loss in the period.
4. Other movements in Treasury Securities, Reserves and Retained Earnings relate to disposal of Lendlease securities held by consolidated employee benefit vehicles.

Statement of Cash Flows

Half Year Ended 31 December 2016

	6 months December 2016 A\$m	6 months December 2015 A\$m
Cash Flows from Operating Activities		
Cash receipts in the course of operations	8,561.0	8,079.0
Cash payments in the course of operations	(8,515.1)	(7,826.5)
Interest received	4.8	5.9
Interest paid	(77.2)	(87.5)
Dividends/distributions received	33.5	28.0
Income tax (paid)/received in respect of operations	(77.4)	1.8
Net cash (used in)/provided by operating activities	(70.4)	200.7
Cash Flows from Investing Activities		
Sale/redemption of investments	67.4	75.4
Acquisition of investments	(155.7)	(323.9)
Acquisition of/capital expenditure on investment properties	(58.9)	(7.1)
Net loans from/(to) to associates and joint ventures	6.0	(51.5)
Disposal of consolidated entities (net of cash disposed and transaction costs)	521.0	
Disposal of property, plant and equipment	3.6	10.3
Acquisition of property, plant and equipment	(66.4)	(47.2)
Acquisition of intangible assets	(3.6)	(25.5)
Net cash provided by/(used in) investing activities	313.4	(369.5)
Cash Flows from Financing Activities		
Proceeds from borrowings	1,624.3	1,978.5
Repayment of borrowings	(1,802.7)	(1,847.4)
Dividends/distributions paid	(157.7)	(139.9)
Proceeds from sale of treasury securities	106.5	
Other financing activities	(9.9)	(4.8)
Net cash used in financing activities	(239.5)	(13.6)
Other Cash Flow Items		
Effect of foreign exchange rate movements on cash and cash equivalents	8.9	2.3
Net increase/(decrease) in cash and cash equivalents	12.4	(180.1)
Cash and cash equivalents at beginning of financial period	1,008.4	750.1
Cash and cash equivalents at end of financial period	1,020.8	570.0

The accompanying notes form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Basis of Preparation

The consolidated financial report is a **general purpose** financial report, which:

- has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*;
- complies with the recognition and measurement requirements of the **International Financial Reporting Standards** (IFRSs) adopted by the International Accounting Standards Board (IASB);
- should be read in conjunction with the 30 June 2016 annual consolidated financial report and any public announcements by the Group during the half year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*. The half year financial report does not contain all the information required for a full financial report;
- is presented in **Australian dollars**, with all values **rounded off to the nearest tenth of a million dollars** unless otherwise indicated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) instrument 2016/191; and
- is prepared under the **historical cost basis** except for the following assets and liabilities, which are stated at their fair value: derivative financial instruments, fair value through profit or loss investments, available for sale investments, investment properties, resident liabilities and liabilities for cash settled share based compensation plans. Recognised assets and liabilities that are hedged are stated at fair value in respect of the risk that is hedged. Refer to the specific accounting policies within the notes to the financial statements for the basis of valuation of assets and liabilities measured at fair value.

The preparation of an interim financial report that complies with AASB 134 requires management to make **judgements, estimates and assumptions**.

- This can affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.
- The accounting policies have been consistently applied by the Group and are consistent with those applied in the 30 June 2016 annual financial statements other than as stated below.

Impact of New and Revised Accounting Standards

New and Revised Accounting Standards Adopted 1 July 2016

The Group adopted AASB 2014-3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations* and AASB 2015-2 *Amendments to AASB 101* for the half year ended 31 December 2016. There is no financial impact on the Group following adoption of these amendments. Additional disclosures have been included in the Statement of Comprehensive Income as required by AASB 2015-2 for joint ventures and associates share of comprehensive income.

New Accounting Standards and Interpretations Not Yet Adopted

Accounting Standard	Requirement	Impact on Financial Statements
AASB 2016-1 <i>Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses</i>	The amendments to AASB 112 clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. The amendment becomes mandatory for the June 2018 financial year and will be applied retrospectively.	Based on preliminary analysis performed, the amendments are not expected to have a material impact on the Group.
AASB 2016-2 <i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	The amendment to AASB 107 introduces additional disclosures relating to changes in liabilities arising from financing activities. The amendment becomes mandatory for the June 2018 financial year and will be applied prospectively.	The amendment will impact the type of information disclosed in relation to financing cash flows.
AASB 9 <i>Financial Instruments</i> and consequential amendments	AASB 9 addresses the classification, measurement and derecognition of financial assets, financial liabilities and hedging. The standard becomes mandatory for the June 2019 financial year, and will be applied retrospectively.	Based on the preliminary analysis performed, AASB 9 will impact the classification of available for sale financial assets, while other amendments are not expected to have a material impact on the Group.
AASB 15 <i>Revenue from Contracts with Customers</i> and consequential amendments	AASB 15 provides a new five step model for recognising revenue earned from a contract with a customer and will replace the existing AASB 118 <i>Revenue</i> and AASB 111 <i>Construction Contracts</i> . The standard becomes mandatory for the June 2019 financial year and will be applied retrospectively.	Based on the preliminary analysis performed, this standard is not expected to have a material impact on the Group, however it will impact the information disclosed in relation to revenue contracts.
AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> and consequential amendments	AASB 2014-10 amends AASB 10 and AASB 128 to clarify the requirements for recording the sale or contribution of assets between an investor and its associate or joint venture. The amendment becomes mandatory for the June 2019 financial year and will be applied prospectively.	Based on preliminary analysis performed, the amendments are not expected to have a material impact on the Group.
AASB 16 <i>Leases</i>	AASB 16 provides a new model for accounting for leases. The standard becomes mandatory for the June 2020 financial year and will be applied retrospectively.	The potential effect of this standard is yet to be determined.

Section A: Performance

Profit after Tax (PAT) is the key measure used to assess the Group's performance. This section of the Financial Report focuses on disclosure that enhances a user's understanding of PAT. Segment Reporting provides a breakdown of profit and revenue by the operational activity. The key line items of the Income Statement along with their components provide detail behind the reported balances. Group performance will also impact the earnings per stapled security and dividend payout, therefore disclosure on these items has been included in this section. Further information and analysis on performance can be found in the Performance & Outlook section of the Directors' Report.

1. Segment Reporting

At 30 June 2016, the Group re-evaluated its segments to better reflect the operational focus and underlying revenue generating activities in each segment. The revised segments are based on the operational activity of each segment and not the geographical region of the operations. The three revised segments are Development, Construction and Investments. The Group does not consider corporate activities to be an operating segment. For further information refer to the 30 June 2016 Annual Report. The prior period amounts in the disclosures below have been restated to reflect the revised segmentation.

The operating segments are as follows:

Development

Operates in all four geographic regions. It is involved in the development of communities, inner city mixed use developments, apartments, retirement, retail, commercial assets and social and economic infrastructure.

Construction

Operates across all four geographic regions to provide project management, design and construction services, predominately in the infrastructure, defence, mixed use, commercial and residential sectors.

Investments

Own and/or manage investments across all four geographic regions. The investments segment includes a leading wholesale investment management platform and also includes the Group's ownership interests in property and infrastructure Co-Investments, Retirement Living and US Military Housing.

Financial information regarding the performance of each reportable segment and a reconciliation of these reportable segments to the financial statements is included below.

	SEGMENT REVENUE ¹		PROFIT AFTER TAX		GROUP TOTAL ASSETS	
	6 months December 2016 A\$m	6 months December 2015 ² A\$m	6 months December 2016 A\$m	6 months December 2015 ³ A\$m	6 months December 2016 A\$m	June 2016 A\$m
Financial Disclosure						
Development	1,330.8	1,115.1	181.5	183.4	5,579.1	5,667.8
Construction	6,305.9	5,961.3	107.2	77.0	4,236.7	4,499.1
Investments	304.8	271.1	215.4	202.9	8,228.2	7,959.4
Total segment	7,941.5	7,347.5	504.1	463.3	18,044.0	18,126.3
Reconciling items						
Corporate activities	9.3	7.3	(109.3)	(109.5)	862.5	466.6
Statutory result attributable to securityholders	7,950.8	7,354.8	394.8	353.8	18,906.5	18,592.9
External non controlling interests			(0.3)	(0.2)		
Statutory result	7,950.8	7,354.8	394.5	353.6	18,906.5	18,592.9

1. Segment revenue represents revenue and finance revenue.

2. December 2015 has been restated to reflect the change in reporting segments as noted above. Segment Revenue for Infrastructure Development of A\$59.0 million has been restated to Investments A\$40.5 million and Development A\$18.5 million. Development A\$132.2 million has been restated to Investments.

3. December 2015 has been restated to reflect the change in reporting segments as noted above. Profit After Tax for Infrastructure Development of A\$28.3 million has been restated to Investments A\$19.0 million and Development A\$9.3 million. Development A\$76.7 million has been restated to Investments.

Notes to the Consolidated Financial Statements continued

2. Dividends/Distributions¹

	Cents Per Share/Unit	Franked Amount Per Share %	COMPANY/TRUST	
			6 months December 2016 A\$m	6 months December 2015 A\$m
Parent Company Interim Dividend				
December 2016 – declared subsequent to reporting date ²	29.8		173.5	
December 2015 – paid 15 March 2016	21.4			124.1
Lendlease Trust Interim Distribution				
December 2016 – payable 24 March 2017	3.2		18.9	
December 2015 – paid 15 March 2016	8.6			50.3
			192.4	174.4

	Cents Per Share/Unit	Franked Amount Per Share %	COMPANY/TRUST	
			6 months June 2016 A\$m	6 months June 2015 A\$m
Parent Company Final Dividend				
June 2016 – paid 14 September 2016	27.5		160.0	
June 2015 – paid 18 September 2015	22.9	25.0		132.7
Lendlease Trust Final Distribution				
June 2016 – paid 14 September 2016	2.5		14.7	
June 2015 – paid 18 September 2015	4.1			24.0
			174.7	156.7

1. Interim dividends/distributions were not franked in the current and prior period. The June 2016 final dividend component was not franked. The June 2015 final dividend component was franked to 25.0%.
2. No provision for this dividend has been recognised in the Statement of Financial Position at 31 December 2016, as it was declared after the end of the half year.

3. Earnings Per Share/Stapled Security (EPS/EPSS)

		DECEMBER 2016		DECEMBER 2015	
		Shares/Securities excluding Treasury Securities	Shares/ Securities on Issue	Shares/Securities excluding Treasury Securities	Shares/ Securities on Issue
Basic/Diluted Earnings Per Share (EPS)					
Profit attributable to members of Lendlease Corporation Limited	A\$m	338.6	338.6	257.7	257.7
Weighted average number of ordinary shares	m	556.4	582.7	552.1	580.9
Basic/Diluted EPS	cents	60.9	58.1	46.7	44.4
Basic/Diluted Earnings Per Stapled Security (EPSS)					
Profit attributable to securityholders of Lendlease Group	A\$m	394.8	394.8	353.8	353.8
Weighted average number of stapled securities	m	556.4	582.7	552.1	580.9
Basic/Diluted EPSS	cents	71.0	67.8	64.1	60.9

4. Revenue

	6 months December 2016 A\$m	6 months December 2015 A\$m
Revenue from the provision of services		
Construction	6,305.0	5,959.7
Development ¹	381.5	144.3
Investments ¹	286.2	230.2
Total revenue from the provision of services	6,972.7	6,334.2
Revenue from the sale of development properties	939.9	971.3
Rental revenue	9.4	5.1
Other revenue	23.3	29.4
Total revenue	7,945.3	7,340.0

1. December 2015 has been restated to reflect the change in reporting segments as noted in Note 1 'Segment Reporting'. Revenue from the provision of services previously reported for Infrastructure Development of A\$49.0 million has been restated to the Investments line A\$34.9 million and to the Development line A\$14.1 million. Development revenues previously reported of A\$119.1 million have been restated to the Investments line.

5. Other Income

	6 months December 2016 A\$m	6 months December 2015 A\$m
Net gain on sale/transfer of investments		
Equity accounted investments		40.3
Other assets and liabilities	4.5	2.6
Consolidated entities	78.6 ¹	
Available for sale financial assets		16.8
Total net gain on sale/transfer of investments	83.1	59.7
Net gain on fair value measurement		
Investment properties		6.7
Derivative contracts held for trading		0.1
Fair value through profit or loss assets	28.9	14.4
Total net gain on fair value measurement	28.9	21.2
Other	27.0¹	4.2
Total other income	139.0	85.1

1. Net gain on sale of consolidated entities includes a A\$66.2 million gain on sale of the Circular Quay Tower entities in December 2016. Other income includes the related A\$16.7 million revaluation gain on the retained equity accounted investment in the entities.

6. Other Expenses

	6 months December 2016 A\$m	6 months December 2015 A\$m
Profit before income tax includes the following other expense items:		
Net defined benefit plan expense	2.4	4.5
Expenses include impairments raised/(reversals) relating to:		
Loans and receivables	0.1	(3.3)
Property inventories	(17.9)	(5.9)
Equity accounted investments	(1.9)	(0.6)
Other financial assets		3.4
Net loss on sale of other assets and liabilities	6.9	
Net loss on fair value measurement of investment properties	1.5	
Operating lease expense	49.0	44.5
Depreciation and amortisation	47.8	40.8
Net foreign exchange loss	6.0	10.2

Notes to the Consolidated Financial Statements continued

7. Finance Revenue and Finance Costs

	6 months December 2016 A\$m	6 months December 2015 A\$m
Finance Revenue		
Related parties		1.3
Other corporations	4.3	3.8
Total interest finance revenue	4.3	5.1
Interest discounting	1.2	9.7
Total finance revenue	5.5	14.8
Finance Costs		
Other corporations	59.7	67.3
Less: Capitalised interest finance costs	(11.7)	(12.2)
Total interest finance costs	48.0	55.1
Non interest finance costs	7.1	5.4
Total finance costs	55.1	60.5
Net finance costs	(49.6)	(45.7)

8. Share of Profit of Equity Accounted Investments

	6 months December 2016 A\$m	6 months December 2015 A\$m
Associates		
Share of profit	7.6	10.2
Joint Ventures		
Share of profit	36.1	111.2
Total share of profit of equity accounted investments	43.7	121.4
a. Associates¹		
Australia		
Development		
Lendlease Communities Fund 1	(0.2)	0.3
Investments		
Lendlease Sub Regional Retail Fund	1.7	2.2
Total Australia	1.5	2.5
Asia		
Investments		
Lendlease Asian Retail Investment Fund 2	0.1	(1.5)
Lendlease Asian Retail Investment Fund 3	4.2	4.5
Total Asia	4.3	3.0
Europe		
Development		
Other	0.6	3.5
Total Europe	0.6	3.5
Americas		
Investments		
Other	1.2	1.2
Total Americas	1.2	1.2
Total share of profit from associates	7.6	10.2

1. Reflects the contribution to the Group's profit, and is after tax paid by the equity accounted investment vehicles themselves, where relevant. However, for various equity accounted investments, the share of tax is paid by the Group and is included in the Group's current tax expense.

8. Share of Profit of Equity Accounted Investments continued

	6 months December 2016 A\$m	6 months December 2015 A\$m
b. Joint Ventures¹		
Australia		
Development		
Sunshine Coast University Hospital ²		4.4
Other	5.0	3.9
Investments		
Lendlease International Towers Sydney Trust ³	17.6	34.1
Lendlease One International Towers Sydney Trust ³	(0.3)	(0.9)
Total Australia	22.3	41.5
Asia		
Development		
Paya Lebar Quarter	0.5	0.5
Other		0.1
Investments		
CDR JV Ltd (313@somerset)	0.7	(11.8)
Total Asia	1.2	(11.2)
Europe		
Development		
Stratford City Business District Limited	12.6	72.4
Investments		
Majadahonda Hospital		0.6
Other		7.9
Total Europe	12.6	80.9
Americas		
Total Americas	–	–
Total share of profit from joint ventures	36.1	111.2
Total share of profit from equity accounted investments	43.7	121.4

1. Reflects the contribution to the Group's profit, and is after tax paid by the equity accounted investment vehicles themselves, where relevant. However, for various equity accounted investments, the share of tax is paid by the Group and is included in the Group's current tax expense.
2. Joint venture sold as part of the Australian PPP entities sale in June 2016.
3. As a result of reaching the operational phase for the three towers at International Towers Sydney, the governance structures of Lendlease International Towers Sydney Trust and Lendlease One International Towers Sydney Trust changed. The Group reassessed its joint control conclusions, and determined that joint control no longer exists. As a result, these investments have been reclassified from Equity Accounted Investments to Other Financial Assets measured at fair value through profit and loss. The Group has recorded its share of comprehensive income in relation to these investments for the period joint control was maintained.

c. Material Associates and Joint Ventures Summarised Financial Information

Material associates and joint ventures are determined by comparing individual investment carrying value and share of profit with the total equity accounted investment carrying value and share of profit, along with consideration of relevant qualitative factors. At 31 December 2016, there are no individually material associates or joint ventures requiring disclosure of financial information.

	ASSOCIATES		JOINT VENTURES	
	6 months December 2016 A\$m	6 months December 2015 A\$m	6 months December 2016 A\$m	6 months December 2015 A\$m
Group's share of other comprehensive income/(expense) from equity accounted investments	(7.7)	0.3	16.5	4.0

Notes to the Consolidated Financial Statements continued

9. Taxation

Income Tax Expense

	6 months December 2016 A\$m	6 months December 2015 A\$m
Recognised in the Income Statement		
Current Tax Expense		
Current period	78.3	11.7
Adjustments for prior years	(2.7)	0.3
Benefit of tax losses recognised	(2.6)	(7.0)
	73.0	5.0
Deferred Tax Expense		
Origination and reversal of temporary differences	70.7	55.5
Temporary differences (recovered)/recognised	(5.4)	0.9
Net tax losses written off	7.9	2.2
Change in tax rate	2.6	
Adjustments for prior years	(1.1)	8.3
	74.7	66.9
Total income tax expense	147.7	71.9
Reconciliation of Effective Tax Rate		
Profit before Tax	542.2	425.5
Income tax using the domestic corporation tax rate 30%	162.7	127.7
Adjustments for prior year tax claim	(2.7)	0.3
Non assessable and exempt income ¹	(21.7)	(55.4)
Non allowable expenses ²	4.3	5.2
Net writeoff of tax losses through income tax expense	10.4	20.8
Temporary differences recognised through income tax expense ³	(1.1)	(6.2)
Utilisation of capital losses on disposal of assets		(6.3)
Effect of tax rates in foreign jurisdictions ⁴	3.0	(5.6)
Other	(7.2)	(8.6)
Income tax expense	147.7	71.9

1. Includes LLT profit.

2. Includes accounting expenses for which a tax deduction is not allowed permanently.

3. Includes temporary differences recognised in a previous year but are subsequently written off to the income tax expense in the current period and temporary differences that arose in a previous year but were not recognised until the current period.

4. The Group operates in a number of foreign jurisdictions for trading purposes which have significantly lower tax rates than Australia such as the United Kingdom and Singapore and higher tax rates such as the United States of America and Japan. Also includes the effect of change in tax rates.

10. Events Subsequent to Balance Date

There were no material events subsequent to the end of the financial period.

Section B: Investment

Investment in the property and infrastructure development pipeline, joint ventures in property projects, the retirement sector, and more passive assets, such as property funds, drives the current and future performance of the Group. This section includes disclosures for property such as Inventories and Investment Properties and indirect property assets such as Equity Accounted Investments and Other Financial Assets contained within the Statement of Financial Position.

11. Inventories

	December 2016 A\$m	June 2016 A\$m
Current		
Development properties	1,654.3	1,020.1
Construction work in progress	816.9	894.0
Other	17.0	8.9
Total current	2,488.2	1,923.0
Non Current		
Development properties	2,475.4	2,679.9
Total non current	2,475.4	2,679.9
Total inventories	4,963.6	4,602.9

12. Equity Accounted Investments

	December 2016 A\$m	June 2016 A\$m
Associates		
Investment in associates	220.1	228.1
Less: Impairment	(6.4)	(5.9)
Total associates	213.7	222.2
Joint Ventures		
Investment in joint ventures	544.2	946.9
Less: Impairment	(13.9)	(16.5)
Total joint ventures	530.3	930.4
Total equity accounted investments	744.0	1,152.6

Notes to the Consolidated Financial Statements continued

12. Equity Accounted Investments continued

	INTEREST		NET BOOK VALUE	
	December 2016 %	June 2016 %	December 2016 A\$m	June 2016 A\$m
a. Associates				
Australia				
Development				
Lendlease Communities Fund 1	20.8	20.8	4.1	4.3
Investments				
Lendlease Sub Regional Retail Fund ¹	10.0	10.0	38.4	38.0
Total Australia			42.5	42.3
Asia				
Investments				
Lendlease Asian Retail Investment Fund 2	35.9	35.9	22.1	24.0
Lendlease Asian Retail Investment Fund 3	20.1	20.1	150.3	156.4
Total Asia			172.4	180.4
Europe				
Development				
Other			3.9	4.0
Total Europe			3.9	4.0
Americas				
Investments				
Other			1.3	1.4
Total Americas			1.3	1.4
Total			220.1	228.1
Less: Impairment			(6.4)	(5.9)
Total associates			213.7	222.2

1. Although the Group has a 10% ownership interest in Lendlease Sub Regional Retail Fund, it holds 20% of the voting rights over the fund and has significant influence over the investment. As a result, the Group applies equity accounting for its ownership interest.

12. Equity Accounted Investments continued

	INTEREST		NET BOOK VALUE	
	December 2016 %	June 2016 %	December 2016 A\$m	June 2016 A\$m
b. Joint Ventures				
Australia				
Development				
Circular Quay Tower	20.0		34.0	
Other			17.5	19.9
Investments				
Lendlease International Towers Sydney Trust ¹		15.0		380.3
Lendlease One International Towers Sydney Trust ¹		12.5		107.5
Total Australia			51.5	507.7
Asia				
Development				
Paya Lebar Quarter	30.0	30.0	178.4	177.3
Investments				
CDR JV Ltd (313@somerset)	25.0	25.0	84.2	90.6
Total Asia			262.6	267.9
Europe				
Development				
Stratford City Business District Limited	50.0	50.0	58.4	45.8
Hungate (York) Regeneration Limited	50.0	50.0	4.7	4.8
Investments				
Treviso	50.0	50.0	7.7	7.6
Other			4.9	5.0
Total Europe			75.7	63.2
Americas				
Development				
281 Fifth Avenue	40.0	40.0	56.5	53.3
Riverline	60.0	60.0	68.2	48.9
845 Madison	70.0	70.0	28.3	4.4
Construction				
Other			1.4	1.5
Total Americas			154.4	108.1
Total			544.2	946.9
Less: Impairment			(13.9)	(16.5)
Total joint ventures			530.3	930.4
Total equity accounted investments			744.0	1,152.6

1. As a result of reaching the operational phase for the three towers at International Towers Sydney, the governance structures of Lendlease International Towers Sydney Trust and Lendlease One International Towers Sydney Trust changed. The Group reassessed its joint control conclusions, and determined that joint control no longer exists. As a result, these investments have been reclassified from Equity Accounted Investments to Other Financial Assets measured at fair value through profit and loss.

c. Material Associates and Joint Ventures Summarised Financial Information

Material associates and joint ventures are determined by comparing individual investment carrying value and share of profit with the total equity accounted investment carrying value and share of profit, along with consideration of relevant qualitative factors. At 31 December 2016, there are no individually material associates or joint ventures requiring disclosure of financial information.

Notes to the Consolidated Financial Statements continued

13. Investment Properties

	December 2016 A\$m	June 2016 A\$m
a. Investment Properties – Non Current		
Retirement living properties	6,236.6	5,743.1
Retail properties	72.3	71.9
Assets under construction	130.6	125.7
Total investment properties	6,439.5	5,940.7
Reconciliations		
Reconciliations of the carrying amount for investment properties are as follows:		
Carrying amount at beginning of financial period	5,940.7	5,994.9
(Disposal)/acquisition and capital expenditure of investment properties	165.4	(410.9)
Fair value loss recognised through the Income Statement	(1.5)	(2.2)
Increase attributable to capital gain	335.0	328.3
Foreign exchange rate/other movements	(0.1)	30.6
Carrying amount at end of financial period	6,439.5	5,940.7
b. Resident Liabilities¹		
Gross resident liabilities	5,144.9	4,796.9
Deferred management fees receivable on owned sites	(700.8)	(677.4)
Total resident liabilities	4,444.1	4,119.5

1. Resident liabilities are non interest bearing and are classified as current liabilities because any resident may choose to depart within 12 months. The Group's actual commercial history has shown residents stay for an average period of 11 years in independent living units (ILUs) and six years in serviced apartments (SAs). Therefore the portion of the resident liabilities that could be considered current represents 5%-10% of the total balance and non current represents 90%-95% of the total balance. This current and non current split of resident liabilities provides more useful and meaningful information as it better reflects the commercial substance of the Group's liabilities.

Net investment properties are classified as Level 3 in the fair value hierarchy. Refer below for valuation technique.

Net investment properties includes net retirement living properties after deducting resident liabilities and related deferred revenue, A\$1,664.9 million (June 2016: A\$1,508.1 million), retail properties A\$72.3 million (June 2016: A\$71.9 million) and assets under construction A\$130.6 million (June 2016: A\$125.7 million).

c. Valuation Technique

The key assumptions used in the fair value assessments are summarised as follows.

Retirement Living Properties

For retirement living properties, the key long term assumptions adopted in the basis of valuation at the reporting date included:

- Weighted average discount rate of 13.0% (June 2016: 13.3%) and weighted average future growth rate of 3.6% (June 2016: 3.7%);
- Average length of stay: 11 years for independent living units (June 2016: 11 years) and six years for serviced apartments (June 2016: six years); and
- A discounted cash flow valuation model using a 50 year terminal yield.

For retirement living properties included in assets under construction, the assumptions adopted in determining the fair values at 31 December 2016 included:

- Discount rates between 14.0% and 17.0% (June 2016: 14.0% and 17.0%) based on the stage of development/assessed project risk; and
- Growth rates are generally between 3.0% and 4.0% (June 2016: between 2.0% and 4.0%) based on price and cost escalation assumptions determined by individual property factors.

d. Fair Value Reconciliation

Reconciliation of carrying value for Level 3 net investment properties.

	December 2016 A\$m	June 2016 A\$m
Carrying amount at beginning of financial period	1,705.7	1,779.0
Additions/(disposals) and capital expenditure	76.6	(108.4)
Losses recognised in Income Statement	(1.5)	(2.2)
Other movements	87.0	37.3
Carrying amount at end of financial period	1,867.8	1,705.7

The potential effect of using reasonably possible alternative assumptions for valuation inputs would not have a material impact on the Group.

14. Other Financial Assets

	Fair Value Level ¹	December 2016 A\$m	June 2016 A\$m
Current Measured at Fair Value			
Fair Value Through Profit or Loss – Designated at Initial Recognition			
Negotiable instruments	Level 1	34.6	36.1
Derivatives	Level 2	30.4	14.6
Total current		65.0	50.7
Non Current Measured at Fair Value			
Available for Sale			
Australian Prime Property Fund – Retail	Level 3	45.3	44.8
Lendlease Core Plus Fund	Level 3		0.5
Lendlease Retail LP	Level 3	61.6	65.7
Lendlease Asian Retail Investment Fund	Level 3	27.1	29.1
Parkway Parade Partnership Limited	Level 3	39.4	34.9
Other	Level 3	132.6	129.1
		306.0	304.1
Fair Value Through Profit or Loss – Designated at Initial Recognition			
Lendlease International Towers Sydney Trust ²	Level 3	391.7	
Lendlease One International Towers Sydney Trust ²	Level 3	195.3	
Australian Prime Property Fund – Industrial	Level 3	74.2	73.3
Australian Prime Property Fund – Commercial	Level 3	202.1	191.4
Lendlease Public Infrastructure Investment Company	Level 3	42.4	40.5
Other unlisted investments	Level 3	10.1	10.1
Derivatives	Level 2	0.3	0.7
		916.1	316.0
Held to Maturity – Other	N/A	8.3	8.7
Total non current		1,230.4	628.8
Total other financial assets		1,295.4	679.5

1. Refer to Note 17 'Fair Value Measurement' for details on basis of determining fair value and valuation technique.
2. As a result of reaching the operational phase for the three towers at International Towers Sydney, the governance structures of Lendlease International Towers Sydney Trust and Lendlease One International Towers Sydney Trust changed. The Group reassessed its joint control conclusions, and determined that joint control no longer exists. As a result, these investments have been reclassified from Equity Accounted Investments to Other Financial Assets measured at fair value through profit and loss.

a. Fair Value Reconciliation¹

The reconciliation of the carrying amount for Level 3 financial assets is set out as follows.

	Note	Available for Sale Investments A\$m	Unlisted Investments A\$m
December 2016			
Carrying amount at beginning of financial period		304.1	315.3
Additions/(disposals)		6.0	73.8
Gains/(losses) recognised in Income Statement			28.8
Gains/(losses) recognised in Other Comprehensive Income		(6.4)	
Other movements		2.3	497.9 ²
Carrying amount at end of financial period	14	306.0	915.8
June 2016			
Carrying amount at beginning of financial year		328.3	287.2
Additions/(disposals)		(16.3)	16.2
Gains/(losses) recognised in Income Statement ²		(3.4)	12.0
Gains/(losses) recognised in Other Comprehensive Income ³		(4.5)	(0.1)
Carrying amount at end of financial year	14	304.1	315.3

1. Held to Maturity investments have been removed from the Fair Value Reconciliation as amounts are held at amortised cost.
2. Includes transfers from Equity Accounted Investments during the period for investments in Lendlease International Towers Sydney Trust and Lendlease One International Towers Sydney Trust.
3. June 2016 comparatives have been restated and presented on a combined basis for the half year ended 31 December 2016 to reflect current period presentation.

The potential effect of using reasonably possible alternative assumptions for valuation inputs would not have a material impact on the Group.

Notes to the Consolidated Financial Statements continued

Section C: Liquidity and Working Capital

The ability of the Group to fund the continued investment in the property and infrastructure pipeline, invest in new opportunities and meet current commitments is dependent on available cash and access to third party capital. This section contains disclosure on the financial assets, financial liabilities, cash flows and equity that are required to finance the Group's activities, including existing commitments and the liquidity risk exposure associated with financial liabilities. The section also contains disclosures for the Group's trading assets, excluding inventories, and the trading liabilities incurred as a result of trading activities used to generate the Group's performance.

15. Borrowings and Financing Arrangements

	December 2016 A\$m	June 2016 A\$m
a. Borrowings – Measured at Amortised Cost		
Current		
Commercial notes	297.8	
Total current	297.8	–
Non Current		
Commercial notes	1,538.8	1,843.9
Bank credit facilities	8.3	187.4
Total non current	1,547.1	2,031.3
Total borrowings	1,844.9	2,031.3
b. Finance Facilities		
The Group has access to the following lines of credit:		
Commercial Notes		
Facility available	1,836.6	1,843.9
Amount of facility used	(1,836.6)	(1,843.9)
Amount of facility unused	–	–
Bank Credit Facilities		
Facility available	2,198.0	2,223.1
Amount of facility used	(8.3)	(187.4)
Amount of facility unused	2,189.7	2,035.7
Bank Overdrafts		
Facility available and amount unused	123.6	136.9

Commercial notes include:

- £300.0 million of guaranteed unsecured notes issued in October 2006 in the UK bond market with a 6.125% p.a. coupon maturing in October 2021;
- US\$25.0 million of guaranteed unsecured senior notes issued in October 2005 in the US private placement market with a 5.8% coupon maturing in October 2017, classified as current for December 2016; US\$400.0 million of guaranteed unsecured senior notes issued in May 2016 in the US Reg. S market under Lendlease's Euro Medium Term Note programme with a coupon of 4.5% maturing in May 2026;
- S\$275.0 million of senior unsecured notes issued in July 2012 in the Singapore bond market with a 4.625% p.a. coupon maturing in July 2017, classified as current for December 2016; and
- A\$475.0 million of unsecured medium term notes issued in May 2013 (A\$375.0 million) and June 2014 (A\$100.0 million) in the Australian bond market comprising A\$250.0 million with a 5.5% p.a. coupon maturing in November 2018 and A\$225.0 million with a 6.0% p.a. coupon maturing in May 2020.

Bank credit facilities include:

- £400.0 million club bank facility maturing in March 2021 undrawn as at 31 December 2016; and
- A\$1,500.0 million syndicated multi-option facility maturing in June 2019 (A\$600.0 million) and June 2020 (A\$900.0 million) undrawn as at 31 December 2016.

The bank overdraft facilities may be drawn at any time and are repayable on demand.

Consistent with prior periods, the Group has not defaulted on any obligations in relation to its borrowings and finance arrangements and other financial liabilities.

16. Issued Capital

	LENDLEASE CORPORATION LIMITED				LENDLEASE TRUST			
	December 2016		June 2016		December 2016		June 2016	
	No. of Shares (m)	A\$m	No. of Shares (m)	A\$m	No. of Units (m)	A\$m	No. of Units (m)	A\$m
Beginning of financial period	582.3	1,276.3	580.5	1,256.3	582.3	915.8	580.5	911.2
Transactions with owners:								
Distribution Reinvestment Plan	0.7	7.6	1.8	20.0	0.7	1.7	1.8	4.6
End of financial period	583.0	1,283.9	582.3	1,276.3	583.0	917.5	582.3	915.8

a. Issuance of Securities

As at 31 December 2016, the Group had 583.0 million stapled securities on issue, equivalent to the number of Lendlease Corporation shares and Lendlease Trust (LLT) units on issue as at that date. The issued units of LLT are not owned by the Company and are therefore presented separately in the Consolidated Statement of Financial Position within equity.

b. Security Accumulation Plans

The Group's Distribution Reinvestment Plan (DRP) was reactivated in February 2011. The last date for receipt of an election notice for participation in the DRP is 6 March 2017. The issue price is the arithmetic average of the daily volume weighted average price of Lendlease Group stapled securities traded (on the Australian Securities Exchange) for the period of five consecutive business days immediately following the record date for determining entitlements to distribution. If that price is less than 50 cents, the issue price will be 50 cents. Stapled securities issued under the DRP rank equally with all other stapled securities on issue.

c. Terms and Conditions

Issued capital for Lendlease Corporation Limited comprises of ordinary shares fully paid. A stapled security represents one share in the Company stapled to one unit in LLT. Stapled securityholders have the right to receive declared dividends from the Company and distributions from LLT and are entitled to one vote per stapled security at securityholders' meetings. Ordinary stapled securityholders rank after all creditors in repayment of capital.

The Group does not have authorised capital or par value in respect of its issued stapled securities.

Notes to the Consolidated Financial Statements continued

Section D: Other Notes

17. Fair Value Measurement

All financial instruments recognised in the Statement of Financial Position, including those instruments carried at amortised cost, are recognised at amounts that represent a reasonable approximation of fair value, with the exception of the following borrowings.

	Note	DECEMBER 2016		JUNE 2016	
		Carrying Amount A\$m	Fair Value A\$m	Carrying Amount A\$m	Fair Value A\$m
Liabilities					
Current					
Commercial notes	15a	297.8	305.6	–	–
Non Current					
Commercial notes	15a	1,538.8	1,806.0	1,843.9	2,237.3

The fair value of commercial notes has been calculated by discounting the expected future cash flows by the appropriate government bond rates and credit margin applicable to the relevant term of the commercial note.

a. Basis of Determining Fair Value

The determination of fair values of financial assets and liabilities that are measured at fair value are summarised as follows:

- The fair value of unlisted equity investments, including investments in property funds, is determined based on an assessment of the underlying net assets, future maintainable earnings and any special circumstances pertaining to the particular investment;
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted valuation techniques; these include the use of recent arm's length transactions, reference to other assets that are substantially the same, and discounted cash flow analysis; and
- The fair value of derivative instruments comprises forward foreign exchange contracts, which are valued using forward rates at balance date, and interest rate swap contracts, which are measured at the present value of future cash flows estimated and discounted based on applicable yield curves derived from quoted interest rates and includes consideration of counterparty risk adjustments.

b. Fair Value Measurements

The different levels for valuation method have been defined as follows:

- Level 1: The fair value is determined using the unadjusted quoted price for an identical asset or liability in an active market for identical assets or liabilities;
- Level 2: The fair value is calculated using predominantly observable market data other than unadjusted quoted prices for an identical asset or liability; and
- Level 3: The fair value is calculated using inputs that are not based on observable market data.

During the period there were no transfers between Level 1, Level 2 and Level 3 fair value hierarchies.

18. Contingent Liabilities

The Group has the following contingent liabilities:

- There are a number of legal claims and exposures that arise from the normal course of business. There is significant uncertainty as to whether a future liability will arise in respect to these items. The amount of liability, if any, that may arise, cannot be measured reliably at this time. The Directors are of the opinion that all known liabilities have been brought to account and that adequate provision has been made for any anticipated losses.
- In certain circumstances, the Company guarantees the performance of particular Group entities in respect of their obligations. This includes bonding and bank guarantee facilities used primarily by the Construction business as well as performance guarantees for certain of the Company's subsidiaries.
- A contingent liability exists in relation to the Lend Lease Retirement Benefit Fund. This is disclosed in detail in the 30 June 2016 annual consolidated financial report Note 29b 'Employee Security Ownership Vehicles'.
- Various actions have been commenced in which damages, compensation or contribution is sought from various subsidiaries of the Company (LLP entities) in respect of transactions entered into in mid 2007 in relation to a number of retirement villages which were at that time part of the Prime Trust portfolio. The liquidator of Australian Property Custodian Holdings Limited (Receivers and Managers Appointed) (Controllers Appointed) (In Liquidation) (APCH) has commenced three proceedings in which claims are made against the LLP entities. One proceeding was permanently stayed on 22 December 2015. On 9 February 2016, the liquidator served an application for leave to appeal against the stay, which the LLP entities are vigorously defending. The appeal has been heard. Judgment remains reserved. In the remaining two proceedings, APCH has made allegations against third parties in relation to the same transactions and those third parties have made contribution claims against the LLP entities. The LLP entities are vigorously defending these proceedings. The relevant transactions all occurred prior to the LLP entities becoming subsidiaries of the Company and at the relevant time the LLP entities were controlled by APCH or entities related to William Lewski, a director of the LLP entities at the time.

Notes to the Consolidated Financial Statements continued

Section E: Basis of Consolidation

19. Consolidated Entities

The material consolidated entities of the Group listed below were wholly owned during the current and prior period.

PARENT ENTITY

Lendlease Corporation Limited

AUSTRALIA

Capella Capital Lendlease Pty Limited

Capella Capital Partnership

Lendlease Building Pty Limited

Lendlease Building Contractors Pty Limited

Lendlease Communities (Australia) Limited

Lendlease Development Pty Limited

Lendlease Engineering Pty Limited

Lendlease Finance Limited

Lendlease Infrastructure Investments Pty Limited

Lendlease International Pty Limited

Lendlease (Millers Point) Trust

Lendlease Primelife Limited

Lendlease Real Estate Investments Limited

Lendlease Responsible Entity Limited

Lendlease Services Pty Limited

Lendlease Trust¹

1. Lendlease Trust is a consolidated entity of the Group as the parent entity is deemed to control it. Lendlease Trust is not wholly owned.

During the current and prior period, there were no **acquisitions** of material consolidated entities.

During the prior period there were no **disposals** of material consolidated entities. The following material **disposals** of consolidated entities occurred in the current period:

	Ownership Interest Disposed %	Date Disposed	Gross Consideration received/ receivable
AUSTRALIA			
Circular Quay Tower ¹	80.0	20 December 2016	240.0
Lendlease (EGRP) Pty Ltd	100.0	6 October 2016	38.8

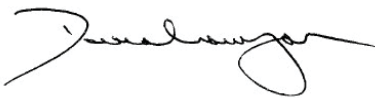
1. Represents the disposal of three entities relating to the Circular Quay Tower project.

Directors' Declaration

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 2016 and of its performance for the half year ended on that date; and
 - b. Complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



D A Crawford, AO

Chairman



S B McCann

Group Chief Executive Officer and Managing Director

Sydney, 27 February 2017



Independent auditor's review report to the members of Lendlease Corporation Limited

We have reviewed the accompanying half year financial report of Lendlease Corporation Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2016, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes 1 to 19 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the half year's end or from time to time during the half year.

Responsibility of the Directors for the half year financial report

The directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the half year financial report

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Lendlease Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Lendlease Corporation Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature of the KPMG firm, written in a cursive style.

KPMG

A handwritten signature of Duncan McLennan, written in a cursive style.

Duncan McLennan

Partner

Sydney

27 February 2017

Portfolio
Report
December
2016

Portfolio Report

December 2016

Table of Contents

Key Portfolio Metrics

Development	1
Construction	2
Investments	3
Australia - Major Projects/Investments	5
Development	5
Construction	7
Investments	10
Asia - Major Projects/Investments	14
Development	14
Construction	14
Investments	14
Europe - Major Projects/Investments	16
Development	16
Construction	17
Investments	18
Americas - Major Projects/Investments	19
Development	19
Construction	19
Investments	20

The Portfolio Report is based on the Lendlease Group (the Group) Consolidated Financial Statements for the six months ended 31 December 2016 and should be read in conjunction with those financial statements.

All currency amounts in the Portfolio Report are expressed in Australian dollars unless otherwise specified.

Portfolio Report

Key Portfolio Metrics

Development

		AUSTRALIA		ASIA		EUROPE		AMERICAS		TOTAL	
		Dec 2016	June 2016	Dec 2016	June 2016	Dec 2016	June 2016	Dec 2016	June 2016	Dec 2016	June 2016
Residential and Commercial											
Number of development projects ¹	no.	24	25	2	2	10	11	6	5	42	43
Backlog Units²											
Residential – Land units zoned	no.	47,205	48,835					3,860	3,860	51,065	52,695
Residential – Built-form units zoned/unzoned ³	no.	13,070	13,905	2,830	2,230	5,105	4,995	4,940	4,360	25,945	25,490
Total residential units	no.	60,275	62,740	2,830	2,230	5,105	4,995	8,800	8,220	77,010	78,185
Commercial backlog zoned ⁴	sqm/000s	4,894	5,095	383	369	305	230	377	379	5,959	6,073
Retirement Living											
Backlog units ⁵	no.	4,827	4,028							4,827	4,028
Infrastructure											
Number of infrastructure projects ^{6,7}	no		1			2	2			2	3
Invested Equity ⁸	A\$m		20.4			7.3	6.4			7.3	26.8
Committed Equity ⁹	A\$m					10.7	12.3			10.7	12.3

1. Where a project has multiple stages these have been combined in line with the planning process. Does not include the Alkimos Central and Mt Gilead projects in Australia as the acquisitions are subject to a number of conditions including planning.

2. Backlog includes Group owned, joint venture and managed projects. The actual number of units for any particular project can vary as planning approvals are obtained.

3. Includes 25,365 zoned units and 580 unzoned units at December 2016 (June 2016: 25,490 zoned and zero unzoned units).

4. The actual land area and floor space for any particular project can vary as planning approvals are obtained.

5. Backlog units include Group owned and managed sites and aged care beds within facilities to be constructed, subject to planning approval.

6. The Australian Infrastructure Development projects are managed by the Capella Capital business.

7. Projects in Europe as at December 2016 include Brescia 2 in Italy, which is under construction and Treviso Hospital in Italy for which the Group is preferred bidder.

8. Invested equity refers to the contributed equity for each project.

9. Committed equity refers to equity the Group has a future commitment to invest.

Construction

	AUSTRALIA		ASIA		EUROPE		AMERICAS		TOTAL	
	Dec 2016 A\$m	Dec 2015 A\$m	Dec 2016 A\$m	Dec 2015 A\$m	Dec 2016 A\$m	Dec 2015 A\$m	Dec 2016 A\$m	Dec 2015 A\$m	Dec 2016 A\$m	Dec 2015 A\$m
New work secured revenue¹										
Building	2,331.1	2,052.4	598.1	48.0	411.7	623.7	2,547.7	1,654.0	5,888.6	4,378.1
Engineering	335.1	1,145.5	22.0	14.8					357.1	1,160.3
Services	99.9	517.1							99.9	517.1
Total new work secured revenue	2,766.1	3,715.0	620.1	62.8	411.7	623.7	2,547.7	1,654.0	6,345.6	6,055.5
	AUSTRALIA		ASIA		EUROPE		AMERICAS		TOTAL	
	Dec 2016 A\$m	June 2016 A\$m	Dec 2016 A\$m	June 2016 A\$m	Dec 2016 A\$m	June 2016 A\$m	Dec 2016 A\$m	June 2016 A\$m	Dec 2016 A\$m	June 2016 A\$m
Backlog revenue²										
Building	6,843.8	6,330.6	884.2	555.9	1,076.8	1,505.0	6,924.3	6,715.2	15,729.1	15,106.7
Engineering	3,273.5	3,845.5	4.4	3.8					3,277.9	3,849.3
Services	1,523.7	1,714.2							1,523.7	1,714.2
Total backlog revenue	11,641.0	11,890.3	888.6	559.7	1,076.8	1,505.0	6,924.3	6,715.2	20,530.7	20,670.2
	AUSTRALIA		ASIA		EUROPE		AMERICAS		TOTAL	
	Dec 2016 %	Dec 2015 %	Dec 2016 %	Dec 2015 %	Dec 2016 %	Dec 2015 %	Dec 2016 %	Dec 2015 %	Dec 2016 %	Dec 2015 %
Backlog realisation										
Year ending June 2017	31	30	38	60	63	41	31	30	31	31
Year ending June 2018	42	38	55	36	26	51	42	40	43	40
Post June 2018	27	32	7	4	11	8	27	30	26	29
Total	100	100	100	100	100	100	100	100	100	100

1. New work secured revenue is the total revenue to be earned from projects secured during the period.

2. Current year backlog revenue is the total revenue to be earned from projects in future financial years, based on projects secured as at 31 December 2016. Although backlog revenue is realised over several years, the average foreign exchange rate for the current year has been applied to the closing backlog revenue balance in its entirety, as the average rates for later years cannot be predicted.

Portfolio Report continued

Key Portfolio Metrics continued

Investments

	AUSTRALIA		ASIA		EUROPE		AMERICAS		TOTAL	
	Dec 2016	June 2016	Dec 2016	June 2016	Dec 2016	June 2016	Dec 2016	June 2016	Dec 2016	June 2016
Investments¹ (A\$m)										
- Co-Investments	1,088.8	974.7	327.9	339.8	61.5	65.7			1,478.2	1,380.2
- Retirement Ownership	1,653.9	1,488.3							1,653.9	1,488.3
- Infrastructure Investment	15.2	15.2					111.7	109.4	126.9	124.6
Total Investments	2,757.9	2,478.2	327.9	339.8	61.5	65.7	111.7	109.4	3,259.0	2,993.1
Funds Under Management (FUM)¹ (A\$b)										
FUM at the beginning of the period	16.5	13.8	5.6	5.3	1.5	2.2			23.6	21.3
Foreign exchange movement			(0.2)	0.2	(0.1)	(0.4)			(0.3)	(0.2)
Additions	1.0	2.1		0.2					1.0	2.3
Reductions	(0.1)	(0.3)		(0.1)		(0.4)			(0.1)	(0.8)
Net revaluations	0.5	0.9				0.1			0.5	1.0
Total FUM	17.9	16.5	5.4	5.6	1.4	1.5			24.7	23.6
Assets Under Management (AUM)										
Number of centres	16	16	4	4	2	2			22	22
AUM ¹ (A\$b)	6.8	6.4	4.2	4.4	0.9	0.9			11.9	11.7
GLA under management (sqm/000s) ²	726.4	722.2	312.6	294.8	141.7	141.7			1,180.7	1,158.7

1. Represents the Group's assessment of the market value.

2. Represents the gross lettable area of the centres, with the exception of Asia which represents the net lettable area of the centres.

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Portfolio Report continued

Australia

Development

Residential and Commercial Project Listing

					RESIDENTIAL		COMMERCIAL
Project	Sector	Location ¹	Ownership Interest	Estimated Completion Date ²	Estimated Backlog Land Units ^{3,4}	Estimated Backlog Built-Form Units ^{3,4}	Estimated Backlog sqm/000s ⁵
Zoned Projects							
Bingara Gorge	Communities	NSW	Land management	2025	1,170		38
Calderwood Valley	Communities	NSW	Land management	2035	4,565		56
St Marys – Jordan Springs	Communities	NSW	Owned (100% interest)	2023	1,075	20	491
The New Rouse Hill	Communities	NSW	Land management	2018	25	430	
Barangaroo South	Urbanisation	NSW	Staged payments (100% interest)	2023		775	80
Circular Quay	Urbanisation	NSW	Joint Venture (20% interest)	2021			55
Darling Square	Urbanisation	NSW	Staged payments (100% interest)	2019		1,507	70
Fernbrooke Ridge	Communities	Qld	Land management	2018	195		
Elliot Springs (formerly Rocky Springs)	Communities	Qld	Land management	2058	10,675		1,037
Springfield Lakes	Communities	Qld	Land Management	2026	4,340	315	47
Yarrabilba	Communities	Qld	Staged acquisition (100% interest)	2043	13,255	1,190	2,097
Brisbane Showgrounds	Urbanisation	Qld	Land Management	2029		2,579	85
Subtotal zoned (carried forward)					35,300	6,816	4,056

1. Locations are New South Wales (NSW) and Queensland (Qld).

2. Estimated completion date represents the expected financial year in which the last unit will be settled for master-planned communities and the construction completion date for apartments and non-residential projects.

3. Backlog includes the total number of units in Group owned, joint venture and managed projects. The actual number of units for any particular project can vary as planning approvals are obtained.

4. Backlog units do not include the Alkimos Central and Mt Gilead projects as the acquisitions are subject to a number of conditions including planning.

5. Represents net developable land in relation to master-planned urban communities and net developable floor space for other developments. The actual land area and floor space for any particular project can vary as planning approvals are obtained.

Residential and Commercial Project Listing continued

					RESIDENTIAL		COMMERCIAL
Project	Sector	Location ¹	Ownership Interest	Estimated Completion Date ²	Estimated Backlog Land Units ^{3,4}	Estimated Backlog Built-Form Units ^{3,4}	Estimated Backlog sqm/000s ⁵
Subtotal zoned projects (brought forward)					35,300	6,816	4,056
Blakes Crossing	Communities	SA	Staged acquisition (100% interest)	2019	525		9
Richmond	Urbanisation	Vic	Owned (100% interest)	2021		363	
Toorak Park	Urbanisation	Vic	Owned (100% interest)	2017		468	
Atherstone	Communities	Vic	Land management	2033	3,950		80
Aurora	Communities	Vic	Owned (100% interest)	2025	2,700		189
Harpley	Communities	Vic	Land management	2024	3,190		313
Mayfield	Communities	Vic	Owned (100% interest)	2017	25		
Melbourne Quarter	Urbanisation	Vic	Land management	2022		1,683	129
Victoria Harbour	Urbanisation	Vic	Land management	2025		2,500	46
Alkimos	Communities	WA	Land management	2024	1,500	15	55
The Assembly at Coolbellup	Communities	WA	Land management	2017	15		
Waterbank	Urbanisation	WA	Land management	2026		1,225	17
Total zoned					47,205	13,070	4,894

1. Locations are South Australia (SA), Victoria (Vic) and Western Australia (WA).

2. Estimated completion date represents the expected financial year in which the last unit will be settled for master-planned communities and the construction apartments and non-residential projects.

3. Backlog includes the total number of units in Group owned, joint venture and managed projects. The actual number of units for any particular project can vary as are obtained.

4. Backlog units do not include the Alkimos Central and Mt Gilead projects in Australia as the acquisitions are subject to a number of conditions including planning.

5. Represents net developable land in relation to master-planned urban communities and net developable floor space for other developments. The actual land area any particular project can vary as planning approvals are obtained.

Portfolio Report continued

Australia continued

Construction

Major Projects – Building^{1,2}

Project	Location ³	Client	Contract Type ⁴	Construction Value ⁵ A\$m	Secured Date ⁶	Completion Date ⁷	Sector
Barangaroo South	NSW	Lendlease/Barangaroo Delivery Authority	LS	3,018	2012	2017	Commercial & Residential
Darling Square (formerly Darling Harbour Live)	NSW	Lendlease Development	LS/MC	1,080	2015	2019	Residential & Hotel/Entertainment
Crown Sydney Hotel Resort	NSW	Crown Resorts Limited	MC	1,052	2015	2021	Hotel/Entertainment
New Air Combat Capability – RAAF Williamtown	NSW	Commonwealth Department of Defence	MC	862	2015	2019	Defence
New Bendigo Hospital	Vic	Victorian Government / Bendigo Health	LS	630	2013	2018	Other
New Air Combat Capability - RAAF Tindal	NT	Commonwealth Department of Defence	MC	418	2016	2021	Defence
Adelaide Convention Centre Redevelopment	SA	Department of Planning, Transport and Infrastructure, South Australia	MC	356	2011	2018	Commercial
ADF Air Traffic Control Complex Infrastructure Project	National	Commonwealth Department of Defence	MC	335	2017	2019	Defence
Western Sydney Stadium	NSW	Infrastructure NSW	LS	300	2017	2019	Hotel/Entertainment
Air 7000 Phase 2B	SA	Commonwealth Department of Defence	MC	287	2016	2019	Defence
Sunshine Plaza Redevelopment	Qld	APPF/GPT Funds Management Limited	LS	286	2017	2019	Other
60 Martin Place	NSW	Investa	LS	276	2016	2020	Commercial
Land 121 Stage 2 Unit Sustainment Facilities	National	Commonwealth Department of Defence	MC	258	2016	2020	Defence
Monash Children's Hospital	Vic	Department of Health and Human Services	MC	222	2014	2017	Other
Gosford Hospital Redevelopment	NSW	Health Infrastructure	LS	214	2016	2019	Other
Adelaide Medical & Nursing School	SA	The University of Adelaide	MC	212	2014	2017	Other
Toorak Park, Armadale	Vic	Lendlease Development	CM	209	2015	2017	Residential
Campbell Barracks Redevelopment Project	WA	Commonwealth Department of Defence	LS	200	2016	2019	Defence
Western Women's & Children's Hospital	Vic	Department of Health and Human Services	MC	187	2016	2019	Other
Hunter Correctional Centre	NSW	NSW Department of Justice	GMP	184	2017	2018	Other
Victoria Harbour - 883 Collins	Vic	Lendlease Development	CM	173	2016	2018	Residential
Melbourne Quarter – Commercial One	Vic	Lendlease Development	LS	172	2017	2019	Commercial
Victoria Harbour - 889 Collins	Vic	Lendlease Development	CM	171	2015	2017	Residential
Palmerston Hospital	NT	Department of Infrastructure NT	MC	166	2016	2018	Other
Macarthur Square Redevelopment	NSW	APPF/GPT Funds Management Limited	LS	151	2016	2018	Other
HATS Delivery Phase – Helicopter Aircrew Training System Facilities Project	ACT	Commonwealth Department of Defence	MC	134	2015	2017	Defence
Victoria Harbour – Collins Wharf 1	Vic	Lendlease Development	CM	136	2017	2018	Residential
Delamere Air Weapons Range Redelopment Project	NT	Commonwealth Department of Defence	MC	134	2017	2018	Defence
Growler Airbourne Attack Facility Project	Qld	Commonwealth Department of Defence	MC	121	2016	2018	Defence
The Yards	Qld	Lendlease Development	CM	121	2015	2017	Residential

1. Disclosure of major projects is subject to client approval. This could impact the projects available for disclosure.

2. Backlog revenue as at 31 December 2016 for the projects listed totals A\$5,895 million, representing 86% of the total backlog revenue for the region in relation to Building projects.

3. Locations are New South Wales (NSW), Victoria (Vic), Northern Territory (NT), South Australia (SA), National, Queensland (Qld) and Western Australia (WA).

4. Contract types are Lump Sum (LS), Managing Contractor (MC), Construction Management (CM) and Guaranteed Maximum Price (GMP).

5. Construction value represents the Group's share of the total construction value of the project.

6. Secured date represents the financial year in which the project was secured.

7. Completion date represents the financial year in which the project is expected to be completed.

Portfolio Report continued

Australia continued

Construction continued

Major Projects – Engineering^{1,2}

Project	Location ³	Client	Contract Type ⁴	Construction Value ⁵ A\$m	Secured Date ⁶	Completion Date ⁷	Sector
North Connex M1/M2 Tunnel	NSW	NorthConnex Co. Pty. Ltd	D&C	1,283	2015	2020	Transport
Northern Connector	SA	SA Department of Planning Transport & Infrastructure	D&C	985	2016	2019	Transport
Gateway Upgrade North	Qld	Queensland Department of Transport & Main Roads	D&C	658	2016	2018	Transport
Oxley Highway to Kundabung, Pacific Highway	NSW	NSW Roads & Maritime Services	D&C	598	2014	2018	Transport
Caulfield to Dandenong	Vic	Level Crossing Removal Authority	ALL	530	2016	2019	Transport
Kingsford Smith Drive	Qld	Brisbane City Council	D&C	441	2016	2019	Transport
CityLink Tulla Widening	Vic	VicRoads	D&C	230	2016	2018	Transport

1. Disclosure of major projects is subject to client approval. This could impact the projects available for disclosure.

2. Backlog revenue as at 31 December 2016 for the projects listed totals A\$2,972 million, representing 91% of the total backlog revenue for the region in relation to Engineering projects.

3. Locations are New South Wales (NSW), South Australia (SA), Queensland (Qld), and Victoria (Vic).

4. Contract types are Design and Construct (D&C) and Alliance (ALL).

5. Construction value represents the Group's share of the total construction value of the project.

6. Secured date represents the financial year in which the project was secured.

7. Completion date represents the financial year in which the project is expected to be completed.

Investments

Co-Investments

	Region	Lendlease Interest %	Market Value ¹ December 2016 A\$m	Market Value ¹ June 2016 A\$m
Lendlease International Towers Sydney Trust	Australia	15.0	391.6	380.3
Australian Prime Property Fund – Commercial	Australia	7.8	208.3	197.3
Lendlease One International Towers Sydney Trust	Australia	12.5	195.5	107.5
Craigieburn Central	Australia	25.0	78.7	78.3
Australian Prime Property Fund – Industrial	Australia	10.7	79.3	78.3
Australian Prime Property Fund – Retail	Australia	1.0	45.0	44.5
Lendlease Public Infrastructure Investment Company	Australia	10.0	42.4	40.5
Lendlease Sub Regional Retail Fund	Australia	10.0	38.4	38.0
Lendlease Real Estate Partners New Zealand Fund	New Zealand	5.3	8.4	8.1
Lendlease Communities Fund 1	Australia	20.8	1.2	1.4
Lendlease Core Plus Fund	Australia	n/a		0.5
Total Investments			1,088.8	974.7

1. Represents the Group's assessment of the market value.

Portfolio Report continued

Australia continued

[Investments continued](#)

[Funds Under Management](#)

Fund	Fund type	Asset class	Market Value ¹ Dec 2016 A\$b	Market Value ¹ June 2016 A\$b
Australian Prime Property Fund – Retail	Core	Retail	5.1	5.0
Lendlease International Towers Sydney Trust	Core	Commercial	3.3	3.2
Australian Prime Property Fund – Commercial	Core	Commercial	3.0	2.9
Managed Investment Mandates	Core	Various	2.5	2.0
Lendlease One International Towers Sydney Trust	Core	Commercial	1.8	1.3
Australian Prime Property Fund – Industrial	Core	Industrial	0.9	0.9
Lendlease Sub Regional Retail Fund	Core	Retail	0.6	0.6
Lendlease Public Infrastructure Investment Company	Core	Social Infrastructure	0.4	0.4
Lendlease Real Estate Partners New Zealand Fund	Enhanced	Retail	0.3	0.2
Total FUM			17.9	16.5

1. Represents the Group's assessment of the market value.

Assets Under Management

Shopping centres	Managed on behalf of	GLA sqm/000s ¹	Market Value ² Dec 2016 A\$b	Market Value ² June 2016 A\$b
Cairns Central, Qld	APPF Retail	52.8		
Caneland Central, Qld	APPF Retail	65.6		
Caroline Springs Square, Vic	APPF Retail	21.0		
Sunshine Plaza, Qld	APPF Retail/Other joint owners	73.7		
Erina Fair, NSW	APPF Retail/Other joint owners	114.7		
Macarthur Square, NSW	APPF Retail/Other joint owners	94.6		
Mid City (retail), NSW	APPF Retail/Other joint owners	9.5		
Lakeside Joondalup, WA	APPF Retail/Other joint owners	100.2		
Craigieburn Central, Vic	APPF Retail/Lendlease	62.7	6.8	6.4
Menai Marketplace, NSW	Lendlease Sub Regional Retail Fund	16.5		
Settlement City, NSW	Lendlease Sub Regional Retail Fund	19.4		
Southlands Boulevard, WA	Lendlease Sub Regional Retail Fund	21.5		
Armadale Shopping City, WA	Lendlease Sub Regional Retail Fund	31.0		
Northgate, WA	Lendlease Sub Regional Retail Fund	15.9		
Barangaroo South (Retail), NSW	Other owner	6.3		
Watertown, WA	Other owner	21.0		
Total		726.4	6.8	6.4

1. GLA represents the gross lettable area of the centres.

2. Represents the Group's assessment of the market value.

Retirement Living Portfolio Summary

		AUSTRALIA	
		Dec 2016	June 2016
Retirement Living			
Villages – owned	no.	71	69
Villages – managed/leased/other	no.		4
Number of villages	no.	71	73
Units – owned	no.	12,433	12,172
Units – managed/leased/other	no.		1,212
Number of units ¹	no.	12,433	13,384
Number of resale units ²	no.	453	541
Long Term Growth Rate	%	3.6	3.7
Discount Rate	%	13.0	13.3

1. Includes 100% of Group owned and managed properties. Only includes completed units.

2. Comparative units of 541 represent resales during the prior corresponding period ending December 2015.

Portfolio Report continued

Australia continued

[Investments continued](#)

[Retirement Living Portfolio Summary](#)

Location ¹	Total Number of Villages	Total Units ²
Qld	12	2,913
NSW	17	3,181
Vic	26	4,057
SA	4	500
WA	10	1,623
ACT	2	159
Total retirement villages	71	12,433

1. Locations are Queensland (Qld), New South Wales (NSW), Victoria (Vic), South Australia (SA), Western Australia (WA), Australian Capital Territory (ACT).

2. Includes 100% of Group owned and managed properties. Only includes completed units.

Infrastructure Investment

Project	Location ¹	Status	Actual Financial Close Date	Operational Term Years	Invested Equity ² A\$m
Healthcare					
Queen Elizabeth II Medical Centre Car Park	WA	Operational	Jul 11	26	15.2
Total					15.2

1. Location is Western Australia (WA).

2. Invested equity refers to the contributed equity for each project.

Asia

Development

Project	Sector	Location	Ownership Interest %	Estimated Completion Date ¹	Estimated Backlog Built-Form Units ²	Estimated Commercial Backlog sqm/000s ³
Zoned Projects						
Paya Lebar Quarter	Urbanisation	Singapore	30	2019	430	137
The Lifestyle Quarter at Tun Razak Exchange	Urbanisation	Malaysia	60	2024	2,400	246
Total zoned					2,830	383

1. Estimated completion represents the expected financial year in which the last unit will be settled for master-planned communities and the construction completion date for apartments and non-residential projects.
2. Backlog includes the total number of units in Group owned, joint venture and managed projects. The actual number of units for any particular project can vary as planning approvals are obtained.
3. Commercial space has been disclosed based on Gross Floor Area (GFA). GFA in Asia refers to the total area of the covered floor space measured between the centre line of party walls, including the thickness of external walls but excluding voids. The actual land area and floor space for any particular project can vary as planning approvals are obtained.

Construction

Major Projects^{1,2}

Project	Location	Client	Contract Type ³	Construction Value ⁴ A\$m	Secured Date ⁵	Completion Date ⁶	Sector
Paya Lebar Quarter	Singapore	Roma Central Pte. Ltd. Verona Central Pte. Ltd. Milano Central Pte. Ltd.	GMP	798.1	2016	2019	Commercial & Residential

1. Disclosure of major projects is subject to client approval. This could impact the projects available for disclosure.
2. Backlog revenue as at 31 December 2016 for the project listed totals A\$638 million, representing 72% of the total Construction backlog revenue for the region.
3. Contract types are Guaranteed Maximum Price (GMP).
4. Construction value represents the Group's share of the total construction value of the project.
5. Secured date represents the financial year in which the project was secured.
6. Completion date represents the financial year in which the project is expected to be completed.

Investments

Co-Investments

	Lendlease Interest %	Market Value ^{1,6} Dec 2016 S\$m	Market Value ^{1,6} June 2016 S\$m	Market Value ^{1,6} Dec 2016 A\$m	Market Value ^{1,6} June 2016 A\$m
Lendlease Asian Retail Investment Fund (ARIF)					
ARIF 1 (313@somerset) ²	10.1	28.2	29.1	27.1	29.1
ARIF 2 (Setia City Mall) ³	35.9	23.0	24.0	22.1	24.0
ARIF 3 (Jem) ⁴	20.1	156.3	156.4	150.3	156.4
313@somerset ²	25.0	92.3	95.3	88.8	95.3
Parkway Parade Partnership Limited ⁵	6.1	41.2	35.0	39.6	35.0
Total Investments		341.0	339.8	327.9	339.8

1. Represents the Group's assessment of the market value.
2. The Group owns 25% of the 313@somerset retail centre through its investment in CDR JV Ltd, with the remaining 75% held by ARIF 1, in which the Group holds a 10.1% interest.
3. The Group directly owns 35.9% of ARIF 2, which has a 50% ownership interest in Setia City Mall.
4. The Group owns 20.1% of ARIF 3, which has a 75% ownership interest in Jem.
5. The Group increased its stake in Parkway Parade Partnership Limited from 4.9% as at June 2016 to 6.1% as at 31 December 2016.
6. The exchange rate applied to the Asia Co-Investment balances as at December 2016 is A\$1=S\$1.04 (June 2016: A\$1 = S\$1).

Portfolio Report continued

Asia continued

Investments continued

Funds Under Management

Fund	Fund Type	Asset Class	Market Value ^{1,2} Dec 2016 S\$b	Market Value ^{1,2} June 2016 S\$b	Market Value ^{1,2} Dec 2016 A\$b	Market Value ^{1,2} June 2016 A\$b
Lendlease Asian Retail Investment Fund (ARIF)	Core	Retail and Commercial	2.4	2.5	2.3	2.5
Managed Investment Mandate	Value Add	Retail and Commercial	1.5	1.4	1.4	1.4
Parkway Parade Partnership Limited	Core Plus	Retail and Commercial	1.2	1.2	1.2	1.2
Lendlease Jem Partners Fund Limited	Core	Retail and Commercial	0.5	0.5	0.5	0.5
Total FUM			5.6	5.6	5.4	5.6

1. Represents the Group's assessment of the market value.

2. The exchange rate applied to the Asia FUM balances as at December 2016 is A\$1=S\$1.04 (June 2016: A\$1 = S\$1).

Assets Under Management

Shopping centres	Managed on behalf of	GLA sqm/000s ¹	Market Value ² Dec 2016 S\$b	Market Value ² June 2016 S\$b	Market Value ² Dec 2016 A\$b	Market Value ² June 2016 A\$b
Jem, Singapore	ARIF/Lendlease Jem Partners Fund Limited	108.2	1.9	1.9	1.8	1.9
Parkway Parade, Singapore	Parkway Parade Partnership Limited	52.5	1.2	1.2	1.2	1.2
313@somerset, Singapore	ARIF/Lendlease	27.1	1.0	1.0	1.0	1.0
Setia City Mall, Malaysia	ARIF/Lendlease	124.8	0.2	0.3	0.2	0.3
Total		312.6	4.3	4.4	4.2	4.4

1. Represents the net lettable area of the centres.

2. Represents the Group's assessment of the market value. The exchange rate applied as at December 2016 is A\$1=S\$1.04 (June 2015: A\$1 = S\$1).

Europe

Development

Project Listing

Project	Sector	Location	Ownership Interest %	Estimated Completion Date ¹	Estimated Backlog Built-Form Units ²	Estimated Commercial Backlog sqm/000s ³
Zoned Projects						
Elephant & Castle	Urbanisation	London, UK	100%	Various	2,410	18
Deptford	Urbanisation	London, UK	100%	Various	1,130	7
International Quarter London	Urbanisation	London, UK	50%	Various	220	273
Chiswick	Urbanisation	London, UK	100%	2019	135	2
Wandsworth	Urbanisation	London, UK	100%	Various	110	
UK residential projects	Urbanisation	Various	Various	Various	1,100	4
John Bright Street	Communities	Birmingham, UK	100%	2017		1
Total Development					5,105	305

1. Estimated completion date for built-form units represents the financial year in which the project construction is expected to be completed.
2. Backlog includes the total number of units in Group owned and joint venture projects. The actual number of units for any particular project can vary as planning approvals are obtained.
3. Represents net developable land in relation to master-planned urban communities and net developable floor space for other developments. The actual land area and floor space for any particular project can vary as planning approvals are obtained.

Portfolio Report continued

Europe continued

Construction

Major Projects^{1,2}

Project	Location	Client	Contract Type ³	Construction Value ⁴ £m	Construction Value ⁴ A\$m	Secured Date ⁵	Completion Date ⁶	Sector
Elephant & Castle – West Grove	London	Lendlease Residential (CG) Plc	LS	213	362	2016	2019	Residential
Rathbone Square	London	Great Portland Estates plc	LS	210	356	2015	2017	Commercial & Residential
International Quarter London – Building 1	London	Stratford City Business District Limited	LS	202	343	2015	2018	Commercial
North Wales Prison	Wales	Ministry of Justice	LS	167	282	2014	2018	Other
International Quarter London – Building 2	London	Stratford City Business District Limited	LS	120	204	2015	2018	Commercial
Elephant & Castle – South Gardens	London	Lendlease Residential (CG) Plc	LS	119	202	2015	2018	Residential
International Quarter London – Glasshouse Gardens	London	SCBD Residential Limited	LS	89	152	2014	2017	Residential

1. Disclosure of major projects is subject to client approval. This could impact the projects available for disclosure.

2. Backlog revenue as at 31 December 2016 for the projects listed totals £425 million, representing 67% of the total Construction backlog revenue for the region.

3. Contract type is Lump Sum (LS).

4. Construction value represents the Group's share of the total construction value of the project.

5. Secured date represents the financial year in which the project was secured.

6. Completion date represents the financial year in which the project is expected to be completed.

Investments

Co-Investments

	Lend Lease Interest %	Market Value ¹ Dec 2016 £m	Market Value ¹ June 2016 £m	Market Value ¹ Dec 2016 A\$m	Market Value ¹ June 2016 A\$m
Lendlease Retail LP	4	35.7	36.8	61.5	65.7
Total		35.7	36.8	61.5	65.7

1 Represents the Group's assessment of the market value. The exchange rate applied as at December 2016 is A\$1 = £0.58 (June 2016: A\$1 = £0.56).

Funds Under Management

Fund	Fund type	Asset class	Market Value ¹ Dec 2016 £b	Market Value ¹ June 2016 £b	Market Value ¹ Dec 2016 A\$b	Market Value ¹ June 2016 A\$b
Lendlease Retail LP	Core	Retail	0.8	0.9	1.4	1.5
Total FUM			0.8	0.9	1.4	1.5

1. Represents the Group's assessment of the market value. The exchange rate applied as at December 2016 is A\$1 = £0.58 (June 2016: A\$1 = £0.56).

Assets Under Management

Shopping centres	Managed on behalf of	GLA ² sqm/000s	Market Value ¹ Dec 2016 £m	Market Value ¹ June 2016 £m	Market Value ¹ Dec 2016 A\$m	Market Value ¹ June 2016 A\$m
Touchwood, Solihull	LendLease Retail LP	60.4	286.4	299.4	493.8	534.6
Queensgate, Peterborough	IREEF Queensgate Peterborough	81.3	230.0	230.0	396.6	410.7
Total		141.7	516.4	529.4	890.4	945.3

1. Represents the Group's assessment of the market value. The exchange rate applied as at December 2016 is A\$1 = £0.58 (June 2016: A\$1 = £0.56).

2. GLA represents the gross lettable area of the centres.

Portfolio Report continued

Americas

Development

Project	Sector	Location	Ownership Interest %	Estimated Completion Date ¹	Estimated Backlog Land Units ²	Estimated Backlog Built-Form Units ²	Estimated Commercial Backlog sqm/000s ³
Zoned Projects							
Horizon Uptown	Communities	Colorado	100%	2033	3,860		371
281 Fifth Avenue	Urbanisation	New York	40%	2019		130	1
Clippership Wharf	Urbanisation	Massachusetts	100%	2021		480	1
Riverline	Urbanisation	Illinois	60%	2025		3,750	1
Nebraska Medical Center Integrated Services Center	Urbanisation	Nebraska	100%	2018			3
Total Zoned					3,860	4,360	377
Unzoned Projects							
845 Madison	Urbanisation	Chicago	70%	2021		580	
Total Unzoned						580	
Total Development					3,860	4,940	377

1. Estimated completion date represents the estimated financial year in which the last unit will be settled for master-planned communities and the financial year in which construction will be completed for apartments and healthcare projects.

2. The actual number of units for any particular project can vary as planning applications are obtained.

3. Represents expected rentable square metres. The actual floor space for any particular project can vary as planning approvals are obtained.

Construction

Major Projects^{1,2}

Project	Location	Client	Contract Type ³	Construction Value ⁴ US\$m	Construction Value ⁴ A\$m	Secured Date ⁵	Completion Date ⁶	Sector
432 Park Avenue	New York	CIM Group	GMP	718	957	2012	2017	Mixed-use
56 Leonard Avenue	New York	56 Leonard LLC	GMP	379	505	2012	2017	Residential
252 East 57th Street	New York	World Wide Holdings	GMP	355	474	2014	2017	Mixed-use
520 Park Avenue	New York	Zeckendorf Development LLC	GMP	299	398	2014	2018	Residential
9 W Walton	Chicago	9 West Walton Condominium Developer LLC	GMP	146	195	2015	2018	Residential
Clippership Wharf	Boston	Lendlease Development	GMP	99	133	2016	2020	Residential

1. Disclosure of major projects is subject to client approval. This could impact the projects available for disclosure.

2. Backlog revenue as at 31 December 2016 for the projects listed totals US\$434 million, representing 8% of the total Construction backlog revenue for the region.

3. Contract type is Guaranteed Maximum Price (GMP).

4. Construction value represents the Group's share of the total construction value of the project.

5. Secured date represents the financial year in which the project was secured.

6. Completion date represents the financial year in which the project is expected to be completed.

Portfolio Report continued

Americas continued

Investments

Infrastructure Investment

Project ¹	Location	Service	Status	Original Financial Close Date	Operat- ional Term Years	Invested Equity ² US\$m	Invested Equity ² A\$m	Units Under Management ⁴
Air Combat Command Group II	Arizona/ New Mexico	Air Force	Operational	Jul 07	50	11.0	14.9	2,200
Camp Lejeune Phases 1, 2 and 3	North Carolina/ New York	Marine Corps	Operational	Oct 05	50	14.5	19.6	6,470
Tri-Command	South Carolina	Marine Corps	Operational	Feb 03	50	3.3	4.5	1,500
Fort Campbell	Kentucky	Army	Operational	Dec 03	50	6.0	8.1	4,450
Fort Drum	New York	Army	Operational	May 05	50	5.0	6.8	4,025
Fort Hood	Texas	Army	Operational	Oct 01	50	6.0	8.1	5,900
Fort Knox Phase 1 and 2 ³	Kentucky	Army	Operational	Feb 07	50			2,385
Hickam	Hawaii	Air Force	Operational	Feb 05	50	17.3	23.3	2,500
Island Palm Communities	Hawaii	Army	Operational	Apr 05	50	8.0	10.8	7,750
PAL Groups A, B and C	Various	Army	Operational	Aug 09	50			12,500
Tri-Group	Colorado/ California	Air Force	Operational	Sep 07	50	10.4	15.6	1,525
Wainwright/Greely Phase 1 and 2 ³	Alaska	Army	Operational	Apr 09	50			1,900
Total						81.5	111.7	53,105

1. The number of projects for December 2016 total 17. A number of the projects were combined to reflect the investment, such as Camp Lejeune Phases 1 and 2 and Camp Lejeune Phase 3, Fort Hood and Fort Hood Stage 3 (Chaffee Village 1), Fort Knox Phase 1 and Fort Knox Phase 2 (Additional Scoring), PAL Groups A and B and PAL Groups C and Wainwright/Greely Phase 1 and Wainwright/Greely Phase 2.

2. Invested equity refers to the contributed equity for each project.

3. Committed equity as at 31 December 2016 totals US\$5m/A\$7m comprising of Fort Knox Phase 1 and 2 (US\$3m/A\$4.2m) and Wainwright / Greely Phase 1 and 2 (US\$2m / A\$2.8m).

4. Units under management are the expected number of units at the end of the initial project development period.