

ASX ANNOUNCEMENT

28 August 2017

Lendlease Group FY17 Full Year Results Announcement, Presentation and Appendix

Lendlease Group today announced its results for the full year ended 30 June 2017. Attached is the FY17 Results Announcement, Presentation and Appendix.

ENDS

FOR FURTHER INFORMATION, PLEASE CONTACT:

Investors:

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Media:

Stephen Ellaway
Mob: 0417 851 287

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

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lendlease.com



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Lendlease delivers strong earnings growth

For the full year ended 30 June 2017¹:

- Profit after Tax of \$758.6 million, up 9 per cent and earnings per stapled security of 130.1 cents, up 8 per cent
- Return on Equity of 12.9 per cent², towards upper end of 10-14 per cent target range
- Full year distributions of 66 cents per stapled security, up 10 per cent
- Strong completions across Development and Construction
- Capital solutions secured across four office developments
- Approximately \$10 billion of work in preferred bidder status in Construction
- Funds Under Management (FUM) of \$26.1 billion, up 11 per cent
- Strong balance sheet with gearing of 5.0 per cent³ and available liquidity of \$3.5 billion

Group Chief Executive Officer and Managing Director, Steve McCann, said: "Lendlease generated strong financial returns for securityholders during the past year."

"We demonstrated the full breadth and depth of our delivery capabilities with high levels of completions across multiple sectors and geographies. Residential development was a highlight with a 20 per cent increase in completions to 5,769, driven by the delivery of a record 2,533 apartments. We have settled approximately 90 per cent of these apartments to date, with a default rate of less than 1 per cent."

"We made significant progress in Australian commercial development with strong office leasing and the completion of Tower One at Barangaroo South in Sydney. This marks an important step in what has become a vibrant new commercial precinct that helps define Sydney as a world-class city."

Tenant commitments underpinned the forward sale of three office towers at Melbourne Quarter and Victoria Harbour in Melbourne, and Brisbane Showgrounds in Brisbane. In addition, the Group sold down a majority interest in the Circular Quay Tower development in Sydney.

¹ Comparative period, year ended 30 June 2016 (the prior year).

² Return on Equity is calculated using the statutory Profit after Tax attributable to securityholders divided by the arithmetic average of beginning, half year and year end securityholders' equity.

³ Net debt to total tangible assets less cash.

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The business achieved strong completions in construction including New York's tallest residential tower and several high profile and large scale social infrastructure projects in Australia. These included International Convention Centre Sydney, and Sunshine Coast University and New Bendigo hospitals.

The Investments segment, representing 36 per cent of operating EBITDA, continues to deliver solid recurring earnings.

Group Financials

Group Chief Financial Officer, Tarun Gupta, said: "A highlight for Lendlease during the period was a 14 per cent increase in EBITDA – driven by strong contributions from all three operating segments."

Return on Equity was 12.9 per cent for the year, towards the upper end of the 10-14 per cent target range. This return was achieved using low financial leverage with gearing reducing to 5.0 per cent, compared to the 10-15 per cent target range.

"We continue to maintain our position of financial strength, while our business model ensures diversity across segments, sectors and geographies," said Mr Gupta.

At 30 June 2017, Lendlease held a cash balance of \$1.2 billion⁴ and undrawn debt facilities of \$2.2 billion⁴. This provides flexibility to fund the development pipeline.

Outlook

Mr McCann said, "We are well placed for the future and remain focused on delivering strong performance for securityholders. We have been executing on our gateway cities strategy in a disciplined and focused manner."

"Urbanisation projects moved into delivery in Chicago, Boston, New York and Kuala Lumpur and we secured new projects in Milan and San Francisco. Our strong position in London was consolidated with our selection as preferred partner by Haringey Council on the circa \$7 billion Haringey Development Vehicle⁵. These projects further support our stated objective of rebalancing capital and earnings towards our international operations to drive growth."

The global Construction segment had approximately \$10 billion of work in preferred bidder status at 30 June 2017, with further success in Australia post balance date.

⁴ Total liquidity of \$3.5 billion representing cash and undrawn debt facilities, component parts do not sum due to rounding.

⁵ Subject to contractual and financial close. Approximate number as at 30 June 2017 based on exchange rate at period end.

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A solid base of recurring earnings is derived from the \$3.3 billion of investments and the funds and asset management platforms.

“We are progressing well in the residential for rent sector with three buildings in delivery in the Americas as well as identified buildings in Europe. Going forward this asset class is expected to support growth in our global investment platform,” said Mr McCann.

Further information regarding Lendlease’s results is set out in the Group’s financial results presentation for the year ended 30 June 2017 and is available on www.lendlease.com.

ENDS

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Media:

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2017 Key Dates for Investors

FY17 results released to market/final distribution declared	28 August
Securities quoted ex-dividend on the Australian Securities Exchange	1 September
Final distribution record date	4 September
Final distribution payable	20 September
Annual General Meetings	17 November

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Lendlease 2017 Full Year Results

28 August 2017

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Indigenous engagement and reconciliation

Lendlease's vision for Reconciliation is one in which all our employees **acknowledge and celebrate the proud heritage of Australia's First Peoples** and promote opportunities for **career development, sustainable business growth and economic participation** of Aboriginal and Torres Strait Islander Australians within our sector



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	Dan Labbad Chief Executive Officer, International Operations	



Section 1

Group Performance and Results Highlights

Steve McCann

Group Chief Executive Officer and
Managing Director

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Image: International House Sydney,
Barangaroo South, Sydney

Safety

Lendlease is saddened to report two fatalities occurred during FY17 on our operations in Australia, and unfortunately another fatality has occurred in New York post year end. We express our sincere condolences to the families and friends impacted by these tragic incidents.

These incidents serve as a sobering reminder of the critical importance of working safely and further strengthen our resolve to eliminate incidents and injuries from our operations.

We remain committed to the safety of our people and continuously strive to do our best so that every person who visits a Lendlease operation returns home safely.

FY17 Safety Metrics

- In FY17 two fatalities occurred on our operations
- Lost Time Injury Frequency Rate in the last 12 months
 - 1.6 (1.8 in FY16)
- Percentage of operations without a critical incident in the last 12 months
 - 90% (88% in FY16¹)

Vision: to create the best places

Strategic framework

FOCUS

Delivering optimal performance safely

GROW

Disciplined growth in sectors aligned with global trends and with a focus on our target global Gateway Cities

Business model



Competitive advantage

INTEGRATED MODEL

Ability to deliver quality projects leveraging more than one of our segments.

FINANCIAL STRENGTH


Balance sheet strength and access to third party capital.

TRACK RECORD


Delivering quality design and sustainable outcomes safely.

Pillars of value

 Health & Safety

 Our People

 Our Customers

 Financial

 Sustainability

Lendlease delivers strong earnings growth

Securityholder returns¹

- Profit after Tax of \$758.6 million, up 9%, and earnings per stapled security of 130.1 cents, up 8%
- Full year distributions of 66 cents per security, representing a dividend payout ratio of 51%
- Return on equity of 12.9%², towards the upper end of our 10% – 14% target range

Performance highlights¹

- 2,533 residential apartment unit completions³ – approximately 90% settled to date with a default rate of < 1%
- Total residential completions of 5,769 units, up 20%
- Capital solutions secured across four office developments – 134,000 square metres of space
- Construction EBITDA margin up 30 bps to 2.7%
- Engineering activity accelerating, on track for larger earnings contribution
- Investments segment continues to deliver solid recurring earnings, representing 36% of operating EBITDA
- Growth in Funds Under Management (FUM) of 11% to \$26.1 billion
- Operating and Investing cash flow of \$216.1 million
- Gearing of 5.0%⁴ and liquidity of \$3.5 billion, including cash and cash equivalents of \$1.2 billion

1. Comparative period the year ended 30 June 2016 (the prior year)

2. Return on equity is calculated using the annual statutory profit after tax attributable to securityholders divided by the arithmetic average of beginning, half year and year end securityholders' equity

3. Pre-sold units on buildings completed during the period, and units sold in the period on buildings completed in prior periods

4. Net debt to total tangible assets less cash

FY17 Achievements

Execution excellence across our portfolio

- Residential apartment unit completions – significant increase in delivery, more than double the prior year
- Australian office leasing underpinned forward sales/development JV – more than 90,000 square metres of leasing
- Australian social infrastructure completions: International Convention Centre Sydney, Sunshine Coast¹ and Bendigo¹ hospitals
- US high-rise residential construction – strong market position



International Convention Centre Sydney,
New South Wales



New Bendigo Hospital, Victoria



Sunshine Coast University Hospital, Queensland



432 Park Avenue, New York



North Yard, Brisbane Showgrounds, Queensland²



Toorak Park, Victoria²

FY17 Achievements

Laying the foundations for future growth

- Significant progress in converting urbanisation projects in gateway cities:
 - Four additional cities with projects in delivery: Chicago, Boston, New York, Kuala Lumpur
 - Two new cities with projects secured: Milan, San Francisco
 - Consolidated position in London: preferred partner on c.\$7 billion Haringey Development Vehicle¹



Riverline, Chicago²



Clippership Wharf, Boston²



Milano Santa Giulia, Milan²

- Leveraging global trends that guide our strategy:

Infrastructure

- Australian transport – post balance date announced preferred bidder on c.\$6 billion Melbourne Metro Tunnel Project³ and c.\$500 million Ballarat Line Upgrade⁴
- US Telecommunications – acquisition of mobile tower portfolio

Funds growth

- More than \$3 billion of additional secured funds under management across urbanisation projects in delivery
- Future pipeline opportunities including new sectors for our investment platform – residential for rent, telco infrastructure

1. Subject to contractual and financial close. Approximate number as at 30 June 2017 based on exchange rate at period end
 2. Artist impression

3. One third share and responsibility for financial arrangement of the PPP
 4. Joint Venture arrangement

Section 2

Financials

Tarun Gupta
Group Chief Financial Officer

lendlease

Artist impression:
Tun Razak Exchange,
Lifestyle Quarter, Kuala Lumpur



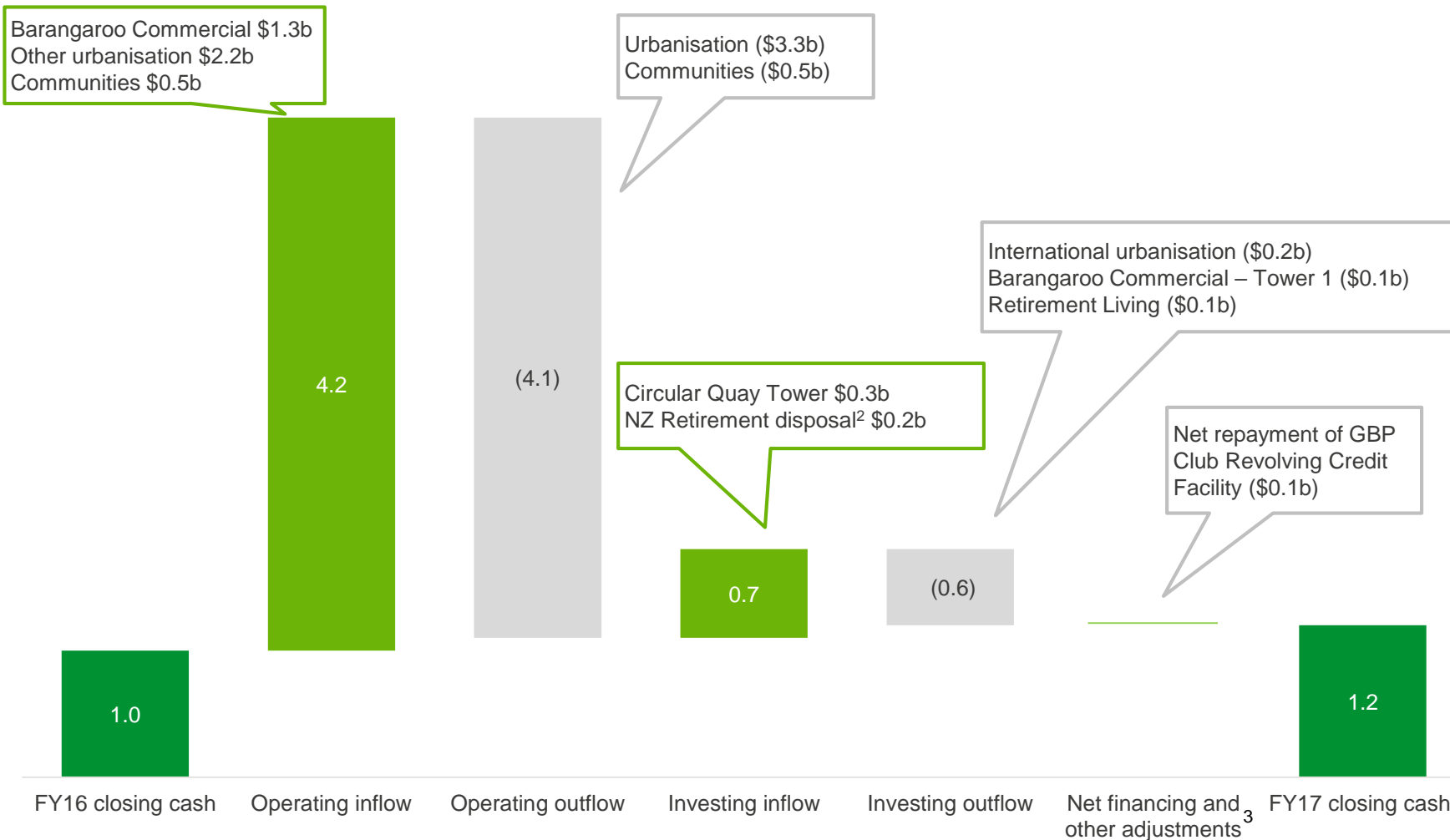
Financial performance

\$ million	FY16	FY17	Change	
Development	500.2	552.4	10%	• Significant contribution from Australia, ongoing investment offshore
Construction	288.1	338.3	17%	• Solid improvement, strong recovery in the Americas
Investments	457.7	495.3	8%	• Ownership and operating earnings continue to grow
Operating EBITDA	1,246.0	1,386.0	11%	
Corporate costs	(191.1)	(184.2)	4%	• FY17 Group Services costs of \$154.4 million ¹ , down 8% ²
Group EBITDA	1,054.9	1,201.8	14%	
Depreciation and amortisation	(82.7)	(98.2)	(19%)	• Reflective of higher occupancy and technology related costs
EBIT	972.2	1,103.6	14%	
Net finance costs	(109.4)	(96.6)	(12%)	• Decline in finance costs due to lower average net debt
PBT	862.8	1,007.0	17%	
Income tax expense	(164.7)	(248.3)	(51%)	• Effective tax rate of 24.7%, up 5.6 percentage points ²
External non-controlling interests	0.1	(0.1)	-	
NPAT	698.2	758.6	9%	
Weighted avg. securities	581.4	583.0	0%	
EPS cents	120.1	130.1	8%	

1. Remaining FY17 corporate costs represent Group Treasury of \$29.8 million
2. Comparative period the year ended 30 June 2016 (the prior year)

Cash flow movements (\$b)¹

Denotes major movements



1. Represents an indicative analysis of operating cash inflows and outflows. Operating cash inflows and outflows relating to Construction have been included as a net position in the above chart
2. The Group divested the New Zealand Retirement business in FY16, proceeds received in FY17
3. Includes the impact of foreign exchange movements on opening cash

Financial position

\$ million	30 Jun 16	30 Jun 17
Assets		
Cash and cash equivalents	1,008.4	1,249.2
Inventories	4,602.9	5,127.4
Equity accounted investments	1,152.6	834.6
Investment properties ¹	5,940.7	6,967.4
Other assets (including financial)	5,888.3	6,675.6
Total assets	18,592.9	20,854.2
Liabilities		
Borrowings and financial arrangements	2,031.3	2,152.4
Other liabilities (including financial) ¹	10,946.9	12,535.3
Total liabilities	12,978.2	14,687.7
Net assets	5,614.7	6,166.5
Gearing²	6.5%	5.0%

Key areas of capital employed

- Development inventories of \$4.1 billion
- Investments of \$3.3 billion³ including:
 - Co-Investments of \$1.5 billion
 - Retirement Ownership of \$1.7 billion⁴
 - Infrastructure of \$0.2 billion

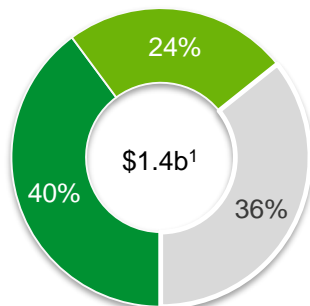
Funding and liquidity

- \$1.2 billion of cash and \$2.2 billion in undrawn debt facilities⁵
- Interest coverage of 10.3 times
- Gearing of 5.0%²
- Prudent debt maturity profile, no material concentrations

1. As at 30 June 2017, investment properties includes retirement properties of \$6,443.4 million, and other liabilities includes retirement resident liabilities of \$4,573.0 million
2. Net debt to total tangible assets less cash
3. Components do not sum due to rounding
4. Excludes capital balances relating to Retirement development activities
5. Total liquidity of \$3.5 billion, components do not sum due to rounding

Portfolio Management Framework

EBITDA mix

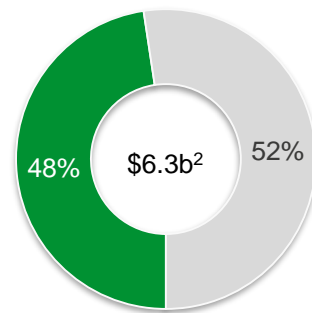


Target weighting

Segment	Target weighting
Development	(35 – 45%)
Construction	(20 – 30%)
Investments	(30 – 40%)

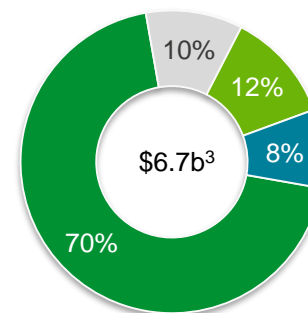
Invested capital

By segment



Segment	Target weighting
Development	(40 – 60%)
Investments	(40 – 60%)

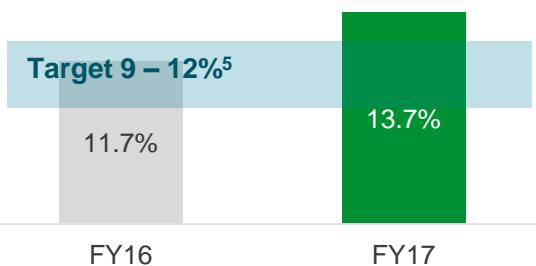
By region



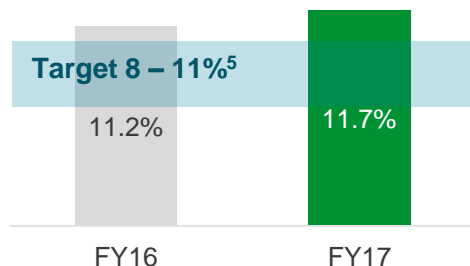
Region	Target weighting
Australia	(50 – 70%)
Asia	(5 – 20%)
Europe	(5 – 20%)
Americas	(5 – 20%)

Returns

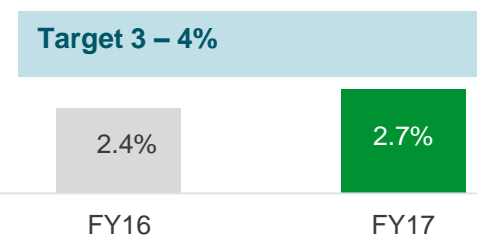
Development – ROIC⁴



Investments – ROIC⁴



Construction – EBITDA margin



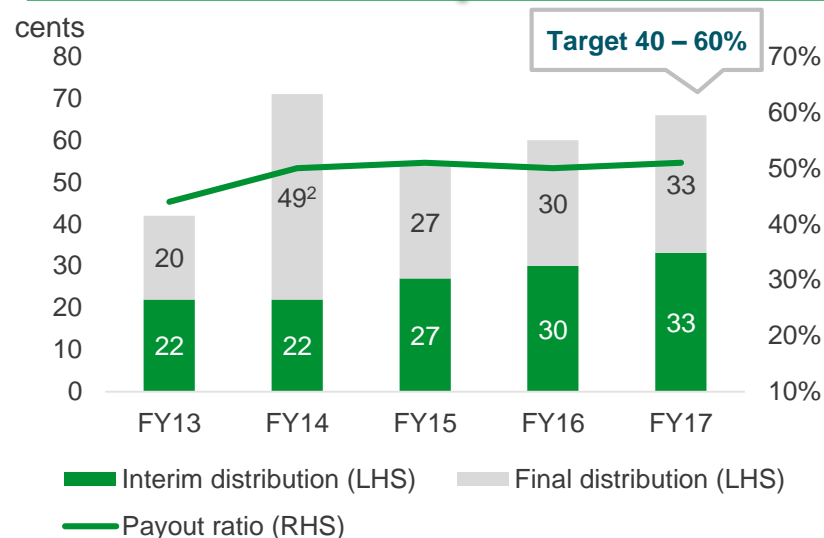
1. Operating EBITDA
2. Invested capital for Development and Investments
3. Invested capital for Australia, Asia, Europe and the Americas. Total Lendlease invested capital as at 30 June 2017 was \$7.0 billion (\$0.3 billion Corporate)
4. Return on Invested Capital (ROIC) is calculated using the annual operating profit after tax divided by the arithmetic average of beginning, half year and year end invested capital. FY16 Investments ROIC restated reflecting inclusion of half year end invested capital in calculation
5. Through-cycle target based on rolling 3-5 year timeline

Portfolio Management Framework

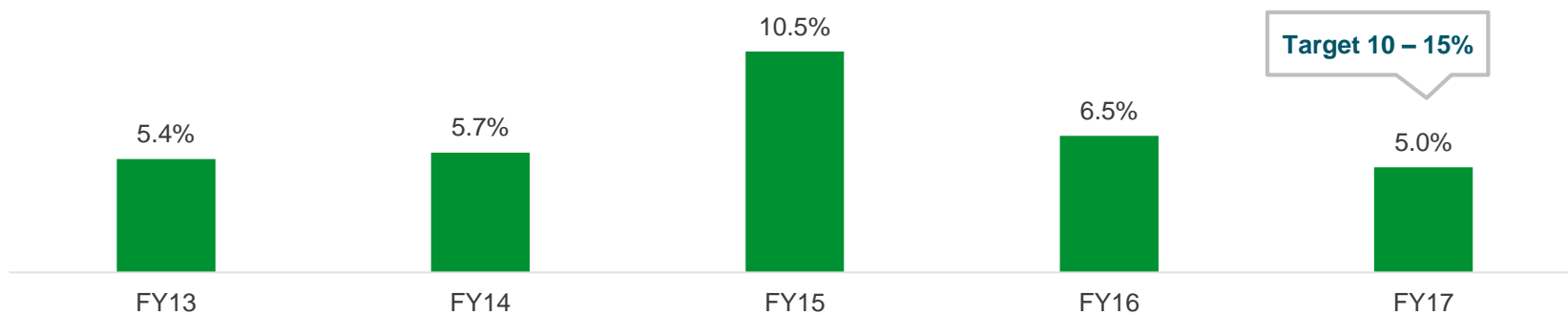
Return on equity (ROE)¹




Distributions



Gearing³



1. Return on equity is calculated using the annual statutory profit after tax attributable to securityholders divided by the arithmetic average of beginning, half year and year end securityholders' equity
2. FY14 includes Bluewater sale
3. Net debt to total tangible assets less cash



Section 3

Operational Update

Steve McCann
Group Chief Executive Officer and
Managing Director

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Artist impression: Riverline, Chicago

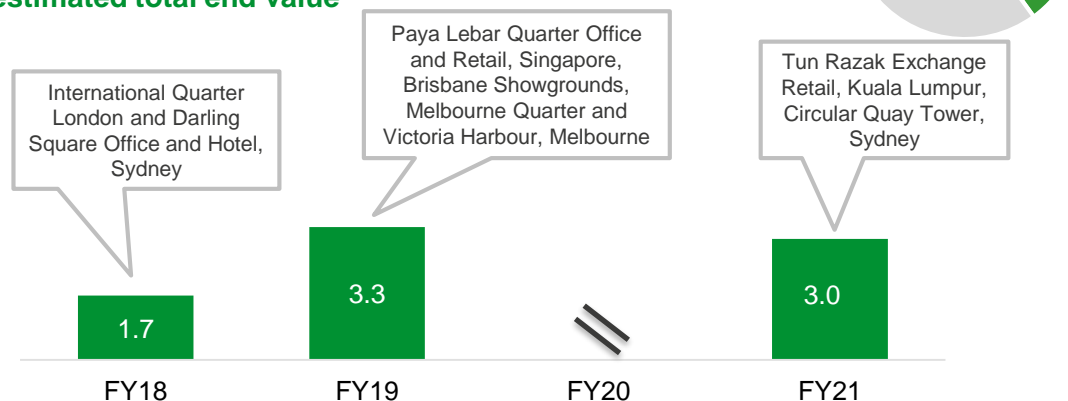
Development

Performance highlights¹

- ROIC of 13.7%, above target range
- Over 90,000 square metres of office leasing achieved largely in Sydney and Melbourne
- Barangaroo South T1 completion, c.91% let²
- Capital solutions across four office developments – total of 134,000 square metres
- Commercial development in delivery with total end value of c.\$8 billion
- Residential completions of 5,769 units, up 20%:
 - Apartments 2,533 units³ (default rate <1%)
 - Communities 3,060 units
 - Retirement 176 units
- Total Apartment presales of 4,167 units (\$3.9 billion)
- 850 units for rent in delivery (\$0.5 billion)
- Record Communities presales of 3,896 units (\$0.9 billion)

Commercial building completion profile⁴ (\$b)

By estimated total end value



Residential presales and residential for rent (\$b)



1. Comparative period the year ended 30 June 2016 (the prior year)

2. Including agreed Heads of Terms post balance date. As at 30 June 2017 c.80% let

3. Pre sold units on buildings completed during the period, and units sold in the period on buildings completed in prior periods

4. Based on expected completion date of buildings, subject to change. Not indicative of cash or profit recognition

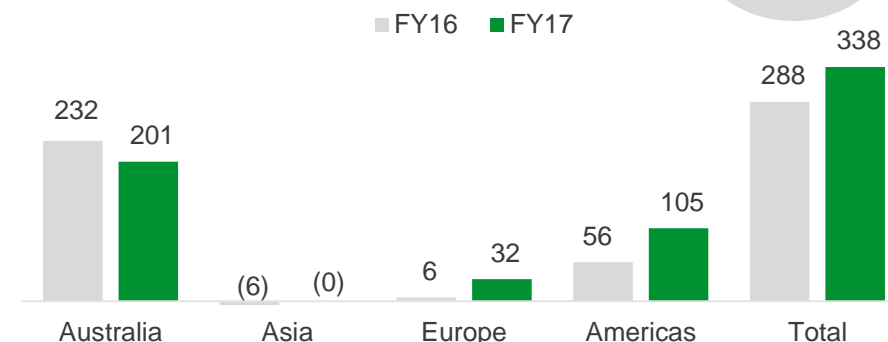
5. Represents estimated end value of apartments for rent product in delivery

Construction

Performance highlights¹

- Global EBITDA margin up 30 bps to 2.7%
- Six major building project completions in excess of c.\$6 billion
- Australian margin impacted by performance across a small number of projects and increased bidding activity
- Americas EBITDA up 87%, strong revenue and margin boosted by successful project close outs
- Europe starting to recover from challenging market conditions
- Focus in Asia remains on internal pipeline
- Backlog revenue of \$20.6 billion
- New work secured of \$13.2 billion, including Jacob K. Javits Convention Center, New York and Western Sydney Stadium
- Preferred bidder status of c.\$10 billion² including Google Headquarters, London
- Post balance date announced preferred bidder on c.\$6 billion Melbourne Metro Tunnel Project³ and c.\$500 million Ballarat Line Upgrade⁴

EBITDA (\$m)



EBITDA Margin (%)

FY16	3.7%	(1.7%)	0.4%	1.4%	2.4%
FY17	3.1%	0.0%	2.8%	2.3%	2.7%

Backlog (\$b)



1. Comparative period the year ended 30 June 2016 (the prior year)
 2. As at 30 June 2017
 3. One third share and responsibility for financial arrangement of the PPP

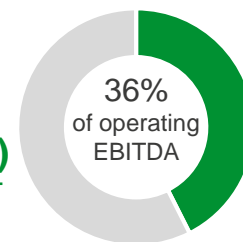
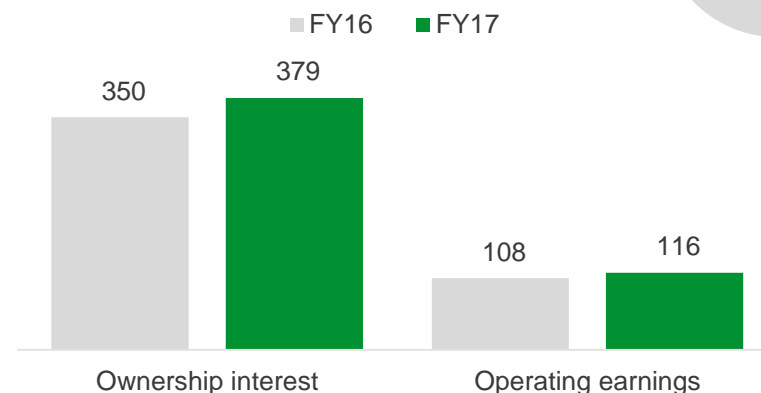
4. Joint Venture arrangement
 5. Includes foreign exchange

Investments

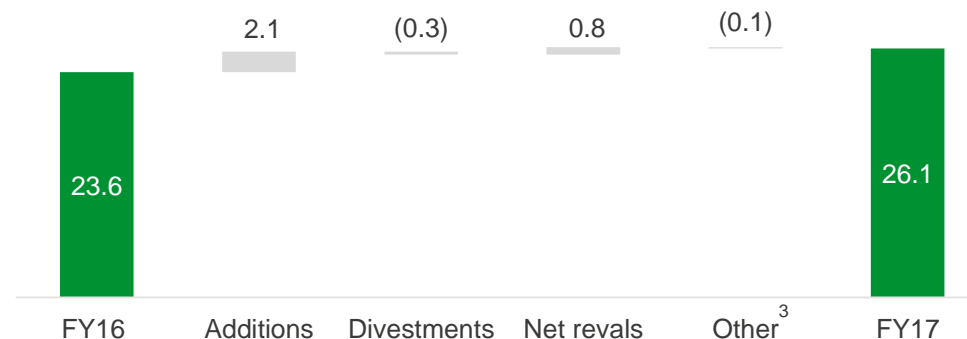
Performance highlights¹

- ROIC of 11.7%, above target range, driven by solid performance in Australia
- Ownership earnings derived from investments increased by 8% to \$379.2 million
 - Solid growth in the Retirement Living business
 - Average unit resale prices increased 11%
 - Two additional villages acquired
 - Exploring the potential introduction of capital partners
 - Higher investment income, including co-investments in the three office towers at Barangaroo South, Sydney
- Uplift in operating earnings of 7% to \$116.1 million
 - FUM of \$26.1 billion, up 11%
 - New equity raised of \$0.9 billion
 - Over \$3 billion² of additional secured FUM
 - New asset class opportunities in residential for rent and telecommunications infrastructure
 - High quality military housing fee income

Investments EBITDA by activity (\$m)



FUM (\$b)



1. Comparative period the year ended 30 June 2016 (the prior year)
 2. Represents secured future FUM from funds with development projects in delivery
 3. Includes foreign exchange



Section 4

Outlook

Steve McCann
Group Chief Executive Officer and
Managing Director

lendlease

Artist impression:
Elephant Park, London

Outlook

- Well positioned for future success:
 - Earnings visibility from extensive pipeline across our business segments
 - Financial strength and resilient business model with diversity across segments, sectors and geographies
- Diversifying capital and earnings through growth in international operations:
 - Four additional cities with projects in delivery: Chicago, Boston, New York, Kuala Lumpur
 - Two new cities with projects secured: Milan, San Francisco
 - Consolidated position in London; preferred partner on c.\$7 billion Haringey Development Vehicle¹
- Strong construction backlog revenue of \$20.6 billion:
 - Preferred bidder status in construction work globally of c.\$10 billion²
 - Post balance date announced preferred on Melbourne Metro Tunnel Project and Ballarat Line Upgrade
- Focused on execution excellence through strong risk and governance frameworks:
 - Unwavering commitment to health and safety
 - Disciplined approach to origination
 - Managing individual project, property cycle and sovereign risk

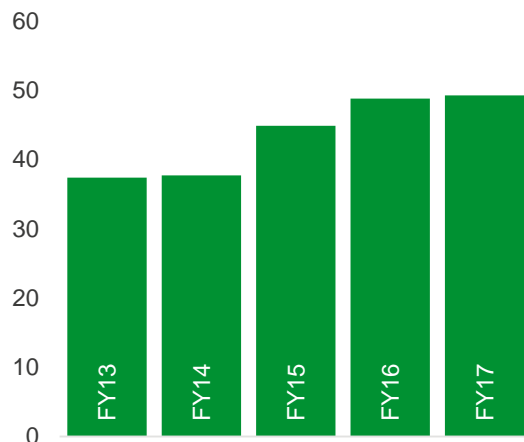
Earnings visibility from strong pipeline across all segments

Development pipeline of
\$49.3 billion

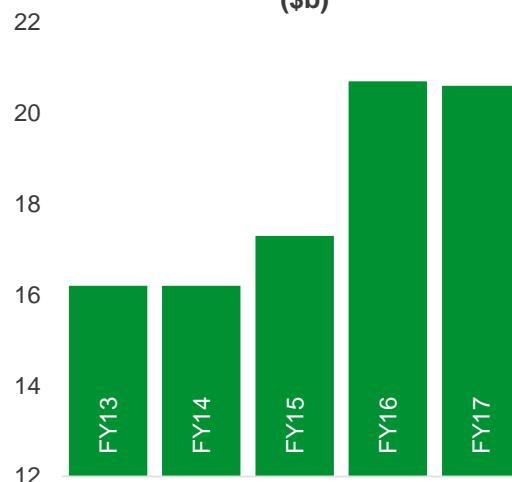
Construction backlog revenue of
\$20.6 billion

FUM of
\$26.1 billion

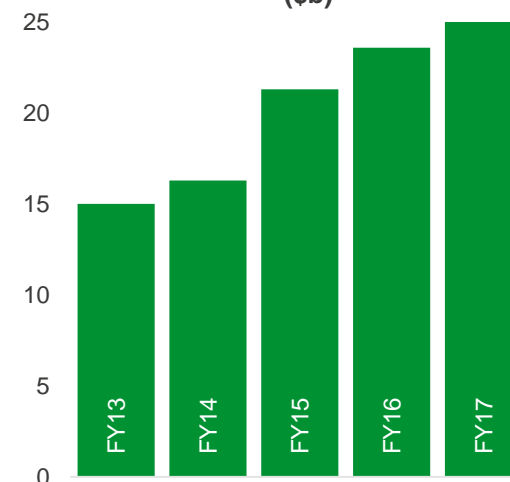
Development pipeline
(\$b)



Construction backlog revenue
(\$b)



Funds under management
(\$b)



Section 5

Q&A

Steve McCann

Group Chief Executive Officer and Managing Director

Tarun Gupta

Group Chief Financial Officer

Dan Labbad

Chief Executive Officer, International Operations

lendlease

Image: Pacific Highway –
Nambucca to Urunga, NSW

Appendix

lendlease



Image:
International Convention Centre Sydney



Group

Our business model

Our business model is how we generate earnings. The model is integrated when more than one segment is engaged on a single project

DEVELOPMENT

The Development segment is involved in the development of communities, inner city mixed use developments, apartments, retirement, retail, commercial assets and social and economic infrastructure

Core Financial Returns:

- Development margins
- Development management fees received from external co-investors
- Origination fees for infrastructure PPPs

CONSTRUCTION

The Construction segment provides a project management, design, and construction service, predominantly in the infrastructure, defence, mixed use, commercial and residential sectors

Core Financial Returns:

- Project management and construction management fees
- Construction margin

INVESTMENTS

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 and US Military Housing

Core Financial Returns:

- Fund, asset and property management fees
- Investment yields and capital growth on co-investments, and returns from the Group's Retirement portfolio and US Military Housing business

Income Statement

Income Statement (\$ million)	Jun-16	Jun-17
Revenue	15,088.5	16,659.0
Cost of sales	(13,388.5)	(14,841.0)
Gross profit	1,700.0	1,818.0
Share of profit of equity accounted investments	151.6	77.9
Other income	256.9	247.2
Other expenses	(1,136.3)	(1,039.5)
Results from operating activities	972.2	1,103.6
Finance revenue	16.8	12.0
Finance costs	(126.2)	(108.6)
Net finance costs	(109.4)	(96.6)
Profit before Tax	862.8	1,007.0
Income tax expense	(164.7)	(248.3)
Profit after Tax	698.1	758.7
Profit after Tax attributable to:		
Members of Lendlease Corporation Limited	557.8	645.7
Unitholders of Lendlease Trust	140.4	112.9
Profit after Tax attributable to securityholders	698.2	758.6
External non controlling interests	(0.1)	0.1
Profit after Tax	698.1	758.7
<i>Basic/Diluted Earnings per Lendlease Group Stapled Security (cents)</i>	120.1	130.1

Statement of Financial Position

Statement of Financial Position (\$m)	Jun-16	Jun-17
Current Assets		
Cash and cash equivalents	1,008.4	1,249.2
Loans and receivables	2,785.0	2,749.2
Inventories	1,923.0	2,152.0
Current tax assets	21.6	-
Other financial assets	50.7	33.0
Other assets	69.2	77.9
Total current assets	5,857.9	6,261.3
Non Current Assets		
Loans and receivables	285.4	507.7
Inventories	2,679.9	2,975.4
Equity accounted investments	1,152.6	834.6
Investment properties	5,940.7	6,967.4
Other financial assets	628.8	1,203.3
Deferred tax assets	109.5	129.4
Property, plant and equipment	432.3	425.8
Intangible assets	1,446.8	1,415.1
Defined benefit plan asset	7.5	64.3
Other assets	51.5	69.9
Total non current assets	12,735.0	14,592.9
Total assets	18,592.9	20,854.2

Statement of Financial Position (\$m)	Jun-16	Jun-17
Current Liabilities		
Trade and other payables	4,328.8	5,578.8
Resident liabilities	4,119.5	4,573.0
Provisions	292.4	285.6
Borrowings and financing arrangements	-	291.9
Current tax liabilities	-	6.4
Other financial liabilities	83.6	22.0
Total current liabilities	8,824.3	10,757.7
Non Current Liabilities		
Trade and other payables	1,909.4	1,772.1
Provisions	70.6	58.4
Borrowings and financing arrangements	2,031.3	1,860.5
Defined benefit plan liability	3.4	-
Other financial liabilities	9.7	0.8
Deferred tax liabilities	129.5	238.2
Total non current liabilities	4,153.9	3,930.0
Total liabilities	12,978.2	14,687.7
Net assets	5,614.7	6,166.5

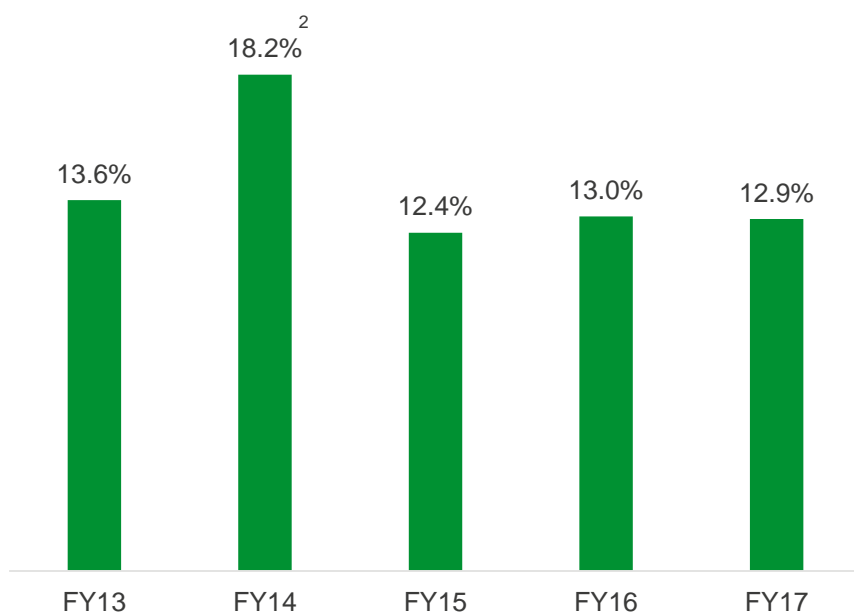
Equity		
Issued capital	1,276.3	1,289.8
Treasury shares	(99.5)	(24.7)
Reserves	98.0	(5.3)
Retained earnings	3,289.6	3,686.6
Total equity attributable to equity holders of Lendlease Corporation Limited	4,564.4	4,946.4
Total equity attributable to unitholders of LLT ¹	1,048.6	1,117.0
Total equity attributable to securityholders	5,613.0	6,063.4
External non controlling interests	1.7	103.1
Total equity	5,614.7	6,166.5

Statement of Cash Flows

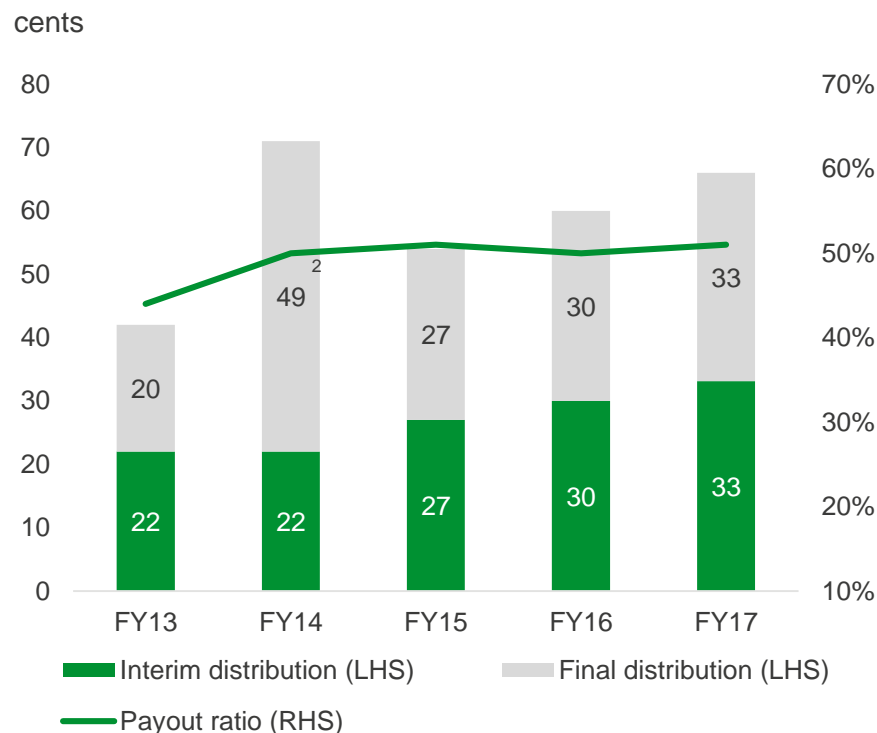
Statement of Cash Flows (\$ million)	Jun-16	Jun-17
Cash Flows from Operating Activities		
Cash receipts in the course of operations	16,028.4	16,254.6
Cash payments in the course of operations	(15,154.9)	(15,928.7)
Interest received	12.8	9.9
Interest paid	(134.8)	(120.4)
Dividends/distributions received	90.0	75.4
Income tax received/(paid) in respect of operations	11.5	(144.8)
Net cash provided by/(used in) operating activities	853.0	146.0
Cash Flows from Investing Activities		
Sale/redemption of investments	330.5	164.9
Acquisition of investments	(563.2)	(257.3)
Acquisition of/capital expenditure on investment properties	(25.7)	(244.4)
Net loans to associates and joint ventures	38.6	5.7
Disposal of consolidated entities (net of cash disposed and transaction costs)	382.5	548.4
Disposal of property, plant and equipment	16.7	13.1
Acquisition of property, plant and equipment	(132.7)	(136.4)
Net acquisition/disposal of intangible assets	(46.1)	(23.9)
Net cash provided by/(used in) investing activities	0.6	70.1
Cash Flows from Financing Activities		
Proceeds from borrowings	5,327.6	2,800.6
Repayment of borrowings	(5,626.0)	(2,576.8)
Dividends/distributions paid	(293.2)	(337.9)
Proceeds from the sale of treasury securities	-	106.5
Other financing activities	(28.8)	(20.9)
Increase in capital of non controlling interest	-	37.0
Net cash used in financing activities	(620.4)	8.5
Other Cash Flow Items		
Effect of foreign exchange rate movements on cash and cash equivalents	25.1	16.2
Net increase/(decrease) in cash and cash equivalents	258.3	240.8
Cash and cash equivalents at beginning of financial year	750.1	1,008.4
Cash and cash equivalents at end of financial year	1,008.4	1,249.2

Securityholder returns

Return on equity (ROE)¹



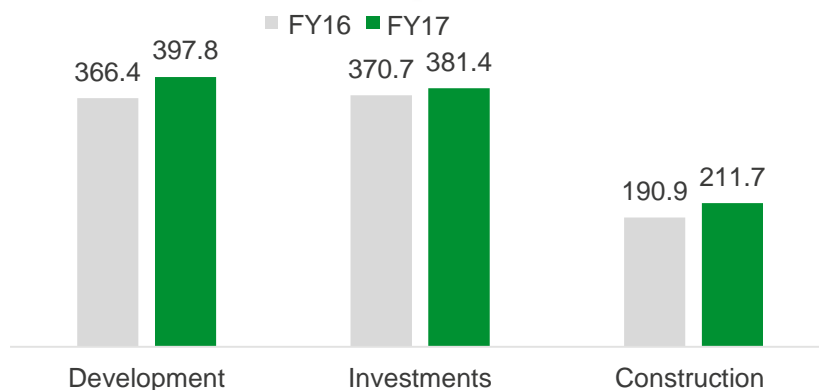
Distributions



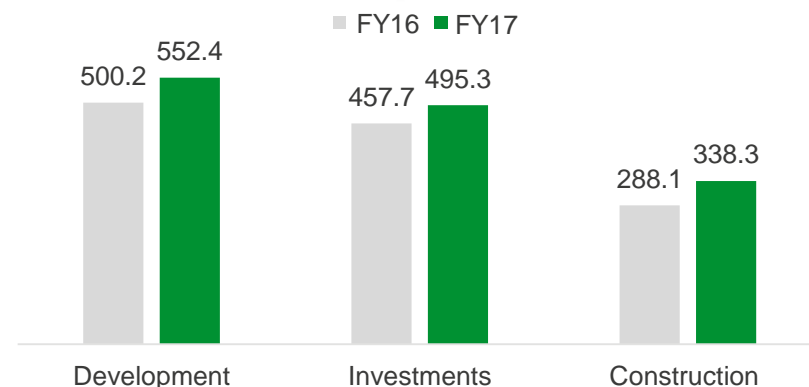
1. Return on equity is calculated using the annual statutory profit after tax attributable to securityholders divided by the arithmetic average of beginning, half year and year end securityholders' equity
2. FY14 includes Bluewater sale

Segment financial metrics

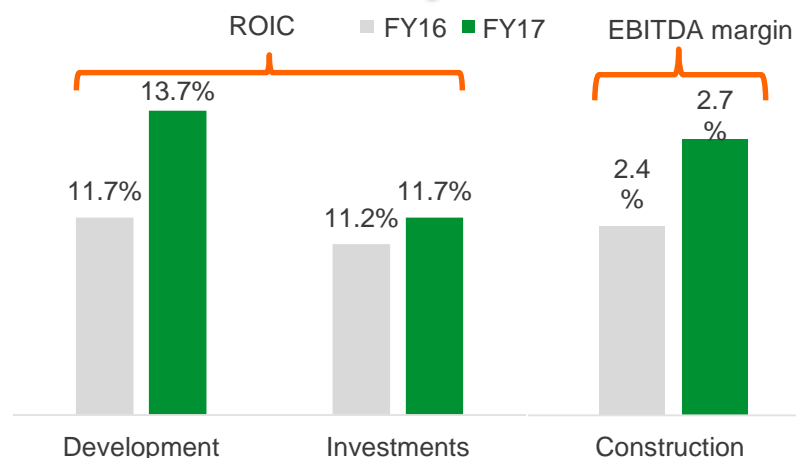
Operating Profit after Tax (\$m)



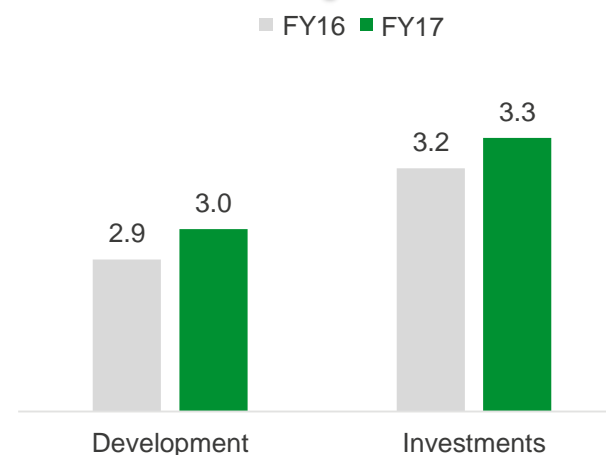
EBITDA (\$m)



ROIC¹ (Development and Investments), EBITDA margin (Construction)



Invested Capital² (Development and Investments) (\$b)



1. Return on Invested Capital (ROIC) is calculated using the annual operating profit after tax divided by the arithmetic average of beginning, half year and year end invested capital. FY16 Investments ROIC restated reflecting inclusion of half year end invested capital in calculation
2. Total Lendlease Invested Capital at 30 June 2017 was \$7.0 billion. Development, Investments and Construction totalled \$6.7 billion, with remaining Invested Capital representing Corporate (\$0.3 billion)

Segment and region financial metrics

By segment

	Revenue (\$m)		EBITDA (\$m)		Profit After Tax (\$m)		Invested Capital (\$b)	
	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17
Development	2,543.9	3,433.0	500.2	552.4	366.4	397.8	2.9	3.0
Investments	510.5	566.7	457.7	495.3	370.7	381.4	3.2	3.3
Construction	12,032.4	12,644.5	288.1	338.3	190.9	211.7		
Corporate ¹	18.5	26.8	(191.1)	(184.2)	(229.8)	(232.3)		
Group	15,105.3	16,671.0	1,054.9	1,201.8	698.2	758.6		

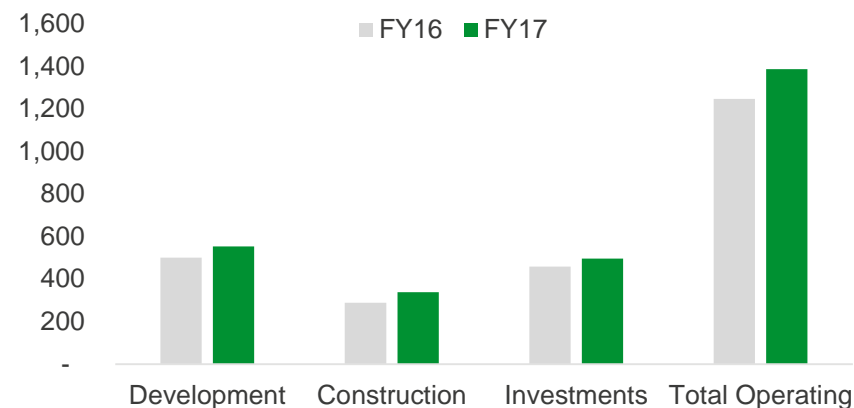
By region

	Revenue (\$m)		EBITDA (\$m)		Profit After Tax (\$m)		Invested Capital (\$b)	
	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17
Australia	8,665.1	10,029.7	971.8	1,092.5	719.1	778.9	4.8	4.7
Asia	406.6	574.2	(10.4)	21.4	(20.3)	13.7	0.5	0.7
Europe	1,798.1	1,328.8	180.1	110.2	150.8	95.4	0.8	0.8
Americas	4,217.0	4,711.5	104.5	161.9	78.4	102.9	0.4	0.5
Corporate	18.5	26.8	(191.1)	(184.2)	(229.8)	(232.3)		
Group	15,105.3	16,671.0	1,054.9	1,201.8	698.2	758.6		

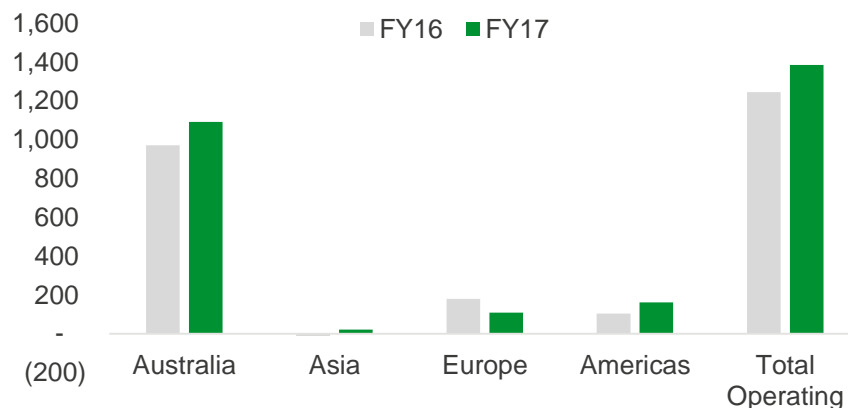
Revenue and EBITDA by segment and geography

(\$m)	Revenue		EBITDA	
	FY16	FY17	FY16	FY17
Development				
Australia	2,034.4	3,142.0	391.5	497.8
Asia	17.5	19.6	(19.1)	(13.5)
Europe	431.7	203.6	139.5	68.3
Americas	60.3	67.8	(11.7)	(0.2)
Total Development	2,543.9	3,433.0	500.2	552.4
Construction				
Australia	6,271.0	6,440.5	231.8	201.4
Asia	334.2	502.6	(5.6)	(0.2)
Europe	1,341.3	1,117.3	5.5	31.7
Americas	4,085.9	4,584.1	56.4	105.4
Total Construction	12,032.4	12,644.5	288.1	338.3
Investments				
Australia	359.7	447.2	348.5	393.3
Asia	54.9	52.0	14.3	35.1
Europe	25.1	7.9	35.1	10.2
Americas	70.8	59.6	59.8	56.7
Total Investments	510.5	566.7	457.7	495.3
Total Operating				
Australia	8,665.1	10,029.7	971.8	1,092.5
Asia	406.6	574.2	(10.4)	21.4
Europe	1,798.1	1,328.8	180.1	110.2
Americas	4,217.0	4,711.5	104.5	161.9
Group Total Operating	15,086.8	16,644.2	1,246.0	1,386.0

EBITDA by segment (\$m)



EBITDA by geography (\$m)



Revenue and EBITDA by segment and geography, local currency

Asia

Local currency	Revenue		EBITDA	
	FY16	FY17	FY16	FY17
Asia (SGDm)				
Development	17.7	20.6	(19.3)	(14.2)
Construction	337.5	527.7	(5.7)	(0.2)
Investments	55.4	54.6	14.4	36.9
Total operating	410.6	602.9	(10.6)	22.5

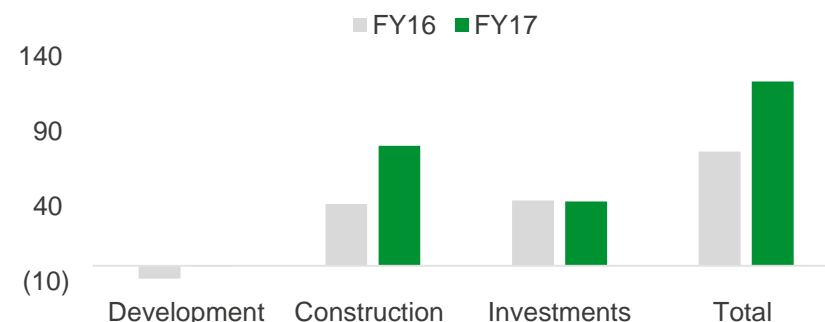
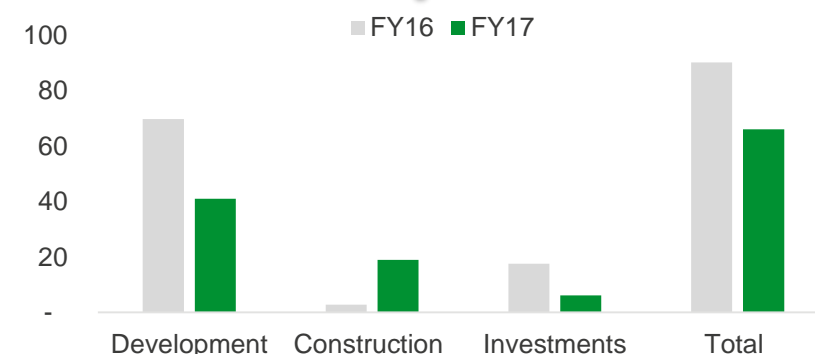
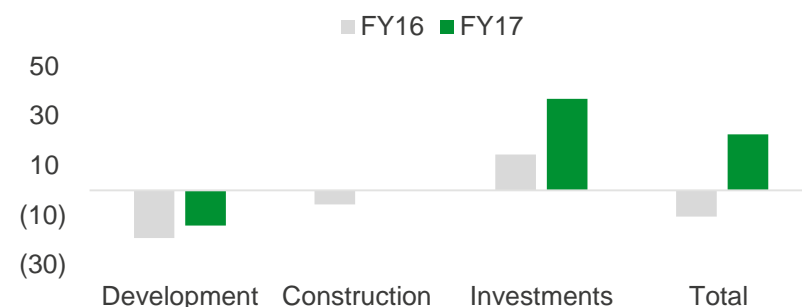
Europe

Local currency	Revenue		EBITDA	
	FY16	FY17	FY16	FY17
Europe (GBPm)				
Development	215.9	122.2	69.8	41.0
Construction	670.7	670.4	2.8	19.0
Investments	12.6	4.7	17.6	6.1
Total operating	899.2	797.3	90.2	66.1

Americas

Local currency	Revenue		EBITDA	
	FY16	FY17	FY16	FY17
Americas (USDm)				
Development	44.0	51.5	(8.5)	(0.2)
Construction	2,982.7	3,483.9	41.2	80.1
Investments	51.7	45.3	43.7	43.1
Total operating	3,078.4	3,580.7	76.4	123.0

EBITDA, local currency (m)



Exchange rates

Income Statement				Statement of Financial Position			
Local	Foreign	FY16 ¹	FY17 ²	Local	Foreign	FY16 ³	FY17 ⁴
AUD	USD	0.73	0.76	AUD	USD	0.75	0.77
AUD	GBP	0.50	0.60	AUD	GBP	0.56	0.59
AUD	SGD	1.01	1.05	AUD	SGD	1.00	1.06

FX Sensitivity			
	USD	GBP	SGD
Income Statement			
+10% blended FX rate (strengthening AUD)	0.84	0.66	1.16
Change as % of Group PAT (A\$m)	(1.08%)	(0.92%)	(0.37%)
-10% blended FX rate (weakening AUD)	0.68	0.54	0.95
Change as % of Group PAT (A\$m)	1.34%	1.11%	0.40%
Statement of Financial Position			
+10% spot FX rate (strengthening AUD)	0.85	0.65	1.17
Change as % of Group Net Assets (A\$m)	(0.51%)	(0.27%)	0.04%
-10% spot FX rate (weakening AUD)	0.69	0.53	0.95
Change as % of Group Net Assets (A\$m)	0.63%	0.33%	(0.05%)

1. Average foreign exchange rate for the financial year 2016
 2. Average foreign exchange rate for the financial year 2017

3. At spot foreign exchange rate 30 June 2016
 4. At spot foreign exchange rate 30 June 2017

Regional EBITDA to PAT reconciliation

FY17 EBITDA to PAT Reconciliation

Region	EBITDA	Net Interest	D&A ¹	PBT	Tax	Non Cont. Int. ²	PAT
Australia							
Development	497.8	1.2	(1.4)	497.6	(149.5)	-	348.1
Construction	201.4	0.3	(26.4)	175.3	(50.4)	-	124.9
Investments	393.3	-	(7.2)	386.1	(80.2)	-	305.9
Total Australia	1,092.5	1.5	(35.0)	1,059.0	(280.1)	-	778.9
Asia							
Development	(13.5)	-	(0.8)	(14.3)	2.3	0.1	(11.9)
Construction	(0.2)	-	(0.9)	(1.1)	(1.4)	-	(2.5)
Investments	35.1	-	(0.1)	35.0	(6.9)	-	28.1
Total Asia	21.4	-	(1.8)	19.6	(6.0)	0.1	13.7
Europe							
Development	68.3	-	(1.7)	66.6	(6.4)	-	60.2
Construction	31.7	(0.9)	(1.6)	29.2	(5.7)	-	23.5
Investments	10.2	-	(0.5)	9.7	2.0	-	11.7
Total Europe	110.2	(0.9)	(3.8)	105.5	(10.1)	-	95.4
Americas							
Development	(0.2)	-	(0.2)	(0.4)	1.8	-	1.4
Construction	105.4	-	(5.7)	99.7	(33.7)	(0.2)	65.8
Investments	56.7	1.6	(0.4)	57.9	(22.2)	-	35.7
Total Americas	161.9	1.6	(6.3)	157.2	(54.1)	(0.2)	102.9
Corporate							
Group Services	(154.4)	(0.1)	(51.3)	(205.8)	61.0	-	(144.8)
Group Treasury	(29.8)	(98.7)	-	(128.5)	41.0	-	(87.5)
Total Corporate	(184.2)	(98.8)	(51.3)	(334.3)	102.0	-	(232.3)
Total	1,201.8	(96.6)	(98.2)	1,007.0	(248.3)	(0.1)	758.6

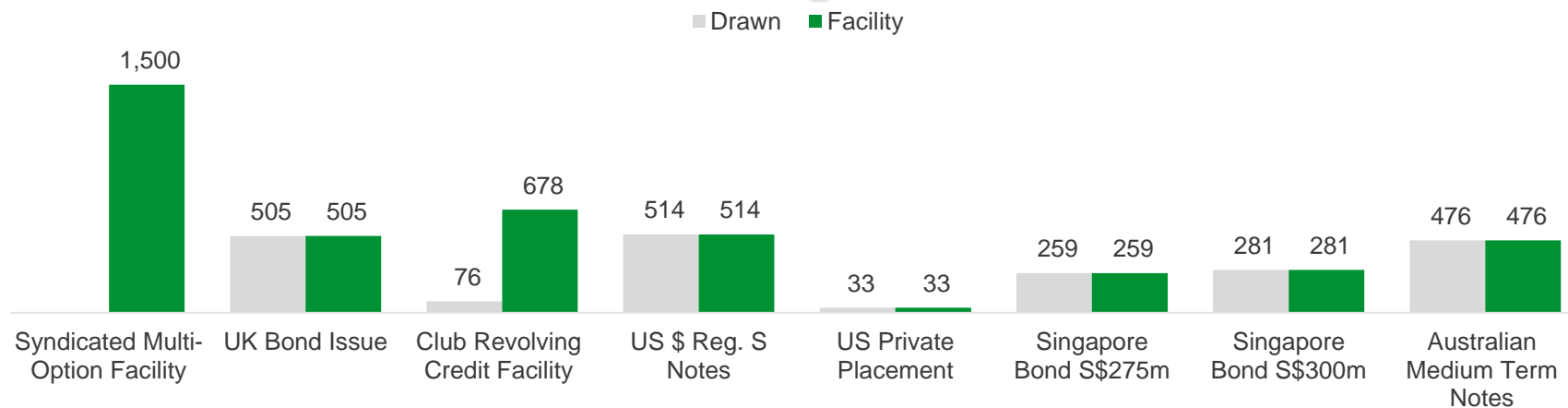
1. Depreciation and Amortisation
2. Non Controlling Interests

Debt metrics

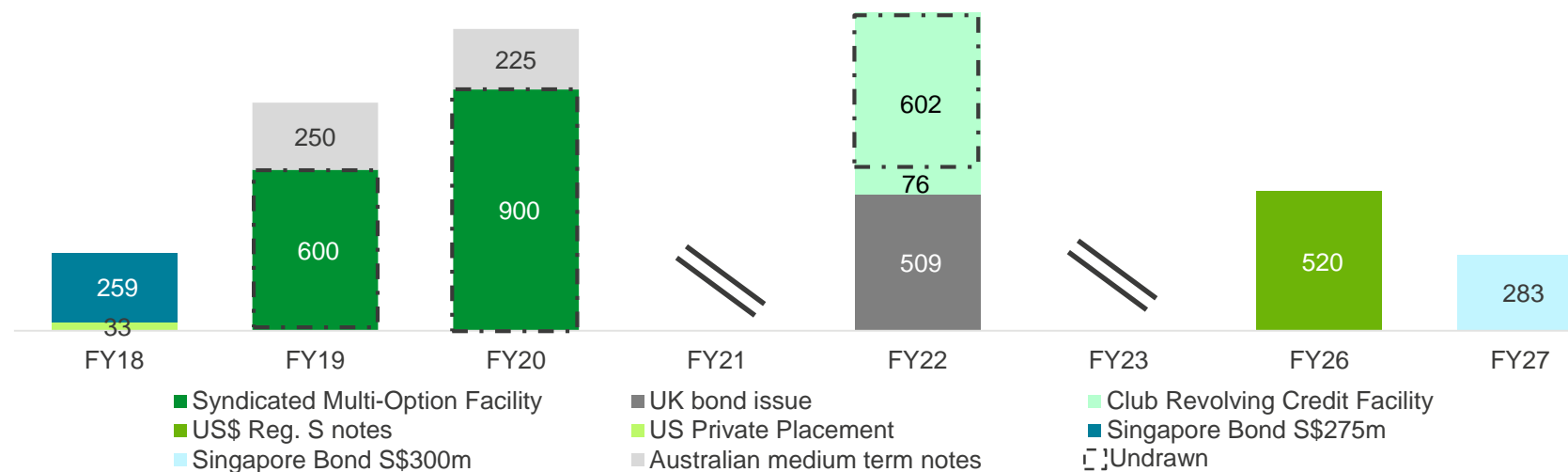
		Jun-16	Jun-17
Net debt	\$ million	1,052.0	912.8
Borrowings to total equity plus borrowings	%	26.6	25.9
Net debt to total tangible assets, less cash	%	6.5	5.0
Interest coverage ¹	times	8.0	10.3
Average cost of debt including margins	%	4.6	4.9
Average debt duration	years	5.3	5.1
Debt mix fixed : floating	ratio	91 : 9	96 : 4
Undrawn debt facilities	\$ million	2,172.6	2,225.2

Debt facilities and maturity profile

Debt facilities (\$m)¹



Debt maturity profile (\$m)²



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

Key dates for investors

	Date
FY17 results released to market/final distribution declared	28 August 2017
Securities quoted ex-dividend on the Australian Securities Exchange	1 September 2017
Final distribution record date	4 September 2017
Final distribution payable	20 September 2017
Annual General Meetings	17 November 2017



Development

A vertical oval shape with a gradient from blue at the top to green at the bottom. The word "Development" is centered in white, bold text, with a horizontal dashed white line directly beneath it.

Development FY17

Overview

- Involved in the development of communities, inner city mixed use developments, apartments, retirement, retail, commercial assets and social and economic infrastructure
- Financial returns are generated via Development margins, Development management fees from external co-investors and origination fees for the facilitation of infrastructure PPP transactions

Drivers¹

- Forward sale of three commercial buildings and Development JV:
 - 839 Collins Street, Victoria Harbour
 - One Melbourne Quarter
 - 25 King Street, Brisbane Showgrounds
 - Circular Quay Tower, Sydney (development Joint Venture)
- Total commercial leasing of 92,000 sqm² in Australia including 28,900 sqm of leasing at Barangaroo South T1 – 80% let²
- Profit release for Barangaroo South T1, T2, T3 and International House Sydney (converted to operational status)
- Crown nomination rights at Barangaroo South
- Residential completions of 5,769 units, up 20.4%:
 - Communities completions of 3,060 units, down 10.0%
 - Retirement completions of 176 units, down from 185 units
 - Apartment completions³ of 2,533 units, up 110.6%
- Capital partner introduced to residential project at Wandsworth, London
- MHPI development management fees from next phase of Island Palm Communities and Army Lodging
- Initial contribution from US telco tower portfolio

Performance

	FY16	FY17
% Operating EBITDA	40	40
ROIC (%)	11.7	13.7
Invested Capital (\$b)	2.9	3.0

Outlook

- 21 major apartment buildings in delivery across eight gateway cities
 - c.3,850 units across seven gateway cities for sale (82% presold, \$3.3 billion)
 - 850 units for rent across two gateway cities, \$0.5 billion
- 3,896 communities units presold
- 537,000 sqm of commercial in delivery across 13 major buildings
- A further 513,000 sqm of commercial space remaining
- Barangaroo South T1 – HoTs⁴ on additional 15,000 sqm, taking occupancy to 91%
- Further US telco development opportunities
- Preferred partner/bidder⁵:
 - Haringey Development Vehicle, London c.\$7 billion⁶
 - Carlton Connect, Melbourne
 - Melbourne Metro Tunnel Project

3. Pre sold units on buildings completed during the period, and units sold in the period on buildings completed in prior periods

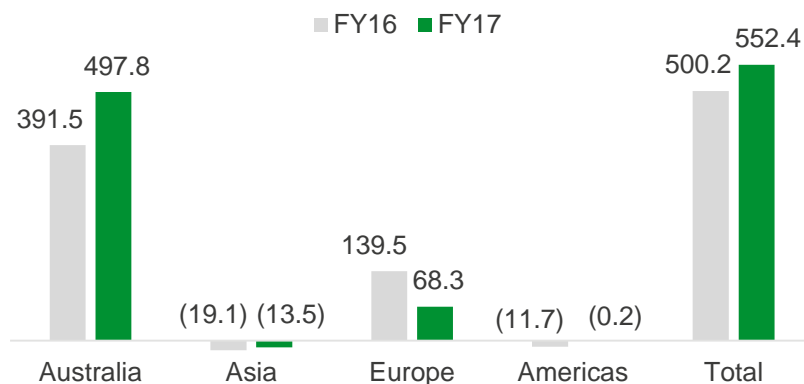
4. Includes Heads of Terms post balance date

5. Remain subject to contractual close

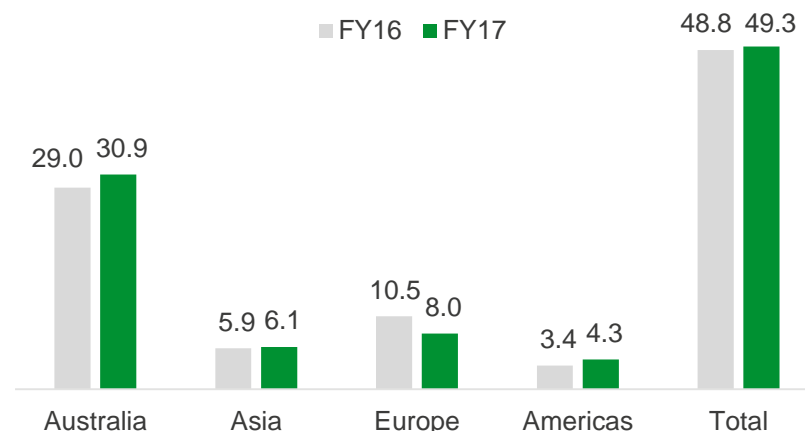
6. Approximate number as at 30 June 2017 based on exchange rate at period end

Development earnings / pipeline

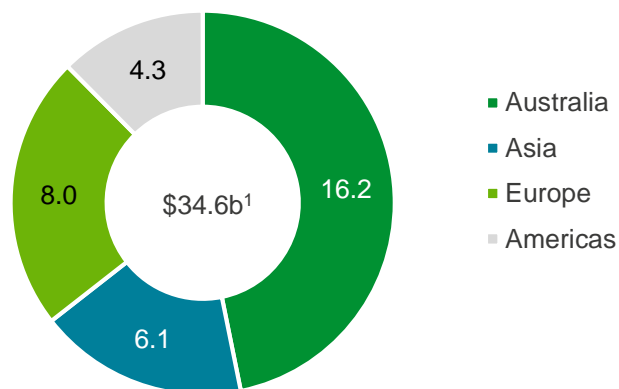
EBITDA by geography (\$m)



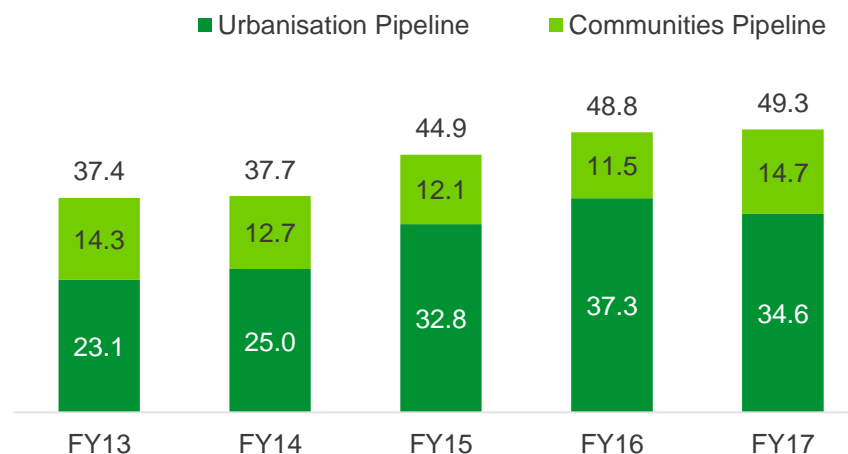
Development pipeline by geography (\$b)



Urbanisation pipeline by geography (\$b)



Historical development pipeline (\$b)



Residential development

Communities and Retirement (completions by state)¹

	FY16		FY17	
	Units	\$m	Units	\$m
Communities				
QLD	1,527	275	1,314	264
NSW ²	761	302	577	220
VIC	823	150	876	178
SA	169	24	183	25
WA	122	31	110	29
Retirement				
Australia	185	88	176	81
Total	3,587	868³	3,236	797

Communities and Retirement (sales by state)

	FY16		FY17	
	Units	\$m	Units	\$m
Communities				
QLD	1,524	296	1,522	315
NSW ²	1,101	414	628	226
VIC	1,116	220	1,823	387
SA	222	28	95	15
WA	95	25	94	23
Retirement				
Australia	185	88	176	81
Total	4,243	1,071	4,338	1,047

FY17 Apartment completions^{4,5}

	Units	\$m
Australia		
Victoria Harbour – 888 Collins	445	287
Victoria Harbour – 889 Collins	529	362
Brisbane Showgrounds – North Yard	207	111
Darling Square – St Leon	181	160
Darling Square – Wirth House	24	22
Toorak Park – East, North, Park	409	370
Other	12	14
Total	1,807	1,327³

Europe

IQL ⁶ – Glasshouse Gardens	332	255
Elephant Park ⁷ – South Gardens	205	153
Hungate	187	79
Other	2	2
Total	726	490

Total completions	2,533	1,817
--------------------------	--------------	--------------

1. Retirement metrics reflect sales/completions in the development business and not resales in investment portfolio
2. New South Wales includes the Australian Capital Territory
3. Components do not sum due to rounding

4. As at 30 June 2017, 65% apartment completions across Australia and Europe were settled. Approximately 90% settled to date. Profit on pre sold apartments recognised on practical completion
5. Pre sold units on buildings completed during the period, and units sold in the period on buildings completed in prior periods
6. International Quarter London
7. Portion of affordable apartments

Commercial development

Commercial completions

City	Project	Building	Sector	Deal type ¹	Est end value ² (\$m)	Sqm ('000)
FY17						
Sydney	Barangaroo South	Tower One	Office	Fund Through	2.0	102
Sydney	Barangaroo South	International House Sydney	Office	Fund Through	0.1	7

Commercial commencements¹

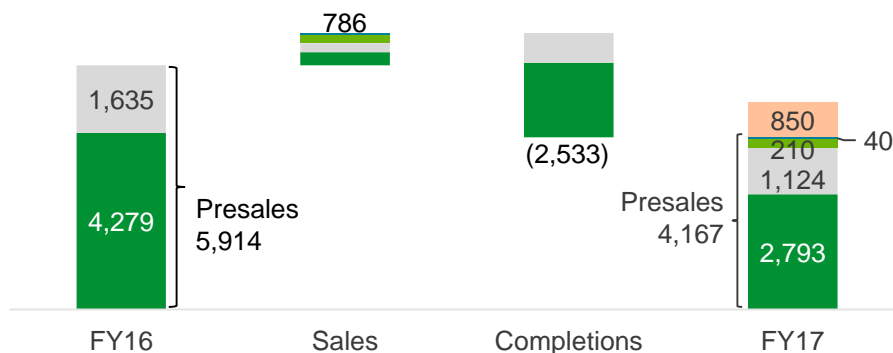
City	Project	Building	Sector	Deal type	Est end value ² (\$m)	Sqm ('000)	Est completion date
FY17							
Brisbane	Brisbane Showgrounds	25 King	Office	Fund Through	0.1	15	FY19
Melbourne	Victoria Harbour	839 Collins	Office	Fund Through	0.4	38	FY19
Sydney	Circular Quay Tower ³	Office building	Office	Joint Venture	1.7	55	FY21
Melbourne	Melbourne Quarter	One Melbourne Quarter	Office	Fund Through	0.3	26	FY19
Kuala Lumpur	Tun Razak Exchange	Retail	Retail	Joint Venture	1.3	154	FY21

1. Profit recognition dependent on deal structure, refer to slide 29 for typical deal structures
2. Subject to market conditions and other movements
3. Construction start remains subject to certain preconditions

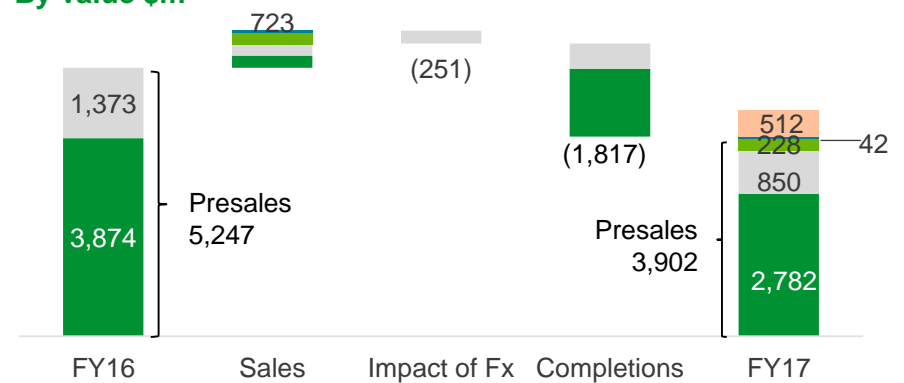
Residential presales and apartments for rent¹

Apartments²

By units



By value \$m

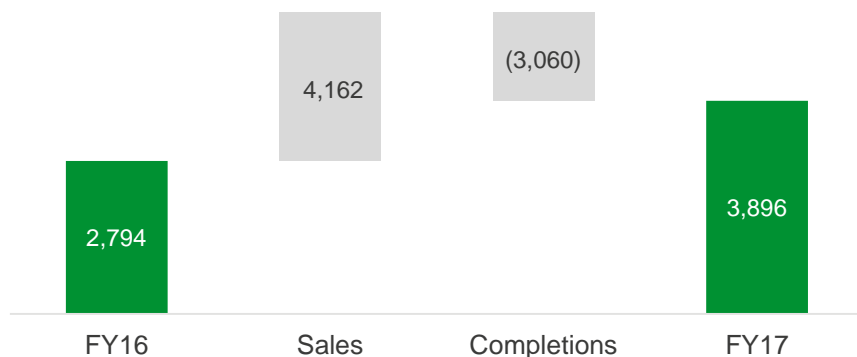


■ Australia ■ Europe ■ Asia ■ Americas - Resi For Sale ■ Americas - Resi For Rent³

■ Australia ■ Europe ■ Asia ■ Americas - Resi For Sale ■ Americas - Resi For Rent³

Communities presales

By units



By value \$m



1. Excludes retirement and includes 100% of revenue from Joint Venture projects

2. For sale is total presales, and for rent is in delivery

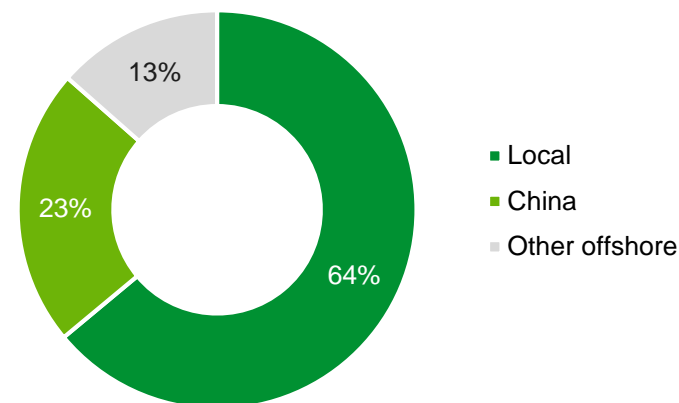
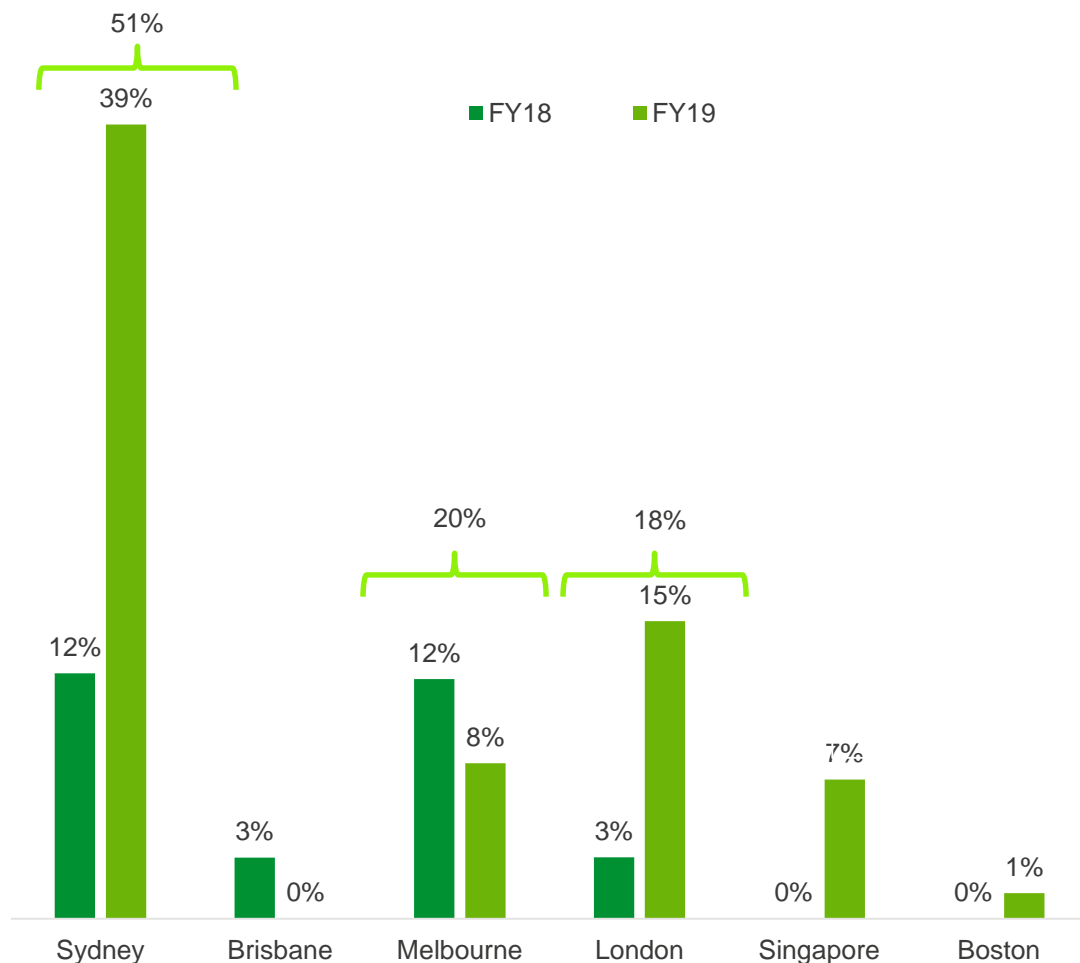
3. Represents estimated end value of apartments for rent product

Apartment presales – by location and customer

Apartments for sale – presales (by value, as at 30 June 2017)¹

Run-off profile by location²

By customer



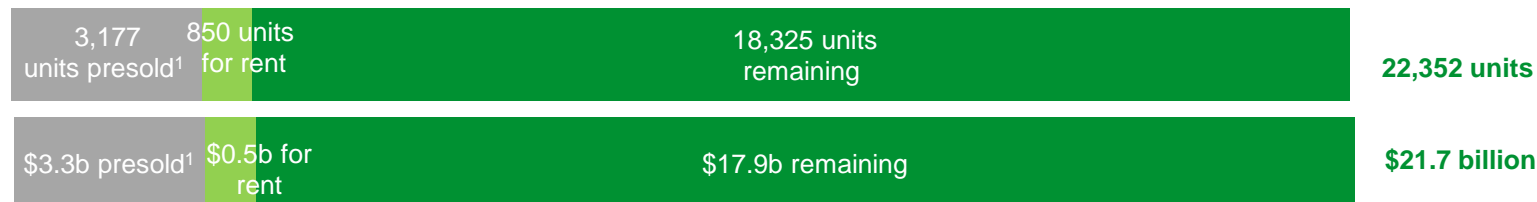
Development pipeline provides long term earnings visibility¹

Record secured pipeline of \$49.3b controlled by invested capital of \$3.0b

**Estimated
annual
turnover⁴**

Apartments

21 major apartment buildings in delivery, across 3,177 presold units and 850 units for rent, estimated completion FY18 – FY19



~1,000 - 2,000 completions

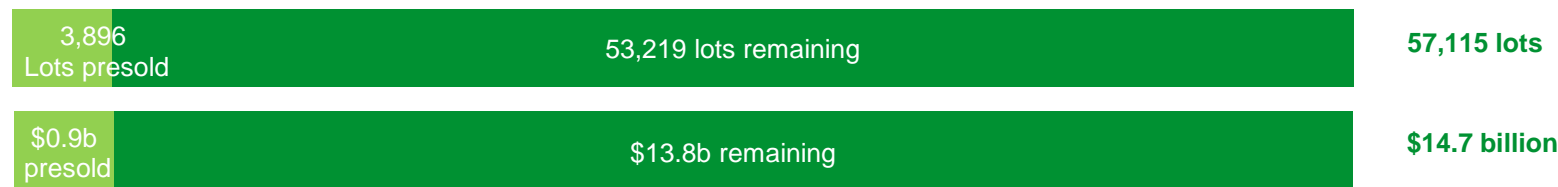
Commercial

13 major buildings in delivery, estimated completion FY18 – FY21



~2 - 3 buildings commenced

Communities³



~3,500 - 4,500 completions

\$49.3 billion
Total pipeline end value

1. Represents presales balance on buildings in delivery only
2. Total end value of c.\$8.0 billion, with c.\$1.5 billion delivered to date
3. Includes Retirement units and built form units to be sold with land lots
4. Subject to market conditions

Major project summary

Project	Project secured	Delivery commenced	Expected completion date ¹	Residential backlog (units)	Commercial backlog sqm ² ('000)	Total remaining end value (\$b) ⁴
Barangaroo South, Sydney	2009	2012	2023	775	13	3.5
Victoria Harbour, Melbourne	2001	2004	2025	2,712	46	2.8
Melbourne Quarter, Melbourne	2013	2016	2022	1,683	136	2.5
Brisbane Showgrounds, Brisbane	2009	2011	2029	2,372	84	2.3
Darling Square, Sydney	2013	2013	2019	1,302	69	2.1
Circular Quay Tower, Sydney	2017	2017	2021	-	55	1.7
Waterbank, Perth	2013	-	2026	1,225	16	1.3
Paya Lebar Quarter, Singapore	2015	2016	2019	429	113 ³	3.0
The Lifestyle Quarter at Tun Razak Exchange, Kuala Lumpur	2014	2017	2025	2,326	154 ³	2.7
Elephant Park, London	2010	2012	2025	2,264	19	3.2
International Quarter, London	2010	2014	2026	-	273	2.9
The Wharves, Deptford, London	2014	2016	2024	1,132	7	1.1
Riverline, Chicago	2014	2016	2026	3,750	-	2.5
Other Urbanisation Projects				2,382	65	3.0
Total Urbanisation				22,352	1,050	34.6

1. Subject to change in delivery program

2. Net lettable area and are subject to change

3. Net lettable area, figures previously quoted as gross lettable area

4. Reflects the remaining estimated total project end development value. Values for any project can vary and are subject to change

Apartment projects in delivery – completion profile¹

Project	City	Building	Ownership (%)	Total Units	Pre sold (%)	Units Pre sold ¹	Pre-sales Revenue ¹ (\$m)	Completion Date ²
Residential for sale								
Darling Square	Sydney	Darling House	100	334	100	334	402	FY18
		Darling North, Harbour Place and Trinity House	100	577	100	577	808	FY19
		Darling Rise, Barker House & Arena	100	391	100	391	493	FY19
Victoria Harbour	Melbourne	883 Collins	100	528	97	512	358	FY18
		Collins Wharf 1	100	321	87	278	255	FY19
Brisbane Showgrounds	Brisbane	South Yard	100	193	96	186	101	FY18
Toorak Park	Melbourne	Terrace Homes	100	18	78	14	35	FY18
Paya Lebar Quarter	Singapore	Residential	30	429	49	210	228	FY19
Wandsworth	London	Victoria Drive	50	110	36	40	41	FY18 / FY19
Elephant Park	London	South Gardens	100	155	76	118	101	FY18
		West Grove (Building 1 & 2)	100	593	80	477	446	FY19
5th Avenue	New York	277 5th Avenue	40	130	-	-	-	FY19
Clippership Wharf	Boston	Building 3	100	80	50	40	42	FY19
Total				3,859		3,177	3,310	

Project	City	Building	Ownership (%)	Total Units	Est end value (\$m)	Completion Date ²
Residential for rent						
Clippership Wharf	Boston	Building 1 & 2	100	398	260	FY19
Riverline	Chicago	Building D	79	452	252	FY19
Total				850	512	

1. Closing presales balance as at 30 June 2017 on apartments in delivery only. Excludes completions recognised in FY17
2. Expected completion date, subject to change in delivery program

Major commercial development pipeline

Commercial building completion profile¹

City	Project	Capital model	sqm ('000)	Building	Completion date
Kuala Lumpur	Tun Razak Exchange	Joint Venture	154 ³	Retail	FY21
Singapore	Paya Lebar Quarter	Joint Venture	84 ³	Commercial (3 buildings)	FY19
			29 ³	Retail	FY19
Sydney	Barangaroo South	Fund Through ²	102	Tower One	FY17
			7	International House Sydney	FY17
London	International Quarter London	Fund Through ²	73	Stage 1 Commercial (2 buildings)	FY18
Sydney	Darling Square	Fund Through ²	26	Commercial	FY18
			37	Hotel	FY18
Sydney	Circular Quay Tower ⁴	Joint Venture	55	Commercial	FY21
Melbourne	Victoria Harbour	Fund Through ²	38	Commercial 839 Collins Street	FY19
Total			537		

Indicative conversion timing of secured commercial pipeline to FY21 (sqm '000)⁵

City	Project	# Buildings	Sector	sqm ('000)	FY18	FY19	FY20	FY21
Melbourne	Melbourne Quarter	3	Office	110				
Brisbane	Brisbane Showgrounds	2	Office	33				
Sydney	Barangaroo South	1	Office	10				
London	International Quarter London	6	Office	200				
San Francisco	30 Van Ness	1	Office	17				
Total		13		370	Targeting 2-3 building commencements p.a.			

1. Not indicative of cash or profit recognition. Based on expected completion date of buildings
2. A funding model structured through a forward sale to a capital partner resulting in staged payments prior to building completion
3. Net lettable area, figures previously quoted as gross lettable area

4. Construction start remains subject to certain preconditions
5. Indicative project execution timing, subject to tenant pre-commitment, planning and other conditions

Communities and Retirement projects

Communities				Residential	Commercial
Project	Location	Ownership Interest	Estimated Completion Date ¹	Backlog Land Units ²	Backlog sqm / '000s ³
Bingara Gorge	NSW	Land management	2025	1,160	43
Calderwood Valley	NSW	Land management	2040	4,585	57
St Marys - Jordan Springs	NSW	Owned	2023	850	556
The New Rouse Hill	NSW	Land management	2018	445	-
Fernbrooke Ridge	QLD	Land management	2018	85	-
Elliot Springs	QLD	Land management	2058	10,675	1,037
Springfield Lakes	QLD	Land management	2026	4,365	47
Yarrabilba	QLD	Staged acquisition	2043	14,055	2,189
Blakes Crossing	SA	Staged acquisition	2019	430	9
Atherstone	VIC	Land management	2028	3,870	364
Aurora	VIC	Owned	2025	2,710	139
Harpley	VIC	Land management	2024	3,255	-
Mayfield	VIC	Owned	2018	5	-
Alkimos	WA	Land management	2024	1,370	36
Alkimos Vista (formerly Alkimos Central)	WA	Land management	2021	570	-
The Assembly at Coolbellup	WA	Land management	2017	5	-
Horizon Uptown	Americas	Owned	2033	3,860	371
Sub-total				52,295	4,848
Retirement				4,820	-
Total				57,115	4,848

1. Estimated completion date represents the expected financial year in which the last unit will be settled, subject to change
2. Represents estimated backlog (including Retirement units and built form units to be sold with land lots) and 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. Represents the net developable land in relation to master-planned urban communities. The actual land area for any particular project can vary as planning approvals are obtained

Development deal structuring tailored to local market

	Communities / Retirement	Urbanisation		
		Apartments (Australia, Europe)	Commercial Forward Sale	JV Structure / LP-GP ¹
Project examples	<ul style="list-style-type: none"> Jordan Springs, Sydney Yarrabilba, Brisbane 	<ul style="list-style-type: none"> Darling Square, Sydney Elephant Park, London 	<ul style="list-style-type: none"> Barangaroo (ITS), Sydney Phase 1 International Quarter, London 	<ul style="list-style-type: none"> Paya Lebar Quarter, Singapore Phase 1 Riverline, Chicago
Land funding²	<ul style="list-style-type: none"> Land ownership Land management Staged payments 	<ul style="list-style-type: none"> Land management Staged payments 	<ul style="list-style-type: none"> Land management Staged payments 	<ul style="list-style-type: none"> Land ownership via JV (including project financing)
Production funding²	<ul style="list-style-type: none"> 100% on-balance sheet 	<ul style="list-style-type: none"> Largely 100% on-balance sheet 	<ul style="list-style-type: none"> Capital partner progress or staged payments 	<ul style="list-style-type: none"> Funded via JV (including project financing)
P&L returns	<ul style="list-style-type: none"> Development profit on completion Construction margin on infrastructure delivery 	<ul style="list-style-type: none"> Development profit on practical completion Construction margin on practical completion³ 	<ul style="list-style-type: none"> Development profit typically upfront at time of sale Development management fees, Construction margin⁴ and Investment Management fees⁴ during delivery 	<ul style="list-style-type: none"> Development profit tied to equity interests Development management fees, Construction margin⁴ and Investment Management fees⁴ (including performance fees) during delivery
Cash returns (Development only)	<ul style="list-style-type: none"> On completion 	<ul style="list-style-type: none"> On completion 	<ul style="list-style-type: none"> Over life of project during delivery 	<ul style="list-style-type: none"> Linked to cash equity returns or sell down of investment typically post practical completion

1. Limited Partnership / General Partnership

2. Reflects typical funding models used across segment examples

3. Based on apartment projects delivered 100% on-balance sheet

4. Only where Construction and / or Investments segments are engaged to play a role in the project



Construction

Construction FY17

Overview

- Provides a project management, design, and construction service, predominantly in the infrastructure, defence, mixed-use, commercial and residential sectors
- Financial returns are generated via project management and construction management fees, in addition to construction margin

Drivers¹

- EBITDA up 17.4% to \$338 million
 - Revenue up 5.1% to \$12.6 billion
 - Margin up 30bps to 2.7%
- **Australia**
 - Revenue up 2.7% to \$6.4 billion, margin down 60bps to 3.1%
 - Australian margin impacted by performance across a small number of projects and increased bidding activity
- **Asia**
 - Revenue up 50.4% to \$0.5 billion, margin breakeven
 - Focus remains on internal pipeline
- **Europe**
 - Revenue down 16.7% to \$1.1 billion, margin up 240bps to 2.8%
 - Recovery despite challenging industry conditions
- **Americas**
 - Revenue up 12.2% to \$4.6 billion, margin up 90bps to 2.3%
 - Successful close out on a number of projects positively impacted overall result

Performance

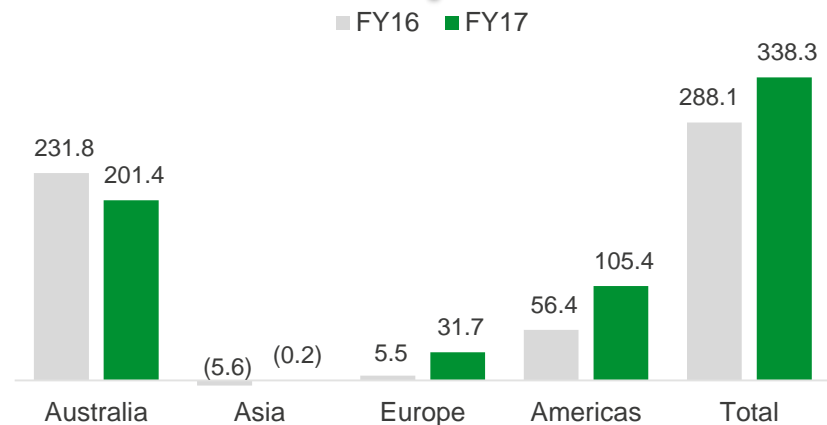
	FY16	FY17
% Operating EBITDA	23	24
EBITDA margin (%)	2.4	2.7
New Work Secured (\$b)	14.6	13.2
Backlog Revenue (\$b)	20.7	20.6

Outlook

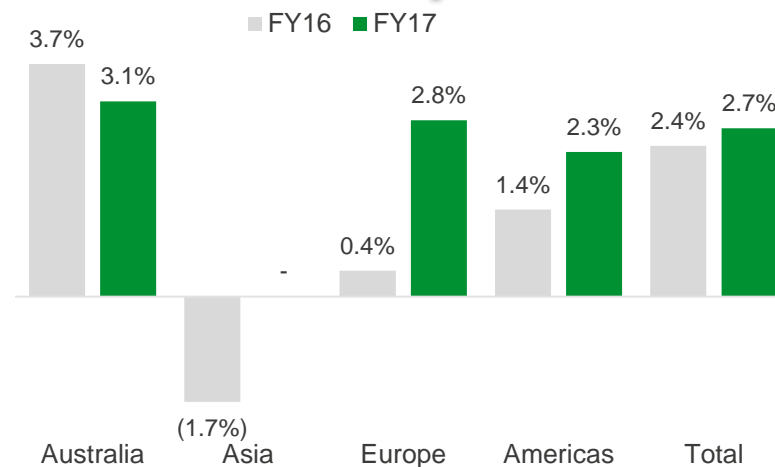
- Target EBITDA margin of 3-4% globally, 4-5% Australia
- Diversity by region, client and sector
- New work secured - \$13.2 billion:
 - Australia impacted by lag in engineering contract wins
 - Asia internal pipeline increasing
 - Europe remains a challenging industry environment
 - US continued momentum
- Preferred bidder status – c.\$10 billion including:
 - Australia: Quay Quarter, Carlton Connect
 - Asia: The Lifestyle Quarter
 - Europe: Google Headquarters, St John's Wood
- Preferred bidder status in Australia (post balance date):
 - Melbourne Metro Tunnel Project
 - Ballarat Line Upgrade Project
 - Sydney Metro Station, Martin Place (commercial building project)

Construction earnings

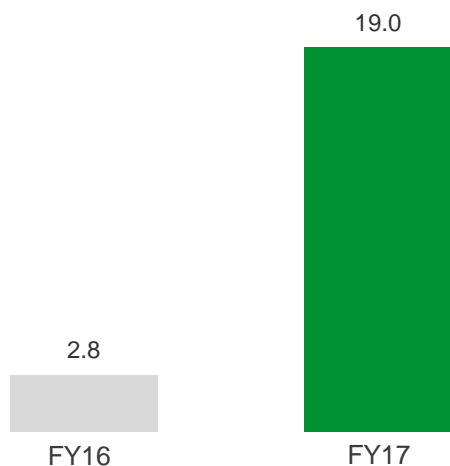
EBITDA (\$m)



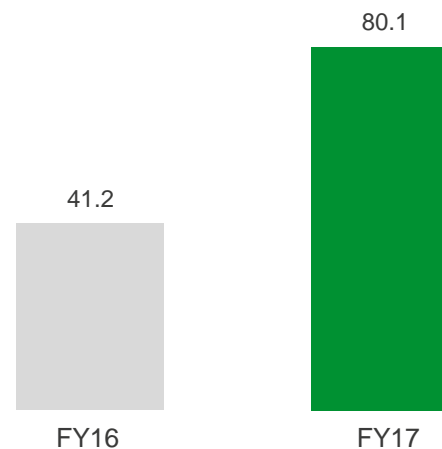
EBITDA margins (%)



EBITDA Europe (GBPm)

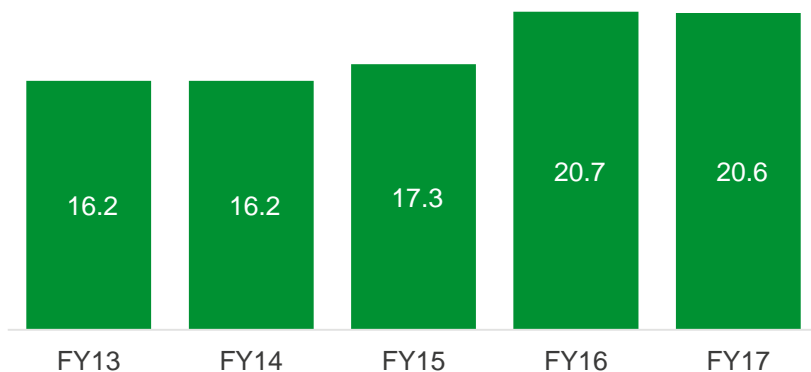


EBITDA Americas (USDm)

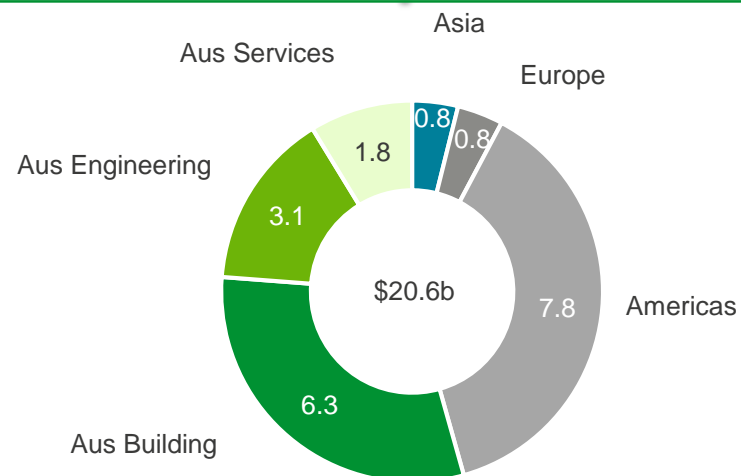


Construction backlog

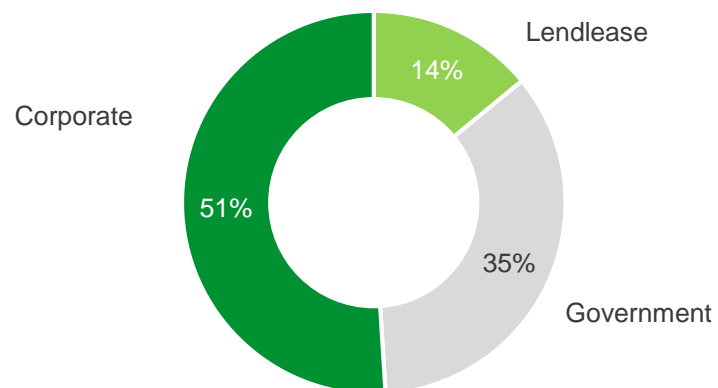
Backlog revenue (\$b)



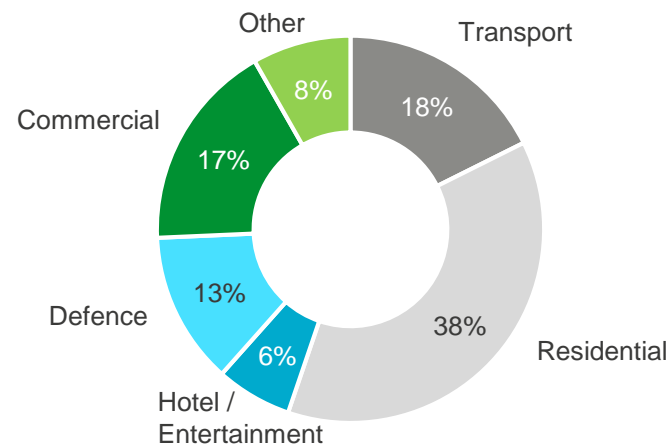
Backlog revenue by region (\$b)¹



Backlog revenue by client^{1,2}



Backlog revenue by sector^{1,2}



1. As at 30 June 2017

2. Includes all construction projects greater than \$100 million, which represents 78% (\$16.1 billion) of secured backlog

Construction new work secured / backlog

New work secured revenue

(\$b)	Australia		Asia		Europe		Americas		Total	
	Jun-16	Jun-17	Jun-16	Jun-17	Jun-16	Jun-17	Jun-16	Jun-17	Jun-16	Jun-17
New work secured revenue¹										
Building	4.5	3.9	0.5	0.7	1.3	0.7	4.5	5.8	10.8	11.1
Engineering	2.7	1.0	-	0.1	-	-	-	-	2.8	1.1
Services	1.0	1.0	-	-	-	-	-	-	1.0	1.0
Total new work secured revenue	8.3	5.9	0.5	0.8	1.3	0.7	4.5	5.8	14.6	13.2

Backlog revenue

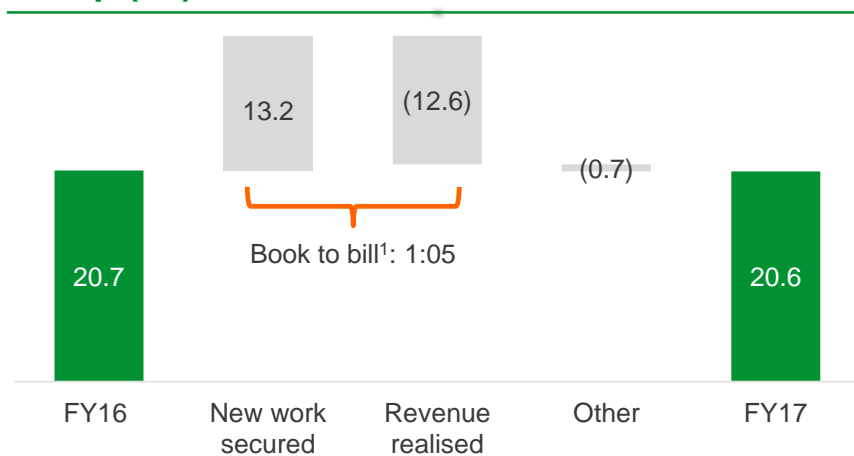
(\$b)	Australia		Asia		Europe		Americas		Total	
	Jun-16	Jun-17	Jun-16	Jun-17	Jun-16	Jun-17	Jun-16	Jun-17	Jun-16	Jun-17
Backlog revenue²										
Building	6.3	6.3	0.6	0.8	1.5	0.8	6.7	7.8	15.1	15.7
Engineering	3.8	3.1	-	-	-	-	-	-	3.8	3.1
Services	1.7	1.8	-	-	-	-	-	-	1.7	1.8
Total backlog revenue	11.9	11.2	0.6	0.8	1.5	0.8	6.7	7.8	20.7	20.6
Backlog realisation (%)										
Year ending June 2017	47	57	91	69	71	66	49	53	51	56
Year ending June 2018	30	28	7	2	17	28	33	31	29	28
Post June 2018	23	15	2	29	12	6	18	16	20	16
Total	100	100	100	100	100	100	100	100	100	100

1. Total revenue to be earned from projects secured during the year, rounded to the nearest \$100 million

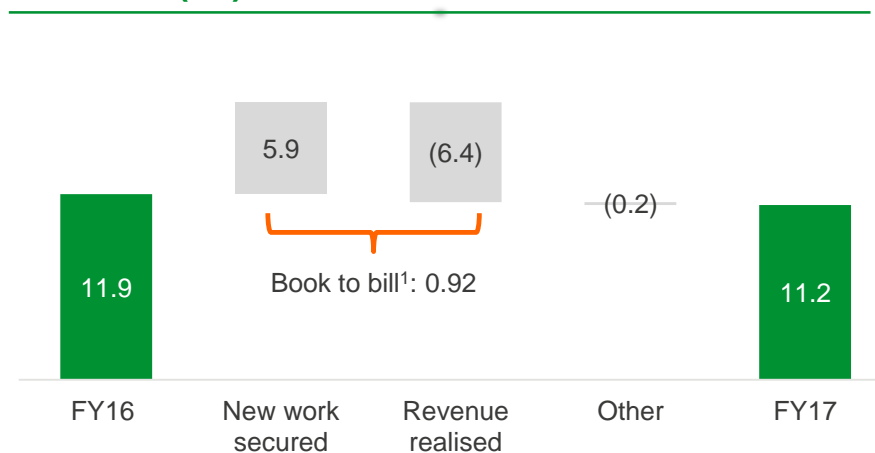
2. Current period backlog revenue is the total revenue expected to be earned from projects in future financial periods, based on the average foreign exchange rate for that period. Although backlog revenue is realised over several periods, the average foreign exchange rate for the current period has been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

Construction backlog revenue by region

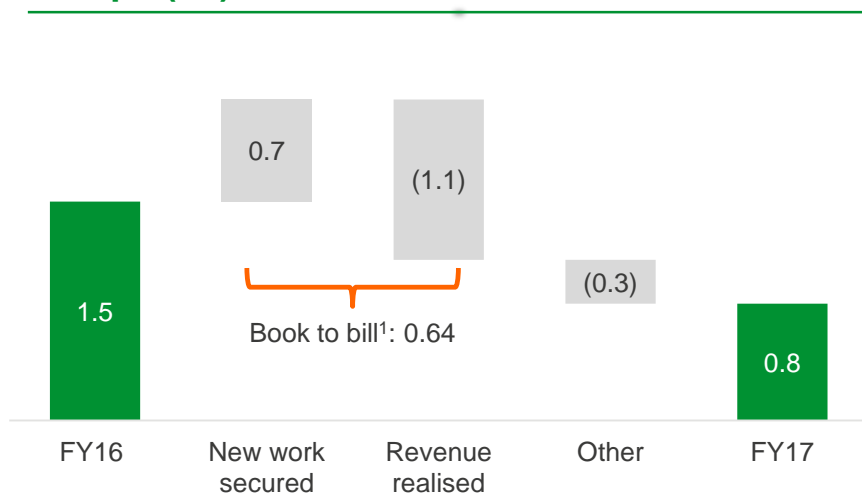
Group (\$b)



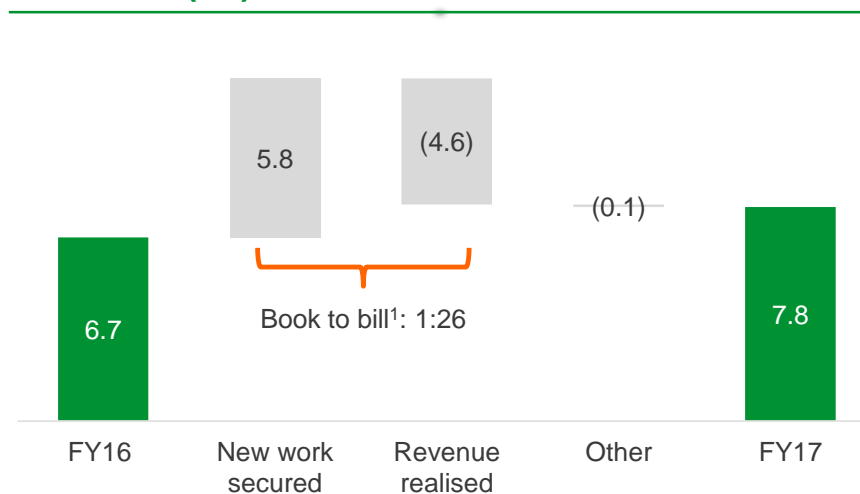
Australia (\$b)



Europe (\$b)



Americas (\$b)



Market opportunity for Engineering & Services in Australia

Engineering construction¹ ~\$75b²






Major transport construction^{1,4} (\$b)

Value of work done, inflation adjusted⁵




Projected composition¹:

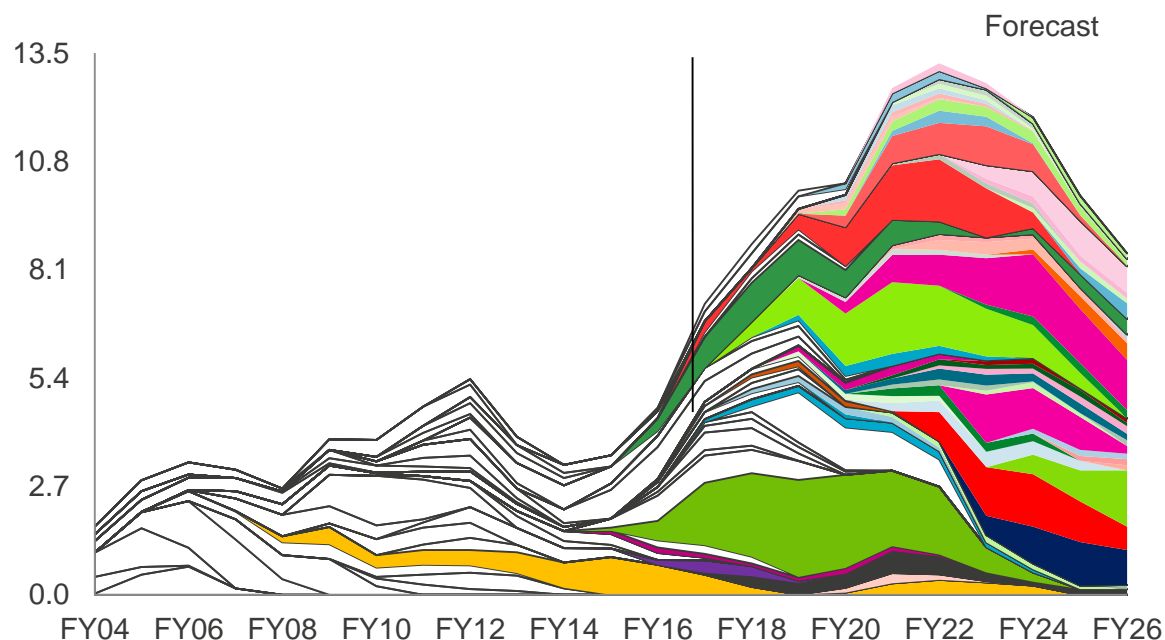
- Transport ~\$30b
- Resources ~\$15b
- Utilities ~\$25b
- Other civil ~\$5b

Sector outlook^{1,3}:

- Transport 
- Resources  
- Utilities 
- Other civil 

Transport project outlook^{1,3,4}:

- Major  
- Minor 



1. Lendlease Group Research estimates
 2. Estimated annual engineering construction activity in real terms, adjusted for imported component of mining

3. Direction of activity versus previous decade
 4. Includes major projects > \$500m
 5. FY15 prices

Australia: Major Projects – Building^{1,2}

Project	Location	Contract Type ³	Contract Value (\$m)	Secured Date	Completion Date ⁴	Sector
Crown Sydney Hotel Resort	NSW	MC	1,084.0	2015	2021	Hotel / Entertainment
New Air Combat Capability - RAAF Williamtown	NSW	MC	845.0	2015	2019	Defence
New Air Combat Capability - RAAF Tindal	NT	MC	450.0	2016	2021	Defence
Air 7000 Phase 2B	SA	MC	383.3	2016	2019	Defence
Adelaide Convention Centre Redevelopment	SA	MC	361.0	2011	2018	Commercial
ADF Air Traffic Control Complex Infrastructure Project	National	MC	349.0	2016	2020	Defence
Sunshine Plaza Redevelopment	Qld	LS	295.0	2017	2019	Other
Western Sydney Stadium	NSW	LS	281.1	2017	2019	Hotel/Entertainment
60 Martin Place	NSW	LS	274.9	2016	2020	Commercial
Land 121 Stage 2 Unit Sustainment Facilities	National	MC	244.0	2016	2020	Defence
Gosford Hospital Redevelopment	NSW	LS	219.9	2016	2020	Other
Campbell Barracks Redevelopment Project	WA	LS	214.0	2016	2019	Defence
Victoria Harbour - 839 Collins	Vic	LS	197.0	2017	2019	Commercial
Western Women's & Children's Hospital	Vic	MC	187.2	2016	2019	Other
Hunter Correctional Centre	NSW	D&C	183.6	2017	2018	Other
BaptistCare SAHF	NSW	D&C	183.0	2017	2020	Residential
Victoria Harbour - 883 Collins	Vic	CM	174.3	2016	2018	Residential
Melbourne Quarter - Commercial One	Vic	LS	174.0	2017	2019	Commercial
Rod Laver Arena	Vic	MC	169.0	2016	2019	Hotel/Entertainment
Palmerston Hospital	NT	MC	165.7	2016	2018	Other
Macarthur Square Development	NSW	LS	163.1	2016	2018	Other
Delamere Air Weapons Range Redevelopment Project	NT	MC	143.7	2017	2018	Defence
Victoria Harbour - Collins Wharf 1	Vic	CM	140.0	2017	2019	Residential
Growler Airbourne Attack Facility Phase 1 Project	Qld	MC	140.0	2016	2018	Defence
South Coast Correctional Centre Nowra	NSW	LS	119.9	2017	2019	Other

1. Disclosure of major projects is subject to client approval. This could impact the projects available for disclosure
2. Backlog revenue as at 30 June 2017 for the projects listed totals \$4.7 billion, representing 75% of the total backlog revenue
3. Contract types are Lump Sum (LS), Managing Contractor (MC), Construction Management (CM) and Design & Construct (D&C)
4. Based on expected completion date of buildings, subject to change in delivery program

Australia: Major Projects – Engineering^{1,2}

Project	Location	Contract Type ³	Contract Value (\$m)	Secured Date	Completion Date ⁴	Sector
NorthConnex M1 / M2 Tunnel	NSW	D&C	1,283.0	2015	2020	Transport
Northern Connector	SA	D&C	604.0	2016	2019	Transport
Gateway Upgrade North	Qld	D&C	985.0	2016	2018	Transport
Oxley Highway to Kundabung, Pacific Highway	NSW	D&C	693.5	2014	2018	Transport
Caulfield to Dandenong	Vic	ALL	600.0	2016	2019	Transport
Kingsford Smith Drive	Qld	D&C	441.0	2016	2019	Transport
Northern Road 2	NSW	CM	396.0	2017	2020	Transport
CityLink Tulla Widening	Vic	D&C	288.9	2016	2019	Transport
Northern Road 3	NSW	D&C	191.0	2016	2019	Transport

1. Disclosure of major projects is subject to client approval. This could impact the projects available for disclosure
2. Backlog revenue as at 30 June 2017 for the projects listed totals \$2.9 billion, representing 93% of the total backlog revenue
3. Contract types are Design and Construct (D&C), Alliance (ALL) and Construction Management (CM)
4. Based on expected completion date of infrastructure, subject to change in delivery program

Asia: Major Projects – Building^{1,2}

Project	Location	Contract Type ³	Contract Value (\$m)	Secured Date	Completion Date ⁴	Sector
Paya Lebar Quarter	Singapore	GMP	794.9	2016	2020	Commercial & Residential

Europe: Major Projects – Building^{1,2}

Project	Location	Contract Type ³	Contract Value (\$m)	Secured Date	Completion Date ⁴	Sector
Elephant Park - West Grove	London	LS	356.4	2016	2019	Residential
International Quarter London - Building 1	London	LS	347.2	2016	2018	Commercial
Rathbone Square	London	LS	333.3	2015	2018	Commercial & Residential
North Wales Prison	Wales	LS	277.5	2015	2018	Other
International Quarter London - Building 2	London	LS	204.8	2016	2018	Commercial
Elephant Park - South Gardens	London	LS	201.5	2015	2018	Residential
245 Hammersmith Road	London	LS	171.7	2017	2019	Commercial

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

2. Backlog revenue as at 30 June 2017 for the projects listed totals \$0.6 billion (Asia) and \$0.5 billion (Europe), representing 70% (Asia) and 63% (Europe) of total backlog revenue for these regions

3. Contract types are Lump Sum (LS) and Guaranteed Maximum Price (GMP)

4. Based on expected completion date of buildings, subject to change in delivery program

Americas: Major Projects – Building^{1,2}

Project	Location	Contract Type ³	Contract Value (\$m)	Secured Date	Completion Date ⁴	Sector
Jacob K. Javits Convention Center	New York	LS	798.0	2017	2021	Government
520 Park Avenue	New York	GMP	398.9	2014	2018	Residential
277 Fifth Avenue	New York	CM	275.1	2017	2019	Residential
Avalon - 1865 Broadway	New York	CM	222.2	2016	2019	Residential
9 W Walton	Chicago	GMP	206.7	2015	2018	Residential
New York Methodist Hospital	New York	CM	149.2	2016	2019	Healthcare
Half and N Street	Washington, D.C.	GMP	144.5	2017	2019	Residential
Clippership Wharf	Boston	GMP	131.3	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 30 June 2017 for the projects listed totals \$1.8 billion, representing 23% of total backlog revenue

3. Contract type is Guaranteed Maximum Price (GMP), Lump Sum (LS) and Construction Management (CM)

4. Based on expected completion date of buildings, subject to change in delivery program



Investments

A vertical oval shape with a gradient from blue at the top to green at the bottom. The word "Investments" is centered in white, bold, sans-serif font. Below the word is a horizontal dashed white line.

Investments FY17

Overview

- Owns and / or manages investments including a leading wholesale investment management platform and also the Group's ownership interests in property and infrastructure co-investments, Retirement and US Military Housing
- Financial returns 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 business

Drivers¹

- Ownership earnings increased by 9% to \$379.2 million
 - Solid growth in the Retirement Living business
 - Average unit prices on resales increased 11%
 - Two additional villages acquired
 - Co-investments:
 - Australia: Higher income and revaluations following the completion of the three office towers at Barangaroo South
 - Asia: Steady income and non-recurrence of devaluations from prior period
 - Infrastructure:
 - Americas: Equity returns on military housing portfolio
- Operating earnings increased 7% to \$116.1 million
 - FUM of \$26.1 billion, up 11% on the prior year
 - Growth in base fees in line with FUM
 - Performance fees immaterial
 - High quality earnings from military housing portfolio

Performance

	FY16	FY17
% Operating EBITDA	37	36
ROIC ² (%)	11.2	11.7
Invested Capital (\$b)	3.2	3.3
Co-Investment Revaluations (\$m)	43.6	66.6
Revaluations / Operating EBITDA (%)	3.5	4.8

Outlook

- Well positioned to deliver future recurring earnings through:
 - FUM of \$26.1 billion, ~150 institutional investors
 - \$1.5 billion co-invested in funds
 - \$1.7 billion³ of capital across 71 retirement villages
 - 53,105 military housing units under management
- Retirement Living – opportunity for introduction of capital partner
- Growing FUM and asset management income
 - c.\$3 billion⁴ of additional secured FUM across the Group's urbanisation projects in delivery
- New asset class opportunities:
 - Residential for rent
 - Americas: c.850 units currently in delivery (in Development segment)
 - Europe: opportunities within existing urbanisation projects
- Telecommunications infrastructure (Americas):
 - 135 towers completed

1. Comparative period the year ended 30 June 2016 (the prior year)

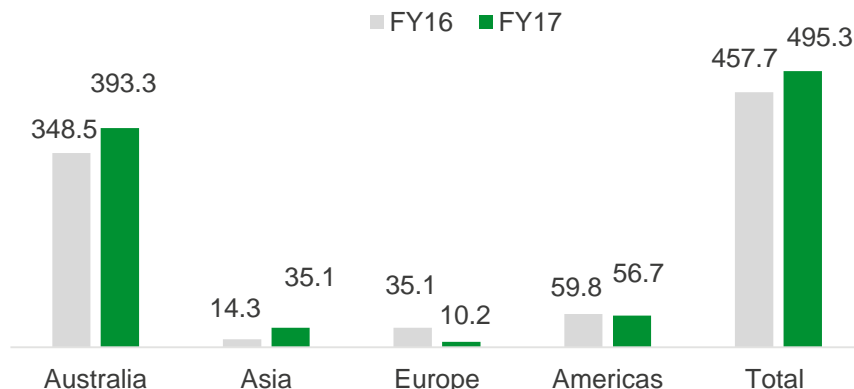
2. Return on Invested Capital (ROIC) is calculated using the annual operating profit after tax divided by the arithmetic average of beginning, half year and year end invested capital. FY16 Investments ROIC restated reflecting inclusion of half year end invested capital in calculation

3. Excludes capital balances relating to Retirement development activities

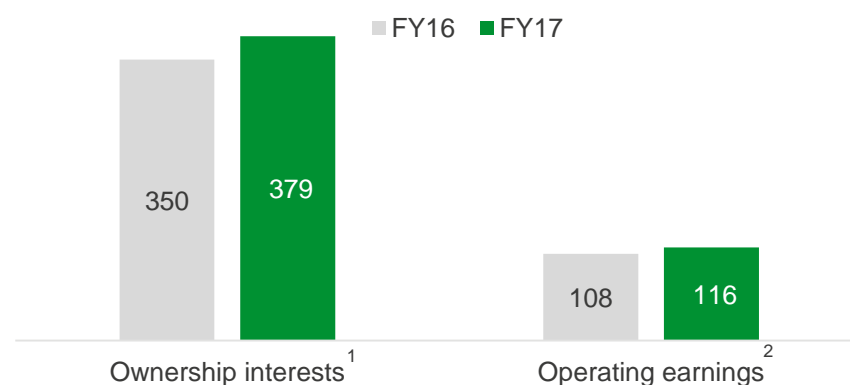
4. Represents secured future FUM increase from funds with development projects in delivery

Investments earnings / ownership

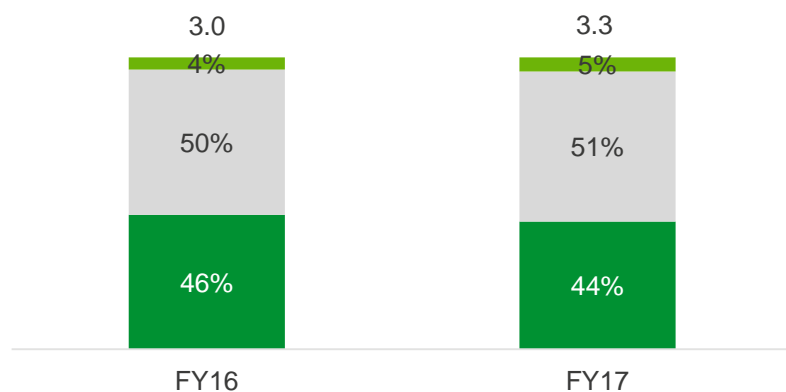
EBITDA by region (\$m)



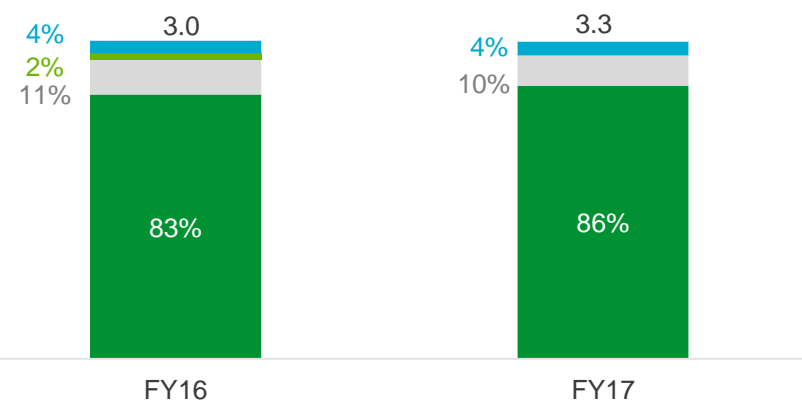
EBITDA by activity (\$m)



Investments by product (\$b)³



Investments by region (\$b)³



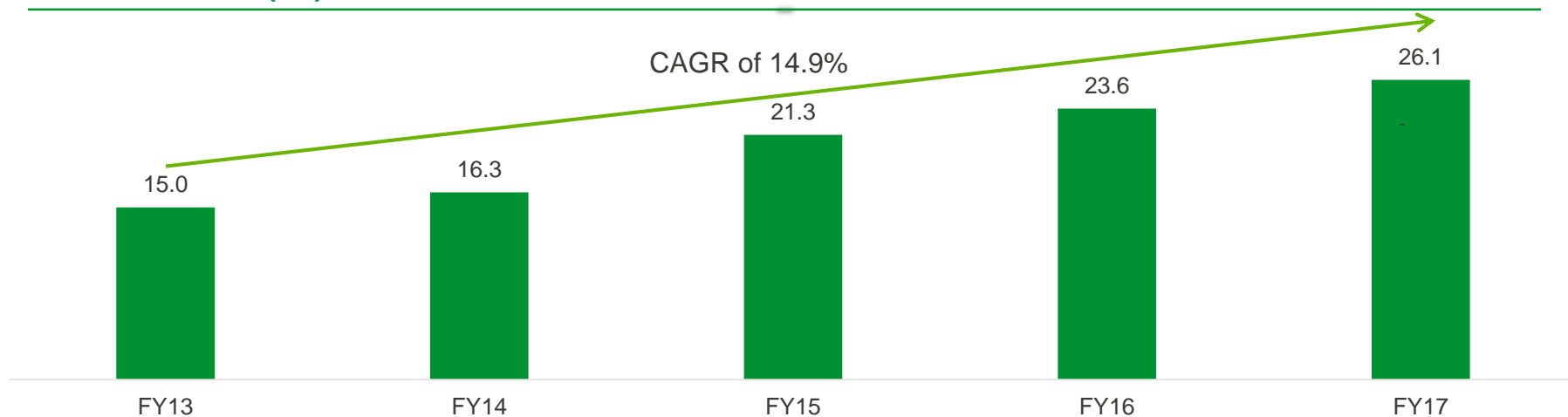
■ Co-Investments ■ Retirement ownership ■ Infrastructure

■ Australia ■ Asia ■ Europe ■ Americas

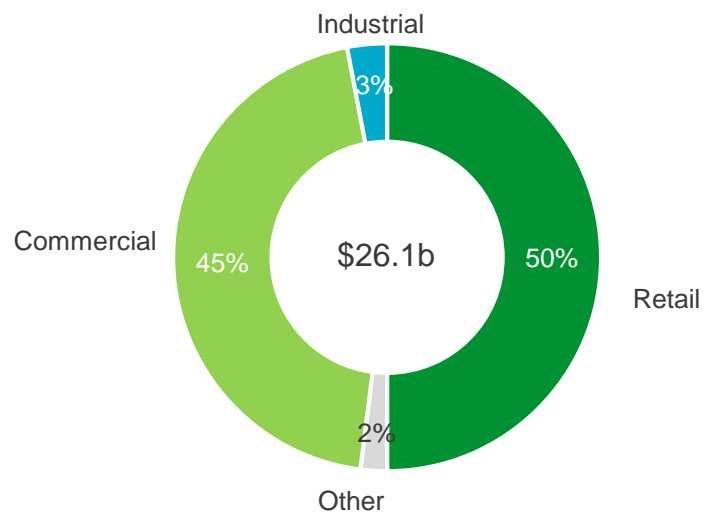
1. Earnings derived from co-investments, the Retirement business and equity returns from US Military Housing
2. Earnings derived from the investment management platform and the management of the US Military Housing
3. Represents the Group's assessment of market value

Funds Under Management (FUM)

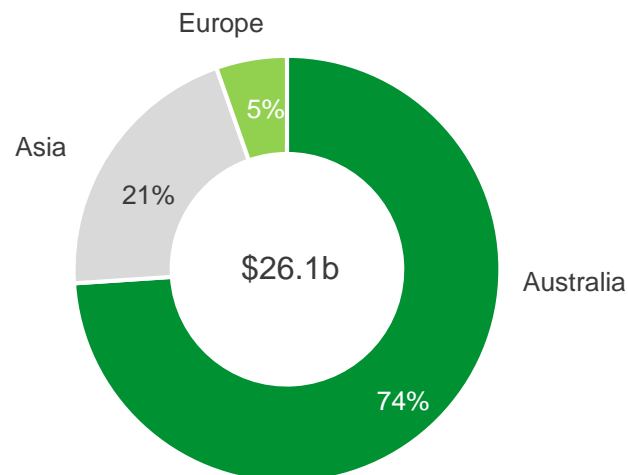
Growth in FUM (\$b)



FUM by asset class¹



FUM by region¹

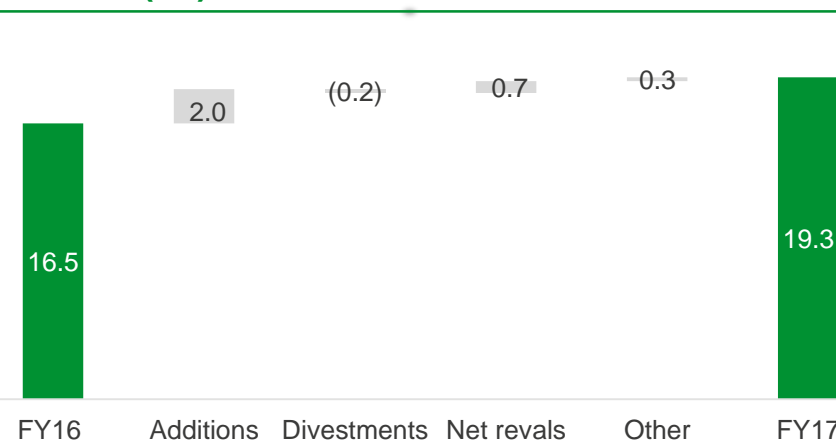


FUM by region

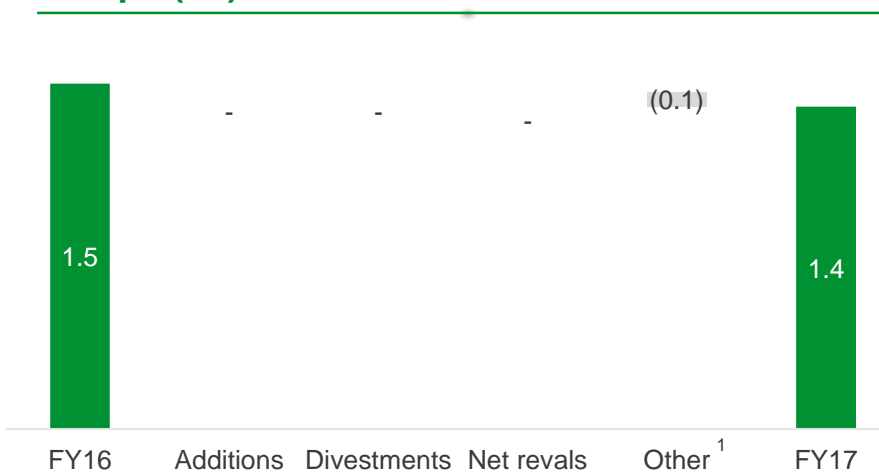
Group (\$b)



Australia (\$b)



Europe (\$b)



Asia (\$b)



Major fund summary

Funds Management Platform ¹									
	APPFR ²	APPFC ³	APPFI ⁴	LLITST ⁵	LLOITST ⁶	ARIF ⁷ 1 (Somerset)	ARIF ⁷ 3 (Jem)	PPPL ⁸	LLRP ⁹
Total assets (\$ billion)	5.2 ¹⁰	3.8 ¹⁰	0.8	3.5	2.0	0.8	1.4	1.2	1.4
Gearing (%)	12.9 ¹⁰	12.5 ¹⁰	5.2	19.6	15.5	66.0	45.5	38.6	2.3
LL co-investment (%)	1.7	6.8	10.6	15.0	12.5	10.1	20.1	6.1	-
LL co-investment (\$ million)	73.2	211.6	71.0	411.5	202.7	24.9	151.8	37.2	-
Region	Aus	Aus	Aus	Aus	Aus	Asia	Asia	Asia	Europe
Asset class	Retail	Commercial	Industrial	Commercial	Commercial	Retail	Retail	Retail	Retail
Number of assets	12	19	29	4 ¹¹	1	1	1	1	2
Occupancy (%)	98.1	86.7	96.2	80.4	91.0 ¹²	97.6	99.1	100.0	93.7
Weighted average cap rate (%)	5.4	5.6	7.3	5.1	5.3	4.5	4.6	5.3	4.6

1. The above highlights only selected major funds and does not comprise Lendlease's complete Funds Management Platform
2. Australian Prime Property Fund Retail
3. Australian Prime Property Fund Commercial
4. Australian Prime Property Fund Industrial
5. Lendlease International Towers Sydney Trust (Barangaroo South T2 and T3)

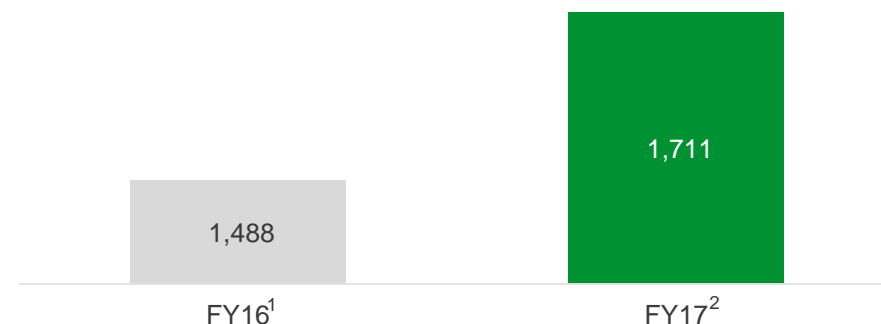
6. Lendlease One International Towers Sydney Trust (Barangaroo South T1)
7. Asian Retail Investment Fund
8. Parkway Parade Partnership Limited
9. Lendlease Retail LP
10. Assets and gearing calculated on a look through basis
11. Includes car park asset
12. Includes post balance date Heads of Terms

Retirement summary

Value drivers

Valuation drivers	FY16	FY17
Long term growth rate	3.7%	3.6%
Discount rate	13.3%	13.0%
Average length of stay – ILUs (years)	11.5	11.0
Number of established units	13,384	12,626
Units resold	1,038	939

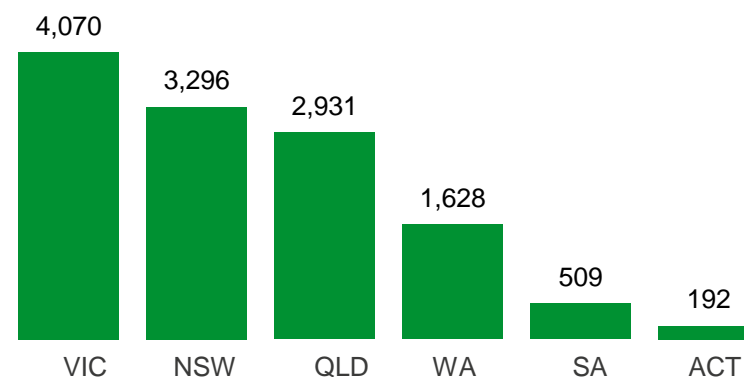
Investments³ (\$m)



Villages / units

Location	Number of villages	Units
QLD	12	2,931
NSW	17	3,296
VIC	26	4,070
SA	4	509
WA	10	1,628
ACT	2	192
Total	71	12,626

Units by state



1. In FY16, the Group divested its NZ Retirement business, consisting of 996 units and 5 sites
2. Includes acquisition of two villages
3. Excludes capital balances relating to Retirement development activities

Investments

Australia Co-Investments	Lendlease Interest (%)	Market Value ¹ June 2016 (\$m)	Market Value ¹ June 2017 (\$m)
Australian Prime Property Fund Retail	1.7	44.5	73.2
Lendlease International Towers Sydney Trust	15.0	380.3	411.5
Australian Prime Property Fund Commercial	6.8	197.3	211.6
Lendlease One International Towers Sydney Trust	12.5	107.5	202.7
Australian Prime Property Fund Industrial	10.6	78.3	71.0
Lendlease Sub Regional Retail Fund	10.0	38.0	39.3
Lendlease Public Infrastructure Investment Company	10.0	40.5	40.7
Lendlease Real Estate Partners New Zealand	5.3	8.1	9.5
Lendlease Communities Fund 1	20.8	1.4	1.2
Lendlease Core Plus Fund	n/a	0.5	-
Craigieburn Central	25.0	78.3	79.0
Total		974.7	1,139.7

Asia Co-Investments	Lendlease Interest (%)	Market Value ¹ June 2016 (\$m)	Market Value ¹ June 2017 (\$m)
Lendlease Asian Retail Investment Fund (ARIF)			
ARIF 1 (313@somerset)	10.1	29.1	24.9
ARIF 2 (Setia City Mall)	36.4	24.0	23.4
ARIF 3 (Jem)	20.1	156.4	151.8
Parkway Parade Partnership Limited	6.1	35.0	37.2
313@somerset	25.0	95.3	80.1
Total		339.8	317.4

Europe Co-Investments	Lendlease Interest (%)	Market Value ¹ June 2016 (\$m)	Market Value ¹ June 2017 (\$m)
Lendlease Retail LP	-	65.7	-

Americas	June 2016	June 2017
MHPI Portfolio, invested equity ¹ (\$m)	109.4	101.9
US Telecommunications Infrastructure, invested equity ¹ (\$m)	-	43.7
Completed telecommunications towers (number)	-	135

Funds Under Management

Australia FUM	Fund Type	Asset Class	Market Value ¹ June 2016 (\$b)	Market Value ¹ June 2017 (\$b)
Australian Prime Property Fund Retail	Core	Retail	5.0	5.2
Lendlease International Towers Sydney Trust	Core	Commercial	3.2	3.5
Australian Prime Property Fund Commercial	Core	Commercial	2.9	3.8
Managed Investment Mandates	Core	Various	2.0	2.7
Lendlease One International Towers Sydney Trust	Core	Commercial	1.3	2.0
Australian Prime Property Fund Industrial	Core	Industrial	0.9	0.8
Lendlease Sub Regional Retail Fund	Core	Retail	0.6	0.6
Lendlease Public Infrastructure Investment Company	Core	Various	0.4	0.4
Lendlease Real Estate Partners New Zealand	Core	Retail	0.2	0.3
Total			16.5	19.3

Asia FUM	Fund Type	Asset Class	Market Value ¹ June 2016 (\$b)	Market Value ¹ June 2017 (\$b)
Lendlease Asian Retail Investment Fund	Core	Retail and Commercial	2.5	2.3
Managed Investment Mandate	Value Add	Retail and Commercial	1.4	1.4
Parkway Parade Partnership Limited	Core Plus	Retail and Commercial	1.2	1.2
Lendlease Jem Partners Fund Limited	Core	Retail and Commercial	0.5	0.5
Total			5.6	5.4

Europe FUM	Fund Type	Asset Class	Market Value ¹ June 2016 (\$b)	Market Value ¹ June 2017 (\$b)
Lendlease Retail LP	Core	Retail	1.5	1.4
Total			1.5	1.4

Assets Under Management

Australia	Asset Class	GLA sqm/'000s ¹	Market Value ² June 2016 (\$b)	Market Value ² June 2017 (\$b)
Retail	Retail	747.3	6.4	7.2

Asia	Asset Class	GLA sqm/'000s ¹	Market Value ² June 2016 (\$b)	Market Value ² June 2017 (\$b)
Retail	Retail	312.5	4.4	4.2

Europe	Asset Class	GLA sqm/'000s ¹	Market Value ² June 2016 (\$b)	Market Value ² June 2017 (\$b)
Retail	Retail	141.7	0.9	0.8

Americas	Housing Units	Lodging Units	Total Units	Avg Portfolio Life (years)
FY16	40,605	12,450	53,055	40
FY17	40,605	12,500	53,105	39

1. Gross Lettable Area
2. Represents the Group's assessment of the market value (A\$)



Lendlease overview

Vision: to create the best places

Strategic framework

FOCUS

Delivering optimal performance safely

GROW

Disciplined growth in sectors aligned with global trends and with a focus on our target global Gateway Cities

Business model



Competitive advantage

INTEGRATED MODEL

Ability to deliver quality projects leveraging more than one of our segments.

FINANCIAL STRENGTH


Balance sheet strength and access to third party capital.


TRACK RECORD


Delivering quality design and sustainable outcomes safely.

Pillars of value

 Health & Safety

 Our People

 Our Customers

 Financial

 Sustainability

Globally diverse pipeline

Our globally diverse pipeline provides long term earnings visibility¹

\$49.3b

Development
pipeline

\$20.6b

Construction
backlog revenue

\$26.1b

FUM

\$3.3b

Investments

Americas

\$4.3b Development pipeline
\$7.8b Construction backlog revenue
\$0.1b Investments

Europe

\$8.0b Development pipeline
\$0.8b Construction backlog revenue
\$1.4b FUM

Asia

\$6.1b Development pipeline
\$0.8b Construction backlog revenue
\$5.4b FUM
\$0.3b Investments

Australia

\$30.9b Development pipeline
\$11.2b Construction backlog revenue
\$19.3b FUM
\$2.9b Investments

Global trends influencing our strategy



Urbanisation

By 2014, 54% of the world's population were estimated to live in urban areas; this will reach 60% by 2030¹



Lendlease leadership

- \$34.6b² Urbanisation pipeline
- 13 major urbanisation projects³ across 8 gateway cities



Infrastructure

Worldwide infrastructure spending will grow from US\$4 trillion per year in 2012 to more than US\$9 trillion by 2025⁴



- A leading tier 1 Engineering business in Australia
- \$4b+ PPPs secured in last 6 years⁵



Funds growth

Global assets under management are forecast to rise from US\$64 trillion in 2012 to US\$102 trillion by 2020⁶



- Lendlease accounted for ~10% of new equity raised globally for core wholesale mandates since 2009⁷



Sustainability

Cities occupy 2% of the world's land mass, but are responsible for up to 70% of harmful greenhouse gases⁸



- Recognised by GRESB as an international leader⁹
- Development pipeline targeting 98% green certification



Ageing population

Internationally, people aged 60+ will grow the most in number between 2015 and 2050¹⁰



- A market leader in retirement living sector in Australia
- Actively seeking to transfer skills offshore



Technology

Global investment in real estate technology start-ups has grown from \$0.2b in 2012 to \$1.7b in 2015¹¹

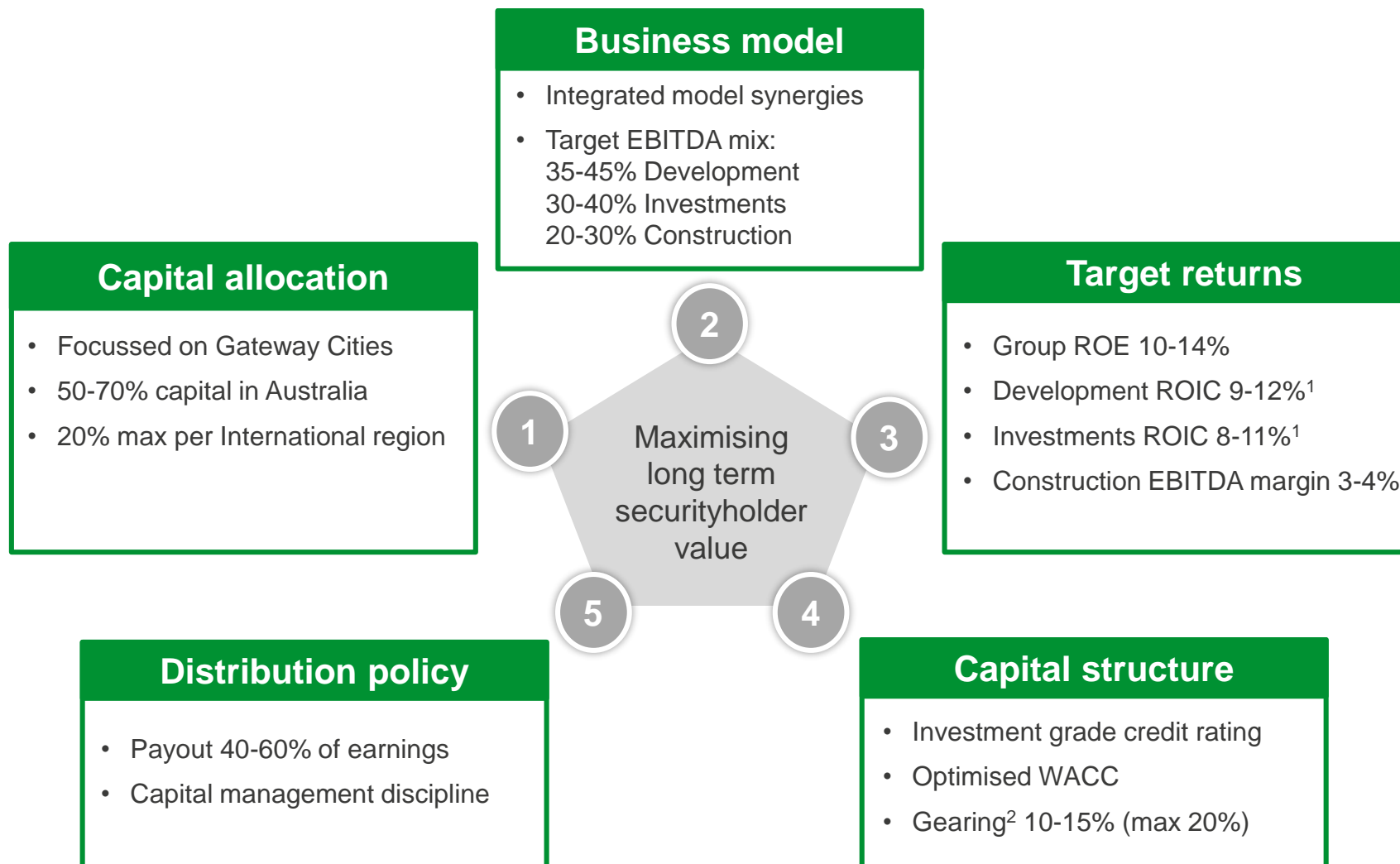


- A pioneer of new delivery technologies e.g. Cross Laminated Timber, pre-fab and modular; a leader in new safety initiatives

1. World Urbanization Prospects: The 2014 Revision, United Nations
 2. As at 30 June 2017
 3. Urbanisation development projects with end value >\$1b
 4. Capital project and infrastructure spending outlook to 2025, PwC 2015
 5. Cumulative data from FY12 – FY17
 6. Asset Management 2020: A Brave New World, PwC 2014

7. Preqin Ltd; represents period 2009 to 2015
 8. UN-HABITAT's Global Report on Human Settlements 2011
 9. Global Real Estate Sustainability Benchmark (GRESB) 2016 survey; 5 funds achieved no.1 ranking in respective global or regional category
 10. World Population Prospects: The 2015 Revision, United Nations
 11. CB Insights: Real Estate Tech Start-ups Funding Overview 2016

Portfolio Management Framework summary



1. Through-cycle target based on rolling 3-5 year timeline

2. Gearing definition: Net debt to total tangible assets less cash

Pillars of value – non-financial



Safety

Percentage of operations without a critical incident in the last 12 months

90%

88%

FY16

FY17

Group Lost Time Injury Frequency Rate

1.8

1.6

FY16

FY17



Our Customers^{1,2}

c.280 MILLION
RETAIL VISITORS
ANNUALLY

MILITARY HOUSING FOR
c.125,000
RESIDENTS IN THE US

c.16,000
RETIREMENT
LIVING RESIDENTS

c.150
GLOBAL
INSTITUTIONAL PARTNERS



Our People

Employee engagement score^{3,4}

85%

84%

FY15

FY16

Senior Executive positions held by women⁵

19%

21%

FY16

FY17



Sustainability

Total development pipeline achieved or targeting green certification

98%

98%

FY16

FY17

5
LENDLEASE FUNDS
TOP-RANKED IN 2016
GRESB SURVEY⁶

1. Internal data capture

2. As at 30 June 2017

3. Survey managed by Willis Towers Watson. Employee engagement is a measure of overall employee satisfaction across our business

4. We are developing a new approach to measuring employee engagement. As a result of this change we did not conduct an employee engagement survey in 2017

5. Employees who hold a position at Executive level according to the Lendlease Career Job Framework. This generally includes Regional Business Unit Heads, Regional Function Heads and in some cases, direct reports to Global Function Heads

6. Global Real Estate Sustainability Benchmark (GRESB) 2016 survey; 5 funds achieved no.1 ranking in respective global or regional category

Important notice

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A reference to FY17 refers to the full year period ended 30 June 2017 unless otherwise stated. All figures are in AUD unless otherwise stated.