

ASX ANNOUNCEMENT

14 September 2017

Lendlease Presentation at CLSA Investors' Forum

Attached is the presentation to be given by Lendlease Group Chief Executive Officer and Managing Director, Steve McCann at today's CLSA Investors' Forum in Hong Kong.

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2017 CLSA Investors' Forum

Steve McCann
Chief Executive Officer and Managing Director Lendlease

14 September 2017

lendlease

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

Global trends influencing our strategy

Lendlease leadership



Urbanisation

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



- \$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

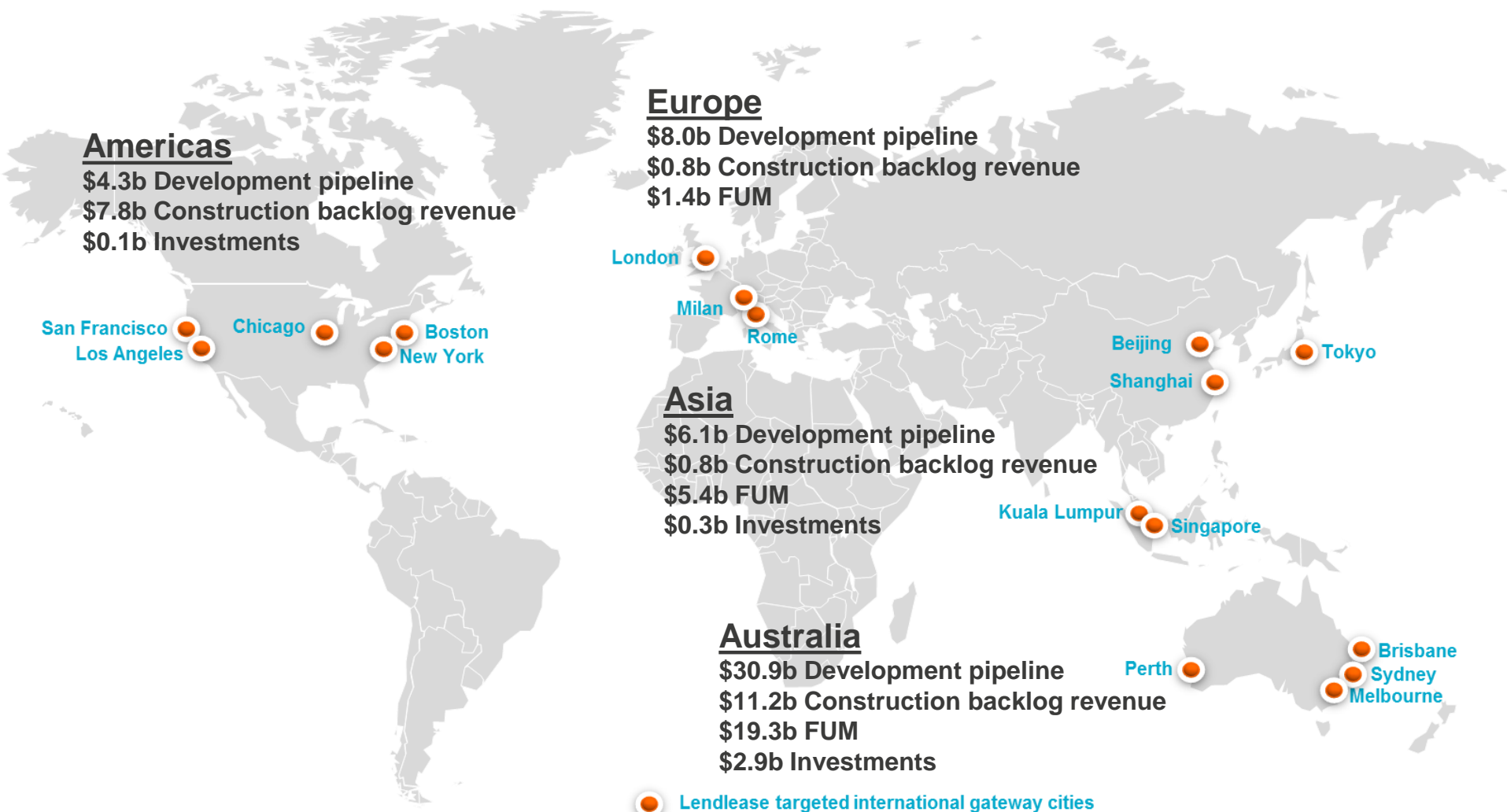


- A pioneer of new delivery technologies e.g. Cross Laminated Timber, pre-fab and modular; a leader in new safety initiatives

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

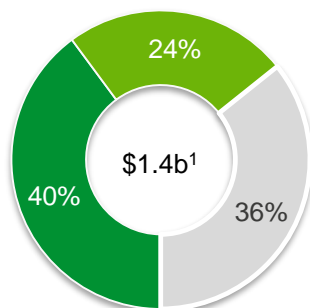
7. Prequin Ltd; represents period 2009 to 2015
 8. UN-HABITAT's Global Report on Human Settlements 2011
 9. Global Real Estate Sustainability Benchmark (GRESB) 2016 survey; 5 funds achieved no.1 ranking in respective global or regional category
 10. World Population Prospects: The 2015 Revision, United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

Globally diverse pipeline provides long term earnings visibility¹



Portfolio Management Framework

EBITDA mix

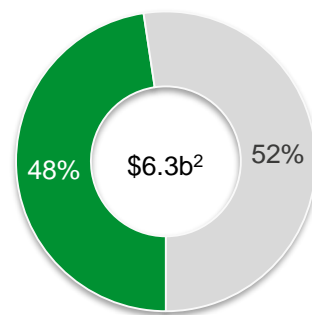


Target weighting

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

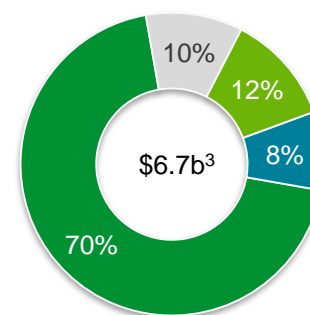
Invested capital

By segment



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

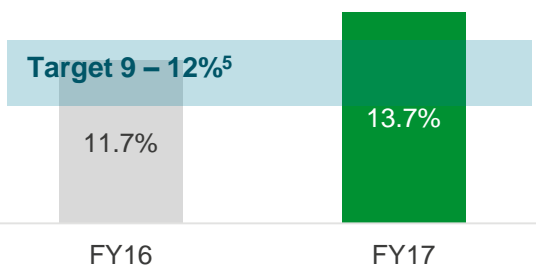
By region



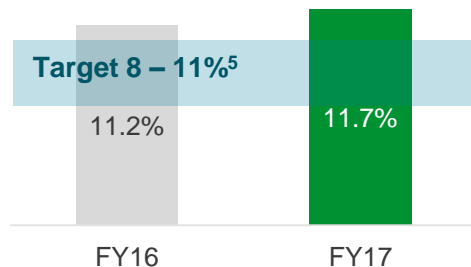
Region	Target weighting
Australia	(50 – 70%)
Asia	(5 – 20%)
Europe	(5 – 20%)
Americas	(5 – 20%)

Returns

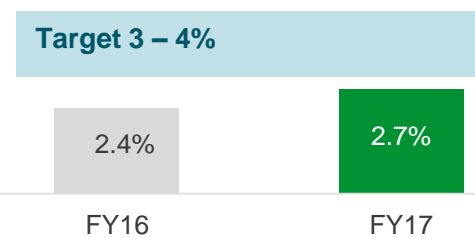
Development – ROIC⁴



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

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

2. Artist impression

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

4. Joint Venture arrangement

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

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

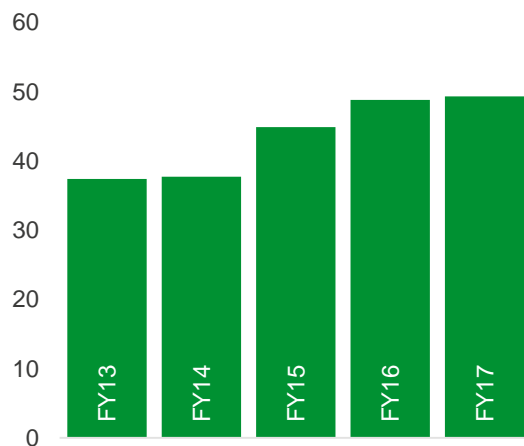
Earnings visibility from strong pipeline across all segments

Development pipeline of
\$49.3 billion

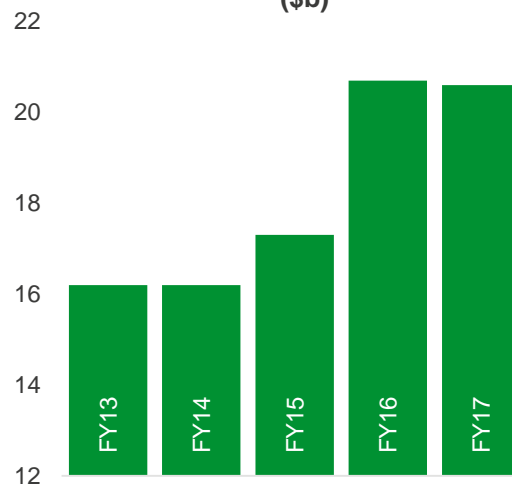
Construction backlog revenue of
\$20.6 billion

FUM of
\$26.1 billion

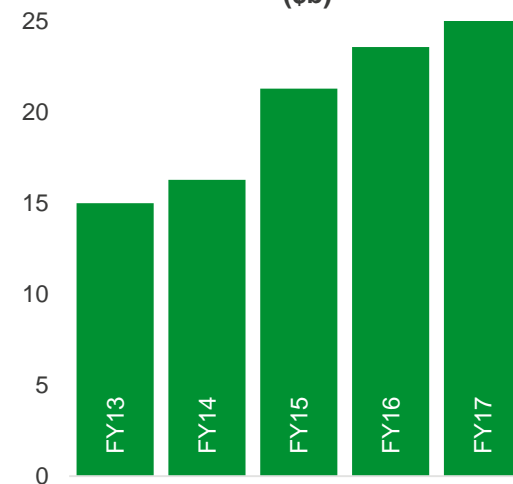
Development pipeline
(\$b)



Construction backlog revenue
(\$b)



Funds under management
(\$b)



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Lendlease Group's statutory results are prepared in accordance with International Financial Reporting Standards (IFRS). This document also includes material that is not included in Lendlease Group's statutory results and contains non-IFRS measures. Material that is not included in Lendlease Group's statutory results has not been subject to audit.

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.

Thank you.

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