

# ASX ANNOUNCEMENT

25 February 2019

## **Lendlease Group 2019 Half Year Results – Replacement Appendix**

Further to our announcement lodged today attaching the Lendlease Group HY19 Results Announcement, Presentation and Appendix, Lendlease Group advises there is a correction to be made to slide 47 of the Appendix.

The Completion date for the WestConnex 3A M4-M5 Link Project was shown as FY24 but should be shown as FY23.

Attached is a revised copy of the Appendix. The only change in this document from the version lodged earlier today is the correction referred to above.

**Ends**

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# lendlease

## 2019 Half Year Results Appendix





**lendlease**

**Overview**





# 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, commercial assets, and social and economic infrastructure

### Core Financial Returns



- Development margins
- Development management fees received from external co-investors
- Origination fees for the facilitation of infrastructure projects

## CONSTRUCTION

The Construction segment provides project management, design and construction services, predominantly in the 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 Living and US Military Housing

### Core Financial Returns



- Fund, asset and property management fees
- Yields and capital growth on investments, and returns from the Group's Retirement investment and US Military Housing operations



# Globally diverse pipeline

Our globally diverse pipeline provides long term earnings visibility

**\$74.5b**

Development  
pipeline<sup>1</sup>

**\$21.4b**

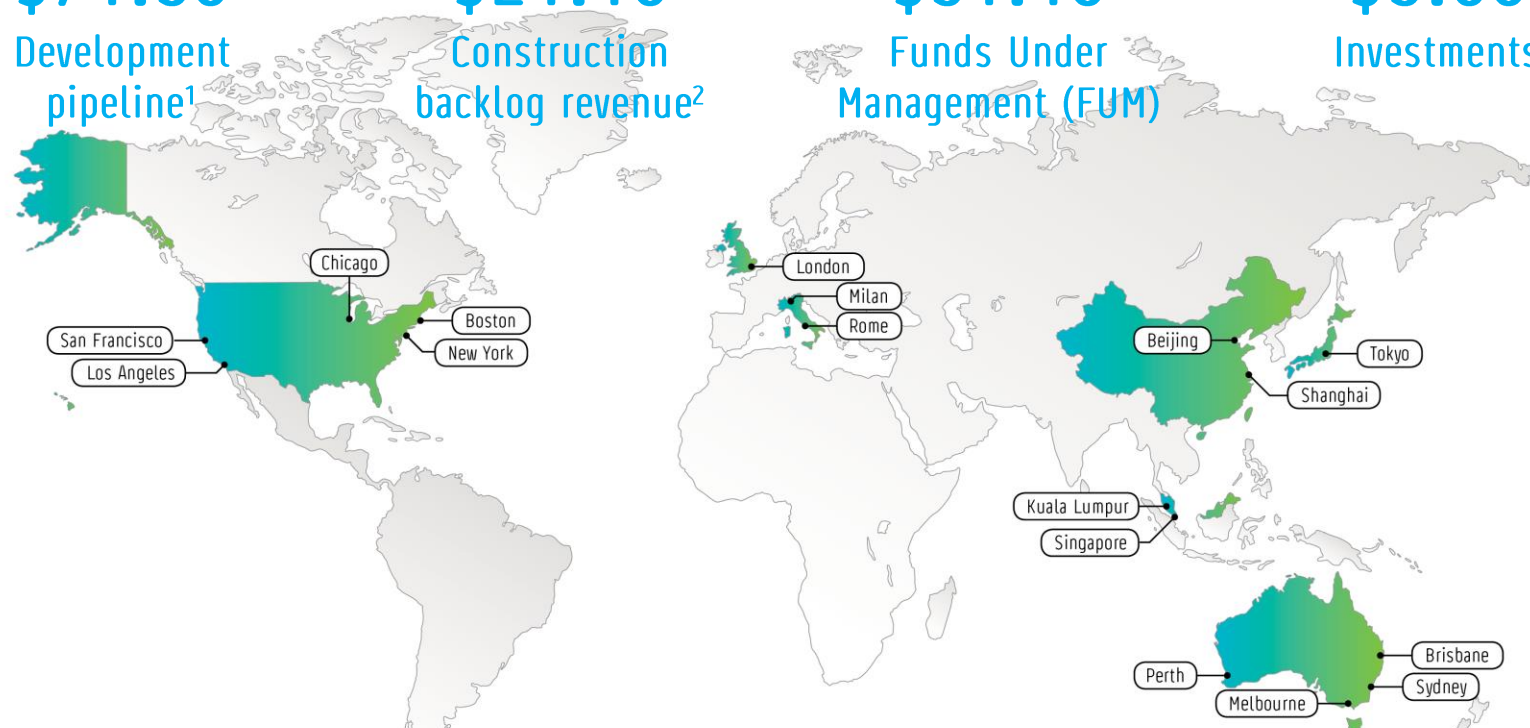
Construction  
backlog revenue<sup>2</sup>

**\$34.1b**

Funds Under  
Management (FUM)

**\$3.6b**

Investments



## Americas

\$7.9b Development pipeline<sup>1</sup>  
\$6.2b Construction backlog  
\$0.4b FUM  
\$0.4b Investments

## Europe

\$30.1b Development pipeline<sup>1</sup>  
\$1.2b Construction backlog  
\$1.6b FUM

## Asia

\$5.4b Development pipeline<sup>1</sup>  
\$0.8b Construction backlog  
\$8.0b FUM  
\$0.4b Investments

## Australia

\$31.1b Development pipeline<sup>1</sup>  
\$13.2b Construction backlog<sup>3</sup>  
\$24.1b FUM  
\$2.8b Investments

1. Remaining estimated development end value.
2. Construction backlog excluding Engineering and Services is \$14.8b.
3. Australia construction backlog excluding Engineering and Services is \$6.6b.



# Global trends influencing our strategy



## Urbanisation

By 2030, over 60% of the world's population is expected to live in urban areas<sup>1</sup>



## Lendlease leadership

- \$59.3b urbanisation pipeline<sup>2</sup>
- 20 major urbanisation projects<sup>3</sup> across 10 gateway cities



## Infrastructure

Global infrastructure spending is estimated to rise to an average of US\$5.1 trillion per year between now and 2035<sup>4</sup>



- c.\$10b PPPs secured<sup>5</sup>
- Emerging telecommunications infrastructure business

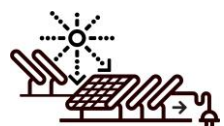


## Funds growth

Global assets under management are forecast to rise from US\$85 trillion in 2016 to US\$145 trillion by 2025<sup>6</sup>



- 17.8% annual growth in funds under management since FY14



## Sustainability

With over two thirds of the world's population living in urban areas by 2050<sup>1</sup>, the built environment faces increasing challenges



- For a second year in a row our APPF Commercial fund is rated as worlds best for Sustainability by GRESB<sup>7</sup>
- Endorsed the recommendations of the TCFD<sup>8</sup>, climate is a key consideration influencing our strategy



## Ageing population

Internationally, people aged 60+ are projected to grow three times faster than the overall population (2.4% vs 0.8% pa) in average annual terms between 2015 and 2050<sup>9</sup>



- Operate one of the largest Retirement Living businesses in Australia
- Seeking to establish a scale platform in China. In FY18 secured first senior living project in Shanghai



## Technology

Global venture capital investment in real estate technology has grown from US\$1.8b in 2015 to US\$12.6b in 2017<sup>10</sup>



- A pioneer of new delivery technologies e.g. Cross Laminated Timber, digital design, pre-fab, online sales channels; a leader in new safety initiatives

1. World Urbanization Prospects: The 2018 Revision, United Nations.  
 2. Remaining estimated development end value.  
 3. Urbanisation development projects with end value >\$1b.  
 4. McKinsey Global Institute: Bridging Infrastructure Gaps – Has the World Made Progress? October 2017. Includes some Group Research calculations.  
 5. Cumulative data from FY12 to FY18.

6. Asset & Wealth Management Revolution: Embracing Exponential Change, PwC 2017.  
 7. Lendlease managed Australian Prime Property Fund Commercial ranked first out of 874 respondents in the 2018 Global Real Estate Sustainability Benchmark.  
 8. Taskforce on Climate-related Financial Disclosure (TCFD).  
 9. World Population Prospects: The 2017 Revision, United Nations.  
 10. RE: Tech: Real Estate Tech Annual Report 2017.



# Sustainability

## Operational excellence



In FY18 the Lendlease Board endorsed the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)

The TCFD provides a voluntary framework for climate-related risk disclosures for use by companies to inform investors, lenders, insurers and interested stakeholders



Continues to achieve highest AAA ESG rating and described as an “Industry Leader” in the green building space

MSCI is an independent provider of research-driven insights and tools for institutional investors



Lendlease’s 2<sup>nd</sup> Reconciliation Action Plan (RAP) achieved ‘Elevate’ status from Reconciliation Australia

The RAP programme enables organisations to set goals and aspirations in support of the national reconciliation movement. An Elevate RAP, is the highest independent rating a RAP programme can receive from Reconciliation Australia



Signatory and active participant since April 2014

UN Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals

Signatory of:



Signatory since FY08

The PRI is the world’s leading proponent of responsible investment working to understand the investment implications of environmental, social and governance (ESG) factors



Australia Prime Property Fund Commercial rated worlds best by GRESB in 2018<sup>1</sup>. Rated as the number one fund four out of the last five years

GRESB is an investor driven organisation assessing the sustainability performance of real asset sector portfolios and assets

1. Lendlease managed Australian Prime Property Fund Commercial ranked first out of 874 respondents in the 2018 Global Real Estate Sustainability Benchmark.







# Income Statement

\$m	HY18	HY19
Revenue from contracts with customers <sup>1</sup>	8,632.7	7,679.7
Other revenue <sup>1</sup>	58.5	82.0
Cost of sales	(7,778.0)	(7,699.8)
<b>Gross profit</b>	<b>913.2</b>	<b>61.9</b>
Share of profit of equity accounted investments	7.0	193.5
Other income	378.0	207.9
Other expenses	(628.0)	(441.7)
<b>Results from operating activities</b>	<b>670.2</b>	<b>21.6</b>
Finance revenue	6.1	9.3
Finance costs	(52.1)	(61.9)
<b>Net finance costs</b>	<b>(46.0)</b>	<b>(52.6)</b>
<b>Profit/(loss) before tax</b>	<b>624.2</b>	<b>(31.0)</b>
Income tax (expense)/benefit	(198.5)	46.7
<b>Profit after tax</b>	<b>425.7</b>	<b>15.7</b>
Profit after tax attributable to:		
Members of Lendlease Corporation Limited	314.4	(90.7)
Unitholders of Lendlease Trust	111.2	106.4
<b>Profit after tax attributable to securityholders</b>	<b>425.6</b>	<b>15.7</b>
External non controlling interests	0.1	-
<b>Profit after tax</b>	<b>425.7</b>	<b>15.7</b>
<i>Earnings per Stapled Security</i>	<i>cents</i>	<i>2.8</i>

1. HY18 balances have been reclassified to align the presentation of comparative information to disclosures required under AASB 15 Revenue from Contracts with Customers which has been adopted from 1 July 2018. \$58.5m has been reclassified from Revenue from contracts with customers to Other revenue.



# Statement of Financial Position

\$m	HY18	FY18	HY19
<b>Current Assets</b>			
Cash and cash equivalents	1,545.2	1,177.1	1,088.1
Loans and receivables	2,127.0	2,670.2	2,196.0
Inventories	1,713.4	2,369.2	2,862.8
Other financial assets	2.4	6.7	9.8
Current tax assets	-	-	0.2
Other assets	105.2	91.0	107.4
<b>Total current assets</b>	<b>5,493.2</b>	<b>6,314.2</b>	<b>6,264.3</b>
<b>Non Current Assets</b>			
Loans and receivables	742.4	787.8	715.8
Inventories	3,171.3	3,177.1	3,176.6
Equity accounted investments	2,268.0	2,626.6	3,191.2
Investment properties	557.4	278.2	375.5
Other financial assets	1,430.8	1,547.8	1,497.0
Deferred tax assets	148.9	120.0	111.5
Property, plant and equipment	424.7	464.7	470.1
Intangible assets	1,407.2	1,421.4	1,435.8
Defined benefit plan asset	80.8	154.7	142.2
Other assets	67.3	71.1	77.6
<b>Total non current assets</b>	<b>10,298.8</b>	<b>10,649.4</b>	<b>11,193.3</b>
<b>Total assets</b>	<b>15,792.0</b>	<b>16,963.6</b>	<b>17,457.6</b>

\$m	HY18	FY18	HY19
<b>Current Liabilities</b>			
Trade and other payables	4,719.6	5,769.5	5,826.9
Provisions	421.9	329.9	322.5
Borrowings and financing arrangements	249.6	474.8	-
Current tax liabilities	9.8	10.4	-
Other financial liabilities	8.8	3.4	5.8
<b>Total current liabilities</b>	<b>5,409.7</b>	<b>6,588.0</b>	<b>6,155.2</b>
<b>Non Current Liabilities</b>			
Trade and other payables	1,915.3	1,530.7	1,363.3
Provisions	55.2	67.8	47.4
Borrowings and financing arrangements	1,542.9	1,883.7	3,364.1
Other financial liabilities	0.6	0.7	0.9
Deferred tax liabilities	439.2	478.5	419.9
<b>Total non current liabilities</b>	<b>3,953.2</b>	<b>3,961.4</b>	<b>5,195.6</b>
<b>Total liabilities</b>	<b>9,362.9</b>	<b>10,549.4</b>	<b>11,350.8</b>
<b>Net assets</b>	<b>6,429.1</b>	<b>6,414.2</b>	<b>6,106.8</b>
<b>Equity</b>			
Issued capital	1,296.8	1,296.8	1,296.8
Treasury securities	(44.1)	(44.1)	(61.1)
Reserves	(14.1)	61.0	125.9
Retained earnings	3,857.5	3,855.1	3,427.1
<b>Total equity attributable to members of Lendlease Corporation Limited</b>	<b>5,096.1</b>	<b>5,168.8</b>	<b>4,788.7</b>
Total equity attributable to unitholders of Lendlease Trust	1,203.1	1,244.5	1,317.1
<b>Total equity attributable to securityholders</b>	<b>6,299.2</b>	<b>6,413.3</b>	<b>6,105.8</b>
External non controlling interests	129.9	0.9	1.0
<b>Total equity</b>	<b>6,429.1</b>	<b>6,414.2</b>	<b>6,106.8</b>



# Statement of Cash Flows

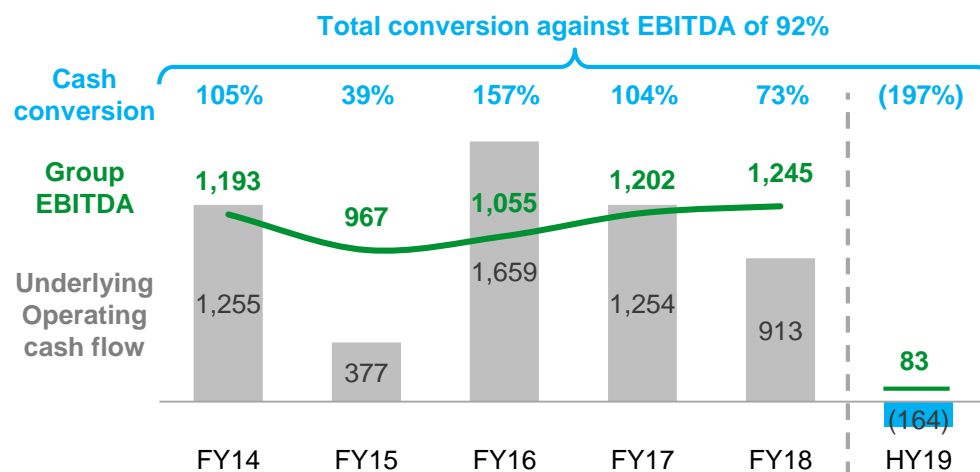
\$m	HY18	HY19
<b>Cash Flows from Operating Activities</b>		
Cash receipts in the course of operations	9,272.3	8,070.8
Cash payments in the course of operations	(8,879.1)	(8,861.5)
Interest received	6.6	5.8
Interest paid	(79.0)	(85.2)
Dividends/distributions received	36.3	62.9
Income tax paid in respect of operations	(16.7)	(17.0)
<b>Net cash provided by/(used in) operating activities</b>	<b>340.4</b>	<b>(824.2)</b>
<b>Cash Flows from Investing Activities</b>		
Sale/redemption of investments	63.9	228.1
Acquisition of investments	(191.5)	(201.4)
Acquisition of/capital expenditure on investment properties	(149.5)	(18.1)
Net loan repayments from/(to) associates and joint ventures	381.3	(19.8)
Disposal of consolidated entities (net of cash disposed and transaction costs)	430.4	232.3
Disposal of property, plant and equipment	4.8	7.3
Acquisition of property, plant and equipment	(39.7)	(46.9)
Acquisition of intangible assets	(14.9)	(24.1)
<b>Net cash provided by investing activities</b>	<b>484.8</b>	<b>157.4</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	711.7	3,031.2
Repayment of borrowings	(1,074.9)	(2,090.6)
Dividends/distributions paid	(183.9)	(190.2)
Payments for on market buyback of stapled securities	-	(174.1)
Payments for on market buyback of stapled securities - Dividend Reinvestment Plan	-	(10.5)
Increase in capital of non controlling interest	21.6	-
Other financing activities	(7.4)	(0.1)
<b>Net cash (used in)/provided by financing activities</b>	<b>(532.9)</b>	<b>565.7</b>
<b>Other Cash Flow Items</b>		
Effect of foreign exchange rate movements on cash and cash equivalents	3.7	12.1
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>296.0</b>	<b>(89.0)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>1,249.2</b>	<b>1,177.1</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>1,545.2</b>	<b>1,088.1</b>



# Underlying operating cash flow

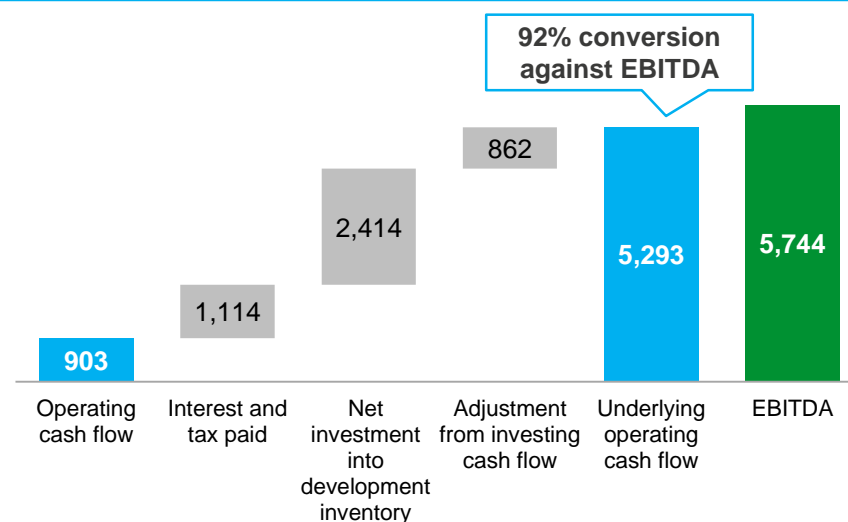
## Cash conversion (FY14-HY19) (\$m)

- Lendlease has delivered underlying operating cash flow of \$5.3b from FY14 to HY19
- This represents 92% of Group EBITDA over the period. Balance relates to a combination of factors including:
  - Investment revaluations
  - Retirement DMF accruals
  - Construction working capital movements



## Reconciliation<sup>1</sup> (FY14-HY19) (\$m)

- Underlying operating cash flow has been included to provide a more accurate cash comparator against Group EBITDA
- \$1.1b has been paid in interest and tax
- Since FY14, \$2.4b (46%) of the Group's underlying operating cash flow has been reinvested into development inventories<sup>2</sup>
- \$0.9b has been generated from the sell down of deconsolidated development entities and realised net gain on sales of assets (classified as statutory investing cash flow)<sup>3</sup>



1. Refer to Financial and Operational Metrics data file for full reconciliation.

2. Movement in development properties inventory, less movement in deferred land payments.

3. Reallocation reflects cash proceeds from sell down of development entities and realised gains on sale of assets not reflected in operating cash flow.



# HY19 underlying operating cash flow

In HY19 Lendlease delivered underlying operating cash flow of (\$0.2b)

\$m	Statutory	Adjustments	Underlying
<b>Cash Flows from Operating Activities</b>			
Cash receipts in the course of operations	8,070.8	-	8,070.8
Cash payments in the course of operations	(8,861.5)	264.5 <sup>1</sup>	(8,597.0)
Dividends/distributions received	62.9	-	62.9
Deconsolidation of development entities	-	232.3 <sup>2</sup>	232.3
Realised gains on sale of assets	-	67.0 <sup>3</sup>	67.0
Interest received	5.8	(5.8)	-
Interest paid	(85.2)	85.2	-
Income tax paid in respect of operations	(17.0)	17.0	-
<b>Net cash used in operating activities</b>	<b>(824.2)</b>	<b>660.2</b>	<b>(164.0)</b>
<b>Cash Flows from Investing Activities</b>			
Sale/redemption of investments	228.1	(67.0) <sup>3</sup>	161.1
Acquisition of investments	(201.4)	-	(201.4)
Acquisition of/capital expenditure on investment properties	(18.1)	-	(18.1)
Net loan repayments to associates and joint ventures	(19.8)	-	(19.8)
Disposal of consolidated entities (net of cash disposed and transaction costs)	232.3	(232.3) <sup>2</sup>	-
Disposal of property, plant and equipment	7.3	-	7.3
Acquisition of property, plant and equipment	(46.9)	-	(46.9)
Acquisition of intangible assets	(24.1)	-	(24.1)
Net investment into development inventory	-	(264.5) <sup>1</sup>	(264.5)
<b>Net cash provided by/(used in) investing activities</b>	<b>157.4</b>	<b>(563.8)</b>	<b>(406.4)</b>

## Overview

- Underlying operating cash flow** is derived by adjusting statutory cash flows to better reflect operating cash generated by the Group from its operating model prior to:
  - Payment of interest and tax
  - Reinvestment in the Group's pipeline

## Summary of adjustments

### 1. Net investment into development inventory

Growth in development properties inventory (net of deferred land payments) is reclassified as an investing activity

### 2. Cash proceeds from sell down of development entities

The proceeds on sale of deconsolidated development entities is reclassified as an operating activity, to align with the treatment of cash flows prior to deconsolidation

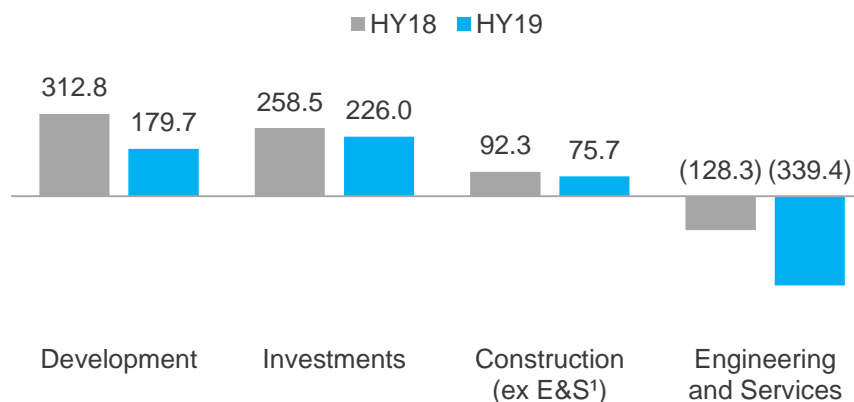
### 3. Realised gains on sale of assets

Lendlease is an active investment manager, with revaluations included in EBITDA. Accordingly, gains on disposal (including crystallised revaluations) are reclassified as an operating activity

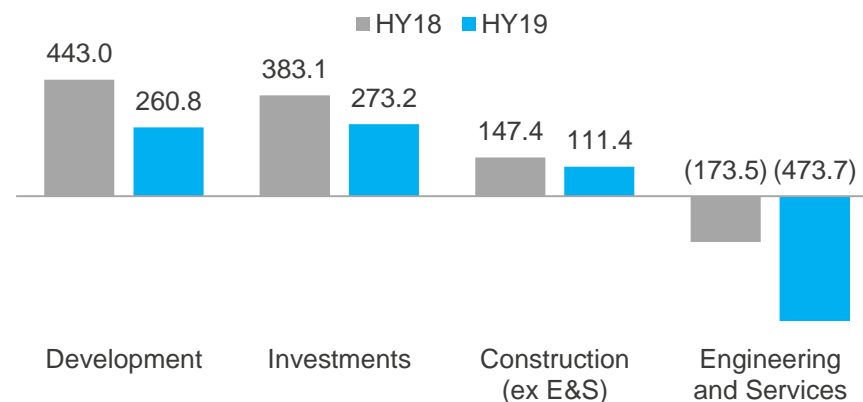


# Segment financial metrics

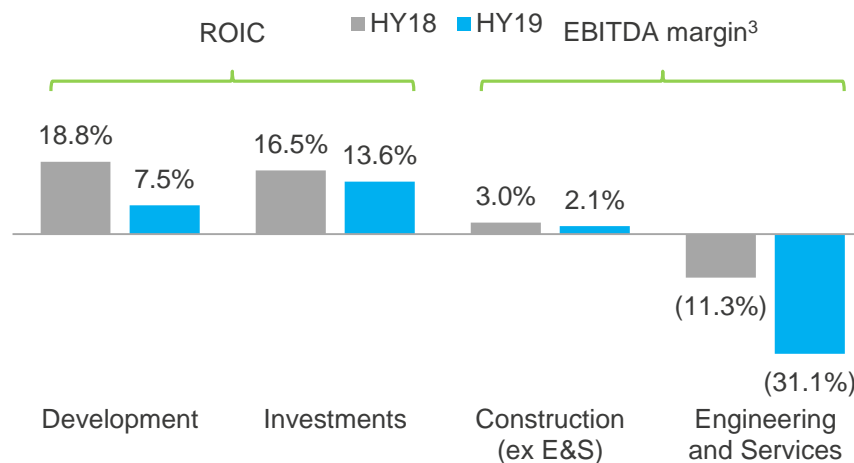
## Operating Profit after Tax (\$m)



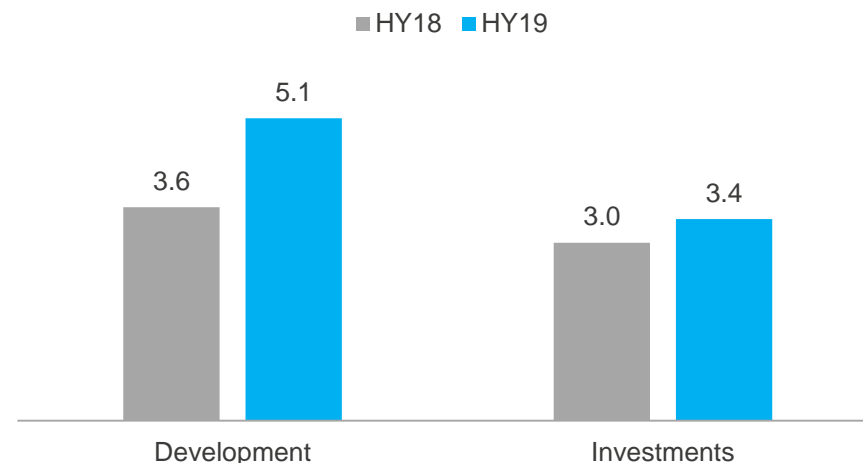
## Operating EBITDA (\$m)



## ROIC<sup>2</sup> (Development and Investments), EBITDA margin (Construction)



## Invested capital (Development and Investments) (\$b)



1. Engineering and Services.

2. Return on Invested Capital (ROIC) is calculated using the annualised Profit after Tax divided by the arithmetic average of beginning and half year end invested capital.

3. HY19 EBITDA margin for total Construction was (5.4%).



# Segment and regional financial metrics

## By segment

	Revenue (\$m)		EBITDA (\$m)		Profit after Tax (\$m)		Invested capital (\$b)		
	HY18	HY19	HY18	HY19	HY18	HY19	HY18	FY18	HY19
Development	2,028.8	870.4	443.0	260.8	312.8	179.7	3.6	4.3	5.1
Investments	218.5	164.2	383.1	273.2	258.5	226.0	3.0	3.3	3.4
Construction (ex E&S)	4,896.9	5,190.8	147.4	111.4	92.3	75.7			
Corporate <sup>1</sup>	16.7	20.8	(79.4)	(88.6)	(109.7)	(126.3)			
<b>Group (ex E&amp;S)</b>	<b>7,160.9</b>	<b>6,246.2</b>	<b>894.1</b>	<b>556.8</b>	<b>553.9</b>	<b>355.1</b>			
Engineering and Services	1,536.4	1,524.8	(173.5)	(473.7)	(128.3)	(339.4)			
<b>Total Group</b>	<b>8,697.3</b>	<b>7,771.0</b>	<b>720.6</b>	<b>83.1</b>	<b>425.6</b>	<b>15.7</b>			

## By region

	Revenue (\$m)		EBITDA (\$m)		Profit after Tax (\$m)		Invested capital (\$b)		
	HY18	HY19	HY18	HY19	HY18	HY19	HY18	FY18	HY19
Australia (ex E&S) <sup>2</sup>	3,871.2	2,848.2	758.8	334.2	514.5	258.4	4.1	4.4	4.4
Asia	254.2	238.1	26.9	137.5	16.0	94.9	0.8	0.9	1.1
Europe	483.6	716.2	70.0	60.7	53.9	52.4	0.9	1.2	1.5
Americas	2,535.2	2,422.9	117.8	113.0	79.2	75.7	0.8	1.0	1.1
Corporate <sup>1</sup>	16.7	20.8	(79.4)	(88.6)	(109.7)	(126.3)			
<b>Group (ex E&amp;S)</b>	<b>7,160.9</b>	<b>6,246.2</b>	<b>894.1</b>	<b>556.8</b>	<b>553.9</b>	<b>355.1</b>			
Engineering and Services	1,536.4	1,524.8	(173.5)	(473.7)	(128.3)	(339.4)			
<b>Total Group</b>	<b>8,697.3</b>	<b>7,771.0</b>	<b>720.6</b>	<b>83.1</b>	<b>425.6</b>	<b>15.7</b>			

1. Comprises Group Services and Group Treasury costs. HY19 EBITDA: Group Services (\$74.2m) and Group Treasury (\$14.4m). HY18 EBITDA: Group Services (\$68.9m) and Group Treasury (\$10.5m).

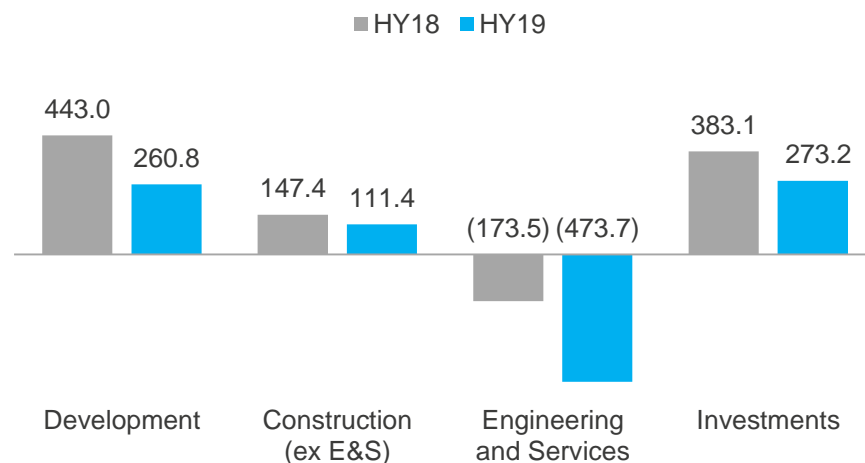
2. Invested capital is inclusive of Engineering and Services.



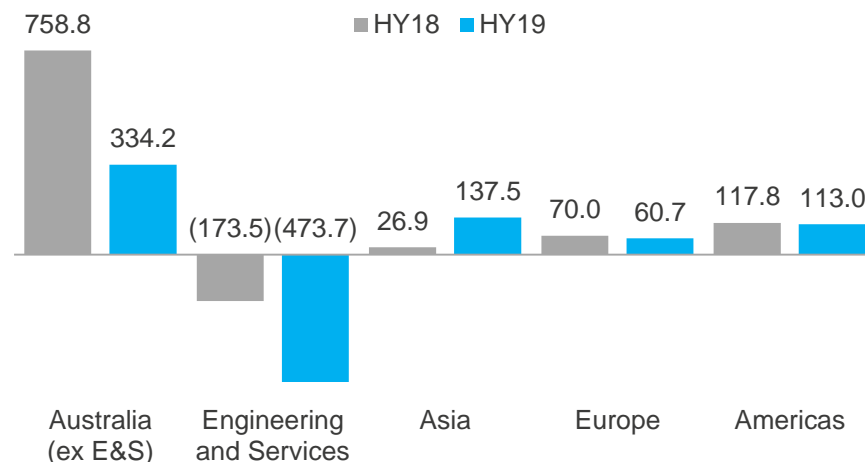
# Revenue and EBITDA by segment and region

\$m	Revenue		EBITDA	
	HY18	HY19	HY18	HY19
<b>Development</b>				
Australia	1,844.4	594.9	384.0	71.1
Asia	4.5	9.2	7.7	100.7
Europe	132.7	223.4	59.8	31.3
Americas	47.2	42.9	(8.5)	57.7
<b>Total Development</b>	<b>2,028.8</b>	<b>870.4</b>	<b>443.0</b>	<b>260.8</b>
<b>Construction</b>				
Australia (ex E&S)	1,861.8	2,149.5	107.4	64.7
Asia	228.7	200.0	0.5	3.5
Europe	343.1	486.4	10.3	19.1
Americas	2,463.3	2,354.9	29.2	24.1
<b>Construction (ex E&amp;S)</b>	<b>4,896.9</b>	<b>5,190.8</b>	<b>147.4</b>	<b>111.4</b>
Engineering and Services	1,536.4	1,524.8	(173.5)	(473.7)
<b>Total Construction</b>	<b>6,433.3</b>	<b>6,715.6</b>	<b>(26.1)</b>	<b>(362.3)</b>
<b>Investments</b>				
Australia	165.0	103.8	267.4	198.4
Asia	21.0	28.9	18.7	33.3
Europe	7.8	6.4	(0.1)	10.3
Americas	24.7	25.1	97.1	31.2
<b>Total Investments</b>	<b>218.5</b>	<b>164.2</b>	<b>383.1</b>	<b>273.2</b>
<b>Total Operating</b>				
Australia (ex E&S)	3,871.2	2,848.2	758.8	334.2
Asia	254.2	238.1	26.9	137.5
Europe	483.6	716.2	70.0	60.7
Americas	2,535.2	2,422.9	117.8	113.0
<b>Operating (ex E&amp;S)</b>	<b>7,144.2</b>	<b>6,225.4</b>	<b>973.5</b>	<b>645.4</b>
Engineering and Services	1,536.4	1,524.8	(173.5)	(473.7)
<b>Total Operating</b>	<b>8,680.6</b>	<b>7,750.2</b>	<b>800.0</b>	<b>171.7</b>

## Operating EBITDA by segment (\$m)



## Operating EBITDA by region (\$m)



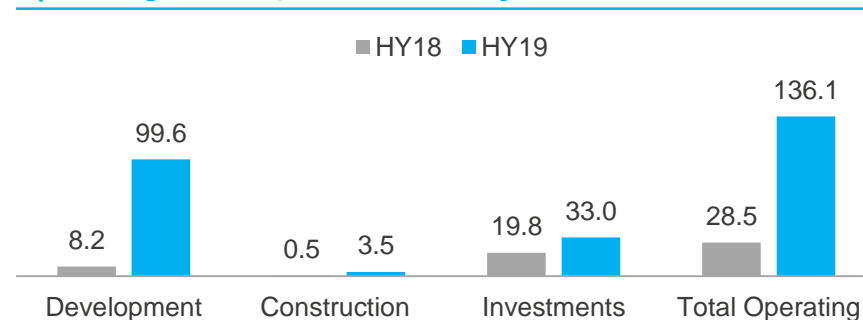


# Revenue and EBITDA by segment and region, local currency

## Asia

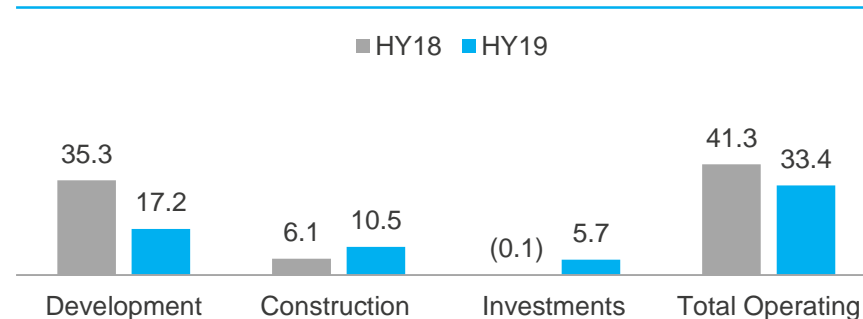
SGDm <sup>1</sup>	Revenue		EBITDA	
	HY18	HY19	HY18	HY19
Development	4.8	9.1	8.2	99.6
Construction	242.4	198.0	0.5	3.5
Investments	22.3	28.6	19.8	33.0
<b>Total Operating</b>	<b>269.5</b>	<b>235.7</b>	<b>28.5</b>	<b>136.1</b>

## Operating EBITDA, local currency (m)



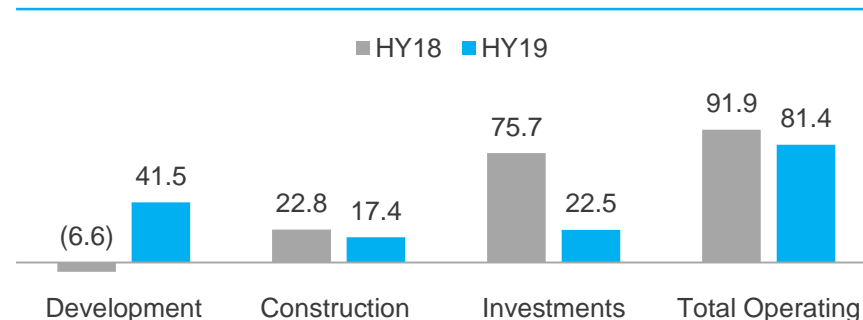
## Europe

£m <sup>1</sup>	Revenue		EBITDA	
	HY18	HY19	HY18	HY19
Development	78.3	122.9	35.3	17.2
Construction	202.4	267.5	6.1	10.5
Investments	4.6	3.5	(0.1)	5.7
<b>Total Operating</b>	<b>285.3</b>	<b>393.9</b>	<b>41.3</b>	<b>33.4</b>



## Americas

US\$m	Revenue		EBITDA	
	HY18	HY19	HY18	HY19
Development	36.8	30.9	(6.6)	41.5
Construction	1,921.4	1,695.5	22.8	17.4
Investments	19.3	18.1	75.7	22.5
<b>Total Operating</b>	<b>1,977.5</b>	<b>1,744.5</b>	<b>91.9</b>	<b>81.4</b>



1. Major currency in region.



# Exchange rates

## Income Statement

Local	Foreign	HY18 <sup>1</sup>	FY18 <sup>2</sup>	HY19 <sup>3</sup>
AUD	USD	0.78	0.77	0.72
AUD	GBP	0.59	0.57	0.55
AUD	SGD	1.06	1.04	0.99

## Statement of Financial Position

Local	Foreign	HY18 <sup>4</sup>	FY18 <sup>5</sup>	HY19 <sup>6</sup>
AUD	USD	0.78	0.74	0.70
AUD	GBP	0.58	0.56	0.55
AUD	SGD	1.04	1.01	0.96

1. Average foreign exchange rate for the half year 2018.
2. Average foreign exchange rate for the full year 2018.
3. Average foreign exchange rate for the half year 2019.
4. Spot foreign exchange rate at 31 December 2017.
5. Spot foreign exchange rate at 30 June 2018.
6. Spot foreign exchange rate at 31 December 2018.



# Regional EBITDA to PAT reconciliation

## HY19 EBITDA to PAT reconciliation

\$m	EBITDA	Net interest	D&A <sup>1</sup>	PBT	Tax	PAT
<b>Australia</b>						
Development	71.1	(1.6)	(1.5)	68.0	(20.3)	47.7
Construction	(409.0)	0.8	(15.4)	(423.6)	127.3	(296.3)
Investments	198.4	-	(2.8)	195.6	(28.0)	167.6
<b>Total Australia</b>	<b>(139.5)</b>	<b>(0.8)</b>	<b>(19.7)</b>	<b>(160.0)</b>	<b>79.0</b>	<b>(81.0)</b>
<b>Asia</b>						
Development	100.7	-	(0.1)	100.6	(32.4)	68.2
Construction	3.5	-	(0.3)	3.2	(0.4)	2.8
Investments	33.3	-	-	33.3	(9.4)	23.9
<b>Total Asia</b>	<b>137.5</b>	<b>-</b>	<b>(0.4)</b>	<b>137.1</b>	<b>(42.2)</b>	<b>94.9</b>
<b>Europe</b>						
Development	31.3	3.4	(1.1)	33.6	(6.1)	27.5
Construction	19.1	(0.4)	(0.9)	17.8	(3.6)	14.2
Investments	10.3	0.1	(0.1)	10.3	0.4	10.7
<b>Total Europe</b>	<b>60.7</b>	<b>3.1</b>	<b>(2.1)</b>	<b>61.7</b>	<b>(9.3)</b>	<b>52.4</b>
<b>Americas</b>						
Development	57.7	-	(1.6)	56.1	(19.8)	36.3
Construction	24.1	0.1	(1.8)	22.4	(6.8)	15.6
Investments	31.2	-	(0.7)	30.5	(6.7)	23.8
<b>Total Americas</b>	<b>113.0</b>	<b>0.1</b>	<b>(4.1)</b>	<b>109.0</b>	<b>(33.3)</b>	<b>75.7</b>
<b>Corporate</b>						
Group Services	(74.2)	(0.1)	(35.2)	(109.5)	33.8	(75.7)
Group Treasury	(14.4)	(54.9)	-	(69.3)	18.7	(50.6)
<b>Total Corporate</b>	<b>(88.6)</b>	<b>(55.0)</b>	<b>(35.2)</b>	<b>(178.8)</b>	<b>52.5</b>	<b>(126.3)</b>
<b>Total Group</b>	<b>83.1</b>	<b>(52.6)</b>	<b>(61.5)</b>	<b>(31.0)</b>	<b>46.7</b>	<b>15.7</b>

1. Depreciation and amortisation.



# Debt metrics

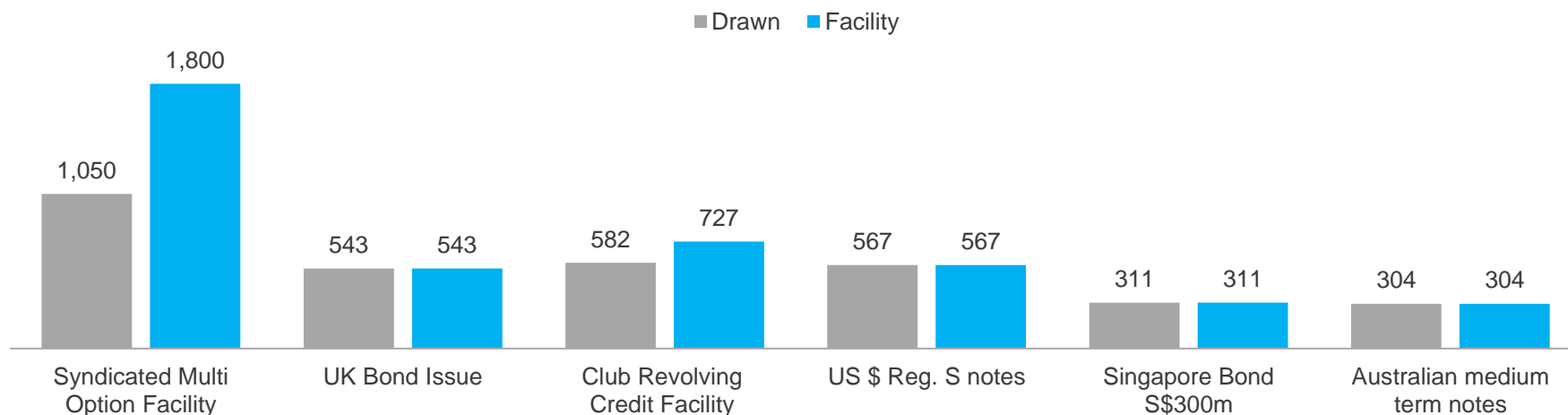
		HY18	FY18	HY19
Net debt	\$m	249.7	1,181.8	2,276.3
Borrowings to total equity plus borrowings	%	21.8	26.9	35.5
Net debt to total tangible assets, less cash	%	1.9	8.2	15.2
Interest cover <sup>1</sup>	times	12.5	10.7	8.1
Average cost of debt	%	4.8	4.8	4.2
Average debt maturity	years	5.4	4.6	4.0
Average debt mix fixed: floating	ratio	88:12	86:14	59:41
Undrawn facilities	\$m	2,313.2	1,827.1	1,019.6

1. EBITDA plus interest income, divided by interest finance costs, including capitalised finance costs. HY19 EBITDA has been adjusted to exclude the \$500m pre-tax impact from losses expected to be incurred on underperforming Engineering projects.

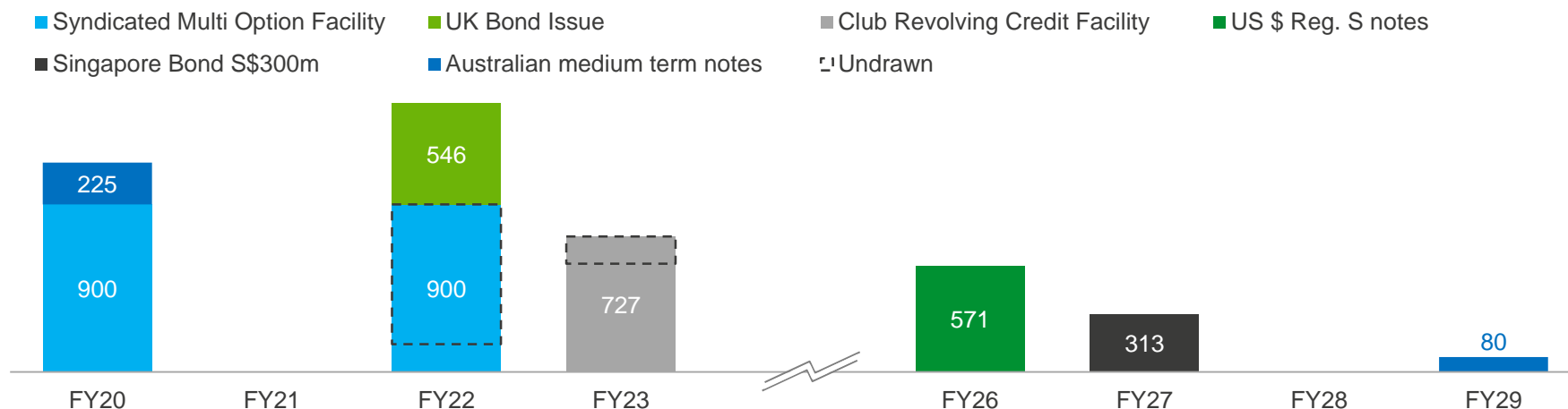


# Debt facilities and maturity profile

## Debt facilities<sup>1</sup> (\$m)



## Debt maturity profile<sup>2</sup> (\$m)



1. Values are shown at amortised cost.

2. Values are shown at gross facility value.



# Key dates for investors

	Date
HY19 results released to market / interim distribution declared	25 February 2019
Securities quoted ex distribution on the Australian Securities Exchange	1 March 2019
Interim distribution record date	4 March 2019
Interim distribution payable	20 March 2019
FY19 results released to market / final distribution declared	19 August 2019
Annual General Meetings	20 November 2019





**lendlease**

**Development  
Segment**





# Earnings drivers - Development

ROIC target 10-13%<sup>1</sup>; Invested capital \$5.1b; Pipeline<sup>2</sup> \$74.5b

		Urbanisation		Communities	Telco Infrastructure	Infrastructure Development	Military Housing
		20 major projects in 10 gateway cities		15 communities projects across Australia			
DEVELOPMENT SEGMENT	Business	Apartments      Commercial		Communities	US Telco Towers	Australian Infrastructure Development	US Military Housing Portfolio
	Returns and Metrics	Target 1,000 - 2,000 settlements per annum	Target 2 - 3 buildings commenced per annum	Target 3,000 - 4,000 settlements per annum	Development margin	Origination fees	Development fees
	Pipeline <sup>2</sup>	31,180 units \$34.5b	1,977,000 sqm \$24.8b	51,361 lots \$15.1b	188 tower pipeline on balance sheet	Periodic bids for PPP projects	Periodic bids for major projects

1. Revised target for FY19 and beyond following reclassification of internal construction margin to the Development segment. Through-cycle target based on rolling three to five year timeline.

2. Remaining estimated development end value.



# Development HY19

## Overview

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

## Drivers<sup>2</sup>

- Apartments for sale settlements<sup>3</sup>: 145 units
  - Profit contribution from Elephant Park apartments
  - Skew to H2 with c.1,500 apartments expected to settle
- Communities settlements: 908 lots, down 49%
  - We anticipate annual settlements in FY19 to be below the target range
- Profit contribution from Paya Lebar Quarter: \$111.5m
  - Practical completion of 83,000 sqm office component
  - Revenue on residential apartments recognised on percent complete
- US residential investment partnership: \$72.5m profit
  - Three buildings across Southbank, Chicago and Clippership Wharf, Boston
- Profit on Barangaroo South retail following stabilisation of a number of assets and shift to Investments segment
- Profit contribution from completion of 25 King<sup>4</sup>, Brisbane
- US telecommunication towers – expect H2 skew to FY19 completions

- Operating EBITDA including Engineering and Services is \$171.7m, excluding Engineering and Services is \$645.4m.
- Comparative period the half year ended 31 December 2017.
- On adoption of AASB 15 from 1 July 2018, the recognition point of revenue (and associated units) on residential for sale development properties changed to settlement in Australia, Europe and Americas.
- Forward sold in FY17, profit on completion.

## Performance

		HY18	HY19
% Operating EBITDA (ex E&S) <sup>1</sup>	%	46	40
ROIC	%	18.8	7.5
Invested capital	\$b	3.6	5.1

## Outlook

- Two new major urbanisation projects secured
  - Victoria Cross, Sydney: \$1.1b<sup>5</sup>
  - Lakeshore East, Chicago: \$2.1b<sup>5</sup>
    - First phase of residential for rent and residential for sale delivered in partnership with FSS
- 845 West Madison, Chicago into delivery: \$0.5b<sup>5</sup>
- Post balance date origination
  - Preferred partner for Birmingham Smithfield \$2.7b
  - Preferred partner for Thamesmead Waterfront \$14.5b
- \$74.5b development pipeline<sup>6</sup>, up 31%
  - 23 major apartment buildings in delivery across seven gateway cities
    - 3,004 units presold in delivery: \$3.4b
    - 1,985 units for rent in delivery: \$1.8b<sup>5</sup>
  - 3,266 communities lots presold: \$0.9b
  - 359,000 sqm of commercial space in delivery across eight major buildings
  - Remaining secured pipeline
    - 26,191 apartment units: \$29.6b<sup>6</sup>
    - 1,618,000 sqm of commercial space: \$19.9b<sup>6</sup>

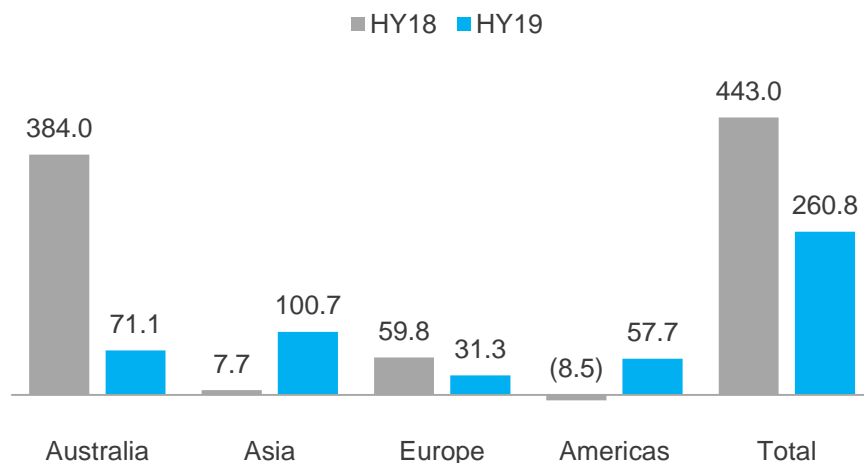
5. Total estimated development end value.

6. Remaining estimated development end value.

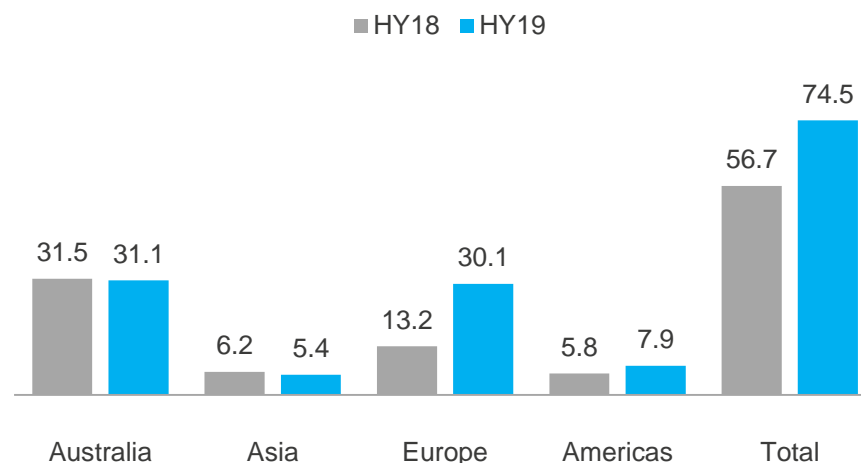


# Development earnings / pipeline

## EBITDA by region (\$m)

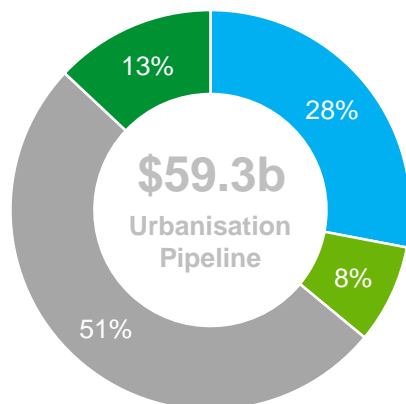


## Pipeline<sup>1</sup> by region (\$b)



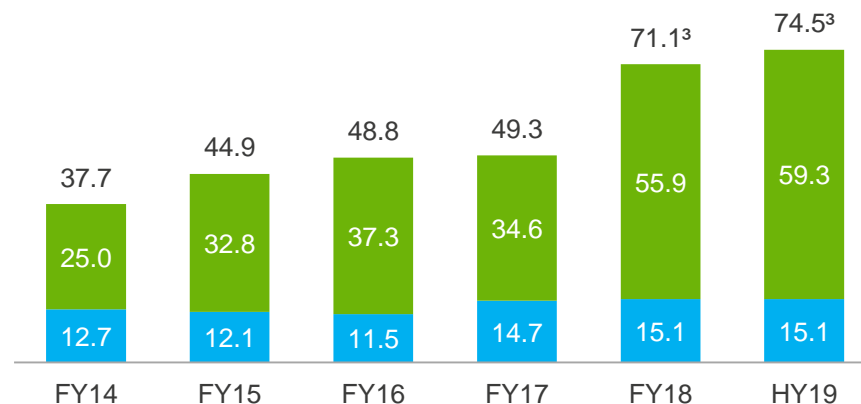
## HY19 urbanisation pipeline<sup>1</sup> by region

■ Australia ■ Asia ■ Europe ■ Americas



## Pipeline<sup>1</sup> (\$b)

■ Communities<sup>2</sup> ■ Urbanisation



1. Remaining estimated development end value.

2. FY18 and HY19 exclude Australian Retirement pipeline which is now included in the Investments segment following the Retirement Living transaction.

3. Includes \$0.1b of Infrastructure pipeline.



# Residential development

## Communities settlements<sup>1</sup>

	HY18		HY19	
	Units	\$m	Units	\$m
QLD	717	145	173	33
NSW	379	149	294	65
VIC	587	127	357	83
SA	49	6	43	7
WA	48	11	41	9
<b>Total</b>	<b>1,780</b>	<b>438</b>	<b>908</b>	<b>197</b>

## Communities sales

	HY18		HY19	
	Units	\$m	Units	\$m
QLD	557	119	313	72
NSW	260	101 <sup>2</sup>	121	66
VIC	773	189	413	112
SA	47	8	61	9
WA	89	22	35	7
<b>Total</b>	<b>1,726</b>	<b>439</b>	<b>943</b>	<b>266</b>

## HY19 Apartment settlements<sup>1</sup>

	Units	\$m
<b>Total Australia</b>	<b>8</b>	<b>7</b>
Elephant Park - West Grove (Buildings 1 and 2)	129	108
Wandsworth - Victoria Drive	7	13
Other	1	1
<b>Total Europe</b>	<b>137</b>	<b>122</b>
<b>Total settlements</b>	<b>145</b>	<b>129</b>

1. On adoption of AASB 15 from 1 July 2018, the recognition point of revenue (and associated units) on residential for sale development properties changed to settlement in Australia, Europe and Americas.

2. Following inclusion of Australian Retirement Living sales in the Investments segment, rounding of \$1m was removed from NSW.



# Development commencements and completions

City	Project	Building	Sector	Capital model	End value <sup>1</sup> (\$b)	sqm '000
Commercial completions						
Melbourne	Melbourne Quarter	One Melbourne Quarter	Office	Fund through	0.3	26
Brisbane	Brisbane Showgrounds	25 King	Office	Fund through	0.1	15
Singapore	Paya Lebar Quarter	Commercial (3 buildings)	Office	Joint venture	2.1	83

City	Project	Building	End value <sup>1</sup> (\$b)	Total units	Completion date <sup>2</sup>
Residential for rent apartment commencements					
Chicago	845 West Madison	845 West Madison	0.5	586	FY21

Location	Completed (no.)	End value <sup>1</sup> (\$m)
Telecommunications completions		
Americas	17	9.0

1. Total estimated development end value.

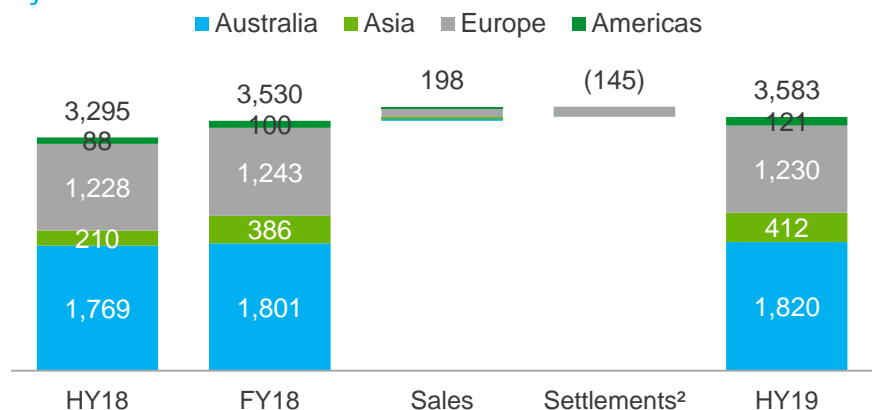
2. Based on expected completion date of underlying buildings, subject to change in delivery program.



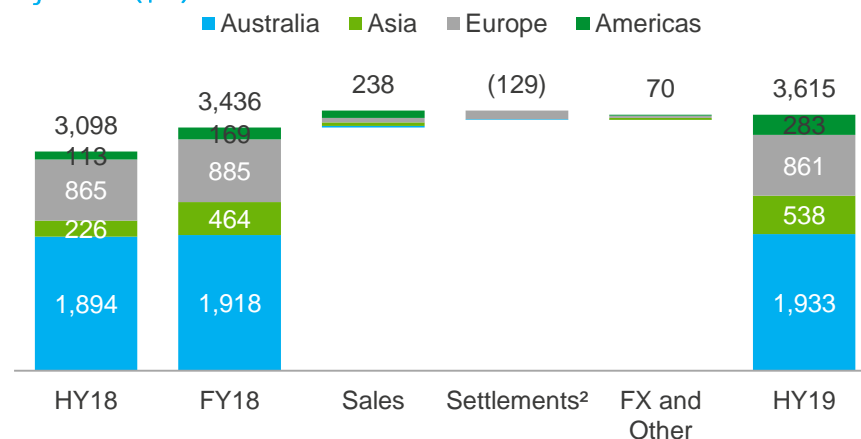
# Residential apartments<sup>1</sup>

## Movement in presales – Apartments for sale

### By units

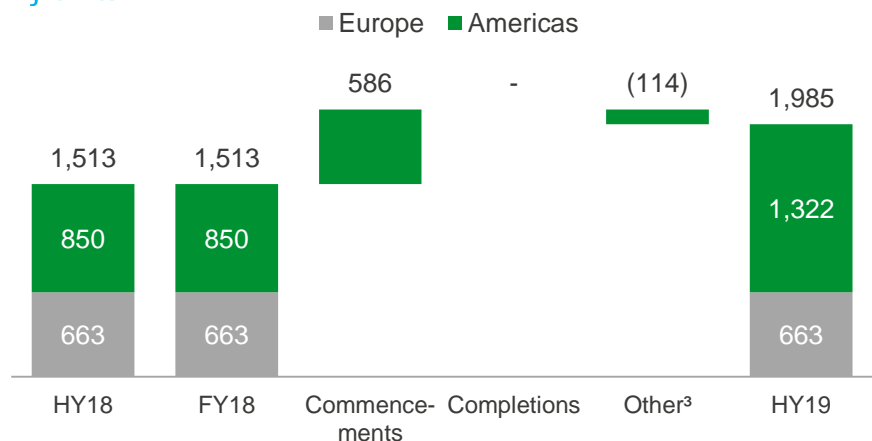


### By value (\$m)

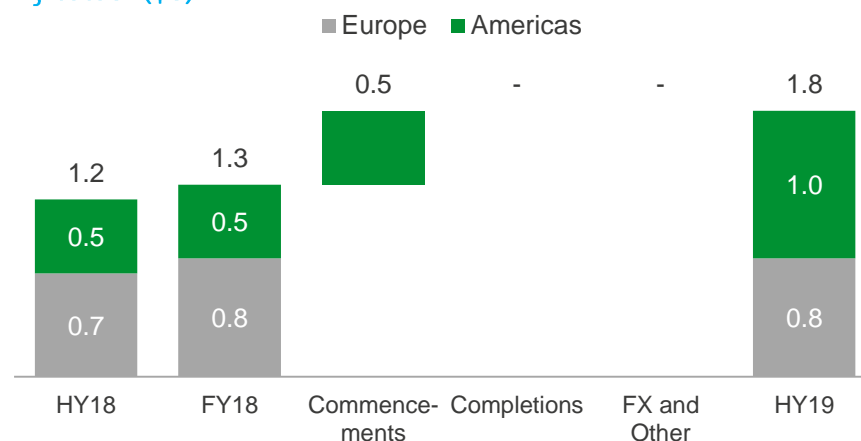


## Apartments for rent in delivery

### By units



### By value⁴ (\$b)



1. Includes 100% of revenue from joint venture projects.

2. On adoption of AASB 15 from 1 July 2018, the recognition point of revenue (and associated units) on residential for sale development properties changed to settlement in Australia, Europe and Americas.

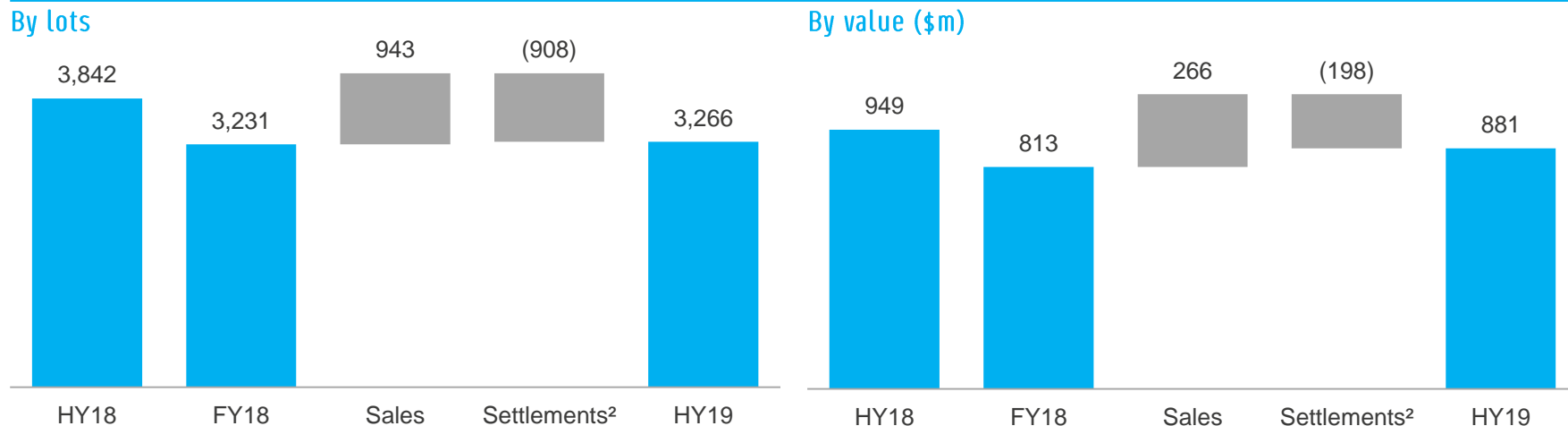
3. Clippership Wharf - Building 4 has been repurposed as an apartment for sale product.

4. Total estimated development end value.



# Residential communities

## Movement in presales<sup>1</sup>



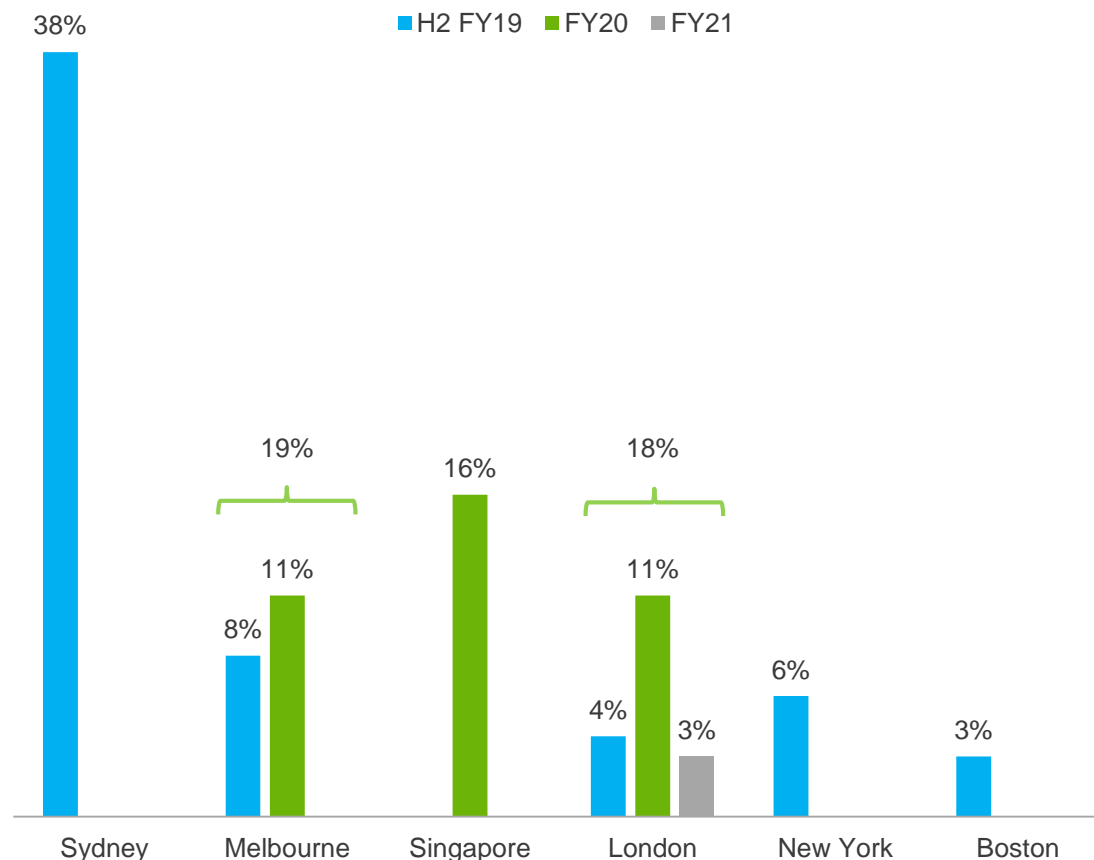
1. Includes 100% of revenue from joint venture projects.

2. On adoption of AASB 15 from 1 July 2018, the recognition point of revenue (and associated units) on residential for sale development properties changed to settlement in Australia.

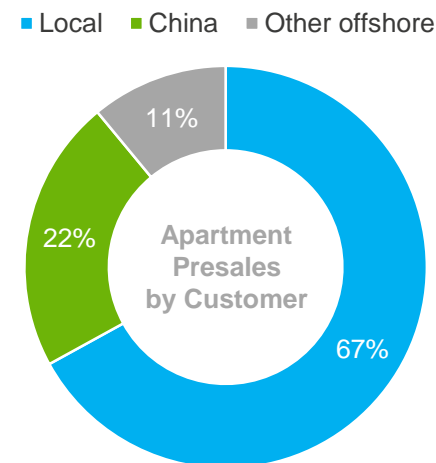


# HY19 apartment presales<sup>1</sup> – by location and customer

## Run-off profile by location<sup>2</sup>



## By customer<sup>3</sup>



1. Major buildings in delivery only, reflecting total presales of \$3.4b.
2. The recognition point of revenue on residential for sale development properties is settlement in Australia, Europe and Americas. Delivery date is subject to change in delivery program.
3. Customer origin is not available for presold units on apartment buildings in Americas.



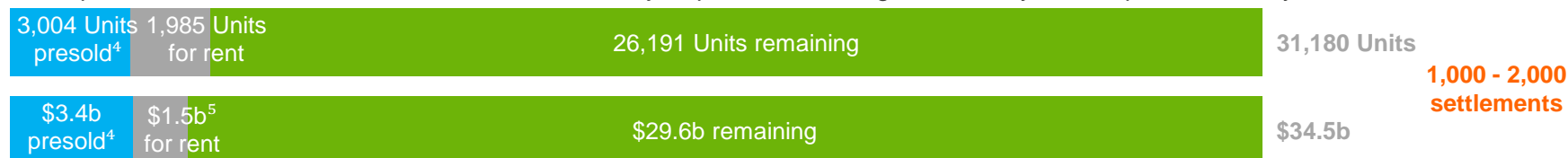
# Development pipeline provides long term earnings visibility

Record secured pipeline<sup>1</sup> of \$74.5b controlled by invested capital of \$5.1b

**Target  
annual  
turnover<sup>2</sup>**

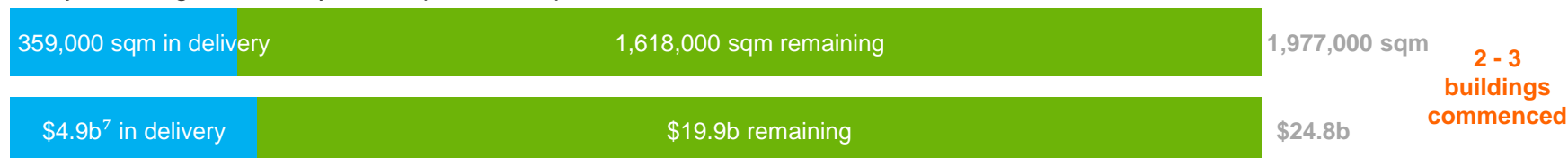
## Apartments

3,004 presold units and 1,985 units for rent across 23 major apartment buildings<sup>3</sup> in delivery, with expected delivery H2 FY19 to FY21

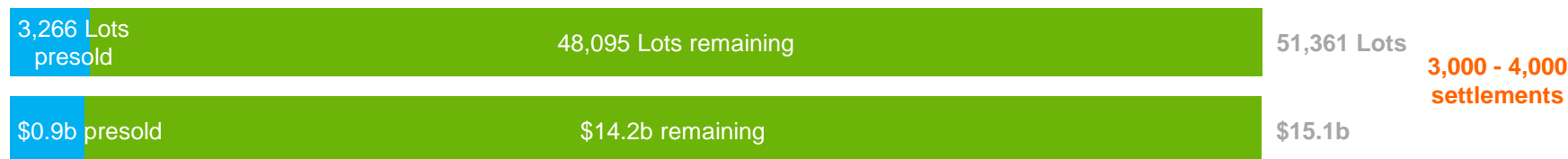


## Commercial

8 major buildings<sup>6</sup> in delivery, with expected completion H2 FY19 to FY22



## Communities<sup>8</sup>



**\$74.5 billion**  
**Total pipeline<sup>1</sup>**

1. Remaining estimated development end value. Includes Infrastructure.
2. Subject to market conditions.
3. Refer to the Apartments Settlement Profile on page 33 for a breakdown of the major buildings.
4. Presales balance on major buildings in delivery only.
5. Total estimated development end value of c.\$1.8b, with c.\$0.3b realised to date.
6. Refer to the Commercial Buildings Completion Profile on page 34 for a breakdown of the major buildings.
7. Total estimated development end value of c.\$6.1b, with c.\$1.2b realised to date.
8. Includes Asian retirement development units.



# Major urbanisation project summary

Region	Project	Project secured	Delivery commenced <sup>1</sup>	Completion date <sup>2</sup>	Residential backlog units	Commercial backlog sqm '000 <sup>3</sup>	Remaining end value (\$b) <sup>4</sup>	Land payment model
Australia	Barangaroo South, Sydney	FY09	FY12	FY24	808	16	3.7	Staged payment
	Victoria Harbour, Melbourne	FY01	FY04	FY27	2,331	47	2.5	Land management
	Melbourne Quarter	FY13	FY16	FY25	1,488	123	2.2	Land management
	Brisbane Showgrounds	FY09	FY11	FY33	2,280	67	2.2	Land management
	Circular Quay Tower, Sydney	FY12	FY17	FY22	-	57	1.8	Upfront payment
	Darling Square, Sydney	FY13	FY13	FY19	967	5	1.4	Staged payment
	Waterbank, Perth	FY13	FY20	FY29	1,301	12	1.3	Land management
	Victoria Cross, Sydney	FY19	FY22	FY25	-	58	1.1	Staged payment
Asia	The Lifestyle Quarter, Kuala Lumpur	FY14	FY17	FY26	2,326	122	3.1	Staged payment
	Paya Lebar Quarter, Singapore	FY15	FY16	FY20	429	29	1.7	Upfront payment
Europe	Euston Station, London	FY18	FY26	FY40+	2,000	400	10.5	Land management
	Silvertown Quays, London	FY18	FY20	FY32	3,000	440	6.4	Land management
	Milano Santa Giulia, Milan	FY18	FY19	FY35	2,558	253	3.8	Land management
	Elephant Park, London	FY10	FY12	FY25	1,921	13	2.9	Staged payment
	International Quarter London	FY10	FY14	FY26	-	199	2.6	Land management
	High Road West, London	FY18	FY19	FY29	2,501	14	2.0	Land management
	The Timberyard, Deptford, London	FY14	FY16	FY24	1,132	7	1.2	Upfront payment
Americas	Lakeshore East, Chicago	FY19	FY19	FY26	1,208	2	2.1	Staged payment
	Southbank, Chicago	FY15	FY16	FY26	1,880	2	2.0	Upfront payment
	30 Van Ness, San Francisco	FY17	FY21	FY24	358	25	1.4	Upfront payment
Other urbanisation projects					2,692	86	3.4	
<b>Total urbanisation</b>					<b>31,180</b>	<b>1,977</b>	<b>59.3</b>	

1. Includes forecast commencement dates, subject to change in delivery program.

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

3. Floor space measured as Net Lettable Area.

4. Remaining estimated development end value.



# Apartments settlement profile

City	Project	Building	Total units	Ownership	Presold	Units presold <sup>1</sup>	Presales <sup>1</sup> (\$b)	Delivery date <sup>2</sup>
Residential for sale apartments								
Sydney	Darling Square	Darling North, Harbour Place and Trinity House	577	100%	100%	577	0.8	FY19
		Darling Rise, Barker House and Arena	390	100%	100%	390	0.5	FY19
Melbourne	Victoria Harbour	Collins Wharf 1	321	100%	91%	292	0.3	FY19
London	Wandsworth	Victoria Drive (remaining sections)	61	50%	7%	4	-	FY19
New York	Fifth Avenue	277 Fifth Avenue	130	40%	_ <sup>3</sup>	_ <sup>3</sup>	_ <sup>3</sup>	FY19
Boston	Clippership Wharf	Building 3	80	100%	100%	80	0.1	FY19
Melbourne	Melbourne Quarter	East Tower	719	50%	77%	552	0.4	FY20
Singapore	Paya Lebar Quarter	Residential (3 Buildings)	429	30%	96%	412	0.5	FY20
London	Elephant Park	West Grove (Buildings 1 and 2) (remaining sections)	405	100%	78%	317	0.4	FY19 FY20
London	Deptford	Cedarwood Square	203	100%	85%	173	0.1	FY20
London	Elephant Park	East Grove and Park Central North <sup>4</sup>	166	100%	100%	166	0.1	FY21

City	Project	Building	Total units	Ownership	Delivery date <sup>5</sup>
Residential for rent apartments					
Chicago	Southbank	Cooper at Southbank	452	50% <sup>6</sup>	FY19
Boston	Clippership Wharf	Buildings 1 and 2	284	50% <sup>6</sup>	FY19
London	Elephant Park	East Grove and Park Central North	663	20%	FY21
Chicago	845 West Madison	845 West Madison	586	37.5%	FY21

1. Closing presales balance as at 31 December 2018.

2. On adoption of AASB 15 from 1 July 2018, the recognition point of revenue (and associated units) on residential for sale development properties changed to settlement in Australia, Europe and Americas. Delivery date is subject to change in delivery program.

3. Project information subject to joint venture confidentiality.

4. Affordable housing units presold within apartment for rent buildings.

5. Based on expected completion date of underlying buildings, subject to change in delivery program. Not indicative of cash or profit recognition.

6. Following the sell down to First State Super, ownership has decreased to 50.1% for Cooper at Southbank and 50.0% for Clippership Wharf Buildings 1 and 2.



# Commercial buildings completion profile

City	Project	Capital model	sqm '000 <sup>1</sup>	Building	Completion date <sup>2</sup>
Melbourne	Victoria Harbour	Fund through <sup>3</sup>	39	839 Collins Street	FY19
Sydney	Barangaroo South	Fund through <sup>3</sup>	11	Daramu House	FY20
Singapore	Paya Lebar Quarter	Joint venture	29	Retail	FY20
London	International Quarter London	Fund through <sup>3</sup>	26	Commercial building	FY20
Melbourne	Melbourne Quarter	Fund through <sup>3</sup>	50	Two Melbourne Quarter	FY21
Melbourne	Melbourne Connect (formerly University of Melbourne Innovation Precinct)	BOOT <sup>4</sup>	27	Melbourne Connect	FY21
Sydney	Circular Quay Tower	Joint venture	55	Circular Quay Tower	FY22
Kuala Lumpur	The Lifestyle Quarter	Joint venture	122	Retail	FY22
<b>Total</b>			<b>359</b>		

1. Floor space measured as Net Lettable Area.

2. Based on expected completion date of underlying buildings, subject to change in delivery program. Not indicative of cash or profit recognition.

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

4. Build, Own, Operate, Transfer.



# Conversion of secured pipeline

## Indicative conversion timing of secured commercial pipeline to FY23

City	Project	# Buildings	Sector	sqm '000 <sup>1</sup>	H2 FY19	FY20	FY21	FY22	FY23
Melbourne	Melbourne Quarter	2	Office/Retail	69					
Sydney	Victoria Cross	1	Office	58					
Brisbane	Brisbane Showgrounds	1	Office	30					
Milan	Milano Santa Giulia	6	Office/Retail	191					
London	International Quarter London	5	Office	173					
San Francisco	30 Van Ness	1	Office	25					
<b>Total</b>		<b>16</b>		<b>546</b>					

## Indicative conversion timing of secured residential for rent pipeline to FY23

City	Project	Units	H2 FY19	FY20	FY21	FY22	FY23
London	Elephant Park	118					
London	The Timberyard, Deptford	251					
London	High Road West	687					
London	Silvertown Quays	450					
Chicago	Southbank	631					
Chicago	Lakeshore East	503					
<b>Total</b>		<b>2,640</b>					

1. Floor space measured as Net Lettable Area.



# Communities projects

Project	Location	Land payment model	Completion date <sup>1</sup>	Residential backlog land lots <sup>2</sup>	Commercial backlog sqm '000 <sup>3</sup>
<b>Communities</b>					
Yarrabilba	QLD	Staged payment	FY47	14,190	2,005
Elliot Springs	QLD	Land management	FY61	10,635	1,050
Springfield Lakes	QLD	Land management	FY26	3,340	22
Shoreline	QLD	Land management	FY34	2,890	95
Calderwood Valley	NSW	Land management	FY36	3,640	152
Gilead	NSW	Staged payment	FY32	1,590	96
Bingara Gorge	NSW	Land management	FY26	1,160	79
St Marys - Jordan Springs	NSW	Upfront payment	FY22	835	296
The New Rouse Hill	NSW	Land management	FY21	450	-
Atherstone	VIC	Land management	FY25	3,420	86
Harpley	VIC	Land management	FY27	2,630	358
Aurora	VIC	Staged payment	FY26	2,100	145
Blakes Crossing	SA	Upfront payment	FY20	200	17
Alkimos	WA	Land management	FY26	1,225	28
Alkimos Vista	WA	Land management	FY24	560	-
Horizon Uptown	Americas	Upfront payment	FY33	1,617	-
Other Communities				1	-
<b>Subtotal</b>				<b>50,483</b>	<b>4,429</b>
<b>Retirement Asia</b>				<b>878</b>	
<b>Total</b>				<b>51,361</b>	<b>4,429</b>

1. The expected financial year in which the last land lot will be settled. Based on expected completion of underlying land lots, subject to change in delivery program.

2. Estimated backlog (including Retirement units) 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. 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	Urbanisation		
		Apartments for Sale	Forward sale	Joint venture structure
<b>Project examples</b>	<ul style="list-style-type: none"> <li>St Marys - Jordan Springs, Sydney</li> <li>Yarrabilba, Brisbane</li> </ul>	<ul style="list-style-type: none"> <li>Darling Square, Sydney</li> <li>Elephant Park, London</li> </ul>	<ul style="list-style-type: none"> <li>Office: Daramu House, Barangaroo South, Sydney</li> <li>Residential for rent: Cooper at Southbank, Chicago and Clippership Wharf Buildings 1 and 2, Boston</li> </ul>	<ul style="list-style-type: none"> <li>Paya Lebar Quarter, Singapore</li> <li>Circular Quay Tower, Sydney</li> </ul>
<b>Land funding<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Land ownership</li> <li>Land management</li> <li>Staged payments</li> </ul>	<ul style="list-style-type: none"> <li>Land management</li> <li>Staged payments</li> </ul>	<ul style="list-style-type: none"> <li>Land management</li> <li>Staged payments</li> </ul>	<ul style="list-style-type: none"> <li>Land ownership via joint venture (including project financing)</li> </ul>
<b>Production funding<sup>1</sup></b>	<ul style="list-style-type: none"> <li>100% on-balance sheet</li> </ul>	<ul style="list-style-type: none"> <li>Largely 100% on-balance sheet</li> </ul>	<ul style="list-style-type: none"> <li>Capital partner progress or staged payments</li> </ul>	<ul style="list-style-type: none"> <li>Funded via joint venture (including project financing)</li> </ul>
<b>P&amp;L returns</b>	<ul style="list-style-type: none"> <li>Development profit on sold product at settlement from 1 July 2018</li> </ul>	<ul style="list-style-type: none"> <li>Development profit on sold product at settlement from 1 July 2018</li> <li>Construction margin on settlement<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Development profit typically upfront at time of sale</li> <li>Development management fees, construction margin<sup>3</sup> and investment management fees<sup>3</sup> during delivery</li> </ul>	<ul style="list-style-type: none"> <li>Development profit tied to equity interests</li> <li>Development management fees, construction margin<sup>3</sup> and investment management fees<sup>3</sup> (including performance fees) during delivery</li> </ul>
<b>Cash returns (Development only)</b>	<ul style="list-style-type: none"> <li>On settlement</li> </ul>	<ul style="list-style-type: none"> <li>On settlement</li> </ul>	<ul style="list-style-type: none"> <li>Over life of project during delivery</li> </ul>	<ul style="list-style-type: none"> <li>Linked to cash equity returns or sell down of investment typically post practical completion</li> </ul>

1. Typical funding models used across segment examples.

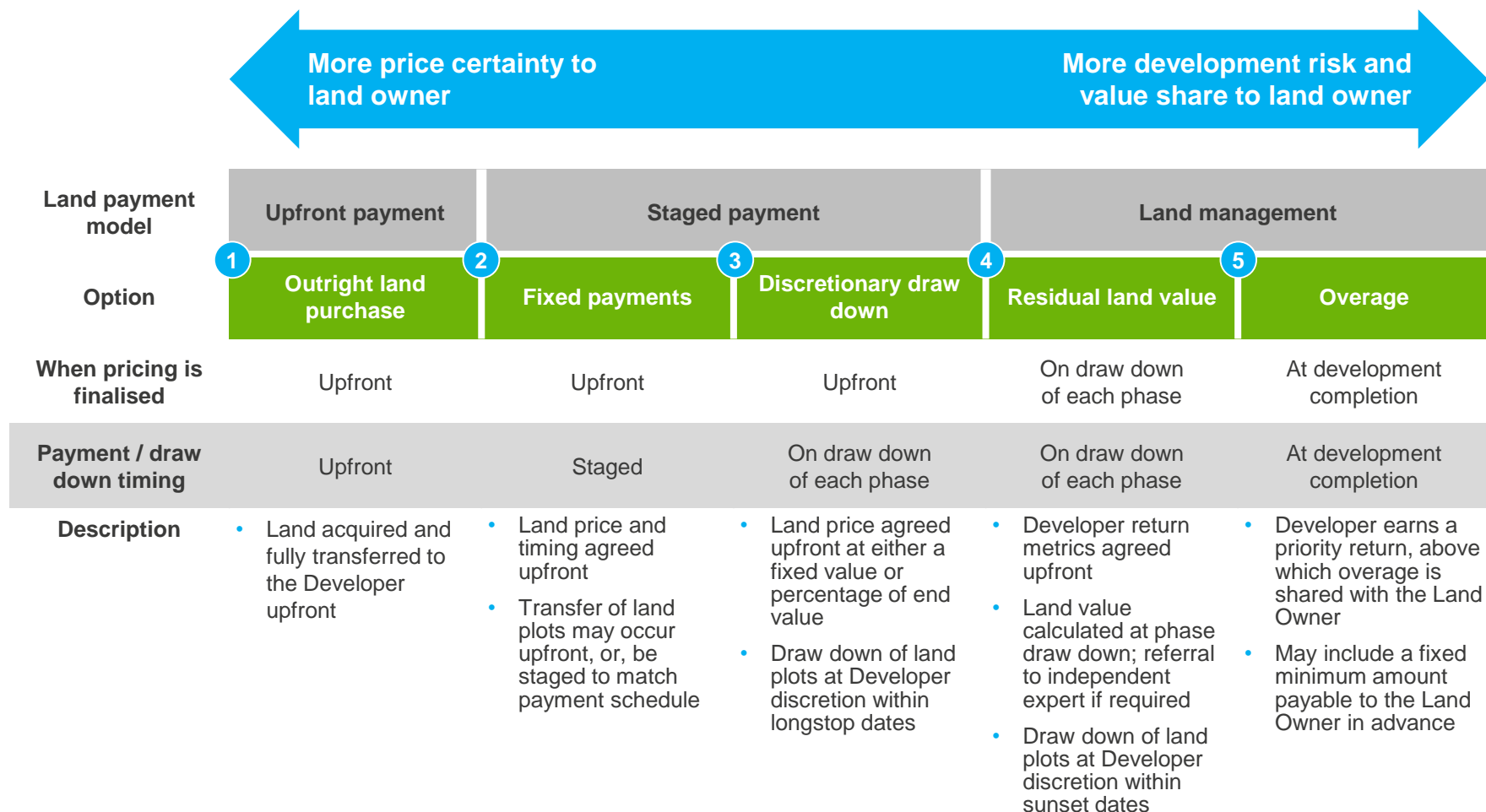
2. Based on apartment projects delivered 100% on-balance sheet.

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



# Land payment models<sup>1</sup>

## Overview of land payment / structuring models and implication for timing and risk share



1. Options are not discrete rather are on a continuum. Combinations of multiple options are therefore possible. Where agreements are in place with local or central government, contributions to social infrastructure, affordable housing or other costs may be provided in addition to or in lieu of direct land value.





# Construction Segment





# Earnings drivers - Construction

EBITDA margin target 2-3%<sup>1</sup>; Backlog \$21.4b<sup>2</sup>

Construction (excl. Engineering and Services)					Engineering	Services
Region	Australia	Asia	Europe	Americas	Australia	Australia
Revenue last 6 months	\$2.1b	\$0.2b	\$0.5b	\$2.4b	\$1.1b	\$0.4b
Backlog realisation	H2 FY19 27% FY20 37% Post FY20 36%	H2 FY19 39% FY20 53% Post FY20 8%	H2 FY19 44% FY20 45% Post FY20 11%	H2 FY19 33% FY20 42% Post FY20 25%	H2 FY19 27% FY20 33% Post FY20 40%	
Backlog revenue	\$6.6b	\$0.8b	\$1.2b	\$6.2b	\$5.0b	\$1.6b

1. Revised target for FY19 and beyond following the decision that Engineering and Services is non-core.

2. Construction backlog excluding Engineering and Services is \$14.8b.



# Construction HY19

## Overview

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

## Drivers<sup>2</sup>

- EBITDA loss of \$362.3m, impacted by the Engineering provision

### Building

**Global:** Diversity by sector, client and region

- Revenue of \$5.2b
- EBITDA of \$111.4m, EBITDA margin 2.1%

**Australia:** Consistently solid profit contribution

- Revenue of \$2.1b, EBITDA margin 3.0%

**Asia:** Focus remains on internal pipeline

- Revenue down 13% to \$0.2b, EBITDA margin 1.8%

**Europe:** Contribution from higher margin contracts in the period

- Revenue up 42% to \$0.5b, EBITDA margin 3.9%

**Americas:** Activity moderating, internal pipeline growing

- Revenue down 4% to \$2.4b, EBITDA margin 1.0%

### Engineering and Services

- HY19 EBITDA loss of \$473.7m includes a \$500m pre-tax impact from expected losses on underperforming projects
- Revenue of \$1.5b

## Performance

		Construction (ex E&S)		Construction	
		HY18	HY19	HY18	HY19
% Operating EBITDA <sup>1</sup>	%	15	18		
EBITDA margin	%	3.0	2.1	(0.4)	(5.4)
New Work Secured	\$b	5.4	4.3	8.8	6.7
Backlog Revenue	\$b	15.8	14.8	22.4	21.4

## Outlook

- Construction segment will comprise Building businesses only in future periods
- Strategic review of Engineering and Services
  - Not critical for future success of integrated business model
  - Best interests of clients, employees and securityholders to consider alternatives

### Building

- Diversity by sector, client and region
- New work secured of \$4.3b
  - Australia \$2.2b, Americas \$1.8b
- Backlog revenue of \$14.8b
  - Australia \$6.6b, Americas \$6.2b
- Preferred bidder status of c.\$10b including
  - Australia: Circular Quay Tower, multiple Defence contracts
  - Asia: The Lifestyle Quarter - Residential
  - Europe: Birmingham Commonwealth Games – Athletes Village

### Engineering and Services

- New work secured of \$2.4b
- Backlog revenue of \$6.6b
  - Engineering \$5.0b and Services \$1.6b

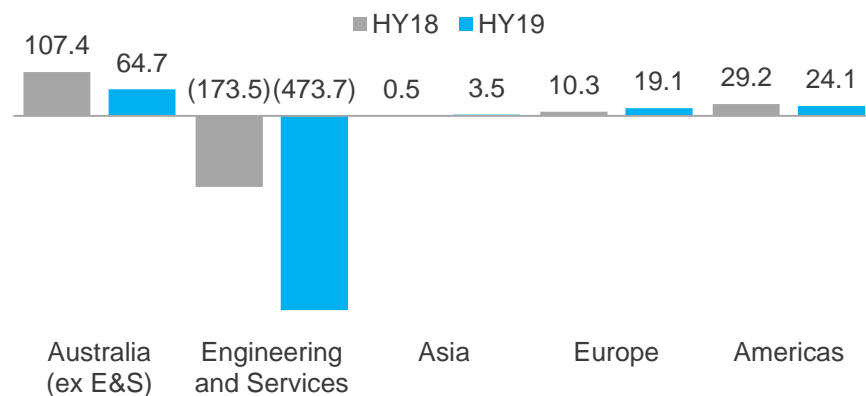
1. Operating EBITDA including Engineering and Services is \$171.7m, excluding Engineering and Services is \$645.4m.

2. Comparative period the half year ended 31 December 2017.



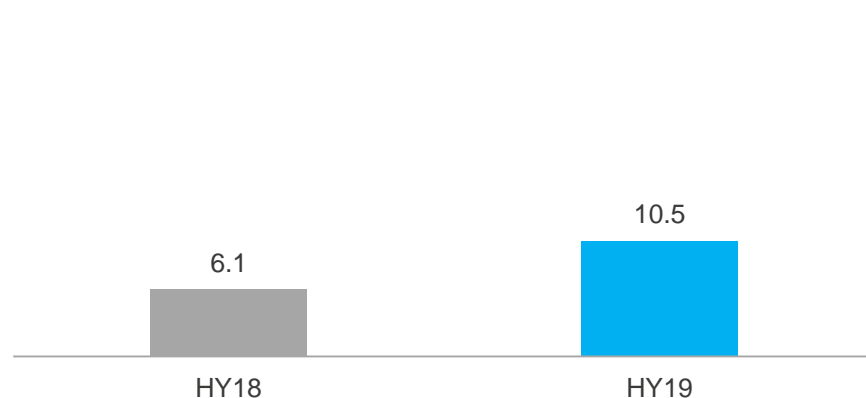
# Construction earnings

## EBITDA (\$m)

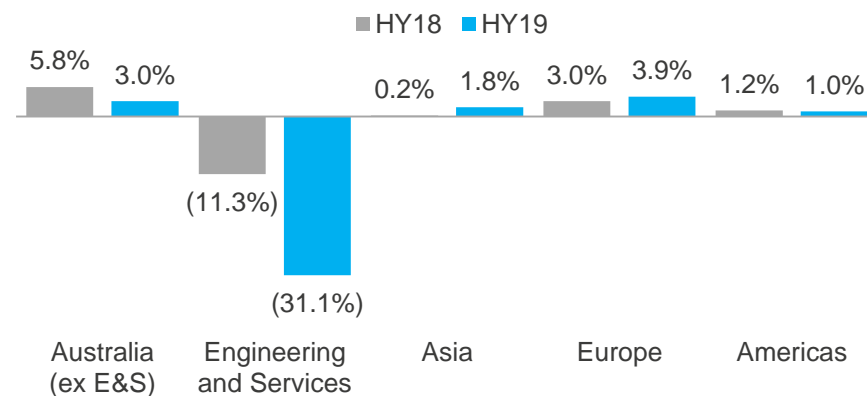


	HY18	HY19
Construction (ex E&S)	147.4	111.4
Construction	(26.1)	(362.3)

## EBITDA Europe (£m<sup>1</sup>)

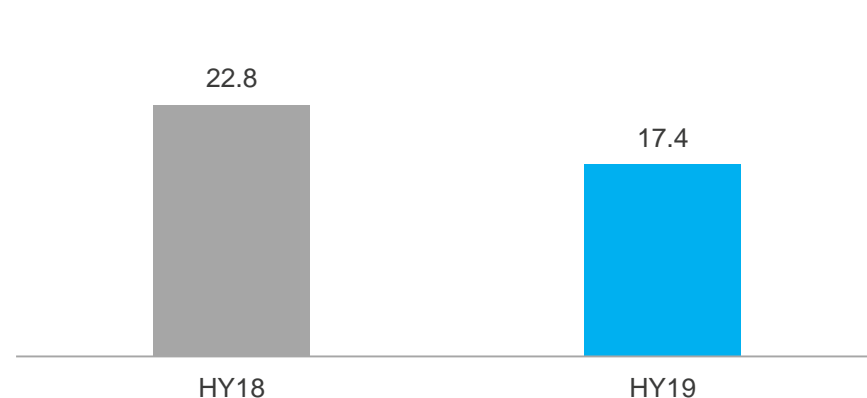


## EBITDA margins



	HY18	HY19
Construction (ex E&S)	3.0%	2.1%
Construction	(0.4%)	(5.4%)

## EBITDA Americas (US\$m)

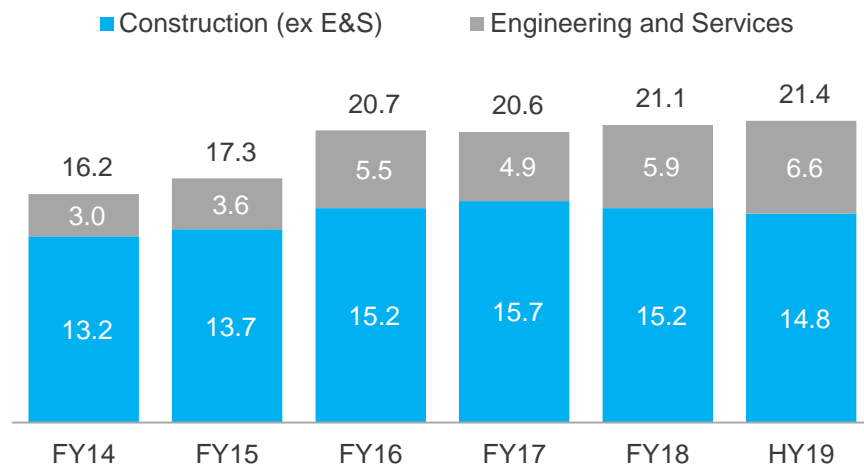


1. Major currency in region.



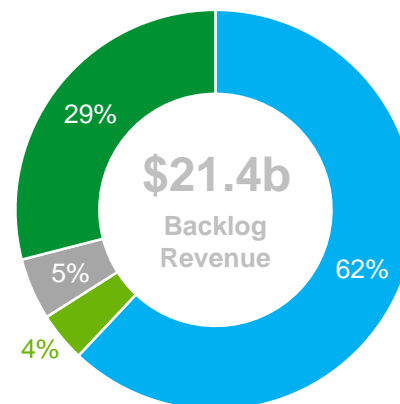
# Construction backlog

## Backlog (\$b)



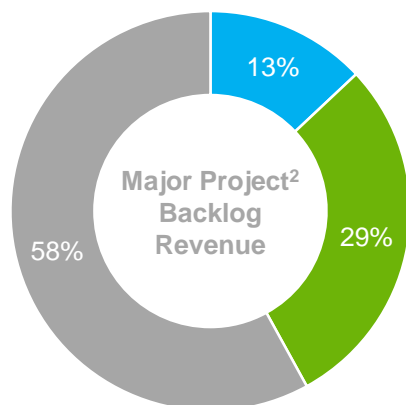
## HY19 backlog by region

Australia<sup>1</sup> Asia Europe Americas



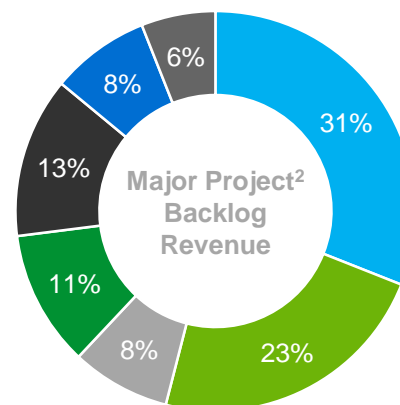
## HY19 backlog by client

Lendlease Corporate Government



## HY19 backlog by sector

Transport Defence Other Residential Commercial Hotel/Entertainment Social Infrastructure



1. Construction backlog revenue in Australia excluding Engineering and Services is \$6.6b, \$6.6b (31%) for Engineering and Services.

2. Includes all Construction projects with backlog greater than \$100m, which represents 79% (\$17.0b) of secured backlog.



# Construction new work secured / backlog

## New work secured revenue<sup>1</sup>

\$b	Australia		Asia		Europe		Americas		Total	
	HY18	HY19	HY18	HY19	HY18	HY19	HY18	HY19	HY18	HY19
Building	2.8	2.2	0.1	0.2	1.0	0.1	1.5	1.8	5.4	4.3
Engineering	3.0	2.0							3.0	2.0
Services	0.4	0.4							0.4	0.4
<b>Total new work secured revenue</b>	<b>6.2</b>	<b>4.6</b>	<b>0.1</b>	<b>0.2</b>	<b>1.0</b>	<b>0.1</b>	<b>1.5</b>	<b>1.8</b>	<b>8.8</b>	<b>6.7</b>

## Backlog revenue<sup>2</sup>

\$b	Australia		Asia		Europe		Americas		Total	
	HY18	HY19 <sup>3</sup>	HY18	HY19	HY18	HY19	HY18	HY19	HY18	HY19 <sup>4</sup>
Building	7.2	6.6	0.6	0.8	1.5	1.2	6.5	6.2	15.8	14.8
Engineering	5.0	5.0							5.0	5.0
Services	1.6	1.6							1.6	1.6
<b>Total backlog revenue</b>	<b>13.8</b>	<b>13.2</b>	<b>0.6</b>	<b>0.8</b>	<b>1.5</b>	<b>1.2</b>	<b>6.5</b>	<b>6.2</b>	<b>22.4</b>	<b>21.4</b>
<b>Backlog realisation (%)</b>										
Next 6 months	29	27	41	39	20	44	36	33	31	30
6 - 18 months	38	35	9	53	42	45	34	42	36	38
Beyond 18 months	33	38	50	8	38	11	30	25	33	32
<b>Total backlog realisation</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

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

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.

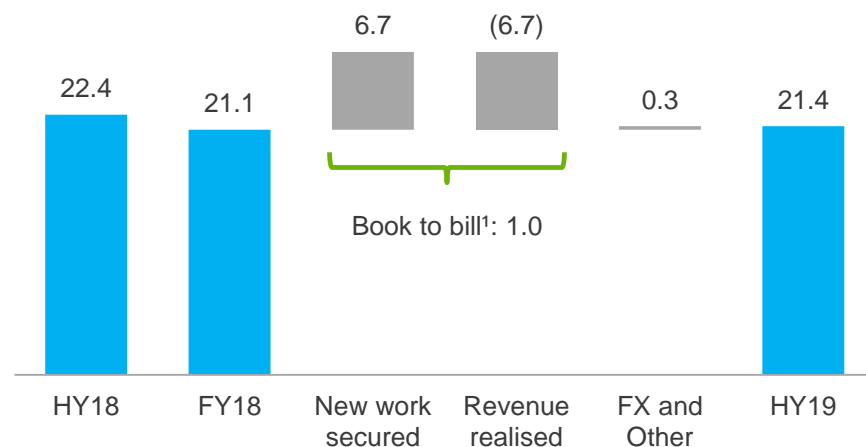
3. Australia excluding Engineering and Services has a backlog realisation of 27% H2 FY19, 37% FY20 and 36% post FY20.

4. Construction excluding Engineering and Services has a backlog realisation of 31% H2 FY19, 41% FY20 and 28% post FY20.

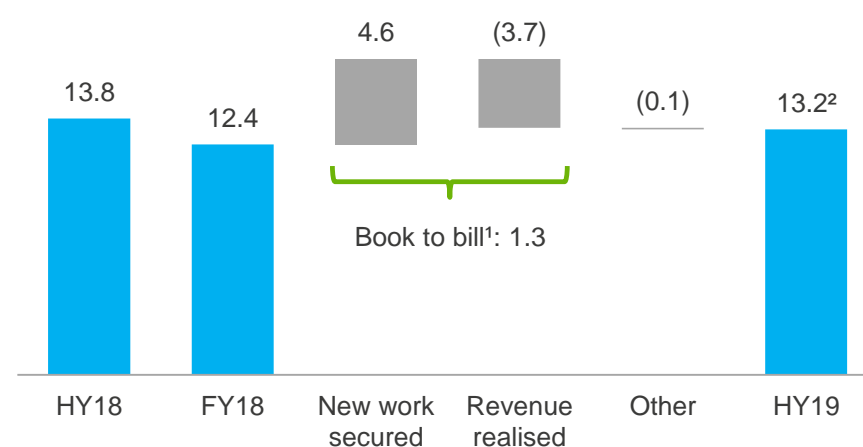


# Construction backlog by region

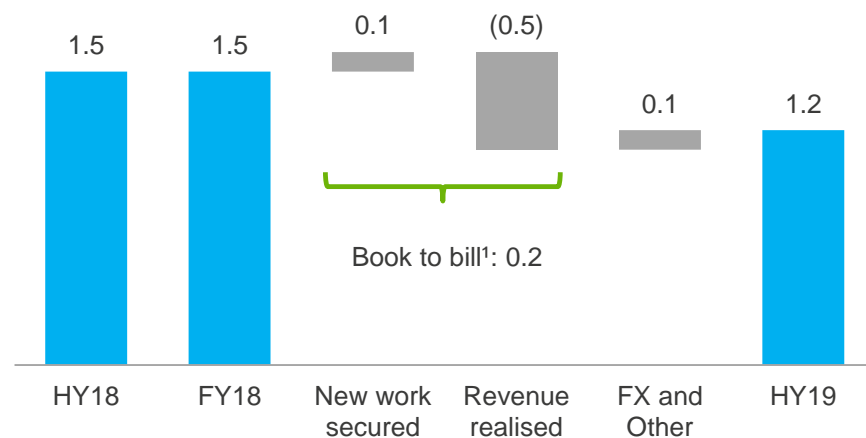
## Group (\$b)



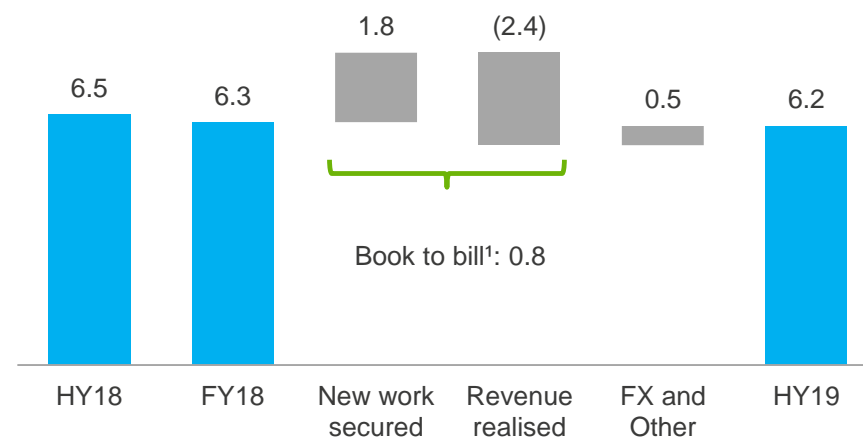
## Australia (\$b)



## Europe (\$b)



## Americas (\$b)



1. Ratio calculated as new work secured over revenue realised to the nearest million.

2. Construction backlog revenue in Australia excluding Engineering and Services is \$6.6b, \$6.6b for Engineering and Services.



# Australia: Major Projects – Building<sup>1,2</sup>

Project	Location	Contract type <sup>3</sup>	Contract value (\$m)	Secured date	Completion date <sup>4</sup>	Sector
Crown Sydney Hotel Resort	NSW	MC	1,079.4	FY15	FY21	Hotel/Entertainment
New Air Combat Capability - RAAF Williamtown	NSW	MC	853.9	FY15	FY19	Defence
AIR 7000 Phase 2B	SA	MC	470.0	FY16	FY20	Defence
Victoria Cross Integrated Station Development	NSW	D&C	465.5	FY19	FY24	Transport
Osborne Naval Shipbuilding Project (Surface Ships)	SA	MC	448.2	FY18	FY20	Defence
New Air Combat Capability - RAAF Tindal	NT	MC	429.5	FY16	FY20	Defence
HMAS Cerberus - Delivery Phase	VIC	MC	426.8	FY18	FY25	Defence
ADF Air Traffic Control Complex Infrastructure Project	National	MC	384.9	FY16	FY20	Defence
Sydney Metro Martin Place Integrated Station Development	NSW	D&C	378.6 <sup>5</sup>	FY19	FY24	Social Infrastructure
Melbourne Connect (formerly Carlton Connect Initiative)	VIC	D&C	307.6	FY18	FY21	Other
Sunshine Plaza Redevelopment	QLD	LS	307.1	FY17	FY19	Other
Western Sydney Stadium	NSW	LS	288.3	FY17	FY19	Hotel/Entertainment
60 Martin Place	NSW	LS	281.5	FY16	FY20	Commercial
Melbourne Quarter - Two Melbourne Quarter	VIC	D&C	278.5	FY18	FY21	Commercial
130 Lonsdale Street	VIC	D&C	277.6	FY18	FY20	Commercial
Darling Square - Darling North, Harbour Place and Trinity House	NSW	CM	277.6	FY16	FY19	Residential
Melbourne Quarter - East Tower	VIC	D&C	275.1	FY18	FY20	Residential
Stage 2 Garden Island Critical Works Delivery Phase	NSW	MC	268.0	FY19	FY25	Defence
Gosford Hospital Redevelopment	NSW	LS	253.3	FY16	FY19	Social Infrastructure
Land 121 Stage 2 Unit Sustainment Facilities	National	MC	253.1	FY16	FY20	Defence
Victoria Harbour - 839 Collins Street	VIC	LS	251.3	FY17	FY19	Commercial
Australian National University Union Court Redevelopment	ACT	D&C	247.5	FY18	FY19	Social Infrastructure
Growler Airbourne Attack Facility Phase 1 & 2 Project	QLD/NT	MC	239.4	FY16	FY20	Defence
Rod Laver Arena	VIC	MC	225.5	FY16	FY20	Hotel/Entertainment
Joan Kirner Women's and Children's Hospital	VIC	MC	209.3	FY16	FY20	Social Infrastructure
Darling Square - Darling Rise, Barker House and Arena	NSW	CM	196.7	FY17	FY19	Residential
Silverwater Correctional Facility Expansion	NSW	D&C	196.5	FY18	FY21	Social Infrastructure
BaptistCare SAHF	NSW	D&C	184.6	FY17	FY20	Residential
Monash University Technology Education Building	VIC	D&C	153.3	FY19	FY20	Social Infrastructure
Goulburn Valley Health (previously Hospital) Shepparton Redevelopment	VIC	MC	149.4	FY18	FY21	Social Infrastructure
Delamere Air Weapons Range & Growler Mobile Threat Training Emitter	NT	MC	134.4	FY17	FY19	Defence
South Coast Correctional Centre Nowra	NSW	LS	133.8	FY17	FY19	Social Infrastructure
Cessnock Correctional Facility Expansion	NSW	D&C	106.2	FY18	FY20	Social Infrastructure

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

2. Backlog revenue as at 31 December 2018 for the projects listed totals \$4.9b, representing 74% of total Australia Building backlog revenue.

3. Contract types are Managing Contractor (MC), Lump Sum (LS), Design and Construct (D&C) and Construction Management (CM).

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

5. Excludes new commercial buildings, pedestrian connections and retail space as these are commercial in confidence.



# Australia: Major Projects – Engineering<sup>1,2</sup>

Project	Location	Contract type <sup>3</sup>	Contract value (\$m)	Secured date	Completion date <sup>4</sup>	Sector
Melbourne Metro Tunnel Project	VIC	D&C	1,746.7	FY18	FY24	Transport
NorthConnex M1 / M2 Tunnel	NSW	D&C	1,313.3	FY15	FY20	Transport
WestConnex 3A M4-M5 Link	NSW	D&C	n/a <sup>5</sup>	FY19	FY23	Transport
Northern Connector	SA	D&C	885.0	FY16	FY20	Transport
Gateway Upgrade North	QLD	D&C	692.0	FY16	FY19	Transport
Caulfield to Dandenong	VIC	ALL	564.0	FY16	FY20	Transport
Kingsford Smith Drive <sup>6</sup>	QLD	D&C	500.6	FY16	FY20	Transport
Northern Road 2	NSW	CON	394.6	FY17	FY20	Transport
Gawler Rail Electrification	SA	D&C	304.8	FY18	FY20	Transport
Woolgoolga to Ballina - Section 10 & 11 <sup>6</sup>	NSW	CON	273.0	FY18	FY19	Transport
Northern Road 3	NSW	D&C	215.0	FY16	FY20	Transport
Ballarat Line Upgrade	VIC	ALL	212.3	FY18	FY20	Transport
Stage 1 Garden Island Delivery Phase	NSW	MC	200.7	FY18	FY22	Defence
Southern Program Alliance	VIC	ALL	197.8	FY18	FY21	Transport
Gateway / Pacific Motorway Merge	QLD	D&C	151.8	FY18	FY20	Transport

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

2. Backlog revenue as at 31 December 2018 for the projects listed totals \$4.5b, representing 90% of the total Australia Engineering backlog revenue.

3. Contract types are Managing Contractor (MC), Design and Construct (D&C), Alliance (ALL) and Construction Only (CON).

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

5. Contract value is subject to commercial in confidence and not available for disclosure.

6. As per Jun-18 disclosure. Latest project details are commercial in confidence.



## Asia: Major Projects – Building<sup>1,2</sup>

Project	Location	Contract type <sup>3</sup>	Contract value (\$m)	Secured date	Completion date <sup>4</sup>	Sector
Paya Lebar Quarter	Singapore	GMP	860.5	FY16	FY20	Commercial and Residential
The Lifestyle Quarter – Retail	Kuala Lumpur	MC	521.9	FY18	FY22	Commercial

## Europe: Major Projects – Building<sup>1,2</sup>

Project	Location	Contract type <sup>3</sup>	Contract value (\$m)	Secured date	Completion date <sup>4</sup>	Sector
Elephant Park - West Grove	London	D&C	393.3	FY16	FY20	Residential
Elephant Park - Park Central North	London	D&C	288.9	FY18	FY21	Residential
1 Triton Square	London	D&C	263.3	FY17	FY20	Commercial
Elephant Park - East Grove	London	D&C	244.4	FY18	FY21	Residential
International Quarter London - Building 3	London	D&C	193.4	FY17	FY20	Commercial
245 Hammersmith Road	London	D&C	187.3	FY17	FY19	Commercial
Manchester New Square	Manchester	D&C	150.5	FY18	FY21	Residential
Google European HQ	London	CM	132.6	FY18	FY21	Commercial
The Timberyard, Deptford - Cedarwood Square	London	D&C	122.0	FY17	FY20	Residential

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

2. Backlog revenue as at 31 December 2018 for the projects listed totals \$664m (Asia) and \$1.0b (Europe), representing 80% (Asia) and 83% (Europe) of total backlog revenue for these regions.

3. Contract types are Managing Contractor (MC), Guaranteed Maximum Price (GMP), Design and Construct (D&C) and Construction Management (CM).

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



## Americas: Major Projects – Building<sup>1,2</sup>

Project	Location	Contract type <sup>3</sup>	Contract value (\$m)	Secured date	Completion date <sup>4</sup>	Sector
Jacob K. Javits Convention Center	New York	LS	867.4	FY17	FY21	Hotel/Entertainment
520 Park Avenue	New York	GMP	443.0	FY14	FY19	Residential
New York Methodist Hospital	New York	CM	435.4	FY16	FY19	Social Infrastructure
277 Fifth Avenue	New York	CM	298.7	FY17	FY19	Residential
Clippership Wharf	Boston	GMP	260.9	FY16	FY20	Residential
Avalon - 1865 Broadway	New York	CM	257.1	FY16	FY19	Residential
Half and N Street	Washington, D.C.	GMP	165.1	FY17	FY20	Residential

1. Disclosure of major projects is subject to client approval. This could impact the projects available for disclosure.
2. Backlog revenue as at 31 December 2018 for the projects listed totals \$1.0b, representing 16% of total Americas backlog revenue.
3. Contract types are Guaranteed Maximum Price (GMP), Lump Sum (LS) and Construction Management (CM).
4. Based on expected completion date of underlying buildings, subject to change in delivery program.





# Investments Segment





# Earnings drivers - Investments

ROIC target 8-11%<sup>1</sup>; Invested capital \$3.4b

Ownership Earnings <i>Capital intensive activities</i>					Operating Earnings <i>Capital light activities</i>			
Invested capital	Co-investment positions in managed funds  \$1.7b	Retirement Living  \$1.4b	US Military Housing  \$209.3m	US Telco Infrastructure  \$163.0m	FUM / Assets	Funds Management Platform  \$34.1b FUM	Retail Asset Management  \$13.3b AUM	Military Housing  \$13.3b AUM 52,595 units
Returns and Metrics	Distributions and capital growth	Equity investment returns	Equity investment returns	Income and capital growth	Returns and Metrics	Funds management fees  % of FUM	Property and development management fees  % of value driver	Asset, property and development management fees  % of SPV revenue
Value drivers	High quality assets, diversified across sectors and geography	Occupancy rate, turnover rate, growth rate, discount rate and opex	Occupancy rate, growth rate, discount rate and opex	Number of operators per tower, lease term, growth rate and discount rate	Value drivers	FUM growth and opex	Asset performance, leasing and development activity, AUM growth and opex	Rent growth, development activity and opex

1. Through-cycle target based on rolling three to five year timeline.



# Investments HY19

## Overview

- Owns and/or manages investments including a leading wholesale investment management platform and also includes the Group's ownership interests in property and infrastructure co-investments, Retirement Living and US Military Housing
- Financial returns include fund, asset and property management fees, yields and capital growth on investments, and returns from the Group's Retirement investment and US Military Housing operations

## Drivers<sup>3</sup>

- Ownership earnings \$203.6m
  - Co-investments
    - Income driven by higher returns from Australian office portfolio
    - Revaluations from strong leasing and asset markets in Australia and Asia
    - Capital partner acquired c.10% of Lendlease's interest in Tower One, Barangaroo South
  - Retirement Living
    - Uplift in resales across the portfolio following industry recovery and introduction of alternative contract types
    - 75% ownership in HY19, 100% for five months in HY18
  - Equity returns on US Military Housing portfolio
- Operating earnings of \$69.6m
  - FUM growth driving higher base fees
  - Retail AUM of \$13.3b, up 4%
  - US Military Housing AUM of \$13.3b

- Operating EBITDA including Engineering and Services is \$171.7m, excluding Engineering and Services is \$645.4m.
- EBITDA has been adjusted to exclude the \$500m pre-tax impact from losses expected to be incurred on underperforming Engineering projects.
- Comparative period the half year ended 31 December 2017.
- Secured future FUM from funds or mandates with development projects in delivery.

## Performance

		HY18	HY19
% Operating EBITDA (ex E&S) <sup>1</sup>	%	39	42
ROIC	%	16.5	13.6
Invested capital	\$b	3.0	3.4
Co-investment revaluations	\$m	92.4	76.5
Co-investment revaluations / Operating EBITDA <sup>2</sup>	%	11.6	11.4

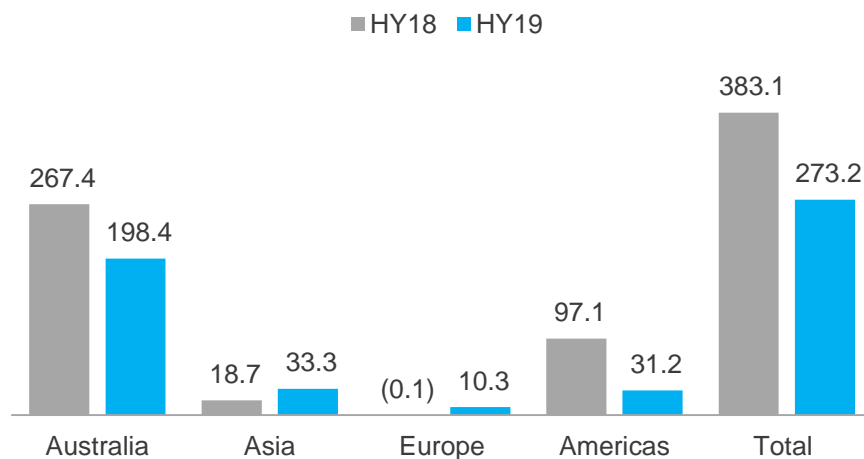
## Outlook

- Well positioned to deliver future recurring earnings
- Integrated business model key source of growth
- Capital partner initiatives in HY19 to drive future growth: US residential investment partnership; third party capital raised across the platform
- Ownership earnings
  - \$1.7b co-invested in funds, capital partner alignment
  - \$1.4b of capital in Retirement investment
  - Investment in US Military Housing and US telecommunications infrastructure
- Operating earnings
  - FUM of \$34.1b, c.150 institutional investors
    - \$0.6b from new residential for rent asset class
  - c.\$2.9b<sup>4</sup> of additional secured future FUM across the Group's development projects in delivery
  - Further opportunities from development pipeline yet to enter delivery
  - \$13.3b of retail assets under management
  - 52,595 US Military Housing units under management, AUM of \$13.3b

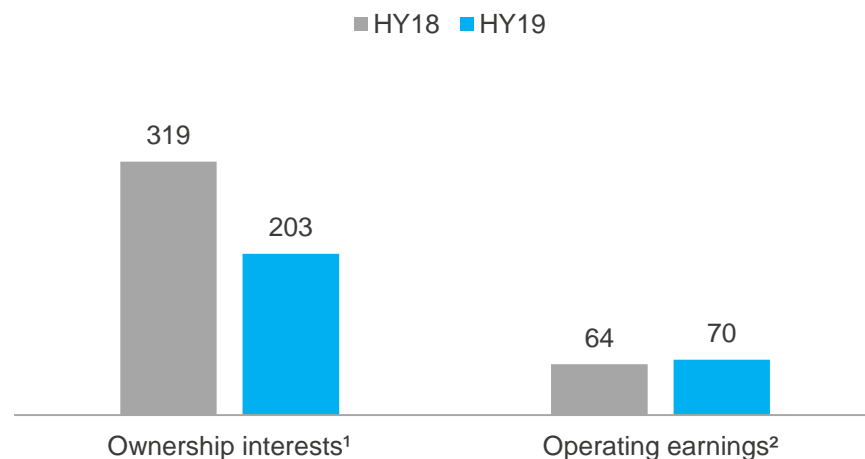


# Investments earnings / ownership

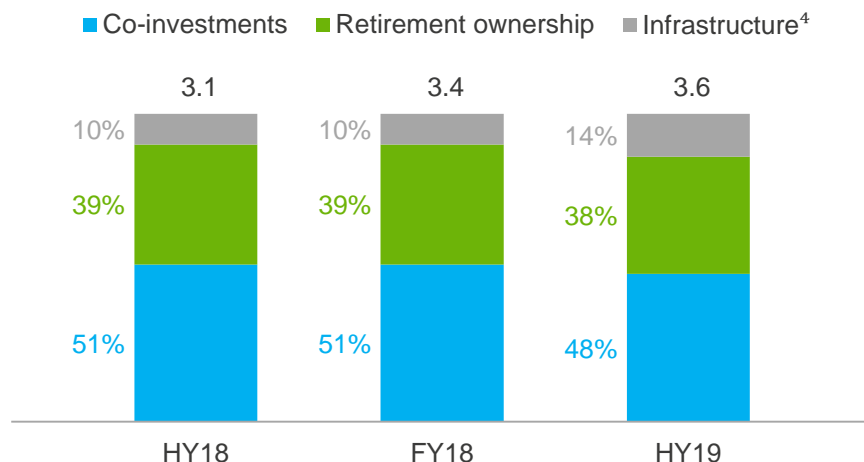
## EBITDA by region (\$m)



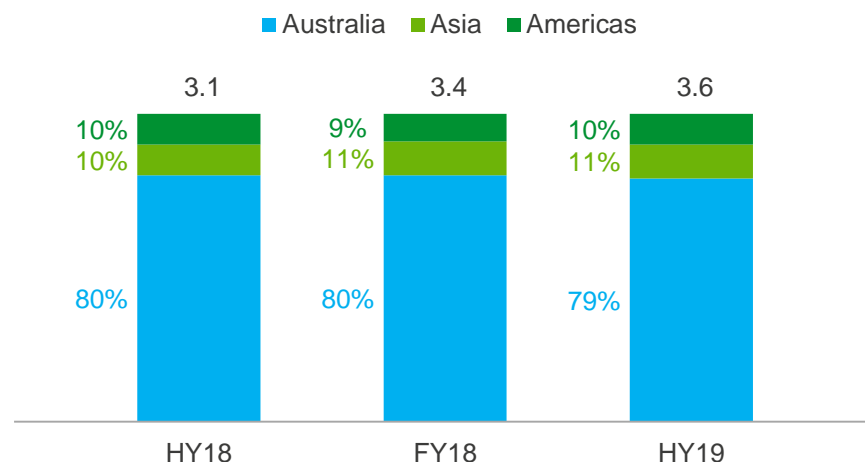
## Investments EBITDA by activity (\$m)



## Investments<sup>3</sup> by product (\$b)



## Investments<sup>3</sup> by region (\$b)

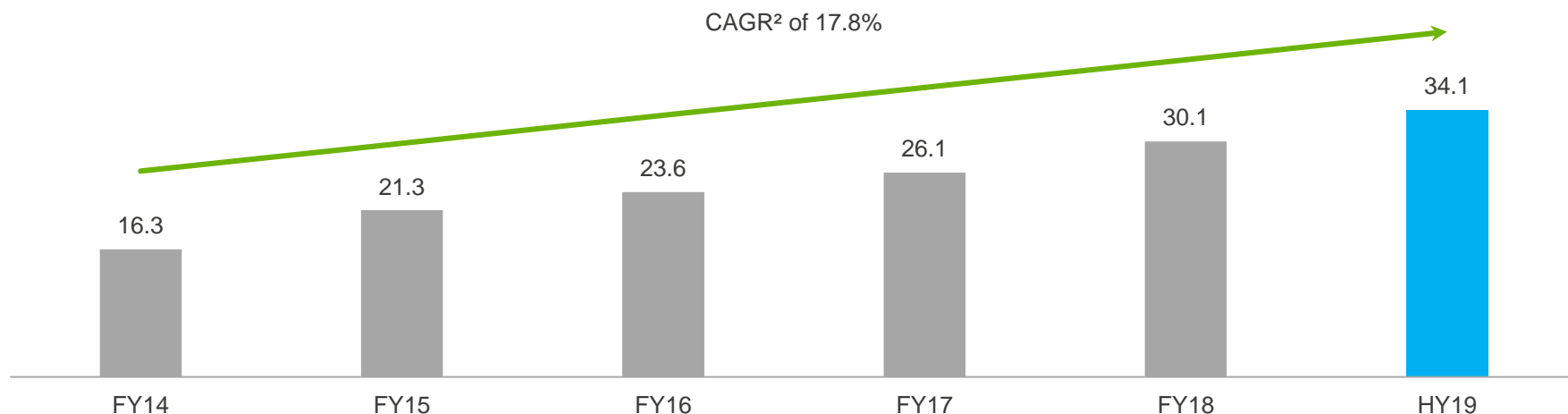


1. Returns derived from investments, the Group's Retirement investment, US Military Housing equity investment and infrastructure investment.
2. Earnings primarily derived from the investment management platform and the management of US Military Housing operations.
3. The Group's assessment of market value of ownership interests. Total invested capital in the segment of \$3.4b in HY19.
4. Includes the Group's investments in US Military Housing and infrastructure.



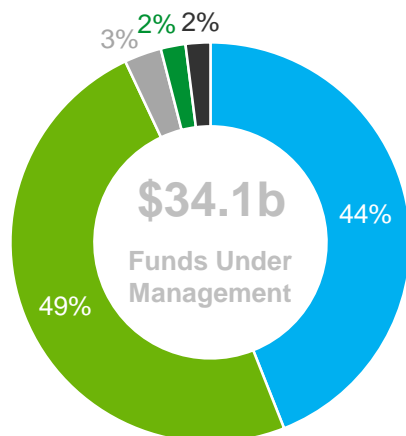
# Funds Under Management<sup>1</sup> (FUM)

FUM (\$b)



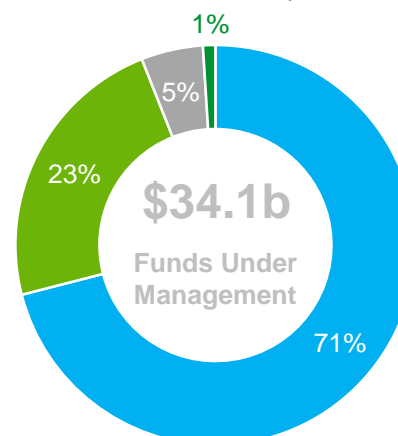
## HY19 FUM by asset class

■ Retail ■ Office ■ Industrial ■ Residential ■ Other



## HY19 FUM by region

■ Australia ■ Asia ■ Europe ■ Americas



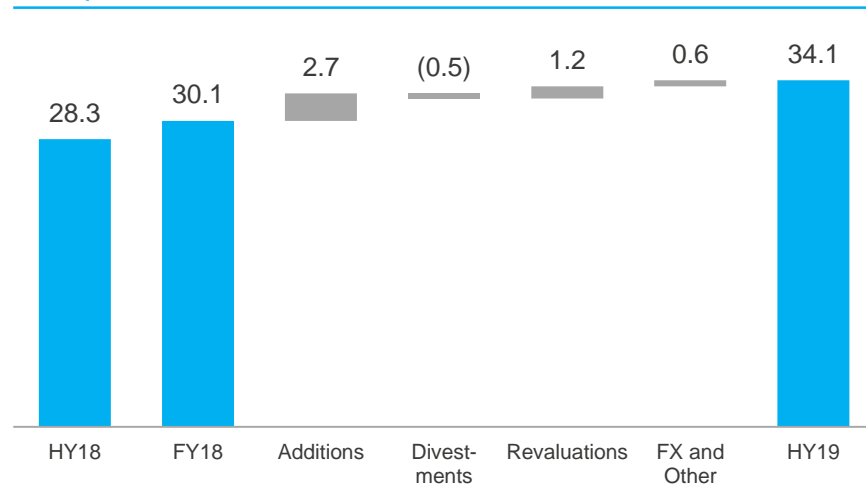
1. The Group's assessment of market value.

2. Compound Annual Growth Rate.

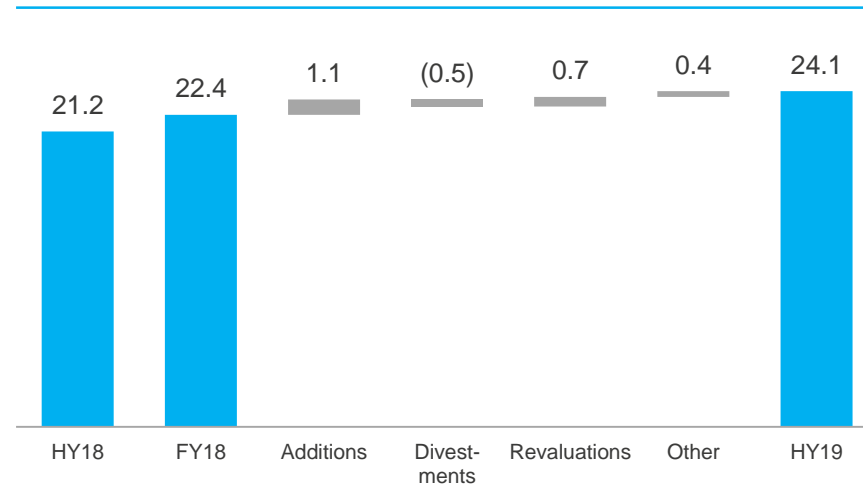


# FUM<sup>1</sup> by region

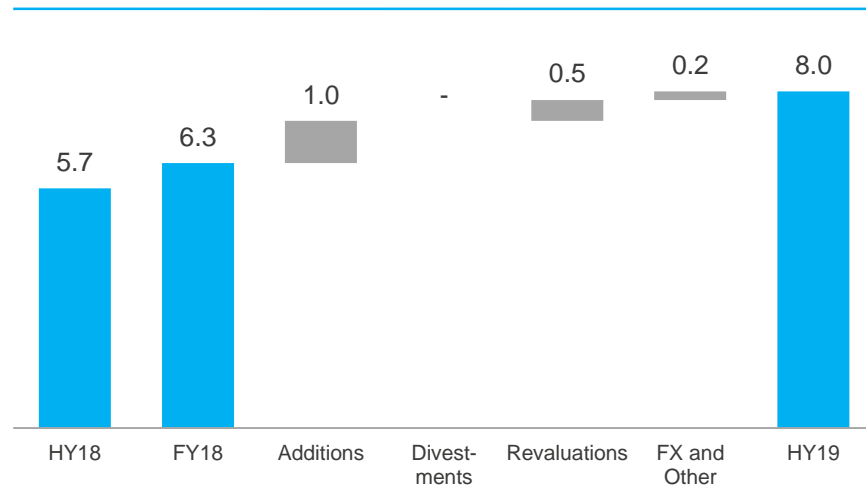
## Group (\$b)



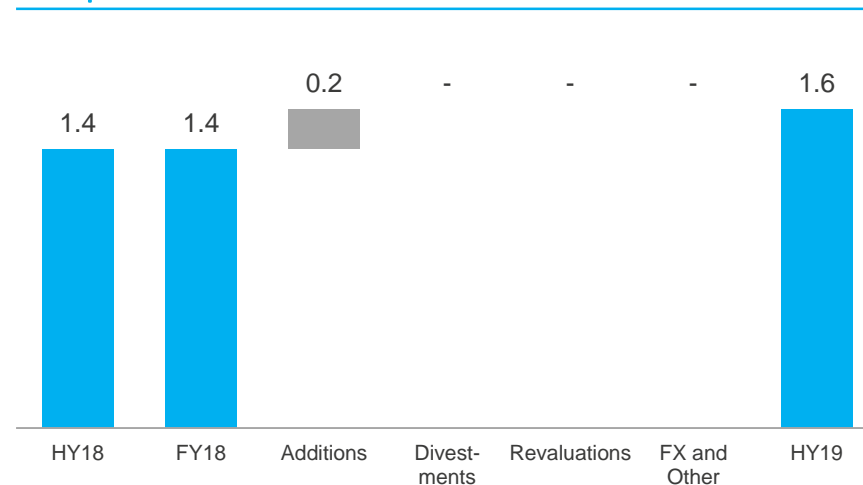
## Australia (\$b)



## Asia (\$b)



## Europe (\$b)



1. The Group's assessment of market value.



# FUM<sup>1</sup> by region

Australia FUM	Fund type	Asset class	FY18 (\$b)	HY19 (\$b)
Australian Prime Property Fund Retail	Core	Retail	5.4	5.8
Australian Prime Property Fund Commercial	Core	Office	4.6	5.0
Lendlease International Towers Sydney Trust	Core	Office	4.1	4.4
Managed Investment Mandates	Core	Various	3.6	4.0
Lendlease One International Towers Sydney Trust	Core	Office	2.5	2.6
Australian Prime Property Fund Industrial	Core	Industrial	0.9	1.0
Lendlease Sub Regional Retail Fund	Core	Retail	0.6	0.6
Lendlease Public Infrastructure Investment Company	Core	Social Infrastructure	0.4	0.4
Lendlease Real Estate Partners New Zealand	Core	Retail	0.3	0.3
<b>Total Australia</b>			<b>22.4</b>	<b>24.1</b>

Asia FUM	Fund type	Asset class	FY18 (\$b)	HY19 (\$b)
Managed Investment Mandate	Value Add	Retail and Office	1.9 <sup>2</sup>	3.4
Lendlease Asian Retail Investment Fund	Core	Retail	2.5	2.6
Parkway Parade Partnership Limited	Core Plus	Retail	1.4	1.5
Lendlease Jem Partners Fund Limited	Core	Retail	0.5	0.5
<b>Total Asia</b>			<b>6.3</b>	<b>8.0</b>

Europe FUM	Fund type	Asset class	FY18 (\$b)	HY19 (\$b)
Lendlease Retail LP	Core	Retail	1.3	1.3
Lendlease Residential Investment Partnership	Core	Residential	0.1	0.3
<b>Total Europe</b>			<b>1.4</b>	<b>1.6</b>

Americas FUM	Fund type	Asset class	FY18 (\$b)	HY19 (\$b)
Lendlease Americas Residential Partnership	Value Add	Residential	-	0.4
<b>Total Americas</b>			<b>-</b>	<b>0.4</b>

1. The Group's assessment of market value.

2. Reported 70% joint venture share only.



# Major fund summary<sup>1</sup>

## HY19 funds management platform

		APPFR <sup>2</sup>	APPFC <sup>3</sup>	APPFI <sup>4</sup>	LLITST <sup>5</sup>	LLOITST <sup>6</sup>	ARIF <sup>7</sup> 1 (Somerset)	ARIF <sup>7</sup> 3 (Jem)	PPPL <sup>8</sup>	LLRP <sup>9</sup>
Total assets	\$b	5.8	5.0	1.0	4.4	2.6	0.8	1.6	1.5	1.3
Gearing	%	17.7	5.7	5.9	13.7	18.7	59.6	42.3	35.8	-
Co-investment	%	1.7	8.0	10.8	15.0	2.5	14.4	20.1	6.1	-
Co-investment	\$m	77.3	362.0	94.1	555.8	52.0	42.1	191.1	42.0	-
Region		Aus	Aus	Aus	Aus	Aus	Asia	Asia	Asia	Eur
Asset class		Retail	Office	Industrial	Office	Office	Retail	Retail	Retail	Retail
Number of assets	no.	11	21	33	4	1	1	1	1	2
Occupancy	%	97.8	92.7	100.0	89.1	97.3	98.8	99.9	99.8	94.1
Weighted average cap rate	%	4.9	5.0	6.5	4.8	4.7	4.5	4.4	5.0	6.3

1. 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, International House and Towns Place Car Park).

6. Lendlease One International Towers Sydney Trust (Barangaroo South T1).

7. Lendlease Asian Retail Investment Fund.

8. Parkway Parade Partnership Limited.

9. Lendlease Retail LP.



# Investments<sup>1</sup>

Australia co-investments	HY19 Lendlease interest (%)	FY18 (\$m)	HY19 (\$m)
Lendlease International Towers Sydney Trust	15.0	515.1	555.8
Australian Prime Property Fund Commercial	8.0	292.0	362.0
Australian Prime Property Fund Industrial	10.8	74.6	94.1
Craigieburn Central	25.0	80.7	80.9
Australian Prime Property Fund Retail	1.7	76.4	77.3
Lendlease One International Towers Sydney Trust	2.5	246.0	52.0
Lendlease Public Infrastructure Investment Company	10.0	40.7	39.6
Lendlease Sub Regional Retail Fund	9.9	38.6	37.2
Lendlease Real Estate Partners New Zealand	5.3	9.9	10.2
Lendlease Communities Fund 1	20.8	1.1	1.1
<b>Total Australia</b>		<b>1,375.1</b>	<b>1,310.1</b>

Asia co-investments	HY19 Lendlease interest (%)	FY18 (\$m)	HY19 (\$m)
Lendlease Asian Retail Investment Fund (ARIF)			
ARIF 1 (313@somerset)	14.4	38.7	42.1
ARIF 2 (Setia City Mall)	37.5	27.1	27.8
ARIF 3 (Jem)	20.1	172.8	191.1
313@somerset	25.0	89.1	96.0
Parkway Parade Partnership Limited	6.1	39.8	42.0
<b>Total Asia</b>		<b>367.5</b>	<b>399.0</b>

Americas		FY18	HY19
US Military Housing, invested equity	\$m	195.5	209.3
Telecommunications infrastructure, invested equity	\$m	118.5	163.0
Telecommunications towers	no.	221	238

1. The Group's assessment of market value of ownership interests.



# Assets Under Management (AUM)<sup>1</sup> by region

## Retail

	HY19 GLA <sup>2</sup> sqm '000	FY18 (\$b)	HY19 (\$b)
Australia	749.4	7.3	7.6
Asia	285.9	4.6	4.9
Europe	141.7	0.8	0.8
<b>Total</b>	<b>1,177.0</b>	<b>12.7</b>	<b>13.3</b>

## HY19 US Military Housing

	AUM (\$b)	Housing units	Lodging units	Total units	Avg portfolio life (years)
Total	13.3	40,095	12,500	52,595	37

1. The Group's assessment of market value.  
2. Gross Lettable Area.

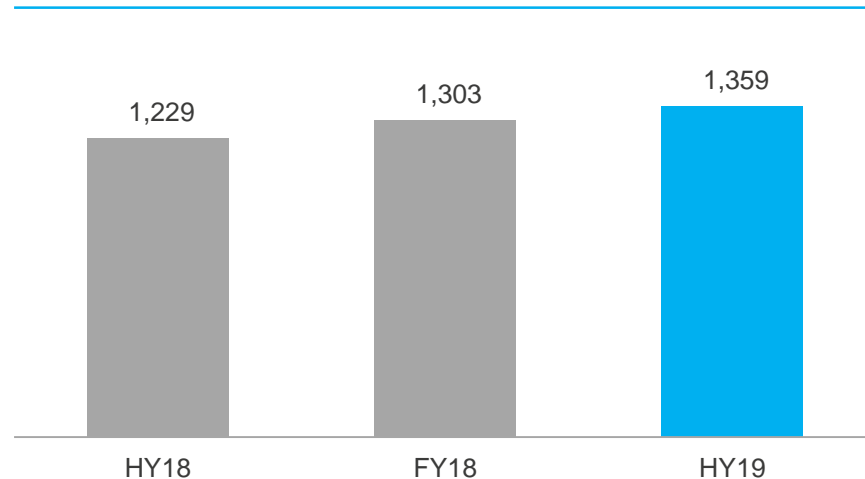


# Retirement summary

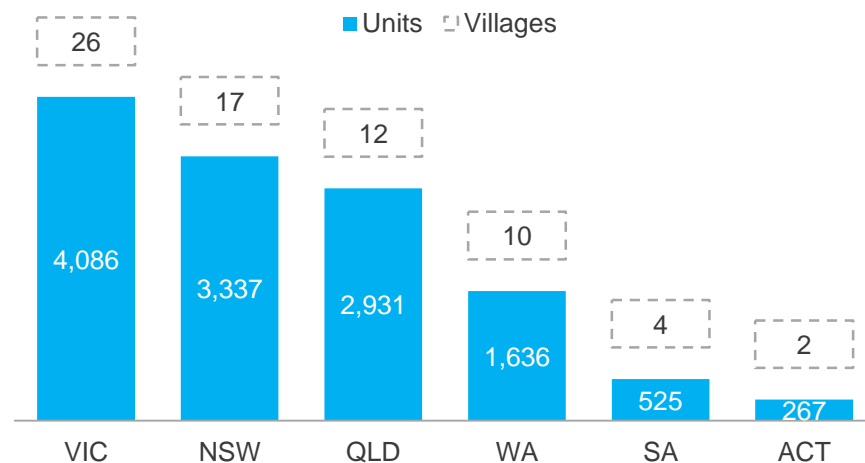
## Value drivers<sup>1</sup>

		HY18	HY19
Long term growth rate	%	3.5	3.5
Discount rate	%	12.3	12.3
Average length of stay - ILUs	years	11.5	11.5
Number of established units	no.	12,664	12,782
Units resold	no.	325	402
<b>Development<sup>2</sup></b>			
Pipeline <sup>3</sup>	no.	5,040	4,038
Pipeline	\$b	2.0	1.6
Sales/Settlements	no.	40	76
Sales/Settlements	\$m	19.4	39.5

## Investment (\$m)



## HY19 units and villages by state<sup>1</sup>



1. 100% of Retirement Living business.
2. HY18 figures have been included for comparative purposes; pipeline, sales and settlements for HY18 were reported in the Development segment.
3. Includes aged care beds.



# Important notice

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A reference to HY19 refers to the half year period ended 31 December 2018 unless otherwise stated. All figures are in AUD unless otherwise stated.