

ASX ANNOUNCEMENT

20 February 2020

Lendlease Trust 2020 Half Year Consolidated Financial Report

Attached is the Lendlease Trust Half Year Consolidated Financial Report for the half year ended 31 December 2019.

ENDS

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Authorised for lodgement by the Lendlease Group Disclosure Committee

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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 Trust
Half Year
Consolidated
Financial Report
December 2019



Lendlease Trust Half Year Consolidated Financial Report

December 2019

ARSN 128 052 595

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Lendlease Responsible Entity Limited ABN 72 122 883 185 AFSL No. 308983 is the responsible entity of the Lendlease Trust ARSN 128 052 595. Lendlease Trust (LLT or the Trust) is domiciled in Australia. The consolidated financial report of LLT for the half year ended 31 December 2019 comprises LLT including its controlled entities (together referred to as the Consolidated Entity). The Consolidated Entity is a for-profit entity. Further information about the Consolidated Entity's primary activities is included in the Directors' Report.

Shares in Lendlease Corporation Limited (the Company) and units in LLT are traded as one security under the name of Lendlease Group on the Australian Securities Exchange (ASX).

The consolidated financial report for the half year ended 31 December 2019 was authorised for issue by the Directors on 20 February 2020.

Directors' Report

The Directors of Lendlease Responsible Entity Limited (ABN 72 122 883 185), the Responsible Entity of Lendlease Trust (the Trust), present their Report together with the Half Year Consolidated Financial Report of the Trust, for the six months ended 31 December 2019 and the Auditor's Report thereon.

The Responsible Entity is a wholly owned subsidiary of Lendlease Corporation Limited (the Company) and forms part of the consolidated Lendlease Group (the Group). The registered office and principal place of business of the Responsible Entity is Level 14, Tower Three, International Towers Sydney, Exchange Place, 300 Barangaroo Avenue, Barangaroo NSW 2000.

1. Governance

a. Board/Directors

The name of each person who has been a Director of the Responsible Entity between 1 July 2019 and the date of this Report are:

M J Ullmer, AO	Director since 2011 and Chairman since 16 November 2018
S B McCann	Group Chief Executive Officer & Managing Director since 2009
C B Carter, AM	Director since 2012
P M Coffey	Director since 2017
D P Craig	Director since 2016
J S Hemstritch	Director since 2011
E M Proust, AO	Director since 2018
N M Wakefield Evans	Director since 2013

The names of Directors of the Responsible Entity who retired between 1 July 2019 and the date of this Report are:

S B Dobbs	Director since 2015 (retired 20 November 2019)
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2. Review and Results of Operations

For the six months ended 31 December 2019, the Trust reported a profit after tax of \$31,511,000 (December 2018: \$106,395,000).

Key transactions during the period include:

- Investment of \$268,785,000 relating to Lendlease Global Commercial REIT which was listed on the Singapore Exchange on 2 October 2019;
- Partial disposal of units in Lendlease International Towers Sydney Trust for \$89,095,000; and
- An interim distribution of \$44,681,000 (December 2018: \$67,662,000) has been approved by the directors and will be paid on 17 March 2020.

3. Events Subsequent to Balance Date

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

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

The Lead Auditor's Independence Declaration is set out at the end of this report and forms part of the Directors' Report for the six months ended 31 December 2019.

5. Rounding Off

Lendlease Trust is a Trust of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with the Instrument, amounts in the financial statements and Directors' Report have been rounded off to the nearest thousand dollars, or, where the amount is \$500 or less, zero, unless specifically stated otherwise.

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



M J Ullmer, AO

Chairman

Sydney, 20 February 2020



S B McCann

Chief Executive Officer and Managing Director



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

To the Directors of Lendlease Responsible Entity Limited (the responsible entity
of Lendlease Trust)

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended
31 December 2019 there have been:

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

A handwritten signature in black ink that reads 'KPMG' in a cursive, stylized font.

KPMG

A handwritten signature in black ink that reads 'D M McLennan' in a cursive, stylized font.

D M McLennan

Partner

Sydney

20 February 2020

Consolidated Financial Statements

Statement of Comprehensive Income Half Year Ended 31 December 2019

	Note	6 months December 2019 \$'000	6 months December 2018 \$'000
Revenue and other income	3	37,891	106,077
Other expenses		(1,088)	(1,195)
Results from operating activities		36,803	104,882
Share of profit/(loss) of equity accounted investments	5	(9,649)	-
Finance revenue	4	4,357	2,181
Finance costs	4	-	(668)
Net finance revenue		4,357	1,513
Profit before tax		31,511	106,395
Income tax expense		-	-
Profit after tax		31,511	106,395
Other comprehensive income net of tax		-	-
Items that may be reclassified subsequently to profit or loss			
Movements in foreign currency translation reserve		(2,877)	-
Total items that may be reclassified subsequently to profit or loss		(2,877)	-
Total comprehensive income after tax		28,634	106,395
Basic/diluted earnings per unit (cents)	2	5.58	18.65

Statement of Financial Position as at 31 December 2019

	Note	December 2019 \$'000	June 2019 \$'000
Current Assets			
Cash and cash equivalents		17,175	14,289
Loans and receivables		233,049	512,629
Other financial assets	7	-	87,157
Total current assets		250,224	614,075
Non Current Assets			
Equity accounted investments	8	256,261	-
Other financial assets	7	705,300	684,965
Total non current assets		961,561	684,965
Total assets		1,211,785	1,299,040
Current Liabilities			
Trade and other payables		240	1,593
Distributions payable	1	44,681	115,623
Total current liabilities		44,921	117,216
Non Current Liabilities			
Borrowings and financing arrangements		-	-
Total non current liabilities		-	-
Total liabilities		44,921	117,216
Net assets		1,166,864	1,181,824
Equity			
Issued capital	9	922,315	921,228
Buyback reserve	9	(67,149)	(67,149)
Foreign currency translation reserve		(2,877)	-
Retained Earnings		314,575	327,745
Total equity attributable to unitholders		1,166,864	1,181,824

The accompanying notes form part of these consolidated financial statements.

Consolidated Financial Statements continued

Statement of Changes in Equity Half Year Ended 31 December 2019

	Issued Capital \$'000	Buyback Reserve ¹ \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 July 2018	920,441	(33,300)	-	357,397	1,244,538
Total Comprehensive Income					
Profit for the period	-	-	-	106,395	106,395
Other comprehensive income (net of tax)	-	-	-	-	-
Total comprehensive income	-	-	-	106,395	106,395
Transactions with Owners of the Trust					
On market buyback	-	(33,849)	-	-	(33,849)
Total other movements	-	(33,849)	-	-	(33,849)
Balance as at 31 December 2018	920,441	(67,149)	-	463,792	1,317,084
Balance as at 1 July 2019	921,228	(67,149)	-	327,745	1,181,824
Total Comprehensive Income					
Profit for the period	-	-	-	31,511	31,511
Other comprehensive income (net of tax)	-	-	-	-	-
Effect of foreign exchange movement	-	-	(2,877)	-	(2,877)
Total comprehensive income	-	-	(2,877)	31,511	28,634
Transactions with Owners of the Trust					
Distribution reinvestment plan (DRP)	1,087	-	-	-	1,087
Distribution provided for	-	-	-	(44,681)	(44,681)
Total other movements	1,087	-	-	(44,681)	(43,594)
Balance as at 31 December 2019	922,315	(67,149)	(2,877)	314,575	1,166,864

1. Stapled securities acquired by the Trust as part of the Group's on market buyback have been recorded in the Buyback Reserve.

Statement of Cash Flows Half Year Ended 31 December 2019

	6 months December 2019 \$'000	6 months December 2018 \$'000
Cash Flows from Operating Activities		
Cash receipts in the course of operations	1,866	1,759
Cash payments in the course of operations	(2,049)	(991)
Interest received	3,936	1,416
Distributions received	17,444	25,233
Net cash provided by operating activities	21,197	27,417
Cash Flows from Investing Activities		
Acquisition of investments	(268,785)	(65,419)
Proceeds from sale of fair value through profit or loss investments	89,095	210,038
Net cash (used in)/provided by investing activities	(179,690)	144,619
Cash Flows from Financing Activities		
Loan repayment by related party	275,915	-
Loan repayment to related party	-	(18,015)
Loan to related party	-	(90,964)
Distributions paid	(114,536)	(24,788)
Payments for on market buyback of stapled securities	-	(33,849)
Payments for buyback of stapled securities - Distribution Reinvestment Plan	-	(2,047)
Net cash used in financing activities	161,379	(169,663)
Net increase in cash and cash equivalents	2,886	2,373
Cash and cash equivalents at beginning of financial period	14,289	6,953
Cash and cash equivalents at end of financial period	17,175	9,326

The accompanying notes form part of these consolidated financial statements.

Notes to the Financial Statements

Basis of Preparation

The half year consolidated financial report is a general purpose financial report, which:

- Has been prepared in accordance with AASB 134 *Interim Financial Reporting*, and the *Corporations Act 2001*;
- Complies with the recognition and measurement requirements of the International Financial Reporting Standards (IFRSs) and Interpretations adopted by the International Accounting Standards Board;
- Should be read in conjunction with the 30 June 2019 annual financial report and any public announcements by the Trust during the half year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*. The half year consolidated financial report does not contain all the information required for a full financial report;
- Is presented in Australian dollars, with all values rounded off to the nearest thousand dollars unless otherwise indicated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191; and
- Is prepared under the historical cost basis except for the following assets, which are stated at their fair value: fair value through profit or loss investments.

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

- This can affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.
- The accounting policies have been consistently applied by the Trust and are consistent with those applied in the 30 June 2019 annual financial statements other than as stated below.

Impact of New and Revised Accounting Standards

New and Revised Accounting Standards Adopted 1 July 2019

From 1 July 2019 the Consolidated Entity adopted AASB 16 *Leases* and consequential amendments. AASB 16 did not have a material impact on the Consolidated Entity.

New Accounting Standards and Interpretations Not Yet Adopted

Accounting Standard	Requirement	Impact on Financial Statements
AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> and consequential amendments	AASB 2014-10 amends AASB 10 and AASB 128 to clarify the requirements for recording the sale or contribution of assets between an investor and its associate or joint venture. The amendment becomes mandatory for the June 2023 financial year and will be applied prospectively.	Based on preliminary analysis performed, the amendments are not expected to have a material impact on the Trust.

Notes to the Financial Statements continued

Section A: Performance

Profit After Tax (PAT) is the key measure used to assess the Trust's performance. This section of the Financial Report focuses on disclosure that enhances a user's understanding of PAT. The key line items of the Statement of Comprehensive Income along with their components provide detail behind the reported balances. The Trust's performance will also impact the earnings per unit and distribution payout, therefore disclosure on these items has been included in this section. Further information and analysis on performance can be found in the Review and Results of Operations, which forms part of the Directors' Report.

1. Distributions

	Cents Per Unit	6 months December 2019 \$'000	6 months December 2018 \$'000
Lendlease Trust Interim Distribution			
December 2019 – provided for and payable 17 March 2020	7.9	44,681	-
December 2018 – paid 20 March 2019	12.0	-	67,662
		44,681	67,662
Lendlease Trust Final Distribution			
	Cents Per Unit	6 months June 2019 \$'000	6 months June 2018 \$'000
June 2019 – paid 16 September 2019	20.5	115,623	-
June 2018 – paid 21 September 2018	4.7	-	26,835
		115,623	26,835

2. Earnings per Unit

Basic/Diluted Earnings Per Unit (EPU)		6 months December 2019	6 months December 2018
Profit after tax	\$'000	31,511	106,395
Weighted average number of units	'000	564,331	570,490
Basic/Diluted EPU	cents	5.58	18.65

3. Revenue and Other Income

	6 months December 2019 \$'000	6 months December 2018 \$'000
Distribution income	13,752	23,906
Net gain on fair value remeasurement of fair value through profit or loss assets	20,335	67,551
Net gain on sale of financial assets at fair value	1,938	12,861
Other income – related parties	1,866	1,759
Total revenue and other income	37,891	106,077

4. Finance Revenue and Finance Costs

Finance Revenue	6 months December 2019 \$'000	6 months December 2018 \$'000
Finance revenue – external parties	86	247
Finance revenue – related parties	4,271	1,934
Total finance revenue	4,357	2,181

Notes to the Financial Statements continued

Section A: Performance continued

4. Finance Revenue and Finance Costs continued

Finance Costs	6 months December 2019 \$'000	6 months December 2018 \$'000
Finance Costs – related parties	-	(668)
Total finance costs	-	(668)
Net finance revenue	4,357	1,513

5. Share of Profit/(Loss) of Equity Accounted Investments

	Note	6 months December 2019 \$'000	6 months December 2018 \$'000
Associates¹			
Share of profit/(loss)	8	(9,649)	-
Total share of profit/(loss) of equity accounted investments		(9,649)	-

1. Reflects the contribution to the Consolidated Entity's profit, and is after tax paid by the equity accounted investment vehicles themselves, where relevant.

6. Events Subsequent to Balance Date

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

Section B: Investment

This section includes disclosures for indirect property assets such as Equity Accounted Investments in associates and Other Financial Assets contained within the Statement of Financial Position. The measurement basis of Other Financial Assets is fair value. Refer to Note 10 'Fair Value Measurement' for details on basis of determining fair value and valuation technique.

7. Other Financial Assets

	Fair Value Level ¹	December 2019 \$'000	June 2019 \$'000
Current Measured at Fair Value			
Fair Value Through Profit or Loss – Designated at Initial Recognition			
Lendlease International Towers Sydney Trust	Level 3	-	87,157
Total current other financial assets		-	87,157
Non Current Measured at Fair Value			
Fair Value Through Profit or Loss – Designated at Initial Recognition			
Lendlease International Towers Sydney Trust	Level 3	156,612	151,465
Lendlease One International Towers Sydney Trust	Level 3	55,781	53,710
Australian Prime Property Fund – Industrial	Level 3	94,018	90,437
Australian Prime Property Fund – Commercial	Level 3	373,467	360,927
Australian Prime Property Fund – Retail	Level 3	25,236	28,049
Carlton Connect Initiative	Level 3	186	377
Total non current other financial assets		705,300	684,965
Total other financial assets		705,300	772,122

1. Refer to Note 10 Fair Value Measurement for details on basis of determining fair value and valuation technique.

Notes to the Financial Statements continued

Section B: Investment continued

7. Other Financial Assets continued

a. Fair Value Reconciliation

Reconciliation of the carrying amount for Level 3 financial instruments is set out as follows.

	December 2019 Unlisted Equity Investments \$'000	June 2019 Unlisted Equity Investments \$'000
Carrying amount at beginning of financial period	772,122	1,144,423
Additions	-	65,770
Disposals	(87,157)	(543,577)
Gains recognised in Statement of Comprehensive Income – revenue and other income	20,335	105,506
Carrying amount at end of financial period	705,300	772,122

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

8. Equity Accounted Investments

	INTEREST		SHARE OF PROFIT		NET BOOK VALUE	
	December 2019 %	June 2019 %	December 2019 \$'000	December 2018 \$'000	December 2019 \$'000	June 2019 \$'000
a. Associates						
Asia						
Investments						
Lendlease Global Commercial REIT ¹	24.3	-	(9,649)	-	256,261	-
Total Asia			(9,649)	-	256,261	-
Total			(9,649)	-	256,261	-
Less: Impairment			-	-	-	-
Total associates			(9,649)	-	256,261	-

1. Lendlease Global Commercial REIT was listed on the Singapore Exchange on 2 October 2019.

b. Material Associates Summarised Financial Information

Material associates are determined by comparing individual investment carrying value and share of profit with the total equity accounted investment carrying value and share of profit, along with consideration of relevant qualitative factors.

	LENDELEASE GLOBAL COMMERCIAL REIT	
	6 months December 2019 \$'000	6 months December 2018 \$'000
Income Statement		
Revenue and other income	22,792	-
Other expenses	(57,557)	-
Income tax expense	-	-
Loss for the period	(34,765)	-
Other comprehensive loss	(5,356)	-
Total comprehensive loss	(40,121)	-
Trust's ownership interest	24.3%	-
Trust's total share of:		
Loss for the period	(8,455)	-
Other adjustments	(1,194)	-
Total loss for the period	(9,649)	-
Other comprehensive loss	(2,877)	-
Total comprehensive loss	(12,526)	-

Notes to the Financial Statements continued

Section B: Investment continued

8. Equity Accounted Investments continued

b. Material Associates Summarised Financial Information continued

Statement of Financial Position	LENLEASE GLOBAL COMMERCIAL REIT	
	December 2019 \$'000	June 2019 \$'000
Current assets		
Cash and cash equivalents	94,206	-
Other current assets	14,098	-
Total current assets	108,304	-
Non current assets		
Investment properties	1,488,495	-
Other non current assets	19,298	-
Total non current assets	1,507,793	-
Current liabilities		
Other current liabilities	47,945	-
Total current liabilities	47,945	-
Non current liabilities		
Financial liabilities (excluding trade payables)	543,734	-
Other non current liabilities	1,740	-
Total non current liabilities	545,474	-
Net assets	1,022,678	-
Reconciliation to Carrying Amounts		
Opening net assets 1 July		
Acquisition/contributions	1,074,629	-
Total comprehensive loss for the period	(40,121)	-
Foreign currency translation for the period	(11,830)	-
Closing net assets	1,022,678	-
% ownership	24.3%	-
Group's share of net assets	248,511	-
Other adjustments	7,750	-
Carrying amount at end of period	256,261	-

There were no immaterial associates for the period ended 31 December 2019.

Section C: Liquidity and Working Capital

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

9. Issued Capital

	December 2019 No of units '000s	December 2019 \$'000	June 2019 No of units '000s	June 2019 \$'000
Issued capital at beginning of financial period	584,262	921,228	583,983	920,441
Distribution Reinvestment Plan (DRP)	347	1,087	279	787
Issued capital at end of financial period	584,609	922,315	584,262	921,228
Buyback Reserve at beginning of financial period	(20,131)	(67,149)	(9,722)	(33,300)
On market buyback of securities ¹	-	-	(10,409)	(33,849)
Buyback Reserve at end of financial period	(20,131)	(67,149)	(20,131)	(67,149)
Balance reflected in Reserves¹	-	67,149	-	67,149
Issued capital at end of financial period	564,478	922,315	564,131	921,228

1. Stapled securities acquired by the Trust as part of the Group's on market stapled security buyback have been recorded in the Buyback Reserve.

Notes to the Financial Statements continued

Section C: Liquidity and Working Capital continued

9. Issued Capital continued

a. Issuance of Securities

As at 31 December 2019, Lendlease Trust had 564,478,476 units on issue, equivalent to the number of Lendlease Corporation shares on issue. The issued units of the Trust and shares on issue by Lendlease Corporation Limited are stapled securities.

b. Security Accumulation Plans

The Distribution Reinvestment Plan (DRP) was reactivated in February 2011. The last date for receipt of an election notice for participation in the DRP is 2 March 2020. The issue price is the arithmetic average of the daily volume weighted average price of Lendlease Group stapled securities traded (on the Australian Securities Exchange) for the period of five consecutive business days immediately following the record date for determining entitlements to distribution. If that price is less than 50 cents, the issue price will be 50 cents. Stapled securities issued under the DRP rank equally with all other stapled securities on issue.

c. Terms and Conditions

A stapled security represents one share in the Company stapled to one unit in the Trust.

Stapled securityholders have the right to receive declared dividends from the Company and distributions from the Trust and are entitled to one vote per stapled security at securityholders' meetings. Ordinary stapled securityholders rank after all creditors in repayment of capital.

Section D: Other Notes

10. Fair Value Measurement

a. Basis of Determining Fair Value

The fair value of unlisted equity investments, including investments in property funds, is determined based on an assessment of the underlying net assets which may include periodic independent and Directors' valuations, future maintainable earnings, and any special circumstances pertaining to the particular investment.

b. Fair Value Measurements

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

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

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

11. Contingent Liabilities

The Consolidated Entity has identified the following contingent liabilities, being liabilities in respect of which there is the potential for a cash outflow in excess of any provision where the likelihood of payment is not considered probable or cannot be measured reliably at this time:

- In certain circumstances, the Trust, as part of the Group, guarantees the performance of particular Group entities in respect of their obligations. This includes bonding and bank guarantee facilities used primarily by the construction business. These guarantees are provided in respect of activities that occur in the ordinary course of business and any known losses in respect of the relevant contracts have been brought to account.

12. Consolidated Entities

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

PARENT ENTITY

Lendlease Trust

AUSTRALIA

Lendlease LLT Holdings Sub Trust¹

Lendlease SREIT Sub Trust¹

1. Set up in the current period and 100% owned by the Trust.

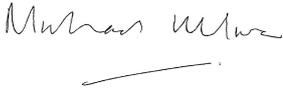
During the current period, there were no acquisitions or disposals of material consolidated entities.

Directors' Declaration

In the opinion of the Directors of Lendlease Responsible Entity Limited, the responsible entity for the Lendlease Trust (the Trust):

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - a. Giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2019 and of its performance for the half year ended on that date; and
 - b. Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
2. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



M J Ullmer, AO

Chairman

Sydney, 20 February 2020



S B McCann

Chief Executive Officer and Managing Director



Independent Auditor's Review Report

To the unitholders of Lendlease Trust

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Lendlease Trust (the Trust).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Lendlease Trust is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Trust's financial position as at 31 December 2019 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2019;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Lendlease Responsible Entity Limited, the Responsible Entity for Lendlease Trust, are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Trust's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Lendlease Trust, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

KPMG

D M McLennan

Partner

Sydney

20 February 2020