

ASX ANNOUNCEMENT

20 February 2020

Lendlease Group 2020 Half Year Results Announcement, Presentation and Appendix

Lendlease Group today announced its results for the half year ended 31 December 2019. Attached is the HY20 Results Announcement, Presentation and Appendix.

ENDS

For further information, please contact:

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Authorised for lodgement by the Lendlease Group Disclosure Committee

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

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Development pipeline increases to \$112b, underpins long term growth

For the half year ended 31 December 2019:

- Group profit after tax of \$313 million, earnings per stapled security of 55.5 cents:
 - Core profit after tax of \$308 million and earnings per stapled security of 54.6 cents
 - Non core profit after tax of \$5 million
- Interim distribution of 30 cents per stapled security
- Return on Equity¹ of 9.8 per cent

Key highlights:

- Secured two major urbanisation projects in London and San Francisco Bay Area
- Urbanisation pipeline of \$98 billion including 21 major projects in nine global gateway cities
- Launch of One Sydney Harbour, Barangaroo - \$1.4 billion of apartment presales
- Lendlease Global Commercial REIT listed in Singapore
- Development pipeline of \$112 billion, up 51 per cent on the prior corresponding period
- Funds Under Management (FUM) of \$37 billion, up 8 per cent on the prior corresponding period
- Sale of Engineering business to Acciona agreed for \$180 million
- Sale process continues for Services business
- Developed and published four climate scenarios in line with TCFD² recommendations
- Global number one ranked fund in GRESB³ with four funds ranked in the global top 10

HY20 Key Highlights

Group Chief Executive Officer and Managing Director, Steve McCann, said Lendlease made significant progress on its cornerstone strategy of creating the best places in key global gateway cities.

“The Group grew its urbanisation pipeline significantly, completed another world class urban precinct and progressed the sale of the Engineering business. These and other initiatives have strengthened our business and position the Group for long term growth.

“Our ability to deliver transformational urban precincts with a focus on environmental, social and financial outcomes is recognised globally. Continued origination success during the period has driven our urbanisation pipeline to almost \$100 billion within a total development pipeline of \$112 billion,” said Mr McCann.

¹ Return on Equity is calculated using the annualised Profit after Tax divided by the arithmetic average of beginning and half year end securityholders' equity.

² Taskforce for Climate-related Financial Disclosure.

³ 2019 Global Real Estate Sustainability Benchmark.

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The Group added two new major urbanisation projects to its portfolio – Thamesmead Waterfront in London and a partnership with Google in the San Francisco Bay Area. These residential led projects have a combined estimated end development value of more than \$36 billion.

The retail and residential components of Singapore’s newest lifestyle precinct, Paya Lebar Quarter, completed in the period. This marks the culmination of a four-year development which has delivered approximately \$4 billion of product including three office towers, a retail mall and more than 400 apartments.

“The endorsement of our capability is the success and vibrancy of our completed precincts such as Paya Lebar Quarter in Singapore where we have created a world class destination for people to live, work and visit, while exceeding our financial and non financial performance targets” Mr McCann said.

The Group published four climate scenarios in line with the Taskforce for Climate-related Financial Disclosure (TCFD) recommendations and is the only company in the real estate sector participating in the TCFD Secretariat’s Advisory Group for Scenario Planning.

“We are proud of our history of integrating environmental and social considerations into our business decisions. Today this approach is more important than ever, as we commit to addressing climate change across our operations,” Mr McCann said.

Delivery commenced on several developments including residential apartments for sale at One Sydney Harbour, Barangaroo where presales have reached \$1.4 billion. Lakeshore East in Chicago was also launched with a combination of apartments for sale and rent. The total number of apartments for rent in delivery globally is now more than 1,700.

“The ongoing conversion of our pipeline will see us provide our capital partners with access to high quality assets and development opportunities. This integrated approach is our key competitive advantage and provides a point of difference we believe few can match,” Mr McCann said.

Funds under management grew by eight per cent⁴ to \$37 billion, including the \$1.5 billion listing of the Lendlease Global Commercial REIT in Singapore.

The Construction segment delivered a solid performance in line with target returns, with \$4.3 billion of construction work completed. Activity was diversified by sector, client and geography with completed projects including the Gosford Hospital Redevelopment, the redevelopment of Rod Laver Arena and Paya Lebar Quarter.

In December 2019, Lendlease entered into an agreement with Acciona Infrastructure Asia Pacific (Acciona) to sell the Engineering business for a purchase price of \$180 million.

⁴ Comparative period, half year ended 31 December 2018.

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“The sale of the Engineering business is an important milestone that provides a clear pathway for our people, partners, clients and securityholders. It will allow the Group to focus on its core competitive advantages, with our aim of being the global urbanisation partner of choice,” Mr McCann said.

Under the terms of the agreement, subject to the completion of conditions precedent, Acciona will acquire the Engineering business excluding the NorthConnex and Kingsford Smith Drive projects, which are in final stages and will be completed by Lendlease. The Melbourne Metro Tunnel Project is also currently excluded, with the project consortium working with Government on a confidential basis to resolve issues in relation to the scope and costs on the project.

The Services business continues to perform well. During the period it secured \$1.1 billion of new work including telecommunications contracts and a multi year contract with Sydney Water. Services closed the period with a backlog of \$2.2 billion and an attractive pipeline of future opportunities. The sale process for the Services business continues.

HY20 Group Financials

The Group delivered a solid result in the half year and remains in a strong financial position.

Core business profit after tax of \$308 million generated a return on equity of 9.6 per cent.

Group Chief Financial Officer, Tarun Gupta said: “Our key focus remains on driving securityholder value through delivery of our growing pipeline of development projects. Maintaining a robust financial position and strong capital partner relationships will be paramount for this investment phase.”

The Group’s gearing was 14.7⁵ per cent, the mid point of the 10-20 per cent target range and it is expected to be between 15-20 per cent at the end of FY20.

“Looking ahead, there are near term commercial and residential conversion opportunities across our major urbanisation projects, several of which are expected to contribute to earnings in the second half of the financial year.”

The Development segment ROIC of 7.3 per cent reflected the completion of the retail precinct at Paya Lebar Quarter and the establishment of the Victoria Cross Over Station Development joint venture, offset by softness in the Australian Communities business. Development earnings are expected to be skewed to the second half of the financial year driven by both commercial and residential activity across our major urbanisation projects.

The construction margin of 2.3 per cent was generated on \$4.3 billion of revenue.

⁵ Includes \$701 million of cash and cash equivalents for the Non core segment which has been classified as Assets Held for Sale.

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Investments ROIC of 10.7 per cent reflected strong fee income driven by growth in funds under management and the performance fee for the successful completion of Paya Lebar Quarter.

“We are shifting invested capital to our international regions and expect this to be increasingly reflected in the contribution from these regions,” Mr Gupta said.

Non core segment Financials

The Non core segment, comprising Engineering and Services, generated EBITDA of \$23 million and profit after tax of \$5 million. These businesses have been reported as discontinued operations in HY20 based on the status of the sale process for each business.

The loss on exiting the Engineering business will reflect a combination of exit costs and proceeds from sale relative to the carrying value of the business on completion of the transaction. It is anticipated that this will be accounted for in FY20 following the expected completion of the transaction.

The previously disclosed cost estimate to exit the Non core segment of \$450 - \$550 million pre tax remains appropriate with \$22 million expensed to date. Exit related costs⁶ include:

- Implementation and selling costs;
- Indemnities included in any sale agreement; and
- Potential costs to cover concluding projects retained by the Group.

This cost estimate, together with existing provisions, is considered appropriate to cover concluding retained projects and to exit the Non core segment.

The impact on cash flow from the sale of Engineering will comprise \$180 million in proceeds from the sale (\$60 million in FY20 and \$120 million in FY21), less implementation and selling costs, and adjustments for the final balance sheet including working capital which will be determined on completion of the transaction. The cash flow impact of the remaining exit costs is expected to be incurred over several years.

Outlook

The near term outlook for the core business is supported by the expected conversion of both commercial and residential development opportunities across our major urbanisation projects.

The Group's ability to partner with public and private sector clients to secure long dated projects provides substantial earnings visibility over the medium to long term.

“Our core segments are well placed for medium term success. The development pipeline has increased significantly to \$112 billion with a growing number of major urbanisation projects in our

⁶ Previously referred to as restructuring cost estimate.



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international gateway cities across the US and Europe in particular,” Mr McCann said. Construction backlog revenue for the core business is \$14 billion. Beyond the current backlog, there is approximately \$10 billion of work which the Group is in a preferred position on, across both external and integrated projects.

The Investments segment is well placed to continue to deliver a solid base of recurring earnings derived from the \$4 billion of investments, \$37 billion in FUM and \$30 billion of assets under management.

“Our urbanisation pipeline is expected to create more than \$50 billion of institutional grade assets for our capital partners and the Group’s investments platform. We are well placed to double our current \$37 billion of FUM as this pipeline is delivered,” Mr McCann said.

Further information regarding Lendlease’s results is set out in the Group’s financial results presentation for the half year ended 31 December 2019 and is available on www.lendlease.com.

ENDS

FOR FURTHER INFORMATION, PLEASE CONTACT:

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2020 Key Dates for Investors

HY20 results released to market/interim distribution declared	20 February
Securities quoted ex-distribution on the Australian Securities Exchange	27 February
Interim distribution record date	28 February
Interim distribution payable	17 March
FY20 results released to market/final distribution declared	17 August
Annual General Meetings	20 November

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2020

Half Year Results

20 February 2020

 Paya Lebar Quarter, Singapore



Acknowledgement of Country

As a developer, builder and manager of assets on land across Australia, we pay our respect to the traditional owners, especially their elders past and present, and value their custodianship of these lands.

● Artist's impression: Salesforce Tower, Sydney Place

Group Performance

Steve McCann
Group Chief Executive
Officer and Managing
Director



Safety

Fatality

- Lendlease is saddened to report a fatality occurred following an incident on our operations during HY20
- We express our sincere condolences to family, friends and colleagues
- We remain committed to the safety of our people and continuously strive to do our best so that every person who visits a Lendlease operation returns home safely

Key metrics

- Improved metrics following further enhancements to safety standards:
 - Group Lost Time Injury Frequency Rate^{1,2} 1.3 down from 1.9³
 - Operations without a Critical Incident⁴ 94% up from 93%³

1. Calculated on a rolling 12 month basis.

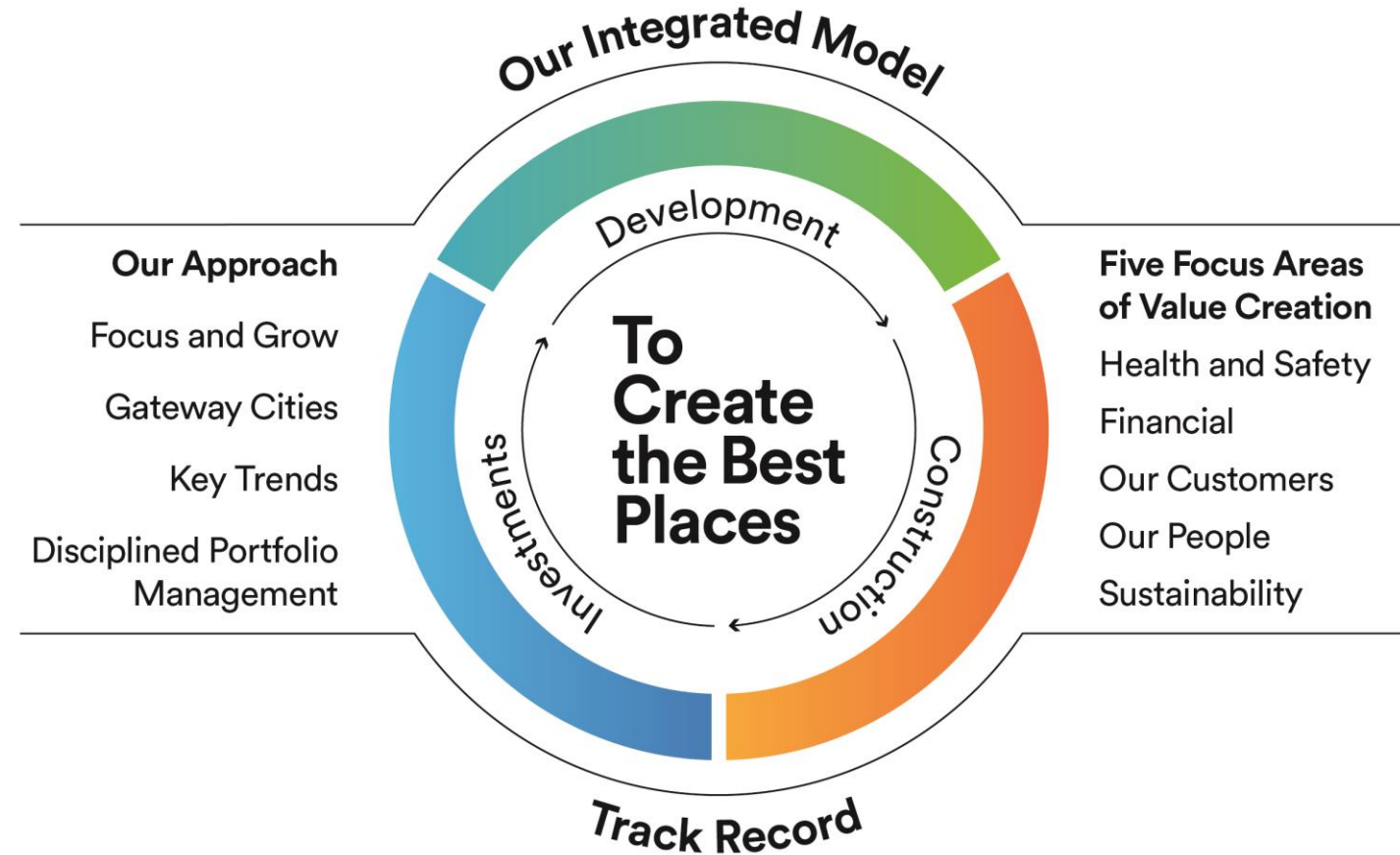
2. Calculated to provide a rate of instances per 1,000,000 hours worked.

3. Comparative period the half year ended 31 December 2018.

4. A Critical Incident is an event that caused, or had the potential to cause, death or permanent disability. This is an indicator unique to Lendlease.

Our approach

Recognised as a Leading International Property and Infrastructure Group



Maximising Long-Term Securityholder Value (target 10-14% Return on Equity)

Environmental Social and Governance

HY20 key achievements

- Task Force for Climate-related Financial Disclosure (TCFD) progress:
 - Four climate scenarios developed and published
 - Top 200 leaders engaged in climate related risks and opportunities workshops

- Net Zero Carbon achievements and progress:
 - Barangaroo South named Australia's first carbon neutral precinct
 - Australian Construction business net zero carbon in FY19
 - Commitments for >\$12 billion of managed assets to be net zero carbon by 2025

- Shared value external partnerships through Lendlease Foundation:
 - Red Cross: place-based community development
 - OzHarvest Nourish Program: providing pathways to employment and further education
 - MATES in Construction: suicide prevention

- 2019 Global Real Estate Sustainability Benchmark (GRESB) leadership:
 - Number one ranked fund globally out of 964 participants – APPF Commercial
 - Four Lendlease managed funds ranked in global top 10

- Lendlease received AAA ESG rating from MSCI¹

- New Board appointments – additional property and construction expertise:
 - Baroness Margaret Ford OBE (UK)
 - Robert Welanetz (US)

1. 7% of participating companies in 2019 achieved a AAA rating.

Lendlease Sustainability Framework



Non core segment update

Engineering and Services: Progress on exit

- Non core segment reported as a discontinued operation in HY20 financial statements
- Sale of Engineering business to Acciona for \$180m:
 - Expected to complete H2 FY20, subject to conditions
 - Excludes NorthConnex and Kingsford Smith Drive – projects to be completed by Lendlease:
 - Both > 90% complete, expected completion CY20
 - Currently excludes Melbourne Metro Tunnel Project:
 - Consortium working with Government on a confidential basis to resolve issues in relation to scope and costs
- Loss on exiting Engineering, including exit related costs, to be accounted for following completion of the sale
- Sale process for the Services business continues
- Cost estimate to exit the Non core segment of \$450m - \$550m¹ pre tax remains appropriate. Exit related costs² include:
 - Implementation and selling costs;
 - Indemnities included in any sale agreement; and
 - Potential costs to cover concluding projects retained by the Group
- Exit cost estimate, together with existing provisions, appropriate to cover concluding retained projects and exit the Non core segment

HY20 Performance

- HY20 EBITDA of \$23m:
 - Includes \$7m of exit costs
- Engineering EBITDA break even:
 - Gross profit offset by overheads and exit costs
 - New work secured \$0.9b
- Services business performing strongly:
 - New work secured of \$1.1b and backlog of \$2.2b with solid outlook for future pipeline

1. \$22m expensed to date.

2. Previously referred to as restructuring cost estimate.

HY20 result

Securityholder returns¹

- Group profit after tax of \$313m, earnings per stapled security of 55.5 cents, return on equity of 9.8%²
 - Core profit after tax of \$308m, earnings per stapled security of 54.6 cents, return on equity of 9.6%²
 - Non core profit after tax of \$5m
- Interim distribution of 30 cents per security

Performance highlights

- Focus on the core strategy of urbanisation:
 - Significant growth in the urbanisation pipeline along with capital partner initiatives
 - Completion of a world class urban precinct: Paya Lebar Quarter
 - Investing in platform and capability to deliver extensive pipeline
 - Exit of Engineering business well progressed
- Development ROIC: 7.3%, below the 10 – 13% target range:
 - Expected skew to H2 FY20
- Construction EBITDA margin: 2.3%, within 2 – 3% target range
 - Continues to generate stable returns with leadership positions in target sectors and markets
- Investments ROIC: 10.7%, top end of the 8 – 11% target range:
 - Platform continues to grow, providing a solid base of recurring income for the Group
- Strong financial position: gearing of 14.7%^{3,4}, and liquidity of \$3.1b⁴

1. Comparative period the half year ended 31 December 2018.

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

3. Net debt to total tangible assets, less cash.

4. Includes \$701m of cash and cash equivalents for the Non core segment which have been classified as Assets Held for Sale.

Development pipeline increases to \$112b, underpins long term growth

Executing on our strategy

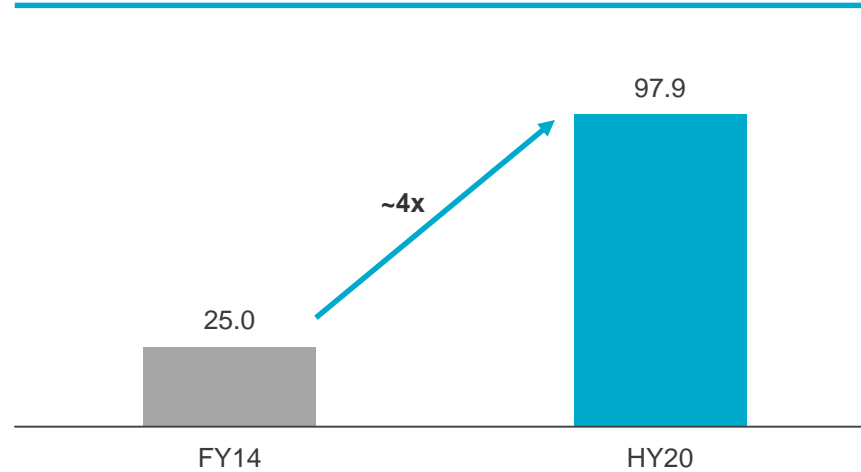
- Development pipeline \$112b up from \$74.5b¹
- c.\$36b of urbanisation projects secured:
 - Thamesmead Waterfront, London: \$14.8b²
 - San Francisco Bay Area project: \$21.5b²
- Apartment commencements in two cities:
 - Sydney: Barangaroo South: One Sydney Harbour – first of three towers
 - \$1.4b in presales
 - Chicago: Lakeshore East: 853 units across two buildings - for sale and for rent
- Third party capital initiatives:
 - Development JV formed to deliver Victoria Cross Over Station Development, Sydney:
 - \$1.2b² office tower
 - Launched Lendlease Global Commercial REIT in Singapore – \$1.5b FUM
 - Development JV completed retail and residential at Paya Lebar Quarter, Singapore:
 - Entire precinct now complete – c.\$4b of product delivered above target returns



1. Comparative period the half year ended 31 December 2018. 2. Estimated development end value. 3. Artist's impression (image subject to change and further design development and planning approval).

Urbanisation pipeline to drive future growth

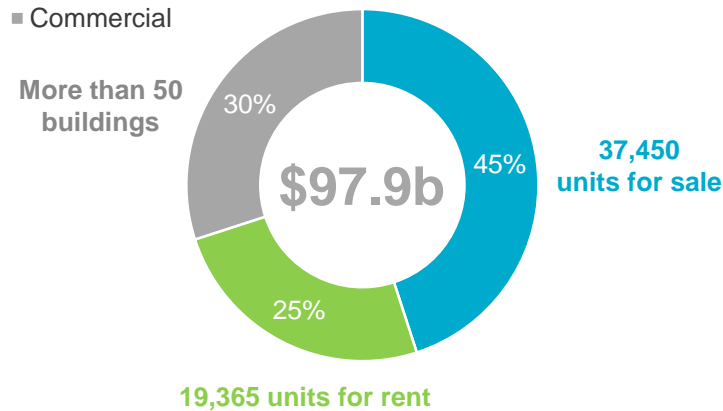
Urbanisation pipeline (\$b)



HY20 urbanisation pipeline

- Residential for sale
- Residential for rent
- Commercial

>\$50b investment grade assets anticipated to be created from pipeline

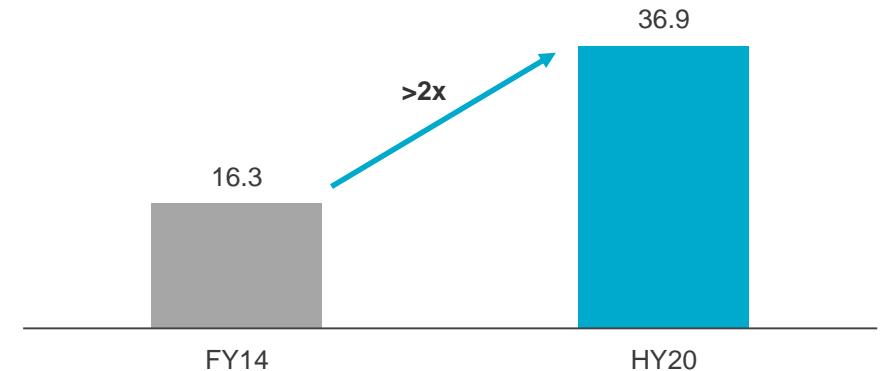


Urbanisation production rate expected to accelerate

- Production has averaged ~\$4b p.a. in recent years
- Pipeline implies ~25 years of supply at current production rate
- Significant opportunity to accelerate production activity materially over the medium term
- Preparing for next phase of investment for growth:
 - Significant investment made in delivery platform and capability
 - Focus on maintaining and growing capital partner relationships

Funds Under Management (\$b)

Opportunity to double FUM again as pipeline converts



● Artist's impression: Victoria Cross Over Station Development, Sydney

Financial Performance

Tarun Gupta
Group Chief Financial
Officer



Financial performance

\$m	HY19	HY20	Change
Core			
Development	261	272	4%
Construction	111	101	(9%)
Investments	273	255	(7%)
Operating EBITDA	645	628	(3%)
Corporate costs ¹	(88)	(72)	18%
Group EBITDA	557	556	-
Depreciation and amortisation	(50)	(77)	(54%)
EBIT	507	479	(6%)
Net finance costs	(53)	(76)	(43%)
PBT	454	403	(11%)
Income tax expense	(99)	(95)	4%
PAT	355	308	(13%)
Non core			
EBITDA	(474)	23	>100%
PAT	(339)	5	>100%
Total			
PAT	16	313	>100%
Weighted avg. securities (#m)	571	564	(1%)
Earnings per Stapled Security (cents)	2.8	55.5	>100%

- PLQ retail; Victoria Cross Over Station Development joint venture; apartment settlements
- EBITDA margin 2.3%, up 0.2ppt from HY19; reclassification of integrated project earnings to Development
- Strong fee income from higher FUM and PLQ performance fee; lower revaluations

- Group services costs of \$56m, up 6% like for like
- Reclassification of operating lease expenses
- Increase due to higher average net debt

Adoption of AASB 16 Leases:

- Lower corporate costs (\$23m)
- Higher depreciation and amortisation
- Higher net finance costs

- Includes \$7m of exit costs

1. Corporate costs of \$72m comprise Group Services costs of \$56m and Group Treasury costs of \$16m.

Cash flow

Cash flow movements

HY20 (\$m)

Cash conversion 5% in HY20

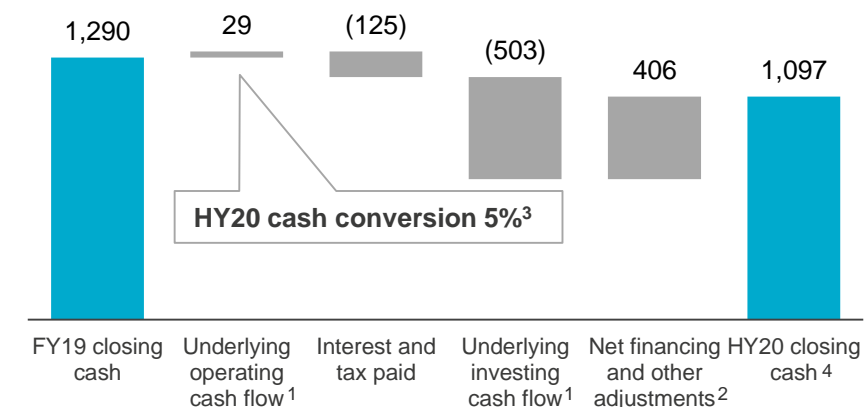
- Low due to PLLACes maturity and timing of cash receipts

Operating and Investing inflows:

- Development settlements net of PLLACes \$0.4b
- Sale of 313@somerset into Lendlease Global Commercial REIT \$0.2b
- Other urbanisation \$0.7b

Operating and Investing outflows:

- Development \$1.3b
- Establishment of the Lendlease Global Commercial REIT \$0.3b
- Other investments \$0.2b

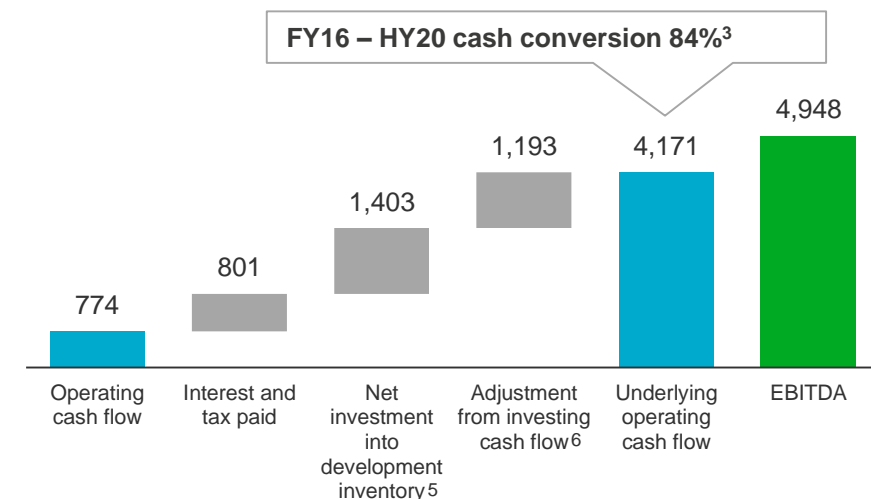


Underlying operating cash flow

FY16 – HY20 (\$m)

Underlying operating cash flow of \$4.2b from FY16 to HY20:

- Statutory operating cash flow of \$774m:
 - \$0.8b has been paid in interest and tax
 - \$1.4b of the Group's operating cash flow has been reinvested into development inventories
 - \$1.2b cash realisation from the sell down of deconsolidated development entities and gains on sale of assets
- Cash conversion of 84% FY16 – HY20:
 - Includes cash conversion of 5% HY20 impacted by:
 - Maturity of PLLACes instruments (\$220m)
 - Timing of receipts across Development and Investments segments



1. Reconciliation on appendix slides 12 and 13.
2. Includes the impact of foreign exchange movements on opening cash.
3. Underlying operating cash flow relative to EBITDA.
4. Includes \$701m of cash and cash equivalents for the Non core segment which have been classified as Assets Held for Sale at HY20.
5. Movement in development properties inventory, less movement in deferred land payments.
6. Reallocation reflects cash proceeds from sell down of development entities and realised gains on sale of assets not reflected in operating cash flow.

Financial position

Financial strength

Capital structure

- Gearing 14.7%^{1,2}, up from 9.9% in FY19, net debt \$2.3b:
 - Invested capital up \$0.8b:
 - \$0.5b Development, \$0.3b Investments
 - Low underlying cash flow in H1
- Investment grade credit ratings (no change in period):
 - Moody's: Baa3 negative outlook
 - Fitch: BBB- stable
- Discontinued operations³:
 - \$1.9b assets, \$1.7b liabilities held for sale

Distribution policy

- Payout 40 - 60% of earnings
- Capital management discipline

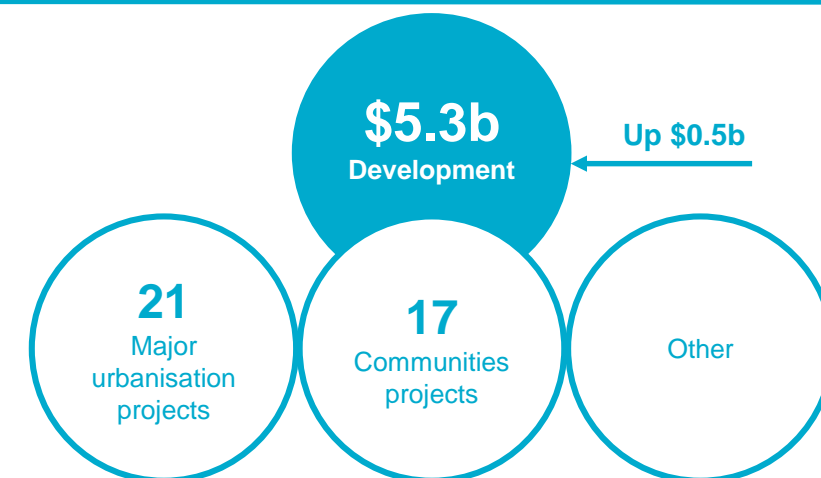
Debt metrics

- Interest cover⁴ of 7.4 times
- Average cost of debt 3.6%, maturity 3.9 years

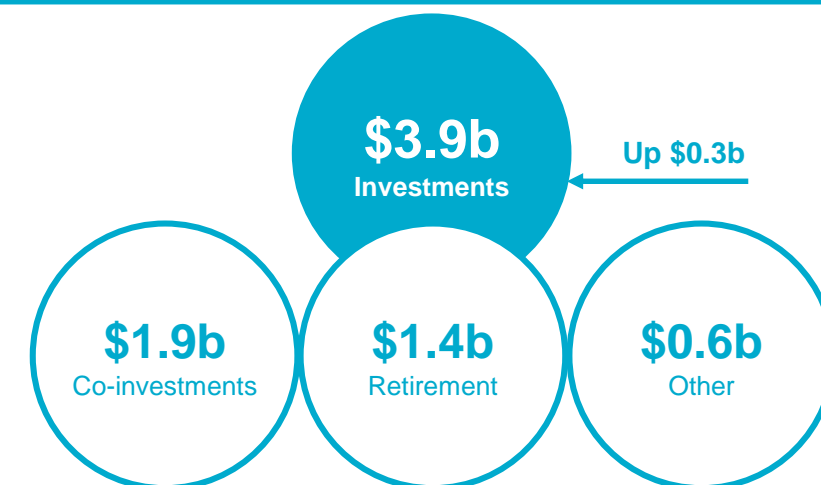
Funding and liquidity

- Balanced debt maturity profile, no material concentrations:
 - No material debt maturities until FY22
- Total liquidity of \$3.1b² supports anticipated increase in development and investment activity:
 - \$1.1b² of cash

Invested capital: Development



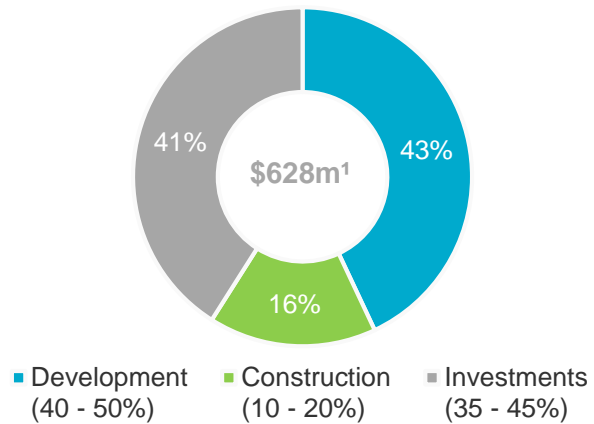
Invested capital: Investments



1. Target range 10 – 20%.
2. Includes \$701m of cash and cash equivalents for the Non core segment which have been classified as Assets held for sale.
3. Upon sale of the Engineering business, a negative working capital balance for the projects included in the sale agreement will be transferred. As at 31 December, that amount was approximately \$425 million.
4. EBITDA plus interest income, divided by interest finance costs, including capitalised finance costs.

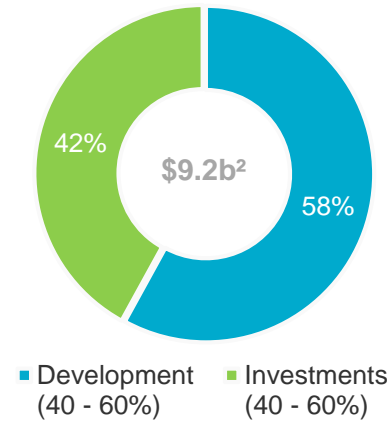
Portfolio Management Framework

EBITDA mix

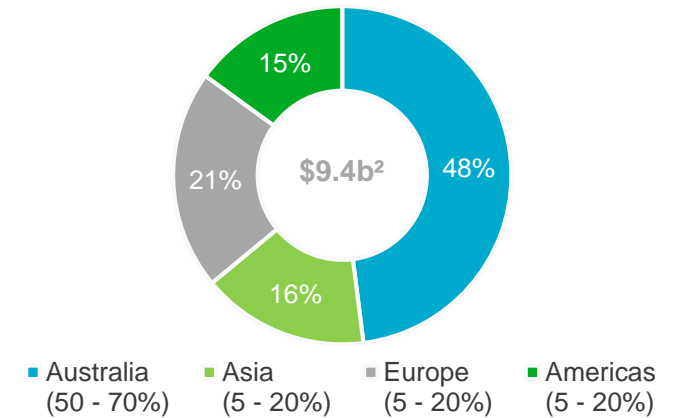


Invested capital

By segment

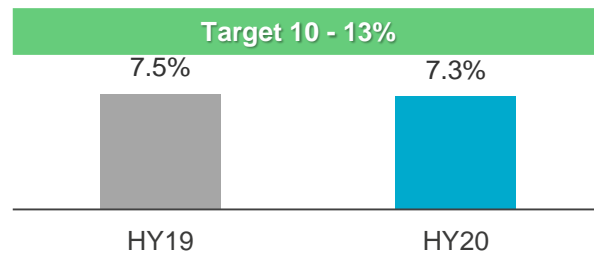


By region

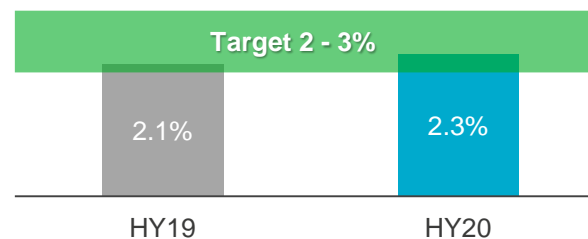


Returns

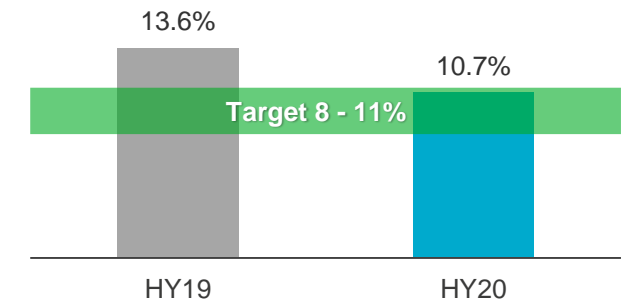
Development – ROIC^{3,4}



Construction – EBITDA margin⁵



Investments – ROIC^{3,4}



1. Core operating EBITDA. 2. Total invested capital at 31 December 2019 was \$9.5b. Development and Investments totalled \$9.2b, Construction and Non core \$0.2b and Corporate \$0.1b. 3. 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. 4. Through-cycle target based on rolling three to five year timeline. 5. Core business only.

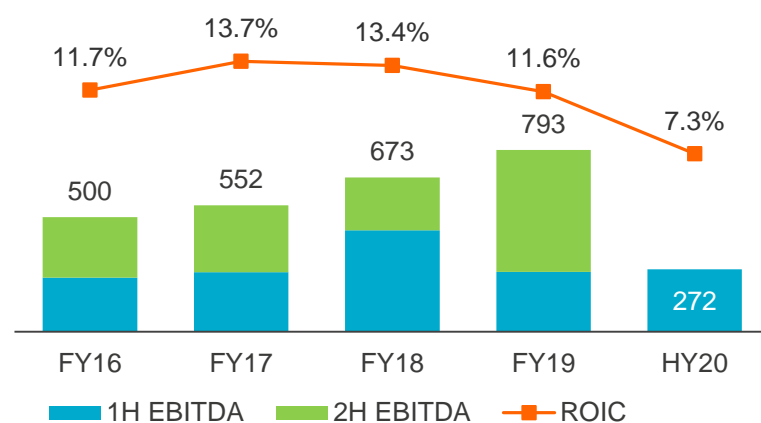
Core financial returns

- Average Return on Equity FY16 – HY20:



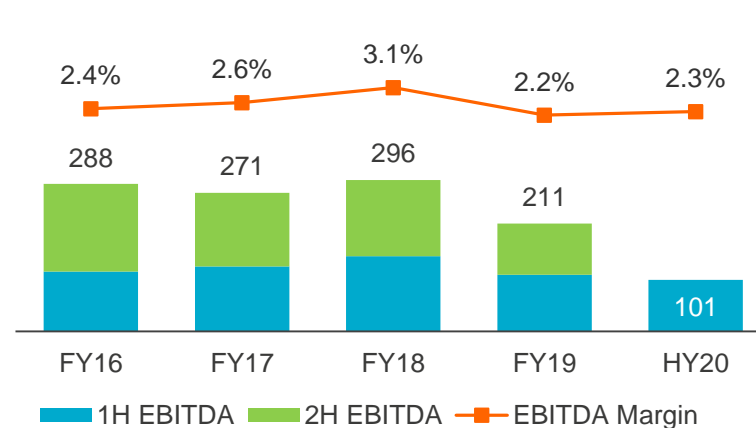
Development segment

Average ROIC: FY16 – HY20



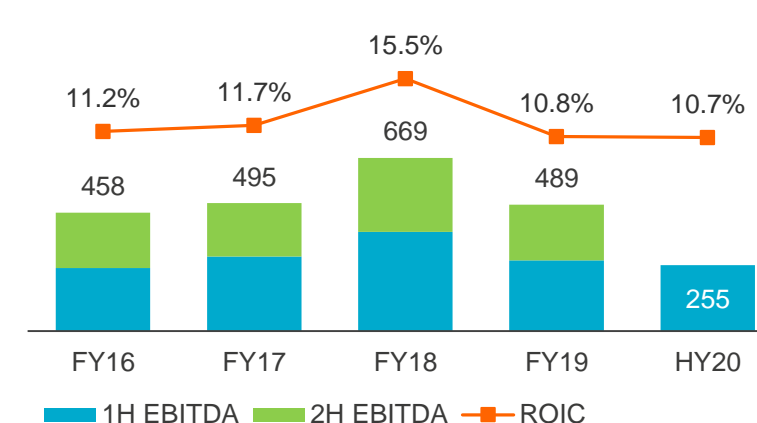
Construction segment

Average EBITDA margin: FY16 – HY20



Investments segment

Average ROIC: FY16 – HY20

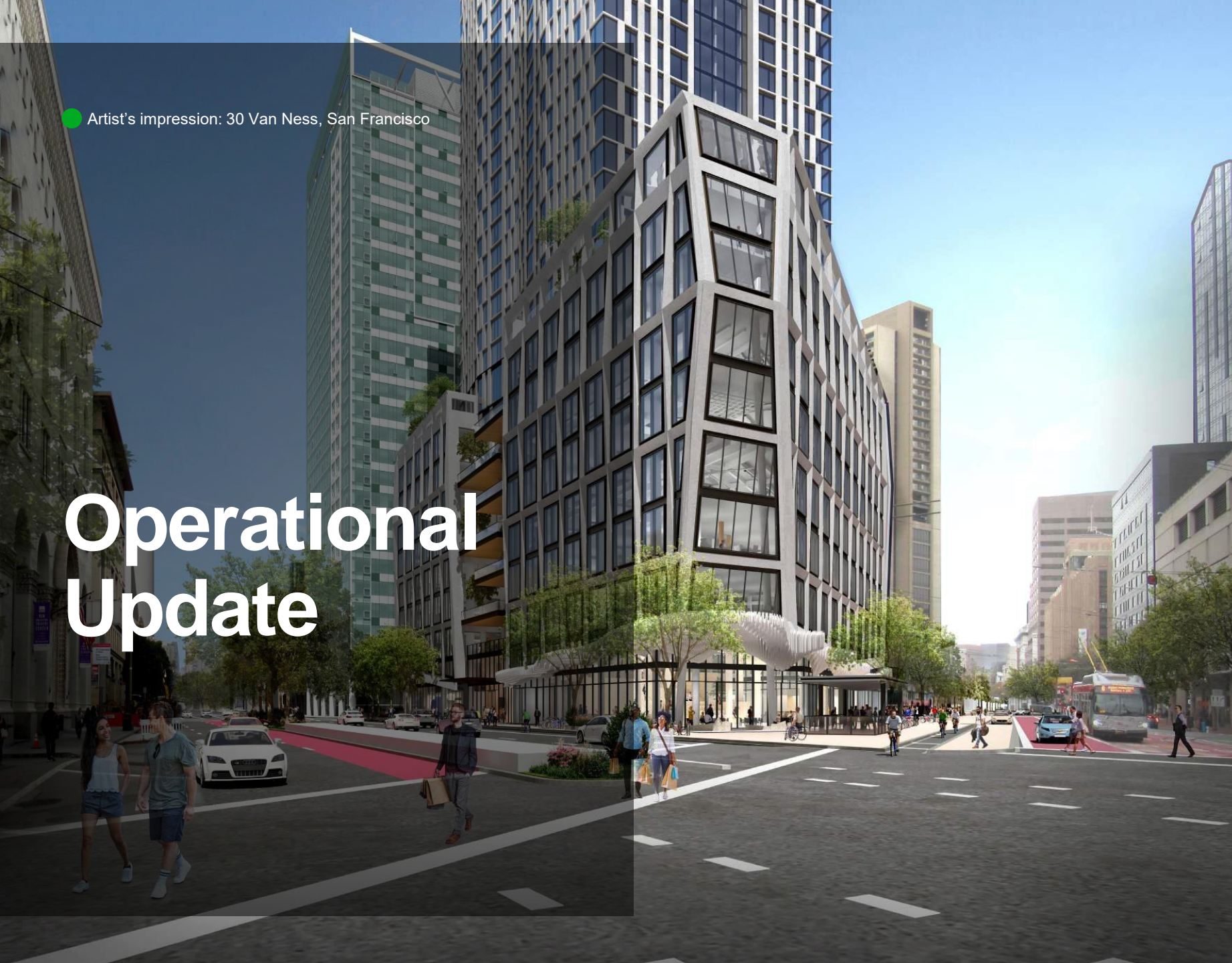


1. Group average ROE FY16 – HY20 11.3%

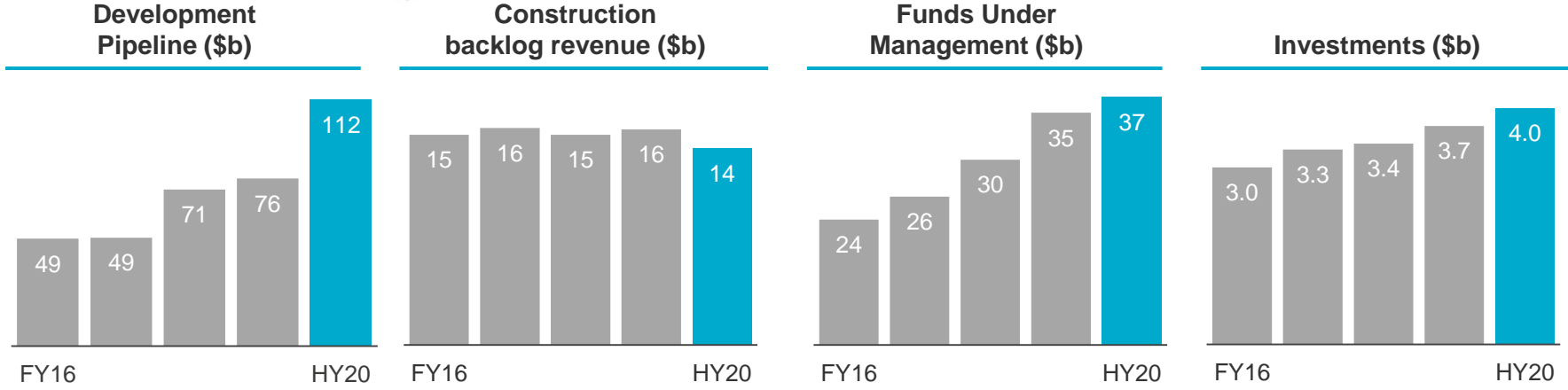
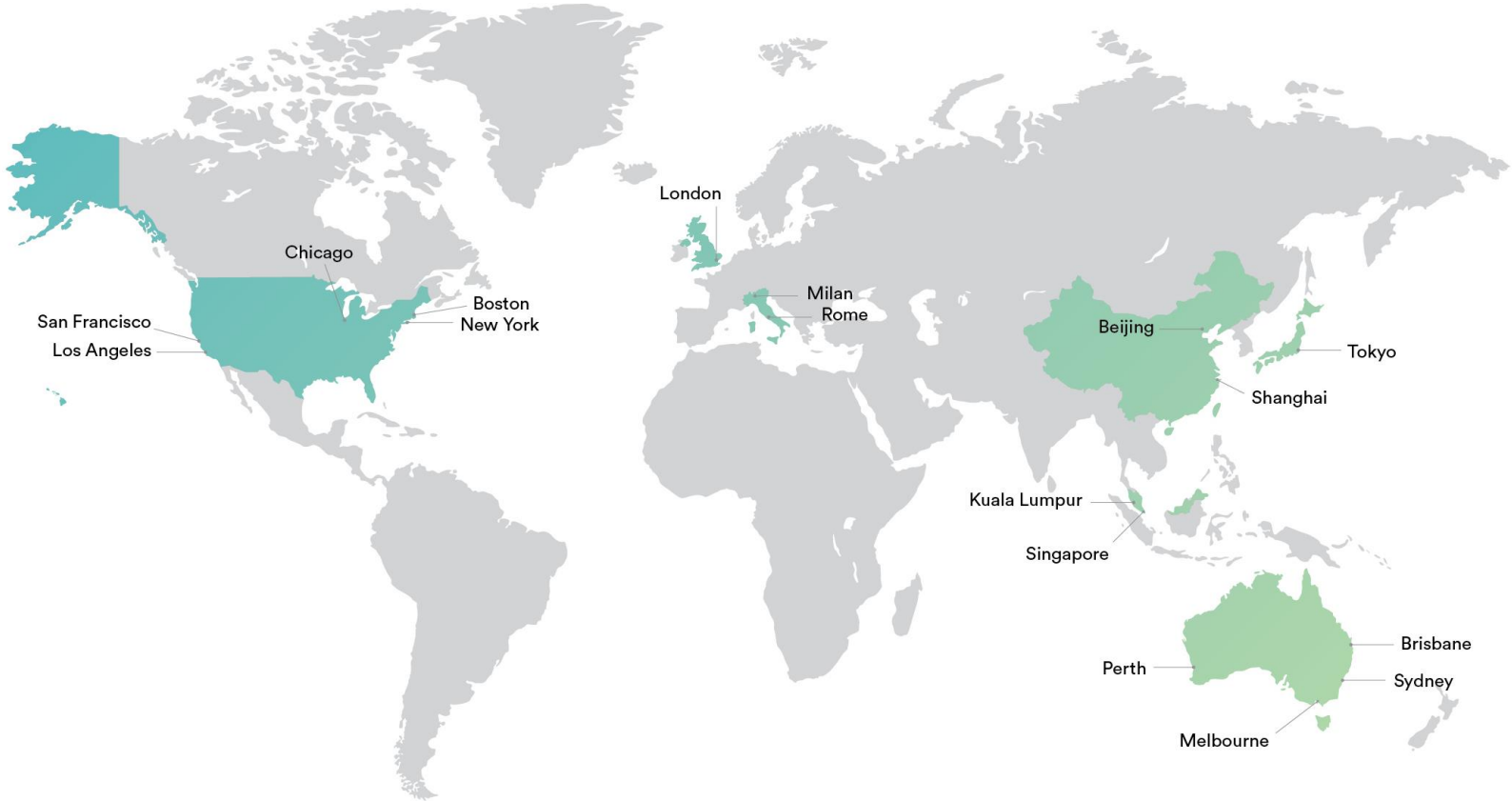
● Artist's impression: 30 Van Ness, San Francisco

Operational Update

Steve McCann
Group Chief Executive
Officer and Managing
Director



Growth in platform across target gateway cities



Development

Apartments

Performance

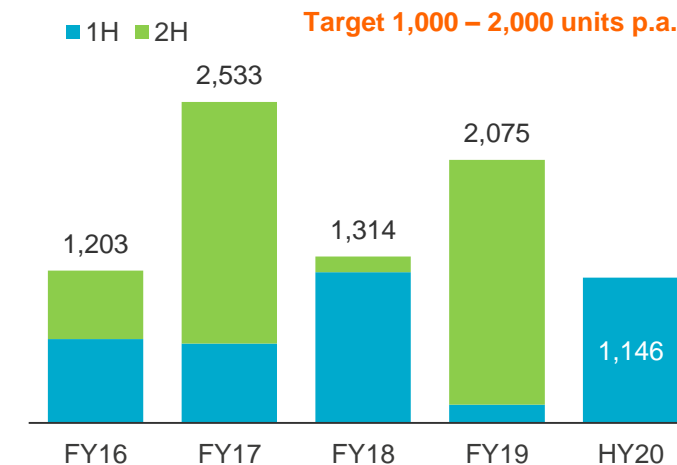
- 862 residential for sale apartment settlements across gateway cities including:
 - London, Boston, Melbourne and Singapore
- 284 residential for rent completions:
 - Clippership Wharf, Boston
- Apartment launches in two cities:
 - Barangaroo South: One Sydney Harbour:
 - 317 for sale apartments, \$1.4b presales
 - Exploring potential development partnership
 - Lakeshore East: 853 apartments for sale and rent
- Significant new residential led major projects secured:
 - Thamesmead Waterfront, London: 11,500 units
 - San Francisco Bay Area project: c.15,000 units

Outlook

- Total pipeline of approximately 57,000 units across 12 gateway cities
- Apartments for sale:
 - 1,448 apartment presales in delivery¹
 - The Exchange TRX, Kuala Lumpur to launch shortly
- Apartments for rent:
 - 1,752 in delivery
 - Potential for >2,000 units to convert FY20 - FY24
 - UK Residential Investment Partnership to progress next building at Elephant Park

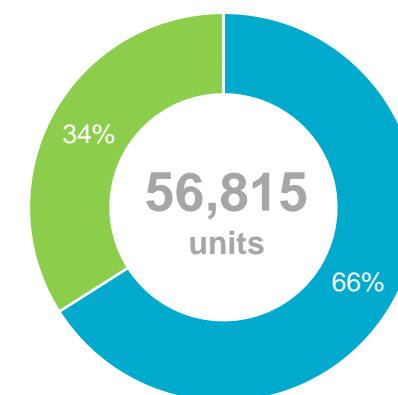
1. Major buildings only.

Apartment settlements and completions



Apartment pipeline

- For sale
■ For rent



Development

Commercial

Performance

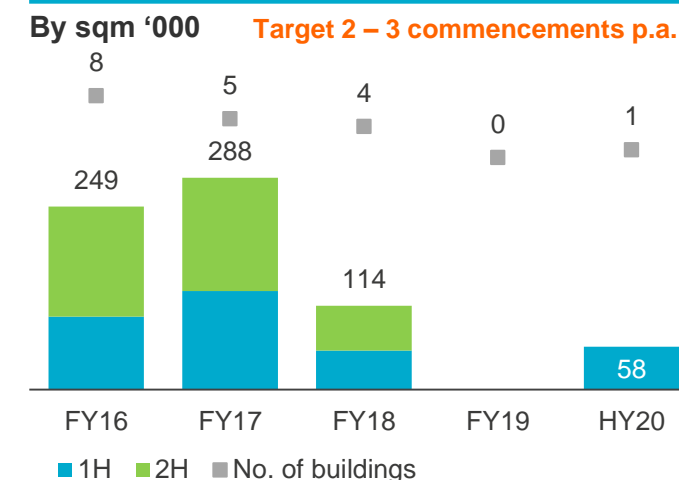
- Development joint venture formed to deliver Victoria Cross Over Station Development, Sydney:
 - \$1.2b major urbanisation project
 - c.58,000 sqm office tower
- Major commercial developments completed, c.66,000 sqm, \$1.8b:
 - Retail mall, Paya Lebar Quarter, Singapore: c.29,000 sqm
 - Building 3, International Quarter London: c.26,000 sqm
 - Daramu House, Barangaroo South, Sydney: c.11,000 sqm
- Major commercial buildings in delivery c.\$5.4b¹

Outlook

- Potential conversion H2 FY20 – FY22²:
 - 18 buildings, c.523,000 sqm
- Near term opportunities:
 - Two office buildings at Milano Santa Giulia:
 - Tenant secured for >85% of c.50,000sqm of NLA
 - Melbourne Quarter:
 - Planning approved, tenant marketing
 - Brisbane Showgrounds:
 - Tenant marketing
 - International Quarter London

1. Total estimated development end value.
2. Based on expected conversion of building, subject to change in delivery program. Not indicative of cash or profit recognition.
3. Subject to planning approvals and market conditions.

Commercial building commencements



Indicative conversion timing^{2,3}

Project	# Buildings	sqm '000	FY20	FY21	FY22
Melbourne Quarter	1	73	█		
Brisbane Showgrounds	1	32	█		
Milano Santa Giulia	5	142	█		
International Quarter London	2	109	█		
Milan Innovation District	3	72	█		
30 Van Ness, San Francisco	1	25	█		
Waterbank, Perth	1	11	█		
Silvertown Quays, London	3	36	█		
Southbank, Chicago	1	23	█		
Total	18	523			

Development

Communities settlements

Performance and outlook

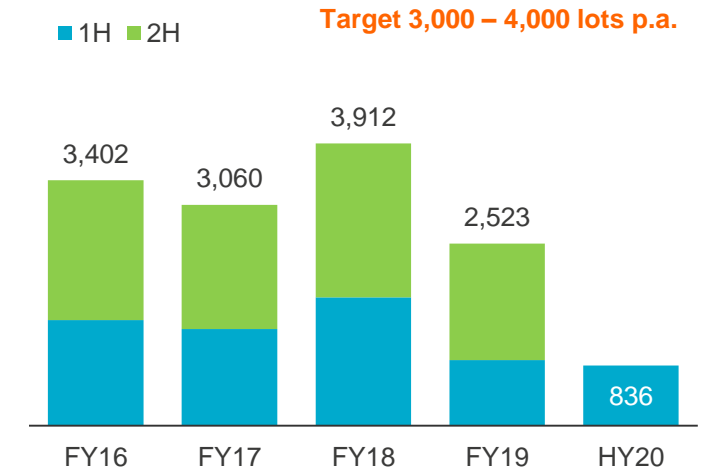
Communities

- 836 lots settled, impacted by lower demand and tighter credit markets
- 620 lot sales
- Presales of 2,060 lots, \$0.6b
- Settlement target of 3,000 – 4,000 lots will not be met in FY20
- Signs of recovery in Australia point to improving outlook:
 - HY20 sales up approximately 30% compared with H2 FY19
 - Enquiry levels in January up by more than 30%
- Pipeline of approximately 49,000 lots

Telecommunications Infrastructure

- 64 towers completed
- 135 new towers launched

Communities settlements

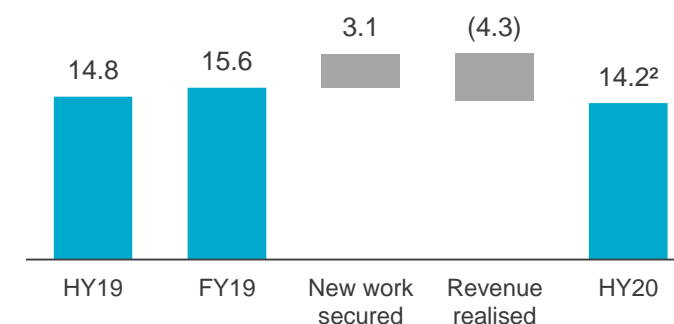


Construction

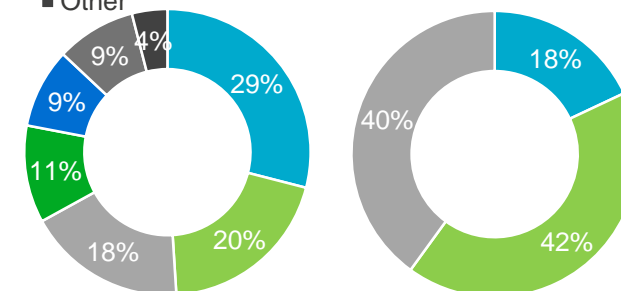
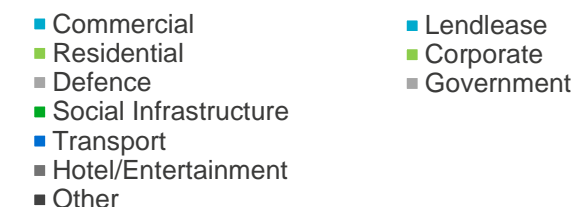
Performance and outlook¹

- Global EBITDA margin 2.3%, up from 2.1%
- EBITDA of \$101m, down 9%
- Stable portfolio – revenue of \$4.3b diversified by sector, client and geography
- Revenue down 17% – partial impact from activity on integrated projects being recognised in the Construction segment in HY19
- Earnings from integrated projects now reported in Development segment
- New work secured \$3.1b down from \$4.3b:
 - Lower activity in the Americas
 - Strong prior period of project wins in Australia
- Projects won during the period:
 - Curtin University School of Design and Built Environment, Perth; and HMAS Watson Redevelopment Delivery Phase, Sydney
 - Several residential and commercial projects in the US
- Backlog revenue of \$14b:
 - Strong franchises with external clients in key target sector and markets
 - Growth in the urbanisation pipeline expected to provide significant opportunities for future construction backlog
- Preferred on c.\$10b across external and integrated projects

Backlog revenue (\$b)



HY20³ backlog by sector and client



1. Comparative period the half year ended 31 December 2018.
2. Includes FX and Other of (\$0.2b).
3. Includes all Construction projects with backlog greater than \$100m, which represents 77% (\$11.0b) of secured backlog.

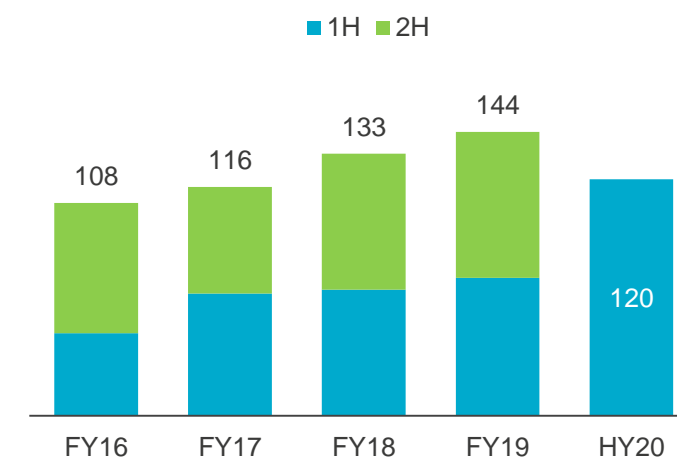
Investments

Operating earnings

Performance and outlook¹

- EBITDA of \$120m, up strongly from \$70m
 - Growth in base fees and significant performance fee post completion of Paya Lebar Quarter, Singapore
- Funds Under Management of \$36.9b:
 - 8% growth:
 - Lendlease Global Commercial REIT \$1.5b
 - Retail: Paya Lebar Quarter, Singapore
 - Residential FUM doubled to \$1.4b
 - >\$50b of institutional grade investment product to be created from the c.\$100b urbanisation pipeline:
 - Secured future FUM of \$3.1b² representing seven buildings in delivery that have been sold down
 - Opportunity to double FUM as urbanisation pipeline is delivered
- Assets Under Management of \$29.7b:
 - Recurring asset and property management fees
 - Military housing \$13.3b, 51,789 units
 - Commercial Assets \$16.4b

Operating EBITDA (\$m)

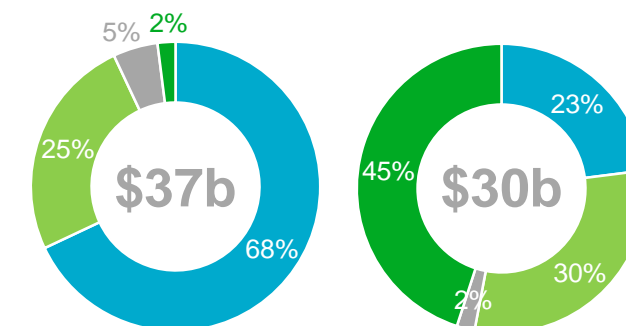


Investments platform (\$b)

FUM

AUM

■ Australia ■ Asia ■ Europe ■ Americas



1. Comparative period the half year ended 31 December 2018.
2. Secured future FUM from funds or mandates with development projects.

Investments

Ownership earnings

Performance and outlook¹

- EBITDA \$135m, down from \$203m:
 - Lower asset value appreciation
- Invested Capital \$3.9b

Co-investments:

- \$1.9b of investments:
 - Alignment with capital partners
 - Lendlease Global Commercial REIT – 24% ownership
 - Paya Lebar Quarter – 30% ownership
- Revaluations of \$19m, down from \$77m
 - 3% of Group operating EBITDA

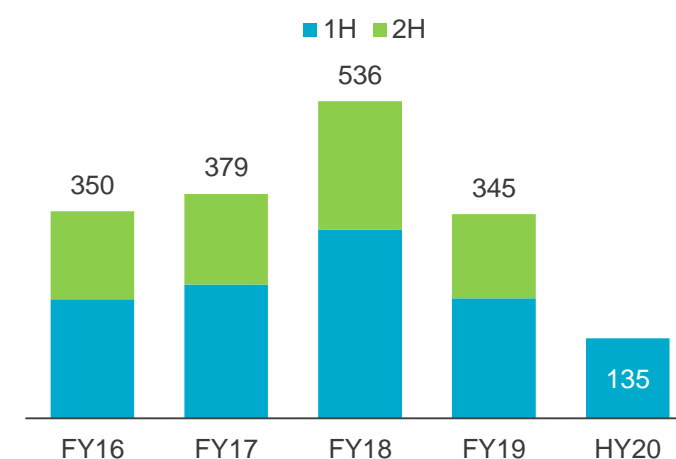
Retirement Living:

- \$1.4b investment, 12,825 units across 72 villages
- Lower contribution with a resilient performance from the established portfolio offset by lack of price growth and lower development activity
- Resales up 14% across the portfolio

Other:

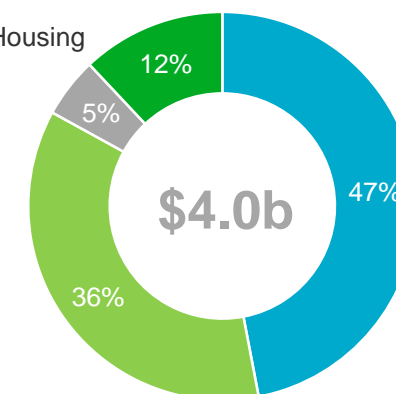
- Invested equity in US military housing of \$209m
- 372 telecommunications towers

Ownership EBITDA (\$m)



Investments by product (\$b)

- Co-investments
- Retirement
- US Military Housing
- Other



1. Comparative period the half year ended 31 December 2018.

● Artist's impression: The Exchange TRX, Kuala Lumpur

Outlook

Steve McCann
Group Chief Executive
Officer and Managing
Director



Outlook

Positioned for long term growth

- Nearer term core business outlook – expect to convert a number of commercial and residential opportunities in H2 FY20
- Total development pipeline of \$112b:
 - Urbanisation capabilities increasingly being recognised as world leading
 - 21 major urbanisation projects across nine gateway cities
- Construction backlog revenue of \$14b:
 - Design and delivery capability for integrated model
 - External backlog diversified by client, sector and geography
- Investments segment with \$4b of investments, \$37b in FUM and \$30b in AUM:
 - Funding and investment capability for integrated model
 - Strong capital partner relationships, fund and asset management platforms
- Non core segment:
 - Engineering sale announced, expected completion by end of FY20
 - Sale process for Services ongoing
- Focus on leveraging the Group's competitive advantage via the urbanisation and investment platforms:
 - Unwavering commitment to health and safety
 - Disciplined approach to origination and managing individual project and property cycle risk

● Artist's impression: Milan Innovation District

Questions

2020

Half Year Results Appendix

20 February 2020

 Paya Lebar Quarter, Singapore

 lendlease

Victoria Harbour, Melbourne

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 segment

Development of inner city mixed use developments, apartments, communities, retirement, retail, commercial assets and social and economic infrastructure

Construction segment

Project management, design and construction services, predominantly in the defence, mixed use, commercial and residential sectors

Investments segment

A leading investment management platform and the Group's ownership interests in co-investments, Retirement and US Military Housing

Core financial returns

- Development margin
- Development management fees
- Origination fees

Core financial returns

- Construction margin¹
- Project management and construction management fees

Core financial returns

- Fund and asset management fees
- Yield and capital growth on ownership interests

1. From external clients.

Globally diverse pipeline

Our globally diverse pipeline provides long term earnings visibility

\$112.5b

Development pipeline¹

\$14.2b

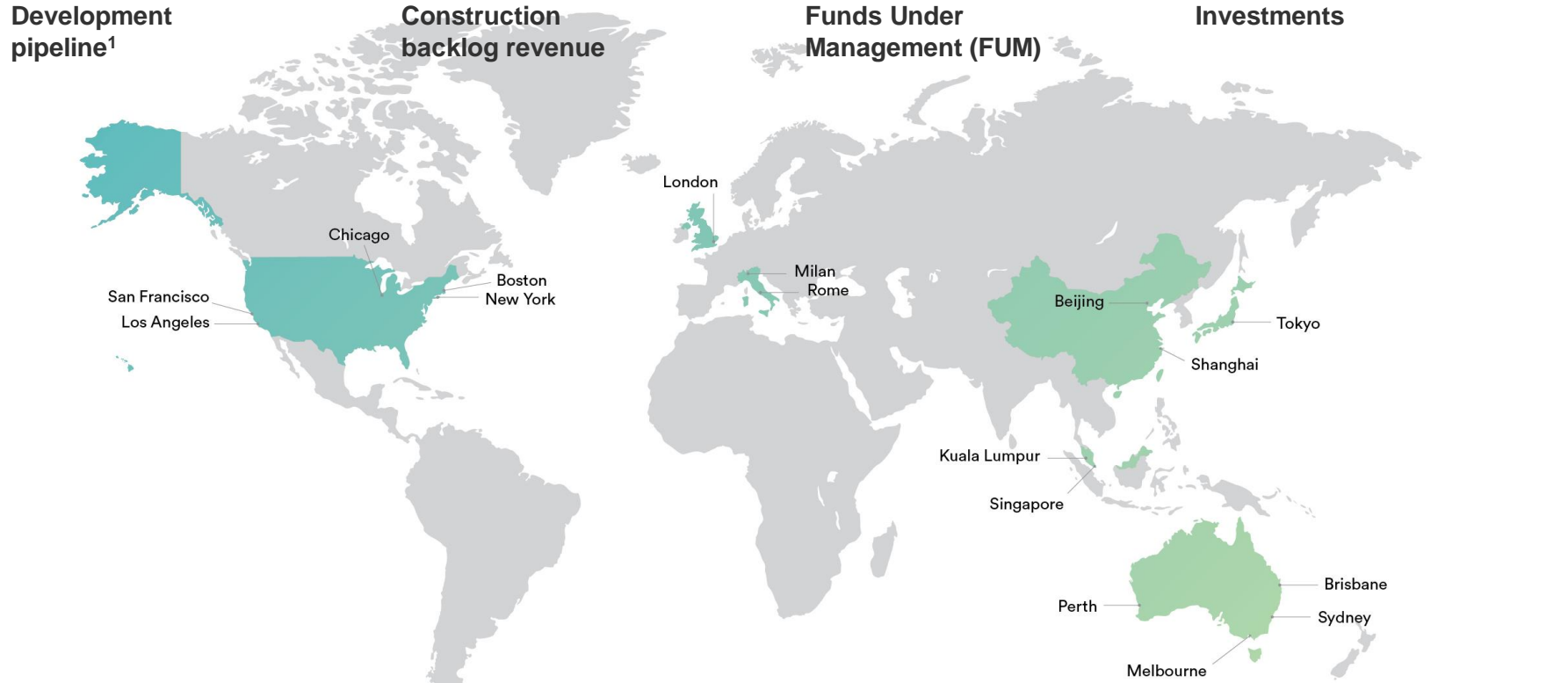
Construction backlog revenue

\$36.9b

Funds Under Management (FUM)

\$4.0b

Investments



Americas

\$30.1b Development pipeline¹
 \$5.3b Construction backlog
 \$0.8b FUM
 \$0.5b Investments

Europe

\$48.9b Development pipeline¹
 \$1.4b Construction backlog
 \$1.7b FUM
 \$0.1b Investments

Asia

\$3.9b Development pipeline¹
 \$0.8b Construction backlog
 \$9.3b FUM
 \$1.0b Investments

Australia

\$29.6b Development pipeline¹
 \$6.7b Construction backlog
 \$25.1b FUM
 \$2.4b Investments

1. Remaining estimated development end value, subject to approval and contractual conditions.

Global trends influencing our strategy

Urbanisation

In 2018, 55% of the world's population lived in urban areas, and that's expected to increase to 68% by 2050. The human shift from rural to urban areas, combined with the overall growth of the world's population, could add another 2.5 billion people to urban areas by 2050¹

Where we are today

- \$97.9b urbanisation pipeline²
- 21 major urbanisation projects³ across 9 gateway cities

Global infrastructure

Global infrastructure spending is estimated to rise to an average of US\$5.1 trillion per year between now and 2035⁴

Where we are today

- Focus on social infrastructure with key projects in health and education, and an increasing presence in telecommunications

Funds Growth

Global assets under management are forecast to rise from US\$98 trillion in 2017 to US\$145 trillion by 2025⁵

Where we are today

- \$36.9b of funds under management
- 13.6% annual growth in funds under management since FY16

Technology, digital and data

The exponential growth of internet use has created a new society of hyper connected citizens. Estimates predict by 2025, every connected person on average will have a digital data engagement over 4,900 times per day or one digital data interaction every 18 seconds⁶

Where we are today

- Our digital engineering expertise enables the full value of digital models and new technology to be unlocked and utilised through all phases of the project
- Digital twins are going to lead the disruption and change the way we deliver smart cities

Ageing population

Internationally, the number of people aged 60+ is projected to grow over three times faster than the overall population (2.3% vs 0.7% p.a.) between 2020 and 2050⁷

Where we are today

- One of Australia's largest operators of retirement villages
- First flagship senior living project in China, Ardor Gardens, commenced construction in FY19

Sustainability

Climate change and society's responses to it are now widely recognised as foundational drivers of risk and opportunity within the global economy⁸

Where we are today

- Barangaroo South is Australia's first carbon neutral precinct
- Fifth time in the past six years that APPF⁹ Commercial has attained the prestigious GRESB number one global ranking¹⁰
- Four Lendlease managed funds achieved top 10 GRESB global ranking¹⁰

1. World Urbanization Prospects: The 2018 Revision, United Nations. 2. Remaining estimated development end value, subject to approval and contractual conditions. 3. Urbanisation development projects with end value >\$1b. 4. McKinsey Global Institute: Bridging Infrastructure Gaps - Has the World Made Progress? October 2017. Includes some internal calculations. 5. Asset & Wealth Management Revolution: Pressure on profitability, PwC October 2018. 6. IDC's Data Age 2025 – The Digitization of the World. November 2018 report. 7. World Population Prospects 2019: United Nations. 8. APRA: Climate change: Awareness to action, March 2019. 9. Australian Prime Property Fund. 10. 2019 Global Real Estate Sustainability Benchmark.

Sustainability



The Task Force on Climate-related Financial Disclosure (TCFD) provides a voluntary framework for climate-related risk disclosures for use by companies to inform investors, lenders, insurers and interested stakeholders

Lendlease leadership

- In FY19 we progressed our disclosure under the recommendations of the TCFD



The Reconciliation Action Plan (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

Lendlease leadership

- Lendlease's 2nd RAP achieved 'Elevate' status from Reconciliation Australia
- Lendlease is currently preparing our next RAP and targeting 'Elevate' status again



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

Lendlease leadership

- Lendlease Group continues to achieve highest AAA ESG rating and described as an "Industry Leader" in the green building space

Signatory of:



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

Lendlease leadership

- Signatory since FY08



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

Lendlease leadership

- Signatory since April 2014



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

Lendlease leadership

- Beating 964 participants, the Australian Prime Property Fund (APPF) Commercial rated worlds best by GRESB in 2019¹. It is the fifth time in the past six years that APPF Commercial has attained the prestigious number one global ranking
- Four Lendlease managed funds achieved top 10 GRESB global ranking



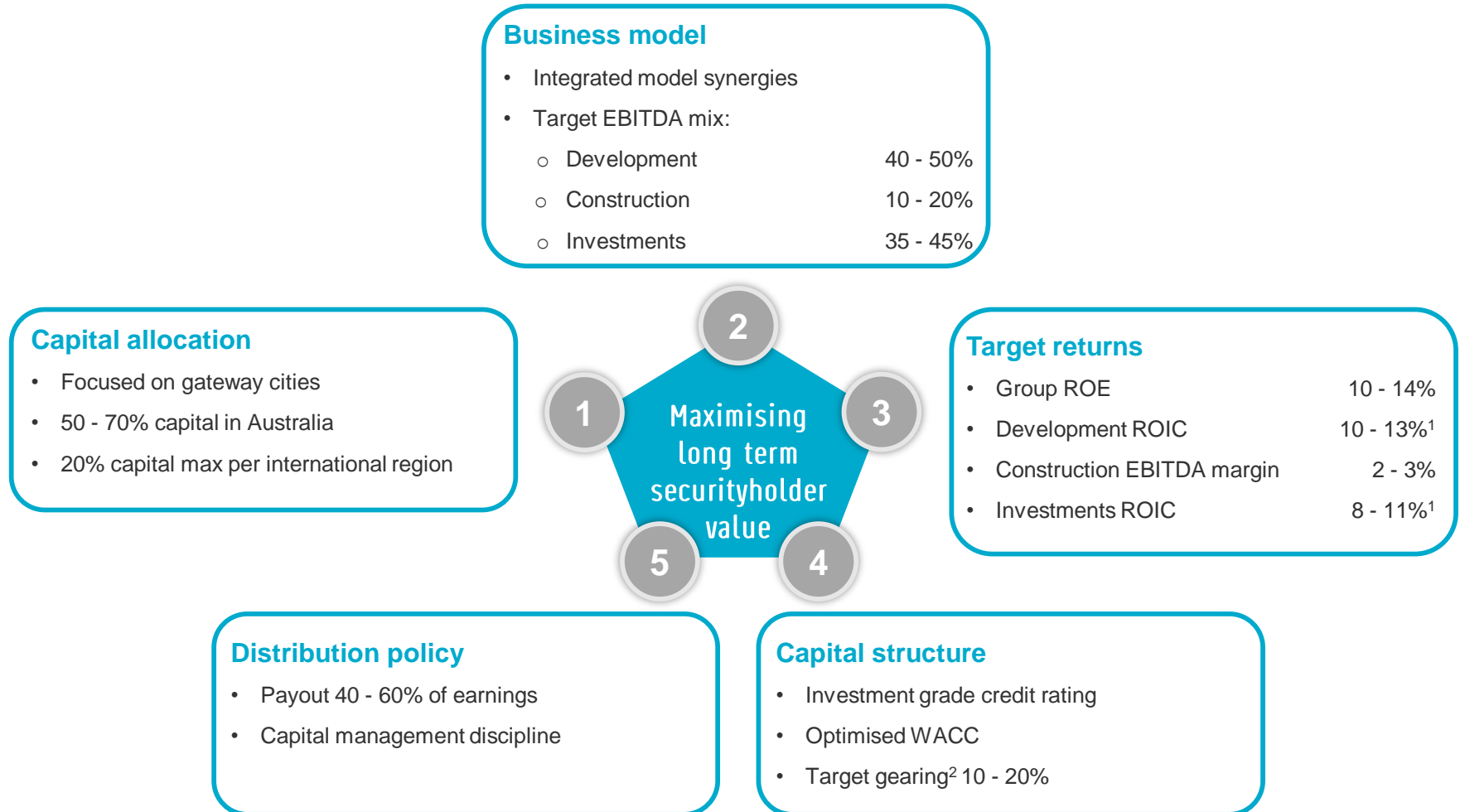
In 1983, Lendlease Founder, Dick Dusseldorp, and the then Managing Director, Stuart Hornery, set up the Lendlease Foundation with a long term vision to create a function that would nurture and support its social responsibility both internally to employees as well as to the community.

Current Lendlease Foundation program and engagement opportunities include:

- Springboard
- Great Barrier Reef Foundation
- Australian Business Community Network
- MATES In Construction
- R U OK?
- Red Cross
- OzHarvest
- Chicago Cook Workforce Partnership
- Loneliness Lab

1. Lendlease managed Australian Prime Property Fund Commercial ranked first out of 964 respondents in the 2019 Global Real Estate Sustainability Benchmark.

Portfolio Management Framework



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

2. Net debt to total tangible assets, less cash. Review of capital structure underway to reflect change in business mix.

● Artist's impression: Victoria Cross Over Station Development, Sydney

Group



Image subject to change and further design development and planning approval

Income Statement

\$m	HY19 ¹	HY20
Revenue from contracts with customers	6,155	5,648
Other revenue	82	90
Cost of sales	(5,774)	(5,142)
Gross profit	463	596
Share of profit of equity accounted investments	192	65
Other income	206	276
Other expenses	(354)	(458)
Results from operating activities from continuing operations	507	479
Finance revenue	9	5
Finance costs	(62)	(81)
Net finance costs	(53)	(76)
Profit before tax from continuing operations	454	403
Income tax expense	(99)	(95)
Profit after tax from continuing operations	355	308
Profit/(loss) after tax from discontinued operations	(339)	5
Profit after tax	16	313
Profit after tax attributable to:		
Members of Lendlease Corporation Limited	(91)	281
Unitholders of Lendlease Trust	107	32
Profit after tax attributable to securityholders	16	313
External non controlling interests	-	-
Profit after tax	16	313
<i>Earnings per Stapled Security from continuing operations</i>	<i>cents</i>	<i>62.2</i>
<i>Earnings per Stapled Security</i>	<i>cents</i>	<i>54.6</i>
	<i>2.8</i>	<i>55.5</i>

1. HY19 balances have been restated for discontinued operations during the year.

Statement of Financial Position

\$m	HY19	FY19	HY20
Current Assets			
Cash and cash equivalents	1,088	1,290	396
Loans and receivables	2,196	2,050	1,895
Inventories	2,863	2,238	1,837
Other financial assets	10	97	15
Current tax assets	-	11	21
Other assets	107	70	89
Disposal Group assets held for sale	-	-	1,900
Total current assets	6,264	5,756	6,153
Non Current Assets			
Loans and receivables	716	688	531
Inventories	3,177	3,345	3,558
Equity accounted investments	3,191	3,452	3,822
Investment properties	376	501	598
Other financial assets	1,497	1,103	1,088
Deferred tax assets	112	101	124
Property, plant and equipment	470	548	653
Intangible assets	1,436	1,457	1,286
Defined benefit plan asset	142	140	128
Other assets	77	87	80
Total non current assets	11,194	11,422	11,868
Total assets	17,458	17,178	18,021

\$m	HY19	FY19	HY20
Current Liabilities			
Trade and other payables	5,826	5,724	3,795
Provisions	323	332	257
Borrowings and financing arrangements	-	225	225
Other financial liabilities	6	6	7
Disposal Group liabilities held for sale	-	-	1,700
Total current liabilities	6,155	6,287	5,984
Non Current Liabilities			
Trade and other payables	1,364	1,401	1,617
Provisions	47	45	48
Borrowings and financing arrangements	3,364	2,490	3,166
Other financial liabilities	1	1	-
Deferred tax liabilities	420	597	695
Total non current liabilities	5,196	4,534	5,526
Total liabilities	11,351	10,821	11,510
Net assets	6,107	6,357	6,511
Equity			
Issued capital	1,297	1,300	1,304
Treasury securities	(61)	(68)	(67)
Reserves	126	105	99
Retained earnings	3,427	3,815	3,985
Total equity attributable to members of Lendlease Corporation Limited	4,789	5,152	5,321
Total equity attributable to unitholders of Lendlease Trust	1,317	1,182	1,167
Total equity attributable to securityholders	6,106	6,334	6,488
External non controlling interests	1	23	23
Total equity	6,107	6,357	6,511

Statement of Cash Flows

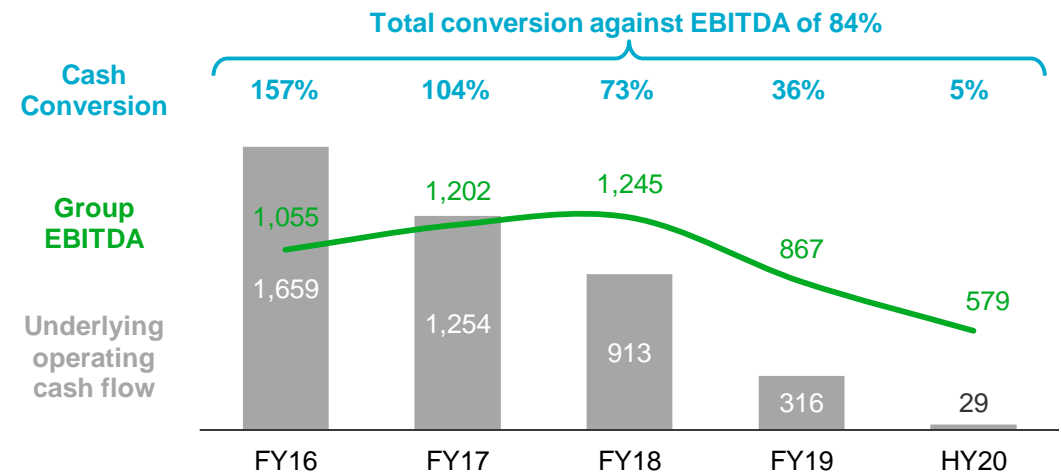
\$m	HY19 ²	HY20
Cash Flows from Operating Activities		
Cash receipts in the course of operations	8,071	7,321
Cash payments in the course of operations	(8,862)	(7,664)
Interest received	6	4
Interest paid in relation to other corporations	(85)	(95)
Interest in relation to lease liabilities ¹	-	(13)
Dividends/distributions received	63	110
Income tax paid in respect of operations	(17)	(21)
Net cash used in operating activities	(824)	(358)
Cash Flows from Investing Activities		
Redemption of investments	228	304
Acquisition of investments	(201)	(499)
Acquisition of/capital expenditure on investment properties	(18)	(37)
Net loan drawdowns from associates and joint ventures	(20)	(33)
Disposal of consolidated entities (net of cash disposed and transaction costs)	232	94
Disposal of property, plant and equipment	7	13
Acquisition of property, plant and equipment	(47)	(51)
Acquisition of intangible assets	(24)	(32)
Net cash provided by/(used in) investing activities	157	(241)
Cash Flows from Financing Activities		
Proceeds from borrowings	3,031	2,060
Repayment of borrowings	(2,090)	(1,445)
Dividends/distributions paid	(190)	(163)
Payments for on market buyback of stapled securities	(174)	-
Payments for on market buyback of stapled securities - Dividend Reinvestment Plan	(11)	-
Repayment of lease liabilities ¹	-	(27)
Net cash provided by financing activities	566	425
Other Cash Flow Items		
Effect of foreign exchange rate movements on cash and cash equivalents	12	(19)
Net decrease in cash and cash equivalents	(89)	(193)
Cash and cash equivalents at beginning of financial period	1,177	1,290
Cash and cash equivalents at end of financial period³	1,088	1,097

1. HY19 comparatives are nil as Interest in relation to lease liabilities and Repayment of lease liabilities were not recognised under AASB117 Leases.
2. Balances include cash flows relating to both continuing and discontinued operations.
3. \$701m million of cash and cash equivalents has been classified as Assets held for sale at HY20.

Underlying operating cash flow¹

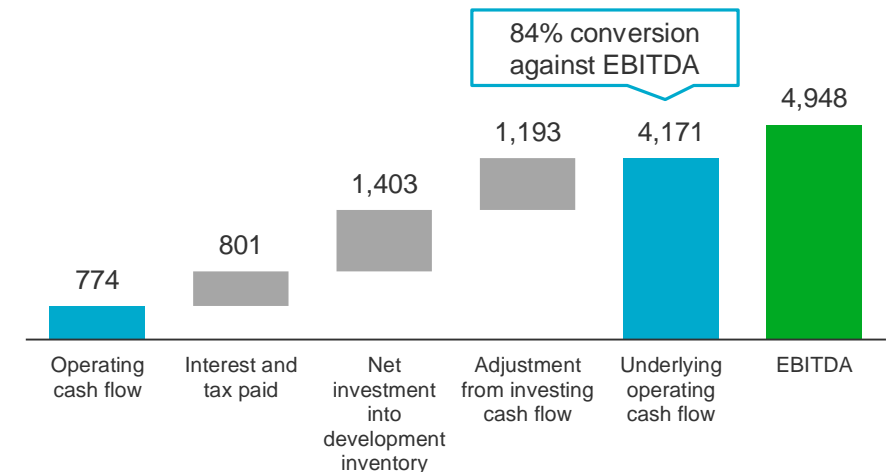
Cash conversion (FY16 – HY20) (\$m)

- Underlying operating cash flow has been included to provide a more accurate cash comparator against Group EBITDA
- This represents 84% of Group EBITDA over the period. Balance relates to a combination of factors including:
 - Investment revaluations
 - Retirement DMF accruals
 - Construction working capital movements



Reconciliation² (FY16 – HY20) (\$m)

- Lendlease has delivered underlying operating cash flow of \$4.2b from FY16 to HY20
- \$0.8b has been paid in interest and tax
- Since FY16, \$1.4b (34%) of the Group's underlying operating cash flow has been reinvested into development inventories³
- \$1.2b 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)⁴



1. Balances include cash flows relating to both continuing and discontinued operations.
2. Refer to Financial and Operational Metrics data file for full reconciliation.
3. Movement in development properties inventory, less movement in deferred land payments.
4. Reallocation reflects cash proceeds from sell down of development entities and realised gains on sale of assets not reflected in operating cash flow.

HY20 underlying operating cash flow¹

In HY20 Lendlease delivered underlying operating cash flow of \$29m

\$m	Statutory	Adjustments	Underlying
Cash Flows from Operating Activities			
Cash receipts in the course of operations	7,321	-	7,321
Cash payments in the course of operations	(7,664)	30 ¹	(7,634)
Dividends/distributions received	110	-	110
Deconsolidation of development entities	-	94 ²	94
Realised gains on sale of assets	-	138 ³	138
Interest received	4	(4)	-
Interest paid in relation to other corporations	(95)	95	-
Interest in relation to lease liabilities	(13)	13	-
Income tax paid in respect of operations	(21)	21	-
Net cash provided by operating activities	(358)	387	29
Cash Flows from Investing Activities			
Redemption of investments	304	(138) ³	166
Acquisition of investments	(499)	-	(499)
Acquisition of/capital expenditure on investment properties	(37)	-	(37)
Net loan drawdowns from associates and joint ventures	(33)	-	(33)
Disposal of consolidated entities (net of cash disposed and transaction costs)	94	(94) ²	-
Disposal of property, plant and equipment	13	-	13
Acquisition of property, plant and equipment	(51)	-	(51)
Acquisition of intangible assets	(32)	-	(32)
Net increase in development inventory	-	(30) ¹	(30)
Net cash provided by investing activities	(241)	(262)	(503)

1. Balances include cash flows relating to both continuing and discontinued operations.

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 increase in development inventory

During the period there was an increase in development inventories, net of deferred land payments, which has been reclassified as an investing activity

2. Cash proceeds from sell down of development entities

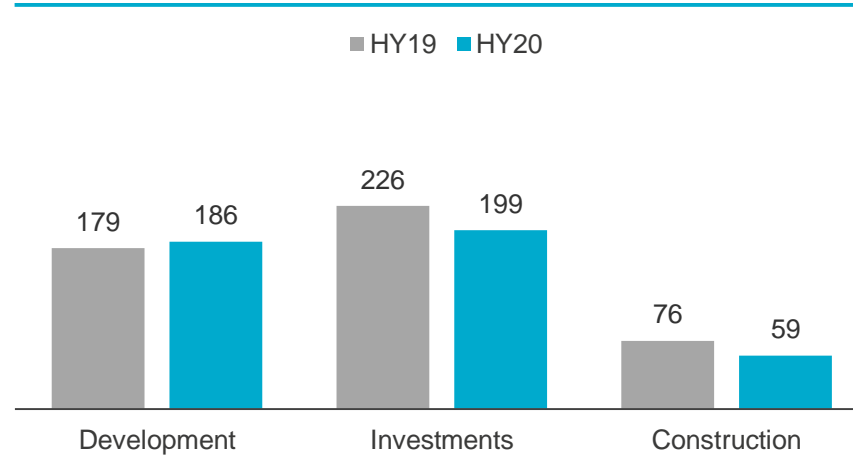
The proceeds on sale of deconsolidated development entities is reclassified as an operating activity, to align with the treatment of cash flows prior to deconsolidation

3. Realised gains on sale of assets

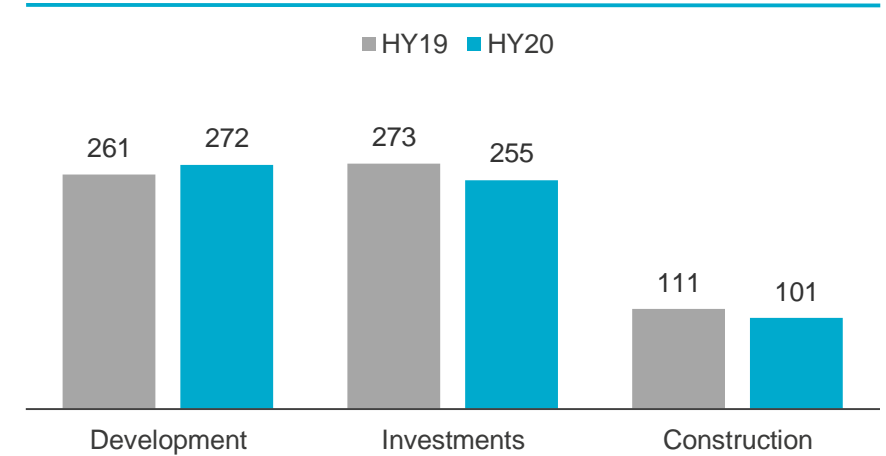
Lendlease is an active investment manager, with revaluations included in EBITDA. Accordingly, gains on disposal (including crystallised revaluations) are reclassified as an operating activity

Segment financial metrics

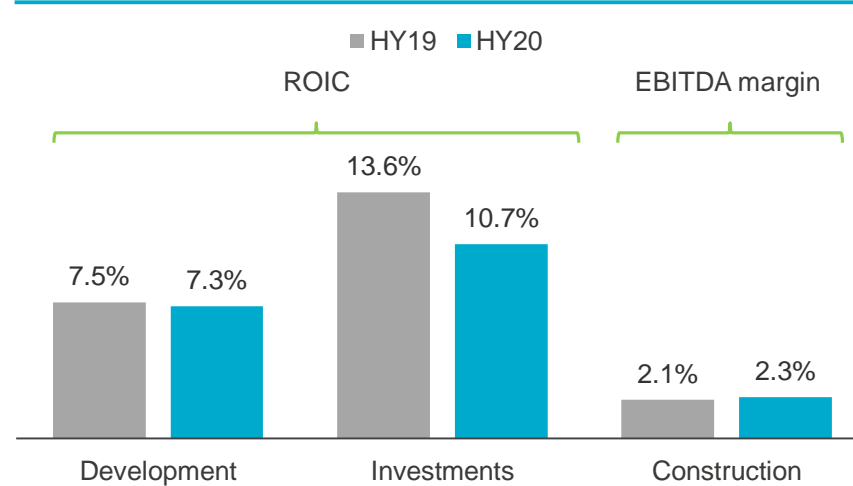
Operating Profit after Tax (\$m)



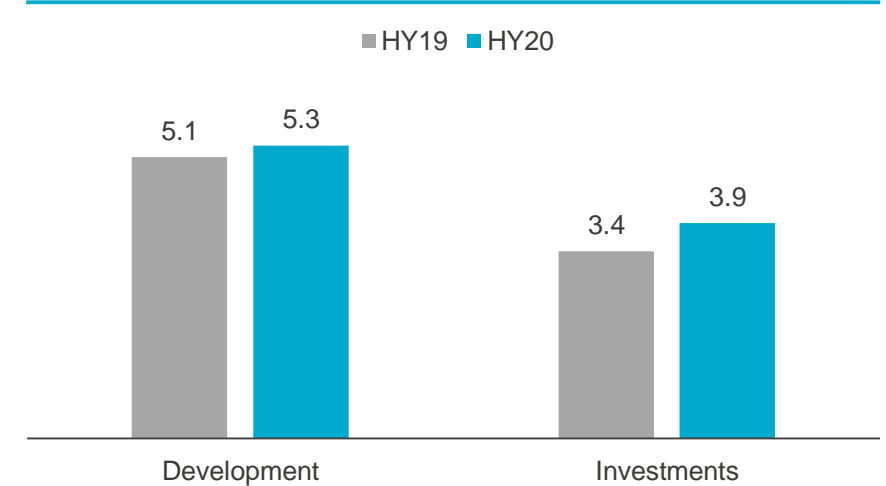
Operating EBITDA (\$m)



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



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



1. 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.

Segment financial metrics

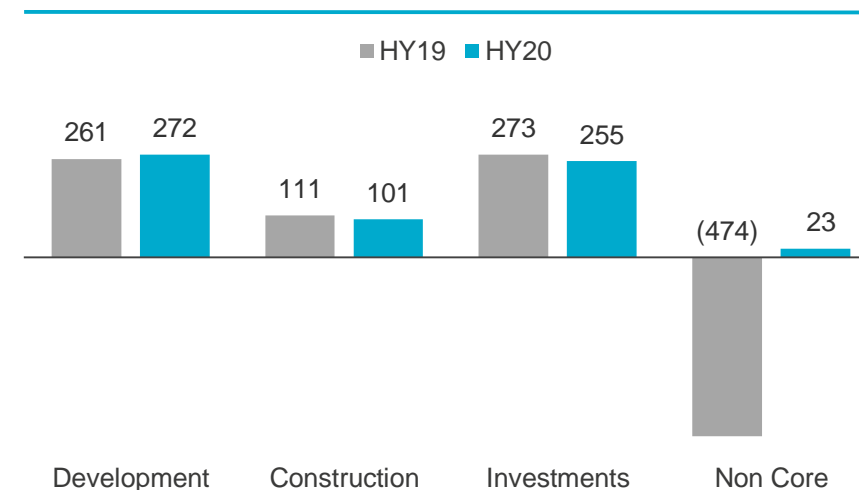
By segment	Revenue (\$m)		EBITDA (\$m)		Profit after Tax (\$m)		Invested capital (\$b)		
	HY19	HY20	HY19	HY20	HY19	HY20	HY19	FY19	HY20
Development	870	1,161	261	272	179	186	5.1	4.8	5.3
Investments	164	234	273	255	226	199	3.4	3.6	3.9
Construction	5,191	4,326	111	101	76	59			
Corporate ¹	21	22	(88)	(72)	(126)	(136)			
Total Core Segments	6,246	5,743	557	556	355	308			
Non Core	1,525	1,665	(474)	23	(339)	5			
Total Group	7,771	7,408	83	579	16	313			

1. Comprises Group Services and Group Treasury costs. HY20 EBITDA: Group Services (\$56m) and Group Treasury (\$16m). HY19 EBITDA: Group Services (\$74m) and Group Treasury (\$14m).

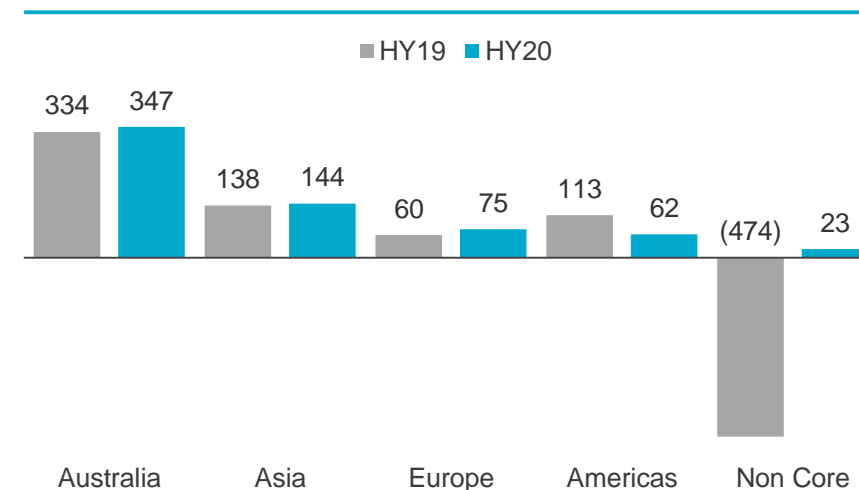
Revenue / EBITDA by segment

\$m	Revenue		EBITDA	
	HY19	HY20	HY19	HY20
Development				
Australia	595	530	71	170
Asia	9	7	101	39
Europe	223	492	31	56
Americas	43	132	58	7
Total Development	870	1,161	261	272
Construction				
Australia	2,149	1,863	64	59
Asia	200	122	4	(4)
Europe	487	414	19	14
Americas	2,355	1,927	24	32
Core Construction	5,191	4,326	111	101
Non Core	1,525	1,665	(474)	23
Total Construction	6,716	5,991	(363)	124
Investments				
Australia	104	92	199	118
Asia	29	95	33	109
Europe	6	11	10	5
Americas	25	36	31	23
Total Investments	164	234	273	255
Total Operating				
Australia	2,848	2,485	334	347
Asia	238	224	138	144
Europe	716	917	60	75
Americas	2,423	2,095	113	62
Core Operating	6,225	5,721	645	628
Non Core	1,525	1,665	(474)	23
Total Operating	7,750	7,386	171	651

Operating EBITDA by segment (\$m)



Operating EBITDA by region (\$m)



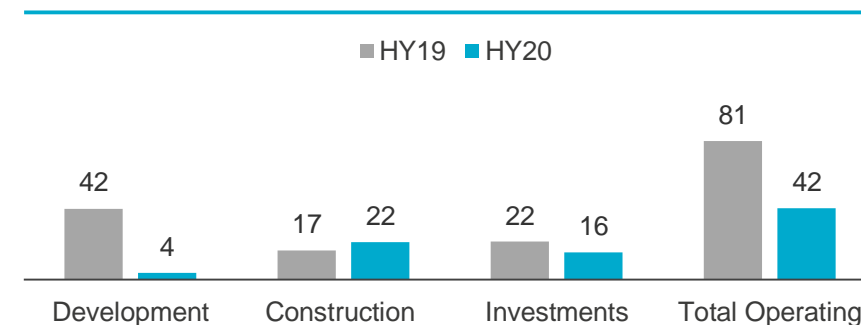
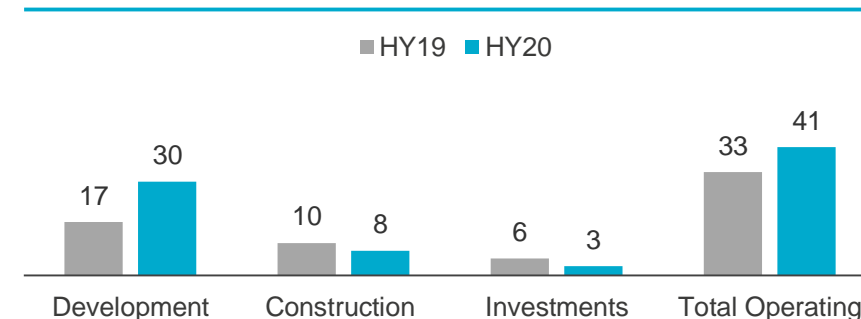
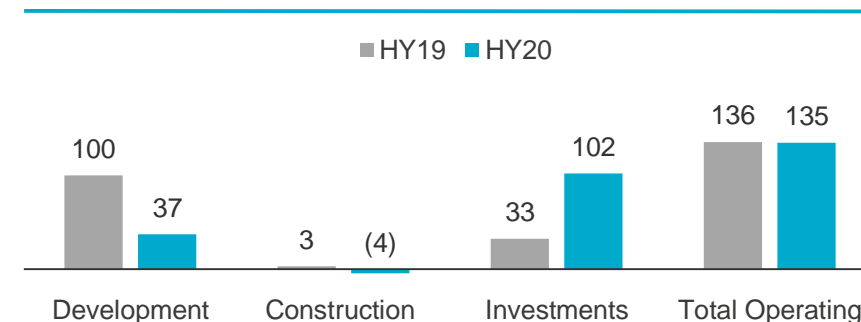
Revenue / EBITDA by segment, local currency

Asia SGDm ¹	Revenue		EBITDA	
	HY19	HY20	HY19	HY20
	Development	9	7	100
Construction	198	115	3	(4)
Investments	29	89	33	102
Total Operating	236	211	136	135

Europe £m ¹	Revenue		EBITDA	
	HY19	HY20	HY19	HY20
	Development	123	265	17
Construction	268	224	10	8
Investments	3	6	6	3
Total Operating	394	495	33	41

Americas US\$m	Revenue		EBITDA	
	HY19	HY20	HY19	HY20
	Development	31	91	42
Construction	1,696	1,310	17	22
Investments	18	24	22	16
Total Operating	1,745	1,425	81	42

Operating EBITDA, local currency (m)



1. Major currency in region.

Exchange rates

Income Statement

Local	Foreign	HY19 ¹	FY19 ²	HY20 ³
AUD	USD	0.72	0.71	0.68
AUD	GBP	0.55	0.55	0.54
AUD	SGD	0.99	0.97	0.94

Statement of Financial Position

Local	Foreign	HY19 ⁴	FY19 ⁵	HY20 ⁶
AUD	USD	0.70	0.70	0.70
AUD	GBP	0.55	0.55	0.53
AUD	SGD	0.96	0.95	0.94

1. Average foreign exchange rate for the half year 2019.
2. Average foreign exchange rate for the full year 2019.
3. Average foreign exchange rate for the half year 2020.
4. Spot foreign exchange rate at 31 December 2018.
5. Spot foreign exchange rate at 30 June 2019.
6. Spot foreign exchange rate at 31 December 2019.

HY20 regional EBITDA to PAT reconciliation

\$m	EBITDA	Net interest	D&A ¹	PBT	Tax	PAT
Australia						
Development	170	(3)	(4)	163	(49)	114
Construction	59	-	(4)	55	(17)	38
Investments	118	-	(3)	115	(23)	92
Total Australia	347	(3)	(11)	333	(89)	244
Asia						
Development	39	-	(1)	38	(14)	24
Construction	(4)	(1)	(1)	(6)	1	(5)
Investments	109	-	(1)	108	(18)	90
Total Asia	144	(1)	(3)	140	(31)	109
Europe						
Development	56	1	(3)	54	(9)	45
Construction	14	-	(2)	12	(2)	10
Investments	5	-	(1)	4	-	4
Total Europe	75	1	(6)	70	(11)	59
Americas						
Development	7	-	(3)	4	(1)	3
Construction	32	(2)	(6)	24	(8)	16
Investments	23	(1)	(3)	19	(6)	13
Total Americas	62	(3)	(12)	47	(15)	32
Corporate						
Group Services	(56)	(9)	(45)	(110)	32	(78)
Group Treasury	(16)	(61)	-	(77)	19	(58)
Total Corporate	(72)	(70)	(45)	(187)	51	(136)
Total Core Business	556	(76)	(77)	403	(95)	308
Non Core	23	-	(17)	6	(1)	5
Total Group	579	(76)	(94)	409	(96)	313

1. Depreciation and amortisation.

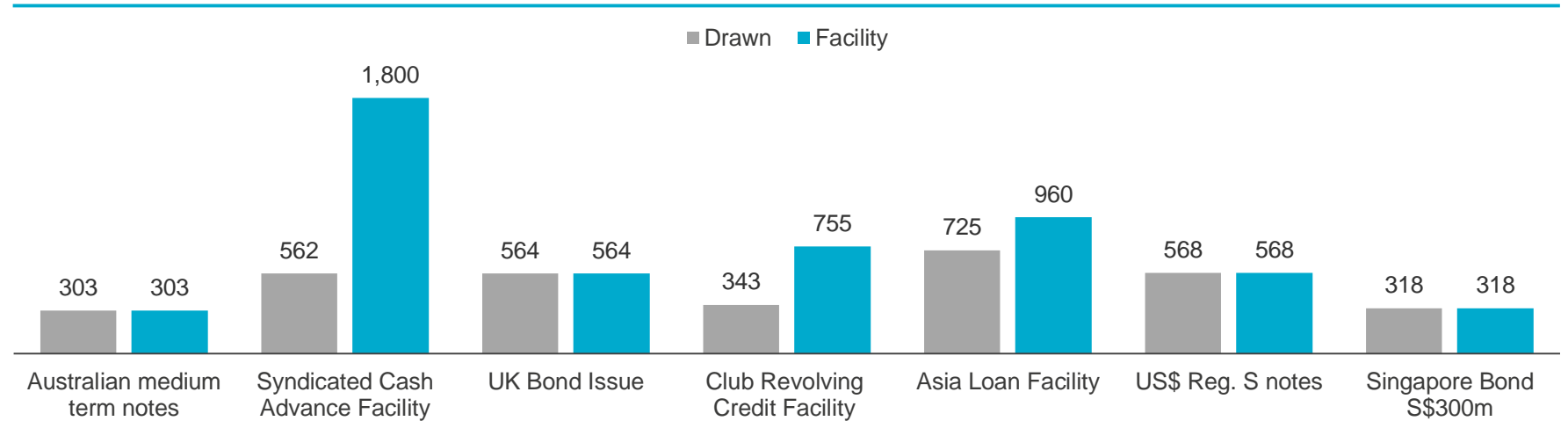
Debt metrics

		HY19	FY19	HY20
Net debt ¹	\$m	2,276	1,425	2,294
Borrowings to total equity plus borrowings	%	35.5	29.9	34.2
Net debt to total tangible assets, less cash ¹	%	15.2	9.9	14.7
Interest cover ²	times	8.1	8.8	7.4
Average cost of debt	%	4.2	4.0	3.6
Average debt maturity	years	4.0	4.8	3.9
Average debt mix fixed: floating	ratio	59:41	52:48	49:51
Undrawn facilities	\$m	1,020	2,631	2,009

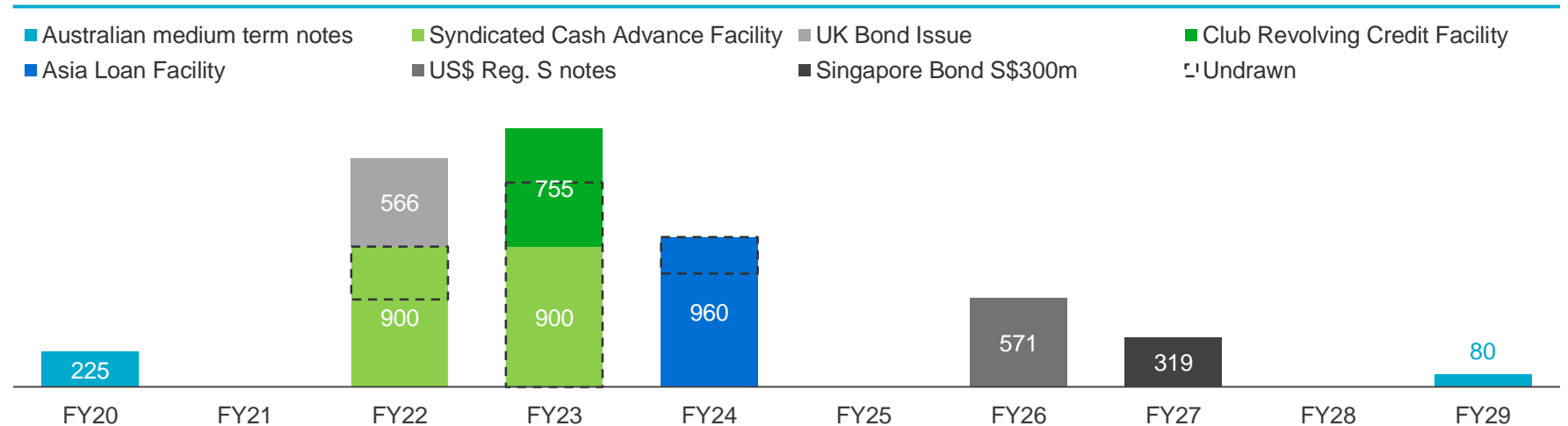
1. HY20 includes \$701m of cash and cash equivalents for the non core businesses which has been classified as Assets held for sale.
2. EBITDA plus interest income, divided by interest finance costs, including capitalised finance costs. FY19 and HY19 EBITDA have been adjusted to exclude the \$500m provision on underperforming Engineering projects.

Debt facilities and maturity profile

Debt facilities¹ (\$m)



Debt maturity profile² (\$m)



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

Key dates for investors

	Date
HY20 results released to market / interim distribution declared	20 February 2020
Securities quoted ex distribution on the Australian Securities Exchange	27 February 2020
Interim distribution record date	28 February 2020
Interim distribution payable	17 March 2020
FY20 results released to market / final distribution declared	17 August 2020
Annual General Meetings	20 November 2020

● Artist's impression: Salesforce Tower, Sydney Place

Development Segment



Image subject to change and further design development and planning approval

Earnings drivers - Development

ROIC target 10-13%; Invested capital \$5.3b; Pipeline¹ \$112.5b

	Urbanisation <i>21 major projects in 9 gateway cities</i>		Communities <i>17 projects</i>	Telco Infrastructure	Infrastructure Development	Military Housing
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 ¹	56,815 units \$68.8b	2,402,000 sqm \$29.1b	48,525 lots \$14.3b	289 tower pipeline	Periodic bids for PPP projects	Additional scope on existing projects and periodic bids for major projects

1. Remaining estimated development end value, subject to approval and contractual conditions.

Development HY20

Overview

- Development of inner city mixed use developments, apartments, communities, retirement, retail, commercial assets, and social and economic infrastructure
- Financial returns are generated via development margin, development management fees and origination fees

Drivers¹

- Apartments for sale settlements: 862 units, up from 145 units
 - Paya Lebar Quarter, Singapore; Elephant Park, London; Clippership Wharf, Boston and Victoria Harbour, Melbourne
- Apartments for rent completions: 284 units
 - Clippership Wharf, Boston
- Apartment launches:
 - One Sydney Harbour Tower 1, Barangaroo, Sydney - 317 units
 - Lakeshore East, Chicago – 350 units for sale, 503 units for rent
- Final profit contribution from Paya Lebar Quarter:
 - Retail mall c.29,000 sqm
 - Revenue from residential apartments recognised on percent complete basis
- Development joint venture to deliver Victoria Cross Over Station Development, Sydney
 - \$1.2b over station development
- Communities:
 - Settlements 836 lots, down 8%
 - Sales 620 lots, down 34%
- US telecommunication towers:
 - 64 completions, 135 commencements

Performance

		HY19	HY20
Core business EBITDA mix	%	40	43
ROIC	%	7.5	7.3
Invested capital	\$b	5.1	5.3

Outlook

- Two new major urbanisation projects secured this half:
 - Thamesmead Waterfront, London: \$14.8b²
 - San Francisco Bay Area project: \$21.5b²
- Preferred bidder on one additional major urbanisation project:
 - Birmingham Smithfield: \$2.8b
- \$112.5b development pipeline³
 - 11 major apartment buildings in delivery across five gateway cities
 - 1,448 units presold in delivery: \$2.2b
 - 1,752 units for rent in delivery: \$1.7b²
 - 2,060 communities lots presold: \$0.6b
 - c.317,000 sqm of commercial space in delivery across five major buildings: \$4.8b³
 - Remaining secured pipeline³ not yet in delivery
 - 53,615 apartment units: c.\$66b
 - c.2,085,000 sqm of commercial space: c.\$24b
 - 24 buildings in various stages of planning
 - Additional 25+ buildings in pipeline

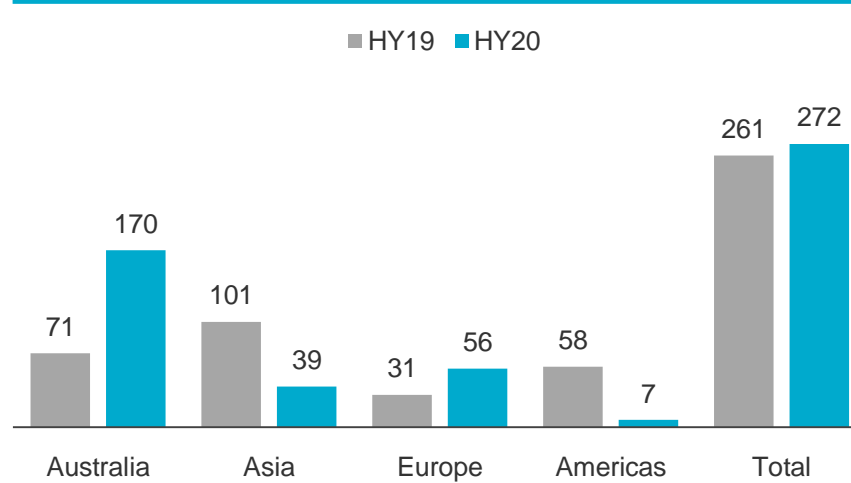
1. Comparative period the half year ended 31 December 2018.

2. Total estimated development end value, subject to approval and contractual conditions.

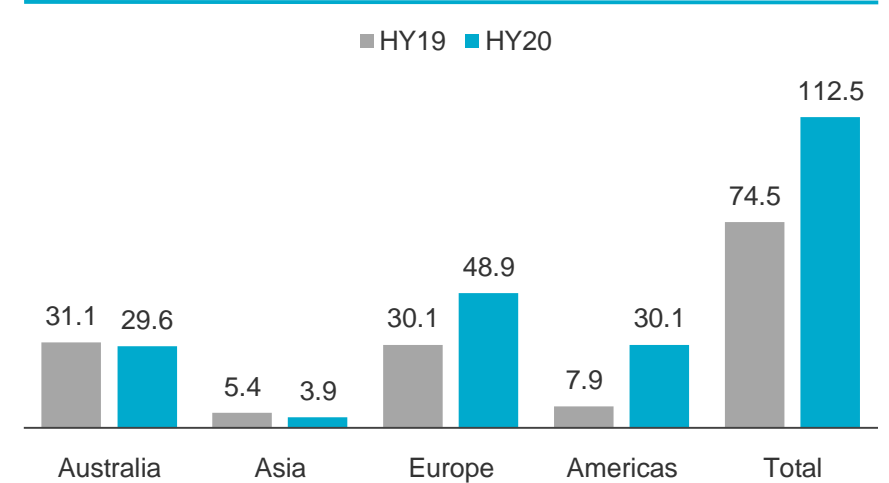
3. Remaining estimated development end value, subject to approval and contractual conditions.

Development earnings / pipeline

EBITDA by region (\$m)

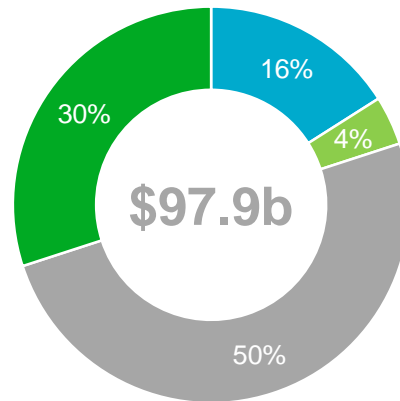


Pipeline¹ by region (\$b)



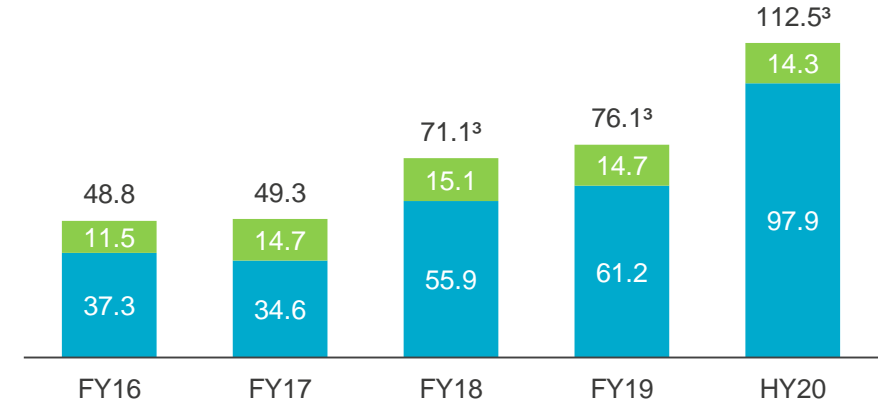
HY20 urbanisation pipeline¹ by region

■ Australia ■ Asia ■ Europe ■ Americas



Pipeline¹ (\$b)

■ Urbanisation ■ Communities²



1. Remaining estimated development end value, subject to approval and contractual conditions.
2. FY18 onwards excludes Australian Retirement pipeline which is now included in the Investments segment following the Retirement Living transaction. From HY20, Retirement product in Asia has been included within Urbanisation.
3. FY18, FY19 and HY20 include \$0.1b, \$0.2b and \$0.3b of Infrastructure pipeline respectively.

Residential development

Communities settlements

	HY19		HY20	
	Lots	\$m	Lots	\$m
QLD	173	33	208	49
NSW	294	65	5	2
VIC	357	83	544	143
SA	43	7	54	9
WA	41	9	25	6
Total Australia	908	197	836	209

Communities sales

	HY19		HY20	
	Lots	\$m	Lots	\$m
QLD	313	72	213	52
NSW	121	66	226	85
VIC	413	112	97	28
SA	61	9	50	7
WA	35	7	34	9
Total Australia	943	266	620	181

HY20 Apartment settlements

	Units	\$m
Apartment settlements		
Apartment settlements for sale		
Australia		
Victoria Harbour - Collins Wharf 1	54	44
Other	3	2
Total Australia	57	46
Asia		
Paya Lebar Quarter - Residential (3 Buildings)	429	602
Total Asia	429	602
Europe		
Elephant Park - West Grove (Building 2)	186	243
Other	98	62
Total Europe	284	305
Total Americas	92	146
Total apartment for sale settlements	862	1,099
Apartment settlements for rent¹		
Americas		
Clippership Wharf - Buildings 1 and 2	284	303
Total apartment for rent completions	284	303
Total apartment settlements/completions	1,146	1,402

1. Completions on residential for rent apartments are aligned with practical completion and are not necessarily indicative of profit recognition.

Non residential development commencements and completions

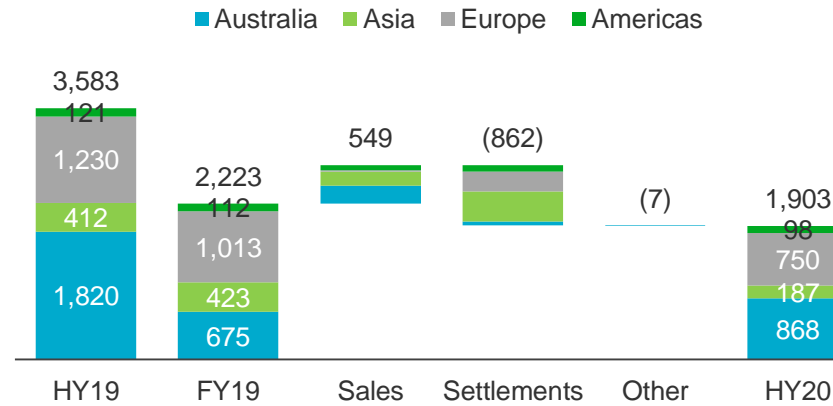
City	Project	Building	Sector	Capital model	End value ¹ (\$b)	sqm '000
Commercial commencements						
Sydney	Victoria Cross Over Station Development	Victoria Cross Over Station Development	Office / Retail	Joint venture	1.2	58
Commercial completions						
Sydney	Barangaroo South	Daramu House	Office	Fund through	0.3	11
Singapore	Paya Lebar Quarter	Retail	Retail	Joint venture	1.1	29
London	International Quarter London	Building 3	Office / Retail	Fund through	0.4	26
Location				Completed (no.)	End value (\$m)	
Telecommunications completions						
Americas				64	55.6	

1. Total estimated development end value, subject to approval and contractual conditions.

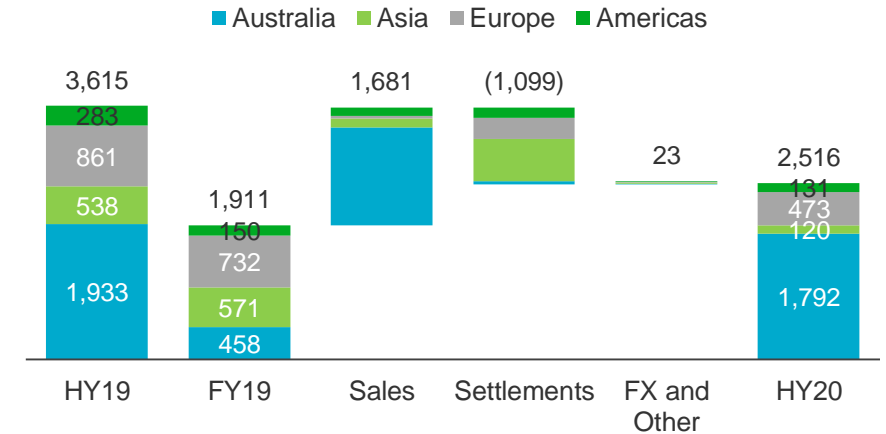
Residential apartments¹

Movement in presales – Apartments for sale

By units

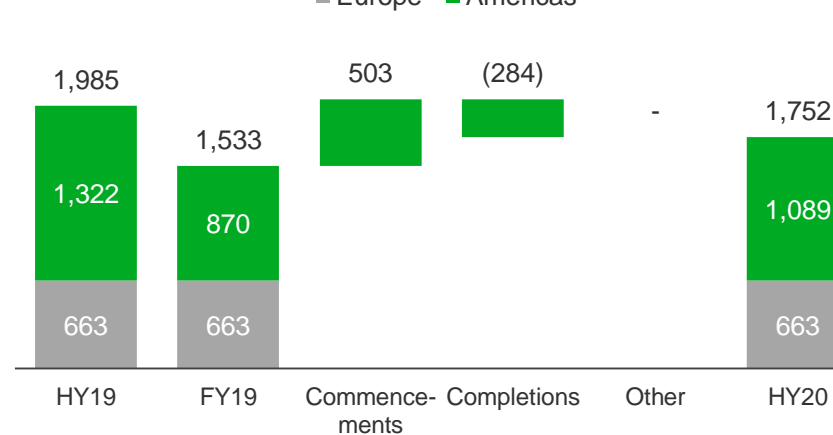


By value (\$m)

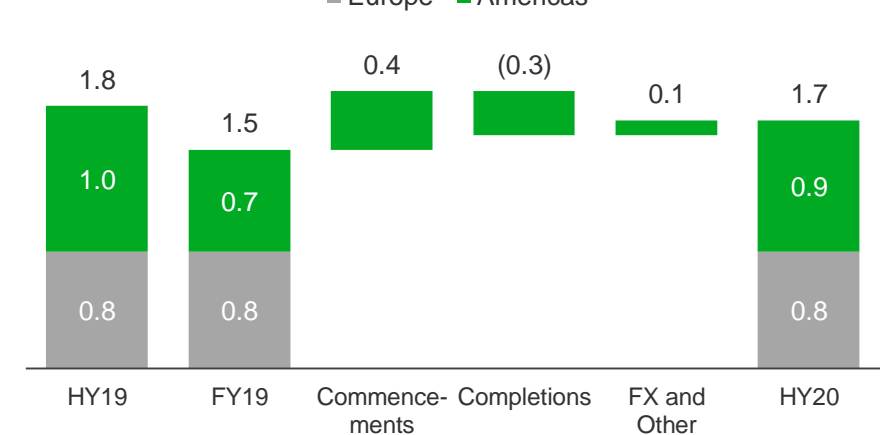


Apartments for rent in delivery

By units



By value² (\$b)

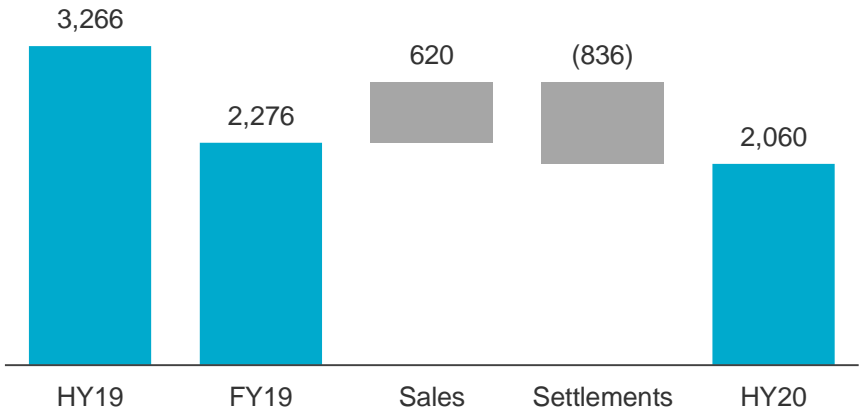


1. Includes 100% of revenue from joint venture projects.
 2. Total estimated development end value, subject to approval and contractual conditions.

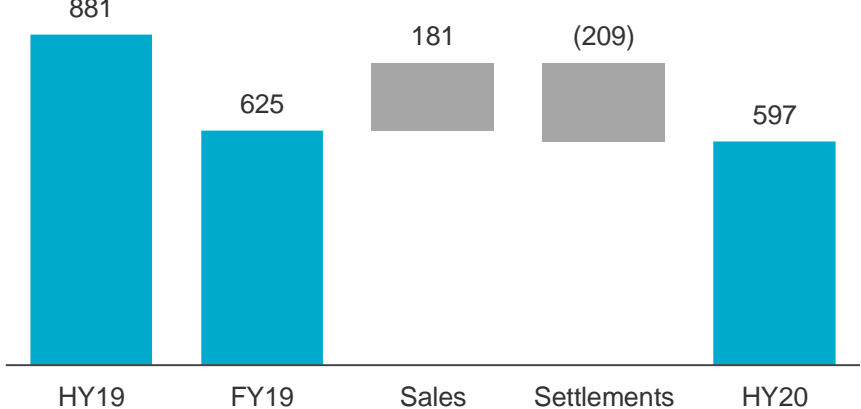
Residential communities – Australia

Movement in presales¹

By lots



By value (\$m)



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

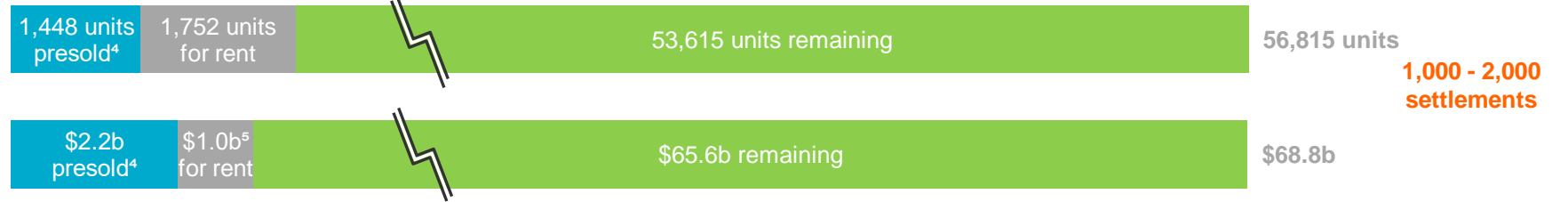
Pipeline provides long term earnings visibility

Record secured pipeline¹ of \$112.5b controlled by invested capital of \$5.3b

Target annual turnover²

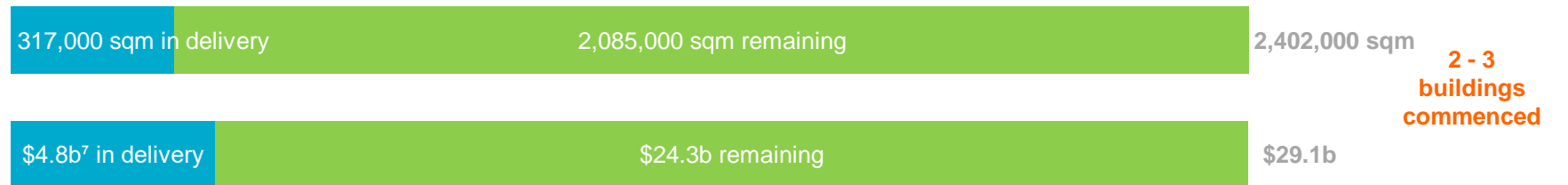
Apartments

1,448 presold units and 1,752 units for rent across 11 major apartment buildings³ in delivery, expected delivery H2 FY20 to FY24

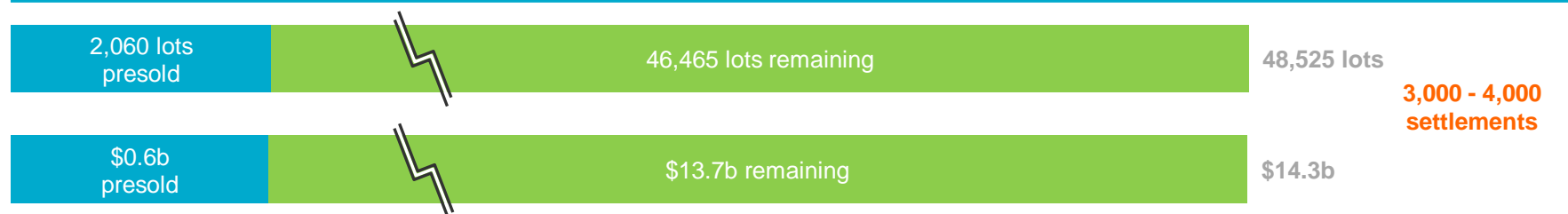


Commercial

5 major buildings⁶ in delivery, with expected completion FY21 to FY25



Communities



\$112.5 billion
Total pipeline¹

1. Remaining estimated development end value, subject to approval and contractual conditions. Includes Infrastructure of \$0.3b.
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.\$1.7b, with c.\$0.7b 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.\$5.4b, with c.\$0.6b realised to date.

Major urbanisation project summary

Region	Project	Project secured	Delivery commenced ¹	Completion date ²	Residential backlog units	Commercial backlog sqm '000 ³	Remaining end value (\$b) ⁴	Land payment model
Australia	Barangaroo South, Sydney	FY09	FY12	FY26	849	1	4.0	Staged payment
	Melbourne Quarter	FY13	FY16	FY26	1,488	124	2.3	Land management
	Brisbane Showgrounds	FY09	FY11	FY33	2,276	67	2.2	Land management
	Victoria Harbour, Melbourne	FY01	FY04	FY27	2,048	-	2.1	Land management
	Sydney Place ⁵	FY12	FY17	FY22	-	59	1.9	Upfront payment
	Waterbank, Perth	FY13	FY20	FY29	1,308	12	1.4	Land management
	Victoria Cross Over Station Development, Sydney	FY19	FY20	FY25	-	58	1.2	Staged payment
Asia	The Exchange TRX, Kuala Lumpur	FY14	FY17	FY27	2,326	122	3.3	Staged payment
Europe	Thamesmead Waterfront, London	FY20	FY25	FY40+	11,500	82	14.8	Land management
	Euston Station, London	FY18	FY26	FY40+	2,000	400	10.7	Land management
	Silvertown Quays, London	FY18	FY21	FY32	3,000	440	6.5	Land management
	Milano Santa Giulia, Milan	FY18	FY20	FY35	2,558	266	4.0	Land management
	Milan Innovation District	FY19	FY21	FY31	946	387	3.6	Staged payment
	International Quarter London	FY10	FY14	FY30	-	173	2.6	Land management
	Elephant Park, London	FY10	FY12	FY25	1,794	50	2.5	Staged payment
	High Road West, London	FY18	FY22	FY30	2,501	14	2.1	Land management
The Timberyard, Deptford, London	FY14	FY16	FY25	1,453	10	1.5	Upfront payment	
Americas	San Francisco Bay Area project	FY20	FY22	FY37	15,000	n/a ⁶	21.5	Land management
	Southbank, Chicago	FY15	FY16	FY27	1,545	25	2.2	Upfront payment
	Lakeshore East, Chicago	FY19	FY20	FY26	1,197	2	2.2	Staged payment
	30 Van Ness, San Francisco	FY17	FY21	FY25	348	25	1.6	Upfront payment
Other urbanisation projects					2,678	85	3.7	
Total urbanisation					56,815	2,402	97.9	

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, subject to approval and contractual conditions.
5. Formerly Circular Quay Tower.
6. Commercial in confidence.

Apartments settlement profile

City	Project	Building	Total units	Ownership	Presold	Units presold ¹	Presales ¹ (\$b)	Delivery date ²
Residential for sale apartments								
London	The Timberyard, Deptford	Cedarwood Square	203	100%	85%	173	0.1	FY20
Boston	Clippership Wharf	Building 4	114	100%	77%	88	0.1	FY21
London	Elephant Park	East Grove and Park Central North ³	166	100%	100%	166	0.1	FY21
Melbourne	Melbourne Quarter	East Tower	719	50%	92%	658	0.4	FY20 / FY21
Manchester	Potato Wharf	Potato Wharf Block 3 & 4	191	100%	77%	147	0.1	FY22
Chicago	Lakeshore East	Cirrus	350	42.5%	- ⁴	- ⁴	- ⁴	FY22
Sydney	Barangaroo South	One Sydney Harbour Tower 1	317	100.0%	65%	207	1.4	FY24

City	Project	Building	Total units	Ownership	Delivery date ⁵
Residential for rent apartments					
Chicago	845 West Madison	845 West Madison	586	37.5%	FY20
London	Elephant Park	East Grove and Park Central North	663	20%	FY21
Chicago	Lakeshore East	Cascade	503	42.5%	FY22

1. Closing presales balance as at 31 December 2019.
2. Subject to change in delivery program.
3. Affordable housing units presold within apartment for rent buildings.
4. Project information is commercial in confidence.
5. Based on expected completion date of underlying buildings, subject to change in delivery program. Not indicative of cash or profit recognition.

Commercial buildings completion profile

City	Project	Capital model	sqm '000 ¹	Building	Completion date ²
Melbourne	Melbourne Quarter	Fund through ³	51	Two Melbourne Quarter	FY21
Melbourne	Melbourne Connect	BOOT ⁴	27	Melbourne Connect	FY21
Sydney	Sydney Place ⁵	Joint venture	59	Salesforce Tower	FY22
Kuala Lumpur	The Exchange TRX	Joint venture	122	Retail	FY22
Sydney	Victoria Cross Over Station Development	Joint venture	58	Victoria Cross Over Station Development	FY25
Total			317		

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.
5. Formerly Circular Quay Tower.

Conversion of secured pipeline

Indicative conversion timing¹ of secured commercial pipeline to FY24

City	Project	Buildings	Sector	sqm '000 ²	FY20	FY21	FY22	FY23	FY24
Melbourne	Melbourne Quarter	1	Office	73					
Brisbane	Brisbane Showgrounds	1	Office / Retail	32					
Milan	Milano Santa Giulia – Stage 1	2	Office / Retail	46					
London	International Quarter London – Stage 1	1	Office / Retail	34					
San Francisco	30 Van Ness	1	Office	25					
Milan	Milan Innovation District	3	Office / Retail	72					
Perth	Waterbank	1	Office / Retail	11					
Milan	Milano Santa Giulia – Stage 2	3	Office / Retail	96					
London	International Quarter London – Stage 2	1	Office / Retail	74					
London	Silvertown Quays – Stage 1	3	Office	36					
Chicago	Southbank	1	Office	23					
London	Silvertown Quays – Stage 2	5	Office / Retail	23					
London	Silvertown Quays – Stage 3	1	Office / Retail	12					
Total		24		557					

1. Subject to approval and contractual conditions, and tenant precommitments.
2. Floor space measured as Net Lettable Area.

Conversion of secured pipeline

Indicative conversion timing¹ of secured residential for rent pipeline to FY24

City	Project	Buildings	Sector	Units	FY20	FY21	FY22	FY23	FY24
London	Elephant Park – Stage 1	1	Residential	118	██████████				
London	The Timberyard, Deptford – Stage 1	1	Residential	251		██████████			
Chicago	Southbank – Stage 1	1	Residential	216		██████████			
Milan	Milan Innovation District	1	Residential	273		██████████			
London	Elephant Park – Stage 2	1	Residential	123		██████████			
London	Silvertown Quays	2	Residential	399			██████████		
Chicago	Southbank – Stage 2	1	Residential	295			██████████		
London	High Road West	1	Residential	412			██████████		
London	The Timberyard, Deptford – Stage 2	1	Residential	189				██████████	
Total		10		2,276					

1. Subject to approval and contractual conditions.

Communities projects

Project	Location	Land payment model	Completion date ¹	Residential backlog land lots ²	Commercial backlog sqm '000 ³
Yarrabilba	QLD	Staged payment	FY47	14,070	2,040
Elliot Springs	QLD	Land management	FY61	10,555	1,050
Springfield Lakes	QLD	Land management	FY27	2,930	13
Shoreline	QLD	Land management	FY34	2,910	103
Calderwood Valley	NSW	Land management	FY35	3,475	156
Figtree Hill	NSW	Staged payment	FY34	1,590	241
Bingara Gorge	NSW	Land management	FY28	1,160	79
St Marys - Jordan Springs	NSW	Upfront payment	FY23	845	296
The New Rouse Hill	NSW	Land management	FY21	485	-
Werrington	NSW	Upfront payment	FY23	360	31
Atherstone	VIC	Land management	FY27	2,685	52
Harpley	VIC	Land management	FY29	2,265	383
Aurora	VIC	Staged payment	FY28	1,930	86
Blakes Crossing	SA	Upfront payment	FY21	85	10
Alkimos	WA	Land management	FY29	1,185	22
Alkimos Vista	WA	Land management	FY26	535	-
Horizon Uptown	Americas	Upfront payment	FY30	1,459	581
Other communities				1	-
Total communities				48,525	5,143

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 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.

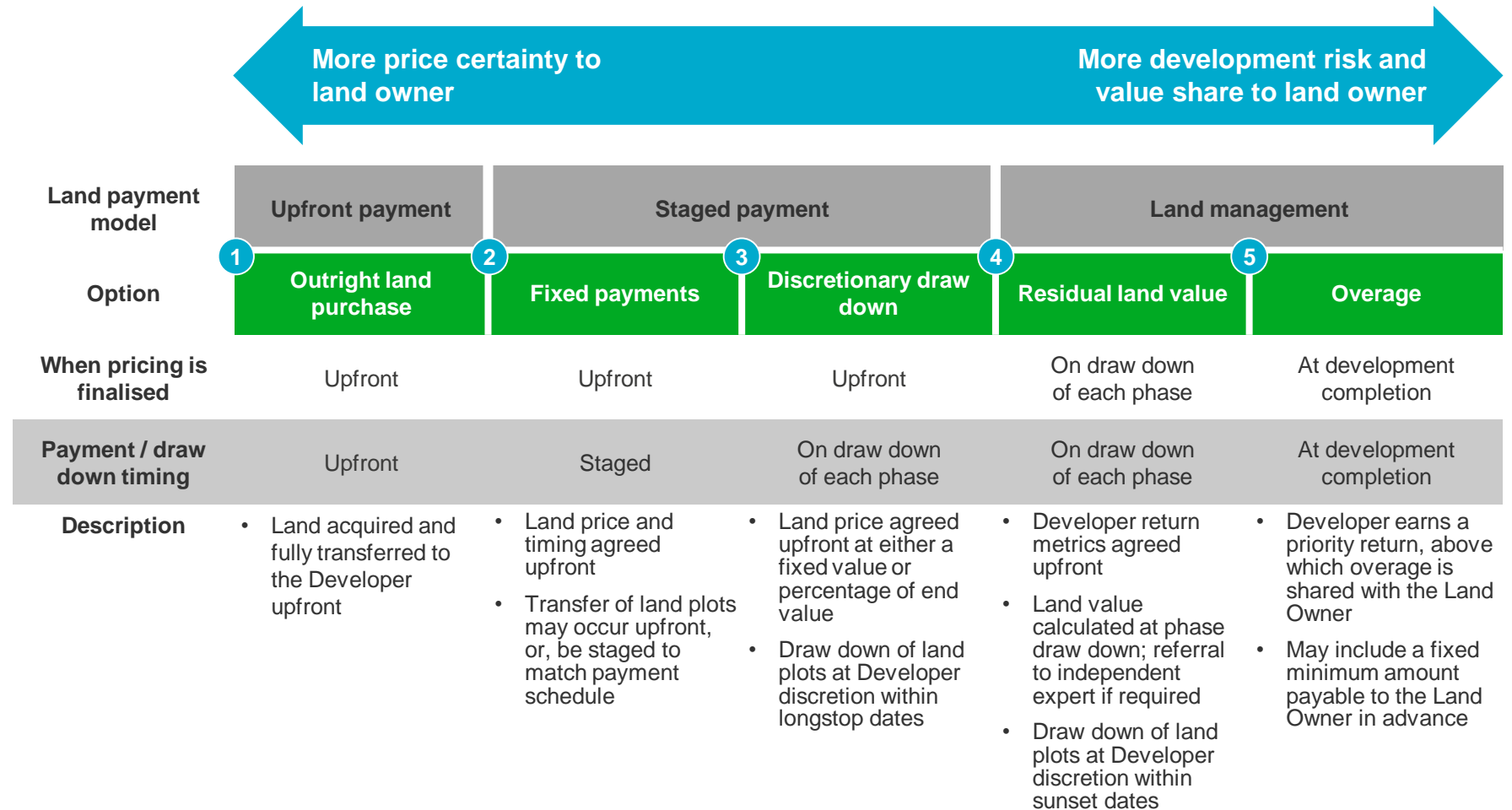
Development deal structuring tailored to local market

	Communities	Urbanisation		
		Apartments for Sale	Forward sale	Joint venture structure
Project examples	<ul style="list-style-type: none"> St Marys - Jordan Springs, Sydney Yarrabilba, Brisbane 	<ul style="list-style-type: none"> Darling Square, Sydney Elephant Park, London 	<ul style="list-style-type: none"> Office: Daramu House, Barangaroo South, Sydney Residential for rent: Cooper at Southbank, Chicago and Clippership Wharf Buildings 1 and 2, Boston 	<ul style="list-style-type: none"> Paya Lebar Quarter, Singapore Sydney Place (formerly Circular Quay Tower), Sydney
Land funding ¹	<ul style="list-style-type: none"> Land ownership Land management Staged payments 	<ul style="list-style-type: none"> Land management Staged payments 	<ul style="list-style-type: none"> Land management Staged payments 	<ul style="list-style-type: none"> Land ownership via joint venture (including project financing)
Production funding ¹	<ul style="list-style-type: none"> 100% on-balance sheet 	<ul style="list-style-type: none"> Largely 100% on-balance sheet 	<ul style="list-style-type: none"> Capital partner progress or staged payments 	<ul style="list-style-type: none"> Funded via joint venture (including project financing)
P&L returns	<ul style="list-style-type: none"> Development profit on sold product at settlement 	<ul style="list-style-type: none"> Development profit on sold product at settlement² Construction margin on settlement³ 	<ul style="list-style-type: none"> Development profit typically upfront at time of sale Development management fees, construction margin⁴ and investment management fees⁴ during delivery 	<ul style="list-style-type: none"> Development profit tied to equity interests Development management fees, construction margin⁴ and investment management fees⁴ (including performance fees) during delivery
Cash returns (Development only)	<ul style="list-style-type: none"> On settlement 	<ul style="list-style-type: none"> On settlement 	<ul style="list-style-type: none"> Upfront and over life of project during delivery 	<ul style="list-style-type: none"> Linked to cash equity returns or sell down of investment typically post practical completion

1. Typical funding models used across segment examples.
2. With the exception of Singapore where revenue from residential apartments is recognised on percent complete basis.
3. Based on apartment projects delivered 100% on-balance sheet.
4. Only where Construction and / or Investments segments are engaged to play a role in the project.

Land payment models¹

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.

Southbank, Chicago

Construction Segment



Earnings drivers - Construction

EBITDA margin target 2-3%; Backlog \$14.2b

	Construction				Non Core
Region	Australia	Asia	Europe	Americas	Australia
Revenue last 6 months	\$1.9b	\$0.1b	\$0.4b	\$1.9b	\$1.7b
Backlog realisation	H2 FY20 25% FY21 32% Post FY21 43%	H2 FY20 33% FY21 56% Post FY21 11%	H2 FY20 37% FY21 45% Post FY21 18%	H2 FY20 28% FY21 32% Post FY21 40%	H2 FY20 27% FY21 33% Post FY21 40%
Backlog	\$6.7b	\$0.8b	\$1.4b	\$5.3b	\$5.8b

Construction HY20

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 margin¹

Drivers²

- Revenue of \$4.3b, EBITDA of \$101m
 - Activity on integrated projects recognised in Development segment in HY20 vs Construction segment in prior corresponding period resulting in a partial impact on EBITDA
- EBITDA margin 2.3%, up from 2.1%
 - Solid project level performance across the portfolio
- New work secured of \$3.1b, down from \$4.3b
 - Australia \$1.9b from \$2.2b: higher base of project wins in HY19. Key projects secured included: Victoria Cross Over Station Development, HMAS Watson Redevelopment - Delivery Phase, 140 Lonsdale Street, Curtin University School of Design and Built Environment
 - Americas \$1.0b from \$1.8b: lower activity in the region including some project delays

Performance

		HY19	HY20
EBITDA mix	%	18	16
EBITDA margin	%	2.1	2.3
New work secured	\$b	4.3	3.1
Backlog	\$b	14.8	14.2

Outlook

- Backlog revenue of \$14.2b
 - Book to bill ratio of 0.7
 - Diversified by sector, client and target market/geography
 - Major project³ sector exposures: Commercial 29%, Residential 20%, Defence 18%, Social Infrastructure 11%
 - Australia \$6.7b: Crown Sydney Hotel Resort, Randwick Campus Redevelopment – IASB, HMAS Cerberus - Delivery Phase, Sydney Place
 - Americas \$5.3b: Jacob K. Javits Convention Center
- Backlog realisation:
 - H2 FY20: 28%
 - FY21: 34%
 - Post FY21: 38%
- Preferred bidder status of c.\$10b including
 - Australia: Tindal Stage 6 Redevelopment, One Sydney Harbour, Tweed Valley Hospital
 - Americas: mix of residential and commercial projects across target cities
 - Asia: The Exchange TRX – Residential and Hotel
 - Europe: Richmond House and Glen Parva

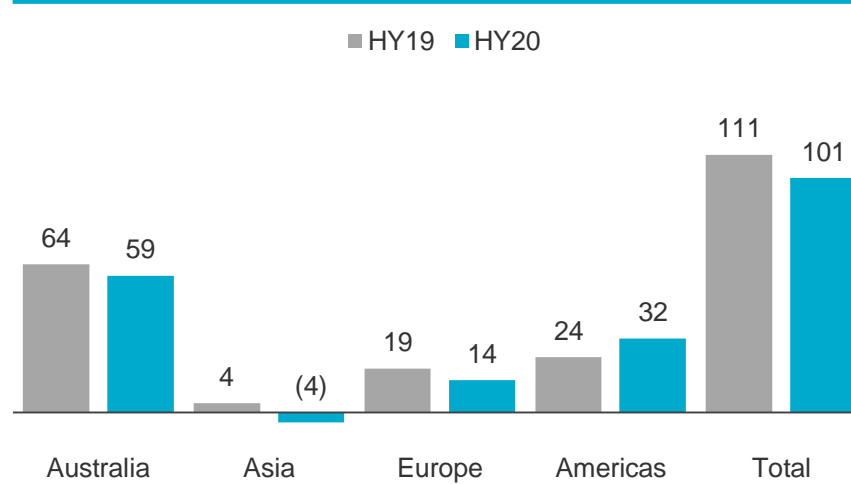
1. From external clients.

2. Comparative period the half year ended 31 December 2018.

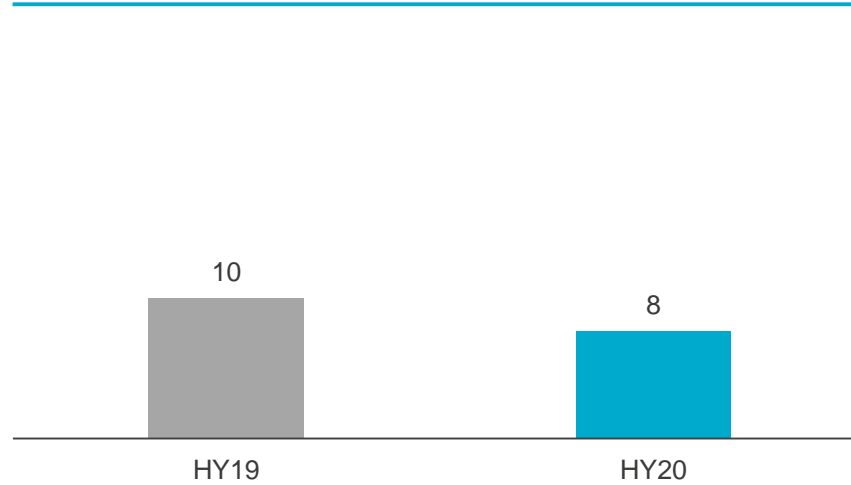
3. Includes all Construction projects with backlog greater than \$100m, which represents 77% (\$11.0b) of secured backlog.

Construction earnings

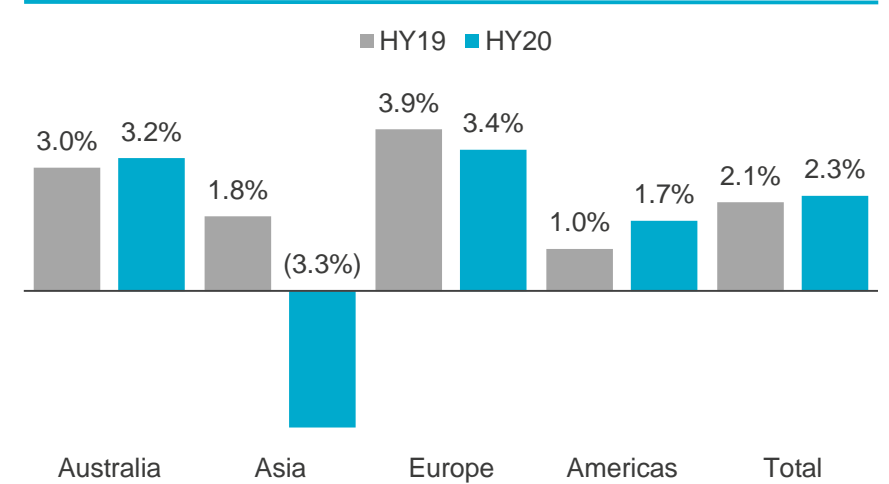
EBITDA (\$m)



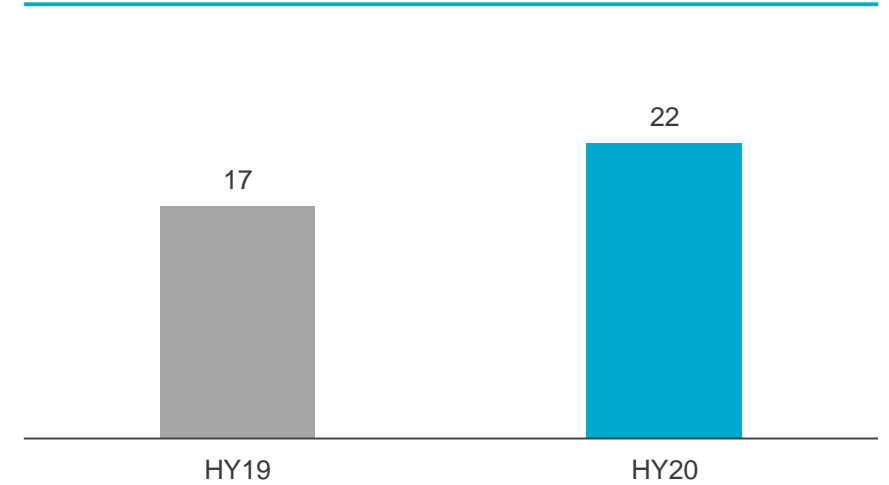
EBITDA Europe (£m¹)



EBITDA margin



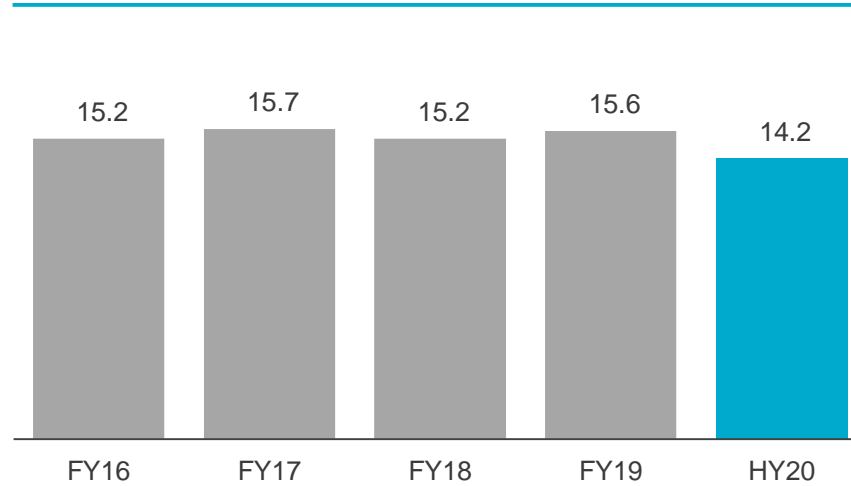
EBITDA Americas (US\$m)



1. Major currency in region.

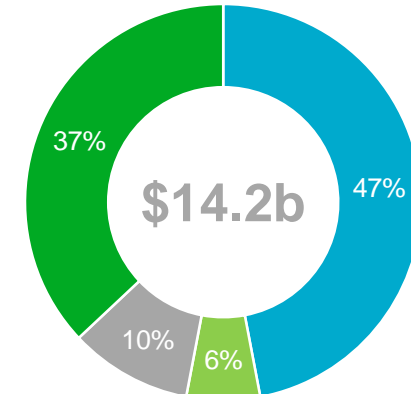
Construction backlog

Backlog (\$b)



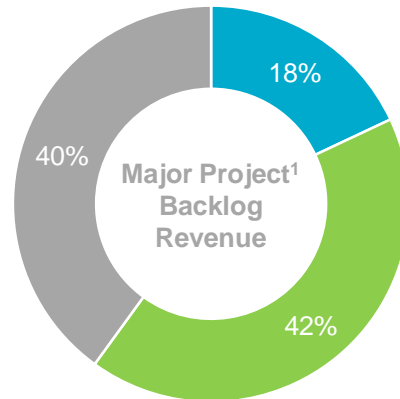
HY20 backlog by region

Australia Asia Europe Americas



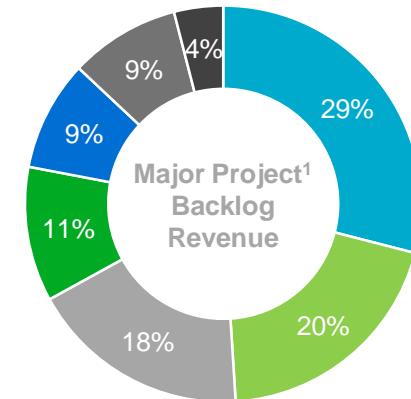
HY20 backlog by client

Lendlease Corporate Government



HY20 backlog by sector

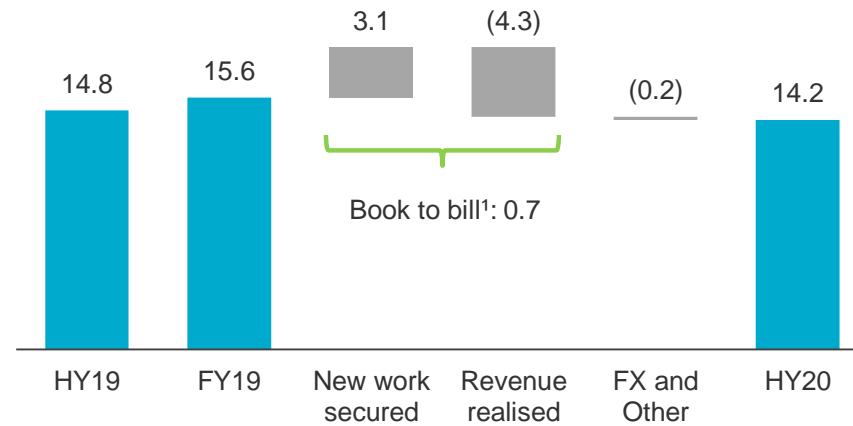
Commercial Residential Defence
Social Infrastructure Transport Hotel/Entertainment
Other



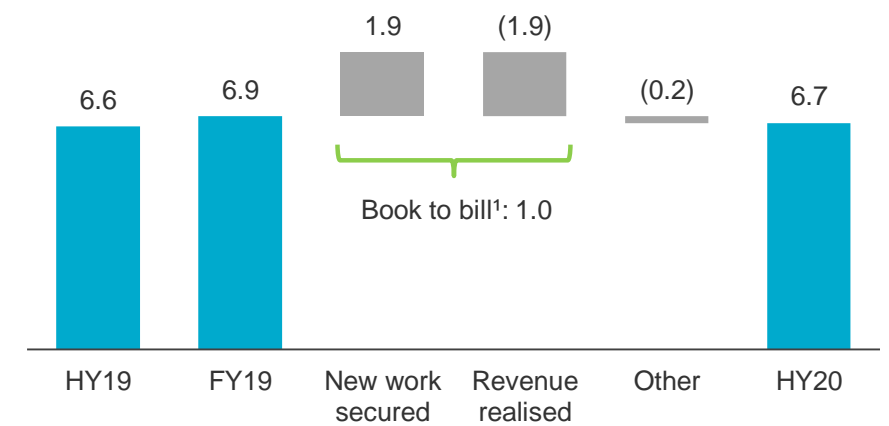
1. Includes all Construction projects with backlog greater than \$100m, which represents 77% (\$11.0b) of secured backlog.

Construction backlog by region

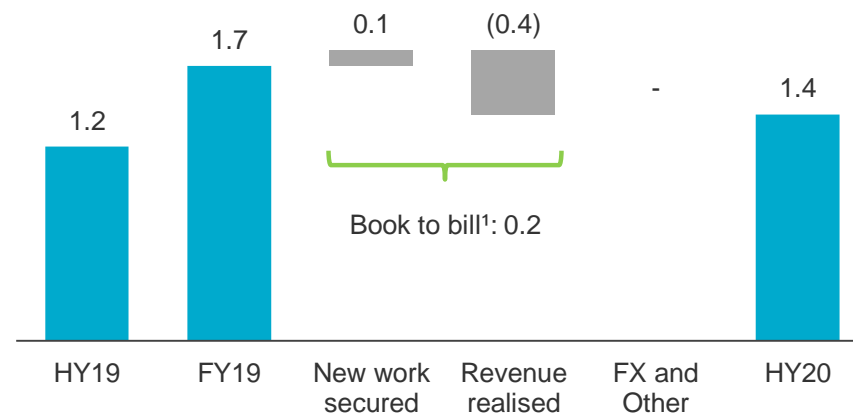
Group (\$b)



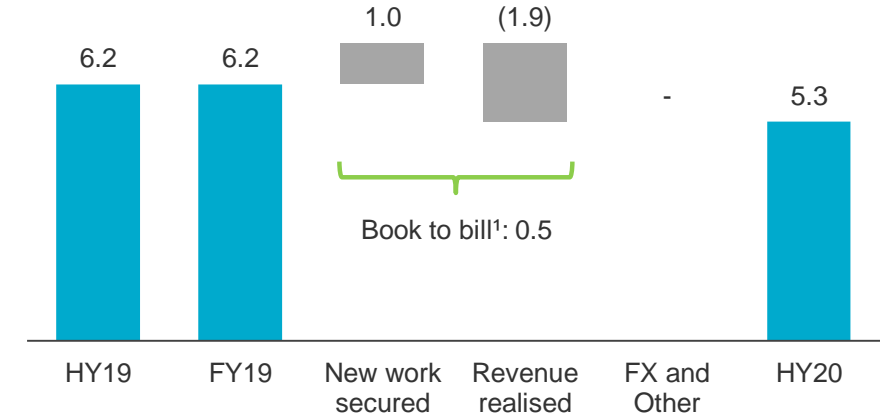
Australia (\$b)



Europe (\$b)



Americas (\$b)



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

Australia: Major Projects^{1,2}

Project	Location	Contract type ³	Contract value ⁴ (\$m)	Secured date	Completion date ⁵	Sector
Crown Sydney Hotel Resort	NSW	MC	1,081.7	FY15	FY21	Hotel/Entertainment
Sydney Place	NSW	D&C	713.0	FY19	FY22	Commercial
AIR 7000 Phase 2B	SA	MC	485.0	FY16	FY21	Defence
Osborne Naval Shipbuilding Project (Surface Ships)	SA	MC	480.0	FY18	FY20	Defence
Sydney Metro Victoria Cross Integrated Station Development	NSW	D&C	465.5	FY19	FY24	Transport
New Air Combat Capability - RAAF Tindal	NT	MC	449.8	FY16	FY20	Defence
HMAS Cerberus - Delivery Phase	VIC	MC	426.8	FY18	FY25	Defence
Victoria Cross Over Station Development	NSW	D&C	410.0	FY20	FY25	Commercial
HMAS Watson Redevelopment - Delivery Phase	NSW	MC	388.0	FY20	FY27	Defence
Sydney Metro Martin Place Integrated Station Development	NSW	D&C	378.6 ⁶	FY19	FY24	Transport
ADF Air Traffic Control Complex Infrastructure Project	National	MC	377.3	FY16	FY21	Defence
Melbourne Connect	VIC	D&C	359.1	FY18	FY21	Other
130 Lonsdale Street	VIC	D&C	349.1	FY18	FY20	Commercial
Melbourne Quarter - Two Melbourne Quarter	VIC	D&C	332.0	FY18	FY21	Commercial
Randwick Campus Redevelopment – IASB	NSW	D&C	309.5	FY18	FY22	Social Infrastructure
Melbourne Quarter - East Tower	VIC	D&C	276.5	FY18	FY20	Residential
Stage 2 Garden Island Critical Works Delivery Phase	NSW	MC	268.3	FY19	FY24	Defence
Growler Airborne Attack Facility Phase 1 & 2 Project	QLD/NT	MC	254.6	FY16	FY20	Defence
Stage 1 Garden Island Delivery Phase	NSW	MC	238.8	FY18	FY21	Defence
Joan Kirner Women's and Children's Hospital Projects	VIC	MC	236.6	FY16	FY21	Social Infrastructure
BaptistCare SAHF	NSW	D&C	196.2	FY17	FY21	Residential
Gold Coast Airport, Southern Terminal Expansion	QLD	D&C	195.7	FY19	FY21	Transport
Goulburn Valley Health Shepparton Redevelopment	VIC	MC	193.0	FY18	FY22	Social Infrastructure
Delamere Air Weapons Range & Growler Mobile Threat Training Emitter	NT	MC	191.5	FY17	FY20	Defence
One Sydney Harbour Basement	NSW	CM	166.0	FY19	FY21	Other
Melbourne Park Redevelopment Stage 3	VIC	D&C	166.0	FY19	FY21	Social Infrastructure
Monash University Technology Education Building	VIC	D&C	156.3	FY19	FY20	Social Infrastructure
140 Lonsdale Street	VIC	D&C	155.8	FY20	FY23	Commercial
Curtin University School of Design and Built Environment	WA	D&C	101.2	FY20	FY21	Social Infrastructure
Silverwater Correctional Facility Expansion	NSW	D&C	n/a ⁷	FY18	FY21	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 2019 for the projects listed totals \$5.2b, representing 78% of total Australia backlog revenue.
3. Contract types are Managing Contractor (MC), Design and Construct (D&C), and Construction Management (CM).
4. Contract value for the project as approved by the client for disclosure. Where Lendlease is in a joint venture, it is the Lendlease share.
5. Based on expected completion date of underlying buildings, subject to change in delivery program.
6. Excludes new commercial buildings, pedestrian connections and retail space as these are commercial in confidence.
7. Contract value is subject to commercial in confidence and not available for disclosure.

Asia, Europe and Americas: Major Projects^{1,2}

Project	Location	Contract type ³	Contract value ⁴ (\$m)	Secured date	Completion date ⁵	Sector
Asia						
The Exchange TRX - Retail	Kuala Lumpur	MC	534.8	FY18	FY22	Commercial
Ardor Gardens	Shanghai, China	CM	207.7	FY19	FY22	Residential
Europe						
Perry Barr Residential Scheme	Birmingham	MC	614.6	FY19	FY22	Social Infrastructure
Elephant Park - Park Central North	London	D&C	294.3	FY18	FY21	Residential
1 Triton Square	London	D&C	273.2	FY17	FY21	Commercial
Elephant Park - East Grove	London	D&C	250.4	FY18	FY21	Residential
Google UK HQ (formerly Google European HQ)	London	CM	204.8	FY18	FY22	Commercial
Manchester New Square	Manchester	D&C	156.3	FY18	FY21	Residential
St John's Manchester Goods Yard	Manchester	D&C	147.2	FY19	FY21	Commercial
The Timberyard, Deptford - Cedarwood Square	London	D&C	125.5	FY17	FY20	Residential
Oxford House	London	D&C	122.0	FY19	FY21	Commercial
Americas						
Jacob K. Javits Convention Center	New York	LS	880.1	FY17	FY21	Hotel/Entertainment
New York Methodist Hospital	New York	CM	452.0	FY16	FY20	Social Infrastructure
Clippership Wharf	Boston	GMP	318.0	FY16	FY21	Residential
Half and N Street	Washington, D.C.	GMP	178.7	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 2019 for the projects listed totals \$0.6b (Asia), \$1.1b (Europe) and \$0.5b (Americas), representing 75% (Asia), 79% (Europe) and 9% (Americas) of total backlog revenue for these regions.
3. Contract types are Managing Contractor (MC), Design and Construct (D&C), Construction Management (CM), Lump Sum (LS) and Guaranteed Minimum Price (GMP).
4. Contract value for the project as approved by the client for disclosure. Where Lendlease is in a joint venture, it is the Lendlease share.
5. Based on expected completion date of underlying buildings, subject to change in delivery program.

313@somerset, Singapore

Investments Segment



Earnings drivers - Investments

ROIC target 8-11%¹; Invested capital \$3.9b

	Ownership Earnings <i>Capital intensive activities</i>					Operating Earnings <i>Capital light activities</i>		
Invested capital	Co-investment positions in managed funds \$1.9b	Retirement Living \$1.4b	US Military Housing \$209m	US Telco Infrastructure \$256m	FUM / Assets	Funds Management Platform \$36.9b FUM	Retail and Office Asset Management \$16.4b AUM	Military Housing \$13.3b AUM 51,789 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 and property management fees
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 and opex

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

Investments HY20

Overview

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

Drivers¹

- Operating earnings \$120m
 - FUM growth of 8% driving higher base fees
 - Significant performance fee post completion of Paya Lebar Quarter project
 - Retail and Office AUM of \$16.4b, up 23%
 - US Military Housing AUM of \$13.3b, steady on prior
 - Income from US telco portfolio
- Ownership earnings \$135m
 - Co-investments
 - Lower income from Australian portfolio following divestments
 - Lower co-investment revaluations in the period
 - Retirement
 - Lower returns - 14% increase in resales across the portfolio offset by lack of price growth and subdued half for development
 - Equity returns on US Military Housing portfolio
 - Profit on establishment of Global Commercial REIT

Performance

		HY19	HY20
Core business EBITDA mix	%	42	41
ROIC	%	13.6	10.7
Invested capital	\$b	3.4	3.9
Co-investment revaluations	\$m	77	19
Co-investment revaluations / Core business operating EBITDA	%	11.9	3.0

Outlook

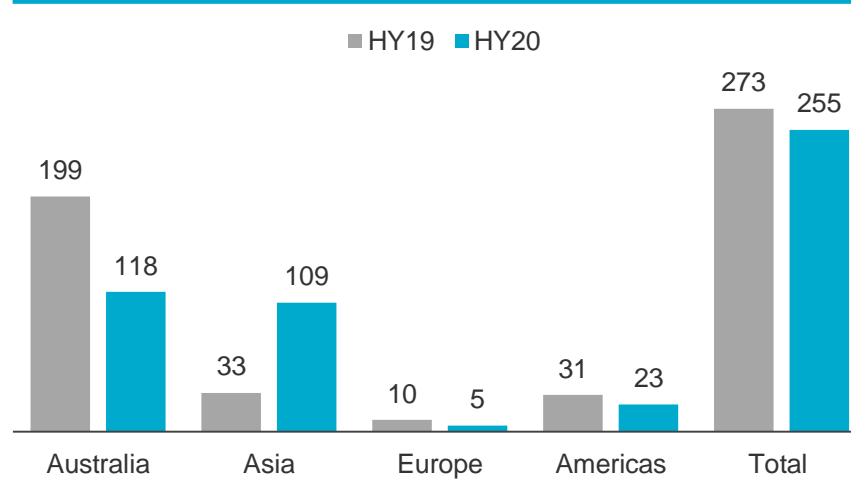
- Well positioned to deliver future recurring earnings
- Integrated business model key source of growth with c.\$53b investment grade assets to be created from development pipeline²
- Operating earnings
 - FUM of \$36.9b, c.150 institutional investors
 - Scale platforms in office and retail
 - Building scale in residential for rent asset class
 - c.\$3.1b of additional secured future FUM across the Group's development pipeline
 - Significant opportunities from the remaining development pipeline
 - \$16.4b Retail and Office AUM
 - \$13.3b US Military Housing AUM
- Ownership earnings
 - \$1.9b co-invested in funds, capital partner alignment
 - \$1.4b of capital in retirement investment
 - \$0.7b of other income producing assets including:
 - Equity in US Military Housing
 - US telecommunications portfolio

1. Comparative period the half year ended 31 December 2018.

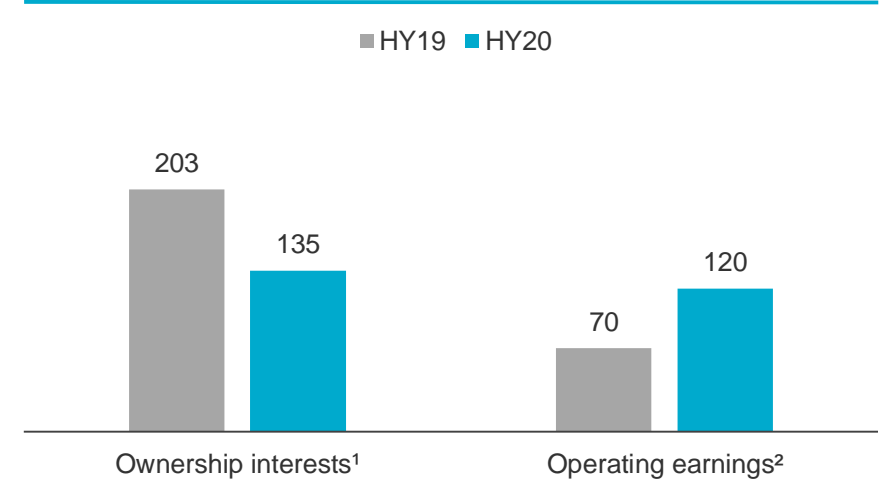
2. Subject to approval and contractual conditions.

Investments earnings / ownership

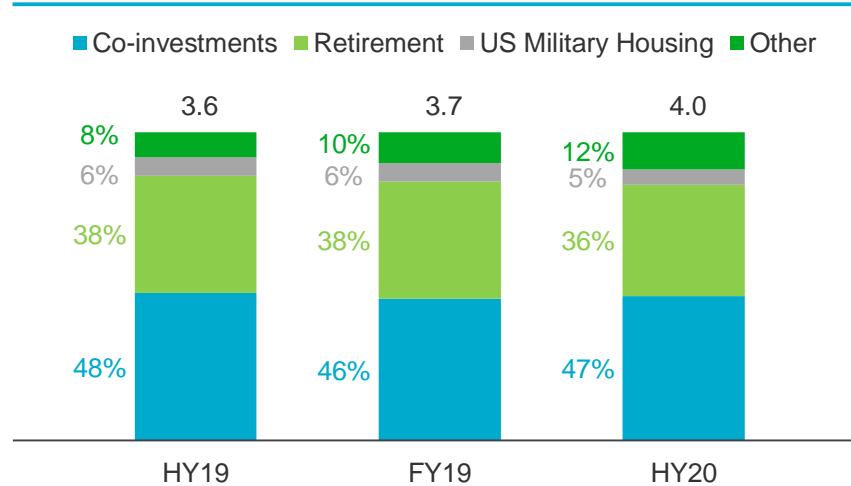
EBITDA by region (\$m)



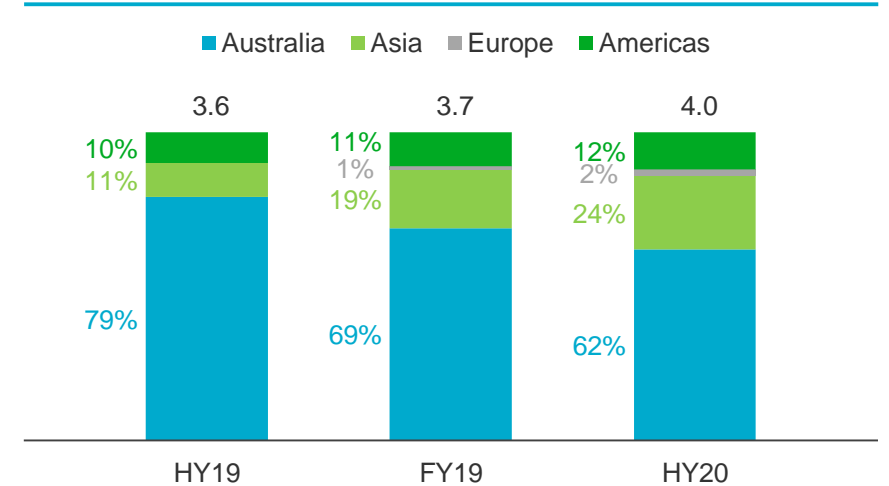
Investments EBITDA by activity (\$m)



Investments³ by product (\$b)

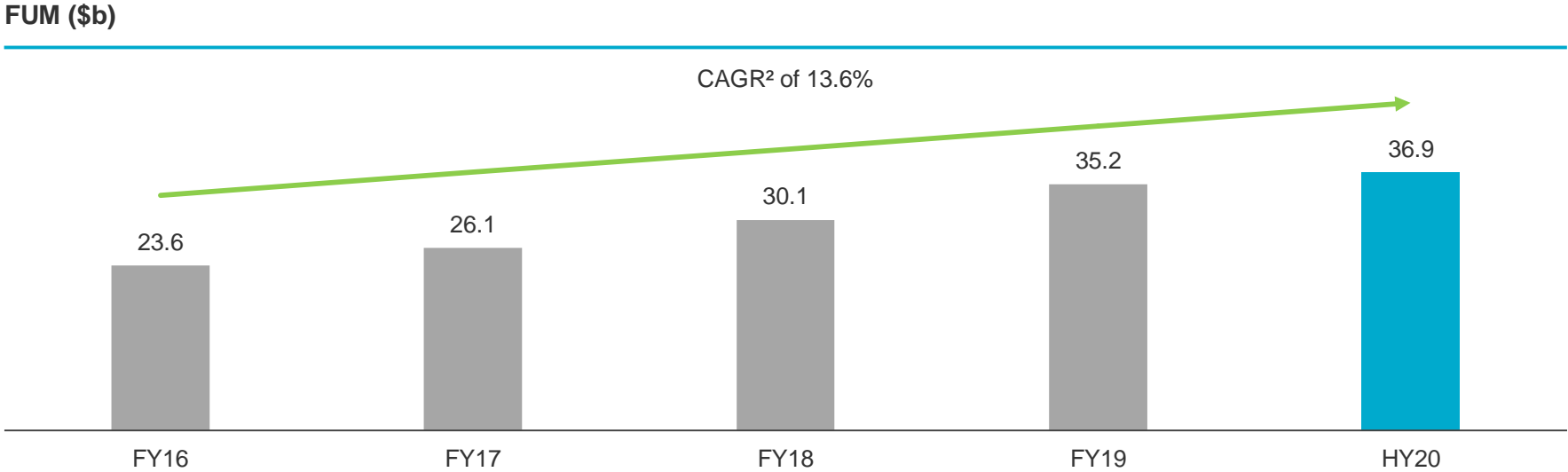


Investments³ by region (\$b)



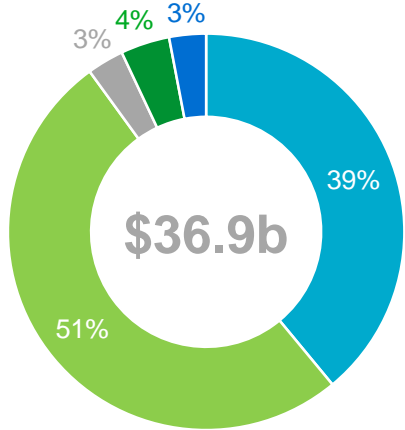
- Returns derived from co-investments, the Group's Retirement investment, US Military Housing equity investment and other investments.
- Earnings primarily derived from the investment management platform and the management of US Military Housing operations.
- The Group's assessment of market value of ownership interests. Total invested capital in the segment of \$3.9b in HY20.

Funds Under Management¹ (FUM)



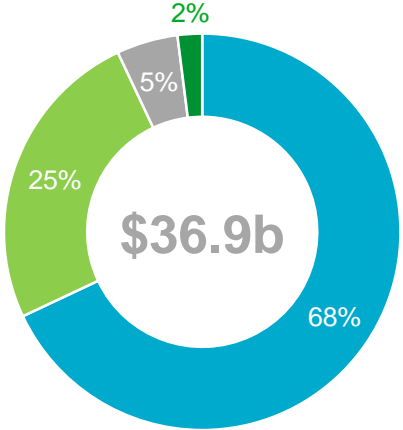
HY20 FUM by asset class

■ Retail ■ Office ■ Industrial ■ Residential ■ Other



HY20 FUM by region

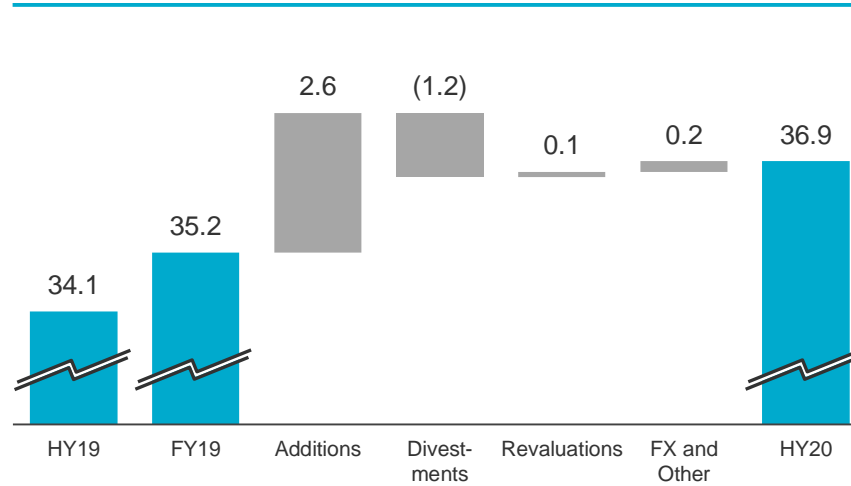
■ Australia ■ Asia ■ Europe ■ Americas



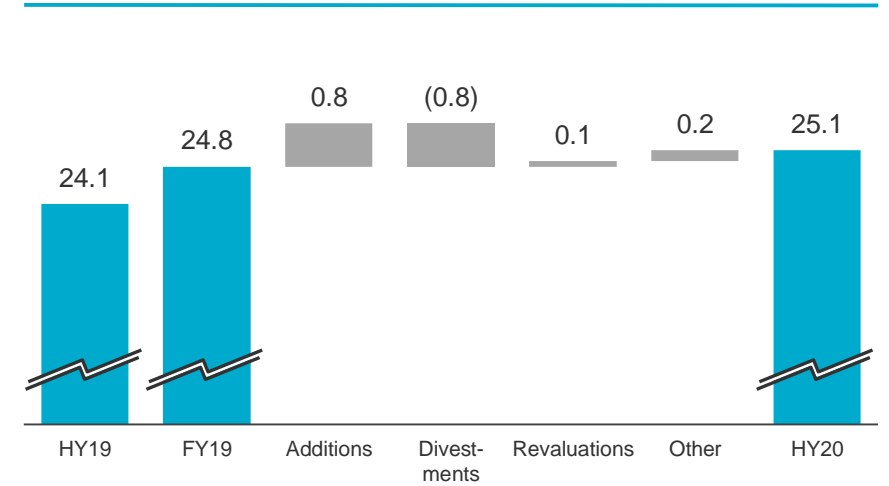
1. The Group's assessment of market value.
2. Compound Annual Growth Rate.

FUM¹ by region

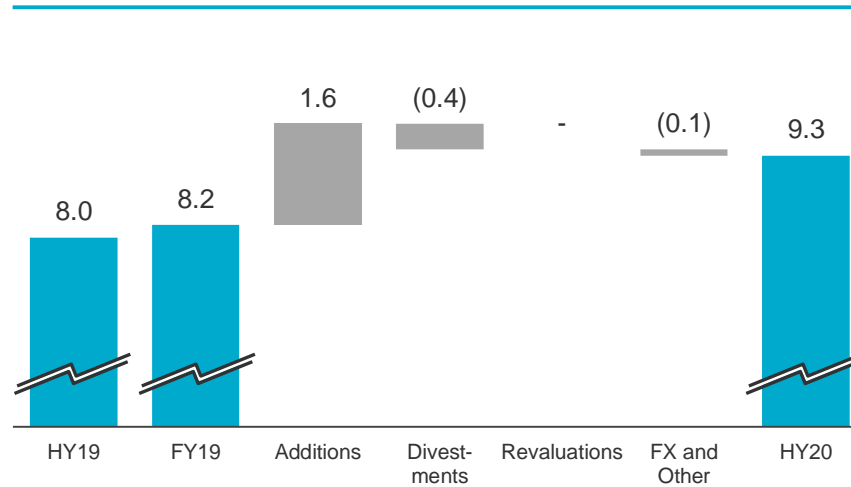
Group (\$b)



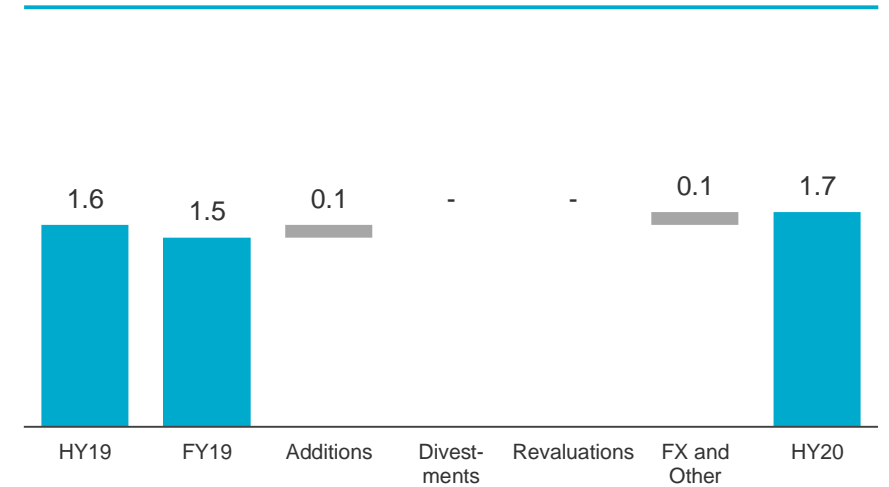
Australia (\$b)



Asia (\$b)



Europe (\$b)



1. The Group's assessment of market value.

FUM¹ by region

Australia FUM	Fund type	Asset class	FY19 (\$b)	HY20 (\$b)
Managed Investment Mandates	Core	Various	4.4	5.2
Australian Prime Property Fund Commercial	Core	Office	5.1	5.1
Australian Prime Property Fund Retail	Core	Retail	5.7	4.9
Lendlease International Towers Sydney Trust	Core	Office	4.6	4.7
Lendlease One International Towers Sydney Trust	Core	Office	2.7	2.8
Australian Prime Property Fund Industrial	Core	Industrial	1.0	1.1
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
Total Australia			24.8	25.1

Asia FUM	Fund type	Asset class	FY19 (\$b)	HY20 (\$b)
Paya Lebar Quarter	Value Add	Retail and Office	3.3	3.6
Lendlease Asian Retail Investment Fund	Core	Retail	2.8	2.1
Parkway Parade Partnership Limited	Core Plus	Retail	1.5	1.5
Lendlease Global Commercial REIT	Core	Retail and Office	-	1.5
Lendlease Jem Partners Fund Limited	Core	Retail	0.6	0.6
Total Asia			8.2	9.3

Europe FUM	Fund type	Asset class	FY19 (\$b)	HY20 (\$b)
Lendlease Retail LP	Core	Retail	1.2	1.1
Lendlease Residential Investment Partnership	Core	Residential	0.3	0.6
Total Europe			1.5	1.7

Americas FUM	Fund type	Asset class	FY19 (\$b)	HY20 (\$b)
Lendlease Americas Residential Partnership	Value Add	Residential	0.7	0.8
Total Americas			0.7	0.8

1. The Group's assessment of market value.

Major fund summary¹

HY20 funds management platform

		APPFR ²	APPFC ³	APPFI ⁴	LLITST ⁵	LLOITST ⁶	ARIF ⁷ 3 (Jem)	PPPL ⁸	LLGREIT ⁹	LLRP ¹⁰
Total assets	\$b	4.9	5.1	1.1	4.7	2.8	1.8	1.5	1.5	1.1
Gearing	%	14.8	5.5	8.3	13.2	18.2	40.2	35.7	36.4	-
Co-investment	%	1.7	8.2	10.5	3.9	2.5	20.1	6.1	24.3	-
Co-investment	\$m	67	382	99	156	56	201	44	256	-
Region		Aus	Aus	Aus	Aus	Aus	Asia	Asia	Asia	Eur
Asset class		Retail	Office	Industrial	Office	Office	Retail	Retail	Retail and Office	Retail
Number of assets	no.	10	21	35	4	1	1	1	4	2
Occupancy	%	97.5	96.3	96.8	95.1	100.0	99.7	99.3	99.9	92.9
Weighted avg. cap rate	%	5.1	4.8	6.3	4.6	4.6	4.3	5.0	4.7	5.4

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 Global Commercial REIT.
10. Lendlease Retail LP.

Investments¹

Australia co-investments	HY20 Lendlease interest	FY19 (\$m)	HY20 (\$m)
Australian Prime Property Fund Commercial	8.2%	369	382
Lendlease International Towers Sydney Trust	3.9%	238	156
Australian Prime Property Fund Industrial	10.5%	96	99
Craigieburn Central	25.0%	82	77
Australian Prime Property Fund Retail	1.7%	74	67
Lendlease One International Towers Sydney Trust	2.5%	54	56
Lendlease Public Infrastructure Investment Company	10.0%	40	40
Lendlease Sub Regional Retail Fund	9.9%	36	34
Lendlease Real Estate Partners New Zealand	5.3%	11	10
Other		1	-
Total Australia		1,001	921

Asia co-investments	HY20 Lendlease interest	FY19 (\$m)	HY20 (\$m)
Paya Lebar Quarter	30.0%	284	412
Lendlease Global Commercial REIT	24.3%	-	256
Lendlease Asian Retail Investment Fund (ARIF)			
ARIF 1 (313@somerset) ²	-	44	-
ARIF 2 (Setia City Mall)	38.6%	30	32
ARIF 3 (Jem)	20.1%	201	201
Parkway Parade Partnership Limited	6.1%	43	44
313@somerset ²	-	99	-
Total Asia		701	945

Americas		FY19	HY20
US Military Housing, invested equity	\$m	211	209
Telecommunications assets, invested equity	\$m	203	256
Telecommunications towers	no.	308	372

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

2. 313@somerset retail centre was sold to the Lendlease Global Commercial REIT during HY20.

Assets Under Management (AUM)¹ by region

Retail and Office	HY20 GLA ² sqm '000	FY19 (\$b)	HY20 (\$b)
Australia	774.8	7.5	6.9
Asia	493.1	7.2	8.8
Europe	141.7	0.7	0.7
Total	1,409.6	15.4	16.4

HY20 US Military Housing

	AUM (\$b)	Housing units	Lodging units	Total units	Avg portfolio life (years)
Total	13.3	39,358	12,431	51,789	36

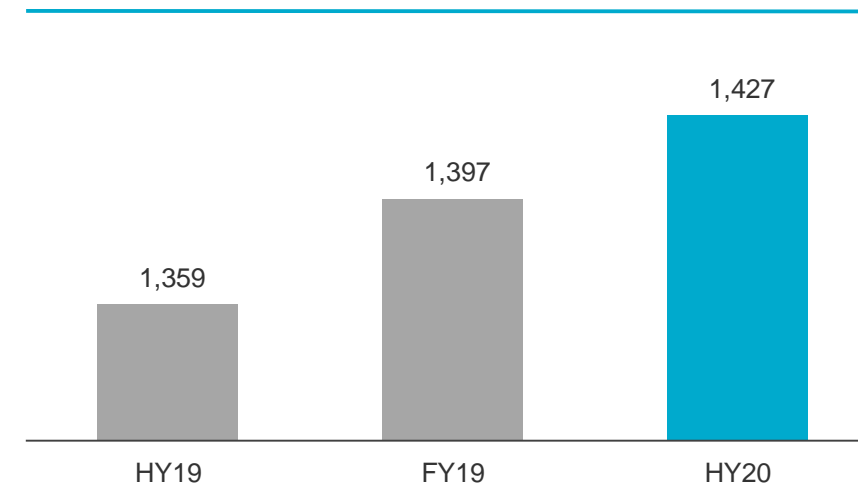
1. The Group's assessment of market value.

2. Gross Lettable Area.

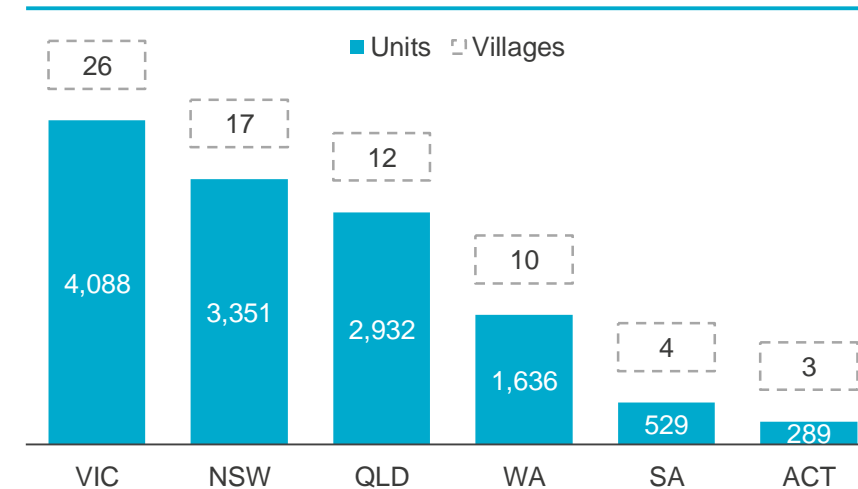
Retirement summary

Value drivers ¹		HY19	HY20
Long term growth rate	%	3.5	3.5
Discount rate	%	12.3	12.3
Average length of stay	years	11	11
Number of established units	no.	12,782	12,825
Units resold	no.	402	458
Development			
Pipeline ²	no.	4,038	3,786
Pipeline	\$b	1.6	1.9
Sales/Settlements	no.	76	55
Sales/Settlements	\$m	39.5	27.6

Investment (\$m)



HY20 units and villages by state¹



1. 100% of Retirement Living business.

2. Includes aged care beds licences.

Important notice

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Lendlease Group's statutory results are prepared in accordance with International Financial Reporting Standards (IFRS). This document also includes material that is not included in Lendlease Group's statutory results and contains non-IFRS measures. Material that is not included in Lendlease Group's statutory results has not been subject to audit. Lendlease Group's auditors, KPMG, performed agreed upon procedures to ensure consistency of this document with Lendlease Group's statutory results, other publicly disclosed material and management reports.

A reference to HY20 refers to the half year period ended 31 December 2019 unless otherwise stated. All figures are in AUD unless otherwise stated.