



ASX Announcement

Full Year Results – August 2014

27 August 2014

Further to Lend Lease Group's earlier announcement today, attached are the following documents:

- Securities Exchange and Media Announcement
- Results presentation

ENDS

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ASX Announcement

Strong FY14 financial performance driven by development pipeline and Bluewater sale

27 August 2014

For the year ended 30 June 2014:

- Profit after tax of \$822.9 million
- Earnings per stapled security of 142.7 cents
- Final distribution of 49.0 cents per security, unfranked; payout ratio of 50%
- Strong balance sheet with ~\$3.0 billion of cash and undrawn facilities
- ~\$2.5 billion of pre sold revenue across residential apartments and communities
- Operating cashflow of \$822.4 million including proceeds from Bluewater sale partially offset by increased investment in development projects
- Return on equity of 18.2%¹
- Estimated development pipeline end value of \$37.7 billion up \$300 million
- Construction backlog revenue of \$16.2 billion maintained
- Funds Under Management (FUM) of \$16.3 billion up 9.0%

Profit after Tax

Lend Lease delivered a strong profit after tax for the year ended 30 June 2014 of \$822.9 million, including the profit on sale of its interest in the Bluewater Shopping Centre in Kent, UK.

The Group declared a final distribution of 49 cents per security, unfranked. Combined with the interim distribution of 22 cents per security, the full year distribution totals 71 cents per security and represents a payout ratio of 50% of profit after tax for the year. The Group's Distribution Reinvestment Plan will apply to the final distribution payable on 22 September 2014.

	30 June 2014 \$m	30 June 2013 \$m
Profit after tax	\$822.9m	\$549.0m ²
Full year distribution	71 cps	42 cps
Earnings per Stapled Security on profit after tax	142.7 cps	95.6 cps ²

Lend Lease Group Chief Executive Officer and Managing Director, Steve McCann said Lend Lease had delivered a strong financial performance for the year underpinned by its development pipeline and the sale of its interest in the Bluewater Shopping Centre.

"In the last five years we have reshaped and refocused our business to deliver on our strategic objectives, including a significant pipeline of urban regeneration projects. We made further progress during the year on the Barangaroo South project in Sydney, with 100% pre sales of the first phase of residential apartments and the launch of the third and largest

¹ Return on equity (ROE) is calculated as the annual profit after tax divided by the arithmetic average of beginning, half year and year end securityholders' equity

² 30 June 2013 figures have been adjusted to reflect the impact of the revised AASB 119 *Employee Benefits* standard

commercial tower with recent leasing commitments from PricewaterhouseCoopers and HSBC. We are continuing discussions with other potential tenants for International Towers Sydney,” said Mr McCann.

Other highlights included the financial close of the Public Private Partnership (PPP) component of the Darling Harbour Live project in Sydney. The Group also had a record year of residential activity with 3,425 settlements and total pre sold revenue of circa \$2.5 billion.

The Group made strong progress across its London sites. At Elephant & Castle three apartment buildings are under construction and at The International Quarter (TIQ) heads of terms are being negotiated with a major tenant, the Financial Conduct Authority, for the first commercial building and negotiations have commenced with a second major commercial occupier. The TIQ project has also secured 79% pre sales for the first residential release of 333 units.

In Asia, performance fees were earned following the completion of the Jem development. Lend Lease was announced as preferred to work with 1Malaysia Development Berhad on a joint venture agreement to develop the Lifestyle Quarter at Tun Razak Exchange in Kuala Lumpur. In the Americas construction profits continued to improve, driven by Military housing building work and several high rise apartment buildings that reached practical completion during the year.

The Group finished the year with robust global construction backlog revenue of \$16.2 billion, with a further \$1.8 billion of building and engineering work at preferred status, and a global development pipeline with an estimated end value of \$37.7 billion.

“Safety is our number one priority and we strive to maintain the highest levels of safety across all our sites. We are proud of our continued progress in safety, particularly given the significant volumes of delivery currently being undertaken around the world. In the last year we have seen a reduction of 17.4% in our Lost Time Injury Frequency Rate,” said Mr McCann.

Trading Update

	30 June 2014 \$m	30 June 2013 ³ \$m	% change
Total Profit before Tax	998.6	571.3	74.8%
Profit after tax			
Australia	446.0	506.6	(12.0)%
Asia	73.7	112.6	(34.5)%
Europe	446.9	95.4	<i>Large increase</i>
Americas	78.9	53.7	46.9%
Total Operating Businesses	1,045.5	768.3	36.1%
Group Services	(126.1)	(150.5)	16.2%
Group Treasury	(96.5)	(67.4)	(43.2)%
Total Corporate	(222.6)	(217.9)	(2.2)%
Property investment revaluations	-	(1.4)	(100.0)%
Total Profit after Tax	822.9	549.0	49.9%

³ 30 June 2013 figures have been adjusted to reflect the impact of the revised AASB 119 *Employee Benefits* standard

Australia

- Profit after tax decreased to \$446.0 million, down 12.0% on the prior year which included initial earnings relating to the first two commercial towers at Barangaroo South;
- The Development business saw improved residential activity with residential land lot and built-form settlements up 32% and a stable contribution from the retirement business;
- The Construction business results for the year of \$104.3 million were lower than the prior year. The result was impacted by lower revenue, restructure charges of \$27.0 million (post-tax), higher bid costs expensed in pursuing major engineering projects still in the pipeline of \$18.3 million (post-tax) and an impact from the fire at Barangaroo South in March 2014 of \$6.2 million (post-tax);
- Investment Management profit increased to \$110.0 million following the Group's increased investment, via the Lend Lease Trust, in APPF Commercial and APPF Industrial. The Lend Lease Trust is now fully invested and delivering higher passive income streams for the Group. FUM increased by 6% to \$10.9 billion; and
- Key achievements during the year included securing a development agreement for Batman's Hill in Melbourne (end development value approximately \$1.5 billion). Barangaroo South achieved 100% pre sales for the first phase of residential apartments, increased pre commitments of 77% of commercial floor space in the first two towers and launch of the third and largest commercial tower with pre commitments of 34%. This brings total pre commitments to 61% across all three commercial towers.

Asia

- Profit after tax decreased to \$73.7 million, down 34.5% on the prior year;
- The Development business benefited from performance fees associated with the delivery of Jem partially offset by origination costs incurred in relation to projects still in the pipeline;
- Construction profit decreased on the prior year due to a lower contribution from the telecommunications business in Japan. The prior year also included construction profits from the Jem development (now completed); and
- Investment Management profit of \$65.8 million was up materially, reflecting performance fees earned from Lend Lease managed funds for the Jem and Setia City Mall developments.

Europe

- Profit after tax increased to \$446.9 million, up significantly on the prior year reflecting the sale of Lend Lease's interest in the Bluewater Shopping Centre in June 2014, generating a profit after tax of \$485.0 million;
- Construction recorded a loss of \$24.0 million for the year, impacted by difficult market conditions in the region in recent years and the sale of the Spanish construction business; and
- Key milestones included the acquisition of two new residential projects at Chiswick and Deptford, strong residential pre sales at Elephant & Castle and TIQ in London and launch of the first commercial phase at TIQ.

Americas

- Profit after tax increased to \$78.9 million up 46.9% on the prior year;
- The Development business recorded a profit on the sale of the Winston-Salem Veterans Affairs Healthcare Center in North Carolina (currently in delivery);

- Infrastructure Development profit remained stable, supported by the Group's Military Housing Privatization Initiative with the US Department of Defense; and
- Construction profit increased to \$50.9 million due to improved contribution from our Military Housing building work and performance in core markets of New York and Chicago.

Group Financials

At 30 June 2014, Lend Lease held a cash balance of \$1,715.8 million and undrawn committed bank facilities of \$1,309.6 million, providing substantial financial flexibility.

The average maturity of debt facilities extended to 4.7 years following early refinancing of corporate facilities in December 2013 and interest coverage of 8.1 times (EBITDA plus interest income, divided by interest costs, including capitalised finance costs) is above Group benchmarks.

Commenting on the Group's financial strength, Group Chief Financial Officer, Tony Lombardo said, "In the last year we have invested significant capital into our development pipeline, with circa 3,000 apartments now under construction across Australia and the UK. The apartments will progressively complete in fiscal years 2015, 2016 and 2017, and are a material contributor to our circa \$2.5 billion of pre sold revenue.

"Despite increased investment in the development pipeline operating cash flow was up significantly following the divestment of Lend Lease's interest in the Bluewater Shopping Centre.

"We also took the opportunity to refinance our corporate cash and bonding facilities in December 2013 and increase the size of our Australian Medium Term Notes in June 2014, providing us with greater tenor, increased liquidity and reduced interest costs," said Mr Lombardo.

Senior Management Changes

Lend Lease is also pleased to announce some important changes to its senior management team, effective immediately.

- Dan Labbad, Group Chief Operating Officer and CEO Europe, will become CEO, International Operations and will oversee Europe, Americas and Asia regions. Dan will be based in London following a transition of his responsibilities in Australia;
- Bob McNamara, CEO Americas, will become the Group Chief Risk Officer, based in Sydney, overseeing Group risk and operational excellence; and
- Denis Hickey, Chief Operating Officer Americas, will become CEO Americas, based in New York.

"These changes will maximise the opportunity to develop Lend Lease's key leaders through broadening their exposure across the business as well as strengthening operational excellence and Lend Lease's ability to grow its offshore earnings base," said Mr McCann.



Outlook

Mr McCann commented, "The outlook for Lend Lease remains positive. Our strategy is on track and is delivering significant growth for securityholders.

"Forward pre sales in our residential development business and embedded returns in our existing pipeline clearly underpin our earnings visibility over the next three years.

"We remain comfortable with consensus⁴ net profit after tax expectation of \$604 million to \$622 million for FY15," said Mr McCann.

Further information regarding Lend Lease's results is set out in the Group's financial results announcement for the year ended 30 June 2014 and is available on www.lendlease.com

ENDS

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⁴ FY15 NPAT consensus expectations based on a population of 10 sell-side analysts as at 26 August 2014

Key Dates for Investors

FY14 Results released to market / final distribution declared	27 August 2014
Securities quoted ex-distribution on the Australian Securities Exchange	1 September 2014
Final distribution record date	3 September 2014
Final distribution payment date	22 September 2014
Distribution statements and breakdown of tax components dispatched ¹	22 September 2014
Investor Day – Sydney	9 October 2014
Annual General Meetings – Four Seasons Hotel, Sydney	14 November 2014

¹Individual statements, with a breakdown of tax components, will be dispatched with distribution statements on 22 September 2014. In addition, a Tax Estimator is now available within the Investor Centre on Lend Lease's website (www.lendlease.com).

This Estimator has been provided to assist investors in calculating the taxable components of their Lend Lease Group distributions for the preparation of your Australian Individual Income Tax Return. The Estimator should be read together with the Lend Lease Group Tax Return Guide. A copy of the Lend Lease Group Tax Return Guide 2014 is available online on the Taxation section of the Lend Lease Group Investor Centre web page.



LEND LEASE Full Year Results 2014

27 August 2014



Disclaimer: Artist impression Barangaroo South Sydney, as at May 2014

Important Notice

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Prospective financial information has been based on current expectations about future events and is, however, subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations described in such prospective financial information.

The Group's statutory results are prepared in accordance with International Financial Reporting Standards (IFRS). This presentation also includes certain non-IFRS measures in presenting the Group's results. Certain non-IFRS financial measures have not been subject to audit or review. The Group's auditors, KPMG, performed agreed upon procedures to ensure consistency of the presentation with the Group's financial statements

A reference to 2014 refers to the 2014 financial year unless otherwise stated. All figures are in AUD unless otherwise stated.

- 1 Performance and results highlights
- 2 Financial overview
- 3 Operational update
- 4 Outlook
- 5 Q&A
- 6 Appendices

PRESENTATION OUTLINE

SAFETY

Zero fatalities

Second consecutive year

17.4%

reduction in Lost Time Injury
Frequency Rate in the last
12 months

77%

of operations have not had a critical
incident this year



Image: Construction on Adelaide Oval



1 PERFORMANCE & RESULTS HIGHLIGHTS

Steve McCann

*Group Chief Executive Officer
and Managing Director*


Lend Lease





Strong FY14 financial performance

Development pipeline and Bluewater sale delivering a strong FY14 performance

Earnings

- EBITDA of \$1,192.8 million for the year ended 30 June 2014
- Net profit after tax of \$822.9 million for the year ended 30 June 2014 – up 50% following sale of Bluewater Shopping Centre interest
- Earnings per stapled security of 142.7 cents for the year ended 30 June 2014

Returns

- Final distribution declared of 49 cps; total distribution for FY14 of 71 cps
- ROE for the year ended 30 June 2014 of 18.2%¹

Presales and Pipeline

- Estimated development pipeline end value of \$37.7 billion, up \$300m on prior year
- Circa \$2.5 billion of pre sold revenue across residential apartments and communities, up 166% on prior year. Pre sold revenue to be recognised from pipeline over coming years
- Construction closing backlog revenue of \$16.2 billion (secured), flat on prior year with a further \$1.8 billion of building and engineering revenue at preferred status
- Funds under management of \$16.3 billion, up 9% on prior year

¹. Return on equity (ROE) is calculated as the annual profit after tax divided by the arithmetic average of beginning, half year and year end securityholders' equity

Strong FY14 financial performance

Regional performance

Australia

- Strong performance from Development, including higher contribution from Communities and Investment Management
- Improving construction margin in 2H14, despite restructure and bid costs expensed during the year

Asia

- Lower profit reflecting reduced revenue (Jem profit in comparative year FY13) and higher costs associated with pursuit of major projects in Malaysia
- Increased opportunities in mixed-use urban regeneration development including selection as the preferred developer by 1MDB for a Joint Venture at Tun Razak Exchange in Kuala Lumpur

Europe

- Substantial profit increase from sale of interest in Bluewater Shopping Centre
- London residential outlook positive with a strong development pipeline secured – including new sites at Chiswick and Deptford
- Early signs of improvement in some segments of the construction market

Americas

- Strong momentum in Construction
- Ongoing focus on expanding healthcare and residential development in select locations

Long-term earnings visibility from major projects

Project	End value ¹	FY14	FY15	FY16	FY17+
Integrated development projects (mixed use sites)					
Barangaroo South, Sydney	\$6.0 billion	✓	✓	✓	✓
Darling Harbour Live , Sydney - Haymarket and Hotel development	\$1.5 billion	-	✓	✓	✓
Victoria Harbour, Melbourne	\$4.5 billion	✓	✓	✓	✓
Richmond, Melbourne	\$0.4 billion	✓	✓	✓	✓
Batman's Hill, Melbourne	\$1.5 billion	-	-	-	-
RNA Showgrounds, Brisbane	\$2.5 billion	-	✓	✓	✓
Waterbank, Perth	\$1.0 billion	-	-	-	-
Jem, Singapore	S\$1.8 billion	✓			
Elephant & Castle, London	£1.5 billion	-	✓	✓	✓
The Wharves, Deptford, London	£0.4 billion	-	-	-	-
The International Quarter, London	£1.3 billion	✓	✓	✓	✓
Integrated Public Private Partnership projects					
Sunshine Coast University Hospital	\$1.8 billion	✓	✓	✓	✓
Darling Harbour Live – Convention Centre	\$1.1 billion	✓	✓	✓	✓
Eastern Goldfields Regional Prison	\$0.25 billion	-	-	-	✓
New Bendigo Hospital	\$0.63 billion	✓	✓	✓	✓

¹ Reflects 100% of the original project end development value – all AUD unless otherwise stated

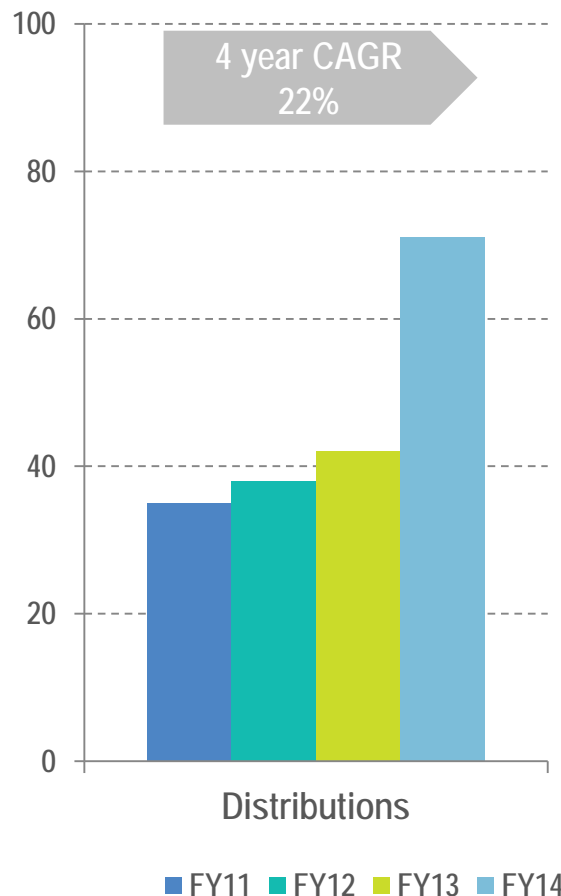


Growing returns for Securityholders

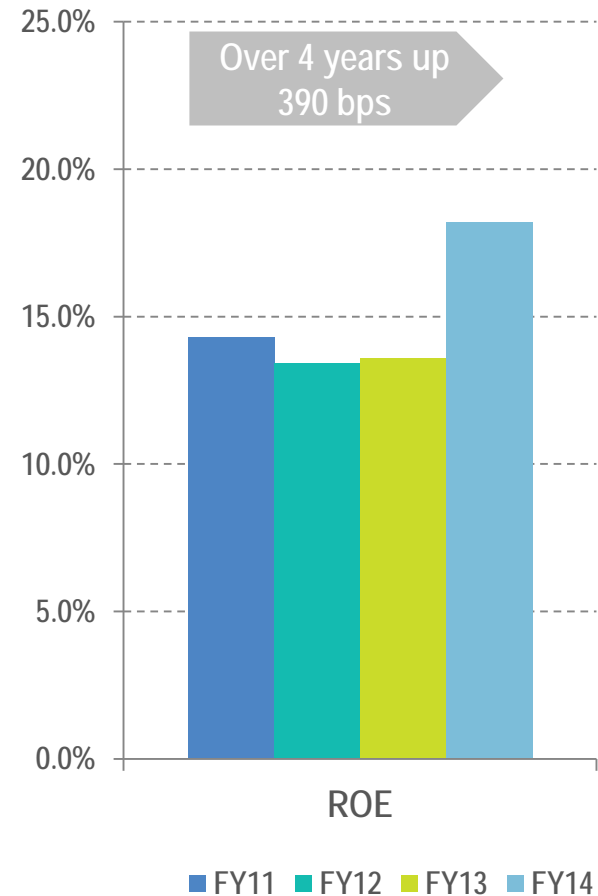
Net Profit After Tax (\$ million)



Distributions (cents per share)



Return on Equity (%)



Strategy continuing to deliver growth

2009 – 2013 targets

2014 current status

Safety

- Introduced Global Minimum Requirements
- Only operate in regions / areas where we can ensure safety

- Zero fatalities
- LTIFR rate down 17.4% in the last year and down 39% in the last five years

Returns

- Enhance returns for securityholders

- Four year TSR of 99% to 30 June 2014
- Distribution – four year CAGR of 22%

Profitability

- Increase profitability – sustainability and diversification of income

- ROE – up 390 bps over four years
- NPAT – four year CAGR of 24% and an increase in passive income streams via LLT

Pipeline

- Extend development pipeline across integrated mixed use projects
- Broaden construction capabilities

- Urban regeneration – 65% of pipeline
- Positioned to leverage \$50+ billion pipeline of Australian infrastructure spend

Focus

- Refocus geographic footprint
- Operational Excellence and delivery

- Focus on core growth initiatives including Urban Regeneration, Healthcare and Infrastructure



2 FINANCIAL OVERVIEW

Tony Lombardo
Group Chief Financial Officer


Lend Lease








Image: The Dock Library, Victoria Harbour, Melbourne



Earnings diversification by segment

FY14 Performance Metrics

Development	<div>\$681.9 million</div> <div>NPAT</div>	<div></div> <div>NPAT Mvmt FY13</div>	<div>36.2%</div> <div>EBITDA margin</div>	<div>\$37.7 billion</div> <div>Pipeline</div>	<div>3,425</div> <div>Residential Settlements</div>
Infrastructure Development	<div>\$16.2 million</div> <div>NPAT</div>	<div></div> <div>NPAT Mvmt FY13</div>	<div>8.7%</div> <div>EBITDA margin</div>	<div>5</div> <div>PPP Projects in Australia</div>	<div>\$402m</div> <div>Committed & Invested Equity</div>
Construction	<div>\$144.4 million</div> <div>NPAT</div>	<div></div> <div>NPAT Mvmt FY13</div>	<div>2.5%</div> <div>EBITDA margin</div>	<div>\$16.2 billion</div> <div>Backlog</div>	<div>\$10.2 billion</div> <div>New Work Secured</div>
Investment Management	<div>\$203.0 million</div> <div>NPAT</div>	<div></div> <div>NPAT Mvmt FY13</div>	<div>84.1%</div> <div>EBITDA margin</div>	<div>\$16.3 billion</div> <div>FUM</div>	<div>\$10.7 billion</div> <div>AUM</div>
Corporate/Treasury	<div>\$(222.6) million</div> <div>NPAT</div>	<div></div> <div>NPAT Mvmt FY13</div>	<div>5.4%</div> <div>Weighted Average Cost of Debt</div>	<div>\$0.7 billion</div> <div>Net Debt</div>	<div>5.7%</div> <div>Gearing</div>














Construction investment and restructuring charges

- In the last 12 months Construction operations in Australia have been restructured and repositioned to leverage future pipeline of engineering and building work
- FY14 profit contribution impacted by restructure charges and substantial bid costs expensed during the year

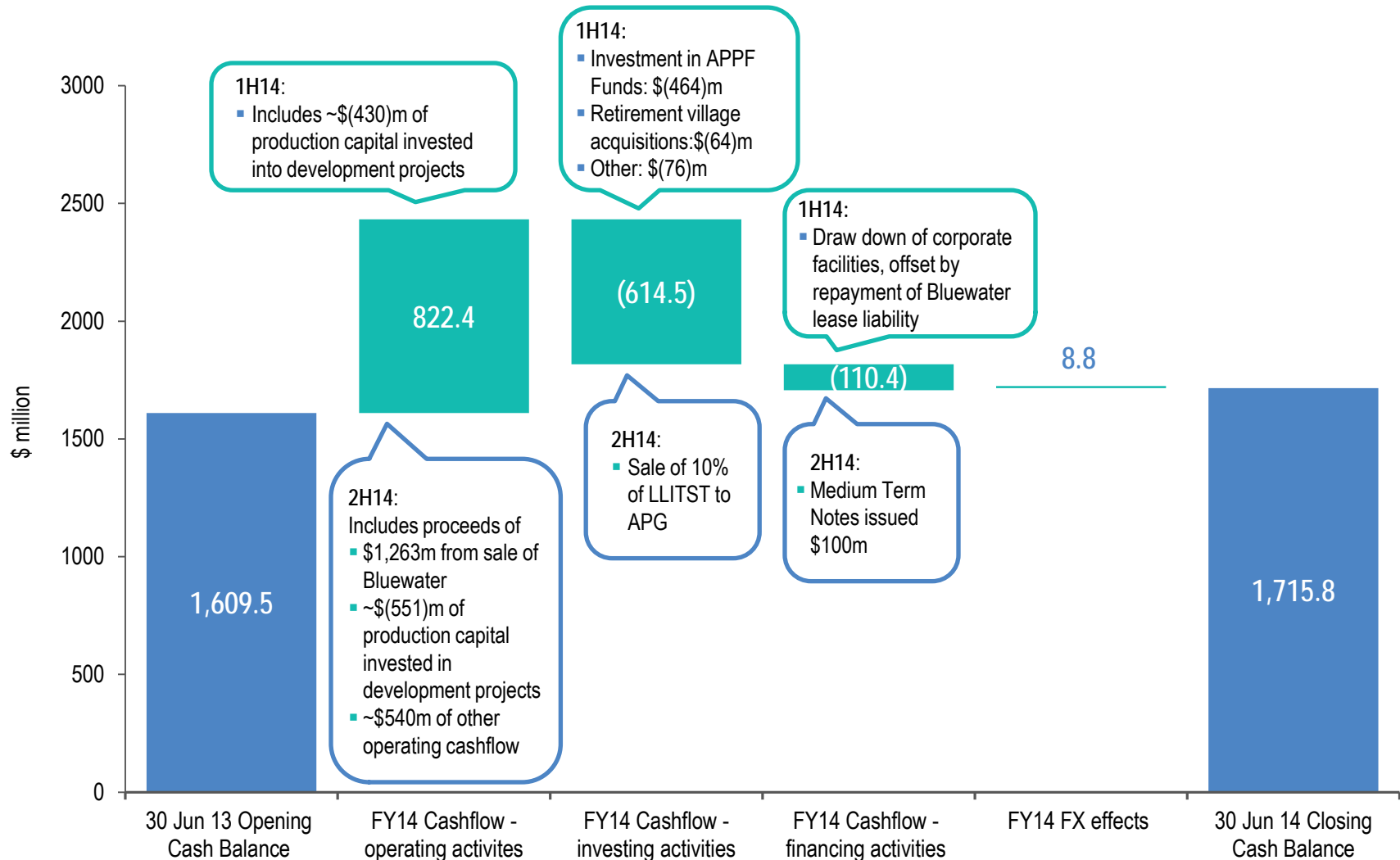


Apartment production and settlement

Apartments – pre sold and in delivery		Pre-sold % / pre-sold \$m revenue	FY14	FY15	FY16	FY17+
Barangaroo South	<ul style="list-style-type: none"> 2 apartment buildings: Anadara and Alexander 159 units 	100% ~\$300 million				
Darling Square	<ul style="list-style-type: none"> 3 apartment buildings: Darling One, St Leon & Wirth House 538 units 	100% ~\$580 million ¹				
Victoria Harbour	<ul style="list-style-type: none"> 2 apartment buildings 251 units (Concavo) 578 units (888 Collins) 	91% 59% ~\$460 million	 			
RNA Showgrounds	<ul style="list-style-type: none"> 5 apartment buildings: The Green 356 units 	92% ~\$160 million				
Richmond	<ul style="list-style-type: none"> 1 apartment building: Studio 9 203 units (completed) 	88%				
Wandsworth	<ul style="list-style-type: none"> 1 apartment building: Cobalt Place 104 units 	78% ~\$75 million				
Elephant & Castle	<ul style="list-style-type: none"> 3 apartment buildings: 284 units (One The Elephant) 235 units (Trafalgar Place) 360 units (South Gardens) 	89% 93% 60% ~\$570 million	  			
The International Quarter	<ul style="list-style-type: none"> 2 apartment buildings: Glasshouse Gardens 333 units 	79% ~\$200 million				

Cash investments during the year

Net cash movements 30 June 2013 to 30 June 2014



Indicative net cash flow from major projects in-delivery

	Overview	FY14	FY15	FY16	FY17
Communities	Net cash proceeds Assuming 2,500 annual lot settlements	Cash Positive	Cash Positive	Cash Positive	Cash Positive
Apartments	Net cash proceeds 19 apartment buildings currently in delivery	Investing	Investing	Cash Positive	Cash Positive
Commercial	Net cash proceeds Barangaroo office towers – development and investment; commercial tower at RNA; commercial tower at TIQ	Investing	Investing	Cash Positive	Cash Positive
Infrastructure Development	Net cash invested Secured Australian PPP projects	Investing	Investing	Investing	Cash Positive
Other	Net cash proceeds Sale of Bluewater Shopping Centre	Cash Positive			
Total		Cash Positive	Investing	Cash Positive	Cash Positive

All cash flow based on current portfolio/investments

Financial strength supporting future growth

1 INVESTMENT GRADE RATINGS

- Company commitment to maintenance of investment grade ratings for both financial and operational reasons

2 ACCESS TO CAPITAL

- Disciplined capital management program
- Demonstrated access to 3rd party capital
- Established wholesale investment management platform
- Expanded relationships with global pension and sovereign wealth funds

3 LIQUIDITY & FUNDING

- ~\$3.0 billion of cash and undrawn facilities as at 30 June 2014
- ~\$1.3 billion net increase in cash from sale of Bluewater
- Gearing of 5.7% as at 30 June 2014
- Prudent maturity profile, no material concentrations

Capacity to fund pipeline in a manner consistent with investment grade ratings

Ability to withstand difficult market conditions and accommodate unanticipated events



3 OPERATIONAL UPDATE

Dan Labbad

CEO International Operations


Lend Lease



Image: University of Technology (UTS), Sydney

Major projects progress during 2014

Project	End Value ¹	Progress during 2014
Barangaroo South, Sydney	\$6.0 billion	<ul style="list-style-type: none"> 100% pre sales for first residential apartments (Anadara and Alexander) Launch of the third commercial tower – PwC and HSBC as anchor tenants
Darling Harbour Live, Sydney	\$2.6 billion	<ul style="list-style-type: none"> Financial close reached for \$1.1 billion PPP component in December 2013 First residential apartments at Darling Square – sold out on launch
Victoria Harbour, Melbourne	\$4.5 billion	<ul style="list-style-type: none"> Concavo under construction; launch and pre sales at 888 Collins Street Dock Library delivered – cross laminated timber construction
Batman's Hill, Melbourne	\$1.5 billion	<ul style="list-style-type: none"> Development Agreement secured for redevelopment of site in July 2013
Richmond, Melbourne	\$0.4 billion	<ul style="list-style-type: none"> Stage 1 now complete Planning approvals for stage 2 submitted
RNA Showgrounds, Brisbane	\$2.5 billion	<ul style="list-style-type: none"> Construction underway on five apartment buildings (The Green) and one commercial tower Planning approvals for next residential building (Sol Luna) submitted
Waterbank, Perth	\$1.0 billion	<ul style="list-style-type: none"> Continuing to work with the local authority to satisfy conditions precedent, with financial close expected end of calendar year 2014
Elephant & Castle, London	£1.5 billion	<ul style="list-style-type: none"> Construction underway on One the Elephant and Trafalgar Place (519 apartments) Next phase of residential South Gardens (360 units) is moving into delivery
The Wharves, Deptford	£0.4 billion	<ul style="list-style-type: none"> New site acquired in 2H14 – over 900 apartments. Pre sales to commence shortly
The International Quarter, Stratford	£1.3 billion	<ul style="list-style-type: none"> 333 residential units (Glasshouse Gardens) – 79% pre sold and now under construction Negotiating a heads of terms to work together with a major tenant, the Financial Conduct Authority, for the first commercial building at The International Quarter and in negotiation with a second major commercial occupier

¹ Reflects 100% of the original project end development value – all AUD unless otherwise stated

Overview

Development

- Positive momentum maintained in residential
 - Record year for residential settlements 3,248
 - 1,283 built form / apartments pre sold

Infrastructure Development

- Financial close reached for Darling Harbour Live in 1H14
- Preferred status for Ravenhall Prison (advisory role)

Construction

- Improving EBITDA margins – up 50bps in 2H14
- Strong future pipeline of economic infrastructure with \$1.8 billion of building and engineering work currently at preferred status

Investment Management

- Increased investment income from investments made in APPF Commercial and APPF Industrial
- Sale of 10% stake in LLITST to APG
- Higher FUM due to Barangaroo and growth across the APPF platform

Trends

- Improved residential market in both apartments and communities; supportive macro environment
- Strong internal building pipeline despite weaker market conditions in commercial
- Positive outlook for roads/civil works in construction

EBITDA

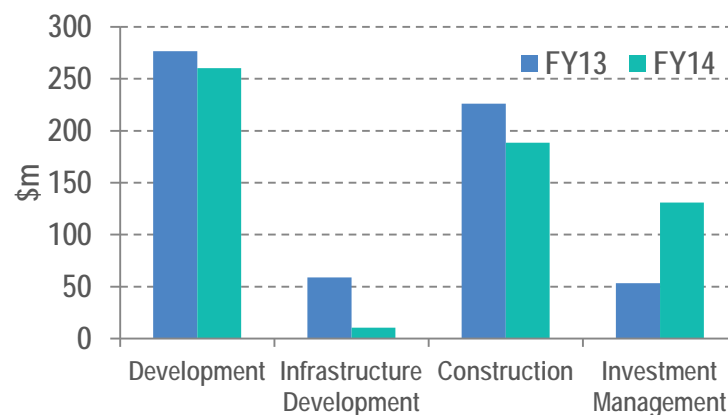


Image: Artist Impression – view of Darling Square, Sydney

Overview

Development

- Development performance fees from delivery of Jem; partially offset by bid costs incurred during the period (relating to development projects in Malaysia)

Construction

- Jem office construction completed in 1H14
- Lower contribution from telecommunications business in Japan

Investment Management

- Fund performance fees arising from both Jem and Setia City Mall
- Higher FUM primarily due to increase in the fair market value of assets and positive foreign exchange movements

Trends

- Strong macro back-drop
- Disciplined expansion approach to Asian growth markets – focus on Singapore, Malaysia and China
- New pipeline of opportunities including signing a binding agreement to work exclusively with 1MDB to finalise a joint venture for the development of the Lifestyle Quarter at Tun Razak Exchange (TRX) in Kuala Lumpur

EBITDA

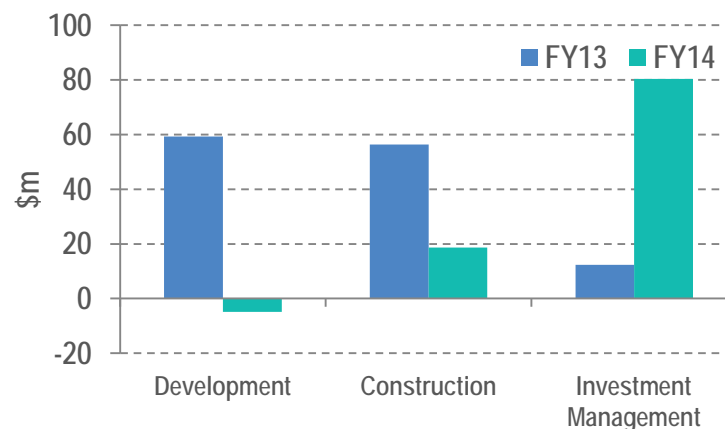


Image: Setia City Mall, Kuala Lumpur

Europe business update

Overview	
Development	<ul style="list-style-type: none"> Material increase in profit due to the sale of Bluewater to Land Securities in June 2014 delivering profit of \$485.0 million Strong pre sales of \$871.3 million including Elephant & Castle, TIQ and Wandsworth. 1,095 apartments now pre-sold
Infrastructure Development	<ul style="list-style-type: none"> Profit down on FY13 primarily due to \$16.0 million provision associated with the Global Renewables project in Lancashire Post balance date, Global Renewables project was exited and the UK Facilities Management business was sold to GDF Suez
Construction	<ul style="list-style-type: none"> Loss for the year driven by difficult market conditions in recent years, disposal of our Spanish construction business and restructuring charges
Investment Management	<ul style="list-style-type: none"> Profit attributable to net operating income from Bluewater¹ and an increase in contribution from the UK Infrastructure Fund and Lend Lease Retail Partnership
Trends	<ul style="list-style-type: none"> Positioned to leverage buoyant inner London market – particularly residential: new projects acquired at Deptford and Chiswick adding in excess of 1,000 units to the closing backlog Discipline maintained in competitive construction markets

EBITDA

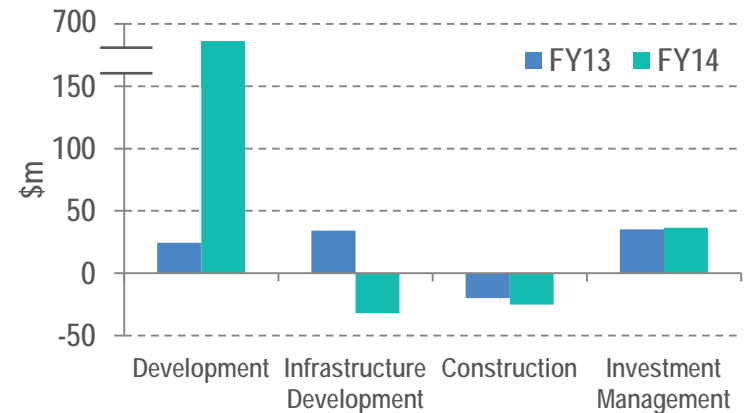


Image: Bluewater Shopping Centre, UK

¹ FY14 included net operating income from a 30% interest in Bluewater Shopping Centre which was sold in June 2014

Overview

Development

- Two health care development projects reached operational status; two are under construction; two are at preferred status
- Sale of Winston-Salem Veteran Affairs Healthcare Centre in North Carolina. Project is now in delivery

Infrastructure Development

- Financial close reached for the Fort Hood Stage 3 project

Construction

- Improved EBITDA margins in building and from the Military Housing construction work
- \$2.7 billion of new work secured – record backlog revenue of \$5.4 billion

Trends

- Continued improvement in broader construction market
- Broader economic conditions improving in core urban markets particularly high-rise residential developments
- Ongoing focus on expanding healthcare and residential development in select locations

EBITDA

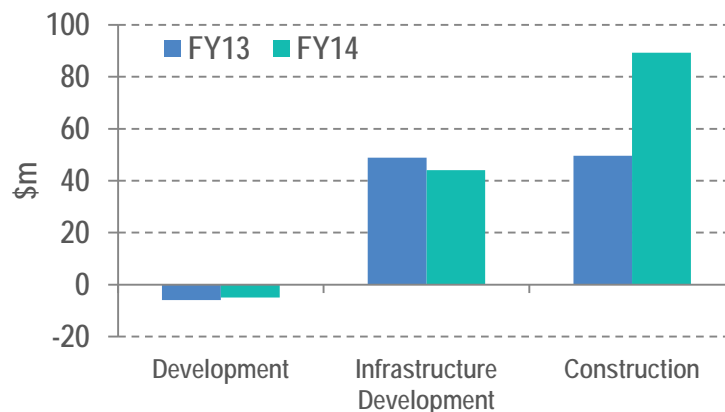


Image: Artist Impression 432 Park Avenue, New York



4 OUTLOOK

Steve McCann

*Group Chief Executive Officer
and Managing Director*


Lend Lease



Image: Adelaide Oval, South Australia

- Macro conditions remain positive for residential markets – supporting the outlook for Australia and UK development
 - Circa \$2.5 billion of pre sold revenue across communities and apartments, up 166%
 - Record year for residential settlements, 3,425 up 36%
- Australian construction environment buoyed by future pipeline of domestic economic infrastructure, including preferred status for NorthConnex
- International markets delivering geographic diversity
 - Progress on disciplined approach to opportunities in Asian growth markets including Tun Razak Exchange in Kuala Lumpur
 - Expanded London residential pipeline leveraging strong residential trends
 - Leading urban construction company in the Americas with opportunities to expand into development projects
- Strong growth trajectory and earnings visibility with embedded earnings in our existing pipeline
- Remain comfortable with consensus¹ expectations for FY15 NPAT of \$604 million to \$622 million

¹FY15 NPAT consensus expectations based on a population of 10 sell-side analysts as at 26 August 2014

5 Q&A

Steve McCann

*Group Chief Executive Officer
and Managing Director*

Tony Lombardo

Group Chief Financial Officer

Dan Labbad

CEO International Operations


Lend Lease

Image: Dr Chau Chak Wing, Sydney. 3D render: Real Feel. Building design © Gehry Partners LLP

Division overview

- Operates in all four major geographic regions. Involved in the development of urban communities, inner-city mixed-use developments, apartments, retirement, retail, commercial assets and healthcare assets

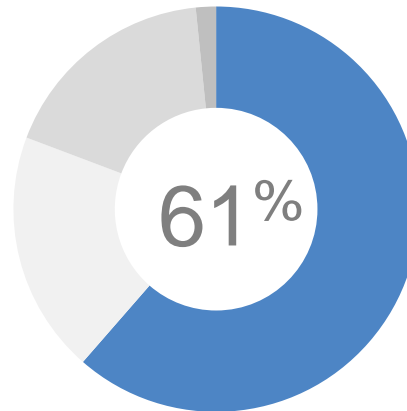
Market Position

- Leading portfolio of urban regeneration projects in Australia and UK
- Largest senior living and retirement platform in Australia
- Major participant in communities/built-form, retail and commercial development in Australia

Key Facts

- Major development urban regeneration projects represent 65% of pipeline
- Residential land – 57,610 units
- Residential built-form – 19,109 units
- Retirement villages – 12,824 units

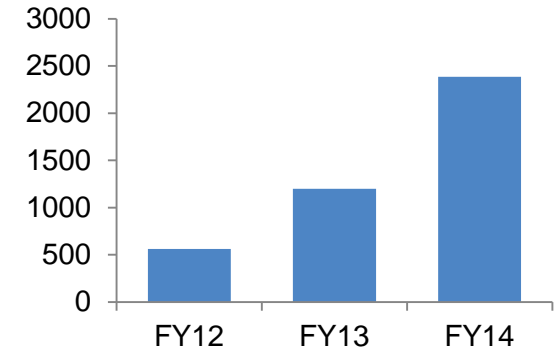
Earnings contribution



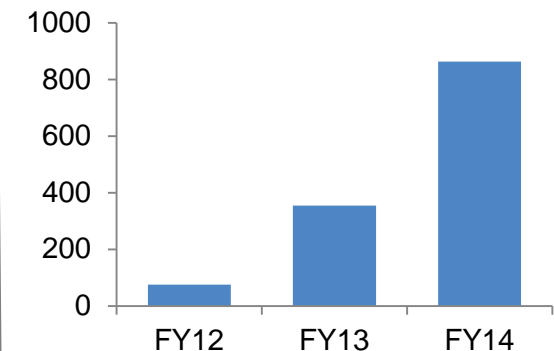
\$37.7 billion

Estimated global development pipeline end value

Revenue \$ million



EBITDA \$ million



Division overview

- Operating across Australia, Europe and the Americas. Partnership via PPPs with government and the private sector to fund, develop and manage essential community and economic infrastructure

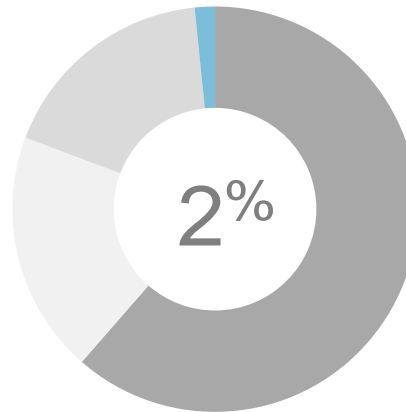
Market Position

- Delivery of over \$12 billion of projects over the last 15 years
- Leading provider of privatised military housing in the US (for Department of Defense)

Key Facts

- 5 Australian PPP projects
- One major PPP project reaching financial close in FY14, versus three PPP projects in FY13
- US privatised military housing: units under management – 54,655 (secured and preferred)

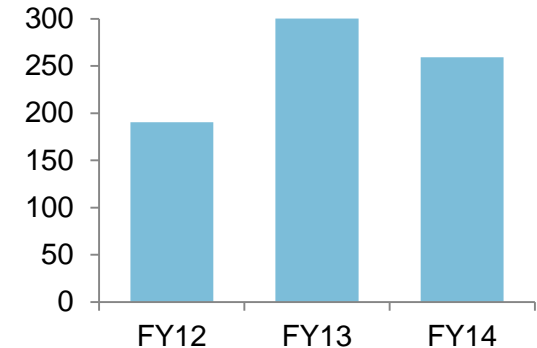
Earnings contribution



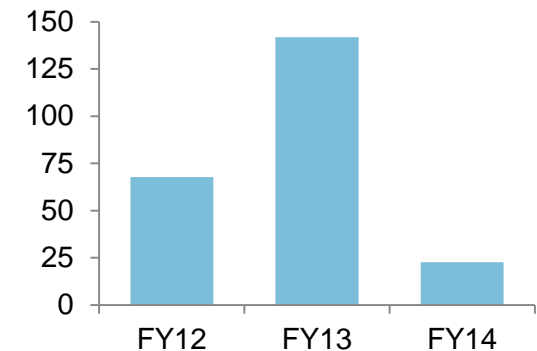
\$402 million

Invested and Committed Equity

Revenue \$ million



EBITDA \$ million



Division overview

- Construction capabilities spanning building, engineering and services
- Well positioned to leverage significant pipeline of economic infrastructure in Australia
- Largest builder of urban apartment buildings in the US and established position in UK

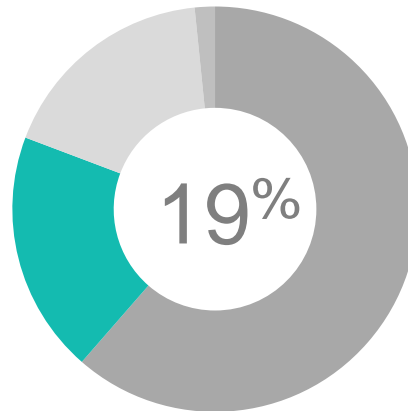
Market Position

- A leading participant in Australia in core markets of commercial, healthcare, social and economic infrastructure construction
- Circa 300 projects in delivery globally

Key Facts

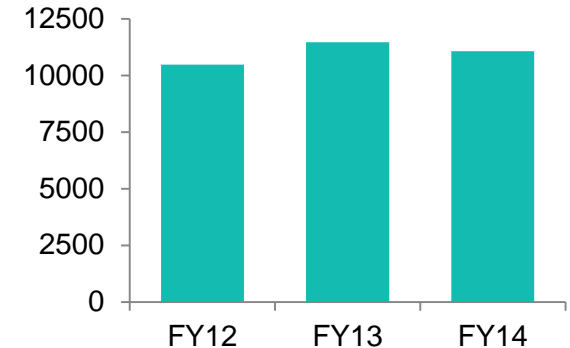
- Backlog revenue by capability
 - Building 80.9%
 - Engineering 12.8%
 - Services 6.3%

Earnings contribution

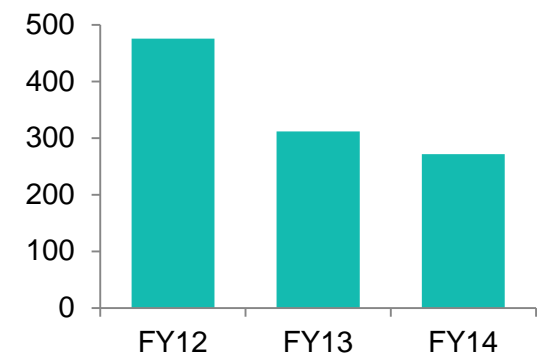


\$16.2 billion
Backlog revenue

Revenue \$ million



EBITDA \$ million



Division overview

- A leading wholesale investment management platform in Australia
- Includes the Group's ownership interests in property and infrastructure investments

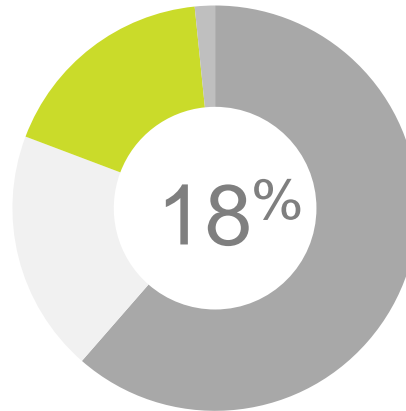
Market Position

- Platform comprises 16 funds
- 22 retail centres under management
- Circa 170 institutional investors invested across platform of funds

Key Facts

- FUM of \$16.3 billion
- Retail AUM of \$10.7 billion
- Investments managed at (market value) ~\$1.2 billion

Earnings contribution

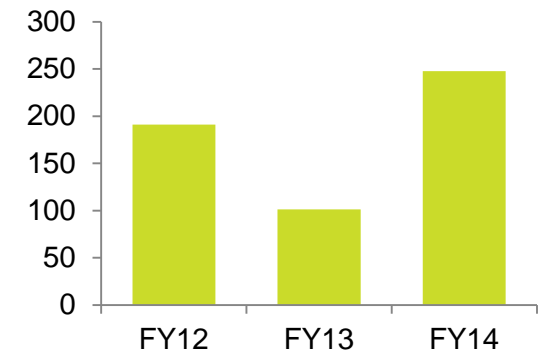


\$16.3 billion
Funds under management

Revenue \$ million



EBITDA \$ million



Financial Performance

	30 June 2014 \$m
Revenue	
Revenue and other income	14,125.8
Cost of sales and other expenses	(12,992.3)
Share of profit of equity accounted investments	59.3
EBITDA	1,192.8
Depreciation and amortisation	(87.7)
EBIT	1,105.1
Net finance costs	(106.5)
Operating profit before tax	998.6
Income tax expense	(175.3)
External non-controlling interests	(0.4)
Profit after tax attributable to Securityholders	822.9

Statement of financial position

	30 June 2014 \$m
Assets	
Cash and cash equivalents	1,715.8
Inventories	3,131.5
Equity accounted investments	578.0
Investment properties	4,832.0
Other financial assets	1,022.5
Other assets	4,472.0
Total assets	15,751.8
Liabilities	
Non current borrowings and financing arrangements	2,347.0
Other financial liabilities	99.6
Other liabilities	8,436.4
Total liabilities	10,883.0
Net assets	4,868.8

Debt maturity and on balance sheet debt

Source	Face value	Available Facility ¹	Drawn at 30 June 2014 ¹	Expiry
Syndicated multi-option facility ²	\$1,500 million	\$1,498.5 million	\$873.5 million	Various ³
UK bond issue	£300 million	\$539.6 million	\$539.6 million	Oct-21
Club revolving credit facility	£330 million	\$600.0 million	\$0.0 million	Various ⁴
US Private Placement	US\$200 million	\$214.9 million	\$214.9 million	Various ⁵
Singapore bond	S\$275 million	\$234.0 million	\$234.0 million	Jul-17
Australian Medium Term Notes	\$475 million	\$475.5 million	\$475.5 million	Various ⁶

1. Gross facility adjusted for unamortised transaction costs as recorded in the financial statements

2. The syndicated multi-option facility refinanced the \$975 million syndicated credit facility and \$225 million bilateral credit facility in December 2013

3. \$600 million expires in December 2017 and \$900 million expires in December 2018

4. £165 million expires in December 2016 and £165 million expires in December 2017

5. US\$175 million expires in October 2015 and US\$25 million expires in October 2017

6. \$250 million expires in November 2018 and \$225 million expires in May 2020

All values in AUD unless otherwise stated

Key debt metrics

	30 June 2014	30 June 2013
Credit Rating - S&P/Moody's	BBB- / Baa3 (Stable)	BBB- / Baa3 (Stable)
Gross borrowings to total tangible assets ¹	16.9%	17.1%
Net debt to total tangible assets, less cash ²	5.7%	5.4%
Interest coverage ³	8.1x	6.4x
Undrawn facilities (\$ million)	1,309.6	1,099.4
Average debt duration	4.7 years	4.3 years
Weighted average cost of debt including margins (daily average for the year)	5.4%	5.9%
Fixed / floating debt	76% / 24%	77% / 23%

¹ Borrowings, including certain other financial liabilities, divided by total tangible assets

² Net debt divided by total tangible assets, less cash

³ EBITDA plus interest income, divided by interest finance costs, including capitalised finance costs

All values in AUD unless otherwise stated

Key dates for investors

	Date
FY14 Results released to market / final distribution declared	27 August 2014
Securities quoted ex-distribution on the Australian Securities Exchange	1 September 2014
Final distribution record date	3 September 2014
Final distribution payment date	22 September 2014
Distribution statements and breakdown of tax components dispatched ¹	22 September 2014
Investor Day – Sydney	9 October 2014
Annual General Meetings – Four Seasons Hotel, Sydney	14 November 2014

¹ Individual statements with a breakdown of tax components will be dispatched with distribution statements on 22 September 2014. In addition a Tax Estimator is now available within the Investor Centre on Lend Lease's website (www.lendlease.com).

This Estimator has been provided to assist investors in calculating the taxable components of their Lend Lease Group distributions for the preparation of your Australian Individual Income Tax Return. The Estimator should be read together with the Lend Lease Group Tax Return Guide. A copy of the Lend Lease Group Tax Return Guide 2014 is available online on the Taxation section of the Lend Lease Group Investor Centre web page.



LEND LEASE Full Year Results 2014

27 August 2014



Image: Artist Impression – 432 Park Avenue, New York