

ASX Announcement

2014 Securityholder Review

15 October 2014

Copy of the 2014 Securityholder Review of Lend Lease is attached. It is also available online at www.lendlease.com. The 2014 Securityholder Review will be sent to securityholders who have elected to receive a copy.

The 2014 Lend Lease Annual General Meetings will be held in the Ballroom, Four Seasons Hotel, 199 George Street, Sydney NSW on Friday 14 November 2014 at 10:00am. Please note that the Notice of Meetings and Securityholder Review are being dispatched today, either electronically or via email depending on the elected method of delivery.

ENDS

For further information, please contact:

Investors:

Suzanne Evans
Investor Relations
Tel: 02 9236 6464
Mobile: 0407 165 254

Media:

Natalie Campbell
Media Relations
Tel: 02 9236 6865
Mobile: 0410 838 914

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

LEND LEASE SECURITYHOLDER REVIEW 2014

OVER 50
YEARS
CREATING THE
BEST PLACES

CONTENTS

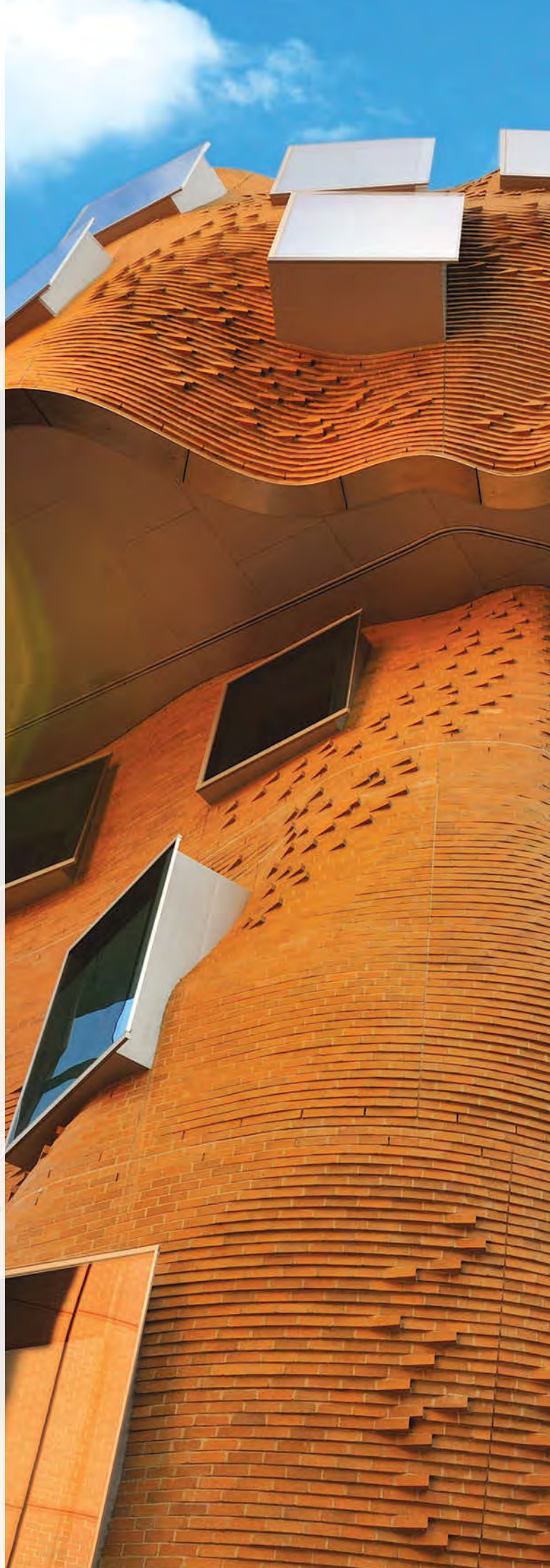
Quick Facts	2
About Lend Lease	3
Chairman's Report	5
Chief Executive Officer's Report	6
Strategy	7
Operating Incident & Injury Free	9
Highlights	11
Operations Review	13
Sustainability	23
Five Year Profile	25
Remuneration Summary	26
Directors' Profiles	27
Glossary	29
Corporate Directory	30

Front cover: A selection of names from the hundreds of places created by Lend Lease over 50 years.

Inside cover image: Dr. Chau Chak Wing Building, University of Technology, Sydney.

All financial amounts within this report are in Australian dollars unless otherwise specified.

Lend Lease Corporation Limited
ABN 32 000 226 228
Incorporated in NSW Australia and
Lend Lease Responsible Entity Limited
ABN 72 122 883 185
AFS Licence 308983 as responsible entity for
Lend Lease Trust
ABN 39 944 184 773
ARSN 128 052 595



QUICK FACTS

- Circa **13,200** employees
- **\$37.7 billion** estimated end value of global development pipeline
- Circa **77,000** residential units backlog (land lots and built-form)
- **\$2.5 billion** residential pre sold revenue
- **\$16.2 billion** construction backlog revenue
- **\$16.3 billion** funds under management
- **\$10.7 billion** assets under management
- Over **\$1.1 billion** investments at market value
- Credit rating (Standard & Poor's / Moody's) of **BBB-/Baa3** – stable outlook
- **55,046** securityholders
- **\$7.6 billion** market capitalisation (as at 30 June 2014)

PROFIT AFTER TAX

\$822.9 **50%**
(million) increase

EARNINGS PER SECURITY

142.7 **49%**
(cents) increase

DISTRIBUTION PER SECURITY

71.0 **69%**
(cents) increase

ABOUT LEND LEASE



At Lend Lease, we work collaboratively with all our stakeholders to create positive legacies.

Lend Lease is a leading international property and infrastructure group with operations in Australia, Asia, the Americas and Europe.

At Lend Lease, it is our vision to create the best places. Places that inspire and enrich the lives of people around the world.

We create places that leave a positive legacy by setting world leading standards for safety, innovation and sustainability. Delivered by people who are respected for who they are and what they do.

Over the last 50 years, Lend Lease has created and built iconic places around the world including Caltex House, Australia Square, the Opera House and Anzac Bridge in Sydney; Bluewater Shopping Centre in Kent, UK; the Petronas Towers in Kuala Lumpur; and, the Time Warner Centre and the National September 11 Memorial Museum

in New York. In the coming years, Barangaroo South in Sydney will be another addition to Lend Lease's legacy.

Headquartered in Sydney Australia, Lend Lease has a presence in 12 countries and circa 13,200 employees. Operating in four main regions – Australia, Asia, the Americas and Europe – our main offices are located in Sydney, Singapore, New York and London.

Our core capabilities are development, construction and investment management. Combining these capabilities across the value chain has allowed Lend Lease to offer integrated solutions for our clients. Those innovative solutions have seen Lend Lease win large urban regeneration projects such as Barangaroo South, Darling Harbour Live, Victoria Harbour and RNA Showgrounds in Australia; and Elephant & Castle and The International Quarter in the UK.

OUR VISION IS TO CREATE THE BEST PLACES.



RNA SHOWGROUNDS, BRISBANE, AUSTRALIA

OUR CORE VALUES

Respect

Be dedicated to relationships.

We respect all people, their ideas and cultures.

Innovation

Be challenging in our approach.

We strive to find the best solution. We think outside the box and dare to do things differently.

Excellence

Be exceptional in everything we do.

We seek, and are committed, to operating safely, achieving outstanding performance and the best outcomes.

Integrity

Be true to our word.

Integrity is non-negotiable. We leave a positive impact through our actions and behaviours.

Collaboration

Be one team.

We work together to achieve more through our unified culture and shared knowledge.

Trust

Be open and transparent.

We earn and instil trust by being accountable at every level and in all of our interactions.

CHAIRMAN'S REPORT

Lend Lease produced a strong financial result with an increase in profit of 50 per cent and an increase in distributions of 69 per cent. We are delivering on our vision to create the best places and providing attractive returns for all of our securityholders.

Strong Financial Performance

Lend Lease delivered a strong profit for the financial year ended 30 June 2014, with Profit after Tax of \$822.9 million, up 50 per cent on the prior year. The result reflected a solid performance across our businesses, including record settlements in our residential operations, improved construction performance in the Americas and an increased contribution from our Investment Management business in Asia. The result was also positively impacted by the sale of Lend Lease's 30 per cent interest in the Bluewater Shopping Centre in Kent in the UK. Bluewater is an exceptional asset and a tremendous demonstration of Lend Lease's capabilities as a retail developer and manager. The sale process delivered an excellent outcome for securityholders, realising a profit of \$485 million.

Securityholders will receive a final distribution of 49.0 cents per security, unfranked. This brings the full year distribution to 71.0 cents per security, unfranked, an increase of 69 per cent on FY13. The payout ratio rose to 50 per cent, up from 44 per cent in FY13. This is within the Board's target range of 40 to 60 per cent of earnings.

Maintaining Financial Strength

The Group maintained a strong financial position through the year, with cash and equivalents of \$1,715.8 million as at 30 June 2014, gearing of 5.7 per cent and undrawn capacity of \$1,309.6 million. The financial position was positively impacted by the contribution to operating cash flow following the sale of Lend Lease's interest in the Bluewater Shopping Centre. The strength of the Lend Lease balance sheet and access to third party capital means we have the financial flexibility to fund our development pipeline and invest in other growth opportunities, in line with our strategy.

Safety

Safety is our number one priority. In the 2014 financial year there were no corporate reportable work related fatalities on a Lend Lease controlled operation. We will not waiver in our uncompromising commitment to operate Incident & Injury free or our adherence to standardised Global Minimum Requirements (GMRs) across all the projects and assets that Lend Lease controls.

Creating Sustainable Places

A focus on sustainability has been an integral part of the Lend Lease culture for over 50 years. We strive to create innovative and sustainable property and infrastructure solutions for our clients, investors and the broader community.

One hundred per cent of Lend Lease's secured major development pipeline is now targeting green certification. In May 2014, Tower 2 at Barangaroo South was awarded a 6 Star Green Star – Office Design version 3 certified rating, the first awarded in Australia. We are very proud of our continued leadership position in green development globally.

During the year, Lend Lease signed up to the United Nations Global Compact, aligning our approach to the United Nation's global principles on human rights, labour, the environment and anti-corruption.

Our People

At Lend Lease, our commitment to diversity is important. For the year ended 30 June 2014, 31 per cent of our employees are women and 21 per cent of senior executive positions are held by women. The increase of two percent in 2014 of women holding senior executive positions puts us on track to meet our goal of growing and sustaining a diverse and inclusive workplace.

During the year we launched the 'Lend Lease Ally Program', an initiative to recognise and support our Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) employees. We were pleased to again be recognised in 2014 as one of the Top 10 Australian employers for LGBTI individuals.

Since the introduction of Lend Lease's first Reconciliation Action Plan (RAP) three years ago, we have increased our participation of Aboriginal and Torres Strait Islander people across our business. Close to 1,000 Lend Lease employees have now undertaken cultural awareness sessions, with increased involvement expected in the next 12 months.



Our Board

In the last few years there have been a number of changes to the Board. Since Nicola Wakefield Evans joined the Board in September 2013, there have been no further additions. The Board Nomination Committee met eight times during the year to review Board composition. With Director Peter Goldmark retiring at the upcoming 2014 Annual General Meeting in November, the Board Nomination Committee is focused on ensuring Lend Lease retains the right composition of individuals who, in combination, bring a mix of expertise, skills, experience and diversity to contribute to the oversight and effective corporate governance at Lend Lease.

Outlook

This year Lend Lease cemented our leadership position in the sectors in which we operate. We have improved our earnings visibility across our growth platform and have outperformed our Return on Equity target of 15 per cent.

Lend Lease is well positioned to leverage positive economic trends in both the residential sector and engineering markets. My thanks to my fellow Board members, as well as the Lend Lease leadership team and all our employees, whose commitment and dedication has ensured we deliver on our vision and continue to grow our returns for securityholders.

David Crawford AO

Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Lend Lease has an established growth platform which includes a global pipeline of development projects, growing funds under management and strong construction backlog revenue. Successful delivery on our pipeline will release embedded earnings and drive further growth over the medium term.

Delivering on Our Strategy

Lend Lease's vision 'to create the best places' underpins the Group's strategy and the way we operate. It has been instrumental in identifying, planning and designing the projects that drive our growth. This last year saw Lend Lease significantly increase activity across projects around the globe, delivering on our growth platform. Our strategy has seen us improve the safety and sustainability of our business, expand our development pipeline to \$37.7 billion, increase our funds under management to \$16.3 billion and maintain construction backlog revenue of \$16.2 billion. Over the last four years, our strategy delivered cumulative total securityholder returns of 99 per cent.

Safety

Lend Lease is committed to operating Incident & Injury free wherever we have a presence. This remains central to our business and is embedded in all decision making. During the year, Lend Lease had no corporate reportable work related fatalities across any operations globally. This represents the second consecutive year where this significant milestone has been achieved. We have also further reduced the Lost Time Injury Frequency Rate (LTIFR) across the Group by 17.4 per cent and 77 per cent of our operations did not report a critical incident.

For Lend Lease to deliver on its uncompromising approach to safety, it is crucial that our people have the right systems and training. This includes complying with our Global Minimum Requirements which prescribe physical and operational safety standards for all business activities. In April 2014, Lend Lease held a Global Health & Safety Summit, with representatives from all business units and geographies working on developing a safety strategy for 2015 and beyond.

Diversified Earnings

The strong FY14 financial result demonstrated the benefits of our business and regional diversification. The Group delivered Profit after Tax of \$822.9 million an increase of 50 per cent on the prior year through the strong performance from our residential operations, Americas Construction and Asia Investment Management businesses, as well as the outstanding Bluewater sale outcome.

We invested nearly \$1 billion of production capital into our pipeline through the year, and now have 19 residential apartment buildings pre sold or under construction globally with pre sales of \$2.5 billion. We also maintained our construction backlog and are well placed to benefit from the significant increase in infrastructure spending in Australia.

Building a Competitive Advantage

At Lend Lease, we have created a differentiated business through our integrated property model and established ourselves as a leading international property and infrastructure group. Our development pipeline includes major urban regeneration sites under construction around the world including, Barangaroo South and Darling Harbour Live in Sydney, Victoria Harbour in Melbourne and Elephant & Castle and The International Quarter in London. In June 2014, Lend Lease signed a binding agreement to work exclusively with 1Malaysia Development Berhad, to finalise the joint venture documentation and to commence work on the Lifestyle Quarter in the Tun Razak Exchange (TRX), in Kuala Lumpur, Malaysia. Urban regeneration projects now comprise 65 per cent of our \$37.7 billion development pipeline.

Barangaroo South

The \$6 billion Barangaroo South project in Sydney is our largest integrated project. During the year we saw significant progress with the first two commercial towers well underway and the launch of the third and largest commercial tower in April 2014 with PricewaterhouseCoopers Australia (PWC) and HSBC Bank Australia as anchor tenants. The first residential release comprising 159 apartments took place in August 2013 and was 100 per cent pre sold on the first day of launch.

Our People

To deliver on our vision to create the best places we need to have the best people. Ongoing investment in development and training of our leaders ensures our people have the right skills to deliver now and into the future. To support our growth we have also made some changes to our Senior Management team. These changes will maximise the opportunity to develop Lend Lease's key leaders by broadening their exposure across the business and strengthening our operational excellence.



Dan Labbad, Group Chief Operating Officer and CEO Europe, became CEO, International Operations, based in London, and will oversee Europe, the Americas and Asia. Bob McNamara, CEO Americas, moved into a new Group Chief Risk Officer role, based in Sydney, overseeing Group risk and operational excellence. Bob was replaced by Denis Hickey, Chief Operating Officer Americas, who has assumed the CEO Americas role, based in New York.

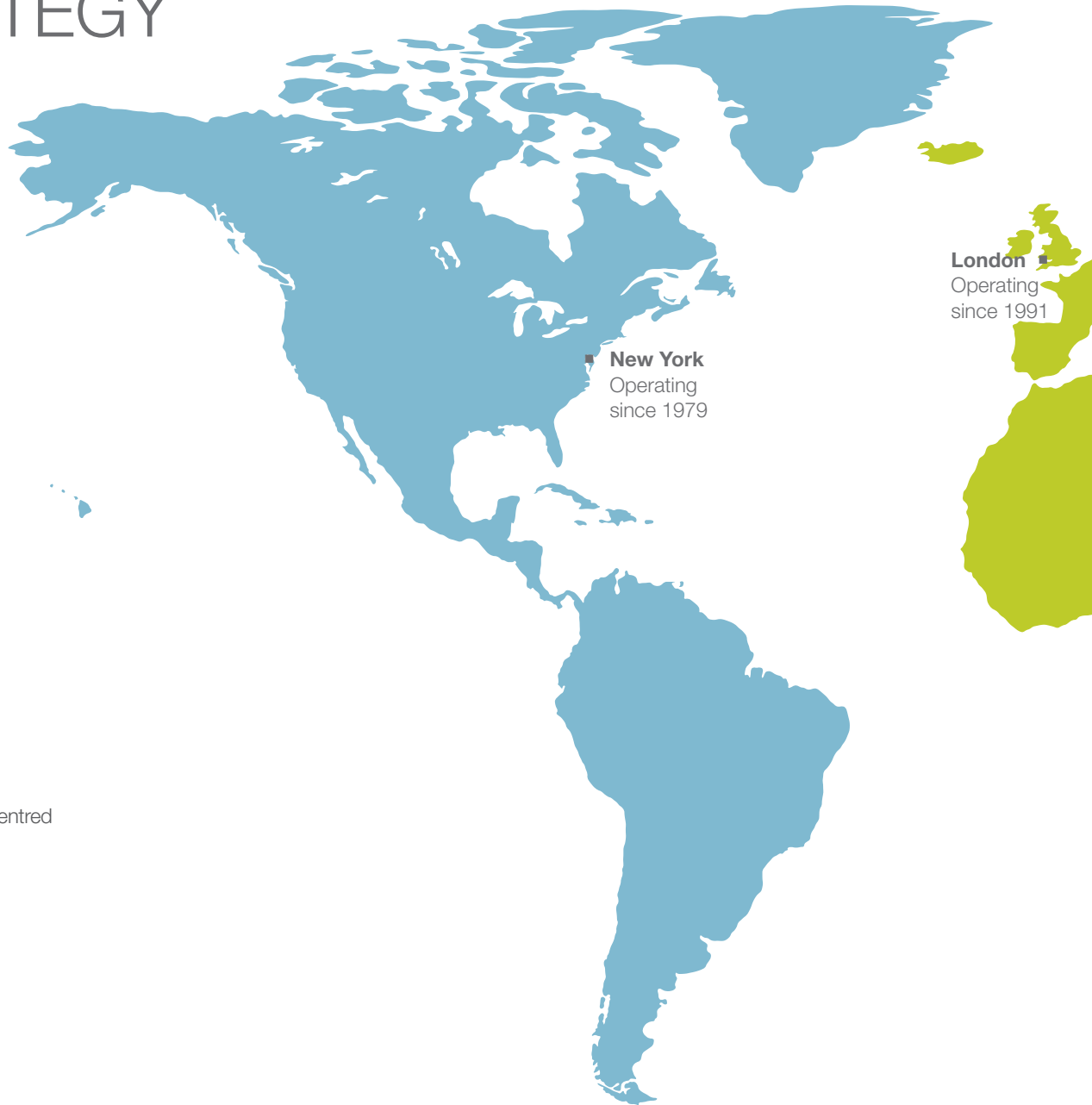
Outlook

The outlook for Lend Lease continues to be positive. Our growth strategy is on track and we are delivering strong returns for our securityholders. With a strong balance sheet and access to third party capital, we are well positioned to deliver on the embedded earnings in our pipeline.

Steve McCann

Group Chief Executive Officer
and Managing Director

STRATEGY



International

Our operations are centred around four regions.

- Australia
- Asia
- Americas
- Europe

Lend Lease's strategy is underpinned by a continued focus on the five major trends impacting our sectors.

Infrastructure

Urbanisation and resources growth are driving strong demand for social and economic infrastructure.

The Australian Federal Government now expects circa \$50 billion of infrastructure projects to be delivered in the coming years.

Urban Regeneration

By 2030, over 60 per cent of the world's population will live in urban areas.

Increasing density in cities is creating strong demand for urban regeneration.

Sustainability

Many governments globally are responding to climate concerns by supporting and funding sustainability initiatives.

Increasing energy costs are creating greater demand for alternative, sustainable and more efficient energy solutions.

Funds Growth

Global assets under management are forecast to rise \$102 trillion by 2020¹.

As global pools of institutional capital increase, demand is fuelled by quality investment products and managers of those investments.

Ageing Population

Similar to international trends, Australians aged 65+ are the fastest growing segment of the population, with the majority forecast to live in major cities.

Larger and more efficient healthcare systems will be required to support an ageing population.

¹ PwC Asset Management 2020: A Brave New World – Feb 2014

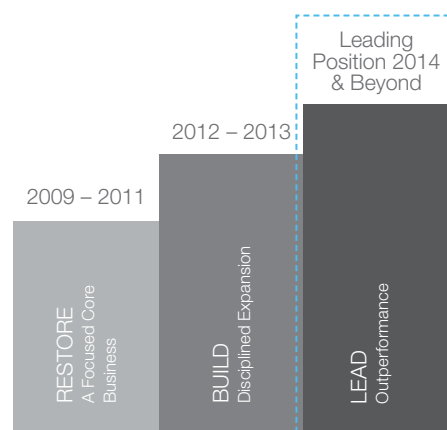


In 2009, Lend Lease set a new strategic path, where our goal was to secure continued growth for the business. This was achieved through a framework that focused on 'Restoring' our business, 'Building' new capabilities and finally entering a 'Lead' phase in 2014.

Over the last five years, Lend Lease has delivered against this strategy by achieving outperformance for our securityholders, with annual compound returns of 18.9 per cent versus 11.2 per cent for the ASX200 Accumulation Index.

As we entered the 'Lead' phase in 2014, we remained focused on the original strategic objective to become a leading international property and infrastructure solutions company, with a strong integrated offering and a trusted investment partner to our clients.

Over the coming years, Lend Lease will focus on utilising our capabilities to respond to the major trends impacting our business. In particular, subsectors with strong market fundamentals and offering growth initiatives in urban regeneration, infrastructure and healthcare.



OPERATING INCIDENT & INJURY FREE

During the year, the Lost Time Injury Frequency Rate continued a nine year downward trend, reducing by 17.4 per cent.

ZERO FATALITIES
FOR THE
SECOND
CONSECUTIVE
YEAR

77 PER CENT OF
OPERATIONS
HAD NO CRITICAL
INCIDENTS
THIS YEAR

OVER 50 PER CENT
OF LEND LEASE
EMPLOYEES
PARTICIPATED IN
OUR VOLUNTARY
GLOBAL HEALTH &
SAFETY SURVEY

EVERY MONTH
>70 PER CENT OF
OUR OPERATIONS
HAVE NO INCIDENTS
REPORTED
(I.E. INCIDENT & INJURY
FREE MONTH)

The best places to live, work and visit embrace our principles of health and safety, sustainability and diversity. When it comes to health and safety, our goal is to eradicate all levels of incident and injury.

To achieve our goal, Lend Lease focuses on compliance with our Environment, Health & Safety (EH&S) Management System and applying Global Minimum Requirements (GMRs) to drive down incidents across our business. At the same time, we continually seek out new ways to positively impact the lives of all who interact with us by focusing on people's health and wellbeing.

During the year, there were no corporate reportable work related fatalities across any Lend Lease operation globally. This is the

second consecutive year where this significant milestone has been achieved. Globally, 77 per cent of operations demonstrated consistent compliance with our GMRs and did not report a critical incident this year. Of the 23 per cent of operations that did report a critical incident, 92 per cent of these incidents did not result in any injury and were 'near miss' or 'potential' events. While we are encouraged by the levels of transparency being demonstrated



ADELAIDE OVAL, AUSTRALIA

through our reporting framework, we will continue to actively monitor operations and conditions that lead to these events.

This year, we launched our Group wide Health & Wellbeing Framework to support the care of all who interact with us, focusing on people's wellbeing. With mental health affecting one in five Australian workers, we have established partnerships with specialist organisations across all regions where we operate, offering support and proactive help for those affected. We will also leverage the

excellent work our colleagues in the Americas region who provided an onsite medical practitioner to offer physical health and wellbeing advice. This initiative has treated close to 90 per cent of 850 sub-contractors working in the region and is having a positive effect on peoples' lives as we continue to develop and evolve our thinking in the Health, Safety & Wellbeing space.

Our disciplined focus and high levels of compliance, coupled with active care for all who come into contact with us, will shape our future strategy.

HIGHLIGHTS



JULY 2013

Lend Lease and Places Victoria executed a Development Agreement for the Batman's Hill redevelopment site in Melbourne. The development is expected to have an end development value of approximately \$1.5 billion.

Lend Lease was selected by the Department of Veterans Affairs (VA) to design, build and manage a new VA Healthcare Center in Kernersville, North Carolina.

◀ Artist impression as at January 2014: Veterans Affairs Administration Health Care Center, Kernersville, North Carolina



AUGUST

Phase one of residential apartments at Barangaroo South in Sydney sell out in just 3.5 hours.

Nicola Wakefield Evans joins Lend Lease Board of Directors, effective 1 September 2013.

◀ Artist impression as at July 2013: Barangaroo South, Sydney



SEPTEMBER

Elephant & Castle formally recognised by C40 Cities Climate Leadership (C40) to become the third project of 18 globally to reach 'participant' status.

◀ Artist impression as at March 2014: Elephant & Castle, London



OCTOBER

Launch of 104 new homes in Wandsworth, South London. In addition to the new homes, Lend Lease will build new school facilities for the local Saint John Bosco College, UK, as well as new community facilities nearby.

Development projects Alkimos Beach and Waterbank in Western Australia accepted by the Green Building Council of Australia's Green Star Communities – pilot rating tool.

◀ Artist impression as at February 2014: Cobalt Place Wandsworth, South London



NOVEMBER

Lend Lease awarded the contract for a multi million pound redevelopment of Beacon Barracks in Stafford, London, by the Ministry of Defence.

Lend Lease development Jem, in Singapore, secured Bronze Award in the 'Best Mixed Use Development' category at the MIPIM Asia Awards for 2013.

◀ Artist impression as at June 2013: Jem, Singapore



DECEMBER

Lend Lease announced financial close with Infrastructure NSW and the Sydney Harbour Foreshore Authority for the Public Private Partnership component of the project to revitalise 20 hectares of Darling Harbour.

◀ Artist impression as at March 2013: Darling Harbour Live, Sydney (Image HASSELL + Populous)



JANUARY 2014

Launch of 333 new homes known as Glasshouse Gardens at The International Quarter in Stratford, London. Part of a \$2.4 billion joint venture development between Lend Lease and London & Continental Railways.

◀ Artist impression as at January 2014: Glasshouse Gardens, Stratford, London



FEBRUARY

Elephant Park unveiled as the new name for the soon to be regenerated Heygate Estate in Elephant & Castle. The name reflects that the regenerated site will house Central London's largest new park for 70 years.

◀ Elephant & Castle, London



MARCH

Lend Lease appointed preferred tenderer to design and construct the NorthConnex Motorway in Sydney. Lend Lease is partnering with leading French construction entity Bouygues Construction to deliver the project with an estimated construction budget of \$2.65 billion.

Lend Lease secured circa \$580 million design and construction contract with NSW Roads and Maritime Services for the Oxley Highway to Kundabung Pacific Highway upgrade project.

The first of more than 15,000 residents moved into Alkimos Beach, Western Australia, heralding the next phase of the Lend Lease coastal community's development.

◀ Artist impression as at February 2014: NorthConnex Motorway, Sydney



APRIL

Announced commencement of the final and tallest of the three commercial towers at Barangaroo South, Sydney, with anchor tenants PricewaterhouseCoopers Australia (PwC) and HSBC Bank Australia signing leasing arrangements for the 49-storey building.

◀ Artist impression as at November 2013: Barangaroo South, Sydney



MAY

Construction started on Sydney's new world class convention, exhibition and entertainment venues, part of the NSW Government's \$2.6 billion transformation of Darling Harbour.

Barangaroo South's Tower 2 commercial building awarded the Green Building Council of Australia's 6 Star Green Star – Office Design v3 certified rating.

Darling Square launched as Sydney's exciting new neighbourhood, located south of Pier Street in Darling Harbour and adjacent to the new world class convention, exhibition and entertainment venues.

◀ Artist impression as at May 2014: Darling Square, Sydney



JUNE

Lend Lease sells interest in the Bluewater Shopping Centre in Kent, UK, to Land Securities for a total value of circa \$1.3 billion. Work on the centre began in 1995 and transformed a former derelict chalk quarry into a top performing retail asset.

◀ Bluewater Shopping Centre, Kent

OPERATIONS REVIEW

AUSTRALIA
PROPERTY

Lend Lease's Australian Property business delivered Profit after Tax of \$335.3 million, a 7 per cent increase on the prior year. This outcome was underpinned by strong performance from our residential operations.

RECORD
RESIDENTIAL
SETTLEMENT
VOLUMES
IN 2014

TOWER 2 AT
BARANGAROO
AWARDED A
6 STAR GREEN
STAR – OFFICE
DESIGN V3
CERTIFIED RATING

LAUNCH OF
THE THIRD
AND LARGEST
COMMERCIAL
TOWER AT
BARANGAROO

\$1.5 BILLION
OF RESIDENTIAL
PRE SALES
REVENUE

FINANCIAL HIGHLIGHTS	FY14	FY13	% CHANGE
Development EBITDA (\$ million)	260.3	276.4	(6)
Investment Management EBITDA (\$ million)	131.0	53.4	145
Profit after Tax (\$ million)	335.3	312.8	7
Development			
Residential pre sales (\$ million)	1,533	616	149
Backlog residential (zoned units)	67,560	69,165	(2)
Commercial (sqm/000s)	5,466	5,552	(2)
Backlog retirement village units	945	1,247	(24)
Investment Management			
Funds under management (\$ billion)	10.9	10.3	6
Assets under management (\$ billion)	6.0	5.3	13

In Australia, the Property business involves the development of outer urban master planned communities, inner city mixed use developments, apartments, commercial, retail, and retirement living. Through the Investment Management business, it is also involved in managing capital on behalf of institutional investors, as well as property and asset management.

Operational Highlights

During the year, the Australian Property business benefited from strong residential performance with the Communities business delivering record settlement volumes in 2014 and \$1.5 billion of pre sales revenue recorded in the apartments and communities operations. Some of our strongest sales in the Communities business were recorded at Yarrabilba in Queensland and Alkimos Beach in Western Australia. Apartment pre sales included strong demand at Barangaroo South and Darling Square in Sydney, and Victoria Harbour in Melbourne.

In Sydney, a new commercial and residential neighbourhood, Darling Square, was launched. The first residential release of three buildings resulted in a record number of pre sales on the first day, and a complete sell out.

At Barangaroo South, we confirmed the start of the third and final commercial tower at International Towers Sydney, with anchor tenants PricewaterhouseCoopers Australia (PwC) and HSBC Bank Australia signing leasing arrangements for the building. We now have agreements in place for 61 per cent of space across all three commercial towers. In June 2014, Lend Lease, in conjunction with the Barangaroo Delivery Authority,



ARTIST IMPRESSION AS AT MAY 2014: DARLING SQUARE, SYDNEY

held its first open day for the general public, hosting circa 7,000 people who explored the Barangaroo South construction site, as well as the Headland Park site, to see the scale and progress of this major Sydney urban regeneration project.

The Investment Management business continued to grow its funds under management to \$10.9 billion, up 6 per cent on the prior year. During the year, we introduced new investors to the Investment Management platform in Australia, including international pension fund APG who acquired a stake in the Lend Lease International Towers Sydney Trust.

The 62,000 sqm Craigieburn Central town centre was launched in Victoria in November 2013. In Western Australia, the expansion of Lakeside Joondalup shopping centre continued, with the major centre opening scheduled for late 2014. On completion, Lakeside Joondalup will be the biggest shopping centre in the state.

Future Direction and Priorities

The outlook for Lend Lease's Australian Property business remains strong, with a focus on the successful execution of our urban regeneration pipeline of \$16.9 billion, 13 residential apartment buildings in conversion, and backlog pipeline of 67,560 residential zoned land lots and built-form units. The Investment Management business is also well placed to leverage growth in global funds under management.

OPERATIONS REVIEW

AUSTRALIA
CONSTRUCTION &
INFRASTRUCTURE

Lend Lease's Australian Construction & Infrastructure business delivered Profit after Tax of \$110.7 million.

AUSTRALIAN
CONSTRUCTION
BACKLOG OF
\$9.6 BILLION

\$4.1 BILLION OF
PUBLIC PRIVATE
PARTNERSHIP
PROJECTS UNDER
CONSTRUCTION

54 BUILDING AND
ENGINEERING
PROJECTS
COMPLETED
DURING THE YEAR

LIBRARY AT THE
DOCK, VICTORIA
HARBOUR
AWARDED 6 STAR
GREEN STAR
PUBLIC BUILDING
RATING

FINANCIAL HIGHLIGHTS	FY14	FY13	% CHANGE
Construction EBITDA	188.6	226.0	(17)
Infrastructure Development EBITDA	10.5	58.9	(82)
Profit after Tax (\$ million)	110.7	193.8	(43)
Construction			
New work secured revenue (\$ million)	6,559.6	7,654.6	(14)
Backlog revenue (\$ million)	9,555.2	9,560.9	
Infrastructure Development			
Number of projects	5	5	
Estimated capital spend (\$ million)	4,100.0	4,100.0	



In Australia, Lend Lease's Construction and Infrastructure business operates across three core sectors of building, engineering and services, in addition to the Capella Capital Infrastructure Development business. The core capabilities, skills and experience of these businesses enable us to differentiate our position in the construction and infrastructure market.

Operational Highlights

The Australian Construction & Infrastructure business made strong progress during the year on a number of key projects.

Lend Lease's Engineering business completed the Hunter Expressway, Kurri Kurri to Branxton and made a number of submissions for major road contracts. Lend Lease secured a circa \$580 million contract for the upgrade of a section of the Pacific Highway in New South Wales and was appointed preferred tenderer partnering with Bouygues Construction to deliver the \$2.65 billion NorthConnex Project in Sydney, with work expected to commence in early 2015.

Other projects completed include the enlarged Cotter Dam in Canberra, and in the Mains & Kessels underpass and Gateway extension upgrade to the south and south eastern busway in Brisbane.

In December 2013, Capella Capital and Lend Lease's Building business reached financial close on the Public Private Partnership (PPP) component of Darling Harbour Live in Sydney with Infrastructure New South Wales. Construction work on the Exhibition and Convention Centre has now commenced and the centre is expected to open by late 2016.

Construction work continues at Sunshine Coast Public University Hospital, another



ARTIST IMPRESSION AS AT FEBRUARY 2012: SUNSHINE COAST UNIVERSITY HOSPITAL, QUEENSLAND

of Lend Lease's PPP projects in South East Queensland. Transforming healthcare on the Sunshine Coast, it is anticipated that around 10,000 patients each year will no longer need to travel to Brisbane for complex treatments. The hospital is expected to open in 2016, with circa 450 beds and the capacity to expand to over 730 beds.

The Building business completed a number of major projects including the Adelaide Oval redevelopment in South Australia; Melbourne Markets and Craigieburn Town Centre in Victoria; the Faculty of Engineering and Information Technology (FEIT) at UTS in NSW; and in Queensland, the Ipswich Hospital Expansion.

In July 2013, Coliban Water, in Victoria, awarded the operations and maintenance contract for its water and wastewater networks to Lend Lease's Services business. The contract scope includes the operation of the majority of Coliban Water's 31 treatment plants and maintenance of the network's 35 reservoirs and water storage basins, and 2,368 kilometres of water mains.

We have structured our Services business on four key sectors (roads, water, power, and industrial & resources) to allow us in future years to focus on delivering operations and maintenance and project capabilities, whilst firmly embedding origination, delivery and support functions in each.

Future Direction and Priorities

Lend Lease remains focused on the successful execution of its construction pipeline, and will continue to leverage the strength of our core capabilities particularly in the engineering sector. Major projects in delivery include upgrades to the M5 West in Sydney, and sections of the Pacific Highway in NSW, Western Highway in Victoria, Bruce Highway in Queensland, and the Kwinana Freeway in Western Australia. Significant growth opportunities include transport projects in metropolitan and regional locations and major infrastructure projects.

OPERATIONS REVIEW

ASIA

Asia delivered Profit after Tax of \$73.7 million. In the last three years, Asia has delivered 16 per cent of Group profit, underpinned by large mixed use developments in both Singapore and Malaysia.

SETIA CITY MALL
AWARDED GOLD
IN THE RETAIL
CATEGORY
(FIABCI PRIX
D'EXCELLENCE
AWARD 2014)

FUNDS UNDER
MANAGEMENT OF
\$3.6 BILLION

PARKWAY PARADE –
FIRST RETAIL MALL
IN SINGAPORE TO
ATTAIN THE BIZSAFE
PARTNER STATUS
(BY THE WORKPLACE
SAFETY AND
HEALTH COUNCIL)

JEM AWARDED
BRONZE IN
THE BEST
MIXED USE
DEVELOPMENT
CATEGORY
(MIPIM ASIA
AWARDS 2013)

FINANCIAL HIGHLIGHTS	FY14	FY13	% CHANGE
Revenue (\$ million)	601.2	640.5	(6)
EBITDA (\$ million)	94.1	128.0	(26)
Profit after Tax (\$ million)	73.7	112.6	(35)
Construction			
New work secured revenue (\$ million)	159.4	414.2	(62)
Backlog revenue (\$ million)	173.3	475.7	(64)
Investment Management			
Funds under management (\$ billion)	3.6	3.3	9
Assets under management (\$ billion)	3.8	3.5	9



In Asia, Lend Lease has a broad range of capabilities including development, project management and construction, investment management, asset and property management.

Operational Highlights

Lend Lease delivered Profit after Tax of \$73.7 million, largely attributable to the performance fees relating to the development phase completion and stabilisation of two Lend Lease developments, Jem and Setia City Mall, which were recorded within the Investment Management business.

The Jem shopping mall had a solid first year of trading and delivered an operational net return to owners above forecast budget. The office component of Jem, which is leased long term to the Ministry of National Development of Singapore, received its temporary occupation permit in January 2014

and is currently undergoing the office fit-out. Jem also secured the Bronze Award in the 'Best Mixed Use Development' category, at the MIPIM Asia Awards 2013, being recognised for its project concept, innovative and sustainable design features, and originality.

Similarly, Setia City Mall won the Gold Award in the Retail Category at the prestigious FIABCI (Federation of International Real Estate) Prix d'Excellence Award 2014 for its leadership position in marrying the best of retail experience with unparalleled green credentials.

During the year, we secured a number of major construction projects of pharmaceutical facilities building on our strong track record in the life sciences sector.



SETIA CITY MALL, MALAYSIA

In June 2014, Lend Lease signed a binding agreement to work exclusively with 1Malaysia Development Berhad to finalise the joint venture documentation and to commence work on the Lifestyle Quarter in the Tun Razak Exchange (TRX) in Kuala Lumpur, Malaysia. In a highly anticipated new financial district, this retail led mixed use development over 17 acres, will comprise a hotel, three residential apartment buildings and a stunning new retail mall seamlessly connected to TRX's multi layer central park and a short stroll to the dedicated MRT station.

Future Direction and Priorities

The macro backdrop in Asia remains attractive and we continue to pursue urban regeneration opportunities across Malaysia, Singapore and China. Additionally, our Project Management & Construction business continues to strengthen our leadership position in the mixed use, education, life sciences and telecommunications sectors.

OPERATIONS REVIEW

AMERICAS

The Americas region delivered Profit after Tax of \$78.9 million, a 47 per cent increase on the prior year. Conditions in key construction markets remained steady during the period with strong performance in New York and Chicago.

CONSTRUCTION BACKLOG OF \$5.4 BILLION	26 HIGH RISE TOWERS CURRENTLY UNDER CONSTRUCTION ACROSS THE AMERICAS	OVER 52,000 UNITS AND HOTEL ROOMS CURRENTLY UNDER MANAGEMENT FOR THE DEPARTMENT OF DEFENSE	ACHIEVED 16.2 PER CENT ENERGY REDUCTION ACROSS OUR MILITARY HOUSING PORTFOLIO
---------------------------------------	--	--	---

FINANCIAL HIGHLIGHTS	FY14	FY13	% CHANGE
Revenue (\$ million)	3,052.0	2,705.0	13
EBITDA (\$ million)	128.3	92.6	39
Profit after Tax (\$ million)	78.9	53.7	47
Construction			
New work secured revenue (\$ million)	2,751.0	3,514.1	(22)
Backlog revenue (\$ million)	5,363.1	4,937.1	9
Development			
Number of healthcare projects	6	7	(14)
Infrastructure Development			
Number of military housing projects	19	22	(14)

In the Americas, our core lines of business are project management and construction, infrastructure development and development.

Operational Highlights

The Americas region delivered Profit after Tax of \$78.9 million for 2014, underpinned by continued strength in our construction and infrastructure development operations.

Lend Lease continues to focus on expanding healthcare and residential development in select locations, including New York, Chicago, Washington D.C., Los Angeles, San Francisco, Boston, Durham, Columbus and Mexico City. Through our Construction business, Lend Lease currently has 26 high rise towers in delivery across the Americas, including 12 in New York State.

Subsequent to the September 11 2001 terrorist attacks, Lend Lease was immediately on site participating 24/7 in the recovery effort at the World Trade Centre (WTC) site in New York City. Shortly after the site was cleared, Lend Lease was proud to be appointed as construction manager for the National September 11 Memorial and Museum.

The National September 11 Memorial opened to the public on 11 September 2011, and on 21 May 2014, the Museum opened. The Museum occupies approximately 110,000 gross square feet of space spread over five



NATIONAL SEPTEMBER 11 MEMORIAL AND MUSEUM, NEW YORK

below ground levels. The Museum's lobby space, Memorial Hall, contains the primary exhibition space. This is located at the lowest level of the original WTC site excavation bedrock, with an iconic artifact incorporated into the design of the Entry Pavilion.

During the year, Lend Lease expanded its footprint in healthcare development with the commencement of construction of the Winston-Salem Veteran Affairs Healthcare Center in North Carolina. Healthcare development continues to build upon our proven expertise in the delivery of hospitals developed and constructed around the world.

Lend Lease remains one of the leading providers of privatised military housing and lodging for the US Department of Defense. We currently have more than 11,600 privatised hotel rooms across 39 military installations nationwide, and a military housing portfolio that encompasses approximately 41,000 homes and apartments across 12 states.

Future Direction and Priorities

In the Americas, Lend Lease is well positioned to extend our footprint into broader development opportunities focusing on residential, healthcare and urban regeneration.

OPERATIONS REVIEW

EUROPE

The European business delivered Profit after Tax of \$446.9 million, a material increase following the sale of our interest in the Bluewater Shopping Centre in Kent. During the year, Lend Lease benefited from a strong footprint in the Central London market, achieving \$871.3 million in apartment pre sales.

OVER 1,300 UNITS
IN DELIVERY
ACROSS LONDON

DEVELOPMENT
PIPELINE OF
\$8.1 BILLION

BLUEWATER SALE
DELIVERING
\$485 MILLION
POST TAX PROFIT

97 PER CENT OF
ALL TIMBER USED
IN CONSTRUCTION
WAS FOREST
STEWARDSHIP
COUNCIL (FSC)
CERTIFIED

FINANCIAL HIGHLIGHTS	FY14	FY13	% CHANGE
Revenue (\$ million)	2,665.9	1,143.4	133
EBITDA (\$ million)	591.6	74.0	699
Profit after Tax (\$ million)	446.9	95.4	368
Construction			
New work secured revenue (\$ million)	678.3	1,132.2	(40)
Backlog revenue (\$ million)	1,073.1	1,260.3	(15)
Development			
Residential pre sales (\$ million)	871	196	345
Backlog residential (zoned units)	5,220	5,394	(3)
Commercial (sqm/000s)	402	389	3
Investment Management			
Funds under management (\$ billion)	1.8	1.4	29

In Europe, Lend Lease operates across all core capabilities including development, construction, infrastructure development and investment management.

Operational Highlights

This financial year, the European region saw a significant increase in Profit after Tax as a result of the sale of Lend Lease's interest in the Bluewater Shopping Centre in Kent to Land Securities Group PLC. Work began on the shopping centre in 1995, transforming a former derelict chalk quarry into one of the top performing retail assets in Europe. Opened in 1999 and anchored by three department stores and over 300 retail, catering and leisure units, the centre set the benchmark for quality retailing in the UK. The Bluewater development remains a part of Lend Lease's proud history in the region.

Across Lend Lease's two large urban regeneration sites in Central London, The International Quarter and Elephant & Castle, significant progress was made with approximately 880 apartments already in delivery at Elephant & Castle including One The Elephant, South Gardens and Trafalgar Place. Elephant & Castle will also see Lend Lease deliver over 11 acres of enhanced and new public spaces including Central London's largest new park in 70 years. This is one of many reasons that the site was formally recognised by C40 Cities Climate Leadership, one of only 18 Climate Positive Participants globally, with the site set to be climate positive by 2020.



ARTIST IMPRESSION AS AT MARCH 2014: ELEPHANT & CASTLE, LONDON

At The International Quarter, Lend Lease is negotiating a Heads of Terms with the first two potential occupiers. The project has also secured pre sales of 79 per cent for the first residential release of 333 units.

During the year, the Lend Lease Construction team completed the renovation of the Imperial War Museum and Tate Britain and handed over the East Village, comprising 2,818 homes which formed the Athletes' Village for the 2012 Olympic and Paralympic Games. Lend Lease was also involved in marking the centenary of the First World War by delivering the Folkestone Arch – the only physical monument in Britain to commemorate this historical event.

Green shoots recovery in the UK construction market has led to Lend Lease securing a number of new projects including the construction of a new prison in Wrexham, North Wales, and mixed use construction at Rathbone Square, London, however the construction market remains highly competitive.

Future Direction and Priorities

Lend Lease's next phase of growth in Europe will be driven by its strong footprint in Central London and leveraging our capabilities in urban regeneration. This includes two new sites that have recently been secured at Deptford and Chiswick, adding over 1,000 residential units to Lend Lease's backlog position.

SUSTAINABILITY

Sustainability is about meeting people's needs for the future.

87 PER CENT OF OUR HEAD OFFICES¹ ARE LOCATED IN GREEN BUILDINGS² (AN IMPROVEMENT OF 11 PER CENT)⁴

31 PER CENT OF OUR HEAD OFFICES¹ HAVE ACHIEVED THE HIGHEST POSSIBLE GREEN RATING (AN IMPROVEMENT OF 6 PER CENT)⁴

LEND LEASE OCCUPIES OVER 60,000M² OF GREEN CERTIFIED OFFICE SPACE³ (AN INCREASE OF 20,000M²)⁴

For Lend Lease, sustainability is integral to how and what we do. We believe in creating a future where people and communities can prosper. In a rapidly changing world facing significant global scale challenges, such as rapid urbanisation, climate change, resource constraints and an ageing population, we understand that making a positive contribution to the wellbeing of the environment, society and the economy will make Lend Lease a stronger, more resilient company, delivering shareholder value and leaving a positive legacy. This underpins our vision to create the best places; places for people.

During the year, we refined our sustainability strategy and developed a new sustainability framework. We have focused our efforts on twelve measurable aspirations with associated performance targets, including a 20 per cent reduction by 2020 for emission, energy, water and waste intensity. We will report our progress against each of these aspirations and provide updates annually.

This year, Lend Lease signed up to the United Nations Global Compact, aligning our approach to the UN's global principles on issues such as human rights, labour, the environment and anti-corruption. In addition, 100 per cent of our major urban development projects (circa \$23 billion) have achieved or are targeting green certification.

More information on our sustainability strategy, aspirations, targets and performance can be found at www.lendlease.com

Lend Lease Foundation

Lend Lease Foundation is responsible for initiatives that enrich the lives of employees and their families, and aid charities and communities in which employees have an involvement.

In the last twelve months, Lend Lease Foundation launched Community365, a unique volunteering program providing employees with opportunities to participate in diverse volunteering roles every day of the year. Since launching in February 2014, more than 16,000 employees and partners

have established profiles, registering more than 800 volunteering events held across six countries. Globally, over 5,500 employees have also participated across 350 projects in our Community Day program. This annual event enables employees to dedicate a full working day to community enhancing projects. Since its inception, we have contributed more than 600,000 employee hours.

In FY14, we re-launched our flagship global personal development and community program, Springboard. The program targets 350 employees per year.

Lend Lease Foundation's Springboard program was awarded the ABA100 Winner for Community Contribution at the 2014 Australian Business Awards, and Bronze Winner of the 2014 International CSR (Corporate Social Responsibility) Excellence Awards.

Reconciliation Action Plan

Three years into Lend Lease's first Reconciliation Action Plan (RAP), we have increased the participation of Aboriginal

¹ A head office is over 1,000m²

² A building recognised by its relevant Green Building Council as having achieved Green Building Status

³ Green Rated Offices include Melbourne, Chatswood and Sydney, with Shanghai added in FY14

⁴ Performance in the last 12 months.



LIBRARY AT THE DOCK, VICTORIA HARBOUR, MELBOURNE

and Torres Strait Islander people across our business through developing respectful relationships with our national partners Reconciliation Australia; National Centre of Indigenous Excellence; Career Trackers; AIME (Australian Indigenous Mentoring Experience); Yalari; Supply Nation; and many other Indigenous community and business organisations around Australia.

Since 2011, Lend Lease has employed 24 Indigenous university students through the Career Trackers Indigenous internship program and has supported a number of programs working with high school students on retention and completion to year 12. In the last year, the AIME program worked with 2,800 Indigenous high school students, of which 98 year 12 students transitioned to university and 178 students were elected to leadership positions in their schools. Yalari also celebrated the graduation of 24 year 12 students.

Close to 1,000 Lend Lease employees have undertaken cultural awareness sessions with more involvement expected by the end of 2014.

Our People

At Lend Lease, we know that people are our greatest asset and we are committed to investing in them. We do this through education and training, providing employment opportunities, promoting diversity, and making sure people are supported to reach their potential.

Employee Engagement

Lend Lease provides an environment where employees can operate at their personal best and work as a team to create positive legacies. Lend Lease conducts an employee engagement survey every two years, with a partial survey conducted across a sample of employees in alternate years. An employee survey (conducted by Towers Watson) was completed in September 2013. We achieved a three per cent improvement since 2011 on our employee engagement score, now standing at 80 per cent. Over the last two years we have made significant improvements in our focus areas of leadership and professional development.

Diversity and Inclusion

At Lend Lease, we believe that diversity of experience, diversity of thought and a collaborative environment leads to excellence in innovation. To achieve our vision to create the best places, we need a culture and an environment that embraces difference and where the organisation can benefit from the diverse thinking of our people.

The Lend Lease Board of Directors reports on Lend Lease's gender diversity performance in accordance with the Australian Securities Exchange (ASX) Corporate Governance Principles and Recommendations. Lend Lease has measurable objectives for gender diversity:

- Two out of our nine Board Directors are women;
- At a senior management level, two direct reports to the Group CEO are female; and
- For the year ended 30 June 2014, 31 per cent of our employees are women and 21 per cent of senior executive positions are held by women.

FIVE YEAR PROFILE

		30 June 2014	30 June 2013 ¹	1 July 2012 ¹	30 June 2011	30 June 2010
Profitability						
Revenue	\$m	13,936	13,163	11,548	8,927	10,502
Profit before Tax	\$m	999	571	523	632	451
Profit after Tax attributable to securityholders	\$m	823	549	501	493	346
EBITDA	\$m	1,193	739	660	721	516
Earnings per stapled security on Profit after Tax ²	cents	142.7	95.6	87.7	86.9	69.5
Return on Equity (ROE) ³	%	18.2	13.6	13.5	14.3	12.7
Distribution payout ratio on Profit after Tax ⁴	%	50	44	43	41	50
Distribution per stapled security ⁴	cents	71.0	42.0	38.0	35.0	32.1
Corporate Strength						
Total assets	\$m	15,752	14,301	12,831	12,149	11,366
Cash	\$m	1,716	1,610	1,052	1,046	1,636
Borrowings	\$m	2,347	1,976	1,369	1,694	1,447
Current assets	\$m	4,933	4,833	4,317	4,097	4,171
Non current assets	\$m	10,819	9,468	8,515	8,052	7,196
Current liabilities ⁵	\$m	7,576	6,957	6,736	5,794	5,541
Non current liabilities	\$m	3,307	3,077	2,266	2,722	2,465
Total equity	\$m	4,869	4,267	3,830	3,633	3,361
Operating cash flow	\$m	822	81	(46)	(42)	168
Net asset backing per security	\$	8.43	7.41	6.69	6.36	5.94
Ratio of current assets to current liabilities ⁵	times	0.7	0.7	0.6	0.7	0.8
Ratio of current assets to current liabilities (excluding resident and accommodation bond liabilities) ⁵	times	1.1	1.1	1.0	1.2	1.2
Net debt to total tangible assets, less cash ⁶	%	5.7	5.4	5.5	8.9	n/a
Borrowings to total equity	%	48.2	46.3	35.7	46.6	43.0
Borrowings to total equity plus borrowings	%	32.5	31.7	26.3	31.8	30.1
Gross borrowings to total tangible assets ⁶	%	16.9	17.1	14.2	17.7	15.1
Borrowings to total market capitalisation	%	31.0	41.1	33.2	33.1	34.9
Number of equivalent full time employees ⁷	no.	13,268	15,634	17,315	17,253	11,094
Securityholders' Returns and Statistics						
Weighted average number of securities	m	577	574	572	567	497
Securities on issue	m	577	576	573	571	566
Total distributions ⁸	\$m	410	242	218	199	161
Number of securityholders	no.	55,046	53,591	52,739	54,370	55,492
Proportion of securities on issue to top 20 securityholders	%	76.1	76.1	76.6	76.3	75.3
Security holdings relating to employees ⁹	%	6.3	6.9	6.9	6.4	6.1
Security price as at 30 June as quoted on the Australian Securities Exchange	\$	13.11	8.35	7.20	8.97	7.33

- 1 June 2012 and June 2013 has been adjusted to reflect the impact of first time adoption of the revised AASB 119 *Employee Benefits* standard and the new AASB 11 *Joint Arrangements* standard (Refer to Note 1 'Significant Accounting Policies' of the Consolidated Financial Statements). The June 2012 Statement of Financial Position has been adjusted to reflect restated opening balances as at 1 July 2012.
- 2 Calculated using the weighted average number of securities on issue including treasury securities.
- 3 Return on equity is calculated as the annual Profit after Tax divided by the arithmetic average of beginning, half year and year end securityholders' equity.
- 4 Distributions include interim and final distributions. June 2010 also includes the 'in specie' dividend of 0.1 cent following the stapling of LLT units to shares in the Company in November 2009.
- 5 Since June 2010, ratio includes resident and accommodation bond liabilities recognised following the Primelife acquisition. These are required to be classified as current liabilities as any resident may depart within 12 months. The investment properties, property, plant and equipment, and intangible assets to which they relate, however, are required to be classified as non current.
- 6 Net debt and gross borrowings include certain other financial liabilities of \$91.4 million (June 2013: \$254.1 million).
- 7 Casual and third party workers are excluded from full time equivalent employees at June 2014. Comparative periods have been restated to conform with current period disclosure. The reduction from June 2013 mainly relates to the restructure of the Australian Construction business. The reduction from June 2012 relates to the sale of the Aged Care business. June 2011 includes full time equivalent employees following the acquisition of Valemus Australia Pty Limited on 10 March 2011.
- 8 The June 2014 Company dividend of \$242.3 million was declared subsequent to the reporting date.
- 9 Securities held through employee benefit vehicles.

REMUNERATION SUMMARY

Our Executive Reward Strategy considers the interests of both internal and external stakeholders and aims to drive strong individual and team performance.

We seek long term outperformance through the execution of business strategy while managing business risk. A key element of our Executive Reward Strategy is forging clear alignment between Senior Executives and securityholders. We believe that the medium to long term emphasis of remuneration at Lend Lease appropriately recognises the investment cycle of a group such as ours. This is delivered through:

- A significant portion of remuneration being 'at risk' and tied to clear metrics;
- Extensive use of deferred and long term incentives (which vest over a period of up to four years); and
- Mandatory securityholdings for Senior Executives (enforced through disposal restrictions on vested equity until the minimum levels are achieved).

Our remuneration framework consists of three key components:

- Fixed Remuneration – which provides base salary and benefits that are competitive with those provided by companies of a similar scale and level of complexity;
- Short Term Incentives (STIs) – which provide awards only where executives perform well against Key Performance Indicators in scorecards. A significant portion is deferred and delivered in Lend Lease securities; and
- Long Term Incentives (LTIs) – which are designed to motivate Senior Executives to achieve Lend Lease's long term strategic goals and provide alignment with securityholders' interests.

The Board conducted a comprehensive review of the Group's Executive Reward Strategy in 2013. As a result of the review, changes were announced before the 2013 AGM which included:

- Agreeing a new contract with the CEO, including a reduction in the CEO's total target remuneration package (effective 1 September 2013);
- Changing the targeted remuneration mix for Senior Executives to place greater emphasis on LTIs;
- Introducing a second hurdle, Return on Equity (ROE), for LTIs;
- Deferring a greater proportion of 'above target' STI awards for the CEO and Senior Executives; and
- Strengthening malus provisions for the CEO and Senior Executives in respect of both Deferred STI and LTI awards.

There were no other significant changes introduced in 2014 other than those noted above. The Board has not made any significant changes to our Executive Reward Strategy for the year ahead. We believe the Executive Reward Strategy updated in 2013 remains suited to Lend Lease's business and appropriately considers the Group's activities, strategy, market practice, and securityholder perspectives while providing remuneration that motivates and retains key executive talent.

Remuneration of Directors for the Year Ended 30 June 2014

Executive Director	Fixed remuneration \$000s	STI cash \$000s	STI deferred securities to vest in		2014 LTI awards \$000s	Total \$000s
			Sept 2015 \$000s	Sept 2016 \$000s		
S B McCann	2,034	1,079	642	642	1,750	6,147

Non Executive Directors	Base fees \$000s	Committee chairman fees \$000s	Committee membership fees \$000s	Travel fees \$000s	Superannuation ¹ \$000s	Total \$000s
D A Crawford	640	-	-	30	18	688
C B Carter	160	36	38	30	18	282
P M Colebatch	160	18	36	90	18	322
G G Edington ²	67	-	23	36	7	133
P C Goldmark	160	-	20	62	18	260
J S Hemstritch	160	27	8	30	18	243
D J Ryan	160	46	28	30	18	282
M J Ullmer	160	36	36	30	18	280
N M Wakefield Evans ³	133	-	10	18	14	175

¹ Directors have superannuation contributions paid on their behalf in accordance with superannuation legislation.

² G G Edington retired 15 November 2013.

³ N M Wakefield Evans was appointed 1 September 2013. She was appointed as a member of the Sustainability Committee in January 2014.

DIRECTORS' PROFILES



D A Crawford, AO

Chairman

Independent Director since July 2001 and Chairman since May 2003. Mr Crawford holds a Bachelor of Commerce and Bachelor of Laws from the University of Melbourne and is a Fellow of the Institute of Chartered Accountants.

Age 70.



S B McCann

Group Chief Executive Officer and Managing Director

Appointed Group Chief Executive Officer in December 2008 and Managing Director in March 2009. Mr McCann holds a Bachelor of Economics and a Bachelor of Laws from Monash University.

Age 49.



C B Carter, AM

Non Executive Director

Independent Director since April 2012, Chairman of the Nomination Committee and member of the Personnel and Organisation Committee and the Sustainability Committee. Mr Carter holds a Bachelor of Commerce from the University of Melbourne and a Master of Business Administration from Harvard Business School, where he graduated with Distinction.

Age 71.



P M Colebatch

Non Executive Director

Independent Director since December 2005. Member of the Risk Management and Audit Committee and the Nomination Committee. Mr Colebatch holds a Bachelor of Science and Bachelor of Engineering from the University of Adelaide, a Master of Science from Massachusetts Institute of Technology and a Doctorate in Business Administration from Harvard University.

Age 69.



P C Goldmark

Non Executive Director

Independent Director since December 1999. Member of the Sustainability Committee and the Nomination Committee. Mr Goldmark holds a Bachelor of Arts from Harvard College, Government Department and graduated magna cum laude.

Age 73.

GOVERNANCE FRAMEWORK

The following denotes some of the responsibilities of the main Board and Board Committees.

THE BOARD

- GROUP STRATEGY
- RISK MANAGEMENT AND CONTROLS
- ANNUAL BUDGETS AND FINANCIAL REPORTING
- CEO AND EXECUTIVE TEAM PERFORMANCE
- DISTRIBUTIONS

COMMITTEES

RISK MANAGEMENT & AUDIT COMMITTEE

- Financial statements
- Financial controls
- External audit
- Internal audit and project governance
- Risk management and assurance

PERSONNEL & ORGANISATION COMMITTEE

- Remuneration strategy and policies
- Remuneration packages and incentive plans
- Executive succession and key talent
- Employee Engagement
- Diversity



J S Hemstritch

Non Executive Director

Independent Director since September 2011, Chairman of the Personnel and Organisation Committee and member of the Nomination Committee. Ms Hemstritch holds a Bachelor of Science in Biochemistry and Physiology from the University of London. She is a Fellow of the Institute of Chartered Accountants in Australia and in England and Wales, and is a member of Chief Executive Women Inc.

Age 61.



D J Ryan, AO

Non Executive Director

Independent Director since December 2004, Chairman of the Risk Management and Audit Committee and member of the Personnel and Organisation Committee and Nomination Committee. Mr Ryan holds a Bachelor of Business from the University of Technology in Sydney and is a Fellow of the Australian Institute of Company Directors and CPA Australia.

Age 62.



M J Ullmer

Non Executive Director

Independent Director since December 2011, Chairman of the Sustainability Committee and member of the Risk Management and Audit Committee and Nomination Committee. Mr Ullmer holds a degree in mathematics from the University of Sussex and is a Fellow of the Institute of Chartered Accountants and a Senior Fellow of the Financial Services Institute of Australia.

Age 63.



N M Wakefield Evans

Non Executive Director

Independent Director since September 2013 and member of the Sustainability Committee and Nomination Committee. Ms Wakefield Evans holds a Bachelor of Jurisprudence and Laws from the University of New South Wales and is a qualified lawyer in Australia, Hong Kong and the United Kingdom.

Age 53.

- VALUES AND ETHICAL STANDARDS
- MERGERS, ACQUISITIONS
- DIVESTMENTS AND INTEGRATION
- GOVERNANCE POLICIES

SUSTAINABILITY COMMITTEE

- Sustainability
- Innovation
- Community engagement
- Stakeholder management
- Health and wellbeing
- Safety
- Lend Lease Foundation

NOMINATION COMMITTEE

- Structure and composition of the Board
- Appointment of Non Executive Directors
- Director succession planning

GLOSSARY

Capital recycling – Sale of assets that Lend Lease holds a capital interest in, such as retail centres or co-investments in funds, and the re-investment of the capital from sale into other yielding opportunities. Capital recycling is an ongoing part of the business, allowing Lend Lease to release and re-invest the value created over time through the provision of our integrated services.

Construction backlog revenue – The balance of work to be completed under existing construction contracts.

Development pipeline – Estimated end value of all our secured development projects based on today's market values.

Distribution – Interim and final dividend/distribution from the Company and Trust.

Distribution payout ratio – Distribution divided by Profit after Tax.

Earnings per Security – Profit after Tax divided by the weighted average number of securities on issue during the year (including treasury securities).

Financial close – The point at which the parties to a project procured under a public sector infrastructure development contract are irrevocably committed through the execution of unconditional contracts.

FSC – Forest Stewardship Council is an international not for profit multi stakeholder organisation established in 1993 to promote responsible management of the world's forests.

GMR – Global Minimum Requirements are Lend Lease's minimum environment, health and safety standards designed to control the risks associated with our asset and construction operations.

Green Star rating – Green Star is a national voluntary environmental rating system used by the Green Building Council of Australia to evaluate the environmental design and achievements of buildings. Green Star – Communities supports the design and delivery of more sustainable, productive, resilient and liveable communities.

LEED – Leadership in Energy and Environmental Design, an internationally recognised green building certification system.

New work secured revenue – Estimated revenue to be earned from construction contracts secured during the period. When formal contracts are signed, the new work secured becomes part of construction backlog revenue.

NGERS – National Greenhouse and Energy Reporting Scheme, provides data and accounting in relation to greenhouse gas emissions and energy consumption and production.

Public Private Partnerships (PPP) – A joint procurement arrangement for infrastructure development contracts between the public and private sectors.

Return on Equity – A measure of profitability that reveals how much profit the Group generates from funds invested by securityholders. It is calculated as Profit after Tax attributable to securityholders divided by the arithmetic average of beginning, half year and year end securityholders' equity.

Profit after Tax – Profit after Tax attributable to securityholders, determined in accordance with Australian Accounting Standards.

Zoned – Land that has received planning approval from the relevant authority.

CORPORATE DIRECTORY

Annual General Meeting 2014

The Annual General Meeting of shareholders of Lend Lease Corporation Limited and the general meeting of unit holders of Lend Lease Trust (together, Lend Lease Group) will be held at 10am on Friday 14 November 2014 in the Grand Ballroom, Four Seasons Hotel, 199 George Street, Sydney, NSW.

Full details will be provided in the Notice of Meetings.

2015 Financial Calendar

February	Announcement of Half Year Results
March	Security price quoted ex distribution Interim distribution record date Interim distribution payable
August	Announcement of Full Year Results
September	Security price quoted ex distribution Final distribution record date Final distribution payable
November	Annual General Meeting

Please note that the timing of events can be subject to change. A current calendar is available online at www.lendlease.com

Entity Details

Lend Lease Corporation Limited
ABN 32 000 226 228
Incorporated in NSW Australia

Lend Lease Responsible Entity Limited
ABN 72 122 883 185
AFS Licence 308983 as responsible entity for Lend Lease Trust
ABN 39 944 184 773
ARSN 128 052 595

Registered Office

Level 4, 30 The Bond, 30 Hickson Road
Millers Point NSW 2000 Australia

Contact

T: +61 2 9236 6111
F: +61 2 9252 2192
W: www.lendlease.com

Share Registry Information

Computershare Investor Services Pty Limited
ABN 48 078 279 277
GPO Box 242, Melbourne Victoria 3000 Australia

T: 1800 230 300 (within Australia)
T: +61 3 9946 4460 (outside Australia)
W: www.computershare.com.au



LEVEL 4, 30 THE BOND

30 HICKSON ROAD

MILLERS POINT NSW 2000

T +61 2 9236 6111

F +61 2 9252 2192

WWW.LENDELEASE.COM