

# ASX ANNOUNCEMENT

24 August 2015

## 2015 Full Year Results Lend Lease Group

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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**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

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# ASX ANNOUNCEMENT

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## Lend Lease delivers strong FY15 result and positive growth outlook

24 August 2015

For the year ended 30 June 2015:

- Profit after tax of \$618.6 million and earnings per stapled security of 106.8 cents
- Final distribution of 27.0 cents per stapled security, dividend component franked to 25 per cent. Annual payout ratio of 51 per cent
- Record pre sold revenue of \$5.2 billion<sup>1</sup> across residential apartments and communities up 109 per cent on the prior year
- Estimated development pipeline end value of \$44.9 billion up 19 per cent on the prior year
- Solid construction backlog revenue of \$17.3 billion up 7 per cent on the prior year
- Funds Under Management (FUM) of \$21.3 billion up 31 per cent on the prior year; \$2.1 billion of third party capital raised during the year
- Strong balance sheet with \$2.2 billion of cash and undrawn facilities
- Return on equity of 12.4 per cent<sup>2</sup>

### Financial performance

Lend Lease delivered profit after tax for the year ended 30 June 2015 of \$618.6 million, versus the prior year profit after tax of \$822.9 million, which included a \$485.0 million contribution from the sale of the Bluewater Shopping Centre asset in the UK.

The Group declared a final distribution of 27.0 cents per stapled security, with the dividend component franked to 25 per cent, which brings the payout ratio to 51 per cent of profit after tax for the year. The Group's Distribution Reinvestment Plan will apply to the final distribution payable on 18 September 2015.

	30 June 2015	30 June 2014
Profit after tax	\$618.6 m	\$822.9 m
Full year distribution	54.0 cps	71.0 cps
Earnings per Stapled Security on profit after tax	106.8 cps	142.7 cps

Lend Lease Group Chief Executive Officer and Managing Director, Steve McCann said Lend Lease had delivered a strong result for the 2015 financial year, with an attractive growth trajectory.

"In the last year our pre sold residential revenue has more than doubled to \$5.2 billion<sup>1</sup>, with the related revenue to begin emerging as profit and cash from FY16 onwards.

"Our development pipeline has continued to expand, with a number of new international projects secured during the year in Asia and our first major development projects in the Americas. The pipeline has reached a record level of almost \$45 billion, with approximately 70 per cent represented by urbanisation projects," said Mr McCann.

<sup>1</sup> Includes 100% of revenue from joint venture projects. Joint venture partner share of revenue is circa \$180 million

<sup>2</sup> 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

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There were major milestones at the Barangaroo South project in Sydney during the year. They included the introduction of further tenants to the precinct, taking leasing commitments across all three commercial towers to 66 per cent; the sale of Tower 1 and creation of a new circa \$2 billion fund to own that tower; and finalisation of an agreement with Crown Resorts Limited to deliver a world class resort and hotel.

Residential markets in Australia and the UK also drove strong earnings, with global settlements reaching new highs of 4,262, up 24 per cent on the prior year. Record residential pre sales in Australia included the sell-out of the entire second residential phase at Darling Square in Sydney in just five hours and over 90 per cent pre sales being achieved for 888 and 889 Collins Street at Victoria Harbour in Melbourne and The Yards at Brisbane Showgrounds in Brisbane.

In Construction, global backlog revenue rose 7 per cent to \$17.3 billion and profit was up 10 per cent, despite a lower contribution from the Australian region. During the year, \$11.8 billion of new work was secured with a further circa \$7 billion of work globally at preferred status.

The year also saw the creation of two new investment vehicles, Lend Lease One International Towers Sydney Trust and the Paya Lebar Central investment mandate. These vehicles were a major driver in an increased FUM balance, up 31 per cent on the prior year. FUM now exceeds \$21 billion and are set to deliver Lend Lease a growing proportion of stable income.

"With a substantial lift in projects in delivery around the world, safety remains our number one priority. We strive to maintain the highest levels of safety across all our projects and in the last year, 83 per cent of sites did not record a critical incident, a 6 percentage point improvement on FY14," said Mr McCann.

## Business performance

	30 June 2015 \$m	30 June 2014 \$m	% change
<b>Total Group Profit before Tax</b>	<b>768.0</b>	<b>998.6</b>	<b>(23.1)</b>
<i>Operating businesses profit after tax</i>			
Australia	625.1	446.0	40.2
Asia	17.3	73.7	(76.5)
Europe	112.3	446.9	(74.9)
Americas	90.1	78.9	14.2
<i>Total operating businesses profit after tax</i>	<i>844.8</i>	<i>1,045.5</i>	<i>(19.2)</i>
Group Services	(124.6)	(126.1)	1.2
Group Treasury	(101.6)	(96.5)	(5.3)
<i>Total corporate profit after tax</i>	<i>(226.2)</i>	<i>(222.6)</i>	<i>(1.6)</i>
<b>Total Group Profit after Tax</b>	<b>618.6</b>	<b>822.9</b>	<b>(24.8)</b>

## Australia

With a continued strong residential trading backdrop, the Australian Property Development business delivered record land-lot settlements of 3,822, up 26 per cent on the prior year; a 155 per cent increase in pre sold residential revenue of \$3.9 billion<sup>3</sup>; and an increased contribution from the Barangaroo South project.

<sup>3</sup> Includes 100% of revenue from joint venture projects. Joint venture partner share of revenue in Australia is circa \$30 million



# ASX ANNOUNCEMENT

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Also contributing to the strong Australian performance was Infrastructure Development, which closed three PPP transactions during the year and Investment Management which delivered a 23 per cent increase in profit.

Offsetting the stronger performance from Property Development, Infrastructure Development and Investment Management was a weaker contribution from the Construction business. The commercial building business continues to perform well however lower revenue in both Engineering and Services impacted the overall construction profit, which was down 14 per cent on the prior year.

## Asia

Profit for the region reduced as greater investment was made into expanding the region's pipeline of opportunities. During the year two major developments were secured, with a joint venture finalised in March 2015 to develop the Lifestyle Quarter at Tun Razak Exchange in Kuala Lumpur and a joint venture with Abu Dhabi Investment Authority to develop Paya Lebar Central in Singapore finalised in April 2015. Combined these two projects added circa \$5.8 billion to the Group's development pipeline.

## Europe

The profit contribution from Europe was down from FY14, which included the profit on sale of the Group's interest in the Bluewater Shopping Centre. The contribution of earnings from Construction increased 177 per cent as trading conditions improved and the Global Renewables Project in Lancashire was closed out. Construction new work secured rose by 131 per cent to circa \$1.5 billion.

Apartments settled at Trafalgar Place (Elephant & Castle), Cobalt Place (Wandsworth), Potato Wharf (Manchester) and Beechwood (Cheshire) and the gross value of residential pre sales rose 51 per cent to \$1.3 billion<sup>4</sup>.

## Americas

A 32 per cent rise in construction earnings and a stable contribution from the Military Housing Portfolio underpinned an overall increase in profit of 14 per cent for the region.

During the year, Lend Lease acquired its first major development projects in the gateway cities of Boston, New York and Chicago. The largest was a joint venture with CMK in Chicago, which delivers Lend Lease the opportunity to develop a major urban regeneration site called River South. The development pipeline for the Americas increased to \$2.8 billion, which includes the full value of the US\$1.5 billion River South development in Chicago (should the Lend Lease/CMK joint venture elect to complete all future phases).

## Group Financials

At 30 June 2015, Lend Lease held a cash balance of \$750.1 million and undrawn committed bank facilities of \$1,423.5 million, providing substantial financial flexibility.

As production across major developments increased in the last year, cash balances reduced and gearing lifted 4.8 percentage points to 10.5 per cent. Interest cover remained strong at 6.6 times and average debt maturity was 3.9 years.

Group Chief Financial Officer, Tony Lombardo said, "During the 2015 financial year, we invested significantly in our pipeline of development projects, with five commercial office buildings and 25 major apartment buildings currently in delivery. In the next 12 months earnings from that substantial investment will begin to emerge, with over 1,000 apartment settlements currently expected in FY16.

"Following the sale of Lend Lease's interest in the Bluewater Shopping Centre asset in June 2014, we have been able to redeploy capital proceeds into our existing development pipeline, delivering a growing earnings profile while prudently managing our balance sheet," said Mr Lombardo.

<sup>4</sup> Includes 100% of revenue from joint venture projects. Joint venture partner share of revenue in Europe is circa \$150 million



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## Outlook

Mr McCann commented, "Over the last five years Lend Lease has built a portfolio of projects that are delivering a diverse and growing earnings profile. We have remained disciplined and adhered to our strategic objectives.

"A positive residential trading environment has provided further support, with pre sold residential revenue of \$5.2 billion<sup>5</sup> delivering earnings out to FY18, and beyond.

"We are targeting measured growth in international markets over the medium term. We have made strong progress on our targets, with the origination of circa \$8 billion of new major urban regeneration projects in Asia and the Americas in the last year," 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 2015 and is available on [www.lendlease.com](http://www.lendlease.com)*

ENDS

FOR FURTHER INFORMATION, PLEASE CONTACT:

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### Key Dates for Investors

FY15 Results released to market / final distribution declared	24 August 2015
Securities quoted ex-distribution on the Australian Securities Exchange	27 August 2015
Final distribution record date	31 August 2015
Final distribution payment date	18 September 2015
Investor Day - Sydney	15 October 2015
Annual General Meetings - Sydney	13 November 2015

<sup>5</sup> Includes 100% of revenue from joint venture projects. Joint venture partner share of revenue is circa \$180 million

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# Lend Lease 2015 Full Year Results

24 August 2015

**lendlease**

# Indigenous engagement and reconciliation

Lend Lease's vision for Reconciliation is one in which all our employees **acknowledge and celebrate the proud heritage of Australia's First Peoples** and promote opportunities for **career development, sustainable business growth, and economic participation** of Aboriginal and Torres Strait Islander Australians within our sector.



- 1 Performance and Results Highlights**
- 2 International Highlights**
- 3 Financial Highlights**
- 4 Outlook**
- 5 Q&A**
- 6 Appendices**

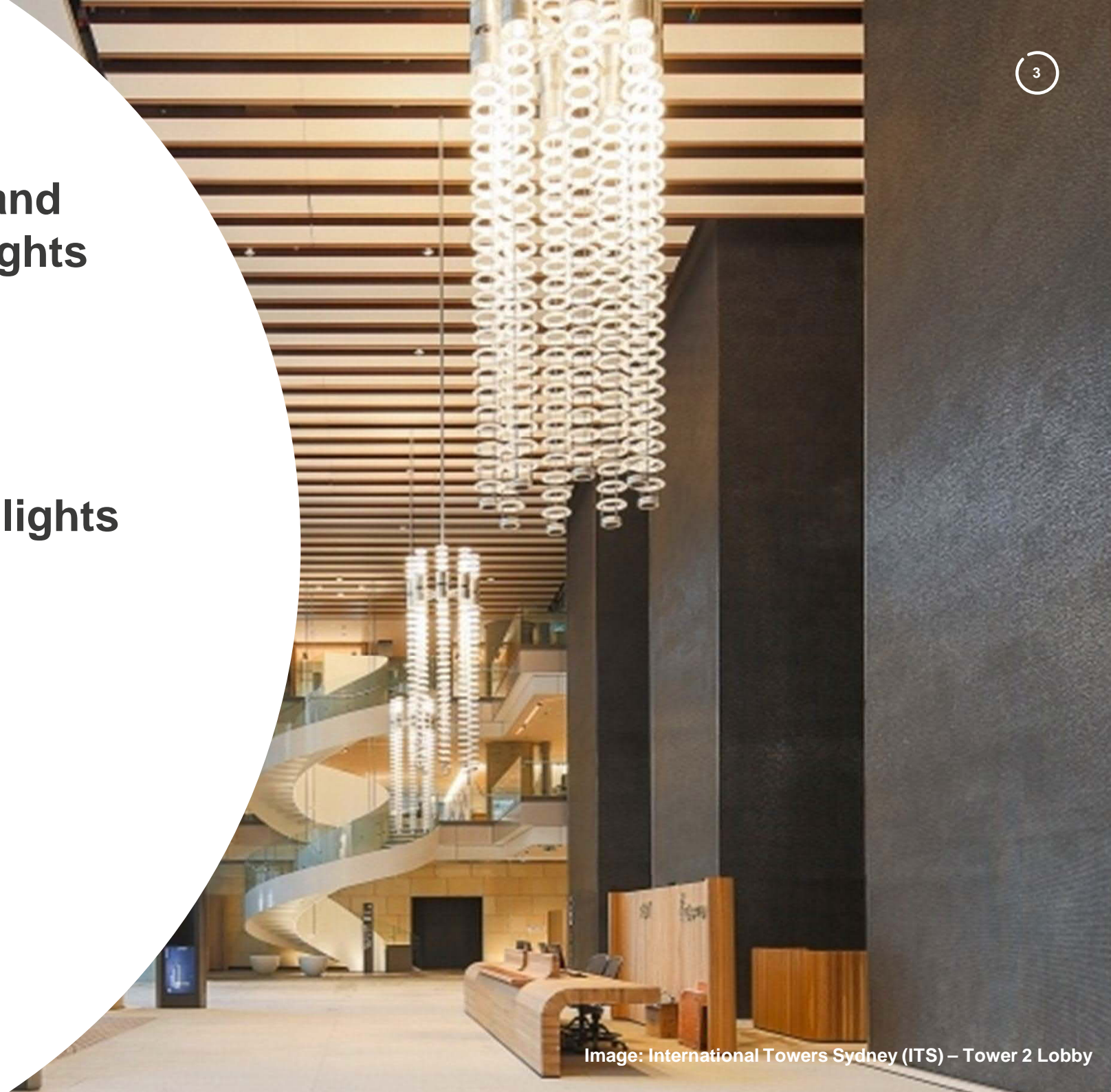


Image: International Towers Sydney (ITS) – Tower 2 Lobby

# FY15 Safety

**2.2** (1.9 in FY14)

Lost Time Injury Frequency  
Rate in the last 12 months

**83%** (77% in FY14)

of operations have not had a  
critical incident this year





## Section 1

# Performance and Results Highlights

Steve McCann

Group Chief Executive Officer and Managing  
Director

**lendlease**



Illustration: 888 Collins Street, Victoria  
Harbour, Melbourne

# Strong FY15 performance

## Delivering returns for securityholders

- Strong earnings performance for the year ended 30 June 2015, with profit after tax of \$618.6m<sup>1</sup> and earnings per stapled security of 106.8 cents
- Final distribution of 27.0 cents per security (dividend component franked to 25%), bringing the full year distribution to 54.0 cents per security

## Performance highlights

- Estimated development pipeline end value of \$44.9 billion, up 19% on the prior year<sup>2</sup>
- Record year for residential settlements, 4,262 up 24% on the prior year<sup>2</sup>
- Growing portfolio of major urban regeneration projects – circa \$8 billion of major projects originated in the 12 months to 30 June 2015 across Asia and the Americas
- Funds under management of \$21.3 billion, up 31% on the prior year<sup>2</sup>, with \$2.1 billion of third party capital raised in the 12 months to 30 June 2015
- \$17.3 billion of construction backlog revenue, up 7% on the prior year<sup>2</sup>; \$11.8 billion of construction new work secured, up 16% on the prior year<sup>2</sup>

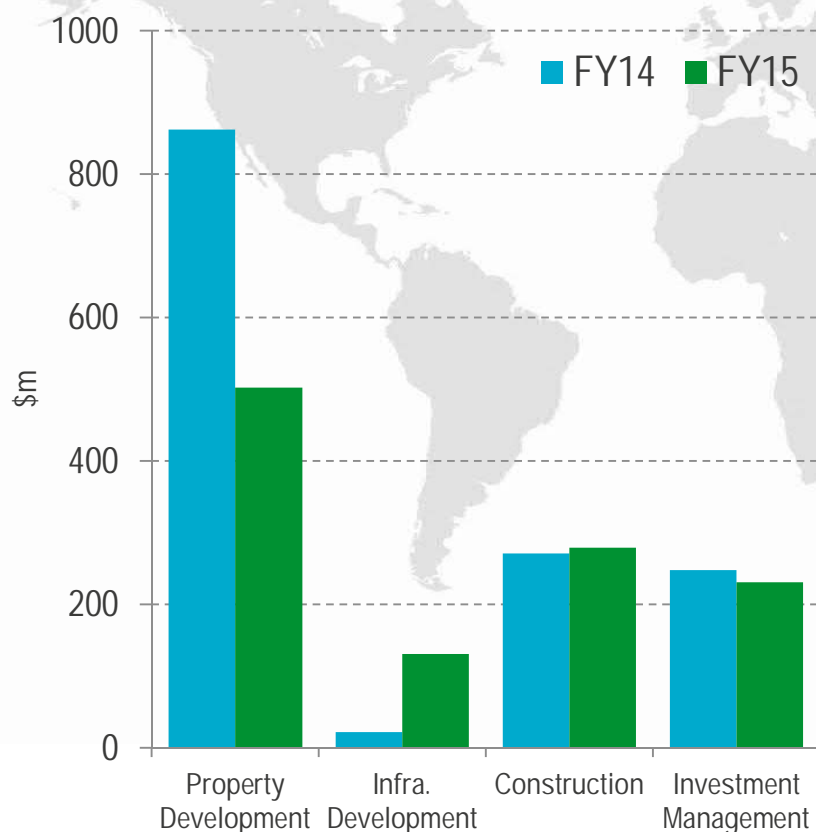


<sup>1</sup> FY2014 profit after tax of \$822.9 million included a \$485.0 million contribution from the sale of Lend Lease's interest in the Bluewater Shopping Centre in the UK

<sup>2</sup> Comparative period the year ended 30 June 2014 ('the prior year')

# Group Financial Highlights

## EBITDA by Operating Segment



## Key metrics<sup>5</sup>

• EBITDA \$967.0 million	↓ 19%
• PAT \$618.6 million <sup>1</sup>	↓ 25%
• Earnings per stapled security 106.8 cents <sup>1</sup>	↓ 25%
• Residential pre-sold revenue of \$5.2 billion <sup>2</sup>	↑ 109%
• Estimated end development pipeline \$44.9 billion	↑ 19%
• Construction backlog revenue \$17.3 billion	↑ 7%
• Funds under management \$21.3 billion	↑ 31%
• Final distribution 27.0 cents per share (dividend component franked to 25%) <sup>3</sup>	
• Annual payout ratio 51%	
• Return on equity (ROE) 12.4% <sup>4</sup>	

<sup>1</sup> FY2014 profit after tax of \$822.9 million included a \$485 million contribution from the sale of Lend Lease's interest in the Bluewater Shopping Centre in the UK

<sup>2</sup> Includes 100% of revenue from joint venture projects. Joint venture partner share of revenue is circa \$180 million

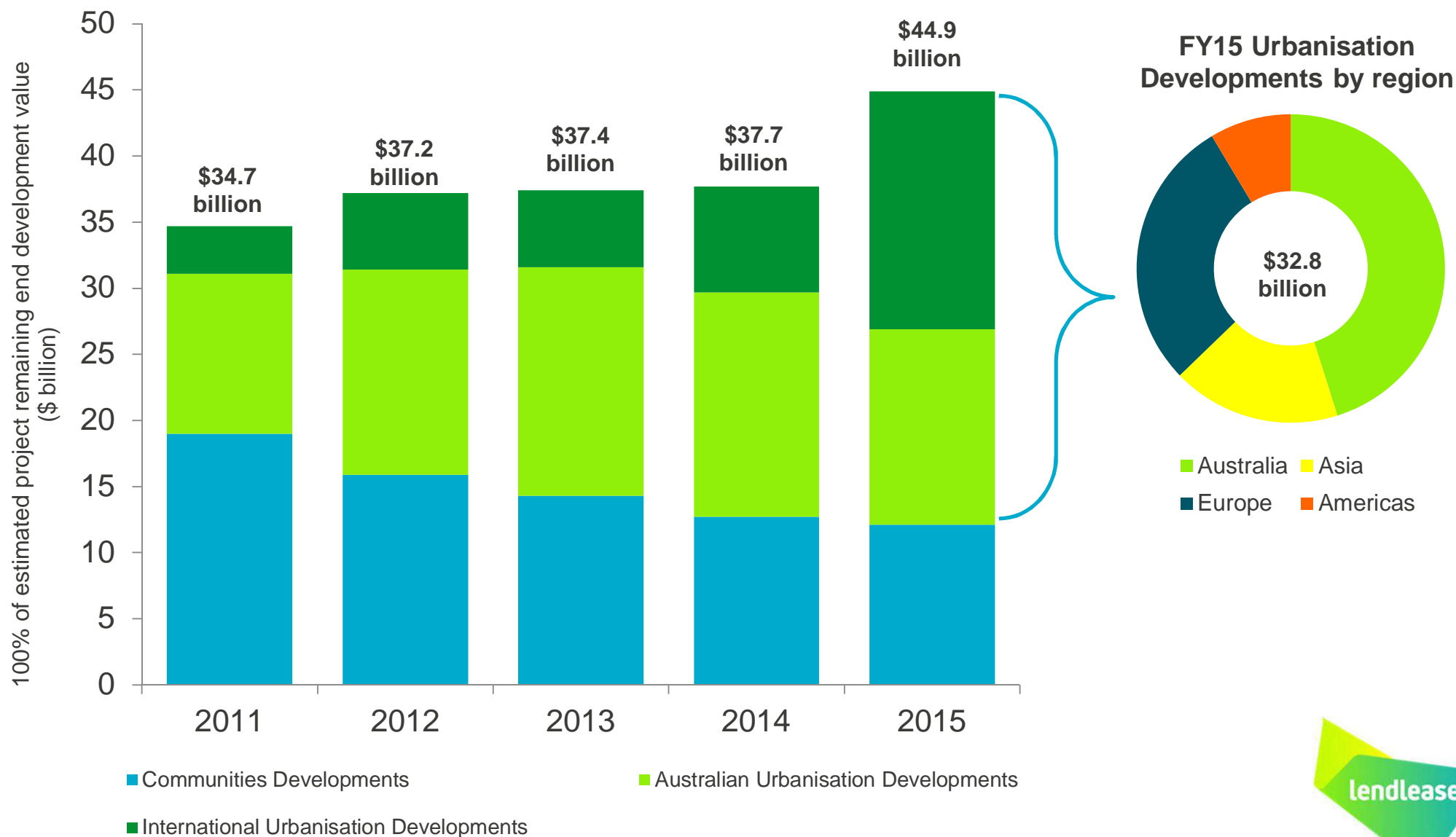
<sup>3</sup> Final distribution – please refer to slide 25 for further details. Lend Lease does not expect to frank any distribution in FY16

<sup>4</sup> 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

<sup>5</sup> Comparative period the year ended 30 June 2014



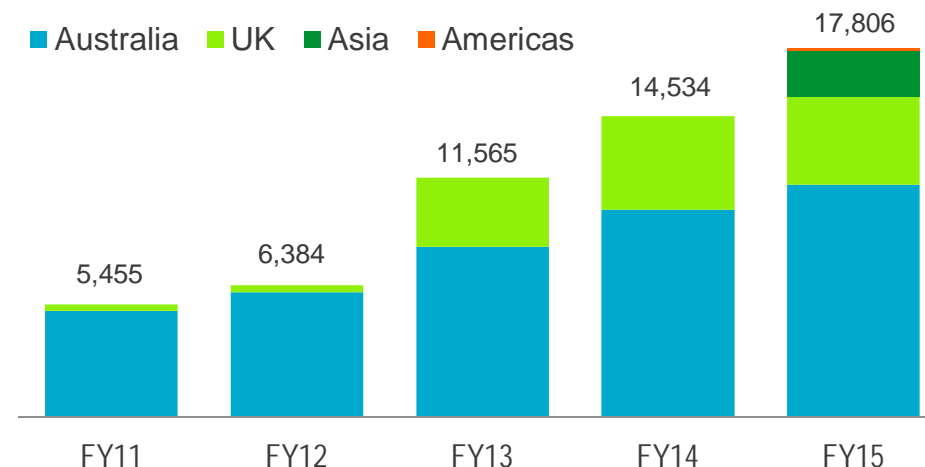
## Growing and geographically diversified portfolio of urban regeneration projects



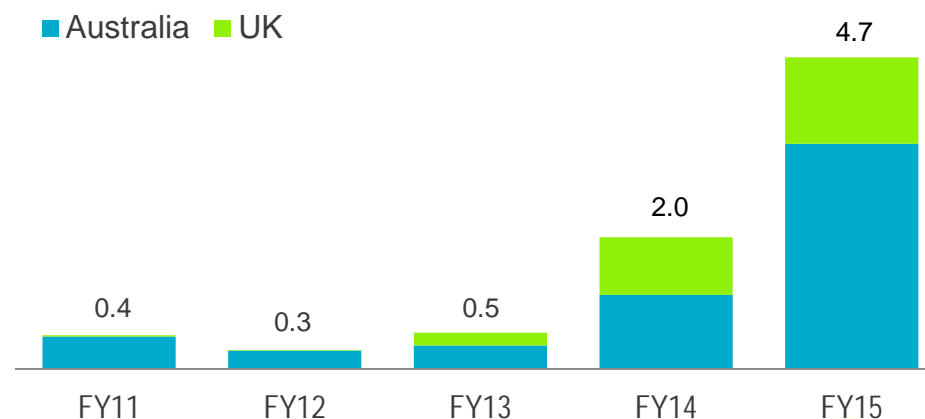
## Growth in apartment backlog and pre sales

- Apartments strategy refocused to urban areas in FY09 creating a strong backlog of zoned apartment projects
- Today the backlog is circa 18,000 apartments across all regions, with the majority of the backlog residing in major urban regeneration developments
- The gross value of apartment pre sales has risen from circa \$0.4 billion to circa \$4.7 billion today
- Delivery risk management underpinned by a disciplined approach to achieving pre sales above 50% before commencing construction

### Zoned apartment backlog (units)<sup>1</sup>



### Gross value of apartment pre sales (\$bn)<sup>1,2</sup>



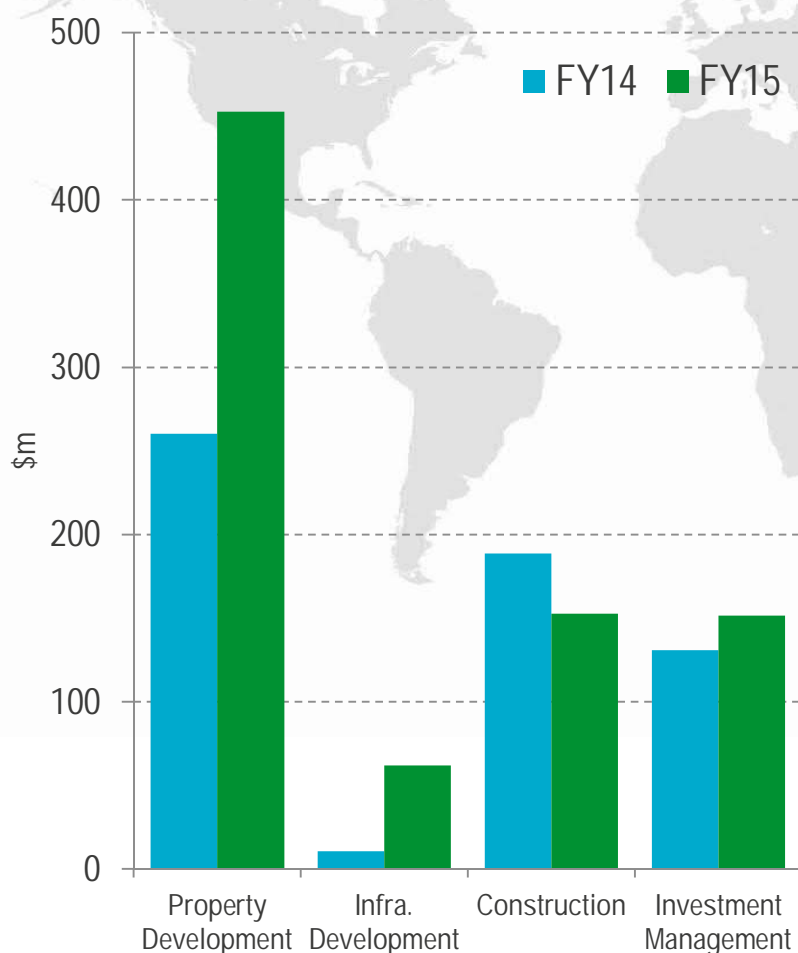
<sup>1</sup> Zoned apartment backlog excludes built-form for communities developments in Australia and UK; adjusted for sale of Greenwich Peninsula in 2013

<sup>2</sup> Reflects 100% of pre sold project revenue



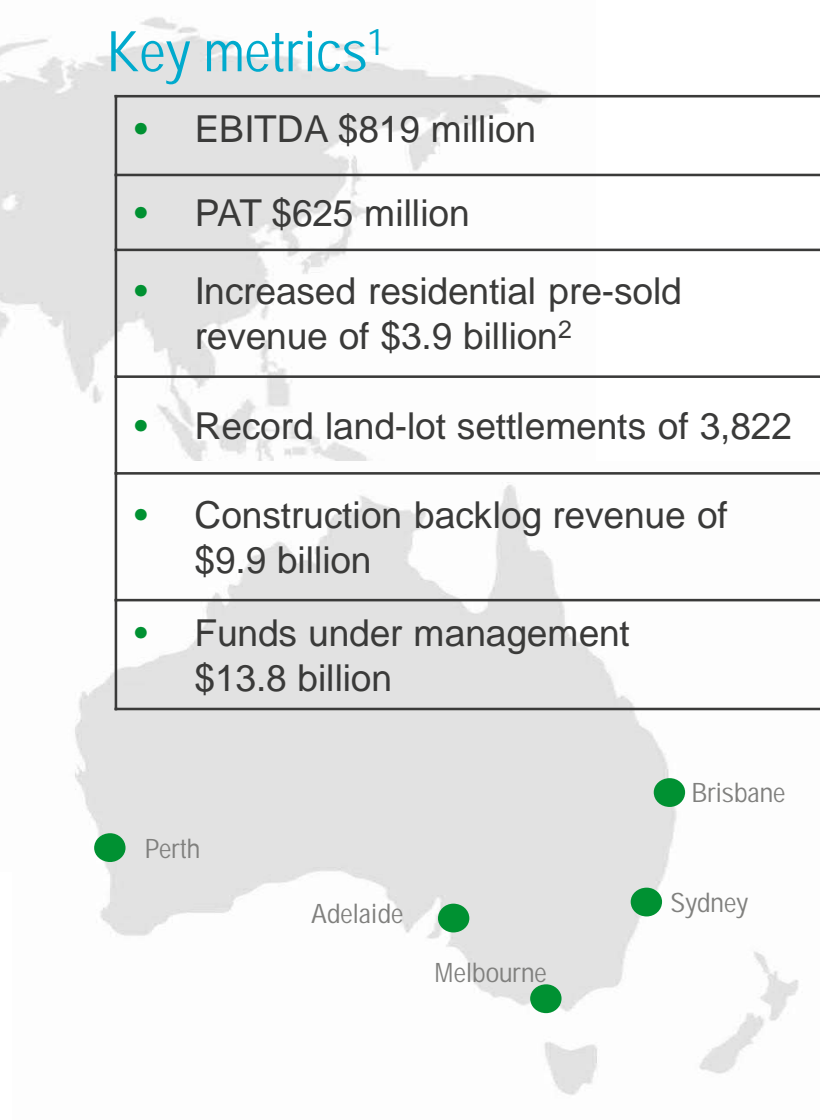
# Australian Financial Highlights

## EBITDA by Segment



## Key metrics<sup>1</sup>

• EBITDA \$819 million	↑ 39%
• PAT \$625 million	↑ 40%
• Increased residential pre-sold revenue of \$3.9 billion <sup>2</sup>	↑ 155%
• Record land-lot settlements of 3,822	↑ 26%
• Construction backlog revenue of \$9.9 billion	↑ 3%
• Funds under management \$13.8 billion	↑ 27%

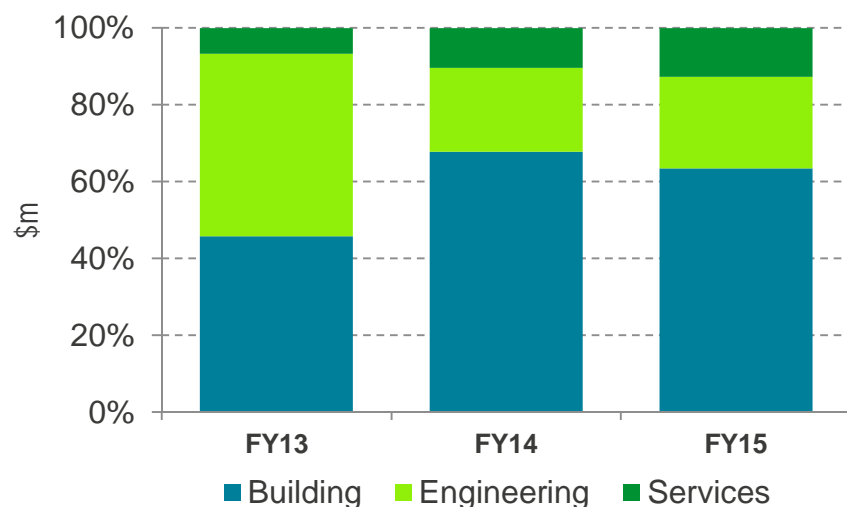


<sup>1</sup> Comparative period the year ended 30 June 2014.

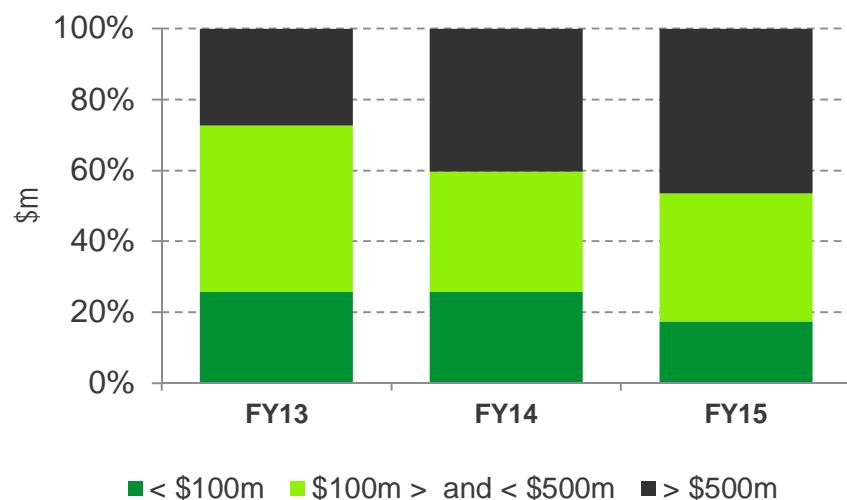
<sup>2</sup> Includes 100% of revenue from joint venture projects. Joint venture partner share of revenue in Australia is circa \$30 million

# Construction order book in Australia

## Backlog revenue



## Backlog by project value



- Overall backlog revenue for construction is up 3% at \$9.9 billion (new work secured revenue in FY15 of \$6.5 billion)
- Mix of backlog revenue remains comparable with prior years. Realisation of engineering backlog-revenue to profit over the coming 18-24 months, will be impacted by 20% project completion profit recognition threshold
- Cancellation of the East West Link contract in April 2015 (originally expected to deliver engineering earnings in FY16) resulted in greater skew to building backlog revenue
- Expect to remain below target 4.0% - 5.0% EBITDA margin range in Australia due to reduced engineering contribution in FY16
- Expense base realigned in Engineering
- Recently secured circa \$630 million Gateway Upgrade North project in Queensland not yet included in engineering backlog revenue



## Australia residential cycle remains strong

- Strong population growth and high overseas migration continues to fuel housing demand. Stringent application of FIRB restrictions has directed increased foreign demand to apartments sold off the plan
- Dwelling completions have not kept pace with housing demand
- Increase in apartment sales in Australia, reflecting a trend towards urbanisation
- Monetary easing since 2011 driving strong investor demand
- Impact varies across states and major cities with differing supply/demand dynamics in Sydney, Melbourne and Brisbane
- Australian residential cycle remains strong with record land-lot settlements in communities and apartment pre sales thresholds achieved rapidly
- Expect some impact from credit restrictions including application of recent macro prudential tools (APRA minimum mortgage risk weights/cap on lending growth in certain sectors)
- Continued monitoring of the cycle and application of tools to manage impact of potential softening, including higher pre sales thresholds, flexible apartment design and product pricing
- Sale of existing development projects under consideration subject to investment hurdle returns being achieved





## Section 2

# International Highlights

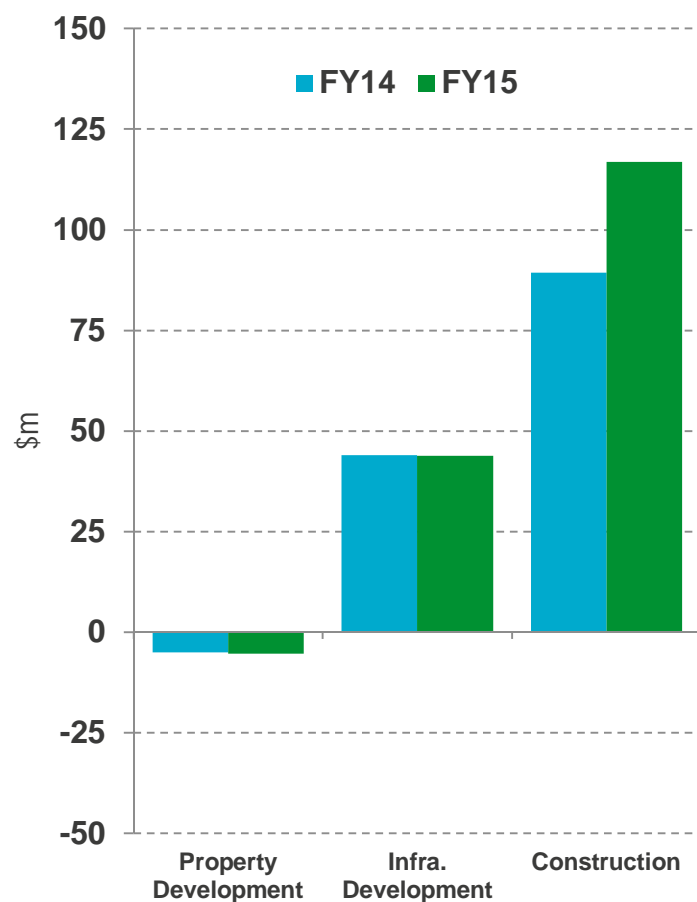
Dan Labbad  
Chief Executive Officer International Operations

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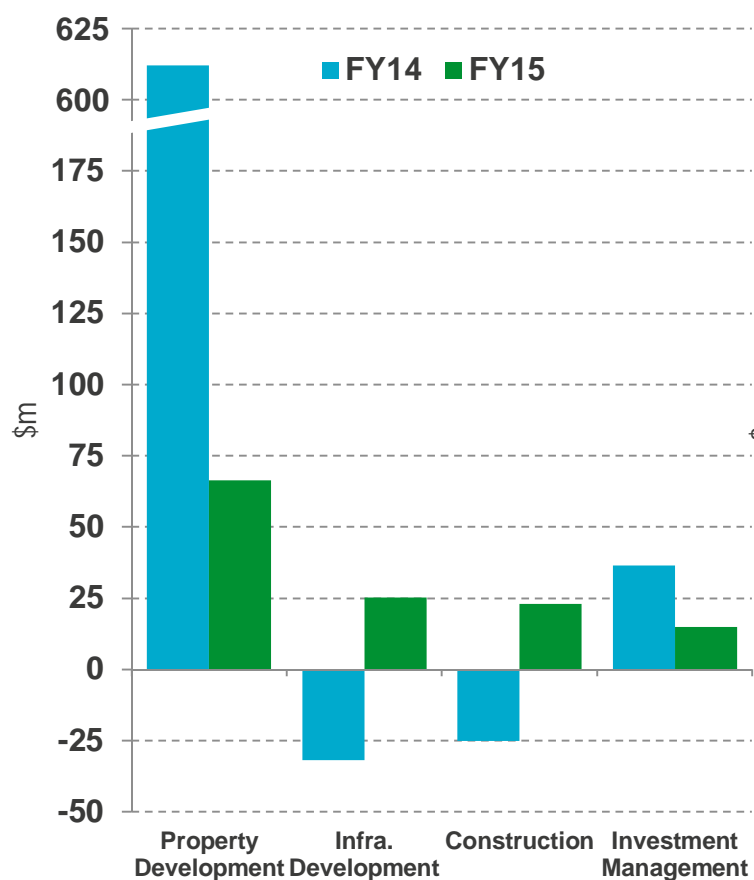
Illustration: River South, Chicago

# International Financial Highlights

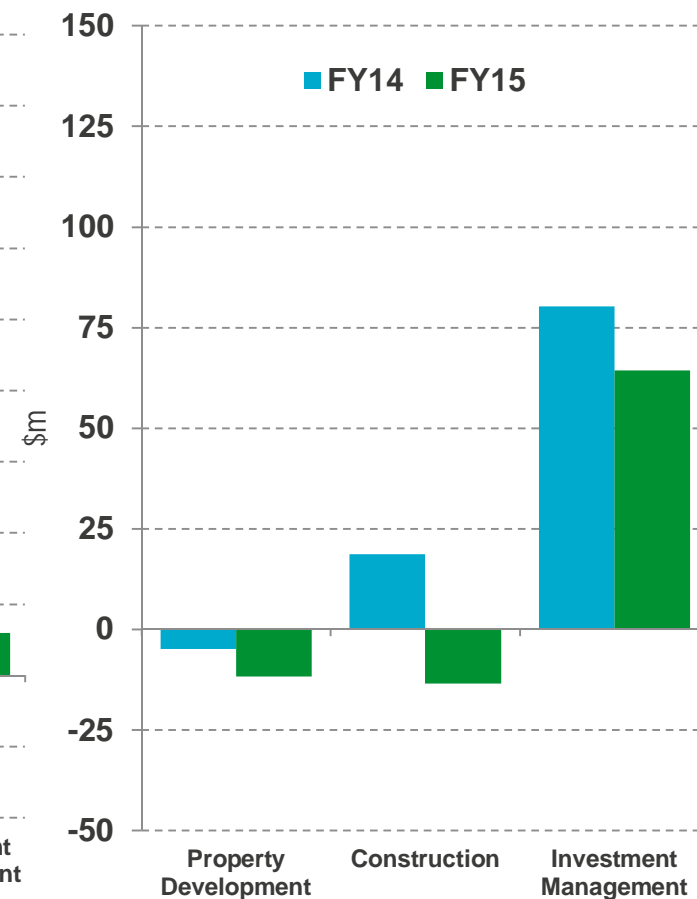
## Americas EBITDA



## Europe EBITDA<sup>1</sup>



## Asia EBITDA

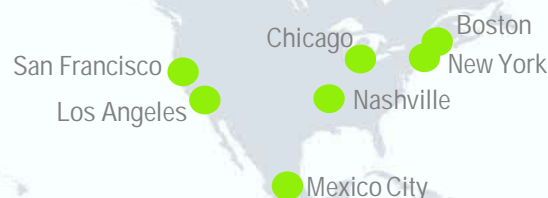


<sup>1</sup> The comparative period for Europe included profit on sale of Lend Lease's interest in the Bluewater Shopping Centre in Kent, UK



# International Performance Highlights<sup>1</sup>

## Americas



• EBITDA \$155 million	↑ 21%
• PAT \$90 million	↑ 14%
• Property Development pipeline \$2.8 billion	↑ <i>large</i>
• Construction backlog revenue \$5.5 billion	↑ 3%
• Construction new work secured of \$3.2 billion	↑ 17%

## Europe



• EBITDA <sup>2</sup> \$130 million	↓ 78%
• PAT <sup>2</sup> \$112 million	↓ 75%
• Property Development pipeline \$9.4 billion	↑ 16%
• Pre sold revenue \$1.3 billion	↑ 51%
• Construction backlog Revenue \$1.5 billion	↑ 36%
• Funds under management \$2.2 billion	↑ 22%

## Asia



• EBITDA \$39 million	↓ 58%
• PAT \$17 million	↓ 77%
• Property Development pipeline \$5.8 billion	↑ <i>large</i>
• Funds under management \$5.3 billion	↑ 47%

<sup>1</sup> Comparative period the year ended 30 June 2014

<sup>2</sup> The comparative period for Europe included profit on sale of Lend Lease's interest in the Bluewater Shopping Centre in Kent, UK

# International projects in delivery

## Elephant & Castle

- First apartments delivered at Trafalgar Place (circa 230 units) ahead of schedule
- One The Elephant anticipated to complete in 2016
- Launch of West Grove – largest release at Elephant Park so far (48% pre-sold)
- 25% affordable housing to be delivered across the project with end ownership secured

## The International Quarter (joint venture with LCR)

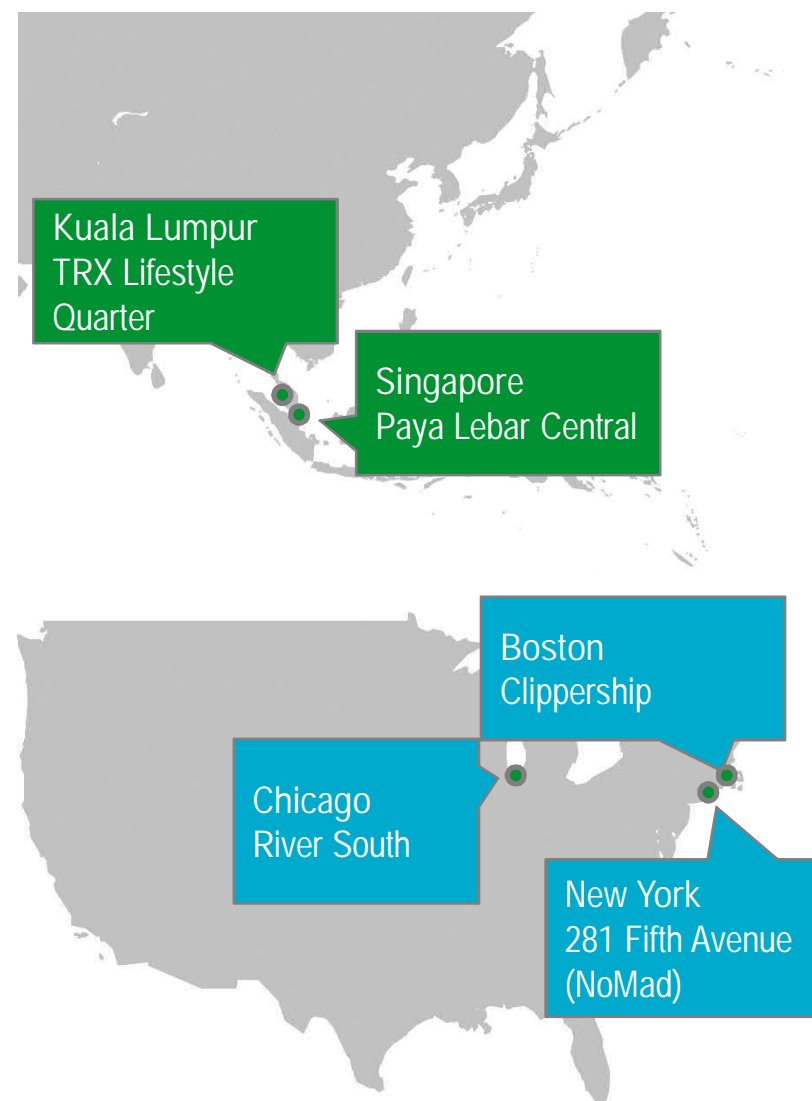
- Delivering first two commercial office buildings totalling 780,000 square feet
- Agreements for lease signed with Transport for London and Financial Conduct Authority
- Buildings expected to be delivered by 2018
- Glasshouse Gardens expected to settle in 2017 (333 apartments)



Image: Trafalgar Place, Elephant & Castle, London

## International Origination

- Two new urban regeneration opportunities secured in Asia
  - 60% JV stake in the TRX Lifestyle Quarter, Kuala Lumpur (\$2.8 billion end development value)
  - 30% JV stake in Paya Lebar Central, Singapore (\$3.0 billion end development value)
- Strong progress on expansion of US development operations
  - Delivering on commitment to invest circa \$200 million - \$300 million of capital on new projects
  - New development opportunities secured in the Americas in targeted gateway cities including:
    - River South, Chicago; 281 Fifth Avenue, New York; and Clippership, Boston
  - Combined projects - \$2.8 billion maximum end development value



# Target gateway cities – disciplined allocation of future capital in line with group framework, local capabilities/knowledge & cycle

Region	Target gateway cities	Key Economic and Cycle Drivers	Lend Lease Position	
Americas	New York	<ul style="list-style-type: none"> <li>Larger economy than Australia</li> <li>Largest metro area by population in US, highly dense (esp. Manhattan)</li> <li>Major cross-border capital target</li> </ul>	<ul style="list-style-type: none"> <li>Operating since 1979</li> <li>Delivered construction services on more than 4,800 projects across the Americas over the last 25 years including the National September 911 Memorial</li> <li>A leading high rise residential builder and managing contractor in the United States</li> </ul>	Capital
	Chicago	<ul style="list-style-type: none"> <li>Third largest metropolitan economy in the US</li> <li>Minimal scope to expand city boundaries (support for urban regeneration)</li> <li>Consistently exhibits relatively high residential affordability</li> </ul>		
	Boston	<ul style="list-style-type: none"> <li>Ninth largest metro economy in US and high disposable income per capita.</li> <li>Major focus on higher education and also a hub for healthcare/life sciences</li> </ul>		
Europe	London	<ul style="list-style-type: none"> <li>Global leader for attracting international capital</li> <li>Economic growth supported by size of Services sector (&gt;90% of economy) and robust tourist demand</li> <li>Major international financial services centre</li> </ul>	<ul style="list-style-type: none"> <li>Operating since 1991</li> <li>Completed over 250 UK education projects</li> <li>Delivered the 2012 Olympic Athletes' Village</li> <li>Developed Bluewater Shopping Centre</li> </ul>	Capability
Asia	Singapore	<ul style="list-style-type: none"> <li>Fast turnaround (vs. major cities) for planning approvals</li> <li>Strong population density and (expected) new household formation</li> <li>Regional financial centre for Asia (with Hong Kong)</li> </ul>	<ul style="list-style-type: none"> <li>Operating since 1973</li> <li>Notable projects in Singapore include 313@Somerset, JEM and Parkway Parade</li> </ul>	
	Kuala Lumpur	<ul style="list-style-type: none"> <li>High income per capita cf. country average (versus other major cities)</li> <li>Despite recent economic turbulence and lower oil prices, Kuala Lumpur is expected to outperform most major cities</li> <li>Tenth Malaysian Plan (2011) outlined strategy for significant growth of Kuala Lumpur</li> </ul>	<ul style="list-style-type: none"> <li>Operating since 1979</li> <li>Delivered more than 100 projects across a broad range of sectors in Malaysia</li> <li>Notable projects in Malaysia include the iconic Petronas Twin Towers, Setia City Mall and Pinewood Iskandar Malaysia Studios</li> </ul>	Cycle



## Section 3

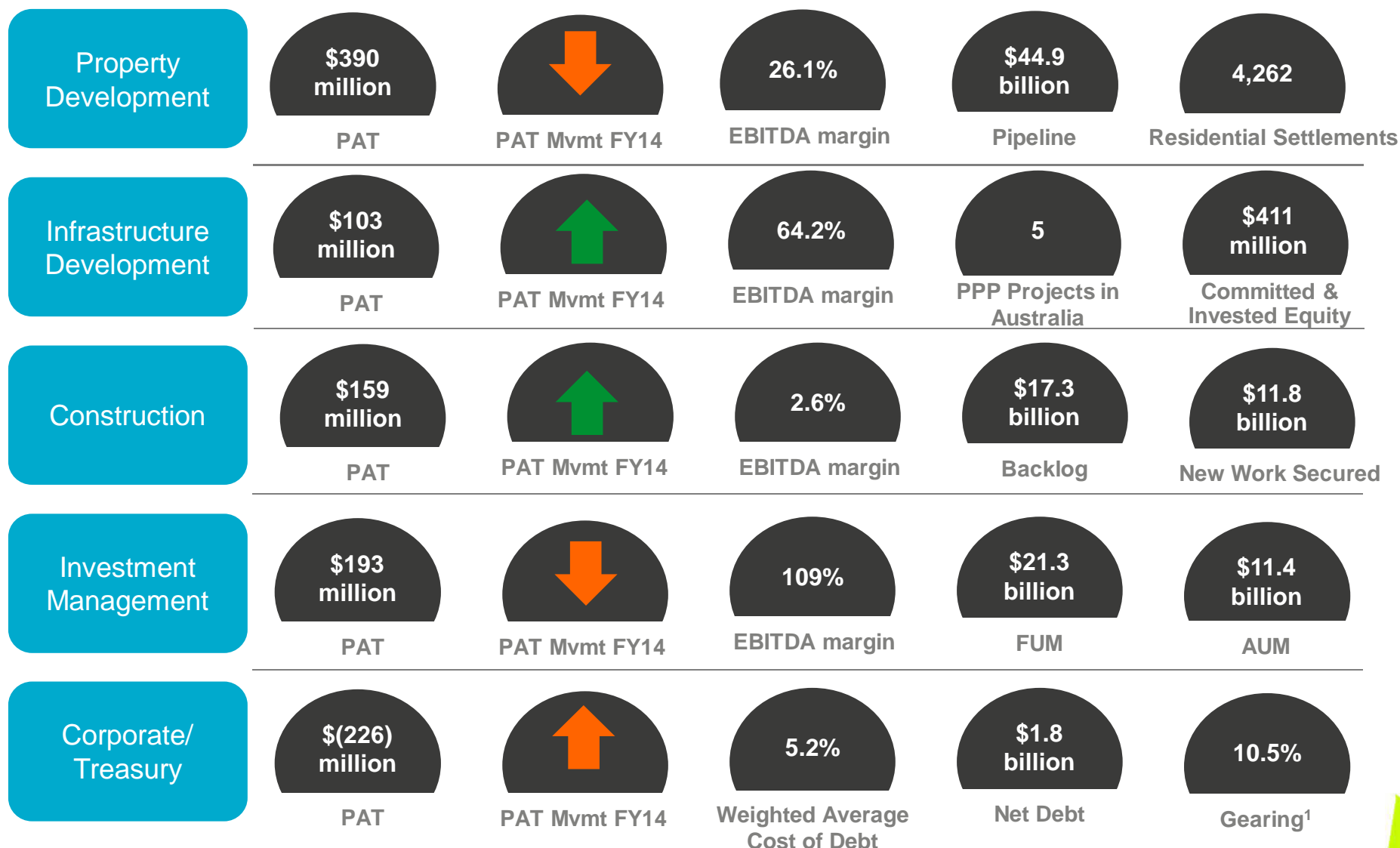
# Financial Highlights

Tony Lombardo  
Group Chief Financial Officer

**lendlease**

Image: International Towers Sydney (ITS)  
– Tower 2 Lobby

## FY15 - diversification by segment



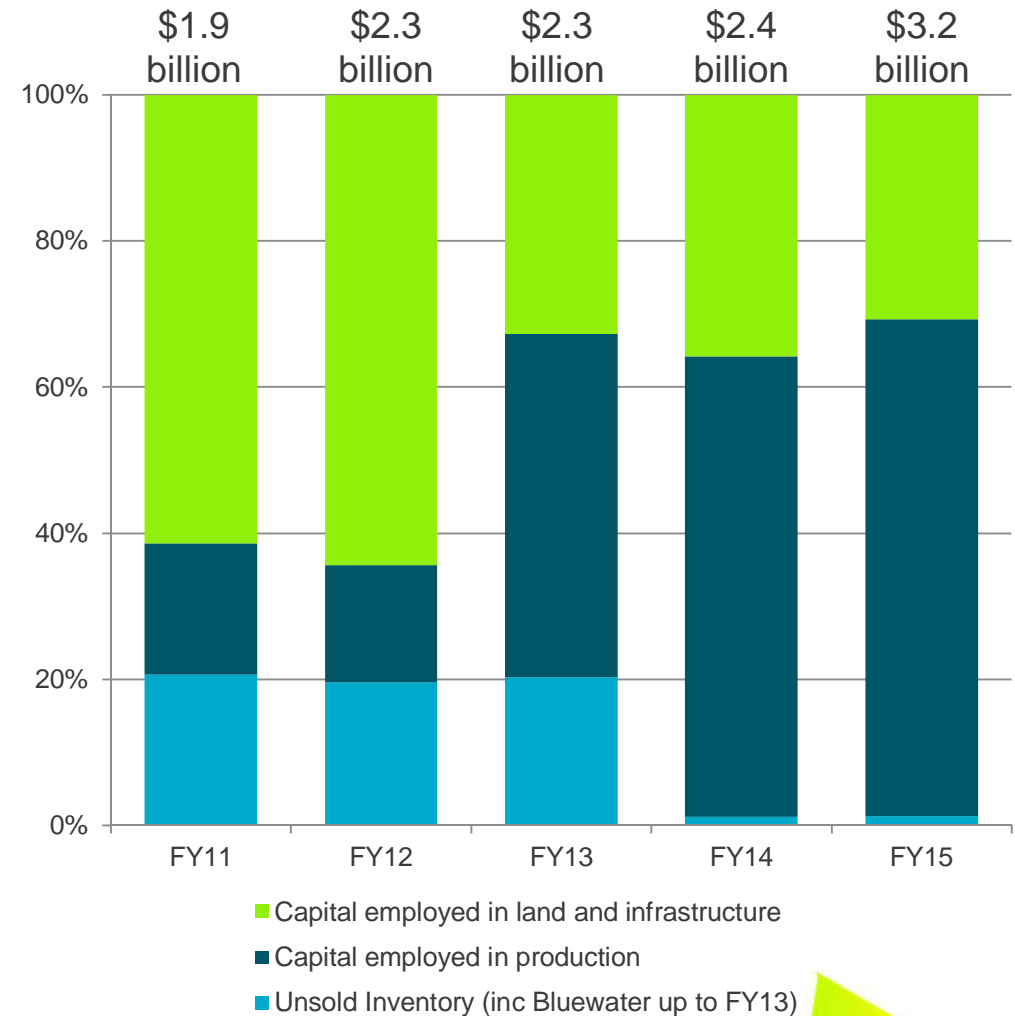
<sup>1</sup> Net debt divided by total tangible assets, less cash



## Growth of development in production

- Significant increase in production capital since FY12 – delivering strong growth in the number of apartment projects and commercial towers at major urban regeneration sites to be completed over the medium term
- ~\$2.2 billion of capital employed in production at 30 June 2015 up 46% in the last 12 months
- Peak production capital expected in FY17

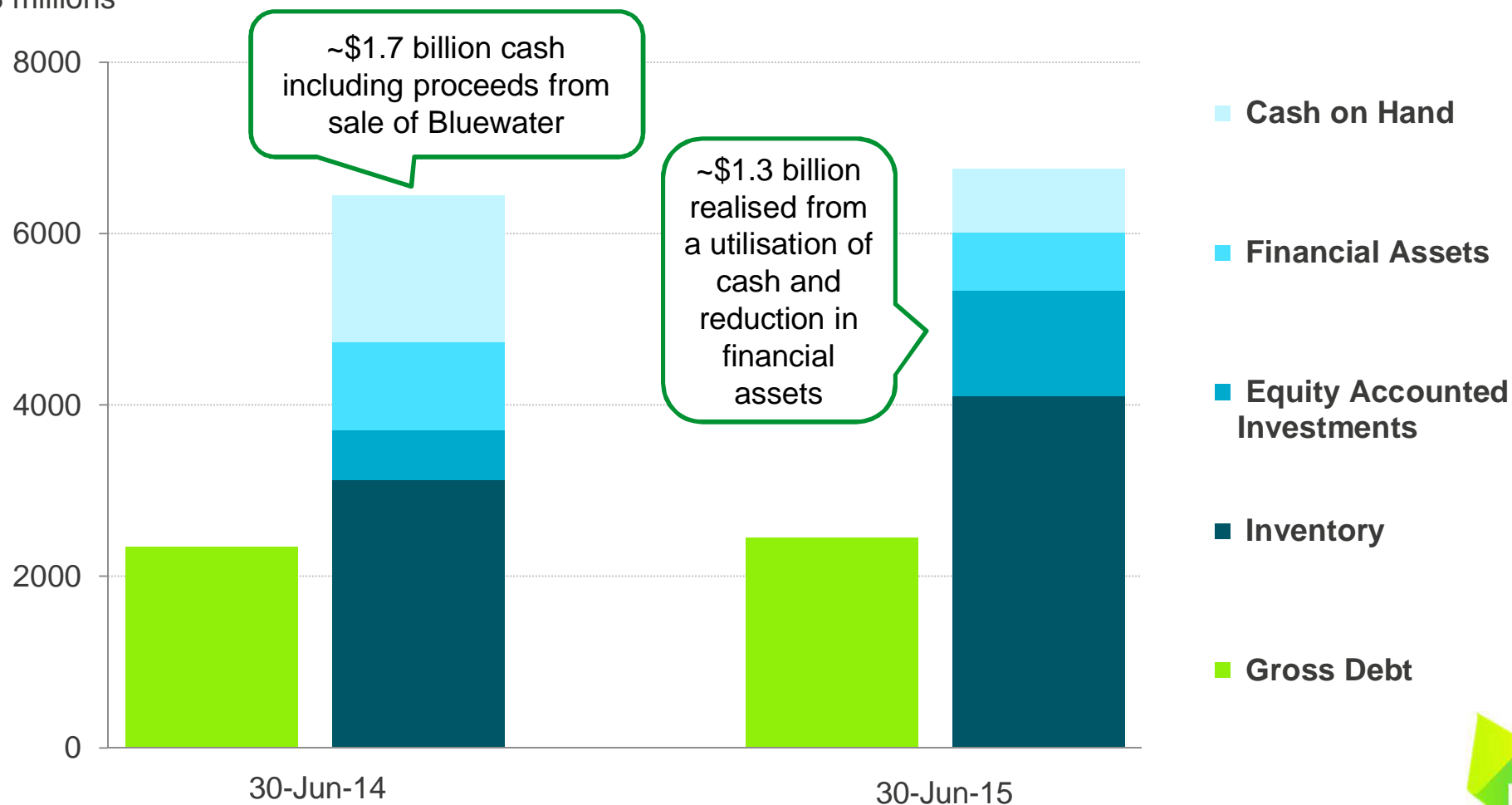
Total development inventories \$billion<sup>1</sup>



<sup>1</sup> Indicative view based on development property inventories at 30 June

# Investment in pipeline/growth in inventory balance funded by proceeds from Bluewater sale and recycling of investments in funds

Balance Sheet Funding  
A\$ millions



# Current apartment settlement profile

	Pre sold and in delivery/conversion	Pre-sold % <sup>1</sup>	Pre-sold revenue \$m <sup>1</sup>	FY15	FY16	FY17	FY18	FY19
Barangaroo South	<ul style="list-style-type: none"> <li>2 apartment buildings: Anadara and Alexander</li> <li>159 units</li> </ul>	100%	~\$300m					
Darling Square	<ul style="list-style-type: none"> <li>6 apartment buildings:</li> <li>538 units (x3 buildings)</li> <li>577 units (x3 buildings)</li> </ul>	100% 100%	~\$580m ~\$810m					
Victoria Harbour	<ul style="list-style-type: none"> <li>3 apartment buildings</li> <li>251 units (Concavo)</li> <li>578 units (888 Collins)</li> <li>536 units (889 Collins)</li> </ul>	97% 97% 93%	~\$255m ~\$345m ~\$335m					
Brisbane Showgrounds	<ul style="list-style-type: none"> <li>7 apartment buildings</li> <li>356 units (The Green x5 buildings)</li> <li>401 units (The Yards x2 buildings)</li> </ul>	96% 97%	~\$170m ~\$210m					
Toorak Park Armadale	<ul style="list-style-type: none"> <li>1 apartment building</li> <li>466 units</li> </ul>	75%	~\$315m					
Wandsworth	<ul style="list-style-type: none"> <li>1 apartment building: Cobalt Place</li> <li>104 units: 39 units yet to settle</li> </ul>	97%	~\$35m					
Elephant & Castle	<ul style="list-style-type: none"> <li>3 apartment buildings:</li> <li>284 units (One The Elephant)</li> <li>235 units (Trafalgar Place): 7 units yet to settle</li> <li>360 units (South Gardens)</li> </ul>	99% 99% 85%	~\$295m ~\$2m ~\$260m					
The International Quarter	<ul style="list-style-type: none"> <li>2 apartment buildings:</li> <li>333 units (Glasshouse Gardens)</li> </ul>	91%	~\$265m					

Indicates profit earned in financial year

<sup>1</sup> As at 30 June 2015 / remaining pre-sold revenue to be recognised in future periods



# Indicative net cash flow from major projects

In-delivery/conversion at 30 June 2015

	Overview	FY15	FY16	FY17	FY18
<b>Communities</b>	<b>Net cash proceeds</b> Assuming >2,000 annual lot settlements	Cash Positive	Cash Positive	Cash Positive	Cash Positive
<b>Apartments</b>	<b>Net cash proceeds</b> 25 major apartment buildings currently in delivery or conversion	Investing	Investing	Cash Positive	Cash Positive
<b>Commercial</b>	<b>Net cash proceeds</b> Barangaroo office towers – development and investment; commercial tower at Brisbane Showgrounds; commercial towers at TIQ	Investing	Cash Positive	Cash Positive	Cash Positive
<b>Infrastructure Development</b>	<b>Net cash invested</b> Secured Australian PPP projects	Investing	Cash Positive	Cash Positive	Cash Positive
<b>Total</b>		Investing	Cash Positive	Cash Positive	Cash Positive

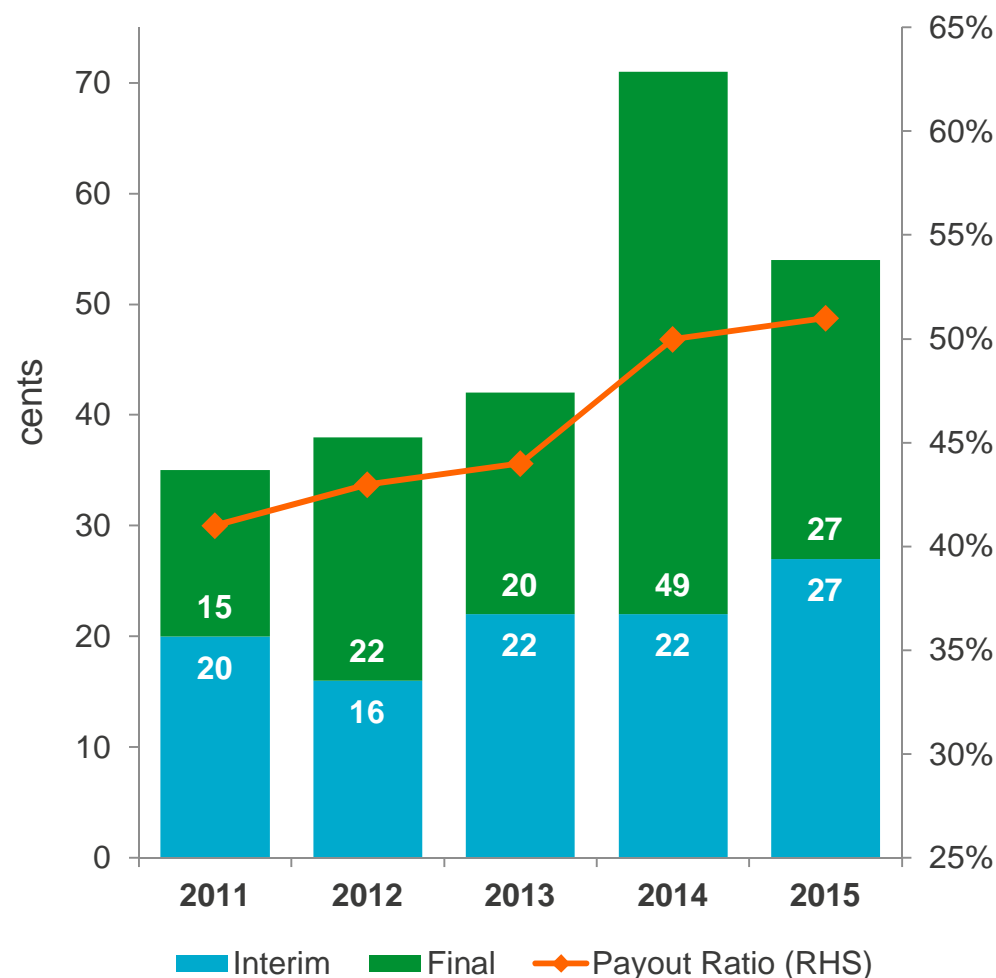
All cash flow based on current portfolio/investments



## Distributions

- Distribution policy targets a payout of 40 – 60% of earnings
  - Policy maintained in FY14 resulting in higher distribution, reflecting the impact of the sale of Lend Lease's interest in the Bluewater Shopping Centre
  - FY15 payout ratio of 51%
  - Growing contribution from stapled Lend Lease Trust
- Final distribution of 27 cents, dividend component franked to 25%
  - Franking credits arising from Australian Joint Venture dividends paid during the year
  - FY16 distributions are not expected to be franked based on utilisation of Australian tax losses and geographic diversification of earnings

Distribution per security





## Section 4 Outlook

Steve McCann  
Group Chief Executive Officer and Managing  
Director

**lendlease**



Illustration: Darling Square, Sydney

## Outlook

- Residential markets remain strong in both Australia and UK
- Circa \$5.2 billion<sup>1</sup> of pre sold residential revenue across communities and apartments, up 109%<sup>2</sup>
  - Strong residential settlements up 24%<sup>2</sup>
  - 25 major apartment buildings and 5 commercial buildings in delivery
- Construction markets remain competitive – weakness in engineering revenue offset by strong building revenues (including internal workbook)
- International markets delivering geographic diversity and growth opportunities
- Strong growth trajectory and earnings visibility with embedded earnings in our existing pipeline

<sup>1</sup> Includes 100% of revenue from joint venture projects. Joint venture partner share of revenue is circa \$180 million

<sup>2</sup> Comparative period the year ended 30 June 2014



## Section 5 Q&A

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Illustration: Darling Square, Sydney

## Section 6 Appendices

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Illustration: One The Elephant, Elephant  
& Castle, London

# Portfolio of major urban regeneration projects

Project	End value <sup>1</sup>	FY15	FY16	FY17	FY18+
<b>Integrated development projects</b>					
Barangaroo South, Sydney	A\$6.9 billion	✓	✓	✓	✓
Darling Harbour Live, Sydney – Darling Square & ICC Hotel Sydney	A\$1.9 billion	✓	✓	✓	✓
Victoria Harbour, Melbourne	A\$5.5 billion	✓	✓	✓	✓
Melbourne Quarter, Melbourne	A\$1.9 billion		✓	✓	✓
Brisbane Showgrounds, Brisbane	A\$2.3 billion	✓	✓	✓	✓
Waterbank, Perth	A\$1.2 billion				
Tun Razak Exchange, Kuala Lumpur	A\$2.8 billion				
Paya Lebar Central, Singapore	A\$3.0 billion		✓	✓	✓
Elephant & Castle, London	£2.0 billion	✓	✓	✓	✓
The Wharves, Deptford, London	£0.4 billion				
The International Quarter, London	£2.3 billion	✓	✓	✓	✓
River South, Chicago	US\$1.5 billion				

<sup>1</sup> Reflects 100% of the estimated total project end development value  
Values for any project can vary as planning approvals are obtained

■ In planning
 ■ Active project
 ✓ Expected earnings contribution



# Property Development

## 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

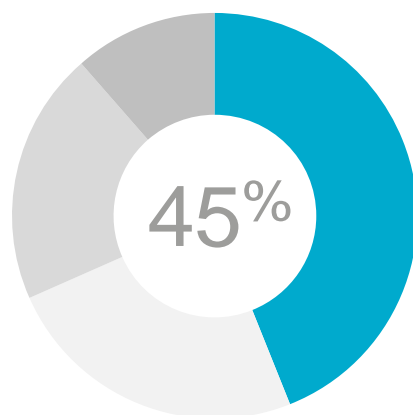
## Market Position

- 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

- Urban regeneration projects represent ~70% of total pipeline by value
- Residential land – 54,940 units
- Residential built-form – 25,960 units
- Retirement villages – 14,193 units

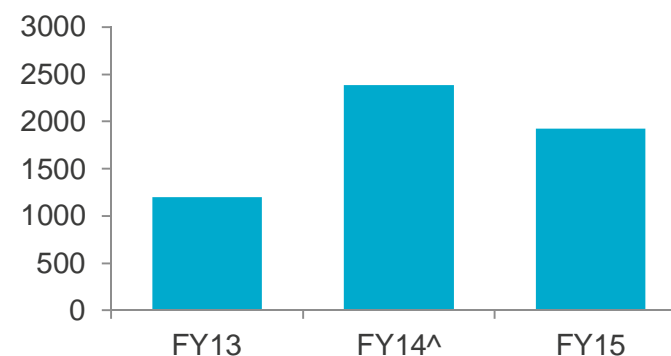
## Earnings contribution



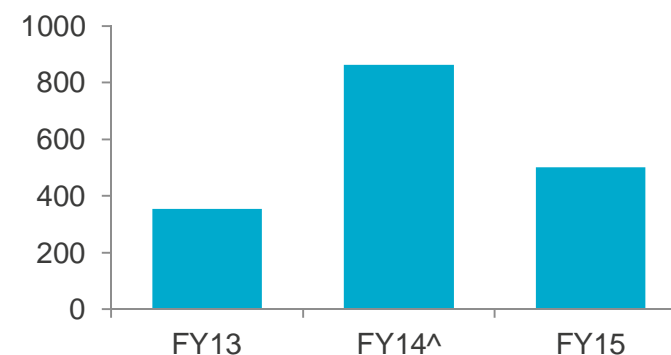
**\$44.9 billion**

Estimated remaining global development pipeline end value

## Revenue \$ million



## EBITDA \$ million



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Unless stated, all figures as at 30 June – earnings contribution are EBITDA percentages before Corporate costs

^ FY2014 profit of \$822.9 million included a \$485 million contribution from the sale of Lend Lease's interest in the Bluewater Shopping Centre in the UK

# Infrastructure Development

## Division overview

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

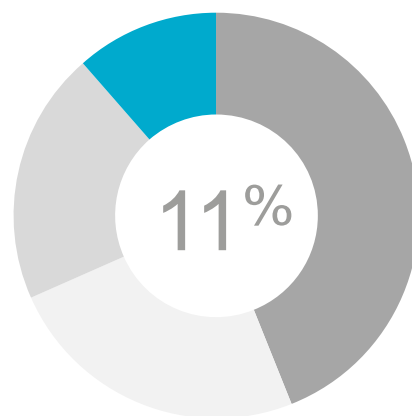
## Market Position

- Leading provider of privatised military housing and lodging in the US (for Department of Defense)

## Key Facts

- Five Australian PPP projects
- Three major PPP projects reaching financial close in FY15 in Australia
- US privatized military housing and lodging: units under management – 54,205 (secured and preferred)

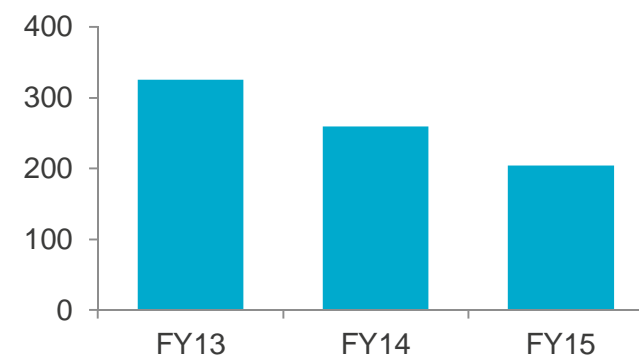
## Earnings contribution



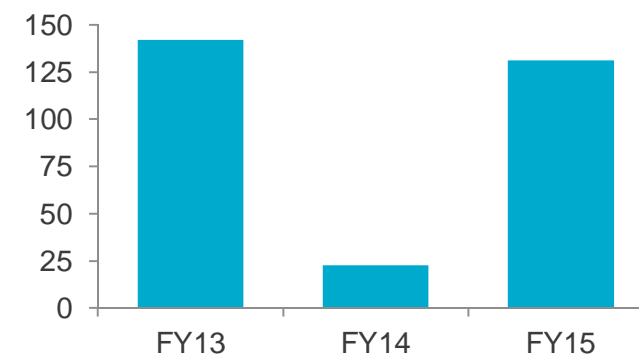
**\$411 million**

Invested and Committed Equity

## Revenue \$ million



## EBITDA \$ million



# Construction

## Division overview

- Operating across all regions
- Construction capabilities spanning building, engineering and services
- Well positioned to leverage significant pipeline of economic infrastructure in Australia

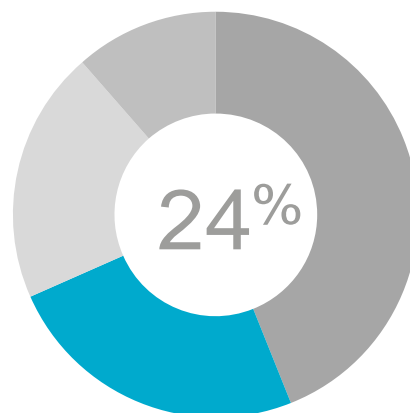
## Market Position

- A leading participant in Australia in core markets of commercial, healthcare, social and economic infrastructure construction
- Largest builder of urban apartment buildings in the US and established position in UK
- Circa 315 projects in delivery globally

## Key Facts

- Backlog revenue by capability
  - Building 79.0%
  - Engineering 13.7%
  - Services 7.3%

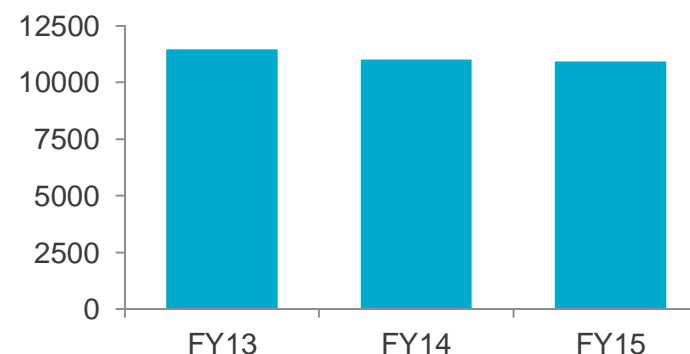
## Earnings contribution



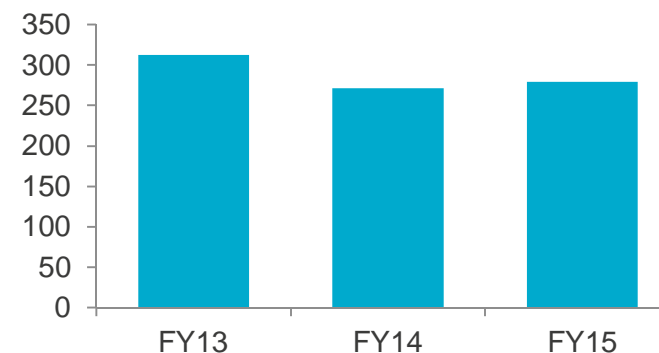
**\$17.3 billion**

Backlog revenue

## Revenue \$ million



## EBITDA \$ million



# Investment Management

## Division overview

- Operating across Australia, Europe and Asia
- A leading wholesale investment management platform in Australia
- Includes the Group's ownership interests in property investments

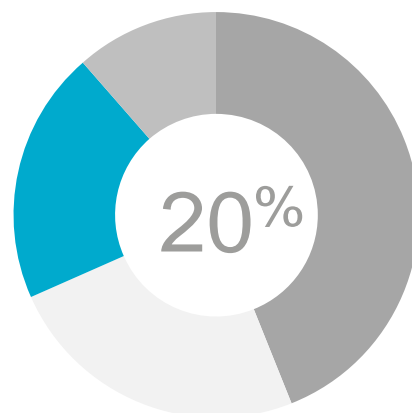
## Market Position

- Platform comprises 17 funds
- 22 retail centres under management
- Circa 150 institutional investors invested across platform of funds

## Key Facts

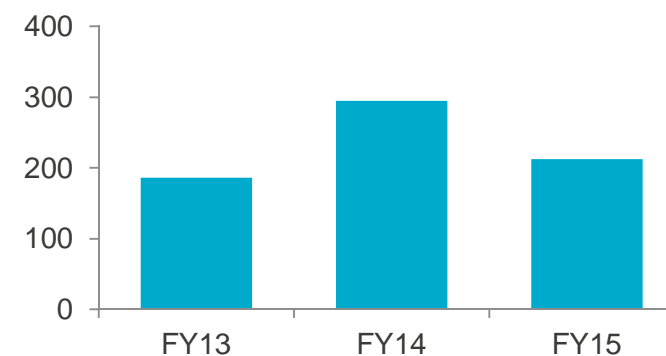
- FUM of \$21.3 billion
- Retail AUM of \$11.4 billion
- Group investments (market value) ~\$1.4 billion

## Earnings contribution

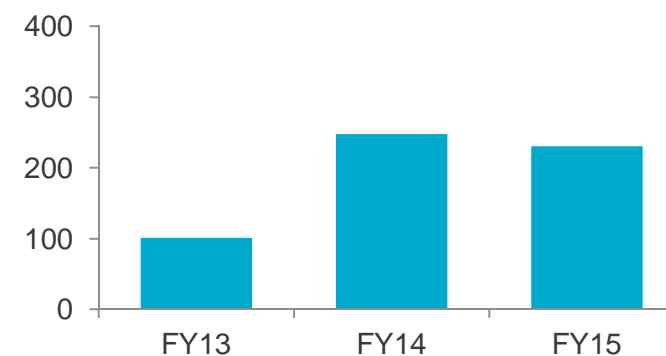


**\$21.3 billion**  
Funds under management

## Revenue \$ million



## EBITDA \$ million

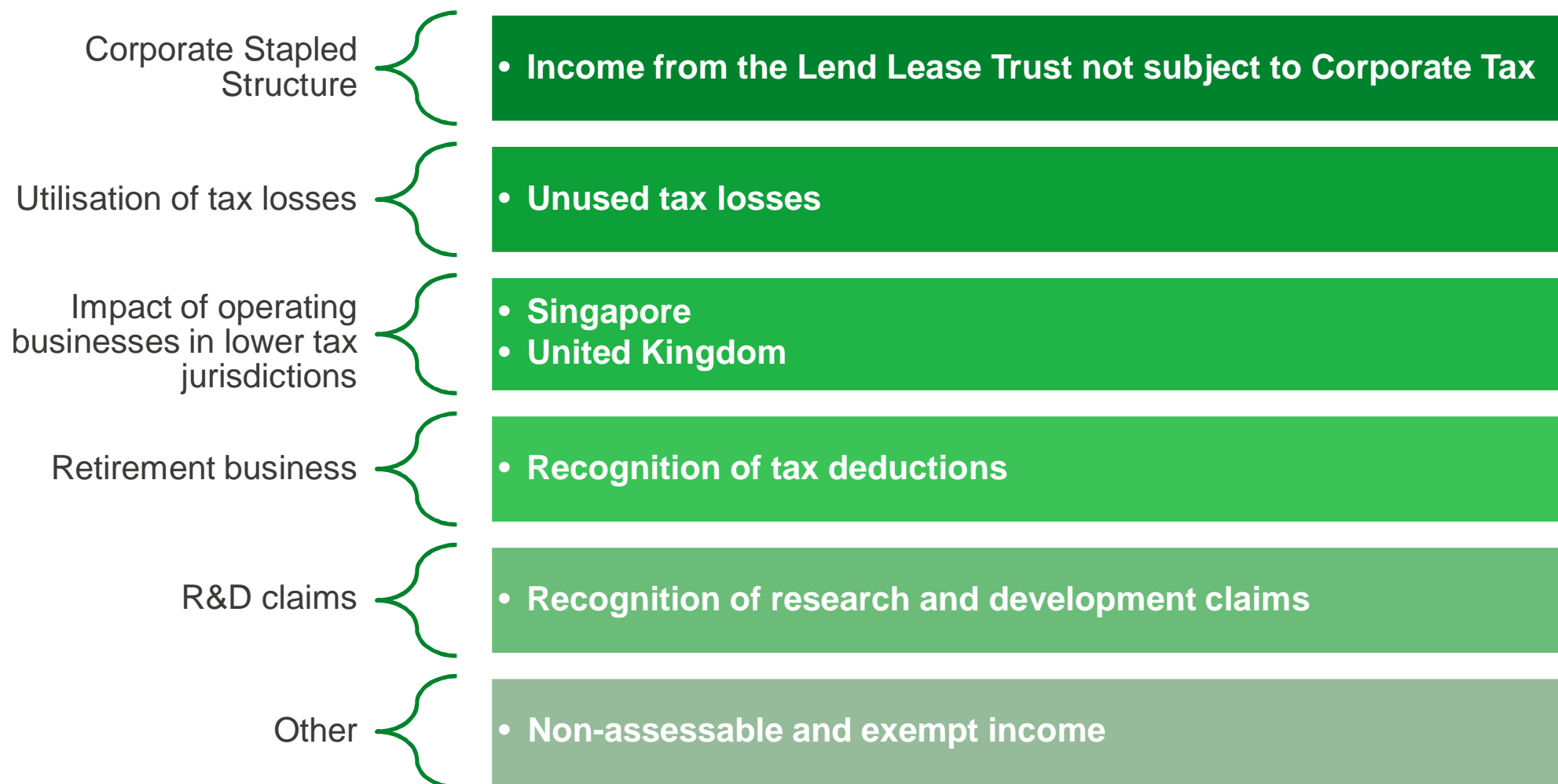


## Statement of financial performance

	30 June 2015 \$m
<b>Revenue</b>	
Revenue and other income	13,532.7
Cost of sales and other expenses	(12,585.6)
Share of profit/(loss) of equity accounted investments	19.9
<b>EBITDA</b>	<b>967.0</b>
Depreciation and amortisation	(79.5)
<b>EBIT</b>	<b>887.5</b>
Net finance costs	(119.5)
<b>Profit before tax</b>	<b>768.0</b>
Income tax expense	(149.1)
External non-controlling interests	(0.3)
<b>Profit after tax attributable to Securityholders</b>	<b>618.6</b>



## Factors impacting tax

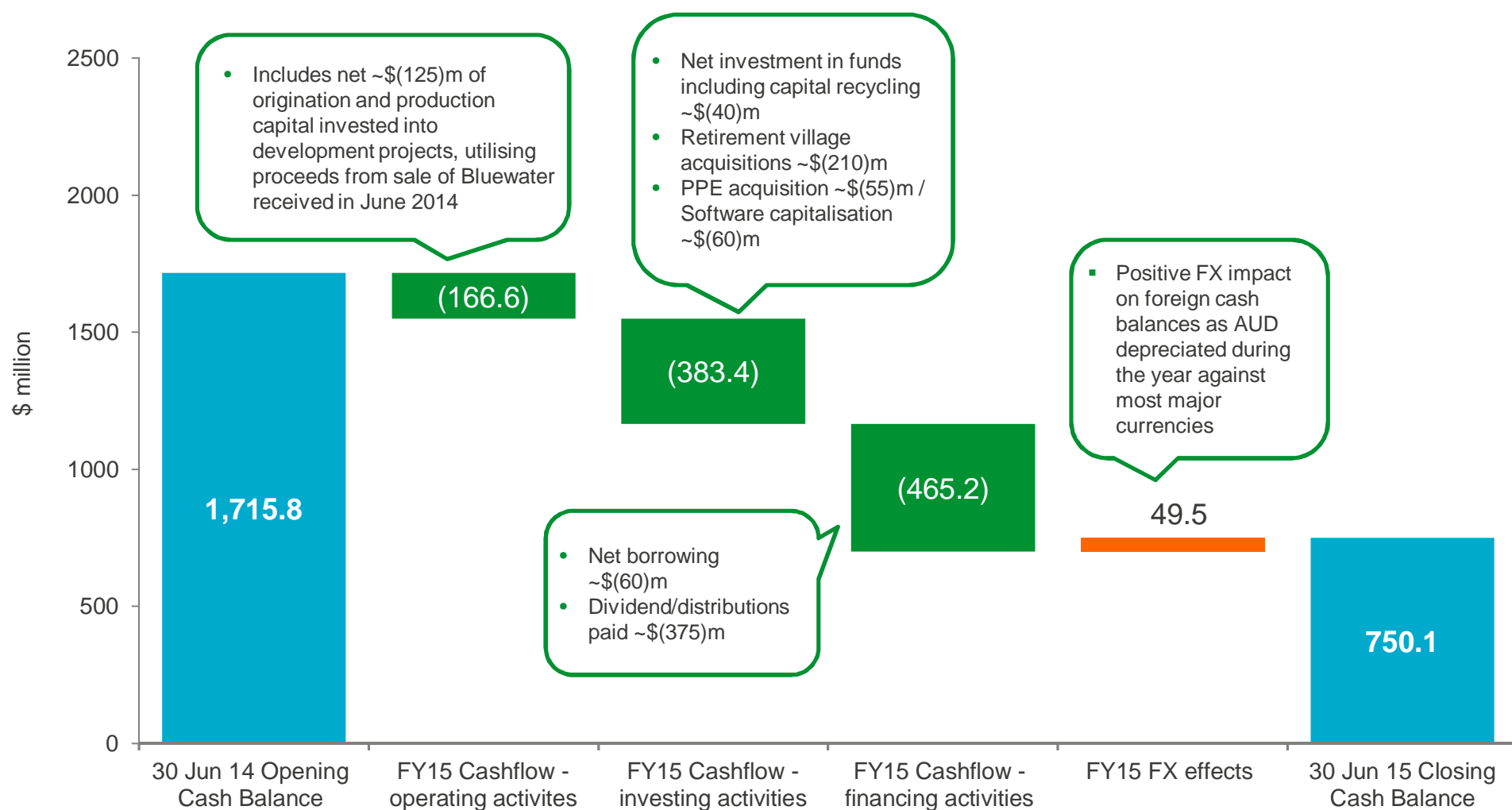


## Statement of financial position

	30 June 2015 \$m
<b>Assets</b>	
Cash and cash equivalents	750.1
Inventories	4,104.2
Equity accounted investments	1,235.8
Investment properties	5,994.9
Other financial assets	668.4
Other assets	6,205.8
<b>Total assets</b>	<b>18,959.2</b>
<b>Liabilities</b>	
Borrowings and financing arrangements	2,450.3
Other financial liabilities	66.0
Other liabilities	11,274.7
<b>Total liabilities</b>	<b>13,791.0</b>
<b>Net assets</b>	<b>5,168.2</b>



## Cash investments during the year



## Debt Profile

Millions	Face value	Facility <sup>1</sup>	Drawn at 30 June 2015 <sup>1</sup>	Available	Expiry
Syndicated multi-option facility	\$1,500.0	\$1,498.8	\$548.8	\$950.0	Various <sup>2</sup>
UK bond issue	£300.0	\$606.5	\$606.5	-	Oct 21
Club revolving credit facility	£330.0	\$673.5	\$285.7	\$387.8	Various <sup>3</sup>
US Private Placement	US\$200.0	\$259.7	\$259.7	-	Various <sup>4</sup>
Singapore bond	S\$275.0	\$263.7	\$263.7	-	Jul 17
Australian Medium Term Notes	\$475.0	\$475.5	\$475.5	-	Various <sup>5</sup>

<sup>1</sup> Gross facility adjusted for unamortised transaction costs as recorded in the financial statements

<sup>2</sup> A\$1,500 million syndicated multi-option facility maturing in June 2019 (A\$600 million) and June 2020 (A\$900 million) drawn to A\$550 million at 30 June 2015. This is an extension of the existing A\$1,500 million syndicated multi-option facility with original maturities of December 2017 (A\$600m) and December 2018 (A\$900 million)

<sup>3</sup> £165 million expires in December 2016 and £165 million expires in December 2017

<sup>4</sup> US\$175 million expires in October 2015 and US\$25 million expires in October 2017

<sup>5</sup> A\$250 million expires in November 2018 and A\$225 million expires in May 2020

All values in AUD unless otherwise stated



## Key debt metrics

	30 June 2015	30 June 2014
Credit Rating - S&P/Moody's	BBB-/Baa3 (Stable)	BBB-/Baa3 (Stable)
Gross borrowings to total tangible assets <sup>1</sup>	14.3%	16.9%
Net debt to total tangible assets less cash <sup>2</sup>	10.5%	5.7%
Interest coverage <sup>3</sup>	6.6x	8.1x
Undrawn facilities (\$ million)	1,423.5	1,309.6
Average debt duration	3.9 years	4.7 years
Weighted average cost of debt including margins (daily average for the year)	5.2%	5.4%
Fixed/floating debt	67%/33%	76%/24%

<sup>1</sup> Borrowings, including certain other financial liabilities, divided by total tangible assets

<sup>2</sup> Net debt divided by total tangible assets less cash

<sup>3</sup> EBITDA plus interest income, divided by interest finance costs, including capitalised finance costs

All values in AUD unless otherwise stated



## INVESTMENT GRADE RATINGS

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

## ACCESS TO CAPITAL

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

## LIQUIDITY & FUNDING

- ~\$2.2 billion of cash and undrawn facilities as at 30 June 2015
- Gearing of 10.5% as at 30 June 2015
- 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**

## Key dates for investors

	Date
FY15 Results released to market/final distribution declared	24 August 2015
Securities quoted ex-distribution on the Australian Securities Exchange	27 August 2015
Final distribution record date	31 August 2015
Final distribution payment date	18 September 2015
Investor Day - Sydney	15 October 2015
Annual General Meetings - Sydney	13 November 2015



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A reference to 2015 refers to the 2015 financial year unless otherwise stated. All figures are in AUD unless otherwise stated.

