# ASX ANNOUNCEMENT

20 October 2016

## Lendlease Investor Day presentation

20 October 2016

Attached is the presentation to be given today by Lendlease senior executives at its Investor Day. The event will be webcast live via www.lendlease.com

**ENDS**

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# Lendlease
# Investor Strategy Day

20 October 2016

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# Agenda

## Strategy Update and Q&A

**Steve McCann - Group Chief Executive Officer and Managing Director**

## Portfolio Management Framework

**Tarun Gupta - Group Chief Financial Officer**

**Vikas Kaul - Group Head of Research**

## Closing and Final Q&A

**Steve McCann - Group Chief Executive Officer and Managing Director**

Image: 56 Leonard Street, New York

# Indigenous engagement and reconciliation

Lendlease'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

Illustration: Barangaroo South, Sydney

# Section 1
## Strategy Update

Steve McCann
Group Chief Executive Officer and
Managing Director

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## Our vision


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## Our strategic framework

**FOCUS**
We focus on delivering optimal performance safely at our target returns

**GROW**
We target disciplined growth in sectors aligned with global trends and with a focus on our target global Gateway Cities

### Our pillars of value

- Financial
- Health & Safety
- Our Customers
- Our People
- Sustainability

### Our integrated business model

Investments

Development

Construction

Maximising long term securityholder value

# Global trends influencing our strategy

| | | Lendlease leadership |
|---|---|---|
| **Urbanisation** | By 2014, 54% of the world's population were estimated to live in urban areas; this will reach 60% by 2030[1] | • \$37b[2] Urban Regeneration pipeline<br>• 12 major urban regeneration projects[3] across 8 Gateway Cities |
| **Infrastructure** | Worldwide infrastructure spending will grow from US\$4 trillion per year in 2012 to more than US\$9 trillion per year by 2025[4] | • A leading tier 1 Engineering business in Australia<br>• \$4b+ PPPs secured in last 5 years[5] |
| **Funds growth** | Global assets under management are forecast to rise from US\$64 trillion in 2012 to US\$102 trillion by 2020[6] | • Lendlease accounted for ~10% of new equity raised globally for core wholesale mandates since 2009[7] |
| **Sustainability** | Cities occupy 2% of the world's land mass, but are responsible for up to 70% of harmful greenhouse gases[8] | • Recognised by GRESB as an international leader[9]<br>• Development pipeline targeting 98% green certification |
| **Ageing population** | Internationally, people aged 60+ will grow the most in number between 2015 and 2050[10] | • A market leader in retirement living sector in Australia<br>• Actively seeking to transfer skills offshore |
| **Technology** | Global investment in real estate technology start-ups has grown from \$0.2b in 2012 to \$1.7b in 2015[11] | • A pioneer of new delivery technologies e.g. Cross Laminated Timber, pre-fab and modular; a leader in new safety initiatives |

1. World Urbanization Prospects: The 2014 Revision, United Nations
2. As at 30 June 2016
3. Urban Regeneration development projects with end value >\$1b
4. Capital project and infrastructure spending outlook to 2025, PwC 2015
5. Cumulative data from FY12 - FY16
6. Asset Management 2020: A Brave New World, PwC 2014
7. Preqin Ltd; represents period 2009 to 2015
8. UN-HABITAT's Global Report on Human Settlements 2011
9. Global Real Estate Sustainability Benchmark (GRESB) 2016 survey; 5 funds achieved no.1 ranking in respective global or regional category
10. World Population Prospects: The 2015 Revision, United Nations
11. CB Insights: Real Estate Tech Start-ups Funding Overview 2016

# Our competitive advantage

## We distinguish ourselves through our integrated model, financial strength and strong track record of execution

1

### INTEGRATED MODEL

Capability and scale to deliver large, long term, complex projects that leverage more than one of our segments on a single project

2

### FINANCIAL STRENGTH

Financial capacity through our balance sheet strength and access to third party capital

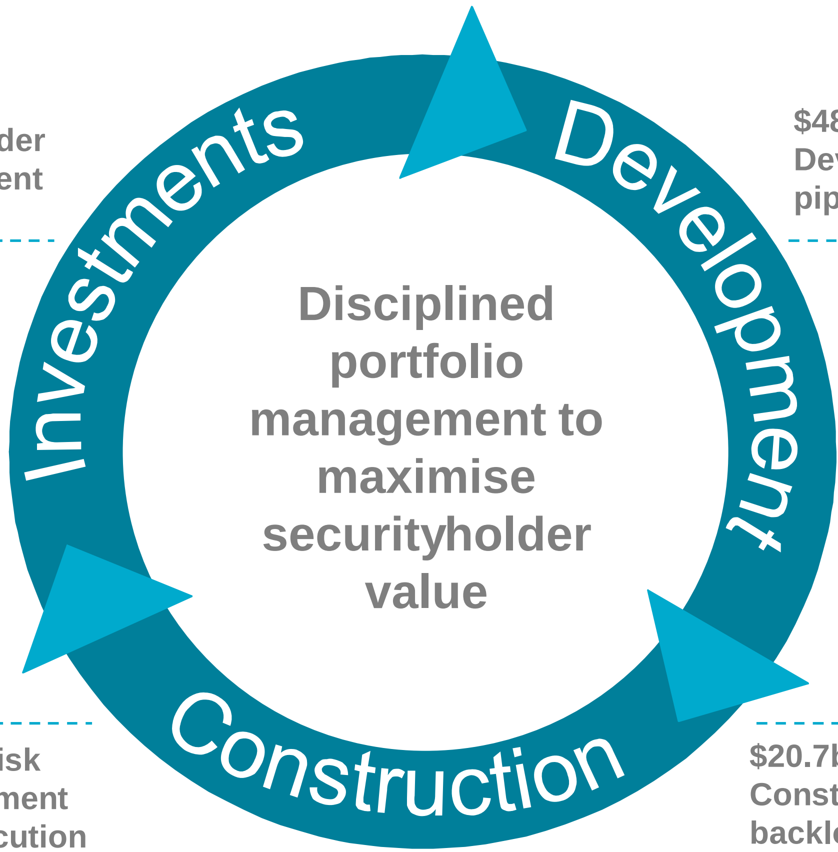
3

### TRACK RECORD

Strong track record of delivering quality design and sustainable outcomes safely

**$23.6b**
**Funds Under Management (FUM)[1]**

**$48.8b**
**Development pipeline[1]**




**Strong risk management and execution delivery skills**

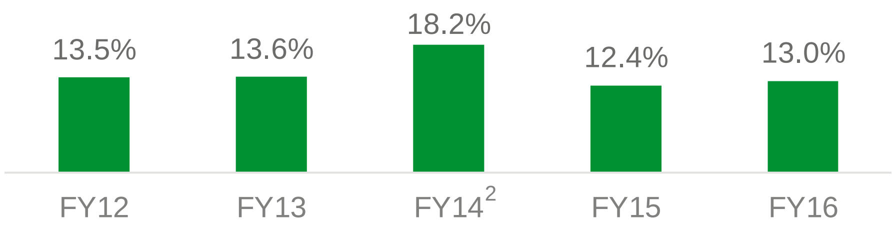
**$20.7b**
**Construction backlog revenue[1]**


1. As at 30 June 2016

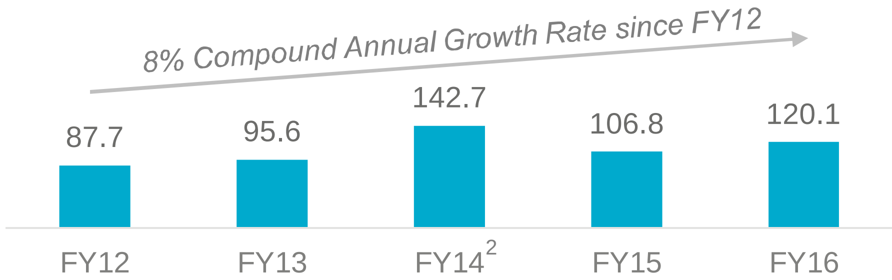
# Execution excellence remains our priority

Over the past 5 years Lendlease has delivered…

## Return on Equity[1](%)




## Earnings per Stapled Security[3] (cents)




## Operational highlights

**Last 5 years[4]**

- **~25,000** Residential units / lots sold
- **~600k sqm** Commercial space completed[5]
- **~$55.9b** Construction revenue
- **$4b+** PPP projects secured[6]
- **~$8.2b** Equity raised (wholesale)

**FY16**

**Safety**

- **1.8** LTIFR[7]
- **86%** operations without critical incident

**Sustainability**

- **98%** Development pipeline targeting green certification
- **5 Lendlease** funds top-ranked in 2016 GRESB survey[8]

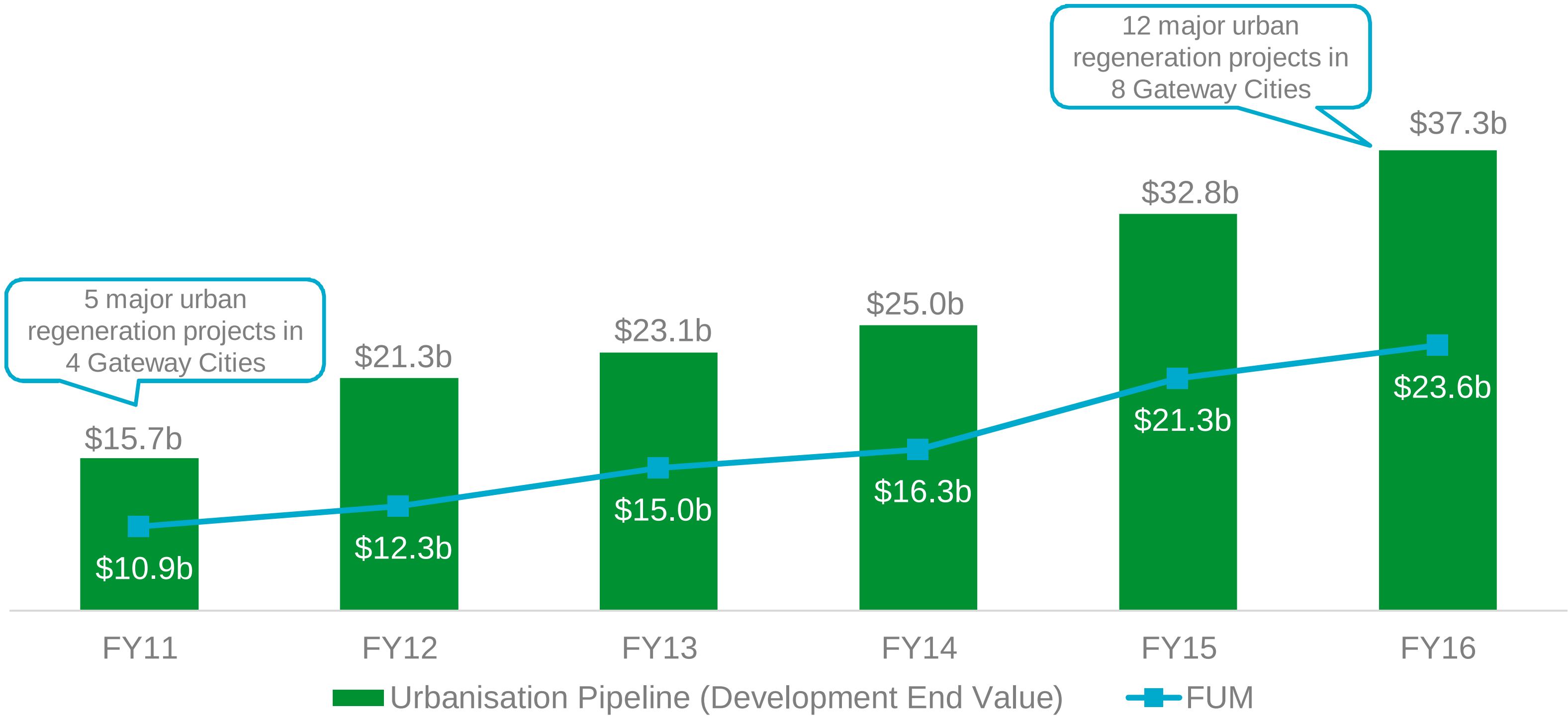
**Employee engagement**

- **84%** (broadly in line with global high performing companies)[9]

1. Calculated as the annual Profit after Tax divided by the arithmetic average of beginning, half year and year end securityholder equity
2. FY14 includes Bluewater sale
3. Calculated using the weighted average number of securities on issue including treasury securities
4. Cumulative data from FY12 - FY16
5. Reflects major commercial projects (>10,000 sqm; office and retail) completed by the Development segment
6. Excludes ~$5b East West Link PPP secured in 2014 and subsequently cancelled
7. Lost Time Injury Frequency Rate
8. Global Real Estate Sustainability Benchmark (GRESB) 2016 survey; 5 funds achieved no.1 ranking in respective global or regional category
9. Survey managed by Willis Towers Watson. Employee engagement is a measure of overall employee satisfaction across our business

# Urbanisation continues to underpin our growth strategy

## Our focus on major urban regeneration projects[1] in global Gateway Cities has underpinned our record pipeline position and will deliver long term securityholder value




**1**

- Major urban regeneration projects have more than doubled since FY11 with 12 major projects in the secured pipeline
- Projects typically secured through capital light (land management or staged payment) approach enabling flexibility in delivery

**2**

- Growth in pipeline supports the integrated model
- FUM growth of ~17% per annum since FY11
- Construction internal pipeline accounts for 23%[2] of backlog, providing design and delivery capability and execution certainty

1. Urban Regeneration development projects with end value >$1b
2. Based on analysis of major construction projects backlog disclosed in the Portfolio Report as at 30 June 2016, which represents 51.2% ($10.6b) of total backlog ($20.7b) as at 30 June 2016. Major construction projects are those with a construction value >$100m and have received client approval for disclosure

# Development pipeline provides long term earnings visibility[1]

## Record secured pipeline of $48.8b controlled by invested capital of $2.9b



**$48.8b**
**Total pipeline end value**

1. All data as at 30 June 2016
2. Assumes average building size of ~40,000 sqm, consistent with current average of ~37,500 sqm for those in delivery
3. $1.2b apartments settled and $1.3b end value commercial completed
4. $4.7b apartments presold and in delivery; $6.5b end value commercial in delivery, with $2b completed to date
5. Note some of remaining pipeline will convert in FY17
6. Subject to market conditions

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# Development deal structuring tailored to local market


| | Communities / Retirement | Urban Regeneration | | |
|---|---|---|---|---|
| | | Apartments (Australia, Europe) | Commercial Forward Sale | JV Structure / LP-GP[1] |
| **Project examples** | • Jordan Springs, Sydney<br>• Yarrabilba, Brisbane | • Darling Square, Sydney<br>• Elephant & Castle, London | • Barangaroo (ITS), Sydney<br>• Phase 1 International Quarter, London | • Paya Lebar Quarter, Singapore<br>• Phase 1 Riverline, Chicago |
| **Land funding[2]** | • Land ownership<br>• Land management<br>• Staged payments | • Land management<br>• Staged payments | • Land management<br>• Staged payments | • Land ownership via JV (including project financing) |
| **Production funding[2]** | • 100% on-balance sheet | • Largely 100% on-balance sheet | • Capital partner progress or staged payments | • Funded via JV (including project financing) |
| **P&L returns** | • Development profit on settlement<br>• Construction margin on infrastructure delivery | • Development profit on practical completion<br>• Construction margin on practical completion[3] | • Development profit typically upfront at time of sale<br>• Development management fees, Construction margin[4] and Investment Management fees[4] during delivery | • Development profit tied to equity interests<br>• Development management fees, Construction margin[4] and Investment Management fees[4] (including performance fees) during delivery |
| **Cash returns (Development only)** | • On settlement | • On settlement | • Over life of project during delivery | • Linked to cash equity returns or sell down of investment typically post practical completion |

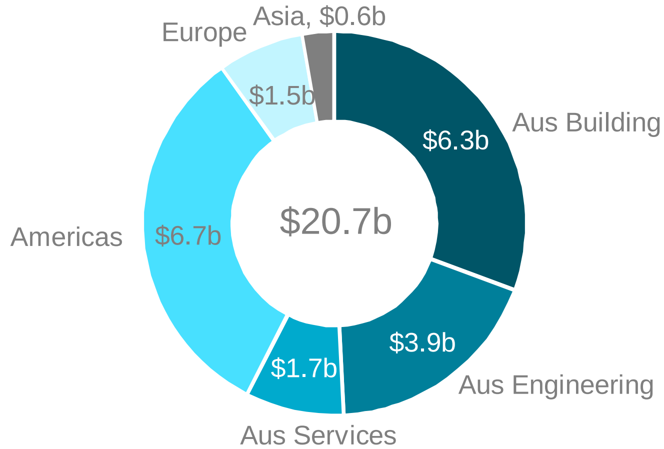
1. Limited Partnership / General Partnership
2. Reflects typical funding models used across segment examples
3. Based on apartment projects delivered 100% on-balance sheet
4. Only where Construction and / or Investments segments are engaged to play a role in the project


# Construction

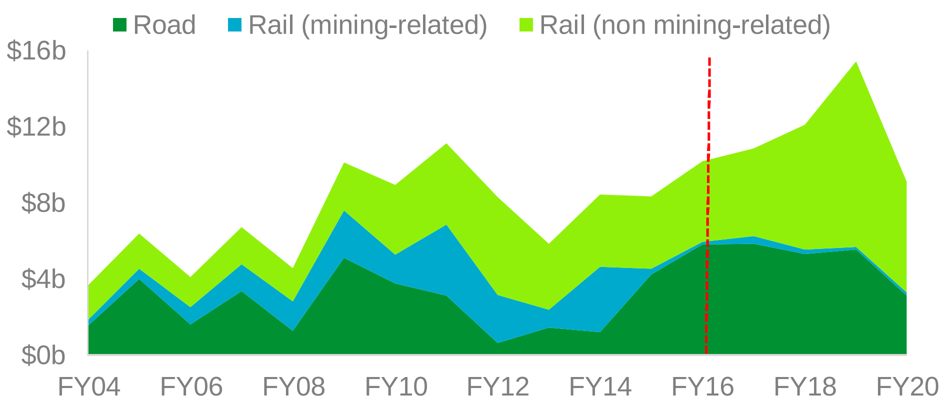
## Design and delivery capability is key to origination and execution across platform

- Backlog revenue of $20.7b at 30 June 2016, representing 8% compound annual growth over the last 5 years[1]
- Solid diversification by both sector and client
- Strong recent growth in Australian Engineering. Future origination pipeline remains attractive
- Internal development pipeline to continue to support global workflow
- Continue to target segment Group EBITDA margin of 3-4%

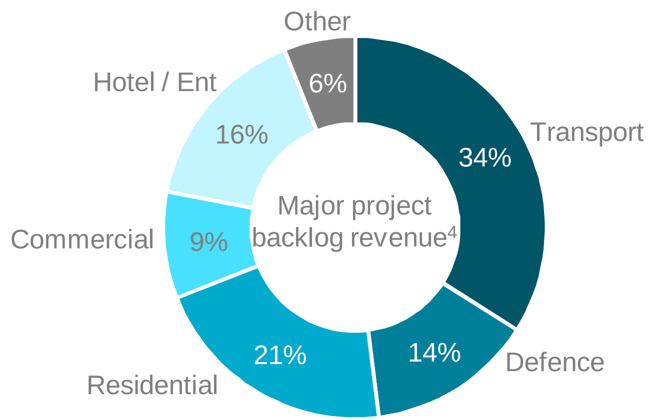
### Backlog revenue by region[2]




### Australian Engineering pipeline remains strong[3]




### Backlog revenue by sector[2,4]

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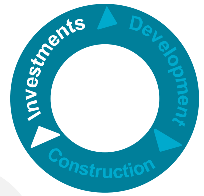
1. FY12 - FY16
2. As at 30 June 2016
3. Project commencements in real terms, ABS and Lendlease Group Research, road pipeline = toll road or public project >$500m
4. Based on analysis of major construction projects backlog disclosed in the Portfolio Report as at 30 June 2016, which represents 51.2% ($10.6b) of total backlog ($20.7b) as at 30 June 2016. Major construction projects are those with a construction value >$100m and have received client approval for disclosure




# Investments

## Fee and ownership returns deliver attractive recurring income streams

**~150 institutional investors[1]**

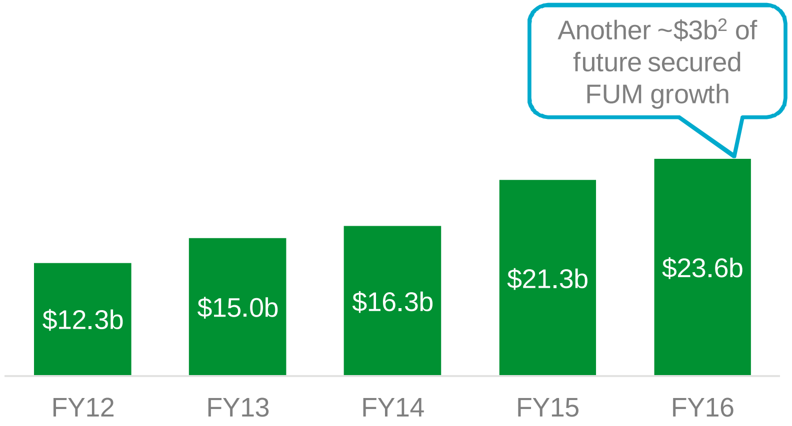
**$1.4b co-investment in funds[1]**

**$1.5b capital across 73 retirement villages[1]**

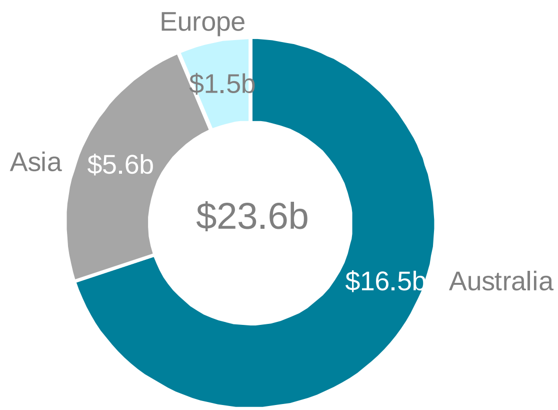
**53,055 military housing units under management[1]**

- Strong growth in FUM supported by global investor demand for quality product
- Access to internal development pipeline provides key competitive advantage
- Continue to provide capital solutions via capital partners and JV opportunities
- Potential to grow in new investment classes including residential and infrastructure
- Capital solution opportunity in retirement

### Growth in FUM




### Global FUM platform[1]

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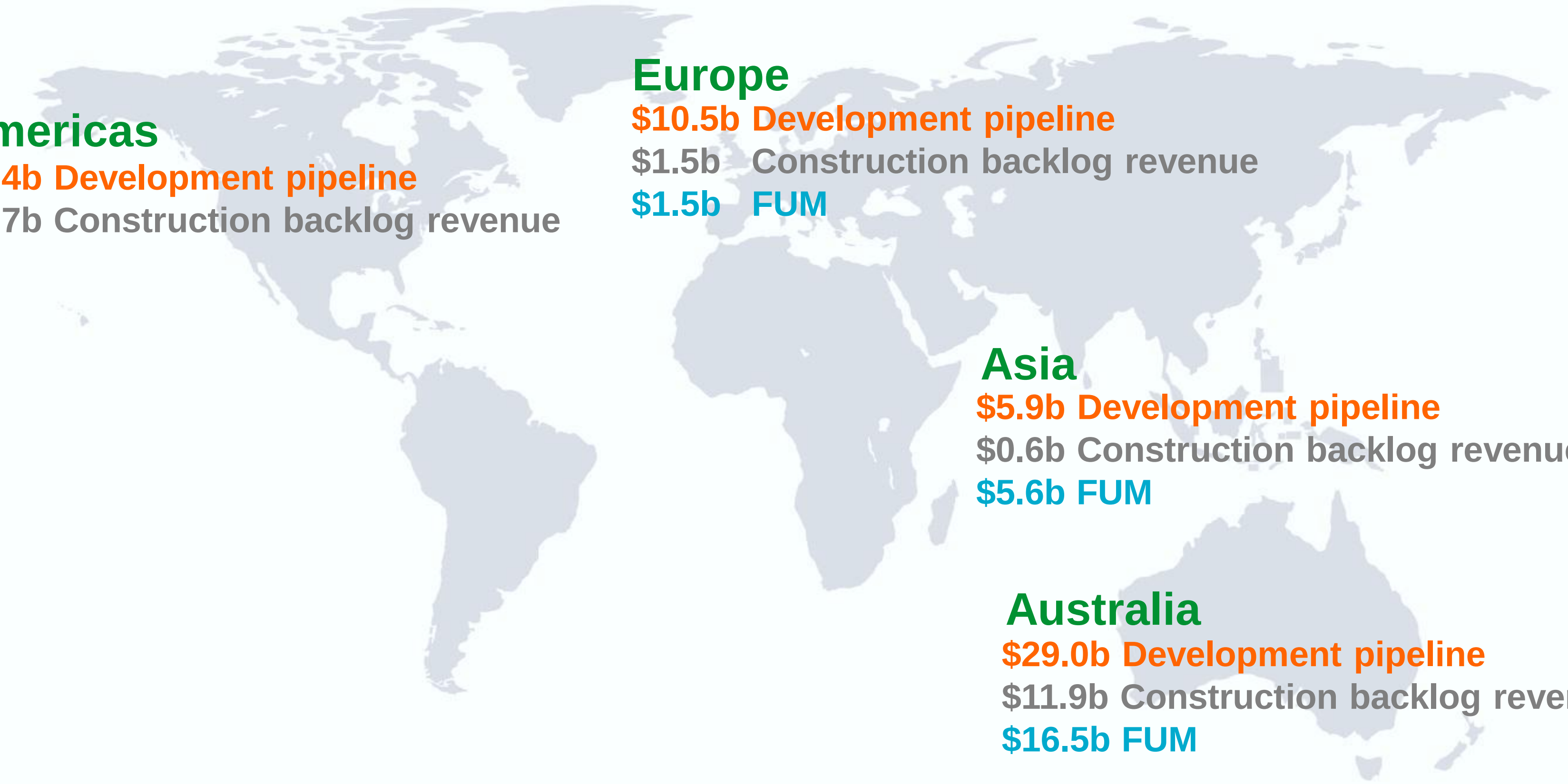
1. As at 30 June 2016
2. Represents secured future FUM increase from funds with development projects in delivery

# Our global diversified pipeline provides long term earnings visibility[1]

**$48.8b** Development pipeline

**$20.7b** Construction backlog revenue

**$23.6b** FUM



## Americas
$3.4b Development pipeline
$6.7b Construction backlog revenue

## Europe
$10.5b Development pipeline
$1.5b Construction backlog revenue
$1.5b FUM

## Asia
$5.9b Development pipeline
$0.6b Construction backlog revenue
$5.6b FUM

## Australia
$29.0b Development pipeline
$11.9b Construction backlog revenue
$16.5b FUM

1. All data as at 30 June 2016

# Q&A

## Strategy Update

# Section 2
## Portfolio Management Framework

Tarun Gupta
Group Chief Financial Officer
Vikas Kaul
Group Head of Research

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Illustration: Melbourne Quarter, Melbourne

# Portfolio Management Framework Introduction

## Purpose of the framework

- Shape and guide investment across geographies, segments and sectors based on in-house research
- Provide clarity and transparency around capital allocation
- Maximise long term securityholder value creation through optimising risk-adjusted return outlook

## Key conclusions of the updated framework

- Continued reallocation to International markets and Gateway Cities
- Maintain shift to Investments segment and recurring income streams
- Clear targets for segments and Group
- Disciplined capital management

Vikas Kaul
Group Head of Research

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Illustration: Riverline, Chicago

# What should our geographic and sectoral capital mix be?

Shaped by our forward efficient frontier, current presence, business model and origination capability

**Market outlook** **Alpha factors**

Forward outlook for markets and sectors

**Risk factors**

Market correlation

**Lendlease current platform and presence**

**Portfolio optimisation model**

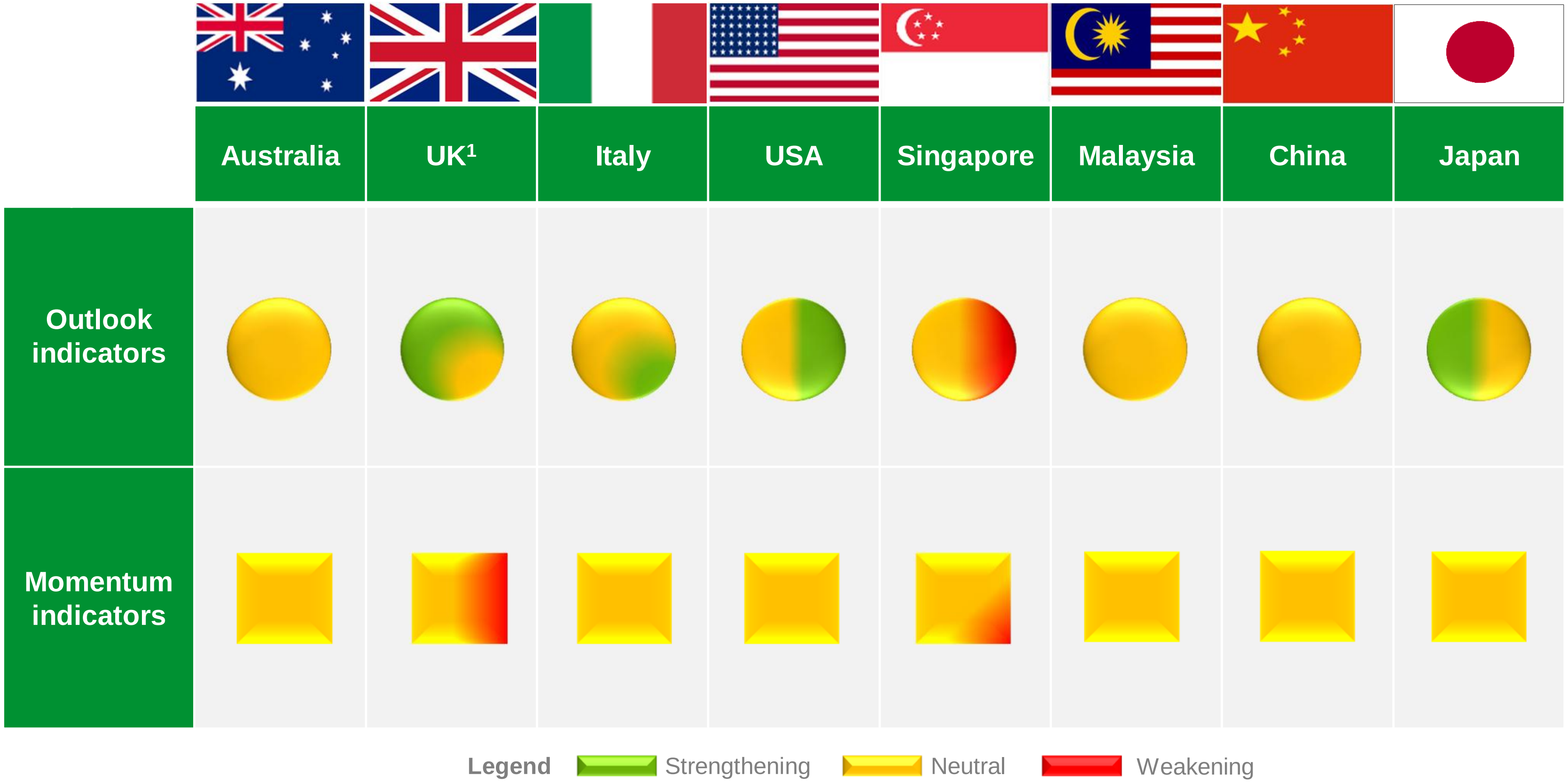
**Maximise total or risk-adjusted returns**

**Country allocation**

**Sector allocation**

 Source: Lendlease Group Research

# Leading economic indicators




Note - Outlook based on comparison of current reading to 10YR average | Momentum based on comparison of current reading to last 1YR

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Source: Lendlease Group Research

# Australian outlook

- **Sydney Office** sector is benefitting from service sector led growth with a strong rent growth trajectory, which should support valuations
- **Sydney Apartments** activity is peaking with **Communities** sector still marginally under-supplied. Historical under-supply has underpinned strong demand but affordability is becoming a challenge
- **Melbourne Office** is also benefitting from strong white collar employment growth but an increasing supply profile implies modest rent growth ahead
- **Melbourne Apartments** sector is navigating through a high level of incoming supply while the **Communities** sector is in balance. Planning controls (Amendment C262) and forecast rise in vacancy are likely to taper supply from FY19
- **Australian Retail** sector is emerging from the bottom but cost of living escalation and low retail inflation are challenging headline demand growth
- **Australian Infrastructure** activity is expected to accelerate, underpinned by a number of major road and rail projects
- **Australian Building** activity is expected to shift into a lower gear after peaking in 2016

**Australian outlook is expected to moderate over the medium term (excluding Infrastructure sector) after a stellar performance over the past few years**

 Source: Lendlease Group Research

# International outlook

- **London Office** faces a challenging environment due to Brexit but London has a history of resilience
- **London Residential** to benefit from a low-rate environment against the backdrop of being one of the most under-supplied global cities. Policy support for institutional rental product can be expected
- **Kuala Lumpur Retail** is undergoing supply-induced softening at present but the strength of demand supports a positive outlook beyond the near term
- **Kuala Lumpur Apartments** sector is witnessing strong supply but the strength of household formation and policy measures support a positive medium-term outlook
- **Singapore** is currently going through structural changes combined with strong supply in both **Retail** and **Office** sectors. As the market moves towards a new equilibrium, a supportive fundamental backdrop is expected to emerge
- **Chicago's Multi-Family** sector is witnessing strong activity while the **Condominium** sector is emerging from a low base
- **Shanghai Residential** has been gaining momentum, both in activity and price terms, after cooling measures were withdrawn in early 2015, but the Government is keeping a watchful eye to prevent market from heating

**International outlook, in comparison to Australia, is expected to gain momentum and be relatively stronger on a medium term view**

 Source: Lendlease Group Research

# Lendlease carried out an extensive global study to identify high potential Urban Regeneration cities

**Phase 1: 206 countries**

- National GDP >$100b
- *62 countries*
- No significant political risk
- *48 countries*
- Adequate civil liberties
- *43 countries*
- More than 1 city with >1.5m population

**39 countries**

**Phase 2: 39 countries**

- Economic Indicators
- Urban Regeneration indicators
- Business climate
- Investor confidence

**18 countries**

**Phase 3: 18 countries**

- 18 scale cities[1] in Lendlease footprint[2] countries
- \+
- 14 scale cities in other countries
- \+
- 6 cities added by exception *from countries filtered in Phase 2*
- =
- **38 target Urban Regeneration cities**

**Target cities ranked by Z-score comprising 30 variables to determine relative attractiveness**

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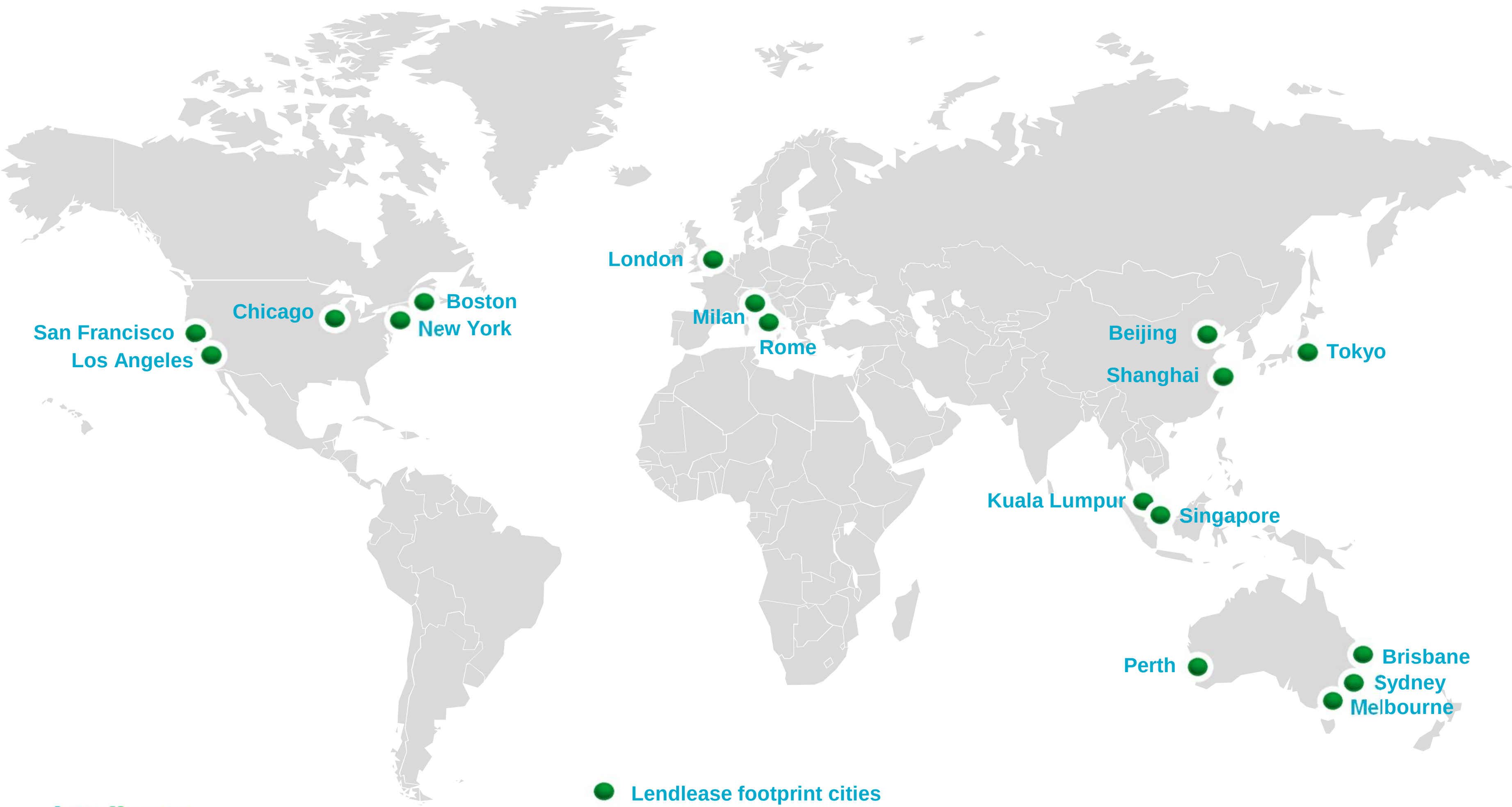
1. Cities in developed markets with at least 1.5m population and the largest cities in the emerging markets
2. Lendlease's current countries of operation within those 18 countries

Source: Lendlease Group Research. Study carried out in mid-2014

# We have 17 footprint cities within the identified 38 global Gateway Cities

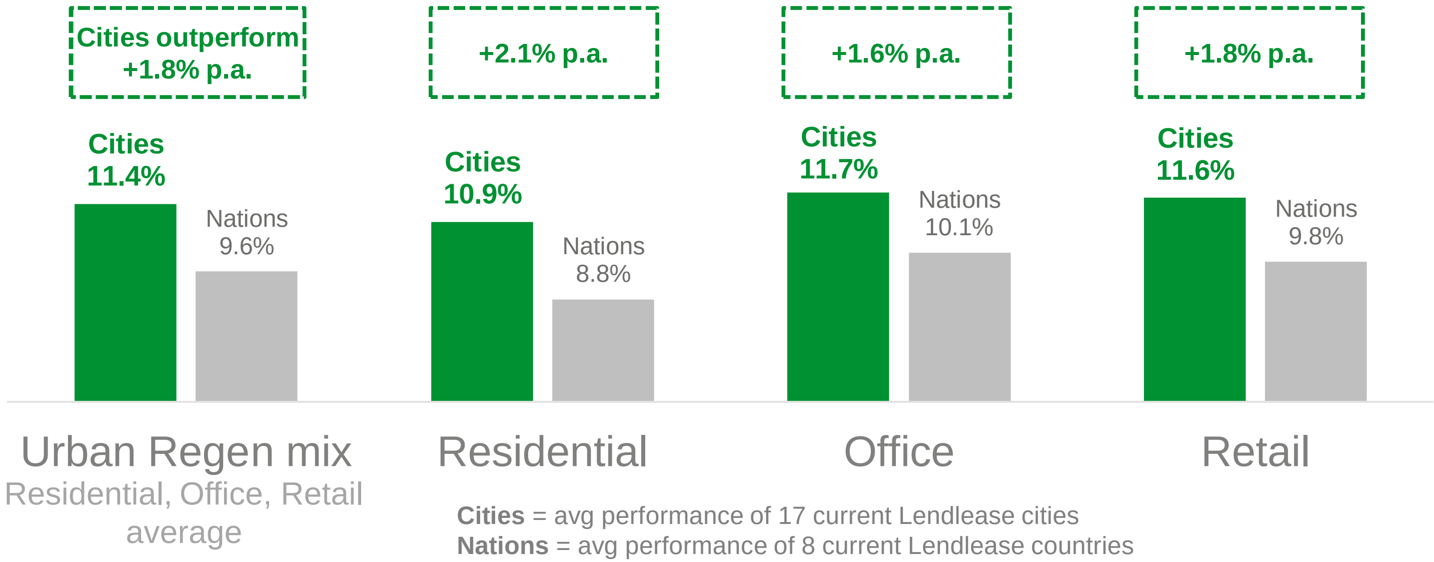



 Source: Lendlease Group Research

# Our Gateway Cities continue to outperform their respective countries…..

**Economic performance**
Annual average 2010-2015


**Property market performance**
Annual average total return 2010-2015




**Cities** = avg performance of 17 current Lendlease cities
**Nations** = avg performance of 8 current Lendlease countries

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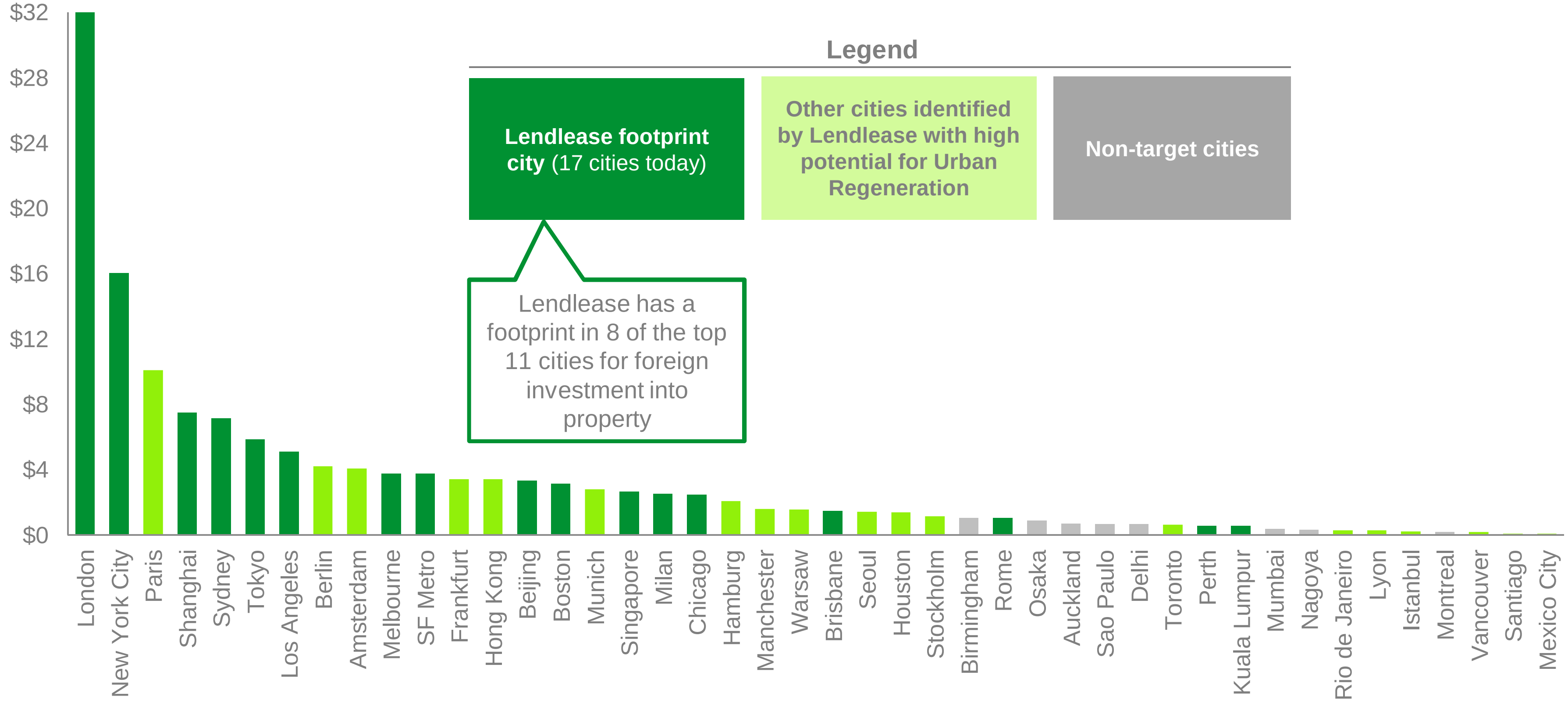
Note: Sector performance based on combinations where both city and country returns data is available
Source: Lendlease Group Research

# … and attract the bulk of foreign investment into property globally

**Global cities with largest foreign investment into property**
US$b, annual average 2012-2015




 Source: Lendlease Group Research, Real Capital Analytics


Illustration: Paya Lebar Quarter, Singapore

Tarun Gupta
Group Chief Financial Officer

# Portfolio Management Framework

**Objectives**

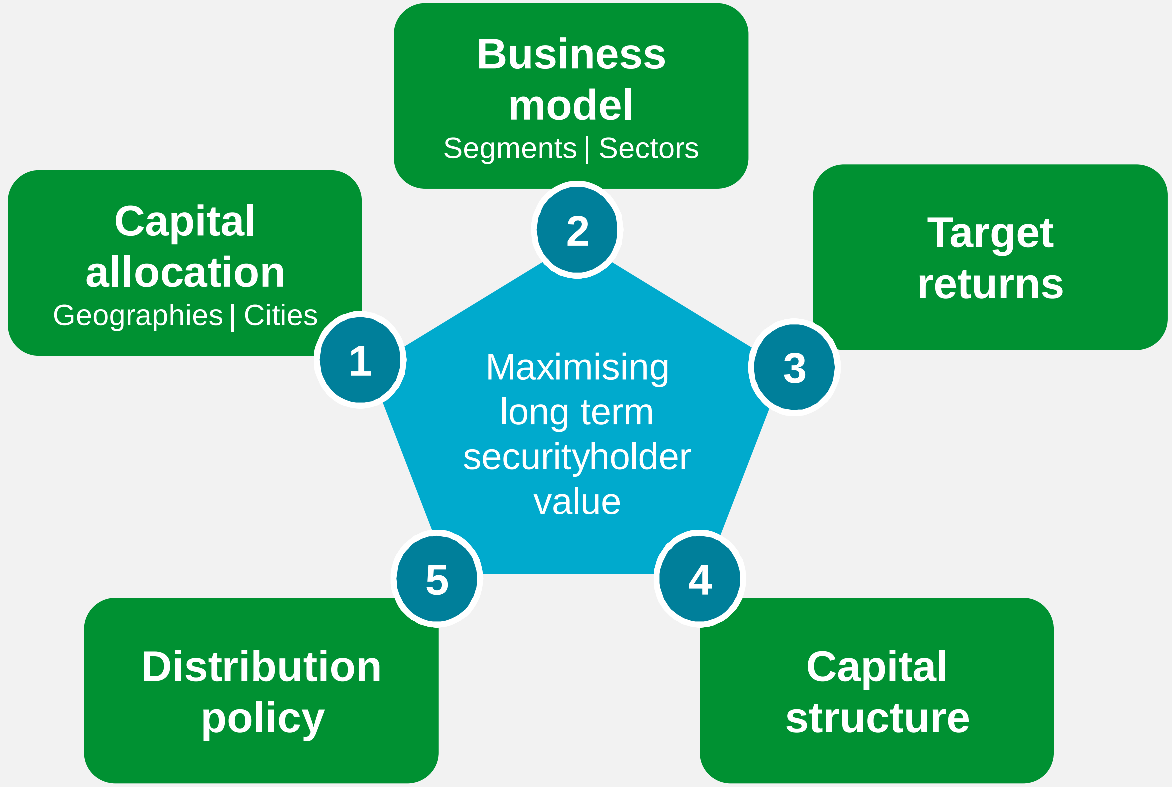
ü Maximise long term securityholder value through a well diversified, risk-adjusted portfolio

ü Leverage the competitive advantage of our integrated model

ü Optimise our business relative to the outlook for our markets on a long term basis

ü Ensure financial strength to execute our strategy and maintain a strong financial profile with flexibility to withstand shocks

**Components**



# 1 Capital allocation

## Continuing to increase exposure to International markets

| | Current Invested Capital[1,2] | | Target Weighting[3] | Expected Trend[4] |
|---|---|---|---|---|
| **Australia** | $4.8b | 74% | 50-70% | ↓ |
| **Asia** | $0.5b | 8% | 5-20% | ↑ |
| **Americas** | $0.4b | 6% | 5-20% | ↑ |
| **Europe** | $0.8b | 12% | 5-20% | ↑ |

- Focus on identified Gateway Cities
- International regions have contributed average 39% Operating PAT since FY10
- Ultimate allocation subject to quality of deal pipeline

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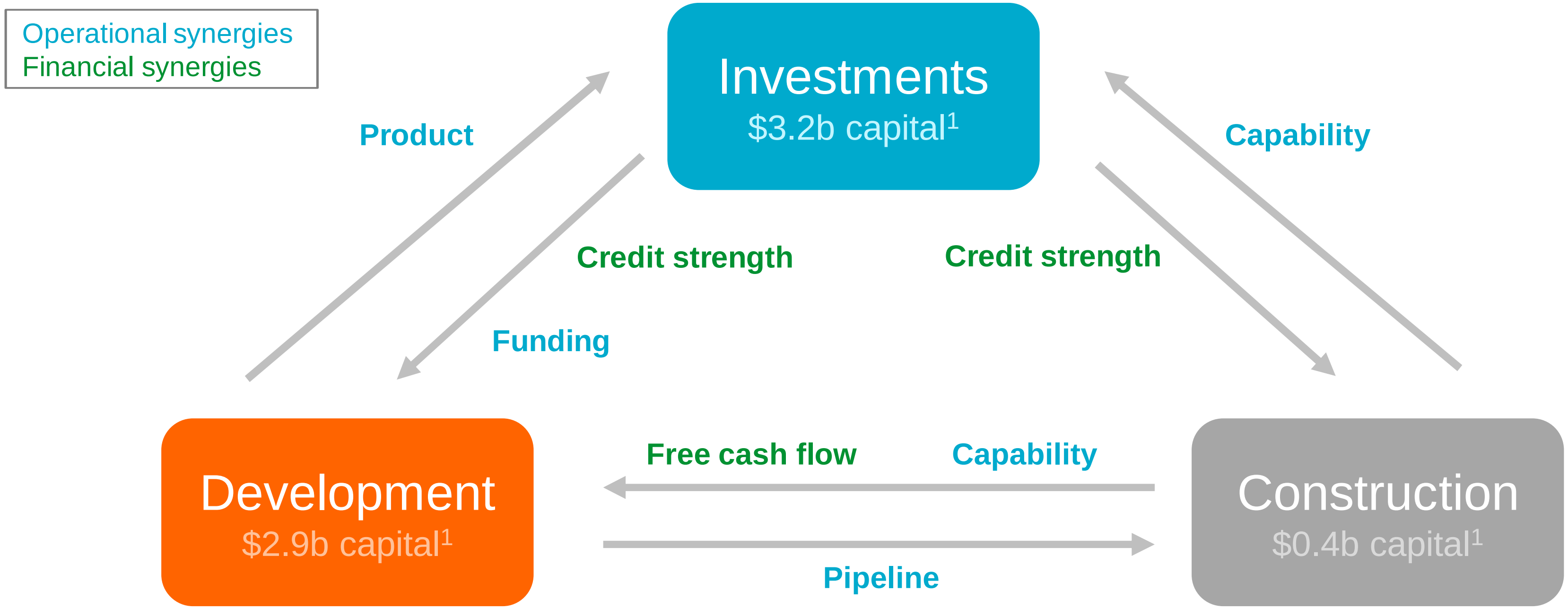
1. Invested Capital definition: Securityholder equity + Net debt. Total Lendlease Invested Capital at 30 June 2016 was $6.7b
2. Regional Invested Capital (per above) totalled $6.5b at 30 June 2016, remaining Invested Capital represents Corporate ($0.2b)
3. No individual International region to exceed 20% total Invested Capital (ex Corporate)
4. Based on impact to current position from expected flows of capital on existing and new projects

2

# Business model

## Optimising synergies from our integrated model

- World-class Development pipeline leverages the capabilities of our integrated model
- Recurring returns and fees from Investments support our investment grade credit rating
- Construction segment provides design and delivery capability and is a source of free cash flow






1. Total Lendlease Invested Capital at 30 June 2016 was $6.7b. Development, Investments and Construction Invested Capital totalled $6.5b (per above), with remaining Invested Capital representing Corporate ($0.2b)

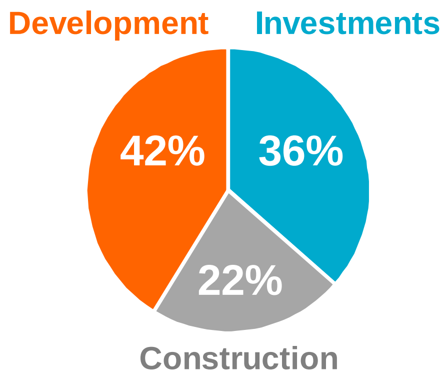
2

# Business model

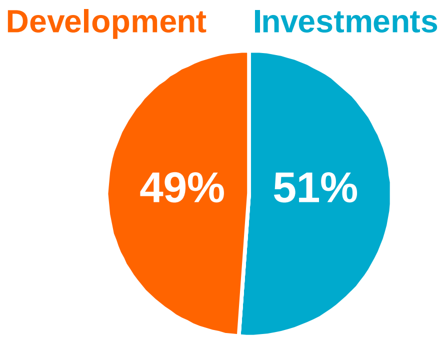
## Balanced segment mix including 30-40% earnings from Investments (prior target 20-30%[1])

### Average last 3 years

**EBITDA mix**




**Invested Capital mix[2]**




### Target segment mix

EBITDA mix

- Development = 35-45%
- Investments = 30-40%
- Construction = 20-30%

Invested Capital mix

- Development = 40-60%
- Investments = 40-60%

### Key sector focus

**Development and Investments**

- Residential (for sale and for rent)
- Office
- Retail
- Infrastructure
- Other including Telco, Health and Education
- Capital solution opportunity in retirement

**Construction**

- Government
- Healthcare
- Engineering
- Commercial
- Defence
- Residential

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1. Lendlease Investor Day 2013 presentation (recurring earnings target)
2. Capital-intensive segments only (i.e. excludes Construction and Corporate)

# 3 Target returns

## Targeting our business to sustainable through-cycle returns[1]

Capital intensive segments targeted to ROIC[2]

**Development**
Target ROIC: 9-12%

**Investments**
Target ROIC: 8-11%

Construction targeted to operating margin

**Construction**
Target EBITDA margin: 3-4%

**Group**
Segment returns adjusted for corporate overheads

**Debt**
Net Debt / Invested Capital: ~20-30%
*(10-15% Gearing[3])*

**Group ROE**
10-14%

Delivering economic return over cost of equity through the cycle

Reflects ongoing target mix shift to Investments segment and long term decline in the risk-free rate

1. Through-cycle returns based on rolling 3-5 year timeline
2. ROIC definition: Operating Profit after Tax / Average Invested Capital
3. Gearing definition: Net Debt / Total Tangible Assets less Cash

4

# Capital structure

## Ensuring financial strength to execute our strategy efficiently

**KEY CAPITAL STRUCTURE OBJECTIVES**

1. Investment grade credit rating
2. Minimise Weighted Average Cost of Capital (WACC)
3. Sufficient buffer to manage cycles and risk

**TARGETS**

Gearing (Net Debt / Total Tangible Assets less Cash) = 10-15% target, 20% max

**Broadly equivalent to Debt / Invested Capital of 20-30%**

**CAPITAL MANAGEMENT**

- Tool to optimise long term securityholder value
- Priority remains executing existing projects in delivery and replenishing pipeline subject to availability of appropriate opportunities and returns
- Capital management will be explored in the event of a surplus capital position, subject to market outlook across our portfolio and maintaining ongoing capacity for future pipeline and flexibility to withstand shocks

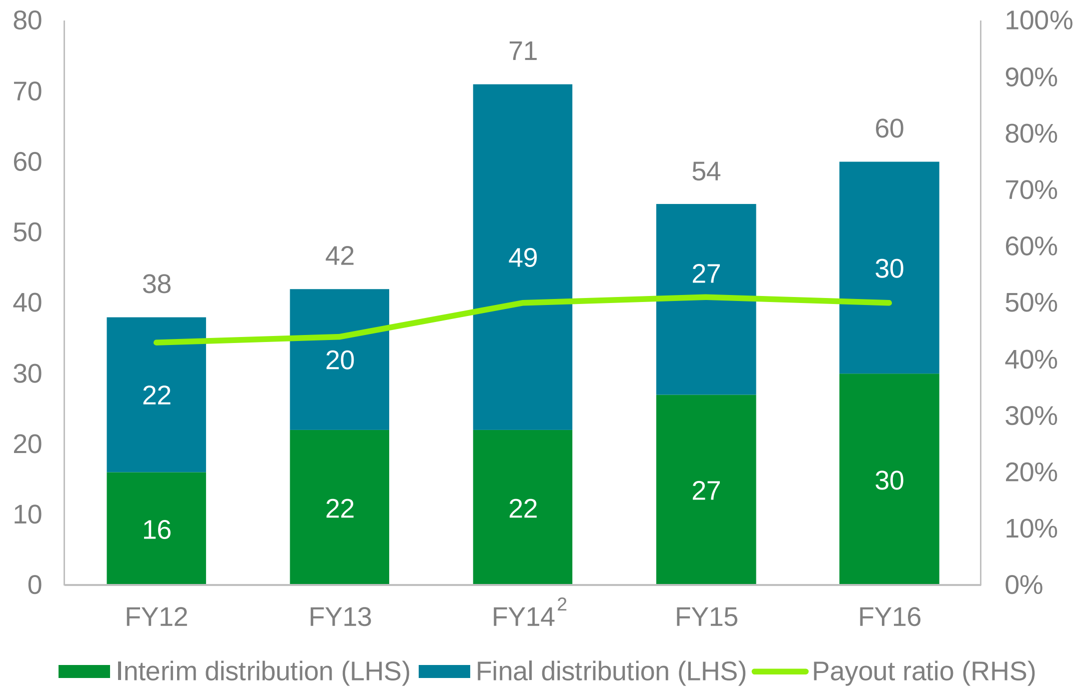
5

# Distribution policy

## Target 40-60% of earnings paid out to securityholders

- Since FY10, the distribution policy has targeted a payout of 40-60% of earnings
- Lendlease has consistently paid distributions in the policy range since this time
- Over the last 5 years[1], distributions have grown at a compound annual rate of 12%, largely based on underlying earnings growth delivered by the business
- No change in distribution policy is being proposed as part of the new framework

### Distributions (cents per share) and payout ratio






1. FY12 - FY16
2. FY14 includes the impact of the Bluewater sale

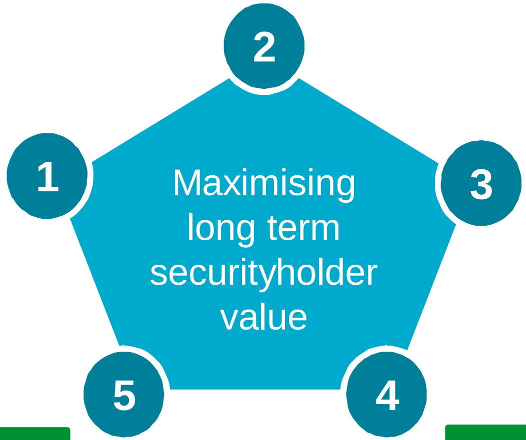
# Portfolio Management Framework summary

## Business model

- Integrated model synergies
- Target EBITDA mix:
  35-45% Development
  30-40% Investments
  20-30% Construction

## Capital allocation

- Focussed on Gateway Cities
- 50-70% capital in Australia
- 20% max per International region
- Shift towards Investments and International regions




## Target returns

- Group ROE 10-14%
- Development ROIC 9-12%
- Investments ROIC 8-11%
- Construction EBITDA margin 3-4%

## Distribution policy

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

## Capital structure

- Investment grade credit rating
- Optimised WACC
- Gearing[1] 10-15% (max 20%)



1. Gearing definition: Net Debt / Total Tangible Assets less Cash

# Section 3

## Closing and Final Q&A

Steve McCann

Group Chief Executive Officer and Managing Director

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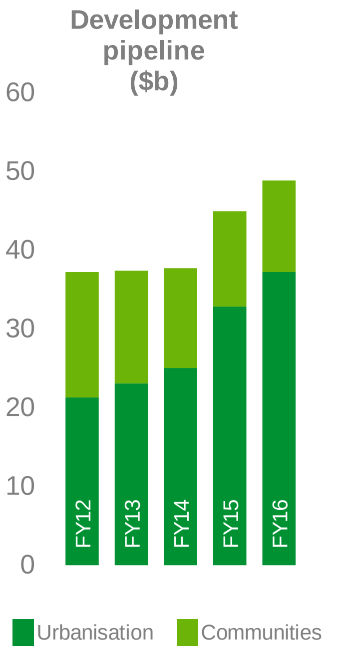
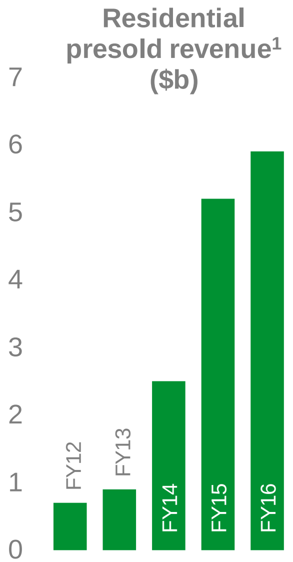
Image: Barangaroo Reserve towards Barangaroo South, Sydney

# Summary and outlook

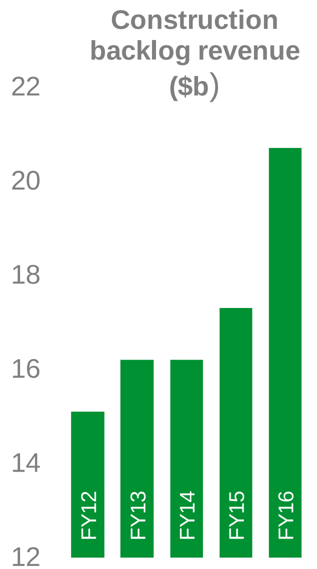
**Development pipeline of $48.8b (76.4% urbanisation projects)[1]**



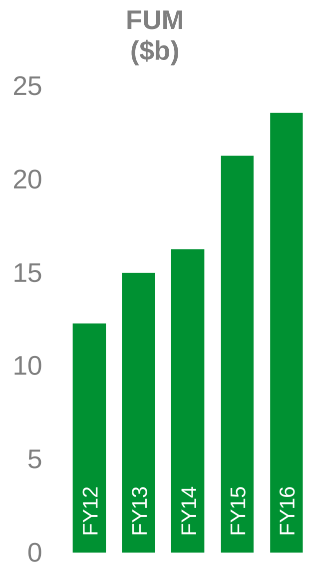

**Record residential presold revenue of $5.9b[1,2]**




**Construction backlog revenue of $20.7b[1]**




**FUM of $23.6b[1]**




Strong pipeline provides long term earnings visibility

Current focus on execution excellence remains our key priority

Portfolio management framework to maximise long term securityholder value



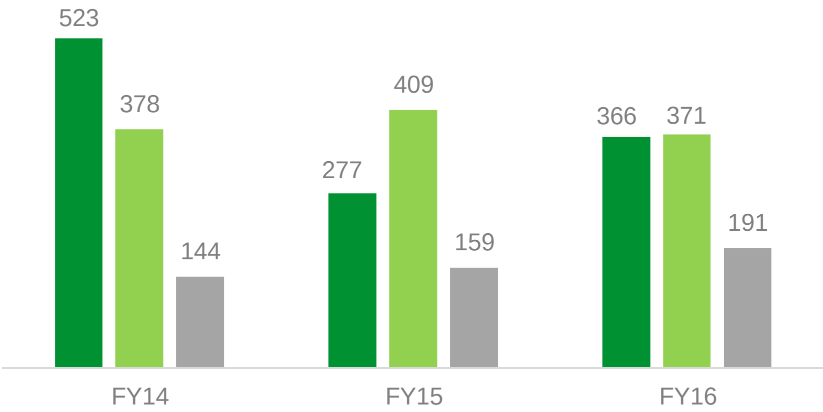
1. As at 30 June 2016
2. Excludes Retirement development and includes 100% of revenue from joint venture projects. Joint venture partner share of revenue is $190.3m

# Q&A

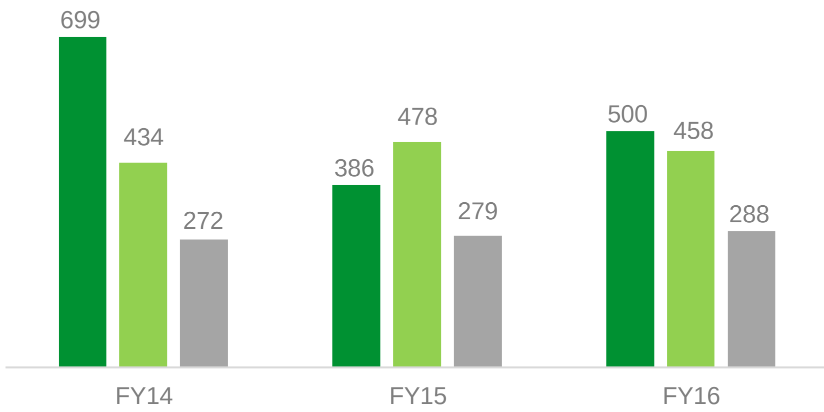
# Appendix

# Segment financial metrics

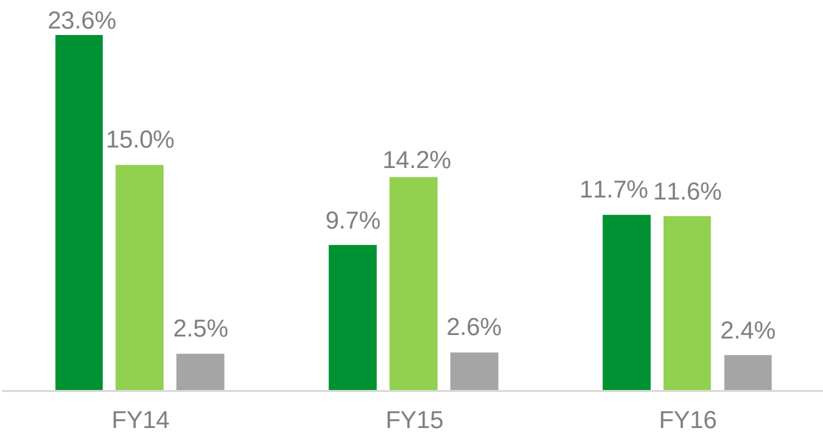
## Operating Profit after Tax ($m)



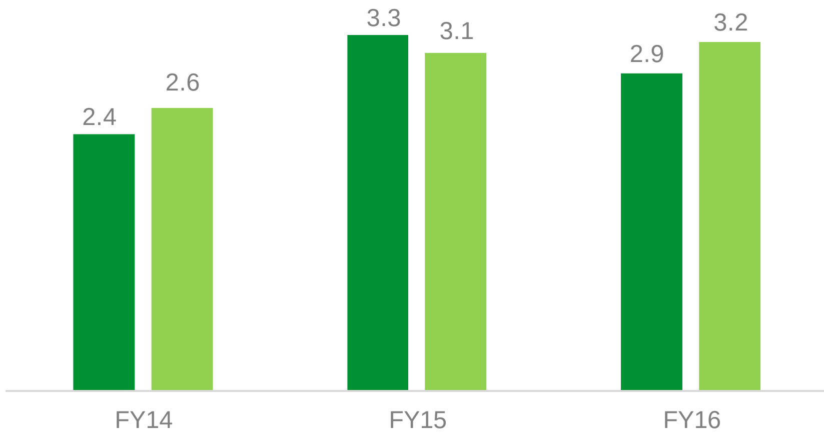

## EBITDA ($m)




## ROIC[1] (Development and Investments), EBITDA margin (Construction)




## Invested Capital (Development and Investments) ($b)




Development Investments Construction

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1. ROIC definition: Operating Profit after Tax / Average Invested Capital

# Segment and region financial metrics

## By segment

| | Revenue ($m) | | | EBITDA ($m) | | | Profit After Tax ($m) | | | Invested Capital ($b) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY14 | FY15 | FY16 | FY14 | FY15 | FY16 | FY14 | FY15 | FY16 | FY14 | FY15 | FY16 |
| Development | 2,313 | 1,876 | 2,544 | 699 | 386 | 500 | 523 | 277 | 366 | 2.4 | 3.3 | 2.9[1] |
| Investments | 625 | 468 | 510 | 434 | 478 | 458 | 378 | 409 | 371 | 2.6 | 3.1 | 3.2[2] |
| Construction | 11,016 | 10,937 | 12,032 | 272 | 279 | 288 | 144 | 159 | 191 | | | |
| Corporate | 19 | 18 | 19 | (212) | (176) | (191) | (222) | (226) | (230) | | | |
| Group | 13,973 | 13,299 | 15,105 | 1,193 | 967 | 1,055 | 823 | 619 | 698 | | | |

## By region

| | Revenue ($m) | | | EBITDA ($m) | | | Profit After Tax ($m) | | | Invested Capital ($b) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY14 | FY15 | FY16 | FY14 | FY15 | FY16 | FY14 | FY15 | FY16 | FY14 | FY15 | FY16 |
| Australia | 7,635 | 7,744 | 8,665 | 590 | 819 | 972 | 446 | 625 | 719 | 4.9 | 5.1 | 4.8 |
| Asia | 601 | 271 | 406 | 94 | 39 | (10) | 73 | 17 | (20) | 0.3 | 0.5 | 0.5 |
| Americas | 3,052 | 3,642 | 4,217 | 129 | 155 | 104 | 79 | 90 | 78 | (0.1)[3] | 0.1 | 0.4 |
| Europe | 2,666 | 1,624 | 1,798 | 592 | 130 | 180 | 447 | 113 | 151 | 0.2 | 0.8 | 0.8 |
| Corporate | 19 | 18 | 19 | (212) | (176) | (191) | (222) | (226) | (230) | | | |
| Group | 13,973 | 13,299 | 15,105 | 1,193 | 967 | 1,055 | 823 | 619 | 698 | | | |

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1. FY16 Development Invested Capital comprises $3.7b of Inventory, $0.1b of Investments, and ($0.9b) of Working Capital / Other
2. FY16 Investments Invested Capital comprises $1.5b of Retirement investments, $1.4b of co-investments, $0.1b of Infrastructure investments and $0.2b of Other
3. Americas negative Invested Capital position in FY14 driven by Construction working capital balance

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# Property Development

Period Ended 30 June 2016

## Key Metrics

### Revenue

| Region | Actual Jun-16 A$m | Actual Jun-15 A$m | Variance A$m | Variance % | Actual Dec-15 A$m |
|---|---|---|---|---|---|
| Australia | 2,034.4 | 1,508.6 | 525.8 | 35% | 1,024.9 |
| Asia | 17.5 | 1.0 | 16.5 | 1650% | 7.2 |
| Europe | 431.7 | 317.6 | 114.1 | 36% | 70.0 |
| Americas | 60.3 | 48.2 | 12.1 | 25% | 13.0 |
| **Total** | **2,543.9** | **1,875.4** | **668.5** | **36%** | **1,115.1** |

### EBITDA

| Region | Actual Jun-16 A$m | Actual Jun-15 A$m | Variance A$m | Variance % | Actual Dec-15 A$m |
|---|---|---|---|---|---|
| Australia | 391.5 | 336.8 | 54.7 | 16% | 191.8 |
| Asia | (19.1) | (11.7) | (7.4) | 63% | (13.3) |
| Europe | 139.5 | 66.3 | 73.2 | 110% | 65.3 |
| Americas | (11.7) | (5.3) | (6.4) | (121%) | (7.6) |
| **Total** | **500.2** | **386.1** | **114.1** | **30%** | **236.2** |

PPP $140m
D.H. $20-30m
sell-down $30m.
Stratford $70m.

Aust ex lumpy
= $196m.
6mm=$147m
∴ Apartments
= $50m.
ie 6% margin.

### EBITDA Margin %

| Region | Actual Jun-16 % | Actual Jun-15 % | Variance % | Actual Dec-15 % |
|---|---|---|---|---|
| Australia | 19.2% | 22.3% | (3.1%) | 18.7% |
| Asia | (109.1%) | (1170.0%) | 1060.9% | -184.7% |
| Europe | 32.3% | 20.9% | 11.4% | 93.3% |
| Americas | (19.4%) | (11.0%) | (8.4%) | -58.5% |
| **Total** | **19.7%** | **20.6%** | **(0.9%)** | **21.2%** |

### PBT

| Region | Actual Jun-16 A$m | Actual Jun-15 A$m | Variance A$m | Variance % | Actual Dec-15 A$m |
|---|---|---|---|---|---|
| Australia | 392.2 | 334.9 | 57.3 | 17% | 191.3 |
| Asia | (19.9) | (11.9) | (8.0) | 67% | (13.8) |
| Europe | 139.1 | 64.4 | 74.7 | 116% | 65.1 |
| Americas | (12.1) | (5.3) | (6.8) | (128%) | (7.7) |
| **Total** | **499.3** | **382.1** | **117.2** | **31%** | **234.9** |

### PAT

| Region | Actual Jun-16 A$m | Actual Jun-15 A$m | Variance A$m | Variance % | Actual Dec-15 A$m |
|---|---|---|---|---|---|
| Australia | 275.6 | 241.4 | 34.2 | 14% | 133.9 |
| Asia | (18.7) | (10.4) | (8.3) | 80% | (10.4) |
| Europe | 116.4 | 48.8 | 67.6 | 139% | 64.2 |
| Americas | (6.9) | (2.6) | (4.3) | 165% | (4.3) |
| **Total** | **366.4** | **277.2** | **89.2** | **32%** | **183.4** |

# Property Development

## Key Metrics

### Invested Equity

| Region | Actual Jun-16 A$m |
|---|---|
| Australia | 20.4 |
| Europe | 6.4 |
| **Total** | **26.8** |

### Committed Equity

| Region | Actual Jun-16 A$m |
|---|---|
| Australia | 12 |
| Europe | 1 |
| **Total** | |

**Total Equity** 3

13X