

# ASX ANNOUNCEMENT

19 August 2016

## 2016 Full Year Results Lendlease Group

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

- Securities Exchange and Media Announcement
- Lendlease Group Financial Results Presentation

### ENDS

For further information, please contact:

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**Media:**

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

Level 14, Tower Three, International Towers Sydney  
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lendlease.com



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19 August 2016

## Lendlease delivers double digit earnings growth, strong cash generation and a positive growth outlook

19 August 2016

For the year ended 30 June 2016<sup>1</sup>:

- Profit after Tax of \$698.2 million, up 13 per cent and earnings per stapled security of 120.1 cents, up 12 per cent
- Return on equity of 13.0 per cent<sup>2</sup>, up 60 bps
- Final distribution of 30.0 cents per stapled security, taking the full year distribution to 60.0 cents per stapled security
- Operating cash flow of \$853.0 million, 122 per cent of Profit after Tax
- Further \$3.0 billion deployed into development of projects<sup>3</sup>
- Strong balance sheet with gearing of 6.5 per cent<sup>4</sup> and available liquidity of \$3.2 billion
- Further de-risking Development with the forward sale of three major commercial buildings
- Record pre sold residential revenue of \$5.9 billion<sup>5</sup>, up 13 per cent
- Establishment of a \$400 million managed investment vehicle
- Construction backlog revenue of \$20.7 billion, up 20 per cent
- Funds Under Management (FUM) of \$23.6 billion, up 11 per cent

Lendlease Group Chief Executive Officer and Managing Director, Steve McCann, said “Lendlease produced a strong result for the 2016 financial year (FY16) and maintained a disciplined and focused approach to delivering on our strategy.

“Solid cash generation was a highlight of the result with operating cash flow representing over 120 per cent of Profit after Tax,” said Mr McCann.

<sup>1</sup> Comparative period is year ended 30 June 2015 (the prior year).

<sup>2</sup> Return on equity is calculated using the annual profit after tax divided by the arithmetic average of beginning, half and year end securityholders' equity.

<sup>3</sup> Gross cash outflow related to development projects.

<sup>4</sup> Net debt to total tangible assets less cash.

<sup>5</sup> Excludes retirement development and includes 100% of revenue from joint venture projects. Joint venture partner share of revenue is \$190.3 million.

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The Development segment delivered a very strong result in FY16 across both residential and commercial.

Residential settlements were up 7 per cent to 4,790 units.

“The high level of residential pre-sales provides good future visibility for earnings.

“We settled over 1,200 apartments with non-settlements at less than 1 per cent versus our historical average of closer to 3 per cent.

“The forward sale of three major commercial buildings, two at International Quarter London and one at Darling Square in Sydney, has further de-risked our development exposure,” he said.

The Australian Construction result was robust with EBITDA margins up by more than 1 percentage point to 3.7 per cent.

The Investments segment, representing 37 per cent of operating EBITDA, continues to deliver solid recurring style earnings.

“The ongoing transition of our pipeline from planning into production and delivery has necessitated a greater focus on operational excellence and the outcomes have been pleasing.

“Safety is our number one priority and our safety record improved in FY16 with 86 per cent of our sites avoiding a critical incident, up from 83 per cent in the previous year,” said Mr McCann.

## Group Financials

\$ million	FY15	FY16	Change
Development	386.1	500.2	30%
Construction	279.0	288.1	3%
Investments	477.8	457.7	(4%)
<b>Operating EBITDA</b>	<b>1,142.9</b>	<b>1,246.0</b>	<b>9%</b>
Corporate costs	(175.9)	(191.1)	9%
<b>Group EBITDA</b>	<b>967.0</b>	<b>1,054.9</b>	<b>9%</b>
Depreciation and amortisation	(79.5)	(82.7)	4%
<b>EBIT</b>	<b>887.5</b>	<b>972.2</b>	<b>10%</b>
Net finance costs	(119.5)	(109.4)	(8%)
<b>PBT</b>	<b>768.0</b>	<b>862.8</b>	<b>12%</b>
Income tax expense	(149.1)	(164.7)	10%
External non-controlling interests	(0.3)	0.1	n/a
<b>NPAT</b>	<b>618.6</b>	<b>698.2</b>	<b>13%</b>

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Group Chief Financial Officer, Tarun Gupta said the FY16 result ensures that Lendlease enters FY17 in a strong financial position.

“Generating in excess of \$850.0 million in operating cash flow while deploying a further \$3.0 billion<sup>6</sup> into development of projects is a significant achievement.”

At 30 June 2016, Lendlease held a cash balance of \$1.0 billion and undrawn facilities of \$2.2 billion, providing substantial financial flexibility.

“Gearing ended the year at 6.5 per cent<sup>7</sup>, down from 10.5 per cent at the start of the year and the interest coverage ratio is 8.0 times.

“Through active management of our capital base we have continued to invest in our record development pipeline and grow earnings, while at the same time reduced financial leverage and improved balance sheet resilience.

“The Development segment was the clear standout with earnings rising 30 per cent. The forward sale of three major commercial buildings and the establishment of a new managed investment vehicle demonstrates the value of the integrated model,” said Mr Gupta.

## Outlook

Mr McCann said, “Our commitment to maintaining a disciplined and focussed approach to delivering on our strategy has positioned the company well for future success.

“Earnings visibility remains high with a growing pipeline across all three operating segments.

“The Development pipeline rose 9 per cent to \$48.8 billion. Residential pre sales reached a record \$5.9 billion<sup>8</sup>, up 13 per cent.”

Construction backlog revenue climbed 20 per cent to \$20.7 billion with further work of approximately \$7.0 billion in preferred bidder status. There was double digit growth in new work secured across each of Building, Engineering and Services.

“The outlook for Engineering is particularly strong on the back of \$2.8 billion of new work secured. The business will bid on a substantial amount of work over the coming year, with projects that are secured likely to contribute from FY18 and beyond.

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<sup>6</sup> Gross cash outflow related to development projects.

<sup>7</sup> Net debt to total tangible assets less cash.

<sup>8</sup> Excluding retirement development and includes 100% of revenue from joint venture projects. Joint venture partner share of revenue is \$190.3 million.

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“The funds management platform continues to expand with 11 per cent growth in FUM to \$23.6 billion. There is approximately \$3.0 billion<sup>9</sup> of additional secured FUM across the Group’s urbanisation projects.

“Despite a mixed external operating environment, we are well placed heading into FY17 with financial strength and diversity, and visibility of earnings,” said Mr McCann.

*Further information regarding Lendlease’s results is set out in the Group’s financial results presentation for the year ended 30 June 2016 and is available on [www.lendlease.com](http://www.lendlease.com).*

**ENDS**

FOR FURTHER INFORMATION, PLEASE CONTACT:

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## 2016 Key Dates for Investors

FY16 results released to market/final distribution declared	19 August
Securities quoted ex-dividend on the Australian Securities Exchange	24 August
Final distribution record date	25 August
Final distribution payable	14 September
Annual General Meeting	11 November

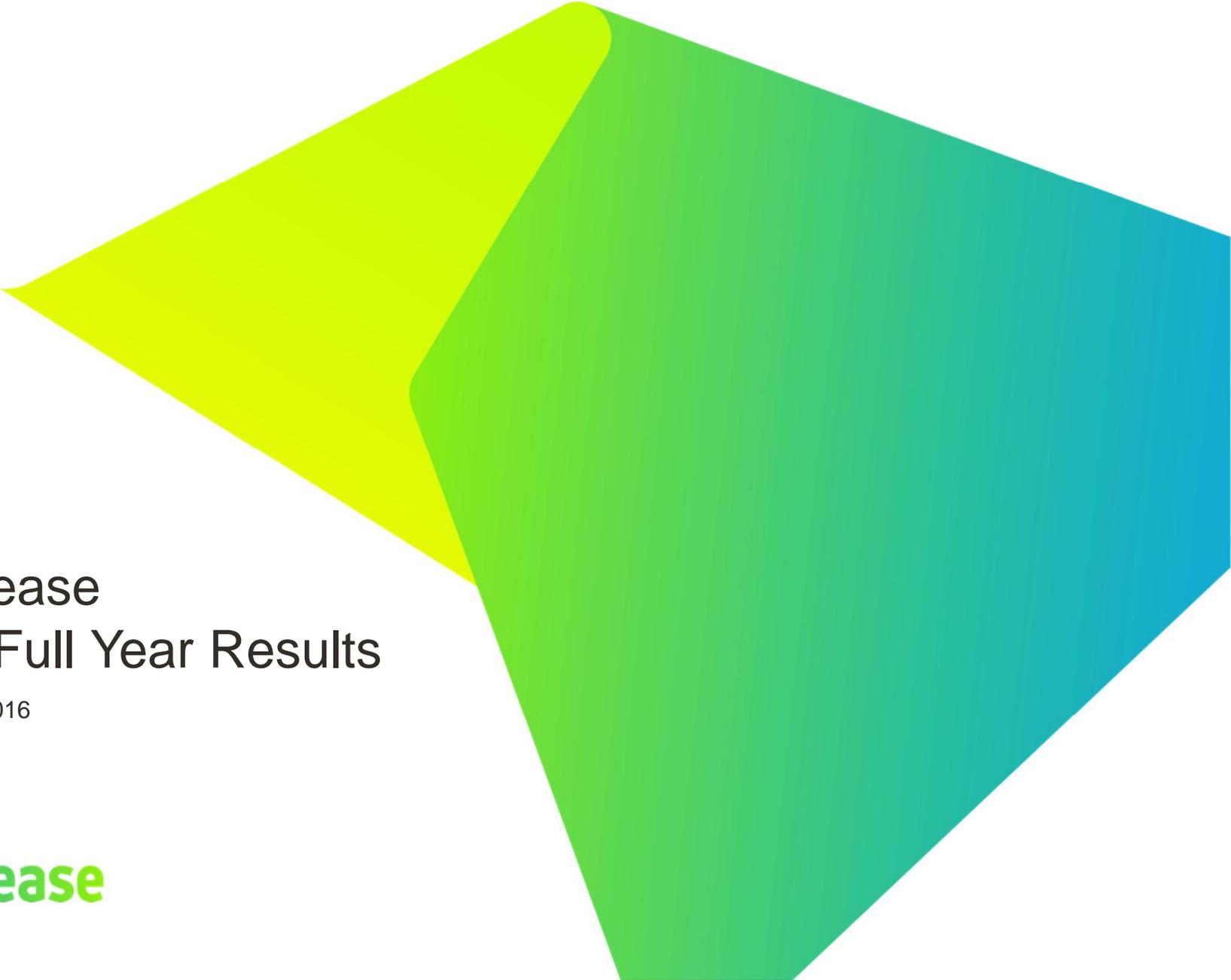
<sup>9</sup> Represents secured future FUM increase from funds with development projects in delivery.

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# Lendlease 2016 Full Year Results

19 August 2016

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*Tarun Gupta - Group Chief Financial Officer*

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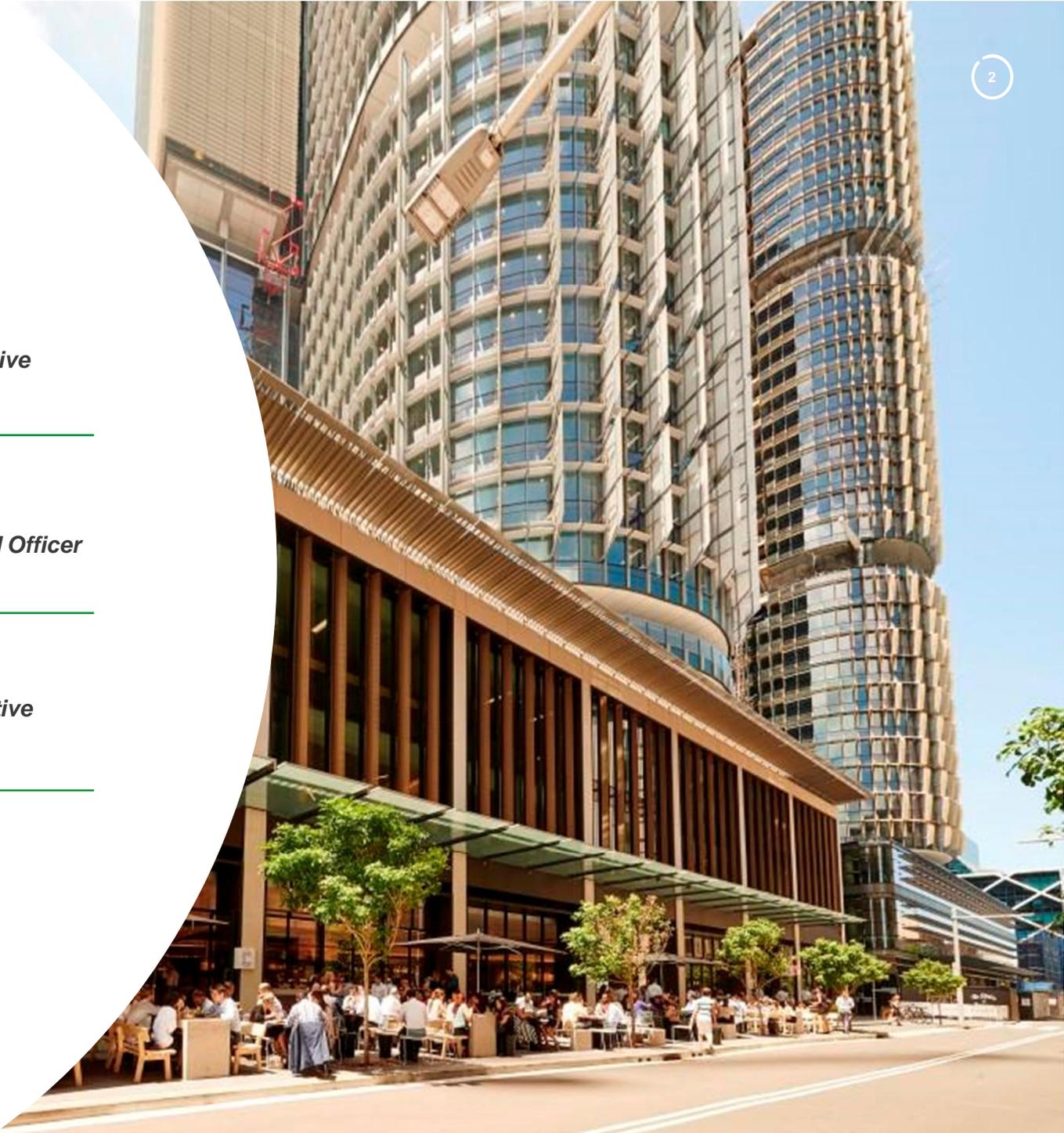
## Operational Update

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

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## Appendices

Image: Barangaroo South, Sydney



## 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.



# FY16 Safety

**1.8** (2.2 in FY15)

Lost Time Injury Frequency Rate in the last 12 months

**86%** (83% in FY15)

of operations have not had a critical incident in the last 12 months

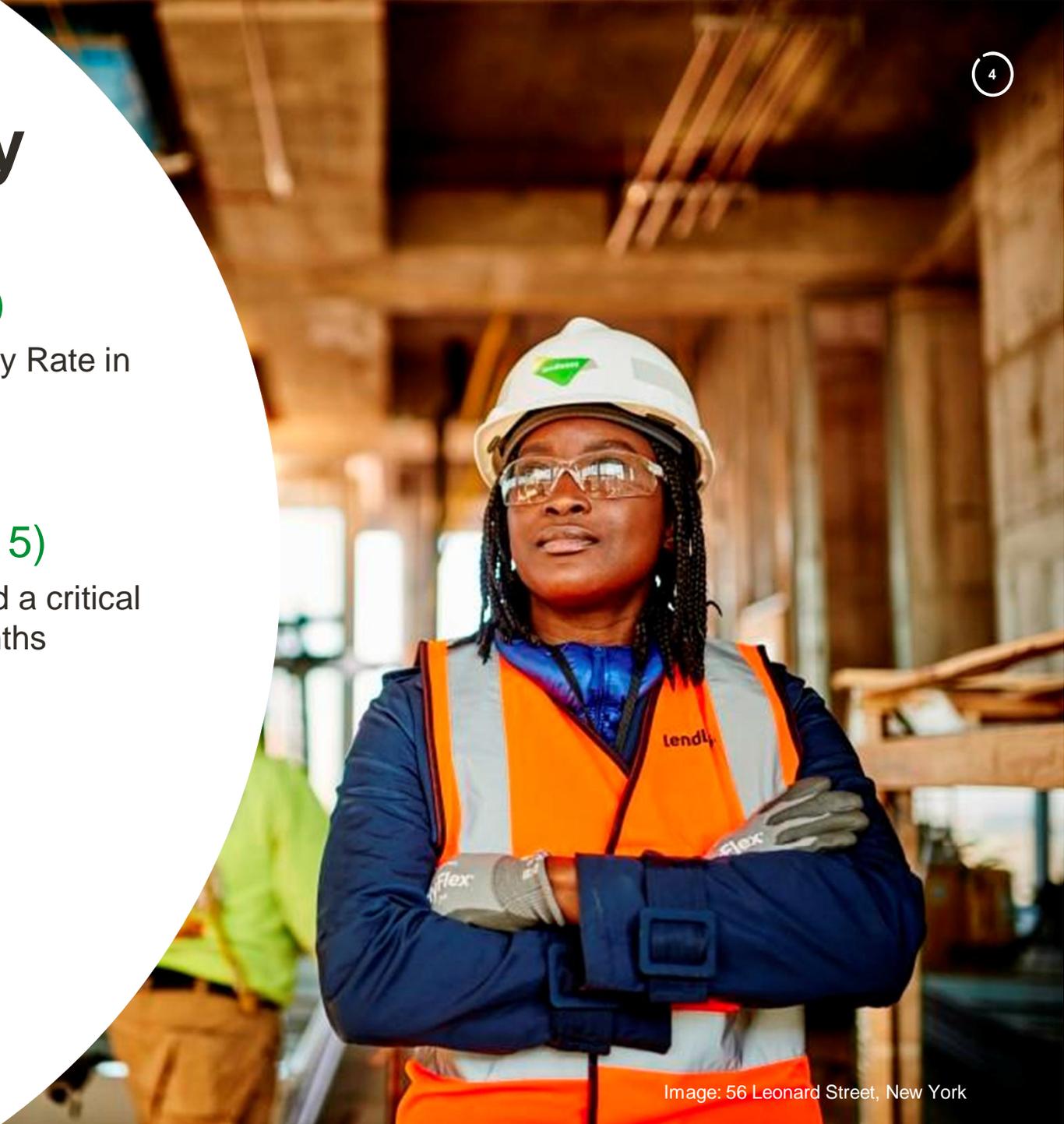
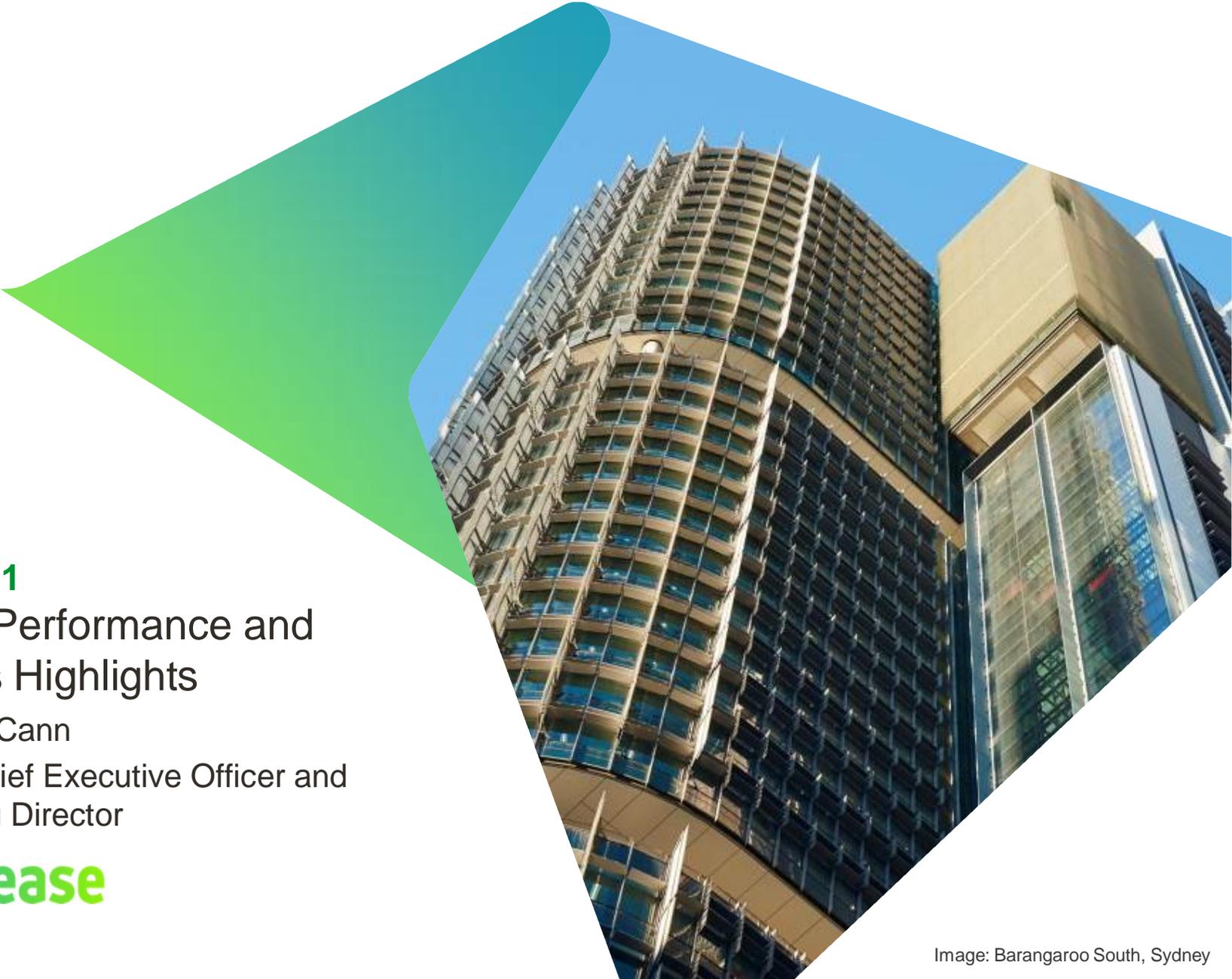


Image: 56 Leonard Street, New York



## Section 1

# Group Performance and Results Highlights

Steve McCann

Group Chief Executive Officer and  
Managing Director

**lendlease**

Image: Barangaroo South, Sydney

## Double digit earnings growth with strong cash generation

### Securityholder returns<sup>1</sup>

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- Profit after Tax of \$698.2 million, up 13%, and earnings per stapled security of 120.1 cents, up 12%
- Final distribution of 30.0 cents per security, bringing the full year distribution to 60.0 cents per security
- Return on equity up 60 bps to 13.0%<sup>2</sup>, within our 11% - 15% target range

### Performance highlights<sup>1</sup>

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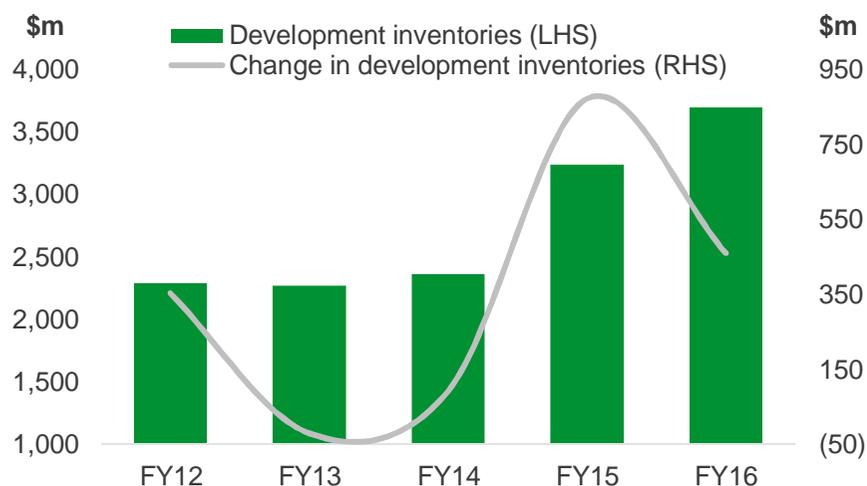
- Operating cash flow of \$853.0 million, 122% of Profit after Tax
- Further \$3.0 billion deployed into development of projects<sup>3</sup>
- Gearing of 6.5%<sup>4</sup>, cash and cash equivalents of \$1.0 billion and undrawn facilities of \$2.2 billion
- Proceeds received on Tower Two and Tower Three at Barangaroo South following completion
- De-risking Development with the forward sale of three major commercial buildings
- Residential settlements of 4,790 units, up 7%
- Engineering new work secured of \$2.8 billion, up 56%
- Establishment of a \$400 million managed investment vehicle
- Investments segment continues to deliver solid recurring style earnings, representing 37% of operating EBITDA
- Growth in Funds Under Management (FUM) of 11% to \$23.6 billion



1. Comparative period the year ended 30 June 2015 (the prior year)
2. Return on equity is calculated using the annual profit after tax divided by the arithmetic average of beginning, half and year end securityholders' equity
3. Gross cash outflow related to development projects
4. Net debt to total tangible assets less cash

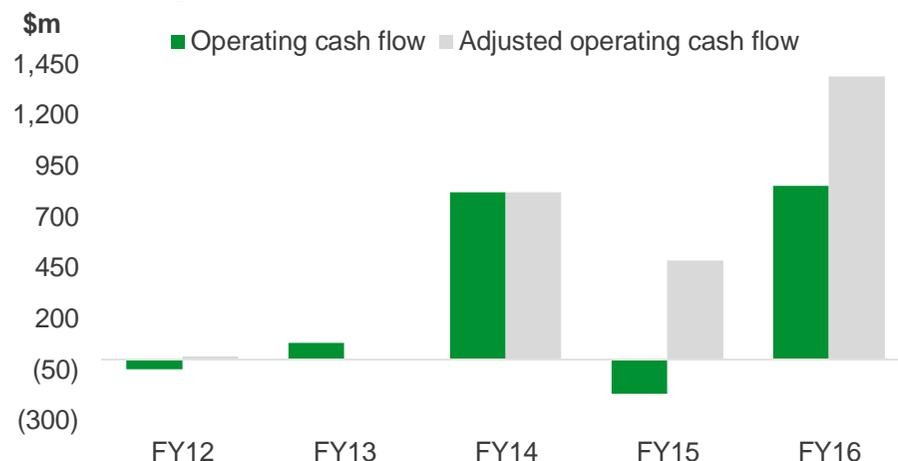
## Strong operating cash flow despite continued investment

### Development inventories



- Production capital in development inventories has increased by more than \$1.3 billion since FY14
- \$3.7 billion of development inventories as at June 2016, up \$460.6 million or 14%<sup>1</sup>
- Rate of increase in production capital has eased

### Operating cash flow



- Operating cash flow of \$853.0 million
- Production capital relating to development inventories is included in operating cash flow
- Adjusted operating cash flow of \$1.4 billion in FY16, taking into account cash impact of increase in development inventories<sup>2</sup>
- FY16 includes \$1.2 billion of cash receipts received on Tower Two and Tower Three at Barangaroo South following completion, with the majority of related profits booked in FY13

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1. Comparative period the year ended 30 June 2015 (the prior year)
2. Adjusted for change in development inventories on operating cash flow



## Section 2 Financials

Tarun Gupta  
Group Chief Financial Officer

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Image: 432 Park Avenue, New York

# Re-segmentation and transition to Integrated Reporting

## Re-segmentation

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- Three reporting segments: Development, Construction and Investments
  - More accurately reflects the underlying nature of the revenue generating activities of the Group
  - Alignment with internal management reporting, capital allocation framework and management commentary
- Key changes for FY16 include:
  - Retirement Ownership transferred to Investments
  - Separation of the Infrastructure Development activities across Development and Investments based on type of activity

## Integrated reporting

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- Annual Report prepared with reference to the International Integrated Reporting Council's framework
- Consolidation of former Annual Report, Directors' Report & Financial Statements and the Securityholder Review into one document
- Expected outcomes and benefits include:
  - Consolidated information source - integrates the reporting of our performance, strategy, value creating capabilities and governance
  - Better articulating how we create value through financial and non-financial means
  - More effective and efficient reporting

## Financial performance

\$ million	FY15	FY16	Change
Development	386.1	500.2	30%
Construction	279.0	288.1	3%
Investments	477.8	457.7	(4%)
<b>Operating EBITDA</b>	<b>1,142.9</b>	<b>1,246.0</b>	<b>9%</b>
Corporate costs	(175.9)	(191.1)	9%
<b>Group EBITDA</b>	<b>967.0</b>	<b>1,054.9</b>	<b>9%</b>
Depreciation and amortisation	(79.5)	(82.7)	4%
<b>EBIT</b>	<b>887.5</b>	<b>972.2</b>	<b>10%</b>
Net finance costs	(119.5)	(109.4)	(8%)
<b>PBT</b>	<b>768.0</b>	<b>862.8</b>	<b>12%</b>
Income tax expense	(149.1)	(164.7)	10%
External non-controlling interests	(0.3)	0.1	n/a
<b>NPAT</b>	<b>618.6</b>	<b>698.2</b>	<b>13%</b>
Weighted avg. securities	579.4	581.4	n/a
<b>EPS cents</b>	<b>106.8</b>	<b>120.1</b>	<b>12%</b>

- Strong residential and commercial contribution in Australia and Europe

- Higher revenue offset by weaker offshore margins

- Decline driven by lower Asia contribution

- FY16 comprises Group Services costs of \$168.7 million<sup>1</sup>, up 8%

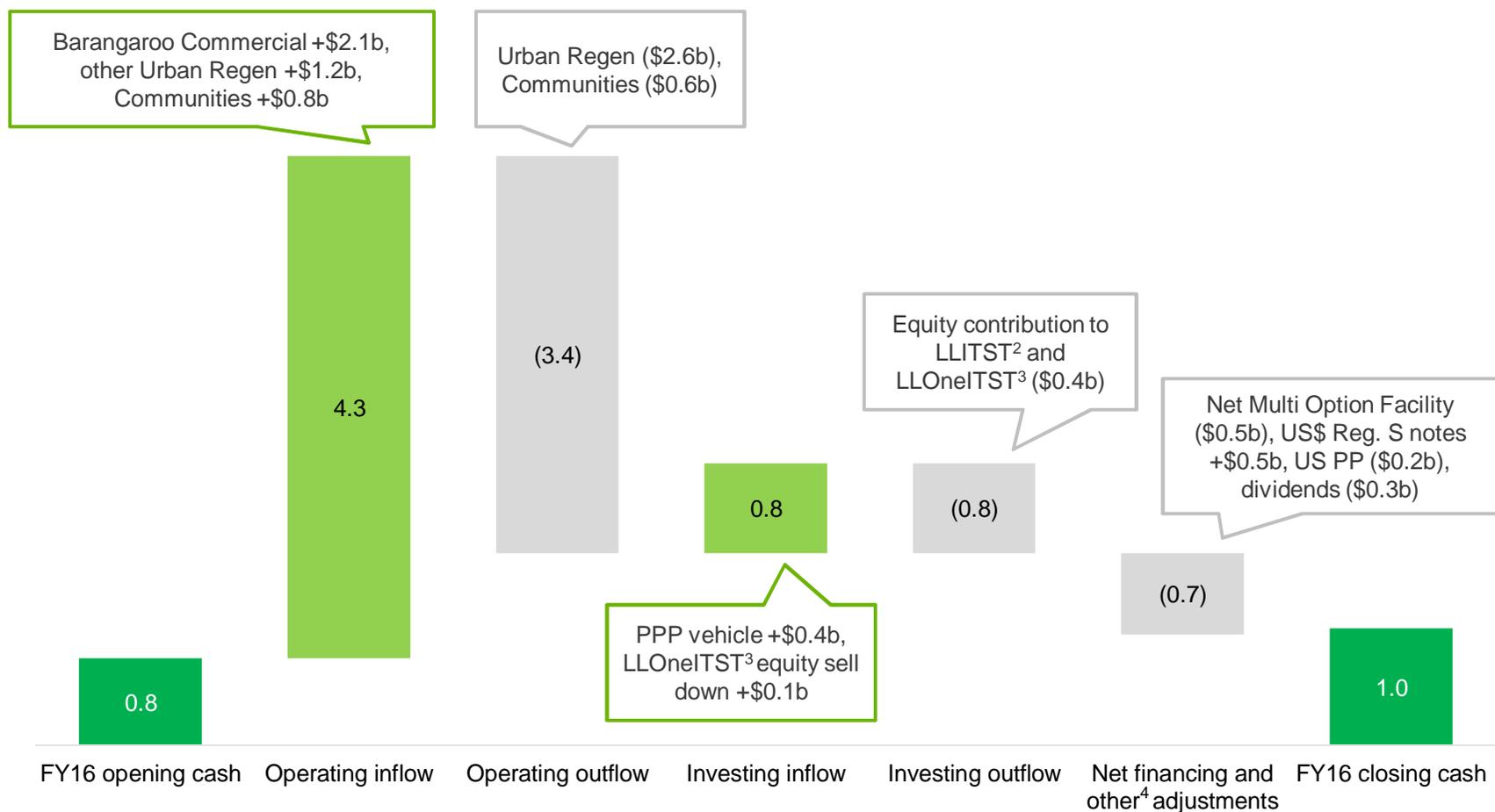
- Lower net debt and average cost of debt down 60 bps to 4.6%

- Effective tax rate of 19.1%, down 30 bps

**lendlease** 1. Remaining FY16 corporate costs represent Group Treasury of \$22.4 million

# Cash flow movements (\$b)<sup>1</sup>

Denotes major movements



1. Represents an indicative analysis of operating cash inflows and outflows. Note, operating cash inflows and outflows relating to Construction have been included as a net position in the above chart
2. Lend Lease International Towers Sydney Trust (Barangaroo South Tower Two and Tower Three)
3. Lend Lease One International Towers Sydney Trust (Barangaroo South Tower One)
4. Includes the impact of foreign exchange movements on opening cash

## Financial position

\$ million	30 June 15	30 June 16	Change
<b>Assets</b>			
Cash and cash equivalents	750.1	1,008.4	34%
Inventories	4,104.2	4,602.9	12%
Equity accounted investments	1,235.8	1,152.6	(7%)
Investment properties <sup>1</sup>	5,994.9	5,940.7	(1%)
Other assets (including financial)	6,874.2	5,888.3	(14%)
<b>Total assets</b>	<b>18,959.2</b>	<b>18,592.9</b>	<b>(2%)</b>
<b>Liabilities</b>			
Borrowings and financing arrangements	2,450.3	2,031.3	(17%)
Other liabilities (including financial) <sup>1</sup>	11,340.7	10,946.9	(3%)
<b>Total liabilities</b>	<b>13,791.0</b>	<b>12,978.2</b>	<b>(6%)</b>
<b>Net assets</b>	<b>5,168.2</b>	<b>5,614.7</b>	<b>9%</b>
<b>Gearing<sup>2</sup></b>	<b>10.5%</b>	<b>6.5%</b>	<b>(38%)</b>

### Key areas of capital employed

- Development inventories of \$3.7 billion
- Investments of \$3.0 billion including:
  - Co-Investments of \$1.4 billion
  - Retirement Ownership of \$1.5 billion

### Funding and liquidity

- Circa \$3.2 billion of cash and undrawn facilities
- Interest coverage of 8.0 times
- Gearing of 6.5%<sup>2</sup>
- Prudent debt maturity profile, no material concentrations

*For further detailed information on the financial results, please refer to the Appendices*

**lendlease** 1. Investment properties includes retirement living properties of \$5,743.1 million. Other liabilities includes retirement resident liabilities of \$4,119.5 million  
 2. Net debt to total tangible assets less cash



## Section 3 Operational Update

Steve McCann  
Group Chief Executive Officer and  
Managing Director

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Artist impression: Paya Lebar Quarter, Singapore

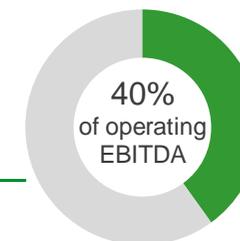
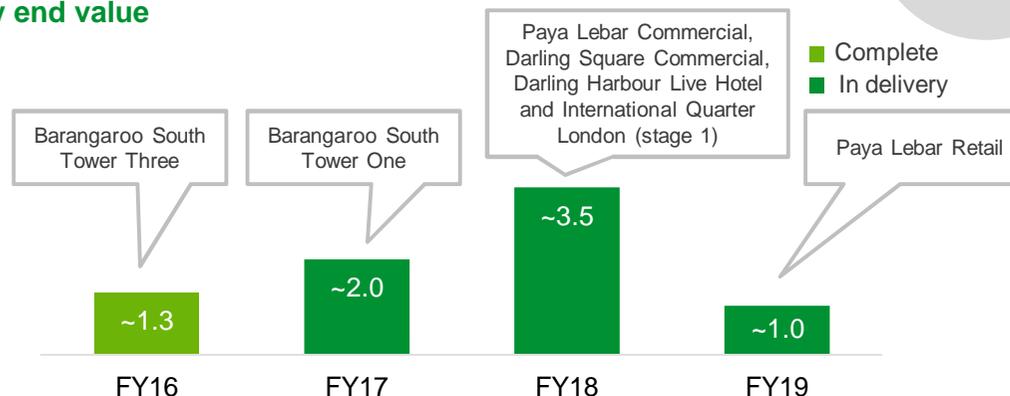
# Development

## Performance highlights<sup>1</sup>

- Proceeds received on Tower Two and Tower Three at Barangaroo South following completion
- Forward sale of three major commercial buildings: two in delivery at International Quarter London and one at Darling Square, Sydney
- Commercial development in delivery with a combined end value of approximately \$6.5 billion across 10 buildings
- Residential settlements of 4,790 units, up 7%<sup>2</sup>:
  - Communities settlements of 3,402 units, down 11%, although presales of 2,794 units, up 31%
  - Apartments settlements of 1,203 units, up from 440 units in FY15. Non-settlement rate < 1.0%
- Record presold residential revenue of \$5.9 billion<sup>4</sup>, up 13%
- Establishment of a \$400 million managed investment vehicle seeded by the sale of a number of the Group’s PPP interests in Australia

## Commercial building completion profile<sup>3</sup> (\$b)

### By end value



## Residential presales<sup>4</sup> (\$b)

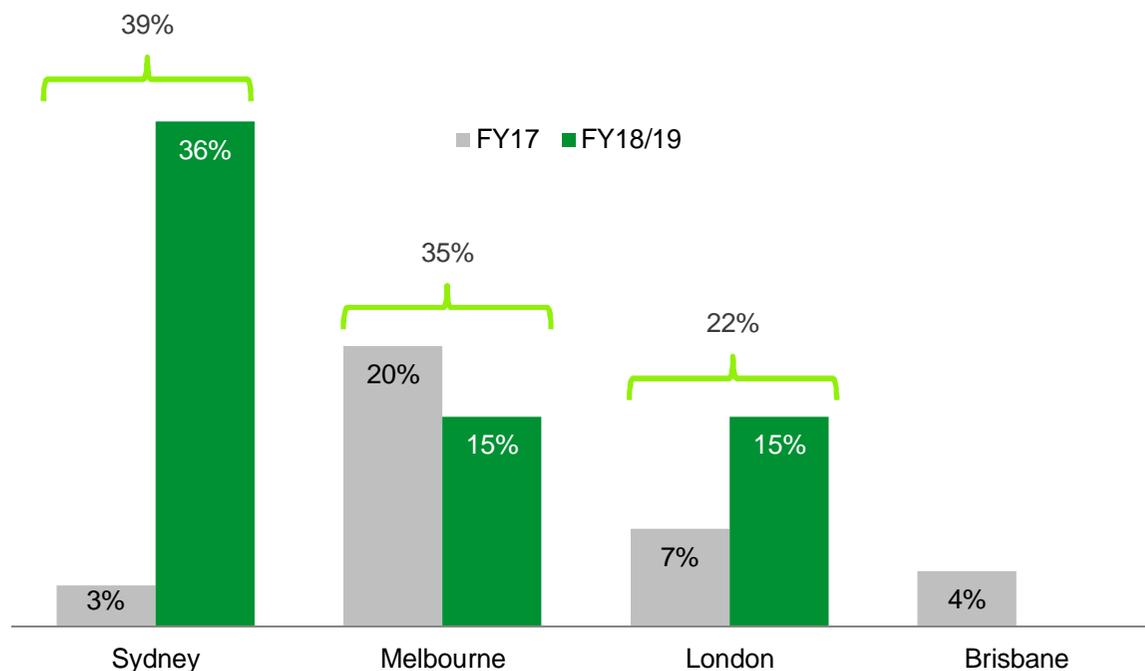


1. Comparative period the year ended 30 June 2015 (the prior year)  
 2. Includes retirement development  
 3. Not indicative of cash or profit recognition  
 4. Excludes retirement development and includes 100% of revenue from joint venture projects. Joint venture partner share of revenue is \$190.3 million

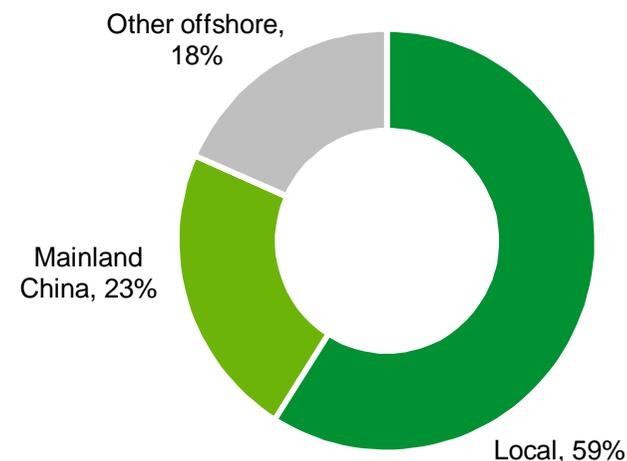
# Apartment presales - by location and customer

## Presales (by value, as at 30 June 2016)<sup>1</sup>

### Run-off profile by location<sup>2</sup>



### By customer



Projects completing in FY17 approximately 98% presold<sup>2</sup>

Revenue of approximately \$1.0+ billion to settle in FY17<sup>2</sup>

Units of approximately 1,500+ to settle in FY17<sup>2</sup>



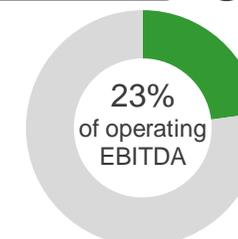
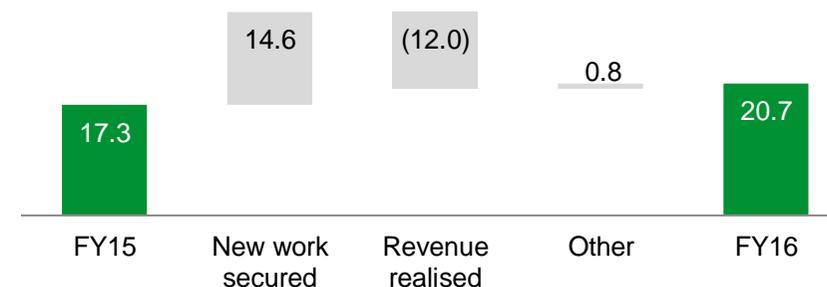
1. Apartment projects in delivery reflecting total presales of \$4.7 billion, including 100% of revenue from joint venture projects. Joint venture partner share of revenue is \$185.5 million  
 2. Based on expected completion date of underlying buildings, subject to change in delivery program

# Construction

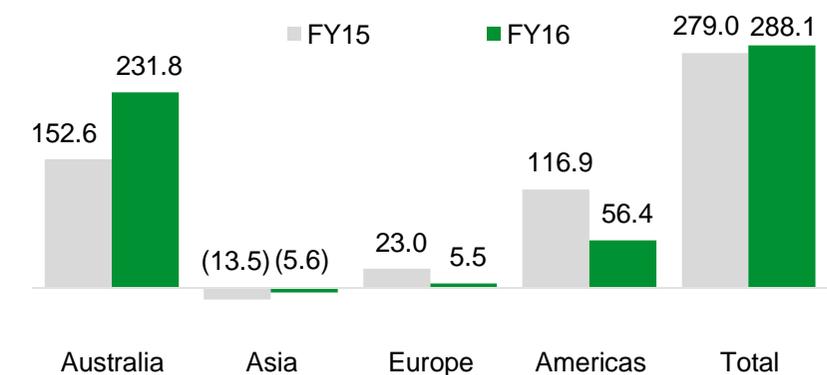
## Performance highlights<sup>1</sup>

- Strong result from Australian operations, with EBITDA up 52%
- Australian construction margin improvement of over 100 bps to 3.7%
- Asia and Europe broadly break even
- Americas margin impacted by change in contract type mix
- Backlog revenue of \$20.7 billion, up 20%, with book to bill ratio of 1.2<sup>2</sup>
- Internal pipeline accounts for 23.0% of backlog<sup>3</sup>
- New work secured of \$14.6 billion, up 24%:
  - Building \$10.8 billion, up 19%
  - Engineering \$2.8 billion, up 56%
  - Services \$1.0 billion, up 11%
- Approximately \$7 billion of further work in preferred bidder status

## Backlog (\$b)



## EBITDA (\$m)



## EBITDA Margin (%)

	Australia	Asia	Europe	Americas	Total
<b>FY15</b>	2.6%	(6.0%)	1.8%	3.3%	2.6%
<b>FY16</b>	3.7%	(1.7%)	0.4%	1.4%	2.4%

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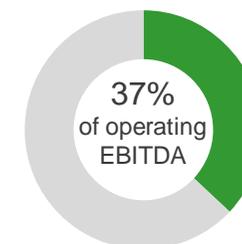
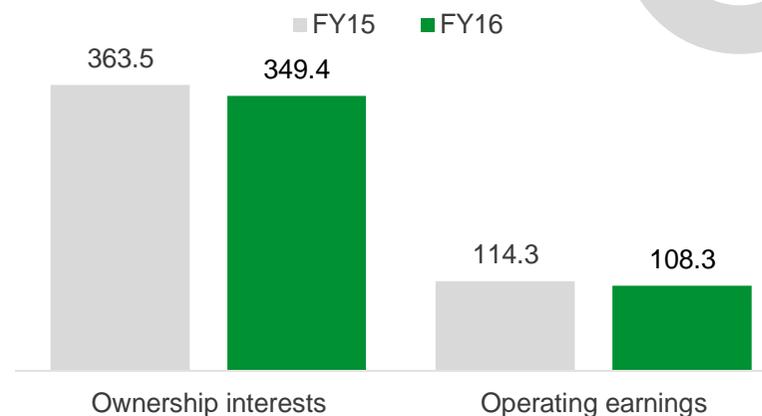
1. Comparative period the year ended 30 June 2015 (the prior year)
2. Ratio calculated as new work secured over revenue realised
3. Includes all major construction projects disclosed in the Portfolio Report as at 30 June 2016, which represents 51.2% (\$10.6 billion) of secured backlog

## Investments

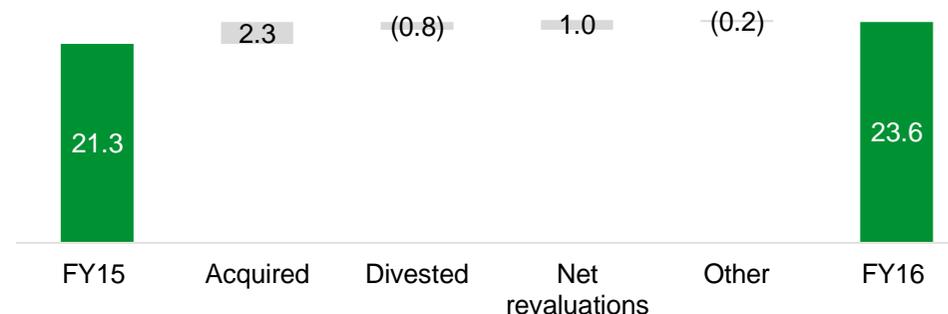
### Performance highlights<sup>1</sup>

- FUM of \$23.6 billion, up 11%
- Approximately \$3.0 billion<sup>2</sup> of additional secured FUM across the Group's urbanisation projects
- New equity raised of \$1.3 billion
- Co-Investments up 10% to \$1.4 billion:
  - Equity contributions to LLITST<sup>3</sup> and LLOneITST<sup>4</sup>
  - Sale of 25% co-investment stake in LLOneITST<sup>4</sup>
- Weaker result in Asia driven by reduction in carrying value of 313@somerset
- Retirement Ownership and Management - 1,038 unit resales<sup>5</sup>
- Strategic decision to exit NZ Retirement business
- US Military Housing - operational units under management up 2% to 53,055

### Investments EBITDA by activity (\$m)



### FUM (\$b)



1. Comparative period the year ended 30 June 2015 (the prior year)
2. Represents secured future FUM increase from funds with development projects in delivery
3. Lend Lease International Towers Sydney Trust (Barangaroo South Tower Two and Tower Three)
4. Lend Lease One International Towers Sydney Trust (Barangaroo South Tower One)
5. Australian owned and managed retirement units



## Section 4 Outlook

Steve McCann  
Group Chief Executive Officer and  
Managing Director

**lendlease**



Artist impression: International Quarter London

## Outlook

- Despite mixed market conditions, we are well placed heading into FY17 with:
  - Financial strength - low gearing, high levels of liquidity and access to third party capital
  - Earnings visibility from the growing pipeline across our business segments
- Resilient business model with diversity by both business and geography
- Strong risk management framework to manage individual projects, property cycles and sovereign risk
- Integrated capabilities across the property and infrastructure value chain is our key competitive advantage
- Relentless approach to health, safety and sustainability
- Focussed on operational excellence in project delivery, with ongoing disciplined approach to origination in attractive markets to support longer term growth outlook

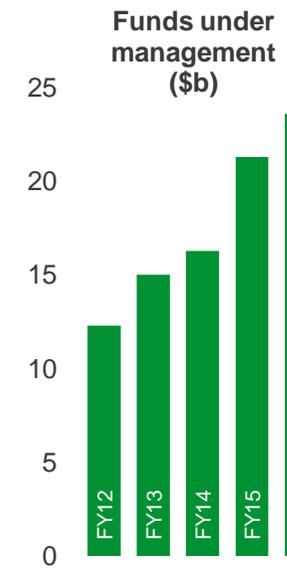
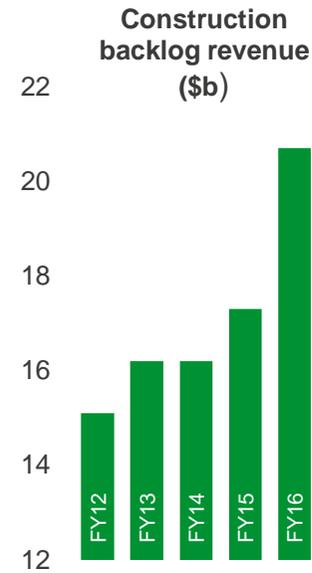
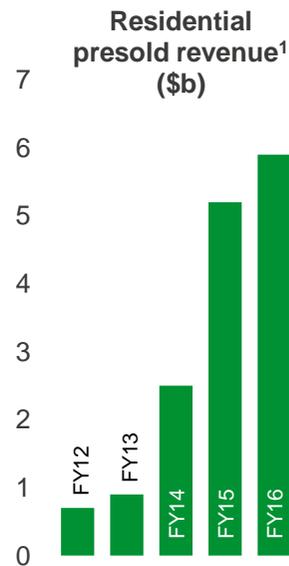
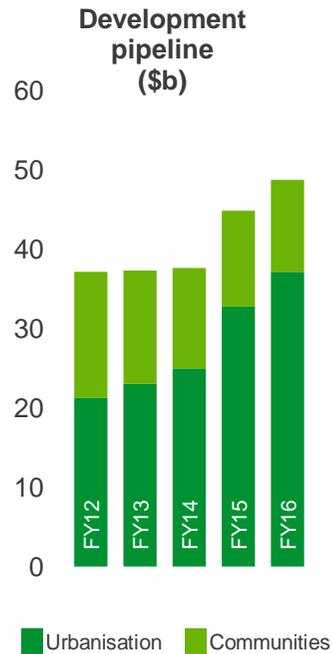
## Earnings visibility from growing pipeline across all segments

Development pipeline of \$48.8 billion (76.4% urbanisation projects)

Record residential presold revenue of \$5.9 billion<sup>1</sup>

Construction backlog revenue of \$20.7 billion

FUM of \$23.6 billion



**lendlease** 1. Excludes retirement development and includes 100% of revenue from joint venture projects. Joint venture partner share of revenue is \$190.3 million



## Section 5

### Q&A

Steve McCann  
Group Chief Executive Officer and Managing Director

Tarun Gupta  
Group Chief Financial Officer

Dan Labbad  
Chief Executive Officer, International Operations

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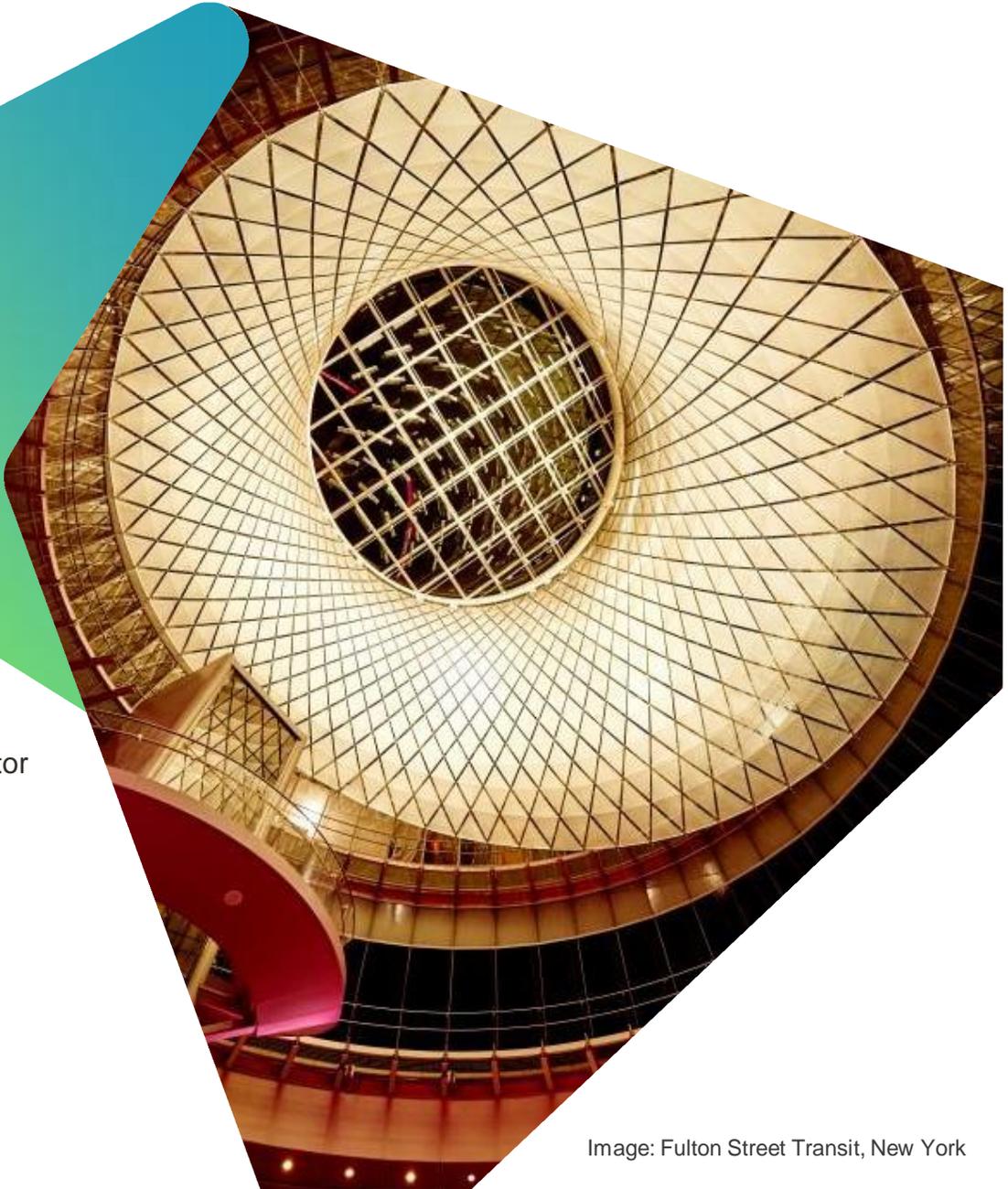


Image: Fulton Street Transit, New York

**Appendices**

**lendlease**



Artist impression: The Darling Exchange, Sydney



# Group Financials



## Income Statement

Income Statement (\$ million)	Jun-15	Jun-16
Revenue	13,280.9	15,088.5
Cost of sales	(11,613.3)	(13,388.5)
<b>Gross profit</b>	<b>1,667.6</b>	<b>1,700.0</b>
Other income	251.8	256.9
Other expenses	(1,051.8)	(1,136.3)
<b>Results from operating activities</b>	<b>867.6</b>	<b>820.6</b>
Finance revenue	17.7	16.8
Finance costs	(137.2)	(126.2)
<b>Net finance costs</b>	<b>(119.5)</b>	<b>(109.4)</b>
Share of profit of equity accounted investments	19.9	151.6
<b>Profit before Tax</b>	<b>768.0</b>	<b>862.8</b>
Income tax expense	(149.1)	(164.7)
<b>Profit after Tax</b>	<b>618.9</b>	<b>698.1</b>
<b>Profit after Tax attributable to:</b>		
Members of Lendlease Corporation Limited	530.2	557.8
Unitholders of Lendlease Trust	88.4	140.4
<b>Profit after Tax attributable to securityholders</b>	<b>618.6</b>	<b>698.2</b>
External non controlling interests	0.3	(0.1)
<b>Profit after Tax</b>	<b>618.9</b>	<b>698.1</b>
<i>Basic/Diluted EPS per Lendlease Group Stapled Security (cents)</i>	106.8	120.1

## Statement of Financial Position

Statement of Financial Position (\$ million)	Jun-15	Jun-16
<b>Current Assets</b>		
Cash and cash equivalents	750.1	1,008.4
Loans and receivables	3,631.0	2,785.0
Inventories	1,980.0	1,923.0
Current tax assets	8.6	21.6
Other financial assets	42.7	50.7
Other assets	83.2	69.2
<b>Total current assets</b>	<b>6,495.6</b>	<b>5,857.9</b>
<b>Non Current Assets</b>		
Loans and receivables	320.1	285.4
Inventories	2,124.2	2,679.9
Equity accounted investments	1,235.8	1,152.6
Investment properties	5,994.9	5,940.7
Other financial assets	625.7	628.8
Deferred tax assets	305.5	109.5
Property, plant and equipment	348.8	432.3
Intangible assets	1,444.7	1,446.8
Defined benefit plan asset	9.2	7.5
Other assets	54.7	51.5
<b>Total non current assets</b>	<b>12,463.6</b>	<b>12,735.0</b>
<b>Total assets</b>	<b>18,959.2</b>	<b>18,592.9</b>

Statement of Financial Position (\$ million)	Jun-15	Jun-16
<b>Current Liabilities</b>		
Trade and other payables	5,036.1	4,328.8
Resident liabilities	4,080.4	4,119.5
Provisions	328.8	292.4
Borrowings and financing arrangements	227.3	0.0
Other financial liabilities	33.7	83.6
<b>Total current liabilities</b>	<b>9,706.3</b>	<b>8,824.3</b>
<b>Non Current Liabilities</b>		
Trade and other payables	1,586.0	1,909.4
Provisions	46.0	70.6
Borrowings and financing arrangements	2,223.0	2,031.3
Defined benefit plan liability	68.8	3.4
Other financial liabilities	32.3	9.7
Deferred tax liabilities	128.6	129.5
<b>Total non current liabilities</b>	<b>4,084.7</b>	<b>4,153.9</b>
<b>Total liabilities</b>	<b>13,791.0</b>	<b>12,978.2</b>
<b>Net assets</b>	<b>5,168.2</b>	<b>5,614.7</b>

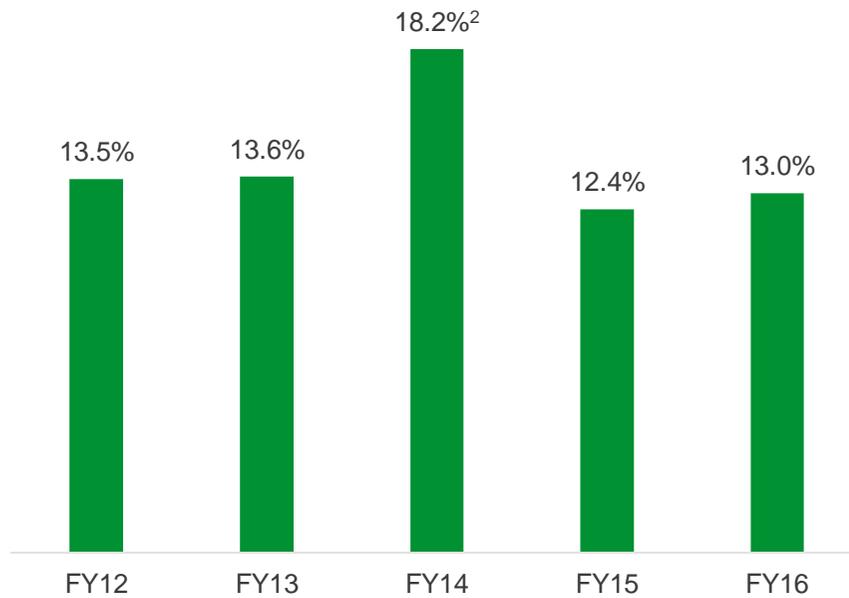
Equity		
Issued capital	1,256.3	1,276.3
Treasury shares	(89.9)	(99.5)
Reserves	91.7	98.0
Retained earnings	2,936.0	3,289.6
<b>Total equity attributable to equity holders of Lendlease Corporation Limited</b>	<b>4,194.1</b>	<b>4,564.4</b>
Total equity attributable to unitholders of Lendlease Trust	968.0	1,048.6
<b>Total equity attributable to securityholders</b>	<b>5,162.1</b>	<b>5,613.0</b>
External non controlling interests	6.1	1.7
<b>Total equity</b>	<b>5,168.2</b>	<b>5,614.7</b>

## Statement of Cash Flows

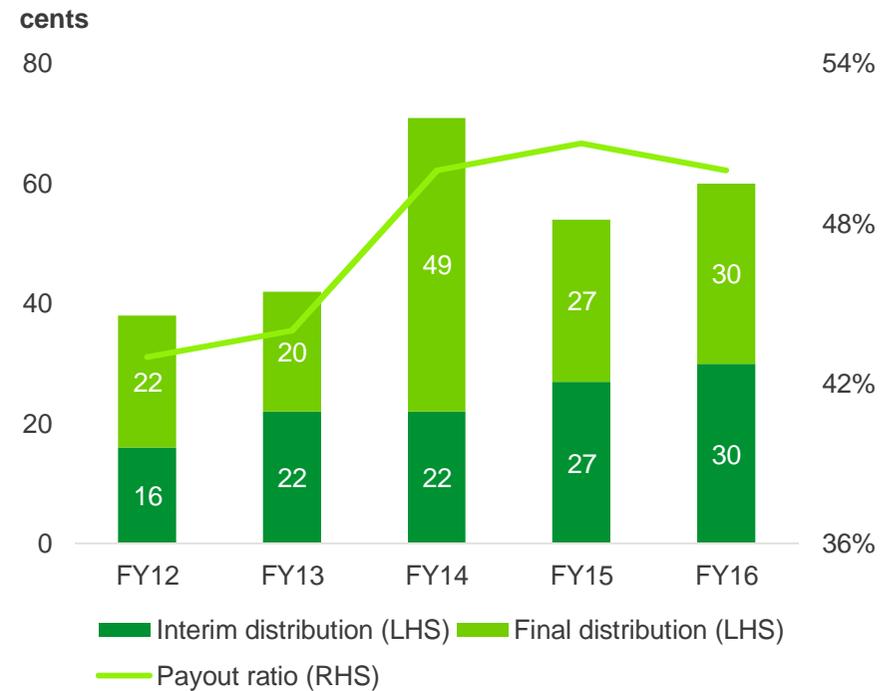
Statement of Cash Flows (\$ million)	Jun-15	Jun-16
<b>Cash Flows from Operating Activities</b>		
Cash receipts in the course of operations	11,896.7	16,028.4
Cash payments in the course of operations	(11,866.7)	(15,154.9)
Interest received	15.2	12.8
Interest paid	(151.2)	(134.8)
Dividends/distributions received	61.4	90.0
Income tax received/(paid) in respect of operations	(122.0)	11.5
<b>Net cash provided by/(used in) operating activities</b>	<b>(166.6)</b>	<b>853.0</b>
<b>Cash Flows from Investing Activities</b>		
Sale/redemption of investments	615.0	330.5
Acquisition of investments	(653.0)	(563.2)
Acquisition of/capital expenditure on investment properties	(209.2)	(25.7)
Net loans from/(to) associates and joint ventures	(22.5)	38.6
Acquisition of consolidated entities (net of cash acquired and acquisition costs)	(5.7)	
Disposal of consolidated entities (net of cash disposed and transaction costs)	7.0	382.5
Disposal of property, plant and equipment	11.7	16.7
Acquisition of property, plant and equipment	(57.4)	(132.7)
Acquisition of intangible assets	(67.3)	(46.1)
Other investing activities	(2.0)	
<b>Net cash provided by/(used in) investing activities</b>	<b>(383.4)</b>	<b>0.6</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	2,276.6	5,327.6
Repayment of borrowings	(2,333.4)	(5,626.0)
Dividends/distributions paid	(374.2)	(293.2)
Other financing activities	(34.2)	(28.8)
<b>Net cash used in financing activities</b>	<b>(465.2)</b>	<b>(620.4)</b>
<b>Other Cash Flow Items</b>		
<b>Effect of foreign exchange rate movements on cash and cash equivalents</b>	<b>49.5</b>	<b>25.1</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(965.7)</b>	<b>258.3</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>1,715.8</b>	<b>750.1</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>750.1</b>	<b>1,008.4</b>

# Securityholder returns

## Return on equity<sup>1</sup>

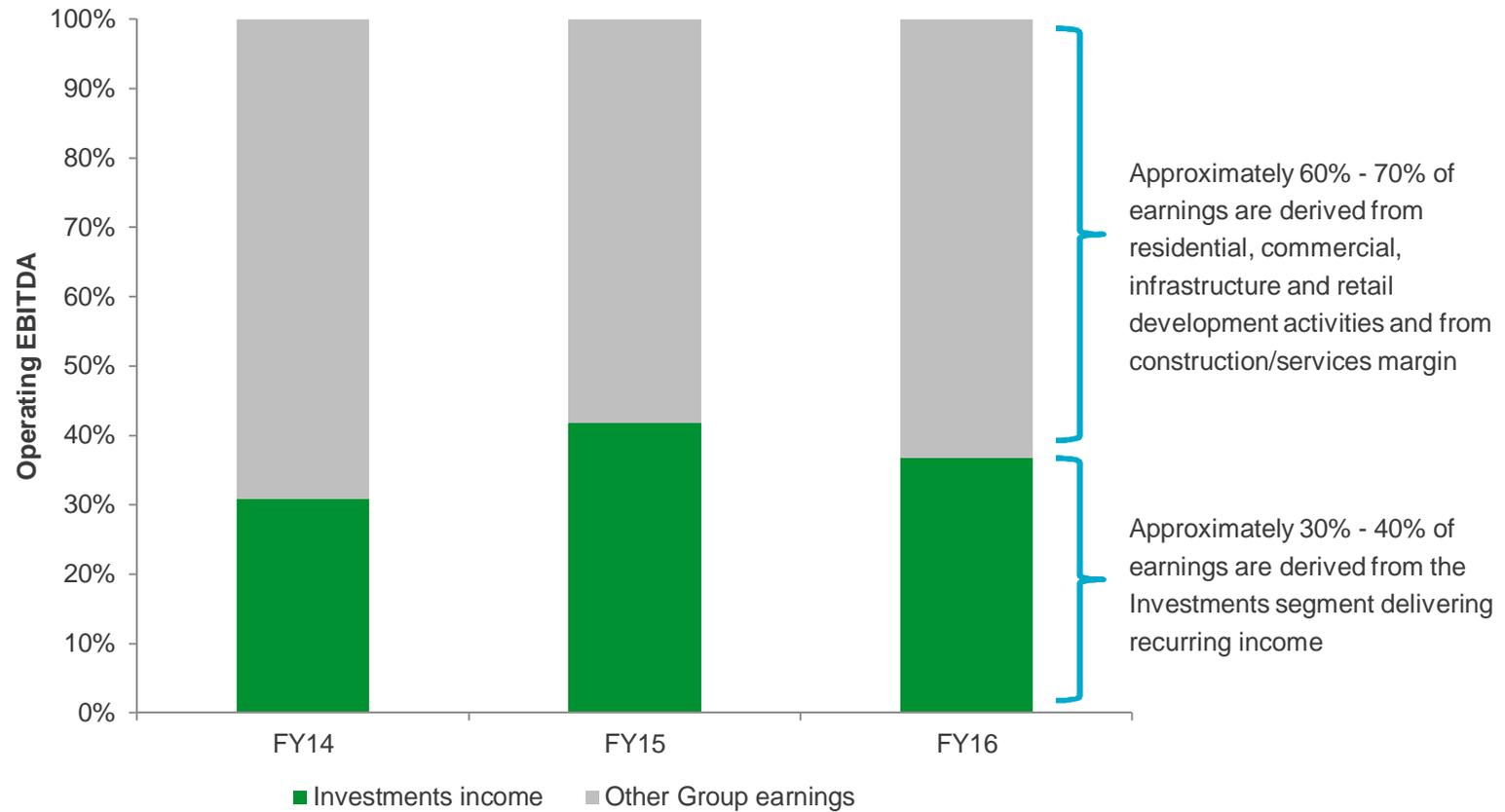


## Distributions



1. Return on equity is calculated using the annual profit after tax divided by the arithmetic average of beginning, half and year end securityholders' equity  
 2. FY14 includes Bluewater sale

## Recurring income

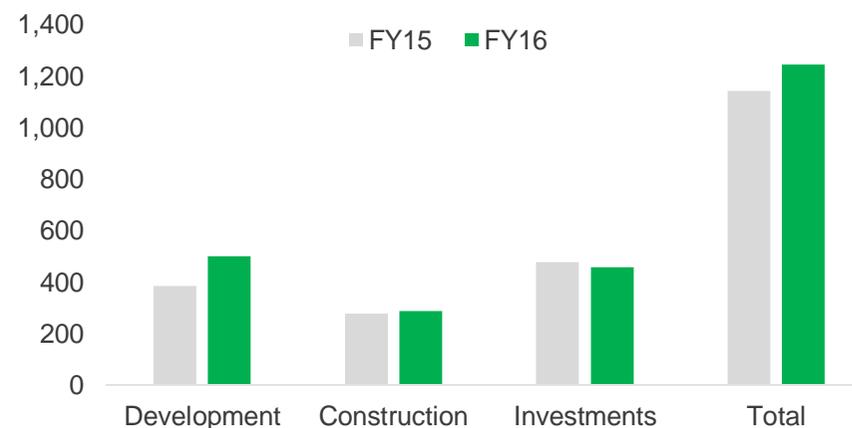


## Revenue and EBITDA by segment and geography

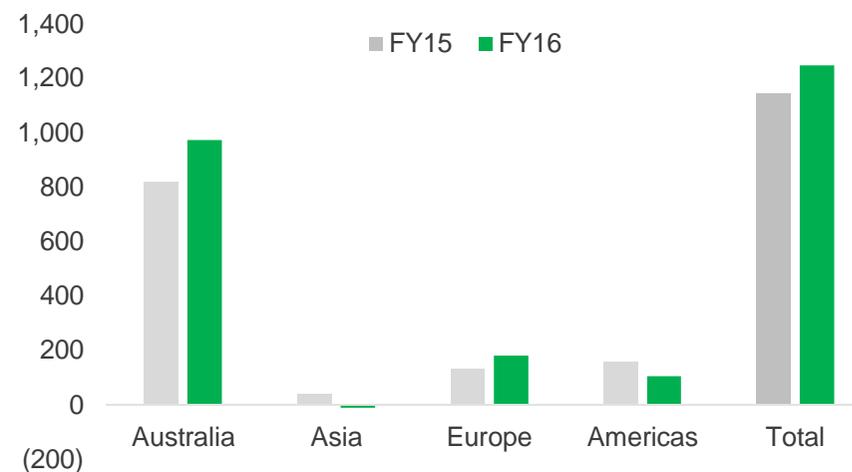
\$ million	Revenue		EBITDA	
	FY15	FY16	FY15	FY16
<b>Development</b>				
Australia	1,508.6	2,034.4	336.8	391.5
Asia	1.0	17.5	(11.7)	(19.1)
Europe	317.6	431.7	66.3	139.5
Americas	48.2	60.3	(5.3)	(11.7)
<b>Total Development</b>	<b>1,875.4</b>	<b>2,543.9</b>	<b>386.1</b>	<b>500.2</b>
<b>Construction</b>				
Australia	5,912.7	6,271.0	152.6	231.8
Asia	225.0	334.2	(13.5)	(5.6)
Europe	1,258.0	1,341.3	23.0	5.5
Americas	3,541.2	4,085.9	116.9	56.4
<b>Total Construction</b>	<b>10,936.9</b>	<b>12,032.4</b>	<b>279.0</b>	<b>288.1</b>
<b>Investments</b>				
Australia	322.3	359.7	329.5	348.5
Asia	45.5	54.9	64.3	14.3
Europe	48.0	25.1	40.2	35.1
Americas	52.2	70.8	43.8	59.8
<b>Total Investments</b>	<b>468.0</b>	<b>510.5</b>	<b>477.8</b>	<b>457.7</b>
<b>Total Operating</b>				
Australia	7,743.6	8,665.1	818.9	971.8
Asia	271.5	406.6	39.1	(10.4)
Europe	1,623.6	1,798.1	129.5	180.1
Americas	3,641.6	4,217.0	155.4	104.5
<b>Group Total Operating</b>	<b>13,280.3</b>	<b>15,086.8</b>	<b>1,142.9</b>	<b>1,246.0</b>

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### EBITDA by segment (\$m)



### EBITDA by geography (\$m)



## Revenue and EBITDA by segment and geography, local currency

### Europe

Local currency	Revenue		EBITDA	
	FY15	FY16	FY15	FY16
<b>Europe, GBP million</b>				
Development	168.3	215.9	35.1	69.8
Construction	666.7	670.7	12.2	2.8
Investments	25.4	12.6	21.3	17.6
<b>Total</b>	<b>860.4</b>	<b>899.2</b>	<b>68.6</b>	<b>90.2</b>

### Americas

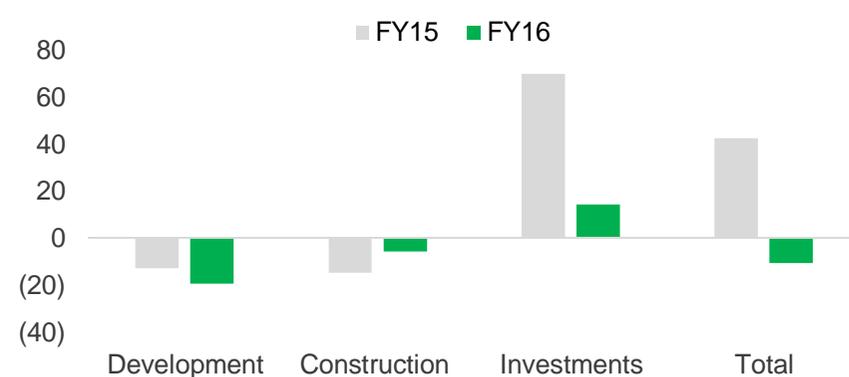
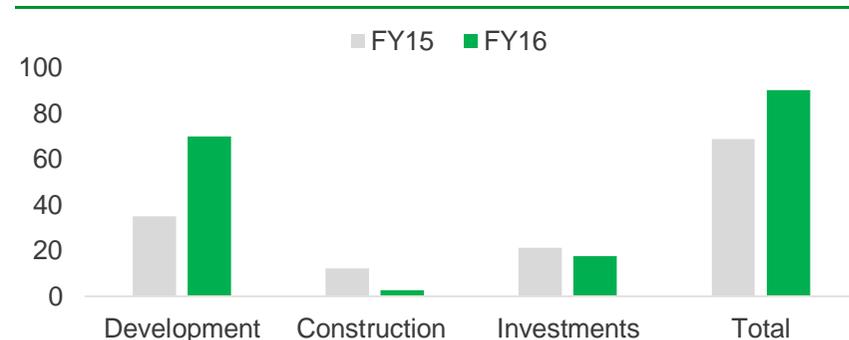
Local currency	Revenue		EBITDA	
	FY15	FY16	FY15	FY16
<b>Americas, USD million</b>				
Development	40.0	44.0	(4.4)	(8.5)
Construction	2,939.2	2,982.7	97.0	41.2
Investments	43.3	51.7	36.4	43.7
<b>Total</b>	<b>3,022.5</b>	<b>3,078.4</b>	<b>129.0</b>	<b>76.4</b>

### Asia

Local currency	Revenue		EBITDA	
	FY15	FY16	FY15	FY16
<b>Asia, SGD million</b>				
Development	1.1	17.7	(12.8)	(19.3)
Construction	245.3	337.5	(14.7)	(5.7)
Investments	49.6	55.4	70.1	14.4
<b>Total</b>	<b>296.0</b>	<b>410.6</b>	<b>42.6</b>	<b>(10.6)</b>

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### EBITDA, local currency (m)



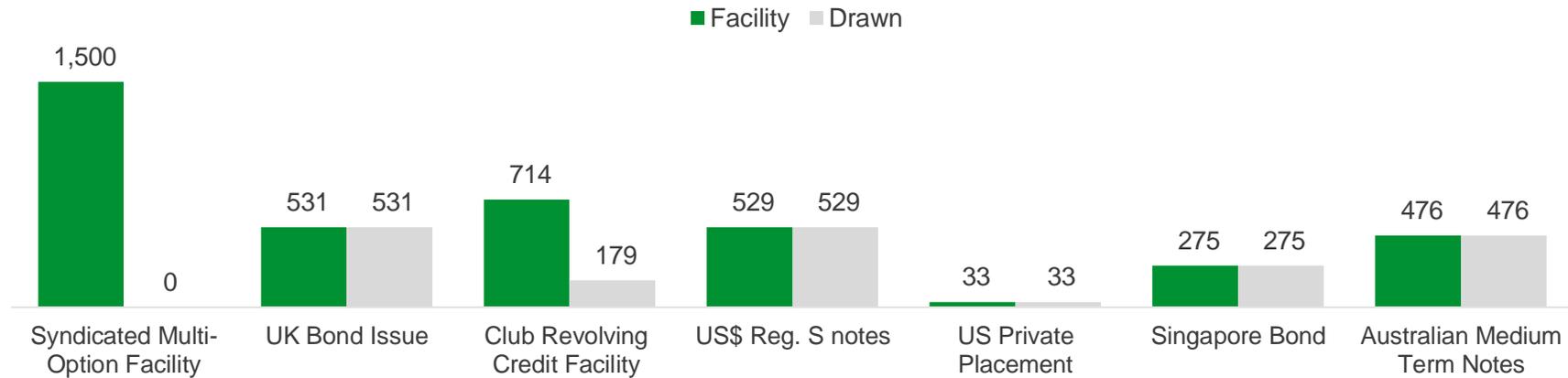
## Debt metrics

		30 June 2015	30 June 2016
Net debt	\$ million	1,758.5	1,052.4
Borrowings to total equity plus borrowings	%	32.2	26.6
Net debt to total tangible assets, less cash	%	10.5	6.5
Interest coverage <sup>1</sup>	times	6.6	8.0
Average cost of debt including margins	%	5.2	4.6
Average debt duration	years	3.9	5.3
Debt mix fixed: floating	ratio	67:33	91:9
Undrawn facilities	\$ million	1,423.5	2,172.6

**lendlease** 1. EBITDA plus interest income, divided by interest finance costs, including capitalised finance costs

# Debt facilities and maturity profile

## Debt facilities (\$m)<sup>1</sup>



## Debt maturity profile (\$m)<sup>2</sup>



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

## Exchange rates

The table below outlines the impact on the Income Statement and Statement of Financial Position of a +/- 10 percentage movement in exchange rates

Income Statement				Statement of Financial Position			
Local	Foreign	FY15 <sup>1</sup>	FY16 <sup>2</sup>	Local	Foreign	FY15 <sup>3</sup>	FY16 <sup>4</sup>
AUD	USD	0.83	0.73	AUD	USD	0.77	0.75
AUD	GBP	0.53	0.50	AUD	GBP	0.49	0.56
AUD	SGD	1.09	1.01	AUD	SGD	1.04	1.00

FX sensitivity			
	USD	GBP	SGD
<b>Income Statement</b>			
+10% blended FX rate (strengthening AUD)	0.80	0.55	1.11
Change as % of Group PAT (A\$m)	(0.90%)	(1.49%)	0.26%
-10% blended FX rate (weakening AUD)	0.66	0.45	0.91
Change as % of Group PAT (A\$m)	1.13%	1.83%	(0.32%)
<b>Statement of Financial Position</b>			
+10% spot FX rate (strengthening AUD)	0.83	0.62	1.10
Change as % of Group Net Assets (A\$m)	0.35%	(0.12%)	(0.37%)
-10% spot FX rate (weakening AUD)	0.68	0.50	0.90
Change as % of Group Net Assets (A\$m)	(0.37%)	0.15%	0.45%

1. Average foreign exchange rate for financial year 2015
2. Average foreign exchange rate for financial year 2016
3. At spot foreign exchange rate 30 June 2015
4. At spot foreign exchange rate 30 June 2016

## Re-segmentation

- Three reporting segments: Development, Construction and Investments
- The table below outlines the key changes under the revised segment reporting structure adopted in FY16

Operational area	Prior segment	New segment
Retirement Ownership	Development	Investments
Retirement Development	Development	Development (no change)
US Military Housing	Infrastructure Development	Investments
<b>Public Private Partnerships (PPP)</b>		
Advisory fees	Infrastructure Development	Development
Investment in PPP projects under development	Infrastructure Development	Development
Investment and management of completed PPP projects	Infrastructure Development	Investments

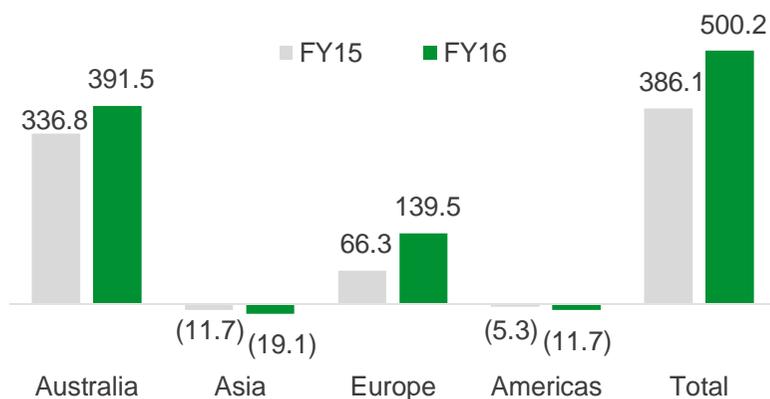


**Development**



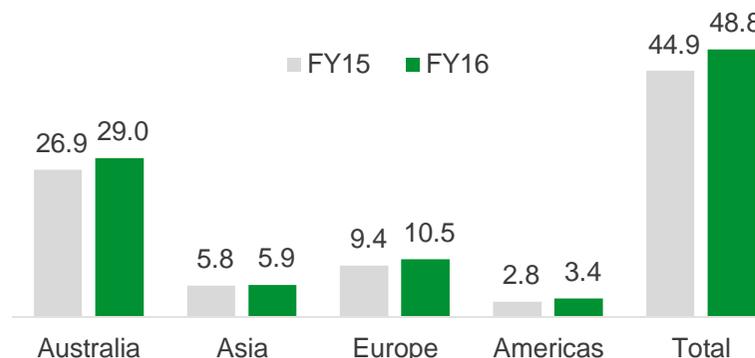
# Development earnings/pipeline by geography

## EBITDA by geography (\$m)

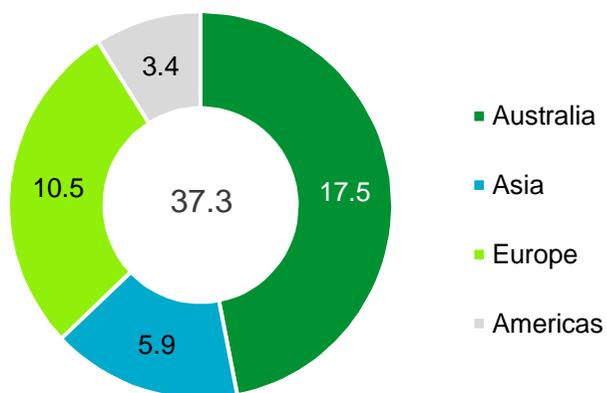


## Development pipeline by geography (\$b)

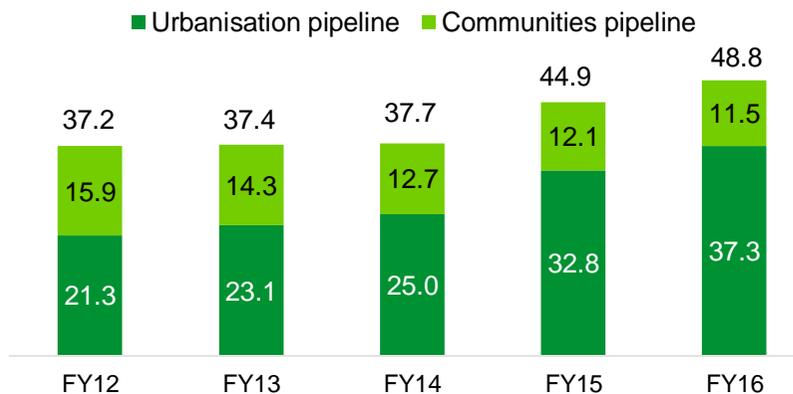
Urbanisation % of total: FY15: 73.1%; FY16: 76.4%



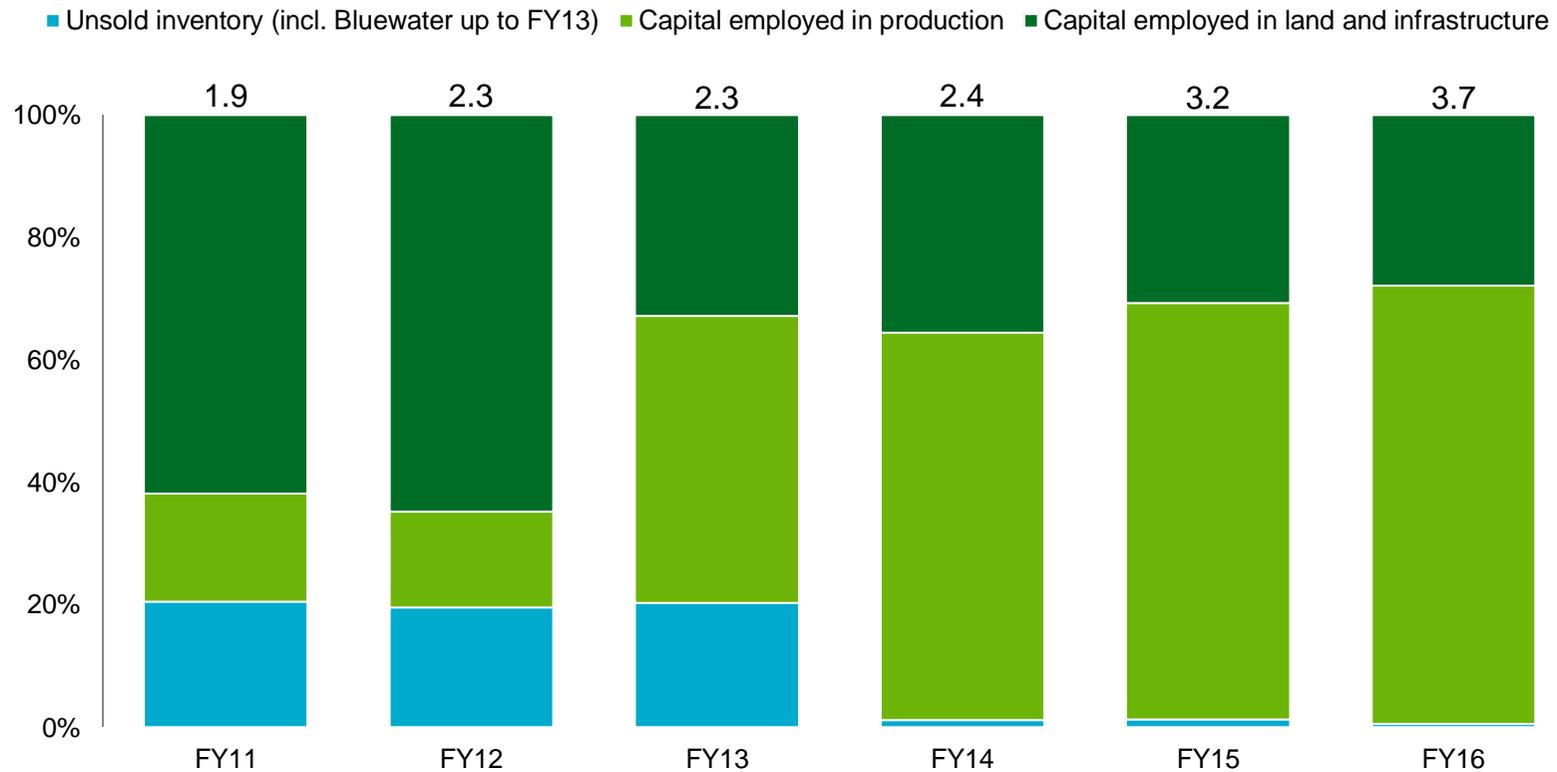
## Urbanisation by geography FY16 (\$b)



## Historical development pipeline (\$b)



## Development inventories (\$b)<sup>1</sup>



# Apartments and Communities - Presales<sup>1</sup>

## Apartments presales<sup>2</sup>

### By units



### By \$b



## Communities presales<sup>3</sup>

### By units



### By \$b



1. Excludes retirement development which had 227 settlements in FY15 and 185 settlements in FY16 and includes 100% of revenue from joint venture projects. Joint venture partner share of revenue is \$190.3 million (Apartments: \$185.5 million and Communities: \$4.8 million)
2. Apartments refers to built-form units (excluding communities and commercial) per the Annual Report
3. Communities refers to land lots per the Annual Report

## Apartment settlement profile

Project	Building	Units	Presold (%)	Presales <sup>1</sup> (\$m)	Delivery <sup>2</sup>			
					FY16	FY17	FY18	FY19
Barangaroo South	<i>Anadara and Alexander - Completed in FY16</i>	159	-	-	●			
Darling Square	Wirth House, St Leon and Darling One	539	100%	~585		●	●	
	Darling North, Harbour Place and Trinity House	577	100%	~810				●
	Darling Rise, Barker House and Arena	391	100%	~490				●
Victoria Harbour	<i>Concavo - Completed in FY16</i>	238	-	-	●			
	888 Collins	578	99%	~280 <sup>3</sup>	●	●		
	889 Collins	536	98%	~360		●		
	883 Collins	528	96%	~350			●	
	Collins Wharf 1	321	77%	~225				●
Brisbane Showgrounds	<i>The Green - Completed in FY16</i>	356	-	-	●			
	North Yard and South Yard	401	98%	~210		●		
Toorak Park	Park, East, North and Terrace Homes	468	87%	~385		●	●	
Wandsworth	<i>Cobalt Place - Completed in FY16</i>	103	-	-	●			
Elephant & Castle	<i>One The Elephant - Completed in FY16</i>	284	-	-	●			
	<i>Trafalgar Place - Completed in FY16</i>	235	-	-	●			
	South Gardens	360	86%	~270			●	
	West Grove (Buildings 1 and 2)	593	69%	~435				●
International Quarter London	Glasshouse Gardens (Buildings 1 and 2)	333	100%	~310		●		

● = Indicates profit earned on buildings completed during the financial year

● = Indicates profit expected to be earned in the financial year



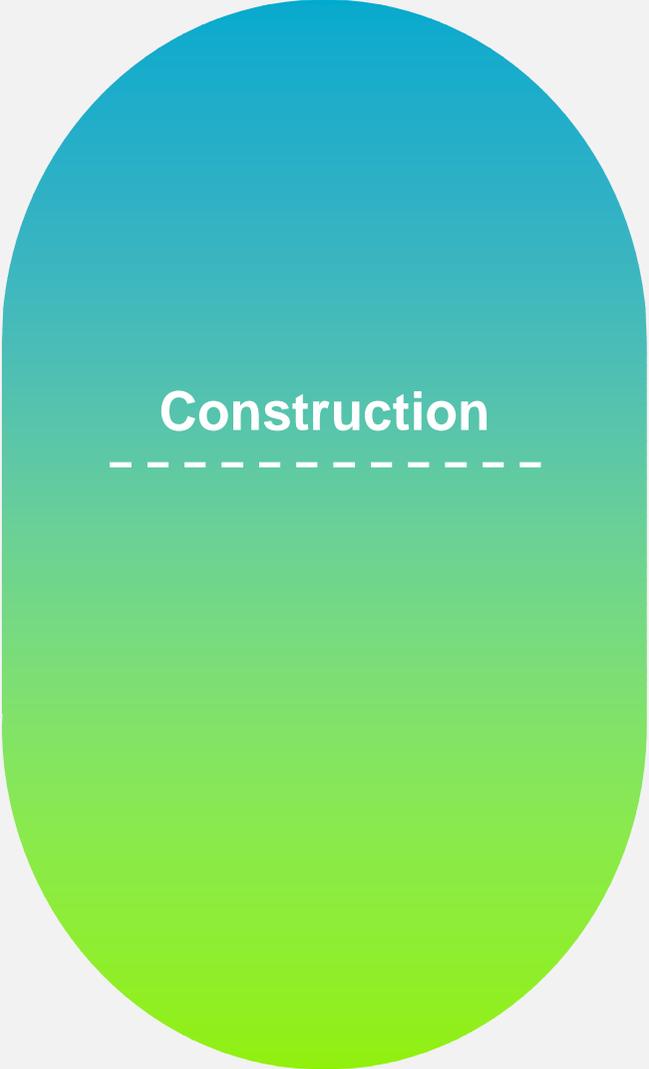
1. Closing presales balance as at 30 June 2016
2. Based on expected completion date of underlying buildings, subject to change in delivery program
3. Stage one: 133 units completed in FY16

## Commercial building completion profile<sup>1</sup>

Project	Capital model	sqm ('000)	Building	FY16	FY17	FY18	FY19
International Quarter London <sup>2</sup>	Fund through	73	Stage 1 Commercial (2 buildings)			●	
Paya Lebar Quarter	Joint venture	93	Commercial (3 buildings)			●	
		44	Retail				●
Darling Square <sup>2</sup>	Fund through	26	Commercial			●	
		37	Hotel			●	
Brisbane Showgrounds	Sold	17	Kings Gate building	●			
Barangaroo South	Fund through	200	Tower One		●		
			Tower Three	●			
			International House Sydney		●		

● = Indicates buildings completed during the financial year

● = Indicates expected building completion date

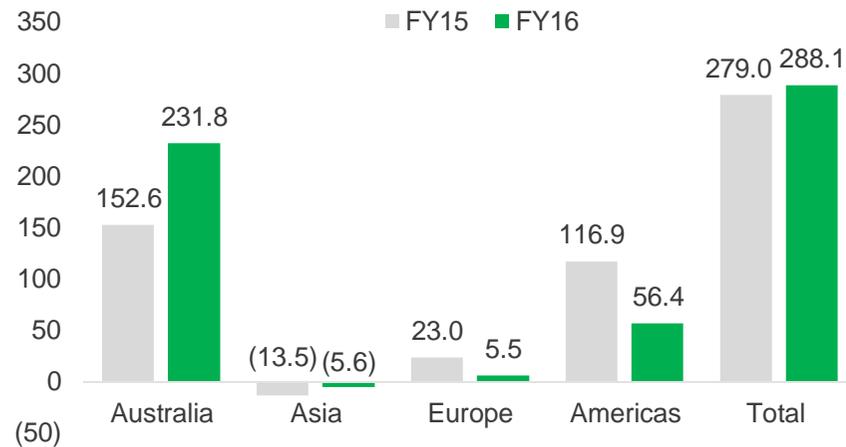


**Construction**

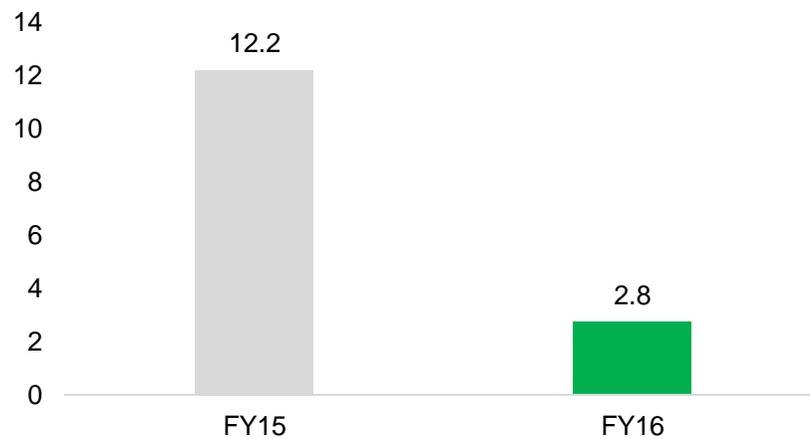


## EBITDA and margins

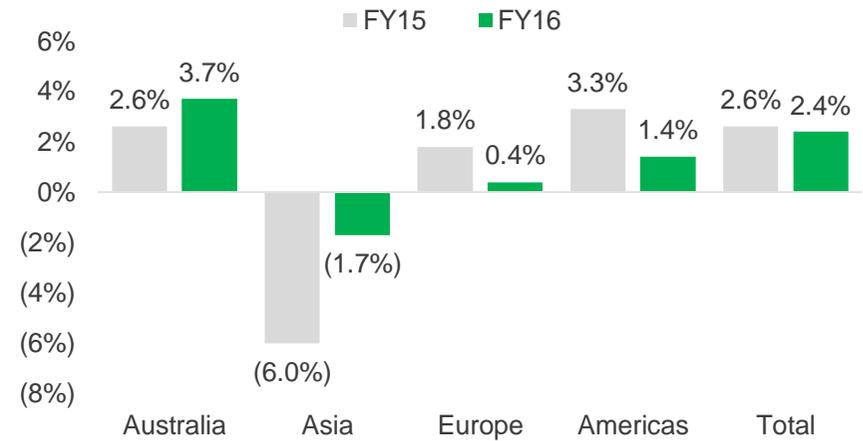
### EBITDA (\$m)



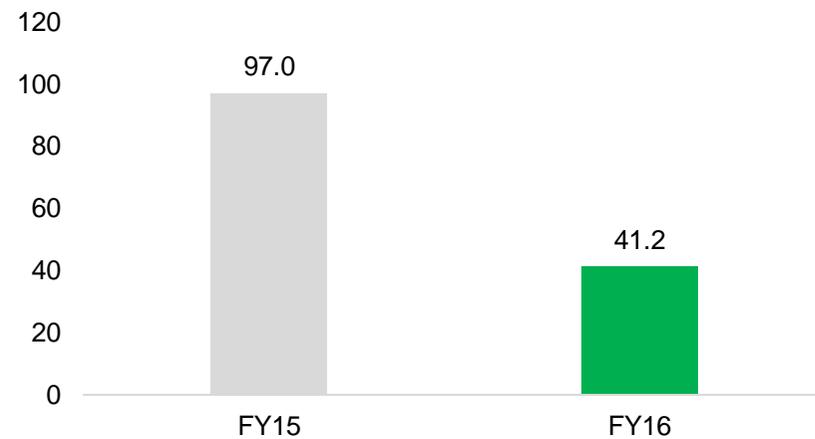
### EBITDA Europe (GBPm)



### Construction margins (%)



### EBITDA Americas (USDm)



## New work secured revenue/backlog revenue

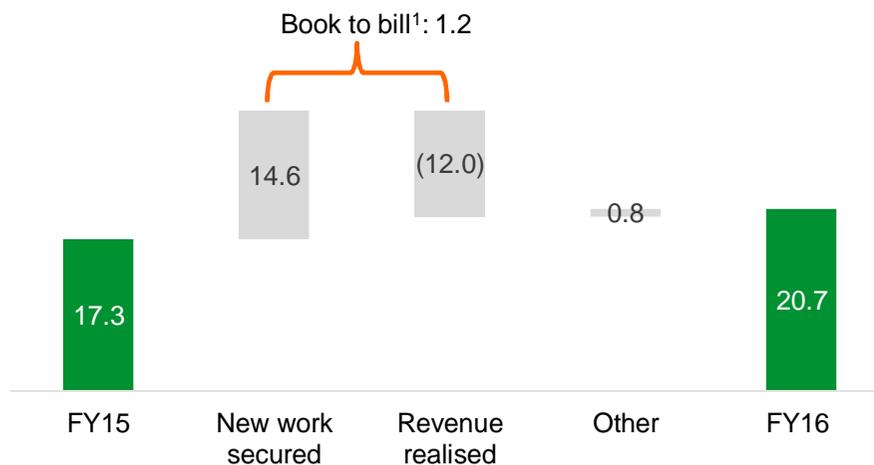
\$ million	Australia		Asia		Europe		Americas		Total	
	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16	Jun-15	Jun-16
<b>New work secured revenue<sup>1</sup></b>										
Building	3,894.5	4,518.6	424.3	462.0	1,566.3	1,289.8	3,206.3	4,531.5	9,091.4	10,801.9
Engineering	1,735.3	2,729.9	57.0	22.3					1,792.3	2,752.2
Services	920.7	1,041.3							920.7	1,041.3
<b>Total new work secured revenue</b>	<b>6,550.5</b>	<b>8,289.8</b>	<b>481.3</b>	<b>484.3</b>	<b>1,566.3</b>	<b>1,289.8</b>	<b>3,206.3</b>	<b>4,531.5</b>	<b>11,804.4</b>	<b>14,595.4</b>
<b>Backlog revenue<sup>2</sup></b>										
Building	6,269.9	6,330.6	375.2	555.9	1,463.4	1,505.0	5,524.9	6,715.2	13,633.4	15,106.7
Engineering	2,342.5	3,845.5	21.5	3.8					2,364.0	3,849.3
Services	1,258.8	1,714.2							1,258.8	1,714.2
<b>Total backlog revenue</b>	<b>9,871.2</b>	<b>11,890.3</b>	<b>396.7</b>	<b>559.7</b>	<b>1,463.4</b>	<b>1,505.0</b>	<b>5,524.9</b>	<b>6,715.2</b>	<b>17,256.2</b>	<b>20,670.2</b>

	Australia		Asia		Europe		Americas		Total	
	Jun-15	Jun-16								
<b>Backlog realisation (%)</b>										
Next 12 months	49	47	69	91	66	71	53	49	52	51
12 - 24 months	24	30	26	7	25	17	25	33	25	29
Beyond 24 months	27	23	5	2	9	12	22	18	23	20
<b>Total</b>	<b>100</b>									

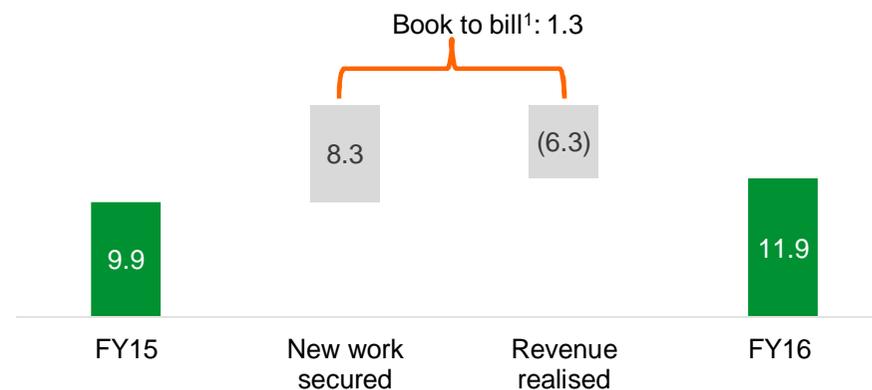
- lendlease**
1. New work secured revenue is the total revenue to be earned from projects secured during the year
  2. Current year backlog revenue is the total revenue to be earned from projects in future financial years, based on projects secured as at 30 June 2016. Although backlog revenue is realised over several years, the average foreign exchange rate for the current year has been applied to the closing backlog revenue balance in its entirety, as the average rates for later years cannot be predicted

## Backlog revenue by region (\$b)

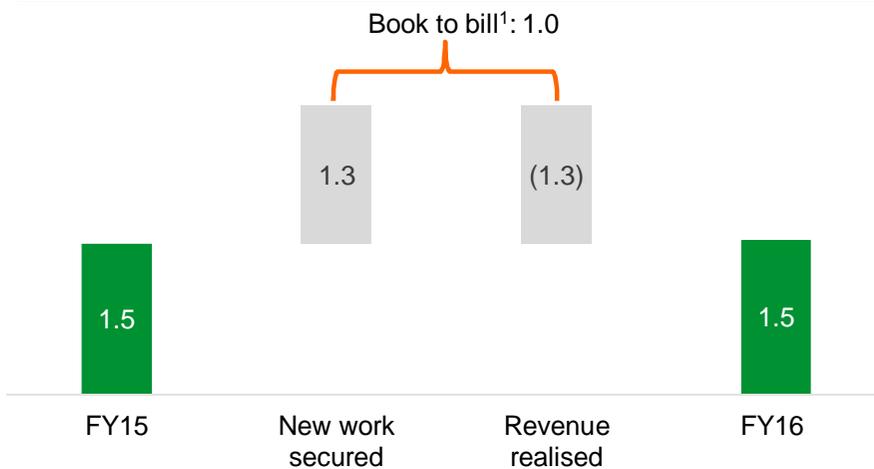
### Group



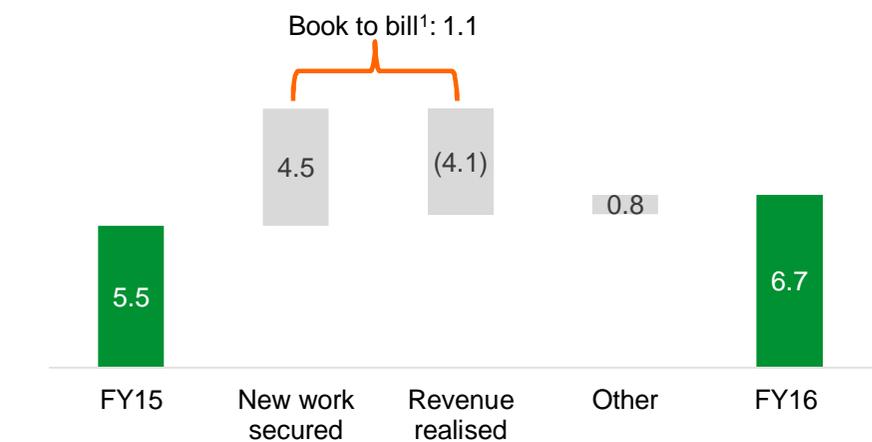
### Australia



### Europe



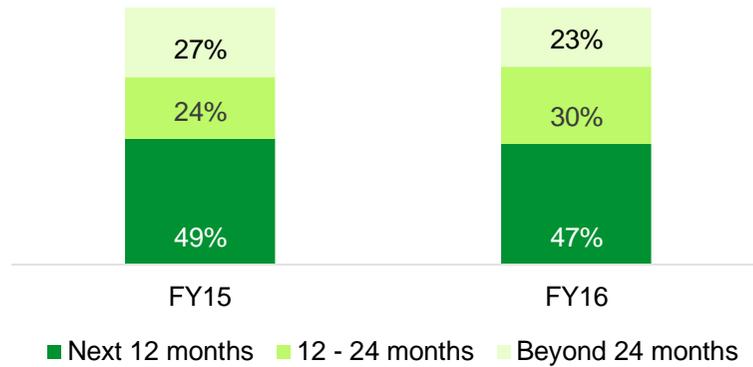
### Americas



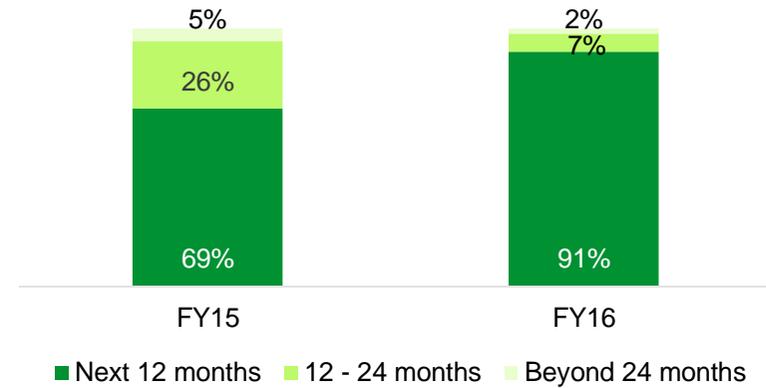
**lendlease** 1. Ratio calculated as new work secured over revenue realised

## Backlog realisation by region (%)

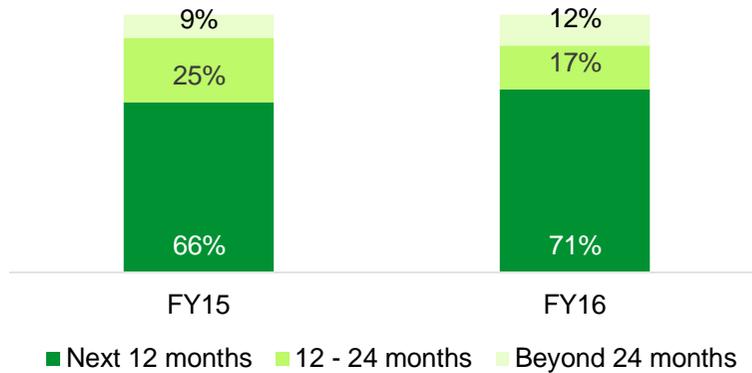
### Australia



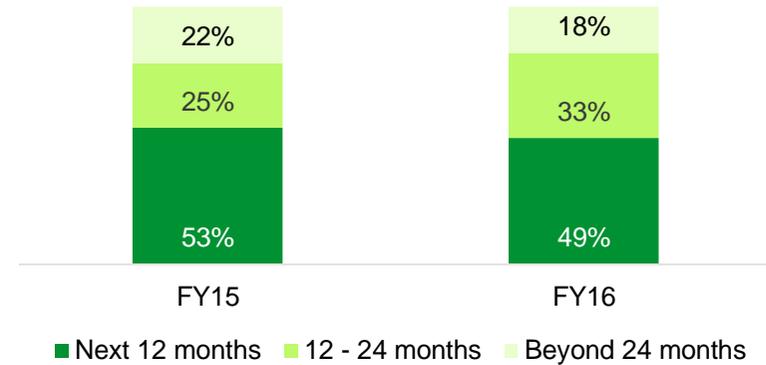
### Asia



### Europe

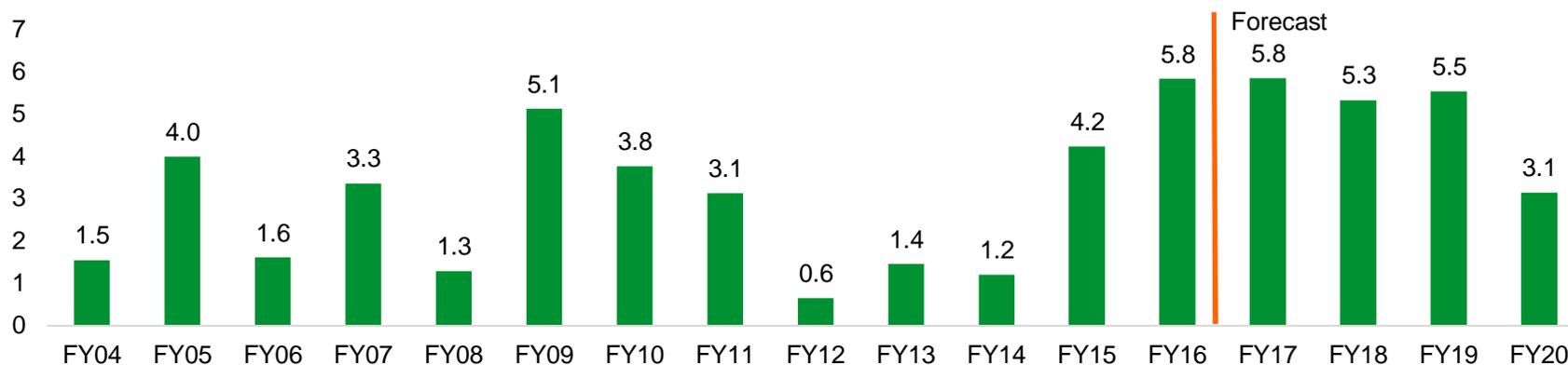


### Americas

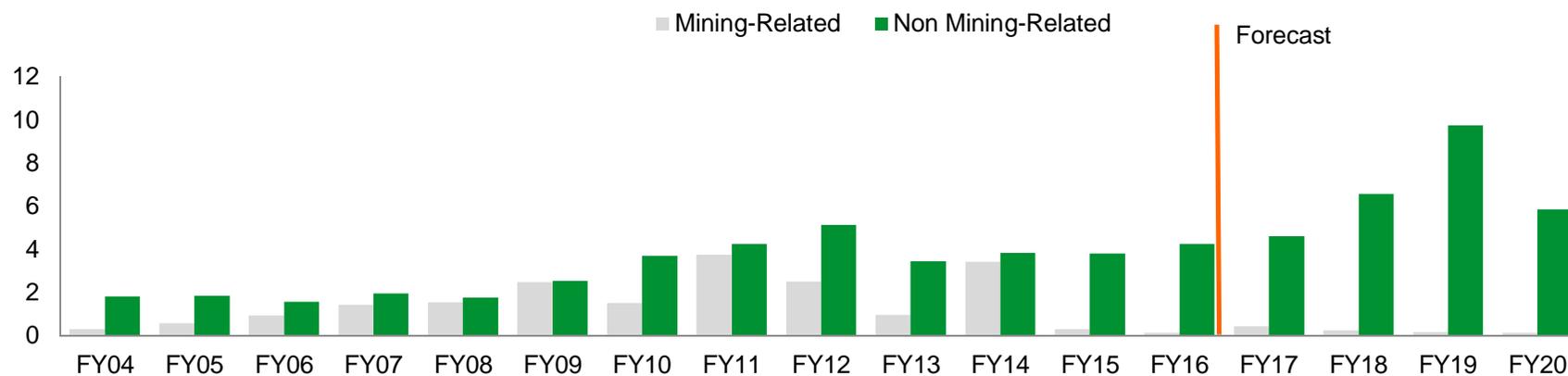


## Australian market outlook - Engineering (\$b)<sup>1</sup>

### National major road construction (project commencements, real terms)<sup>2</sup>



### National railways construction (project commencements, real terms)



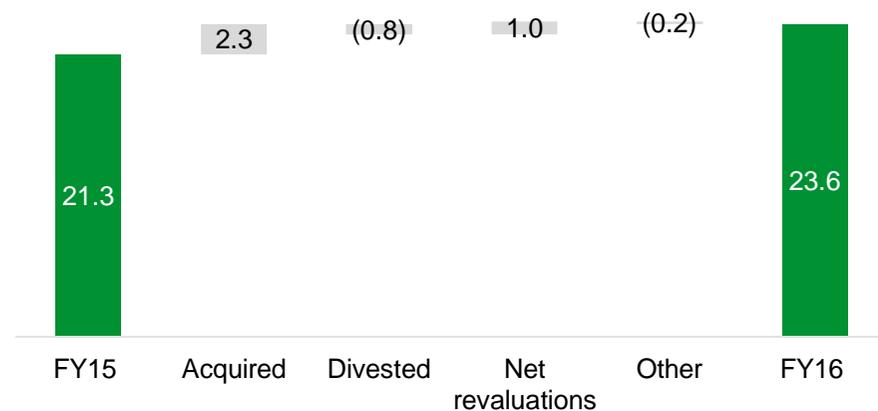


**Investments**

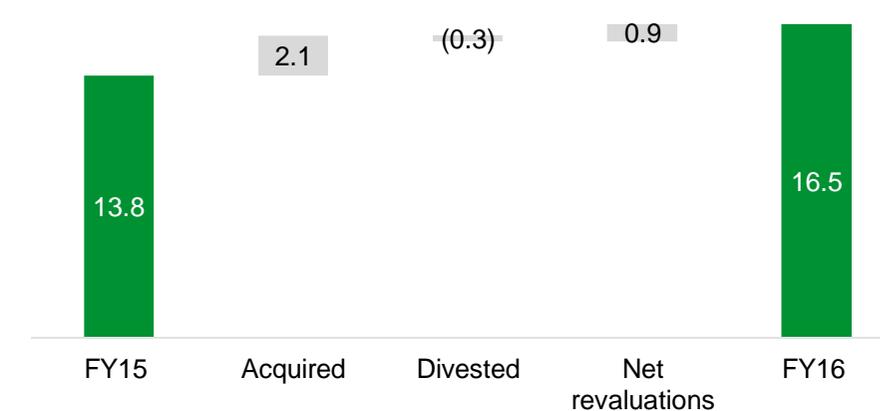


## FUM by region (\$b)

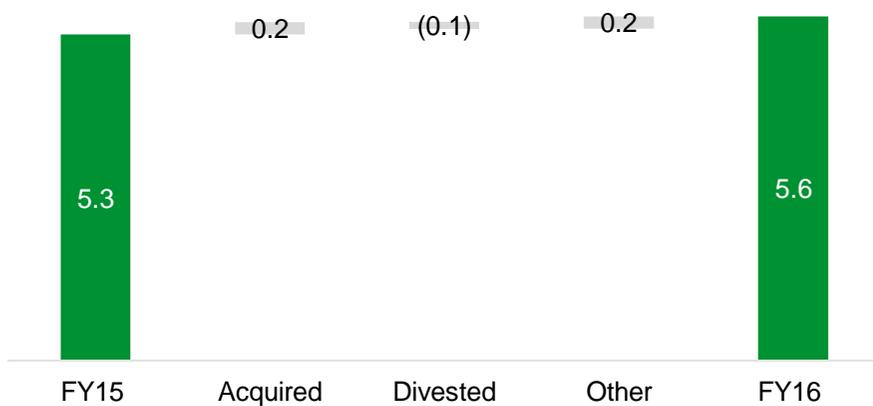
### Group



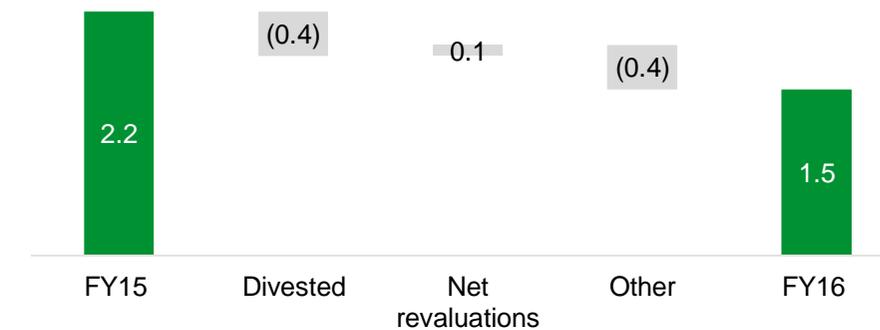
### Australia



### Asia



### Europe



## Valuation drivers - Retirement Living

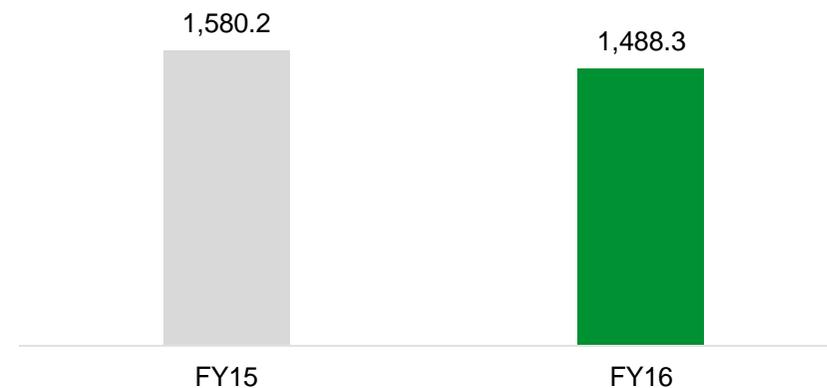
### Retirement value drivers

Retirement Living		
Valuation drivers	FY15	FY16
Long term growth rate	3.7%	3.7%
Discount rate	13.3%	13.3%
Average length of stay - ILUs (years)	11.0	11.0
Number of established units	14,193	13,384
Occupancy	93.3%	93.9%
Units resold	1,082	1,038

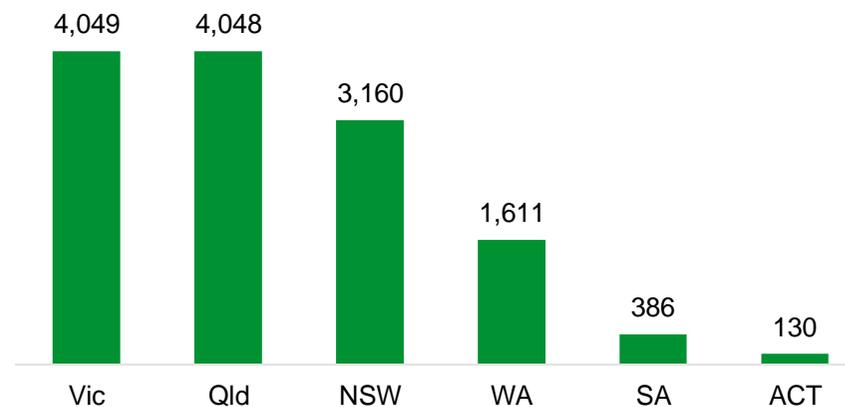
### Retirement units

Location	Owned		Managed/Leased/Other		Total	
	Number of villages	Units	Number of villages	Units	Total number of villages	Total units
Qld	12	2,911	3	1,137	15	4,048
NSW	17	3,160			17	3,160
Vic	25	3,974	1	75	26	4,049
SA	3	386			3	386
WA	10	1,611			10	1,611
ACT	2	130			2	130
<b>Total Retirement Villages</b>	<b>69</b>	<b>12,172</b>	<b>4</b>	<b>1,212</b>	<b>73</b>	<b>13,384</b>

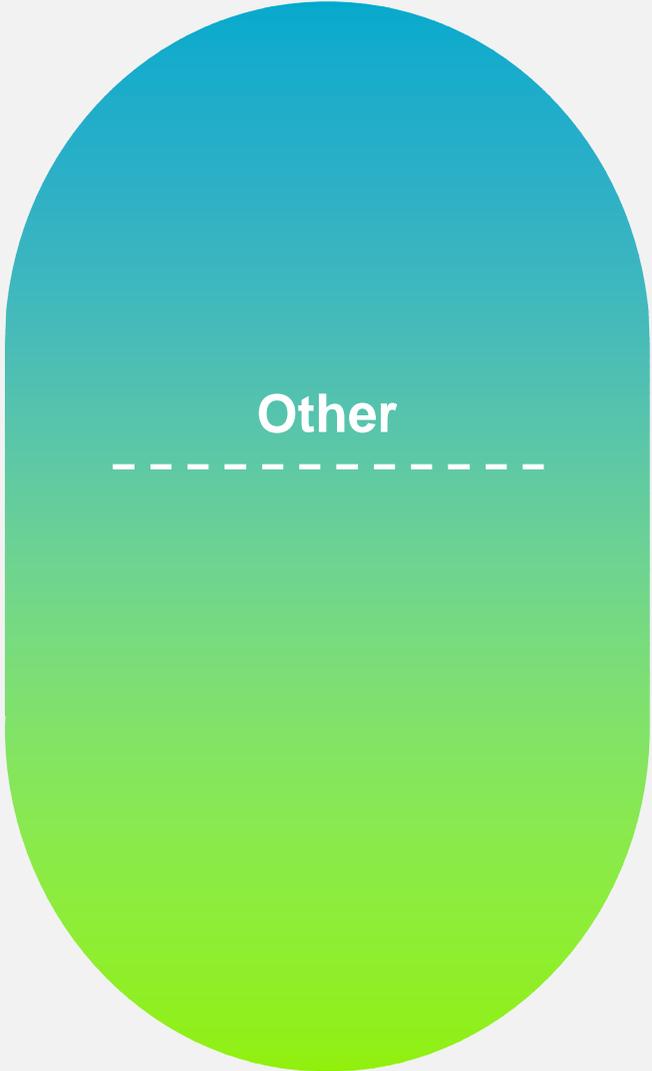
### Retirement investments<sup>1</sup>



### Retirement units by state



**lendlease** 1. Decrease from FY15 to FY16 relates to sale of New Zealand Retirement business



Other

## Key dates for investors

	Date
FY16 results released to market/final distribution declared	19 August 2016
Securities quoted ex-dividend on the Australian Securities Exchange	24 August 2016
Final distribution record date	25 August 2016
Final distribution payable	14 September 2016
Annual General Meeting	11 November 2016

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A reference to FY16 refers to the full year ended 30 June 2016 unless otherwise stated. All figures are in AUD unless otherwise stated.