Lend Lease

ASX Announcement

Full Year Results – August 2013

23 August 2013

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

- Stock Exchange and Media Announcement
- Results presentation

ENDS

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Lend Lease

ASX Announcement

Lend Lease maintains momentum and delivers 10% growth in statutory profit

23 August 2013

- Statutory profit after tax of A$551.6 million for the year, 10% increase on the prior year (12 months ended 30 June 2013)
- Operating profit after tax of A$553.0 million for the year, 9% increase on the prior year
- Final distribution of 20.0 cents per security, unfranked; full year distribution of 42.0 cents per security, 11% increase on the prior year
- Strong balance sheet with A$2.6 billion of available liquidity; statutory operating cash flow of $95 million and underlying operating cash flow of A$473 million[1]
- Continued progress on strategy and delivery of major projects
- Return on equity for the year of 13.4%[2]
- Estimated end value of global development pipeline A$37.4 billion
- Global construction backlog revenue A$17.2[3] billion
- Funds Under Management (FUM) of A$15.0 billion

Profit after Tax

Lend Lease delivered statutory profit after tax for the year ended 30 June 2013 of A$551.6 million, an increase of 10% on the prior year. Operating profit after tax for the year was A$553.0 million, an increase of 9% on the prior year.

The Group declared a final distribution of 20.0 cents per security, unfranked. This brings the full year distribution to 42.0 cents per security, an increase of 11% on the prior year. This represents a payout ratio of 44% of operating profit after tax for the year. The Group's Distribution Reinvestment Plan will apply to the final distribution payable on 27 September 2013.

	June 2013 A$m	**June 2012 A$m**
Operating profit after tax	553.0	507.2
Property investment revaluations	(1.4)	(5.8)
Statutory profit after tax	**551.6**	**501.4**
Full year dividend/distribution	42.0 cps	38.0 cps
Earnings per Stapled Security (EPS) on operating profit after tax	96.3 cps	88.7 cps

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[1] Underlying cash flow of A$473m includes reclassification of certain cash flows associated with joint ventures, classified as investing cash flows for statutory purposes

[2] Return on equity is calculated as the annual statutory profit after tax divided by the arithmetic average of beginning, half year and year end securityholders' equity

[3] Includes Sydney International Convention, Exhibition and Entertainment Precinct (SICEEP) – expected to reach financial close in FY14

Lend Lease Corporation Limited ABN 32 000 226 228; and
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Lend Lease Group Chief Executive Officer and Managing Director, Steve McCann, said Lend Lease had delivered a strong full year result with growth in operating profit after tax of 9%.

“The Group has successfully continued to deliver on its significant pipeline of urban regeneration projects. Domestically, highlights included progress on the Barangaroo South project, major wins on new urban regeneration projects such as the A$2.5 billion Sydney International Convention, Exhibition and Entertainment Precinct (SICEEP) and financial close on three major Public Private Partnership transactions.

“Internationally, the Group delivered the Jem® retail development in Singapore, fully leased, in June 2013. The development is a tremendous example of our integrated model at work. In the UK, planning permission was granted for the masterplan of the £1.5 billion Elephant & Castle urban regeneration project in Central London and construction of the first residential phases have begun on site. In the United States, Lend Lease completed the sale of the first healthcare development undertaken by the Americas Development business and reached financial close on the final stage of the US Department of the Army’s Privatized Army Lodging (PAL) Group C Project.

“Safety is a critical priority and we continue to make significant progress. 80 per cent of Lend Lease operations did not experience a critical incident[4] in FY13 and there were no fatalities on a Lend Lease controlled operation in the last year.

“The Group finished the financial year with a pipeline of construction backlog revenue of approximately A$17.2 billion[5] and a global development pipeline with an estimated end value of approximately A$37.4 billion,” said Mr McCann.

Trading Update

Profit after Tax	**June 2013 A$m**	**June 2012 A$m**	**% change**
Australia	506.6	429.9	+17.8%
Asia	112.6	106.2	+6.0%
Europe	99.5	101.9	-2.4%
Americas	53.7	36.0	+49.2%
Total Operating Businesses	**772.4**	**674.0**	**+14.6%**
Group Services	(152.0)	(90.0)	-68.9%
Group Treasury	(67.4)	(76.8)	+12.2%
Total Corporate	**(219.4)**	**(166.8)**	**-31.5%**
Total Operating Profit after Tax*	**553.0**	**507.2**	**+9.0%**
Property Investment Revaluations	(1.4)	(5.8)	N/A
Total Statutory Profit after Tax	**551.6**	**501.4**	**+10.0%**

* The Group’s Statutory results are prepared in accordance with International Financial Reporting Standards (IFRS) and are presented in the audited consolidated financial statements. The Operating results are non IFRS measures which are used by the Group to measure and assess performance, and make decisions on the allocation of resources. The operating results exclude certain unrealised property investment revaluation gains and losses which are recognized in the statutory result.

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[4] Critical Incidents are those where an actual severe injury, property or environment damage outcome has occurred or, an incident with the potential to have resulted in severe injury, property or environment damage outcomes due to EH&S control failures

[5] Includes SICEEP – expected to reach financial close in FY14

Australia

- Profit after tax increased to A$506.6 million, up 17.8% on the prior year;
- The Development business was the main contributor to the increase in profit, primarily due to earnings relating to the first two commercial towers at Barangaroo South;
- The Construction business results for the year were impacted by weakening market conditions, some underperforming projects and costs associated with restructuring. On 1 August 2013 the integration of construction operations was finalised around three core capabilities of building, engineering and services;
- Investment Management FUM rose 17% to A$10.3 billion, however, prior year profit included the sale of the New Zealand Retail Portfolio to Lend Lease Real Estate Partnership New Zealand;
- Infrastructure Development was a strong contributor to the result and included advisory fees received following the financial close of the Sunshine Coast University Hospital, Eastern Goldfields Regional Prison and New Bendigo Hospital; and
- Key milestones reached during the year on projects included 77%[6] leasing of the first two commercial towers at Barangaroo South; contractual close on SICEEP; completion of the innovative Forte building at Victoria Harbour, constructed using cross laminated timber; the launch of our first residential development at RNA Showgrounds in Brisbane, the signing of the Project Development Agreement at Waterbank in Perth and solid earnings contributions from Hunter Expressway.

Asia

- Profit after tax increased to A$112.6 million, up 6.0% on the prior year;
- The Development business performed well primarily due to the profit on the sale of our direct interest in the Jem® retail project in Singapore and creation of a new wholesale investment vehicle;
- Construction profit increased, with the key contributors being the finalisation of the Jem® retail project and continued delivery of the telecommunication rollouts across Japan;
- Investment Management FUM rose 50% to A$3.3 billion, however profit contribution was lower than the prior year due to the inclusion in 2012 of the partial sell down of the Group's interest in Asia Pacific Investment Company No. 2 Limited, the recognition of a deferred profit from the sale of the PoMo retail centre, and investment income from Asia Pacific Investment Company No. 2 Limited; and
- Milestones for the year included the sale of the direct interest in Jem® retail in June and the creation of Lend Lease Jem Partners Fund Limited, managed by Investment Management.

Europe

- Profit after tax decreased to A$99.5 million, down 2.4% on the prior year;
- The Development business is the main contributor to the European current year profit, predominantly due to the profit on the sale of the Group's interest in Greenwich Peninsula Regeneration Limited which completed in July 2012;

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[6] Includes executed agreements and Memorandums of Understanding

- Construction profit decreased primarily due to a reduction in volume across the UK and Europe, the underperformance of some projects in the second half and the cost of restructuring the UK business;
- Investment Management FUM increased 7.7% to A$1.4 billion, however, profit decreased due to reduced net investment income following the sale of the Group's ownership interest in the Chelmsford Meadows shopping centre in the prior year;
- The Infrastructure Development business current year result includes profit on the sale of two education Public Private Partnership assets to the UK Infrastructure Fund, as compared to the prior year, which included the sale of five UK PPP assets to the UK Infrastructure Fund; and
- Key milestones included securing planning consent for the masterplan and the first two residential phases at Elephant and Castle in London, with pre-sales of over 60%; securing preferred bidder status on the Treviso Hospital in Italy and the official hand over of The International Quarter in Stratford in London to Lend Lease and its joint venture partner London & Continental Railways.

Americas

- Profit after tax increased to A$53.7 million up 49.2% on the prior year;
- The Development business recorded a profit on the sale of its ownership in the Bon Secours St Francis Watkins Centre in Virginia;
- Construction profit increased due to the continued improvement in Lend Lease's core markets of New York and Chicago and improved profit from the Military Housing Privatization Initiative;
- Infrastructure Development profit increased mainly due to the financial close of the US Department of the Army's Privatized Army Lodging (PAL) Group C project; and
- Key milestones include the first profit from our health care development business, with seven further projects either secured or at preferred bidder status.

Group Financials

The Group ended the year with a strong liquidity position with cash and cash equivalents of A$1,538.4 million and undrawn committed bank facilities of A$1,099.4 million, providing substantial financial flexibility.

The average maturity of debt facilities is 4.3 years and the interest coverage of 6.4 times (operating EBITDA plus interest income divided by interest costs, including capitalised finance costs) remains in line with Group targets.

Group Chief Financial Officer, Tony Lombardo, said the strength of Lend Lease's balance sheet and access to third party capital means the Group has the financial flexibility to fund its pipeline and invest in other opportunities, in line with its strategy.

"In the last 12 months, we have made substantial investment in our business and expect to invest up to A$1.5 billion in the Group's pipeline over the next three years. We have further diversified our sources of funding during the year via capital markets issuance and are well progressed on our program of capital recycling within our operations", said Mr Lombardo.

Outlook

Commenting on the outlook, Mr McCann said that this strong result demonstrates the value of our diversified business activities.

"The local environment has been more challenging and we have responded by repositioning our business accordingly.

"In Australia, we expect the low-interest rate environment to improve the outlook for residential over time. In Asia, the key markets in which we operate provide a solid base for continued growth. In the UK, markets are mixed with a weaker construction outlook, however, the trend remains positive in the London residential market. In the Americas conditions are improving in the key markets in which we have focused and the economic outlook has become more positive.

"In the last 12 months, Lend Lease has made important progress in delivering on its strategy. We have established a global pipeline of development projects, which at over A$37 billion of estimated end value, is the largest in our history. Combined with construction backlog revenue of A$17.2[7] billion and Funds Under Management of A$15.0 billion, we have a significant level of earnings visibility over coming years.

"Our focus continues to be on the successful delivery of these projects and the earnings they will contribute over time.

"During the year a number of senior appointments were made, strengthening the operational capabilities of the Group and supporting our growth strategy.

"While the market outlook presents challenges, the depth of our pipeline provides Lend Lease with significant earnings visibility and a platform for a strong growth trajectory over the next three years," said Mr McCann.

**Further information regarding Lend Lease's results, including an explanation of statutory and non-statutory financial information, is set out in the Group's financial results announcement for the year ended 30 June 2013 and is available on www.lendlease.com.*

ENDS

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[7] Includes SICEEP – expected to reach financial close in FY14

LEND LEASE
Full Year Results
2013

23 August 2013

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

The Group's statutory results are prepared in accordance with International Financial Reporting Standards (IFRS). This presentation also includes certain non IFRS measures in presenting the Group's operating results. The operating results are non IFRS measures which are used by the Group to measure and assess performance and make decisions on the allocation of resources and include EBITDA and Operating Profit After Tax. Certain non IFRS financial measures, e.g. safety statistics, have not been subject to audit or review.

A reference to 2013 refers to the 2013 financial year unless otherwise stated.

Image: CGI Elephant & Castle - London

PRESENTATION OUTLINE

SAFETY COMMITMENT

1 PERFORMANCE & RESULTS HIGHLIGHTS

Steve McCann

Group Chief Executive Officer and Managing Director

Image: Darling Quarter - Sydney

Strong performance

Lend Lease

Diversity of earnings delivering strong financial performance

- Operating EBITDA of A$744 million up 12% on the prior year
- Net operating profit after tax of A$553 million up 9% on the prior year
- Operating earnings per stapled security of 96.3 cents up 9% on the prior year
- Final distribution declared of 20 cps; full year distribution of 42 cps up 11% on the prior year
- ROE[1] for the year of 13.4%, in line with the prior year
- Estimated end value of development pipeline globally of A$37.4 billion and global construction backlog revenue of A$17.2 billion[2]
- Funds under management of A$15.0 billion

Regional performance

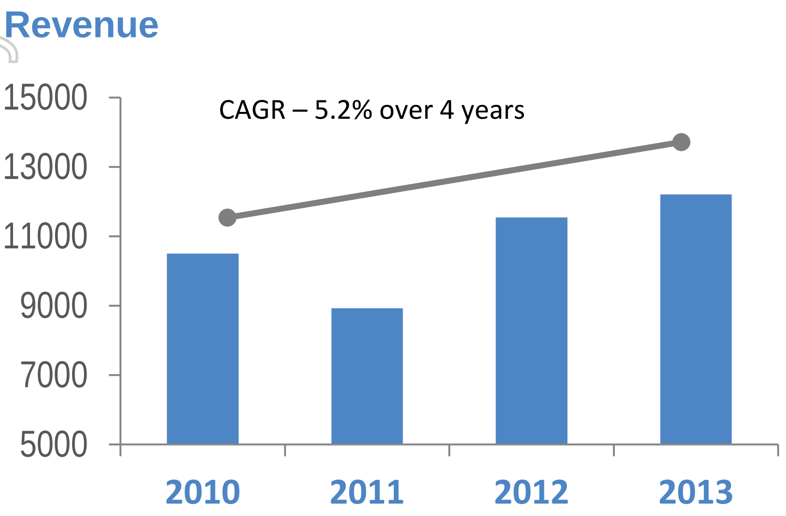
- Australia: Strong performance from Development, including first profit from Barangaroo South and Public Private Partnership wins; weaker Construction contribution
- Asia: Strong results from Jem® development including sale of Lend Lease's direct interest and roll-out of telecommunications towers in Japan
- Europe: Weak Construction contribution offset by sale of Greenwich development project; London residential outlook positive
- Americas: Improving Construction returns; close of final stage of Privatization of Army Lodging during the year and positive momentum for Healthcare Development

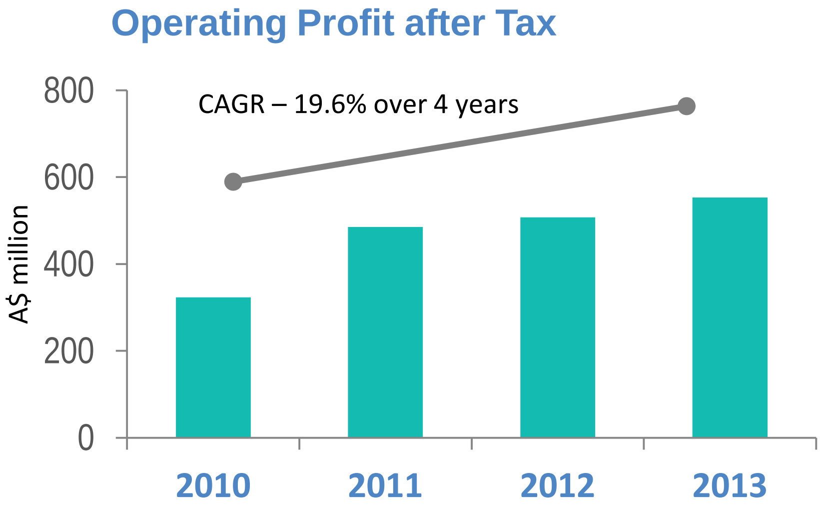
[1] Return on equity is calculated as the annual statutory profit after tax divided by the arithmetic average of beginning, half year and year end securityholders' equity

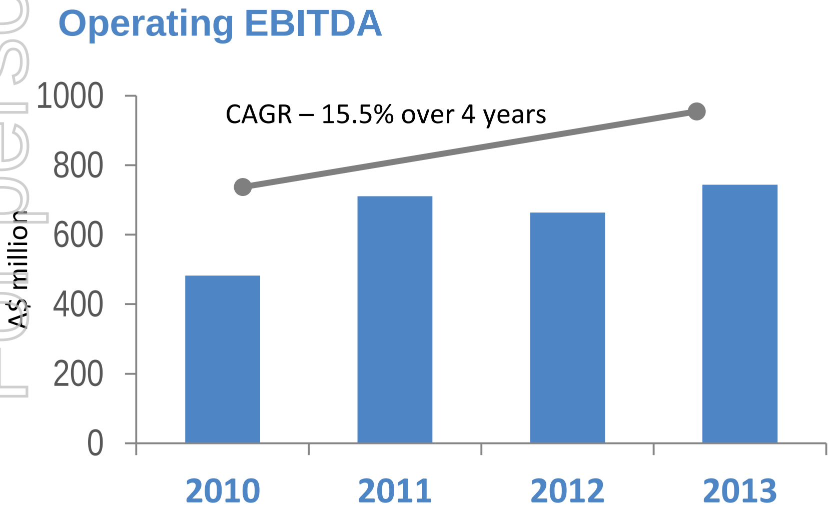
[2] Includes Sydney International Convention, Exhibition and Entertainment Precinct (SICEEP) - expected to reach financial close in FY14

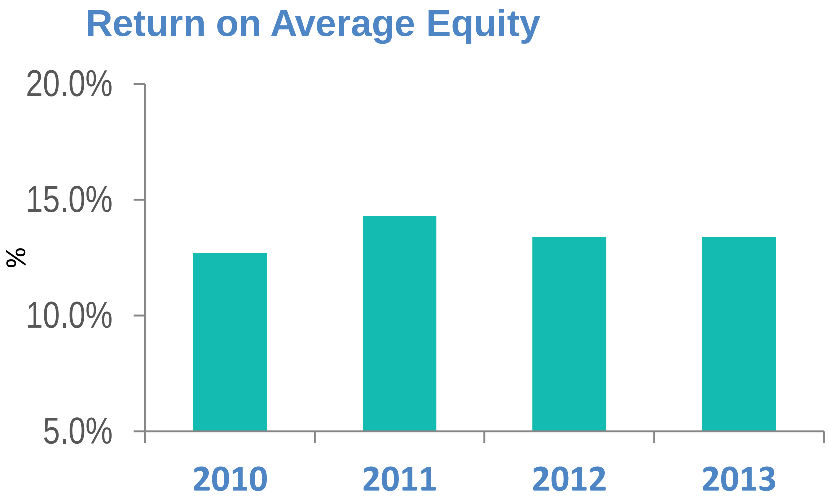
Strong financial metrics

Lend Lease



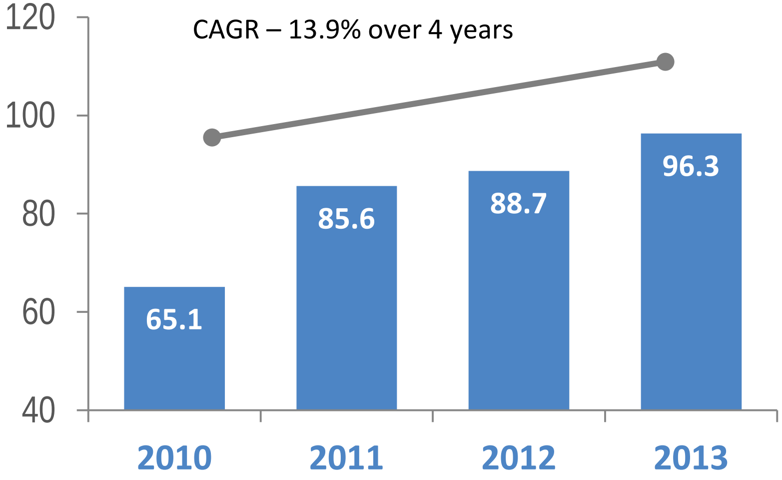




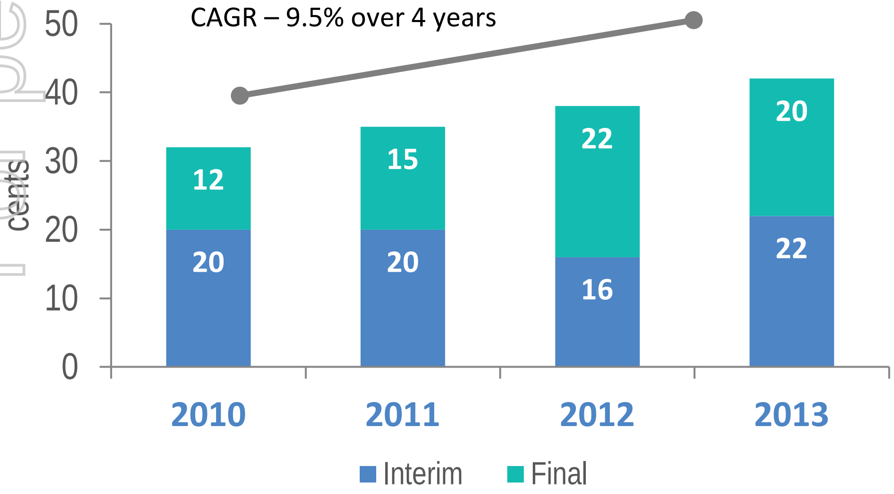


Growth in EPS and DPS

EPS on operating profit



Distribution per security



- Growth in both EPS and DPS in the last four years
- Final distribution of 20.0 cents per security declared
- Full year distribution of 42.0 cents per security up 11% on the prior year
- Steady growth in distributions while still funding development pipeline and investment opportunities

Five year track record of delivering for securityholders

	FY09	FY13	Comments
Estimated end value of development pipeline	A$30.0 billion	A$37.4 billion	▪ Estimated end value of development pipeline of all work secured – indicator of future earnings and cash flow trajectory ▪ Pipeline mix has changed with community developments being replaced by major urban regeneration projects secured in the last five years ▪ Deployment of capital: secure marquee projects at the bottom of the cycle using a capital efficient model
Public Private Partnerships (PPP)	A$377 million	A$374 million	▪ Pool of invested and committed equity interests in projects ▪ Capella Capital established in 2009 to develop Public Private Partnership (PPP) capability in Australia ▪ Earnings momentum now evident in Infrastructure Development financial performance and pipeline
Construction backlog	A$12.3 billion	A$17.2[1] billion	▪ Construction work secured - expected revenue to be realised in future years from contracts committed at the end of the financial year ▪ Backlog growth of ~40% notwithstanding difficult trading conditions in Europe and Australia
Funds under Management	A$9.9 billion	A$15.0 billion	▪ FUM – the key driver of future earnings ▪ ~50% growth from leveraging the internal development pipeline ▪ Integrated model provides wholesale and sovereign investors with access to quality product and skill base to manage end-to-end property life cycle
Assets under Management	A$8.7 billion	A$12.5 billion	▪ ~40% growth mainly reflects infrastructure services and US Military Housing ▪ Growth in Services has contributed to improvement in margins & ROE

[1] Includes SICEEP - expected to reach financial close in FY14

Global pipeline - long-term earnings visibility

Lend Lease

Project	End value[1]	FY13	FY14	FY15	FY16	FY17+
Integrated development projects (mixed use sites)						
Barangaroo South, Sydney	A$6.0b	🟦 ✓	🟦	🟦	🟦	🟦
Haymarket and Hotel development site (SICEEP)	A$1.5b		🟩	🟦	🟦 ✓	🟦
Victoria Harbour, Melbourne	A$4.5b	🟦 ✓	🟦	🟦	🟦	🟦
RNA Showgrounds, Brisbane	A$2.5b	🟦	🟦	🟦 ✓	🟦	🟦
Waterbank, Perth	A$1.0b		■	■	■ ✓	■
Richmond, Melbourne	A$0.4b	🟦 ✓	🟦	🟦	🟦	🟦
Jem®, Singapore	S$1.8b	🟦 ✓	🟦			
Elephant & Castle, London	£1.5b		🟦	🟦	🟦 ✓	🟦
The International Quarter, London	£1.3b		🟦	🟦 ✓	🟦	🟦
Integrated Public Private Partnership projects						
Sunshine Coast University Hospital	A$2.0b	🟦 ✓	🟦	🟦	🟦	🟦
Darling Harbour Live consortium – Convention Centre (SICEEP)	A$1.0b		🟩 ✓	🟦	🟦	🟦
Eastern Goldfields Regional Prison	A$0.25b	🟦 ✓	🟦	🟦	🟦	🟦
New Bendigo Hospital	A$0.63b	🟦 ✓	🟦	🟦	🟦	🟦

🟦 Active project

■ Planning

🟩 Pending financial close

✓ First profit from the project

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[1] Reflects 100% of the project end development value

2 FINANCIAL OVERVIEW

Tony Lombardo

Group Chief Financial Officer

Image: CGI Waterbank - Perth

Results composition - regions

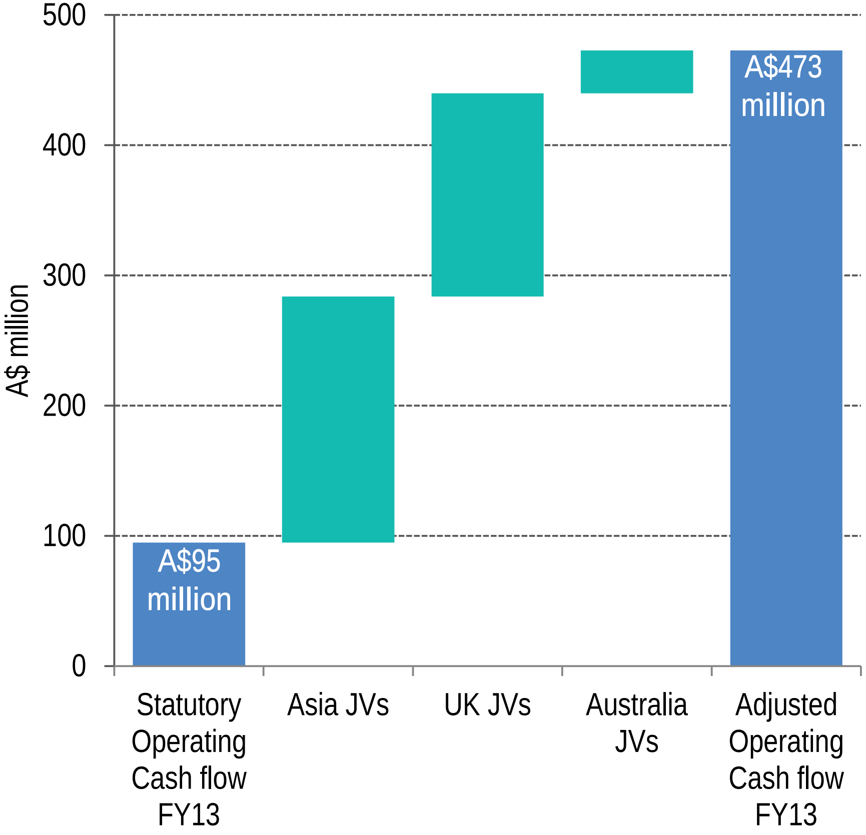
Lend Lease

	Operating profit after tax A$m	Movement (pcp)	Profit drivers
Australia	506.6	▲ 17.8%	▪ Recognition of earnings from first two commercial towers at Barangaroo South ▪ Advisory fees on three large PPP wins (Eastern Goldfields Regional Prison, Sunshine Coast University Hospital and New Bendigo Hospital) ▪ Solid performance from retirement ▪ Weaker Construction contribution
Asia	112.6	▲ 6.0%	▪ Strong contribution from Development following sale of the Group's direct interest in Jem® in June 2013 and stronger Construction earnings ▪ Offset by a lower contribution from Investment Management following the sale of PoMo and a partial stake in APIC 2 in the prior year
Europe	99.5	▼ 2.4%	▪ Weakness in Construction revenue and restructuring charges, partially offset by a stronger contribution from the Development business following the sale of Greenwich in 1H13
Americas	53.7	▲ 49.2%	▪ Improved Construction earnings ▪ Stronger contribution from Infrastructure Development ▪ Growing healthcare operations – first public sector medical facility development
Corporate	(219.4)	▲ 31.5%	▪ Expenses higher due to restructuring and transformation program costs; lower interest revenue on cash balance ▪ Partially offset by lower interest expense on Group borrowings

Positive operating cash flow

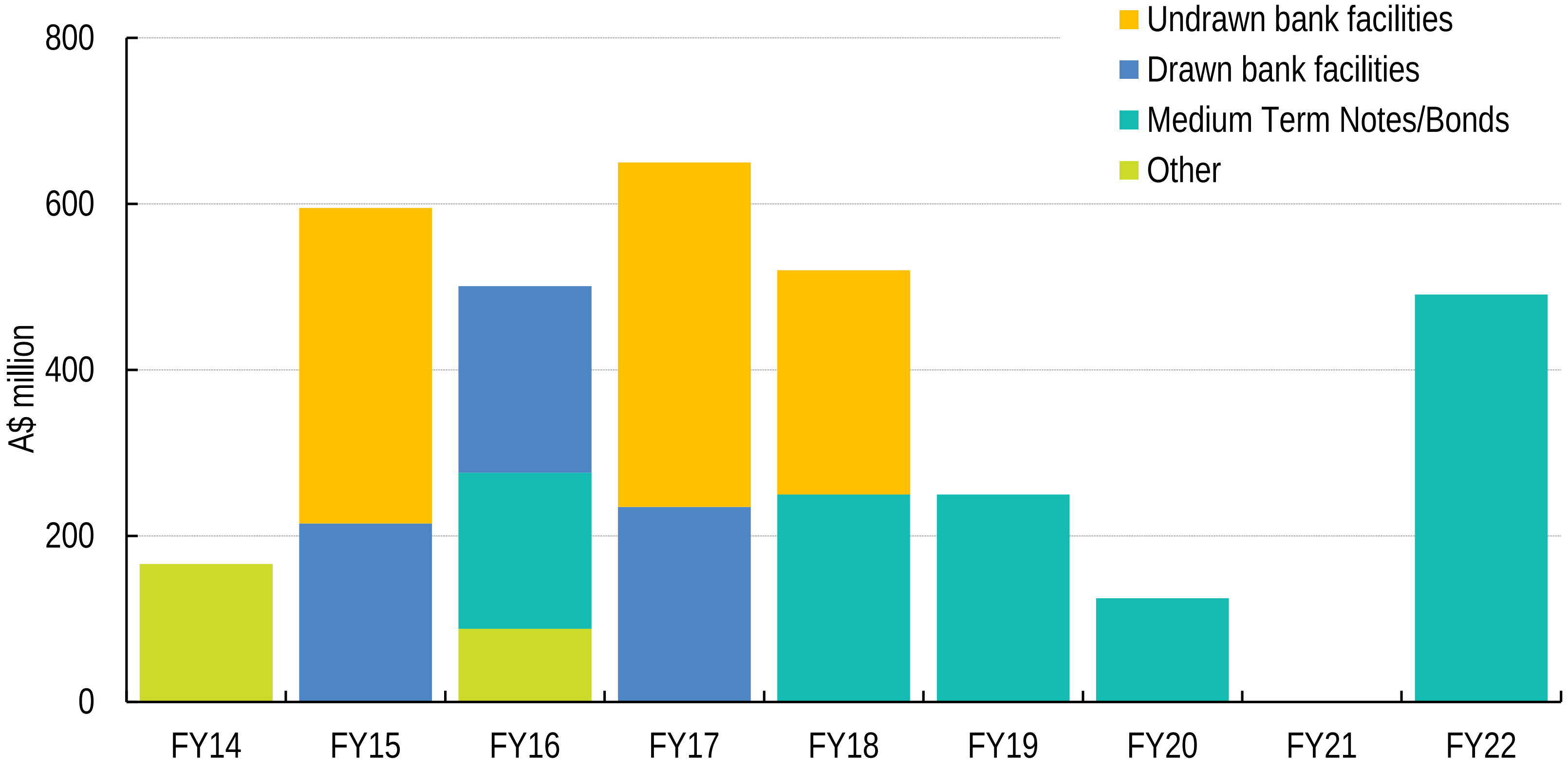
- Statutory operating cash flows do not reflect operational activities of the Group
- FY13 cash flow from operations of A$473 million versus statutory operating cash flow of A$95 million
- Key adjustments for Joint Ventures include:
  - Proceeds from the sale of Greenwich A$156 million and Jem® A$189 million; and
  - Development and construction projects such as Convesso at Victoria Harbour in Melbourne

Operating cash flow – FY13



Prudent debt maturity profile

Debt maturity profile enhanced during 2013



Costs – restructure, transformation and non-recurring

- In the last two years substantial investment has been made to deliver increased productivity in the future[1]
- Operations are now well positioned and investments will pay-back over a three to four year period; FY2014 - FY2017

1

Restructure costs

- During FY13 substantial restructure charges A$35 million were taken in relation to our construction operations in Australia, Europe and the Americas to position them appropriately for future growth

2

Transformation

- During FY13 A$44 million of spend incurred to transform finance, IT and HR operations, A$18 million expensed
- A$33 million in FY12

3

Non-Recurrent

- One-off expenses incurred A$24 million in FY13 – not expected to deliver future savings

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[1] All costs shown are pre-tax

Tax

Lend Lease

Factors impacting the tax rate

Utilisation of tax losses	- Unused tax losses (capital and revenue)
R&D claim	- Recognition of prior year research and development claim
Retirement business	- Recognition of tax deductions
Impact of operating businesses in lower tax jurisdictions	- Singapore - United Kingdom
Other	- Non-assessable and exempt income

3 OPERATIONAL UPDATE

Dan Labbad

Group Chief Operating Officer

Image: CGI – Sydney International Convention, Exhibition & Entertainment Precinct - Sydney

Major projects progress

Project	End Value[1]	Progress during 2013
Barangaroo South, Sydney	A$6.0 billion	▪ Majority of first stage remediation work has now been completed ▪ Construction began on the first two commercial towers
Sydney International Convention, Exhibition and Entertainment Precinct	A$2.5 billion	▪ Contractual close reached in March 2013; financial close expected in FY14 ▪ Demolition of existing convention centre expected to begin in early 2014
Victoria Harbour, Melbourne	A$4.5 billion	▪ Forte (cross laminate timber project) completed; Concavo pre-sales progressing well ▪ Construction on Dock Square underway – comprising a library, boating hub and park, also cross laminate timber; and Collins Street tram extension
Richmond, Melbourne	A$0.4 billion	▪ 11 townhouses completed; remaining townhouses and Heritage building to complete in FY14
RNA Showgrounds, Brisbane	A$2.5 billion	▪ Infrastructure works commenced on The Green apartment project following pre-sales threshold being reached
Waterbank, Perth	A$1.0 billion	▪ Project Development Agreement finalised and executed in February 2013 ▪ First stage expected to be launched to market in FY15
Jem®, Singapore	S$1.8 billion	▪ Completion of the retail component of Jem® within three years of acquiring the site; opened and fully leased. Office component on track and already fully leased. ▪ Sold 25% direct stake and established a new wholesale investment vehicle
Elephant & Castle, London	£1.5 billion	▪ Master planning approval received in January 2013 ▪ Strong pre-sales during 2H13 led to construction work for the first two residential developments beginning earlier than expected
The International Quarter, Stratford	£1.3 billion	▪ April 2013 – hand over of the site to Lend Lease and JV partner LCR ▪ Commercial agreement reached with Atlantic Hotels to build a 4-star hotel on site

[1] Reflects 100% of the project end development value

Australia business update

Divisional overview	
Development	▪ First contribution from Barangaroo South ▪ Positive trends in 2H13 from increased residential enquiry levels; strong pre-sales at key urban regeneration projects
Construction	▪ New work secured in FY13 A$7.7 billion ▪ Weaker 2H13 contribution - under performing contracts and lower book and burn work than forecast
Investment Management	▪ 17% increase in funds under management attributable to launch of Lend Lease International Towers Sydney Trust
Infrastructure Development	▪ More than seven-fold increase in profit during the year ▪ Includes advisory fees from Sunshine Coast University Hospital, Eastern Goldfields Regional Prison and New Bendigo Hospital
Trends	▪ Tougher engineering construction markets – FY14 supported by internal pipeline of building work ▪ Early signs of improving residential market; lower interest rates should support market confidence ▪ Strong pipeline of Public Private Partnership opportunities

Operating Profit after Tax A$m	30 June 2013	30 June 2012	Mvmt
Development	274.4	158.4	⬆
Construction	152.7	223.5	⬇
Investment Management	38.4	43.3	⬇
Infrastructure Development	41.1	4.7	⬆
Total	506.6	429.9	⬆

Sunshine Coast University Hospital, QLD

Asia business update

Divisional overview	
Development	▪ Strong contribution supported by completion of Jem® retail component and sale of Lend Lease's 25% direct interest in the entire asset
Construction	▪ Jem® construction on retail component completed during the year and office on-track for completion in 1H14 ▪ Continued roll-out of 4G telecommunications towers in Japan
Investment Management	▪ Creation of Lend Lease Jem Partners Fund ▪ Prior year profit (FY12) included proceeds from sale of interests in PoMo and APIC 2 ▪ Increased FUM due to creation of new Jem® related fund and increased market value of Setia City Mall in Malaysia
Trends	▪ Strong macro back-drop ▪ Seek to expand development pipeline and strengthen position in Malaysia, Japan and China

Operating Profit after Tax A$m	30 June 2013	30 June 2012	Mvmt
Development	74.2	11.1	↑
Construction	28.6	25.8	↑
Investment Management	9.8	69.3	↓
Total	112.6	106.2	↑

Jem®, Singapore

Europe business update

Divisional overview	
Development	▪ Increase due to sale of stake in Greenwich ▪ Pre-sales reached for One The Elephant and Trafalgar Place (E&C) – building work commenced
Construction	▪ Lower volumes across UK and Europe ▪ 2H13 impacted by restructuring charges taken during the period and lower 'book and burn' business
Investment Management	▪ Strong performance from Bluewater – reduced vacancy rates ▪ Prior year profit included sale of stake in Chelmsford Meadows
Infrastructure Development	▪ Awarded preferred bidder on Treviso Hospital, Italy ▪ Prior year profit included the sale of Public Private Partnership stakes (five assets versus two assets in the current year)
Trends	▪ Weaker construction market expected to continue ▪ Inner London market remains buoyant – particularly residential

Operating Profit after Tax A$m	30 June 2013	30 June 2012	Mvmt
Development	56.4	0.2	↑
Construction	(15.0)	21.2	↓
Investment Management	23.7	32.6	↓
Infrastructure Development	34.4	47.9	↓
Total	99.5	101.9	↓

Elephant & Castle, London

Americas business update

Divisional overview	
Development - Healthcare	▪ Pipeline building – three new Healthcare development assets underway; preferred bidder status on four further projects ▪ Secured first project in the public sector ▪ Sale of Bon Secours St Francis Watkins Centre
Construction	▪ Major project wins in key markets ▪ Over 100% increase in new work secured
Infrastructure Development	▪ Financial close on final stage of Privatization of Army Lodging Group C project with the US Department of Defense
Trends	▪ Improving residential construction market in major cities (New York, Chicago and San Francisco) – re-urbanisation trend occurring ▪ Healthcare trends support development strategy ▪ Broader economic conditions improving in core urban markets

Operating Profit after Tax A$m	30 June 2013	30 June 2012	Mvmt
Development	(1.8)	(3.6)	↑
Construction	26.5	14.2	↑
Investment Management	-	13.0	↓
Infrastructure Development	29.0	12.4	↑
Total	53.7	36.0	↑

Bon Secours St Francis Watkins Centre, US

Leveraging our global expertise

4 STRATEGY & OUTLOOK

Steve McCann

Group Chief Executive Officer
and Managing Director

Image: Olympic Park, London

Strategic direction

Operational excellence

- Execute well on our $37.4 billion estimated end value development pipeline of opportunities to realise embedded value
- Resilient operating model – further repositioned to meet market conditions
- Commitment to safety and risk management

Grow platforms/scale

- Grow our presence in core international markets
- Continue to diversify sources of earnings

Our people

- Established leadership and management team
- Commitment to attracting and retaining global talent pool

Outlook

- Domestic environment is challenging
- Australian interest rate environment should provide more favourable outlook for residential markets
- International markets mixed – continued growth in Asia, weak UK construction but strong London residential and encouraging economic outlook for the Americas
- Our diversified business contains significant embedded earnings potential
  - Estimated end value of development pipeline - $37.4 billion
  - Construction backlog revenue - $17.2 billion[1]
  - Funds Under Management - $15.0 billion
- Our pipeline of opportunities provides earnings visibility and a platform for a strong growth trajectory over the next three years

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[1] Includes SICEEP - expected to reach financial close in FY14

5 Q&A

Steve McCann
Group Chief Executive Officer and Managing Director

Tony Lombardo
Group Chief Financial Officer

Dan Labbad
Group Chief Operating Officer

Image: Barangaroo South, Sydney

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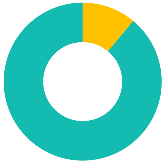
APPENDICES

Image: Elephant & Castle, London

Operational performance snapshot

Division overview		FY13 Revenue A$m	FY13 EBITDA A$m	Group earnings contribution[1]
Development	▪ Operates in all four major geographic regions ▪ Involved in the development of urban communities, inner-city mixed-use developments, apartments, retirement, retail, commercial and healthcare assets	1,163.9	354.3	
Construction	▪ Operates in all four major geographic regions ▪ Involves project management, building, engineering and construction services	10,548.8	316.9	
Investment Management	▪ Operates in Australia, Asia and Europe ▪ Property and infrastructure investment management, property management and asset management ▪ Includes the Group's ownership interests in property and infrastructures investments	185.7	101.1	
Infrastructure Development	▪ Operates in Australia, Europe and the Americas ▪ Arranges, manages and invests in Public Private Partnerships (PPP) projects	325.2	141.9	

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[1] EBITDA from operating businesses

Barangaroo South

Lend Lease

- Secure development rights
- Develop master plan
- Cornerstone investment / source co-capital partners
- Develop and construct
- Investment

Image: Artist Impression only, as at August 2013. Subject to planning approval

Sydney International Convention, Exhibition and Entertainment Precinct (SICEEP)

Secure development rights

Structure PPP

Develop master plan

Cornerstone investment / source co-capital partners

Develop and construct

Investment

Image: Artist Impression only, as at August 2013. Subject to planning approval

Elephant & Castle

Secure development rights

Structure PPP

Develop master plan

Develop and construct

Investment

Statement of financial position

	June 2013 A$m
Assets	
Cash and cash equivalents	1,538.4
Inventories	2,891.0
Equity accounted investments	585.5
Investment properties	4,023.8
Other assets	5,171.7
Total assets	14,210.4
Liabilities	
Non current borrowings and financing arrangements	1,976.2
Other financial liabilities	270.0
Other liabilities	7,634.9
Total liabilities	9,881.1
Net assets	4,329.3

Group assets – 30 June 2013

A$m	Australia	Asia	Europe	Americas	Total
Development	6,784.4	2.5	364.6	63.6	7,215.1
Construction	2,333.1	286.1	630.4	1,066.1	4,315.7
Investment Management	383.4	243.7	541.3		1,168.4
Infrastructure Development	196.4		149.3	136.1	481.8
Total segment	9,697.3	532.3	1,685.6	1,265.8	13,181.0
Corporate activities					1,029.4
Total Assets	9,697.3	532.3	1,685.6	1,265.8	14,210.4

Debt maturity and on balance sheet debt

Source	Face value	Amortised cost[1]	Drawn	Expiry
Bilateral Credit Facility	A$225 million	A$223.8 million	A$223.8 million	Dec-15
Syndicated Credit Facility	A$975 million	A$973.6 million	A$348.6 million	Various[2]
UK Bond Issue	£300 million	A$486.0 million	A$486.0 million	Oct-21
Club Revolving Credit Facility	£330 million	A$541.0 million	A$100.0 million	Various[3]
US Private Placement	US$200 million	A$214.8 million	A$214.8 million	Various[4]
Singapore Bond	S$275 million	A$222.1 million	A$222.1 million	Jul-17
Australian MTN	A$375 million	A$372.1 million	A$372.1 million	Various[5]
Total Debt Facilities	-	A$3,033.4 million	A$1,967.4 million	-

1. Gross facility less unamortised transaction costs as recorded in the financial statements
2. A$595 million expires in July 2014 and A$380 million expires in July 2016
3. £165 million expires in December 2016 and £165 million expires in December 2017
4. US$175 million expires in October 2015 and US$25 million expires in October 2017
5. A$250 million expires in November 2018 and A$125 million expires in May 2020

Key debt metrics

Lend Lease

	June 2013	June 2012
Credit Rating - S&P/Moody's	BBB- / Baa3 (Stable)	BBB- / Baa3 (Stable)
Gross borrowings to total tangible assets[1]	17.2%	14.3%
Net debt to total tangible assets less cash	6.1%	6.3%
Interest coverage[2]	6.4x	6.0x
Undrawn facilities (A$million)	1,099.4	1,242.5
Average debt duration	4.3 years	4.7 years
Weighted average cost of debt including margins	5.7%	6.2%
Fixed / floating debt	77%/ 23%	77%/ 23%

1. Borrowings, including certain other financial liabilities, divided by total tangible assets
2. Operating EBITDA plus interest income, divided by interest finance costs, including capitalised finance costs