

ASX ANNOUNCEMENT

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 2016¹:

- 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 cent², 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 projects³
- Strong balance sheet with gearing of 6.5 per cent⁴ 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 billion⁵, 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.

¹ Comparative period is 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.

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

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
Exchange Place, 300 Barangaroo Avenue
Barangaroo NSW 2000 Australia

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lendlease.com



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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%) |
| Operating EBITDA | 1,142.9 | 1,246.0 | 9% |
| Corporate costs | (175.9) | (191.1) | 9% |
| Group EBITDA | 967.0 | 1,054.9 | 9% |
| Depreciation and amortisation | (79.5) | (82.7) | 4% |
| EBIT | 887.5 | 972.2 | 10% |
| Net finance costs | (119.5) | (109.4) | (8%) |
| PBT | 768.0 | 862.8 | 12% |
| Income tax expense | (149.1) | (164.7) | 10% |
| External non-controlling interests | (0.3) | 0.1 | n/a |
| NPAT | 618.6 | 698.2 | 13% |

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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 billion⁶ 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 cent⁷, 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 billion⁸, 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.

⁶ Gross cash outflow related to development projects.

⁷ Net debt to total tangible assets less cash.

⁸ 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 billion⁹ 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.

ENDS

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Media:

Natalie Campbell
Tel: 02 9236 6865
Mob: 0410 838 914

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 |

⁹ 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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Contents

Group Performance and Results Highlights

Steve McCann - Group Chief Executive Officer and Managing Director

Financials

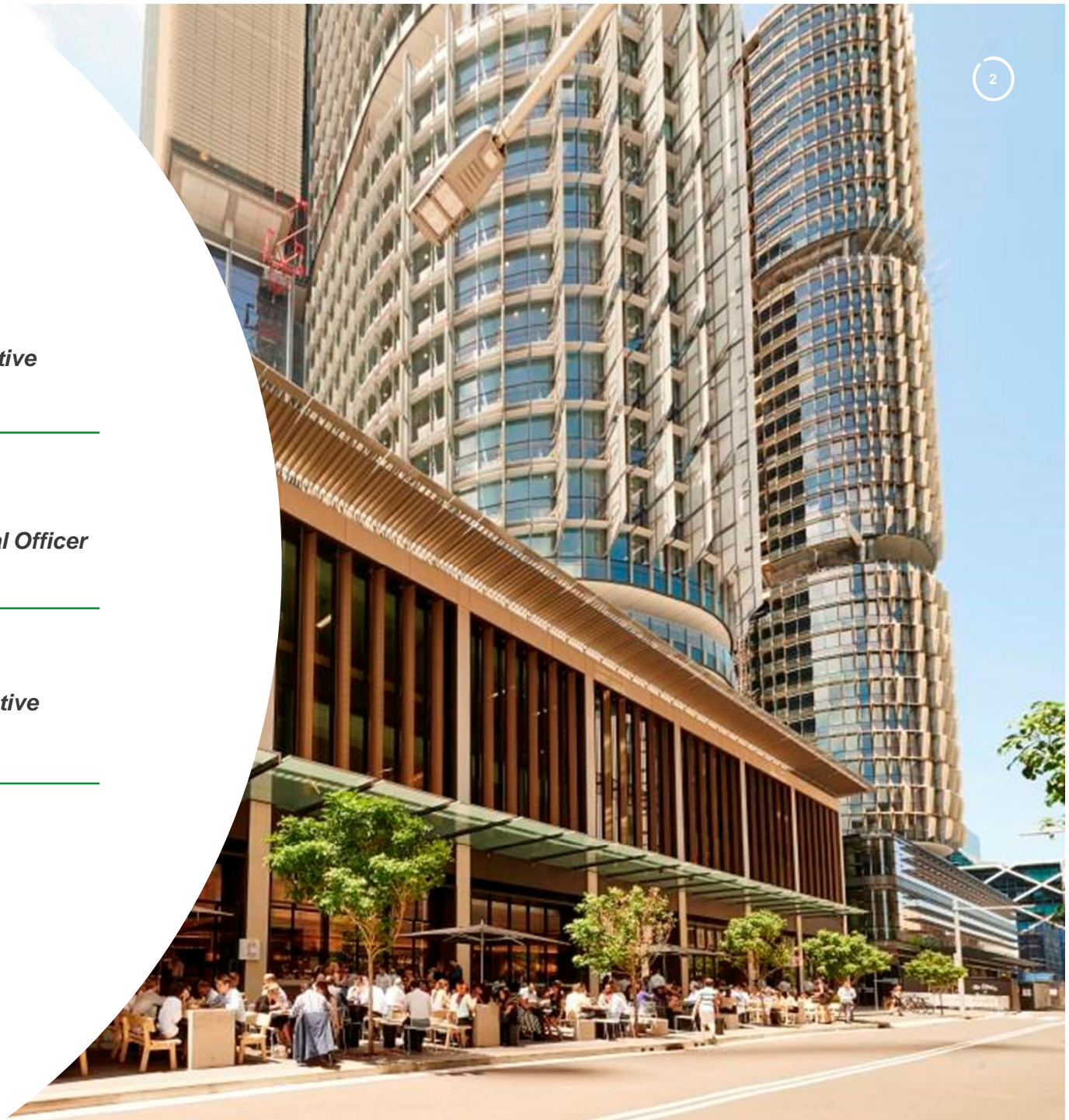
Tarun Gupta - Group Chief Financial Officer

Operational Update

Steve McCann - Group Chief Executive Officer and Managing Director

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.



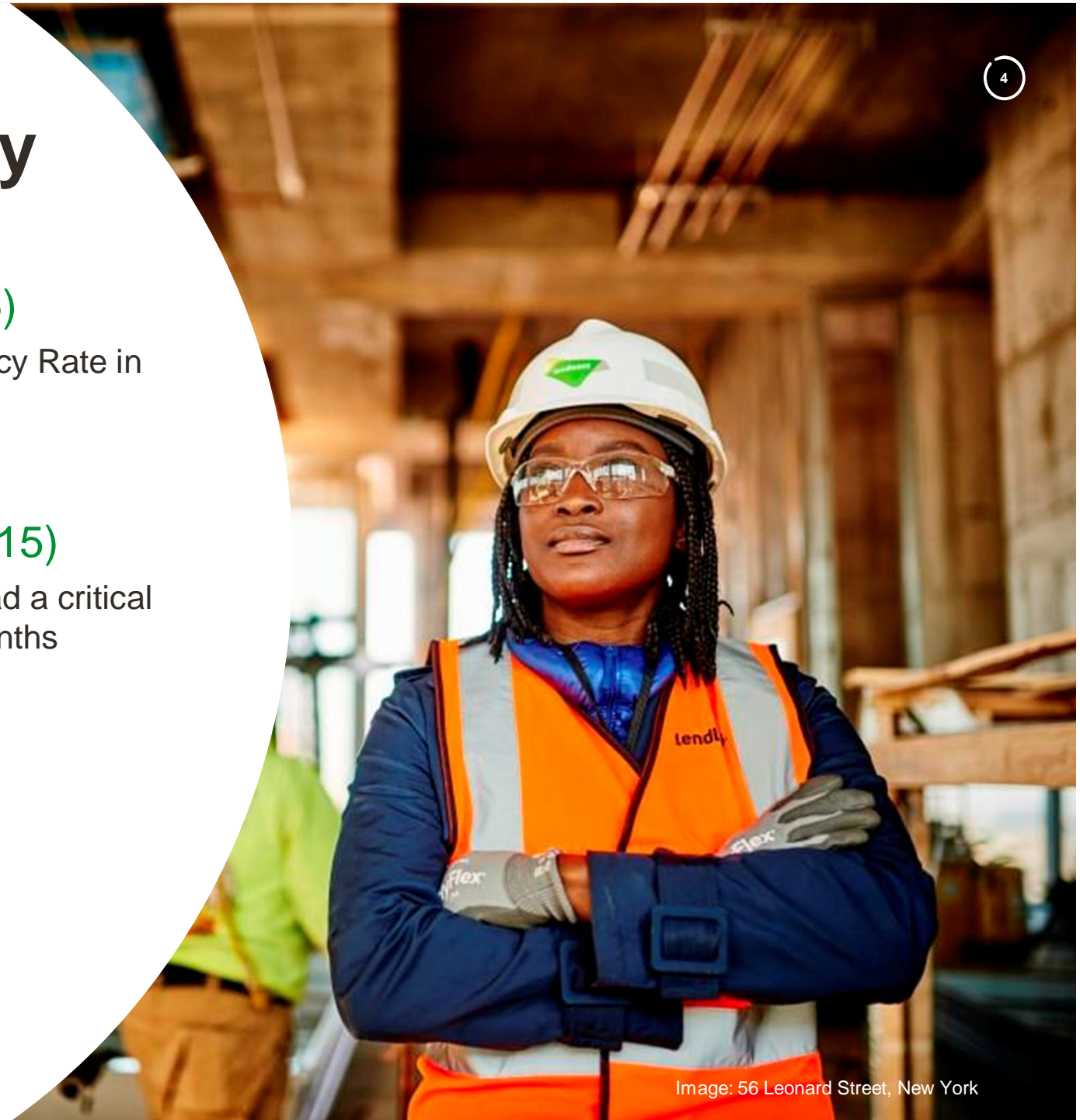
FY16 Safety

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





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 returns¹

- 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%², within our 11% - 15% target range

Performance highlights¹

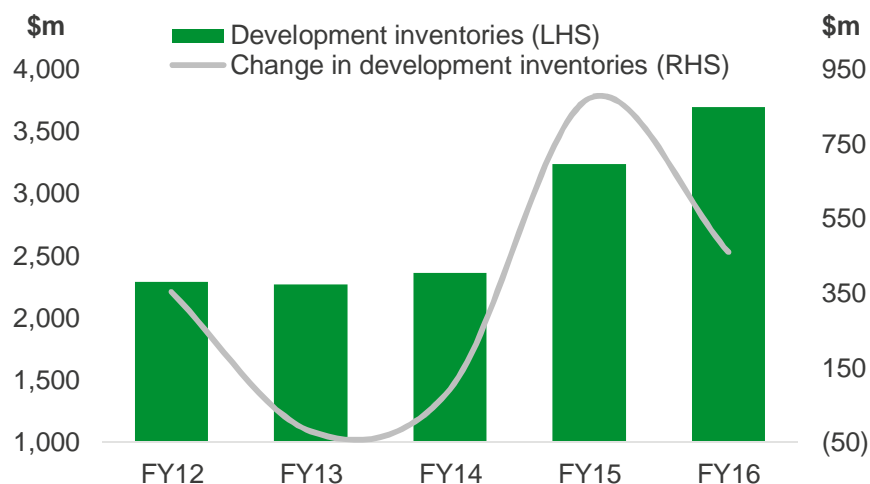
- Operating cash flow of \$853.0 million, 122% of Profit after Tax
- Further \$3.0 billion deployed into development of projects³
- Gearing of 6.5%⁴, cash and cash equivalents of \$1.0 billion and undrawn facilities of \$2.2 billion
- Proceeds received on Tower Two and Tower Three at Barangaroo South 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

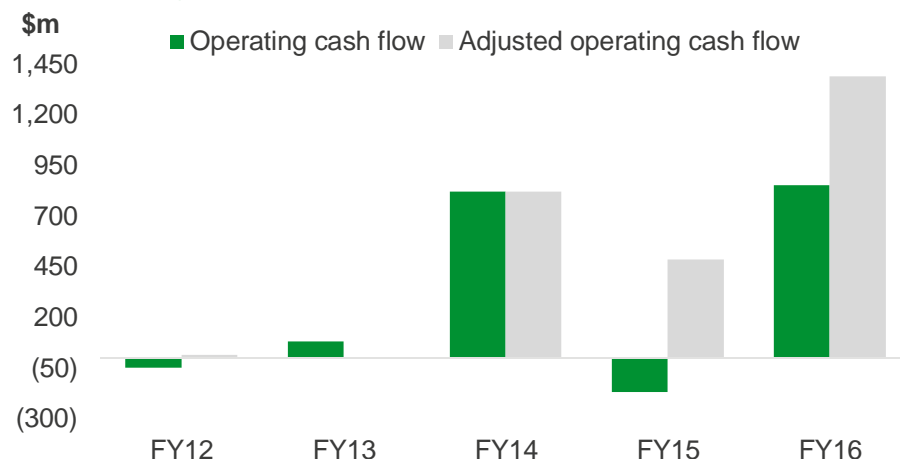
Strong operating cash flow despite continued investment

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%¹
- 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 inventories²
- 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

lendlease



Image: 432 Park Avenue, New York

Re-segmentation and transition to Integrated Reporting

Re-segmentation

- 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

- 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%) |
| Operating EBITDA | 1,142.9 | 1,246.0 | 9% |
| Corporate costs | (175.9) | (191.1) | 9% |
| Group EBITDA | 967.0 | 1,054.9 | 9% |
| Depreciation and amortisation | (79.5) | (82.7) | 4% |
| EBIT | 887.5 | 972.2 | 10% |
| Net finance costs | (119.5) | (109.4) | (8%) |
| PBT | 768.0 | 862.8 | 12% |
| Income tax expense | (149.1) | (164.7) | 10% |
| External non-controlling interests | (0.3) | 0.1 | n/a |
| NPAT | 618.6 | 698.2 | 13% |
| Weighted avg. securities | 579.4 | 581.4 | n/a |
| EPS cents | 106.8 | 120.1 | 12% |

- 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 million¹, up 8%

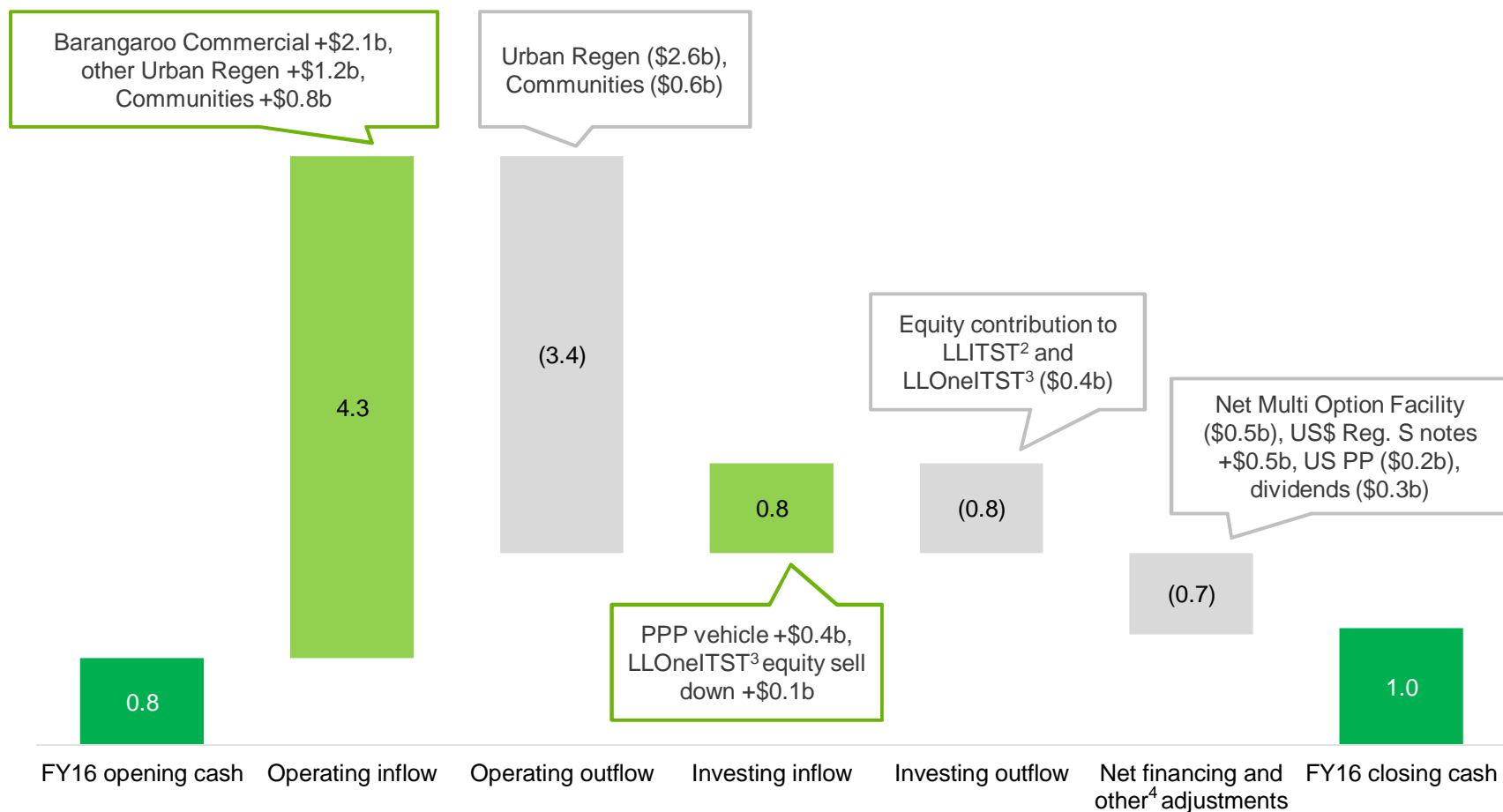
- Lower net debt and average cost of debt down 60 bps to 4.6%

- 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)¹

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 |
|------------------------------------|-----------------|-----------------|-------------|
| Assets | | | |
| 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 ¹ | 5,994.9 | 5,940.7 | (1%) |
| Other assets (including financial) | 6,874.2 | 5,888.3 | (14%) |
| Total assets | 18,959.2 | 18,592.9 | (2%) |

| | | | |
|--|-----------------|-----------------|-------------|
| Liabilities | | | |
| Borrowings and financing arrangements | 2,450.3 | 2,031.3 | (17%) |
| Other liabilities (including financial) ¹ | 11,340.7 | 10,946.9 | (3%) |
| Total liabilities | 13,791.0 | 12,978.2 | (6%) |

| | | | |
|-------------------|----------------|----------------|-----------|
| Net assets | 5,168.2 | 5,614.7 | 9% |
|-------------------|----------------|----------------|-----------|

| | | | |
|----------------------------|--------------|-------------|--------------|
| Gearing² | 10.5% | 6.5% | (38%) |
|----------------------------|--------------|-------------|--------------|

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%²
- 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

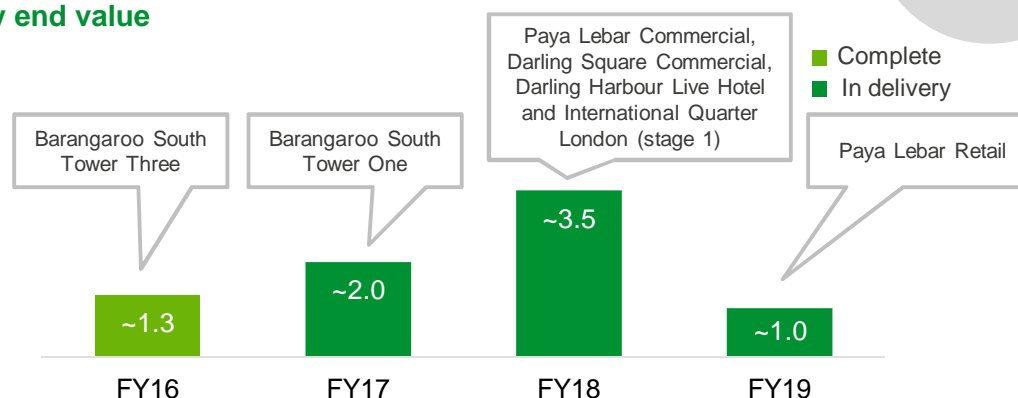
Development

Performance highlights¹

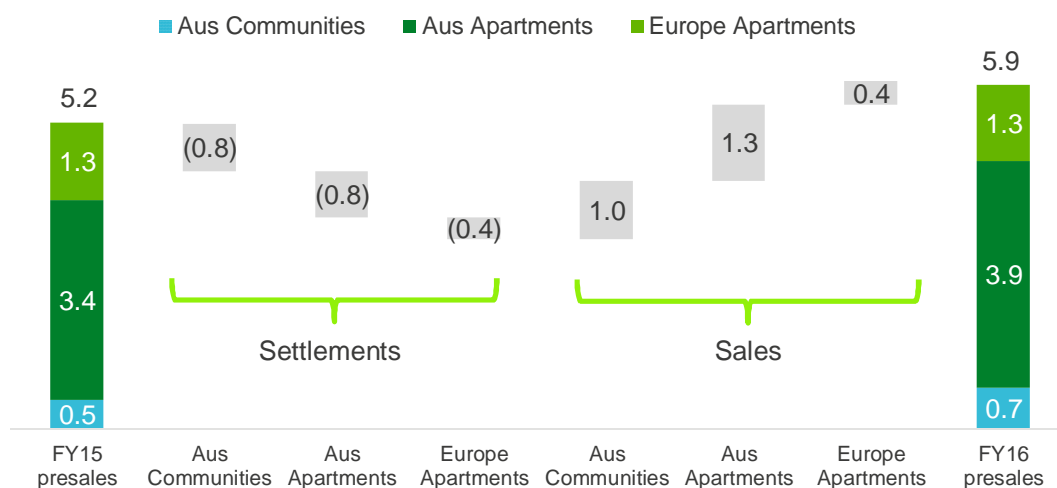
- Proceeds received on Tower Two and Tower Three at Barangaroo South following completion
- Forward sale of three major commercial buildings: two in delivery at International Quarter London and one at Darling Square, Sydney
- Commercial development in delivery with a combined end value of approximately \$6.5 billion across 10 buildings
- Residential settlements of 4,790 units, up 7%²:
 - 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 billion⁴, 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 profile³ (\$b)

By end value



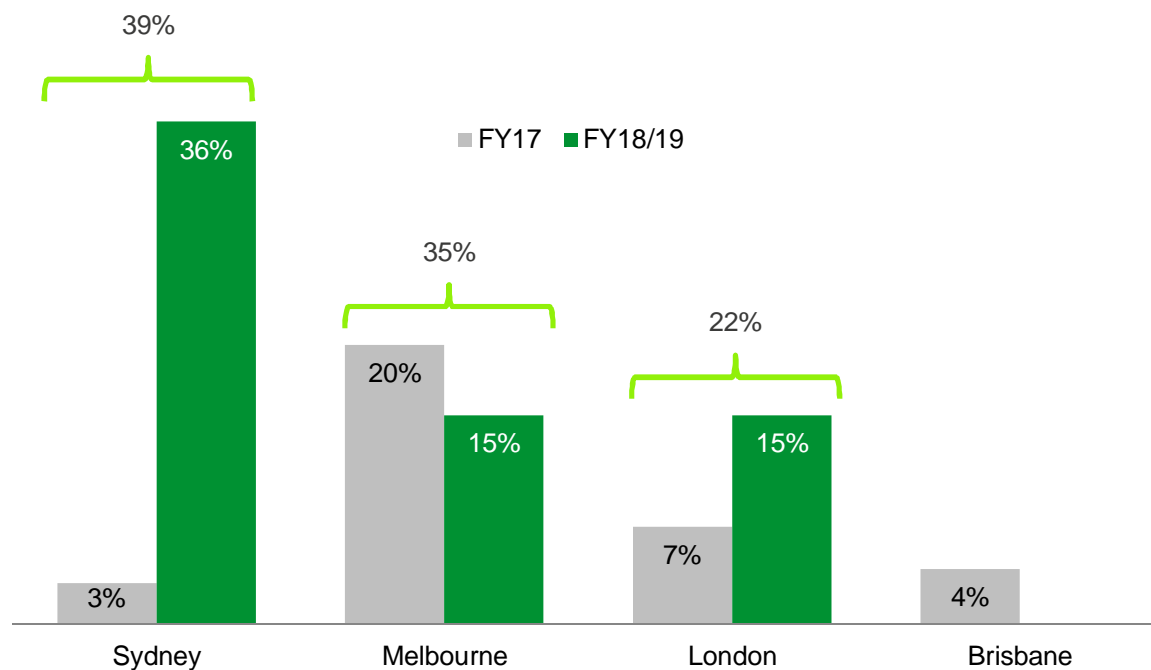
Residential presales⁴ (\$b)



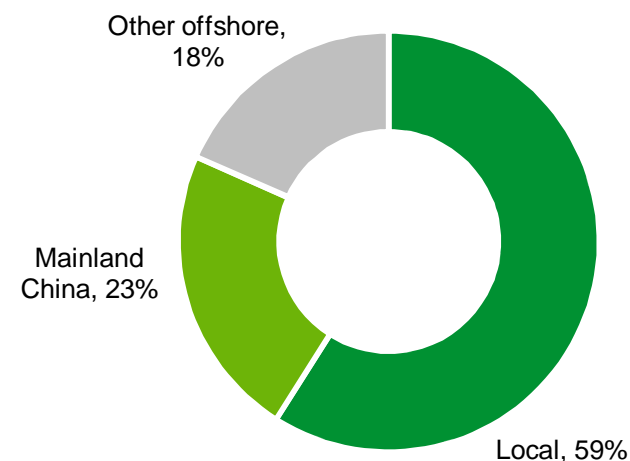
Apartment presales - by location and customer

Presales (by value, as at 30 June 2016)¹

Run-off profile by location²



By customer



Projects completing in FY17
approximately 98% presold²

Revenue of approximately \$1.0+ billion
to settle in FY17²

Units of approximately 1,500+ to settle
in FY17²



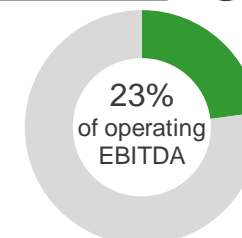
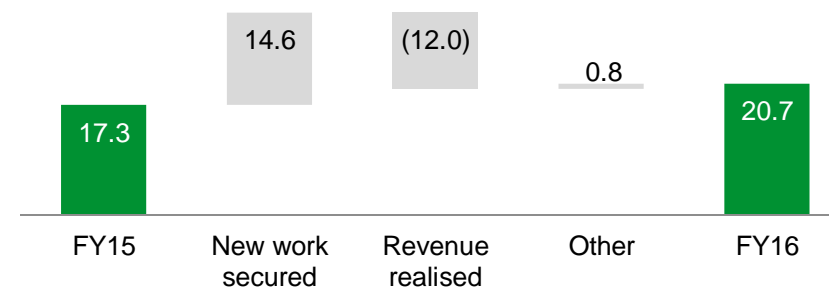
1. Apartment projects in delivery reflecting total presales of \$4.7 billion, including 100% of revenue from joint venture projects. Joint venture partner share of revenue is \$185.5 million
2. Based on expected completion date of underlying buildings, subject to change in delivery program

Construction

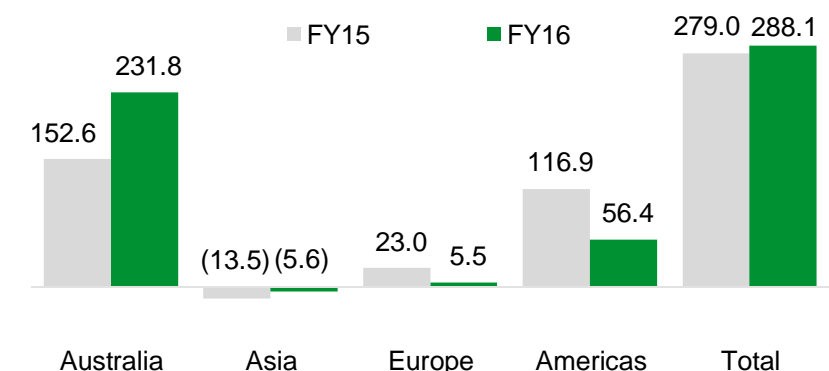
Performance highlights¹

- 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 1.2²
- Internal pipeline accounts for 23.0% of backlog³
- 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 |
|-------------|-----------|--------|--------|----------|-------|
| FY15 | 2.6% | (6.0%) | 1.8% | 3.3% | 2.6% |
| FY16 | 3.7% | (1.7%) | 0.4% | 1.4% | 2.4% |



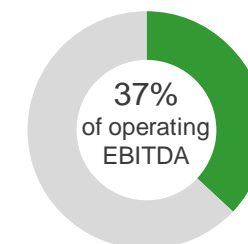
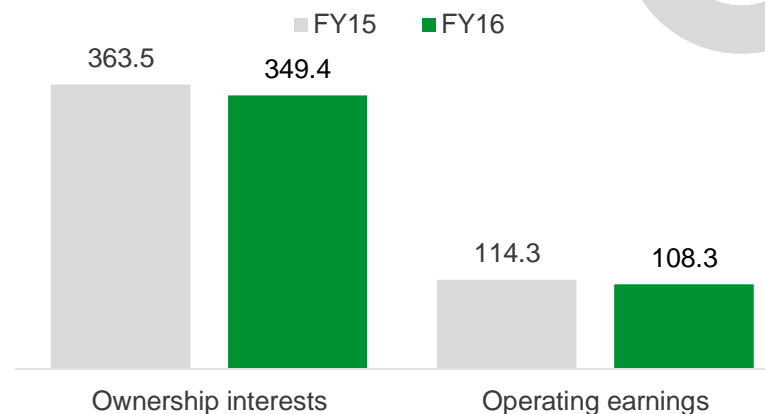
1. Comparative period the year ended 30 June 2015 (the prior year)
2. Ratio calculated as new work secured over revenue realised
3. Includes all major construction projects disclosed in the Portfolio Report as at 30 June 2016, which represents 51.2% (\$10.6 billion) of secured backlog

Investments

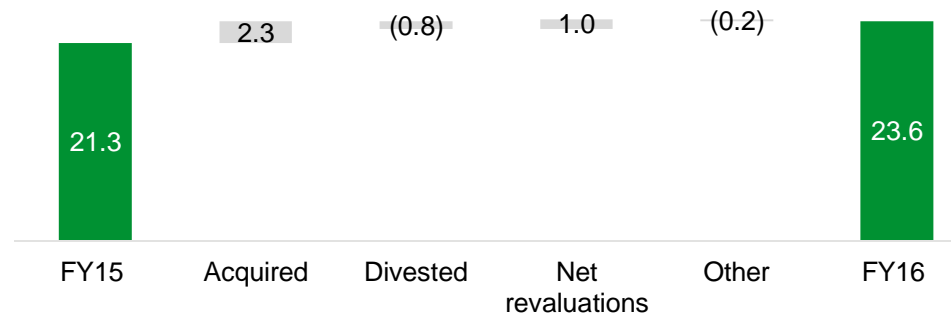
Performance highlights¹

- FUM of \$23.6 billion, up 11%
- Approximately \$3.0 billion² 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 LLITST³ and LLOneITST⁴
 - Sale of 25% co-investment stake in LLOneITST⁴
- Weaker result in Asia driven by reduction in carrying value of 313@somerset
- Retirement Ownership and Management - 1,038 unit resales⁵
- 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)



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

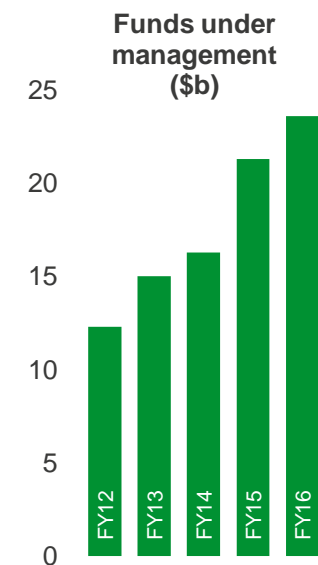
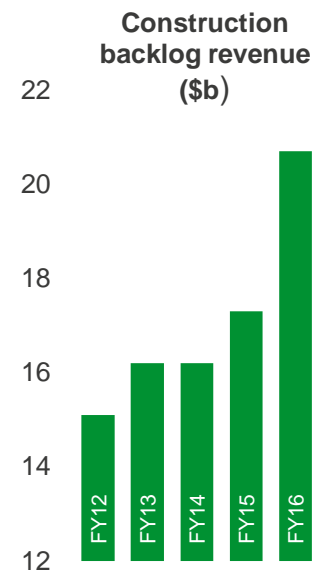
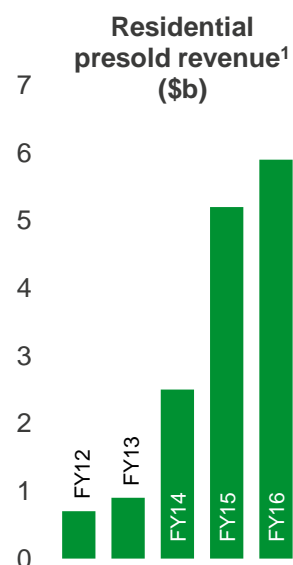
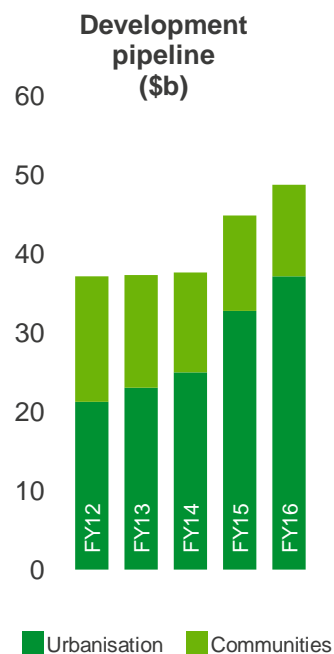
Earnings visibility from growing pipeline across all segments

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

Record residential presold
revenue of \$5.9 billion¹

Construction backlog revenue
of \$20.7 billion

FUM of \$23.6 billion



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

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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) |
| Gross profit | 1,667.6 | 1,700.0 |
| Other income | 251.8 | 256.9 |
| Other expenses | (1,051.8) | (1,136.3) |
| Results from operating activities | 867.6 | 820.6 |
| Finance revenue | 17.7 | 16.8 |
| Finance costs | (137.2) | (126.2) |
| Net finance costs | (119.5) | (109.4) |
| Share of profit of equity accounted investments | 19.9 | 151.6 |
| Profit before Tax | 768.0 | 862.8 |
| Income tax expense | (149.1) | (164.7) |
| Profit after Tax | 618.9 | 698.1 |
| Profit after Tax attributable to: | | |
| Members of Lendlease Corporation Limited | 530.2 | 557.8 |
| Unitholders of Lendlease Trust | 88.4 | 140.4 |
| Profit after Tax attributable to securityholders | 618.6 | 698.2 |
| External non controlling interests | 0.3 | (0.1) |
| Profit after Tax | 618.9 | 698.1 |
| <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 |
|--|-----------------|-----------------|
| Current Assets | | |
| 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 |
| Total current assets | 6,495.6 | 5,857.9 |
| Non Current Assets | | |
| 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 |
| Total non current assets | 12,463.6 | 12,735.0 |
| Total assets | 18,959.2 | 18,592.9 |

| Statement of Financial Position (\$ million) | Jun-15 | Jun-16 |
|--|-----------------|-----------------|
| Current Liabilities | | |
| 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 |
| Total current liabilities | 9,706.3 | 8,824.3 |
| Non Current Liabilities | | |
| 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 |
| Total non current liabilities | 4,084.7 | 4,153.9 |
| Total liabilities | 13,791.0 | 12,978.2 |
| Net assets | 5,168.2 | 5,614.7 |

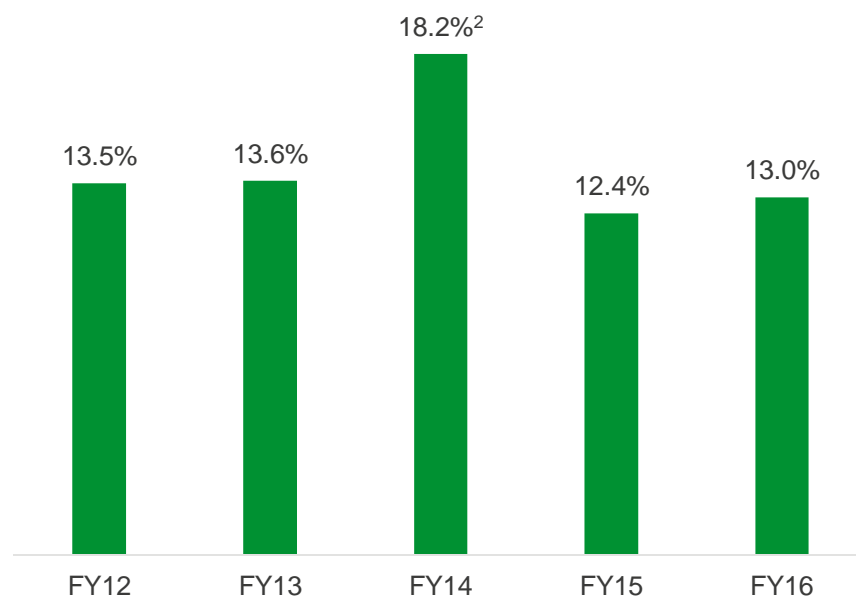
| | | |
|---|----------------|----------------|
| Equity | | |
| Issued capital | 1,256.3 | 1,276.3 |
| Treasury shares | (89.9) | (99.5) |
| Reserves | 91.7 | 98.0 |
| Retained earnings | 2,936.0 | 3,289.6 |
| Total equity attributable to equity holders of Lendlease Corporation Limited | 4,194.1 | 4,564.4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

Statement of Cash Flows

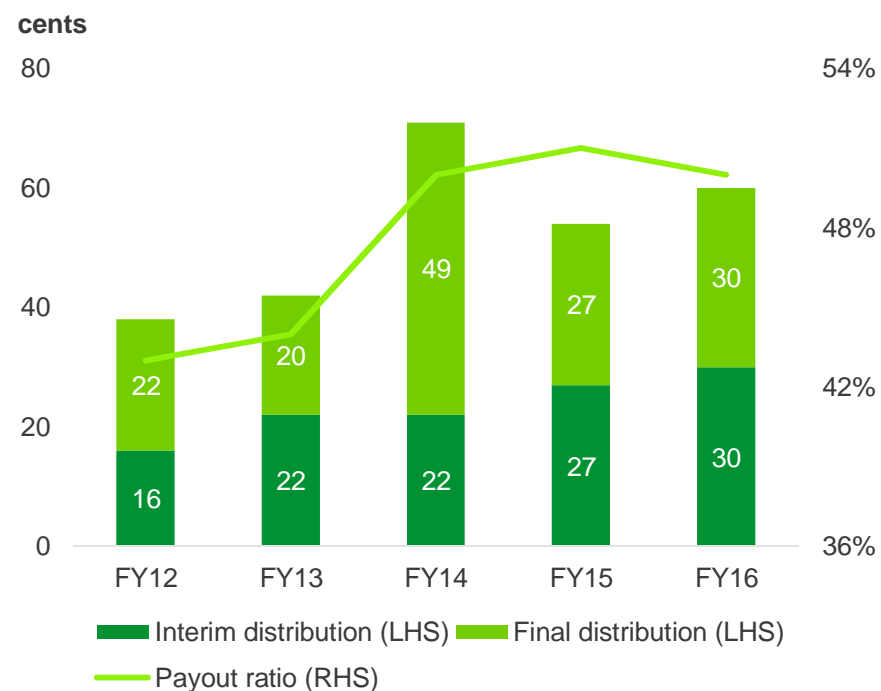
| Statement of Cash Flows (\$ million) | Jun-15 | Jun-16 |
|---|----------------|----------------|
| Cash Flows from Operating Activities | | |
| Cash receipts in the course of operations | 11,896.7 | 16,028.4 |
| Cash payments in the course of operations | (11,866.7) | (15,154.9) |
| Interest received | 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 |
| Net cash provided by/(used in) operating activities | (166.6) | 853.0 |
| Cash Flows from Investing Activities | | |
| 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) | |
| Net cash provided by/(used in) investing activities | (383.4) | 0.6 |
| Cash Flows from Financing Activities | | |
| 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) |
| Net cash used in financing activities | (465.2) | (620.4) |
| Other Cash Flow Items | | |
| Effect of foreign exchange rate movements on cash and cash equivalents | 49.5 | 25.1 |
| Net increase/(decrease) in cash and cash equivalents | (965.7) | 258.3 |
| Cash and cash equivalents at beginning of financial year | 1,715.8 | 750.1 |
| Cash and cash equivalents at end of financial year | 750.1 | 1,008.4 |

Securityholder returns

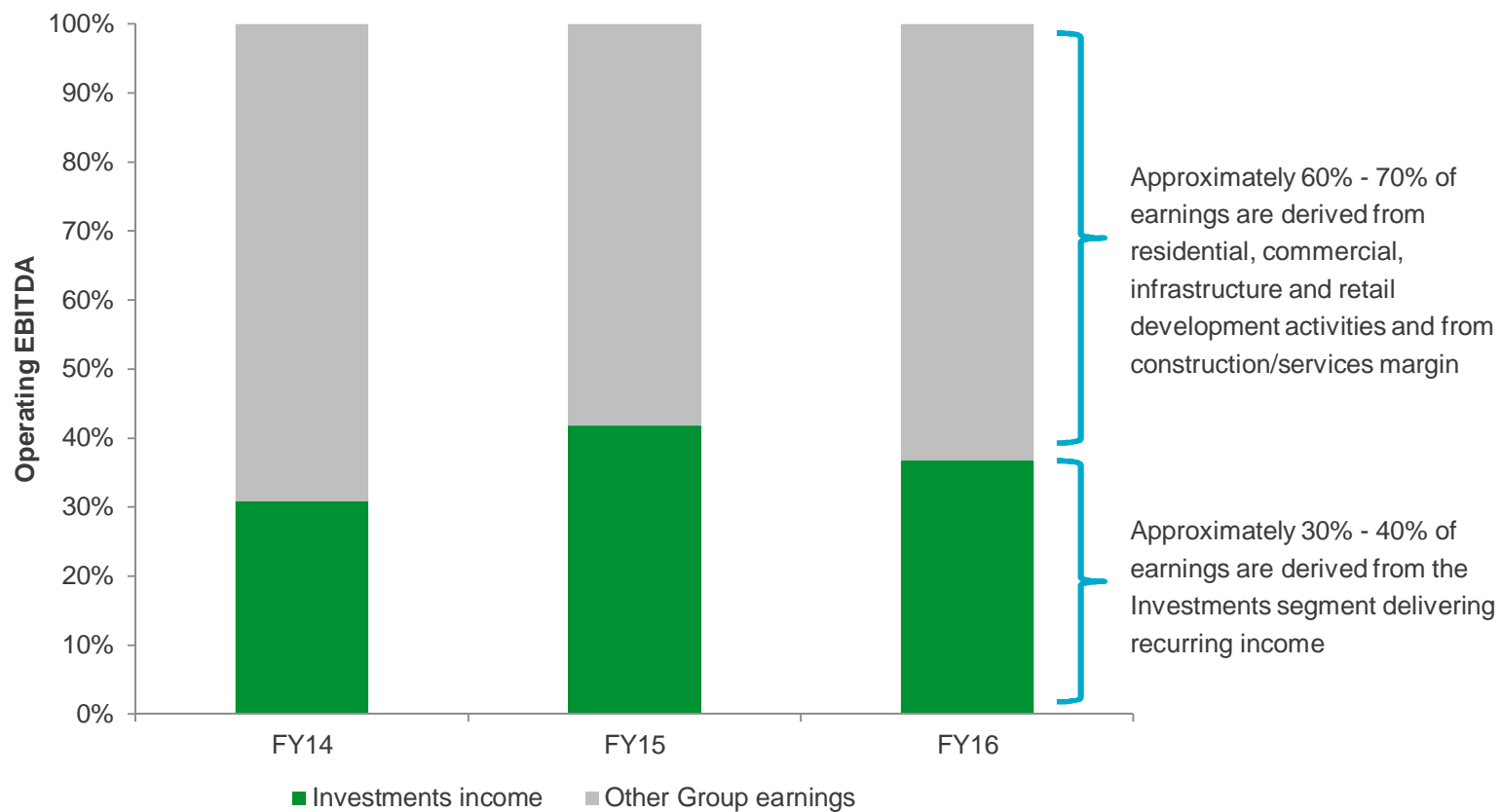
Return on equity¹



Distributions



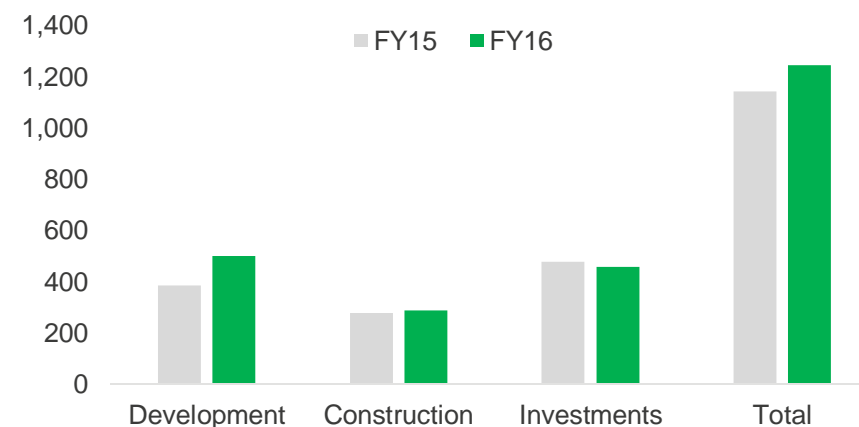
Recurring income



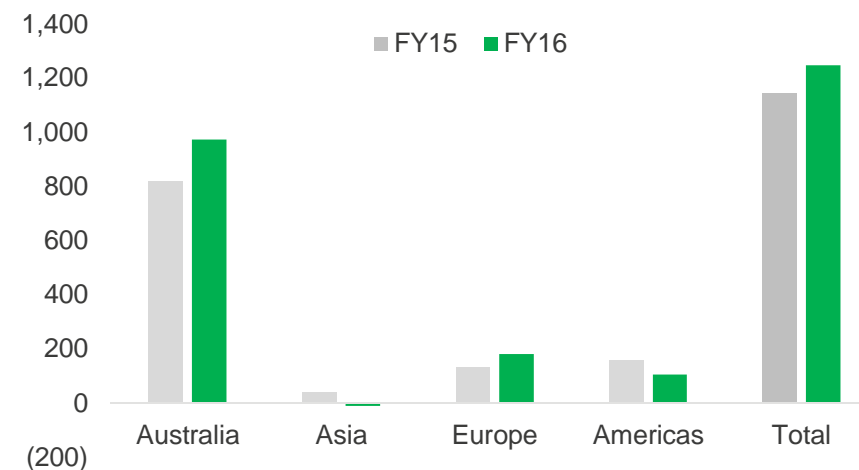
Revenue and EBITDA by segment and geography

| \$ million | Revenue | | EBITDA | |
|------------------------------|-----------------|-----------------|----------------|----------------|
| | FY15 | FY16 | FY15 | FY16 |
| Development | | | | |
| 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) |
| Total Development | 1,875.4 | 2,543.9 | 386.1 | 500.2 |
| Construction | | | | |
| 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 |
| Total Construction | 10,936.9 | 12,032.4 | 279.0 | 288.1 |
| Investments | | | | |
| 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 |
| Total Investments | 468.0 | 510.5 | 477.8 | 457.7 |
| Total Operating | | | | |
| 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 |
| Group Total Operating | 13,280.3 | 15,086.8 | 1,142.9 | 1,246.0 |

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 |
| Europe, GBP million | | | | |
| 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 |
| Total | 860.4 | 899.2 | 68.6 | 90.2 |

Americas

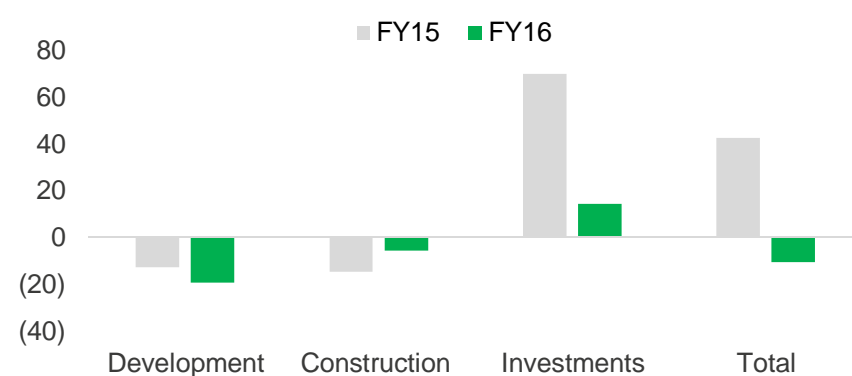
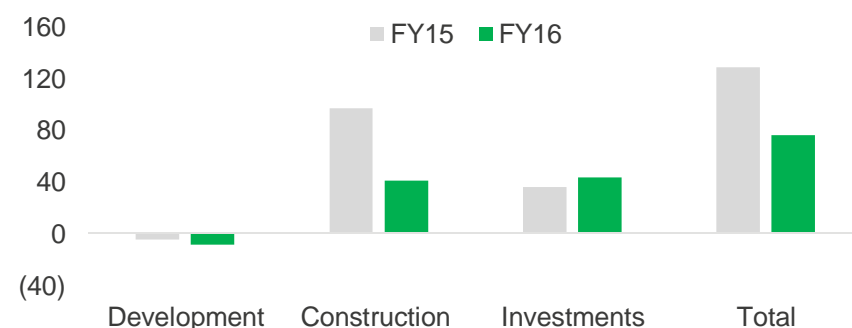
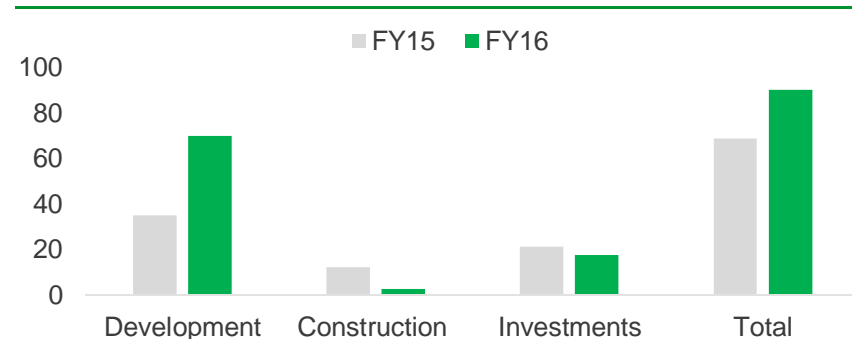
| Local currency | Revenue | | EBITDA | |
|------------------------------|----------------|----------------|--------------|-------------|
| | FY15 | FY16 | FY15 | FY16 |
| Americas, USD million | | | | |
| Development | 40.0 | 44.0 | (4.4) | (8.5) |
| Construction | 2,939.2 | 2,982.7 | 97.0 | 41.2 |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

Asia

| Local currency | Revenue | | EBITDA | |
|--------------------------|--------------|--------------|-------------|---------------|
| | FY15 | FY16 | FY15 | FY16 |
| Asia, SGD million | | | | |
| 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 |
| Total | 296.0 | 410.6 | 42.6 | (10.6) |

lendlease

EBITDA, local currency (m)



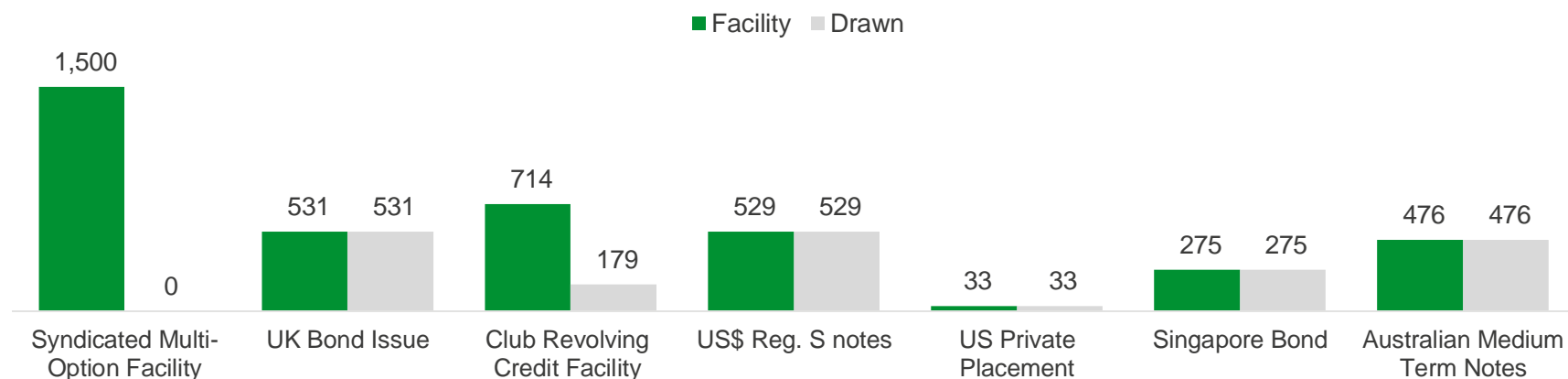
Debt metrics

| | | 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 ¹ | 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)¹



Debt maturity profile (\$m)²



lendlease

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 ¹ | FY16 ² | Local | Foreign | FY15 ³ | FY16 ⁴ |
| 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 |
| Income Statement | | | |
| +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%) |
| Statement of Financial Position | | | |
| +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 3. At spot foreign exchange rate 30 June 2015

2. Average foreign exchange rate for financial year 2016 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

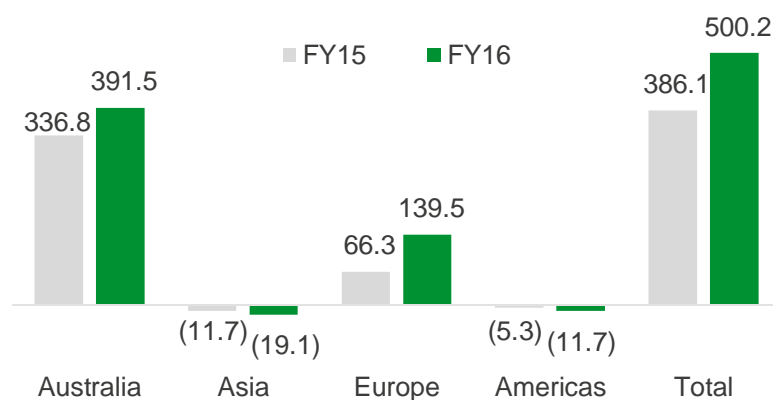
| Operational area | Prior segment | New segment |
|---|----------------------------|-------------------------|
| Retirement Ownership | Development | Investments |
| Retirement Development | Development | Development (no change) |
| US Military Housing | Infrastructure Development | Investments |
| Public Private Partnerships (PPP) | | |
| 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

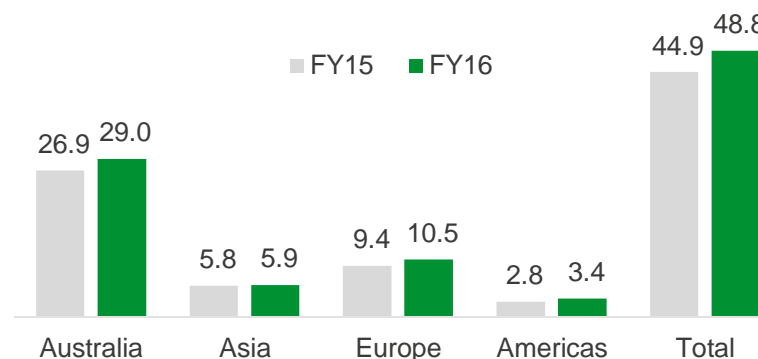
Development earnings/pipeline by geography

EBITDA by geography (\$m)

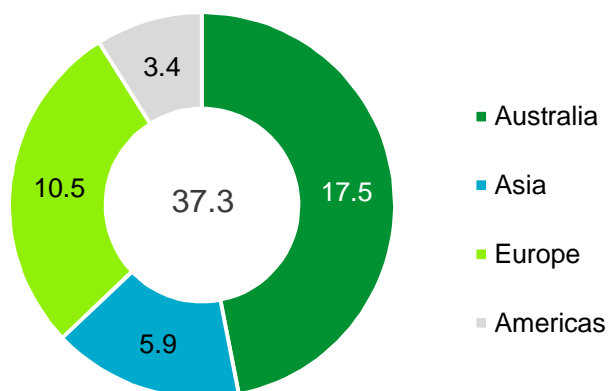


Development pipeline by geography (\$b)

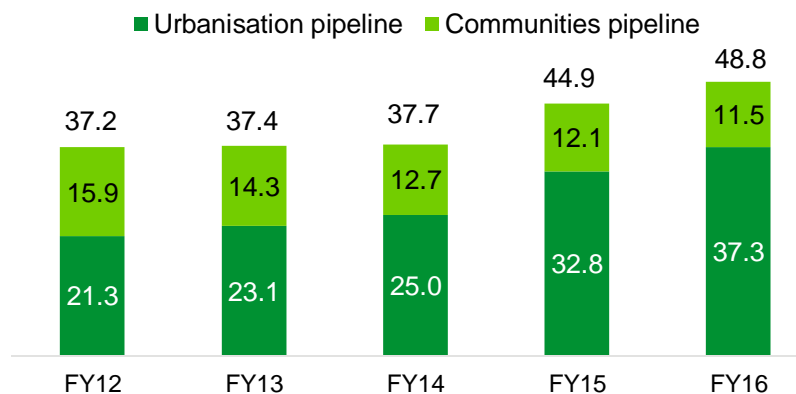
Urbanisation % of total: FY15: 73.1%; FY16: 76.4%



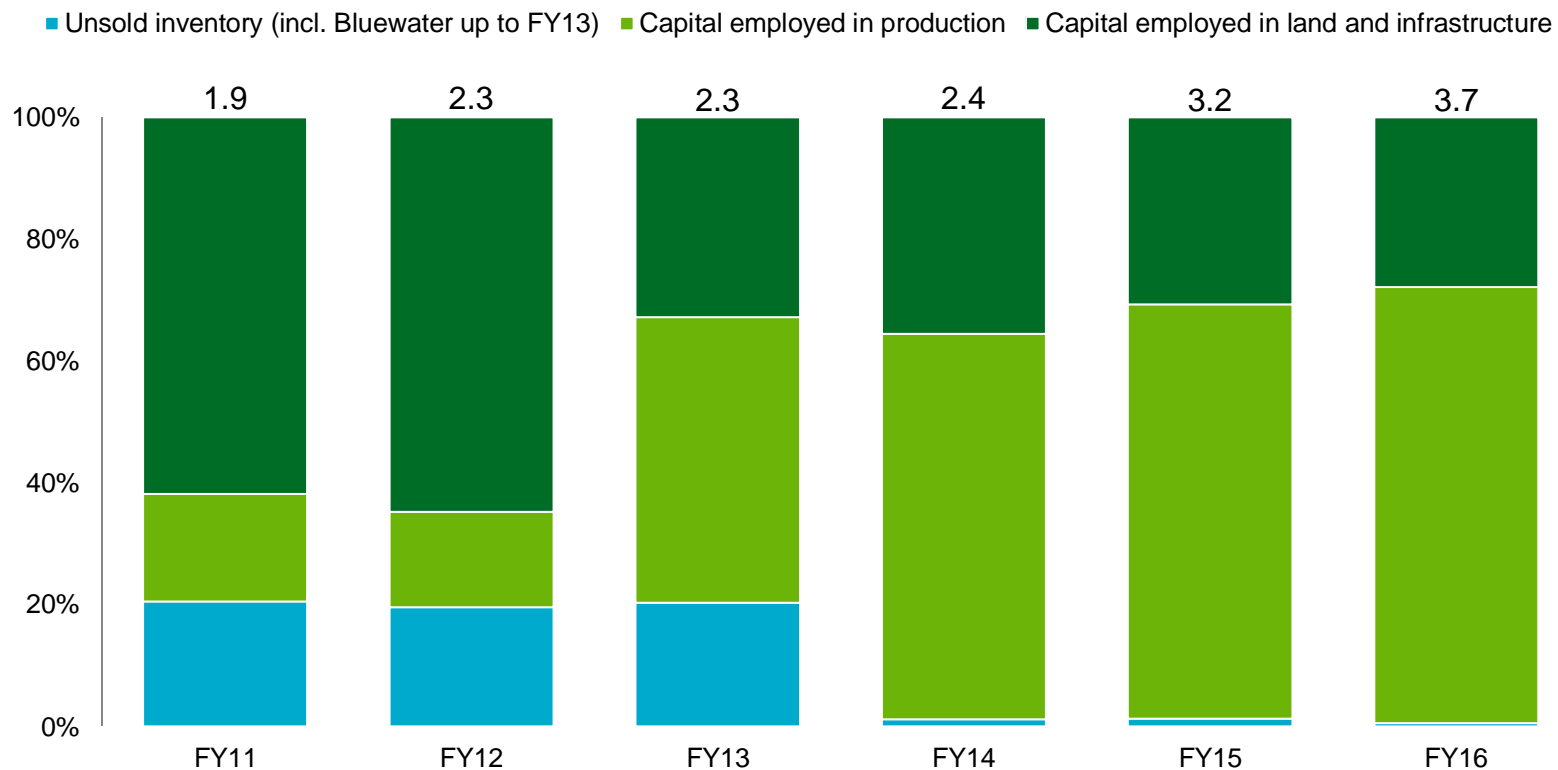
Urbanisation by geography FY16 (\$b)



Historical development pipeline (\$b)



Development inventories (\$b)¹



Apartments and Communities - Presales¹

Apartments presales²

By units



By \$b

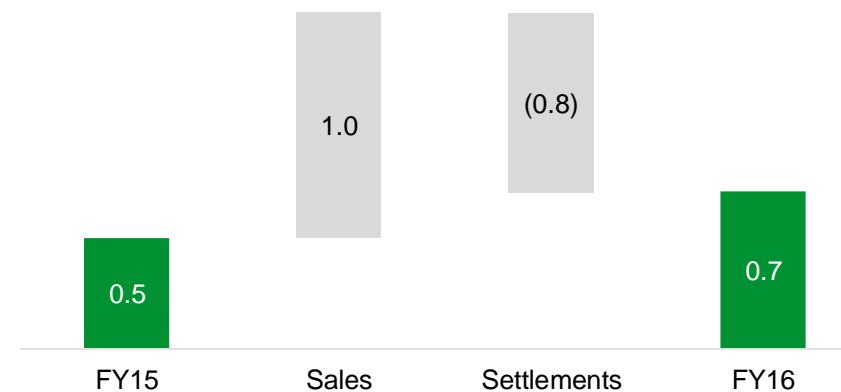


Communities presales³

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 ¹ (\$m) | Delivery ² | | | |
|------------------------------|--|-------|-------------|-----------------------------|-----------------------|------|------|------|
| | | | | | 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 ³ | ● | ● | | |
| | 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 | | ● | | |

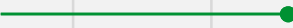
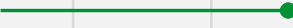

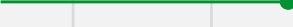
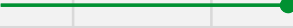




● = Indicates profit earned on buildings completed during the financial year

● = 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 profile¹

| Project | Capital model | sqm ('000) | Building | FY16 | FY17 | FY18 | FY19 |
|---|---------------|------------|----------------------------------|---|------|------|------|
| International Quarter London ² | Fund through | 73 | Stage 1 Commercial (2 buildings) |  | | | |
| Paya Lebar Quarter | Joint venture | 93 | Commercial (3 buildings) |  | | | |
| | | 44 | Retail |  | | | |
| Darling Square ² | 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 |  | | | |

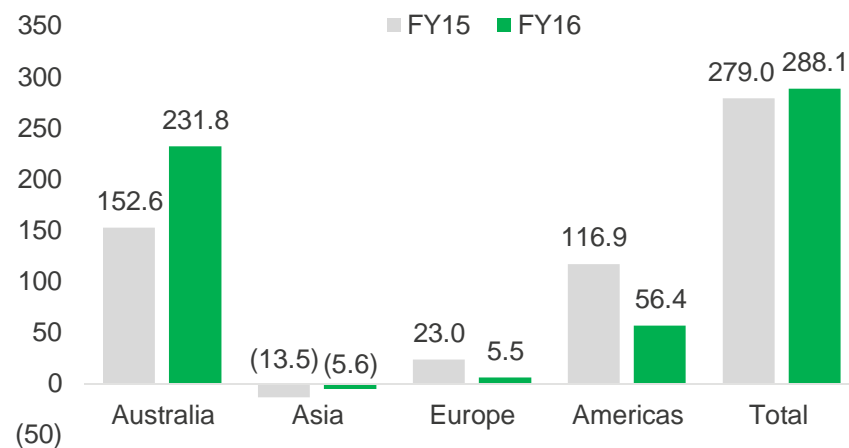
● = Indicates buildings completed during the financial year

● = Indicates expected building completion date

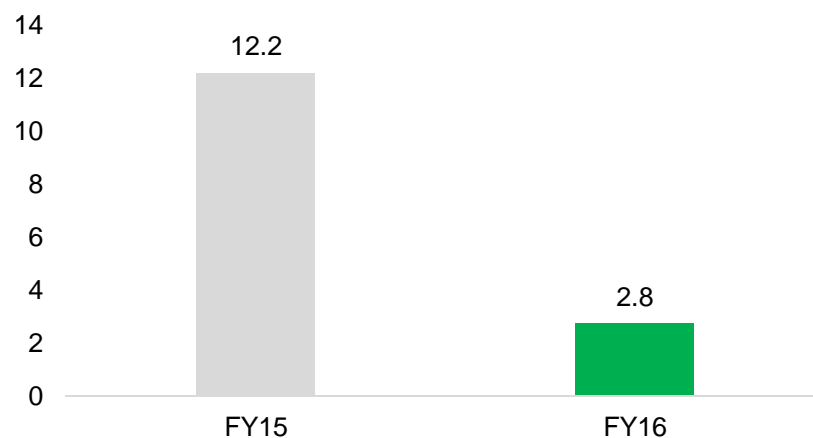
Construction

EBITDA and margins

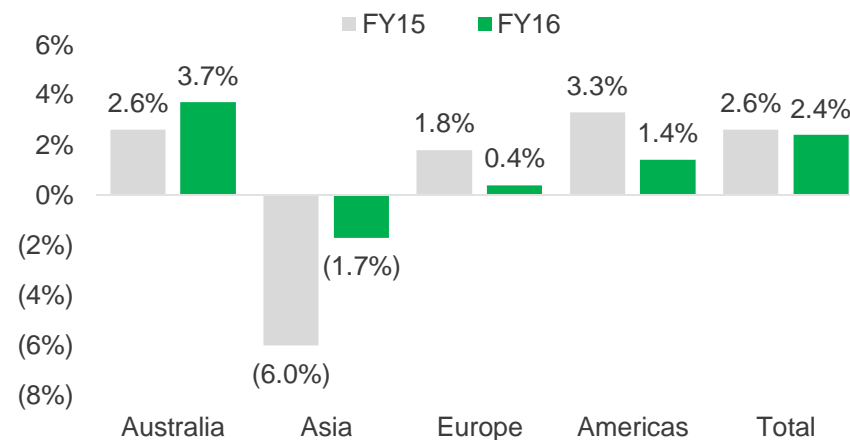
EBITDA (\$m)



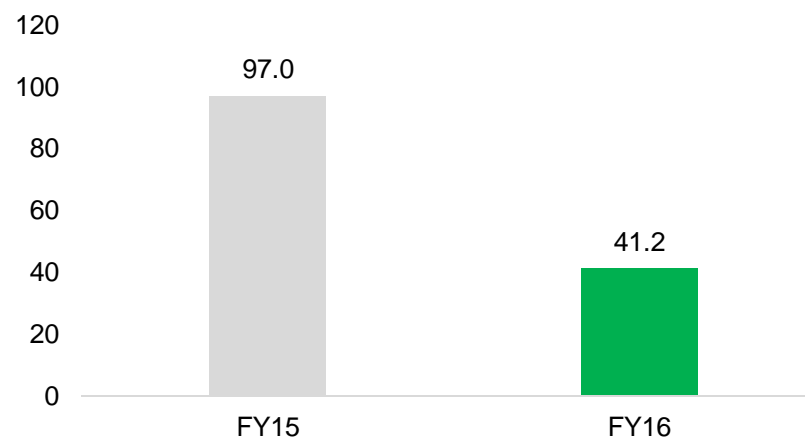
EBITDA Europe (GBPm)



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 |
| New work secured revenue¹ | | | | | | | | | | |
| 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 |
| Total new work secured revenue | 6,550.5 | 8,289.8 | 481.3 | 484.3 | 1,566.3 | 1,289.8 | 3,206.3 | 4,531.5 | 11,804.4 | 14,595.4 |
| Backlog revenue² | | | | | | | | | | |
| 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 |
| Total backlog revenue | 9,871.2 | 11,890.3 | 396.7 | 559.7 | 1,463.4 | 1,505.0 | 5,524.9 | 6,715.2 | 17,256.2 | 20,670.2 |

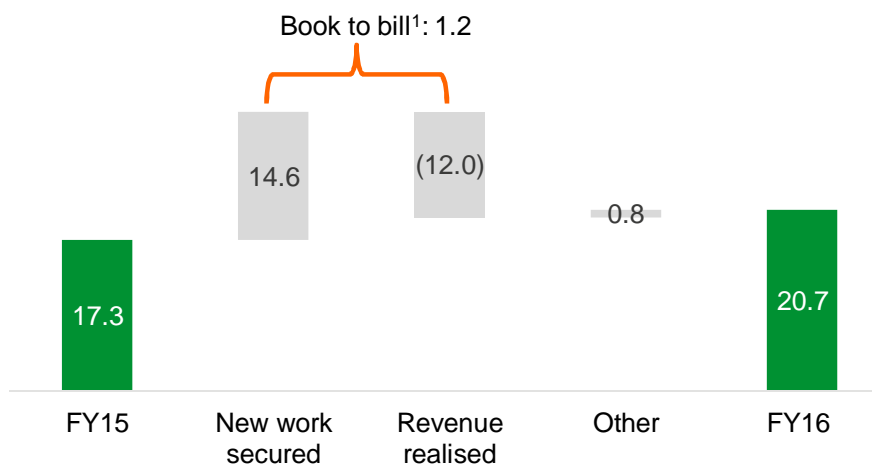
| | Australia | | Asia | | Europe | | Americas | | Total | |
|--------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Jun-15 | Jun-16 | Jun-15 | Jun-16 | Jun-15 | Jun-16 | Jun-15 | Jun-16 | Jun-15 | Jun-16 |
| Backlog realisation (%) | | | | | | | | | | |
| 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 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |



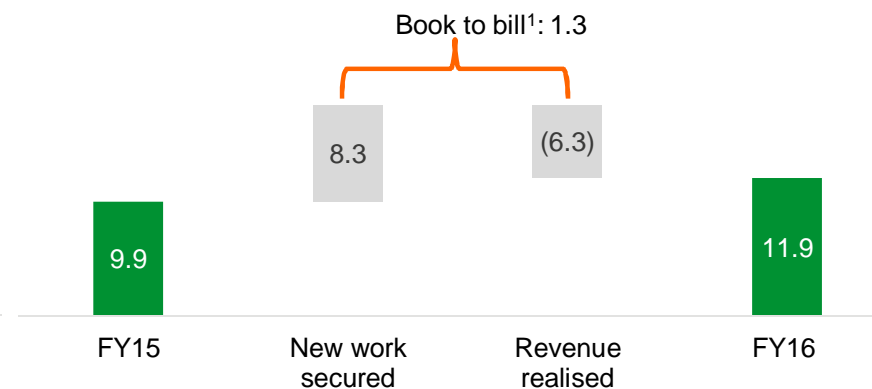
1. New work secured revenue is the total revenue to be earned from projects secured during the year
2. Current year backlog revenue is the total revenue to be earned from projects in future financial years, based on projects secured as at 30 June 2016. Although backlog revenue is realised over several 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)

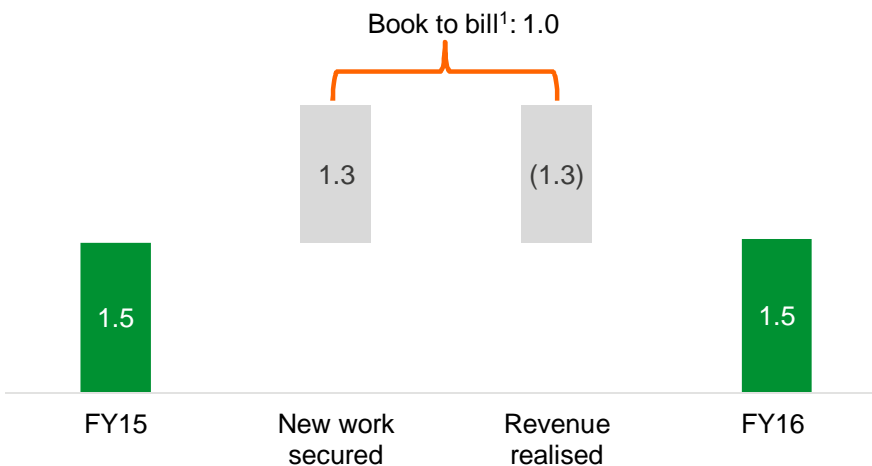
Group



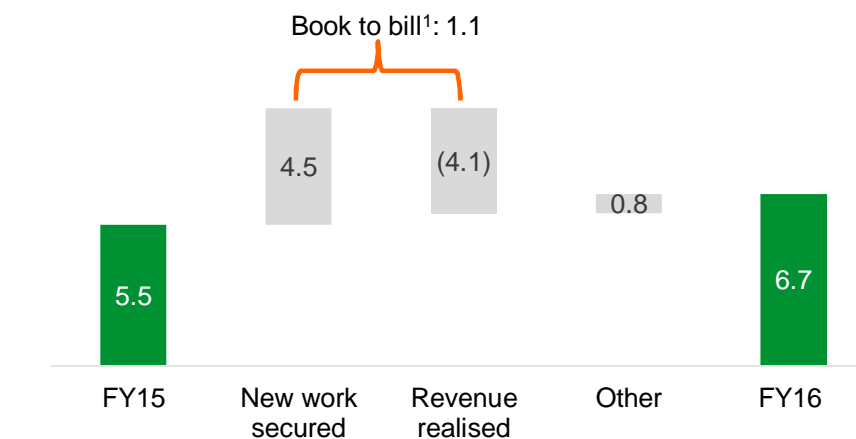
Australia



Europe

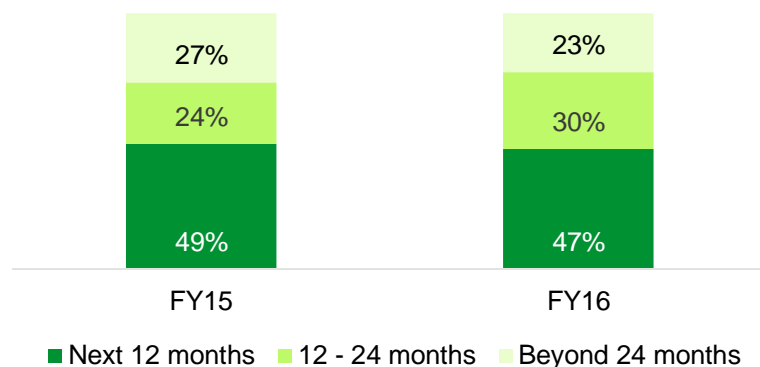


Americas

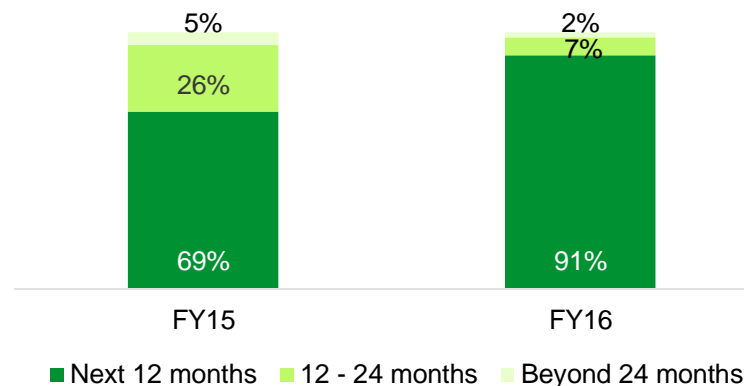


Backlog realisation by region (%)

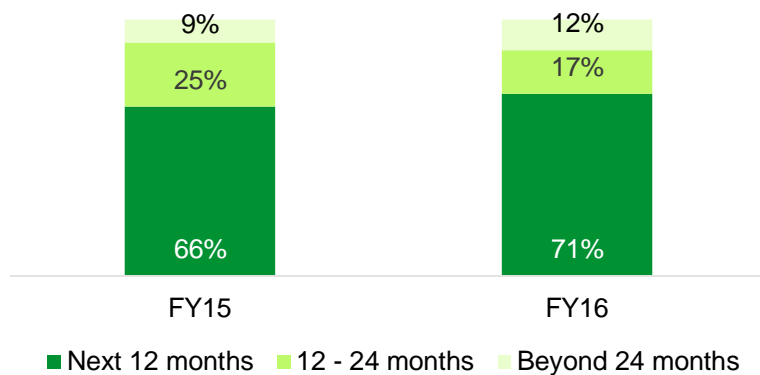
Australia



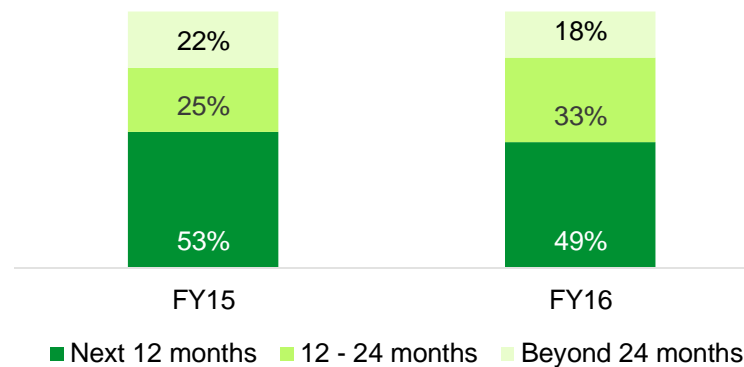
Asia



Europe

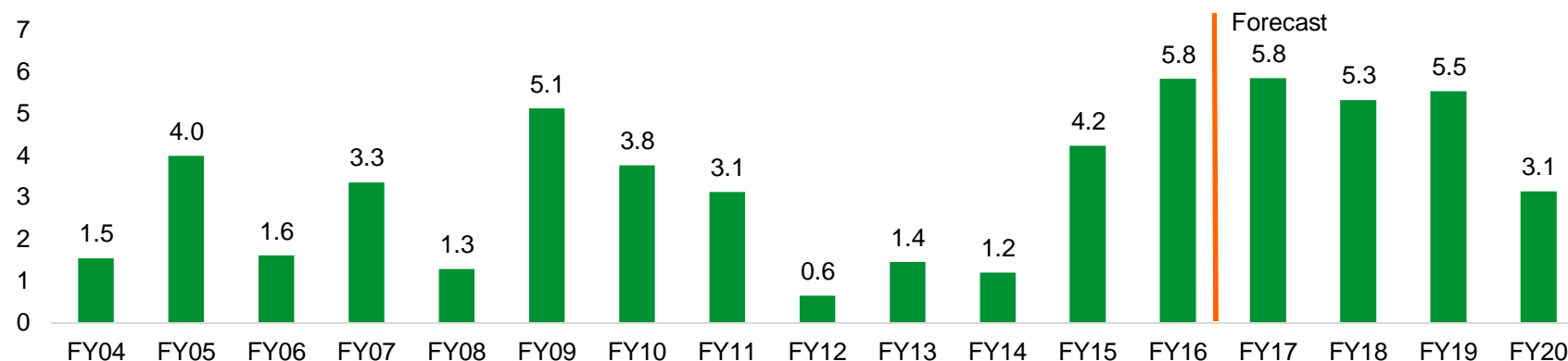


Americas

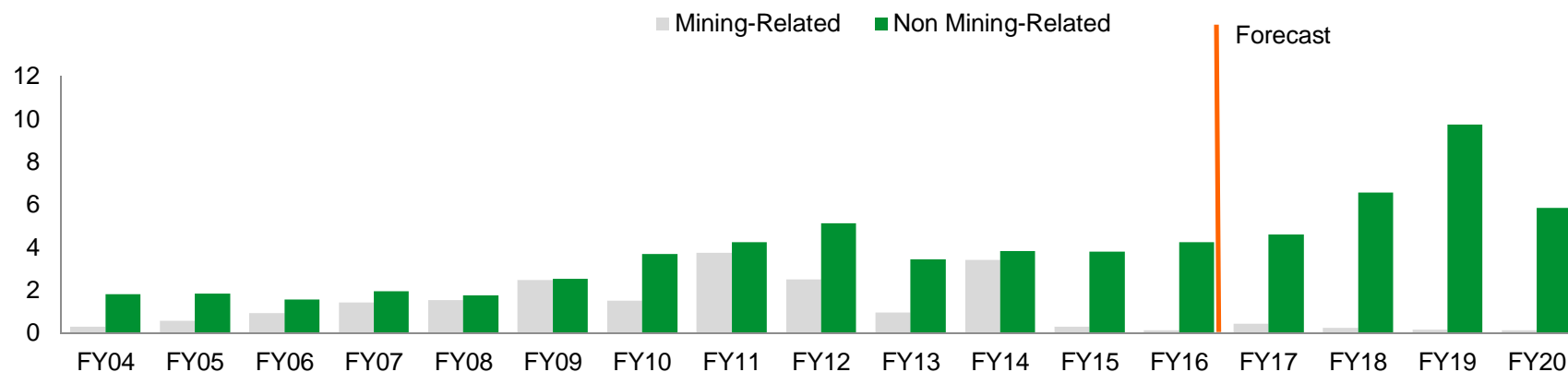


Australian market outlook - Engineering (\$b)¹

National major road construction (project commencements, real terms)²



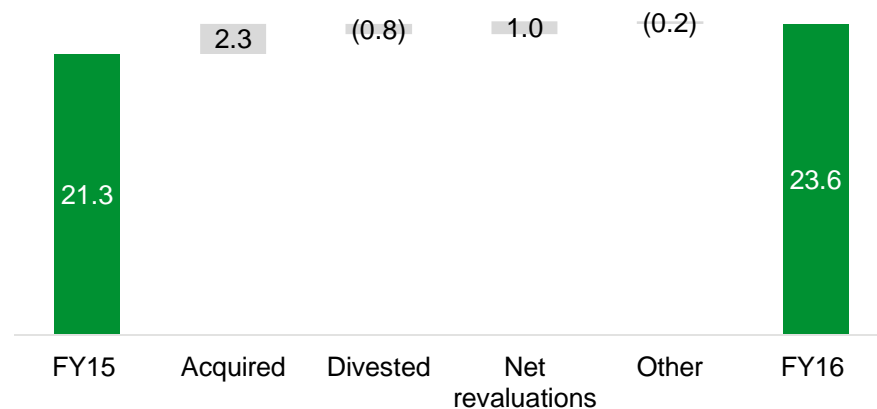
National railways construction (project commencements, real terms)



Investments

FUM by region (\$b)

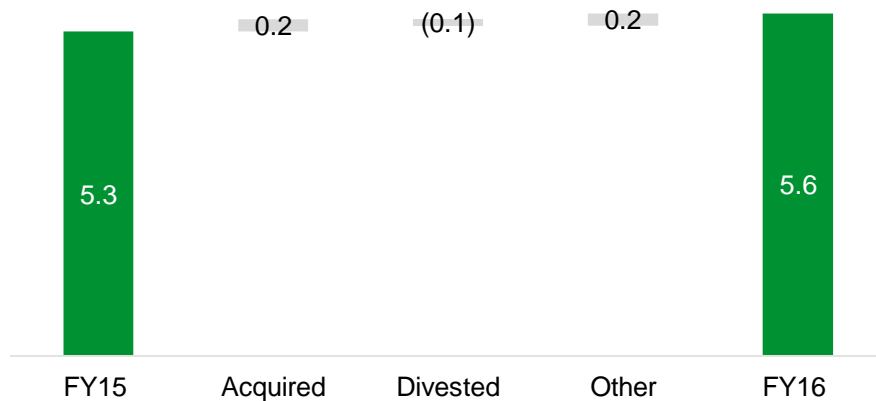
Group



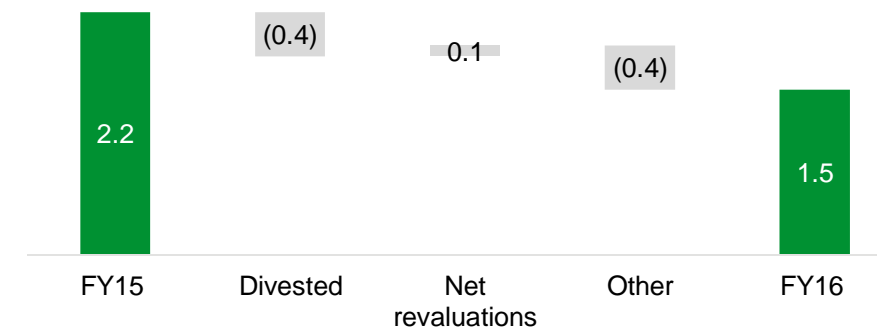
Australia



Asia



Europe



Valuation drivers - Retirement Living

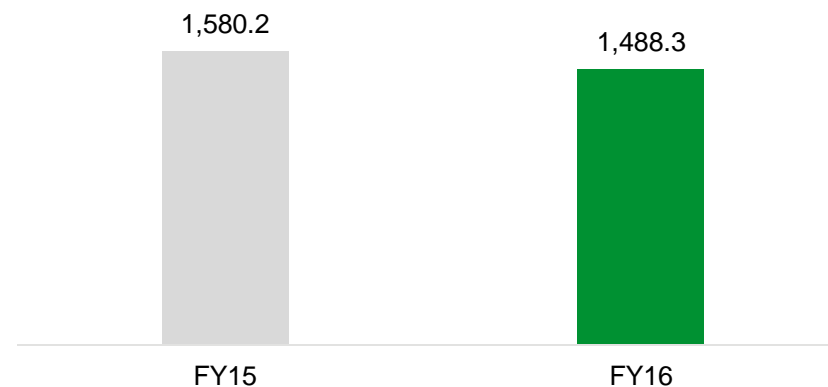
Retirement value drivers

| 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 |
| Total Retirement Villages | 69 | 12,172 | 4 | 1,212 | 73 | 13,384 |

Retirement investments¹



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 |

Important notice

This presentation (including the appendices) has been prepared in good faith, but no representation or warranty, express or implied, is made as to the accuracy, adequacy or reliability of any statements, estimates, opinions or other information contained in the presentation (any of which may change without notice). To the maximum extent permitted by law, Lendlease Corporation Limited, its controlled entities including Lendlease Trust (together referred to as the Group) and their respective directors, officers, employees and agents disclaim all liability and responsibility (including without limitation any liability arising from fault or negligence) for any direct or indirect loss or damage which may be suffered through use or reliance on anything contained in or omitted from this presentation.

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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 results. Certain non-IFRS financial measures have not been subject to audit or review. The Group's auditors, KPMG, performed agreed upon procedures to ensure consistency of the presentation with the Group's financial statements.

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