

ASX ANNOUNCEMENT

22 August 2018

Lendlease Group 2018 Full Year Results Announcement, Presentation and Appendix

Lendlease Group today announced its results for the year ended 30 June 2018. Attached is the FY18 Results Announcement, Presentation and Appendix.

ENDS

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lendlease

2018 Full Year Results

22 August 2018

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





Group Performance

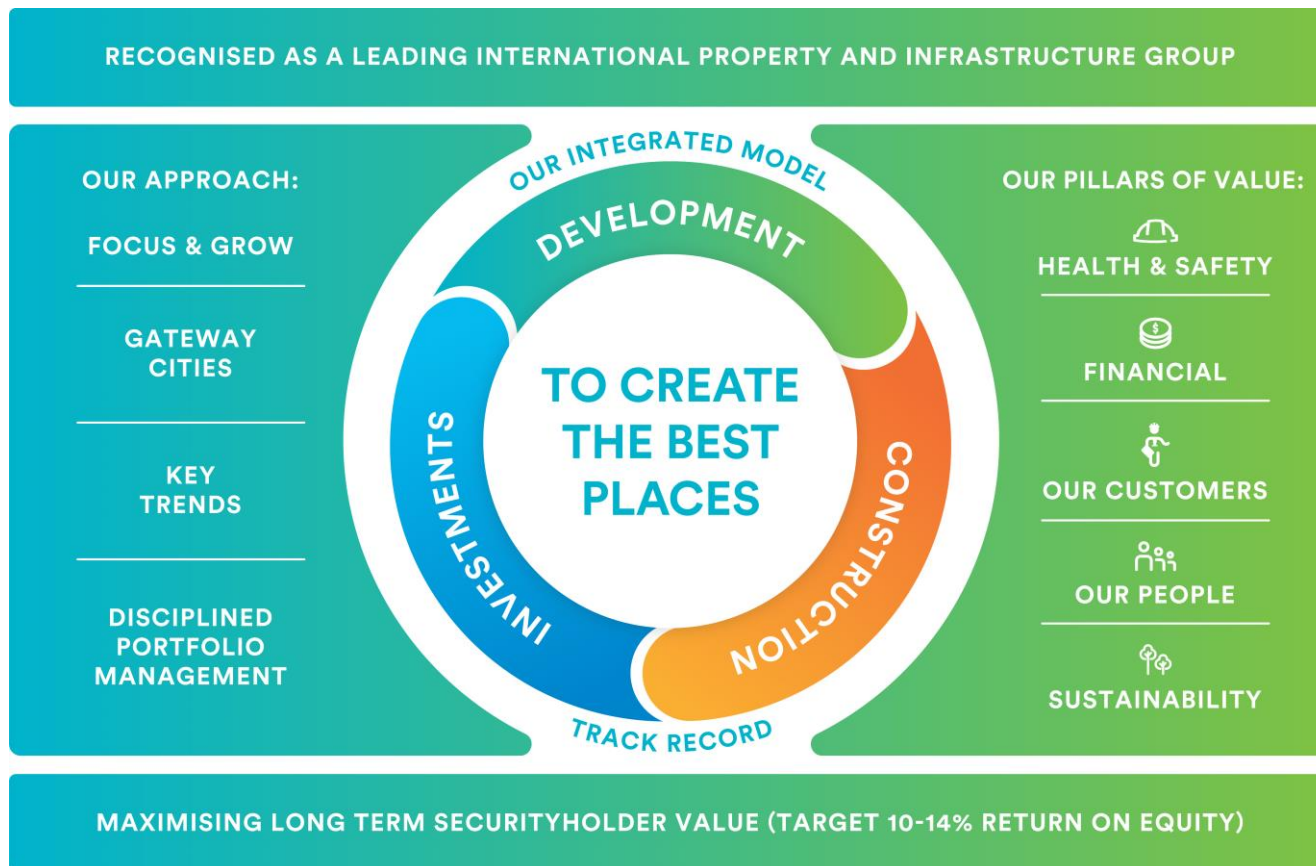
Steve McCann, Group Chief Executive Officer and Managing Director



Safety

- Lendlease is deeply saddened to report two fatalities occurred on our operations during FY18
- We express our sincere condolences to the family, friends and colleagues impacted by these tragic incidents
- We are reviewing aspects of how we approach and manage health and safety
- Safety remains our number one priority

Our approach



Key highlights

Securityholder returns¹

- Profit after Tax of \$792.8m, up 5% and earnings per stapled security of 136.1 cents, up 5%
- Full year distribution of 69 cents per security, representing a dividend payout ratio of 50%
- Return on Equity of 12.7%², towards the upper end of our 10% – 14% target range
- Capital management: Commenced \$500m on market buyback in March 2018 – \$178m completed

Performance drivers¹

- Four office building commencements, above c.2 – 3 target
- 1,314 apartment completions, within c.1,000 – 2,000 unit target
- 3,912 land lot completions in Australian Communities, upper end of c.3,000 – 4,000 lot target
- Construction EBITDA adversely impacted by the underperformance of Engineering and Services
- Construction new work secured of \$14.3b, taking the construction backlog to \$21.1b
- Increase in recurring earnings and strong gains in underlying asset values from investments
- Growth in Funds Under Management (FUM) of 15% to \$30.1b
- Net operating and investing cash flow of \$294.6m
- Gearing of 8.2%³ and liquidity of \$3.0b, including cash and cash equivalents of \$1.2b

1. Comparative period, year ended 30 June 2017 (the prior year).

2. Return on Equity is calculated using the Profit after Tax divided by the arithmetic average of beginning, half and year end securityholders' equity.

3. Net debt to total tangible assets, less cash.

Strategic initiatives drive future earnings visibility

Executing on our strategy

- Diverse international capital partnerships:
 - US residential for rent investment partnership with US\$1b equity commitment¹
 - UK residential for rent investment partnership with initial target of £1.5b
 - US telecommunications infrastructure JV with medium term target of US\$5b
 - Retirement Living investment partnership
 - Capital solutions on three office buildings that will add \$1b to future FUM
- Pivot to international markets with four new major urbanisation projects in Europe:
 - Euston Station, London: \$10.2b²
 - Silvertown Quays, London: \$6.1b²
 - Milano Santa Giulia, Milan: \$3.6b²
 - High Road West, London: \$2.0b²
- Two new asset classes added to funds management platform: residential for rent and telecommunications infrastructure
- Extended retirement living capabilities into Shanghai



Euston Station, London³



Milano Santa Giulia, Milan³



Silvertown Quays, London³

1. Partnership closed post balance date.

2. Estimated development end value.

3. Artist's impression as at 2018 (image subject to change and further design development and planning approval).

Non financial pillars: Achievements and initiatives



Health and Safety

- Group Lost Time Injury Frequency Rate¹
 - 1.7 (1.6 in FY17)
- Operations without a Critical Incident²
 - 92% (90% in FY17)
- Reviewing aspects of how we approach and manage health and safety



Our Customers

- Customer satisfaction
 - Introduced a global approach to measuring customer satisfaction (CSAT) and advocacy (NPS)
 - More than 21,000 government, business and consumer customers surveyed
- Product innovation in Retirement Living to meet customer needs
 - Introduced three additional contract options
 - 54 of 71 villages now offer a suite of alternatives



Our People

- Developing and retaining key talent
 - Exceeded the key talent retention target rate of >90%
- Diversity and inclusion
 - Recognised as an Employer of Choice for Gender Equality³
 - Awarded Platinum status⁴ as a top employer for LGBTI
- Employee wellbeing
 - 68.4% of employees took wellbeing leave in FY18
 - Targeted mental health programs: Mates in Construction, mental health first aid training



Sustainability

- Environment
 - Board endorsement of recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)
 - APPF Commercial ranked 1st out of 850 in 2017 GRESB⁵
 - \$100m investment from CEFC⁶ into APPF Commercial
- Community
 - Progress made on achieving our Elevate RAP targets
 - Job and skills creation, affordable housing

1. Calculated to provide a rate of instances per 1,000,000 hours worked.

2. A Critical Incident is an event that caused, or had the potential to cause, death or permanent disability. This is an indicator unique to Lendlease.

3. Australian Workplace Gender Equality Agency.

4. Australian Workplace Equality Index.

5. Global Real Estate Sustainability Benchmark.

6. Clean Energy Finance Corporation.



Financial Performance

Tarun Gupta, Group Chief Financial Officer



Financial performance

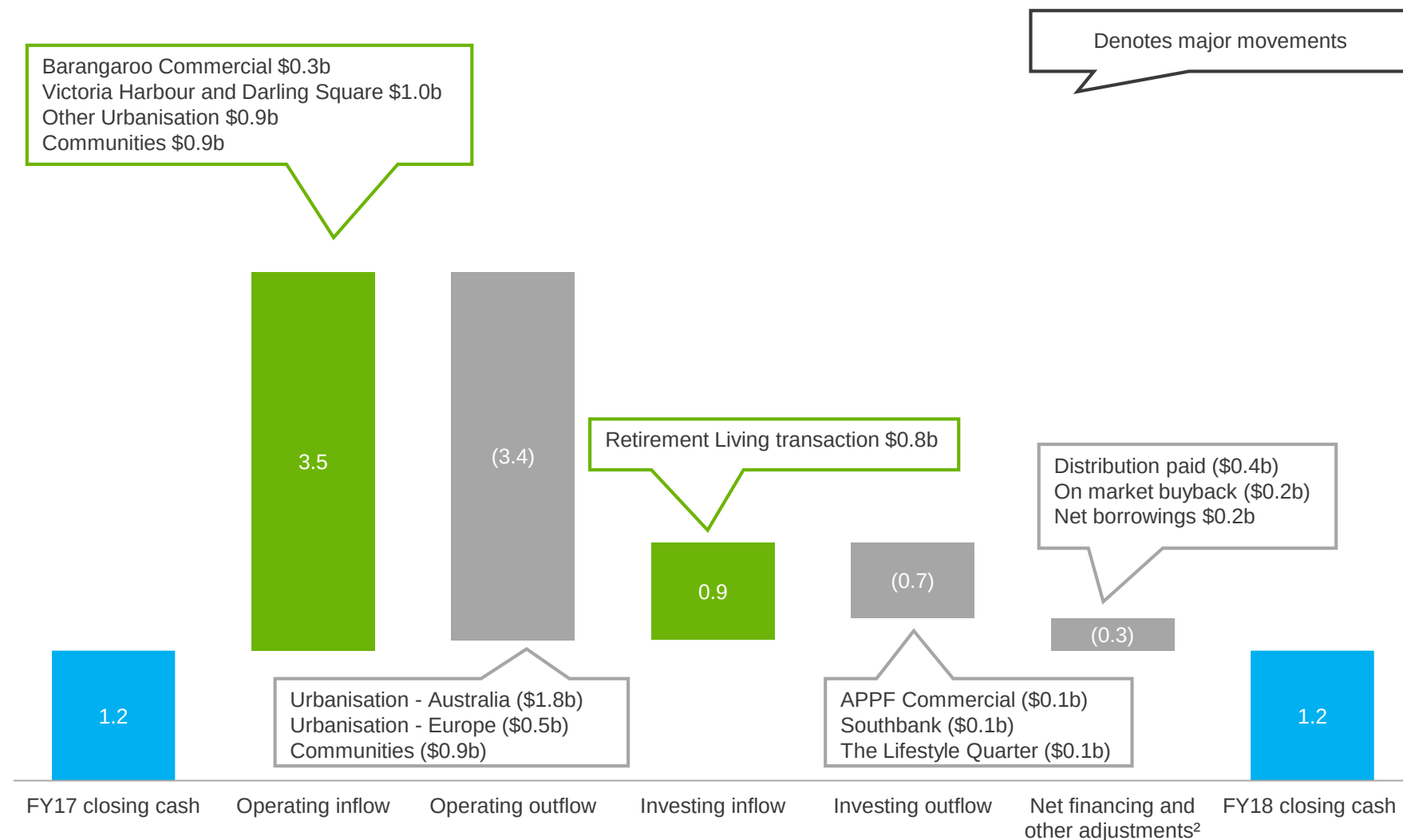
\$m	FY17	FY18	Change
Development	552.4	673.2	22%
Construction	338.3	78.2	(77%)
Investments	495.3	668.9	35%
Operating EBITDA	1,386.0	1,420.3	2%
Corporate costs	(184.2)	(175.5)	5%
Group EBITDA	1,201.8	1,244.8	4%
Depreciation and amortisation	(98.2)	(106.6)	(9%)
EBIT	1,103.6	1,138.2	3%
Net finance costs	(96.6)	(72.0)	25%
PBT	1,007.0	1,066.2	6%
Income tax expense	(248.3)	(272.6)	(10%)
External non controlling interests	(0.1)	(0.8)	(700%)
NPAT	758.6	792.8	5%
Weighted avg. securities	583.0	582.5	-
Earnings per Stapled Security cents	130.1	136.1	5%

- Residential for rent partnership; capital solutions on office developments; residential completions
- \$218m loss from Engineering and Services; solid Building performance
- Uplift in recurring earnings, strong leasing, appreciating asset values
- FY18 Group Services costs of \$140.1m¹ down 9% from FY17²
- Investment in technology and systems; Engineering plant and equipment
- Decrease primarily due to lower average net debt and non interest finance costs
- Effective tax rate of 25.6%, up 0.9 of a percentage point²

1. Remaining FY18 corporate costs represent Group Treasury of \$35.4m.

2. Comparative period, year ended 30 June 2017 (the prior year).

Cash flow movements (\$b)¹



1. Represents an indicative analysis of operating cash inflows and outflows. Operating cash inflows and outflows relating to Construction have been included as a net position in the above chart.
2. Includes the impact of foreign exchange movements on opening cash.

Financial position

\$m	FY17	FY18
Assets		
Cash and cash equivalents	1,249.2	1,177.1
Inventories	5,127.4	5,546.3
Equity accounted investments ¹	834.6	2,626.6
Investment properties ¹	6,967.4	278.2
Other assets (including financial)	6,675.6	7,335.4
Total assets	20,854.2	16,963.6

Liabilities		
Borrowings and financial arrangements	2,152.4	2,358.5
Other liabilities (including financial) ¹	12,535.3	8,190.9
Total liabilities	14,687.7	10,549.4
Net assets	6,166.5	6,414.2
Gearing³	5.0%	8.2%

Key areas of capital employed

- Development inventories of \$4.7b
- Investments of \$3.4b including²:
 - Co-investments of \$1.7b
 - Retirement Living interest of \$1.3b
 - Infrastructure of \$0.3b

Funding and liquidity

- \$1.2b of cash and \$1.8b in undrawn debt facilities
- Interest cover of 10.7 times
- Prudent debt maturity profile, no material concentrations

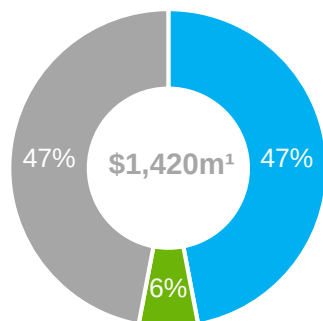
1. As at 30 June 2017 investment properties included Retirement Living assets and other liabilities included Retirement Living obligations. Following the Retirement Living transaction in December 2017, the Group's net interest is now reported through equity accounted investments.

2. Components do not sum due to rounding.

3. Net debt to total tangible assets, less cash.

Portfolio Management Framework

EBITDA mix

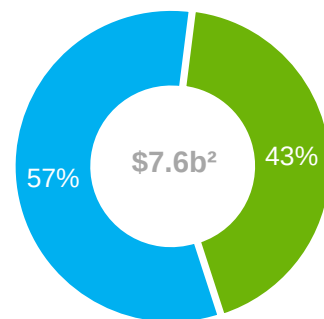


Target weighting

■ Development (35 - 45%) ■ Construction (20 - 30%) ■ Investments (30 - 40%)

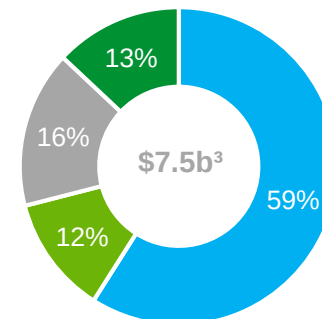
Invested capital

By segment



■ Development (40 - 60%) ■ Investments (40 - 60%)

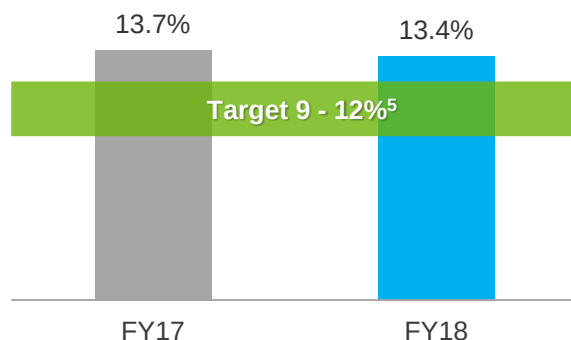
By region



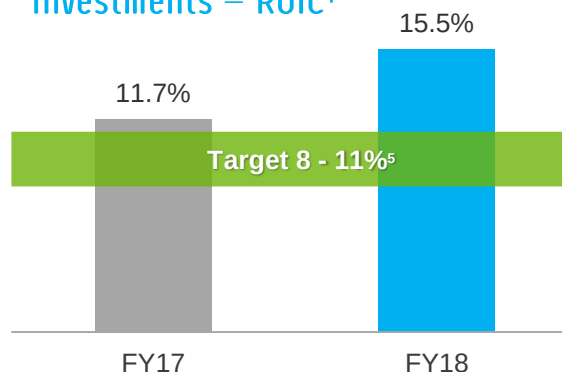
■ Australia (50 - 70%) ■ Asia (5 - 20%) ■ Europe (5 - 20%) ■ Americas (5 - 20%)

Returns

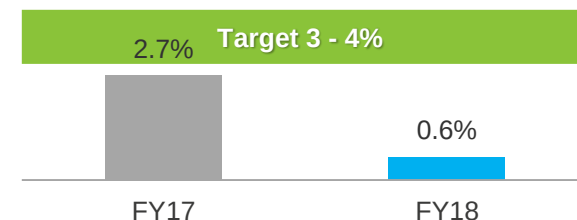
Development – ROIC⁴



Investments – ROIC⁴



Construction – EBITDA margin



1. Operating EBITDA, excludes Corporate.

2. Invested capital for Development and Investments.

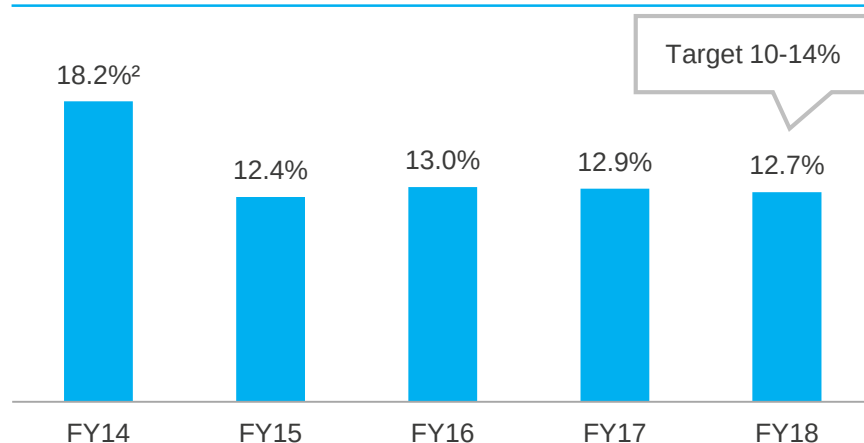
3. Total Lendlease invested capital at 30 June 2018 was \$7.6b. Development and Investments totalled \$7.6b, Construction (\$0.1b) and Corporate \$0.1b.

4. Return on Invested Capital (ROIC) is calculated using the annual operating Profit after Tax divided by the arithmetic average of beginning, half and year end invested capital.

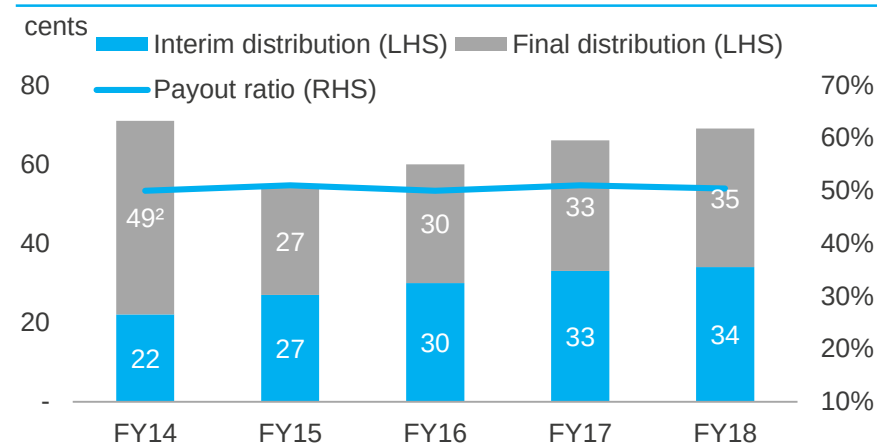
5. Through-cycle target based on rolling three to five year timeline.

Portfolio Management Framework

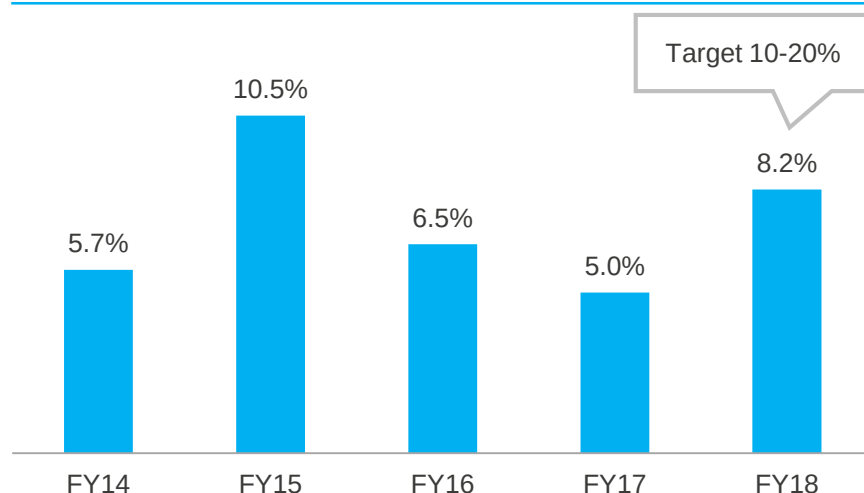
Return on equity (ROE)¹



Distributions



Gearing



Update on capital management

- \$500m on market buyback commenced on 13 March 2018
- c.9.7m securities have been acquired for c.\$178m
- Financial capacity to complete the buyback together with funding our share of development pipeline and growth opportunities
- Maintaining an optimal capital structure is a core element of the Portfolio Management Framework
- Prudent capital management remains an ongoing focus
- Focused on maximising long term securityholder value and maintaining capital discipline

1. Return on Equity is calculated using the Profit after Tax divided by the arithmetic average of beginning, half and year end securityholders' equity.

2. FY14 includes Bluewater sale.



Operational Update

Steve McCann, Group Chief Executive Officer and Managing Director

Development segment

Residential performance highlights¹

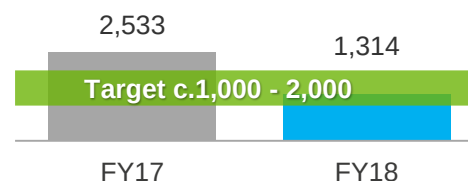
Apartments

- Apartments for sale completions across four cities:
 - Sydney; Melbourne; Brisbane; and London
- Expected FY19/20 completions across six cities:
 - New cities: Boston; New York; and Singapore
 - Existing cities: Sydney; Melbourne; and London
- Pipeline to underpin future product in an additional four cities:
 - Kuala Lumpur; Milan; San Francisco; and Perth
- Residential for rent provides diversity by product:
 - Investment partnerships in the US² and UK
- Future pipeline of approximately 26,000 units

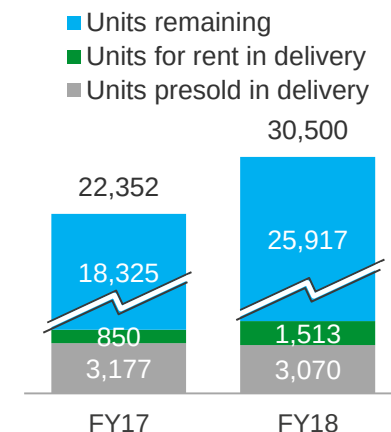
Communities

- Strong performance across the portfolio with completions up 28% to 3,912 lots:
 - Jordan Springs, NSW
 - Springfield Lakes, Qld
- Land lot presales of 3,231 lots, \$0.8b
- New projects:
 - Shoreline, Qld c.2,800 lots
 - Gilead, NSW c.1,500 lots
- Future pipeline of approximately 49,000 lots

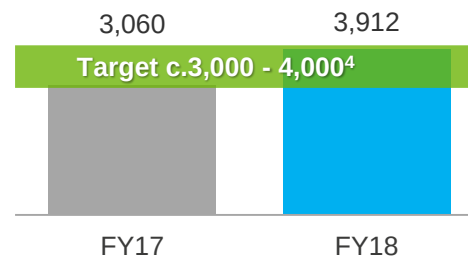
Apartment completions (units)



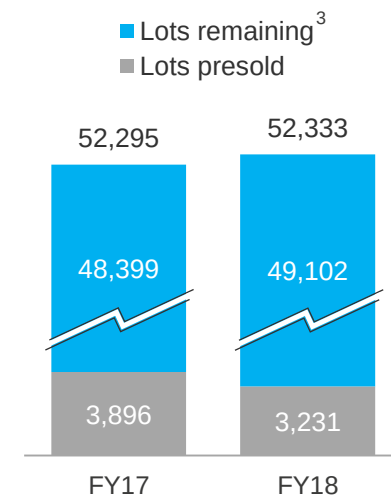
Apartment pipeline (units)



Communities completions (lots)



Communities pipeline (lots)



1. Comparative period, year ended 30 June 2017 (the prior year).

2. Partnership closed post balance date.

3. FY17 adjusted to exclude Retirement Living development units which have been segmented to Investments in FY18 following the Retirement Living transaction.

4. Target adjusted following the shift of Retirement Living development to the Investments segment.

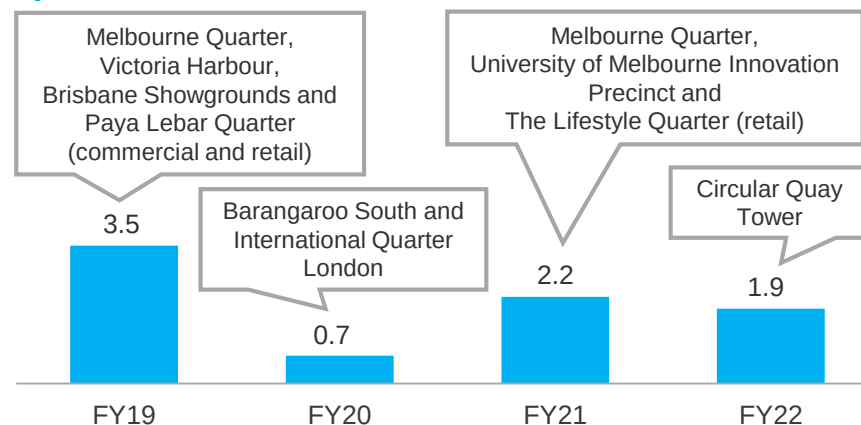
Development segment

Commercial performance highlights¹

- Four major office developments commenced delivery following tenant and capital support, c.114,000 sqm, c.\$1.5b²
 - Two Melbourne Quarter: c.50,000 sqm
 - University of Melbourne Innovation Precinct: c.27,000 sqm
 - Daramu House, Barangaroo South: c.11,000 sqm
 - Building 3, International Quarter London: c.26,000 sqm
- Major commercial buildings in delivery c.\$8.3b²
- Barangaroo South – Tower One leasing, c.18,000 sqm
- Development management fees on Paya Lebar Quarter and The Lifestyle Quarter
- Secured pipeline of c.1.5m sqm yet to be put into delivery including:
 - Silvertown Quays, London: c.440,000 sqm
 - Euston Station, London: c.400,000 sqm
 - Milano Santa Giulia, Milan: c.253,000 sqm
- Financial close on Melbourne Metro
- US telecommunications infrastructure:
 - 86 telecommunications towers completed
 - 138 towers under development
 - Master lease agreements executed with major carriers

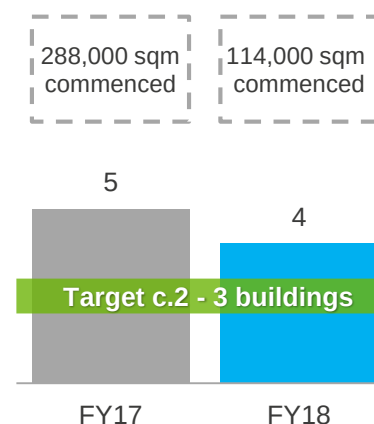
Commercial building completion profile³

By total estimated end value (\$b)



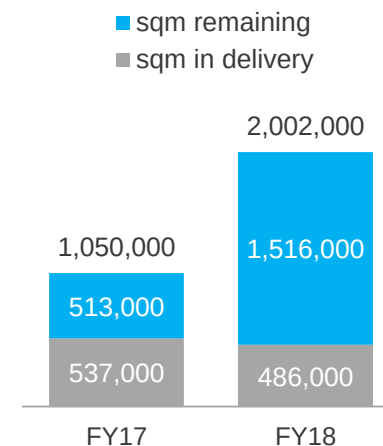
Buildings commenced

By number



Commercial pipeline

By sqm



1. Comparative period, year ended 30 June 2017 (the prior year).

2. Total estimated development end value.

3. Based on expected completion date of underlying buildings, subject to change in delivery program. Not indicative of cash or profit recognition.

Construction segment

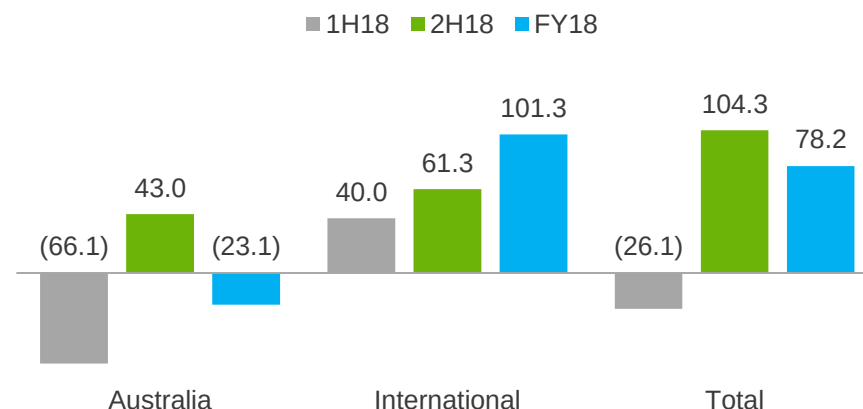
Performance highlights¹

- Global EBITDA margin 0.6%
 - H1 EBITDA loss of \$26m; H2 EBITDA profit of \$104m
- Australia – underperformance from Engineering and Services:
 - FY18 EBITDA loss of \$218m includes the reversal of previously booked margin and recognition of expected losses
 - FY19 margin suppressed by underperforming projects not contributing to margin, new work not reaching 20% complete and elevated bid and overhead costs
- Australia – strong performance from Building
- Americas – margin normalised compared with upside in FY17
- Europe – lower revenue, higher margin
- Asia – primarily driven by internal pipeline
- New work secured of \$14.3b with diversity by region and sector:
 - Australian Building: Lendlease integrated projects \$1.3b, defence \$1.3b
 - Transport infrastructure, \$3.5b: Melbourne Metro Tunnel, Ballarat Line Upgrade, Pacific Highway upgrades
 - Americas \$3.6b
- Backlog revenue of \$21.1b, up 2%

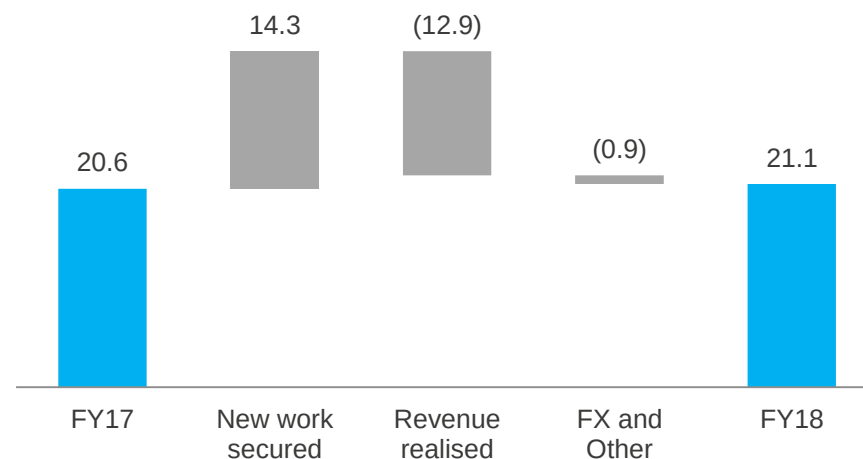
EBITDA Margin (%)

	Australia	Asia	Europe	Americas	Total
FY17	3.1%	-	2.8%	2.3%	2.7%
FY18	(0.3%)	2.8%	3.3%	1.4%	0.6%

EBITDA (\$m)



Backlog revenue (\$b)



1. Comparative period, year ended 30 June 2017 (the prior year), unless otherwise stated.

Investments segment

Performance highlights¹

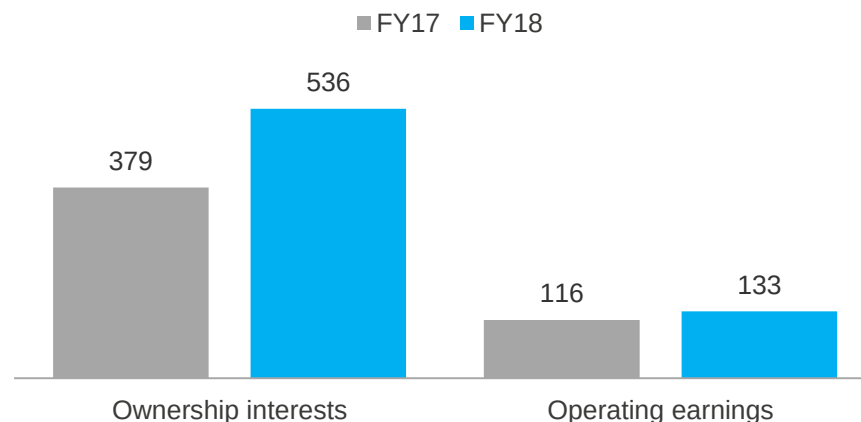
Ownership earnings

- Increased by 41% to \$536m
- \$1.7b of co-investments:
 - Higher income driven by leasing and rent growth
 - Revaluations – approx. half from income growth
- \$1.3b Retirement Living investment:
 - Uplift in carrying value of remaining 75% investment
 - Softer trading conditions across the industry
- Equity value increase in US Military Housing portfolio

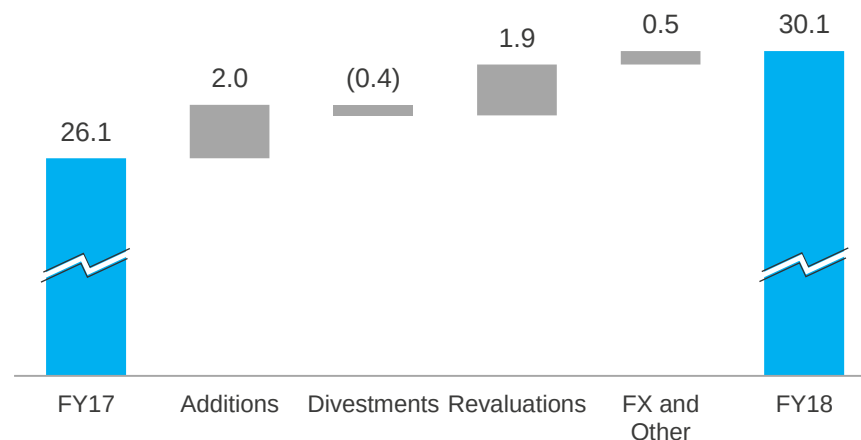
Operating earnings

- Uplift in operating earnings of 15% to \$133m:
 - FUM of \$30.1b, up 15%
 - c.\$4b² of additional secured future FUM, including:
 - Two Melbourne Quarter
 - University of Melbourne Innovation Precinct
 - Daramu House, Barangaroo South
 - Future FUM from new asset classes: residential for rent and telecommunications infrastructure
 - Solid asset management performance across retail and US Military Housing portfolio

Investments EBITDA by activity (\$m)



Funds Under Management (\$b)



1. Comparative period, year ended 30 June 2017 (the prior year).

2. Represents secured future FUM from funds or mandates with development projects in delivery.

Outlook

Steve McCann, Group Chief Executive Officer and Managing Director



Outlook

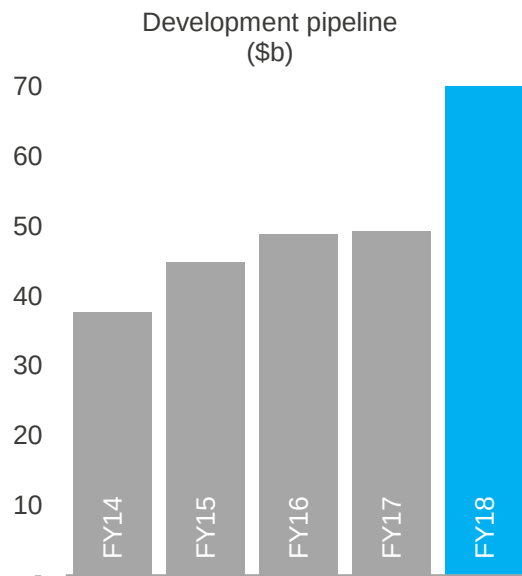
Laying the foundations for future growth

- Well placed for future success:
 - Resilient and diversified business model
 - High earnings visibility from a growing pipeline across business segments
 - Financial strength, capital discipline, strong track record
- Development pipeline of \$71.1b:
 - Four major urbanisation projects secured: Euston Station, Silvertown Quays and High Road West in London; and Milano Santa Giulia in Milan
 - 18 major urbanisation projects across 10 gateway cities
 - Pivot to targeted international markets expected to provide a key source of growth in future years
- Construction backlog revenue of \$21.1b:
 - Diversified by client, sector and geography
 - Ongoing focus on underperforming Engineering projects, infrastructure pipeline remains strong
- Investments segment with \$3.4b of investments and \$30.1b in FUM:
 - Integrated model key source of product with c.\$4b¹ of additional secured future FUM
 - Two additional asset classes for investment platform: residential for rent and telecommunications infrastructure
- Focused on execution excellence through strong risk management and governance frameworks:
 - Unwavering commitment to health and safety
 - Disciplined approach to origination and managing individual project and property cycle risk
 - Diversification across segment, sector and geography provides resilience

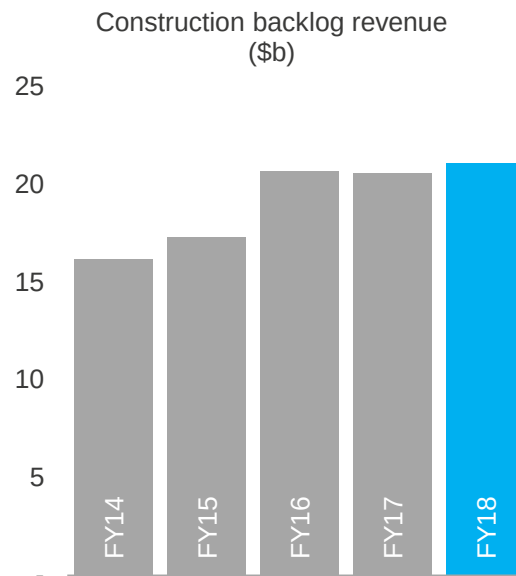
1. Represents secured future FUM from funds or mandates with development projects in delivery.

Earnings visibility from strong pipeline across all segments

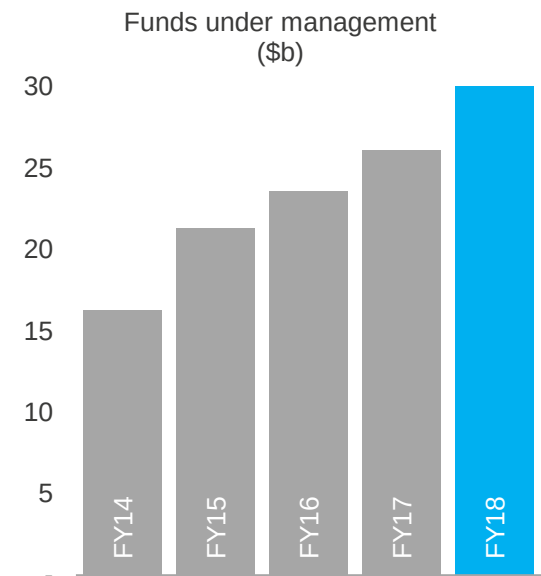
Development pipeline \$71.1b



Construction backlog revenue \$21.1b



Funds under management \$30.1b





Questions

 lendlease
2018 Full Year
Results Appendix



Our business model

Our business model is how we generate earnings. The model is integrated when more than one segment is engaged on a single project

DEVELOPMENT

The Development segment is involved in the development of communities, inner city mixed use developments, apartments, retirement, commercial assets, and social and economic infrastructure

Core Financial Returns



- Development margins
- Development management fees received from external co-investors
- Origination fees for the facilitation of infrastructure projects

CONSTRUCTION

The Construction segment provides project management, design and construction services, predominantly in the infrastructure, defence, mixed use, commercial and residential sectors

Core Financial Returns



- Project management and construction management fees
- Construction margin

INVESTMENTS

The Investments segment includes a leading wholesale investment management platform and also includes the Group's ownership interests in property and infrastructure co-investments, Retirement Living and US Military Housing

Core Financial Returns



- Fund, asset and property management fees
- Yields and capital growth on investments, and returns from the Group's Retirement investment and US Military Housing operations

Globally diverse pipeline

Our globally diverse pipeline provides long term earnings visibility

\$71.1b

Development
pipeline¹

\$21.1b

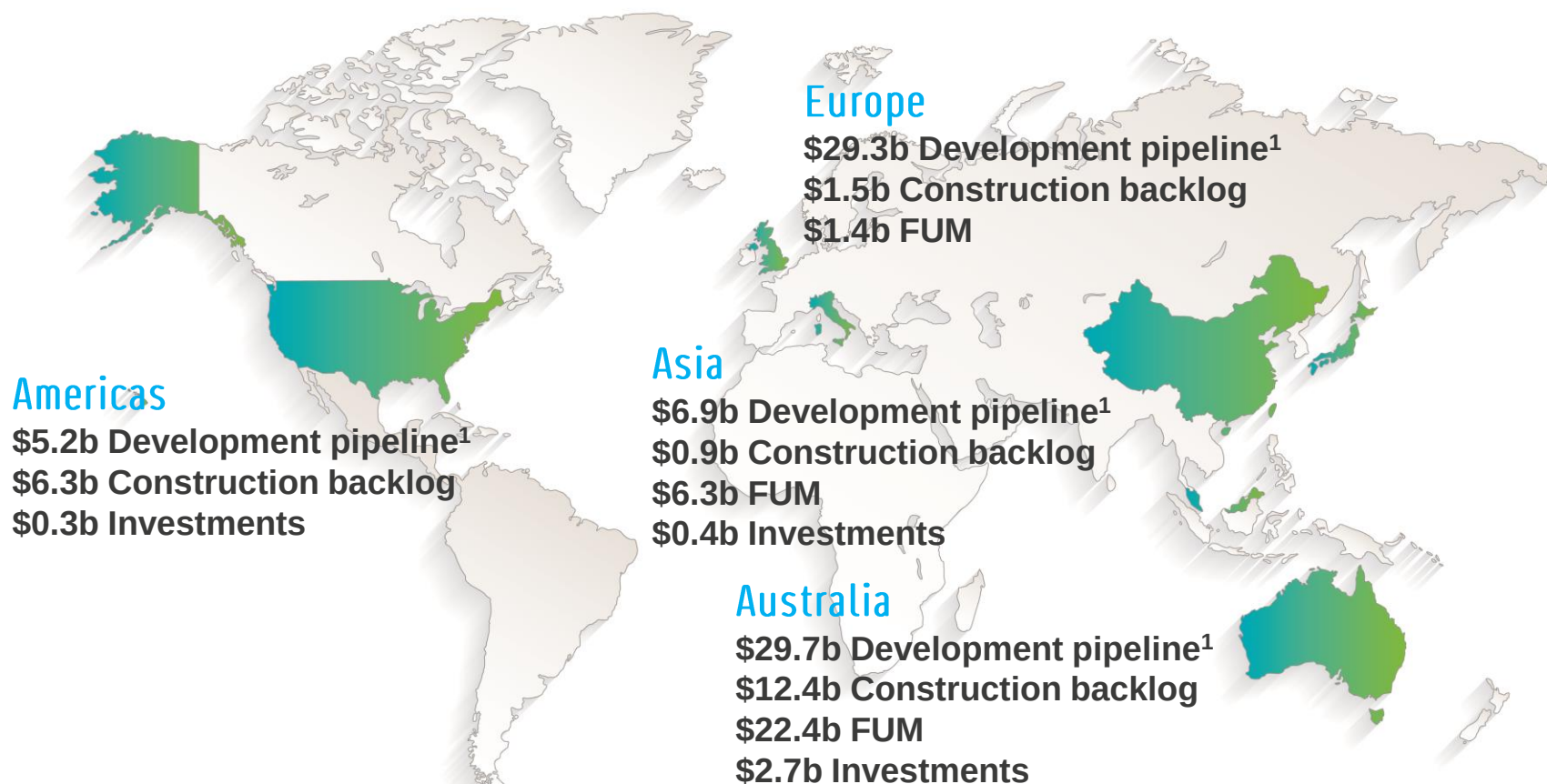
Construction backlog
revenue

\$30.1b

Funds Under
Management (FUM)

\$3.4b

Investments



1. Remaining estimated development end value.

Global trends influencing our strategy



Urbanisation

By 2030, over 60% of the world's population is expected to live in urban areas¹



Lendlease leadership

- \$55.9b Urbanisation pipeline²
- 18 major urbanisation projects³ across 10 gateway cities



Infrastructure

Global infrastructure spending is estimated to rise to an average of US\$5.1 trillion per year between now and 2035⁴



- A leading tier 1 Engineering business in Australia
- c.\$10b PPPs secured⁵
- Emerging telecommunications infrastructure business in the US

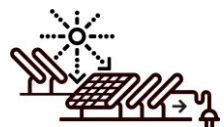


Funds growth

Global assets under management are forecast to rise from US\$85 trillion in 2016 to US\$145 trillion by 2025⁶



- 16.6% annual growth in Funds Under Management last five years



Sustainability

With two thirds of the world's population living in urban areas by 2050¹, the built environment faces increasing challenges



- Recognised by GRESB as an international leader⁷
- Leader in environment, community and employee wellbeing initiatives



Ageing population

Internationally, people aged 60+ are projected to grow three times faster than the overall population (2.4% vs 0.8% pa) in average annual terms between 2015 and 2050⁸



- Operate one of the largest Retirement Living businesses in Australia
- Seeking to establish a scale platform in China. In FY18 secured first senior living project in Shanghai



Technology

Global investment in real estate technology start ups has grown from US\$1.8b in 2015 to US\$12.6b in 2017⁹



- A pioneer of new delivery technologies e.g. Cross Laminated Timber, digital design, pre-fab, online sales channels; a leader in new safety initiatives

1. World Urbanization Prospects: The 2018 Revision, United Nations.

2. Remaining estimated development end value.

3. Urbanisation development projects with end value >\$1b.

4. McKinsey Global Institute: Bridging Infrastructure Gaps – Has the World Made Progress? October 2017. Includes some Group Research calculations.

5. Cumulative data from FY12 to FY18.

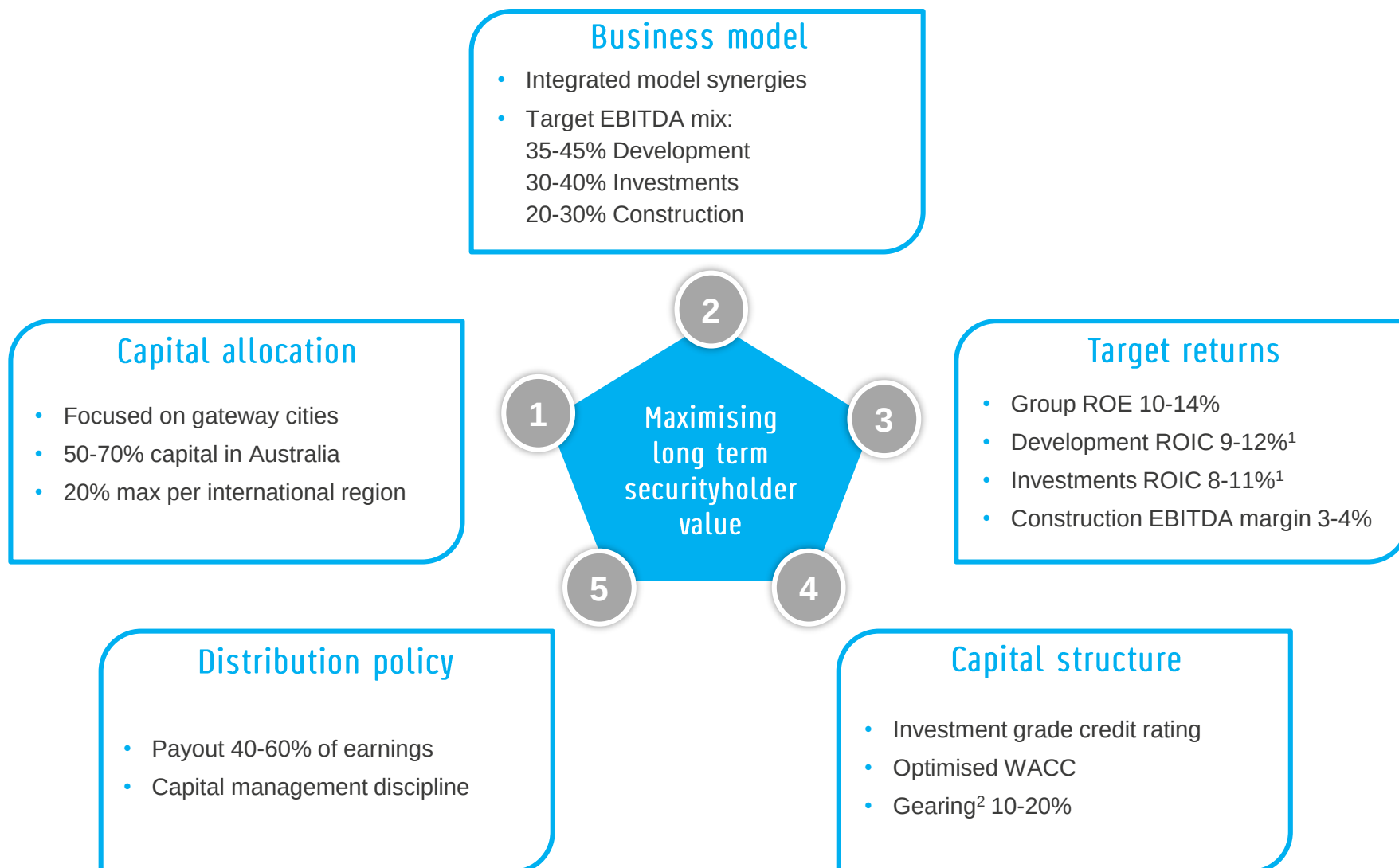
6. Asset & Wealth Management Revolution: Embracing Exponential Change, PwC 2017.

7. Lendlease managed Australian Prime Property Fund Commercial ranked first out of 850 respondents in the 2017 Global Real Estate Sustainability Benchmark.

8. World Population Prospects: The 2017 Revision, United Nations.

9. RE: Tech: Real Estate Tech Annual Report 2017.

Portfolio Management Framework



1. Through-cycle target based on rolling three to five year timeline.

2. Net debt to total tangible assets, less cash.

Pillars of value – non-financial



Health and Safety

Percentage of operations without a Critical Incident¹ in the last 12 months is 92% (90% in FY17)

Critical Incident¹ Frequency Rate of 0.8 (1.1 in FY17)

Group Lost Time Injury Frequency Rate²

FY17 1.6

FY18 1.7



Our Customers³

c.238 MILLION
RETAIL VISITORS
ANNUALLY

MILITARY HOUSING FOR
c.125,000
RESIDENTS IN THE US

c.150
GLOBAL INSTITUTIONAL
CAPITAL PARTNERS

c.17,000
RETIREMENT
LIVING RESIDENTS



Our People

Senior Executive positions held by women⁴

FY17 20.6%

FY18 22.1%

3.5 unique successors per Senior Executive role identified (2.5 in FY17)

Exceeded our target key talent retention rate of >90%



Sustainability

Total development pipeline achieved or targeting green certification

FY17 98%

FY18 99%

#1 RANKED
REAL ESTATE FUND
(APPFC)
IN 2017
GRESB SURVEY⁵

1. A Critical Incident is an event that caused, or had the potential to cause, death or permanent disability. This is an indicator unique to Lendlease.
2. Calculated to provide a rate of instances per 1,000,000 hours worked.
3. Internal data capture, as at 30 June 2018.
4. Employees who hold a position at Executive level according to the Lendlease Career Job Framework.
5. Lendlease managed Australian Prime Property Fund Commercial ranked first out of 850 respondents in the 2017 Global Real Estate Sustainability Benchmark.

Sustainability

Progress against environmental targets

Targeting 20% reduction in Energy, Water Use and Waste to Landfill by 2020 (against FY14 baseline)

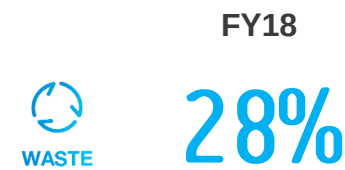
Lendlease's FY18 performance shown below demonstrates meaningful progress against our 2020 target¹



Energy reduction



Water reduction



Waste reduction²

Operational excellence

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM

Member of the Dow Jones Sustainability Index for 16 years

WE SUPPORT



Signatory and active participant since April 2014



Achieved highest AAA ESG rating again, putting Lendlease in the top 6% within the industry³

Signatory of:



Principles for Responsible Investment

Signatory since FY08, with an A+ rating achieved in Strategy & Governance and Property modules



Lendlease's 2nd Reconciliation Action Plan (RAP) achieved 'Elevate' status from Reconciliation Australia



In FY18 the Lendlease Board endorsed the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)

1. Performance as at March 2018 and is a cumulative measure. Full FY18 performance is subject to Limited Assurance by KPMG and will be available on www.lendlease.com in October 2018.
2. In FY18, we updated our FY14 waste baseline due to additional project information becoming available. This has resulted in an increased performance for waste in FY18 relative to the previous baseline utilised.
3. As at September 2017.



Group

Income Statement

\$m	FY17	FY18
Revenue	16,659.0	16,556.1
Cost of sales	(14,841.0)	(15,038.1)
Gross profit	1,818.0	1,518.0
Share of profit of equity accounted investments	77.9	131.2
Other income	247.2	496.2
Other expenses	(1,039.5)	(1,007.2)
Results from operating activities	1,103.6	1,138.2
Finance revenue	12.0	16.0
Finance costs	(108.6)	(88.0)
Net finance costs	(96.6)	(72.0)
Profit before Tax	1,007.0	1,066.2
Income tax expense	(248.3)	(272.6)
Profit after Tax	758.7	793.6
Profit after Tax attributable to:		
Members of Lendlease Corporation Limited	645.7	580.0
Unitholders of Lendlease Trust	112.9	212.8
Profit after Tax attributable to securityholders	758.6	792.8
External non controlling interests	0.1	0.8
Profit after Tax	758.7	793.6
<i>Earnings per Stapled Security</i>	<i>cents</i>	<i>130.1</i>
		<i>136.1</i>

Statement of Financial Position

\$m	FY17	FY18
Current Assets		
Cash and cash equivalents	1,249.2	1,177.1
Loans and receivables	2,749.2	2,670.2
Inventories	2,152.0	2,369.2
Other financial assets	33.0	6.7
Other assets	77.9	91.0
Total current assets	6,261.3	6,314.2
Non Current Assets		
Loans and receivables	507.7	787.8
Inventories	2,975.4	3,177.1
Equity accounted investments ¹	834.6	2,626.6
Investment properties ¹	6,967.4	278.2
Other financial assets	1,203.3	1,547.8
Deferred tax assets	129.4	120.0
Property, plant and equipment	425.8	464.7
Intangible assets	1,415.1	1,421.4
Defined benefit plan asset	64.3	154.7
Other assets	69.9	71.1
Total non current assets	14,592.9	10,649.4
Total assets	20,854.2	16,963.6

\$m	FY17	FY18
Current Liabilities		
Trade and other payables	5,578.8	5,769.5
Resident liabilities ¹	4,573.0	-
Provisions	285.6	329.9
Borrowings and financing arrangements	291.9	474.8
Current tax liabilities	6.4	10.4
Other financial liabilities	22.0	3.4
Total current liabilities	10,757.7	6,588.0
Non Current Liabilities		
Trade and other payables	1,772.1	1,530.7
Provisions	58.4	67.8
Borrowings and financing arrangements	1,860.5	1,883.7
Other financial liabilities	0.8	0.7
Deferred tax liabilities	238.2	478.5
Total non current liabilities	3,930.0	3,961.4
Total liabilities	14,687.7	10,549.4
Net assets	6,166.5	6,414.2

Equity		
Issued capital	1,289.8	1,296.8
Treasury shares	(24.7)	(44.1)
Reserves	(15.5)	61.0
Retained earnings	3,696.8	3,855.1
Total equity attributable to members of Lendlease Corporation Limited	4,946.4	5,168.8
Total equity attributable to unitholders of Lendlease Trust	1,117.0	1,244.5
Total equity attributable to securityholders	6,063.4	6,413.3
External non controlling interests	103.1	0.9
Total equity	6,166.5	6,414.2

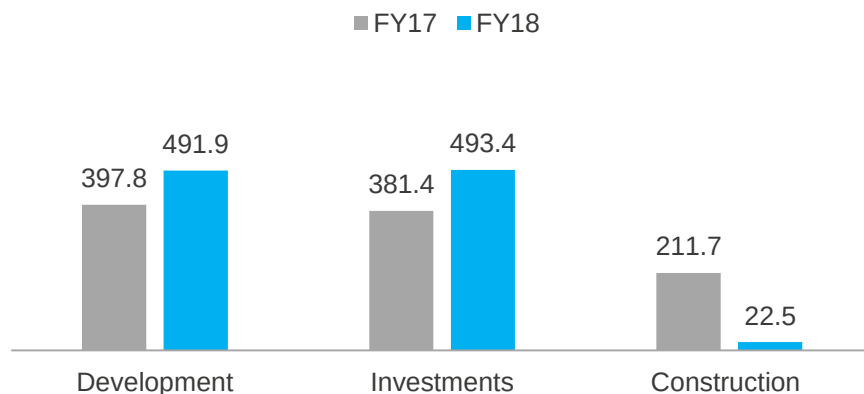
1. As at 30 June 2017 investment properties included Retirement Living assets and other liabilities included Retirement Living obligations. Following the Retirement Living transaction in December 2017, the Group's net interest is now reported through equity accounted investments.

Statement of Cash Flows

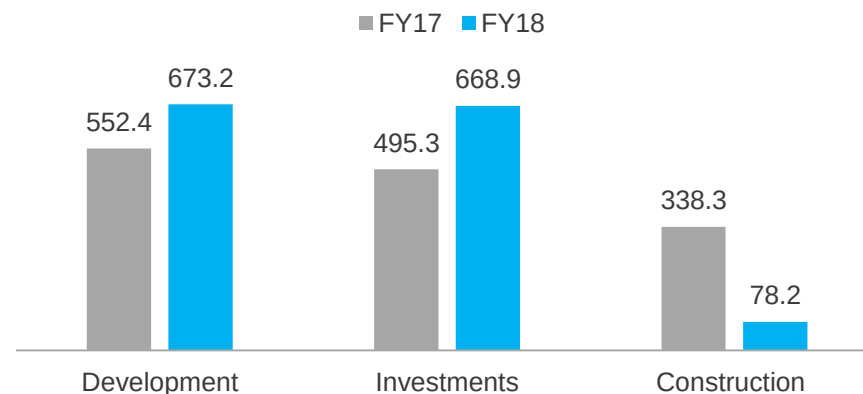
\$m	FY17	FY18
Cash Flows from Operating Activities		
Cash receipts in the course of operations	16,254.6	16,354.3
Cash payments in the course of operations	(15,928.7)	(16,216.4)
Interest received	9.9	13.1
Interest paid	(120.4)	(122.1)
Dividends/distributions received	75.4	76.5
Income tax paid in respect of operations	(144.8)	(32.6)
Net cash provided by operating activities	146.0	72.8
Cash Flows from Investing Activities		
Sale/redemption of investments	164.9	74.4
Acquisition of investments	(257.3)	(448.9)
Acquisition of/capital expenditure on investment properties	(244.4)	(112.4)
Net loan repayments from associates and joint ventures	5.7	409.7
Disposal of consolidated entities (net of cash disposed and transaction costs)	548.4	433.6
Disposal of property, plant and equipment	13.1	7.9
Acquisition of property, plant and equipment	(136.4)	(110.3)
Acquisition of intangible assets	(23.9)	(32.2)
Net cash provided by investing activities	70.1	221.8
Cash Flows from Financing Activities		
Proceeds from borrowings	2,800.6	2,021.0
Repayment of borrowings	(2,576.8)	(1,870.7)
Dividends/distributions paid	(337.9)	(372.0)
Proceeds from the sale of treasury securities	106.5	-
Payments for on market buyback of stapled securities	-	(178.0)
Payments for on market buyback of stapled securities - Dividend Reinvestment Plan	-	(10.1)
Increase in capital of non controlling interest	37.0	21.6
Other financing activities	(20.9)	(9.6)
Net cash provided by/(used in) financing activities	8.5	(397.8)
Other Cash Flow Items		
Effect of foreign exchange rate movements on cash and cash equivalents	16.2	31.1
Net increase/(decrease) in cash and cash equivalents	240.8	(72.1)
Cash and cash equivalents at beginning of financial year	1,008.4	1,249.2
Cash and cash equivalents at end of financial year	1,249.2	1,177.1

Segment financial metrics

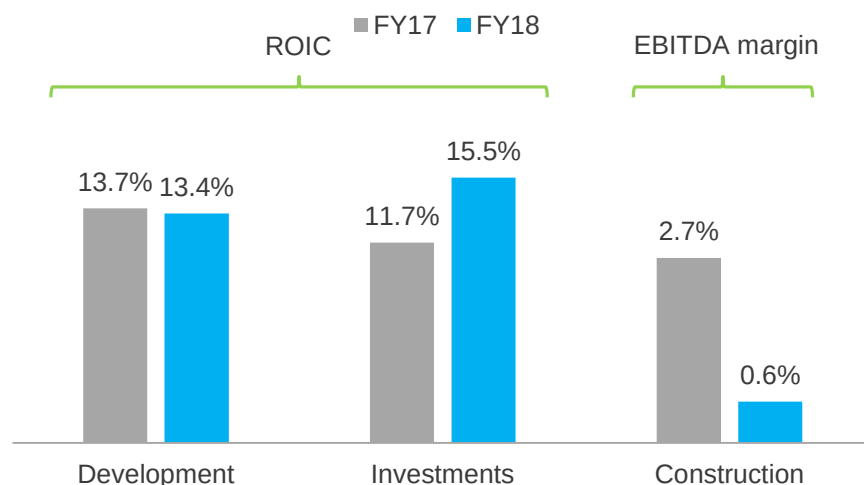
Operating Profit after Tax (\$m)



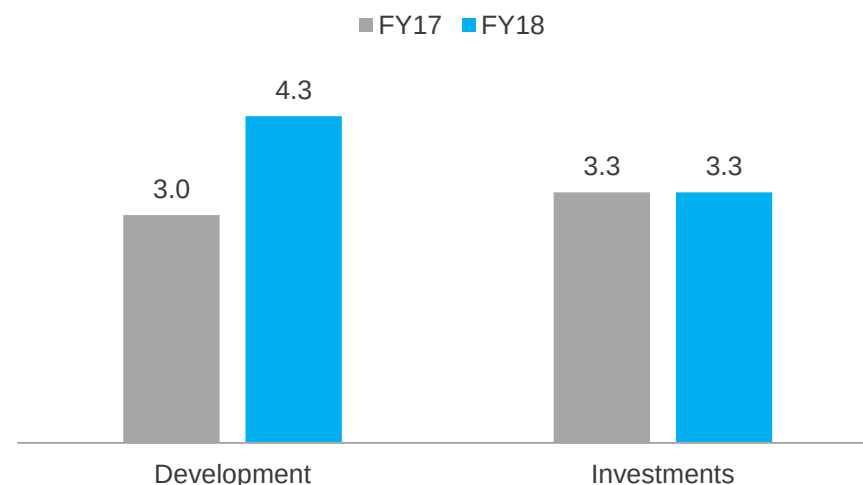
Operating EBITDA (\$m)



ROIC¹ (Development and Investments), EBITDA margin (Construction)



Invested capital (Development and Investments) (\$b)



1. Return on Invested Capital (ROIC) is calculated using the annual operating Profit after Tax divided by the arithmetic average of beginning, half and year end invested capital.

Segment and regional financial metrics

By segment

	Revenue (\$m)		EBITDA (\$m)		Profit after Tax (\$m)		Invested capital (\$b)	
	FY17	FY18	FY17	FY18	FY17	FY18	FY17	FY18
Development	3,433.0	3,204.2	552.4	673.2	397.8	491.9	3.0	4.3
Investments	566.7	393.6	495.3	668.9	381.4	493.4	3.3	3.3
Construction	12,644.5	12,940.4	338.3	78.2	211.7	22.5		
Corporate ¹	26.8	33.9	(184.2)	(175.5)	(232.3)	(215.0)		
Total Group	16,671.0	16,572.1	1,201.8	1,244.8	758.6	792.8		

By region

	Revenue (\$m)		EBITDA (\$m)		Profit after Tax (\$m)		Invested capital (\$b)	
	FY17	FY18	FY17	FY18	FY17	FY18	FY17	FY18
Australia	10,029.7	10,156.0	1,092.5	1,010.8	778.9	698.8	4.7	4.4
Asia	574.2	652.0	21.4	97.0	13.7	61.6	0.7	0.9
Europe	1,328.8	900.2	110.2	140.5	95.4	132.5	0.8	1.2
Americas	4,711.5	4,830.0	161.9	172.0	102.9	114.9	0.5	1.0
Corporate ¹	26.8	33.9	(184.2)	(175.5)	(232.3)	(215.0)		
Total Group	16,671.0	16,572.1	1,201.8	1,244.8	758.6	792.8		

1. Comprises Group Services and Group Treasury costs. FY18 EBITDA: Group Services (\$140.1m) and Group Treasury (\$35.4m). FY17 EBITDA: Group Services (\$154.4m) and Group Treasury (\$29.8m).

Revenue and EBITDA by segment and region

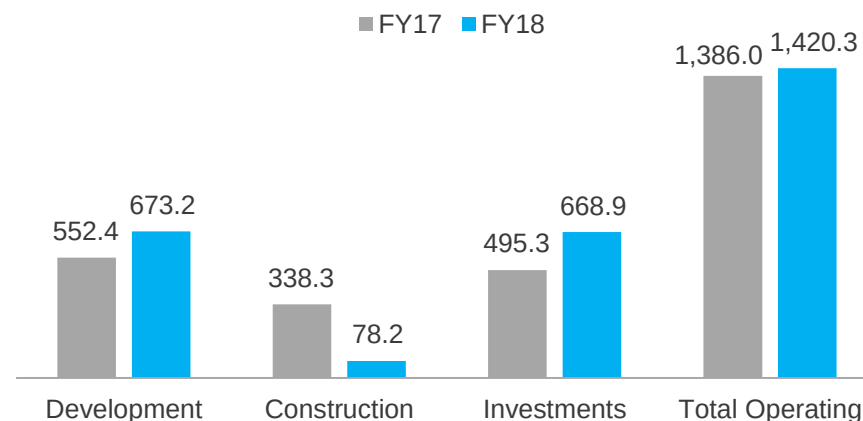
\$m	Revenue		EBITDA	
	FY17	FY18	FY17	FY18
Development				
Australia	3,142.0	2,855.2	497.8	551.3
Asia	19.6	67.2	(13.5)	26.7
Europe	203.6	199.1	68.3	110.4
Americas	67.8	82.7	(0.2)	(15.2)
Total Development	3,433.0	3,204.2	552.4	673.2

Construction				
Australia	6,440.5	7,026.5	201.4	(23.1)
Asia	502.6	536.1	(0.2)	15.0
Europe	1,117.3	679.5	31.7	22.7
Americas	4,584.1	4,698.3	105.4	63.6
Total Construction	12,644.5	12,940.4	338.3	78.2

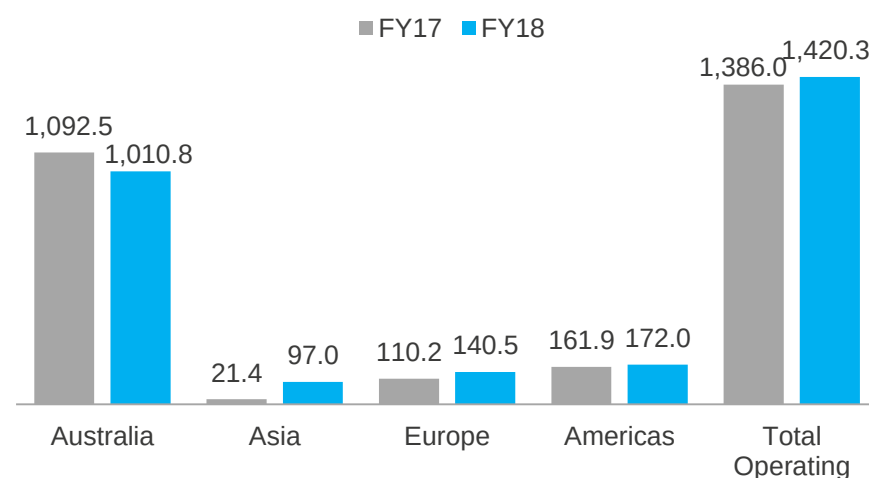
Investments				
Australia	447.2	274.3	393.3	482.6
Asia	52.0	48.7	35.1	55.3
Europe	7.9	21.6	10.2	7.4
Americas	59.6	49.0	56.7	123.6
Total Investments	566.7	393.6	495.3	668.9

Total Operating				
Australia	10,029.7	10,156.0	1,092.5	1,010.8
Asia	574.2	652.0	21.4	97.0
Europe	1,328.8	900.2	110.2	140.5
Americas	4,711.5	4,830.0	161.9	172.0
Total Operating	16,644.2	16,538.2	1,386.0	1,420.3

Operating EBITDA by segment (\$m)



Operating EBITDA by region (\$m)

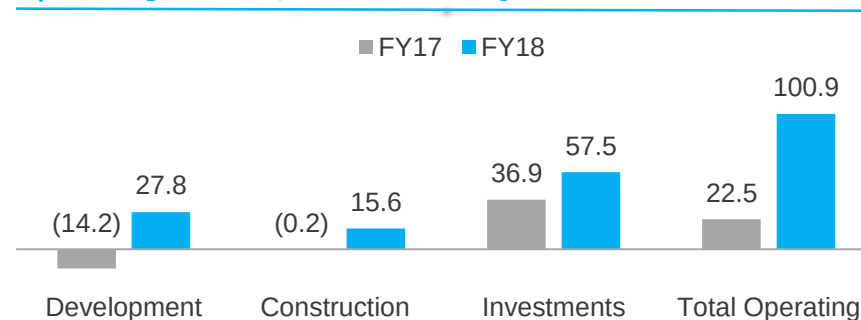


Revenue and EBITDA by segment and region, local currency

Asia

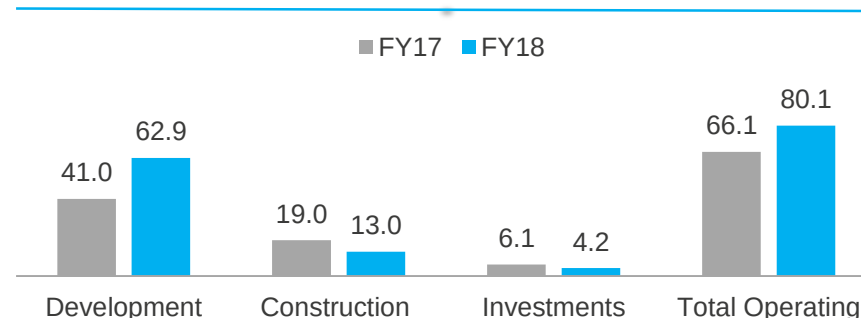
SGDm ¹	Revenue		EBITDA	
	FY17	FY18	FY17	FY18
Development	20.6	69.9	(14.2)	27.8
Construction	527.7	557.5	(0.2)	15.6
Investments	54.6	50.7	36.9	57.5
Total Operating	602.9	678.1	22.5	100.9

Operating EBITDA, local currency (m)



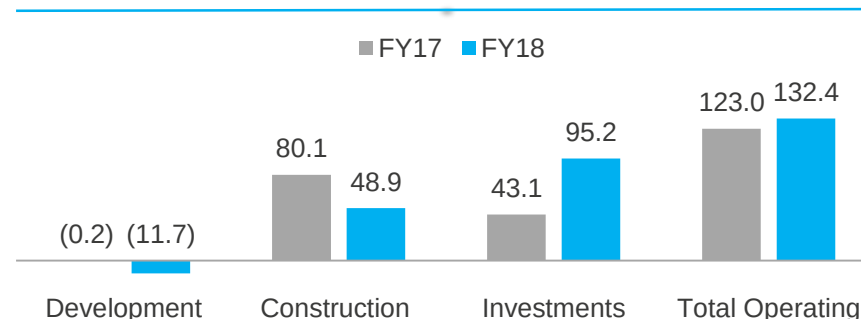
Europe

£m	Revenue		EBITDA	
	FY17	FY18	FY17	FY18
Development	122.2	113.5	41.0	62.9
Construction	670.4	387.3	19.0	13.0
Investments	4.7	12.3	6.1	4.2
Total Operating	797.3	513.1	66.1	80.1



Americas

US\$m	Revenue		EBITDA	
	FY17	FY18	FY17	FY18
Development	51.5	63.7	(0.2)	(11.7)
Construction	3,483.9	3,617.7	80.1	48.9
Investments	45.3	37.7	43.1	95.2
Total Operating	3,580.7	3,719.1	123.0	132.4



1. Major currency in region.

Exchange rates

Income statement

Local	Foreign	FY17 ¹	FY18 ²
AUD	USD	0.76	0.77
AUD	GBP	0.60	0.57
AUD	SGD	1.05	1.04

Statement of Financial Position

Local	Foreign	FY17 ³	FY18 ⁴
AUD	USD	0.77	0.74
AUD	GBP	0.59	0.56
AUD	SGD	1.06	1.01

FX sensitivity

		USD	GBP	SGD
FY18 Income Statement				
+10% average FX rate (strengthening AUD)		0.85	0.63	1.14
Change as % of Group PAT	%	(2.31%)	(1.32%)	(0.35%)
-10% average FX rate (weakening AUD)		0.70	0.52	0.95
Change as % of Group PAT	%	2.86%	1.63%	0.42%

FY18 Statement of Financial Position

+10% spot FX rate (strengthening AUD)		0.81	0.62	1.11
Change as % of Group Net Assets	%	(0.92%)	(0.46%)	(0.37%)
-10% spot FX rate (weakening AUD)		0.67	0.51	0.92
Change as % of Group Net Assets	%	1.12%	0.58%	0.45%

1. Average foreign exchange rate for the full year 2017.
2. Average foreign exchange rate for the full year 2018.
3. Spot foreign exchange rate at 30 June 2017.
4. Spot foreign exchange rate at 30 June 2018.

Regional EBITDA to PAT reconciliation

FY18 EBITDA to PAT Reconciliation

\$m	EBITDA	Net Interest	D&A ¹	PBT	Tax	Non Cont. Int. ²	PAT
Australia							
Development	551.3	(1.7)	(2.1)	547.5	(163.9)	-	383.6
Construction	(23.1)	0.5	(30.0)	(52.6)	17.8	-	(34.8)
Investments	482.6	(0.1)	(5.9)	476.6	(126.6)	-	350.0
Total Australia	1,010.8	(1.3)	(38.0)	971.5	(272.7)	-	698.8
Asia							
Development	26.7	-	(0.5)	26.2	(11.0)	-	15.2
Construction	15.0	(0.2)	(0.8)	14.0	(9.4)	-	4.6
Investments	55.3	-	(0.1)	55.2	(13.4)	-	41.8
Total Asia	97.0	(0.2)	(1.4)	95.4	(33.8)	-	61.6
Europe							
Development	110.4	2.9	(2.1)	111.2	(7.7)	-	103.5
Construction	22.7	(0.9)	(1.8)	20.0	(0.3)	-	19.7
Investments	7.4	0.5	(0.2)	7.7	1.6	-	9.3
Total Europe	140.5	2.5	(4.1)	138.9	(6.4)	-	132.5
Americas							
Development	(15.2)	-	(0.9)	(16.1)	5.7	-	(10.4)
Construction	63.6	(0.2)	(2.5)	60.9	(27.1)	(0.8)	33.0
Investments	123.6	-	(1.5)	122.1	(29.8)	-	92.3
Total Americas	172.0	(0.2)	(4.9)	166.9	(51.2)	(0.8)	114.9
Corporate							
Group Services	(140.1)	(0.2)	(58.2)	(198.5)	62.2	-	(136.3)
Group Treasury	(35.4)	(72.6)	-	(108.0)	29.3	-	(78.7)
Total Corporate	(175.5)	(72.8)	(58.2)	(306.5)	91.5	-	(215.0)
Total Group	1,244.8	(72.0)	(106.6)	1,066.2	(272.6)	(0.8)	792.8

1. Depreciation and Amortisation.
 2. External Non Controlling Interests.

Debt metrics

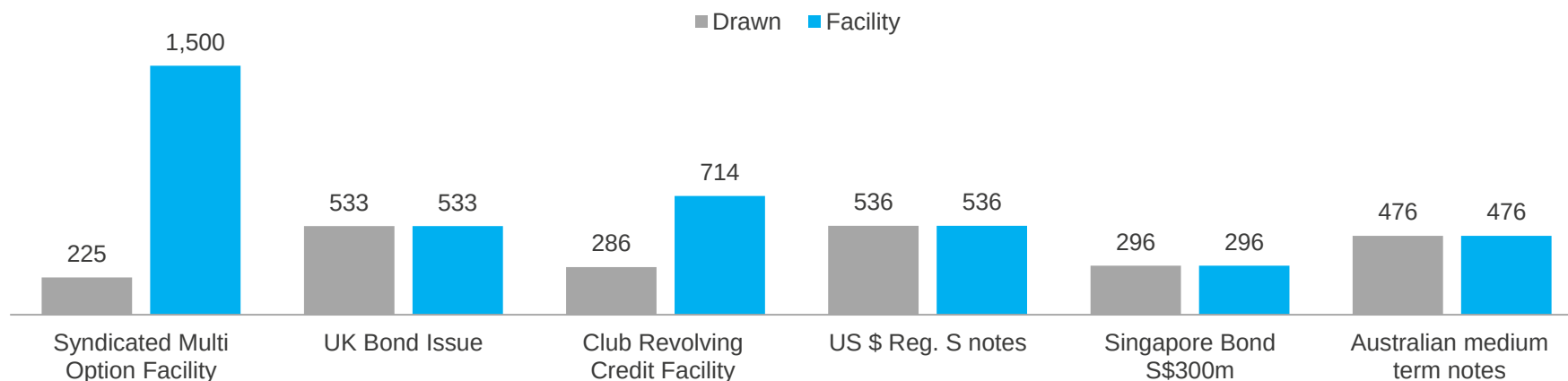
		FY17	FY18
Net debt	\$m	912.8	1,181.8
Borrowings to total equity plus borrowings	%	25.9	26.9
Net debt to total tangible assets, less cash	%	5.0	8.2
Interest cover ¹	times	10.3	10.7
Average cost of debt	%	4.9	4.8
Average debt maturity	years	5.1	4.6
Average debt mix fixed: floating ²	ratio	86:14	86:14
Undrawn facilities	\$m	2,225.2	1,827.1

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

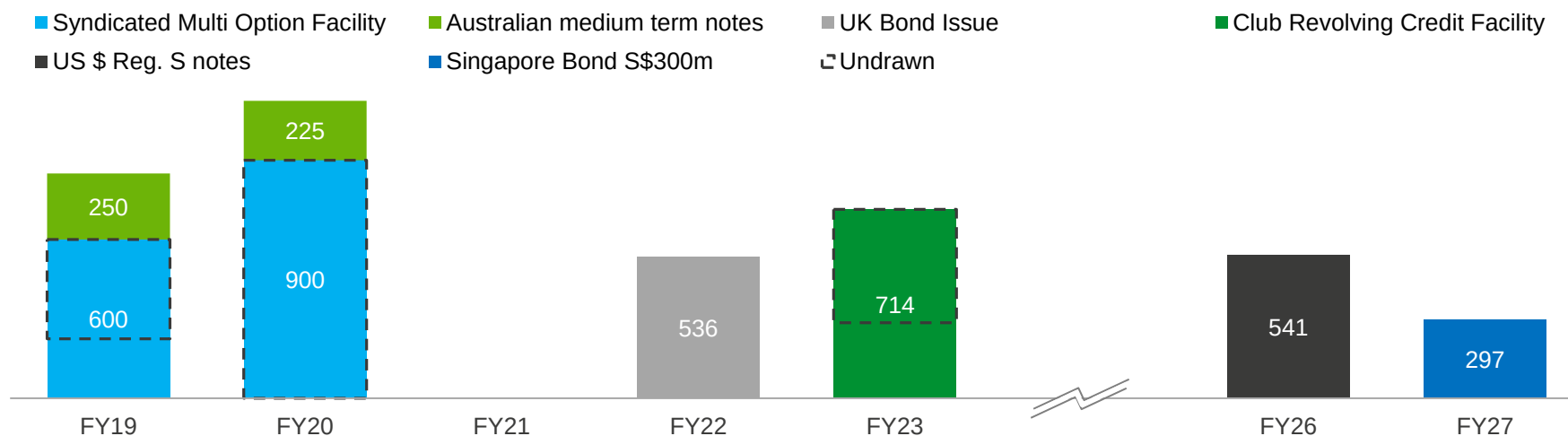
2. Methodology for ratio has been updated to represent a daily average calculation (FY17 comparative has been updated to reflect this change in methodology).

Debt facilities and maturity profile

Debt facilities¹ (\$m)



Debt maturity profile² (\$m)



1. Values are shown at amortised cost.

2. Values are shown at gross facility value.

Key dates for investors

	Date
FY18 results released to market/final distribution declared	22 August 2018
Securities quoted ex distribution on the Australian Securities Exchange	28 August 2018
Final distribution record date	29 August 2018
Final distribution payable	21 September 2018
Annual General Meetings	16 November 2018



Development Segment

Earnings drivers - Development

ROIC target 9-12%¹; Invested capital \$4.3b; Pipeline² \$71.1b

DEVELOPMENT SEGMENT

	Urbanisation		Communities	Telco Infrastructure	Infrastructure Development	Military Housing
	18 major projects in 10 gateway cities		15 communities projects across Australia			
Business	Apartments	Commercial	Communities	US Telco Towers	Australian Infrastructure Development	US Military Housing Portfolio
Returns and Metrics	Target c.1,000 - 2,000 completions	Target c.2 - 3 buildings commenced	Target c.3,000 - 4,000 completions	Development margin	Origination fees	Development fees
Pipeline ²	30,500 units \$31.4b	2,002,000 sqm \$24.5b	52,333 lots \$15.1b	138 tower pipeline on balance sheet, SoftBank joint venture targeting US\$5b assets over the medium term	Periodic bids for PPP projects	Periodic bids for major projects

1. Through-cycle target based on rolling three to five year timeline.

2. Remaining estimated development end value.

Development FY18

Overview

- Involved in the development of communities, inner city mixed use developments, apartments, retirement, commercial assets and social and economic infrastructure
- Financial returns are generated via development margins, development management fees received from external co-investors and origination fees for the facilitation of infrastructure projects

Drivers

- Apartments for sale completions¹: 1,314 units
- Communities completions: 3,912 lots
- Formed residential for rent partnership in the United Kingdom
 - Phase one 663 units across two buildings at Elephant Park
- Commenced four office developments
 - Two Melbourne Quarter: c.50,000 sqm
 - University of Melbourne Innovation Precinct: c.27,000 sqm
 - Daramu House, Barangaroo South: c.11,000 sqm
 - Building 3, International Quarter London: c.26,000 sqm
- Profit from additional c.18,000 sqm of leasing at Tower One at Barangaroo South
- Profit contribution from Darling Square completions
- Financial close on Melbourne Metro
- Development management fees on Asian urbanisation projects
- Completed 86 US telecommunications towers

- Presold units on buildings completed during the period, and units sold in the period on buildings completed in prior periods.
- Partnership closed post balance date.
- Remaining estimated development end value.
- From FY19, the recognition point of revenue on residential for sale development properties will change to settlement.
- Total estimated development end value.

Performance

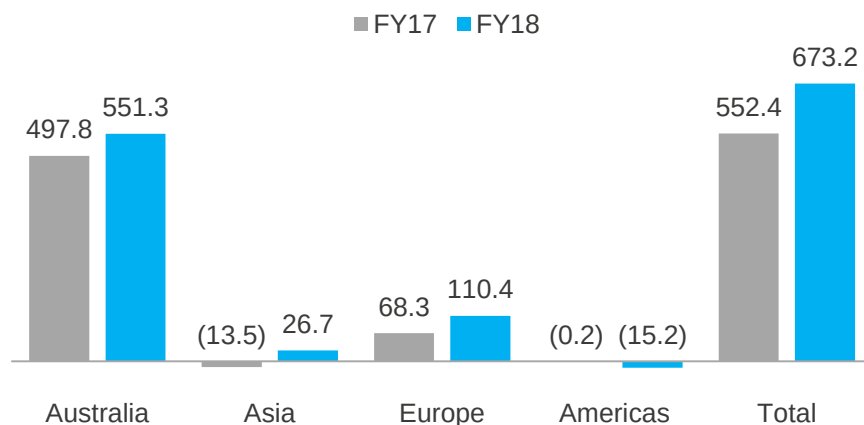
		FY17	FY18
% Operating EBITDA	%	40	47
ROIC	%	13.7	13.4
Invested capital	\$b	3.0	4.3

Outlook

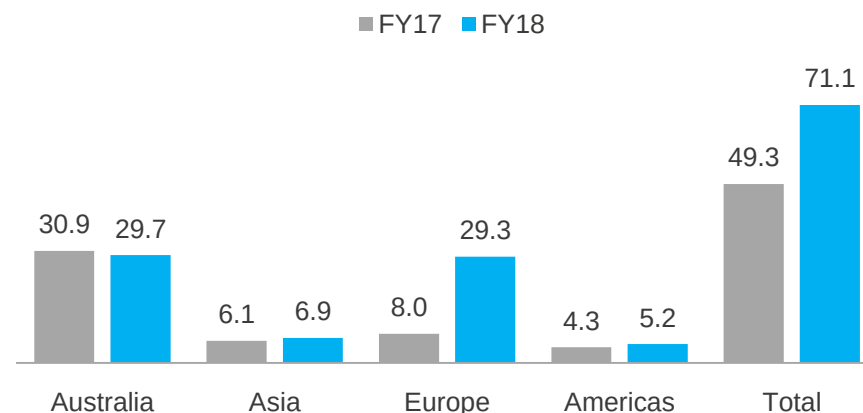
- US residential for rent investment partnership with \$1.4b² (US\$1.0b) equity commitment
- \$71.1b development pipeline³ up \$21.8b in FY18
- Four new urbanisation projects secured in Europe
 - Euston Station, London: \$10.2b³
 - Silvertown Quays, London: \$6.1b³
 - Milano Santa Giulia, Milan: \$3.6b³
 - High Road West, London: \$2.0b³
- 23 major apartment buildings in delivery across seven gateway cities
 - 3,070 units presold: \$3.2b⁴
 - 1,513 units for rent: \$1.3b⁵
- 3,231 communities lots presold: \$0.8b⁴
- 486,000 sqm of commercial in delivery across 13 major buildings
- Secured pipeline not yet in delivery
 - 25,917 residential units: \$27.1b³
 - 1,516,000 sqm of commercial space: \$17.3b³
- US telecommunications infrastructure platform
 - 138 towers under development; SoftBank joint venture; Executed Master Lease Agreements with major carriers

Development earnings / pipeline

EBITDA by region (\$m)

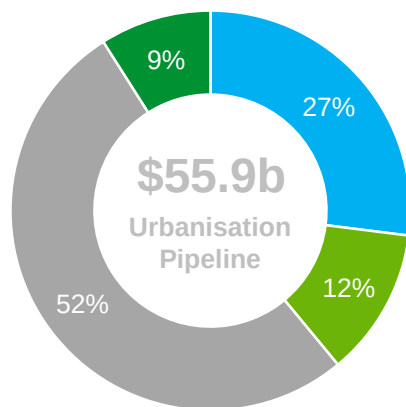


Pipeline¹ by region (\$b)



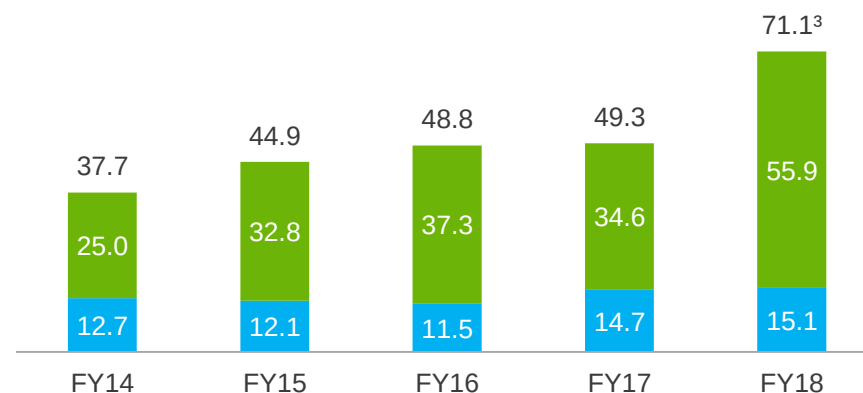
FY18 urbanisation pipeline¹ by region

■ Australia ■ Asia ■ Europe ■ Americas



Pipeline¹ (\$b)

■ Communities² ■ Urbanisation



1. Remaining estimated development end value.

2. FY18 excludes Australian Retirement pipeline which is now included in the Investments segment following the Retirement Living transaction.

3. Includes \$0.1b of Infrastructure pipeline.

Residential development

Communities completions

	FY17		FY18	
	Units	\$m	Units	\$m
QLD	1,314	264	1,433	303
NSW	577	220	964	348
VIC	876	178	1,285	297
SA	183	25	113	16
WA	110	29	117	27
Total	3,060	716	3,912	991

Communities sales

	FY17		FY18	
	Units	\$m	Units	\$m
QLD	1,522	315	996	213
NSW	628	226	412	167
VIC	1,823	387	1,573	422
SA	95	15	105	17
WA	94	23	161	38
Total	4,162	966	3,247	857

FY18 Apartment completions^{1,2}

	Units	\$m
Australia		
Darling Square - Darling House	334	402
Victoria Harbour - 883 Collins	517	364
Brisbane Showgrounds - South Yard	186	101
Toorak Park - Terrace Homes, North and Park	19	45
Total Australia	1,056	912
Europe		
Elephant Park - South Gardens	154	140
Elephant Park - West Grove	61	66
Wandsworth - Victoria Drive	42	40
Other ³	1	1
Total Europe	258	247
Total completions	1,314	1,159

1. Profit on presold apartments recognised on practical completion. From FY19, the recognition point of revenue on residential for sale development properties will change to settlement.

2. Presold units on buildings completed during the period, and units sold in the period on buildings completed in prior periods.

3. International Quarter London – Glasshouse Gardens.

Development commencements and completions

City	Project	Building	Sector	Deal type	End value ¹ (\$b)	sqm '000	Completion date ²
Commercial completions							
Sydney	Darling Square	Hotel	Hotel	Fund through	0.3	37	FY18
		Commercial	Office	Fund through	0.3	26	FY18
London	International Quarter London	Building 1	Office	Fund through	0.4	26	FY18
		Building 2	Office	Fund through	0.7	47	FY18
Commercial commencements							
Sydney	Barangaroo South	Daramu House	Office	Fund through	0.3	11	FY20
Melbourne	Melbourne Quarter	Two Melbourne Quarter	Office	Fund through	0.6	50	FY21
Melbourne	University of Melbourne Innovation Precinct	Innovation Precinct	Office	BOOT ³	0.3	27	FY21
London	International Quarter London	Building 3	Office	Fund through	0.4	26	FY20
City	Project	Building			End value ¹ (\$b)	Total Units	Completion date ²
Residential for rent apartments commencements							
London	Elephant Park	East Grove and Park Central North			0.7	663	FY21
Location						Completed (no.)	End value ¹ (\$m)
Telecommunications completions							
Americas						86	53.6

1. Total estimated development end value.

2. Based on expected completion date of underlying buildings, subject to change in delivery program.

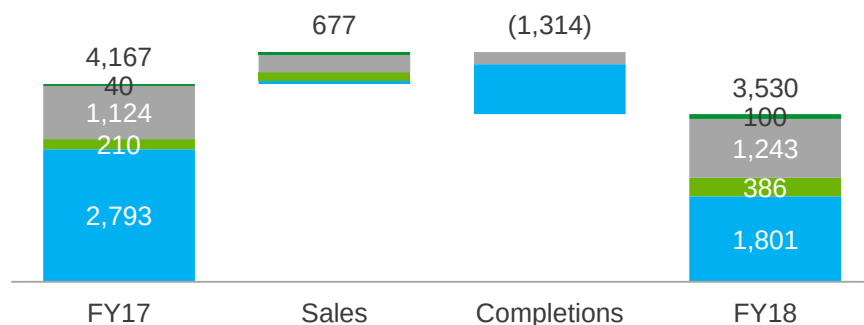
3. Build, Own, Operate, Transfer.

Residential apartments

Movement in presales – Apartments for sale

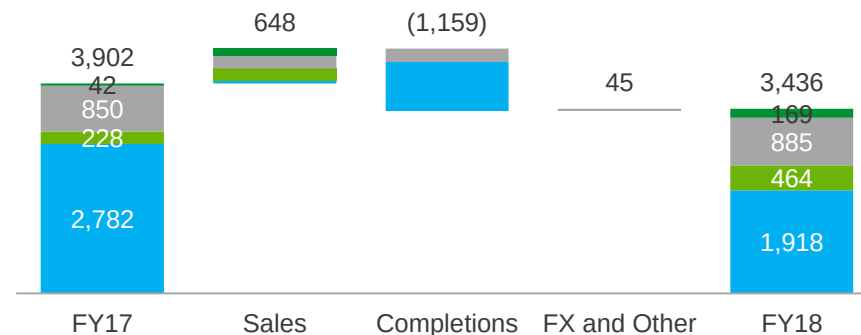
By units

■ Australia ■ Asia ■ Europe ■ Americas



By value (\$m)

■ Australia ■ Asia ■ Europe ■ Americas



Apartments for rent in delivery

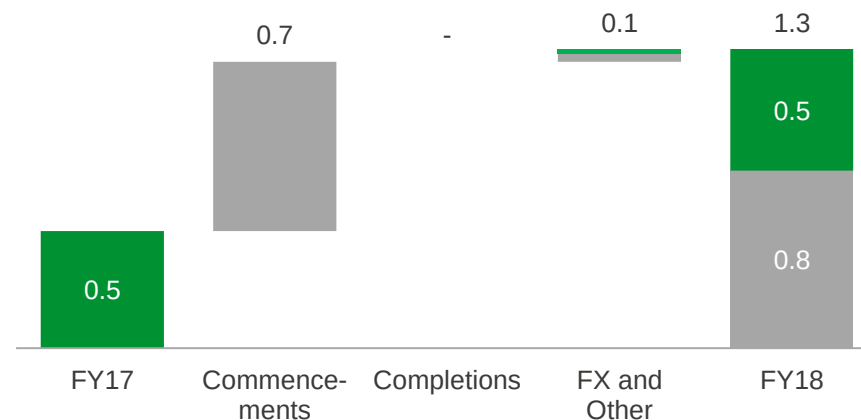
By units

■ Europe ■ Americas



By value¹ (\$b)

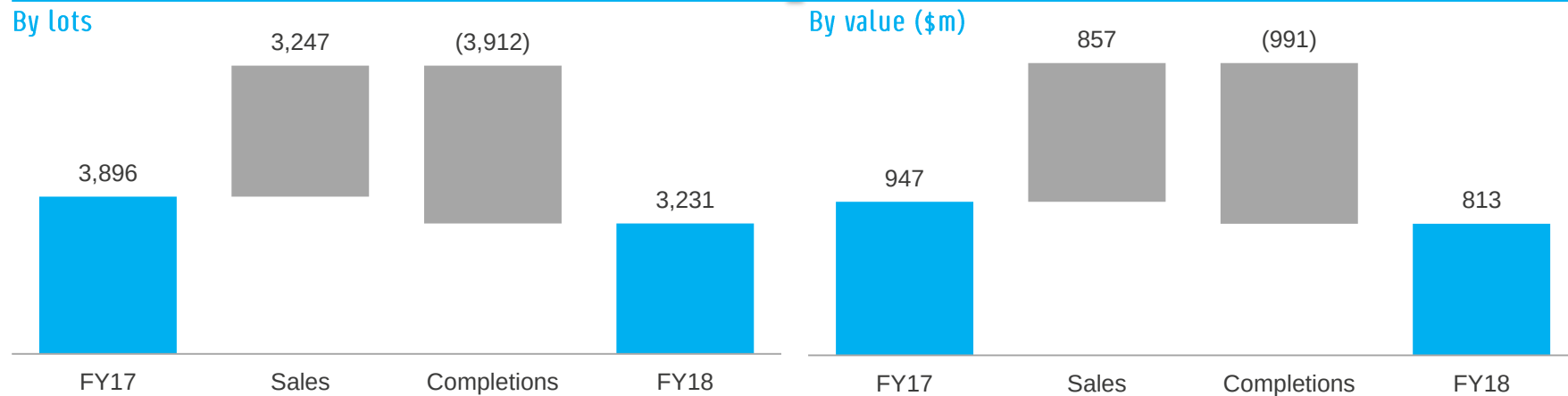
■ Europe ■ Americas



1. Total estimated development end value.

Residential communities

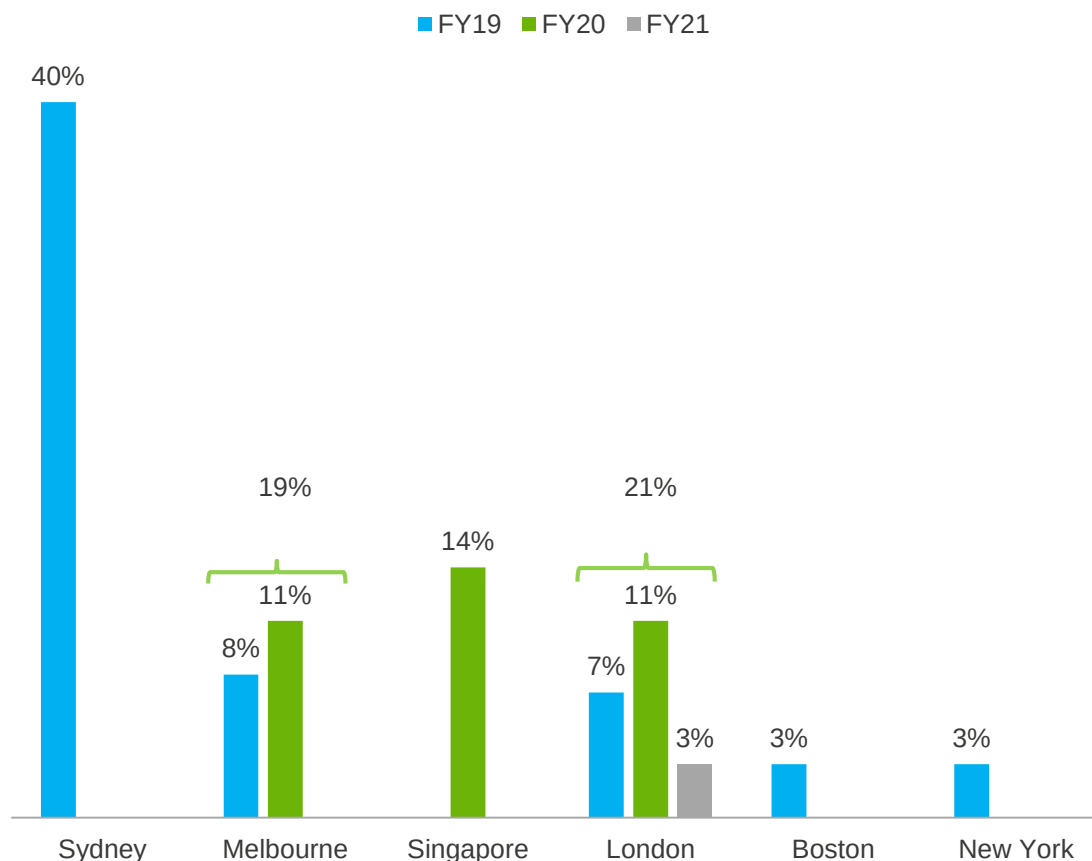
Movement in presales¹



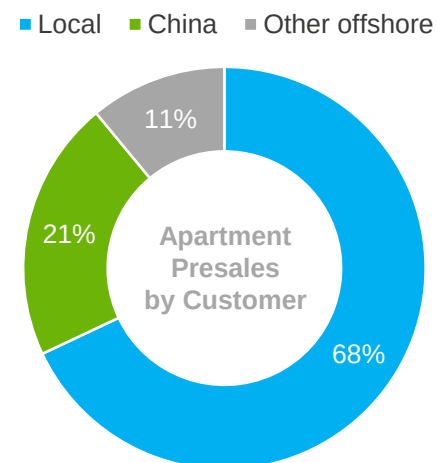
1. Excludes Retirement Living and includes 100% of revenue from joint venture projects. Australia only.

FY18 apartments presales¹ – by location and customer

Run-off profile by location²



By customer



1. Major buildings in delivery only, reflecting total presales of \$3.2b.

2. Based on expected completion date of underlying buildings, subject to change in delivery program. Not indicative of profit recognition.

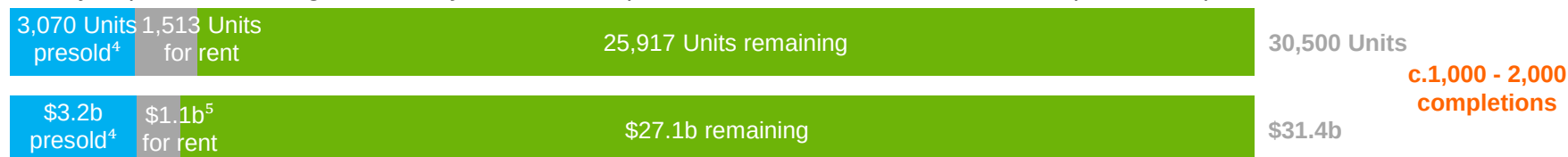
Development pipeline provides long term earnings visibility

Record secured pipeline¹ of \$71.1b controlled by invested capital of \$4.3b

**Target
annual
turnover²**

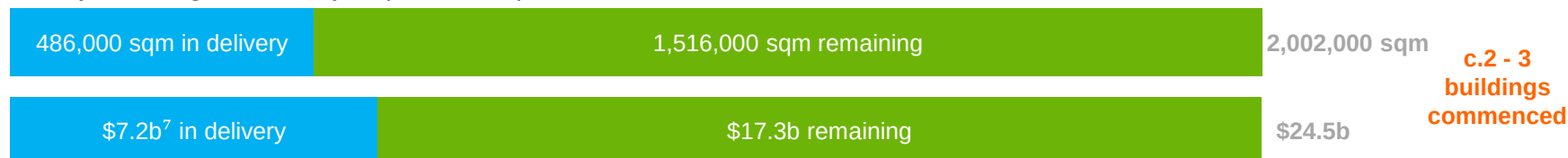
Apartments

23 major apartment buildings³ in delivery, across 3,070 presold units and 1,513 units for rent, expected completion FY19 to FY21

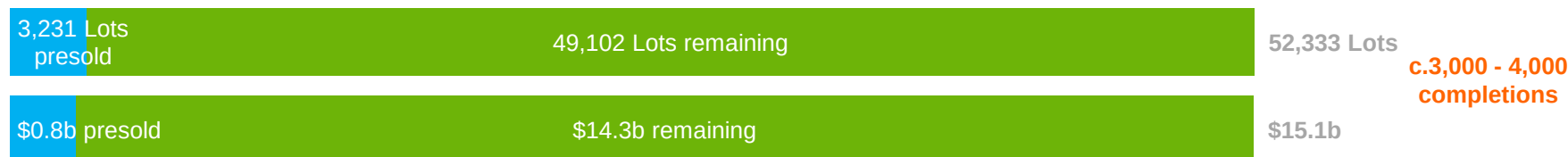


Commercial

13 major buildings⁶ in delivery, expected completion FY19 to FY22



Communities⁸



\$71.1 billion
Total pipeline¹

1. Remaining estimated development end value. Includes Infrastructure.
2. Subject to market conditions.
3. Refer to the Apartments Completion Profile on page 33 for a breakdown of the major buildings.
4. Presales balance on major buildings in delivery only.
5. Total estimated development end value of c.\$1.3b, with c.\$0.2b realised to date.
6. Refer to the Commercial Buildings Completion Profile on page 34 for a breakdown of the major buildings.
7. Total estimated development end value of c.\$8.3b, with c.\$1.1b realised to date.
8. Excludes Australian retirement development units. Includes built form units to be sold with land lots and Asian retirement development units.

Major urbanisation project summary

Project	Project secured ¹	Delivery commenced ¹	Completion date ^{1,2}	Residential backlog units	Commercial backlog sqm '000 ³	Remaining end value (\$b) ⁴	Land payment model
Euston Station, London	2018	2026	2040+	2,000	400	10.2	Land management
Silvertown Quays, London	2018	2020	2032	3,000	440	6.1	Land management
Milano Santa Giulia, Milan	2018	2019	2035	2,558	253	3.6	Land management
Barangaroo South, Sydney	2009	2012	2023	775	16	3.3	Staged payment
Paya Lebar Quarter, Singapore	2015	2016	2020	429	113	3.2	Upfront payment
The Lifestyle Quarter, Kuala Lumpur	2014	2017	2025	2,326	124	3.1	Staged payment
Elephant Park, London	2010	2012	2025	2,051	12	3.0	Staged payment
International Quarter London	2010	2014	2026	-	199	2.6	Land management
Victoria Harbour, Melbourne	2001	2004	2025	2,333	47	2.5	Land management
Melbourne Quarter, Melbourne	2013	2016	2024	1,680	137	2.3	Land management
Brisbane Showgrounds, Brisbane	2009	2011	2029	2,268	83	2.2	Land management
High Road West, London	2018	2019	2027	2,501	14	2.0	Land management
Circular Quay Tower, Sydney	2012	2017	2022	-	55	1.9	Upfront payment
Southbank ⁵ , Chicago	2015	2016	2026	2,108	1	1.7	Upfront payment
Darling Square, Sydney	2013	2013	2019	967	5	1.4	Staged payment
30 Van Ness, San Francisco	2017	2020	2023	366	24	1.3	Upfront payment
Waterbank, Perth	2013	-	2028	1,305	12	1.3	Land management
The Timberyard ⁶ , Deptford, London	2014	2016	2024	1,132	7	1.1	Upfront payment
Other urbanisation projects				2,701	60	3.1	
Total urbanisation				30,500	2,002	55.9	

1. Financial year.

2. Based on expected completion date of underlying buildings, subject to change in delivery program.

3. Floor space measured as Net Lettable Area.

4. Remaining estimated development end value.

5. Formerly Riverline.

6. Formerly The Wharves.

Apartments completion profile

City	Project	Building	Total Units	Ownership (%)	Presold (%)	Units Presold ¹	Presaes ¹ (\$b)	Completion Date ²
Residential for sale apartments								
Sydney	Darling Square	Darling North, Harbour Place and Trinity House	577	100	100	577	0.8	FY19
		Darling Rise, Barker House and Arena	390	100	100	390	0.5	FY19
Melbourne	Victoria Harbour	Collins Wharf 1	321	100	89	287	0.3	FY19
Melbourne	Melbourne Quarter	East Tower	719	50	76	547	0.4	FY20
Singapore	Paya Lebar Quarter	Residential (3 Buildings)	429	30	90	386	0.5	FY20
London	Wandsworth	Victoria Drive (remaining sections)	68	50	10	7	-	FY19
London	Elephant Park	West Grove (Buildings 1 and 2) (remaining sections)	534	100	82	437	0.4	FY19 / FY20
		East Grove and Park Central North ³	166	100	100	166	0.1	FY21
London	Deptford	Cedarwood Square	203	100	85	173	0.1	FY20
New York	Fifth Avenue	277 Fifth Avenue	130	40	- ⁴	- ⁴	- ⁴	FY19
Boston	Clippership Wharf	Building 3	80	100	100	80	0.1	FY19

City	Project	Building	Total Units	Ownership (%)	Completion Date ²
Residential for rent apartments					
London	Elephant Park	East Grove and Park Central North	663	20 ⁵	FY21
Chicago	Southbank (formerly Riverline)	Cooper at Southbank (formerly Riverline D)	452	100 ⁶	FY19
Boston	Clippership Wharf	Buildings 1, 2 and 4	398	100	FY20

1. Closing presales balance as at 30 June 2018.

2. Based on expected completion date of underlying buildings, subject to change in delivery program. Not indicative of profit recognition.

3. Affordable housing units presold within residential for rent apartment buildings.

4. Project information subject to joint venture confidentiality.

5. 20% stake in Lendlease Residential Investment Partnership which will own the completed residential for rent product.

6. Following dissolution of the Riverline joint venture, ownership has increased to 100%.

Major commercial development pipeline

Commercial buildings completion profile

City	Project	Capital model	sqm '000 ¹	Building	Completion date ²
Melbourne	Victoria Harbour	Fund through ³	39	839 Collins Street	FY19
Melbourne	Melbourne Quarter	Fund through ³	26	One Melbourne Quarter	FY19
		Fund through ³	50	Two Melbourne Quarter	FY21
Brisbane	Brisbane Showgrounds	Fund through ³	15	25 King	FY19
Sydney	Barangaroo South	Fund through ³	11	Daramu House	FY20
Melbourne	University of Melbourne Innovation Precinct	BOOT ⁴	27	Innovation Precinct	FY21
Sydney	Circular Quay Tower	Joint venture	55	Commercial	FY22
Singapore	Paya Lebar Quarter	Joint venture	84	Commercial (3 buildings)	FY19
		Joint venture	29	Retail	FY19
Kuala Lumpur	The Lifestyle Quarter	Joint venture	124	Retail	FY21
London	International Quarter London	Fund through ³	26	Commercial building	FY20
Total			486		

Indicative conversion timing of secured commercial pipeline to FY23

City	Project	# Buildings	Sector	sqm '000 ¹	FY19	FY20	FY21	FY22	FY23
Brisbane	Brisbane Showgrounds	3	Office	68					
Melbourne	Melbourne Quarter	1	Office	60					
London	International Quarter London	5	Office	173					
Milan	Milano Santa Giulia	6	Office / Retail	191					
San Francisco	30 Van Ness	1	Office	24					
Total		16		516	Targeting 2-3 building commencements p.a.				

1. Floor space measured as Net Lettable Area.

2. Based on expected completion date of underlying buildings, subject to change in delivery program. Not indicative of cash or profit recognition.

3. A funding model structured through a forward sale to a capital partner resulting in staged payments prior to building completion.

4. Build, Own, Operate, Transfer.

Communities projects

Project	Location	Ownership Interest	Completion Date ¹	Residential Backlog Land Units ²	Commercial Backlog sqm '000 ³
Communities					
Yarrabilba	QLD	Staged acquisition	2043	13,980	2,152
Elliot Springs	QLD	Land management	2059	10,675	1,060
Springfield Lakes	QLD	Land management	2026	3,405	47
Shoreline	QLD	Staged acquisition	2034	2,890	95
Calderwood Valley	NSW	Land management	2035	4,195	152
Gilead	NSW	Staged acquisition	2032	1,580	144
Bingara Gorge	NSW	Land management	2026	1,160	79
St Marys - Jordan Springs	NSW	Owned	2021	900	291
The New Rouse Hill	NSW	Land management	2020	400	-
Atherstone	VIC	Land management	2025	3,565	86
Harpley	VIC	Land management	2024	2,800	353
Aurora	VIC	Owned	2025	2,130	90
Blakes Crossing	SA	Owned	2020	240	17
Alkimos	WA	Land management	2025	1,265	28
Alkimos Vista (formerly Alkimos Central)	WA	Land management	2022	585	-
Horizon Uptown	Americas	Owned	2033	1,626	-
Other Communities				1	1
Subtotal				51,397	4,595
Retirement Asia⁴				936	
Total				52,333	4,595

1. The expected financial year in which the last unit will be settled.

2. Estimated backlog (including Retirement units and built form units to be sold with land lots) and includes the total number of units in Group owned, Joint Venture and managed projects. The actual number of units for any particular project can vary as planning approvals are obtained.

3. Net developable land in relation to master-planned urban communities. The actual land area for any particular project can vary as planning approvals are obtained.

4. FY18 operational and financial metrics for the Australian Retirement Living business have been included in the Investments segment following the Retirement Living transaction.

Development deal structuring tailored to local market

	Communities	Urbanisation		
		Apartments	Commercial Forward Sale	Joint Venture Structure
Project examples	- Jordan Springs, Sydney - Yarrabilba, Brisbane	- Darling Square, Sydney - Elephant Park, London	- Daramu House, Barangaroo South, Sydney - International Quarter London (Building 3)	- Paya Lebar Quarter, Singapore - Circular Quay Tower, Sydney
Land funding¹	- Land ownership - Land management - Staged payments	- Land management - Staged payments	- Land management - Staged payments	Land ownership via joint venture (including project financing)
Production funding¹	100% on-balance sheet	Largely 100% on-balance sheet	Capital partner progress or staged payments	Funded via joint venture (including project financing)
P&L returns	- Development profit on sold product at completion up to 30 June 2018² - Construction margin on infrastructure delivery	- Development profit on sold product at practical completion up to 30 June 2018² - Construction margin on practical completion³	- Development profit typically upfront at time of sale - Development management fees, construction margin⁴ and investment management fees⁴ during delivery	- Development profit tied to equity interests - Development management fees, construction margin⁴ and investment management fees⁴ (including performance fees) during delivery
Cash returns (Development only)	On settlement	On settlement	Over life of project during delivery	Linked to cash equity returns or sell down of investment typically post practical completion

1. Typical funding models used across segment examples.

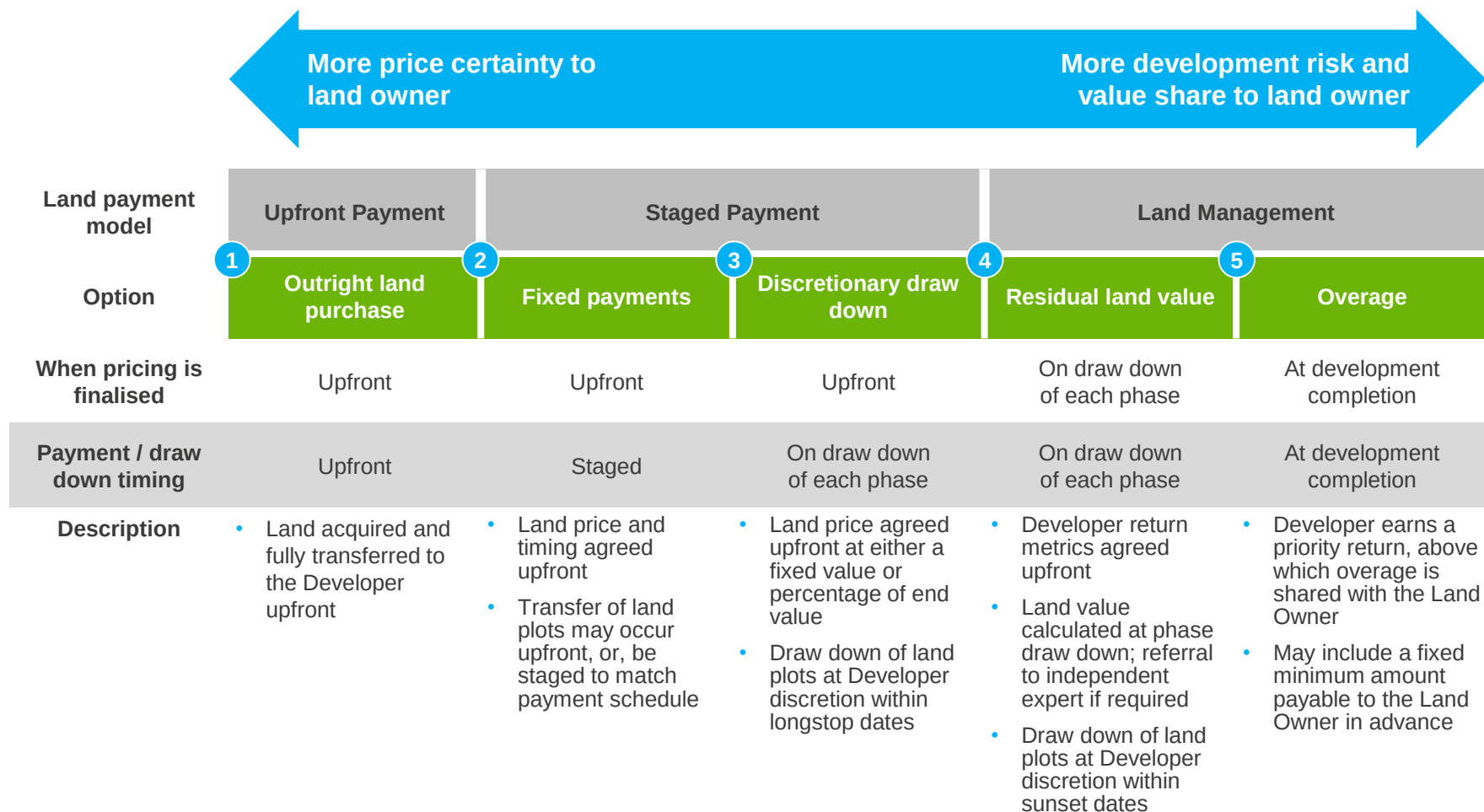
2. From FY19, the recognition point of revenue on residential for sale development properties will change to settlement.

3. Based on apartment projects delivered 100% on-balance sheet.

4. Only where Construction and / or Investments segments are engaged to play a role in the project.

Land payment models¹

Overview of land payment / structuring models and implication for timing and risk share



1. Options are not discrete rather are on a continuum. Combinations of multiple options are therefore possible. Where agreements are in place with local or central government, contributions to social infrastructure, affordable housing or other costs may be provided in addition to or in lieu of direct land value.

New asset classes for Lendlease

	Residential for Rent	Telecommunications Infrastructure
Strategic rationale	- Integrated model - Aligned with targeted gateway city strategy - Housing affordability / supply	- Integrated model - Aligned with identified trends influencing strategy
Market opportunity	- Mature asset class in the United States - Emerging asset class in the United Kingdom - Potential asset class in Australia	- Highly concentrated mature market - Significant capex plans from telecommunications operators to cater for demand growth from 5G rollout
Business strategy	- Leverage urbanisation pipeline - Capital partners introduced in the United Kingdom and the United States - Build operating platform	- Leveraging relationship with SoftBank (over 75,000 telecommunications towers and rooftop antenna sites deployed in Japan) - Build development and asset management capability - Differentiated customer offer - Intention to introduce capital partners over time
Current status	- United Kingdom – Investment partnership with CPPIB¹ with initial target of \$2.7b (£1.5b) 663 units in delivery with total estimated development end value of \$0.8b - United States – Investment partnership with FSS² with \$1.4b³ (US\$1.0b) equity commitment - Seed assets of 736 units acquired by the partnership with a total estimated development end value of \$0.5b	- Existing tower portfolio and development pipeline - Joint venture with SoftBank with committed equity of US\$400m, targeting US\$5b of assets over the medium term - Building relationships with other major telecommunications operators
P&L returns	- Development phase: Development management and development profit (returns consistent with development ROIC target of 9% to 12%) - Investment phase: Asset management and funds management fees, investment income from balance sheet investments and co-investment positions (returns consistent with investments ROIC target of 8% to 11%)	

1. Canada Pension Plan Investment Board.

2. First State Super.

3. Partnership closed post balance date.



Construction Segment

Earnings drivers - Construction

EBITDA margin target 3-4%; Backlog \$21.1b

CONSTRUCTION SEGMENT	Australia			Asia	Europe	Americas
	Building	Engineering	Services	Building	Building	Building
	\$3.7b	\$2.4b	\$0.9b	\$0.5b	\$0.7b	\$4.7b
	FY19 53%; FY20 29%; Post FY20 18%			FY19 42% FY20 57% Post FY20 1%	FY19 56% FY20 35% Post FY20 9%	FY19 59% FY20 27% Post FY20 14%
	\$6.5b	\$4.2b	\$1.7b	\$0.9b	\$1.5b	\$6.3b

Construction FY18

Overview

- Provides project management, design and construction services, predominantly in the infrastructure, defence, mixed use, commercial and residential sectors
- Financial returns are generated via project management and construction management fees, in addition to construction margin

Drivers¹

- Revenue up 2% to \$12.9b
- EBITDA margin 0.6%, down from 2.7%

Australia

- Revenue up 9% to \$7.0b, EBITDA loss of \$23.1m
- FY18 Engineering and Services EBITDA includes the reversal of previously booked margin and recognition of expected losses on underperforming projects
- Services solid underlying performance but impact from adverse dispute outcome on a legacy project

Asia

- Revenue up 7% to \$0.5b, EBITDA margin 2.8%
- Focus remains on internal pipeline

Europe

- EBITDA margin 3.3%, up from 2.8%
- Revenue down 39% to \$0.7b due to revenue mix, higher margin projects and focused bidding approach

Americas

- Revenue up 2% to \$4.7b, margin down 90 bps to 1.4%
- Prior year EBITDA margin was driven by a number of project close outs

Performance

		FY17	FY18
% Operating EBITDA	%	24	6
EBITDA margin	%	2.7	0.6
New Work Secured	\$b	13.2	14.3
Backlog Revenue	\$b	20.6	21.1

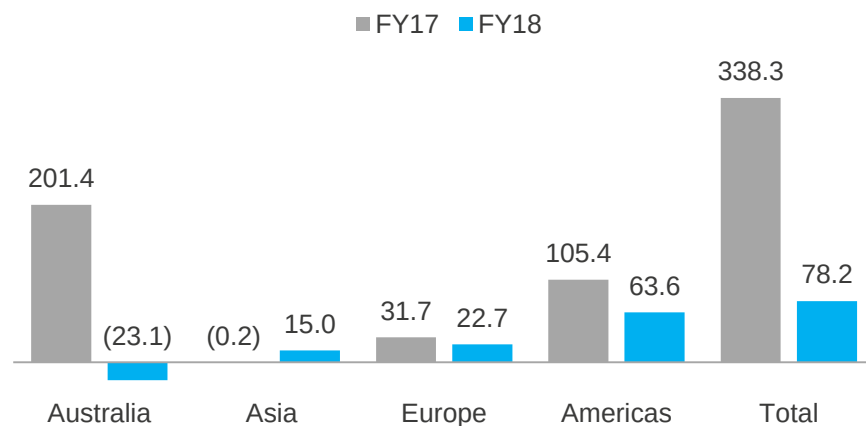
Outlook

- Diversity by region, client and sector
- New work secured of \$14.3b, key highlights include
 - \$3.5b in Australia Engineering
 - \$4.4b in Australia Building
 - \$3.6b in Americas
 - \$1.3b in Europe
- Backlog revenue of \$21.1b, mainly consisting of
 - Australia \$12.4b across Building \$6.5b, Engineering \$4.2b and Services \$1.7b
 - Americas \$6.3b
- Underperforming projects will not contribute to margin for their remaining life and will therefore impact the overall construction margin until they complete
- Preferred bidder status of c.\$12b including WestConnex 3A M4-M5 Link, Martin Place Metro and Circular Quay Tower in Australia

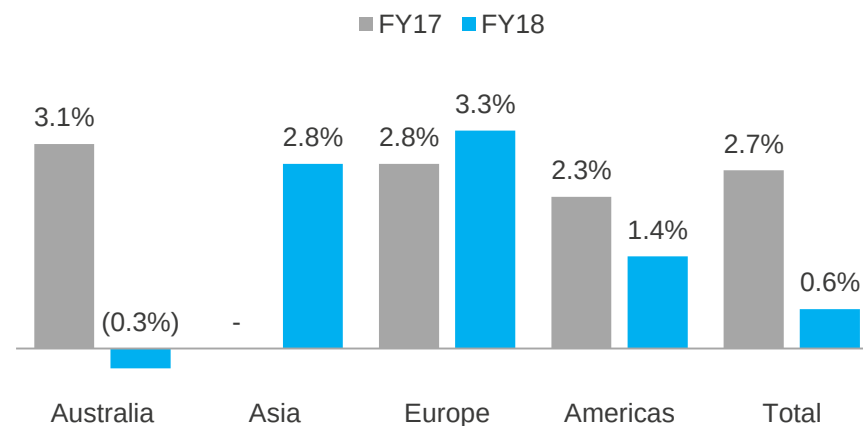
1. Comparative period the year ended 30 June 2017.

Construction earnings

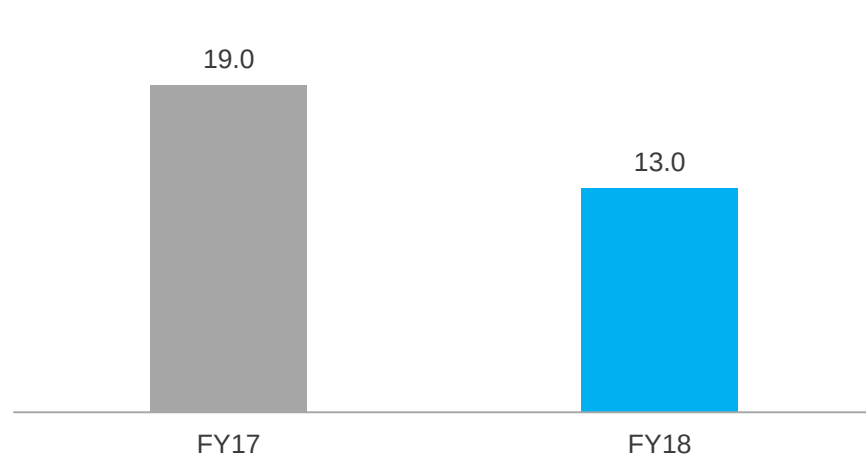
EBITDA (\$m)



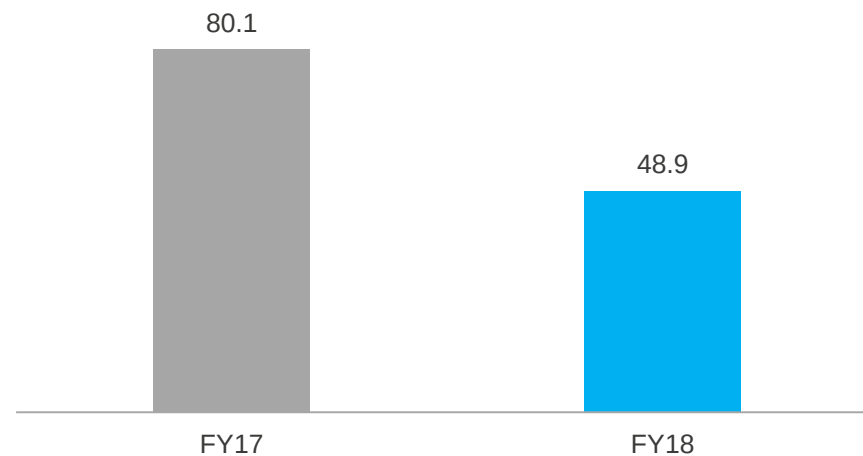
EBITDA margins



EBITDA Europe (£m)

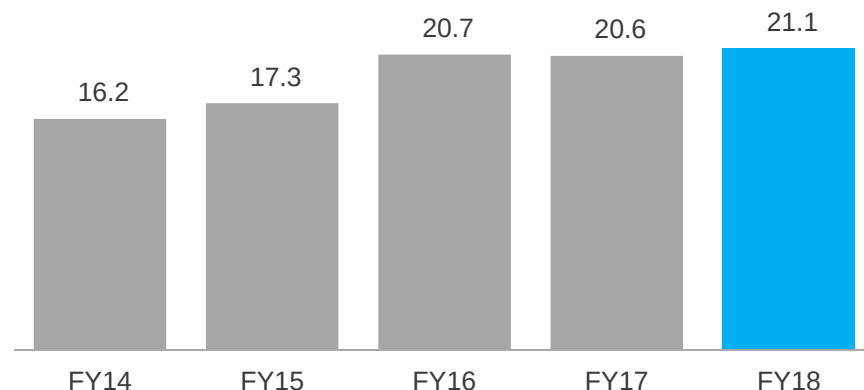


EBITDA Americas (US\$m)



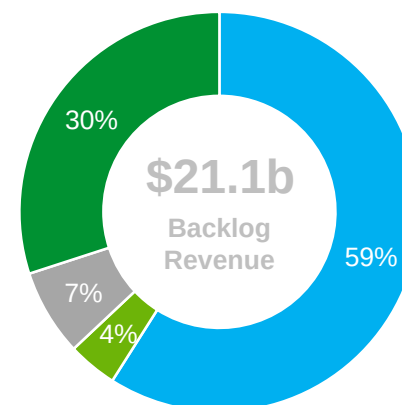
Construction backlog

Backlog (\$b)



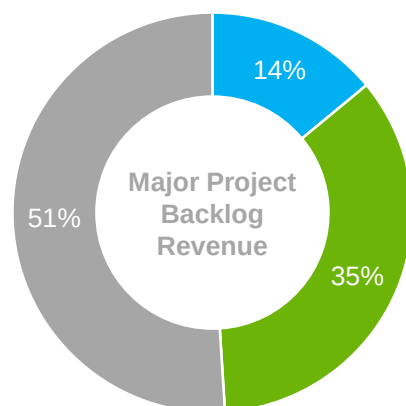
FY18 backlog by region

■ Australia ■ Asia ■ Europe ■ Americas



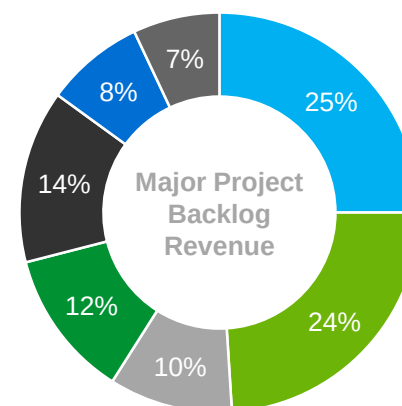
FY18 backlog¹ by client

■ Lendlease ■ Corporate ■ Government



FY18 backlog¹ by sector

■ Transport ■ Residential ■ Hotel/Entertainment
■ Defence ■ Commercial ■ Social Infrastructure
■ Other



1. Includes all Construction projects greater than \$100m, which represents 80% (\$16.8b) of secured backlog.

Construction new work secured / backlog

New work secured revenue

\$b	Australia		Asia		Europe		Americas		Total	
	FY17	FY18	FY17	FY18	FY17	FY18	FY17	FY18	FY17	FY18
New work secured revenue¹										
Building	3.9	4.4	0.7	0.7	0.7	1.3	5.8	3.6	11.1	10.0
Engineering	1.0	3.5	0.1	-					1.1	3.5
Services	1.0	0.8							1.0	0.8
Total new work secured revenue	5.9	8.7	0.8	0.7	0.7	1.3	5.8	3.6	13.2	14.3

Backlog revenue

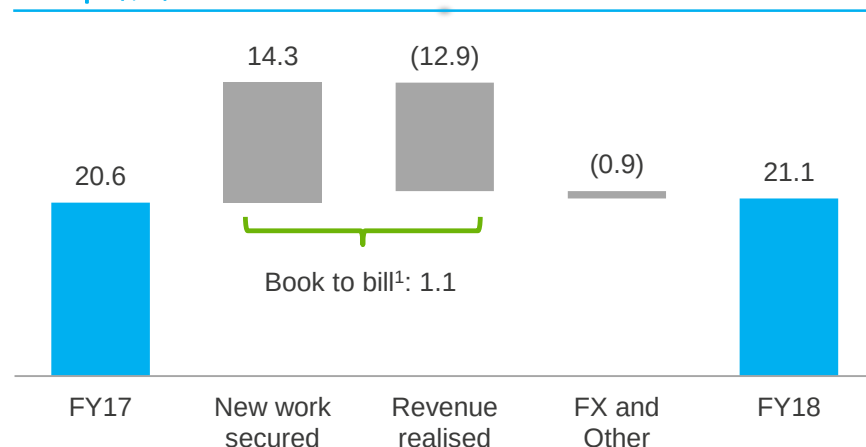
\$b	Australia		Asia		Europe		Americas		Total	
	FY17	FY18	FY17	FY18	FY17	FY18	FY17	FY18	FY17	FY18
Backlog revenue²										
Building	6.3	6.5	0.8	0.9	0.8	1.5	7.8	6.3	15.7	15.2
Engineering	3.1	4.2							3.1	4.2
Services	1.8	1.7							1.8	1.7
Total backlog revenue	11.2	12.4	0.8	0.9	0.8	1.5	7.8	6.3	20.6	21.1
Backlog realisation (%)										
Next 12 months	57	53	69	42	66	56	53	59	56	54
12 - 24 months	28	29	2	57	28	35	31	27	28	30
Beyond 24 months	15	18	29	1	6	9	16	14	16	16
Total backlog realisation	100	100	100	100	100	100	100	100	100	100

1. Total revenue to be earned from projects secured during the full year, rounded to the nearest \$100m.

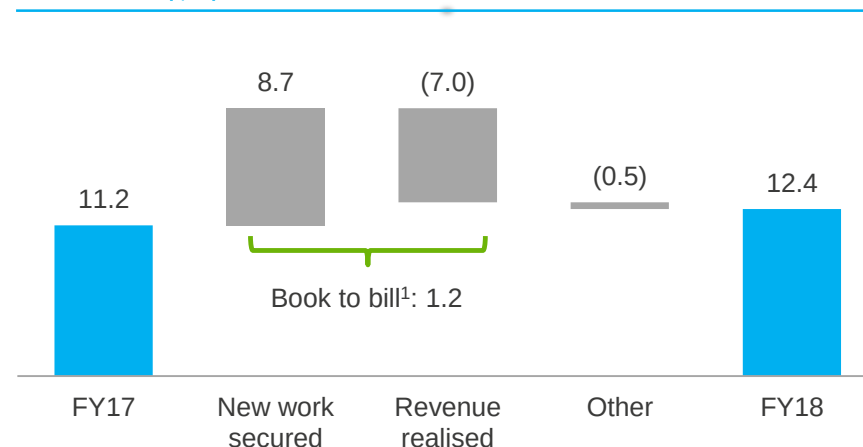
2. Current period backlog revenue is the total revenue expected to be earned from projects in future financial periods, based on the average foreign exchange rate for that period. Although backlog revenue is realised over several periods, the average foreign exchange rate for the current period has been applied to the closing backlog revenue balance in its entirety, as the average rates for later years cannot be predicted.

Construction backlog by region

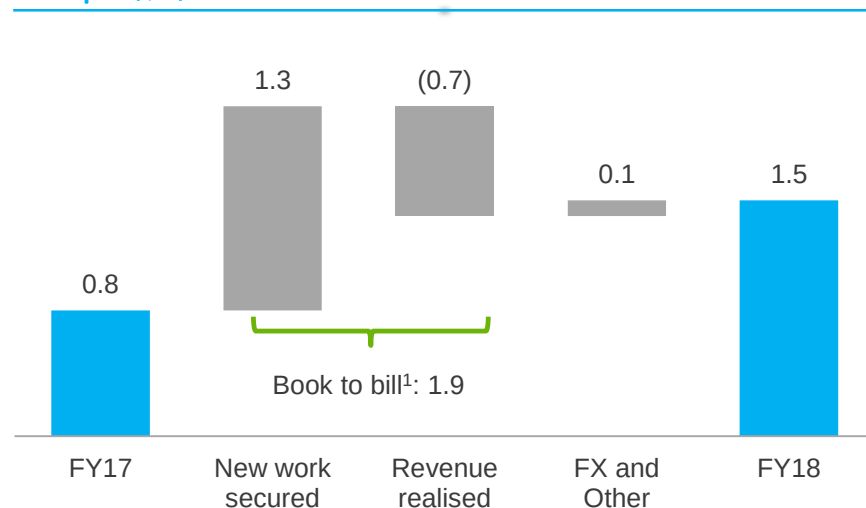
Group (\$b)



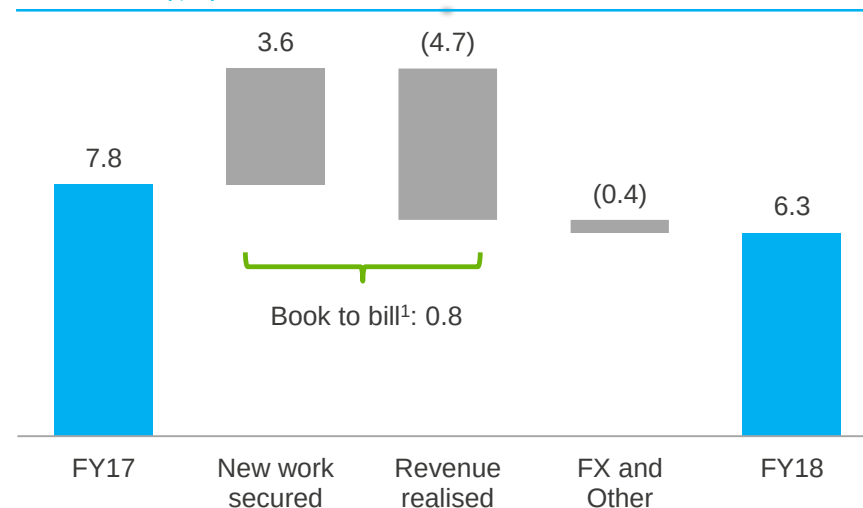
Australia (\$b)



Europe (\$b)



Americas (\$b)



1. Ratio calculated as new work secured over revenue realised to the nearest million.

Australia: Major Projects – Building^{1,2}

Project	Location	Contract Type ³	Contract Value ⁴ (\$m)	Secured Date ⁵	Completion Date ^{5,6}	Sector
Crown Sydney Hotel Resort	NSW	MC	1,060.0	2015	2021	Hotel/Entertainment
New Air Combat Capability - RAAF Williamtown	NSW	MC	847.3	2015	2019	Defence
Osborne Naval Shipbuilding Project (Surface Ships)	SA	MC	448.2	2018	2020	Defence
New Air Combat Capability - RAAF Tindal	NT	MC	429.5	2016	2021	Defence
HMAS Cerberus - Delivery Phase	VIC	MC	426.8	2018	2026	Defence
AIR 7000 Phase 2B	SA	MC	383.3	2016	2020	Defence
ADF Air Traffic Control Complex Infrastructure Project	National	MC	352.3	2016	2020	Defence
Sunshine Plaza Redevelopment	QLD	LS	308.5	2017	2019	Other
Carlton Connect Initiative	VIC	D&C	303.0	2018	2021	Other
Western Sydney Stadium	NSW	LS	285.6	2017	2019	Hotel/Entertainment
60 Martin Place	NSW	LS	278.1	2016	2020	Commercial
Melbourne Quarter - Two Melbourne Quarter	VIC	D&C	276.1	2018	2021	Commercial
Melbourne Quarter - East Tower	VIC	D&C	275.1	2018	2020	Residential
130 Lonsdale Street	VIC	D&C	274.5	2018	2020	Commercial
Darling Square - Darling North, Harbour Place and Trinity House (formerly North East Residential Plot)	NSW	CM	272.9	2016	2019	Residential
Land 121 Stage 2 Unit Sustainment Facilities	National	MC	253.1	2016	2020	Defence
Growler Airbourne Attack Facility Phase 1 & 2 Project	QLD/NT	MC	238.5	2016	2020	Defence
Australian National University Union Court Redevelopment	ACT	D&C	236.8	2018	2019	Social Infrastructure
Victoria Harbour - 839 Collins Street	VIC	LS	235.0	2017	2019	Commercial
Gosford Hospital Redevelopment	NSW	LS	225.9	2016	2020	Social Infrastructure
Rod Laver Arena	VIC	MC	220.1	2016	2020	Hotel/Entertainment
Campbell Barracks Redevelopment Project	WA	LS	216.9	2016	2020	Defence
Joan Kirner (formerly Western) Women's and Children's Hospital	VIC	MC	209.2	2016	2019	Social Infrastructure
Darling Square - Darling Rise, Barker House and Arena (formerly South East Residential Plot)	NSW	CM	194.5	2017	2019	Residential
BaptistCare SAHF	NSW	D&C	183.5	2017	2020	Residential
Melbourne Quarter - One Melbourne Quarter (formerly Commercial One)	VIC	LS	175.0	2017	2019	Commercial
Goulburn Valley Hospital Redevelopment	VIC	MC	149.4	2018	2021	Social Infrastructure
Delamere Air Weapons Range & Growler Mobile Threat Training Emitter Project	NT	MC	149.1	2017	2019	Defence
Victoria Harbour - Collins Wharf 1	VIC	CM	141.1	2017	2019	Residential
South Coast Correctional Centre Nowra	NSW	LS	124.0	2017	2019	Social Infrastructure

1. Disclosure of major projects is subject to client approval. This could impact the projects available for disclosure.
2. Backlog revenue as at 30 June 2018 for the projects listed totals \$4.9b, representing 75% of total Australia Building backlog revenue.
3. Contract types are Managing Contractor (MC), Lump Sum (LS), Design and Construct (D&C) and Construction Management (CM).
4. Includes 100% of joint venture contract value, where applicable.
5. Financial year.
6. Based on expected completion date of underlying buildings, subject to change in delivery program.

Australia: Major Projects – Engineering^{1,2}

Project	Location	Contract Type ³	Contract Value (\$m)	Secured Date ⁴	Completion Date ^{4,5}	Sector
Melbourne Metro Tunnel	VIC	D&C	1,746.7	2018	2024	Transport
NorthConnex M1 / M2 Tunnel	NSW	D&C	1,307.6	2015	2020	Transport
Northern Connector	SA	D&C	885.0	2016	2020	Transport
Gateway Upgrade North	QLD	D&C	689.0	2016	2019	Transport
Caulfield to Dandenong	VIC	ALL	564.0	2016	2020	Transport
Kingsford Smith Drive	QLD	D&C	500.6	2016	2020	Transport
Northern Road 2	NSW	CON	394.6	2017	2020	Transport
CityLink Tulla Widening	VIC	D&C	350.0	2016	2019	Transport
Woolgoolga to Ballina - Section 10 & 11	NSW	CON	273.0	2018	2019	Transport
Ballarat Line Upgrade	VIC	ALL	207.5	2018	2020	Transport
Stage 1 Garden Island Delivery Phase	NSW	MC	200.7	2018	2022	Defence
Northern Road 3	NSW	D&C	199.8	2016	2020	Transport
Gawler Rail Electrification - Stage 1	SA	D&C	181.8	2018	2020	Transport
Southern Program Alliance	VIC	ALL	180.7	2018	2021	Transport
Gateway / Pacific Motorway Merge	QLD	D&C	151.9	2018	2020	Transport

1. Disclosure of major projects is subject to client approval. This could impact the projects available for disclosure.

2. Backlog revenue as at 30 June 2018 for the projects listed totals \$4.1b, representing 98% of the total Australia Engineering backlog revenue.

3. Contract types are Managing Contractor (MC), Design and Construct (D&C), Alliance (ALL) and Construction Only (CON).

4. Financial year.

5. Based on expected completion date of infrastructure, subject to change in delivery program.

Asia: Major Projects – Building^{1,2}

Project	Location	Contract Type ³	Contract Value ⁴ (\$m)	Secured Date ⁵	Completion Date ^{5,6}	Sector
Paya Lebar Quarter	Singapore	GMP	844.8	2016	2020	Commercial and Residential
The Lifestyle Quarter - Retail	Malaysia	MC	518.0	2018	2020	Commercial

Europe: Major Projects – Building^{1,2}

Project	Location	Contract Type ³	Contract Value ⁴ (\$m)	Secured Date ⁵	Completion Date ^{5,6}	Sector
Elephant Park - West Grove	London	D&C	385.3	2016	2019	Residential
North Wales Prison	Wales	D&C	320.3	2015	2019	Social Infrastructure
Elephant Park - East Grove	London	D&C	282.8	2018	2020	Residential
1 Triton Square	London	D&C	258.6	2017	2021	Commercial
Elephant Park - Park Central North	London	D&C	239.4	2018	2021	Residential
International Quarter London - Building 3	London	D&C	186.3	2017	2019	Commercial
245 Hammersmith Road	London	D&C	183.9	2017	2019	Commercial
The Timberyard, Deptford - Cedarwood Square (formerly Plot 2)	London	D&C	117.4	2017	2020	Residential

1. Disclosure of major projects is subject to client approval. This could impact the projects available for disclosure.

2. Backlog revenue as at 30 June 2018 for the projects listed totals \$747m (Asia) and \$1.2b (Europe), representing 83% (Asia) and 80% (Europe) of total backlog revenue for these regions.

3. Contract types are Managing Contractor (MC), Guaranteed Maximum Price (GMP) and Design and Construct (D&C).

4. Includes 100% of joint venture contract value, where applicable.

5. Financial year.

6. Based on expected completion date of underlying buildings, subject to change in delivery program.

Americas: Major Projects – Building^{1,2}

Project	Location	Contract Type ³	Contract Value ⁴ (\$m)	Secured Date ⁵	Completion Date ^{5,6}	Sector
Jacob K. Javits Convention Center	New York	LS	820.1	2017	2021	Hotel/Entertainment
520 Park Avenue	New York	GMP	416.4	2014	2019	Residential
New York Methodist Hospital	New York	CM	408.3	2016	2019	Social Infrastructure
277 Fifth Avenue	New York	CM	282.6	2017	2019	Residential
Avalon - 1865 Broadway	New York	CM	239.1	2016	2019	Residential
Clippership Wharf	Boston	GMP	236.5	2016	2020	Residential
Half and N Street	Washington, D.C.	GMP	152.4	2017	2020	Residential

1. Disclosure of major projects is subject to client approval. This could impact the projects available for disclosure.
2. Backlog revenue as at 30 June 2018 for the projects listed totals \$1.3b, representing 21% of total Americas backlog revenue.
3. Contract types are Guaranteed Maximum Price (GMP), Lump Sum (LS) and Construction Management (CM).
4. Includes 100% of joint venture contract value, where applicable.
5. Financial year.
6. Based on expected completion date of underlying buildings, subject to change in delivery program.



Earnings drivers - Investments

ROIC target 8-11%¹; Invested capital \$3.3b

Ownership Earnings <i>Capital intensive activities</i>					Operating Earnings <i>Capital light activities</i>			
Invested capital	Co-investment positions in managed funds	Retirement Living	US Military Housing	US Telco Infrastructure	FUM / Assets	Funds Management Platform	Retail Asset Management	Military Housing
	\$1.7b	\$1.3b	\$195.5m	\$118.5m		\$30.1b FUM	\$12.7b AUM	52,595 units
Returns and Metrics	Distributions and capital growth	Equity investment returns	Equity investment returns	Income and capital growth	Returns and Metrics	Funds management fees	Property and development management fees	Asset, property and development management fees
						% of FUM	% of value driver	% of SPV Revenue
Value drivers	High quality assets, diversified across sectors and geography	Occupancy rate, turnover rate, growth rate, discount rate and opex	Occupancy rate, growth rate, discount rate and opex	Number of operators per tower, lease term, growth rate and discount rate	Value drivers	FUM growth and opex	Asset performance, leasing and development activity, AUM growth and opex	Rent growth, development activity and opex

1. Through-cycle target based on rolling three to five year timeline.

Investments FY18

Overview

- Owns and/or manages investments including a leading wholesale investment management platform and also includes the Group's ownership interests in property and infrastructure co-investments, Retirement Living and US Military Housing
- Financial returns include fund, asset and property management fees, yields and capital growth on investments, and returns from the Group's Retirement investment and US Military Housing operations

Drivers¹

- Ownership earnings increased by 41% to \$536m
 - Retirement Living
 - Sell down of 25% interest in Retirement Living
 - Uplift in the carrying value of the retained 75% investment
 - Softer trading conditions across the industry
 - Co-investments
 - Higher income driven by strong leasing performance
 - Revaluations – approximately half of impact from income growth
 - Equity returns on US Military Housing including uplift in valuation of the portfolio
 - Telecommunications infrastructure investment returns
- Operating earnings increased by 15% to \$133m
 - FUM of \$30.1b, up 15%
 - Retail AUM of \$12.7b, up 4%
 - Ongoing asset and property management fees from US Military Housing operations

Performance

		FY17	FY18
% Operating EBITDA	%	36	47
ROIC	%	11.7	15.5
Invested capital	\$b	3.3	3.3
Co-investment revaluations	\$m	66.6	181.5
Co-investment revaluations / Operating EBITDA	%	4.8	12.8

Outlook

- Well positioned to deliver future recurring earnings
- Ownership earnings
 - \$1.7b co-invested in funds, capital partner alignment
 - \$1.3b² of capital in Retirement Living investment
 - Investment in US Military Housing and US telecommunications infrastructure
- Operating earnings
 - FUM of \$30.1b, c.150 institutional investors
 - c.\$4b³ of additional secured future FUM across the Group's development projects in delivery
 - Opportunities from development pipeline yet to enter delivery
 - New asset classes for Lendlease platform:
 - Telecommunications infrastructure
 - Residential for rent
 - \$12.7b of retail assets under management
 - 52,595 military housing units under management

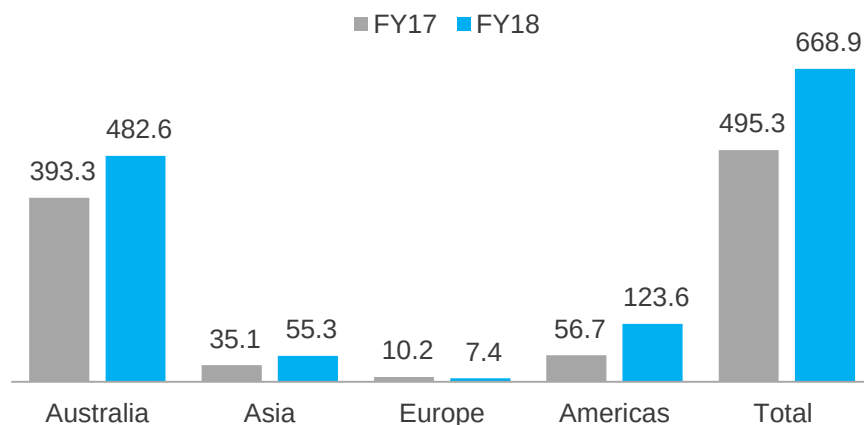
1. Comparative period the year ended 30 June 2017.

2. Equity accounted investment in Retirement Living.

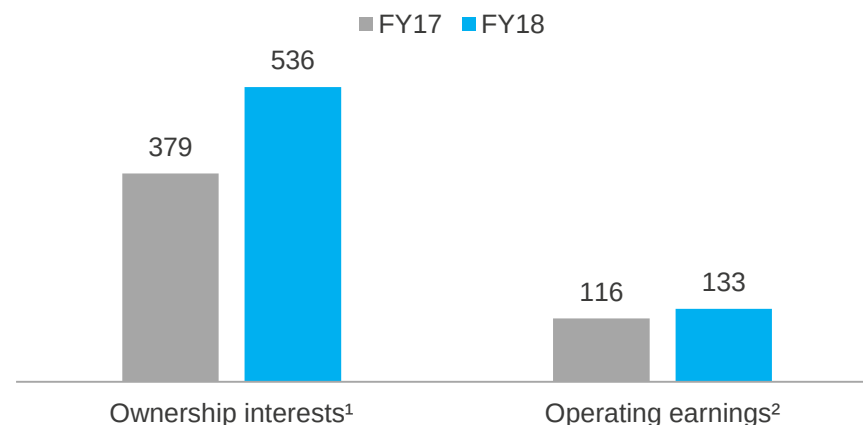
3. Represents secured future FUM from funds or mandates with development projects in delivery.

Investments earnings / ownership

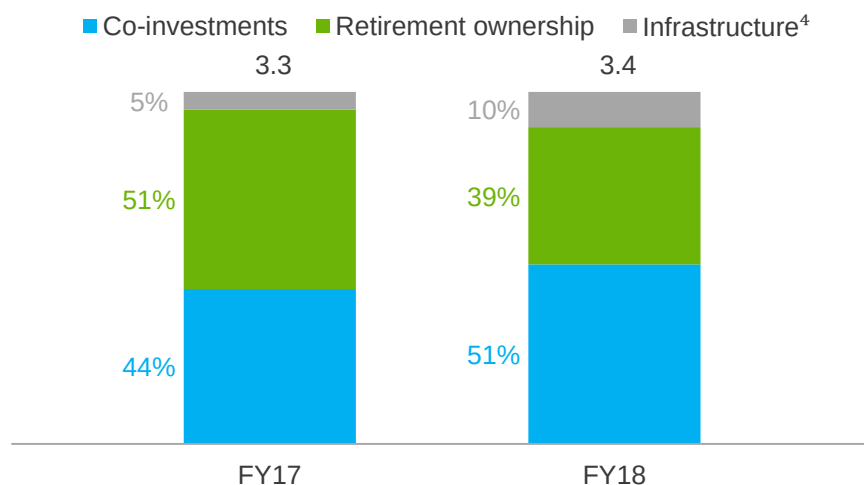
EBITDA by region (\$m)



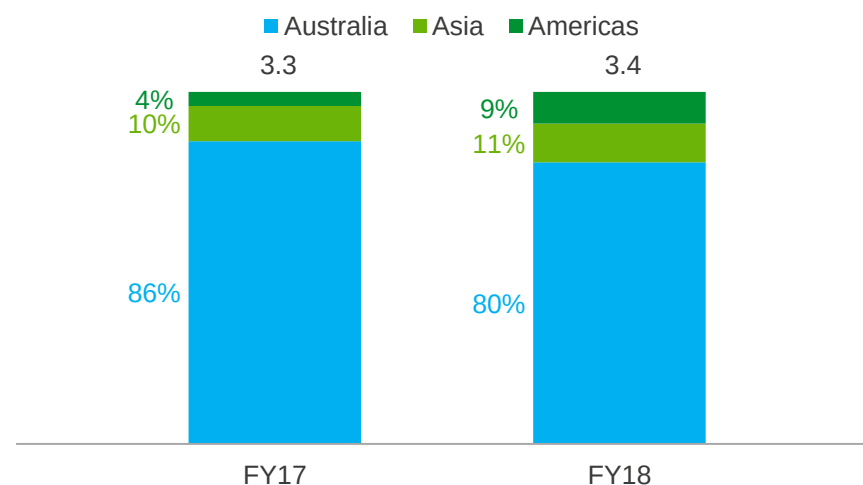
Investments EBITDA by activity (\$m)



Investments³ by product (\$b)



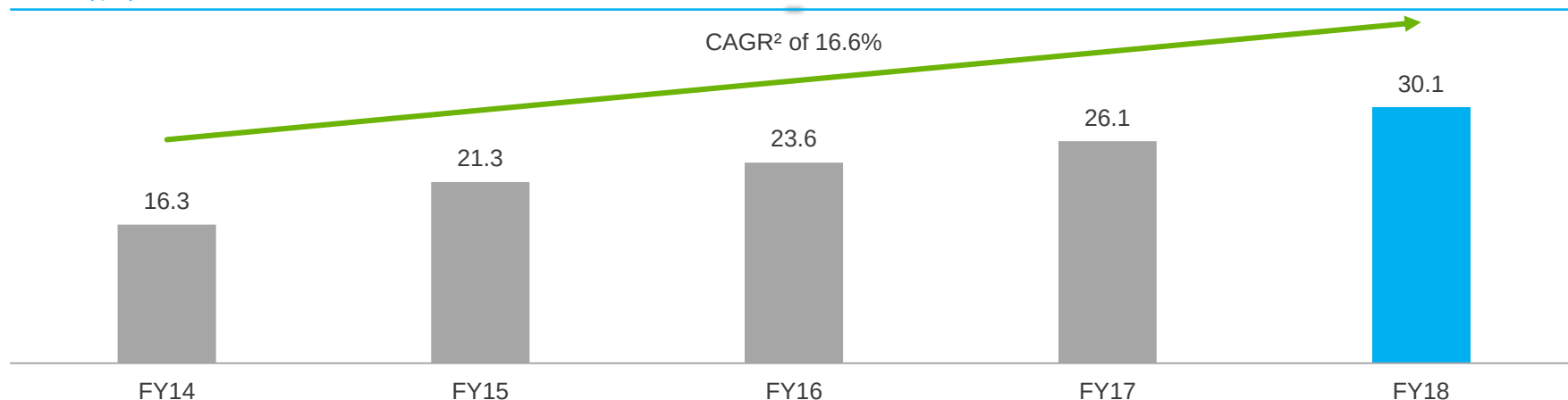
Investments³ by region (\$b)



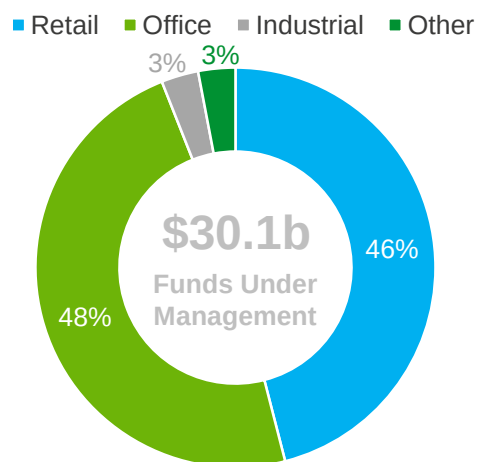
1. Returns derived from co-investments, the Retirement Living business, US Military Housing and telecommunications infrastructure investment.
2. Earnings primarily derived from the investment management platform and the management of US Military Housing operations.
3. The Group's assessment of market value of ownership interests. Total invested capital in the segment of \$3.3b in FY18.
4. Includes the Group's investments in US Military Housing and infrastructure.

Funds Under Management (FUM)

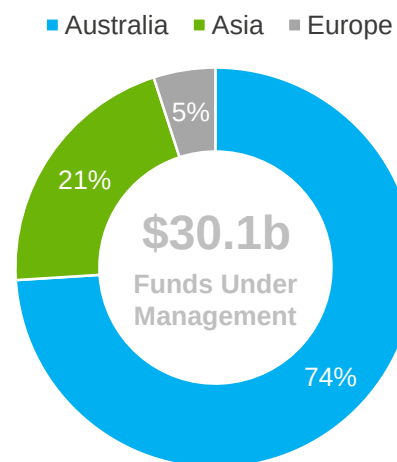
FUM¹ (\$b)



FY18 FUM¹ by asset class



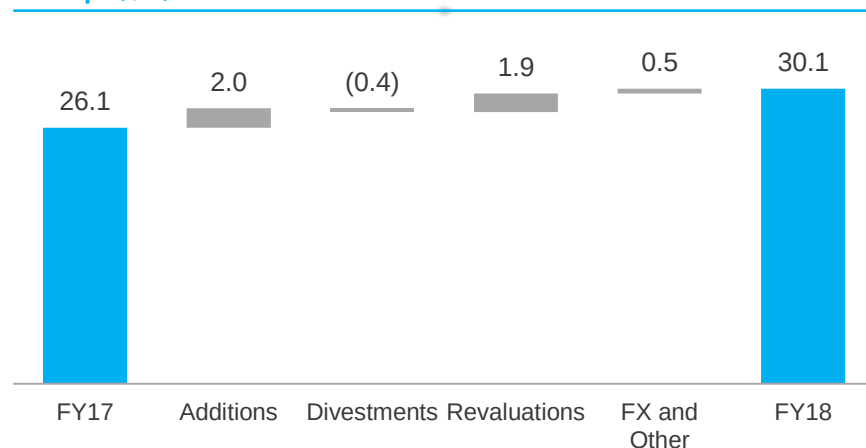
FY18 FUM¹ by region



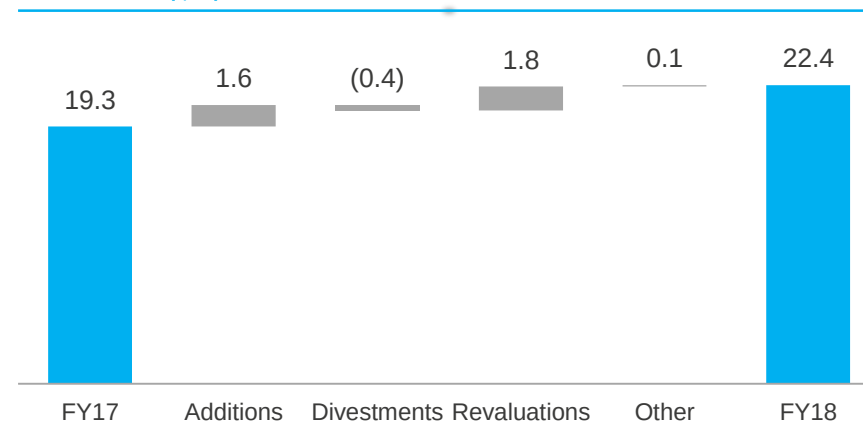
1. The Group's assessment of market value.
2. Compound Annual Growth Rate.

FUM¹ by region

Group (\$b)



Australia (\$b)



Asia (\$b)



Europe (\$b)



1. The Group's assessment of the market value.

FUM¹ by region

Australia FUM	Fund Type	Asset Class	FY17 (\$b)	FY18 (\$b)
Australian Prime Property Fund Retail	Core	Retail	5.2	5.4
Australian Prime Property Fund Commercial	Core	Office	3.8	4.6
Lendlease International Towers Sydney Trust	Core	Office	3.5	4.1
Managed Investment Mandates	Core	Various	2.7	3.6
Lendlease One International Towers Sydney Trust	Core	Office	2.0	2.5
Australian Prime Property Fund Industrial	Core	Industrial	0.8	0.9
Lendlease Sub Regional Retail Fund	Core	Retail	0.6	0.6
Lendlease Public Infrastructure Investment Company	Core	Social Infrastructure	0.4	0.4
Lendlease Real Estate Partners New Zealand	Core	Retail	0.3	0.3
Total Australia			19.3	22.4

Asia FUM	Fund Type	Asset Class	FY17 (\$b)	FY18 (\$b)
Lendlease Asian Retail Investment Fund	Core	Retail	2.3	2.5
Managed Investment Mandate	Value Add	Retail and Commercial	1.4	1.9
Parkway Parade Partnership Limited	Core Plus	Retail	1.2	1.4
Lendlease Jem Partners Fund Limited	Core	Retail	0.5	0.5
Total Asia			5.4	6.3

Europe FUM	Fund Type	Asset Class	FY17 (\$b)	FY18 (\$b)
Lendlease Retail LP	Core	Retail	1.4	1.3
Lendlease Residential Investment Partnership	Core	Other	-	0.1
Total Europe			1.4	1.4

1. The Group's assessment of the market value.

Major fund summary¹

FY18 funds management platform

		APPFR ²	APPFC ³	APPFI ⁴	LLITST ⁵	LLOITST ⁶	ARIF ⁷ 1 (Somerset)	ARIF ⁷ 3 (Jem)	PPPL ⁸	LLRP ⁹
Total assets	\$b	5.4	4.6	0.9	4.1	2.5	0.8	1.6	1.4	1.3
Gearing	%	12.2	9.3	11.4	14.5	19.3	60.8	43.6	35.8	2.5
Co-investment	%	1.7	7.5	10.6	15.0	12.5	14.3	20.1	6.1	-
Co-investment	\$m	76.4	292.0	74.6	515.1	246.0	38.7	172.8	39.8	-
Region		Aus	Aus	Aus	Aus	Aus	Asia	Asia	Asia	Eur
Asset class		Retail	Office	Industrial	Office	Office	Retail	Retail	Retail	Retail
Number of assets	no.	11	22	30	4	1	1	1	1	2
Occupancy	%	97.8	90.4	99.3	86.7	97.2	97.1	99.7	100.0	94.8
Weighted average cap rate	%	4.9	5.1	6.8	4.8	4.8	4.5	4.5	5.0	4.8

1. Does not comprise Lendlease's complete Funds Management Platform.

2. Australian Prime Property Fund Retail.

3. Australian Prime Property Fund Commercial.

4. Australian Prime Property Fund Industrial.

5. Lendlease International Towers Sydney Trust (Barangaroo South T2 and T3), International House and Towns Place Car Park.

6. Lendlease One International Towers Sydney Trust (Barangaroo South T1).

7. Lendlease Asian Retail Investment Fund.

8. Parkway Parade Partnership Limited.

9. Lendlease Retail LP.

Investments¹

Australia Co-investments	FY18 Lendlease Interest (%)	FY17 (\$m)	FY18 (\$m)
Lendlease International Towers Sydney Trust	15.0	411.5	515.1
Australian Prime Property Fund Commercial	7.5	211.6	292.0
Lendlease One International Towers Sydney Trust	12.5	202.7	246.0
Craigieburn Central	25.0	79.0	80.7
Australian Prime Property Fund Retail	1.7	73.2	76.4
Australian Prime Property Fund Industrial	10.6	71.0	74.6
Lendlease Public Infrastructure Investment Company	10.0	40.7	40.7
Lendlease Sub Regional Retail Fund	9.9	39.3	38.6
Lendlease Real Estate Partners New Zealand	5.3	9.5	9.9
Lendlease Communities Fund 1	20.8	1.2	1.1
Total Australia		1,139.7	1,375.1

Asia Co-investments	FY18 Lendlease Interest (%)	FY17 (\$m)	FY18 (\$m)
Lendlease Asian Retail Investment Fund (ARIF)			
ARIF 1 (313@somerset)	14.3	24.9	38.7
ARIF 2 (Setia City Mall)	36.8	23.4	27.1
ARIF 3 (Jem)	20.1	151.8	172.8
313@somerset	25.0	80.1	89.1
Parkway Parade Partnership Limited	6.1	37.2	39.8
Total Asia		317.4	367.5

Americas		FY17	FY18
US Military Housing, invested equity	\$m	101.9	195.5
Telecommunications infrastructure, invested equity	\$m	43.7	118.5
Telecommunications towers	no.	135	221

1. The Group's assessment of the market value of ownership interests.

Assets Under Management¹ by region

	Asset Class	GLA ² sqm '000	FY17 (\$b)	FY18 (\$b)
Australia	Retail	744.4	7.2	7.3
Asia	Retail	285.9	4.2	4.6
Europe	Retail	141.7	0.8	0.8
Total		1,172.0	12.2	12.7

	Housing Units	Lodging Units	Total Units	Avg Portfolio Life (years)
Total Americas	40,095	12,500	52,595	38

1. The Group's assessment of the market value.
 2. Gross Lettable Area.

Retirement summary

Value drivers¹

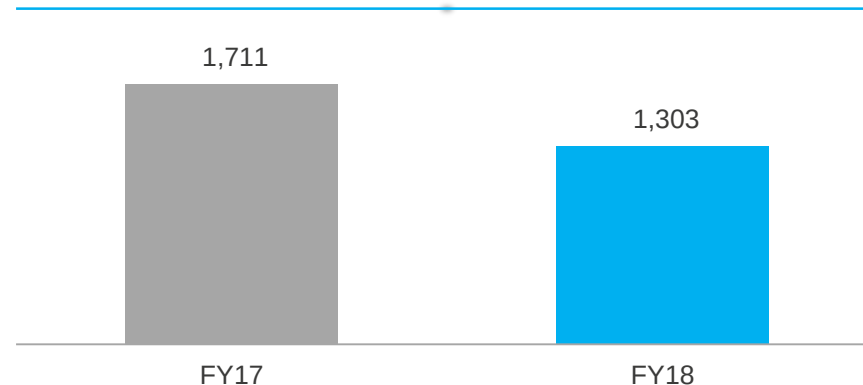
		FY17	FY18
Long term growth rate	%	3.6	3.5
Discount rate	%	13.0	12.3
Average length of stay - ILUs	years	11	11
Number of established units	no.	12,626	12,717
Units resold	no.	939	694
Development			
Pipeline ^{2,3}	no.	4,820	4,422
Pipeline ²	\$b	1.8	1.6
Sales/Completions ²	no.	176	144
Sales/Completions ²	\$m	81.3	72.3

Retirement Living transaction

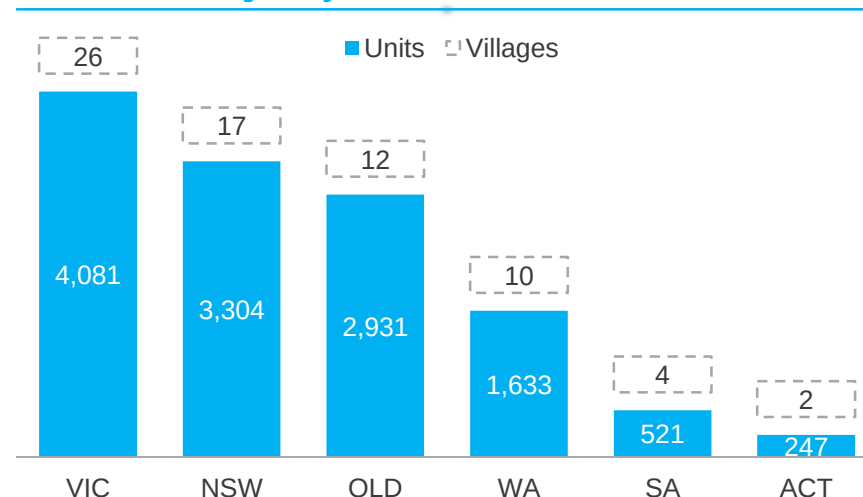
	\$m
Net gain / (loss) on sale ⁴	(20.9)
Revaluation of retained investment (75%)	101.8
Transaction costs (within share of EAI profit)	(16.6)
EBITDA	64.3
Income tax expense ⁵	(79.8)
Total loss on sale	(15.5)

- 100% of Retirement Living business for FY18. In December 2017, Lendlease sold down its 100% interest to 75%.
- FY17 figures have been included for comparative purposes; pipeline, sales and completions for FY17 were reported in the Development segment.
- Includes aged care beds.
- Reflects c.7% premium to book value less transaction costs.
- Predominantly relates to the write off of deferred tax balances following the business moving out of the Lendlease tax consolidated group.

Investments (\$m)



Units and villages by state¹



Important notice

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A reference to FY18 refers to the full year period ended 30 June 2018 unless otherwise stated. All figures are in AUD unless otherwise stated.