

Half Year Results February 2011





Presentation Outline

1. Results Highlights
2. Operational Update
3. Financials
4. Outlook



Strong result sets up full year

	Dec 2010 A\$m	Dec 2009 A\$m	% change
Revenue	4,366.7	5,593.3	(22)
EBITDA from operating businesses	350.3	313.7	12
EBITDA margin (%)	8.0	5.6	43
Operating profit after tax	220.2	187.9	17
Statutory profit after tax	226.5	204.9	11
Earnings per security ¹ (cents)	38.9	40.1	(3)
Distribution per security ² (cents)	20.0	20.0	-
Return on equity ³ (%)	13.4	16.4	(18)

1. Based on operating profit after tax and weighted average number of securities on issue including treasury securities. December 2009 has been adjusted by a factor of 1.02 in respect of new securities issued during March and April 2010 via a 5 for 22 single book build accelerated renounceable offer at A\$7.70 per new security.

2. The interim distribution is franked to 50% and represents a payout ratio of 51% of operating profit after tax. The prior period interim distribution was 100% franked and represented a payout ratio of 49% of operating profit after tax.

3. Return on equity is calculated as the half year statutory profit after tax divided by the weighted average equity for period multiplied by two. This was done to approximate an annual return on equity.

Good performance and progress

- 1st half operating profit after tax of A\$220.2m, up 17.2%
- Continued to progress pipeline of projects and secure market leading positions
 - Australia – Barangaroo South, RNA, Sekisui House Australia, Toolern
 - Asia – Jurong Road
 - Europe – launched Infrastructure Fund
 - Americas – secured Phase B of Privatised Army Lodgings
- Directionally positive offshore
- Agreement to acquire 100% of Valemus
- Retained financial flexibility to fund development pipeline



Barangaroo South, Sydney

Positive performance across portfolio

	Dec 2010 A\$m	June 2010 A\$m
Funds under management (A\$b)	10.7	10.1
Investments (A\$b)	1.8	2.0
Residential units - zoned	63,068	54,615
Residential units - unzoned	26,148	33,295
Construction backlog revenue (A\$m) ¹	6,556.1	7,152.7
Number of PPP projects	41	40

1. This does not include backlog from the acquisition of Valemus.

Operational Update

Continued focus on key property growth trends

Urban Regeneration

- Leading urban renewal projects in Australia, UK and Singapore
- Focus on delivery and execution

Ageing Population

- No. 1 senior living platform in Australia
- 70 retirement villages and 32 aged care facilities

Infrastructure

- Number of new PPP projects impacted by slowdown in government programs
- Valemus acquisition gives the Group significant capability in the Australian engineering and infrastructure market

Sustainability

- Continued focus on commercialising sustainability

Fund Growth Platform

- Continue to service our wholesale investor base
- Targeted opportunities which meet investor appetite

Acquisition of Valemus in line with strategy

Strategic rationale

- In line with Group strategy to capitalise on key growth trend of Infrastructure
- Ability to self perform internal Lend Lease infrastructure work

Performance

- Order book in excess of A\$5.3b as at December 2010
- No material change to acquisition assumptions
- Significant visibility on future pipeline (in excess A\$1.85b of work pending)

Strong earnings accretion

- The transaction is expected to provide ~15% EPS accretion on a full year basis in the financial year ending 30 June 2012
- Minimal contribution to FY2011 earnings

Balance sheet

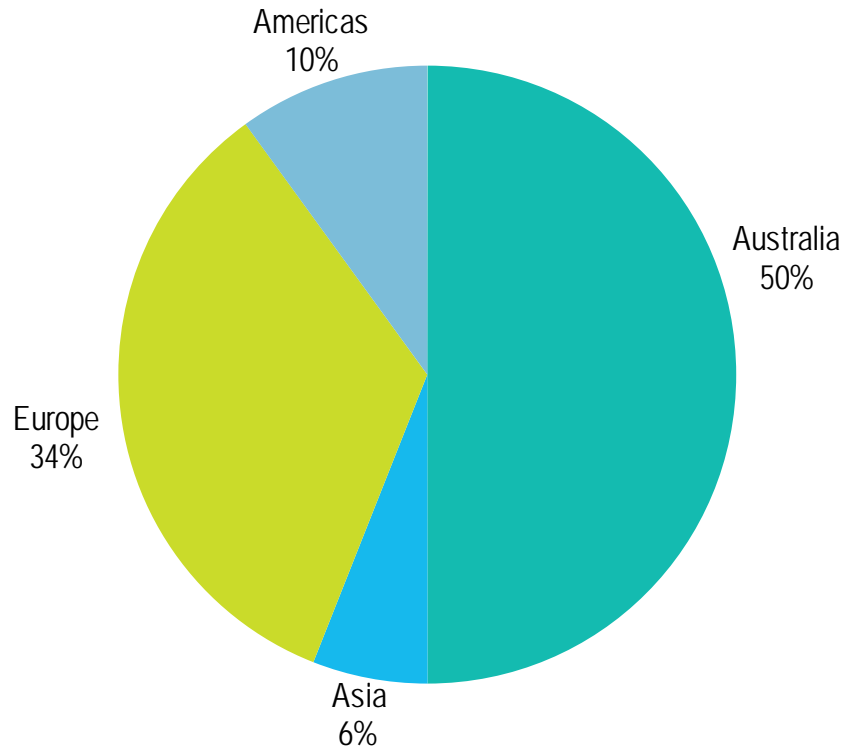
- Lend Lease retains significant financial flexibility to fund its development pipeline
- Rating agencies have confirmed Lend Lease's investment grade credit rating with a stable outlook

Timing

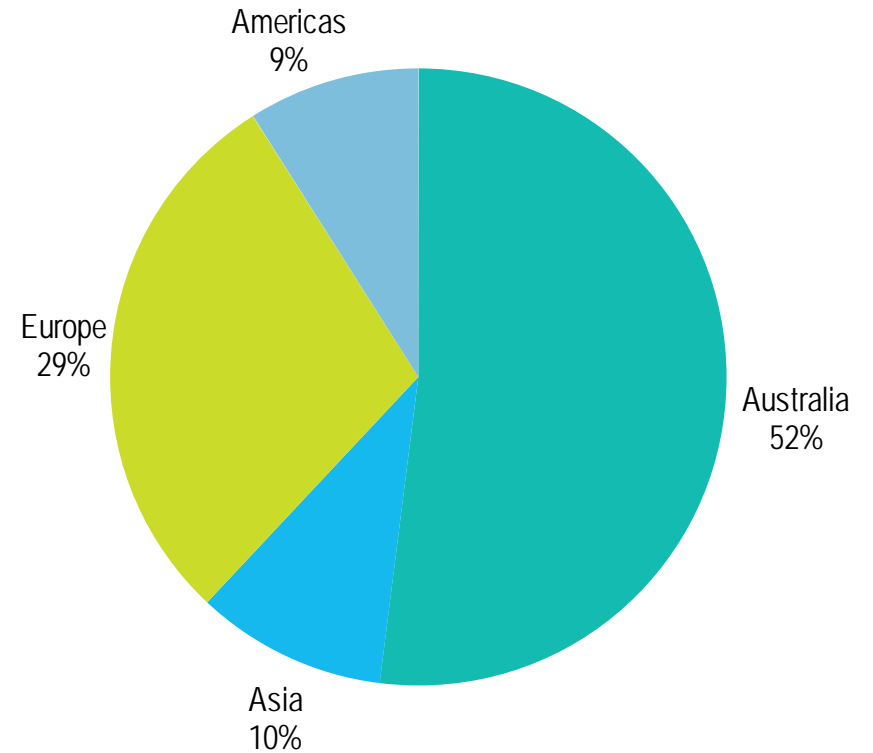
- Expected to complete in 1st quarter 2011
- Completion subject to certain regulatory and other conditions

Geographical earnings split

December 2010 ¹



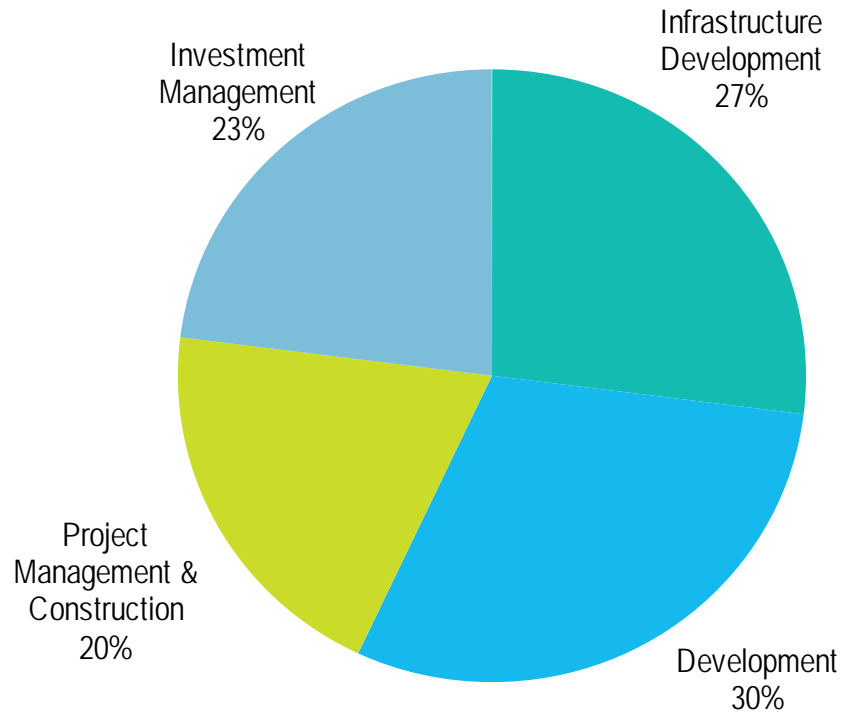
December 2009 ¹



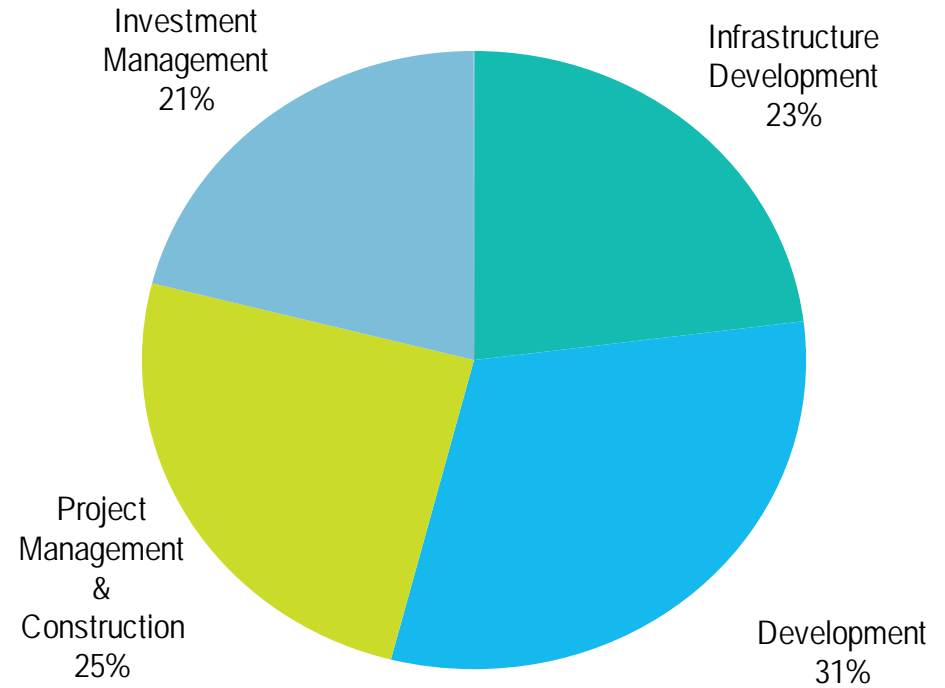
1. Based on Operating Profit after Tax from operating businesses.

Sector earnings split

December 2010¹



December 2009¹



1. Based on Operating Profit after Tax from operating businesses.

Australia business update

Development

- Residential settlement volumes steady
- Pre-sales up 35%
- Average residential land sales price increased by 18%
- Senior living – reflects 100% ownership
- Focus on rezoning and replenishing backlog
- Continued capital recycling

Project Management & Construction

- Lower profit compared to prior period
- A number of major projects were < 50% complete
- Backlog revenue of A\$3.2b

Investment Management

- Profit increased due to income from ING retail assets
- FUM increased by 7% to A\$7.6b

Infrastructure Development

- Small loss due to costs of bidding on projects, including New Royal Adelaide Hospital
- 1 of 3 shortlisted on Victoria Comprehensive Cancer Centre in Melbourne

Operating Profit after Tax	Dec 2010 A\$m	Dec 2009 A\$m
Development	79.8	44.0
PM & C	43.5	61.2
Investment Management	17.2	11.9
Infrastructure Development	(3.8)	(0.9)
Total	136.7	116.2



Gold Coast University Hospital, Queensland

Australia – major projects progressed

Barangaroo South

- Concept Plan amendment approved
- Approval received to commence basement works
- Planning application lodged for first commercial building

RNA

- Development Agreement now unconditional
- Progressing approvals for first residential development

Sekisui House

- Sale of 50% interest in Serrata development in Melbourne
- Sale of land at Hyatt Coolum and a 50% interest in the Hyatt Coolum Resort
- Pursuing development opportunities

Residential land projects

- Focus on rezoning and replenishing backlog
- New projects secured - Toolern, Alkimos
- Zoning progressed – Calderwood, Yarrabilba



Barangaroo South, Sydney



RNA Showgrounds, Brisbane

Development

- Finalised purchase of Jurong Gateway mixed-use site with Asian Retail Investment Fund

Project Management & Construction

- New work secured up 163% - including major project in Taiwan
- Profitability ratio maintained at 56%

Investment Management

- FUM increased to A\$2b due to Asian Retail Fund being fully invested
- Lower profit as previous period included final distribution from APIC I

Operating Profit after Tax	Dec 2010 A\$m	Dec 2009 A\$m
Development	(0.2)	0.5
PM & C	10.7	12.5
Investment Management	5.3	8.5
Total	15.8	21.5



Nokia Beijing Campus, China

Europe business update

Development

- Approvals for major projects on track
- Pier Walk building sold

Project Management & Construction

- New work secured up 42% - includes Regents Place and Scottish National Arena projects
- Market conditions remain tough but activity levels showing signs of improvement

Investment Management

- Launch of £220 million Infrastructure Fund
- Extension of Retail Partnership for 7 years
- Sale of Group's interest in Overgate shopping centre

Infrastructure Development

- Sale of PPP assets to Infrastructure Fund

Operating Profit after Tax	Dec 2010 A\$m	Dec 2009 A\$m
Development	4.8	24.5
PM & C	4.4	2.1
Investment Management	27.1	14.2
Infrastructure Development	58.3	23.2
Total	94.6	64.0



Greenwich Peninsula, UK

Americas business update

Development

- Expected to complete acquisition of US healthcare developer for US\$10 million

Project Management & Construction

- Settlement reached with NY City DOI – restores standing to win NYC agency work
- WTC – liabilities, if any, are now limited to available insurance
- Business made small loss after tax
- Increase in activity levels – healthcare opportunities
- Backlog Revenue up 24%

Investment Management

- Valuation of King of Prussia stable

Infrastructure Development

- Secured US\$350m second phase (Group B) of Privatization of Army Lodgings program
- Reached financial close on US\$377m Wainwright Greely project in Alaska
- Includes costs incurred in bidding for opportunities in Canada

Operating Profit after Tax	Dec 2010 A\$m	Dec 2009 A\$m
Development	(0.5)	0.1
PM & C	(3.2)	(19.9)
Investment Management	12.4	11.6
Infrastructure Development	20.2	27.2
Total	28.9	19.0



Privatization of Army Lodgings program

Financials

Profit after tax up 17%

	Dec 2010 A\$m	Dec 2009 A\$m
Total Operating Businesses	276.0	220.7
Group Services	(36.0)	(24.6)
Group Treasury	(18.3)	(5.9)
Group Amortisation	(1.5)	(2.3)
Operating Profit after Tax	220.2	187.9
Property Investment Revaluations	6.3	17.0
Statutory Profit after Tax	226.5	204.9
Effective Tax Rate on Operating Profit	18%	29%
Impact of Currency on Operating Profit after Tax	(10.9)	

Ample capacity to fund pipeline

	Dec 2010	June 2010	Dec 2009
Credit Rating - S&P/Moody's	BBB- / Baa3 (Stable)	BBB- / Baa3 (Stable)	BBB- / Baa3 (Stable)
Net (cash) / debt ¹ (A\$m)	29.5	(19.7)	749.9
Gearing ²	0.4%	Net cash position	9.2%
Cash (A\$m)	1,439.4	1,635.9	967.5
Undrawn facilities (A\$m)	571.5	688.6	536.8
Weighted average debt maturity ³	4.8 years	5.5 years	6 years
Weighted average cost of debt	6.4%	6.3%	5.2%
Fixed / floating debt	63% / 37%	65% / 35%	60% / 40%
Interest coverage ⁴	6.5x	6.7x	10.2x

1. Net (cash) / debt is borrowings including certain other financial liabilities, less cash

2. Gearing is calculated as net debt, divided by total tangible assets, less cash

3. Weighted average maturity relates to drawn debt

4. Calculated as operating EBITDA plus interest income divided by interest finance costs, including capitalised finance costs



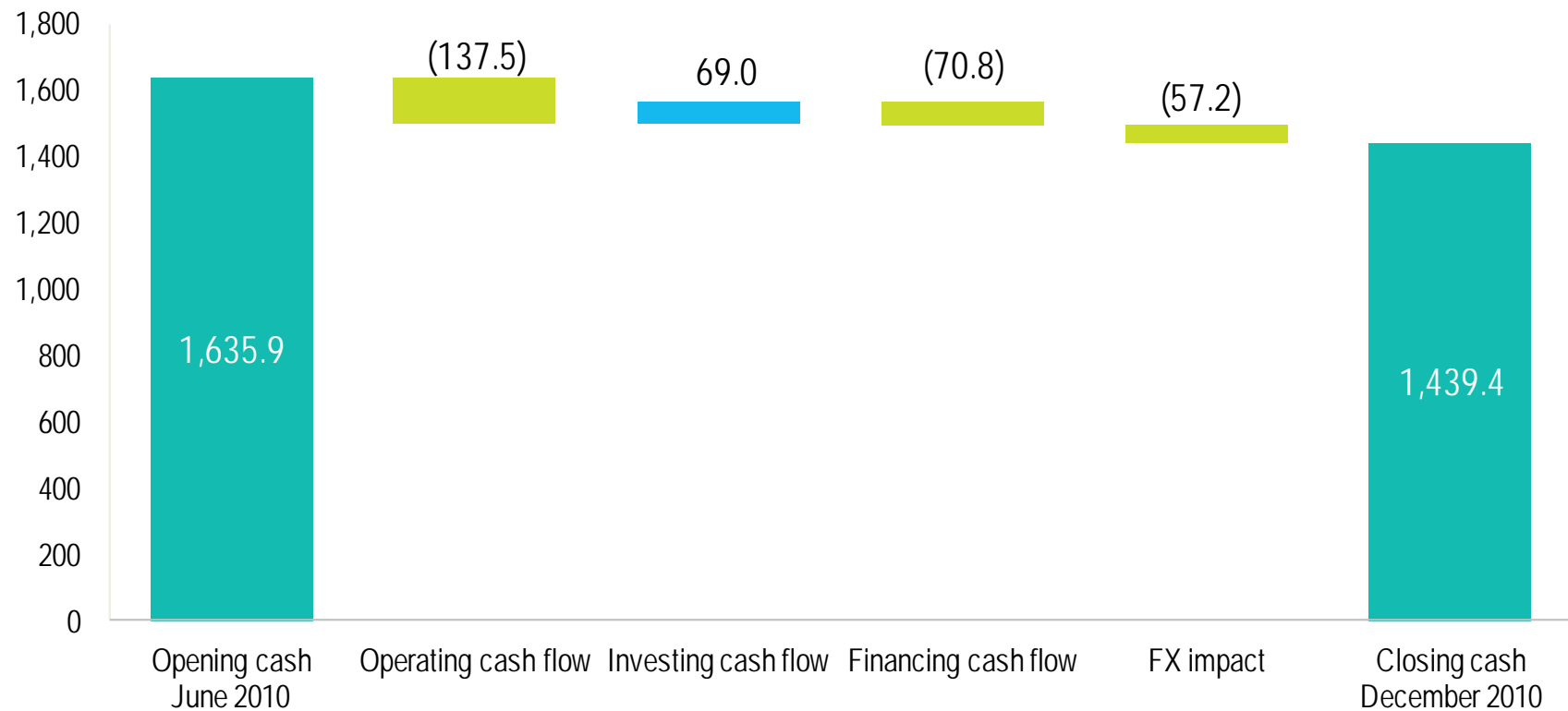
On track against financial targets

Credit Rating	<ul style="list-style-type: none">▪ Committed to investment grade credit rating
Gearing ¹	<ul style="list-style-type: none">▪ <20%
Interest Coverage Ratio	<ul style="list-style-type: none">▪ >5x
Annuity Income	<ul style="list-style-type: none">▪ 20% of EBITDA
Dividend Payout Ratio	<ul style="list-style-type: none">▪ 40% to 60% of Operating Profit after Tax

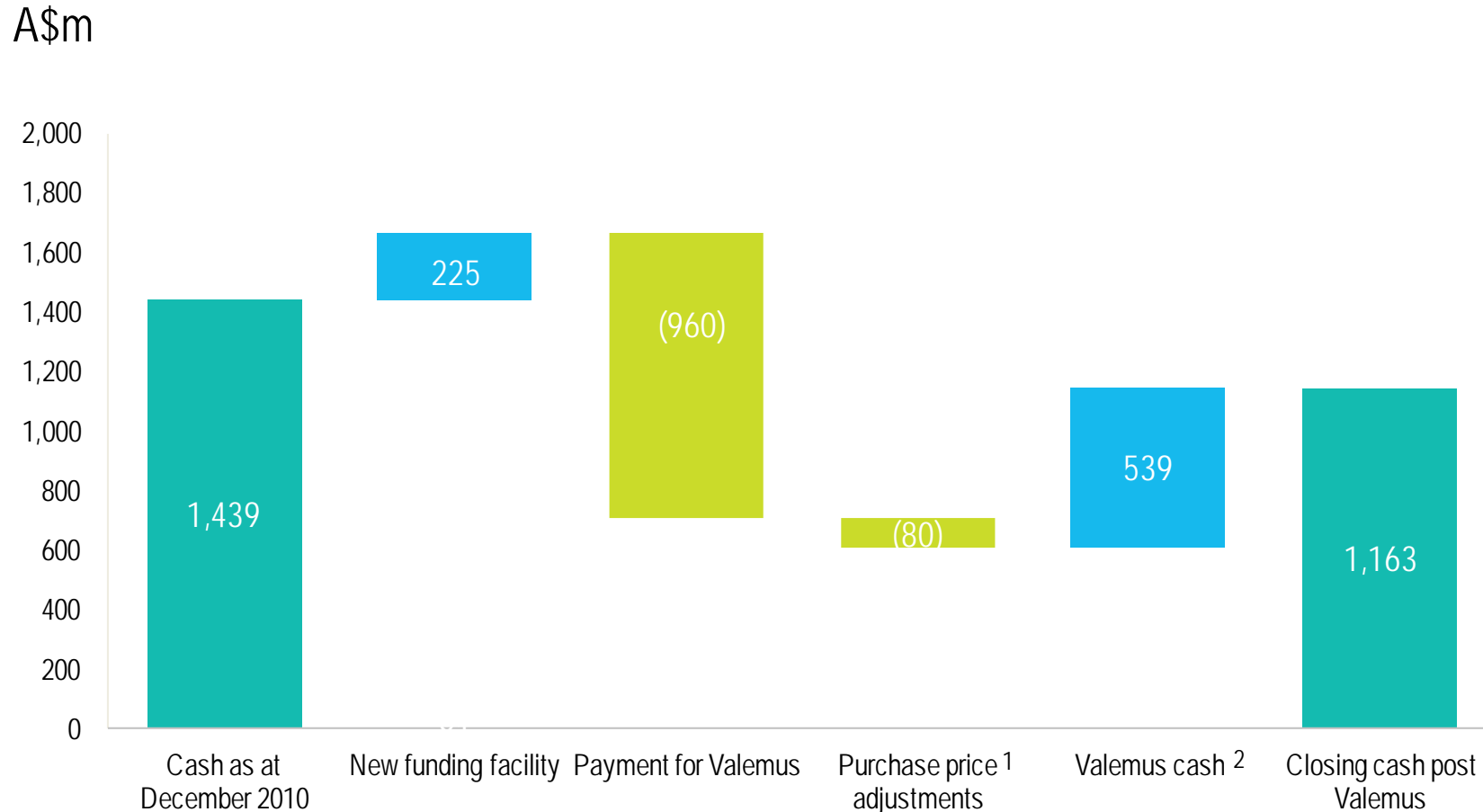
1. Gearing is calculated as net debt, divided by total tangible assets, less cash

Strong cash position

A\$m



Forecast impact of Valemus acquisition on Group's cash reserves – less than A\$300m



1. The purchase price adjustment represents a further payment of A\$80m plus A\$5m per month from 1 October 2010 to completion. This payment will be made in lieu of 2010 profits not distributed. The final quantum of this payment is dependant on the completion date.

2. Actual cash balance as at 30 September 2010. Actual cash balance acquired will be different and is dependant on trading up until date of completion

Limited impact of Valemus acquisition on Group balance sheet

A\$m	Lend Lease Dec 2010	Valemus September 2010 ¹	Transaction Adjustments	Pro Forma Dec 2010 ¹
Cash	1,439	539	(815)	1,163
Tangible assets	8,421	954		9,375
Intangible assets	639	289	382	1,310
Total assets	10,499	1,782	(433)	11,848
Borrowings & finance leases	(1,469)	(101)	(225)	(1,795)
Other liabilities	(5,547)	(1,023)		(6,570)
Total liabilities	(7,016)	(1,124)	(225)	(8,365)
Equity	3,483	658	(658)	3,483
Gearing (%) ²	0.4%	Net cash position		6.7%

1. The final acquisition balance sheet will not be equal to the balance sheet presented here. Movements are expected in working capital, cash and the fair value of other balance sheet items that change in the ordinary course of operation of the Valemus business

2. Gearing is calculated as net debt, divided by total tangible assets, less cash

Outlook

Improving economic outlook

- Australian economy remains steady
 - Residential market stable but increasingly uncertain
 - Strength of underlying economy to support construction and infrastructure sectors
 - Retail and commercial markets regaining strength

- Asia remains strong
 - Strong economic fundamentals driving investor demand

- UK market likely to see a progressive recovery
 - Market more stable but still some time before full recovery

- US market showing signs of recovery
 - Construction sector showing early signs of recovery
 - Residential market supply still to work through system

- Strong backlog, development pipeline and access to capital
 - Significant deal flow
 - Capital raised will be invested over the medium term, supported by third party equity
 - Emphasis on quality and consistency of execution

- Flexible balance sheet to fund growth
 - Gearing of 0.4%
 - Undrawn facilities of A\$571.5m
 - Capital recycling of circa A\$300m

- Strong long term outlook with positive EPS trend
 - Expected accretion from completed Valemus deal
 - Strong 1st half result positions the Group well for the full year
 - Remain on target for key projects to begin to deliver returns from 2nd half of financial year 2012

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