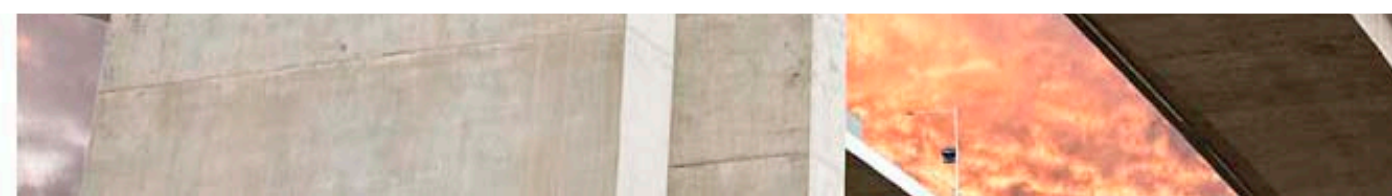
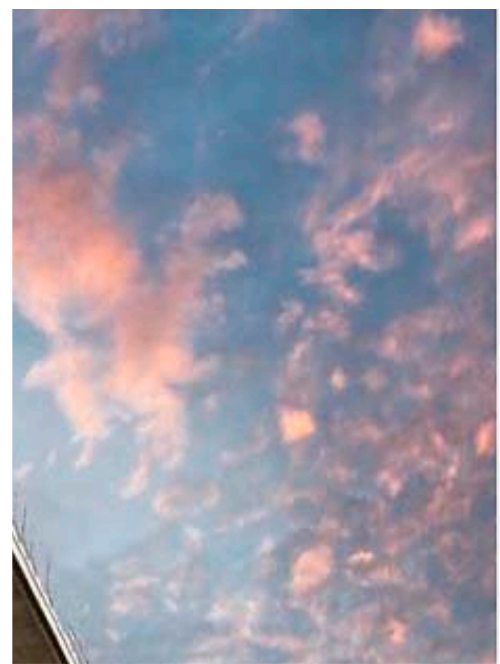


# Full Year Results

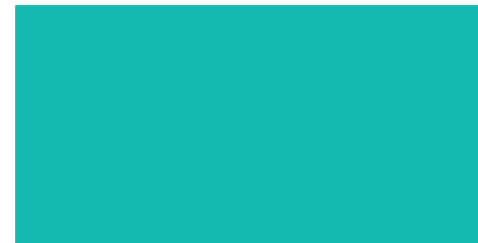
## 26 August 2011



# Presentation outline

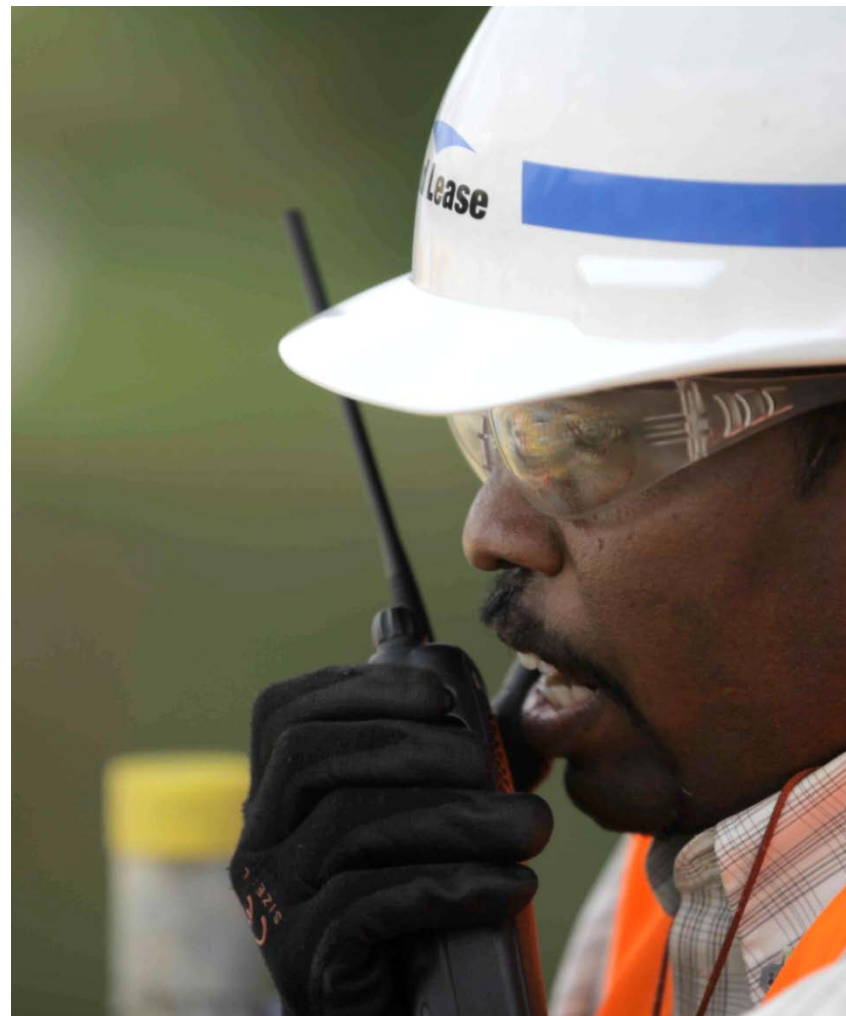


1. Results highlights
2. Operational update
3. Financial overview
4. Strategy & Outlook



# Safety commitment

- Vision is to operate Incident & Injury Free
- Significant progress made in the year:
  - Uncompromising Leadership demonstrated not just on high risk construction projects but across the group
  - Lost time injury frequency rates trending down over a year period
  - Reducing the number of falls from heights over the last five years by 80%
  - Embedding our global minimum safety requirements across all regions
- Tragically, one fatality occurred in 2011 in the Australian infrastructure business



# Profit after tax up by 50% on prior year



	June 2011 A\$m	June 2010 A\$m	% change
Revenue	9,014.1	10,570.0	(14.7)
EBITDA from operating businesses	710.7	482.5	47.3
EBITDA margin (%)	7.9	4.6	71.7
Operating profit after tax	485.3	323.6	50.0
Statutory profit after tax	492.8	345.6	42.6
Earnings per security <sup>1</sup> (cents)	85.6	65.1	31.5
Distribution per security <sup>2</sup> (cents)	35.0	32.0	9.4
Return on equity <sup>3</sup> (%)	14.2	12.6	12.7

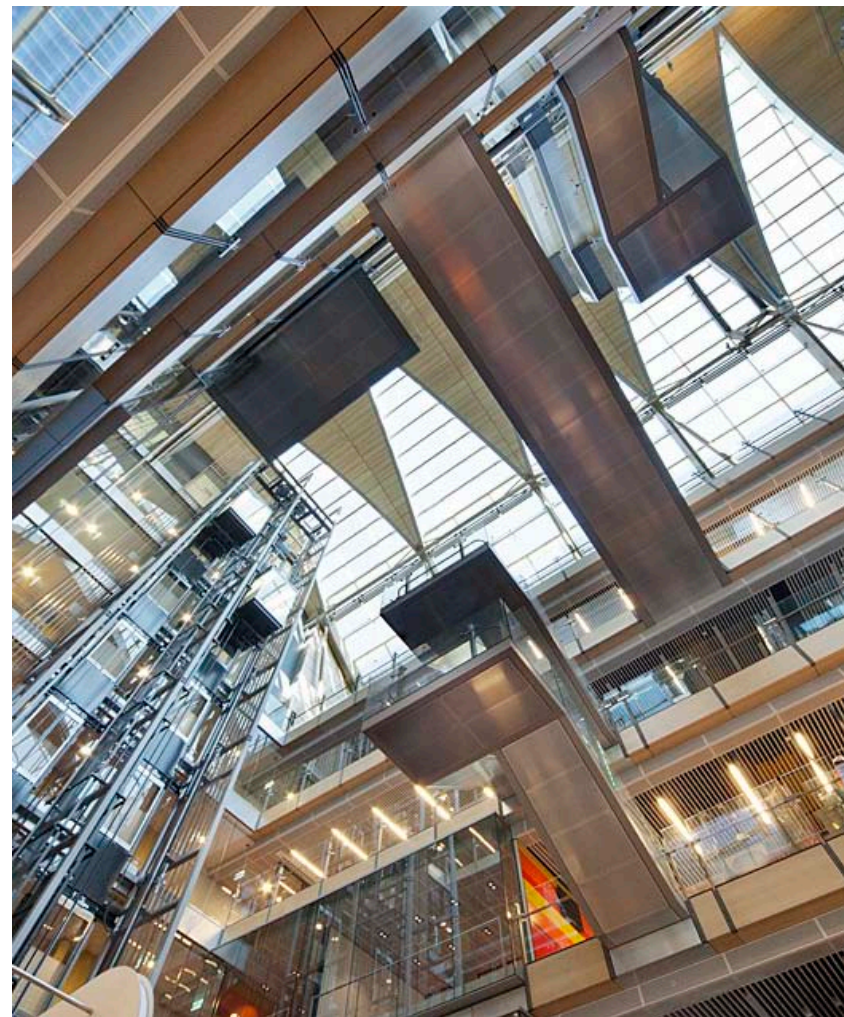
1. Based on operating profit after tax and weighted average number of securities on issue including treasury securities

2. The final distribution is unfranked and represents a payout ratio of 41% of Operating Profit after Tax for the year ended 30 June 2011. The prior period final distribution was 100% franked

3. Return on equity is calculated as statutory profit after tax divided by the weighted average equity for the year

# Strong performance and strategic progress

- **Operating profit of A\$485.3m, up 50%**
  - Includes profit from agreement to sell King of Prussia
- **Progress on strategy**
  - Infrastructure acquisition
    - Integration of business progressing
    - On track to deliver earnings accretion
  - Milestones reached on major projects
  - Capital recycling
- **Secured positions will deliver growth over medium term**
  - Accretion from infrastructure acquisition
  - Profits from major development projects
  - Barangaroo South – planning confirmed



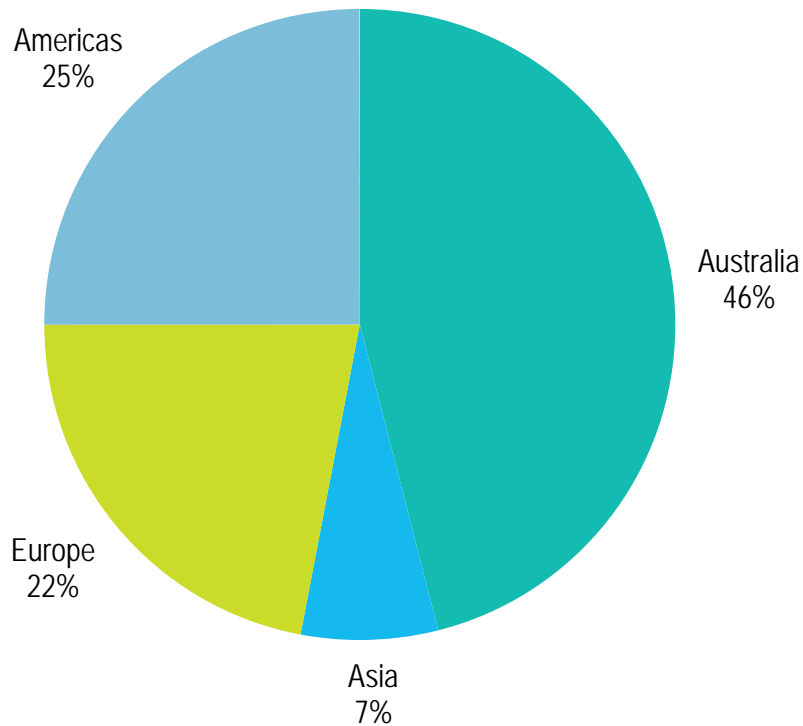
Darling Quarter, Sydney

# Operational update

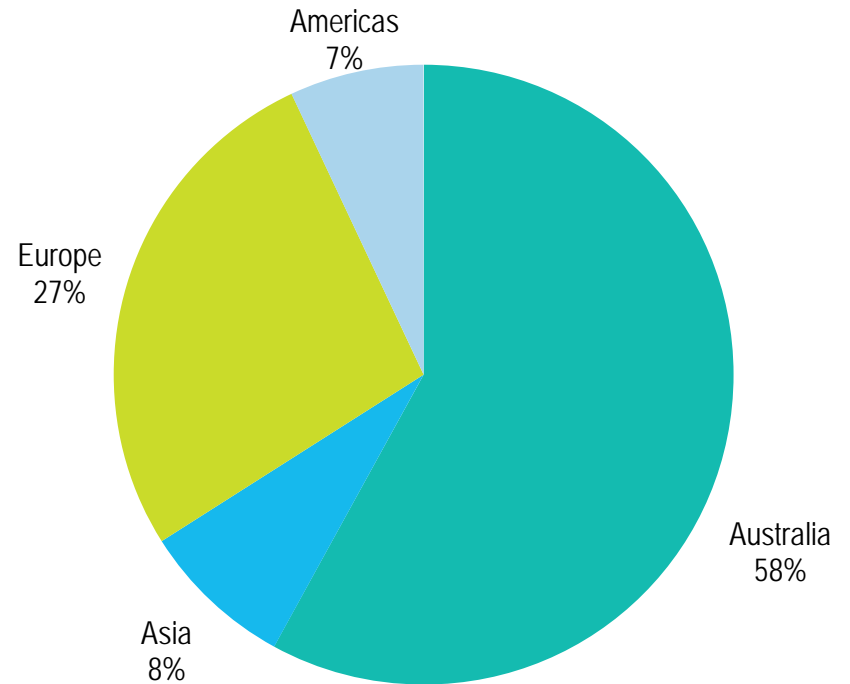
# Earnings split by geography<sup>1</sup>



June 2011<sup>2</sup>



June 2010



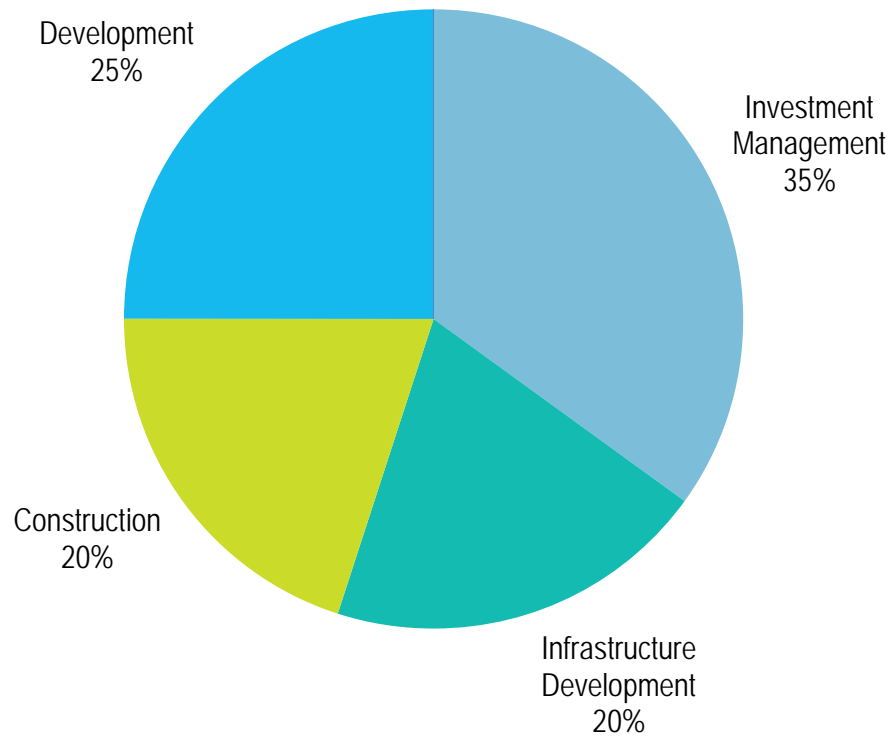
1. Based on Operating Profit after Tax from operating businesses

2. Includes infrastructure business from date of acquisition in March 2011 net of acquisition costs

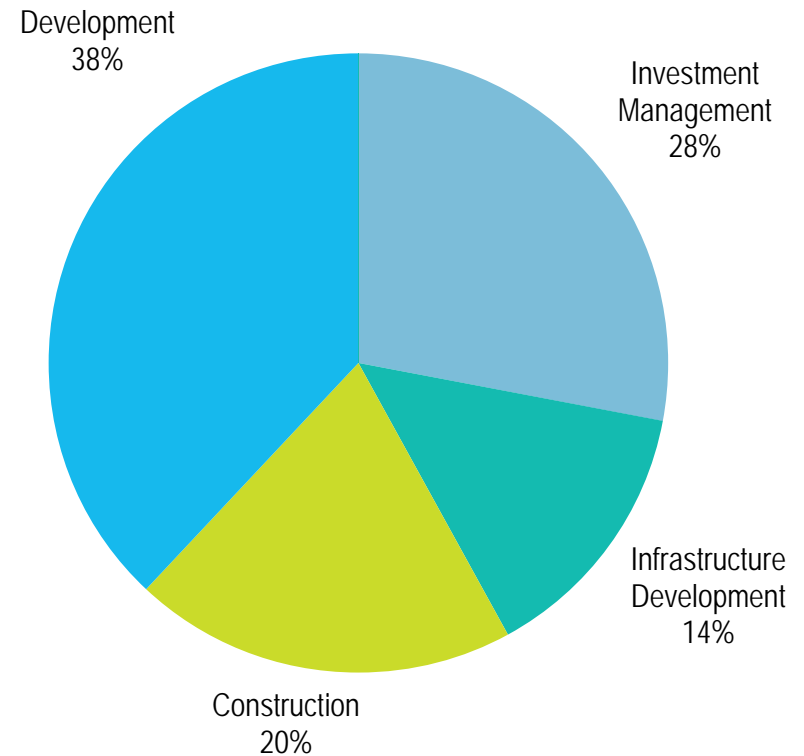
# Earnings split by business unit<sup>1</sup>



## June 2011<sup>2</sup>



## June 2010



1. Based on Operating Profit after Tax from operating businesses

2. Includes infrastructure business from date of acquisition in March 2011 net of acquisition costs

# Australia business update

## Construction<sup>1</sup>

- Profit after tax of A\$101.9m including A\$11.8m from the acquired infrastructure business<sup>2</sup>
- Backlog revenue of A\$8.6b
- Outlook – focus on health pipeline, internal projects and strong pipeline of infrastructure opportunities

## Development

- Retirement Living and Aged Care reflects 100% ownership for a full year
- Residential pre-sales up 29% - strong carry forward into FY12
- Residential land settlements decline offset by increase in average lot prices

## Investment Management

- FUM increased by 8% to A\$7.7b
- Continued strong fund performance
- Integration of ING Retail assets completed
- Retail sales environment weaker

## Infrastructure Development

- Financial close achieved post year end on Queen Elizabeth II Medical Centre Car Park project in Perth

Operating Profit after Tax	June 2011 A\$m	June 2010 A\$m
Construction <sup>1</sup>	101.9	87.1
Development	159.0	122.9
Investment Management	30.0	43.3
Infrastructure Development	(9.5)	(6.4)
<b>Total</b>	<b>281.4</b>	<b>246.9</b>



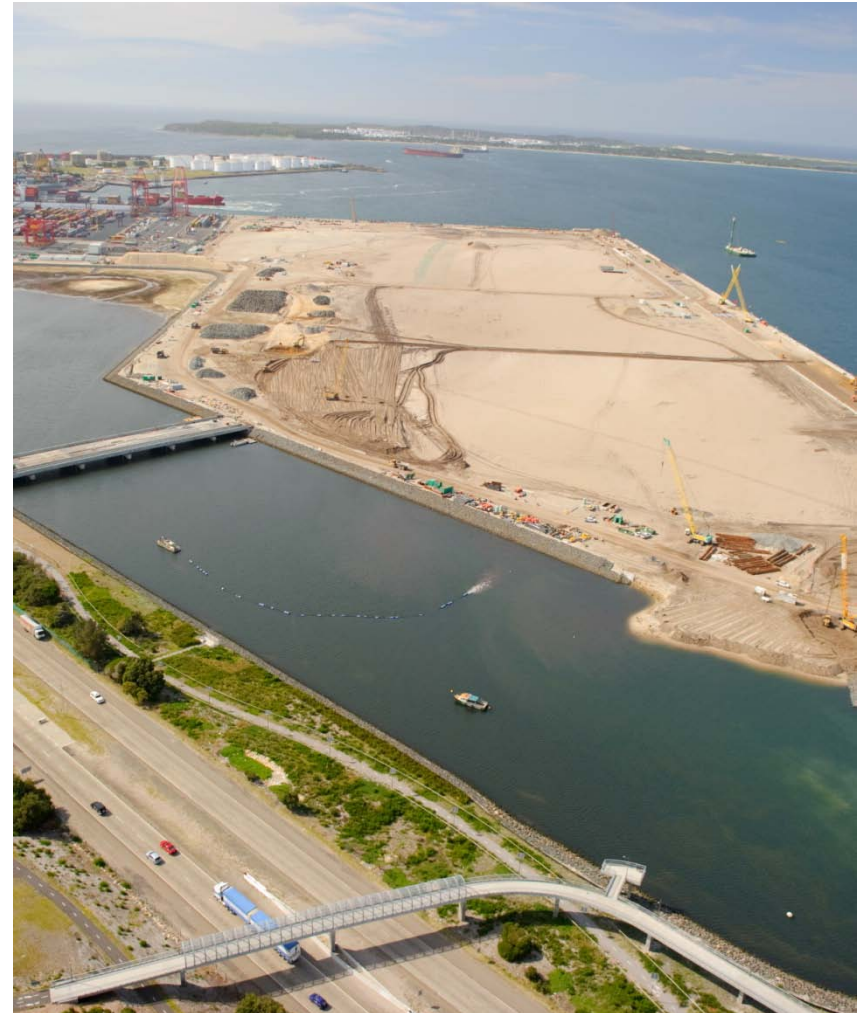
The new Royal Children's Hospital, Melbourne

1. Includes Lend Lease infrastructure business from date of acquisition on 10 March 2011

2. Contribution from infrastructure is net of acquisition costs

# Infrastructure – trading update

- Backlog revenue of A\$6.0b at 31 July 2011 with A\$0.8b of work pending
- Recent project wins – Abigroup has secured over A\$1.1b of new work since acquisition
- Market outlook for engineering/civil construction robust
- Expect to secure in excess of A\$1.5b of additional preferred work in the short term



Port Botany Expansion Project , Sydney  
*Photo courtesy of Sydney Ports Corporation*

# Infrastructure - integration and earnings accretion on track

## Integration

- Sharing of policies, procedures and operating disciplines is underway to ensure best practice
- Move to specialisation around capabilities of individual companies and focus on key growth sectors
- Identify and capture short, medium and long-term synergies
- No synergies have been factored into expected earnings accretion

## Strong earnings accretion

- Transaction remains in line with expectations to provide ~15% EPS accretion on a full year basis in the financial year ending 30 June 2012<sup>1</sup>
- A\$11.8m profit after tax contribution to FY11 earnings (net of costs associated with the transaction and pre funding costs)
- Broadly breakeven after funding costs in FY11

1. Earnings accretion as at time of announcement of acquisition in December 2010

# Australia business update

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The new Royal Children's Hospital, Melbourne

1. Includes Lend Lease infrastructure business from date of acquisition on 10 March 2011

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# Darling Quarter, Sydney

- Partnership between Sydney Harbour Foreshore Authority and Lend Lease
- Owner Australian Prime Property Fund Commercial, in joint venture with Lend Lease investment mandate client
- 6 Star Green Star - Office Design V2 rating
- Tenant is Commonwealth Bank of Australia
- Consists of two campus-style commercial office buildings with 58,000sqm of office space, car parking, leisure and retail facilities



# Barangaroo South, Sydney

- Conclusion of NSW Government review allows project to proceed on schedule
- Discussions with tenants and capital partners progressing well
- In discussion with Government on hotel location
- Commence work in coming weeks on construction of basement and begin first commercial tower before end of calendar year



# Australia – other major projects

## Victoria Harbour

- Revised master plan approved
- Convesso and Serrata residential towers under construction and on program - strong pre-sales levels
- Construction on the C7 commercial office has commenced - major tenant Aurecon
- Concavo residential tower to be launched in October 2011



Convesso, Victoria Harbour, Melbourne

## RNA

- Planning approval received Nov 2010
- Work started on the Industrial Pavilion and essential infrastructure
- Targeting to commence development of the first residential building in FY12



Industrial Pavilion, RNA, Brisbane

## Other development projects

- Richmond - stage one launch targeted for early 2012
- Jacksons Landing - final stages under construction, completion late 2012

# Asia business update

## Construction

- New work secured revenue of A\$0.9b
- Global client strategy across all key sectors
- Increased telecommunication opportunities in Japan

## Development

- Jurong Gateway development progressing well with strong leasing pre-commitment
- 100% of commercial space leased
- Major anchor tenants signed

## Investment Management

- Focus on portfolio management opportunities
- Sale of PoMo asset in Singapore
- Strong investor demand for assets
- Investment management-led opportunities in China

Operating Profit after Tax	June 2011 A\$m	June 2010 A\$m
Construction	16.0	18.3
Development	(0.3)	(0.4)
Investment Management	30.4	15.3
<b>Total</b>	<b>46.1</b>	<b>33.2</b>



Jurong Gateway, Singapore

## Construction

- Trading conditions remain challenging
- New work secured revenue of A\$1.4b

## Development

- The International Quarter, Stratford City - in planning
- Elephant & Castle – planning anticipated in 2012
- Greenwich Peninsula – sale of Pier Walk and completion of Ravensbourne College

## Investment Management

- Launched £220m Infrastructure Fund with undrawn capacity
- Extended Retail Partnership for 7 years
- Sold Group's interest in Overgate shopping centre
- Bluewater continued performance

## Infrastructure Development

- Sold PPP assets to UK Infrastructure Fund
- Reached financial close on €120m phase 2 of Brescia Hospital PPP

Operating Profit after Tax	June 2011 A\$m	June 2010 A\$m
Construction	11.4	25.8
Development	4.7	41.5
Investment Management	34.7	41.1
Infrastructure Development	86.6	10.2
<b>Total</b>	<b>137.4</b>	<b>118.6</b>



Scottish National Arena, Glasgow

# UK – update on major projects

## Athletes' Village

- 10,000 out of 16,500 bed spaces have been delivered
- Project remains on cost and program

## The International Quarter, Stratford City

- Joint Venture formed with London and Continental Railways for second stage of Stratford
- Development comprises 382,000sqm commercial and 300 apartments
- Site available in 2013

## Elephant & Castle

- Conditional regeneration agreement with London Borough of Southwark
- Development comprises circa 2,500 new homes and 15,000sqm of retail, restaurant and leisure space



Athletes' Village, London



Stratford International Quarter, London

# Americas business update

## Construction

- Increase in activity levels – healthcare, government and multi-sites opportunities
- New work secured revenue over A\$3b
- Project wins – Delta Air Lines and 7-Eleven multi-sites rollout

## Development

- Acquired DASCOS – one of the national leaders in development, financing, leasing and management of medical facilities
- Pipeline of 10 development projects

## Investment Management

- Includes revaluation of King of Prussia to reflect agreed sale for consideration of circa US\$545m and A\$101.7m profit after tax

## Infrastructure Development

- Project wins - secured US\$350m second phase (Group B) of PAL program
- Reached financial close on US\$377m Wainwright Greely project in Alaska

Operating Profit after Tax	June 2011 A\$m	June 2010 A\$m
Construction	(4.8)	(45.0)
Development	(5.7)	0.1
Investment Management	123.3	20.3
Infrastructure Development	43.8	55.3
<b>Total</b>	<b>156.6</b>	<b>30.7</b>



National September 11 Memorial and Museum, New York, NY

# Financial overview

# Profit after tax up 50%



	June 2011 A\$m	June 2010 A\$m
<b>Total Operating Businesses</b>	<b>621.5</b>	<b>429.4</b>
Group Services	(84.0)	(75.2)
Group Treasury	(49.3)	(26.9)
Group Amortisation	(2.9)	(3.7)
<b>Operating Profit after Tax</b>	<b>485.3</b>	<b>323.6</b>
Property Investment Revaluations	7.5	22.0
<b>Statutory Profit after Tax</b>	<b>492.8</b>	<b>345.6</b>
Effective Tax Rate on Operating Profit	22%	22%
Impact of currency on Operating Profit after Tax	(29.1)	(30.0)

# Key debt metrics



	June 2011	June 2010
Credit Rating - S&P/Moody's	BBB- / Baa3 (Stable)	BBB- / Baa3 (Stable)
Net debt / (cash) <sup>1</sup> (A\$m)	875.4	(19.7)
Gearing (%) <sup>2</sup>	8.9%	Net cash position
Cash (A\$m)	1,046.2	1,635.9
Undrawn facilities (A\$m)	815.7	688.6
Weighted average debt maturity <sup>3</sup>	5.0 years	5.5 years
Weighted average cost of debt	6.1%	6.3%
Fixed / floating debt	51% / 49%	65% / 35%
Interest coverage <sup>4</sup>	6.7x	6.7x

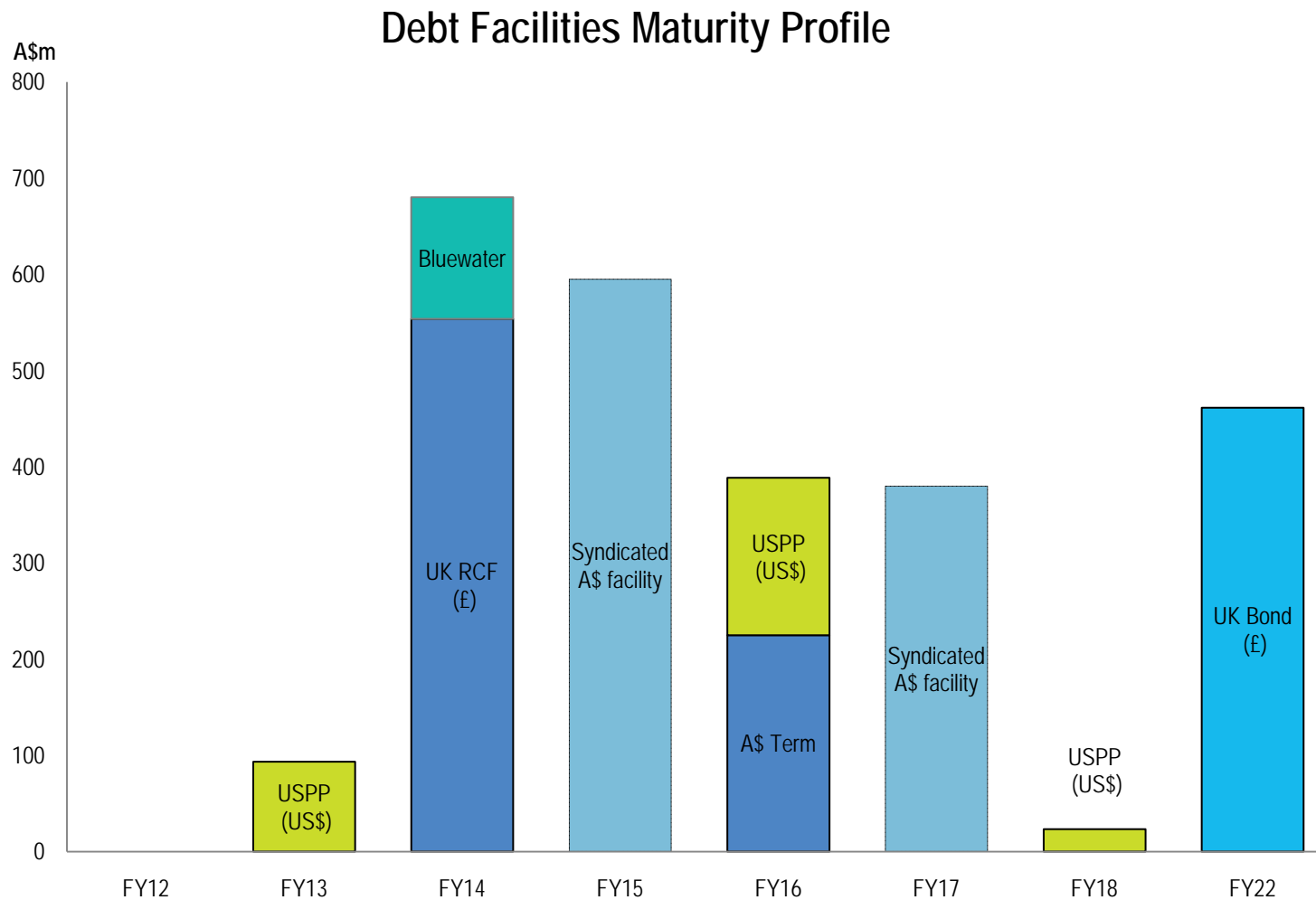
1. Net debt / (cash) is borrowings including certain other financial liabilities, less cash

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

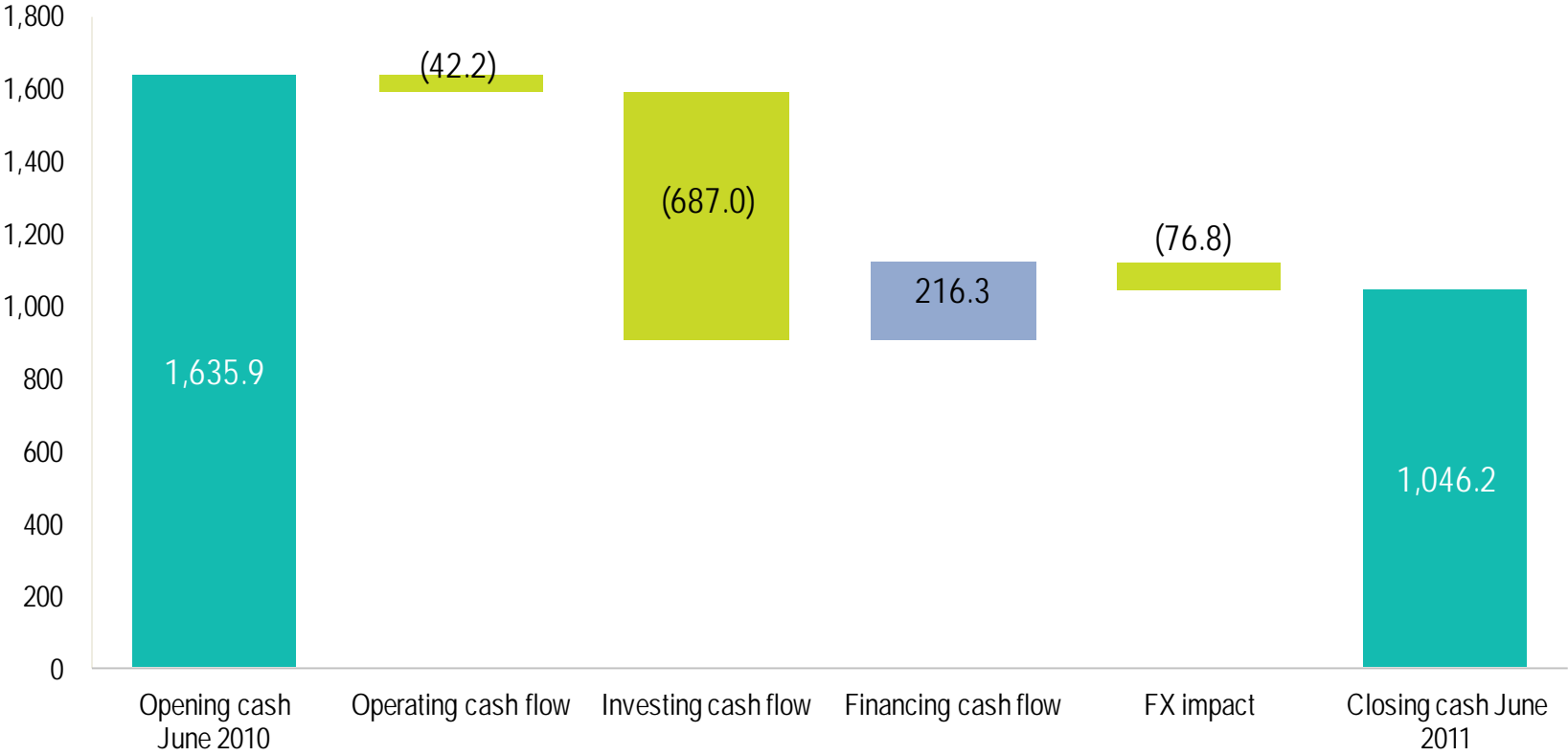
# Debt maturity profile – increased to 5 years



# Over A\$1b of cash at 30 June



A\$m



# Key financial targets – tracking well



Metric	Target	June 2011
Return on Equity <sup>1</sup>	<ul style="list-style-type: none"> <li>Greater than 15% per annum</li> </ul>	14.2%
Credit Rating	<ul style="list-style-type: none"> <li>Committed to investment grade credit rating</li> </ul>	BBB- / Baa3 (Stable)
Gearing <sup>2</sup>	<ul style="list-style-type: none"> <li>&lt;20%</li> </ul>	8.9%
Interest Coverage Ratio	<ul style="list-style-type: none"> <li>&gt;5x</li> </ul>	6.7x
Annuity Income <sup>3</sup>	<ul style="list-style-type: none"> <li>&gt;15% of EBITDA</li> </ul>	15.5%
Dividend Payout Ratio	<ul style="list-style-type: none"> <li>40% to 60% of Operating Profit after Tax</li> </ul>	41%

1. Return on equity is calculated as Statutory Profit after Tax divided by the weighted average equity for the year

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

3. EBITDA includes the acquired infrastructure business from the date of acquisition.

# Strategy & Outlook

# Continued focus on key 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 30 aged care facilities

## Infrastructure

- Australia - significant opportunities from both public and private projects
- Infrastructure acquisition provides further capability in the Australian engineering and infrastructure market

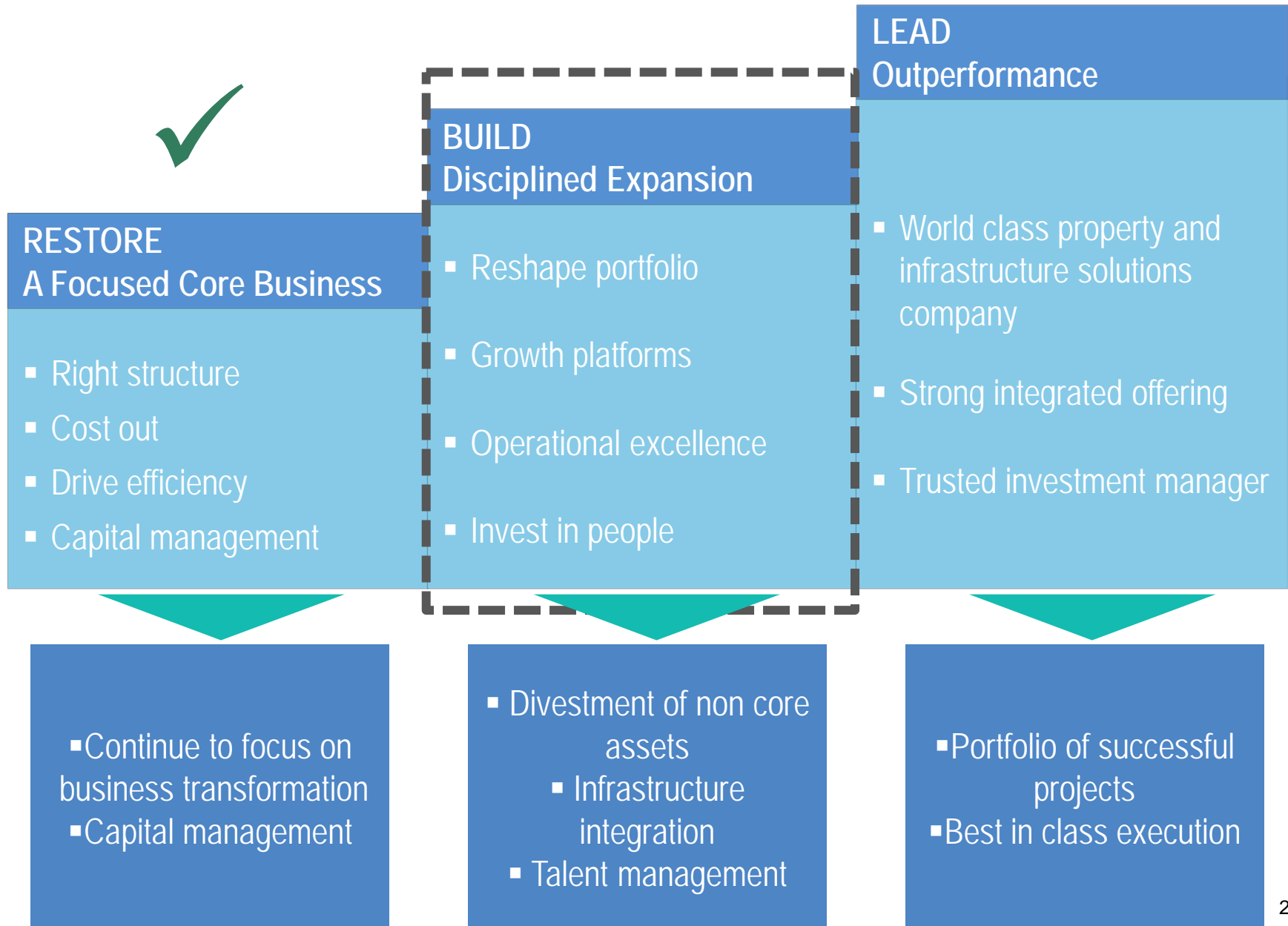
## Sustainability

- Recognised for leadership in sustainability
- Continued focus on commercialising sustainability

## Fund Growth Platform

- Leading wholesale property platform in Australia
- Continue to service our wholesale investor base
- Targeted opportunities that meet investor appetite

# Our strategic pathway



# Key strategic deliverables – 12 to 24 months

## BUILD

- Reshape portfolio
- Growth platforms
- Operational excellence
- Invest in people

Major Development  
Projects

- Successful delivery and execution of secured projects

Infrastructure

- Successful integration
- Capture profitable growth
- Extract synergies

Business  
Transformation

- Drive business performance efficiency
- Deliver savings

Portfolio  
Reallocation

- Realise capital of A\$1–2b from completed assets

UK and US market  
recovery

- Position to outperform in recovering markets
- Realise intrinsic development value in UK projects and focus on healthcare opportunities in the US

# External environment favourable in medium term

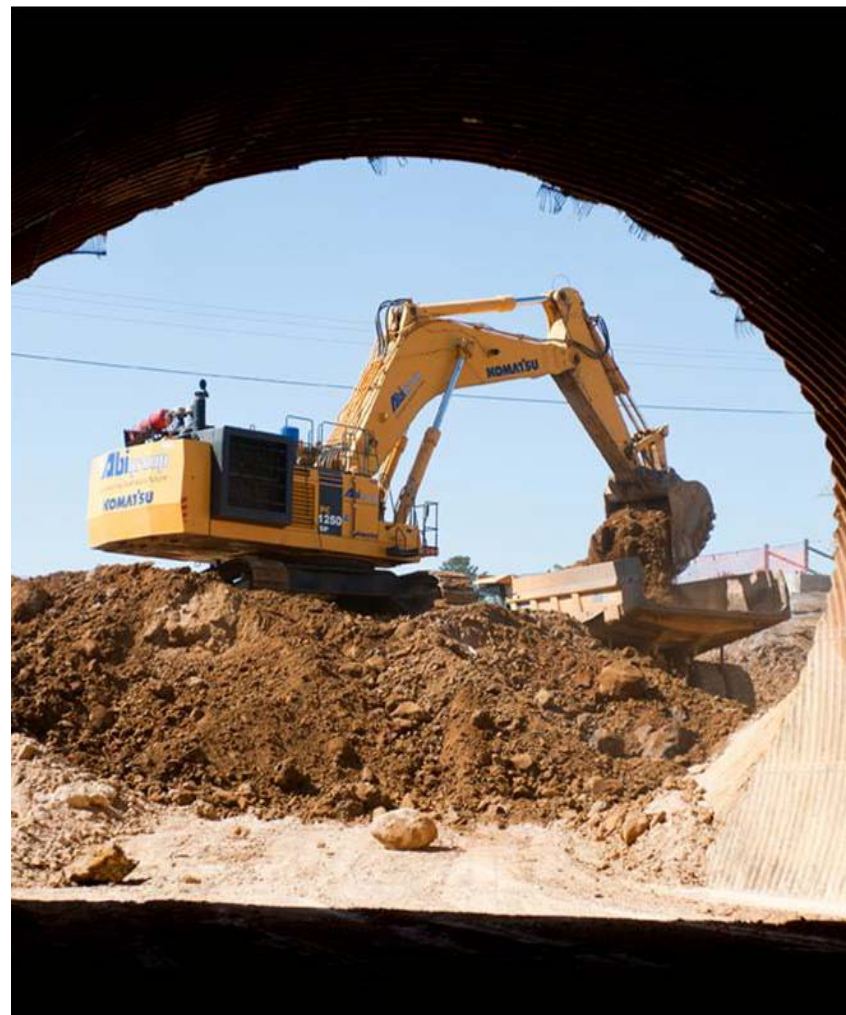
Region	Opportunity/ Impact for Lend Lease
Australia	<ul style="list-style-type: none"><li>▪ Stable economic conditions present attractive opportunities across most sectors, particularly infrastructure</li><li>▪ Strong equity appetite for Australian property and infrastructure</li><li>▪ Short term impact from weak consumer sentiment but fundamentals remain sound</li><li>▪ Concerns of two speed economy</li><li>▪ Residential – weaker outlook</li><li>▪ Focus on delivery of secured pipeline of opportunities through existing platform and integration of acquired infrastructure business</li></ul>
Asia	<ul style="list-style-type: none"><li>▪ Strong fundamentals across most markets</li><li>▪ Focused on delivery of retail in Singapore</li><li>▪ Construction – develop market leading positions in pharmaceutical and life sciences</li><li>▪ Telecommunication opportunities in Japan</li></ul>
Americas	<ul style="list-style-type: none"><li>▪ Signs of mild recovery across key sectors however recovery remains patchy</li><li>▪ Opportunity to leverage into market recovery / establish positions in new sectors</li></ul>
Europe	<ul style="list-style-type: none"><li>▪ Early stages of recovery in residential and construction</li><li>▪ Focus on delivery of major projects</li><li>▪ Position construction business into market recovery</li><li>▪ Impact from Euro zone debt crisis</li></ul>

## Significant backlog, development pipeline and access to capital

- Continued deal momentum
- Capital requirements supported by third party equity
- Focus on portfolio management
- Emphasis on quality and consistency of execution

## Secured positions will deliver growth over medium term

- Accretion from infrastructure acquisition
- Key development projects to deliver returns from 2<sup>nd</sup> half of financial year 2012



Peninsula Link, VIC

# Full Year Results

## 26 August 2011

