



Lend Lease Strategy Day
May 2009

Capital Allocation/ Management

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Acting Chief Financial Officer



Financial Metrics

- Key Financial Targets

Capital Allocation

- Current Capital Allocation
- Target Capital allocation and Portfolio Parameters
- Capital Expenditure

Financial Position

- Financial Strength
- Debt Maturity and Financial Covenants

Key Financial Metrics – How we measure ourselves



Corporate Targets

Return on Equity	>15% p.a
Gearing	30% - 40%
Interest Coverage Ratio	5x
Annuity Income	c.20% of EBITDA

Business Units Targets	Development	Construction	Investment Management	Property Ownership
Margin/Yield	c. 20%	c. 6%	c. 40%	c. 5-7%
Risk adjusted equity return*	>17%	>20%	>15%	>10%

*Risk adjusted equity represents the allocation of internal capital based on risk profile of the business unit

Current Capital Allocation – 31 December 2008



Risk Adjusted Capital₁

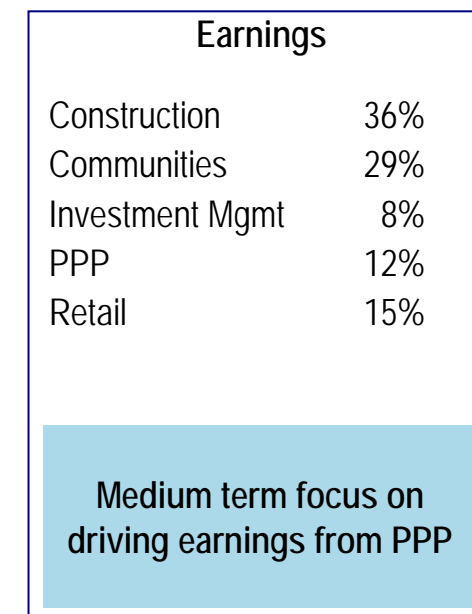
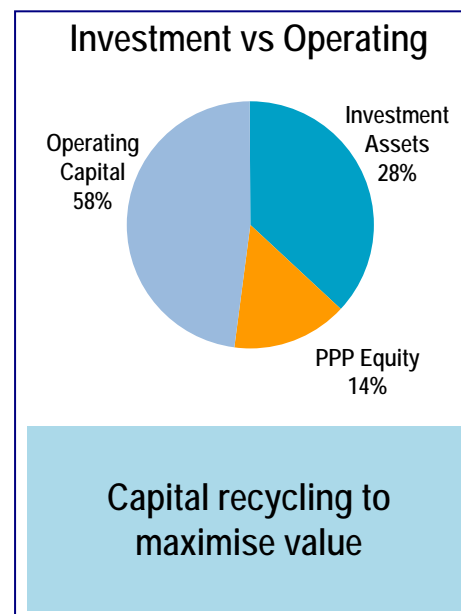
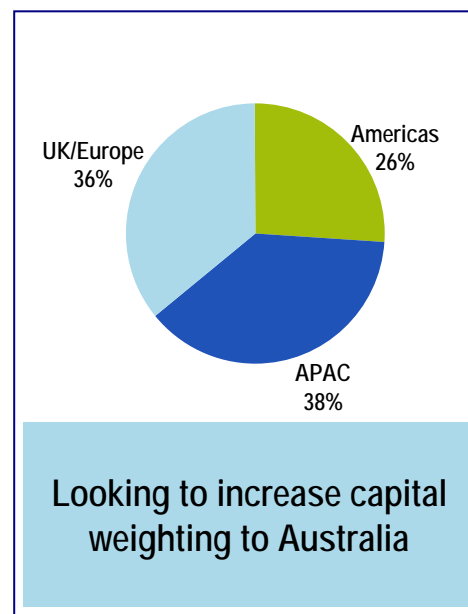
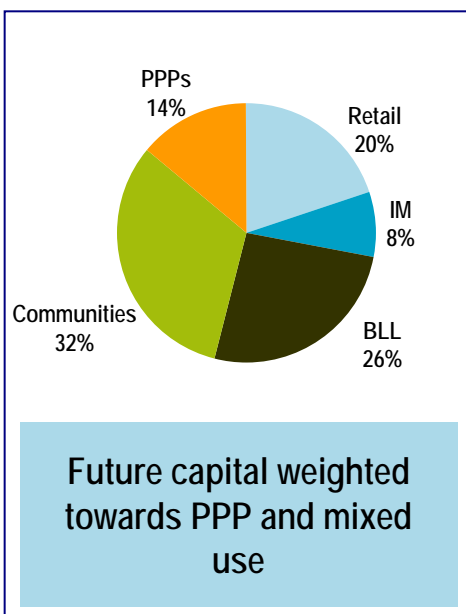
Earnings

Sectors/Business Units

Geography

Active vs Passive

Business Unit



*Risk adjusted equity represents the allocation of internal capital based on risk profile of the business unit

Target Capital Allocation and Portfolio Parameters



Risk Adjusted Capital

Earnings

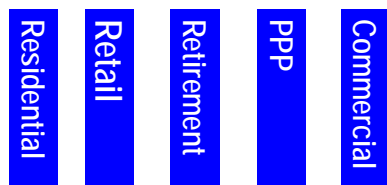
Sectors

Geography

Business Unit

Business Unit

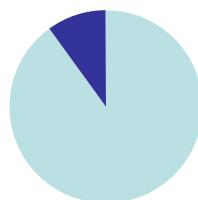
Asset ownership focused on the following sectors:



No sector concentration greater than 30%

Our Geographic footprint:

10-20% emerging markets



80-90% developed markets

Australia no less than 40% & no other geography at more than 25%

Future Capital Allocation Focus

Australian Development
PPP – all markets
UK Development (Stratford)

Future capital allocation will be directed towards priority projects

Passive Earnings c.20%
Investments/Co-investments
PPP

Active Earnings c.80%
Construction
Communities
Development

Secure base of passive earnings with growth opportunities from trading business units

Opportunities and Funding



Pipeline of Projects

Total spend to be \$1bn-\$2bn up to June 2012

Sources of Capital

Debt/Available liquidity

Operating Cashflow

Asset Sales

Key Projects

Stratford

PPP Equity Stakes

Delfin Projects

IM Co-investments

Australian Opportunities

Gearing towards lower end of target range by 2012

Financial Strength



Key Liquidity Metrics	31 Dec 2008	30 June 2008
Credit Rating – S&P/Moody's	BBB- / Baa3	BBB- / Baa3
Weighted average debt maturity ^{1 2}	6.5 years	10 years
Fixed / floating debt ¹	54% / 46% ³	84% / 16%
Cash (A\$m)	1,563.3	842.8
Net debt ⁴	214.1	86.5
Gearing ⁵	5.2%	4.1%
Undrawn bank facilities	A\$61.7m	A\$808.6m
Weighted average cost of debt ¹	6.0%	6.0%
Interest coverage ⁶	5.7x	7.1x

1 The table above includes the Bluewater lease liability and cash drawn on £350m syndicated bank facility assuming drawings will be rolled to maturity in November 2010

2 If the £350m syndicated bank facility, was excluded average maturity is 10 years

3 If the £350m syndicated bank facility was excluded, fixed to floating debt is would be 86%/14%

4 Net debt is borrowings excluding other non current financial liabilities, less cash

5 Gearing is calculated as net debt including other non current financial liabilities, divided by total tangible assets, less cash.

6 Calculated as operating EBITDA plus interest revenue divided by gross finance costs, including capitalised finance costs

Debt Maturity and Financial Covenants



Key financial covenants under the Group facilities

- Consolidated net borrowings must not exceed 50% of total tangible assets, less cash
- Consolidated EBITDA to net finance charges must not be less than 2.5x

Lend Lease has ample headroom under its covenants

