



# Strategy Day - May 2010

## Financial Overview

Brad Soller

Chief Financial Officer



## Capital Allocation

- Significant success in securing key projects
- Capital investment weighted to Australia
- Right point in the cycle to be investing
- Identified investment opportunities of A\$1.6b
- Funding secured for these opportunities

## Strong Financial Position

- Gearing expected to remain low over next 2 years
- Refinanced existing & established new banking lines of c. A\$1b since Dec 2009
- Credit rating confirmed with stable outlook
- Significant access to third party capital
- Capacity to pursue further opportunities

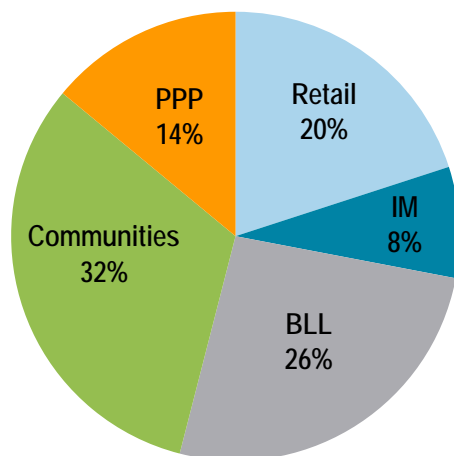
## Other Matters

- Accounting issues will impact timing but not quantum of profit
- Future reporting will focus on statutory profit

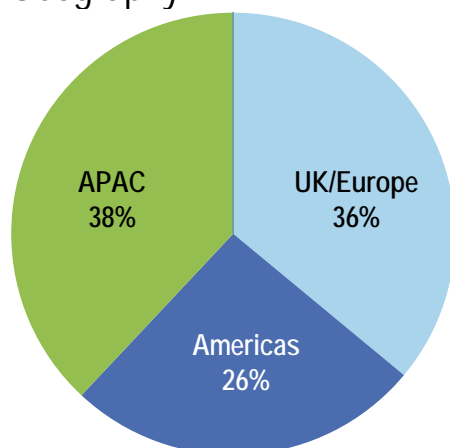
# Capital allocation

As at 31 December 2008

Sectors/Business Units

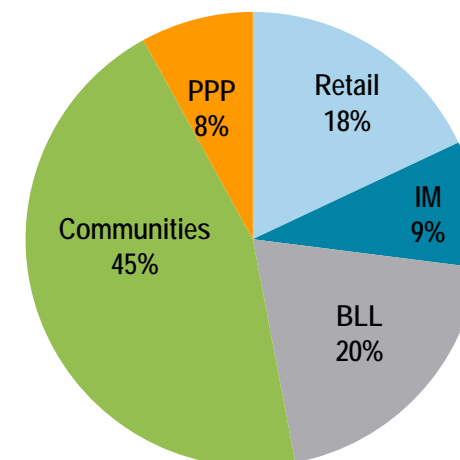


Geography

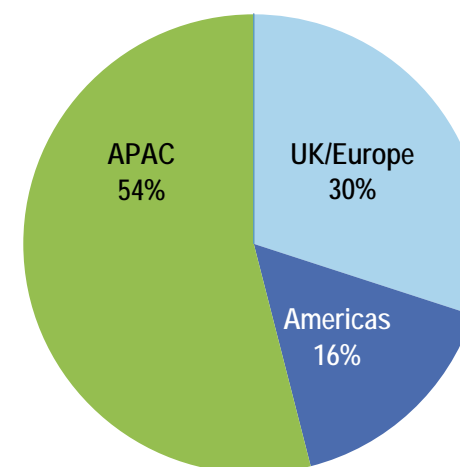


2013

Sectors/Business Units



Geography



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

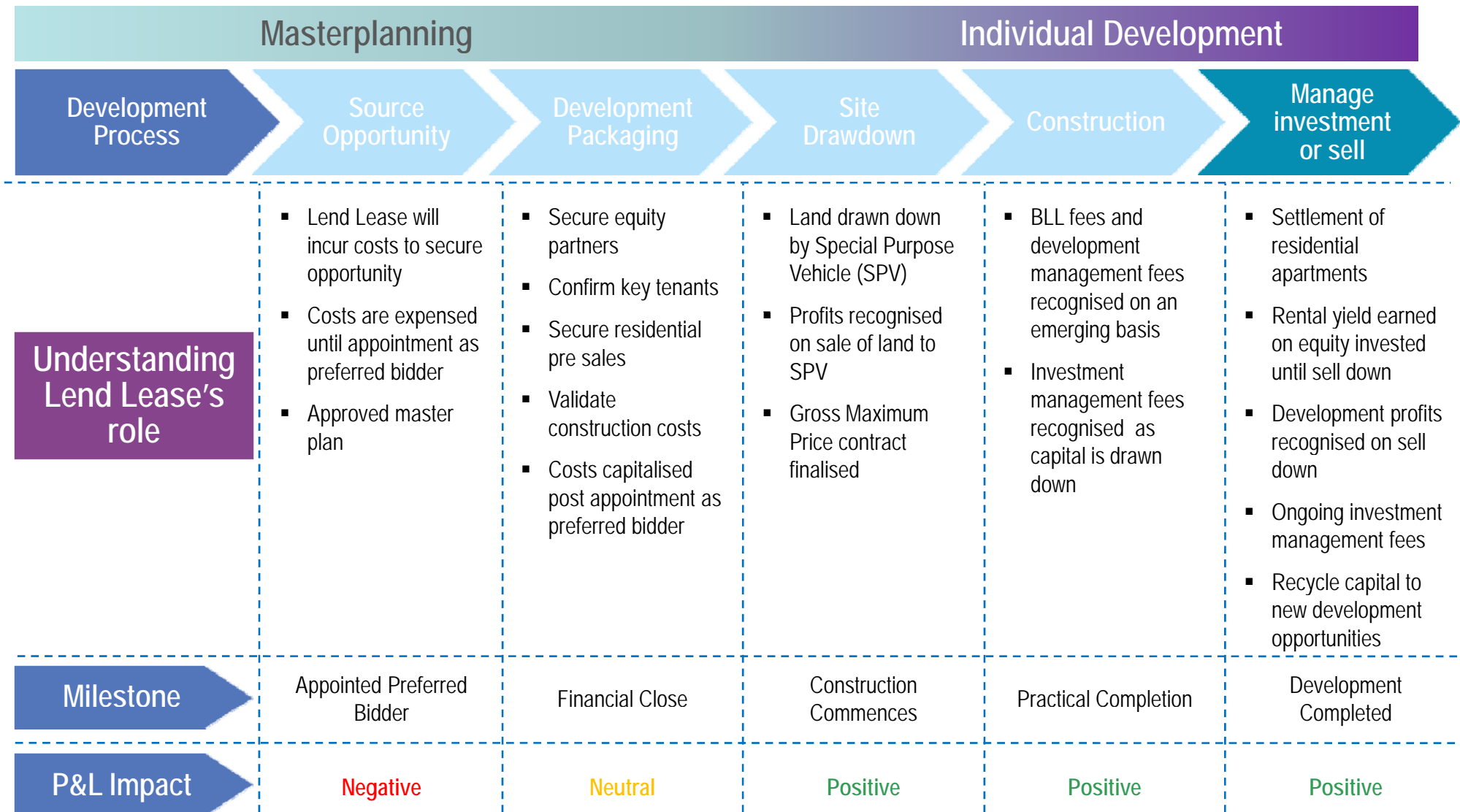
# Investment opportunities



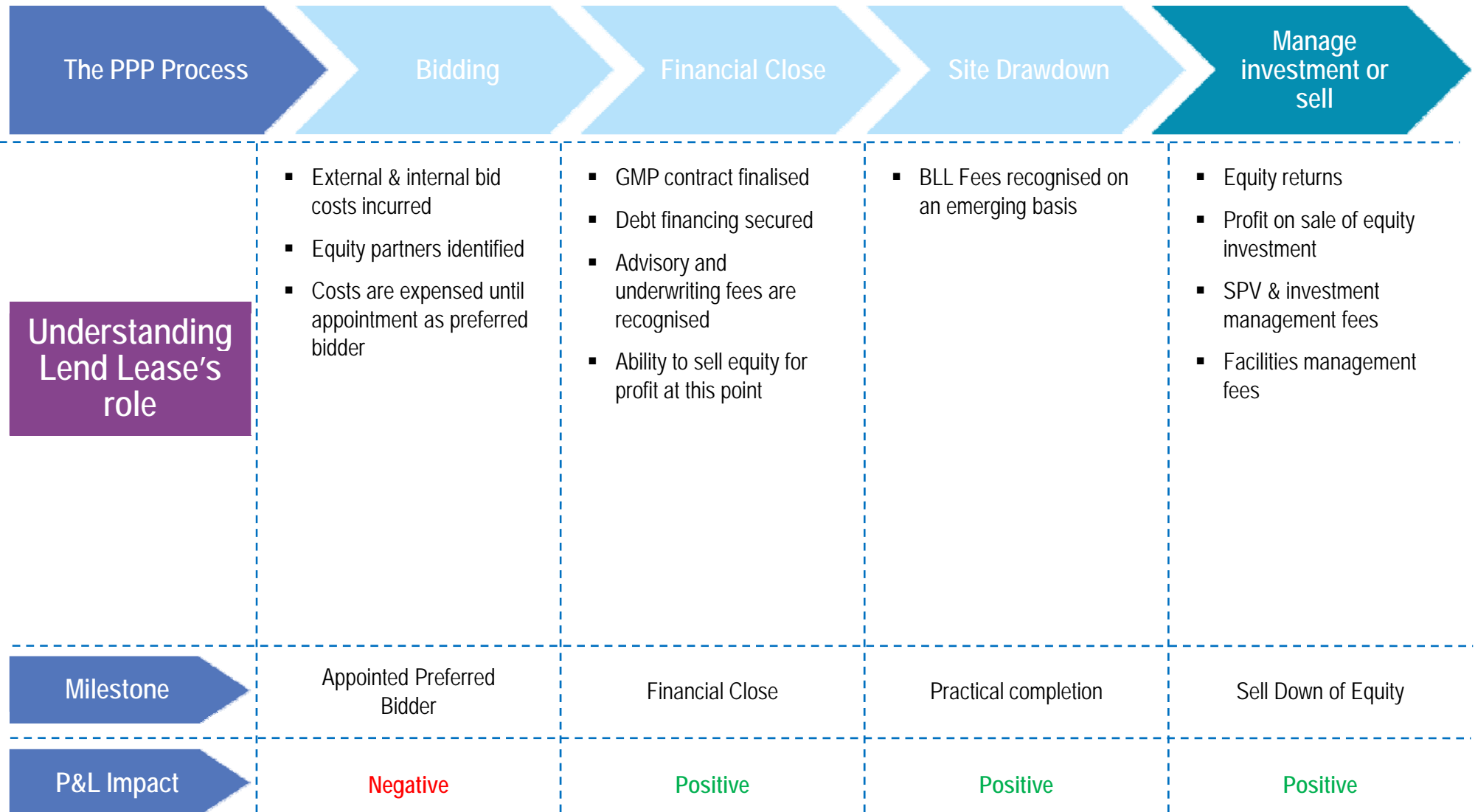
## Investment pipeline

	Targeted Capital Investment	Region
Secured development projects	~A\$0.8b	Focus on Australia Option value in the UK
PPP opportunities	~A\$0.5b	Focus on Canada/ Australia/ UK
Targeted new developments	~A\$0.3b	Australia
	~A\$1.6b	

# Example of a mixed use project



# Example of a PPP project



# Key liquidity metrics









Key Liquidity Metrics	31 December 2009	Current Position
Credit Rating	BBB- / Baa3 (Negative Credit Watch)	BBB- / Baa3 (Stable)
Weighted average debt maturity	6 years	No significant change
Weighted average cost of debt	5.2%	No significant change
Fixed / floating debt	60% / 40%	No significant change
Available Liquidity <sup>1</sup>	A\$1.5b	A\$1.7b
Net debt <sup>2</sup>	A\$0.7b	A\$0.4b
Gearing <sup>3</sup>	9%	5%

Liquidity and debt ratios improved post capital raising

1 Available Liquidity is the sum of cash and undrawn committed facilities  
 2 Net debt is borrowings including other non current financial liabilities, less cash  
 3 Gearing is calculated as net debt, divided by total tangible assets, less cash

# Portfolio metrics



Business Unit	Outlook Metric	December 2009	March 2010
Investment Management	Funds Under Management	A\$8.4b	
Bovis Lend Lease	Backlog GPM	A\$545.5m	
Communities	Australian Settlements	1,373 units	
PPP	Value of PPP Projects Shortlisted	A\$5.0b	
Mixed Use Developments	Pipeline Secured /Preferred	A\$14.0b	
Retail	Value of Assets Managed	A\$9.3b	

# Key accounting issues impacting on reported earnings



Sector	Key Accounting Issues
Assets under development	<ul style="list-style-type: none"><li>▪ Requirement to revalue investment properties under development</li><li>▪ Profit recognised over life of development</li></ul>
High rise residential	<ul style="list-style-type: none"><li>▪ Held as inventory at the lower of cost or net realisable value until sold</li><li>▪ Lumpiness of earnings as profit only recognised completion of building</li></ul>
Retirement	<ul style="list-style-type: none"><li>▪ DMF treated as investment properties which is market practice</li></ul>
PPP	<ul style="list-style-type: none"><li>▪ Service concession accounting will result in losses in the early phases of project</li></ul>
Bovis Lend Lease	<ul style="list-style-type: none"><li>▪ Profit on building work for Lend Lease owned developments not recognised until asset is sold</li></ul>

Future focus will be on Statutory Profit