

FIVE YEAR PROFILE

PROFITABILITY 1999

		1999	1998	1997	1996	1995
Operating revenue	\$m	4,120	3,442	2,143	2,059	1,685
Operating profit before tax	\$m	516	413	359	290	295
Tax on operating profit	\$m	96	49	37	10	35
Operating profit after tax	\$m	420	364	322	280	260

DIVISIONAL CONTRIBUTION

Project Management	\$m	35	31	39	39	52
Property Development	\$m	128	(11)	(13)	(15)	23
Real Estate Investments	\$m	59	65	19	18	17
Real Estate Services	\$m	10	10	2		
Financial Services	\$m	200	183	168	152	126
Capital Services	\$m	8	2	8	13	7
IT+ T Investments	\$m	9	3	2	1	1
Equity Investments	\$m	51	134	101	73	42
Group Services	\$m	(61)	(35)	(15)	(7)	(4)
Group Financing Costs ⁽³⁾	\$m	(19)	(18)	11	6	(4)
Total	\$m	420	364	322	280	260

Operating profit after tax to revenue	%	10.3	10.6	15.0	13.6	15.4
Operating profit after tax per full time employee ⁽¹⁾	\$000	91	51	84	64	61
Earnings per share ⁽²⁾	cents	83.2	71.6	63.4	57.6	56.5
Operating profit after tax to shareholders' equity	%	12.1	11.3	11.0	11.1	10.8
Dividend per share ⁽²⁾	cents	60	53.5	49	45	42.5
Profit share per employee	\$	6,367	3,377	4,786	4,161	3,975

CORPORATE STRENGTH

Funds Under Management and Administration	\$m	73,221	73,536	67,000	33,535	31,841
Total assets	\$m	7,291	6,471	4,674	3,543	3,480
Available cash	\$m	621	482	166	387	215
Borrowings	\$m	1,210	1,544	643	242	400
Current assets	\$m	2,241	1,396	687	947	587
Current liabilities	\$m	2,452	1,452	1,337	850	550
Net asset backing per share ⁽²⁾	\$	6.88	6.42	5.85	5.20	5.35
Ratio of current assets to current liabilities	times	0.91	0.96	0.51	1.11	1.07
Debt to shareholders' equity	%	34.9	47.7	22.0	9.6	16.6
Debt to shareholders equity plus debt	%	25.9	32.3	18.1	8.7	14.2
Net debt to shareholders' equity	%	17.0	32.8	16.3	(5.7)	7.7
Debt to total market capitalisation	%	11.6	18.8	9.2	5.1	9.8
Shareholders' equity	\$m	3,469	3,237	2,919	2,529	2,415
Shares on issue	m	504	252	250	243	226
Number of shareholders	No.	45,113	35,404	32,927	28,536	25,983
Number of equivalent full-time employees	No.	4,627	7,079	6,736	4,343	4,262

SHAREHOLDERS' RETURNS & STATISTICS

Proportion of shares on issue to top 20 shareholders	%	64.4	64.6	65.9	68.0	64.6
Staff shareholdings	%	13.4	13.0	13.5	14.6	15.6
Total dividends declared	\$m	303	269	246	218	190
Payout ratio	%	72	74	76	78	73
Dividends reinvested/foregone during the year:						
Dividend Reinvestment Plan	\$m	67.0	58.3	53.5	92.0	79.6
Share Election Plan	\$m	22.4	27.7	16.2	20.0	22.0
		89.4	86.0	69.7	112.0	101.6
Share prices as at 30 June as quoted on the Australian Stock Exchange (adjusted for 1 for 1 bonus issue)	\$	20.74	16.33	14.00	9.75	8.99

(1) 1998 included for the first time employees of Equitable Real Estate (ERE) and associated companies. The increase in 1999 reflects the impact of the sale of the Compass business during the 1999 financial year.

(2) Comparatives have been adjusted to reflect the 1:1 bonus issue.

(3) Includes net interest costs and foreign exchange hedging costs.

		1999	1998	1997	1996	1995
PROJECT MANAGEMENT						
No. of equivalent full-time employees	No.	1,488	1,234	1,106	953	918
OPERATING PROFIT AFTER TAX						
Australia	\$m	23	11	29	30	49
North America	\$m	(1)				
Asia	\$m	10	15	8	8	3
Europe	\$m	3	5	2	1	
Total	\$m	35	31	39	39	52
SALES						
Australia	\$m	1,711	1,492	1,346	957	860
Asia	\$m	98	110	266	148	172
Europe	\$m	316	27		903	
Total	\$m	2,125	1,629	1,612	2,008	1,032
FORWARD WORKLOAD						
Australia	\$m	1,738	1,693	1,252	687	644
Asia	\$m	76	99	214	160	124
Europe	\$m	344	793	794	1,124	
Total	\$m	2,158	2,585	2,260	1,971	768
PROPERTY DEVELOPMENT						
No. of equivalent full-time employees	No.	215	185	156	150	77
OPERATING PROFIT AFTER TAX						
Australia	\$m	10		(26)	(38)	21
North America	\$m	(3)				
Asia	\$m	(24)	(27)	12	23	2
Europe	\$m	145	16	1		
Total	\$m	128	(11)	(13)	(15)	23
PROPERTY INVENTORIES						
Australia						
Commercial Offices	\$m	361	291	352	433	352
Retail	\$m	2	11	18	22	125
Residential	\$m	257	75	145	29	21
Total Australia	\$m	620	377	515	484	498
International						
Industrial	\$m	16	45	117	100	65
Retail	\$m	1,333	916	217	174	
Total International	\$m	1,349	961	334	274	65
Total	\$m	1,969	1,338	849	758	563

		1999	1998	1997	1996	1995
REAL ESTATE INVESTMENTS						
No. of equivalent full-time employees	No.	1,524	2,481	2,295	1,061	925
OPERATING PROFIT AFTER TAX						
Australia	\$m	7	8	10	16	17
North America	\$m	52	58	7	2	
Asia	\$m	(5)	2	2		
Europe	\$m	5	(3)			
Total	\$m	59	65	19	18	17
VALUE OF MANAGEMENT AGREEMENTS						
Australia						
Australia Prime Property Fund	\$m	48	38	38	38	15
General Property Trust	\$m	187	179	144	122	140
Total	\$m	235	217	182	160	155
International						
Real Estate Investments ⁽¹⁾	\$m	565	734	380	47	52
Total International	\$m	565	734	380	47	52
Total	\$m	800	951	562	207	207
REAL ESTATE FUNDS UNDER MANAGEMENT ⁽²⁾						
Australia						
General Property Trust	\$m	4,555	3,897	3,545	3,409	3,201
Other ⁽³⁾	\$m	2,400	2,333	2,509	3,868	3,926
	\$m	6,955	6,230	6,054	7,277	7,127
North America ⁽⁴⁾	\$m	36,452	40,703	35,652	4,795	5,566
Asia	\$m	293	299	194	8	
Europe	\$m	1,400	317	1,027	1,231	1,574
Total Funds Under Management	\$m	45,100	47,549	42,927	13,311	14,267

(1) Value of Management Agreements for 1999 and 1998 are USD367.0 million and USD440.5 million, respectively.

(2) Lend Lease Corporation recognises Funds Under Management where an asset management fee is received. Where partial ownership exists Lend Lease recognises a proportion of the asset owned.

(4) Includes the Australian Prime Property Fund, Darling Park Trust, Kiwi Property Trust, MLC Group (MLC Lifetime Company Limited and MLC Limited) and other external clients.

(5) Funds Under Management for 1999 and 1998 are USD23,694 million and USD24,612 million respectively.

		1999	1998	1997	1996	1995
FINANCIAL SERVICES						
OPERATING PROFIT AFTER TAX						
Funds Management and Life Insurance	\$m	181	170	161	145	118
Administration	\$m	(3)	9			
Investment Management	\$m	20	11	8	8	9
Asia	\$m	2	(7)	(1)	(1)	(1)
Total	\$m	200	183	168	152	126
ACTIVITY AND EARNINGS ⁽¹⁾						
Premiums/Deposits from Customers						
Retail	\$m	3,786	3,020	2,481	2,028	1,646
Corporate	\$m	1,262	806	776	1,227	958
Total Premiums/Deposits from Customers		5,048	3,826	3,257	3,255	2,604
No. of policy and unit holders	000's	1,184	1,189	1,242	1,251	1,305
Sales						
Retail	\$m	3,109	2,460	2,033	1,430	987
Corporate	\$m	1,262	806	776	1,227	956
Total Sales	\$m	4,371	3,266	2,809	2,657	1,943
Expenses						
Commission	\$m	160	148	142	119	98
Overheads	\$m	227	228	251	307	240
Administration Funds	\$m	54	15			
Total Expenses	\$m	441	391	393	426	338
Claims & Redemptions						
Retail	\$m	2,529	2,302	2,075	1,858	1,476
Corporate	\$m	2,053	1,096	1,323	862	540
Total Claims & Redemptions	\$m	4,582	3,398	3,398	2,720	2,016
Funds Under Administration ⁽²⁾						
Sales ⁽³⁾	\$m	778	538			
Outflows	\$m	115	63			
PRODUCTIVITY						
Funds Management & Life Insurance staff	No.	1,218	1,386	1,511	1,964	2,058
Administration staff ⁽²⁾	No.	117	62			
Career sales representatives	No.	429	498	544	600	640
Total Expenses to Income ⁽⁴⁾	%	7.57	8.96	12.07	13.09	12.98
Total Expenses to Funds Under Management and Administration	%	1.46	1.43	1.57	1.98	1.74
Non Sales Related expenses to Funds Under Management and Administration ⁽⁴⁾	%	0.93	0.89	1.00	1.42	1.24
Non Sales Related Funds Management expenses to Funds Under Management	%	0.80	0.86	1.00	1.42	1.24
Claims and Redemptions to Funds Under Management and Administration ⁽⁴⁾	%	15.60	12.64	13.59	12.61	10.39

		1999	1998	1997	1996	1995
FINANCIAL SERVICES continued						
FUNDS UNDER MANAGEMENT & ADMINISTRATION						
Funds Under Management	\$m	28,235	26,441	25,003	21,566	19,405
Funds Under Administration ⁽²⁾	\$m	1,878	942			
Total	\$m	30,113	27,383	25,003	21,566	19,405
Funds Under Management						
Life Insurance ⁽⁵⁾	\$m	4,107	4,140	4,392	3,953	4,029
Funds Management ⁽⁶⁾	\$m	24,128	22,301	20,611	17,613	15,376
Total	\$m	28,235	26,441	25,003	21,566	19,405
Property (appraised)	\$m	397	767	904	1,388	1,538
Property (securities)	\$m	1,791	1,367	1,050	856	802
Cash/Fixed interest/Other	\$m	10,001	10,278	9,824	9,381	8,209
Equities	\$m	16,046	14,029	13,225	9,941	8,856
Total	\$m	28,235	26,441	25,003	21,566	19,405
Australian	\$m	18,903	18,316	17,412	15,143	14,118
International	\$m	9,332	8,125	7,591	6,423	5,287
Total	\$m	28,235	26,441	25,003	21,566	19,405

- (1) Financial Services activities and earnings represents the MLC Group of companies including MLC Limited, MLC Lifetime Company Limited, MLC Investments Limited, Plum Joint Venture, Your Prosperity Limited and FlexiPlan Australia Limited.
- (2) Funds Under Administration includes the businesses of FlexiPlan Australia Limited, Plum Joint Venture and Your Prosperity Limited. There are no comparatives for June 1997 as FlexiPlan Australia Limited was not a controlled entity as at that date.
- (3) Sales represent the value of funds received from customers for Funds Under Administration.
- (4) For productivity ratios, income includes Funds Under Administration sales, and claims and redemptions includes Funds Under Administration outflows.
- (5) Life Insurance represents MLC Lifetime and Simas Lend Lease Life.
- (6) Funds Management represents assets managed on behalf of customers. This excludes shareholder related assets and other non investment assets (eg, fixed assets) included in total statutory fund assets.
- (7) Comparatives have been adjusted to reflect current accounting policies.

		1999	1998	1997	1996	1995
CAPITAL SERVICES						
No. of equivalent full-time employees	No.	9	30	40	41	33
OPERATING PROFIT AFTER TAX						
Australia	\$m	1	(4)	3	13	7
Asia	\$m		(8)			
Europe	\$m	7	14	5		
Total	\$m	8	2	8	13	7

		1999	1998	1997	1996	1995
IT+T INVESTMENTS						
No. of equivalent full-time employees	No.	3	7			
OPERATING PROFIT AFTER TAX						
Australia	\$m	9	3	2	1	1
Investments (at cost)						
IBM Global Services Australia	\$m	40	40	44	44	44
Sitel ⁽¹⁾	\$m	17	10			
Interactive Coupon Marketing Group	\$m	31	10			
Advantra	\$m	6				
(all investments held at cost)	\$m	94	60	44	44	44

(1) In 1999 the investment consisted of shares in Sitel Australia and Sitel Asia Pacific which have been converted into shares in Sitel Worldwide.

		1999	1998	1997	1996	1995
EQUITY INVESTMENTS						
OPERATING PROFIT AFTER TAX						
Mirvac	\$m	2	25	2		
Hoyts	\$m	3	8	10	3	2
Westpac Banking Corporation	\$m	46	101	89	70	40
Total	\$m	51	134	101	73	42
Market Value						
Mirvac	\$m	42	30	113	66	
	(1) Number of shares	13m	18m	32m	28m	
Hoyts	\$m		28	60		
	Number of shares		13m	21m		
Westpac Banking Corporation	(2) \$m	402	394	396	358	895
	Number of shares	40m	40m	50m	65m	175m

(1) Number of shares does not include convertible notes held (1999: nil, 1998: nil, 1997: 8 million, 1996: 11.6 million).

(2) The remaining 40 million Westpac shares have been hedged locking in an effective price of \$10.05 per share, resulting in a hedged value of \$402 million.