

19 August 2024

Lendlease Group 2024 Annual Report

Lendlease Group today announced its results for the year ended 30 June 2024. Attached is the 2024 Annual Report, including:

- Directors' Report
- Remuneration Report
- Financial Statements
- Consolidated Entity Disclosure Statement

ENDS

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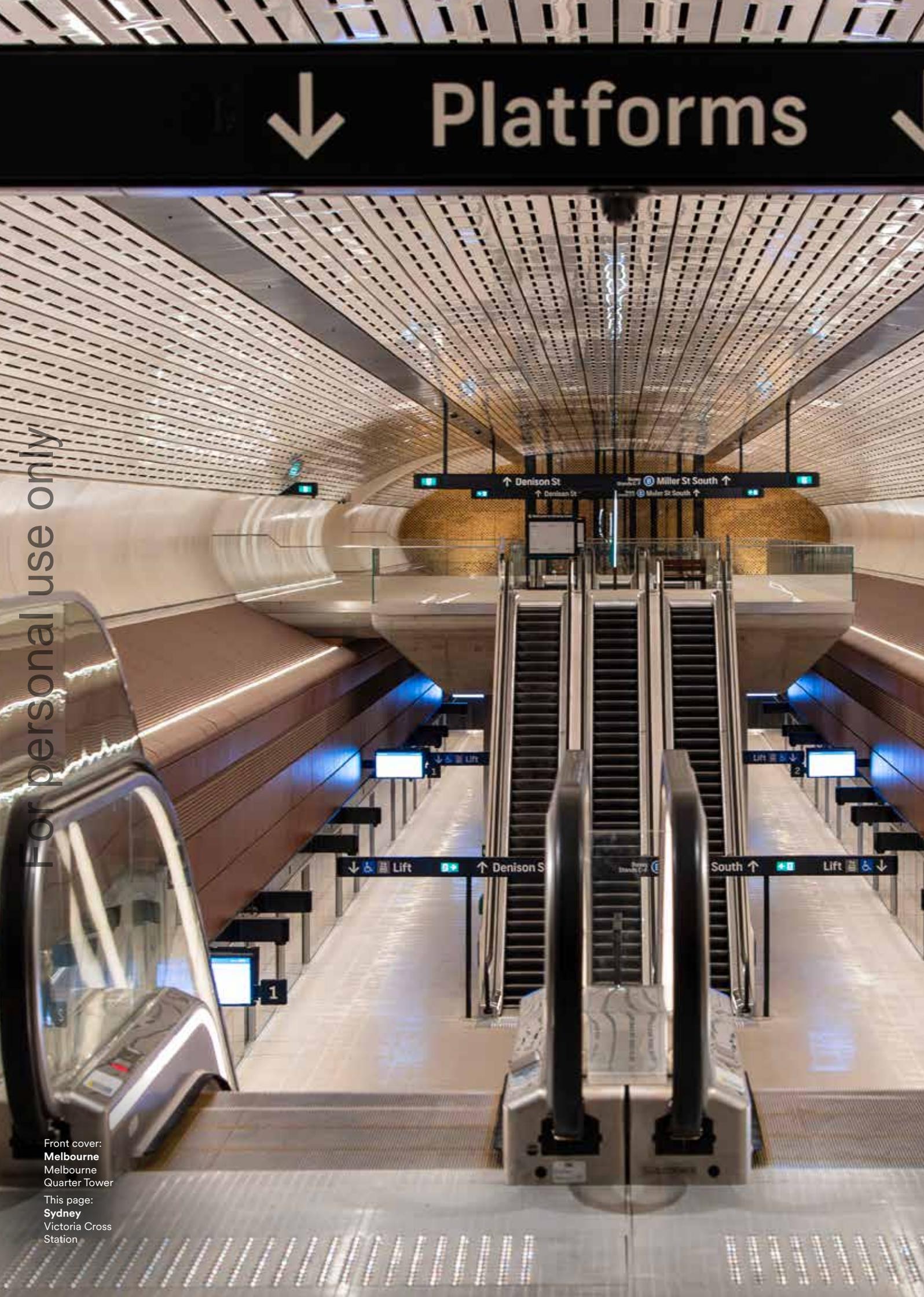
Lendlease 2024

Annual Report



↓ Platforms ↓

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Front cover:
Melbourne
Melbourne
Quarter Tower
This page:
Sydney
Victoria Cross
Station

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All financial amounts in this report are in Australian dollars unless otherwise specified.

Lendlease Corporation Limited
ABN 32 000 226 228
Incorporated in NSW Australia

Lendlease Responsible Entity Limited
ABN 72 122 883 185 | AFS Licence 308983
as responsible entity for Lendlease Trust
ABN 39 944 184 773 | ARSN 128 052 595

About this Report

The 2024 Lendlease Annual Report has been prepared with reference to the Integrated Reporting Framework that encourages businesses to consider what creates value for them and how this value contributes to long term sustainable returns for securityholders.

Materiality

A matter is considered material if senior management and those charged with governance believe it could significantly impact the value created and delivered in the short, medium and long term. We identify and capture material matters in the following ways:

- Project Control Groups (PCGs), which include key internal stakeholders and represent the governance structure for overseeing the completion of the Annual Report
- Capturing feedback from key external stakeholders, including securityholders, analysts and other relevant groups
- Engagement with the Board
- Confirming the strategy is consistent and relevant.

The outcome of these processes are the material issues noted on pages 24 and 25 in Managing and Measuring Value and in Our Business on pages 12 to 21.

Directors' Report and Operating and Financial Review (OFR)

The required elements of the Directors' Report, including the OFR, are featured on pages 4 to 94 of this Report and include the sections: Year in Review; Our Business; Managing and Measuring Value; Risk and Climate-Related Resilience; Performance and Outlook; and Governance.

The OFR is covered specifically on pages 4 to 55. All non financial metrics included in the Directors' Report on pages 4 to 47 have been verified through Lendlease's internal verification process.

The Remuneration Report on pages 68 to 90 and the Financial Statements on pages 95 to 175 have been audited by KPMG.

Reporting suite

Our reporting suite provides information about the organisation and its key financial and operational achievements and includes:

- The Annual Report**
Information about Lendlease, our strategy, integrated financial and operational performance, corporate governance, Directors' Report, Remuneration Report and Financial Statements
- Biannual Results Presentation**
The current reporting period's financial results, detailed segment information, investment portfolio and pipeline
- www.lendlease.com**
Additional information on sustainability reporting, corporate governance, tax compliance and historical financial information.

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Our focus areas

Five focus areas underpin our ability to create safe, resilient, economic and sustainable outcomes. Our success is measured by the value we create in these areas. Icons linking our activities to this value creation are used throughout this Report.



Health and safety

Everyone has the right to go home safely. We remain committed to the health and safety of our people, and all those who interact with a Lendlease place.



Financial

A strong balance sheet and access to third party capital enables us to fund the execution of our pipeline and deliver quality earnings for our securityholders.



Our customers

Understanding our customers and their evolving needs is critical as we partner, collaborate and innovate to create places people love.



Our people

Our people bring Lendlease, our purpose and our culture to life. Creating places where communities thrive.



Sustainability

Sustainability is core to our planning and clear in our outcomes. We have a proud history of emphasising environmental, social and economic impacts.

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Acknowledgement of Country

We acknowledge the Traditional Custodians of the land and pay our respect to them and their Elders past and present.

As a business that works across many locations, we have a responsibility to listen, learn and walk alongside First Nations peoples so that our activities support their ongoing connection to their lands, waters, cultures, languages and traditions.

We value their custodianship of 65,000 years.

The Lendlease Elevate Reconciliation Action Plan (RAP) is one way we demonstrate our operational performance on human rights, and specifically the rights of First Nations peoples.

Our Australian retail business collaborated with Gudanji/Wakaja artist Ryhia Dank (Nardurna) to create the artwork featured here for NAIDOC Week 2024.

Year in Review

BALENCIAGA

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THE
EXCHANGE
TRX

PRADA

PRADA

PRADA

PRADA

Chairman's Report

The past year was another period of significant change for Lendlease.

Our operating landscape was characterised by continued pressure on property markets – stemming from ongoing interest rate uncertainty, contributing to a difficult macro-economic outlook in the four regions in which Lendlease operates.

As a developer of large urban projects, Lendlease's bottom line performance is reliant on our ability to work in partnership with capital partners in order to create value from our development products.

However, the commencement of new developments over the past year was once again impacted by slower markets and the reluctance of capital partners to commit to transactions in an uncertain environment.

Even with that challenging backdrop, there were significant achievements across the core business which demonstrated the strength of our people and assets, including the delivery of \$8.2b of development completions and the creation of \$3.4b of new funds under management (FUM) product.

Notwithstanding these achievements and our response to these challenges, including business simplification, cost reduction and reduced headcount, the prolonged property cycle downturn, and its impact on Lendlease's operating earnings and security price, necessitated a fundamental review of our five-year Reset; Create; Thrive strategy.

Strategic refresh

Following extensive deliberation over the last year, including with external stakeholders, the Board endorsed a comprehensive update of the Group's strategy. This was triggered by the structural and prolonged cyclical changes that have impacted the global property sector post pandemic.

In summary, the strategy prioritises the liberation and return of capital to securityholders; investing in the high performing Australian business, which has historically demonstrated strong performance through-the-cycle; the exit of international construction operations; and the accelerated release of capital from long dated international development projects.

While this is a fundamental change for the business, the decisions taken recognise the need for significant action at an accelerated pace to deliver value for securityholders.

These decisions leverage Lendlease's competitive strengths and simplify the company to become a leading integrated real estate business in Australia with an international investment management platform.

Management have already delivered a number of significant milestones that were initiated over the last 12 months as the strategic refresh was under development. These include the simplification of our US operations by realising value from the sale of our Military Housing business and the divestment of our Construction business; the establishment of a real estate investment platform with Warburg Pincus that realises the value we have created in our life sciences, construction and development businesses in Asia; and processes underway for the sale of a further c.\$0.9b of assets.

Financial outcomes

As a result of the costs associated with implementing the strategy, largely relating to impairments and restructuring charges, the Group recorded a substantial Statutory Loss. I recognise this is a disappointing outcome for securityholders. However, it is imperative we make these changes to set Lendlease up for future success.

The full year distribution and dividend payment of 16 cents per security was maintained and reflects a payout ratio of 42 per cent of Core Operating Earnings.

Securityholder engagement

As representatives of the company, it is important to maintain an active program of engagement with securityholders. In my capacity as Chair, I regularly meet with investors, government, customers and other key stakeholders to listen to their views and gather feedback.

This year, stakeholder engagement included receiving input as the refreshed strategy was developed, and on Chair succession and executive reward, with more than 30 meetings held.

Chair and Board renewal

As announced in May, I will retire as Chair following the conclusion of the 2024 Annual General Meeting (AGM). It has been a privilege to serve on the Lendlease Board as a Non Executive Director since 2011 and as Chair since 2018.

I am working with my fellow directors on Chair succession which is well underway. A market announcement will be made once we have completed that process.

Nicola Wakefield Evans will also be retiring from the Board at the 2024 AGM. On behalf of the Board, I thank Nicola for her contribution to Lendlease since her appointment in September 2013. Nicola has been Chair of the Board Sustainability Committee since 2019 and a member of the Board Audit Committee and Board Risk Committee. The Board has appreciated her counsel and insights on a broad range of matters.

We also welcomed Barbara Knoflach as a Non Executive Director. Barbara is an outstanding addition to the Board, and her background in real estate, asset management and investment management supports our objective to grow our international Investments platform. She brings relevant sector insights and her appointment, together with the appointments of Bob Welanetz, Nick Collishaw and Margaret Lui in recent years, reflects a disciplined approach toward Board renewal focussing on Lendlease's core sectors of real estate and investment management.

Nick Collishaw will be standing for re-election at the AGM this year. Nick's re-election is unanimously supported by the Board; he is an experienced property executive with more than 40 years' expertise gained across Investments, Development and Construction.

I am confident we have the right strategy, team and commitment to realise the inherent value in our business on behalf of securityholders.



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Remuneration outcomes

In response to the 'first strike' received on the 2023 Remuneration Report, I, along with our People and Culture Committee Chair, Elizabeth Proust, met with many of Lendlease's key stakeholders to listen to and understand the reasons for the strike. This reinforced our view of the need to demonstrate strong alignment between remuneration outcomes for executive management and the experience of our securityholders.

Accordingly, given the poor financial outcomes for securityholders, the CEO and his leadership team will not receive a Short Term Award for FY24.

Further information on our approach is detailed in the Remuneration Report on page 68.

Reflection on the past, looking to the future

This is my final year as your Chair and, as I reflect on my six years in the role, it has been characterised by significant challenge for Lendlease, both strategically and in the operating environment we have faced.

My first term as Chair commenced shortly after the announcement of the problems in our Engineering business, which led to a strategic review and decision to exit the business – a significant undertaking given the scale and complexity of the operations. This was followed by the onset of the global pandemic and leading the Board's support of management as we dealt with the

incredibly challenging task of maintaining our global construction and development activities in the face of an unprecedented operating environment. I am immensely proud of how our teams around the world responded.

My second term has been characterised by the strategic challenges posed by significant structural changes and a prolonged cyclical downturn post pandemic. During this period, I led the appointment of a new CEO, and am delighted at how Tony has transitioned into the role. Through this period there has been a substantial refinement of our strategic focus, extensive restructuring of our operations, and the delivery of significant operating efficiencies.

The culture of Lendlease is a special and resilient one. The diligence and commitment of our people across the business has been truly remarkable, and the achievements and outcomes for our clients around the world during this time deserve to be recognised and commended.

There has been constant Board renewal throughout my Chairmanship which has focussed on increasing the depth of real estate and investment experience around the Board table.

During my time on the Board I have been immensely proud of the continual improvement in the health and safety outcomes for our people through a relentless focus by management on this critical area. I am also proud of our industry leadership in all aspects

of sustainability – with bold actions to respond to climate change, and continuing our founder's commitment to maintaining a social licence to operate.

Lendlease is at a critical juncture in its history. The Board and management have thought very carefully about the necessary strategic actions and taken some tough decisions.

I am confident we have the right team and commitment to realise the value inherent in our business on behalf of securityholders. And I am determined to dedicate my final months with this great company to achieving a smooth transition to the Board's new leadership.

I thank my fellow Directors and the entire Lendlease team for their ongoing dedication to repositioning the organisation for sustainable future growth.

Michael Ullmer

M J Ullmer, AO
Chairman

Group Chief Executive Officer's Report

Transforming our company into one that delivers sustainable financial returns to securityholders has been my priority since becoming CEO three years ago.

And while we made substantial inroads delivering against the five-year turnaround plan announced in FY22, a prolonged market downturn combined with a high proportion of capital allocated to long dated developments in offshore businesses has impacted returns and has necessitated substantial further action.

In May 2024, we announced a refreshed strategy to position Lendlease for financial success. A strategy that leans into our proven core strengths and competitive advantages.

Its key elements are:

- Simplify our organisational structure and achieve further cost reductions
- Focus on our market-leading Australian business and international Investments platform
- Divest international Construction
- Recycle \$4.5b of capital by completing divestment transactions and accelerating capital release from offshore development projects and assets.

Strategy in action

The business has moved quickly to implement the changes we believe are required to become the leading integrated real estate business in Australia with an international Investments platform.

Central to the strategy is the establishment of the Capital Release Unit (CRU) designed to liberate more than \$4.5b of capital from the business, including \$2.8b from the divestment of on-market assets; the divesting of international Construction operations; and the release of \$1.7b of capital primarily from international Development.

Of the \$2.8b of assets on market targeted to be divested in FY25, more than half of the transactions have already been announced. These include the sale of our integrated life sciences interests in Asia into a new joint venture; the sale of 12 Australian master-planned Communities projects; and the sale of our US Military Housing business.

In parallel, we are realising a further \$125m of pre-tax cost savings across the business as we simplify our management structure and move to being a leaner and more focussed organisation.

From a capital allocation perspective, our priorities are to strengthen the balance sheet, return up to \$500m of capital to securityholders and invest in our high return Australian operations. We'll also continue to build on our Australian development pipeline to support future earnings and focus on profitable growth within our Investments platform.

By reshaping our business to concentrate on our core competencies in markets where we have proven capabilities and a strong competitive advantage, the financial and operational risk profile is expected to be lower, and the quality of our earnings ultimately higher and more sustainable.

Financial and operating performance

Reflecting impairments and restructuring charges primarily associated with the divesting of international construction and the capital release from offshore development projects, the Group recorded a Statutory Loss after Tax of \$1,502m.

Core Operating Profit after Tax was modestly higher at \$263m, compared with \$257m in the prior year.

The completion of Residences One, Barangaroo and The Exchange TRX in Kuala Lumpur, as well as consideration received for value created at the San Francisco Bay Area project, contributed to the result.

Investments

Our funds under management (FUM) ended the year at \$47.3b. Despite ongoing challenging market conditions resulting in negative revaluations, several developments were completed that support future FUM growth.

Boosting our sustainable workplace portfolio, Melbourne Quarter Tower was completed. We also added a build to rent asset in Chicago and the first phase of our data centre project in Tokyo. Contributing to assets under management, The Exchange TRX opened in Kuala Lumpur, and is exceeding performance expectations.

There are currently eight international projects underway with key capital partners that are expected to add more than \$6b in FUM over coming years, enhancing our existing international platform of more than \$19b of FUM and Australian platform of \$28b.

Development

Development activity increased, with \$8.2b of completions and \$1.9b of commencements.

Residential buildings in Sydney, New York and Kuala Lumpur were completed, along with various products contributing to FUM, listed in the Investments section of this Report.

Leveraging our placemaking capability and supporting the replenishment of our Australian development pipeline, we secured the \$1.3b Gurrowa Place project at the Queen Victoria Market site in Melbourne.

Construction

In our Construction segment, a disciplined approach to cost management has been a priority. We took steps in the US by winding down West Coast and Central operations, and recently agreed terms for the sale of the East Coast operations.

As we transition to focus on our Australian business, which has a backlog of \$3.9b and a strong preferred book, we'll look to build upon our strong capabilities in the defence, social infrastructure and workplace (including life sciences) sectors.

Focussing on the things that set Lendlease apart

Physical safety and wellbeing

The health and safety of our people, our subcontractors and those who interact with the places we create and manage is our highest priority. We have continued to embed a culture of care across the organisation, which encompasses physical and product risks as well as psychological safety.

Across more than 400 operations encompassing more than 80 million hours worked, this year there were no fatalities recorded, which is an outstanding effort from our people and supply chain partners.

We're making real progress to create a new Lendlease – a company that's less complex, more focussed and, ultimately, more profitable.



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A performance culture

As we undergo significant organisational change, our focus has been to strengthen our performance culture, retain key talent and support our people.

Our recent global engagement survey had an 85 per cent participation rate and resulted in a modest one-point decrease. This is a pleasing result in light of the transformation underway across the business.

Leadership and learning and development programs have been prioritised, in addition to wellbeing and mental health initiatives. More than 400 leaders participated in global leadership programs.

I thank all our teams around the world for their resilience and ongoing commitment to delivering exceptional outcomes for our customers.

Customer centric ethos

Our customer centric approach remains steadfast. To remain focussed, each year we undertake a broad range of customer listening and insights research.

Pleasingly, there is a continued strong level of repeat business. This includes repeat purchasers across our luxury Sydney apartment developments; strong tenancy renewals at our office buildings at Barangaroo South; capital partners with multiple investments across asset classes and geographies; and government and corporate clients trusting us with their project management and construction requirements.

Leadership in sustainability

Since launching our industry-leading Mission Zero targets, we are on track to achieve our 2025 milestone of Net Zero Carbon for Scope 1 and 2 emissions. We are also approaching our target of creating \$250m of social value by 2025, having generated \$222m of social value through shared value partnerships, including \$36m in FY24.

These business imperatives are firmly embedded into the organisation across all business segments and are fundamental to how we create long term value. Further, industry leadership in sustainability, whether it be environmental or social, is valued by a high proportion of our stakeholders, including customers, capital partners and employees, helping us attract and retain talent.

Outlook

As we enter the new financial year, our refreshed strategy is underway.

Our Australian business is market leading and unique in the breadth and strength of its integrated capability and services. The opportunities to grow remain significant, with a project pipeline that plays to our core competitive strengths, especially in urban regeneration. Our valued relationships with major global capital partners presents an appealing long term growth pathway to extend our international funds platform.

Our immediate priorities are to strengthen our balance sheet, return capital to securityholders and invest in our

high return Australian operations, while continuing to build on our Australian development pipeline to support future earnings growth.

I believe that through the decisive actions announced in May, we have outlined a clear path for our people, customers and securityholders.

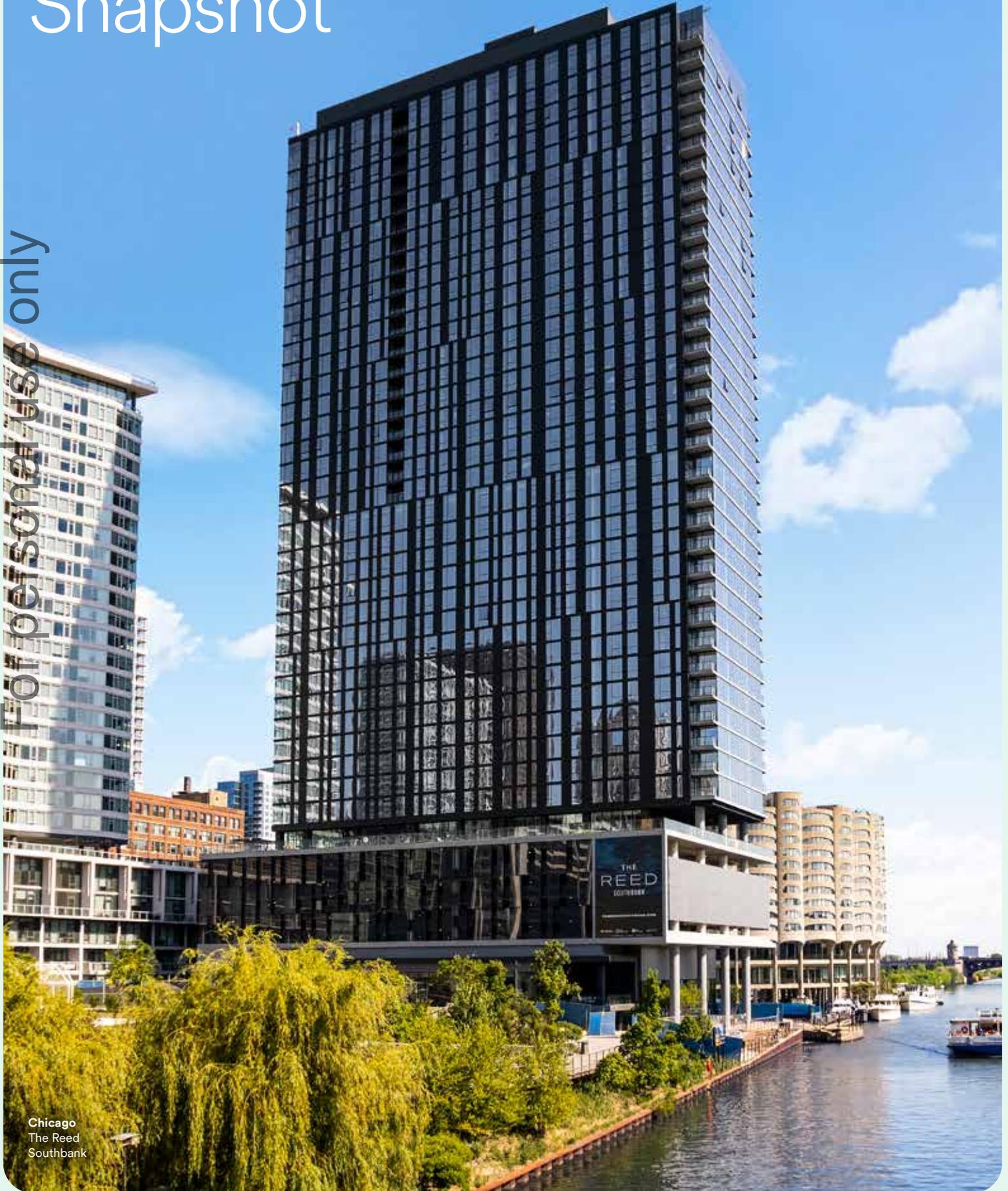
My thanks to our Board, particularly our Chairman who is retiring at the AGM in November. I have greatly valued his counsel and support. I also thank my Management Team and the people of Lendlease for their unwavering dedication.

Finally, to our securityholders – I restate our commitment to restore securityholder returns.

Tony Lombardo
Group Chief Executive Officer

FY24 Snapshot

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Chicago
The Reed
Southbank

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\$(1,502)m

Statutory
Loss after Tax



\$263m

Core Operating
Profit after Tax



Stable

financial position



\$47.3b

Funds
under management



\$14.5b

Development
Work in Progress



\$7.6b

External construction
backlog revenue



GRESB

2023
12 Global and 14 Regional
Sector Leader awards



Uplift

in customer satisfaction
(CSAT) and net promoter
(NPS) scores



Embedding

Physical; product; and
psychological safety



\$1.9b¹

Announced
transactions



\$3.6b

Co-investment
portfolio



Focus

on retention
of key talent

1. Includes \$1.3b Communities transaction, including \$239m for certain land parcels in respect of which the right to buy is now an agreement to negotiate due to the passage of time and in respect of which various conditions to the creation of those land parcels continue.

Our Business

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Melbourne
Regatta, Collins Wharf
Victoria Harbour
Artist's impression



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Our business

Lendlease is a leading integrated real estate business with an international Investments platform.

We leverage our investment management and asset creation skills, as well as development and construction capability, to deliver city shaping projects and create strong and connected communities.

For more than 65 years, we have created award-winning urban precincts and delivered essential civic and social infrastructure, and we manage funds and assets for some of the world's largest real estate investors.

Our key differentiator is our end-to-end capability across real estate from concept and planning to design and delivery, through to capital partnering and investment management. This is the essence of our integrated model.

In partnership with stakeholders, we aim to create social, environmental and economic value for cities, communities, partners and securityholders.

Guiding our behaviours and underpinning our Code of Conduct are our core values which support the success of our business.

Our core values



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Investments

The segment comprises international fund and asset management platforms and the Group's real estate co-investment portfolio.

Capability

Our expertise spans unlisted and listed real estate funds and mandates.

We offer deep investment capability supported by active asset management and leadership in sustainability.

Our competitive edge lies in our integrated product creation capability. This is complemented by our capacity to assess and convert on-market opportunities at any stage of a project lifecycle.

Our Australian development pipeline is expected to provide a key source of growth for the Investments segment, as is our ability to source select international opportunities to match with capital partner preferences and demand.

Platform

- \$47.3b funds under management
- \$33.8b assets under management
- \$3.6b co-investment portfolio

Development

The segment is focussed on the creation of mixed-use precincts in Australia, including sustainable workplaces, apartments for rent and select luxury apartments for sale.

Capability

We manage the entire development process – from securing land or management rights, achieving entitlements through planning approvals, creating masterplans and consulting with communities and authorities, through to project management, sales and leasing.

Placemaking is core to our Development strategy and competitive position.

We create places that resonate with people and contribute to the quality and liveability of our cities by working in partnership with governments, institutions, landowners, investors and the community.

We design inclusive and climate-resilient buildings and precincts, targeting top tier sustainability ratings.

Platform

- \$14.5b Work in Progress (WIP)
- \$11.8b Australian urban development pipeline
- >\$6b of potential investment product in WIP

Construction

The segment focusses on Australia and provides external project management, design and construction services, predominantly in the defence, social infrastructure and commercial sectors.

Capability

Our capability is showcased in the places and structures we create for government and corporate clients, including sustainable workplaces for some of the world's largest organisations, hospitals and other buildings of civic and social importance, defence housing and infrastructure, data centres and complex projects such as over station developments.

This best practice capability is a key differentiator for the business and is leveraged in the delivery of our major urban integrated projects.

Our customer relationships and deep capability is also leveraged for origination opportunities.

Platform

- \$7.6b backlog revenue
- \$3.9b Australian backlog revenue
- \$10.6b preferred projects (Australia)

Our strategy

In May 2024, we announced a refreshed strategy to improve securityholder value and position the Group for profitable future growth.

Lendlease is underpinned by an ethos that long term value creation is maximised by achieving social, environmental and economic outcomes. This involves collaborating with customers, investment and development partners, governments and the communities within which we operate.

Following a prolonged downturn in the property cycle and an uncertain interest rate environment, third party capital commitments for projects have been subdued. As a result, our economic outcomes have been adversely affected, particularly for our offshore development operations.

Notwithstanding the reset of the organisation in FY22 and the subsequent actions undertaken to address business complexity and profitability, substantial further action was required.

Simplification and refocus

In May 2024, we announced a refreshed strategy to improve securityholder value and position the Group for profitable future growth.

We have a market leading integrated Australian business that delivers strong through-the-cycle returns.

However, approximately two thirds of the company's capital is currently deployed in offshore projects and assets. These projects have excellent fundamentals but they are long dated and their expected returns are too far into the future.

We are therefore taking necessary and significant steps to simplify the Group and release more than \$4.5b of capital, while refocussing our efforts towards our high returning integrated Australian business and our international investment management capabilities.

Further information about the strategic initiatives can be found in the Investments, Development and Construction segments on pages 16, 18 and 20 of this Report.

Strategic priorities

The new structures and processes that support the strategy took effect from 1 July 2024 and execution of the strategy is anticipated to be substantially progressed by the end of FY25.

The key strategic actions supporting the strategy are:

- Restructure the organisation and reduce costs
- Divest \$2.8b of assets on-market and target the return of up to \$500m of capital to securityholders
- Divest international Construction operations
- Release \$1.7b of capital from international Development, net of liabilities and other offsets.

A Capital Release Unit (CRU) has been established to maximise embedded value from \$2.8b of on-market assets, the divestment of international Construction operations, and the release of \$1.7b of capital from international Development.

Strong progress on strategy execution

Significant work has already been undertaken and we are well advanced on several fronts, including:

- Removing our regional management structures and introducing segment focussed Chief Executives to drive performance
- Announcing the sale of our integrated life sciences interests in Asia into a new joint venture with Warburg Pincus
- Announcing the sale of 12 Australian master-planned Communities projects
- Announcing the sale of our US Military Housing business
- Divesting US Construction following the agreed heads of terms for the sale of the East Coast operations and wind down of West Coast and Central operations.

There are ongoing processes for the sale of the remaining 25 per cent investment in the Keyton retirement living business, our senior living asset in China, and our interest in The Exchange TRX commercial assets in Kuala Lumpur.

Competitive advantage and growth prospects

A key differentiator from other industry participants is our end-to-end capability across real estate from concept and planning to design and delivery, through to capital partnering and investment management. This is the essence of our integrated model.

There are significant growth opportunities in Australia, with a current addressable market of approximately \$40b in urban regeneration projects that play to our competitive strengths.

Our international Investments platform has deep relationships with global capital partners, and we intend to leverage our existing scale and improve performance through active portfolio management, together with introducing new products.

Future growth will be underpinned by the investment grade product we expect to create from our development pipeline, in addition to our global capability to launch new products alongside investment partners.



Simplifying the organisation and reducing costs

Investments

Our Investments segment earnings are derived from funds and assets under management and contributions from our directly held co-investment portfolio.



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\$47.3b
Funds
under management

Funds management

For decades, we have managed funds and assets for some of the world’s largest real estate investors. We currently manage \$47.3b of funds on behalf of more than 70 capital partners, many of which are invested with us across multiple products and regions. They include large sovereign wealth funds, superannuation funds and insurance companies.

We have existing scale investment platforms in Australia and Asia, and over recent periods have invested in strengthening our teams in the UK and US. Approximately 60 per cent of our funds under management (FUM) is currently derived from Australia, with 40 per cent from offshore. Our product offering comprises 44 funds and mandates and is well diversified across asset classes and geographies.

Asset creation

Our develop-to-core products, created from our development pipeline, typically contribute to FUM growth.

This year, there were a number of development completions supporting our combined funds and assets under management including:

Workplace

Melbourne Quarter Tower, the third and final commercial asset at Melbourne Quarter, was completed. The building was sold to the National Pension Service of Korea (NPS) in 2021, with the investment being managed by Lendlease.

Build to rent (residential)

Chicago joint venture project, **The Reed** at Southbank, reached completion in the first half of the financial year.

Comprising 224 apartments for rent, as well as luxury condominiums, the building is the second residential tower at the precinct and the fifth build to rent asset completed in the US.

Further offshore build to rent assets are already underway alongside capital partners, including **Park & Sayer** in the UK, which is located at the Elephant Park mixed-use project and expected to complete in early FY25.

Additional buildings in Los Angeles and New York are expected to complete in FY26.

Retail

The Exchange TRX in Kuala Lumpur was completed in November 2023. Currently leased to 98 per cent, the asset is valued at approximately \$1.5b.

Following a successful opening and supported by strong operating metrics as the asset becomes established, our 60 per cent ownership stake is being marketed for sale and forms part of the Group's asset recycling program, as referenced in the 'Our strategy' section on page 15 of this Report.

Data centre and Life sciences

In Japan, Phase 1 of our **data centre project** in Tokyo and a 24,000sqm life sciences asset in Yokohama were both completed. The projects have a combined end value of \$0.7b.

We see data centres as a key growth area across the Asia Pacific and will look to leverage our existing US\$1b Data Centre Partnership. Our integrated capability is well placed to execute on the expected growth in this sector.



\$33.8b

Assets
under management

Asset management

Our asset management businesses have \$33.8b under management across key asset classes.

We manage \$16.3b of residential assets, which includes US Military Housing and our apartments for rent in the UK.

In the retail sector, our \$12.6b portfolio comprises assets across the Asia Pacific, including the recently completed Exchange TRX in Kuala Lumpur, Singapore's 313@somerset and a portfolio of retail assets in Australia.

This year, we announced the sale of our remaining US Military Housing business, including the operating platform along with the associated management rights for asset, property, development and construction management, which includes \$14.4b of assets under management.

The sale, which is expected to complete in FY25, crystallises the value we have created in the portfolio and represents a further step towards simplifying the Group. In line with the strategy update announced in May 2024, it facilitates the release of capital and intended redeployment into the Australian business or select investment management opportunities.

Our capabilities, including placemaking and the ongoing curation of the assets we manage for our capital partners, are complementary to our funds management expertise and derive an annuity-style income stream.

Investments portfolio

Our co-investment portfolio is valued at \$3.6b and includes positions in our managed funds and a 25 per cent equity interest in Keyton (retirement living).

The portfolio is diversified across a range of sectors, including workplace (\$1.0b), residential (\$0.6b), retail (\$1.0b), retirement (\$0.5b) and industrial (\$0.3b). This is expected to reweight over time post the targeted divestment of the final 25 per cent interest in Keyton (retirement living) that will move into the Capital Release Unit in FY25.

Optimisation of the portfolio and capital redeployment opportunities are continually being assessed.

Leading sustainability targets and credentials

Our commitment to leading industry transformation in decarbonisation is demonstrated in our Mission Zero targets - some of the most ambitious in the real estate sector.

We have delivered some of the world's most sustainable real estate, which attracts capital partners and quality tenants, as well as contributing to investment performance and our competitive edge.

Our projects and assets consistently achieve the highest sustainability ratings, and we maintain leading positions on ESG assessments and benchmarks, including WELL and GRESB. Our recent achievements are highlighted on page 36 of this Report.

Strategic direction

Investments segment operations are not impacted by the recently announced strategy update; however, a dedicated Investments segment Chief Executive Officer will replace the regional management model and will focus on the segment's performance and be accountable for driving stronger alignment with securityholder outcomes.

We'll continue to expand our Investments platform to achieve greater scale while remaining focussed on our capital partners and prioritising profitable growth.

There are eight international projects underway with key capital partners that are expected to add more than \$6b in FUM over coming years, adding to an existing international platform of \$19.3b of FUM and Australian platform of \$28b.

While the origination of develop-to-core investment product will be focussed on Australia, we'll continue to support capital partners to selectively develop investment product offshore via mandates where we have capability and where we see opportunity.

Priorities for the segment include:

- Focussing on performance, earnings and profitability
- Strengthening existing, and adding new, capital partnerships
- Expanding beyond traditional develop-to-core product offerings.



Development

Through our development capability, we create quality assets for our investment partners, as well as delivering improved liveability, amenity and wellbeing for the people that live, work and play in our projects.



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Urban regeneration

Our urban regeneration capability, including placemaking, sets us apart and presents a unique opportunity to generate lasting and positive value for a city and its communities through the way people connect, work and live.

During the year, this was showcased in the projects we completed including residential apartments, workplaces and retail.

Sydney: Residences One
One Sydney Harbour

Residential

We completed several projects, including build to sell apartments at Residences One, One Sydney Harbour; Claremont Hall in New York; TRX Residences in Kuala Lumpur; The Reed in Chicago; and Park & Sayer in London. The Reed also comprises 224 build to rent apartments which are 92 per cent leased.

Residences One, the first of three luxury residential buildings at One Sydney Harbour, welcomed residents earlier this year. The 315-apartment tower holds the Australian record for the most expensive apartment, with the two-storey penthouse selling for more than \$140m in 2019.

In New York, **Claremont Hall** comprises 166 apartments for sale, ranging from one to four bedrooms. The residences

feature sweeping views of the Hudson River, Central Park and Lower Manhattan.

The residential component of The Exchange TRX precinct, **TRX Residences**, marked the completion of Tower 1 and 2. The high rise homes feature innovations that elevate industry standards, delivering world-class homes in an integrated precinct.

Going forward, we are targeting select build to sell luxury residential opportunities in Australia where we can further leverage our experience and client list to secure funding and pre-commitments to appropriately derisk projects early. Testament to this is our \$3.1b One Circular Quay development in Sydney, with the residential component already 70 per cent sold by value, with completion expected in FY27.

Workplace

Comprising 75,000sqm across 34 levels, **Melbourne Quarter Tower (MQT)**, a major workplace development, was completed. MQT tenants currently include Medibank, Beca and the Seven Network.

As we begin to emerge from a subdued leasing environment, there has been activity across the portfolio, including **Victoria Cross Over Station development** and **Blue & William** in North Sydney and **Town Hall Place** in Melbourne.

We see opportunity in the sector for well located, next-generation assets, with first class sustainability credentials and we are extremely well positioned to leverage our integrated development capabilities in this sector.

Retail

Part of the 17-acre lifestyle quarter of TRX, **The Exchange TRX** is strategically located in Kuala Lumpur's first dedicated international financial district. The project has more than 400 retailers across 1.3 million sqft of net lettable area and was the first retail asset in Malaysia to achieve LEED Gold certification, highlighting a commitment to sustainability.

Data centres

Located 30km north of central Tokyo in Saitama, the first phase of one of Japan's largest data centres was completed. Phase 1 of the project is a six-storey, 48 MW facility which has been purpose built for Princeton Digital Group.

Delivering the pipeline

Our development pipeline is categorised in three phases: In Conversion; Master planned; and Work in Progress (WIP).

- **In Conversion** represents the earliest stage of development when a project is secured but yet to achieve master plan approval. For larger projects, this can take up to three years from the date a project is secured, though for smaller projects the conversion period may be shorter.
- The **Master planned** phase provides security of overall entitlements with development approvals being obtained. This phase allows us to develop, invest, sell down or proceed in phases, accelerate or pause development depending on prevailing market conditions and business priorities.
- Once a project begins construction, known as 'commencement', it moves into active delivery, progressing to the **Work in Progress** phase and through to completion.

FY24 Development activity includes:

Completions

- Residences One, Barangaroo, Sydney
- Claremont Hall, New York
- The Reed, Southbank, Chicago
- Park & Sayer, London
- Melbourne Quarter Tower
- The Exchange TRX, Kuala Lumpur
- Data centre, Tokyo
- Innovation centre, Yokohama

Commencements

- Build to sell apartments at Elephant Park and Silvertown, each in London
- Luxury build to sell apartments, Victoria Harbour, Melbourne

Capital-efficient partnership approach

Our Development strategy will be facilitated by a more capital efficient development model.

We aim to introduce capital partners early to manage our capital position. This allows us to diversify execution risk and capital allocation for the Group while sharing in project returns.

This includes a greater emphasis on joint venture partnerships, managing Lendlease's economic interest per project and providing opportunities for origination, development, performance and long term funds management fees.

Communities sale

In December 2023, we announced the sale of 12 of our Australian Communities projects.

The sale will be a key step in simplifying the Group, allowing the Development segment to focus on urban regeneration. The transaction, which is due to complete in FY25, forms part of the \$2.8b of assets being marketed for sale, as referenced in the 'Our strategy' section on page 15 of this Report.

Strategic direction

With the objective of deploying more capital into our high return Australian business, we are targeting the release of a further \$1.7b of net capital primarily from our international development projects.

We aim to achieve this in three ways:

- Selling land and inventory held on our balance sheet
- Progressing land management agreement projects through additional planning and entitlement and working with our existing partners to introduce new partners or sell land to third parties to develop
- Completing the eight joint venture projects that are already underway with capital partners and, once complete, transferring them to FUM in the Investments segment and reducing our co-investment position when stabilised.

The Development segment will be led by a dedicated Chief Executive who will focus on the following strategic areas:

- Expanding the development pipeline in Australia
- Increasing capital partnering with a focus on productivity and returns
- Originating product aligned to capital partner preferences.

Replenishing the pipeline

In March 2024, the Gurrova Place redevelopment project in Melbourne was secured. Part of the Queen Victoria Market precinct, the project has an estimated end development value of \$1.3b and is set to comprise a sustainable workplace; build to rent apartments; \$0.4b of student accommodation (alongside student accommodation partner, Scape); and a large public park.

Our Australian development pipeline has an estimated end value of approximately \$12b, including Gurrova Place. We are in the advanced stages of securing up to \$13b of opportunities across five projects, where we are either "one of two" or in exclusive discussions, and are in the early stages on a further \$27b of new opportunities which are concentrated on the east coast of Australia and play to our strengths in urban regeneration.

Australia's significant transport infrastructure investment offers the opportunity to unlock prime city locations and deliver highly connected precincts, particularly across the Sydney and Melbourne Metro lines. Lendlease has core capability in this regard, including current integrated development projects at Victoria Cross and Martin Place stations in Sydney and Town Hall Place in Melbourne.



Construction

Our construction capability delivers superior design and project management outcomes for government and corporate customers and is an important component of our integrated business model.



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Construction partner of choice

We are recognised for our market leading project management, design and construction services, as well as our safety focus. Clients choose us because we can drive delivery outcomes, offer strategic and long term value and create innovative solutions. A significant proportion of our customer base is repeat business, which is testament to being a trusted and strategic partner.

Completed projects

Several projects for customers reached completion during the year, including:

- Pathway to 144 Mental Health Beds
- Tweed Heads Valley Hospital
- Sydney Metro Martin Place Integrated Station Development
- Sydney Metro Victoria Cross Integrated Station Development
- Defence project (NSW)
- Prince of Wales Hospital - Acute Services Building

New work secured

We are targeting a focussed external portfolio, which includes projects for government and corporate partners across several key sectors including defence, social infrastructure, workplace, life sciences and data centres.

Projects secured during the year include:

- Melbourne Arts Precinct Transformation North (Basement)
- Curtin University B316 Sciences Building
- Defence projects (WA and NSW)

The Curtin University B316 Sciences Building is the third project in partnership with Curtin University, demonstrating the strength of the relationship.

Delivery partner for the integrated model

Our construction capability remains a key component and differentiator of our integrated business model and the delivery of urban projects. Our experience in large integrated precincts positions us as a partner of choice for external customers.

Several key integrated projects were completed, including:

Residences One, One Sydney Harbour, Sydney

At 250 metres, Residences One is the tallest of the three residential towers at One Sydney Harbour. Spanning 72 levels, it took more than 3.5 years to construct, with almost three million construction hours worked on the project.

Sydney: 1 Elizabeth, Martin Place Integrated Station Development

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Melbourne Quarter Tower, Melbourne
 Comprising 75,000sqm across 34 levels, the building commenced in April 2021 and recorded a peak workforce onsite of 450 people.

The Exchange TRX
 With more than 400 of the world's leading retailers, The Exchange TRX blends an immersive retail journey with the beauty of nature through the 10-acre TRX City Park.

Sydney Metro stations

After more than five years, two world-class integrated Metro stations at Martin Place and Victoria Cross were completed, marking a significant milestone in Australia's biggest public transport project.

The integrated transport precincts exemplify our commitment to excellence, innovation and transformation, requiring expertise from all disciplines, including development, design, construction and project management.

Our teams worked together to solve the challenges on these projects, ensuring every aspect of both precincts were delivered to the highest standard.

Managing logistical challenges, including materials handling and workforce management in confined, heavily trafficked areas, demanded meticulous planning and innovative construction methods. Ensuring safety and accessibility for both workers and the public was paramount.

The successful delivery of these precincts highlights the exceptional talent and capability within our organisation and demonstrates why we remain a trusted partner for government, client partners and investors.

Fossil fuel free construction
 Eliminating the use of fossil fuels in construction is an essential step in tackling climate change and reaching our Mission Zero targets.

Our project teams, in collaboration with our customers and suppliers, continue to move towards our goal of fossil fuel free construction.

For further information about the initiatives underway, refer to the Sustainability section on page 34 of this Report.

Sydney: Victoria Cross Station

Risk management
 Our risk management approach begins with disciplined origination that incorporates thorough market assessments.

Prior to the commencement of construction, detailed project management plans are formed and a team with the optimal skill set for the project is chosen.

The delivery phase comprises construction management, production and program controls, functional reviews and reporting. Post construction, a rigorous commissioning process is undertaken ahead of transitioning to the customer.

From a pricing and risk management perspective, our design management capability, deep supplier relationships and buying power across the supply chain provide high confidence in the price-setting process.

Supply chain
 We counteract disruption in the supply chain by working directly with manufacturers and implementing agreements with strategic partners.

- Our key areas of focus include:
- Maintaining deep relationships with our suppliers to proactively manage risk
 - Establishing the right trading partnerships to introduce low embodied carbon materials
 - Building a more connected supply chain via the use of digital technologies.

Strategic direction
 As part of our refocussed strategy and simplification of the business announced in May 2024, we are exiting international construction via the divestment of our construction operations in the US, the UK and Asia.

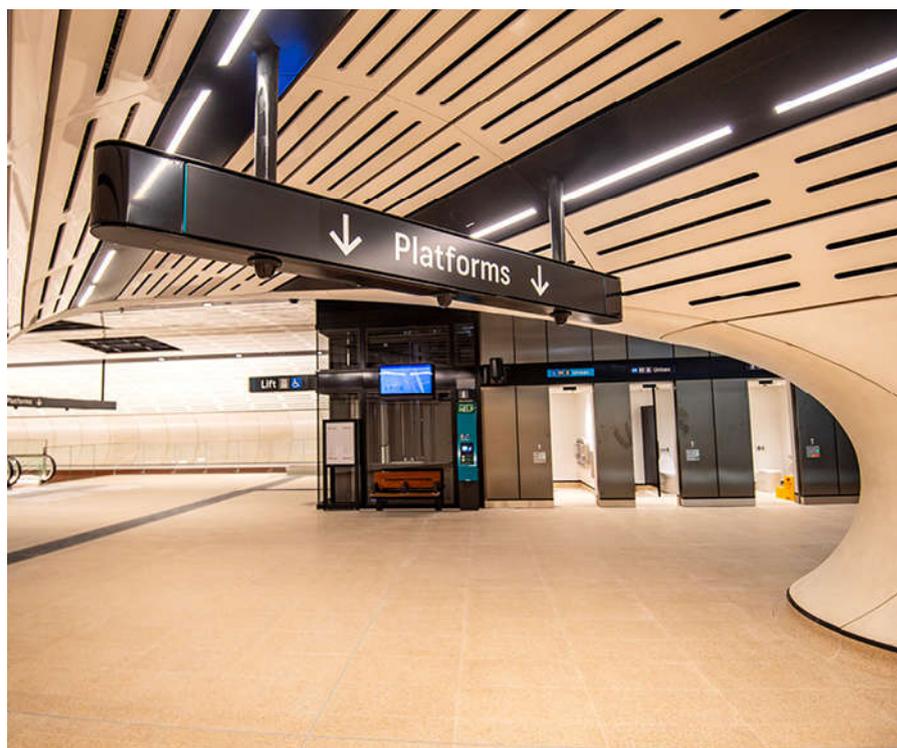
Significant progress has already been made in Asia with the announcement of a newly established life sciences platform with Warburg Pincus, which will see the transfer of our current life sciences construction, development and investment capabilities to the new joint venture.

We also announced the sale of our US East Coast Construction operations. This follows earlier decisions to wind down construction operations on the West Coast and Central US.

In the UK, we are in the early stages of preparing the business for sale.

Going forward, as with Investments and Development, the Construction segment will be led by a dedicated Chief Executive, focussed on the following strategic areas:

- Remaining a partner of choice for governments and other key clients
- Delivery capability for the integrated model in Australia
- Maintaining efficiency and risk management.



Managing and Measuring Value

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Our focus areas

We measure our success by the positive outcomes we generate over the long term through five focus areas.

They underpin our ability to create safe, sustainable and economic outcomes for our customers, partners, securityholders and the community. While we approach these focus areas with an innovative mindset, our decisions are supported by disciplined governance and risk management.

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Area of focus	Material issues	How we deliver value
	<p>Health and safety</p> <p>Operating safely across our operations and projects. Maintaining the health and wellbeing of our employees and those who engage with our assets and sites.</p>	<p>We are committed to the safety of our people and those who interact with our assets and sites. Through our Global Minimum Requirements (GMRs), we apply a consistent standard across all operations. These GMRs extend to physical safety and people’s mental health and wellbeing.</p>
	<p>Financial</p> <p>Delivering securityholder returns. Maintaining a strong financial position to support ongoing investment in our future pipeline.</p>	<p>We deliver returns to our securityholders and adopt a prudent approach to capital management, with a view to maintaining a strong balance sheet throughout market cycles.</p>
	<p>Our customers</p> <p>Understanding our customers and responding to market dynamics. Designing and delivering innovative, customer-driven solutions to grow our Investments, Development and Construction platforms.</p>	<p>Embedding a process of continuous improvement based on customer insights and actions identified through market research. This approach also consistently measures customer satisfaction and advocacy.</p>
	<p>Our people</p> <p>Attracting, developing and retaining diverse talent with the capabilities needed to deliver our strategy. Ensuring we have the right capability across the organisation to deliver results for all stakeholders.</p>	<p>We attract, develop and retain diverse talent by building a performance culture that is inclusive and enables continuous learning. Successes are recognised and people are rewarded for results. We invest in developing inclusive leaders and capabilities to drive our success.</p>
	<p>Sustainability</p> <p>Designing, delivering and operating buildings and precincts that respond to the immediate challenge of reducing carbon emissions while creating social value. Meeting the increasing expectations of key stakeholders for climate-resilient assets that support human health and value natural capital.</p>	<p>As a signatory of the United Nations Global Compact, we are committed to operating responsibly, in alignment with universal sustainability principles, and reporting annually on our progress.</p> <p>We integrate strategies to mitigate the impact of climate change across our Investments, Development and Construction segments.</p>

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Value created

Operating safely helps people feel valued and cared for and fundamentally makes us more consistent, reliable and efficient in everything we do.

How we measure value

Percentage of projects with no critical incidents: an event that has the potential to cause death or permanent disability. This is an indicator unique to Lendlease.
 Critical Incident Frequency Rate: a Lendlease indicator measuring the rate of critical incidents.
 Lost Time Injury Frequency Rate: an indicator and industry standard measuring a workplace injury which prevents a worker from returning to duties the next day.

Margins, fees and equity returns across Investments, Development and Construction.

Core Operating Return on Equity: the annual Core Operating Profit after Tax attributable to average securityholders' equity throughout the year.
 Core Operating Earnings per Security: Core Operating Profit after Tax attributable to securityholders divided by the average number of securities on issue during the year.

Evolves our ability to improve the customer experience, building our brand and reputation, enabling us to win more work and grow our business. Customer feedback also provides greater insight into product development and innovation opportunities.

Customer satisfaction and advocacy tracked: measured at the regional and business unit level and reported regularly to our Global Leadership Team and the Board. Action plans are developed to drive continuous improvement in the customer experience – supporting the delivery and growth of FUM, our development pipeline and construction backlog.

Capable and motivated people committed to the long term success of our business. Effective succession planning and leadership transitions support business continuity and can reduce risks. Diversity supports innovation, knowledge sharing and better decision making.

Retention of key talent: the organisation benefits from its investment in leaders and key workforce capabilities.
 Succession strength: demonstrates the depth of capable talent ready to progress into leadership roles.
 Leadership positions held by diverse talent: demonstrates our broader commitment to diversity and inclusion and our objective of increasing diverse representation across our business.
 Employee engagement: provides the organisation with insights to help provide the right environment for our employees to perform at their best.

Recognised leadership in sustainability enhances our brand and is a competitive differentiator. It also provides more opportunities to partner with governments, investors and the private sector who are placing increasing importance around ESG matters.

Measurement of and reporting on our progress towards our sustainability targets, and tangible examples of the way we are addressing our sustainability imperatives.
 Carbon Targets: we are a 1.5°C aligned company:
 • Net Zero Carbon by 2025 (Scopes 1 and 2 emissions)
 • Absolute Zero Carbon by 2040 (Scope 1, 2 & 3 emissions, within the Lendlease defined boundaries and without the use of offsets)
 Social Value Target: create \$250m through the work of our shared value partners funded by the Lendlease Foundation.

Health and safety

The health, safety and wellbeing of our people continues to be our highest priority.

Safety approach

We have continued to embed our 3Ps safety strategy to address the following elements:

- **Physical safety:** Risk of incidents across the work activities we oversee
- **Product safety:** Risk of failure on the products we provide
- **Psychological safety:** Risk of a work environment that does not allow our people to thrive.

We highlighted two **physical safety** focus areas dedicated to addressing recurring critical incident events during the year.

The first was a campaign to successfully reduce the number of electrical incidents occurring across the portfolio in the first half of the year.

In the second half of the year, we deployed a 'Stop the Drops' campaign, which drove a decrease in the number of incidents relating to the fall of materials.

On **product safety**, we undertook an analysis of historical incident data across the products we have delivered. This informed a dedicated focus on enhancing our risk management approach across key potential exposures relating to our end products. The ongoing focus on influencing improved outcomes across the design, planning and delivery phases of our projects is aimed at improving the safety, quality and integrity of the products we create.

Our focus on **psychological safety** included a global rollout of Psychological Safety workshops across all regions. The 49 workshops conducted by Group Environmental Health and Safety (EHS) Teams and People and Culture Teams also included training of facilitators to continue the roll out of the program by local resources. The focus group feedback, survey results and analysis of key themes will form part of the dedicated focus on psychological safety to be provided in support of Lendlease's refreshed strategy.

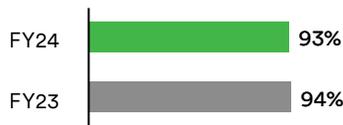
Safety performance

In line with our steadfast commitment that every worker should return home safely each day, no fatal incidents were recorded across our portfolio for the financial year where we have operational control. Our supply chain also maintained a fatality-free operational environment during FY24.

We acknowledge the focus and dedication of our people and supply chain partners in achieving a fatality-free year, encompassing more than 80 million hours worked across more than 400 operations where health and safety outcomes were measured across our portfolio this year.

Notwithstanding the accomplishment of a fatality-free year, our Critical Incident Frequency Rate (CIFR) and Lost Time Injury Frequency Rate (LTIFR) outcomes represent minor increases compared to the best on record outcomes recorded in FY23.

Percentage of operations without a critical incident¹



1. An event that caused or had the potential to cause death or permanent disability. This is an indicator unique to Lendlease.

Critical Incident Frequency Rate¹



1. Calculated to provide a rate of instances per 1,000,000 hours worked.

Lost Time Injury Frequency Rate¹



1. Calculated to provide a rate of instances per 1,000,000 hours worked.

Excellence in innovation

The Sanofi project in Singapore won Lendlease's Global Employee Excellence Award for Safety Excellence & Innovation (Team).

The project has also won Safety and Health Award Recognition for Projects (SHARP) with the Singapore Government, which is a recognition of their excellent safety performance and innovations implemented.

Future focus

As our safety culture continues to mature, and our organisational direction changes into FY25, we are adopting some key adjustments to our safety approach:

- **Measuring safety performance:** We will include a wider range of lead and lag indicators to provide a more rounded representation of safety performance. A combination of these indicators will be used to create a safety index to monitor performance across our business internally. While we will continue to report on lag EH&S metrics (such as fatalities, critical incidents and lost time injuries), we will also monitor additional indicators to identify consistency across a range of assurance-related items to demonstrate our focus on the identification and management of risk to prevent incidents from occurring.
- **2025 EH&S Global Minimum Requirements (GMRs):** The next iteration of our GMRs will be developed and launched in FY25 to simplify our approach to EH&S management. This approach will be supplemented with revised standard operating procedures for the origination, planning and delivery phases of the operational lifecycle for each of our Investments, Development, and Construction entities.



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Financial

Refining our business model to provide improved risk adjusted returns for securityholders.

Financial strategy

Following the strategy update in May 2024, new financial metrics have been adopted which replace the existing Portfolio Management Framework.

Consistent with the strategic direction taken to refocus on the high performing Australian business and international Investments platform, there will be a material reweighting of Group capital to Australia over time to more than 75 per cent.

Segment allocation of invested capital between Investments and Development is intended to be greater than 60 per cent for Investments as the Group transitions to more sustainable, recurring earnings.

Following the wind down of the Capital Release Unit (CRU), approximately half of the Group's earnings are expected to be derived from the Investments segment, with 35 per cent from Development and 15 per cent from Construction.

The Group's target gearing range will reduce to 5-15 per cent, reflecting the lower expected risk profile of the Group.

The shift to a higher proportion of investment earnings and lower business risk is expected to support an improved investment grade credit rating over time.

The distribution payout ratio remains unchanged at 30-50 per cent of Operating Profit after Tax.

Detailed financial performance

For detailed information on our FY24 financial performance, refer to the Performance and Outlook section on page 48 and the Financial Statements on page 95.

Measuring performance

Reflecting the Group's refocussed strategy, evolving market conditions and a continued focus on securityholder returns, external market guidance will focus on Earnings Per Share (EPS) from FY25.

Group Return on Equity (Group ROE¹) will continue to be the Group's primary long term measure of return for securityholders. The Group aims to deliver through-the-cycle returns for securityholders, over and above the Group's cost of equity.

Strategy update - financial targets²

1. Target return

Group ROE > Cost of equity

2. Group EBITDA mix¹

Investments	50%
Development	35%
Construction	15%

3. Invested capital mix²

Investments	>60%
Development	<40%
Australia	>75%
International	<25%

4. Capital structure²

Gearing ³ (end FY26)	5-15%
Investment grade credit rating	

5. Distribution policy

Distribution payout ratio ⁴	30-50%
--	--------

1. Excludes corporate costs and excludes investment property revaluations in the Investments segment.
2. Through-the-cycle target.
3. Net debt to total tangible assets, less cash.
4. Based on Statutory Profit after Tax excluding investment property revaluations in the Investments segment and other exceptional items as determined by the Board.

Sustainable financing

Lendlease is one of the leaders in sustainable financing in Australia. Of the Group's total financing facilities, more than 70 per cent or \$4.1b are green or sustainability-linked.

Accessing green and sustainability-linked borrowings has allowed us to facilitate the following outcomes:

- Lengthen the maturity profile
- Diversify funding
- Support the execution of the Group's sustainability strategy
- Improve lender engagement
- Provide good access to markets while achieving competitive funding costs

Capital Allocation Framework

A new Capital Allocation Framework has been developed, setting out a transparent hierarchy for capital deployment.

Excess cash generated by the Group will be allocated to debt reduction, capital returns to securityholders and growth. In the short to medium term, debt reduction and capital returns to securityholders will be prioritised over growth.

By the end of FY26, we are aiming to reach our revised target gearing level of 5-15 per cent. In addition we will look to return up to \$500m of capital to securityholders as capital is released from the \$2.8b of assets that are currently on-market, subject to the following:

- Completion of the previously announced Communities transaction
- Forecast gearing reaching target 5-15 per cent level by the end of FY26
- Maintaining existing credit ratings
- Buy-backs being accretive to EPS

Going forward, we'll continue to assess the merits of debt reduction, investing for growth and returning capital to securityholders.



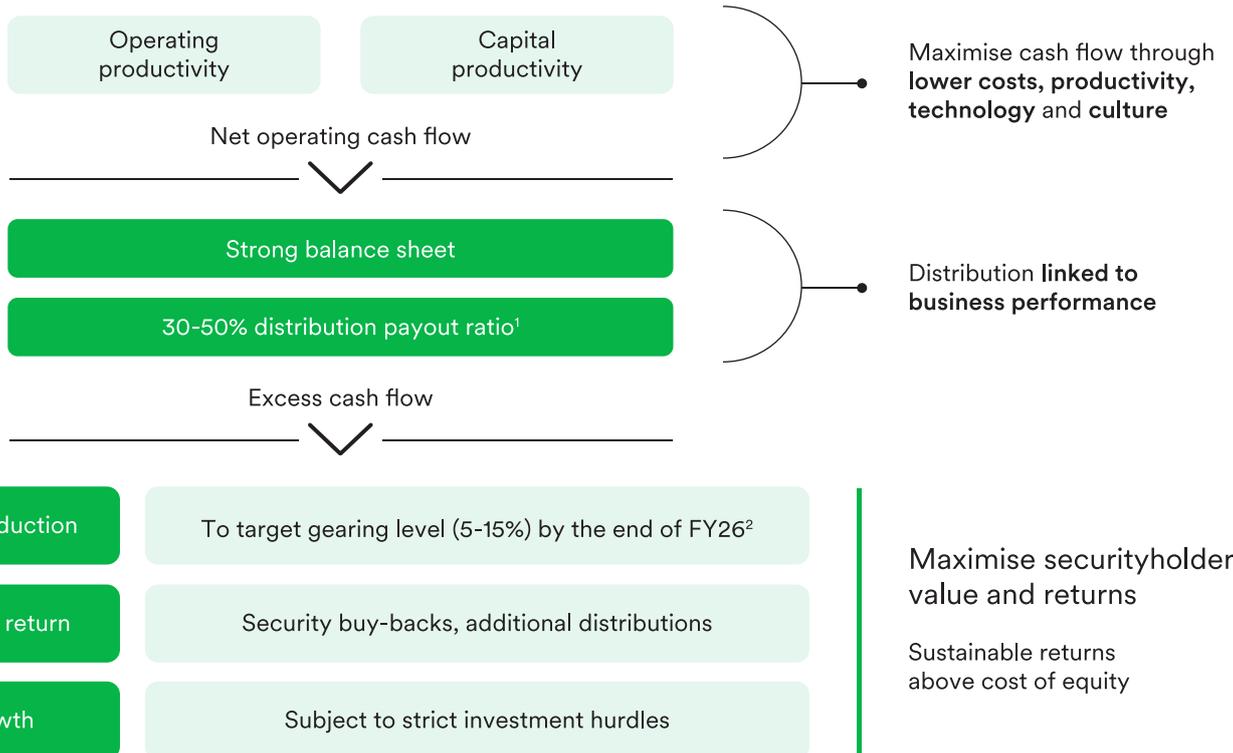
Opposite: **Sydney:** Residences One
One Sydney Harbour

1. Calculated as Operating Profit after Tax (OPAT) divided by average equity. OPAT for FY24 is calculated as Statutory Profit excluding investment property revaluations in the Investments segment and excluding other exceptional items. From FY25, OPAT will only exclude investment property revaluations in the Investments segment.
2. Announced on 27 May 2024. Represents through-the-cycle targets post simplification.

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Capital Allocation Framework



1. Based on Statutory Profit after Tax excluding investment property revaluations in the Investments segment and other exceptional items as determined by the Board.
 2. Net debt to total tangible assets, less cash.

Our customers

The world is a dynamic place, and so is our business. We're continuously adapting and finding better ways to get things done. This dynamism is essential in our mission to provide our customers the best places and products while building securityholder value.



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Uplift

in Australian customer satisfaction (CSAT) and net promoter (NPS) scores

Maintaining thorough insight into customer experiences helps us drive their improvement. This insight includes via CSAT (customer satisfaction), NPS (net promoter) and EoDB (ease of doing business) scores, which combine to give us a broad picture of where we're excelling and where we need to focus future effort.

During the past six years, all three metrics have trended upwards in our Australia market. This level of satisfaction is reflected in the fact that more than 20 and 29 per cent of buyers at our **One Sydney Harbour** and **One Circular Quay** developments, respectively, are repeat Lendlease purchasers. It extends to our commercial offerings. **Salesforce Tower** now fully occupied, while 90 per cent of tenants at **Barangaroo South** making future leasing decisions have chosen

to recommit to the precinct via future leasing arrangements.

In other markets, overall results remained relatively stable – a positive outcome given the challenging trading conditions in many regions.

Our commitment to improving the customer experience will continue as we realign our business following our May 2024 strategy update. While we will be refocussing Development and Construction efforts to Australia, we remain strongly committed to working with our partners to complete the great places we have in delivery.

We'll also continue to build out the relationships we have with our 70 major capital partners through new development projects and investment opportunities in Australia, and via our international Investments platform.

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Our growing build to rent offering

Renters and cities are grappling with increased migration, demographic changes and housing shortages that have impacted people's ability to live and work in the areas that they want.

Our build to rent (BTR)/Multifamily apartments create places where people can thrive, by offering our customers flexibility and elevated living in a safe, connected community. We have a history of constructing these assets in the Americas and Europe, completing 2,800 apartments since 2019.

In major cities around the world, BTR projects are in demand, investment grade assets, supported by industry fundamentals of housing shortages, government policy, demographic change, city migration trends and investor appetite.

By applying this expertise, along with more than 60 years of capabilities and leadership, we are enhancing customer value through our growing domestic pipeline of approximately 1,800 BTR apartments, including the recently announced **Gurrowa Place**. In partnership with the City of Melbourne, this project will deliver around 560 BTR apartments as part of the broader \$1.7b redevelopment of the southern site of the iconic Queen Victoria Market. Gurrowa Place is our second BTR project in Melbourne and our third in Australia.

Internationally, our BTR offering at **The Reed** at Southbank in Chicago continues to prove the popularity of Lendlease living, reaching 95 per cent occupancy, on budget and a full month ahead of schedule. This echoes similar leasing success at **Elephant Park** in London, which we highlighted in this section of our 2023 Annual Report.

Going deeper with key investors

Japanese investment in global real estate has more than tripled since 2021. One example, our partnership with Daiwa House, reflects the trust our Japanese partners have in our ability to deliver high quality opportunities.

Japan's biggest home builder, with more than six decades of experience in apartment and rental housing, retail, industrial and construction, Daiwa House has partnered with us to deliver the BTR component at Melbourne Quarter. This marks Daiwa House's debut into Australia's BTR market and reflects confidence in Melbourne and the asset class.



We are committed to broadening our development footprint in Australia and welcome the opportunity to further expand our global relationship with Lendlease to deliver to the Melbourne community this quality build to rent opportunity.

Koji Morishige, CEO
Daiwa House Australia

Daiwa has also entrusted us for its first foray into the new home market in the UK, with the October 2023 announcement of a joint development at **Elephant Park** in London. We will see out the development and construction of the new homes, which will have an end value of circa £250m, and retain a 25 per cent interest in the project. This will be the final stage of residential development at Elephant Park.

These two collaborations extend our strong partnership with Daiwa House, having previously worked on projects, including the 41-storey mixed-use **Claremont Hall** in New York, which this year commenced condominium closings.

Milestones in Asia

This year, we celebrated 50 years of operation in Singapore and **The Exchange TRX** opened its doors to the community – inviting customers to discover the future of experiential retail.

Beginning its journey as a truly dynamic and vibrant social heart of Kuala Lumpur, **The Exchange TRX** marked its opening with a month-long campaign that tapped into the community's enthusiasm to indulge in highly experiential year-end holiday celebrations. The opening was a resounding success that attracted more than 4.9 million people, exceeding the target by 63 per cent. The Exchange TRX mobile app was introduced, and the campaign successfully acquired approximately 5,000 members for the Lendlease Plus MY Loyalty Programme, which exceeded the target by 75 per cent.

In Japan, with partner Princeton Digital Group (PDG), we completed the core and shell construction of one of **Japan's largest data centre** campuses, our first under the Lendlease Data Centre Partners facility.

Our team worked tirelessly to identify the right location, design and construction schedule to deliver the services and features they need, as the Japanese Government makes efforts to enhance the country's data capabilities and digital resilience.

Playbook for construction excellence

Our European business continues to lead on safety, social value and the environment.

As the construction partner on **2 Aldermanbury Square** in the heart of London, we are leading the delivery of a 13-storey building that will provide more than 27,000 square metres of commercial space.

Along with our client Great Portland Estates, and other businesses delivering 2 Aldermanbury Square, we are signing up to a Charter pledging to deliver in line with the principles of a new private sector construction playbook.

Lendlease is playing a lead role in developing the playbook, which aims to help improve the way projects are commissioned and delivered for customers.

Businesses signing up to the Charter are committing to delivering at the highest standards for their clients across measures that include health and safety, social value and the environment.

The Charter will drive higher levels of productivity and enables the most effective use of available resources, while encouraging construction teams and suppliers to work in a more collaborative way to help boost productivity, quality and value for the client.



Our people



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A focus has been on retention of key talent in a time of challenging financial performance

Our people strategy brings our purpose-led business strategy and culture to life. A key focus has been strengthening our performance culture with a relentless commitment to improving financial results anchored by our values.

We invest in learning and careers focussed on key talent in our Investments, Development and Construction segments, as a retention tool in a year of difficult financial performance.

We remain committed to growing and retaining our diverse talent, in a culture where people feel valued, belong and have an opportunity to thrive.

Our focus areas:

- Culture
- Leadership
- Learning
- Careers

The principles we will never compromise on are:

- A physically safe workplace
- A psychologically safe work environment where wellbeing is a priority.

Culture: Relentless commitment to improving performance, anchored by our values

Our values are critical. They drive the way we interact and create an environment for our people to deliver for our customers and communities. We have focussed on continuing to build a performance culture where our people understand the drivers of our financial performance and how they can have an impact. Through our key senior leaders across the globe, we continue to focus on the transparency of current performance in Australia and offshore and clarity of the work to be done to deliver to all stakeholders.

We're listening to our employees, formally through our employee engagement survey, as well as informally. Our recent global engagement survey had an 85 per cent participation rate, indicating our people care about Lendlease and how we can continually improve. High participation was supported by the ease of completing the survey, following a shift to a new model delivered through our existing employee platform, which has enabled speed, efficiency, cost saving and a better experience for our people.

For this year of transition, we have reported our scores in both the previous and new models, and going forward will report using the new model. Our

engagement score decreased by 1 point (using the previous model); especially in the offshore markets, where it decreased by 4.6 on average, reflecting the difficult operating environment. Over the same time period, global benchmarks also declined. Our continued focus on retention strategies, especially learning and development has helped achieve only a modest decrease in our engagement results and has been key in retaining our talent in these challenging times.

The lowest scoring areas of employee feedback were business strategy, personal growth and autonomy.

Our guiding principle of Safety continues to resonate with our people and remains among our top performing areas.

Our focus in FY25 will be on our financial performance, championing our values and providing targeted learning and development to improve the employee experience for key talent at Lendlease.

Leadership: A strong and diverse succession bench

Succession planning is a continuous focus and all key leadership roles have one or more identified successors. Fifty per cent of those identified successors are ready to move into the leadership roles in the near term. Key to this is prioritising the development of our top talent through a robust assessment process to inform development needs.

We are committed to enhancing gender diversity within our leadership cohort, with women currently occupying 26 per cent of leadership positions.

Through our recent engagement survey, we have collected cultural demographic data which will inform and drive our plans and targets in this space.

Learning: Investing in building capabilities

Our global leadership programs have been successfully implemented across all regions, with 415 participants globally over the FY24 reporting window. These programs aim to develop leaders who are contemporary and inclusive, at every level and region.

Values-based decision making learning has been conducted for our leaders and will be extended to all employees, to ensure our people prioritise the 'how' expected in achieving financial performance.

Our Ignite and Mosaic programs, which foster sponsorship of diverse talent by

senior leaders to mitigate obstacles that impede the progress of under-represented talent, have been launched globally, with a total of 374 participants since their inception in March and August 2022 respectively.

These programs are aligned with regional initiatives to enhance representation and foster inclusion throughout our organisation.

Careers: Talent for today and tomorrow

Retention of key talent remains challenging in the current operating environment for various reasons. Recent business performance and cost optimisation creates a challenge for retaining top talent, resulting in flat career structures and limited career opportunities. This has meant a need to focus on horizontal development to retain the talent necessary for key development and construction projects.

While we achieved a retention rate of 85 per cent, this was below our target of 90 per cent.

Our talent pipeline in Australia greatly depends on the acquisition of early career talent. We have hired more than 158 graduates in Australia for the graduate programme across 2023 and 2024 cohorts. Following a key focus on their engagement and experience, we have seen the engagement scores for current graduates remain consistent with this year, at 8.2.

Wellbeing

Prioritising our people's health and wellbeing is fundamental to Lendlease's culture and purpose. We are committed to promoting and supporting the health, wellbeing and psychological safety of our people.

Our Health and Wellbeing Framework promotes healthier minds, bodies, places and cultures through a variety of programs and initiatives to support our people. Our commitment to this has extended our certification of a Global Healthy Workplace until 2024.

Psychological safety

We strive to create a culture and environment where our people are respected and supported. This includes managing psychosocial risks such as reward, recognition, work hours, the physical work environment, and creating a safe place for people to speak up and take interpersonal risks.

While psychological safety forms part of our 3Ps safety strategy, we acknowledge that this is not the sole responsibility of our EH&S Team. The People and Culture Team is a key stakeholder in this strategy, hence why both functions have

Supporting our people through mental health and wellbeing initiatives

Mental Health First Aid

- Provides mental health awareness skills and knowledge and assists in a mental health crisis
- 168 employees were trained in Mental Health First Aid in the FY24 reporting window

Introduction to Mental Health

- Provides an understanding of what mental health is, why it's important and how to support yourself or someone else who may be struggling
- 175 employees completed the Introduction to Mental Health learning, as well as it being mandatory for our supply chain partners in the FY24 reporting window

Unmind

- A holistic wellbeing mental fitness platform offering a range of resources and courses across many different areas of mental health and connecting people to in-region mental health specialists for one-on-one personal care
- All Lendlease employees and two members of their families have free and confidential access to Unmind
- Since its inception, there have been more than 4,500 talk sessions completed
- There are 1,491 active users on the platform; 88% of users have reported a positive outcome
- A total of 350 wellbeing trackers have been completed

Headspace

- A meditation app which helps people stress less, have better focus and improved sleep
- 1,104 employees and 144 Lendlease family members accessed Headspace

Real Conversations

- A leadership program that helps increase organisational psychological safety by embedding leadership behaviours that foster a culture of trust, inclusion and engagement, which ultimately reduces risk and contributes to sustained high performance
- 112 leaders completed the Real Conversations training

collaborated to create a Psychological Safety program.

We have delivered 49 Focus group sessions, with more than 660 people attending. The focus groups have provided insights into what a psychological safe workplace looks like, highlighting areas of improvement and ideating solutions to implement.

These workshops have been held throughout our global operations.

Supporting our people and retaining talent

Following the strategy update in May, our focus was on supporting our people by ensuring they received timely and clear communication and by providing certainty to people where we could. Our communication and change strategy was developed to align with the varied impacts in each market.

Our change strategy provides our people and leaders with the opportunity to develop change management skills and build resilience to support themselves and others, in addition to offering wellbeing support and appropriate retention initiatives.

As we move into FY25, we are focussed on providing clear targets and objectives for our people to deliver against our stated plans and reward our people accordingly.



Sustainability

We are well positioned to reach our targets of Net Zero by 2025 for Scope 1 & 2 emissions and \$250 million of social value by 2025 and have laid important groundwork in our journey to reach Absolute Zero by 2040 for Scope 1, 2 & 3 emissions.



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53%

Reduction in gross Scope 1 & 2 emissions since Mission Zero launched in 2020¹

1.5 degree aligned

Our progress

Since launching our global Mission Zero targets in 2020, we have reduced our gross Scope 1 & 2 emissions by 53 per cent and continue to track well below our 1.5 degree aligned target. These emissions reductions are underpinned by the continued delivery of our Mission Zero strategy, which supports the purchase of renewable electricity, the use of renewable energy, and ongoing electrification across our business.

Globally, 65 per cent of our electricity use was from renewable sources, and we are well positioned to achieve our target of 100 per cent renewable electricity by 2030. We are also continuing to electrify our business operations and reduce our dependency on fossil fuels. In FY24, 66 per cent of total energy use was from electricity and 44 per cent was from renewable sources.

We continued our purchase of carbon offsets for unavoidable emissions. In FY24, we offset 19 per cent of our gross Scope 1 & 2 emissions of 99 ktCO₂-eq, taking our net Scope 1 & 2 emissions to 80 ktCO₂-eq.

Clear decarbonisation pathways

Our Mission Zero carbon emission reduction targets have been verified by the Science Based Targets initiative (SBTi) as aligned with the Paris Agreement goal aiming to limit global warming to 1.5°C. Our climate transition plans, called Mission Zero Roadmaps, detail the specific regional strategies and timeframes we plan to undertake to progress towards our Mission Zero targets. Mission Zero Roadmaps are supported by Mission Zero Minimum Requirements, which detail shorter-term actions to drive the appropriate rate of decarbonisation across our three lines of business to maintain our 1.5 degree aligned carbon trajectory. Together, the Mission Zero Roadmaps and Minimum Requirements demonstrate our clear intention and the tangible actions we are taking to achieve our Mission Zero targets.

Mission Zero Roadmap delivery

We continued to make strong progress in the delivery of our Mission Zero Roadmaps and are currently working on our second cycle of Mission Zero Minimum Requirements for FY25 through FY27.

The majority of our Scope 1 emissions relate to our Construction activities. To minimise these emissions, we have continued to move towards our goal of Fossil Fuel Free Construction.

We are using electric plant and equipment where available, trialling battery storage and responsibly sourcing biofuels and renewable diesel.

In Development, where possible, new buildings will be designed to take full advantage of renewable electricity through 100 per cent electrification of space heating and hot water requirements.

We are also progressing the lifecycle upgrade planning for existing asset infrastructure, conducting technical feasibility and prioritising buildings across our Investments portfolio for all electric retrofit in line with our Mission

Melbourne: One Melbourne Quarter

1. This figure excludes emission reductions achieved through divestment of non core businesses. Scope 2 emissions have been calculated using the market-based method, which includes the use of renewable energy certificates, power purchase agreements, renewable tariffs and the benefit of inherent grid renewable electricity where we have evidence that there is no claim by another entity.

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Zero Minimum Requirements and asset sustainability plans. We are also engaging with our food and beverage tenants in support of our Global Cooksafe Coalition commitments.

Examples:

- In FY24, 99 per cent of liquid fuels used by our UK Construction business were from renewable sources.
- At The Exchange TRX in Kuala Lumpur, close to 80 per cent of construction equipment was electrified, including a fleet of 16 electric tower cranes.
- At Melbourne Quarter West, we are using renewable diesel in concrete pumping, extending our use of imported renewable diesel in Australia.

The large majority of our Scope 2 emissions relate to our Investments portfolio. To minimise our Scope 2 emissions, we continue to focus on improving the operational energy efficiency of our assets, setting minimum third party energy ratings, while also generating onsite solar electricity at selected assets. Renewable electricity purchase across the business remained high, ahead of our timetable. For our Australian business, we have progressed our renewable energy procurement strategy, with preferred renewable energy providers agreed and contracts due to start from FY25.

Examples:

- At Paya Lebar Quarter, Singapore, a total of 614 solar PV panels have been installed and are projected to reduce emissions by 186 tCO₂-eq in the first year of operation.
- One Melbourne Quarter achieved a market leading 6 star NABERS energy rating for the base building, incorporating a large 201kW rooftop PV array, supporting approximately 17 per cent of the base building's energy consumption.

Initiatives undertaken to minimise our Scope 3 emissions include ongoing collaboration with designers, suppliers and clients to reduce embodied carbon. In Australia, we have been engaging with our key subcontractors and suppliers to understand their progress in decarbonising their manufacturing processes and sourcing low embodied carbon materials. We continue to engage with tenants to encourage the shift to renewable electricity.

Examples:

- At 51 Flinders Lane in Melbourne, we are collaborating with GPT Group to build its first upfront embodied carbon neutral office tower, to be certified through Green Star and Climate Active upon completion.
- Our portfolio of privatised military homes in the US was recognised as a 2024 Platinum Green Lease Leader for implementing energy efficiency best practices, including cost recovery for capital improvements and sustainability training.
- In our FY24 engagement survey of Australian commercial and industrial tenants, approximately 25 per cent are already using renewable electricity. We have begun planning for the transition to 100 per cent renewable electricity as part of tenant lease renewals.

Mission Zero Progress Reports

Our European business published its third annual Mission Zero Progress Report while our Americas and Asia regions published inaugural progress reports.

We have also shared our Australian *Fossil Fuel Free Construction* guide, detailing our plans and progress using electric equipment, battery energy storage systems, renewable diesel and biofuel.

Carbon offset procurement

To achieve our Net Zero by 2025 target, we are working to reduce our Scope 1 & 2 greenhouse gas emissions as far as possible, with the remainder offset via acquisition of high quality carbon offsets.

A central team will manage our group wide sourcing of high quality nature based carbon removals that meet our stringent assessment criteria, including independent, third party certification.

Pathway to Absolute Zero

We have taken important steps to establish a pathway to measure and disclose progress towards achieving our Absolute Zero by 2040 target.

Our Absolute Zero by 2040 target includes eliminating Scope 1, 2 and 3 emissions, within the Lendlease defined boundaries and without the use of offsets.

At Climate Week in New York in September 2023, we officially launched the Lendlease Scope 3 Emissions Protocol v.1, our current view on the Scope 3 emission categories we have determined to be relevant to our value chain and that form part of our Absolute Zero by 2040 target.

We published the Protocol to advocate for and move towards a consistent and comparable approach to the measurement and reporting of Scope 3 emissions associated with real estate Investments, Development and Construction business activities.

The Protocol has been well received by peers and industry groups and recognised in industry leadership and impact awards, such as the Singapore Green Building Council & the Building and Construction Authority, as well as *The Urban Developer* in Australia.

In addition to moving forwards on Scope 3 measurement and reporting, we have continued to advocate alongside key industry groups for investment in transition and decarbonisation, joining the World Business Council for Sustainable Development's Built Environment Pathway.

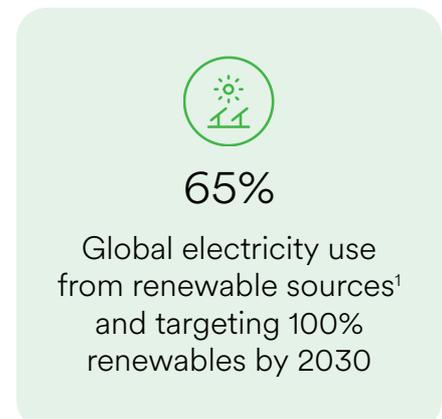
Nature and biodiversity

Nature is one of six focus areas in our global Sustainability Framework and, given the global decline in biodiversity and increasing regulatory requirements to enhance protections for nature, we have commenced a strategic review to better understand the role we can play in protecting and restoring nature.

We have developed a framework to locate our nature interface across each line of business and to evaluate our direct nature-related dependencies and impacts. Our framework uses elements of the Taskforce for Nature-related Financial Disclosures (TNFD) LEAP approach (locate, evaluate, assess, prepare). We have also joined as a TNFD Forum Member.

Governance

We published our ESG Databook, submitted the latest Lendlease Modern Slavery Statement and our annual United Nations Global Compact (UNGC) Communication on Progress submission.



1. Includes renewable energy certificates, power purchase agreements, renewable tariffs and the benefit of inherent grid renewable electricity where we have evidence that there is no claim by another entity.

Decarbonisation challenges and insights

We want to play our part to accelerate the pace and scale of decarbonisation in our sector but acknowledge much of our ambition is outside our direct control. Industry transformation will require advocacy and collaboration across the whole property value chain.

Fossil Fuel Free Construction

Eliminating the use of fossil fuels in construction is an essential step in tackling climate change and reaching our Mission Zero targets. On the Watermans Residences tower at One Sydney Harbour, we deployed electric construction plant and equipment and analysed the implications of switching from diesel to electric concrete pumping. We shared our findings in *The Electric Edge* report, published in conjunction with University of Queensland. Electric concrete pumps showed compelling energy, carbon, and cost advantages over diesel concrete pumping. By sharing this analysis with the broader industry, we hope to support the transition towards Fossil Fuel Free Construction.

Industry advocacy

We continued to advocate for a Low Carbon Liquid Fuels (LCLF) Policy to support the establishment of a robust domestic renewable diesel industry for Australia. We provided submissions to Federal Government consultation on their proposed renewable diesel fuel standard, presented at Bioenergy Australia's Renewable Fuels Week, and actively supported the creation of the Australian Constructors Association's renewable diesel position paper. We have been pleased to see recent statements from the Federal Government reflect a shift towards supporting a LCLF industry in Australia.

Collaborative partnerships

Embodied carbon emissions from building materials such as steel, cement, aluminium and glass represent a significant portion of our Scope 3 emissions. Decarbonising these harder-to-abate materials is challenging but we are capturing opportunities to reduce embodied carbon through collaboration with our supply chain partners, motivated clients and aligned capital partners.

In Australia, we partnered with Boral Cement and De Martin & Gasparini to create a lower carbon concrete mix for the Sydney Metro Martin Place Station project. Replacing approximately 50 per cent of Ordinary Portland Cement with lower carbon supplementary cementitious materials is anticipated to result in an estimated 38 per cent reduction in embodied carbon emissions.¹

In Singapore, we are partnering with Singtel to redevelop its Comcentre headquarters into a world class sustainable workplace. We are collaborating with supply chain partners to deliver Singtel's ambitious vision to be Singapore's first end-to-end carbon neutral development from design and construction to operations.

Lendlease and Daiwa House are global joint venture partners and have aligned sustainability and innovation objectives to reduce the embodied carbon footprint of a residential for sale development scheme at Elephant Park in London, through initiatives such as Saint-Gobain Glass's ORAE low embodied carbon glass. We estimate a 75 tCO₂-eq saving in embodied carbon by using ORAE glass on the project, providing a replicable model for deployment on future projects.

Sustainability leadership in real estate

We continue to be recognised as a leading creator and manager of sustainable real estate.



GRESB

In the 2023 GRESB Real Estate Assessment, our Investments portfolio received 12 Global and 14 Regional Sector Leaders awards.



NABERS

Barangaroo International Towers received the highest result for Office Water (6 stars) and Indoor Environment (5.9 stars) in the 2024 NABERS Sustainable Portfolio Index.



WELL

The Australian Investment Management business received multiple International WELL Building Institute 2023 Awards, including a Global WELL Leadership award and a Health and Safety Leadership award.



6 Star Green Star

Brisbane Showgrounds, Melbourne Quarter and Victoria Harbour achieved recertification of world leading 6 Star Green Star Communities v.1, reflecting our ability to design and maintain sustainable precincts.



LEED

The Exchange TRX is the first retail asset in Malaysia to achieve LEED Gold Core & Shell Certification and its rooftop 10-acre public park is a unique ecosystem with more than 150,000 plantings.



SECBE

Our UK Construction business was a finalist in SECBE's 2024 Constructing Excellence Award for Climate Action.

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1. Compared to the Green Star reference case (Sydney Metro Design & As Built v1.1 rating). Metrics could be subject to change pending final assessment at practical completion.

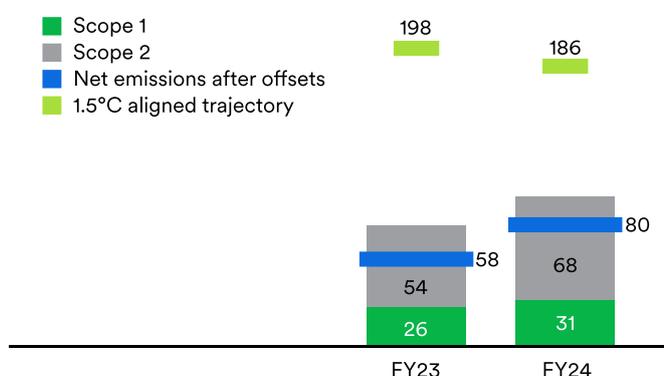
Environmental performance

Our environmental performance data¹ disclosure is in line with our financial reporting program and provides 12 months of data to 30 June 2024, which includes actual data for Q1–Q3 and partially estimated Q4 data. Our full year environmental data will be available in our ESG Databook.

Our full year environmental performance data will be available on the Lendlease website in the ESG Databook once Q4 data has been gathered and the limited assurance engagement completed.

In FY24, all global lines of business were reported under an operational control boundary. In prior years, Investments were reported under an equity boundary. This shift to a globally consistent reporting boundary has resulted in an increase in emissions, energy, water and waste disposed across our business.

Scope 1 and 2 carbon target performance ktCO₂-eq



Our gross Scope 1 & 2 emissions continue to track well below our 1.5 degree aligned trajectory. There was an increase in gross Scope 1 & 2 emissions in FY24 partly due to the reporting boundary shift for Investments. Additionally, we saw an increase in Scope 2 emissions in our Asia business due to The Exchange TRX shopping centre in Malaysia, which opened in November 2023. This was further compounded by a substantial increase in the Malaysia Scope 2 emissions factor in FY24 compared to FY23.

In FY24, we offset 19 per cent of our gross Scope 1 & 2 emissions, taking our net position to 80 ktCO₂-eq.

FY24 Scope 1 and 2 emissions by segment



Electricity used by the Investments segment is the largest contributor to our combined Scope 1 & 2 emissions. Our plans to increase the purchase of renewable electricity to achieve our target of 100 per cent renewable electricity by 2030 should significantly reduce the Scope 2 carbon emissions associated with this line of business.

FY24 energy use by segment (GWh)

	FY23	FY24
Investments	178	264
Development	3	8
Construction	140	126
Non-Core	1	-
Lendlease tenancies	5	4,824
Total	327	5,221
% of electricity use from renewable sources		
	63%	65%

There was an increase in energy use in FY24 partly due to our reporting boundary shift for Investments. Additionally, we saw an increase in energy used in our Asia business due to the opening of The Exchange, TRX shopping centre in Malaysia.

FY24 waste diverted and disposed (kTonnes)

	FY23	FY24
Waste disposed	29	59
Waste diverted	179	154
% waste diverted from landfill	86%	72%

There was an increase in waste disposed and a reduction in the percentage of waste diverted in FY24 partly due to our reporting boundary change for Investments in addition to a shift in construction work phasing and delivery.

FY24 water consumption by segment (MLitres)

	FY23	FY24
Investments	4,676	14,569
Development	47	125
Construction	389	302
Non-Core	-	-
Lendlease tenancies	44	56
Total	5,156	15,051

There was an increase in water use in FY24 largely due to our reporting boundary shift for Investments. Additionally, we saw an increase in water used in our Asia business due to the opening of The Exchange, TRX shopping centre in Malaysia.



ESG Databook

Our full year environmental performance data is available on the Lendlease website in the ESG Databook.

See more: <https://www.lendlease.com/au/investor-centre/esg/>

1. Some charts and tables may not sum due to rounding.

Creating social value

On track to reach our target

Since launching our Social Value Target, we have created \$222m of social value through the work of our shared value partnerships, funded by the Lendlease Foundation through a trust established in 1983 to enrich the lives of our employees and the community.

Social value is created when an activity makes a positive impact on an individual's quality of life or improves the resilience of a community.

The social value accounted for in support of our target is calculated through placing a financial value on the quantified change people experience across a series of social outcomes, and is verified by an external party.

We are confident in our ability to achieve our Social Value Target of \$250m by the end of the next financial year, and have commenced a strategic review of the social impact agenda to determine our direction beyond the 2025 target.



\$222m

of social value created, which equates to 89% of our \$250m by 2025 target¹

Key achievements of our Social Value Target

After four years of supporting and assessing our portfolio of charitable, shared value partnerships, we are seeing long term positive outcomes being achieved and significant social value being created. As at 30 June 2024, we have achieved some outstanding results and impact:

- 50+ shared value partnerships and programs supported and measured.
- 200k+ beneficiaries of our social impact efforts with shared value partners.
- 395 unique social outcomes delivered, including improved employability, increased educational opportunities, reduced risk of suicide, and enhanced First Nations connection to community.

Regional shared value partnerships

Shown below is a small sample of the shared value partnerships funded by the Lendlease Foundation across our four regions, highlighting the social value created and the connection to Lendlease projects and assets.



Australian Red Cross

We are partnering with the Australian Red Cross on a placed-based initiative in Katherine in the Northern Territory, supporting initiatives that are owned, managed and led by the local community.

We are creating an estimated return of \$5.50 for every \$1 invested, producing strong outcomes across First Nations engagement, disaster preparedness, and community inclusion, with direct business linkages to our Tindal RAAF base project.

Hideout Youth Zone

In London and Manchester, we are working with Hideout Youth Zone, a charity supporting young people with 'somewhere to go, something to do, and someone to talk to'.

Based in communities with lower socio-economic outcomes, this program has created an estimated return of \$7.50 for every \$1 invested alongside Lendlease employee volunteering activities and work experience opportunities for young adults within the program at Lendlease locations.

Billion Oyster Project

In New York City, we support the work of the Billion Oyster Project, focussed on the restoration of critical oyster reef habitats through community awareness and engagement efforts.

Creating an estimated \$6 of social value for every \$1 invested, this partnership has produced significant volunteer and educational opportunities for our New York based employees and has been engaged as part of our 1 Java Street project's social and community initiatives.

Project Dignity

In Singapore, we partnered with Project Dignity, an organisation dedicated to the training and employment of people with disabilities.

Through this partnership, we have created an estimated return of \$6.50 for every \$1 invested and been able to link program graduates to opportunities in our retail assets and support Project Dignity with volunteering and catering opportunities within our business.

1. Our global corporate social value target does not include social impact activities across our projects and assets in each region.

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Elevate Reconciliation Action Plan (RAP)

Our Reconciliation Action Plan (RAP) is only as good as the value it generates for and with First Nations communities and organisations.

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We empower Project and Asset Teams to deliver the actions that recognise and embed First Nations rights and the knowledge, talent and wisdom of First Nations peoples in the places we invest, develop and operate.

There are many examples that demonstrate how our RAP commitments are delivered. The One Sydney Harbour (OSH) project has invested in several First Nations-led shared value partnerships and initiatives that support community objectives. Below is a selection of stories that bring our RAP vision to life.

Creating future careers with NASCA¹

Lendlease and NASCA have had a formal partnership since 2015. One Sydney Harbour and NASCA have a three-year shared value partnership focussed on developing career pathways, strengthening cultural pride and identity, and building leadership skills in First Nations secondary students, while also developing cultural understanding and leadership skills in Lendlease employees. Partnership activities include collaboration on: The NASCA Traditional Indigenous Games Corporate Challenge in which NASCA students cultivate leadership skills and competitors have a unique cultural engagement experience; NASCA CareerFit which gives First Nations students insights into the world of work and introduces them to work

experience opportunities; and a White Card² training program

Harry Murphy, NASCA Pathways Lead: *“Obtaining qualifications such as a White Card can often be difficult for our young people, with financial barriers, among other things, preventing them from entering the workforce or pursuing career opportunities that are of interest to them. Our partnership is having a very real impact on the lives of these young people, and the White Card Training is just one example of how our collaborative work is contributing to giving our young people happier, healthier and more successful futures.”*

Supporting Gujaga Foundation’s language revitalisation work

The partnership with the Gujaga Foundation was developed to support delivery of an innovative community language program that continues to revitalise the Dharawal language in the La Perouse Aboriginal Community.

Gujaga works to instil a strong sense of cultural identity and belonging in the children and young people of Aboriginal Coastal Sydney with Dharawal language education but in order to reinforce language learning at home, their parents, carers and relatives also needed access to the language education. To date 45 community members have undertaken the 12-week language program.

The partnership has also provided the opportunity for OSH First Nations intern Kristen Martin, studying Bachelor of Linguistics and Language Sciences, to experience a language revitalisation program first-hand.

Making a new home with Redfern Youth Connect

Redfern Youth Connect (RYC) plays a vital role in providing support to more than 240 inner-Sydney children, young people, and their families.

The OSH team worked with RYC to refurbish its new premises which was previously an old industrial use building. The fit-for-purpose refurbishment has provided fitness and activity spaces for all ages, including an indoor basketball court, an industrial kitchen, office and meeting space for the RYC team and community, as well as an upgrade to the building’s amenities.

Lendlease foreman Daniel Boyd who worked on the refurbishment over several months, stated: *“I’ve shared a lot of blood, sweat and tears with the RYC team to help make their vision come to life in this new facility. Their incredible commitment to the young people in this community inspired me and other industry members to be part of the team delivering the new premises and I’m proud the One Sydney Harbour team has developed this fantastic community partnership.”*



Reporting against our targets

Goal	Action
Supporting First Nations Voices within Lendlease	1.5% of Lendlease employees in Australia identify as Aboriginal and/or Torres Strait Islander peoples.
Providing cultural engagement and learning for all employees	Lendlease commits to 95% of employees engaging in First Nations cultural awareness learning or immersion experiences. This learning creates opportunities to advance the national reconciliation conversation, enhance cross-cultural understanding and trust between First Nations people and other Australians, and allows Lendlease employees to better engage with the First Nations communities and incorporate their knowledge, skills, and perspectives in the places we operate.
Embedding First Nations businesses in our supply chain	Lendlease’s procurement spend with 126 Supply Nation registered and certified First Nations businesses was \$110.3m.

1. National Aboriginal Sporting Chance Academy.
 2. A white card (or general construction induction card) is required for workers who want to carry out construction work.

Risk and Climate Related Resilience

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Risk governance and management

A robust strategic risk framework that integrates a risk focussed culture, aligns with organisational strategy and enhances value through risk informed decision making.

Risk governance

Lendlease is committed to excellence in corporate governance to help deliver sustainable value to all our stakeholders. Our effective management of risk enables us to anticipate, understand and manage uncertainty effectively in pursuit of our strategy objectives. Our governance is underpinned by a 'Three Lines of Defence' model, setting the organisation's tone, reinforcing the importance of informed risk taking and decision making.

Risk framework

Lendlease operates an enterprise risk management framework that integrates governance, enterprise risk management, risk appetite and operational resilience. Our enterprise risks are the strategic and operational risks we manage across our global operations. The risks are articulated, measured and managed through a hierarchical reporting framework that extends from operations and ultimately the board. This framework ensures oversight and effective risk management across the organisation.

Our risk appetite framework is articulated across our enterprise risks, defining the financial and non financial risks that impact our operations and the risk Lendlease is willing to accept in pursuit of its strategic objectives. Our approach for operational resilience emphasises proactive preparation and adaptability. This dynamic approach enables Lendlease to anticipate, prepare for, respond to and recover from disruption while delivering core services.



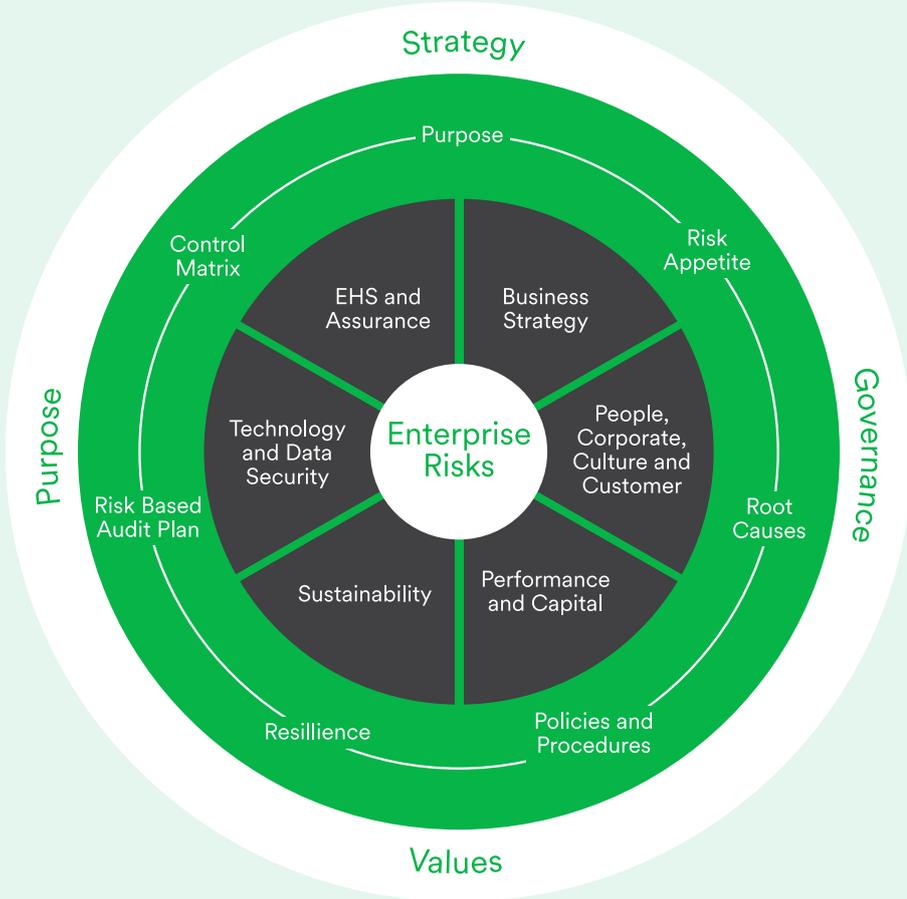
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Three Lines of Defence

- 1**
Business Operations
 Identify, manage and own risks relevant to the project / investment
- 2**
Leadership Team
 Accountable for achieving regional objectives
- 3**
Group Functions
 Outline assurance measures to enable appropriate identification and management of risks
- 3**
Internal and External Audit
 Provide assurance independently from the first and second lines of defence

Corporate Leadership Team

Board and Committees



Enterprise risk management

Lendlease identifies six enterprise risks that relate to its strategic and operational activities.

These risks encompass various aspects, including financial, people and sustainability. Risk management is integrated across all business areas, with an assessment of risk appetite, oversight by the Risk Committee and regular reporting to the Board.

The Lendlease enterprise risks and risk appetite to manage the risks are set out in the following table.



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Enterprise risk	Risk outcome	Risk appetite
Business strategy	We seek to deploy our capabilities and resources in areas aligned to our strategy, while maintaining resilience to geopolitical challenges and other market forces.	<ul style="list-style-type: none"> We act with integrity and transparency as we deliver our strategy. We set and review our strategic goals on a regular basis to ensure business resilience and continuity. Inform our investment decisions using internal research, market risk expertise, appropriate systems and proficient workforce. Utilise systems, tools and data captured on our supply chain to better anticipate, report, and mitigate risks.
People, corporate culture and customer	Our employees seek to live the behaviours expected of them in interactions with colleagues, customers and the broader community.	<ul style="list-style-type: none"> Employees are engaged and operate with an enterprise mindset. Attract and retain best, diverse talent and ensure our employees have appropriate skills and capabilities to perform their roles. We empower our people to act with integrity and transparency. We expect our suppliers to act in accordance with our Supplier Code of Conduct, upholding our core values and behaviours.
Performance and capital	We seek to drive consistency in returns against our strategic targets through excellence in execution across our Investments, Development and Construction activities.	<ul style="list-style-type: none"> Deploy our capital in line with our business strategy to deliver market acceptable returns. Commit to projects/ opportunities where we have adequate knowledge and experience to identify, assess, resource and manage the execution risks to an acceptable level. Review and manage commercial and contractual exposures through robust operational controls.
EH&S and Assurance	We seek to protect our people, our subcontractors, and all of those who interact with a Lendlease place from serious harm to their health, safety, and wellbeing.	<ul style="list-style-type: none"> Promote activity and decisions that decrease health, safety and wellbeing risks and impacts on our employees, partners, supply chain and the general public. Invest in health and wellbeing initiatives that improve the lives of our employees and the communities in which we operate. Ensure our Global Minimum Requirements (GMRs), which addresses both physical safety and health and wellbeing are applied to empower our people to operate to a consistent standard across all our operations and phases of operational lifecycle. Require our supply chain to act consistently with our Supplier Code of Conduct and GMRs
Sustainability	We seek to work together with our stakeholders to deliver positive environmental and social outcomes from our activities.	<ul style="list-style-type: none"> Operate business in line with our sustainability strategy and provide transparent reporting on our activities and progress. Conduct our business in a sustainable and ethical manner. Manage environmental, biodiversity and social impacts in accordance with the Lendlease values and sustainability strategy. Leverage our supply chain partners' sustainability progress to procure sustainable services, products, and materials.
Technology and data security	We seek to carefully manage our digital assets to prevent unauthorised access to our data and systems and protect our intellectual property.	<ul style="list-style-type: none"> Employees are aware of cyber risks, manage data securely, use Lendlease technology appropriately and report potential breaches through the correct channels. Ensure our technology adheres to our security policy and meets business purpose. Invest in preventative technology and upskill employees to achieve a sustainable security culture – for both physical and data security. We continue to progress cybersecurity risk mitigation plans with our supply chain to minimise risks to our business and stakeholders.

Supply chain risk management

Our global Supply Chain Risk Framework focuses on the management of risks, such as the disruption caused by geopolitical events, insolvencies, and labour shortages, as well as issues such as modern slavery. This framework relies on the strength of our corporate risk governance, planning, capability development, integrated systems, tools, and standards. Additionally, it incorporates insights from targeted

supplier risk assessments and audits, and is increasingly integrated into our investment and operational decision making processes.

Lendlease takes a comprehensive approach to mitigating modern slavery risks in its operations and supply chains. Led by a dedicated risk team within the Group supply chain function, their efforts are overseen by the Chief Operating Officer and Chief Legal

Officer, with Board-level engagement through the Lendlease Group Board Sustainability Committee.

Overall, our regional supply chains have remained resilient in recent years; however, a range of issues still intersect with modern slavery risks, which are summarised along with our mitigating strategies in the below table. Further detail is outlined in the FY23 Modern Slavery Statement.

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Operating region

Australia

Insolvencies have been increasing with specific impact to general contractors and subcontractors.

Concentration risk remained elevated across high priority trades, particularly relating to facades.

Shipping congestion and costs from Asia moderated to pre-pandemic levels.

Asia (Singapore, Malaysia, China, Japan)

While foreign worker numbers in SE Asia have surpassed pre pandemic levels, local construction contractors, particularly in Malaysia are still dealing with major labour shortages. Inflationary pressures are emerging in countries such as Japan.

Europe (including UK)

The war in Ukraine and earthquake in Turkey in February 2023 influenced regional supply chains, though no significant delays or shortages were directly experienced.

The region continued to see an elevation in insolvencies across all sectors, including construction.

Energy and steel costs continued to moderate, though still higher than pre pandemic levels.

Americas

Geopolitical tensions continued to provide a risk point, with import bans under the US *Uyghur Forced Labour Prevention Act 2021* extending to polysilicon and some aluminium products from the Xinjiang Autonomous Region, China. Metal products rose in price due to increased scrap pricing.

Long product lead times for mechanical electrical and plumbing equipment is creating a backlog for construction projects.

Lendlease response

We prioritised early engagement with general contractors and sub-contractors engaging labour, and diversified sourcing avenues to moderate concentration risk

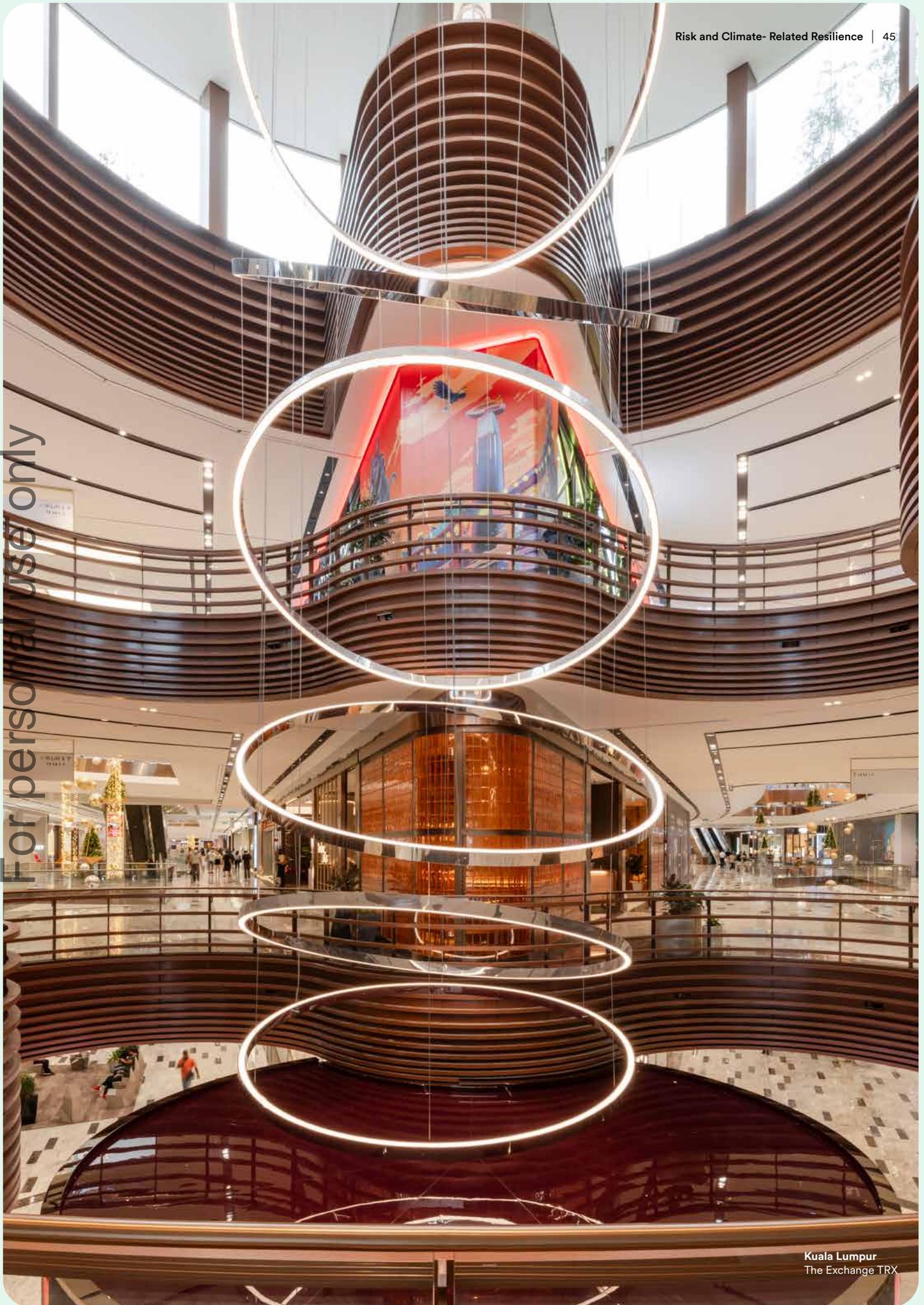
We focussed on early embedment of fair and ethical recruitment principles into project requirements and associated contractual documentation, for general contractors and major sub-contractors.

We continued leveraging insights from the annual Achilles Ethical Labour Practices industry audit program, into our projects in Italy, and monitoring contractors who may be more highly exposed.

We monitor developments of U.S. Customs and Border Protection's implementation of the *Uyghur Forced Labor Prevention Act*, and conflict material risks.



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Climate-related strategic resilience

Transitioning from the Task Force on Climate-Related Financial Disclosures to the incoming Australian Sustainability Reporting Standards.

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As a cross-functional team, we've carefully considered the potential impacts of climate-change using the deep knowledge of our business.

Reporting transition underway

In 2018, Lendlease committed to producing annual disclosures that respond to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

We have since been reporting under the TCFD framework on an annual basis.

In 2021, the Trustees of the IFRS Foundation announced the formation of the International Sustainability Standards Board (ISSB). Their remit was to prepare a high quality, comprehensive, global baseline of sustainability disclosures.

In June 2023, ISSB published the first two sustainability standards, which were later endorsed by the International

Organization of Securities Commissions (IOSCO). These were based on the framework developed by TCFD. As a result, TCFD considered its remit fulfilled and officially disbanded in November 2023.

The Australian Government is considering legislation to amend the *Australian Securities and Investment Commission Act 2001* and the *Corporations Act 2001* to introduce mandatory reporting for large businesses to disclose their climate-related risks and opportunities.

The Australian Accounting Standards Board (AASB) has drafted the Australian Sustainability Reporting Standards (ASRS), which are based on the ISSB IFRS

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Sustainability Standards, which in turn are closely aligned to the TCFD approach.

As a large Australian listed corporation, Lendlease will be captured within the proposed 'Group 1' category of the reporting hierarchy and subsequently subject to reporting requirements under ASRS commencing in FY26. We are well placed to respond to the ASRS, given our history of voluntary disclosure under TCFD. While ASRS introduces some new and specific disclosure requirements, for the most part, these build on the strategic work that Lendlease has been progressing under the TCFD framework.

Cross-functional approach

As we work to transition from TCFD to the ASRS, we have conducted a gap assessment between our TCFD related measures and ASRS disclosure requirements. Where differences or gaps have been identified, we have established plans to address them, often through leveraging additional information readily available across our business. We are also developing processes to capture new metrics to further assist in the ongoing monitoring and management of key climate-related risks and opportunities.

From our initial commitment to TCFD, Lendlease undertook a cross-functional approach to assessing and reporting on climate-related risks and opportunities.

Climate change can be pervasive in its impacts and, by examining the potential impacts of climate as an integrated team, we've carefully considered it using the deep knowledge of our business.



Governance of our approach is overseen by functional working groups composed of senior leadership across sustainability, finance, legal, and supply chain functions.

We also use our Executive Committee reporting rhythm to oversee our sustainability reporting from the business level through to the Board.

To facilitate our readiness to respond to the ASRS, we established a specific Sustainability/Finance Working Group, which was formed to examine how the business can further streamline and leverage existing accounting frameworks and processes to capture climate-related financial metrics.

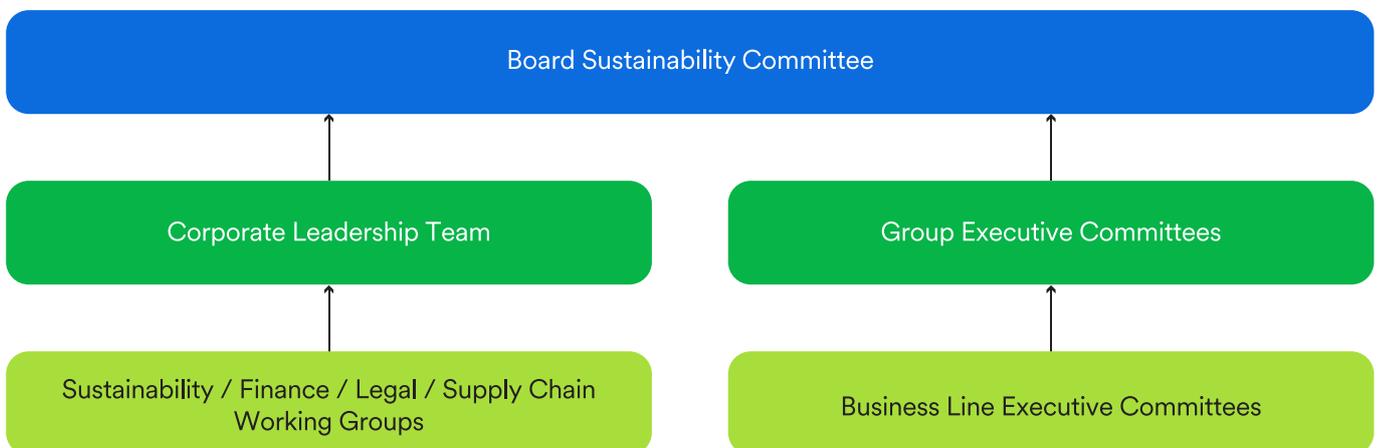
In addition, a Supply Chain/Sustainability Working Group was formed to analyse potential climate-related risk concentrations across our global supply chain to proactively monitor and guide our strategic risk management planning and future disclosures.

Assessing physical climate-related risks

To help identify and manage the physical climate-related impacts to projects and assets that Lendlease are engaged in, we have worked with Swiss Re to implement a new risk data and services (RDS) platform with geospatial physical climate and nature risk capabilities.

The RDS platform uses cutting-edge technology to help users manage current and future climate and nature risks. It provides Lendlease with access to data that was previously only available to insurance risk experts.

The deployment of the RDS platform has streamlined our physical climate risk assessment screening process for any new project proposals or asset acquisitions and is now being used to examine physical climate risk exposure across our existing assets under management. We are also using RDS data to assist in our preparation to report against ASRS in FY26.



More information

For more information about our TCFD disclosures, please refer to our [ESG Databook](#). For further information about our decarbonisation strategy, please visit [Mission Zero](#).

Performance and Outlook

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Group performance

Key Financials¹

	\$m	FY23	FY24	Var.
Core Business				
Investments		332	174	(48%)
Development		283	509	80%
Construction		90	126	40%
Segment EBITDA		705	809	15%
Corporate Costs		(161)	(140)	13%
Operating EBITDA		544	669	23%
Depreciation & Amortisation		(140)	(120)	14%
Net Finance Costs		(88)	(238)	NM
Operating Profit before Tax		316	311	(2%)
Income tax expense		(59)	(48)	19%
Core Operating Profit after Tax		257	263	2%
Reconciliation to Statutory Loss after Tax				
Non Core		(19)	(9)	53%
Investments segment revaluations		(175)	(260)	(49%)
Non Operating Items (excluding revaluations) ²		(295)	(1,496)	NM
Statutory Loss after Tax		(232)	(1,502)	NM
Group				
Core Operating EPS	cents	37.3	38.1	2%
Distribution per Security	cents	16.0	16.0	-
Total Group Statutory EPS	cents	(33.7)	(217.7)	NM
Total Group Statutory ROE³	%	(3.4%)	(25.4%)	NM

- Operating earnings presented reflects Statutory profit adjusted for Investment property revaluations (including in Other financial assets and Equity accounted investments) that are classified in the Investments segment, and material one-off items that could not reasonably have been expected to arise from normal operations.
- Non operating items after tax for the year ending 30 June 2024 includes costs relating to the 27 May 2024 strategy update \$1,384m, other restructuring costs of \$95m and UK building remediation of \$17m. Prior period includes a provision in relation to UK building remediation of \$295m.
- Return on Equity is calculated using Profit after Tax divided by the arithmetic average of beginning, half and year end securityholders' equity.

Performance¹

The Group recorded a Statutory Loss after Tax for the year ending 30 June 2024 of \$1,502m, compared with a Statutory Loss after Tax of \$232m for the prior year. This includes \$1,384m of impairments and charges required to implement the revised strategy announced in May 2024, comprising \$805m relating to goodwill, deferred tax assets and other costs, \$506m from development asset impairments and \$73m of provisions relating to redundancy, tenancy and other break costs. Property revaluation losses in the Investments segment of \$260m and other restructuring charges of \$95m, which largely relate to redundancies announced in July 2023, also contributed.

The Group's Core Operating Profit after Tax (OPAT) for the year was \$263m, up 2 per cent on the prior year. Core Operating Earnings per Security was 38.1 cents, equating to a Return on Equity of 4.4 per cent. Distributions per Security totalled 16.0 cents, unchanged from the prior year, representing a payout ratio of 42 per cent of OPAT.

Core segment EBITDA increased by 15 per cent to \$809m. Improved Development and Construction earnings were partially offset by lower contributions from Investments. Development earnings were higher following the completion of key projects in Australia and Malaysia, and a payment received in relation to the San Francisco Bay project in the US. Construction earnings were higher, including a gain from the remeasurement of UK pension scheme liabilities. Investments earnings were lower primarily due to performance in the US, noting an absence of earnings from prior year asset sales, and a final provision taken against a receivable from the disposal of the US Telecommunications business.

Corporate costs decreased 13 per cent to \$140m, predominantly due to people related cost savings. Net finance costs of \$238m increased due to higher average net debt for the year and higher base rates impacting the average cost of debt. This increase was partially offset by a \$39m pre-tax gain from a further buy-back of the Group's Sterling bonds in the first half of FY24. Excluding the impact of the Sterling bond buy-backs, net finance costs were 83 per cent higher on the prior year.

Gearing of 21 per cent includes the impact of impairments and charges relating to the revised strategy. There is a clear pathway to de-leverage the balance sheet with net cash proceeds of ~\$2.4b anticipated in FY25. This includes settlements at One Sydney Harbour, first receipts from the sale of 12 Communities projects, completion of the sale of the US Military Housing business and the sale of the Group's Asian life sciences interests into a new joint venture.

The increase in net debt from \$2.4b at FY23 to \$3.2b at FY24, follows peak production capex being reached at HY24, and includes production spend on key development projects including One Sydney Harbour, One Circular Quay, Victoria Cross over station development (all in Sydney), MIND, MSG (both in Milan) and Habitat (Los Angeles) as well as Communities production in Australia.

The Group maintains strong liquidity, with total available committed facilities and cash of \$2.2b. This liquidity, together with expected cash inflows from transactions, provides the Group with flexibility to manage its balance sheet.

The Group recorded a Non core loss of \$9m which primarily reflects overhead costs associated with the retained elements of the Engineering and Services businesses. The Group continues to maintain provisions it considers appropriate to complete its share of the retained Melbourne Metro project, which is more than 85 per cent complete, and for potential warranties associated with the exited Engineering and Services businesses.

Group performance continued

Outlook

In May 2024, a refreshed strategy was announced, to improve securityholder value and position the Group for profitable future growth by focussing on our high returning integrated Australian business and our international investment management capabilities. Details of the strategy are outlined on page 15 of this Report.

As part of the strategy, a Capital Release Unit (CRU) was established to recycle more than \$4.5b of capital and to divest international Construction operations. The new structures and processes that will support the strategy were implemented on 1 July 2024.

Accordingly, from 1H25, the Group will report the CRU as a stand-alone operating segment that will include:

- International Construction operations;
- International Development projects;
- Australian assets to be divested, including 12 Communities projects and Keyton Retirement Living; and
- Retained Engineering and Services.

The Group has also updated the definition of its core performance measure, OPAT, introducing a higher threshold for measuring performance and greater alignment with securityholder outcomes.

From 1H25, the OPAT definition will more closely align with statutory reporting, with the only exclusion being investment property revaluations in the Investments segment.

The revised strategy also sees the replacement of the Portfolio Management Framework (PMF), with the targets announced on 27 May 2024. A Capital Allocation Framework has been established to provide a transparent hierarchy for capital deployment, with securityholder value and returns to be assessed against debt reduction, return of capital to securityholders and investing for growth. Allocation of capital will reflect the Group's continued focus on securityholder returns, with the Group targeting a return on equity greater than its cost of equity, through-the-cycle. The Group also introduced a lower revised target gearing range of 5-15 per cent that it targets to achieve by the end of FY26.

Refer to page 28 of this Report for a summary of current Group targets from its May 2024 strategy update.

The Group's operational priorities for FY25 are progressing CRU initiatives, replenishing the Australian Development pipeline, growing the international Investments platform, and furthering cost out initiatives.

Within the CRU, \$1.9b¹ of asset recycling has been announced to date, with at least a further \$0.9b targeted for recycling in FY25. These assets include The Exchange TRX (retail), Keyton Retirement Living and our China senior living project, Ardor Gardens, with sale processes underway for each asset.

The divestment of international Construction operations is progressing, with terms agreed in principle for the sale of the US East Coast construction operations and the UK construction business being prepared for sale.

Approximately \$40b of new development opportunities have been identified in the Australian market, of which \$13b are in an advanced stage, with Lendlease being either one of two parties competing for the project or in exclusive discussions. The Group remains well positioned to win new projects across mixed-use, residential and commercial, and will seek to add to its existing \$11.8b Urban domestic pipeline.

In Investments, increased profitability will be targeted through recycling of assets and redeployment of capital, increasing performance and transaction fees, achieving greater scale in the platform and reducing operating costs.

The Group has achieved strong early progress against its targets as it transitions to a higher performing, lower risk business. The focus for FY25 remains on execution of the refreshed strategy as the Group seeks to maximise securityholder returns as it further simplifies its operations and recycles capital.

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1. Includes \$1.3b Communities transaction, including \$239m for certain land parcels in respect of which the right to buy is now an agreement to negotiate due to the passage of time and in respect of which various conditions to the creation of those land parcels continue.

Investments segment

Key financial and operational metrics

	FY23	FY24
Management EBITDA (\$m) ¹	104	113
Co-investment EBITDA (\$m) ²	118	124
Other EBITDA ³	110	(63)
Operating EBITDA (\$m) ²	332	174
Operating Profit after Tax (\$m)	245	136
Invested Capital (\$b) ⁴	4.0	3.8
Funds Under Management (\$b) ⁵	48.3	47.3
Assets Under Management (\$b) ⁵	32.8	33.8
Management EBITDA Margin (%)	37.8%	41.5%
Investment Portfolio (\$b) ⁶	3.9	3.6

- Earnings primarily derived from the investment management platform.
- Returns excluding non-cash backed property related revaluation movements of Investment Property, Other Financial Assets, and Equity Accounted Investments in the Investments segment.
- Includes transaction gains and losses.
- Securityholder equity plus gross debt less cash on balance sheet.
- The Group's assessment of market value.
- The Group's assessment of market value of ownership interests.

Performance¹

The Investments segment generated EBITDA of \$174m, down 48 per cent on FY23 which benefitted from the divestment of 34 per cent of the US Military Housing Asset Management income stream. FY24 EBITDA was impacted by a final provision of \$58m taken against a receivable from the FY21 disposal of the US Telecommunications business, which followed a provision of \$74m in FY23.

Management EBITDA, derived from funds and asset management fees was \$113m, up 9 per cent on the prior year due to lower expenses that more than offset the impact of lower average FUM. Management EBITDA margin increased to 41.5 per cent, up from 37.8 per cent in the prior year.

Co-investment EBITDA of \$124m was up 5 per cent from \$118m. Stabilised investment yield of 3.5 per cent across the portfolio, increased from 3.1 per cent. Improved yields were seen across workplace, Retirement Living and retail assets.

The Group's total Investments segment capital of \$3.8b decreased by 5 per cent and primarily relates to co-investments in funds managed by the Group. The co-investment portfolio at FY24 was \$3.6b, down from \$3.9b, following revaluation and foreign exchange impacts of \$0.4b, asset divestments of \$0.1b, including the sale of Darling Square retail in Sydney, and a further \$0.2b of capital invested, mostly into APPF Retail.

The co-investment portfolio is well diversified, with primary exposures across workplace, retail and residential as well as investments in retirement and industrial.

Other EBITDA recorded a loss of \$63m, including a final \$58m provision against the receivable from the disposal of the US Telecommunications business and the divestment of retail assets in FY24 at modest discounts to book value. Other EBITDA in FY23 benefitted primarily from US Military Housing transaction profits.

Operations

Investments earnings are comprised of funds and assets under management contributions, co-investment portfolio yield and performance and transactions fees.

Funds under management reduced by 2 per cent from \$48.3b to \$47.3b. Negative revaluations of \$3.5b and largely retail divestments of \$0.7b, were mostly offset by FUM additions of \$3.4b from the completion of several projects. These included The Exchange TRX in Kuala Lumpur, The Reed in Chicago and a data centre in Tokyo, as well as capital invested across APPF Commercial and several US assets.

In addition to current FUM, international development projects with capital partners are expected to add more than \$6b in FUM over coming years, with \$0.8b contributed in FY24 and a further \$1.0b expected in FY25, including workplace developments the Forum, Boston; the Turing Building, London; and Paya Lebar Green, Singapore.

Assets under management increased 3 per cent from \$32.8b to \$33.8b underpinned by the \$1.5b completion of The Exchange TRX retail asset which opened during the year and is now more than 98 per cent leased. This was partially offset by a number of retail divestments in the year.

The Group's co-investment portfolio of \$3.6b is well diversified with \$1.0b in workplace, \$1.0b in retail assets and \$0.6b in residential, \$0.5b in retirement and \$0.5b across other asset classes, including industrial.

The Group intends to continue to grow its investment portfolio while targeting an average co-investment of 5-10 per cent of capital deployed, providing alignment with partners and continued exposure to operating leverage as the platform achieves greater scale.

Development segment

Key financial and operational metrics

	FY23	FY24
Operating EBITDA (\$m)	283	509
Urban EBITDA (\$m)	141	461
Communities EBITDA (\$m)	142	48
Operating Profit after Tax (\$m)	192	320
Invested Capital (\$b)¹	6.1	5.9
Work in Progress (\$b)	22.9	14.5
Commencements (\$b)²	7.7	1.9
Completions(\$b)³	3.6	8.2

1. Securityholder equity plus gross debt less cash on balance sheet.

2. Project end value on product commenced during a financial period (representing 100% of project value). Subject to changes in delivery program.

3. Project end value on product completed during a financial period (representing 100% of project value).

Performance¹

EBITDA of \$509m was up from \$283m in the prior year, including a \$461m contribution from Urban projects.

The Development segment generated a ROIC of 5.0 per cent, up from 3.3 per cent in the prior year.

Key drivers of the result included the completion of Residences One, One Sydney Harbour, generating \$183m, a payment received relating to the San Francisco Bay Area project in the US, and \$73m from the completion of TRX retail and residential projects, comprising a development gain of \$39m and residential settlements of \$34m. European projects also contributed positively, including the completion of Park & Sayer at Elephant Park and a land sale at Stratford Cross, each in London. The downward revaluation of the Victoria Cross Over Station development in North Sydney negatively impacted earnings by \$57m.

The Communities business generated EBITDA of \$48m, compared with \$142m in the prior year which benefitted from higher margin settlements and the sale of industrial land parcels. Settlements of 2,237 for the year were down marginally from 2,253 while sales of 1,721 were down 2 per cent. Operating performance for the Communities business was impacted by delays, resulting in the deferral of higher margin settlements.

The sale of 12 Communities projects was announced in 1H24 with the expected transfer of ownership being delayed from 2H24 to FY25, pending a decision from the Australian Competition and Consumer Commission (ACCC), anticipated on 12 September 2024. Due to the delay, \$40m of FY24 EBITDA, equating to \$28m of OPAT, was booked in FY24 which would otherwise have been part of the sale.

There were \$8.2b of completions during the year including Residences One, One Sydney Harbour; Melbourne Quarter Tower; retail and residential product at TRX in Kuala Lumpur; residential product in New York, Chicago and London; and a life sciences building and data centre, both in Asia.

There were \$1.9b of commencements including build to sell apartments at Elephant Park, London, and Victoria Harbour, Melbourne.

Leasing was achieved across workplace assets including Victoria Cross Over Station development and Town Hall Place in Melbourne.

Invested capital reduced from \$6.1 b to \$5.9b, with capital released from the completion of Residences One, One Sydney Harbour, being mostly offset by development production across other large projects including: Residences Two and Watermans Residences, One Sydney Harbour; The Exchange TRX; One Circular Quay; as well as production in the Australian Communities business.

Operations

Work in Progress of \$14.5b decreased from \$22.9b on the prior year, due to project completions of \$8.2b and \$2.1b of other adjustments, including projects removed from WIP resulting from strategy related impacts, partially offset by commencements of \$1.9b.

The FY24 development pipeline reflects movements within the year and impacts from the strategy update, and comprises:

- \$11.8b of Australian Urban development opportunities
- \$15.1b of Communities projects, including \$11.9b held for sale
- \$8.8b of international joint venture projects, including more than \$6b of potential investment product to be completed; and
- \$57.4b of primarily land management agreements in Europe.

The primary impact to the development pipeline, which reduced from \$124.3b to \$93.1b, was the removal of the San Francisco Bay Area Project.

Development origination is solely focussed on Australia, with the existing Urban pipeline of \$11.8b comprising \$7.5b of WIP and \$4.3b of master planned and in-conversion projects. Origination wins this year included \$1.3b of new work secured relating to the Gurrova Place project at Queen Victoria Market in Melbourne.

The Group remains well positioned to further originate development projects across mixed-use, residential and workplace assets, leveraging its market leading placemaking capabilities.

1. Comparative period the year ended 30 June 2023.

Construction segment

Key financial and operational metrics

	FY23	FY24
Revenue (\$m)	7,203	5,936
Operating EBITDA (\$m)	90	126
Operating Profit after Tax (\$m)	32	64
New Work Secured (\$b)¹	4.7	4.8
Backlog (\$b)¹	8.7	7.6

1. Construction revenue to be earned in future periods (excludes internal projects).

Performance¹

The Construction segment delivered EBITDA of \$126m, up 40 per cent on the prior year. A gain from the remeasurement of UK pension scheme liabilities and an improved contribution from Asia was partially offset by a lower contribution from Australia. Revenue of \$5.9b was down 18 per cent. This was driven by reduced activity across all regions, with the largest revenue contributor, Australia, the least impacted, down 7 per cent to \$3.4b. The US contributed to more than half of the revenue decline, following the earlier wind down of West Coast and Central US operations.

Social infrastructure remained the key driver of revenue, up 3 per cent on the prior year at \$2.3b. Other revenue categories were impacted by lower activity levels, particularly, residential, which decreased 47 per cent following a decision to no longer build external apartments for sale or construction projects below \$150m in value.

The EBITDA margin was 2.1 per cent, up from 1.2 per cent, with the gain from the remeasurement of the UK defined pension scheme contributing 0.7 percentage points. Australia's EBITDA margin was 1.7 per cent, down from 2.8 per cent, due primarily to supplier insolvencies on Australian projects, requiring re-tendering for various goods and services. The estimate of the impact in FY24 of those insolvencies was in the order of \$50m.

New work secured was \$4.8b, up 2 per cent on the prior year. A recovery in European activity led the growth, contributing \$1.1b, while the US and Australia were the largest components. Social infrastructure projects remain the key sector for new work secured at \$2.3b, followed by workplace at \$1.1b.

The Construction business is preferred for \$15.3b in new projects, including \$5.1b of social infrastructure projects, \$4.7b of Defence and \$2.9b of workplace, supporting the future pipeline of new work.

A considerable proportion of the customer base is repeat business from deep and trusted relationships with government and corporate clients.

Operations

Backlog revenue reduced 12 per cent to \$7.6b, led by a \$1.8b decline in the Australian backlog. This was partly offset by a \$0.6b increase in UK backlog, while the US and Asia remained broadly stable.

Australia's backlog revenue of \$3.9b is weighted to social infrastructure and defence projects and is supported by a strong preferred book of \$10.6b, providing visibility on future revenues. Key projects underway include the Frankston Hospital Redevelopment, various Australian Department of Defence projects, Powerhouse Parramatta and Liverpool Health and Academic Precinct.

The US backlog revenue of \$2.6b is expected to reduce significantly in line with the wind down of West Coast and Central operations and terms agreed in principle for the sale of the East Coast construction operations.

The UK construction business has backlog revenue of \$1.0b and is supported by a preferred book of \$4.4b. The business is being prepared for sale, in line with the decision to divest international construction operations.

Financial position and cash flow movements

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Financial position (\$m)

	FY23	FY24	Var.
Investment assets			
Other financial assets	1,124	972	(14%)
Equity accounted investments	2,611	2,567	(2%)
Investment properties	223	77	(65%)
Disposal Group net assets held for sale	-	304	NM
Development assets			
Inventories	3,649	2,358	(35%)
Equity accounted investments	3,031	3,289	9%
Investment properties	316	341	8%
Disposal Group net assets held for sale	-	989	NM
Other assets and liabilities (including financial)			
Cash and cash equivalents	900	1,000	11%
Borrowing and financing arrangements	(3,281)	(4,176)	(27%)
Other net assets and liabilities	(1,929)	(2,844)	(47%)
Net assets	6,644	4,877	(27%)

Investment Assets

Investment assets decreased 1 per cent overall with negative revaluation movements, particularly across workplace and residential for rent sectors, and the sale of Darling Square retail, partially offset by \$150m of capital deployed into APPF Retail.

Development Assets

Development assets were flat on the prior year. Key movements included a reduction of Inventories from the reclassification of the 12 Communities projects held for sale, partially offset by increased production costs capitalised on Watermans Residences, One Sydney Harbour. The increase in Equity accounted investment assets predominantly relate to equity contributions to development projects including One Sydney Harbour, The Exchange TRX, Habitat in Los Angeles, and Victoria Cross Over Station development, partially offset by settlements received from Residences One, One Sydney Harbour following completion.

Other assets and liabilities

The movement in Other assets and liabilities includes impairment of goodwill, deferred tax balances and other charges required to implement the revised strategy, alongside timing differences in receivables and payables across Development and Construction activities.

Cash flow and treasury management

The Group commenced the financial year with cash and cash equivalents of \$0.9b. Movements during the year comprised Operating cash outflow of \$0.1b, Investing cash outflow of \$0.6b and Financing cash inflow of \$0.7b. The Group closed the year with cash and cash equivalents of \$1.0b.

Core operating cash outflows included production spend on development projects on balance sheet including Watermans Residences at One Sydney Harbour, and Communities.

Investing cash outflows during the year included production spend on key development joint venture projects including Residences Two, One Sydney Harbour, The Exchange TRX, Habitat and Victoria Cross Over Station development, along with further equity contributions to APPF Retail.

The Group remains in a strong position with \$2.2b of committed liquidity comprising \$1.0b of cash and cash equivalents and \$1.2b in available undrawn debt. Average debt maturity of 3.4 years has reduced following the further buy-back of longer dated Sterling bonds in 1H24.

Gearing of 21 per cent at year end was modestly above the target range of 10-20 per cent, however, includes a 1 per cent impact as a consequence of the impairments and charges recorded following the May 2024 strategy update. Following a year of peak development capex, there is a clear pathway to deleveraging, with \$2.4b of contracted and anticipated cash flows expected to be received following the sale of 12 Communities projects, the sale of life sciences interests in Asia to establish a new Asia Pacific joint venture, the sale of the US Military Housing business and expected settlements at One Sydney Harbour.

Treasury management

		FY23	FY24	Var.
Net debt	\$m	2,381	3,176	33%
Gearing ¹	%	14.8	21.1	43%
Interest cover ²	times	3.0	2.7	(10%)
Average cost of debt	%	4.3	5.4	26%
Average drawn debt maturity	years	4.4	3.4	(23%)
Available liquidity	\$m	2,581	2,159	(16%)
Average debt mix fixed:floating	\$m	64:36	43:57	NM

1. Net debt to total tangible assets, less cash.

2. EBITDA has been adjusted to exclude Non Operating Items.

Credit Ratings¹

Moody's	Baa3 stable outlook
Fitch	BBB- stable outlook

1. Credit ratings have been issued by a credit rating agency which holds an Australian Financial Services Licence with an authorisation to issue credit ratings to wholesale clients only and are for the benefit of the Group's debt providers.

Governance

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Board of Directors' information and profiles



Michael J Ullmer, AO

Chairman
(Independent Non Executive Director)

Term of Office

Mr Ullmer joined the Board in December 2011 and was appointed Chairman in November 2018.

Skills, Experience and Qualifications

Mr Ullmer brings to the Board extensive strategic, financial and management experience accumulated over his career in international banking, finance and professional services. He was the Deputy Group Chief Executive Officer of the National Australia Bank (NAB) from 2007 until he retired from the Bank in August 2011. He joined NAB in 2004 as Finance Director and held a number of key positions including Chairman of the subsidiaries Great Western Bank (US) and JB Were. Prior to NAB, Mr Ullmer was at Commonwealth Bank of Australia, initially as Group Chief Financial Officer and then Group Executive with responsibility for Institutional and Business Banking. Before that, he was a Partner at accounting firms KPMG (1982 to 1992) and Coopers & Lybrand (1992 to 1997).

Mr Ullmer has a degree in mathematics from the University of Sussex. He is a Fellow of the Institute of Chartered Accountants, a Senior Fellow of the Financial Services Institute of Australia, and a Fellow of the Australian Institute of Company Directors.

Listed Company Directorships (held within the last three years)

Non Executive Director of Westpac (appointed April 2023)

Non Executive Director of Woolworths Limited (appointed January 2012) (retired November 2021)

Other Current Appointments

Nil

Board Committee Memberships

Member of the Audit Committee

Member of the Nomination Committee

Member of the People & Culture Committee

Member of the Risk Committee

Member of the Sustainability Committee



Anthony P Lombardo

Group Chief Executive Officer
(Executive Director)

Term of Office

Anthony (Tony) was appointed Managing Director on 3 September 2021 and also appointed Group Chief Executive Officer in June 2021.

Skills, Experience and Qualifications

Tony Lombardo has more than 25 years' experience working across real estate development, investment management, finance, mergers and acquisitions (M&A) and strategy in Australia and internationally.

Tony joined Lendlease in 2007 as Group Head of Strategy and M&A where he led a number of initiatives including refocussing the Group's overall business strategy. In 2011, he was appointed Group Chief Financial Officer and played a key role in enhancing the flexibility of the Group's capital structure via a stapled structure as well as significantly broadening its funding and banking relationships. He also implemented a range of people focussed initiatives including creation of the Young Indigenous Pathways program, which provides mentoring opportunities for young Indigenous students.

In 2016, Tony was appointed Chief Executive Officer Asia based in Singapore. As part of resetting Lendlease Asia's growth strategy, Tony spearheaded a number of major initiatives to drive future growth. Recent successes include the completion of Singapore's S\$3.7 billion Paya Lebar Quarter mixed use development, establishment of a US\$1 billion data centres joint venture with a large institutional investor and the successful listing of S\$1 billion global LREIT on the Singapore Exchange.

Prior to joining Lendlease, Tony spent almost 10 years at GE with responsibilities across a number of functional disciplines including strategy, M&A and finance for both GE Capital and GE Corporate. Tony commenced his career at KPMG where he worked for more than four years.

Tony holds a degree in Accounting and Finance from RMIT University and is a member of the Institute of Chartered Accountants in Australia.



Nicola M Wakefield Evans, AM

(Independent Non Executive Director)

Term of Office

Ms Wakefield Evans joined the Board in September 2013.

Skills, Experience and Qualifications

Ms Wakefield Evans is an experienced business leader and Non Executive Director with broad ranging commercial, business management, strategy and legal experience gained over a 30 year international career.

Ms Wakefield Evans has had a diverse career as one of Australasia's leading corporate finance lawyers and held several senior key management and leadership positions at King & Wood Mallesons (KWM), including Managing Partner International in Hong Kong, where she was responsible for the overall governance and strategic positioning of the business in the Asia region. She has extensive experience in the financial services, resources and energy and infrastructure sectors and also has extensive international experience working in Australia, New York and Hong Kong.

Ms Wakefield Evans holds a Bachelor of Jurisprudence and a Bachelor of Laws from the University of New South Wales and is a qualified lawyer in Australia, Hong Kong and the United Kingdom. She is a member of Chief Executive Women.

Listed Company Directorships (held within the last three years)

Non Executive Director of Viva Energy Group Limited (appointed August 2021)

Non Executive Director of Macquarie Group Limited (appointed February 2014) (retired February 2024)

Other Current Appointments

Chair of 30% Club, Australia

Chair of Metlife Insurance Limited

Guardian of the Future Fund

Director of the Clean Energy Finance Corporation

Director of UNSW Foundation Limited

Director of the Goodes O'Loughlin (GO) Foundation Limited

Member of the Takeovers Panel

Board Committee Memberships

Chair of the Sustainability Committee

Member of the Nomination Committee

Member of the Audit Committee

Member of the Risk Committee



David P Craig

(Independent Non Executive Director)

Term of Office

Mr Craig joined the Board in March 2016

Skills, Experience and Qualifications

Mr Craig is a business leader with a successful international career spanning over 40 years in finance, accounting, audit, risk management, strategy and mergers and acquisitions in the banking, property and professional services industries. He was the Chief Financial Officer (CFO) of Commonwealth Bank of Australia from 2006 through the GFC, until he retired in June 2017. At Commonwealth Bank, he was responsible for leading the finance, treasury, property, security, audit and investor relations teams.

Mr Craig's previous leadership roles have included CFO for Australand Property Group, Global CFO for PwC Consulting and a Partner at PwC (17 years).

As well as his role as CFO of Australand Property Group (now Frasers), Mr Craig was responsible for Property for the last 22 years of his executive career, including overseeing three significant property transformations at CBA.

Mr Craig holds a Bachelor of Economics from the University of Sydney. He is a Fellow of the Institute of Chartered Accountants, ANZ and a Fellow of the Australian Institute of Company Directors.

Listed Company Directorships (held within the last three years)

Nil

Other Current Appointments

Deputy Chairman of the Victor Chang Cardiac Research Institute

Deputy Chair of Sydney Theatre Company

Board Committee Memberships

Chair of the Audit Committee

Member of the Nomination Committee

Member of the People and Culture Committee

Member of the Risk Committee



Philip M Coffey

(Independent Non Executive Director)

Term of Office

Mr Coffey joined the Board in January 2017

Skills, Experience and Qualifications

Mr Coffey served as the Deputy Chief Executive Officer (CEO) of Westpac Banking Corporation from April 2014 until his retirement in May 2017. As the Deputy CEO, Mr Coffey had the responsibility of overseeing and supporting relationships with key stakeholders of Westpac including industry groups, regulators, customers and government. He was also responsible for the Group's Mergers & Acquisitions function. Prior to this role, Mr Coffey held a number of executive positions at Westpac including Chief Financial Officer and Group Executive, Westpac Institutional Bank. He has successfully led operations based in Australia, New Zealand, the United States, the United Kingdom and Asia and has extensive experience in financial markets, funds management, balance sheet management and risk management. He began his career at the Reserve Bank of Australia and has also held executive positions at Citibank.

Mr Coffey holds a Bachelor of Economics (Hons) from the University of Adelaide and has completed the Executive Program at Stanford University Business School. He is a graduate member of the Australian Institute of Company Directors and Senior Fellow of the Financial Services Institute of Australasia.

Listed Company Directorships (held within the last three years)

Non Executive Director of Macquarie Group Limited (appointed August 2018)

Other Current Appointments

Director of Goodstart Early Learning

Board Committee Memberships

Member of the Nomination Committee

Member of the Risk Committee

Member of the Sustainability Committee



Elizabeth M Proust, AO
(Independent Non Executive Director)

Term of Office

Ms Proust joined the Board in February 2018.

Skills, Experience and Qualifications

Ms Proust is one of Australia's leading business figures and has had a diverse career holding leadership roles in the public and private sectors for over 30 years. Ms Proust spent eight years at ANZ Group including four years as Managing Director of Esanda, Managing Director of Metrobanking and Group General Manager, Human Resources, Corporate Affairs and Management Services. Before joining ANZ, Ms Proust was Secretary (CEO) of the Department of Premier and Cabinet (Victoria) and Chief Executive of the City of Melbourne.

Ms Proust has extensive board experience in listed and private companies, subsidiaries and joint ventures, as well as government and not for profits. She was made an Officer of the Order of Australia in 2010 for distinguished service to public administration and to business, through leadership roles in government and private enterprise, as a mentor to women, and to the community through contributions to arts, charitable and educational bodies. She is a Life Fellow of the Australian Institute of Company Directors.

Ms Proust holds a Bachelor of Arts (Hons) from La Trobe University and a Bachelor of Laws from the University of Melbourne.

Listed Company Directorships (held within the last three years)

Lead Independent Director GQG Partners (appointed October 2021)

Other Current Appointments

Chair of Cuscal Limited

Member of the Fujitsu Advisory Board

Board Committee Memberships

Chair of the People and Culture Committee

Member of the Nomination Committee

Member of the Risk Committee

Member of the Sustainability Committee



Robert F Welanetz
(Independent Non Executive Director)

Term of Office

Mr Welanetz joined the Board in March 2020.

Skills, Experience and Qualifications

Mr Welanetz is based in the US and has significant executive, advisory, strategic and operational experience in the property and construction sectors gained over an international career spanning over 40 years.

In his most recent role, Mr Welanetz served as Chief Executive Officer in the property division of Majid Al Futtaim (MAF), based in Dubai, where he had overall responsibility for managing MAF's property portfolio and development pipeline. Mr Welanetz retired from that position in 2018. Prior to joining MAF, Mr Welanetz spent over seven years in a global role in Blackstone's Real Estate Group advising and identifying acquisition opportunities in retail real estate and providing strategic guidance for Blackstone's portfolio of retail assets and retail operating companies.

Mr Welanetz also served as Chief Executive Officer of Shanghai Kinghill Ltd, based in China, with responsibility for the operations and delivery of retail and development projects in mainland China. Prior to this, Mr Welanetz was President and Chief Executive Officer, Retail, at Jones Lang LaSalle Inc Americas.

Mr Welanetz holds a Bachelor of Science degree from Colorado State University. He is a former Chairman of the International Council of Shopping Centres and served on the board of the Galileo Property Trust, an Australian shopping centre investor.

Listed Company Directorships (held within the last three years)

Nil

Other Current Appointments

Non Executive Director of Qiddiya Coast Saudi Arabia

Non Executive Director of Stone Mountain Industrial Property Company, USA

Board Committee Memberships

Chair of the Nomination Committee

Member of the Risk Committee

Member of the People & Culture Committee

Member of the Sustainability Committee



Nicholas R Collishaw
(Independent Non Executive Director)

Term of Office

Nicholas Collishaw was appointed to the Board as an independent Non Executive Director, effective 1 December 2021.

Skills, Experience and Qualifications

Based in Sydney, Mr Collishaw is an experienced property executive and non executive director with more than 40 years' expertise gained across Lendlease's core segments of Development, Construction and Investments. During his career he has overseen the development and delivery of a number of significant and ground-breaking projects across the commercial, industrial and retail sectors. Mr Collishaw currently serves as the joint Chief Executive Officer of Lincoln Place Pty Ltd, a boutique funds management entity focussed on affordable retirement accommodation, and is Chairman of hospitality group, Redcape Hotel Group. Until his recent retirement, he was a non-executive director of ASX-listed investment manager, Centuria Capital. Mr Collishaw's executive career comprised a number of high-profile roles including Centuria Capital's Chief Executive Officer of Listed Property. Prior to this role, Mr Collishaw spent eight years at Mirvac Group serving as the Chief Executive Officer and Managing Director between 2008 and 2012. He also held senior leadership positions at James Fielding Group where he was Executive Director and Head of Property, Deutsche Industrial Trust and Paladin Commercial Trust.

Listed Company Directorships (held within the last three years)

Non Executive Director of Centuria Capital Group (appointed May 2013, retired August 2021)

Other Current Appointments

Nil

Board Committee Memberships

Chair of the Risk Committee

Member of the Audit Committee

Member of the People and Culture Committee

Member of the Nomination Committee



Ann Soo Chan ("Margaret Lui")

(Independent Non Executive Director)

Term of Office

Ms Lui joined the Board in December 2022.

Skills, Experience and Qualifications

Based in Singapore, Ms Lui is currently the Chief Executive Officer and Executive Director of Azalea Asset Management, which she helped to found in 2015. At Azalea, Ms Lui leads an experienced team of investment managers, overseeing a portfolio valued at US\$10 billion.

Ms Lui was previously a member of the investment team at Temasek Holdings and involved in direct investments across a variety of sectors including transportation, industrial, real estate investments, and major redevelopment projects in Asia. She has a track record in restructuring, transforming and creating new Temasek businesses and led the startup of several business joint ventures including Tiger Airways and Jetstar Asia, and the creation of Cityspring Infrastructure, the first infrastructure business trust listed on the Singapore Exchange. As a senior executive at Temasek, she was a director of numerous subsidiaries and JV entities and listed companies including Sembcorp Industries, a leading energy and urban development company.

Ms Lui holds a Bachelor of Accountancy from The National University of Singapore and has attended the Advanced Management Development Program at the Wharton School, University of Pennsylvania.

Listed Company Directorships (held within the last three years)

None

Other Current Appointments

Member of the Singapore Exchange's Listing Advisory Committee

Board Committee Memberships

Member of the Nomination Committee

Member of the People & Culture Committee

Member of the Risk Committee

Member of the Sustainability Committee



Barbara A Knoflach

(Independent Non Executive Director)

Term of Office

Ms Knoflach joined the Board in October 2023.

Skills, Experience and Qualifications

Based in Frankfurt, Ms Knoflach has significant real estate, asset management, investment management, strategy and finance experience gained over an international career spanning 35 years.

Ms Knoflach was Deputy Chief Executive and Global Head of Investment Management of BNP Paribas Real Estate between 2015 to 2019. Prior to that, she held the role of CEO SEB Asset Management and Managing Director of SEB Investment, one of the Nordic region's leading asset management companies. Ms Knoflach is a founder of LifeWorkSpace, a company focussed on innovative and sustainable strategies in the real estate industry.

Ms Knoflach is a Fellow of the Royal Institution of Chartered Surveyors and serves in numerous associations and organisations in the real estate industry. She is Chair of CTP NV which owns, develops, manages and leases logistics and industrial real estate properties throughout Europe, is a member of the Board of Directors of Swiss Prime Site, one of the leading real estate companies in Europe, and is a trustee member of ULI (Urban Land Institute).

Ms Knoflach holds an Economics degree from the University of Applied Sciences in Mainz.

Listed Company Directorships (held within the last three years)

Chair of CTP NV

Other Current Appointments

Deputy Chair of the Supervisory Board of Aareal Bank, AG

CEO of WorkLifeSpace

Director of Swiss Prime Site

Board Committee Memberships

Member of the Nomination Committee

Member of the Audit Committee

Member of the Risk Committee

General Counsel and Company Secretary qualifications and experience



Karen Pedersen

Ms Pedersen was appointed Group General Counsel in January 2013. Prior to this she was General Counsel and Company Secretary for other large property and construction companies. Ms Pedersen has a Masters of Law from the University of Technology, Sydney and a Bachelor of Commerce/Bachelor of Laws from the University of New South Wales.



Wendy Lee

Ms Lee joined Lendlease in September 2009 and was appointed Company Secretary in January 2010. Prior to her appointment, Ms Lee was a Company Secretary for several subsidiaries of a large financial institution listed on the Australian Securities Exchange. She has over 15 years of company secretarial experience. Ms Lee has a Bachelor of Arts and a Bachelor of Laws from the University of Sydney, a Graduate Diploma in Applied Corporate Governance, and is a Fellow of the Governance Institute Australia.

Board skills and experience

The Directors have a mix of Australian and international experience and expertise, as well as specialised skills to assist with decision making to effectively govern and direct the organisation for the benefit of securityholders. The skills matrix assists the Board with succession planning and professional development initiatives for Directors.

The Board has set a target of 40 per cent female Board members by 2030, which the aim of improving gender diversity. Currently, the Board has met this target with female Directors representing 40 per cent of the Board.

The table below sets out the skills and experience considered by the Board to be important for its Directors to have collectively. The Board considers that Governance, Strategy, People & Culture, Financial Acumen, Risk Management are core skills which all Directors have self-assessed as being within their core competencies.

Skills/ Experience	Michael Ullmer	Nicola Wakefield Evans	David Craig	Phil Coffey	Elizabeth Proust	Robert Welanetz	Anthony Lombardo	Nicholas Collishaw	Margaret Lui	Barbara Knoflach	Total
Governance	Commitment to and experience in setting exceptional corporate governance policies, practices and standards.										
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Industry experience	Possessing industry knowledge, exposure and experience gained in one or more of the core Lendlease operating segments of Investments, Development and/or Construction. This includes acting in advisory roles for these industries.										
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
International Operations	Exposure to international regions either through experience gained directly in the region or through the management of regional clients and other stakeholder relationships.										
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Health and Safety	Experience in programs implementing safety, mental health and physical wellbeing on site and within the business. Monitoring the proactive management of workplace health and safety practices.										
	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	9
ESG	Experience in assessment strategy and performance against environmental, social and governance criteria.										
	✓	✓	✓	✓	✓	✓	✓	-	-	✓	8
Strategy	Developing, setting and executing strategic direction. Experience in driving growth and executing against a clear strategy.										
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Risk Management	Experience in anticipating and evaluating risks that could impact business. Recognising and managing these risks by developing sound risk governance policies and frameworks.										
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Legal	Identifying and resolving legal and regulatory issues, and advising the Board on these matters.										
	✓	✓	-	-	✓	-	-	-	-	-	3
People and Culture	Experience in building workforce capability, setting a remuneration framework which attracts and retains a high calibre of executives, promoting workplace culture, diversity and inclusion.										
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Executive Leadership	Skills gained while performing at a senior executive level for a considerable length of time including delivering superior results, dealing with complex business models, projects, and issues and change management.										
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Financial Acumen	Understanding of the financial drivers of a business. Experience in financial reporting and corporate financial management.										
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Technology	Experience via direct line accountability for managing significant technology functions or major project implementations.										
	-	✓	✓	✓	-	✓	✓	-	-	✓	6

Governance in action

An important role of the Board is in monitoring organisational performance and ensuring that the directors have the information they need to make decisions that deliver sustainable returns to securityholders.



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Board regional program FY24 and engagement with our people

The Board members have approved a code of conduct which articulates the standards of behaviour expected of all our people. The tone is 'set at the top' and Board members believe that meeting with our people, in addition to information received in formal meetings on the organisation's culture, is an important element of reinforcing the Lendlease values. The Board members meet regularly with local teams and in FY24, this occurred in the UK and Australia.

The Board program whether in Australia or offshore, typically comprises formal meetings and additional business briefings, presentations from internal and external sources, project site visits, employee events and meetings with key stakeholders. In FY24, in recognition of the need to move to a leaner and more focussed organisation, the Board's regional program shifted so that the international trips occur on an annual basis. These are scheduled in each of the regions where Lendlease operates on a rotational basis.

The Board views that these program activities – in addition to the formal, scheduled Board and Committee meetings – are important for Board

members to receive a greater understanding of our people and our business and a deep understanding of the activities and operations. The Chair works with the Company Secretary to plan the yearly program. Depending on the time of year, the program runs for a minimum of two days and up to five days where more detailed project reviews are required.

In FY24, the Board engagement program included:

Europe

- Received a briefing from a major Lendlease capital partner on their views on global real estate investment (October 2023)
- Received a briefing from the UK based Board advisor on the political and economic landscape in the UK (October 2023)
- Engagement with Europe Regional Leadership Team (October 2023)
- Town Hall with Europe regional employees (October 2023)
- Hosted a round table discussion on topics relevant to the London real estate and investments market (October 2023).

Australia

- Engagement with regional business leaders to provide updates and overview of key regional business issues
- Review of the Melbourne Metro Project followed by a site visit (November 2023)
- Review of the Melbourne Quarter precinct followed by a site visit (November 2023)
- Site visit to One Sydney Harbour Residences One (February 2024)
- Deep dive review of the Queen Victoria Market project (May 2024)
- Review of Docklands Projects followed by a site visit (May 2024)
- Continued engagement throughout the year with the Global Leadership Team (February 2024 and May 2024)
- Town Hall with Australia regional employees (November 2023).

Melbourne: Gurrova Place
Queen Victoria Market

Supporting value creation

The Board recognises that the five focus areas of value creation, supported by disciplined governance and risk management, contribute to performance and drive the long-term value of our business.

During the year, the Board and Board Committees deliberated on the following specific matters and undertook a number of activities to support value creation. While these do not represent the full scope of Board activities, they highlight some of the areas of focus by the Board.



Health and Safety

Material Issue:

Operating safely across our operations and projects. Maintaining the health and wellbeing of our employees and those who engage with our assets and sites.

The Board, Risk and Sustainability Committees undertook the following activities as part of their continued review of the Lendlease Health and Safety Framework and the unwavering commitment to the safety of our people and those who interact with Lendlease assets and sites.

Activities and actions:

- Continued to receive reports from management on the steps taken to reduce incidents through continuous improvement measures, and by advocating for industry change.
- In August 2023, assessed the remuneration adjustments to be made following the supply chain fatality in FY23, using a safety decision tree. No fatalities were reported in FY24.
- Oversighted the progress of the revised health and safety strategy which addresses the '3Ps', being Physical Safety, Product Safety and Psychological Safety.
- Monitored lead and lag indicator targets to measure broader safety performance in FY24 to create a Lendlease Safety Index.
- Reviewed the overall external reporting definitions to align with the Group's Investment led strategy.
- Continued to receive reports on Critical Incidents, investigation findings and the actions to close out these incidents.
- Continued to receive quarterly updates on project metrics which are treated as a leading indicator of safety risk.
- Received a report on the roll out of the Psychological Safety Workshops held across all regions.
- Endorsed a Group wide approach to Engineered Stone Benchtop requirements and installation in line with SafeWork Australia recommendations.
- Received a report on global safety initiatives such as 'Stop the Drops' to reduce critical incident exposure to fall of materials.



Financial

Material Issue:

Delivering securityholder returns. Maintaining strong capital management to enable investment in our future pipeline.

The Board, Audit and Risk Committees undertook the following activities to help fulfil the Board's oversight responsibilities in delivering returns to securityholders and by adopting a prudent approach to capital management with a view to maintaining a strong balance sheet throughout market cycles.

Activities and actions:

- Considerable focus was spent in FY24 on reviewing and approving the Group's strategic direction, culminating in a comprehensive update to the market in May 2024 on the new direction to build a more profitable Lendlease. The key outcomes for the new direction included:
 - Refocussing the business towards the Australia market and maintaining and growing the international Investments platform.
 - Simplifying structures to support the business segments of Investments, Development and Construction.
- Ongoing monitoring and review of Treasury management was a key focus area to ensure that Lendlease remains within the target gearing ranges and maintains investment grade credit ratings.
- Concluded the audit tender process in accordance with the Group's Audit Tender Policy. Given uncertainties in the professional services market and the extent of change across the Group, a decision was made to retain KPMG until the end of FY27. Owing to the current dynamics in the Australian consultancy sector, this was agreed to be the optimum path for our business.
- Continued to consider project approvals in the context of the Portfolio Management Framework, with the object to maximising long-term securityholder value.



Our Customers

Material Issue:

Understanding our customers and responding to changes in the market. Designing and delivering innovative, customer-driven solutions to win the projects we want to win and ultimately deliver the best places.

The Board and its committees undertook the following activities as part of its support of the Group's customer focussed approach and to embed a process of continuous improvement based on customer insights and actions.

Activities and actions:

- Continued to engage with clients, investors and other stakeholders at various industry functions, site visits, events and meetings.
- Continued to receive reports on the progress against prescribed metrics for the Australian Government Payment Times Reporting Scheme for small business suppliers.
- Engaged with securityholders through meetings and events including the Annual General Meeting (AGM) and webcasts.
- Continued to provide access to a greater number of securityholders at the AGM, by facilitating attendance via a hybrid meeting.



Our People

Material Issue:

Attracting, developing and retaining diverse talent. Ensuring we have the right capability across the organisation to deliver results for all stakeholders.

The Board, People and Culture Committee and Nomination Committee undertook the following activities to help attract, develop and retain diverse talent and to monitor the investment in developing leaders and capabilities.

Activities and actions:

- Continued the program of Board renewal by actively reviewing Board composition against the skills matrix. Appointed Barbara Knoflach to the Board effective October 2024.
- In line with the approval of the Group's new strategic direction, approved a new segment led leadership structure (the Corporate Leadership Team) to replace the existing Global Leadership Team responsible for leading Lendlease into the future.
- Continued to oversee the implementation of the human capital strategy, review mission critical capabilities and endorsed refreshed global leadership programs.
- Continued to receive reports on the outputs of the Group's flagship leadership programs focussed on acceleration of under-represented female and racial minority talent.
- Considered ways to respond to the strike received against the FY23 Remuneration Report and engaged with key stakeholders to understand the reasons for the strike and receive input on potential changes to the reward framework.
- Continued to receive reports on the recalibration of globally consistent gender pay reporting.



Sustainability

Material Issue:

Managing and optimising our performance in the context of challenges facing the built environment, including climate change and social pressures such as population growth and housing affordability.

The Board and the Sustainability Committee engaged in the following activities to help deliver inclusive, healthy and adaptable places that can thrive through change.

Activities and actions:

- Received quarterly reports tracking progress against the Group's two sustainability targets to reflect the Group's commitment to:
 - A 'Net Zero Carbon' for Scope 1 and 2 emissions by 2025, and 'Absolute Zero Carbon' by 2040
 - Delivering \$250m of measured social value by 2025.
- Received Deep Dive reviews on:
 - The output of business engagement including key regional & global insights on Nature & Biodiversity.
 - The Group's Mission Zero emissions reduction strategies including information on RECs and offset strategies.
 - An overview of Scope 3 emissions as they relate to Lendlease's Absolute Zero Target.
 - The Social Value Strategic Direction review.
- Received regular reports on ethical supply chain within the Group to ameliorate the risk of material substitution and modern slavery.
- Continued to receive reports at every meeting on the progress against the Task Force on Climate-Related Financial Disclosures risk assessment and reporting framework.
- Reviewed and approved the extension of the Elevate RAP.
- In tandem with the Audit Committee, continued to receive reports on Lendlease's readiness for adoption of enhanced climate and sustainability reporting under the proposed International Sustainability Standards Board exposure drafts.
- Reviewed and approved the Lendlease position statement on Nature & Biodiversity.
- Approved TEM as the preferred Offset Partner for Lendlease.

Board of Directors' information

Interests in Capital

The interests of each of the Directors in the stapled securities of the Group at 19 August 2024 are set out below. The current Non Executive Directors acquired Lendlease securities using their own funds.

Directors	Securities held directly 2024	Securities held beneficially/indirectly 2024	Total 2024	Securities held directly 2023	Securities held beneficially/indirectly 2023	Total 2023
M J Ullmer	-	200,000	200,000	-	175,000	175,000
A P Lombardo ¹	152,130	138,007	290,137	86,895	141,144	228,039
A S Chan ("Margaret Lui")	-	20,000	20,000	-	3,000	3,000
P M Coffey	-	71,216	71,216	-	51,216	51,216
N R Collishaw	-	45,000	45,000	-	25,000	25,000
D P Craig	-	136,000	136,000	-	106,000	106,000
B A Knoflach ²	10,000	-	10,000	-	-	-
E M Proust ³	-	123,061	123,061	-	83,061	83,061
N M Wakefield Evans	-	38,000	38,000	-	38,000	38,000
R F Welanetz ¹	27,000	-	27,000	27,000	-	27,000

¹ Prior year balances were restated.

² As B A Knoflach was appointed to the Board on 1 October 2023, a nil balance is shown at the beginning of the financial year.

³ As at 30 June 2023 E M Proust holds through her super fund, \$500,000 face value of Lendlease Green Bonds.

Directors' Meetings

Board meetings

The Board meets as often as necessary to fulfil its role. Directors are required to allocate sufficient time to the Group to perform their responsibilities effectively, including adequate time to prepare for Board meetings. During the financial year ended 30 June 2024, 12 Board meetings were held. Seven face to face meetings were held and five meetings were held virtually. Matters were also dealt with as required by circular resolution.

Overview of Board Committees

The Board recognises the essential role of Committees in guiding the Company on specific issues. There are five standing Board Committees to assist, advise and make recommendations to the Board on matters falling within their areas of responsibility. Each Committee consists of independent, Non Executive Directors. The Chair of each Committee is not a Chair of other Committees, or Chair of the Board. Each Committee is governed by a formal Charter setting out its objectives, roles and responsibilities, composition, structure, membership requirements and operation. During the reporting period a review of the accompanying Charters and Workplans for each of the Committees was undertaken.

The five permanent Committees of the Board are:

Audit Committee

The Audit Committee assists the Board with its oversight responsibilities in relation to accounting policies and practices, tax matters, treasury reporting, monitoring of internal financial controls, internal and external audit functions and financial reporting of the Group.

People and Culture Committee

The People and Culture Committee assists the Board with its oversight responsibilities in relation to establishing people management, diversity and inclusion, talent and remuneration/compensation policies for the Group.

Risk Committee

The Risk Committee assists the Board with its oversight responsibilities in relation to risk management and internal control systems, risk policies and practices and compliance. The Risk Committee also has the role of considering, and if approved, recommending to the Board for approval major transactions as referred to the Committee by the Global Investment Committee.

Sustainability Committee

The Sustainability Committee assists the Board in monitoring the decisions and actions of management in achieving Lendlease's aspiration to be a sustainable organisation. The Committee has oversight of health and safety, ESG matters, the Lendlease Foundation, modern slavery and the Group's Elevate RAP.

Nominations Committee

The Nominations Committee has responsibility for Board renewal, composition and Director development and oversees the reviews of Board, Committee and Director performance.

In response to the strategy refresh, a review of the committee structures will be undertaken in FY25.

Attendance at Meetings of Directors 1 July 2023 to 30 June 2024

The number of Board and Board Committee meetings held, and the number of meetings attended by each Director during the 2024 financial year, are set out in the tables below.

(MH) Number of meetings held. (MA) Number of meetings attended.

Membership	Board (Chair M J Ullmer)		Nomination Committee(Chair R F Welanetz)		Audit Committee (Chair D P Craig)	
	MH ¹	MA	MH	MA	MH	MA
M J Ullmer (Chairman)	12	12	7	7	4	4
A P Lombardo (CEO)	11	11	7 ²	7	4 ²	4
A S Chan (M Lui)	12	12	7	7	-	-
P M Coffey	12	12	7	7	-	-
N R Collishaw	12	12	7	7	4	4
D P Craig	12	12	7	7	4	4
E M Proust	12	11	7	7	-	-
N M Wakefield Evans	12	12	7	7	4	4
R F Welanetz	12	11	7	7	-	-
B A Knoflach	11 ³	11	6	6	1	1

- 5 of the 12 meetings were teleconferences called to deal with specific matters. One of these was a meeting of the Non Executive Directors only so A Lombardo was not present. E Proust and R Welanetz were unable to attend 1 of these teleconferences.
- A P Lombardo is not a member of the Committee, however as CEO and MD, he attends every meeting except for the part of the meeting where a Non Executive Director session is scheduled)
- B A Knoflach was appointed to the Board on 1 October 2023. The number of meetings attended reflects the number of meetings since Ms Knoflach's appointment.

Membership	Risk Committee (Chair P M Coffey / N R Collishaw) ¹		Sustainability Committee(Chair N M Wakefield Evans)		People and Culture (Chair E M Proust)	
	MH	MA	MH	MA	MH	MA
M J Ullmer (Chairman)	4	4	4	4	4	4
A P Lombardo (CEO)	4 ²	4	4 ²	4	4 ²	4
A S Chan (M Lui)	4	4	4	4	4	4
P M Coffey	4	4	4	4	-	-
N R Collishaw	4	4	-	-	4	4
D P Craig	4	4	-	-	4	4
E M Proust	4	4	4	4	4	4
N M Wakefield Evans	4	4	4	4	-	-
B A Knoflach ³	3	3	-	-	-	-

- P M Coffey Chairman July 2024 to April 2024. N R Collishaw commenced as Chair in May 2024.
- A P Lombardo is not a member of the Committee, however as CEO and MD, he attends every meeting except for the part of the meeting where a Non Executive Director session is scheduled)
- B A Knoflach was appointed to the Board on 1 October 2023. The number of meetings attended reflects the number of meetings since Ms Knoflach's appointment.

Remuneration Report

Message from the Board

It has been a challenging year for Lendlease, with rising costs, industry shifts, and a persistent market downturn impacting the global sector and slowing the pace of capital recycling. Our significant investments outside of Australia have not yielded the near-term returns our securityholders expect.

In light of these obstacles, the Board and the Corporate Leadership Team (CLT) have chosen to streamline and refocus our efforts. We're simplifying our organisational structure, reducing our costs, focusing on our market-leading Australian business, and enhancing our international investment platform. Additionally, we're aiming to release \$4.5b of capital by moving away from international construction and fast-tracking the release of capital from our overseas projects and other holdings. To facilitate this strategic shift, we've made a post-tax provision of \$1.4b for FY24, contributing to a Group Statutory Loss after Tax of \$1.5b.

We recognise that these outcomes are disappointing. The Board and the Group CEO take accountability for the company's performance, and are committed to turning it around.

Since the announcement of targeted business divestiture plans, Lendlease has already made progress toward the new strategy, including:

- Restructuring the organisation by removing regional management structures;
- Announcing key business sales in Asia, Australia and Americas; and
- Progressing the ongoing sale of the remaining stake in Keyton retirement living platform, as well as interests in The Exchange TRX commercial assets in Malaysia.

In year outcomes

Lendlease has had a productive year with \$8.2b of Development completions and \$1.9b of new project commencements, such as build-to-sell apartments in London and Melbourne.

Our Core Operating Profit After Tax (OPAT) increased modestly to \$263m, delivering Earnings per Security of 38.1 cents, and Return on Equity of 4.4 per cent. Distributions per Security totalled 16 cents compared to 16 cents in FY23. This represents a payout ratio of 42 per cent of OPAT.

The **Short-Term Award (STA)** Scorecard outcome for FY24 was at 58% of target, including commendable Safety and

Sustainability outcomes. However, in light of the continued decline in securityholder experience, the Board determined to reduce FY24 STA payments for the Group CEO and the Corporate Leadership Team (CLT) to zero.

The exercise of discretion in this manner is prudent, reflects the securityholder experience, and recognises the accountability of the CLT for the performance of the Group as a whole. We note the Group CEO supported this decision.

For **Long-Term Award (LTA)** subject to performance measurement at the end of FY24, performance did not meet the required thresholds set by the Board. Consequently, there was nil vesting.

Strike response

At the November 2023 Annual General Meeting we received a first strike, with approximately 40% of securityholders voting against the FY23 Remuneration Report.

Feedback from securityholders and proxy advisors highlighted key concerns as performance and reward alignment, disclosure transparency and remuneration quantum.

Although this outcome was disappointing, the Board has carefully considered stakeholder feedback and has taken the following actions to address key concerns:

- Exercised downward discretion to award zero FY24 STA to the CLT, including the Group CEO;
- Suspended the FY25 STA plan;
- Developed a temporary Transformation Award for FY25;
- Applied zero fixed remuneration increase to KMP in FY24; and
- Amended the LTA measures and weighting to improve focus on securityholder returns.

These actions have been implemented alongside the strategic refocus. Our expectation is that by successfully executing the new strategy, we will strengthen our market position and realign executive remuneration with market benchmarks.

For further detail regarding our response to the strike, please refer to page 72.

FY25 Transformation Award

We believe the Executive Remuneration Strategy (ERS) remains fit for purpose in a "business as usual" context, but a different approach is needed to ensure

alignment with securityholders in the short-term. While we believe executives should be rewarded for successfully implementing the strategy, this should only occur to the extent that performance drives real gains to securityholders, via an improvement in the security price.

To this end, we have developed a temporary Transformation Award, delivered in options, with vesting contingent on achieving a significant improvement in security price after two-years. We believe this timeframe is appropriate to link to measurable securityholder outcomes.

Further detail will be provided in the FY24 Notice of Meeting and the FY25 Remuneration Report.

Changes to Key Management Personnel

As part of the reorganisation, the role of Chief Risk Officer (CRO) has been discontinued effective 30 June 2024. As a result, the CRO will no longer be a KMP in FY25.

Commencing 1 July 2024, we have welcomed two new faces to our leadership team: Tom Mackellar as CEO Development, and Penny Ransom as Chief Investment Officer (CIO).

We also welcomed Barbara Knoflach who joined the Lendlease Board of Directors effective 1 October 2023.

Looking ahead

Over FY25 we will continue to consider the appropriateness of the ERS, both in the context of the business turnaround, and returning to business as usual.

We appreciate the patience, support and feedback we have received from securityholders over this challenging time and acknowledge the trust we hold in steering Lendlease to a brighter future.

Michael Ullmer

M J Ullmer, AO

Chairman

Elizabeth Proust

Elizabeth Proust, AO

Chairman, People & Culture Committee

FY24 Remuneration Report Snapshot



76%
of Group CEO
Total Maximum
Remuneration
was performance
based



Nil
STA awarded
Downward discretion
applied for Group CEO
and KMP to reflect
overall company
performance



Nil
LTA awards vested
Long Term Performance
Targets (Relative
TSR, ROE and FUM)
failed to meet challenging
thresholds

FY25 Changes



**FY25 STA
suspended**
Replaced with
Transformation Award
linked to security
price growth



**LTA
change**
Linked to 50%
Relative TSR and
50% Statutory ROE



Nil
fixed pay
increase applied
to KMP



Employee Security Plan
To be offered in FY25

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Abbreviations

AGM	Annual General Meeting	LTA	Long Term Award
CAGR	Compound Annual Growth Rate	LTI	Long Term Incentive
CIFR	Critical Incident Frequency Rate	PMF	Portfolio Management Framework
CLT	Corporate Leadership Team (previously referred to as Global Leadership Team)	ROE	Return on Equity
CSAT	Customer Satisfaction	ROIC	Return on Invested Capital
ERS	Executive Reward Strategy	RSA	Restricted Securities Award
FUM	Funds Under Management	RTSR	Relative Total Shareholder Return
FY23	Financial year ending 30 June 2023	SBP	Security Based Payment
FY24	Financial year ending 30 June 2024	STA	Short Term Award
GDV	Google Development Ventures	STI	Short Term Incentive
GMR	Global Minimum Requirements	TA	Transformation Award - Options Plan
KMP	Key Management Personnel	TPV	Total Package Value
KPI	Key Performance Indicator	VWAP	Volume Weighted Average Price

KMPs covered by this report

Name	Position	Term as KMP	People & Culture Committee
Non Executive KMP			
Michael Ullmer	Independent Non Executive Chairman	Full Year	X
Philip Coffey	Independent Non Executive Director	Full Year	
Nicholas Collishaw	Independent Non Executive Director	Full Year	X
David Craig	Independent Non Executive Director	Full Year	X
Barbara Knoflach ¹	Independent Non Executive Director	Part Year	
Margaret Lui	Independent Non Executive Director	Full Year	X
Elizabeth Proust	Independent Non Executive Director	Full Year	Chair
Nicola Wakefield Evans	Independent Non Executive Director	Full Year	
Robert Welanetz	Independent Non Executive Director	Full Year	X
Executive KMP²			
Anthony Lombardo	Group CEO	Full Year	
Dale Connor	CEO, Australia	Full Year	
Simon Dixon	Group CFO	Full Year	
Justin Gabbani	CEO, Asia	Full Year	
Claire Johnston ³	CEO, Americas	Full Year	
Frank Krile ³	Group CRO	Full Year	
Andrea Ruckstuhl ⁴	CEO, Europe	Full Year	

1. Appointed 1 October 2023.

2. Whilst the majority of Executive KMP are male, 38% of the Lendlease Corporate Leadership Team are female.

3. Ceased as KMP 30 June 2024.

4. Appointed CEO Europe 3 July 2023. Ceased as KMP 30 June 2024.

Note: The term 'Executives' used throughout this Remuneration Report refers to the Executive KMP listed above, unless stated otherwise.

FY25 KMP Changes

Based on the new strategic direction announced in May 2024, Lendlease reviewed its organisational structure to align to the Investments, Development and Construction (IDC) model. The new KMP structure under the revised organisational structure is as follows:

- Anthony Lombardo will remain as Group CEO.
- Simon Dixon will remain as Group CFO.
- Justin Gabbani appointed as CEO Investment Management effective 1 July 2024.
- Tom Mackellar appointed as CEO Development effective 1 July 2024.
- Dale Connor appointed as Group COO/CEO Construction effective 1 July 2024.
- Penny Ransom appointed as CIO effective 1 July 2024.

Former KMP roles made redundant

- Frank Krile ceased as Group CRO effective from 31 July 2024.

Response to FY23 Remuneration Report Strike

At the 2023 Annual General Meeting, Lendlease securityholders signalled concerns with our remuneration outcomes for FY23, delivering a first strike against the Remuneration Report. While disappointing, the feedback was considered carefully by the Board over the course of FY24 to determine an appropriate way forward.

Having regard to feedback received from securityholders, the Board determined that the fundamental structure of the Executive Reward Strategy remains fit for purpose in a 'business as usual' context. The ERS is a market-aligned

remuneration framework that balances short and long-term business performance, with significant focus on alignment of reward to securityholder experience via the delivery of equity.

However, the Board also recognises Lendlease's current environment and context, including poor security price performance and securityholder returns as a result of structural challenges and a prolonged market downturn. From this perspective, the Board acknowledged that the FY25 framework requires greater focus and link to security price recovery and the delivery of the turnaround strategy.

Key Highlights



ERS remains fit for purpose



FY25 STA replaced with an options plan to drive security price growth



Zero FY24 STA awarded and Zero LTA vested



Zero Fixed Remuneration Increase



LTA to have greater weighting on securityholder return measure

A key theme arising from the FY23 Remuneration Report feedback relates to the need to strengthen the alignment of KMP reward to securityholder outcomes. The below table summarises the Board response:

Key Themes	Board Response
<p>Alignment of KMP reward to securityholder outcomes</p> <p>The key focus area in responding to the FY23 strike has been to strengthen the link between executive reward and securityholder outcomes.</p>	<p>Zero FY24 Short-Term Award (STA) Outcome</p> <p>Based on FY24 STA Scorecard results, the Group CEO achieved a STA outcome of 58% of target (42% of maximum). However, in context of Lendlease's continued performance challenges (including provisions taken in FY24) and the impact on the security price, the Board has exercised downward discretion to reduce FY24 STA payments for the Group CEO and the Corporate Leadership Team (CLT) to zero.</p> <p>The exercise of discretion in this manner is prudent, reflects the securityholder experience, and recognises the accountability of the CLT for the performance of the Group as a whole.</p> <p>STA suspended and replaced with options plan with an Absolute TSR performance hurdle</p> <p>The FY25 STA will be replaced with a Transformation Award focused on security price recovery. Awards will take the form of security options, with vesting contingent on achieving a significant improvement in security price over a two-year performance period. The Board will maintain discretion around the vesting of awards in accordance with existing protocols.</p> <p>The Board believes the Transformation Award will support our focus on security price recovery, and allow executives to be rewarded for their success in this area over an appropriate period.</p> <p>At this point, the intention is for the STA to be reinstated for FY26. However, this will be considered throughout FY25.</p> <p>Long-term Award (LTA)</p> <p>The current LTA remains aligned with our performance in that no LTA awards vested in relation to the performance period ending in FY24.</p> <p>To improve our focus on securityholder returns, the FY25 LTA hurdles will be simplified to allocate greater weighting on just two measures of Relative Total Securityholder Return (TSR) and Statutory Return on Equity (ROE).</p>

Fixed remuneration quantum

In FY24, there were no in-role executive KMP remuneration increases and none have been proposed for FY25. Lendlease have also decreased fixed remuneration quantum by 17-25% when replacing KMP roles, and will continue to 'right size' fixed remuneration as we turnover like-for-like KMP roles.

Due to the significant decline in security price since 2020, Lendlease is no longer a Top ASX50 company. However, it needs to be acknowledged that Lendlease remains a globally significant company operating in a complex environment where our talent is highly sought.

The new strategy is intended to support a recovery in security price, bringing Lendlease back closer with the ASX50 remuneration benchmark at which current structures were originally set.

Disclosure transparency

Lendlease will continue to improve the quality of disclosure around remuneration decisions, performance measures and targets in publishing our Remuneration Report and the Notice of Meeting (NOM). For example, Lendlease will provide detailed design and key performance conditions underpinning the Transformation Award that will replace the STA plan for Group CEO and KMP in FY25.

It is also highlighted that LTA weighting on Relative TSR increased to 50 per cent and is set with greater levels of stretch compared to the prevailing market approach. The Relative TSR hurdle is disclosed in the Remuneration Report, and the Statutory ROE hurdle will remain retrospectively disclosed at vesting.

Executive Reward Strategy

Our remuneration framework is designed to support our strategy and reinforce our culture and values.

Our Strategy

Australia's leading integrated real estate business with a strong international investment management capability.

Our Values

Respect, trust, collaboration, excellence, innovation and integrity guide our behaviours and underpin our Code of Conduct.

Lendlease Remuneration Principles



Aligned with securityholder interests



Transparent and easy to communicate



Aligned with team behaviours and enterprise leadership



Market competitive to retain highly capable executives



Balanced with a significant portion of remuneration at risk, which is only earned for outstanding performance



Longer dated and aligned to our earnings profile, reflecting the importance of urbanisation projects



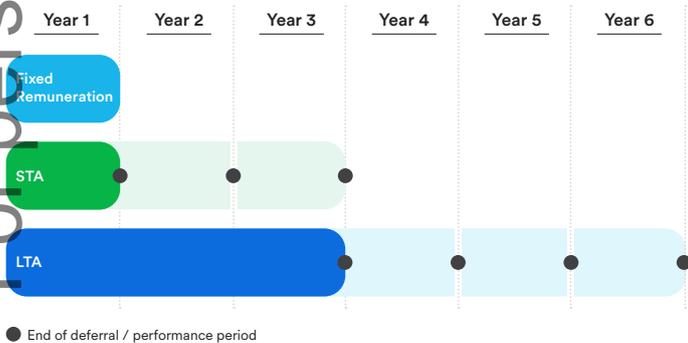
Risk management focused with clear practices that minimise potential conflicts of interest and enable effective and aligned decision making

Our Remuneration Framework

	Fixed Remuneration	Short Term Award (STA)	Long Term Award (LTA)
Purpose	To attract and retain highly capable executive talent.	To provide focus on key strategic priorities in the relevant financial year.	To reward for delivering sustained long term securityholder value.
Approach	Fixed remuneration is benchmarked against relevant comparator companies to assess market competitiveness. Considers the relative size, scale and complexity of roles to enable a fair comparison.	STA is linked to a balanced scorecard representing key strategic priorities aligned to delivering the Group Strategy and securityholder returns. Delivered as 50% cash and 50% deferred as Lendlease securities released in two equal tranches after one and two years.	LTA provides an annual grant of 'at-risk' equity to reward for delivering the Group Strategy, aligned with long term securityholder returns. Delivered as rights to Lendlease securities which are released in four equal tranches at the end of Y3, Y4, Y5 and Y6.
Link to Performance	Sustained performance and leadership as an Executive.	STA scorecards are designed to include a mix of financial and non-financial performance targets for the relevant financial year: <ul style="list-style-type: none"> • Financial (70%) • Non-Financial (30%). 	LTA is linked to forward-looking, three-year performance under: <ul style="list-style-type: none"> • Relative TSR (1/3) • Return on Equity (1/3) • Growth in Investment Return on Invested Capital (IM ROIC) (1/3). Award value is linked to security price movements over three to six years.
Governance	The People & Culture Committee and the Board review our remuneration principles and remuneration framework as well as determine the STA and LTA outcomes for Executive KMP, which remain subject to the Board's discretion to reduce or forfeit any unvested awards. The Board retains the discretion to reduce or forfeit any unvested awards if it considers that vesting of such awards will result in the participant receiving a benefit that would be unwarranted or inappropriate. Additionally, the Group CEO LTA is submitted for securityholder approval at the AGM. For more information, refer to the 'Remuneration Governance and Risk Management' section.		

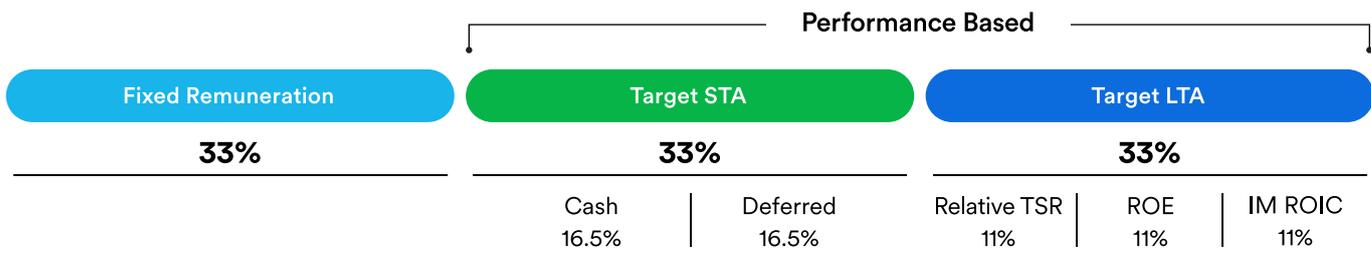
Executive Reward Strategy Structure

The following diagram illustrates the structure of the Executive Reward Strategy:



FY24 Remuneration Mix

Target remuneration mix for the Group CEO and Executives (excluding the Group CRO¹) is as follows:



¹The remuneration mix for the Group CRO in FY24 was: 38% Fixed Remuneration, 31% Target STA and 31% Target LTA.

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Fixed Remuneration

This section presents our approach to setting Fixed Remuneration.

Design	How Fixed Remuneration Works
Benchmarking Approach	<ul style="list-style-type: none"> Quantum and remuneration mix are benchmarked to test that total remuneration remains market competitive. Reviewed periodically as part of the Group's Annual Compensation Review process. Considers the relative size, scale and complexity of roles to enable a fair comparison. Benchmarking considers fixed and total remuneration with reference to the market median and 75th percentile. Primary market benchmarking compares companies with relative revenue and market capitalisation. To supplement the above, companies operating in similar industries and those that Lendlease compete for talent are also considered, such as Charter Hall Group, Dexus, Goodman Group, GPT Group, Mirvac Group, Scentre Group, Stockland and Vicinity Centres.

Short Term Award (STA)

This section presents the key features of the STA plan.

STA Design	How the STA Works
Eligibility	<ul style="list-style-type: none"> Group CEO and Executives.
Quantum	<ul style="list-style-type: none"> For FY24, target STA opportunity was as follows: <ul style="list-style-type: none"> Group CEO: 100% of Fixed Remuneration Executives (excluding Group CRO): 100% of Fixed Remuneration Group CRO: 80% of Fixed Remuneration. The minimum possible STA outcome is zero. The maximum STA outcome is limited to 139% of target STA opportunity for the Group CEO and 140% of target STA opportunity for other Executives.
Funding	<ul style="list-style-type: none"> The Board determines the pool of funds to be made available to reward Executives, with reference to Group financial and non financial performance. The Board examines safety performance and the overall health of the business (including a broader set of metrics around origination, sustainability and how we have managed risk).
Key Performance Indicators	<ul style="list-style-type: none"> Group CEO and Executive scorecards, including: <ul style="list-style-type: none"> 70% Financial Performance (Group Operating Profit After Tax, Gearing, Development - Completions, Construction - EBITDA margin, Investment Management - EBITDA margin) 30% Non Financial Performance (safety, sustainability, customer and people). Refer to page 78 for a summary of the FY24 Group CEO scorecard. Lendlease is committed to the safety and wellbeing of all of its employees. Whilst the assessment is not structured formulaically or as a 'gateway' measure, health and safety outcomes are taken into consideration by the Board in assessing the appropriateness of STA outcomes. The People & Culture Committee considers feedback from multiple sources to consider 'how' performance outcomes are achieved: <ul style="list-style-type: none"> Executive input: Group CFO and Group CRO Board committees: the Audit Committee, Risk Committee, and Sustainability Committee.
Delivery	<ul style="list-style-type: none"> 50% paid as cash in September following the assessment of performance. 50% deferred as Lendlease securities released in two equal tranches after one and two years.

FY25 STA Changes

For FY25, the STA has been suspended and replaced with a Transformation Award (TA) focused on security price recovery. TA will be delivered as market-priced security options, with vesting contingent on achieving significant security price growth over a two year horizon. Board discretion in relation to safety will apply in line with existing protocols.

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Long Term Award (LTA)

This section presents the key features of the 2024 LTA (granted in September 2023).

LTA Design	How the LTA Works		
Eligibility	<ul style="list-style-type: none"> Group CEO and Executives. 		
Quantum	<ul style="list-style-type: none"> The maximum face value of the 2024 LTA award granted in September 2023 is as follows: <ul style="list-style-type: none"> Group CEO: 178% of Fixed Remuneration Executives (excluding Group CRO): 180% of Fixed Remuneration Group CRO: 144% of Fixed Remuneration. 		
Delivery	<ul style="list-style-type: none"> Rights to acquire securities, subject to specific performance conditions and continued tenure. The number of performance rights is adjusted up or down at vesting based on performance over the assessment period. The award may be settled in cash or other means at the Board's discretion. 		
Determining the Number of Performance Rights	<ul style="list-style-type: none"> Face value - VWAP of stapled securities traded on the ASX over the 20 trading days prior to the release of the full year results preceding the grant date. 		
Performance Period	<ul style="list-style-type: none"> Three years. 		
Deferral	<ul style="list-style-type: none"> Released in four equal tranches at the end of Y3, Y4, Y5 and Y6. The timeframe reflects a balance between reward that motivates Executives while reflecting the 'long tail' of profitability and risk associated with 'today's decisions'. The Board believes that these measures provide a suitable link to long term securityholder value creation. While the Board appreciates that there are, at times, differing views held by stakeholders, we believe that these measures provide the appropriate balance between market and non-market measures. 		
Performance Hurdles		Market Measure	Non Market Measures
		Relative Total Securityholder (RTSR) – 1/3	Average Operating Return on Equity (ROE) – 1/3
			CAGR % in IM ROIC – 1/3
	Rationale	<ul style="list-style-type: none"> TSR incentivises Executives to deliver returns that outperform what a securityholder could achieve in the market and promotes management to maintain a strong focus on securityholder outcomes. 	<ul style="list-style-type: none"> Operating ROE reflects the capital intensive nature of Lendlease's activities and is an important long term measure of how well the management team generates acceptable earnings from capital invested and rewards decisions in respect of developing, managing, acquiring and disposing of assets.
Definition	<ul style="list-style-type: none"> TSR is measured by the growth in security price and any dividends/ distributions paid during the performance period. 	<ul style="list-style-type: none"> Operating ROE is calculated as the Group's Operating Profit After Tax divided by the arithmetic average of beginning, half and year end securityholders' equity. Performance is based on the average Operating ROE results over the three year performance period. 	<ul style="list-style-type: none"> CAGR % in IM ROIC is calculated based on the average Investments (IM) ROIC results over the performance period.
Target Setting	<ul style="list-style-type: none"> TSR is measured against companies that comprise the Standard & Poor's (S&P)/ Australian Securities Exchange (ASX) 100 index. 	<ul style="list-style-type: none"> Operating ROE target is reviewed annually and is set within the published range of the Group's Portfolio Management Framework which was between 8% and 10% in FY24¹. Operating ROE target aims to drive outperformance without incentivising excessive risk taking. The Board believes that the vesting range provides a realistic goal at the lower end (in the context of risk free rates of return, cost of capital and market consensus) and a stretch at the upper end. The Board is conscious of the impact that debt can have on the Operating ROE result and has governance protocols in place to monitor this. 	<ul style="list-style-type: none"> IM ROIC hurdles are reviewed annually and were set with reference to the Group's Portfolio Management Framework (PMF) in FY24.

LTA Design	How the LTA Works					
	RTSR Percentile Ranking	% of Maximum LTA	Average Operating ROE	% of Maximum LTA	CAGR % in IM ROIC	% of Maximum LTA
Vesting Schedule (as % of Maximum LTA)	Below 50th	Nil	Below threshold	Nil	Below threshold	Nil
	At the 50th	40%	At threshold	0%	At threshold	0%
	At or above the 50th and below the 75th	Straight line vesting between 40% and 100%		Between threshold and maximum	Straight line vesting between 0% and 100%	
	75 th or greater	100%	At or above maximum	100%	At or above maximum	100%
Retesting	<ul style="list-style-type: none"> • No retesting. • If the performance hurdle is not met at the time of testing, the awards are forfeited. 					
Distribution	<ul style="list-style-type: none"> • Distributions are not paid, unless and until vesting conditions are met. 					

1. PMF was retired at the end of FY24.

FY25 LTA Changes

In FY25, LTA plan will move from referencing three to two performance hurdles focussing on securityholder returns. The changes will include:

- Removal of CAGR % in IM ROIC;
- Increased weighting from 33% to 50% on Relative Total Shareholder Return (TSR); and
- Increased weighting from 33% to 50% on Statutory Return on Equity (ROE).

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FY24 Group CEO STA Scorecard

The Board in assessing STA outcomes for the CEO and the executive team have given consideration to both financial outcomes and strategic progress.

KPI	Weighting		FY24 Result	
Financials 70%	Operating Profit After Tax (\$m)	35%	<p>THRESHOLD MAXIMUM</p>	OPAT of \$263m was achieved, marking a slight increase from FY23 but falling below the threshold for the period. This result reflects delays in transaction timing for key divestitures and impacted Development transactions, which were not completed as anticipated. Additionally, the timing of deferred transactions contributed to a reduction in OPAT due to higher borrowing costs.
	Group Gearing Cash Flow Target (%)	5%	<p>THRESHOLD MAXIMUM</p>	Group gearing was below threshold for the period at 21% as a result of delayed Communities transaction impacting the timing of expected cash inflows.
	Investments – Funds Management EBITDA margin (%)	10%	<p>THRESHOLD MAXIMUM</p>	The Funds Management EBITDA margin of 41.5% is above target and has been driven by improved performance from Australia and Asia regions.
	Development – Completions (\$b)	10%	<p>THRESHOLD MAXIMUM</p>	\$8.2b of Development completions delivered were above target in FY24, highlighted by key projects such as One Sydney Harbour and TRX Retail.
	Construction – EBITDA margin (%)	10%	<p>THRESHOLD MAXIMUM</p>	An above target Construction EBITDA margin of 2.1% reflects improved contribution from Asia, which was partially offset by a lower contribution from Australia.
Non Financials 30%	Safety – Critical Incident Frequency Rate (CIFR) (%)	7.5%	<p>THRESHOLD MAXIMUM</p>	The FY24 CIFR result achieved was slightly above target. The target was set to achieve <0.570, the Group's result was 0.569. There were no fatalities in the reporting period.
	Sustainability - carbon emission (000's tonnes)	7.5%	<p>THRESHOLD MAXIMUM</p>	The Group has continued to make progress on our carbon emissions targets, recording 99k tonnes and beating the target maximum of <100k tonnes.
	Customer Satisfaction (CSAT score)	7.5%	<p>THRESHOLD MAXIMUM</p>	Customer Satisfaction of 7.9 out of 10 is in line with FY23 result and has achieved target outcome.
	People - Employee Engagement (%)	7.5%	<p>THRESHOLD MAXIMUM</p>	Employee engagement for the period was 60%, representing a year-on-year decrease of 1% from FY23, falling below threshold for the target.

Downward Discretion on Group CEO STA outcome to zero

Based on the above STA Scorecard outcomes, the Group CEO's STA for FY24 resulted in an achievement of **58%** of target (**42%** of maximum), which would normally deliver a STA outcome of \$1,045,800.

However, in light of the continued decline in securityholder experience, the Board exercised downward discretion to reduce FY24 STA payments for the Group CEO and the Corporate Leadership Team (CLT) to **zero**.

FY24 Short Term Performance Outcomes

The following table outlines the FY24 STA opportunity and outcomes for the CEO and KMP.

A\$'000 ¹	Target STA opportunity	Maximum STA opportunity	Total STA awarded	STA awarded - cash ²	STA awarded - deferred ³	Total STA awarded as % of Maximum STA ⁴	Total STA forfeited as % of Maximum STA ⁴
Anthony Lombardo	1,800	2,500	-	-	-	0%	100%
Dale Connor	1,200	1,680	-	-	-	0%	100%
Simon Dixon	1,000	1,400	-	-	-	0%	100%
Justin Gabbani	950	1,330	-	-	-	0%	100%
Claire Johnston	1,273	1,782	-	-	-	0%	100%
Frank Krile	800	1,120	-	-	-	0%	100%
Andrea Ruckstuhl	835	1,169	-	-	-	0%	100%

1. Remuneration is reported in AUD based on the 12 month average historic foreign exchange rates for FY24 (rounded to two decimal places): SGD 0.88 (applied to Justin Gabbani), USD 0.66 (applied to Claire Johnston) and GBP 0.52 (applied to Andrea Ruckstuhl).

2. 50% of the FY24 STA would have been paid as cash in September 2024.

3. 50% of the FY24 STA would have been granted as Deferred Securities, released in two equal tranches after one and two years.

4. Rounded to the nearest decimal place.

FY24 Long Term Performance Outcomes

The table below presents the performance and vesting outcomes for awards that were tested in FY24. The Board sets challenging LTA targets. The 2022 LTA was tested following the end of the financial year, resulting in nil vesting for FY24.

LTA ¹	Performance Period	Performance Hurdle ²	Performance Outcome	Vesting Outcome	Overall Vesting Outcome (% Maximum LTA)	% Maximum LTA forfeited
2022 LTA	(3 years)	RTSR	Below Threshold	0%	0%	0%
		ROE	Below Threshold	0%		
		FUM	Below Threshold	0%		
2023 LTA	(3 years)	RTSR				
		ROE				
		FUM				
2024 LTA	(3 years)	RTSR				
		ROE				
		IM ROIC				

1. Refer Note 35 of the Notes to Consolidated Financial Statements for details of LTI / LTA Awards granted in prior financial years.

2. Growth in FUM was replaced with an Investments Return on Invested Capital (IM ROIC) measure from FY24 onwards.

Adjustment to Denis Hickey's Incentive Award

GDV performance adjustment

In FY22, Denis Hickey was issued a one-off incentive aligned to key delivery milestones under the Google Development Ventures (GDV) project over a 3-year performance period from 1 July 2021 to 30 June 2024. At the time of grant, this incentive reflected the criticality and scope of the GDV project.

The Board retains an overarching discretion to reduce or forfeit any unvested awards if it considers that the vesting of the awards would result in receipt of a benefit that was unwarranted or inappropriate.

In FY23, the Board exercised discretion to carry out an interim assessment on the GDV performance hurdles relating to FY22 (Year 1) and FY23 (Year 2) project key milestones. The Board determined that 51% of the total GDV Incentive award would lapse based on past milestone outcomes during FY22 and FY23.

In FY24, the Board reviewed the remaining 49% GDV Incentive milestones, and in consideration of the cancellation of the GDV project and surrounding circumstances, determined the final vesting outcome be zero.

Alignment Between Remuneration Outcomes and Securityholder Experience

STA outcomes and securityholder experience

In May 2024¹, Lendlease announced a new strategy to simplify the business with a focus on strengthening its market-leading Australian business and international Investments platform. Aligned to the new strategic direction, the Group has already progressed in the recycling of capital through announced transactions, exiting international construction in Asia and the US, and is accelerating capital release from its offshore development projects and assets.

Key outcomes delivered in FY24 aligned to these strategic objectives included:

- Recorded Funds Management EBITDA margin of 41.5% through improved performance across the scale Australia and Asia platforms, while investing for future growth.
- Development completions of \$8.2b, driven by the One Sydney Harbour project in Sydney and The Exchange, TRX Retail mall in Malaysia.
- Supported the restocking of the Australian Development Pipeline through securing the Queen Victoria Market project with an estimated end value of approximately \$1.3b.
- Delivered a resilient Construction result in the context of industry challenges.
- The successful completion of the announced Cost Optimisation initiative, leading to the reduction of ~\$210m of annual costs from ~734 FTEs.

¹ Refer to the ASX Announcement "Lendlease Strategy Update" released on 27 May 2024.

	FY20	FY21	FY22	FY23	FY24
Statutory Profit after Tax (PAT) Attributable to Securityholders (\$m)	(310)	222	(99)	(232)	(1,502)
Core Operating Profit After Tax (PAT) Attributable to Securityholders (\$m)	206	377	276	257	263
Total Dividends / Distributions (\$m)	191	186	110	110	111
Statutory Earnings per Stapled Security (EPS) (cents) excluding treasury securities	(51.8)	32.5	(14.5)	(34.0)	(219.9)
Core Operating Earnings per Stapled Security (EPS) (cents)	34.2	54.8	40.1	37.3	38.1
Annual Total Securityholder Return (%)	(2)	(6)	(19)	(13)	(21)
Statutory Return on Equity (ROE) (%) ¹	(4.7)	3.2	(1.4)	(3.4)	(25.4)
Core Operating Return on Equity (ROE) (%) ²	3.1	5.4	4.0	3.8	4.4
Closing Security Price as at 30 June (\$) ³	12.37	11.50	9.11	7.75	5.41
CEO STA outcome (% maximum opportunity)	23%	0% ⁴	48%	32%	0%
Executive STA outcomes (% maximum opportunity)	17% - 27%	17% - 40%	55% - 61%	25% - 46%	0%
LTI / LTA vesting outcome ⁵	0%	0%	0%	0%	0%

¹ Statutory ROE is calculated as the annual Statutory Profit after Tax attributable to securityholders divided by the arithmetic average of beginning, half year and year end securityholders' equity.

² Core Operating ROE is calculated as annual Core Operating Profit after Tax attributable to securityholders divided by the arithmetic average of beginning, half year and year end securityholders' equity. Core Operating ROE replaces Statutory ROE as an LTA hurdle from FY21 onwards reflected the impact management have in creating value for securityholders.

³ FY24 reflects 28 June 2024 closing security price.

⁴ Reflects STA outcome for the Former Group CEO, Steve McCann for the period 1 July 2020 to 31 May 2021. The STA outcome for the Current Group CEO, Tony Lombardo was 30% for the period from 1 June 2021 to 30 June 2021.

⁵ Relating to the LTA grant where the performance period ends in the relevant financial year. The FY20 result relates to the 2018 LTI award.

Total Remuneration Realised

The table below presents non-statutory information which provides additional detail in relation to the remuneration paid to, or vested for, Executives in respect of FY24. For statutory information refer to page 86.

A\$'000'	Fixed Remuneration	Previous years' RSA ²	Previous years' deferred securities vested	FY24 STA awarded (cash component)	Previous years' LTA awards	FY24 Total Remuneration Realised	Awards forfeited or lapsed
Current Executives							
Anthony Lombardo	1,800	95	236	-	-	2,131	(5,700)
Dale Connor	1,200	95	199	-	-	1,494	(3,840)
Simon Dixon	1,000	-	125	-	-	1,125	(3,200)
Justin Gabbani	950	-	181	-	-	1,131	(2,771)
Claire Johnston	1,273	-	143	-	-	1,416	(1,782)
Frank Krile	1,000	-	189	-	-	1,189	(2,560)
Andrea Ruckstuhl	782	-	154	-	-	936	(1,169)
Former Executives							
Denis Hickey ³	-	95	222	-	-	317	(2,702)
Neil Martin ⁴	-	133	183	-	-	316	(2,266)

- Remuneration is reported in AUD based on the 12 month average historic foreign exchange rates for FY24 (rounded to two decimal places): SGD 0.88 (applied to Justin Gabbani), USD 0.66 (applied to Claire Johnston) and GBP 0.52 (applied to Andrea Ruckstuhl).
- The RSA vests following notification by the Board or the Board's delegate that vesting has occurred. The first tranche (25%) vests after three years, and the remaining tranches (75%) will be deferred and will vest equally on or around four, five and six years after 1 September 2020 grant date.
- Denis Hickey ceased as KMP 31 October 2022.
- Neil Martin ceased as KMP 30 June 2023.

Definitions

Fixed Remuneration	Includes the TPV / Base Salary plus superannuation (where applicable) received during FY24.
Previous years' RSA and security price growth / decline	Includes the RSA that was granted in September 2021 and reached the end of the deferral period on 30 June 2024. The value reflects the number of securities multiplied by the security price at the end of the deferral period. 25 per cent of this award value will be released in September 2024 and the remaining 75 per cent will be released in three equal tranches in September 2025, 2026 and 2027, subject to malus provisions. Also includes the value of the distribution equivalent amounts paid as cash on the RSA.
Previous years' deferred securities vested	Includes previously granted deferred securities that are not subject to hurdles such as Deferred STA, Deferred Equity Awards, and sign-on awards. The value reflects the number of securities that vested in FY24 multiplied by the security price at vesting, and includes the value of any distribution equivalent amounts received at vesting.
FY24 STA awarded (cash component)	Reflects the 50% cash portion of the STA awarded in relation to FY24 performance to be paid in September 2024.
Previous years' LTA awards	Includes the 2022 LTA that reached the end of the performance period on 30 June 2024, vesting in September 2024. The value reflects securities scheduled to vest multiplied by the grant price.
Awards forfeited or lapsed	The value reflects the maximum number of securities that were forfeited / lapsed in respect of FY24 multiplied by the grant price plus the value of the forfeited portion of the maximum FY24 STA.

Executive Service Agreements

An overview of key terms of employment for current Executives is provided below:

Contract Term	Group CEO	Other Executives
Contract type	Permanent	Permanent
Notice period by Lendlease	12 months	6 months
Notice period by executive	12 months	6 months

All Executives have termination benefits that are within the limit allowed by the Corporations Act 2001 without securityholder approval. Specifically, in the case where the Executive is not employed for the full period of notice, a payment in lieu of notice may be made.

Treatment of unvested awards depends on the reason for termination:

Termination Payment	<ul style="list-style-type: none"> Terminated for cause: Awards lapse. Terminated for poor performance: Board discretion. Resignation (engaged in activities that are competitive with the Group): Awards lapse. 'Good leavers': Awards remain on foot subject to the original vesting conditions. LTA granted from FY23 onwards are prorated for good leavers based on time served.
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Non Executive Director Fee Policy

Non Executive Directors' fees

The maximum aggregate remuneration payable to Non Executive Directors is \$3.5 million per year, as approved at the 2015 Annual General Meeting.

Board and Committee Fees

Non Executive Directors receive a Board fee and fees for chairing or participating on Board committees:

A\$'000	Board	Nominations Committee	People & Culture Committee	Risk Committee	Audit Committee	Sustainability Committee
Chair Fee	640 ¹	36	48	48	48	48
Member Fee	160	Nil	36	Nil	36	36

1. The Chairman does not receive extra fees for participating on committees

Board and committee fees are paid as cash. Superannuation contributions are paid in addition to the Board and committee fees outlined above in accordance with superannuation legislation and are capped at the Maximum Superannuation Contribution Base.

Non Executive Directors are not entitled to retirement benefits other than superannuation.

There were no increases to Non Executive Director fees during FY24.

Travel Fees

Board meetings are scheduled in Australia and in each of the regions where Lendlease operates. As an international company, the Board program is formulated to reflect the geographic spread of the Lendlease businesses. Generally, the program runs over three to five days and includes a number of activities outside the formal meeting. These include business briefings, presentations from external sources, project site visits, client meetings, and networking events with employees and key stakeholders. Where deeper project reviews are required, the program may take up to five days.

The program is an important element of the Board's activities to enable the Non Executive Directors to obtain the required deep understanding of operations across the Group.

Where significant additional time has been spent travelling to fulfil the requirements of the program, fees are paid to compensate Non Executive Directors for the extra time commitment:

A\$	Fee (each way)
Travel less than 4 hours	Nil
Travel between 4 and 10 hours	2,800
Travel over 10 hours	6,000

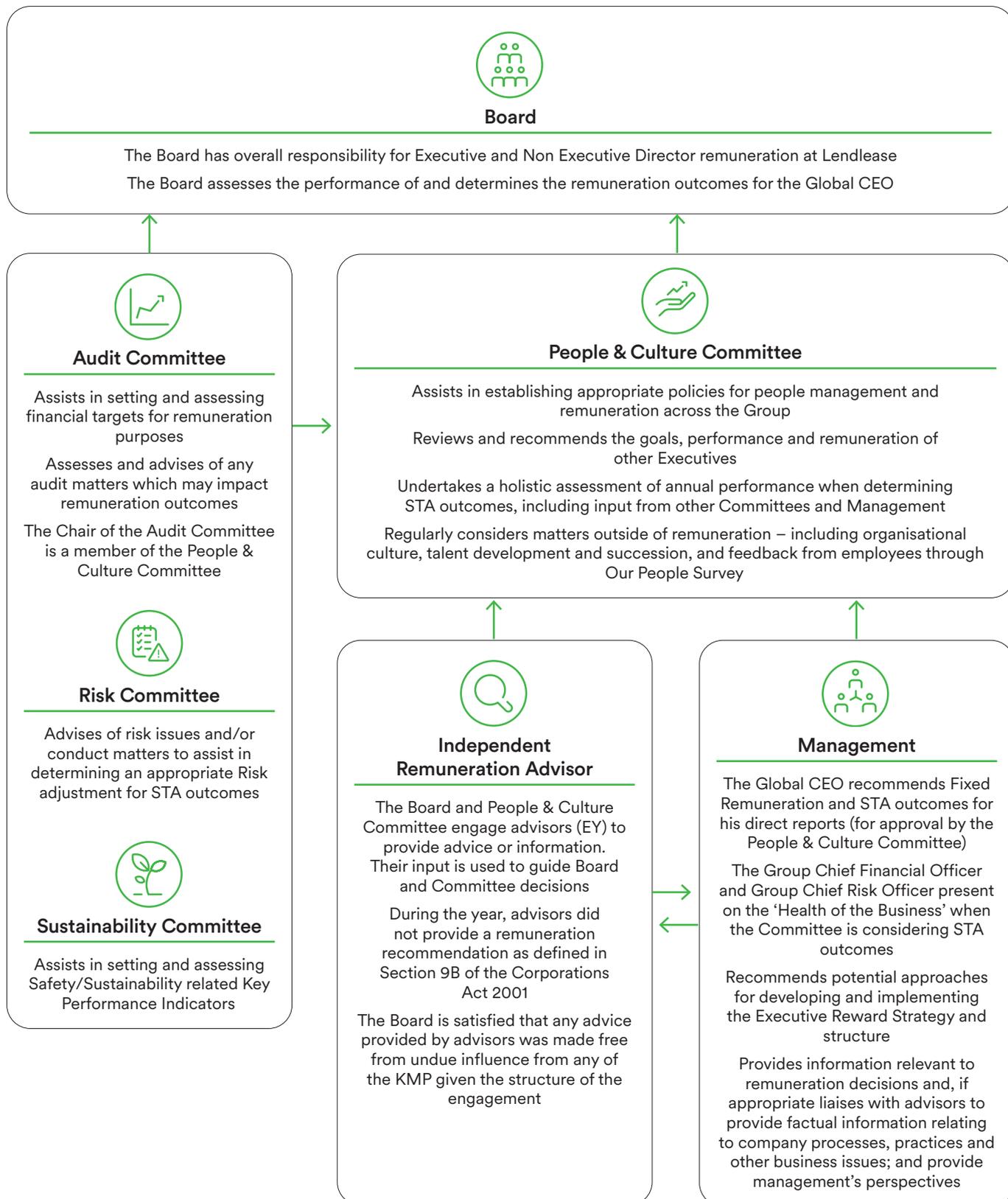
In FY24, one Board meeting was scheduled for offshore, in London in October 2023. All other Board meetings were undertaken in Australia.

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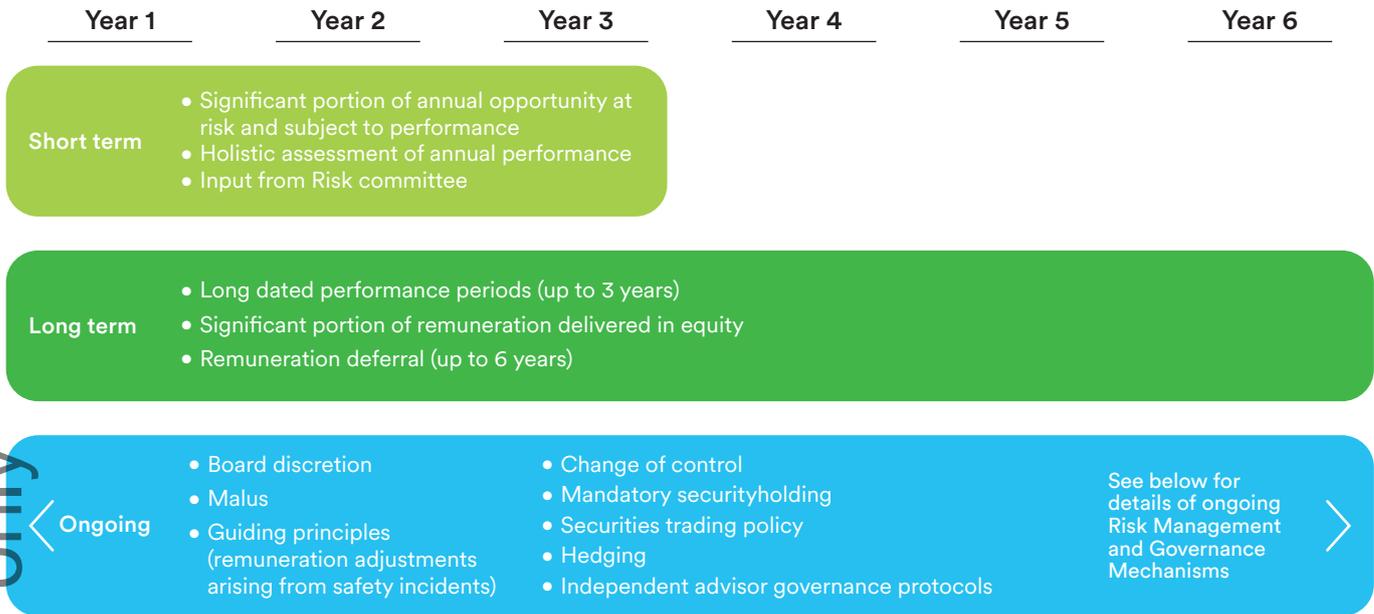
Remuneration Governance and Risk Management

Robust governance is a critical part of Lendlease’s approach to executive remuneration. The diagram below illustrates the roles various stakeholders played in making remuneration decisions at Lendlease in FY24:

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Risk management and governance processes apply across remuneration timelines, aligned with our business cycle. We have short term, long term and ongoing mechanisms:



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Overall Board Discretion	<ul style="list-style-type: none"> • The Board makes, reviews and approves decisions concerning executive remuneration throughout the year. The Board uses its discretion to influence individual outcomes or to steer management towards appropriate outcomes. 								
Malus	<ul style="list-style-type: none"> • The Board retains an overarching discretion to reduce or forfeit any unvested awards (during the deferral period beyond the performance testing period) if it considers that vesting of such awards would result in the participant receiving a benefit that was unwarranted or inappropriate. 								
Guiding principles for determining remuneration adjustments arising from safety incidents	<ul style="list-style-type: none"> • To inform robust decision making in relation to remuneration adjustments arising from safety incidents, the Board formalised a set of guiding principles and relevant factors in FY22. The key guiding principles are as follows: <ul style="list-style-type: none"> – Our objective is to learn from incidents and to reinforce an open dialogue and safety culture. Our people must have confidence that sharing safety related information supports this objective and helps to identify how we will adapt in the future. – As the facts and circumstances surrounding each incident are unique, decision making is not prescriptive or formulaic and requires the application of judgement. – To facilitate a consistent approach to decision making, rather than the application of a consistent outcome, the following set of relevant factors are used by the Board to evaluate the application of any remuneration adjustments to be made arising from safety incidents: 								
	<table border="1"> <tr> <td>Safety Leadership</td> <td>How is safety leadership demonstrated in the relevant business / project?</td> </tr> <tr> <td>Safety Performance</td> <td>How has the relevant business / project performed against safety performance indicators?</td> </tr> <tr> <td>Findings</td> <td>In the event of a fatality, what was Lendlease's role based on internal investigations?</td> </tr> <tr> <td>Availability of new information</td> <td>As events unfold over time, has new and pertinent information emerged from external investigations?</td> </tr> </table>	Safety Leadership	How is safety leadership demonstrated in the relevant business / project?	Safety Performance	How has the relevant business / project performed against safety performance indicators?	Findings	In the event of a fatality, what was Lendlease's role based on internal investigations?	Availability of new information	As events unfold over time, has new and pertinent information emerged from external investigations?
Safety Leadership	How is safety leadership demonstrated in the relevant business / project?								
Safety Performance	How has the relevant business / project performed against safety performance indicators?								
Findings	In the event of a fatality, what was Lendlease's role based on internal investigations?								
Availability of new information	As events unfold over time, has new and pertinent information emerged from external investigations?								
Change of Control	<ul style="list-style-type: none"> • The early vesting of any unvested awards may be permitted by the Board in other limited circumstances such as a change in control of Lendlease. In these circumstances the Board will determine the timing and proportion of any unvested awards that vest. 								

Mandatory Securityholding	<ul style="list-style-type: none"> The current Mandatory Securityholding Policy was reviewed and updated in February 2023 to standardise one globally consistent approach. The Group CEO and Executives are required to accumulate and maintain a significant personal investment in Lendlease securities. This policy encourages Executives to consider long term securityholder value when making decisions. 	
	What is the Mandatory Securityholding requirement?	
	Mandatory Securityholding Requirement	
	Group CEO	150% of TPV
	Executives (Australia)	100% of TPV
	Executives (International)	100% of Base Salary
	What is counted towards the Mandatory Securityholding requirement?	
Included		
Personally held securities		
Vested or unvested securities subject to a time-based hurdle only (i.e., RSA, LTA Minimum and Deferred STI/STA)		
<ul style="list-style-type: none"> The Mandatory Securityholding requirement is a set number of securities based on the 20-day VWAP on the date of appointment to the Corporate Leadership Team. Until the Mandatory Securityholding requirement is reached, 50 per cent of any vested equity awards (e.g. Deferred STI, Deferred STA, RSA, LTI or LTA) will be subject to a disposal restriction. Executives are required to achieve the Mandatory Securityholding requirement within five years of their appointment to a KMP role. The Board may review the number of mandatory securities to be held to account for movements in security price using 20-day VWAP leading up to 30 June financial year end and movements in salary. The Board will have regard to what is an appropriate level of security holding to demonstrate alignment with securityholder interests. Progress toward the minimum requirement is outlined in the Executive Equity Holdings table on page 87. 		
Securities Trading Policy	<ul style="list-style-type: none"> The Lendlease Securities Trading Policy applies to all employees of the Lendlease Group. In accordance with the policy, Directors and Executives may only deal in Lendlease securities during designated periods. 	
Hedging	<ul style="list-style-type: none"> Directors and Executives must not enter into transactions or arrangements that operate to limit the economic risk of unvested entitlements to Lendlease securities. No Director or Executive may enter into a margin loan arrangement in respect of unvested Lendlease securities. Deferred STI, Deferred STA, RSA, LTI and LTA awards are subject to the Securities Trading Policy, which prohibits Executives from entering into any type of 'protection arrangements' (including hedging, derivatives and warrants) in respect of those awards before vesting. 	
Independent Advisor Governance Protocols	<ul style="list-style-type: none"> Strict governance protocols are observed so that advisors' advice to the Committee is made free from undue influence by Executive KMP: <ul style="list-style-type: none"> Advisors are engaged by, and report directly to, the Chair of the People & Culture Committee The agreement for the provision of any remuneration consulting services is executed by the Chair of the People & Culture Committee on behalf of the Board Any reports delivered by advisors were provided directly to the Chair of the People & Culture Committee; and Advisors are permitted, where approved by the People & Culture Committee Chair, to speak to management to understand company processes, practices and other business issues and obtain management's perspectives. 	

Other Statutory Disclosures

FY24 Executive Statutory Remuneration

A\$'000 ¹	Name	Year	Short term benefits		Post-employment benefits		Other long term benefits ⁷	Security Based Payments ²		Termination benefits	Performance Based ⁸	% Based ⁸	
			Cash salary ³	STA cash ⁴	Non monetary benefits ⁵	Super-annuation ⁶		Sub-Total	LTA				Deferred STI
Current Executives													
	Anthony Lombardo	2024	1,782	-	111	35	29	1,957	271	454	-	2,682	27%
		2023	1,788	405	111	33	29	2,366	952	450	-	3,768	48%
	Dale Connor	2024	1,182	-	27	34	19	1,262	328	373	-	1,963	36%
		2023	1,187	329	25	31	19	1,591	918	380	-	2,889	56%
	Simon Dixon	2024	972	-	26	27	16	1,041	(35)	267	-	1,273	18%
		2023	975	250	22	25	16	1,288	422	279	-	1,989	48%
	Justin Gabbani	2024	950	-	67	-	-	1,017	3	324	-	1,344	24%
		2023	912	299	23	-	-	1,234	361	306	-	1,901	51%
	Claire Johnston	2024	1,273	-	101	-	-	1,374	188	310	-	1,872	27%
		2023	805	165	173	-	-	1,143	378	271	-	1,792	45%
	Frank Krile	2024	973	-	37	30	16	1,056	(25)	235	743 ⁹	2,009	10%
		2023	975	200	(36)	28	16	1,183	294	305	-	1,782	45%
	Andrea Ruckstuhl	2024	950	-	997 ¹⁰	-	-	1,947	212	93	-	2,252	14%
	Total	2024	8,082	-	1,366	126	80	9,654	942	2,056	743	13,395	22%
		2023	6,641	1,647	318	118	79	8,805	3,324	1,990	-	14,121	49%

1. 2024 remuneration is reported in AUD based on the 12 month average historic foreign exchange rates for FY24 (rounded to two decimal places): SGD 0.88 (applied to Justin Gabbani), USD 0.66 (applied to Claire Johnston), EUR 0.61 (applied to Andrea Ruckstuhl Jul to Sept 2023 payments) and GBP 0.52 (applied to Andrea Ruckstuhl Sept 2023 to June 2024 payments). 2023 remuneration is reported in AUD based on the 12 month average historic foreign exchange rates for FY23 (rounded to two decimal places): SGD 0.91 (applied to Justin Gabbani), USD 0.67 (applied to Claire Johnston).

2. Security based payments reflect the accounting expense on a fair value basis. Security based payments are issued either as indeterminate rights and performance rights or as deferred securities. LTI/LTA includes the accounting expense for the RSA. These relate to securities granted in prior years.

3. Includes the payment of cash allowances such as motor vehicle allowance and the value of the distribution amounts paid as cash on the RSA.

4. Reflects 50 per cent of the FY23 STA that is paid as cash in September 2023.

5. Non monetary benefits may include items such as car parking, relocation and expatriate benefits (such as house rental, health insurance, shipping of goods and tax return preparation), motor vehicle costs, travel benefits and annual leave.

6. Superannuation includes the value of insurance premiums funded by Lendlease for Australian Executives who are members of the Lendlease default superannuation fund.

7. Other Long Term Benefits represents the accrual of long term leave entitlements (e.g. long service leave).

8. Performance based includes STA Cash, LTA and Deferred STI, relating to years other than FY24.

9. Frank Krile ceased to be KMP 30 June 2024 and exited by redundancy 31 July 2024. Termination benefit received is comprised of a Payment in Lieu of Notice and an

additional restraint payment, paid in FY25, expensed in FY24.

10. Includes grossed up relocation costs covering Andrea Ruckstuhl and his family's relocation from Italy to London (covering a one-off housing lump sum, school fee support, tax and immigration advice, relocation and shipping costs and insurances).

FY24 Non Executive Director Statutory Remuneration

Name	Year	Short term benefits				Post-employment benefits	Total
		Base fees	Committee chair fees	Committee membership fees	Travel fees	Superannuation ¹	
Current Non Executive Directors							
Michael Ullmer	2024	640	-	-	24	27	691
	2023	640	-	-	30	25	695
Philip Coffey ²	2024	160	44	36	12	27	279
	2023	160	48	36	30	25	299
Nicholas Collishaw ³	2024	160	8	72	12	27	279
	2023	160	-	72	30	25	287
David Craig	2024	160	48	36	12	27	283
	2023	160	48	36	30	25	299
Barbara Knoffach ⁴	2024	120	-	6	48	15	189
Margaret Lui	2024	160	-	72	46	23	301
	2023	93	-	18	11	9	131
Elizabeth Proust	2024	160	48	36	12	27	283
	2023	160	48	36	30	25	299
Nicola Wakefield Evans	2024	160	48	36	12	27	283
	2023	160	48	36	30	25	299
Robert Welanetz	2024	160	36	72	78	26	372
	2023	160	24	72	81	25	362
Total	2024	1,880	232	366	256	226	2,960
	2023	1,693	216	306	272	184	2,671

1. Directors have superannuation contributions paid on their behalf in accordance with superannuation legislation.

2. Philip Coffey ceased as Chair of Risk Committee in April 2024.

3. Nicholas Collishaw became Chair of Risk Committee in May 2024.

4. Barbara Knoffach was appointed as a Non Executive Director on 1 October 2023. Audit Committee member from May 2024.

FY24 Executive Equity Holdings

Name	Number of securities required under the mandatory securityholding at period end ¹	Securities held at beginning of financial year	Securities received during the financial year ²	Other net changes to securities	Securities held at end of financial year	Unvested securities /securityholding rights ³	Total securities / performance rights that count towards the mandatory securityholding requirement
Current Executives							
Anthony Lombardo	280,000	86,895	50,235	15,000	152,130	138,007	290,137
Dale Connor	124,000	53,772	48,911	-	102,683	121,324	224,007
Simon Dixon	104,000	66,889	16,059	-	82,948	47,920	130,868
Justin Gabbani	82,000	41,957	23,225	-	65,182	57,860	123,042
Claire Johnston ⁴	125,000	70,058	12,620	-	82,678	58,615	141,293
Frank Krile ⁵	98,000	462,722	24,211	(24,211)	462,722	42,531	505,253
Andrea Ruckstuhl ⁶	111,000	-	10,437	-	10,437	15,992	26,429
Total		782,293	185,698	(9,211)	958,780	482,249	1,441,029

1. The current Mandatory Security Holding requirement was set as of September 2022.

2. For Executives, securities received relate to security entitlements under employee benefit vehicles.

3. Under the updated policy, unvested deferred securities and performance rights which are only subject to a time-based vesting hurdle count towards mandatory securityholding requirements.

4. Claire Johnston ceased as KMP 30 June 2024.

5. Frank Krile ceased as KMP 30 June 2024.

6. Andrea Ruckstuhl was appointed to the CEO, Europe role on 3 July 2023 and ceased as KMP 30 June 2024.

Executive Equity Based Remuneration – Deferred Securities

Name	Plan	Performance Year	Grant date	Vesting date	Number granted	Fair value per security \$ ¹	Total fair value at grant date \$ ¹	Expense for the year ended 30 June 2024 \$	Remaining Expense for future years \$ ²
Current Executives									
Anthony Lombardo	Deferred STA	2022	Sept 2022	Sept 2023-2024	29,621	10.13	300,004	150,002	-
	Deferred STA	2023	Sept 2023	Sept 2024-2025	52,136	7.77	405,002	303,752	101,250
	Total				81,757		705,006	453,754	101,250
Dale Connor	Deferred STA	2022	Sept 2022	Sept 2023-2024	25,000	10.13	253,203	126,601	-
	Deferred STA	2023	Sept 2023	Sept 2024-2025	42,328	7.77	328,812	246,609	82,203
	Total				67,328		582,015	373,210	82,203
Simon Dixon	Deferred STA	2022	Sept 2022	Sept 2023-2024	15,736	10.13	159,376	79,688	-
	Deferred STA	2023	Sept 2023	Sept 2024-2025	32,184	7.77	250,012	187,509	62,503
	Total				47,920		409,388	267,197	62,503
Justin Gabbani	Deferred STA	2022	Sept 2022	Sept 2023-2024	17,606	10.13	178,315	89,158	-
	Deferred STA	2023	Sept 2023	Sept 2024-2025	40,254	7.77	312,702	234,526	78,176
	Total				57,860		491,017	323,684	78,176
Claire Johnston	Deferred STI	2022	Sept 2022	Sept 2023-2024	12,135	10.13	122,904	61,452	-
	Deferred STA	2023	Sept 2023	Sept 2024-2025	32,320	7.77	251,068	188,301	62,767
	Operational Leaders Incentive	2022	Sept 2022	Sept 2024-2025	14,160	10.13	143,440	59,756	33,862
	Total				58,615		517,412	309,509	96,629
Frank Krile	Deferred STA	2022	Sept 2022	Sept 2023-2024	16,785	10.13	170,000	85,000	-
	Deferred STA	2023	Sept 2023	Sept 2024-2025	25,746	7.77	200,000	150,000	50,000
	Total				42,531		370,000	235,000	50,000
Andrea Ruckstuhl	Deferred STA	2023	Sept 2023	Sept 2024-2025	15,992	7.77	124,230	93,172	31,058
	Total				15,992		124,230	93,172	31,058
Former Executives									
Neil Martin	Deferred STA	2022	Sept 2022	Sept 2023-2024	22,988	10.13	232,825	116,412	-
	Deferred STA	2023	Sept 2023	Sept 2024-2025	30,864	7.77	239,758	239,758	-
	Total				53,852		472,583	356,170	-

¹ The fair value at grant date is the value of the deferred short term award (as advised to the executive).

² The maximum value of equity yet to vest is determined based on the amount of the grant date fair value that is yet to be expensed. The minimum value of equity yet to vest is nil, since these will be forfeited if the vesting conditions are not met.

Executive Equity Based Remuneration – Long Term Awards

Name	Plan (for the year ended)	Grant Date	Vesting date	Number granted ¹	Fair value per security \$ ²	Total fair value at grant date \$ ³	Expense for the year ended 30 June 2024 \$	Remaining Expense for future years \$ ⁴
Current Executives								
Anthony Lombardo	June 2019 LTA	Sept 2018	Sept 2022-2024	38,468	11.49	441,998	33,842	8,058
	June 2020 LTA	Sept 2019	Sept 2022-2025	83,340	22.08	1,840,146	183,944	102,609
	June 2021 LTA	Sept 2020	Sept 2023-2026	96,432	12.92	1,245,900	81,064	76,708
	June 2021 LTA Prorata CEO	Sept 2020	Sept 2023-2026	5,124	12.92	66,204	4,307	4,076
	June 2021 RSA	Sept 2020	Sept 2023-2026	43,832	11.41	500,124	84,032	79,516
	June 2022 LTA	Sept 2021	Sept 2024-2027	265,416	8.42	2,234,804	(307,392)	128,722
	June 2023 LTA	Sept 2022	Sept 2025-2028	314,928	6.25	1,968,300	(245,960)	186,200
	June 2024 LTA	Sept 2023	Sept 2026-2029	384,744	5.74	2,208,432	437,084	1,771,348
Total				1,232,284		10,505,908	270,921	2,157,237
Dale Connor	June 2019 LTA	Sept 2018	Sept 2022-2024	24,044	11.49	276,266	21,153	5,036
	June 2020 LTA	Sept 2019	Sept 2022-2025	83,340	22.08	1,840,146	183,944	102,609
	June 2021 LTA	Sept 2020	Sept 2023-2026	96,432	12.92	1,245,900	81,064	76,708
	June 2021 RSA	Sept 2020	Sept 2023-2026	43,832	11.41	500,124	84,032	79,516
	June 2022 LTA	Sept 2021	Sept 2024-2027	179,160	10.40	1,863,264	(215,564)	136,582
	June 2023 LTA	Sept 2022	Sept 2025-2028	212,580	9.01	1,915,344	(171,204)	269,543
	June 2024 LTA	Sept 2023	Sept 2026-2029	259,704	6.71	1,742,612	344,892	1,397,720
Total				899,092		9,383,656	328,317	2,067,714
Simon Dixon	June 2022 LTA	Sept 2021	Sept 2024-2027	149,304	10.40	1,552,760	(179,640)	113,822
	June 2023 LTA	Sept 2022	Sept 2025-2028	177,144	9.01	1,596,068	(142,664)	224,612
	June 2024 LTA	Sept 2023	Sept 2026-2029	216,420	6.71	1,452,180	287,412	1,164,768
Total				542,868		4,601,008	(34,892)	1,503,201
Justin Gabbani	June 2022 LTA	Sept 2021	Sept 2024-2027	119,532	10.40	1,243,132	(143,820)	91,125
	June 2023 LTA	Sept 2022	Sept 2025-2028	154,440	9.01	1,391,504	(124,380)	195,824
	June 2024 LTA	Sept 2023	Sept 2026-2029	203,880	6.71	1,368,036	270,756	1,097,280
Total				477,852		4,002,672	2,556	1,384,229
Claire Johnston	June 2023 LTA	Sept 2022	Sept 2025-2028	211,944	9.01	1,909,616	(170,692)	268,737
	June 2024 LTA	Sept 2023	Sept 2026-2029	270,012	6.71	1,811,780	358,580	1,453,200
Total				481,956		3,721,396	187,888	1,721,937
Frank Krile	June 2021 LTI	Sept 2020	Sept 2023	26,301	10.15	266,955	3,258	-
	June 2022 LTA	Sept 2021	Sept 2024-2027	119,436	10.40	1,242,136	(143,704)	91,052
	June 2023 LTA	Sept 2022	Sept 2025-2028	141,720	9.01	1,276,896	(114,136)	179,695
	June 2024 LTA	Sept 2023	Sept 2026-2029	173,136	6.71	1,161,744	229,928	931,816
Total				460,593		3,947,731	(24,654)	1,202,563
Andrea Ruckstuhl	June 2023 LTI	Sept 2022	Sept 2025	25,176	10.16	255,788	(28,282)	22,233
	June 2024 LTA	Sept 2023	Sept 2026-2029	180,996	6.71	1,214,484	240,368	974,116
Total				206,172		1,470,272	212,086	996,349
Former Executives⁵								
Denis Hickey ⁶	June 2022 LTA	Sept 2021	Sept 2023-2026	224,076	10.40	2,330,392	(904,064)	-
	June 2023 LTA	Sept 2022	Sept 2024-2027	77,916	9.01	702,024	(527,036)	-
	GDV Incentive	Jan 2022	Sept 2024	469,572	10.65	5,000,942	(2,450,001)	-
Total				771,564		8,033,358	(3,881,101)	-
Neil Martin	June 2020 LTA	Sept 2019	Sept 2022-2025	52,086	22.08	1,150,059	179,090	-
	June 2021 LTA	Sept 2020	Sept 2023-2026	96,432	12.92	1,245,900	157,772	-
	June 2021 RSA	Sept 2020	Sept 2023-2026	43,832	11.41	500,124	163,548	-
	June 2022 LTA	Sept 2021	Sept 2024-2027	187,980	10.40	1,954,992	(82,868)	-
	June 2023 LTA	Sept 2022	Sept 2025-2028	214,944	9.01	1,936,644	99,436	-
Total				595,274		6,787,719	516,978	-

- For LTA awards granted from September 2021 and for LTI and other long term awards, the number granted reflects maximum opportunity. For all prior awards, the number granted reflects target opportunity.
- The fair value at grant date represents an actuarial valuation of the award, including the RSA (LTA Min), based on the Black-Scholes methodology to produce a Monte-Carlo simulation model in accordance with Australian Accounting Standards rounded to two decimal places.
- The fair value at grant date represents an actuarial valuation of the award, including the RSA (LTA Minimum), using assumptions underlying the Black-Scholes methodology to produce a Monte-Carlo simulation model in accordance with Australian Accounting Standards rounded to two decimal places.
- The maximum value of equity yet to vest is determined based on the amount of the grant date fair value that is yet to be expensed. The minimum value of equity yet to vest is nil, since these will be forfeited if the vesting conditions are not met.
- Denis Hickey and Neil Martin were Good Leavers. As a Good Leaver, unvested equity awards remain on foot and subject to original vesting conditions. Accounting expense for FY24 therefore includes all remaining unvested award expense that has been accelerated and disclosed in total for FY24, including amounts which would otherwise have been disclosed in future years. All unvested equity awards that are on foot following departure, remain subject to the original performance conditions and will be tested at the relevant testing date. Depending on performance, these awards may have nil value.
- Please refer to the section "Adjustment to Denis Hickey's Incentive Award" for more detail on the forfeiture of a portion of the GDV award that has not met relevant performance conditions to date.

FY24 Non Executive Director Equity Holdings

Name	Securities held at beginning of financial year	Other net changes to securities	Securities held at end of financial year
Non Executive Directors			
Michael Ullmer	175,000	25,000	200,000
Philip Coffey	51,216	20,000	71,216
Nicholas Collishaw	25,000	20,000	45,000
David Craig	106,000	30,000	136,000
Barbara Knoflach ¹	10,000	-	10,000
Margaret Lui	3,000	17,000	20,000
Elizabeth Proust ²	83,061	40,000	123,061
Nicola Wakefield Evans	38,000	-	38,000
Robert Welanetz	27,000	-	27,000
Total	518,277	152,000	670,277

¹ Barbara Knoflach was appointed as a Non-Executive Director 1 October 2023.

² As at 30 June 2024 Elizabeth Proust also holds \$500,000 of green bonds.

Purchase of Lendlease securities by Non Executive Directors

The current Non Executive Directors acquired Lendlease securities using their own funds.

Loans to KMP

No loans were made to KMP or their related parties during the current year or prior year.

Other transactions with KMP

From time to time, Directors and Executives of Lendlease or its consolidated entities, or parties related to them, may purchase goods from the Consolidated Entity. These purchases are on terms and conditions no more favourable than those entered into by unrelated customers.

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Directors' Report

The Directors' Report for the financial year ended 30 June 2024 has been prepared in accordance with the requirements of the *Corporations Act 2001*.

The information below forms part of the Directors' Report:

- Principal activities on page 14
- Operating and Financial Review on pages 4 to 55 incorporating the Performance and Outlook on pages 48 to 55
- Biographical information for the Directors and Company Secretary on pages 58 to 61
- Officers who were previously partners of the audit firm on page 58 and 59
- Directors' interests in capital on page 66
- Board and committee meetings and attendance on pages 66 and 67
- Remuneration Report on pages 68 to 90
- Lead Auditor's Independence Declaration on page 94

a. Dividends/Distributions

The 2023 final dividend/distribution of \$76 million (comprised of a dividend component fully franked of 4.7 cents per share to be paid by the Company and an unfranked trust distribution of 6.4 cents per unit to be paid by Lendlease Trust) referred to in the Directors' Report dated 14 August 2023 was paid on 13 September 2023. Details of dividends/distributions in respect of the current year are as follows:

	\$m
Interim distribution of 6.5 cents per security (unfranked) paid on 13 March 2024 ¹	45
Final dividends/distributions of 9.5 cents per security declared by Directors to be payable on 18 September 2024 ²	66
Total dividends/distributions	111

¹ Comprised of an unfranked trust distribution of 6.5 cents per unit paid by Lendlease Trust.

² Comprised of a dividend component fully franked of 3.2 cents per share to be paid by the Company and an unfranked trust distribution of 6.3 cents per unit to be paid by Lendlease Trust.

b. Significant Changes in State of Affairs

There have been no significant changes in the Group's state of affairs.

c. Events Subsequent to Balance Date

In July 2024 Lendlease completed the sale of its life sciences interests in Asia to a 50/50 joint venture with Warburg Pincus. The transaction is expected to contribute approximately \$80 million to FY25 OPAT.

There were no other material events subsequent to the end of the financial reporting period.

d. Security Options

No security options were issued during the year by the Company or any of its controlled entities, and there are no such options on issue.

e. Indemnification and Insurance of Directors and Officers

Rule 12 of the Company's Constitution provides for indemnification in favour of each of the Directors named on pages 58 to 61 of this report and the officers of the Company or of wholly owned subsidiaries or related entities of the Company (Officers) to the extent permitted by the *Corporations Act 2001*. Rule 12 does not indemnify a Director, Company Secretary or Officer for any liability involving a lack of good faith.

In conformity with Rule 12 of the Company's Constitution, the Company has entered into Deeds of Indemnity, Insurance and Access with each of the Directors named on pages 58 to 61 of this report and for officers of the Company and Directors of related entities of the Company. The indemnities operate to the full extent permitted by law and are not subject to a monetary limit. The Company is not aware of any liability having arisen, and no claims have been made during or since the financial year under the Deeds of Indemnity, Insurance and Access.

For unrelated entities in which the Group has an interest, Deeds of Indemnity may be entered into between Lendlease Corporation Limited and the Director or Officer. Since the date of the last report, the Company has not entered into any separate Deeds of Indemnity with a Director or Officer of an unrelated entity.

No indemnity has been granted to an auditor of the Company in their capacity as auditor of the Company.

In accordance with the *Corporations Act 2001*, Rule 12 of the Constitution also permits the Company to purchase and maintain insurance or pay or agree to pay a premium for insurance for Officers against any liability incurred as an Officer of the Company or of a related body corporate. This may include a liability for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal, regardless of their outcome. Due to confidentiality obligations and undertakings of the policy, no further details in respect of the premium or policy can be disclosed.

f. Environmental Regulation

The Group is subject to various state and federal environmental regulations in Australia.

The Directors are not aware of any material non compliance with environmental regulations pertaining to the operations or activities during the period covered by this report. In addition, the Lendlease Group is registered and publicly reports the annual performance of its Australian operations under the requirements of the National Greenhouse and Energy Reporting (NGER) Act 2007 and Energy Efficiency Opportunities (EEO) Act 2006.

All Lendlease businesses continue to operate an integrated Environment, Health and Safety Management System, ensuring that non compliance risks and opportunities for environmental improvements are identified, managed and reported accordingly.

g. Non Audit Services

During the year, KPMG, the Company's auditor, performed certain other services in addition to its statutory duties.

The Board has considered the other services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit Committee, is satisfied that the provision of those services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reason:

- All other services were subject to the corporate governance procedures adopted by the Group and the Audit Committee is satisfied that those services do not impact the integrity and objectivity of the auditor.

The other services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

A copy of the Lead Auditor's Independence Declaration, as required under Section 307C of the *Corporations Act 2001*, is included at the end of the Directors' Report.

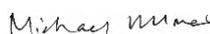
Details of the amounts paid to the auditor of the Company, KPMG, and its related practices for audit and other services provided during the year are set out below:

	Consolidated	
	June 2024 \$000s	June 2023 \$000s
Audit and Other Assurance Services		
Audit services	9,767	7,887
Other assurance services	925	985
Total audit and other assurance services	10,692	8,872
Non audit services	-	159
Total audit, non audit and other assurance services	10,692	9,031

h. Rounding Off

Lendlease Corporation Limited is a company of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and, in accordance with that Instrument, amounts in the Consolidated Financial Statements and this report have been rounded off to the nearest million dollars unless specifically stated to be otherwise.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



M J Ullmer, AO

Chairman
Sydney, 19 August 2024



A P Lombardo

Group Chief Executive Officer and
Managing Director
Sydney, 19 August 2024



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Lendlease Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Lendlease Corporation Limited for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Eileen Hoggett

Partner

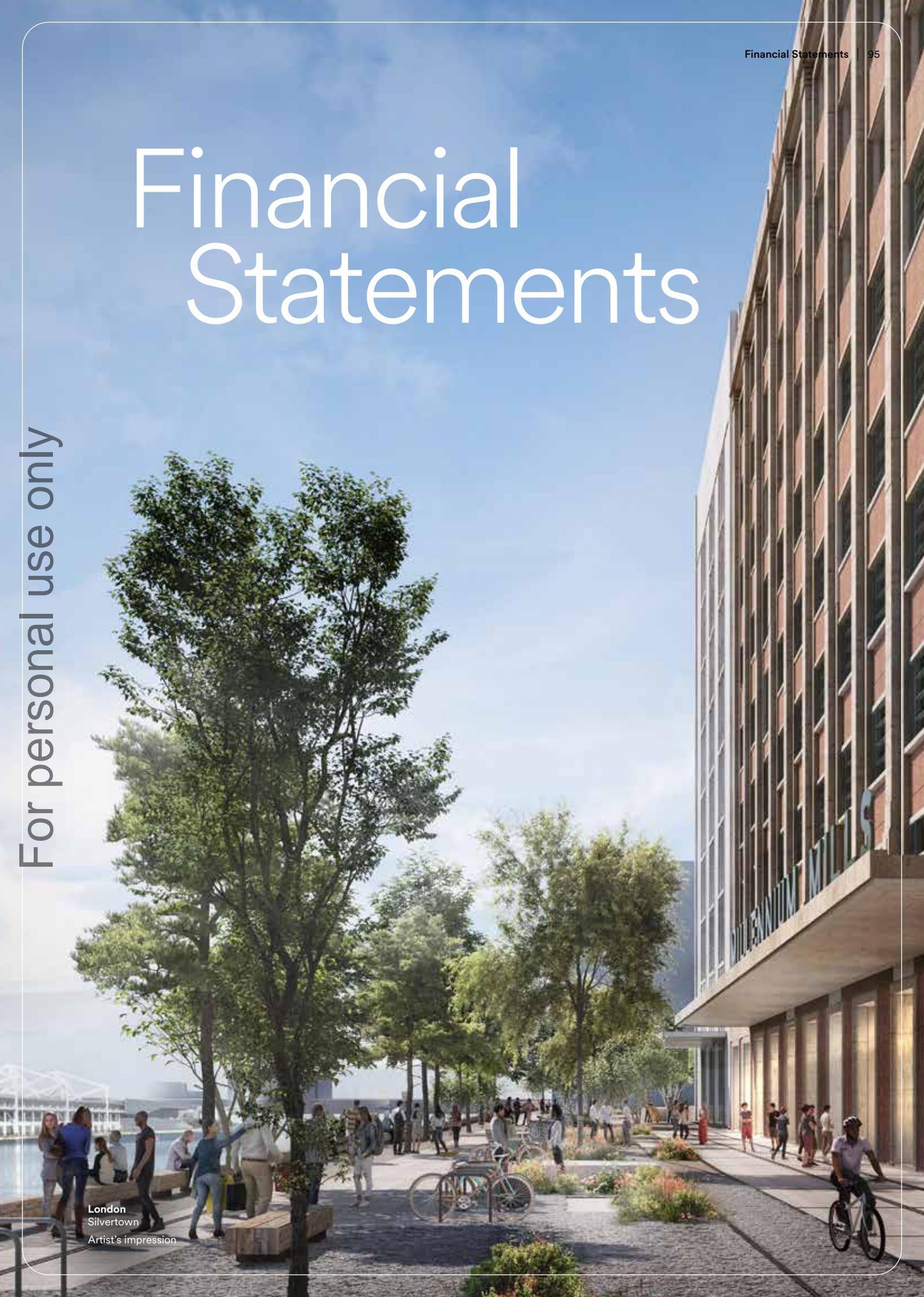
Sydney

19 August 2024

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Financial Statements

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London
Silvertown
Artist's impression

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Lendlease Corporation Limited (the Company) is incorporated and domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2024 comprises the Company and its controlled entities including Lendlease Trust (LLT) (together referred to as the Consolidated Entity or the Group). The Group is a for profit entity and is an international property and investments group. Further information about the Group's primary activities is included in Note 1 'Segment Reporting'.

Shares in the Company and units in LLT are traded as one security under the name of Lendlease Group on the Australian Securities Exchange (ASX). The Company is deemed to control LLT for accounting purposes and therefore LLT is consolidated into the Group's financial report. The issued units of LLT, however, are not owned by the Company and are therefore presented separately in the consolidated entity Statement of Financial Position within equity, notwithstanding that the unitholders of LLT are also the shareholders of the Company.

The consolidated financial report was authorised for issue by the Directors on 19 August 2024.

Consolidated Financial Statements

Income Statement

Year Ended 30 June 2024

	Note	June 2024 \$m	June 2023 \$m
Revenue from contracts with customers	4	9,218	10,229
Other revenue		151	144
Cost of sales		(8,442)	(9,642)
Gross profit		927	731
Share of profit of equity accounted investments	5	139	28
Other income	6	38	299
Other expenses	7	(2,255)	(1,208)
Results from operating activities		(1,151)	(150)
Finance revenue	8	68	85
Finance costs	8	(306)	(173)
Net finance costs		(238)	(88)
Loss before tax from continuing operations		(1,389)	(238)
Income tax (expense)/benefit from continuing operations	9.a	(113)	6
Loss after tax from continuing operations		(1,502)	(232)
Profit after tax from discontinued operations		-	-
Loss after tax		(1,502)	(232)
(Loss)/profit after tax attributable to:			
Members of Lendlease Corporation Limited		(1,461)	(278)
Unitholders of Lendlease Trust		(41)	46
Loss after tax attributable to securityholders		(1,502)	(232)
External non controlling interests		-	-
Loss after tax		(1,502)	(232)
Basic/Diluted Earnings per Lendlease Group Stapled Security (EPSS)			
Securities excluding treasury shares	3	(219.9)	(34.0)
Securities on issue	3	(217.7)	(33.7)

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The accompanying notes form part of these consolidated financial statements.

Consolidated Financial Statements continued

Statement of Comprehensive Income

Year Ended 30 June 2024

	Note	June 2024 \$m	June 2023 \$m
Loss after Tax		(1,502)	(232)
Other Comprehensive (Loss)/Income after Tax			
Items that may be reclassified subsequently to profit or loss:			
Movements in hedging reserve	9.b	(7)	1
Movements in foreign currency translation reserve	9.b	(48)	120
Total items that may be reclassified subsequently to profit or loss¹		(55)	121
Items that will not be reclassified to profit or loss:			
Movements in non controlling interest acquisition reserve	9.b	-	(4)
Movements in defined benefit plan remeasurements ²	9.b	(91)	(108)
Total items that will not be reclassified to profit or loss		(91)	(112)
Total comprehensive loss after tax		(1,648)	(223)
Total comprehensive (loss)/income after tax attributable to:			
Members of Lendlease Corporation Limited		(1,610)	(297)
Unitholders of Lendlease Trust		(38)	73
Total comprehensive loss after tax attributable to securityholders		(1,648)	(224)
External non controlling interests		-	1
Total comprehensive loss after tax		(1,648)	(223)

1. Includes Other comprehensive loss of \$44 million (June 2023: Other comprehensive income of \$166 million) relating to share of other comprehensive income of equity accounted investments.

2. During the year the Group executed an insurance scheme buy-in in relation to the Lendlease UK Pension Scheme. This transaction involved trading the majority of the scheme's assets for an insurance policy that covers the scheme's obligations. The difference between the value of the liabilities insured and the cost of the insurance policy of \$75 million (pre-tax) was recognised as a loss in Other comprehensive income. Refer to Note 34 'Defined Benefit Plan' for further detail.

Statement of Financial Position

As at 30 June 2024

	Note	June 2024 \$m	June 2023 \$m
Current Assets			
Cash and cash equivalents	14	1,000	900
Loans and receivables	21	2,222	2,299
Inventories	11	1,676	1,562
Other financial assets	13	12	32
Other assets		76	57
Disposal Group assets held for sale	33	1,596	-
Total current assets		6,582	4,850
Non Current Assets			
Loans and receivables	21	448	1,439
Inventories	11	1,342	2,681
Equity accounted investments	12	5,859	5,647
Investment properties		418	539
Other financial assets	13	974	1,140
Deferred tax assets	9.c	169	219
Property, plant and equipment		177	247
Intangible assets	32	692	1,236
Defined benefit plan asset	34	82	171
Other assets		29	45
Total non current assets		10,190	13,364
Total assets		16,772	18,214
Current Liabilities			
Trade and other payables	22	4,869	4,646
Provisions	23	891	708
Borrowings and financing arrangements	16.a	9	19
Other financial liabilities		43	53
Income tax payable		41	3
Disposal Group liabilities held for sale	33	303	-
Total current liabilities		6,156	5,429
Non Current Liabilities			
Trade and other payables	22	1,151	2,333
Provisions	23	300	326
Borrowings and financing arrangements	16.a	4,167	3,262
Other financial liabilities		64	87
Deferred tax liabilities	9.c	57	133
Total non current liabilities		5,739	6,141
Total liabilities		11,895	11,570
Net assets		4,877	6,644
Equity			
Issued capital	17	1,896	1,894
Treasury securities		(67)	(67)
Reserves	36	208	273
Retained earnings		1,069	2,653
Total equity attributable to members of Lendlease Corporation Limited		3,106	4,753
Total equity attributable to unitholders of Lendlease Trust		1,737	1,863
Total equity attributable to securityholders		4,843	6,616
External non controlling interests		34	28
Total equity		4,877	6,644

The accompanying notes form part of these consolidated financial statements.

Consolidated Financial Statements continued

Statement of Changes in Equity

Year Ended 30 June 2024

	Issued Capital \$m	Treasury Securities ¹ \$m	Reserves \$m	Retained Earnings \$m	Members of Lendlease Corporation Limited \$m	Unitholders of Lendlease Trust \$m	External Non Controlling Interests \$m	Total Equity \$m
Balance as at 1 July 2022	1,891	(77)	184	3,078	5,076	1,867	27	6,970
Total Comprehensive Income								
Loss for the financial year	-	-	-	(278)	(278)	46	-	(232)
Other comprehensive income (net of tax)	-	-	89	(108)	(19)	27	1	9
Total comprehensive income	-	-	89	(386)	(297)	73	1	(223)
Other Comprehensive Income (Net of tax)								
Net investment hedge	-	-	(20)	-	(20)	-	-	(20)
Effect of foreign exchange movements	-	-	108	-	108	27	1	136
Effective cash flow hedges	-	-	1	-	1	-	-	1
Defined benefit plan remeasurements	-	-	-	(108)	(108)	-	-	(108)
Other comprehensive income (net of tax)	-	-	89	(108)	(19)	27	1	9
Transactions with Owners of the Company								
Distribution Reinvestment Plan (DRP)	3	-	-	-	3	1	-	4
Dividends and distributions	-	-	-	(39)	(39)	(78)	-	(117)
Treasury securities acquired	-	(39)	-	-	(39)	-	-	(39)
Treasury securities vested	-	49	-	-	49	-	-	49
Total other movements through reserves	3	10	-	(39)	(26)	(77)	-	(103)
Balance as at 30 June 2023	1,894	(67)	273	2,653	4,753	1,863	28	6,644
Balance as at 1 July 2023	1,894	(67)	273	2,653	4,753	1,863	28	6,644
Total Comprehensive Income								
Loss for the financial year	-	-	-	(1,461)	(1,461)	(41)	-	(1,502)
Other comprehensive income (net of tax)	-	-	(58)	(91)	(149)	3	-	(146)
Total comprehensive income	-	-	(58)	(1,552)	(1,610)	(38)	-	(1,648)
Other Comprehensive Income (Net of tax)								
Effect of foreign exchange movements	-	-	(51)	-	(51)	3	-	(48)
Effective cash flow hedges	-	-	(7)	-	(7)	-	-	(7)
Defined benefit plan remeasurements ²	-	-	-	(91)	(91)	-	-	(91)
Other comprehensive income (net of tax)	-	-	(58)	(91)	(149)	3	-	(146)
Transactions with Owners of the Company								
Capital contributed by non controlling interests	-	-	-	-	-	-	6	6
Distribution Reinvestment Plan (DRP)	2	-	-	-	2	1	-	3
Dividends and distributions	-	-	-	(32)	(32)	(89)	-	(121)
Treasury securities acquired	-	(29)	-	-	(29)	-	-	(29)
Treasury securities vested	-	29	-	-	29	-	-	29
Fair value movement on allocation and vesting of securities	-	-	(7)	-	(7)	-	-	(7)
Total other movements through reserves	2	-	(7)	(32)	(37)	(88)	6	(119)
Balance as at 30 June 2024	1,896	(67)	208	1,069	3,106	1,737	34	4,877

1. Opening balance for number of treasury securities 1 July 2023 was 6 million (1 July 2022: 6 million) and closing balance at 30 June 2024 was 6 million.

2. During the year the Group executed an insurance scheme buy-in in relation to the Lendlease UK Pension Scheme. This transaction involved trading the majority of the scheme's assets for an insurance policy that covers the scheme's obligations. The difference between the value of the liabilities insured and the cost of the insurance policy of \$75 million (pre-tax) was recognised as a loss in Other comprehensive income. Refer to Note 34 'Defined Benefit Plan' for further detail.

Statement of Cash Flows

Year Ended 30 June 2024

	Note	June 2024 \$m	June 2023 \$m
Cash Flows from Operating Activities			
Cash receipts in the course of operations		15,834	10,801
Cash payments in the course of operations		(15,984)	(11,104)
Interest received		48	27
Interest paid in relation to other corporations		(294)	(192)
Interest paid in relation to lease liabilities		(13)	(15)
Dividends/distributions received		424	113
Income tax paid in respect of operations		(70)	(116)
Net cash used in operating activities	15	(55)	(486)
Cash Flows from Investing Activities			
Sale/redemption of investments		371	622
Acquisition of investments		(993)	(1,632)
Sale of investment properties		109	84
Capital expenditure on investment properties		(22)	(6)
Net loan (repayment to)/drawdowns from associates and joint ventures		(39)	6
Disposal of consolidated entities (net of cash disposed and transaction costs)		85	247
Disposal of other financial assets		-	3
Acquisition of property, plant and equipment		(31)	(28)
Acquisition of intangible assets		(32)	(54)
Net cash used in investing activities		(552)	(758)
Cash Flows from Financing Activities			
Proceeds from borrowings		6,315	5,235
Repayment of borrowings		(5,406)	(4,333)
Dividends/distributions paid		(118)	(105)
Repayment of lease liabilities		(68)	(74)
Net cash provided by financing activities		723	723
Other Cash Flow Items			
Effect of foreign exchange rate movements on cash and cash equivalents		(16)	124
Net increase/(decrease) in cash and cash equivalents		100	(397)
Cash and cash equivalents at beginning of financial year		900	1,297
Cash and cash equivalents at end of financial year	14	1,000	900

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The accompanying notes form part of these consolidated financial statements.

Notes to Consolidated Financial Statements

Basis of Preparation

The consolidated financial report is a general purpose financial report which:

- Has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board, and the *Corporations Act 2001*
- Complies with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board
- Is presented in Australian dollars (\$). At June 2024, all values have been rounded off to the nearest million dollars unless otherwise indicated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191
- Is prepared under the historical cost basis except for the following assets and liabilities, which are stated at their fair value: derivative financial instruments, fair value through profit or loss investments, investment properties, and liabilities for cash settled share based compensation plans. Recognised assets and liabilities that are hedged are stated at fair value in respect of the risk that is hedged. Refer to the specific accounting policies within the Notes to the Consolidated Financial Statements for the basis of valuation of assets and liabilities measured at fair value.

Material accounting policies have been:

- Included in the relevant notes to which the policies relate, while other material accounting policies are discussed in Note 38 'Other Material Accounting Policies'
- Consistently applied to all financial years presented in the consolidated financial statements and by all entities in the Group, except as explained in Note 37 'Impact of New and Revised Accounting Standards'.

The preparation of a financial report that complies with AASBs requires management to make judgements, estimates and assumptions.

This can affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively

The material accounting policies highlight information about accounting judgements in applying accounting policies that have the most significant effects on reported amounts and further information about estimated uncertainties that have a significant risk of resulting in material adjustments within the next financial year

The Group considers the following as material accounting estimates and judgements:

- Revenue recognition. Refer to Note 4 'Revenue from Contracts with Customers' for further detail
- Recoverability of inventories. Refer to Note 11 'Inventories' for further detail
- Asset valuation. Refer to Note 12 'Equity Accounted Investments', Note 13 'Other Financial Assets' and Note 26 'Fair Value Measurement' for further detail
- Recoverability of goodwill in relation to the overseas construction businesses. Refer to Note 32 'Intangible Assets' for further detail
- Provision estimation in relation to the UK building remediation. Refer to Note 23 'Provisions' for further detail
- The contingent liability in relation to the Retirement Living tax matter. Refer to Note 27 'Contingent Liabilities' for further detail

These material accounting estimates and judgements have been considered in the context of the current economic conditions.

The Group presents assets and liabilities in the Statement of Financial Position as current or non current.

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or use in, the course of the Group's operating cycle or within the next 12 months. All other assets are classified as non current

- Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of the Group's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non current.

On 27 May 2024 the Group announced a strategy update with key actions to simplify the organisational structure, exit international construction and accelerate the release of capital from its offshore development project and assets. Financial impacts include impairment charges on Goodwill and Development projects and other related costs to accelerate the release of capital. These impacts have been disclosed in the relevant notes to the consolidated financial statements.

The Consolidated Financial Statements are prepared on a going concern basis. In preparing the Consolidated Financial Statements, including assessing the going concern basis of accounting, the Group has considered the general market conditions.

The Group has:

- \$1,159 million in undrawn facilities. See Note 16 'Borrowings and Financing Arrangements'
- \$350 million in undrawn uncommitted facilities maturing October 2024. See Note 16 'Borrowings and Financing Arrangements'
- \$1,000 million in cash and cash equivalents. See Note 14 'Cash and Cash Equivalents'.

Following this assessment, the Group is well placed to manage its financing and future commitments over the next 12 months from the date of the Consolidated Financial Statements.

Section A. Performance

In addition to the statutory result, Operating Earnings before Interest, Tax, Depreciation and Amortisation (Operating EBITDA) and Operating Profit after Tax (Operating PAT) are the key measures used to assess the Group's performance. This section of the Financial Report focuses on disclosure that enhances a user's understanding of Operating EBITDA and Operating PAT. Segment Reporting below provides a breakdown of profit and revenue by the operational activity and region. The key line items of the Income Statement, along with their components, provide detail behind the reported balances. Group performance will also impact the earnings per stapled security and dividend payout, therefore disclosure on these items has been included in this section. Further information and analysis on performance and allocation of resources can be found in the Performance and Outlook section of the Directors' Report.

1. Segment Reporting

Accounting Policies

The Group's segments are Investments, Development, Construction and Non core. The Group has identified these operating segments based on the distinct products and services provided by each segment, the distinct target return profile and allocation of resources for each segment, and internal reports that are reviewed and used by the Group Chief Executive Officer and Managing Director (the Chief Operating Decision Maker) in assessing performance, determining the allocation of resources, setting operational targets, and managing the Group.

The Group has presented the segments around business activity due to the Group's business model being broadly consistent in all regions. Additional disclosure has also been included for Operating EBITDA, Operating PAT and Statutory Profit by region.

The Group reports Operating EBITDA and Operating PAT as its primary earnings metrics, in addition to the statutory result. Operating PAT is defined as Statutory profit adjusted for Investment property revaluations (including in Other financial assets and Equity accounted investments) that are classified in the Investment segment, and material one-off items that could not reasonably have been expected to arise from normal operations. Operating EBITDA is before Interest, Tax, Depreciation and Amortisation. Operating EBITDA and Operating PAT includes revaluation increases or decreases of Investment properties under construction that are classified in the Development segment.

The Chief Operating Decision Maker receives information and assesses segment performance under these metrics. Operating EBITDA and Operating PAT are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain reportable segments relative to other entities that operate within these industries. The Group does not consider corporate activities to be an operating segment.

The operating segments are as follows:

Investments

Operates across all four geographic regions. Services include owning and/or managing investments. The segment includes an investment management platform and the Group's ownership interests in residential, office, retail, industrial, retirement and infrastructure investment assets.

Development

Operates in all four geographic regions. Its products and services include the development of inner city mixed use developments, apartments, communities, retirement, retail, commercial assets and social and economic infrastructure. Construction margin earned on development projects is recognised in this segment.

Construction

Operates across all four geographic regions. Its products and services include the provision of project management, design and construction services, predominantly in the commercial, residential, mixed use, defence and social infrastructure sectors.

Non core

Non core includes the provision of project management, design and construction services in the Australian infrastructure sector. These products and services represent the retained Engineering and retained Services projects. The discontinued operations referenced throughout the financial statements are included in this segment. Discontinued operations represent the Engineering and Services businesses sold in previous periods, excluding the projects retained by the Group.

In May 2024 a revised strategy was announced. There is no impact to operating segments reported on for the year ended 30 June 2024. New structures and processes that will support the strategy were implemented from 1 July 2024. Details of the strategy are outlined in the Performance and Outlook section of the Directors' Report.

Notes to Consolidated Financial Statements continued

Section A. Performance continued

1. Segment Reporting continued

1.a. Business Segment Information

Financial information regarding the performance of each reportable segment and a reconciliation of these reportable segments to the financial statements are included below:

30 June 2024	TOTAL SEGMENT RESULTS			
	Investments \$m	Development ¹ \$m	Construction \$m	Total Core Segments \$m
Revenue				
Construction services	-	-	5,915	5,915
Investment services	253	-	-	253
Development services	-	1,472	-	1,472
Sale of development properties	-	1,149	-	1,149
Total revenue from contracts with customers	253	2,621	5,915	8,789
Other revenue	71	41	20	132
Total revenue from external customers	324	2,662	5,935	8,921
Cost of sales	(89)	(2,216)	(5,690)	(7,995)
Gross profit/(loss)	235	446	245	926
Share of profit of equity accounted investments ²	82	208	3	293
Other income	3	17	18	38
Other expenses ²	(146)	(162)	(140)	(448)
Operating EBITDA	174	509	126	809
Reconciling Items				
Finance revenue	-	10	1	11
Finance expense	(1)	(48)	(3)	(52)
Depreciation and amortisation	(14)	(21)	(42)	(77)
Operating profit/(loss) before tax³	159	450	82	691
Operating income tax (expense)/benefit	(23)	(130)	(18)	(171)
Operating profit/(loss) after tax	136	320	64	520
Investments segment revaluations (pre-tax):				
Investment properties	(26)	-	-	(26)
Financial assets	(132)	-	-	(132)
Equity accounted investments	(154)	-	-	(154)
UK building remediation	-	(17)	-	(17)
Costs relating to the strategy update (pre-tax):				
Development impairment	-	(547)	-	(547)
Goodwill impairment	-	(34)	(479)	(513)
Redundancy, tenancy and other break costs	-	-	-	-
Other strategy update costs	-	-	(50)	(50)
Other restructuring costs (pre-tax)	-	-	-	-
Total adjustments³	(312)	(598)	(529)	(1,439)
Income tax benefit/(expense) on adjustments	52	41	8	101
Statutory (loss)/profit after tax	(124)	(237)	(457)	(818)

1. The Development segment includes \$4 million of revaluation losses from Equity accounted investments.

2. Excludes Investments segment revaluations, depreciation, amortisation, restructuring costs, costs relating to the strategy update announced in May 2024 and UK building remediation.

3. Operating profit before tax of \$299 million plus Investment segment revaluations (pre-tax) of \$(312) million, UK building remediation of \$(17) million, Costs relating to the strategy update (pre-tax) of \$(1,242) million and Other restructuring costs (pre-tax) of \$(117) million reconciles to Loss before tax as disclosed in the Income Statement.

The Non core segment operating profit after tax includes overhead costs associated with managing the completion of the remaining retained projects from the sale of the Engineering and Services businesses and other residual exit related matters. Corporate Activity costs are not allocated to the Non core segment given these costs relate to supporting the growth and operations of the Core segments.

RECONCILIATION OF CORE AND NON CORE SEGMENTS TO STATUTORY PROFIT

	Non Core \$m	Total Segments \$m	Total Core Segments \$m	Corporate Activities \$m	Total Core \$m	Non Core \$m	Total Group \$m
	429	6,344	5,915	-	5,915	429	6,344
	-	253	253	-	253	-	253
	-	1,472	1,472	-	1,472	-	1,472
	-	1,149	1,149	-	1,149	-	1,149
	429	9,218	8,789	-	8,789	429	9,218
	-	132	132	19	151	-	151
	429	9,350	8,921	19	8,940	429	9,369
	(436)	(8,431)	(7,995)	(11)	(8,006)	(436)	(8,442)
	(7)	919	926	8	934	(7)	927
	-	293	293	-	293	-	293
	-	38	38	-	38	-	38
	(3)	(451)	(448)	(148)	(596)	(3)	(599)
	(10)	799	809	(140)	669	(10)	659
	-	11	11	57	68	-	68
	-	(52)	(52)	(254)	(306)	-	(306)
	(2)	(79)	(77)	(43)	(120)	(2)	(122)
	(12)	679	691	(380)	311	(12)	299
	3	(168)	(171)	123	(48)	3	(45)
	(9)	511	520	(257)	263	(9)	254
	-	(26)	(26)	-	(26)	-	(26)
	-	(132)	(132)	-	(132)	-	(132)
	-	(154)	(154)	-	(154)	-	(154)
	-	(17)	(17)	-	(17)	-	(17)
	-	(547)	(547)	-	(547)	-	(547)
	-	(513)	(513)	-	(513)	-	(513)
	-	-	-	(91)	(91)	-	(91)
	-	(50)	(50)	(41)	(91)	-	(91)
	-	-	-	(117)	(117)	-	(117)
	-	(1,439)	(1,439)	(249)	(1,688)	-	(1,688)
	-	101	101	(169)	(68)	-	(68)
	(9)	(827)	(818)	(675)	(1,493)	(9)	(1,502)

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Notes to Consolidated Financial Statements continued

Section A. Performance continued

1. Segment Reporting continued

1.a. Business Segment Information continued

30 June 2023	TOTAL SEGMENT RESULTS			
	Investments \$m	Development ¹ \$m	Construction \$m	Total Core Segments \$m
Revenue				
Construction services	-	-	7,191	7,191
Investment services	261	-	-	261
Development services	-	1,483	-	1,483
Sale of development properties	-	795	-	795
Total revenue from contracts with customers	261	2,278	7,191	9,730
Other revenue	68	47	12	127
Total revenue from external customers	329	2,325	7,203	9,857
Cost of sales	(110)	(2,036)	(6,963)	(9,109)
Gross profit	219	289	240	748
Share of profit of Equity accounted investments ²	77	78	7	162
Other income ²	204	84	34	322
Other expenses ^{3,2}	(168)	(168)	(191)	(527)
Operating EBITDA	332	283	90	705
Reconciling items				
Finance revenue	1	8	-	9
Finance expenses	(1)	(2)	(3)	(6)
Depreciation and amortisation	(15)	(19)	(39)	(73)
Operating profit/(loss) before tax⁴	317	270	48	635
Operating income tax (expenses)/benefit	(72)	(78)	(16)	(166)
Operating profit/(loss) after tax	245	192	32	469
Investments segment revaluations (pre-tax):				
Investment properties	(20)	-	-	(20)
Financial assets	(76)	-	-	(76)
Equity accounted investments	(134)	-	-	(134)
UK building remediation	-	(295)	-	(295)
Total adjustments⁴	(230)	(295)	-	(525)
Income tax benefit on adjustments	55	-	-	55
Statutory profit/(loss) after tax	70	(103)	32	(1)

1. The Development segment includes \$87 million of revaluation gains from Equity accounted investments.

2. Excludes Investments segment revaluations.

3. Excludes depreciation and amortisation.

4. Operating profit before tax of \$211 million plus Investment segment revaluations (pre-tax) of \$(230) million and UK building remediation of \$(295) million reconciles to Loss before tax from continuing operations of \$(238) million as disclosed in the Income Statement and Loss before tax for discontinued operations of \$(76) million.

RECONCILIATION OF CORE AND NON CORE SEGMENTS TO STATUTORY PROFIT

	Non Core \$m	Total Segments \$m	Total Core Segments \$m	Corporate Activities \$m	Total Core \$m	Non Core \$m	Total Group \$m
	499	7,690	7,191	-	7,191	499	7,690
	-	261	261	-	261	-	261
	-	1,483	1,483	-	1,483	-	1,483
	-	795	795	-	795	-	795
	499	10,229	9,730	-	9,730	499	10,229
	-	127	127	17	144	-	144
	499	10,356	9,857	17	9,874	499	10,373
	(517)	(9,626)	(9,109)	(16)	(9,125)	(517)	(9,642)
	(18)	730	748	1	749	(18)	731
	1	163	162	(1)	161	1	162
	(5)	317	322	2	324	(5)	319
	(80)	(607)	(527)	(163)	(690)	(80)	(770)
	(102)	603	705	(161)	544	(102)	442
	-	9	9	76	85	-	85
	-	(6)	(6)	(167)	(173)	-	(173)
	(3)	(76)	(73)	(67)	(140)	(3)	(143)
	(105)	530	635	(319)	316	(105)	211
	86	(80)	(166)	107	(59)	86	27
	(19)	450	469	(212)	257	(19)	238
	-	(20)	(20)	-	(20)	-	(20)
	-	(76)	(76)	-	(76)	-	(76)
	-	(134)	(134)	-	(134)	-	(134)
	-	(295)	(295)	-	(295)	-	(295)
	-	(525)	(525)	-	(525)	-	(525)
	-	55	55	-	55	-	55
	(19)	(20)	(1)	(212)	(213)	(19)	(232)

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Notes to Consolidated Financial Statements continued

Section A. Performance continued

1. Segment Reporting continued

1.a. Business Segment Information continued

The following table provides information on the Return on invested capital for the Investments and Development segment. Construction is excluded from the table below on the basis that its main operational metric is EBITDA margin.

	June 2024				June 2023			
	Investments	Development	Remaining Group	Total Group	Investments	Development	Remaining Group	Total Group
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Net assets	3,885	6,043	(5,051)	4,877	4,065	5,949	(3,370)	6,644
Less: Cash and cash equivalents	(62)	(341)	(597)	(1,000)	(33)	(68)	(799)	(900)
Less: Other financial liabilities	(6)	-	113	107	-	-	140	140
Less: Borrowings and financing arrangements	-	153	4,023	4,176	-	208	3,073	3,281
Invested capital at end of year	3,817	5,855			4,032	6,089		
Invested capital at half year	3,972	7,152			4,365	5,947		
Invested capital at beginning of year	4,032	6,089			3,657	5,377		
Average invested capital	3,940	6,365			4,018	5,804		
Operating profit after tax	136	320			245	192		
Return on invested capital¹	3.5%	5.0%			6.1%	3.3%		

¹ Return on Invested Capital is calculated using the Operating Profit after Tax divided by the arithmetic average of beginning, half year and year end invested capital.

The following table provides information on the Group's Return on equity:

	June 2024	June 2023
	\$m	\$m
Equity attributable to securityholders at end of year	4,843	6,616
Equity attributable to securityholders at half year	6,293	6,766
Equity attributable to securityholders at beginning of year	6,616	6,943
Average equity attributable to securityholders	5,917	6,775
Core Operating profit after tax	263	257
Operating return on equity¹	4.4%	3.8%
Statutory loss after tax	(1,502)	(232)
Statutory return on equity	(25.4)%	(3.4)%

¹ Return on Equity is calculated using the Core Operating Profit after Tax divided by the arithmetic average of beginning, half year and year end securityholders' equity.

The following table provides a reconciliation of Core operating earnings per stapled security to the Total Group statutory earnings per stapled security:

	Note	CENTS PER STAPLED SECURITY	
		June 2024	June 2023
Core Operating earnings per stapled security		38.1	37.3
Non core operating earnings per stapled security		(1.3)	(2.8)
Total Segment operating earnings per stapled security		36.8	34.5
Total adjustments (after tax) to reconcile to statutory profit ¹		(254.5)	(68.2)
Total Group statutory earnings per stapled security	3	(217.7)	(33.7)

¹ The total adjustments (after tax) is calculated using the Total adjustments of \$(1,688) million (June 2023: \$(525) million) and Income tax (expense)/benefit on adjustments of \$(68) million (June 2023: \$55 million) divided by the weighted average number of stapled securities on issue.

The following tables set out other financial information by reportable segment:

	June 2024			June 2023		
	Material Non Cash Items ¹	Non Current Segment Assets ²	Group Total Assets	Material Non Cash Items ¹	Non Current Segment Assets ²	Group Total Assets
	\$m	\$m	\$m	\$m	\$m	\$m
Core						
Investments	(163)	2,599	4,034	(109)	2,989	4,355
Development	(552)	5,619	9,355	(271)	7,170	9,495
Construction	(530)	554	2,984	(1)	1,375	3,769
Total core segments	(1,245)	8,772	16,373	(381)	11,534	17,619
Non core	1	1	279	(1)	4	256
Total segments	(1,244)	8,773	16,652	(382)	11,538	17,875
Corporate activities	(237)	192	120	19	296	339
Total	(1,481)	8,965	16,772	(363)	11,834	18,214

1. Material Non Cash Items relates to impairments and provisions raised or written back, unrealised foreign exchange movements and fair value gains or losses.
2. Excludes deferred tax assets, financial instruments and defined benefit plan asset.

1.b. Geography Segment Information

The following table sets out further information on Operating EBITDA, Operating PAT and Statutory Profit by region:

	OPERATING EBITDA		OPERATING PAT		TOTAL ADJUSTMENTS		TAX ON ADJUSTMENTS		STATUTORY PROFIT	
	June 2024	June 2023	June 2024	June 2023	June 2024	June 2023	June 2024	June 2023	June 2024	June 2023
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Australia	430	499	260	348	(159)	(76)	4	8	105	280
Asia	196	100	148	78	(46)	(1)	12	6	114	83
Europe	125	18	91	(1)	(578)	(347)	19	9	(468)	(339)
Americas	58	88	21	44	(656)	(101)	66	32	(569)	(25)
Total region	809	705	520	469	(1,439)	(525)	101	55	(818)	(1)
Corporate activities	(140)	(161)	(257)	(212)	(249)	-	(169)	-	(675)	(212)
Total core	669	544	263	257	(1,688)	(525)	(68)	55	(1,493)	(213)
Non core	(10)	(102)	(9)	(19)	-	-	-	-	(9)	(19)
Total Group	659	442	254	238	(1,688)	(525)	(68)	55	(1,502)	(232)

The following table sets out Non current assets by region:

	NON CURRENT ASSETS ¹	
	June 2024	June 2023
	\$m	\$m
Australia	3,539	4,915
Asia	2,158	2,108
Europe	1,848	1,996
Americas	1,228	2,519
Total segment	8,773	11,538
Corporate activities	192	296
Total	8,965	11,834

1. Excludes deferred tax assets, financial instruments and defined benefit plan asset and is based on the geographical location of assets.

Notes to Consolidated Financial Statements continued

Section A. Performance continued

1. Segment Reporting continued

1.b. Geography Segment Information continued

The operating segments generate revenue in the following regions:

June 2024	REVENUE ¹							
	Investments \$m	Development \$m	Construction \$m	Total Core Segments \$m	Non Core \$m	Total Segments \$m	Corporate Activities \$m	Statutory Result \$m
Australia	177	1,402	3,437	5,016	429	5,445	76	5,521
Asia	85	79	159	323	-	323	-	323
Europe	24	828	539	1,391	-	1,391	-	1,391
Americas	38	363	1,801	2,202	-	2,202	-	2,202
Total	324	2,672	5,936	8,932	429	9,361	76	9,437
June 2023								
Australia	189	1,615	3,707	5,511	499	6,010	93	6,103
Asia	86	50	295	431	-	431	-	431
Europe	23	394	742	1,159	-	1,159	-	1,159
Americas	32	274	2,459	2,765	-	2,765	-	2,765
Total	330	2,333	7,203	9,866	499	10,365	93	10,458

1. Comprised of Revenue from contracts with customers of \$9,218 million (June 2023: \$10,229 million), Other revenue of \$151 million (June 2023: \$144 million), Finance revenue of \$68 million (June 2023: \$85 million).

No revenue from transactions with a single external customer amounts to 10 per cent or more of the Group's revenue.

2. Dividends/Distributions

	Cents Per Share/Unit	COMPANY/TRUST ¹	
		June 2024 \$m	June 2023 \$m
Parent Company Interim Dividend			
December 2023 ²	-	-	-
December 2022 ²	-	-	-
Lendlease Trust Interim Distribution			
December 2023 – paid 13 March 2024	6.5	45	-
December 2022 – paid 8 March 2023	4.9	-	34
Parent Company Final Dividend			
June 2024 – declared subsequent to reporting date ³	3.2	22	-
June 2023 – paid 13 September 2023	4.7	-	32
Lendlease Trust Final Distribution			
June 2024 – provided for and payable 18 September 2024	6.3	44	-
June 2023 – paid 13 September 2023	6.4	-	44
Total		111	110

1. The current and prior year final dividends were fully franked.

2. No interim dividend was declared by the Company for 31 December 2022 and 31 December 2023.

3. No provision for this dividend has been recognised in the Statement of Financial Position at 30 June 2024, as it was declared after the end of the reporting period.

Dividend Franking

The amount of franking credits available for use as at 30 June 2024 in subsequent reporting periods is \$127 million (30 June 2023: \$99 million), based on a 30 per cent tax rate.

3. Earnings Per Share/Stapled Security (EPS/EPSS)

Accounting Policies

The Group presents basic and diluted EPS/EPSS in the Income Statement. This is a key performance measure for the Group. Refer to further details in the Managing and Measuring Value - Financial section of this Annual Report.

Basic EPS/EPSS is determined by dividing Profit/(loss) after tax attributable to members of the Company and Group (excluding any costs of servicing equity other than ordinary shares/securities) by the weighted average number of ordinary shares/securities outstanding during the financial year, adjusted for bonus elements in ordinary shares/securities issued during the financial year.

Diluted EPS/EPSS is determined by adjusting the Profit/(loss) after tax attributable to members of the Company and Group, and the weighted average number of ordinary shares/securities outstanding for the effects of all dilutive potential ordinary shares/securities. The Group currently does not have any dilutive potential ordinary shares/securities. Dilution occurs when treasury shares and employee share options are included in outstanding shares.

The issued units of Lendlease Trust (LLT) are presented separately within equity, and therefore the profit attributable to LLT is excluded from the calculation of basic and diluted earnings per Company share presented in the Income Statement.

		June 2024		June 2023	
		Shares/ Securities Excluding Treasury Securities	Shares/ Securities on Issue	Shares/ Securities Excluding Treasury Securities	Shares/ Securities on Issue
Basic/Diluted Earnings Per Share (EPS)					
Loss attributable to members of Lendlease Corporation Limited (Company)	\$m	(1,461)	(1,461)	(278)	(278)
Weighted average number of ordinary shares	m	683	690	683	689
Basic/Diluted EPS	cents	(213.9)	(211.7)	(40.7)	(40.3)
Basic/Diluted Earnings Per Stapled Security (EPSS)					
Loss attributable to securityholders of Lendlease Group	\$m	(1,502)	(1,502)	(232)	(232)
Weighted average number of stapled securities	m	683	690	683	689
Basic/Diluted EPSS¹	cents	(219.9)	(217.7)	(34.0)	(33.7)

1. Details of the Group's Core operating earnings per stapled security is disclosed in Note 1a 'Segment Reporting'.

Notes to Consolidated Financial Statements continued

Section A. Performance continued

4. Revenue from Contracts with Customers

Accounting Policies

Construction and Development services

Construction services include project management, design and construction services predominantly in the commercial, residential, mixed use, defence and social infrastructure sectors. Development services include development fees earned on development of inner city mixed use developments, retirement, retail, commercial assets and social and economic infrastructure.

Contracts with customers to provide Construction or Development services can include either one performance obligation or multiple performance obligations within each contract. The Group assesses each of its contracts individually and where there are separate performance obligations identified, the transaction price is allocated based on the relative standalone selling prices of the services provided. Typically, the Construction or Development services in contracts are not considered distinct as the services are highly interrelated and an integrated bundle of services and therefore are accounted for as a single performance obligation.

The transaction price for each contract may include variable consideration in the form of contract variations or modifications, and contract claims (collectively, 'Modifications'). Variable consideration may also include performance or other incentive fees. The transaction price is the amount of consideration to which the Group expects to be entitled to receive in exchange for transferring promised goods or services to a customer per the contract.

Variable consideration is only included in the transaction price for a contract to the extent it is highly probable that a significant reversal of that revenue will not occur, which is an area of accounting judgement. Factors considered in assessing whether the estimated revenue associated with Modifications should be recognised include the following:

- i. Status of negotiations with customers
- ii. The contract or other evidence provides a legal basis for the Modifications
- iii. Additional costs incurred were caused by circumstances that were unforeseen at the contract date and for which entitlement contractually exists
- iv. Modification related costs are identifiable, measurable, and considered reasonable in view of the work performed
- v. Evidence supporting the Modification is objective and verifiable, which may include independent third-party advice
- vi. Commercial and market factors specific to the Modifications
- vii. Historical experience in resolving Modifications.

This assessment is reviewed each reporting period or when facts and circumstances change during the reporting period.

Revenue is recognised over time, typically based on an input method using an estimate of costs incurred to date as a percentage of total estimated costs. These contracts are typically executed on the customer's land so they control the assets as they are being built or the customer benefits from the service as the work is performed. Differences between amounts recognised as revenue and amounts billed to customers are recognised as contract assets or liabilities in the Statement of Financial Position.

The measurement of revenue is an area of accounting judgement. Management uses judgement to estimate:

- i. Progress in satisfying the performance obligations within the contract, which includes estimating contract costs expected to be incurred to satisfy performance obligations
- ii. The probability of the amount to be recognised as variable consideration for approved variations and claims where the final price has not been agreed with the customer.

Revenue is invoiced based on the terms of each individual contract, which may include a periodic billing schedule or achievement of specific milestones. Invoices are issued under commercial payment terms which are typically 30 days from when an invoice is issued.

A provision for loss making contracts is recorded for the difference between the expected costs of fulfilling a contract and the expected remaining economic benefits to be received where the forecast remaining costs exceed the forecast remaining benefits.

Investment services

Investment services include funds management, asset management, leasing and origination services.

Each contract with a customer to provide Investment services is typically one performance obligation with revenue recognised over time as services are rendered. Typically, our performance obligation is to manage a client's capital and/or property for a specified period of time and is delivered as a series of daily performance obligations over time.

The transaction price for each contract may include variable consideration in the form of performance fees. Variable consideration is only included in the transaction price for a contract to the extent it is highly probable that a significant reversal of that revenue will not occur. The Group assesses probability of receiving variable consideration using a combination of commercial and market factors, and historical experience.

Revenue is invoiced either monthly or quarterly based on the terms of each individual contract. Invoices are issued under commercial payment terms which are typically 30 days from when an invoice is issued.

Accounting Policies continued

Sale of Development Properties

The Group develops and sells residential land lots and built form products, including residential apartments, commercial and retail buildings. Sales of residential land lots and apartments typically are recognised at a point in time, with each contract treated as a single performance obligation to transfer control of an asset to a customer. Residential land lots and apartments are recognised on settlement with the customer.

The sale of retail, commercial and mixed use assets may include land, construction, development management and investment service components. Where there are multiple components within one contract, the transaction price is allocated based on the standalone selling prices of each component, typically using the residual approach, and revenue is recognised based on the policies noted above. Sales of commercial and retail buildings are recognised when the customer obtains control of the asset based on the specific terms and conditions of the sales contract.

The Group discounts deferred proceeds to reflect the time value of money where the period between the transfer of control of a development property and receipt of payment from the customer exceeds one year. Deferred proceeds from customers are recognised in trade and other receivables where the right to receive payment is unconditional. Deposits received in advance from customers are recognised as a contract liability until the performance obligation has been met.

The measurement of revenue from the sale of development properties is an area of accounting judgement as it requires management to exercise judgement in valuing the individual components of a development property sale, given the due consideration to cost inputs, market conditions and commercial factors. The recognition and determination of when control passes requires management judgement and is considered an area of accounting judgement.

Proceeds from the sale of residential land lots and apartments are received upon settlement, which typically occurs between 6-12 weeks following practical completion on the asset. Proceeds from the sale of retail, commercial and mixed use assets are received in accordance with the specific terms of each contract.

The Group may enter a PLLACes (Presold Lendlease Apartment Cash Flows) transaction for certain residential apartment buildings from time to time. This involves the Group receiving an upfront cash inflow from third party investors (investors) in exchange for selling the investors the rights to the cash proceeds that are due from customers once the apartments are completed. When customers settle their apartments the Group does not receive any cash proceeds nor does it pay any amounts to the investors as the customers pay the investors directly. On entry into a PLLACes transaction the cash inflow is disclosed as an operating cash inflow in the Statement of Cash Flows which typically occurs over a year in advance of the revenue recognition from the sale of the apartments. At the same time, an Other payables – PLLACes is also recognised within Trade and Other Payables and is derecognised as revenue once settlement of the apartments occurs.

	June 2024	June 2023
	\$m	\$m
Revenue from the provision of services		
Core Construction services	5,915	7,191
Non core Construction services	429	499
Construction services	6,344	7,690
Investment services	253	261
Development services	1,472	1,483
Total revenue from the provision of services	8,069	9,434
Revenue from the sale of development properties	1,149	795
Total revenue from contracts with customers¹	9,218	10,229

1. Further information on revenue by geography and by segments is included in Note 1b 'Segment Reporting'.

Notes to Consolidated Financial Statements continued

Section A. Performance continued

5. Share of Profit of Equity Accounted Investments

Accounting Policies

Investments in associates and joint ventures are accounted for using the equity method. The share of profit recognised under the equity method is the Group's share of the investment's profit or loss based on ownership interest held. Associates (including partnerships) are entities in which the Group, as a result of its voting rights, has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

For associates, this is from the date that significant influence commences until the date that significant influence ceases, and for joint ventures, this is from the date joint control commences until the date joint control ceases.

	Note	June 2024 \$m	June 2023 \$m
Associates^{1,2}			
Share of profit	12.a	5	11
Joint Ventures^{1,2}			
Share of profit	12.b	134	17
Total share of profit of equity accounted investments		139	28

¹ Reflects the contribution to the Group's profit, and is after tax paid by the Equity accounted investment vehicles themselves, where relevant. However, for various Equity accounted investments, the share of tax is paid by the Group and is included in the Group's current tax expense.

² Share of profit from Associates and Joint Ventures includes \$(18) million loss (June 2023: \$(10) million loss) and \$(136) million loss (June 2023: \$(124) million loss), respectively, in revaluation losses recognised in the Investments segment adjustment in Note 1 'Segment Reporting'. Share of profit from Associates and Joint Ventures include \$nil million (June 2023: \$nil million) and \$(4) million loss (June 2023: \$87 million gain), respectively, in revaluation losses and gains in the Development segment.

6. Other Income

Accounting Policies

Net gains or losses on sale/transfer of investments, including consolidated entities and Equity Accounted Investments are recognised when an unconditional contract is in place.

Net gains or losses on fair value remeasurements are recognised in accordance with the policies stated in Note 13 'Other Financial Assets'.

	June 2024 \$m	June 2023 \$m
Net gain on sale/transfer of investments		
Consolidated entities	-	30
Asset management contract sale	-	192
Equity accounted investments	-	13
Investment properties	-	1
Other assets and liabilities	-	26
Total net gain on sale/transfer of investments	-	262
Net gain on fair value measurement		
Investment properties	-	13
Total net gain on fair value measurement	-	13
Other	38	24
Total other income	38	299

7. Other Expenses

Accounting Policies

Other expenses in general are recognised as incurred.

Employee Benefit Expenses

Employee benefits are expensed as the related service by the employee is provided and includes both equity and cash based payment transactions. Employee benefits recognised in the Income Statement are net of recoveries.

For cash bonuses, the Group recognises an accrued liability for the amount expected to be paid. This is based on a formula that takes into consideration the profit attributable to the Group's securityholders after certain adjustments. Refer to Note 35a 'Short Term Incentive (STI)' for further detail.

Share Based Compensation

The Group operates equity settled share based compensation plans that are linked to Lendlease's security price. The fair value of the equity received in exchange for the grant is recognised as an expense and a corresponding increase in equity, in the Equity Compensation Reserve. The total amount to be expensed over the vesting period is determined by reference to the fair value of the securities granted.

The fair value is primarily determined using a Monte-Carlo simulation model. Refer to Note 35g 'Amounts Recognised in the Financial Statements' for further detail. Management considers the fair value assigned to be an area of estimation uncertainty as it requires judgements on Lendlease's security price and whether vesting conditions will be satisfied.

At each balance sheet date, the Group revises its estimates of the entitlement due. It recognises the impact of revision of original estimates on non market conditions, if any, in the Income Statement, and a corresponding adjustment to equity over the remaining vesting period. Changes in entitlement for equity settled share based compensation plans are not recognised if they fail to vest due to market conditions not being met.

Superannuation Accumulation Plan Expense

All employees in the Australia region are entitled to benefits on retirement, disability or death from the Group's superannuation accumulation plan. The majority of these employees are party to a defined contribution plan and receive fixed contributions from the Group. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. The Group also operates a defined benefit superannuation plan, membership of which is now closed. Refer to Note 34 'Defined Benefit Plan' for further detail.

Impairment

The carrying amounts of the Group's assets, subject to impairment tests, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The calculation of this recoverable amount is dependent on the type of asset. The material assets' accounting policies will contain further information on these calculations.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

Reversals of Impairment

Impairment losses on assets can be reversed (other than goodwill) when there is a subsequent increase in the recoverable amount. The increase could be due to a specific event, the indication that impairment may no longer exist or there is a change in estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Lease Expense

Short term lease and low value lease payments, including outgoings, are recognised in the Income Statement on a straight line basis over the term of the lease.

Depreciation and Amortisation

Depreciation on owned assets is charged to the Income Statement on a straight line basis over the estimated useful lives of items of property, plant and equipment. Amortisation is provided on leasehold improvements over the remaining term of the lease. Most plant is depreciated over a period not exceeding 20 years, furniture and fittings over three to 15 years, motor vehicles over four to eight years and computer equipment over three years.

Right-of-use assets are depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Notes to Consolidated Financial Statements continued

Section A. Performance continued

7. Other Expenses continued

	June 2024 \$m	June 2023 \$m
Loss before income tax includes the following expense items:		
Total Employee Benefit Expense	1,781	1,963
Less: Recoveries through projects	(1,494)	(1,570)
Net employee overhead	287	393
Lease expense (including outgoings)	26	27
IT expense	125	82
Other	99	99
Net overheads	537	601
Americas Telecommunications provision ¹	58	74
Loans and receivables impairments	22	20
Property inventories impairments	16	-
Equity accounted investments impairments	-	2
Net (gain)/loss on fair value measurement of investment properties and other financial assets	(4)	-
Net loss on sale of investment property	5	-
Net defined benefit plan expense ²	(47)	(9)
Net foreign exchange loss	12	6
Total other expenses per Note 1a 'Segment Reporting'³	599	694
Depreciation on right-of-use assets	47	51
Depreciation on owned assets	28	26
Amortisation	47	66
Total depreciation and amortisation	122	143
Costs relating to the strategy update⁴		
Development impairments ⁵	547	-
Goodwill impairments ⁶	513	-
Redundancy, tenancy and other break costs	91	-
Other strategy update costs ⁷	91	-
Total costs relating to the strategy update per Note 1a 'Segment Reporting'	1,242	-
Other items		
Other restructuring costs ⁸	117	-
UK building remediation ⁹	17	295
Net loss/(gain) on fair value measurement of investment properties and other financial assets	158	76
Total other expense non-operating items included in Note 1a 'Segment Reporting'	292	371
Total Other Expenses	2,255	1,208

1. Represents provisions raised on future consideration receivable on the sale of the Americas Telecommunication business. The recoverability of the receivable is contingent on the disposed business meeting certain revenue targets post sale, the measurement date for this is 31 December 2024. Based on current performance these targets are no longer expected to be met by the measurement date and the balance has been provided in full.

2. Includes the impact of a Lendlease UK Pension Scheme amendment during the year, approved by the Trustees, to bring the valuation of members' future benefits in line with the scheme rules and statutory requirements, resulting in a gain of \$42 million recognised in the income statement. Refer to Note 34 'Defined Benefit Plan' for further detail.

3. Prior year excludes \$76 million of Other expenses recognised as discontinued operations.

4. On 27 May 2024 the Group announced a strategy update with key actions to simplify the organisational structure, exit international construction and accelerate the release of offshore development capital. Financial impacts include impairment charges on Goodwill and Development projects and other related costs to accelerate the release of capital.

5. Relates to the impairment of development assets attributable to the Americas and Europe regions as a result of the strategy update. Includes impairment of inventory and receivables from joint ventures. Refer to Note 11 'Inventories' and Note 21 'Loans and Receivables' for further detail.

6. Relates to the impairment of Construction and Development goodwill attributable to the Americas (\$247 million), Asia (\$6 million) and Europe (\$260 million) regions as a result of the strategy update announced on 27 May 2024. Refer to Note 32 'Intangible Assets' for further detail.

7. Includes the impact to the Digital products as a result of this strategy update, wherein the recoverable amount of the Digital assets was reassessed and an impairment charge \$16 million was recognised in Corporate Activities. At 30 June 2024, the carrying value of the remaining Digital assets was \$55 million (30 June 2023: \$53 million). Refer to Note 32 'Intangible Assets' for further detail.

8. Represents expenses in relation to other cost initiatives undertaken during the current period, primarily consisting of redundancy costs.

9. Expense recorded during the period in relation to UK building remediation. Refer to Note 23 'Provisions' for further detail.

	June 2024 \$000s	June 2023 \$000s
Auditors' Remuneration		
Amounts received or due and receivable by the auditors of Lendlease Group and its consolidated entities for:		
Audit services	9,767	7,887
Other assurance services	925	985
Total audit and other assurance services	10,692	8,872
Non audit services ¹	-	159
Total audit, other assurance and non audit services	10,692	9,031

1. Non audit services include amounts charged for work relating to financial, regulatory and asset due diligence of the Group and its consolidated entities.

8. Finance Revenue and Finance Costs

Accounting Policies

Finance revenue is recognised as it is earned using the effective interest method, which applies the interest rate that discounts estimated future cash receipts over the expected life of the financial instrument. The discount is then recognised as finance revenue over the remaining life of the financial instrument.

Finance costs include interest, amortisation of discounts or premiums relating to borrowings and amortisation of costs incurred in connection with the arrangement of new borrowings facilities. Costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings. Finance costs are expensed immediately as incurred unless they relate to acquisition and development of qualifying assets. Qualifying assets are assets that take more than six months to prepare for their intended use or sale. Finance costs related to qualifying assets are capitalised.

	June 2024 \$m	June 2023 \$m
Finance Revenue		
Other corporations	17	13
Other finance revenue	9	8
Total interest finance revenue	26	21
Interest discounting	3	1
Gain on repurchase of commercial notes ¹	39	63
Total finance revenue	68	85
Finance Costs		
Interest expense in relation to other corporations	265	174
Interest expense in relation to lease liabilities	13	15
Less: Capitalised interest finance costs ²	(29)	(30)
Total interest finance costs	249	159
Non interest finance costs	57	14
Total finance costs	306	173
Net finance costs	(238)	(88)

1. Reflects \$39 million (June 2023: \$63 million) in relation to the repurchase of £83 million (June 2023: £125 million) of Green senior notes in the Sterling bond market.

2. The weighted average interest rate used to determine the amount of interest finance costs eligible for capitalisation was 5.4 per cent (June 2023: 4.3 per cent), which is the effective interest rate.

Notes to Consolidated Financial Statements continued

Section A. Performance continued

9. Taxation

Accounting Policies

Income tax on the profit or loss for the financial year comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Under current Australian income tax law, LLT is not liable for income tax, including capital gains tax, to the extent that unitholders are attributed the taxable income of LLT.

Current tax is the expected tax payable on the taxable income for the financial year, using applicable tax rates (and tax laws) at the balance sheet date in each jurisdiction, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is the expected tax payable in future periods as a result of past transactions or events and is calculated by comparing the accounting balance sheet to the tax balance sheet. Temporary differences are provided for any differences in the carrying amounts of assets and liabilities between the accounting and tax balance sheets. The following temporary differences are not provided for:

- The initial recognition of taxable goodwill
- The initial recognition of assets or liabilities that affect neither accounting nor taxable profit
- Differences relating to investments in subsidiaries to the extent that they are not likely to reverse in the foreseeable future.

Measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using applicable tax rates (and tax laws) at the balance sheet date.

Global minimum tax

The Company is monitoring the global progress toward the enactment and implementation of new Organisation for Economic Co-Operation and Development rules under Pillar Two. Under the Pillar Two rules, the Group would be liable to pay a top-up tax for jurisdictions where the effective tax rate calculated in accordance with Pillar Two rules falls below the minimum tax rate of 15%.

Pillar Two legislation has been passed in certain jurisdictions in which the Group operates. The Group is in scope of the legislation that will be effective in certain jurisdictions for the Group's financial year beginning 1 July 2024.

An assessment of the Group's potential exposure to Pillar Two income taxes has been performed, based on historical data over several years for the impacted entities in the Group. Based on this assessment, it is not anticipated that there will be a material impact to tax expense for the Group on implementation of Pillar Two. The impact of implementing Pillar Two on future years will continue to be assessed.

The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income tax legislation, in accordance with AASB 112 *Income Taxes*.

Recognition of deferred tax assets is only to the extent it is probable that future taxable profits will be available so as the related tax asset will be realised. Deferred tax assets may include the following:

- Deductible temporary differences
- Unused tax losses
- Unused tax credits.

Management considers the estimation of future taxable profits to be an area of estimation uncertainty as a change in any of the assumptions used in budgeting and forecasting would have an impact on the future profitability of the Group. The Group prepares financial budgets and forecasts, covering a five year period, which are reviewed on a regular basis. These forecasts and budgets form the basis of future profitability to support the carrying value of the deferred tax assets. The performance of the Group is influenced by a variety of general economic and business conditions, which are outside the control of the Group, including the level of inflation, interest rates, exchange rates, commodity prices, ability to access funding, oversupply and demand conditions and government fiscal, monetary and regulatory policies.

Presentation of deferred tax assets and liabilities can be offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but are intended to be settled on a net basis or to be realised simultaneously.

Tax Consolidation

The Company is the head entity of the Australian Tax Consolidated Group comprising all the Australian wholly owned subsidiaries, excluding LLT. As a consequence, all members of the Australian Tax Consolidation Group are taxed as a single entity.

	June 2024	June 2023
	\$m	\$m
9.a. Income Tax Expense		
Recognised in the Income Statement		
Current Tax Expense		
Current year	144	62
Adjustments for prior years	(40)	(13)
Current year tax losses not recognised	9	27
Total current tax expense	113	76
Deferred Tax Expense		
Origination and reversal of temporary differences	(383)	(192)
Temporary differences recognised through income tax expense	215	30
Write-off of prior year net tax losses	168	11
Change in tax rate	-	(7)
Total deferred tax benefit	-	(158)
Income Tax Expense		
Total income tax expense/(benefit) from continuing operations	113	(6)
Total income tax benefit from discontinued operations	-	(76)
Total income tax expense/(benefit)	113	(82)
Reconciliation of Effective Tax Rate		
Loss before tax ¹	(1,389)	(314)
Income tax using domestic corporate tax rate 30%	(417)	(94)
Adjustments for prior year	(40)	(13)
Non assessable and exempt income ²	1	(29)
Non allowable expenses ³	183	16
Net write off of tax losses through income tax expense	178	-
Temporary differences recognised through income tax expense ⁴	215	30
Utilisation of capital losses on disposal of assets	(1)	(14)
Effect of tax rates in foreign jurisdictions ⁵	(4)	29
Other	(2)	(7)
Income tax expense/(benefit)	113	(82)
Deferred Tax Recognised Directly in Equity		
Relating to:		
Hedging reserve	6	11
Defined benefit plan remeasurements	(25)	(36)
Foreign currency translation reserve	(8)	(7)
Unused revenue tax losses recognised	(1)	-
Total deferred tax recognised directly in equity	(28)	(32)

- In the prior year provisions previously recognised in relation to the sold Engineering business were revised to include the associated tax benefit. This resulted in a \$76m gross up of the provision and recognition of an equal and offsetting deferred tax asset. There was no net impact on profit after tax from discontinued operations.
- Includes Lendlease Trust Group loss/(profit).
- Includes accounting expense for which a tax deduction is not allowed permanently. Current period includes the non-deductible impairment of Construction and Development goodwill attributable to the Americas and Europe regions as a result of the strategy update announced on 27 May 2024. Refer to Note 32 'Intangible assets' for further detail.
- Includes temporary differences not recognised in the current period which are written off to income tax expense in the current period and temporary differences that arose in a previous year but were not recognised until the current period. Includes de-recognition of deferred tax assets on carried forward interest deductions.
- The Group operates in a number of foreign jurisdictions for trading purposes which have lower tax rates than Australia such as the United Kingdom and Singapore and higher tax rates such as the United States of America (blended federal, state and local rate) and Japan. This also includes the effect of changes in tax rates.

	June 2024			June 2023		
	Before Tax	Tax (Expense)/ Benefit	Net of Tax	Before Tax	Tax (Expense)/ Benefit	Net of Tax
	\$m	\$m	\$m	\$m	\$m	\$m
9.b. Tax Effect Relating to Other Comprehensive Income						
Movements in hedging reserve	(1)	(6)	(7)	12	(11)	1
Movements in foreign currency translation reserve	(56)	8	(48)	113	7	120
Movements in non controlling interest acquisition reserve	-	-	-	(4)	-	(4)
Movements in defined benefit plan remeasurements	(116)	25	(91)	(144)	36	(108)
Movements in unused revenue tax losses recognised	(1)	1	-	-	-	-
Total other comprehensive income net of tax	(174)	28	(146)	(23)	32	9

Notes to Consolidated Financial Statements continued

Section A. Performance continued

9. Taxation continued

	June 2024		June 2023	
	Assets \$m	Liabilities \$m	Assets \$m	Liabilities \$m
9.c. Deferred Tax Assets and Liabilities				
Recognised Deferred Tax Assets and Liabilities				
Deferred tax assets and liabilities are attributable to the following:				
Loans and receivables	8	(4)	37	(32)
Inventories	108	(197)	74	(296)
Other financial assets	23	(88)	46	(87)
Other assets	3	(4)	3	(4)
Equity accounted investments	7	(273)	49	(375)
Investment properties	-	(10)	3	(10)
Property, plant and equipment	77	(24)	60	(7)
Intangible assets	9	(12)	7	(11)
Net defined benefit plan	6	(21)	15	(43)
Trade and other payables	128	(13)	152	(14)
Provisions	107	-	135	-
Borrowings and financing arrangements	39	(3)	77	(18)
Other financial and non financial liabilities	47	(12)	37	-
Unused revenue tax losses recognised	131	-	204	-
Unused capital tax losses recognised	50	-	57	-
Items with a tax base but no carrying value	62	(32)	41	(14)
Total deferred tax assets/(liabilities)	805	(693)	997	(911)
Deferred tax set off	(636)	636	(778)	778
Net deferred tax assets/(liabilities)	169	(57)	219	(133)

	1 July 2023 \$m	Recognised in Income \$m	Recognised in Equity \$m	Other/ Foreign Exchange \$m	30 June 2024 \$m
June 2024					
Movement in temporary differences during the financial year:					
Loans and receivables	5	(1)	-	-	4
Inventories	(222)	151	-	(18)	(89)
Other financial assets	(41)	(22)	-	(2)	(65)
Other assets	(1)	(2)	-	2	(1)
Equity accounted investments	(326)	59	(6)	7	(266)
Investment properties	(7)	(4)	-	1	(10)
Property, plant and equipment	53	16	-	(16)	53
Intangible assets	(4)	2	-	(1)	(3)
Net defined benefit plan	(28)	(12)	25	-	(15)
Trade and other payables	138	(23)	-	-	115
Provisions	135	(29)	-	1	107
Borrowings and financing arrangements	59	(32)	8	1	36
Other financial and non financial liabilities	37	(17)	-	15	35
Unused revenue tax losses recognised	204	(72)	1	(2)	131
Unused capital tax losses recognised	57	(6)	-	(1)	50
Items with a tax base but no carrying value	27	(8)	-	11	30
Total deferred tax assets/(liabilities)	86	-	28	(2)	112

	1 July 2022	Recognised in Income	Recognised in Equity	Other/ Foreign Exchange	30 June 2023
	\$m	\$m	\$m	\$m	\$m
June 2023					
Movement in temporary differences during the financial year:					
Loans and receivables	(68)	73	-	-	5
Inventories	(249)	37	-	(10)	(222)
Other financial assets	(54)	(27)	-	40	(41)
Other assets	55	(12)	-	(44)	(1)
Equity accounted investments	(340)	36	(11)	(11)	(326)
Investment properties	(9)	2	-	-	(7)
Property, plant and equipment	43	2	-	8	53
Intangible assets	(7)	3	-	-	(4)
Net defined benefit plan	(57)	(3)	36	(4)	(28)
Trade and other payables	146	(3)	-	(5)	138
Provisions	151	(4)	-	(12)	135
Borrowings and financing arrangements	81	(34)	7	5	59
Other financial and non financial liabilities	41	(4)	-	-	37
Unused revenue tax losses recognised	134	56	-	14	204
Unused capital tax losses recognised	-	57	-	-	57
Items with a tax base but no carrying value	15	(21)	-	33	27
Total deferred tax (liabilities)/assets	(118)	158	32	14	86

	June 2024	June 2023
	\$m	\$m
Unrecognised Deferred Tax Assets		
Deferred tax assets have not been recognised in respect of the following items:		
Unused revenue tax losses	182	86
Unused capital tax losses	32	33
Net deductible temporary differences	282	66
Total unrecognised deferred tax assets	496	185

Of the unrecognised deferred tax assets of \$496 million, only \$29 million expires between 2025 to 2037. The remainder of the unrecognised deferred tax assets have no expiry date. In determining the recoverability of unrecognised deferred tax assets the Group has considered the impacts of the strategy update announced on 27 May 2024.

10. Events Subsequent to Balance Date

In July 2024 Lendlease completed the sale of its life sciences interests in Asia to a 50/50 joint venture with Warburg Pincus. The transaction is expected to contribute approximately \$80 million to FY25 OPAT. Refer to Note 33 'Disposal Group assets and liabilities held for sale' for further detail.

There were no other material events subsequent to the end of the financial reporting period.

Notes to Consolidated Financial Statements continued

Section B. Investment

Investment in the Development pipeline, joint ventures in property projects, the retirement sector, and more passive assets, such as property funds, drive the current and future performance of the Group. This section includes disclosures for property such as Inventories and indirect property assets such as Equity Accounted Investments and Other Financial Assets contained within the Statement of Financial Position.

11. Inventories

Accounting Policies

Development Properties

Property acquired for development and sale in the ordinary course of business is carried at the lower of cost and Net Realisable Value (NRV).

The cost of development properties includes expenditure incurred in acquiring the property, preparing it for sale and borrowing costs incurred.

The NRV is the estimated selling price, less the estimated costs of completion and selling expenses. Management considers the estimation of both selling prices and costs of completion to be an area of estimation uncertainty, as these estimations take into consideration market conditions affecting each property and the underlying strategy for selling the property.

The recoverable amount of each property is assessed at each balance date and accounting judgement is required to assess whether a provision is raised where cost (including costs to complete) exceeds NRV.

Inventories are expensed as cost of sales in the Income Statement. Management uses accounting judgement in determining the following:

- The apportionment of cost of sales through sales revenue
- The amount of cost of sales, which includes costs incurred to date and final forecast costs
- The nature of the expenditure, which may include acquisition costs, development costs, borrowing costs and those costs incurred in preparing the property for sale.

Construction Contract Assets

The gross amount of Construction and Development Work in Progress consists of costs attributable to work performed, including recoverable pre contract and project bidding costs and emerging profit after providing for any foreseeable losses. In applying the accounting policies on providing for these losses, accounting judgement is required.

Construction contract assets are presented as part of inventories for all contracts in which revenue recognised (costs incurred plus recognised profits) exceed progress billings. If progress billings and/or recognised contract losses exceed revenue recognised, then the difference is presented in Trade and other payables as a Construction contract liability.

	Note	June 2024 \$m	June 2023 \$m
Current			
Development properties ¹		1,016	968
Construction contract assets	21.a	660	594
Total current		1,676	1,562
Non Current			
Development properties ¹		1,342	2,681
Total non current		1,342	2,681
Total inventories		3,018	4,243

1. On 27 May 2024 the Group announced a strategy update with key actions to simplify the organisational structure, exit international construction and accelerate the release of capital from its offshore development project and assets. As a result of this strategy update, the recoverability of development assets in these regions was reassessed and an impairment charge on Development properties of \$488 million was recognised for the year.

12. Equity Accounted Investments

Accounting Policies

Equity Accounted Investments (Associates and Joint Ventures)

As outlined in Note 5 'Share of Profit of Equity Accounted Investments', investments in Associates and Joint Ventures are equity accounted. The share of investment recognised under the equity method is the Group's share of the investment's net assets based on ownership interest held.

Investments in associates and joint ventures are carried at the lower of the equity accounted carrying amount and the recoverable amount. When the Group's share of losses exceeds the carrying amount of the equity accounted investment (including assets that form part of the net investment in the associate or joint venture entity), the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has obligations in respect of the associate or joint venture.

Dividends from associates and joint ventures represent a return on the Group's investment and, as such, are applied as a reduction to the carrying value of the investment. Unrealised gains arising from transactions with equity accounted investments are eliminated against the investment in the associate or joint venture to the extent of the Group's interest in the associate or joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Other movements in associates' and joint ventures' reserves are recognised directly in the Group's consolidated reserves.

Development - Investment Property

Investments in this category hold investment property that is under construction and is subject to periodic revaluations. These revaluations represent development profit earned and are recognised in the Development segment.

Development - Inventory

Investments in this category contain inventory under development and are held at cost. Revenue is recognised once the inventory settles with the customer and is recognised in the Development segment.

Service Concession Arrangements (SCAs)

The Group equity accounts its investment in project companies with SCAs through Public Private Partnerships (PPPs). These arrangements provide facilities management and maintenance services with terms generally of 25 to 30 years. They also incorporate contractual obligations to make available the individual assets for their prescribed use and, where necessary, overhaul or replace major items of plant and equipment related to the assets with payment obtained through periodic draw downs from the relevant government authorities.

Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

Investments in joint operations are accounted for by recognising amounts on a line by line basis in accordance with the accounting standards applicable to the particular assets, liabilities, revenues and expenses in relation to the Group's interest in the joint operation.

	Note	June 2024 \$m	June 2023 \$m
Associates			
Investment in associates	12.a	740	713
Less: Impairment	12.a	-	-
Total associates		740	713
Joint Ventures			
Investment in joint ventures	12.b	5,146	4,961
Less: Impairment	12.b	(27)	(27)
Total joint ventures		5,119	4,934
Total equity accounted investments		5,859	5,647

Notes to Consolidated Financial Statements continued

Section B. Investment continued

12. Equity Accounted Investments continued

	INTEREST		SHARE OF PROFIT		NET BOOK VALUE	
	June 2024	June 2023	June 2024	June 2023	June 2024	June 2023
	%	%	\$m	\$m	\$m	\$m
12.a. Associates						
Australia						
Investments						
Lendlease Sub Regional Retail Fund ¹	10.0	10.0	-	(1)	1	8
Lendlease Real Estate Partners 4	33.3	33.3	(24)	(24)	95	103
Other			-	(1)	4	4
Total Australia			(24)	(26)	100	115
Asia						
Investments						
Lendlease Global Commercial REIT	27.9	26.9	35	39	585	552
Lendlease Asian Retail Investment Fund 1	-	48.7	-	-	-	4
Lendlease Asian Retail Investment Fund 2	39.8	39.8	(8)	(4)	29	38
Total Asia			27	35	614	594
Europe						
Investments						
Lendlease Elephant Park Plot H11B - Daiwa House	25.0	-	(1)	-	25	-
Total Europe			(1)	-	25	-
Americas						
Investments						
Winn Housing Services	20.0	20.0	3	2	1	4
Total Americas			3	2	1	4
Total Group			5	11	740	713
Less: Impairment			-	-	-	-
Total associates			5	11	740	713

¹ Although the Group has a 10 per cent ownership interest in Lendlease Sub Regional Retail Fund, it holds at least 20 per cent of the voting rights over the fund and has significant influence over the investment. As a result, the Group applies equity accounting for its ownership interest.

	INTEREST		SHARE OF PROFIT		NET BOOK VALUE	
	June 2024	June 2023	June 2024	June 2023	June 2024	June 2023
	%	%	\$m	\$m	\$m	\$m
12.b. Joint Ventures						
Australia						
Investments						
Lendlease Retirement Living Trust	25.1	25.1	33	26	573	544
Lendlease DTC Industrial Trust	-	-	-	3	-	-
Other			-	(1)	7	2
Development						
<i>Development - Investment Property</i>						
Victoria Cross	75.0	75.0	(57)	(5)	260	187
<i>Development - Inventory</i>						
Melbourne Quarter R1	50.0	50.0	-	2	-	2
North East Link	20.0	20.0	5	2	176	155
Frankston Hospital	50.0	50.0	(1)	-	109	90
One Sydney Harbour R1 Trust	75.0	75.0	183	-	43	396
One Sydney Harbour R2 Trust	75.0	75.0	-	-	571	413
One Circular Quay ¹	33.3	33.3	5	12	221	166
<i>Other Development</i>			-	1	20	21
Total Australia			168	40	1,980	1,976

	INTEREST		SHARE OF PROFIT		NET BOOK VALUE	
	June 2024	June 2023	June 2024	June 2023	June 2024	June 2023
	%	%	\$m	\$m	\$m	\$m
12.b. Joint Ventures						
Asia						
Investments						
CDR JV Limited	-	25.0	-	-	-	3
Paya Lebar Quarter	30.0	30.0	(28)	(9)	358	391
Development						
<i>Development - Investment Property</i>						
Certis and Lendlease Property Trust	49.0	49.0	-	-	68	54
The Exchange TRX ¹	60.0	60.0	73	40	748	685
Lendlease Data Centre Partners	20.0	20.0	25	(1)	47	22
Lendlease Life Science and Innovation Partners ²	15.0	15.0	2	2	-	23
Total Asia			72	32	1,221	1,178
Europe						
Investments						
LRIP LP	20.0	20.0	(13)	1	162	185
MSG South	50.0	50.0	(1)	(7)	137	139
21 Moorfields	25.0	25.0	(13)	(12)	155	170
LRIP 2 LP	50.0	50.0	(21)	2	128	138
Other			8	-	22	15
Development						
<i>Development - Investment Property</i>						
IQL Office LP	50.0	50.0	(18)	-	180	142
Milano Innovation District	50.0	50.0	1	(1)	128	112
Stratford City Business District Limited (International Quarter London)	50.0	50.0	(2)	(2)	2	10
MSG North	14.0	8.9	-	-	149	92
<i>Development - Inventory</i>						
Victoria Drive Wandsworth	50.0	50.0	(3)	(3)	16	19
<i>Other Development</i>						
-			-	-	7	8
Total Europe			(62)	(22)	1,086	1,030
Americas						
Investments						
845 Madison	37.5	37.5	(17)	(14)	55	80
Americas Residential Partnership						
Clippership Wharf Multifamily Holdings	50.1	50.1	(2)	(16)	72	75
720 S Wells Holdings	50.1	50.1	(11)	(22)	54	67
445 East Waterside	42.5	42.5	(12)	(5)	72	89
SB Polk Street	50.1	50.1	-	8	39	36
DoD Asset Management Holdings ²	25.0	25.0	6	10	-	8
Other			(1)	-	8	7
Development						
<i>Development - Investment Property</i>						
60 Guest Street	25.0	25.0	-	-	80	63
Americas Residential Partnership						
211 North Harbor Drive Venture	42.5	42.5	(9)	-	110	117
SB Polk Street	50.1	50.1	-	-	53	45
1 Java Holdings	25.0	25.0	-	-	90	58
La Cienega	50.0	50.0	(1)	(1)	168	72
<i>Development - Inventory</i>						
277 Fifth Avenue	40.0	40.0	-	-	17	17
<i>Other Development</i>						
-			-	-	38	38
Construction						
Lendlease Turner Joint Venture	50.0	50.0	3	7	3	5
Total Americas			(44)	(33)	859	777
Total Group			134	17	5,146	4,961
Less: Impairment			-	-	(27)	(27)
Total joint ventures			134	17	5,119	4,934
Total associates			5	11	740	713
Total equity accounted investments			139	28	5,859	5,647

1. Investment includes both investment property and residential inventory.

2. On 17 May 2024, the Group announced it had agreed to sell its Asia life science interests, including Lendlease Life Science and Innovation Partners. As a result, the investment was classified as Disposal Group assets held for sale at June 2024. Refer to Note 33 'Disposal Group Assets and Liabilities Held for Sale' for further detail.

Notes to Consolidated Financial Statements continued

Section B. Investment continued

12. Equity Accounted Investments continued

12.c. Material Associates and Joint Ventures Summarised Financial Information

The table below provides summarised financial information for those associates and joint ventures that are material to the Group. Material associates and joint ventures have been determined by comparing individual investment net book value with the total equity accounted investment carrying value and share of profit, along with consideration of relevant qualitative factors. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and associates and, where indicated, the Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and differences in accounting policies. The nature and principal activities of the material associates and joint ventures is investment in property assets.

	LENLEASE GLOBAL COMMERCIAL REIT		LENLEASE RETIREMENT LIVING TRUST		PAYA LEBAR QUARTER		THE EXCHANGE TRX	
	June 2024	June 2023	June 2024	June 2023	June 2024	June 2023	June 2024	June 2023
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Income Statement¹								
Revenue and other income	250	233	382	301	139	154	335	147
Cost of sales	(63)	(56)	(56)	(53)	(48)	(33)	(202)	(150)
Other expenses	(25)	(26)	(99)	(86)	(20)	(23)	(24)	(4)
Unrealised fair value gains/(losses)	3	45	(53)	(29)	(169)	4	86	18
Finance costs	(78)	(56)	(46)	(30)	(80)	(64)	(36)	-
Income tax (benefit)/expense	-	-	-	(1)	(3)	(2)	(15)	3
Other	(11)	(12)	-	-	-	-	-	-
Profit/(loss) for the financial year	76	128	128	102	(181)	36	144	14
Other comprehensive income/(expense)	11	(4)	(18)	(3)	-	-	-	(3)
Total comprehensive income	87	124	110	99	(181)	36	144	11
Group's ownership interest	27.9%	26.9%	25.1%	25.1%	30.0%	30.0%	60.0%	60.0%
Group's total share of:								
Profit/(loss) for the financial year	21	34	32	26	(54)	11	86	8
Other adjustments	14	5	1	-	26	(20)	(13)	32
Total profit/(loss) for the financial year	35	39	33	26	(28)	(9)	73	40
Other comprehensive income/(expenses)	3	29	(4)	(1)	(5)	40	(29)	(3)
Total comprehensive income/(expenses)	38	68	29	25	(33)	31	44	37

1. The underlying investments in the material associate and joint ventures are office, retail and retirement living investment properties measured at fair value. At 30 June 2024, valuations were undertaken on the underlying assets. The carrying value of the investments are considered recoverable as it correlates with the net assets of the associate and joint ventures, which have been valued at 30 June 2024.

The table below provides summarised financial information for those associates and joint ventures that are individually immaterial to the Group:

	ASSOCIATES		JOINT VENTURES	
	June 2024	June 2023	June 2024	June 2023
	\$m	\$m	\$m	\$m
Income Statement				
Aggregate amounts of the Group's share of:				
(Loss)/profit from continuing operations	(30)	(28)	56	(40)
Other comprehensive income/(expense)	(1)	1	(8)	100
Aggregate amounts of Group's share of total comprehensive income/(expense) of individually immaterial equity accounted investments	(31)	(27)	48	60

	LENLEASE GLOBAL COMMERCIAL REIT		LENLEASE RETIREMENT LIVING TRUST ¹		PAYA LEBAR QUARTER		THE EXCHANGE TRX	
	June 2024	June 2023	June 2024	June 2023	June 2024	June 2023	June 2024	June 2023
Statement of Financial Position	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Current assets								
Cash and cash equivalents	38	57	27	24	171	158	108	87
Other current assets	19	18	55	86	12	8	56	19
Total current assets	57	75	82	110	183	166	164	106
Non current assets								
Investment properties	4,092	4,047	8,868	8,310	3,174	3,338	1,976	1,840
Equity accounted investments	5	9	-	-	-	-	-	-
Other non current assets	108	105	38	51	6	23	25	27
Total non current assets	4,205	4,161	8,906	8,361	3,180	3,361	2,001	1,867
Current liabilities								
Resident liabilities	-	-	5,755	5,349	-	-	-	-
Financial liabilities (excluding trade payables)	398	472	2	2	-	-	67	28
Other current liabilities	57	60	59	105	77	77	76	94
Total current liabilities	455	532	5,816	5,456	77	77	143	122
Non current liabilities								
Financial liabilities (excluding trade payables)	1,314	1,200	935	888	1,944	1,938	669	654
Other non current liabilities	28	29	-	-	34	27	-	-
Total non current liabilities	1,342	1,229	935	888	1,978	1,965	669	654
Net assets	2,465	2,475	2,237	2,127	1,308	1,485	1,353	1,197
Reconciliation to Carrying Amounts								
Opening net assets 1 July	2,475	2,285	2,127	2,055	1,485	1,458	1,197	956
Total comprehensive income/ (loss) for the financial year	87	124	110	99	(181)	36	144	11
Acquisition/(capital reduction)	21	40	-	-	107	(105)	79	263
Distributions	(118)	(91)	-	(27)	(107)	-	(48)	-
Foreign currency translation for the financial year	-	117	-	-	4	96	(19)	(33)
Closing net assets	2,465	2,475	2,237	2,127	1,308	1,485	1,353	1,197
% ownership	27.9%	26.9%	25.1%	25.1%	30.0%	30.0%	60.0%	60.0%
Group's share of net assets	688	665	561	534	392	446	812	718
Other adjustments	(103)	(113)	(1)	(3)	(34)	(55)	(64)	(33)
Carrying amount at end of the financial year	585	552	560	531	358	391	748	685

1. The carrying amount at the end of the financial year differs to Note 12b 'Joint Ventures' due to an impairment of \$13 million.

Material joint ventures had \$219 million (June 2023: \$135 million) in capital expenditure commitments.

The table below provides summarised financial information for those associates and joint ventures that are individually immaterial to the Group:

	ASSOCIATES		JOINT VENTURES	
	June 2024	June 2023	June 2024	June 2023
Statement of Financial Position	\$m	\$m	\$m	\$m
Aggregate carrying value of individually immaterial equity accounted investments	155	161	3,467	3,341

Notes to Consolidated Financial Statements continued

Section B. Investment continued

13. Other Financial Assets

Accounting Policies

Financial Assets at fair value through profit or loss on initial recognition are measured at fair value (generally transaction price) and subsequently stated at fair value. Transaction costs are recorded as expenses when they are incurred. Any gain or loss arising from a change in fair value is recognised in the Income Statement.

Financial Assets at amortised cost are presented within Note 21 'Loans and Receivables'.

	Fair Value Level ¹	June 2024 \$m	June 2023 \$m
Current Measured at Fair Value			
Fair Value Through Profit or Loss - Designated at Initial Recognition			
Derivatives	Level 2	12	32
Total current		12	32
Non Current Measured at Fair Value			
Fair Value Through Profit or Loss - Designated at Initial Recognition			
Lendlease International Towers Sydney Trust	Level 3	140	155
Lendlease One International Towers Sydney Trust	Level 3	47	56
Australian Prime Property Fund - Industrial	Level 3	256	276
Australian Prime Property Fund - Commercial	Level 3	303	380
Australian Prime Property Fund - Retail	Level 3	200	57
Military Housing Projects Initiative ²	Level 3	-	167
Other investments	Level 3	26	33
Derivatives	Level 2	2	16
Total non current		974	1,140
Total other financial assets		986	1,172

¹ Refer to Note 26 'Fair Value Measurement' for detail on basis of determining fair value and valuation technique.

² On 1 July 2024, the Group announced it had entered into an agreement, for the sale of US Military Housing Business, including Military Housing Projects Initiative. As a result, the investment was classified as Disposal Group assets held for sale at June 2024. Refer to Note 33 'Disposal Group Assets and Liabilities Held for Sale' for further detail.

13.a. Fair Value Reconciliation

The reconciliation of the carrying amount for Level 3 financial assets is set out as follows:

	June 2024 \$m	June 2023 \$m
Carrying amount at beginning of financial year	1,124	1,149
Acquisition	151	17
Net losses recognised in Income Statement	(131)	(76)
Transfer to Disposal Group assets held for sale	(171)	-
Other movements	(1)	34
Carrying amount at end of financial year	972	1,124

The potential effect of using reasonably possible alternative assumptions for valuation inputs would not have a material impact on the Group.

Section C. Liquidity and Working Capital

The ability of the Group to fund the continued investment in the development pipeline, invest in new opportunities and meet current commitments is dependent on available cash, undrawn debt facilities and access to third party capital. This section contains disclosures on the financial assets, financial liabilities, cash flows and equity that are required to finance the Group's activities, including existing commitments and the liquidity risk exposure associated with financial liabilities. The section also contains disclosures for the Group's trading assets, excluding inventories, and the trading liabilities incurred as a result of trading activities used to generate the Group's performance.

14. Cash and Cash Equivalents

Accounting Policies

Cash and cash equivalents include cash on hand, deposits held at call with banks, bank overdrafts and other short term highly liquid investments that are readily convertible to known amounts of cash within three months and which are subject to an insignificant risk of changes in value.

Bank overdrafts (if applicable) are shown as a current liability on the Statement of Financial Position and are shown as a reduction to the cash balance in the Statement of Cash Flows.

	June 2024	June 2023
	\$m	\$m
Cash	872	856
Short term investments ¹	128	44
Total cash and cash equivalents	1,000	900

1. Short term investments earned variable rates of interest which averaged 4.5 per cent per annum during the financial year (30 June 2023: 2.9 per cent).

Notes to Consolidated Financial Statements continued

Section C. Liquidity and Working Capital continued

15. Notes to Statement of Cash Flows

	June 2024	June 2023
	\$m	\$m
Reconciliation of Loss after Tax to Net Cash Used in Operating Activities		
Loss after tax (including external non controlling interests)	(1,502)	(232)
Amortisation and depreciation	122	143
Net gain on sale of investments, plant and equipment	-	(232)
Impairment of equity accounted investments	-	2
Impairment of loan and receivables	22	20
Impairment of intangible assets	529	-
Development Impairments	547	-
Net foreign exchange loss and currency hedging costs	12	4
Net loss on fair value measurement of fair value through profit or loss assets	154	76
Share of profit of equity accounted investments	(138)	(28)
Dividends/distributions from equity accounted investments	382	126
Fair value gain on investment properties	-	(13)
Gain on repurchase of commercial notes	(39)	(63)
Other	(33)	(24)
Net cash from/(used) in operating activities before changes in assets and liabilities	56	(221)
Changes in Assets and Liabilities Adjusted for Effects of Purchase and Disposal of Consolidated Entities and Operations During the Financial Year		
Decrease in receivables	597	199
Increase in inventories	(343)	(342)
(Increase)/decrease in other assets	(6)	7
(Increase)/decrease in net defined benefit plan asset	(36)	12
(Decrease)/increase in payables	(507)	118
(Decrease)/increase in operating derivatives assets/liabilities	(5)	18
Increase/(decrease) in deferred tax items	4	(343)
Increase/(decrease) in current tax	37	(42)
Increase in other provisions	148	108
Net cash used in operating activities	(55)	(486)

16. Borrowings and Financing Arrangements

Accounting Policies

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method. Under the amortised cost method the difference between the amount initially recognised and the redemption value is recorded in the Income Statement over the period of the borrowing on an effective interest basis. Borrowings are referred to in this section using their redemption value when describing the terms and conditions.

	June 2024	June 2023
	\$m	\$m
16.a. Borrowings – Measured at Amortised Cost		
Current		
Bank credit facilities	9	19
Total current	9	19
Non Current		
Commercial notes	1,789	1,928
Bank credit facilities	2,378	1,334
Total non current	4,167	3,262
Total borrowings	4,176	3,281

The Group has net debt of \$3,176 million (June 2023: \$2,381 million) and is 21.1% per cent (June 2023: 14.8 per cent) geared at the balance sheet date. The Group's gearing is calculated as net debt to total tangible assets, less cash.

	June 2024	June 2023
	\$m	\$m
16.b. Finance Facilities		
The Group has access to the following lines of credit:		
Commercial Notes		
Facility available	1,789	1,928
Amount of facility used	(1,789)	(1,928)
Amount of facility unused	-	-
Bank Credit Facilities		
Facility available	3,422	2,910
Amount of facility used	(2,387)	(1,353)
Amount of facility unused	1,035	1,557
Bank Overdrafts		
Facility available and amount unused	124	124

Commercial notes include:

- US\$400 million of guaranteed unsecured senior notes issued in May 2016 in the US Reg. S market with a 4.5 per cent per annum coupon maturing in May 2026.
- S\$300 million of guaranteed unsecured senior notes issued in April 2017 in the Singapore bond market with a 3.9 per cent coupon maturing in April 2027.
- \$500 million of guaranteed unsecured Green senior notes issued in October 2020 in the Australian bond market with a 3.4 per cent coupon maturing in October 2027.
- \$80 million of guaranteed unsecured senior medium term notes issued as an A\$ private placement in December 2018 with a 5.4 per cent per annum coupon maturing in December 2028.
- \$300 million of guaranteed unsecured Green senior notes issued in March 2021 in the Australian bond market with a 3.7 per cent coupon maturing in March 2031.
- £42 million of guaranteed unsecured Green senior notes issued in December 2021 in the Sterling bond market with a 3.5 per cent coupon maturing in December 2033.

Bank credit facilities include:

- £400 million sustainability linked loan was drawn to \$679 million as at 30 June 2024, with \$98 million maturing in October 2027 and \$581 million maturing in October 2028.
- US\$300 million sustainability linked loan was drawn to \$396 million as at 30 June 2024, with \$66 million maturing in July 2025 and \$330 million maturing in July 2026.
- CNY713 million bank facility maturing in January 2034 was drawn to \$144 million as at 30 June 2024.
- S\$300 million sustainability linked loan maturing in February 2026 was drawn to \$322 million as at 30 June 2024.
- \$800 million sustainability linked loan with Tranche A \$400 million maturing in November 2025, was drawn to \$295 million as at 30 June 2024 and Tranche B \$400 million maturing in November 2026 was drawn to \$175 million as at 30 June 2024.
- €200 million sustainability linked loan was drawn to \$282 million as at 30 June 2024, with \$28 million maturing in July 2027 and \$254 million maturing in July 2028.
- \$600 million sustainability linked loan with Tranche C \$85 million maturing in September 2026, was drawn to \$85 million as at 30 June 2024 and Tranche A \$250 million maturing in September 2025 and Tranche B \$265 million maturing in September 2026 were undrawn as at 30 June 2024.

The Group has an uncommitted facility of \$350 million maturing October 2024 which was undrawn as at 30 June 2024.

The bank overdraft facilities may be drawn at any time and are repayable on demand.

The Group has not defaulted on any obligations in relation to its borrowings and financing arrangements.

Notes to Consolidated Financial Statements continued

Section C. Liquidity and Working Capital continued

16. Borrowings and Financing Arrangements continued

	INTEREST EXPOSURE			CURRENCY						
	Fixed \$m	Floating \$m	Total \$m	A\$ \$m	US\$ \$m	£ \$m	€ \$m	CNY \$m	S\$ \$m	Total \$m
June 2024										
Within one year	9	-	9	-	-	9	-	-	-	9
Between one and five years	1,448	2,234	3,682	1,075	991	679	282	-	655	3,682
More than five years	485	-	485	262	-	79	-	144	-	485
Total	1,942	2,234	4,176	1,337	991	767	282	144	655	4,176
June 2023										
Within one year	19	-	19	-	-	19	-	-	-	19
Between one and five years	1,542	1,145	2,687	745	767	192	328	189	466	2,687
More than five years	575	-	575	337	-	238	-	-	-	575
Total	2,136	1,145	3,281	1,082	767	449	328	189	466	3,281

16.c. Movement in Borrowings and Financing Arrangements	Note	June 2024 \$m	June 2023 \$m
Balance at beginning of financial year	16.a	3,281	2,357
Net proceeds from borrowings		909	902
Effect of foreign exchange rate movements		(34)	80
Other movements		20	(58)
Balance at end of financial year	16.a	4,176	3,281

17. Issued Capital

Accounting Policies

Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are typically classified as treasury shares and are recognised as a deduction from equity.

	LENLEASE CORPORATION LIMITED				LENLEASE TRUST			
	June 2024		June 2023		June 2024		June 2023	
	No. of Shares (m)	\$m	No. of Shares (m)	\$m	No. of Units (m)	\$m	No. of Units (m)	\$m
Issued capital at beginning of financial year, net of prior period share buyback	689	1,894	689	1,891	689	1,539	689	1,538
Distribution Reinvestment Plan (DRP)	1	2	-	3	1	1	-	1
Issued capital at end of financial period	690	1,896	689	1,894	690	1,540	689	1,539

17.a. Issuance of Securities

As at 30 June 2024, the Group had 690 million stapled securities on issue, equivalent to the number of Lendlease Corporation shares and Lendlease Trust (LLT) units on issue as at that date. The issued units of LLT are not owned by the Company and are therefore presented separately in the Consolidated Statement of Financial Position within equity.

17.b. Security Accumulation Plans

The Group's Distribution Reinvestment Plan (DRP) was reactivated in February 2011. The last date for receipt of an election notice for participation in the DRP is 27 August 2024. The issue price is the arithmetic average of the daily volume weighted average price of Lendlease Group stapled securities traded (on the Australian Securities Exchange) for the period of five consecutive business days immediately following the record date, commencing on 27 August 2024, for determining entitlements to distribution. If that price is less than 50 cents, the issue price will be 50 cents. Stapled securities issued under the DRP rank equally with all other stapled securities on issue.

17.c. Terms and Conditions

Issued capital for Lendlease Corporation Limited comprises ordinary shares fully paid. A stapled security represents one share in the Company stapled to one unit in LLT. Stapled securityholders have the right to receive declared dividends from the Company and distributions from LLT and are entitled to one vote per stapled security at securityholders' meetings. Ordinary stapled securityholders rank after all creditors in repayment of capital.

The Group does not have authorised capital or par value in respect of its issued stapled securities.

18. Capital Management

The Group assesses capital management as part of its broader strategic plan. The Group focuses on interrelated financial parameters, including Return on Equity, earnings growth and borrowing capacity. The Group also monitors its gearing ratio, leverage ratio, interest coverage ratio and weighted average cost of debt and maturity profile. These are all taken into account when the Group makes decisions on how to invest its capital and evaluate its existing investments.

The Group's capital includes total equity, borrowings and other interest bearing liabilities. When investing capital, the Group's objective is to deliver strong total securityholder returns and to maintain an investment grade credit rating by maintaining an appropriate financial profile. The Moody's/Fitch long term credit ratings at 30 June 2024 are Baa3/BBB- respectively (June 2023: Baa3/BBB-).

The capital structure of the Group can be changed by equity issuance, paying distributions to securityholders, the Distribution Reinvestment Plan and changing the level of debt. For further information on how the Group allocates and manages capital, refer to details of the Portfolio Management Framework in the Managing and Measuring Value - Financial section and Performance and Outlook section of this Annual Report.

19. Liquidity Risk Exposure

Further information on liquidity risk is disclosed in Note 24 'Financial Risk Management'. As disclosed in Note 27 'Contingent Liabilities', in certain circumstances, the Company guarantees the performance of particular Group entities in respect of their obligations including bonding and bank guarantees. Issued bank guarantees have cash collateralisation requirements if the bank guarantee facility is not renewed by the provider.

At 30 June 2024, the Group does not anticipate a significant liquidity risk in relation to the following financial liabilities. This is due to the Group's strong financial profile, as supported by the significant committed undrawn facilities and low gearing ratio. Refer to Note 14 'Cash and Cash Equivalents' and Note 16 'Borrowings and Financing Arrangements'.

The Group has provided collateral of \$nil (June 2023: \$nil) against letter of credit facilities.

Notes to Consolidated Financial Statements continued

Section C. Liquidity and Working Capital continued

19. Liquidity Risk Exposure continued

The following are the contractual cash flow maturities of financial liabilities including estimated interest payments:

	Note	Carrying Amount \$m	Contractual Cash Flows \$m	Less Than One Year \$m	One to Two Years \$m	Two to Five Years \$m	More Than Five Years \$m
June 2024							
Non Derivative Financial Liabilities							
Trade and other payables ¹	22	4,678	4,957	3,987	728	218	24
Lease liabilities	22	333	352	93	91	154	14
Borrowings and financing arrangements	16.a	4,176	4,579	124	1,394	2,525	536
Total		9,187	9,888	4,204	2,213	2,897	574
Derivative Financial Liabilities							
(Outflow)		-	(1,668)	(1,588)	(24)	(44)	(12)
Inflow		101	1,769	1,619	47	83	20
Total		101	101	31	23	39	8
June 2023							
Non Derivative Financial Liabilities							
Trade and other payables ¹	22	4,996	5,502	3,572	801	1,103	26
Lease liabilities	22	384	425	89	93	220	23
Borrowings and financing arrangements	16.a	3,281	3,746	135	314	2,174	1,123
Total		8,661	9,673	3,796	1,208	3,497	1,172
Derivative Financial Liabilities							
(Outflow)		-	(2,041)	(1,940)	(24)	(58)	(19)
Inflow		140	2,181	1,993	48	109	31
Total		140	140	53	24	51	12

Trade and other payables are presented excluding lease liabilities. The carrying amount of trade and other payables excludes \$983 million of current and \$26 million of non current amounts (June 2023: \$971 million of current and \$628 million of non current) in relation to items where there is no future cash outflow or liquidity risk.

Other contractually committed cash flows the Group is exposed to are detailed in Note 20 'Commitments'.

20. Commitments

	June 2024 \$m	June 2023 \$m
20.a. Capital Expenditure		
At balance date, capital expenditure commitments agreed or contracted but not provided for in the financial statements are as follows:		
Due within one year	-	-
Due between one and five years	-	-
Due later than five years	-	-
Total	-	-
20.b. Investments		
At balance date, capital commitments existing in respect of interests in equity accounted investments and other investments contracted but not provided for in the financial statements are as follows:		
Due within one year	1,864	1,853
Due between one and five years	1,192	1,381
Due later than five years	-	16
Total	3,056	3,250

	June 2024	June 2023
	\$m	\$m
20.c. Investment Properties		
At balance date, capital commitments existing in respect of the purchase, construction or development of investment properties, contracted but not provided for in the financial statements, are as follows:		
Due within one year	80	108
Due between one and five years	81	108
Due later than five years	-	-
Total	161	216

21. Loans and Receivables

Accounting Policies

Loans and receivables, which include **trade and other receivables**, are non derivative financial assets with fixed or determinable payments that are not equity securities. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. **Contract debtors** represent receivables where the right to receive payment from customers remains conditional. Other receivables include receivables related to investment management, property development and miscellaneous items.

Loans and receivables are carried at amortised cost using the effective interest method, which applies the interest rate that discounts estimated future cash receipts over the term of the loans and receivables. Cash flows relating to short term trade and other receivables are not discounted if the effect of discounting is immaterial. The discount, if material, is then recognised as revenue over the remaining term.

The Group assesses provision for impairment of loans and receivables based on expected loss, and books a provision if material. The Group considers reasonable and supportable information that is relevant and available. This includes both quantitative and qualitative information and analysis, based on the Group's historical impairment experience, credit assessment of customers and any relevant forward looking information. The amount of the provision is recognised in the Income Statement.

Retentions receivable on construction contracts represent deposits held by the Group until the satisfaction of conditions specified in the contract are met.

	Note	June 2024	June 2023
		\$m	\$m
Current			
Trade receivables		561	651
Less: Impairment		(34)	(29)
		527	622
Related parties		444	339
Retentions		293	282
Contract debtors	21.a	250	250
Accrued income	21.a	105	114
Other receivables		603	692
Total Current		2,222	2,299
Non Current			
Trade receivables		-	2
Related parties		301	485
Less: Impairment ¹		(66)	(10)
		235	477
Retentions		50	70
Other receivables		163	892
Total non current		448	1,439
Total loans and receivables		2,670	3,738

1. On 27 May 2024 the Group announced a strategy update with key actions to simplify the organisational structure, exit international construction and accelerate the release of capital from its offshore development project and assets. As a result of this strategy update, the recoverability of Development receivables in these regions was reassessed and an impairment charge of \$59 million was recognised for the year.

As at the reporting date, \$428 million of the trade debtors were current (30 June 2023: \$514 million) and \$133 million were past due (30 June 2023: \$137 million). Of the past due amount, \$99 million was not impaired (30 June 2023: \$108 million). 'Past due' is defined under accounting standards to mean any amount outstanding for one or more days after the contractual due date. Of the total trade debtors, 9.4 per cent (30 June 2023: 7.7 per cent) are aged greater than 90 days. Other than trade debtors, no other loans and receivables are considered past due at 30 June 2024 (30 June 2023: \$nil).

Notes to Consolidated Financial Statements continued

Section C. Liquidity and Working Capital continued

21. Loans and Receivables continued

	June 2024 \$m	June 2023 \$m
Provision for Impairment		
Carrying amount at beginning of financial year	39	18
Impairment loss recognised during the year	67	20
Bad debts written off	(2)	-
Other movements (including foreign exchange rate movements)	(4)	1
Carrying amount at end of financial year	100	39
Total impairment as a percentage of total loans and receivables	3.7%	1.0%

The credit quality of all loans and receivables, including those neither past due nor impaired, is assessed and monitored on an ongoing basis. Impairment as noted above was immaterial at 30 June 2024, though in view of prevailing market conditions there exists a heightened level of credit risk associated with counterparties. The impairment provision relates to specific loans and receivables that have been identified as being impaired, including related party loans where the Group's interest in a development was via an equity accounted investment. A substantial portion of the Group's loans and receivables balances are unsecured.

	Note	June 2024 \$m	June 2023 \$m
21.a. Contract Assets			
Current			
Contract debtors ¹		250	250
Construction contract assets ²	11	660	594
Accrued income		105	114
Total contract assets		1,015	958

¹ Movements in contract debtors during the financial year relate primarily to amounts transferred into Trade receivables as the right to receive payment from the customer has become unconditional.

² Movements in construction contract assets during the financial year related primarily to revenue recognised on construction contracts with customers in excess of billings raised during the financial year.

22. Trade and Other Payables

Accounting Policies

Trade Creditors

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group. Trade and other payables are settled in the normal course of business. Trade and other payables are carried at amortised cost using the effective interest method, which applies the interest rate that discounts estimated future cash outflows over the term of the trade and other payables. Cash flows relating to short term trade and other payables are not discounted if the effect of discounting is immaterial. The discount, if material, is then recognised as an expense over the remaining term.

Construction Contract Liabilities

Construction contracts where the total progress billings issued to clients (together with foreseeable losses, if applicable) on a project exceed the revenue recognised (costs incurred to date plus recognised profit) on the contract are recognised as a liability.

Retentions

Retentions are amounts payable for the purpose of security and for the provision of defects in accordance with contract terms. Release of retention amounts are in accordance with contractual terms.

Unearned Income

Primarily relates to unearned income and deposits received in advance on presold apartments. These amounts will be recognised as income in line with the 'Sale of development properties' accounting policy in Note 4 'Revenue from Contracts with Customers'.

Lease Liabilities

Lease liabilities are measured at the present value of the lease payments discounted using the interest rate implicit in the lease. The Group uses its incremental borrowing rate as the discount rate.

	Note	June 2024 \$m	June 2023 \$m
Current			
Trade and accrued creditors		2,436	2,616
Construction contract liabilities	22.a	997	1,148
Related parties		108	145
Retentions		344	379
Deferred land payments		38	16
Unearned income	22.a	125	85
Lease liabilities		85	79
Other payables - PLLACes ¹		612	-
Other		124	178
Total current		4,869	4,646
Non Current			
Trade and accrued creditors		-	306
Retentions		53	74
Deferred land payments		353	337
Unearned income	22.a	26	66
Lease liabilities		248	305
Other payables - PLLACes ¹		-	562
Other		471	683
Total non current		1,151	2,333
Total trade and other payables		6,020	6,979

1. PLLACes transactions involve selling the presold apartment cash flows for a specific development project to a third party for cash consideration. This amount relates to \$498 million (June 2023: \$457 million non current) and \$114 million (June 2023: \$105 million non current) of proceeds received from PLLACes transactions for One Sydney Harbour R2 Trust and One Sydney Harbour R3 project, respectively. Refer to Note 4 'Revenue from Contracts with Customers' for further detail.

As at 30 June 2024, the Group recognised right-of-use assets of \$123 million (30 June 2023: \$161 million) within Property, Plant and Equipment.

	June 2024 \$m	June 2023 \$m
22.a. Contract Liabilities		
Current		
Unearned income ¹	125	85
Construction contract liabilities ²	997	1,148
Total current	1,122	1,233
Non Current		
Unearned income ¹	26	66
Total non current	26	66
Total contract liabilities	1,148	1,299

1. Movements in Unearned income relates primarily to residential presales settled during the financial year and deposits received for development properties.

2. Movements in Construction contract liabilities relate primarily to revenue recognised during the period in excess of billings raised on construction contracts with customers. This balance also contains provisions previously incurred on retained Engineering projects that are in progress.

During the year, the Group recognised \$894 million in revenue from contracts that held a contract liability balance at the beginning of the financial year. The total transaction price relating to the Group's Unearned income on the Group's development contracts at June 2024 is \$395 million relating primarily to various UK and Australian projects. The difference between the Unearned income amount noted in the table above and this amount primarily relates to the remaining development value of apartments versus the deposit amount received. Revenue from these contracts is expected to be realised as control over each asset is transferred to the customer.

The total transaction price allocated to unsatisfied performance obligations on the Group's construction contracts as at June 2024 is \$10.8 billion. This includes new work secured during the financial year. Of the total construction backlog, 62 per cent is expected to be realised within the next 12 months to June 2025 (June 2023: 55 per cent to June 2024), 26 per cent to June 2026 (June 2023: 30 per cent to June 2025) and the remaining 12 per cent realised post June 2026 (June 2023: 15 per cent post June 2025).

Notes to Consolidated Financial Statements continued

Section C. Liquidity and Working Capital continued

23. Provisions

Accounting Policies

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Management considers this is an area of estimation uncertainty as these calculations involve a number of key assumptions including the expected future cash outflow and the timing of the outflow to determine the provision.

Employee Benefits

Includes amounts for employee annual leave and long service leave entitlements.

Development Projects

Includes amounts for costs to close out development projects, including defects and residual guarantees. The timing of any expected outflows of economic benefits is dependent on market factors, such as lease up rates in specific markets, and negotiations with customers.

Construction Projects

Includes amounts for claims and litigation related to legacy construction projects. The timing of any expected outflows of economic benefits is dependent on the progression of negotiations and litigation with claimants, which are ongoing at period end.

UK Building Remediation

Includes the provision in relation to UK building remediation. Refer to below for further detail.

Other

Includes amounts related to various litigation and commercial matters and amounts recognised in relation to the strategy update announced in May 2024.

	Employee Benefits	Development Projects	Construction Projects	UK Building Remediation	Other ¹	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Balance as at 1 July 2023	166	115	370	319	64	1,034
Provisions made during the year	42	12	195	54	141	444
Provisions used during the year	(59)	(43)	(86)	(8)	(21)	(217)
Provisions reversed during the year	(2)	(5)	(59)	-	(4)	(70)
Balance as at 30 June 2024	147	79	420	365	180	1,191
Current provisions	129	46	398	138	180	891
Non current provisions	18	33	22	227	-	300
Total provisions	147	79	420	365	180	1,191

1. Provisions made during the year include impacts of the strategy update announced on 27 May 2024.

Provision in relation to UK building remediation

The UK Government has enacted a number of retrospective legislative changes and additional measures to address building safety risks concerning residential buildings with a height of 11 metres and above. As part of this action, the defect liabilities period has been extended from 6 to 30 years, and there have been updates to building safety regulations for completed residential buildings.

So as not to be subject to significant trade restrictions, consistent with other UK developers, Lendlease entered into a contract with the UK Government on 22 March 2023, committing to remediate building safety risks consistent with these legislative changes.

Lendlease has established a dedicated team undertaking the work to address the issues raised on various buildings. Lendlease believes that the liability currently relates to 60 buildings (June 2023: 59 buildings), most of which were developed by Crosby, a company that Lendlease acquired in 2005 to enter the residential development market in the UK. Notably, many of these buildings were completed or had commenced construction prior to Lendlease's acquisition. Lendlease no longer owns any of these buildings.

It is noted that each building completed by a Lendlease entity was certified as complying with applicable building regulations at the time of its completion.

At 30 June 2024, Lendlease holds a provision of \$365 million (June 2023: \$319 million) in respect of this matter. Movements in the provision during the year relate to changes in cost estimates, changes in discount rate, the unwinding of discount due to the passage of

time, and the impacts of foreign exchange rate movements. During the year a settlement was reached with a third-party contractor for the recovery of costs in relation to a number of buildings included in the provision. The settlement payment in relation to these buildings was received in June 2024. The income statement presents the settlement net against the increase in the provision estimate during the year, discounting unwind and the administrative costs of managing the remediation program.

The cash expenditure by Lendlease is expected to be spread over a period of at least six and a half years from 30 June 2024. On-going expenses in relation to this matter have been excluded from Core Operating Profit given it is a consequence of retrospective government action, which could not reasonably have been expected from normal operations.

We have included in the provision amounts for buildings where we have cost estimates provided by third parties or building owners. There are a number of other buildings for which we do not have documentation and are not able to establish whether remediation work is required. There continue to be both risks and opportunities to the provision that has been estimated. Key risks include the addition of new buildings or new information in relation to already identified buildings, as well as the rising costs in the local market. Key opportunities include the potential for bulk procurement, re-interrogating scope on tender pricing, and assessing various options in the delivery model.

The provision does not include any further recoveries anticipated from third parties, including insurances and supply chain. Lendlease is actively working to maximise third party recoveries however expects this process will be over an extended period of time.

Determining the liability position for this matter and any estimate is a complex process requiring significant judgement with respect to whether there is an obligating event and the quantum of any liability. The estimate of any potential liability is based on incomplete information and will be updated as work and time progresses. Lendlease will continue to engage with building owners and the UK Government on these industry wide actions and assess additional relevant information on an ongoing basis.

Notes to Consolidated Financial Statements continued

Section D. Risk Management

The Group's activities expose it to a variety of financial risks. The Group's overall financial risk management strategy focuses on the unpredictability of financial markets and seeks to minimise adverse effects on the Group's performance. Treasury policies have been approved by the Board for managing this risk. This section contains disclosures of financial risks the Group is exposed to and how the Group manages these risks. The impact of contingent liabilities is also considered in this section.

24. Financial Risk Management

The Group operates across numerous jurisdictions and markets. The Lendlease Asset and Liability Committee oversees the management of the Group's treasury risks, within the parameters of a Board approved Treasury Policy, and maintains a Group wide framework for financial risk management and reviews issues of material risk exposure within the scope of the Treasury Policy. A summary of key risks identified, exposures and management of exposures is detailed in the table below:

Risks Identified	Definition	Exposures	Management of Exposures
Foreign Currency	The risk in local currency terms that the value of a financial commitment or a recognised asset or liability will fluctuate due to changes in foreign currency exchange rates	<ul style="list-style-type: none"> Foreign currency earnings Net investments in foreign operations Transactions settled in foreign currency Further information on exposures is detailed in Note 24a 'Foreign Currency Risk Exposure' 	<ul style="list-style-type: none"> Physical financial instruments, including natural hedges from matching foreign assets and liabilities Derivative financial instruments, mainly foreign exchange contracts Contracting out Speculative trading is not permitted
Credit	The risk that a counterparty will not be able to meet its obligations in respect of a financial instrument, resulting in a financial loss to the Group	<ul style="list-style-type: none"> Recoverability of loans and receivables Recoverability of other financial assets and cash deposits Further information on exposures is detailed in Note 24b 'Credit Risk Exposure' 	<ul style="list-style-type: none"> Policies in place so that customers and suppliers are appropriately credit assessed Treasury Policy sets out credit limits for each counterparty based on minimum investment grade ratings
Liquidity	The risk of having insufficient funds to settle financial liabilities as and when they fall due	<ul style="list-style-type: none"> Insufficient levels of committed credit facilities Settlement of financial liabilities Further information on exposures is detailed in Note 19 'Liquidity Risk Exposure' 	<ul style="list-style-type: none"> Maintaining sufficient levels of cash and committed credit facilities to meet financial commitments and working capital requirements Managing to funding portfolio benchmarks as outlined in the Treasury Policy Timely review and renewal of credit facilities
Interest Rate	The risk that the value of a financial instrument or cash flow associated with the instrument will fluctuate due to changes in market interest rates	<ul style="list-style-type: none"> Financial assets, mainly cash at bank Financial liabilities, mainly borrowings and financing arrangements Further information on exposures is detailed in Note 24c 'Interest Rate Risk Exposure' 	<ul style="list-style-type: none"> Physical financial instruments Derivative financial instruments, mainly interest rate swaps Managing to hedging limits in respect of recourse funding as outlined in the Treasury Policy Speculative trading is not permitted
Equity Price	The risk that the fair value of either a traded or non traded equity investment, derivative equity instrument, or a portfolio of such financial instruments, increases or decreases in the future	<ul style="list-style-type: none"> All traded and/or non traded financial instruments measured at fair value 	<ul style="list-style-type: none"> Material investments within the portfolio are managed on an individual basis. The Group's portfolio is monitored closely as part of capital recycling initiatives

24.a. Foreign Currency Risk Exposure

The net asset exposure by currency is detailed below.

	A\$m	US\$m	£m	S\$m	€m	CNYm	MYRm	Other m ¹
June 2024								
Net asset exposure (local currency)	1,298	559	298	834	157	980	2,363	48
June 2023								
Net asset exposure (local currency)	1,842	1,008	803	662	115	638	2,096	23

1. Other currency is translated and disclosed in AUD.

Sensitivity Analysis

The sensitivity analysis of the Group's Australian dollar denominated Income Statement and Statement of Financial Position to foreign currency movements is based on a 10 per cent fluctuation (June 2023: 10% fluctuation) on the average rates during the financial year and the spot rate at balance date respectively. This analysis assumes that all other variables, in particular interest rates, remain constant, and exclude the effects of the foreign exchange contracts.

A 10 per cent movement in the average foreign exchange rates would have impacted the Group's Loss after tax as follows:

	10% WEAKENING LEADS TO INCREASE/ (DECREASE) IN PROFIT AFTER TAX		10% STRENGTHENING LEADS TO INCREASE/ (DECREASE) IN PROFIT AFTER TAX	
	June 2024	June 2023	June 2024	June 2023
	\$m	\$m	\$m	\$m
USD	(72)	(4)	58	4
GBP	(59)	(32)	48	32
SGD	5	7	(3)	(6)
EUR	(6)	1	6	(2)
CNY	(2)	(2)	2	2
MYR	9	5	(7)	(4)
	(125)	(25)	104	26

A 10 per cent movement in the foreign exchange spot rates at balance date would have impacted the Group's net assets as follows:

	10% WEAKENING LEADS TO INCREASE/ (DECREASE) IN NET ASSETS		10% STRENGTHENING LEADS TO INCREASE/ (DECREASE) IN NET ASSETS	
	June 2024	June 2023	June 2024	June 2023
	\$m	\$m	\$m	\$m
USD	97	175	(80)	(143)
GBP	58	164	(49)	(136)
SGD	103	81	(85)	(67)
EUR	27	21	(22)	(16)
CNY	22	15	(18)	(12)
MYR	82	75	(69)	(61)
	389	531	(323)	(435)

Notes to Consolidated Financial Statements continued

Section D. Risk Management continued

24. Financial Risk Management continued

24.b. Credit Risk Exposure

- The maximum exposure to credit risk at balance date on financial instruments recognised in the Statement of Financial Position (excluding investments of the Group) equals the carrying amount, net of any impairment
- The Group is not exposed to any significant concentrations of credit risk on either a geographic or industry specific basis
- Credit risk on financial instruments is managed under a Board approved credit policy that determines acceptable counterparties. Derivative counterparties and cash deposits are limited to recognised financial intermediaries with a minimum investment grade credit rating as determined by a recognised rating agency
- Refer to Note 21 'Loans and Receivables' for information relating to impairment on loans and receivables
- In certain circumstances, the Group will hold either financial or non financial assets as collateral to further mitigate the potential credit risk on selected transactions. During the current and prior year, the Group did not hold financial or non financial assets as collateral. At any point in time, the Group will hold other collateral such as bank guarantees and performance bonds to mitigate potential credit risk as a result of default by a counterparty or otherwise.

24.c. Interest Rate Risk Exposure

The Group's exposure to interest rate risk on its financial assets and liabilities is set out as follows:

	CARRYING AMOUNT	
	June 2024 \$m	June 2023 \$m
Fixed Rate		
Financial assets	200	201
Financial liabilities	(2,129)	(2,375)
	(1,929)	(2,174)
Variable Rate		
Financial assets	361	783
Financial liabilities	(2,551)	(2,544)
	(2,190)	(1,761)

Sensitivity Analysis

At 30 June 2024, it is estimated that an increase of one percentage point in interest rates would have decreased the Group's Profit after tax by \$15 million (June 2023: \$2 million decrease in the Group's Profit after tax). A one percentage point decrease in interest rates would have increased the Group's Profit after tax by \$15 million (June 2023: \$2 million increase in the Group's Profit after tax). The increase or decrease in interest income/(expense) is proportional to the increase or decrease in interest rates. Interest rate derivatives have been included in this calculation.

25. Hedging

Accounting Policies

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operating, financing and investing activities. Derivative financial instruments are recognised initially at fair value on the date a derivative contract is entered into and subsequently remeasured at fair value. Hedge accounting recognises the offsetting effects on profit or loss of changes in the fair value of the derivative financial instruments and the hedged item. The accounting for hedges that meet the criteria for hedge accounting are classified as either fair value hedges, cash flow hedges or investment hedges.

The Group has minimal hedges designated at fair value. The Group primarily uses forward foreign exchange contracts as cash flow hedges for highly probable sale, purchase and dividend transactions. The Group also uses forward foreign exchange contracts to hedge cross border intercompany loans and transactions which mainly net off in the Income Statement. Interest rate swaps and interest rate options are used to manage the Group's exposure to interest rates arising from borrowings. These are primarily treated as cash flow hedges and are mainly on borrowings within equity accounted investments.

The Group has foreign exchange derivative contracts primarily held in GBP, USD, EUR and SGD at reporting date to hedge specific foreign currency exposures. The total gross payable exposure is \$438 million (June 2023: payable \$1,595 million).

There are 4 foreign currency contracts that will mature in more than one year (June 2023: 12 foreign currency contracts).

26. Fair Value Measurement

Accounting Policies

The accounting policies for financial instruments held at fair value are included in Note 13 'Other Financial Assets' and Note 25 'Hedging'.

Management considers the valuation of assets at fair value including financial instruments to be an area of estimation uncertainty. While this represents the best estimation of fair value at the reporting date, the fair values may differ if there is volatility in market prices or foreign exchange rates in future periods.

All financial instruments recognised in the Statement of Financial Position, including those instruments carried at amortised cost, are recognised at amounts that represent a reasonable approximation of fair value, with the exception of the following borrowings:

	Note	June 2024		June 2023	
		Carrying Amount \$m	Fair Value \$m	Carrying Amount \$m	Fair Value \$m
Liabilities					
Current					
Commercial notes	16.a	-	-	-	-
Non Current					
Commercial notes	16.a	1,789	1,737	1,928	1,780

The fair value of commercial notes has been calculated by discounting the expected future cash flows by the appropriate government bond rates and credit margin applicable to the relevant term of the commercial note.

26.a. Basis of Determining Fair Value

The determination of fair values of financial assets and liabilities that are measured at fair value are summarised as follows:

- The fair value of unlisted equity investments, including investments in property funds, is determined based on an assessment of the underlying unadjusted net assets values, which may include periodic independent and Directors' valuations, future maintainable earnings and any special circumstances pertaining to the particular investment. Fair value of unlisted equity investments has also taken the economic conditions into consideration to determine fair value at 30 June 2024. This included valuations of underlying investment properties at balance date
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted valuation techniques; these include the use of recent arm's length transactions, reference to other assets that are substantially the same, and discounted cash flow analysis
- The fair value of derivative instruments comprises forward foreign exchange contracts, which are valued using forward rates at balance date, and interest rate swap contracts, which are measured at the present value of future cash flows estimated and discounted based on applicable yield curves derived from quoted interest rates and include consideration of counterparty risk adjustments.

26.b. Fair Value Measurements

The different levels for valuation method have been defined as follows:

- Level 1: The fair value is determined using the unadjusted quoted price for an identical asset or liability in an active market for identical assets or liabilities
- Level 2: The fair value is calculated using predominantly observable market data other than unadjusted quoted prices for an identical asset or liability
- Level 3: The fair value is calculated using inputs that are not based on observable market data.

All commercial notes were measured at Level 3 for the periods presented in this Consolidated Financial Statements.

During the financial year, there were no material transfers between Level 1, Level 2 and Level 3 fair value hierarchies.

Notes to Consolidated Financial Statements continued

Section D. Risk Management continued

27. Contingent Liabilities

The Group has the following contingent liabilities, being liabilities in respect of which there is the potential for a cash outflow in excess of any provision where the likelihood of payment is not considered probable or cannot be measured reliably at this time:

- There are a number of legal claims and exposures that arise from the normal course of the Group's business. Such claims and exposures largely arise in respect of claims for defects (including under both contract and legislation), claims for breach of performance obligations or breach of warranty or claims under indemnities. In some claims:
 - There is uncertainty as to whether a legal obligation exists;
 - There is uncertainty as to whether a future cash outflow will arise in respect to these items; and/or
 - It is not possible to quantify the potential exposure with sufficient reliability.

This particularly applies in larger more complex projects, in claims involving a number of parties or in claims made a number of years after completion of a project or the occurrence of the relevant event.

Where it is probable there will be liabilities from such claims and the potential exposure can be quantified with sufficient reliability, a provision has been made for anticipated losses arising from such claims.

- In certain circumstances, the Company guarantees the performance of particular Group entities in respect of their obligations. This includes bonding and bank guarantee facilities used primarily by the Construction business as well as performance guarantees for certain of the Company's subsidiaries.

Securities Class Action

Lendlease Corporation Limited and Lendlease Responsible Entity Limited (together the Lendlease Group) were served with a shareholder class action proceeding filed in the Supreme Court of New South Wales on 18 April 2019 by David William Pallas and Julie Ann Pallas as trustees for the Pallas Family Superannuation Fund, represented by Maurice Blackburn. On 7 August 2019, Lendlease Group was served with a shareholder class action proceeding filed in the Supreme Court of New South Wales on 6 August 2019 by Martin John Fletcher, represented by Phi Finney McDonald. On 21 November 2019 the Supreme Court ordered consolidation of the two class actions into a single proceeding. The consolidated proceeding alleges that Lendlease was in breach of its continuous disclosure obligations under the Corporations Act 2001 and made representations about its Engineering and Services business that were misleading or deceptive or likely to mislead or deceive. It is currently not possible to determine the ultimate impact of these claims, if any, on Lendlease Group. Lendlease Group denies the allegations and intends to vigorously defend this proceeding.

Retirement Living Tax Matter

The Group was subject to an Australian Tax Office (ATO) audit of the partial sale of its Retirement Living business in the 2018 year. Prior to the commencement of the audit and submitting its 2018 tax return the Group proactively contacted the ATO to review the tax treatment applied to the partial sale and also obtained independent advice. The ATO previously provided written undertakings that no interest or penalties would be applied to the 2018 financial year tax return.

During the current reporting period the ATO issued the Group with a statement of audit position and an amended income tax assessment relating to the audit of the 2018 return. The amended assessment for 2018 is for \$112.1 million comprising:

- \$62.4 million capital gains tax arising from the exit of the Retirement Living trust from the Lendlease tax consolidated group which was a one-off event that only applies to the 2018 transaction;
- \$25.2 million additional tax from the sale of 25% of the units in the joint venture trust; and
- \$24.5 million of interest.

The ATO has the ability to levy penalties and interest where tax that should be paid has not been paid. The amended assessment did not include any penalties, however the ATO invited Lendlease to make a submission on penalties and interest. The Group has formally objected to the amended assessment and lodged a submission on penalties and interest based on the ATO's previous written undertakings. The ATO has yet to advise its decision on the objection to the amended assessment and the remission of interest and imposition of penalties. On 9 August 2024, the Group made a payment of \$44 million to the ATO, representing 50% of the shortfall tax currently under dispute to reduce further interest accruing. This amount will be refundable if the Group is ultimately successful with the dispute.

Since the partial sale of the Retirement Living business in 2018, Lendlease has sold down two further tranches of the units in the joint venture trust in the 2021 and 2022 financial years, totalling 50%. Based on the ATO's position for the 2018 income year, additional tax of approximately \$50 million could arise in relation to these subsequent sales. The Group has voluntarily disclosed this to the ATO, however the ATO are yet to issue amended assessments. It is estimated there could be an additional financial impact of up to \$8 million in relation to interest, absent any remission of that interest by the ATO. The Group will dispute any amended assessments issued in respect of the subsequent sales.

The Group also retains a 25% interest in the Retirement Living joint venture trust. Should the ATO apply the same treatment to any future gain on sale of this investment, we estimate this may give rise to additional tax of approximately \$25 million.

If the objection is not accepted by the ATO, the timing of resolution of any subsequent dispute cannot be determined.

The Group has received independent legal advice in respect of its position. The Group believes its tax treatment of the partial sale of the Retirement Living business is in accordance with the law and consistent with the ATO's 2002 tax ruling on the taxation of the retirement living industry. The Group lodged its 2018 tax return on that basis and believe that it will be successful in its position. On that basis it is probable that no additional taxes, interest or penalties in respect of these matters will be paid to the ATO. The Group intends to vigorously defend its position in relation to that return and subsequent returns which are impacted by the issue and to contest the matter through litigation, should its objection to the ATO be unsuccessful.

Section E. Basis of Consolidation

This section provides information on how the Group structure affects the financial position and performance of the Group as a whole. The disclosures detail the types of entities and transactions included in the consolidation and those excluded.

28. Consolidated Entities

Accounting Policies

The Group consolidation comprises all subsidiaries controlled by the Company. Control exists when the Company:

- Has the power to direct the relevant activities such as key operating, financial and investing decisions
- Has exposure or rights to variable returns from its involvement with the investee such as dividends, loans and fees
- Has the ability to use its power over the investee to affect the amount of returns.

In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. Management uses accounting judgement in determining whether the Group controls an entity by applying the above control criteria and reviewing the substance of its relationship with the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies with adjustments made to bring into line any dissimilar accounting policies that may exist.

External non controlling interests are allocated their share of total comprehensive income and are presented within equity in the consolidated Statement of Financial Position, separately from the equity of securityholders.

The material consolidated entities of the Group listed below were wholly owned during the current and prior year. Refer to the following section for details on the disposal of entities.

Parent Entity

Lendlease Corporation Limited

Australia

Capella Capital Lendlease Pty Limited

Capella Capital Partnership

Lendlease Construction Pty Limited

Lendlease Construction (Southern) Pty Limited

Lendlease Communities (Australia) Limited

Lendlease Development Pty Limited

Lendlease Finance Limited

Lendlease Infrastructure Investments Pty Limited

Lendlease International Pty Limited

Lendlease Real Estate Investments Limited

Lendlease Responsible Entity Limited

Lendlease Trust¹

Europe

Lendlease Construction (Europe) Limited

Lendlease Construction Holdings (Europe) Limited

Lendlease Europe Finance plc

Asia

Lendlease Japan Inc.

Lendlease Singapore Pte. Limited

Americas

Lendlease (US) Capital Inc.

Lendlease (US) Construction Inc.

Lendlease (US) Construction LMB Inc.

Lendlease (US) Public Partnerships LLC

Lendlease (US) Public Partnerships Holdings LLC

Lendlease Development Inc.

1. Lendlease Trust is a consolidated entity of the Group as the parent entity is deemed to control it. The parent entity has no ownership interest in Lendlease Trust.

During the current and prior year, there were no **acquisitions** of material consolidated entities.

Notes to Consolidated Financial Statements continued

Section E. Basis of Consolidation continued

28. Consolidated Entities continued

During the current year, there were no disposals of material consolidated entities. In prior year, the following material consolidated entity was disposed:

June 2023	Ownership Interest Disposed %	Date Disposed	Consideration Received/Receivable \$m
AHFH Managing Member LLC	100.0	9 August 2022	93

29. Employee Benefit Vehicles

The Company sponsors a number of employee benefit vehicles, including employee security plans and employee security ownership vehicles. These vehicles, while not legally controlled, are currently required to be consolidated for accounting purposes.

29.a. Employee Security Plans

As at 30 June 2024, employees own approximately 0.9 per cent (June 2023: 0.9 per cent) of the issued capital of the Group through various active Lendlease employee security plans and ownership vehicles, details of which are outlined below:

- Australia: Employee Share Acquisition Plan (ESAP): ESAP was established in December 1988 for the purpose of employees acquiring securities in the Group and is funded by Lendlease subscriptions, and employee salary sacrifice contributions
- Americas: US Rabbi Trust (Rabbi Trust) was established in 2004 and updated in 2005 for the acceptance of employee profit share contributions used to acquire Group securities for US based employees. This part of the plan is not currently accepting new contributions
- Employee Share Acquisition Plan (STI) (ESAP STI): ESAP STI was established in July 2014 for the purpose of acquiring and allocating securities granted as the deferred component of Short Term Incentive (STI) awards, which are funded by Lendlease subscriptions. Securities are currently allocated to employees across Australia, Singapore, Malaysia, the United Kingdom and the United States.

Eligibility

The eligibility rules for each plan are determined by reference to the regulatory, legal and tax rules of each country in which the Group operates.

Distributions and/or Voting Rights

Generally, employees in the various operating security plans are entitled to distributions and voting rights for allocated securities. The plans reflect this intention subject to regulatory, legal and tax constraints. The trustee may exercise these rights in accordance with any fiduciary or governance rules pertaining to the deed or trust laws in the legal and tax jurisdiction within which the trust operates.

29.b. Employee Security Ownership Vehicles

In addition to the plans discussed above, Lendlease has an employee security ownership vehicle, Lendlease Retirement Benefit Fund (RBF):

- RBF was established in 1984 with shareholder approval for the benefit of employees. RBF holds Lendlease securities. The Lendlease securities in RBF are not available for allocation to employees other than in the event of a change of control of the Group and, in accordance with RBF's trust deed, the capital of the trust is not available to the Group. The RBF trustee has discretion as to the distribution of the RBF funds. In 1992, a deed poll was executed which allows for the distribution of the income of RBF to the Company to fund employee benefit activities through the Lendlease Foundation. As a result of changes to the constitution and governance structure of the RBF trustee on 22 June 2017, Lendlease currently does not have control of RBF and therefore RBF is currently not required to be consolidated for accounting purposes
- The income distributed by RBF to the Company is used to provide non financial services to employees and the community.
- The RBF arrangement is subject to periodic review to assess its ongoing role and operation.

30. Parent Entity Disclosures

The following summarises the financial information of the Group's parent entity, Lendlease Corporation Limited (the Company), as at and for the financial year ended 30 June 2024.

	COMPANY	
	June 2024	June 2023
	\$m	\$m
Results		
(Loss)/profit after tax	(1,068)	192
Other comprehensive income after tax	-	-
Total comprehensive (loss)/income after tax	(1,068)	192
Financial Position		
Current assets	664	2,150
Non current assets	3,054	2,904
Total assets	3,718	5,054
Current liabilities	1,109	1,256
Non current liabilities	70	-
Total liabilities	1,179	1,256
Net assets	2,539	3,798
Issued capital	1,896	1,894
Treasury securities	(67)	(67)
Equity compensation reserve	109	222
Capital reserve	105	-
Retained earnings	496	1,749
Total equity	2,539	3,798

In respect of the contingent liabilities of the Group disclosed in Note 27 'Contingent Liabilities', the Company participates in the provision of guarantees to Group entities.

31. Related Party Information

31.a. Consolidated Entities

Intragroup balances and transactions, and any unrealised gains or losses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Investments in subsidiaries are carried at their cost of acquisition less impairments in the Company's financial statements.

Lendlease Corporation Limited provides financing and treasury services, which includes working capital facilities and long term financing to certain subsidiaries. Interest is earned or incurred only on long term loans provided to or drawn with subsidiaries based on project specific risks and returns. Outstanding balances arising from working capital facilities and long term financing are typically unsecured and repayable on demand.

In addition, guarantees are provided to particular Group entities in respect of their obligations. These include bonding and bank guarantee facilities used primarily by the Construction business as well as performance guarantees for certain Development business commercial built form developments. Guarantee fees are charged under normal terms and conditions.

The following represents the transactions that occurred during the financial year and the balances outstanding at year end between Lendlease Corporation Limited and its consolidated entities:

	COMPANY	
	June 2024	June 2023
	\$000s	\$000s
Transactions		
Guarantee fees	24,253	28,130
Dividend income	194,309	158,740
Interest income	4,841	9,889
Interest expense	68,121	45,434
Outstanding Balances (Net of Provisions Raised)		
Receivables	595,304	1,925,210
Payables	821,236	1,172,590

Notes to Consolidated Financial Statements continued

Section E. Basis of Consolidation continued

31. Related Party Information continued

Transactions that occurred during the financial year between entities in the Lendlease Group included:

- Provision of project management, design services, construction management services to development projects
- Provision of development management services
- Provision of investment management services
- Provision of payroll, transaction and management services
- Receipt and payment of superannuation contributions
- Reimbursement of expenses made on behalf of subsidiaries
- Loan advances and repayments between subsidiaries
- Premium payments and receipts for the Group's insurance policies
- Dividends received or due and receivable from subsidiaries.

31.b. Associates and Joint Ventures

Interests held in associates and joint ventures by the Group are set out in Note 12 'Equity Accounted Investments'.

Transactions between the Group and its associates and joint ventures principally relate to:

- Investments: provision of property and infrastructure investment management, property management and asset management services
- Development: development management services, infrastructure bid and advisory services and the sale and purchase of development properties with Lendlease managed funds
- Construction: provision of project management, building and construction services.

There were \$nil non interest bearing loans provided to joint ventures at 30 June 2024 (June 2023: \$nil).

Except as noted above, transactions and outstanding balances are typically on normal terms and conditions.

Revenue earned by the Group during the financial year as a result of transactions with its associates and joint ventures is as follows:

	June 2024	June 2023
	\$000s	\$000s
Revenue		
Associates	43,123	42,783
Joint ventures	1,138,398	1,237,258
Total	1,181,521	1,280,041

Other transactions and outstanding balances with associates, joint ventures and other related parties have been disclosed in Note 4 'Revenue from Contracts with Customers', Note 6 'Other Income', Note 7 'Other Expenses', Note 8 'Finance Revenue and Finance Costs', Note 12 'Equity Accounted Investments', Note 13 'Other Financial Assets', Note 21 'Loans and Receivables' and Note 22 'Trade and Other Payables'. Transactions with joint operations are included in the consolidated Income Statement and Statement of Financial Position.

31.c. Key Management Personnel

The key management personnel compensation is as follows:

	June 2024	June 2023
	\$000s	\$000s
Short term employee benefits	9,448	13,493
Post employment benefits	126	312
Security based payments	2,998	11,308
Termination benefits	743	-
Other long term benefits	80	628
Total	13,395	25,741

Information regarding Directors' and senior executives' remuneration is provided in the Remuneration Report within the Directors' Report.

Section F. Other Notes

32. Intangible Assets

Accounting Policies

Goodwill represents the excess of the purchase price over the fair value of the Group's share of the net identifiable assets and contingent liabilities of the acquired business at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets as goodwill. Goodwill on acquisition of associates is included in the carrying value of investments in associates.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is not amortised. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purposes of impairment testing, goodwill is allocated to cash generating units (CGUs) (or groups of CGUs) that are expected to benefit from the business combination in which the goodwill arose. CGUs are an identifiable group of assets that generate cash associated with the goodwill. Management considers this is an area of estimation uncertainty as these calculations involve an estimation of the recoverable amount of the CGU to which the goodwill is allocated. The Australian Construction CGU applies the value in use basis, and the Europe, Americas and Asia Construction CGUs use the fair value less costs of disposal basis. Both approaches require the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the recoverable amounts.

Management agreements and other intangible assets acquired by the Group are stated at cost less accumulated amortisation and impairment losses (see Note 7 'Other Expenses'). Amortisation is charged to the Income Statement on a straight line basis over the estimated useful lives of the intangible assets, ranging from three to 20 years.

	Note	June 2024 \$m	June 2023 \$m
Goodwill	32.a	573	1,085
Management agreements		15	16
Other intangibles ¹		104	135
Total intangible assets		692	1,236

1. On 27 May 2024 the Group announced a strategy update with key actions to simplify the organisational structure, exit international construction and accelerate the release of capital from its offshore development project and assets. As a result of this strategy update and the impact to the Digital products, the recoverable amount of the Digital assets was reassessed and an impairment charge \$16 million was recognised in Corporate Activities. At 30 June 2024, the remaining Digital assets was \$55 million (30 June 2023: \$51 million).

32.a. Goodwill

	Note	June 2024 \$m	June 2023 \$m
Development		-	34
Construction		573	1,051
Total goodwill		573	1,085
Reconciliations of the carrying amounts for each category of goodwill are as follows:			
Development			
Carrying amount at beginning of financial year		34	33
Impairment of goodwill ¹		(34)	-
Effect of foreign exchange rate movements		-	1
Carrying amount at end of financial year		-	34
Construction			
Carrying amount at beginning of financial year		1,051	1,023
Impairment of goodwill ¹		(479)	-
Other movement		(2)	-
Effect of foreign exchange rate/other movements		3	28
Carrying amount at end of financial year	32.b	573	1,051

1. On 27 May 2024 the Group announced a strategy update with key actions to simplify the organisational structure, exit international construction and accelerate the release of capital from its offshore development project and assets. As a result of this strategy update, the recoverable amount of the Construction and Development CGUs was reassessed to its fair value less costs of disposal and an impairment charge was recognised against the goodwill balance attributable to the Americas, Asia and Europe regions, writing the balance off in full.

Notes to Consolidated Financial Statements continued

Section F. Other Notes continued

32. Intangible Assets continued

32.b. Goodwill Allocation

Goodwill relating to the Construction business is allocated to CGUs identified as set out below.

	June 2024	June 2023
	\$m	\$m
Construction		
Australia	573	573
Europe	-	260
Americas	-	210
Asia	-	8
Total construction goodwill	573	1,051

32.c. Impairment Tests and Key Assumptions Used – Construction

The recoverable amount of the Construction CGUs is determined based on value in use (VIU) calculations for Australia CGU, and fair value less costs of disposal (FVLCD) for the Americas, Asia and Europe CGUs. For all the Construction CGUs, the assumptions used for determining the recoverable amount of each CGU are based on past experience and expectations for the future, utilising both internal and external sources of data and relevant industry trends.

Australia Construction - VIU

No impairment arose as a result of the review of goodwill for the Australia Construction CGU for the financial year ended 30 June 2024. Based on information available and market conditions at 30 June 2024, a reasonably foreseeable change in the assumptions made in this assessment would not result in impairment of the Australia Construction goodwill. The foreseeable change in the assumptions took the economic conditions into consideration.

The following describes the key assumptions on which management has based its cash flow projections when determining VIU relating to the Australia Construction CGU:

- **Cash Flows**

The VIU calculations use pre tax cash flow projections based on actual operating results, and financial forecasts covering a five year period which have been approved by management. These forecasts are based on management estimates to determine income, expenses, capital expenditure and cash flows for the CGU.

- **Growth Rate**

The terminal value growth rate used in the VIU calculations to extrapolate the cash flows beyond the five year period is 3.0 per cent (June 2023: 3.0 per cent). The growth rate reflects the forecast long term average growth rate for the Australia Construction CGU.

- **Discount Rate**

The discount rate applied to the cash flow projections was 13.8 per cent (June 2023: 11.8 per cent). The Group's weighted average cost of capital is used as a starting point for determining the discount rate, with appropriate adjustments for the risk profile relating to Australia Construction CGU. The discount rates used are pre tax.

Americas, Asia and Europe Construction - FVLCD

On 27 May 2024 the Group announced a strategy update with key actions to simplify the organisational structure, exit international construction and accelerate the release of capital from its offshore development project and assets. As a result of this strategy update, the recoverable amount of the Americas, Asia and Europe Construction CGUs was reassessed to their FVLCD and an impairment charge was recognised against the goodwill balances attributable to those regions, writing the balances off in full for the financial year ended 30 June 2024. No other assets within these CGUs were impaired as part of this assessment given the nature of the underlying operations.

The following describes the key assumptions on which management has based its cash flow projections when determining FVLCD relating to the Americas, Asia and Europe Construction CGUs:

- **Cash Flows**

The FVLCD calculations use pre tax cash flow projections based on estimated actual operating results, and financial forecasts covering the period up to expected business divestments, which have been approved by management. The cashflow projections also include estimated selling price of each business based on current negotiated transactions or appropriate EBITDA multiples, and expected working capital adjustments on sale. Cashflow projections included expected transaction costs.

- **Discount Rate**

The discount rates applied to the cash flow projections vary between 10.8 per cent and 14.1 per cent (June 2023 VIU model discount rates: between 10.3 per cent and 12.0 per cent). The Group's weighted average cost of capital is used as a starting point for determining the discount rate, with appropriate adjustments for the risk profile relating to the relevant CGUs and the countries in which they operate. The discount rates used are pre tax.

In May 2024 the Group announced it had agreed non-binding heads of terms with leading US construction firm, Consigli Construction Co, for the sale of the Group's US East Coast construction operations. The transaction is currently progressing through due diligence and negotiations to finalise detailed terms and conditions. The Group is progressing with the planned divestment of UK construction operations, targeting completion within 18 months.

33. Disposal Group Assets and Liabilities Held for Sale

Accounting Policies

The group of assets and their corresponding liabilities (together referred to as a Disposal Group), may only be classified as held for sale once the following criteria are met:

- The carrying amount will be recovered principally through a sale transaction rather than through continuing use; and
- The sale must be highly probable.

A disposal group is measured at the lower of its carrying amount and fair value less costs to sell. Where fair value is lower than the carrying amount, the difference is recognised as an impairment loss within the Income Statement.

Australia Communities projects

On 18 December 2023, the Group announced that it had entered into an agreement for the sale of 12 Australian master-planned Communities projects to Stockland Corporation Limited and its capital partner, Supalai Australia Holdings, for \$1.3 billion, including the assumed exercise of a \$239 million right to acquire certain land parcels. The transaction is subject to various conditions precedent, including Foreign Investment Review Board (FIRB), Australian Competition and Consumer Commission (ACCC) and relevant landowner approvals. On 4 July 2024 the ACCC released a Statement of Issues in relation to the acquisition, which outlined the preliminary views of the ACCC and identified areas of further enquiry. The ACCC advised a provisional date for announcement of its final decision of 12 September 2024, however this date is subject to change.

As part of the transaction, the Group will retain four Communities projects, which will continue to be recognised as part of Core operations within the Development segment, with an Inventory balance of \$243 million as at 30 June 2024.

Asia Pacific Life Science Platform

On 17 May 2024, the Group announced it had agreed to sell its Asia life sciences interests, which includes current life sciences construction and development capabilities together with the life sciences investments, to a newly established joint venture with Warburg Pincus, for \$147 million. The transaction, which was completed after the year-end, realised approximately \$60 million in net cash proceeds to Lendlease. The businesses and assets to be sold are currently recognised in the Construction and Investments segments.

US Military Housing

On 1 July 2024, the Group announced it had entered into an agreement with Omaha Beach Investment Holdings, LLC, an entity managed by Guggenheim Partners Investment Management, LLC, for the sale of the US Military Housing business for \$480 million. The US Military Housing Business includes the operating platform of the business along with associated management rights for asset, property, development and construction management. Profit after tax of \$105 to 120 million is anticipated from this transaction, with financial close and receipt of cash proceeds targeted by the end of 1H FY25. The transaction is subject to completion adjustments and conditions precedent including third-party consents from particular service branches of the U.S. Department of Defense. The business to be sold is currently recognised in the Construction and Investments segments.

The major classes of Disposal Group assets and liabilities held for sale in relation to these transactions are listed below. These balances are as at 30 June 2024 and do not represent the expected capital of the projects at completion, which will change based on the operations of the business up to that date. The purchase price is also subject to adjustments calculated at the date of completion.

	June 2024			
	Australia Communities Projects	Asia Pacific Life Sciences Platform	US Military Housing	Total Group
	\$m	\$m	\$m	\$m
Disposal Group assets and liabilities held for sale				
Loans and receivables	74	14	153	241
Inventories	1,108	6	6	1,120
Other financial assets	-	-	171	171
Other assets	7	25	32	64
Total Disposal Group assets held for sale	1,189	45	362	1,596
Trade and other payables	63	19	74	156
Other liabilities	137	1	9	147
Total Disposal Group liabilities held for sale	200	20	83	303
Net Disposal Group assets and liabilities held for sale	989	25	279	1,293

Notes to Consolidated Financial Statements continued

Section F. Other Notes continued

34. Defined Benefit Plan

Accounting Policies

Group companies operate pension plans. The plans are generally funded through payments to insurance companies or trustee administered funds as determined by periodic actuarial calculations.

A defined benefit plan is a pension plan that defines the amount of pension benefit an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset or liability recognised in the Statement of Financial Position in respect of defined benefit plan is the present value of the defined benefit obligation i.e. 'the pension liability' at the balance sheet date less the fair value of plan assets. The present value of the pension liability is determined by discounting the estimated future cash outflows using interest rates of high quality corporate or government bonds, that:

- Are denominated in the currency in which the benefits will be paid
- Have terms to maturity approximating the terms of the related pension liability.

The defined benefit obligation is calculated at least annually by independent actuaries using the projected unit credit method, which in simplistic terms proportions the benefit based on service. Management considers the valuation of defined benefit plan undertaken by the actuaries to be an area of estimation uncertainty as a number of key assumptions must be adopted to determine the valuation.

Actuarial losses/(gains) will arise where there is a difference between previous estimates and actual experience, or a change to assumptions in relation to demographic and financial trends. These actuarial losses/(gains) are recognised in the period they occur, directly in other comprehensive income as remeasurements. They are included in retained earnings in the Statement of Changes in Equity and in the Statement of Financial Position.

Past service costs are recognised immediately in the Income Statement.

	Note	June 2024 \$m	June 2023 \$m
Lendlease UK Pension Scheme	34.a	82	171
Total net defined benefit plan asset		82	171

34.a. Lendlease UK Pension Scheme

Lendlease Construction Holdings (Europe) Limited (UK Construction) sponsors a funded defined benefit pension scheme (the Scheme) for qualifying UK employees. The Scheme is administered by a separate board of Trustees which is legally separate from UK Construction. The Scheme's Trustees are composed of representatives of both the employer and employees. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets plus the day to day administration of the benefits.

The Scheme is a funded defined benefit scheme, with the final salary section providing retirement benefits based on final salary and the index linked section providing retirement benefits based on career average salary. A separate section, the Personal Investment Section, provides retirement benefits on a defined contribution basis. The UK Construction's contributions to members' Personal Investment Fund accounts are not included in these disclosures.

The final salary section closed to future accruals on 31 August 2008 and the index linked section closed to future accruals on 31 January 2012. During the year, the Trustees transacted a full scheme buy-in to insure the majority of the Scheme's benefits and materially reduce the Scheme's exposure to actuarial risk and market (investment) risk. The difference between the value of the liabilities insured and the cost of the insurance policy of \$75 million (pre-tax) was recognised as a loss in other comprehensive income. This process identified a number of adjustments required to be made to members' benefits, with the past service impact of \$42 million being recognised as a gain in the Income Statement. UK Construction is no longer required to fund pension shortfalls, therefore previously held Scheme assets of \$21 million have been removed from Plan Assets accordingly. There were no other Scheme amendments affecting defined benefits payable, curtailments or settlements during the year. Until 31 March 2024, UK Construction paid 4.0 percent of members' basic salaries to cover the Scheme's expected administration costs and costs of benefits payable on death in service. From 1 April 2024, these costs are met from plan assets. The latest triennial valuation for 31 March 2023 showed the Scheme to have an actuarial surplus so deficit repair contributions are not required to be paid.

The following information provides additional detail on the position of the Scheme:

	June 2024 \$m	June 2023 \$m
i. Statement of Financial Position Amounts		
The amounts recognised in the Statement of Financial Position are determined as follows:		
Defined benefit obligations	(806)	(795)
Fair value of plan assets	888	966
Net defined benefit plan asset	82	171
ii. Reconciliation of Defined Benefit Obligations		
Defined benefit obligations at beginning of financial year	795	902
Included in Income Statement		
Interest cost	43	35
Remeasurements Included in Other Comprehensive Income		
Actuarial loss/(gain) arising from:		
Financial assumptions	(1)	(172)
Experience adjustments	13	68
Demographic assumptions	-	(22)
Other		
Benefits paid	(39)	(39)
Past Service Cost ¹	(42)	-
Effect of foreign exchange rate movements	37	23
Defined benefit obligations at end of financial year	806	795
iii. Reconciliation of the Fair Value of Plan Assets		
Fair value of plan assets at beginning of financial year	966	1,184
Included in Income Statement		
Interest income	51	46
Administration costs	(3)	(3)
Remeasurements Included in Other Comprehensive Income		
Actuarial return on plan assets excluding interest income	(109)	(270)
Other		
Contributions by Group companies	4	5
Benefits paid	(39)	(39)
Release of plan asset value	(21)	-
Effect of foreign exchange rate movements	39	43
Fair value of plan assets at end of financial year	888	966
iv. Expense Recognised in the Income Statement		
Net interest income	(8)	(11)
Past Service Cost ¹	(42)	-
Administration costs	3	3
Net defined benefit plan expense	(47)	(8)
v. Fair Value of Plan Assets		
Plan assets comprise:		
Investment funds	-	10
Government index linked bonds	76	918
Other assets	812	38
Fair value of plan assets at end of financial year	888	966

1. Includes the impact of a Lendlease UK Pension Scheme amendment during the period, approved by the Trustees, to bring the valuation of members' future benefits in line with the scheme rules and statutory requirements, resulting in a gain of \$42 million recognised in the income statement. Refer to Note 7 'Other Expenses' for further detail.

Notes to Consolidated Financial Statements continued

Section F. Other Notes continued

34. Defined Benefit Plan continued

The plan assets can be categorised as Level 1, where the fair value is determined using an unadjusted quoted price for an identical asset, or Level 2, where the fair value is derived either directly or indirectly from observable inputs, or Level 3, where inputs are unobservable (i.e. for which market data is unavailable). At year end, \$8 million (June 2023: \$nil), \$76 million (June 2023: \$966 million) and \$804 million (June 2023: \$nil) of total plan assets were categorised as Level 1, Level 2 and Level 3, respectively. Level 3 assets include the buy-in asset, the value of which has been calculated as the present value of the related obligations covered by the policy and represents about 90% of the total plan assets.

	June 2024	June 2023
vi. Principal Actuarial Assumptions		
Discount rate (%)	5.1	5.2
RPI inflation (%)	3.5	3.6
Average pension increase in payments (%)	2.6	3.1
Future mortality (years):		
Male	24.9	25.5
Female	26.4	26.8

The liabilities are calculated using a discount rate set with reference to corporate bond yields.

A decrease in corporate bond yields will increase the value placed on the Scheme's liabilities. However, this will be largely matched by an increase in the value of the Scheme's buy-in asset. Similarly, most of the Scheme's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities, matched by an increase in the buy-in asset value. The majority of the Scheme's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the liabilities which would again be matched by an increase in the buy-in asset. The mortality assumptions are based on standard mortality tables which allow for expected future mortality improvements. The assumption is that a member aged 63 will live for a further 24.9 years (June 2023: 25.5 years) if they are male and 26.4 years if they are female (June 2023: 26.8 years).

At 30 June 2024, the weighted average duration of the defined benefit obligation was 13 years (June 2023: 14 years).

vii. Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	0.1% Increase in Discount Rate \$m	0.1% Decrease in Discount Rate \$m	0.1% Increase RPI Inflation and Pension Payment \$m	0.1% Decrease RPI Inflation and Pension Payment \$m	1 Year Increase in Future Mortality \$m	1 Year Decrease in Future Mortality \$m
June 2024						
Defined benefit obligations	(10)	10	6	(8)	23	(23)
June 2023						
Defined benefit obligations	(11)	12	7	(7)	27	(22)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. As noted above, there would be a corresponding change in value of the buy-in asset and therefore little change in the overall net defined benefit plan asset.

Non pensioner benefits are linked to RPI in the period up to retirement. Once in payment, pension increases are linked to RPI but with a zero per cent floor and different caps applying to different periods of pensionable service. The inflation sensitivity reflects a change in RPI inflation and the associated increases in payment.

35. Employee Benefits

Detailed information regarding the Group's Executive Reward strategy is provided in the Remuneration Report within the Directors' Report. The key incentive plans are as follows:

- Short Term Incentive (STI)
- Short Term Award (STA)
- Long Term Incentive (LTI)
- Long Term Award (LTA)
- Restricted Securities Award (RSA)
- Google Development Ventures (GDV) Incentive.

35.a. Short Term Incentive (STI)

The STI plan is an annual incentive plan whereby a number of employees receive benefits which are dependent upon the achievement of both Lendlease financial and non financial targets, and individual goals. The total value of the potential benefit varies by individual and is tested against relevant market levels for each role.

- The STI plan typically comprises a cash component, which is paid in September following year end. For more senior employees, where the potential benefit is typically higher, the plan also includes a deferred component
- Deferral periods are generally for one or two years. The deferred component is normally awarded as Lendlease securities and in some instances as cash. Securities are held in Lendlease employee security plan trusts on behalf of employees for the deferral period (refer to Note 29a 'Employee Security Plans'). For employees to receive the deferred component in full, they must generally be employed by the Group at the time of vesting.

35.b. Short Term Award (STA)

The STA plan is an annual incentive plan which replaced the STI for a limited number of senior executives from 2019. It is designed to focus senior executives on priority areas for delivery in the current financial year, including key Group and regional financial targets, safety and other non financial targets aligned to the Group's areas of focus.

Whilst performance is assessed against a set of Group metrics when determining awards, the Board will assess the overall performance and contribution of individual senior executives, with a particular focus on safety.

The total value of the potential benefit varies by individual and is set with reference to both internal peers and external market levels. For FY20 and FY21, the STA plan has been awarded as cash in September following year end. From FY22 onwards, 50 per cent of awarded STA will be a deferred grant of Lendlease securities. The deferred portion will be released in two equal tranches after one and two years.

35.c. Long Term Incentive (LTI)

The LTI plan is designed to:

- Motivate executives to achieve the Group's long term strategic goals and provide reward where the Group delivers better value to securityholders than its peers
- Align the interests of executives and securityholders, given that the reward received is linked to the Group's security price and average Return on Equity performance.

Arrangements for LTI Awards

LTI Design	How the LTI Works
Performance Rights	<ul style="list-style-type: none"> • An annual grant of 'performance rights' is made to a limited number of executives • The Board intends that the awards be settled in Lendlease securities, although the award may be settled in cash or other means at the Board's discretion • On vesting, each performance right entitles executives to one Lendlease stapled security, or at the Board's discretion, cash or other instruments of equivalent value • In the event of a change in control of the Group, the Board has the discretion to determine whether the vesting of some or all performance rights should be accelerated.
Performance Period (applicable to FY22, FY23 and FY24 Grants)	<ul style="list-style-type: none"> • 100 per cent of the performance rights are assessed over a three year period. If the performance hurdle is not fully achieved at this time, those performance rights that have not vested will lapse • If the performance hurdle is not met, the awards are forfeited • There is no retesting on any portion of the LTI grant.
Termination of Employment	<ul style="list-style-type: none"> • If the executive resigns or is terminated for cause, the unvested LTI is forfeited • If the executive is terminated and if the Board considers vesting would provide a benefit that was unwarranted or inappropriate, the Board can adjust unvested LTI prior to the vesting date • For 'good leavers', the LTI grant may remain on foot, subject to the original terms • In exceptional circumstances (such as death or total and permanent disability), the Board may exercise discretion and settle the award at the time of termination of employment.
Performance Hurdles	<ul style="list-style-type: none"> • One third subject to Lendlease's Total Securityholder Return (TSR) compared to the companies in the S&P/ASX 100 index. The S&P/ASX 100 companies are determined at the start of the performance period • One third subject to Average Operating Return on Equity (Operating ROE) hurdle • One third subject to compound annual growth rate (CAGR) % in funds under management in FY22 and FY23 and Investments Return on Invested Capital (IM ROIC) from FY24.

Notes to Consolidated Financial Statements continued

Section F. Other Notes continued

35. Employee Benefits continued

35.c. Long Term Incentive (LTI) continued

LTI Design	How the LTI Works	
Vesting Schedule - Relative TSR (FY22, FY23 and FY24)	Measure	Percentage of performance rights that vest as a proportion of maximum opportunity
	Below the 50th percentile	No vesting
	At the 50th percentile	40 per cent vesting
	Between the 50th percentile and 75th percentile	Pro rata vesting on a straight line basis between 40 per cent and 100 per cent
Vesting Schedule - Average Core Operating ROE (FY22, FY23 and FY24)	At or above the 75th percentile	100 per cent vesting
	Below threshold	No vesting
	At Core Operating ROE for threshold vesting	0 per cent vesting
	Between Core Operating ROE for threshold vesting and Core Operating ROE for maximum vesting	Pro rata vesting on a straight line basis between 0 per cent and 100 per cent ¹
Vesting Schedule - CAGR % in FUM (FY22 and FY23)	At or above Core Operating ROE for maximum vesting	100 per cent vesting
	Below threshold	No vesting
	At CAGR % for threshold vesting	0 per cent vesting
	Between CAGR % for threshold vesting and CAGR % for maximum vesting	Pro rata vesting on a straight line basis between 0 per cent and 100 per cent
Vesting Schedule - IM ROIC (FY24)	At or above CAGR % for maximum vesting	100 per cent vesting
	Below threshold	No vesting
	At IM ROIC for threshold vesting	0 per cent vesting
	Between IM ROIC for threshold vesting and IM ROIC for maximum vesting	Pro rata vesting on a straight line basis between 0 per cent and 100 per cent
	At or above IM ROIC for maximum vesting	100 per cent vesting

¹ Subject to 3 Year Average Annual Core Operating ROE being above the cost of equity determined by the Board.

35.d. Long Term Award (LTA)

The LTA plan replaced the LTI for a limited number of executives from 2019. It was designed to motivate and reward key executives to deliver on the Group's long term strategy and to allow them to share in the value created for securityholders. Specifically, the objectives are to:

- Create rewards that are aligned to earnings
- Align the interests of securityholders and our most senior executives
- Promote team behaviours and an enterprise leadership mindset
- Retain the senior executive team.

The intended outcome is that reward and strategy are better aligned.

Arrangements for LTA Awards

LTA Design	How the LTA Works
Performance Rights	<ul style="list-style-type: none"> An annual grant of 'performance rights' is made to a limited number of executives on the Global Leadership Team The Board intends that the awards be settled in Lendlease securities, although some or all of the award may be settled in cash at the Board's discretion Performance rights are rights to receive a variable number of Lendlease securities or at the discretion of the Board, cash with an equivalent value, upon vesting Outcomes against performance hurdles will determine how many Lendlease securities will be received following vesting between nil and a maximum number In the event of a change in control of the Group, the Board has the discretion to determine whether the vesting of some or all performance rights should be accelerated.
Performance Period (applicable to FY22, FY23 and FY24 Grants)	<ul style="list-style-type: none"> 100 per cent of the performance rights are assessed over a three year period and the number of Lendlease securities that may be delivered on vesting is determined. The first tranche will vest immediately thereafter, and the second, third and fourth tranches will be deferred and will vest progressively four, five and six years after the grant date If the performance hurdle is not met, the awards are forfeited There is no retesting of the LTA grant.
Termination of Employment	<ul style="list-style-type: none"> If the executive resigns and becomes engaged in activities that are competitive with the Group or is terminated for cause, the unvested LTA is forfeited If the executive is terminated and if the Board considers vesting would provide a benefit that was unwarranted or inappropriate, the Board has the discretion to lapse some or all performance rights prior to the vesting date For 'good leavers', the LTA grant may remain on foot, subject to the original terms.
Performance Hurdles	<ul style="list-style-type: none"> One third subject to Lendlease's Total Securityholder Return (TSR) compared to the companies in the S&P/ASX 100 Index. The S&P/ASX 100 companies are determined at the start of the performance period One third subject to Average Operating Return on Equity (Operating ROE) hurdle One third subject to compound annual growth rate (CAGR) % in funds under management in FY22 and FY23 and Investments Return on Invested Capital (IM ROIC) from FY24.

	Measure	Percentage of performance rights that vest as a proportion of maximum opportunity	
		Senior Executive	
Vesting Schedule - Relative TSR (FY22, FY23 and FY24)	Below the 50th percentile	No vesting	
	At the 50th percentile	40 per cent vesting	
	Between the 50th percentile and 75th percentile	Pro rata vesting on a straight line basis between 40 per cent and 100 per cent	
	At or above the 75th percentile	100 per cent vesting	
Vesting Schedule - Average Core Operating ROE (FY22, FY23 and FY24)	Below threshold	No vesting	
	At Core Operating ROE for threshold vesting	0 per cent vesting	
	Between Core Operating ROE for threshold vesting and Core Operating ROE for maximum vesting	Pro rata vesting on a straight line basis between 0 per cent and 100 per cent ¹	
	At or above Core Operating ROE for maximum vesting	100 per cent vesting	
Vesting Schedule - CAGR % in FUM (FY22 and FY23)	Below threshold	No vesting	
	At CAGR % for threshold vesting	0 per cent vesting	
	Between CAGR % for threshold vesting and CAGR % for maximum vesting	Pro rata vesting on a straight line basis between 0 per cent and 100 per cent	
	At or above CAGR % for maximum vesting	100 per cent vesting	
Vesting Schedule - IM ROIC (FY24)	Below threshold	No vesting	
	At IM ROIC for threshold vesting	0 per cent vesting	
	Between IM ROIC for threshold vesting and IM ROIC for maximum vesting	Pro rata vesting on a straight line basis between 0 per cent and 100 per cent	
	At or above IM ROIC for maximum vesting	100 per cent vesting	

1. Subject to 3 Year Average Annual Core Operating ROE being above the cost of equity determined by the Board.

Notes to Consolidated Financial Statements continued

Section F. Other Notes continued

35. Employee Benefits continued

35.e. Restricted Securities Award (RSA)

The Restricted Securities Award (RSA), previously referred to as the LTA Minimum, is similar to fixed remuneration as it is not subject to performance conditions. It is designed to motivate and reward a limited number of key executives to deliver on the Group's long term strategy and to allow them to have a sense of ownership and share in the value created for securityholders. The RSA (and previously referred to LTA Minimum) was discontinued from FY22 under the revised Executive Reward Strategy.

Arrangements for RSA Awards

RSA Design	How the RSA Works
Performance Rights	<ul style="list-style-type: none"> An annual grant of 'performance rights' is made to a limited number of executives on the Global Leadership Team However, following feedback from proxy-holders and other stakeholders, the RSA has no longer been offered from FY22 The Board intends that the awards be settled in Lendlease securities, although some or all of the award may be settled in cash at the Board's discretion Performance rights are rights to receive one Lendlease stapled security, or at the Board's discretion, cash or other instruments of equivalent value In the event of a change in control of the Group, the Board has the discretion to determine whether the vesting of some or all performance rights should be accelerated.
Vesting Period	<ul style="list-style-type: none"> The first tranche (i.e. 25%) will vest after three years and the second, third and fourth tranches will vest progressively four, five and six years after the grant date.
Termination of Employment	<ul style="list-style-type: none"> If the executive resigns and becomes engaged in activities that are competitive with the Group or is terminated for cause, the unvested RSA is forfeited If the executive is terminated and if the Board considers vesting would provide a benefit that was unwarranted or inappropriate, the Board has the discretion to lapse some or all performance rights prior to the vesting date For 'good leavers', the RSA grant may remain on foot, subject to the original terms.

35.f. Google Development Ventures (GDV) Incentive

Incentive Design	How the Incentive Works
Performance Rights	<ul style="list-style-type: none"> A one-off grant of 'performance rights' to Denis Hickey to reward the successful delivery of GDV
Performance Period	<ul style="list-style-type: none"> 3 years from 1 July 2021 to 30 June 2024
Performance Hurdles	<ul style="list-style-type: none"> 70% of performance rights will vest based on the achievement of the key milestones for GDV during the performance period, including the securing of entitlements and capital plans and the commencement of construction for each project 30% of performance rights will vest based on customer satisfaction feedback from the client and internal stakeholders at key touchpoints in the project life cycle, so that GDV milestones are not only delivered within the required timeframes but also to an exceptional standard
Termination of Employment	<ul style="list-style-type: none"> In the event of resignation or termination for cause, unvested rights are forfeited In all other circumstances, the portion of the award that reflects milestones that are already tested and achieved during the performance period will remain on foot. The untested portion is forfeited (except in the case of redundancy, whereby the untested portion will be continue to be tested against plan milestones and vest if applicable following the end of the performance period)

35.g. Amounts Recognised in the Financial Statements

LTI and LTA awards are valued using Monte-Carlo simulation methodology for the TSR component and the Black-Scholes-Merton model for the non-market based performance measures. Retention awards are valued by discounting the security price by the expected dividends assumed to be paid from the valuation date until the vesting date (if applicable). The model inputs include the Lendlease Group security price, a risk free interest rate, expected volatility and dividend yield. During the financial year ended 30 June 2024, 3,080,628 awards were granted with a weighted average fair value of \$6.65, and a \$22 million expense was recognised in the Income Statement in relation to equity settled security based payment awards (June 2023: \$49 million).

36. Reserves

	Hedging Reserve \$m	Foreign Currency Translation Reserve \$m	Non Controlling Interest Acquisition Reserve \$m	Other Reserve \$m	Equity Compensation Reserve \$m	Total Reserve \$m
Balance at 1 July 2022	48	(27)	(97)	106	154	184
Net investment hedge	-	(20)	-	-	-	(20)
Effect of foreign exchange movements	-	112	(4)	-	-	108
Effective cash flow hedges	1	-	-	-	-	1
Total comprehensive income	1	92	(4)	-	-	89
Fair value movement on allocation and vesting of securities	-	-	-	-	-	-
Total other movements through reserves	-	-	-	-	-	-
Balance at 30 June 2023	49	65	(101)	106	154	273
Balance at 1 July 2023	49	65	(101)	106	154	273
Effect of foreign exchange movements	-	(51)	-	-	-	(51)
Effective cash flow hedges	(7)	-	-	-	-	(7)
Total comprehensive income	(7)	(51)	-	-	-	(58)
Fair value movement on allocation and vesting of securities	-	-	-	-	(7)	(7)
Total other movements through reserves	-	-	-	-	(7)	(7)
Balance at 30 June 2024	42	14	(101)	106	147	208

37. Impact of New and Revised Accounting Standards

New Accounting Standards adopted 1 July 2023

From 1 July 2023, the Group adopted AASB 17 *Insurance Contracts* and *Disclosure of Accounting Policies and Definitions of Accounting Estimates (Amendments to AASB 7, 101, 108 and AASB Practice Statement 2)*, which did not have a material impact on the Group.

New Accounting Standards and Interpretations Not Yet Adopted

Accounting Standard	Requirement	Impact on Financial Statements
AASB 2020-1 <i>Amendments to Australian Accounting Standards - Classification of Liabilities as Current and Non-current</i>	The amendments, as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024.	Based on preliminary analysis performed, the amendments are not expected to have a material impact on the Group.
AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> and consequential amendments.	AASB 2014-10 amends AASB 10 and AASB 128 to clarify the requirements for recording the sale or contribution of assets between an investor and its associate or joint venture. The amendment becomes mandatory for the June 2026 financial year and will be applied prospectively.	Based on preliminary analysis performed, the amendments are not expected to have a material impact on the Group.
AASB 18 <i>Presentation and Disclosure in Financial Statements</i>	AASB 18 aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. The Standard will change how the Group presents its results on the face of the income statement and disclose information in the notes to the financial statements. Certain 'non-GAAP' measures (management-defined performance measures) – will now form part of the audited financial statements. There will be three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures. The Standard is effective for the June 2028 financial year and will be applied retrospectively.	Management is currently undertaking an analysis to determine the impact of the Standard on the Group.

Notes to Consolidated Financial Statements continued

Section F. Other Notes continued

38. Other Material Accounting Policies

38.a. Foreign Currency Translation

Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial report is presented in Australian dollars, which is the Company's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into Australian dollars using the exchange rate on the date of the transactions. Assets and liabilities denominated in foreign currencies are translated to Australian dollars at balance date.

Foreign exchange gains or losses are recognised in the Income Statement for monetary assets and liabilities such as receivables and payables, except for qualifying cash flow hedges and qualifying net investment hedges in foreign operations, which are recognised in other comprehensive income. Refer to Note 25 'Hedging' for further detail.

Translation differences on non monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

Group Entities

The results and Statement of Financial Position of all Group entities that are not presented in Australian dollars (none of which has the currency of a hyperinflationary economy) are translated as follows:

- Revenue and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the transaction rate, in which case revenue and expenses are translated at the date of the transactions)
- Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at balance date
- All resulting exchange differences are recognised in other comprehensive income, in the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

38.b. Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

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Consolidated Entity Disclosure Statement

Set out below is a list of entities that are consolidated in this set of Consolidated financial statement at the end of financial year.

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place formed or incorporated	% of share capital held	Australian or foreign resident	Jurisdiction for foreign resident
Corporate					
Lendlease Corporation Limited	Body Corporate	Australia	N/A	Australian	N/A
Lendlease Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Responsible Entity Limited ¹	Body Corporate	Australia	100%	Australian	N/A
ACN 651 627 673 Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Be Onsite	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Canopy Assurance Limited	Body Corporate	Bermuda	100%	Australian	N/A
Infrastructure Risk Management Services Limited	Body Corporate	Guernsey	100%	Australian	N/A
Lend Lease Employee Investment Trust	Trust	Australia	N/A	Australian	N/A
Lendlease (Aus) Branta Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Australia) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (US) Branta Holdings LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease (US) Capital Inc.	Body Corporate	United States	100%	Foreign	United States
Lendlease (US) Services Inc.	Body Corporate	United States	100%	Foreign	United States
Lendlease Americas Holdings Inc.	Body Corporate	United States	100%	Foreign	United States
Lendlease Americas Inc.	Body Corporate	United States	100%	Foreign	United States
Lendlease Asia Holdings Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Asia Treasury Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Capital Services Holdings Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease Capital Services Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Capital Services RL Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease China Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Digital Asia Holdings Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Digital Asia Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Digital Australia Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Digital Australia Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Digital EUR Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Digital Europe Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Digital Group Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Digital Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Digital Investments Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Digital Investments US LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Digital IP Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Digital UK Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Digital US Holdings LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Digital US LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Employee Share Acquisition Plan (STI)	Trust	Australia	N/A	Australian	N/A
Lendlease Employee Share Acquisition Plan	Trust	Australia	N/A	Australian	N/A
Lendlease Europe Finance plc	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Europe Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Europe Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Finance Holding Company Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Finance Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Group Projects Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Healthcare Trustee Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease ICT Services Inc.	Body Corporate	United States	100%	Foreign	United States
Lendlease International Development Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease International Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease LLT Holdings Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease LLT Holdings Sub Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Management Services Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease PropTech Investments Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore

1. This entity is a trustee of a trust within the consolidated entity.

Consolidated Entity Disclosure Statement continued

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place formed or incorporated	% of share capital held	Australian or foreign resident	Jurisdiction for foreign resident
Corporate continued					
Lendlease Residual Corp.	Body Corporate	United States	100%	Foreign	United States
Lendlease Singapore Investments Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease SREIT Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease SREIT Sub Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Sunbird Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Technology Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Trust No.2	Trust	Australia	N/A	Australian	N/A
Lendlease US Investments Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Ventures Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Podium Property Services LLC	Body Corporate	United States	100%	Foreign	United States
Podium Pte. Ltd.	Body Corporate	Singapore	87%	Foreign	Singapore
Serenia Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Investments					
¹ O'Connell AssetCo Pty Limited	Body Corporate	Australia	100%	Australian	N/A
¹ O'Connell HeadCo Pty Limited	Body Corporate	Australia	100%	Australian	N/A
720 S. Wells Development Investor LLC	Body Corporate	United States	100%	Foreign	United States
AAFHHC Development Management LLC	Body Corporate	United States	100%	Foreign	United States
AAFHHC Managing Member LLC	Body Corporate	United States	100%	Foreign	United States
AHFH Development Management LLC	Body Corporate	United States	100%	Foreign	United States
AHFH Managing Member LLC	Body Corporate	United States	100%	Foreign	United States
AMCC Asset Management LLC	Body Corporate	United States	100%	Foreign	United States
AMCC Development Management LLC	Body Corporate	United States	100%	Foreign	United States
AMCC Managing Member LLC	Body Corporate	United States	100%	Foreign	United States
Australian Prime Property Fund Custodian Pty. Limited.	Body Corporate	Australia	100%	Australian	N/A
Cadence AM Services LLC	Body Corporate	United States	100%	Foreign	United States
Cadence Development Management LLC	Body Corporate	United States	100%	Foreign	United States
Cadence Managing Member LLC	Body Corporate	United States	100%	Foreign	United States
Chelmsford Meadows (General Partner) Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Custodian Two Pty Limited	Body Corporate	Australia	100%	Australian	N/A
EQ1 Mid Co Pty Limited	Body Corporate	Australia	100%	Australian	N/A
EQ1 Property Co Pty Limited	Body Corporate	Australia	100%	Australian	N/A
FCFH Development Management LLC	Body Corporate	United States	100%	Foreign	United States
FCFH Managing Member LLC	Body Corporate	United States	100%	Foreign	United States
FDMCH Development Management LLC	Body Corporate	United States	100%	Foreign	United States
FDMCH Managing Member LLC	Body Corporate	United States	100%	Foreign	United States
FHFH Business Management LLC	Body Corporate	United States	100%	Foreign	United States
FHFH Development Management LLC	Body Corporate	United States	100%	Foreign	United States
FHFH Inc.	Body Corporate	United States	100%	Foreign	United States
Fort Hood Family Housing Business Management LLC	Body Corporate	United States	100%	Foreign	United States
Greensborough Pty Limited	Body Corporate	Australia	100%	Australian	N/A
HCH Development Management LLC	Body Corporate	United States	100%	Foreign	United States
HCH Sole Member LLC	Body Corporate	United States	100%	Foreign	United States
Hickam Communities LLC	Body Corporate	United States	100%	Foreign	United States
InTown S.r.l.	Body Corporate	Italy	100%	Foreign	Italy
KH Development Management LLC	Body Corporate	United States	100%	Foreign	United States
KH Managing Member LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease (Circular Quay) Pty Limited	Body Corporate	Australia	20%	Australian	N/A
Lendlease (Daramu House) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Two Melbourne Quarter) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (US) Asset Management II LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease (US) Digital Investments LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease (US) Infrastructure LLC	Body Corporate	United States	100%	Foreign	United States

1. This entity is a trustee of a trust within the consolidated entity.

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place formed or incorporated	% of share capital held	Australian or foreign resident	Jurisdiction for foreign resident
Investments continued					
Lendlease (US) Investment Management LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease (US) PropTech Fund LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease (US) Public Partnerships Holdings LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease (US) Telecom Investments SB LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Asia Investments Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Bluewater Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease BTR1 Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Business Management (Shanghai) Co. Ltd.	Body Corporate	China	100%	Foreign	China
Lendlease Carlton Connect Asset Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Carlton Connect Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Chelmsford Meadows Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Communities Capital LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Communities LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease CRE Lending (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease DC Holdings Trust	Trust	Singapore	N/A	Foreign	Singapore
Lendlease DC Holdings Trustee Pte. Ltd. ¹	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease DTC (IHT) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Education Assets Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Energy Solutions & Security LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Europe GP Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Europe Retail Investments Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Funds Management Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease GCR Investment Holding Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Global Commercial Trust Management Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Horizon Development LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Horizon Holdings LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Horizon LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease IM Investor Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease IM Investor Trust	Trust	Australia	N/A	Australian	N/A
Lendlease IMT (HK) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease IMT (LLITST ST) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease IMT (LLITST) Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease IMT (OITST ST) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease IMT (OITST) Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease IMT (SM) Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease IMT 2 (HP) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease IMT 3 PTY Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Infrastructure (Italy) S.r.l.	Body Corporate	Italy	100%	Foreign	Italy
Lendlease International Asia Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Investment Management (AFSL) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Investment Management (Australia) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Investment Management Holdings (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Investment Management Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Investments Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Italy SGR S.p.A	Body Corporate	Italy	100%	Foreign	Italy
Lendlease Japan Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease La Trobe St Commercial Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Military Housing LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Moorfields (Europe) GP Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Moorfields Investment (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom

1. This entity is a trustee of a trust within the consolidated entity.

Consolidated Entity Disclosure Statement continued

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place formed or incorporated	% of share capital held	Australian or foreign resident	Jurisdiction for foreign resident
Investments continued					
Lendlease Moorfields Investment (Europe) Trust ¹	Trust	Jersey	N/A	Foreign	Jersey
Lendlease MSG Investment (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease MSG Investment (Europe) Trust ¹	Trust	Jersey	N/A	Foreign	Jersey
Lendlease MSG North Investment (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease MSG North S.r.l.	Body Corporate	Italy	100%	Foreign	Italy
Lendlease MSG South S.r.l.	Body Corporate	Italy	100%	Foreign	Italy
Lendlease P&D Realty Sdn. Bhd.	Body Corporate	Malaysia	100%	Foreign	Malaysia
Lendlease Performance Retail Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease PFI/PPP Infrastructure Fund Investor Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Platform Investor LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Platform Residential LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Property Management (Australia) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease R8/R9 Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Real Estate Investment Services Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Real Estate Investments (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Real Estate Investments Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Realty Sdn. Bhd.	Body Corporate	Malaysia	100%	Foreign	Malaysia
Lendlease Renaissance 1 Investment (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease REP4 Asset Pty Limited ²	Body Corporate	Australia	33%	Australian	N/A
Lendlease REP4 Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Residential Asset Management Services (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Residential Investment (Europe) Trust ¹	Trust	Jersey	N/A	Foreign	Jersey
Lendlease Residential Investment 2 (Europe) Trust ¹	Trust	Jersey	N/A	Foreign	Jersey
Lendlease Residential Investment Holdings (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Residential Investor Holdings LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Residential Property Management Services (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Shopping Centre Development Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Singapore Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Vita Holding Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
LINO GP Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
LINO SG Holding Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
LLBA Property Management Sdn. Bhd.	Body Corporate	Malaysia	49%	Foreign	Malaysia
LRIP 2 GP Limited	Body Corporate	United Kingdom	70%	Foreign	United Kingdom
LRIP E&C H11A GP Limited	Body Corporate	United Kingdom	70%	Foreign	United Kingdom
LRIP E&C H11A Nominee 1 Limited	Body Corporate	United Kingdom	70%	Foreign	United Kingdom
LRIP E&C H11A Nominee 2 Limited	Body Corporate	United Kingdom	70%	Foreign	United Kingdom
LRIP E&C H4 GP Limited	Body Corporate	United Kingdom	70%	Foreign	United Kingdom
LRIP E&C H4 Nominee 1 Limited	Body Corporate	United Kingdom	70%	Foreign	United Kingdom
LRIP E&C H4 Nominee 2 Limited	Body Corporate	United Kingdom	70%	Foreign	United Kingdom
LRIP E&C H5 GP Limited	Body Corporate	United Kingdom	70%	Foreign	United Kingdom
LRIP E&C H5 Nominee 1 Limited	Body Corporate	United Kingdom	70%	Foreign	United Kingdom
LRIP E&C H5 Nominee 2 Limited	Body Corporate	United Kingdom	70%	Foreign	United Kingdom
LRIP E&C H7 GP Limited	Body Corporate	United Kingdom	70%	Foreign	United Kingdom
LRIP E&C H7 Nominee 1 Limited	Body Corporate	United Kingdom	70%	Foreign	United Kingdom
LRIP E&C H7 Nominee 2 Limited	Body Corporate	United Kingdom	70%	Foreign	United Kingdom
LRIP GP Limited	Body Corporate	United Kingdom	70%	Foreign	United Kingdom
LYD Homes Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Military Housing Property Management LLC	Body Corporate	United States	100%	Foreign	United States
MQ West Property Co Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
MQ West Property Trust	Trust	Australia	N/A	Australian	N/A

1. The Jersey trusts are taxed on a flow-through basis. All trust income belonging to the Lendlease unitholders is ultimately subject to UK corporation tax in the hands of UK companies.

2. This entity is a trustee of a trust within the consolidated entity.

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place formed or incorporated	% of share capital held	Australian or foreign resident	Jurisdiction for foreign resident
Investments continued					
NHC Development Management LLC	Body Corporate	United States	100%	Foreign	United States
NHC Managing Member LLC	Body Corporate	United States	100%	Foreign	United States
O'Connell Precinct Co Pty Limited	Body Corporate	Australia	100%	Australian	N/A
PI MTA LLC	Body Corporate	United States	100%	Foreign	United States
RE Development Management LLC	Body Corporate	United States	100%	Foreign	United States
RE Managing Member LLC	Body Corporate	United States	100%	Foreign	United States
Rest Easy LLC	Body Corporate	United States	100%	Foreign	United States
SHC Development Management LLC	Body Corporate	United States	100%	Foreign	United States
SHC Sole Member LLC	Body Corporate	United States	100%	Foreign	United States
Soaring Heights Communities LLC	Body Corporate	United States	100%	Foreign	United States
Top AssetCo Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Top SubCo Pty Limited	Body Corporate	Australia	100%	Australian	N/A
TVC Development Management LLC	Body Corporate	United States	100%	Foreign	United States
TVC Managing Member LLC	Body Corporate	United States	100%	Foreign	United States
Vita Asset Holding Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Vita Asset Management Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Vita Growth Partners II Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Vita Growth Partners III Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Vita Growth Partners Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Development					
1446 Market Owner LLC	Body Corporate	United States	100%	Foreign	United States
30 Van Ness Development LLC	Body Corporate	United States	100%	Foreign	United States
600 S. Wells (Chicago) II LLC	Body Corporate	United States	100%	Foreign	United States
600 S. Wells (Chicago) III LLC	Body Corporate	United States	100%	Foreign	United States
Assure Energy Asset Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Assure Energy Asset Trust	Trust	Australia	N/A	Australian	N/A
Assure Energy Holding Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Assure Energy Holding Trust	Trust	Australia	N/A	Australian	N/A
Assure Energy NT Darwin Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Assure Energy NT Darwin Trust	Trust	Australia	N/A	Australian	N/A
Assure Energy NT Robertson Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Assure Energy NT Robertson Trust	Trust	Australia	N/A	Australian	N/A
Assure Energy Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Assure Energy Trust	Trust	Australia	N/A	Australian	N/A
Australian Modular Fabrication Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Barangaroo South KWH Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Barangaroo South KWH Trust	Trust	Australia	N/A	Australian	N/A
Beaufort Western Properties Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Bulimba East Commercial Development Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Bulimba East Commercial Development Trust	Trust	Australia	N/A	Australian	N/A
Bulimba East Development Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Bulimba East Development Trust	Trust	Australia	N/A	Australian	N/A
Cambium Residents Management Company Limited ²	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
Capella Capital Investments Pty Limited	Body Corporate	Australia	50%	Australian	N/A
Capella Capital Lend Lease Pty Limited & Capella Partners Pty Limited	Partnership	Australia	N/A	N/A	N/A
Capella Capital Lendlease Pty Limited ³	Body Corporate	Australia	100%	Australian	N/A
Capella Capital Pty Limited	Body Corporate	Australia	70%	Australian	N/A
Capella Management Services Pty Limited	Body Corporate	Australia	70%	Australian	N/A
CASII Investor Pty Limited	Body Corporate	Australia	50%	Australian	N/A
CASII Sub Investor Pty Limited	Body Corporate	Australia	50%	Australian	N/A
CC Lendlease Pty Limited	Body Corporate	Australia	100%	Australian	N/A

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2. This entity is without share capital as it is limited by guarantee and is controlled by members who occupy the role of guarantors.

3. This entity is a partner in a partnership within the consolidated entity.

Consolidated Entity Disclosure Statement continued

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place formed or incorporated	% of share capital held	Australian or foreign resident	Jurisdiction for foreign resident
Development continued					
Cedarwood Square Residents Management Company Limited ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
Chobham School Academy (Stratford) ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
Clippership Commercial Unit LLC	Body Corporate	United States	100%	Foreign	United States
Clippership Wharf Manager LLC	Body Corporate	United States	100%	Foreign	United States
Comland Limited	Body Corporate	Australia	100%	Australian	N/A
Coolum Beachside Management Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Covington MOB Owners LLC	Body Corporate	United States	100%	Foreign	United States
CQC (Finance) Pty Limited	Body Corporate	Australia	70%	Australian	N/A
CQC Partners Pty Limited	Body Corporate	Australia	70%	Australian	N/A
Cross Yarra 1 Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Cross Yarra Holding Trust 1	Trust	Australia	N/A	Australian	N/A
Cross Yarra Trust 1	Trust	Australia	N/A	Australian	N/A
CY Holding 1 Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Delfin GC Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Delfin Realty (QLD) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Delfin Retirement Living Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Elephant Park Estate Management Company Limited ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
Europe Accelerator Platform S.r.l.	Body Corporate	Italy	100%	Foreign	Italy
Exemplar Health (Melton) Pty Limited	Body Corporate	Australia	50%	Australian	N/A
Exemplar Housing Pty Ltd	Body Corporate	Australia	70%	Australian	N/A
Exemplar Living (Randwick) Pty Limited	Body Corporate	Australia	70%	Australian	N/A
Footscray Land Limited	Body Corporate	Australia	100%	Australian	N/A
Geelong Live Finance Pty Limited	Body Corporate	Australia	70%	Australian	N/A
Geelong Live Pty Limited	Body Corporate	Australia	70%	Australian	N/A
Glasshouse Gardens Residents' Management Company Limited ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
H11A Residents Management Company Limited ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
H4 Residents Management Company Limited ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
H5 Residents Management Company Limited ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
H7 Residents Management Company Limited ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
Halefield Securities Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
HG Communities Finance Pty Limited	Body Corporate	Australia	70%	Australian	N/A
HG Communities Pty Limited	Body Corporate	Australia	70%	Australian	N/A
HULand1 LLC	Body Corporate	United States	100%	Foreign	United States
HULand2 LLC	Body Corporate	United States	100%	Foreign	United States
HUMF1 LLC	Body Corporate	United States	100%	Foreign	United States
Hungate Estate Management Company Limited ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
IJKL LLC	Body Corporate	United States	100%	Foreign	United States
IQL Investments LLP	Body Corporate	United Kingdom	100%	N/A	N/A
IQL Residential (GP) Limited ³	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
IQL Residential LP	Partnership	United Kingdom	N/A	N/A	N/A
IQL S10 Holdings (GP) Limited ³	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
IQL S10 Holdings LP	Partnership	United Kingdom	N/A	N/A	N/A
IQL S1S11 (GP) Limited ³	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
IQL S1S11 Holdco Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
IQL S1S11 LP	Partnership	United Kingdom	N/A	N/A	N/A
IQL S1S11 Trust ^{4,3}	Trust	Jersey	N/A	Foreign	Jersey
IQL South Holdings Limited ²	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
IQL South Holdings Trust ^{4,3}	Trust	Jersey	N/A	Foreign	Jersey
Jacksons Landing Development Pty Limited	Body Corporate	Australia	50%	Australian	N/A
Jacksons Landing Estate Management Pty Limited	Body Corporate	Australia	50%	Australian	N/A
Jacksons Landing Realty Pty Limited	Body Corporate	Australia	100%	Australian	N/A

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3. This entity is a partner in a partnership within the consolidated entity.

4. The Jersey trusts are taxed on a flow-through basis. All trust income belonging to the Lendlease unitholders is ultimately subject to UK corporation tax in the hands of UK companies.

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place formed or incorporated	% of share capital held	Australian or foreign resident	Jurisdiction for foreign resident
Development continued					
Larchwood Residents Management Company Limited ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
Lendlease (Badgerys Creek) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Barangaroo South Co-Owner) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Batman's Hill) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Bowen Hills) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Carlton Connect Initiative) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Dunheved) Headco Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Dunheved) Subco Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (E&C) Estates and Property Management Company Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease (E&C) Overriding Lease Company Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease (Elephant & Castle) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease (Elephant & Castle) Retail Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease (Goldfields Hotel Holdings) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Goldfields Hotel) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Goldfields Residential Holdings) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Goldfields Residential) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Goldfields) Development Manager Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Haymarket) NE Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Haymarket) NE Retail Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Haymarket) NE Retail Trust	Trust	Australia	N/A	Australian	N/A
Lendlease (Haymarket) NE Trust	Trust	Australia	N/A	Australian	N/A
Lendlease (Haymarket) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Haymarket) Residential Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Haymarket) Retail Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Haymarket) Retail TDex Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Haymarket) Retail TDEX Trust	Trust	Australia	N/A	Australian	N/A
Lendlease (Haymarket) Retail Trust	Trust	Australia	N/A	Australian	N/A
Lendlease (Haymarket) SE Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Haymarket) SE Retail Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Haymarket) SE Retail Trust	Trust	Australia	N/A	Australian	N/A
Lendlease (Haymarket) SE Trust	Trust	Australia	N/A	Australian	N/A
Lendlease (Haymarket) SW Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Haymarket) SW Retail Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Haymarket) SW Retail Trust	Trust	Australia	N/A	Australian	N/A
Lendlease (Haymarket) SW Trust	Trust	Australia	N/A	Australian	N/A
Lendlease (High Road West) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease (Local Offices) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Melbourne Quarter R2) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Melbourne Quarter R3) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Millers Point) Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Millers Point) Trust	Trust	Australia	N/A	Australian	N/A
Lendlease (MQ Residential Developer) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (One Darling Point Holdings) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (One Darling Point Landowning) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (One Darling Point) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (OSD South) Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Lendlease (OSD South) Subtrust	Trust	Australia	N/A	Australian	N/A
Lendlease (OSD South) Trust	Trust	Australia	N/A	Australian	N/A
Lendlease (Queen Victoria Markets) Head Developer Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (The Anchorage) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Victoria Cross Holdings) Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A

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Consolidated Entity Disclosure Statement continued

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place formed or incorporated	% of share capital held	Australian or foreign resident	Jurisdiction for foreign resident
Development continued					
Lendlease (Victoria Cross) Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Victoria Harbour CW1) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Victoria Harbour Y7) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Victoria Harbour) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Waterbank J) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease (Waterbank) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Apartments (Armadale) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Apartments (Barangaroo) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Apartments (Orrong Road) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Apartments Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease Aurum 1 Asset Management Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Aurum 1 Property Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Aurum 2 Property Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Aurum Asset Management Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Aurum Property Holdings Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Broadway Community Properties LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Capital Services Holding Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Capital Services RI Holding Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Clippership Wharf LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Communities (Alkimos Central) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Alkimos) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Atherstone) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Aurora) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Australia) Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Balance Sheet) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Blakeview) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Calderwood) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Caroline Springs) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Casey-2) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Chase) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Craigieburn) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Ellenbrook) Holdings Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Ellenbrook) Holdings Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Communities (Ellenbrook) Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Ellenbrook) Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Communities (Figtree Hill No.2) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Figtree Hill No.3) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Figtree Hill) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Forest Lake Management) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Forest Lake Village) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Gawler) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Greystanes) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Harpley) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Holding Entity) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Holroyd) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (JV Finco) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Laurimar Park) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Management Services) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Mawson Lakes) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Pakenham East) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Pakenham Valley) Pty Limited	Body Corporate	Australia	100%	Australian	N/A

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Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place formed or incorporated	% of share capital held	Australian or foreign resident	Jurisdiction for foreign resident
Development continued					
Lendlease Communities (Pakenham) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Pda Holding Company) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Pine Valley) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Redbank Plains) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Shoreline) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Springfield) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Stoneleigh Reserve) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Townsville) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Werrington) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Wilton) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Woodlands) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities (Yarrabilba) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Communities Construction Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease CSRT Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease CW2 Holding Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease CW2 Holding Trust	Trust	Australia	N/A	Australian	N/A
Lendlease CW2 Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease CW2 Trust	Trust	Australia	N/A	Australian	N/A
Lendlease CW3 Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease CW3 Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Darling Park One Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Deptford Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Designmake Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Development (Comland) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Development (Coolum Beachside) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Development (Coolum Residences) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Development (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Development (Precinct 2) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Development Holdings (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Development Inc.	Body Corporate	United States	100%	Foreign	United States
Lendlease Development Malaysia Sdn. Bhd.	Body Corporate	Malaysia	100%	Foreign	Malaysia
Lendlease Development Partner (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Development Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease E&C Legacy Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease ESMANCO S.r.l.	Body Corporate	Italy	100%	Foreign	Italy
Lendlease Euston Development LLP	Body Corporate	United Kingdom	100%	N/A	N/A
Lendlease Euston Holdings LLP	Body Corporate	United Kingdom	100%	N/A	N/A
Lendlease Financial Services Products Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease HDV Holdings LLP	Body Corporate	United Kingdom	100%	N/A	N/A
Lendlease HDV Nominee Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Healthcare Development LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Inc.	Body Corporate	Japan	100%	Foreign	Japan
Lendlease Infrastructure Investment (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Infrastructure Investment Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Infrastructure Investment Management Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Infrastructure Investments Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease IQL Investments Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Life Science Development Management LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease LQ Residential 1 JR Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease LQ Residential 1 Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease LQ Residential 2 JR Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore

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Consolidated Entity Disclosure Statement continued

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place formed or incorporated	% of share capital held	Australian or foreign resident	Jurisdiction for foreign resident
Development continued					
Lendlease LQ Residential 2 Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease LQ Residential 3 JR Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease LQ Residential 3 Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease LQ Retail Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Manufactured Products Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease NoMad Properties LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Norwich Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease OSH Residential A Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease OSH Residential B Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease OSH Residential C Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease OSH Residential C Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Platform Development LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Platform Lab Office GP LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Platform Lab Office GP2 LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Platform Lab Office LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Platform Lab Office2 LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Plot 2 Holdings JR Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Plot 2 Holdings Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Plot 2 Hotel And Retail Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Plot 2 Residential Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Preston Tithebarn Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Preston Tithebarn no2 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease R&H Holdings JR Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease R&H Holdings Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Realty Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Residential (BH) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Residential (CG) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Residential (Lancashire) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Residential (North West) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Residential (Special Projects) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Residential (Yorkshire) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Residential Construction Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Residential Director Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Residential Group (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Residential Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Residential Nominees Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Residential Participant Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Residential Twenty Five Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Retail (Barangaroo) OSH R1 Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease Retail (Barangaroo) OSH R1 Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Retail (Barangaroo) OSH R2 Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease Retail (Barangaroo) OSH R2 Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Retail (Barangaroo) OSH R3 Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease Retail (Barangaroo) OSH R3 Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Retail (Barangaroo) R1 Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease Retail (Barangaroo) R1 Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Retail (Barangaroo) R7 Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease Retail (Barangaroo) R7 Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Retail (Barangaroo) R8/R9 Pty Limited ¹	Body Corporate	Australia	100%	Australian	N/A
Lendlease Retail (Barangaroo) R8/R9 Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Retail Development Pty Limited	Body Corporate	Australia	100%	Australian	N/A

1. This entity is a trustee of a trust within the consolidated entity.

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Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place formed or incorporated	% of share capital held	Australian or foreign resident	Jurisdiction for foreign resident
Development continued					
Lendlease Retail Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease S.r.l.	Body Corporate	Italy	100%	Foreign	Italy
Lendlease SCBD Limited ¹	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Senior Living 1 (Shanghai) Co. Limited	Body Corporate	China	100%	Foreign	China
Lendlease Senior Living 2 (Shanghai) Co. Limited	Body Corporate	China	100%	Foreign	China
Lendlease Senior Living Property Company Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Senior Living Service (Shanghai) Co. Limited	Body Corporate	China	100%	Foreign	China
Lendlease Services (Italy) S.r.l.	Body Corporate	Italy	100%	Foreign	Italy
Lendlease Silicon Valley Development LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Silicon Valley Holdings LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Silicon Valley Retail LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Silvertown Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Smithfield Development LLP	Body Corporate	United Kingdom	100%	N/A	N/A
Lendlease Smithfield Holdings LLP	Body Corporate	United Kingdom	100%	N/A	N/A
Lendlease Stratford GP Limited ¹	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Stratford Limited Partnership	Partnership	United Kingdom	N/A	N/A	N/A
Lendlease Strathfield Town Centre (Holdings) Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Lendlease Strathfield Town Centre Head Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Strathfield Town Centre Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Lendlease Strathfield Town Centre Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Thamesmead Development LLP	Body Corporate	United Kingdom	100%	N/A	N/A
Lendlease Thamesmead Holdings LLP	Body Corporate	United Kingdom	100%	N/A	N/A
Lendlease TRX Hotel Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Vault Holdings Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Victoria Cross Head Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Victoria Cross Trust	Trust	Australia	N/A	Australian	N/A
Lendlease Village Management Pty Limited	Body Corporate	Australia	100%	Australian	N/A
LIA Finance Pty Ltd	Body Corporate	Australia	70%	Australian	N/A
Limosa Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Living Utilities Fibre Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Living Utilities Pty Limited	Body Corporate	Australia	100%	Australian	N/A
LL FHR Pty Limited	Body Corporate	Australia	100%	Australian	N/A
LL FHR Trust	Trust	Australia	N/A	Australian	N/A
LL Melbourne Metro Pty Limited	Body Corporate	Australia	100%	Australian	N/A
LL NEL Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
LL NEL Trust	Trust	Australia	N/A	Australian	N/A
LL/SHA Wentworth Point Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Maribyrrong Development Company Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Maryland Development Company Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Melton Hospital Finance Pty Limited	Body Corporate	Australia	50%	Australian	N/A
Merefield Court (Bowden) Management Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Norfolk MOB Owners LLC	Body Corporate	United States	100%	Foreign	United States
Opus Collection Management Company Limited ³	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
Podium Asset Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
POLK M-100 LLC	Body Corporate	United States	100%	Foreign	United States
Potato Wharf 3 and 4 Residents Management Company Limited ³	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
Preston Tithebarn General Partner Limited ¹	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Preston Tithebarn Partnership	Partnership	United Kingdom	N/A	N/A	N/A
Preston Tithebarn Unit Trust ^{1,4}	Trust	Jersey	N/A	Foreign	Jersey
RB Marina Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
RB Marina Trust	Trust	Australia	N/A	Australian	N/A

1. This entity is a partner in a partnership within the consolidated entity.

2. This entity is a trustee of a trust within the consolidated entity.

3. This entity is without share capital as it is limited by guarantee and is controlled by members who occupy the role of guarantors.

4. The Jersey trusts are taxed on a flow-through basis. All trust income belonging to the Lendlease unitholders is ultimately subject to UK corporation tax in the hands of UK companies.

Consolidated Entity Disclosure Statement continued

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place formed or incorporated	% of share capital held	Australian or foreign resident	Jurisdiction for foreign resident
Development continued					
Rentco 247 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Retirement By Design Pty Limited	Body Corporate	Australia	100%	Australian	N/A
River South Properties LLC	Body Corporate	United States	100%	Foreign	United States
Ropes Crossing Distribution Trust	Trust	Australia	N/A	Australian	N/A
SB Harrison Street Development LLC	Body Corporate	United States	100%	Foreign	United States
SB Wells Street Development LLC	Body Corporate	United States	100%	Foreign	United States
Slip45 Owner LLC	Body Corporate	United States	100%	Foreign	United States
Slip45 Trustee LLC	Body Corporate	United States	100%	Foreign	United States
Slip65 Trustee LLC	Body Corporate	United States	100%	Foreign	United States
South Gardens Residents Management Company Limited ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
St Clements Valley Developments Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
St Marys Land Limited ²	Body Corporate	Australia	100%	Australian	N/A
Sydney Boathouse Holdings Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Sydney Boathouse Holdings Trust	Trust	Australia	N/A	Australian	N/A
Sydney Superyacht Holdings Pty Limited ²	Body Corporate	Australia	100%	Australian	N/A
Sydney Superyacht Trust	Trust	Australia	N/A	Australian	N/A
The Clarence Dock Company Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
The Timberyard Estate Management Company Limited ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
The Timberyard Plot 2 GP Limited ³	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
The Timberyard Plot 2 Limited ³	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
The Timberyard Plot 2 Limited Partnership	Partnership	United Kingdom	N/A	N/A	N/A
The Timberyard Plot 2 Nominee No. 1 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
The Timberyard Plot 2 Nominee No. 2 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
The Timberyard Plots 1&3 GP Limited ³	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
The Timberyard Plots 1&3 Limited Partnership	Partnership	United Kingdom	N/A	N/A	N/A
The Timberyard Plots 1&3 LP Limited ³	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
The Timberyard Plots 1&3 Nominee No.1 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
The Timberyard Plots 1&3 Nominee No.2 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Trafalgar Place Estate Management Company Limited ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
Trafalgar Place Residents Management Company Limited ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
Victoria Cross Commercial (Holdings) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Victoria Cross Commercial Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Victoria Cross Retail Head Trust	Trust	Australia	N/A	Australian	N/A
Victoria Cross Retail Pty Limited	Body Corporate	Australia	100%	Australian	N/A
VLL Richmond Trust	Trust	Australia	N/A	Australian	N/A
West Grove Residents Management Company Limited ¹	Body Corporate	United Kingdom	N/A	Foreign	United Kingdom
Construction					
Birmingham Schools PSP LEP Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
BLFB Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Bovis Egypt SAE ⁴	Body Corporate	Egypt	95%	Foreign	Egypt
Bovis International Inc.	Body Corporate	United States	100%	Foreign	United States
Bovis Lend Lease General Construction Limited Liab Co ⁴	Body Corporate	Greece	100%	Foreign	Greece
Bovis Lend Lease India Pvt Limited ⁴	Body Corporate	India	100%	Foreign	India
Bovis Lend Lease Overseas Holdings B.V. ⁴	Body Corporate	Netherlands	100%	Foreign	Netherlands
Bovis Lend Lease SAS ⁴	Body Corporate	France	100%	Foreign	France
Bovis Lend Lease Sp. z o.o. ⁴	Body Corporate	Poland	100%	Foreign	Poland
Bovis Lend Lease Trinidad & Tobago Unlimited ⁴	Body Corporate	Trinidad & Tobago	100%	Foreign	Trinidad & Tobago
Debut Services (Contracts) Ltd	Body Corporate	United Kingdom	91%	Foreign	United Kingdom
Debut Services Limited	Body Corporate	United Kingdom	85%	Foreign	United Kingdom
DTLA Lending LLC	Body Corporate	United States	100%	Foreign	United States

1. This entity is without share capital as it is limited by guarantee and is controlled by members who occupy the role of guarantors.

2. This entity is a trustee of a trust within the consolidated entity.

3. This entity is a partner in a partnership within the consolidated entity.

4. This is a legacy entity acquired as part of a historical acquisition. It is in liquidation or is proposed to be liquidated. Lendlease has no active operating business in the entity's tax residence jurisdiction.

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place formed or incorporated	% of share capital held	Australian or foreign resident	Jurisdiction for foreign resident
Construction continued					
Elwick Place Construction Limited	Body Corporate	United Kingdom	50%	Foreign	United Kingdom
EP3 Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
EP3 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lehrer McGovern International Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lend Lease (AR) S.A. ¹	Body Corporate	Argentina	100%	Foreign	Argentina
Lend Lease (BR) Construcoes Limitada ¹	Body Corporate	Brazil	100%	Foreign	Brazil
Lend Lease CEMEA Investments B.V. ¹	Body Corporate	Netherlands	100%	Foreign	Netherlands
Lend Lease Pharmaceutical (EMEA) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease (US) Construction Holdings Inc.	Body Corporate	United States	100%	Foreign	United States
Lendlease (US) Construction Inc.	Body Corporate	United States	100%	Foreign	United States
Lendlease (US) Construction LMB Inc.	Body Corporate	United States	100%	Foreign	United States
Lendlease (US) Public Partnerships LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease CEMEA Investments Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Construction (Aust) Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Construction (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Construction (Lelliott) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Construction (QLD / WA) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Construction (Scotland) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Construction (Southern) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Construction Asia Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Construction Holdings (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Construction International Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Construction Management Services (One) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Construction North Western Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Construction Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Consulting (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Europe International Limited ¹	Body Corporate	United Kingdom	100%	Foreign	Malta
Lendlease Infrastructure (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Infrastructure Holdings (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Japan Inc.	Body Corporate	Japan	100%	Foreign	Japan
Lendlease Management Australia Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Melbourne Metro Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Multi Site Group LLC	Body Corporate	United States	100%	Foreign	United States
Lendlease Overseas Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lendlease Project Management & Construction (Shanghai) Co. Limited	Body Corporate	China	100%	Foreign	China
Lendlease Projects (M) Sdn. Bhd.	Body Corporate	Malaysia	100%	Foreign	Malaysia
Lendlease Services (Holdings) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Services (New Zealand) Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Lendlease Singapore Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Lendlease Structures Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease Technical Services (Aust) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Lendlease UK Pension Trustee Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
LL Insurance VT Inc.	Body Corporate	United States	100%	Foreign	United States
M/L Bovis Holdings Limited.	Body Corporate	United States	100%	Foreign	United States
Schal Bovis Inc.	Body Corporate	United States	100%	Foreign	United States
Sitzler Baulderstone Joint Venture	Body Corporate	Australia	70%	Australian	N/A
Tower Pods Godo Kaisha	Body Corporate	Japan	100%	Foreign	Japan
Vita PMC Holding Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Vita PMC SG Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Waste 2 Resources - Project Lancashire LLP	Body Corporate	United Kingdom	100%	N/A	N/A

1. This is a legacy entity acquired as part of a historical acquisition. It is in liquidation or is proposed to be liquidated. Lendlease has no active operating business in the entity's tax residence jurisdiction.

Consolidated Entity Disclosure Statement continued

Key Assumptions and Judgements

Determination of Tax Residency

Section 295(3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency
“Australian resident” has the meaning provided in the Income Tax Assessment Act 1997. The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation’s public guidance in Tax Ruling TR 2018/5 and Practical Compliance Guideline PCG 2018/19.
- Foreign tax residency
The consolidated entity has applied current legislation, double tax agreements and where available judicial precedent in the determination of foreign tax residency.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis, meaning the partners and unitholders have the obligation to pay tax in relation to their involvement in the partnership or trust, so there is no need for a general residence test. Other jurisdictions such as the UK, Jersey and Singapore adopt similar positions. For this reason, the tax residence of partnerships (including UK limited liability partnerships (LLPs) disclosed as body corporates) has been disclosed as “N/A” and the tax residence of trusts has been disclosed as the same tax residence of the relevant trust’s trustee.

United States Limited Liability Companies (LLCs)

All of the consolidated entity’s LLCs are disregarded for United States income tax purposes, meaning that the ultimate single member, being in every case either Lendlease Americas Inc. or Lendlease Americas Holdings Inc, has the obligation to pay tax in relation to their direct or indirect interest in the LLCs. The tax residencies disclosed for LLCs has been determined by reference to the tax residency of each LLC’s ultimate single member.

Directors' Declaration

In the opinion of the Directors of Lendlease Corporation Limited (the Company):

1. The financial statements and notes and the remuneration disclosures contained in the Remuneration Report in the Directors' Report are in accordance with the *Corporations Act 2001*, including:
 - a. Giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2024 and of its performance for the financial year ended on that date; and
 - b. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in the Basis of Preparation.
3. The Consolidated Entity Disclosure Statement as at 30 June 2024 required by Section 295(3A) of the *Corporations Act 2001* is true and correct.
4. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
5. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Group Chief Executive Officer and Managing Director and Group Chief Financial Officer for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Directors:



M J Ullmer, AO

Chairman



A P Lombardo

Group Chief Executive Officer

and Managing Director

Sydney, 19 August 2024

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Independent Auditor's Report

To the stapled security holders of Lendlease Group

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Lendlease Group (the Stapled Group Financial Report).

In our opinion, the accompanying Stapled Group Financial Report gives a true and fair view, including of the **Stapled Group's** financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** of the Stapled Group comprises:

- Consolidated Statement of Financial Position as at 30 June 2024
- Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended
- Consolidated Entity Disclosure Statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- Directors' Declaration.

The **Stapled Group** consists of Lendlease Corporation Limited and the entities it controlled at the year-end or from time to time during the financial year and Lendlease Trust and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Stapled Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



Key Audit Matters

The **Key Audit Matters** we identified for the Stapled Group are:

- Construction Revenue Recognition
- Sale of Development Properties
- Recoverability of Development Property Inventory
- Asset Valuation
- UK Building Remediation Provision
- Contingent liabilities – Retirement Living tax matter

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Construction Revenue Recognition (A\$6,344m)	
Refer to Note 4 'Revenue from Contracts with Customers' to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The Group performs various building, engineering and services construction contract works (projects) for a wide range of customers. The Group contracts in a variety of ways. Each project has a different risk profile based on its individual contractual and delivery characteristics.</p> <p>Currently, global market conditions are uncertain with disruption to supply chains and inflationary pressures. These conditions continue to create a challenging operating environment impacting productivity, expected timing of completion and expected costs to complete.</p> <p>Construction revenue recognition is a key audit matter as judgement is required to assess the timing of recognition determined by the Group. Revenue on construction contracts is earned over time, typically using costs incurred as a proportion of total forecast costs as the measure of progress.</p> <p>Estimating total forecast costs to complete during project life is complex and requires</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Evaluating and testing the Group’s internal controls relating to review and approval of revenue and cost forecasting; • Conducting visits to a selection of project sites to evidence physical progress and understand key risks; • Selecting a sample of contracts for testing using: <ul style="list-style-type: none"> – Data Analytic routines based on a number of quantitative and qualitative factors, related to size and risk of projects; and – the Group’s project reporting tool. • For the sample selected, we: <ul style="list-style-type: none"> – inquired with key project personnel to assess the project schedule, forecast costs, risks and opportunities, with involvement from KPMG engineering specialists where appropriate; – read relevant contract terms and conditions to evaluate the inclusion of individual



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<p>judgement. Typical cost estimates include labour, subcontractors, equipment, materials, and project overheads. Changes to these cost estimates could give rise to variances in the amount of revenue recognised.</p> <p>The revenue on construction contracts may also include variations and claims, which fall under either the variable consideration or contract modification requirements of AASB 15. It is the Group’s policy to recognise these on a contract-by-contract basis when evidence supports that it is highly probable that a significant reversal in the amount of revenue recognised will not occur.</p> <p>The assessment of revenue on construction contracts resulting from variations and claims was a focus of our audit due to the audit effort in assessing this across bespoke projects and contracting arrangements.</p>	<p>characteristics and project risks in the Group’s estimates;</p> <ul style="list-style-type: none"> – tested a sample of incurred costs to supplier invoices or other underlying documentation; – tested forecast costs for labour, subcontractors, equipment, materials, and project overheads by comparing to actual incurred spend, committed future contracts and current market quotes, with specific consideration of inflation in our assessment of contingency; and – tested the variations and claims recognised within revenue against the criteria for recognition in the accounting standards via inspection and assessment of: <ul style="list-style-type: none"> ○ correspondence between the Group and the customer; ○ the Group’s legal basis for the variations and claims, including, where necessary, external legal opinions; and ○ the Group’s analysis of the amounts they consider meet the recognition requirement of highly probable, using our knowledge of the Group’s historical experience in resolving variations and claims, and considering the commercial factors specific to each variation or claim and quality of information underpinning the amounts recognised.
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Sale of Development Properties (A\$1,149m)	
Refer to Note 4 ‘Revenue from Contracts with Customers’ to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The Group develops for sale both built form products (for example residential apartments and mixed-use buildings which incorporate commercial and retail) and residential land lots. It is the Group’s policy for development revenue to be recognised when control transfers to the purchaser, based on an assessment of the contractual terms of sale.</p> <p>This was a key audit matter due to the volume of transactions that occur across multiple jurisdictions. In addition, the assessment of cost of sales includes judgement as cost allocation for site infrastructure costs is</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Evaluating and testing the Group’s internal controls relating to review and approval of development revenue and cost forecasting; • Selecting a sample of settlements, across multiple jurisdictions, during the year. For the sample selected we: <ul style="list-style-type: none"> – compared revenue recognised to contractual terms of sale and cash settlements; – assessed the Group’s determination of when control transfers by a detailed analysis of the contractual terms of sale



<p>typically based on the proportion of revenue for each unit, lot or building as compared to total forecast project revenue.</p> <p>The assessment of profit recognition requires judgment as cost allocation is typically a function of total forecast project profit based on either revenue or area estimation.</p>	<p>against the criteria in the accounting standards;</p> <ul style="list-style-type: none"> – assessed the Group’s cost allocation methodology against the requirements of the accounting standards; – tested the application of the cost allocation methodology by comparing allocated costs to revenue recognised in the year relative to the total project revenue; and – assessed total forecast project revenue by comparing expected sales prices to published industry forecasts and comparable sales prices achieved in the year, being alert to the impacts of current challenging market conditions.
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Recoverability of Development Property Inventory (A\$2,358m)

Refer to Note 11 ‘Inventories’ to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>It is the Group’s policy to capitalise development costs into inventory over the life of its projects. Development costs include the purchase of land, site infrastructure costs, construction costs for built form products and borrowing costs.</p> <p>It is the Group’s policy to carry inventory at the lower of cost and net realisable value. The recoverability therefore of these capitalised development costs is a significant judgement made by the Group, and their assessment is based on forecasts of:</p> <ul style="list-style-type: none"> • sales prices; and • construction and infrastructure costs to complete the development. <p>Where a development is forecast to be loss making and the inventory is no longer considered to be recoverable, the Group considers it to be impaired and it is their policy for an expense to be recognised.</p> <p>This was a key audit matter for us due to:</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Selecting a sample of projects for testing using: <ul style="list-style-type: none"> – Data Analytic routines based on a number of quantitative and qualitative factors, related to size, duration and risk of projects; and – the Group’s project reporting tool. • For the sample selected, we: <ul style="list-style-type: none"> – compared expected sales prices to published industry forecasts and comparable sales prices achieved in the year, being alert to the impacts of current challenging market conditions; – tested a sample of forecast construction and infrastructure costs to underlying supplier contracts, historical experience of similar costs, and our industry expectation of cost contingency levels and cost escalation assumptions; and – assessed the volumes of sales expected each period and holding costs in light of current challenging market conditions, using our industry knowledge.



<ul style="list-style-type: none"> • current year development property write-down booked of \$547m as a result of the Group's strategy update in May 2024; and • many developments being long term which increases the level of forecasting judgement and audit complexity in assessing estimated sales prices and future costs to complete the development. We considered the heightened risk in estimating future sales prices, the timing of sales, and future costs as a result of current economic conditions. 	<ul style="list-style-type: none"> • For projects written down during the year, recalculated the impairment expense by comparing the cost against net realisable value; and • Assessing disclosures included in the financial report highlighting the key factors in determining recoverability of development property inventory, using our understanding obtained from our testing and against the requirements of the accounting standards.
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Asset Valuation	
<p>Refer to Note 12 'Equity Accounted Investments' (A\$5,859m), Note 13 'Other Financial Assets' (A\$986m) and Note 26 'Fair Value Measurement' to the Financial Report</p>	
The key audit matter	How the matter was addressed in our audit
<p>The Group is required by accounting standards to assess the value of equity accounted investments and other financial assets at each reporting date. Within these investments are a significant number of investment properties measured at fair value. These properties include commercial, retail, industrial, life sciences and residential (build to rent) assets. The fair value of these properties directly impacts the Group's financial interests in its equity accounted investments and other financial assets.</p> <p>Valuations of assets are generally performed by the Group using internal valuation methodologies (discounted cash flow or capitalised income approach) or through the use of external valuation experts. External valuations are obtained on a rotational basis by the Group each year, with the remaining investments being valued internally.</p> <p>The Group's key valuation assumptions are predominantly:</p> <ul style="list-style-type: none"> • capitalisation of earnings rates • market rent • leasing incentives • discount rates • rental growth rates 	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Selecting a sample of asset valuations based on the significance of the asset to the Group's financial position and performance; • For the sample selected: <ul style="list-style-type: none"> – Working with our real estate valuation specialists, we compared the Group's key assumptions with market data published by commercial real estate agents, previous external valuations, our knowledge of the industry, and/or our knowledge of the asset and its historical performance and a sensitivity to current economic conditions. Key assumptions include: <ul style="list-style-type: none"> ○ capitalisation of earnings rates ○ market rent ○ leasing incentives ○ discount rates ○ rental growth rates – Assessed the scope, competence and objectivity of external valuation experts engaged by the Group for assets valued by external valuation experts; – Assessed the valuation methodology, assumptions and data for consistency with

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<p>Given the current market conditions real estate valuations have been subject to fluctuation. The assessment of the valuations of these assets is a key audit matter as they:</p> <ul style="list-style-type: none"> • contain certain forward-looking assumptions, with higher estimation uncertainty given current economic conditions, which are inherently challenging to audit; and • lead to additional audit effort, often due to the high number of differing assumptions and models, across varying asset classes. 	<p>accounting standards and industry practice for the asset's class; and</p> <ul style="list-style-type: none"> – Evaluated and tested the Group's internal controls relating to the review and approval of internal valuations based on the Group's policies for internally valued assets. • Assessing disclosures included in the financial report highlighting the estimates and judgements in determining fair values of the Group's equity accounted investments and other financial assets. We used our understanding obtained from our testing against the requirements of the accounting standards.
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UK Building Remediation Provision (A\$365m)	
Refer to Note 23 'Provisions'	
The key audit matter	How the matter was addressed in our audit
<p>The estimate of the building safety rehabilitation provision and associated expense was a key audit matter for us due to the high degree of estimation uncertainty and subjectivity for the Group in determining the likely cost and timing of future works. Increasing estimation uncertainty results in an inherently wider range of possible outcomes, sometimes out of the control of the entity, amplifying the importance and consistency of judgements made by the Group.</p> <p>The key assumptions giving rise to this estimation uncertainty are:</p> <ul style="list-style-type: none"> • The identification of buildings which will more likely than not require remediation. Given the nature of the intrusive inspection process to assess each building against the required safety standards, the time each such assessment takes, the status of each inspection such that confirmation of remediation is available, necessitates significant assumptions in the provision. • the number of buildings under inspection and confirmed as requiring remediation; 	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the Group's process for identifying which buildings, will more likely than not, require remediation based on the information available; • Assessing the completeness of buildings included in the Group's assessment with reference to publicly available information on buildings developed by the Group, including the impact on the provision; • For buildings identified by the Group, assessing the basis for recognition of a provision with reference to information provided by the UK Government (Building Safety Fund), building owners, the Group's internal investigations and criteria in the accounting standards; • Working with our major projects advisory specialists, we compared the methodology and key assumptions applied by the Group in developing the estimate by comparison with our knowledge of the industry. We challenged key assumptions by:



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<ul style="list-style-type: none"> • remediation cost estimates per building; • expected period over which the portfolio of buildings will be remediated which is planned to occur several years into the future; and • the discount rate applied to the estimate. 	<ul style="list-style-type: none"> – Comparing individual building information and costs to quotes and tenders from suppliers, quantity surveyors, the UK Government (Building Safety Fund) and building owners compared to the provision recognised along with obtaining evidence for any adjustments; – Assessing the expected period over which the portfolio of buildings will be remediated; and – Comparing the discount rate and period of remediation adopted by the Group to other developers within the industry. <ul style="list-style-type: none"> • Assessing disclosures included in the financial report using our understanding obtained from our testing against the requirements of the accounting standard.
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Contingent liabilities – Retirement Living tax matter	
Refer to Note 27 'Contingent Liabilities' to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The contingent liability relating to the Retirement Living tax matter is a key audit matter as applying IFRIC 23 <i>Uncertainty over Income Tax Treatments</i> and AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> (AASB 137) requires significant judgement by the Group.</p> <p>Applying the accounting principles to these types of ongoing contended matters, such as legal and regulatory matters, as compared to known contractual liabilities, are complex and prone to greater uncertainty.</p> <p>Given the matter with the Australian Tax Office (ATO) regarding partial sale of its Retirement Living business (the RL business), its nature, size and status, we focused our effort on how the Group complied with the requirements of the accounting standard and the information used to form its judgements.</p> <p>We involved tax specialists to supplement our senior audit team members in assessing this</p>	<p>Working with our tax specialists, technical accounting specialists, tax controversy and litigation specialists, our procedures of the Group's assessment of IFRIC 23 and AASB 137, included:</p> <ul style="list-style-type: none"> • Obtaining and inspecting relevant correspondence with the ATO, including the statement of audit position and amended income tax assessment issued on 10 May 2024; • Obtaining and understanding the ATO's basis for determination outlined in the amended assessment, including a detailed technical analysis against the applicable tax law; • Using information from the Group regarding their tax treatment applied to the partial sale of the Retirement Living business in the 2018 tax return (and subsequent sell downs) and the detailed technical analysis against the applicable tax law;



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<p>key audit matter.</p>	<ul style="list-style-type: none"> • Inspecting the Group’s documentation, including internal and external advice, and detailed analysis against the applicable accounting standards; • Inspecting minutes from Board meetings and attending Audit Committee and other relevant meetings where this matter and the Group’s response strategy was tabled and discussed; • Assessing the scope, competency, and objectivity of the Group’s tax and legal advisors; • Enquiring with the Group’s external lawyers regarding the matter, and evaluating the conclusions reached by the Group’s external advisors; • Enquiring of senior management, inhouse legal counsel and the Directors for updates through to the date of signing regarding the matter, the range of possible outcomes and associated estimation of financial outflows; • Using the cumulative information above, challenging the Group’s overall conclusion regarding the contingent liability position versus giving rise to a liability against the accounting principles, in particular the basis for potential loss as either “probable” or “possible”; and • Evaluating the adequacy of disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.
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Other Information

Other Information is financial and non-financial information in Lendlease Group’s annual report which is provided in addition to the Financial Report and the Auditor’s Report. The Directors of Lendlease Corporation Limited are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of Lendlease Corporation Limited are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Stapled Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the Corporations Act, including giving a true and fair view of the financial position and performance of the Stapled Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Stapled Group's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Stapled Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Lendlease Corporation Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Lend Lease Corporation Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 68 to 90 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Eileen Hoggett

Partner

Sydney

19 August 2024

Paul Rogers

Partner

Sydney

19 August 2024

Other Information

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Corporate directory

Annual General Meeting 2024 (AGM)

The Annual General Meeting (AGM) of shareholders of Lendlease Corporation Limited and the general meeting of unitholders of Lendlease Trust (together, Lendlease Group) will be held at 10am on Friday 15 November 2024 in the Wesley Theatre, Wesley Conference Centre, 220 Pitt Street, Sydney, NSW. As the meeting will be a hybrid AGM, securityholders who are not able to physically attend the AGM will be able to participate and vote at the meeting using technology. We will provide securityholders with full details of participation in the Notice of Meetings. Lendlease advises that the date of close of Director nominations for election at the AGM is Friday 27 September 2024.

Important dates

19 August 2024	Full Year results announced
23 August 2024	Security price ex distribution
26 August 2024	Final distribution record date
18 September 2024	Final distribution payable
15 November 2024	Annual General Meeting
17 February 2025	Half Year results announced
21 February 2025	Security price ex distribution
24 February 2025	Interim distribution record date
12 March 2025	Interim distribution payable

Please note that the timing of events can be subject to change. A current calendar is available online at www.lendlease.com

Entity Details

Lendlease Corporation Limited ABN 32 000 226 228
Incorporated in NSW Australia

Lendlease Responsible Entity Limited ABN 72 122 883 185 AFS
Licence 308983 as responsible entity for Lendlease Trust ABN 39
944 184 773 ARSN 128 052 595

Registered Office

Level 14, Tower Three
International Towers Sydney
Exchange Place
300 Barangaroo Avenue
Barangaroo NSW 2000

Contact

T: +61 2 9236 6111
F: +61 2 9252 2192

www.lendlease.com

Share Registry Information

Computershare Investor Services Pty Limited
ABN 48 078 279 277
GPO Box 2975, Melbourne Victoria 3001 Australia

T: 1300 850 505 (within Australia)
T: +61 3 9415 4000 (outside Australia)

www.computershare.com.au

Securityholder information

Securities exchange listing and code

Lendlease Group is listed on the Australian Securities Exchange and trades under the code LLC.

In the United States, Lendlease securities are traded on the 'over the counter' market in the form of sponsored American Depositary Receipts (ADRs) under the symbol LLESY. Each ADR represents one ordinary security. Information about ADRs is available from the depositary, The Bank of New York Mellon www.adrbny.com

Voting rights

Each stapled security in Lendlease Group and each ADR entitles the holder to one vote. Rights to Lendlease Group securities granted under Lendlease Group's employee equity incentive plans do not carry voting rights.

Share Accumulation Plan

The Share Accumulation Plan is designed to be a convenient way for securityholders with a registered address in Australia or New Zealand to build their securityholdings without incurring transaction costs. The laws of other countries make it difficult for us to offer securities in this way. Lendlease securityholders are able to reinvest their distributions to acquire more Lendlease securities through the Distribution Reinvestment Plan (DRP) or the Share Election Plan (SEP). Securityholders may also make contributions of between \$500 and \$2,500 to acquire new Lendlease securities under the Share Purchase Plan (SPP). Together the DRP, SEP and SPP constitute the Share Accumulation Plan.

The rules of each of these plans are set out in the Share Accumulation Plan Information Sheet. Copies are available on the Lendlease website. Please note that the Share Election Plan and the Share Purchase Plan are currently suspended.

Key sources of information for securityholders

We report the following to securityholders each year:

- Annual Report
- Half Year Financial Report
- March and September distribution statements.

Electronic communications

Securityholders have the option of receiving the following communications and all other Company related information electronically:

- Annual Report
- Distribution statements
- Notice of Annual General Meetings.

Lendlease makes the Annual Report available in an online version. A hard copy of the Annual Report will only be sent to those securityholders who elect to receive it in that form. In addition, securityholders may elect to receive notification when the Annual Report is available online.

Securityholders who wish to register their email address should go to the website of the Lendlease share registry www.investorcentre.com/ecomms

For registry contact details, see page 188.

Privacy legislation

Under Chapter 2C of the Corporations Act 2001, a securityholder's information (including their name, address and details of securities held) is required to be included in Lendlease's public register. This information must continue to be included in Lendlease's public register for seven years after a person ceases to be a securityholder. These statutory obligations are not altered by the Privacy Amendment (Private Sector) Act 2000. Information is collected to administer the securityholder's holding and if some or all of the information is not collected, then it may not be possible to administer the holding. Lendlease's privacy policy is available on its website.

Dispute resolution

There is a dispute resolution mechanism that covers complaints by securityholders. For more information, please contact Lendlease Investor Relations at +61 2 9236 6111 or email us investorrelations@lendlease.com

Distribution and Share Accumulation Plan issue price history

For historical distribution and Share Accumulation Plan Issue Price information, please see the below link to our website www.lendlease.com/au/investor-centre/distribution-and-tax

Security information at a glance at 1 August 2024 (comparative 1 August 2023)

	2024	2023
Number of securityholders	56,633	61,036
Units issued	689,792,371	688,322,065
Percentage owned by 20 largest securityholders	78.05%	77.28%
Interim dividend/distribution	6.5 cents per security	4.9 cents per security
Total dividend/distribution	16.0 cents per security	16.0 cents per security
Dividend payout ratio	42%	43%

Spread of securityholdings as at 1 August 2024 (comparative 1 August 2023)

	2024	2023
1 to 1,000 securities	29,962	32,110
1,001 to 5,000	20,668	22,743
5,001 to 10,000	3,777	3,991
10,001 to 100,000	2,149	2,109
100,001 securities and over	77	83
Total number of securityholders	56,633	61,036
Securityholders with less than a marketable parcel	5,411 (representing 182,500 securities)	4,496 (representing 112,604 securities)

Securities purchased on market

The following securities were purchased on market during the financial year for the purpose of funding employee incentive awards through Lendlease securities.

	Number of Securities Purchased	Average Price Paid Per Security
Stapled Securities	2,860,002	\$7.66

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Top 20 securityholders as at 1 August 2024

Rank	Name	Units	% of Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	206,928,838	30.00
2	CITICORP NOMINEES PTY LIMITED	106,930,589	15.50
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	96,947,236	14.05
4	BUTTONWOOD NOMINEES PTY LTD	27,997,992	4.06
5	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	17,930,739	2.60
6	LL EMPLOYEE HOLDINGS CUSTODIAN PTY LIMITED <CASTLE ACCOUNT A/C>	14,075,522	2.04
7	BNP PARIBAS NOMS PTY LTD	12,583,471	1.82
8	HOME CONSORTIUM LIMITED	12,497,862	1.81
9	NATIONAL NOMINEES LIMITED	8,943,998	1.30
10	ARGO INVESTMENTS LIMITED	6,980,092	1.01
11	LL EMPLOYEE HOLDINGS CUSTODIAN PTY LIMITED <ESAP STI A/C>	6,013,668	0.87
12	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	5,163,564	0.75
13	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	3,458,376	0.50
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	2,803,124	0.41
15	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,944,464	0.28
16	SOLIUM NOMINEES (AUSTRALIA) PTY LTD <VSA A/C>	1,638,992	0.24
17	BNP PARIBAS NOMS (NZ) LTD	1,585,250	0.23
18	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	1,371,771	0.20
19	DE FAZIO CAPITAL PTY LTD	1,300,000	0.19
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,254,994	0.18
Total Top 20 holders of fully paid ordinary shares		538,350,542	78.05
Total Remaining Holders Balance		151,441,829	21.95

Substantial securityholders as shown in the Company's Register at 1 August 2024

Name	Date of Last Notice Received	No of Units	% of Issued Capital
Aware Super Pty Limited	20/12/2023	59,166,693	8.58%
Allan Gray Australia Pty Ltd	4/6/2024	50,008,965	7.25%
Macquarie Group Limited	27/6/2024	49,142,981	7.12%
State Street Corporation	4/3/2024	49,098,024	7.12%
The Vanguard Group	3/5/2019	33,903,122	6.01%
HMC Capital Limited	10/4/2024	34,548,408	5.01%

Glossary

Co-investment: The total market value of Lendlease equity invested across Lendlease managed funds as at period end. Represents the Group's assessment of the market value.

Construction backlog revenue: Current year Construction backlog revenue is the total revenue to be earned across future periods.

Core Operating Return on Equity (ROE): ROE is calculated using annual operating Profit after Tax attributable to securityholders divided by the arithmetic average of beginning, half year and year end securityholders' equity.

Development pipeline: Estimated end value of all of the Group's secured development projects based on values as at period end; includes 100 per cent of joint venture projects and therefore will not necessarily correlate with the Group's Profit after Tax.

Distribution payout ratio: Distribution divided by Profit after Tax.

Distribution per security: Amount of interim and final distribution per stapled security from the Company/Trust.

Earnings per security: Profit after Tax divided by the weighted average number of securities on issue during the year (including treasury securities) unless otherwise stated.

EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation.

Effective tax rate: Income tax expense as a percentage of Profit before Tax.

Funds under management (FUM): The total market value of investments across Lendlease managed funds.

Gearing: Net debt to total tangible assets less cash.

Global Minimum Requirements (GMRs): GMRs are Lendlease's minimum environment, health and safety standards designed to control the risks across our operations.

Good leaver: An employee who is leaving Lendlease for a reason such as retirement or redundancy, and who may remain eligible for part or all of an incentive opportunity.

Green Star rating: Green Star is a national voluntary environmental rating system used by the Green Building Council of Australia to evaluate the environmental design and achievements of buildings.

Investments: Includes equity invested in Lendlease managed funds and direct investment in property and property related assets. Represents the Group's assessment of market value.

Investments performance: The performance of our Investments business which includes our funds under management, assets under management, co-invested equity in Lendlease managed funds and direct investment in property and property related assets.

Key Management Personnel (KMP): Those executives who have the authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly (as per Accounting Standard AASB 124 Related Party Disclosures).

KPIs: Key Performance Indicators.

Long Term Incentive (LTI)/Long Term Award (LTA): An incentive scheme which provides Lendlease equity (or cash, in some circumstances) to participating executives that may vest, in whole or part, if specified performance measures are met over a three year period.

Lost Time Injury Frequency Rate (LTIFR): An indicator and industry standard measuring a workplace injury which prevents a worker from returning to duties the next day. LTIFR refers to the number of lost time injuries within a year, relative to the total number of hours worked in the financial year.

Market capitalisation: The number of securities on issue multiplied by the security price at year end.

Net debt: Borrowings, including certain other financial liabilities, less cash.

New work secured revenue: Estimated revenue to be earned from construction contracts secured during the period. New work is secured and forms part of backlog revenue when formal contracts are signed.

People and Culture Committee: The Board subcommittee that helps the Board fulfil its responsibilities in people management and reward policies. It is made up entirely of independent Non Executive Directors.

PLLACes: Pre-sold Lendlease Apartment Cashflows.

Profit after Tax (PAT): Profit after Tax attributable to securityholders, determined in accordance with Australian Accounting Standards.

Public Private Partnerships (PPP): A joint procurement arrangement for infrastructure development contracts between the public and private sectors.

Residential build to rent: Residential apartments, typically in the form of an entire building, that are made available for rent as separate dwellings. Lendlease and its investment partners maintain ownership of these apartments.

Securityholders: An individual or entity that owns Lendlease securities.

Senior executive: Employees who hold a position at executive level according to the Lendlease Career Job Framework. This generally includes Regional Business Unit Heads, Regional Function Heads and in some cases, direct reports to Group Function Heads.

Settlements: Cash settled in the period on completed units/lots in Australia, Europe and Americas, and units which have reached practical completion in Asia.

Short Term Incentive (STI)/Short Term Award (STA): Incentives awarded with direct reference to financial and non financial performance over a one year period. Measures are designed to focus individuals on priority areas for the current financial year.

Total Package Value (TPV): Salary plus the value of salary package items such as motor vehicles and parking and compulsory superannuation contributions paid on behalf of an employee.

Total Shareholder Return/Total Securityholder Return (TSR): The movement in a company's share/security price, dividend yield and any return of capital over a specific period. It is often expressed as a percentage.

Urban development pipeline: Estimated end value of all of the Group's secured development projects (excluding Communities projects) based on values as at period end; includes 100 per cent of joint venture projects and therefore will not necessarily correlate with the Group's Profit after Tax.

Weighted average number of securities: The time weighted number of securities outstanding during the period.



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