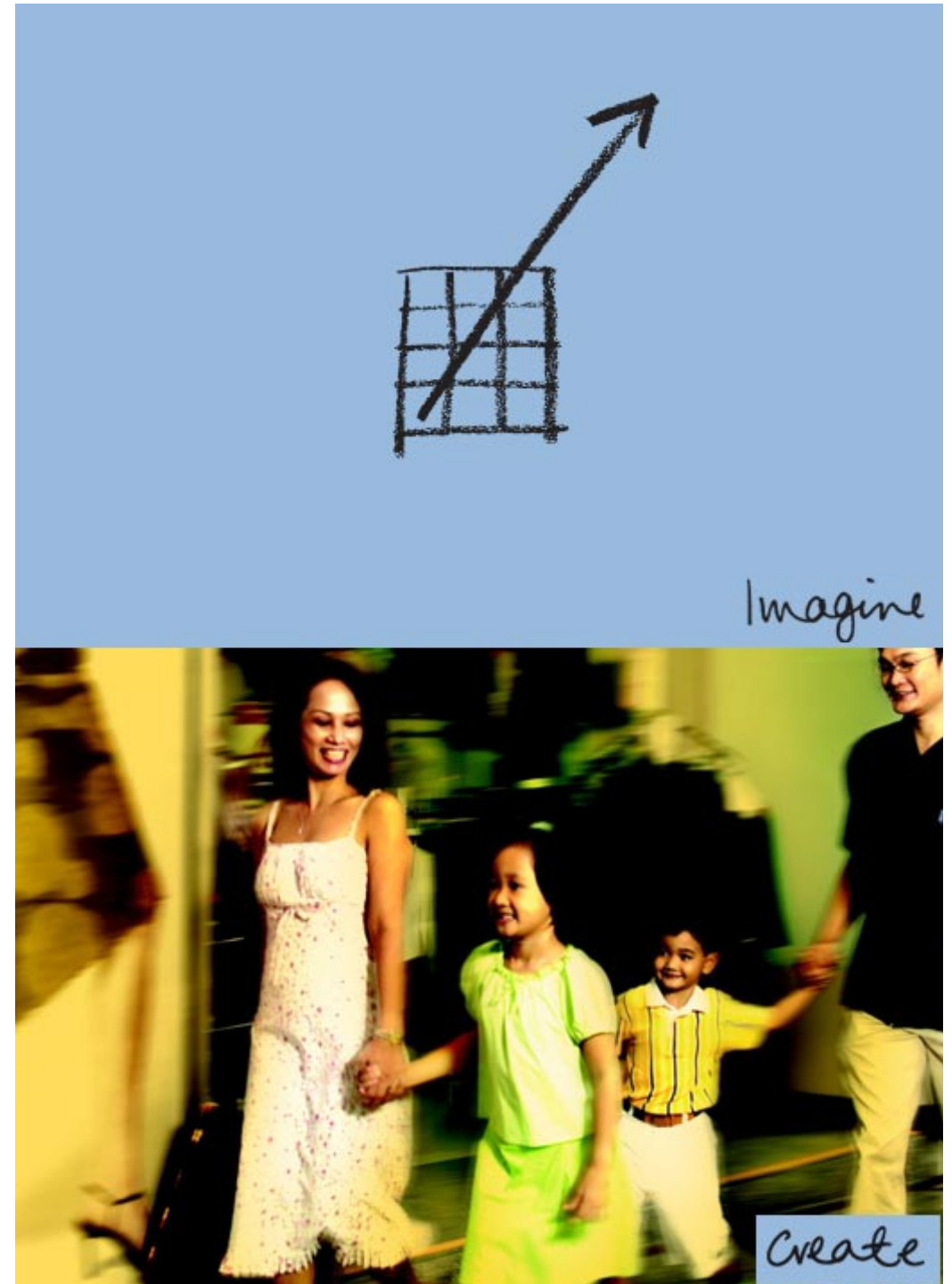




Financial Overview

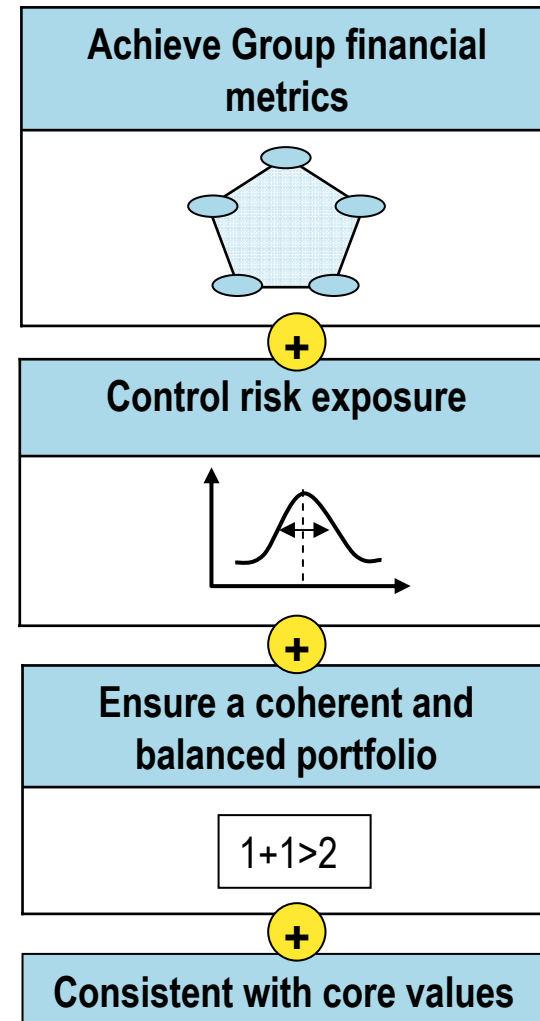
Steve McCann
Finance Director

Market Update – May 2007

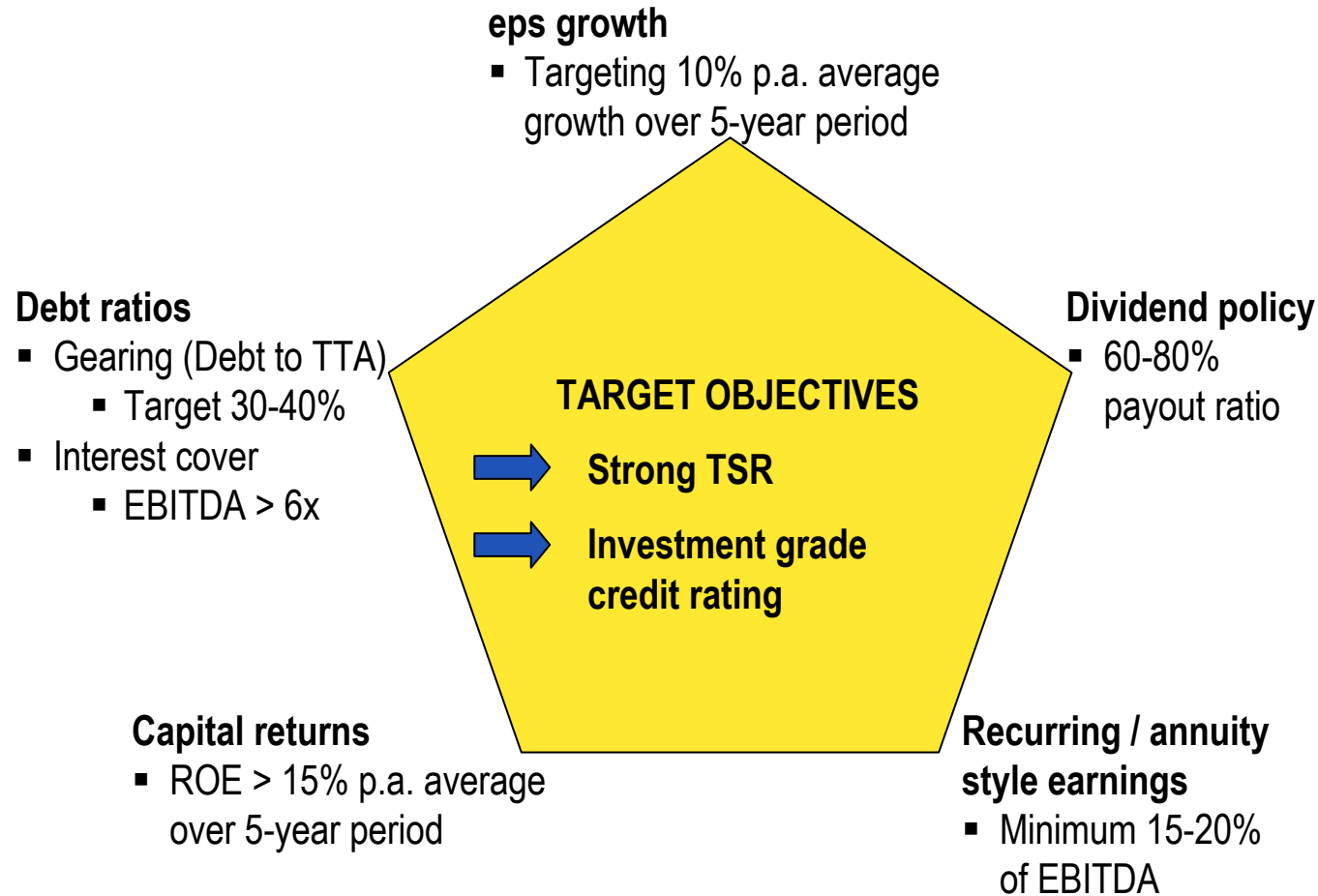


Producing Superior Returns for Shareholders

- Fit with Group strategy
- Use clear financial parameters
 - EPS growth
 - ROE
 - Dividend payout ratio
 - Annuity earnings
 - Gearing
- Pursue growth in a controlled manner
- Assess opportunities on a risk adjusted return basis
- Maintain a portfolio of businesses that have synergies
- Must be consistent with Group core values of respect, integrity, innovation, collaboration and excellence

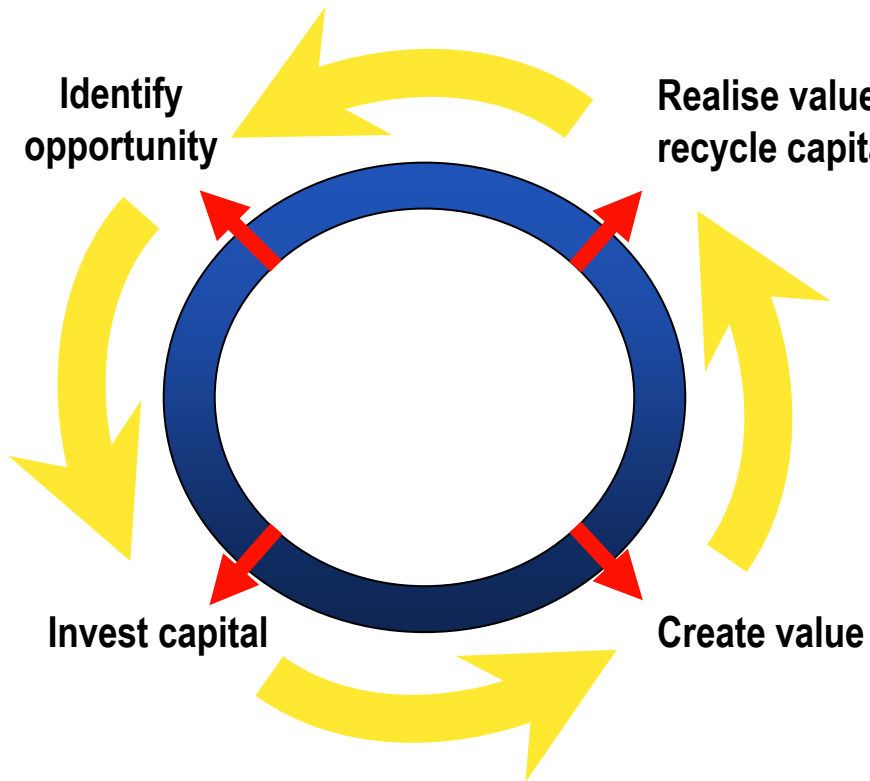


Financial Objectives – On Track

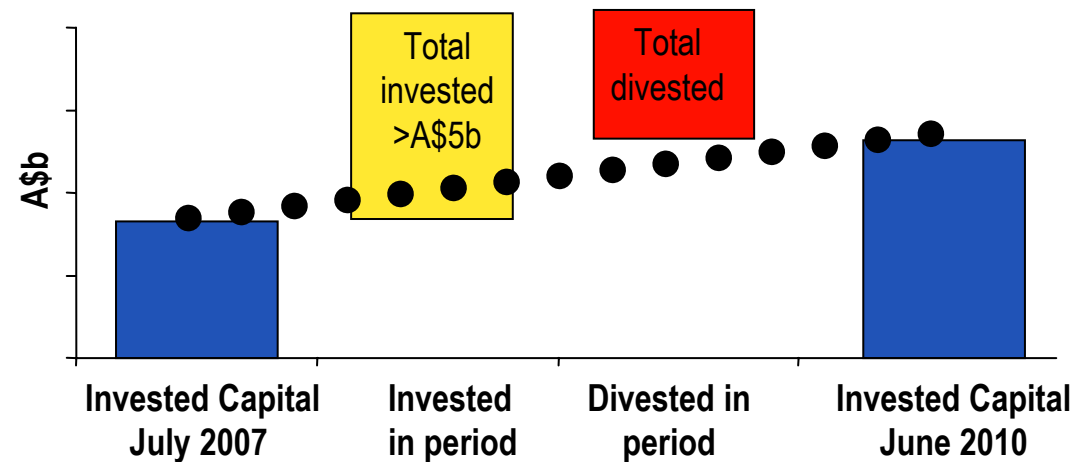


Optimising Velocity of Capital

Capital Cycle



Velocity of Capital Employed – 3 Year Period^{*}



* Conceptual illustration – not to scale

Competition for Capital



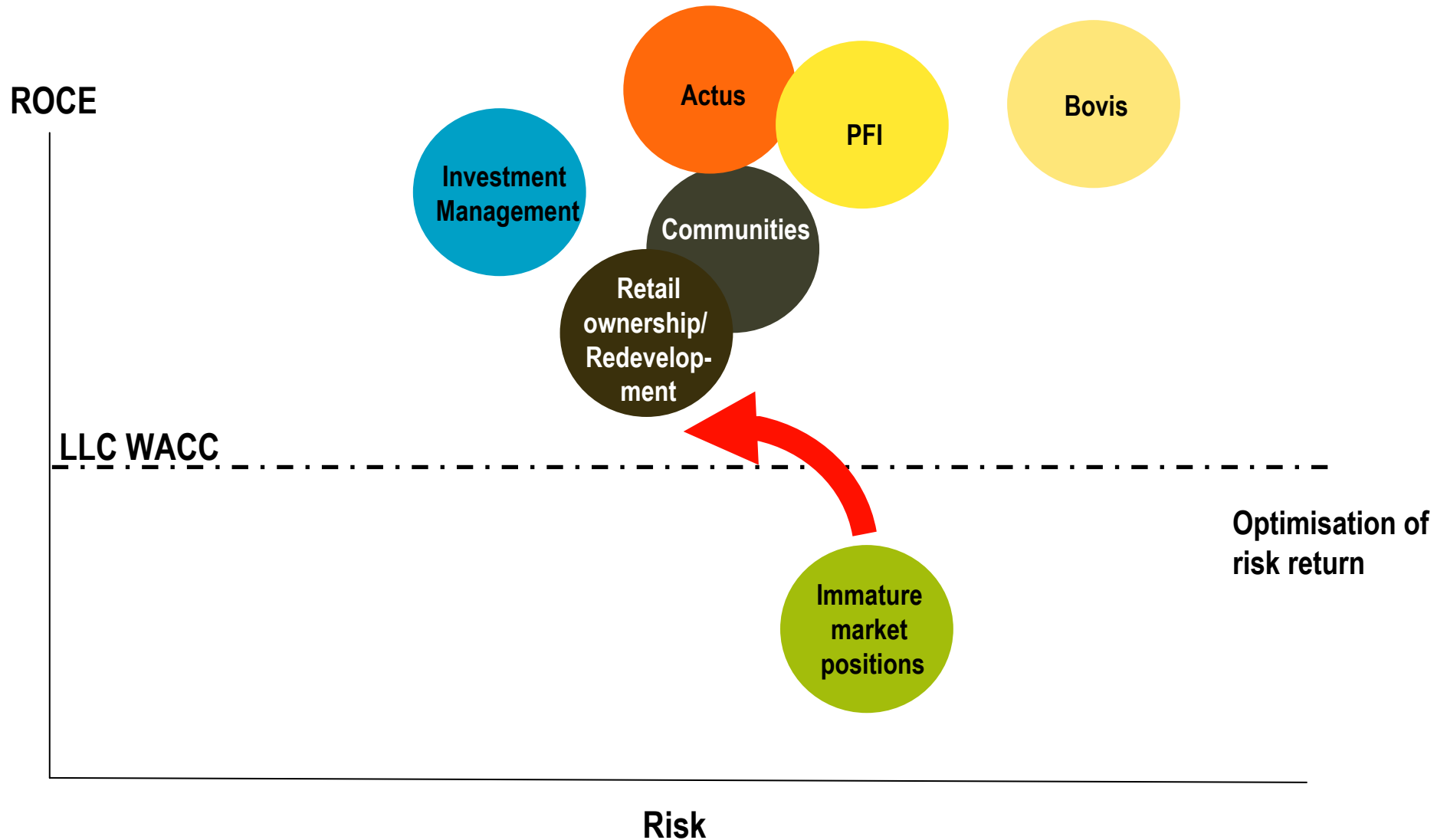
- Business level filter
 - Must fit strategy
 - Must sit within our core competencies
 - Must achieve appropriate risk / return hurdles at project and business unit level
- Corporate level filter
 - Opportunities must pass Corporate hurdles of ROE and WACC
 - Opportunities must generate long term economic value
 - Have potential for generating multiple Group earnings value streams



There are many opportunities BUT not ALL will be pursued

Must fit strategy and pass Group hurdles

Portfolio Composition Approach

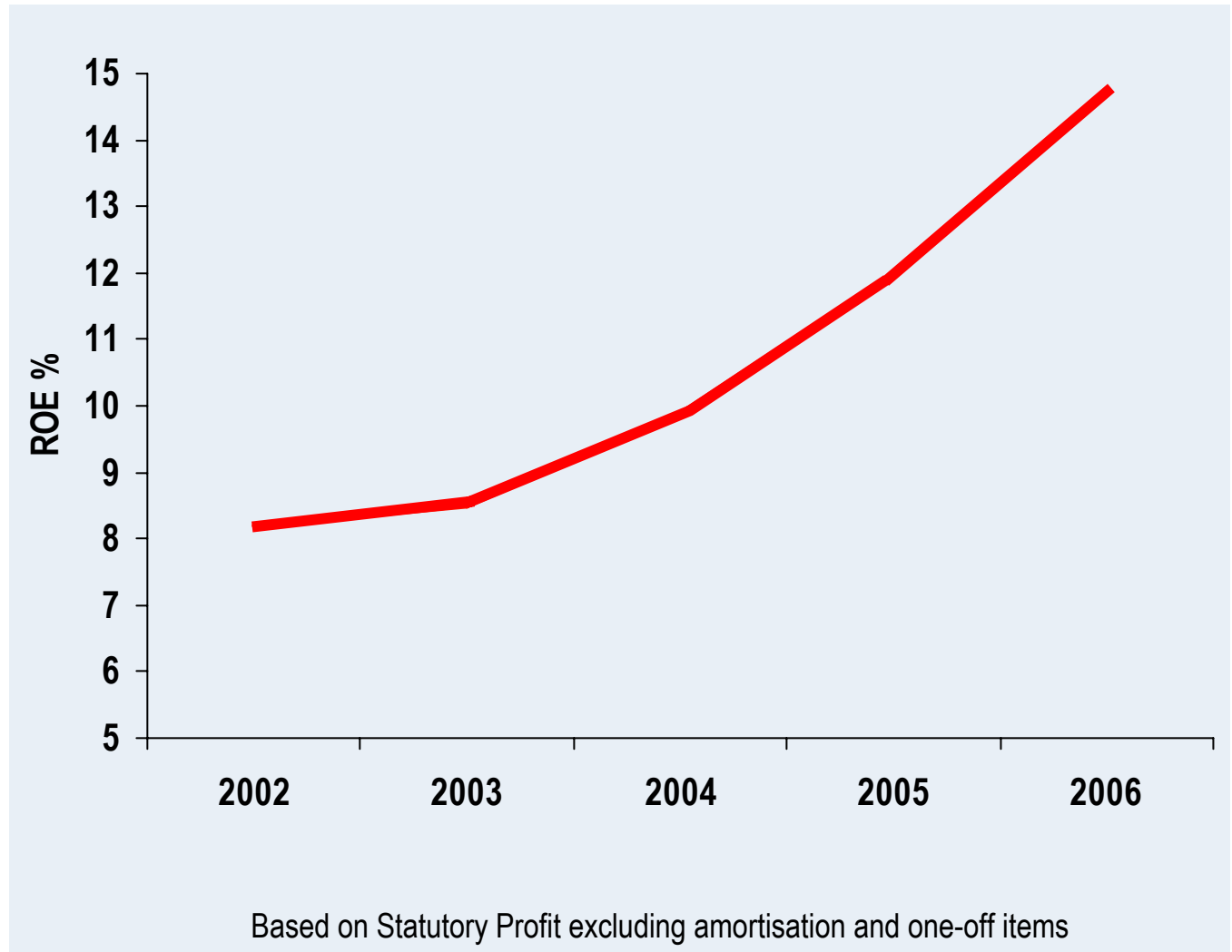


Based on Business Plan ROCE

Driving Return on Equity

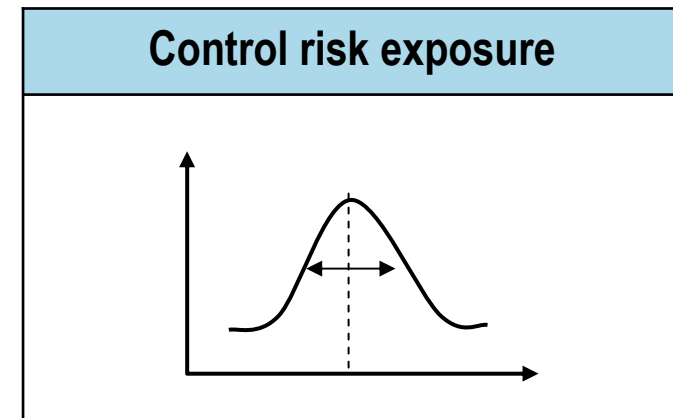


- New investment will generate significant future value
- Significant capacity to increase gearing
- Proceeds from asset sales will be reinvested
- Objective is to optimise returns to shareholders



Active Risk Management Process

- Value at risk analysis of projects and assets
 - By sector and geography
- Using a capital efficient model
 - Take circa 25% direct stake in retail assets
 - Use of land management model in Communities
 - Introduce funds / bringing in partners
- Leverage synergies
 - Deep skill base across the property spectrum
 - BLL project management capability; specialist retailing; masterplanning
- Conservative gearing levels / strong underlying cashflow
 - Strong interest cover
- Dividend policy
 - Only pay dividends from cash earnings
 - Maintain minimum two years' dividends in retained earnings



Summary

- Disciplined approach to capital allocation
 - Focus on driving economic value
 - Look at value at risk across portfolio
 - Capital transactions are part of model
- Looking for opportunities that generate synergies for Group
- Must fit Group values
- Plan has potential to generate significant shareholder value

