Lend Lease
Corporation

13 May 2009

The Manager
Companies Section
Australian Securities Limited

The Manager
Companies Section
New Zealand Exchange Limited

Pages: One hundred and one (101) pages

Dear Sir

Lend Lease Strategy Day – Presentations

With reference to the Strategy Day being held today by Lend Lease Corporation Limited ("Lend Lease") to provide an update on Lend Lease's strategic direction, attached are the following presentations to be made by Lend Lease senior executives:

- Lend Lease's Strategic Direction – Steve McCann, CEO Lend Lease Corporation
- Competitive Advantage – Tony Lombardo, Head of Strategy and M&A
- Capital Allocation/Management – Brad Soller, Acting CFO, Lend Lease Corporation
- PPP – Lend Lease's Growth Platform – Mark Menhinnitt, Head of PPP, PM and Construction
- Bovis Lend Lease – Murray Coleman, Global CEO Bovis Lend Lease
- Integrated Solutions Model – Rod Leaver, CEO APAC Lend Lease Corporation
- Retail & Communities Asia Pacific – David Hutton, COO APAC Lend Lease Corporation
- Overview of Retirement Living Business – Rod Fehring, CEO Lend Lease Primelife

Yours faithfully

Sally Cameron

Sally Cameron
Group Executive Investor Relations

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Lend Lease

Lend Lease Strategy Day
May 2009

Lend Lease's Strategic Direction

Steve McCann

Chief Executive Officer

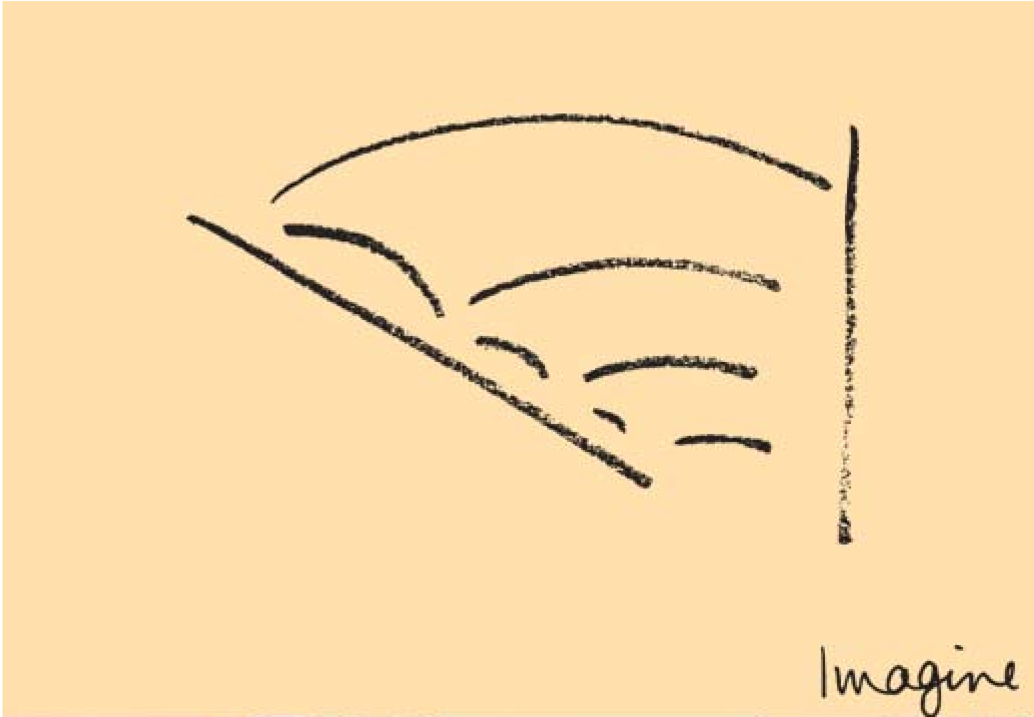
Agenda

Lend Lease

Strategy	▪ The principles behind our business model ▪ Short term/long term strategy ▪ Value Proposition
Business Update	▪ Market update ▪ Business outlook

Lend Lease

Our Strategy



The Principles of our Business Model

Playing the right components of the property value chain to maximise returns

Life cycle of a property to maturity

Business units	DEVELOPMENT	CONSTRUCTION	INVESTMENT MGMT

Multiple revenue streams: Dev Profit + Dev Fee + CM, PM, ECPM, D&C + FM + AM + Fund Mgr Fees

Multiple sources of capital: Debt, Equity, JV's, Funds

High Revenue ÷ Low Capital = High Return on capital

Refining our strategy

Lend Lease business review

Refining our focus from....	To...
Growth in EPS	Total Shareholder return
Expanding further internationally	Leader in home market
Diversifying into new sectors	Scale platforms
Recycling capital to achieve profit	Recycling capital to fund growth
Providing a broad range of property services	Maximise integrated solutions

Strategic Path Forward

Lend Lease

LEAD

- World Class Property Solutions Company
- Strong Integrated Offering
- Trusted Investment Manager

4 + years

BUILD

- Reshape Portfolio
- Operational Excellence
- Grow Platforms
- Invest in People

2 to 4 years

RESTORE

- Right Structure ✓
- Cost Out ✓
- Drive Efficiency ✓
- Capital Management ✓

1 to 2 Years

Tactical Actions in the Short Term

Lend Lease

Action	Strategies Implemented	Progress
Cost Reduction	▪ 'Rightsize' cost base to align to current business volumes ▪ Enhance operational performance plus sustainable 'cost out'	✓
Preservation of Capital	▪ Minimal capital for new projects, strict criteria & portfolio fit ▪ Reprioritised development projects in line with market conditions	✓
Cashflow Management/Liquidity	▪ Vigorous cashflow management / equity raised of A$302.5m ▪ Maintenance of working capital and liquidity buffer	✓

Reshaping the Portfolio

Lend Lease

Goals	Results
Maximise investment performance	Focus on return on capital Right risk/ reward equation
Completing the Integrated Model in Core Markets	Play in the right countries where we can get to scale
	Maximise returns through multiple earnings opportunities
Picking the right sectors	Looking for the best growth opportunities

Operational Excellence and People – Execution is key!

Lend Lease

Delivery	▪ Having the right risk management systems ▪ Have the right capabilities
Simplicity	▪ Model is clear and simple ▪ Businesses to focus on execution ▪ Flexibility of approach and strategy
Efficient Decision Making framework	▪ Clear accountability and authority ▪ Information is transparent accessible and accurate ▪ Ability to mobilise resources for opportunities
People are key	▪ Right people in the right roles ▪ Talent is identified and developed ▪ Leadership team is cohesive, aligned and decisive
Aligned Rewards	▪ Performance metrics linked to strategic objectives ▪ Short and long term performance is rewarded ▪ High performance culture. Performance accountability

Informed Growth Targets: Key 'Trends' Impacting Property

Lend Lease

	Trend	LL Capability
Urbanisation	▪ 50% of the world's population urbanised by '08 and 70% by 2050	Fully integrated mixed use expertise
Continued growth in super & alternative funds	▪ Australian Superannuation FUM is forecast to triple in size to \$2.8T by 2020 ▪ Sovereign Wealth Funds are forecast to triple in investment outstanding to US\$10T by 2015	Strong investment management expertise
Ageing Population	▪ Over the next forty years approx. 27% of people will be greater than 65	We are number 1 player in the market
Climate Change	▪ Mandatory carbon trading schemes are being implemented from 2011-2013	Global leader in sustainability
Infrastructure PPP Projects	▪ Numerous governments have announced infrastructure spend to drive economic stimulus	Superior delivery partner

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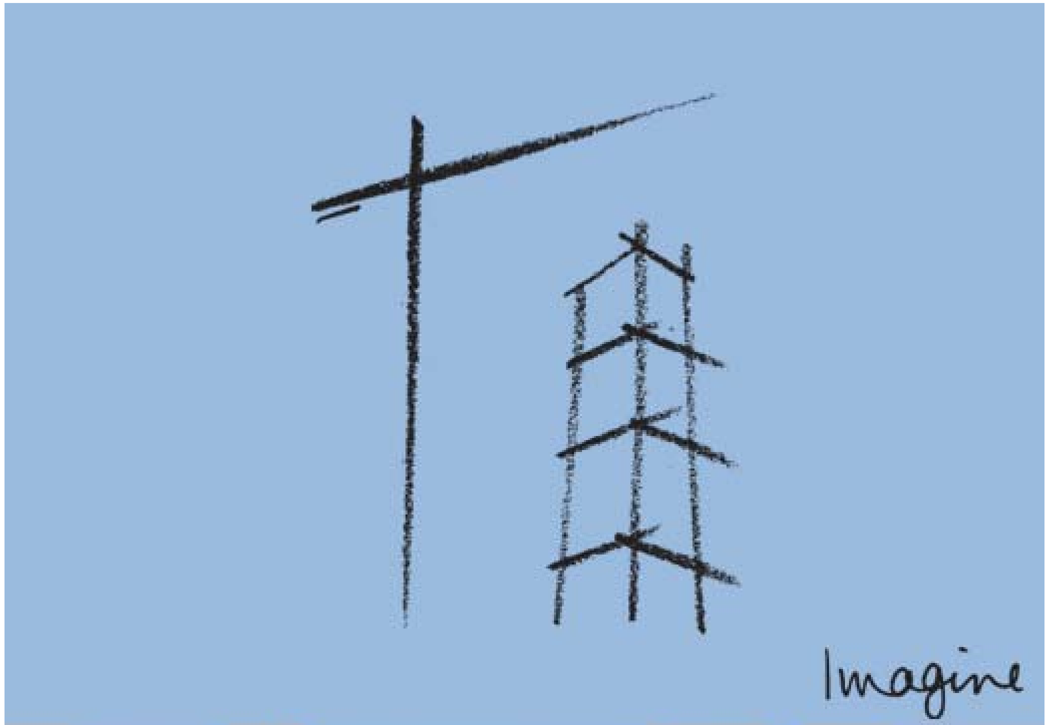
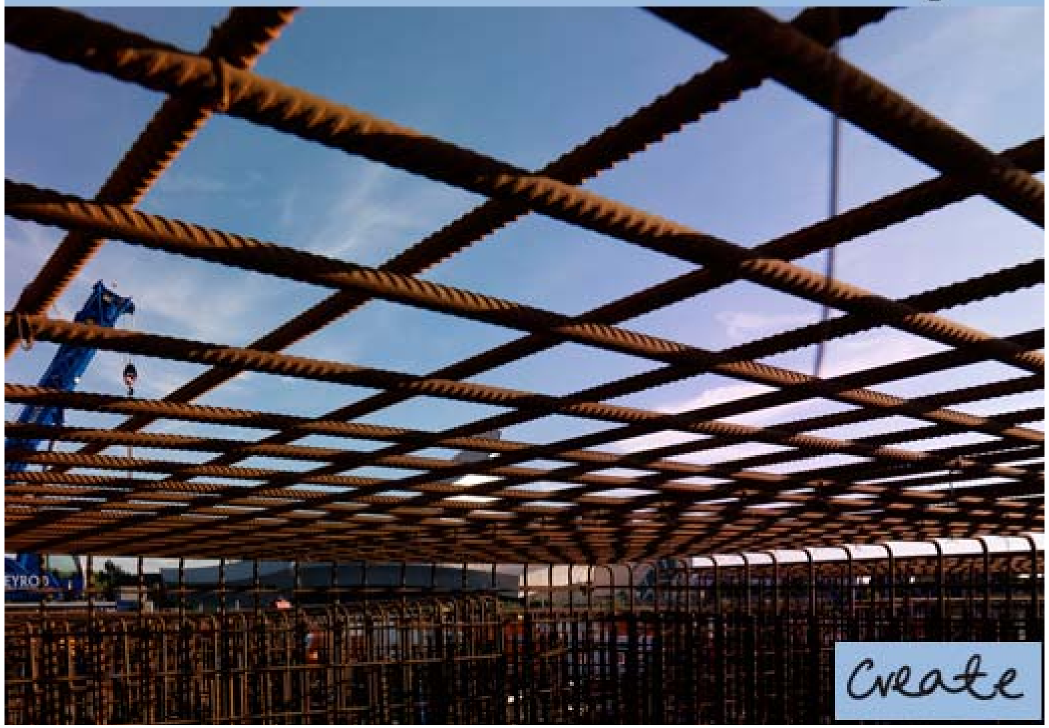
Business Update





Market Update

Lend Lease

Macro Environment	▪ Challenging conditions in all of Lend Lease's key markets ▪ Significant downturn in residential markets in the UK and US ▪ Impact on Australia lagged
Liquidity	▪ Lack of transactional liquidity impacting on ability to recycle assets ▪ Cautious regarding ability to access debt financing in the next 12 months
Property Trends	▪ Market fundamentals/macro trends are changing the outlook for the right property model ▪ Property trusts de-levering & reverting back to more passive income ▪ Demand for players with end to end capabilities & deep property skills ▪ Downward pressure on asset values
Government Spend	▪ Significant opportunities for growth from government stimulus packages.

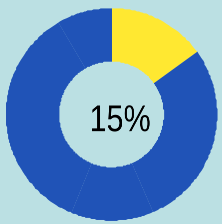
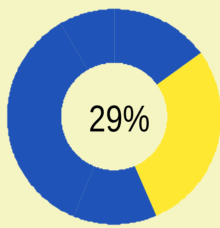
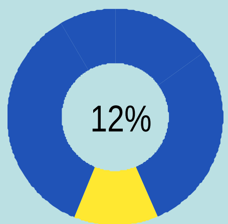
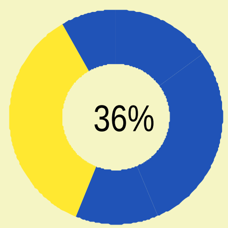
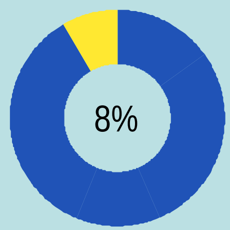
Earnings Update

Lend Lease

Asset Sales Deferred FY2009 Guidance	▪ Previous 2009 net operating profit after tax guidance of A$380-400 million ▪ With 30% downside risk to guidance if capital recycling and reaching financial close on certain project could not be achieved ▪ Given current market conditions, the capital recycling on certain PPP projects unlikely to occur before June 2009 ▪ Lend Lease is not a forced seller of assets and will not sell assets at sub optimal values ▪ Revised guidance for FY2009 is net operating profit after tax of circa A$300 million
Adjustments to Asset Values and Cost Savings	▪ As flagged at the 1st half result expectation of further expansion in cap rates at June 2009 ▪ Expected further reduction in asset valuations at June 2009 ▪ Impact on statutory profit not net operating profit after tax ▪ As previously flagged, further implementation costs in relation to costs savings in 2nd half ▪ Implementation costs for the full year 2009 expected to be circa A$80 million ▪ Impact on statutory profit not net operating profit after tax.

Our Current Positioning - December 2008

Lend Lease

	Retail	Communities	Public Private Partnerships	Project Management & Construction	Investment Management
Core Activities	Asset ownership, development, property and asset management	Masterplanned urban communities, inner city apartments and senior living	Military housing, healthcare, education and waste	Project management and construction	Asset ownership, real estate investment management services
Operating Revenue	A$69.6m	A$215.5m	A$712.7m	A$6,754.2m	A$36.8m
EBITDA	A$51.7m	A$55.7m	A$25.0m	A$131.3m	A$25.8m
Proportion of Profit After Tax from Operating Businesses [(1)]					
Development Pipeline / Backlog GPM / FUM	A$4.5b	105,175 units	A$556.9m	A$773.5m	A$11.2b
Regional Business Operations	Australia, Singapore, UK, US	UK, Australia, US	UK, US	UK, Europe, Middle East, Americas, Asia Pacific	Australia, Singapore, UK

[(1)] Before Group Services, Treasury and non operating adjustments

Update on Operating Business

Lend Lease

Retail	▪ Retail sales slowing in all regions but prime assets relatively defensive ▪ Development pipeline will be continually reviewed to conserve capital ▪ Cap rates – continued weakening cap rates, particularly US & UK
Communities	▪ US & UK markets remain very challenging ▪ In Australia, first home buyer segment strong ▪ Minimal new capital for new projects – aim is to preserve cash
Public Private Partnerships	▪ Strong government support for PPP framework ▪ Stimulus from government work in all markets which play to our strengths
Project Management & Construction	▪ Managing cost base for current market conditions and potential down cycle ▪ Backlog GPM of A$774m at December 2008 – underpins FY2009 and FY2010
Investment Management	▪ Continuing strong performance of funds/ Focus on capital solutions ▪ Positioning for recovery

UK Business Update

Lend Lease

Retail	▪ Operational – while we are seeing some small increases in vacancies and retail sales are slowing, our prime assets are relatively defensive ▪ Valuation – we are expecting further cap rate expansion across our centres as at June 2009 ▪ Development – given market conditions development of major retail projects has been deferred or curtailed
Stratford	▪ We have a low risk fee deal generating development management and construction management fees ▪ Continue to work with the ODA on a risk deal ▪ Athletes Village continues to progress on time and budget
Crosby	▪ Seeking to clear Crosby stock, sales levels have picked up off a low base ▪ Expect to have cleared 30% of outstanding inventory by financial year end ▪ Not committing new capital to this business
Communities Business London	▪ Well positioned given low holding costs and minimal capital ▪ Dominant inner urban regeneration position when markets recover

Lend Lease's Strong Positioning – Cautious but Confident

Lend Lease

Focused strategy	▪ Short term focus on cash preservation/cost management ▪ Long term focus on maximising returns – driving ROE
Economic slowdown	▪ LLC has strong base of recurring earnings c.30% ▪ PPP earnings 12% countercyclical
Government stimulus packages	▪ Established platforms/existing skills in UK, US and Australia ▪ PPP plays to Lend Lease's integrated capability
Financial strength – cash & capacity	▪ Low gearing/ Ability to fund committed pipeline ▪ Significant headroom under banking covenants
Efficient capital model/ Low heading costs	▪ Disciplined approach to capital allocation ▪ Capital light/partnering model

Lend Lease Value Proposition

We see more value in property

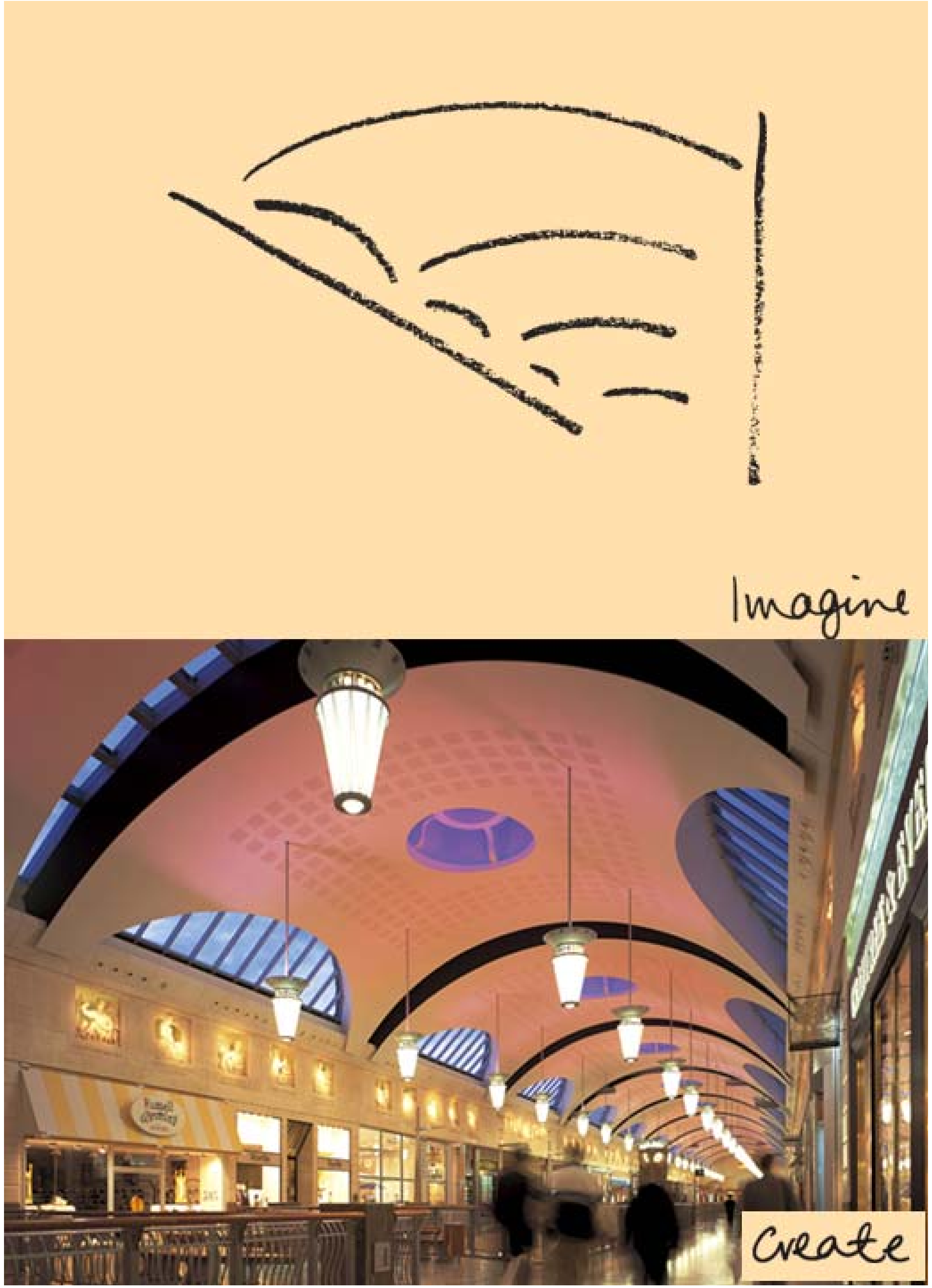
Lend Lease

Lend Lease Strategy Day
May 2009

Lend Lease
Competitive Advantage

Tony Lombardo

Head of Strategy and M&A



Agenda

Lend Lease

Our Business Model

- What differentiates our Model

Key Model Attributes

- Integrated end-to-end property solutions
- Unique Asset Creation Capabilities
- Flexibility in our Model for Property Cycles
- Global and Local Property Expertise
- Leader in Sustainability

What differentiates our model vs. our competition

LL has a differentiated model, which requires knowledge & skills across the complete property spectrum to be "market leader"

Lend Lease

Property players (Internalised)

Key Competition:
Local & global property specialists

Key Capability:
Strong property expertise

Financial Attributes:
Passive - low return & high capital
Active - high return & high capital

Key Risks:
Passive - Occupancy & NOI
Active – Pricing & Delivery
Generic – Asset Values

Contractors

Key Competition:
Local and global contractors

Key Capability:
Strong project & people mgmt skills

Financial Attributes:
Low margin and minimal capital

Key Risks:
Initial pricing, delivery & counterparty

Fund Managers (External)

Key Competition:
Investment banks & listed/unlisted property fund managers

Model Attributes:
Strong access to investor capital

Financial Attributes:
Fees and minimal capital

Key Risks:
Performance & Asset Values

Core property capabilities essential for LL to have a successful business model

Integrated end-to-end property solutions

Approach

Lend Lease is a global, fully integrated property group.

We can provide investors and clients with one element of the property value chain or an end-to-end solution.

Lend Lease aims to maximise value for all stakeholders at every stage of the property value chain.

Our fully integrated property approach

Delivering the best property outcomes.

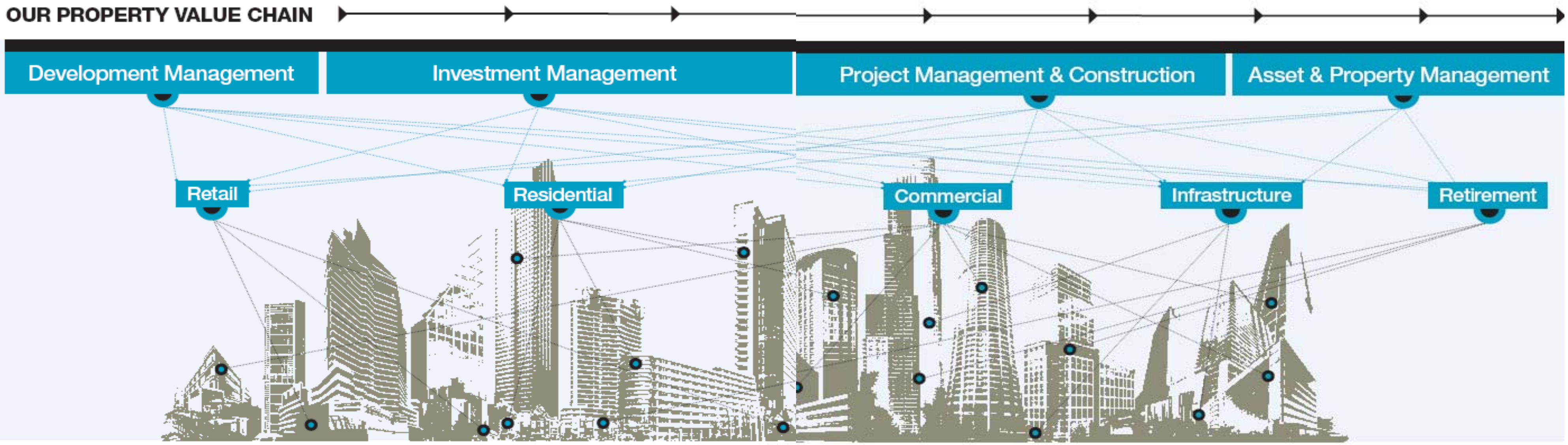
Creating and building innovative, sustainable real estate.

Enhancing asset values through repositioning.

Accessing extensive capital networks.

Generating superior returns.

Leveraging various procurement models including Public Private Partnerships.



Our unique asset creation capabilities

Core Competency

Our capabilities span the full value chain

Lend Lease

We find
Sourcing the best property opportunities

We buy
Structuring the right deal

We fund
Providing the right investment solutions

We design
Creating innovative and sustainable property solutions

We build
Building and project managing using our global construction reach

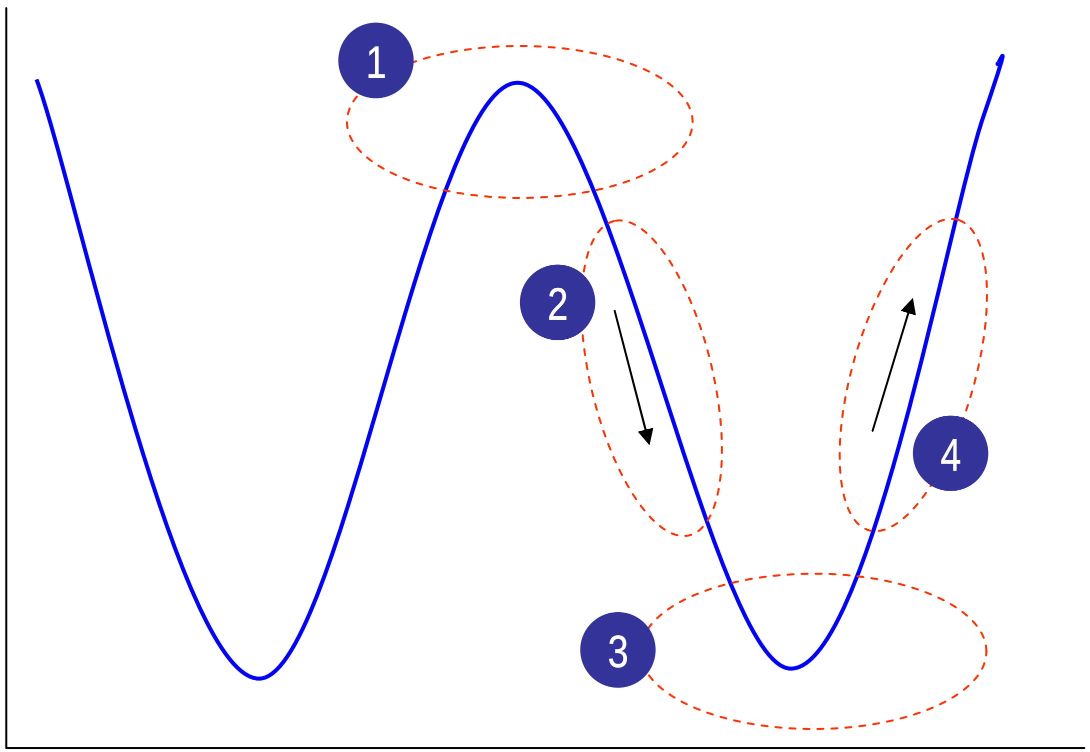
We manage
Continually enhancing the value of property over time

Flexibility in our model to adapt to property cycles

Agility

Property Cycle

1. Maximise Capital Recycling
2. Strong Cost & Capital Mgmt
3. Invest & Replenish portfolio
4. Develop & maximise growth



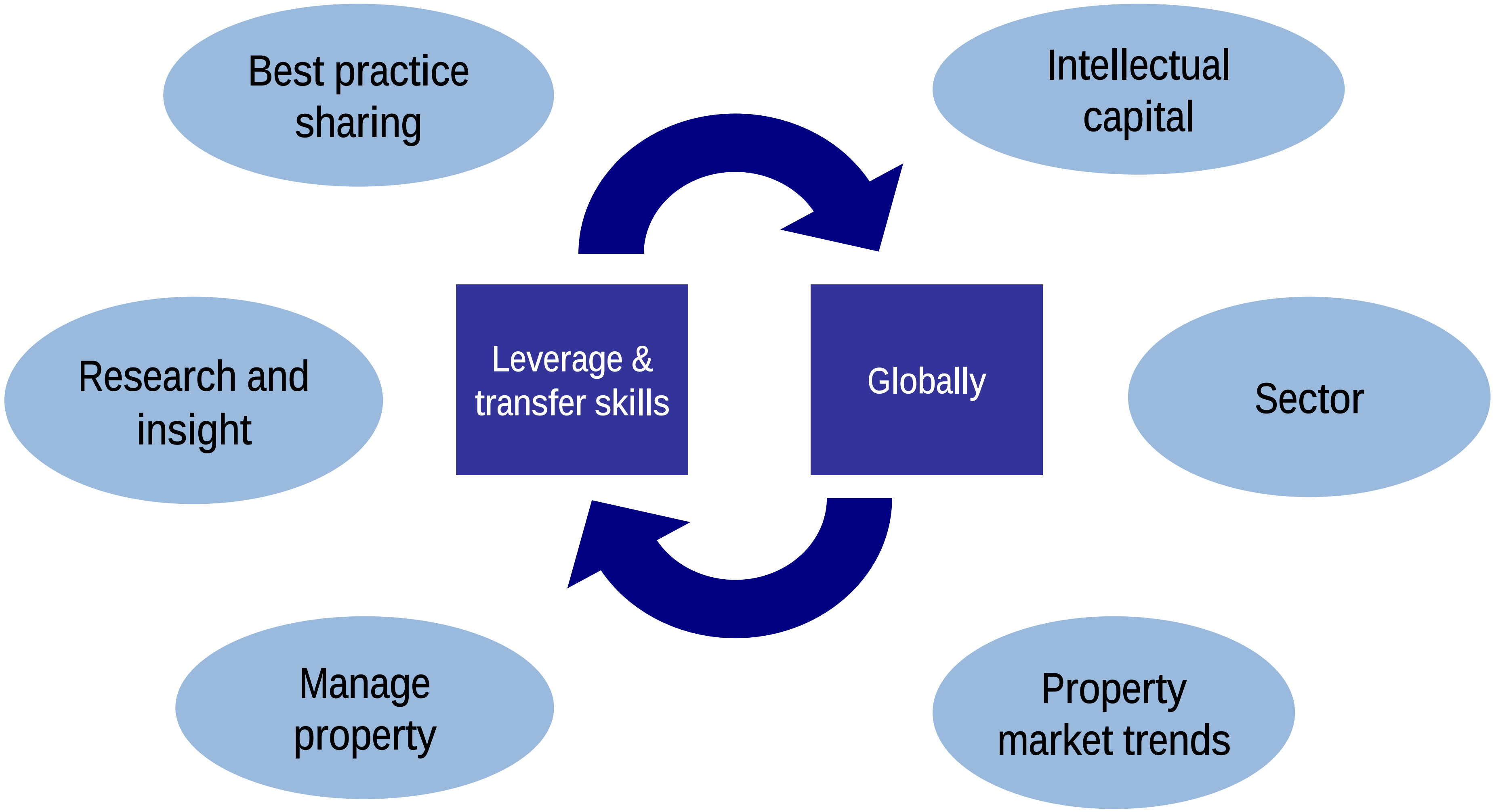
Actions

- Cost Control
- Change Business Mix
- Change Capital Approach
- Reposition Product

Capable of flexing our strategy during cycles

Global and local property expertise

Knowledge



Leader in sustainable property solutions

Innovation

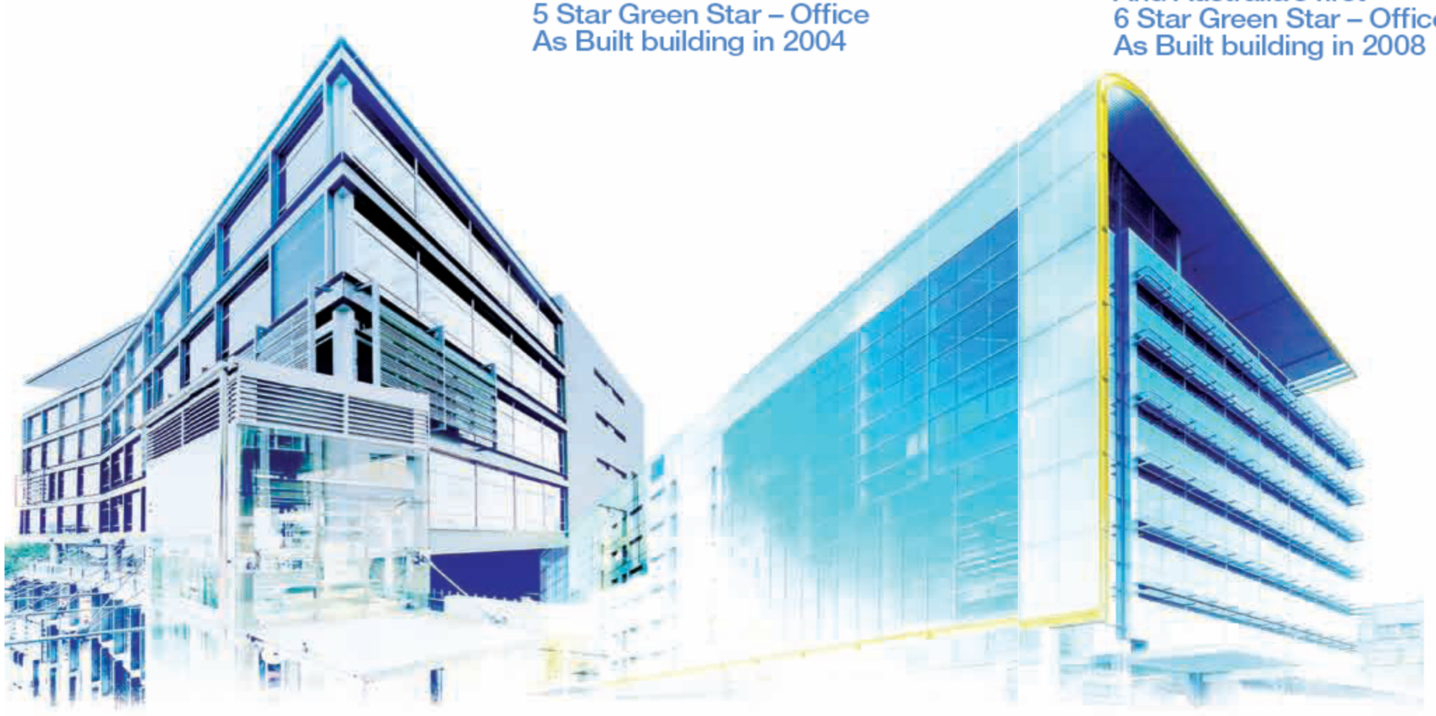
Creating the greenest buildings

Buildings are responsible for 40% of the world's greenhouse gas emissions and consume a third of the world's resources.

We delivered Australia's first 5 Star Green Star – Office As Built building in 2004

And Australia's first 6 Star Green Star – Office As Built building in 2008

Imagine buildings that give back to the environment. We are working to achieve this.



30 THE BOND LEND LEASE SYDNEY HEAD OFFICE

- 50% lower* greenhouse gas emissions
- 100% fresh air supply – no recirculated component (first large scale commercial application of chilled beams in Australia)
- Roof garden – the first for a CBD office building in Australia

* Than a typical office building.

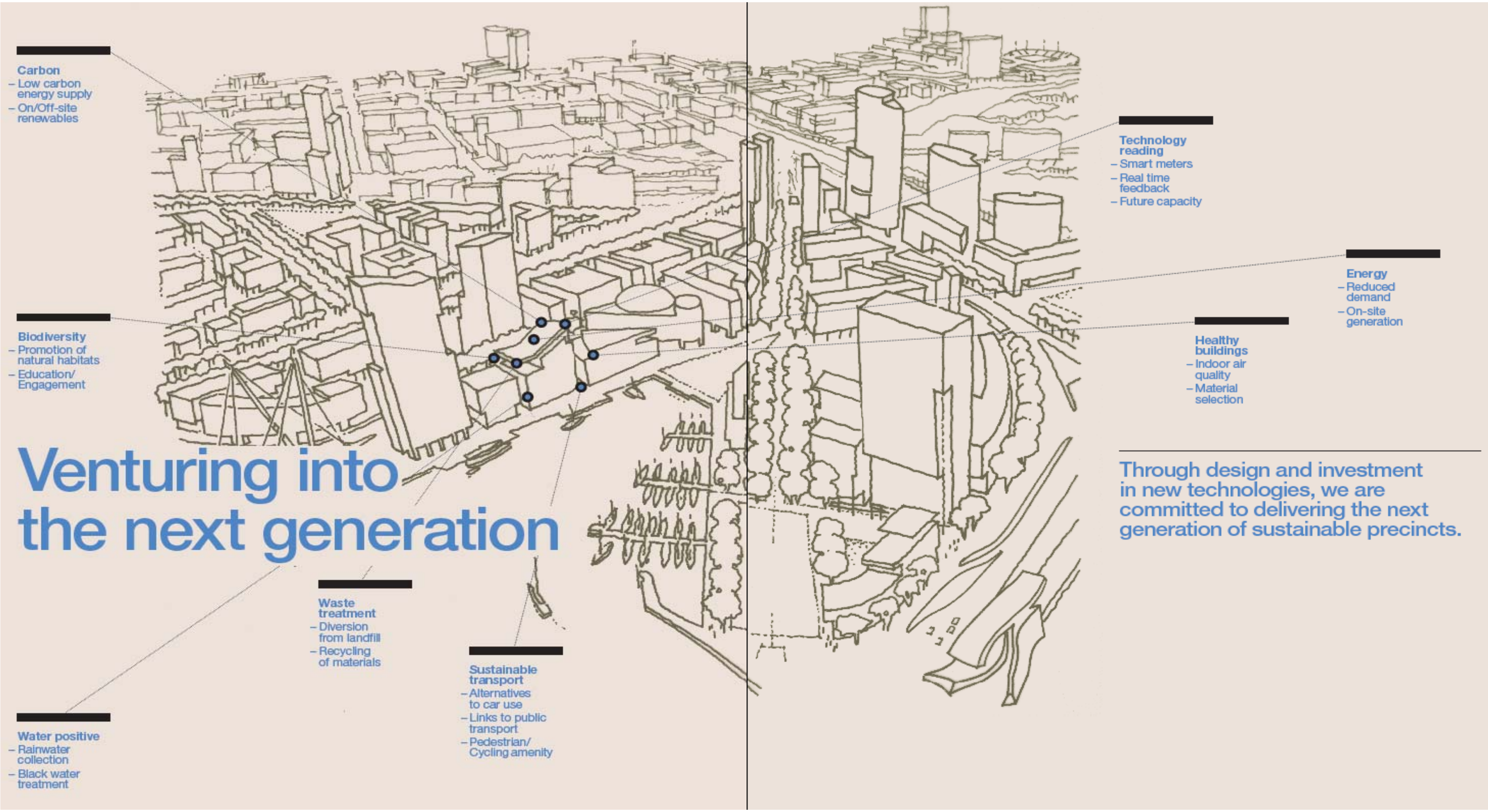
THE GAUGE LEND LEASE MELBOURNE HEAD OFFICE

- A further 30% reduction** in greenhouse gas emissions and water consumption
- On-site gas fired cogeneration system
- Black water treatment plant recycling 92% of water per year

** When compared to typical 5 Star Green Star buildings.

Leader in sustainable property solutions

Innovation



Lend Lease Competitive Advantage

We see more value in property…

Lend Lease

1	Integrated end-to-end property solutions	Approach
2	Our unique asset creation capabilities	Core Competency
3	Flexibility in our model for property cycles	Agility
4	Global and local property expertise	Knowledge
5	Leader in sustainable property solutions	Innovation

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Lend Lease Strategy Day
May 2009

Capital Allocation/ Management

Brad Soller

Acting Chief Financial Officer

Agenda

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Financial Metrics	▪ Key Financial Targets
Capital Allocation	▪ Current Capital Allocation ▪ Target Capital allocation and Portfolio Parameters ▪ Capital Expenditure
Financial Position	▪ Financial Strength ▪ Debt Maturity and Financial Covenants

Key Financial Metrics – How we measure ourselves

Lend Lease

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

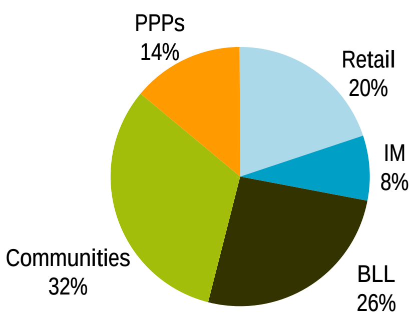
Business Units Targets	Development	Construction	Investment Management	Property Ownership
Margin/Yield	c. 20%	c. 6%	c. 40%	c. 5-7%
Risk adjusted equity return*	>17%	>20%	>15%	>10%

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

Current Capital Allocation – 31 December 2008

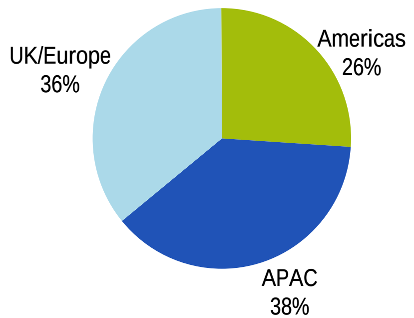
Risk Adjusted Capital[1]

Sectors/Business Units



Future capital weighted towards PPP and mixed use

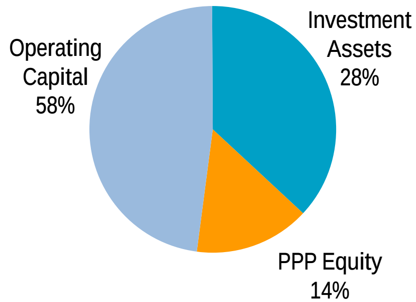
Geography



Looking to increase capital weighting to Australia

Active vs Passive

Investment vs Operating



Capital recycling to maximise value

Earnings

Business Unit

Earnings

Construction	36%
Communities	29%
Investment Mgmt	8%
PPP	12%
Retail	15%

Medium term focus on driving earnings from PPP

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

Target Capital Allocation and Portfolio Parameters

Lend Lease

Risk Adjusted Capital

Sectors

Asset ownership focused on the following sectors:

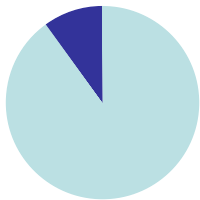
- Residential
- Retail
- Retirement
- PPP
- Commercial

No sector concentration greater than 30%

Geography

Our Geographic footprint:

10-20% emerging markets



80-90% developed markets

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

Business Unit

Future Capital Allocation Focus

Australian Development

PPP – all markets

UK Development (Stratford)

Future capital allocation will be directed towards priority projects

Earnings

Business Unit

Passive Earnings c.20%

Investments/Co-investments

PPP

Active Earnings c.80%

Construction

Communities

Development

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

Opportunities and Funding

Lend Lease

Pipeline of Projects

Total spend to be $1bn–$2bn up to June 2012

Sources of Capital

- Debt/Available liquidity
- Operating Cashflow
- Asset Sales

Key Projects

- Stratford
- PPP Equity Stakes
- Delfin Projects
- IM Co-investments
- Australian Opportunities

Gearing towards lower end of target range by 2012

Financial Strength

Lend Lease

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

1 The table above includes the Bluewater lease liability and cash drawn on £350m syndicated bank facility assuming drawings will be rolled to maturity in November 2010
2 If the £350m syndicated bank facility, was excluded average maturity is 10 years
3 If the £350m syndicated bank facility was excluded, fixed to floating debt is would be 86%//14%
4 Net debt is borrowings excluding other non current financial liabilities, less cash
5 Gearing is calculated as net debt including other non current financial liabilities, divided by total tangible assets, less cash.
6 Calculated as operating EBITDA plus interest revenue divided by gross finance costs, including capitalised finance costs

Debt Maturity and Financial Covenants

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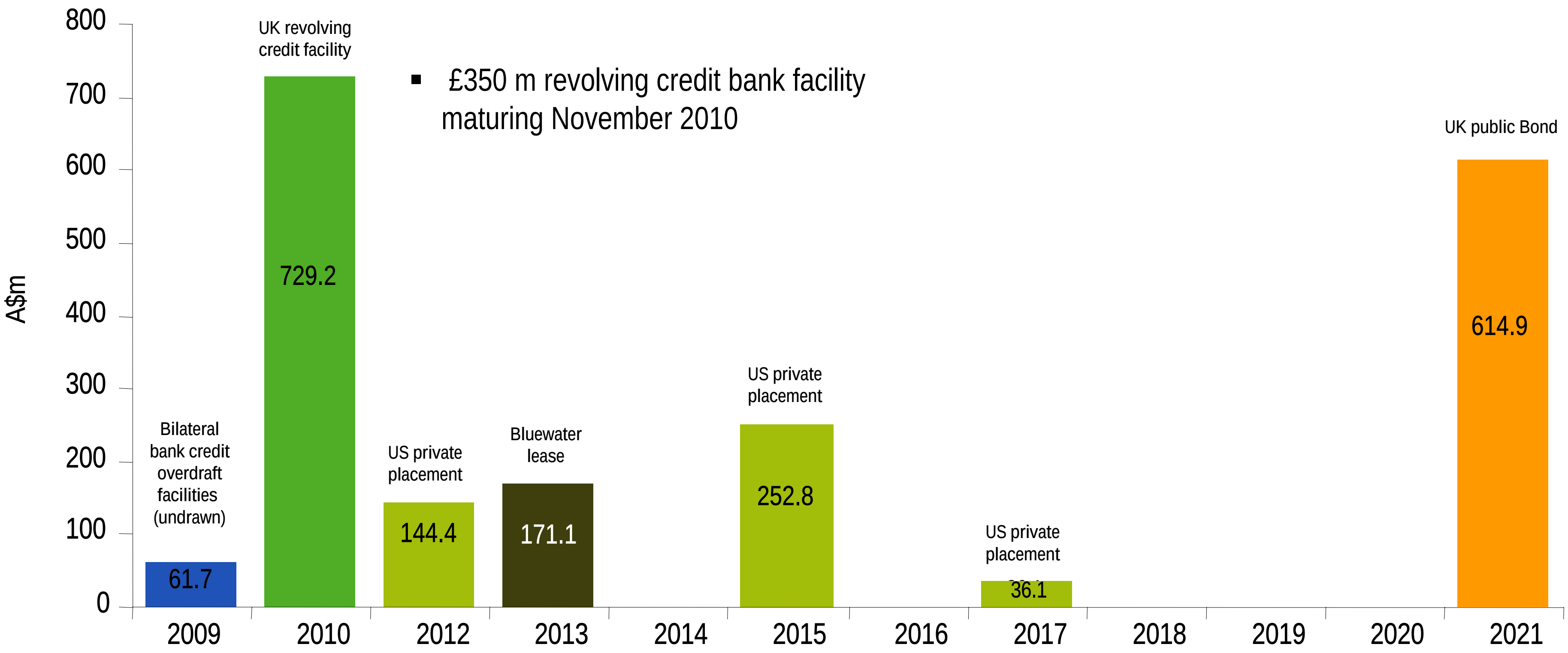
Key financial covenants under the Group facilities

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

Lend Lease has ample headroom under its covenants



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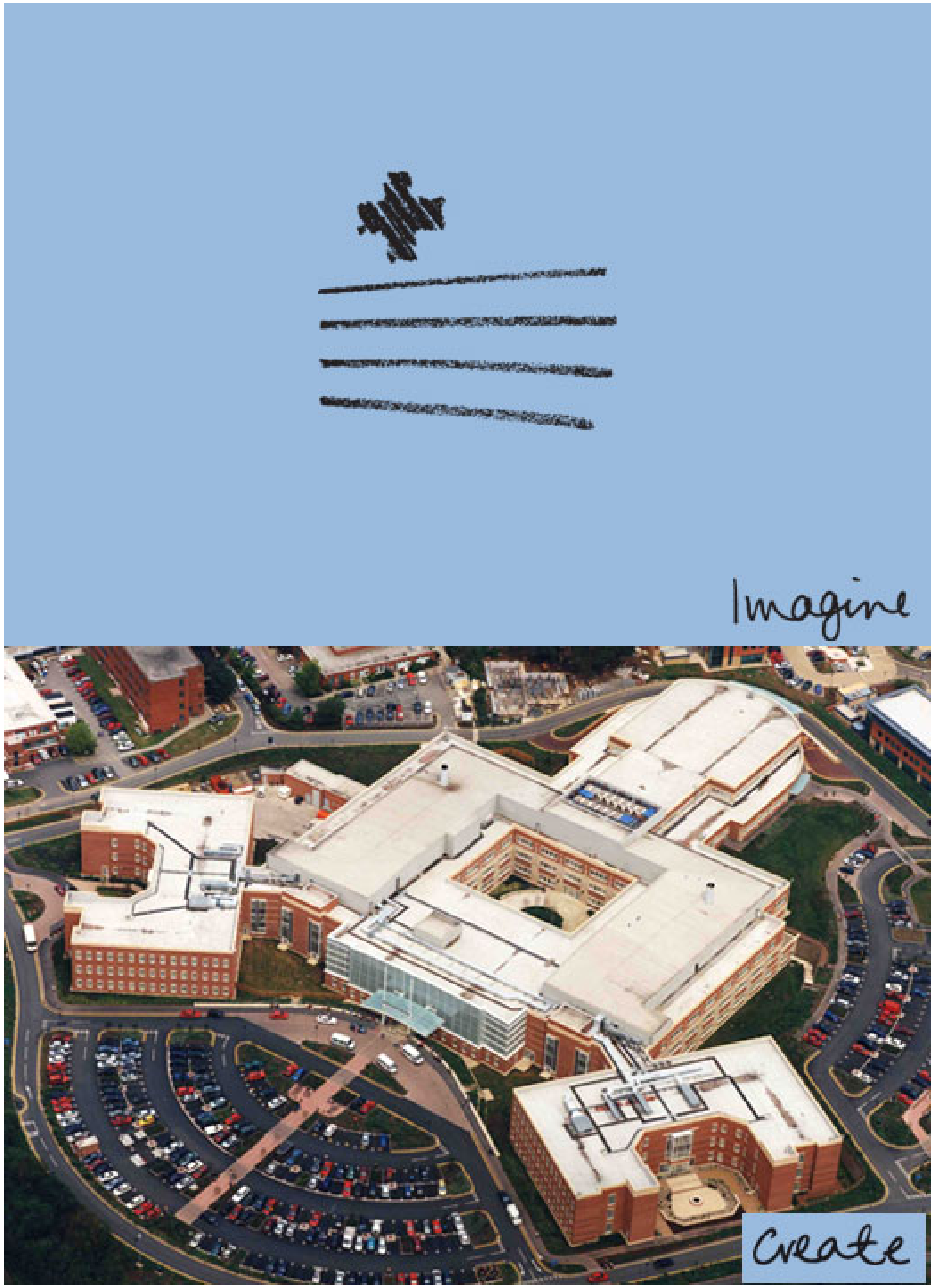
PPP – Lend Lease's Growth Platform

Mark Menhinnitt

Global Head – Public Private Partnerships



Agenda

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PPP Lend Lease's Growth Platform

- Model & Rationale
- Key Market Observations & Issues
- PPPs and Fit with LLC Strategy
- Current Market & Positions
  - United Kingdom
  - United States (Actus)
  - Canada
  - Australia
- PPP Case Study – Fort Drum
- Summary

PPP Model & Rationale

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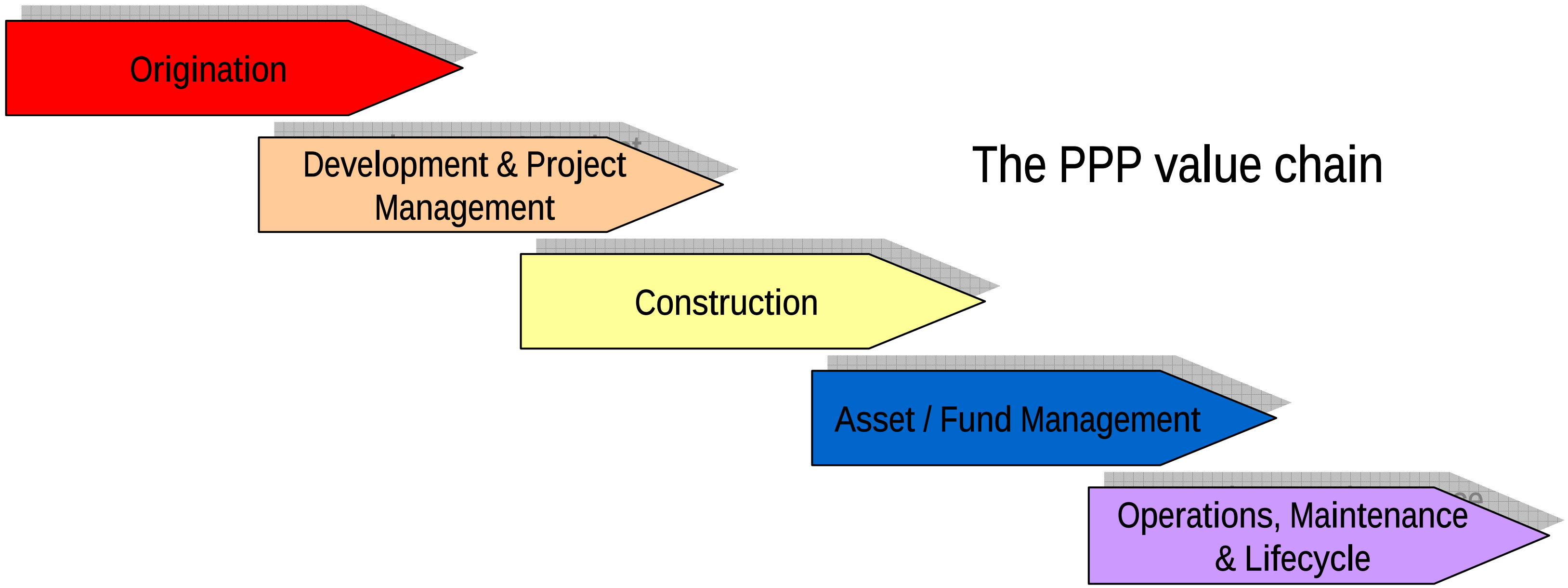
"Public Private Partnerships are partnerships between the public sector and the private sector for the purposes of designing, planning, financing, constructing and/or operating projects which would be regarded traditionally as falling within the remit of the public sector. The essential elements are the need for capital investment and on-going asset-management services." [1]



The PPP value chain

1. Submission to Infrastructure Australia, Infrastructure Partnerships Australia, October 2008

PPP Model & Rationale

Lend Lease

Two Distinct Market Sectors & Sub Segments:

Economic Infrastructure markets (with/without patronage risk) e.g. :

- Roads & Bridges
- Transport
- Ports
- Segments within Utilities & Municipal Services

Social Infrastructure (availability payment - no/limited patronage risk) e.g. :

- Health
- Housing
- Education
- Justice
- Segments within Utilities & Municipal Services

Lend Lease's focus is predominantly Social Infrastructure and only where there is an "availability payment" model.

PPP Model & Rationale

Lend Lease

Why are Governments attracted to the PPP model?

- Government can accurately measure its “Total Cost of Ownership” of an asset and have this warranted by the private sector – achieves this via the Integration of Design/Construction/Operations/Maintenance/Life-cycle into one annual payment
- Far greater governance, transparency and discipline of government spend
- Track record of on-time delivery compared with historically patchy performance by public agencies
- Competitive process drives innovation and continuous improvement
- No commitment required unless PPP model delivers value improvements when compared to the Public Sector Comparator (PSC)

= value for money and vastly improved accountability

Key Market Observations & Issues

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Observation	Opportunity/Impact
Impact of new capital adequacy ratios will limit availability of and pricing of project equity.	▪ Will limit quantum of equity capital available from banks, requiring more equity participants for large projects ▪ Provides Lend Lease with the opportunity to move into the project equity and origination space.
Equity and debt capital markets disruptions including disappearance of mono-line credit enhancers.	▪ Bank finance is currently the principle source of debt capital ▪ PPP bonds are sought after assets by pension funds – bond financing is therefore expected to return over time, but deals will need to support their own ratings
Limited capacity, tenor and high cost of bank debt impacting underwriting of PPP's at bid stage	▪ Limited capacity per project is impacting $500M+ projects – government moving to a hybrid 2-stage bid process (Technical then Financial) ▪ High cost of debt reducing PPP value for money compared with the PSC. ▪ Governments moving to co-lender, capital infusion and/or guarantee models
Major private sector losses on Toll Roads and Tunnels	▪ Governments required to shift to availability models for critical road and tunnel projects (Northern Link, Peninsula Link etc). ▪ Lend Lease will only invest in projects with availability payment models.
Fewer organisations active in the origination space	▪ Opportunity for Lend Lease to strengthen UK position and establish origination platforms in Australia and Canada. ▪ Governments want long term partnerships with stable managers and owners

PPPs and Fit with LLC Strategy

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Public Private Partnerships are awarded based on the ability to add value over and above what the government can achieve themselves.

To be successful in the PPP space, organisations must :

- Demonstrate an ability to deliver value via integration across
  - ✓ Product Development
  - ✓ Detail design and construction
  - ✓ Asset operations, facilities and lifecycle management
  - ✓ Project Financing and Transaction Management
- Demonstrate an ability to foster long term partnerships with Government entities
- Demonstrate an ability to innovate and continuously improve product and process

Lend Lease is strongly positioned in the PPP market and has very strong credentials as a partner, owner, manager, developer, financier and deliverer.

Current Markets & Positions
United Kingdom

Lend Lease

Sector	Market		Current Lend Lease PPP Position					
	Size	Growth	Origination	Dev. Mgmt. Proj. Mgmt	Construct	Fund Mgmt.	Asset Mgmt.	FM & Lifecycle
Health	Large	Stable	✓	✓	✓	↗	✓	✓
Education	Large	Growth	✓	✓	✓	↗	✓	✓
Justice	Small	Stable	x	x	x	x	x	x
Accommodation	Large	Hi-Potential	↗	↗	↗	↗	↗	↗
Utilities (Waste)	Large	Hi-Potential	↗	↗	↗ JV	↗	↗	↗ JV

x Inactive
JV Joint Venture
✓ Scale Position
↗ Grow Scale Position

Grow Market Share

- Secure partnerships with preferred local authorities with scale education, housing & utility needs
- Revise economic business model to increase velocity of project equity
- Lift returns from origination, development & construction
- Establish PPP Infrastructure Fund

Current Markets & Positions
United States (Actus)

Lend Lease

Sector	Market		Current Lend Lease PPP Position					
	Size	Growth	Origination	Dev. Mgmt. Proj. Mgmt	Construct	Fund Mgmt.	Asset Mgmt.	FM & Lifecycle
Health (PPP)	Small	Slow	x	x	x	x	x	x
Education (PPP)	Small	Slow	x	x	x	x	x	x
Justice	Small	Slow	x	x	x	x	x	x
Accommodation	Large	Stable	✓	✓	✓	N/A	✓	✓ JV
Utilities (DoD)	Medium	Hi-Potential	↗	↗	↗	N/A	↗	↗ JV

x Inactive
JV Joint Venture
✓ Scale Position
↗ Grow Scale Position

Deliver & Leverage Existing Franchise

- Win key remaining housing projects and deliver well against existing backlog
- Continue to leverage opportunities from existing installations including barracks
- Convert subsequent phases of Army lodging & set up for Navy lodging program
- Continue to develop DoD utility privatisation program including renewable energy

Current Markets & Positions
Canada

Sector	Market		Current Lend Lease PPP Position					
	Size	Growth	Origination	Dev. Mgmt. Proj. Mgmt	Construct	Fund Mgmt.	Asset Mgmt.	FM & Lifecycle
Health	Large	Growth	↗	↗	↗ JV	↗	↗	x
Education	Large	Growth	↗	↗	↗	↗	↗	x
Justice	Medium	Growth	↗	↗	↗ JV	↗	↗	x
Accommodation	Small	Stable	x	x	x	x	x	x
Utilities	Small	Stable	x	x	x	x	x	x

x Inactive
JV Joint Venture
✓ Scale Position
↗ Grow Scale Position

Market Entry

- Establish PPP origination and management platform
- Bid first PPP's in FY10, leveraging Actus & Global capabilities
- Establish PPP Infrastructure Fund

Current Markets & Positions Australia

Lend Lease

Sector	Market		Current Lend Lease PPP Position					
	Size	Growth	Origination	Dev. Mgmt. Proj. Mgmt	Construct	Fund Mgmt.	Asset Mgmt.	FM & Lifecycle
Health	Large	Stable	↗	✓	✓	↗	↗	X
Education	Large	Growth	↗	✓	✓	↗	↗	X
Justice	Medium	Stable	↗	✓	✓	↗	↗	X
Accommodation	Medium	Hi-Potential	↗	↗	TBD	TBD	TBD	TBD
Utilities	Medium	Stable	TBD	TBD	TBD	TBD	TBD	X

x Inactive
JV Joint Venture
✓ Scale Position
↗ Grow Scale Position

__Market Entry__

- Establish PPP origination and management platform
- Close first PPP equity transaction in FY10, Bid 2-3 PPP's as originator
- Establish PPP Infrastructure Fund

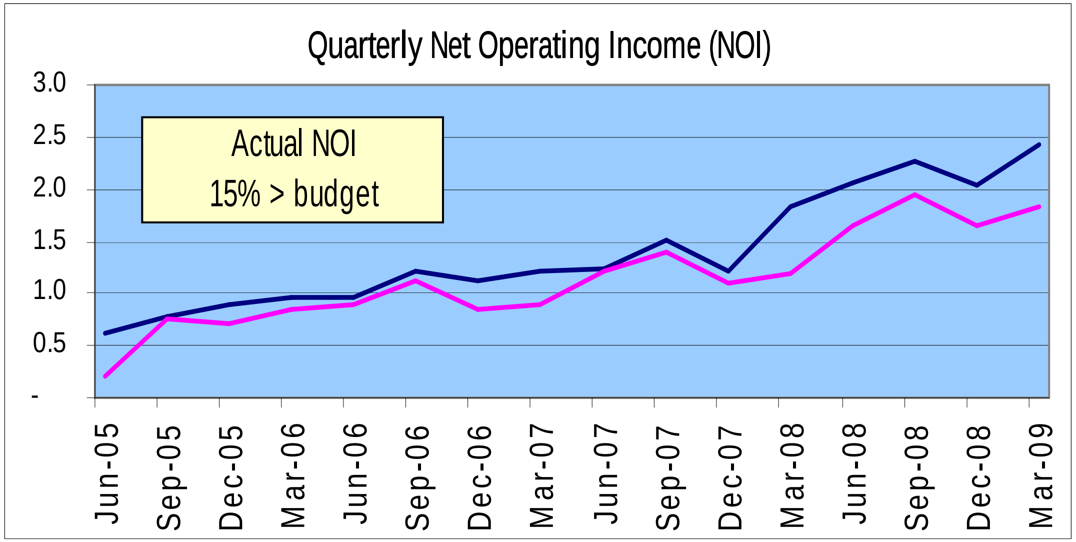
Lend Lease

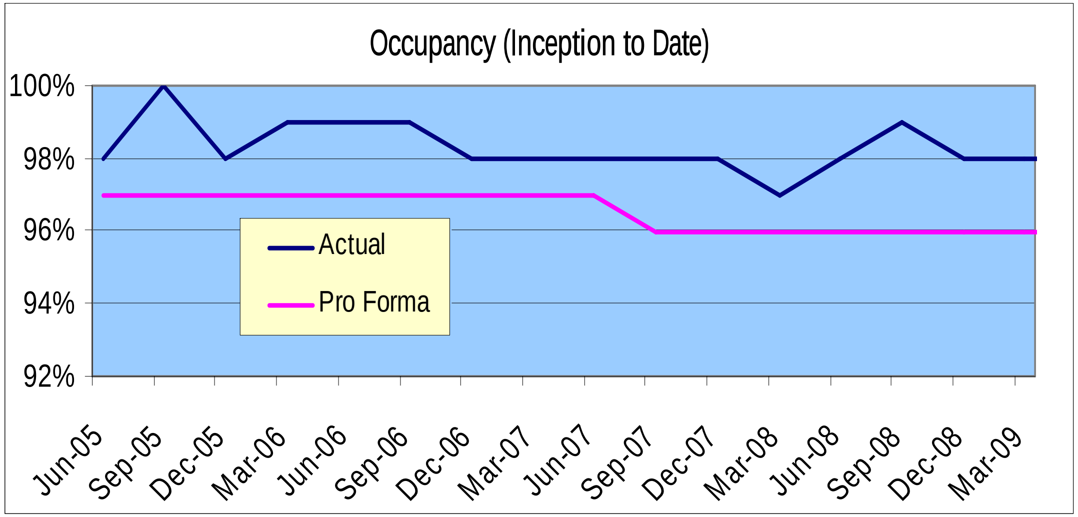
Actus Lend Lease
Case Study – Fort Drum

Home to the US Army's 10th Mountain Division (Light Infantry)

MOUNTAIN

Fort Drum Operating Performance





Typical MHPI Earnings Profile (Presented May 2006)

Typical Deal Profile

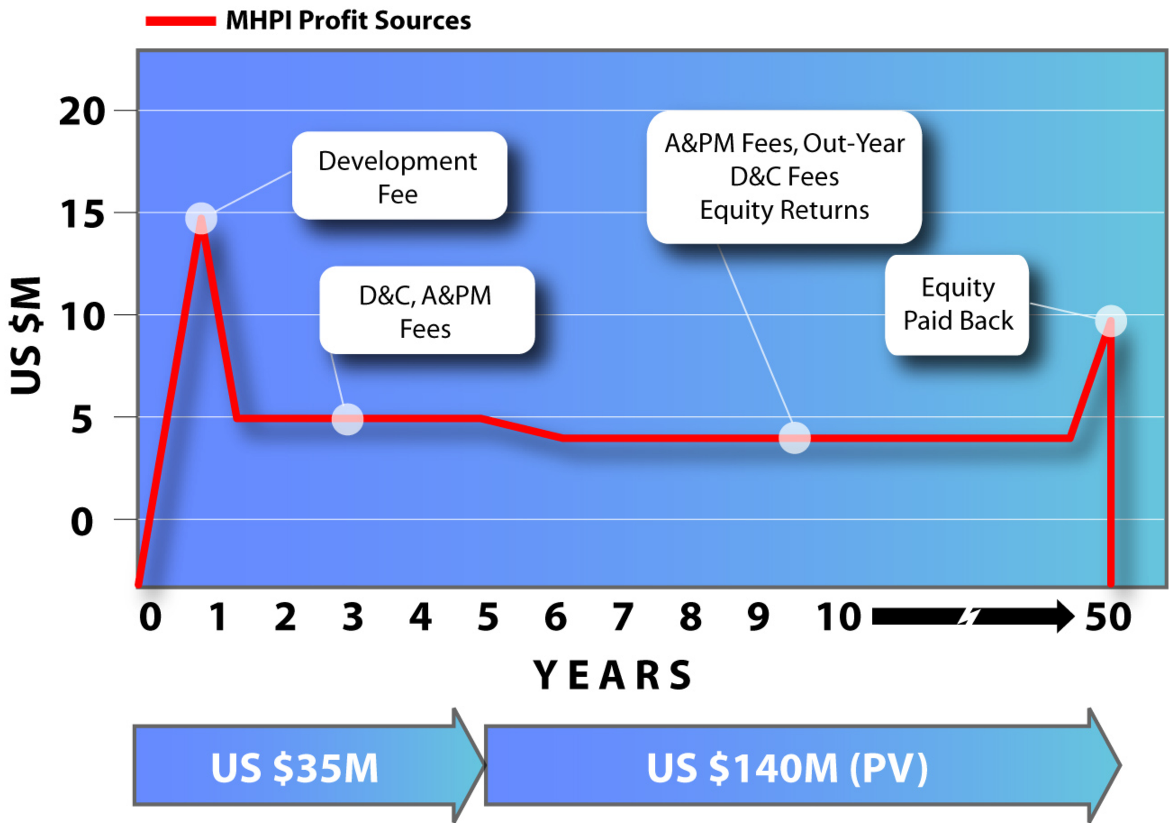
Project Size	$US300M
Cash Equity	$US6-9M
Annual Rent	$US30-35M

Typical Margin Profile (GPM)

Development Fee	3 – 6% of D&C Value
D& C Fee	4 – 6% of D&C Value
Asset Mgt.	2 – 3% of Rent
Property Mgt.	2 – 3% of Rent
Return on Equity	12-18% Cash-on-Cash

Project Development Return (Equity + Development Fee)	25%+ IRR

Total Life Profit Flow



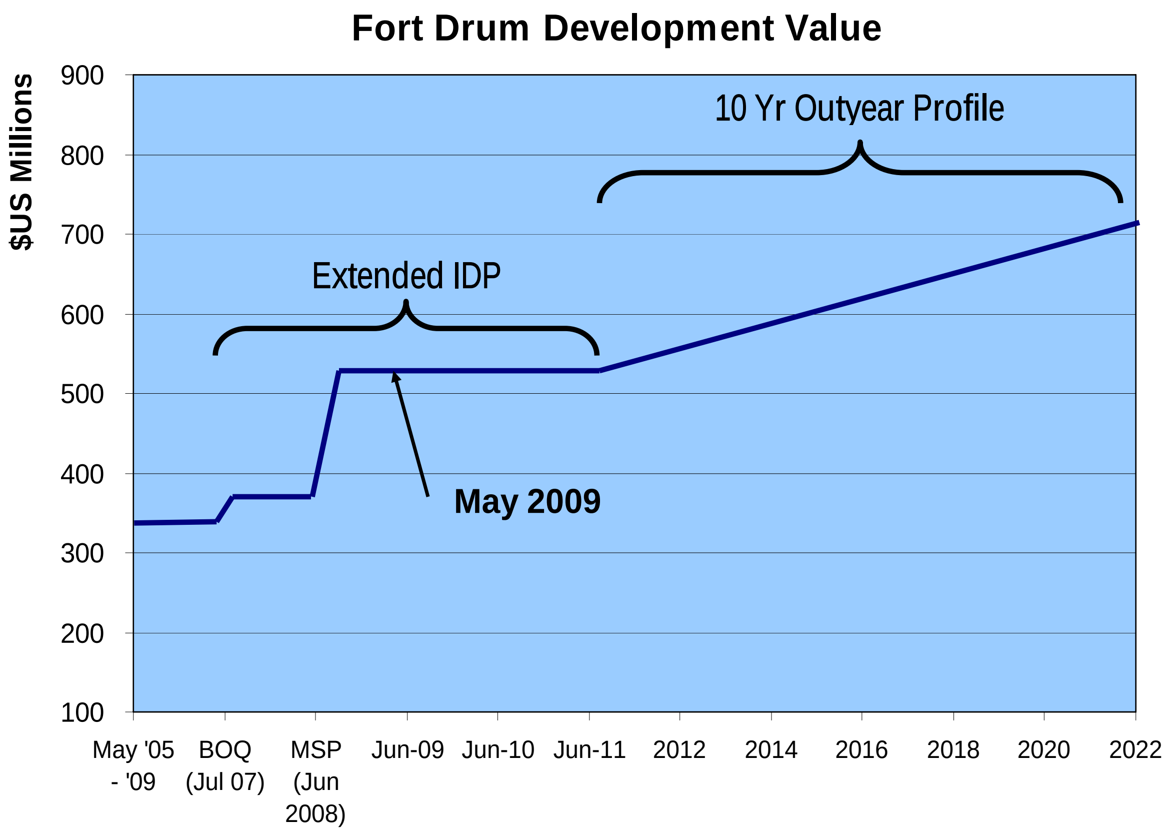
Evolving and Growing Project Scope

Lend Lease

Stage	Date	Sources	Uses
Original Project	May '05	$ 313M	▪ 845 New Homes ▪ 2,270 Renovations
Bachelor Officer Quarters (BOQ) Pilot Project	July '07	$ 30M	▪ 192 Apartment Homes for SNCOs & CGOs
Modified Scope Plan (MSP)	June '08	$ 175M	▪ Additional 554 Homes

The Value of Actus' 50 Year Franchise

Lend Lease



- Initial Development value = c$313M
- Current Development Value = c$520M
- Projected Dev. Value by 2022 = c$700M+
- 10 Year Projection assumes baseline refurbishment and replacement funded from operating income.
- Outyear profile does not include additional Barracks projects or other on post privatisation opportunities
- 50 Year concession concludes in 2055, however Army has the option to extend to 2080.

Summary

- PPP Model has been embraced by governments worldwide
- PPP market will continue to move forward despite the current GFC
- PPPs are a strong fit with LLC's integrated platform, but not yet optimised
- Strong growth opportunities exist for Lend Lease across
  - United Kingdom
  - United States (DoD)
  - Canada
  - Australia
- Lend Lease is organised to secure lead positions in each core market

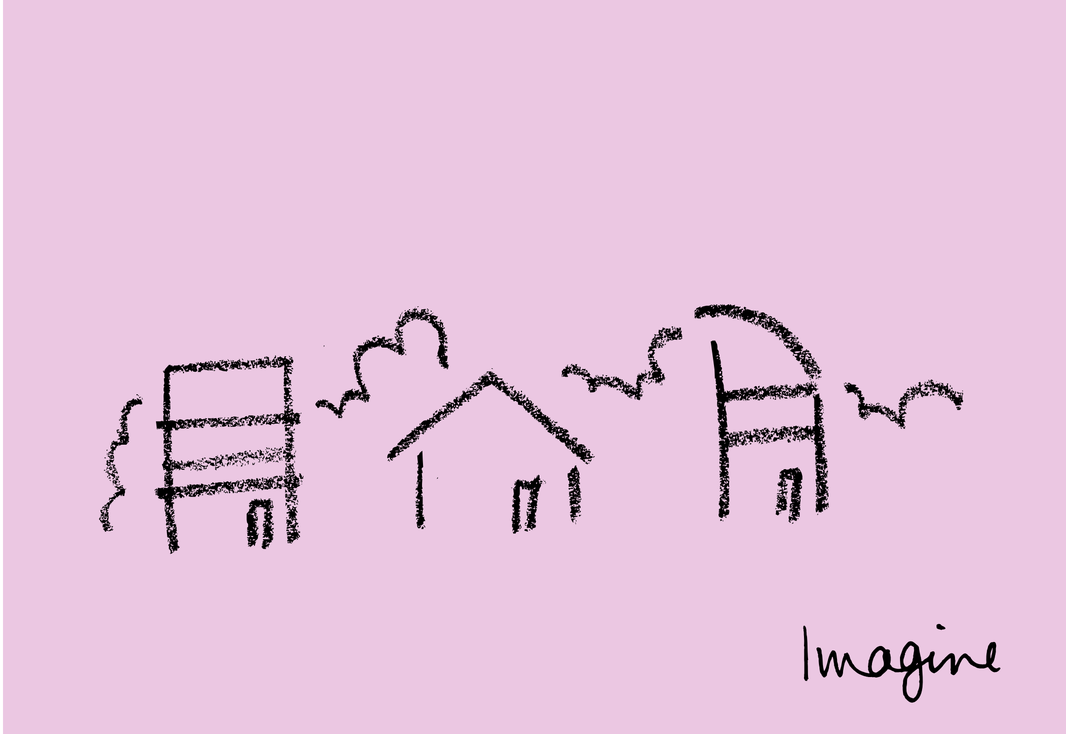
Lend Lease

Lend Lease Strategy Day
May 2009

Bovis Lend Lease

Murray Coleman

Global CEO Bovis Lend Lease



Agenda

Lend Lease

Business Overview

- How we create value
- Key market trends

Regional Updates

- Americas
- UK / CEMEA
- Asia Pacific
- Competitive landscape
- Safety and Sustainability

Plan for Growth

- Priorities & Approach
- Opportunities
- Case Study – Australian Health Sector

Business Overview

Lend Lease

Region	Backlog GPM HY09	Key Sectors	
Americas 	A$196.5m (25%)	▪ Residential ▪ Healthcare	▪ Education ▪ Mixed-use
Europe 	A$245.7m (32%)	▪ Commercial ▪ Mixed-use ▪ Defence ▪ Retail	▪ Waste, Education, health ▪ Government / Civic ▪ Rail ▪ Nuclear (build)
Asia Pacific	A$331.3m (43%)	▪ Commercial ▪ Retail ▪ Industrial / Technology	▪ Healthcare ▪ Water ▪ Pharma
Total	A$773.5m		

How We Create Value

Lend Lease

Our Strategy

Continue to embed basic governance frameworks across the regions
Refocus and reposition our business to achieve operational excellence and growth

Value Proposition

- Project Management
- Product intellectual property
- Value engineering
- Certainty and quality of delivery

Value Add to Lend Lease

- 'In-house' capabilities
- Management talent
- New business opportunities
- Cash flow generation

Key Market Trends

- Global financial crisis impacting all markets
- Infrastructure spend continues in key markets
- Bonding and insurance markets continue to tighten
- Tendency towards greater risk transference in some markets
- Escalation risk has diminished significantly
- Government stimulus packages providing some opportunities
- Supply chain – competitive pricing
- Sustainability – continued client demand

The new Royal Children's Hospital, Melbourne

Regional Update - Americas

- Global financial crisis has had an impact
- Key sector contributors to profitability:
  - Healthcare
  - Education
  - Multi-Unit Residential
- Resizing business to meet future pipeline of work
- Significant opportunities for growth:
  - Government / Civic sector
    - Stimulus spending on building, energy and social infrastructure
  - NYC, Chicago and California
  - Healthcare and Multisites vertical market sectors

One Rincon Hill Residential, San Francisco

Regional Update - UK / CEMEA

Lend Lease

UK

- Decline in activity in Commercial and Retail sectors
- Good wins in the Education sector
- Athletes Village will be a key FY10 profit contributor
- Other key pipeline projects include:
  - St David's 2 Cardiff
  - Lancashire Waste
- Target growth sectors include:
  - Education, Waste, Health, Rail, Nuclear (building) and Defence

Continental Europe, Middle East & Africa

- Significant downturn in all markets
- Resizing business to meet future pipeline of work
- Recently secured new 5 year contract with BP

St David's 2 Cardiff, UK

Regional update - Asia Pacific

Lend Lease

Australia

- Strong performance
- Diversification into Healthcare and Social infrastructure offsetting decline in Commercial and Retail pipeline
- Significant education contracts won in NSW
- Other key project profit contributors are:
  - ANZ Head Office, Melbourne
  - 420 George Street, Sydney

Asia

- Pharmaceutical pipeline remains strong
- Consolidating strengths in key geographies and sectors
- Opportunities for growth
  - Rebuild China
  - Japanese business diversification

ANZ Centre, Melbourne

Lonza Biologics, Singapore

Safety & Sustainability

Safety

- Our Vision
  - To operate Incident & Injury Free wherever we have a presence
- Decreasing LTIFRs around the world
- Reinvigorated program – Safety Opex

Sustainability

- Compliance
  - Increasing legislation in all markets
  - Measure and reduce our site and office based ecological footprint
- Focused on delivery of environmentally sustainable solutions
  - The Gauge, Australia's first 6 star office
  - Investing in research and development
  - Refurbishment market opportunities, New build

Competitive landscape

Lend Lease

Americas	▪ Top 5 general building, residential, healthcare & green construction ▪ Top 2 contractor in New York, Illinois and North Carolina
UK	▪ 6th largest contractor in the UK by turnover ▪ Key player in defense sector
Australia	▪ No 1 Commercial construction company in 2007/08 ▪Top 1 or 2 in commercial, retail, health, education sectors
CEMEA and Asia	▪ Singapore - market leader in pharmaceutical ▪ CEMEA - fragmented completion with local or multinational PM firms

Plan for growth - opportunities

Lend Lease

- Embed operational excellence across the business
- Eliminate major volatility in earnings
- Sector focus in our key geographies
- Viable opportunities to assist clients to ‘green’ their portfolios – refurbishment and rebuild
- Support the Lend Lease integrated model in targeted sectors

Case study
Health sector – Australia

Lend Lease

Health project pipeline has developed over the last three to five years

Projects	Consulting services	Construction only	Design & Construction	PPPs	Health Portfolio c$3bn
Hunter New England Health Service	✓				
RNS Research & Ed Facility		✓			
New Royal Children's Hospital				✓	✓
Liverpool Hospital			✓		✓
Gold Coast Uni Hospital			✓		✓

Lend Lease

Lend Lease Strategy Day
May 2009

Integrated Solutions Model

Rod Leaver

CEO Asia Pacific

Agenda

Lend Lease

Integrated Solutions Model

- Strategy
- Sources of Capital
- Investor Appetite
- Product Spectrum
- Competitive Landscape
- Case Study – Somerset Central & Darling Walk
- Growth Initiatives

Integrated Solutions Model

Strategy

Lend Lease

Vision & Objectives

- Being a world class property solutions provider
- Being a trusted investment manager
- Creating and delivering the best property outcomes
- Maximisation of flywheels to Lend Lease
- Consistent and strategic approach to executing transactions and dealing with capital providers

Integrated Approach to Integrated Solutions

Research	*Research led investment decisions*
Origination	*Access to pipeline across sectors*
Product Development	*Innovative product solutions*
Debt Raising	*Leverage strong banking relationships*
Equity Raising	*Broad access to capital globally*
Deal execution	*Quality deal execution and due diligence*

Integrated Solutions Model
Sources of Capital

Lend Lease

Source	Key Attributes
Lend Lease	*Preference to acquire development sites in JVs and maintain co-investments in co-mingled funds*
Local partners	*Look to leverage the skills and experience of Lend Lease to develop land/assets*
Federal and State Governments	*PPP social infrastructure initiatives and government sponsored development initiatives*
Strategic JV partners	*Direct investments in assets/projects alongside sophisticated partners*
Wholesale & Retail Investors	*Looking to investment through co-mingled funds or managed mandates with investment advice and governance*

Integrated Solutions Model
Investor Appetite

Lend Lease

Investors selectively and cautiously seeking compelling opportunities in core real estate space while awaiting for the valuation environment to stabilise

Australian Super Funds	Remain **overweight in real estate.** Denominator effect has pushed illiquid real estate assets towards allocation thresholds
European Pension Funds	**Limited appetite** to invest, however some investors **still have available allocations** cautiously targeting unique opportunities
US Pension Funds	To date **invested offshore via private equity structure on opportunity and value-add funds**…currently **focused on managing issues** within existing investment portfolios
Sovereign Wealth Funds	**Increasingly capacity constrained (particularly resource based funds) and cautious in relation to future interests and timing** – any focus remains on **distressed direct, re-caps and unlisted (direct) real estate** opportunities
Fund of Funds	**Remain a source of capital** to gain access to 'best-in-class' managers and distressed opportunities in mature markets, but often subject to their own equity raises

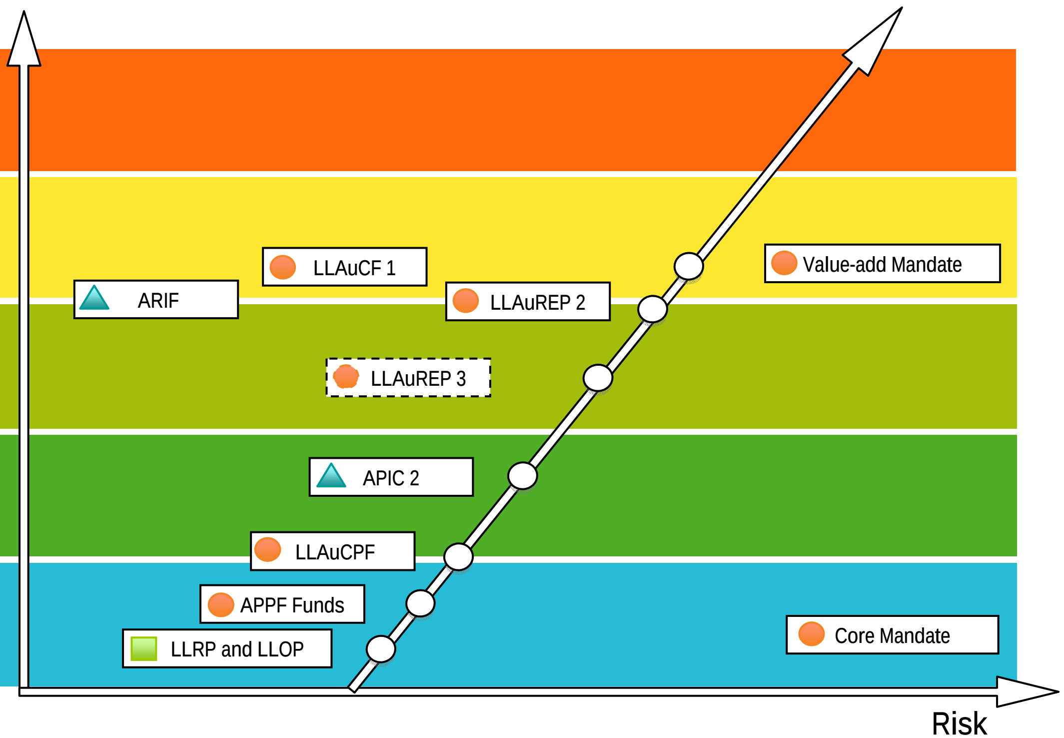
Integrated Solutions Model

Current Product Spectrum

Lend Lease

Access to property funds across the risk / return spectrum

Types of properties	Total Target Return
Development in non-traditional sectors Higher risk geographies	18%+ Opportunistic
Development in core markets	16 – 17% Value-add
Retail, commercial, industrial and other property requiring "active" management	13 – 15% Enhanced
Hotels, car parks, retirement villages and fringe core sectors	11 – 12% Core plus
Retail, commercial and industrial	8 – 10% Core investment

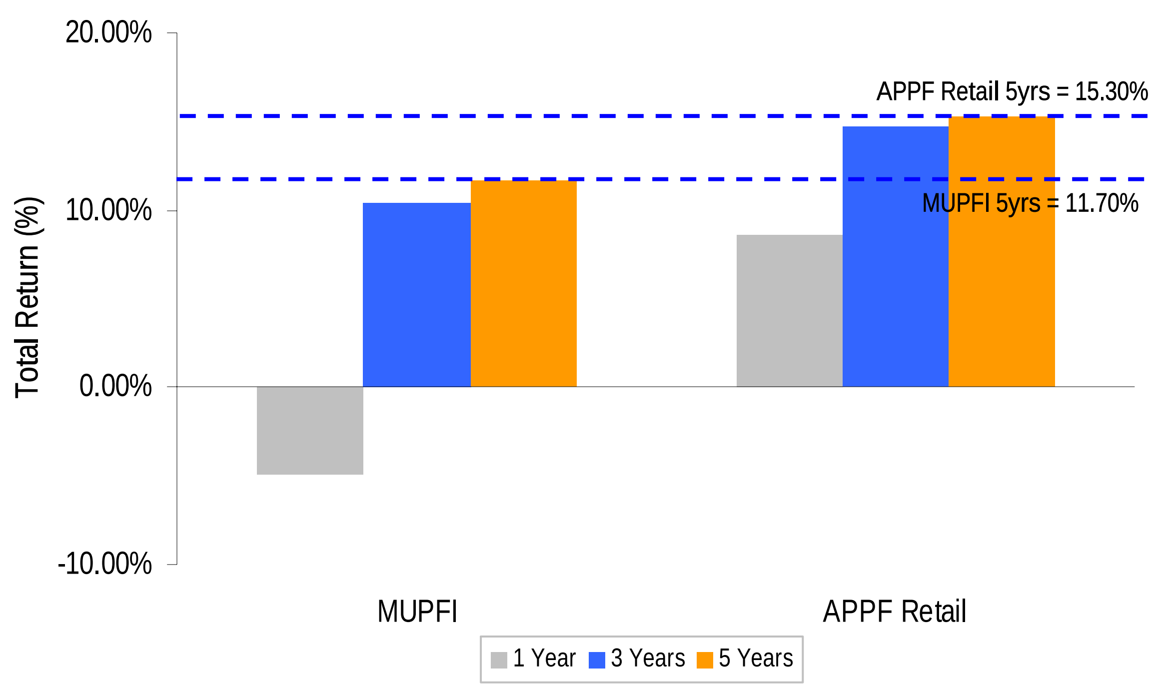


Australia | Asia | UK and Europe | Proposed

Integrated Solutions Model
Competitive Landscape

Lend Lease

Core Fund Performance vs. Mercers Index*



- ✓ **Top quartile performance of key funds'** against benchmarked index
- ✓ Market recognition on **best practice governance** and **sustainability**
- ✓ **Fully integrated property skill base** that continues to be the key differentiator in the marketplace as Investors focus on managing risk

Competitive Landscape

- **Recent landscape has changed** with the entry of a number of LPT players – now focused on issues at parent level
- **Market now includes a mix** of diversified financial services groups, LPTs and superannuation funds
- Only diversified player with **a fully integrated property business model**

Governance & Sustainability

Melbourne Financial Services Symposium 2009

UNEP Finance Initiative Innovative financing for sustainability

PRI Principles for Responsible Investment

Clinton Foundation CLINTON CLIMATE INITIATIVE

UK GREEN BUILDING COUNCIL

green building council australia

* Returns comparison to 31 March 2009

Integrated Solutions Model
Case Study – Somerset Central & Darling Walk

Lend Lease

The Integrated Model provides a significant multiplier effect on the base return on equity of co-investing in a project

	DEVELOPMENT PHASE				OPERATIONAL PHASE		
	1. Property Development	2. Project Management & Construction	3. Development Management	4. Investment Management	5. Property Investment	6. Property Management	7. Investment Management
BU	R&C/IM	BLL	R&C	IM	R&C/IM	R&C	IM
Somerset (32.5% co-investment)#	✓	✓	✓	✓	✓	✓	✓
Darling Walk (5% co-investment)*	✓	✓	✓	✓	✓	✗	✓

Lend Lease will generate significant flywheel profits across the value chain over the development and operational phase

#Reflects direct and indirect co-investment in the project

*Reflects LL's co-investment interest across the various APPF vehicles

Capital Solutions Model
Current Growth Initiatives

Lend Lease

Australian Opportunistic Club	***Opportunistic Club with small number of aligned investors targeting retail and commercial assets***
APPF Hybrid Offering	***Hybrid equity offering to strengthen the Fund's capital management position as it delivers its development pipeline***
ARIF	***Delivery of the Somerset project on time and on budget***
UK Social Infrastructure	***Establish investment vehicle in line with equity demand for emerging social infrastructure pipeline***
Mandates / Managed JVs	***Covert emerging large and sophisticated investor appetite for direct acquisitions with ongoing management in discrete mandates / Managed JVs***


313@Somerset, Singapore


The Gauge, Melbourne


Darling Walk, Sydney

Lend Lease

Lend Lease Strategy Day
May 2009

Retail & Communities Asia Pacific

David Hutton
CEO

Agenda

Lend Lease

Retail & Communities Asia Pacific

- Sector focus
- R&C Portfolio
- Delfin Lend Lease
- Vivas Lend Lease
- Lend Lease Development
- Retirement by Design (RbD)
- Lend Lease Retail
- Case Study: Darling Walk
- Key Market Trends
- Growth/Outlook

Emphasis on Sector focus … why ?

Lend Lease

Market Focussed	Depth of Market Knowledge
Experience	Seasoned Personnel
Business Infrastructure	Skills, processes, systems, IT, approach to Sustainability
Scale	Efficiencies to drive profitability and competitive advantage incl. Overhead Management
Brand	Value & Recognition
Capital Model	Velocity of capital to drive LLC's ROCE, leveraging our third party capital investment platform – "Capital Lite"

The R&C Portfolio

Lend Lease

Delfin
Lend Lease

Master planned communities in major growth corridors, Australia wide

Vivas
Lend Lease

Apartments in Sydney & Melbourne

Lend Lease
Development

Commercial & mixed use in prime CBD positions

Lend Lease
Retail

Retail regional centres – development/ management

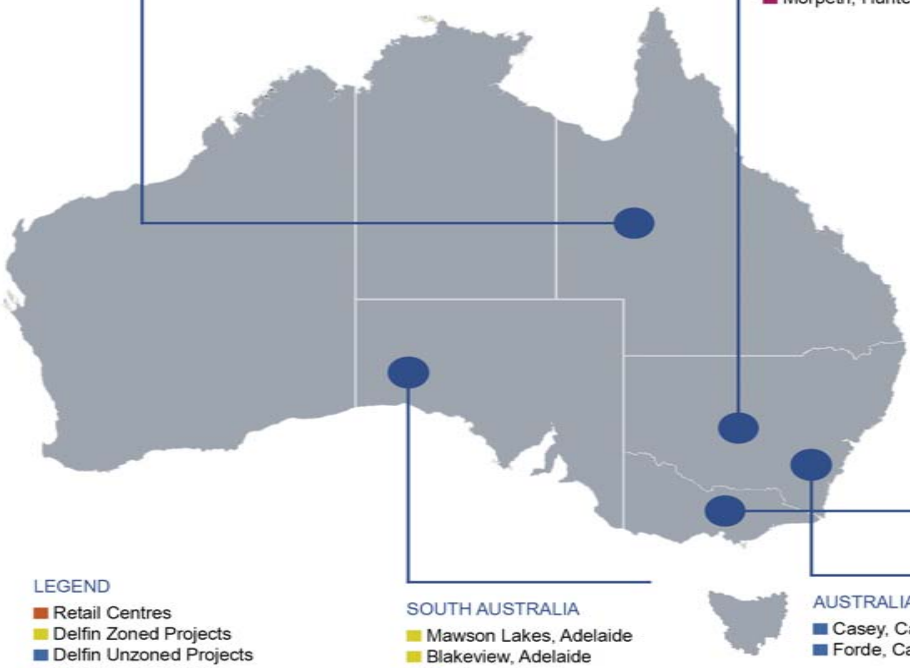
Retirement by Design Pty Ltd

Lend Lease Primelife

Retirement & Aged Care Australia wide

QUEENSLAND
- Cairns Central, Cairns
- Caneland Central, Mackay
- Sunshine Plaza, Maroochydore
- Indooroopilly, Brisbane
- Forest Gardens, Cairns
- Hyatt Coolum, Sunshine Coast
- Twin Waters, Sunshine Coast
- Springfield Lakes, Brisbane
- Varsity Lakes, Gold Coast
- Woodlands, Gold Coast
- Rocky Springs, Townsville
- Yarrabilba, Gold Coast
- Keperra Sanctuary Village, Brisbane
- The Terraces, Brisbane

NEW SOUTH WALES
- Erina Fair, Central Coast
- Mid City Centre, Sydney
- Macarthur Square, Sydney
- Nelsons Ridge, Sydney
- Ropes Crossing, Sydney
- St Marys, Sydney
- Bingara Gorge, Sydney
- The New Rouse Hill, Sydney
- St Patrick's Estate, Sydney
- Calderwood, Woollongong
- Jacksons Landing, Sydney
- Darling Walk, Sydney
- Nelsons Grove, Sydney
- Rochford Place, Sydney
- Morpeth, Hunter Valley



VICTORIA
- Greensborough Plaza, Melbourne
- Craigieburn Town Centre, Melbourne
- Pakenham Place, Melbourne
- Caroline Springs Square, Melbourne
- Laurimar, Melbourne
- Edgewater, Melbourne
- Craigieburn, Melbourne
- Lakeside Pakenham, Melbourne
- Caroline Springs, Melbourne
- Pakenham Valley, Melbourne
- Lockerbie, Melbourne
- Armadale, Victoria
- Victoria Harbour, Melbourne
- Abervale, Melbourne
- Fiddlers Green, Melbourne
- Caesia Gardens, Melbourne

LEGEND
- Retail Centres
- Delfin Zoned Projects
- Delfin Unzoned Projects
- Vivas / LLD Projects
- RBD

SOUTH AUSTRALIA
- Mawson Lakes, Adelaide
- Blakeview, Adelaide
- Gawler, Adelaide
- Trinity Green, Adelaide

AUSTRALIAN CAPITAL TERRITORY
- Casey, Canberra
- Forde, Canberra

** Locations excluding LL Primelife*

Delfin Lend Lease

- Large scale land development in outer ring locations of major growth corridors
- Moving to smaller scale urban development to capture "infill" opportunities
- Generally, Medium to Long dated projects
- Growing emphasis on delivery of built form

Competitive Advantage

- Strong brand, nationally dominant in MPC sector, track record of delivering on promises
- Partnering culture
- Scale and Geographic diversity of business
- Securing off-market positions

Capital Model & Returns

- Capital efficient – focus on strong ROCE (target >12% after tax)
- Land Management Model (LMM) of large scale MPUCs and JV (including off balance sheet debt) land acquisitions
- Development returns, DM fees, Realty/commissions

Trading / Portfolio Update

- First Home Buyers boosting sales in March qtr (FHBs representing c. 25%, up from 15% in normal conditions)
- Land sales currently c. 220-240 /mth
- >80,000 lots across QLD, NSW, VIC and SA – majority in land management structures
- 22 trading projects, 5 undergoing rezoning

Competitors

- Stockland, Mirvac, PEET, Satterley

Vivas Lend Lease

	• Inner city high density residential apartments • Targeting middle market customers • Focussed on 3 major capital cities (Brisbane, Sydney and Melbourne) • Introduces opportunities for LL synergies
Competitive Advantage	• Strong operational capabilities established • Growing recognition of brand and values with Sustainability as a key differentiator • BLL delivery platform for execution on quality and safety • Leverage off LL Development origination capability and access to quality land-bank
Capital Model & Returns	• Currently sub-scale and inconsistent earnings • Capital Efficient Model – JV and off balance sheet debt - focus on strong ROCE (targeting > 15% after tax) • Development returns (Margins c.18%+), DM Fees, Realty/Commissions, • Potential synergies for BLL and LLIM
Trading / Portfolio Update	• c. 2,500 lots – zoned • 2 large scale multi-stage trading projects – currently in Melbourne and Sydney • Good pipeline of opportunities emerging
Competitors	• Stockland, Mirvac, Meriton, Multiplex Living, FKP, Australand

Lend Lease Development

- Originator (identifying, securing and converting) of large, mixed use sites in inner urban locations
- Development Management of delivery of large scale commercial projects

Competitive Advantage

- Significant track record and experience in delivering premium grade office developments
- Leader in developing sustainable office solutions
- Leveraging BLL platform for innovation and execution
- Synergies with Funds for capital solutions

Capital Model & Returns

- Limited seed capital invested to secure Master Developer positions (target 20% margins)
- Development Management role for office delivery (fee basis) long term
- Secure significant long term flywheel return opportunities for BLL and LLIM

Trading / Portfolio Update

- Currently delivering: Darling Walk & 420 George in Sydney, ANZ & Myer at Victoria Harbour
- Short-listed on Barangaroo and RNA

Competitors

- Stockland, Mirvac, GPT, Leighton, Brookfield Multiplex, Laing O'Rourke

Retirement by Design (RbD)

Lend Lease

- Owner, developer and manager of retirement villages
- RBD to transition to be primarily Development Services provider
- 43.2% co-investment in LL Primelife

Competitive Advantage

- Market dominance of LL Primelife – largest operator in Australia
- Leverage Lend Lease land-bank opportunities
- Culture of customer service

Capital Model & Returns

- 43.2% interest in listed entity as capital solution for village ownership and development
- RBD: Service Provider on a fee basis
- RBD: develop out existing 5 trading projects (plus 1 yet to commence)

Trading / Portfolio Update

- New sales under pressure for overall residential market affordability issues
- Strong backlog of development – c. 1,600 units to be developed across LLPL and RBD
- c.12,000 RV units under management in total (RbD: c.800 units and LLPL: c.11,200 units)
- c.2,300 Aged Care beds in LLPL

Competitors

- Stockland, FKP

Lend Lease Retail

Lend Lease

	• Experienced developer/manager of quality retail assets in Australia • Growing platform in Singapore servicing Malaysia and (potentially) China
Competitive Advantage	• Strong property management capability • BLL delivery platform for execution excellence • LLIM platform providing capital solutions
Capital Model & Returns	• Development Management, Leasing and Property Management Fees • Small number of co-investment positions (25% share) for asset returns and development returns • Minimal exposure to asset value risk
Trading / Portfolio Update	• Australian Centres: 1.5% MAT growth, Vacancies <1% • Somerset in Singapore completing Dec 09 (Leasing agreed/signed c.80% of NLA) • Top 10 manager (by GLA) in Australia (c.533,000m2 GLA), 2 trading centres in Singapore (c.70,000m2 GLA) • Development pipeline – 8 centres across Aus/Asia: > 190,000 m2 GLA, $2.7Bn of cost
Competitors	• Westfield, GPT, Stockland, Centro

Case Study: Darling Walk

Lend Lease

- Development Agreement between Sydney Harbour Foreshore Authority and Lend Lease Development
- Asset with 99yr ground lease owned by Lend Lease managed joint venture fund, 50/50 between APPF and external investor
- Estimated End Value: $560M
- Development & Project Management by Lend Lease
- Mixed Use Development with primarily commercial plus retail, entertainment and extensive public domain upgrades
  - 55,000m^2 Commercial Nett Lettable Area
  - 5,000m^2 Retail Nett Lettable Area
  - 1,000m^2 kids & youth theatre
- Completion mid 2011
- Creating legacy outcomes
  - Important urban renewal that reinvigorates a tired public realm
  - Connection to CBD
  - Next generation commercial office
  - World benchmark sustainability (6 Green star)
  - Creation of Social Asset with Youth theatre
- Partnerships a key focus including government, investors and occupiers
- Effectively de-risked prior to commencement – leasing, takeout, planning, time, cost
- Risks apportioned across the Lend Lease group to the suitable efficient taker of risk – Investment Management takes the market & tenancy risk for the FUM fees; Lend Lease Development takes the planning, site & delivery risks for the Development fees; and Bovis Lend Lease takes the time & cost risk for profit margin.

Key Market Trends

Lend Lease

	Residential	Retail	Commercial
SHORT TERM	• Consumer confidence still weak – employment concerns to be a "brake" • Vacancy issues and rent growth – a "push" factor to sales • Affordability easing due to weaker prices and interest costs • Lending practices still tight • Stimulatory Government policies	• Spending patterns not yet stabilised • Lack of capital availability and deteriorating cap rates delaying re-development / expansion projects	• Most cities in weak periods of cycle • White collar employment in inner city (particularly Sydney & Melbourne) to continue to weaken • Prime vacancy increasing – Sydney 7.5%, Melbourne 5.7% • Sublease vacancies increasing sharply • Capital constraints on new developments
MEDIUM / LONG TERM	• Stock undersupply >60,000 dwellings nationally • Population growth still strong • Densification policies being a driver to open up access to inner urban sites • Sustainability credentials being a competitive advantage to secure sites • Affordability issues continuing to pressure Government release of urban lands	• Regional centres continuing to dominate trade areas • Awaiting return of residential construction to boost spending in home wares /bulky goods • Capital constraints to ease	• Office vacancies to improve as banking sector recovers • New projects to commence if pre-committed • Rents and yields to stabilise

Plan for Growth / Outlook

- "Manage for Downside, Position for Upside"
  - ✓ Tactical decisions for short term – "right size" the businesses and preserve cash positions
  - ✓ Long term confidence in each sector
  - ✓ Well positioned to become dominant in each sector
- Use Downside to build Backlog
  - ✓ Focus on a smaller number of key opportunities
  - ✓ Targeting major bids that secure long term integrated positions e.g. Barangaroo, RNA
  - ✓ Off market deals leveraging relationships and capabilities
  - ✓ Distressed assets
- "Capital Lite" Solutions
  - ✓ Secure opportunities without significant upfront investment
  - ✓ Preference for JV relationships and Land Management Model

Lend Lease

Lend Lease Primelife

Overview of Retirement Living Business

Rod Fehring

CEO Lend Lease Primelife

The Brighton on Bay (Retirement Village)

Agenda

Lend Lease

Lend Lease Primelife Overview & Strategy

- A "Pure Play" Senior Living Business
- Strategy
- Retirement Living & Aged Care Different Businesses

Retirement Living

- Business Model
- Australia's Changing Demographics
- Future Demand Growing

Aged Care

- Industry Structure "For Profit Sector"
- Industry Overview
- Summary

Lend Lease Primelife a "Pure Play" Senior Living Business

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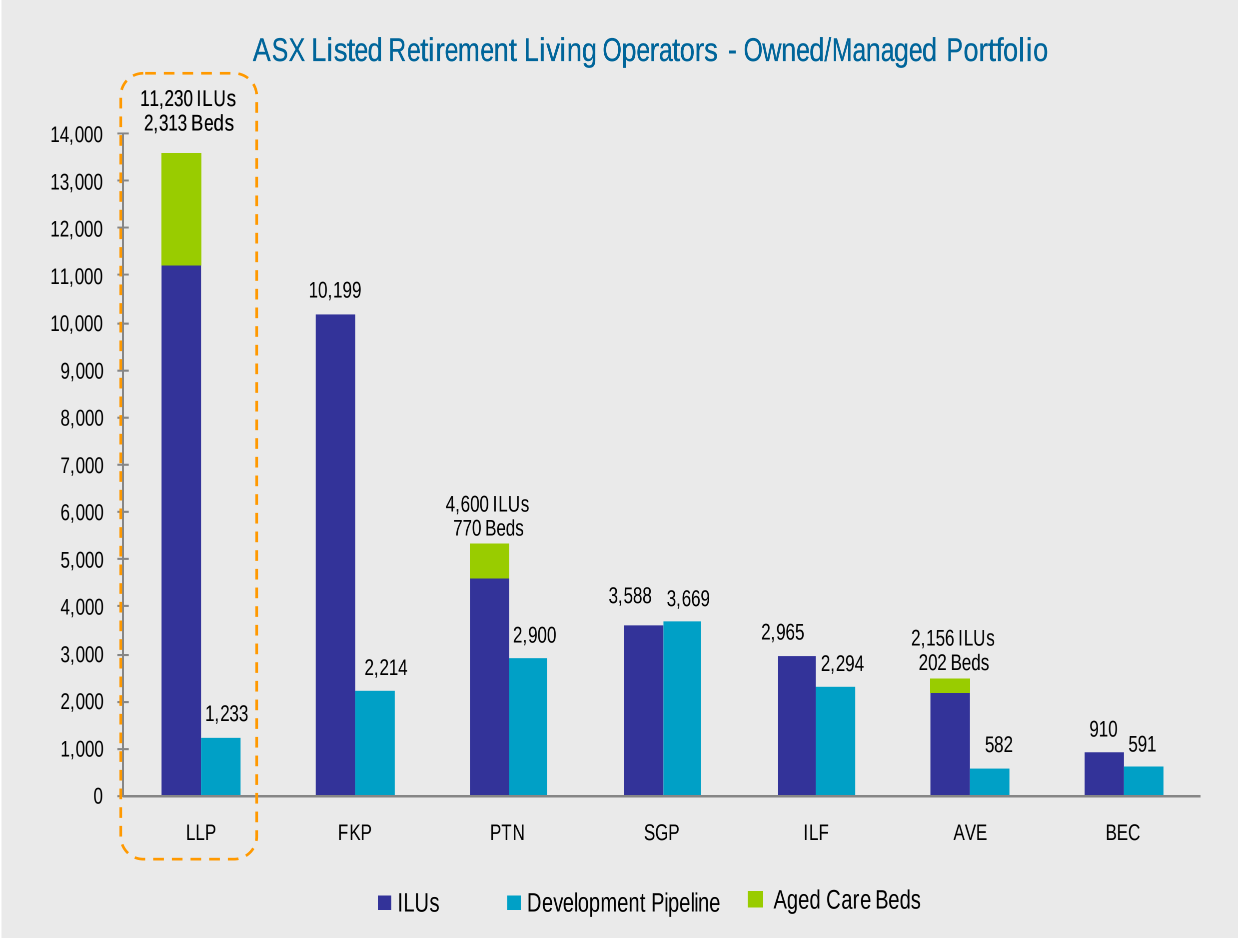
- Lend Lease Primelife ("LLP") is largest "Pure Play" retirement operator listed on the Australian Stock Exchange ("ASX").
- Listed operators own or manage approximately 33% of all units.
- Approximately 23% owned or managed by smaller For Profit operators.
- Not for Profit operators own or manage the remaining 44% of units.
- LLP has reduced development pipeline by 992 units from 2,225 to 1,233.
- LLP can source its development pipeline through its strategic relationship with Lend Lease.

Source: Most recently available public information



Note:
- LLP manages 3,598 units owned by PTN

Lend Lease Primelife – Strategy Objectives

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Pillar	Strategy Objective
Simplification	• A Single Operating Platform • Alignment of Business Risks and Business Systems • Clear Brand Positioning • Partner of Choice
Value Creation	• High Quality Earnings • Reliable Delivery of Distributions • Capacity to Grow at a Sustainable Pace • Differentiated Value Proposition • Recognised National Brand
Service Culture	• Employer of Choice • Differentiated Expertise • Ubiquitous and Deep Knowledge • Recognised for Innovation and Integrity • Highly Motivated workforce

A process is aimed at producing an ongoing dynamic aimed at setting a pattern of behaviours within and across the Business and a momentum fuelled by a sense of achievement and purpose.

Retirement Living & Aged Care Different Businesses

Lend Lease

Senior Living Sector

	Retirement Living		Aged Care	
	ILUs	Serviced Apartments	Low Care	High Care
Care Level	None	Personal Services	Low Level	High Level
Regulation	Moderate (State Based)		High (Federal Based)	
Revenue Sources	New Sales, Re-Sales, Resident Fees		Government Subsidies, Accommodation Bonds, Resident Fees	
Key Risks	Property Market, Valuations		Operational Expertise	

Market for these products/services is changing. Government funding of Aged Care shifting toward funding the individual consumer of services rather than maintaining the assets of the service provider eg. CACPS funding packages & ageing in place

Retirement Living – The Business Model

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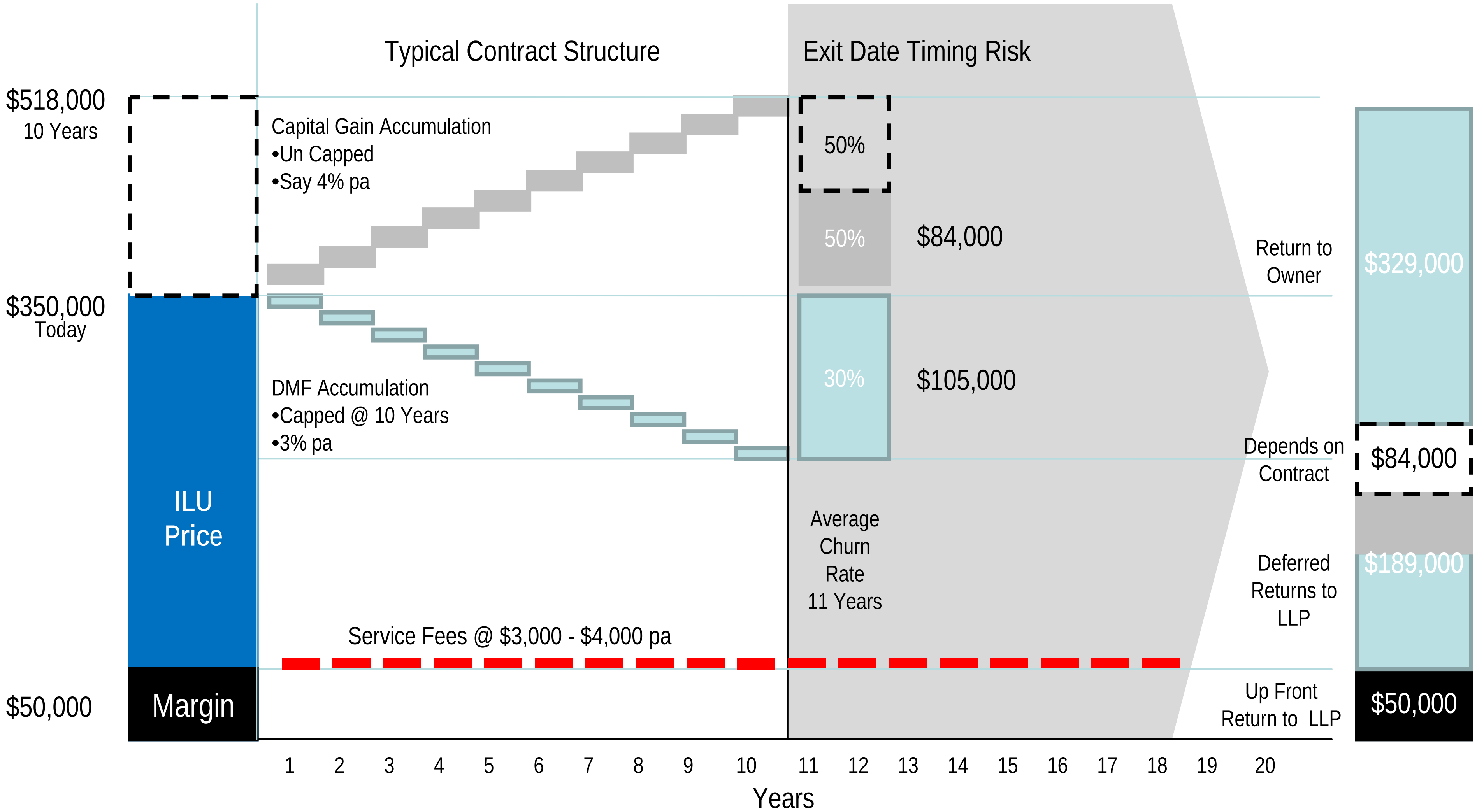
Typical Deferred Management Fee (DMF) Operating Model



Australia's Changing Demographics

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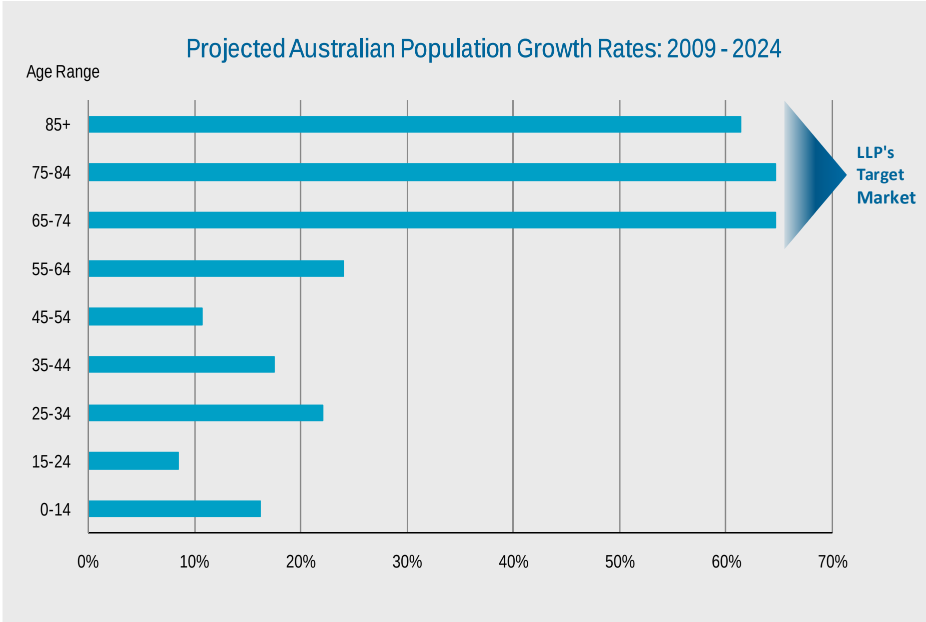
Australia's Population – the next 15 years

- Australian population projected to grow by 23%
- 65+ population projected to grow by 64%
- 65+ fastest growing segment of population
- Continued increases in life expectancy
- Baby Boomers only just beginning to enter the market
  - Currently aged between 44 and 63
- LLP currently sell to:
  - 74 year old couples in through primary sales
  - 75 year old women through re-sales

Age Range	No. of People		% of Australian Population		Growth Rate
	2009	2024	2009	2024	
65-74	1,557,025	2,564,121	7.2%	9.6%	64.7%
75-84	985,374	1,622,810	4.5%	6.1%	64.7%
85+	381,414	615,417	1.8%	2.3%	61.4%
Total 65+	2,923,813	4,802,348	13.5%	18.1%	64.2%



Sources: ABS cat no. 3222.0: Population Projections;
Jones Lang LaSalle

Retirement Living – Future Demand Growing

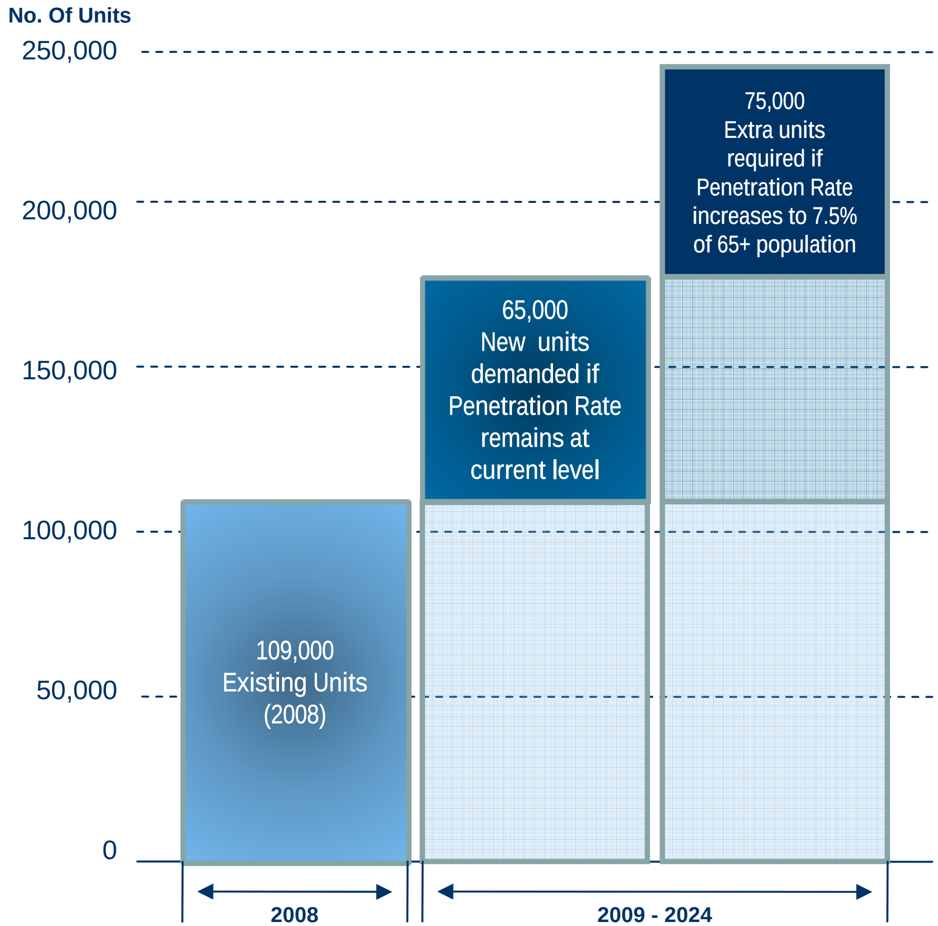
Lend Lease

Increasing Acceptance of Retirement Living in Australia

- Penetration Rates have increased to above 5.25% of over 65s from 3% to 3.5% less than 10 years ago
- Penetration rates expected to continue to increase towards the higher rates seen in US (12%)
- Up to 140,000 new retirement living dwellings needed over the next 15 years to meet projected demand
    - This equates to circa $42 billion in new construction

Source: Jones Lang LaSalle

Additional retirement units required to meet future demand



Aged Care – Industry Structure "For Profit Sector"

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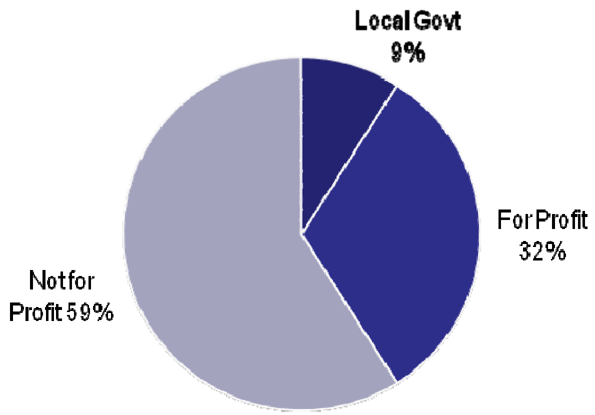
Australian Aged Care Industry

- LLP fifth largest For Profit operator in Australia (2,313 beds)
- 183,000 allocated residential aged care places
- 59% of bed licences held by Not for Profit Sector



Highly fragmented industry

- Largest provider controls only 3.4% of the market

Top five For Profit Providers

1. AMP	4,500 beds	500 in pipeline
2. Regis (Macquarie)	3,500 beds	500 in pipeline
3. BUPA (previously DCA / Amity)	3,500 beds	
4. Japarra	2,600 beds	Unsure due to recent sanctions
5. LLP	2,300 beds	

Aged Care – Industry Overview

Industry does not operate in a 'free market'

- Heavily regulated by Federal Government
- However this results in stable and predictable cash flow
- Operations respond well to scale and systems
- High barriers to entry
  - Bed license allocations; Approved provider qualifications & competence; Capital expenditure & maintenance

Aged Care Accommodation – not a lifestyle choice

- Little financial consideration by incoming residents
- Demand driven by care needs resulting from:
  - Chronic Illness
  - Disability
  - Reduced Mobility
  - Isolation
  - Inability/unwillingness of family to provide required level of care
- Result of assessment by Department of Health & Ageing ultimately determines if individual is eligible for a bed

Harbourside, Mindarie, WA (Retirement Village)

Summary

- Market changing in favour of Ageing in Place with an intertwining of health & lifestyle services & product offerings – a continuum of care
  - Target market 74 year old couples & 75 year old women
  - Demand for secure, affordable, serviced living housing expected to rise from current levels by 5,000 – 10,000 units pa.

- Deferred Management Fees are an affordable way to access this product type – perfect for the baby boomer underfunded superannuation;
  - Current Lend Lease Primelife portfolio based on average discount rate of 12.5% and growth rates of 3.9%.

- Aged Care #5 in "for profit" market by scale @ 2,300 beds
  - "Not for profits" sector represents 59% of the market
  - Sector is Government Funded and Heavily regulated – not an open market.

Appendix

Retirement Living Portfolio is well Diversified but with several sub optimal commercial arrangements

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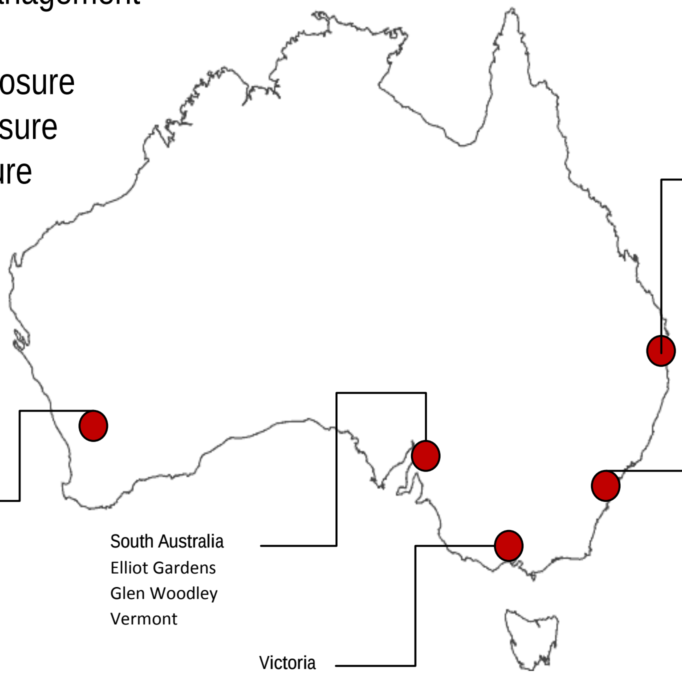
LLP Retirement Village Portfolio

- circa 11,200 units under management

- 7,407 units: 100% DMF exposure
- 2,939 units: 12% DMF exposure
- 892 units: 50% DMF exposure



Queensland

Allora Gardens
Bellflower
Buderim Gardens
Carlyle Gardens – Mackay
Carlyle Gardens – Townsville
Eaglemount
Hibiscus – Nambour
Hibiscus Buderim Meadows
Hibiscus Chancellor Park
Hibiscus Noosa Outlook
Lindfield
The Lakes

Western Australia

Bibra Lake
Harbourside Mindarie
Homestay
Parkland – Mandurah
Parkland Booragoon
Parkland Ellenbrook
Parkland Woodlands
The Pines Ellenbrook
Timberside Woodvale

South Australia

Elliot Gardens
Glen Woodley
Vermont

Victoria

Burwood Terrace
Camberwell Green
Claremont Terrace
Cumberland View
Evelyn Ridge
Forest Hills
Goodwin Close
Heathglen RV
Highvale
Koorootang Court
Lexington Gardens
Marthas Point
Meadwovale
Peppertree Hill
Port Phillip Village
Tannoch Brae Village
The Brighton on Bay
The Village Williamstown
Viewbank Gardens
Waterford Park
Waterford Valley Lakes
Woodlands Park

New South Wales

Annesley Bowral
Bayside
Coastal Waters
Glenaeon
Henry Kendall Gardens
Lutanda Manor
Pittwater
Riverwood
Trowella Gardens

New Zealand

Knightsbridge, Auckland
Mayfair, Auckland
Ocean Shores, Mt Manuganui
Parklane, Auckland
Peninsula Club, Auckland

Aged Care – Asset Portfolio

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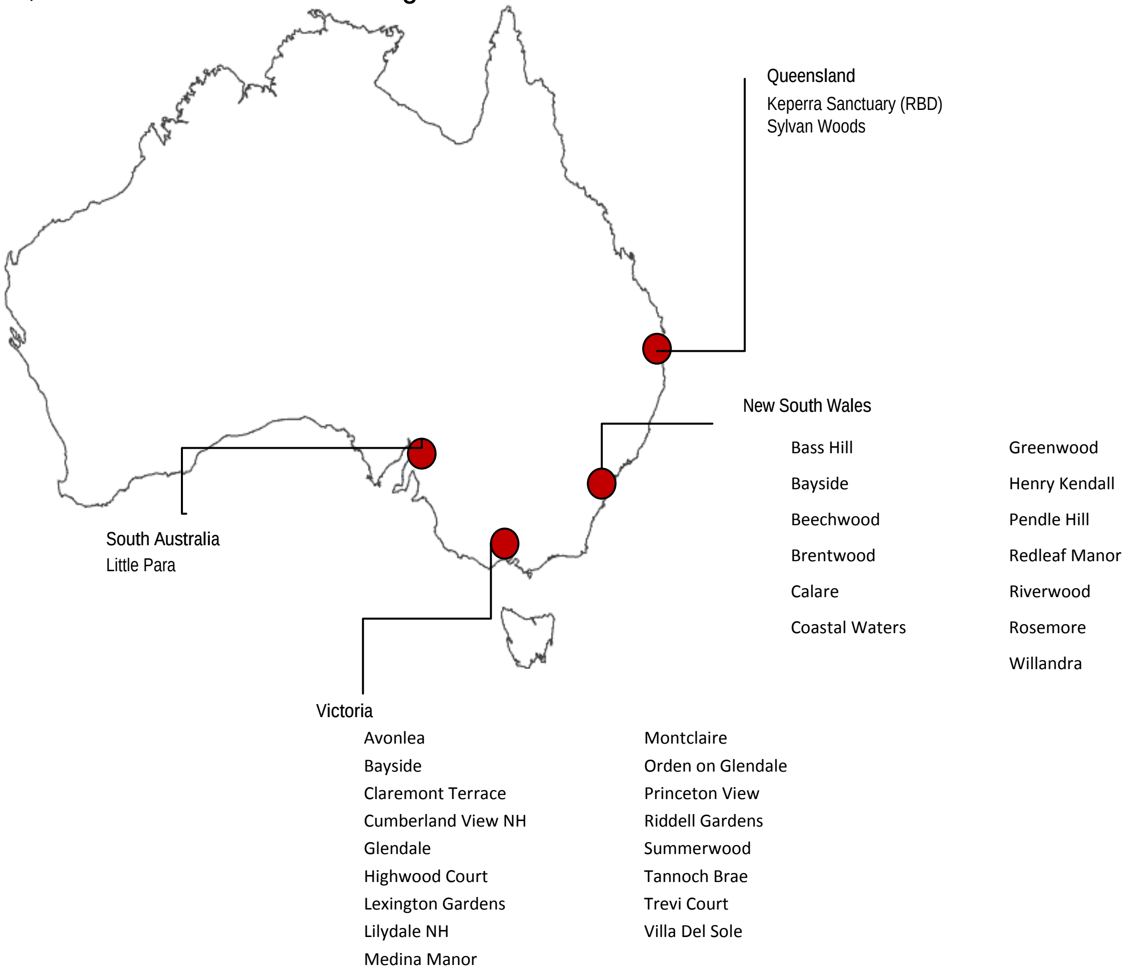
LLP Aged Care Portfolio

- circa 2,300 total beds under management



Aged Care Facility	State	HC	LC	ES	Total
Avonlea	Vic		69		69
Bass Hill	NSW	78			78
Bayside	NSW	84	40		124
Bayside	Vic		41		41
Beechwood	NSW	70	40		110
Brentwood	NSW	84			84
Calare	NSW	66			66
Claremont Terrace	Vic		56		56
Coastal Waters	NSW	84	42		126
Cumberland View NH	Vic	30			30
Glendale	Vic	15	120		135
Greenwood	NSW	53			53
Henry Kendall	NSW	110			110
Highwood	Vic		75		75
Keperra Sanctuary	Qld		30		30
Lexington Gardens	Vic		60		60
Lilydale NH	Vic	30			30
Little Para	SA		62		62
Medina Manor	Vic		45		45
Montclaire	Vic			36	36
Orden on Glendale	Vic		105		105
Pendle Hill	NSW	84	36		120
Princeton View	Vic	37	69		106
Redleaf Manor	NSW			65	65
Riddell Gardens	Vic		74		74
Riverwood	NSW		29		29
Rosemore	NSW	90			90
Summerwood	Vic		31		31
Sylvan Woods	Qld	89			89
Tannoch Brae	Vic		50		50
Trevi Court	Vic		51		51
Villa Del Sole	Vic		52		52
Willandra	NSW	64			64