Lend Lease

ASX Announcement

Lend Lease Investor Day presentations

22 October 2013

Attached are the presentations to be given today by Lend Lease senior executives at its Investor Day. The event will be webcast live via www.lendlease.com

For further information, please contact:

Investor Relations:
Suzanne Evans
Head of Investor Relations
Tel:02 9236 6464

Corporate Affairs:
Vivienne Bower
Group Head of Corporate Affairs
Tel: 0431 487 025

Lend Lease Corporation Limited ABN 32 000 226 228 and
Lend Lease Responsible Entity Limited ABN 72 122 883 185 AFS Licence 308983
as responsible entity for **Lend Lease Trust** ABN 39 944 184 773 ARSN 128 052 595

Level 4, 30 The Bond
30 Hickson Road
Millers Point NSW 2000
Australia

Telephone +61 2 9236 6111
Facsimile +61 2 9252 2192
www.lendlease.com

LEND LEASE
2013 Investor Day

October 2013

Important Notice

Lend Lease

This presentation has been prepared in good faith, but no representation or warranty, express or implied, is made as to the accuracy, adequacy or reliability of any statements, estimates, opinions or other information contained in the presentation (any of which may change without notice). To the maximum extent permitted by law, Lend Lease Corporation Limited, its controlled entities including Lend Lease Trust (together referred to as the ‘Group’) and their respective directors, officers, employees and agents disclaim all liability and responsibility (including without limitation any liability arising from fault or negligence) for any direct or indirect loss or damage which may be suffered through use or reliance on anything contained in or omitted from this presentation.

Each recipient should consult with, and rely solely upon, their own legal, tax, business and/or financial advisors in connection with any decision made in relation to the information contained in this presentation.

Lend Lease Corporation Limited does not undertake any obligation to provide recipients with further information to update this presentation or to correct any inaccuracies.

Prospective financial information has been based on current expectations about future events and is, however, subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations described in such prospective financial information.

The Group’s statutory results are prepared in accordance with International Financial Reporting Standards (IFRS). This presentation also includes certain non IFRS measures in presenting the Group’s operating results. The operating results are non IFRS measures which are used by the Group to measure and assess performance and make decisions on the allocation of resources and include EBITDA and Operating Profit After Tax. Certain non IFRS financial measures, e.g. safety statistics, have not been subject to audit or review.

A reference to 2013 refers to the 2013 financial year unless otherwise stated.

Lend Lease

Image: CGI Anadara – Barangaroo South, Sydney

8.30	Opening / Overview - Steve McCann
9.00	Australian Construction & Infrastructure – David Saxelby
9.20	Australian Property – Tarun Gupta
9.40	Panel Q&A session 1
10.10	**Coffee break**
10.40	The Americas & Asia – Steve McCann
11.00	Europe / Operational Excellence – Dan Labbad
11.25	Development and Cashflow – Tony Lombardo
11.45	Closing & Outlook – Steve McCann
12.00	Panel Q&A session 2
12.30	**Lunch**

1 OPENING OVERVIEW

Delivering on our strategy

Lend Lease

2009	Restore	From 2009	To 2013
		Countries 40+	Countries 14
		EBITDA $396 million	EBITDA $744 million
		Decentralised management	Regional management
		Pipeline ▪ Development: $25.6 billion* ▪ Construction: $12.3 billion ▪ Investment Management: $9.9 billion	Pipeline ▪ Development: $37.4 billion ▪ Construction: $17.2 billion ▪ Investment Management: $15.0 billion
	Build		
2013			

2016 — Lead

Path to leadership

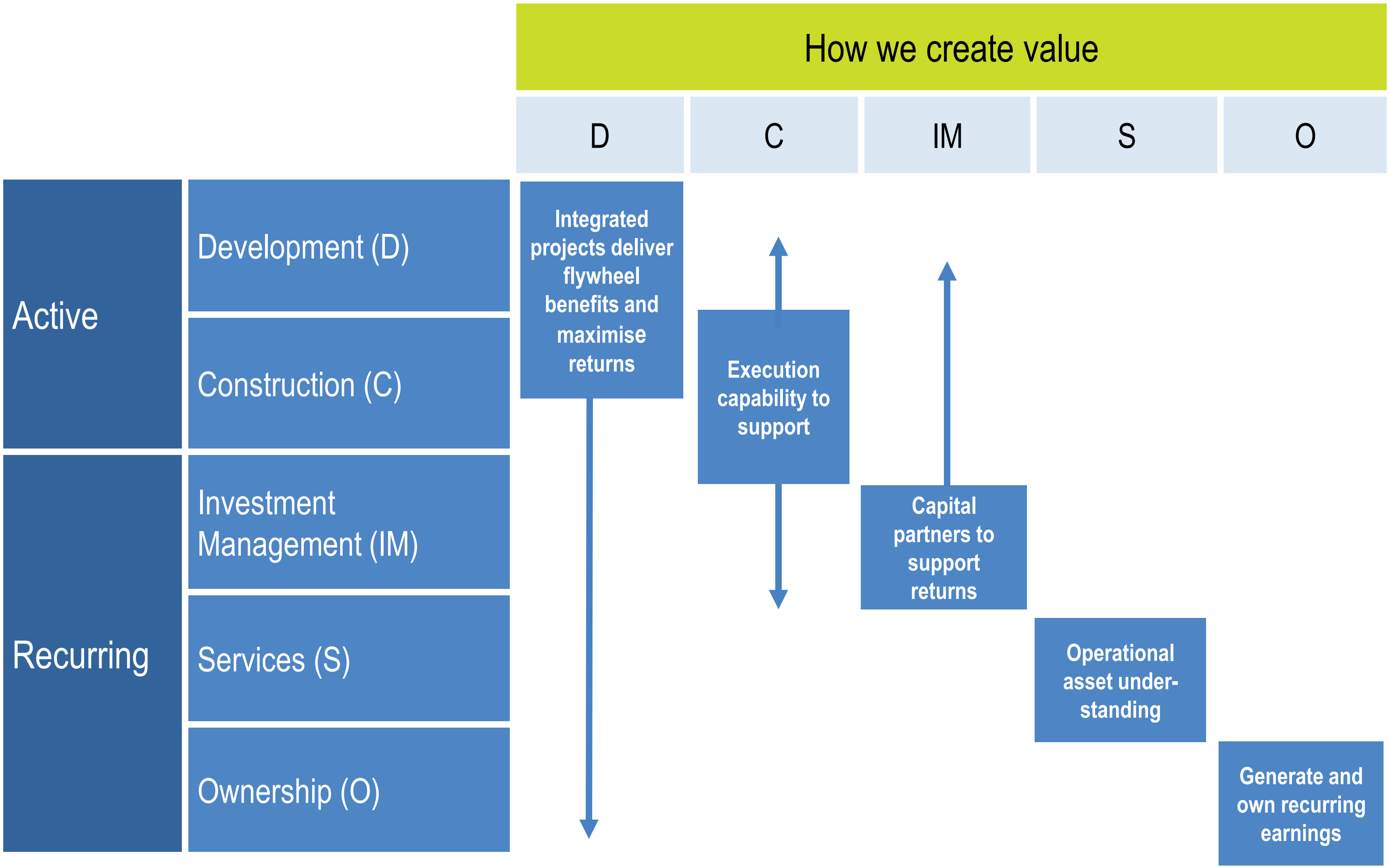
- Disciplined Execution
- Portfolio Optimisation
- Selective Growth Opportunities

* Excludes projects that Lend Lease has exited since 2009

Five core trends

	Key position	What we have done	Next steps
1 Urbanisation	▪ $22.3 billion of urban regeneration projects	▪ Secured $17.8 billion major projects in the last five years	▪ Strong execution focus ▪ Seek further select urban opportunities in core markets
2 Ageing Population	▪ Leading retirement village operator in Australia ▪ 80+ hospitals internationally in last 15 years	▪ Initial Primelife investment in 2008 ▪ Acquired DASCO US in 2011	▪ Operating efficiencies ▪ Recycle capital over medium term ▪ Consider expansion opportunities in Asia
3 Sustainability	▪ Over 90% of major projects in our development pipeline have achieved or are targeting green certification	▪ Embedded sustainability practices across the business ▪ Innovation e.g. Forte	▪ Carbon neutral precinct at Barangaroo ▪ Leverage innovative practices including cross laminated timber
4 Funds Growth	▪ $15 billion of funds under management ▪ Leading wholesale platform	▪ Over $5.0 billion of external funds raised in the last five years	▪ Increase diversification of investor client base ▪ Grow infrastructure funds management partnerships
5 Infrastructure	▪ Strong participant in Australia in core markets of social and economic infrastructure	▪ Valemus acquisition in 2011 - now a fully integrated offering ▪ Established Capella Capital in 2009	▪ Leverage core construction capability in engineering across economic value chain

Our model


How we create value
D
C
IM
S
O
Active
Recurring
Development (D)
Construction (C)
Investment Management (IM)
Services (S)
Ownership (O)
Integrated projects deliver flywheel benefits and maximise returns
Execution capability to support
Capital partners to support returns
Operational asset under-standing
Generate and own recurring earnings

Our focus over the next three years

Lend Lease

		Focus		
		AU Property	***AU C&I***	***UK***
Disciplined Execution	▪ Focus on delivering project returns	▪ Barangaroo ▪ RNA Showgrounds ▪ Waterbank	▪ Engineering - economic infrastructure /PPP	▪ Elephant & Castle ▪ The International Quarter
		Development	***Construction***	***Ownership***
Portfolio Optimisation	▪ Deliver and drive returns	▪ Capital velocity and production	▪ Repositioned and restructured operations to gain greater scale and leverage	▪ Diversify portfolio of passive earnings

Disciplined execution

Lend Lease

	Delivery / Execution
	2013 - 2016
Development	▪ 11 apartment towers underway – all reaching pre-sales greater than 60% ▪ Lend Lease International Towers Sydney Trust established; strong pre-leasing over 70% and construction tracking on schedule ▪ Reduced land lots in outer urban portfolio, increased sales and returns
Construction	▪ Repositioned business for future opportunities ▪ Delivery of key social PPP projects including Sunshine Coast University Hospital; New Bendigo Hospital and Darling Harbour Live (formerly SICEEP)
Investment Management	▪ Focus on ongoing strong fund performance ▪ Continue to diversify our investor base

Development activities – strategic capital deployment

Lend Lease

Capital requirement is now focused on production phase to generate development earnings

Our Focus

	Capital Investment	Type of capital	FY09-13	Past Capital Trend	FY14-16	Future Capital Trend
Buy	Land and Infrastructure	*Long Term*	Secured new opportunities	↑	Secure select products	↓
Produce	Work in Production (WIP)	*Medium Term*	Building production portfolio	↓	Significant production increase in the next few years	↑
Complete	Finished Goods	*Short Term*	Sold completed product	↓	New product developed	↑

Our target portfolio

Lend Lease

		Development	Construction	Investment Management	Services	Ownership
Earnings target		Active 70 – 80%		Recurring 20 – 30%		
Earnings mix	Property	60 – 70%				
	Infrastructure	30 – 40%				
Risk-adjusted capital		35-45%	30-40%	5-15%	<5%	10-20%
Geographic Split	Australia	60 – 70%				
	Offshore	30 – 40%				

Outlook across our markets

Lend Lease

		-ve	=	+ve	Comments
Australia	D				▪ Strong growth in Development from key projects including Barangaroo South, Darling Harbour Live (formerly SICEEP) ▪ Tougher macro conditions in Construction but stronger pipeline of economic infrastructure and PPP projects ▪ Increased offshore capital flows searching for product
	C				
	IM				
Asia	D				▪ Pursue development opportunities and broaden our integrated offering in existing Asian markets
	C				
	IM				
Americas	D				▪ Strong construction work-book following doubling of new work secured during 2013 ▪ Seeking selected development opportunities
	C				
	IM	N/A	N/A	N/A	
Europe	D				▪ Strong London residential markets ▪ Development outlook remains strong – underpinned by Elephant & Castle and The International Quarter (TIQ) urban regeneration projects ▪ Weaker construction markets – scale back exposure while margin remains sub-optimal
	C				
	IM				

2 AUSTRALIAN CONSTRUCTION & INFRASTRUCTURE

Image: Darling Harbour Live Convention Centre & Hotel , Sydney

Delivering on our strategy

Lend Lease

2009

Restore

Build

2013

Lead

2016

From 2009 → **To 2013**

From 2009	To 2013
▪ Strong building and project management capability – but underweight engineering sector	▪ Valemus acquisition delivering additional capability – now operating on an integrated platform across Building, Engineering and Services
▪ Establishment of Infrastructure Development arm Capella Capital	▪ Momentum gaining in Capella – seven PPPs structured in Australia
▪ $5.9 billion of construction backlog	▪ $10.6 billion of construction backlog including Darling Harbour Live PPP (formerly SICEEP)

Path to leadership

- Grow Public Private Partnership (PPP) portfolio
- Increase market share of economic and social infrastructure
- Deliver increased efficiency from new business structure

Key focus areas

Lend Lease

	Key Focus	Progress
1 Business Transformation	▪ Restructuring into three sector based businesses ▪ Leveraging capability and skills in each sector ▪ Grow business of scale and improve integrated offering	▪ Phase one complete - business structure in place; strong market opportunities emerging in NSW ▪ On track to achieve cost efficiencies
2 Building	▪ Key sectors are Health, Education, Commercial ▪ Continuing strong internal pipeline	▪ Market leaders in Health & Commercial ▪ Continue to leverage Lend Lease Property Development pipeline
3 Engineering	▪ Combine capability and skills to leverage larger projects ▪ Clear and selective market strategies	▪ On track for key infrastructure bids ▪ Improved win rate and profitability
4 Services	▪ Organic growth in targeted markets ▪ Be 1 or 2 in each market sector ▪ Restructure to achieve internal efficiencies	▪ Leveraging Opex spend by major resource companies ▪ Water, Industrial, Power, Road Maintenance: strong pipeline
5 Infrastructure Development	▪ Ability to structure projects and provide equity positions for economic & social infrastructure projects	▪ Leveraging our engineering capabilities on major infrastructure pipeline ($11 billion project pipeline available in 2014)

Source: State Government Agency Data

Providing end-to-end solutions

Lend Lease

Infrastructure Development	
Lend Lease's Building, Engineering and Services business, together with Capella Capital, can provide full end-to-end solutions for clients and offer alignment through-out the life of a project via equity investment	
Capability	▪ Equity Investment ▪ Origination, Structure and Financing ▪ Development and Project Management ▪ Construction ▪ Asset Management, Operations and Lifecycle focus
Track Record - PPP	▪ Education works new schools - SA ▪ Sunshine Coast University Hospital ▪ New Bendigo Hospital ▪ Darling Harbour Live (formerly SICEEP)

Image: Sunshine Coast University Hospital, QLD

Pipeline - Engineering

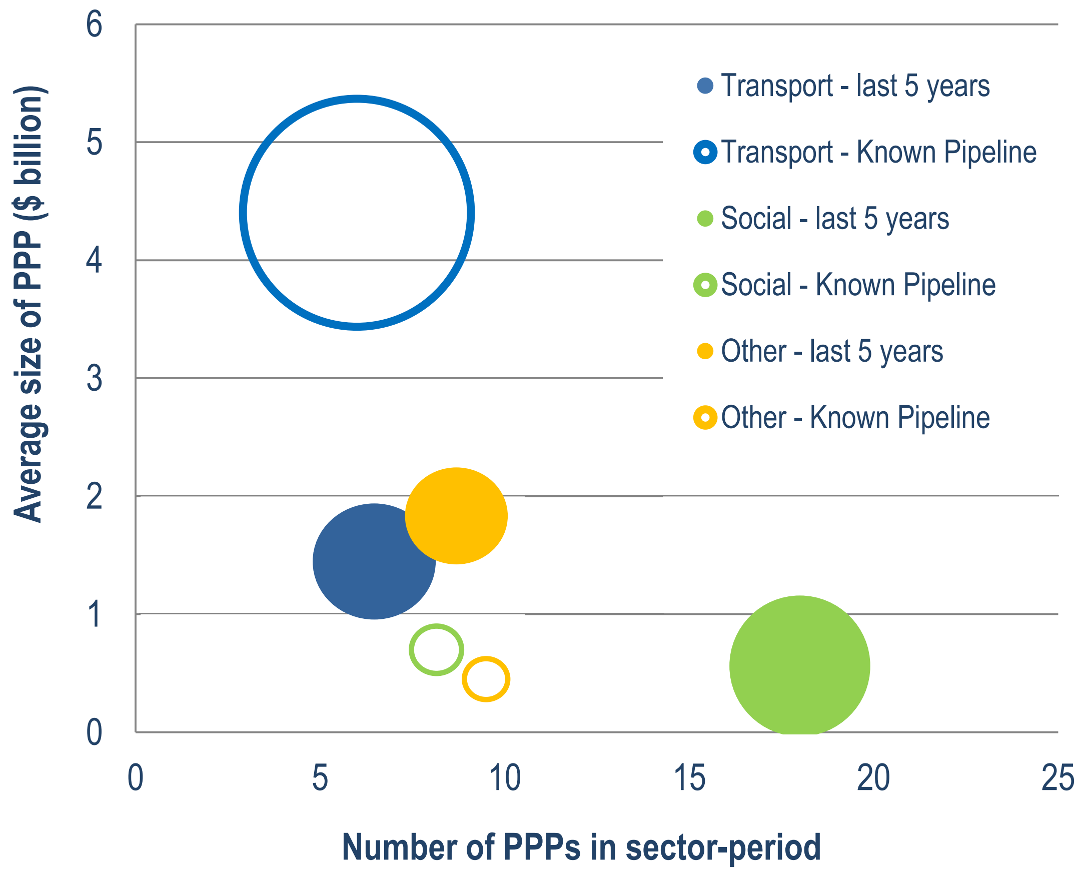
Lend Lease

Potential Significant Engineering Projects	Possible release to market
NSW	
▪ CBD and South East Light Rail ▪ F3-M2 ▪ WestConnex (M4 Widening) ▪ WestConnex (M4 East Tunnel) ▪ Pacific Highway – Woolgoolga –Ballina ▪ Pacific Highway - various ▪ Moorebank Intermodal Terminal	EOI released Short-listed EOI in Q1 2014 EOI in Q2 2014 EOI in Q3-Q4 2014 Q1-Q2 2014 EOI in Q4 2013
QLD	
▪ Bruce Highway Upgrade ▪ Toowoomba Second Range Crossing ▪ Gateway Upgrade North ▪ Pacific Motorway	2014-2017 Possible 2014 project EOI Q1-Q2 2014 EOI Q1 2014
VIC	
▪ East West Link Motorway (East)	Bids due mid 2014
SA	
▪ South Road Central Corridor	EOI in Q2-Q3 2014
WA (Perth)	
▪ Perth Light Rail ▪ Roe Highway Extension	EOI Q2-Q3 2014 EOI Q2-Q3 2015

Source: State Government Agency Data

PPP Outlook

- New Federal Government has committed to a large infrastructure spend
- NSW alone estimates it will spend ~$45 billion over the next 5-6 years
- Expect greater focus on economic/transport projects in coming years versus social infrastructure projects



PPPs in Australia - last five years versus known pipeline (bubble size corresponds with total activity in sector-period)

Industry Trends

Lend Lease

State Governments are changing PPP financing

- Shifting patronage risk back to government from private sector
- WestConnex motorway (linking M4 to M5 via Sydney Airport) – solely funded by NSW Government in initial phase. Possible PPP for later stages
- Once traffic patterns are established we expect government will borrow against forecast revenues and raise private funds

Other Issues

- Strong equity interest in PPP projects
- East West Link an availability PPP with toll revenues sold by the State following infrastructure completion
- Competition is increasing: European contractors are entering our market
- We understand the Federal Government is considering other initiatives, including seed funding, tax advantaged infrastructure bonds and a renewed focus on recycling capital

3 AUSTRALIAN PROPERTY

Image: Artist Impression only as at October 2013. Subject to planning approval

Core trends

Lend Lease

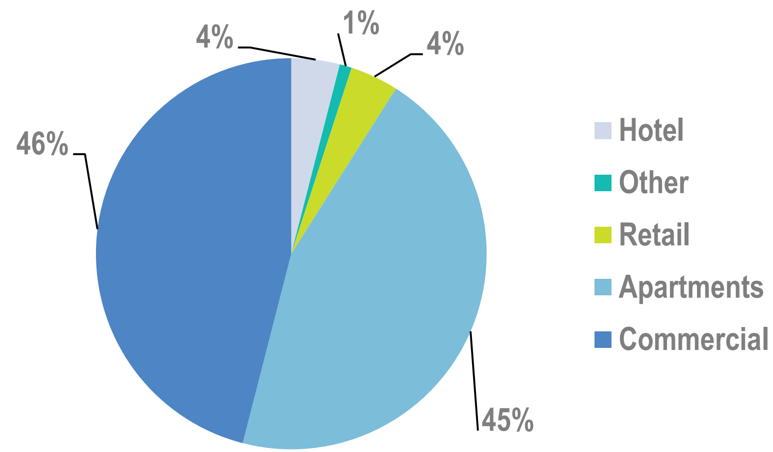
	Key position	What we have done	Next steps
1 Urbanisation	▪ $17.4 billion of urban regeneration projects diversified across Australia	▪ Secured 5 major projects, increasing pipeline by $11.4 billion in the last five years ▪ Generating significant development revenues	▪ Execute well to deliver embedded value ▪ Selectively secure new projects
2 Ageing Population	▪ Leading retirement village operator in Australia	▪ Acquired Primelife business ▪ Enhanced operating platform	▪ Extract portfolio scale and operating efficiencies ▪ Remix portfolio e.g. New Zealand and Aged Care sale ▪ Recycle capital over the medium term
3 Sustainability	▪ Leading developer of green buildings ▪ Sustainability leadership by Lend Lease managed funds	▪ Delivered seven 5 or 6 Green Star buildings ▪ Completed Forte, world's tallest timber apartment building ▪ Implemented Green Utilities across Barangaroo South	▪ Leverage Green Utilities model across portfolio ▪ Achieve carbon neutral targets across Barangaroo ▪ Embed sustainability leadership
4 Funds Growth	▪ Leading wholesale platform ▪ Large pool of institutional capital partners	▪ Launched three new funds and added key mandates ▪ 16% average growth in funds under management (FUM) over last five years	▪ Grow platform including from secured development pipeline ▪ Grow presence in infrastructure sector

Urban Regeneration

Project	End Value[1]
Barangaroo South, Sydney	A$6.0 billion
Darling Harbour Live (formerly SICEEP)	A$1.5 billion
Victoria Harbour, Melbourne	A$4.5 billion
Richmond, Melbourne	A$0.4 billion
RNA Showgrounds, Brisbane	A$2.5 billion
Waterbank, Perth	A$1.0 billion
Batman's Hill, Victoria	A$1.5 billion
Total	$17.4 billion

1. Reflects 100% of the project end development value
2. Apartment backlog includes Batman's Hill, Victoria
3. Breakdown of Gross Floor Area (GFA) sqm

Mixed Use Pipeline breakdown[3]



- Long-dated projects, staged land costs and strong government partnerships
- Mixed use projects with high barriers to entry
- Provides secured pipeline for Construction & Infrastructure and Investment Management businesses
- 550,000 sqm of Commercial backlog
- 9,500[2] Apartment backlog, up from 3,980 five years ago
- c70% Apartments in less than $1 million price bracket
- Good visibility of new Urban Regeneration projects

Barangaroo South, Sydney

- Agreements with tenants for 77%* of floor space of first two commercial buildings
- Secured $2 billion of equity commitments for the first two commercial buildings
- Construction on first two commercial towers well underway
- Launch of first two residential buildings on Saturday 31 August – 100% sold in 3.5 hours
- Tower 1 – in discussions with a number of prospective tenants
- Exclusivity agreement for hotel with Crown Limited

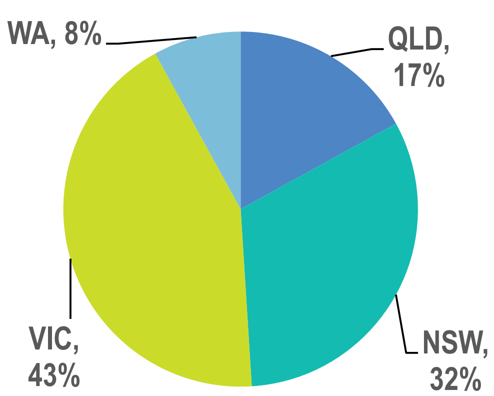
* includes Memorandums of Understanding

Residential – Apartments, Communities and Retirement Living

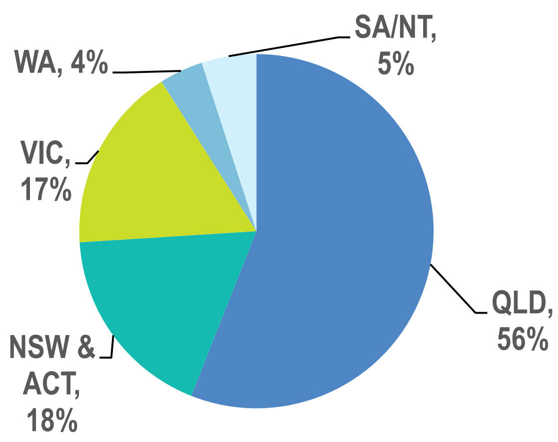
Lend Lease

- Solid market outlook – low interest rates, improving affordability and consumer sentiment
- Increase in volumes – circa 20% growth in September quarter compared to June quarter 2013
- Strong portfolio position across each sector to take advantage of improving market conditions

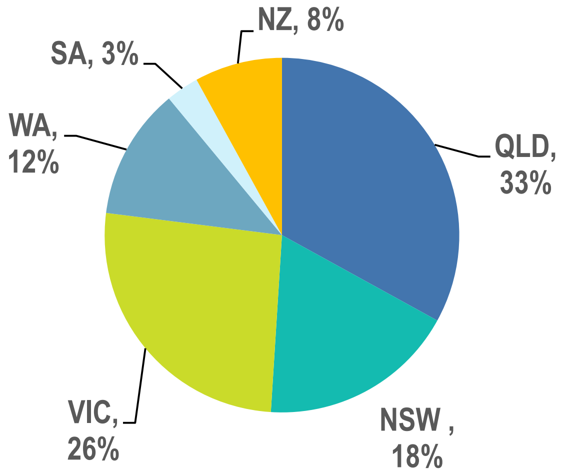
Apartments
9,500 backlog by geography



Communities
55,545[1] backlog by geography



Retirement living
12,417 units by geography



1. Communities backlog reflects land lots

Investment Management

Lend Lease

Growth in funds under management to $10.3 billion

- 17% increase in FY13, with 16% average growth over last five years
- $2.2 billion equity raised in FY13, with $5.2 billion raised in last five years
- Capital markets remain strong with domestic and international demand
- Focus on growing platform

Retail assets under management of $5.3 billion

- Comparable Portfolio MA sales up 3.1% for year to Sept 2013[1]
- Comparable Specialties MA sales up 3.2% for year to Sept 2013[1]

Retail development pipeline of c$1.7 billion

- c$330m new Craigieburn Central town centre, Victoria
- c$300m redevelopment of Lakeside Joondalup, WA

Lakeside Joondalup, WA

1. Total portfolio comparable figures exclude development centres. MA – moving annual sales

Delivering on our strategy

Lend Lease

2009

Restore

Build

2013

Lead

2016

	From 2009	To 2013
Urban regeneration:	$6.0 billion	$17.4 billion
Apartments:	3,980	9,500 backlog
Communities:		
Zoned	20,830	55,545
Unzoned	47,390	-
Total	68,220	55,545 backlog lots
Retirement living[1]:	12,200	12,417 units
FUM:	$7.1 billion	$10.3 billion

Path to leadership

- Disciplined execution to extract cash from secured pipeline
- Driving investment performance for the business and our partners
- Reinforce and grow sector leadership positions
- Increase recurring earnings
- Secure earnings leveraged to key economic, environmental and social trends

1. Retirement living units includes owned and managed units

4 ASIA

Image: Jem®, Singapore

Delivering on our strategy

Lend Lease

2009

2013

2016

Restore

Build

Lead

From 2009

- Consolidated operations in four key Asian hubs that met our growth targets: Singapore, China, Malaysia and Japan
- Embedded safety practices across our construction contracts

To 2013

- Demonstrated how to leverage all of Lend Lease's capabilities and established a proven track-record in large mixed use sites including Jem and 313@somerset in Singapore
- Expanded Investment Management Platform both by FUM and number of investors

Path to leadership

- Expand pipeline of opportunities of mixed use sites including retail in China / Malaysia
- Leverage capabilities in telecommunications space across Japan
- Extend retirement capabilities from Australia

Jem – Fully integrated development

Lend Lease

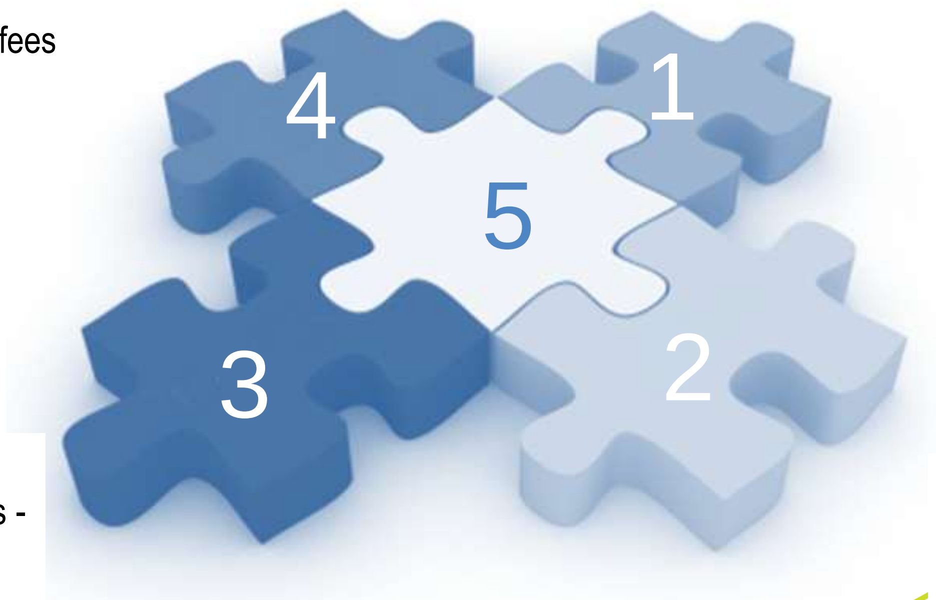
Jem Development details	
Site	Total retail NLA: ~53,420 sqm Total office NLA: ~28,800 sqm
Size	S$1.8 billion
Sustainability	▪ The retail component is the third largest suburban shopping mall in Singapore ▪ Fully leased on opening in June 2013 ▪ Singapore Government tenant for office component ▪ First mixed use development in Singapore to win the BCA Green Mark Platinum Version 4.0 ▪ 112 percent green replacement of the areas compared to 100 percent replacement requirements mandated by the BCA

Fully integrated project – leveraging all of Lend Lease's capabilities

5. Ownership
- Capital profit from 25% stake
- Co-investment via ARIF

4. Asset Management
- Site asset management fees

1. Development
- Development margin



3. Investment Management
- Funds management fees - ARIF / LL JPF

2. Construction
- Project management
- Construction margin

Lend Lease had a 32.5% equity interest in Jem (25% held directly and 7.5% through its co-investment in ARIF – a LL managed fund). Return on equity was maximised through flywheel profits with a 2.0x multiplier effect on base case profits

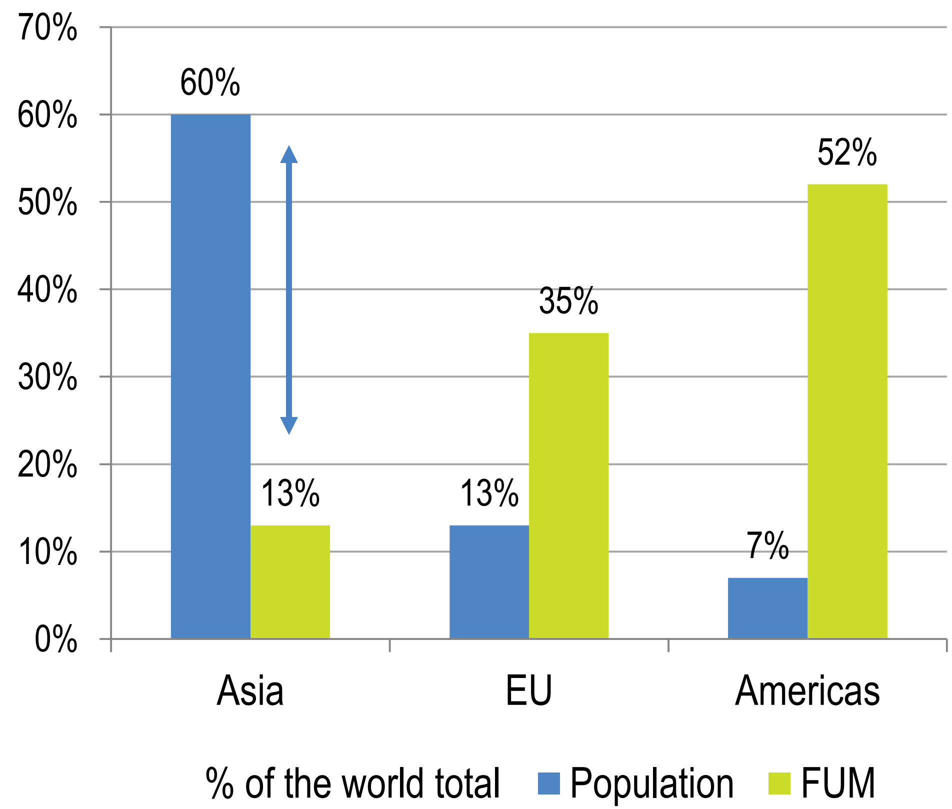
Future trends and outlook

Lend Lease

Funds growth and increasing capital flows across the Asian region

- Singapore is a key hub to funds flows across the Asian region
- Six of the Top 10 Sovereign Wealth Funds in the world are based in China and Singapore with more than $1.7 trillion under management
- Significant growth opportunity as – FUM growth underweight population growth
- Opportunity to further leverage our Investment Management platform and relationship via Asia as a capital gateway

The amount of funds under management compared to population, highlights the opportunity for growth in FUM in the Asia region



5 THE AMERICAS

Image: St Francis Watkins Center, Virginia

Delivering on our strategy

Lend Lease

From 2009	To 2013
▪ Reduced US presence back to seven cities (from 23) where growth trends were evident ▪ Adjusted construction workforce in the face of constrained markets ▪ DASCO acquisition established a move into Healthcare Development	▪ Number one in high rise condominium construction in the US – 22 high rise towers currently under construction across the Americas. New work secured doubled in FY13 ▪ Healthcare Development gaining momentum – first sale in FY13 ▪ Leading provider of privatised military housing and lodging

2009

Restore

Build

2013

Lead

2016

Path to leadership

- Continued excellence in construction
- Leverage construction capabilities and developer relationships – identify development investment opportunities

Growing momentum in Healthcare Development

Lend Lease

First public sector project
▪ July 2013 – selected by the Department of Veterans Affairs to design, build and manage a new VA Healthcare Center in North Carolina
▪ 280,000 net usable square feet, four storey healthcare centre providing primary and mental healthcare to Veterans
▪ Project size ~US$100 million
▪ Estimated completion in 3Q 2015
▪ Scope – VA operates the nations largest healthcare system in the USA including a network of 152 major medical centres and more than 800 community based outpatient clinics

Image: VA Healthcare Center, North Carolina

Future trends and outlook

Major urbanisation occurring in the Americas*

- 80% of the US population live in large cities
- New York, Los Angeles, Philadelphia and Boston grew faster in the two years between 2010 and 2012 than they did in the decade between 2000 and 2010*
- Almost 85% of US GDP was generated by 259 large cities in 2010, while large cities in Western Europe contributed less than 65%
- Opportunity to leverage urban renewal and infrastructure needs arising from urbanisation
- Key centres in which Lend Lease is operating:
  - New York
  - Chicago
  - Boston
  - San Francisco

One57, New York

* US Census – July 2012

6 EUROPE

Image: Elephant & Castle, London

Delivering on our strategy

2009

2013

2016

Restore

Build

Lead

From 2009 → To 2013

From 2009

- Reduced presence across the EMEA region – closing offices where outlook or market conditions were not consistent with our strategy
- Refocused capability towards large urban regeneration sites
- Track record established via the Olympic village

To 2013

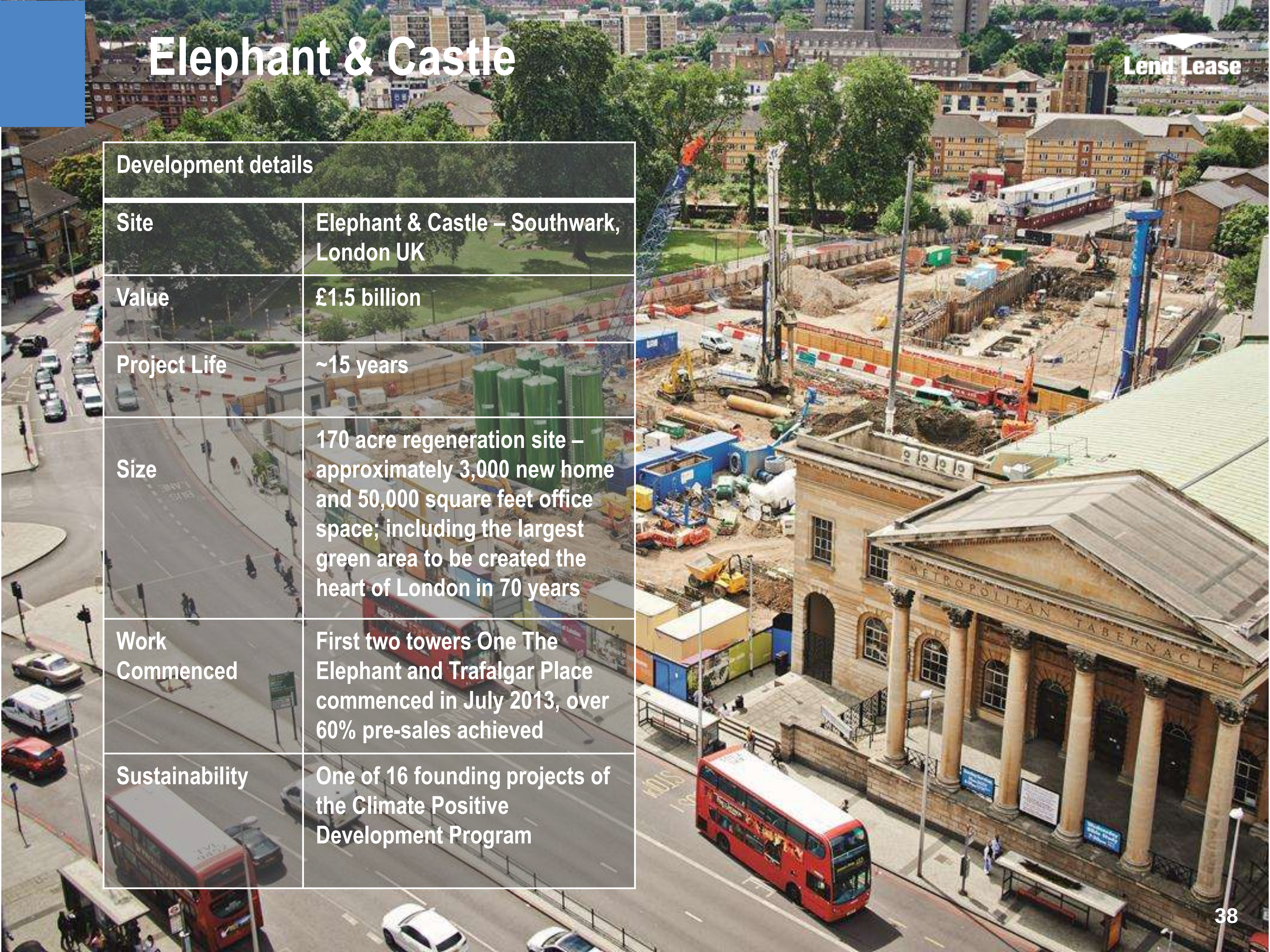
- Major urban regeneration projects of Elephant & Castle (E&C) and The International Quarter (TIQ) ~$5 billion in value to deliver earnings for next 10 years
- Construction book held flat while market conditions are challenging
- Expected sale of Bluewater in next 12-24 months

Path to leadership

- Continue to grow development pipeline
- Operational excellence
- Reposition the business through market recovery

Elephant & Castle

Lend Lease



Development details	
Site	Elephant & Castle – Southwark, London UK
Value	£1.5 billion
Project Life	~15 years
Size	170 acre regeneration site – approximately 3,000 new home and 50,000 square feet office space; including the largest green area to be created the heart of London in 70 years
Work Commenced	First two towers One The Elephant and Trafalgar Place commenced in July 2013, over 60% pre-sales achieved
Sustainability	One of 16 founding projects of the Climate Positive Development Program

Future trends and outlook

Lend Lease

Residential and commercial development in the UK to be a leading driver for our business in coming years

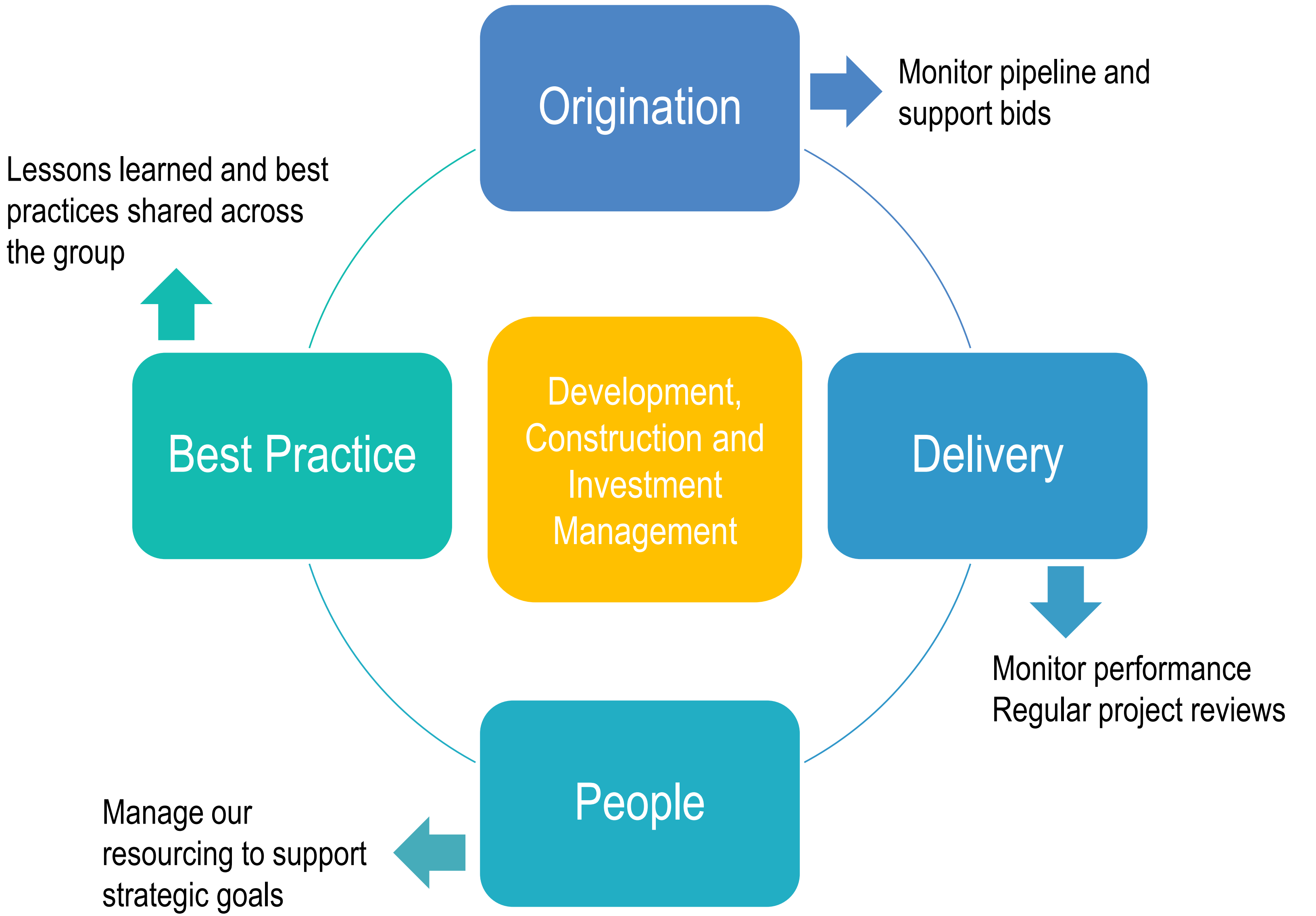
- Key urban regeneration projects at Elephant & Castle and The International Quarter will deliver over the next 10 years
- Repositioned the business to leverage recovery in the construction sector – some signs of recovery in London
  - Revived PPP activity by government a possible stimulus
- Limited exposure across continental Europe

The International Quarter, London

6 OPERATIONAL EXCELLENCE

Image: Elephant & Castle, London

Centres of excellence – since 2009



Risk management control and review process

Lend Lease

Construction – control and review process

Stage	Business development pipeline	Project conversion process		Submit proposal	Execute contract	Delivery
Review Point	1 Project Go / No Go	2 Commit to pursuit costs	3 Authority to submit to client	4 Changes to initial proposal	5 Construction authorisation	6 Bi-monthly project reviews

Risk Framework Elements

Policies	Processes
Limits of Authority (LOA)	**Investment Committee**
Code of Conduct	**Quarterly Business Review Process**

Sustainability

44 buildings constructed in FY2013 were recognised as Green Buildings

40,000m² of Green Certified office space is occupied by Lend Lease

Over 90% Of the major project development pipeline has achieved or is targeting green certification

Three projects recognised this year in the C40 Cities Climate Positive Development Program:

Safety

2013 - our first fatality free year on record

ZERO

80%

Of our operations around the world did not experience a Critical Incident this year

7 DEVELOPMENT AND CASH FLOW

Lend Lease

Image: Olympic Park, London

Delivering on our strategy

Lend Lease

2009

Restore

Build

2013

Lead

2016

From 2009	2013 onwards
Portfolio management introduced	Portfolio management framework fully operational
Fragmented systems and processes	Consistent systems and processes group wide
Multiple general ledger platforms	Moving to a single general ledger
Decentralised finance and support teams	Centralised services model being rolled out

Path to leadership

- Maximise economic value responsibly
- Portfolio management and optimisation
- Continue to drive group productivity

How we cost capital – risk adjusted

Lend Lease

Risk	Development	Construction	Ownership
High	Land / infrastructure = long dated	At risk lump sum	Value-add
Risk	Production capital = medium		↓
Low	Finished goods = low	Fee for service	Core

High ← *Return* → Low

As risk profile increases, we assign a higher capital charge internally or expect a higher margin

Development activities – strategic capital deployment

Capital requirement is now focused on production phase to generate development earnings

Our Focus

	Capital Investment	Type of capital	FY09-13	Past Capital Trend	FY14-16	Future Capital Trend
Buy	Land and Infrastructure	*Long Term*	Secured new opportunities	↑	Secure select products	↓
Produce	Work in Production (WIP)	*Medium Term*	Building production portfolio	↓	Significant production increase in the next few years	↑
Complete	Finished Goods	*Short Term*	Sold completed product	↓	New product developed	↑

Development production cycle and capital velocity

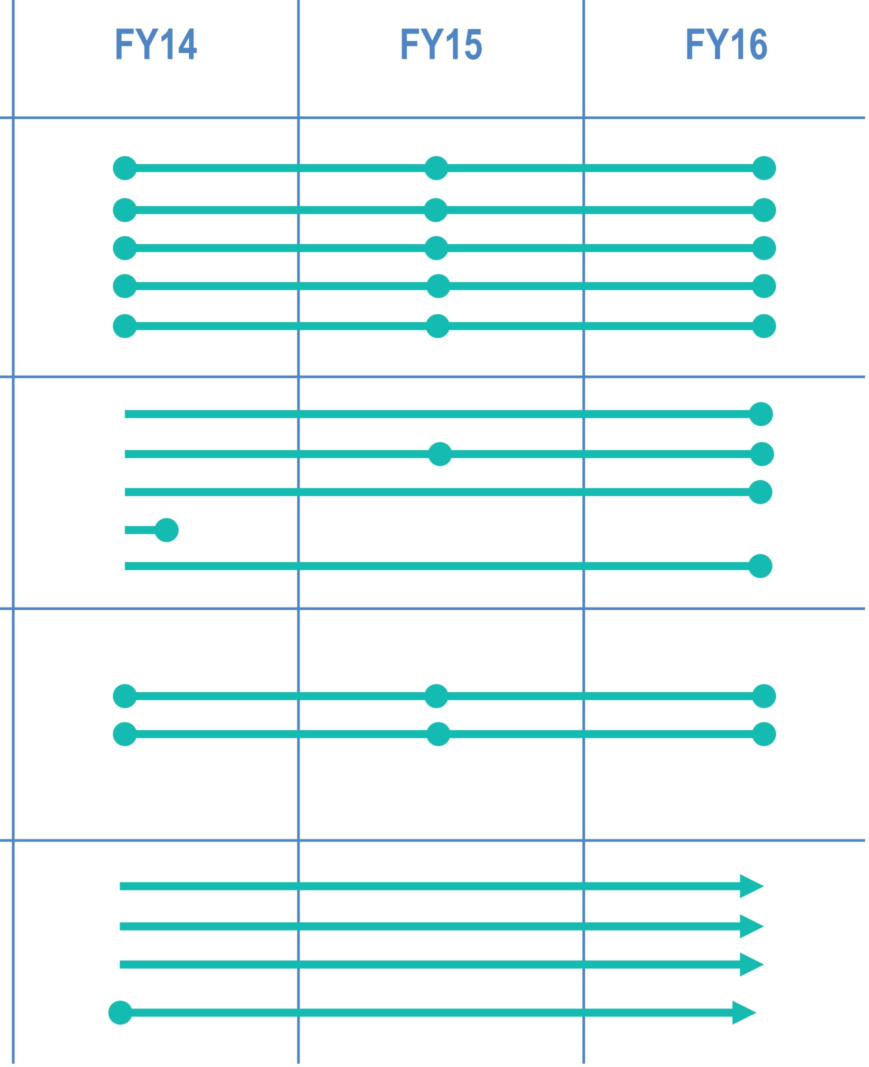
	Typical duration of capital in production	Indicative capital turnover each year
Communities	4-6 months	2x – 3x
Apartments	18-30 months	0.4x – 0.66x
Retail / Commercial	24-36 months	0.33x – 0.5x
Infrastructure	36-48 months	0.25x – 0.33x

Development risk management – overview

<table>
<tr><th></th><th colspan="2">Origination</th><th colspan="3">Delivery Approach</th></tr>
<tr><th></th><th>Portfolio targets</th><th>Product market cycle</th><th>Income/Sale</th><th>Production</th><th>Typical capital structure</th></tr>
<tr><td>Communities</td><td rowspan="4">Establish portfolio targets for each product:
▪ Geography
▪ Ownership model
▪ Earnings coverage
▪ Asset maturity
▪ Scale</td><td rowspan="4">Acquire / divest based on internal research with top down / bottom up approach:
▪ Market conditions
▪ Property cycle
▪ Corridor analysis</td><td>▪ Pre-sales target by stage</td><td rowspan="4">▪ Leverage use of internal engineering capabilities
▪ Lend Lease internal delivery capability to support integrated projects</td><td>▪ Land Management
▪ JV
▪ Balance sheet</td></tr>
<tr><td>Apartments</td><td>▪ Pre-sales target by project</td><td>▪ Mainly Lend Lease Balance Sheet</td></tr>
<tr><td>Retail / Commercial</td><td>▪ Pre-leasing targets by project</td><td>▪ Capital partner 50 – 100%</td></tr>
<tr><td>Infrastructure</td><td>▪ Availability payments</td><td>▪ Capital partner 50 – 75%</td></tr>
</table>

Major development projects – schedule and profit timing

	Key drivers
Communities	▪ 8 projects underway (NSW) ▪ 7 projects underway (VIC) ▪ 9 projects underway (QLD) ▪ 2 projects underway (SA) ▪ 2 projects underway (WA)
Apartments	▪ Barangaroo Stg 1 – 2 towers (159 units) ▪ RNA The Green – 5 towers (356 units) ▪ Vic Harbour Concavo (238 units) ▪ Richmond Stg 1 (203 units) ▪ Elephant & Castle – 2 towers (519 units)
Commercial / Retail	▪ Barangaroo office (T2) ▪ Barangaroo office (T3)
Infrastructure	▪ Sunshine Coast Hospital ▪ Eastern Goldfields Prison ▪ New Bendigo Hospital ▪ Darling Harbour Live PPP[1] (formerly SICEEP)



Indicates profit earned in financial year

1. Financial close is pending, expected in FY14

Indicative net cash flow from major projects currently in production at start of FY14

Segment	Overview	FY14	FY15	FY16	Total
Communities	Net cash proceeds Assuming 2,500 annual lot sales	Cash Positive	Cash Positive	Cash Positive	Cash Positive
Apartments	Net cash proceeds 11 towers currently in delivery	Investing	Investing	Cash Positive	Cash Positive
Barangaroo	Net cash proceeds Development Office towers 2 & 3 only and $500 million Co-investment by Lend Lease	Investing	Investing	Cash Positive	Cash Positive
Infrastructure	Net cash invested Secured Australian PPP projects	Investing	Investing	Investing	Investing
Total		Investing	Investing	Cash Positive	Cash Positive

8 CLOSING OUTLOOK

Lend Lease

Summary and outlook

Lend Lease

- $37.4 billion pipeline of development projects, the largest in Lend Lease's 50+ year history
- Strong medium term outlook – disciplined execution will extract significant embedded earnings
- Leverage capacity and strong access to third party capital – enables continued investment in pipeline in 2014 and 2015 with strong cash inflows from development in 2016
- Continued improvement in safety performance and sustainability leadership
- Significant global construction pipeline of $17.2 billion
- Well positioned for growth in Engineering business and Infrastructure Development
- International portfolio mitigates cycle risk:
  - Asia: good visibility of potential integrated opportunities
  - Americas: record construction backlog; focused on development opportunities in healthcare and urban regeneration
  - Europe: delivery of long dated projects at Elephant & Castle and The International Quarter

Appendices

Depth of management experience

Lend Lease

Steve McCann
Group Chief Executive Officer and Managing Director
- More than 15 years experience in funds management and capital markets transactions
- Joined Lend Lease in 2005

Dan Labbad
Group Chief Operating Officer
- Worked at Lend Lease for 15 years and has been Chief Executive Officer of the EMEA region since April 2010
- Joined Lend Lease in 1997

Tony Lombardo
Group Chief Financial Officer
- Almost ten years at GE, with responsibilities across numerous functional disciplines including Strategy, Mergers & Acquisitions and Finance, for both GE Capital and GE Corporate
- Joined Lend Lease in 2007 as Group Head of Strategy and Mergers and Acquisitions

Vivienne Bower
Group Head of Corporate Affairs
- More than 20 years experience in Corporate Affairs, in-house and consulting. Including roles at Westpac, Multiplex Group and Aristocrat Leisure.
- Joined Lend Lease in 2012

Karen Pedersen
Group General Counsel
- More than 20 years experience in the property industry included complex highly structured transactions, funds management, new products, and corporate transactions
- Joined Lend Lease in 2013

Rod Leaver
Chief Executive Officer, Asia
- Over 30 years experience in the property industry and has worked extensively throughout Australia and Asia
- Joined Lend Lease in 2008

Bob McNamara
Chief Executive Officer, Americas
- Over 30 years of experience managing global businesses in the development, design and delivery of projects
- Joined Lend Lease in 2010

David Saxelby
Chief Executive Officer, Construction & Infrastructure, Australia
- Previously Managing Director of Thiess and 19 years in a variety of senior roles
- Joined Lend Lease in early 2012

Tarun Gupta
Chief Executive Officer, Property, Australia
- Tarun has held a number of senior executive positions within Lend Lease's investment management business. Prior to his current role Tarun was Group Head of Investment Management
- Joined Lend Lease in 1994.

Simon Hipperson
Chief Executive Officer, EMEA
- Previously Managing Director at Kohlberg Kravis Roberts & Co, a leading Private Equity firm, where he was instrumental in establishing KKR Global Infrastructure Partners a global infrastructure fund
- Joined Lend Lease in 2012