



Lend Lease Strategy Day  
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Integrated Solutions Model

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## 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*



## 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*



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

# Integrated Solutions Model

## *Investor Appetite*



*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

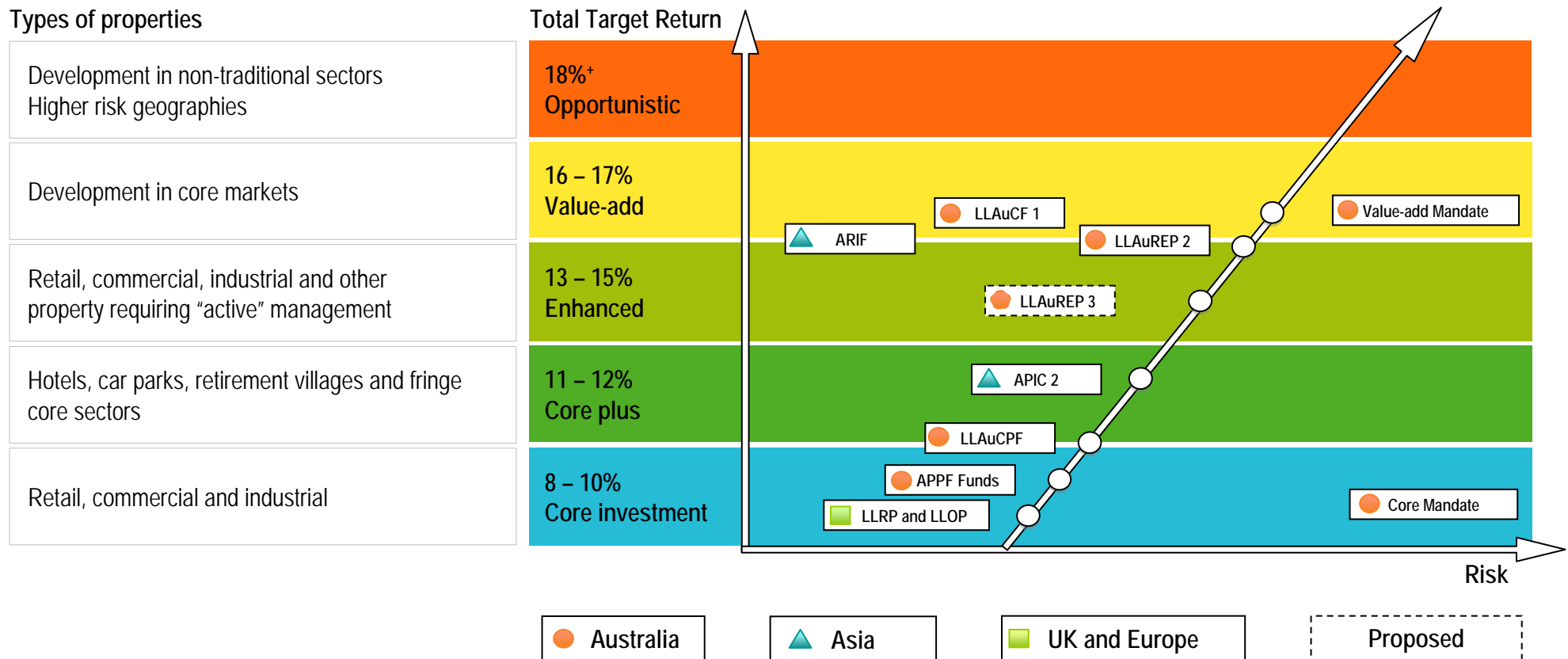
**Remain a source of capital** to gain access to 'best-in-class' managers and distressed opportunities in mature markets, but often subject to their own equity raises

# Integrated Solutions Model

## Current Product Spectrum



### Access to property funds across the risk / return spectrum

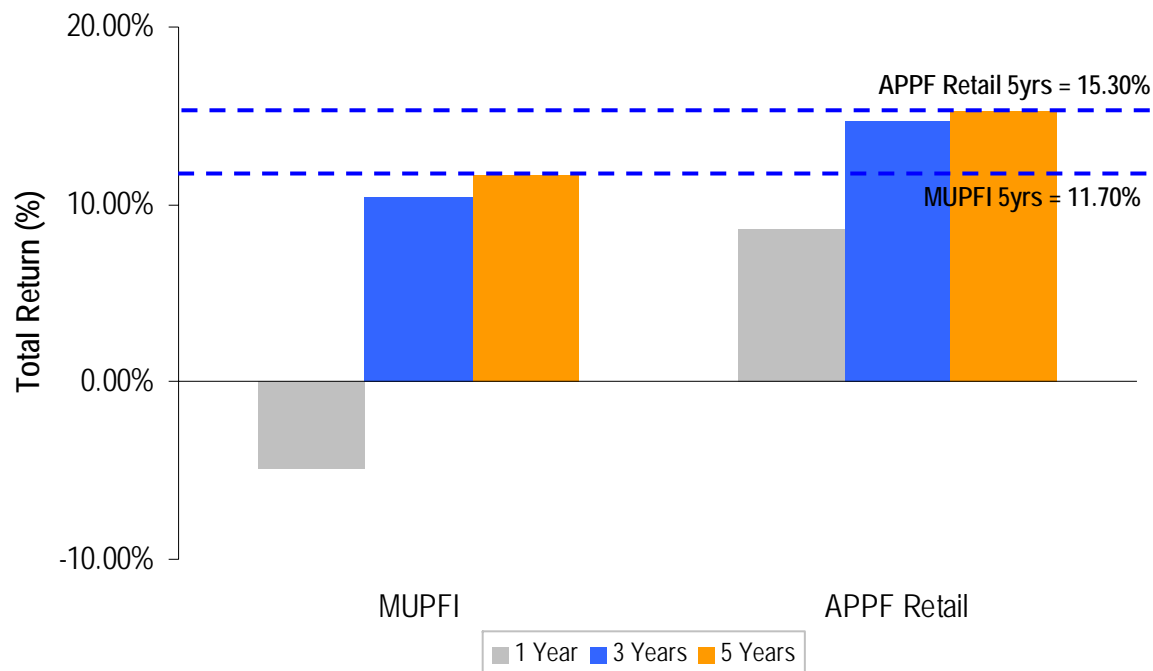


# Integrated Solutions Model

## Competitive Landscape



### 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

\* Returns comparison to 31 March 2009

### 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

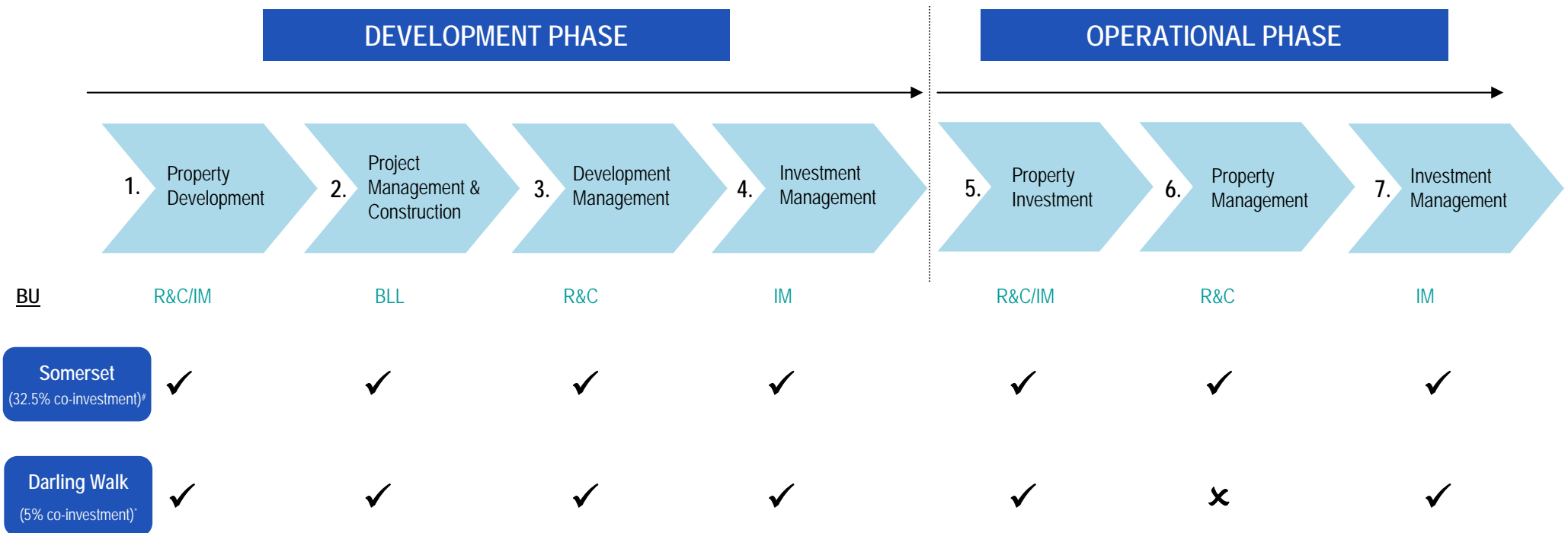


# Integrated Solutions Model

## Case Study – Somerset Central & Darling Walk



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



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

<sup>#</sup>Reflects direct and indirect co-investment in the project

<sup>\*</sup>Reflects LL's co-investment interest across the various APPF vehicles

# Capital Solutions Model

## *Current Growth Initiatives*



**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*



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