



Lend Lease Primelife

Overview of Retirement Living
Business

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The Brighton on Bay (Retirement Village)

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

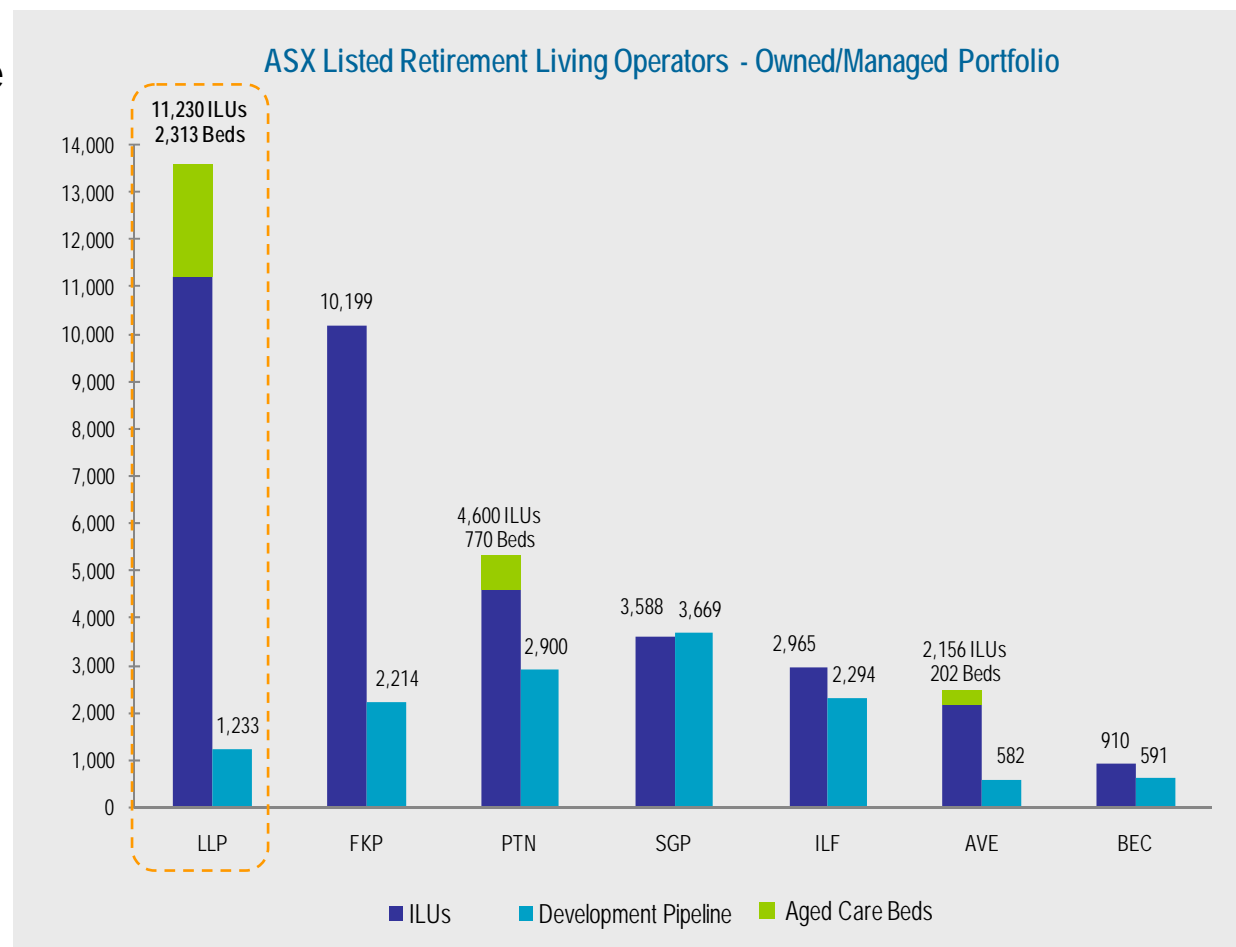
- Industry Structure “For Profit Sector”
- Industry Overview
- Summary

Lend Lease Primelife a “Pure Play” Senior Living Business



- 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

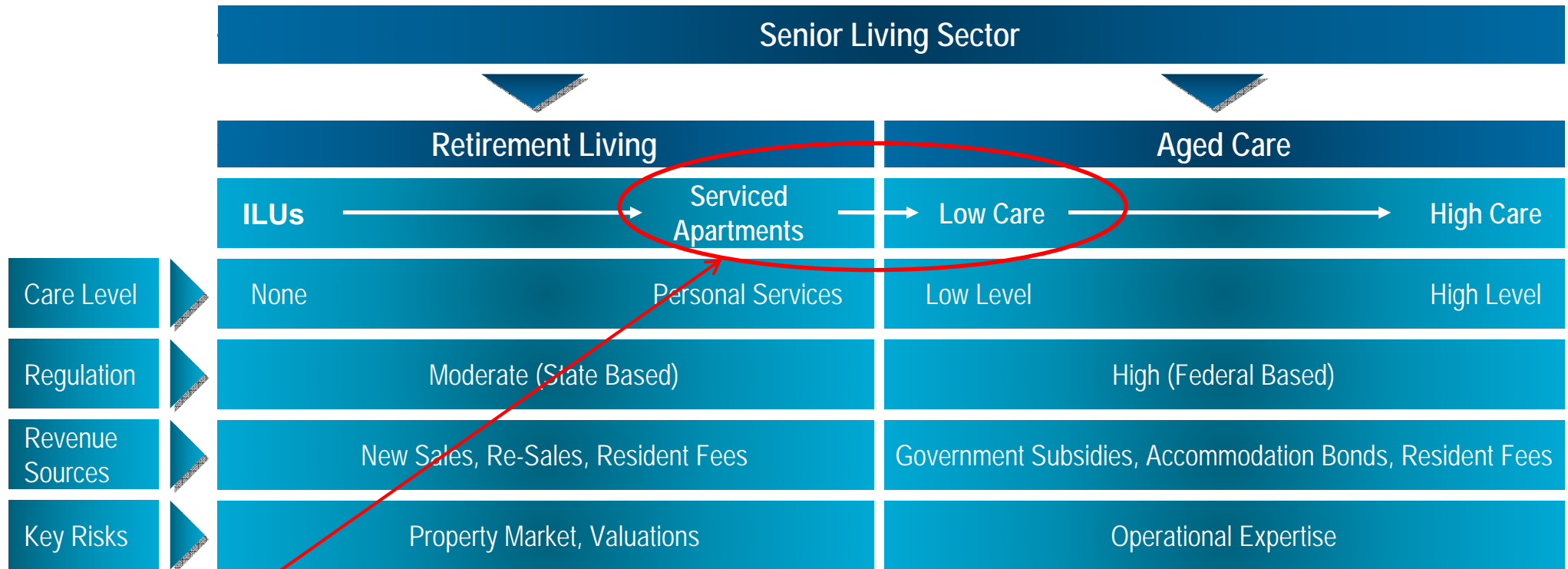
Lend Lease Primelife – Strategy Objectives



Pillar	Strategy Objective
Simplification	<ul style="list-style-type: none">• A Single Operating Platform• Alignment of Business Risks and Business Systems• Clear Brand Positioning• Partner of Choice
Value Creation	<ul style="list-style-type: none">• High Quality Earnings• Reliable Delivery of Distributions• Capacity to Grow at a Sustainable Pace• Differentiated Value Proposition• Recognised National Brand
Service Culture	<ul style="list-style-type: none">• 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

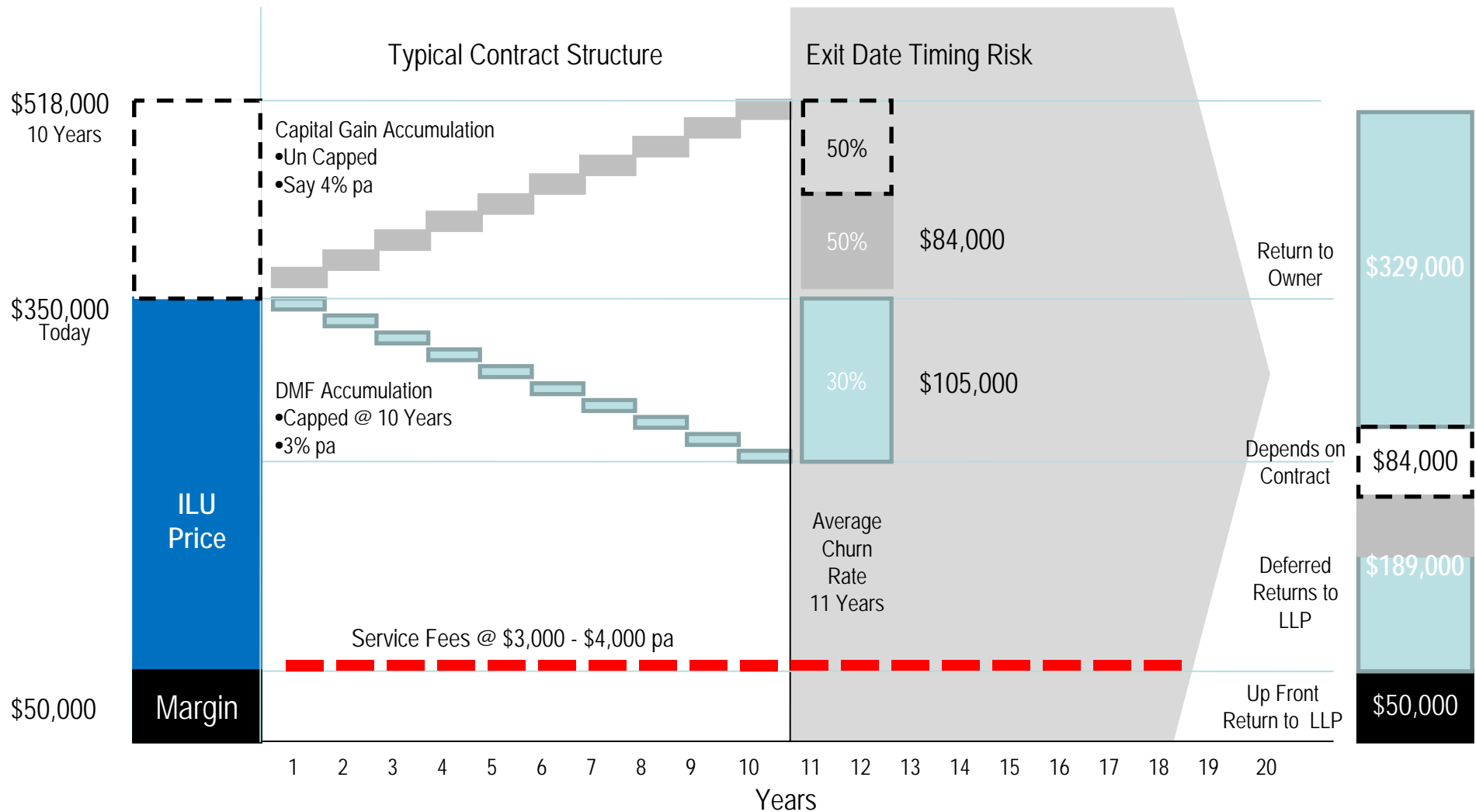


Market for these products/services is changing. Government funding of Aged Care shifting toward funding the individual consumer of services rather than maintaining the assets of the service provider eg. CACPS funding packages & ageing in place

Retirement Living – The Business Model



Typical Deferred Management Fee (DMF) Operating Model



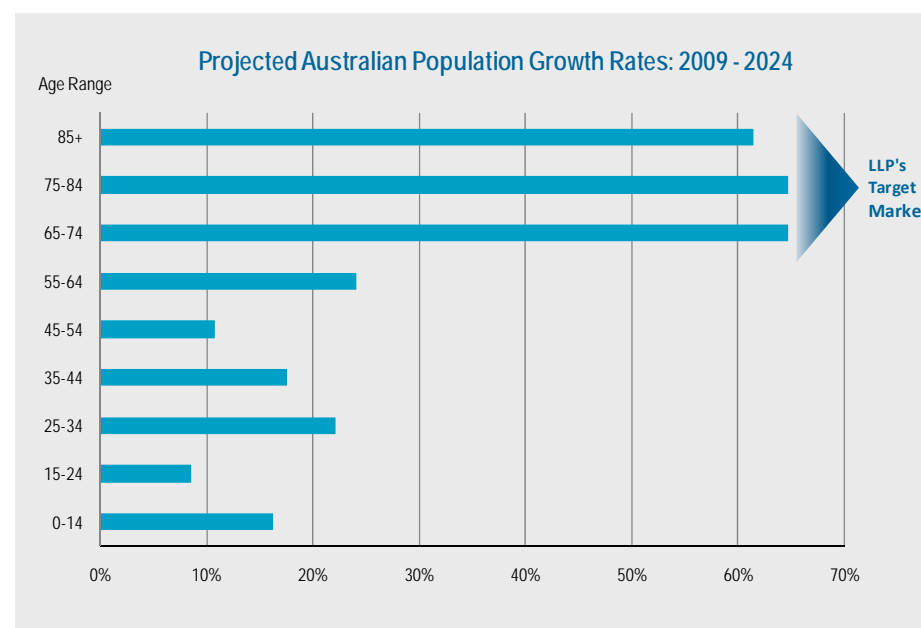
Australia's Changing Demographics



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



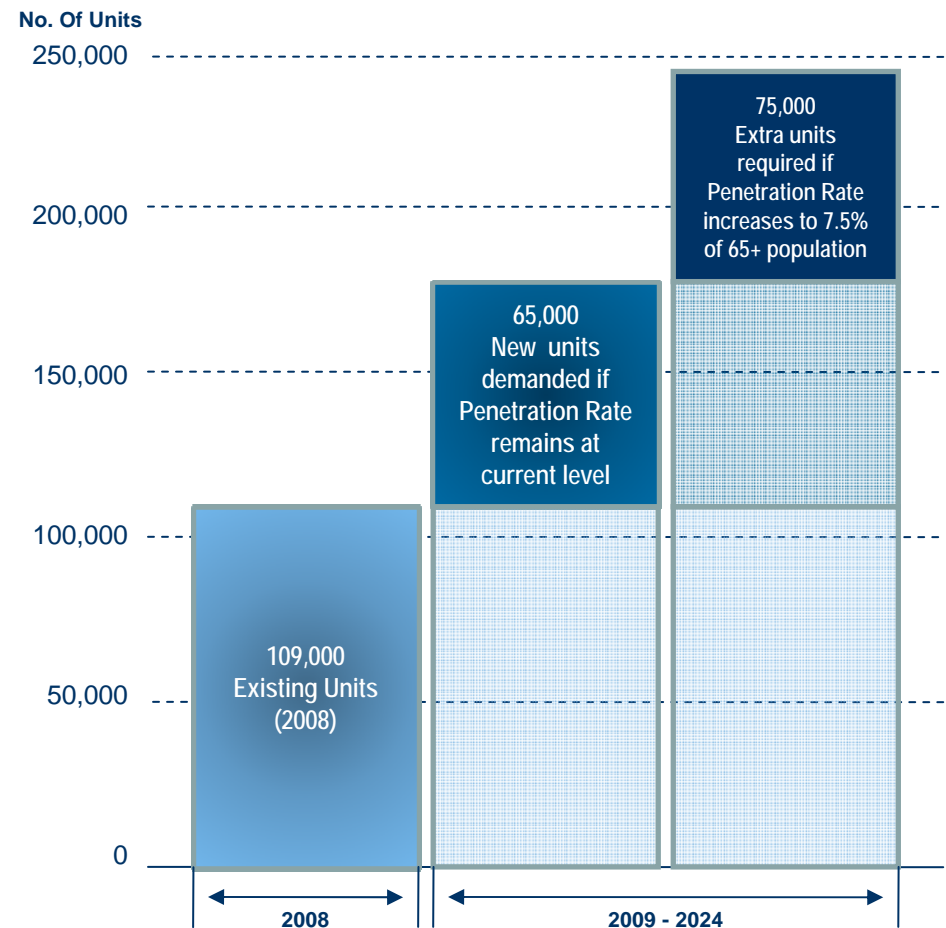
Increasing Acceptance of Retirement Living in

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



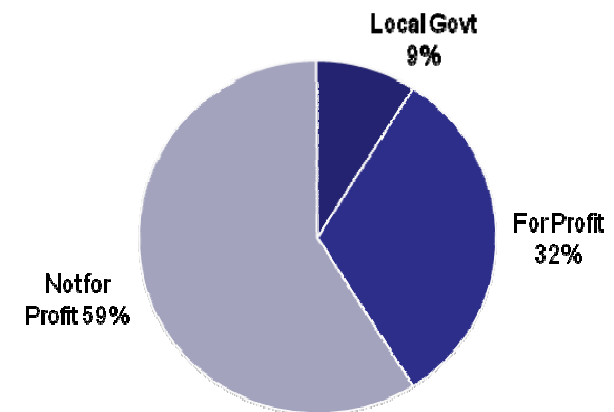
Aged Care – Industry Structure “For Profit Sector”

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	
5. LLP	2,300 beds	Unsure due to recent sanctions

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)

- 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.

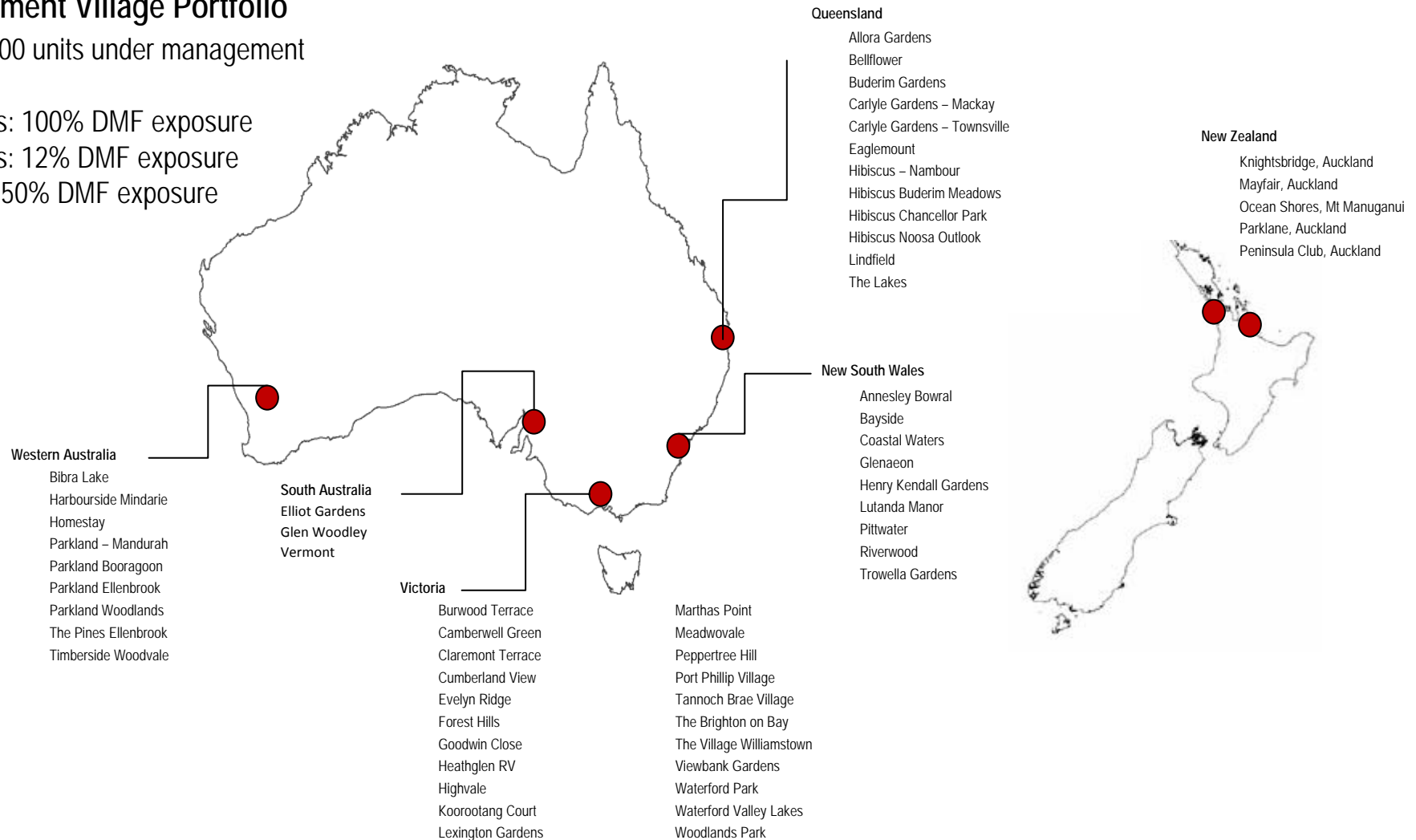
Appendix



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

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

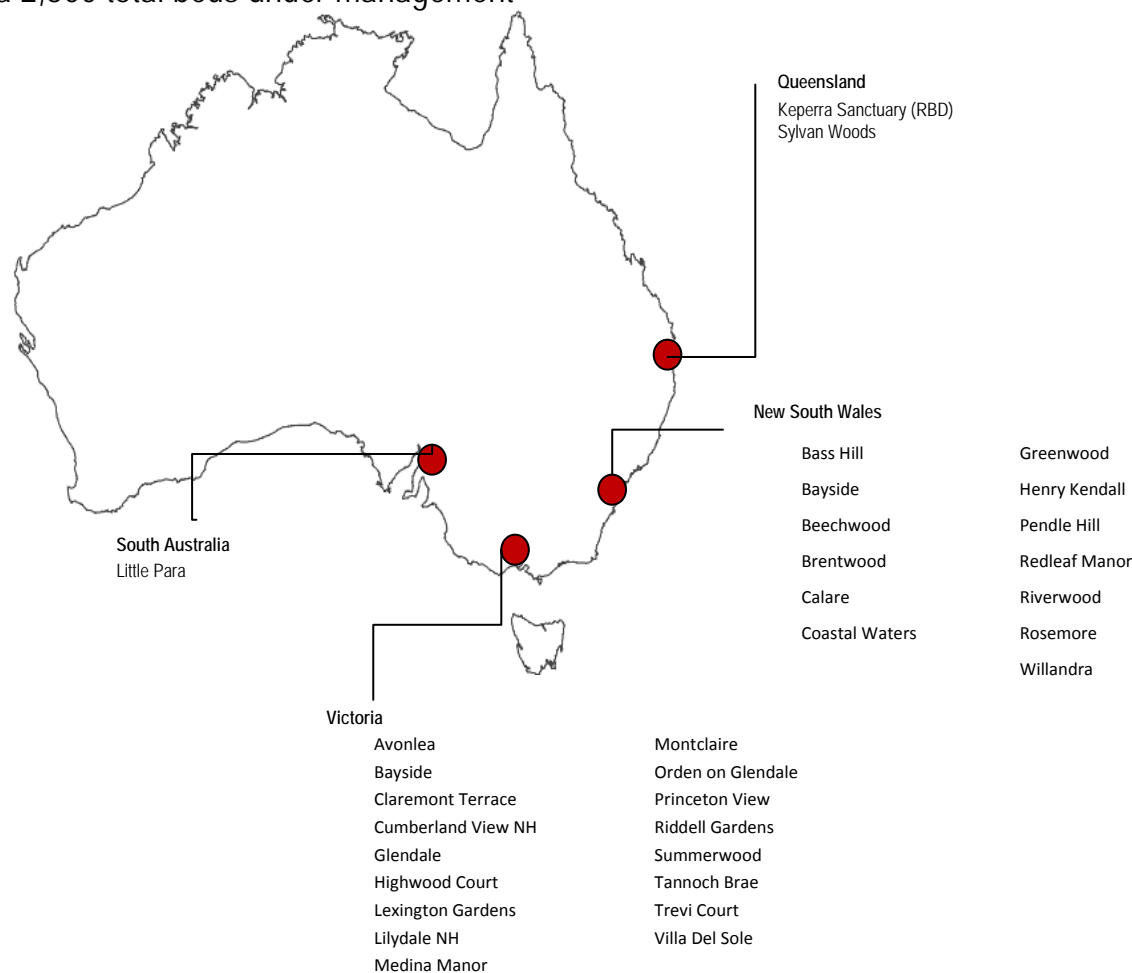


Aged Care – Asset Portfolio



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
Montclair	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