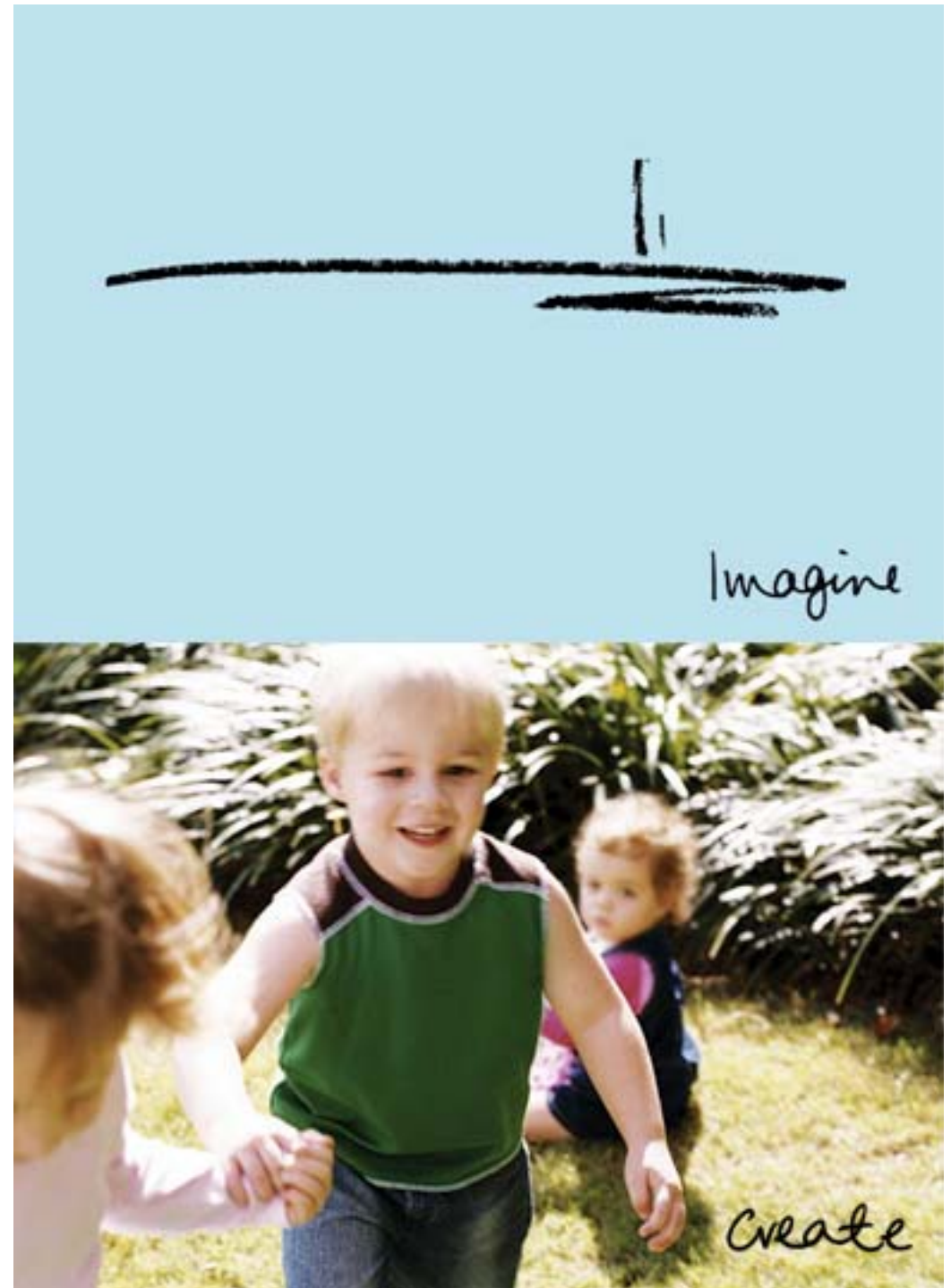




# Retail and Communities

Investor Briefing by Ross Taylor

May 2006



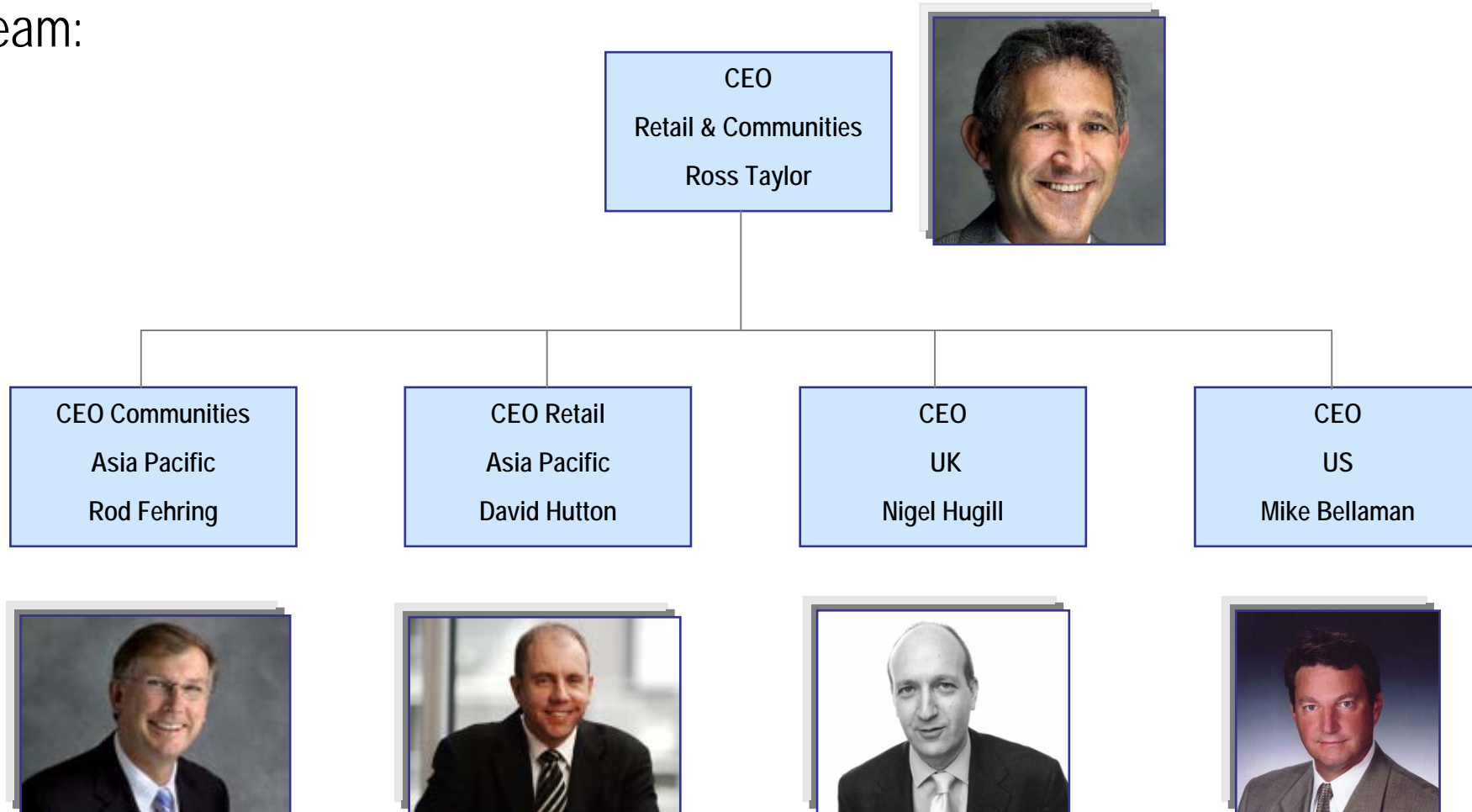
Good momentum in each sector:

<b>Retail:</b>	UK	✓
	Australia	✓
	Asia / US	WIP
	Singapore	✓
<b>Communities:</b>	Australia	✓
	UK	✓
	USA - Actus	✓
	- Other	WIP

# Retail & Communities Organisation



Team:



# Retail Growth Strategy



## Present Position:

	Australia	UK	Singapore	USA	Total
Centres	8 <sup>1</sup>	7	2	1	18
Cap rate (%)	6.5% - 7.5%	4.4% - 5.2%	5.8% - 7.2%	5.5% - 6.0%	-
Total Value <sup>2</sup> (\$A)	4.1b	8.3b	0.6b	1.2b	14.2b
Development Pipeline <sup>3</sup> (A\$ cost)	440m	1.5b	-	-	1.9b
Value of LL interest <sup>4</sup> (\$A)	387m	2.1b	58m	378m	2.9b

1. 6 of the 8 centres are managed by Lend Lease.

2. Total market value of assets in which Lend Lease holds an interest.

3. Total value of current and expected capital expenditure on development of assets in which Lend Lease holds an interest

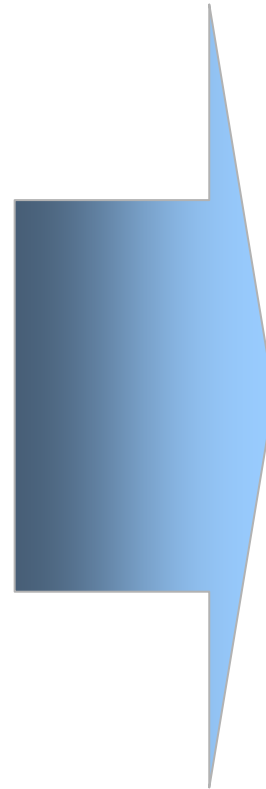
4. Market value of Lend Lease interest in the assets.

# Retail Growth Strategy: Sieve & Business Model



## What We Are Looking For:

- Catchment demographics
- Competition
- Land assembly and control
- Planning consent
- Synergies to other LL businesses



## Business Model:

1. Develop, sell part, hold 25%
2. Sell entire position post redevelopment

# Retail Growth Strategy

## Upcoming Highlights: Chelmsford:



- A: High street
- B: Meadows Shopping Centre
- C: Potential retail expansion
- D: Potential residential projects

➤ Catchment demographics	✓
➤ Competition	✓
➤ Land assembly & control	✓
➤ Planning consent	✓
➤ Synergies	✓

# Communities Growth Strategy



## Present Position:

	Australia	UK	USA	Total
Projects <sup>2</sup> (#)	45	21	1 <sup>1</sup>	67
Settlements (#)	3,000+	1,000+	70+ <sup>1</sup>	4,000+
Backlog <sup>2</sup> (units)	79,591	20,450	-	100,041

1. San Francisco Piers project.

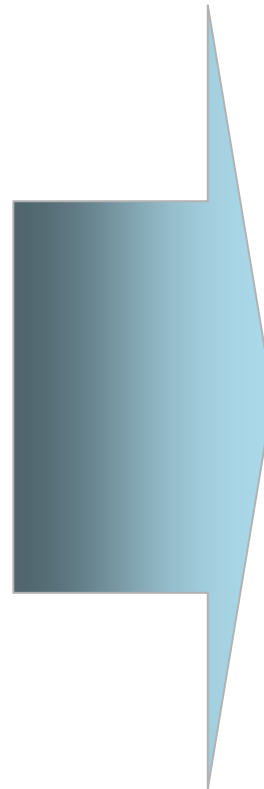
2. Includes zoned and unzoned as at December 2005

# Communities Growth Strategy: Sieve and Business Model



## What We Are Looking For:

- Scale
- Growth corridors or growth cities
- Ability to assemble and control site
- Capital efficient
- Ability to achieve planning
- Good synergies
- Negotiated position or unlevel playing field



## Business Model:

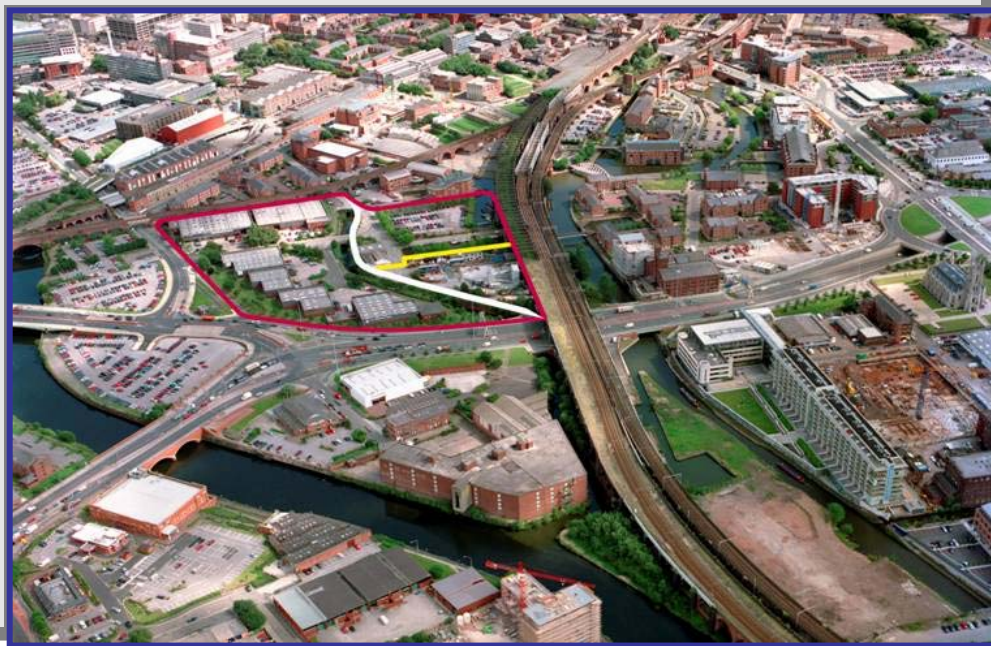
1. Create "place" and community
2. Develop and sell land & units
3. Package other elements
4. Where land was purchased on balance sheet sell down to passive JV after Stage 1 value add



# Communities Growth Strategy



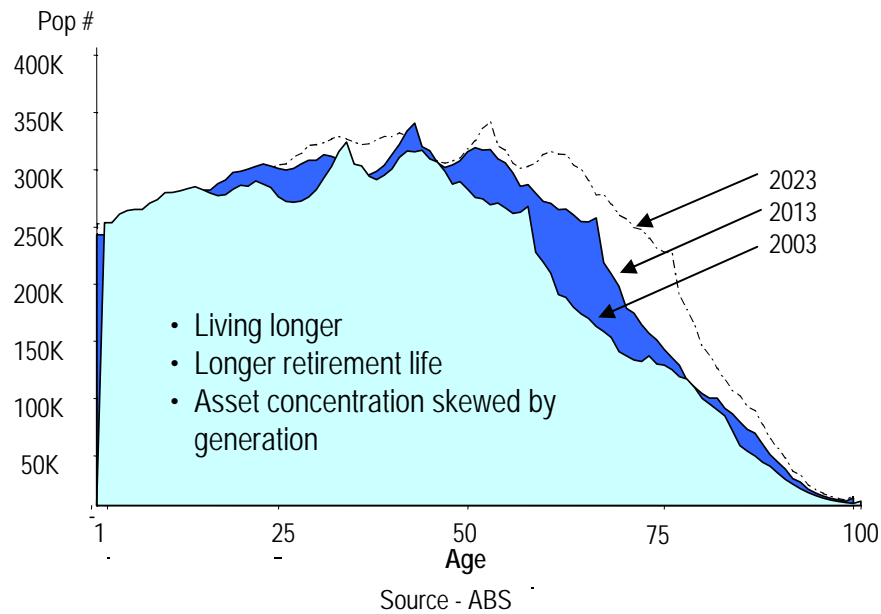
## Upcoming Highlights: Potato Wharf



➤ Scale	✓
➤ Growth corridor	✓
➤ Ability to assemble & control site	✓
➤ Capital efficient	✓
➤ Ability to achieve planning	✓
➤ Good synergies	✓
➤ Negotiated position	✓

## Upcoming Highlights: RBD

Structural Shift in Australia's Age Distribution



RBD well positioned for growth

## Upcoming Highlights: US



New Housing Development in the US entitled "going for American-style sprawl"



Opportunities aligned to our capabilities and business model

# Communities Growth Strategy – Actus / Privatisation



## Present Position:

Location	Initial Dev. Period	Percent Complete
<b>Secured Projects</b>		
Fort Hood	6 years	92%
Beaufort	5 years	62%
Fort Campbell	6 years	22%
Hickam AFB	6 years	5%
Army Hawaii	10 years	0%
Fort Drum	5 years	1%
Camp Lejeune	5 years	2%
<b>Awarded Projects</b>		
Fort Knox	8 years	-
Camp Lejeune (Stg 2)	4 years	-
<b>Under negotiation</b>		
Hickam AFB (Stg 2)	3 years	-
Campbell Redebt	6 years	-

**Secured Housing units (#): 27,500**

**Awarded Housing units (#): 3,400**

**Under negotiation Housing units (#): 1,300**

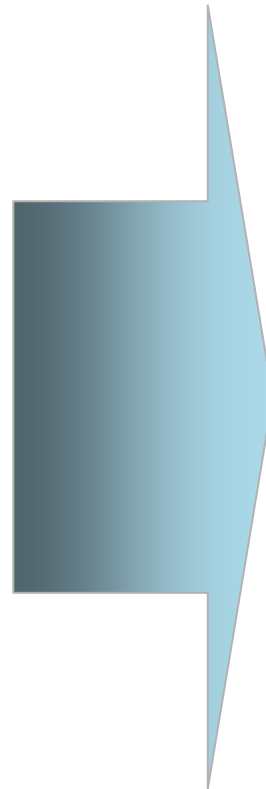
**GPM Backlog: US\$260m**

# Communities Growth Strategy: Actus / Privatisation - Sieve and Business Model



## What We Are Looking For:

- Large/deep market
- True privatisation initiative (not just procurement or risk transfer exercise)
- Ability to be No.1 or 2
- We have relevant skills to win and manage risk
- Good synergies



## Business Model:

1. Opportunistic
2. Little equity
3. Principally delivery risk with enhanced margins
4. Commoditise capital markets as much as possible
5. Incubate in broader business then move to a single-focused, vertically integrated unit