

Lennar Corporation

J.P. Morgan Homebuilding & Building Products Conference

May 17, 2016

LENNAR[®]

Disclaimer Statement

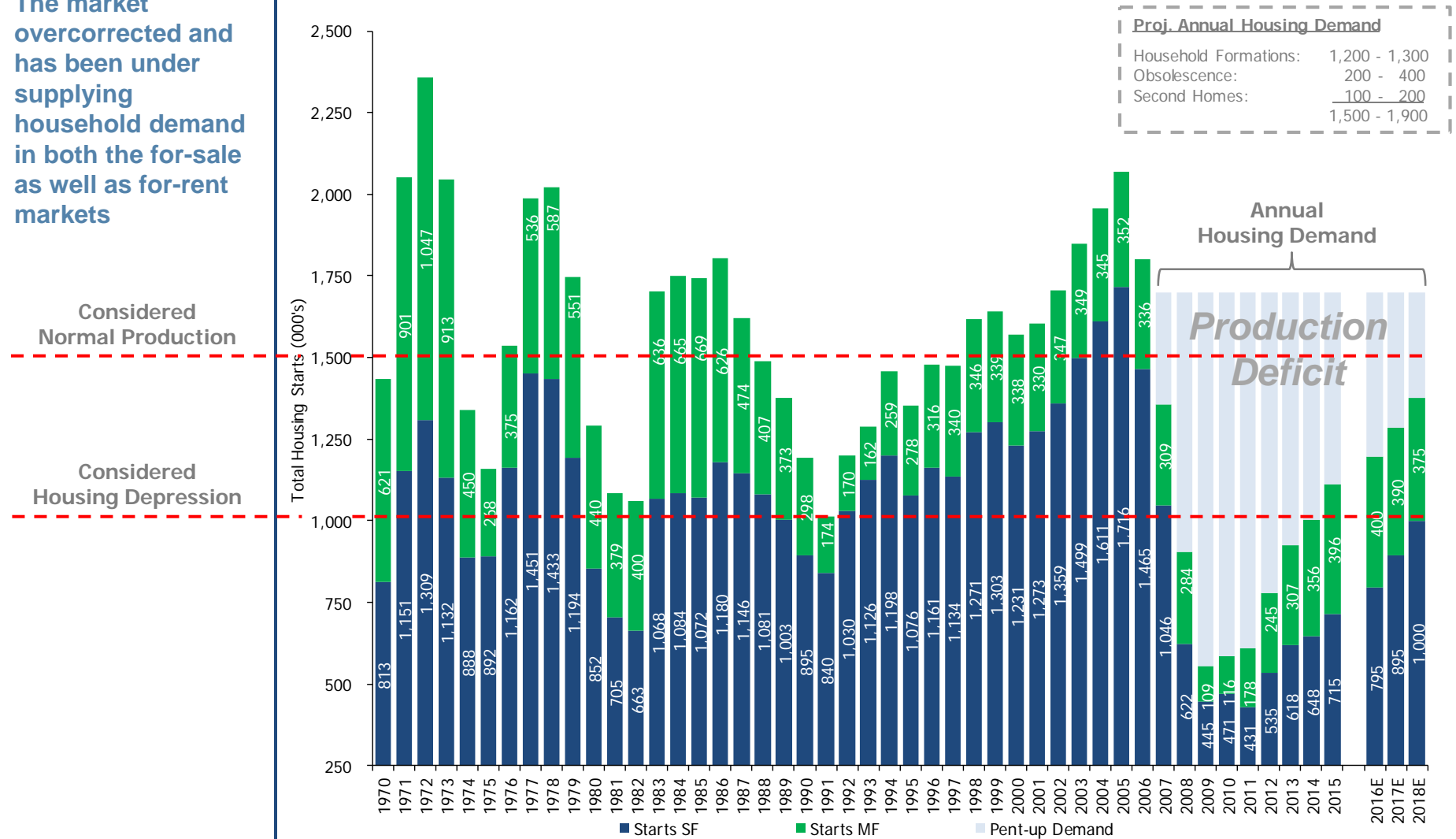
This presentation includes "forward-looking statements," as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding our business, financial condition, results of operations, cash flows, strategies and prospects. You can identify forward-looking statements by the fact that these statements do not relate strictly to historical or current matters. Rather, forward-looking statements relate to anticipated or expected events, activities, trends or results. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements. These factors include those described in our Securities and Exchange Commission filings, including those under the caption "Risk Factors" in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission. We do not undertake any obligation to update forward-looking statements, except as required by federal securities laws.



Macro Overview

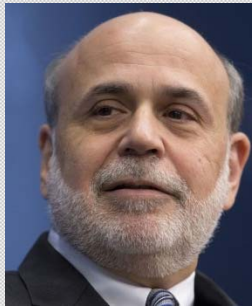
Macro Overview: Production deficit of homes, both for-sale and for-rent

- The market overcorrected and has been under supplying household demand in both the for-sale as well as for-rent markets



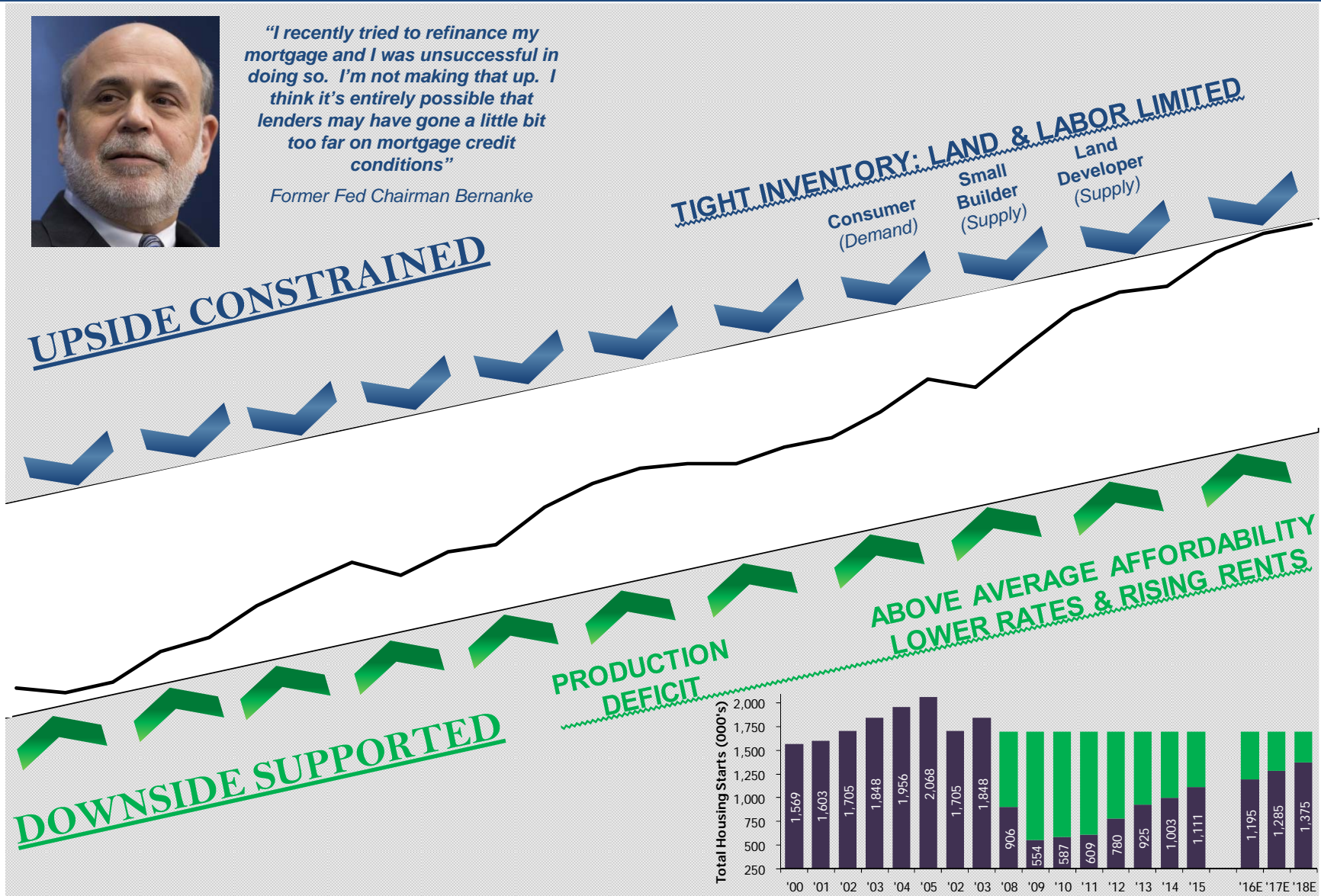
Source: Housing starts from US Census Bureau (March 2016) and analyst estimates (March 2016); Proj. household formations: Joint Center for Housing Studies of 1.2-1.3M (Mar 2014), Wells Fargo (Jan. 2015), Freddie Mac (Aug. 2014)
 Note: Excludes manufactured housing

Macro Overview: Both downside & upside moderators creating a slow & steady housing recovery



"I recently tried to refinance my mortgage and I was unsuccessful in doing so. I'm not making that up. I think it's entirely possible that lenders may have gone a little bit too far on mortgage credit conditions"

Former Fed Chairman Bernanke



Black line represents Real GDP quarterly since 2009





Strategic Overview

Strategic Overview: Current strategies crafted over a decade ago



LENNAR®

Strategic Overview: Summary

Over many cycles, Lennar's management team has crafted a playbook of strategies that flex as the cycle adjusts

- **Moderate growth rate**
- **Soft pivot land strategy**
- **Focus on operational efficiencies**
- **Path to lower leverage**
- **Reversion to pure-play homebuilder**

Strategic Overview: Moderate growth rate

Adjust growth rate throughout cycle based on land / strategic opportunities along with embedded risk from cycle duration

- **Early cycle:**

- Aggressive growth
- Divisions get to critical mass

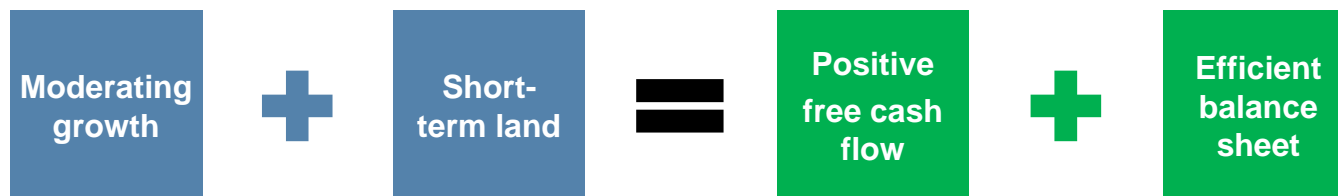
- **Mid cycle:**

- Moderate growth
- Less land acquisition needed and fewer new communities to open, focusing on best land
- Less emphasis on hiring new marginal associates, and focus on keeping best performers

- **Mature cycle:**

- Further reduce growth

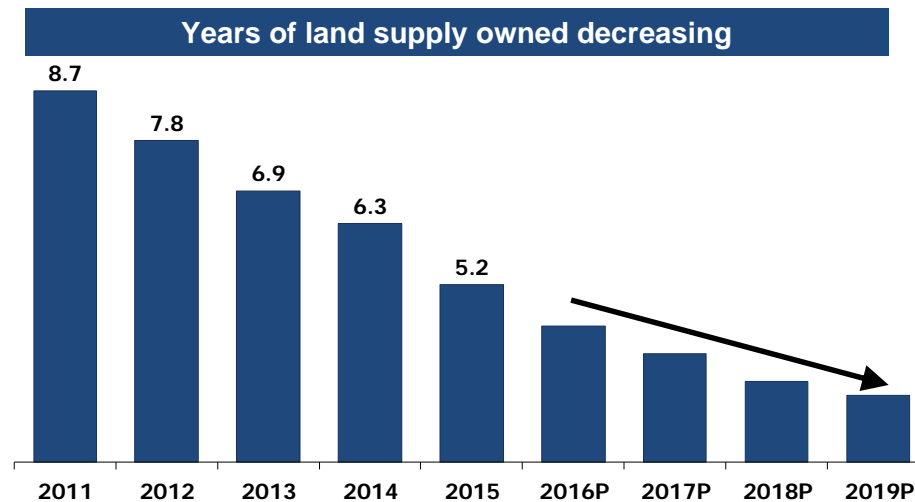
	Growth Rate	Cash Flow
Early cycle	15-20% +	Negative
Mid cycle	7-10%	Neutral to Positive
Mature cycle	3-5%	Positive



Strategic Overview: Soft pivot land strategy



- **Early cycle:**
 - Purchase deeply discounted, long duration land
- **Mid cycle:**
 - Soft pivot to purchase shorter duration land
- **Mature cycle:**
 - Purchase options, adjust contract terms, and purchase short duration land for just-in-time production



Strategic Overview: Focus on operational efficiencies

Support net margin with a lower growth rate by focusing on business efficiencies

- **SG&A efficiencies**

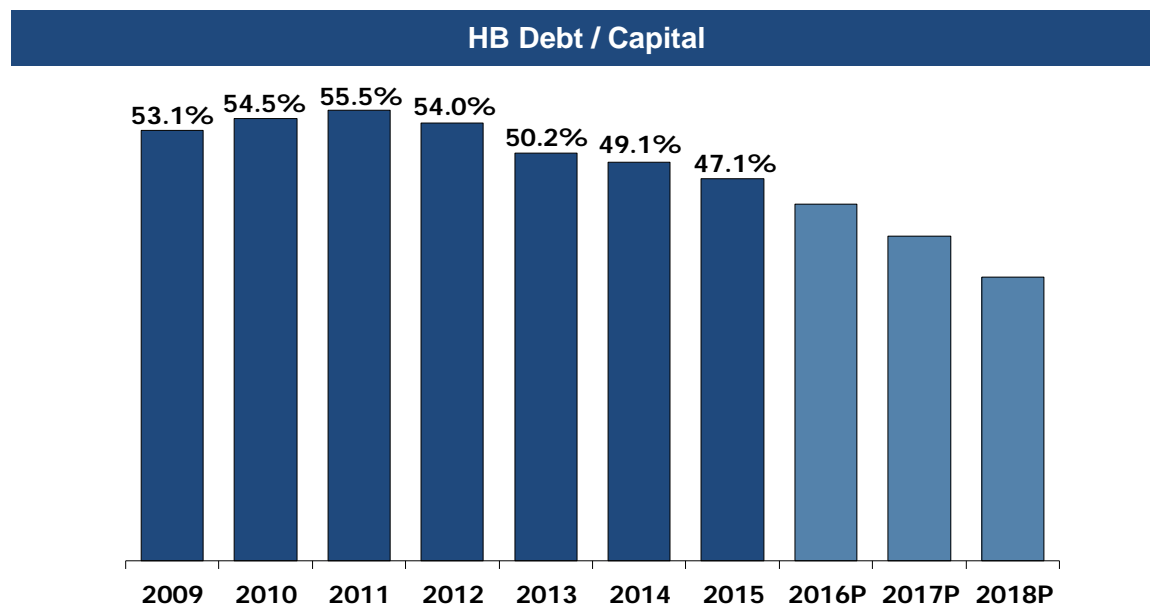
- Transition to digital marketing
- Lower outside brokerage participation and commission rate
- Targeted marketing leads to increasing conversions

- **Construction efficiencies**

- Streamline Everything's Included[®] platform
- Even-flow production
- Reduce floor plans
- Reduce model homes needed
- Utilize new technologies to reduce materials waste and labor hours

As land costs increase, operating efficiencies will lead to strong operating margins

Strategic Overview: Path to lower leverage



- 1) Stockholders' Equity increasing:**
 - Convertible debt of \$400M redeemable in November 2016, which will reduce leverage by ~200 bps
 - Homebuilding generating profits from increased volumes and operating leverage
 - Ancillary businesses pivoting from investing to harvesting phase
- 2) Generating positive cash flow to pay down debt**
 - Soft pivot land lighter strategy
 - Moderate growth taking stress out of operations
 - Focus on operational efficiencies
- 3) Use of incremental cash flow to return cash to shareholders**
 - Once debt levels are lower, we may use excess cash flow to buy back stock

Strategic Overview: Reversion to pure-play homebuilder

- Ancillary businesses are transitioning from an investing phase to harvesting
- Stand-alone platforms with maximum flexibility allowing for the creation of significant shareholder value
- Financial Services is closely linked to Homebuilding, and Multifamily closely mirrors the core business in many ways

Financial Services

- Focused on originating mortgages to Lennar homebuyers as well as 3rd parties
- 5th largest national mortgage originator (non-bank)
- Top 10 national title insurer
- Utilizing warehouse lines of credit and immediately selling to private and public financial institutions

Multifamily

- Geographically diversified development pipeline >\$6.5 billion located in top growth and gateway U.S. markets
- Lennar Multifamily Venture manages \$1.4 billion in equity commitments, focused on develop-hold portfolio
- Fully integrated development, construction, property and asset management platform

FivePoint

- Exceptional land development and management company
- Directly managing over 40,000 homesites and 20 million square feet of commercial real estate in some of the most desirable and land constrained markets in the country

Rialto

- Asset Management: Focused on managing 3rd party capital to generate superior, risk-adjusted returns on commercial real estate opportunities
 - Asset light model, limited investment, management fees & high returns (\$7.3B+ AUM)
- Mortgage Finance: Commercial mortgage originator on Class A operating properties
- Independently financed with public debt and warehouse lines of credit



Conclusion

Focused on being a pure-play HB, generating positive cashflow and investable through the

