Lend Lease
Corporation

12 February 2007

The Manager
Companies Section
Australian Stock Exchange Limited

The Manager
Companies Section
New Zealand Stock Exchange Limited

Pages: Sixteen (16) pages

Dear Sir

Stock Exchange Announcement

Lend Lease remains on track to meet market consensus for FY07 despite UK construction provision

With reference to the announcement earlier today attached is the presentation material for the market briefing.

Yours faithfully
LEND LEASE CORPORATION LIMITED

S. Sharpe

S J SHARPE
Company Secretary

Lend Lease Corporation Limited
ABN 32 000 226 228
Level 4, 30 The Bond
30 Hickson Road
Millers Point NSW 2000
Australia

Telephone +612 9236 6111
Facsimile +612 9252 2192
www.lendlease.com

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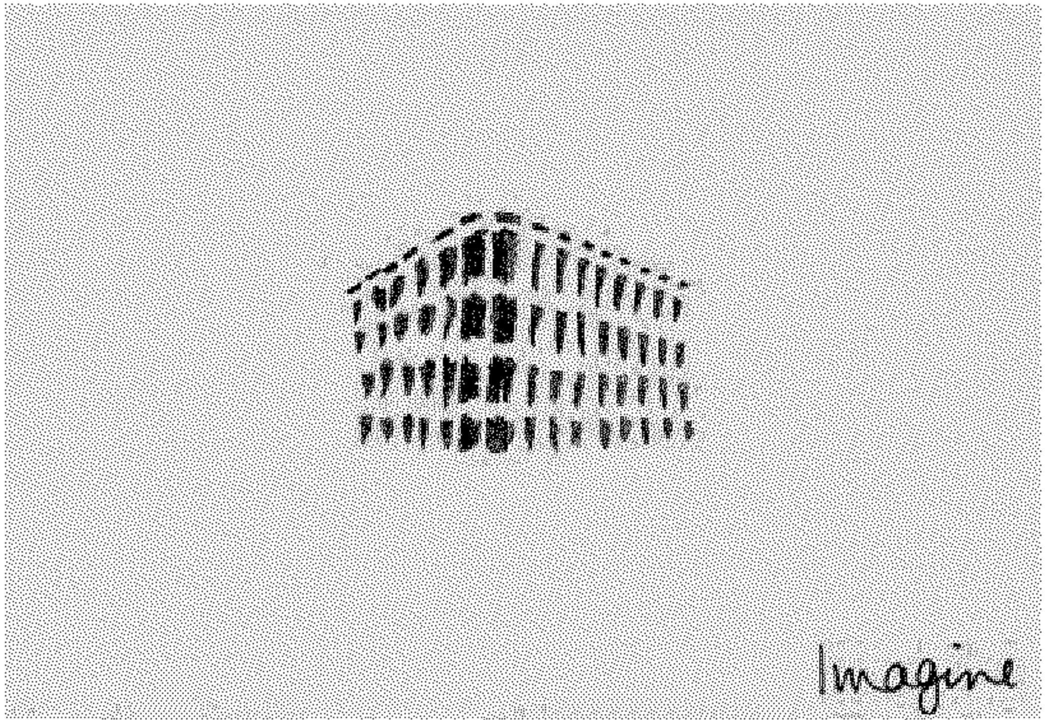
Bovis Lend Lease UK and HY07 Update

February 2007

Greg Clarke

Group CEO



HY07 Operating Result

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	Dec 2006 A$m	Dec 2005 A$m
Operating Profit after tax (excluding revaluations)	**163**	**167**

Operating Profit after tax for the period to December 2006 includes	**A$m**
▪ Provision for Bovis Lend Lease UK	(120)
▪ Global Fund distribution	33
▪ Australian Taxation Office refund *	32

Note: All numbers subject to final audit

* Not included in full year operating earnings' expectations

Timeline of Bovis Lend Lease UK

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2005 — 2006 — 2007

Aug 2005 – BLL CEO, Bob Johnston, relocates to UK

Feb 2006 –
- Provisions taken on Bridgewater Place & BBC Phase 1
- Forecast margin on Manchester Joint Hospitals reduced to 4% – not material to outlook

July / Aug 2006 –
- BLL UK CEO departs
- Murray Coleman appointed to role
- Manchester Joint Hospitals project leadership changed

Sept 2006 / Feb 2007 – Detailed review of Manchester Joint Hospitals project and UK business undertaken

Feb 2007 – As a result of project reviews and project reforecasts, A$120m after tax provision taken up – ASX release

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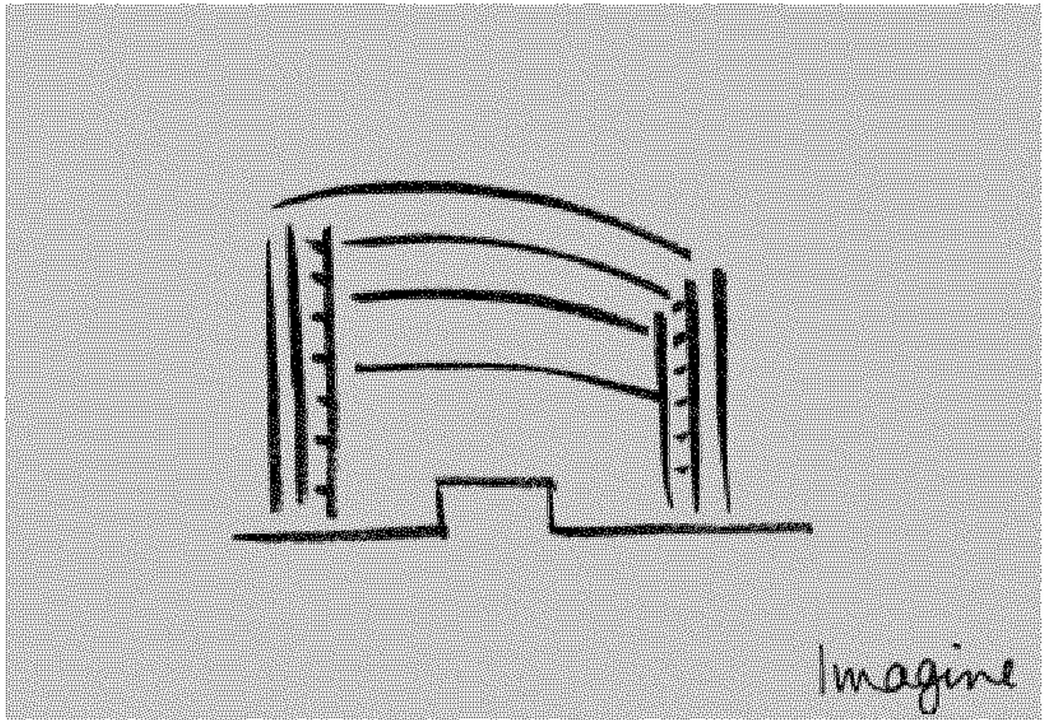
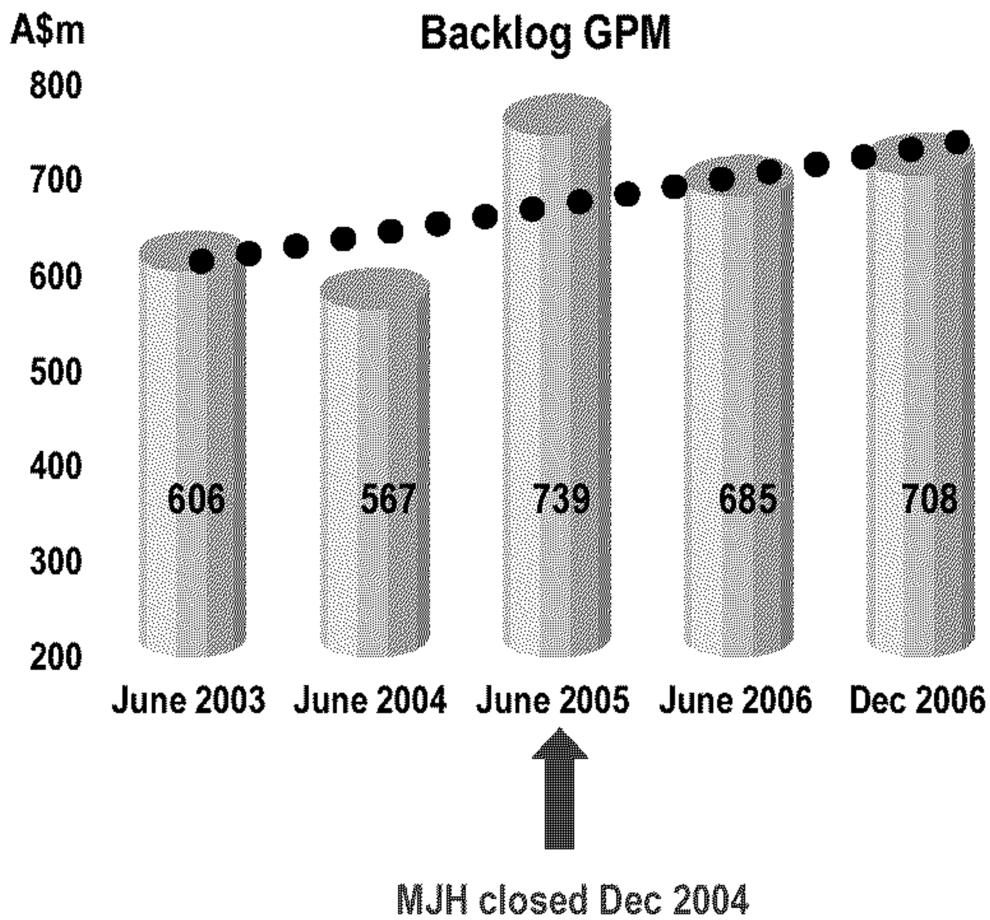
Project Management, Construction & PFI Update

Bob Johnston

CEO – Bovis Lend Lease



Project Management, Construction & PFI
Strong Backlog & Market Positions



Continue to have strong market positions

- Americas New Work Secured up over 35%
- Strong backlog and pipeline in Retail & Commercial in Australia
- Asia Retail and Pharmaceutical sectors growing
- Strong committed forward workload in CEMEA (fee based)
    - Commercial
    - Masterplanned Communities
    - Rail

Manchester Joint Hospitals
Project Overview

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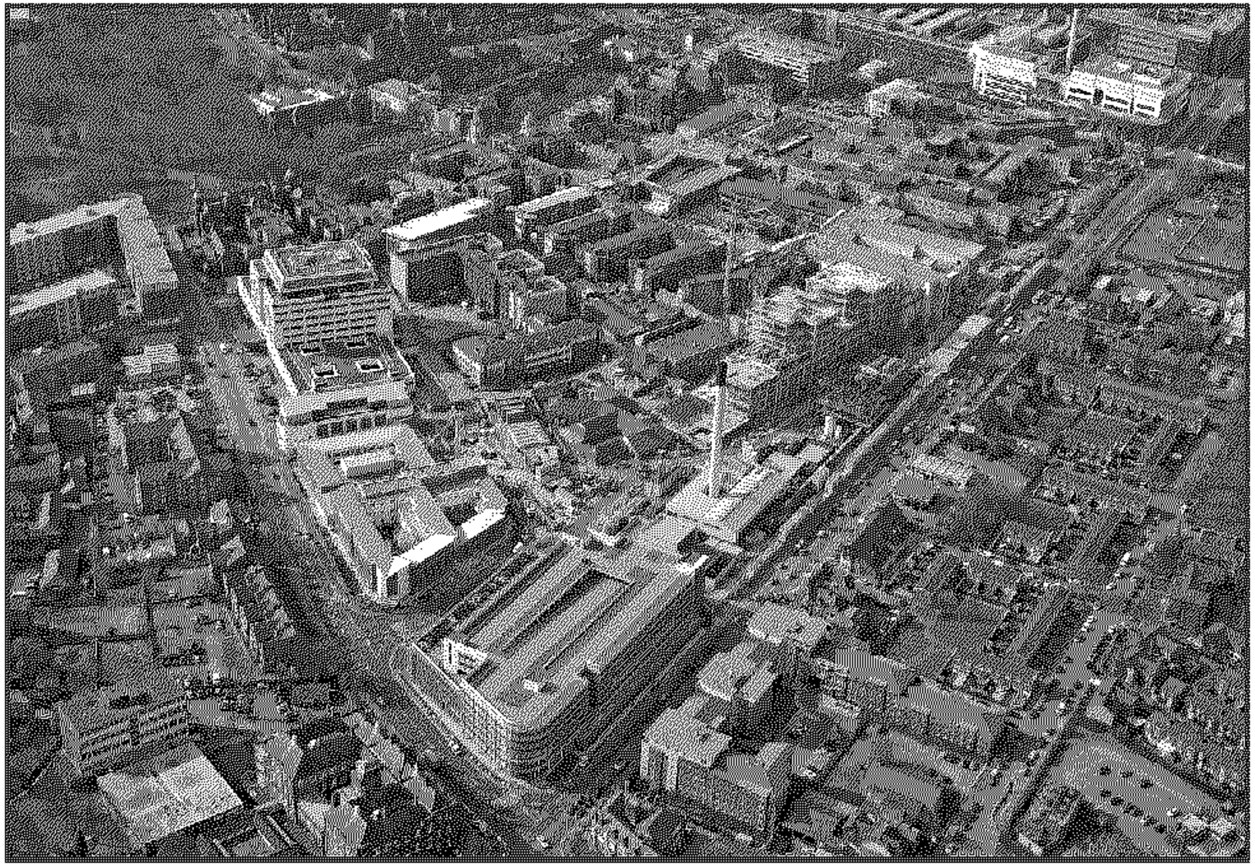

- Project value £382m (circa A$950m)
- Financial Close – Dec 2004
- Forecast completion – 2010
- Phased building programme – 18 phases
- Six key buildings handed over to date
  - Heart Renal unit
  - Mental Health unit
  - Mental Health Outpatients unit
  - Rehabilitation Centre
  - Energy Centre
  - Multi-storey car park
- Seven major facilities to complete

Manchester Joint Hospitals Timeline

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July 2006	August	September	October	November	December	January 2007	February

Heart Renal Unit

Resequence cost to complete work

- Project team forecasting six week delay to Heart Renal unit
- New project leadership established
- New BLL UK leadership announced
- Delay claim lodged with Trust
- Central contingency established at BLL Global for FY07 budget

- New team focused on establishing date certainty for Heart Renal unit

- Heart Renal unit completion dates confirmed as Dec 06 and Jan 07
- Discussions with Trust regarding delay claims and resequencing opportunities
- Impact on overall program not yet established

- Further risks on MJH identified
- Margin expectation reduced to zero to provide further contingency at a project level
- Central contingency released at Global BLL level. No impact on overall forecast

- Support team established to assist with resequencing and establishing costs to complete
- Discussions ongoing with Trust regarding resequencing opportunities
- Ongoing reviews of all aspects of the project

- Series of on-site project reviews through to 9 Feb 2007

Manchester Joint Hospitals
Key Issues

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- Complexity of sequencing works within a working hospital with multiple handovers was not well understood
- Victorian era brownfield site contributed to complexity
  - Many unknowns – unmarked services
- Delays in early phases had a flow-on impact due to sequential nature of the delivery requirements
  - Multiple user groups involved in the design phase and sign-off process
  - Acceleration efforts in 2006 were not successful

Bovis Lend Lease UK
Other Projects

- Full review carried out across the business
- Slippages and margin compression on some projects
- Bridgewater Place, Leeds
  - Now forecast to complete end first quarter 2007
- BBC Phase 2
  - Design simplification agreed
  - On track for revised completion dates

Bridgewater Place, Leeds

Bovis Lend Lease UK
Significant Shift in Market: 2000 – 2006

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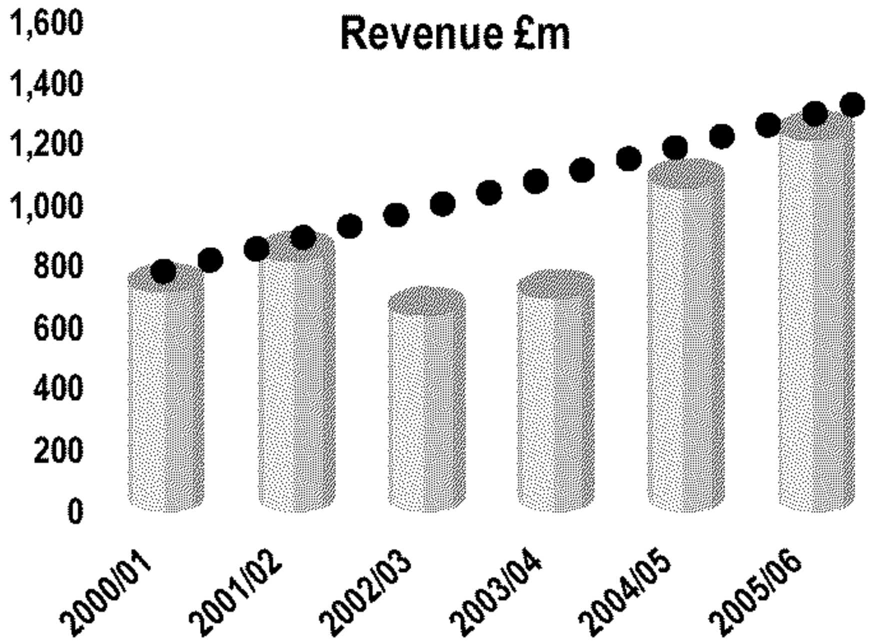
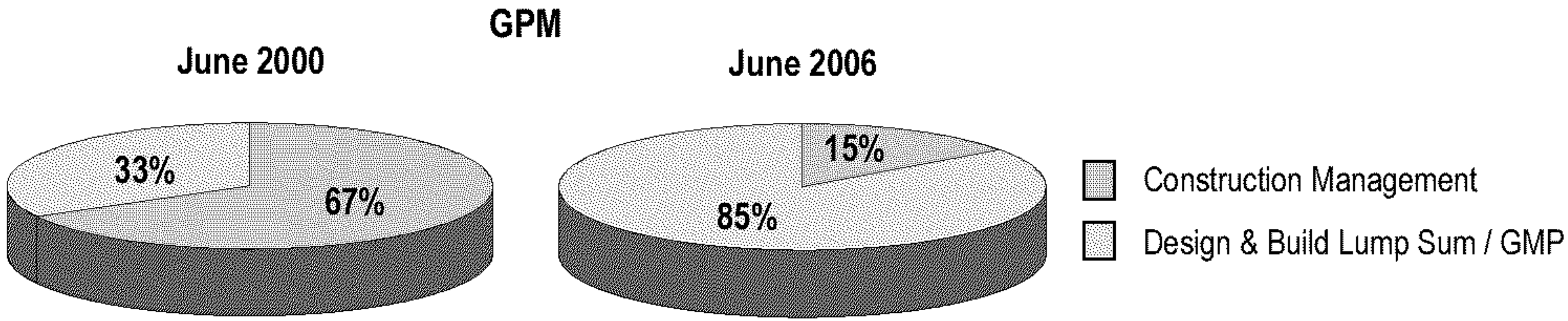


- Significant revenue increase over last 5 years
- Moved with market to pursue higher risk D&C / GMP contracts
- Focused on maintaining market position
- **BUT** appropriate risk management not applied consistently across the business



Manchester Joint Hospitals
Actions Taken

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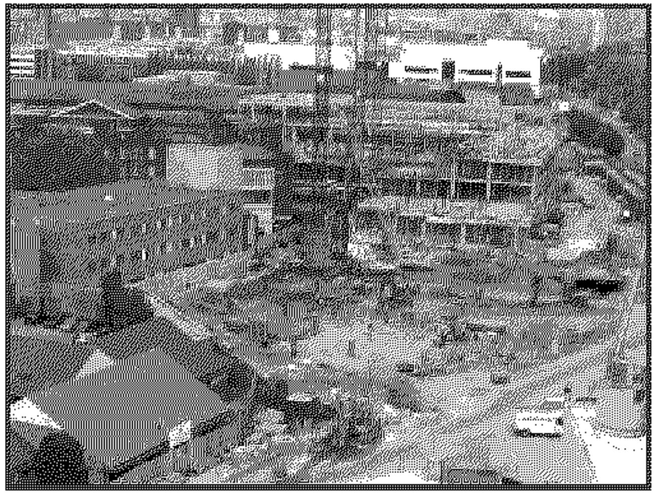
- Project leadership changed – July 2006
  - New Project Director successfully completed Romford Hospital
  - Supported by in-house specialists
- Heart Renal unit was on critical path and behind schedule
  - Contract PC date – Sept 2006
  - New project team achieved mid Dec 2006 handover
- Team has undertaken full review and reforecast to completion
  - Tested all assumptions
  - Resequenced balance of project
  - Scope of works fully reviewed and costed
  - Risk / opportunity assessment carried out



Bovis Lend Lease UK
Actions Taken

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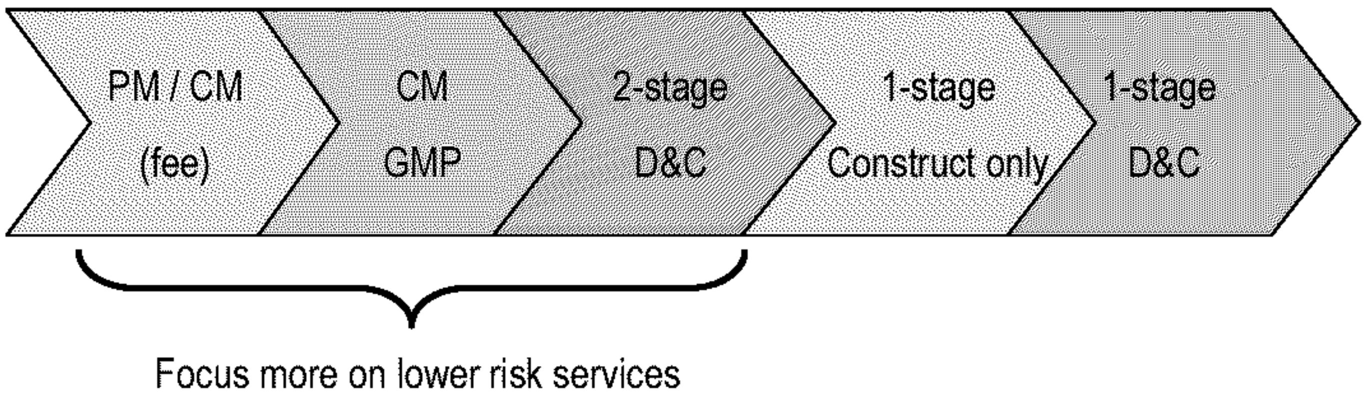
- Number of senior management changes
- Business will be more selective in the risk work undertaken
  - Review of minimum margin expectations
  - Increasing proportion of fee for service clients
  - Focus on lower end of risk profile
- Focus on key clients
  - Repeat clients
  - Significant and growing Lend Lease pipeline



Bovis Lend Lease – Outlook

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- UK
  - Market generally strong
  - Growing internal pipeline
  - Lag period before return to growth
- Americas
  - Strong backlog positioning the business well
  - Good visibility of opportunities in Health, Education and Multi-family
- Asia Pacific
  - Well positioned
  - Good visibility of opportunities
- CEMEA
  - Good source of low risk, fee for service work

Lend Lease Management Objectives Unchanged

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eps growth
- Targeting 10% p.a. average growth over 5-year period

Debt ratios
- Gearing (Debt to TTA)
  - Target 30-40%
- Interest cover
  - EBITDA > 6x

TARGET OBJECTIVES

Strong TSR performance

Investment grade credit rating

Dividend policy
- 60-80% payout ratio

Capital returns
- ROE > 15% p.a. average over 5-year period

Recurring / annuity style earnings
- Minimum 15-20% of EBITDA

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Q & A