28 September 2007

The Manager
Companies Section
Australian Stock Exchange Limited

The Manager
Companies Section
New Zealand Stock Exchange Limited

Pages: Two (2) pages

Dear Sir

Stock Exchange Announcement

Lend Lease and Grosvenor formalise agreement to develop £700m UK regeneration project

Lend Lease Corporation Limited ("Lend Lease") today announced it has formally entered into a Joint Venture agreement with Grosvenor Group Limited to acquire a 50% interest in a development opportunity in Preston, UK, known as Tithebarn.

The mixed-use scheme, which has a gross development value of £700 million (approximately A$1.6 billion), extends to approximately 28 acres and consists of approximately 1.1 million square feet of retail, catering, leisure and commercial, with approximately 400,000 square feet of residential accommodation.

Grosvenor has already completed a Development Agreement with the Local Authority which anticipates a Planning Application in 2008. Construction is expected to start in 2010, with completion forecast in 2013.

Further details are included in the attached media statement.

Yours faithfully
LEND LEASE CORPORATION LIMITED

S. Sharpe

S J SHARPE
Company Secretary

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Media Release

Lend Lease and Grosvenor formalise agreement to develop £700m UK regeneration project

28 September 2007

Lend Lease Corporation Limited ("Lend Lease") today announced that it has formally entered into an agreement with Grosvenor Group Limited ("Grosvenor") to jointly develop the £700 million Tithebarn regeneration scheme in Preston, UK.

Lend Lease and Grosvenor will work together in a 50:50 partnership to develop, project manage and market the scheme in conjunction with Preston City Council, whose members have formally sanctioned the partnership. The agreement follows a highly competitive selection process initiated by Grosvenor, in which Lend Lease was shortlisted to one of two in January 2007.

The Tithebarn regeneration scheme covers an area of approximately 28 acres and consists of approximately 1.1 million square feet of retail, catering, leisure and commercial with approximately 400,000 square feet of residential accommodation. It is ideally located, with Preston lying approximately 20 miles north-west of Manchester – close to Manchester Airport and with excellent transport access.

Lend Lease and Grosvenor are currently working together to develop proposals for planning submission in late 2008, with work anticipated to commence on site in 2010 and completion provisionally scheduled for 2013.

"The Tithebarn investment is consistent with our strategy to secure large mixed-use developments in major towns offering significant growth potential. Tithebarn lies at the heart of an affluent and attractive town with a strong demographic profile, but one which has been historically underserved in retail and residential terms," says Nigel Hugill, Chairman of Lend Lease Europe.

"We look forward to working in partnership with Grosvenor, one of the UK's longest established development companies," he said.

Mr Ross Taylor, Chief Operating Officer for Lend Lease, added: "Having the retail, residential and construction skills in-house gives Lend Lease a unique offering when competing for larger mixed-use projects and has been fundamental in enabling us to secure new business wins such as Preston, Stratford City and Elephant & Castle."

ENDS

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