29 January 2009

Mr Joel Farina
Adviser, Issuers (Sydney)
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Mr Farina

Price Query

We refer to your letter dated 28 January, 2009 in relation to the change in price of Lend Lease Corporation Limited ("Lend Lease") shares.

Lend Lease responds to each of your questions as follows:

1. Lend Lease is aware of market commentary not specific to Lend Lease that deteriorating economic conditions will impact entities with exposure to the markets in which Lend Lease operates. These include the retail, commercial and residential markets in the UK, US, Singapore and Australia. This commentary could explain recent trading in the shares of Lend Lease. Lend Lease notes the recent write downs announced by Westfield and Boral and press commentary in relation to those write downs.

   Lend Lease has sought to assess on an ongoing basis the carrying values of its assets having regard to rapidly changing economic conditions in each of its operating environments. On 13 November 2008, Lend Lease announced a number of expected reductions in the carrying values of assets and goodwill principally in its UK retail and communities businesses.

   Lend Lease is currently preparing its financial accounts for the half year ended 31 December 2008 and in that process is reviewing the carrying values of all tangible and intangible assets, in particular the carrying values of tangible assets and goodwill in its retail and communities businesses in the UK, US and Australia. This review includes, where appropriate, the consideration of external valuations and internal assessment of assumptions having regard to current sales data and other market information.

   The review is not completed but in light of the deteriorating economic and market conditions Lend Lease considers there is the potential for further impairment to the carrying values of tangible assets and goodwill. Lend Lease will be in a position to announce any impairment to carrying values as soon as the review is completed and will reflect these in its half year accounts. However, with a view to avoiding this

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response letter creating uninformed speculation, the following information is being provided by way of preliminary guidance. Lend Lease cautions that in view of the current incomplete stage of the review process, it considers release of these early internal estimates to be premature but for the ASX's enquiry.

Based on current estimates this impairment could be in the region of A$290 million after tax (in addition to the expected reductions announced in November 2008). While this would reduce the Group's Statutory Profit this would be a non-operating charge and therefore excluded from net operating profit after tax. Current estimates indicate this amount may comprise a reduction in the carrying value of goodwill relating to Delfin Lend Lease of approximately $80 million after tax, and a potential reduction of approximately A$210 million after tax relating to the carrying values of commercial assets in the UK and residential assets in the US and Australia.

Operating profit after tax for the full year is expected to be in line with guidance provided to the market in November 2008 of 10% to 15% below operating profit after tax for the previous financial year of $447.1m. However, there are a number of transactions that are expected to contribute to achieving this profit guidance including capital recycling and reaching financial close on projects in which Lend Lease is preferred bidder. While some capital recycling initiatives included in this year's guidance have already occurred, these further transactions account for approximately 30% of this year's guidance. In light of the continuing lack of liquidity in debt markets and current economic conditions, Lend Lease cannot be certain that these transactions will occur in the current financial year.

The Board will review its dividend policy in the normal course in February 2009 but no change to the dividend policy is expected at this stage.

2. No. While there is the potential that the half year accounts will recognise a further impairment in the carrying value of tangible assets and goodwill in the order outlined above, these figures are preliminary management estimates, subject to finalisation of valuations and the review measures referenced previously. Lend Lease expects to complete its review by Thursday 5 February 2009 at which time it will make an announcement as to actual reductions that will be recognised for the half year ended 31 December 2008.
3. No.
4. Lend Lease confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours faithfully

William Hara
Company Secretary

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28 January 2009

Mr William Hara
Company Secretary
Lend Lease Corporation Limited
Level 4,
30 The Bond, 30 Hickson Road
Millers Point NSW 2000

By Email

Dear William,

Lend Lease Corporation Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a close of $6.90 on Tuesday, 27 January 2009 to low of $6.30 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

   Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

   Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you may need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.D.T.) on Thursday, 29 January 2009.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours Sincerely,

(Sent electronically, without signature)

Joel Farina
Adviser, Issuers (Sydney)