

Stock Exchange Announcement

Lend Lease to defer asset sales

11 May 2009

As previously advised Lend Lease Corporation ("Lend Lease") is not a forced seller of assets and has no intention of selling assets at sub optimal values. Given current market conditions Lend Lease does not believe it is appropriate to sell certain assets, including some equity investments in Public to Private Partnership projects in the UK this financial year. Revised guidance after the removal of these items and other adjustments for the year ending 30 June 2009 is Net Operating Profit after Tax of circa A\$300 million.

Lend Lease's previous guidance of between A\$380 million and A\$400 million included an amount of around 30% related to capital recycling and financial close on projects where Lend Lease is the preferred bidder.

Adjustments to Asset Values

Lend Lease previously flagged an expectation of further pressure on property valuations in the second half of the financial year due to expansion in capitalisation rates. The Group's property portfolio will be re-valued at 30 June 2009 and we expect a further reduction in asset values at that time. Any adjustment to asset values will be a non-operating charge which will reduce the Group's Statutory Profit after Tax but will not impact the Group's Net Operating Profit after Tax.

Cost Savings

Lend Lease has previously indicated that there will be additional implementation costs associated with its cost reduction programme in the second half of FY2009. The full year 2009 implementation costs are expected to be circa A\$80 million after tax. These costs are also non-operating and will reduce the Group's Statutory Profit after Tax but will not impact the Group's Net Operating Profit after Tax.

Continuing Strong Financial Position

Lend Lease continues to maintain its strong financial position with net debt (including Bluewater lease liability) of circa \$300 million as at 30 April 2009.

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