Stock Exchange Announcement

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Institutional Placement to Raise $302.5 Million to Replenish Balance Sheet

4 February 2009

Lend Lease Corporation Limited ("Lend Lease") announces the issue of 50 million new shares to raise approximately A$302.5 million via an institutional placement. Proceeds from the raising will be used to strengthen the Lend Lease balance sheet following the recent A$240 million investment in Lend Lease Primelife ("LLP") and to fund cost saving initiatives announced on 13 November 2008.

New shares will be issued at $6.05 per share, which represents a discount of:

- 10.5% discount to last traded price of $6.76
- 12.3% discount to yesterday's close of $6.90

New shares issued will rank pari passu with existing Lend Lease shares from allotment and be fully entitled to the dividend for the six months ended 31 December 2008.

The placement is fully underwritten.

On successful completion of the placement, Lend Lease will have net debt of approximately A$200 million. Given Lend Lease's significant pipeline of development projects around the world, it is expected that gearing levels will increase over the next 24 months.

Lend Lease Group CEO, Steve McCann said, "The placement will allow Lend Lease to maintain its strong financial position with conservative gearing levels and substantial cash holdings."

"Lend Lease continues to adjust its medium term capital requirements with changing markets. The proceeds from the placement will provide further flexibility in funding future development activity while maintaining gearing within management's target range in the medium term," Mr McCann said.

Lend Lease's earliest material debt maturity date is November 2010 for an amount of £350 million.

Lend Lease also plans to offer investors in Australia and New Zealand the opportunity to acquire shares under a proposed Share Purchase Plan (SPP) up to the value of A$10,000 each (subject to final confirmation from ASIC and ASX on the subscription amount). The SPP will be offered free of brokerage and transaction costs. Details of the SPP, including the Record Date for participation, are currently being finalised and will be announced shortly.

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Lend Lease

Re-affirm FY09 Net Operating Profit After Tax Guidance

Lend Lease re-affirms the guidance provided to the market on 29 January 2009 that it is in line to achieve Net Operating Profit After Tax for FY09 between A$380 - $400 million, representing a 10-15% reduction to FY08 Net Operating Profit After Tax of A$447.1 million.

As disclosed, 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 the 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 Lend Lease Board expects to maintain its dividend policy of distributing between 60% to 80% of Net Operating Profit After Tax.

Adjustments to Asset Values

In its announcement on 29 January 2009 Lend Lease highlighted that in light of the deteriorating economic and market conditions there was the potential for a further impairment to the carrying values of tangible assets and goodwill in the region of A$290 million after tax (in addition to the amount of A$490 million announced on 13 November 2008).

Lend Lease has completed its review and confirms that the total additional impairment to be included in its financial accounts for the half year ended 31 December 2008 is A$297 million after tax. This amount will reduce the group's statutory profit after tax, but will be a non-operating charge and therefore will be excluded from the Group's net operating profit after tax. The breakdown of the impairment charge, including the amount announced on 13 November 2008, is as follows:

	A$m (after tax)	
	4-Feb-09	13-Nov-08
Australian Communities goodwill	80	-
Australian Property Investments and Communities inventory	95	-
UK Communities goodwill	-	172
UK/ US Property Investments and Communities inventory	122	269[2]
Carrying value of strategic investments[1]	-	30
Cost saving initiatives	-	50
Net Gain on Bovis UK Pension Scheme curtailment		(31)
Total adjustment to Statutory Profit after Tax	297	490

The impairment amounts are based on external valuations and an assessment of current sales data and other market information available at the time of this review. Lend Lease will continue to review the carrying value of all tangible and intangible assets on an ongoing basis.

[1] Based on FKP's price of A$1.15.
[2] Inventory write down share of A$99m and Property Investments reduction of A$170m.

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Management Actions

Lend Lease has been pro-actively managing its business to preserve the Group's solid cash generation ability and to position it strongly as the markets recover.

In response to slowing market conditions, Lend Lease announced on 13 November 2008 that a number of cost saving initiatives have been implemented which, based on what has been identified to date, will result in one-off costs in the order of A$50 million after tax. These steps are designed to resize overhead in light of deteriorating market conditions and will continue to be the subject of ongoing review.

Lend Lease's capital position is strong and the Board and management of Lend Lease believe that it is prudent to maintain a healthy balance sheet to ensure that the company is well positioned during a period of turbulent markets. The institutional placement, along with the initiatives announced at the AGM, is focused on maintaining the group's strong financial position and to provide further flexibility to the group in funding its forward commitments over the medium term.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act")) or otherwise. Securities may not be offered or sold in the United States unless the securities have been registered under the U.S. Securities Act or an exemption from registration is available.

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