

Stock Exchange Announcement

Earnings Guidance and Expected Full Year Dividend

- Lend Lease expects to deliver FY08 Net Operating Profit After Tax of A\$447.1 million
- Statutory Profit After Tax expected to reduce to A\$265.4 million through:
 - Adjustment to Carrying Value of Inventory for UK Communities of A\$121.5 million
 - Negative Property Investment Revaluations of A\$60.2 million after tax
- Dividend payout expected to be 69% of Net Operating Profit After Tax
- Full year FY08 dividend expected to be 77 cents per share, in line with the prior year

4 August 2008

Lend Lease Corporation Limited ("Lend Lease") today confirmed that it expects to deliver Net Operating Profit After Tax of A\$447.1 million for the year ended June 2008, subject to completion of final year audit and Board sign-off.

However, in light of continuing difficult market conditions, which could see further pressure on residential sales prices and volumes, Lend Lease has taken the prudent step of writing down the carrying value of Inventory in its UK Communities business, Crosby Lend Lease by A\$121.5 million pre-tax. This will not be tax effected in our financial statements. This will reduce the Group's Statutory Profit After Tax, but is excluded from the expected Net Operating Profit After Tax of A\$447.1 million.

In addition, given continued expansion in retail capitalisation rates, Lend Lease's profit and loss statement will include a reduction in Property Investment Revaluations of A\$60.2 million after tax for the year.

	June 2008 A\$m (est.)	June 2007 A\$m
Net Operating Profit After Tax	447.1	413.7
ATO Interest Received		32.2
Adjustment to Carrying Value of Inventory	(121.5)	
Property Investment Revaluations	(60.2)	51.6
Statutory Profit After Tax	265.4	497.5

Note: Lend Lease's 30% interest in the Bluewater shopping centre in the UK is held as Inventory at its original cost of £250.0 million. Since completion in 1999, Lend Lease's interest in Bluewater increased in value to £647.4 million as at 30 June 2007 as included in the Portfolio Report within the Lend Lease Consolidated Financial Report. The June 2008 valuation has decreased to £570.6 million but this does not impact Lend Lease's profit and loss account or balance sheet.



For the year ended June 2008 the final dividend is expected to be 34 cents per share (subject to Board approval), bringing total dividends for the FY08 year to 77 cents per share, in line with FY07. The expected full year dividend represents a payout ratio of 69% of expected Net Operating Profit After Tax. The dividend is expected to be franked to approximately 45%.

Given continuing volatility in global credit and property markets, it is difficult to give earnings guidance for FY09 with a high degree of confidence. At this stage Lend Lease expects Net Operating Profit After Tax for FY09 to be approximately 10-15% below expected 2008 Net Operating Profit After Tax of A\$447.1 million.

This is expected to include some recycling of capital, although Lend Lease's strong financial position allows it to choose the timing of selling assets. Lend Lease will only recycle capital where an appropriate price for assets can be achieved.

Lend Lease remains in an exceptionally strong financial position. The Group has low gearing, strong positive cashflows and cash on hand in excess of A\$800 million as at 30 June 2008, which provides Lend Lease with significant capacity to fund its investment pipeline and future growth opportunities. The Corporation will continue to focus on creating long term shareholder value by leveraging its strong financial position.

Lend Lease will provide a full trading update at its full year result to be announced on 21 August 2008.

ENDS

Further information:

Sally Cameron
Lend Lease Corporation
Tel: 02 9236 6464