

ASX RELEASE

14 August 2009

LEND LEASE PRIMELIFE – STEPS TO REDUCE DEBT

As part of its continuing business repositioning process, Lend Lease Primelife (LLP) today announced further steps to potentially reduce debt.

LLP Banking Arrangements

As disclosed to the market on 9 June 2009, LLP has been in the process of seeking a waiver from its financiers for a potential breach of the interest cover ratio for the year ended 30 June 2009, arising from movements in asset carrying values. LLP remains in positive discussions with its financiers and is confident that a waiver will be granted.

An agreed position will likely include a reduction in facility limit and a change to a cashflow based interest coverage ratio. LLP will advise the market of the outcome.

Grant of Option over the Retirement Guide Management Rights to PTN

LLP has provided Prime Retirement & Aged Care Property Trust (PTN) with an option to 30 June 2010 to acquire management rights to the Retirement Guide portfolio of 12 Retirement Villages (owned by PTN and managed by LLP) for between \$42.5m - \$45m, subject to performance of the Retirement Guide portfolio in the year to 30 June 2010. LLP will recognise an impairment of \$20m as at 30 June 2009, relating to these management rights. Should this option be exercised, LLP will apply the proceeds to reduce its debt.

As part of the transaction, LLP and PTN have agreed to the settlement and release of a number of disputes and claims between the parties arising from the Retirement Guide management arrangements.

Rod Fehring, Chief Executive Officer of LLP said “LLP benefits from improved control and elimination of long dated disputes and clarity around debt reduction are all positives. In addition, the ongoing support of our banks and LLC is important as we rebuild the momentum in the business”.

Further details contact:-

John Frey – Cosway Australia Communications - Ph: 0411 361 361
Rod Fehring – LLP – Ph: 0417 118 335

ENDS