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Lend Lease to cut 1700 jobs

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Australia's largest property developer Lend Lease said it will cut 1700 jobs over the next six months, after it posted a loss of almost \$600 million for the first half.

Lend Lease chief executive Steve McCann said the company has been targeting a head count reduction to 10,000, from 12,000, in order to cut costs as market conditions deteriorate.

As of December 31, Lend Lease's head count stood at 11700.

Lend Lease shares were up 13 cents, or 2.65%, to \$5.03 in early afternoon trade.

Mr McCann said most of the jobs would be project-related staff that would not be re-employed.

"Our total work force of over 12,000 people is expected to reduce to just under 10,000," Mr McCann said during a teleconference on Thursday.

"A large part of this is on project related staff where following completion of projects they will simply not redeployed.

"Geographically I'd say about 20% of that is in Australia, the balance is offshore."

Mr McCann said Lend Lease was reducing its head count in response to slowing momentum and volumes.

"The group has implemented a number of cost reduction initiatives to resize some of our overhead in line with current market conditions," he said.

Lend Lease on Thursday posted a net loss of \$596.4 million for the half year ended December 31, compared to net profit of \$250.9 million in the prior corresponding period, after slashing the value of assets amid the global financial crisis.

Excluding those impacts, its net operating net profit was \$185.4 million, down from \$254.1 million.

Lend Lease said it remains on track to achieve full year net operating profit of between \$380 million and \$400 million, representing a 10-15 per cent reduction on the prior financial year.

AAP

This story was found at: <http://business.smh.com.au/business/lend-lease-to-cut-1700-jobs-20090226-8im1.html>

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