

Directors' Report

The Directors present their Report together with the Half Year Consolidated Financial Report of the consolidated entity, being Lend Lease Corporation Limited ('the Company') and its controlled entities including Lend Lease Trust (together referred to as the 'Consolidated Entity' or the 'Group'), for the six months ended 31 December 2009 and the Auditor's Report thereon.

The Company acquired 100% of Lend Lease Trust ('LLT') on 2 October 2009. Following shareholder approval on 12 November 2009 the shares of the Company and the units in LLT were combined as stapled securities. From 13 November 2009 the shares in the Company and units in LLT have been traded as one security under the name of Lend Lease Group on the Australian Securities Exchange ('ASX') and the New Zealand Stock Exchange ('NZX').

1. Directors

The name of each person who has been a Director of the Company between 1 July 2009 and the date of this Report are:

D A Crawford, Chairman	Director since 2001, Chairman since 2003
S B McCann, Managing Director	Managing Director since 2009
P M Colebatch	Director since 2005
G G Edington	Director since 1999
P C Goldmark	Director since 1999
J A Hill	Director since 2006
D J Ryan	Director since 2004
M Selway	Director since 2008 Resigned 10 February 2010

2. Review of Operations and Consolidated Results

A review of operations is included in the Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) section of the Half Year Consolidated Financial Report.

For the six months ended to 31 December 2009, the Consolidated Entity reported a profit after tax of A\$204.9 million attributable to Lend Lease security holders compared to the loss after tax for the six months ended 31 December 2008 of A\$596.4 million.

In November 2009 the units in LLT were distributed to shareholders of the Company via an 'in specie' dividend of A\$0.5 million.

A 100% franked interim distribution of A\$92.2 million (December 2008: A\$113.5 million, 60% franked) has been approved by the Directors. The interim distribution of 20 cents per security will be paid on 31 March 2010 (December 2008: 25 cents per security paid on 1 April 2009).

3. Events Subsequent to Balance Date

The Lend Lease Group plans to undertake an equity raising via a Single-bookbuild Accelerated Renounceable Entitlement Offer ('SAREO') commencing 25 February 2010 and concluding 24 March 2010. The offer will be fully underwritten.

All new securities issued will be fully paid and rank equally with existing Lend Lease Group securities on issue, except that they will not be eligible for an interim distribution declared in respect of the period ended 31 December 2009. The Lend Lease Group expects to raise gross proceeds of A\$800.0 million through this offer.

4. Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The Lead Auditor's Independence Declaration is set out on page 2 and forms part of the Directors' Report for the six months ended 31 December 2009.

5. Rounding Off

Lend Lease is a company of the kind referred to in the Australian Securities and Investments Commission Class Order 98/100 dated 10 July 1998 and, in accordance with that class order, amounts in the Consolidated Financial Report have been rounded off to the nearest tenth of a million dollars or, where the amount is A\$50,000 or less, zero, unless specifically stated otherwise.

This Report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



D A Crawford, AO
Chairman



S B McCann
Managing Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Lend Lease Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature of the KPMG firm, written in black ink.

KPMG

A handwritten signature of C Hall, written in black ink.

C Hall
Partner

Sydney, 25 February 2010