

Directors' Report

The Directors present their Report together with the Half Year Consolidated Financial Report of the consolidated entity, being Lend Lease Corporation Limited and its subsidiaries ('Lend Lease'), for the six months ended 31 December 2008 and the Auditor's Report thereon.

1. Directors

The name of each person who has been a Director of Lend Lease between 1 July 2008 and the date of this Report are:

D A Crawford, Chairman	Director since 2001, Chairman since 2003
G A Clarke, Managing Director	Managing Director since 2002
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 June 2008
R H Taylor	Resigned October 2008

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 to 31 December 2008, Lend Lease reported a loss after tax of A\$596.4 million compared to the profit after tax for the six months ended 31 December 2007 of A\$250.9 million.

A 60% franked interim dividend of A\$113.5 million (December 2007: A\$172.5 million, 40% franked) has been approved by the Directors. The interim dividend of 25 cents per share will be paid on 1 April 2009 (December 2007: 43 cents per share paid on 26 March 2008).

3. 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 2008.

4. 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.

Sydney, 26 February 2009



D A Crawford
Chairman



G A Clarke
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 2008 there have been:

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

KPMG

Chris Hall
Partner

Sydney

26 February 2009