Lend Lease

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ASX Limited

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Results for announcement to the market
Preliminary Half Report

Lend Lease Group today announces its results for the half year ended 31 December 2009.

Attached are the following documents:

- Preliminary Half Year Report (Appendix 4D)

- Half Year Consolidated Financial Report
  - Management Discussion & Analysis of Financial Condition and Results of Operations
  - Portfolio Report
  - Five Year Profile
  - Directors' Report
  - Consolidated Financial Statements
  - Independent Auditor's Report

ENDS

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Lend Lease

Lend Lease Group

Appendix 4D

Lend Lease Group ('the Group') comprises Lend Lease Corporation Limited ('the Company') ABN 32 000 226 228 and Lend Lease Trust ('LLT') ARSN 128 052 595 the responsible entity of which is Lend Lease Responsible Entity Limited ABN 72 122 883 185

Preliminary Half Year Report for the period ended 31 December 2009
(previous corresponding period being the period ended 31 December 2008)

Results for Announcement to the Market

Key Information

	6 months December 2009 A$m	6 months December 2008 A$m	% Change
Revenue	5,593.3	7,828.6	(28.6)
Profit/(loss) after tax attributable to security holders	204.9	(596.4)	134.4

Stapling of the Company shares and LLT units

Following Company 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 the Trust 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'). LLT was 100% owned by the Company prior to approval of the stapling proposal. Units in LLT were subsequently distributed to Lend Lease Corporation Limited shareholders as an 'in specie' dividend. The Company is deemed to control LLT and therefore LLT is consolidated into the Group's financial report. The issued units of LLT, however, are not owned by the Company and are therefore presented as non controlling interests in the consolidated entity statement of financial position within equity, notwithstanding that the unit holders of LLT are also the shareholders of the Company.

Distributions

	Amount per security	Franked amount per security
Interim distribution – payable 31 March 2010	20.0 cents	20.0 cents
Dividend in specie of LLT units – paid November 2009	0.1 cents	0.1 cents

The record date for determining entitlement to the interim distribution is 11 March 2010 and is payable on 31 March 2010. There were no distributions declared or paid by Lend Lease Trust in the period to 31 December 2009.

The Group's Distribution Reinvestment Plan (DRP) will be suspended for the interim distribution.

The remainder of the information requiring disclosure to comply with listing rule 4.2A.3 is contained in the attached December 2009 Management Discussion and Analysis, December 2009 Half Year Consolidated Financial Report and the additional information section below.

Additional Information

	December 2009	December 2008[1]
Net tangible assets per security	$3.99	$4.68

1 December 2008 net tangible assets per security of $4.96 has been adjusted to $4.68 to reflect the impact of adopting AASB 12 'Service Concession Arrangements'.

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A)

Table of Contents

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A)

All currency amounts in the MD&A are expressed in Australian dollars unless otherwise specified. The following discussion and analysis is based on the Lend Lease Group (the Group) Consolidated Financial Statements for the half year ended 31 December 2009 and should be read in conjunction with those financial statements.

Overview

Introduction

The Group has five lines of business that operate in three geographic regions: Asia Pacific, Europe and the Americas.

- The Retail business comprises retail property management, asset management and development. This business also includes the Group's ownership interests in direct property investments, including those held via limited partnerships;
- The Communities business is involved in the development of large scale master-planned urban communities, inner city mixed use developments, apartments and the retirement sector;
- The Public Private Partnerships (PPP) business manages and invests equity in large PPP projects;
- Investment Management provides real estate investment management services. Investment Management includes the Group's ownership interests in property investments held indirectly through investments in Lend Lease managed funds;
- Project Management and Construction provides construction, project management and design services through Bovis Lend Lease.

Results Summary

	Revenue		EBITDA		Profit/(Loss) After Tax[1]	
	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m
Retail	57.4	69.6	45.2	51.7	31.5	37.4
Communities	363.4	215.5	104.3	55.7	71.4	71.1
Public Private Partnerships	589.3	712.7	55.1	25.0	49.5	30.8
Investment Management	27.9	36.8	18.5	25.8	12.4	20.9
Project Management and Construction	4,529.0	6,754.2	90.6	131.3	55.9	88.1
Total operating businesses	5,567.0	7,788.8	313.7	289.5	220.7	248.3
Group Services	7.5	11.3	(31.9)	(42.1)	(24.6)	(39.0)
Group Treasury	18.8	28.5	2.0	(12.9)	(5.9)	(22.4)
Group Amortisation					(2.3)	(1.5)
Total corporate	26.3	39.8	(29.9)	(55.0)	(32.8)	(62.9)
Total operating	5,593.3	7,828.6	283.8	234.5	187.9	185.4
Property investment revaluations			26.1	(216.3)	17.0	(169.6)
Other asset impairments				(652.6)		(593.6)
Savings implementation costs				(70.4)		(48.9)
Net gain on Bovis UK pension scheme curtailment				42.0		30.3
Total statutory	5,593.3	7,828.6	309.9	(662.8)	204.9	(596.4)

1 Profit/(loss) after tax is after adjusting for the profit attributable to minority interests of A$1.6 million (December 2008: A$6.0 million loss after tax).

The Group's statutory profit after tax for the half year ended 31 December 2009 increased to A$204.9 million from a loss after tax of A$596.4 million for the prior period, which included a number of net write-downs and charges.

Operating profit after tax for the half year ended 31 December 2009 of A$187.9 million is broadly in line with the prior period. Operating profit after tax was negatively impacted by foreign exchange movements of A$17.0 million due to the strengthening of the Australian dollar.

The Group recognised net property investment revaluations of A$17.0 million profit after tax (December 2008: a loss after tax of A$169.6 million).

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Overview continued

Results Summary continued

The difficult economic environment, particularly in the construction sector, impacted on the Group's operating results for the period. The Group, however, is well positioned for future growth, securing a number of significant projects in the period, including:

- Being selected by the Barangaroo Delivery Authority (BDA) on behalf of the New South Wales Government as Developer for Stage 1 of Barangaroo, the largest central business district (CBD) development in the history of Sydney with an end value of approximately A$6.0 billion;
- A consortium led by Lend Lease being appointed preferred bidder to acquire the 14 assets of the A$1.4 billion ING Retail Property Fund;
- Agreeing Heads of Terms with the London Borough of Southwark for the circa £1.5 billion regeneration of Elephant and Castle, in the United Kingdom (UK);
- Launching a new wholesale fund, Lend Lease Real Estate Partners 3 (REP3), after receiving A$250.0 million in commitments from investors. The Fund is part of the consortium that has been announced as the preferred bidder for the ING Retail Property Fund;
- Subsequent to balance date, on 20 January 2010, Lend Lease was selected as preferred proponent by the Western Australian Government for the first stage of the 710-hectare Alkimos Community development.

These transactions continue to build upon the Group's strategic model of investing alongside third party capital partners.

Additionally, the Group consolidated its position in the retirement sector with the acquisition of the remaining 56.8% interest in Lend Lease Primelife (Primelife) and the purchase of nine aged care facilities and four retirement villages from Prime Retirement and Aged Care Property Trust (Prime Trust).

Following shareholder approval on 12 November 2009 the shares of the Company and the units in Lend Lease Trust (LLT) were combined as stapled securities. From 13 November 2009 the shares in the Company and units in the Trust have been traded as one security under the name of Lend Lease Group on the Australian Securities Exchange and the New Zealand Stock Exchange. LLT was 100% owned by the Company prior to approval of the stapling proposal. Units in LLT were subsequently distributed to Lend Lease Corporation Limited shareholders as an 'in specie' dividend. The Company is deemed to control LLT and therefore LLT is consolidated into the Group's financial report. The Trust held assets of A$0.5 million as at 31 December 2009.

Operating Profit After Tax

The Retail business operating profit after tax, although lower than the prior period, has remained relatively robust due to development fees received and the relatively stable income flow from its investments.

The Communities business operating profit after tax in Asia Pacific declined, as the prior period included the sale of the Group's interest in seven retirement villages and an aged care facility to Primelife. Residential markets in Australia and the UK improved, resulting in higher settlements compared to the prior period. In addition, the Communities business in Europe completed the sale of the share capital in Meridian Delta Dome Limited for a consideration of A$22.2 million.

The increase in operating profit after tax for the PPP business is largely attributable to the UK PPP business, where operating profit after tax increased with the sale of the Group's interest in the Queen's Hospital, Romford, for a consideration of A$43.2 million. In the United States (US), Actus Lend Lease (Actus) achieved financial close on Phase 1 of the Privatised Army Lodging project.

The contribution to operating profit after tax from Investment Management was lower principally due to reduced funds management fees.

Project Management and Construction operating profit after tax decreased, reflecting the significant slowdown in construction markets, particularly in the US, Europe and the Middle East. The result also includes additional restructure costs resulting from cost savings initiatives implemented in response to the slowdown in construction markets, costs in relation to the New York investigations and a provision against debtor exposures in the Middle East. This has been partially offset by the strong performance of the Australian business.

Group Services costs decreased due to cost reductions in Corporation and Lend Lease Ventures and reduced losses in the Group's captive insurance vehicle.

Group Treasury costs decreased due to the £350.0 million UK syndicated bank facility being drawn to a lower amount in the period compared with the prior period and lower hedge costs.

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Overview continued

Shareholder Returns

		December 2009	December 2008
Earnings per security (EPS) on statutory profit/(loss) after tax[1]	cents	44.6	(148.2)
EPS on operating profit after tax[1]	cents	40.9	46.1
Return on equity (ROE) on statutory profit/(loss) after tax[2]	%	8.2	(21.7)

1 EPS is calculated using the weighted average number of securities on issue including treasury securities. Under the Australian Accounting Standards, securities held in employee benefit vehicles, including employee security plans, which Lend Lease sponsors, are treated as treasury securities and are excluded from the calculation. This would have the effect of increasing the EPS calculations above if applied.
2 ROE is calculated based on statutory profit/(loss) after tax for the half year ended 31 December 2009 and average equity as at 31 December 2009.

Distributions

An interim 100% franked dividend of 20 cents per security will be paid on 31 March 2010 (December 2008: 25 cents per share 60% franked). This represents a payout ratio of 49% of operating profit after tax for the half year ended 31 December 2009. The distribution per security excludes the 'in specie' dividend of A$0.5 million following the stapling of LLT units to shares in the Company in November 2009.

Group Debt

		December 2009	June 2009
Net debt[1]	A$m	749.9	195.8
Gross borrowings to total tangible assets[2]	%	18.9	16.9
Net debt to total tangible assets, less cash[3]	%	9.2	2.9
Interest coverage[4]	times	10.2	5.2

1 Net debt is borrowings, including other non current financial liabilities, less cash.
2 Calculated as borrowings, including other non current financial liabilities, divided by total tangible assets.
3 Calculated as net debt divided by total tangible assets, less cash.
4 Calculated as operating EBITDA plus interest income divided by interest finance costs, including capitalised finance costs.

The Group's net debt at 31 December 2009 was A$749.9 million, including other non current financial liabilities of A$168.9 million. The Group's net debt includes the A$570.0 million committed club facility maturing in December 2011, which was used to fund the Primelife acquisition.

The Group's gearing has increased due to the A$570.0 million committed club facility being fully drawn at 31 December 2009.

Interest coverage at 10.2 times is significantly in excess of the Group's banking covenant thresholds.

The Group is in a strong liquidity position with cash and cash equivalents of A$967.5 million at 31 December 2009. In addition, the Group had un-drawn committed bank facilities of A$536.8 million.

The average maturity of Lend Lease's drawn debt at 31 December 2009 was six years, with the earliest maturity date being November 2010.

At 31 December 2009, the mix of borrowings, adjusted for interest rate swaps and including other non current financial liabilities, was 60% at fixed rates and 40% at floating rates.

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Overview continued

Cash Flow

	December 2009 A$m	December 2008 A$m
Net cash provided by operating activities	107.3	195.0
Net cash used in investing activities	(263.7)	(277.9)
Net cash provided by financing activities	81.2	709.2
Effect of foreign exchange rate movements on cash and cash equivalents	(78.1)	94.2
Net (decrease)/increase in cash and cash equivalents	**(153.3)**	**720.5**

Operating cash inflows of A$107.3 million represent the underlying cash flows from the Group's operating businesses net of continued investment in property developments.

Investing cash outflows of A$263.7 million includes the acquisition of the remaining 56.8% interest in Primelife for a consideration of A$170.1 million and the purchase of nine aged care facilities and four retirement villages from Prime Trust for a consideration of A$82.6 million.

Financing cash inflows of A$81.2 million include the A$570.0 million committed club facility, which was fully drawn at 31 December 2009, partially offset by the repayment of borrowings on the acquisition of Primelife of A$445.6 million and distribution payments of A$38.3 million.

Investments

	Region	Lend Lease Share of Income[1] December 2009 A$m	Lend Lease Share of Income[1] December 2008 A$m	Market Value[2] December 2009 A$m	Market Value[2] June 2009 A$m
Retail					
Bluewater	UK	20.6	30.0	764.5	814.3
King of Prussia	US	14.1	16.7	367.4	427.0
Other retail investments	Various	3.3	2.2	238.0	222.8
Total		**38.0**	**48.9**	**1,369.9**	**1,464.1**
Investment Management					
Other retail investments	Various	11.4	13.1	428.9	432.7
Other investments	Various	3.4	0.6	70.6	72.9
Total		**14.8**	**13.7**	**499.5**	**505.6**
Total investments		**52.8**	**62.6**	**1,869.4**	**1,969.7**

1 Represents Lend Lease's share of income before tax from investments net of direct expenses and allocated overhead, excluding property investment revaluations. There are no gains or losses on the disposal or redemption of available for sale financial assets included in Lend Lease's share of income for the half year ended 31 December 2009 (December 2008: nil).
2 Market value is based on independent valuations and is net of project specific debt.

Lend Lease held property investments, directly or indirectly, with a market value of A$1.9 billion at 31 December 2009. The market value of investments in local currency increased by A$106.9 million, however the value in Australian dollars was reduced by A$207.2 million due to exchange rate movements.

During the period, the Group's interest in property investments generated investment income EBITDA of A$52.8 million (December 2008: A$62.6 million).

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Overview continued

Investments continued

Retail

The independent market value of 100% of Bluewater at 31 December 2009 increased by 7% to £1,427.0 million (A$2,548.2 million). However the value of Lend Lease's 30% direct interest in Australian dollars decreased to A$764.5 million, due to negative foreign exchange movements. As Bluewater is held as inventory, the asset is recorded at cost in the financial statements, which at 31 December 2009 was A$444.2 million (June 2009: A$506.2 million).

The value of Lend Lease's 50% interest in King of Prussia decreased slightly to US$341.7 million (June 2009: US$345.9 million), although the Australian dollar equivalent value decreased by 14% due to a negative foreign exchange movement.

Other retail investments have increased by A$15.2 million to A$238.0 million, principally due to an increase in the valuation of 313@somerset of A$35.0 million, offset by negative foreign exchange movements.

Investment Management

Other retail investments decreased by A$3.8 million to A$428.9 million principally due to negative foreign exchange movements, offsetting an increase in valuation, principally on Lend Lease Asian Retail Investment Fund (ARIF) and Asia Pacific Investment Company No. 2 Limited.

Other investments remained broadly in line with the prior period at A$70.6 million.

Property Investment Revaluations

	Unrealised Revaluation Gain/(Loss) Before Tax December 2009 A$m	Unrealised Revaluation Gain/(Loss) Before Tax December 2008 A$m	Unrealised Revaluation Gain/(Loss) After Tax December 2009 A$m	Unrealised Revaluation Gain/(Loss) After Tax December 2008 A$m
Retail				
Australia	(1.8)	(1.3)	(1.8)	(1.3)
Asia	35.0		24.5	
Europe	0.2	(115.0)	(0.6)	(106.7)
Americas	(8.4)	(76.4)	(4.9)	(44.7)
Total	25.0	(192.7)	17.2	(152.7)
Communities				
Europe	(3.8)		(3.8)	
Total	(3.8)	-	(3.8)	-
Investment Management				
Australia	(3.3)		(3.0)	
Asia	5.3	(0.7)	3.7	(0.5)
Europe	2.9	(22.9)	2.9	(16.4)
Total	4.9	(23.6)	3.6	(16.9)
Total property investment revaluations	26.1	(216.3)	17.0	(169.6)

Subsequent Events

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.

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Retail

Overview of Business

Lend Lease's strategy is to focus on shopping centres with expansion potential in growing catchment areas. This business strategy is designed to secure integrated positions, which play to the Group's core skills and involve all components of the property value chain (ownership, development, construction and property management).

Key Financial Results

The key financial results for the Retail business are summarised below.

	Revenue		EBITDA		Profit/(Loss) After Tax	
	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m
Property Management						
Asia Pacific	23.1	20.7	10.4	5.8	7.8	4.0
Europe	7.7	10.9	(3.2)	(3.0)	(3.1)	(2.7)
Total	30.8	31.6	7.2	2.8	4.7	1.3
Investment Income						
Asia Pacific	0.6	0.6	0.9	0.2	0.6	0.1
Europe	26.0	37.4	23.0	32.0	15.2	22.2
Americas			14.1	16.7	11.0	13.8
Total	26.6	38.0	38.0	48.9	26.8	36.1
Total Operating						
Asia Pacific	23.7	21.3	11.3	6.0	8.4	4.1
Europe	33.7	48.3	19.8	29.0	12.1	19.5
Americas			14.1	16.7	11.0	13.8
Total operating	57.4	69.6	45.2	51.7	31.5	37.4
Property Investment Revaluations						
Asia Pacific			33.2	(1.3)	22.7	(1.3)
Europe			0.2	(115.0)	(0.6)	(106.7)
Americas			(8.4)	(76.4)	(4.9)	(44.7)
Total	-	-	25.0	(192.7)	17.2	(152.7)

Total operating profit after tax decreased by A$5.9 million from the prior period, including negative foreign exchange movements of A$4.4 million. The Group's retail property investment revaluations included the revaluation increase on 313@somerset of A$24.5 million after tax. The valuations on other retail assets remained relatively stable.

Retail – Asia Pacific

Operating profit after tax increased by A$4.3 million to A$8.4 million due to increased fees from development projects and reduced overheads.

In Asia Pacific, Lend Lease holds a direct ownership interest in one development opportunity and three operating retail centres. The business is currently undertaking master-planning and development management of four centres in Australia and one in Asia. In addition, the business carries out the property management of nine centres in Australia and three in Asia, with a total gross lettable area of 647,800 square metres (sqm).

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Retail continued

Retail – Asia Pacific continued

Key trading events in the period include:

- Completion of the 313@somerset retail development in Singapore. The first stage of the retail centre commenced trading in December 2009 and was fully leased on opening. Lend Lease has a 25% direct ownership interest in the centre, with the remaining 75% held by ARIF, in which Lend Lease holds a 10.1% interest. The centre was independently valued at S$1.2 billion (A$891.5 million) in December 2009. This has resulted in an investment revaluation increase of A$35.0 million before tax being recognised in the income statement on the Group's direct ownership interest and A$10.6 million before tax being recognised in the Fair Value Revaluation Reserve in relation to the Group's interest in ARIF;
- Completion of the Caroline Springs retail development in Western Melbourne. The Lend Lease Core Plus Fund holds a 50% interest in the retail development and Australian Prime Property Fund (APPF) Retail holds the remaining 50% interest;
- Construction and pre-leasing progressing at the 420 George Street retail and commercial development in the Sydney CBD. APPF Retail holds a 25% interest in the retail development and APPF Commercial holds a 25% interest in the office development, alongside an external owner who holds the remaining 75%. Completion of this development is expected in 2011;
- In December 2009, a consortium including Lend Lease managed funds was appointed preferred bidder to acquire the 14 assets comprising the A$1.4 billion ING Retail Property Fund. On completion of this acquisition, the Retail business will take responsibility for the management of a number of these assets. Lend Lease expects to contribute approximately A$200.0 million of the capital required for the transaction.

Retail – Europe

Operating profit after tax of A$12.1 million declined by A$7.4 million compared with the prior period, due to a decrease in retail investment income and property management fees.

In Europe, Lend Lease's Retail business includes an ownership interest in five retail centres in the UK. The business has development opportunities at three of these centres. Given current economic conditions, capital expenditure has largely been deferred. The business also carries out the asset management of five centres with a total gross lettable area of 341,300 sqm.

Key trading events in the period include:

- The Preston Tithebarn development, a 50% joint venture with Grosvenor Estates, secured a resolution to grant planning permission on 14 July 2009. However this decision was called in for review by the UK Government on 17 September 2009. On 5 October 2009 Grosvenor advised that they are seeking to exit the joint venture. Lend Lease has not committed significant capital to this project and the strategy to progress the scheme is under discussion with Preston City Council;
- The market value of the Group's UK retail investments in local currency has increased by £30.6 million principally due to lower capitalisation rates across the portfolio.

Retail – Americas

In the Americas, Lend Lease's retail business comprises a 50% ownership interest in the partnership that owns the King of Prussia Mall in Pennsylvania. Lend Lease's share of operating income in US dollar terms is in line with the prior period.

The value of Lend Lease's 50% interest in King of Prussia was largely unchanged from June 2009 at US$341.7 million (June 2009: US$345.9 million). The Australian dollar equivalent value decreased by 14% to A$367.4 million (June 2009: A$427.0 million), mainly due to negative foreign exchange movements.

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Communities

Overview of Business

The Communities business is involved in the development of large scale master-planned urban communities, inner city mixed use developments, apartments and the retirement sector. The Lend Lease business model includes land sourcing, master-planning and design, product development and marketing. The scale and scope of development positions ensure earnings are derived from a diverse range of projects. This diversity reduces the portfolio risk and also generates product for both the Investment Management and Project Management and Construction businesses.

Key Financial Results

The key financial results for the Communities business are summarised below.

	Revenue		EBITDA		Profit/(Loss) After Tax	
	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m
Asia Pacific	267.2	175.2	63.2	66.0	43.3	75.6
Europe	96.2	40.3	40.8	(5.6)	28.0	(1.6)
Americas			0.3	(4.7)	0.1	(2.9)
Total operating	363.4	215.5	104.3	55.7	71.4	71.1

Total operating profit after tax remains in line with the prior period, however the regional contribution has changed. In the prior period, the Asia Pacific Communities business included the profit from the sale of its interest in seven retirement villages and an aged care facility to Primelife for a consideration of A$133.4 million. In the current period, the Europe business includes the sale of the share capital in Meridian Delta Dome Limited for a consideration of A$22.2 million.

Trading conditions have improved in both the Australian and UK markets, as evidenced by increased settlements in the period.

The Asia Pacific business completed the acquisition of the remaining 56.8% interest in Primelife, effective 15 December 2009, for a consideration of A$170.1 million. Additionally, on acquisition, the Primelife borrowings of A$445.6 million were repaid. The business also purchased nine aged care facilities and four retirement villages from Prime Trust for a consideration of A$82.6 million in August 2009.

Communities – Asia Pacific

The key financial results for Communities – Asia Pacific are detailed below.

	December 2009	December 2008
Operating profit after tax (A$m)	43.3	75.6
Number of units settled[1,3]	1,373	1,096
Gross sales value of units settled (A$m)[1,2,3]	389.1	469.8
Gross sales value of pre-sales (A$m)[1,4]	500.2	581.0
	December 2009	**June 2009[5]**
Number of development projects	33	31
Number of retirement villages[6]	70	69
Number of aged care facilities[6]	33	33
Backlog (number of units)[7]		
– Zoned (with planning approval)	25,170	26,375
– Retirement villages (with planning approval)	1,535	1,145
– Unzoned (awaiting planning approvals)	58,965	58,005
Backlog – Residential (units)	85,670	85,525
Backlog – Commercial (sqm/000s)	3,743.2	3,478.7

1 Includes 100% of joint venture projects and therefore will not necessarily correlate with Lend Lease's profit after tax.
2 Gross sales value of units settled reflects residential and non-residential revenue from projects and the sale of deferred management fees.
3 The number of units settled (63 units) and gross sales value of units settled (A$26.8 million) in relation to Primelife for the period 1 July 2009 to the date of acquisition are excluded.
4 Pre-sales represent contracts entered into prior to 31 December 2009 that have not settled and therefore do not form part of profit after tax in the current period. These sales are expected to settle in future periods.
5 The June 2009 comparatives have been adjusted to include the number of projects and backlog for Primelife retirement villages. The backlog of 179 Primelife aged care facilities bed licences is excluded.
6 The number of retirement villages and aged care facilities includes owned and managed properties.
7 Backlog includes the total number of units in both Company-owned and joint venture projects. The actual number of units for any particular project can vary as planning applications are obtained.

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Communities continued

Communities – Asia Pacific continued

The Asia Pacific Communities business is focused on building a portfolio of market leading projects and assets in key sectors, including master-planned urban communities through Delfin Lend Lease; apartments through Vivas Lend Lease; integrated mixed-use property developments through Lend Lease Development; and senior living through Primelife and Retirement by Design. The product lines of the Communities business are: residential land lots; residential built-form (including houses, terraces and apartments); commercial (including retail, office, light industrial and social infrastructure); and senior living (including retirement villages, aged care and village operations).

The key financial results of the business by product line are detailed below.

	Residential Land Lots		Residential Built-Form		Commercial[6]		Senior Living		Total	
	December 2009	December 2008	December 2009	December 2008	December 2009	December 2008	December 2009	December 2008	December 2009	December 2008
Settlements[1]										
Number of units[2,4]	1,175	970	162	114			36	12	1,373	1,096
Gross sales value (A$m)[3,4]	222.2	159.2	111.0	123.8	44.2	183.0	11.7	3.8	389.1	469.8
Pre-sales[1,5]										
Number of units	1,180	1,206	209	366			38	1	1,427	1,573
Gross sales value (A$m)	239.1	217.0	216.8	317.9	28.2	45.7	16.1	0.4	500.2	581.0

1 Includes 100% of joint venture projects and therefore will not necessarily correlate with Lend Lease's profit after tax.
2 The number of units settled during the period for Senior Living refers to primary sales (new development sites) and excludes any resales.
3 Gross sales value of units settled reflects residential and non-residential revenue from projects and the sale of deferred management fees.
4 The number of units settled (63 units) and gross sales value of units settled (A$26.8 million) in relation to Primelife for the period 1 July 2009 to the date of acquisition are excluded.
5 Pre-sales number of units represents contracts entered into prior to 31 December 2009 that have not settled and therefore do not form part of profit after tax in the current period. These sales are expected to settle in future periods. The table includes pre-sales at 31 December 2009 relating to Primelife.
6 The number of units settled and pre-sales number of units are not relevant measures for commercial.

Key trading events in the period include:

- Completing the acquisition of the remaining 56.8% interest in Primelife effective 15 December 2009 for a consideration of A$170.1 million. Additionally, on acquisition, the Primelife borrowings of A$445.6 million were repaid;
- Completing the purchase of nine aged care facilities and four retirement villages from Prime Trust for a consideration of A$82.6 million in August 2009;
- Being selected by the BDA on behalf of the New South Wales Government as Developer for Stage 1 of Barangaroo, the largest CBD development in the history of Sydney. With an end value of approximately A$6.0 billion, the project is expected to be completed over the next 10 to 15 years;
- The total number of residential land lots settled increased by 21% to 1,175 units due to improved trading conditions, notably in New South Wales and Queensland and the commencement of trading at Blakes Crossing in South Australia;
- The average sales price per residential land lot increased by 15% from A$164,100 to A$189,100, which reflects strong price growth in Victoria and an increase in the number of sales in New South Wales;
- Residential built-form units settled increased by 48 units to 162 units. The current period includes built-form settlements on The Merchant building at Victoria Harbour, Melbourne; Varsity Lakes, Queensland; Rouse Hill, Sydney; the evolve and Stonecutters buildings at Jacksons Landing, Sydney; and St Patricks estate, Manly, Sydney;
- The average sales price per residential built-form unit decreased by 37% from A$1,086,000 to A$685,200, reflecting the significant proportion of high value evolve apartments at Jacksons Landing being sold in the prior period. Current period settlements included a large proportion of mid market apartments at The Merchant in Victoria Harbour;
- The gross sales value of commercial projects of A$44.2 million is lower than the prior period, which included the sale of seven retirement villages and an aged care facility to Primelife for a consideration of A$133.4 million;
- The number of pre-sales as at 31 December 2009 of 1,427 decreased by 9% on the prior period due to the large volume of pre-sales held as at 31 December 2008 on Stonecutters at Jacksons Landing and The Merchant and Montage at Victoria Harbour which have since settled. This has been partially offset by the inclusion of Primelife pre-sales at 31 December 2009;
- During the period, Senior Living achieved resales of 427 units across the owned and managed retirement village portfolio and at 31 December 2009, held contracts for 70 resales, which will be recognised in the second half of the financial year;

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Communities continued

Communities – Asia Pacific continued

- As at 31 December 2009 the aged care operations of Primelife were 93.4% occupied (June 2009: 94.1%);
- The result includes an A$8.7 million profit after tax resulting from the close out of the Group's equity derivative swap in relation to the FKP Property Group;
- Subsequent to balance date, on 20 January 2010, Lend Lease was announced by the Western Australian Government as preferred proponent for the first stage of the 710-hectare Alkimos Community development. Development of the initial 224-hectare stage is expected to commence in 2011 and will include approximately 2,500 dwellings.

Communities – Europe

In Europe, the Communities business comprises Crosby, an urban regeneration specialist operating in major northern England cities such as Manchester, Leeds and Birmingham, and large scale redevelopment projects at Greenwich, Stratford and Elephant and Castle in London.

The key financial results for Communities – Europe are detailed below.

	December 2009	December 2008
Operating profit/(loss) after tax (A$m)	28.0	(1.6)
Number of units settled[1]	469	71
Gross sales value of units settled (A$m)[1,2]	83.9	20.2
Number of pre-sales[1]	264	299
Gross sales value of pre-sales (A$m)[1,3]	17.0	44.8
	December 2009	June 2009
Number of projects	24	27
Backlog (number of units)[4]		
– Zoned (with planning approval)	12,640	13,115
– Unzoned (awaiting planning approvals)	275	275
Backlog – Residential (units)	12,915	13,390
Backlog – Commercial (sqm/000s)	394.4	410.1

1 Includes 100% of joint venture projects and therefore will not necessarily correlate with Lend Lease's profit after tax.
2 Gross sales value of units settled reflects residential and non-residential revenue from projects.
3 Pre-sales represent contracts entered into prior to 31 December 2009 that have not settled and therefore do not form part of profit after tax in the current period. These sales are expected to settle in future periods.
4 Backlog includes the total number of units in both Company-owned and joint venture projects. The actual number of units for any particular project can vary as planning applications are obtained.

Communities – Europe has 24 projects: the three London-based redevelopment projects at Greenwich, Stratford and Elephant and Castle and 21 Crosby projects. The product lines of the UK business are: residential land lots; residential built-form (including houses, terraces and apartments); and commercial (including retail, office, light industrial and social infrastructure).

Key trading events in the period include:

- The business completed the sale of the share capital in Meridian Delta Dome Limited for a consideration of A$22.2 million;
- The number of units settled increased by 398 units and the gross sales value of units settled increased by A$63.7 million. The sales prices achieved were in excess of the previous written down values;
- Gross sales value of pre-sales has decreased to A$17.0 million as the business reduces the available backlog of stock;
- The Greenwich Peninsula project is a mixed-use development on 59 hectares of land on the Greenwich Peninsula in London. The project will be developed through a combination of land sales to third party developers and direct development with joint venture partners. An office development with a substantial pre-let to Transport for London for 19,400 sqm was completed in July 2009. The Ravensbourne College of Design & Communications is also now under construction;
- In August 2008, Lend Lease was appointed as Development and Construction Manager for the first phase of Stratford City, a mixed-use development on 54 hectares of land with an existing planning consent of 9.4 million square feet. This first phase involves building the Athletes' Village for the London 2012 Olympic and Paralympic Games for the Olympic Delivery Authority;

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Communities continued

Communities – Europe continued

- In July 2007, Lend Lease was appointed as preferred bidder for the development of land at Elephant and Castle. In December 2009 Heads of Terms were agreed between Lend Lease and the London Borough of Southwark (the Council). The Council and Lend Lease have agreed that the current exclusivity arrangement will remain in place to enable both parties to work together to formalise a Regeneration Agreement in 2010. The project is one of the most significant schemes of its type in Europe, comprising over 300,000 sqm of new mixed-use development, together with major infrastructure improvements and a range of enhanced community facilities.

Communities – Americas

In the US, the Communities business focuses on large scale urban greenfield development and regeneration opportunities. The business has one project, Horizon Uptown in Denver, Colorado. The project is expected to be launched in 2012, subject to favourable market conditions.

The key financial results for Communities – Americas are detailed below.

	December 2009	December 2008
Operating profit/(loss) after tax (A$m)	0.1	(2.9)

	December 2009	June 2009
Backlog – Zoned residential (number of units)[1]	3,855	3,855
Backlog – Commercial (sqm/000s)	841.3	841.3

1 The actual number of backlog units for any particular project can vary as planning applications are obtained.

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Public Private Partnerships

Overview of Business

The PPP business consists of Actus in the US, the PPP projects in Europe and the newly established PPP advisory origination business, Capella Capital in Australia.

Key Financial Results

The key financial results for the PPP business are summarised below.

	Revenue		EBITDA		Profit/(Loss) After Tax	
	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m
Americas	526.0	652.2	37.9	29.3	27.2	27.5
Europe	56.0	60.5	18.1	(4.3)	23.2	3.3
Australia	7.3		(0.9)		(0.9)	
Total operating	589.3	712.7	55.1	25.0	49.5	30.8

Total operating profit after tax increased by A$18.7 million from the prior period, including a negative foreign exchange movement of A$8.8 million. The result includes the profit on sale of the Group's 50% interest in the Queen's Hospital, Romford, for a consideration of A$43.2 million.

Public Private Partnerships – Americas

The primary focus of Actus is the Military Housing Privatization Initiative (MHPI) for all branches of the USA Military. Under the MHPI, Actus is selected to own, finance, construct and operate projects for a period of 50 years.

The key financial results for PPP – Americas are detailed below.

	December 2009 A$m	December 2008 A$m
Profit after tax	27.2	27.5
Development gross profit margin (GPM)	12.7	11.7
Construction GPM	27.8	23.5
Asset management GPM	8.2	7.8
Equity returns	1.5	1.6

	December 2009	June 2009
Number of projects[1]	20	20
Backlog (number of units under management)		
– Operational (secured)	41,700	38,500
– Preferred bidder (awarded)	2,350	5,550
Total backlog	44,050	44,050

1 Number of projects includes extensions of existing projects and projects where Lend Lease is preferred bidder.

Key trading events in the period include:

- Increased development fee income due to Phase 1 of the Privatised Army Lodging project reaching financial close in the period. Development fees represent a fee for service and are not at risk from project performance;
- Construction GPM and asset management GPM remain in line with the delivery programme.

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Public Private Partnerships continued

Public Private Partnerships – Americas continued

New Work Secured and Backlog GPM

	New Work Secured GPM December 2009[1] A$m	New Work Secured GPM December 2008[1] A$m	Backlog GPM December 2009[2] A$m	Backlog GPM June 2009[2] A$m
Projects in operational status (secured)	34.3	17.2	338.9	431.0
Projects in preferred bidder status (awarded)[3]	(16.2)	(19.9)	26.6	52.1
Total	18.1	(2.7)	365.5	483.1

1 New Work Secured is the total project GPM to be earned from projects secured during the period, net of margin movements.
2 Backlog GPM disclosed includes ten years backlog from facilities management, even though the contracts run for up to 50 years. Although Backlog GPM is realised over several years, the average foreign exchange rate for the current period has been applied to the closing Backlog GPM balance in its entirety as the average rates for later years cannot be predicted. In local currency the Backlog GPM is US$325.4 million (June 2009: US$352.7 million).
3 Projects in preferred bidder status include the GPM on projects that were awarded preferred bidder status in the period, offset by the GPM transferred from preferred bidder status to operational status following financial close of projects in the period.

Backlog GPM at 31 December 2009 was impacted by a negative movement in foreign exchange of A$87.0 million.

Backlog GPM Realisation

	Period Ending June 2010 %	Year Ending June 2011 %	Post June 2011 %	Total %
Projects in operational status (secured)	11	19	70	100
Projects in preferred bidder status (awarded)	14	21	65	100
Total	11	19	70	100

Public Private Partnerships – Europe

The PPP business in the UK is focused on four sectors: health, education, waste and accommodation. Under PPP schemes, Lend Lease is selected to own, finance, construct and operate projects for a period of up to 40 years. The PPP result includes asset management GPM, facilities management GPM, returns on equity, loan stock interest and net bid costs. The PPP result does not include construction GPM, which is included in Project Management and Construction.

The key financial results for PPP – Europe are detailed below.

	December 2009 A$m	December 2008 A$m
Profit after tax	23.2	3.3
Operating GPM[1]	6.6	7.0
Equity returns[2]	33.3	21.3
New Work Secured[3]	5.4	4.7

	December 2009	June 2009
Number of projects[4]	19	19
Backlog GPM (A$m)[5]	68.8	75.5
Equity		
– Invested (A$m)	147.7	163.3
– Committed (A$m)	52.1	62.9

1 Operating GPM relates to asset and facilities management services provided.
2 Including loan stock interest and the profit before tax from the sale of the Group's 50% interest in the Queen's Hospital, Romford.
3 Relates to secured projects.
4 Number of projects includes projects where Lend Lease is preferred bidder and combines extensions of existing projects.
5 Backlog GPM disclosed includes ten years backlog from facilities management even though PPP contracts run for periods of up to 40 years.

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Public Private Partnerships continued

Public Private Partnerships – Europe continued

Key trading events in the period include:

- Sale of the Group's 50% interest in the Queen's Hospital, Romford for a consideration of A$43.2 million in December 2009;
- An increase in the number of operational assets, with the practical completion and operational handover of the two schools (£34 million) in Phase 2 of the Lancashire Building Schools for the Future (BSF) project and Sheffield University accommodation (£169 million);
- Reaching financial close in August 2009 on the first phase of the £1.2 billion Birmingham BSF project for the City of Birmingham.

Public Private Partnerships – Asia Pacific

In August 2009, the Group established in Australia a PPP advisory origination business, Capella Capital.

Key trading events in the period include:

- The Group made its first PPP equity investment as part of the Pinnacle Education Consortium, reaching financial close on the South Australian New Schools PPP project, which involves the building of six new schools in Adelaide. Lend Lease is a 50% equity investor and is providing financial advisory and transaction management services to the consortium.

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Investment Management

Overview of Business

The Investment Management business has A$8.4 billion (June 2009: A$9.9 billion) of funds under management (FUM). The acquisition of the remaining 56.8% interest in Primelife resulted in an A$1.5 billion reduction in FUM as the underlying Primelife net assets were consolidated at 31 December 2009. The Investment Management business also includes investments held indirectly in property assets with a market value of A$499.5 million (June 2009: A$505.6 million).

Key Financial Results

The key financial results for the Investment Management business are summarised below.

	Revenue[1]		EBITDA		Profit/(Loss) After Tax	
	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m
Funds Management						
Asia Pacific	19.7	27.4	6.1	13.7	4.1	9.8
Europe	1.0	1.5	(3.1)	(1.4)	(4.0)	1.0
Americas			0.7	(0.2)	0.6	(0.1)
Total	20.7	28.9	3.7	12.1	0.7	10.7
Investment Income[2]						
Asia Pacific	6.1	5.8	11.2	8.5	9.1	6.5
Europe	1.1	1.9	3.4	5.0	2.6	3.6
Americas		0.2	0.2	0.2		0.1
Total	7.2	7.9	14.8	13.7	11.7	10.2
Total Operating						
Asia Pacific	25.8	33.2	17.3	22.2	13.2	16.3
Europe	2.1	3.4	0.3	3.6	(1.4)	4.6
Americas		0.2	0.9		0.6	
Total operating	27.9	36.8	18.5	25.8	12.4	20.9
Property Investment Revaluations						
Asia Pacific			2.0	(0.7)	0.7	(0.5)
Europe			2.9	(22.9)	2.9	(16.4)
Total	-	-	4.9	(23.6)	3.6	(16.9)

1 Revenue excludes proceeds received from the sale of investments, redemption of available for sale financial assets and Lend Lease's share of profits from associates and joint ventures accounted for using the equity method.
2 Represents Lend Lease's share of income from investments net of direct expenses and allocated overhead, excluding property investment revaluations. There are no gains or losses on the disposal or redemption of available for sale financial assets for the half year ended 31 December 2009 (December 2008: nil).

Key trading events in the period include:

Asia Pacific

- Profit after tax from Funds Management decreased by A$5.7 million to A$4.1 million primarily due to no performance fees being earned in the period;
- Profit after tax from Investment Income increased by A$2.6 million to A$9.1 million as a result of the final distribution from Asia Pacific Investment Company Limited following the winding up of the fund;
- REP3 was launched in December after receiving A$250 million in commitments from a small group of investors. The fund will have capacity to invest over A$400 million;
- A consortium led by Lend Lease has been appointed preferred bidder to acquire the 14 assets of the A$1.4 billion ING Retail Property Fund. Lend Lease expects to contribute approximately A$200.0 million of capital, with the balance coming from Lend Lease managed funds and third party client mandates.

Europe

- Fund Management loss after tax includes costs relating to the investment in new business opportunities.

Americas

- The profit after tax relates to the continued wind-up of the residual US Real Estate Investment business.

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Investment Management continued

Funds Under Management

	Asia Pacific A$b	Europe A$b	Total December 2009 A$b	Total June 2009 A$b
FUM at the beginning of the financial period	8.5	1.4	9.9	9.3
Foreign exchange movement[1]	(0.1)	(0.3)	(0.4)	0.2
Additions	0.2		0.2	2.1
Reductions	(1.5)		(1.5)	(0.2)
Net revaluations		0.2	0.2	(1.5)
FUM at the end of the financial period[2]	7.1	1.3	8.4	9.9

1 Foreign exchange movement arising from translating opening FUM in local currency between December 2009 and June 2009.
2 FUM represents the gross market value of real estate and other related assets managed on behalf of investors.

FUM decreased by A$1.5 billion from A$9.9 billion to A$8.4 billion during the period.

Asia Pacific FUM decreased by A$1.4 billion primarily due to the acquisition by the Group of the remaining 56.8% interest in Primelife. This reduced FUM by A$1.5 billion as the underlying Primelife net assets were consolidated at 31 December 2009.

Additionally, the APPF series of funds and ARIF completed capital expenditure of A$0.1 billion each.

Upon completion of the ING Retail Property Fund transaction, over A$1.1 billion will be added to FUM.

Europe FUM decreased by A$0.1 billion due to revaluation increases in underlying asset values being offset by foreign exchange movements.

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Project Management and Construction

Key Financial Results

The key financial results for the Project Management and Construction business are summarised below.

	Revenue		Realised GPM		EBITDA		Profit/(Loss) After Tax	
	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m
Asia Pacific	1,626.1	1,499.3	134.6	121.4	104.6	60.0	73.7	40.6
Americas	1,659.7	3,451.9	46.3	120.9	(29.8)	34.4	(19.9)	22.6
Europe	1,243.2	1,803.0	84.5	101.7	15.8	36.9	2.1	24.9
Total operating	4,529.0	6,754.2	265.4	344.0	90.6	131.3	55.9	88.1

Project Management and Construction profit after tax was A$55.9 million, a decrease of A$32.2 million on the prior period. Profit after tax for the period was negatively impacted by foreign exchange movements of A$1.0 million.

Total revenue decreased by A$2.2 billion compared with the prior period, including negative foreign exchange movements of A$0.5 billion. The decrease is primarily due to difficult trading conditions in the Americas and Europe.

Key trading events in the period include:

Asia Pacific

– The Asia Pacific profit after tax of A$73.7 million increased by A$33.1 million compared with the prior period and includes a negative foreign exchange movement of A$1.6 million relating to Asia. Key contributions to GPM in Australia included the ANZ and Myer Head Office buildings in Melbourne, Sydney Water Desalination Pipeline, 420 George Street and Top Ryde shopping centre developments in Sydney. In Asia, the telecommunications rollout in Japan, 313@somerset retail development, Abbott Pharmaceutical plant and REC solar panel plant in Singapore were key contributors during the period.

Americas

– The Americas loss after tax of A$19.9 million is due to a significant weakening in the American market and additional costs in relation to the New York investigations. In response to the slowing momentum, a number of cost reduction initiatives have also been implemented, which have resulted in implementation costs of A$8.1 million after tax being incurred in the period. Key contributions to GPM included the Shire Human Genetic Therapies pharmaceutical facility in Massachusetts and 155 N. Wacker Drive office development in Chicago.

Europe

– The European profit after tax of A$2.1 million has decreased due to difficult trading conditions across Europe and the Middle East, where a provision has been taken against the recovery of certain debtors balances. Profit after tax for the period was also negatively impacted by foreign exchange movements of A$2.5 million. Key contributions to GPM included the Athletes' Village project for the 2012 Olympic and Paralympic Games in London, Peel Media City mixed-use project in Gloucester, St. David's shopping centre development in Cardiff, Cadbury facilities in Poland and the BP Global Alliance project across Europe.

Profitability Ratio

The profitability ratio (defined as EBITDA divided by realised GPM) decreased from 38% to 34%, principally due to the loss in the Americas and the lower profit contribution in Europe, where the profitability ratio decreased to 19% (December 2008: 36%). The significant increase in the profitability ratio in Asia Pacific to 78% (December 2008: 49%) partially offset the reduced profitability of Europe and the Americas.

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Project Management and Construction continued

New Work Secured and Backlog GPM

	New Work Secured GPM December 2009 A$m	New Work Secured GPM December 2008 A$m	Backlog GPM December 2009[1] A$m	Backlog GPM June 2009[1] A$m
Asia Pacific	89.5	170.7	278.4	323.5
Americas	14.5	40.6	81.8	138.5
Europe	69.2	72.1	185.3	228.1
Total	173.2	283.4	545.5	690.1

1 Although Backlog GPM is realised over several years, the average foreign exchange rate for the current period has been applied to the closing Backlog GPM balance in its entirety as the average rates for later years cannot be predicted. In local currency, the Americas Backlog GPM was US$72.8 million (June 2009: US$101.1 million) and the European Backlog GPM was £100.0 million (June 2009: £107.2 million).

New Work Secured is the total project GPM to be earned from projects secured during the period, net of margin movements.

Backlog GPM is the expected GPM to be realised in future financial years from contracts committed at the end of the period. Backlog GPM at 31 December 2009 was impacted by a negative foreign exchange movement of A$52.4 million. The decrease in New Work Secured GPM in the period reflects the economic conditions across all regions resulting in fewer projects being secured. Australia's backlog includes significant Government projects, namely, Gold Coast University Hospital; Royal Children's Hospital, Melbourne; Liverpool Hospital, NSW; Victoria and Catholic Schools Building Education Revolution projects; Brisbane Supreme Court and Sydney Water Capital Works program.

Backlog GPM Realisation

	Period Ending June 2010 %	Year Ending June 2011 %	Post June 2011 %	Total %
Asia Pacific	33	42	25	100
Americas	49	36	15	100
Europe	40	38	22	100
Total	37	40	23	100

As at 31 December 2009, 37% of Bovis Lend Lease Backlog GPM is projected to be realised in the period to June 2010. The proportion of Bovis Lend Lease secured Backlog GPM to be realised beyond 18 months decreased to 23% (December 2008: 27%).

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Corporate

The key financial results for Corporate are summarised below.

	Revenue		EBITDA		Profit/(Loss) After Tax	
	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m
Group Services	7.5	11.3	(31.9)	(42.1)	(24.6)	(39.0)
Group Treasury	18.8	28.5	2.0	(12.9)	(5.9)	(22.4)
Group Amortisation					(2.3)	(1.5)
Total operating	26.3	39.8	(29.9)	(55.0)	(32.8)	(62.9)

Group Services

Group Services costs after tax decreased by A$14.4 million due to cost reductions in Corporation and Lend Lease Ventures and reduced losses in the Group's captive insurance vehicle.

Group Treasury

Group Treasury manages the Group's liquidity, foreign exchange exposures, interest rate risk and debt. The result for the period is detailed in the table below.

	Profit/(Loss) Before Tax		Profit/(Loss) After Tax	
	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m
Interest revenue	18.8	28.5	12.9	21.2
Interest expense and borrowing costs	(31.5)	(49.8)	(20.2)	(34.8)
Net hedge benefit/(cost)	2.0	(12.5)	1.4	(8.8)
Total Group Treasury	(10.7)	(33.8)	(5.9)	(22.4)

Interest Revenue and Expenses

- Interest revenue before tax decreased by A$9.7 million this period, as in the prior period the Group's £350.0 million syndicated bank facility was drawn down and the proceeds placed on deposit. The interest rate on invested cash averaged 2.2% per annum for the period (December 2008: 4.5%);
- Interest expense and borrowing costs before tax decreased by A$18.3 million compared with the prior period. This is mainly due to the Group's £350.0 million syndicated bank facility being drawn to a lower amount during the period and a reduction in the interest cost on the Bluewater lease liability.

Hedging and Foreign Exchange Exposure

- Lend Lease hedges material foreign currency cash flows. Any foreign exchange gains or losses arising on the underlying cash flow or the hedging of business unit cash flows are allocated to the business unit's operating profit;
- Lend Lease uses natural hedging, where possible, to minimise its exposure to movement in foreign currency denominated net assets. The impact of foreign exchange movements on the Group's net assets is accounted for in the Foreign Currency Translation Reserve (FCTR). In the period, the FCTR decreased by A$106.7 million, primarily due to a strengthening of the Australian dollar.

Group Liquidity

- At 31 December 2009, the Group was in a strong liquidity position, with cash and cash equivalents of A$967.5 million and undrawn committed bank facilities of A$536.8 million. The Group's net debt position as at 31 December 2009 was A$749.9 million, including other non current financial liabilities of A$168.9 million;
- The Group's debt includes the A$570.0 million committed club facility maturing in December 2011, which was fully drawn at 31 December 2009 and used to partially fund the Primelife acquisition;
- The average maturity of Lend Lease's drawn debt at 31 December 2009 was six years, with the earliest maturity date being November 2010;
- At 31 December 2009, the mix of borrowings, adjusted for interest rate swaps and including other non current financial liabilities, was 60% at fixed rates and 40% at floating rates.

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Appendix 1

Results Detail

	Revenue		EBITDA		Profit/(Loss) Before Tax[1]		Profit/(Loss) After Tax[2]	
	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m
Retail								
Asia Pacific	23.7	21.3	11.3	6.0	11.1	5.9	8.4	4.1
Europe	33.7	48.3	19.8	29.0	18.3	28.3	12.1	19.5
Americas			14.1	16.7	14.1	16.7	11.0	13.8
Total Retail	57.4	69.6	45.2	51.7	43.5	50.9	31.5	37.4
Communities								
Asia Pacific	267.2	175.2	63.2	66.0	63.2	73.1	43.3	75.6
Europe	96.2	40.3	40.8	(5.6)	39.5	(1.4)	28.0	(1.6)
Americas			0.3	(4.7)	0.2	(4.9)	0.1	(2.9)
Total Communities	363.4	215.5	104.3	55.7	102.9	66.8	71.4	71.1
Public Private Partnerships								
Europe	56.0	60.5	18.1	(4.3)	23.9	3.3	23.2	3.3
Americas	526.0	652.2	37.9	29.3	38.7	31.1	27.2	27.5
Asia Pacific	7.3		(0.9)		(1.0)		(0.9)	
Total Public Private Partnerships	589.3	712.7	55.1	25.0	61.6	34.4	49.5	30.8
Investment Management								
Asia Pacific	25.8	33.2	17.3	22.2	16.7	22.0	13.2	16.3
Europe	2.1	3.4	0.3	3.6	(0.5)	3.6	(1.4)	4.6
Americas		0.2	0.9		0.9		0.6	
Total Investment Management	27.9	36.8	18.5	25.8	17.1	25.6	12.4	20.9
Project Management and Construction								
Asia Pacific	1,626.1	1,499.3	104.6	60.0	103.3	58.7	73.7	40.6
Europe	1,243.2	1,803.0	15.8	36.9	12.8	34.5	2.1	24.9
Americas	1,659.7	3,451.9	(29.8)	34.4	(31.5)	32.1	(19.9)	22.6
Total Project Management and Construction	4,529.0	6,754.2	90.6	131.3	84.6	125.3	55.9	88.1
Total operating businesses	5,567.0	7,788.8	313.7	289.5	309.7	303.0	220.7	248.3
Corporate								
Group Services	7.5	11.3	(31.9)	(42.1)	(33.5)	(43.2)	(24.6)	(39.0)
Group Treasury	18.8	28.5	2.0	(12.9)	(10.7)	(33.8)	(5.9)	(22.4)
Group Amortisation					(2.3)	(1.5)	(2.3)	(1.5)
Total corporate	26.3	39.8	(29.9)	(55.0)	(46.5)	(78.5)	(32.8)	(62.9)
Total operating	5,593.3	7,828.6	283.8	234.5	263.2	224.5	187.9	185.4
Property investment revaluations			26.1	(216.3)	26.1	(216.3)	17.0	(169.6)
Other asset impairments				(652.6)		(652.6)		(593.6)
Savings implementation costs				(70.4)		(70.4)		(48.9)
Net gain on Bovis UK pension scheme curtailment				42.0		42.0		30.3
Total statutory	5,593.3	7,828.6	309.9	(662.8)	289.3	(672.8)	204.9	(596.4)

1 Profit/(loss) before tax is before adjusting for the amount attributable to minority interests.
2 Profit/(loss) after tax is after adjusting for the profit attributable to minority interests of A$1.6 million (December 2008: A$6.0 million loss after tax).

Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) continued

Appendix 2

Operating Results Detail in Local Currency[1]

	Revenue		EBITDA		Profit/(Loss) Before Tax[2]		Profit/(Loss) After Tax[3]	
	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m
Asia Pacific								
Retail	23.7	21.3	11.3	6.0	11.1	5.9	8.4	4.1
Communities	267.2	175.2	63.2	66.0	63.2	73.1	43.3	75.6
Public Private Partnerships	7.3		(0.9)		(1.0)		(0.9)	
Investment Management	25.8	33.2	17.3	22.2	16.7	22.0	13.2	16.3
Project Management and Construction	1,626.1	1,499.3	104.6	60.0	103.3	58.7	73.7	40.6
Group Services and Amortisation	7.5	11.3	(31.9)	(42.1)	(35.8)	(44.7)	(26.9)	(40.5)
Group Treasury	15.8	24.0	1.8	(7.1)	16.6	16.9	12.5	13.6
Total Asia Pacific	1,973.4	1,764.3	165.4	105.0	174.1	131.9	123.3	109.7

	Revenue		EBITDA		Profit/(Loss) Before Tax[2]		Profit/(Loss) After Tax[3]	
	December 2009 £m	December 2008 £m	December 2009 £m	December 2008 £m	December 2009 £m	December 2008 £m	December 2009 £m	December 2008 £m
Europe								
Retail	18.2	21.7	10.7	13.0	9.9	12.7	6.5	8.8
Communities	51.9	18.1	22.0	(2.5)	21.3	(0.6)	15.1	(0.7)
Public Private Partnerships	30.2	27.2	9.8	(1.9)	12.9	1.5	12.5	1.5
Investment Management	1.1	1.5	0.2	1.6	(0.3)	1.6	(0.8)	2.1
Project Management and Construction	671.3	811.4	8.5	16.6	6.9	15.5	1.1	11.2
Group Treasury	0.5	1.6	0.1	(2.6)	(10.8)	(18.2)	(7.5)	(13.2)
Total Great British Pounds	773.2	881.5	51.3	24.2	39.9	12.5	26.9	9.7
Total Australian Dollars[4]	1,431.9	1,959.1	95.0	53.8	73.9	27.9	49.8	21.4

	Revenue		EBITDA		Profit/(Loss) Before Tax[2]		Profit/(Loss) After Tax[3]	
	December 2009 US$m	December 2008 US$m	December 2009 US$m	December 2008 US$m	December 2009 US$m	December 2008 US$m	December 2009 US$m	December 2008 US$m
Americas								
Retail			12.5	12.9	12.5	12.9	9.8	10.6
Communities			0.3	(3.6)	0.2	(3.8)	0.1	(2.2)
Public Private Partnerships	468.1	502.2	33.7	22.5	34.4	23.9	24.2	21.2
Investment Management		0.1	0.8		0.8		0.5	
Project Management and Construction	1,477.1	2,658.0	(26.5)	26.5	(28.0)	24.7	(17.7)	17.4
Group Treasury	2.1	0.7			(6.4)	(7.9)	(3.7)	(5.2)
Total US Dollars	1,947.3	3,161.0	20.8	58.3	13.5	49.8	13.2	41.8
Total Australian Dollars[4]	2,188.0	4,105.2	23.4	75.7	15.2	64.7	14.8	54.3

1 Local currency results exclude foreign exchange movements other than Great British Pounds and US Dollars.
2 Profit/(loss) before tax is before adjusting for the amount attributable to minority interests.
3 Profit/(loss) after tax is after adjusting for the profit attributable to minority interests of A$1.6 million (December 2008: A$6.0 million loss after tax).
4 The foreign exchange rates applied are A$1 = £0.54 (December 2008: A$1 = £0.45) and A$1 = US$0.89 (December 2008: A$1 = US$0.77).

Portfolio Report

Table of Contents

All currency amounts in the Portfolio Report are expressed in Australian dollars unless otherwise specified.

The Portfolio Report is based on the Lend Lease Group Consolidated Financial Statements for the half year ended 31 December 2009 and should be read in conjunction with those financial statements.

Portfolio Report

Investments

Investments Reported in Retail

	Region	Lend Lease Interest %	Lend Lease Share of Income[1] December 2009 A$m	Lend Lease Share of Income[1] December 2008 A$m	Market Value[2] December 2009 A$m	Market Value[2] June 2009 A$m	Indicative Fund Liquidation
Asia Pacific							
Pakenham Place	Australia	25.0	0.4	0.5	10.4	10.8	n/a
Craigieburn	Australia	25.0			10.0	11.3	n/a
PoMo	Asia	25.0	0.3	(0.2)	6.8	7.2	n/a
313@somerset	Asia	25.0[3]	0.2		90.6	56.8	n/a
Other/allocated overhead				(0.1)			
Total Asia Pacific			0.9	0.2	117.8	86.1	
Europe[4]							
Bluewater[5]	UK	30.0	20.6	30.0	764.5	814.3	n/a
Performance Retail Limited Partnership	UK	33.3	1.2	1.9	42.4	48.2	2017
Warrington Retail Limited Partnership[6]	UK	50.0		(1.3)			2017
Chelmsford Meadows Unit Trust[7]	UK	75.0	3.1	4.7	74.3	82.2	n/a
Preston Tithebarn Unit Trust	UK	50.0			3.5	6.3	2019
Other/allocated overhead			(1.9)	(3.3)			
Total Europe			23.0	32.0	884.7	951.0	
Americas[8]							
King of Prussia	USA	50.0	14.1	16.7	367.4	427.0	n/a
Total Americas			14.1	16.7	367.4	427.0	
Total Retail			38.0	48.9	1,369.9	1,464.1	

1 Represents Lend Lease's share of income before tax from investments net of direct expenses and allocated overhead, excluding property investment revaluations.
2 Market value is based on independent valuations and is net of project-specific debt.
3 Lend Lease owns 25% of the 313@somerset retail centre directly, with the remaining 75% held by Lend Lease Asian Retail Investment Fund (ARIF) in which Lend Lease holds a 10.1% interest (reported in Investment Management).
4 The market value of UK assets has been translated at A$1 = £0.56 (June 2009: A$1 = £0.49) and the Lend Lease share of income at A$1 = £0.54 (December 2008: A$1 = £0.45).
5 The independent market value at 31 December 2009 of 100% of Bluewater was £1,427.0 million (A$2,548.2 million). Bluewater is treated as inventory in the financial statements and is therefore reflected at cost, which at 31 December 2009 was A$444.2 million.
6 The market value of the Warrington Retail Limited Partnership net assets were below zero at 31 December 2009 and, as a result, Lend Lease's investment has been written down to nil.
7 The Chelmsford Meadows Unit Trust is consolidated in the financial statements, with 100% of the underlying property asset being recognised as an investment property at a book value of A$99.1 million.
8 The market value of USA assets has been translated at A$1 = US$0.93 (June 2009: A$1 = US$0.81) and the Lend Lease share of income at A$1 = US$0.89 (December 2008: A$1 = US$0.77).

Portfolio Report

Investments continued

Investments Reported in Investment Management

	Region	Lend Lease Interest %	Lend Lease Share of Income[1] December 2009 A$m	Lend Lease Share of Income[1] December 2008 A$m	Market Value[2] December 2009 A$m	Market Value[2] June 2009 A$m	Indicative Fund Liquidation
Asia Pacific							
Australian Prime Property Funds	Australia	Various[3]	5.0	5.1	196.1	199.0	Open ended
Real Estate Partnership Funds[4]	Australia	10.0	(0.4)		5.1	5.6	2011
Lend Lease Core Plus Fund	Australia	10.5	1.1	0.7	42.6	45.2	Open ended
Lend Lease Communities Fund 1	Australia	20.8	(0.3)	(0.5)	9.5	9.8	2012
Asia Pacific Investment Company Limited	Asia		2.6				2010
Asia Pacific Investment Company No. 2 Limited	Asia	21.1	3.2	3.4	105.0	108.8	2012
Lend Lease Asian Retail Investment Fund	Asia	10.1[5]			27.9	18.7	Open ended
Lend Lease International Distressed Debt Fund	Asia	28.0		(0.2)			2010
Total Asia Pacific			11.2	8.5	386.2	387.1	
Europe[6]							
Lend Lease Retail Partnership[7]	UK	3.95	0.9	1.4	41.1	43.5	2011
Lend Lease Overgate Partnership[8]	UK	30.7	2.3	3.2	58.8	62.7	2011
Lend Lease Global Properties, SICAF	Europe	24.8			3.1	2.8	2010
Cohen & Steers, SICAV	Europe		0.2	0.4	10.0	9.2	Open ended
Total Europe			3.4	5.0	113.0	118.2	
Americas							
Other/allocated overhead	USA		0.2	0.2	0.3	0.3	
Total Americas			0.2	0.2	0.3	0.3	
Total Investment Management			14.8	13.7	499.5	505.6	
Total Investments			52.8	62.6	1,869.4	1,969.7	

1 Represents Lend Lease's share of income before tax from investments net of direct expenses and allocated overhead, excluding property investment revaluations. There are no gains or losses on the disposal or redemption of available for sale financial assets in the period ended 31 December 2009.
2 Market value is based on independent valuations and is net of project specific debt.
3 Lend Lease holds varying proportional interests in the Australian Prime Property Funds (APPF).
4 Lend Lease Real Estate Partners 3 (REP3) was launched in December 2009. The above does not reflect Lend Lease's co-investment position in REP3 as no equity was drawn at 31 December 2009.
5 Lend Lease owns 25% of the 313@somerset retail centre directly (reported in Retail), with the remaining 75% held by ARIF. ARIF also acquired a 50% stake in the Setia City Mall development during the period, with the remaining 50% held by an external party. Lend Lease holds a 10.1% interest in ARIF.
6 The market value of UK assets has been translated at A$1 = £0.56 (June 2009: A$1 = £0.49) and the Lend Lease share of income at A$1 = £0.54 (December 2008: A$1 = £0.45).
7 Fund life is periodically extended for four years, unless investors elect otherwise. If fully extended, the Lend Lease Retail Partnership has a 40-year life ending in 2039.
8 In January 2009, investors elected to wind down the Fund over a two year period.

Portfolio Report

Retail

Overview

	Australia		Asia		UK		Total	
	December 2009	June 2009	December 2009	June 2009	December 2009	June 2009	December 2009	June 2009
Asset Management								
Number of centres	9	9	3	2	5	5	17	16
Assets under management (A$m)	4,139.0	4,145.3	1,717.0	877.7	3,480.1	3,693.7	9,336.1	8,716.7
GLA[1] under management (square metres (sqm)/000s)	551.3	533.3	96.5	69.4	341.3	336.7	989.1	939.4
Development Pipeline								
Number of centres	4	6	1	1	3	3	8	10
Current total GLA (sqm/000s)	112.6	179.3			18.7	18.7	131.3	198.0
Gross estimated development cost (A$m)	1,530	1,920	160	830	1,665	1,905	3,355	4,655
Estimated additional GLA (sqm/000s)	158.4	198.0	67.7	28.1	232.7	232.7	458.8	458.8

1 GLA represents the gross lettable area of the centres.

Portfolio Report

Retail continued

Assets Under Management

Shopping Centres	Managed on Behalf of	GLA[1] sqm/000s	Market Value[2] December 2009 A$m	Market Value[2] June 2009 A$m
Asia Pacific				
Cairns Central, Qld	APPF Retail/Other Joint Owners	52.8		
Caneland Central, Qld	APPF Retail	39.3		
Sunshine Plaza, Qld	APPF Retail/Other Joint Owners	73.3		
Erina Fair, NSW	APPF Retail/Other Joint Owners	112.3		
Macarthur Square, NSW	APPF Retail/Other Joint Owners	93.5	4,139.0	4,145.3
Greensborough Plaza, Vic	APPF Retail	58.2		
Caroline Springs Square, Vic	APPF Retail/Lend Lease Core Plus Fund	21.0		
Pakenham Place, Vic	APPF Retail/Lend Lease Corporation	15.8		
Indooroopilly, Qld	Other Owners	85.1		
Parkway Parade, Singapore[3]	Asia Pacific Investment Company No. 2 Limited	52.5	703.0	742.7
313@somerset, Singapore[3]	ARIF/Lend Lease Corporation	27.1	891.5	
PoMo, Singapore[3]	Lend Lease Corporation/Other Joint Owners	16.9	122.5	135.0
Total Asia Pacific		**647.8**	**5,856.0**	**5,023.0**

Shopping Centres	Managed on Behalf of	GLA[1] sqm/000s	Market Value[2] December 2009 £m	Market Value[2] June 2009 £m	Market Value[2] December 2009 A$m	Market Value[2] June 2009 A$m
United Kingdom						
Bluewater, Kent	Lend Lease Retail Partnership/Lend Lease Corporation	158.5	1,427.0	1,330.0	2,548.2	2,714.3
Overgate, Dundee	Lend Lease Overgate Partnership	39.0	107.1	101.5	191.3	207.1
Touchwood, Solihull	Lend Lease Retail Partnership	60.4	219.5	200.0	392.0	408.2
Golden Square, Warrington	Warrington Retail Unit Trust	68.9	139.7	124.7	249.5	254.5
The Meadows, Chelmsford	Chelmsford Meadows Unit Trust	14.5	55.5	53.7	99.1	109.6
Total United Kingdom		**341.3**	**1,948.8**	**1,809.9**	**3,480.1**	**3,693.7**
Total assets under management		**989.1**	**-**	**-**	**9,336.1**	**8,716.7**

1 GLA represents the gross lettable area of the centres.
2 Market value represents Lend Lease's assessment of the value of the underlying assets.
3 Market value for Singapore assets in local currency is S$2,214.9 million (June 2009: S$1,026.9 million).

Portfolio Report

Retail continued

Development Pipeline

Shopping Centres	Managed on Behalf of	Ownership Interest %	Project Status	Estimated Completion Date[1]	Current GLA[2] sqm/000s	Estimated Additional GLA[2,3] sqm/000s		Estimated Gross Development Cost[3] A$m
Asia Pacific								
Australia	Lend Lease Corporation/Lend Lease Managed Funds/Other Joint Owners	Various[4]	Various	2010–2014	112.6	158.4		1,530
Asia	Lend Lease Managed Fund/Other Joint Owners	Various[4]	Under Construction	2012		67.7		160
Total Asia Pacific					**112.6**	**226.1**		**1,690**
Shopping Centres	Managed on Behalf of	Ownership Interest %	Project Status	Estimated Completion Date[1]	Current GLA[2] sqm/000s	Estimated Additional GLA[2,3] sqm/000s	Estimated Gross Development Cost[3] £m	Estimated Gross Development Cost[3] A$m
United Kingdom								
Bluewater Events Venue, Kent	Lend Lease Retail Partnership	31.0	Approved	2010	4.2	6.1	60	110
The Meadows, Chelmsford	Chelmsford Meadows Unit Trust	75.0	Planning	2015	14.5	87.3	430	770
Tithebarn, Preston	Preston Tithebarn Unit Trust	50.0	Planning	2015		139.3	440	785
Total United Kingdom					**18.7**	**232.7**	**930**	**1,665**
Total development pipeline					**131.3**	**458.8**	**–**	**3,355**

1 Estimated completion date represents the financial year in which the development is expected to be completed.
2 GLA represents the gross lettable area of the centres.
3 Estimated additional GLA and gross development cost are dependent on future planning approvals and are subject to commercial feasibility and approvals from joint venture partners.
4 Lend Lease holds an indirect interest in the Australian and Asian development projects through its investments in APPF and ARIF respectively.

Portfolio Report

Communities

Overview

	Asia Pacific		UK		USA		Total	
	December 2009	June 2009[1]	December 2009	June 2009	December 2009	June 2009	December 2009	June 2009
Number of development projects[2]	33	31	24	27	1	1	58	59
Number of retirement villages[3]	70	69					70	69
Number of aged care facilities[3]	33	33					33	33
Backlog[4]								
– Zoned (with planning approvals)	25,170	26,375	12,640	13,115	3,855	3,855	41,665	43,345
– Retirement villages (with planning approvals)	1,535	1,145					1,535	1,145
– Unzoned (awaiting planning approvals)	58,965	58,005	275	275			59,240	58,280
Residential (units)	85,670	85,525	12,915	13,390	3,855	3,855	102,440	102,770
Commercial (sqm/000s)[5]	3,743.2	3,478.7	394.4	410.1	841.3	841.3	4,978.9	4,730.1

1 The June 2009 comparatives have been adjusted to include the number of projects and backlog for Primelife retirement villages. The backlog of 179 for Primelife aged care facilities bed licences is excluded.
2 The number of projects in the UK includes Stratford and Elephant and Castle. Elephant and Castle is still under negotiation so is not included in the backlog metrics above. Stratford is progressing on a fee based arrangement and therefore is excluded from the backlog metrics.
3 The number of retirement villages and aged care facilities includes owned and managed properties.
4 Backlog includes Company-owned, joint venture and managed projects.
5 Represents net developable area of the project site.

Portfolio Report

Communities continued

Communities – Asia Pacific – Project Listing

Project	Location	Ownership Interest	Estimated Completion Date[1]	Total Units[2]	Backlog Land Units[3]	Backlog Built-Form Units[3]	Estimated Commercial Backlog sqm/000s
Zoned Projects							
Woodlands[4]	Qld	Land management	2012	1,400	680	120	
Forest Gardens	Qld	50% JV/Land management	2012	1,570	140		
Varsity Lakes	Qld	Land management	2011	1,825	65	85	29.7
Springfield Lakes	Qld	Land management	2020	10,000	6,820	715	122.1
Hyatt Coolum	Qld	100%	2014	500	210	225	
Twin Waters Residential	Qld	100%	2010	1,765		5	
Bingara Gorge	NSW	Land management	2022	1,165	1,095		97.9
St Marys – Other Precincts	NSW	100%	2018	3,645	3,645		574.9
St Marys – Ropes Crossing[4]	NSW	Land management	2015	1,590	1,285	50	
Nelsons Ridge	NSW	Land management	2015	920	250	335	
Jacksons Landing	NSW	50% JV	2012	1,370		280	15.7
Rouse Hill	NSW	50% JV/Land management	2018	1,930	405	1,055	99.1
St Patricks	NSW	50% JV/Land management	2010	140		60	
Darling Walk	NSW	Development management	2011				64.0
Forde	ACT	25% JV/Land management	2011	1,030	335	90	2.3
Springbank Rise	ACT	50% JV/Land management	2015	1,180	1,180		
Edgewater	Vic	100%	2012	1,145		105	
Subtotal zoned				**31,175**	**16,110**	**3,125**	**1,005.7**

1 Estimated completion date represents the estimated financial year of the last unit settled for masterplanned communities and the construction completion date for apartments.
2 Represents residential and non-residential units and built-form dwellings forecast to be completed by the end of the project.
3 Backlog includes the total number of units in Company-owned, joint venture and managed projects. The actual number of units for any particular project can vary as planning applications are obtained.
4 Projects managed on behalf of the Lend Lease Communities Fund 1. Lend Lease holds a 20.8% co-investment position in the fund.

Portfolio Report

Communities continued

Communities – Asia Pacific – Project Listing continued

Project	Location	Ownership Interest	Estimated Completion Date[1]	Total Units[2]	Backlog Land Units[3]	Backlog Built-Form Units[3]	Estimated Commercial Backlog sqm/000s
Zoned Projects continued							
Craigieburn Town Centre	Vic	100%	2012	380	220	155	
Lakeside at Pakenham[4]	Vic	Land management	2010	2,350	10		
Pakenham Valley	Vic	Land management	2012	575	485	10	43.6
Caroline Springs	Vic	50% JV/Land management	2012	7,480	595	80	23.0
Laurimar	Vic	100%	2014	1,870	1,160		8.0
Victoria Harbour							
– Dock 5	Vic	100%	2010	140			1.6
– Montage	Vic	100%	2010	85		5	
– Merchant Street Retail	Vic	100%	2011				4.0
– Myer	Vic	Development management	2010				29.1
– Uncommitted Other	Vic	Land management	Various	1,840		1,840	85.8
Blakes Crossing	SA	Staged acquisition	2015	1,390	1,120	100	55.7
Mawson Lakes	SA	50% JV/Land management	2011	4,890	130	25	43.7
Total zoned				**52,175**	**19,830**	**5,340**	**1,300.2**

1 Estimated completion date represents the estimated financial year of the last unit settled for masterplanned communities and the construction completion date for apartments.
2 Represents residential and non-residential units and built-form dwellings forecast to be completed by the end of the project.
3 Backlog includes the total number of units in Company-owned, joint venture and managed projects. The actual number of units for any particular project can vary as planning applications are obtained.
4 Projects managed on behalf of the Lend Lease Communities Fund 1. Lend Lease holds a 20.8% co-investment position in the fund.

Portfolio Report

Communities continued

Communities – Asia Pacific – Project Listing continued

Project	Location	Ownership Interest	Total Units[1]	Backlog Land Units[2]	Backlog Built-Form Units[2]	Estimated Commercial Backlog sqm/000s
Unzoned Projects						
Yarrabilba	Qld	Staged acquisition	23,400	20,330	3,070	877.0
Rocky Springs	Qld	Land management	13,000	12,450	550	548.0
RNA Showgrounds	Qld	Land management	1,855		1,855	140.0
Calderwood	NSW	Land management	4,000	4,000		5.0
Barangaroo	NSW	Staged payments[3]	600		600	330.0
Lockerbie	Vic	Staged acquisition	13,000	7,860	5,140	490.0
Armadale	Vic	50% JV	360		360	
Gawler	SA	100%[4]	2,750	2,750		53.0
Total unzoned			**58,965**	**47,390**	**11,575**	**2,443.0**
Total			**111,140**	**67,220**	**16,915**	**3,743.2**

1 Represents residential and non-residential units and built-form dwellings forecast to be completed by the end of the project.
2 Backlog includes the total number of units in Company-owned and joint venture projects. The actual number of units for any particular project can vary as planning applications are obtained.
3 Development rights secured via a series of payments over eight years phased so as to coincide with the proposed development timetable, in addition to a value share arrangement over the life of the project.
4 Acquisition subject to rezoning.

Portfolio Report

Communities continued

Senior Living – Project Listing

Project	Location	Estimated completion date[1]	Total Units	Backlog Units[2]
Projects Under Development				
The Terraces	Qld	2010	85	10
The Lakes	Qld	2013	335	40
Coastal Waters	NSW	2019	325	240
Morpeth	NSW	2018	225	225
Nelson's Grove	NSW	2015	170	160
Rochford Place	NSW	2013	145	125
Abervale[3]	Vic	2011	245	10
Caesia Gardens	Vic	2014	140	115
Evelyn Ridge	Vic	2015	130	95
Martha's Point	Vic	2012	125	45
Waterford Park	Vic	2013	145	55
Woodlands Park	Vic	2016	235	165
Elliot Gardens	SA	2012	130	35
Trinity Green	SA	2012	80	55
Parkland Ellenbrook	WA	2015	155	110
Other projects	Various	Various		50
Total development backlog			**2,670**	**1,535**

1 Estimated completion date represents the financial year in which the construction is expected to be completed.
2 Backlog includes the total number of units in Company-owned and managed projects. The actual number of units for any particular project can vary as planning applications are obtained. Senior Living units relate to potential units on existing sites. Total backlog excludes the backlog of 179 aged care facilities bed licences.
3 Managed on behalf of the Lend Lease Core Plus Fund.

Portfolio Report

Communities continued

Senior Living – Project Listing continued

		Owned		Managed/Leased/Other		Total	
Project	Location	Number of Villages	Total Units	Number of Villages	Total Units	Number of Villages	Total Units[1]
Village Management							
	Qld	4	709	11	3,337	15	4,046
	NSW	11	1,699	2	662	13	2,361
	Vic	14	1,666	10	1,377	24	3,043
	SA	4	379			4	379
	WA	9	1,384			9	1,384
	NZ	5	996			5	996
Total Village Management[2]		47	6,833	23	5,376	70	12,209
Aged Care							
	Qld	1	89	1	49	2	138
	NSW	13	1,083			13	1,083
	Vic	14	914	3	173	17	1,087
	SA	1	62			1	62
Total – Aged Care		29	2,148	4	222	33	2,370

1 Total units relates only to completed units under management.
2 Managed villages include those which are currently under development.

Portfolio Report

Communities continued

Communities – Europe – Project Listing

Project	Location	Ownership Interest	Estimated Completion Date[1]	Total Units[2]	Backlog Land Units[3]	Backlog Built-Form Units[3]	Estimated Commercial Backlog sqm/000s
Zoned Projects							
Essex Street	Birmingham	100%	Completed	275		40	0.5
John Bright Street	Birmingham	100%	Completed	190		15	0.8
Honduras Wharf	Birmingham	100%	Completed	125		15	
Honduras Wharf Phase II	Birmingham	100%	2013	100		100	
Alcester Road	Birmingham	100%	2012	50		50	0.2
Bromsgrove Street	Birmingham	100%	2013	45		45	0.2
Unities and Armouries	Birmingham	100%	2014	160		160	0.3
Monkbridge	Leeds	100%	2017	725		725	
Clarence Dock	Leeds	100%	Completed	1,150			9.5
Green Quarter	Manchester	100%	2014	1,380		365	0.9
Potato Wharf Phase I	Manchester	100%	2013	215		135	
Regiment	Manchester	100%	2014	45		45	0.7
Woodfield Road	Altrincham	100%	2012	40		40	
Hungate	York	33%	2017	730		630	8.0
Sheraton Park	Durham	100%	2012	115		115	
Appleton Village	Cheshire	100%	2012	40		40	
Subtotal zoned				**5,385**	**–**	**2,520**	**21.1**

1 Estimated completion date for apartments represents the financial year in which the project construction is expected to be completed.
2 Represents residential and non-residential units and built-form dwellings forecast to be completed by the end of the project.
3 Backlog includes the total number of units in Company-owned and joint venture projects. The actual number of units for any particular project can vary as planning applications are obtained.

Portfolio Report

Communities continued

Communities – Europe – Project Listing continued

Project	Location	Ownership Interest	Estimated Completion Date[1]	Total Units[2]	Backlog Land Units[3]	Backlog Built-Form Units[3]	Estimated Commercial Backlog sqm/000s
Zoned Projects continued							
Sandy Lane	Cheshire	100%	2012	35		35	
Alexandra Road South	Manchester	100%	2010	25		25	
Goose Hill	Morpeth	100%	2012	60		60	0.5
Greenwich Peninsula	London	51%	2030	10,000	5,000	5,000	372.8
Total zoned				15,505	5,000	7,640	394.4
Unzoned Projects							
Gloucester Road	Bath	100%	2012	70		70	
Potato Wharf Phase II	Manchester	100%	2014	205		205	
Total unzoned				275	–	275	–
Total Communities – Europe[4]				15,780	5,000	7,915	394.4

1 Estimated completion date for apartments represents the financial year in which the project construction is expected to be completed.
2 Represents residential and non-residential units and built-form dwellings forecast to be completed by the end of the project.
3 Backlog includes the total number of units in Company-owned and joint venture projects. The actual number of units for any particular project can vary as planning applications are obtained.
4 The number of projects in the UK includes Stratford and Elephant and Castle. Elephant and Castle is still under negotiation so is not included in the backlog metrics above. Stratford is progressing on a fee based arrangement and therefore is excluded from the backlog metrics.

Communities – Americas – Project Listing

Project	Location	Ownership Interest	Estimated Completion Date[1]	Total Units[2]	Backlog Land Units[3]	Backlog Built-Form Units[3]	Estimated Commercial Backlog sqm/000s
Horizon Uptown	Denver	100%	2023	3,855	3,855		841.3
Total Communities – Americas				3,855	3,855	–	841.3

1 Estimated completion date for masterplanned communities represents the estimated financial year of the last unit settled.
2 Represents residential and non-residential units and built-form dwellings forecast to be completed by the end of the project.
3 The actual number of units for any particular project can vary as planning applications are obtained.

Portfolio Report

Public Private Partnerships

Overview

Public Private Partnerships – Americas

	Number of Projects[1]		Estimated Capital Spend[2] US$b		Committed Equity[3] US$m		Units Under Management	
	December 2009	June 2009	December 2009	June 2009	December 2009	June 2009	December 2009	June 2009
Operational (secured)	18	17	5.3	5.0	111.8	109.8	41,700	38,500
Preferred bidder (awarded)	2	3	0.4	0.5			2,350	5,550
Total	20	20	5.7	5.5	111.8	109.8	44,050	44,050

1 Number of projects includes extensions of existing projects and projects where Lend Lease is preferred bidder.
2 Over the initial development period of the project.
3 Includes both invested and committed equity.

Public Private Partnerships – Europe

	Number of Projects[1]		Invested Equity £m		Committed Equity[2] £m		Facilities Management Revenue Backlog[3] £m	
	December 2009	June 2009	December 2009	June 2009	December 2009	June 2009	December 2009	June 2009
Operational (secured)	18	18	82.7	80.0	29.2	30.8	441	410
Preferred bidder (awarded)	1	1						
Total	19	19	82.7	80.0	29.2	30.8	441	410

1 Number of projects combines extensions of existing projects.
2 Committed equity refers to equity and loan stock contributions that Lend Lease has a future commitment to invest.
3 Facilities management revenue backlog disclosed is for 10 years only, although Public Private Partnership (PPP) contracts typically operate for a period of up to 40 years.

Public Private Partnerships – Asia Pacific

	Number of Projects		Invested Equity A$m		Committed Equity[1] A$m		Facilities Management Revenue Backlog A$m	
	December 2009	June 2009	December 2009	June 2009	December 2009	June 2009	December 2009	June 2009
Operational (secured)	1				13.4			
Total	1	-	-	-	13.4	-	-	-

1 Committed equity refers to equity and loan stock contributions that Lend Lease has a future commitment to invest.

Portfolio Report

Public Private Partnerships continued

Public Private Partnerships – Americas – Military Housing – Project Listing

Project	Location	Service	Status	Initial Development Period Years	Actual/ Expected Financial Close Date	Project Term Years	Estimated Capital Spend[1] US$m	Percentage of Construction Completed %	Invested Equity US$m	Committed Equity[2] US$m	Units Under Management
Fort Hood	Texas	Army	Operational	6	Oct–01	50	220	100	6.0		5,700
Tri-Command	South Carolina	Marine Corps	Operational	5	Feb–03	50	140	100	3.3		1,700
Fort Campbell	Kentucky	Army	Operational	6	Dec–03	50	200	100		6.0	4,250
Hickam	Hawaii	Air Force	Operational	6	Feb–05	50	240	88	16.5		1,400
Army RCI	Hawaii	Army	Operational	10	Apr–05	50	1,990	51	8.0		7,900
Fort Drum	New York	Army	Operational	5	May–05	50	225	100		5.0	3,100
Camp Lejeune	North Carolina/ New York	Marine Corps	Operational	5	Oct–05	50	355	89	7.5		3,300
Camp Lejeune Phase 2	North Carolina/ New York	Marine Corps	Operational	5	Nov–06	50	125	35	2.5		1,050
Fort Knox	Kentucky	Army	Operational	8	Feb–07	50	215	40		3.0	2,550
Fort Campbell Additional Scoring	Kentucky	Army	Operational	4	May–07	50	95	71			200
Fort Hood Stage 2	Texas	Army	Operational	5	May–07	50	85	81			200
Air Combat Command Group II	Arizona/ New Mexico	Air Force	Operational	7	Jul–07	50	230	71	11.0		1,850
Fort Drum Unaccompanied Officer Quarters	New York	Army	Operational	2	Jul–07	50	20	100			200
Hickam Phase 2	Hawaii	Air Force	Operational	6	Aug–07	50	415	24		25.5	1,100
Tri-Group	Colorado/ California	Air Force	Operational	6	Sep–07	50	250	51		11.0	1,450
Camp Lejeune Phase 3	North Carolina/ New York	Marine Corps	Operational	6	Nov–07	50	240	15	4.5		2,000
Fort Drum Additional Scoring	New York	Army	Operational	3	Jun–08	50	155	71			550
PAL Group A Phase 1[3]	Various	Army	Operational	2	Aug–09	50	55	4	2.0		3,200
Subtotal PPP – Americas							5,255		61.3	50.5	41,700

1 Over the initial development period of the project.
2 Committed equity represents future equity investments in the projects.
3 PAL Group A Phase 1 involves the renovation of existing hotels and is anticipated to take two years.

Portfolio Report

Public Private Partnerships continued

Public Private Partnerships – Americas – Military Housing – **Project Listing continued**

Project	Location	Service	Status	Initial Development Period Years	Actual/ Expected Financial Close Date	Project Term Years	Estimated Capital Spend[1] US$m	Percentage of Construction Completed %	Invested Equity US$m	Committed Equity[2] US$m	Units Under Management
PAL Group A Phase 2[3]	Various	Army	Preferred bidder	3	Aug–11	50	150				550
Wainwright/Greely[4]	Alaska	Army	Preferred bidder	7	May–10	50	295	28			1,800
Total PPP – Americas							5,700		61.3	50.5	44,050

1 Over the initial development period of the project.
2 Committed equity represents future equity investments in the projects.
3 PAL Group A Phase 2 involves the construction of four new hotels and further renovations on existing hotels.
4 A small design/build scope of work was executed in May 2009, however, financial close with the execution of the full design/build agreement is expected in September 2009.

Portfolio Report

Public Private Partnerships continued

Public Private Partnerships – Europe – Project Listing

Project	Location	Status	Actual/ Expected Financial Close Date	Construction Period Years	Operational Term Years	Estimated Construction Value[1] £m	Percentage of Construction Complete %	Facilities Management Revenue Backlog[2] £m	Invested Equity £m	Committed Equity[3] £m
Healthcare										
Calderdale Hospital	UK	Operational	Jul–98	3	33	87	100	42	6.7	
Worcester Hospital	UK	Operational	Mar–99	3	33	82	100	55	1.1	
Hexham Hospital – Phases 1 and 2	UK	Operational	Apr–01	2	32	29	100	13	0.6	
Burnley Hospital	UK	Operational	Oct–03	3	30	27	100	13	1.0	
Roehampton Hospital	UK	Operational	May–04	2	30	57	100	15	1.7	
Leeds Hospital	UK	Operational	Oct–04	3	33	175	100	38	9.9	
Hexham Hospital – Phase 3	UK	Operational	Jul–06	2	27	24	100	3	1.3	
Manchester Hospital	UK	Operational	Dec–04	5	38	393	100	32	11.3	
Majadahonda Hospital	Spain	Operational	Apr–05	3	30	187	100	5	3.0	
Brescia 2	Italy	Preferred Bidder	Jun-10	5	32	119				
Subtotal						1,180		216	36.6	–

1 Represent total construction value over the contract duration.
2 Facilities management revenue backlog disclosed is for 10 years only, although PPP contracts typically operate for a period of up to 40 years.
3 Committed equity refers to equity and loan stock contributions that Lend Lease has a future commitment to invest.

Portfolio Report

Public Private Partnerships continued

Public Private Partnerships – Europe – Project Listing continued

Project	Location	Status	Actual/ Expected Financial Close Date	Construction Period Years	Operational Term Years	Estimated Construction Value[1] £m	Percentage of Construction Complete %	Facilities Management Revenue Backlog[2] £m	Invested Equity £m	Committed Equity[3] £m
Education										
Newcastle Schools	UK	Operational	Mar–02	2	27	50	100	17	1.8	
Lincoln Schools	UK	Operational	Sep–01	2	31	20	100	10	1.2	
Lilian Baylis School	UK	Operational	Feb–03	2	27	13	100	7	0.8	
Lancashire Schools Phase 1	UK	Operational	Dec–06	2	25	81	100	24	3.1	
Lancashire Schools Phase 2	UK	Operational	Dec–07	2	25	34	93	8	1.6	
Lancashire Schools Phase 2A	UK	Under construction	Jul–08	2	25	59	77	12		2.6
Lancashire Schools Phase 3	UK	Under construction	Jun–09	2	25	69	49	12	1.8	
Cork Maritime College	Ireland	Operational	Feb–03	2	27	30	100	10	2.2	
Birmingham BSF Phase 1	UK	Under construction	Aug–09	3	25	69	19	21	4.8	
Accommodation										
Treasury 1	UK	Operational	May–00	2	37	114	100	38	1.6	
Treasury 2	UK	Operational	Jan–03	2	35	148	100	39	1.9	
Sheffield University	UK	Operational	May–06	4	40	169	100	27	8.3	
Waste										
Lancashire Waste	UK	Under construction	Mar–07	4	25	252	93		17.0	26.6
Total PPP – Europe						**2,288**		**441**	**82.7**	**29.2**

1 Represent total construction value over the contract duration.
2 Facilities management revenue backlog disclosed is for 10 years only, although PPP contracts typically operate for a period of up to 40 years.
3 Committed equity refers to equity and loan stock contributions that Lend Lease has a future commitment to invest.

Portfolio Report

Public Private Partnerships continued

Public Private Partnerships – Asia Pacific

Project	Location	Status	Actual/ Expected Financial Close Date	Construction Period Years	Operational Term Years	Estimated Construction Value[1] A$m	Percentage of Construction Complete %	Facilities Management Revenue Backlog A$m	Invested Equity A$m	Committed Equity[2] A$m
Education										
South Australian New Schools	Adelaide	Under construction	Jul–09	2	30	215	15			13.4
Total						215		-	-	13.4

1 Represent total construction value over the contract duration.
2 Committed equity refers to equity and loan stock contributions that Lend Lease has a future commitment to invest.

Portfolio Report

Investment Management

Funds Under Management (FUM)[1]

Fund	Fund Type	FUM December 2009 £b	FUM June 2009 £b	FUM December 2009 A$b	FUM June 2009 A$b
Asia Pacific					
Australian Prime Property Funds	Core			4.6	4.6
Lend Lease Core Plus Fund	Core Plus			0.5	0.5
Lend Lease Communities Fund 1	Value Add			0.2	0.2
Real Estate Partnership Funds	Enhanced			0.1	0.1
Asia Pacific Investment Company No. 2 Limited	Core Plus			0.8	0.8
Lend Lease Asian Retail Investment Fund	Core/Value Add			0.7	0.6
Managed Investment Mandates	Core/Value Add			0.2	0.2
Lend Lease Primelife[2]	Core Plus				1.5
Total Asia Pacific FUM				7.1	8.5
Europe					
Lend Lease Retail Partnership	Core	0.6	0.5	1.0	1.1
Lend Lease Overgate Partnership	Core	0.1	0.1	0.2	0.2
Chelmsford Meadows Limited Partnership	Value Add	0.1	0.1	0.1	0.1
Total Europe FUM		0.8	0.7	1.3	1.4
Total FUM		-	-	8.4	9.9

1 FUM represents the gross market value of real estate and other related assets managed on behalf of investors.
2 The acquisition of the remaining 56.8% interest in Primelife resulted in an A$1.5 billion reduction in FUM as the underlying Primelife net assets were consolidated at 31 December 2009.

Portfolio Report

Project Management and Construction

Major Projects[1]

Project	Location	Client	Contract Type[2]	Construction Value A$m	Completion Date	Sector	Description
Asia Pacific							
Gold Coast University Hospital	Qld	Queensland Health	GMP	1,277	2013	Healthcare	Manage the design and construction of the new Gold Coast Hospital
Royal Children's Hospital	Vic	Children's Hospital Partnership	GMP	1,072	2015	Healthcare	Redevelopment of hospital
Building Education Revolution (BER) Hunter/ Central Coast and Northern Sydney Region	NSW	NSW Department of Commerce	MC	675	2011	Education	Design and construction of new facilities and refurbishments across 380 primary schools
Commonwealth New Build	ACT	Federal Government	MC	527	2012	Government	50,000 sqm commercial office building
Brisbane Supreme Court	Qld	Queensland Government	GMP	520	2012	Government	Development of a new Supreme Court and District Court building
Top Ryde	NSW	Beville Group	GMP	478	2010	Retail	Redevelopment of shopping centre
Renewable Energy Corporation Plant	Singapore	Fluor Daniel Engineers & Constructors Ltd	CM	435	2010	Industrial	Solar panel plant
Charlestown Square Redevelopment	NSW	The GPT Group	GMP	349	2011	Retail	Redevelopment of shopping centre
Lonza Biologics Expansion	Singapore	Lonza Biologics Singapore – Plant 2	EPCM	348	2010	Pharmaceutical	Biologics facility
Liverpool Hospital	NSW	NSW Government	MC	299	2011	Healthcare	Phase 1 of hospital redevelopment
Sydney Water Desalination Pipeline	NSW	Sydney Water	ALI	289	2010	Water	Pipeline installation
Darling Walk	NSW	Lend Lease Development/Sydney Harbour Foreshore Authority	GMP	286	2011	Commercial	1.5-hectare commercial office space development
Mulwala Ammunition Factory	NSW	Australian Department of Defence	GMP	276	2012	Government	Redevelopment of propellant manufacturing facility
420 George Street	NSW	Fortius Funds Management Pty Limited	GMP	270	2011	Commercial/ Retail	Redevelopment of retail space and new high rise office in Sydney
Catholic BER Schools program	NSW	Catholic Archdiocese of Sydney	MC	264	2011	Education	Project and construction management of the BER program for 110 Catholic schools

1 Disclosure of major projects is subject to client approval. This impacts the number of projects available for disclosure in each region.
2 Contract types are guaranteed maximum price (GMP); managing contractor (MC); construction management (CM); engineering, procurement and construction management (EPCM); and Alliance (ALI).

Portfolio Report

Project Management and Construction continued

Major Projects[1] continued

Project	Location	Client	Contract Type[2]	Construction Value A$m	Completion Date	Sector	Description
Asia Pacific							
313@somerset	Singapore	ARIF/Lend Lease Corporation	GMP	197	2010	Retail	Retail development on Orchard Road
Alcon Singapore Manufacturing	Singapore	Alcon Singapore Manufacturing Pte Ltd	EPCM	181	2011	Pharmaceutical	Ophthalmic pharmaceutical plant
Sydney International Airport	NSW	Sydney Airport Corporation Ltd	MC	172	2010	Transportation	Expansion and refurbishment of terminal
Myer Victoria Harbour	Vic	Lend Lease Corporation/Myer	GMP	143	2010	Commercial	Head office, Victoria Harbour, Melbourne
Department of Education and Training - Science Upgrade	NSW	NSW State Government	MC	108	2011	Education	Managing contractor for the upgrade of 600 science laboratories across 105 schools

1 Disclosure of major projects is subject to client approval. This impacts the number of projects available for disclosure in each region.
2 Contract types are guaranteed maximum price (GMP); engineering, procurement and construction management (EPCM); and managing contractor (MC).

Portfolio Report

Project Management and Construction continued

Major Projects[1] continued

Project	Location	Client	Contract Type[2]	Construction Value US$m	Completion Date	Sector	Description
Americas							
National Sept. 11 Memorial/ Foundation/Port Authority	New York	National Sept. 11 Memorial and Museum at the World Trade Centre site	CM	683	2011	Other	Memorial and museum at the WTC site
Riverside South Building J1	New York	Extell Development Co.	GMP	270	2011	Residential	38 storey residential tower with 286 condominiums
Mt. Sinai School of Medicine	New York	Mount Sinai Hospital & Mount Sinai School of Medicine	CM	264	2012	Healthcare	New 430,000 sq/ft research/clinical facility
North Shore – Long Island Jewish Women's Bedtower Hospital	New York	North Shore – Long Island Jewish Health System	GMP	190	2011	Healthcare	New 290,000 sq/ft women's hospital
UNC Bell Tower Development	North Carolina	University of North Carolina	GMP	178	2012	Education	Joint venture science laboratory, car parking garage and chilled water system
One Museum Park West	Illinois	Enterprise Companies	GMP	167	2010	Residential	53 storey luxury high rise residential building
Shire HGT Project Atlas	Massachusetts	Shire Human Genetic Therapies	CM	158	2010	Pharmaceutical	New disposable biologics manufacturing facility
100 Stuart Street – W Hotel	Massachusetts	Sawyer Enterprises	GMP	143	2010	Mixed Use	26 storey mixed use hotel and condominium building
Museum of African Art	New York	Brickman	GMP	139	2010	Other	Museum with additional residential element
Franklin Square	Maryland	MedStar	GMP	138	2011	Healthcare	Redevelopment of existing hospital
360 Residences	California	MESA Development	GMP	124	2010	Residential	24 storey residential building
NJ Health Environmental Agricultural Lab Facility	New Jersey	NY Department of Environment	GMP	112	2010	Pharmaceutical	Agricultural lab facility
Walton on the Park South	Illinois	Enterprise Companies	GMP	112	2010	Residential	33 storey condominium building
St. Joseph's Hospital	Florida	St. Joseph's – Baptist Healthcare	GMP	109	2010	Healthcare	New full-service hospital with 108 beds
200 Squared	Illinois	Midwest Property Group Ltd.	GMP	98	2011	Mixed Use	42 storey apartment building plus retail

1 Disclosure of major projects is subject to client approval. This impacts the number of projects available for disclosure in each region.
2 Contract types are construction management (CM); and guaranteed maximum price (GMP).

Portfolio Report

Project Management and Construction continued

Major Projects[1] continued

Project	Location	Client	Contract Type[2]	Construction Value £m	Completion Date	Sector	Description
Europe							
BP Retail	Pan-Europe	BP	PM	836	2014	Retail	Renewal of the framework agreement to maintain BP service stations across Europe
Athletes' Village	London	Lend Lease Development	CM	622	2012	Residential	Mixed development. Athletes' Village for 2012 Olympics, then conversion post Olympics
Peel Media City	Manchester	Peel	MC	461	2011	Commercial	Mixed-use development consisting of commercial offices, studios, residential and retail buildings
MOD SLAM – Phase 2	UK	Defence Estates	GMP	428	2013	Government	New and upgraded single living accommodation for the military
Manchester Joint Hospital	Manchester	Catalyst Healthcare	LS	403	2011	Healthcare	New hospital and refurbishment of existing hospital site
South West Prime Contract	South West England	Defence Estates	GMP	294	2012	Government	Provision of estate management services and project management of capital construction program
BBC Broadcasting House Phase 2	London	Land Securities	LS	262	2011	Communications	Demolition and reconstruction of BBC headquarters
One New Change	London	Land Securities	CM	261	2011	Commercial	New retail and commercial construction
Regents Place Main Building	London	British Land	CM	190	2010	Commercial	New office and residential development
Central Saint Giles	London	Stanhope	CM	171	2010	Commercial	Demolition of existing building and new office construction
Harlequin	London	Stanhope	GMP	163	2010	Communications	Construction of new TV studios for Sky Sports
Greenwich N0204	London	GPRL/Lend Lease JV	LS	112	2010	Commercial	Construction of two commercial office buildings with retail facilities

1 Disclosure of major projects is subject to client approval. This impacts the number of projects available for disclosure in each region.
2 Contract types are project management (PM); construction management (CM); managing contractor (MC); guaranteed maximum price (GMP); and lump sum (LS). Construction value in PM assignments is the gross construction value and may not correlate to revenue recorded on the project.

Portfolio Report

Project Management and Construction continued

Realised Gross Profit Margin Analysis by Sector[1]

	December 2009 Asia Pacific GPM %	December 2009 Americas GPM %	December 2009 Europe GPM %	December 2009 Total GPM %	June 2009 Total GPM %
Commercial/Office	36	15	24	28	28
Communications	5		5	4	4
Education	6	16	12	10	6
Government/Civic	5	4	13	7	6
Healthcare	4	15	1	6	7
Industrial/Technology	15		2	8	10
Mixed-use	1	6	3	3	4
Pharmaceutical/R&D	7	7	3	6	4
Residential/Senior Living	5	19	19	12	12
Retail	12	7	12	11	12
Transportation	3	2	3	3	5
Other	1	9	3	2	2
Total	100	100	100	100	100

1 Bovis Lend Lease's strategy is to reduce the volatility of its earnings by operating in a diverse range of industries and geographies. The table details the GPM earned by sector for the period ended 31 December 2009.

Five Year Profile[1]

		Half Year December 2009	Half Year December 2008	Half Year December 2007	Half Year December 2006	Half Year December 2005
Profitability						
Revenue	A$m	**5,593**	**7,829**	**7,590**	**6,918**	**6,048**
Statutory profit/(loss) before tax	A$m	**289**	**(673)**	**307**	**212**	**247**
Operating profit before tax[2]	A$m	**263**	**225**	**308**	**194**	**234**
Statutory profit/(loss) after tax	A$m	**205**	**(596)**	**246**	**175**	**177**
Operating profit after tax[2]	A$m	**188**	**185**	**250**	**164**	**167**
Operating EBITDA[2]	A$m	284	235	318	177	263
Earnings per security on statutory profit/(loss)[3]	cents	44.6	(148.2)	61.4	43.7	44.2
Earnings per security on operating profit[2, 3]	cents	40.9	46.1	62.2	40.9	41.9
Statutory (loss)/profit after tax to security holders' equity (ROE) for the 6 month period	%	8.2	(21.7)	7.9	5.7	6.3
Distribution per security[4]	cents	20.0	25.0	43.0	35.0	30.0
Distribution payout ratio on operating profit after tax[2, 4]	%	49.1	61.2	69.1	85.7	71.7
Corporate Strength						
Total assets	A$m	9,767	9,860	9,276	9,292	7,595
Cash	A$m	968	1,563	727	459	510
Borrowings	A$m	1,549	1,777	1,023	1,517	727
Current assets	A$m	3,266	5,320	4,559	3,955	3,197
Non current assets	A$m	6,501	4,539	4,717	5,337	4,398
Current liabilities	A$m	5,263	4,952	3,916	3,584	3,173
Non current liabilities	A$m	1,976	2,446	2,079	2,582	1,621
Total equity	A$m	2,528	2,462	3,281	3,126	2,801
Cash flows provided by operations	A$m	107	195	185	183	461
Net asset backing per security	A$	5.49	6.10	8.18	7.81	7.02
Ratio of current assets to current liabilities[5]	times	0.62	1.07	1.16	1.10	1.01
Borrowings to total equity	%	61.3	72.2	31.2	48.5	25.9
Borrowings to total equity plus borrowings	%	38.0	41.9	23.8	32.7	20.6
Gross borrowings to total tangible assets[6]	%	18.9	21.2	15.1	20.6	15.1
Borrowings to total market capitalisation	%	32.7	61.1	14.7	20.6	12.6
Securities on issue	m	461	404	401	400	399
Number of security holders	No.	53,532	52,605	50,282	49,387	51,351
Number of equivalent full-time employees	No.	11,680	11,737	11,485	10,199	9,216
Security Holders' Returns and Statistics						
Proportion of securities on issue to top 20 security holders	%	73.8	75.9	75.6	76.6	76.3
Security holdings relating to employees[7]	%	7.5	9.1	9.3	9.5	9.7
Total distributions declared[4]	A$m	92	114	173	140	120
Security price as at 31 December as quoted on the Australian Securities Exchange	A$	10.27	7.20	17.30	18.44	14.48

1 Comparative information reflects the results of Lend Lease Corporation Limited and its controlled entities prior to stapling of the Lend Lease Trust (LLT) in November 2009. Refer to Note 1. 'Significant Accounting Policies' of the Consolidated Financial Statements. December 2008 and December 2007 have been adjusted to reflect the impact of adopting AASB Interpretation 12 'Service Concession Arrangements'.

2 Operating profit excludes unrealised property investment revaluations of A$26.1 million gain before tax, A$17.0 million gain after tax (December 2008: A$216.3 million loss before tax, A$169.6 million loss after tax). December 2008 also excludes inventory carrying value adjustment A$225.8 million loss before tax, A$190.7 million loss after tax, goodwill impairments A$252.9 pre/post tax, other unrealised carrying value adjustments A$173.9 million loss before tax, A$150.0 million loss after tax, restructure and employee termination costs A$70.4 million pre tax (A$48.9 million post tax) and net gain on closure of the Bovis UK pension scheme to future accrual A$42.0 million pre tax (A$30.3 million post tax).

3 Calculated using the weighted average number of securities on issue including treasury securities.

4 The distribution per security of 20 cents excludes the 'in specie' dividend of A$0.5 million following the stapling of LLT units to shares in the Company in November 2009

5 December 2009 ratio includes resident and accommodation bond liabilities (A$1,847.0 million) recognised following the Primelife acquisition. These are required to be classified as current liabilities as any resident may depart within 12 months. The investment properties, property, plant and equipment, and intangible assets to which they relate, however, are required to be classified as non current.

6 Gross borrowings includes non current financial liabilities.

7 Securities held through employee benefit vehicles.

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

Sydney, 25 February 2010

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.

KPMG

KPMG

C Hall
Partner

Sydney, 25 February 2010

Consolidated Financial Statements

Table of Contents

Consolidated Financial Statements

Income Statement
Half Year ended 31 December 2009

	Note	Consolidated 6 months December 2009 A$m	Consolidated 6 months December 2008 A$m
Revenue			
Revenue from the sale of development properties	2a	280.5	129.9
Revenue from the provision of services	2b	5,206.4	7,555.5
Finance revenue	2c	36.0	56.6
Other revenue	2d	70.4	86.6
Total revenue		**5,593.3**	**7,828.6**
Other Income	3	**108.7**	**54.6**
Expenses			
Retail activities		(27.1)	(122.7)
Communities activities			
Cost of properties sold		(227.7)	(326.4)
Other expenses		(126.6)	(446.2)
Public Private Partnerships (PPP) activities			
Cost of inventories sold		(511.1)	(647.2)
Other expenses		(39.8)	(48.5)
Investment Management activities		(22.6)	(17.0)
Project Management and Construction activities			
Cost of inventories sold		(4,270.9)	(6,423.1)
Other expenses		(185.0)	(221.3)
Corporate and administrative activities		(43.3)	(128.7)
Finance costs	4	(34.7)	(50.9)
Total expenses		**(5,488.8)**	**(8,432.0)**
Share of profit/(loss) of associates accounted for using the equity method	12	58.1	(29.7)
Share of profit/(loss) of joint venture entities accounted for using the equity method	12	18.0	(94.3)
Profit/(loss) before tax		**289.3**	**(672.8)**
Income tax (expense)/benefit	6a	(82.8)	70.4
Profit/(loss) after tax		**206.5**	**(602.4)**
Profit/(loss) after tax attributable to:			
Members of Lend Lease Corporation Limited	23	204.9	(596.4)
Non controlling interests attributable to unit holders of Lend Lease Trust			
Profit/(loss) after tax attributable to security holders		204.9	(596.4)
Other non controlling interests		1.6	(6.0)
Profit/(loss) after tax		**206.5**	**(602.4)**
Basic/Diluted Earnings Per Lend Lease Corporation Limited Share			
Shares excluding treasury shares (cents)	8	47.7	(160.1)
Shares on issue (cents)	8	44.6	(148.2)

The accompanying notes form part of these consolidated financial statements.

Consolidated Financial Statements continued

Statement of Comprehensive Income

Half Year ended 31 December 2009

	Consolidated 6 months December 2009 A$m	6 months December 2008 A$m
Profit/(loss) after tax	**206.5**	**(602.4)**
Other Comprehensive Income (Net of Tax)		
Movements in fair value revaluation reserve		
Revaluation gain/(loss)	6.1	(19.8)
Revaluation gain transferred to the income statement on asset disposal	(1.0)	
Effective fair value hedge		(5.4)
Effect of foreign exchange rate movements	(0.5)	5.2
Revaluation loss on asset impairment transferred to the income statement	4.0	
Movements in hedging reserve		
Effective cash flow hedges on investments accounted for using the equity method	(17.9)	(73.3)
Other effective cash flow hedges	(0.1)	2.7
Transfer of ineffective cash flow movement to income statement	0.1	
Effect of foreign exchange rate movements on investments accounted for using the equity method	7.7	4.2
Movements in foreign currency translation reserve		
Foreign currency translation differences attributable to foreign operations	(107.0)	298.5
Foreign currency translation differences transferred to the income statement on return of capital	0.3	0.2
Movements in non controlling interest acquisition reserve		
Effect of foreign exchange rate movements	16.6	(33.0)
	(91.7)	**179.3**
Total comprehensive income after tax	**114.8**	**(423.1)**
Total comprehensive income after tax attributable to:		
Members of Lend Lease Corporation Limited	116.9	(418.3)
Non controlling interests attributable to unit holders of Lend Lease Trust		
Total comprehensive income after tax attributable to security holders	**116.9**	**(418.3)**
Other non controlling interests	(2.1)	(4.8)
Total comprehensive income after tax	**114.8**	**(423.1)**

The accompanying notes form part of these consolidated financial statements.

Consolidated Financial Statements continued

Statement of Financial Position

As at 31 December 2009

	Note	Consolidated December 2009 A$m	June 2009 A$m
Current Assets			
Cash and cash equivalents	9	967.5	1,120.8
Loans and receivables	10	1,638.6	2,265.0
Inventories	11	494.9	564.9
Other financial assets	14	93.0	87.2
Other assets		71.8	67.8
Total current assets		**3,265.8**	**4,105.7**
Non Current Assets			
Loans and receivables	10	319.1	495.1
Inventories	11	1,120.7	1,201.2
Investments accounted for using the equity method	12	842.4	1,059.4
Investment properties	13	2,609.9	147.7
Other financial assets	14	413.1	384.4
Deferred tax assets	6c	64.2	209.2
Property, plant and equipment	15	372.6	130.1
Intangible assets	16	687.7	526.0
Defined benefit plan asset		28.5	30.0
Other assets		43.2	30.6
Total non current assets		**6,501.4**	**4,213.7**
Total assets		**9,767.2**	**8,319.4**
Current Liabilities			
Trade and other payables	17	3,042.0	3,797.2
Resident and accommodation bond liabilities	18	1,847.0	
Borrowings and financing arrangements	19	133.9	
Provisions	20	213.8	227.2
Current tax liabilities	6b	14.7	27.7
Other financial liabilities	21	11.4	29.8
Other non financial liabilities		0.2	0.2
Total current liabilities		**5,263.0**	**4,082.1**
Non Current Liabilities			
Trade and other payables	17	236.8	220.8
Borrowings and financing arrangements	19	1,414.6	1,125.0
Provisions	20	75.2	50.0
Deferred tax liabilities	6c	44.6	156.3
Other financial liabilities	21	168.9	191.6
Other non financial liabilities		2.2	0.6
Defined benefit plan liability		33.9	45.7
Total non current liabilities		**1,976.2**	**1,790.0**
Total liabilities		**7,239.2**	**5,872.1**
Net assets		**2,528.0**	**2,447.3**
Equity			
Issued capital	22	1,226.3	1,195.9
Treasury securities	22	(73.1)	(63.2)
Reserves		(53.7)	34.3
Retained earnings	23	1,388.7	1,238.5
Total equity attributable to members of Lend Lease Corporation Limited		**2,488.2**	**2,405.5**
Non controlling interests attributable to unit holders of Lend Lease Trust		0.5	
Total equity attributable to security holders		**2,488.7**	**2,405.5**
Other non controlling interests		39.3	41.8
Total equity		**2,528.0**	**2,447.3**

The accompanying notes form part of these consolidated financial statements.

Consolidated Financial Statements continued

Statement of Changes in Equity
Half Year ended 31 December 2009

	Note	Consolidated 6 months December 2009 A$m	Consolidated 6 months December 2008 A$m
Issued Capital and Treasury Securities			
Issued Capital			
Opening balance at beginning of financial period		1,195.9	854.7
Transactions with owners for the period			
Distribution Reinvestment Plan (DRP)		30.4	25.3
Closing balance at end of financial period	22	**1,226.3**	**880.0**
Treasury Securities			
Opening balance at beginning of financial period		(63.2)	(62.6)
Transactions with owners for the period			
Treasury securities acquired		(1.2)	(2.4)
Treasury securities vested		10.1	8.6
Movement on allocated treasury securities recognised directly in retained earnings and equity compensation reserve		(18.8)	
Closing balance at end of financial period	22	**(73.1)**	**(56.4)**
Total issued capital and treasury securities		**1,153.2**	**823.6**
Reserves			
Fair Value Revaluation Reserve			
Opening balance at beginning of financial period		44.5	81.1
Comprehensive income for the period			
Revaluation gain/(loss) taken to equity (net of tax)		6.1	(19.8)
Revaluation gain transferred to income statement on asset disposal (net of tax)		(1.0)	
Effective fair value hedge			(5.4)
Effect of foreign exchange rate movements		(0.5)	5.2
Revaluation loss on asset impairment transferred to the income statement		4.0	
Closing balance at end of financial period		**53.1**	**61.1**
Hedging Reserve			
Opening balance at beginning of financial period		(58.1)	(6.8)
Comprehensive income for the period			
Movements attributable to effective cash flow hedges on investments accounted for using the equity method (net of tax)		(17.9)	(73.3)
Movements attributable to other effective cash flow hedges (net of tax)		(0.1)	2.7
Transfer of ineffective cash flow hedge movement to income statement		0.1	
Effect of foreign exchange rate movements on investments accounted for using the equity method		7.7	4.2
Closing balance at end of financial period		**(68.3)**	**(73.2)**
Foreign Currency Translation Reserve			
Opening balance at beginning of financial period		(25.7)	(152.0)
Comprehensive income for the period			
Movements attributable to translation of foreign operations		(107.0)	298.5
Transfer of foreign currency translation reserve to income statement on return of capital		0.3	0.2
Closing balance at end of financial period		**(132.4)**	**146.7**
Equity Compensation Reserve			
Opening balance at beginning of financial period		35.6	33.6
Transactions with owners for the period			
Movements attributable to allocation and vesting of securities		(0.6)	(2.9)
Movement on allocated treasury securities		4.3	
Closing balance at end of financial period		**39.3**	**30.7**
Other Compensation Reserve			
Closing balance at beginning and end of financial period		**54.4**	**54.4**

The accompanying notes form part of these consolidated financial statements.

Consolidated Financial Statements continued

Statement of Changes in Equity continued
Half Year ended 31 December 2009

	Note	Consolidated 6 months December 2009 A$m	Consolidated 6 months December 2008 A$m
Capital Reserve			
Balance at beginning and end of financial period		**104.6**	**104.6**
Non Controlling Interest Acquisition Reserve			
Opening balance at beginning of financial period		(121.0)	(107.7)
Comprehensive income for the period			
Effect of foreign exchange rate/other movements		16.6	(33.0)
Closing balance at end of financial period		**(104.4)**	**(140.7)**
Total reserves		**(53.7)**	**183.6**
Retained Earnings			
Opening balance at beginning of financial period		1,238.5	2,126.1
Profit/(loss) attributable to members of Lend Lease Corporation Limited		204.9	(596.4)
Transactions with owners for the period			
Distributions paid		(43.3)	(111.1)
Distributions on treasury securities		4.5	9.5
Distributions under DRP		(30.4)	(25.3)
Movement on allocated treasury securities recognised directly in retained earnings		14.5	1.8
Closing balance at end of financial period	23	**1,388.7**	**1,404.6**
Non Controlling Interests Attributable to Unit Holders of Lend Lease Trust (LLT)			
Transactions with owners for the period			
Movements attributable to the stapling of LLT units to the Company shares		0.5	
Closing balance at end of financial period		**0.5**	**–**
Other Non Controlling Interests			
Opening balance at beginning of financial period		41.8	56.0
Profit/(loss) attributable to non controlling interests		1.6	(6.0)
Transactions with owners for the period			
Movements attributable to dividends/distributions received		(0.4)	
Effect of foreign exchange rate/other movements		(3.7)	0.2
Closing balance at end of financial period[1]		**39.3**	**50.2**
Total equity		**2,528.0**	**2,462.0**
Total Comprehensive Income After Tax for the Financial Period			
Attributable to:			
Members of Lend Lease Corporation Limited		116.9	(418.3)
Non controlling interests attributable to unit holders of LLT			
Total comprehensive income after tax attributable to security holders		**116.9**	**(418.3)**
Other non controlling interests		(2.1)	(4.8)
Total comprehensive income after tax		**114.8**	**(423.1)**

1 Primarily relates to Chelmsford Meadows Limited Partnership 25% (June 2009: 25%) and Lend Lease Twin Waters Resort Pty Limited 49% (June 2009: 49%).

The accompanying notes form part of these consolidated financial statements.

Consolidated Financial Statements continued

Statement of Cash Flows

Half Year ended 31 December 2009

	Note	Consolidated 6 months December 2009 A$m	Consolidated 6 months December 2008 A$m
Cash Flows from Operating Activities			
Cash receipts in the course of operations		6,051.9	7,104.9
Cash payments in the course of operations		(6,014.1)	(6,782.9)
Property development receipts		301.2	236.0
Property development expenditure		(201.1)	(300.0)
Interest received		21.8	36.9
Interest paid		(46.8)	(60.9)
Dividends/distributions received		42.4	46.9
Income tax paid in respect of operations		(48.0)	(85.9)
Net cash provided by operating activities		**107.3**	**195.0**
Cash Flows from Investing Activities			
Sale/redemption of investments		106.3	48.0
Acquisition of investments		(103.9)	(244.0)
Acquisition of investment properties		(19.0)	(0.2)
Disposal of other assets			1.6
Net loans to related parties		(5.3)	(54.2)
Acquisition of non controlling interest			(1.0)
Acquisition of consolidated entities (net of cash acquired)		(170.7)	(0.2)
Disposal of consolidated entities (net of cash disposed)			10.8
Disposal of property, plant and equipment		0.2	1.0
Acquisition of property, plant and equipment		(4.9)	(14.8)
Acquisition of intangible assets		(66.4)	(24.9)
Net cash used in investing activities		**(263.7)**	**(277.9)**
Cash Flows from Financing Activities			
Proceeds from borrowings		565.5	810.8
Repayment of borrowings		(445.6)	
Distributions paid		(38.3)	(101.6)
Distribution paid to non controlling interest		(0.4)	
Net cash provided by financing activities		**81.2**	**709.2**
Other Cash Flow Items			
Effect of foreign exchange rate movements on cash and cash equivalents		(78.1)	94.2
Net (decrease)/increase in cash and cash equivalents		**(153.3)**	**720.5**
Cash and cash equivalents at beginning of financial period		**1,120.8**	**842.8**
Cash and cash equivalents at end of financial period	9	**967.5**	**1,563.3**

The accompanying notes form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies

Lend Lease Corporation Limited ('the Company') is domiciled in Australia. The consolidated half year financial report of the Company for the half year ended 31 December 2009 comprises the Company and its controlled entities including Lend Lease Trust ('LLT') (together referred to as the 'consolidated entity' or the 'Group').

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 the Trust 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'). LLT was 100% owned by the Company prior to approval of the stapling proposal. Units in LLT were subsequently distributed to Lend Lease Corporation Limited shareholders as an 'in specie' dividend. The Company is deemed to control LLT and therefore LLT is consolidated into the Group's financial report. The issued units of LLT, however, are not owned by the Company and are therefore presented as non controlling interests in the consolidated entity statement of financial position within equity, notwithstanding that the unitholders of LLT are also the shareholders of the Company.

The consolidated half year financial report was authorised for issue by the Directors on 25 February 2010.

1.1 Statement of Compliance

The consolidated half year financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *'Interim Financial Reporting'* and the *Corporations Act 2001*. The consolidated half year financial report of the Group also complies with the recognition and measurement requirements of International Financial Reporting Standards (IFRS) and Interpretations adopted by the International Accounting Standards Board.

The consolidated half year financial report should be read in conjunction with the 30 June 2009 annual consolidated financial report and any public announcements by the Company and its consolidated entities during the half year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*. The consolidated half year financial report does not include all of the information required for a full financial report.

Certain comparative amounts have been reclassified to conform with the current period presentation.

1.2 Basis of Preparation

The consolidated half year financial report is presented in Australian dollars and is prepared under the historical cost basis except for the following assets and liabilities, which are stated at their fair value: derivative financial instruments, fair value through profit or loss investments, available for sale investments, investment property and liabilities for cash settled share based compensation plans.

The preparation of an interim financial report that complies with AASB 134 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The accounting policies have been consistently applied by all entities in the consolidated entity and are consistent with those applied in the 30 June 2009 annual consolidated financial report except as indicated below.

Following Court approval on 15 December 2009, Lend Lease acquired 100% of Lend Lease Primelife Group ('Primelife'). Refer to Note 25a. 'Consolidated Entities' for further details. The significant additional accounting policies impacting the Group during the half year as a result of this acquisition are as follows:

- Deferred Management Fees Receivable

  Deferred management fees receivable represent amounts owed to the Group in connection with resident occupancy at retirement villages subject to long-term management agreements. Deferred management fees receivable are calculated in accordance with resident contracts.

- Accommodation Bond Retentions Receivable

  Accommodation Bond retentions receivable represent amounts owed to the Group in connection with resident occupancy at aged care facilities or nursing homes, and calculated in accordance with resident contracts.

- Resident and Accommodation Bond Liabilities

  Resident liabilities

  This represents an amount paid by residents to occupy apartments and units classified as investment property. Resident liabilities are measured at face value, representing the principal amount plus the resident's share of capital gains based on market values of the underlying property at balance date, less deferred management fees.

Notes to the Consolidated Financial Statements continued

1. Significant Accounting Policies continued

1.2 Basis of Preparation continued

Resident liabilities are non interest bearing and are repayable out of the amounts paid by the incoming residents. These are classified as current liabilities because any resident may depart within 12 months, notwithstanding that history has shown that residents stay for an average period of 11 years in Independent Living Units (ILUs) and five years in serviced apartments.

Accommodation Bonds

Accommodation bonds are paid typically by residents of low care aged care beds. Accommodation bonds are recognised at an amount equal to the proceeds received and are non interest bearing liabilities. Accommodation bonds are also classified as current liabilities because they are repayable following departure of the resident from the facility, notwithstanding that history has shown that residents stay for an average period of four years.

- Approved Provider Aged Care Places (Bed Licences)

  Bed licences held by the Group include owned and managed bed licences. Of the owned bed licences, only those acquired from third parties are recognised on balance sheet and are initially recorded at cost. All owned bed licences are assessed as having an indefinite useful life and therefore are not subject to amortisation but are impairment tested annually (at the same time every year) in accordance with AASB 136 *'Impairment of Assets'*. These licences are issued by the Federal Government to approved providers, and can also be purchased from third parties or managed on their behalf. Holders of bed licences receive Federal Government funding in accordance with predetermined rates.

As a result of new and revised accounting standards which became operative for the annual reporting period commencing 1 July 2009, the Group has revised its policies in relation to the following:

- Revised AASB 123 '*Borrowing Costs*' and AASB 2007-6 *'Amendments to Australian Accounting Standards arising from AASB 123*' have been applied prospectively from 1 July 2009. These standards remove the option to expense borrowing costs and require borrowing costs, both general and specific, directly attributable to the acquisition, construction or production of a qualifying asset to be capitalised. Previously, general borrowing costs had been expensed when incurred. The adoption of the standards for the half year ended 31 December 2009 has had no financial impact as there are no qualifying assets to which borrowing costs have been directly attributed during the period.
- AASB 140 *'Investment Property'* has been amended by AASB 2008-5 *'Amendments to Australian Accounting Standards arising from the Annual Improvements Process*' to include properties that are under construction or land held for/under development for future use as investment properties. These investment properties are to be measured at fair value unless fair value cannot yet be reliably determined. This is different from previous periods, where properties under construction were accounted for at cost, less any accumulated impairment, and presented under property, plant and equipment until completion of construction. The Group has used the fair value model to account for its investment properties, including investment property under construction. The amendment has been applied prospectively from 1 July 2009. The adoption of the standard for the half year ended 31 December 2009 impacted the following areas:
  - Communities activities - other expenses: A$1.4 million increase; and
  - Investment property: A$9.8 million increase.

  The decrease on the basic and diluted earning per share was 0.3 cents for shares excluding treasury shares and 0.3 cents for shares on issue for the half year ended 31 December 2009.
- AASB 8 '*Operating Segments*' and AASB 2007-3 *'Amendments to Australian Accounting Standards arising from AASB 8*' have been applied retrospectively from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker, who has been identified as the Managing Director. The changes implemented are from a disclosure perspective in Note 26. Segment Reporting. There has been no impact on the financial results or measurement of assets and liabilities for the half year ended 31 December 2009.
- Revised AASB 3 '*Business Combinations*' and AASB 2008-3 *'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127'* have been applied prospectively from 1 July 2009. These standards change the application of acquisition accounting for business combinations and the accounting for non controlling (minority) interests. The significant changes are:
  - All payments to purchase a business are now recorded at fair value at the acquisition date, with contingent payments classified as debt and subsequently remeasured through the income statement. Under the Group's previous policy, contingent payments were recognised only when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of acquisition.

Notes to the Consolidated Financial Statements continued

1. Significant Accounting Policies continued

1.2 Basis of Preparation continued

- Acquisition related costs are expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included in the goodwill assessment.
- Non controlling interests in an acquiree are now recognised either at fair value or at the non controlling interest's proportionate share of the acquiree's net assets. This decision is made on an acquisition by acquisition basis. Under the previous policy, the non controlling interest was always recognised at its share of the acquiree's net assets.

These standards were applied for the half year ended 31 December 2009 to the acquisition of Primelife and impacted the following areas:

- Communities activities - other expenses: $5.0 million increase.

The decrease in the basic and diluted earnings per share was 1.2 cents for shares excluding treasury shares and 1.1 cents for shares on issue for the half year ended 31 December 2009.

- The Group has adopted for the first time AASB Interpretation 15 *'Agreements for the Construction of Real Estate'* from 1 July 2009. AASB Interpretation 15 clarifies whether AASB 118 *'Revenue'* or AASB 111 *'Construction Contracts'* should be applied to particular transactions. The Group has reviewed its current agreements for the sale of real estate based on the new guidance and has concluded that there would be no change to the accounting for these agreements upon application of AASB Interpretation 15. Accordingly there is no material impact on the Group's financial results.

	Consolidated	
	December 2009 A$m	December 2008 A$m
2. Revenue		
a. Revenue from the Sale of Development Properties	**280.5**	**129.9**
b. Revenue from the Provision of Services		
Retail	30.4	30.5
Communities	48.0	41.3
Public Private Partnerships	578.6	701.5
Investment Management	20.6	28.9
Project Management and Construction	4,528.8	6,753.3
Total revenue from the provision of services	**5,206.4**	**7,555.5**
c. Finance Revenue		
Interest Income		
Related parties	20.8	14.3
Other corporations	12.6	35.2
	33.4	**49.5**
Interest discounting	2.6	7.1
Total finance revenue	**36.0**	**56.6**
d. Other Revenue		
Rental income	30.6	39.3
Hotel revenue	23.9	26.5
Dividends/distributions received	7.2	8.6
Other	8.7	12.2
Total other revenue	**70.4**	**86.6**
Total revenue	**5,593.3**	**7,828.6**

Notes to the Consolidated Financial Statements continued

	Note	Consolidated December 2009 A$m	Consolidated December 2008 A$m
3. Other Income			
Discount on acquisition of controlled entity	25a	48.3	
Net gain on disposal of investments accounted for using the equity method		41.7	
Net gain on disposal of other assets and liabilities		4.2	54.3
Net gain on disposal of available for sale financial assets		1.0	
Fair value gain on derivative contracts held for trading		10.4	0.3
Fair value gain on remeasurement of investment properties		3.1	
Total other income		**108.7**	**54.6**
4. Finance costs			
Finance costs			
Non interest finance costs		**2.2**	**1.9**
Interest finance costs			
Related parties		0.3	0.6
Other corporations		30.7	48.2
		31.0	**48.8**
Interest discounting		1.5	0.2
Total finance costs		**34.7**	**50.9**
5. Other Operating (Income) and Expenses			
(Profit)/loss before income tax has been determined after:			
Depreciation and amortisation		21.9	15.7
Net loss on sale of property, plant and equipment		0.7	
Net defined benefit plan expense/(income)		15.8	(37.7)
Net foreign exchange (gain)/loss		(3.3)	14.4
Fair value loss on remeasurement of investment properties		5.6	32.3
Fair value loss on equity derivative swap			51.2
Expenses include impairments/provisions raised/(written back) relating to:			
Loans and receivables			
Related party entities		(0.2)	82.8
Other		22.0	11.0
Property inventories		(1.6)	229.1
Investments accounted for using the equity method		(4.6)	33.2
Other financial assets		5.2	3.0
Property, plant and equipment			4.8
Goodwill			252.9
Employee benefits		14.3	20.7
Maintenance and warranty		0.6	24.1
Restructure (including employee terminations)		16.6	46.1
Other provisions		14.4	1.4

Notes to the Consolidated Financial Statements continued

	Consolidated December 2009 A$m	Consolidated December 2008 A$m
6. Taxation		
a. Income Tax Expense/(Benefit)		
Recognised in the Income Statement		
Current Tax Expense/(Benefit)		
Current period	83.3	80.7
Adjustments for prior years	(0.2)	0.6
Benefits of tax losses recognised	(39.3)	(19.2)
	43.8	**62.1**
Deferred Tax Expense/(Benefit)		
Origination and reversal of temporary differences	39.0	(132.5)
Total income tax expense/(benefit)	**82.8**	**(70.4)**
Reconciliation of Income Tax Expense/(Benefit)		
Profit/(loss) before tax	289.3	(672.8)
Income tax using the domestic corporation tax rate (30%)	**86.8**	**(201.8)**
Non assessable dividends	(0.1)	(0.4)
Non assessable income	(6.9)	(3.8)
Loss accounted for using the equity method	(3.3)	(4.2)
Non allowable expenses	5.6	83.9
Capital gain on tax consolidation of Lend Lease Primelife Trust	27.7	
Recognition of previously unrecognised capital losses	(27.7)	
Other net recovery of tax losses	(10.6)	(0.3)
Tax temporary differences not recognised in the period	1.3	66.8
Temporary differences written off/(recognised/recovered)	13.8	(14.2)
Variation in tax rates	3.6	(2.6)
Other	(7.2)	5.6
(Over)/under provision in prior periods	(0.2)	0.6
Income tax expense/(benefit)	**82.8**	**(70.4)**
Deferred Tax Recognised Directly in Equity		
Relating to:		
Fair value revaluation reserve	2.2	(2.3)
Hedging reserve	(0.4)	
Foreign currency translation reserve on equity accounted investment	(3.1)	9.1
	(1.3)	**6.8**

	Consolidated December 2009 A$m	Consolidated June 2009 A$m
b. Current Tax Liabilities	**14.7**	**27.7**

Current tax liabilities represent the amount of income taxes payable in respect of current and prior financial periods where the amount of income tax payable exceeds payments to date.

Notes to the Consolidated Financial Statements continued

6. Taxation continued

c. Deferred Tax Assets and Liabilities

	Consolidated			
	December 2009		June 2009	
	Assets A$m	Liabilities A$m	Assets A$m	Liabilities A$m
Recognised Deferred Tax Assets and Liabilities				
Deferred tax assets and liabilities are attributable to the following:				
Loans and receivables	24.1	(10.2)	21.4	(11.4)
Inventories	47.0	(180.1)	45.9	(199.5)
Other financial assets	3.7	(29.9)	12.1	(38.1)
Other assets	0.1	(0.4)		(0.7)
Investments accounted for using the equity method	10.7	(155.4)	19.7	(165.5)
Property, plant and equipment	21.4	(0.6)	22.8	(0.4)
Intangible assets	0.2	(0.1)	0.1	
Defined benefit plan asset		(8.5)		(9.0)
Trade and other payables	75.2	(2.8)	96.9	(0.1)
Provisions	61.7		69.1	
Other financial liabilities	1.7			
Defined benefit plan liability	9.5		12.8	
Unused revenue tax losses recognised	137.0		169.8	
Items with a tax base but no carrying value	60.3	(45.0)	49.7	(42.7)
Total deferred tax assets/(liabilities)	**452.6**	**(433.0)**	**520.3**	**(467.4)**
Deferred tax set off	**(388.4)**	**388.4**	**(311.1)**	**311.1**
Net deferred tax assets/(liabilities)	**64.2**	**(44.6)**	**209.2**	**(156.3)**

	Consolidated	
	December 2009 A$m	June 2009 A$m
Unrecognised Deferred Tax Assets		
Deferred tax assets have not been recognised in respect of the following items:		
Capital losses	42.8	70.4
Revenue losses	93.1	108.0
Deductible temporary differences	156.7	165.3
Total unrecognised deferred tax assets	**292.6**	**343.7**

Notes to the Consolidated Financial Statements continued

	Cents Per Share	Franked Amount Per Share %	Company 6 months December 2009 A$m	Company 6 months December 2008 A$m
7. Distributions[1,2]				
Parent Company Interim Dividend				
December 2009 – declared subsequent to reporting date (payable 31 March 2010)[3]	20.0	100	92.2	
November 2009 – dividend 'in specie' of LLT units[4]	0.1	100	0.5	
December 2008 – paid 1 April 2009	25.0	60		113.5
			92.7	**113.5**

			6 months June 2009 A$m	6 months June 2008 A$m
Parent Company Final Dividend				
June 2009 - paid 25 September 2009	16.0	100	73.2	
June 2008 - paid 26 September 2008	34.0	45		136.4
			73.2	**136.4**

1 No distributions were declared by Lend Lease Trust (LLT) for the half year ended 31 December 2009.
2 Includes distributions paid on treasury shares. Refer to Note 23. 'Retained Earnings' for further details regarding the impact of treasury shares on distribution payments and retained earnings.
3 No provision for this distribution has been recognised in the statement of financial position at 31 December 2009 as it was declared after the end of the financial period.
4 Following shareholder approval on 12 November 2009 the shares of the Company and the units in LLT have been combined as stapled securities. From 13 November 2009 the stapled securities have been traded as one security on the Australian Securities Exchange ('ASX') and the New Zealand Stock Exchange ('NZX'). LLT was 100% owned by the Company prior to approval of the stapling proposal. Following shareholder approval, the units in LLT were distributed to Lend Lease Corporation Limited shareholders via an 'in specie' dividend.

		Consolidated December 2009 Shares Excluding Treasury Shares	Consolidated December 2009 Shares on Issue	Consolidated December 2008 Shares Excluding Treasury Shares	Consolidated December 2008 Shares on Issue
8. Earnings Per Share/Stapled Security[1]					
Basic/Diluted Earnings Per Share (EPS)					
Profit/(loss) attributable to members of Lend Lease Corporation Limited used in calculating basic/diluted EPS	A$m	**204.9**	**204.9**	**(596.4)**	**(596.4)**
Weighted average number of ordinary shares	m	**429.3**	**459.3**	**372.5**	**402.5**
Basic/diluted EPS	cents	**47.7**	**44.6**	**(160.1)**	**(148.2)**

1 The earnings per stapled security is equivalent to the earnings per share for the period to 31 December 2009 as the earnings attributable to LLT for the same period was nil.

	Consolidated December 2009 A$m	Consolidated June 2009 A$m
9. Cash and Cash Equivalents		
Cash	331.0	289.3
Short term investments	636.5	831.5
Total cash and cash equivalents	**967.5**	**1,120.8**

Short term investments earn variable rates of interest which averaged 2.2% per annum during the half year ended 31 December 2009 (31 December 2008: 4.5%).

Notes to the Consolidated Financial Statements continued

	Note	Consolidated December 2009 A$m	Consolidated June 2009 A$m
10. Loans and Receivables			
Current			
Trade debtors		1,053.0	1,464.9
Less: Impairment		(50.8)	(39.2)
		1,002.2	**1,425.7**
Related parties		44.7	106.8
Less: Impairment		(9.9)	(15.5)
Managed property funds		27.7	22.3
Retentions		324.1	410.5
Other receivables		261.4	317.8
Less: Impairment		(11.6)	(2.6)
		1,638.6	**2,265.0**
Non Current			
Related parties		375.4	526.8
Less: Impairment		(174.0)	(165.5)
Retentions		34.4	68.1
Other receivables		83.7	66.2
Less: Impairment		(0.4)	(0.5)
		319.1	**495.1**
Total loans and receivables		**1,957.7**	**2,760.1**
11. Inventories			
Current			
Development properties at the lower of cost and net realisable value	11a	244.1	327.4
Construction work in progress		250.8	237.5
Total current		**494.9**	**564.9**
Non Current			
Development properties at the lower of cost and net realisable value	11a	1,120.7	1,201.2
Total inventories		**1,615.6**	**1,766.1**
a. Development Properties (Completed and Work in Progress)			
Total development properties comprises:			
Bluewater, Kent, UK		444.2	506.2
Communities, Australia		657.9	704.6
Urban Communities (Crosby), UK		161.5	244.9
Senior Living Projects, Australia		76.7	50.6
Other		24.5	22.3
Total development properties		**1,364.8**	**1,528.6**

Notes to the Consolidated Financial Statements continued

12. Investments Accounted for Using the Equity Method

	Interest		Consolidated Share of Profit/(Loss) After Tax				Consolidated Net Book Value			
			December 2009		December 2008		December 2009		June 2009	
	December 2009 %	June 2009 %	Associates A$m	Joint Ventures A$m	Associates A$m	Joint Ventures A$m	Associates A$m	Joint Ventures A$m	Associates A$m	Joint Ventures A$m
Retail										
King of Prussia	50.0	50.0		6.1		(58.9)		367.4		427.0
Performance Retail Limited Partnership	33.3	33.3	1.3		(15.6)		42.4		48.2	
CDR JV Ltd (313@ Somerset, Singapore)	25.0	25.0	35.0				89.2		56.2	
Preston Tithebarn Unit Trust	50.0	50.0		(1.6)				3.5		38.9
Warrington Retail Limited Partnership	50.0	50.0		(6.0)		(67.8)		18.8		26.5
Other			0.3		(0.2)		6.8		7.2	
			36.6	**(1.5)**	**(15.8)**	**(126.7)**	**138.4**	**389.7**	**111.6**	**492.4**
Communities										
Lend Lease Primelife Group[1]	100.0	43.2	3.7						196.8	
Caroline Springs Joint Venture	50.0	50.0		5.2		4.9		24.7		23.7
Pyrmont Trust (Jacksons Landing)	50.0	50.0		(0.1)		2.0		16.7		14.5
Casey 2 Joint Venture (Springbank Rise)	50.0	50.0						19.7		15.2
Other				6.2	(1.9)	2.8		48.7		31.7
			3.7	**11.3**	**(1.9)**	**9.7**	**–**	**109.8**	**196.8**	**85.1**
Public Private Partnerships										
Catalyst Healthcare (Manchester) Holdings Ltd	50.0	50.0		1.2		2.3		12.3		12.6
Pinnacle Australia SA Unit Trust	50.0		(1.0)				12.4			
Other			0.6	1.5	0.7	9.5	0.4		0.6	7.8
			(0.4)	**2.7**	**0.7**	**11.8**	**12.8**	**12.3**	**0.6**	**20.4**
Investment Management										
Lend Lease Overgate Partnership	30.7	30.7	5.2		(19.7)		58.8		62.7	
Asia Pacific Investment No. 2 Limited	21.1	21.1	8.5		2.7		105.0		108.8	
Lend Lease Communities Fund 1	20.8	20.8	(0.3)		(0.5)		18.1		17.9	
Other			(0.1)		(0.2)		4.5		4.7	
			13.3	**–**	**(17.7)**	**–**	**186.4**	**–**	**194.1**	**–**
Project Management Construction										
Majadahonda Hospital	25.0	25.0		0.5		1.9		15.8		17.5
Phoenix Constructors	15.0	15.0		0.2		2.8		10.5		10.9
Other			4.9	4.8	5.0	6.2	0.5	9.3	0.5	13.1
			4.9	**5.5**	**5.0**	**10.9**	**0.5**	**35.6**	**0.5**	**41.5**
Total			**58.1**	**18.0**	**(29.7)**	**(94.3)**	**338.1**	**547.4**	**503.6**	**639.4**
Less: Impairment			**–**	**–**	**–**	**–**	**(17.9)**	**(25.2)**	**(18.1)**	**(65.5)**
			58.1	**18.0**	**(29.7)**	**(94.3)**	**320.2**	**522.2**	**485.5**	**573.9**

1 In December 2009 the Group acquired the remaining interest in Primelife which is now classified as a controlled entity. Refer to Note 25a.'Consolidated Entities'.

Notes to the Consolidated Financial Statements continued

	Consolidated December 2009 A$m	Consolidated June 2009 A$m
13. Investment Properties		
Senior Living Properties[1]	**2,389.1**	**–**
Retail Properties		
Chelmsford Meadows Shopping Centre	99.1	109.6
Clarence Dock, Leeds	20.3	27.3
Pakenham Place Shopping Centre	10.4	10.8
	129.8	**147.7**
Assets Under Construction[1]	**91.0**	**–**
Total investment properties	**2,609.9**	**147.7**
14. Other Financial Assets		
Current		
Available for Sale	**14.4**	**15.1**
Fair Value Through Profit or Loss		
Negotiable instruments	**75.5**	**70.8**
Derivatives		
Derivative contracts held for trading	**3.1**	**1.3**
Total current	**93.0**	**87.2**
Non Current		
Available for Sale		
Australian Prime Property Fund	196.1	199.0
Lend Lease Core Plus Fund	42.6	45.2
Lend Lease Retail Partnership	41.1	43.5
Other	101.9	84.3
	381.7	**372.0**
Fair Value Through Profit or Loss		
Unlisted equity investments	**31.4**	**12.4**
Total non current	**413.1**	**384.4**
Total other financial assets	**506.1**	**471.6**
15. Property, Plant and Equipment[1]		
Land, buildings and leasehold improvements	323.1	127.8
Accumulated depreciation and impairment	(29.9)	(41.5)
	293.2	**86.3**
Plant and equipment	170.0	149.0
Accumulated depreciation and impairment	(90.6)	(105.2)
	79.4	**43.8**
Assets under construction		**3.5**
Accumulated impairment		**(3.5)**
	–	**–**
Total property, plant and equipment	**372.6**	**130.1**

1 Increase primarily represents assets recognised upon acquisition of the remaining interest in Primelife in December 2009. Refer Note 25a. ‘Consolidated Entities’.

Notes to the Consolidated Financial Statements continued

	Consolidated December 2009 A$m	Consolidated June 2009 A$m
16. Intangible Assets		
Goodwill	420.9	477.1
Aged care bed licences[1]	172.0	
Management agreements[1]	75.4	28.9
Other intangibles	19.4	20.0
Total intangible assets	**687.7**	**526.0**
17. Trade and Other Payables		
Current		
Trade creditors	1,828.8	2,270.2
Construction revenue – amounts due to customers	1,055.1	1,356.9
Deposits received in advance	4.8	9.0
Unearned income	37.7	49.0
Unearned premium reserve	7.5	17.4
Insurance claim reserve	6.9	5.3
Related parties	37.5	26.7
Deferred land payments	20.5	24.8
Other	43.2	37.9
	3,042.0	**3,797.2**
Non Current		
Insurance claim reserve	34.4	37.0
Unearned income[1]	26.5	0.6
Related parties	17.3	19.6
Deferred land payments	36.5	35.1
Other	122.1	128.5
	236.8	**220.8**
Total trade and other payables	**3,278.8**	**4,018.0**
18. Resident and Accommodation Bond Liabilities[1]		
Gross resident liabilities	1,865.9	
Deferred management fees receivable on owned sites	(173.5)	
Total resident liabilities[2]	**1,692.4**	–
Accommodation bond liabilities	154.6	
Total resident and accommodation bond liabilities[3]	**1,847.0**	–

1 Primarily includes assets/liabilities recognised upon acquisition of the remaining interest in Primelife in December 2009. Refer Note 25a. ‘Consolidated Entities’. Aged care bed licences also includes A$63.7 million acquired from Prime Trust in August 2009.

2 Deferred management fees receivable on owned sites are offset against the gross resident liabilities as these amounts are settled net in the same transaction.

3 Resident and accommodation bond liabilities are required to be classified as current liabilities under Australian Accounting Standards, as residents may depart the accommodation at any time, notwithstanding that history has shown that residents stay for an average period of 11 years in Independent Living Units (ILU), five years in Serviced Apartments (SA) and four years in Aged Care facilities. Total resident liabilities of A$1,692.4 million, which is net of deferred management fees receivable, are repayable out of the amounts paid to the Group by incoming residents for the right to occupy Senior Living Properties (comprising both ILU and SA). The fair value of these Senior Living Properties, which are classified as non current assets, was A$2,389.1 million at 31 December 2009 (refer Note 13. Investment Properties).

Notes to the Consolidated Financial Statements continued

	Consolidated	
	December 2009 A$m	June 2009 A$m
19. Borrowings and Financing Arrangements		
a. Borrowings		
Current		
Bank credit facilities	**133.9**	–
Non Current		
Commercial notes	849.2	971.9
Bank credit facilities	565.4	153.1
	1,414.6	**1,125.0**
Total borrowings	**1,548.5**	**1,125.0**
b. Finance Facilities		
The Group has access to the following lines of credit:		
Commercial Notes		
Facility available	849.2	971.9
Amount of facility used	(849.2)	(971.9)
Amount of facility unused	–	–
Bank Credit Facilities		
Facility available	1,226.1	755.1
Amount of facility used	(699.3)	(153.1)
Amount of facility unused	**526.8**	**602.0**
Bank Overdrafts		
Facility available	10.0	10.0
Amount of facility used		
Amount of facility unused	**10.0**	**10.0**

Commercial notes include £300.0 million 6.125% annual coupon guaranteed notes due 12 October 2021 that were issued in October 2006 in the UK public bond market and US$300.0 million of guaranteed senior notes at 5.75% (all in rate) issued in the US Private Placement debt market maturing in October of 2012, 2015 and 2017.

Bank credit facilities include a committed syndicated bank facility maturing in November 2010 of £350.0 million (A$625.0 million) in the UK, of which £75.0 million (A$133.9 million) was drawn at 31 December 2009 (June 2009: £75.0 million) and a floating rate A$570.0 million committed club facility maturing in December 2011 which was fully drawn at December 2009 and used to partially fund the Primelife acquisition.

The bank overdraft facilities may be drawn at any time and are repayable on demand.

The Group has a A$500.0 million Australian Commercial Paper program and a A$1,500.0 million Multi Issuer Debt program. The amount drawn under these facilities was A$nil and the availability of these facilities is subject to market conditions.

Consistent with prior years, the Group has not defaulted on any obligations of principal or interest in relation to its borrowing and financing arrangements.

Notes to the Consolidated Financial Statements continued

	Consolidated	
	December 2009 A$m	June 2009 A$m
20. Provisions		
Current		
Employee benefits	96.0	97.3
Maintenance and warranty	23.5	28.7
Restructure (including employee terminations)	43.8	55.2
Other	50.5	46.0
	213.8	**227.2**
Non Current		
Employee benefits	13.4	11.0
Other	61.8	39.0
	75.2	**50.0**
Total provisions	**289.0**	**277.2**
21. Other Financial Liabilities		
Current		
Forward foreign exchange contracts - held for trading	5.6	29.8
Interest rate swap contracts - held for trading	5.5	
Other	0.3	
Total current	**11.4**	**29.8**
Non Current		
Bluewater lease liability	146.7	167.6
Other	22.2	24.0
Total non current	**168.9**	**191.6**
Total other financial liabilities	**180.3**	**221.4**

Consistent with prior years, the Group did not default on any obligations of principal or interest in relation to its other financial liabilities during the period.

Notes to the Consolidated Financial Statements continued

	Lend Lease Corporation Limited				Lend Lease Trust			
	December 2009		June 2009		December 2009		June 2009	
	No. of Shares m	A$m	No. of Shares m	A$m	No. of Units m	A$m	No. of Units m	A$m
22. Issued Capital and Treasury Securities								
Issued Capital								
Issued capital at beginning of financial period	457.6	1,195.9	401.1	854.7				
Movements during financial period								
Share issue via institutional placement, net of transaction costs			50.0	296.2				
Share issue – other			0.1	0.2				
Distribution Reinvestment Plan (DRP)	3.2	30.4	6.4	44.8				
Capital issue to effect stapling of the Company's shares to LLT units					460.8	0.5		
Issued capital at end of financial period	**460.8**	**1,226.3**	**457.6**	**1,195.9**	**460.8**	**0.5**	**–**	**–**

Issued capital for Lend Lease Corporation Limited comprises ordinary shares fully paid.

Following Company shareholder approval on 12 November 2009 the shares of the Company and the units in Lend Lease Trust ('LLT') were combined as stapled securities. From 13 November 2009 the stapled securities 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').

The issued units of Lend Lease Trust are not owned by the Company and are therefore presented as non controlling interests in the consolidated statement of financial position within equity.

As at 31 December 2009 the Group had 460.8 million stapled securities on issue equivalent to the number of Lend Lease Corporation shares and Lend Lease Trust units on issue as at that date.

The Group's DRP will be suspended for the interim distribution. The Group's Security Election Plan and Security Purchase Plan remain suspended.

Stapled security holders have the right to receive declared dividends from the Company and distributions from Lend Lease Trust and are entitled to one vote per stapled security at security holders' meetings. Ordinary stapled security holders rank after all creditors in repayment of capital.

The Group does not have authorised capital or par value in respect of its issued stapled securities.

	Lend Lease Corporation Limited				Lend Lease Trust			
	December 2009		June 2009		December 2009		June 2009	
	No. of Shares m	A$m	No. of Shares m	A$m	No. of Units m	A$m	No. of Units m	A$m
Treasury Securities[1]								
Balance at beginning of financial period	30.8	63.2	30.1	62.6				
Movements during financial period								
Treasury securities acquired	0.2	1.2	2.1	14.8				
Treasury securities vested	(1.1)	(10.1)	(1.4)	(14.2)				
Movement on allocated treasury securities recognised directly in retained earnings and equity compensation reserve		18.8						
Issue of Lend Lease Trust units upon stapling of the Company shares to Lend Lease Trust units					29.9			
Balance at end of financial period	**29.9**	**73.1**	**30.8**	**63.2**	**29.9**	**–**	**–**	**–**

1 Represents unallocated Lend Lease stapled securities held by employee benefit vehicles, including employee security plans, which Lend Lease sponsors. The value reflects the original historical cost to the Group. The consolidated balance represents the Company shares which are disclosed in the statement of financial position as treasury securities as a reduction of equity. The Lend Lease Trust balance is disclosed in the statement of financial position within non controlling interests attributable to unit holders of Lend Lease Trust.

Notes to the Consolidated Financial Statements continued

	Note	Consolidated December 2009 A$m	June 2009 A$m
23. Retained Earnings			
Retained earnings at beginning of financial period		1,238.5	2,126.1
Profit/(loss) attributable to members of Lend Lease Corporation Limited		204.9	(653.6)
Movement on allocated treasury securities recognised directly in retained earnings		14.5	(0.9)
		1,457.9	**1,471.6**
Distributions paid		(42.8)	(205.1)
Dividend 'in specie' of LLT units	7	(0.5)	
Distributions on treasury securities		4.5	16.8
Distributions forgone pursuant to DRP		(30.4)	(44.8)
Total retained earnings at end of financial period		**1,388.7**	**1,238.5**

24. Contingent Liabilities

Lend Lease has the following contingent liabilities:

There are a number of legal claims and exposures which arise from the normal course of business. There is significant uncertainty as to whether a future liability will arise in respect of these items. The amount of liability, if any, which may arise cannot be measured reliably at this time. The Directors are of the opinion that all known liabilities have been brought to account and that adequate provision has been made for any anticipated losses.

In certain circumstances, the Company guarantees the performance of particular Group entities in respect of their obligations. This includes bonding and bank guarantee facilities used primarily by the Project Management and Construction business as well as performance guarantees for certain Communities business commercial built-form developments. These guarantees are provided in respect of activities that occur in the ordinary course of business and any known losses in respect of the relevant contracts have been brought to account.

Lend Lease has over the years established a range of employee share ownership vehicles which include the Lend Lease Retirement Benefit Fund (RBF) and the Lend Lease Employee Investment Trust (EIT). In the event of a change of control, the RBF and EIT Trustees may distribute the funds of these Trusts to employees who cease to be employees during the 12 months after a change of control. Any payments made need to be funded by these Trusts and cannot exceed the value of the assets of the Trusts. As RBF and EIT are consolidated by the Company, this potential obligation is disclosed as a contingent liability. Full details are disclosed in the 30 June 2009 annual consolidated financial report.

In September 2004, a class action was filed against a number of parties who responded to the World Trade Center emergency and debris removal following the events of 9/11. The action was brought against more than 50 defendants, including the City of New York and Bovis Lend Lease LMB, Inc. ('Bovis Lend Lease') (a subsidiary of the Company). Judge Alvin K Hellerstein of the United States Federal Court for the Southern District of New York refused to certify the class action and as such the litigation proceeds as a consolidated action by individual claimants. The number of claimants who have brought proceedings against Bovis Lend Lease is currently approximately 16,257 (comprising 9,830 first named claimants and 6,427 derivative claimants – for example, spouses).

On 12 December 2008 Judge Hellerstein made orders to bring 30 expedited cases to trial with an anticipated hearing date of May 2010. On 21 January 2010, Judge Hellerstein made further orders to reduce the number of expedited cases to 12 with trials anticipated to commence in May 2010. Four of these cases will be selected by the claimants, four by the defendants and four by the Court. Preparation for these trials is progressing.

Bovis Lend Lease is one of the beneficiaries of the approximately US$1.0 billion captive insurance policy established by the US Congress to protect the City of New York and its contractors against liabilities that may arise from the clean up. Bovis Lend Lease and other defendants have also benefited from certain project specific insurance.

In addition, to establish any liability on the part of Bovis Lend Lease, the claimants must prove that Bovis Lend Lease owed them a duty of care, breached that duty and that their injuries were caused by the conduct of Bovis Lend Lease. The litigation therefore still needs to proceed through a number of stages before any liability can attach to Bovis Lend Lease. As with all litigation, to the extent that the claimants are able to establish liability against Bovis Lend Lease, it is not possible at this stage to quantify what that liability may or may not be or whether or not that liability will be entirely covered by insurance.

In April 2009, Bovis Lend Lease in New York received notice of investigations being conducted by the US Attorney and New York District Attorney. The investigation relates to allegations regarding, among other things, billing practices for union foremen on construction projects in New York. Bovis Lend Lease is co-operating with the authorities in their investigation. Until the investigation is complete, it is not possible to quantify what the financial consequences associated with this matter will be.

Lend Lease has engaged independent advisers to conduct a review of Bovis Lend Lease's practices and has recognised a provision to cover legal costs and make-good payments.

Notes to the Consolidated Financial Statements continued

	Ownership Interest Acquired %	Date Acquired
25. Consolidated Entities		
a. Acquisitions		
During the period, the consolidated entity acquired an interest in the following entities:		
December 2009		
Lend Lease Trust (formerly Sheffield Diversified Fund No. 2)[1]	100	2 Oct 09
Lend Lease Trust No. 2 (formerly Sheffield Diversified Fund No. 1)[1]	100	2 Oct 09
Lend Lease Responsible Entity Limited (formerly Sheffield Funds Management Limited)	100	2 Oct 09
Communities		
Lend Lease Primelife Group[2]	56.8	15 Dec 09
December 2008		
Communities		
Lend Lease Villages Responsible Entity Limited	100	22 Oct 08

1 On 2 October 2009, Lend Lease Corporation Limited acquired 100% of the voting interests in Lend Lease Trust and Lend Lease Trust No. 2. Subsequent to the acquisition of Lend Lease Trust, the units of Lend Lease Trust were stapled to shares in Lend Lease Corporation Limited as set out in Note 1.

2 At 30 June 2009, the Group owned 43.2% of Primelife which was classified as a equity accounted associate. Refer to Note 12. 'Investments Accounted for Using the Equity Method'.

	Fair Value A$m
Acquisition of Lend Lease Responsible Entity Limited	
Acquisition Cost	
Cash paid for acquisition	**0.2**
Net Assets of Entity Acquired	
Intangible asset (Australian Financial Services Licence)	0.2
Net assets acquired	**0.2**

On 2 October 2009, the Group acquired all of the shares in Lend Lease Responsible Entity Limited for A$0.2 million in cash. The entity's principal activity is to be the responsible entity of Lend Lease Trust and Lend Lease Trust No. 2. From acquisition date to 31 December 2009, the revenue and profit contributed to the Group is immaterial.

Acquisition of Lend Lease Primelife Group

Following court approval on 15 December 2009 ('acquisition date'), the Group obtained control of Lend Lease Primelife Group ('Primelife'), an owner and operator of senior living communities. This transaction resulted in the Group's equity ownership in Primelife increasing from 43.2% to 100%.

The transaction was completed via a Scheme of Arrangement and Trust Scheme. The acquisition is in line with Lend Lease's strategy to increase the Group's exposure to the retirement sector.

An initial interest held by the Group in Primelife of 43.2% at 30 June 2009 was recorded as an equity accounted investment. At the date of acquiring the remaining 56.8%, this initial interest was remeasured to fair value in accordance with Australian Accounting Standards:

	A$m
Carrying value of equity accounted investment as at acquisition date	200.5
Fair value of investment as at acquisition date	183.0
(Loss) on remeasurement to fair value	**(17.5)**

Notes to the Consolidated Financial Statements continued

25. Consolidated Entities continued

a. Acquisitions continued

Acquisition of Lend Lease Primelife Group continued

This loss has been recognised in Communities activities – other expenses in the Group income statement.

The carrying value of management agreements with Primelife of A$15.6 million has been written off due to the acquisition. These agreements were previously recorded as intangible assets and the write off has been reflected in Communities activities - other expenses in the Group income statement.

The amounts recognised as at the acquisition date for the wholly owned interest in each major class of identifiable assets and liabilities of Primelife were:

	Fair Value A$m
Cash and cash equivalents	21.9
Receivables	24.5
Inventories	31.7
Property, plant and equipment	264.1
Investment properties	2,451.6
Deferred tax assets	15.6
Equity accounted investments	16.9
Intangible assets	172.8
Other assets	1.4
Resident and accommodation bond liabilities	(1,847.0)
Borrowings	(445.6)
Payables	(223.3)
Provisions	(34.4)
Other liabilities	(26.9)
Total net identifiable assets	423.3
Total consideration transferred	192.0
Fair value of previous interest in Primelife	183.0
Discount on acquisition	48.3

The discount on acquisition is based on the Group's assessment of the fair value of the identifiable net assets at acquisition date which exceeded the consideration paid to acquire the remaining 56.8% equity interest. This amount has been reflected in Other Income in the Group income statement. The consideration of A$192.0 million paid to acquire this interest consisted entirely of cash.

The net cash outflow for the Group, excluding transaction costs, due to the acquisition was as follows:

	A$m
Cash consideration	192.0
Cash acquired	(21.9)
Net cash outflow	**170.1**

Transaction costs of A$5.0 million have been included in Communities activities – other expenses in the Group income statement.

Gross contractual amounts due for receivables of A$33.7 million comprises A$11.2 million of trade receivables and A$22.5 million of settlement funds receivables/sundry debtors. Of the total amount outstanding, A$9.2 million was expected to be uncollectible at the acquisition date.

The fair values ascribed to the assets acquired and liabilities assumed at acquisition are considered provisional at 31 December 2009, given the proximity of the acquisition to the period end. If the Group had owned 100% of Primelife for the six months ended 31 December 2009, it is estimated that the Group's consolidated revenue and profit would not have been materially different from the actual results disclosed in the income statement.

Notes to the Consolidated Financial Statements continued

25. Consolidated Entities continued

b. Disposals

December 2009

During the period, there were no disposals of consolidated entities.

	Ownership Interest Disposed %	Date Disposed	Consideration Received A$m
December 2008			
Communities			
RBD Property Management Pty Ltd	100	30 Dec 08	14.4
Glenaeon Retirement Village Pty Ltd	100	30 Dec 08	41.9
Lutanda Manor Retirement Village Pty Ltd	100	30 Dec 08	18.5
Forest Hills Village Pty Ltd	100	30 Dec 08	11.7
Peppertree Hill Management Pty Ltd	100	30 Dec 08	24.0
P.V. Management Pty Limited	100	30 Dec 08	6.8
Retirement Village Properties Pty Ltd	100	30 Dec 08	3.3

26. Segment Reporting

The segment results are discussed and analysed in the Management Discussion and Analysis of Financial Condition and Results of Operations (MD&A) included with this report.

The Group has identified various operating segments based on the internal reports that are reviewed and used by the Managing Director (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The operating segments have been aggregated into five reportable segments, being the Group's five strategic business units as shown below. The operating segments have been aggregated on the basis that they exhibit similar long term financial performance and have similar economic characteristics, such as similar average gross margins, and similar operating and competitive risks.

The following summary describes the operations in each of the Group's reportable segments:

Retail

Retail relates to property development from concept through to design, planning, construction, financing, leasing, property management and the eventual sale. This segment also includes direct investments in retail assets.

Communities

Communities relates to development of large scale master-planned urban communities, inner city mixed use developments, apartments and the retirement sector. This includes all aspects from acquisition, design, development and management to eventual sale.

Public Private Partnerships

Public Private Partnerships relates to privatisation services, including the health sector, education sector, waste sector, defence estates and accommodation.

Investment Management

Investment Management relates to the management of real estate investment funds and real estate associated debt on behalf of clients. This also includes indirect investments in real estate and other investments.

Project Management and Construction

The business segment relates to project management, design services, construction management and engineering.

Notes to the Consolidated Financial Statements continued

26. Segment Reporting continued

Segment performance is based on operating profit after tax. Operating profit after tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain reportable segments relative to other entities that operate within these industries. The Group does not consider corporate activities to be an operating segment. Financial information regarding the performance of each reportable segment and a reconciliation of these reportable segments to the financial statements is included below.

	Segment Revenue		Operating Profit/(Loss) After Tax (Excluding Minority Interests)	
	December 2009 A$m	December 2008 A$m	December 2009 A$m	December 2008 A$m
Retail	57.4	69.6	31.5	37.4
Communities[1]	363.4	215.5	71.4	71.1
Public Private Partnerships[2]	589.3	712.7	49.5	30.8
Investment Management[3]	27.9	36.8	12.4	20.9
Project Management and Construction[4]	4,529.0	6,754.2	55.9	88.1
Total segment	**5,567.0**	**7,788.8**	**220.7**	**248.3**
Reconciling Items				
Corporate activities	26.3	39.8	(32.8)	(62.9)
Property investment revaluations			17.0	(169.6)
Inventory carrying value adjustments				(190.7)
Goodwill impairments				(252.9)
Other unrealised carrying value adjustments				(150.0)
Restructure and employee termination costs				(48.9)
Net gain on Bovis UK pension scheme curtailment				30.3
Statutory result	**5,593.3**	**7,828.6**	**204.9**	**(596.4)**

1 Includes interest revenue of A$6.6 million (December 2008: A$15.4 million). December 2008 includes dividend income of A$0.8 million.
2 Includes interest revenue of A$10.2 million (December 2008: A$11.2 million).
3 Includes dividend income of A$0.2 million (December 2008: A$0.4 million).
4 December 2008 includes interest income of A$0.6 million.

27. 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.

Directors' Declaration

In the opinion of the Directors of Lend Lease Corporation Limited ('the Company'):

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
   a. Giving a true and fair view of the financial position of the Company and its controlled entities as at 31 December 2009 and of their performance for the half year ended on that date; and
   b. Complying with Australian Accounting Standard AASB 134 *'Interim Financial Reporting'* and the *Corporations Regulations 2001*.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

D A Crawford, AO
Chairman

S B McCann
Managing Director

Sydney, 25 February 2010

Independent auditor's review report to the members of Lend Lease Corporation Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of Lend Lease Corporation Limited (the Company) which comprises the consolidated statement of financial position as at 31 December 2009, consolidated statement of comprehensive income, consolidated income statement and consolidated statement of changes in equity and consolidated statement of cash flows for the half-year period ended on that date, a statement of significant accounting policies and other explanatory notes 1 to 27 and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Lend Lease Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lend Lease Corporation Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

C Hall
Partner

Sydney, 25 February 2010