

Directors' Report

The Directors present their report together with the Half Year Financial Report and the Consolidated Financial Statements of the economic entity, Lend Lease Corporation Limited ('Lend Lease') for the six months ended 31 December 2005.

1. Directors

The name of each person who has been a Director of Lend Lease between 1 July 2005 and the date of this report is:

D A Crawford, Chairman	Director since 2001, Chairman since 2003
R A Longes, Deputy Chairman	Retired 17 November 2005
G A Clarke, Managing Director	Managing Director since 2002
A Chamberlain	Retired 30 September 2005
P M Colebatch	Appointed 1 December 2005
G G Edington	Director since 1999
P C Goldmark	Director since 1999
D J Ryan	Director since 2004
R H Taylor	Director since 2004

2. Review of Operations and Consolidated Results

Review of operations included in Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) included with the Consolidated Financial Statements.

For the six months to 31 December 2005, Lend Lease reported an operating profit after tax of A\$176.6 million as compared to the profit after tax for the six months ended 31 December 2004 of A\$140.7 million.

An increased franked interim dividend of A\$119.8 million (December 2004 A\$111.6 million unfranked) has been approved by the Directors. The interim dividend of 30 cents per share will be paid on 14 March 2006 (prior period 28 cents per share paid on 8 March 2005).

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

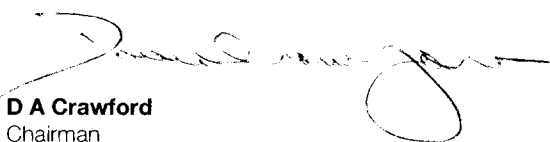
The lead auditor's independence declaration is set out on page 2 and forms part of the directors' report for the half year ended 31 December 2005.

4. Rounding Off

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

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

Sydney, 16 February 2006


D A Crawford
Chairman


G A Clarke
Managing Director



***Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001
to the directors of Lend Lease Corporation Limited***

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2005 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

G. R. Wilson
Partner

Sydney

16 February 2006