

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 2006.

1. Directors

The name of each person who has been a Director of Lend Lease between 1 July 2006 and the date of this report is:

D A Crawford, Chairman	Director since 2001, Chairman since 2003
G A Clarke, Managing Director	Managing Director since 2002
P M Colebatch	Director since 2005
G G Edington	Director since 1999
P C Goldmark	Director since 1999
J A Hill	Appointed 8 May 2006
D J Ryan	Director since 2004
R H Taylor	Director since 2004

2. Review of Operations and Consolidated Results

A review of operations included in Managements' Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is included with the Consolidated Financial Statements.

For the six months to 31 December 2006, Lend Lease reported an operating profit after tax of A\$174.7 million as compared to the profit after tax for the six months ended 31 December 2005 of A\$176.6 million.

An increased 50.0% franked interim dividend of A\$140.1 million (December 2005 A\$119.8 million franked) has been approved by the Directors. The interim dividend of 35 cents per share will be paid on 27 March 2007 (prior period 30 cents per share paid on 14 March 2006).

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 2006.

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, 28 February 2007



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 2006 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

A handwritten signature in black ink, appearing to read 'Chris Hall', with a horizontal line underneath.

Chris Hall
Partner

Sydney

28 February 2007