

Lend Lease Trust

Half Year Financial Report

December 2010

Lead Lease Responsible Entity Limited ABN 72 122 883 185 AFSL No. 308983 is the responsible entity of the Lend Lease Trust ARSN 128 052 595

Table of Contents

Directors' Report	1
Lead Auditors Independence Declaration under Section 307C of the Corporations Act 2001	2
Financial Statements	3
Statement of Comprehensive Income	3
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	4
Notes to the Financial Statements	5
1. Significant Accounting Policies	5
2. Distributions	5
3. Earnings per Unit	5
4. Issued Capital	6
5. Contingent Liabilities	6
6. Events Subsequent to Balance Date	6
Directors' Declaration	7

Directors' Report

The Directors of Lend Lease Responsible Entity Limited ("Responsible Entity"), the Responsible Entity for the Lend Lease Trust ("the Trust"), present their Report together with the Half Year Financial Report of the Trust, for the six months ended 31 December 2010 and the Auditor's Report thereon.

1. Directors

The name of each person who has been a Director of the Responsible Entity between 1 July 2010 and the date of this Report are:

D A Crawford AO, Chairman
S B McCann, Managing Director
P M Colebatch
G G Edington
P C Goldmark
J A Hill
D J Ryan

2. Review of Operations and Results

For the six months ended 31 December 2010 the Trust reported a loss after tax of A\$39,776 (Dec 2009: A\$nil).

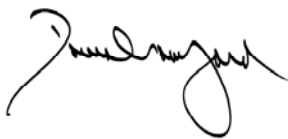
3. Events Subsequent to Balance Date

There are no material events subsequent to the end of the financial period.

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 2010.

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, 17 February 2011



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

To: the directors of Lend Lease Responsible Entity Limited, the Responsible Entity for the Lend Lease Trust ('the Trust')

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2010 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

Chris Hall
Partner

Sydney

17 February 2011

Financial Statements

Statement of Comprehensive Income

Half year ended 31 December 2010

	Note	6 months December 2010 A\$	6 months December 2009 A\$
Revenue			
Finance revenue – related parties		15,724	
Total revenue		15,724	-
Expenses			
Responsible entity fees		55,500	
Total expenses		55,500	-
(Loss) before tax		(39,776)	
Income tax expense			
(Loss) after tax		(39,776)	
Other comprehensive income net of tax			
Total comprehensive income after tax		(39,776)	-
Basic/diluted earnings per unit (cents)	3	-	-

Statement of Financial Position

As at 31 December 2010

	Note	December 2010 A\$	June 2010 A\$
Current Assets			
Cash and cash equivalents		578,905	
Loans and receivables – related parties			589,031
Total current assets		578,905	589,031
Current Liabilities			
Trade and other payables – related parties		55,500	25,850
Total current liabilities		55,500	25,850
Net assets		523,405	563,181
Equity			
Issued capital	4	565,559	565,559
Accumulated losses		(42,154)	(2,378)
Total equity attributable to unitholders		523,405	563,181

The accompanying notes form part of these financial statements.

Financial Statements continued

Statement of Changes in Equity

Half year ended 31 December 2010

	Note	6 months December 2010 A\$	6 months December 2009 A\$
Issued Capital			
Opening balance at beginning of financial period		565,559	100
Unit redemption			(100)
Unit issue			460,769
Closing balance at end of financial period	4	565,559	460,769
Accumulated Losses			
Opening balance at the beginning of financial period		(2,378)	-
Loss after tax		(39,776)	
Closing balance at end of financial period		(42,154)	-

Statement of Cash Flows

Half year ended 31 December 2010

		6 months December 2010 A\$	6 months December 2009 A\$
Cash Flows from Operating Activities			
Cash receipts in the course of operations		385	
Cash payments in the course of operations		(25,850)	
Interest received		38,811	
Net cash provided by operating activities		13,346	-
Cash Flows from Financing Activities			
Net proceeds from equity issue		565,559	
Net cash provided by financing activities		565,559	-
Net increase in cash and cash equivalents		578,905	-
Cash and cash equivalents at beginning of financial period		-	-
Cash and cash equivalents at end of financial period		578,905	-

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. Significant Accounting Policies

The Trust is domiciled in Australia.

Lend Lease Corporation Limited ('the Company') acquired 100% of the Trust on 2 October 2009. Following shareholders' approval on 12 November 2009, the units in the Trust were distributed as an 'in specie' dividend to the shareholders. The shares of the Company and the units in the Trust were combined as stapled securities and from 13 November 2009 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 half year financial report was authorised for issue by the Directors on 17 February 2011.

1.1 Statement of Compliance

The 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 half year financial report of the Trust also complies with the recognition and measurement requirements of the International Financial Reporting Standards (IFRS) and Interpretations adopted by the International Accounting Standards Board.

The half year financial report should be read in conjunction with the 30 June 2010 annual financial report and any public announcements by the Trust during the half year in accordance with continuous disclosure obligations arising under the Corporations Act 2001. The half year financial report does not include all of the information required for a full financial report.

1.2 Basis of Preparation

The half year financial report is presented in Australian Dollars and is prepared under the historical cost basis.

The preparation of an interim 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 and 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 are consistent with those applied in the 30 June 2010 annual financial report except as indicated below.

The significant additional accounting policies impacting the Trust during the half year are as follows:

- Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, bank overdrafts and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts (if applicable) are shown as a current liability on the balance sheet and are shown as a reduction to the cash balance in the statement of cash flows.

2. Distributions

No distributions were paid or declared during the period to December 2010 or up to the date of this report.

		December 2010	December 2009
3. Earnings per Unit			
Basic/Diluted Earnings Per Unit (EPU)			
Loss after tax	A\$	(39,776)	-
Weighted average number of units		565,558,754	460,768,608
Basic/diluted EPU (cents)		-	-

Notes to the Financial Statements continued

	December 2010 No of units	December 2010 A\$	June 2010 No of units	June 2010 A\$
4. Issued Capital				
Issued Capital				
Issued capital at beginning of financial period	565,558,754	565,559	100	100
Unit redemption			(100)	(100)
Unit issue to effect stapling of Lend Lease Trust units to the Company shares			460,768,608	460,769
Unit issue as part of the Group equity raising			104,753,961	104,754
Other issues			36,185	36
Issued capital at end of financial period	565,558,754	565,559	565,558,754	565,559

5. Contingent Liabilities

The Trust does not have any contingent liabilities.

6. Events Subsequent to Balance Date

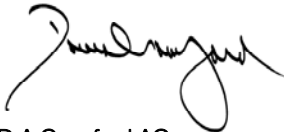
There are no material events subsequent to the end of the financial period.

Directors' Declaration

In the opinion of the Directors of Lend Lease Responsible Entity Limited, the responsible entity for the Lend Lease Trust ('the Trust'):

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 Trust as at 31 December 2010 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*.
2. There are reasonable grounds to believe that the Trust 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, 17 February 2011



Independent auditor's review report to the unitholders of Lend Lease Trust

Report on the financial report

We have reviewed the accompanying half-year financial report of Lend Lease Trust ('the Trust'), which comprises the statement of financial position as at 31 December 2010, statement of comprehensive income, income statement, statement of changes in equity and statement of cash flows for the half-year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 6 and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of Lend Lease Responsible Entity Limited, the Responsible Entity for the Lend Lease Trust ('the Trust') are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a Financial Report 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 Trust's financial position as at 31 December 2010 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 Trust, 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 Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Trust's financial position as at 31 December 2010 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

Chris Hall
Partner

Sydney

17 February 2011