

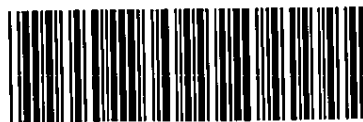
Lend Lease US Investments Limited

**Directors' report and
financial statements**

30 June 2009

Registered number 3365708

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Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2009.

Principal activities

The principal activity of Lend Lease US Investments Limited is to hold investments.

Results and dividends

The profit for the year amounted to £nil (2008: £63). The directors do not recommend the payment of a dividend (2008: £nil).

Directors

The directors of the company during and after the year were as follows:

R G Caven	(resigned 11 July 2008)
D Nicklin	(resigned 1 May 2009)
G J Scott	
B Dew	(appointed 18 June 2009)

Political and charitable contributions

The Company made no political or charitable contributions during the year (2008: £nil).

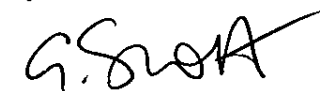
Statement as to disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



G J Scott
Director

142 Northolt Road
Harrow, Middlesex, HA2 0EE
27 NOVEMBER 2009

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP

8 Salisbury Square
London
United Kingdom
EC4Y 8BB

Independent auditors' report to the members of Lend Lease US Investments Limited

We have audited the financial statements of Lend Lease US Investments Limited for the year ended 30 June 2009 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its results for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Lend Lease US Investments Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

W. Meredith

W Meredith
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Salisbury Square, London, EC4Y 8BB

27 November 2009

Income statement

for the year ended 30 June 2009

	<i>Note</i>	2009	2008
		£	£
Finance income	4	-	89
Profit on ordinary activities before taxation			
Taxation	5	-	89
Profit on ordinary activities after taxation			

All activities are continuing.

The company had no recognised gains or losses for the year.

The notes to and forming part of the financial statements are set out on pages 9 to 13.

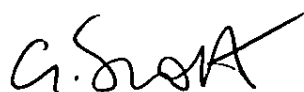
Balance sheet

at 30 June 2009

	Note	2009 £	2008 £
Current assets			
Trade and other receivables	6	116,798,118	116,918,938
Total assets		116,798,118	116,918,938
Current liabilities			
Trade and other payables	7	(2,259,374)	(2,380,194)
		(2,259,374)	(2,380,194)
Non current liabilities			
Financial liabilities	8	(120,000,000)	(120,000,000)
		(120,000,000)	(120,000,000)
Total liabilities		(122,259,374)	(122,380,194)
Net liabilities		(5,461,256)	(5,461,256)
Capital and reserves			
Called up share capital	9	1	1
Retained earnings		(5,461,257)	(5,461,257)
Shareholders' deficit		(5,461,256)	(5,461,256)

The notes to and forming part of these financial statements are set out on pages 9 to 13.

These financial statements were approved by the board of directors on **27 NOVEMBER** 2009 and were signed on its behalf by:



G J Scott
Director



B Dew
Director

Statement of changes in equity
for the year ended 30 June 2009

	Attributable to shareholders		Total equity
	Share capital	Retained earnings	
	£	£	£
Balance at 1 July 2007	1	(5,461,320)	(5,461,319)
Retained profit for the year	-	63	63
Balance at 30 June 2008	1	(5,461,257)	(5,461,256)
Balance at 1 July 2008	1	(5,461,257)	(5,461,256)
Retained profit for the year	-	-	-
Balance at 30 June 2009	1	(5,461,257)	(5,461,256)

Cash flow statement

for the year ended 30 June 2009

	2009	2008
	£	£
Cash flows from operating activities		
Profit for the year	-	63
Taxation	-	26
Finance income	-	-
Operating profit before changes in working capital	-	89
Decrease in trade and other receivables	120,820	3,912
(Decrease) in trade and other payables	(120,820)	(3,975)
Income tax paid	-	(26)
Net cash from operating activities	-	-
Increase in cash and cash equivalents		
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at 1 July	-	-
Cash and cash equivalents at 30 June	-	-

Notes to the financial statements

1 Accounting policies

Lend Lease US Investments Limited is a company incorporated in the UK.

The Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of Preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependant for its working capital on funds provided to it by Lend Lease Europe Holdings Limited, the company's ultimate UK undertaking. Lend Lease Europe Holdings Limited has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as they are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason that it will not do so.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Net financing costs

Net financing costs comprise interest payable, interest receivable on funds invested, and foreign exchange gains and losses that are recognised in the income statement.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Trade and other receivables

Trade and other receivables are stated at their nominal amount (discounted if material) less provision for doubtful debts.

Notes to the financial statements (*continued*)

1 Accounting policies (*continued*)

Taxation

The tax expense represents the sum of the tax currently payable.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Key estimates and judgements

These accounts are prepared under IFRSs as adopted by the EU. The choice of accounting policies involves, in some cases, management evaluating and choosing the policy that gives the most true and fair view.

The most relevant to the company is in relation to provisions amount receivable.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations that are effective and not yet effective for the year ended 30 June 2009, and have not been applied in preparing these financial statements. None of these have a material effect on the financial statements of the Company.

2 Directors and employees

The directors did not receive any emoluments in respect of their services to the company (2008: £nil).

The company did not employ any staff during the year (2008: nil).

3 Auditor's remuneration

Auditor's remuneration in respect of audit and other fees were paid by a fellow subsidiary within the Lend Lease Europe Holdings Limited group.

The directors estimate the fee attributable to the company is £2,300 (2008: £2,300)

4 Financial income

	2009 £	2008 £
Other interest	-	89

Notes to the financial Statements (continued)

5 Taxation

a) Analysis of tax charge for the year

	2009	2008
	£	£
United Kingdom corporation tax at 28% (2008: 29.5%)	-	26

The above tax calculation is an estimate prepared at the time of signing the financial statements. Any adjustments subsequently agreed with the Inland Revenue will be reflected in the financial statements for the period in which such agreement is reached.

There is no unprovided deferred tax.

b) Factors affecting tax charge for the year

The tax assessed agrees to the application of the standard rate of corporation tax in the UK (2009: 28%, 2008: 29.5%) to the company's profit before taxation.

	2009	2008
	£	£
Profit on ordinary activities before tax	-	89
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK (2009: 28%, 2008: 29.5%)	-	26

6 Trade and other receivables

	2009	2008
	£	£
Amounts owed by group undertakings:		
- Lend Lease Europe Holdings Limited	113,948,573	113,948,573
- Lend Lease Real Estate Investments Inc	2,259,374	2,380,194
- Lend Lease Europe Limited	590,171	590,171
	116,798,118	116,918,938

7 Trade and other payables

	2009	2008
	£	£
Amounts owed to group undertakings:		
- Lend Lease Europe Holdings Limited	2,259,374	2,380,194

Notes to the financial Statements (*continued*)

8 Financial liabilities

Non current

	2009 £	2008 £
Liability component of preference shares		
- Lend Lease Europe Holdings Limited	120,000,000	120,000,000

The preference shares are redeemable at the option of the shareholder or the company for a period of 20 years from the date of issue. The shares were issued as part of a simultaneous settlement transaction to restructure the group's investment in the Bovis Lend Lease US subsidiaries.

The preference shares carry a fixed cumulative preferential dividend of LIBOR plus 2 per cent on the nominal value of each share, payable annually in arrears out of the profits available for distribution. At 30 June 2009 there were no profits available for distribution. On a winding up of the company the preference shareholders have a right to receive, in preference to payments to ordinary shareholders, an amount equal to the aggregate of the nominal value of the shares together with any accruals of the preferential dividend in respect of those shares.

The preference shares do not carry the right to vote at general meetings of the company.

9 Called up share capital

	2009 £	2008 £
<i>Authorised</i>		
250,000,000 ordinary shares of £1	250,000,000	250,000,000
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1	1	1

10 Financing Arrangements and Financial Instruments

Fair values of financial assets and liabilities – on balance sheet

There is no significant difference between the carrying value and fair value of the financial instruments.

Financial Instruments - Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Company is compliant with the Lend Lease Consolidated Group's framework for risk management including credit risk. There are no significant concentrations of external credit risk with the Company's exposure to only Lend Lease Consolidated Group related parties.

Financial Instruments - Liquidity Risk

Liquidity risk is the risk of having insufficient funds to settle financial liabilities as and when they fall due. This includes having insufficient levels of committed credit facilities. The Company's objective is to maintain the efficient use of cash and debt facilities in order to minimise the cost of borrowing to the Company and ensure sufficient availability of credit facilities.

Notes to the financial Statements (*continued*)

10 Financing Arrangements and Financial Instruments (*continued*)

Financial Instruments - Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument or cash flow associated with the instrument will fluctuate due to changes in the market interest rates. The Company's policy is to manage interest rate risk that impacts directly on the Company's assets and liabilities. The Company's exposure to interest rate risk is limited to movements on its cash at bank balance.

Sensitivity Analysis

At 30 June 2009, it is estimated that an increase of one percentage point in interest rates would have no impact on the Company's profit before tax (2008: increase in profit by £12).

11 Subsequent events

There have been no significant post balance sheet events.

12 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Lend Lease Europe Holdings Limited, which is registered in England and Wales. Its ultimate parent undertaking is Lend Lease Corporation Limited, which is incorporated in Australia.

The largest group in which the results of the company are consolidated is that headed by Lend Lease Corporation Limited. The consolidated financial statements of that group may be obtained from www.lendlease.com.au.

The smallest group in which the financial statements of the company are consolidated is that headed by Lend Lease Europe Holdings Limited. The consolidated financial statements of that group may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff

13 Related Party Disclosures

At the year end the company was owed £113,948,573 (2008: £113,948,573) by Lend Lease Europe Holdings Limited a parent company. At the year end it also owed Lend Lease Europe Holdings Limited £2,259,374 (2008: £2,380,194) current payable, and £120,000,000 (2008: £120,000,000) non current payable.

At the year end the company was owed £2,259,374 (2008: £2,380,194) by Lend Lease Real Estate Investments Inc, a fellow subsidiary.

At the year end the company was owed £590,171 (2008: £590,171) by Lend Lease Europe Limited, a fellow subsidiary.