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Limited

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10 May 2005

The Manager  
Companies Section  
Australian Stock Exchange Limited

The Manager  
Companies Section  
New Zealand Stock Exchange Limited

Pages: Three (3) pages

Dear Sir

## **STOCK EXCHANGE ANNOUNCEMENT**

### **LEND LEASE OPPOSES GPT TRANSACTIONS WITH WESTFIELD AND B&B**

#### **– Internalisation package not in the interests of GPT unitholders –**

Lend Lease Corporation Limited (“Lend Lease”) rejects the assertions made in the General Property Trust (“GPT”) market announcement today. GPT sought unqualified support from Lend Lease and to impose unacceptable conditions for the terms of a transition and commercial agreement between the two parties that would take effect if GPT’s proposed but widely criticised internalisation package is implemented.

Further details are included in the attached media statement.

Yours faithfully  
**LEND LEASE CORPORATION LIMITED**

**S J SHARPE**  
Company Secretary

**MEDIA RELEASE**

**10 MAY 2005**

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The failure of negotiations between the two parties has in fact arisen for two primary reasons:

1. GPT insisted that Lend Lease not attempt to seek to influence the vote of GPT unitholders, nor in any other way oppose or affect the outcome of the unitholder meeting. The proponents of the GPT internalisation package had required Lend Lease endorsement of their proposal as a condition for agreeing all of the proposed transition and commercial agreements.

After reviewing the Explanatory Memorandum for the internalisation package and approaches from several major GPT unitholders, Lend Lease believes that the proposal is against the interests of GPT unitholders and that Lend Lease could not support it under any circumstances.

2. At the same time, despite weeks of discussions, the GPT internalisation group was not prepared to agree a fair and equitable arrangement for an initial allocation of Lend Lease resources and employees that provided certainty for ALL Lend Lease employees, not just those the GPT group may have decided to employ if their proposal is supported (all persons currently servicing the Trust are employees of the Lend Lease Group). A rational, fair and equitable agreement on this matter was a key principle for Lend Lease. Nic Lyons, representing the GPT internalisation group, threatened the immediate resignation of the senior trust management team last week if Lend Lease did not give the internalisation group unfettered access to make approaches to Lend Lease employees. Lend Lease offered to accept these resignations, but they were withdrawn.

In our opinion the internalisation package is not in the interests of GPT unitholders, primarily because it has tied to it the sale of interests in three of GPT key retail portfolio assets to Westfield and the establishment of a highly geared Joint Venture with Babcock & Brown. Lend Lease has recently held discussions with several investors about potential practical alternatives to that proposal.

Managing Director and CEO, Greg Clarke, said Lend Lease would announce its views on an appropriate internalisation model for GPT tomorrow. He said that this alternative model would avoid the sale of GPT's retail assets to Westfield and the Babcock & Brown JV.

Mr Clarke said, "Our alternative will not include making a takeover offer for GPT as an alternative to the current internalisation proposal.

"When it was announced in February, Lend Lease reserved its position on the proposed internalisation package. Now that all the fine print has been laid out in GPT's Explanatory Memorandum and given the serious issues raised by GPT's Independent Expert, we believe that the internalisation package is not in the interests of GPT unitholders and should be rejected outright," Mr Clarke said.

ENDS

For further information:

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