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The Manager
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Dear Sir

STOCK EXCHANGE ANNOUNCEMENT

GPT UNITHOLDERS HAVE THE OPTION OF VOTING NO ON 2 JUNE - ALTERNATIVE INTERNALISATION PROPOSAL

Please find attached an announcement regarding Lend Lease's proposal which provides GPT unitholders with an option to vote "NO" at the forthcoming unitholder meeting.

Further details are included in the attached media statement.

Yours faithfully
LEND LEASE CORPORATION LIMITED

S J SHARPE
Company Secretary



ASX & Media Statement

11 May 2005

**GPT Unitholders Have The Option of Voting NO on 2 June
- Alternative Internalisation Proposal**

Lend Lease Corporation Limited ("Lend Lease") wishes to advise the market that unitholders of General Property Trust ("GPT") have the option of voting NO to the package of transactions, including internalisation, being put to them on 2 June.

In the event of a NO vote, GPT unitholders will achieve three important and positive outcomes:

- **No sales of GPT's best assets to Westfield at a discount to true value;**
- **No joint venture with Babcock & Brown ("B&B") in new markets for GPT in which Lend Lease believes GPT carries a disproportionate level of risk and lesser rewards compared to its JV partner;**
- **Internalisation of GPT management by 31 December 2005.**

The internalisation that would occur under these circumstances would be on the following basis:

- All Lend Lease funds management services provided to GPT would be charged at cost (with no incentive or performance fees) from July 1 until internalisation occurs;
- Completion of internalisation by 31 December 2005 with all appropriate staff and support resources for GPT's business transferred on an orderly and reasonable basis and timetable;
- Lend Lease would not exercise its pre-emption rights on the existing JV agreements with GPT on the Rouse Hill and Twin Waters projects.

This internalisation will deliver an annual distribution per unit (dpu) increase of approximately 1 cent per unit from 1 July 2005 and provide GPT unitholders with the only component of GPT's proposal which was described as "unambiguously positive" by GPT's independent expert, Grant Samuel.

Lend Lease wishes to make it clear that the internalisation of GPT under these circumstances would be framed in the best interests of GPT unitholders. It would consult after 2 June with GPT's major unitholders on all aspects of the proposal. Lend Lease would not seek to enhance or protect its current arrangements with GPT under these circumstances.

Lend Lease is providing a detailed analysis of what we believe are the numerous flaws in the package of transactions being put to GPT unitholders on 2 June at a market briefing this

afternoon. This analysis presents Lend Lease's case as to why the package is not in the best interests of GPT unitholders.

Lend Lease also advises that it has communicated to the ASX that it considers it indefensible that Westfield, GPT's largest unitholder, be allowed to vote together with other GPT unitholders on the package of transactions on 2 June. The sale of GPT's prime retail assets to Westfield at a discount to true value will be triggered by a YES vote on internalisation. Lend Lease maintains that this gives Westfield a clear and vested interest in the approval of this package. Lend Lease argues that Westfield is in a position of influence in relation to GPT in respect of the internalisation proposal. We are disappointed that the position of the relevant regulators is that Westfield may vote its 6.5% unitholding to secure a collateral benefit which is not available to other unitholders.

GPT unitholders should now understand the potential benefits of rejecting this package of transactions being put to them on 2 June. They can balance these benefits with the advice received from GPT's Independent Directors, as well as the highly qualified assessment of the potential merits of that package by GPT's own Independent Expert, Grant Samuel. Given the information now in the market, Lend Lease does not propose to engage in a solicitation campaign in relation to the GPT unitholder vote on 2 June.

Lend Lease is committed to assisting with orderly and reasonable transition arrangements for any internalisation of GPT.

Whatever course GPT unitholders choose, Lend Lease remains on track and strongly positioned to pursue its growth strategy.

"Lend Lease's earnings guidance for FY2005 remains unchanged from that advised with the half year results announcement in February this year. The company is comfortable that it will deliver a full year result around the upper end of the then market consensus range of \$253 million to \$277 million after tax, excluding earnings from the discontinued REI businesses and one-off items.

"Subject to the usual caveats regarding unforeseen market and economic events and conditions, we remain confident of delivering double digit after tax earnings growth in future years," Mr Clarke said.

ENDS.

The Lend Lease market presentation will be available on the Lend Lease website www.lendlease.com.au following this afternoon's briefing.