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25 May 2004

The Manager
Companies Section
Australian Stock Exchange Limited

The Manager
Companies Section
New Zealand Exchange Limited

Pages: forty one (41) pages

Dear Sir

STOCK EXCHANGE ANNOUNCEMENT

LEND LEASE PROPOSES MERGER WITH GPT TO CREATE PROPERTY POWERHOUSE

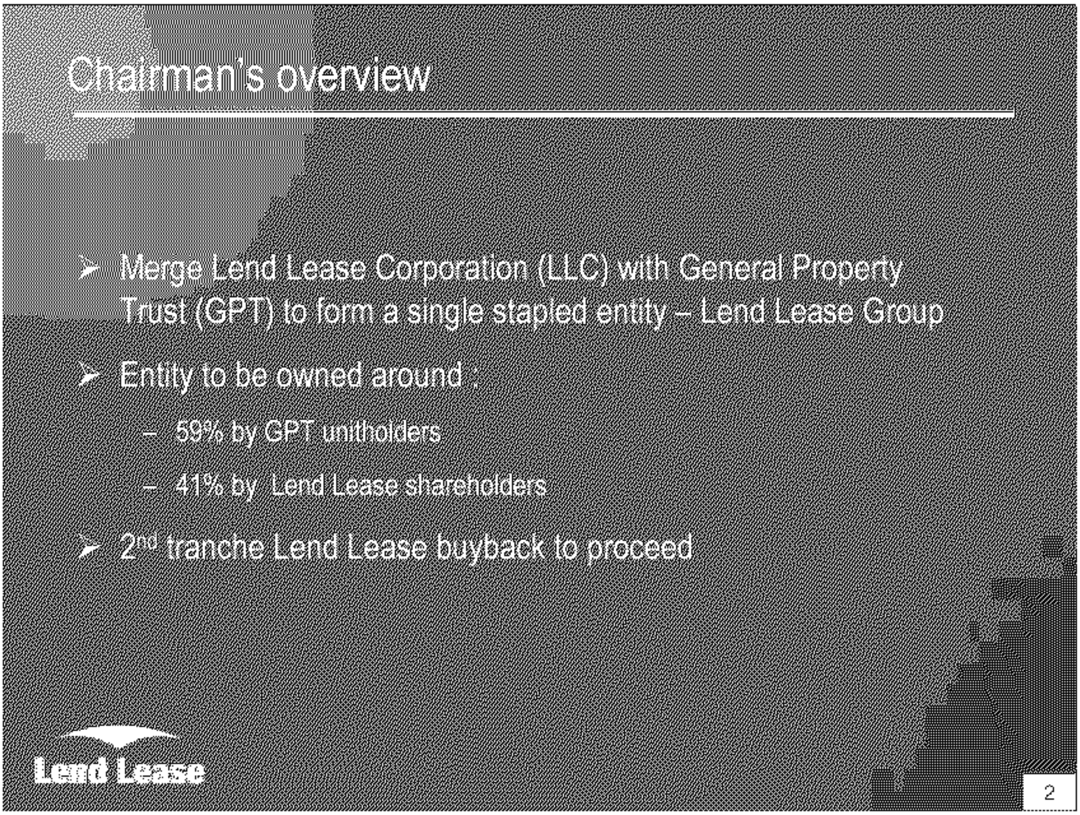
With reference to the announcement made yesterday by Lend Lease Corporation Limited ("Lease Lease") in relation to a proposal to merge with the Lend Lease managed, listed property trust, General Property Trust ("GPT"), attached is the presentation with speaker notes for the briefing held for media and analysts.

A trading halt will remain in place until 10.00am (AEST) Tuesday 25 May 2004.

Yours faithfully
LEND LEASE CORPORATION LIMITED

S J SHARPE
Company Secretary

- Welcome everyone. I am David Crawford, Chairman of Lend Lease Corporation.
- With me are Greg Clarke, CEO, and Jo Curin, Finance Director, Ross Taylor, our CEO Asia Pacific, and Rod Fehring, CEO of Delfin Lend Lease.
- Today we are outlining a proposal to merge Lend Lease and GPT which represents, in our view … a transforming opportunity for both organisations.
- The proposal represents the culmination of all the work that the Board and Greg's management team have done over the past 18 months.
- This has seen us resolve our position on the US REI front … revitalise the management team … restructure the organisation to achieve significant efficiencies, including cost reductions of A$88 million before tax … and focus on the businesses and markets, where we have competitive advantages and growth opportunities.
- We have put Lend Lease back on the road to earnings growth.



- Bringing together GPT's A$7.7 billion, high quality property portfolio … with Lend Lease, will give this Company the scale required to exploit some exciting growth opportunities … particularly in retail and urban community development internationally. It will also provide a highly stable earnings base for the merged Group.
- For GPT unitholders, we expect it to approximately double the Trust's current rate of earnings growth in the first year. Once the full benefits of the merger are in place, the Group is expected to deliver returns superior to any of its stapled peers.
- The proposal binds together the best business strategy … with the most efficient organisational structure and capital management approach … to maximise shareholder returns over the next decade.
- This includes our commitment to implementing the second buyback of up to 44 million Lend Lease ordinary shares, which has also been announced today.

- Merging Lend Lease and GPT will allow us to leverage both the strength of Lend Lease and GPT to build a much stronger Australian business … with the additional growth from a focused international real estate business.
- The business will generate the great majority of its earnings in Australia from long term ownership of high quality property assets … but its growth rate will be fuelled by specialised development, construction and wholesale funds management.
- Our growth from here will be focused particularly on the retail and urban community development sectors … where we have considerable expertise and competitive advantage both in Australia … and in our other markets.
- It is our view that the merger will offer both Lend Lease and GPT investors a far stronger outlook for growth … than either entity can achieve independently, or through other strategies.
- The merger will position the Group to take advantage of the convergence of the LPT and Developer/Contractor sectors in Australia … which has gained momentum in recent times.
- For GPT unitholders, it would change the horizons by providing them with an established vehicle to access international investments. It will also capture a larger share of the growing real estate investment pool which is now flowing offshore.

Chairman's overview

- LLC shares and GPT units stapled in ratio of 3.8 GPT units for every one LLC share
  - Equates to a GPT unit price of $3.30
- 47 cpu special distribution to GPT unitholders on implementation
- Proposal subject to approval by both LLC shareholders and GPT unitholders
- Full details of proposal to be provided in an Information Memorandum

Lend Lease

- The major terms of the proposal are:
  - Lend Lease shares and GPT units would be stapled in the ratio of 3.8 GPT units for every one Lend Lease share.
  - This is based on the A$10.75 closing price of Lend Lease shares prior to our trading halt.
  - A 47 cents per unit special distribution would be paid to GPT unitholders on implementation.
  - In simple terms, GPT unitholders are being offered a price of A$3.30 per unit.
- The proposal will of course be subject to approval by both Lend Lease shareholders and GPT unitholders.
- Full details regarding the terms and the mechanism for the merger will be provided in Information Memoranda to be sent to investors in both entities.
- We anticipate shareholder and unitholder meetings to be held following release of full year results in late July/early August.

- We firmly believe that Lend Lease's proposal delivers an unparalleled opportunity to enhance the Trust's outlook for growth here in Australia.
- The proposed merger will give GPT unitholders access to international investment through an established and focused vehicle … and the opportunity to share in the rewards of Lend Lease's asset creation and wholesale funds management businesses.
- GPT has openly acknowledged the changes and consolidation occurring in the listed property trust market … especially in recent months. They have said that if an appropriate opportunity to enhance GPT's investment returns presented itself, it would be actively considered. We firmly believe that Lend Lease is providing the best such opportunity today.
- Lend Lease and GPT have worked closely together for more than 30 years. Under Lend Lease management, GPT has grown to become an icon of the Australian property trust industry.
- We have discussed our proposal with the independent directors of GPT … and their advisors. While they are yet to evaluate it fully … their initial response has been constructive.
- We have worked to deliver a proposal which is fair to both groups of investors … and which we believe is clearly superior to the current outlook for each entity.
- With those introductory remarks, I will now hand over to Greg Clarke and Jo Curin to present both the details of our strategy and the proposal to merge Lend Lease and GPT.
- (hand over to GC)

- Thank you, David.
- I joined Lend Lease as CEO in Dec 2002
  - Mandate to turn Lend Lease around.
- Initial focus:
  - Exit from US REI
  - A$88 million (pre-tax) p.a. reduction in costs
  - Rebuild management team.
- Operational focus and return to earnings growth.
- A strategy for the Group was committed to the Board by May 2004.

- Worked with new management team and Board over the last 6 months.
- Three options:
  - Break-up
  - Status quo with in-fill acquisitions
  - Major restructuring.

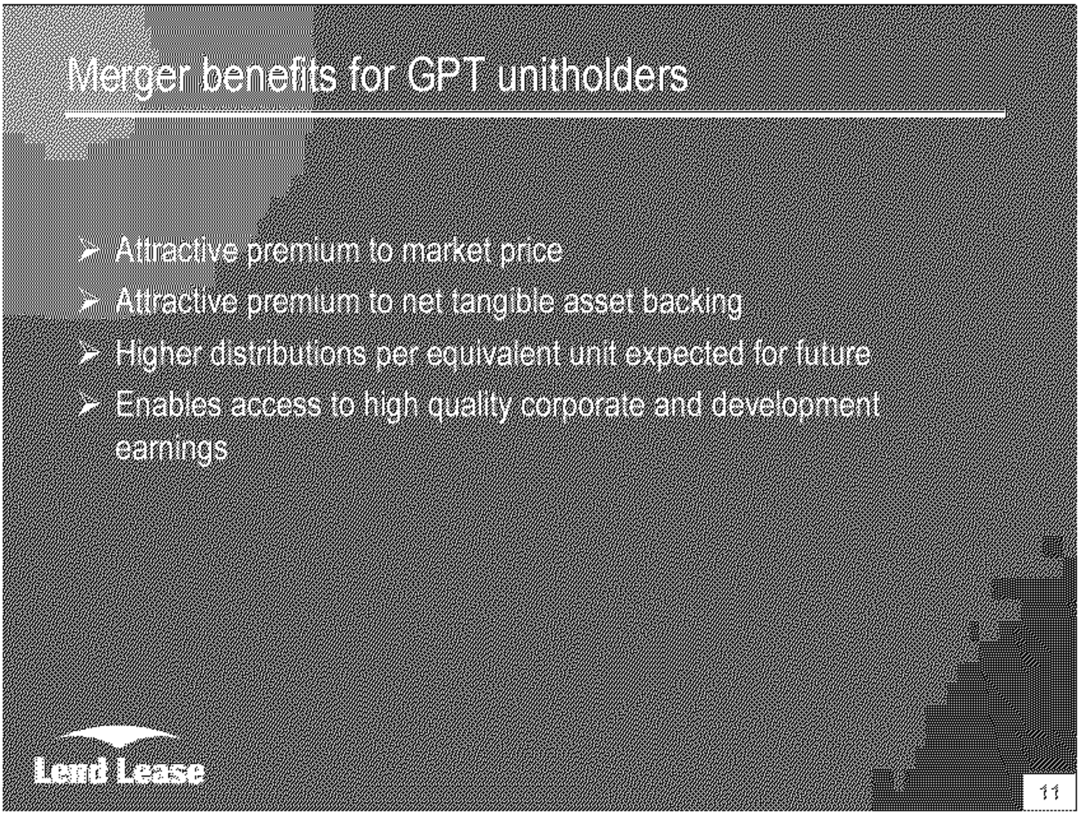
- Best shareholder value
- Appropriate level of business risk
- Builds on existing skills and market positions
- Harvests synergies
- Focus
- Capable of implementation
- Competitive advantage

- So we assessed each of the options against those criteria.
- Before I go through our chosen course, I'd like to give you a personal perspective on the decisions we've made.
- Firstly, I recognise that we are standing here today, talking about building an international company … albeit in a very different way … when Lend Lease has previously made mistakes.
- But I've got the luxury of looking at our international potential in full knowledge of what hasn't worked … but more importantly what has.
- The REI review was as much about what to keep as what to divest. The positive legacy of the previous global strategy is a strong platform … in Bovis Lend Lease … and a good position in UK retail and urban development … as well as PFIs.
- We have Actus Lend Lease in the US and APIC in South East Asia … on top of the engine room here in Australia, with GPT, our development operations, Bovis Lend Lease and wholesale funds management.
- So, at the end of the day, we have a choice of three options.

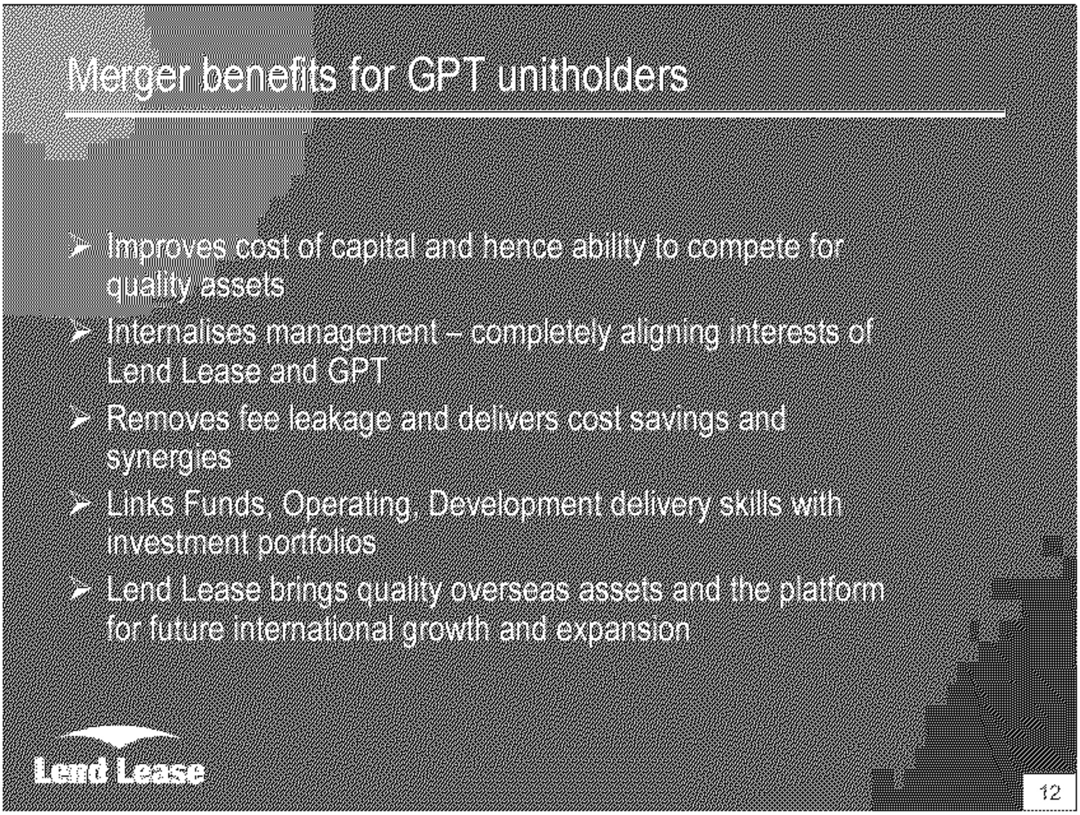
- The base case is the value we can achieve in a break-up of the business into its component parts.
- The second option, which can deliver higher value than the base case … is to maintain the status quo and make in-fill acquisitions to grow our businesses here and/or overseas.
- I am not going to canvass either of those options today … because we have instead decided to pursue a major restructuring … to harvest the synergies and cost savings that flow from it … to achieve proper integration … corporate focus … and we believe, superior value for both groups of investors.
- In choosing the restructure option, we have been very mindful of the trade-off between the need to maintain performance on behalf of stakeholders … while implementing any necessary change.

- The choice was very clear.
- There is far more upside in creating Australia's leading diversified property group … for both GPT's unitholders and Lend Lease shareholders … than there is pursuing development and construction alone.
- Because when you look at Lend Lease's greatest strengths, opportunities and needs for the future … they are almost a mirror image for GPT.
- Lend Lease is Australia's premier urban community developer … Delfin Lend Lease has a clear leadership position in masterplanned residential communities.
- In addition, we have major development projects like Twin Waters and Hyatt Coolum in Queensland … and Rouse Hill in New South Wales and Victoria Harbour … These projects alone account for a A$5 billion Australian development pipeline over 15 years.
- GPT, like other stapled peers, is seeking to lift its earnings growth rate by accessing development returns from the residential sector.

- None of our peers in Australia has established urban community businesses in the UK and the US. … These businesses provide substantial growth opportunities for us … but we need greater scale to fully exploit them than we have today.
- Lend Lease's other big opportunity – particularly here and in the UK – is retail.
- More than any other asset class, retail generates constant development opportunities through expansion, redevelopment and re-mixing.
- It is plain to see that if you want to have a certain future as a retail developer … you have to control the assets … and today that means to own them.
- GPT owns the second largest and one of the top performing retail portfolios in Australia.
- As a major owner of shopping centres, we think GPT will eventually need to access growth internationally … because the retail market here is relatively locked up … and there is a growing percentage of the Listed Property Trust index moving offshore.
- On the other hand, Lend Lease has a well established retail operation in the UK through Bluewater, the Retail Partnership and our retail development business.
- I could continue … but I think you can see the picture I am painting …
- Put the two together … and you create the leading diversified property group in Australia … with upside in international growth … particularly in the retail and urban community development sectors.
- By merging, I believe we can create a real powerhouse with significantly enhanced earnings … and a very exciting growth profile.
- So let's have a look at why I'm so confident.



- We believe the benefits for GPT unitholders are both significant and numerous.
- They include:
  - 8.2% implied premium to GPT's closing price on 20 May 2004 which had already traded up in relative terms since the Westfield announcement.
  - 21% premium to net tangible asset backing at 31 December 2003, before any synergies and re-rate.
  - A 15% uplift in FY05 pro forma distributions.
  - Substantially higher earnings growth of roughly 7% in the first year, and potentially superior returns compared to its stapled peers thereafter.
- Strategically, merging with Lend Lease does three things for GPT:
  - First, it would guarantee the Trust's access to the best urban community residential portfolio in Australia … providing the opportunity for a higher rate of growth than the existing porfolio can deliver.
  - GPT's stable of peers is chasing the same higher residential development returns … but without access to the quality of Delfin Lend Lease's 22 masterplanned communities … along the Eastern seaboard.
  - Secondly, Lend Lease also provides the opportunity to access returns from managing one of the premier wholesale property funds management business in Australia.
  - Again, some of GPT's stapled peers are seeking to develop wholesale funds management earnings … but they are well behind Lend Lease's almost A$9 billion in wholesale funds under management internationally.



- Thirdly, the merger would also ensure continuity of the portfolio management team and resources which have built GPT's premium quality diversified portfolio.

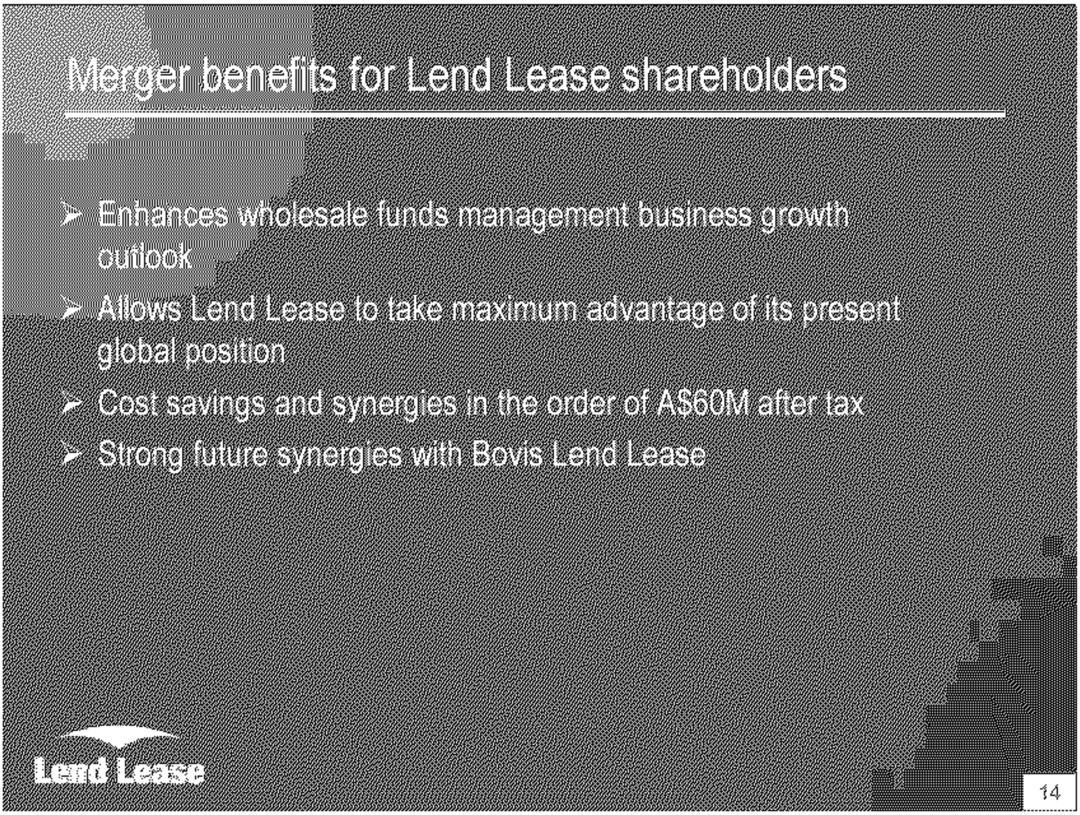
- So GPT's existing portfolio management and performance record would be protected and enhanced. As part of a stapled Lend Lease Group, it could access a high quality, diversified corporate earnings stream.
- Furthermore, the merger would uniquely provide a sound vehicle for GPT to access higher earnings from international expansion.
- We are the only ones who can do this for GPT.
- Within the merged entity, the Trust would benefit from cost savings associated with internalisation of management, while retaining all of Lend Lease's property investment skills and resources.

Merger benefits for Lend Lease shareholders

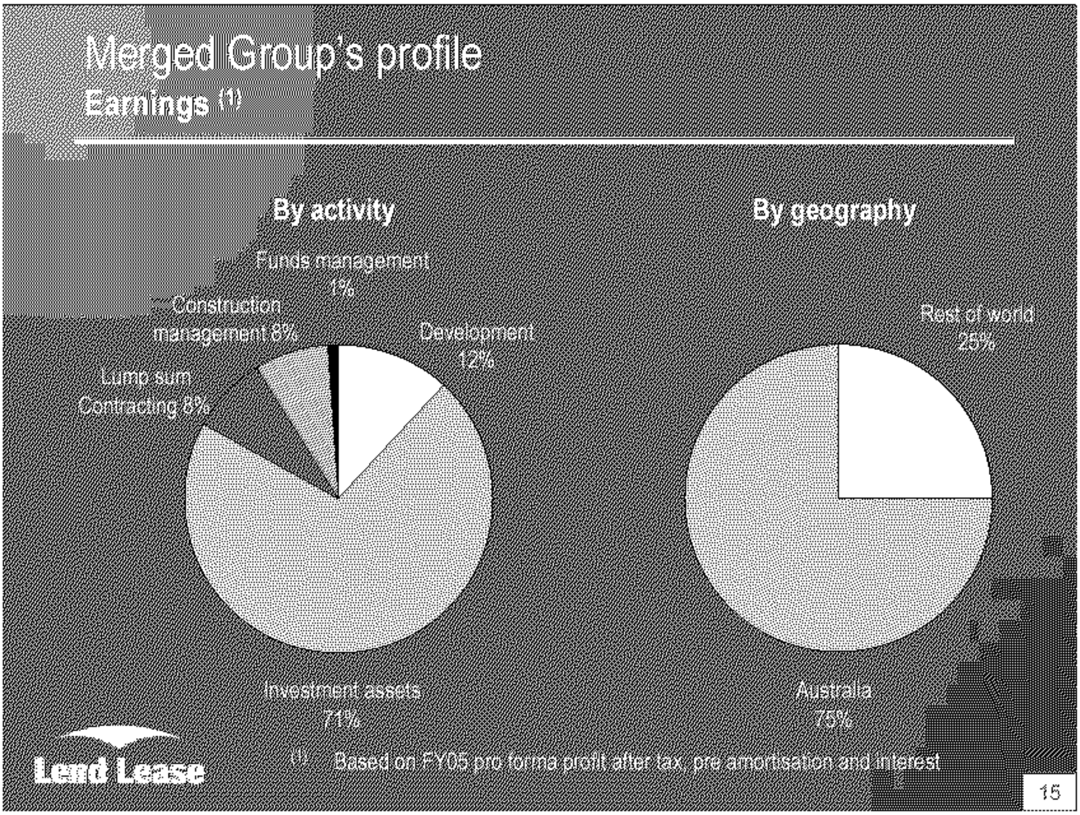
- Rebalances corporate earnings with strong annuity streams
- Enhanced credit quality
- Expected increase in earnings and distributions per equivalent share
- Improves cost of capital for asset ownership/consolidation
- Provides scale and capital structure necessary to compete in retail and urban community sectors effectively

Lend Lease

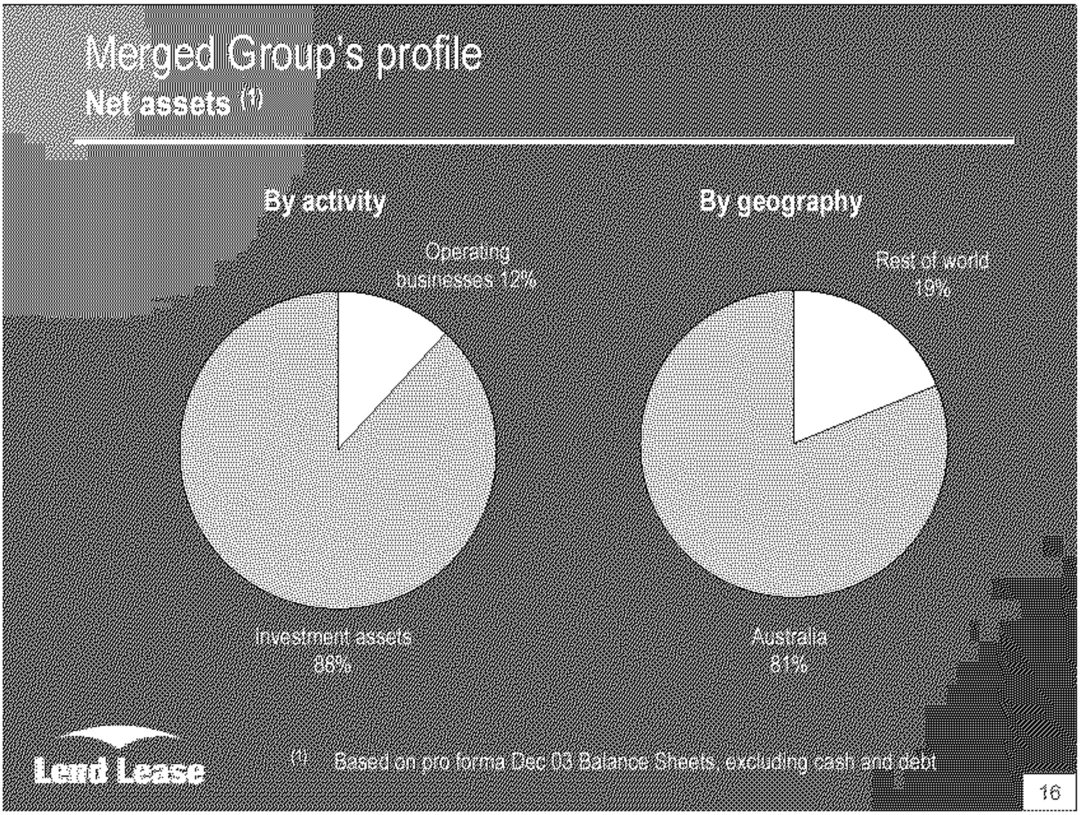
- Now let's look at benefits for Lend Lease shareholders …
- Strategically, the merger gives Lend Lease the right corporate and capital structure to secure a much stronger earnings outlook.
- It will enable us to fully exploit the major growth opportunities we have in the retail and urban community development sectors, in particular.
- The merged Group will have … from day one … a much larger and stable earnings base from more than A$10 billion in premium investment grade assets … like GPT's diversified portfolio … Bluewater in the UK … and the King of Prussia mall in the US.
- We will have improved credit quality …
- Our greater scale will deliver cost of capital advantage …
- This will mean we could be even more selective in the opportunities we pursue … while improving our win rate … and enhances the Group's position in respect of any further convergence of the LPT and Developer/Contractor sectors.



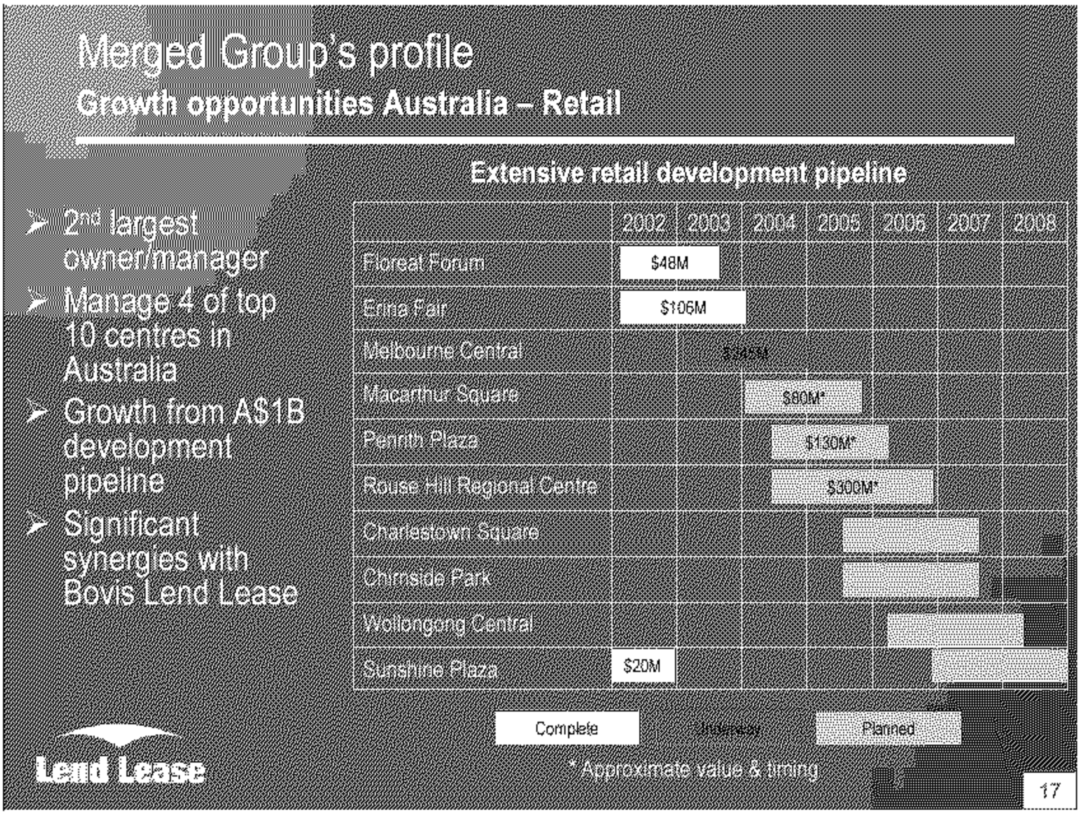
- The merged Group will also be well placed to consolidate its leadership in wholesale property funds management.
- There are immediate cost savings and synergies in the order of A$60 million after tax … as well as strong future synergies with Bovis Lend Lease … which I will come to later.
- In short, for Lend Lease … the merger secures our competitive strength … and delivers much stronger and sustainable growth.



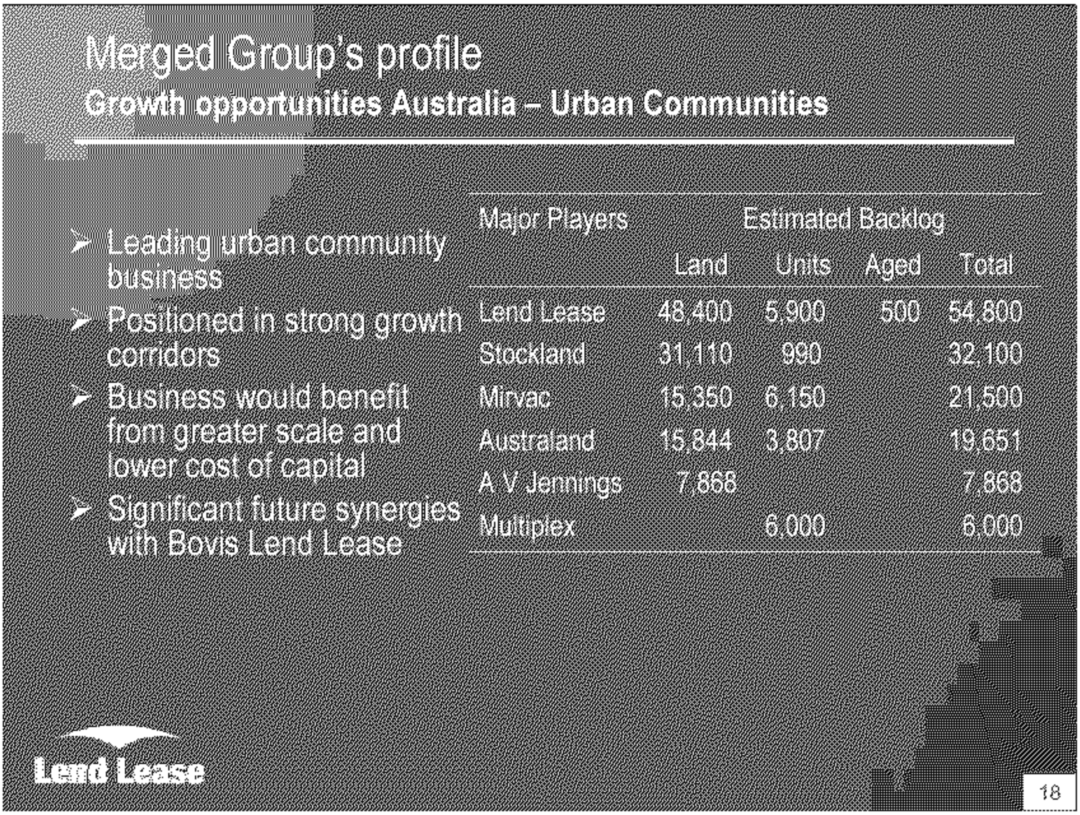
- So let's have a look at what the merged Group would look like.
- 71% of earnings would be from asset ownership, providing the large and stable earnings base we want to underpin our earnings profile … and positioning the Group within the Listed Property Trust Index.
- The first point I want to make is that there would be a significant proportion of earnings and assets in Lend Lease's traditional market – Australia.
- 75% of profit after tax would be earned in Australia in the early years.
- The second point that I want to make is that the proportion of what is regarded as higher risk … low margin construction earnings … would be just 8% of the merged Group total earnings.
- I want to come back to that later, because I know that it is of interest to some of you, and our plan is to reduce that proportion in coming years.



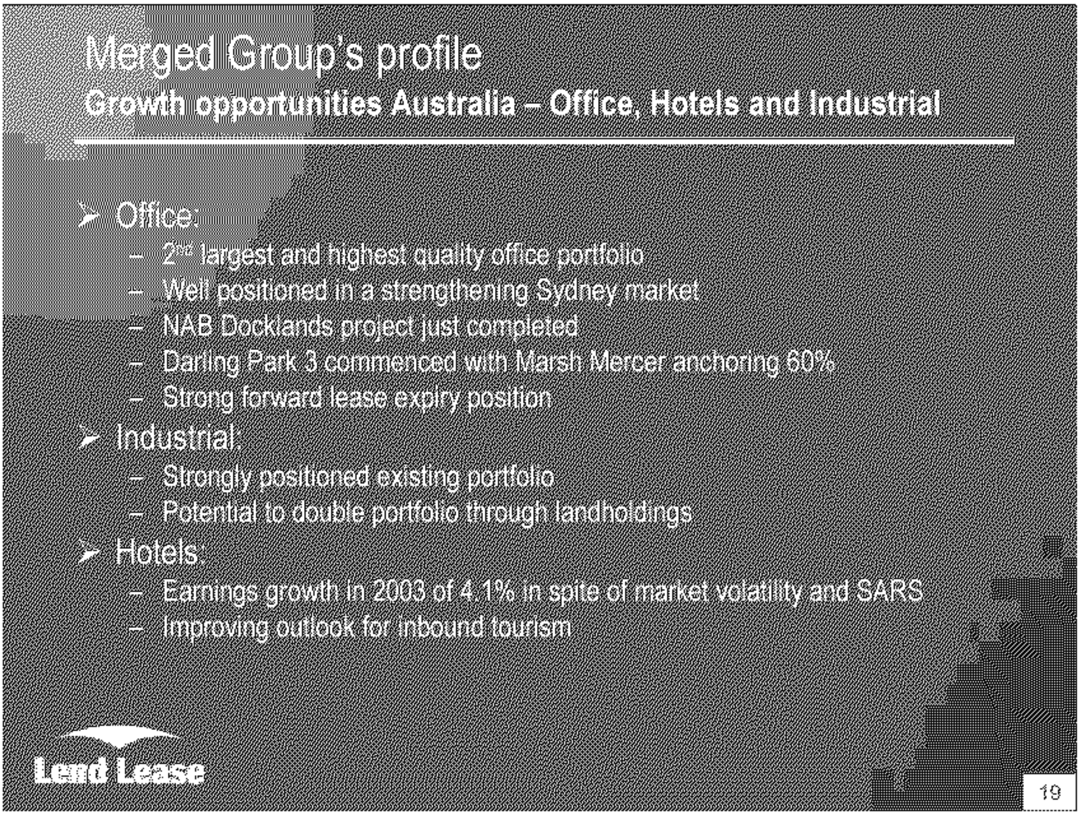
- Our asset base would be very stable … 88% in investment grade assets … primarily shopping centres and office buildings … as well as a smaller exposure to hotels and industrial assets.
- GPT already has the best diversified portfolio in Australia.
- The remaining assets relate to our operating businesses.
- On a geographic basis, you can see the same story. The engine room in Australia … and a good base from which to build in our international markets.



- In Australia, Lend Lease is a leader in retail centre management and development
- On behalf of GPT and APPF, we manage 20% of the regional and metropolitan shopping centre space in Australia.
- Of the 18 centres managed, 4 sit within the top 10 performing centres in the country.
- The portfolios are in great shape to deliver continued earnings growth … from lower than average specialty occupancy costs … and a strong redevelopment program.
- Over the next 5 years, GPT has planned around A$1 billion in redevelopment of the centres.
- The merger would secure that program for Lend Lease … and would ensure continuity of the portfolio and development management services for the Trust.



- In urban community development, Lend Lease's position relative to its peers is a stand-out.
- From a GPT investor's point of view … this slide demonstrates the earnings strength that Lend Lease can deliver to GPT, in this sector.
- Delfin Lend Lease has been a specialist residential developer for more than 30 years.
- It is now the leader in masterplanned urban communities in this country, with around 50,000 dwelling lots under its control.
- Its capital model is highly efficient in that it mostly develops in joint venture with third party owners of land assets.
- So it doesn't have to tie up capital building up a land bank.
- Its communities are mainly located in the highest population growth corridors … and its brand is highly recognised and respected along the eastern seaboard of Australia.
- The merger would lock in GPT's access to Delfin Lend Lease's superior portfolio.
- In return, the added scale we would achieve with GPT under the same corporate roof … would better position Lend Lease for stronger organic growth.



- I have said that our focus for growth is retail and urban community development.
- The diversified nature of GPT's portfolio would also give the merged Group another advantage over other stapled entities.
- GPT's office, industrial and hotel portfolios are all high quality and each has a well defined strategy for growth.
- For example, we are just getting Darling Park 3 underway in Sydney … and GPT has extensive expansion potential in its industrial land holdings.
- The quality of the hotel portfolio is underscored by its 4% growth in '03, while many other hotel portfolios suffered badly in the face of SARS and Iraq.
- My point here … is that together, Lend Lease and GPT have the best component parts … assets, intellectual property and growth opportunities … to create the leading diversified property group in Australia, by a big margin.

Merged Group's profile
Offshore – Retail growth focus on UK

	UK
m^2 of centres	270,000
Value of centres managed	$4.8B
Share of regional market	5%

Lend Lease

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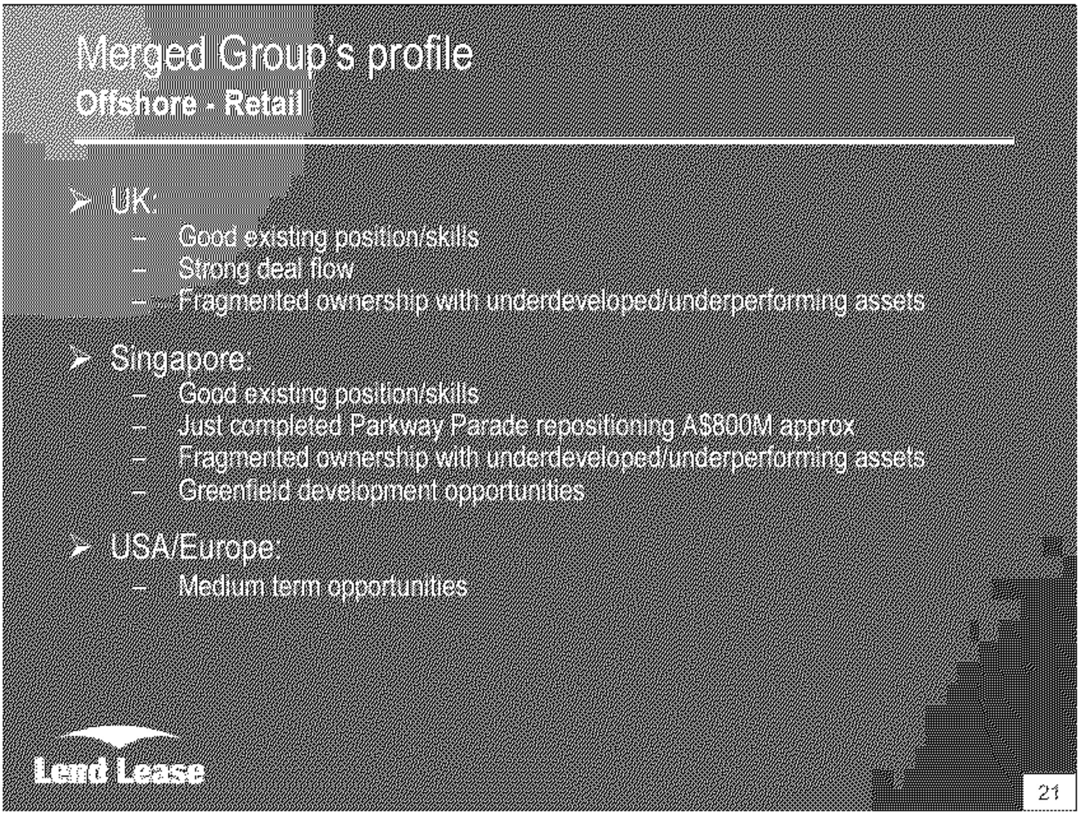
- Now let's talk about offshore.
- In retail, the focus for growth is in the UK, where Lend Lease is well positioned with about 5% market share.
- We've already got a good skill base and highly regarded brand in the UK. This market is characterised by fragmented ownership … which we believe provides opportunities if you have scale … and the capacity to own assets, as the merged Lend Lease Group would have.
- Of the Australian based retail operators … Lend Lease and Westfield are the only two with a substantial operating base in the UK.
- We have a bigger presence in the UK than Westfield.
- Lend Lease manages 270,000 square metres of retail space on behalf of a number of institutional investors. We have ownership positions in Bluewater … and major regional centres such as Overgate Centre in Dundee …and Touchwood in Solihull. As well, Lend Lease has created and managed the institutional UK Retail Partnership.



- Lend Lease is well placed to open up retail investment opportunities for GPT's portfolio.
- As an example … we are very close to securing another A$300 million retail project in the UK. Lend Lease will redevelop the asset to double its size through a joint venture agreement. In the merged vehicle, GPT would have access to this asset.
- The UK market is significantly undercapitalised by comparison to Australia and the US. There are many opportunities … provided you can put your foot on the assets. The greater scale of the merged Group would enhance our opportunity to secure further positions.
- So, with GPT as part of the merged Group … UK retail is a total return story … with earnings from developing the centres … building them … and owning centres which deliver the appropriate mix of income and growth for investors.
- Singapore would be a niche play for the Group. The repositioning of the A$800 million Parkway Parade has just been completed.
- Given that centre's market share, it provides us with both reputation and critical mass to secure other underdeveloped centres and new development opportunities.
- In US retail, it is very much a medium term opportunity at this point. I am not pretending for a moment that we are in a position to go head-to-head with Westfield or Simon.

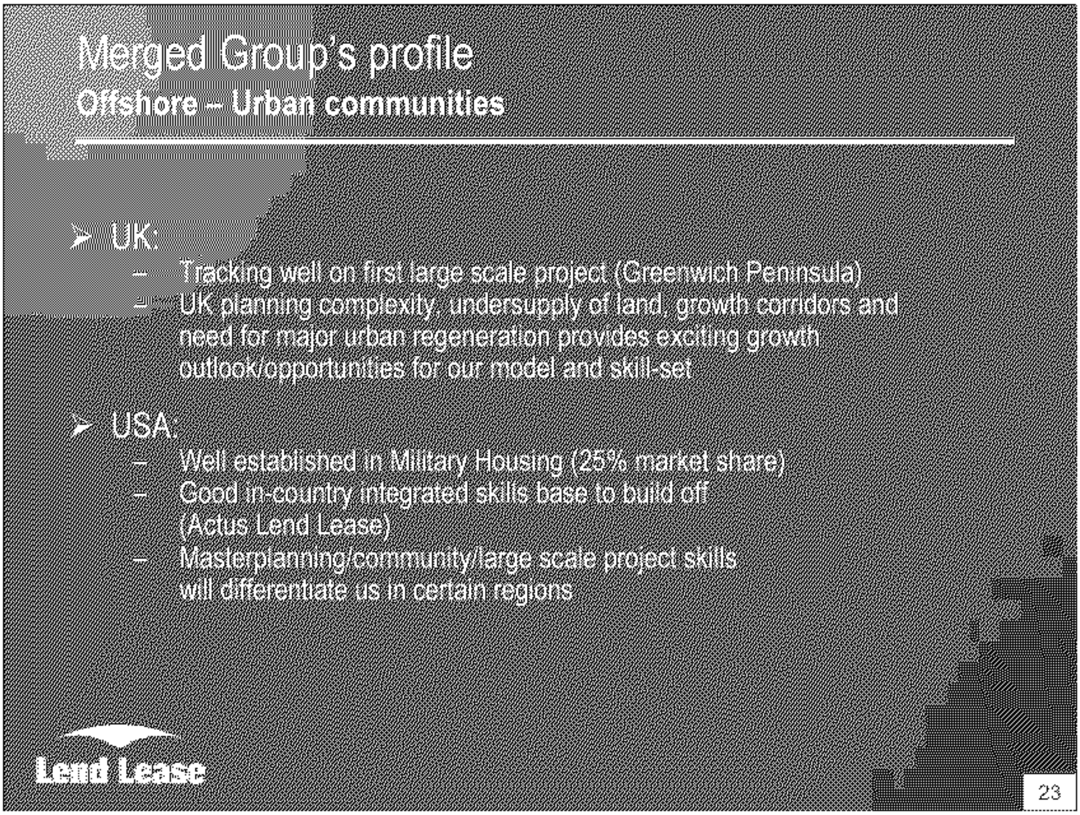
Merged Group's profile

Offshore – Urban communities

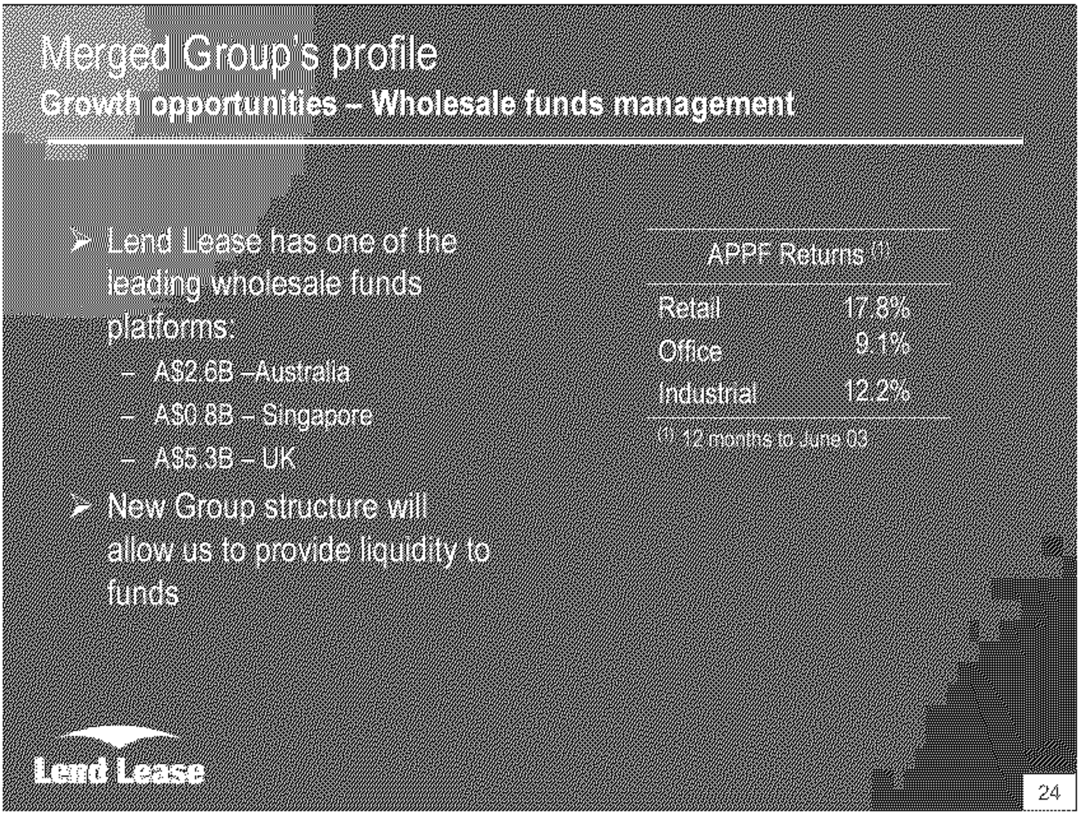
	UK	USA
Average housing starts (last 10 years)	160,000	1,600,000
Estimated # scale projects (>2,000 units)	9	100
Current projects	1	5
Current backlog (# units)	10,000	25,000

Lend Lease

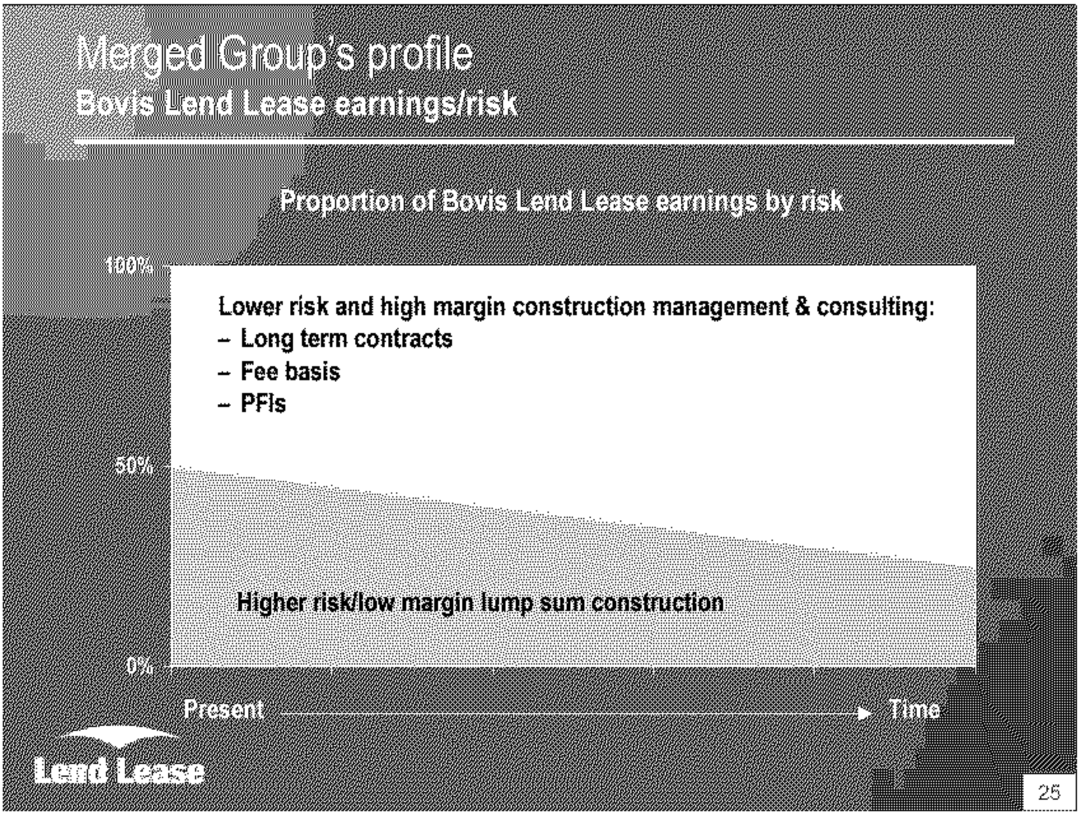
- In urban community development, we see opportunities in both the UK and USA.
- There is a high barrier to entry in this sector in the UK. The planning process is very complex, yet there is the need for major urban regeneration programs.
- Our masterplanning and mixed use development skills have given us a head start in that market.
- That is evidenced by our early success in winning the high profile Greenwich Peninsula regeneration project in 2001.
- There are 1.6 million housing starts per annum in the US. We are not dazzled by the total number – but very confident of securing a lucrative niche position there, along similar lines to Delfin Lend Lease.



- In the UK, Greenwich Peninsula is our first large scale project. It is well advanced in the planning approvals process… and will deliver a ten to fifteen years earnings stream as the base for building our business there.
- Greenwich has put Lend Lease on the map and the skills and experience we have as a result … along with those honed on Bluewater and our PFI projects … position us very strongly.
- In the US right now, we are primarily focused on the US military housing market.
- Our masterplanning skills, which have been so well developed in Delfin Lend Lease … have been integrated with Actus Lend Lease in the US. As a result, we have captured 25% of the contracts let for masterplanning, revitalising … and rebuilding major US military base communities. These are large scale projects ranging from 1,300 to more than 7,000 dwellings. We are converting what today is row after row of military base houses … into mixed use communities. Each contract runs for between 30 and 50 years, providing excellent development and project management revenues early … and annuity style facilities management fee income longer term.
- In the private sector, there is a growing trend for masterplanned community development. With the skill base in Actus Lend Lease and in Delfin Lend Lease here … we are in a box seat to move into that sector over the next few years.



- We also have a significant opportunity over the next 2-5 years for the merged entity to expand its wholesale funds management operations … through APPF, APIC and new funds.
- There is undoubtedly continuing consolidation of the Australian LPT sector … and growing convergence of the LPT and Contractor/Developer sectors …
- We expect that institutions seeking pure and passive real estate investments will increasingly look to well managed wholesale vehicles …
- This sector is presently seeing greater than 10% p.a. growth.
- Lend Lease is already well positioned in this market … we are one of the largest property wholesale funds managers in Australia … with A$2.6 billion in funds under management … and a further A$6.1 billion in the UK and Singapore.
- The APPF returns demonstrate that we are managing the funds well.
- Under the merged Group's structure … we would be able to provide liquidity to these funds through co-investment and enhanced growth prospects.



- There is clearly a lot of interest in how Bovis Lend Lease fits into the merged Group, given its perceived risk profile.
- Let me share with you my view of Bovis' risk profile in its own right.
- For a start, let's get the proportions right.
- Bovis Lend Lease has two types of earnings – one … lower risk and higher margin construction management and consulting … the yellow in this slide … and two … higher risk and low margin, lump sum construction.
- Today these earnings are split roughly 50/50.
- As a proportion of total earnings in the merged Group … Bovis Lend Lease's lump sum construction contract business is only about 8%.
- We manage that risk very closely, and indeed some of the work we do in that category is strategic in terms of relationship opportunities.
- However, it is not the future we want for Bovis Lend Lease. As this schematic shows … we will be moving Bovis Lend Lease's earnings mix much more towards the lower risk …and higher margin work …through multi-site corporate property contracts, consulting … and the UK PFI projects.
- The final point I would make is that our business plans … under a merged Group, show the investment and development earnings growing at a greater rate than Bovis Lend Lease's growth. So over time … Bovis Lend Lease will become an even smaller proportion of total earnings.

- Beyond those comments, I also want to make these points about Bovis Lend Lease.
- Internationally, Bovis Lend Lease is a high quality brand with a strong reputation for project delivery.
- In terms of competitive advantage, Bovis Lend Lease is a very good fit with retail and community development. Put simply, it has highly developed project management and delivery skills for retail and large scale, mixed use projects.
- It de-risks development because of our capacity to integrate project and construction management disciplines and insights into the earliest stages of our development planning.
- I've got to say that it just makes plain sense to me to have an aligned builder on your team.
- Bovis Lend Lease has created significant value for Lend Lease since its acquisition. It has given us the platform to create the PFI business in the UK, which has now secured more than A$5 billion of revenue in long term hospital and defence estates projects.
- The PFIs bring together asset creation, structured financing and facilities management, delivering stable revenue streams over 25-30 year periods. I see two advantages in that.

- First, there is an established and growing earnings stream in place as we build the focused retail and urban community growth strategy:
  - In the UK for retail; and
  - In the UK and US for urban communities.
- Secondly, it provides the Group with the opportunity to exploit the increasing trend for governments to fund community development … in turn this should seed further specific opportunities in our retail and urban community businesses.
- As well, Bovis Lend Lease has and will be a "breeding ground" for our project managers, developers and asset managers. In short, it is a natural fit for the merged Group.
- So we have looked at the businesses within the merged Group … and also the growth opportunities. Let's now look at the transaction that brings Lend Lease and GPT together.

The merger

- Forecast annualised FY05 distribution (1) of:
  - 25.5 cents per equivalent GPT unit (assuming special distribution is reinvested at merger price)
  - 82.9 cents per LLC share

Entity	Base price for merger terms	Merger ratio	Special distribution	Implied price at GPT's current yield (1)
GPT	$3.30	3.8	$0.47	$3.46 (2)
LLC	$10.75	1.0	Nil	$11.36

(1) Assumes distribution equivalent to underlying earnings before amortisation, one-off merger related costs, deferred tax expense and inter-entity adjustments as if merger occurred on 1 July 2004

(2) GPT's implied price is based on expected annualised distribution of yield of 7.3% plus the 47 cents per unit special distribution

Lend Lease

- The merged entity would be expected to have an annualised pro forma distribution of 25.5 cents per GPT unit and 82.9 cents per Lend Lease share for the 2005 financial year.
- The merger ratio is 3.8 GPT units for every one Lend Lease share.
- GPT unitholders would also receive a special distribution of 47 cents per unit.
- The merger ratio is based on the Lend Lease closing share price last Thursday of A$10.75, and a GPT base price of A$3.30.
- Based on GPT's yield of 7.3% pre last Thursday's close, this implies a value of A$3.46 for GPT unitholders and A$11.36 for Lend Lease shareholders.
- The Lend Lease Group would have an earnings growth rate of 7% … high quality assets … an international growth platform … the leading development businesses in Australia … and a material increase in LPT index weighting.
- I will leave you to assess the appropriate trading yield.

Merger financials

Immediate uplift in earnings and distributions

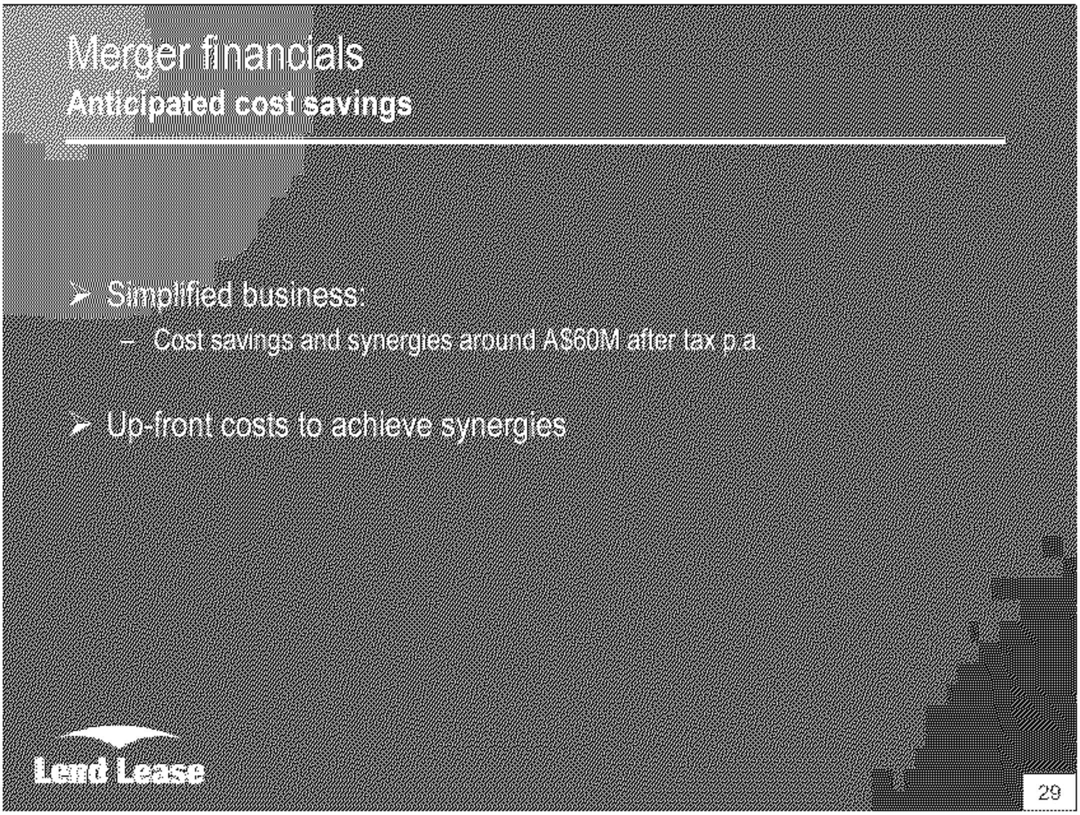
- Expected to be earnings accretive for both GPT and Lend Lease holders from outset.
  - Excluding goodwill amortisation and transaction costs
- Forecast pro forma distributions per equivalent security for FY05

Cents per unit/share	Pre-merger	Pro forma 2005 annualised	Distribution Uplift
GPT	22.2	25.5 (1)	15%
Lend Lease	49.2	82.9	68%

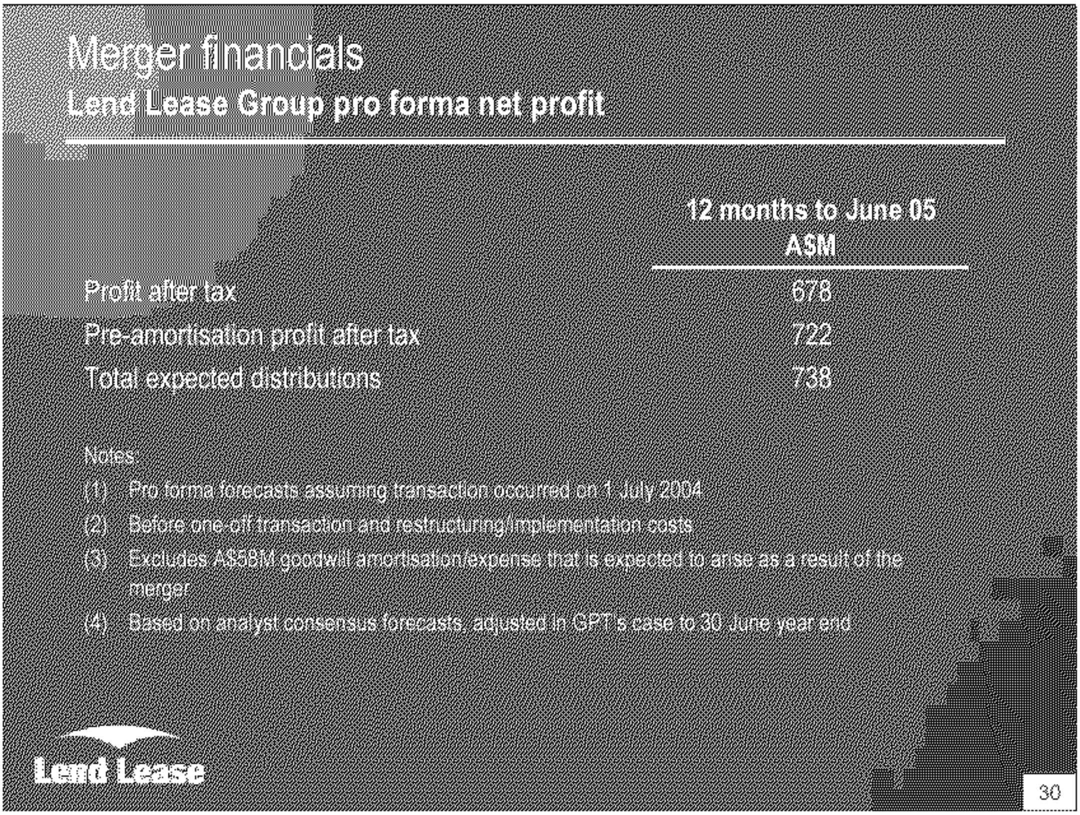
(1) Assumes the special distribution is reinvested at the price implicit in merger terms.

Lend Lease

- Let's look at the pro forma headline benefits that investors in both entities will receive post merger:
  - These are pro forma numbers.
  - For the purpose of illustration, we have used market consensus earnings for both GPT and Lend Lease, and assumed the merger would be implemented on 1 July this year.
  - There would be enhanced distributions per security for the Company and the Trust compared to current expectations.
  - This would comprise 25.5 cents per GPT unit, which would represent a 15% increase compared to GPT's expected distribution of 22.2 cents per unit.
  - This assumes the cash component of the merger is reinvested in GPT units.
  - For Lend Lease shares, the distribution per share is anticipated to be 82.9 cents compared to current market expectations of 49.2 cents – a 68% increase.
  - These pro forma numbers are our best estimates at this stage, and are preliminary only.
  - Detailed pro formas will of course be included in shareholder information booklets when released.
- A big contributor to this uplift in earnings is the cost savings and synergies that we could achieve in the merged Group.



- We have estimated that there are around A$60 million p.a. in post tax cost savings and synergies to be delivered.
- This is a point I want to focus on because those savings are not achieved by simply stapling the two entities. The merger enables us to dramatically simplify and focus the business.
- We've agreed a detailed program with the Board … and that will be explained in due course. Given the success of our savings initiatives over the last twelve months … I am very confident that these new savings are achievable.
- Of course, you need to allow for the fact that in Year 1, we cannot capture all the savings … given completion is not anticipated until after 1 July this year.
- Against those benefits, there must of course be one-off costs associated with both the merger implementation … and achieving the on-going cost savings in the streamlined business.
- These will be incurred in Year 1 … and the first year distributions will be adjusted to offset them.
- So with that overview of our strategy … and the benefits of the merger … I will now hand over to Jo Curin to take you through some more of the financials.



- Thanks, Greg.
- The pro forma earnings for the merged Group which you can see on the slide illustrate the scale of the combined businesses … with earnings around A$700 million p.a. after tax for FY2005.
- The pro forma has been prepared on the basis of market consensus estimates for both companies … which we are comfortable with – as we stand here today.
- It also includes the A$60 million after tax … in on-going cost savings and synergies … on bringing Lend Lease and GPT together.
- Obviously there is a due diligence process to be undertaken in conjunction with the discussions with GPT.
- You should note that these numbers exclude any merger related costs … and goodwill amortisation expensed … that would arise from the merger.
- Distributions in FY05 will be increased to offset these items … so distributions to unitholders and shareholders will be unaffected.

Merger financials
Post merger distribution policy

- For FY05:
  - Pre merger distribution/dividend for September quarter to be paid to GPT unitholders and LLC shareholders at completion of merger
  - Payout ratio for remainder of year around 100% of earnings
  - Additional distribution equivalent to merger costs, amortisation expense and inter-entity eliminations
- Ongoing:
  - Distributions expected to be:
    - Partially tax deferred for Trust units
    - Partially franked for Company shares
  - Payout ratios around 100% for both Trust and Company earnings

Lend Lease

- The merged Group will not impact the payout ratio or tax deferred status of the Trust units.
- However, as a result of the merger, we would expect to lift the payout ratio on the Company shares to around 100% … which we are confident is sustainable.
- We also expect to return to some franking on the Lend Lease share dividends in 2005.
- The distributions from the Trust would continue to include tax deferred elements of around the current level of 40-45%.
- There will be no change to Lend Lease's current forecast for FY04, which is for around a 70% payout ratio and unfranked.

Merger financials

Lend Lease Group – pro forma Balance Sheet

	Pro Forma Dec 03 [1] A$M
Assets:	
Cash	680
Property and Other Assets	12,175
Intangibles	1,776
Total Assets	14,631
Liabilities:	
Debt	(3,484)
Other Liabilities	(3,187)
Net Assets	7,960 [3]

(1) Based on December 2003 Balance Sheets adjusted for LLC's buyback, GPT's April 04 placement and the merger transaction

(2) Assumes LLC second tranche buyback is completed (A$400M)

(3) Shareholders' equity would comprise share capital $6,563M, retained earnings $1,366M, and other reserves $31M

Lend Lease

- The merged Group would have a very strong, investment grade balance sheet.
- It would have an appropriate capital structure with debt to total tangible assets of approximately 27% … that is in line with GPT's current gearing level.
- This provides substantial debt capacity to support the future growth opportunities we have identified.
- Lend Lease will commence its second on-market buyback following completion of the current 10% buyback.
- We expect to utilise A$400 million for the second buyback.
- Any shares in the on-market buyback … not acquired at the time of implementing the merger … will be acquired through an off-market buyback.
- This would be subject to approval by Lend Lease shareholders.

Lend Lease Group investors & index

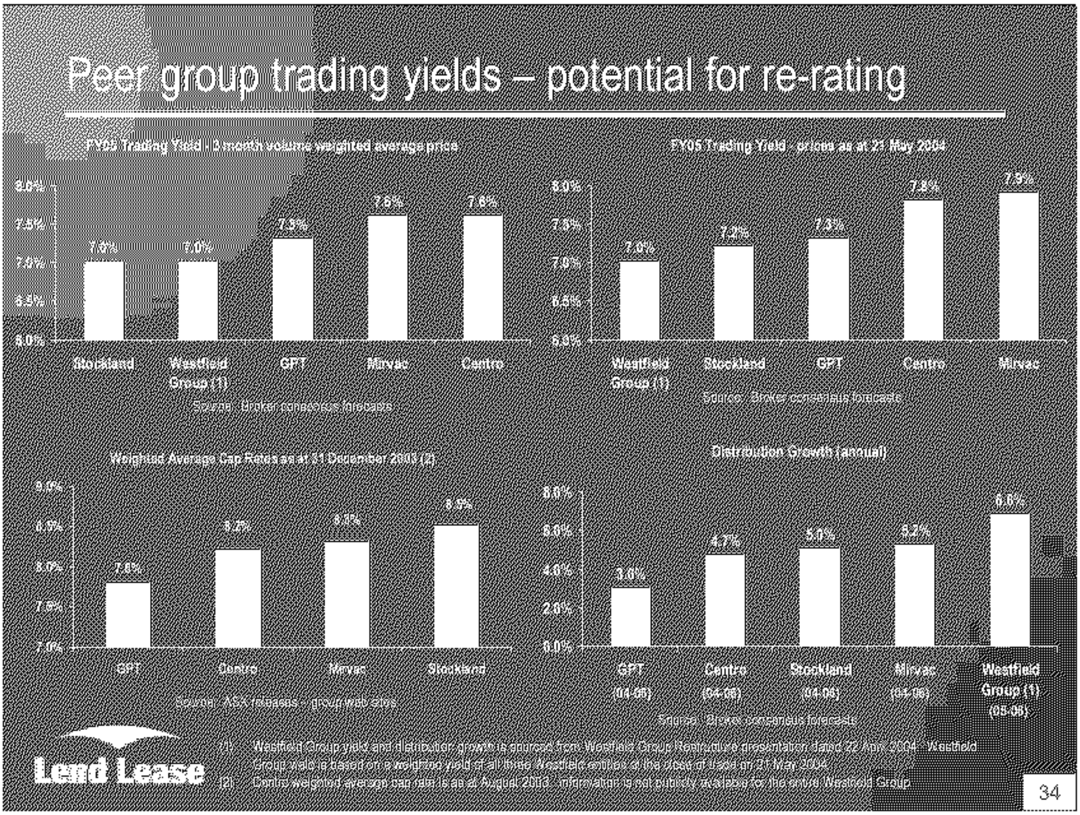
- Merged entity market capitalisation approx A$10B
- 16th largest entity on ASX
- The merger will result in greater investor spread
- Increase in ASX/S&P 200 Property Index weighting

Entity	Current S&P/ASX200 Free Float Inclusion %	S&P/ ASX200 Index %	S&P/ASX200 LPT Index (pre Westfield merger) %	S&P/ASX200 LPT Index (post Westfield merger) %
Lend Lease	86	0.6	0	0
GPT	100	0.9	11.0	9.9
Total		1.5	11.0	9.9
Combined post merger	94	1.4	15.8	14.3
% increase			+44	+44

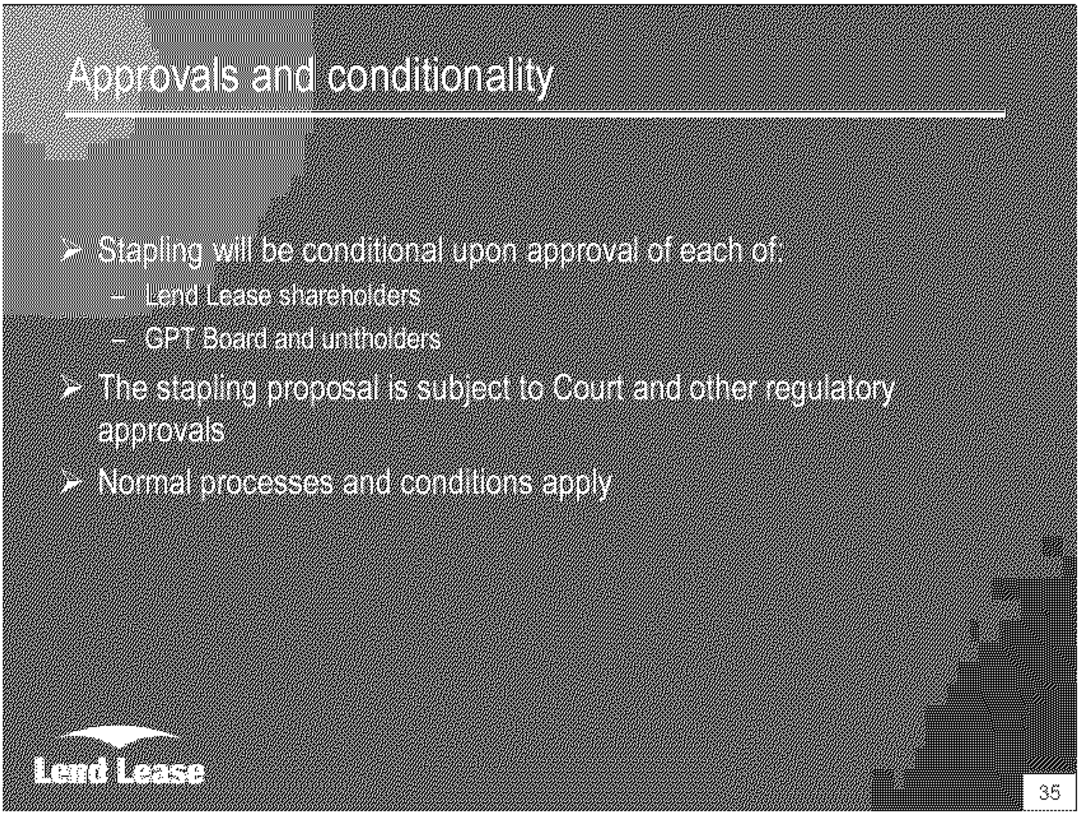
Lend Lease

Source: IRESS, ABN Amro estimates

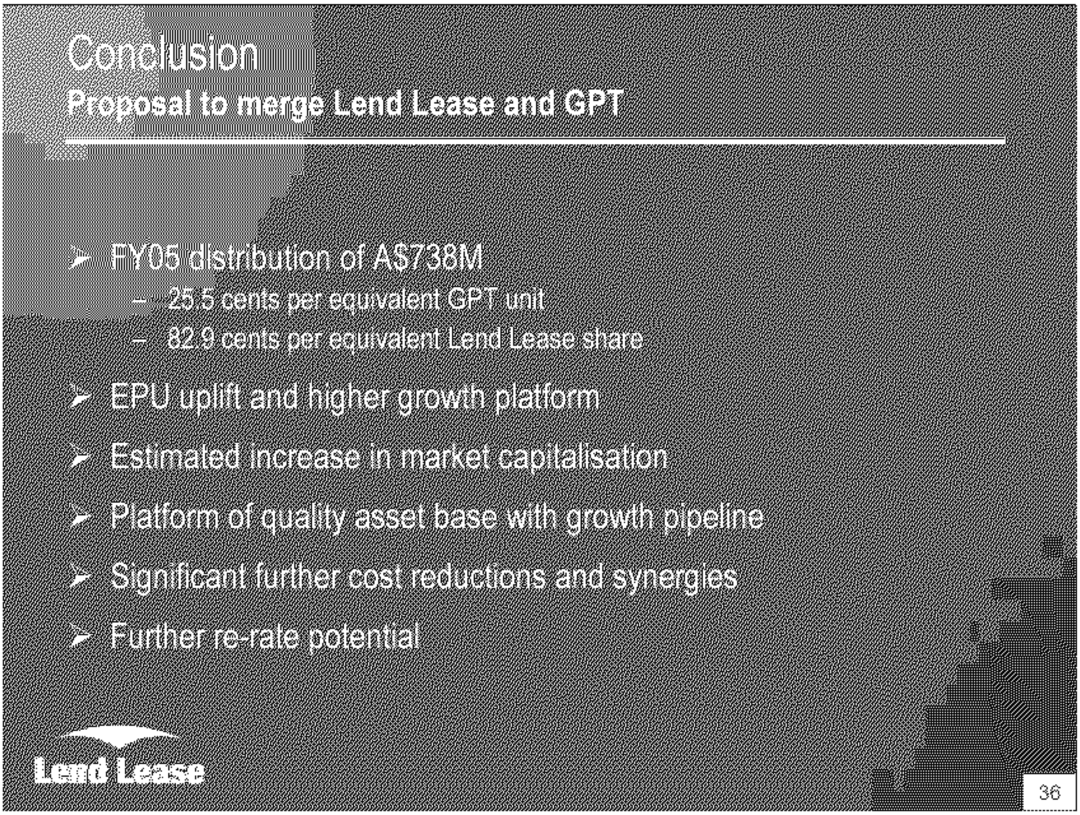
- This is a snapshot of what the merged entity would look like from an investor's point of view.
- The merged Group would have a market capitalisation of approximately A$10 billion and would be a top 20 entity on the ASX today.
- In terms of register and index weighting, the much larger scale entity has a number of attractions, as you can see from this slide:
  - Clearly greater investor spread in the one vehicle
  - Significantly higher market cap with attendant cost of capital advantages
  - And there will be a material increase in the LPT index weighting … which is positive for liquidity … and should drive significant index buying.
- Finally, let's have a look at some comparisons of the merged Group and its peers.



- We believe there is a very strong case for the merged Lend Lease Group … to be re-rated to trade at a sharper yield … than GPT's current 7.3%.
- You can see at the bottom left of this slide the superior asset profile of GPT versus its peers … based on the capitalisation rates of the GPT portfolio.
- The bottom right hand side of the slide shows the expected growth rates of our peer groups … all of which are lower than our expectations for growth of 7% … from the merged Lend Lease Group … based on existing backlog and projects.
- There is a 15% jump in first year distribution per unit.
- There are the benefits of internalisation …and the quality of the earnings.
- For example … 71% of the merged Group earnings would be generated from investment assets … while corporate earnings composition would also be high quality.
- 12% of corporate earnings will be generated from development … particularly by our leading market positions in Australia … and there is good upside from committed development projects on the international platform.
- Only 8% of total Group earnings would come from lump sum construction risk.
- On top of that … there are the significant cost savings and synergies which we have outlined …
- Finally, we have not factored in any of the potential revenue synergies.
- So you can see that the merged business has very strong financial credentials … and an attractive earnings and growth profile.



- There are one or two other procedural comments I will add before handing back to Greg.
- The proposal requires the approval of Lend Lease shareholders, the GPT Board and its unitholders.
- The merger is also subject to Court and other regulatory approval … and the usual processes and conditions for a merger of this type.
- These will be detailed in the Information Memoranda when they are circulated.
- With that, I will hand back to Greg to conclude.



- Thank you, Jo.
- We have put before the GPT Board and unitholders and Lend Lease shareholders … a proposal for secure, enhanced growth … that we believe is compelling and difficult – if not impossible – to match.
- It creates a group with far greater scale and competitive strength … than either GPT or Lend Lease can look to achieve alone over any realistic timeframe.
- Yet at its core are principles that were the foundation of Lend Lease's original strength and success … integration of property skills … focus on opportunity sectors … and multiple earnings streams from the various links in the property chain.
- The merger would create the capability to deliver an integrated property value chain offering, focused on the Australian, UK, and US markets.
- That offer would encompass asset creation, ownership and funds management … and be primarily aimed at the retail and urban community development sectors.
- In a nutshell, the merger would offer a stronger strategic position for both GPT and Lend Lease, with higher growth and distributions.
- On that note we are happy to take any questions.

Important information

In making an investment decision, investors must rely on their own examination of the Lend Lease Group and GPT, including the merits and risks involved in the proposed stapling transaction which will be set out in detail in the Information Memorandum which will be sent to security holders. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any investment decision.

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Lend Lease