

GPT

SPLIT TRUST

21 October 2004

Companies Announcement Office
Australian Stock Exchange Limited
Exchange Centre
Level 6
20 Bridge Street
Sydney NSW 2000

By electronic lodgement

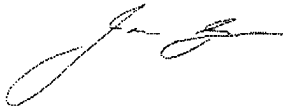
Dear Sir

GPT Split Trust

GPT Management Limited (GPTML), the responsible entity of GPT Split Trust releases the following documents in relation to a proposal from Lend Lease Corporation to acquire all of the Units in the Split Trust for cash:

- Stock Exchange Announcement and Media Release;
- Letter to Unitholders;
- Notice of Meeting and Explanatory Memorandum;
- Proxy Form.

Yours faithfully
GPT MANAGEMENT LIMITED



James Coyne
Company Secretary

GPT Management
Limited ABN 94 000 335 473
as Responsible Entity
and Trustee of
GPT Split Trust
ABN 85 511 466 045

Level 4
30 The Bond
30 Hickson Road
Millers Point NSW 2000
Australia

GPT Unitholder
Service Centre
Freecall
1800 025 095
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02 9383 8146

GPT@lendlease.com.au
www.gpt.com.au

GPT

SPLIT TRUST

GPT Split Trust Stock Exchange Announcement & Media Release

Release of Notice of Meeting and Explanatory Memorandum

21 October 2004

GPT Management Limited, as responsible entity of the GPT Split Trust today released the Notice of Meeting and Explanatory Memorandum in relation to the proposal by Lend Lease to acquire all of the units in the GPT Split Trust.

The document, which will be mailed to GPT Split Trust investors today, provides details of the proposal and of the meeting of unitholders to be held on 15 November 2004 to vote on the proposal.

GPT's Independent Directors unanimously recommend that Unitholders vote in favour of the proposal, in the absence of a superior proposal.

Chairman of the GPT Board as comprised by its Independent Directors, Peter Joseph, said "the Independent Directors are of the view that the Proposal received from Lend Lease clearly provides the best outcome for Split Trust Unitholders in these circumstances".

The Explanatory Memorandum includes an Independent Expert's Report prepared by BDO Corporate Finance which concludes that, in the absence of a superior offer, the proposal is fair and reasonable and in the best interests of Income Unitholders, Growth Unitholders and Unitholders as a whole. The Report also states:

"We believe that, on balance, the advantages of accepting the Proposal outweigh the disadvantages for both Income and Growth Unitholders"

Under the proposal, Income Unitholders will receive \$2.338, plus a potential additional cash amount (see below), for each of their Income Units. Growth Unitholders will receive \$1.638 cash, plus a potential additional cash amount (see below), for each of their Growth Units.

If the Proposal is approved by Split Trust Unitholders, the Split Trust will sell all of the GPT Units which it owns into the Cash Sale Facility provided as part of the proposed merger of Lend Lease and General Property Trust, provided that merger is approved by Lend Lease and GPT investors. To the extent that the price achieved per equivalent GPT Unit under that Cash Sale Facility, including the special and merger distributions to be paid in respect of GPT Units as part of the Lend Lease/GPT Merger, exceeds \$3.684 (being the adjusted¹ volume weighted average price of GPT Units over the 5 trading day period ending immediately prior to announcement of the Lend Lease proposal on 1 October 2004), an amount equal to that excess will be paid 25% per Income Unit and 75% per Growth Unit.

The Meeting of GPT Split Trust Unitholders will be held at the All Seasons Premier Menzies Hotel, 14 Carrington Street, Sydney, NSW at 2.00pm (AEST) on 15 November 2004.

ENDS

¹ That 5 day volume weighted average price excludes the exercise of three call options on Friday 24 September 2004, which otherwise distorts the VWAP to a lower number.

Enquiries

For further information please contact

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Fund Manager

General Property Trust

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GPT

SPLIT TRUST

21 October 2004

GPT Management
Limited ABN 94 000 335 473
as Responsible Entity
and Trustee of
GPT Split Trust
ABN 85 511 466 045

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Dear Unitholder

In our previous correspondence we announced that a proposal had been received from Lend Lease to acquire all of the units in the Split Trust. This proposal will result in Lend Lease acquiring all of the units for cash and is unanimously recommended by GPTML's independent directors, subject to no superior proposal emerging.

A Meeting of GPT Split Trust Unitholders will be held on 15 November 2004, at 2.00pm at the All Seasons Premier Menzies Hotel, 14 Carrington Street, Sydney to consider resolutions to approve the acquisition proposal. In order for you to consider the proposal, the following documents are enclosed:

1. **Notice of Meeting and Explanatory Memorandum:** this document provides details of the proposal and Meeting of Unitholders as well as the Resolutions being voted on by Unitholders.
2. **Proxy Form:** it is important that you cast your vote in respect of the proposal. If you are unable to attend the Meeting of Unitholders, you are encouraged to complete and send in your proxy vote using the enclosed reply paid envelope.
3. **Reply paid envelope:** for return of your Proxy Form.

Please read all the documents provided to you carefully. If you have any questions:

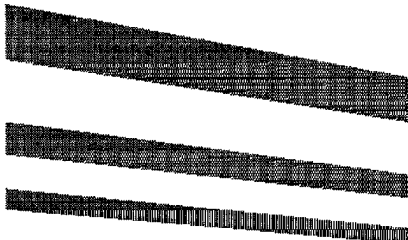
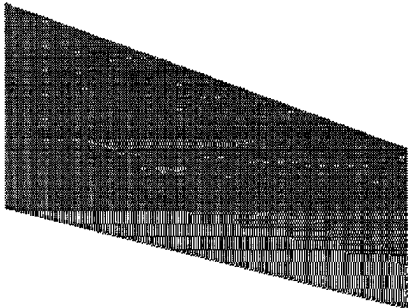
- Contact the Unitholder Service Centre on 1800 025 095; and/or
- Visit www.gpt.com.au; and/or
- Consult your investment, financial, taxation or other professional advisor.

Please note that Proxy Forms must be received by the Registry **by 2.00pm on 13 November 2004.**

Yours sincerely



Nic Lyons
Chief Executive

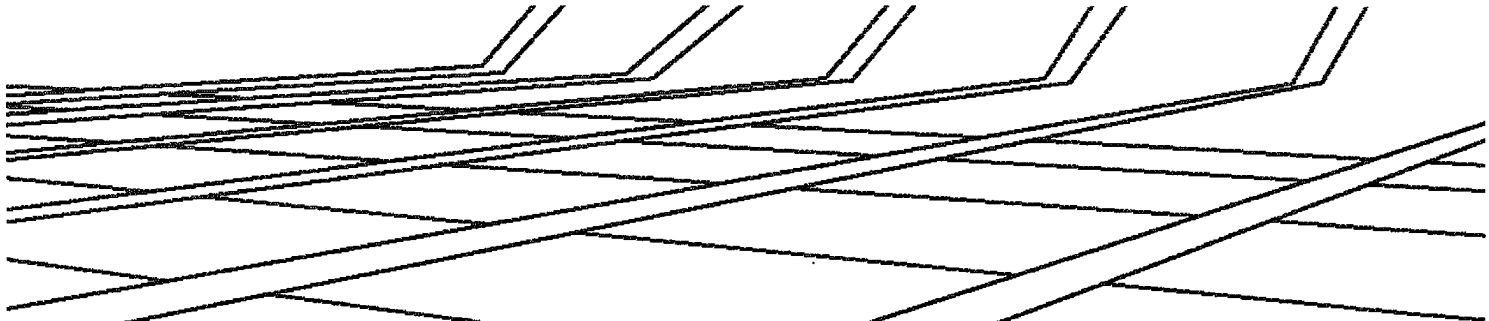


GPT
GPT SPLIT TRUST
(AFSN 030 110 213)

**NOTICE OF MEETING AND
EXPLANATORY MEMORANDUM**

in relation to a proposal for Lend Lease Corporation Limited
to acquire all of your units of the GPT Split Trust for cash

www.gpt.com.au



This document is issued by GPT Management Limited (ABN 94 000 335 473) (AFSL 250126) as the responsible entity of the GPT Split Trust. The Independent Directors of GPTML recommend that in the absence of an alternative superior proposal, you vote in favour of the Proposal.

This is an important document and requires your immediate attention. You should read all of the document. If you are in doubt as to what you should do, you should consult your investment, financial, taxation or other professional adviser.

IMPORTANT NOTICES

What is this document?

This document (the **Explanatory Memorandum**) contains a notice of meeting for Unitholders (the **Notice of Meeting**) and details of the proposed acquisition of all of the units of the GPT Split Trust (ARSN 090 110 213) by Lend Lease Corporation Limited (ABN 32 000 226 228) (**Lend Lease**) for cash (the **Proposal**).

The Notice of Meeting is to convene a meeting of Unitholders to consider and, if thought fit, pass the Resolutions to give effect to the Proposal. If the Resolutions are not passed, a resolution to wind up the GPT Split Trust if the Lend Lease/GPT Merger proceeds will be put to the Meeting (the **Winding Up Resolution**). The Meeting will be held at Ali Seasons Premier Menzies Hotel, 14 Carrington Street, Sydney, on 15 November 2004 at 2.00 pm. The Notice of Meeting is set out in Annexure 3 to this document.

The Explanatory Memorandum sets out details of the Proposal, including the consideration to be paid to Unitholders. In addition, the Explanatory Memorandum contains a tax report prepared by Greenwood & Freehill Pty Limited (see section 4) and an independent expert's report prepared by BDO Corporate Finance Pty Limited (see section 5).

This Explanatory Memorandum is dated 15 October 2004.

No investment advice

The information outlined in the Explanatory Memorandum does not constitute financial product advice. The Explanatory Memorandum has been prepared without reference to your particular investment objectives, financial situation, taxation position and particular needs. It is important that you read this document in its entirety before making any decision on how to vote on the Proposal. If you are in any doubt in relation to these matters, you should consult your investment, financial, taxation or other professional adviser.

Defined terms

Capitalised terms used in the Explanatory Memorandum are defined in section 7. Section 7 also sets out some rules of interpretation which apply to this document.

Responsibility statement

The information concerning the GPT Split Trust and the intentions, views and opinions of GPTML and its directors contained in the Explanatory Memorandum (the **GPT Split Trust Information**) has been prepared by GPTML and its directors and is the responsibility of GPTML. Lend Lease and its directors and officers do not assume any responsibility for the accuracy or completeness of the GPT Split Trust Information (except where they are also directors and officers of GPTML, but then only in that capacity).

The information concerning Lend Lease and the intentions, views and opinions of Lend Lease and its directors contained in the Explanatory Memorandum (the **Lend Lease Information**) has been prepared by Lend Lease and its directors and is the responsibility of Lend Lease. GPTML and its directors and officers do not assume any responsibility for the accuracy or completeness of the Lend Lease Information.

BDO Corporate Finance Pty Limited has prepared the independent expert's report (as set out in section 5) and takes responsibility for that report.

Greenwood & Freehill Pty Limited has prepared the tax report which forms section 4, and the tax advice in sections 2.5, 2.6, 2.7 and 2.11, and takes responsibility for that tax report and tax advice in those sections.

Privacy

GPTML and Lend Lease may collect personal information in the process of implementing the Proposal. Such information may include the name, contact details and security holdings of Unitholders and the name of persons appointed by those persons to act as a proxy, corporate representative or attorney at the Meeting. The primary purpose of the collection of personal information is to assist GPTML to conduct the Meeting and implement the Proposal. Personal information of the type described above may be disclosed to the unit registry of the GPT Split Trust, print and mail service providers, authorised securities brokers and Lend Lease and its related bodies corporate. Unitholders have certain rights to access and correct personal information that has been collected. Unitholders should contact the GPT Split Trust unitholder registry in the first instance if they wish to access their personal information. Unitholders who appoint a named person to act as their proxy, corporate representative or attorney should ensure that they inform that person of these matters.

15 October 2004

Dear Unitholder,

GPT Management Limited (GPTML) is pleased to announce that it has received a proposal from Lend Lease to acquire all of your Units in the GPT Split Trust (the **Split Trust**) for cash.

The Proposal requires the approval of Split Trust Unitholders, and a meeting of unitholders will be held on 15 November 2004 at the All Seasons Premier Menzies Hotel, 14 Carrington Street, Sydney, commencing at 2 pm, to vote on the Proposal. **GPTML's Independent Directors recommend that you vote FOR the Proposal, in the absence of a superior proposal.** If you are in any doubt as to how you should deal with this proposal you should consult your taxation, financial or other professional adviser.

KEY TERMS OF THE PROPOSAL

The key terms of the Proposal are as follows:

1. If you are an Income Unitholder, you will receive \$2.338 cash, plus a potential additional cash amount (see 3. below), for each of your Income Units.
2. If you are a Growth Unitholder, you will receive \$1.638 cash, plus a potential additional cash amount (see 3. below), for each of your Growth Units.
3. If the Proposal is approved by Split Trust Unitholders, the Split Trust will sell all of the GPT Units which it owns into the Cash Sale Facility provided as part of the proposed merger of Lend Lease and General Property Trust (the **Lend Lease/GPT Merger**), provided that merger receives all approvals required to proceed. To the extent that the price achieved per GPT Unit under that Cash Sale Facility, plus the merger distributions to be paid in respect of GPT Units as part of the Lend Lease/GPT Merger, exceeds \$3.684 (being the adjusted¹ volume weighted average price of GPT Units over the 5 trading day period ending immediately prior to 1 October 2004, the date the Proposal was announced), an amount equal to that excess will be paid 25% per Income Unit and 75% per Growth Unit.
4. If the Proposal is approved and all conditions are satisfied, your Split Trust Units will be transferred to Lend Lease on or around 26 November 2004. Lend Lease will pay you the consideration for your units around 6 January 2005, after the Split Trust (then owned by Lend Lease) receives the proceeds of sale of the Split Trust's GPT Units through the Cash Sale Facility.
5. The GPT September cash distribution will be paid to Income and Growth Unitholders in the ordinary course on 22 November 2004. Assuming the Proposal is approved by Split Trust Unitholders, any subsequent GPT cash distributions received by the Split Trust will accrue to Lend Lease.
6. Even if approved by Split Trust Unitholders, the Proposal will not proceed unless the Lend Lease/GPT Merger proceeds. The Lend Lease/GPT Merger remains subject to, amongst other things, Lend Lease Shareholder, GPT Unitholder and Court approvals being obtained.

BACKGROUND TO THE PROPOSAL

The Split Trust's sole assets are units in GPT and cash distributions in respect of those units. If the recently announced Lend Lease/GPT Merger proposal is approved, GPT Units will be stapled to Lend Lease Shares and will trade on ASX as a single stapled security.

In this circumstance, the issue for the Split Trust is that its Constitution does not allow the trustee to invest the trust funds in any property other than GPT Units, and many of the provisions of the Constitution (including those relating to distributions) are formulated on the basis that the only property of the Split Trust will be GPT Units. For this reason, the Split Trust cannot continue in its current form if the proposed Lend Lease/GPT Merger proceeds.

EVALUATION OF OPTIONS

The Independent Directors of GPTML, comprising Malcolm Latham, Elizabeth Nosworthy, Ken Moss and I, have evaluated a number of options for the Split Trust if the proposed Lend Lease/GPT Merger proceeds. These are: (i) amending the Constitution to allow the trust to hold the stapled securities and to distribute amounts received in respect of those stapled securities; (ii) winding up the Split Trust; and (iii) more recently, the Proposal received from Lend Lease.

INDEPENDENT DIRECTORS' RECOMMENDATION

For the reasons given in section 2 of this Explanatory Memorandum, the Independent Directors are of the view that the Proposal received from Lend Lease clearly provides the best outcome for Split Trust Unitholders in these circumstances. The Independent Directors therefore unanimously recommend that you vote in favour of the Proposal, in the absence of a superior proposal.

If the Proposal is not approved by Unitholders at the Unitholder Meeting, a further resolution will be put to the meeting that the Split Trust be wound up if the proposed Lend Lease/GPT Merger proceeds, and that for this purpose the trustee of the Split Trust sell the Split Trust's GPT Units into the Cash Sale Facility under the Lend Lease/GPT Merger.

INDEPENDENT EXPERT

The Split Trust has engaged an independent expert, BDO Corporate Finance Pty Limited, to review the Proposal from Lend Lease. The independent expert has concluded that in the absence of an alternative superior offer, the Proposal is fair and reasonable and in the best interests of Income Unitholders, Growth Unitholders and Unitholders as a whole. The independent expert's report is contained in section 5 of this Explanatory Memorandum, and Unitholders are encouraged to read that report in full.

ACTION

I urge all Unitholders to read this Explanatory Memorandum and Notice of Meeting carefully, and to attend and vote on the Proposal at the Unitholder Meeting on 15 November. You may vote either in person or by completing the enclosed proxy form and returning it by no later than 2.00 pm on 13 November 2004.

Yours sincerely



Peter Joseph

Chairman of the GPT Split Trust Board as comprised by its Independent Directors

† That 5 day volume weighted average price excludes the exercise of three call options on Friday 24 September 2004, which otherwise distorts the VWAP to a lower number.

IMPORTANT DATES

Date and Time*	Event
1 October	Announcement of proposal
3 November	Last day for Split Trust Units to trade with entitlement to participate in September Quarter Distribution
9 November	Record date for determining entitlements to September Quarter Distribution
2.00 pm 13 November	Date and time for determining eligibility to vote at the Meeting
2.00 pm 13 November	Closing date and time for receipt of completed proxy forms for the Meeting
2.00 pm 15 November	Meeting of Unitholders held to consider and, if thought fit, approve the Proposal
Close of trading on 18 November	Trading Cessation Date in respect of Split Trust Units pending Implementation
22 November	September Quarter Distribution paid
7.00 pm 25 November	Record time for Proposal
26 November	Implementation of Proposal (Constitution amended and Split Trust Units transferred to Lend Lease)
31 December	Anticipated date of receipt by Split Trust of proceeds of the sale of the Split Trust's GPT Units through the Cash Sale Facility
6 January 2005	Anticipated date of payment of consideration to Unitholders

* Dates are 2004 unless specified otherwise.

All dates and times after the date of the Meeting are indicative only. The actual dates and times will depend on factors outside the control of GPTML, including the timing of steps involved in the proposed Lend Lease/GPT Merger.

Any changes to the above timetable will be notified on GPT's website, www.gpt.com.au, and announced to the ASX.

All references to time are to Sydney time, unless stated otherwise.

KEY DECISIONS

The following chart sets out the key decisions for Unitholders in relation to the Split Trust and the outcomes that flow from those decisions.

Resolutions 1 and 2 to approve the Proposal are passed

Resolution 1 must be approved by at least 50% of votes cast. Resolution 2 must be approved by at least 75% of votes cast by all Unitholders, including:

- at least 75% of votes cast by Income Unitholders; and
- at least 75% of votes cast by Growth Unitholders.

See section 1.5 for a description of the resolutions and majorities required

Yes

Outcome: Split Trust Units will be transferred to Lend Lease on 26/11/04. Cash will be paid to Unitholders on 06/01/05.

Income Unitholders will receive \$2.338 cash plus a potential additional amount¹.

Growth Unitholders will receive \$1.638 cash plus a potential additional amount¹.

No

Unitholders vote on resolution to wind up the Split Trust

Yes

Outcome: Split Trust immediately wound up. Unitholders receive net proceeds of winding up. GPT Units sold into Cash Sale Facility under the Lend Lease/GPT Merger. Unitholders paid on completion of winding up.

No

Outcome: Trustee intends to apply to Court for orders that the Split Trust be wound up (see section 2.11 for more detail). GPT Units sold into Cash Sale Facility under the Lend Lease/GPT Merger. Unitholders receive net proceeds following any winding up.

¹ See section 1.1(d) for a description of the potential additional amount.

STEPS FOR UNITHOLDERS

Step 1 – Read the Explanatory Memorandum and Notice of Meeting

The Notice of Meeting sets out the Resolutions upon which Unitholders are being asked to vote. You should read the Notice of Meeting and Explanatory Memorandum and decide which way you will vote on the Resolutions and, if put, the Winding Up Resolution. If you are in any doubt as to the course of action to be taken you should contact your stockbroker, solicitor, accountant or other professional adviser without delay.

Step 2 – Vote on the Resolutions

- Vote in person at the Split Trust Meeting to be held on 15 November 2004; or
- Vote by proxy using the proxy form.

You are encouraged to attend and vote at the Meeting. Details of the Meeting are as follows:

Time: 2.00 pm

Date: 15 November 2004

Place: All Seasons Premier Menzies Hotel, 14 Carrington Street, Sydney, NSW

If you are unable or do not wish to attend the Meeting, you should complete the personalised proxy form that accompanies this document and return it in the reply paid envelope provided.

Proxy forms must be received by 2.00 pm on 13 November 2004.

For details on how to complete and lodge the proxy form, please refer to the instructions on the proxy form.

QUESTIONS?

If you have any questions about the Proposal, the Meeting or any other matter contained in this Explanatory Memorandum please contact Split Trust information line on 1800 025 095 or consult your financial or other professional adviser.

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1. DETAILS OF THE LEND LEASE PROPOSAL

1.1 WHAT UNITHOLDERS WILL RECEIVE

GPTML has received a proposal from Lend Lease under which Lend Lease offers to acquire all of the Units in the Split Trust for cash. Under the Proposal, Split Trust Unitholders will receive the following consideration:

(a) Consideration for Income Units

Income Unitholders will receive in cash an amount per Income Unit equal to the sum of:

- (i) \$2.338; and
- (ii) an amount equal to 25% of any excess per GPT Unit realised through the Cash Sale Facility. See section (c) below for a description of how this excess will be calculated.

The base amount of \$2.338 is the volume weighted average price of Income Units over the 5 trading day period ending immediately prior to 1 October 2004.

(b) Consideration for Growth Units

Growth Unitholders will receive in cash an amount per Growth Unit equal to the sum of:

- (i) \$1.638; and
- (ii) an amount equal to 75% of any excess per GPT Unit realised through the Cash Sale Facility. See section (c) below for a description of how this excess will be calculated.

The base amount of \$1.638 is the amount calculated to be payable in respect of a Growth Unit if the Split Trust were wound up, applying the winding up provisions of the Constitution²⁰ and assuming there were no winding up costs and that the GPT Units were sold at \$3.684.²¹

(1) The trust deed for the Split Trust provides that on a winding up, the net cash proceeds derived from the realisation of the trust fund are divided amongst units on issue as follows: (a) the first \$1.50 distributed and 25% of the balance in excess of \$1.50 distributed goes to the holders of Income Units, and (ii) 75% of the amount in excess of \$1.50 distributed goes to the holders of Growth Units.

(2) This is the volume weighted average price of GPT Units over the 5 trading day period ending immediately prior to 1 October 2004, but excluding the exercise of three call options on Friday 24 September 2004 which otherwise distorts the VWAP to a lower number (the **Pre-Announcement GPT 5 Day VWAP**).

(c) Realisation Through the Cash Sale Facility

If Split Trust Unitholders approve the Proposal, GPTML will immediately elect to sell the Split Trust's GPT Units into the Cash Sale Facility under the proposed Lend Lease/GPT Merger. If the effective price per GPT Unit achieved in the Cash Sale Facility exceeds \$3.684, being the Pre-Announcement GPT 5 Day VWAP, an amount equal to any excess will be paid 25% per Income Unit and 75% per Growth Unit.

The effective price per GPT Unit achieved via the Cash Sale Facility will be calculated as follows:

$$\text{Effective Price} = \text{SFP} + \text{SD}_1 + \text{SD}_2 + \text{DD}$$

Where:

- SFP = Actual price achieved per GPT Unit under the Cash Sale Facility
- SD₁ = Special distribution of up to 65 cents per GPT Unit related to the GPT/Lend Lease Merger (the actual size of the special distribution will vary depending on the level of participation by GPT Unitholders in the GPT cash-out option)
- SD₂ = Special distribution of 0.6 cents per GPT Unit
- DD = Pre-implementation merger distribution of 4.1 cents per GPT Unit.

(d) Distributions

The September Quarter Distribution will be paid to Unitholders in the ordinary course on 22 November 2004. Income Unitholders will receive 4.75 cents per Income Unit held on 9 November 2004. Growth Unitholders will receive 0.75 cents per Growth Unit held on 9 November 2004. If the Proposal is approved by Unitholders, any subsequent GPT distributions received by the Split Trust (including the special distributions related to the Lend Lease/GPT Merger) will accrue to Lend Lease. Lend Lease has advised that it intends to cause those distributions to be applied to towards payment of the consideration payable to Split Trust Unitholders under the Lend Lease Proposal.

1.2 APPROVALS REQUIRED

For the Proposal to be implemented, at least 75% of votes by value cast by Unitholders entitled to vote on the Proposal at the meeting must be cast in favour of the Proposal and:

- (a) at least 75% of votes by value cast by Income Unitholders entitled to vote on the Proposal must be cast in favour of the Resolution; and
- (b) at least 75% of votes by value cast by Growth Unitholders entitled to vote on the Proposal must be cast in favour of the Resolution.

A Unitholder has one vote for each dollar of the value of the total interests the Unitholder has in the Split Trust. The value of an interest in the Split Trust is the sale price for that Split Trust Unit on market on the last trading day before the poll is taken.

1.3 CONDITIONS

The Proposal is also conditional upon:

- (a) the Lend Lease/GPT Merger being approved (see section 2.2 for further details of the approvals required in relation to the Lend Lease/GPT Merger and the anticipated times for obtaining those approvals); and
- (b) satisfaction of certain regulatory conditions, including Lend Lease obtaining Foreign Investment Review Board approval in relation to the Proposal. Those conditions are set out in full in clause 3.1 of the Implementation Deed, which forms Annexure 1 to this Explanatory Memorandum.

1.4 THE MEETING

A meeting of Unitholders will be held at 2 pm on 15 November, 2004 at the Ali Seasons Premier Menzies Hotel, 14 Carrington Street, Sydney. The purpose of the Meeting is to consider and, if thought fit, pass the necessary resolutions to enable the Proposal to proceed. If the Resolutions are not passed, a resolution to wind up the Split Trust (if the proposed Lend Lease/GPT Merger is approved) will be proposed. See section 2.10 for a description of the Winding Up Resolution.

Each Unitholder (other than GPTML, which is the holder of 1,000 Income Units and 1,000 Growth Units) is entitled to vote, either in person or by proxy, at the Meeting. Each of the resolutions will be decided on a poll.

1.5 RESOLUTIONS TO APPROVE THE PROPOSAL

Unitholders will need to pass two Resolutions in order to give effect to the Proposal. The full text of those Resolutions is set out in the Notice of Meeting which forms Annexure 3, but in summary the Resolutions are as follows:

- (a) an ordinary resolution approving the Proposal for the purposes of item 7 of section 611 of the Corporations Act; and
- (b) a special resolution, passed by the voting majority described in section 1.2 above, approving the Proposal for all other purposes and amending the Constitution in the manner referred to in section 6.1 below to enable the Proposal to be put into effect. This resolution also authorises and directs GPTML, as the responsible entity of the Split Trust, to take certain specific steps in implementing the Proposal, including:
 - (i) voting the Split Trust's GPT Units in favour of the proposed Lend Lease/GPT Merger; and
 - (ii) electing to sell the Split Trust's GPT Units into the Cash Sale Facility provided under the proposed Lend Lease/GPT Merger.

The background to the first of these resolutions is that section 606 of the Corporations Act prohibits a person from acquiring units in a listed trust where that acquisition would result in the person or another person having voting power in excess of 20% of the voting units in the trust, unless an exception applies. One such exception is item 7 of section 611, which permits the acquisition where it is approved by majority vote at a meeting of unitholders, provided no votes are cast in favour of the resolution by the persons making the acquisition or their associates or the persons from whom the acquisition is made or their associates. ASIC policy also requires that the listed entity obtain an independent expert's report that the acquisition is fair and reasonable to unitholders entitled to vote on the proposal.

Unless approval of the Proposal is obtained for the purposes of item 7 of section 611, the acquisition by Lend Lease of all of the Split Trust Units would contravene section 606. ASIC has modified item 7 of section 611 in relation to the Proposal to permit all Unitholders other than Lend Lease and its associates to vote in relation to the section 611 item 7 resolution, even though they are all disposing of their units under the Proposal. One of the purposes of the independent expert's report contained in section 5 of this Explanatory Memorandum is to provide the report required by ASIC policy on a section 611 item 7 resolution.

For further information relevant to this resolution, see sections 3.3 and 3.4 below.

1.6 TRANSFER OF UNITS ON IMPLEMENTATION DATE

If the Proposal is approved at the Meeting, trading in Units on the ASX will cease at close of business on the sixth Business Day before the date Lend Lease applies to the Court for orders approving the Lend Lease scheme of arrangement which forms part of the Lend Lease/GPT Merger. The implementation date of the Proposal is the date those orders are entered with the Court. The Trading Cessation Date and the Implementation Date are expected to be 18 November 2004 and 26 November 2004, respectively.

If all conditions to the Proposal are satisfied by the Implementation Date, the following steps will occur on that day:

- (a) the amendments to the Constitution set out in section 6.1 take effect; and
- (b) all Units will be transferred to Lend Lease.

1.7 PAYMENT TO UNITHOLDERS

Unitholders on the Register at the Record Time (7 pm on the Business Day prior to the Implementation Date) will not receive the consideration for the transfer of their Units until the third Business Day after the proceeds of the sale of the Split Trust's GPT Units are paid to GPTML under the Cash Sale Facility. This is expected to be on 6 January 2004. Consideration payable to Unitholders will be rounded to the nearest cent. Amounts of one half cent will be rounded up.

1.8 TAX CONSEQUENCES FOR UNITHOLDERS OF THE PROPOSAL

The tax consequences for Unitholders of a disposal of their Split Trust Units pursuant to the Proposal are described in paragraph 1.2 of the tax report which forms section 4 of this Explanatory Memorandum. As noted in that report, however, all investors should seek independent professional advice on the consequences of their participation in the transaction, based on their particular circumstances.

2. EVALUATION OF THE PROPOSAL AND ALTERNATIVES

2.1 GPT SPLIT TRUST

The Split Trust was established in 1984 to provide Unitholders with an opportunity to invest in units with either an income or a growth orientation. As at 1 October 2004, the Split Trust held approximately 21.2 million GPT Units (representing approximately 1.05% of the GPT Units on issue). For each GPT Unit held by the Split Trust there is one Income Unit and one Growth Unit on issue. The Income Units and Growth Units are quoted on ASX.

The Constitution of the Split Trust contemplates that:

- the Split Trust will only hold GPT Units;
- income distributions out of the Split Trust will be made by reference to the distributions received on GPT Units; and
- capital distributions on winding up of the Split Trust will be referable to the disposal value of GPT Units.

2.2 THE LEND LEASE/GPT MERGER

On 6 August 2004, GPT announced that it had agreed merger terms with Lend Lease. Under the proposed Lend Lease/GPT Merger, GPT Units will be stapled to Lend Lease Shares and will trade on ASX as a single stapled security. The proposed Lend Lease/GPT Merger remains subject to a number of conditions including the approval of GPT Unitholders, Lend Lease Shareholders and the Supreme Court of New South Wales. It is currently proposed that the meetings of GPT Unitholders and Lend Lease Shareholders to consider the Lend Lease/GPT Merger will be held on 17 November 2004 and that the court hearing to approve the merger will be held on 26 November 2004.

Registered GPT Unitholders on 9 November 2004 (including the Split Trust) will receive the 5.5 cent per unit September distribution which will be paid on 22 November 2004.

If the Lend Lease/GPT Merger is approved, GPT Unitholders will receive the following:

- Lend Lease Shares and GPT Units will be stapled in the ratio of one Lend Lease Share for every 3.8 GPT Units (subject to adjustment for the level of take up under the cash-out option referred to below);
- GPT Unitholders will receive a special distribution of up to 65 cents per GPT Unit (again, subject to adjustment for the level of take up under the cash-out option referred to below);
- GPT Unitholders will receive a special distribution of 0.6 cents per GPT Unit; and
- GPT Unitholders registered on 3 December will receive a pre-merger implementation distribution of 4.1 cents per GPT Unit.

There is also a cash-out option, which entitles each GPT Unitholder to elect that up to 30,000 of their units be cancelled for a cash consideration of \$3.48 per unit. Any cash used to acquire GPT Units under the cash-out option will proportionately reduce the special distribution of up to 65 cents, with an associated compensating adjustment to the stapling ratio.

There will also be a Cash Sale Facility and an exchange facility whereby GPT Unitholders can sell their units to a sale bank in exchange for cash or stapled securities.

2.3 EFFECT OF THE LEND LEASE/GPT MERGER ON THE SPLIT TRUST

GPTML, as responsible entity of the Split Trust, has formed the view that the Split Trust cannot continue in its current form if the proposed Lend Lease/GPT Merger proceeds. This is so for the following reasons.

Regardless of whether the Split Trust votes its GPT Units in favour of the Lend Lease/GPT Merger or not, if the Lend Lease/GPT Merger receives all necessary approvals, the Split Trust will have its GPT Units consolidated and stapled to newly issued Lend Lease Shares. The difficulty with this, as mentioned above, is that the Split Trust Constitution does not provide for a situation where the Split Trust holds cash, or securities other than GPT Units, and the current distribution provisions of the Constitution make no provision for distributions other than distributions received in respect of GPT Units.

This means that if the Split Trust does receive Stapled Securities, it is not able to do anything with them other than hold them. It cannot sell them because the Constitution provides that the Split Trust may only invest in GPT Units. It cannot distribute to Unitholders the dividends payable on them because, as noted above, its power to make distributions to Unitholders is predicated on the source of those distributions being distributions on GPT Units.

Similarly, if the Split Trust were to receive cash for its GPT Units, the Split Trust would be prevented from investing the cash by its Constitution. It would also be prevented from distributing it to Split Trust Unitholders as the distribution provisions of the Constitution are predicated on the trustee distributing the proceeds of cash distributions paid to it on its GPT Units. A payment in exchange for GPT Units is not a cash distribution on GPT Units and no provision is made in the Constitution to deal with cash received in exchange for GPT Units.

In these circumstances (ie if the Lend Lease/GPT Merger is implemented and no other action is taken in relation to the Split Trust), it is also likely that the Split Trust would need to apply to the ASX to suspend trading in the Split Trust Units, as the rights attaching to the Income Units and Growth Units in these circumstances would be impossible to determine with any certainty.

It is against this background that the Proposal has been evaluated by the Independent Directors.

2.4 OPTIONS CONSIDERED

The Independent Directors have evaluated a number of options for the Split Trust if the proposed Lend Lease/GPT Merger proceeds. These are:

- (a) amending the Constitution to allow the trust to hold the stapled securities and/or cash and to distribute amounts received in respect of those stapled securities and/or cash;
- (b) winding up the Split Trust; and
- (c) more recently, the Proposal received from Lend Lease.

These options are dealt with in turn below.

2.5 AMENDMENT OF THE CONSTITUTION

In the view of the Independent Directors, amendment of the Constitution is not viable for Split Trust Unitholders for the following reasons:

- *Amendment of the Constitution will result in the realisation of a significant taxable capital gain in relation to the GPT Units held by the Split Trust (see "Tax Issues" below).*
- *In practice, it is unlikely that the Unitholders could agree on the amendments (see "Practical Difficulties" below).*

These points are dealt with in turn below.

(a) Tax issues

If the Constitution is amended to deal with the consequences of holding of stapled securities, the changes required would, given the extent of those changes, likely result in a resettlement of the Split Trust (like the creation of a new trust) for tax purposes. A resettlement would result in a deemed disposal by the Split Trust of its GPT Units for capital gains tax (CGT) purposes. The consideration for the deemed disposal will be taken to be the market value of those GPT Units at the time of the resettlement (which is likely to be significantly in excess of the cost base of those GPT Units for capital gains tax purposes). A resettlement would therefore very likely lead to a significant capital gain being realised by the Split Trust. The resettlement might also have adverse consequences for Split Trust Unitholders.

It is not possible to precisely calculate this tax liability, but the majority of those GPT Units have a cost base of \$2.51 (before reduction by any tax deferred amounts), being the market price on the date² those units, which were originally acquired pre-CGT, were deemed to be acquired for CGT purposes. If all of the GPT Units held by the Split Trust had that cost base, and if the market value consideration at the resettlement date was \$3.684 (the Pre-Announcement GPT 5 Day VWAP), the capital gain would be \$1.174 per unit. When multiplied by the 21,189,507 GPT Units held by the Split Trust as at 1 October 2004, this would result in a capital gain of approximately \$25 million (subject to a CGT discount which may be available).

The actual tax liability that would be triggered by the resettlement will obviously differ from this, because of the assumptions made in this example. However, the estimation of tax indicates that the potential capital gain would be substantial.

As described in more detail in the Tax Report at section 4, on the basis that present entitlement to the income of the Split Trust arises under the GPT distribution provisions, this capital gain would be allocated to Unitholders, who would be required to include it in their assessable income, in the same proportions as they receive cash (GPT) distributions. However, as the capital gain arises as a result of a deemed disposal, there would be no cash distribution to these unitholders to fund the tax liability.

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(b) Practical difficulties

The trust deed would need to be substantially rewritten, as the current distribution and other provisions only contemplate the Split Trust holding units in GPT. In order to amend the Constitution, the amendments would need to be approved at a meeting of Unitholders by at least 75% of the votes cast on the resolution. Given that interests of Income Unitholders and Growth Unitholders in relation to each of these issues are likely to be in direct conflict, GPTML believes that it will be difficult, if not impossible, to formulate a set of amendments that would gain the required majority of votes necessary to amend the Constitution.

The Court has no power to separately amend the Constitution to resolve the uncertainties created by the Lend Lease/GPT Merger.

For these reasons, the Independent Directors do not regard amendment of the Constitution and continuation of the Split Trust holding stapled securities as a viable option.

2.6 WINDING UP OF THE SPLIT TRUST

The winding up option involves uncertainties for all Unitholders. On current market prices, it is particularly unattractive to Income Unitholders.

A winding up of the Split Trust involves the trustee of the trust realising the assets of the Split Trust and distributing the net proceeds (after meeting all liabilities) to Unitholders. A winding up could occur in a number of different ways. For example, Unitholders could resolve to voluntarily wind up the trust, or the trustee could apply to the Court for directions to wind up the trust on just and equitable grounds. Perhaps the quickest and most cost effective method of winding up would be for the Unitholders to resolve to voluntarily wind up the trust, and for the Split Trust's GPT Units to be sold into the Cash Sale Facility under the Lend Lease/GPT Merger (in which case that sale will only occur if the Lend Lease/GPT Merger proceeds).

Clause 18 of the Split Trust Constitution deals with a winding up of the trust. In summary, it requires the trustee to proceed as follows:

- (a) the trustee must sell and realise the assets of the trust, and such sale so far as reasonably practicable must be completed within 180 days after the commencement of the winding up;
- (b) the trustee may retain out of the moneys in its hands full provision for all costs and disbursements, commissions, brokerage fees and other outgoings incurred by the trustee in connection with the winding up of the trust;
- (c) the trustee shall from time to time distribute to the Unitholders all net cash proceeds derived from the realisation of the trust fund and available for the purposes of distribution on the basis that such proceeds are divided amongst all Units in issue as follows:
 - (i) the first \$1.50 and 25% of the balance in excess of \$1.50 must be distributed to the holders of Income Units; and
 - (ii) 75% of the balance in excess of \$1.50 must be distributed to the holders of Growth Units; and
- (d) the trustee must ensure that the final accounts of the trust following the winding up are audited by a registered auditor who is independent of the trustee.

Applying those provisions, and assuming that on the winding up the Split Trust's GPT Units were sold at the Pre-Announcement GPT 5 Day VWAP (namely, \$3.684):

- the maximum amount which would be received by Income Unitholders on a winding up (on a pre-tax basis) is \$2.046; and
- the maximum amount which would be received by Growth Unitholders on a winding up (on a pre-tax basis) is \$1.638.

In each case, these amounts would be reduced by selling and wind up costs which, assuming that there was no litigation in connection with that winding up, are not likely to be material. Obviously, the amounts referred to above will differ if on the winding up the Split Trust's GPT Units are sold for a greater or lesser amount than \$3.684 per unit.

Allocation of cash on a winding up

The Split Trust Unitholders will receive the cash realised from the winding up in the proportions dictated by the winding up provisions within the Split Trust Constitution. The following comments should be noted in relation to the timing of the receipt of cash from the winding up:

- where an election is made to dispose of the GPT Units by participating in the Cash Sale Facility – the timing of the receipt of cash is relatively certain in that the trustee should be able to wind up the Split Trust shortly after receipt of the cash from the Cash Sale Facility on or around 6 January 2005; and
- where an election is made to dispose of the GPT Units by participating in the Exchange Sale Facility the timing of the receipt of money is dependent on the disposal of the stapled securities which will not occur until the Court approves the winding up. It is therefore possible that the tax liability (refer below) in respect of the disposal by the Split Trust of the GPT Units could arise to the Unitholders before all (or any) of the cash is received.

In addition, if there is a gain on the disposal of the stapled securities which arises after 31 December 2004, it is likely that the trustee will be subject to tax on this gain (at top marginal rates). In addition, the trustee will suffer tax on distributions on the stapled securities (also at top marginal rates). Accordingly, the uncertainty around the overall tax position under this option is likely to result in a delay in Unitholders receiving all of the cash until the trustee resolves its tax position.

Tax considerations arising on a winding up

Winding up the Split Trust will involve a disposal of the GPT Units and, if an election is made to dispose of the GPT Units via the Exchange Sale Facility, a disposal of stapled securities. Any net capital gain which arises as a result of these disposals will be included in the assessable income of the Split Trust Unitholders in the same proportions as they receive the income of the Split Trust.

That is, even though the cash may be allocated in accordance with the wind up provisions in the Constitution, the net capital gain arising on the disposal by the Split Trust of its GPT Units³ (and, if relevant, the Stapled Securities) under the winding up will be included in the assessable income of the Unitholders in the same proportions as they receive the cash (GPT) distributions. As a result, the majority of the taxable income arising as a result of the disposal of the GPT Units will accrue to the Income Unitholders even though the Growth Unitholders receive the majority of the cash.

Notwithstanding the above, it is likely for the reasons outlined below that the Proposal will result in a better overall tax outcome for Growth Unitholders since:

- for pre-CGT Growth Unitholders – the outcome is not as beneficial as that which arises for them under the Proposal because they are required to include a portion of the capital gain in respect of the GPT Units in their assessable income; and
- for post-CGT Growth Unitholders – this potential benefit does not arise because the balance of the cash they receive will effectively represent the consideration for the cancellation of their Split Trust Units.

The balance of the money received (being the amount in excess of any capital gains) by the Split Trust Unitholders should effectively represent the consideration for the cancellation of their units.

³ All GPT Units currently held by the Split Trust are subject to capital gains tax on disposal because they were acquired (or were deemed to have been acquired) by the Split Trust after 19 September 1985.

2.7 ADVANTAGES OF THE LEND LEASE PROPOSAL

It is the view of the Independent Directors that the Lend Lease Proposal provides a superior outcome for Split Trust Unitholders over the winding up option in terms of price, costs involved, certainty and timing. These advantages are explained below:

(a) Gross amount received by Unitholders

The base amount payable to Income Unitholders under the Proposal (\$2.338 per Income Unit):

- represents a premium of 14.3% to the \$2.046 amount calculated to be payable in respect of an Income Unit on a winding up of the Split Trust (applying clause 18 of the Constitution and assuming that on the winding up the Split Trust's GPT Units are sold at \$3.684 per unit); and
- is equal to the volume weighted average price for Income Units for the 5 trading day period ending immediately prior to the date the Proposal was announced. The amount payable to Income Unitholders will exceed this weighted average price if additional consideration is payable under section 1.1(c) after disposal of the Split Trust's GPT Units through the Cash Sale Facility⁴.

The base amount payable to Growth Unitholders under the Proposal (\$1.638 per Growth Unit):

- is equal to the \$1.638 amount calculated to be payable in respect of a Growth Unit on a winding up of the Split Trust (applying clause 18 of the Constitution and assuming that on the winding up the Split Trust's GPT Units are sold at \$3.684 per unit); and
- represents a 24.4% premium to the volume weighted average price for Growth Units for the 5 trading day period ending immediately prior to the date the Proposal was announced (\$1.316)⁴.

⁴ At the close of trade on 14 October 2004, Income Units closed at a unit price of \$2.27 per unit and Growth Units at \$1.58. The minimum cash consideration being offered under the proposal represents a premium of 3.0% for Income Units and 3.7% for Growth Units compared with the closing unit prices on 14 October. The prevailing market price could increase or decrease prior to implementation of the Proposal which would cause the premium to the then prevailing market price for Income and Growth Units implied by the Proposal to change.

(b) Costs and expenses

The Lend Lease Proposal avoids the costs and expenses for Unitholders of a winding up of the Split Trust, which would almost inevitably be incurred if the Proposal is rejected. Under the Lend Lease Proposal, Lend Lease has agreed to bear all the costs and expenses incurred by GPTML associated with the Lend Lease Proposal. This will include all legal, taxation, financial advisory and Independent Expert's costs and expenses incurred by GPTML in relation to the evaluation of the Proposal.

As discussed above, the selling and other costs involved in a winding up are not likely to be material, provided there is no litigation in connection with that winding up. If, however, a Unitholder did bring proceedings in relation to some aspect of the winding up, there would be additional costs for the trustee in responding to that litigation.

(c) Certainty and timing

The Lend Lease Proposal involves certainty of outcome and timing. It is difficult to estimate the time involved in a winding up. Given that the only assets are securities in a listed entity, it may be the period is relatively short. However, there would still need to be an audit of the accounts of the trust and resolution of the trust's tax position prior to final distributions. Also, it is possible that a Unitholder may wish to apply to the Court to object to the winding up of the trust or the conduct of the winding up. This may materially delay any winding up.

(d) Tax consequences

If the Lend Lease Proposal proceeds, the Unitholders will only need to consider the tax consequences resulting from the disposal of their Split Trust Units. In short, and assuming the units are held on capital account by a Australian resident taxpayer:

- if the Unitholder acquired Split Trust Units prior to 20 September 1985, any capital gain made on the disposal of their Units to Lend Lease will be disregarded; and
- if the Unitholder acquired Split Trust Units on or after 20 September 1985, a capital gain will arise if the proceeds received in respect of the disposal exceeds the cost base of the relevant Unit.

2.8 POSSIBLE DISADVANTAGES AND RISKS OF THE LEND LEASE PROPOSAL

(a) Transfer of Units

If the Resolutions are passed by Unitholders at the Meeting, then all existing Units in the Split Trust will be transferred to Lend Lease. Unitholders whose Units are transferred to Lend Lease will no longer have any interest in the Split Trust and will not receive returns from that investment.

This disadvantage needs to be weighed against the fact that the Constitution becomes unworkable if the Lend Lease/GPT Merger is approved, and the consideration being provided for the transfer of the Split Trust Units under the Lend Lease Proposal.

(b) Change in investment profile

If the Proposal is approved, Split Trust Unitholders will no longer have an indirect interest in the assets of GPT. This may be regarded as a disadvantage by those Split Trust Unitholders who wish to retain an exposure to GPT's assets. However, Unitholders will receive cash which Unitholders could, if desired, reinvest in Stapled Securities by on-market purchases post the Lend Lease/GPT Merger.

(c) Entitlement to distribution in respect of period from 1 October 2004

If the Proposal is approved, Split Trust Unitholders will not receive directly a pro-rata distribution for the period from 1 October 2004 through to the Implementation Date of the Proposal in the same way as they will receive the September Distribution of 5.5 cents. However, to the extent that the value of that distribution was not built into the market price of GPT Units and Income Units for the 5 days prior to 1 October 2004, and was therefore not part of the formulation for the consideration payable to

Income Unitholders and Growth Unitholders, the formula set out in section 1.1(c) should, all other things being equal, compensate Split Trust Unitholders for the value of that pre-merger implementation distribution by including it in the effective price realised through the Cash Sale Facility.

2.9 RECOMMENDATION

Having regard to the advantages and possible disadvantages and risks of the Proposal set out above, the current circumstances in relation to the Split Trust and the position of Unitholders if the options referred to in section 2.4 or 2.5 were pursued, the Independent Directors believe that the Lend Lease Proposal is in the best interests of Unitholders. **The Independent Directors unanimously recommend that Unitholders vote in favour of the Proposal, in the absence of a superior proposal.**

For the reasons given in section 6.4(b), Richard Longes, Ross Taylor and Brian Norris are not regarded as independent for the purposes of considering the Proposal, and have stood aside from that consideration. Because of their interest in relation to the Proposal, they have not made any recommendation in relation to the Proposal.

The Independent Expert, BDO Corporate Finance, has concluded that the Lend Lease offer is fair and reasonable to, and in the best interests of, Income Unitholders, Growth Unitholders and Unitholders as a whole.

2.10 ALTERNATIVE WINDING UP RESOLUTION

If the Resolutions in relation to the Lend Lease Proposal are not passed by the requisite majorities at the Meeting, GPTML will put to Unitholders at the Meeting a resolution that, if the Lend Lease/GPT Merger is approved, the Split Trust be wound up as soon as practicable, and that for this purpose GPTML sell the Split Trust's GPT Units into the Cash Sale Facility under the Lend Lease/GPT Merger (the **Winding Up Resolution**). The reason GPTML will put the Winding Up Resolution in these circumstances is that the only other option is the amendment of the Split Trust Constitution to allow the trust to hold other securities and/or cash, and for the reasons given in section 2.5, that is not a viable option.

The Winding Up Resolution is an extraordinary resolution and to be passed, requires that at least 50% of total votes by value that may be cast by Unitholders entitled to vote on the resolution (including members who are not present in person or by proxy) are cast in favour of the resolution.

2.11 WHAT HAPPENS IF THE LEND LEASE PROPOSAL IS REJECTED AND THE WINDING UP RESOLUTION IS NOT PASSED?

If the Lend Lease Proposal is rejected and the Winding Up Resolution is not passed, GPTML intends to apply to the Court for an order under section 601ND of the Corporations Act that the Split Trust be wound up if the Lend Lease/GPT Merger is approved. In GPTML's view, it is likely that the Court will make such an order in those circumstances because the trust would become unworkable and, for the reasons given in section 2.5, amendment of the trust deed is not a viable option.

If the Lend Lease Proposal is rejected and the Winding Up Resolution is not passed, GPTML also intends to sell the Split Trust's GPT Units into the Cash Sale Facility under the Lend Lease/GPT Merger (ie those GPT Units will be sold for cash if the Lend Lease/GPT Merger is implemented). The reason that GPTML intends to take this action in these circumstances is that if it does nothing and the Split Trust's GPT Units are stapled to Lend Lease Shares on the Lend Lease/GPT Merger, the tax position for the Split Trust will be materially worse if, as GPTML believes must happen, the Split Trust is wound up and those stapled securities sold within 12 months of the stapling. This issue is explained in the tax report in section 4.

2.12 VOTING OF THE SPLIT TRUST'S GPT UNITS ON THE LEND LEASE/GPT MERGER

If the Lend Lease Proposal is not approved at the Split Trust Unitholder Meeting, GPTML, as responsible entity of the Split Trust, will vote its GPT Units against the Lend Lease/GPT Merger at the GPT Meeting to consider that transaction.

3. FURTHER INFORMATION REGARDING LEND LEASE AND THE PROPOSAL

3.1 LEND LEASE

Lend Lease is a leading real estate specialist, providing a range of project management, construction, development and investment management services. The Group's activities are primarily focused in the regions of Asia Pacific, Europe and the US. Lend Lease is:

- Australia's second largest regional retail centre manager and the fifth largest shopping centre manager in the UK (by assets under management). It owns direct and indirect interests in retail assets valued at \$2.1 billion in the UK, the US and Singapore;
- Australia's largest urban community developer with established urban community platforms in the UK and the US;
- Australia's third largest wholesale property funds manager; and
- A top 12 international project management and construction company (based on global construction revenue generated in 2003).

3.2 SOURCE OF CONSIDERATION

As at 1 October 2004, there were 21,189,507 Income Units and 21,189,507 Growth Units on issue. Assuming that Unit numbers do not change, the aggregate amount payable by Lend Lease to Unitholders under the Proposal (disregarding any potential additional consideration payable under section 1.1(c) and rounding) is \$84.25 million.

Lend Lease intends to fund the payment of the amounts payable to Unitholders under the Proposal partly using the proceeds of the Split Trust's sale of GPT Units under the Cash Sale Facility and the merger distributions referred to in section 1.1(c). By the time Lend Lease's obligation to pay Unitholders arises in respect of the Proposal (anticipated to be 6 January 2005):

- Lend Lease will have acquired all of the Units in the Split Trust (this occurs on the Implementation Date, which is scheduled to occur on 26 November 2004); and
- under the proposed amendments to the Constitution (which take effect following the Implementation Date), all of Lend Lease's Units will have been cancelled in consideration for GPTML, as responsible entity of the Split Trust, arranging for the proceeds of the sale of GPT Units through the Cash Sale Facility to be paid to Lend Lease or at its direction.

Lend Lease will direct payment of the proceeds of sale of GPT Units to Unitholders.

Lend Lease will fund the balance payable to Unitholders and expenses associated with the Proposal, which is not expected to exceed \$10 million, from cash reserves and available undrawn facilities. These reserves and facilities are also being used to fund Lend Lease's payment obligations in respect of the Lend Lease/GPT Merger.

The cash reserves are currently in the form of Australian dollar short term bank accepted bills and commercial paper issued or accepted by counterparties with a short term Standard Poor's credit rating of A-1.

The facilities available to Lend Lease to fund payment of the balance of the amount payable under the Proposal comprise:

- an A\$650 million facility made available by ABN AMRO Bank NV to Lend Lease Europe Finance Plc and Lend Lease Finance Limited (each being wholly owned subsidiaries of Lend Lease). The obligations of Lend Lease Europe Finance Plc and Lend Lease Finance Limited under the facility are guaranteed by Lend Lease; and

- a £250 million facility made available by Barclays Bank Plc to Lend Lease Europe Finance Plc. The obligations of Lend Lease Europe Finance Plc under the facility are guaranteed by Lend Lease and after implementation of the LLC/GPT Merger will also be guaranteed by GPT.

These facilities are subject to conditions precedent that are considered by Lend Lease to be standard for these types of facilities. Lend Lease expects that all conditions precedent to the facilities will be satisfied by the date on which it intends to draw down funds.

3.3 INCREASE IN LEND LEASE'S VOTING POWER

A resolution of Split Trust Unitholders under section 611 item 7 of the Corporations Act is required for Lend Lease to acquire Split Trust Units under the Proposal as it will be acquiring "voting power" in the Split Trust of more than 20%.

"Relevant interests" and "voting power" are technical terms which are defined in the Corporations Act. "Relevant interests" include any power (which is broadly defined) to exercise control over disposal or voting of units. "Voting power" is defined in terms of units in which a person and "associates" have "relevant interests". "Voting power" does not necessarily mean actual power to control votes.

Lend Lease and its associates presently have relevant interests in 1000 Growth Units and 1000 Income Units which are held by GPTML (a wholly owned subsidiary of Lend Lease).

Based on the relevant interests set out above, Lend Lease and its associates presently have voting power of approximately 0.005% in the Split Trust.

The relevant interests and voting power of Lend Lease and its associates may change from time to time in the period before implementation of the Proposal, including as a result of the following:

- persons who hold both Growth Units and Income Units cancelling them in return for transfer of a GPT Unit; and
- trading activities by certain entities associated with Lend Lease (such as Resolution Capital Limited) under investment mandates. Due to ongoing trading activities under those mandates, the number of Units in which Lend Lease has a relevant interest (and voting power) may change from time to time.

Lend Lease does not anticipate that this voting power will change substantially in the period before implementation of the Proposal.

Implementation of the Proposal will result in Lend Lease acquiring all Growth Units and Income Units and Lend Lease and its associates having a voting power of 100% in the Split Trust. Accordingly, the maximum extent of the increase in the voting power of Lend Lease and its associates that would result from the acquisition of Units under the Proposal is approximately 99.995%.

3.4 OTHER INFORMATION

Section 611 item 7 of the Corporations Act and ASIC's Policy Statement 74 require that the Explanatory Memorandum set out certain prescribed information:

(a) The identity, associations and qualifications of intended directors of the responsible entity of the Split Trust

GPTML is presently the responsible entity of the Split Trust. Lend Lease and its associates do not intend to make any changes to the board of GPTML consequent on Unitholders approving its acquisition of Units under the Proposal.

However, if the Lend Lease/GPT Merger is implemented, the board of GPTML will initially comprise four non executive directors from the current Lend Lease board, three independent directors from the current GPTML board and Greg Clarke as Managing Director and Chief Executive Officer of the merged Lend Lease/GPT group. These changes to the GPTML board will be made whether or not Unitholders approve the Proposal.

(b) Intentions of Lend Lease

On acquiring all Units, the proposed amendments to the Constitution will result in cancellation of the Units in consideration for GPTML, as responsible entity of the Split Trust, arranging for the proceeds of the sale of GPT Units through the Sale Facility to be paid to Lend Lease or at its direction. Following cancellation of the Units, the Split Trust will terminate and Lend Lease will apply to ASIC to have the Split Trust deregistered on the grounds that it is no longer a registered managed investment scheme.

Consequently, Lend Lease does not intend to continue the operation of the Split Trust and will not inject any further capital into it. Given its limited activities, the Split Trust currently does not have any separate staff. After termination of the Split Trust, GPTML staff involved in administration of the Split Trust will cease to be involved in its administration.

(c) Terms of acquisition and conditional contracts

The terms of Lend Lease's acquisition of Units are described in section 1.1.

Except as described in this Explanatory Memorandum, Lend Lease is not party to any contracts or proposed contracts with GPTML, any Unitholder or any of their respective associates that is conditional on Unitholder approval of the Proposal.

(d) When the acquisition is to be completed

As outlined in the Important Dates section of this Explanatory Memorandum, the acquisition is expected to be completed on 26 November 2004, although payment is not scheduled to occur until around 6 January 2005.

(e) Interests of directors in the resolution

Except as a holder of Units, GPT Units or Lend Lease Shares, no Split Trust Director or director of Lend Lease has an interest in the resolutions to be considered by Unitholders approving the acquisition under section 611 item 7 of the Corporations Act.

The interests of Split Trust Directors in Units, GPT Units and Lend Lease Shares are set out in section 6.4.

(f) The identity of directors that approved or voted against the proposal to put resolution to the Unitholders

The Independent Directors voted unanimously to put the relevant Resolutions to the Meeting. The remaining Split Trust Directors are not independent of Lend Lease and have stood aside from consideration by GPTML of the Proposal including whether to put the section 611 item 7 resolutions to Unitholders.

(g) Recommendation

Each of the Independent Directors recommends that Unitholders vote in favour of the resolutions to approve, for the purposes of section 611 item 7 of the Corporations Act, the acquisitions of Units by Lend Lease described in this Explanatory Memorandum.

Again, as the remaining Split Trust Directors have stood aside from consideration of the Proposal they do not make a recommendation on the resolution to approve Lend Lease's acquisition of Units under the Proposal.

(h) Independent Expert's Report

The Independent Expert's Report has concluded that, in the absence of a superior offer, the Proposal is fair and reasonable and in the best interests of Unitholders not associated with Lend Lease.

(i) Associates

Lend Lease's key associates for the purposes of Chapter 6 of the Corporations Act are GPTML and Resolution Capital Limited.

Lend Lease and these associates each have the same voting power in the Split Trust.

4. TAX REPORT

Greenwoods & Freehills

15 October 2004

Our ref SC:LN:MY:35F
Direct phone 02 9225 5957
Direct fax 02 9221 6516
Email simon.clark@gf.com.au
Matter no 54632
Doc no Greenwood003716702

The Directors
GPT Management Limited
as responsible entity of the Split Trust
Level 4
30 The Bond
30 Hickson Road
Millers Point NSW 2000

Dear Directors

Australian Taxation Report

We have been requested by GPT Management Limited as responsible entity of the Split Trust ("the Split Trust") to prepare a taxation report on the Australian taxation issues arising in relation to the transactions described in the Explanatory Memorandum.

The information contained in this report is of a general nature only. It does not constitute tax advice and should not be relied upon as such. This report only outlines the general Australian taxation implications for Unitholders in respect of their participation in the Proposal or the alternative winding up (whether voluntary or Court ordered).

We have only dealt with Australian resident Unitholders who are individuals, complying superannuation entities and companies that hold their investments on capital account. We have not addressed the tax treatment for Unitholders who or which hold their Units on revenue account such as banks and other trading entities or non-resident Unitholders.

All Unitholders should seek independent professional advice on the consequences of their participation in the transactions, based on their particular circumstances.

Terms used in this report are, unless stated otherwise, defined in the same way as they are in the Explanatory Memorandum.

ABC Centre, Martin Place Sydney NSW 2000 Australia Telephone 612 9225 5955 Facsimile 612 9221 6516
1500 West 4982 Sydney NSW 1544 Australia www.gf.com.au OR 487 Sydney

Liability limited by the Accountants' Scheme, approved under the Professional Standards Act 1994 (NSW)

Greenwoods & Freehills Pty Limited ABN 69 002 145 892

This report is based on the provisions of the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997*, the *A New Tax System (Goods and Services Tax) Act 1999* and related acts, regulations and Australian Taxation Office ("ATO") rulings and determinations applicable as at the date of this report.

1 Tax Consequences of The Proposal

The tax consequences to Unitholders of participation in the Proposal are as follows:

1.1 September Quarter Income Distribution

This distribution will be paid to Unitholders in the ordinary course on 22 November 2004 and will be distributed to Income and Growth Unitholders in accordance with the terms of the Split Trust Constitution.

Unitholders must include their share of the taxable component of the September Quarter Distribution in their assessable income in the same proportion as they receive the income from the Split Trust.

Where the amount of the distribution received by a Unitholder from the Split Trust exceeds the Unitholder's share of the net income of the Split Trust for tax purposes, the excess will not be immediately taxable but will (unless it relates to the distribution of a discount capital gain) reduce the cost base and reduced cost base of the Split Trust Units held by the unitholder (this excess is often called the "tax deferred component" of the distribution). If the unitholder exhausts the cost base of their Post-CGT Split Trust Units, the tax deferred component of the distribution will give rise to an immediate capital gain.

1.2 Disposal of Split Trust Units

If Unitholders vote in favour of the Proposal, then all Unitholders will, for capital gains tax ("CGT") purposes, dispose of their Split Trust Units to Lend Lease on 26 November 2004 for a consideration calculated in accordance with the steps outlined in the section of the Explanatory Memorandum headed Details of the Proposal.

The tax consequences of this disposal will be determined in accordance with the following principles.

(a) Pre-CGT Split Trust Units

Any capital gain or loss made on the disposal of a Split Trust Unit acquired or taken to have been acquired by a Unitholder prior to 20 September 1985 will be disregarded.

(b) Post-CGT Split Trust Units

Upon disposal of a Split Trust Unit acquired or taken to have been acquired on or after 20 September 1985, a Unitholder will make a capital gain if the proceeds received in respect of the disposal exceeds the cost base of the relevant unit.

Certain Unitholders who make a capital gain may be eligible for the CGT discount or indexation.

If the proceeds received in respect of the disposal of the Post-CGT Unit are less than the reduced cost base of the relevant unit, the Unitholder will make a capital loss.

In broad terms, the cost base for Split Trust Units is the amount the Unitholder paid to acquire them (including incidental costs of acquisition and disposal). The cost base will have been reduced where the Unitholder has received distributions from the Split Trust that included tax deferred (non-assessable) components.

(c) CGT Concessions

The taxable amount of any capital gain may be reduced if certain CGT concessions apply.

(i) CGT Discount

If the Unitholder is an individual, a complying superannuation entity or a trustee and acquired (or is taken to have acquired), the relevant Split Trust Units at least 12 months prior to the date of their disposal, the amount of the Unitholder's capital gain may be reduced by the relevant CGT discount.

If a Unitholder who is an individual, a complying superannuation entity or a trustee applies the CGT discount method, the Unitholder's taxable capital gain (after offsetting any current year capital losses or carry forward net capital losses from previous years) will be reduced by one-half (or one-third if the Unitholder is a complying superannuation entity).

If the unitholder is a company, the CGT discount is not available. These Unitholders may be entitled to index the cost base.

(ii) Indexed Cost Base

For Split Trust Units acquired (or taken to have been acquired) prior to 21 September 1999, Unitholders (other than those who are eligible for and apply the CGT discount) may choose to calculate any capital gain on disposal using a cost base indexed for inflation. If the Unitholder makes a capital loss, the reduced cost base is not indexed. The cost base may only be indexed for inflation up to 30 September 1999.

2 Consequences of Winding Up the Split Trust

Alternatives Available to the Trustee

It has, for the purposes of this Report, been assumed that if the Unitholders reject the Proposal, then the Split Trust will be wound up rather than be amended to allow for the continued holding of Lend Lease Group securities as the consequent resettlement of the fund, which we have been advised would likely arise, would cause a significant tax liability to arise in respect of the GPT Units with similar allocation issues to those outlined below. The resettlement may also result in a disposal with tax consequences at the Unitholder level.

There are two viable avenues available for the winding up of the Split Trust, both of which involve the disposal of the GPT Units it holds and a subsequent disposal of Split Trust Units by the Unitholders.

In the event that:

- the Unitholders vote for the voluntary winding up – the GPT Units will be disposed of by the trustee electing to participate in the Cash Sale Facility offered as part of the Merger;
- the trustee is forced to seek a Court Order to effect the winding up – the trustee has announced it's intention to dispose of the GPT Units by electing to participate in the Cash Sale Facility offered as part of the Merger prior to seeking the Court Order.

The other alternatives available to the trustee are:

- To do nothing which will, if the Merger Proceeds, result in the Split Trust holding stapled securities which will then need to be disposed to effect the winding up.

This is not considered to be a viable option as, if the Split Trust participates in the Merger (other than via the Exchange Sale Facility), the New Lend Lease Shares acquired pursuant to the Merger will be considered to have been acquired on the Implementation Date with a low cost base (0.01 cents) but a significant market value which represents a transfer of value from the GPT Units currently held by the Split Trust.

The capital gain arising from the disposal of these shares will not be eligible for the CGT discount in respect of a disposal in the following 12 months which could significantly increase the potential taxable capital gain (i.e. the portion which is not eligible for the CGT discount).

- To dispose of the GPT Units by electing to participate in the Exchange Sale Facility offered as part of the Merger and then subsequently dispose of the resultant stapled securities which will have a market value cost base at the time of their acquisition such that there will only be a gain on their disposal if there is a subsequent increase in the market value of the stapled securities.

The consequences flowing this alternative and the reasons why electing to participate in the Cash Sale Facility is the preferred option from a tax perspective are outlined in more detail below.

Disposal of GPT Units

All GPT Units currently held by the Split Trust are subject to CGT on disposal because they were acquired (or were deemed to be acquired) by the Split Trust after 19 September 1985. There will be a disposal by the Split Trust of the GPT Units under either of the above options, which will crystallise a substantial taxable capital gain.

As the GPT Units have been held by the Split Trust for at least 12 months prior to the date of their disposal, the capital gain flowing through to Unitholders who are individuals, complying superannuation entities or

trustees will, provided the trustee elects to use the CGT discount, be reduced by the relevant CGT discount.

Unitholders will receive the cash realised from the winding up in the proportions dictated by the winding up provisions within the Split Trust Constitution. The following comments should be noted in relation to the timing of the receipt of cash under the two options referred to above:

- where an election is made to participate in the Cash Sale Facility the timing of the receipt of cash is relatively certain in that the trustee should be able to wind up the Split Trust shortly after receipt of the cash from the Cash Sale Facility on or around 5 January 2005;
- where an election is made to participate in the Exchange Sale Facility the timing of the receipt of money is effectively dependent on Court approval and the disposal of the stapled securities. It is possible that the tax liability in respect of the disposal by the Split Trust of the GPT Units could arise to Unitholders before all (or any) of the cash is received.

In addition, if there is a gain on the disposal of the stapled securities which arises after 31 December 2004, it is likely that the trustee will be subject to tax on this gain (at top marginal rates). In addition, the trustee will suffer tax on distributions on the stapled securities (also at top marginal rates). The uncertainty around the overall tax position under this option is likely to result in a delay in Unitholders receiving all of the cash until the trustee resolves its tax position.

The net capital gain arising on the disposal of the GPT Units via either the Cash Sale or Exchange Sale Facility will be included in the assessable income of the Unitholders on a proportionate basis in accordance with the income distributions to Unitholders made under the cash distributions provisions of the Split Trust Constitution. This is because the present entitlement of the Unitholders to the income of the Split Trust arises under these provisions and not the winding up provisions of the Split Trust Constitution.

Therefore, unless the terms of the Commissioner's Practice Statement PS LA 2000/3 are satisfied (which is not a simple task) or the Commissioner of Taxation is otherwise persuaded that the capital gain should be allocated in accordance with cash flowing under the winding up provisions, the cash arising on winding up may be allocated in accordance with the wind up provisions in the Constitution but the associated tax liability may be allocated in accordance in the cash distribution provisions of the Constitution.

It is likely that this transaction will be reviewed by the Australian Taxation Office and, in the course of that review, it may be possible to agree a tax outcome which is more equitable and which essentially tracks the receipt of the cash on winding up.

In the absence of resolving this issue on a more equitable basis, it may be perceived that winding up results in a better overall tax outcome for Growth Unitholders where the majority of the tax liability accrues to the Income Unitholders. Two comments can be made in relation to this issue:

- for pre-CGT Growth Unitholders – the outcome is not as beneficial as that which arises for them under the Proposal because they are required to include a portion of the capital gain in respect of the GPT Units in their assessable income; and
- for post-CGT Growth Unitholders – this potential benefit does not arise because the balance of the cash they receive will effectively be taken into account in calculating any capital gain arising in respect of the cancellation of their Split Trust Units.

The balance of the money received (being the amount in excess of any capital gains) by the Unitholders should also effectively be taken into account in calculating any capital gain arising in respect of the cancellation of their units. That is, cancellation is a disposal of the Split Trust Units for CGT purposes, the general tax consequences of which are outlined at 1.2 above.

Treatment of Merger Related Payments

For completeness, we have provided a brief outline of the tax consequences of the receipt of various of the merger related payments relevant to the circumstances of the Split Trust.

2.1 Distribution Amounts

On or shortly after 17 December 2004 (being the "Implementation Date" for the Merger Proposal), the Split Trust would receive a Pre-Merger Implementation Income Distribution of 4.1 cents per GPT Unit.

The above distribution will be paid to Unitholders in accordance with the terms of Constitution and the tax consequences should be as described in 1.1 above.

In addition, the Split Trust will also receive:

- a Capital Distribution of 0.6 cents per GPT Unit; and
- a further Special Distribution of up to 65 cents per GPT Unit to the extent that there are any surplus funds from the Cash-Out Option available to GPT Unitholders under the terms of the Merger.

2.2 Tax Consequences of the Capital and Special Distributions

The Capital Distribution of 0.6 cents per GPT Unit paid by GPT will not be a distribution of income of GPT and therefore no amount of the Capital Distribution should be included in the taxable income of the Split Trust as a result of the receipt of this amount by the Split Trust.

The Capital Distribution of 0.6 cents per GPT Unit will result in the cost base and reduced cost base of each GPT Unit held by the Split Trust being reduced by 0.6 cents.

The Special Distribution of up to 65 cents per GPT Unit is also not a distribution of income of GPT and will be treated in the same way as the Capital Distribution

2.3 Consolidation of GPT Units

The consolidation of the GPT Units held by the Split Trust will not be a disposal for CGT purposes as the beneficial ownership of each asset remains the same.

The cost base and reduced cost base of the Split Trust's Consolidated GPT Units will be equal to the sum of the cost base and reduced cost base of the GPT Units apportioned across the Consolidated GPT Units in accordance with the formula for the consolidation of these units.

3 Goods and Services Tax ("GST")

No GST should generally be payable in respect of the transactions outlined above. As these all involve dealings with securities, the various supplies will be input taxed (i.e. not subject to GST).

There may be an indirect GST cost for Unitholders who are registered for GST as input tax credits will generally not be available for GST charged to the acquirer in respect of supplies relating to the dealings with these securities (i.e. legal and other adviser fees).

Yours faithfully
GREENWOODS & FREEHILLS PTY LIMITED

per: 

Simon Clark
Director

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5. INDEPENDENT EXPERT'S REPORT

**FINANCIAL SERVICES GUIDE
AND
INDEPENDENT EXPERT'S REPORT
GPT SPLIT TRUST**

14 October 2004

PART I – FINANCIAL SERVICES GUIDE

Dated 14 October 2004

BDO Corporate Finance Pty Ltd ABN 91 003 946 030 ("BDO Corporate Finance" or "we" or "us" or "ours" as appropriate) has been engaged by GPT Management Limited to provide an independent expert's report on the offer by Lend Lease Corporation Limited to acquire all units in the GPT Split Trust. You will be provided with a copy of the report as a retail client because you are a unit holder with GPT Split Trust.

1 FINANCIAL SERVICES GUIDE

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees. This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 244345
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our complaints handling procedures and how you may access them.

2 FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice to retail and wholesale clients in the following classes of financial products:

- Derivatives limited to old law securities options contracts and warrants;
- Debentures, stocks or bonds issued or proposed to be issued by a government;
- Interests in managed investment schemes excluding investor directed portfolio services;
- Securities; and
- Superannuation

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

3 GENERAL FINANCIAL PRODUCT ADVICE

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

4 FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement.



Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

5 REMUNERATION OR OTHER BENEFITS RECEIVED BY OUR EMPLOYEES

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

We have received a fee of approximately \$175,000 from GPT Management Limited for our professional services in providing this report.

That fee is not linked in any way with our opinion as expressed in this report.

6 REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that are licensed to provide.

7 ASSOCIATIONS AND RELATIONSHIPS

From time to time BDO Corporate Finance or BDO and/or BDO related entities might provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

8 COMPLAINTS RESOLUTION

8.1 INTERNAL COMPLAINTS RESOLUTION PROCESS

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, BDO Corporate Finance, GPO Box 2551, Sydney NSW 2001.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

8.2 REFERRAL TO EXTERNAL DISPUTE RESOLUTION SCHEME

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Industry Complaints Service Limited ("**FICS**"). FICS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

BDO Corporate Finance is a member of the FICS Complaints Handling Tribunal No. F3819. Further details about FICS are available at the FICS website www.fics.asn.au or by contacting them directly via the details set out below.

Financial Industry Complaints Service Limited
PO Box 579
Collins Street West
MELBOURNE VIC 8007
Toll free: 1300 780 808
Facsimile: (03) 9621 2291

9 CONTACT DETAILS

You may contact us using the details set out at the top of our letterhead on page 1 of this FSG.

**GPT SPLIT TRUST
INDEPENDENT EXPERT'S REPORT
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PART 2 – INDEPENDENT EXPERT'S REPORT

14 October 2004

The Directors
GPT Management Ltd
Level 4, 30 The Bond
30 Hickson Road
MILLERS POINT NSW 2000

Dear Sirs/Madam

INDEPENDENT EXPERT'S REPORT – GPT SPLIT TRUST

1 INTRODUCTION

BDO Corporate Finance Pty Limited ("**BDO**") has been engaged by GPT Management Limited ("**GPTML**" or "**the Responsible Entity**") to prepare an Independent Expert's Report ("**Report**") to express an opinion as to whether or not the offer by Lend Lease Corporation Limited ("**Lend Lease**") to purchase all units in GPT Split Trust (the "**Split Trust**" or "**the Trust**") ("**the Proposal**") is fair and reasonable to non-associated unitholders ("**Unitholders**") of Split Trust. This includes both Growth and Income Units in Split Trust.

Our Report is to be included in the Explanatory Memorandum for the Split Trust to be sent to all Unitholders to assist them in deciding whether to accept or reject the Proposal.

2 SUMMARY AND OPINION

- 2.1 We have considered the terms of the Proposal as outlined in the body of this Report and have concluded that the Proposal is fair and reasonable and in the best interests of Unitholders, in the absence of a superior offer.
- 2.2 We have considered the terms of the Proposal as outlined in the body of this Report and have concluded that the Proposal is fair and reasonable and in the best interests of Income Unitholders, taken in isolation, in the absence of a superior offer.
- 2.3 We have considered the terms of the Proposal as outlined in the body of this Report and have concluded that the Proposal is fair and reasonable and in the best interests of all Growth Unitholders, taken in isolation, in the absence of a superior offer.
- 2.4 We believe that the Directors of GPTML would be justified in recommending that Unitholders vote in favour of the Proposal in the absence of a superior offer.



Entity limited by the Accountants'
Scheme, approved under the
Professional Standards Act 1994 (NSW)

BDO is a national association of separate
members and entities.

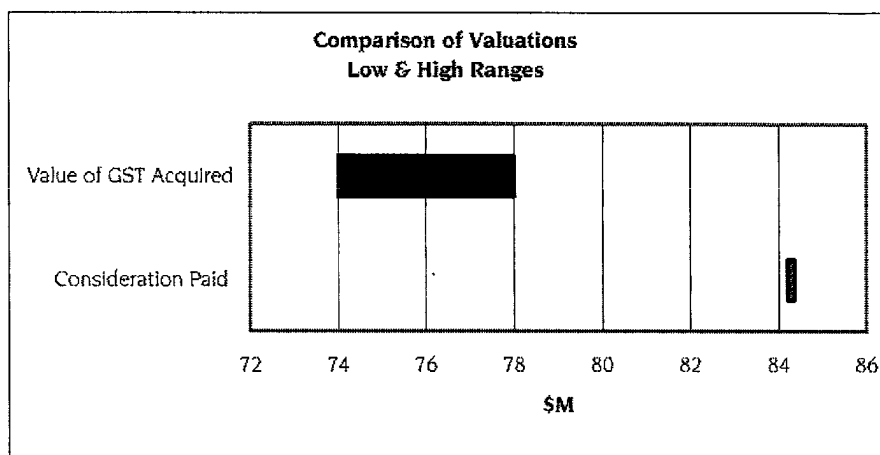
Advisers to growing businesses

2.5 Fairness

2.5.1 We have assessed the valuation of Split Trust compared to the consideration being offered to Unitholders as follows:

	Ref	Low \$M	High \$M
Value of Split Trust	13.1	74.00	78.00
Value of Consideration	13.2	84.25	84.25

The above valuation ranges are graphically presented as follows:



The above pricing indicates that the Proposal is fair for Unitholders on a combined basis.

2.5.2 Having regard to recent ASX pricing of Income Units and Growth Units over a three month period to 30 September 2004, the Proposal is also fair to both classes of Unitholder, when taken in isolation. (Refer Sections 13.4 and 13.5.)

2.6 Reasonableness

While the above valuation analysis indicates that the Proposal is fair overall, the unique circumstances applicable to Income and Growth Unitholders in isolation also need to be considered. These circumstances, as well as other advantages and disadvantages for Unitholders in accepting the Proposal, have been analysed in Sections 14 and 15.

Our findings from this analysis are summarised as follows:

2.6.1 In the absence of an alternative Proposal, there are three alternatives available to Unitholders:

- i. Amend the Trust Deed to accept stapled securities.
- ii. Wind up the Trust (by members' resolution or by petition to the Court).
- iii. Accept the Proposal.

We have concluded that, in the absence of a superior offer, acceptance of the Proposal provides the best outcome for both Income and Growth Unitholders.

- 2.6.2** The Responsible Entity has stated that if all other options are exhausted they will apply to the Court to have Split Trust wound up which will result in the same or similar outcome as the second alternative above.
- 2.6.3** It is possible that Split Trust may continue as is, if the Merger Proposal between GPT and Lend Lease is rejected, with no change to it or to GPT, but this is outside of the control of Unitholders.
- 2.6.4** A higher counter offer from another party, or from Lend Lease, is also a possibility, however we are not aware of any such offer. All conclusions we make in this Report assume that no superior offer eventuates.
- 2.6.5** When considering tax implications in isolation, while all options trigger a CGT liability, the preferred option from a tax viewpoint is that of accepting the Proposal, for both Income and Growth Unitholders.

We believe that on balance the advantages of accepting the Proposal as detailed in this Report outweigh the disadvantages for both Income and Growth Unitholders.

3 OUTLINE OF PROPOSAL

GPTML has received a proposal from Lend Lease under which Lend Lease offers to acquire all of the Units in Split Trust (not already owned by Lend Lease or its associates) for cash.

The Proposal is conditional upon the merger proposal between GPT and Lend Lease ("**the Merger Proposal**") being approved.

If the Proposal is not accepted by Unitholders then a further resolution will be put to Unitholders. This resolution will require that the Trust is wound up, should the Lend Lease and GPT Merger proceed.

Lend Lease is offering to acquire 100% of the units in Split Trust for the following consideration:

3.1 Consideration Offered to Income Unitholders

Income Unitholders receive an amount of \$2.338 per Income Unit (being the 5 day volume weighted average price to 30 September 2004) plus 25% of any excess realised through the Cash Sale Facility (refer Section 3.3).

3.2 Consideration offered to Growth Unitholders

Growth Unitholders receive an amount of \$1.638 per Growth Unit (representing the amount payable under a winding up scenario and assuming the GPT units were sold at the GPT and Lend Lease Merger Proposal volume weighted average price of \$3.684 and there were no winding up costs, including tax, incurred) plus 75% of any excess realised through the Cash Sale Facility (Refer Section 3.3).

The Trust Deed of Split Trust provides that on winding up, the net cash proceeds derived from the realisation of Split Trust are divided as follows:

- The first \$1.50 distributed and 25% of the balance in excess of \$1.50 is distributed to Income Unitholders;
- 75% of the amount distributed in excess of \$1.50 goes to Growth Unitholders.

3.3 The Cash Sale Facility

If Unitholders approve the Proposal, GPTML will elect to sell the Split Trust units into the Sale Facility which is to be available under the GPT and Lend Lease Merger Proposal. If the effective price per GPT unit achieved in the sale facility exceeds \$3.684, an amount equal to any excess will be paid to Unitholders amounting to 25% of the excess in respect of Income Units and 75% in respect of Growth Units.

The effective price per GPT unit achieved via the Sale Facility will be calculated as follows:

$$\text{Effective Price} = \text{SFP} + \text{SD}_1 + \text{SD}_2 + \text{DD}$$

Where

SFP	=	Actual price achieved per GPT unit under the GPT Sale Facility
SD ₁	=	Special distribution of up to 65 cents per GPT unit related to the GPT and Lend Lease Merger Proposal (actual size of the special distribution will vary depending on the level of participation by GPT unitholders in the GPT cash-out option).
SD ₂	=	Special distribution of 0.6 cents per GPT unit.
DD	=	Pre-Implementation merger distribution, representing the estimated pro-rata GPT December quarter distribution from 1 October 2004 to 30 November 2004.

3.4 Distributions

The September quarter distribution of 5.5 cents in total will be paid to Unitholders. Income Unitholders will receive 4.75 cents and Growth Unitholders will receive 0.75 cents. If the Proposal is approved by Unitholders, any subsequent distributions (including special distributions related to the GPT and Lend Lease Merger Proposal) will accrue to Lend Lease.

4 REPORT REQUIREMENTS

Lend Lease is seeking to acquire 100% of the units in Split Trust. Section 606 of the Corporations Act ("**the Act**") expressly prohibits the acquisition of further units by a person where the acquisition increases the person's voting power from on or below 20% to more than 20% of the issued units of a listed entity, unless a full takeover offer is made to all unitholders. There is an exemption for acquisitions of additional holdings of up to 3% in six months, however this will not be available in the case of the Proposal. There are further exemptions to this rule in Section 611 of the Act.

Section 611 permits an acquisition of units in a listed entity by a person who, holding 20% or less, would acquire more than 20%, if the unitholders of that entity have agreed to the issue of such units. This agreement must be by resolution passed at a general meeting at which no votes are cast in relation to any party who is associated with the party to whom the units are to be issued. Section 611 states that unitholders of the trust must be given all information that is material to the decision on how to vote at the meeting.

Policy Statement 74 issued by the Australian Securities and Investments Commission ("**ASIC**") deals with "Acquisitions Agreed to by Shareholders". It states that the obligation to supply unitholders with all information that is material can be satisfied by the non-associated directors of the Responsible Entity, by either:

- undertaking a detailed examination of the Proposal themselves, if they consider that they have sufficient expertise; or
- by commissioning an Independent Expert's Report.

The directors of the Responsible Entity have commissioned this Independent Expert's Report to satisfy this obligation.

The Proposal also involves a trust scheme under Section 601GC of the Act. In Guidance Note 15, the Takeovers Panel has indicated that it has jurisdiction over trust schemes. The Guidance Note sets out the requirements for information provided to unitholders in connection with a trust scheme. Among other things, the Guidance Note requires that the Explanatory Memorandum sent to unitholders must include an independent expert's report that states whether in the expert's opinion the terms of the trust scheme are fair and reasonable to unitholders of the trust, gives the expert's reasons for forming that opinion and provides certain details prescribed by Section 648A(3) of the Act.

Accordingly, Guidance Note 15 also has relevance for the requirements of this Report.

5 BASIS OF EVALUATION

5.1 Regulatory Guidelines

In determining whether the Proposal is fair and reasonable and in the best interests of Unitholders, we have had regard to the views expressed by the ASIC in their Policy Statement 74 "Acquisitions Agreed to by Shareholders" and Policy Statement 75 "Independent Experts reports to Shareholders". These Policy Statements suggest that an opinion as to whether transactions are fair and reasonable should entail consideration of all the circumstances of the Proposal.

Such consideration includes a comparison of the likely advantages and disadvantages for Unitholders if the Proposal is accepted, with the advantages and disadvantages to those Unitholders if it is not.

Trust schemes of arrangement can encompass a wide range of transactions. Accordingly, "in the best interests" must be capable of a broad interpretation to meet the particular circumstances of each transaction. This involves a judgement on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the transaction and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether Unitholders are likely to be better off if the proposed transaction is implemented than if it is not.

5.2 Adopted Basis of Evaluation

5.2.1 BDO considers that a report and analysis undertaken under the concepts of fair and reasonable as expressed in Policy Statement 75 is consistent with determining whether the Proposal is in the best interests of Unitholders.

Having regard to the above, BDO has completed its analysis of the Proposal in two parts:

- A comparison between the consideration being offered for each Growth and Income Unit of Split Trust, and the value of the Growth and Income Units comprising Split Trust (fairness); and
- An investigation into other significant factors to which Unitholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness).

This investigation focuses on the various alternatives that each class of Unitholders have, and the merits of each such alternative.

5.2.2 We have assessed that in all cases the advantages and disadvantages of rejecting the Proposal are the inverse of accepting the Proposal. Thus for simplicity and ease of evaluation of the Proposal we have set out the significant factors in Sections 14 and 15 only in the context of accepting the Proposal.

The Proposal could be considered "reasonable" if there are valid reasons to approve the Proposal, notwithstanding that it may not be regarded as "fair" to Unitholders.

6 PROFILE OF SPLIT TRUST

6.1 Overview

Split Trust was established in 1984 consisting of both Income Units and Growth Units. The underlying investment of Split Trust is units in GPT and thus an investment in a diversified property trust with a property portfolio in the retail, office, industrial, hotel/leisure, and masterplanned urban community (Refer Section 7 for further information on GPT). The purpose of establishing Split Trust was to provide Unitholders with the benefit of either an income or growth orientation to their investment.

For each GPT Unit held by the Split Trust, there is one Income Unit and one Growth Unit in Split Trust. The Income Units and Growth Units of Split Trust are listed separately on the ASX.

The responsible entity of the Split Trust is GPTML, a wholly owned subsidiary of Lend Lease.

The constitution of Split Trust requires that:

- Split Trust will only hold units in GPT;
- Income distributions from Split Trust are made with reference to the GPT distributions; and
- Capital distributions on winding up Split Trust will be referable to the disposal value of GPT units.

6.2 Capital Structure

The following table represents a summary of the movement in units on issue for Split Trust since 31 December 2003 to 1 October 2004:

Split Trust	Income Units on Issue	Growth Units on Issue
As at 31 December 2003	22,109,712	22,109,712
Less units cancelled	(574,711)	(574,711)
As at 30 June 2004	21,535,001	21,535,001
Less Units cancelled	(157,755)	(157,755)
As at 31 July 2004	21,377,246	21,377,246
Less units cancelled	(60,200)	(60,200)
As at 10 August 2004	21,317,046	21,317,046
Less Units cancelled	(127,539)	(127,539)
As at 1 October 2004	21,189,507	21,189,507

Source: GPTML Management

Units have been cancelled as part of a facility whereby holders of both Income Units and Growth Units could hand in one Income Unit and one Growth Unit for cancellation in return for a transfer from the trustee of one GPT unit.

We have been advised that no further redemption of units has occurred since 1 October 2004.

GPTML, which is a wholly owned subsidiary of Lend Lease holds 1,000 Income Units and 1,000 Growth Units.

6.3 Distributions

Under the Split Trust Trust Deed, an Income Unit receives the first nine cents of the GPT Unit's distribution for each six-month distribution, plus 25% of the excess. A Growth Unit receives 75% of the amount of the GPT Unit's six-month distribution above nine cents. Historical distributions are detailed hereunder:

Split Trust	Income Units		Growth Units		Total	
	Cents	\$'000	Cents	\$'000	Cents	\$'000
Half-year ended 30 June 2004	9.475	2,024	1.425	306	10.9	2,330
Year ended 31 December 2003	18.8	4,184	2.4	533	21.2	4,717
Year ended 31 December 2002	18.6	4,758	1.8	457	20.4	5,215

Source: Split Trust 30 June 2004 Interim Financial Report and 2003 GPT and Split Trust Annual Report

6.4 Historical Statements of Financial Position

Split Trust	Audited 30 June 04 \$'000	Audited 31 Dec 03 \$'000	Audited 30 June 03 \$'000	Audited 31 Dec 02 \$'000
Current Assets				
Receivable - distribution from GPT	1,185	1,194	1,194	1,176
Non-current Assets				
Investments - units in GPT	59,006	60,360	60,360	58,794
Total Assets	60,191	61,554	61,554	59,970
Current Liabilities				
Provision - distribution payable	1,185	1,194	1,194	1,176
Net Assets	59,006	60,360	60,360	58,794
Equity				
Contributed equity	59,006	60,360	60,360	58,794
Units on issue at book value being the value of the underlying investment	59,006	60,360	60,360	58,794

Source: Split Trust 30 June 2004 Interim Financial Year Report, 2003 GPT & Split Trust Annual Report

6.5 Historical Statements of Financial Performance

Split Trust	Audited 6 Months Ended 30 June 04 \$'000	Audited Year Ended 31 Dec 03 \$'000	Audited 6 Months Ended 30 June 03 \$'000	Audited Year Ended 31 Dec 02 \$'000
Revenue				
Distributions from GPT	2,330	4,717	2,348	5,215
Net Operating Income	2,330	4,717	2,348	5,215
Distributions Paid	(2,330)	(4,717)	(2,348)	(5,215)
Balance	-	-	-	-

Source: Split Trust 30 June 2004 Interim Financial Report and 2003 GPT & Split Trust Annual Report

7 PROFILE OF GPT

7.1 Overview

GPT was formed in 1959 by Lend Lease and was known as the First National Buildings Trust. GPT is a diversified property trust that has been listed on the Australian Stock Exchange ("ASX") since April 1971. It is Australia's longest running listed property trust. GPTML, a wholly owned subsidiary of Lend Lease is the Responsible Entity of GPT.

GPT currently has total assets of over \$8.2 billion (including the P&O Resorts acquisition in July 2004). GPT's portfolio consists of over 50 quality properties across Australia in the retail (49% by value), office (37% by value), hotel/tourism (10% by value), and industrial/business park (4% by value) sectors. GPT entered the masterplanned community sector in 2003 with first residential sales scheduled for late 2004.

7.2 Current Merger Proposal

On 24 May 2004, Lend Lease announced a proposal to merge with GPT to form the Lend Lease Group. Following that announcement, the directors of GPTML undertook a review of the GPT and Lend Lease Merger Proposal as well as a range of potential alternatives that may have been available to GPT. On 27 July 2004, GPTML announced that it was unable to agree terms with Lend Lease.

On 6 August 2004, GPT and Lend Lease announced their intention to merge GPT and Lend Lease to form a single stapled group by unitholder and shareholder schemes, following revised merger terms offered by Lend Lease. The proposed merger requires the approval of both Lend Lease shareholders and GPT unitholders. A meeting of GPT unitholders has been scheduled for 17 November 2004.

Under the terms of the Merger Proposal, GPT unitholders can either receive stapled securities in the Lend Lease Group and/or to participate in a cash-out option. GPT unitholders who elect to receive stapled securities will receive the following:

- one stapled security for up to 3.8 GPT units held and a special distribution of up to 65 cents per GPT unit (both adjusted for the level of the cash-out option);
- a capital distribution of 0.6 cents per GPT unit.

The GPT cash-out option entitles each GPT unitholder to elect that up to 30,000 of their units be cancelled for a cash consideration of \$3.48 per unit. They will also be entitled to a capital distribution of 0.6 cents per GPT unit.

There is also a Cash Sale Facility which allows GPT unitholders who do not wish to continue their investment in the merged group to dispose of their investment in Eligible Units for cash rather than receive stapled securities with the sale price determined by market conditions through the sale bank.

GPT unitholders will also receive a 5.5 cent distribution for the September quarter under the GPT and Lend Lease Merger Proposal, payable on 22 November 2004, and, if that Merger Proposal proceeds, will also receive a pre-merger implementation distribution of 4.1 cents per unit for the period 1 October 2004 – 30 November 2004.

7.3 Impact of GPT Merger Proposal on Split Trust

The Lend Lease offer to acquire all units in Split Trust will be voted on at a Unitholder meeting scheduled for 15 November 2004 which is prior to the GPT unitholders meeting, scheduled for 17 November 2004.

The Split Trust Proposal is conditional upon the GPT and Lend Lease Merger Proposal being approved.

7.4 Capital Structure

The following tables set out the capital structure of GPT:

GPT	1 October 2004	31 Dec 2003
Total Units on Issue	2,016,716,610	1,949,716,610
Units Held by Split Trust in GPT	21,189,507	22,109,712
Units held by Lend Lease in GPT (0.86%) ⁽¹⁾	17,300,373	-

Source: GPT Management

(1) Lend Lease also has a relevant interest in an additional 96.02 million (4.8%) GPT units managed under contract on behalf of clients of Resolution Capital Limited (a real estate securities business in which Lend Lease has a 50% equity interest).

7.5 Property Portfolio

GPT's property portfolio consists of interests in over 50 properties in the retail, office, industrial/business park, hotel/tourism and masterplanned urban community sectors in Australia. The following table summarises the property portfolio held by GPT as at 30 June 2004:

	Value \$M	% of Total	Occupancy %
Retail	3,924.0	48.5%	99%
Office	3,030.8	37.5%	93%
Hotel/Tourism	778.2	9.6%	N/A
Industrial	325.5	4.0%	94%
Masterplanned Urban Communities	31.6	0.4%	N/A
Total	8,090.1	100.0%	

Source: GPT 30 June 2004 Interim Financial Report and 2004 GPT & Split Trust Mid-Year Report (updated for PGO Resorts acquisition in July 2004)

7.6 Historical Statements of Financial Position

GPT	Audited 30 June 04 \$M	Audited 31 Dec 03 \$M	Audited 30 June 03 \$M	Audited 31 Dec 02 \$M
Current Assets				
Cash	52.5	44.0	46.4	45.6
Receivables	48.5	46.0	82.1	39.7
Other	12.0	14.6	9.8	13.2
Non-current Assets				
Investment properties	7,983.9	7,489.8	6,734.6	6,528.1
Investment in associates	9.2	6.5	-	-
Other assets	99.7	94.2	70.0	70.0
Total Assets	8,205.8	7,695.1	6,942.9	6,696.6
Current Liabilities				
Payables	149.3	147.3	129.4	160.6
Interest bearing liabilities	1,170.0	775.0	515.0	356.0
Provisions	110.9	105.3	103.3	101.4
Non-current Liabilities				
Interest bearing liabilities	1,252.0	1,352.0	1,080.0	1,005.0
Total Liabilities	2,682.2	2,379.6	1,827.7	1,623.0
Net Assets	5,523.6	5,315.5	5,115.2	5,073.6
Equity				
Contributed equity	4,598.5	4,400.8	4,400.8	4,400.8
Asset revaluation reserve	918.2	907.1	709.8	672.1
Undistributed income	6.9	7.6	4.6	0.7
Total Equity	5,523.6	5,315.5	5,115.2	5,073.6

Source: GPT 30 June 2004 Interim Financial Report and 2003 GPT & Split Trust Annual Report (updated for P&O Resorts acquisition in July 2004)

7.7 Historical Statements of Financial Performance

GPT	Audited 6 Months Ended 30 June 04 \$M	Audited Year Ended 31 Dec 03 \$M	Audited 6 Months Ended 30 June 03 \$M	Audited Year Ended 31 Dec 02 \$M
Revenue				
Rents	319.4	605.9	295.6	568.5
Interest - joint venture investment arrangements	2.4	4.5	2.1	9.4
Interest - cash and short term money market securities	2.5	5.0	1.7	3.5
Proceeds on disposal of units in listed property trust	-	41.2	41.2	-
Proceeds on disposal of properties	-	-	-	187.3
Share of net profits of associates	44.5	63.7	30.2	59.0
Other income	-	1.3	1.3	-
Total Revenue	368.8	721.6	372.1	827.7
Expenses				
Rates, taxes and other property outgoings	71.6	138.2	65.5	128.9
Repairs and maintenance	5.5	9.1	4.6	9.4
Provision for doubtful debts	0.1	0.5	0.4	0.6
Audit and accounting fees	0.8	0.8	0.3	0.6
Borrowing costs	52.0	80.2	37.3	70.1
Responsible Entity's fee	19.7	25.6	12.6	33.9
Book value of units in listed property trust	-	41.2	41.2	-
Book value of property investments sold	-	-	-	192.9
Other expenses	2.6	5.8	1.6	5.2
Total Expenses	152.3	301.4	163.5	441.6
Net Operating Income	216.5	420.2	208.6	386.1

Source: GPT 30 June 2004 Interim Financial Report and 2003 GPT & Split Trust Annual Report

8 VALUATION METHODOLOGIES

Methodologies commonly used for valuing assets and businesses are as follows:

8.1 Capitalisation of future maintainable earnings ("FME")

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to businesses with relatively steady growth histories and forecast, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ("**EBIT**") or earnings before interest, tax, depreciation and amortisation ("**EBITDA**"). The capitalisation rate or "earnings multiple" is adjusted to reflect which base is being used for FME.

8.2 Discounted future cash flows ("DCF")

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

A terminal value for the asset or business is calculated at the end of the future cash flow period is then discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

8.3 Net tangible asset value on a going concern basis ("NTA")

NTA is usually appropriate where the majority of assets consist of cash or passive investments. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall NTA valuation. This is particularly so for property trusts where investment is in real property.

8.4 Yield based approach

Although capital appreciation is important, the income yield that listed property entities generate is another relevant benchmark that is commonly referred to in this sector.

Based on available data, the forecast distribution of an entity is compared to a volume weighted average ASX price, to determine a percentage yield for that entity.

The percentage yields of listed property entities of similar size and nature, and operating in the same property sector, can then be compared. This comparison allows a range of yields to be determined that may be applicable to the relevant sector of the market.

Once the range of yields is selected, the listed property entity can then be valued by using its forecast distribution level. The valuation derives a range of implied pricing on the ASX, resulting in a range of values per unit, for the relevant entity.

The yield based valuation method is a useful comparison valuation, which can be used as a "cross-check" for any of the valuation methodologies above.

8.5 Quoted Market Price Basis

Another alternative valuation approach that can be used in conjunction with (or as a replacement for) any of the above methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which securities are traded, recent prices at which securities are bought and sold can be taken as the market value per security. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a "deep" market in that security.

9 SELECTED VALUATION APPROACH

In accordance with our adopted basis of evaluation set out in Section 5, we have considered the fairness of the Proposal by comparing the value of the units in Split Trust being acquired by Lend Lease, to the value of the consideration paid to Unitholders.

Our selected valuation approach for the Proposal is set out below:

9.1 Split Trust

Split Trust's only investment is a 1.05% interest in GPT. Therefore in order to value Split Trust, we firstly need to value GPT. GPT consists predominantly of passive investments and accordingly NTA has been selected as the primary methodology for the valuation of GPT.

Although the DCF and FME approaches have not been directly used in our valuation of GPT, these methods have formed the basis of the property valuations that underpin the NTA value derived by us. Accordingly, both DCF and FME have indirectly been applied in the valuation of GPT.

As a supporting valuation for the NTA valuation, we have considered the yield based approach, and the quoted market price of GPT units on the ASX.

We have also considered the combined quoted market price of Split Trust Growth and Income units on the ASX for further support to our primary valuation.

The above methodologies value Split Trust on a going concern basis. However, the impact of the value of Split Trust under a wind up scenario has been considered in Reasonableness (refer Sections 14.3.2 and 14.4.2).

9.2 Consideration

As set out in Section 3, Unitholders will receive as consideration a cash amount equivalent to the following:

9.2.1 Income Unitholders

Income Unitholders will receive an amount per Income Unit equal to the sum of:

- \$2.338 (being the volume weighted average price of Income Units over the 5 day trading period to 30 September 2004); and
- 25% of any excess realised through the Cash Sale Facility (refer Section 9.2.3).

9.2.2 Growth Unitholders

Growth Unitholders will receive an amount per Growth Unit equal to the sum of:

- \$1.638 (being the amount calculated to be payable in respect of a Growth Unit on a winding up of Split Trust (applying the winding up provisions of the Constitution and assuming the GPT Units were sold at the Lend Lease proposal volume weighted average price over the 5 day trading period to 30 September 2004 and there were no winding up costs); and
- 75% of any excess realised through the Cash Sale Facility (refer Section 9.2.3).

9.2.3 The Cash Sale Facility

If Unitholders approve the Proposal, GPTML will immediately elect to sell Split Trust's units held in GPT into the Sale Facility which is to be available under the Lend Lease and GPT Merger Proposal. If the effective price per GPT unit achieved in the Sale Facility exceeds \$3.684 (refer Section 3.3), being the GPT and Lend Lease Merger Proposal Volume Weighted Average Price, an amount equal to any excess will be paid to Unitholders in the amount of 25% in respect of Income Units and 75% in respect of Growth Units. We have assumed that no excess is payable to Unitholders in our assessment of consideration payable for fairness purposes. However, we have included this and the September quarter distribution payable, in our assessment of the reasonableness of the Proposal (Refer Section 14).

9.3 Independent Property Valuations Review

9.3.1 The major underlying factor influencing the NTA of property trusts is the value assigned to the property portfolio held. This asset value is based primarily on independent property valuations.

9.3.2 We have had access to certain independent property valuations performed for properties owned by GPT. We reviewed these valuations to confirm that there were no issues or anomalies within the valuations that would materially impact on the value of property investments shown in the statement of financial position of GPT.

- 9.3.3** Our review procedures included a general review and assessment of the methodologies as well as discount and capitalisation rates underlying all valuations, together with a detailed review of selected independent property valuations and their underlying key assumptions.
- 9.3.4** All independent property valuations assessed adopted either two or three methodologies (including DCF and FME) all of which materially reconciled.
- 9.3.5** Independent valuers from the following firms were used, each of whom adopted consistent valuation approaches:
- Knight Frank Valuations
 - CBRE Richard Ellis
 - FPD Savills International Property Consultants
 - Colliers International Pty Limited
 - Colliers Jardine
 - Urbis
 - Jones Lang LaSalle Hotels
- 9.3.6** Our selection of independent property valuations for detailed review was made having regard to the following risk criteria, as applicable:
- Property valuation and book value
 - Valuation date
 - Lease expiry profile
 - Vacancy and incentive allowances
 - Capital expenditure budgets
 - Discount rates
 - Capitalisation rates

9.3.7 We set out a summary of the ranges of discount and capitalisation rates used across the sample of independent property valuations that were reviewed in detail by BDO, in the table below:

GPT	Date of Valuation	Discount Rates	Capitalisation Rates
Carlingford Court Shopping Centre, Carlingford NSW	31/3/02	11.00	8.75
Erina Fair Shopping Centre, Erina NSW	30/9/03	9.75	6.75
Forestway Shopping Centre, Frenchs Forest NSW	30/9/01	11.75	9.75
Penrith Plaza, Penrith NSW	30/9/03	9.50	6.75
Dandenong Plaza Shopping Centre, Vic	30/9/03	10.00	8.00
Woden Plaza Shopping Centre, Canberra ACT	31/3/03	10.00	7.50
Bonner House, Canberra ACT	31/3/03	12.50	11.75
Casuarina Square Shopping Centre, Darwin NT	30/9/02	10.75	8.25
Melbourne Central Complex, Melbourne Vic	30/9/01	10.43	7.83
530 Collins Street, Melbourne Vic	30/9/03	9.25	7.25
Riverside Centre, 123 Eagle Street, Brisbane QLD	30/9/02	10.00	6.80
Brisbane Transit Centre, Brisbane QLD	30/6/04	10.25	9.50
Governor Phillip & Governor Macquarie Towers, 1 Farrer Place, Sydney NSW	30/9/03	9.25	6.50
Darling Park, Sussex Street, Sydney NSW	1/4/04	9.50	7.00
Quad 1, Parkview Drive, Homebush Bay, NSW	30/6/04	9.75	8.25
Citiwest Industrial Estate, Altona North, Vic	31/3/03	9.75	9.00
Four Points Sheraton Hotel, Sydney NSW	15/3/02	11.50	9.00
Ayers Rock Resort & Alice Springs Resort, NT	31/3/04	12.00	9.75

9.3.8 Based on the general and detailed reviews conducted, no material issues or anomalies came to our attention during our review which would cause us to believe that the independent valuations as at the date of each valuation, were not a reasonable assessment of each of the properties in question.

9.3.9 We have also received confirmation from the Responsible Entity that the assumptions underlying independent property valuations reviewed, remain applicable at the date of this Report.

10 VALUATION OF GPT

10.1 Net Tangible Asset Valuation of GPT

GPT has historically traded above its NTA. Although influenced in part by the announcement of the GPT and Lend Lease Merger Proposal, this is evidenced by a 60 day weighted average market price at 30 September 2004 equal to a premium of 31% to NTA at 30 June 2004.

GPT is the largest diversified property trust listed on the ASX. To facilitate comparison we have detailed in Section 10.1.1 current NTA multiples for comparable diversified property trusts.

In selecting entities that have similar underlying property portfolios to GPT, we first considered all diversified trusts, and then derived a short list of comparable entities, satisfying ourselves in the process that other entities were not comparable.

10.1.1 Comparable Property Trust Multiples

The NTA balances applied in the table below are from latest published research from Property Investment Research Pty Limited ("PIR"). The unit prices for all trusts are the 60-day weighted average ASX closing prices to 30 September 2004. For GPT, the NTA balance applied is based on the audited Statement of Financial Position as at 30 June 2004.

Comparable Property Trusts	NTA ⁽¹⁾ \$M	NTA per Unit ⁽¹⁾ (\$)	60-Day ⁽²⁾ Weighted Average Unit Price ⁽³⁾ (\$)	Price NTA Times
GPT	5,523.60	2.74	3.59	1.31
Stockland Trust Group	4,758.78	3.76	5.61	1.49
Mirvac Group	2,236.63	3.12	4.48	1.44
Deutsche Diversified Trust	1,195.94	1.20	1.28	1.07
JF Meridian Trust	511.64	1.10	1.10	1.00
James Fielding Group	339.41	2.41	2.91	1.21
Abacus Property Group	291.47	0.98	1.21	1.23

Source: ⁽¹⁾PIR September 2004 Report. ⁽²⁾Bloomberg as at 30 September 2004 ⁽³⁾Based on the volume weighted average closing price.

It is important to note that the above NTA multiples are influenced by the following factors:

- The size of the trust and nature of properties and other investments held;
- The tax advantaged component attributable to distributions;
- The level of gearing in each trust; and
- The fact that the NTA's used, although the latest available to the market, may be somewhat dated and not necessarily reflect the current market value of the underlying properties in question.
- Differing structures in the LPT industry, specifically stapled securities which are involved in significant property development, are increasingly influencing pricing compared to NTA of the above diversified trusts. We have applied less weighting to the stapled securities' NTA multiples for this reason. Only GPT and Deutsche Diversified Trust remain as "traditional" externally managed listed property trusts.
- Importantly, GPT and to a lesser extent Deutsche Diversified Trust have been influenced by announcements on the ASX regarding its proposed merger with Lend Lease. The effect has been an increase in the price of GPT units since May 2004. However, Lend Lease priced the Proposal subsequent to the GPT and Lend Lease Merger Proposal being made public. Therefore, the Proposal pricing includes the increase in ASX pricing that has occurred for GPT units.

On review of the comparable companies, less weighting has been applied to the following trusts due to the reasons stated below:

- Abacus Property Group is internally managed, considerably smaller in size and has different operations to GPT including financing activities, property development and management of mortgage funds.
- James Fielding Group is internally managed, considerably smaller in size and has different operations to GPT including property development and syndication, mezzanine debt provision, hotel fund management, property services and securities management.

After assessing GPT's position in relation to these factors and the size and type of property trust sector, we consider that an NTA multiple of between 1.26 and 1.34 times is appropriate.

10.1.2 Independent Property Valuations Review

We reviewed the independent property valuations, as discussed at Section 9.3 to confirm that there were no issues or anomalies within these valuations that would materially impact on the values shown in the Statement of Financial Position of GPT.

Based on the general and detailed reviews conducted, no material issues or anomalies came to our attention during our review, which would cause us to believe that the independent valuations were not a reasonable assessment of each of the properties in question.

10.1.3 NTA Valuation

The NTA of GPT as at 30 June 2004 is \$5,523.60 million (refer Section 7.6). By applying the NTA multiple range for GPT of 1.26 to 1.34 times to the NTA of GPT of \$5,523.60 million, the following valuation range is derived.

GPT	Total Trust	
	Low \$M	High \$M
NTA Based Valuation	6,959.74	7,401.62

This equates to an NTA value for GPT of \$3.45 to \$3.67 per unit.

10.2 Yield Based Valuation of GPT

To provide a comparison to the NTA valuation in Section 10.1.3 we have also considered the forecast yields of comparable listed diversified property trusts.

10.2.1 Comparable Property Trust Yields

The forecast yields of other comparable entities are provided in the table below. We have selected the same entities in this analysis as used in the NTA valuation in Section 10.1.1.

Comparable Property Trusts	NTA ⁽¹⁾ \$M	60 Day ⁽²⁾ Weighted Unit Price \$	2005 Forecast DPU ⁽²⁾ (cents)	2005 Forecast Yield %
GPT	5,523.60	3.59	22.50 ⁽³⁾	6.27
Stockland Trust Group	4,758.78	5.61	38.50	6.86
Mirvac Group	2,236.63	4.48	33.80	7.54
Deutsche Diversified Trust	1,195.94	1.28	9.90	7.73
IF Meridian Trust	511.64	1.10	9.40	8.55
James Fielding Group	339.41	2.91	24.50	8.42
Abacus Property Group	291.47	1.21	11.70 ⁽¹⁾	9.67

Source: ⁽¹⁾ PIR September 2004 Report ⁽²⁾ Bloomberg as at 30 September 2004 ⁽³⁾ GPT Explanatory Memorandum

Having regard to the size, nature of properties, regions and markets within which each of the above entities operate, we consider that an appropriate range of current trading yields for GPT is 6.2% to 6.8%. This assessment has taken into account the factors considered in Section 10.1.1.

10.2.2 Yield Based Valuation

By taking the above forecast yields and GPTML's forecast distributions of GPT of \$0.225 per unit or \$453.76 million for the year ending 30 June 2005 (as per the GPT Explanatory Memorandum) the following implied value for GPT is derived:

GPT	Total Trust	
	Low \$M	High \$M
Yield Based Valuation	6,672.94	7,318.71

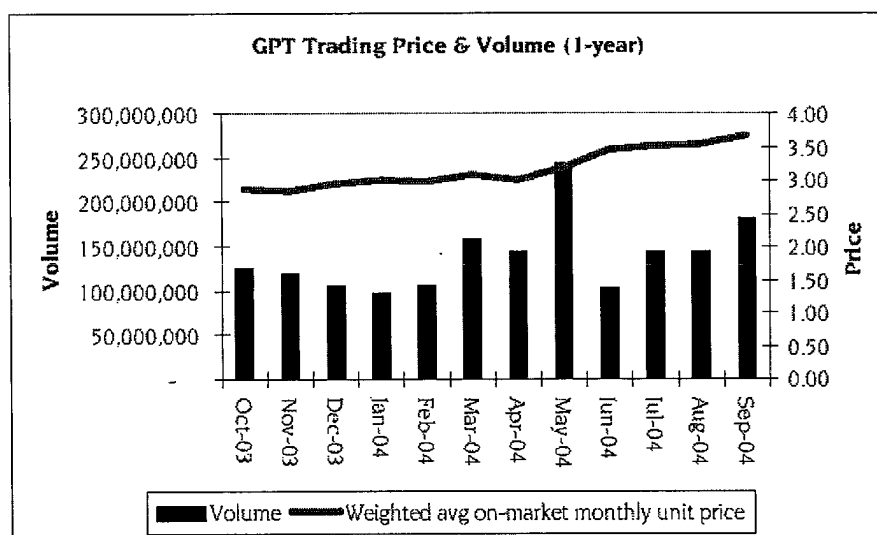
This equates to a yield value for GPT of \$3.31 to \$3.63 per unit.

10.3 ASX Market Price Valuation

To provide a further comparison to the valuations of GPT in Sections 10.1 and 10.2, we have also assessed the market price for GPT units.

10.3.1 12 Month Price/Volume History

The following chart provides a summary of the monthly average trading prices and volumes in GPT from 1 October 2003 to 30 September 2004.



Source: Bloomberg as at 30 September 2004

Note: The initial Merger Proposal with Lend Lease was announced in May 2004.

The daily price of GPT units from 1 October 2003 to 30 September 2004 ranged from a high of \$3.70 on 30 September 2004 to a low of \$2.75 on 12 November 2003.

10.3.2 Weighted Average Market Prices

To provide further analysis of the market price for GPT units, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 30 September 2004.

GPT	30 Sept 2004	10 Days	30 Days	60 Days	90 Days
	\$	\$	\$	\$	\$
Closing Price	3.69				
Weighted Average		3.69	3.65	3.59	3.55

The above weighted average prices are after the announcement of the GPT and Lend Lease Merger Proposal on 6 August 2004 which has driven up the price of GPT. These prices also incorporate the September quarter distribution.

10.3.3 ASX Market Price Valuation

Our assessment is that a range of values for GPT units based on market pricing, is tabled below:

GPT	Value per Unit	
	Low \$	High \$
ASX Market Price Valuation	3.55	3.69

Based on GPT Units on issue at 30 June 2004 (2,016.72 million) the above pricing per unit reflects a total value of \$7,159.36 million to \$7,441.70 million.

10.4 Assessment of GPT Value

The results of the valuations performed are summarised in the table below:

GPT Valuation	Ref	Total	
		Low \$M	High \$M
NTA Based Valuation	10.1.3	6,959.74	7,401.62
Yield Based Valuation	10.2.2	6,672.94	7,318.71
ASX Market Price Based Valuation ⁽¹⁾	10.3.3	7,159.36	7,441.70
BDO Valuation		7,000.00	7,400.00

Note (1): Based on GPT Units on issue at 30 June 2004 of 2,016.72 million.

This equates to a value per unit as summarised in the following table:

GPT Valuation	Ref	Total	
		Low \$	High \$
NTA Based Valuation	10.1.3	3.45	3.67
Yield Based Valuation	10.2.2	3.31	3.63
ASX Market Price Based Valuation	10.3.3	3.55	3.69
BDO Valuation GPT per Unit		3.47	3.67

In assessing the above valuation range for GPT Units, which is primarily based on the NTA multiple valuation methodology we have considered the following:

- The NTA multiple valuation range reflects the DCF and FME valuation methodologies used in the underlying independent Property valuations, which are recognised as the preferred valuation methodologies; and
- The market price of an individual property trust is subject to volatility, especially when a property trust is the subject of, or involved in, merger and acquisition activity and by applying a sector based multiple to NTA, individual volatility is minimised in the valuation.

11 VALUATION OF SPLIT TRUST

As outlined in Section 9.1, Split Trust has a 1.05% interest in GPT (or 21,189,507 units in GPT) at 1 October 2004. Therefore, in order to value Split Trust, we have applied Split Trust's interest in GPT using the value of GPT determined in Section 10. Split Trust is also listed on the ASX under both Income and Growth Units. Therefore, we have also considered the quoted market price basis of Split Trust Income and Growth units on the ASX.

11.1 Value of Split Trust's interest in GPT

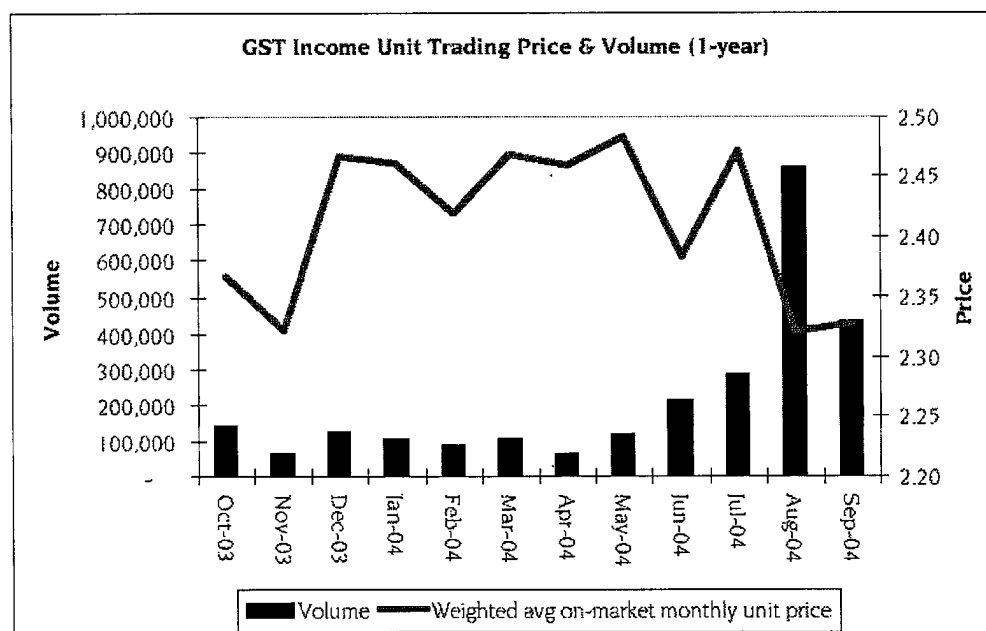
Based on the valuations derived in Section 10.4, we have summarised Split Trust's valuation in the following table:

Split Trust Valuation	Low \$M	Total High \$M
BDO Valuation (1.05% of GPT value)	73.5	77.7

11.2 ASX Market Prices for Split Trust Income Units

To provide a comparison to the valuation of Split Trust in Section 11.1, we have assessed the market price for Split Trust Income units.

The following chart provides a summary of the monthly average trading prices and volumes in Split Trust Income units from 1 October 2003 to 30 September 2004.



Source: Bloomberg as at 30 September 2004

The daily price of Split Trust Income units from 1 October 2003 to 30 September 2004 (last trading day prior to announcement of the Proposal) has ranged from a high of \$2.57 on 25 May 2004 to a low of \$2.23 on 26 August 2004.

To provide further analysis of the market prices for Split Trust Income units, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 30 September 2004

Split Trust Income per unit	30/09/04	10 Days	30 Days	60 Days	90 Days
Closing Price	2.35				
Weighted Average		2.35	2.31	2.35	2.36

Source: Bloomberg as at 30 September 2004

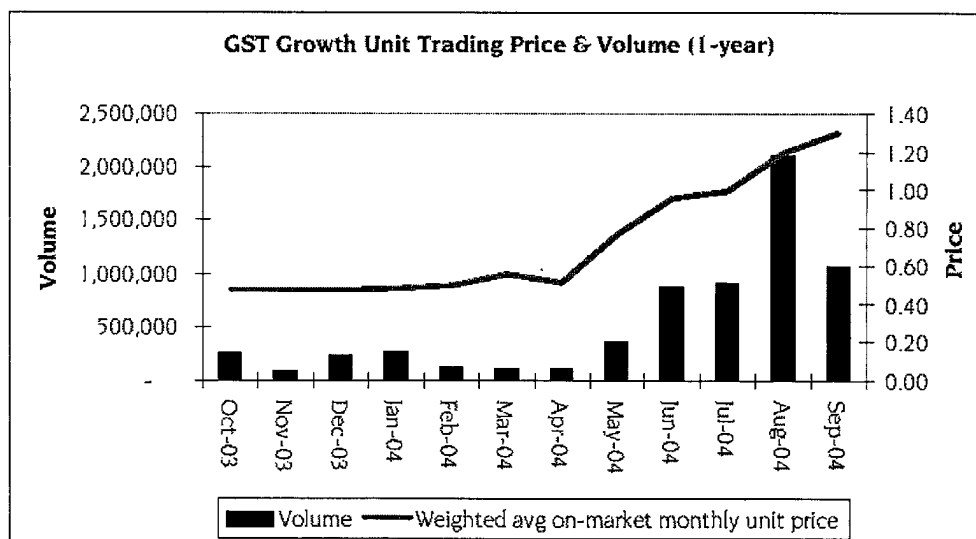
The above weighted average prices are prior to the date of the announcement of the Proposal to the market, to avoid the influence of any movement in price of Split Trust Income units that has occurred since the Proposal was announced. Further, these prices should incorporate a September quarter distribution of 4.75 cents payable to Income Unitholders. The closing price at 5 October 2004 of \$2.25 demonstrates the post announcement decrease.

Our assessment is that a range of values for Split Trust Income units based on market pricing, after disregarding the post announcement pricing from 30 September 2004, is between \$2.31 and \$2.36.

11.3 ASX Market Prices for Split Trust Growth Units

To provide a comparison to the valuation of Split Trust in Section 11.1, we have also assessed the market price for Split Trust Growth units.

The following chart provides a summary of the monthly average trading prices and volumes in Split Trust Growth units from 1 October 2003 to 30 September 2004.



Source: Bloomberg as at 30 September 2004

The daily price of Split Trust Growth units from 1 October 2003 to 30 September 2004 (last trading day prior to announcement of the Proposal has ranged from a high of \$1.33 on 29 September 2004 to a low of \$0.455 on 8 December 2003.

To provide further analysis of the market prices for Split Trust Growth units, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 30 September 2004.

Split Trust Growth per unit	30/09/04	10 Days	30 Days	60 Days	90 Days
Closing Price	1.33				
Weighted Average		1.31	1.29	1.19	1.13

Source: Bloomberg as at 30 September 2004

The above weighted average prices are prior to the date of the announcement of the Proposal to the market, to avoid the influence of any movement in price of Split Trust Growth units that has occurred since the Proposal was announced. Further, these prices should incorporate a September quarter distribution of 0.75 cents payable to Growth Unitholders. The closing price at 5 October 2004 of \$1.59 demonstrates the post announcement increase.

Our assessment is that a range of values for Split Trust Growth units based on market pricing, after disregarding for post announcement pricing from 30 September 2004, is between \$1.13 and \$1.33.

11.4 Overall ASX Market Price for Split Trust

Based on the values derived in Section 11.2 for Income Unitholders and Section 11.3 for Growth Unitholders, we have assessed the overall value, based on the market price of Split Trust as summarised in the following table:

Valuation	Ref	Value of Split Trust	
		Low	High
Value of Split Trust Income Units (\$/unit)	11.2	2.31	2.36
Value of Split Trust Growth Units (\$/unit)	11.3	1.13	1.33
Total Value of Split Trust Units (\$/unit)		3.44	3.69
Value of Split Trust Income (\$M) ⁽¹⁾		48.95	50.00
Value of Split Trust Growth (\$M) ⁽¹⁾		23.94	28.18
Total ASX based Valuation (\$M)		72.89	78.18

(1) Based on 21,189,507 units

11.5 Assessment of Split Trust Value

The results of the valuations performed are summarised in the table below:

Valuation	Value of Split Trust	
	Low	High
Net tangible assets using GPT valuation (Section 11.1)	73.50	77.70
Combined ASX market prices (Section 11.4)	72.89	78.18

Based on the results above, we conclude that the value of a 100% interest in Split Trust is between \$74 million and \$78 million.

In assessing the above valuation range which remains primarily based on the NTA multiple valuation methodology for GPT per unit, we have considered the following:

- The NTA multiple valuations range reflects the DCF and FME valuation methodologies used in the underlying valuation of GPT, and
- The market price of an individual property trust is subject to volatility, especially with the current market circumstances applying to Split Trust. By applying a sector based multiple to the NTA of its only investment, individual volatility is minimised in the valuation.

12 VALUE OF CONSIDERATION PAID

12.1 Split Trust Income Unitholders

Under the terms of the Proposal as outlined in Section 3, Income Unitholders will receive an amount per Income Unit equal to \$2.338, being the volume weighted average price of Income Units over the 5 day trading period to 30 September 2004.

12.2 Split Trust Growth Unitholders

Under the terms of the Proposal as outlined in Section 3, Growth Unitholders will receive an amount of \$1.638, being the amount calculated to be payable in respect of a Growth Unit on a winding up of Split Trust (applying the winding up provisions of the Constitution and assuming the GPT Units were sold at the GPT and Lend Lease Proposal volume weighted average price and there were no winding up costs).

13 IS THE PROPOSAL FAIR?

In order to assess the fairness of the Proposal it is necessary to compare the value of what is being received by the Unitholders (i.e. amount of cash offered) to the value of what is essentially being sold by Unitholders (i.e. the value of Income and Growth units). This comparison is set out below.

13.1 Value being Sold

The overall value of units in Split Trust based on our assessment is summarised in the table below:

	Ref	Overall Value	
		Low \$M	High \$M
Split Trust Value	11.5	74.0	78.0

13.2 Total Consideration Receivable

As set out in Section 12.1, the value of consideration offered by Lend Lease for Split Trust Income units is \$2.338 per unit. This equates to a total consideration paid to Income Unitholders of \$49.54 million.

As set out in Section 12.2, the value of consideration offered by Lend Lease for Split Trust Growth units is \$1.638 per unit. This equates to a total consideration paid to Growth Unitholders of \$34.71 million.

This represents a total consideration of \$84.25 million offered to Unitholders.

13.3 Comparison of Value of Split Trust to Consideration Offered

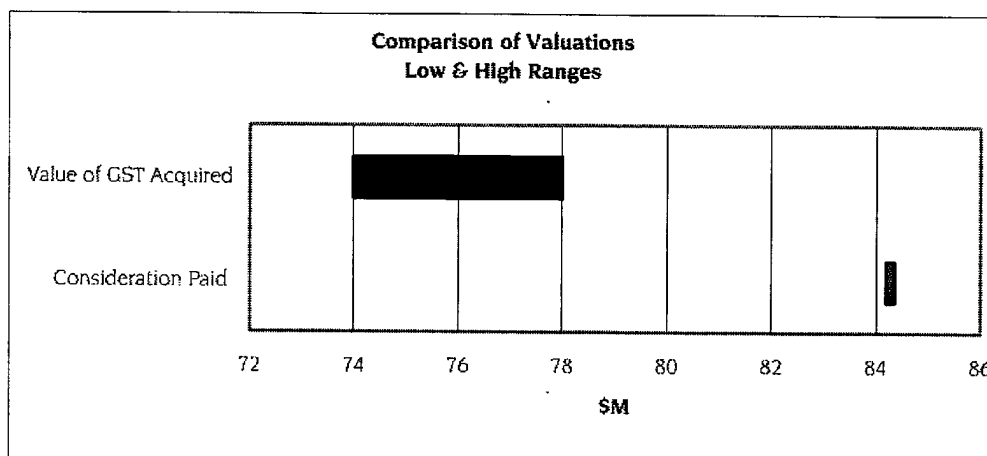
The table below summarises our assessment of the value of Split Trust compared to the value of consideration offered.

	Ref	Low \$M	High \$M
Value of Split Trust	13.1	74.00	78.00
Value of Consideration	13.2	84.25	84.25

Since the value of the consideration is greater than the value of Split Trust, we consider that the Proposal is fair to Unitholders.

When 100% of a listed property trust is being acquired it is normal that a takeover premium is paid by the acquiring party, in this case Lend Lease. In recent transactions on the LPT market this premium has been quite high, exceeding 20% of the value of the target in some cases. However in the current Proposal we do not consider that such a takeover premium is applicable. This is because the only asset held by Split Trust is a 1.05% interest in GPT. So a 100% acquisition of Split Trust, especially under the current restrictive terms of Split Trust's Trust Deed, does not confer on the acquirer benefits normally associated with such a controlling interest. However, the Proposal does include an Implied premium in that it is based on GPT pricing at a time when GPT's ASX price has increased due to its merger announcement with Lend Lease.

The consideration offered compared to the value of Split Trust is graphically presented as follows:



13.4 Fairness of Proposal for Income Unitholders in Isolation

Whilst we do not believe that ASX pricing over the last 90 days for Split Trust Income Units is a supportable valuation method for the overall value of Split Trust, there is no other valuation methodology available which allows us to value Split Trust Income Units individually on a going concern basis.

Therefore, in order to assess whether the Proposal is fair to Income Unitholders individually, we have compared the value of Split Trust Income Units, based on the ASX market prices derived in Section 11.4, to the consideration offered to Income Unitholders, as detailed in Section 12.1. This is summarised in the following table:

Split Trust Income Units	Ref	Low \$	High \$
Value per Income Unit	11.4	2.31	2.36
Value of Consideration per Income Unit	12.1	2.34	2.34

As can be seen in the above table, the Proposal is considered fair to Income Unitholders in isolation, as the consideration offered is within the valuation range per Income Unit. (Refer Section 14.4.2 for analysis of the wind-up alternative for Income Unitholders which is less favourable than the Proposal.)

13.5 Fairness of Proposal for Growth Unitholders in Isolation

Again, we do not believe that ASX pricing over the last 90 days for Split Trust Growth Units is a supportable valuation method for the overall value of Split Trust. However, there is no other valuation methodology available which allows us to value Split Trust Growth Units on a going concern basis.

Therefore, in order to assess whether the Proposal is fair to Growth Unitholders individually, we have compared the value of Split Trust Growth Units, based on ASX market prices derived in Section 11.4, to the consideration offered to Growth Unitholders, as detailed in Section 12.2. This is summarised in the following table:

Split Trust Growth Units	Ref	Low \$	High \$
Value per Growth Unit	11.4	1.13	1.33
Value of Consideration per Growth Unit	2.2	1.64	1.64

As can be seen in the above table, the Proposal is considered fair to Growth Unitholders in isolation, as the consideration offered is greater than the valuation range per Growth Unit.

14 IS THE PROPOSAL REASONABLE?

14.1 Introduction

As stated in Section 5, it is important to assess any advantages or disadvantages to Unitholders which fall outside a pure assessment of fairness. We have set out the reasonableness factors assessed in Sections 14 and 15.

We have assessed that in all cases advantages and disadvantages of rejecting the Proposal are the inverse of accepting the Proposal. Thus for simplicity and ease of evaluation of the Proposal, we have set out the significant factors only in the context of accepting the Proposal.

In Sections 14.2 to 14.4 we have assessed the alternatives available to Income and Growth Unitholders and the reasonableness of these alternatives, firstly taking each class of Split Trust Unitholders in isolation.

In Section 14.5 we have assessed the alternatives available to both Income and Growth Unitholders.

Sections 14.6 and 14.7 then consider other advantages and disadvantages applicable to the Proposal from a Unitholder's point of view.

14.2 Circumstances Dictating the Alternatives Available

14.2.1 The Split Trust Trust Deed only allows investment in GPT and Split Trust's income distributions and capital distributions on winding up are determined only by GPT distributions and pricing. The announcement of the merger between GPT and Lend Lease on 6 August 2004 has meant that current GPT units held by Split Trust would be exchanged for Stapled Securities, or cash, or a combination of both if the GPT and Lend Lease Merger Proposal were to proceed.

Should Split Trust's responsible entity elect to receive cash under the GPT and Lend Lease Merger Proposal, the cash could not be further invested due to Trust Deed restrictions. Such cash could not be distributed to Unitholders again due to Trust Deed restrictions. There is no provision in the Trust Deed of Split Trust to allow any decision to be made in relation to the use of cash received.

Should Split Trust's responsible entity elect to receive stapled securities under a successful GPT Lend Lease merger, then under the Split Trust Trust Deed, Split Trust is unable to do anything with those securities other than hold them. Split Trust cannot sell them nor distribute cash distributions that may be received from the stapled securities.

So effectively, if the GPT and Lend Lease Merger Proposal is successful Split Trust's responsible entity will be placed in a position where the cash or stapled securities that Split Trust receives will be "frozen" within Split Trust. The Trust Deed of Split Trust is so strongly linked to owning only GPT Units that Split Trust would become unworkable under the current Trust Deed.

- 14.2.2 Detailed hereunder are relevant extracts from the Split Trust Trust Deed that illustrate the above restrictive position:

Split Trust TRUST DEED

I. Definitions:

Unit means that interest or part in the Trust Fund as is provided for in this deed and except where the context otherwise requires, includes both a GPT Growth Unit and a GPT Income Unit.

Units:

5. The beneficial interest in the Trust Fund shall be divided into Units and shall comprise an equal number of GPT Income Units and GPT Growth Units. A Unit shall not confer any interest in any particular GPT unit or in the case of a winding up of the Trust in any other asset held by the Trustee on the trusts of this deed but only such interest in the Trust Fund as a whole as is conferred on a Unit under the provisions of this deed.
6. Subject to the rights of Unit Holders created by this deed and by law no Unit Holder shall be entitled to require the transfer to him of any GPT unit (or in the case of winding up of the Trust other asset) held by the Trustee in the trusts of this deed or to interfere with or question the exercise or non-exercise by the Trustee of any of the trusts powers authorities or discretions conferred upon them or either of them by this deed or in respect of such GPT units or other assets.
7. The beneficial interest in the Trust Fund as originally constituted by the vesting in the Trustee of 1,000 GPT units shall be divided into 2,000 Units comprising 1,000 GPT Growth Units and 1,000 GPT Income Units. The Number of additional Units at any time and from time to time created by vesting GPT units in the Trustee to be held upon the trusts of this deed shall be an equal number of GPT Growth Units and GPT Income Units comprising in aggregate twice the number of GPT units so vested.
- 9 (4) As and when GPT units are deposited with or subscribed for by the Trustee additional Units shall be created on the basis of one GPT Growth Unit and one GPT Income Unit for each GPT unit acquired by the Trustee.
- 9 (A)
 - (a) A Unit Holder may on any business day other than a day excluded by clause 9(A)(b), request the Trustee to redeem the Unit Holder's GPT Growth Units and a corresponding number of GPT Income Units for GPT Units. One GPT Growth Unit and one GPT Income Unit will together entitle the Unit Holder to one GPT unit. A request for redemption must be in writing.
 - (e) A request for redemption may not be made during the winding up of the Trust.
 - (f) The Trustee must within 7 days of receipt of a valid request for redemption;
 - (1) redeem the GPT Growth Units and GPT Income Units for an amount of GPT units held by the Trust pursuant to clause 9A(a),

- (2) deliver or post to the Unit Holder a certificate for the number of GPT units to which the Unit Holder is entitled as a consequence of that redemption and a transfer of those GPT units in favour of the Unit Holder duly signed by the Trustee.

All cost in connection with such a request (including stamp duty, brokerage and Trustee's handling charge) are payable by the Unit Holder.

- (g) All GPT Growth Units and GPT Income Units so redeemed will be cancelled.

Distributions:

- 10 (3)** Cash distributions for GPT units acquired by the Trustee shall be distributed among the Registered Holders of Units on the basis set out in paragraphs (1) and (2) above in proportion to the GPT Income Units and/or GPT Growth Units held by them subject to any deduction to be made in respect of any tax or duty....."

Investment of Trust Fund

- 15** The Trust Fund shall be invested only in GPT units all of which shall be vested in the Trustee.
- 16 (7)** The Trustee shall not be required to effect any transaction or dealing with any certificate transfer or other instrument on behalf or for the benefit or at the request of any Unit Holder unless such Unit Holder shall first have paid in cash or otherwise provided to the Trustee's satisfaction for all duties taxes governmental charges transfer fees registration fees brokerage and other charges (whether similar to the foregoing or not) whether in respect of the certificate transfer or other instrument or otherwise (herein called collectively "duties and charges") which may have become or may be payable in respect of or prior to or upon the occasion of such transaction or dealing....."

Period of Trust

- 17 (2)** The Trust shall determine and be wound up on the happening of any of the following events:
- (a) if at any time after quotation of the Units in Issue on the Home Exchange the Units in Issue cease to be quoted on the Home Exchange;
 - (b) If the office of Trustee becomes vacant and a new Trustee is not duly appointed within thirty (30) days of the vacancy occurring;
 - (c) If at any time the General Property Trust shall determine.

Winding Up

- 18 (1)** Upon the determination of the Trust the Trustee shall proceed as follows:
- (a) The Trustee shall sell and realise the assets of the Trust Fund and such sale so far as reasonably practicable shall be completed within one hundred and eighty (180) days after the commencement of the winding up.

- (b) *The Trustee may retain out of any moneys in its hands full provision for all costs and disbursements, commissions, brokerage fees and other outgoings incurred by the Trustee in connection with the winding up of the Trust.*
- (c) *The Trustee shall from time to time distribute to the Unit Holders all net cash proceeds derived from the realisation of the Trust Fund and available for the purpose of distribution on the basis that such proceeds are divided among Split Trust all Units in issue as follows:*
 - i. *The first \$1.50 distributed and 25% of the balance in excess of \$1.50 distributed shall be distributed to the holders of GPT Income Units; and*
 - ii. *Of the balance in excess of \$1.50 distributed shall be distributed to the holders of GPT Growth Units.*

Schedule 3 – Meetings of Unit Holders

- 15** *A resolution (whether ordinary or special) passed at a meeting of the Unit Holders duly convened and held in accordance with this deed shall be binding upon all the Unit Holders whether present or not present at such meeting and each of the Unit Holders and the Trustee shall be bound to give effect thereto accordingly.*

- 14.2.3** Having reviewed the Split Trust Trust Deed and in particular the paragraphs of that Deed that have been reproduced above, it is our opinion that the only alternatives available to Unitholders are those listed in Sections 14.3 to 14.5.

14.3 Alternatives for Growth Unitholders

14.3.1 Amend the Trust Deed

It is possible for the Responsible Entity of Split Trust to amend the Trust Deed to allow Split Trust to receive and deal in stapled securities. The Responsible Entity has taken the view that it could not amend the Trust Deed without Unitholders' consent, which would require approval of 75% of all Unitholders. At present the interests of Growth and Income Units are in direct conflict. Any change to the Trust Deed that will benefit Income Unitholders will, in all likelihood, adversely effect the interests of Growth Unitholders, and vice versa. Under this reality it would be difficult for the Responsible Entity to successfully amend the Trust Deed with the requisite approval of 75%, for both classes of Unitholders.

Notwithstanding the above, an amendment to the Trust Deed as significant as that contemplated would probably result in a resettlement of the Deed. This in turn would result in a significant, unfunded Capital Gains Tax ("CGT") liability paid by the Responsible Entity and/or the Unitholders of Split Trust. Refer Section 15.1.2 for further information, including an approximation of the total CGT that would become payable.

The practical effect of the above is that amendment of the Trust Deed while theoretically possible is a very unlikely scenario for Unitholders in practice. The significant adverse tax consequences in particular make this option unworkable in reality.

14.3.2 Wind Up the Trust

There are specific provisions in the Trust Deed that allow the Responsible Entity to wind up Split Trust. Under that scenario, Growth Unitholders would receive, in gross terms, an amount equal to what is being offered to them under the Proposal. This represents the same 24.4% premium on Growth Unit's based on the five day volume weighted average price to 30 September 2004, as that they can expect to receive if they accept the Proposal. So winding up Split Trust provides a similar outcome to accepting the Proposal for Growth Unitholders.

However, under Section 18(1)(b) of the Trust Deed, all costs, disbursements, commissions, brokerage fees, and other outgoings incurred in winding up Split Trust will be deducted from gross proceeds. Only the net amount after all such costs, will be paid to Unitholders under the terms of the Trust Deed. It is possible that such wind up costs will be significant. In this regard it is important to note that Lend Lease has agreed to bear all costs and expenses incurred by the Responsible Entity associated with the Proposal. This includes all legal, transaction and Independent Expert costs. So effectively, the Proposal (see Section 14.3.3) provides Growth Unitholders with the same gross proceeds as the wind up option, but without Growth Unitholders having to incur the costs associated with such wind up.

Further, Section 18(1)(a) of the Trust Deed allows 180 days to complete the wind up of the Trust. While it would be the Responsible Entity's intention to complete the process as quickly as possible it is reasonable to expect that the process may take some months to complete. Under the Proposal, Growth Unitholders can expect to receive a gross cash payout of \$1.638 per unit on 6 January 2005.

However, it is possible that Income Unitholders may challenge a wind up of the trust in the Courts, due to the fact that they would receive significantly less per unit on wind up than the current price of their Units on the ASX. We cannot comment on the legal support such a challenge may have, nor on the chances of Income Unitholders succeeding in such a challenge however, this possibility should not be discounted by Growth Unitholders when deciding which option best suits them.

14.3.3 Accept the Proposal

In Section 13, we have determined that the Proposal is fair to Unitholders as a whole. When considering Growth Unitholders' interests in isolation the analysis in Sections 14.3.1 and 14.3.2 above indicates that the acceptance of the Proposal is the best option available to Growth Unitholders. Such Unitholders should be aware that they may incur a CGT liability on accepting the Proposal. However, as detailed in Section 15.4, the CGT outcome under the acceptance of the Proposal is the preferred option when considering solely taxation consequences. The Amendment of Trust Deed and Wind Up options also result in a CGT liability, but with additional adverse consequences for some or all Growth Unitholders that do not occur if the Proposal is accepted.

14.4 Alternative for Income Unitholders**14.4.1 Amend the Trust Deed**

This option is also in theory available for Income Unitholders. However, the practical difficulties and adverse unfunded CGT consequences that would apply to Growth Unitholders as detailed in Section 14.3.1 apply equally to Income Unitholders. In our opinion, this option is unworkable for Income Unitholders in reality and should not be pursued.

14.4.2 Wind Up the Trust

The Wind Up option results in a less favourable outcome for Income Unitholders compared to Growth Unitholders. Section 18(c)(i) of the Trust Deed dictates the consideration that Income Unitholders would receive on wind up. Since the announcement on 6 August 2004 of the GPT and Lend Lease Merger Proposal, the market price of Income Units has moved in such a way that Income Unitholders are faced with recovering significantly less on wind up than what their Units are currently trading at on the ASX. This is not the case for Growth Unitholders. A wind up of the Trust would provide Income Unitholders with a gross payout of \$2.05 per Unit compared to the five day volume weighted average price on the ASX to 30 September 2004 of \$2.34 per Unit.

The payout figure of \$2.05 (gross before wind up costs) has been calculated in accordance with Paragraph 18(1) of the Split Trust Trust Deed, being the "wind-up" provision of the Deed. (Refer Section 14.2.2 of this Report).

Further, Section 18(1)(b) of the Trust Deed provides that all costs, disbursements, commissions, brokerage fees and other outgoings incurred on winding up Split Trust will be deducted from proceeds before net proceeds are paid to Unitholders. These wind up costs may be significant and would further erode the already discounted (compared to ASX price) payout that Income Unitholders could expect under this option.

Finally, Section 18(1)(a) of the Trust Deed allows 180 days to complete the wind up. It is possible that the process may in reality take some months to complete. Under the Proposal, Income Unitholders receive their gross cash payout on 6 January 2004.

14.4.3 Accept the Proposal

In Section 13, we determined that the Proposal is fair to Unitholders as a whole. When considering Income Unitholders in isolation the analysis in Sections 14.4.1 and 14.4.2 above indicates that acceptance of the Proposal is the best option available to Income Unitholders. For Income Unitholders the case for acceptance of the Proposal is more compelling when compared to Growth Unitholders, due to the particularly negative position for Income Unitholders under the Wind Up option. The Proposal does provide a greater premium per Unit (compared to ASX price) for Growth Unitholders compared to Income Unitholders, but it is still the best alternative for Income Unitholders, in the absence of a superior offer being received (refer Section 14.5.3).

Income Unitholders should be aware that they may incur a CGT liability on accepting the Proposal. However as detailed in Section 15.4, the CGT outcome under the acceptance of the Proposal is the best alternative available, when considering solely taxation consequences. The Amendment of the Trust Deed and Wind Up options also result in a CGT liability for Income Unitholders, but again with additional adverse consequences for some or all Income Unitholders that do not occur if the Proposal is accepted.

14.5 Alternatives for Both Income and Growth Unitholders

There are three other alternatives that while being outside of the control of Unitholders, may eventuate and therefore need to be considered.

14.5.1 Split Trust Unitholders vote against both the Proposal and the Wind Up option (Resolution 3).

The Responsible Entity has decided that if Unitholders vote against the Proposal, they will put the Wind Up option to Unitholders at the same meeting, for their further vote. Should Unitholders vote against that resolution as well, then the Responsible Entity intends to apply to the Court for an order under Section 601ND of the Corporations Act that Split Trust be wound up. That wind up order would be in accordance with the provisions of the Trust Deed (unless those provisions were challenged by disaffected Income Unitholders).

So from the above, assuming that Unitholders vote against the Proposal, whether or not they vote against the Wind Up option, it is the clear intention of the Responsible Entity to terminate the Trust via wind up should the GPT and Lend Lease merger proceed. Unitholders therefore need to assess the outcome for them under wind up in Sections 14.3.2 and 14.4.2 of this Report, as that is the most likely alternative if Unitholders reject the Proposal and the GPT and Lend Lease Merger Proposal is approved, based on options currently available.

14.5.2 GPT And/Or Lend Lease Security Holders Reject the GPT Lend Lease Merger

Whether or not Split Trust Unitholders vote for the Proposal, as they hold only 1.05% of GPT, their vote will have little impact on the outcome of the GPT and Lend Lease Merger Proposal. If security holders of either of those entities reject the merger, then Split Trust will continue as it is, without change. Split Trust's only investment in this case will continue to be units in GPT. For implications of this outcome, Unitholders should refer to Sections 14.6.1 and 14.7.1 which consider advantages and disadvantages in exiting an investment in GPT.

14.5.3 Possibility of a Higher Counter Offer

All analysis in Sections 14.2 to 14.5.2 is based on the important assumption that a superior offer to that from Lend Lease will not come from another party, or from Lend Lease in response to such a counter offer from another party.

We are not aware of any other offer to Split Trust Unitholders (or to GPT unitholders) from another party or Lend Lease at the date of the Report. However, should such an offer eventuate, then there is the possibility that the counter offer may be preferable to Growth and/or Income Unitholders. The conclusions we have drawn in this Report need to be considered in light of the potential for another offer. Such offer could in theory be made at any time up to the date of Court approval of the Scheme of Arrangement in relation to the GPT and Lend Lease Merger Proposal.

14.6 Advantages of Accepting the Offer

14.6.1 Ability to Gain a Higher Yield

In order to assess the yield of GPT, we have had regard to the forecast yield returns on other comparable listed diversified property trusts. While yield assessment is only one part of the investment decision process, it is nevertheless an important part within the context of listed property trusts.

The comparable yield analysis is summarised in the table below:

Trust	Forecast Yield ⁽¹⁾ Year Ending 30 June 2005
GPT⁽²⁾	6.27⁽³⁾
Listed Diversified Trusts	
Stockland Trust Group	6.86
Mirvac Group	7.54
Deutsche Diversified Trust	7.73
JF Meridian Trust	8.55
James Fielding Group	8.42
Abacus Property Group	9.67
Average Return – Listed Diversified Trusts	8.13

Sources: (1) Bloomberg

(2) GPT Explanatory Memorandum

(3) The 60 day weighted average price of GPT prior to 24 May 2004 (being the date of the initial Merger Proposal between GPT and Lend Lease) results in a forecast yield of 7.43%. This is still below the average return of comparable listed diversified trusts.

The above table indicates that Unitholders would receive a higher average forecast return from investing in other listed diversified trusts, when compared to GPT in the year ending 30 June 2005.

If the Proposal is accepted, Unitholders will receive a cash payment as consideration, which is available for investment (after tax) in an alternative investment with higher yields than Split Trust. This represents an advantage to Unitholders in accepting the Proposal.

In the above analysis, we recognise that we have not considered the overall rate of return of an investment in Split Trust. We have only considered yield when comparing alternative investments, as forecast overall return analysis is not available for the comparable trusts. Unitholders should consider the overall rate of return of an investment when making investment decisions, and relative risks in that return.

We note that Unitholders should seek their own independent financial advice regarding alternative investments in other securities, as the level of risk is an equally important factor, when assessing return.

14.6.2 Potential Upside in GPT Pricing on Sale

Under the Proposal, to the extent that proceeds on sale of Split Trust's units in GPT under the Cash Sale Facility are greater than the price being offered by Lend Lease for GPT units, then such excess will be paid to Split Trust Unitholders.

This in effect provides Unitholders with an upside opportunity in that their final cash payout may be higher than the \$2.338 and \$1.638 currently being offered to Income and Growth Unitholders respectively.

Under this scenario, Income Unitholders would receive 25% of such excess in pricing and Growth Unitholders would receive 75%, which is in accordance with the Split Trust Trust Deed.

This upside opportunity exists without the risk of any corresponding downside in pricing of Unitholders' cash payout. Such payout cannot be less than those prices per unit stated above for Income and Growth Unitholders.

14.6.3 September Quarter Distribution

The Proposal includes payment of a 5.5 cents distribution to Unitholders for the September quarter in addition to the cash offer being made for their Units. The cash offer is based on GPT's ASX pricing which, it is reasonable to assume, would include provision for the September quarter distribution payable by GPT to Unitholders.

This is seen as an advantage to Unitholders, as they are receiving an additional 5.5 cents over the cash offer being made, when it is probable that the current market pricing of GPT, on which the offer price is based, has fully factored in that September quarter distribution.

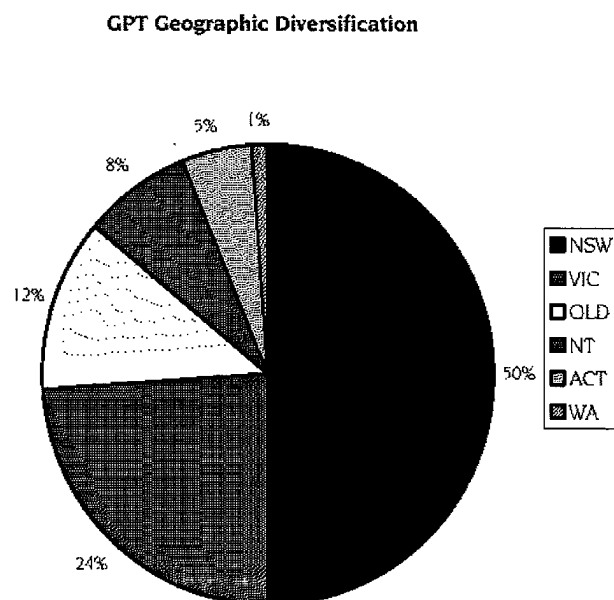
14.7 Disadvantages of accepting the Proposal

14.7.1 Change in Investment Profile

If Unitholders accept the Proposal, they will no longer have an interest in Split Trust and consequently an interest in the assets of GPT. This is a disadvantage to Unitholders who wish to remain exposed to the unique geographic and industry diversification of GPT.

14.7.1.1. Current Geographic Diversification

The current geographic diversification of GPT (including the P&O Resorts acquisition in July 2004), based on market valuations as at 30 September 2004 is predominantly weighted towards the NSW market (50%), as detailed in the graph below:



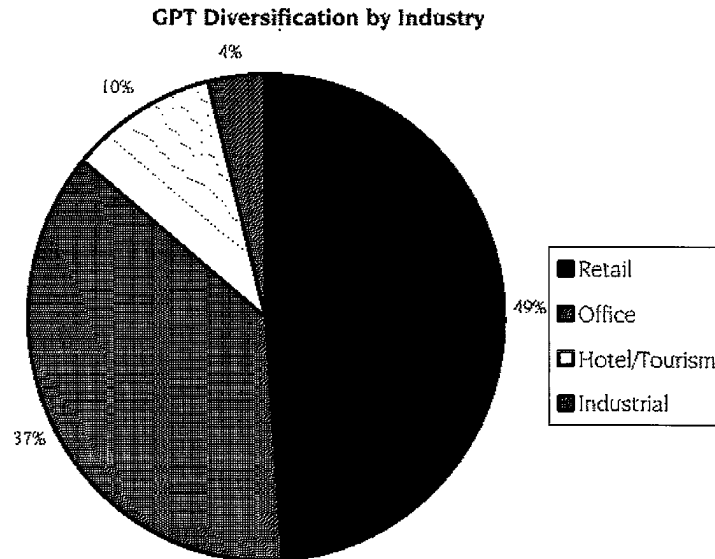
Source: GPT Website

Accepting the Proposal represents a disadvantage to Unitholders who wish to invest in a listed diversified property trust which is primarily exposed to the New South Wales property market.

However the circumstances of the Proposal and the GPT and Lend Lease Merger Proposal are that Split Trust Unitholders have only a 1.05% vote in the outcome of the GPT Lend Lease proposal. Accordingly, from a practical point of view, the decision of whether to continue owing units in GPT as it currently stands is outside of Split Trust Unitholders' control.

14.7.1.2. Current Industry Diversification

The current industry diversification of GPT (including the P&O Resorts acquisition in July 2004), based on independent valuations as at 30 September 2004, is shown in the graph below:



Source: GPT Website

Accepting the Proposal represents a disadvantage to Unitholders who wish to invest in a listed diversified property trust which is predominantly exposed to retail properties (49% by value) and to a lesser but still significant extent, to office properties (37% by value).

However the point made in Section 14.7.1.1 is again relevant. From a practical point of view, the decision of whether to continue owning units in GPT as it currently stands is outside of Split Trust Unitholders' control.

14.7.2 Entitlement to Pro Rata Distribution

If the Proposal is accepted, Unitholders will not receive a pro-rata distribution for the time period from 1 October 2004 up until the date that the Proposal is implemented.

The forecast distribution payable to Split Trust Unitholders is based on the distributions paid by GPT. Therefore, it can be argued that the forecast pro-rata distributions from GPT have been factored into the consideration being paid under this Proposal. This assumes that the current market price of GPT incorporates the forecast distributions since the market has had knowledge of the proposed merger terms between GPT and Lend Lease since 6 August 2004 and the consideration offered to Split Trust Unitholders is based on the 5 day weighted average market price of GPT.

While it is reasonable to assume that the current market pricing of GPT (and of Split Trust) has built in the pro-rata distribution from 1 October to completion of both proposals, this is not guaranteed. Unitholders need to be aware that there is a possibility that they may not be fully compensated for that period's distribution should they accept the Proposal, although there is no way of verifying this.

We also note however, that the Cash Sale Facility makes provision for the final quarter distribution on a pro rata basis.

14.7.3 Relative Equity of Offer to Income Unitholders

The Proposal has built in a premium payable to Growth Units over the current market price that is not been offered to Income units. Prima Facie this represents a disadvantage to Income Unitholders. The table below summarises the position:

Units	5 day weighted price \$	Lend Lease Proposal		Wind Up	
		Price \$	Premium %	Price \$	Premium %
Income Units	2.338	2.338	0.0	2.046	(12.5)
Growth Units	1.316	1.638	24.4	1.638	24.4

Source: Split Trust Explanatory Memorandum

However, it is important for the Income Unitholders to note that should they reject the Proposal, the likelihood is that Split Trust will be wound up, whether or not Unitholders vote for a wind up. Under the terms of the Trust Deed on Wind Up, Income Unitholders would receive at best, net cash proceeds of 12.5% less than the cash proceeds they would receive in accepting this Proposal. Accordingly, in the absence of a superior offer to Income Unitholders, the apparent inequity of the terms of the Proposal for Income Unitholders is mitigated by the fact that the Proposal provides the highest available cash payment per unit to those Income Unitholders.

15 TAXATION CONSIDERATIONS

This section outlines the Australian taxation implications for Australian resident investors of accepting the Proposal and is based upon the legislation applicable at the time of its preparation.

The Australian taxation laws are complex and hence, the comments provided below are necessarily general in nature. Unitholders should be aware that they may be affected by changes in taxation laws or their interpretation as well as changes in the administrative practices of the revenue authorities. Unitholders should obtain and rely upon their own taxation advice, to fit their specific circumstances.

15.1 Trust Resettlement

In the event that the Unitholders do not accept the Proposal then the possibility of amending the Trust Deed needs to be considered. The Trust Deed currently provides for the holding of GPT units and the split of the income derived from these units between Growth Units and Income Units.

To enable the trust to effectively hold the stapled securities and split the income between the Growth and Income Unitholders may require significant negotiations and amendments to the trust deed.

15.1.1 Fundamental Change to Trust Relationship

Where a fundamental change to a trust relationship occurs, a new trust may be taken to arise. In such a case the original trust may be brought to an end and a new trust created.

Commentary by the Commissioner outlines a number of scenarios that can potentially lead to a new trust, including:

- a change in the beneficial interest in trust property;
- a redefinition of the beneficiary class;
- changes in the terms of the trust;
- changes in the nature or features of the trust;
- a change to the trust that is not contemplated by the terms of the original trust; and/or
- a change in the essential nature and purpose of the trust.

Taking into account the significant trust deed changes that are likely to be required, it is probable that the current trust would be taken to have ceased and a new trust begun. This would give rise to a CGT event, and a corresponding capital gain and tax liability.

15.1.2 Unfunded CGT Liability Disadvantage

If the original trust is taken to be brought to an end, Split Trust will be taken to have disposed of its assets, consisting of GPT units. The consideration for this deemed disposal will be taken to be the market value of the GPT units.

However given that the assets would not have been disposed of for any physical consideration this tax liability would not be funded.

For example, if say the GPT units have a cost base of \$2.51 (being an estimate of their market value at 30 June 1999, and without taking into account any tax deferred distributions), compared to an assumed market value consideration of \$3.684 at the deemed disposal date (being the Lend Lease proposed volume weighted average price), an estimated capital gain of \$1.174 per unit will be derived. When multiplied by the 21,189,507 GPT units on issue to Split Trust at 16 September 2004, this gives rise to an amount on which CGT will apply of nearly \$25 million. Importantly, the CGT liability resulting here is unfunded.

In reality the actual tax liability that would be triggered will differ from this due to the assumptions made in this calculation. However, this estimation indicates that the unfunded tax liability would be substantial within Split Trust.

While it is unclear under the Trust Deed whether such a liability would be paid by the trust or the individual, the realisation of an unfunded taxation liability is a disadvantage.

A mitigating factor here is that if the necessary conditions are satisfied a CGT discount may also be applied to reduce the amount of gain that is taxable.

15.1.3 CGT Discount Disadvantage

When this gain flows through to the Unitholders, based on the Unitholders being presently entitled to the gain and not under a legal disability, it will be up to the individual to determine if they are entitled to receive a CGT discount.

Unitholders that purchased units in the trust within the last 12 months may be disadvantaged, in that they will not be able to access the CGT discount they may otherwise have been entitled to if the units were held for longer.

15.2 Winding Up

In the event that the Proposal is not accepted, the trust may be wound up. Consideration has therefore been given to the taxation implications associated with winding up the trust.

15.2.1 CGT Event Disadvantage

Winding up Split Trust would require the assets of the trust, being units in GPT, to be disposed of. Currently the assets of the trust consist of units in GPT, however the merger of GPT and Lend Lease would involve the replacement of these units with stapled securities.

The disposal of the trust assets would give rise to a capital gains tax ("CGT") event. This capital gain would be calculated in accordance with the consideration received by the trust for the assets, less the cost base of the assets.

Based on confirmation from the Responsible Entity that any pre-CGT assets were taken to be acquired on 30 June 1999 for CGT purposes, all of the assets of the trust would be subject to CGT on disposal. Consideration would also need to be given to the CGT discount provisions that may apply to reduce the tax liability payable by Unitholders.

Given these complexities it is difficult to estimate the extent of the capital gain that would be realised.

15.2.2 CGT Discount Disadvantage on Stapled Security

In the event that the winding-up of the Trust results in the disposal of stapled securities instead of GPT units (because of the Lend Lease and GPT Merger Proposal having already taken place), there may be an additional CGT discount disadvantage.

While the GPT units would have been held for greater than twelve months, the Lend Lease shares would not have been. Accordingly, a CGT discount of either half or a third would not be available in relation to the portion of the capital gain that is attached to the Lend Lease shares.

This disadvantage is not present under the exchange sale facility, as a CGT event arises upon sale of the GPT units into the facility.

15.2.3 Unitholders Disadvantage

The capital gain derived by the Trust on disposal of its assets will flow through to the Unitholders, who will include their portion of the gain in their taxable income. This could create varying outcomes for the different Unitholders.

With respect to Unitholders who purchased their interest in the Trust before the introduction of CGT, and whose units are therefore CGT exempt, those Unitholders would no longer be exempt from including their portion of the capital gain in their taxable income, as all the assets of the trust are taken to have been acquired post CGT.

15.2.4 CGT Discount Disadvantage

When the capital gain flows through to the Unitholders, based on the Unitholders being presently entitled to the gain and not under a legal disability, it will be up to the individual to determine if they are entitled to receive a CGT discount.

However, Unitholders who purchased Units in the Trust within the last 12 months may be disadvantaged, in that they will not be able to access the CGT discount they may otherwise have been entitled to if the Units were held for longer.

15.2.5 Exchange Sale Facility Disadvantage

If the Exchange Sale facility is utilised and the Trust is subsequently wound up, there is a risk that as a result of the distribution provisions of the Trust Deed, the proportion of distributions between Growth and Income Unitholders may not match the proportion of tax liability attributed between the Growth and Income Unitholders. In this instance, there would be a disadvantage to accruing Income Unitholders.

15.3 Accepting Proposal

Lend Lease has offered to purchase all of the Growth Units and Income Units from the current Unitholders.

The taxation issues associated with accepting this Proposal and the resulting advantages or disadvantages are considered below.

15.3.1 CGT Liability Disadvantage

Before considering the CGT implications of the various types of Unitholders it is first necessary to note our understanding that some Units were purchased by the Unitholders prior to the introduction of CGT and some were acquired post CGT.

As the trust is, and always has been, publicly listed, the pre CGT status of some investors is not impacted by the CGT status of the trusts assets, and should therefore retain their pre CGT exemption status.

The disposal of pre-CGT Units by Unitholders should therefore not result in an income tax liability.

For those Unitholders who purchased their Units after 20 September 1985, it will be necessary to determine the CGT gain or loss on disposal of these Units.

Capital gains will generally be equal to the excess (if any) of the consideration received for disposal of Units over the cost base. Tax deferred distributions would have reduced the cost base of Units thereby increasing the potential capital gain for tax purposes.

The amount of the capital gain to be included in a Unitholder's assessable income may be reduced where the CGT discount is available.

A capital loss may arise where the cost base exceeds the consideration received upon disposal.

15.3.2 CGT Discount Disadvantage

If the Unitholder is an individual, trust or complying superannuation entity that has owned the unit for at least 12 months, a CGT discount may be available. In this case, the amount of the capital gain to be included in the Unitholder's assessable income may be reduced by 50% for individuals and trusts and 33 1/3% for complying superannuation entities.

However, Unitholders who purchased Units in the Trust within the last 12 months may be disadvantaged in that they will not be able to access the CGT discount they may otherwise have been entitled to if the Units were held for longer.

15.3.3 Liability Funded Advantage

Although the disposal of the Unitholders Units will give rise to a CGT event and a CGT liability for the Split Trust Unitholders, this liability will be funded by the physical cash consideration the Unitholders receive from Lend Lease. This is not the case under the Trust Resettlement alternative.

Each Unitholder will need to determine the extent of their own CGT gain or loss, taking into account a number of factors, including:

- Whether the Units were acquired before or after 20 September 1985.
- The consideration paid for the Units.
- Any tax-deferred payments received that reduce the cost base.
- The availability of a CGT discount.

15.4 Most Advantageous Alternative From A Taxation Perspective

In accordance with the above analysis, we believe that the acceptance of the Proposal is the preferred alternative from a tax perspective. This conclusion is based on the following points.

- All three scenarios give rise to CGT events and CGT liabilities.
- All three scenarios may result in the CGT discount not being obtained by some Unitholders.
- Winding up or resettling the Trust results in substantially more complex taxation implications than accepting the Proposal.
- The Winding Up scenario potentially prevents Unitholders who acquired their interests before 20 September 1985, from taking advantage of their pre-CGT status. This disadvantage does not apply if the Proposal is accepted.
- The resettlement scenario results in a significant unfunded tax liability. This disadvantage does not apply if the Proposal is accepted.

16 SOURCES OF INFORMATION

BDO Corporate Finance has relied on the following information for the purposes of preparing this Report:

- 16.1** Notice of Meeting and Explanatory Memorandum for Split Trust dated on or about 14 October 2004
- 16.2** Notice of Meeting and Explanatory Memorandum in relation to the GPT and Lend Lease Merger Proposal dated on or about 15 October 2004 ("**GPT Explanatory Memorandum**")
- 16.3** GPT & Split Trust Annual Report for the year ended 31 December 2003
- 16.4** GPT & Split Trust Mid-year Report for the year ended 30 June 2004
- 16.5** GPT Interim Financial Report for the half-year ended 30 June 2004
- 16.6** Split Trust Interim Financial Report for the half-year ended 30 June 2004
- 16.7** GPT Interim Financial Report for the half-year ended 30 June 2003
- 16.8** Split Trust Interim Financial Report for the half-year ended 30 June 2003
- 16.9** Bloomberg
- 16.10** Property Investment Research Pty Limited Monthly Review – September 2004
- 16.11** Property Investment Research Pty Limited Research Reports on individual property trusts
- 16.12** BDO Industry Research
- 16.13** Split Trust Trust Deed
- 16.14** Selected Independent Property Valuations of properties within GPT.
- 16.15** Discussions with Directors and management of GPTML Limited and its advisers
- 16.16** Other information available in the public domain

17 INDEPENDENCE

BDO Corporate Finance Pty Limited is entitled to receive a fee of \$175,000 (excluding GST and reimbursement of out of pocket expenses). Except for this fee, BDO Corporate Finance Pty Limited has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this Report.

Prior to accepting this engagement BDO Corporate Finance considered its independence with respect to Split Trust and any of their respective associates with reference to the ASIC Practice Note 42 entitled "Independence of Expert's Reports". In BDO Corporate Finance' opinion it is independent of Split Trust and their respective associates.

BDO Corporate Finance and BDO do not have at the date of the Report, and have not had within the previous two years, any shareholding in Split Trust or other relationship with Split Trust or any of their respective associates.

A draft of this report was provided to Split Trust and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

In addition, BDO Corporate Finance Pty Limited has been indemnified by GPTML in its capacity as responsible entity of Split Trust in respect of any claim arising from BDO Corporate Finance Pty Limited's reliance on information provided by the GPTML, including the non provision of material information, in relation to the preparation of this Report.

18 QUALIFICATIONS

BDO Corporate Finance Pty Limited is wholly owned by BDO, a member of BDO International, which has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance Pty Limited holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Law.

The persons specifically involved in preparing and reviewing this Report were Edward Psaltis and Sebastian Stevens of BDO Corporate Finance Pty Limited. They have significant experience in the preparation of independent expert reports, valuations and the Listed Property Trust industry within Australia.

19 DISCLAIMERS AND CONSENTS

- 19.1** This Report has been prepared at the request of GPTML for inclusion in the Explanatory Memorandum which will be sent to all Split Trust Unitholders. GPTML engaged BDO Corporate Finance Pty Limited to prepare an independent expert's report to consider the proposed acquisition by Lend Lease of all units in Split Trust.

BDO Corporate Finance Pty Limited hereby consents to this Report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance Pty Limited.

- 19.2** BDO Corporate Finance Pty Limited takes no responsibility for the contents of the Explanatory Memorandum other than this Report.

BDO Corporate Finance Pty Limited has not independently verified the information and explanations supplied to us, nor has it conducted anything in the nature of an audit of GPTML, Split Trust or GPT. However, we have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld.

- 19.3** The forecasts provided to BDO Corporate Finance Pty Limited by GPTML and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance Pty Limited cannot provide any assurance that the forecasts will be representative of results that will actually be achieved. BDO Corporate Finance Pty Limited disclaims any possible liability in respect of these forecasts.

- 19.4** With respect to taxation implications it is recommended that individual Unitholders obtain their own taxation advice, in respect of the Proposal, tailored to their own particular circumstances. Furthermore, the advice provided in this Report does not constitute legal or taxation advice to the Unitholders of Split Trust, or any other party.

The taxation implications addressed are based on the Income Tax Assessment Act 1997 (Cth) (as amended), the Income Tax Assessment Act 1936 (Cth) (as amended), and the established interpretations of those Acts at the date of this Report.

- 19.5** BDO Corporate Finance Pty Limited has also considered and relied upon independent property valuations for properties held by GPT.

The valuers engaged for the property valuations possess the appropriate qualifications and experience in the property industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuations are appropriate for this report. We have received consents from the valuers for the use of their valuation reports in the preparation of this report.

- 19.6** The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance Pty Limited has no obligation to update this Report for events occurring subsequent to the date of this Report.

20 INDEMNITY

- 20.1** GPTML, as responsible entity of Split Trust, has provided an indemnity to BDO Corporate Finance Pty Limited for any claims arising out of any mis-statement or omission in any material or information provided to it in the preparation of this Report.

Yours faithfully

BDO CORPORATE FINANCE PTY LIMITED

Property Securities Transaction Services



EDWARD PSALTIS

Director



SEBASTIAN STEVENS

Director

6. ADDITIONAL INFORMATION

6.1 GPT SPLIT TRUST CONSTITUTION AMENDMENTS

If Resolutions 1 and 2 are passed, the Constitution will be amended by inserting a new clause 34 after clause 33 as follows:

34 Proposal

- (1) Having regard to the functions of the Trustee and without limiting anything else in this clause 34, the Trustee has power to do all things which it considers necessary, desirable or reasonably incidental to give effect to the Proposal in accordance with the Implementation Deed.
- (2) The Trustee is irrevocably appointed the agent and attorney of each Relevant Unit Holder to execute all documents and do all things which it reasonably considers are necessary or desirable to be executed or done on behalf of a Unitholder to effect the Proposal. The Trustee is authorised to execute these documents and do these things without needing further authority or approval from any Unitholder.
- (3) Without limiting paragraph (2), the Trustee is irrevocably appointed as agent and attorney of each Relevant Unit Holder to execute a transfer form (which may be a master transfer form) in respect of the Sale Units in accordance with the Implementation Deed.
- (4) Subject to the terms and conditions of the Proposal, the Sale Units to be transferred under paragraph (3) are transferred with all rights attached or accrued to them on and from the Implementation Date.
- (5) Subject to the Corporations Act, and without derogating from any limitation of the Trustee's liability included in this deed, the Trustee will not have any liability of any nature whatsoever beyond the assets of the Trust to Unit Holders arising, directly or indirectly, from the Trustee doing or refraining from doing any act (including the execution of any document) pursuant to or in connection with the implementation of the Proposal in accordance with the Implementation Deed.
- (6) Subject to the Corporations Act, the Trustee or an officer or employee or associate of the Trustee may do the things described in clauses 34(1), (2) and (3) even if it has an interest in the outcome.
- (7) If Lend Lease is registered as the holder of all of the issued Units pursuant to the terms of the Proposal, the provisions of paragraphs (8) and (9) of this clause apply on and from the time on which Lend Lease becomes so registered (**Registration Date**).
- (8) Each Unit Holder who has been paid by the Trustee any amount or amounts out of income in the period from 1 January 2004 to the day before the Registration Date is presently entitled to the amount or amounts of income so paid to that Unit Holder. Lend Lease is presently entitled to the income for the period on and from the Registration Date until the date of termination of the Fund.
- (9) At 5.00 pm on the day on which the offer by the Trustee of GPT units for sale into the Cash Sale Facility is accepted (**Acceptance Date**) all of the issued Units are cancelled, the Trust is determined and the Trustee must pay to Lend Lease:
- (a) all income received by the Trustee on and from the Registration Date as a consequence of it being or having been the holder of GPT units in its capacity as trustee of the Trust; and
- (b) as consideration for the cancellation of the Units an amount equal to all moneys received by the Trustee as a consequence of it having been the holder of GPT units on the Acceptance Date in its capacity as trustee of the Trust less the income referred to in clause 37(9)(a).
- (10) This clause 34 has effect notwithstanding any other provision of this deed and any provision of this deed which is inconsistent with this clause 34 does not operate to the extent of any inconsistency.

(11) In this clause 34:

- (a) "Cash Sale Facility" means the facility so described in the Notice of Meeting and Explanatory Memorandum for the Trust dated 15 October 2004;
- (b) "Implementation Date" means the date on which an order under section 411(4)(b) of the Corporations Act approving the Lend Lease scheme of arrangement which forms part of the Lend Lease/GPT Merger is entered with the Court.
- (c) "Implementation Deed" means the deed made between the Trustee and Lend Lease, dated 1 October 2004;
- (d) "Income" means in respect of any period, the amount that the Trustee determines to be the income of the Trust for that period including any amount that the Trustee determines is a gain realised by the Trust on the disposal of GPT Units and in the absence of any such determination, the amount that would be the net income of the Trust as determined under s.95(1) of the Income Tax Assessment Act 1936 if the period were a year of income;
- (e) "Proposal" means the transactions contemplated and described in the Notice of Meeting and Explanatory Memorandum for the Trust dated 15 October 2004;
- (f) "Lend Lease" means Lend Lease Corporation Limited (ABN 32 000 226 228);
- (g) "Relevant Unit Holder" means a Unit Holder listed on the register of unit holders as the holder of a unit at 7.00 pm (Sydney time) on the Business Day before the Implementation Date and includes persons jointly listed; and
- (h) "Sale Units" means all Units on issue at 7.00 pm (Sydney time) on the Business Day before the Implementation Date.

6.2 SUMMARY OF IMPLEMENTATION DEED

GPTML and Lend Lease have entered into the Implementation Deed which sets out the terms under which the Proposal will take place. A copy of the Implementation Deed is included as Annexure 1 to this Explanatory Memorandum. A brief overview of its key terms is set out below.

- **(agreement to implement Proposal):** Subject to the terms of the deed, each party must execute all documents and take all necessary action within its power to implement the Proposal and other transaction steps. Each party must assist the other in implementing the Proposal.
- **(conditions):** The parties' obligations to give effect to the Proposal do not become binding until a number of conditions precedent have been satisfied or waived by the earlier of 5.30 pm on the Implementation Date and 31 January 2005. As at the date of this Explanatory Memorandum, the only conditions precedent yet to be satisfied or waived are:
 - Split Trust Unitholder approval of the Resolutions by the requisite majorities;
 - approval of the Lend Lease/GPT Merger by the Supreme Court of New South Wales;
 - Lend Lease obtaining approval under the Foreign Acquisitions and Takeovers Act in respect of the Proposal; and
 - no temporary, preliminary or permanent injunction or other legal restraint preventing the Lend Lease/GPT Merger or the Proposal is in effect at the Record Time.
- **(termination rights):** A party may terminate the deed if at any time before the Implementation Date (as defined in the deed):
 - the other party is in material breach of the deed and does not remedy the breach;
 - the Resolutions are not approved by the requisite majorities of Unitholders and the Winding Up Resolution is voted upon; or
 - a court or other government agency has issued a final and non-appealable order, decree or ruling or has taken other action which permanently restrains or prohibits the Proposal.

In addition:

- Lend Lease may terminate if at any time before the Implementation Date:
 - a "prescribed occurrence" occurs after the date of the agreement. The "prescribed occurrences" are set out in schedule 1 of the Implementation Deed; or
 - the Independent Directors withdraw their recommendation of the Proposal or publicly indicate that they no longer support the Proposal; and
- GPTML may terminate if at any time before the Implementation Date the Independent Directors change their recommendation in favour of the Proposal because a proposal emerges which the Independent Directors reasonably consider superior to the Proposal.
- **(Prescribed occurrences):** GPTML must use its best endeavours to procure that no "Prescribed Occurrence" occurs without Lend Lease's prior written consent.
- **(Board recommendations):** GPTML must ensure that the Independent Directors do not change their unanimous recommendation in favour of the Proposal unless a proposal emerges which the Independent Directors reasonably consider superior.
- **(access to information):** GPTML must give Lend Lease reasonable access to its records, premises and personnel, and reasonable co-operation, for the purpose of implementing the Proposal and any other purpose agreed.
- **(costs):** Lend Lease must pay the costs of the Split Trust in relation to the implementation of the Proposal.
- **(limitation of liability):** A liability arising under or in connection with the deed can be enforced against GPTML only to the extent that the liability can be satisfied out of the assets of the Split Trust out of which GPTML is actually indemnified for the liability. The liability of GPTML is not limited where there is a reduction in the extent of its indemnification out of the assets of the Split Trust as a result of its fraud, negligence or breach of trust.

6.3 SUMMARY OF DEED POLL

Lend Lease has entered into a deed poll in favour of Unitholders (**Lend Lease Deed Poll**) under which it undertakes to pay the cash consideration to Unitholders in accordance with the Implementation Deed. Lend Lease's obligations under the Lend Lease Deed Poll are subject to satisfaction or waiver of the conditions precedent set out in the Implementation Deed. Unitholders may enforce the Lend Lease Deed Poll directly against Lend Lease if it fails to perform its obligations.

A copy of the Lend Lease Deed Poll is included as in Annexure 2 to this Explanatory Memorandum.

6.4 SPLIT TRUST DIRECTORS

(a) The Directors

The Split Trust Directors are:

- Richard Longes (Chairman)
- Peter Joseph OAM
- Malcolm Latham AM
- Ken Moss
- Brian Norris
- Elizabeth Nosworthy
- Ross Taylor

(b) The Evaluation Process

Richard Longes, Ross Taylor and Brian Norris are all currently involved or have previously been involved with Lend Lease and are considered non independent directors for the purposes of considering the Proposal. As non independent directors they stood aside from the consideration by GPTML of the Proposal.

The Independent Directors are Peter Joseph (Chairman of the Split Trust Board as comprised by its Independent Directors), Malcolm Latham, Elizabeth Nosworthy and Ken Moss.

GPTML appointed Blake Dawson Waldron as governance adviser in relation to the Proposal. On the basis of their observations and from the information provided to them Blake Dawson Waldron have confirmed that they are satisfied that your Independent Directors and their advisers have undertaken an appropriate and rigorous evaluation of the Proposal. Blake Dawson Waldron were not the principal legal advisers to the Split Trust in relation to the Proposal.

(c) Interests in Split Trust Units

No Split Trust Director was the direct or indirect beneficial owner of any Split Trust Units as at 15 October 2004.

In the four months ending on 15 October 2004, no Split Trust Director has provided, or agreed to provide, or has received or agreed to receive consideration for a Split Trust Unit under a sale, purchase or agreement for sale or purchase of Split Trust Units.

GPTML is also the responsible entity for GPT.

(d) Interests in GPT Units

Other than as disclosed below no Split Trust Director was the direct or indirect beneficial owner of any GPT Units as at 15 October 2004.

R Longes holds 15,702 GPT Units, P Joseph holds 50,000 GPT Units, M Latham holds 13,195 GPT Units, K Moss holds 25,000 GPT Units, B Norris holds 4,097 GPT Units and E Nosworthy holds 5,000 GPT Units.

In the four months ending on 15 October 2004, no Split Trust Director has provided, or agreed to provide, or has received or agreed to receive consideration for a GPT Unit under a sale, purchase or agreement for sale or purchase of GPT Units.

(e) Interests in Lend Lease Shares

Other than as disclosed below no Split Trust Director was the direct or indirect legal or beneficial owner of any Lend Lease Share as at 15 October 2004.

R Longes holds 46,705 Lend Lease Shares and has an interest in 8,714 shares under the Lend Lease Share plans. M Latham holds 26,118 Lend Lease Shares. R Taylor holds 7,899 Lend Lease Shares and has an interest in 78,712 shares under the Lend Lease Share plans.

In the four months ending on 15 October 2004, no Split Trust Director has provided, or agreed to provide, or has received or agreed to receive consideration for a Lend Lease Share under a sale, purchase or agreement for sale or purchase of Lend Lease Shares.

(f) Agreements or arrangements with directors

No payment or other benefit is proposed to be made or given (in connection with or conditional on the Proposal) to any director, secretary or executive officer of GPTML as compensation for loss of, or as consideration for or in connection with his or her retirement from, office in GPTML or its related bodies corporate.

Certain Split Trust Directors will receive payments in connection with the Lend Lease/GPT Merger. Those payments are described in the Explanatory Memorandum in relation to the Lend Lease/GPT Merger Proposal.

Other than as set out in this Explanatory Memorandum, there are no agreements or arrangements made between a director of GPTML and another person in connection with or conditional on the implementation of the Proposal.

Neither GPTML nor the Split Trust Directors, whether as directors, members, creditors or otherwise, have a material interest in the Proposal or any other arrangements or matters contemplated by this Explanatory Memorandum, except as otherwise disclosed in this Explanatory Memorandum.

6.5 UNITS ON ISSUE

As at 1 October 2004, there are 21,189,507 Growth Units on issue and 21,189,507 Income Units on issue.

6.6 LEND LEASE INTEREST IN SPLIT TRUST UNITS

As at 1 October 2004, GPTML was the holder of 1,000 Income Units and 1,000 Growth Units. This represents voting power of approximately 0.005%. GPTML will not vote these Units at the Split Trust Unitholder Meeting. GPTML is the responsible entity of the Split Trust and is an associate of Lend Lease.

In the four months ending on the date of this Explanatory Memorandum, neither Lend Lease nor its associates has provided, or agreed to provide, or has received or agreed to receive consideration for a Split Trust Unit under a sale, purchase or agreement for sale or purchase of Split Trust Units.

6.7 BENEFITS TO GPTML AND OTHERS

GPTML will not receive any remuneration or other benefits in respect of, or attributable to, the Proposal other than as the holder of 1,000 Income Units and 1,000 Growth Units.

No director or employee of GPTML or any related body corporate of GPTML will receive any remuneration or other benefit in respect of, or attributable to, the Proposal except as set out in section 6.4 or in their capacity as a Unitholder, GPT unitholder or Lend Lease shareholder. Lend Lease, which is a related body corporate of GPTML, will acquire the Units under the Proposal, as described in this Explanatory Memorandum.

6.8 REGULATORY

(a) ASIC relief

Pursuant to paragraph 655A(1)(b) of the Corporations Act, ASIC has declared that Chapter 6 of the Corporations Act applies to Lend Lease in relation to an acquisition of a relevant interest in 100% of the Split Trust Units pursuant to the Proposal as if item 7 of section 611 of the Act were modified or varied by deleting paragraph (a) and replacing it with the following paragraph:

"(a) no votes are cast in favour of the resolution by the person proposing to make the acquisition and their associates; and".

(b) FIRB

The application by Lend Lease for approval under the Foreign Acquisitions and Takeovers Act in respect of the Proposal was lodged on 13 October 2004.

6.9 MISCELLANEOUS

(a) Consents and disclaimers

The following persons have given and have not, before the date of issue of this Explanatory Memorandum, withdrawn their consent to:

- be named in this Explanatory Memorandum in the form and context in which they are named;
- the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this Explanatory Memorandum; and
- the inclusion of other statements in the Explanatory Statement which are based on or referable to statements made in those reports or statements, or which are based on or referable to other statements made by those persons in the form and context in which they are included.

Name of person	Named as	Reports or statements
Blake Dawson Waldron	Governance adviser	Statements made in section 6.4(b)
BDO Corporate Finance Pty Limited	Independent Expert	Independent expert's report set out in section 5
Greenwoods & Freehill Pty Limited	Tax adviser	Tax report set out in section 4 and tax advice in sections 2.5, 2.6, 2.7 and 2.11

Each of the above persons:

- does not make, or purport to make, any statement in this Explanatory Memorandum other than those statements referred to above and as consented to by that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Explanatory Memorandum other than as described in this section with the person's consent.

(b) Circumstances requiring issue of a supplementary Explanatory Memorandum

A supplementary explanatory memorandum will be issued if GPTML or Lend Lease becomes aware of any of the following events between the date of issue of this Explanatory Memorandum and the Implementation Date:

- a material statement in this Explanatory Memorandum is misleading or deceptive;
- there is a material omission from this Explanatory Memorandum;
- there has been a significant change in a matter included in this Explanatory Memorandum; or
- a significant new circumstance has arisen and it would have been required to be included in this Explanatory Memorandum.

6.10 NO OTHER INFORMATION

Other than as set out in this Explanatory Memorandum there is no other information within the knowledge of any director of GPTML that is material to the making of a decision in relation to the Proposal and that has not previously been disclosed to Unitholders.

7. DEFINITIONS AND INTERPRETATION

7.1 DEFINITIONS

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited.

ATO means Australian Taxation Office.

Business Day means a day on which banks are open in Sydney (excluding Saturdays, Sundays and public holidays).

Cash Sale Facility means the cash sale facility offered to GPT Unitholders under the proposed Lend Lease/GPT Merger which allows GPT Unitholders to receive cash in lieu of Stapled Securities.

CGT means Australian capital gains tax.

Constitution means the GPT Split Trust Constitution dated 4 October 1984 as amended from time to time.

Corporations Act means the Corporations Act 2001.

Court means the Supreme Court of New South Wales.

Explanatory Memorandum means this document and includes the Notice of Meeting.

Exchange Sale Facility means the exchange sale facility offered to GPT Unitholders under the proposed Lend Lease/GPT Merger which allows GPT Unitholders to receive Stapled Securities in exchange for their GPT Units.

GPT means the General Property Trust constituted by the General Property Trust constitution.

GPT Meeting means the meeting of GPT Unitholders to consider the Lend Lease/GPT Merger Proposal, to be held on 17 November 2004.

GPT Unit means a fully-paid ordinary unit in GPT.

GPTML means GPT Management Limited (ABN 94 000 335 473) in its capacity as responsible entity of the Split Trust.

Growth Unit means a fully paid growth unit in the Split Trust.

Implementation Date means the date on which an order under section 411(4)(b) of the Corporations Act approving the Lend Lease scheme of arrangement which forms part of the Lend Lease/GPT Merger is entered with the Court.

Implementation Deed means the deed so titled between GPTML and Lend Lease dated 1 October 2004 under which each party agrees to take various steps to implement the Proposal.

Income Unit means a fully paid income unit in the Split Trust.

Independent Directors means the independent Split Trust Directors, being Peter Joseph, Malcolm Latham, Elizabeth Nosworthy and Ken Moss.

Independent Expert means BDO Corporate Finance Pty Limited.

Lend Lease means Lend Lease Corporation Limited (ABN 32 000 226 228).

Lend Lease/GPT Merger means the proposed merger of GPT and Lend Lease by the stapling of Lend Lease Shares to GPT Units.

Lend Lease Share means an ordinary share in Lend Lease.

Meeting means the meeting of Unitholders convened by the Split Trust Directors to consider and, if thought fit, pass the Resolutions to give effect to the Proposal.

Notice of Meeting means the notice set out in Annexure 3 to this document to convene a meeting of Unitholders to consider and, if thought fit, pass the Resolutions to give effect to the Proposal, to be held at the All Seasons Premier Menzies Hotel, 14 Carrington Street, Sydney on 15 November 2004 at 2.00 pm.

Pre-Announcement GPT 5 Day VWAP means \$3.684, being the GPT volume weighted average price of GPT Units over the 5 trading day period ending immediately prior to 1 October 2004, but excluding the exercise of three call options on Friday 24 September 2004 which otherwise distorts the VWAP to a lower number.

Proposal or Lend Lease Proposal means the proposal pursuant to which Lend Lease will, subject to the satisfaction or waiver of the conditions set out in clause 3.1 of the Implementation Deed, acquire all of the Split Trust Units for cash, as described in section 1 of this Explanatory Memorandum.

Proxy Form means the form enclosed with this Explanatory Memorandum by which Unitholders may appoint a proxy.

Record Time means 7.00 pm on the Business Day before the Implementation Date (or such other date and time as may be agreed by the parties to the Implementation Deed).

Register means the Split Trust's register of unitholders.

Resolutions means the resolutions to approve the Proposal and the acquisition of Split Trust Units by Lend Lease which are to be considered by Unitholders, as described in section 1.5 and set out in the Notice of Meeting.

September Quarter Distribution means the distribution to be paid by GPT for the three months ended 30 September 2004 to GPT Unitholders on the GPT register of members as at 9 November 2004 or such other date as GPT may announce to the ASX.

Split Trust means the GPT Split Trust constituted by the Constitution.

Split Trust Board means the Board of Directors of GPTML.

Split Trust Directors means the directors of GPTML.

Stapled Securities means stapled securities comprising one Lend Lease Share stapled to one GPT Unit (after consolidation).

Trading Cessation Date means the date which is 6 Business Days prior to the date on which Lend Lease appears before the Court to seek an order under section 411(4)(b) of the Corporations Act in relation to Lend Lease/GPT Merger (expected to be 18 November 2004).

Unit means a Growth Unit or an Income Unit.

Unitholder or Split Trust Unitholder means a person who is registered as the holder of a Unit from time to time.

VWAP means volume weighted average price.

Winding Up Resolution means the resolution to wind up the Split Trust to be put to Unitholders at the meeting if the Resolutions are not passed, as described in section 2.10.

7.2 INTERPRETATION

Headings and boldings are inserted for convenience and do not affect the interpretation of this Explanatory Memorandum and unless the contrary intention appears:

- (a) a reference to an instrument includes any variation or replacement of it;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) the singular includes the plural and vice versa;
- (d) the word person includes an individual, a firm, a body corporate, an unincorporated association or an authority;
- (e) mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included;
- (f) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (g) a reference to time is a reference to Sydney time;
- (h) a reference to any thing (including any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to any one or more of them;
- (i) a reference to a section, part, clause, annexure, exhibit or schedule is a reference to a section, part or clause of, or part, annexure, exhibit or schedule to, this Explanatory Memorandum;
- (j) a reference to \$, \$A or cents is to Australian currency unless denominated otherwise; and
- (k) words and phrases defined in the Corporations Act have the same meaning in this Explanatory Memorandum.

8. ANNEXURES

ANNEXURE 1 – IMPLEMENTATION DEED (EXCLUDING SCHEDULE 2)

Date: 1 October 2004

Parties

1. Lend Lease Corporation Limited
ABN 32 000 226 228
of Level 4, 30 The Bond, 30 Hickson Road,
Millers Point, NSW 2000 Australia
(LLC)
2. GPT Management Limited
ABN 94 000 335 473
as responsible entity of the GPT Split Trust
of Level 4, 30 The Bond, 30 Hickson Road,
Millers Point, NSW 2000 Australia
(GPTML)

Recitals

- A. LLC wishes to acquire all of the Growth Units and Income Units in the GPT Split Trust pursuant to the Scheme.
- B. LLC and GPTML have agreed to implement the Scheme and take the Transaction Steps on and subject to the terms of this deed.

This deed witnesses

in consideration of, among other things, the mutual promises contained in this deed:

1 INTERPRETATION

This deed will be interpreted in accordance with schedule 1. Capitalised expressions used in this deed have the meanings set out in schedule 1.

2 PROPOSING THE SCHEME

Subject to the terms of this deed:

- (a) GPTML agrees to propose the Scheme to Unitholders and to carry out the Transaction Steps for which it is responsible in accordance with this deed; and
- (b) LLC agrees to perform its obligations under the Scheme and to carry out the Transaction Steps for which it is responsible in accordance with this deed.

3 CONDITIONS PRECEDENT

3.1 Conditions precedent

The parties' obligations under clause 4 do not become binding until each of the following conditions precedent (the Conditions) has been satisfied or waived:

(a) FIRB:

(1) LLC receives written advice from or on behalf of the Treasurer of the Commonwealth of Australia stating that the acquisition of all of the Growth Units and all of the Income Units pursuant to the Scheme is not objected to under FATA; or

(2) the Treasurer of the Commonwealth of Australia becomes, or is, precluded from making an order under FATA in respect of the Scheme;

(b) ASIC and ASX: ASIC and ASX issue or provide such consents, waivers, approvals or do such other acts that are necessary to implement the Scheme;

(c) Government Agencies: all other approvals of a Government Agency which are necessary to implement the Scheme have been obtained;

(d) Unitholder approval: Unitholders approve the Resolutions by the requisite majorities;

(e) Approval of the LLC/GPT Merger: The condition precedent in clause 3.1(h) of the LLC/GPT Merger Implementation Agreement (relating to Court approval of the LLC/GPT Merger) is satisfied in accordance with that deed; and

(f) restraints: no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the Scheme is in effect at 5:30pm on the Implementation Date.

For the purposes of this clause 3.1, a Regulatory Approval will be regarded as having been obtained even though a condition applies to the Regulatory Approval unless the party subject to the condition, acting reasonably, decides that the condition is unduly onerous, and notifies the other party to that effect.

3.2 REASONABLE ENDEAVOURS

Each party must use its reasonable endeavours to ensure that each Condition is satisfied as soon as possible and in any event on or before the earlier of:

- (a) the 5:30pm on the Implementation Date; or
- (b) the Cut-Off Date.

In particular, each party must provide the other party with reasonable assistance to satisfy the Conditions.

3.3 NOTIFICATION

Each party must promptly notify the other in writing if it discovers that any Condition is satisfied or becomes incapable of being satisfied.

3.4 WAIVER OF CONDITIONS

(a) The Conditions are for the benefit of each party and any breach or non-fulfilment of any of those Conditions may only be waived by the written agreement of both parties.

(b) Waiver of the breach or non-fulfilment of a Condition does not:

- (1) affect the party's right to bring a Claim against the other party for any breach of this deed; or
- (2) waive the breach or non-fulfilment of any other Condition.

3.5 CUT-OFF DATE AND TERMINATION

(a) If a Condition (except the Condition in clause 3.1(a)) is not satisfied, or becomes incapable of being satisfied, on or by 5:30pm on the Implementation Date the parties must consult in good faith with a view to determining whether to defer the Implementation Date.

(b) If a Condition (except the Conditions in clause 3.1(a) or 3.1(e)) is not satisfied, or becomes incapable of being satisfied, on or by the Cut-Off Date, the parties must consult in good faith to determine whether the Scheme may proceed by alternative means and whether or not to extend the Cut-Off Date.

(c) Either party may terminate this deed at any time with immediate effect by written notice to the other party if:

- (1) a Condition is not satisfied, or becomes incapable of being satisfied, on or by the Cut-Off Date;
- (2) the parties do not agree to waive the Condition under clause 3.4; and
- (3) the parties do not agree to extend the Cut-Off Date under clause 3.5(b).

4 SCHEME

4.1 TRANSFER OF UNITS TO LLC

The parties agree that under the Scheme title to all Growth Units and Income Units held by each Scheme Participant at the Record Time, together with all rights attaching to those units and free of all Security Interests and other third party rights, is to be transferred to LLC on the Implementation Date.

4.2 PAYMENT BY LLC

By the third Business Day following the day on which the proceeds of sale of all GPT Units previously held by GPTML and sold under the LLC/GPT Merger Sale Facility are received by GPTML, in consideration of the transfers referred to in clause 4.1, LLC shall pay to each Scheme Participant the following amounts in the manner prescribed by clause 4.6:

(a) for each Growth Unit transferred from the Scheme Participant to LLC as contemplated by clause 4.1, an amount equal to the sum of:

(1) \$1.638; and

(2) 75% of the amount (if any) by which the GPT Sale Facility Price exceeds \$3.684; and

(b) for each Income Unit transferred from the Scheme Participant to LLC as contemplated by clause 4.1, an amount equal to the sum of:

(1) \$2.338; and

(2) 25% of the amount (if any) by which the GPT Sale Facility Price exceeds \$3.684.

4.3 GPT SALE FACILITY PRICE

The GPT Sale Facility Price is the amount equal to the sum of:

(a) the amount paid to GPTML under the LLC/GPT Merger Sale Facility as the proceeds of sale of all GPT Units sold by GPTML into that facility divided by that number of GPT Units; and

(b) the total amount of the Merger Distributions paid in relation to a GPT Unit as part of the GPT/LLC Merger.

4.4 SEPTEMBER GPT DISTRIBUTION

The consideration referred to in clause 4.2 has been determined on the basis that the \$0.055 September quarter distribution payable in respect of each GPT Unit will be paid, and GPTML will distribute the aggregate amount of that distribution to Unitholders, prior to the Implementation Date.

4.5 MERGER DISTRIBUTIONS

The consideration referred to in clause 4.2 has been determined on the basis that LLC will be the registered holder of all Income Units and Growth Units before the record times for the Merger Distributions.

4.6 METHOD OF PAYMENT

LLC shall pay the amounts referred to in clause 4.2 in Australian currency either by electronic funds transfer to an account nominated by the Scheme Participant, or by cheque sent by pre-paid post:

(a) in the case of Scheme Participants who are registered as holding the relevant Growth Units or Income Units jointly – to the address recorded in the Register at the Record Time of the person whose name appears first in the Register in respect of the joint holding; or

(b) otherwise – to the Scheme Participant's address recorded in the Register at the Record Time.

4.7 RECOGNISING DEALINGS IN UNITS

For the purposes of the Scheme, GPTML must recognise only the following dealings in Units:

(a) the transfers to LLC referred to in clause 4.1;

(b) for dealings of the type effected using CHESS – dealings where the transferee is registered in the Register as the holder of the relevant Units by the Record Time; and

(c) for other types of dealings – dealings:

(1) that occurred before the close of business on the Trading Cessation Date; and

(2) in respect of which a registrable transmission application or transfer in registrable form is received on or before the Record Time at the place where the Register is kept.

Otherwise, GPTML must not register or recognise for any purpose any dealing in Units.

4.8 REGISTER

GPTML must:

(a) register any transmission applications or transfers which comply with and are received in accordance with clause 4.7(c) before the Record Time; and

(b) otherwise maintain the Register in accordance with clause 4.7 until the Units have been transferred to LLC as contemplated by clause 4.1.

The Register in this form must be the sole basis for determining rights to payment under the Scheme.

5 IMPLEMENTATION

5.1 IMPLEMENTATION

Subject to any applicable laws and the Listing Rules, each party must execute all documents and take all necessary action within its power to implement the Scheme, including the steps referred to in clause 5.2 (the Transaction Steps). In particular, each party must provide the other party with reasonable assistance to implement the Transaction Steps. No other provision of clause 5 limits the generality of this clause 5.1.

5.2 TRANSACTION STEPS

The parties must take the following steps:

(a) LLC must:

(1) execute, or ensure that LLC Group Members execute, all documents that are necessary or desirable for them to execute to implement the Scheme;

(2) without limiting (1) above, LLC must prior to despatch of the Explanatory Memorandum to Unitholders execute a deed poll binding on LLC and in a form reasonably satisfactory to GPTML under which LLC covenants in favour of Unitholders to perform its obligations under this deed; and

(3) apply for the LLC Regulatory Approvals.

(b) GPTML must:

(1) execute all documents that are necessary or desirable for it to execute to implement the Scheme;

(2) prepare the Explanatory Memorandum in accordance with clause 5.7;

(3) appoint an independent expert to provide an opinion to Unitholders as to whether the proposal is fair and reasonable to Unitholders, and whether the Scheme is in the best interests of holders of Growth Units, holders of Income Units and Unitholders as a whole;

(4) apply for the Split Trust Regulatory Approvals; and

(5) obtain confirmation from the ASX that it does not object to the draft Constitution Modifications or the draft Explanatory Memorandum under Listing Rule 15.1.

(c) GPTML:

- (1) must lodge the Explanatory Memorandum with the ASX;
 - (2) may apply to the Court for judicial advice in connection with the Scheme; and
 - (3) must print and send the Explanatory Memorandum and a proxy form to Unitholders in accordance with the Constitution.
- (d) GPTML must hold the Meeting in accordance with the Constitution, not later than the 2nd Business Day before the date that LLC holds its meetings as contemplated by section 2.3(a) of schedule 3 to the LLC/GPT Merger Implementation Agreement.
- (e) Subject to clause 5.6, GPTML must use reasonable endeavours to obtain approval of the following resolutions (the Resolutions) at the Meeting:
- (1) approval by a majority of Unitholders (excluding LLC and its associates) of the resolution required by section 611 item 7 of the Corporations Act for LLC to acquire all of the Units under the Scheme, subject to the Conditions being satisfied or waived; and
 - (2) subject to the resolution referred to in paragraph (1) being approved, approval by the Specified Majorities of all other resolutions required by the law, Listing Rules, Takeovers Panel guidance notes and the Constitution to:
 - (A) authorise GPTML to implement the Scheme (including any resolutions required to amend the Constitution in the manner contemplated by the Constitutional Modifications), subject to the Conditions being satisfied or waived;
 - (B) authorise and direct GPTML immediately to give a notice electing to sell all GPT Units held by GPTML as responsible entity of the Split Trust into the Sale Facility provided as part of the LLC/GPT Merger; and
 - (C) authorise and direct GPTML to vote in favour of all resolutions required by the law, Listing Rules, Takeovers Panel guidance notes and the constitution of GPT to authorise GPT Management Limited, as responsible entity of GPT, to complete the LLC/GPT Merger.
- (f) GPTML must also in its notice of the Meeting propose a resolution under section 601NB of the Corporations Act directing GPTML to wind up the Split Trust (subject to the Conditions, other than the Condition in clause 3.1(d), being satisfied or waived) in the event that the Resolutions are not passed at the Meeting by the requisite majorities (the Winding Up Resolution). The notice of Meeting will state that the Winding Up Resolution will only be put to Unitholders at the Meeting if the Resolutions are not passed by the requisite majorities.
- (g) If the Resolutions are passed by the requisite majorities, GPTML must lodge:
- (1) a copy of the Constitution Modifications with ASIC under section 601GC(2) of the Corporations Act and a consolidated copy of the Constitution if requested by ASIC under section 601GC(3) of the Corporations Act; and
 - (2) all other notices and forms required by law or the Listing Rules to be lodged with ASIC or the ASX in relation to the Resolutions.
- (h) The parties must use reasonable endeavours to ensure that the ASX suspends trading in Units no later than the Trading Cessation Date.

5.3 TIMETABLE

Each party must complete all Transaction Steps for which it is responsible and perform all its other obligations substantially in accordance with the Timetable.

5.4 REGULATORY APPROVALS

- (a) Each party must promptly apply for all relevant Regulatory Approvals it requires to be able to implement the Scheme and take all steps for which it is responsible as part of the approval process, including responding to requests for information at the earliest practicable time.
- (b) Each party must consult the other in advance in relation to all communications (whether written or oral, and whether direct or through agents or advisers) with any Government Agency relating to any Regulatory Approval. In particular, each party must:
 - (1) give the other party drafts of any material written communications to be sent to a Government Agency and make such changes to those communications as the other party reasonably requests; and
 - (2) give the other party copies of any written communications sent to, or received from, a Government Agency promptly on sending or receiving them (as the case may be).
- (c) Each party is entitled to be represented and to make submissions at any meeting with any Government Agency relating to any Regulatory Approval.

5.5 PRESCRIBED OCCURRENCES

To the extent that the Prescribed Occurrences are within its control, GPTML must use its reasonable endeavours to procure that, before the Implementation Date, no Prescribed Occurrence occurs without LLC's prior written consent.

5.6 BOARD RECOMMENDATIONS

- (a) Immediately after entering into this deed, GPTML must issue a public announcement, in a form previously agreed, that includes a clear statement that, subject to the provisos set out in clause 5.6(b), the Split Trust Independent Directors unanimously recommend approval of the Scheme.
- (b) GPTML must ensure that the Split Trust Independent Directors do not change their unanimous recommendation in favour of the Scheme unless:
 - (1) the independent expert appointed by GPTML to opine on the Scheme fails to conclude that the Scheme is in Unitholders' best interests; or
 - (2) a proposal emerges which the Split Trust Independent Directors reasonably consider superior to the Scheme.

5.7 EXPLANATORY MEMORANDUM

- (a) GPTML must prepare the Explanatory Memorandum so that it complies with all applicable laws, ASIC policy, Takeovers Panel guidance notes and Listing Rules, and includes:
 - (1) the Resolutions and the Winding Up Resolution;
 - (2) a report prepared by an independent expert; and
 - (3) a statement that, subject to the provisos set out in clause 5.6(b), the Split Trust Independent Directors unanimously recommend that Unitholders approve the Resolutions.
- (b) LLC must assist GPTML in the earliest possible preparation of the Explanatory Memorandum. In particular, it must give GPTML the LLC Information. GPTML must obtain LLC's approval for the form and context in which the LLC Information appears in the Explanatory Memorandum.

5.8 CONSULTATION

GPTML must consult LLC about the contents of the Explanatory Memorandum and must seek to resolve in good faith any dispute about the content of any part of the Explanatory Memorandum with a view to reaching agreement, where reasonable in the timeframe.

5.9 UPDATING EXPLANATORY MEMORANDUM

Each party must ensure that those parts of the Explanatory Memorandum for which the party is responsible are updated with any information of which the party becomes aware between the date the Explanatory Memorandum is sent to Unitholders and the date of the Meeting, that is necessary to ensure that the Explanatory Memorandum is not misleading or deceptive, or likely to mislead or deceive, in any material respect, and comply with all applicable laws, ASIC policy, Takeovers Panel guidance notes and Listing Rules.

5.10 ACCESS TO INFORMATION

Before the Implementation Date, GPTML must:

(c) give LLC reasonable access to its records (subject to any existing confidentiality obligations owed to third parties), premises and personnel and the records, premises or personnel of any entity it manages, and reasonable co-operation:

(1) for the purpose of implementing the Scheme and other Transaction Steps; and

(2) for any other purpose which the parties agree; and

(d) give LLC all information that LLC reasonably requires to implement the Transaction Steps and otherwise perform its obligations under this deed,

subject to the proper performance by GPTML, and the directors and officers of GPTML, of their statutory and fiduciary duties.

6 REPRESENTATIONS AND WARRANTIES

6.1 LLC WARRANTIES

LLC makes each of the following representations and warranties (the LLC Warranties) to each Split Trust Party:

(a) bodies corporate: LLC is duly incorporated and validly existing under the Corporations Act.

(b) power and authority: LLC has full power and authority to enter into, perform its obligations and exercise its rights under this deed and to carry out the transactions this deed contemplates.

(c) authorisations: LLC has taken all necessary action to authorise it to enter into and perform its obligations under this deed and to carry out the transactions this deed contemplates.

(d) valid obligations: Subject to laws generally affecting creditors' rights and the principles of equity, each of LLC's obligations under this deed is valid and binding and is enforceable against LLC in accordance with the terms of this deed.

(e) no breach: This deed and the transactions this deed contemplates that involve any LLC Group Member do not breach or contravene any law, document or obligation that binds that member or to which any of its assets are subject.

(f) LLC Information: All LLC Information given to GPTML for inclusion in the Explanatory Memorandum:

(1) has been given in good faith and on the understanding that each of the Split Trust Parties is relying on that information to prepare the Explanatory Memorandum and propose and implement the Scheme;

(2) will be true and correct in all material respects as at the date the Explanatory Memorandum is sent to Unitholders; and

is not misleading or deceptive, or likely to mislead or deceive, (whether by omission or otherwise) as at the date the Explanatory Memorandum is sent to Unitholders.

The LLC Warranties are made (by reference to the then current circumstances) on the date of this deed and the Implementation Date, or any other date on which an LLC Warranty is expressed to be made.

6.2 SPLIT TRUST WARRANTIES

GPTML makes each of the following representations and warranties (the Split Trust Warranties) to each LLC Party:

(a) bodies corporate: GPTML is duly incorporated and validly existing under the Corporations Act.

(b) power and authority: GPTML has full power and authority to enter into, perform its obligations and exercise its rights under this deed and to carry out the transactions this deed contemplates.

(c) authorisations: GPTML has taken all necessary action to authorise it to enter into and perform its obligations under this deed and to carry out the transactions this deed contemplates.

(d) valid obligations: Subject to laws generally affecting creditors' rights and the principles of equity, each of GPTML's obligations under this deed is valid and binding and is enforceable against GPTML in accordance with the terms of this deed.

(e) no breach: This deed and the transactions this deed contemplates that involve GPTML or the Split Trust do not breach or contravene any law, document or obligation that binds that member or to which any of its assets are subject.

The Split Trust Warranties are made (by reference to the then current circumstances) on the date of this deed and the Implementation Date, or any other date on which a Split Trust Warranty is expressed to be made.

6.3 NO REPRESENTATION OR RELIANCE

Each party acknowledges that it has not entered into this deed in reliance on any warranty or representation made by or on behalf of the other party, except the warranties and representations set out in this deed. This acknowledgement does not prejudice any rights a party may have in relation to information sent to Unitholders or filed by the other party with ASIC or the ASX.

6.4 CLAIMS AGAINST MANAGEMENT

(a) LLC must not bring, and must ensure that no LLC Party brings, any Claim against:

(1) any director, officer or adviser of GPTML; or

(2) any employee of GPTML or Lend Lease Management Services Limited employed in relation to the Split Trust's business,

in relation to any Split Trust Warranty being incorrect when made.

(b) GPTML must not bring, and must ensure that no Split Trust Party brings, any Claim against any director, officer, employee or adviser of any LLC Group Member, in relation to any LLC Warranty being incorrect when made.

(c) This clause 6.4 applies to Claims regardless of:

(1) when or where the relevant Claim arises;

(2) whether the Claim arises under common law, equity, statute or otherwise; and

(3) whether or not the Claim involves a liability or obligation owed severally or jointly with anyone else,

although nothing in this clause 6.4 prevents an LLC Party bringing a Claim against GPTML, or a Split Trust Party bringing a Claim against an LLC Group Member.

6.5 BENEFIT

(a) LLC holds the benefit of the Split Trust Warranties in clause 6.2, and the undertakings in clause 6.4(b), given to other LLC Parties on trust severally for each of those persons. GPTML acknowledges that each LLC Party may:

(1) bring action directly against GPTML in respect of any breach of the Split Trust Warranties; and

(2) enforce GPTML's undertakings in clause 6.4(b) directly against GPTML.

(b) GPTML holds the benefit of the LLC Warranties in clause 6.1, and the undertakings in clause 6.4(a), given to other Split Trust Parties on trust severally for each of those persons. LLC acknowledges that each Split Trust Party may:

- (1) bring action directly against LLC in respect of any breach of the LLC Warranties; and
- (2) enforce LLC's undertakings in clause 6.4(a) directly against LLC.

6.6 SURVIVAL

The LLC Parties' and Split Trust Parties' rights and obligations under this clause 6 survive termination of this deed. Each of the LLC Warranties and the Split Trust Warranties is severable and separately enforceable.

7 GPTML'S CAPACITY AND LIABILITY

7.1 CAPACITY

GPTML enters this deed only in its capacity as responsible entity of the Split Trust and in no other capacity. References in this deed to GPTML are to be construed accordingly.

7.2 LIMITATION OF LIABILITY

(a) Liabilities arising under, or in connection with, this deed can be enforced against GPTML only to the extent to which they can be satisfied out of the assets of the Split Trust out of which GPTML is actually indemnified for the liability.

(b) In respect of such liabilities, LLC must not seek recourse to any assets that GPTML holds in any capacity other than as responsible entity of the Split Trust. In particular, LLC must not:

- (1) seek appointment of a receiver or receiver and manager (except in relation to the Split Trust's assets), liquidator, provisional liquidator, administrator or any similar person to GPTML; or
- (2) prove in any liquidation, administration or arrangement of, or affecting, GPTML (except in relation to the Split Trust's assets).

(c) GPTML does not have to incur any obligation under this deed unless its liability in respect of that obligation is limited in the same manner as in this clause 7.2.

(d) No attorney, agent, receiver or receiver and manager appointed under this deed is authorised to act on behalf of GPTML in a way that exposes it to any personal liability.

(e) Subject to clause 7.3, the limitations in this clause 7.2 apply despite any other term of this deed, and extend to all GPTML's liabilities in connection with any act, error, omission, agreement, transaction, representation or obligation relating to this deed.

7.3 EXCEPTIONS

Clause 7.2 does not apply to any liability of GPTML to the extent that it is not satisfied because:

- (a) the extent of GPTML's indemnification out of the Split Trust's assets is reduced under the Constitution or by operation of law, as a result of GPTML's fraud, negligence or breach of trust; or
- (b) GPTML failed to exercise any right of indemnity it has under the Constitution in respect of that obligation or liability.

GPTML's acts, errors or omissions (including related breaches of this deed) do not constitute fraud, negligence or breach of trust by GPTML for the purposes of this clause 7.3 to the extent to which they were caused or contributed to by any act, error or omission of any other person, other than a person referred to in section 601FB(2) of the Corporations Act.

7.4 SURVIVAL

The limitations and obligations under this clause 7 survive termination of this deed.

8 CONFIDENTIALITY

8.1 GENERAL OBLIGATION

Subject to clause 8.2, the parties must not, and must use their respective best endeavours to ensure that their respective directors, officers, employees, advisers and auditors do not:

- (a) disclose any Information; or
- (b) use any Information.

8.2 PERMITTED DISCLOSURES

A party may disclose and use, and may permit the party's directors, officers, employees, advisers and auditors to disclose and use, Information:

- (a) with the other party's prior written consent;
- (b) in the ordinary and proper course of the ordinary performance of the party's functions under this deed;
- (c) for the purpose of implementing the Scheme or Transaction Steps, including in any document issued in connection with the Scheme or the Transaction Steps;
- (d) in connection with the enforcement of this deed; or
- (e) to the extent that any applicable law or Government Agency requires disclosure of the Information.

8.3 ANNOUNCEMENTS

(a) If a party proposes to disclose Information in circumstances permitted by clause 8.2(e), it must give the other party at least one day's notice, or such lesser period as may be required or permitted by the law or Government Agency.

(b) If a party proposes to disclose Information in a public document in circumstances permitted by clause 8.2, it must first consult the other party and use best endeavours to agree on the form and content of the disclosure.

(c) Nothing in this clause 8.3 limits the parties' obligations under clause 8.1.

8.4 INJUNCTION

Each party acknowledges that:

- (a) it may obtain Information concerning the other party's Group Members and their business;
- (b) disclosure of Information could cause material loss to the other party; and
- (c) as monetary damages alone would not adequately compensate the other party for the party's breach of this clause 8, the other party may seek an injunction from a court if:
 - (1) the party breaches or threatens to breach this clause 8; or
 - (2) the other party has reason to believe that the party will breach this clause 8.

8.5 SURVIVAL

The parties' rights and obligations under this clause 8 survive termination of this deed.

9 TERMINATION

9.1 TERMINATION

A party may terminate this deed by written notice at any time before the 5:30pm on the Implementation Date if:

(a) material breach:

- (1) the other party is in material breach of this deed before the Implementation Date;
- (2) the first party gives the other party a notice setting out the relevant breach and stating an intention to terminate; and
- (3) the other party does not remedy the breach by the earlier of 7 Business Days after it receives the notice or 5:30pm on the Implementation Date;

(b) approvals:

- (1) the Resolutions are not approved by the requisite majorities at the Meeting; and
- (2) the Unitholders have voted on the Winding Up Resolution (whether or not that resolution is passed); or

(c) regulatory intervention: a court or other Government Agency has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Scheme.

9.2 TERMINATION BY LLC

LLC may terminate this deed by notice in writing to GPTML at any time before 5:30pm on the Implementation Date if:

- (a) Board recommendation: the Split Trust Independent Directors withdraw their recommendation of the Scheme or publicly indicate that they no longer support the Scheme; or
- (b) Prescribed Occurrences: a Prescribed Occurrence occurs after the date of this deed.

9.3 TERMINATION BY GPTML

GPTML may terminate this deed by notice in writing to LLC at any time before 5:30pm on the Implementation Date if the Split Trust Independent Directors change their recommendation in favour of the Scheme for either of the reasons referred to in clause 5.6(b).

9.4 EFFECT OF TERMINATION

If this deed is terminated under clauses 3.5, 9.1, 9.2 or 9.3, the parties are discharged from further performance of their obligations under this deed. This discharge does not apply to:

- (a) any obligations which this deed provides expressly survive termination; and
- (b) any liability for a breach of this deed occurring before termination.

9.5 NOTIFICATION OF BREACH

Each party must promptly give the other notice if it becomes aware that:

- (a) any warranty or representation made by the party in this deed has become false; or
- (b) the party has breached this deed.

10 COSTS

10.1 GPTML COSTS

LLC must pay all of GPTML's costs and expenses in respect of:

- (a) the negotiation, preparation, execution, delivery, stamping and registration of this deed and any other document signed or executed under this deed; and
- (b) the performance by GPTML of its obligations under this deed.

10.2 LLC COSTS

LLC must pay all of its own costs and expenses in respect of:

- (a) the negotiation, preparation, execution, delivery, stamping and registration of this deed and any other document signed or executed under this deed; and
- (b) the performance by it of its obligations under this deed.

10.3 DUTY

LLC must pay all Duty (if any) payable on execution of this deed and in relation to the Scheme or the conduct of the Transaction Steps.

10.4 GST

(a) Unless expressly included, the consideration for any supply under or in connection with this deed does not include GST.

(b) To the extent that any supply made under or in connection with this deed is a taxable supply, the supplier may increase the consideration for that supply by an amount not exceeding the amount of the consideration multiplied by the rate at which GST is imposed in respect of the supply.

(c) If any party is entitled under this deed to be reimbursed or indemnified by another party for a cost or expense incurred in connection with this deed, the reimbursement or indemnity payment must not include any GST component of the cost or expense to the extent that the cost or expense is:

- (1) a creditable acquisition incurred by the party being reimbursed or indemnified or by its representative member; and
- (2) for a creditable purpose.

(d) The right of the supplier to recover any amount in respect of GST under this deed on a supply is subject to the issuing of the relevant tax invoice or adjustment note to the recipient. Subject to any other provision of this deed, the recipient must pay any amount in respect of GST within 7 days of the issuing of the relevant tax invoice or adjustment note to the recipient.

(e) Words used in this clause 10.4 which have a defined meaning in the GST Law have the same meaning as in the GST Law.

10.5 SURVIVAL

The parties' rights and obligations under this clause 10 survive termination of this deed.

11 ASSIGNMENT

Without the other party's written consent, a party may not:

- (a) transfer the benefit of or any interest in, or create a Security Interest in or against, its Powers under this deed; or
- (b) transfer its obligations under this deed.

The other party may withhold consent or give consent conditionally or unconditionally in its absolute discretion.

12 NOTICES

12.1 SENDING NOTICES

Any notice or other communication including any request, demand, consent or approval, to or by a party:

(a) must be in legible writing and in English addressed as shown below:

(1) if to LLC:

Address: Level 4, 30 The Bond, 30 Hickson Road, Millers Point, NSW 2000 Australia

Attention: Company Secretary

Facsimile: +612 9252 2192

e-mail: phil.crewes@endlease.com.au

(2) if to GPTML:

Address: Level 4, 30 The Bond, 30 Hickson Road, Millers Point,
NSW 2000 Australia

Attention: Company Secretary

Facsimile: +612 9236 6020

e-mail: james.coyne@lendlease.com.au

or as specified to the sender by the addressee by notice;

(b) where the sender is a company, must be signed by a director or officer or under the common seal of the sender (or in the case of a notice or communication sent by e-mail, sent from the e-mail address of a director or officer);

(c) is regarded as being given by the sender and received by the addressee:

(1) if by delivery in person, when delivered to the addressee;

(2) if by post, 3 Business Days from and including the date of postage;

(3) if by facsimile transmission, when legibly received (subject to clause 12.2) by the addressee; or

(4) if by e-mail, when properly received (subject to clause 12.2) by the addressee's server;

but if the delivery or receipt is on a day which is not a Business Day or is after 4.00 pm (addressee's time), it is regarded as received at 9.00 am on the following Business Day; and

(d) can be relied upon by the addressee, and the addressee is not liable to any other person for any consequences of that reliance, if the addressee believes it to be genuine, correct and authorised by the sender.

12.2 FACSIMILE TRANSMISSIONS AND E-MAILS

(a) A facsimile transmission is regarded as legible unless the addressee telephones the sender within 2 hours after transmission is received or regarded as received under clause 12.1(c) and informs the sender that it is not legible.

(b) An e-mail is not regarded as properly received unless the sender receives confirmation of receipt of the e-mail from the addressee's server.

12.3 ADDRESSEES

In this clause 12, a reference to an addressee includes a reference to an addressee's directors, officers, employees or agents.

13 GENERAL

13.1 BUSINESS DAY

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the preceding Business Day.

13.2 GOVERNING LAW AND JURISDICTION

(a) This deed is governed by the laws of New South Wales.

(b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and irrevocably waives any objection to the venue of any legal process being New South Wales on the basis that the process has been brought in an inconvenient forum.

13.3 PROHIBITION AND ENFORCEABILITY

(a) Any provision of, or the application of any provision of, this deed or any Power which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.

(b) Any provision of, or the application of any provision of, this deed which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.

13.4 CONSENTS

Any consent referred to in, or required under, this deed from any party may not be unreasonably withheld, unless this deed expressly provides for that consent to be given in that party's absolute discretion.

13.5 WAIVERS

(a) Waiver of any right arising from a breach of this deed or of any Power arising upon breach of this deed or upon the occurrence of a default must be in writing and signed by the party or parties granting the waiver.

(b) A failure or delay in exercise, or partial exercise, of:

(1) a right arising from a breach of this deed or the occurrence of a default; or

(2) a Power created or arising upon default under this deed or upon the occurrence of a default,

does not result in a waiver of that Power.

(c) A party is not entitled to rely on a delay in the exercise or non-exercise of a Power arising from a breach of this deed, or on the occurrence of a default, as constituting a waiver of that Power.

(d) A party may not rely on any conduct of another party as a defence to exercise of a Power by that other party.

(e) This clause may not itself be waived except by writing.

13.6 VARIATION

A variation of any term of this deed must be in writing and signed by or on behalf of all of the parties.

13.7 CUMULATIVE RIGHTS

The parties' Powers under this deed are cumulative and do not exclude any other right, power, authority, discretion or remedy of the parties.

13.8 NO MERGER

The rights and obligations of the parties will not merge on completion of any transaction under this deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

13.9 FURTHER ASSURANCES

Each party must do all things and execute all further documents necessary to give full effect to this deed.

13.10 ENTIRE AGREEMENT

This deed supersedes all previous agreements in respect of its subject matter and embodies the entire agreement between the parties in respect of its subject matter.

13.11 COUNTERPARTS

This deed may be executed in any number of counterparts which together constitute one instrument. A party may execute this deed by signing any counterpart.

13.12 ATTORNEYS

Each of the attorneys executing this deed states that the attorney has no notice of the revocation of the power of attorney appointing that attorney.

EXECUTED AS A DEED.

[Execution clauses]

SCHEDULE 1 – GLOSSARY

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited ACN 008 624 691.

Business Day means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in Sydney.

Claim in relation to a person, means any claim, demand, action, legal proceeding or judgement brought, made, or given against the person.

Condition means a condition precedent set out in clause 3.1.

Control has the same meaning as in section 50AA of the Corporations Act.

Constitution means the Split Trust constitution.

Constitution Modifications means the modifications of the Constitution that the parties acting in good faith reasonably agree are necessary or desirable to implement the Scheme, including modifications authorising GPTML to execute transfers of Growth Units and Income Units as agent of each Scheme Participant.

Corporations Act means the Corporations Act 2001 (Cth).

Court means a court of competent jurisdiction under the Corporations Act.

Cut-Off Date means 31 January 2005.

Duty means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of the duty or charge.

Entity has the same meaning as in section 64A of the Corporations Act.

Explanatory Memorandum means the notice of meeting and explanatory statement in relation to the Scheme to be sent to Unitholders.

FATA means the Foreign Acquisitions and Takeovers Act 1975 (Cth).

Government Agency means:

(a) any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity; or

(b) any professional body or self-regulatory organisation that performs statutory functions, including the ASX.

GPT means the General Property Trust constituted by the General Property Trust constitution.

GPT Unit means a Unit as defined in the LLC/GPT Merger Implementation Agreement.

GPT Safe Facility Price has the meaning given in clause 4.3.

Group Member means:

(a) in relation to LLC – an LLC Group Member; and

(b) in relation to GPTML – GPTML or the Split Trust.

Growth Unit means a fully paid unit of that name in the Split Trust.

GST means the goods and services tax imposed under the GST Law.

GST Law has the same meaning as in section 195-1 of the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Implementation Date means the date on which an order under section 411(4)(b) of the Corporations Act approving the LLC Scheme (as that term is defined in the LLC/GPT Merger Implementation Agreement) is entered with the Court.

Income Unit means a fully paid unit of that name in the Split Trust.

Information means any information that is disclosed under this deed in connection with the Scheme or the Transaction Steps, excluding information that is already in the public domain, other than because of a disclosure in breach of clause 8.1.

Insolvency Event means in relation to an Entity:

(a) insolvency official: the appointment of a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official (whether under an Australian law or a foreign law) to the Entity or to the whole or a substantial part of the property or assets of the Entity;

(b) arrangements: the entry by the Entity into a compromise or arrangement with its creditors or, if it is a trustee, the creditors of its trust, generally;

(c) winding up:

(1) the calling of a meeting to consider a resolution to wind up the Entity, other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the Entity; or

(2) the making of an application or order for the winding up or dissolution of the Entity, other than where the application or order (as the case may be) is set aside within 14 days;

(d) suspends payment: the Entity suspends or threatens to suspend payment of its debts or, if it is a trustee, the debts of its trust, generally;

(e) ceasing business: the Entity ceases or threatens to cease to carry on business or, if it is a trustee, the business of the trust; or

(f) insolvency: the Entity is or becomes unable to pay its debts or, if it is a trustee, the debts of its trust, when they fall due within the meaning of the Corporations Act or is (or if it is a trustee, its trust is) otherwise presumed to be insolvent under the Corporations Act.

Listing Rules means the 'ASX Listing Rules' issued by the ASX.

LLC Group means LLC and its Controlled Entities, excluding GPTML and the Split Trust.

LLC Group Member means a member of the LLC Group.

LLC Information means information about the LLC Group that LLC gives GPTML for inclusion in the Explanatory Memorandum.

LLC Party means:

(a) an LLC Group Member; and

(b) any director, officer, employee or adviser of an LLC Group Member.

LLC Regulatory Approvals means all Regulatory Approvals that LLC requires to perform its obligations in relation to the Scheme and enable the Transaction Steps to occur.

LLC Warranty means a representation and warranty in clause 6.1.

LLC/GPT Merger means the merger of LLC and GPT through stapling of their securities, as referred to in the LLC/GPT Merger Implementation Agreement.

LLC/GPT Merger Implementation Agreement means the Merger Implementation Agreement between LLC and GPT Management Limited as responsible entity for GPT dated 26 August 2004.

Meeting means the meeting of Unitholders to be convened to consider the Resolutions pursuant to the Constitution.

Merger Distributions, in relation to a GPT Unit, means each of the following distributions payable as part of the LLC/GPT Merger:

(a) the \$0.041 per GPT Unit earnings distribution contemplated in section 5.1(a)(1) of schedule 3 to the LLC/GPT Merger Implementation Agreement;

(b) the \$0.006 per GPT Unit capital distribution contemplated in section 5.1(a)(2) of schedule 3 to the LLC/GPT Merger Implementation Agreement; and

(c) the Special Distribution of up to \$0.65 per GPT Unit contemplated in section 5.3 of schedule 3 to the LLC/GPT Merger Implementation Agreement.

Power means any right, power, authority, discretion or remedy that this deed or any applicable law confers.

Prescribed Occurrence means the occurrence of any of the following:

- (a) GPTML converting all or any Units into a larger or smaller number of units;
- (b) GPTML reclassifying, combining, splitting, redeeming, repurchasing or cancelling directly or indirectly any Units;
- (c) GPTML declaring, paying or distributing any part of the profits, capital or assets of the Split Trust (other than in relation to the September GPT distribution referred to in clause 4.4);
- (d) GPTML issuing or granting, or agreeing to issue or grant, any Units or other Securities in connection with the Split Trust;
- (e) the constitution of the Split Trust being modified or replaced;
- (f) GPTML disposing, or agreeing to dispose, of the whole, or a substantial part, of the Split Trust's business or assets;
- (g) GPTML:
 - (1) acquiring or disposing of;
 - (2) agreeing to acquire or dispose of; or
 - (3) offering, proposing, announcing a bid or tendering for;
 - (4) any Securities, business, assets, interests in a joint venture, entity or undertaking;
- (h) GPTML creating, or agreeing to create, any Security Interest over the whole, or a substantial part, of the Split Trust's business or assets;
- (i) GPTML entering into an agreement or giving a commitment requiring total payments over \$5 million;
- (j) an Insolvency Event occurring in relation to GPTML or the Split Trust; or
- (k) GPTML changing any significant accounting policy applied by it to report the Split Trust's financial position (other than changes required to implement International Financial Reporting Standards).

However, any acts or omissions by GPTML:

- (l) under or in connection with the Scheme or Transaction Steps;
- (m) under or in connection with the LLC/GPT Merger;
- (n) in accordance with the direction by the Unitholders to sell all Units held on behalf of the Split Trust for cash under the Sale Facility; or
- (o) with LLC's prior written approval,

are not Prescribed Occurrences.

Record Time means 7:00pm on the Business Day before the Implementation Date (or such other date and time as may be agreed by the parties).

Register means the Split Trust's register of unitholders.

Regulatory Approvals means the approvals referred to in clauses 3.1(a) to (c).

Resolutions means has the meaning given in clause 5.2(e).

Sale Facility has the same meaning as in the LLC/GPT Merger Implementation Agreement.

Scheme means the transactions between GPTML, LLC and the Scheme Participants set out in clause 4.

Scheme Participant means a person who is a Unitholder as at the Record Time.

Securities has the same meaning as in section 92(3)(a) to (e) of the Corporations Act.

Security Interest means an interest or power:

- (a) reserved, in or over any interest in any asset, including any retention of title; or
- (b) created or otherwise arising, in or over any interest in any asset, whether under a bill of sale, mortgage, charge, lien, pledge, trust or power or otherwise,

by way of security for the payment of a debt or any other monetary obligation, or the performance of any other obligation, and includes any agreement to grant or create any of the above, but excludes any statutory security interest that secures liability to pay Tax.

Specified Majorities means at least 75% by value of the votes cast by Unitholders entitled to vote and being a majority which includes at least 75% by value of the votes cast by holders entitled to vote of each of:

- (a) Income Units; and
- (b) Growth Units.

Split Trust means the GPT Split Trust constituted by the Constitution.

Split Trust Independent Directors means Peter Joseph, Malcolm Latham, Ken Moss and Elizabeth Nosworthy.

Split Trust Party means:

- (a) GPTML;
- (b) any director, officer or adviser of GPTML; and
- (c) any employee of GPTML or Lend Lease Management Services Limited employed in relation to the Split Trust's business.

Split Trust Regulatory Approvals means all Regulatory Approvals that GPTML requires to complete the Scheme and enable the Transaction Steps to occur.

Split Trust Warranty means a representation and warranty in clause 6.2.

Tax means any tax, levy, charge, impost, duty (including Duty), fee, deduction, charge, compulsory loan or withholding which is assessed, levied, imposed or collected by any Government Agency (except if imposed on, or calculated having regard to, the overall net income of a party) and includes any interest, fine, penalty, charge, fee or other amount imposed on or in respect of any of the above.

Timetable means the timetable set out in schedule 2.

Trading Cessation Date means the date which is 6 Business Days prior to the Second Court Date as defined in the LLC/GPT Merger Implementation Agreement (or such other date as may be agreed by the parties).

Transaction Steps means the steps set out in clause 5.2.

Unit means a Growth Unit or an Income Unit.

Unitholder means each person who is registered in the Register as the holder of Units from time to time.

Winding Up Resolution means the resolution referred to in clause 5.2(f).

Interpretation

In this deed, headings and boldings are for convenience only and do not affect the interpretation of this deed and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency;
- (e) a reference to any thing (including any right) includes a part of that thing, but nothing in this paragraph implies that performance of part of an obligation constitutes performance of the obligation;
- (f) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this deed and a reference to this deed includes any annexure, exhibit and schedule;
- (g) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (h) a reference to an agreement other than this deed includes an undertaking, deed, agreement or legally enforceable arrangement or understanding whether or not in writing;
- (i) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (j) a reference to a document includes any agreement in writing, or any certificate, notice, instrument or other document of any kind;
- (k) a reference to a party to a document includes that party's successors and permitted assigns;
- (l) a reference to an asset includes all property of any nature, including a business, and all rights, revenues and benefits;
- (m) a reference to dollars and \$ is a reference to the lawful currency of the Commonwealth of Australia;
- (n) a reference to any time is a reference to that time in Sydney; and
- (o) a reference to a body (including an institute, association or authority), other than a party, whether statutory or not:
 - (1) that ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body that replaces it or substantially succeeds to those of its powers or functions that relate to the subject matter of this deed;
- (p) a reference to anything that any party must do, or not do, includes:
 - (1) its acts, defaults and omissions, whether direct or indirect, and whether on its own account, or for or through any other person; and
 - (2) acts, defaults and omissions that it permits or suffers to be done, or not done, by any other person;
- (q) a reference to anything done or not done by a trust includes a reference to things done or not done by the trustee of the trust in the trustee's capacity as trustee of the trust; and
- (r) no provision of this deed will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this deed or that provision.

Use of 'include' and 'in particular'

Use of the expressions 'include' and 'in particular' does not limit the generality of the preceding words, or exclude anything not expressly included or particularised, unless this deed expressly provides otherwise.

ANNEXURE 2 – LEND LEASE DEED POLL

Date: 15 October 2004

By: **Lend Lease Corporation Limited**
ABN 32 000 226 228
of Level 4, 30 The Bond, 30 Hickson Road, Millers Point,
NSW 2000 Australia
(LLC)

in favour of Each Unitholder from time to time

Recitals

- A. On 1 October 2004, LLC and GPTML entered into the Implementation Deed.
- B. In the Implementation Deed, LLC agreed to execute a deed poll covenanting in favour of Unitholders to perform its obligations under the Implementation Deed.

This deed poll provides

1 INTERPRETATION

This deed poll will be interpreted in accordance with schedule 1. Capitalised expressions used in this deed poll have the meanings set out in schedule 1.

2 CONDITIONS PRECEDENT AND TERMINATION

2.1 CONDITIONS PRECEDENT

LLC's obligations under clause 3 are subject to the conditions precedent in clause 3.1 of the Implementation Deed being satisfied or waived in accordance with clause 3 of the Implementation Deed.

2.2 TERMINATION

Unless otherwise agreed between GPTML and LLC, LLC's obligations under this deed poll terminate automatically on the termination of the Implementation Deed.

2.3 CONSEQUENCES OF TERMINATION

If this deed poll terminates under clause 2.2, LLC is discharged from further performance of its obligations under this deed poll. This discharge does not apply to:

- (a) any obligations which this deed poll provides expressly survive termination; and
- (b) any liability for a breach of this deed poll occurring before termination.

3 PAYMENT BY LLC

3.1 PAYMENT

By the third Business Day following the day on which the proceeds of sale of all GPT Units previously held by GPTML and sold under the LLC/GPT Merger Sale Facility are received by GPTML, and in consideration of, the transfers referred to in clause 4.1 of the Implementation Deed, LLC shall pay to each Scheme Participant the following amounts in the manner prescribed by clause 3.3:

- (a) for each Growth Unit transferred from the Scheme Participant to LLC as contemplated by clause 4.1 of the Implementation Deed, an amount equal to the sum of:
 - (1) \$1.638; and
 - (2) 75% of the amount (if any) by which the GPT Sale Facility Price exceeds \$3.684; and
- (b) for each Income Unit transferred from the Scheme Participant to LLC as contemplated by clause 4.1 of the Implementation Deed, an amount equal to the sum of:
 - (1) \$2.338; and
 - (2) 25% of the amount (if any) by which the GPT Sale Facility Price exceeds \$3.684.

3.2 GPT SALE FACILITY PRICE

The GPT Sale Facility Price is the amount equal to the sum of:

- (a) the amount paid to GPTML under the LLC/GPT Merger Sale Facility as the proceeds of sale of all GPT Units sold by GPTML into that facility divided by that number of GPT Units; and
- (b) the total amount of the Merger Distributions paid in relation to a GPT Unit as part of the GPT/LLC Merger.

3.3 SATISFYING THE PAYMENT OBLIGATION

LLC may satisfy its obligation to pay the amounts referred to in and at the times specified in clause 3.1 by paying those amounts in Australian currency either by electronic funds transfer to an account nominated by the Scheme Participant, or by cheque sent by pre-paid post:

- (a) in the case of Scheme Participants who are registered as holding the relevant Growth Units or Income Units jointly – to the address recorded in the Register at the Record Time of the person whose name appears first in the Register in respect of the joint Unitholder; or
- (b) otherwise – to the Scheme Participant's address recorded in the Register at the Record Time.

4 OTHER TRANSACTION STEPS

Subject to any applicable laws and the Listing Rules, LLC must execute all documents and take all necessary action within its power to implement the other Transaction Steps for which it is responsible as soon as reasonably practicable.

5 WARRANTIES

LLC makes each of the Warranties to each Unitholder (by reference to the then current circumstances) on the date of this deed poll, the Record Time and the Implementation Date. Each of the Warranties is severable and separately enforceable.

6 STAMP DUTY

LLC must pay all stamp duty (if any) imposed on this deed poll and on any instrument or other document executed to give effect to this deed poll.

7 NOTICES

7.1 SENDING NOTICES

Any notice or other communication including any request, demand, consent or approval, to LLC:

- (a) must be in legible writing and in English addressed as shown below:

Address: Level 4, 30 The Bond, 30 Hickson Road, Millers Point, NSW 2000 Australia

Attention: Company Secretary

Facsimile: +612 9252 2192

or as specified to the sender by LLC by notice;

- (b) where the sender is a company, must be signed by a director or officer or under the common seal of the sender;

- (c) is regarded as being given by the sender and received by LLC:

- (1) if by delivery in person, when delivered to LLC;
- (2) if by post, 3 Business Days from and including the date of postage; or
- (3) if by facsimile transmission, when legibly received (subject to clause 7.2) by LLC;

but if the delivery or receipt is on a day which is not a Business Day or is after 4.00 pm (LLC's time), it is regarded as received at 9.00 am on the following Business Day; and

- (d) can be relied upon by LLC, and LLC is not liable to any other person for any consequences of that reliance, if LLC believes it to be genuine, correct and authorised by the sender.

7.2 FACSIMILE TRANSMISSIONS

A facsimile transmission is regarded as legible unless LLC telephones the sender within 2 hours after transmission is received or regarded as received under clause 7.1(c) and informs the sender that it is not legible.

7.3 ADDRESSEES

In this clause 7, a reference to LLC includes a reference to LLC's directors, officers, employees or agents.

8 GENERAL

8.1 NATURE OF DEED POLL

- (a) LLC acknowledges that any Unitholder from time to time may rely on and enforce this deed poll in accordance with its terms even though the Unitholders are not party to it.

- (b) This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (1) LLC has fully performed all its obligations under this deed poll; or
- (2) the earlier termination of this deed poll under clause 2.

8.2 BUSINESS DAY

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the following Business Day.

8.3 GOVERNING LAW AND JURISDICTION

- (a) This deed poll is governed by the laws of New South Wales.
- (b) LLC irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and irrevocably waives any objection to the venue of any legal process being New South Wales on the basis that the process has been brought in an inconvenient forum.

8.4 PROHIBITION AND ENFORCEABILITY

- (a) Any provision of, or the application of any provision of, this deed poll or any right, power, authority, discretion or remedy which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of, this deed poll which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.

8.5 WAIVERS

- (a) Waiver of any right arising from a breach of this deed poll or of any right, power, authority, discretion or remedy arising upon breach of this deed poll or upon the occurrence of a default must be in writing and signed by the person or persons granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
 - (1) a right arising from a breach of this deed poll or the occurrence of a default; or
 - (2) a right, power, authority, discretion or remedy created or arising upon default under this deed poll or upon the occurrence of a default,does not result in a waiver of that right, power, authority, discretion or remedy.
- (c) A person is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this deed poll, or on the occurrence of a default, as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A person may not rely on any conduct of another person as a defence to exercise of a right, power, authority, discretion or remedy by that other person.
- (e) This clause may not itself be waived except by writing.

8.6 VARIATION

This deed poll may not be varied unless the variation is agreed to by GPTML in writing. LLC will then execute a further deed poll in favour of the Unitholders giving effect to such amendment.

8.7 CUMULATIVE RIGHTS

Rights, powers, authorities, discretions and remedies under this deed poll are cumulative and do not exclude any other right, power, authority, discretion or remedy of the party or those for whose benefit this deed poll is made.

8.8 ASSIGNMENT

LLC and each Unitholder may not:

- (a) transfer the benefit of or any interest in, or create a Security Interest in or against, its rights, powers, authorities, discretions and remedies under this deed poll; or
- (b) transfer its obligations under this deed poll.

EXECUTED AS A DEED POLL IN SYDNEY

{Execution clause}

SCHEDULE 1 – GLOSSARY

Implementation Deed means the Implementation Deed between LLC and GPTML dated 1 October 2004.

Warranty means each of the following representations and warranties:

- (a) body corporate: LLC is duly incorporated and validly existing under the Corporations Act.
- (b) power and authority: LLC has full power and authority to enter into, perform its obligations and exercise its rights under this deed poll and to carry out the transactions this deed poll contemplates.
- (c) authorisations: LLC has taken all necessary action to authorise it to enter into and perform its obligations under this deed poll and to carry out the transactions this deed poll contemplates.
- (d) valid obligations: Subject to laws generally affecting creditors' rights and the principles of equity, each of LLC's obligations under this deed poll is valid and binding and is enforceable against LLC in accordance with the terms of this deed poll.

DEFINITIONS IN IMPLEMENTATION DEED

Unless expressly defined in this deed poll, expressions defined in the Implementation Deed have the same meaning in this deed poll.

INTERPRETATION

In this deed poll, headings and boldings are for convenience only and do not affect the interpretation of this deed poll and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this deed poll have a corresponding meaning;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency;

(e) a reference to any thing (including any right) includes a part of that thing, but nothing in this paragraph implies that performance of part of an obligation constitutes performance of the obligation;

(f) a reference to a clause, party or schedule is a reference to a clause of, and a party and schedule to, this deed poll and a reference to this deed poll includes any schedule;

(g) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;

(h) a reference to an agreement includes an undertaking, deed, agreement or legally enforceable arrangement or understanding whether or not in writing;

(i) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;

(j) a reference to a document includes any agreement in writing, or any certificate, notice, instrument or other document of any kind;

(k) a reference to a party to a document includes that party's successors and permitted assigns;

(l) a reference to an asset includes all property of any nature, including a business, and all rights, revenues and benefits;

(m) a reference to dollars and \$ is a reference to the lawful currency of the Commonwealth of Australia;

(n) a reference to any time is a reference to that time in Sydney;

(o) a reference to a body (including an institute, association or authority), other than the party, whether statutory or not:

(1) that ceases to exist; or

(2) whose powers or functions are transferred to another body,

is a reference to the body that replaces it or substantially succeeds to those of its powers or functions that relate to the subject matter of this deed poll;

(p) a reference to anything that the party must do, or not do, includes:

(1) its acts, defaults and omissions, whether direct or indirect, and whether on its own account, or for or through any other person; and

(2) acts, defaults and omissions that it permits or suffers to be done, or not done, by any other person; and

(q) a reference to anything done or not done by a trust includes a reference to things done or not done by the trustee of the trust in the trustee's capacity as trustee of the trust.

USE OF 'INCLUDE' AND 'IN PARTICULAR'

Use of the expressions 'include' and 'in particular' does not limit the generality of the preceding words, or exclude anything not expressly included or particularised, unless this deed poll expressly provides otherwise.

ANNEXURE 3 – NOTICE OF MEETING

Notice (**Notice of Meeting**) is hereby given that a meeting of unitholders of the GPT Split Trust (ARSN 090 110 213) will be held at:

Time: 2.00 pm

Date: 15 November 2004

Place: All Seasons Premier Menzies Hotel, 14 Carrington Street, Sydney, New South Wales

This notice is issued by GPT Management Limited as responsible entity of the GPT Split Trust.

BUSINESS OF THE MEETING

It is intended to consider and, if thought fit, to pass the following resolutions:

RESOLUTION 1 – 611 ITEM 7 APPROVAL

Unitholders will consider the following as an ordinary resolution:

That, subject to the approval of the Lend Lease/GPT Merger and the satisfaction or waiver of the conditions set out in clause 3.1 of the Implementation Deed, the acquisition by Lend Lease of all of the GPT Split Trust Units in the manner described in the Explanatory Memorandum be approved for the purposes of section 611 item 7 of the Corporations Act.

RESOLUTION 2 – APPROVE THE PROPOSAL

Unitholders will consider the following as a special resolution (as defined under 'Required Majorities' below):

That, subject to the passing of Resolution 1:

(a) the Lend Lease proposal to acquire all of the Units in the GPT Split Trust for cash, described in the Explanatory Memorandum as the "Proposal" be approved for all purposes and, in particular but without limitation, that the Constitution of the GPT Split Trust be amended as set out in section 6.1 of the Explanatory Memorandum;

(b) GPT Management Limited as responsible entity of the GPT Split Trust be directed to vote its GPT Units in favour of the proposed Lend Lease/GPT Merger at the GPT Meeting; and

(c) GPT Management Limited as responsible entity of the GPT Split Trust be directed to make an election to sell its GPT Units into the Cash Sale Facility under the proposed Lend Lease/GPT Merger.

RESOLUTION 3 – APPROVE THE WINDING UP OF THE GPT SPLIT TRUST IF RESOLUTION 1 IS NOT PASSED

If Resolutions 1 and 2 are not approved by the requisite majorities of Unitholders, GPTML will put the following extraordinary resolution to Unitholders at the GPT Split Trust Meeting:

That, subject to the proposed Lend Lease/GPT Merger being approved, the GPT Split Trust be wound up as soon as practicable, and that for this purpose GPT Management Limited as responsible entity of the GPT Split Trust be directed to make an election to sell its GPT Units into the Cash Sale Facility under the proposed Lend Lease/GPT Merger.

NOTES

EXPLANATORY MEMORANDUM

This Notice of Meeting should be read in conjunction with the Explanatory Memorandum. The Explanatory Memorandum contains an explanation of the resolutions and further information about the Proposal including the anticipated key benefits and possible disadvantages of the Proposal as they relate to Unitholders to enable you to make an informed decision as to how to vote on the resolutions.

Unless otherwise defined in this Notice of Meeting, terms used in the Notice of Meeting have the same meaning as set out in section 7 of the Explanatory Memorandum.

REQUIRED MAJORITIES

Resolution 1 is an ordinary resolution and will be passed if at least 50% of the votes cast by Unitholders entitled to vote on the resolution are cast in favour of the resolution.

Resolution 2 is a special resolution. It will be implemented if at least 75% of the votes cast by Unitholders entitled to vote on the resolution are cast in favour of the resolution and:

- at least 75% of votes cast by Income Unitholders entitled to vote on the Resolution are cast in favour of the Resolution; and
- at least 75% of votes cast by Growth Unitholders entitled to vote on the Resolution are cast in favour of the Resolution.

Resolution 3 will only be put to the Meeting if Resolutions 1 and 2 are not passed. Resolution 3 is an extraordinary resolution and to be passed, requires that at least 50% of total votes by value that may be cast by Unitholders entitled to vote on the Resolution (including members who are not present in person or by proxy) are cast in favour of the Resolution.

VOTING ENTITLEMENT

All holders of Split Trust Units appearing in the Register at 2.00 pm on 13 November 2004 (other than Lend Lease and its associates) are entitled to attend and vote at the meeting.

If you have any questions or would like a copy of the existing GPT Split Trust Constitution, please contact the GPT Split Trust information line on 1800 025 095.

HOW DO YOU EXERCISE YOUR RIGHT TO VOTE?

The vote on each resolution will be decided on a poll. Each GPT Split Trust Unitholder present in person or by proxy has one vote for every dollar of the total interest they have in the GPT Split Trust. The value of a GPT Split Trust Unitholder's total interest in the GPT Split Trust will be calculated by reference to the last sale price of GPT Split Trust Units on the ASX on the last trading day prior to the Meeting.

JOINTLY HELD GPT SPLIT TRUST UNITS

If your GPT Split Trust Units are jointly held, only one of the joint holders is entitled to vote. If more than one GPT Split Trust Unitholder votes in respect of jointly held units, only the vote of the GPT Split Trust Unitholder whose name appears first in the register will be counted. You need not exercise all of your votes in the same way, nor need you cast all of your votes.

INDIVIDUALS

If you plan to attend the meeting, we ask that you arrive 30 minutes prior to the time designated for the meeting so that we may check the number and value of your GPT Split Trust Units against the register of Unitholders and note your attendance.

CORPORATIONS

In order to vote at the meeting (other than by proxy), a corporation that is a GPT Split Trust Unitholder must appoint a person to act as its representative. The appointment must comply with the Corporations Act. The representative must bring to the meeting evidence of his or her appointment, including any authority under which it was signed.

VOTING BY PROXY

If you cannot or do not wish to attend the meeting, you may appoint not more than two proxies to attend and vote for you. The proxy does not need to be a GPT Split Trust Unitholder. If you appoint two proxies, you may specify the proportion or number of votes that each proxy is entitled to exercise.

Proxies must be received not later than 2.00 pm on 13 November 2004.

To ensure that all Unitholders can exercise their right to vote on the resolutions, a Proxy Form is enclosed together with a reply paid envelope. The Proxy Form tells you what you need to do.

Any undirected proxies in favour of the Chairman will be voted "FOR" on each resolution.

VOTING EXCLUSION

GPTML and its associates will disregard:

- on each resolution, any votes cast by GPTML and its associates (including Lend Lease) where they are voting their interests on the resolution other than as a GPT Split Trust Unitholder (unless voting as proxies in the way specified in their appointments); and
- on each resolution, any votes cast by any person excluded from voting by any provision of the Corporations Act.

GPTML will not vote the 1,000 Income Units and the 1,000 Growth Units held by it.



James Coyne

Company Secretary
GPT Management Limited
(ABN 94 000 335 473)

15 October 2004

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GPT

SPLIT TRUST
ARSN 090 110 213

Responsible Entity: GPT Management Limited ABN 94 000 335 473

All Registry communications to:
C/- ASX Perpetual Registrars Limited
Level 8, 580 George Street, Sydney, NSW, 2000
Locked Bag A14, Sydney South, NSW, 1235
Telephone: 1800 025 095
Facsimile: (02) 9287 0309
ASX Code: GPT
Email: registrars@asxperpetual.com.au
Website: www.asxperpetual.com.au

APPOINTMENT OF PROXY

If you propose to attend and vote at the Meeting of Unitholders, please bring this form with you. This will assist in registering your attendance.

We being a member(s) of GPT Split Trust (the Trust) and entitled to attend and vote hereby appoint

A the Chairman of the Meeting (mark box) ☐ **OR** if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered unitholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the Meeting of Unitholders of the Trust to be held at 2.00pm on Monday, 15 November 2004 and at any adjournment of that meeting. If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote, the Chairman will vote in favour of all resolutions on your behalf. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Trust if they are signed and received in the Registrar's office no later than 48 hours before the meeting.

Should you desire to direct your proxy how to vote on any resolution please insert ☒ in the appropriate box below.

	For	Against	Abstain*
Resolution 1 Section 611 item 7 approval	☐	☐	☐

Resolution 2 Approve the Proposal	☐	☐	☐
---	--------------------------	--------------------------	--------------------------

Resolution 3 Approve the winding up of the GPT Split Trust if Resolution 1 or 2 is not passed	☐	☐	☐
---	--------------------------	--------------------------	--------------------------

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

B SIGNATURE OF UNITHOLDERS - THIS MUST BE COMPLETED

Unitholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Unitholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Unitholder 3 (Individual)

Director

This form should be signed by the unitholder. If a joint holding, either unitholder may sign. If signed by the unitholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the unitholder's constitution and the Corporations Act 2001 (Cwth).

ASX Perpetual Registrars Limited advises that Chapter 2C of the Corporations Act 2001 requires information about you as a unitholder (including your name, address and details of the units you hold) to be included in the public register of the entity in which you hold units. Information is collected to administer your unit holding and if some or all of the information is not collected then it might not be possible to administer your unit holding. Your personal information may be disclosed to the entity in which you hold units. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.asxperpetual.com.au).

GPT PRX141

HOW TO COMPLETE THIS PROXY FORM

1. Appointing a Proxy

To appoint the Chairman of the Meeting as your proxy you should mark the "Chairman of the Meeting" box next to Section "A". To appoint another person or body corporate as your proxy you must write that person's or body corporate's name in the box next to Section "A". Your proxy does not need to be a unitholder in the Trust. If you leave this section blank the Chairman of the Meeting will be your proxy. If you appoint a body corporate as your proxy, that body corporate will need to ensure that it appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the Corporations Act 2001 (Cth), and provide satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

2. Directions to your Proxy

You may direct your proxy how to vote by marking one of the boxes next to the relevant resolutions. You may also indicate that only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of units you wish to vote in the appropriate box or boxes next to the resolutions.

If you hold both Growth Units and Income Units and you wish to vote only the Growth or Income Units in relation to a particular resolution you may write "Growth" or "Income" in the appropriate box or boxes next to the resolutions. If you wish to vote your Growth Units differently to your Income Units you should request an additional proxy form from the registry and fill in one proxy form for Growth Units and another for Income Units. In that case, you should clearly indicate on each form to which Units the form relates.

If you do not mark any of the boxes on a given resolution, your proxy may vote as the proxy chooses. If you mark more than one box on a resolution your vote on that resolution will be invalid.

3. Lodgement of this Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the Meeting at 2.00pm (Sydney time) on Monday, 15 November 2004 (that is, proxies must be received no later than 2.00pm (Sydney time) on Saturday, 13 November). Any proxy form received after that time will not be valid.

Documents may be lodged by using the reply paid envelope or:

- by posting, delivering or faxing the documents to the registry at:
ASX Perpetual Registries Limited

Level 8
580 George Street
Sydney NSW 2000

Locked Bag A14
Sydney South NSW 1235

Facsimile: (02) 9287 0309; or

- by posting, delivering or faxing to the registered office of the Responsible Entity.