



Lend Lease Corporation
Limited

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The Manager
Companies Section
Australian Stock Exchange Limited

The Manager
Companies Section
New Zealand Stock Exchange Limited

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Dear Sir

STOCK EXCHANGE ANNOUNCEMENT

NO POISON PILL IN LEND LEASE – GPT MERGER PROPOSAL

Two recent media reports have incorrectly referred to a so called “poison pill” in the intended Lend Lease Corporation Limited (“Lend Lease”) holding of Unstapled Units in General Property Trust (“GPT”) as part of the proposed merger of the two organisations.

As part of the merger, GPT unitholders will receive \$1,311 million in cash through the combination of a “cash-out facility” and a special distribution. This will be funded through Lend Lease subscribing for new units in GPT, which will differ from all other GPT units as they will not be stapled to Lend Lease shares. The holding by Lend Lease of these Unstapled Units represents an internal funding arrangement within the merged group rather than an external ownership interest across the merged group. The Unstapled Units are not separately tradeable without new regulatory approvals. The only tradeable economic interests in the merged group are the Stapled Securities that are listed on the Australian Stock Exchange (“ASX”).

Neither the Unstapled Units, nor any other aspect of the proposed merger, give rise to a “poison pill” of any variety in the proposed merger structure.

The Unstapled Units form a different class of securities to the proposed Stapled Securities and, as a result, could not form a blocking stake against a takeover offer for the merged group. A bidder could achieve a 50.1% controlling holding or a 90% compulsory acquisition stake in the Stapled Securities without making an offer for the Unstapled Units, whether they are held by Lend Lease or any other party.

As disclosed in Lend Lease's Explanatory Memorandum, in order to hold the Unstapled Units, Lend Lease obtained a waiver from the ASX to Listing Rule 2.4. This waiver was granted by the ASX on the condition that Lend Lease neither sells nor transfers the Unstapled Units to any third party outside the merged group. This condition would prevent Lend Lease from selling or transferring the Unstapled Units to any other party without gaining ASX permission.

Moreover, the directors of the merged group would be in breach of their fiduciary responsibilities to Stapled Security holders if they sought to deal with the Unstapled Units in a way which was detrimental to the interests of the Stapled Security holders.

It was suggested in one of the media articles that a Deed Poll confirming such undertakings not to vote or deal in the Unstapled Units to the holders of Stapled Securities would provide further certainty as to the inability of the Unstapled Units to be used as a "poison pill". Lend Lease considered such a Deed, but determined that such an instrument could have the unintended opposite effect and could have created a "poison pill" by giving all Stapled Security holders a relevant interest in the Unstapled Units. This would have meant that a potential bidder, or any other party, would breach the 19.9% maximum shareholding limit with an acquisition of as little as 1.3% of the Stapled Securities, making the on-going trading of Stapled Securities by institutional investors and the acquisition of a meaningful pre-bid stake by a potential bidder virtually impossible.

The Lend Lease Board is fundamentally committed to the maximisation of value for Stapled Security holders post merger and sees a "poison pill" of any variety as inconsistent with this objective.

Yours faithfully

LEND LEASE CORPORATION LIMITED

S J SHARPE

Company Secretary