



Lend Lease Corporation
Limited

ABN 32 000 226 228

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

Telephone
(612) 9236 6111

Facsimile
(612) 9252 2192

www.lendlease.com

11 May 2005

The Manager
Companies Section
Australian Stock Exchange Limited

The Manager
Companies Section
New Zealand Stock Exchange Limited

Pages: Fifty One (51) pages

Dear Sir

STOCK EXCHANGE ANNOUNCEMENT

LEND LEASE CORPORATION LIMITED MARKET BRIEFING

With reference to the market briefing to be held by Lend Lease Corporation Limited today, attached are the presentation materials.

Yours faithfully
LEND LEASE CORPORATION LIMITED

S J SHARPE
Company Secretary



Internalisation of GPT Investor Presentation

11 May 2005

- **Vote NO to GPT's compromise proposal on 2 June**
- **Preserve GPT's strength, portfolio and independence**
- **Secure a pure, internalised GPT for the LPT sector**

- The “alternative internalisation” opportunity
- Why VOTE NO to GPT’s package
- Update on Lend Lease business and growth strategy

■ If unitholders reject the GPT internalisation proposal, Lend Lease will

- Stop the sale to Westfield
- Stop the Babcock & Brown JV
- Not exercise pre-emptive rights on Rouse Hill and Twin Waters
- Manage GPT at cost from 1 July 2005
- Forego performance fees
- Consult major unitholders on the alternative internalisation
- Implement unencumbered alternative internalisation by 31 December 2005

Lend Lease has provided a clear choice



- GPT's future is now the subject of a real choice
- Unitholders can choose between short term growth driven by financial engineering or a pure, internalised GPT with its high-quality diversified portfolio
- Unitholders should VOTE NO on 2 June to preserve GPT's strength, quality and independence

Vote NO to GPT's package



**GPT Management's Proposal Is Not in the
Unitholders' Interests**

The different aspects of the “package” have different levels of appeal



Extracts of Grant Samuel's Expert's Report

Internalisation of GPT's Management

“Unambiguously positive...should add approximately 12-14 cents to the value of GPT units relative to the status quo”

Babcock & Brown Joint Venture

“The merits of the joint venture involve more complex issues and turn essentially on judgements about Babcock & Brown's ability to deliver value adding properties over the next few years”

“There are some aspects of the joint venture which are less than ideal”

Asset Sales to Westfield

“The benefits of the Westfield sale are less clear”

“... it is not necessarily attractive to sell (even if only partly) such prime assets with proven long term performance that would be difficult to replace”

Lend Lease proposes that GPT unitholders should be able to choose the only “unambiguously positive” component of the package – internalisation – without the need for Asset Sales or the B&B JV

Westfield is receiving a benefit not available to any other unitholder



"Lyons says that under different circumstances, GPT "would prefer not to have sold" the half interests in the Penrith, Woden and Sunshine Plazas"

Australian Financial Review, 17 March 2005

"Agreeing the Asset Sales with Westfield...had the benefit of clarifying Westfield's willingness to support an internalisation proposal and the Babcock & Brown Joint Venture"

GPT Chairman's Letter, 2 May 2005

"An arguably preferable transaction structure might have been to raise the necessary capital to invest in the joint venture by either borrowing or by selling less prime assets from GPT's portfolio (or a mixture of both)..."

Grant Samuel Report, p. 54

If Westfield required an inducement to support the Babcock & Brown JV, why should other unitholders accept it?



“As the Joint Venture concept was being developed with Babcock & Brown, it became clear to the GPT Independent Directors that it would be necessary to clarify the position of Westfield if GPT was to be in a position to put a recommendable proposal to GPT unitholders...”

GPT Explanatory Memorandum, page ix

- If the only basis on which Westfield would support the Babcock & Brown JV was if it had the exclusive ability to acquire GPT's best shopping centres on favourable terms, why should other unitholders who won't receive any special benefits support it?

GPT's package is NOT in GPT unitholders' interests



Asset Sales

- Sale price at discount to market
- No competitive sale process
- Further value transfer through management/development agreements and pre-emptives
- Sale of key assets to largest competitor
- Benefit provided to Westfield in return for its support of GPT's internalisation
- No financial benefit to GPT

Joint Venture

- Fees payable to B&B are excessive
- Relative returns on investment heavily favour Babcock & Brown
- Returns generated from 100% leverage of assets rather than quality property investment
- Potential for excess total returns (including capital growth) is questionable

GPT's package is NOT in GPT unitholders' interests

(cont)



- The forecast increased DPU arises from short-term underwriting/branding fees and does not reflect returns from long-term property investment
- The proposal does not enhance long-term DPU growth as the JV investment is capped at 15% of GPT's Total Assets
- Acquiring up to \$5.6b in overseas property assets within 18 months does not represent "controlled expansion" into offshore markets
- There is a substantial increase in gearing – up to 45% on "see through" basis and S&P has indicated a downgrade from A+ to BBB+ or A-
- The proposal will dilute any premium for control
 - The B&B poison pill could reduce the price a party is willing to pay for control of GPT by approximately 30 cents per unit
 - GPT will be less attractive with its diluted Australian retail presence

Why GPT Management's Internalisation Proposal Is Not In The Best Interests Of GPT Unitholders

GPT's proposal is a “package” of 3 related transactions



“The Proposal should be considered a “package” of three key initiatives that will flow from any vote to internalise management”,

GPT Chairman's Letter, 2 May 2005

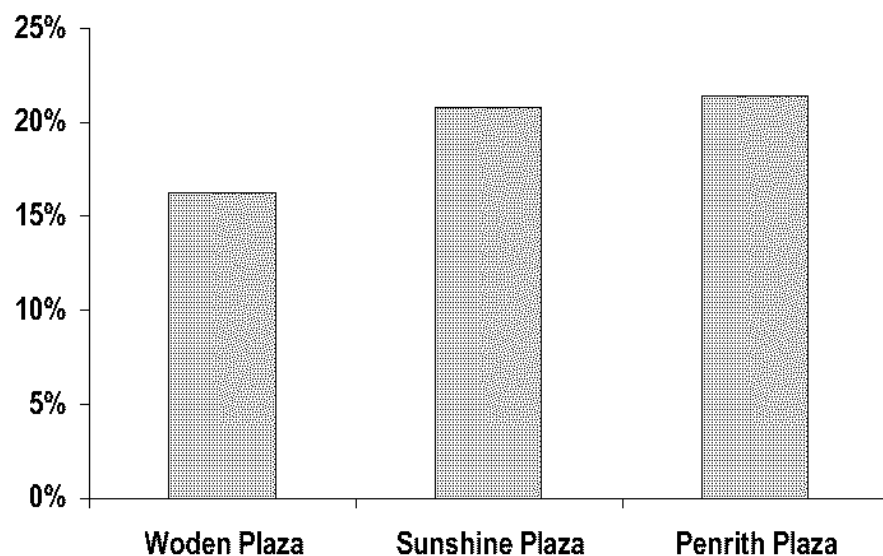
1. Internalising management of GPT
 - The Board and management team that proposed this “package” will resign from GPT Management and become an internal team employed by GPT
2. Asset sales to Westfield
 - Sale of half of GPT's ownership interests in, and management and development control of, three of GPT's best shopping centres to Westfield ⁽¹⁾
3. Babcock & Brown Joint Venture
 - Investment by GPT of at least \$1.26b in a highly leveraged global real estate investment business
 - Investment by Babcock & Brown of \$140m for 50% equity interest in the Joint Venture

⁽¹⁾ Subject to APPF pre-emptive rights/consent in the case of Sunshine Plaza

GPT unitholders will swap high returning shopping centres for relatively low returning JV assets

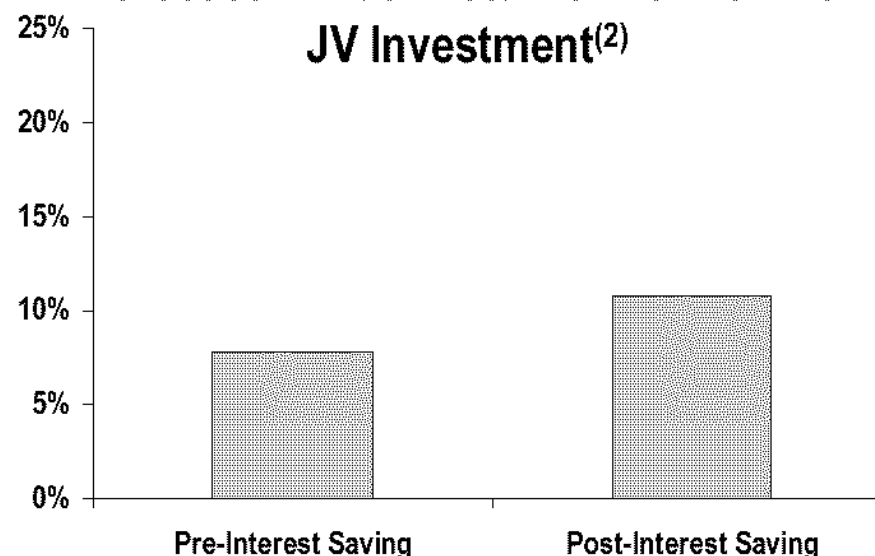


Average Annual Total Returns⁽¹⁾ from GPT's shopping centres to be sold to Westfield



(1) Comprises rent and capital growth for 5 years to 31 December 2004

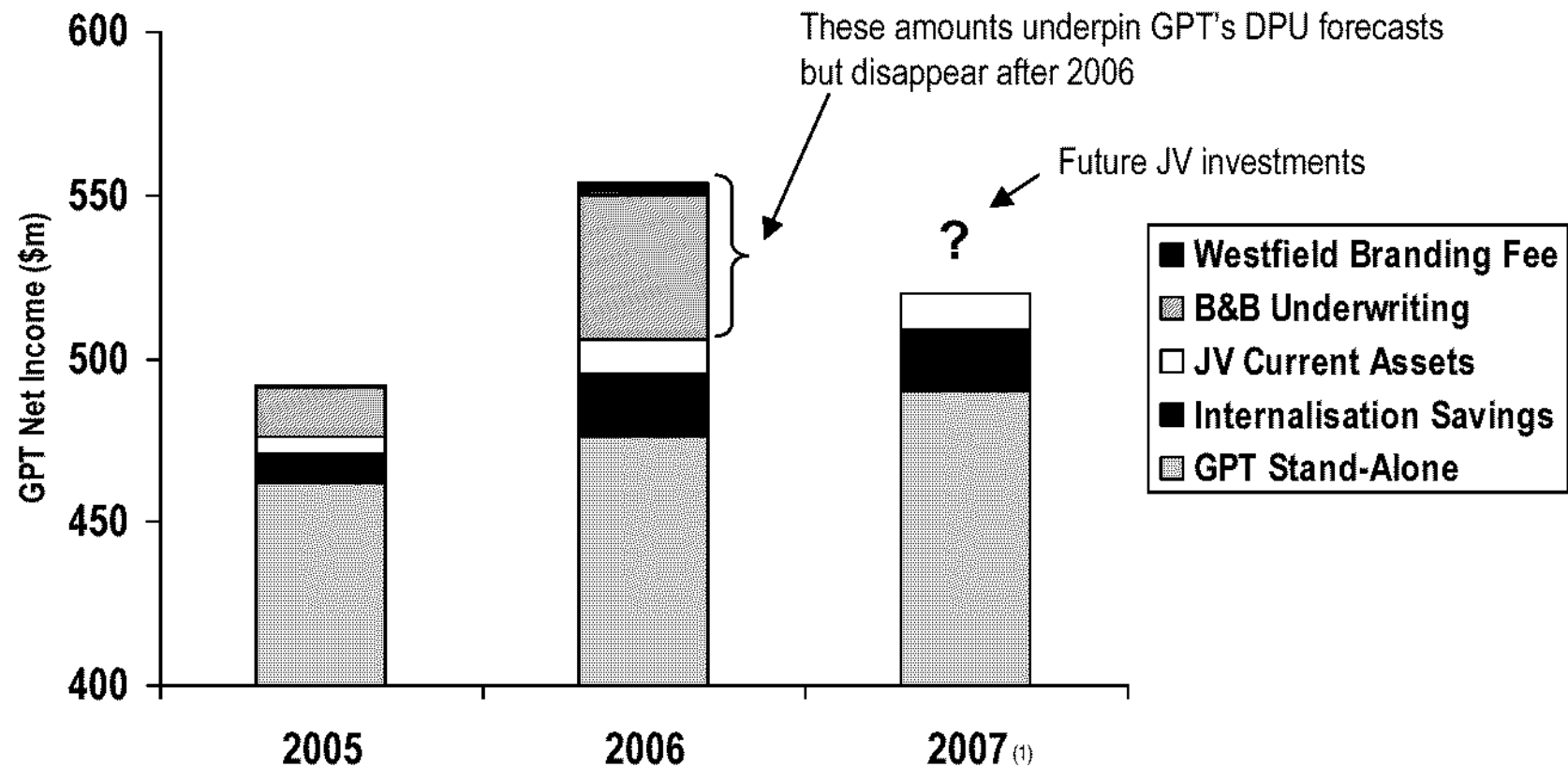
Forecast Annual Returns From GPT's JV Investment⁽²⁾



(2) Based on \$1 billion invested by the JV (\$900m by GPT). From Grant Samuel analysis

Will the Joint Venture assets be able to produce high enough capital returns to match the total returns from the shopping centres GPT proposes to sell?

GPT's 2006 forecast earnings raise questions about sustainable, long term earnings



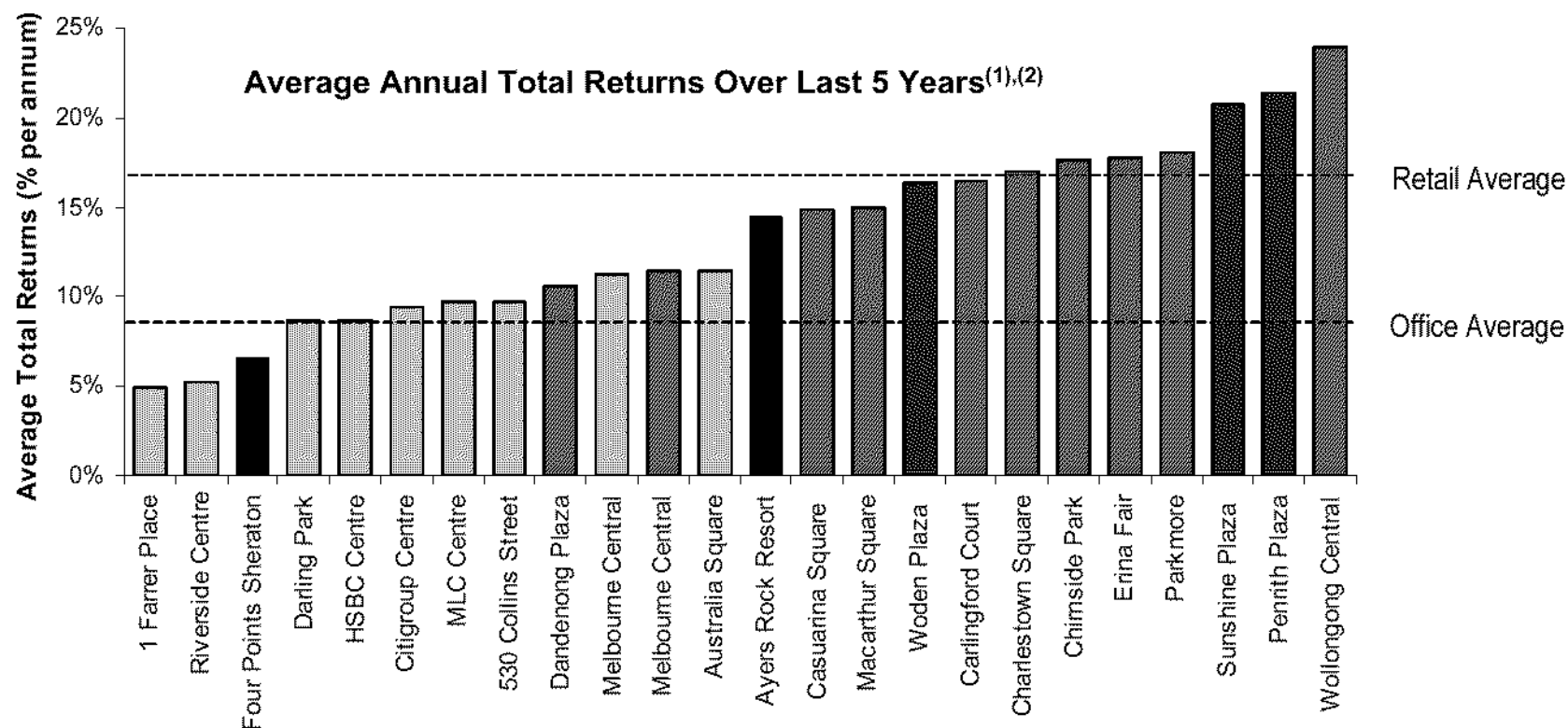
Almost 10% of GPT's forecast 2006 earnings are based on a short-term underwriting from B&B and branding fee from Westfield

(1) Assumes 3% stand-alone growth, internalisation savings of \$19m and current JV portfolio only with no net income growth on these assets

The Sale of Shopping Centre Interests To Westfield Is Not In The Best Interests Of GPT Unitholders

Shopping centres are GPT's best performing asset class

- Shopping centres have delivered superior returns (net rent and capital appreciation) for GPT Unitholders over the last 5 years



The proposed sale of half of GPT's interests in Penrith Plaza, Woden Plaza and Sunshine Plaza would reduce GPT's best performing asset class from 54% to 44% of its investment portfolio

(1) GPT properties over \$100 million owned for at least 12 months

(2) Based on internal rate of return taking into account capital growth (based on book values at 31 December 1999 or later if acquired subsequently), net rent and capital expenditure

The shopping centre interests that GPT proposes to sell are amongst the best in Australia



- Penrith Plaza, Woden Plaza and Sunshine Plaza are amongst the best regional shopping centres in Australia

Ranking	Centre	Manager	MAT/m ²	Change
1.	Chadstone	Gandel	7624	+3.9%
2.	Chatswood Chase	Gandel	7542	+0.4%
3.	Penrith Plaza	Lend Lease	7212	+6.4%
4.	Sunshine Plaza	Lend Lease	7206	+7.7%
5.	Castle Towers	QIC	7013	+2.8%
6.	Woden Plaza	Lend Lease	6960	+4.9%

Source: Shopping Centre News as reported in Australian Financial Review, 3 March 2005

- The strong sales productivity highlights the redevelopment and income growth potential of these centres
 - Penrith Plaza is currently undergoing a \$140m expansion which will increase its retail size from 69,500m² to 86,000m²

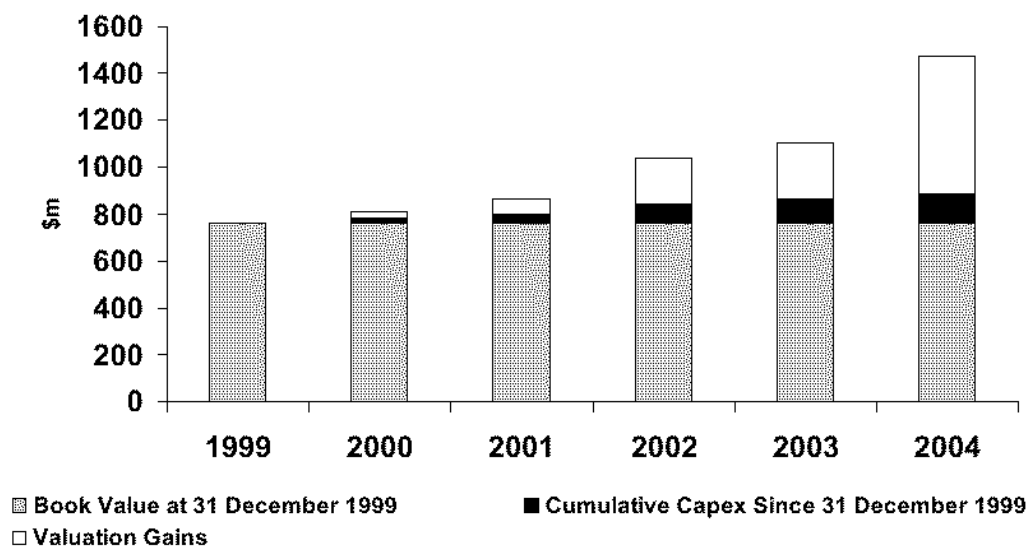
These assets are irreplaceable – their sale will weaken the strategic importance of GPT's retail portfolio

GPT will forego an impressive capital and rental growth record



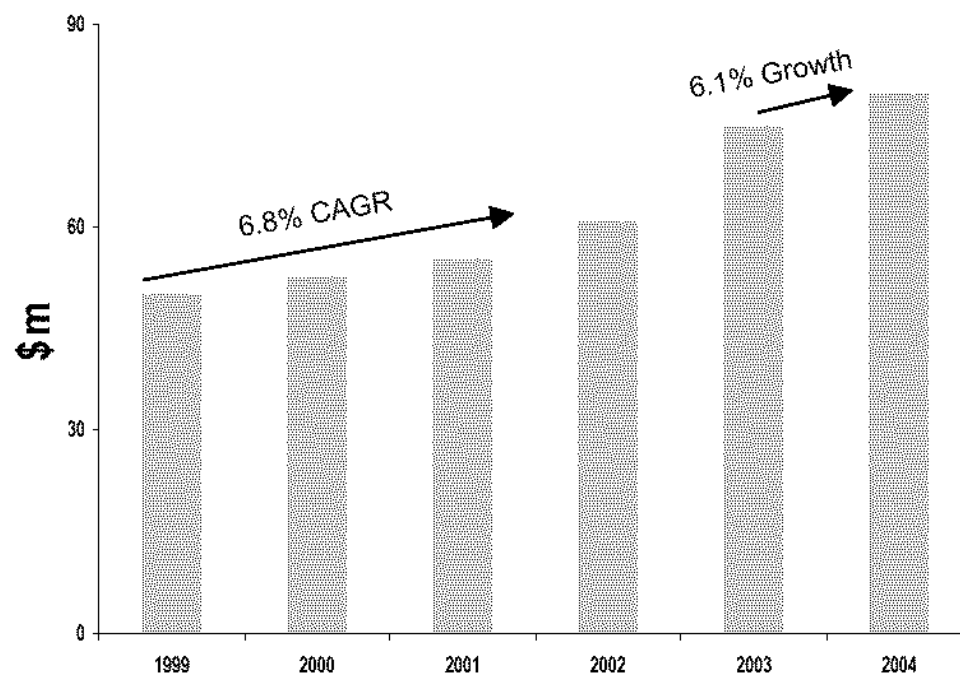
- Penrith Plaza, Woden Plaza and Sunshine Plaza have delivered consistent strong growth in rentals and capital value

Capital Growth ⁽¹⁾



⁽¹⁾ Based on book value for 100% of GPT's interests in Penrith Plaza, Woden Plaza and Sunshine Plaza

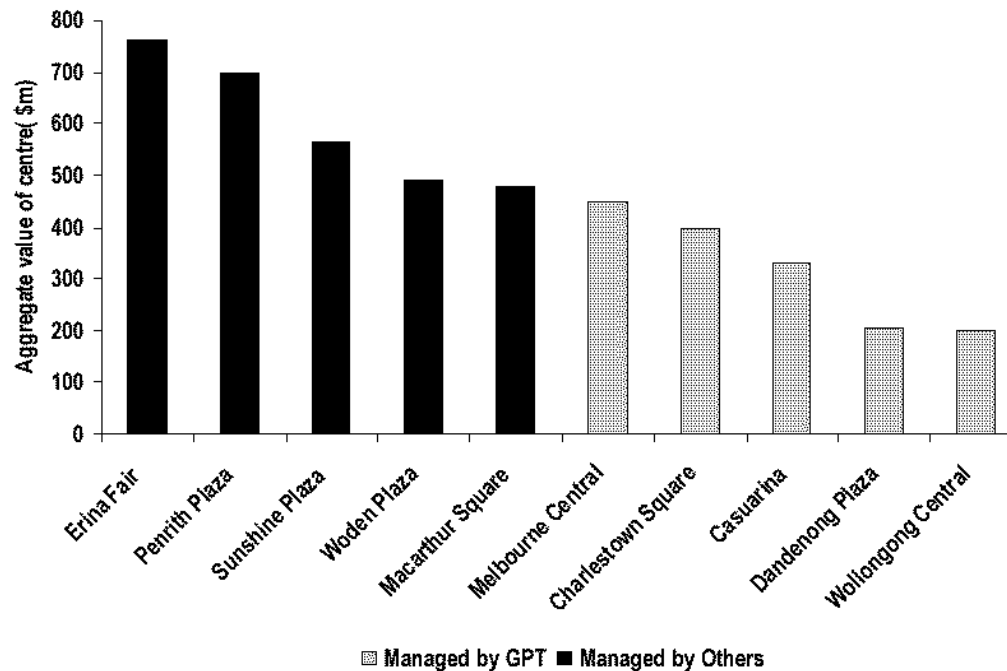
Rental Growth ⁽¹⁾



⁽¹⁾ Aggregate rentals on Penrith Plaza, Woden Plaza and Sunshine Plaza (50%)

⁽²⁾ Above average rental growth in 2003 due to Penrith Plaza JVIA unwind

GPT will not have a strategic regional shopping centre management platform



- The 5 largest regional shopping centres in which GPT has an investment will be managed by other parties
- GPT's shopping centre management and development skills will not be optimised

(1) Based on GPT's 31 December 2004 valuation

Why sell assets / management at a discount to true value to your largest competitor?

The assets are being sold below true value



Exclusive Dealings

- No other party was given the opportunity to submit an offer for these assets
- Lend Lease believes there would have been keen interest if these assets were offered for competitive sale
- It is inappropriate to sell prime assets representing 12% of Unitholders' Equity in an exclusive negotiation

Value Comparisons

- The sale of 3 of GPT's best assets is essentially at book while GPT units trade at a circa 20% premium to NTA

	Sale Yield
Chatswood Chase (2003)	5.3% ⁽¹⁾
Penrith Plaza, Woden Plaza, Sunshine Plaza (2005)	6.0% ⁽²⁾

(1) Based on broker research

(2) Based on current independent valuation cap rates

"In Australia today, you are fighting over [shopping centre] assets at 5.5 per cent..."

Quote from Nic Lyons in
Australian Financial Review
17 March 2005

Without a short term “branding fee” from Westfield there is no net income enhancement from the asset sales



- GPT's forecast financial benefit from the Asset Sales arises entirely from a “branding fee” paid by Westfield to GPT

(\$m)	Six Months to 31 December 2005	Year to 31 December 2006
Impact of Proposal – Asset Sales to Westfield ⁽¹⁾	1	4
Less Branding Fees Paid to GPT By Westfield	<u>(1.0)</u>	<u>(4.5)</u>
Underlying Earnings Impact	<u>-</u>	<u>(0.5)</u>

(1) Includes branding fees paid by Westfield to GPT

- No branding fee is payable after 31 December 2006
- Rent foregone will result in negative (and growing) on-going earnings impact
- With no real earnings benefit, GPT unitholders will also forego capital growth
 - Approx \$200m in capital growth recorded on GPT's current ownership interest in these assets in latest revaluations (covering a 15 – 21 month period)
 - Strong rental growth should underpin future capital growth

The sales will give rise to a large Capital Gains Tax liability



Estimated Capital Gain on Sale

Sale proceeds	\$744m
Less vendor stamp duty	<u>\$8m</u>
Net proceeds	\$736m
"Total cost including additions"	<u>\$478m⁽¹⁾</u>
Estimated capital gain	<u>\$258m</u>

⁽¹⁾ As disclosed in GPT's 2004 Annual Report

Impact on GPT unitholders

- Tax liability does not impact GPT's reported earnings
- Taxable capital gain will be distributed to GPT unitholders – estimated 12.8 cents per unit
- Will result in higher tax payable by unitholders in current year

The value of GPT's remaining ownership interests will be diluted



- Westfield will be appointed manager, developer and leasing agent for the shopping centres
- No fees are disclosed, but Grant Samuel states
 - “These rights will generate significant fees for Westfield Group and represents a potential lost opportunity for GPT”
- Westfield's implied development and construction margins in its own business are substantial

	Forecast 30 June 2005 ⁽¹⁾	Forecast 30 June 2006 ⁽¹⁾
Project profits eliminated	\$146.8m	\$227.7m
Construction and development expenditure	\$1,008.4m	\$986.0m
Implied development and construction margin ⁽²⁾	14.6%	23.1%

(1) Per Westfield's Explanatory Memorandum dated May 2004.

(2) Implied margins may differ from actual margins due to timing of cashflows

- Westfield will be granted a pre-emptive right over GPT's remaining ownership interests
 - Reduces GPT's ability to maximise price on any future sale of its remaining interest

There is only one way to prevent these asset sales

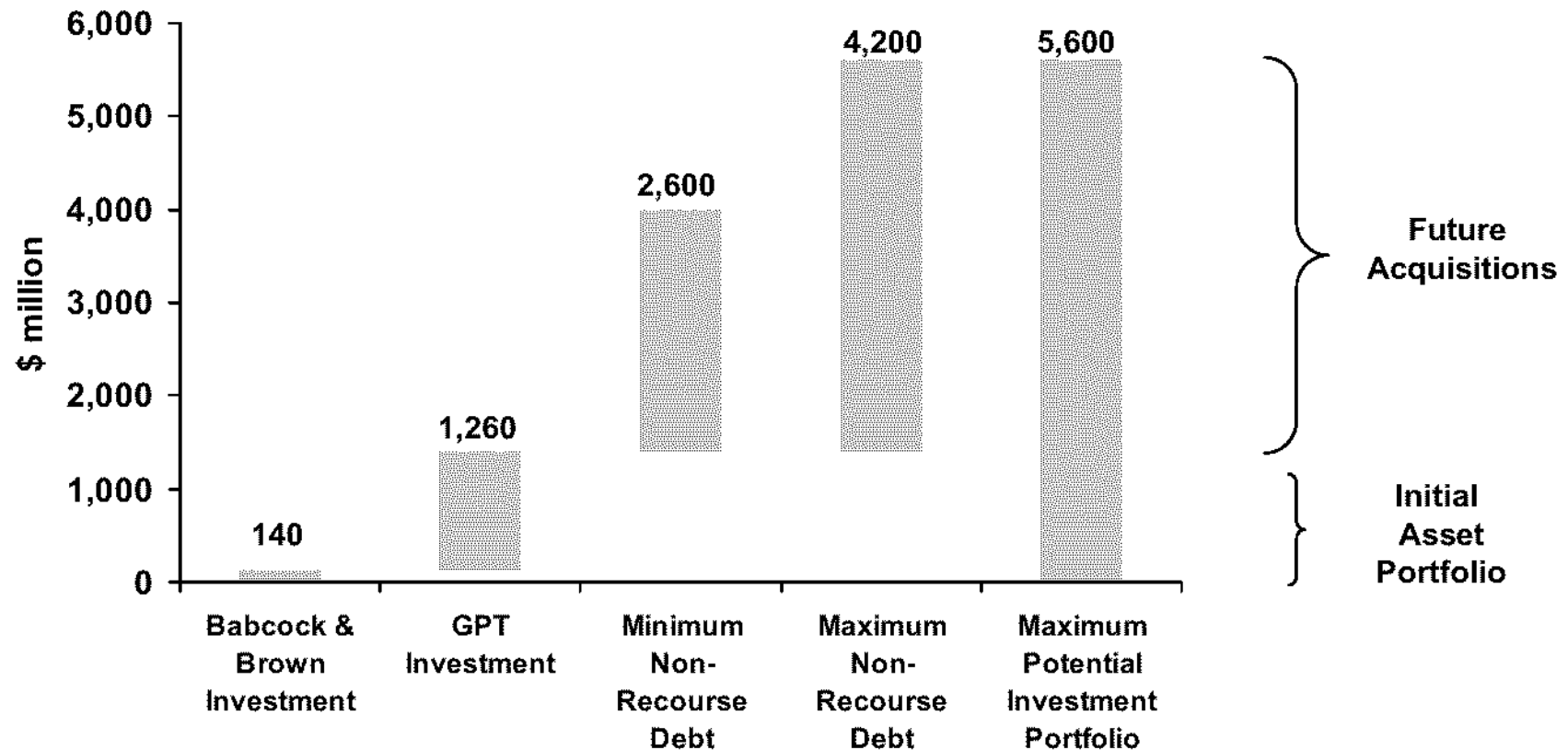


- GPT's Directors are not seeking a separate unitholder approval to sell the assets to Westfield despite the divergent interests of Westfield and other unitholders

**The only way to prevent the sales to Westfield is to vote
AGAINST GPT's current internalisation proposal**

Proposed Babcock & Brown Joint Venture Raises Serious Questions for GPT Unitholders

GPT provides the vast majority of the JV's risk capital

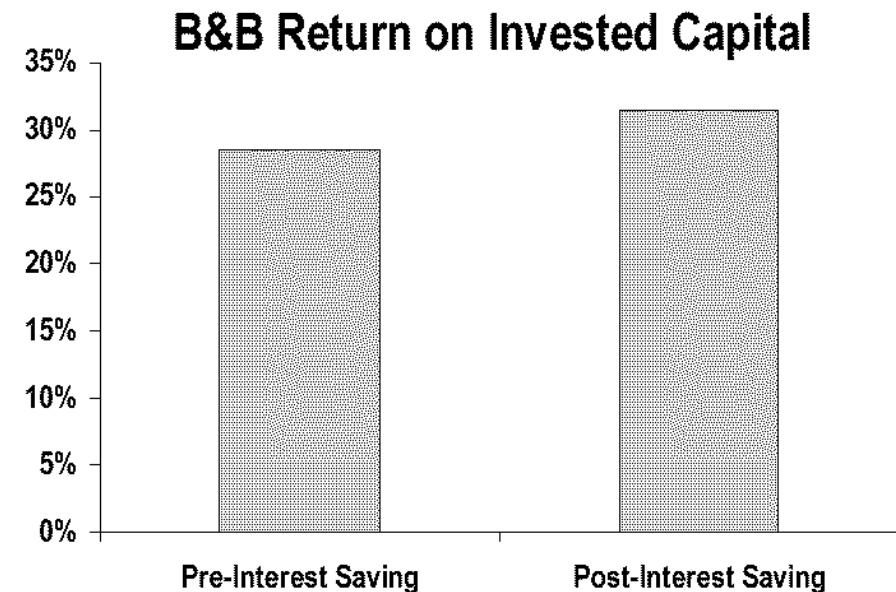
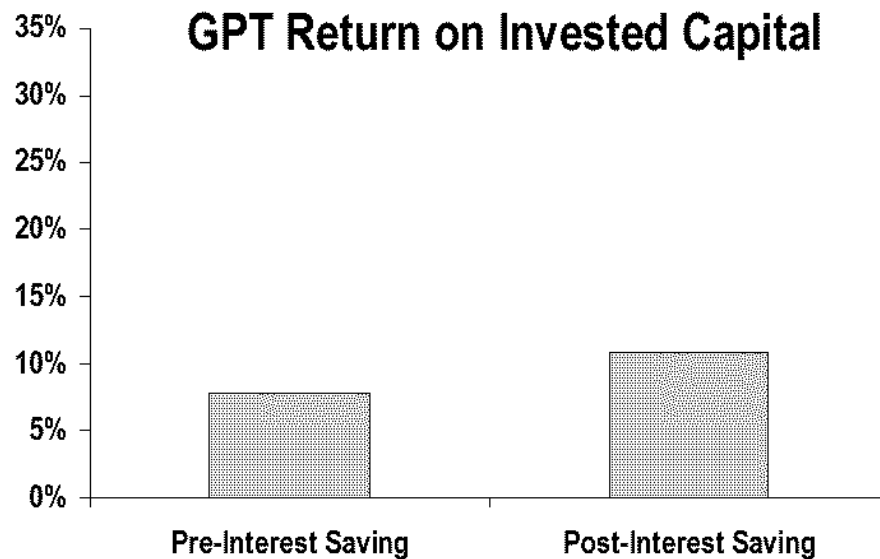


GPT provides 22.5% of funding for 50% equity interest in a potential \$5.6 billion portfolio
B&B provides 2.5% of funding for 50% equity interest in a potential \$5.6 billion portfolio

GPT's returns are inadequate relative to B&B's given GPT takes the majority of equity risk



- GPT is assuming the vast majority of the equity risk through its preferred equity
 - Ordinary equity is only around 5% of asset purchase price – almost equal to property acquisition costs
 - “this margin [on preferred capital] is at the lower end of what mezzanine lenders in the Euro zone would typically require in relation to assets such as the initial portfolio” (Grant Samuel Report, page 51)
- Yet returns on investment are heavily skewed in favour of Babcock & Brown (before fees it will receive)



Source: Grant Samuel analysis (\$1 billion fully invested)

In addition to its superior returns, the fees/profits payable to Babcock & Brown are excessive



- Estimated fees payable to, and profits realised by, Babcock & Brown on the JV's \$1.4b equity investment (90% funded by GPT)

	A\$m
Profit on sale of initial portfolio	80
Reimbursement of B&B's initial portfolio acquisition costs	45
Joint venture establishment fee ⁽¹⁾	50
Property acquisition advisory fees	30 – 225
Debt arranging fees ⁽²⁾	<u>25 - 40</u>
	<u>230 - 440</u>
Fees as % of Babcock & Brown's JV equity investment	



- 82% by value of these properties were only acquired one month before the GPT/B&B JV was announced
- The vast majority of the profit arises from these recent acquisitions

⁽¹⁾ GPT can only avoid this fee if it winds up the JV within 3 years – it would only have an incentive to do so if the JV has not delivered the unit price appreciation that Grant Samuel estimates it will

⁽²⁾ Assumed 1% on \$2.6b-\$4b of non-recourse debt (actual fees not disclosed)

- Babcock & Brown can charge acquisition advisory fees of up to 5% if the acquisition price is below a third party valuation
 - Fee is uncapped for any sale of a property owned by Babcock & Brown for more than 12 months
- Babcock & Brown is incentivised to charge all of these fees within the joint venture's first 18 months
 - Babcock & Brown's underwriting arrangement incentivises it to acquire properties as quickly as possible

The Joint Venture has an overly aggressive acquisition program



- Babcock & Brown's European real estate platform has only been in place for a little over 2 years. During these 2 years it has
 - Other than the current sale of its portfolio to the JV, has realised only one other asset
- The remaining \$2.9b-\$4.5b in joint venture capital is a substantial amount to invest in the next 18 months
 - Up to 4 times the size of the initial portfolio which was assembled by Babcock & Brown over the last 18 months
 - Up to half the value of GPT's existing high quality Australian asset base which has been assembled over 30 years
- JV is expected to concentrate on smaller to medium sized assets
 - Requires a much larger volume of deals
- GPT's management team has limited experience in investing outside Australia
- If sufficient acquisitions cannot be delivered, GPT's EPU will likely decline after 31 December 2006

The JV assets substantially reduce the quality of GPT's portfolio and capital growth prospects



German Apartments

- 13% average vacancy
- Generally built between 1930s and 1960s
- Recent history of weak rental growth
- Downward pressure on residential rentals in some locations
- Some of the residential blocks have asbestos contamination

"Yields for residential apartments have contracted rapidly ..."

Grant Samuel

Cologne Technology Park

- 19% vacancy
- Value underpinned by £ 18m rent guarantee from previous vendor to support vacancies and near term lease expiries
- No minority discount applied for 30% ownership interest
- Estimated rental growth rates of only 1-2% p.a.
- 6.0% initial yield is significantly lower than most Australian office portfolios

"Arguably ... relatively limited upside potential"

Grant Samuel

Galerie Butovice

- 15% vacancy
- Royal Ahold lease (supermarket and 67% of office space) has no rental increases for first 5 years
- 15% vacancy subject to short term rental guarantee

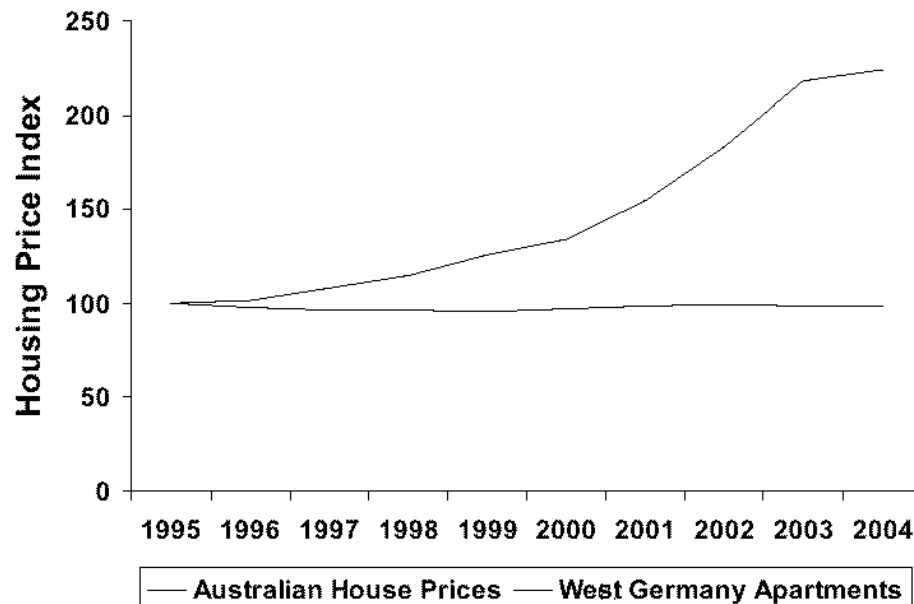
"... it should be recognised that considerable [yield] compression has already taken place (and is reflected in the purchase price ..."

Grant Samuel

German apartment prices have been flat for at least 10 years



Average Housing Prices



Source: Deutsche Bank Research, ABS

(1) Weighted average of 8 capital cities

German Market Outlook

Supply

"...During the mid 1990s incentives were provided to developers to increase supply and quality of the accommodation in West Germany... creating an oversupply"

Deutsche Bank Research, 30 March 2005

Demand

"...Our economist expects Germany to have one of the lowest rates of population growth in Europe, with the population of Germany to peak by ~ 2012 and then decline by up to 10% by 2050"

Deutsche Bank Research, 30 March 2005

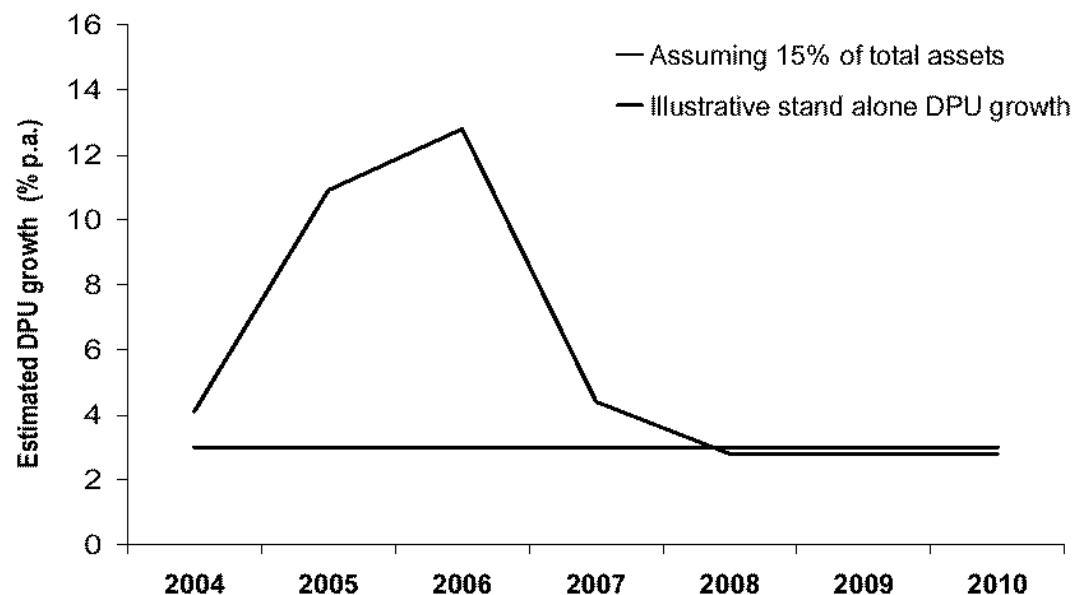
The JV is unlikely to provide sustained DPU growth



GPT's Asset Allocation Caps Potential DPU Growth

- GPT states the B&B JV will represent no more than \$1.26b or 15% of its total assets
- GPT's forecasts assume that the \$1.26b will be fully invested by December 2006
- Therefore, there is limited on-going growth potential absent a substantial recurring increase in GPT's investment assets
- After 2006, income growth will need to first compensate for the lost rental growth and branding fees (est. \$7m-plus p.a.) from the asset sales to Westfield
- Reported DPU growth benefit from JV is largely "one-off"

Illustrative DPU Growth Impact



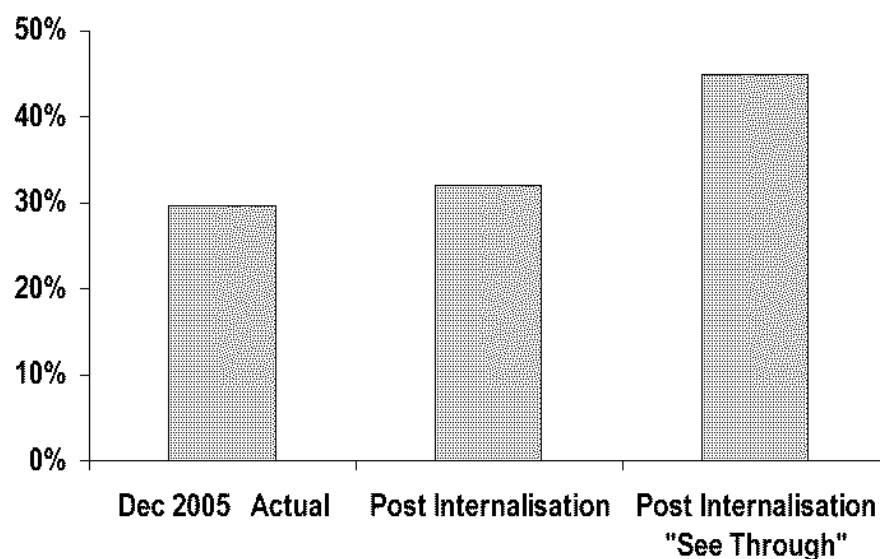
Note

- Assumes 5% p.a. compound growth in total assets
- Assumes average earnings growth of 3% stand-alone, 5% on assets sold to Westfield and 10% p.a. return on JV investment

GPT is substantially increasing its gearing



GPT's Gearing⁽¹⁾



⁽¹⁾ Based on net debt to total tangible assets (excluding cash)

- GPT's development pipeline will further increase gearing (or require equity raising)

Impact on GPT's Credit Rating

"...based on the information provided to date, GPT's long-term rating would likely be lowered by two or three notches..."

"...The trust has about A\$1.1 billion of debt maturing in the next 12 months... Furthermore, A\$250 million of medium term notes may become repayable if GPT's rating is downgraded to BBB+"

Standard & Poor's, 17 Feb 2005

- A credit rating downgrade, combined with GPT's short-term maturities, could increase GPT's cost of debt (not allowed for in GPT's forecasts)

Babcock & Brown is NOT underwriting GPT's net income from the JV



- GPT is forecasting \$55m net income (2.75¢/unit) from the JV in 2006 based on the Babcock & Brown underwriting
- The Babcock & Brown underwriting is not guaranteeing the performance of assets
- The underwriting is reduced if GPT's net income is below forecast due to
 - The actual net income from investments being below forecast
 - The JV not proceeding with an investment opportunity where due diligence substantiates the profit forecast
- As the JV has already invested almost 40% of its initial \$1b equity, a significant part of the underwriting obligation has already fallen away
- Any payments by B&B under the underwriting are subject to claw-back if certain targets are achieved in the future

The Joint Venture's actual property earnings do not provide attractive returns to GPT



- The return on GPT's capital from the Joint Venture itself is relatively low pre interest savings
- A significant portion of GPT's returns arise from switching part of its existing debt (to take the effective gearing on its JV investment to 100%) from A\$ to Euro denominated

Illustrative Financial Impact of the Joint Venture		
	Initial portfolio only (\$ millions)	\$1 billion fully invested (\$ millions)
Net income from the joint venture (€)	15.9	58.4
GPT's share:		
- Preferred capital (€)	9.8	24.8
- Ordinary equity (€)	3.1	16.8
	12.9	41.6
GPT's share of net income (@AS1=€0.59)	21.8	70.5
Interest saving on GPT's Euro funding	10.6	27.0
Total return from joint venture by GPT	32.4	97.5
Less cost of GPT's AS funding (@ 6.0%)	(21.3)	(54.0)
Net financial impact on GPT	11.1	43.5
Capital invested		
- GPT	355	900
- Babcock & Brown	39	100
GPT return on invested capital		
- Pre interest saving	3.6%	4.6%
- Post interest saving	9.1%	10.5%
Babcock & Brown return on invested capital		
- Pre interest saving	13.3%	28.5%
- Post interest saving ^{1b}	16.3%	31.5%

Source: Grant Samuel Report, page 50

GPT's forecast DPU results from financial engineering, not quality property earnings



"Much of the anticipated "super" return on investment comes simply from the use of high leverage"

Grant Samuel Report, p. 3

The JV contains a poison pill and the wrong incentives for GPT



- It is difficult for GPT to reject any investment by the JV proposed by B&B
 - Refusal to continue to invest in assets proposed by Babcock & Brown triggers a termination right
 - B&B has first right to acquire assets it introduced to the JV at “market value” on termination (approx \$600m premium to asset backing implicit in Grant Samuel’s GPT valuation would disappear)
 - GPT provides 90% of funding but no effective veto over investment decisions

- Joint Venture contains a poison pill
 - B&B can terminate JV on change of control of GPT
 - B&B has first right to acquire assets it introduced to JV at market value on termination (approx \$600m premium to asset backing implicit in Grant Samuel’s GPT valuation would disappear)
 - Therefore, implied approx 30 cents per unit premium to asset backing for JV assets within GPT’s unit price not sustainable in a takeover

GPT's package is NOT in GPT unitholders' interests



Asset Sales

- Sale price at discount to market
- No competitive sale process
- Further value transfer through management/development agreements and pre-emptives
- Sale of key assets to largest competitor
- Benefit provided to Westfield in return for its support of GPT's internalisation
- No financial benefit to GPT

Joint Venture

- Fees payable to B&B are excessive
- Relative returns on investment heavily favour Babcock & Brown
- Returns generated from 100% leverage of assets rather than quality property investment
- Potential for excess total returns (including capital growth) is questionable

GPT's package is NOT in GPT unitholders' interests

(cont)



- The forecast increased DPU arises from short-term underwriting/branding fees and does not reflect returns from long-term property investment
- The proposal does not enhance long-term DPU growth as the JV investment is capped at 15% of GPT's Total Assets
- Acquiring up to \$5.6b in overseas property assets within 18 months does not represent "controlled expansion" into offshore markets
- There is a substantial increase in gearing – up to 45% on "see through" basis and S&P has indicated a downgrade from A+ to BBB+ or A-
- The proposal will dilute any premium for control
 - The B&B poison pill could reduce the price a party is willing to pay for control of GPT by approximately 30 cents per unit
 - GPT will be less attractive with its diluted Australian retail presence



Lend Lease Update

- The Group strategy is unchanged
- Our business positions are robust
- The growth outlook is exciting
- We expect increasing earnings and returns to continue

'A leading international Retail & Residential property group, supported by strong construction management and investment management businesses delivering double digit earnings growth.'

International

- Must go beyond Australia (mature and small)
- Opportunities not 'global'; UK & US the first focus

Retail & Residential

- Lend Lease should expand along sector (not business unit) lines
- Regional retail and masterplanned communities are the most attractive sectors (including 'mixed-use' opportunities within these 'footprints')
- Lend Lease has leading skills in both sectors

Construction Management & Investment Management

- Protected positions come from integrated skills
- Strong Group synergies in terms of generating opportunities and developing leading property skills (Lend Lease's privatisation positions are an example)
- Boosts growth and returns for shareholders

Double digit earnings growth

- Markets targeted are 'deep'
- Lend Lease has advantaged positions and has secured a large pipeline for growth (interest in projects with value circa \$20b)
- Significant opportunities for consolidation
- Lend Lease's balance sheet remains strong

Business Review

Lend Lease is a robust property group



Business Stream		Strength of Position
Retail	■ \$1.8b invested in some of the best centres in the UK and Australia – now worth over \$2.5b ■ Leading development, construction and management skills internationally	
Urban Communities	■ Circa 73,000 land lots / units under control in Australia and the UK (zoned and unzoned) ■ Innovator in community design, product development and capital management	
Privatisation	■ Leading UK healthcare player with 8 projects with a total value of approximately \$3b ■ Leading US military housing privatisation player with 7 projects with a total value of approximately \$5b	
Bovis Lend Lease	■ Top 12 international construction management business ■ Earnings up circa 80% since Bovis acquisition in FY 2000	
Investment Management	■ \$10.8b under management in Australia, UK and Asia (excluding GPT) ■ International access to product complemented by unique product creation skills and proven fund performance	

Business Review

GPT's internalisation should not materially affect the Group's business positions



Business Stream	Impact of GPT Internalisation
Retail	■ Investment returns not impacted ■ Growth and development opportunities mostly offshore (UK and Asia) ■ Non-investment returns in Australia are not significant
Urban Communities	■ Returns and opportunities in Australia and offshore not material impacted ■ Pre-emptions over Rouse Hill and Twin Waters potentially increase earnings in Australia
Privatisation	■ No material impact on UK healthcare or US military housing privatisation
Bovis Lend Lease	■ No impact offshore (approximately 95% of earnings base) ■ Earnings from GPT asset portfolio in Australia circa 1% of total Bovis Lend Lease earnings
Investment Management	■ Business strategy assumes and supports GPT internalisation ■ Australian wholesale funds teams operate and report via separate structure ■ Contingency plans in place for retail asset management ■ No impact offshore

- GPT will contribute approximately \$14m of post tax profit this year
- Development and construction services provided by Lend Lease to GPT will account for \$2m⁽¹⁾ post tax profit this year
- Through the course of this financial year the Group has embarked on cost saving initiatives aimed at increasing post tax profit by around \$40m to offset this
- The Group is on track to deliver its profit target this year and double digit earnings growth next year

⁽¹⁾ Excludes projects initiated by the Lend Lease Development Group

Growth Outlook

To date the Group has secured an interest in projects worth circa \$20b



Business Stream	Scope of Work Secured to date	Estimated Capital Spend
Retail	■ 193,000 m ² ⁽¹⁾ of development projects in the UK	\$1.1b
Urban Communities	■ 58,200 units / blocks under control in Australia	\$8.0b
	■ 15,000 units / blocks under control in the UK	\$2.3b
Privatisation	■ 8 PPP hospitals and 9 other projects secured in the UK and Europe	\$5.1b
	■ 7 projects representing 28,000 dwellings secured in US military housing privatisation	\$5.0b
Bovis Lend Lease	■ Backlog GPM of \$378m in EMEA, \$222m in Americas and \$72m in Asia Pacific (\$672m in total)	N/A
Investment Management	■ 8 funds and \$10.8b under management (excluding GPT)	N/A
	■ 7 new funds under investigation on existing product and pipeline	

⁽¹⁾ Total area post development

Growth Outlook

Given the Group's collective positions and capability, the opportunities to extend this pipeline are significant



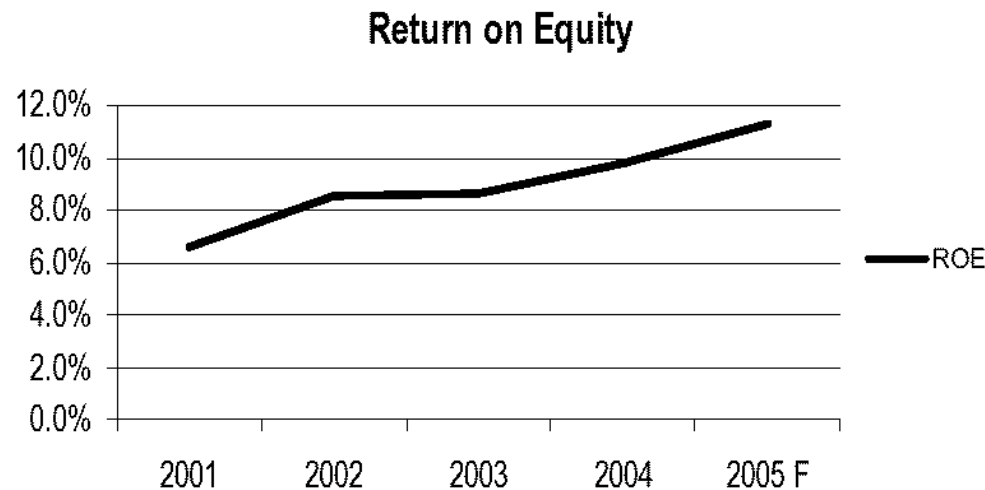
Business Stream	Growth Ambition
Retail	■ Extend the UK pipeline by securing at least one major redevelopment asset p.a. ■ Extend the Asia Pacific pipeline by securing at least one major redevelopment asset p.a.
Urban Communities	■ Target 80,000 blocks / units backlog in Australia by FY08 ■ Target 40,000 blocks / unit backlog in the UK by FY08 ■ Target 10,000 backlog in the US by FY08
Privatisation	■ Maintain share of UK Government's £4b p.a. healthcare and education PFI program ■ Maintain share of US Government's circa \$30b military housing privatisation initiative ■ Look to extend success and experience in Europe and Australia
Bovis Lend Lease	■ Continue to target 10% profit growth through margin improvement and increased penetration of targeted sectors in existing geographies
Investment Management	■ Leverage the Group's internal project pipeline as a source of product ■ Continue to support Wholesale Funds Management through our internal development pipeline and aligned co-investment in funds

Earnings & Returns

Based on these positions and outlook we expect earnings and returns to continue to improve



- The Group is on track to deliver its profit target this year
- Double digit earnings growth is targeted over our 3 year plan to FY 08
- ROCE and ROE are expected to continue to increase



- The Group still retains a strong balance sheet to further invest in targeted markets as opportunities arise

- Lend Lease does not support GPT internalisation proposal
- If shareholders vote NO on 2 June, a viable alternative internalisation will be delivered
- Lend Lease believes the choice is stark
 - Impressive growth in the short term through financial engineering and enhanced risk
 - OR
 - Quality asset ownership and measured growth
- Lend Lease is on track strategically and financially
- Our view is clear – there will be no follow-up campaign



Internalisation of GPT Investor Presentation

11 May 2005

- **Vote NO to GPT's compromise proposal on 2 June**
- **Preserve GPT's strength, portfolio and independence**
- **Secure a pure, internalised GPT for the LPT sector**