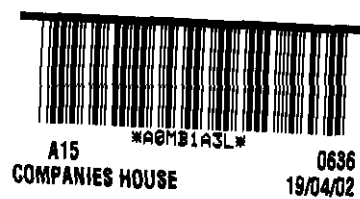


Lend Lease Europe GP Limited

Directors' report and financial statements

30 June 2001

Registered number 3540670



Directors' report and financial statements

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Directors' report

The directors present their report and the audited financial statements for the year ended 30 June 2001.

Principal activities

The principal activity of Lend Lease Europe GP Limited is to act as general partner to the Lend Lease Retail Partnership.

Results and dividends

The profit for the year after taxation amounted to £62,208 (2000: £54,967). The directors do not recommend the payment of a dividend (2000: £nil).

Directors and directors' interests

The directors at 30 June 2001 were as follows:

'O' Directors

G I M Cockburn

A L Gough (appointed 17 July 2000)

S A MacDonald (appointed 17 July 2000, resigned 12 March 2002)

D K Perry (appointed 17 July 2000, resigned 12 March 2002)

In addition, C Foster Taylor and K M Anderson were appointed as 'O' directors on 12 March 2002. D S Arthur and D Rashin were directors until their resignations on 17 July 2000.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families or exercised by them, during the financial year.

'D' Directors

N Price

K G Saunders

G A T Turnbull

'D' directors are appointed by the 'D' shareholders of Lend Lease Europe GP Limited and are independent of the Lend Lease Europe Holdings Group.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the board


C Foster Taylor
Director

23 Kingsway
London WC2B 6UJ
8 April 2002

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The above statement should be read in conjunction with the statement of auditors' responsibilities set out in the audit report on page 3

Independent auditors' report to the members of Lend Lease Europe GP Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditor, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG

*Chartered Accountants
Registered Auditors*

*8 Salisbury Square
London
EC4Y 8BB
8th April 2002*

Profit and loss account

for the year ended 30 June 2001

	<i>Note</i>	2001 £	2000 £
Turnover	1	1,202,455	977,333
Administrative expenses		(1,089,722)	(903,881)
		<hr/>	<hr/>
Operating profit		112,733	73,452
Other interest receivable and similar income		-	5,209
		<hr/>	<hr/>
Profit on ordinary activities before taxation		112,733	78,661
Tax on profit on ordinary activities	4	(50,525)	(23,694)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		62,208	54,967
Retained profit brought forward		75,714	20,747
		<hr/>	<hr/>
Retained profit carried forward		137,922	75,714
		<hr/> <hr/>	<hr/> <hr/>

All activities are continuing.

The company had no recognised gains or losses other than the profit for the year.

There is no difference between the profit as reported and the profit on a historical cost basis.

The notes to and forming part of the financial statements are set out on pages 6 to 9.

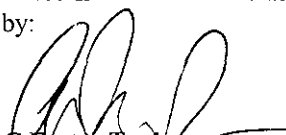
Balance sheet

at 30 June 2001

	Note	£	2001 £	£	2000 £
Fixed assets					
Investment	5		1		1
Current assets					
Debtors	6	417,753		798,712	
Cash at bank and in hand		-		58,233	
		417,753		856,945	
Creditors: amounts falling due within one year	7	(279,780)		(781,180)	
Net current assets			137,973		75,765
Net assets			137,974		75,766
Capital and reserves					
Called up share capital	8		52		52
Profit and loss account			137,922		75,714
Shareholders' funds	9		137,974		75,766
Comprising:					
Equity			137,923		75,715
Non-equity			51		51
			137,974		75,766

The notes to and forming part of these financial statements are set out on pages 6 to 9.

These financial statements were approved by the board of directors on 8 April 2002 and were signed on its behalf by:


C Foster Taylor
Director


A L Gough
Director

Notes to the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Exemption from requirement to prepare group accounts

The company is a wholly owned subsidiary of Lend Lease Europe Limited, a company registered in England and Wales which prepares consolidated financial statements. The company is exempt (under section 228 of the Companies Act 1985) from the obligation to prepare group financial statements. The financial statements of the company present information about the company as an individual undertaking and not about its group.

Fixed asset investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Cash flow statement

A cash flow statement is not included with these financial statements as a consolidated cash flow statement, produced under Financial Reporting Standard No 1, is included in the financial statements of Lend Lease Europe Holdings Limited.

Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 'Related Party Disclosures' to dispense with the requirement to disclose transactions with group companies.

Turnover

Turnover is stated net of value added tax and is derived from the following sources:

	2001 £	2000 £
Management fee	1,200,000	975,000
Rental income – external	2,455	2,333
	<hr/> 1,202,455 <hr/>	<hr/> 977,333 <hr/>

All turnover arose in the United Kingdom.

Notes to the financial statements *(continued)*

2 Directors' remuneration and employees

The 'O' directors received no emoluments in respect of their services to the company. The 'O' directors are remunerated as employees by other group companies and received no emoluments in respect of their services as directors.

The 'D' directors receive a total of £36,000 for their services as directors. The emoluments of the highest paid director was £12,000. These fees get reimbursed by the Lend Lease Retail Partnership.

The company did not employ any staff during the year.

3 Auditors' remuneration

Auditors' remuneration is borne by Lend Lease Europe Limited, the immediate holding company.

4 Tax on profit on ordinary activities

	2001 £	2000 £
UK corporation tax at 30%	33,876	23,694
Adjustments relating to prior years	16,649	-
	<hr/> 50,525	<hr/> 23,694

5 Fixed assets investment

The investment relates to a holding in Lend Lease Retail Partnership. As general partner the company is required to hold one share in Lend Lease Retail Partnership

The holding is included in the balance sheet at cost. The directors are satisfied that the investment is worth at least the amount at which it is stated in the balance sheet.

6 Debtors

	2001 £	2000 £
Amounts owed by group undertakings	117,753	198,712
Prepayments and accrued income	300,000	600,000
	<hr/> 417,753	<hr/> 798,712

Notes to the financial statements *(continued)*

7 Creditors: amounts falling due within one year

	2001 £	2000 £
Corporation tax	-	23,694
Other creditors	61	30,641
Accruals	279,719	726,845
	<hr/> 279,780 <hr/>	<hr/> 781,180 <hr/>

8 Called up share capital

	2001 £	2000 £
<i>Authorised</i>		
10,000 'D' Shares of £0.01 each	100	100
500,000,000 'O' Shares of £1 each	500,000,000	500,000,000
	<hr/> 500,000,100 <hr/>	<hr/> 500,000,100 <hr/>
<i>Allotted, called up and fully paid</i>		
5,050 'D' Shares of £0.01 each	51	51
1 'O' Share of £1 each	1	1
	<hr/> 52 <hr/>	<hr/> 52 <hr/>

'D' shares only carry the rights to vote on the appointment or removal of 'D' directors. They are repaid in preference to 'O' shares on the winding up of the company but carry no rights to a dividend.

'O' shares carry all voting rights to the company except those described above. They are repaid after 'D' shares on the winding up of the company but carry the rights to receive all dividends declared by the company.

Notes to the financial statements *(continued)*

9 Reconciliation of movements in equity shareholder's funds

	2001 £	2000 £
Opening shareholder's funds	75,766	20,799
Profit for the financial year	96,084	54,967
	<hr/>	<hr/>
Closing shareholder's funds	171,850	75,766
	<hr/>	<hr/>

10 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Lend Lease Europe Limited which is registered in England and Wales. Its ultimate parent undertaking is Lend Lease Corporation Limited, which is incorporated in Australia.

The largest group in which the results of the company are consolidated is that headed by Lend Lease Corporation Limited. The consolidated financial statements of that group may be obtained from the group's website at LendLease.com.au.

The largest group registered in England and Wales in which the results of the company are consolidated is that headed by Lend Lease Europe Limited. Consolidated financial statements may be obtained from the address given below.

The smallest group in which the financial statements of the company are consolidated is that headed by Lend Lease Europe Limited. The consolidated financial statements of this group may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.