

GPT

MANAGEMENT

11 April 2003

Andrew Black
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By Facsimile No. 9241 7620

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Dear Andrew

General Property Trust ("Trust") - Co-ownership Agreements

I refer to your letter dated 8 April 2003.

The answers to your specific questions are set out below:

1. *Is the Trust aware of any co-ownership or other agreements in place which contain provisions which may include a pre-emption clause upon a change of Responsible Entity (or a change in control of the Responsible Entity) or any provisions which may operate as a deterrent to a change of ownership through a takeover of the Trust?*

The Trust owns a number of assets in jointly with other parties. Most (but not all) of these are the subject of co-ownership agreements. None of the co-ownership agreements to which the Trust is a party contain provisions which specifically give pre-emption rights to the co-owner in the event of a change of Responsible Entity or a change of control of the Responsible Entity. However, the co-ownership agreements for Erina Fair (Australian Prime Property Fund), Darling Park (AMP Office Fund and AMP Life Limited) and 2 Park Street, Sydney (Macquarie Office Fund) have pre-emption clauses which are capable of different interpretations. One of those interpretations is to give a pre-emptive right to the co-owner should there be a change of Responsible Entity or a change of control of the Responsible Entity.

All of the Trust's co-ownerships are 50:50 with the relevant co-owner. By definition, a 50% owner cannot control the asset, including the property and development management of the asset. There are no specific provisions in the co-ownership agreements which affect this position.

The Trust's principle source of debt is its STN/MTN program arranged and managed by the Commonwealth Bank. Under that program if GPT were to be

delisted, eg following a takeover, this is an event of default which would trigger a right in note holders to redeem the notes.

All of the above arrangements are normal commercial arrangements.

2. *If so, are the provisions of the Agreements material to the Trust? If not, why not?*

We believe that the provisions in the co-ownership agreements are not of themselves material to the Trust, because:

- (a) if pre-emptive rights are triggered by a change of Responsible Entity or a change of control of the Responsible Entity, the co-owner must pay the Trust full market value for the asset being acquired; and
- (b) they are normal commercial arrangements in agreements of this type.

For these reasons we do not believe they would affect the price or value of GPT units.

The co-ownership agreements themselves are not individually material given the value of the assets to which they relate, with the possible exception of Darling Park, the book value of which is \$460.8 million (GPT's share) (ie 6.6% of gross assets). The book values of the other assets to which we refer in paragraph 1 above are significantly less.

The STN/MTN program as a whole is material to the Trust, having a limit of \$2 billion of which approximately \$1.2 billion is currently utilised. However, the provisions referred to in paragraph 1 above are normal commercial conditions in an agreement of this type and we do not believe the provisions would affect the price or value of GPT units.

3. *If the answers to questions 1 and 2 are "yes", has the Trust disclosed the existence and potential operation of the Agreements following regulatory changes to the market and if so, where has this information been disclosed?*

The answer to question 2 is, in our view, "no".

However, we have disclosed the existence of the co-ownership agreements for Darling Park and 2 Park Street at the time the Trust acquired its interests in those assets.

In the case of Darling Park the Trust issued a Notice of Meeting and Explanatory Memorandum in May 2000, which included a description of the key terms of the co-ownership agreement. The pre-emptive rights were disclosed, although there was no discussion of the potential impact of a change of Responsible Entity or a change of control of the Responsible Entity.

In the case of 2 Park Street, the the Two Park Street Trust issued a Notice of Meeting and Explanatory Memorandum in November 2001, which included a description of the key terms of the co-ownership agreement. The pre-emptive

rights were disclosed, although there was no discussion of the potential impact of a change of Responsible Entity or a change of control of the Responsible Entity.

We have also disclosed by way of ASX announcements, the STN/MTN program at the time it was entered in February 1999 and again when the facility limit was increased in February 2002. The specific clauses referred to in paragraph 1 above were not mentioned because they were considered to be normal for a transaction of this type and therefore not material.

4. *If the answers to questions 1 and 2 are "yes", and the information has not been previously disclosed, can an announcement be made immediately? If not, why not and when is it expected an announcement will be made?*

See paragraph 3 above. We are of the view that an announcement is not required.

5. *Please confirm that the Trust is in compliance with the listing rules and, in particular, listing rule 3.1.*

We confirm that the Trust is in compliance with the listing rules, in particular, listing rule 3.1.

Please do not hesitate to contact me if you require further information.

We understand that this response may be released to the market.

Yours Faithfully

GPT MANAGEMENT LIMITED



Michael Neilson

Legal Counsel & Company Secretary



8 April 2003

Mr Michael Neilson
Company Secretary
General Property Trust
Level 14
Tower Building Australia Square
264-278 George Street
Sydney NSW 2000

Facsimile: (02) 9236 6020

Dear Michael

General Property Trust (the "Trust")

We refer to our recent discussions with the Trust. As you know we are concerned that regulatory changes that occurred in 2000 and recent interpretation of the impact of those changes on rights of pre-emption associated with certain property trust arrangements has created uncertainty in the market as to the extent of the possible application in the listed property trust segment. This obviously impacts the reputation of the segment. ASX considers it appropriate in the circumstances that affected listed entities immediately review any agreements to determine their position in relation to this issue and inform the market of the position immediately.

We wish to draw your attention to the definition of "aware" in chapter 19 of the listing rules which states that:

"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity"

Further, we wish to draw your attention to listing rule 3.1 which requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

Having regard to the above, we request that you answer the following:

1. Is the Trust aware of any co-ownership or other agreements in place which contain provisions which may include a pre-emption clause upon a change of Responsible Entity (or a change in control of the Responsible Entity) or

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any provisions which may operate as a deterrent to a change of ownership through a takeover of the Trust ("the Agreements")?

2. If so, are the provisions of the Agreements material to the Trust? If not, why not?
3. If the answers to questions 1 and 2 are "yes", has the Trust disclosed the existence and potential operation of the Agreements following regulatory changes to the market and if so, where has this information been disclosed?
4. If the answers to questions 1 and 2 are "yes", and the information has not been previously disclosed, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?
5. Please confirm that the Trust is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile on facsimile number (02) 9241 7620. It should **NOT** be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 3:00 pm A.E.S.T on Friday, 11 April 2003.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to questions 1 and 2 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Trust's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at

your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

We thank you for your time and co-operation in relation to this issue and look forward to receiving your response.

Yours sincerely



Andrew Black
SENIOR COMPANIES ADVISOR

Direct Line: (02) 9227 0899