GPT

GENERAL PROPERTY TRUST

General Property Trust
Stock Exchange Announcement
and Media Release

GPT EXPANDS AND DIVERSIFIES INDUSTRIAL/BUSINESS PARK PORTFOLIO

21 August 2003

GPT today announced a joint venture with Austrak in relation to the Austrak Business Park, Somerton in Melbourne, Victoria. The Business Park, which is located on approximately 100 hectares of industrially zoned land, consists of a range of industrial accommodation, a significant parcel of serviced land and one of Australia's first fully integrated inter-modal rail terminals. Austrak is a privately owned property development and investment company founded in 1998, specialising in the procurement and delivery of purpose-built high quality industrial facilities.

GPT is acquiring a 50% interest in the Business Park for $57.3 million, including acquisition costs. The acquisition comprises existing improvements ($25.3 million) and the land and terminal infrastructure ($32.0 million). The return on the existing improvements will provide GPT with an initial yield of 9.2% (after acquisition costs). Upon completion of the development of the remaining 79 hectares of land (including the terminal area), the entire Park is expected to have a value in excess of $300 million.

Mr Michael O'Brien, Fund Manager for GPT said that the acquisition of an interest in the Austrak Business Park was in line with GPT's strategy to expand the Trust's Industrial & Business Park Portfolio through the acquisition of quality assets.

"Not only does this acquisition expand our presence in the industrial sector, it enhances our diversity through the investment in the inter-modal terminal. Importantly, this gives the Park a clear point of difference and a proven ability to attract quality industrial tenants on long term leases," Mr O'Brien said.

Mark Assetta, founder and CEO of Austrak said the opportunity to partner with GPT was attractive to Austrak as GPT represents a compatible partner for the Austrak Business Park, Somerton and a potential long term partner in future investment and development.

The investment consists of approximately 100 hectares of serviced industrial land, located on the corner of the Hume Highway and Somerton Road, with excellent access to Victoria's road system. The site currently includes two warehouse facilities leased to quality tenants; a 40,000 sqm facility leased to Effem Foods (due for completion in September 2003) and a 16,000 sqm facility leased to Visy and IPS Logistics, and a land lease to Boral. The site has the capacity for a further 300,000 sqm of development, which is expected to occur over the next 5 – 10 years.

Integral to the Business Park and its future success is the provision of the inter-modal rail terminal which is expected to be fully operational by early 2004. The terminal will provide tenants in the Park with access to an alternative cost effective distribution system, providing the opportunity for significant supply chain savings. The terminal will be leased to a specialist operator.

Victor Georos, GPT's Industrial & Business Parks Portfolio Manager, said the Park has been carefully designed and highly specified to ensure maximum benefits are attainable through access to both the rail and road networks.

The internal roads of the Business Park are owned by GPT and Austrak, which enables the terminal operator to provide an integrated service for container transport and storage, creating the potential for savings to tenants. In addition, the configuration of the site has enabled the construction of a terminal able to accommodate trains up to 1500 metres in length, which makes it suitable for Port shuttle and interstate services.

"This integrated concept allows tenants to be more competitive and will provide a distinct point of difference to the marketing and leasing of the Business Park.

"With the freight market forecast to continue to grow and the Victorian Government targeting an increase in the share of rail freight handling at the Port of Melbourne, we believe this innovative concept has the potential to deliver sustainable, superior returns.

"As we develop the remainder of the Park over time, GPT's investment has the potential to increase to approximately $150 million, providing the Portfolio with enhanced scale and tenant diversity," Mr Georos said.

On completion of this acquisition, GPT's Industrial & Business Park Portfolio will have a total value of $270 million and a weighted average lease expiry of 5.9 years (by area).

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ADDITIONAL INFORMATION:

Somerton Business Park

The Austrak Business Park, Somerton consists of approximately 100 hectares of industrial land located on the corner of the Hume Highway and Somerton Road, Victoria.

The site, which is situated less than 20 kilometres from the Melbourne CBD, has excellent road access, with immediate access to the Hume Highway (the dominant route for freight transport in Victoria) and rapid access to the Western Ring Road. Future road infrastructure improvements, including the Craigieburn Bypass and proposed Scoresby Bypass, will further improve the site's access to major transport routes.

Committed tenancies:

> **Visy/IPS** - 16,000 sqm cotton and paper storage warehouse on 3 hectares.
> Leased for 5 years, expiring May 2006. The lease includes annual increases and has two 3-year options.
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> **Effem Foods Pty Ltd (Mars Group)** - 40,000 sqm temperature-controlled facility for the storage of confectionary. The warehouse is located on approximately 10 hectares, including 3.2 hectares of expansion land. The lease is for a period of 10 years (expiring in mid 2013), with structured annual increases and two 5-year options.
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> **Boral Batching Plant** – 10 year lease (to 2012) over 0.7 hectares with two 5-year options. The lease includes annual rent increases.

Rail facilities

The inter-modal freight terminal is located on 23 hectares of land and consists of 4 dual gauge tracks and provision for an additional 2 standard gauge tracks. The siding provides for 750 metres of operational face abutting a 24 metre wide concrete post tension apron. Other works related to the subdivision and services are currently being constructed and are due for completion in early 2004. The terminal area has the capacity for further development in line with demand.

Austrak is registered by the Victorian Department of Infrastructure and is currently managing the activities of the terminal. Upon completion of the outstanding terminal and subdivision works, the facility will be leased to an operator.

Future development

The site includes an additional 56 hectares of large and small lots of serviced land with the opportunity to develop a further 300,000 sqm of industrial space. Austrak will provide development management services to the Joint Venture and will manage the Business Park.

Development strategy

The development strategy focuses on attracting companies that can benefit from the inter-modal facilities and rail mode connectivity to the major Australian Ports, inter and intrastate destinations. Tenants will also benefit from the opportunity to "bundle up" their requirements to attain favourable commercial arrangements from third party logistics providers and road and rail freight operators. The ability to offer this unique facility is anticipated to provide superior long-term returns to investors.

Building on the success of the existing tenant base, GPT and Austrak will lease and develop the remainder of the Park over the next 5-10 years. Pre-commitments will be sought on future stages.

Joint Venture with experienced partner

Austrak is a privately owned property development and investment company founded in 1998, specialising in the procurement and delivery of purpose built high quality industrial facilities. Mark and Tony Assetta, who have over 20 years experience in the construction and property development industries, control the majority shareholder, Assetta Developments.

Austrak has experience in the creation and operation of inter-modal facilities and has managed the construction and development of the Austrak Business Park, Somerton, including all subdivisional works. The company has a strong understanding of supply chain principles and rail freight economics.

GPT will purchase a 50% interest in the existing assets, and will, through the joint venture, jointly develop the remainder of the site. The joint venture will be governed by a joint venture agreement. GPT and Austrak will have pre-emptive rights over the transfer of each other's interests.

Sector outlook

The concept represented by the Austrak Business Park, Somerton represents a distinct competitive advantage in industrial investment and development in the competitive Melbourne

Industrial market and capitalises on a growing market for rail freight movement to and from the Port of Melbourne and interstate, supported by:

- Historical growth (of approximately 7% pa) in containerised freight moving in and out of the Port of Melbourne to current levels of approximately 1,500,000 twenty foot equivalent units (TEUs) annually;
- Forecasts for this growth to continue at around 6% per annum;
- The Victorian Government's target to increase the share of rail freight to and from Port Melbourne from 17% of TEUs to 30% by 2010; and
- The recent completion of a dedicated rail line to the P&O terminal at West Swanson dock.