

GPT

SPLIT TRUST

**GPT Split Trust
Stock Exchange Announcement &
Media Release**

**ADDRESS TO MEETING OF UNITHOLDERS
15 November 2004**

A meeting of GPT Split Trust unitholders has been convened today at All Seasons Premier Menzies Hotel, 14 Carrington Street, Sydney at 2.00pm. The meeting is to consider and if thought fit pass resolutions to give effect to the proposal of Lend Lease Corporation Limited, announced on 1 October 2004, to acquire all the GPT Split Trust units for cash.

Attached is a copy of the address to be delivered at the meeting by the Chairman of the GPT Split Trust Board as comprised by its Independent Directors, Mr Peter Joseph, and the Chief Executive Officer, Mr Nic Lyons.

ENDS

Enquiries

For further information please contact:

Nic Lyons
Chief Executive Officer
GPT Split Trust
(02) 9237 5816

Martin Debelle/Graham Canning
Cannings
(02) 9252 0622



HOUSEKEEPING – DONNA BYRNE (page 1)

- Good afternoon, ladies and gentlemen I'm Donna Byrne, Investor Relations and Communications Manager.
- Before we begin the meeting, there are a few items I'd like to bring to your attention.
- You should have now registered at the registration desk and obtained two voting cards from representatives of ASX Perpetual - a YELLOW one for Resolutions 1 and 2, and a GREEN one which will only be required if Resolutions 1 and 2 are not approved and Resolution 3 is therefore put to the meeting. If you do not have a yellow voting card and a green voting card please put your hand up or see a ASX Perpetual representative now.
- During the meeting there will be an opportunity for Split Trust Unitholders to ask questions and for general discussion.
- We have microphones in the room for this purpose. Please ensure you use the microphones during the discussion time, so that all of us can hear your question.
- Our attendants will be standing near these microphones to indicate to the Chairman when there is a question waiting.
- The Chairman will then nominate the microphone from which he will take the next question and the attendant will introduce you by name to the meeting.
- If you have any questions which you do not wish to address to the unitholder meeting, please don't hesitate to come and see me, or one of our hosts after the meeting, and we will assist you.
- As this is a meeting of unitholders, persons other than Split Trust unitholders are not entitled to speak at the meeting.
- Following the meeting, the Board and management would be delighted for you to join us for afternoon tea. This will be served in the foyer. May I please remind those of you with mobile phones to make sure that you have them switched off during the meeting.
- Finally, for your information, please note that today's proceedings are being recorded.
- It is now my pleasure to introduce the Chairman of GPT Split Trust Board as comprised by its Independent Directors, Mr Peter Joseph.

- Thank you.

WELCOME AND BACKGROUND TO THE PROPOSAL – PETER JOSEPH

- Thank you Donna. Welcome everyone and thank you for taking the time to attend this meeting of GPT Split Trust unitholders.
- With me here today are the other Independent Directors of the GPT Split Trust, Elizabeth Nosworthy, Ken Moss and Malcolm Latham. Also joining us here on the stage are Nic Lyons, GPTML's CEO, Keiran Pryke, CFO, James Coyne, the Company Secretary and Guy Alexander, from our legal advisers, Allens Arthur Robinson.
- The purpose of this meeting is to vote on certain resolutions necessary to approve the proposal received from Lend Lease to acquire all of the units in the Split Trust. You should have all received a notice of meeting and explanatory memorandum in the mail that describes that proposal in detail and sets out the reasons for both the Independent Directors' and the independent expert's recommendation that unitholders vote in favour of the proposal.
- Shortly, I will ask Nic Lyons to provide a brief overview of the Lend Lease proposal and the other options considered in relation to the Split Trust, but before I do that I would like to deal with **two** points:
 - First, to explain the corporate governance protections which were put in place to ensure that the evaluation of the Lend Lease proposal was undertaken independently of Lend Lease; and
 - Secondly, to explain again how the Split Trust proposal being considered today has arisen in the context of the proposed merger of Lend Lease and General Property Trust. That proposed merger will be voted on by Lend Lease shareholders and GPT unitholders on Wednesday. I will also make some comments about the proposed takeover offer by Stockland for GPT which was announced last week, and how it impacts, if at all, on the proposal being considered by Split Trust unitholders today.
- On the first point, we have put in place a number of measures to ensure that the proposal has been independently considered by the Split Trust Board:
 - Firstly, those directors on the Split Trust Board who are not independent of Lend Lease, being Richard Longes, Ross Taylor and

Brian Norris, have declared their interest from the outset, and have not participated in any part of the Board's consideration of the proposal or the review of the options available to the Split Trust. As you will have seen from the explanatory memorandum sent to you, those directors have not made any recommendation in relation to the proposal.

- Secondly, the Split Trust appointed Blake Dawson Waldron as governance adviser in relation to the Lend Lease proposal. On the basis of their observations, and from the information provided to them, Blake Dawson Waldron have confirmed that they are satisfied that your Independent Directors and their advisers have undertaken an appropriate and rigorous evaluation of the proposal. Elisabeth Johnstone from Blake Dawson Waldron, who oversaw this process, is here today and is available for questions if required.
- Thirdly, the Split Trust Independent Directors appointed a number of professional advisers to assist them in their considerations. Macquarie Bank was appointed as financial adviser, Greenwood & Freehills provided tax advice and Allens Arthur Robinson provided legal advice. The Independent Directors appointed BDO Corporate Finance to provide an independent expert's report on the Lend Lease proposal. BDO Corporate Finance concluded that in the absence of an alternative superior offer, the Lend Lease proposal is fair and reasonable, and in the best interests of income unitholders, growth unitholders and unitholders as a whole.
- Representatives of each of those advisers are present today.
- Turning then to the background to today's proposal, I would make the following comments:
 - In May of this year, GPT received a proposal from Lend Lease to merge GPT and Lend Lease. That proposal involves GPT units being stapled to Lend Lease shares. As you know, the Split Trust holds approximately 1% of the GPT units on issue. However, the Lend Lease proposal to GPT did not make reference to the Split Trust, nor did it address the situation of Split Trust holders should the merger proceed.
 - The issue here is that if the Lend Lease/GPT merger proceeds, the Split Trust's GPT units will be stapled to Lend Lease shares,

regardless of how the Split Trust votes its GPT units on that proposal. The problem with this for the Split Trust is that its constitution, which was originally put in place in 1984, does not allow the Split Trust to hold property other than GPT units, and the distribution provisions are also predicated on the Split Trust only holding GPT units.

- As it originally stood, this meant that if the Lend Lease/GPT merger proceeded, the Split Trust would be left with only two options – to either:
 - amend the Constitution to allow the Split Trust to hold stapled securities and/or cash; or
 - wind up the Split Trust.
- Following the decision of the GPT and Lend Lease boards on 6 August to recommend the Lend Lease/GPT merger, the Split Trust, together with its legal and tax advisers, commenced a more detailed evaluation of those two options, assuming the Lend Lease/GPT merger is approved by Lend Lease shareholders and GPT unitholders. Those options involved complex tax and legal advice, so this was a lengthy and difficult process.
- During that process we also commenced negotiations with Lend Lease of a proposal under which Lend Lease would acquire all of the units in the Split Trust for cash, conditional upon the Lend Lease/GPT merger being approved. That is the proposal which is before you today.
- Nic will take you through shortly why we concluded that the Lend Lease proposal, as eventually agreed, was the best of the three options for Split Trust unitholders, but it is important to remember that the proposal being considered today is conditional upon the Lend Lease/GPT merger proceeding. If that Lend Lease/GPT merger does not proceed, then even though you may vote today to approve the Lend Lease offer for your Split Trust units, that offer will lapse and Lend Lease will not acquire your Split Trust units. The Split Trust will then continue as before, subject to any future developments in relation to the Split Trust or its GPT units.
- For this reason, it is not necessary for this meeting to get into the merits or otherwise of the Lend Lease/GPT merger. That is a matter

for the GPT unitholders at the GPT unitholders meeting on Wednesday. Having said that, I know that many of you present today also hold GPT Units. I and my fellow directors, in our capacity as GPT Independent Directors, are more than happy to talk to you about your GPT Units after the close of this meeting.

- I also don't think it is necessary to comment in any detail at today's meeting on the proposed Stockland takeover offer for GPT announced last Monday. GPT's Independent Directors continue to recommend the Lend Lease proposal to GPT Unitholders in the absence of a superior proposal. More importantly, Stockland has not made any offer for the units in the Split Trust, and today's proposal is conditional upon the Lend Lease/GPT merger proceeding. If that occurs, the Stockland proposal in relation to GPT will not occur.
- Having now run through the history, I will now hand over to Nic Lyons to speak about the 3 options we looked at, which again are only relevant if the Lend Lease/GPT merger proceeds.

OVERVIEW OF THE THREE OPTIONS – NIC LYONS

- Thanks Peter. As Peter mentioned, we looked at three options in this process:
 - amending the Constitution;
 - winding up the Split Trust; and
 - the Lend Lease cash offer.
- **(Amendment of the Constitution)** We carefully reviewed the option of amending the constitution so that the Split Trust could hold stapled securities and also distribute the ongoing income from those stapled securities if the Lend Lease/ GPT merger proceeds. However that option created a range of issues for investors:
 - Firstly, there would be significant capital gains tax issues for the Split Trust. These are explained in some detail in the Explanatory Memorandum sent to you.
 - Secondly, major and essential components of the Constitution would require rewriting and approval by unitholders. As the interests of income and growth unitholders would be in conflict in relation to these issues we believed it would be difficult to get the necessary

unitholder approvals of these changes. The Court has no power to separately amend the Constitution to resolve those issues.

- **(Winding up)** This then led us to consider winding up the Split Trust if the Lend Lease/GPT merger proceeded.
- In a winding up, all the assets of the Split Trust would be sold and the Trustee would then deduct all costs associated with the windup before distributing the remainder of the proceeds to Split Trust unitholders.
- The Trust Deed provides that on a winding up, the net cash proceeds derived from the realisation of the trust fund are distributed as follows:
 - the first \$1.50 and 25% of the balance must be distributed to the holders of Income Units; and
 - 75% of the balance in excess of \$1.50 must be distributed to the holders of Growth Units.
- Applying those provisions, and assuming that on the winding up the Split Trust's GPT Units were sold at the volume weighted average price used for the Lend Lease proposal (namely, \$3.684):
 - the maximum amount which would be received by Income Unitholders on a winding up (on a pre-tax basis) is \$2.046; and
 - the maximum amount which would be received by Growth Unitholders on a winding up (on a pre-tax basis) is \$1.638.
- The Board also noted that winding up raises potential tax issues for certain unitholders. Any net capital gain on winding up would be included in the assessable income of unitholders in the proportions that they receive income – this essentially means that income unitholders would bear the majority of the impact yet growth holders would receive the majority of the cash from the winding up.
- This winding up option was then compared against the Lend Lease proposal.
- **(Lend Lease proposal)** Under the Lend Lease proposal:
 - Income Unitholders will receive a base amount per unit of \$2.338 cash.
 - Growth Unitholders will receive a base amount per unit of \$1.638 cash.

- the Split Trust's GPT units will be sold into the cash sale facility under the Lend Lease/GPT merger. To the extent that the sale price under that facility exceeds \$3.684, the excess will be paid 25% per Income Unit and 75% per Growth Unit.
- Split Trust unitholders will receive their cash consideration within 3 business days after payment by the cash sale facility to the Split Trust of the proceeds of sale of the Split Trust's GPT units.
- All costs in relation to the proposal are to be borne by Lend Lease.
- The Lend Lease proposal was seen as offering unitholders a superior outcome over winding up in terms of the amount received, costs involved, certainty and timing.
- In terms of price:
 - For Income unitholders, the base price per income unit is equivalent to the 5 day volume weighted trading price up to the proposal being announced, and represents a premium to the value likely to be achieved on a windup.
 - For Growth unitholders, the base price per growth unit is the amount calculated to be received on a winding up, applying the winding up provisions of the Constitution, assuming no winding up costs and assuming the GPT units were sold at the pre-announcement volume weighted average price for the Lend Lease proposal of \$3.684.
 - For both classes of unitholders, there is also the possibility of further consideration if the GPT units are sold through the cash sale facility at more than \$3.684.
- The Board also considered that the Lend Lease proposal was superior in terms of costs, as these are being borne by Lend Lease, and certainty and timing, as the need for a winding up, including potential applications to the Court, was avoided.
- The Board therefore concluded that, on balance, the Lend Lease proposal offered a superior outcome for unitholders and has unanimously recommended the proposal.
- That conclusion is supported by the conclusion of BDO Corporate Finance, the Independent Expert, that in the absence of an alternative superior offer, the Lend Lease proposal is fair and reasonable, and in the best interests of income unitholders, growth unitholders and unitholders as a whole.

- Before handing back to Peter, I would also like to point out that if the resolutions to approve the Lend Lease proposal are not passed today, an alternative resolution will be put to the meeting that the Split Trust be wound up if the Lend Lease/GPT merger proceeds. As I mentioned before, in that scenario, amendment to the Constitution to allow the Split Trust to continue does not appear to be a viable option, so that winding up is the only alternative. If the voluntary winding up resolution is not passed today and the Lend Lease/GPT merger proceeds, the Responsible Entity of the Split Trust intends to make an application to the Court for a court approved winding up.