

GPT

GENERAL PROPERTY TRUST

GPT Management
Limited ABN 94 000 335 473
as Responsible Entity
and Trustee of
General Property Trust
ABN 58 071 755 609

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24 January 2005

Companies Announcement Office
Australian Stock Exchange Limited
Exchange Centre
Level 6
20 Bridge Street
Sydney NSW 2000

By electronic lodgement

Dear Sir

General Property Trust - First Supplementary Target's Statement

In accordance with section 647(3)(b) of the Corporations Act, attached is a copy of the First Supplementary Target's Statement to the original Target's Statement dated 22 December 2004 in relation to the takeover offer by Stockland Trust Management Limited for the General Property Trust.

The First Supplementary Target's Statement will also be dispatched to Unitholders this week.

Yours faithfully
GPT MANAGEMENT LIMITED

James Coyne
Company Secretary

General Property Trust

First Supplementary Target's Statement

GPT

Introduction

This document ("Supplementary Target's Statement") is a supplementary target's statement dated 24 January 2005 under section 644 of the Corporations Act in relation to the takeover offer ("Stockland Offer") by Stockland Trust Management Limited (ABN 86 001 900 741) as responsible entity of Stockland Trust (ARSN 092 897 348) (collectively, "Stockland") for all the units ("GPT Units") in General Property Trust (ARSN 090 110 357) ("GPT"). This Supplementary Target's Statement is issued by GPT Management Limited (ABN 94 000 335 473) as responsible entity of GPT ("GPT Management").

This Supplementary Target's Statement supplements and is to be read together with the Target's Statement dated 22 December 2004 ("Target's Statement").

No other supplementary target's statement has been lodged with ASIC in relation to the Stockland Offer. This Supplementary Target's Statement will prevail to the extent of any inconsistency with the Target's Statement.

Overview

The Target's Statement announced that the GPT Independent Directors had commissioned new independent valuations of certain assets within GPT's retail portfolio ("Updated Valuations"). This was because the weighted average age of the current

valuations of GPT's retail portfolio would have been over 20 months at December 2004 and there was evidence of recent strong increases in values of retail shopping centres. The evidence led to a concern that GPT's actual net tangible assets per unit ("NTA") may be materially greater than \$2.74 per GPT Unit, being the NTA stated in the Target's Statement and GPT's Half Year 2004 Report.

Updated Valuations were commissioned with respect to the majority of GPT's retail shopping centres. The increase in the value of the shopping centre assets, together with minor changes to other non-retail valuations received in the past six months result in a \$584 million increase to GPT's net tangible assets at 31 December 2004.

As a result, it is anticipated that **GPT's NTA as at 31 December 2004 will be \$3.02 per GPT UNIT, UP 10.2% FROM \$2.74** when GPT's audited financial statements are released on 11 February 2005.

The Stockland Offer

The GPT Independent Directors continue to recommend that GPT Unitholders do not accept the Stockland Offer.

The Stockland Offer continues to be (and has at all times been) below the trading price of GPT Units, even though the trading price of both securities has fluctuated since the release of the Target's Statement.

Moreover, the Updated Valuations now confirm that the Stockland Offer:

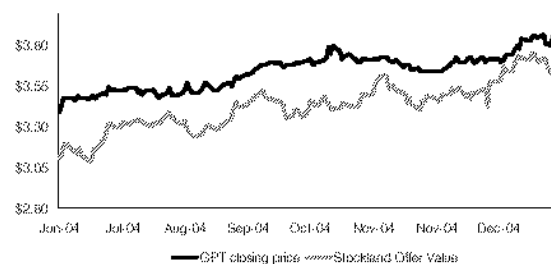
- continues to represent an insufficient premium to GPT's NTA;
- results in significant dilution of NTA per equivalent GPT Unit; and
- if successful, would dilute the overall quality of the investment asset portfolio owned by GPT Unitholders and built by GPT over more than 30 years.

The Updated Valuations have the effect of lowering GPT's gearing ratio by approximately 2% from where it would otherwise have been.

Stockland's Offer Value continues to be lower than the ASX price for GPT Units

The Stockland Offer Value continues to be (and has at all times been) below the trading price of GPT Units on ASX, as shown below.

Stockland Offer Value below GPT Unit trading price



Source: IRESS. In this context the Stockland Offer Value is calculated as the Stockland closing price at the relevant date adjusting for any Stockland distributions which a GPT investor would not receive if they were to accept the Stockland offer, multiplied by the merger ratio of 0.608. Consequently, prior to 23 December 2004 the offer value was adjusted for the accrued portion of the Stockland distribution for the half year ended December 2004 and after 23 December 2004 no adjustment is made. The GPT Unit price is the closing price.

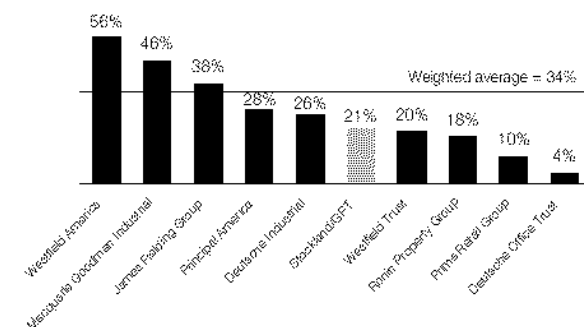
Stockland's Offer continues to represent an insufficient premium to NTA

The GPT Independent Directors continue to believe that the Stockland Offer Value represents an insufficient premium to GPT's NTA. The GPT Independent Directors hold this view based on:

- GPT's strategic value; and
- the premium offered by Stockland compared to the weighted average premia to NTA observed in listed property trust mergers in 2004.

Using an NTA of \$3.02 following the Updated Valuations, the Stockland Offer Value¹ of \$3.66 (as at 21 January 2005) represents only a 21% premium to NTA, when the weighted average premium observed in listed property trust mergers in 2004 was 34%.

Insufficient premium to NTA



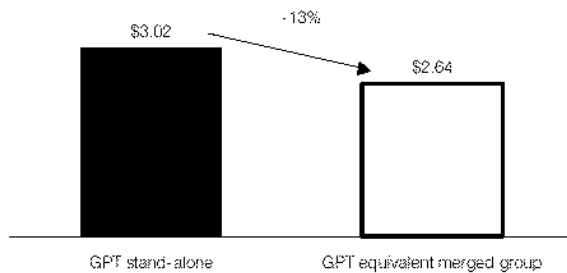
Source: Investor presentations, company announcements, IRESS. This chart examines listed property trust mergers and acquisitions since January 2004, greater than \$300 million in value and lists the property entity that was acquired. In the case of mergers by stapling, the acquirer is the entity that effectively offered their scrip as consideration.

¹ Calculated as Stockland 5 day volume weighted average security price to 21 January 2005 of \$6.02, multiplied by the merger ratio of 0.608. The accrued portion of the forecast Stockland distribution is not subtracted as GPT Unitholders would be entitled to it under the terms of Stockland Offer.

Stockland's Offer results in increased dilution of NTA

Following the Updated Valuations, the dilution to NTA per equivalent GPT Unit is even greater than reported in the Target's Statement. Based on an NTA of \$3.02 per GPT unit, dilution to NTA is increased to 13% (previously 9%).

Increased dilution of NTA

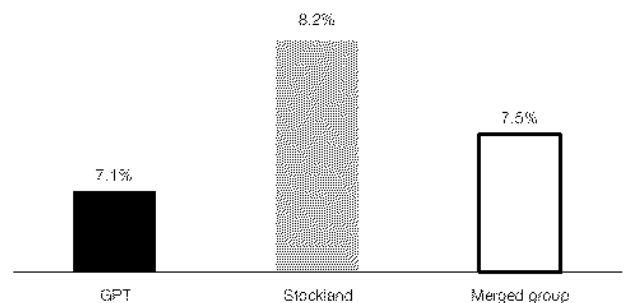


Source: GPT: anticipated 31 December 2004 NTA following finalisation of statutory audit and accounts and Stockland Supplementary Bidders Statement (17 December 2004), after taking into account Stockland's acquisition of Lensworth.

Dilution of investment asset quality

The reduction in quality of the investment assets suffered by GPT Unitholders when combining with Stockland is further highlighted following the Updated Valuations. This is illustrated by the fact that the weighted average capitalisation rate of GPT's investment assets is considerably lower than Stockland's. Lower weighted average capitalisation implies higher quality. The reduction in investment asset quality is illustrated in the following diagram.

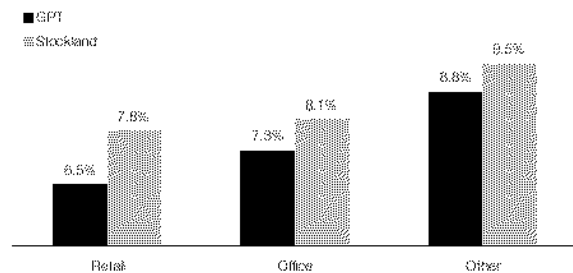
Investment asset weighted average capitalisation rate



Source: GPT based on the most recent independent valuations. Stockland Property Portfolio Presentation (August 2004)

The Updated Valuations highlight the fact that GPT's assets are superior in quality to Stockland's in all asset classes.

Investment asset weighted average capitalisation rate by sector



Source: GPT based on the most recent independent valuations. Stockland Property Portfolio presentation (August 2004).

Gearing

GPT's gearing, when adjusted for the Updated Valuations will be approximately 2% lower than it would otherwise have been.

Accordingly, should the Stockland Offer be successful, after taking into account the Updated Valuations, the gearing of the merged vehicle would be slightly lower than it would otherwise have been. On this basis, existing Stockland security-holders benefit from this reduction in GPT's gearing.

2004 Accounts

GPT's financial statements for the year ended 31 December 2004 will be released to the ASX on 11 February 2005.

Further Information

Further information is contained in the Target Statement dispatched to Unitholders during December 2004 and by calling the GPT UNITHOLDER INFORMATION LINE - on 1800 350 150 (if in Australia) or +61 2 9278 9045 (if outside Australia).

Other

Lodgement with ASIC

A copy of this Supplementary Target's Statement was lodged with ASIC on 24 January 2005. Neither ASIC nor any of its officers takes any responsibility for the content of this Supplementary Target's Statement.

Defined terms

Capitalised terms used in this Supplementary Target's Statement are defined in the section titled "Interpretation and Authorisation" of the Target's Statement, unless the contrary intention appears.

Authorisation

This Supplementary Target's Statement has been approved by a resolution passed by the GPT Board. No GPT Director voted against the resolution authorising this Supplementary Target's Statement.

DATED: 24 January 2005

SIGNED

for and on behalf of GPT Management Limited



Peter Joseph
Chairman