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GPT

GENERAL PROPERTY TRUST

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3 pages

GPT rejects Lend Lease's response to GPT's transitional plans**Lend Lease's actions in respect of the management of GPT****11 May 2005**

Yesterday afternoon, Lend Lease issued an announcement headed "Lend Lease opposes GPT transactions with Westfield and B&B". GPT considers that announcement contained a number of inaccurate statements and overlooked some of the fundamental concerns expressed by the directors of GPT Management Ltd ("**GPTML**"), as responsible entity of General Property Trust ("**GPT**"), in its announcement of earlier yesterday. The Lend Lease announcement also foreshadowed a Lend Lease counter-proposal, which has not been discussed with the board of GPT. Additionally, since its announcement of yesterday, GPT believes that Lend Lease has sought to frustrate the continued management of GPT by GPTML.

Lend Lease's actions in respect of GPT management

Late yesterday afternoon, Lend Lease took steps to "lock out" senior GPT management from the premises at which they conduct GPT's business. By doing so, Lend Lease has sought to distance the GPT senior management team from the remainder of the GPT management group, the majority of whom have indicated their desire to move to GPT, should the internalisation proposal succeed. After foreshadowing a lock-out last Friday, Lend Lease only gave a few hours notice of its intention to lock out management yesterday evening.

Lend Lease has also moved, without agreement of the GPTML Board, to reorganise the GPT management structure and alter reporting lines within GPT, including removing Mark Fookes from the GPT structure where he reported to Nic Lyons, so that he now reports to David Hutton, a Lend Lease executive. GPT rejects these moves.

GPT considers that Lend Lease's actions promote only the interests of Lend Lease and that they are completely contrary to the interests of GPT unitholders. GPT believes that Lend Lease has acted contrary to the corporate governance protocols relating to GPT and the terms of the arrangements by which the senior GPT management team has occupied its

current premises. GPT remains under the control of the GPTML board of directors, which continues unanimously to support Nic Lyons and his management team.

Nic Lyons' team has been publicly supported by key personnel primarily involved in managing GPT and its assets, including the current general manager – retail, national retail development manager, chief operating officer of the retail business and the portfolio managers for the office, industrial, hotel and tourism, and the master planned urban community portfolios. That combined management team will operate solely for the benefit of GPT unitholders if the internalisation proposal is approved.

GPT challenges the accuracy of Lend Lease's announcement

Contrary to Lend Lease's assertions, it was never a requirement of GPT agreeing to transitional arrangements with Lend Lease that Lend Lease give unqualified support to the internalisation proposal now before unitholders. GPT sought only the co-operation of Lend Lease in the smooth transition to an internalised and independent GPT, if GPT unitholders supported the internalisation proposal, together with an agreement for the acquisition of assets and other transitional matters.

It is also incorrect for Lend Lease to assert that the senior management team of GPT threatened its resignation if Lend Lease did not agree to an allocation of employees on GPT's terms. Contrary to Lend Lease's assertion, no such offers of resignation were made.

GPT also rejects as incorrect, Lend Lease's assertion that it was seeking a "fair and equitable arrangement for an initial allocation of Lend Lease resources and employees". Lend Lease had proposed an arbitrary and mandatory allocation of employees, which suited no one other than Lend Lease. GPT had proposed no more, and refused to accept anything less, than that employees be given the right to choose their employer, based upon their views of the prospects, vision and plans of both groups.

Lend Lease's counter-proposal

The independent directors of GPT are unanimously of the view that the internalisation proposal outlined in the GPT Notice of Meeting and Explanatory Memorandum released on 2 May 2005 ("*EM*") is in the best interests of GPT unitholders, in the absence of a superior proposal. Accordingly, the independent directors of GPT unanimously recommend that GPT unitholders vote in favour of the resolutions to implement the internalisation proposal, in the absence of a superior offer. That recommendation is supported by the independent expert's report, contained in full in the EM.

Lend Lease has now declared that it does not support the internalisation proposal for an independent and internally-managed GPT. Lend Lease also now proposes to "announce its views on an appropriate internalisation model for GPT".

The independent directors of GPT will consider any alternative proposal put forward by Lend Lease (or anyone else) . The independent directors are both obliged and best placed to do so.

Corporate governance

Blake Dawson Waldron has been retained as Governance Advisers from the receipt of the first proposal. A Governance Protocol was prepared, implemented and maintained with the agreement of both GPT and Lend Lease. BDW has continued to advise on governance issues, including attending all meetings where those Independent Directors considered options. BDW has confirmed that it has observed a very engaged group of Independent Directors, overseeing a rigorous process aimed at ensuring that the rights of unitholders were respected. In BDW's opinion, based on observations and the information provided to them, the directors have exercised care and diligence and have been even handed in considering the options and competing proposals to date. BDW has also confirmed that the Independent Directors have acted in a manner consistent with contemporary governance practices, including ensuring ethical and responsible decision making, balanced disclosure, and transparency.

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A prospectus for GPT Management Holdings Limited (ACN 113 510 188) (*GPTCo*) shares was lodged with the Australian Securities and Investments Commission on 2 May 2005. The offers of the GPTCo shares will be made in, or accompanied by, a copy of the prospectus. Anyone wishing to acquire the GPTCo shares must be a member of General Property Trust (ARSN 090 110 357) on the record date specified in the prospectus.