

SCRIPT

MEETING OF GPT UNITHOLDERS

on 2 June 2005 at 11:00am

[SLIDE 1: COVER PAGE]

[SLIDE 2]

DONNA BYRNE

- Good morning, ladies and gentlemen I'm Donna Byrne, Investor Relations and Communications Manager for General Property Trust.
- 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, one YELLOW voting card and one GREEN voting card from representatives of ASX Perpetual. The RED cards are for non voters and BLUE cards are for visitors. If you are a GPT unitholder and do not have a yellow and green voting card, please put your hand up or see a ASX Perpetual representative now.
- During the meeting there will be a number of opportunities for you 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. Please give your name to the attendant.
- The Chairman will then nominate the microphone from which he will take the next question and your host will introduce you by name to the meeting.
- If you have any questions that 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 GPT unitholders are not entitled to speak at the meeting.

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- There will be two sets of votes conducted at the meeting. You will first be asked to vote on the YELLOW voting card on Resolutions 1, 2 and 4 as detailed in the Notice of Meeting you received. We will then count the votes for Resolutions 1, 2 and 4. If Resolutions 1 and 2 are passed, we will then ask you to vote on the GREEN voting card for Resolution 3. If Resolutions 1 and 2 are not passed, you will not be required to vote on Resolution 3.
- While the votes for Resolutions 1, 2 and 4 are being counted, the meeting will adjourn and the Board and management of GPT would be delighted for you to join us for refreshments. This will be

served in the foyer. The meeting will reconvene and the results of the first set of votes will be announced. If Resolutions 1 and 2 have been approved, we will ask unitholders to vote on Resolution 3 and then count the results on Resolution 3. It is important that you vote on Resolution 3 if required, so we urge you to please not leave until after a vote on Resolution 3 occurs.

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- 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 the Board of GPT Management , Mr Peter Joseph.
- Thank you.

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- **PETER JOSEPH**

- Ladies and Gentlemen, welcome.
- Thank you for taking the time to attend this very important meeting at which you are being asked to vote on the kind of future that you want for GPT.
- As the appointed time has arrived and a quorum is present, I declare this meeting properly constituted and open. I now table the document signed by the responsible entity under the Corporations Act to appoint me to chair this meeting.
- With me here today are GPT's other Independent Directors, Ken Moss and Malcolm Latham. We also have here on stage with us two additional members of the GPT Board: Elizabeth Nosworthy and Eric Goodwin. I welcome you all here today. Brian Norris, the final member of the GPT board, is unable to attend today's meeting as he is overseas.
- Elizabeth Nosworthy, Brian Norris and Eric Goodwin have not been part of the GPT Board's review or its recommendation because of conflicting relationships with Babcock & Brown and Lend Lease. They will not represent GPT in any of today's proceedings.
- I would also like to introduce, on the floor, Ian Martin, who will, if the proposal proceeds, become a director of GPT.

- Joining us here on the stage are also:
 - Nic Lyons, GPT's Chief Executive Officer;
 - Kieran Pryke, GPT's Chief Financial Officer;
 - James Coyne, GPT's Company Secretary; and
 - Ewen Crouch, from our legal advisers Allens Arthur Robinson

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- The purpose of this meeting is to vote on certain resolutions to approve the internalisation of management of the Trust and to approve certain amendments to the GPT Constitution. The proposals outlined today were detailed in the Explanatory Memorandum you all should have received.
- The proposal before you is one which the Independent Directors considered at great length, in great detail and with great sensitivity. We unanimously recommend support for today's resolutions because we believe the proposal delivers the greatest value and the best outcome for GPT investors. It creates VALUE, STABILITY and CERTAINTY.
- It is just over one year – one tumultuous year - since Lend Lease announced its unexpected merger proposal, thereby putting GPT into play. So began a long period of disruption and uncertainty for the Trust, unitholders and for our enormously committed management and staff.

- When Lend Lease's proposal was unsuccessful last November, and facing an under-valued takeover proposal from Stockland, we consulted and heard from investors about what you wanted for GPT's future.

[SLIDE 7]

- You sent a clear message.....give us an independent GPT, supported by measured growth, while maintaining GPT's traditional low-risk profile. We responded with the proposal before you today.
- That it will deliver independence, significant value and certainty to unitholders is indisputable.
- Throughout the past year, the focus of Independent Directors has been to fulfill our exclusive responsibility to act in GPT unitholders' best interests. We have continually agonised, discussed and debated at great length what course of action would represent your best interests.
- Our job as Independent Directors has been to assess every possible option, evaluate them fairly, dispassionately and rigorously, and to make recommendations accordingly.

MANAGEMENT and TRANSITION

[SLIDE 8]

- Before I turn to the proposal, I want to recognise the exemplary conduct, tireless efforts and adherence to principles by GPT's

CEO Nic Lyons and his senior management team during this very difficult past year.

- The manner in which they prepared for this proposal and continued day-to-day management, under what at times were extraordinarily distressing circumstances, demonstrates their capability, their character and their commitment. That should never be forgotten.
- I know that for some unitholders, the choice you face today may be uncomfortable and perhaps tinged with sadness, as the proposal will result in breaking the management links with Lend Lease that have existed for over 30 years.
- However, as the Independent Directors have assessed the multiple options open to GPT, it has become clear to us that times change, people change and corporations change. Things move on, and the historical links with Lend Lease that were once important, are no longer necessary for GPT.
- Indeed, recognising that we may be going our separate ways, GPT and Lend Lease have yesterday reached agreement on the transitional and separation issues that will see GPT become independent.
- GPT must forge its own future, its own growth and its own certainty. It is more than capable of doing so.
- It's now time that the ownership and management interests of GPT were totally aligned. If you give us Independence we will do the job. We will respect your TRUST.

- Let me turn to the proposal:

THE PROPOSAL

[SLIDE 9]

- On 17 February 2005, GPT announced a proposal that GPT Independent Directors and management believe, when considered in its entirety, is in the best interests of GPT Unitholders.
- The proposal entails the following three key initiatives:
 1. *Internalising the management of GPT*
 2. *Entry into the Joint Venture with Babcock & Brown*
 3. *Sale of Part Interests in 3 retail assets to Westfield*
- This package of Internalisation + Joint Venture + Sale of partial interests in Assets was negotiated and developed over a lengthy period and involved robust negotiation between all 3 parties.
- The Joint Venture and the Asset Sales do not and have never required a vote by GPT Unitholders. Indeed, it was open to the GPT Board to implement these proposals without waiting for the vote on Internalisation. We chose not to do so.
- However, we believe the B&B Joint Venture and the Asset Sales to Westfield are absolutely necessary to underpin a STABLE internalisation of GPT management.

- We cannot recommend one without the others. So, in proposing the internalisation resolutions we have been absolutely clear and transparent with unitholders that, the proposals should be considered as a package, since the proposed Joint Venture and the Asset Sales will immediately follow a vote in support of the internalisation of management.
- Some have suggested that unitholders should be able to vote for each piece of the package separately, or vote for a 'stand-alone internalisation' without the joint venture and without the asset sales.
- We understand that perspective. In any "package", we would all prefer that we could take those bits of a package which we PERSONALLY find attractive and avoid those bits with which we PERSONALLY may have difficulty. We would all love to cherry pick but that is not reality. It's the same in voting for governments: if people could vote policy by policy, I dare say most people would choose more welfare spending and choose not to pay more tax.
- Of course, it is not that simple. Personal preferences must give way, in government and in business, to the economic realities of what actually works.
- Our responsibility as Directors of GPT is very clear. We must act in the best interests of all unitholders, and recommend proposals that satisfy that sole criterion.

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- In that respect, the Independent Directors do NOT believe that an 'internalisation-alone' option is in the best interests of unitholders.
- An "Internalisation alone" represents inferior value to GPT unitholders and will make GPT unstable in the future. It will also deprive unitholders of most of the \$880 million value uplift for GPT and the 16.5% increase in distributions delivered by the package of proposals considered here today.
- To offer unitholders the option of 'internalisation-alone' would risk opening the door to a falling unit price and continued instability. We believe it would leave GPT vulnerable to another under-valued hostile take over bid. These consequences would, in turn, de-motivate our management, make it difficult to keep the best staff and impossible to attract new people of the caliber we need. Independence alone would be a recipe for instability, which itself undermines independence. We need to stay out of this "swamp of uncertainty".
- For all of these reasons, an internalisation alone is not – and CAN NOT be recommended by the Independent Directors.

[SLIDE 11]

B&B JOINT VENTURE

- We developed the Joint Venture proposal with Babcock & Brown to serve as a 'growth engine' for GPT. The Joint Venture provides GPT with a platform from which to increase significantly

the rate of growth in earnings and distributions while preserving GPT's traditional strengths and its essential character as a vehicle at the lower end of the risk spectrum for listed property trusts.

- After working closely with the B&B team for over 6 months, we are confident that the Joint Venture will exceed our expectations and endure over the long term because it offers strong strategic and financial benefits to both parties. Our respective investment philosophies are very complementary with a focus on the fundamentals, especially stable cash flows and low volatility assets.
- With the Australian property market coming off what we see as a highpoint in the cycle, it makes more sense to have 15% of our total assets invested in property markets that we believe are at the bottom of their cycle.

[SLIDE 12]

WESTFIELD SALES

- We propose to sell part interests in three shopping centres to Westfield.
- I know this has been a contentious point for some. It was a difficult decision for us.

- However, the agreement needs to be understood in context. We know that late last year and early this year Lend Lease, Westfield, Stockland and other major participants in the Australian listed property trust sector were variously discussing BETWEEN THEMSELVES the future of GPT.
- It was clear to the GPT Independent Directors that the future of GPT SHOULD NOT be allowed to be negotiated WITHOUT appropriate input from GPT, and from those who were committed to the best interests of GPT unitholders.
- As the custodians of your best interests, the Independent Directors concluded that they must engage with all major participants if the Independent Directors were going to be able to develop a proposal which was BOTH:
 - (a) a CREDIBLE alternative to Stockland's undervalued takeover bid, and set a new "price point" for any further takeover bids; and
 - (b) going to deliver the independence and growth demanded by GPT unitholders and which was necessary for a STABLE future for GPT.
- It was critical to the development of the proposed joint venture with Babcock & Brown that it would have a serious chance of success. For that to occur we needed to understand the intentions of other major participants, who might otherwise come together in a way contrary to unitholders' best interests.
- GPT therefore decided to enter discussions with Westfield with a view to negotiating a transaction which would preclude Westfield

from proposing, or being part of a consortium that proposed, alternatives THAT WERE LESS BENEFICIAL TO GPT UNITHOLDERS THAN THE CURRENT PROPOSAL. Reaching agreement with Westfield also provided significant, cost effective funding for GPT's planned investment in the joint venture with B&B.

- Viewed dispassionately, and with this context, the sale of partial interests in 3 retail assets are the right move at this time. They are being sold at or above independent valuations and at what we see as a highpoint in the Australian property cycle.

STABILITY

- Some people here today may believe that voting against the resolutions will maintain the status quo for GPT. Nothing could be further from the truth. If the resolutions are not passed, GPT's future would then be determined by Lend Lease's plans for GPT.

[SLIDE 13]

- As we have explained, Lend Lease announced only, that it would develop a plan IF today's proposal is unsuccessful. There is no alternative plan yet formulated by Lend Lease and the only guidance we can provide is the 'Internalisation-alone' model that is outlined in the Explanatory Memorandum – and which was rejected by the Independent Directors as an inferior option and not in unitholders' best interests.
- Voting YES to the resolutions today will bring stability, growth, value and a clear long term strategy for GPT.

- Voting NO simply gives GPT an uncertain and unstable future, and prolongs the turbulence in which GPT has found itself for the last year. We now want to get out of that swamp of uncertainty.
- I will now ask Nic Lyons, GPT's Chief Executive Officer, to talk in more detail about the terms of the proposal and the strategy for GPT post proposal.

NIC LYONS

[SLIDE 14]

- Thank you Peter.
- Let me say at the outset that the whole management team is very enthusiastic about the opportunities that this proposal presents for GPT and for our investors.
- Obviously this proposal represents a change for GPT. But, let me make clear what this proposal does not change.

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- GPT will remain the owner of a high quality diversified Australian property portfolio valued at \$8.2 billion. 85% of our total assets will remain unchanged as our interest in the Joint Venture is limited to 15% of our total assets. GPT will remain committed to growth and stability for its unitholders.

- The sale of partial interests in 3 retail assets to Westfield for \$744 million dollars will reduce our Retail Portfolio from \$4.7 billion to \$4 billion BUT we will still be the second largest owner of retail assets in Australia.
- Importantly, we're not going to stand still in retail development: We have identified over \$1 billion in future development opportunities across our existing portfolio, and are committed to the continued growth of our retail platform.
- Our approach to investment in quality low risk property investments won't change. Neither will our senior staff who remain committed despite the difficulties of the last 12 months – because they are excited about the future for GPT and for our investors!
- That future is built on the incredibly solid base of high quality properties that GPT has built-up over more than 30 years. On that foundation we propose the development of the Joint Venture – which finally provides a means to develop a set of selected quality offshore investments – a growth option we have wanted to pursue for several years.

[SLIDE 16]

GPT'S VISION POST PROPOSAL

- The proposal will broaden GPT's investment focus in two ways.
First, through investments in offshore property markets which are larger but less-mature and offer greater diversity and higher risk-adjusted returns.
- This is to our advantage as the Australian market matures and the opportunity to achieve superior returns is limited by the weight of intense competition for assets domestically in a relatively small market pushing prices to record levels.
- Second, GPT will engage in a broader range of activities, involving the investment in property markets and asset classes that offer opportunities to achieve higher returns because the characteristics of these markets and sectors have resulted in inefficiencies. These can be exploited through the application of quality management and skills and through active trading of assets to realise higher returns without significantly higher risks.
- The new strategy and structure will provide the flexibility for GPT to pursue a range of new growth activities, if they exhibit the required risk-adjusted returns.
- GPT and the Joint Venture will retain a focus on mitigation of risks. Providing superior risk-adjusted returns for unitholders will be the primary driver for decision making. This discipline will be implemented through:
 - the use of limitations on the levels of investment in particular sectors and investment types;
 - a total return focus on investment decisions;

- the use of non-recourse debt as a protective measure in instances where it is deemed beneficial;
- active capital management; hedging of foreign currency obligations, management of interest rate expenses and continued good corporate governance;
- a predominant focus on income earnings secured by long term tenancies rather than speculative capital gains; and
- GPT's veto rights over any investment proposal to the Joint Venture.

GPT POST PROPOSAL

[SLIDE 17]

- Following the proposal, GPT will be one of Australia's largest diversified property groups with:
 - an \$8.2 billion core portfolio of high quality diversified Australian property assets; and
 - a platform to enter new markets, assets and funds management activities in a controlled manner via the initial \$900 million investment in the Joint Venture.
- The proposal offers significant value to GPT Unitholders, including a significant increase in forecast earnings, a 16.5% increase in distributions, in 2006 from 23.6 cents per unit to 27.5 cents per unit, as well as the potential for higher growth in distributions in the future.
- The Internalisation will create an independent, internally managed group with a reduced management expense ratio, saving

approximately \$20 million per year in management fees, which are currently paid to Lend Lease.

- The growth rates post proposal, are the result of ongoing growth delivered by GPT and the Joint Venture, as well as a one-off uplift created by the Internalisation and Asset Sales.
- The proposal is expected to increase the value of GPT by an estimated \$880 million.
- The Independent Expert's view was that GPT's unit price is likely to trade between \$3.61 to \$3.81 if internalisation and the Joint Venture proceeds. Our shares closed at \$3.61 yesterday.
- More significantly, perhaps, unit holders need to understand that GPT's trading value has been supported for the last 12 months by the very takeover speculation that has proved so disruptive and destabilising.
- Before the first Lend Lease proposal GPT was trading at just over \$3.00. In the absence of our proposal for internalisation supported by the Joint Venture and asset sales, or another takeover, an adjustment in the trading price of GPT units would appear to be inevitable.

[SLIDE 18]

- But this restructuring proposal developed by the Independent Directors and management is much more than a response to the proposals.

- I have already made the point that the widening of GPT's investment horizons offshore is something that we have wanted to do for some years, but have not been able to link-up with an appropriate partner with the local expertise and personnel that Babcock & Brown can provide.
- The Internalisation of management is also long overdue. This is now a common structure across the Australian LPT sector. The internalised management structure will align management and staff's interests with those of the Trust and unitholders. It will also enable GPT to benefit from ownership of operating businesses and the trading profits generated by those businesses, in the same way that many of our competitors have benefited in recent years.
- Management will be solely accountable to GPT unitholders through the GPT Board and not employed by another business with potentially different interests.
- We have already put in place all the necessary transitional arrangements, whether they be premises, systems or people, both with Lend Lease and other third parties to make sure that GPT is fully operational on Day One.

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- It will be a GPT with strong values, an inclusive culture and a commitment to the best interest of GPT unitholders.
- It will be an organisation where people want to come to work. An organisation where they can grow professionally with

opportunities to move on to higher challenges and deliver investment performance for unitholders.

- It will be an organisation that attracts the best property professionals in the country – rather than facing the constant threat of losing them to our competitors.
- This proposal represents the opportunity to introduce some STABILITY and CERTAINTY for our unitholders and the people looking after their interests in GPT.
- The vote today is not just about a simple separation from Lend Lease – but rather, the preservation of GPT itself as a successful and dynamic force in the property markets.
- Without the VALUE and STABILITY created by the proposals today, GPT faces a difficult and unpredictable future.

BACK TO PETER

PETER JOSEPH

[SLIDE 20]

GOVERNANCE PROTECTIONS

- The Independent Directors recommendation of the Proposal before you today came after an exhaustive examination of the various proposals and many alternative options investigated during the last 12 months.

- In this process, we have been supported by the GPT management team and assisted by a number of advisors working exclusively for GPT and GPT's management team:
 - our financial advisers – Macquarie Bank;
 - our legal advisers – Allens Arthur Robinson
 - our accountants – PricewaterhouseCoopers;
 - our tax advisers – Greenwood & Freehills;
 - our specialist governance advisers - Blake Dawson Waldron, and
 - our communications advisers – Cannings.
- Grant Samuel was appointed Independent Expert and their report is enclosed in the Explanatory Memorandum sent to Unitholders, dated 2 May 2005.
- We were very conscious of the need to put in place corporate governance protections to ensure that the evaluation of the proposal was undertaken independently and in an open and transparent manner and exclusively in the interests of GPT's unitholders.
- I would now like to introduce Elizabeth Johnstone from Blake Dawson Waldron, our specialist governance adviser, to address the meeting.

[SLIDE 21]

ELIZABETH JOHNSTONE

- Governance processes adopted by the Independent Directors.

- Blake Dawson Waldron (BDW) was retained as governance adviser when first merger proposal from Lend Lease in May 2004 - continued to act in that capacity during evaluations of various options and negotiations
- BDW advised the Board, represented by its Independent Directors
- Initially retained to provide separate governance advice because of the connections between the responsible entity of GPT and Lend Lease
- GPT was not legally required to have a specialist governance adviser - Board decided that separate advice on governance issues - an appropriate and continuing step in all the circumstances
- Corporate governance – requires an effective balance between the innovative, entrepreneurial, risk taking business activity and on the other hand, the appropriate measure of accountability
- Integrity by the Board in setting "tone at the top"
- Advise the directors on applying these principles in the complex governance environment confronting GPT since May 2004
- We have attended all meetings of the Board held since November 2004
- In our presence, the directors have asked each other, GPT senior executives and their professional advisers:
 - Is this the right thing to do?

- Is it in the best interests of our unitholders?
- We have repeatedly heard the directors acknowledge that it is the unitholders who should decide the future course for the company

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- As governance advisers, we have provided an opinion containing three major points - based on observations and the information provided to us, the Independent Directors have:
 1. Firstly: developed and implemented a rigorous evaluation process in relation to the various proposals to ensure that the interests of GPT unitholders were paramount;
 2. Secondly: exercised care and diligence and been even handed in considering the various competing proposals and options to date; and
 3. Thirdly: been mindful of, and acted in a manner consistent with, contemporary corporate governance principles and practices, including ensuring ethical and responsible decision making, balanced disclosure, and transparency.

[SLIDE 23]

BACK TO PETER

VIDEO

- Thank you Elizabeth.

- I now want to show you something of our vision for the new GPT. You may be aware that in April we took a group of major investors and analysts to Europe to look at the particular properties and the 'on the ground' operations of our Joint Venture Partner Babcock and Brown. Those investors and the analysts immediately saw that the Joint Venture proposal was a "winner". It offers real value to GPT and the properties are quality assets.
- I want to show you a video that GPT management has prepared to allow you some of that same insight.

SHOW VIDEO

ENDS.