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The GPT Group

BABCOCK & BROWN

ASX Release

21 November 2006

BABCOCK & BROWN AND GPT ANNOUNCE OFFER PRICE RANGE FOR EUROPEAN RETAIL REAL ESTATE FUND

International investment and advisory firm Babcock & Brown (ASX: BNB) and real estate group The GPT Group (ASX: GPT) today moved a step forward in the creation of a funds management platform, as foreshadowed in the announcement of 16 November 2006, with the announcement that Babcock & Brown GPT European Retail Fund Limited (BGER), a close-ended, limited liability investment company incorporated in Guernsey, has set the Offer price range for the institutional Offer of Ordinary shares in its IPO on Euronext Amsterdam N.V.'s Eurolist by Euronext. The Offer price range has been set at €15.20 to €17.00 per Ordinary Share and the Company intends to issue 24.7 million shares implying an Offer size of approximately €400 million at the mid point of the Offer price range. There will be no public offer of BGER shares in Australia.

The final Offer price is anticipated to be announced and dealings in the Ordinary Shares are expected to commence on or around 6 December 2006. The Offer is subject to the receipt of outstanding regulatory approvals.

Following Admission, it is expected that Babcock & Brown and GPT, through joint ownership of Babcock & Brown GPT Investment Holding Limited (Guernsey), will own at least 15% of BGER. The shares will be subject to a 360 day lock-up provision.

BGER has been set up to provide an investment opportunity in the pan-European retail property sector. The Board of Directors of BGER (the "Board") anticipates providing shareholders with a total annual shareholder return of approximately 11 per cent and an annual dividend yield of approximately 5.5 per cent of the Company's initial net asset value. The Board will aim to achieve its return objectives while maintaining a low-risk profile, including long-term contracts with a diversified list of high-quality tenants and good retail locations across Europe with minimal development and construction risks.

Phil Green, Chief Executive Officer of Babcock & Brown said, "The listing of BGER is a strategically important step for our joint venture with GPT and is consistent with the joint venture's strategy to recycle capital and diversify our capital sources through the creation of a funds management platform."

Nic Lyons, Chief Executive Officer of GPT, said that this initiative, which was highlighted last week in the joint venture's market briefing, was part of the evolution of the joint venture's business model which included the creation of a funds management business and a target of assets under management of $30 billion (including 100% of assets managed by partly owned platforms) within five years.

"The creation of BGER is indicative of our ability to deliver on the joint venture's strategy to recycle capital through the creation of managed funds," Mr Lyons said.

BGER will be one of the largest listed owners of real estate assets in Europe and will benefit from the skills and experience of both groups.

BGER will be governed by a majority independent Board with representation from both GPT (Nic Lyons) and Babcock & Brown (Ben de Jonge). The Board expects BGER's size will bring economies of scale, attractive financing opportunities and the ability to compete for a wide range of asset sizes.

Babcock & Brown GPT Investment Manager (Guernsey) Limited, will be appointed as the investment manager of BGER, responsible for managing BGER and its portfolio of assets. The Board of the investment manager will include 2 directors each from GPT and Babcock & Brown and one independent director.

On or shortly after Admission, BGER will be seeded with a portfolio of retail assets (the "Initial Portfolio") with a gross asset value of approximately €1.5 billion comprising 294 retail assets. Of these assets, properties with a value approximately €400 million will be acquired from the Joint Venture. The remaining assets valued up to €1.1 billion will be acquired from Babcock & Brown.

Please find attached the announcement released in Europe which includes further information on BGER.

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About Babcock & Brown

Babcock & Brown is a global investment and advisory firm with longstanding capabilities in structured finance and the creation, syndication and management of asset and cash flow-based investments. Babcock & Brown was founded in 1977 and is listed on the Australian Stock Exchange.

Babcock & Brown operates from 23 offices across Australia, North America, Europe, Asia, United Arab Emirates and Africa and has in excess of 810 employees worldwide. Babcock & Brown has five operating divisions including real estate, infrastructure and project finance, operating leasing, structured finance and corporate finance. The company has established a funds management platform across the operating divisions that has resulted in the creation of a number of focused investment vehicles in areas including real estate, renewable energy and infrastructure.

For further information about Babcock & Brown please see the Babcock & Brown Ltd website: www.babcockbrown.com

About The GPT Group

Established in 1971, The GPT Group is one of Australia's oldest and largest listed property groups with assets of approximately $11 billion. GPT's assets include quality investment properties located around Australia in the retail, office, industrial, and hotel/tourism sectors.

Other investments include a 50% interest in a joint venture with global investment and advisory firm, Babcock & Brown, providing a platform for higher growth through a broader range of property related activities including investments in a range of assets in Europe and the US with a value of over $5.5 billion.

The Group is focused on the expansion of its operations and activities to further diversify its income. The establishment of the $2.1 billion GPT Wholesale Office Fund (GWOF) in July 2006 was a key step in the creation of a Funds Management business leveraging the Group's core skills and capabilities.

For further information about The GPT Group, please see the GPT website at: www.gpt.com.au

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This document is an advertisement and not a prospectus. Investors should not subscribe for any shares referred to in this announcement except on the basis of information in the prospectus expected to be published by the Company in due course in connection with the admission of the Company's Ordinary Shares on Euronext Amsterdam N.V.'s Eurolist by Euronext. Copies of the prospectus will, following publication, be available from the Company's registered office.

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BABCOCK & BROWN GPT EUROPEAN RETAIL FUND LIMITED ANNOUNCES IPO OFFER PRICE RANGE OF €15.20 to €17.00 PER ORDINARY SHARE

Babcock & Brown GPT European Retail Fund Limited (the "Company"), a closed-ended, limited liability investment company incorporated in Guernsey, announces the Offer Price range for its Offer of Ordinary Shares for listing and trading on Euronext Amsterdam N.V.'s Eurolist by Euronext ("Eurolist by Euronext"). The Offer price range has been set at €15.20 to €17.00 per Ordinary Share and the Company intends to issue 24,718,313 million Ordinary Shares implying an Offer size of approximately €400 million at the mid point of the Offer price range (and before any over-allotments).

The Company has been set up to provide an investment opportunity in the pan-European retail property sector. The Board of Directors of the Company (the "Board") anticipates providing shareholders with a total annual shareholder return of approximately 11 per cent. and an annual dividend yield of approximately 5.5 per cent. of the Company's initial net asset value. The Board will aim to achieve its return objectives while maintaining a low-risk profile, including long-term contracts with a diversified list of high-quality tenants and good retail locations across Europe with minimal development and construction risks.

The Board will appoint Babcock & Brown GPT Investment Manager (Guernsey) Limited (the "Investment Manager"), to be responsible for managing the Company and its portfolio of assets, with specialist investment advice on European retail assets being provided by Babcock & Brown Investment Adviser (Guernsey) Limited (the "Investment Adviser"). The Investment Manager will be a Guernsey incorporated joint venture company and will be held 50 per cent. each by Babcock & Brown and GPT.

After Admission, the Company will be seeded with a portfolio of 294 retail assets (the "Initial Portfolio"), contributed by Babcock & Brown and BGP Investments S.àr.l. ("BGP"), with a gross asset value of approximately €1.5 billion, making the Company one of the largest listed owners of retail real estate assets in Europe. The Initial Portfolio primarily comprises supermarkets and shopping centres located in Germany and Switzerland, the majority of which are leased to leading retailers, including German groups Lidl-Schwarz, Edeka and Tengelmann and Swiss retailer Coop. The Board expects that the Company's size will bring economies of scale, attractive financing opportunities and the ability to compete for a wide range of asset sizes.

While the Company has initially focused on assets located in Germany and Switzerland, it is the Company's intention to diversify its investments across Europe by country, tenant and location. Any diversification will be dependent both upon the availability of suitable investment opportunities that meet the Company's acquisition criteria and upon the Board's assessment of such opportunities, with particular regard to the market and tenants. In working to identify retail assets throughout Europe that may be suitable for investment, the Investment Adviser has identified opportunities in Austria, the Czech Republic, France, Hungary, Poland, Slovenia and Spain.

It is expected that through joint ownership of Babcock & Brown GPT Investment Holding Limited (Guernsey), Babcock & Brown and GPT will hold at least 15% of the Company after completion of the Offer. The Ordinary Shares held by Babcock & Brown and GPT will be subject to a 360 day lock-up provision. The issuance of new Ordinary Shares by the Company will be subject to a 180 day lock-up provision.

Summary of the proposed offer of Ordinary Shares in the Company (the "Offer")

The Offer consists of a public offer in the Netherlands and a private placement in other countries. Application has been made for admission of all of the Company's Ordinary Shares to listing and trading on Eurolist by Euronext. The Offer price is anticipated to be announced and dealings in the Ordinary Shares are expected to commence on or around 6 December 2006.

Credit Suisse is acting as Global Co-ordinator and Sole Bookrunner in relation to the proposed Offer and ABN AMRO Rothschild is acting as Co-Lead Manager.

Chris Bartram, Independent Chairman of the Company, commented:

"The Company will offer investors an exciting and rare opportunity to access a significant pan-European real estate portfolio, with a high concentration of food retail property assets and blue-chip tenants, offering stable long-term income with capital and income growth potential.

"The Company believes that Babcock & Brown has a strong reputation in the market for successfully establishing and managing funds and portfolios for its clients and investors, including the Company's seed portfolio. By harnessing the broad real estate and financing experience of Babcock & Brown's dedicated management team and its network of contacts, we intend to enable our investors to benefit both from the portfolio's existing income and any uplift generated by an investment manager who will be actively seeking to acquire further retail assets and manage intensively the assets within the portfolio."

Ben de Jonge, Chief Executive Officer of Babcock and Brown GPT Investment Manager (Guernsey) Limited, said:

"The launch of the Company represents a significant strategic step for the joint venture between Babcock & Brown and GPT and is consistent with the joint venture's strategy to build a funds management business in Europe focused on real estate investment.

"Through our extensive networks and specialist knowledge of the real estate industry, we plan to diversify the Company's investments across Europe by country, tenant and location providing investors with a broad exposure to unique investment opportunities with the prospect for long term capital appreciation and income growth."

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Notes to Editors

Babcock & Brown Limited is a global investment and advisory firm with longstanding capabilities in structured finance and the creation, syndication and management of asset and cash-flow based investments. Babcock & Brown was founded in 1977 and is listed on the Australian Stock Exchange (the "ASX").

Babcock & Brown operates from 23 offices across Australia, North America, Europe, Asia, the United Arab Emirates and Africa and has in excess of 810 employees worldwide. Babcock & Brown has five operating divisions including real estate, infrastructure and project finance, operating leasing, structured finance and corporate finance. The company has established a funds management platform across the operating divisions that has resulted in the creation of a number of focused investment vehicles in areas including real estate, renewable energy and infrastructure. As at 30 September 2006, entities in respect of which Babcock & Brown is the manager or investment adviser had in excess of €13 billion of assets.

As at 30 September 2006, over 45 specialists were working in Babcock & Brown's European real estate division who collectively have extensive knowledge of the real estate industry and have strong relationships with key industry participants such as local or international real estate agencies, valuation agents, major retailers, property developers and credit institutions. The Company will have access to this real estate expertise and also expects to benefit from Babcock & Brown's wider management experience of operating an international network of investment funds.

The GPT Group is one of Australia's largest diversified listed property groups with a market capitalisation of approximately A$10 billion (approximately €6 billion) as at 30 September 2006. It has been listed on the ASX since April 1971 and is one of the ASX's top 30 stocks by market capitalisation. In June 2005, GPT entered into a joint venture with Babcock & Brown which has since acquired over A$5 billion of real estate in the US and Europe. BGP, the joint venture company, had invested approximately €2.7 billion in Europe by 30 September 2006 and it is providing 28.4 per cent. of the assets that form the Initial Portfolio.

Biographies of Chris Bartram and Ben de Jonge

Chris Bartram (Independent Chairman)
Chris Bartram will be Chairman of the Company. He is Chief Executive and Chairman of Orchard Street Investment Management LLP, a property investment management firm headquartered in London, which he set up in early 2004. Prior to setting up Orchard Street, Chris Bartram was CEO of Haslemere N.V., a Dutch-listed UK property investment company and was formerly a Managing Director of Rodamco N.V. and Rodamco Europe N.V.

Ben de Jonge
Ben de Jonge has been employed by Babcock & Brown since 1995. He has been a Managing Director since 1999 and is currently a Director of the European Property Team. Since joining Babcock & Brown, Ben de Jonge has been involved in €3 billion worth of property transactions. Prior to joining Babcock & Brown, Ben de Jonge was Managing Director in the Structured Finance department of ING Bank N.V. and trained at ABN AMRO Bank N.V. between 1984 and 1989. Ben de Jonge has a Masters in Law from the University of Nijmegen and a Masters in Business Administration from IMD Lausanne.

The Initial Porfolio

The Initial Portfolio comprises the following portfolios:

- Lidl Portfolio: 182 supermarkets let to the German retailer Lidl and mainly located in smaller towns and villages in Western Germany.
- BGP Portfolio: 35 shopping centres, DIY stores, cash & carry markets, retail parks and supermarkets located in Western Germany.
- Coop Portfolio: 53 supermarkets and mixed use buildings, approximately 70 per cent. consisting of food retail outlets let to the Swiss retailer Coop, mainly located within city centres or villages across Switzerland, with some limited additional space for residential or office use.
- Multi-Tenant Portfolio: 22 specialised shopping centres, DIY stores, cash & carry markets, retail parks and supermarkets let to tenants such as Marktkauf, Kaufland, Toom and Plus and two office and mixed use properties, located across Western Germany.
- LindenArcaden: a two-building mixed use centre, next to the main railway station in the city of Lübeck in Northern Germany, comprising 80 units and including, among others, an electronics store (Saturn) and a fitness centre (Holmes Place).