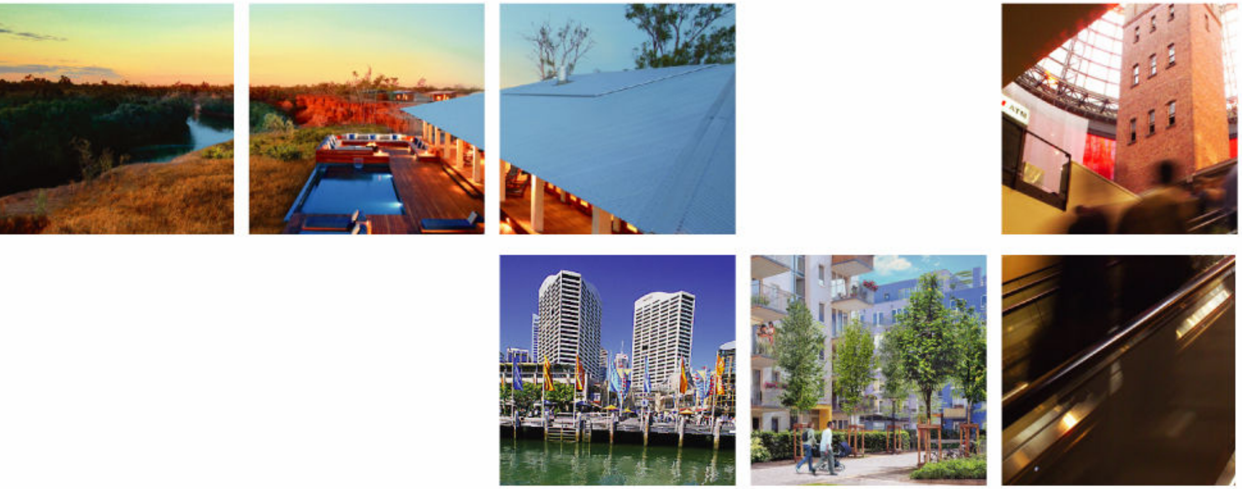


The Move Towards Global Property Investment

Nic Lyons, CEO
The GPT Group

THE GPT GROUP (GPT)

- General Property Trust originally established in 1971
- Total Australian assets of $8.7 billion, >50 properties
  - **Retail, Office, Industrial/Business Park, Hotel/Tourism, Masterplanned Urban Communities**
- Top 30 entity, 10% of LPT index
  - **Substantial investor base**
- Debt 30.5% of total assets vs LPT average of 37%
- Stapled, internally managed GPT Group created June 2005
  - **Joint venture with Babcock & Brown established June 2005**
  - **Offshore investment through JV now $2.4 billion**

DRIVERS OF GLOBAL DEMAND

Property market fundamentals

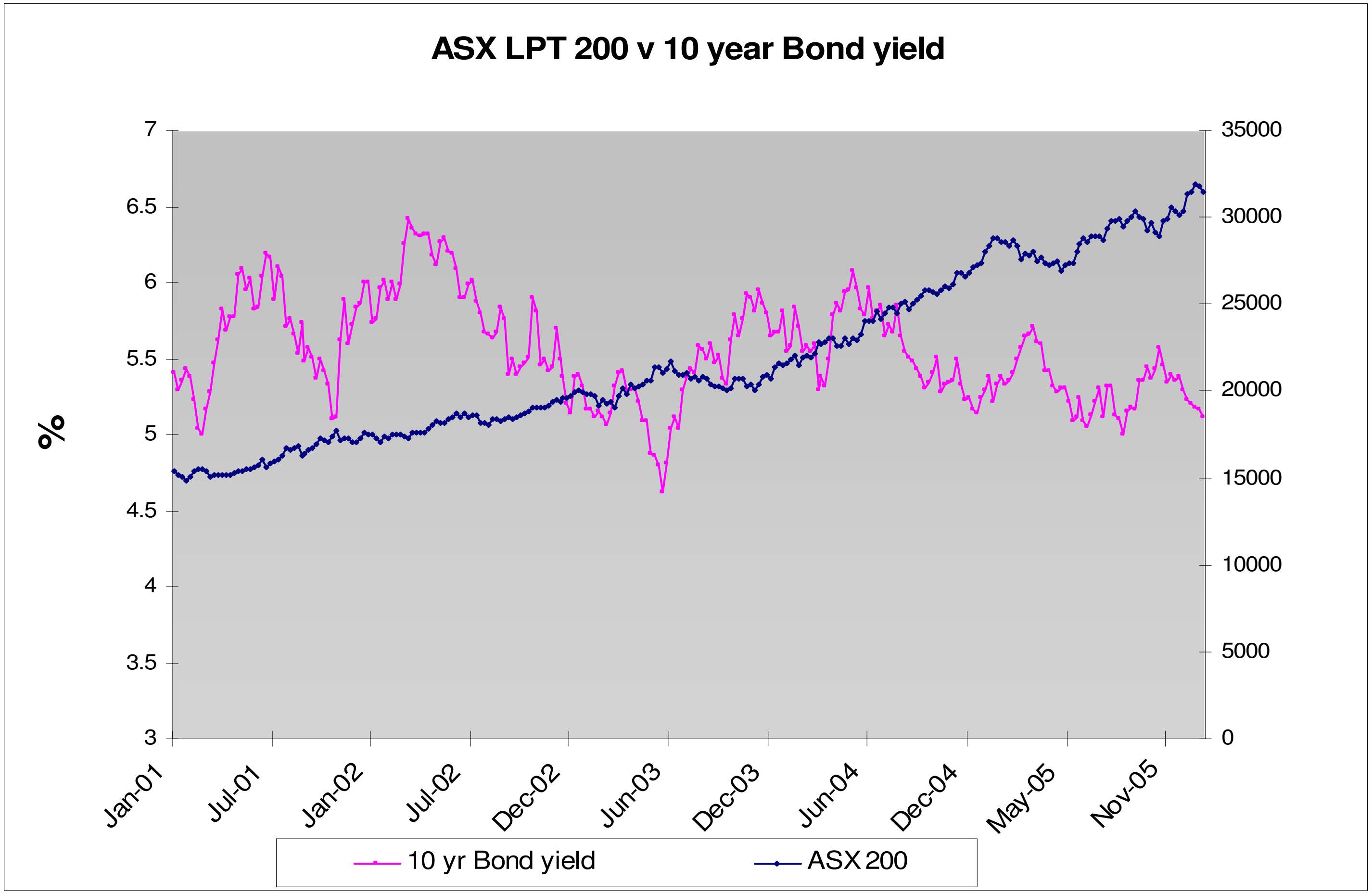
- Highly securitised property market
- Strong capital inflows
  - **Growth in superannuation industry**
  - **Aging population**

DRIVERS OF GLOBAL DEMAND

Property Performance

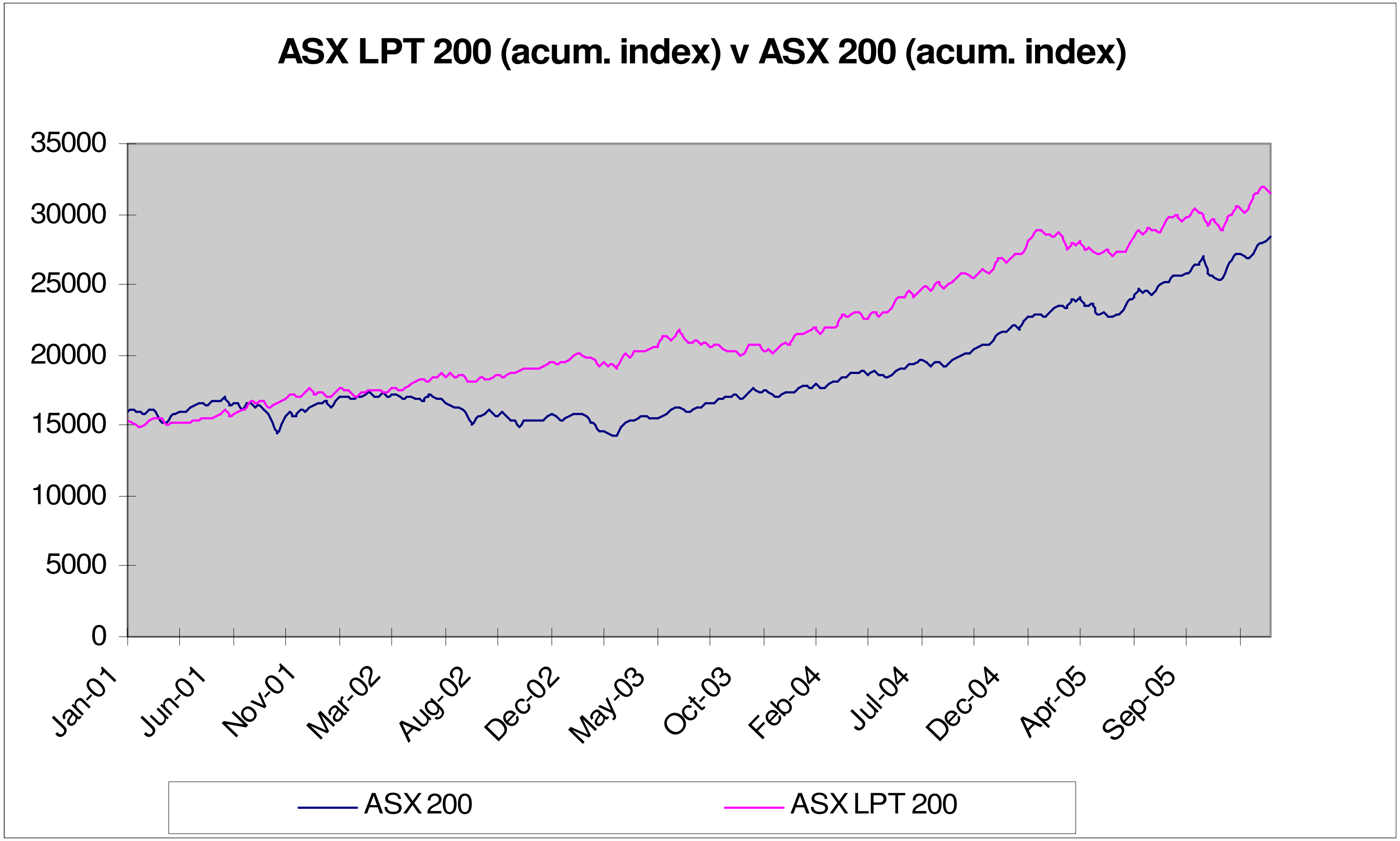
- Attractive return characteristics
  - **Income plus growth**
  - **Regular income stream**
  - **Tax advantages**
  - **Stable returns**

LPT Vs BONDS



ASX LPT 200 v 10 year Bond yield
%
7
6.5
6
5.5
5
4.5
4
3.5
3
35000
30000
25000
20000
15000
10000
5000
0
Jan-01
Jul-01
Jan-02
Jul-02
Dec-02
Jun-03
Dec-03
Jun-04
Dec-04
May-05
Nov-05
10 yr Bond yield
ASX 200

LPT Vs ASX 2000



GPT

GLOBAL INVESTMENT OPPORTUNITIES




- Access to broader range of markets
  - **Different fundamentals**
  - **Lower levels of securitisation**
- Ability to acquire accretively
- Access to higher levels of growth
- Greater diversity
- Ability to manage to extract value

GLOBAL INVESTMENT: RISKS

- Country
- Currency
- Financing

GPT's RESPONSE




- Access offshore markets to enhance returns without materially increasing risk
- Allocation of 15% of total assets to JV with Babcock & Brown
  - **Ability to access higher growth through offshore investment and funds management activities**
  - **Access to Babcock & Brown's global real estate deal pipeline**
- JV delivers significant increase in earnings and distributions
- Australian core portfolio remains 85% of assets

JOINT VENTURE INVESTMENT STRATEGY




- Stable cashflows, with strong covenants
- Leveraged to 75%, non-recourse debt, hedged
- Locked in yield spread
- IRR on ordinary equity 15% (after tax)
- Upside potential
  - **Cap rate compression (market, portfolio premium)**
  - **Management 'value add'**
- Exit options
  - **Trading**
  - **Securitisation**
  - **Re-financing**

EXAMPLE: GERMAN RESIDENTIAL STRATEGY

- Investment rationale
  - Economy at a cyclical low, positive longer term attributes
  - Fragmented ownership
  - Under managed – opportunity to add value
  - Stable demand
  - Opportunity to acquire at below replacement cost (barrier to entry)
  - Scaleable
  - Institutional investor interest building
- Strategy
  - Partner with a proven property manager
  - Target selected markets
  - Active portfolio management
- Key investment criteria
  - Stable tenant demand
  - Minimal social issues
  - Value add potential through management

JOINT VENTURE PORTFOLIO




- $2.38 billion assets acquired October 2005
  - **$450 million capital committed**
  - **Assets performing to expectations**
- Portfolios
  - **German residential (31%)**
  - **German retail (20%)**
  - **Central & Eastern European retail (12%)**
  - **European light industrial (14%)**
  - **US retail (18%)**
  - **German office (5%)**

INDUSTRIAL




Business Centre Rivium, Rotterdam, Netherlands

Smart, Utrecht, Netherlands

GERMAN RETAIL




Landerbererstrasse, Munich, Bavaria

Nedderfeld, Hamburg

ACQUISITIONS Vs STRATEGY




	German Residential	German Retail	Light Industrial	Galerie Pomorska	US Mall Portfolio
Stable cashflows	~ 11,000 tenancies	AWLE 10+ yrs Strong covenants	~ 1,000 tenants (at full investment)	Market dominant	Market dominant
Attractive spreads	Property yield 6.3%	Property yield 7.1%	Property yield 7.4%	Property yield 7.3%	Property yield 7.9%
Upside at exit	• lower yields • trading assets • FM Fees	• aggregation • lower yields • FM Fees	• aggregation • lower yields • FM Fees	• lower yield • re-leasing • FM Fees	• repositioning • FM Fees

CURRENT FORECAST

	CY04	CY05[1]	CY06
DPS stand alone (cents)	22.0	22.9	23.6
DPS post internalisation/JV (cents)	n/a	24.4	27.5
% increase (vs stand alone)	n/a	6.5%	16.5%
% growth (year on year)	3.8%	10.9%	12.7%

[1] Actual distribution, not annualised

Forecast in GPT Notice of Meeting & Explanatory Memorandum dated 2 May 2005.

MANAGEMENT OF RISK

- Financing
  - Use of non-recourse debt
  - Hedging of interest rate risk
- Currency
  - Capital fully hedged
  - Income rolling hedge

Within 1 year	90 – 100%
1 to 2 years	80 – 100%
2 to 3 years	70 – 90%
3 to 5 years	50 – 80%

RISK MANAGEMENT




- Allocation of only 15% of total assets
- Partner with local knowledge/track record
- Robust acquisition process
  - **Due diligence**
  - **Independent valuations**
- Management systems
  - **Asset management resources & reporting**
  - **Retail asset management**

QUESTIONS

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