



In Specie Dividend capital gains tax cost base implications

This information has been prepared to assist GPT Securityholders, who hold GPT Securities as at 7:00pm on 12 August 2009 and who receive shares in BGP Holdings as part of the In Specie Dividend from GPT Management Holdings Limited, in calculating the appropriate cost base adjustments that are necessary as a result of this dividend.

Allocation between stapled security components

The GPT Securities consist of one share in GPT Management Holdings Limited and one unit in GPT Trust. Whilst these two assets are traded as a single stapled security, for income tax purposes they remain as two assets. The original cost base of each asset is determined by allocating the purchase price and associated costs of the stapled security between the share in GPT Management Holdings Limited and the unit in GPT Trust on a reasonable basis. The following table provides details of the respective net asset backing of the individual entities, which is one possible method for apportioning the cost base on a reasonable basis.

Net asset backing of entities in the GPT Group

	Net asset backing per security	General Property Trust (unit)	GPT Management Holdings Limited (share)
30 June 2005	\$3.03	\$2.88 (95.05%)	\$0.15 (4.95%)
31 December 2005	\$3.16	\$3.02 (95.57%)	\$0.14 (4.43%)
30 June 2006*	\$3.47	\$3.33 (95.97%)	\$0.14 (4.03%)
31 December 2006*	\$3.60	\$3.48 (96.67%)	\$0.12 (3.33%)
30 June 2007*	\$3.81	\$3.66 (96.06%)	\$0.15 (3.94%)
31 December 2007*	\$3.86	\$3.77 (97.70%)	\$0.09 (2.30%)
30 June 2008*	\$3.68	\$3.68	\$0.00
31 December 2008**	\$1.43	\$1.43	\$0.00

* Excludes provision for June/December quarter distributions.

** Includes the impact of an additional 2,368 million securities issued in 2008 and 260 million potential securities assuming the conversion of the exchangeable securities at an exchange price of \$0.9628.

The original cost base of your GPT Trust units may have been reduced to the extent of previous 'tax deferred' distributions made by GPT Trust.

In Specie Dividend

The In Specie Dividend is a demerger for Australian income tax purposes. As set out in the Information Memorandum a consequence of a demerger is that the cost base of certain capital gains tax (CGT) assets must be adjusted. As the demerger is undertaken wholly by GPT Management Holdings Limited, the CGT cost base of your units in GPT Trust will not change.

The demerger provisions require that the cost base of GPT Management Holdings Limited be reallocated between the shares in GPT Management Holdings Limited and the shares in BGP Holdings Limited based on the respective market values of those entities immediately following the demerger.

The market value of GPT Management Holdings Limited immediately following the demerger is expected to be \$nil. The market value of BGP Holdings immediately following the demerger is expected to be greater than €1. On this basis, your current cost base of shares in GPT Management Holdings Limited should be fully reallocated to your new shares in BGP Holdings and the cost base in your GPT Management Holdings Limited shares will be reduced to nil.

Example

The following example demonstrates the cost base allocation and demerger adjustments. Assume that you acquired 10,000 GPT Securities for a total cost base of \$25,000 on 31 December 2007.

The first step in determining your relevant cost bases is to allocate the total cost base between the stapled securities. Using the above table as a basis for reasonable allocation, the cost base of the individual assets would be as follows:

- GPT Management Holdings Limited shares \$ 575 (\$25,000 x 2.3%)
- GPT Trust units \$24,425 (\$25,000 x 97.7%)

GPT Trust has paid tax deferred distributions of 6.563599 cents per security since 31 December 2007 until 31 July 2009 (refer to GPT's website for details of tax deferred distributions). These distributions will reduce the cost base of the GPT Trust units by \$656.36 such that the cost base of the GPT Trust units will be \$23,768.64. To the extent you receive further tax deferred distributions from GPT Trust after 31 July 2009, this will further reduce the cost base of your GPT Trust units.

As a result of the In Specie Dividend, the cost base of GPT Management Holdings Limited shares will be reallocated to the shares in BGP Holdings. The cost base of the shares in BGP Holdings will therefore be \$575 and the cost base of the shares in GPT Management Holdings Limited will be nil.

A summary of the cost bases of the assets held by the Securityholder as at 31 July 2009 is as follows:

- GPT Trust units \$23,768.64
- GPT Management Holdings Limited shares \$ 0.00
- BGP Holdings Limited shares \$ 575.00

Please note that you should consult your tax advisor for further assistance.