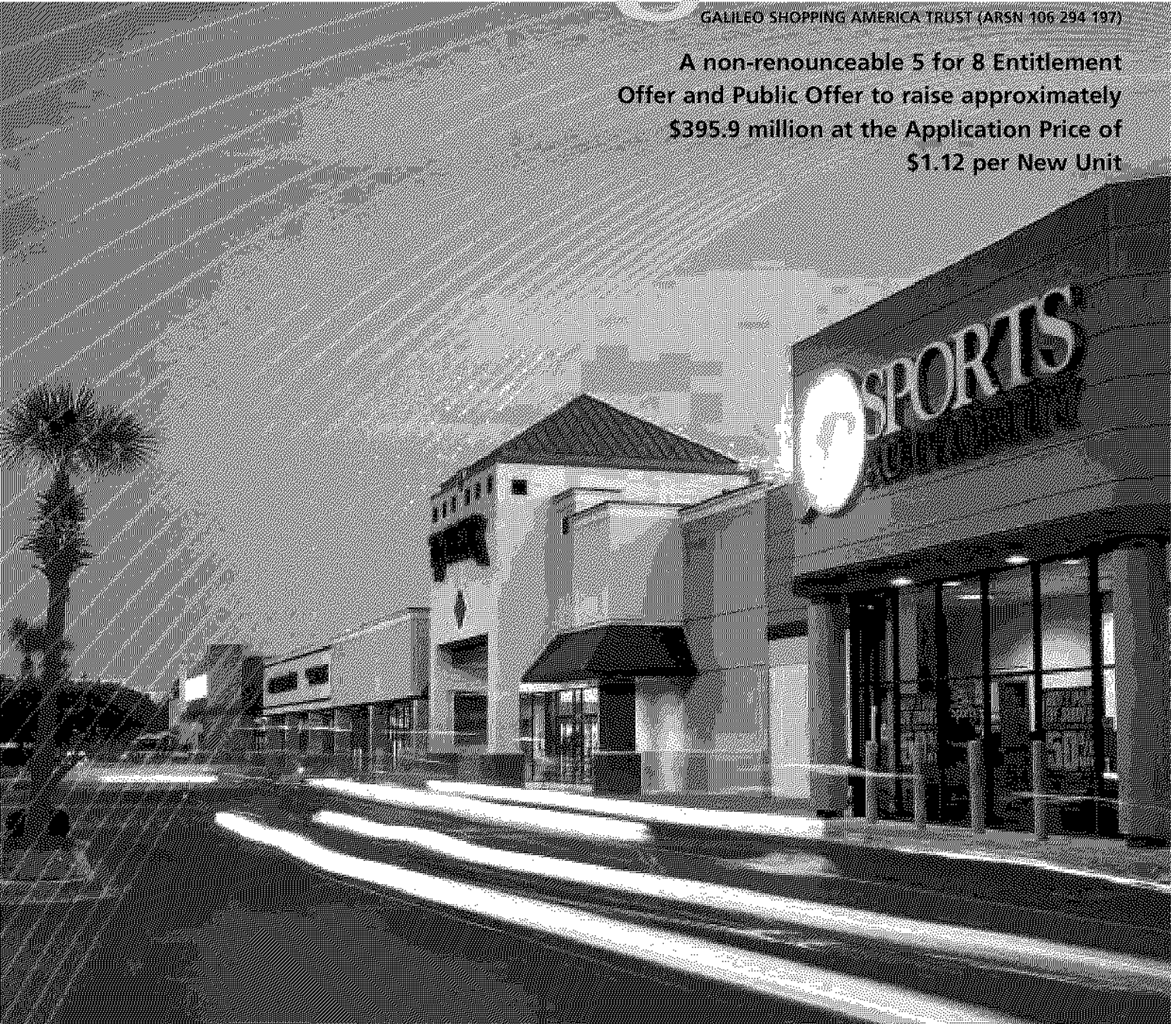


galileo

GALILEO SHOPPING AMERICA TRUST (ARSN 106 294 197)

A non-renounceable 5 for 8 Entitlement Offer and Public Offer to raise approximately \$395.9 million at the Application Price of \$1.12 per New Unit



Joint Lead Managers and Underwriters:



Investment Bank

Important notice and disclaimer

This Product Disclosure Statement ("PDS") is dated 21 July 2005 and a copy was lodged with the Australian Securities and Investments Commission ("ASIC") on that date. This PDS has been prepared and issued by Galileo Funds Management Limited (ABN 46 105 750 758) (AFSL 233 762) ("Manager"), the responsible entity of Galileo Shopping America Trust (ARSN 106 294 197) ("Trust"), and relates to the offer of New Units in the Trust ("Offer"). ASIC and Australian Stock Exchange Limited ("ASX") take no responsibility for the contents of this PDS.

The information in this PDS does not constitute financial product advice. This Offer does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the Offer having regard to their objectives, financial situation, tax position and needs. It is important that you read the entire PDS before making any investment in the New Units. In particular, in considering the prospects of the Trust, it is important that you consider the risk factors that could affect the financial performance of the Trust. Some of the risk factors that should be considered by prospective investors are in Section 9. If you are in any doubt in relation to these matters, you should consult your broker, financial or other professional adviser.

None of the Manager, its subsidiaries or affiliates, or any other person, guarantees the repayment of capital or payment of income or the investment performance of the Trust. Past performance is no indication of future performance.

No person is authorised to give any information or to make any representation in connection with the Offer described in this PDS which is not contained in this PDS. Any information or representation not so contained may not be relied on as having been authorised by the Manager in connection with the Offer.

No cooling-off rights apply to an Application. This means that you cannot withdraw your Application once it has been made, other than as permitted by the Corporations Act.

An application for quotation of the New Units will be made to ASX within seven days of the date of this PDS.

Selling Restrictions

This PDS does not constitute an offer or invitation to subscribe for New Units in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation, or issue this PDS.

The distribution of this PDS in jurisdictions outside Australia is limited and may be restricted by law. Persons holding copies of this PDS who are not in Australia should familiarise themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of securities law.

Residents in New Zealand

The New Units being offered under this PDS are offered in New Zealand to Existing Unitholders under the Securities Act (Overseas Companies) Exemption Notice 2002. This PDS is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

The Public Offer is not available to New Zealand residents.

Residents outside Australia and New Zealand

The Entitlement Offer is not being made to persons with registered addresses outside Australia or

New Zealand. The Public Offer is only being made to persons with Australian registered addresses.

This PDS complies with Australian disclosure requirements. These disclosure requirements may be different from those applicable in other jurisdictions. The financial information included in this PDS was prepared with a view towards compliance with a Australian practice and not that of any other jurisdiction. Unitholders who are subject to taxation outside Australia should consult their tax adviser as to the applicable tax consequences of investing in Units.

US Persons

In particular, the New Units have not been and will not be registered in the United States (US) under the United States Securities Act of 1933, as amended (US Securities Act), and may not be offered or sold in the US to or for the account or benefit of US persons (as defined in Regulation S under the US Securities Act) except in transactions exempt from registration under the US Securities Act, and until 40 days after the commencement of the offering of New Units, an offer of sale or transfer of New Units within the US by any dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act. Each person who applies for New Units pursuant to this PDS is deemed to agree to the following US offer and resale restrictions, such Applicant is not a US citizen or US resident at the time of such Application and is not acting for the account or benefit of any US person, and such Applicant will not offer or sell any New Units in the US to or for the benefit of any US person.

IRS Circular 230 Disclosure

The contents of this PDS were not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding US federal income tax penalties that may be imposed on the taxpayer. The following was written to support the promotion or marketing of the transactions addressed by this PDS. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Privacy

The Manager respects your privacy. The Manager is bound by the National Privacy Principles in the Privacy Act 1988 (Cth) ("Privacy Act"). If you apply for New Units, you will be asked to provide personal information to the Manager (and to ASX Perpetual Registrars Limited ("Registry") which is the registry appointed by the Manager) which collects, holds and uses that information for the purposes of managing the Trust and the Unitholders' interests in it. Where appropriate, the Manager will handle personal information relying on the related bodies corporate exemption.

The Manager usually collects personal information such as name, address, telephone number and financial details. As a general rule, the Manager does not collect sensitive information (as defined in the Privacy Act). However, if the Manager does, it will usually be for the purposes of providing its services and the Manager will seek your consent to collect it. The Manager usually shares this information with other members of the Manager group both in Australia and overseas and with its service providers including the Registry. This may involve the transfer of your personal information overseas.

The Manager uses a variety of security measures including firewalls and secure databases to keep personal information secure from misuse, loss or unauthorised use or disclosure.

You have a right to access any personal information the Manager holds about you. Please contact the Manager to ask for access to your information or if you have a complaint concerning your information privacy. The Manager may deny your request in some

circumstances, if the Manager does this, it will tell you why. If you would like more information about the Manager's approach to privacy, please contact the Registry on 1800 115 044 (Australia) or +61 2 8280 7058 (overseas callers).

Definitions and Abbreviations

Definitions and abbreviations used in this PDS have the meanings detailed in the Glossary in Section 13.

Currency

All financial amounts in this PDS are expressed in Australian currency, unless otherwise stated.

All financial amounts in the summary valuation report in Section 11 are expressed in US currency.

Photographs

The assets depicted in photographs in this PDS are assets in which the Trust will have an indirect interest, unless otherwise stated.

Rounding Errors

Due to the impact of rounding, the totals shown for graphs and tables in this document may not equate to the sum of the individual components of the relevant graph or table.

Electronic PDS

This PDS is also available on the Manager's website at <http://www.galileofunds.com.au>.

The following conditions apply if this PDS is accessed electronically:

- you must download the PDS in its entirety from the Manager's website;
- your Application will only be considered where you have applied on an Application Form that accompanied the electronic document. By making an Application, you declare that you were given access to the electronic PDS together with the Application Form; and
- the Offer constituted by this PDS is only available electronically to persons accessing and downloading or printing the electronic version of the PDS in Australia. You must mail or deliver your Application Form in the manner set out in Sections 1 and 3.

Right to purchase Units

Neither of the Underwriters or any related entities expect to make a market in the Units. However, each of the Underwriters and any related entity acting as an investor for its own account may take up the New Units and in that capacity may apply for, retain, purchase or sell for its own account the New Units, and may offer or sell such New Units otherwise than in connection with the Offer. In particular, the Underwriters or any related entity may apply for New Units under the Offer to ensure that any minimum issue size for the New Units is met. Accordingly, references in this document to the New Units should be read as including any offering or placement of New Units to the Underwriters and any related entity acting in such capacity. The Underwriters do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Disclaimer

The Manager and the Underwriters disclaim all liability, whether in negligence or otherwise, to persons who trade New Units before receiving their unitholding statement or who engage in conditional trading, whether on the basis of the confirmation of allocation provided by the Registry or otherwise.

Contents

SUMMARY OF THE OFFER	2	9 RISK FACTORS	68
SUMMARY OF KEY DATES	3	9.1 Economic and Market Environments	69
LETTER FROM CHAIRMAN	4	9.2 Changes in Government Legislation	69
1 OVERVIEW OF THE ENTITLEMENT OFFER AND PUBLIC OFFER	5	9.3 US Taxation	69
2 IMPACT OF THE TRANSACTION	12	9.4 Property Market	70
3 KEY FEATURES OF THE OFFER	22	9.5 Exchange Rates	70
3.1 The Offer	23	9.6 Interest Rates	70
3.2 Purpose of the Offer	24	9.7 AIFRS Implementation and Interpretation	70
3.3 Sources and Applications of Funds	24	9.8 Future Acquisitions	71
3.4 How to Participate	24	9.9 Non-Exclusivity	71
4 OVERVIEW OF THE TRUST, NEW PLAN AND THE REVISED JOINT VENTURE	27	9.10 Change of Control	71
4.1 Galileo Shopping America Trust	28	9.11 Management Arrangements	71
4.2 New Plan Excel Realty Trust, Inc.	30	9.12 Other Risks	71
4.3 Revised Joint Venture Structure	31	10 ADDITIONAL INFORMATION	72
4.4 Ownership Structure Summary	32	10.1 Regular Reporting and Disclosure Obligations	73
4.5 Control of the JV Company	32	10.2 Availability of Documents	73
5 OVERVIEW OF THE NEW PROPERTIES	33	10.3 Constitution	73
5.1 Summary of New Properties	34	10.4 Compliance Plan	79
5.2 Portfolio Highlights	38	10.5 Distribution Reinvestment Plan	79
6 TOP 10 NEW PROPERTIES	42	10.6 ASX Waivers	79
7 FEES AND EXPENSES	53	10.7 ASIC Class Order 05/26	80
7.1 Fees and Expenses of the Transaction	54	10.8 Interests Requiring Disclosure	80
7.2 Ongoing Fees and Expenses	55	10.9 Consents	80
8 SUMMARY FINANCIAL INFORMATION	59	10.10 Directors' Interests	81
8.1 Pro Forma Consolidated Balance Sheet	60	10.11 Related Dealings and Related Party Transactions	81
8.2 Forecast Consolidated Income and Distribution Statements	62	10.12 Material Contracts	81
8.3 Principal Accounting Policies	64	11 INDEPENDENT REPORTS	102
8.4 Alternative Interpretations of AIFRS	65	11.1 Independent Accountant's Report	103
8.5 Assumptions	66	11.2 Australian Tax Advice to Unitholders	108
		11.3 US REIT Opinion	112
		11.4 Summary Valuation Report	115
		12 DIRECTORS' STATEMENT	125
		12.1 Directors' Statement	126
		13 GLOSSARY	127
		14 APPLICATION FORMS	132
		15 DIRECTORY	137

Summary of the Offer

Summary of the Offer

Application Price	\$1.12 per New Unit
Qualifying Unitholder Entitlement	5 New Units for every 8 Existing Units held on the Record Date
New Units to be offered under the Entitlement Offer	Approximately 294.6 million
New Units to be offered under the Placement	Approximately 58.9 million
Total proceeds of the Offer	Approximately \$395.9 million

	Actual year ended 30 June 2005	Forecast year ending 30 June 2006
Earnings per Unit	9.44 cents	8.83 cents ⁽¹⁾
Distribution per Unit	8.49 cents	10.18 cents
Forecast distribution yield per New Unit	N/A	9.1%
Foreign tax credit per Unit	0.20 cents	0.46 cents
Distribution per Unit (incl. foreign tax credit)	8.69 cents	10.64 cents
Forecast distribution yield per New Unit (incl. foreign tax credit)	N/A	9.5%
	Pre-Transaction	Post-Transaction
NTA per Unit ⁽²⁾	\$1.02	\$1.05

(1) Determined in accordance with AIFRS applicable for the year ending 30 June 2006, excluding fair value gains and losses. Total available for distribution after eliminating the effect of items shown in Section 8.2.2 is 10.18 cents per unit.

(2) Determined in accordance with AGAAP applicable at 30 June 2005.

This overview is a summary only and should be read in conjunction with the balance of the information in this PDS.

The proceeds of the Offer will be used together with new debt facilities to fund the acquisition of an indirect interest in Power, Community and Neighbourhood Shopping Centres from New Plan Excel Realty Trust, Inc. ("New Plan"). Concurrently with the Offer, New Plan will replace CBL & Associates Properties, Inc. ("CBL") as the Trust's joint venture partner and as the provider of management and property services to the JV Company. New Plan is one of the largest real estate companies in the United States focusing on ownership and management of Power, Community and Neighbourhood Shopping Centres.

Refer to Section 8 for further information about the financial forecasts, including the assumptions on which the forecasts are based and sensitivity analysis. Section 9 deals with Risk Factors.

Summary of Key Dates

Summary of Key Dates

Offer to Qualifying Institutional Unitholders opens	20 July 2005
Offer to Qualifying Institutional Unitholders closes	21 July 2005
Record Date for determining Entitlement to New Units	25 July 2005
Offer opens to Qualifying Retail Unitholders and members of the public	28 July 2005
Last day for receipt of Application Forms and Application Monies for the Initial Allocation (Initial Allocation Date)	4 August 2005
Allotment of New Units under the Initial Allocation (Initial Allotment Date)	10 August 2005
Normal trading on ASX of New Units under the Initial Allocation	10 August 2005
Offer to Qualifying Retail Unitholders and members of the public closes (Closing Date)	19 August 2005
Allotment of New Units under the Final Allocation (Final Allotment Date)	26 August 2005
Normal trading on ASX of New Units under the Final Allocation	29 August 2005

These dates are subject to change and are indicative only. The Manager, in conjunction with the Joint Lead Managers and Underwriters, reserves the right to amend this indicative timetable including, subject to the Corporations Act and Listing Rules, to extend the latest date for receipt of Applications or to cancel the Entitlement Offer and Public Offer without prior notice.

Application Forms must be received by 5.00 pm (AEST) on the Closing Date by ASX Perpetual Registrars Limited ("Registry"), together with a cheque, money order or bank draft in Australian currency for the amount of the Application Monies, payable to "TCAL ACF GSAT – Application Account No. 1" and crossed "Not Negotiable".

A personalised looseleaf Application Form is enclosed with copies of this PDS sent to Qualifying Unitholders.

Questions relating to any aspect of your individual holding in the Trust should be directed to the Registry on 1800 115 044 (local call cost).

Qualifying Retail Unitholders have the opportunity to apply for New Units by one of two dates. Applicants who apply for New Units by 4 August 2005 will have their New Units allotted on the Initial Allotment Date.

Qualifying Retail Unitholders and Applicants who apply for New Units by the Closing Date will have their New Units allotted on the Final Allotment Date.



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Letter from Chairman

21 July 2005

Dear Investor

On behalf of Galileo Funds Management Limited ("Manager"), the responsible entity of Galileo Shopping America Trust ("Trust"), I am pleased to present to you this Product Disclosure Statement ("PDS") for a Placement, non-renounceable Entitlement Offer and a Public Offer of New Units.

Under the Entitlement Offer, Qualifying Unitholders are entitled to subscribe for 5 New Units for every 8 Existing Units held at the Record Date. The Application Price for the Placement, Entitlement Offer and for the Public Offer is \$1.12 per New Unit. New Units not subscribed for under the Retail Entitlement Offer may be made available under the Public Offer. The Public Offer also comprises the offer of New Units which have not been allotted under the placement of approximately 58.9 million New Units.

The proceeds of the Entitlement Offer and Public Offer (approximately \$395.9 million) will be used to partially fund the acquisition of an indirect interest in 69 Power, Community and Neighbourhood Shopping Centres from New Plan Excel Realty Trust, Inc. ("New Plan").

Concurrently, New Plan will replace CBL as the Trust's indirect joint venture partner in the US, with New Plan to hold a 5.0% interest in the JV Company and assume responsibility for the provision of services currently provided by CBL. New Plan is one of the largest owners and managers of Power, Community and Neighbourhood Shopping Centres in the US, with an extensive national infrastructure that is well positioned to actively manage the joint venture portfolio and source future acquisitions.

The Manager believes that the Transaction is in the best interests of Unitholders. Expected benefits of the Transaction include:

- the introduction of New Plan as the Trust's new joint venture partner;
- enhanced distributions;
- improved trading liquidity in Units;
- an enhanced geographic footprint;
- access to a national and regional management platform with dedicated teams providing local market knowledge;
- increased exposure to leading US retailers such as Wal-Mart, Sears and Kroger; and
- expansion and diversification of the Trust's asset base, with the Portfolio increasing from 54 to 121 properties post-Transaction (after allowing for two properties to be redeemed by CBL).

You should read this PDS carefully (including Section 8 dealing with financial information and the assumptions on which it is based and Section 9 dealing with various risk factors) and contact your relevant professional advisor if you have any queries.

It is important to note that the Entitlement Offer and Public Offer close on 19 August 2005.

Yours faithfully

Michael Braham
Non-Executive Chairman
Galileo Funds Management Limited

Overview of the Entitlement Offer and Public Offer

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OUTLINED IN THIS SECTION ARE IMPORTANT QUESTIONS AND ANSWERS RELATING TO THE OFFER, ALONG WITH INSTRUCTIONS ON WHERE TO FIND MORE DETAILED INFORMATION IN THIS PDS.

Topic	Summary	Where to find more information – Section(s)
Who is issuing the New Units and this PDS?	<ul style="list-style-type: none"> Galileo Funds Management Limited (ABN 46 105 750 758) (AFSL 233 762) ("Manager"), the responsible entity of the Trust 	3
What is the purpose of the Entitlement Offer and Public Offer?	<ul style="list-style-type: none"> To partially fund the acquisition of an indirect interest in a portfolio of 69 Power, Community and Neighbourhood Shopping Centres in the US from New Plan for a base purchase price of US\$968 million and contingent deferred consideration of US\$12 million 	3.2, 8.5
What is the Offer?	<ul style="list-style-type: none"> Entitlement Offer of 5 New Units for every 8 Existing Units held on the Record Date to raise approximately \$330.0 million Placement of 58.9 million New Units initially to Qualifying Institutional Unitholders and institutional investors to raise approximately \$65.9 million New Units not subscribed for under the Retail Entitlement Offer will be made available under the Public Offer The Entitlement Offer is non-renounceable and Entitlements cannot be transferred or sold The New Units will rank equally with Existing Units and will have full entitlement to the distribution for the six-month period ending 31 December 2005 An application for quotation of the New Units will be made to ASX within seven days of the date of this PDS 	3
What is the Public Offer?	<ul style="list-style-type: none"> The offer of New Units which are not subscribed for by Qualifying Retail Unitholders under the Retail Entitlement Offer, and the offer of New Units which have not been allotted under the Placement 	3.1
What is the Application Price?	<ul style="list-style-type: none"> The Application Price is \$1.12 per New Unit, as specified in the Application Form accompanying this PDS 	3.1
Can I apply for more than my Entitlement?	<ul style="list-style-type: none"> Yes, you can apply for more than your Entitlement Any amount by which an Application from a Qualifying Unitholder exceeds their Entitlement may be scaled back at the absolute discretion of the Manager 	3.4
Can members of the public apply for New Units?	<ul style="list-style-type: none"> Public Investors can participate in the Public Offer and apply for New Units pursuant to this PDS only to the extent that there is a shortfall in the subscription of the Retail Entitlement Offer, or through the offer of New Units which have not been allotted under the Placement Applications received from Public Investors may be scaled back at the absolute discretion of the Manager including to zero 	3.1
What are the significant benefits of the Transaction?	<ul style="list-style-type: none"> The introduction of New Plan as a new joint venture partner in the JV Company that owns the Portfolio and a provider of management services under a long-term (minimum 20 year) management agreement Enhanced distributions An enhanced geographic footprint 	2, 4

Where to find
more information
– Section(s)

Topic

Summary

- Access to a national management platform with regional teams providing local market knowledge
- Increased exposure to leading US retailers such as Wal-Mart, Sears and Kroger
- Expansion and diversification of the Trust's asset base, with the Portfolio increasing from 54 to 121 properties post-Transaction (adjusting for the Redemption Properties to be redeemed by CBL)

What are some of the potential risks of the Offer which may be significant?

- Assumptions used in financial forecasts not being achieved
- Changes in government legislation, including taxation laws
- Value of the Portfolio may decrease as well as increase
- Failure to complete the Transaction
- Capital and income distributions to Unitholders are not guaranteed
- The Trust's Gearing Ratio increases from 50.6% pre-Transaction to 60.1% post-Transaction
- Unit prices on ASX may fall as well as rise
- The performance of the Portfolio will be dependent over time upon New Plan's performance of its asset and property management services under long-term management arrangements. These arrangements have an initial term of 20 years with four five-year renewal terms (at the option of the JV Company)
- Unforeseen environmental issues may affect the Portfolio
- Potential exposure to uninsurable or under insured risks may affect the level of distributions to Unitholders or the net asset value of Units
- The JV Company will not be the exclusive acquisition vehicle for New Plan, and New Plan will continue to own and operate Power, Community and Neighbourhood Shopping Centres (including centres near the New Properties). The JV Company will however be New Plan's sole Australian vehicle for the acquisition of Power, Community and Neighbourhood Shopping Centres
- Currency fluctuations in the Australian or international financial markets could affect the value of Units. The capital value of the Trust's indirect interest in the Portfolio in the US will not be hedged
- Changes in retail spending patterns in the US and general economic conditions in the US could impact the ability or willingness of retailers to pay rent in respect of the Portfolio at the forecast levels

9

Topic	Summary	Where to find more information – Section(s)
	<ul style="list-style-type: none"> • Neither the Trust nor the US REIT fully controls the JV Company that owns the Portfolio. Control will be shared with New Plan • Changes to Real Estate Investment Trust ("REIT") legislation in the US, or other legislation including tax legislation or other treaties between the US and Australia, may affect the tax treatment of income and capital returns for investors • Taxation of the US REIT as an ordinary corporation if it fails to qualify as a REIT for US federal income tax purposes • The US REIT may be subject to US Federal income tax in certain situations, even if it qualifies as a REIT for US Federal income tax purposes 	4.5 9.3, 11.3 9.3, 11.3
Are there any other significant characteristics or features of the Units or other terms?	<ul style="list-style-type: none"> • The control of the JV Company is shared by the US REIT and New Plan Australia. The JV Company owns, or will after the Transaction own, the Portfolio • New Plan Australia has a right to require the JV Company to redeem all or a portion of New Plan Australia's holding of shares in the JV Company at any time on or after the fifth anniversary of the completion of the Transaction or, if earlier, the date the Property Management and Services Agreement is terminated • If there is a change in control of New Plan Australia, ERP Australia, or termination of the Property Management and Services Agreement, the US REIT has a right to purchase New Plan's interest in the JV Company and under the Property Management and Services Agreement • If there is a change of control of the US REIT, including a change of control of the Trust or removal of the Manager as responsible entity, New Plan Australia has a right to purchase US REIT's holding of shares in the JV Company (and therefore the Trust's indirect interest in the JV Company). However, this right of New Plan Australia terminates upon termination of the Property Management and Services Agreement or if New Plan Australia and its affiliates no longer own in the aggregate 50% of the shares in the JV Company received by New Plan Australia on the date of the Limited Liability Company Agreement • Section 10.12.5 summarises the relevant definition of change of control for these purposes. It includes where the Manager is no longer the responsible entity of the Trust or where any person or group becomes the beneficial owner of more than 35% of the Units or where the US REIT, New Plan Australia or ERP Australia consolidates or merges or disposes of substantially all of its assets to another person • The sale price per Share is generally calculated by reference to the market value of the Units (unless it involves equity interests in the US REIT, New Plan Australia or New Plan) • Section 10.12.5 outlines the redemption and change of control provisions in more detail 	4.5, 9.10

Where to find
more information
– Section(s)

Topic	Summary	Where to find more information – Section(s)
Who is the seller of the New Properties, and will they have an ongoing role?	<ul style="list-style-type: none"> The Seller is New Plan, a self-administered and self-managed REIT listed on the New York Stock Exchange ("NYSE") New Plan will replace CBL as the Trust's joint venture partner with a 5.0% equity interest in the JV Company and will also assume responsibility for services currently provided by CBL 	2, 4.2
What are the costs and amounts payable by the Trust?	<ul style="list-style-type: none"> Issue Costs (including underwriting fees, due diligence fees and other Offer costs) total approximately \$9.5 million and will be paid out of the proceeds of the Offer The Manager and Galileo Advisory LLC will receive base management fees, performance fees, accounting and administration charges from the Trust and/or the US REIT The Property Manager will receive various fees from the JV Company for managing the Portfolio Fees and expenses have been taken into account when preparing the financial forecasts (other than the Performance Fees) 	7
Is there any commission payable to financial advisors?	<ul style="list-style-type: none"> Yes, a handling fee of 1.5% (inclusive of GST) of the value of New Units allotted will be paid to a retail investor's financial advisor out of the Trust's assets in respect of New Units allotted pursuant to stamped Application Forms from retail investors, subject to the following conditions: <ul style="list-style-type: none"> the handling fee will be limited to A\$1,000 in respect of any one Application or aggregate of Applications if a single investor submits more than one Application; and handling fees will only be paid to participating organisations of ASX and members of the Financial Planning Association 	7
What are the significant tax implications of the Offer?	<ul style="list-style-type: none"> Unitholders who are residents of Australia are subject to Australian income tax on their respective share of the income of the Trust Unitholders may benefit from credits for foreign taxes paid by the Trust, which may be used to offset taxation liability arising from foreign sourced income, including income of the Trust Unitholders owning 5.0% or more of the Trust may be subject to increased US withholding tax under the income tax treaty between the US and Australia Unitholders may be assessed on income greater than the distributions received Before subscribing for New Units, investors should consult their own taxation advisor for advice relating to their particular circumstances While the US REIT believes that it has been, and intends to continue to be, organised and operated in conformity with the requirements for qualification as a REIT under the Internal Revenue Code, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of changes in the US REIT's circumstances, no assurances can be given that the US REIT has qualified or will continue to qualify as a REIT. Failure of the US REIT to qualify as a REIT would adversely affect distributions payable by the Trust 	9.3, 11.2, 11.3

Topic	Summary	Where to find more information – Section(s)
Is there a cooling-off period?	<ul style="list-style-type: none"> • Even if the US REIT qualifies as a REIT, it could still be subject to US federal income tax in certain situations, including (among other situations) if it fails to satisfy the gross income tests or asset tests that are applicable under the REIT rules but nevertheless maintains its qualification as a REIT because other requirements are met • No, there is no cooling-off period for investors, as the Trust is listed on ASX. This means that once you have submitted your Application Form, you will not be able to withdraw your Application other than as permitted by the Corporations Act. However, you can offer your New Units for sale on ASX after allotment 	
What is the Manager's borrowing policy?	<ul style="list-style-type: none"> • The Manager's borrowing policy has been for the long-term consolidated Gearing Ratio of the Trust to be in the range of 45% to 55%, although the Gearing Ratio may exceed 55% temporarily in order to facilitate the settlement of property acquisitions. The Transaction will take the Gearing Ratio to 60.1% • The Manager intends to decrease this level of gearing over time via underwriting of the DRP and the potential sale of non-strategic assets • The Manager reserves the right to review and change the borrowing policy of the Trust at any time, having regard to prevailing market conditions, funding requirements and the debt maturity and interest rate hedging profile of the Trust • All borrowings of the JV Company are denominated in US dollars • The Manager's policy is to maintain effective medium to long-term fixed interest rates for the majority of the borrowings of the JV Company 	4.1
What is the Manager's foreign exchange policy?	<ul style="list-style-type: none"> • The Manager will enter into foreign exchange hedges for 100% of the estimated distributions for the Forecast Period • The proceeds of the Offer will be hedged against the US dollar as required 	4.1
Is there any income support?	<ul style="list-style-type: none"> • At IPO, properties being acquired that were undergoing development had income support in the form of a Master Lease to CBL • There will be no new Master Leases in relation to vacant space in the New Properties to be acquired from New Plan • However, New Plan will assume certain responsibilities for all Master Leases currently in operation between CBL and the JV Company 	10.12.15
Do the arrangements entered into with SEA in November 2004 change as a result of the Transaction?	<ul style="list-style-type: none"> • All arrangements between the JV Company and SEA are unaffected by the Transaction, including management arrangements and the Master Lease obligations of SEA 	2, 4.1
Does the Manager take into account labour standards, or environmental, ethical or social considerations in selecting, retaining or realising investments?	<ul style="list-style-type: none"> • In view of the nature of property investment, the Manager does not take into account labour standards, or environmental, ethical or social considerations in selecting, retaining or realising investments of the Trust • However, the Manager does arrange for environmental issues to be considered when conducting due diligence on properties (including the acquisition of the 69 New Properties from New Plan) 	

Topic	Summary	
What is the dispute resolution procedure to deal with complaints?	<ul style="list-style-type: none"> • The Manager provides a customer service facility that is equipped to handle complaints • The Constitution contains a dispute resolution process which the Manager must follow in relation to complaints regarding the Trust • If a Unitholder is dissatisfied with the response, they can raise the complaint directly with: Financial Industry Complaints Service PO Box 579, Collins Street West, Melbourne VIC 8007 Phone: 1300 780 808 	10.3
How do I apply for New Units?	<ul style="list-style-type: none"> • Applications for New Units should be made on the Application Form accompanying this PDS • Qualifying Retail Unitholders will receive a personalised looseleaf Application Form setting out their Entitlements and the Application Price per New Unit • Public Investors should use the Application Form at the back of this PDS or the Application Form accompanying the electronic version of this PDS • The Application Form is available electronically with the PDS from www.galileofunds.com.au 	3.4
Where do I return my Application Form?	<ul style="list-style-type: none"> • Application Forms (along with Application Monies) should be sent to: ASX Perpetual Registrars Limited Galileo Entitlement Offer Locked Bag A14 Sydney South NSW 1235 Or ASX Perpetual Registrars Limited Galileo Entitlement Offer Level 8, 580 George Street Sydney NSW 2000 	3.4
When do I need to return my Application Form?	<ul style="list-style-type: none"> • Application Forms (along with Application Monies) must be received by the Registry by no later than 5.00pm (AEST) on 4 August 2005 in order for New Units to be allotted on the Initial Allotment Date or on 19 August 2005 in order to be allotted on the Final Allotment Date 	3.4
Who can I call if I have any other questions?	<ul style="list-style-type: none"> • Contact your professional advisor • For questions relating to the completion of the Application Forms, please contact the Registry on 1800 115 044 (within Australia) or +61 2 8280 7058 (overseas callers) 	3.4
Contact details	<ul style="list-style-type: none"> • For further details, please see the Directory at the back of this PDS 	15

2 Impact of the Transaction



THIS SECTION SUMMARISES HOW THE TRANSACTION WILL AFFECT THE TRUST AND ITS UNITHOLDERS.

Financial Impact

The financial highlights of the Transaction for the Trust are as follows:

- forecast distribution per unit for the Trust to increase by 1.3% to 10.18 cents for the year ending 30 June 2006;
- net tangible assets per unit for the Trust to increase by 3.0 cents to \$1.05;
- the JV Company's debt will be fixed for an average period of 6.9 years as at 1 September 2005 (previously fixed for an average period of 4.7 years);
- Trust gearing will increase from 50.6% as at 30 June 2005 to 60.1%, (post-DRP for the six month period ending 30 June 2005); and
- the level of floating rate debt decreases from 20% as at 30 June 2005 to 10% after the Transaction is completed.

Geographic Profile

The Portfolio currently consists of 54 properties spread across 16 states, with a strong concentration in the Northeast region, which comprises 60.9% of the current Portfolio by value.

Following the completion of the Transaction, the Portfolio will consist of 121 properties (excluding the Redemption Properties) diversified across 30 states, providing comprehensive regional exposure to the US.

The Transaction will significantly enhance the geographic diversification of the Portfolio, with key changes being:

- entry into 14 new states, including the new markets of California, Colorado and Arizona in the West; and
- increased exposure to Florida and the Southwest (particularly Texas).

The charts below illustrate the geographic profile of the Portfolio before and after the Transaction:

CHART 2.1: GEOGRAPHIC COMPOSITION BY VALUE (PRE-TRANSACTION)

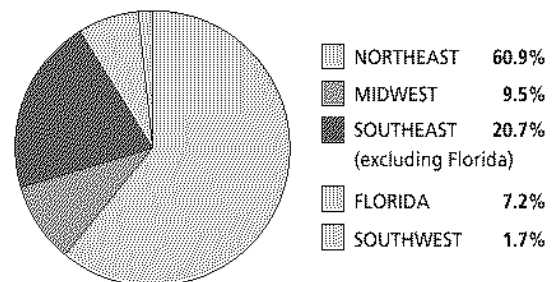
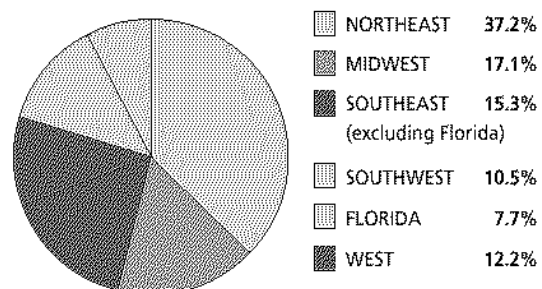
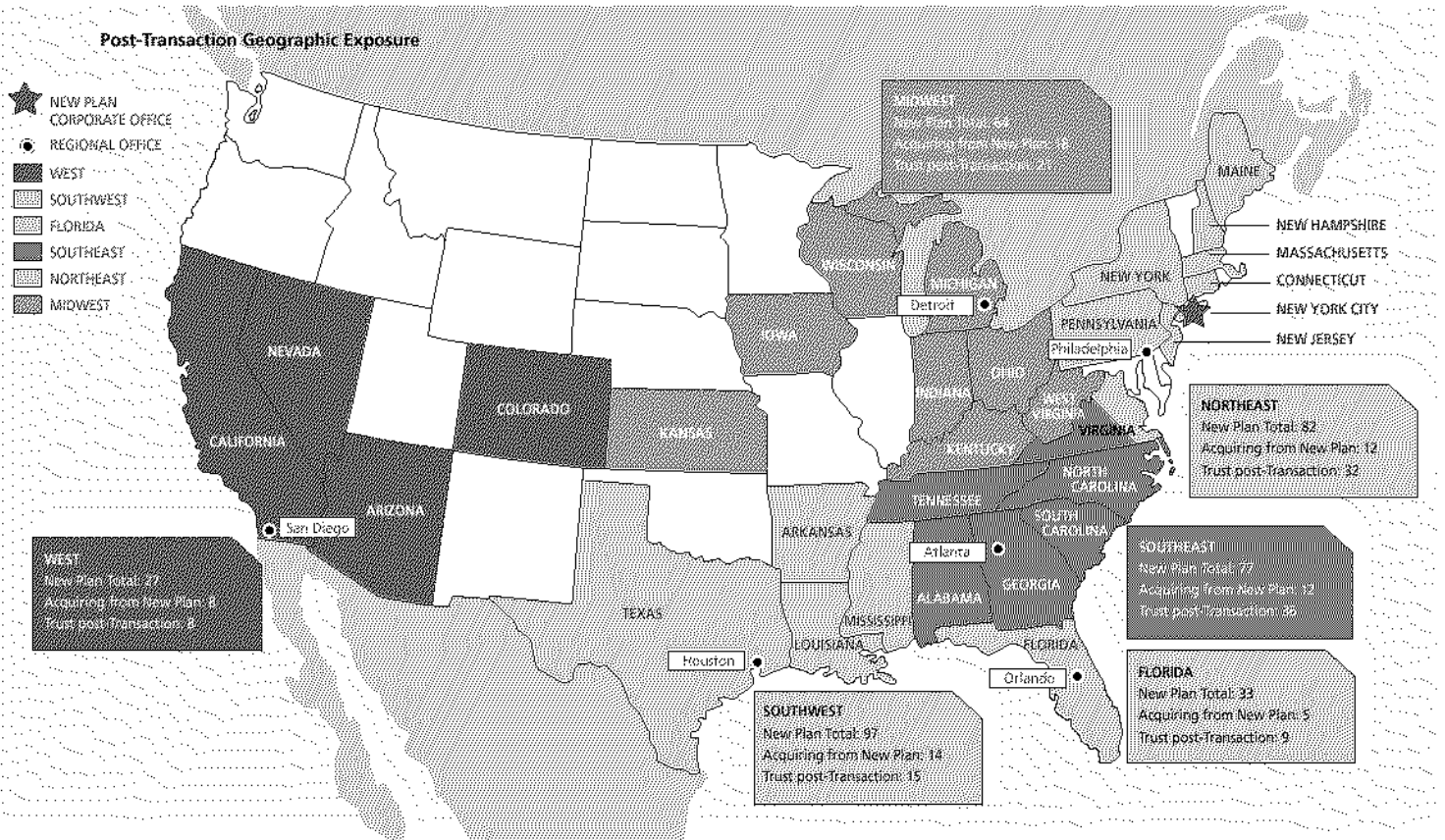
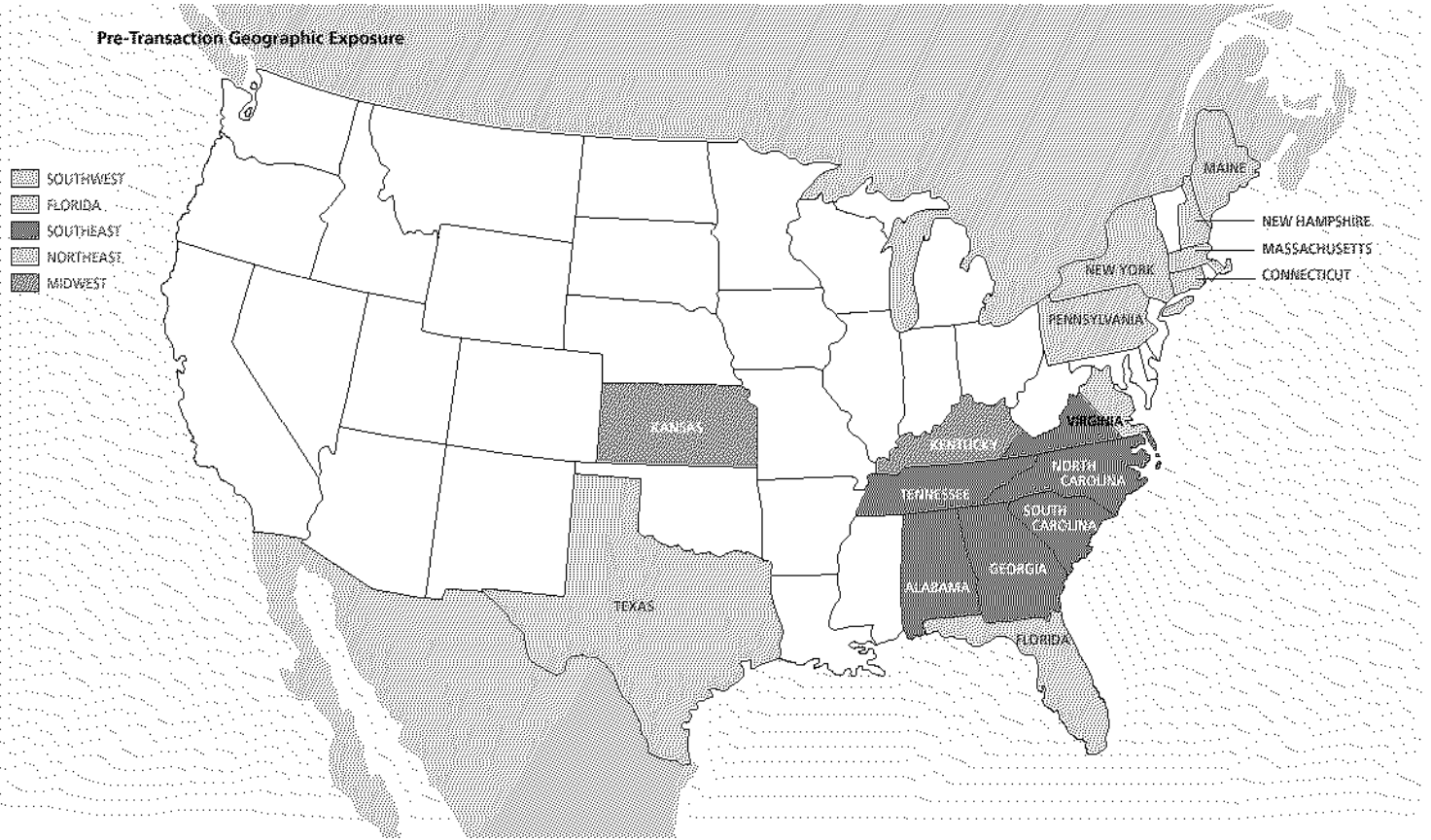


CHART 2.2: GEOGRAPHIC COMPOSITION BY VALUE (POST-TRANSACTION)



2. IMPACT OF THE TRANSACTION



New Plan properties may be located outside of the states highlighted.

TABLE 2.1: PORTFOLIO BY REGION AND STATE (POST-TRANSACTION)

Region	State	No. of properties	Value (US\$)	% of total	Weighted		
					avg. Cap Rate	GLA (sq ft)	% of total
Northeast	Connecticut	10	268,242,000	15.2%	7.2%	2,122,695	11.3%
	New York	8	218,400,000	12.3%	7.2%	1,999,900	10.6%
	Pennsylvania	4	47,900,000	2.7%	7.4%	440,197	2.3%
	New Hampshire	2	37,100,000	2.1%	7.2%	457,517	2.4%
	Virginia (East)	3	31,200,000	1.8%	8.0%	281,799	1.5%
	Massachusetts	2	28,150,000	1.6%	6.7%	299,240	1.6%
	Maine	2	18,800,000	1.1%	7.3%	479,026	2.5%
	New Jersey*	1	8,500,000	0.5%	7.3%	58,025	0.3%
		32	658,292,000	37.2%	7.2%	6,138,399	32.6%
Midwest	Kentucky	5	104,450,000	5.9%	7.1%	1,375,963	7.3%
	Michigan*	5	84,700,000	4.8%	7.8%	964,848	5.1%
	Ohio*	2	28,800,000	1.6%	7.0%	219,537	1.2%
	West Virginia*	3	25,850,000	1.5%	7.8%	362,123	1.9%
	Wisconsin*	2	17,400,000	1.0%	8.8%	275,413	1.5%
	Iowa*	1	16,700,000	0.9%	7.3%	269,465	1.4%
	Indiana*	2	14,340,000	0.8%	7.9%	178,570	0.9%
	Kansas	1	10,900,000	0.6%	7.8%	214,848	1.1%
		21	303,140,000	17.1%	7.5%	3,860,767	20.5%
Southeast	North Carolina	8	85,025,000	4.8%	8.2%	1,140,519	6.1%
	Georgia	10	68,675,000	3.9%	8.4%	1,142,365	6.1%
	Tennessee	8	66,600,000	3.8%	8.2%	752,188	4.0%
	South Carolina	7	33,280,000	1.9%	9.2%	641,474	3.4%
	Virginia (West)	2	14,400,000	0.8%	8.2%	211,787	1.1%
	Alabama	1	2,475,000	0.1%	10.0%	60,750	0.3%
			36	270,455,000	15.3%	8.4%	3,949,083
Florida	Florida	9	136,220,000	7.7%	7.6%	1,334,514	7.1%
		9	136,220,000	7.7%	7.6%	1,334,514	7.1%
Southwest	Texas	12	161,200,000	9.1%	7.7%	1,676,779	8.9%
	Arkansas*	1	16,800,000	0.9%	8.5%	180,521	1.0%
	Mississippi*	1	4,000,000	0.2%	7.5%	87,722	0.5%
	Louisiana*	1	3,100,000	0.2%	8.8%	100,238	0.5%
			15	185,100,000	10.5%	7.8%	2,045,260
West	California*	3	79,340,000	4.5%	6.3%	521,549	2.8%
	Colorado*	2	77,600,000	4.4%	6.3%	503,142	2.7%
	Nevada*	1	33,500,000	1.9%	7.0%	272,971	1.4%
	Arizona*	2	25,600,000	1.4%	7.3%	203,519	1.1%
			8	216,040,000	12.2%	6.5%	1,501,181
	Total	121	1,769,247,000	100.0%	7.5%	18,829,204	100.0%

* New states in which the JV Company will own assets.

Portfolio Demographics

Key changes to the five-mile trade area demographics of the Portfolio as a result of the Transaction include a lower median age, higher historical and forecast population and household growth, lower unemployment, a lower income profile and lower educational attainment (defined as the percentage of the population aged 25 or over with a college education).

The post-Transaction demographic profile of the Portfolio remains strong relative to the United States as a whole, with key highlights for the five-mile trade area being:

- above average historical and forecast population and household growth;
- an income profile slightly above the national average/median;
- an above average level of educational attainment; and
- below average unemployment.

TABLE 2.2: PORTFOLIO DEMOGRAPHICS

	US	Pre-Transaction (weighted by value)		Post-Transaction (weighted by value)	
		1-mile	5-mile	1-mile	5-mile
Median age (years)	36.2	39.1	37.8	37.5	36.5
Population growth					
1990 – 2005	18.7%	23.0%	15.9%	40.7%	26.4%
2005 – 2010 (estimated)	4.9%	3.9%	4.1%	5.1%	5.4%
Household growth					
1990 – 2005	20.7%	30.1%	20.0%	44.2%	29.3%
2005 – 2010 (estimated)	5.1%	4.3%	4.5%	5.5%	5.8%
2005 median household income (US\$)	47,837	57,204	54,710	53,827	52,521
2005 average household income (US\$)	64,816	70,757	70,760	66,169	67,172
College degrees	30.9%	35.5%	35.7%	33.2%	33.4%
Unemployment rate (May 2005)*	4.9%	4.4%		4.4%	

* Unemployment rates for the Portfolio reflect the unemployment rate of the respective MSA for each property.

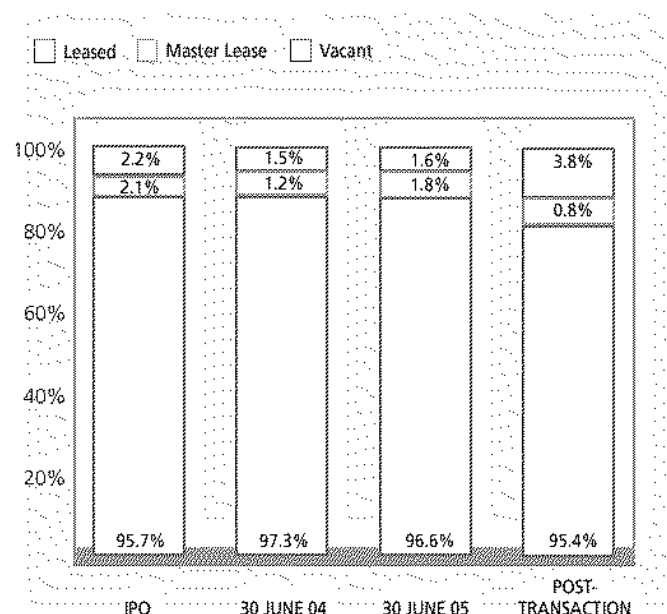
Portfolio Occupancy

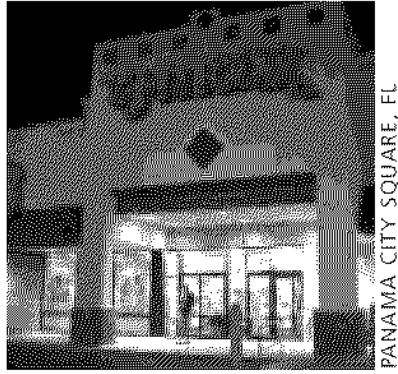
At IPO, the Portfolio was 97.8% leased by GLA (including Master Leases) and as at 30 June 2005 this had improved to 98.4% on the same basis.

The occupancy level of the New Properties is 95.1% by GLA, inclusive of four assets that are classified as undergoing redevelopment. Excluding these redevelopment assets, the occupancy level is 95.9%.

Following completion of the Transaction, Portfolio occupancy will fall to 96.2% by GLA (including Master Leases) as a result of the lower overall occupancy level of the New Properties being acquired.

CHART 2.3: PORTFOLIO OCCUPANCY BY AREA



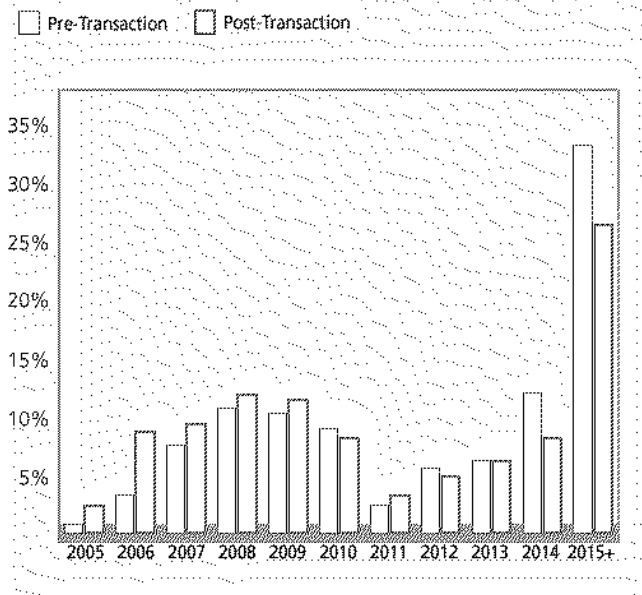


Lease Expiry Profile

Following the completion of the Transaction, the average unexpired lease term of the Portfolio (measured by income) will fall from 8.1 years to 6.8 years.

The chart below illustrates the lease expiry profile of the Portfolio before and after the Transaction:

CHART 2.4: LEASE EXPIRY PROFILE BY INCOME

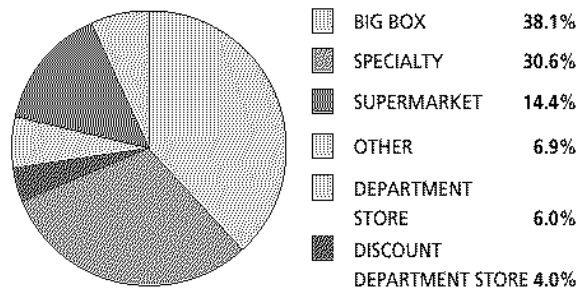


Excludes Shadow Anchors

Tenant Base

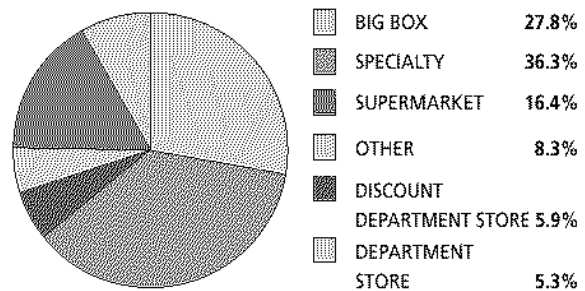
As a result of the Transaction, the Portfolio will have 1,983 leases, including national and regional supermarket chains, discount retailers, department stores, cinemas and other nationally-known retailers.

CHART 2.5: TENANCY MIX BY INCOME (PRE-TRANSACTION)



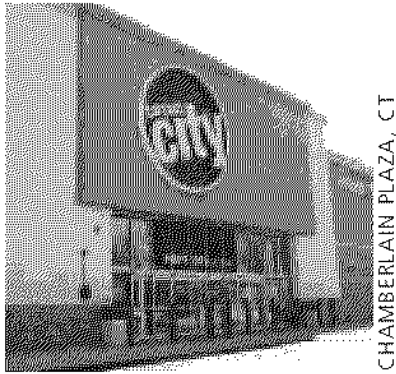
Excludes Shadow Anchors.

CHART 2.6: TENANCY MIX BY INCOME (POST-TRANSACTION)



Excludes Shadow Anchors.

2. IMPACT OF THE TRANSACTION



CHAMBERLAIN PLAZA, CT



STRATFORD COMMONS, NC

The following tables highlight the top 10 tenants of the Portfolio by income, before and after the Transaction:

TABLE 2.3: TOP 10 TENANTS (PRE-TRANSACTION)

Rank	Tenant	No. of stores ⁽¹⁾	% of rent roll ⁽²⁾	Credit rating (S&P/Moody's) ⁽³⁾
1	Delhaize Group ⁽⁴⁾	11	4.1%	BB+/Ba2
2	TJX Companies ⁽⁵⁾	8	3.7%	A/A3
3	Dick's Sporting Goods	4	3.4%	B+/-
4	Barnes & Noble ⁽⁶⁾	9	2.9%	-/Ba3
5	OfficeMax	6	2.8%	BB/Ba1
6	Linens 'n Things	4	2.7%	-/-
7	Price Chopper	2	2.5%	-/-
8	Wal-Mart	10	2.3%	AA/Aa2
9	Cinemark	1	1.6%	B+/Ba3
10	Circuit City	3	1.5%	-/-
Total		58	27.5%	

- (1) Including Shadow Anchors.
 (2) Total rent roll, including Master Leases.
 (3) Ultimate parent company where appropriate.
 (4) Includes Food Lion, Hannaford Bros. and Harvey's.
 (5) Includes T.J. Maxx, Marshall's, HomeGoods, Bob's Stores and A.J. Wright.
 (6) Includes Gamestop.

TABLE 2.4: TOP 10 TENANTS (POST-TRANSACTION)

Rank	Tenant	No. of stores ⁽¹⁾	% of rent roll ⁽²⁾	Credit rating (S&P/Moody's) ⁽³⁾
1	Wal-Mart	16	3.2%	AA/Aa2
2	TJX Companies ⁽⁴⁾	16	3.0%	A/A3
3	Delhaize Group ⁽⁵⁾	18	2.9%	BB+/Ba2
4	Kroger ⁽⁶⁾	8	1.9%	BBB-/Baa2
5	Sears ⁽⁷⁾	10	1.8%	BB+/Ba1
6	OfficeMax	8	1.8%	BB/Ba1
7	Dick's Sporting Goods	4	1.7%	B+/-
8	Barnes & Noble ⁽⁸⁾	11	1.6%	-/Ba3
9	Circuit City	5	1.5%	-/-
10	Price Chopper	3	1.5%	-/-
		99	20.9%	

- (1) Including Shadow Anchors.
 (2) Total rent roll, including Master Leases.
 (3) Ultimate parent company where appropriate.
 (4) Includes T.J. Maxx, Marshall's, HomeGoods, Bob's Stores and A.J. Wright.
 (5) Includes Food Lion, Hannaford Bros. and Harvey's.
 (6) Includes King Soopers and Ralphs.
 (7) Includes Kmart.
 (8) Includes Gamestop.

The Transaction results in the Trust gaining increased exposure to leading US retailers, with key highlights of the top 10 tenant profile post-Transaction including:

- the elevation of Wal-Mart to the largest tenant by income;
- the emergence of Kroger as the fourth largest tenant by income; and
- the emergence of Sears (Kmart) as the fifth largest tenant by income.

Overview of Top Five Tenants

WAL-MART

Wal-Mart Stores, Inc. ("Wal-Mart") operates discount mass merchandise stores (Wal-Mart and Wal-Mart Supercenters), grocery (Wal-Mart Supercenters and Neighbourhood Markets) and membership warehouse clubs (SAM's Clubs) throughout the US and internationally. The company employs 1.6 million people across more than 3,600 facilities in the US and more than 1,570 facilities in Mexico, Puerto Rico, Canada, Argentina, Brazil, China, Korea, Germany and the United Kingdom.

Wal-Mart had US\$285.2 billion in sales for fiscal year ending 31 January 2005. Wal-Mart is listed on the NYSE (WMT), and as at 15 July 2005 had a market capitalisation of approximately US\$210.1 billion.

THE TJX COMPANIES

The TJX Companies, Inc. ("TJX") is an off-price retailer of apparel and home fashions operating 776 T.J. Maxx, 700 Marshalls, 230 HomeGoods, 143 A.J. Wright, and 34 Bob's Stores across the US. The company also operates 167 Winners and 47 HomeSense stores in Canada, and 181 T.K. Maxx stores in Europe.

TJX had US\$14.9 billion in sales for the fiscal year ending 29 January 2005. TJX is listed on the NYSE (TJX), and as at 15 July had a market capitalisation of approximately US\$11.1 billion.

THE DELHAIZE GROUP

Delhaize Group ("Delhaize") is a food retailer headquartered in Belgium with operations in nine countries on three continents – North America, Europe and Asia. As of 31 December 2004, Delhaize Group's sales network (which includes company-operated, affiliated and franchised stores) consisted of 2,565 stores, and Delhaize employed approximately 138,000 people (approximately 105,000 people in the US). In 2004, Delhaize recorded sales of EUR18.0 billion and net income of EUR211.5 million.

Delhaize is the third largest supermarket operator on the east coast of the US (based on fiscal 2004 sales), and as of 1 January 2005 operated 1,523 stores across 16 states (primarily under the banners of Food Lion, Kash n' Karry and Harvey's).

Delhaize is listed on the Brussels Stock Exchange (DELB) and as at 15 July 2005 had a market capitalisation of approximately EUR4.7 billion.

THE KROGER CO.

Headquartered in Cincinnati, Ohio, The Kroger Co. ("Kroger") is one of the largest retail grocery chains in the US, operating (either directly or through its subsidiaries) 2,524 supermarkets and multi-department stores in 32 states, with total 2004 sales of US\$56.4 billion.

The Company operates under two dozen local banners including Kroger, Ralphs, Fred Meyer, Food 4 Less, King Soopers, Smith's and Smith's Marketplace, Fry's and Fry's Marketplace, Dillons, QFC and

City Market. Kroger also operates (either directly or through subsidiaries, franchise agreements, or operating agreements) 793 convenience stores, 432 fine jewellery stores, 552 supermarket fuel centres and 42 food processing plants.

Kroger is listed on the NYSE (KR), and as at 15 July 2005 had a market capitalisation of approximately US\$14.2 billion.

SEARS

Sears Holdings Corporation ("Sears"), the publicly-traded parent of Kmart and Sears, Roebuck and Co., is one of the largest broadline retailers in the US, with approximately \$55 billion in annual revenues, and with approximately 3,800 full-line and specialty retail stores in the United States and Canada.

Sears Holdings is a leading home appliance retailer in North America and is a retail sales leader in tools, lawn and garden, home electronics, and automotive repair and maintenance.

Key proprietary brands include Kenmore, Craftsman and DieHard, and a broad apparel offering, including such well-known labels as Lands' End, Jaclyn Smith and Joe Boxer, as well as the Apostrophe and Covington brands.

Sears is listed on the NASDAQ (SHLD), and had a market capitalisation of approximately US\$26 billion as at 15 July 2005.

Asset Diversification

The top 10 assets of the Portfolio currently comprise 54.4% of the Portfolio by value, with the largest asset (Cortlandt Towne Center) accounting for 13.7% of the current Portfolio.

Following the Transaction, the Portfolio's weighting towards its top 10 assets will decrease to 29.1%, while Cortlandt Towne Center will account for 6.7% of the Portfolio by value. Significantly, three of the top 10 assets post-Transaction will be located in the new markets of California and Colorado in the West.

CHART 2.7: ASSET DIVERSIFICATION BY VALUE (PRE-TRANSACTION)

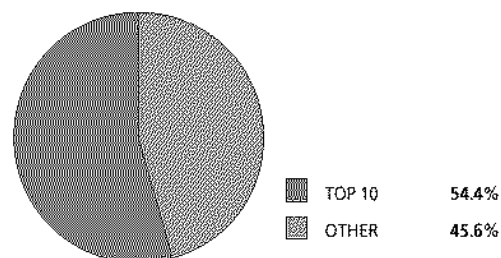


CHART 2.8: ASSET DIVERSIFICATION BY VALUE (POST-TRANSACTION)

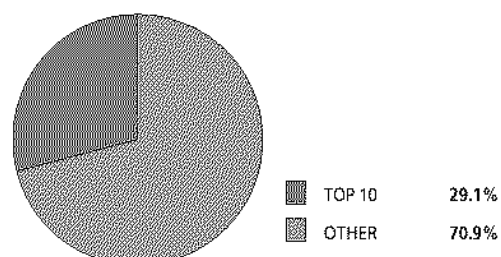


TABLE 2.5: TOP 10 PROPERTIES (PRE-TRANSACTION)

Property	City/State	Value (US\$)	% of Total
Cortlandt Towne Center	Cortlandt, NY	118,000,000	13.7%
Springhurst Town Center	Louisville, KY	68,000,000	7.9%
Waterford Commons	Waterford, CT	57,000,000	6.6%
Springdale Center*	Mobile, AL	42,500,000	4.9%
Cobblestone Village	St Augustine, FL	38,500,000	4.5%
Enfield Commons	Enfield, CT	34,942,000	4.0%
Freshwater - Stateline	Enfield, CT	31,400,000	3.6%
Turnpike Plaza	Newington, CT	30,500,000	3.5%
Waterbury Plaza	Waterbury, CT	24,500,000	2.8%
Easton Village	Easton, MA	24,000,000	2.8%
		469,342,000	54.4%

* Springdale Center is a Redemption Property.

TABLE 2.6: TOP 10 PROPERTIES (POST-TRANSACTION)

Property	City/State	Value (US\$)	% of Total
Cortlandt Towne Center	Cortlandt, NY	118,000,000	6.7%
Springhurst Town Center	Louisville, KY	68,000,000	3.8%
Westminster City Center	Westminster, CO	64,800,000	3.7%
Waterford Commons	Waterford, CT	57,000,000	3.2%
Cobblestone Village	St Augustine, FL	38,500,000	2.2%
Vail Ranch Center	Temecula, CA	37,900,000	2.1%
Enfield Commons	Enfield, CT	34,942,000	2.0%
Galleria Commons	Henderson, NV	33,500,000	1.9%
Freshwater - Stateline	Enfield, CT	31,400,000	1.8%
San Dimas Plaza	San Dimas, CA	31,400,000	1.8%
		515,442,000	29.1%

* Bold indicates New Properties.

New Joint Venture Partner

As a result of the Transaction, New Plan will replace CBL as the joint venture partner in the JV Company and as the provider of all services currently provided by CBL to the JV Company.

New Plan is the third largest public shopping centre REIT in the United States by number of properties and focuses on Power, Community and Neighbourhood Shopping Centres. New Plan operates from a national and regional management platform, with corporate offices located in New York and six regional offices reflecting the geographic spread of the New Plan property portfolio.

The Manager believes that New Plan brings Power, Community and Neighbourhood Shopping Centre expertise and scale, with a regional management structure and local knowledge that will help maximise value and growth opportunities for the Trust and Unitholders.

In addition to New Plan taking a 5% equity interest in the JV Company, the change in joint venture partner essentially involves three components:

- New Plan selling/contributing a portfolio of 69 Power, Community and Neighbourhood Shopping Centres for a base purchase price of US\$968 million and contingent deferred consideration of US\$12 million (valued at approximately US\$966.2 million on an "as is" basis, US\$971.0 million on a stabilised basis, and US\$985.0 million on a portfolio basis) to the JV Company;
- the JV Company redeeming the entire 8.4% ownership interest of CBL in the JV Company (valued at US\$41.8 million), in exchange for the Redemption Properties currently owned by the JV Company (adjusted for a payment of US\$18.5 million by New Plan to the JV Company), as described under the heading Exit of CBL below and
- New Plan acquiring CBL's interest in all property management and service agreements related to the JV Company and in all other ancillary agreements and fee arrangements pursuant to which CBL currently provides services and/or is entitled to fees in connection with the JV Company, the US REIT or the Trust.

The property management arrangements between the JV Company and New Plan have an initial term of 20 years, with four five-year options at the JV Company's election. The acquisition of property management rights by New Plan from CBL does not include CBL's right to manage the SEA Properties, which reverts to CBL from SEA on 23 November 2007 (the three-year anniversary of the initial tranche of the SEA Acquisition). However, New Plan does have the option to acquire this right at any time on or after 23 November 2007 for a pre-determined price.

As part of the Transaction, New Plan will also assume certain responsibilities for Master Leases currently in operation between CBL and the JV Company.

The JV Company is not purchasing all of New Plan's Power, Community and Neighbourhood Shopping Centres. New Plan will continue to own and manage a large number of Power, Community and Neighbourhood Shopping Centres independent from the JV Company.

The JV Company will not be the exclusive acquisition vehicle for New Plan. However, given New Plan's national and regional platform and large acquisition team focused on Power, Community and Neighbourhood Shopping Centres, the Manager expects New Plan to provide the JV Company with an increased pipeline of acquisition opportunities. New Plan has further agreed that the Trust will be New Plan's sole Australian vehicle for the acquisition of Power, Community and Neighbourhood Shopping Centres.

Further information on the agreements relating to the change of joint venture partner are provided in Section 10, while details of fees and expenses (both Transaction-specific and ongoing) are provided in Section 7.

Further information on New Plan is provided in Section 4.

Exit of CBL

CBL REDEMPTION

CBL & Associates Limited Partnership ("CBL Partnership") will have its interest in the JV Company redeemed in consideration for a distribution to the CBL Partnership of all of the interests in the Springdale Center in Alabama and the Wilkes-Barr Marketplace in Pennsylvania (the "Redemption Properties") at a valuation of US\$60.3 million. Additionally, the JV Company will pay to the CBL Partnership an amount of US\$1.2 million representing the CBL Partnership's share of the working capital in the JV Company as at 30 June 2005. The "closing" of this redemption will occur at the same time that the acquisition of New Properties from New Plan completes. The CBL redemption arrangements are set out in the Redemption Agreement which is more fully discussed in section 10.12.1. The other key commercial terms of the Redemption Agreement, however, are set out below.

- **(Redemption Properties and Additional Properties)** For a period of one year from a closing, the CBL Partnership may require the JV Company to repurchase the Redemption Properties for an amount equal to US\$63 million plus any capital expenditure amount spent by the CBL Partnership on the Redemption Properties in the intervening period. If the JV Company fails to repurchase, the CBL Partnership may require New Plan to purchase the Redemption Properties. If New Plan fails to purchase the Redemption Properties, the CBL Partnership is free to sell any of the properties known as Fashion Square in Florida, Chicopee in Massachusetts, or Royal Palm Beach in Florida (the "Additional Properties"). The CBL Partnership also has an option within one year of such closing to require the JV Company to purchase from the CBL Partnership the Additional Properties. Further, for two years from such a closing, the JV Company has a right of first offer to acquire from the CBL Partnership the Additional Properties. The purchase price for the Additional Property(s) is to be calculated in accordance with a formula specified in the Redemption Agreement, which is generally based on the net operating income of the Additional Property(s).
- **(Earn Out)** On closing, the JV Company will pay the CBL Partnership US\$4 million in satisfaction of all "earn out" amounts payable by the JV Company to the CBL Partnership under the CBL Partnership / JV Company Contribution and Sale Agreement.
- **(Management)** The CBL Partnership retains New Plan or an affiliate to provide property management and leasing services with respect to the Redemption Properties for the period of one year from closing (or less if the JV Company or New Plan defaults in certain circumstances).

If the CBL Partnership terminates the Redemption Agreement due to a wilful default of the JV Company, New Plan or US REIT under the Redemption Agreement, a wilful failure by the JV Company, New Plan or US REIT to close the transaction contemplated by the Redemption Agreement, or a failure of the CBL Partnership's closing conditions, then the CBL Partnership's sole and exclusive remedy is to receive US\$10 million from the defaulting party or parties.

CESSATION OF CBL MANAGEMENT

CBL & Associates Management Inc. ("CBL Associates") will assign to ERT Australian Management, L.P. ("ERT AM") its management rights under various property management agreements for US\$22 million, subject to certain adjustments. The JV Company will also pay US\$8 million to CBL Associates representing accrued acquisition fees payable under the various property management agreements.

Different arrangements will also apply in relation to:

- the SEA management rights – for further details refer to section 10.12.3; and
- the Master Lease – for further details refer to sections 10.12.3 and 10.12.1.5.

The change of management rights is more fully discussed in section 10.12.3.

3 Key Features of the Offer



THIS SECTION PROVIDES AN OVERVIEW OF THE ENTITLEMENT OFFER AND PUBLIC OFFER, INCLUDING INSTRUCTIONS ON HOW INVESTORS CAN PARTICIPATE.

3.1 The Offer

The Manager proposes to issue approximately 353.5 million New Units at the Application Price to raise approximately \$395.9 million.

Qualifying Unitholders registered at 7.00pm (AEST) on the Record Date with registered addresses in Australia or New Zealand will receive an Entitlement Offer to acquire 5 New Units for every 8 Existing Units held at that time. In calculating Entitlements, fractional Entitlements will be rounded to the nearest whole New Unit.

Your Entitlement is non-renounceable which means the Entitlement itself cannot be transferred or sold. The New Units to be issued under this PDS are transferable.

In order for Qualifying Unitholders to ensure they receive their priority Entitlement, Applications must be made on the personalised looseleaf Application Form accompanying this PDS.

The Offer is structured as follows:

- the Placement;
- the Institutional Entitlement Offer;
- the Retail Entitlement Offer; and
- the Public Offer.

All New Units will be allotted pursuant to this PDS.

The Manager reserves the right to cancel the Offer at any time without prior notice, subject to the Corporations Act and the Listing Rules.

APPLICATION PRICE

The Application Price is \$1.12 per New Unit, and is specified in the Application Form accompanying this PDS.

PLACEMENT

Qualifying Institutional Unitholders and institutional investors will be offered 58.9 million New Units to raise approximately \$65.9 million. New Units allocated to Qualifying Institutional Unitholders and institutional investors under the Placement will be allotted at the Initial Allotment Date. New Units which have not been allotted under the Placement will be offered under the Public Offer.

INSTITUTIONAL ENTITLEMENT OFFER

Qualifying Institutional Unitholders will be made offers to apply for their pro-rata Entitlement during the Institutional Entitlement Offer Period. Under the Institutional Entitlement Offer, New Units not taken up by Qualifying Institutional Unitholders will be offered to:

- other Qualifying Institutional Unitholders wishing to subscribe for more than their Entitlement; or
- institutional investors in accordance with the allocation policy outlined in this Section 3.

New Units offered under the Institutional Entitlement Offer will be allotted to Qualifying Institutional Unitholders and institutional investors at the Initial Allotment Date.

RETAIL ENTITLEMENT OFFER

The Retail Entitlement Offer is available to Qualifying Retail Unitholders who have received (directly or through nominees) an offer under the Retail Entitlement Offer. The Retail Entitlement Offer is not available to any Qualifying Unitholder that received an offer under the Institutional Entitlement Offer.

Under the Retail Entitlement Offer, Qualifying Retail Unitholders will receive an offer for up to their Entitlement as shown on the personalised looseleaf Application Form accompanying this PDS.

Qualifying Retail Unitholders may also apply for New Units in excess of their Entitlement. However, Qualifying Retail Unitholders are not obliged to apply for any New Units.

If Qualifying Retail Unitholders do not apply for their Entitlement, the shortfall will be available to other Qualifying Unitholders, institutional investors and Public Investors, in accordance with the allocation policy outlined in this Section 3.

New Units applied for by Qualifying Retail Unitholders who make a valid Application on the personalised looseleaf Application Form which is received by the Registry on or before the Initial Allocation Date will be allotted (as to the lesser of the number applied for and their Entitlement) on the Initial Allotment Date (that is, at the same time as the allotment of New Units under the Institutional Entitlement Offer).

New Units applied for by Qualifying Retail Unitholders who make a valid Application on the personalised looseleaf Application Form which is received by the Registry after the Initial Allocation Date but before the Closing Date will be allotted (as to the lesser of the number applied for and their Entitlement) on the Final Allotment Date.

New Units so applied for in excess of an Entitlement will, if allotted, be allotted on the Final Allotment Date.

PUBLIC OFFER

This PDS also relates to a general offer to members of the public in Australia of New Units which are not subscribed for by Qualifying Retail Unitholders under the Retail Entitlement Offer and the offer of New Units which have not been allotted under the Placement ("Public Offer"), in accordance with the allocation policy outlined in this Section 3.

Applications for the Public Offer can only be satisfied to the extent that there is a shortfall in subscription of the Retail Entitlement Offer or through allocation of New Units offered under the Placement.

Public Investors may apply for New Units by using the appropriate Application Form in the back of this PDS. However, they will not be entitled to a priority allocation.

Public Offer Applications must be for a minimum of 2,000 Units and then in multiples of 500 New Units.

The restrictions on issue and other relevant provisions of this PDS regarding the Entitlement Offer also apply to the Public Offer.

ALLOCATIONS

The Manager has the right, in consultation with the Joint Lead Managers and Underwriters, to nominate the persons to whom the New Units will be allocated (to the extent they are not subscribed for by Qualifying Unitholders applying for their Entitlements). Other than Qualifying Unitholders receiving up to their Entitlements:

- there is no assurance that Applicants will be allocated the number of New Units they apply for or any New Units at all;
- all Applications may be scaled back at the absolute discretion of the Manager; and
- the Manager and the Joint Lead Managers and Underwriters reserve the right to reject any Application or to allocate any Applicant a lesser number of New Units than applied for (but no less than their Entitlement).

Application Forms must be completed in accordance with the instructions on the reverse side of the Application Form. To the extent that any Application is not satisfied in whole, Application Monies will be refunded without interest.

The Manager reserves the right to cancel the Offer at any time, in which case all Application Monies for New Units which have not been allotted will be refunded without interest.

3.2 Purpose of the Offer

The Offer is to partially fund the acquisition by the Trust of an indirect interest in 69 additional Power, Community and Neighbourhood Shopping Centres in the US.

The New Properties have been purchased for a base purchase price of US\$968.0 million and a contingent deferred consideration of US\$12 million.

A summary table of the New Properties is provided in Section 5.1, while detailed overviews of the top 10 New Properties (by value) are provided in Section 6.

In addition to the equity to be raised under the Offer, the acquisition of the New Properties will also be funded by new debt facilities.

3.3 Sources and Applications of Funds

The sources and applications of funds are set out below:

TABLE 3.1: SOURCES AND APPLICATIONS OF FUNDS

	US\$m	A\$m
Sources		
Offer proceeds (Trust)	297.4	395.9
Contribution from New Plan (JV)	58.5	77.9
New debt facilities (JV)	641.7	854.1
Total sources	997.6	1,327.9
Applications		
Purchase of New Properties (JV)	968.0	1,288.5
Acquisition costs (JV)	22.5	29.9
Issue and other transaction costs (Trust)	7.1	9.5
Total applications	997.6	1,327.9

Note: Assumes US\$/A\$ exchange rate of 0.7513.

3.4 How to Participate

ENTITLEMENT OVERVIEW

Unitholders with registered addresses in Australia and New Zealand at 7.00pm (AEST) on the Record Date will be entitled to 5 New Units for every 8 Existing Units then held at the Application Price.

The Entitlement is shown on the personalised looseleaf Application Form. In calculating Entitlements, fractional Entitlements have been rounded to the nearest whole New Unit.

The Entitlement Offer is non-renounceable which means the Entitlement itself cannot be transferred or sold.

The Offer is fully underwritten by Merrill Lynch and UBS subject to certain underwriting terms. A summary of the Underwriting Agreement appears in Section 10.12.6.

APPLYING FOR MORE THAN YOUR ENTITLEMENT

If you have an Entitlement, you are also permitted to apply for additional New Units. All Qualifying Unitholders will receive their Entitlement as applied for. Any amount by which an Application from a Qualifying Unitholder exceeds their Entitlement may be scaled back, at the absolute discretion of the Manager.

ACCEPTANCE AND PAYMENT

Listed below are the steps you need to take, should you wish to participate in the Offer.



SAN DIMAS PLAZA, CA



GALLERIA COMMONS, NY

If you want to accept part of, or all of, or apply for more than your Entitlement:

- complete the Application Form in accordance with the instructions set out on the reverse side of the form. Photocopies will not be accepted; and
- attach to the Application Form a cheque, money order or bank draft (calculated by multiplying the number of New Units you applied for by the Application Price). If you do not indicate the number of New Units for which you wish to subscribe, or there is a discrepancy between the amount of the cheque, money order or bank draft and the number of New Units indicated, the Manager will treat you as applying for as many New Units as your cheque, money order or bank draft will pay for.

If you wish to apply for only part of your Entitlement, you should complete the Application Form, nominating the number of New Units you wish to apply for, with payment in full.

You may apply for additional New Units in excess of your Entitlement on your Application Form. However, this additional amount may be subject to scale back, as set out in the allocation policy.

Public Investors may apply for New Units using the appropriate Application Form in the back of this PDS. However, they will not receive a priority Entitlement and may be subject to scale back as set out in the allocation policy.

Payment will only be accepted in Australian currency and cheques or bank drafts must be drawn on or payable at an Australian bank. Cheques, money orders and bank drafts should be made payable to "TCAL ACF GSAT – Application Account No. 1" and crossed "Not Negotiable". All amounts must be in cleared funds as at the Initial Allocation Date for Applications under the Initial Allocation or as at the Closing Date for all other Applications. Please do not send cash. Receipts for payment will not be issued.

APPLICATION MONIES AND INTEREST

Application Monies received will, until the New Units are allotted, be held by the Manager in a trust account designated for this purpose.

If you are allotted less than the number of New Units you applied for, you will receive a refund cheque for the relevant amount of Application Monies (without interest) not applied towards the issue of New Units, as soon as practicable after the Closing Date.

The Manager reserves the right, subject to required regulatory approval, to cancel the Placement, Entitlement Offer and Public Offer at any time, in which case all Application Monies for unissued New Units will be refunded without interest.

To the fullest extent permitted by law, each Applicant agrees that such Application Monies shall not bear or earn interest for the Applicant, irrespective of whether or not all or any of the New Units applied for by the Applicant are issued to the Applicant and any Application Monies that are refunded will not include any interest.

ALLOTMENT

Allotment of New Units pursuant to Application Forms is expected on or around 10 August 2005 or on or around 26 August 2005 depending upon whether the Application is dealt with under the Initial Allocation or the Final Allocation (as described earlier).

No certificates will be issued in respect of the New Units. Following allotment, Unitholders will receive statements which set out the number of New Units allotted to them.

Applicants may call the Registry on 1800 115 044 (within Australia) or +61 2 8280 7058 (overseas callers) between 8.30am and 5.30pm (AEST) Monday to Friday (following the Initial Allotment Date or the Final Allotment Date, as applicable) to seek confirmation of their allocation.

ASX QUOTATION

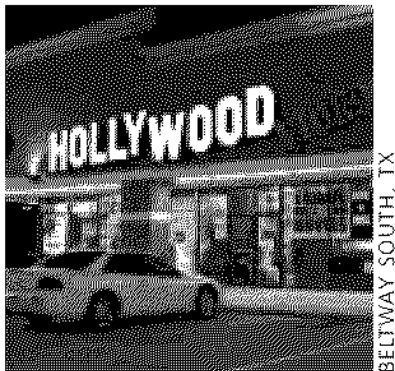
Application for quotation of the New Units on ASX will be made no later than seven days after the date of this PDS. If official quotation of New Units is not achieved, Application Monies will be refunded in full without interest.

INCOME ENTITLEMENT OF NEW UNITS

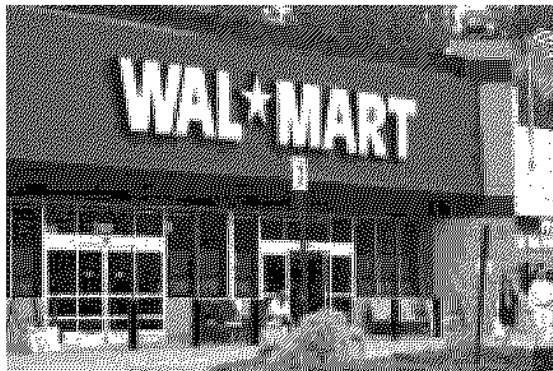
New Units will rank equally with Existing Units from the date of allotment and will have full entitlement to the distribution for the six month period ending 31 December 2005.

VOTING RIGHTS OF THE NEW UNITS

Each Unit confers the right to vote at meetings of the Unitholders, subject to any voting restrictions imposed on an investor under the Corporations Act and the Listing Rules. On a show of hands, every Unitholder has one vote. On a poll, every Unitholder who is present in person or by proxy has one vote for each dollar of the value of the total interest held in the Trust. Voting power is proportional to the amount paid up on the Units.



BELTWAY SOUTH, TX



HUNTING HILLS, VA

SELLING RESTRICTIONS

This PDS does not constitute an offer or invitation to subscribe for New Units in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation, or issue this PDS.

The distribution of this PDS in jurisdictions outside Australia is limited and may be restricted by law. Persons holding copies of this PDS who are not in Australia should familiarise themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of securities law.

Residents in New Zealand

The New Units being offered under this PDS are offered in New Zealand to Existing Unitholders under the Securities Act (Overseas Companies) Exemption Notice 2002. This PDS is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

The Public Offer is not available to New Zealand residents.

Residents outside Australia and New Zealand

The Entitlement Offer is not being made to persons with registered addresses outside Australia or New Zealand. The Public Offer is only being made to persons with Australian registered addresses.

This PDS complies with Australian disclosure requirements. These disclosure requirements may be different from those applicable in other jurisdictions. The financial information included in this PDS was prepared with a view towards compliance within Australian practice and not that of any other jurisdiction. Unitholders who are subject to taxation outside Australia should consult their tax advisor as to the applicable tax consequences of investing in Units

US persons

In particular, the New Units have not been and will not be registered in the US under the "US Securities Act", and may not be offered or sold in the US to or for the account or benefit of US persons (as defined in Regulation S under the US Securities Act) except in transactions exempt from registration under the US Securities Act; and until 40 days after the commencement of the offering of New Units, an offer of sale or transfer of New Units within the US by any dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act. Each person who applies for New Units pursuant to this PDS is deemed to agree to the following US offer and resale

restrictions: such Applicant is not a US citizen or US resident at the time of such Application and is not acting for the account or benefit of any US person; and such Applicant will not offer or sell any New Units in the US to or for the benefit of any US person.

UNITHOLDER ENQUIRIES

This document is important and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the course you should follow, you should consult your stockbroker, financial planner, lawyer, accountant or other professional advisor.

Questions relating to the Offer, or any aspect of your individual holding in the Trust, should be directed to the Registry on 1800 115 044 (within Australia) or +61 2 8280 7058 (overseas callers), or your stockbroker or professional advisor.

Overview of the Trust, New Plan and the Revised Joint Venture 4



THIS SECTION PROVIDES AN OVERVIEW OF THE TRUST, ITS NEW JOINT VENTURE PARTNER (NEW PLAN) AND THE REVISED JOINT VENTURE ARRANGEMENT BETWEEN THE TWO.



QUEEN PLAZA, CT



HILLTOP PLAZA, VA

4.1 Galileo Shopping America Trust

INITIAL PUBLIC OFFERING

The Trust was listed on ASX in October 2003, via a \$411 million IPO of partly paid units. The balance of the unpaid amount on the units was paid to the Trust in December 2004. At IPO, the Trust acquired substantially all the interests in US REIT, which acquired a 90% indirect interest in a portfolio of 51 US Power and Community Shopping Centres (all three tranches) with a combined independent valuation of US\$580.8 million. The properties were owned via a joint venture with NYSE-listed CBL, which effectively sold a 90% indirect interest in the portfolio to the US REIT at the time of the IPO.

Further information on the IPO of the Trust can be found in documents lodged with ASIC and ASX and at www.galileofunds.com.au, including the IPO product disclosure statement.

STRATEGY

The Trust is mandated to invest in "non-mall retail" shopping centres in the US.

The continuing strategy of Trust management is to identify and execute strategies to enhance investor returns. Acquisitions will be targeted to grow Trust earnings and to strengthen the Portfolio through greater asset, geographic and tenant diversification.

SEA ACQUISITION

On 16 November 2004, the Trust announced the acquisition by the JV Company of 10 assets for US\$201.9 million from SEA, a joint venture between Samuels and Associates and Edens & Avant. The assets are all located in the New England region of the US. The acquisition was funded by way of a \$51 million institutional placement, the assumption of existing SEA portfolio debt and new debt.

Further information on this transaction can be found in documents lodged at www.galileofunds.com.au and with ASX.

TURNPIKE PLAZA ACQUISITION

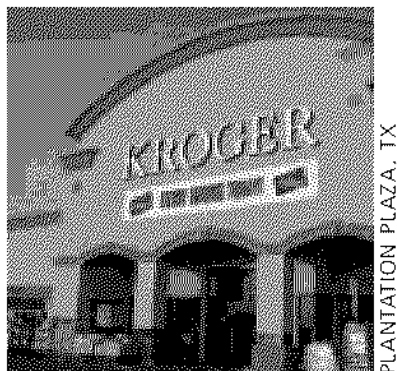
In May 2005, the trust announced the acquisition of Turnpike Plaza located in Newington, Connecticut for US\$30.5 million. Turnpike Plaza is a community centre comprising GLA of 150,741 square feet, anchored by a newly constructed Price Chopper grocery store and a refurbished Dick's Sporting Goods. The initial yield was 7.00%.

Further information on this transaction can be found in documents lodged with ASX and at www.galileofunds.com.au.

2005 ANNUAL RESULT

The highlights of the Trust's annual results for the period 1 July 2004 to 30 June 2005 were:

- net profit of US\$28.3 million;
- net property income excluding non-recurring items exceeded market guidance for the period by 1.7%;
- earnings per unit of 9.44 cents;
- distribution per unit of 8.49 cents;
- undistributed income of US\$6.8 million, an increase of US\$2.7 million;
- Portfolio occupancy of 98.4%;
- 25 assets revalued with an increase of 11.6% over previous valuation; and
- a total return to Trust Unitholders of 33.8% for the period.



PLANTATION PLAZA, TX



MARKETPLACE AT WYCLIFFE, FL

BOARD OF DIRECTORS OF THE MANAGER

Michael Braham, Non-Executive Chairman

Michael was previously the Regional Commissioner in New South Wales for the Australian Securities Commission, and an Executive Director of Schroders Australia Limited. Michael is currently on the compliance committees for the responsible entities of Macquarie Goodman Industrial Trust. He previously held positions on the compliance committees of the responsible entities for the funds of Westfield Trust and Westfield America Trust, Commonwealth Bank and Colonial First State managed funds, and ANZ/ING Managed Funds. Current directorships include Fisher & Paykel Australia Holdings Limited and Kingsway Capital Group Limited.

Neil Werrett, Managing Director and Chief Executive Officer

Neil is the founder, Managing Director, and Chief Executive Officer of the Manager. Neil has over 30 years of property experience and has overall responsibility for the management business. Neil also oversees Trust strategy, implementation and performance.

Susan MacDonald, Executive Director and Chief Operating Officer

Susan joined the Manager in August 2003. Susan has over 18 years experience within the property industry, across various roles involving retail management for investors across Australia and international markets. Susan's role encompasses day-to-day responsibility for the Trust's activity and performance.

Barry Mills, Non-Executive Director

Barry resides in the US. He is currently President of Bowdoin College, a college founded in 1794 and located in Brunswick, Maine. He holds a law degree and doctorate in biology, and previously served as the deputy presiding partner of the law firm Debevoise & Plimpton in New York City, where he concentrated on property and finance law.

Dr Peter Morris, Non-Executive Director

Peter was previously General Manager, Project Management & Special Tasks, Sydney Organising Committee for the Olympic Games and Managing Director of Bovis Australia. His current directorships include Multiplex Investments Limited.

MANAGEMENT TEAM

The management employed by, or under contract to, the Manager are:

Neil Werrett, (see earlier)

Susan MacDonald, (see earlier)

Brett Bradley, Chief Financial Officer

Brett is responsible for financial reporting and other financial matters for the Trust. Brett is also the Compliance Officer of the Trust and as such reports to the board on compliance matters. He is also Company Secretary of the Manager. Brett has 14 years experience in real estate finance, including roles with Ernst & Young in the US. Brett is a US citizen, and a permanent resident of Australia.

Georgina Lynch, Chief Investment Officer

Georgina's primary responsibility is for managing corporate transactions, property acquisitions and disposals for the Manager. Georgina brings more than 13 years of property transaction experience, both on and off-shore, to the Manager. Prior to joining the Manager, Georgina spent eight years with AMP Capital Investors, where she worked in the Corporate Transactions area.

Paul Marshall, Portfolio Manager

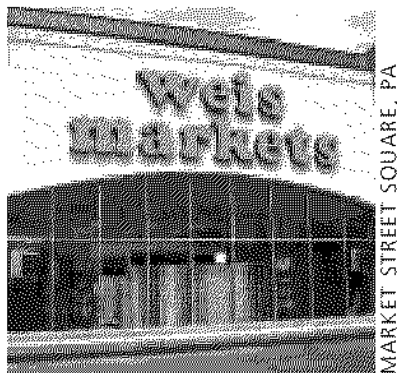
Paul brings 16 years of diverse property experience to the business, with experience encompassing valuation and analytical roles, as well as asset management. Paul's role involves all aspects of real estate management, portfolio reporting, analysis, and investor communication.

Gavin Holmes, Financial Controller

Gavin is the Financial Controller of the Manager. Working closely with Brett Bradley, he assists with all financial and compliance matters relating to the Trust. Gavin has 10 years experience in real estate finance.

Laryssa Wynnchenko, US-based Asset Manager

Laryssa is based in the US (in Chicago) and brings strong retail experience to the Manager. Prior to joining the Manager, Laryssa worked for Westfield and General Growth Properties in the US and also for Lend Lease in Europe. Her experience has been in the areas of property, asset and funds management. Laryssa maintains day-to-day contact with the Australian team, and the US JV Company.



CAPITAL MANAGEMENT STRATEGY

The Manager intends to maintain a conservative approach to both interest rate risk management, and currency hedging.

Debt

At IPO, the Trust's fixed debt duration was locked in for an average term of 5.8 years at a weighted average rate of 5.06% p.a. At 30 June 2005, the weighted average cost of the Trust's fixed debt was 5.1% p.a. and its weighted average duration was 4.7 years. The Gearing Ratio of the Trust at 30 June 2005 was 50.6%.

As a result of the Transaction, the Trust's fixed debt duration will have an average term of 6.9 years and a weighted average cost of 5.1% p.a., while the Gearing Ratio will increase to 60.1%. The Manager intends to decrease this level of gearing over time via an underwriting of the DRP and the potential sale of non-strategic assets.

The Manager's borrowing policy is for the long-term consolidated Gearing Ratio of the Trust to be in the range of 45% to 55%, although the Gearing Ratio may exceed 55% temporarily in order to facilitate the settlement of property acquisitions.

The Manager reserves the right to review and change the borrowing policy of the Trust at any time, having regard to prevailing market conditions, funding requirements, and the debt maturity and interest rate hedging profile of the Trust.

Foreign currency hedging

The Trust has foreign currency hedges in place to assist a stable distribution profile. The Manager will enter into foreign exchange hedges for 100% of the estimated distributions for the Forecast Period.

The proceeds of the Offer will be hedged against the US dollar as required.

4.2 New Plan Excel Realty Trust, Inc.

OVERVIEW

New Plan is one of the largest real estate companies in the US, focusing on the ownership and management of Power, Community and Neighbourhood Shopping Centres. New Plan operates as a self-administered and self-managed equity REIT. New Plan was publicly listed in June 1962 and obtained REIT status in July 1972.

New Plan is the third largest public shopping centre REIT in the United States by number of properties and focuses on Power, Community and Neighbourhood Shopping Centres. New Plan operates from a national and regional management platform, with corporate offices located in New York and six regional offices reflecting the geographic spread of the New Plan property portfolio.

New Plan had a market capitalisation of approximately US\$3 billion (as at 30 June 2005) and total assets of approximately US\$3.9 billion. (as at 31 March 2005).

NEW PLAN STRATEGY

New Plan's strategy is to own and manage a quality portfolio of retail properties, primarily Power, Community and Neighbourhood Shopping Centres. New Plan seeks to implement this strategy by:

- proactively managing and, where appropriate, redeveloping and upgrading its properties;
- making selective acquisitions of well-located Power, Community and Neighbourhood Shopping Centres, either on an individual basis, or in portfolio or corporate transactions, or through joint venture arrangements;
- effecting non-strategic asset dispositions and recycling the capital created by those transactions; and
- continuing to maintain a strong and flexible financial position to facilitate growth.



PROPERTY PORTFOLIO

As at 31 March 2005, New Plan had a portfolio of 389 Power, Community and Neighbourhood Shopping Centre properties (including 27 properties held through joint ventures) across 34 states, with approximately 56.6 million square feet of GLA.

PROACTIVE MANAGEMENT

New Plan's national and regional infrastructure allows it to proactively manage its properties, with an emphasis on maintaining high occupancy rates and a strong base of nationally and regionally recognised major tenants. New Plan regularly monitors the physical condition of its retail properties and the financial condition of its retail tenants and continually seeks opportunities for tenant expansion, renovations and refurbishing to preserve and increase the value of its properties. This work is carried out through New Plan's six regional offices and 12 satellite field offices throughout the US. New Plan is also focused on enhancing its property management skills and its internal capabilities, systems and infrastructure.

NATIONAL INFRASTRUCTURE

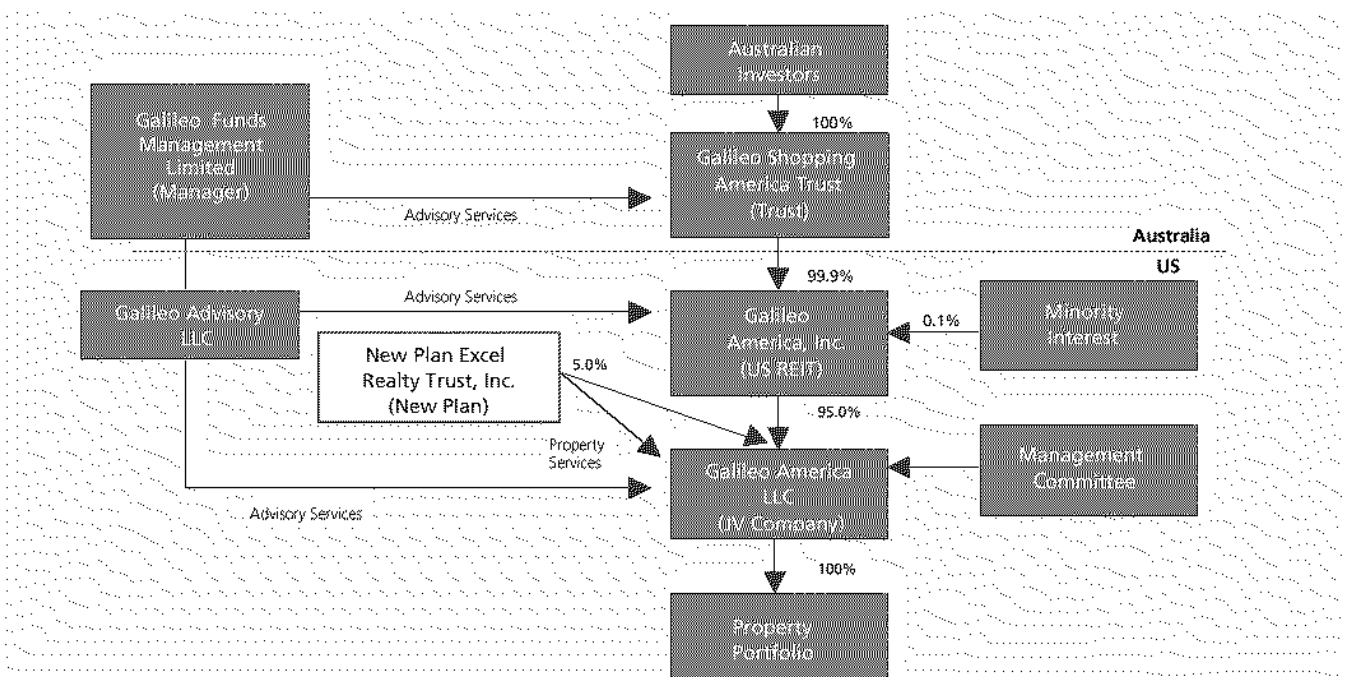
New Plan has an extensive national infrastructure, with approximately 375 employees, six regional offices and 12 satellite field offices providing localised acquisition, leasing, property management and redevelopment, supported by advanced enterprise technology.

4.3 Revised Joint Venture Structure

The following diagram sets out the post-Transaction joint venture structure and management arrangements for the Trust and its controlled and associated entities.

Further information relating to the change of joint venture partner is provided in Sections 2 and 10.

CHART 4.1: OWNERSHIP STRUCTURE SUMMARY





4.4 Ownership Structure Summary

Unitholders will continue to own Units (including any New Units). The Trust will continue to own substantially all of the US REIT, which will own a 95.0% interest in the JV Company. The JV Company will own the Portfolio. The individual properties will be wholly owned by the JV Company through a series of entities. In order to comply with the US requirements relating to REITs, an additional 120 persons (approximately) will hold minority interests in the US REIT, with an aggregate equity value of less than 0.1%.

The New Properties will be contributed to the JV Company by New Plan. The JV Company will redeem the entire 8.4% ownership interest of CBL in the JV Company, in exchange for the Redemption Properties.

New Plan will also acquire CBL's interest in all property management and service agreements related to the JV Company and in all other ancillary agreements and fee arrangements pursuant to which CBL currently provides services and/or is entitled to fees in connection with the JV Company, the US REIT or the Trust.

4.5 Control of the JV Company

The US REIT (controlled by the Trust) and New Plan will share control of the JV Company which owns the Portfolio. Each has two representatives on the management committee with the fifth member being independent of the US REIT and New Plan. Each of the US REIT and New Plan has powers of veto.

There are also restrictions on the ability of the US REIT to sell its interest in the JV Company without New Plan's consent.

Further details are summarised in Section 9.10.

Overview of the New Properties 5



THIS SECTION INCLUDES A SUMMARY OF THE 69 NEW PROPERTIES BEING ACQUIRED FROM NEW PLAN AND A SNAPSHOT OF THE KEY METRICS OF THE NEW PROPERTIES AS A WHOLE.

5.1 Summary of New Properties

The following table provides summary data for each of the New Properties:

TABLE 5.1: SUMMARY DATA FOR NEW PROPERTIES

	Property	City	State	Year built or refurbished ⁽¹⁾	"As is" valuation (US\$)	Cap Rate %	Purchase price (US\$)
1	Westminster City Center	Westminster	CO	2005	64,800,000	6.25%	64,800,000
2	Vail Ranch Center	Temecula	CA	2003	37,900,000	6.25%	37,900,000
3	Galleria Commons	Henderson	NV	2005	33,500,000	7.00%	33,635,800
4	San Dimas Plaza	San Dimas	CA	1986	31,400,000	6.25%	31,400,000
5	Parkway Plaza	Winston-Salem	NC	2005	27,400,000	8.00%	27,400,000
6	Marketplace at Wycliffe	Lake Worth	FL	2002	26,900,000	7.50%	26,900,000
7	The Crossing at Fry Road	Katy	TX	2005	25,200,000	7.50%	25,200,000
8	Delta Center	Lansing	MI	2003	24,100,000	7.25%	24,100,000
9	Hornell Plaza	Hornell	NY	2005	24,000,000	7.00%	24,000,000
10	Brice Park	Reynoldsburg	OH	1989	23,575,000	6.75%	23,575,000
11	Panama City Square	Panama City	FL	1992	23,250,000	7.25%	23,250,000
12	Fashion Corner	Saginaw	MI	2004	20,000,000	7.50%	20,271,500
13	Genesee Valley Shopping Center	Genesee	NY	1993	18,400,000	7.50%	18,400,000
14	Bristol Plaza	Bristol	PA	1989	18,000,000	7.25%	18,000,000
15	Conway Towne Center	Conway	AR	1986	16,800,000	8.50%	16,833,900
16	Haymarket Square	Des Moines	IA	2002	16,700,000	7.25%	16,700,000
17	Green Acres	Saginaw	MI	1995	16,500,000	9.00%	16,500,000
18	Market Street Square	Elizabethtown	PA	1993	16,500,000	7.50%	16,500,000
19	Orange Grove	Houston	TX	2005	16,500,000	7.50%	17,688,100
20	Roundtree Place	Ypsilanti	MI	1992	15,900,000	7.50%	15,900,000
21	Glendale Galleria	Glendale	AZ	1991	15,800,000	7.25%	15,800,000
22	Keegan's Meadow	Stafford	TX	1999	13,800,000	7.75%	13,800,000
23	Jones Plaza	Houston	TX	2000	13,600,000	8.00%	13,600,000
24	Jones Square	Houston	TX	1999	13,400,000	7.75%	13,400,000
25	Merchant's Central	Winchester	TN	1997	13,350,000	8.00%	13,350,000
26	Hilltop Plaza	Virginia Beach	VA	1998	13,200,000	8.00%	13,200,000
27	Aurora Plaza	Aurora	CO	1996	12,800,000	6.75%	12,800,000
28	Perry Marketplace	Perry	GA	2004	12,800,000	8.00%	12,800,000
29	McKinley Plaza	Hamburg	NY	1991	12,700,000	7.25%	12,700,000
30	Green River Plaza	Campbellsville	KY	1989	12,600,000	7.75%	12,600,000
31	Beltway South	Houston	TX	1998	12,000,000	7.00%	12,000,000
32	Morse Shores	Ft. Myers	FL	2001	12,000,000	7.25%	12,000,000
33	London Marketplace	London	KY	1994	11,450,000	7.75%	11,450,000
34	Island Plaza	James Island	SC	2004	11,400,000	8.00%	11,400,000
35	Mount Houston Square	Houston	TX	1996	11,400,000	8.75%	11,400,000
36	Tuckernuck Square	Richmond	VA	1994	11,400,000	7.50%	11,400,000

(1) Refers to the later of year built or refurbished/redeveloped.

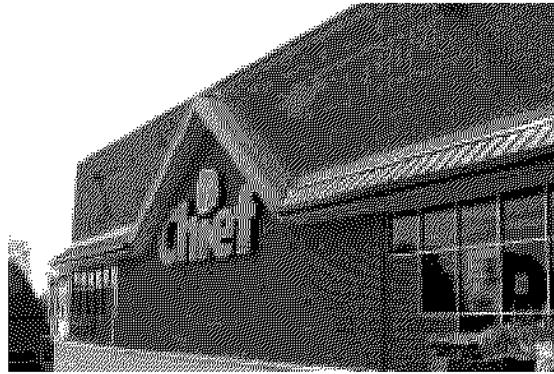
(2) Weighted average lease expiry (weighted by income).



Owned GLA (sq ft)	Occupancy (%)	WALE ⁽²⁾ (years)	% of New Properties by value	Tenants include:
341,600	100.0%	7.0	6.7%	Babies R Us, Barnes & Noble, Circuit City, CompUSA, Golfsmith, Gordmans
203,904	96.1%	5.8	3.9%	Stater Bros., Stein Mart
272,969	83.9%	4.0	3.5%	Babies R Us, Burlington Coat Factory, Stein Mart, T.J. Maxx
119,161	100.0%	3.4	3.2%	Ralphs, Rite Aid, T.J. Maxx
286,376	93.3%	3.5	2.8%	Lowes Foods, Office Depot
133,520	97.6%	9.9	2.8%	Walgreens, Winn-Dixie
225,403	94.8%	5.3	2.6%	Hobby Lobby, Kroger, Palais Royal, Stein Mart
186,246	93.1%	8.3	2.5%	Bed, Bath & Beyond, Pet Food Warehouse, T.J. Maxx
253,704	97.2%	8.1	2.5%	Wal-Mart, Wegmans
158,742	96.2%	2.0	2.4%	Gregg Appliances, Michaels, Old Navy
289,119	95.7%	3.7	2.4%	Goody's, Michaels, The Sports Authority, T.J. Maxx, Wal-Mart
188,293	87.9%	7.1	2.1%	Bed, Bath & Beyond, Best Buy, Dunham's
204,609	100.0%	7.9	1.9%	Wal-Mart, Wegmans
145,356	91.7%	5.5	1.9%	Big Lots, Pathmark
180,521	88.3%	2.0	1.7%	JC Penney, Office Depot
269,465	92.2%	3.4	1.7%	Big Lots, Dahl's Foods, Northern Tool, Nova Cinema, Office Depot
271,506	81.9%	2.8	1.7%	A.J. Wright, Big Lots, Farmer Jack
169,481	100.0%	9.2	1.7%	Kmart, Weis Markets
188,552	95.8%	7.7	1.7%	Floor Décor, Office Max
195,413	98.1%	5.5	1.6%	Valuland, Wal-Mart
119,460	85.8%	3.7	1.6%	Food City, Bally's Fitness
125,298	95.5%	4.7	1.4%	Palais Royal, Randalls
111,316	93.0%	6.4	1.4%	24 Hour Fitness, Hancock Fabrics
169,004	100.0%	11.7	1.4%	Big Lots, Hobby Lobby
208,123	96.7%	8.1	1.4%	Wal-Mart
152,025	97.4%	4.5	1.4%	Office Depot, The North Carolina Company
161,541	99.6%	4.5	1.3%	Big Lots, King Soopers, Latino Cinema
179,973	96.5%	4.1	1.3%	Ace Hardware, Bealls Outlet, Fred's, Kroger
93,144	97.3%	4.9	1.3%	A.C. Moore, T.J. Maxx
190,316	98.3%	3.6	1.3%	Goody's, JC Penney, Kroger, Tractor Supply
107,174	98.5%	8.8	1.2%	Kroger
169,545	91.6%	2.5	1.2%	Bealls Outlet, Big Lots, Publix
169,032	100.0%	8.9	1.2%	Goody's, Kmart, Kroger
171,224	93.2%	6.8	1.2%	Dollar Tree, Fred's, Food Lion, Gold's Gym
173,080	94.2%	5.2	1.2%	Fallas Paredes, La Canasta Furnishings
86,010	97.0%	3.3	1.2%	Babies R Us, Chuck E. Cheese



AURORA PLAZA, CO



NAPOLEON CENTER, OH

TABLE 5.1: SUMMARY DATA FOR NEW PROPERTIES (CONTINUED)

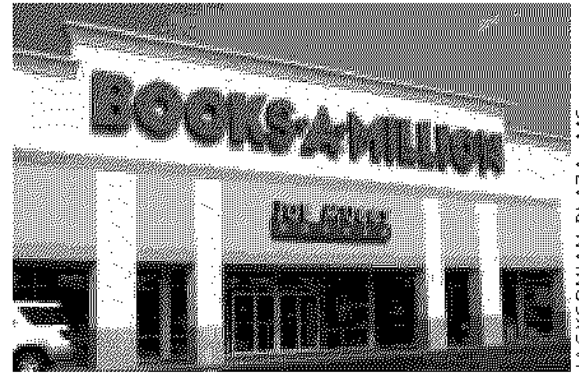
Property	City	State	Year built or refurbished ⁽¹⁾	"As is" valuation (US\$)	Cap Rate %	Purchase price (US\$)	
37	Stratford Commons	Winston-Salem	NC	1995	11,230,000	7.50%	11,230,000
38	Hunting Hills	Roanoke	VA	1989	11,200,000	7.75%	11,200,000
39	Moundsville Plaza	Moundsville	WV	2004	11,000,000	8.50%	11,000,000
40	Northridge Plaza	Milwaukee	WI	1996	10,900,000	8.75%	10,967,900
41	Northshore Plaza	Portland	TX	2000	10,800,000	7.25%	10,800,000
42	Shops @ Seneca Mall	Liverpool	NY	2005	10,600,000	8.50%	10,600,000
43	Tomball Parkway Plaza	Tomball	TX	2005	10,600,000	8.00%	10,600,000
44	Plantation Plaza	Clute	TX	1997	10,500,000	7.00%	10,500,000
45	Wisteria Village	Snelville	GA	2004	10,500,000	8.00%	10,500,000
46	Paradise Plaza	Paradise	CA	1997	10,040,000	6.75%	10,040,000
47	Marwood Plaza	Indianapolis	IN	1992	10,000,000	7.50%	10,000,000
48	Perlis Plaza	Americus	GA	1972	9,800,000	9.00%	9,800,000
49	Southern Village Mesa	Mesa	AZ	1987	9,800,000	7.25%	9,800,000
50	Kmart Plaza	Elizabethtown	KY	1992	9,100,000	7.50%	9,100,000
51	Inwood Forest	Houston	TX	1997	8,900,000	7.75%	8,900,000
52	Shops at Prospect	West Hempfield	PA	1994	8,600,000	7.50%	8,600,000
53	Dover Park Plaza	Yardville	NJ	2005	8,500,000	7.25%	8,500,000
54	Washtenaw Fountain Plaza	Ypsilanti	MI	2005	8,200,000	8.00%	8,200,000
55	Kmart Plaza	Vienna	WV	1975	7,500,000	7.25%	7,500,000
56	Cordele Square	Cordele	GA	2002	7,425,000	9.00%	7,425,000
57	Grand Central Plaza	Parkersburg	WV	1986	7,350,000	7.25%	7,350,000
58	Albany Plaza	Albany	GA	1995	7,000,000	9.00%	7,000,000
59	Normandy Square	Jacksonville	FL	1996	6,500,000	9.00%	6,500,000
60	Packard Plaza	Cudahy	WI	1992	6,500,000	8.75%	6,533,900
61	Northside Plaza	Dalton	GA	2001	6,150,000	7.75%	6,150,000
62	Remount Village	North Charleston	SC	1996	5,900,000	9.00%	5,900,000
63	Riverwood	Port Orange	FL	1996	5,650,000	9.00%	5,683,900
64	Napoleon Center	Napoleon	OH	1991	5,225,000	8.25%	5,225,000
65	Johnstown Galleria Outparcel	Johnstown	PA	1993	4,800,000	7.50%	4,800,000
66	Westlane Shopping Center	Indianapolis	IN	1982	4,340,000	8.75%	4,340,000
67	Jacksonian Plaza	Jackson	MS	1990	4,000,000	7.50%	4,000,000
68	University Mall	Canton	NY	1967	3,500,000	8.00%	3,500,000
69	Karam Shopping Center	Lafayette	LA	1998	3,100,000	8.75%	3,100,000
Total					966,235,000	7.47%	968,000,000

(1) Refers to the later of year built or refurbished/redeveloped.

(2) Weighted average lease expiry (weighted by income).



REMOUNT VILLAGE, SC



JACKSONIAN PLAZA, MS

Owned GLA (sq ft)	Occupancy (%)	WALE(2) (years)	% of New Properties by value	Tenants include:
72,308	94.8%	4.7	1.2%	Michaels, Natural Health Superstore, Office Max
166,207	99.0%	3.1	1.2%	Wal-Mart
181,848	85.9%	10.2	1.1%	Big Lots, Kroger, Peebles
150,164	85.3%	6.1	1.1%	Big Lots
152,144	95.1%	5.8	1.1%	Bealls, H.E.B., Kmart
235,725	94.6%	4.3	1.1%	Kmart
133,629	93.7%	4.2	1.1%	Big Lots, Palais Royal, Hobby Lobby
100,277	98.8%	11.9	1.1%	Kroger, Walgreens
173,152	99.2%	5.7	1.1%	Hobby Lobby, Kmart
198,484	100.0%	4.2	1.0%	Albertsons, Kmart, Rite Aid
107,080	96.1%	4.4	1.0%	CVS, Fashion Bug Plus, Kroger
165,315	96.6%	2.4	1.0%	Belk's, Harvey's
84,054	98.1%	5.1	1.0%	Food City
130,466	100.0%	8.4	0.9%	Kmart, Staples
77,553	88.6%	7.8	0.9%	Randalls
63,392	94.1%	5.7	0.9%	Hallmark, Kmart, Redner's Warehouse Market
58,025	95.8%	8.6	0.9%	CVS
123,390	98.4%	5.0	0.8%	Dollar Tree, Dunhams, Save-A-Lot
106,258	100.0%	4.7	0.8%	Kmart
126,428	97.1%	4.1	0.8%	Belk's, Goody's, Harvey Foods
74,017	100.0%	4.1	0.8%	Office Depot, T.J. Maxx
114,169	100.0%	3.5	0.7%	Big Lots, Harveys
87,241	100.0%	6.8	0.7%	CVS, Family Dollar, Winn-Dixie
125,249	88.0%	2.4	0.7%	Aldi, Dunham's, Jo Ann Fabrics, Merchandise Outlet
73,932	95.9%	7.5	0.6%	BI-LO, Family Dollar
60,238	97.5%	8.1	0.6%	BI-LO
93,506	91.5%	7.6	0.6%	Walgreens, Winn-Dixie
60,795	100.0%	4.4	0.5%	Chief Supermarket, Rite Aid
61,968	100.0%	3.1	0.5%	Chuck E. Cheese, Dunham's, Staples
71,490	95.0%	2.9	0.4%	Family Dollar, Lo Bill Foods
87,722	100.0%	3.1	0.4%	Books-A-Million, Georgia Carpet Outlet, Office Depot
81,028	100.0%	4.3	0.4%	Rexford's Hardware, Wisebuys
100,238	100.0%	7.9	0.3%	Conn's Appliance, Super 1 Foods
10,367,697	95.1%	5.7	100.0%	

5. OVERVIEW OF THE NEW PROPERTIES



KMART PLAZA, WV



WESTMINSTER CITY CENTER, CO

5.2 Portfolio Highlights

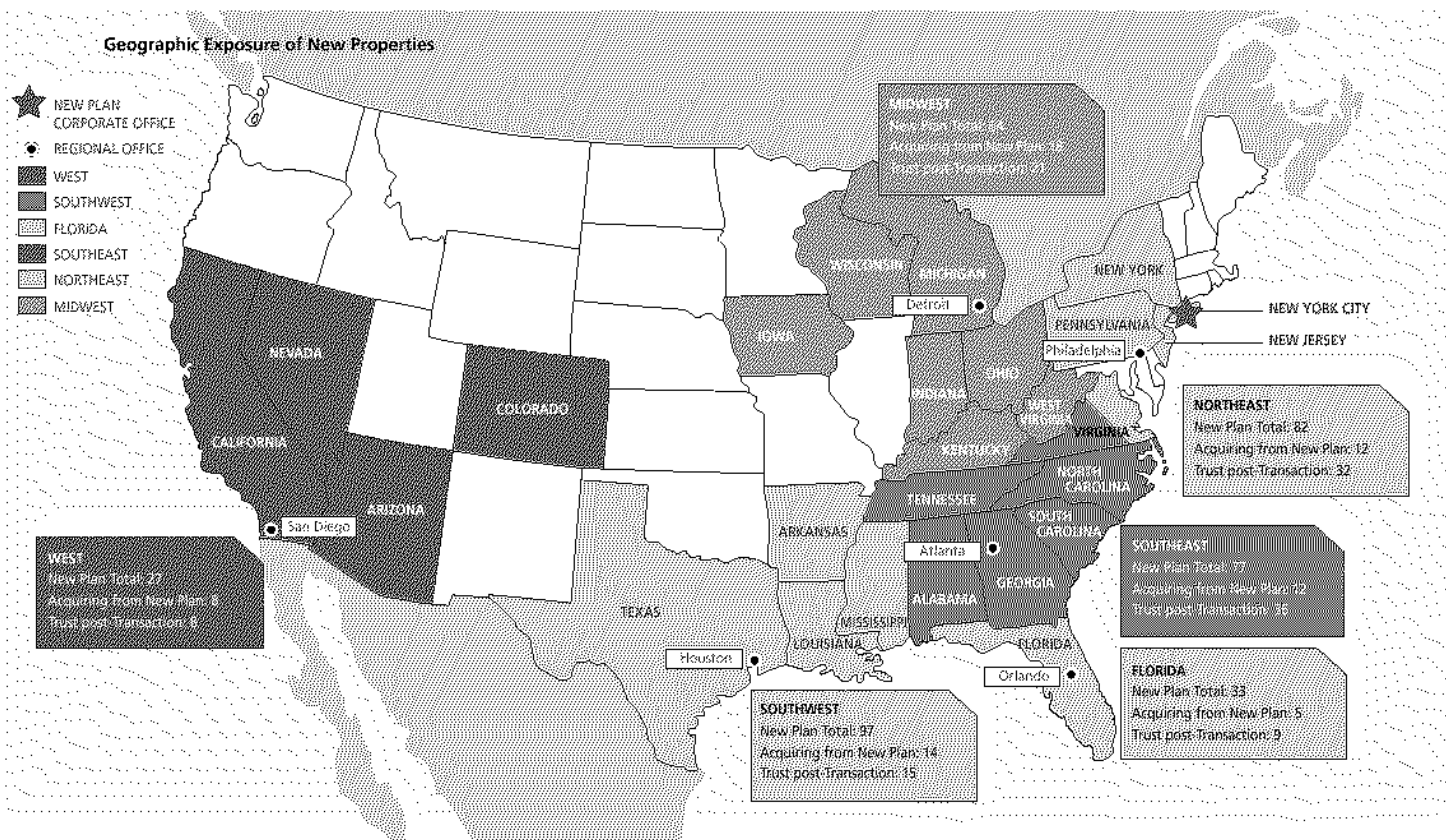
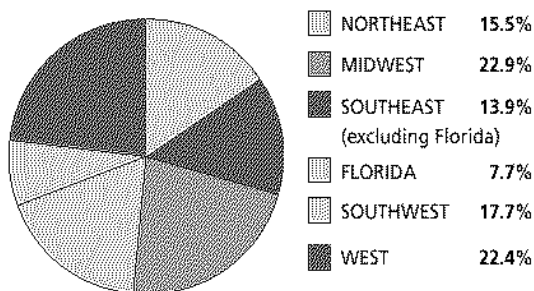
GEOGRAPHIC OVERVIEW

The 69 New Properties being acquired are spread across the six regions in which New Plan currently operates.

The New Properties are spread across 24 states, with the top six states (by value) of Texas, Michigan, New York, Georgia, Florida and California comprising over half of the New Properties (by value).

The map below provides an overview of the geographic spread of the New Properties being acquired and also highlights the relative portfolio concentrations of both New Plan and the Trust in each region:

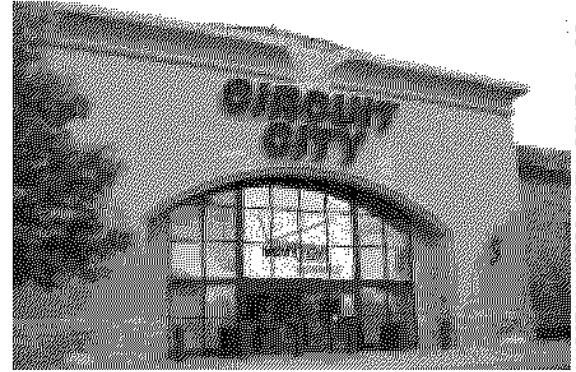
CHART 5.1: LOCATION OF THE NEW PROPERTIES (BY VALUE)



New Plan properties may be located outside of the states highlighted.



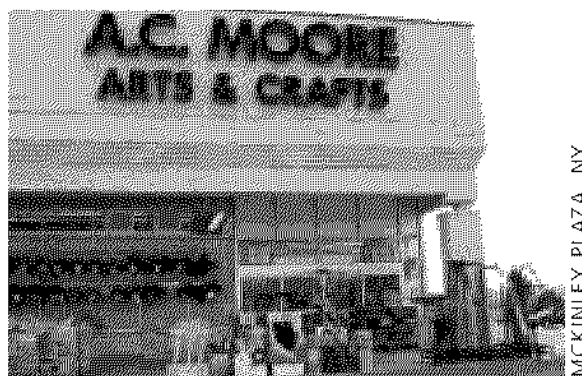
WASHTENAW, MI



WESTMINSTER CITY CENTER, CO

TABLE 5.2: NEW PROPERTIES BY REGION AND STATE

Region	State	No. of properties	Value (US\$)	% of total	Weighted avg. Cap Rate	GLA (sq ft)	% of total
Northeast	New York	5	69,200,000	7.2%	7.5%	868,210	8.3%
	Pennsylvania	4	47,900,000	5.0%	7.4%	440,197	4.2%
	Virginia (East)	2	24,600,000	2.5%	7.8%	238,035	2.3%
	New Jersey	1	8,500,000	0.9%	7.3%	58,025	0.6%
		12	150,200,000	15.5%	7.5%	1,604,467	15.4%
Midwest	Kentucky	3	33,150,000	3.4%	7.7%	489,814	4.7%
	Michigan	5	84,700,000	8.8%	7.8%	964,848	9.2%
	Ohio	2	28,800,000	3.0%	7.0%	219,537	2.1%
	West Virginia	3	25,850,000	2.7%	7.8%	362,123	3.5%
	Wisconsin	2	17,400,000	1.8%	8.8%	275,413	2.6%
	Iowa	1	16,700,000	1.7%	7.3%	269,465	2.6%
	Indiana	2	14,340,000	1.5%	7.9%	178,570	1.7%
		18	220,940,000	22.9%	7.7%	2,759,770	26.4%
Southeast	North Carolina	2	38,630,000	4.0%	7.9%	358,684	3.4%
	Georgia	6	53,675,000	5.6%	8.4%	832,969	8.0%
	Tennessee	1	13,350,000	1.4%	8.0%	208,123	2.0%
	South Carolina	2	17,300,000	1.8%	8.3%	326,293	3.1%
	Virginia (West)	1	11,200,000	1.2%	7.8%	166,207	1.6%
		12	134,155,000	13.9%	8.2%	1,892,276	18.1%
Florida	Florida	5	74,300,000	7.7%	7.6%	772,931	7.4%
		5	74,300,000	7.7%	7.6%	772,931	7.4%
Southwest	Texas	11	146,700,000	15.2%	7.6%	1,563,430	14.9%
	Arkansas	1	16,800,000	1.7%	8.5%	180,521	1.7%
	Mississippi	1	4,000,000	0.4%	7.5%	87,722	0.8%
	Louisiana	1	3,100,000	0.3%	8.8%	100,238	1.0%
		14	170,600,000	17.7%	7.7%	1,931,911	18.4%
West	California	3	79,340,000	8.2%	6.3%	521,549	5.0%
	Colorado	2	77,600,000	8.0%	6.3%	503,142	4.8%
	Nevada	1	33,500,000	3.5%	7.0%	272,971	2.6%
	Arizona	2	25,600,000	2.6%	7.3%	203,519	1.9%
		8	216,040,000	22.4%	6.5%	1,501,181	14.3%
	Total	69	966,235,000	100.0%	7.5%	10,462,536	100.0%



DEMOGRAPHICS

As detailed in the table below, the trade areas surrounding the 69 New Properties being acquired exhibit strong demographics when viewed on an aggregated basis. Key highlights of the five-mile trade area demographics of the New Properties (weighted by income) include:

- above average historical and forecast population and household growth;
- below average unemployment rate;
- median household income above the national median;
- average household income below the national average; and
- educational attainment in line with the national rate.

TABLE 5.3: DEMOGRAPHICS (NEW PROPERTIES)

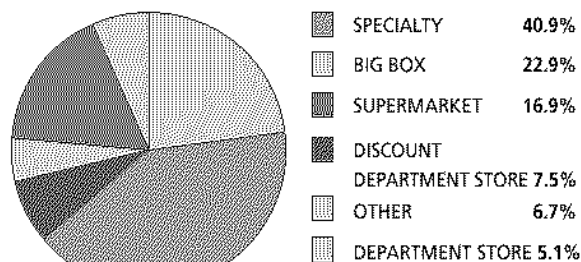
	US	New Properties (weighted by value)		New Properties (weighted by income)	
		1-mile	5-mile	1-mile	5-mile
Median age (years)	36.2	36.1	35.4	36.2	35.4
Population growth					
1990 – 2005	18.7%	53.3%	33.4%	47.4%	31.0%
2005 – 2010 (estimated)	4.9%	5.6%	5.9%	5.2%	5.6%
Household growth					
1990 – 2005	20.7%	53.3%	35.3%	48.2%	33.1%
2005 – 2010 (estimated)	5.1%	6.0%	6.3%	5.6%	6.0%
2005 median household income (US\$)	47,837	49,455	49,250	48,682	48,674
2005 average household income (US\$)	64,816	60,521	62,574	59,757	62,041
College degrees	30.9%	30.7%	30.9%	30.6%	30.8%
Unemployment rate (May 2005)*	4.9%	4.5%		4.4%	

* Unemployment rates for the New Properties reflect the unemployment rate of the respective MSA for each property.

TENANT PROFILE

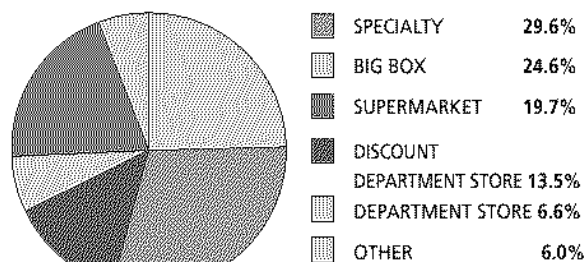
The charts below illustrate the tenancy mix of the New Properties by income and area.

CHART 5.2: TENANCY MIX BY INCOME (NEW PROPERTIES)



Excludes Shadow Anchors.

CHART 5.3: TENANCY MIX BY AREA (NEW PROPERTIES)

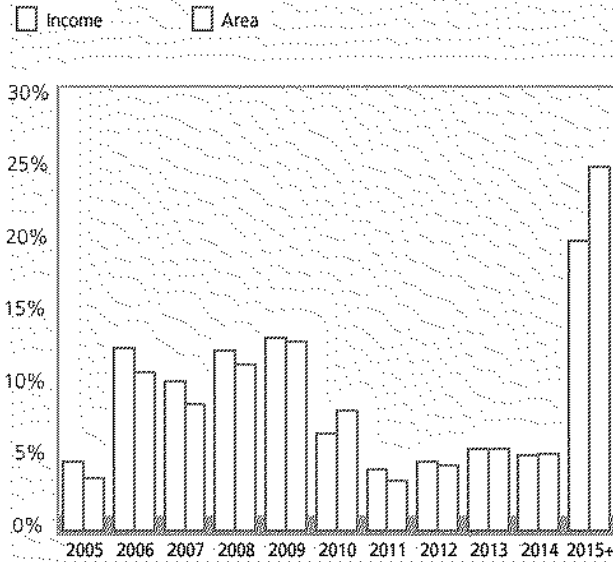


Excludes Shadow Anchors.

LEASE EXPIRY PROFILE

The New Properties have an average unexpired lease term of 5.7 years by income and 5.6 years by GLA.

CHART 5.4: LEASE EXPIRY PROFILE (NEW PROPERTIES)



Excludes Shadow Anchors.

The top 10 tenants across the New Properties comprise approximately 22.1% of the New Properties by income, while seven of the top 10 tenants by income have investment grade credit ratings.

TABLE 5.4: TOP 10 TENANTS (NEW PROPERTIES)

Rank	Tenant	No. of Stores ⁽¹⁾	% of Rent Roll ⁽²⁾	Credit Rating (S&P / Moody's) ⁽³⁾
1	Wal-Mart	7	4.3%	AA/Aa2
2	Kroger ⁽⁴⁾	8	3.4%	BBB-/Baa2
3	Sears ⁽⁵⁾	9	3.2%	BB+/Ba1
4	TJX Companies ⁽⁶⁾	8	2.2%	A/A3
5	Big Lots	12	1.8%	BBB-/
6	Wegman's Food Market	2	1.6%	A-/
7	Office Depot	5	1.5%	BBB-/Baa3
8	Circuit City	2	1.4%	-/
9	Blockbuster/ Warehouse Music	12	1.3%	BB-/B2
10	Walgreens	5	1.3%	A+/Aa3
		70	22.1%	

(1) Including Shadow Anchors.
 (2) Total rent roll, including Master Leases.
 (3) Ultimate parent company where appropriate.

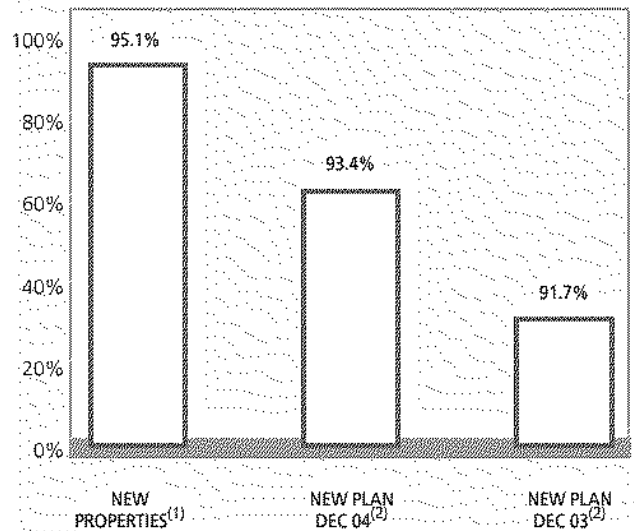
(4) Includes King Soopers and Ralphs.
 (5) Includes Kmart.
 (6) Includes T.J. Maxx, Marshall's, HomeGoods, Bob's Stores and A. J. Wright.

PORTFOLIO OCCUPANCY

The New Properties have an occupancy rate of 95.1% by GLA.

The chart below illustrates the occupancy rate of the New Properties, and also shows New Plan's recent occupancy history across its Power, Community and Neighbourhood Shopping Centre portfolio:

CHART 5.5: PORTFOLIO OCCUPANCY BY AREA



(1) Comprises the 69 New Properties that are being acquired by the JV Company.

(2) Represents the occupancy rate of New Plan's total stabilised Power, Community and Neighbourhood Shopping Centre portfolio (including pro-rata share of joint venture projects).

6 Top 10 New Properties

MARKET PLACE AT WYCLIFFE, FL

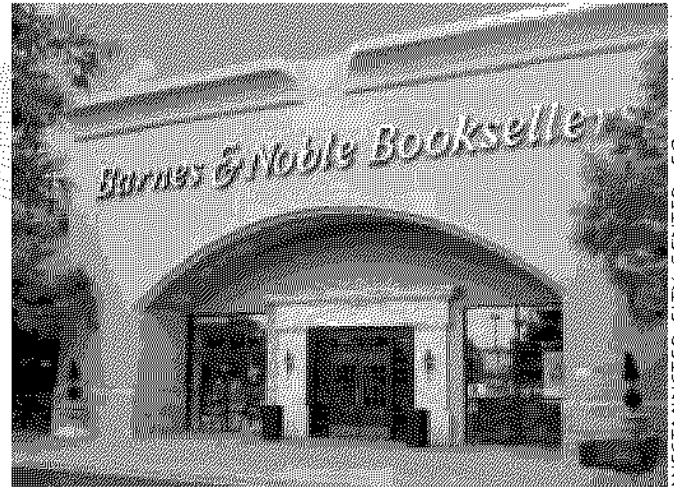


THIS SECTION PROVIDES KEY DETAILS IN RELATION TO THE TOP 10 NEW PROPERTIES, WHICH COMPROMISE APPROXIMATELY 33% OF THE PORTFOLIO BEING ACQUIRED (BY VALUE).

Westminster City Center

9210-9440 North Sheridan Boulevard,
Westminster, CO.

Westminster City Center is a Power Shopping Centre located in Westminster, Colorado within the MSA of Denver-Aurora. Westminster City Center is one of the dominant power retail offerings within the Westminster market boasting an anchor line-up including Circuit City, Gordmans, Barnes & Noble Superstore and Babies R Us.



WESTMINSTER CITY CENTER, CO

KEY PROPERTY STATISTICS

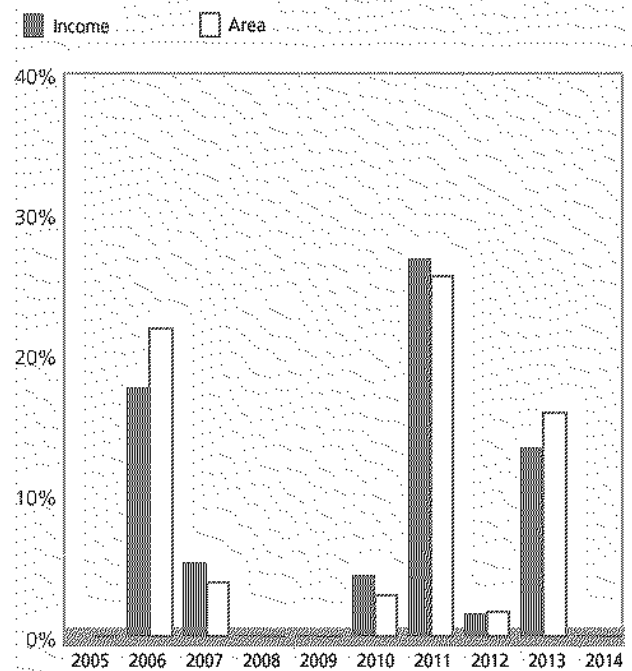
Acquisition Summary

Ownership	Freehold
Purchase price (US\$)	64,800,000
Valuation (US\$)	64,800,000
Valuation date	4 Apr 2005
Direct Capitalisation Rate (OAR)	6.25%

Property Statistics

Property classification	Power/Big Box
Year built/refurbished ⁽¹⁾	2005
Average annual base rent per sq ft (US\$)	13.42
Weighted average lease term (by income in yrs)	7.0
Total owned GLA (sq ft)	341,600
Anchor GLA (sq ft)	304,305
Non-Anchor GLA (sq ft)	37,295
Occupancy	100.0%

LEASE EXPIRY PROFILE



ANCHOR TENANTS SUMMARY

Name	Tenant type	Owned GLA (sq ft)	% of total owned GLA	% of total base rent	Lease expiry
Circuit City	Electronics	58,908	17.2%	15.9%	Jan 2017
Gordmans	Department Store	54,260	15.9%	13.4%	Mar 2013
Barnes & Noble Superstore	Bulk Store	30,554	8.9%	9.4%	May 2011
Babies R Us	Specialty Store	42,900	12.6%	8.4%	Jul 2006
CompUSA Stores	Electronics	26,678	7.8%	7.7%	May 2011
Designer Shoe Warehouse	Shoe Store	20,424	6.0%	5.2%	Jul 2011
Michaels	Arts and Crafts	20,000	5.9%	4.9%	Feb 2006
Golfsmith	Sporting Goods	15,505	4.5%	5.2%	Sep 2015
Davids Bridal	Specialty Retailer	13,000	3.8%	5.2%	Oct 2007
Party America	Discount Retailer	12,076	3.5%	4.3%	Jun 2006
Pier One	Home Accessories	10,000	2.9%	4.3%	Sep 2010

DEMOGRAPHIC SUMMARY

	US	1-mile	5-mile
Median age (years)	36.2	33.6	33.7
Estimated population growth (2005 - 2010)	4.9%	-2.7%	1.5%
2005 median household income (US\$)	47,837	64,959	58,375
2005 average household income (US\$)	64,816	75,189	68,907
College degrees	30.9%	33.8%	32.6%
Unemployment rate (May 2005) ⁽²⁾	4.9%	5.1%	5.1%

(1) Refer to the later of the year built or refurbished/redeveloped.

(2) The unemployment rate for the property reflects the May 2005 unemployment rate for the relevant MSA.



VAIL RANCH CENTER, CA

Vail Ranch Center

31685-31845 Highway 79 South,
Temecula, CA.

Vail Ranch Center is a Community Shopping Center located in Temecula, California, within the MSA of Riverside-San Bernardino-Ontario. Population within a one-mile radius of this property has grown by in excess of 500% between 1990 and 2005. Anchor Tenants include Stater Bros, Stein Mart, Powerhouse Gym and Rite Aid.

KEY PROPERTY STATISTICS

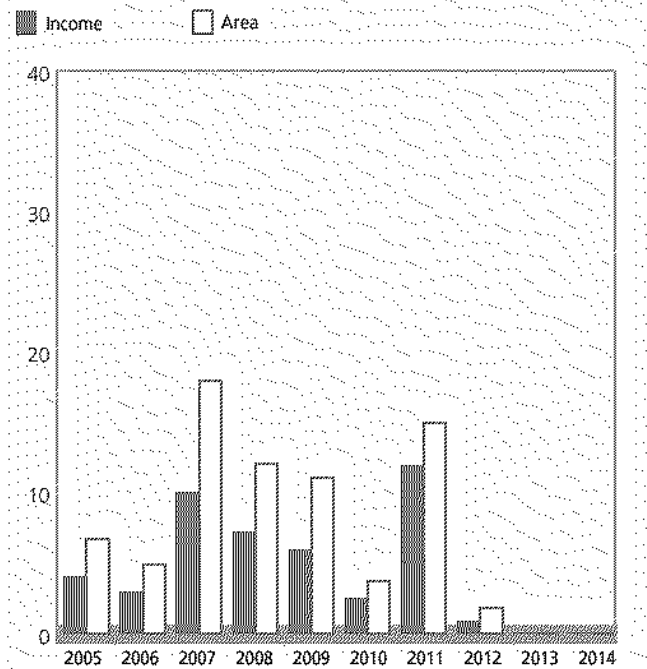
Acquisition Summary

Ownership	Freehold
Purchase price (US\$)	37,900,000
Valuation (US\$)	37,900,000
Valuation date	31 Mar 2005
Direct Capitalisation Rate (OAR)	6.25%

Property Statistics

Property classification	Community
Year built/refurbished ⁽¹⁾	2003
Average annual base rent per sq ft (US\$)	12.26
Weighted average lease term (by income in yrs)	6.0
Total owned GLA (sq ft)	203,904
Anchor GLA (sq ft)	121,748
Non-Anchor GLA (sq ft)	82,156
Occupancy	96.1%

LEASE EXPIRY PROFILE



ANCHOR TENANTS SUMMARY

Name	Tenant type	Owned GLA (sq ft)	% of total owned GLA	% of total base rent	Lease expiry
Stater Bros.	Grocery Store	50,499	24.8%	8.6%	Jun 2022
Stein Mart	Discount Department Store	35,902	17.6%	11.1%	Jul 2015
Powerhouse Gym	Fitness	18,000	8.8%	9.1%	May 2011
Rite Aid	Drug Store	17,347	8.5%	7.2%	May 2017

DEMOGRAPHIC SUMMARY

	US	1-mile	5-mile
Median age (years)	36.2	31.2	31.4
Estimated population growth (2005 - 2010)	4.9%	26.8%	22.4%
2005 median household income (US\$)	47,837	85,179	73,011
2005 average household income (US\$)	64,816	94,683	84,286
College degrees	30.9%	38.1%	34.9%
Unemployment rate (May 2005) ⁽²⁾	4.9%	4.6%	4.6%

(1) Refer to the later of the year built or refurbished/redeveloped.

(2) The unemployment rate for the property reflects the May 2005 unemployment rate for the relevant MSA.

Galleria Commons

500 North Stephanie Street,
Henderson, NV.

Galleria Commons is a Power Shopping Centre located in Henderson, Nevada, within the MSA of Las Vegas-Paradise. Galleria Commons is a highly visible property with a strong line-up of anchor tenants including Burlington Coat Factory, Babies R Us, Stein Mart, T.J. Maxx and CompUSA Store.



GALLERIA COMMONS, NV

KEY PROPERTY STATISTICS

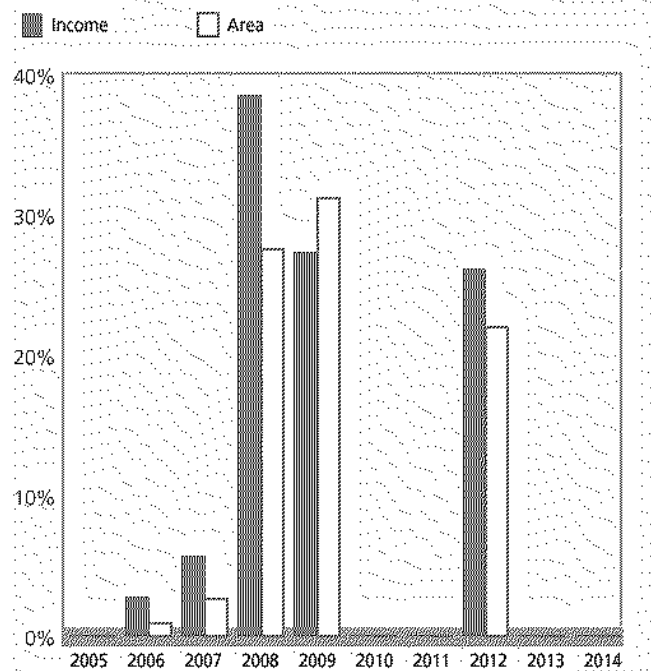
Acquisition Summary

Ownership	Freehold
Purchase price (US\$)	33,500,000
Valuation (US\$)	33,500,000
Valuation date	8 Apr 2005
Direct Capitalisation Rate (OAR)	7.00%

Property Statistics

Property classification	Power/Big Box
Year built/refurbished ⁽¹⁾	2005
Average annual base rent per sq ft (US\$)	8.60
Weighted average lease term (by income in yrs)	4.0
Total owned GLA (sq ft)	272,969
Anchor GLA (sq ft)	255,068
Non-Anchor GLA (sq ft)	17,901
Occupancy	83.9%

LEASE EXPIRY PROFILE



ANCHOR TENANTS SUMMARY

Name	Tenant type	Owned GLA (sq ft)	% of total owned GLA	% of total base rent	Lease expiry
Burlington Coat Factory	Discount Department Store	85,000	31.1%	27.2%	Mar 2009
Babies R Us	Specialty Retailer	37,834	13.9%	17.3%	Jan 2008
Stein Mart	Discount Department Store	34,782	12.7%	11.6%	Aug 2012
T.J. Maxx	Discount Apparel	30,824	11.3%	13.5%	Apr 2008
CompUSA Store	Electronics	22,795	8.4%	12.0%	Oct 2012

DEMOGRAPHIC SUMMARY

	US	1-mile	5-mile
Median age (years)	36.2	34.4	36.7
Estimated population growth (2005 - 2010)	4.9%	25.8%	15.4%
2005 median household income (US\$)	47,837	57,276	55,102
2005 average household income (US\$)	64,816	66,879	70,107
College degrees	30.9%	30.5%	29.0%
Unemployment rate (May 2005) ⁽²⁾	4.9%	3.7%	3.7%

(1) Refer to the later of the year built or refurbished/redeveloped.

(2) The unemployment rate for the property reflects the May 2005 unemployment rate for the relevant MSA.



SAN DIMAS PLAZA, CA

San Dimas Plaza

853-1073 West Arrow Highway,
San Dimas, CA.

San Dimas Plaza is a Community Shopping Centre located in San Dimas, California within the MSA of Los Angeles-Long Beach-Santa Ana – the number two ranked MSA in the US. San Dimas is anchored by Ralph's Supermarket (shadow anchor) and T.J. Maxx.

KEY PROPERTY STATISTICS

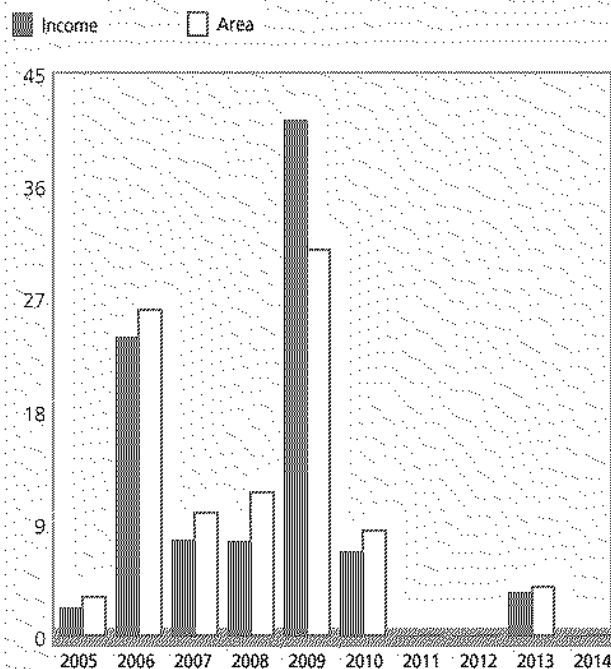
Acquisition Summary

Ownership	Freehold
Purchase price (US\$)	31,400,000
Valuation (US\$)	31,400,000
Valuation date	31 Mar 2005
Direct Capitalisation Rate (OAR)	6.25%

Property Statistics

Property classification	Community
Year built/refurbished ⁽¹⁾	1986
Average annual base rent per sq ft (US\$)	18.19
Weighted average lease term (by income in yrs)	3.4
Total owned GLA (sq ft)	119,161
Anchor GLA (sq ft)	25,200
Non-Anchor GLA (sq ft)	93,961
Occupancy	100.0%

LEASE EXPIRY PROFILE



ANCHOR TENANTS SUMMARY

Name	Tenant type	Owned GLA (sq ft)	% of total owned GLA	% of total base rent	Lease expiry
Ralphs (Shadow)	Grocery Store	NA	NA	NA	NA
Rite Aid (Shadow)	Drug Store	NA	NA	NA	NA
T.J. Maxx	Discount Apparel	25,200	21.1%	10.5%	Jan 2009

DEMOGRAPHIC SUMMARY

	US	1-mile	5-mile
Median age (years)	36.2	37.3	34.0
Estimated population growth (2005 - 2010)	4.9%	7.5%	6.0%
2005 median household income (US\$)	47,837	60,407	59,513
2005 average household income (US\$)	64,816	71,497	75,622
College degrees	30.9%	28.7%	30.5%
Unemployment rate (May 2005) ⁽²⁾	4.9%	4.9%	4.9%

(1) Refer to the later of the year built or refurbished/redeveloped.

(2) The unemployment rate for the property reflects the May 2005 unemployment rate for the relevant MSA.

Parkway Plaza

1209 Silas Creek Parkway,
Winston-Salem, NC.

Parkway Plaza is a Community Shopping Centre located in Winston-Salem, North Carolina within the MSA of Winston-Salem. The property enjoys prominent exposure to three road frontages and is highly accessible with eight points of ingress/egress.



PARKWAY PLAZA, NC

KEY PROPERTY STATISTICS

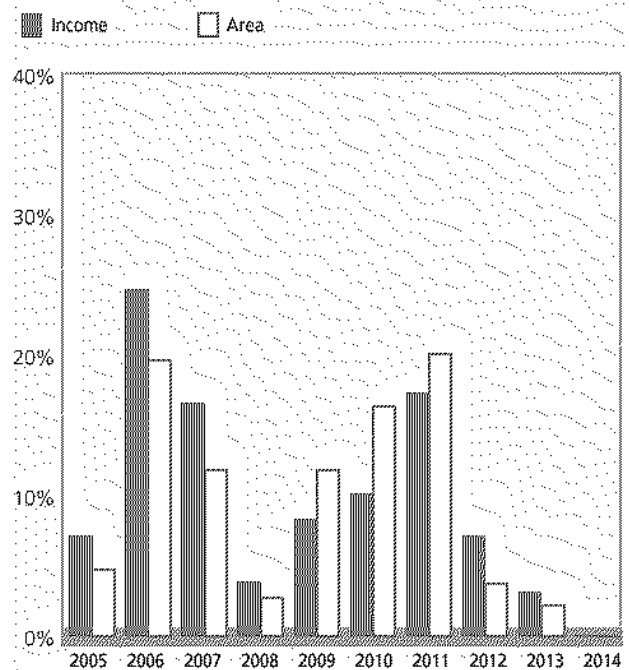
Acquisition Summary

Ownership	Freehold
Purchase price (US\$)	27,400,000
Valuation (US\$)	27,400,000
Valuation date	19 Apr 2005
Direct Capitalisation Rate (OAR)	8.00%

Property Statistics

Property classification	Community
Year built/refurbished ⁽¹⁾	2005
Average annual base rent per sq ft (US\$)	8.47
Weighted average lease term (by income in yrs)	3.7
Total owned GLA (sq ft)	286,376
Anchor GLA (sq ft)	163,970
Non-Anchor GLA (sq ft)	122,406
Occupancy	93.3%

LEASE EXPIRY PROFILE



ANCHOR TENANTS SUMMARY

Name	Tenant type	Owned GLA (sq ft)	% of total owned GLA	% of total base rent	Lease expiry
Lowes Food	Grocery Store	37,084	12.9%	9.9%	Sep 2011
Office Depot	Office Supplies	29,974	10.5%	9.9%	Jan 2006
Citi Trends	Discount Apparel	28,750	10.0%	1.4%	Jun 2010
Big Lots	Discount Store	19,717	6.9%	4.5%	Jan 2009
Plejs Linen Supermarket	Home Accessories	16,800	5.9%	4.5%	Jun 2011
Hong Kong Buffet	Restaurant	10,669	3.7%	5.3%	Mar 2010
Eckerds	Drug Store	10,500	3.7%	7.1%	Oct 2012
Dollar General	Discount Store	10,476	3.7%	2.3%	Dec 2009

DEMOGRAPHIC SUMMARY

	US	1-mile	5-mile
Median age (years)	36.2	35.3	34.4
Estimated population growth (2005 - 2010)	4.9%	3.5%	3.2%
2005 median household income (US\$)	47,837	35,308	38,296
2005 average household income (US\$)	64,816	42,993	55,498
College degrees	30.9%	26.0%	32.6%
Unemployment rate (May 2005) ⁽²⁾	4.9%	4.4%	4.4%

(1) Refer to the later of the year built or refurbished/redeveloped.

(2) The unemployment rate for the property reflects the May 2005 unemployment rate for the relevant MSA.



MARKETPLACE AT WYCLIFFE, FL

Marketplace at Wycliffe

4095-4125 State Road,
Lake Worth, FL.

Marketplace at Wycliffe is a Community Shopping Centre located in Lake Worth, Florida within the MSA of Miami-Fort Lauderdale-Miami Beach. The property enjoys exposure to an affluent, mature customer base within the one-mile radius. Marketplace at Wycliffe is anchored by Winn-Dixie Marketplace and Walgreens.

KEY PROPERTY STATISTICS

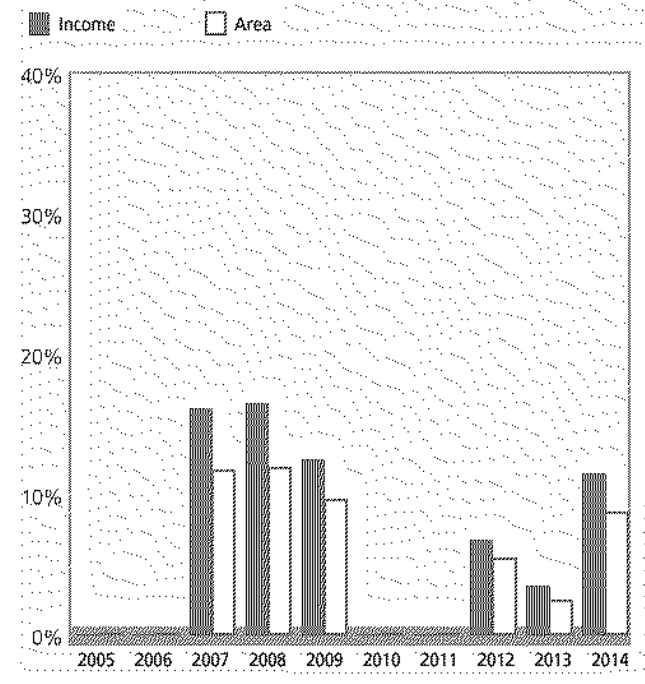
Acquisition Summary

Ownership	Freehold
Purchase price (US\$)	26,900,000
Valuation (US\$)	26,900,000
Valuation date	31 Mar 2005
Direct Capitalisation Rate (OAR)	7.50%

Property Statistics

Property classification	Community
Year built/refurbished ⁽¹⁾	2002
Average annual base rent per sq ft (US\$)	16.21
Weighted average lease term (by income in yrs)	9.9
Total owned GLA (sq ft)	133,520
Anchor GLA (sq ft)	60,034
Non-Anchor GLA (sq ft)	73,486
Occupancy	97.6%

LEASE EXPIRY PROFILE



ANCHOR TENANTS SUMMARY

Name	Tenant type	Owned GLA (sq ft)	% of total owned GLA	% of total base rent	Lease expiry
Winn-Dixie	Grocery Store	44,914	33.6%	17.8%	Jun 2022
Walgreens	Drug Store	15,120	11.3%	14.0%	Aug 2030

DEMOGRAPHIC SUMMARY

	US	1-mile	5-mile
Median age (years)	36.2	43.4	40.6
Estimated population growth (2005 - 2010)	4.9%	23.0%	17.7%
2005 median household income (US\$)	47,837	86,821	55,410
2005 average household income (US\$)	64,816	105,957	73,750
College degrees	30.9%	48.2%	34.7%
Unemployment rate (May 2005) ⁽²⁾	4.9%	4.0%	4.0%

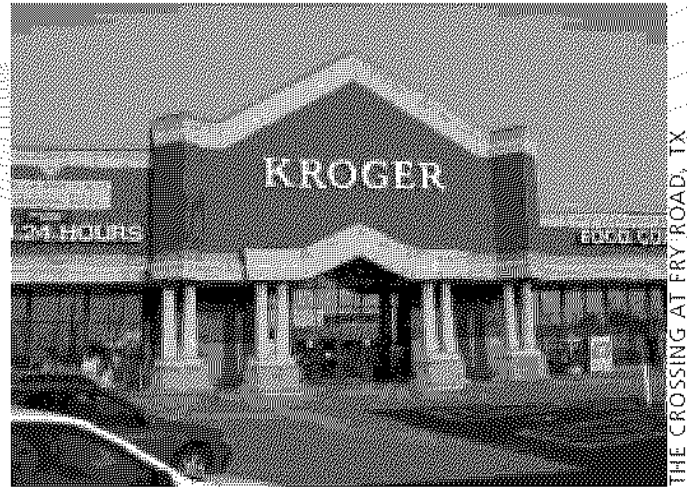
(1) Refer to the later of the year built or refurbished/redeveloped.

(2) The unemployment rate for the property reflects the May 2005 unemployment rate for the relevant MSA.

The Crossing at Fry Road

1705 Fry Road, Katy, TX.

The Crossing at Fry Road is a Community Shopping Centre located in Katy, Texas within the MSA of Houston-Baytown-Sugarland. With anchor tenants including Kroger, Hobby Lobby, Stein Mart and Palais Royal, this property is situated on the corner of Fry Road and Interstate 10 West.



THE CROSSING AT FRY ROAD, TX

KEY PROPERTY STATISTICS

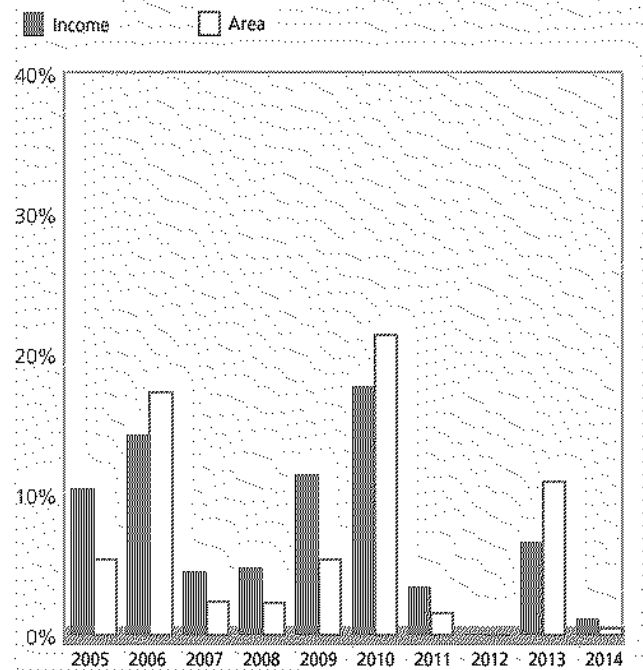
Acquisition Summary

Ownership	Freehold
Purchase price (US\$)	25,200,000
Valuation (US\$)	25,200,000
Valuation date	17 Apr 2005
Direct Capitalisation Rate (OAR)	7.50%

Property Statistics

Property classification	Community
Year built/refurbished ⁽¹⁾	2005
Average annual base rent per sq ft (US\$)	8.23
Weighted average lease term (by income in yrs)	5.3
Total owned GLA (sq ft)	225,403
Anchor GLA (sq ft)	168,829
Non-Anchor GLA (sq ft)	56,574
Occupancy	94.8%

LEASE EXPIRY PROFILE



ANCHOR TENANTS SUMMARY

Name	Tenant type	Owned GLA (sq ft)	% of total owned GLA	% of total base rent	Lease expiry
Kroger	Grocery Store	63,954	28.4%	26.0%	Jan 2016
Hobby Lobby	Arts and Crafts	44,200	19.6%	14.3%	Sep 2010
Stein Mart	Discount Department Store	36,000	16.0%	11.6%	Nov 2006
Palais Royal	Discount Department Store	24,675	10.9%	6.6%	Jan 2013

DEMOGRAPHIC SUMMARY

	US	1-mile	5-mile
Median age (years)	36.2	35.8	33.6
Estimated population growth (2005 - 2010)	4.9%	11.6%	25.2%
2005 median household income (US\$)	47,837	46,913	72,299
2005 average household income (US\$)	64,816	57,132	91,279
College degrees	30.9%	22.4%	35.9%
Unemployment rate (May 2005) ⁽²⁾	4.9%	5.5%	5.5%

(1) Refer to the later of the year built or refurbished/redeveloped.

(2) The unemployment rate for the property reflects the May 2005 unemployment rate for the relevant MSA.



DELTA CENTER, MI

Delta Center

5801-5859 West Saginaw Highway,
Lansing, MI.

Delta Center is a Power Shopping Centre located in Lansing, Michigan within the MSA of Lansing-East Lansing. Located immediately adjacent to the Lansing Mall.

KEY PROPERTY STATISTICS

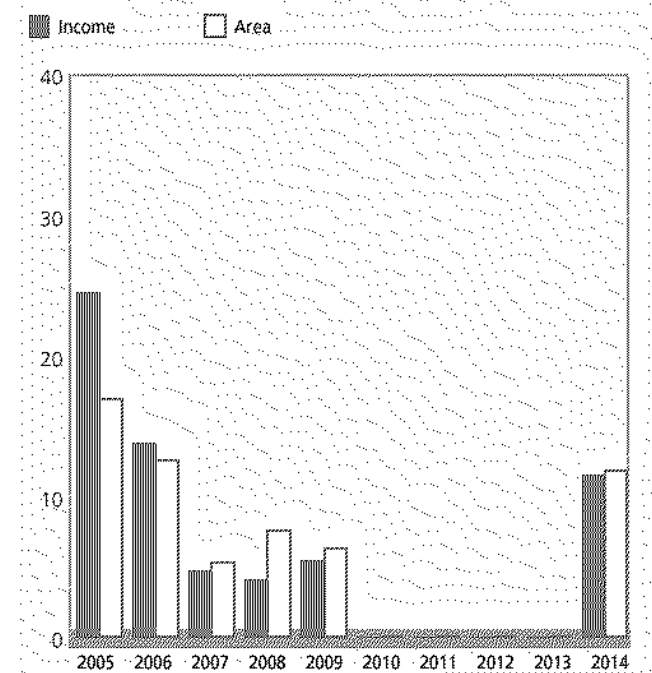
Acquisition Summary

Ownership	Freehold
Purchase price (US\$)	24,100,000
Valuation (US\$)	24,100,000
Valuation date	31 Mar 2005
Direct Capitalisation Rate (OAR)	7.25%

Property Statistics

Property classification	Power/Big Box
Year built/refurbished ⁽¹⁾	2003
Average annual base rent per sq ft (US\$)	9.49
Weighted average lease term (by income in yrs)	8.3
Total owned GLA (sq ft)	186,246
Anchor GLA (sq ft)	144,796
Non-Anchor GLA (sq ft)	41,450
Occupancy	93.1%

LEASE EXPIRY PROFILE



ANCHOR TENANTS SUMMARY

Name	Tenant type	Owned GLA (sq ft)	% of total owned GLA	% of total base rent	Lease expiry
Farmer Jacks	Grocery Store	53,921	29.0%	39.6%	Oct 2021
Teaching Center	Specialty Retailer	25,300	13.6%	7.9%	Oct 2005
T. J. Maxx	Discount Apparel	22,950	12.3%	9.7%	Jan 2006
Bed Bath & Beyond	Home Accessories	21,500	11.5%	11.8%	Jan 2014
Gift & Bible Center	Specialty Retailer	11,000	5.9%	6.4%	Oct 2005
Party USA / Halloween USA	Discount Retailer	10,125	5.4%	6.3%	Sep 2009

DEMOGRAPHIC SUMMARY

	US	1-mile	5-mile
Median age (years)	36.2	35.6	34.8
Estimated population growth (2005 - 2010)	4.9%	2.1%	- 0.1%
2005 median household income (US\$)	47,837	45,983	43,961
2005 average household income (US\$)	64,816	64,971	54,631
College degrees	30.9%	41.1%	32.0%
Unemployment rate (May 2005) ⁽²⁾	4.9%	6.3%	6.3%

(1) Refer to the later of the year built or refurbished/redeveloped.

(2) The unemployment rate for the property reflects the May 2005 unemployment rate for the relevant MSA.

Hornell Plaza

1000 State Road 36,
Hornell, NY.



HORNELL PLAZA, NY

Hornell Plaza is a Community Shopping Centre located on Route 36 in Hornell, New York. Hornell Plaza is anchored by Wal-Mart and Wegmans Food Market.

KEY PROPERTY STATISTICS

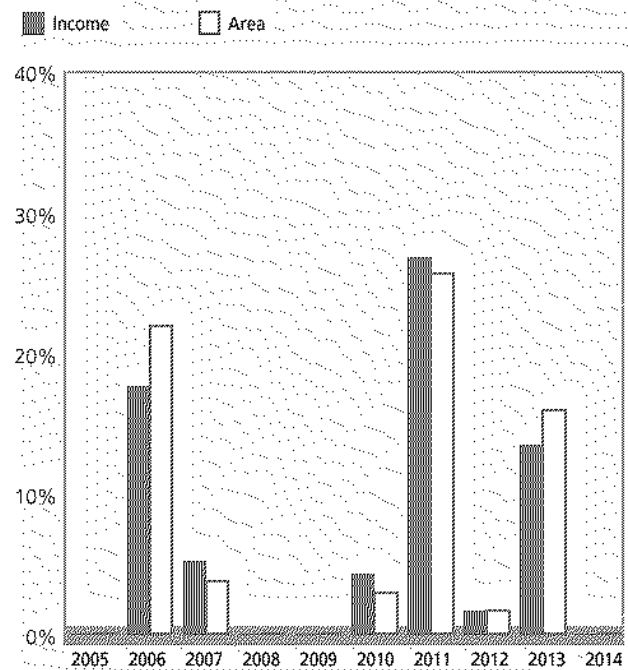
Acquisition Summary

Ownership	Freehold
Purchase price (US\$)	24,000,000
Valuation (US\$)	24,000,000
Valuation date	9 Apr 2005
Direct Capitalisation Rate (OAR)	7.00%

Property Statistics

Property classification	Community
Year built/refurbished ⁽¹⁾	2005
Average annual base rent per sq ft (US\$)	7.25
Weighted average lease term (by income in yrs)	8.1
Total owned GLA (sq ft)	253,704
Anchor GLA (sq ft)	206,171
Non-Anchor GLA (sq ft)	47,533
Occupancy	97.2%

LEASE EXPIRY PROFILE



ANCHOR TENANTS SUMMARY

Name	Tenant type	Owned GLA (sq ft)	% of total owned GLA	% of total base rent	Lease expiry
Wal-Mart	Discount Store	128,268	50.6%	41.0%	Nov 2015
Wegmans Food Market	Grocery Store	77,903	30.7%	34.0%	Jun 2015

DEMOGRAPHIC SUMMARY

	US	1-mile	5-mile
Median age (years)	36.2	42.6	38.9
Estimated population growth (2005 - 2010)	4.9%	-2.5%	-1.6%
2005 median household income (US\$)	47,837	45,735	36,010
2005 average household income (US\$)	64,816	57,423	46,559
College degrees	30.9%	34.8%	27.7%
Unemployment rate (May 2005 ⁽¹⁾⁽²⁾)	4.9%	NA	NA

(1) Refer to the later of the year built or refurbished/redeveloped.

(2) The unemployment rate for the property reflects the May 2005 unemployment rate for the relevant MSA.



BRICE PARK, OH

Brice Park

2640-2800 Brice Road,
Reynoldsburg, OH.

Brice Park is a Power Shopping Centre located in Reynoldsburg, Ohio within the MSA of Columbus. The property is anchored by Gregg Appliances, Old Navy, Petco and Michaels.

KEY PROPERTY STATISTICS

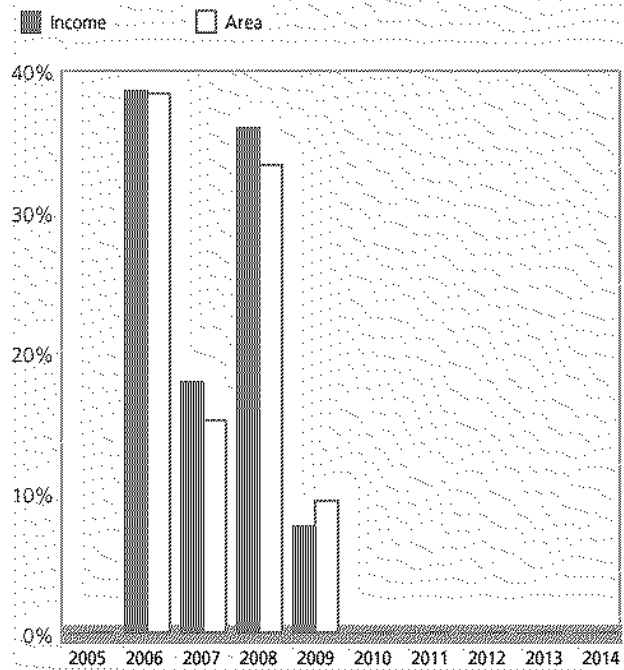
Acquisition Summary

Ownership	Freehold
Purchase price (US\$)	23,575,000
Valuation (US\$)	23,575,000
Valuation date	31 Mar 2005
Direct Capitalisation Rate	6.75%

Property Statistics

Property classification	Power/Big Box
Year built/refurbished ⁽¹⁾	1989
Average annual base rent per sq ft (US\$)	10.76
Weighted average lease term (by income in yrs)	2.0
Total owned GLA (sq ft)	158,742
Anchor GLA (sq ft)	81,226
Non-anchor GLA (sq ft)	77,516
Occupancy	96.2%

LEASE EXPIRY PROFILE



ANCHOR TENANTS SUMMARY

Name	Tenant type	Owned GLA (sq ft)	% of total owned GLA	% of total base rent	Lease expiry
Gregg Appliances Inc.	Electronics	30,000	18.9%	15.8%	Nov 2006
Old Navy	Discount Apparel	18,000	11.3%	12.9%	Aug 2007
Michaels	Arts and Crafts	17,800	11.2%	8.3%	Feb 2008
Petco	Pet Food and Supplies	15,426	9.7%	12.0%	Jan 2008

DEMOGRAPHIC SUMMARY

	US	1-mile	5-mile
Median age (years)	36.2	30.9	34.4
Estimated population growth (2005 - 2010)	4.9%	11.8%	6.6%
2005 median household income (US\$)	47,837	51,080	47,576
2005 average household income (US\$)	64,816	55,465	58,007
College degrees	30.9%	30.2%	30.4%
Unemployment rate (May 2005) ⁽²⁾	4.9%	5.2%	5.2%

(1) Refer to the later of the year built or refurbished/redeveloped.

(2) The unemployment rate for the property reflects the May 2005 unemployment rate for the relevant MSA.

Fees and Expenses 7



THIS SECTION PROVIDES DETAILS OF FEES TO BE PAID BY THE TRUST IN RELATION TO THE TRANSACTION, AS WELL AS DETAILS OF ONGOING FEES AND EXPENSES PAYABLE BY THE TRUST.

7.1 Fees and Expenses of the Transaction

The following fees and expenses are payable in relation to the Transaction. Unless stated otherwise, these fees and expenses do not include GST or any other similar taxes (if any):

Fee	Amount	Ultimately received by	Paid by
Underwriting and management fee	A\$7.9 million	Merrill Lynch and UBS	The Trust, out of the proceeds of the Offer
Handling fees	1.5% of the Application Price (inclusive of GST) received by the Manager from a retail investor's financial advisor (up to a maximum amount of \$1,000 per retail application)	Participating organisations of ASX and registered financial planners	The Trust, out of the proceeds of the Offer
Acquisition fee	US\$8.0 million	CBL & Associates Management, Inc.	JV Company
	US\$1.7 million	Galleo Advisory LLC	JV Company
Due diligence and other transaction costs	US\$7.5 million	Various, including lawyers and accountants	JV Company
Transfer taxes and other costs	US\$4.0 million	Various	JV Company for any amount up to US\$4.0 million, New Plan for any amount in excess of US\$4.0 million
Other Offer costs	A\$1.6 million	Various	The Trust, out of the proceeds of the Offer

Fee	Amount	Ultimately received by	Paid by
CBL management acquisition fee	US\$22 million, less certain adjustments	CBL & Associates Management, Inc.	Property Manager
SEA management option ⁽¹⁾	US\$7 million	CBL & Associates Management, Inc.	Property Manager

(1) Fee payable if the Property Manager exercises its right to acquire the SEA management rights under the Purchase and Sale of Management Rights Agreement. If the Property Manager fails to exercise its rights to acquire the SEA management rights within 3 years of the closing of the Purchase and Sale of Management Rights Agreement, the Property Manager will pay to CBL & Associates Management, Inc. US\$1 million on that 3rd anniversary until the earlier of (i) the 17th anniversary; or (ii) the date of the Property Manager exercising its rights to acquire the SEA management rights.

7.2 Ongoing Fees and Expenses

This table describes ongoing fees payable to the Manager, Galileo Advisory LLC and the Property Manager. These fees do not include GST or any other similar taxes (if any).

Fee	Payable to	Payable by	Description	Fee calculation
Management fees ⁽¹⁾	The Manager and Galileo Advisory LLC	Trust (to the Manager), US REIT to Galileo Advisory LLC	0.45% p.a. of the Trust's indirect proportionate interest in properties and other assets of the JV Company under US\$500 million, calculated half yearly based on the fair market value at the end of the relevant half year (with 90% being allocated to Galileo Advisory LLC and 10% being allocated to the Manager) or 0.35% p.a. of the Trust's indirect proportionate interest in properties and other assets of the JV Company over US\$500 million, calculated half yearly based on the fair market value at the end of the relevant half year, plus US\$2.25 million (with 90% being allocated to Galileo Advisory LLC and 10% being allocated to the Manager)	Assuming the Trust's assets, including its indirect proportionate interest in properties, and other assets of the JV Company is US\$400 million, the management fee payable would be 0.45% p.a. of US\$400 million, or US\$1.8 million Assuming the Trust's assets, including its indirect proportionate interest in properties, and other assets of the JV Company is US\$600 million, the management fee payable would be 0.35% p.a. of the US\$100 million interest over US\$500 million, or US\$0.35 million plus an additional US\$2.25 million, or a total of US\$2.6 million n/a
Holding fee	New Plan Australia	JV Company	Galileo Advisory LLC's base management fee will be reduced by US\$1 million such that that same amount is payable by US REIT as a consulting services fee to New Plan Australia under the JV Company/US REIT/New Plan Australia Letter Agreement All expenses properly incurred by the Manager in connection with the Trust are payable or reimbursed out of the assets of the Trust to the extent the Corporations Act and the Constitution allow All expenses properly incurred by Galileo Advisory LLC in connection with the US REIT are payable or reimbursed by the JV Company (such expenses over US\$1 million subject to New Plan Australia's consent)	

(1) Fees shown as received by the Manager or Galileo Advisory LLC may be shared with third party advisors.

7.2 Ongoing Fees and Expenses (continued)

Fee	Payable to	Payable by	Description	Fee calculation
Performance fees ⁽¹⁾	The Manager and Galileo Advisory LLC	Trust (to the Manager), US REIT (to Galileo Advisory LLC)	Payable half yearly if requisite thresholds are met. Performance fees are capped, except on retirement, at 0.15% of the Trust's indirect proportionate interest in properties and other assets of the JV Company (with 90% being allocated to Galileo Advisory LLC and 10% being allocated to the Manager)	Refer to section 10.3 for a worked example of the performance fee calculation
Acquisition fee	Galileo Advisory LLC	JV Company	0.2% of the purchase price of the additional property (excluding New Plan Properties and properties subsequently sold or contributed to the JV Company by New Plan Australia or any of its affiliates)	Assuming the purchase price of the additional property was US\$100 million, the acquisition fee payable would be 0.2% of the US\$100 million, or US\$0.2 million
	Property Manager	JV Company	0.8% of the purchase price of the additional property (excluding New Plan Properties)	Assuming the purchase price of the additional property was US\$100 million, the acquisition fee payable would be 0.8% of US\$100 million, or US\$0.8 million
			if the additional property is identified and sourced by the JV Company, the 1.00% total fee set out above shall be split 50/50 between the Property Manager and the JV Company (i.e. each receives 0.5% of the purchase price of the additional property)	n/a
			To the extent that the JV Company pays an outside broker a commission or finder's fee, the Property Manager's acquisition fee shall be reduced by 80% of the acquisition fees paid by the JV Company (or, reduced by 50% if the JV Company identified and sourced the additional property)	Continuing the example above, assuming the JV Company paid an outside broker a commission of 0.1% (or US\$0.1 million), the 1.00% total fee of US\$1 million would be reduced by this commission to US\$0.9 million. Hence the 0.2% fee payable to the Manager would be reduced by 20% of the commission (to US\$0.18 million) and the 0.8% fee payable to the Property Manager would be reduced by 80% of this commission (to US\$0.72 million).
			All expenses properly incurred by Galileo Advisory LLC in connection with the JV Company are payable or reimbursed by the JV Company, as are expenses incurred in connection with the US REIT (such expenses over US\$1 million subject to New Plan Australia's consent)	n/a
			Property Manager shall not be entitled to receive any acquisition fee with respect to the Existing Properties	

(1) Fees shown as received by the Manager or Galileo Advisory LLC may be shared with third party advisors.

7.2 Ongoing Fees and Expenses (continued)

TABLE 7.3: ONGOING FEES AND EXPENSES PAYABLE BY THE TRUST, THE US REIT AND/OR THE JV COMPANY (CONTINUED)				
Fee	Payable to	Payable by	Description	Fee calculation
Acquisition fee (continued)	The Manager/ Galileo Advisory LLC/ Property Manager	JV Company	Property Manager to be reimbursed for out of pocket costs and expenses, but shall not be entitled to receive reimbursement for any overhead costs or any internal personnel costs (but including certain counsel expenses)	n/a
			All expenses, disbursements and advancements incurred by Galileo Advisory LLC in respect of the JV Company shall be reimbursed. All expenses incurred by Galileo Advisory LLC on behalf of the US REIT shall be reimbursed, although such expenses over US\$1 million require the consent of New Plan Australia	n/a
Accounting/ administration charges	The Manager/ Galileo Advisory LLC	JV Company, US REIT and the Trust	Payable on an arm's length basis at normal commercial rates	n/a
Finance fee	Property Manager	JV Company	0.4% on all borrowings of the JV Company to the extent that such borrowings are obtained through the Property Manager (but not in relation to the financing of the New Properties, unless the JV Company requests the Property Manager's assistance in respect of such financing)	Assuming all the borrowings of the JV Company totalled US\$100 million, the finance fee payable would be 0.4% of US\$100 million, or US\$0.4 million
Disposition fee	Property Manager	JV Company	Disposition fees paid at the greater of US\$45,000 and 0.25% of the gross disposition price (excluding out parcels valued at less than US\$50,000)	Assuming the gross disposition price was US\$100 million, the disposition fee payable would be the greater of US\$45,000 and 0.25% of US\$100 million, or US\$0.25 million i.e. disposition fee of US\$0.25 million
			Property Manager will be reimbursed for out of pocket costs and expenses, but shall not be entitled to receive reimbursement for any internal personnel costs or overhead costs (but including certain legal fees and counsel expenses)	n/a
Property management fees	Property Manager	JV Company	Property management fee of 3.5% of gross collections. However, if a third party or a property seller (including SEA, for a certain specified period) retains property management, Property Manager will be paid 0.5% of gross collections on any such property for undertaking property level administration	Assuming gross collections were US\$100 million, the property management fee payable would be 3.5% of US\$100 million, or US\$3.5 million (or 0.5% of US\$100 million, or US\$0.5 million, if a third party or a property seller retains property management)
			Property Manager will be entitled to 100% of the management fees (i.e. 3.5% of gross collections) with respect to any SEA property commencing from and after the third anniversary of the JV Company's acquisition of the SEA property, or earlier if the applicable SEA property management agreement is terminated	

7.2 Ongoing Fees and Expenses (continued)

TABLE 7.3: ONGOING FEES AND EXPENSES PAYABLE BY THE TRUST, THE US REIT OR THE JV COMPANY (CONTINUED)				
Fee	Payable to	Payable by	Description	Fee calculation
Leasing fees	Property Manager	JV Company	5% of rental income for new leases, and 3% of rental income for lease renewals	Assuming rental income for new leases of US\$100 million and lease renewals of US\$100 million, the leasing fees would be 5% of US\$100 million (or US\$5 million) and 3% of US\$100 million (or US\$3 million)
Development and construction fees	Property Manager	JV Company	7% of total improvement costs including tenant improvement and buildout work (but excluding land and financing fees and costs of fees payable to the Property Manager) with a minimum fee of US\$25,000 per project. If project or construction management work is performed with respect of tenant improvement and buildout work that is not part of a larger redevelopment, 3% of total improvement costs (excluding land and financing fees and costs of fees payable to the Property Manager)	Assuming total improvement costs of US\$100 million, the development and construction fees would be 7% of US\$100 million (or US\$7 million). If project or construction management work is performed with respect of tenant improvement and buildout work that is not part of a larger redevelopment, the development and construction fees would be 3% of US\$100 million (or US\$3 million)
Technology fee ⁽¹⁾	Property Manager	JV Company	US\$160,000 p.a.	n/a

(1) Technology fee is paid once a year under one Property Management and Services Agreement only.

TABLE 7.4: ONGOING FEES AND EXPENSES PAYABLE BY OTHER PARTIES				
Fee	Payable to	Payable by	Description	Fee calculation
CBL asset management fee	CBL & Associates Management, Inc.	Galileo Advisory LLC	US\$1 million p.a. payable for three years following closing of the Purchase and Sale of Management Rights Agreement	n/a

Summary Financial Information 8



VAIL RANCH CENTER, CA

THIS SECTION CONTAINS SUMMARY FINANCIAL FORECASTS FOR THE TRUST FOLLOWING THE TRANSACTION.

This Section contains summary financial forecasts for the Trust following the Transaction.

The forecast financial information of the Trust has been compiled based on an Australian Generally Accepted Accounting Standards ("AGAAP") and Australian equivalents of International Financial Reporting Standards ("AIFRS") basis (as indicated) and comprises:

- pro forma consolidated balance sheets as at 30 June 2005 on both an AGAAP and AIFRS basis (as set out in Section 8.1);
- forecast consolidated income and distribution statements for the year ending 30 June 2006 on an AIFRS basis (as set out in Section 8.2); and
- assumptions underlying the preparation of the forecast financial information (as set out in Section 8.5).

The pro forma consolidated balance sheets have been prepared using the audited 30 June 2005 consolidated statement of financial position adjusted assuming the Offer and related transactions had occurred at that date.

The forecast consolidated income and distribution statements have been prepared on the basis that the Offer and related transactions are completed on 1 September 2005.

The forecast financial information set out in this Section has been prepared by the Manager for use in this document. The forecast financial information should also be read together with the assumptions underlying its preparation, as set out in Section 8.5, the sensitivity analysis set out in Section 8.6, the risk factors set out in Section 9 and other information contained in this document. The Manager believes it has used due care and attention in the preparation of this forecast financial information and considers the assumptions to be reasonable when considered as a whole. However, the forecast financial information is likely to vary from the actual results and any variation may be materially positive or negative because the assumptions, and therefore the forecast financial information, are by their very nature subject to uncertainties and contingencies, many of which will be outside the control of the Manager and are not predictable on a reliable basis. Investors are cautioned not to place undue reliance on the forecast financial information.

Investors should be aware that future financial performance presented under AIFRS may be significantly impacted by future changes in the value of the Trust's share of foreign currency derivatives and related treasury arrangements and its interest in the underlying properties. Investors should be aware that the above items may introduce considerable volatility into the future reported results of the Trust under AIFRS. The Manager intends to adjust the AIFRS profit after tax of the Trust for those items to determine forecast distributions (refer Section 8.2.2).

8.1 Pro Forma Consolidated Balance Sheet

At 30 June 2005 the Trust is still required to report under AGAAP. A pro forma consolidated balance sheet has therefore been prepared based on the audited 30 June 2005 consolidated AGAAP statement of financial position of the Trust, adjusted to reflect the impact of the Transaction had it occurred at that date. In addition, a pro forma balance sheet prepared under AIFRS has also been included for comparative purposes.

PRO FORMA TRANSACTIONS

The pro forma consolidated AGAAP balance sheet has been prepared to reflect the following pro forma transactions:

- the issue of 353.5 million New Units in the Trust at a price of \$1.12 per New Unit to raise \$395.9 million prior to equity raising costs of \$8.2 million;
- the redemption of CBL's interest in the JV Company via the transfer of two properties valued at US\$60.3 million;
- the subscription by New Plan for a 5.0% interest in the JV Company;
- the drawdown of additional debt by the JV Company of US\$641.7 million; and
- the acquisition by the JV Company of US\$988.0 million in property from New Plan (including acquisition costs of \$20.0 million).

AIFRS ADJUSTMENT

In addition to the pro forma transactions, the consolidated AIFRS balance sheet includes the following AIFRS adjustments:

- recognition of a deferred tax liability of \$12.1 million;
- recognition of the fair value of foreign currency contracts of \$29.9 million.

PRO FORMA CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2005

	Audited AGAAP		Pro forma AGAAP		Pro forma AIFRS	
	A\$'000	US\$'000	A\$'000	US\$'000	A\$'000	US\$'000
Current assets						
Cash assets	1,887	1,441	1,887	1,441	1,887	1,441
Other current assets	11,570	8,836	11,570	8,836	3,646	2,784
Total current assets	13,457	10,277	13,457	10,277	5,533	4,225
Non-current assets						
Investment in associate						
Share of investment properties	1,046,788	799,432	2,273,830	1,721,309	2,273,830	1,721,309
Share of other net assets	5,274	4,028	9,732	7,376	9,732	7,376
Share of interest bearing liabilities	(551,517)	(421,194)	(1,395,687)	(1,055,418)	(1,395,687)	(1,055,418)
Net investment in associate	500,545	382,266	887,875	673,267	887,875	673,267
Other non-current assets	45,139	34,473	45,139	34,473	29,898	22,833
Total non-current assets	545,684	416,739	933,014	707,740	917,773	696,100
Total assets	559,141	427,016	946,471	718,017	923,306	700,325
Current liabilities						
Trade and other payables	3,579	2,733	3,579	2,733	3,579	2,733
Other current liabilities	31,492	24,051	31,492	24,051	23,568	17,999
Total current liabilities	35,071	26,784	35,071	26,784	27,147	20,732
Non-current liabilities						
Deferred tax liabilities	0	0	0	0	12,052	9,090
Other non-current liabilities	45,139	34,473	45,139	34,473	0	0
Total non-current liabilities	45,139	34,473	45,139	34,473	12,052	9,090
Total liabilities	80,210	61,257	80,210	61,257	39,199	29,822
Net assets attributable to Unitholders	478,931	365,760	866,261	656,760	884,107	670,503

8.2 Forecast Consolidated Income and Distribution Statements

8.2.1 FORECAST CONSOLIDATED INCOME STATEMENT

For the reporting period commencing 1 July 2005, the Trust is required to comply with AIFRS as issued by the Australian Accounting Standards Board ("AASB"). The forecast consolidated income statement has therefore been presented in accordance with AIFRS as adopted by the AASB at the date of this PDS.

Forecast Consolidated Income Statement for the year ending 30 June 2006

	A\$'000	US\$'000
Revenue		
Share of profit of associate using the equity method		
Net property income – including AIFRS straightlining adjustment ^{(a)(b)}	158,952	118,186
Interest income	151	112
Interest expense	(64,072)	(47,640)
Other expenses	(4,402)	(3,273)
Net profit before fair value gains and losses	90,629	67,385
Changes in the fair value of investment properties ^(c)	Refer note (c)	Refer note (c)
Net share of profit of associate (excluding fair value gains and losses)	90,629	67,385
Interest income	40	30
Total revenue	90,669	67,415
Expenses		
Management fees	(7,894)	(5,869)
Trust expenses	(851)	(633)
Total expenses	(8,745)	(6,502)
Changes in the fair value of foreign currency contracts ^(c)	Refer note (c)	Refer note (c)
Net profit before tax (excluding fair value gains and losses)	81,924	60,913
US withholding tax	(4,067)	(3,024)
Deferred tax expense ^(d)	(7,666)	(5,700)
Net profit after tax (excluding fair value gains and losses)	70,191	52,189

(a) Under AIFRS, the US\$ rental income is translated into A\$ at the average rate for the financial reporting period and does not reflect the impact of foreign currency contracts the Manager has in place to hedge the impact of currency movements on cash generated from the properties, (refer to Section 8.3). The distribution statement includes an adjustment so that distributions to Unitholders take into account the impact of these hedge contracts.

(b) AIFRS requires that rental income on leases with fixed increases be recognised on a straightline basis over the term of the lease (refer Section 8.3).

(c) Fair value movements in investment properties and foreign currency contracts have not been forecast on the basis that the Manager does not believe they can be reliably estimated. In addition, as these are non-cash items, it is the Manager's intention to exclude these items in determining distributions to Unitholders.

(d) The deferred tax expense relates solely to the tax depreciation forecast to be claimed in the period. As fair value gains and losses have not been forecast, no deferred tax expense in relation to such items is included in the forecast.

8.2.2 FORECAST CONSOLIDATED DISTRIBUTION STATEMENT

The adoption of AIFRS results in the recognition of an increased number of non-cash items in the forecast consolidated income statement. These include fair value gains and losses on investment properties and future foreign currency contracts, the recognition of rental income on a straightline basis and a deferred tax expense on the tax and accounting cost base differentials on the investment property assets. It is the Manager's intention to determine distributions to Unitholders primarily based on the underlying operating performance of the Trust excluding the impact of these non-cash movements. The forecast consolidated distribution statement outlines the Manager's forecast distribution based on the earnings as forecast.

Forecast Consolidated Distribution Statement for the year ending 30 June 2006

	A\$'000
Net profit after tax (excluding fair value gains and losses)	70,191
Transfers (to)/from distribution equalisation reserves	
Rental straightlining adjustment (associate)	(3,610)
Fair value changes in investment properties (associate) ^(a)	Refer note (a)
Fair value changes in foreign currency contracts ^(a)	Refer note (a)
Deferred tax expense	7,666
Foreign currency contracts realised ^(b)	6,699
Impact of pari passu units issued	6,978
Total Available For Distribution	87,924
Distribution paid/payable for the year ending 30 June 2006	87,924

(a) Fair value movements in investment properties and foreign currency contracts have not been forecast on the basis that the Manager does not believe they can be reliably estimated. Therefore, no corresponding adjustment is recognised in the forecast consolidated distribution statement.

(b) Under AIFRS the US\$ rental income is translated into A\$ at the average rate for the financial reporting period and does not reflect the impact of foreign currency contracts the Manager has in place to hedge the impact of currency movements on cash generated from the properties. The forecast distribution statement includes an adjustment so that distributions to Unitholders take into account the impact of these hedge contracts.

8.3 Principal Accounting Policies

PRO FORMA CONSOLIDATED BALANCE SHEETS

1. PRO FORMA CONSOLIDATED AGAAP BALANCE SHEET

The pro forma consolidated AGAAP balance sheet has been prepared using accounting policies relating to recognition and measurement consistent with those outlined in the audited 30 June 2005 financial report of the Trust. The financial information presented in relation to the pro forma consolidated AGAAP balance sheet does not purport to address all disclosure requirements required under AGAAP.

In relation to the current proposal, costs related to the acquisition of the property portfolio of \$26.7 million have been capitalised into the carrying value of the properties. Costs of \$8.2 million associated with the raising of equity to partially fund the acquisition have been deducted directly from the equity raised. Costs of \$2.4 million associated with the arrangement of debt facilities associated with the acquisition have been capitalised and will be amortised over the term of the relevant facility.

2. PRO FORMA CONSOLIDATED AIFRS BALANCE SHEET

The pro forma consolidated AIFRS balance sheet has been prepared using accounting policies relating to recognition and measurement consistent with the requirements of AIFRS as adopted by the AASB at the date of this PDS. The financial information presented in relation to the pro forma AIFRS balance sheet does not purport to address all disclosure requirements required under AIFRS.

Specifically, in preparing the pro forma AIFRS balance sheet the following accounting policies were applied:

(i) Fair values of derivatives

The fair values of foreign currency contracts have been recognised on balance sheet.

(ii) Deferred tax liabilities

A deferred tax liability has been recognised on the difference between the tax cost base and accounting carrying value of the investment properties held by the associate. This difference relates primarily to tax depreciation claimed and accounting revaluations of the properties subsequent to acquisition. The deferred tax liability has been calculated based on the current withholding tax rate of 15%.

(iii) Units on issue

The Trust units on issue have been classified as equity on the basis that the Manager is in the process of making the appropriate changes to the Constitution in order to meet the equity classification requirements of AASB132.

FORECAST CONSOLIDATED INCOME STATEMENT

1. BASIS OF PREPARATION

The forecast consolidated income statement has been prepared in accordance with the recognition and measurement principles prescribed in AIFRS, as adopted by the AASB at the date of this PDS. The financial information presented in relation to the forecast consolidated income statement does not purport to address all disclosure requirements required under AIFRS.

2. PRINCIPLES OF CONSOLIDATION

The forecast includes the results of the Trust and its controlled entity for the year ending 30 June 2006. All inter entity transactions and balances have been eliminated in full.

3. EQUITY METHOD OF ACCOUNTING

Property investments are held via the Trust's 95.0% indirect interest in the JV Company. The Trust does not control the JV Company and accordingly has adopted the equity method of accounting for its investment in the JV Company. Under this method, the Trust's share of the profits and losses of the JV Company is recognised in the consolidated income statement.

The accounting policies of the JV Company are adjusted where necessary to achieve consistency with the accounting policies of the Trust.

4. INVESTMENT PROPERTIES HELD VIA THE ASSOCIATE

The Trust adopts the fair value model in relation to investment properties whereby properties are carried at fair value and any movement in fair value is recognised as a gain or loss in the income statement.

5. REVENUE

Rental revenue generated from leases is recognised in accordance with the substance of the lease contract. Where a lease contract contains fixed rental increases, rental revenue is recognised in the income statement on a straightline basis unless another systematic basis is more representative of the time pattern in which the use benefit of the leased asset is diminished. Contingent rental amounts such as CPI or turnover linked rentals are recognised on an accruals basis when earned.

6. EXPENDITURE

Expenditure is brought to account on an accruals basis.

7. FOREIGN CURRENCY TRANSLATIONS

Both the functional and presentation currency of the Trust is Australian dollars.

The functional currency of the US REIT is United States dollars. The assets and liabilities of the US REIT are translated to Australian Dollars at the rate of exchange current at balance date while income and expenditure are translated at the weighted average exchanges rates for the financial year. All foreign currency gains and losses arising on translation are taken to equity through the foreign currency translation reserve.

8. FOREIGN CURRENCY CONTRACTS

The Manager enters into foreign currency contracts to hedge distributions received from the US REIT in relation to the income generated by the property portfolio. The fair value of these contracts is recognised on balance sheet. At a consolidated level these hedge contracts do not qualify for hedge accounting under AIFRS and therefore movements in the fair value of these currency contracts is recognised in the income statement in the period in which they occur.

9. INCOME TAX

Withholding tax payable on interest income and distributions to the Trust is recognised as an expense as incurred. In addition, a deferred tax liability or asset and related deferred tax expense or credit is recognised on differences between the tax cost base of US assets and liabilities in the Trust (held by the US REIT or its associate) and their accounting carrying value at balance date. Any deferred tax liability or asset is calculated using the current withholding tax rate applicable to income distributions of 15%.

8.4 Alternative Interpretations of AIFRS Standards

There continues to be substantial debate and alternative views within the accounting profession as to the appropriate interpretation of a number of aspects of AIFRS. While the accounting treatments adopted by the Manager in the Forecast Period represent the Directors' view of the accounting policies to be adopted by the Trust, it is recognised that AIFRS interpretations are continuing to evolve.

The following table outlines one area identified by the Manager where there continues to be a significant variation in opinion and how the alternative view to that adopted in the Forecast Period may impact the accounting profit as forecast. It should be noted that as there would be no alteration to the underlying economic performance of the Trust none of these accounting adjustments, if required to be adopted, would impact the level of Trust distributions.

TABLE 8.1: ALTERNATIVE INTERPRETATIONS OF AIFRS STANDARDS

Potential alternative treatment	The Manager's treatment	Impact of alternative treatment on Forecast Period net profit
Accounting for foreign currency contracts		
The foreign currency contracts are effective hedges of the US\$ rental revenue generated by leases within the Portfolio.	Revenue hedges relating to foreign operation do not meet the hedging requirements of AASB121 and therefore do not qualify for hedge accounting.	That portion of rental revenue subject to hedge contracts would be recognised at the hedge rate. This would result in an increase in forecast rental of \$6.7 million.
To the extent that it is hedged, rental revenue (within the equity accounted result of the associate) is recognised at the hedge rate.	Rental revenues are recognised at the average exchange rate for the period and all realised exchange gains and losses and fair value movements on currency contracts are recognised in the profit and loss account.	Additionally, fair value movements on future contracts would be taken directly to equity. These movements have not been forecast and therefore there is no impact to the forecast results as presented.
The fair value of foreign currency contracts relating to future periods is recognised on balance sheet with movements in fair value taken directly to equity.		

8.5 Assumptions

The key assumptions made in preparing the forecast consolidated income and distribution statements and pro forma consolidated balance sheets are set out below. Investors are advised to review the assumptions and forecast financial information and make their own independent assessment of the future performance and prospects of the Trust.

AIFRS IMPLEMENTATION

The AIFRS accounting treatments adopted by the Trust in the financial forecasts are based on the following assumptions.

(i) Changes to Constitution

The Responsible Entity intends and is able to implement the required amendments to the Constitution prior to the notification of the distribution for the 31 December 2005 period in order for the units of the Trust to be classified as equity under AASB132.

(ii) No changes to AIFRS or interpretations

There are no additional accounting standards or substantive changes to existing standards or interpretations which would impact the Trust's current intended AIFRS treatment.

FAIR VALUES OF INVESTMENT PROPERTIES

It is assumed that increases in investment property fair values will be sufficient to absorb initial acquisition costs and capital expenditure incurred during the Forecast Period. Any further changes in investment property values have not been forecast on the basis that such changes cannot be reliably estimated and as non-cash items are not expected to impact distributions.

FAIR VALUES OF DERIVATIVES

Changes in the fair values of foreign currency and interest rate derivatives have not been forecast on the basis that such changes cannot be reliably estimated and as non-cash items will not impact distributions.

KEY FORECAST ASSUMPTIONS

The major assumptions made in preparing the Financial Information are set out below.

While the Manager considers these assumptions to be appropriate and reasonable at the time of preparing this PDS, investors should appreciate that many factors which may affect results are outside its control or may not be capable of being foreseen or accurately predicted. Accordingly, actual results may vary materially from the forecasts. Investors are advised to review the assumptions and financial forecasts and make their own independent assessment of the future performance and prospects of the Trust.

The forecasts have been reviewed by Ernst & Young Transaction Advisory Services Limited, who has prepared the Independent Accountant's Report contained in Section 11.1. Greenwoods & Freehills has prepared a report on Australian taxation implications and this is contained in Section 11.2. No person guarantees the future performance of the Trust.

The New Properties

The acquisition of the Trust's interests in the New Properties will include 69 properties with a total carrying value of US\$988.0 million in the JV Company (including acquisition costs). If the acquisitions occur on a different date than the assumed acquisition date of 1 September 2005 this may adversely affect forecast net operating income.

Net rental income

Net rental income of the JV Company comprises gross rental and all other income (including recoverable expenses) after deducting property expenses (including property management expenses). A summary of the key assumptions utilised in preparing the summary financial information for the New Properties has been outlined below.

Assumption	Rate/Level
Market rental growth rate (p.a.)	2.0%
Expense growth rate (p.a.)	2.0%
Lease commissions – new & renewal leases	4.0%
Tenant incentives (per sq ft)	US\$5
Existing non-committed vacancy downtime	3-24 months – depending on property
Vacancy allowance*	2.0%
Credit loss allowance	0.5%
Options exercised	All
Rent free period	None
Renewal probability	50%
Future rental downtime	6 months

* Assumes no property is ever more than 98% leased.

A summary of the key assumptions utilised in preparing the summary financial information for the Existing Properties has been outlined below.

Assumption	Rate/Level
Market rental growth rate (p.a.)	2.0%
Expense growth rate (p.a.)	2.0%
Lease commissions – new & renewal leases	3.0%/5.0%
Tenant incentives (per sq ft)	US\$2
Existing non-committed vacancy downtime	3-6 months – depending on property
Vacancy allowance*	0%
Credit loss allowance	0.75%
Options exercised	95%
Rent free period	None
Renewal probability	50% – 75% depending on property
Future rental downtime	6-12 months

Contingent deferred consideration

The JV Company has projected a net operating income budget for the first 18 months after the closing of the Transaction. If New Plan exceeds this budget, then the JV Company shall pay New Plan additional consideration up to a maximum of US\$12 million. This amount shall be paid by the JV Company to New Plan 18 months after the anniversary of the applicable closing date related to the Transaction.

The forecasts assume that the contingent deferred consideration is not paid by, and the related net property income not received by, the JV Company.

Forecast capital expenditure and tenant improvements

Allowance has been made for forecast capital expenditure and tenant improvements, which are assumed to be provided by way of capital contributions. In determining the capital expenditure payable by the US JV Company, the Manager has engaged an independent engineering expert to provide advice regarding capital expenditure over the Forecast Period.

The Trust's share of estimated capital expenditure and tenant improvements payable during the Forecast Period, is US\$3.2 million.

OTHER ASSUMPTIONS

Foreign currency exchange rate

The summary financial information has been prepared assuming the following exchange rates:

At date of the Transaction: A\$1.00 = US\$0.7513

Average rate for year ending
30 June 2006: A\$1.00 = US\$0.7435

The audited balance sheet at 30 June 2005 has been translated using A\$1.00 = US\$0.7637 being the rate applicable at that date. The average hedge rate assumed for the Trust for the year ending 30 June 2006 is US\$0.6826.

Interest rates

The following has been assumed in relation to the JV Company's debt facilities:

- Floating interest rate of, 4.75%, increasing at a rate of 0.25% per annum;
- 7 year CMBS fixed interest rate of 5.15%; and
- 10 year CMBS fixed interest rate of 5.17%.

CBL Put Options

As outlined in Section 10.12.1, CBL has the option to put the Redemption Properties and other properties back to the JV Company. The forecasts assume that the put options on these properties are not exercised.

Other

Other assumptions include:

- the US REIT maintains REIT status under US tax laws; and
- there are no further property acquisitions or disposals during the Forecast Period.

SENSITIVITY ANALYSIS

Foreign Exchange

The impact on the forecasts for the year to 30 June 2006 of a movement in foreign currency exchange rates by \$0.01 is as follows:

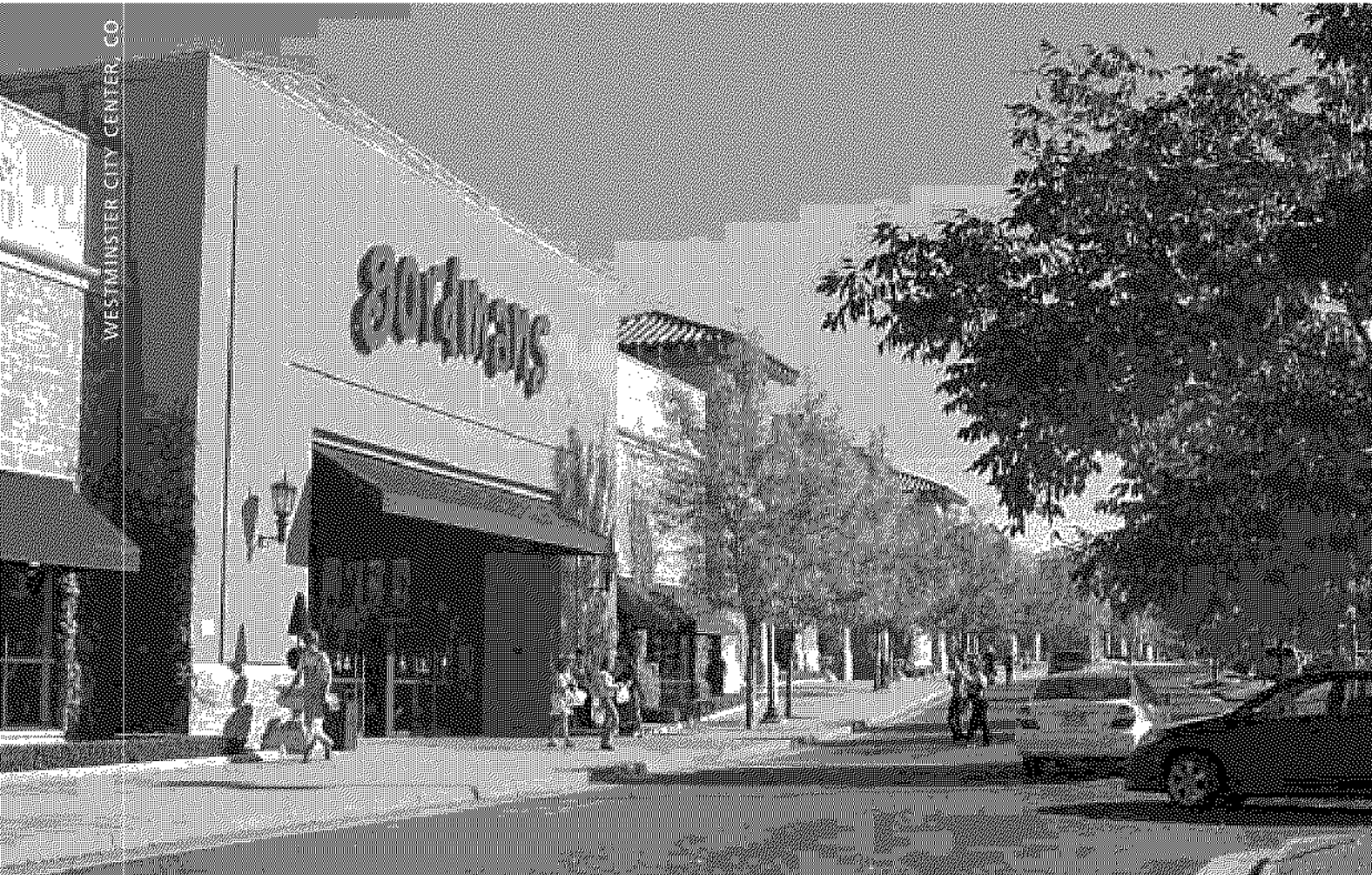
- Decrease by \$0.01: Increase in net profit after tax of \$957,000 and increase in EPU of 0.12
- Increase by \$0.01: Decrease in net profit after tax of \$931,000 and decrease in EPU of 0.12.

Floating Interest Rates

The impact on the forecasts for the year to 30 June 2006 of a movement in growth rates for floating rate debt is as follows:

- Increase by 0.25% per annum: Decrease in net profit after tax of \$132,000 and a decrease in EPU of 0.016.
- Decrease by 0.25% per annum: Increase in net profit after tax of \$131,000 and a increase in EPU of 0.016.

9 Risk Factors



POTENTIAL INVESTORS SHOULD CONSIDER THE RISKS INVOLVED IN INVESTING IN PROPERTY TRUSTS GENERALLY AND THE NEW UNITS TO BE ISSUED UNDER THIS PDS IN PARTICULAR. THIS SECTION OUTLINES THE RISKS THAT THE MANAGER CONSIDERS THE MOST PERTINENT. INVESTORS WITH ANY DOUBT, HAVING GIVEN DUE CONSIDERATION TO THESE MATTERS, SHOULD CONSULT THEIR STOCKBROKER OR PROFESSIONAL ADVISOR.

9.1 Economic and Market Environments

A number of factors affect the performance of stock market investments, which could affect the price at which Units (including the New Units) trade on ASX. Among other things, movements on international and domestic stock markets, interest rates, inflation and inflationary expectations and overall economic conditions, as well as government taxation and other policy changes, may affect the demand for, and price of, Units.

Volatility in the Australian or international financial markets may influence the trading price of Units on ASX.

Furthermore, as many property trusts are geared to varying levels, changes in the long-term bond rate may have an impact on the average income yields for the listed property trust sector and the value of the Units.

9.2 Changes in Government Legislation

Government legislation, including changes to taxation laws, may affect future earnings and the relative attractiveness of investing in the Trust. Changes to the tax law in Australia may affect the tax treatment of the Trust in particular and the market for property trust investment generally. As the assets of the Trust are within the US, changes to the tax laws in the US may adversely impact the US REIT and accordingly the Trust. The US laws relating to taxation of US REITs is constantly being examined and any change to such laws could adversely affect the US REIT's ability to qualify as a REIT for US federal income tax purposes.

9.3 US Taxation

Although, under current law, the US REIT believes that it is organised, owned and operated so that it qualifies as a REIT under the US Internal Revenue Code, given the highly technical and complex nature of the rules governing status as a REIT, the importance of factual determinations and the possibility of future changes in circumstances or law, no assurance can be given that the US REIT has in fact qualified or will remain qualified as a REIT. In addition, even if the US REIT qualifies as a REIT, it could still be subject to US federal income tax in certain situations, including (among other situations) if it fails to satisfy the gross income tests or asset tests that are applicable under the REIT rules but nevertheless maintains its qualification as a REIT because other requirements are met.

Clifford Chance US LLP has provided an opinion to the effect that commencing with the US REIT's taxable year ended December 31, 2003, it has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and its proposed method of operation will enable it to continue to meet the requirements for qualification and taxation as a REIT under the Internal Revenue Code. It must be emphasized that the opinion of Clifford Chance US LLP is based on various assumptions relating to the US REIT's organization and operation, including that all factual representations and statements set forth in all relevant documents, records and instruments are true and correct, and that the US REIT will at all times operate in

accordance with the method of operation described in its organizational documents, and is conditioned upon factual representations and covenants made by officers and management of the US REIT, the Manager and the LLC regarding the US REIT's organization, assets, and present and future conduct of its business operations, and assumes that such representations and covenants are accurate and complete and that the US REIT will take no action inconsistent with its status as a REIT. While the US REIT believes that it is organized and operated so that it has qualified and will continue to qualify as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in the US REIT's circumstances, no assurance can be given by Clifford Chance US LLP or the US REIT that the US REIT has or will so qualify for any particular year. Clifford Chance US LLP will have no obligation to advise the Trust or the US REIT of any subsequent change in the matters stated, represented or assumed, or of any subsequent change in the applicable law. In addition, opinions of counsel are not binding on the Internal Revenue Service, and no assurance can be given that the IRS will not challenge the conclusions set forth in such opinions. Provided that the US REIT qualifies as a REIT, it will generally be entitled to a deduction for dividends that it pays and therefore will not be subject to US Federal corporate income tax on its net income that it currently distributes to its shareholders.

In order for the US REIT to qualify as a REIT under the Internal Revenue Code, it must satisfy a number of requirements including requirements regarding the composition of its assets and the sources of its gross income as well as distribute annually at least 90% of its net taxable income, excluding net capital gains. In addition, no more than 50% of the value of its shares may be owned, directly or indirectly, by five or fewer individuals (including holders of Units) during the last half of any taxable year of the US REIT (other than the first taxable year for which the US REIT elects to be treated as a REIT) (called the '5/50 rule'). If the US REIT were to fail to satisfy the 5/50 rule or any other requirement necessary to maintain its REIT qualifications, it would likely not qualify as a REIT and would be required to pay US federal income tax at ordinary corporate rates. This would adversely affect the ability of the US REIT to make distributions to the Trust and, accordingly, the Trust's ability to make distributions to Unitholders. The US REIT's Articles of Incorporation contain certain restrictions and notification requirements in relation to the ownership of shares of capital stock of the US REIT. An acquisition by a Unitholder that would cause the US REIT to violate the 5/50 rule would trigger certain measures contained in the articles designed to prevent this from happening. Such provisions could result in the automatic transfer of certain shares of the US REIT held by the Trust to a trust for the exclusive benefit of one or more charitable beneficiaries ("charitable trust"). The automatic transfer would be effective as of the close of business on the business day prior to the date of the violation of the 5/50 rule. Any dividends or other distributions with respect to such shares after the effective date would be payable to the charitable trust. Upon a sale of such shares by the charitable trust, the Trust would generally be entitled to the lesser

of: (1) the fair market value of such shares on the day immediately preceding the effective date of the transfer; and (2) the sale price received by the charitable trust. Under Australian law, substantial unitholdings above 5% need to be disclosed to the market and no person's voting power in the Trust can exceed 20% unless permitted by the Corporations Act. This provides a level of transparency as to whether the 5/50 rule is likely to be violated, but there can be no guarantee that it will not be violated.

In general, dividends that are paid by a REIT to a non-US shareholder, and that are not attributable to capital gains, are subject to 30% US withholding tax. The tax treaty between Australia and the US generally provides that dividends paid by a REIT to a listed property trust are generally subject to 15% US withholding tax. However, if the Manager has reason to know that any Unitholder owns 5% or more of the beneficial interest in the Trust, then the Unitholder will be deemed to hold a corresponding portion of the Trust's interest in the US REIT and will be deemed to be beneficially entitled to the US REIT dividends paid on such interest. In general, the US REIT dividend paid in respect of such a Unitholder will be subject to a reduced 15% withholding tax rate only if: (1) the Unitholder is an individual treated as owning an interest of not more than 10% in the US REIT; (2) the Unitholder is treated as owning an interest of not more than 5% in the US REIT and certain other conditions are met; or (3) the Unitholder is treated as owning an interest of not more than 10% in the US REIT and the gross value of no single interest in real property held by the US REIT exceeds 10% of the gross value of the US REIT's total interest in real property.

9.4 Property Market

Changes to the US property market may affect the value of the assets within the Portfolio and hence affect the performance of the Trust. The value of the Trust's indirect interest in the Portfolio may be influenced by changes in rental levels (which will vary according to the supply and demand for Power, Community and Neighbourhood Shopping Centre retail space in the respective markets of each property), demand for property from investors, expenses in maintaining the properties, as well as refurbishment and property vacancy levels. In addition, the supply of competing existing or new assets, which may affect the ability to secure lease renewals or obtain new tenants, may also have an impact on the Portfolio and, in turn, on the performance of the Trust.

Levels of retail spending in the relevant markets in the US around properties in the Portfolio could change.

Any reduction in such retail spending or change in retail spending patterns could impact the ability or willingness of retailers to pay rent at the forecast levels.

9.5 Exchange Rates

The value of the Australian dollar has been subject to significant fluctuations with respect to the US dollar in the past and may be subject to significant fluctuations in the future. The Trust is exposed to US assets and liabilities, the value of which is denominated in US dollars. If the Australian dollar appreciates against the US dollar, the value of US assets less US dollar liabilities, when converted into Australian dollars, would decrease.

The Trust takes out foreign exchange hedges. Despite these hedges, with the expiration of time, the amount of Australian dollar distributions made by the Trust may decrease because of foreign exchange movements.

The capital value of the Trust's indirect interest in the Portfolio is not hedged.

9.6 Interest Rates

The Trust will be exposed to interest rate movements on floating rate debt obligations of the JV Company and the US REIT or net cash balances held during the Forecast Period. It is anticipated that the majority of the debt will be based on fixed interest rates for the medium to long term. This may be achieved through use of fixed rate loans or interest rate swaps. Whilst a significant portion of the borrowings will be at fixed interest rates during the Forecast Period, there is still a degree of interest rate exposure.

Moreover, a financier may terminate a fixed rate financing facility if the loan is in default. Financiers generally have no obligation to roll over any financing facility at the end of its term. There is no guarantee that future debt facilities may be obtained at comparable interest rates. If a financing facility cannot be entirely refinanced on expiry, the Manager may be required to raise funds from an alternative source to reduce or repay the existing facilities held by the Trust. This may impact the returns of Unitholders.

9.7 AIFRS Implementation and Interpretation

The year ending 30 June 2006 will represent the first reporting period of the Trust under the requirements of AIFRS. The accounting requirements imposed by AIFRS are complex and interpretations of these requirements continue to evolve. The actual application of various AIFRS requirements may differ from that currently contemplated in the financial forecasts. This may result in the reported earnings of the Trust varying materially from those forecast. In addition to variations in interpretation and application of AIFRS, there are also a number of fair value-related items that will affect reported earnings that cannot be reliably estimated and therefore have been excluded from the financial forecasts.

However, these accounting applications do not alter the underlying economic performance of the Trust and are not expected to significantly impact Trust distributions.

9.8 Future Acquisitions

The Manager intends to seek further property acquisitions to be made by the JV Company in addition to those outlined in this PDS. The rate at which this occurs will depend on market conditions and capital availability at the time. Forecast distributions may be affected, although it is the Manager's intention that future acquisitions will be accretive and will not dilute the net asset value of the Trust. The JV Company will not be the exclusive acquisition vehicle for New Plan.

9.9 Non-Exclusivity

The JV Company will not be the exclusive acquisition vehicle for New Plan. New Plan will continue to own and operate other Power, Community and Neighbourhood Shopping Centres (including other centres in locations near the New Properties) outside of the JV Company.

The JV Company will, however, be New Plan's sole Australian vehicle for the acquisition of Power, Community and Neighbourhood Shopping Centres.

9.10 Change of Control

The control of the JV Company is shared by the US REIT and New Plan. The JV Company owns, or will after the Transaction own, the Portfolio.

New Plan Australia has a right to require the JV Company to redeem all or a portion of New Plan Australia's holding of shares in the JV Company at any time on or after the fifth anniversary of the completion of the Transaction or, if earlier, the date the Property Management and Services Agreement is terminated.

If there is a change in control of New Plan Australia, New Plan or ERP Australia or termination of the Property Management and Services Agreement, the US REIT has a right to purchase New Plan Australia's, New Plan's and ERP Australia's holding of shares in the JV Company and their interest under the Property Management and Services Agreement.

If there is a change of control of the US REIT, including a change of control of the Trust or removal of the Manager as responsible entity, New Plan Australia has a right to purchase the US REIT's holding of shares in the JV Company (and therefore the Trust's indirect interest in the JV Company). However, this right of New Plan Australia terminates upon termination of the Property Management and Services Agreement or if New Plan Australia and its affiliates no longer own in the aggregate 50% of the shares in the JV Company received by New Plan Australia on the date of the Limited Liability Company Agreement.

Section 10.12.5 summarises the relevant definition of change of control for these purposes. It includes where the Manager is no longer the responsible entity of the Trust, where any person or group becomes the beneficial owner of more than 35% of the Units, and where the US REIT, New Plan Australia or ERP Australia consolidates or merges or disposes of substantially all of its assets to another person.

The sale price per Share is generally calculated by reference to the market value of the Units (unless it involves equity interests in the US REIT, New Plan Australia or New Plan).

Section 10.12.5 outlines the redemption and change of control provisions in more detail.

9.11 Management Arrangements

The performance of the Portfolio will be dependent over time upon New Plan's performance of its asset and property management services, under long-term management arrangements. These arrangements have an initial term of 20 years from 21 September 2003 with two five-year renewal terms (at the option of the JV Company). Management arrangements between Galileo Advisory LLC and the JV Company and the US REIT have been amended to run for the same period.

9.12 Other Risks

Other risks include, but are not limited to:

- * capital and income distributions are not guaranteed;
- * the possibility of default by tenants or New Plan on their obligations which would reduce the income to the Trust and the JV Company;
- * failure to complete the acquisition of the New Properties;
- * unforeseen capital expenditure requirements;
- * other expenses being greater than anticipated thereby reducing the amount available for distribution;
- * any of the assumptions used in forecasting the Trust's financial performance may not be achieved or occur such that the forecast distributions may not be achieved;
- * payment of the performance fee in the future may reduce distributions in the years they are paid;
- * unforeseen environmental issues which may affect the Portfolio; and
- * potential exposure to uninsurable or under-insured risks may affect the level of distributions to Unitholders and/or the net asset value of Units.

10 Additional Information



THIS SECTION CONTAINS ADDITIONAL INFORMATION THAT IS CONSIDERED IMPORTANT IN RELATION TO THE TRANSACTION.

This Section provides information on the following:

- Regular Reporting and Disclosure Obligations (Section 10.1)
- Availability of Documents (Section 10.2)
- Constitution (Section 10.3)
- Compliance Plan (Section 10.4)
- Distribution Reinvestment Plan (Section 10.5)
- ASX Waivers (Section 10.6)
- ASIC Class Order 05/26 (Section 10.7)
- Interests Requiring Disclosure (Section 10.8)
- Consents (Section 10.9)
- Directors' Interests (Section 10.10)
- Related Dealings and Related Party Transactions (Section 10.11)
- Material Contracts (Section 10.12)

10.1 Regular Reporting and Disclosure Obligations

The Trust is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require the Manager to notify ASX of information about specified events and matters as they arise for the purposes of ASX making that information available to the stock market conducted by ASX. In particular, the Manager has an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information of which the Manager is, or becomes aware of concerning the Trust, which a reasonable person would expect to have a material effect on the price or value of Units. Copies of documents lodged with ASIC in relation to the Trust may be obtained from, or inspected at, an office of ASIC.

10.2 Availability of Documents

The Manager will provide a copy of the accounts of the Trust for the year ended 30 June 2005 and any continuous disclosure notices given by the Trust after lodgement of those accounts and before the date of this PDS, free of charge, to any person who asks for it in the period starting from the date of issue of this PDS and ending on the Closing Date.

The financial statements, and continuous disclosure notices, are not included in or attached to this PDS. A copy of the Constitution, the Manager's constitution, the compliance plan, the IPO product disclosure statement, the Underwriting Agreement, the property valuation reports, the other agreements referred to in Section 10.12 and the consents referred to in Section 10.9 may be inspected during usual business hours on Business Days at the office of the Manager referred to in the Directory at the back of this PDS.

In addition, there are summaries in Section 10.12 of this PDS of material agreements which, among other things, explain the cooperative relationship between the Manager and New Plan and the day to day management of the entities involved and the Portfolio in which the Trust has an indirect interest.

10.3 Constitution

INTRODUCTION

The Trust is governed by a Constitution dated 4 September 2003 and has been registered as a managed investment scheme with ASIC, in accordance with Chapter 5C of the Corporations Act.

Galileo Funds Management Limited is the Manager of the Trust. The respective rights and obligations of the Manager and Unitholders are determined by the Constitution, the Corporations Act, the Listing Rules and this PDS, together with any exemptions and declarations issued by ASIC and the general law relating to trusts. Neither the provisions of these laws and rules, nor their effect on the Constitution, have been summarised below.

The Constitution is a lengthy and complex document and the following summary is therefore necessarily brief.

UNITHOLDERS' RIGHTS AND OBLIGATIONS

The beneficial interest in the Trust is divided into Units.

Each fully paid Unit confers an equal interest in the Trust Property and each partly paid Unit confers an interest in the Trust Property proportionate to the amount paid up on that Unit. A Unit confers an interest in the Trust Property as a whole and it does not confer an interest in any particular asset.

CREATION OF UNITS

The Manager can issue Units in accordance with the Constitution. A person who wishes to apply for Units must lodge a completed application form and the application monies with the Manager, who may in its absolute discretion accept or refuse, in whole or in part, any application for Units.

The Manager may also, at any time, issue Units in two or more classes and may convert any class of Units to another class.

ISSUE PRICE OF UNITS

The Constitution contains provisions for calculating the issue price of Units, for the first and any future issues.

The Constitution also provides for the Manager to determine a different issue price in relation to some Units, a class of Units or all Units to the extent it is permitted to do so by an ASIC exemption and the Listing Rules.

OPTIONS AND FINANCIAL INSTRUMENTS

The Manager has the power to issue options in respect of Units and other financial instruments.

10.3 Constitution (continued)

INCOME

The Manager will determine the distributable income of the Trust for each financial year. If the Manager does not make a determination prior to the end of a financial year then the distributable income for that financial year is the net accounting income for the financial year. On and from the last day of each financial year, Unitholders are entitled to a share in the Trust's income based on the number of partly paid and fully paid Units held. The Constitution provides that, if the Manager approves, Unitholders may choose to reinvest some or all of their distribution by acquiring more Units in the Trust. A distribution may be paid in cash or assets or by way of bonus Units. The Manager may also decide to make an interim distribution or to distribute capital. The Manager may deduct from distributions any tax that is required by law to be deducted. If additional US withholding tax is withheld from any dividends or distributions paid to the Trust as a consequence of the characteristics of any particular Unitholder or Unitholders, including the number or percentage of Units on issue held by any such Unitholder, then that additional US withholding tax will be allocated to that Unitholder and will be deducted from the distributable income payable to that Unitholder.

TRANSFERS

Units may be transferred by an applicable uncertificated trading system. In this PDS, the Manager has approved Unitholders to transfer their Units on ASX. All such transfers must be effected in accordance with the Listing Rules. Restricted securities (as defined in the Listing Rules), however, may not be transferred.

SMALL HOLDINGS

The Constitution gives the Manager the power to sell or redeem any Units held by a Unitholder which comprise less than a marketable parcel, as notified by the Manager to Unitholders, without request by the Unitholder. The Manager will provide the Unitholder six weeks notice of such proposed sale or redemption. If within this notice period the Unitholder advises the Manager that the Unitholder wishes to retain the Units, the Manager will not sell or redeem the relevant Units.

ENTITLEMENTS ON DEATH

If a Unitholder dies, the survivor (where the Unitholder was a joint holder) and the legal personal representatives of the deceased (where the Unitholder was a sole holder) will be the only persons recognised by the Manager as having any title to the Unitholders' interests in the Unit.

On the production of information as required by the Manager, a Unitholder's legal personal representative or the responsible entity of the estate is entitled to the same distributions from the Trust that the Unitholder was entitled to.

NO REDEMPTION

A Unitholder cannot redeem Units while the Trust is listed.

LIABILITY OF UNITHOLDERS

The Constitution states that each Unitholder's liability to the Manager or the Trust is limited to the aggregate of amounts paid and agreed to be paid by the Unitholder for the issue of Units.

This provision seeks to ensure that if the issue price, including any calls on partly paid Units, has been fully paid, no Unitholder will be personally liable to indemnify the Manager or any creditor of the Manager in the event that the liabilities of the Trust exceed its assets. However, the ultimate liability of Unitholders in Unit trusts has not been finally determined by the courts.

PARTLY PAID UNITS

The Manager may offer Units as partly paid Units. While Units are partly paid the Unitholder has an obligation to pay the unpaid amount. A call is not invalidated because any Unitholder does not receive a notice of the call. If an instalment is not paid, the Units become liable for forfeiture and may be sold by the Manager. On completion of the sale of a forfeited Unit, the Unitholder ceases to be the holder of the forfeited Unit, but remains liable to the Manager for all amounts owing in relation to the Unit (including the unpaid amount, interest and all costs incurred in relation to the forfeiture). The Manager also has the right to apply any amount payable to a Unitholder under the Constitution to pay unpaid instalments and any costs and expenses incurred by the Manager in relation to the unpaid instalments. If an underwriter acquires forfeited Units for a price equal to the unpaid amounts and if this price is greater than then market value of fully paid Units, the defaulting former Unitholder remains liable for the difference. While Units are partly paid votes on a poll are proportional to the amount paid up.

MANAGER'S POWERS AND DUTIES

The Manager holds the Trust's assets on trust, and may manage these assets as if it were the absolute and beneficial owner of them. In the exercise of its powers the Manager may, without limitation, acquire or dispose of any real or personal property, borrow or raise money, encumber any asset, incur any liability, give any indemnity, provide any guarantee, apply for listing of the Trust, enter into derivative and currency swap arrangements, enter into joint venture arrangements or fetter any power.

The Manager may appoint delegates or agents (including custodians) to perform any act or exercise any of its powers, as well as advisors to assist it with its duties and functions.

EXCHANGE OF UNITS IN THE TRUST FOR UNITS IN ANOTHER SCHEME

The Constitution contains provisions which allow the Manager to transfer Units of Unitholders to another managed investment scheme (the "Successor Scheme") in exchange for the issue to the relevant Unitholders of units in the Successor Scheme with an equivalent total issue price to the Units transferred. Alternatively, the Manager may transfer the Trust Property to the Successor Scheme in exchange for the issue of units in the Successor Scheme to Unitholders.

The property transferred must be equivalent to the value of the Units of the relevant Unitholders.

The Manager may only exercise this right if, having regard to any reasonably foreseeable material benefits and detriments to Unitholders, the Manager believes that this course of action is in the interests of Unitholders as a whole, or is not materially adverse to the affected Unitholders and to the Unitholders as a whole. The Manager must give notice to the affected Unitholders not less than 21 days before the date of the proposed transfer which must contain the necessary information about the Successor Scheme.

If an offer is made to Unitholders to transfer some or all of their Units in consideration of:

- the issue of or transfer of Units in another scheme or interests of whatever nature in another entity;
- a cash payment; and
- a transfer of assets,

then if no election has been made by a Unitholder during the 21 day notice period, the Unitholder will be taken to have accepted the offer. Where the offer is of cash and one or more other alternatives, the Unitholder is taken to have elected to accept the cash alternative. Where there are one or more non-cash alternatives, the Unitholder is taken to have elected to accept the alternative determined by the Manager.

ADVISORY BOARD

The Constitution provides that the Manager may form an advisory board comprising the number of members that the Manager notifies to Unitholders. The advisory board will have the functions determined by the Manager. A member of the advisory board is entitled to a fee out of the Trust Property as determined by the Manager.

INTERESTED DEALINGS

The Manager (in its personal capacity or in any capacity other than as responsible entity of the Trust) or any of its associates may:

- deal with the Manager (as responsible entity of the Trust) or any Unitholder;
- be interested in any contract, transaction or matter with the Manager (as responsible entity of the Trust) or any Unitholder;
- act as trustee or responsible entity of any other trust or managed investment scheme; and
- deal with any entity in which the Manager holds an investment on behalf of the Trust, and in each case the Manager (or an associate) may retain for its own benefit all profits or benefits derived from that activity.

VALUATION OF ASSETS

The Manager may at any time cause the valuation of any asset of the Trust, and must do so if required by ASIC or the Corporations Act. The value of an asset will be at market value unless the Manager determines otherwise.

MANAGER'S AND ADVISORY BOARD'S LIMITATION OF LIABILITY

Neither the Manager nor any member of the advisory board is liable for any loss or damage to any person (including any Unitholder) arising out of any matter unless, in respect of that matter, it acted both otherwise than in accordance with the Constitution and without a belief held in good faith that it was acting in accordance with the Constitution. In any case, the liability of the Manager and each member of the advisory board in relation to the Trust is limited to the assets of the Trust from which the Manager and each member of the advisory board is indemnified. In particular, the Manager and each member of the advisory board is not liable for any loss or damage to any person arising out of any matter where, in respect of that matter:

- to the extent permitted by law, it relied in good faith on the services of, or information or advice from, or purporting to be from, any person appointed by the Manager or the Advisory Board; or
- it acted as required by law; or
- it relied in good faith upon any signature, marking or document.

This limitation of liability is subject to the Corporations Act.

MANAGER'S INDEMNITIES

The Manager has a right of indemnity out of the Trust Property on a full indemnity basis unless, in respect of that matter, the Manager has acted negligently, fraudulently or in wilful default. This indemnity continues after the Manager retires or is removed as responsible entity of the Trust and is subject to the Corporations Act.

REMUNERATION AND RECOVERY OF EXPENSES

The Manager can charge base and performance fees as summarised in Section 7 of this PDS. To the extent that the agreed proportion of these fees (currently 90%) is payable by the US REIT, the Trust will not pay such proportion but will only pay the balance (currently 10%). The performance fee is described in more detail below. In addition to these fees, and any other right of indemnity under the Constitution or the law, the Manager is indemnified and entitled to be reimbursed out of the assets of the Trust for all expenses reasonably and properly incurred in connection with the Trust or in performing its obligations under the Constitution.

10.3 Constitution (continued)

(A) PERFORMANCE FEE: FORMULA

The Manager is entitled to a performance fee payable out of the Trust in respect of each Half Year if the performance of the Trust for the Half Year exceeds a stated benchmark. The performance fee will be payable to the Manager within five Business Days of the date of calculation of the performance fee. The formula for determining the performance fee (if any) payable to the Manager in respect of a Half Year is set out below. If the TR (as defined below) for the Trust for a Half Year is negative, the performance fee (if any) to which the Manager would have been entitled will not be paid to the Manager until the end of the first succeeding Half Year in which the TR is positive unless a Trigger Event occurs in which case paragraph (B) applies.

Performance fee payable to the Manager = PF + EPF

where:

PF (Tier 1 Performance Fee) = NPC x Mco x 5%, but equals zero if NPC is not greater than zero;

EPF (Tier 2 Performance Fee) = (NPC - Epb) x Mco x 15%, but equals zero if NPC is not greater than Epb;

NPC = TR-BM (expressed as a percentage);

NPo (Opening Net Performance) = NPC of prior Half Year except in the first Half Year when NPo = 0;

TR (Trust Return expressed as a percentage) = (Tc - To)/To

where:

Tc = Trust Index at the close of the Half Year; and

To = Opening Trust Index being the Trust Index at close of the prior Half Year or if NPo < 0 then To = the Trust Index used as the Opening Trust Index (To) for the previous period;

BM (Benchmark Return expressed as a percentage) = (Bc - Bo)/Bo

where:

Bc = Benchmark Index at the end of the Half Year; and

Bo = Opening Benchmark Index being the Benchmark Index at close of the prior Half Year or if NPo < 0 the Bo = the Benchmark Index used as the opening Benchmark Index (Bo) for the previous period;

Mco (Market capitalisation) = Po X Uo

where:

Po = the weighted average trading price of all Units traded on ASX during the 10 Business Days from and including the date upon which the Units trade ex the distribution entitlement for the period ending on the last day of the relevant Half Year; and

Uo = Units on issue at the close of the last day of the relevant Half Year;

Epb (Tier 2 Performance Benchmark) = 1% for the Half Year.

(B) CASH PAYMENT OF PERFORMANCE FEE ON THE OCCURRENCE OF A TRIGGER EVENT

If a Trigger Event occurs, the Manager is entitled to be paid a cash payment equal to the performance fees calculated in accordance with paragraph (A) as if the end of the Half Year was the date of the occurrence of the Trigger Event, but in determining the Trust Index at the close of the period there is to be substituted for the market price of the Units:

- * in the case of a takeover bid, the mid-point of the value range for the Units contained in the independent expert's report (if any) prepared for the Unitholders or for the target's statement or, if there is no independent expert's report, the price per Unit which would be payable for compulsory acquisition (including in the case of non-cash consideration the market value of that non-cash component on the date of the Trigger Event);
- * in the case of a scheme of arrangement, the mid-point of the value range for the Units contained in the independent expert's report (if any) prepared for the Unitholders in relation to the scheme of arrangement or if there is no independent expert's report, the fair value of the consideration per Unit as determined by an independent accountant appointed by the Manager;
- * in the case of delisting, the weighted average market price of the Units traded on ASX during the 10 Business Days prior to the date of delisting; or
- * in the case of termination of the Trust, the amount per Unit to be received by the Unitholders after accruing the amount payable to the Manager for the performance fee.

In addition, the Manager shall be paid a cash payment equal to the full amount of the performance fee from any prior Half Year which the Manager would have been entitled to but which has not been paid whether due to Trust Return (TR) being negative although exceeding the Benchmark Return (BM), the performance fee exceeding 0.15% of the Trust Value as at the end of the financial year in accordance with paragraph (C) or otherwise.

The cash payment is payable as soon as it can be calculated and shall be paid to the entity which was the responsible entity on the day upon which the Trigger Event occurred notwithstanding that the entity may have ceased to be the responsible entity or that the Trust has terminated.

(C) MAXIMUM AMOUNT OF PERFORMANCE FEE

The maximum performance fee which may be paid to the Manager in accordance with paragraph (A) above in respect of any financial year is 0.15% of the Trust Value as at the end of that financial year. If the performance fee as calculated under paragraph (A) above exceeds this limit in respect of a financial year, the balance of the performance fee above the limit shall not be paid immediately but can be carried forward and be payable in any future financial year to the extent to which the performance fee in respect of that financial year (plus any carried forward performance fee proposed to be paid) is less than the limit in respect of that future financial year.

The cash payment which may be paid to the Manager in accordance with paragraph (B) is not subject to a maximum amount.

(D) ISSUE OF UNITS IN LIEU OF THE PERFORMANCE FEE

The Manager may, at its absolute discretion, determine that Units in the Trust shall be issued to the Manager in lieu of payment of the performance fee described in paragraph (A) above. These Units shall be issued at an issue price which is the greater of:

- the Market Price where the relevant day is the first Business Day after the Units trade ex the distribution entitlement with respect to the relevant Half Year; or
- the net tangible asset backing per Unit at the end of the Half Year.

The number of Units issued will be calculated by dividing the amount of the performance fee which would otherwise be payable to the Manager by the issue price determined as described in this paragraph (D).

(E) NO REFUND OF PERFORMANCE FEE

For the avoidance of doubt, where a performance fee is payable and paid to the Manager in respect of a Half Year in accordance with these arrangements, it does not become repayable in any circumstance including by reference to the performance of the Trust or the Manager in any later period.

(F) DEFINITIONS FOR THE PERFORMANCE FEE

Half Year means a period of six months ending 30 June or 31 December. The first Half Year is the period from the date upon which the Units are first officially quoted to 31 December 2003 and in relation to the calculations for that initial Half Year for the purposes of calculating the performance fees, the expression 'last day of the prior Half Year' means the day prior to the commencement of that Half Year.

Trust Index means the accumulation index for the Trust as calculated by Standard & Poor's, or other suitable body as determined by the Manager from time to time and notified to Unitholders, using closing market price series data except for the closing price at the end of the Half Year which shall be replaced by the 10 day volume weighted average trading price from and including the date upon which the Units trade ex distribution entitlement for the relevant Half Year. The index will commence at 100 on the date immediately prior to the date upon which Units shall first become officially quoted representing the initial 70 cents instalment amount paid for each Unit.

Benchmark Index means the accumulation index utilising the securities included in the S&P/ASX 200 Retail Property Accumulation Index (but excluding Units in this Trust from the calculation) as calculated by Standard & Poor's, or another suitable body as determined by the Manager from time to time and notified to Unitholders, using closing market price series data except for the closing price at the end of the Half Year which shall be replaced by the 10 day volume weighted average trading prices from and including the date upon which the Trust's Units trade ex distribution entitlement for the relevant Half Year. The index will commence at

100 utilising the closing prices on the date immediately prior to the date upon which the Units shall first become officially quoted. If the S&P/ASX 200 Retail Property Accumulation Index ceases to be published or reasonably able to be calculated or, in the Manager's reasonable opinion, is no longer a relevant benchmark there shall be substituted a comparable index selected by the Manager. If the market capitalisation of the Trust exceeds 40% of the market capitalisation of the S&P/ASX 200 Retail Property Accumulation Index, the benchmark index will be the S&P/ASX 200 Property Accumulation Index (but excluding Units in this Trust from the calculation) and the rest of this definition will apply accordingly.

Trigger Event means any of the following:

- a resolution is passed at a meeting of Unitholders removing or replacing the responsible entity without the recommendation of the existing responsible entity;
- the Trust terminates;
- when the Manager receives notification from ASX of the removal of the Trust from the official list or after the Units are suspended from quotation by ASX for a continuous period of 60 days;
- the Units are the subject of a takeover bid which achieves the threshold for compulsory acquisition under Chapter 6A of the Corporations Act;
- the Unitholders approve a formal or informal scheme of arrangement pursuant to which the Trust is to merge with any other managed investment scheme or entity or pursuant to which there is a material change in the ownership or control of the Trust.

Trust Value means the gross asset value of the Trust. For the purposes of this calculation for the performance fee, an asset may be valued by the Manager based on the gross value of an asset underlying (whether directly or indirectly) that asset but only in proportion to the Trust's direct or indirect interest in the asset. For example, where the asset is a direct or indirect interest in another entity which holds an underlying asset, the asset may be valued based on the value of that underlying asset, in proportion to the Trust's indirect interest in the asset, disregarding any borrowings, liabilities or provisions of the other entity. In valuing an underlying asset for the purposes of this provision, the Manager may adopt the value of the asset in the books of the other entity which holds the asset, or any other valuation method determined by the Manager.

Market Price of a Unit (or where applicable, of a class of Units) on a particular day means the average of the weighted average price per Unit in that class of Units for sales of that class of Units on ASX (excluding any special crossings) on an ASX trading day for the period of 10 ASX trading days immediately prior to the relevant day (whether or not a sale was recorded on any particular day) adjusted to take into account any ex entitlement dates that occurred during this period.

Examples of how the Performance Fee is calculated are included below:

10.3 Constitution (continued)

Performance Fee: Formula

Example 1

As an example of the operation of the performance fee calculation if the market capitalisation was \$940 million, if the benchmark had returned 5% for a half year, and the Trust had returned 6%, the outperformance would be 1% for the half year.

Based on the terms of the example above, the amount of the performance fee would be:

Tier 1 Performance Fee

1% total outperformance x equity capital of \$940 million x 5%
= \$470,000

Tier 2 Performance Fee

No Tier 2 Performance Fee as total outperformance does not exceed 2% p.a.

Example 2

If, in a different example, the Trust's performance for a half year was 7%, and the benchmark returned 5% during the same period (2% outperformance), the amount of the performance fee would be calculated as follows:

Tier 1 Performance Fee

2% total outperformance x equity capital of \$940 million x 5%
= \$940,000

Tier 2 Performance Fee

1% (2%-1%) Tier 2 total outperformance x equity capital of \$940 million x 15% = \$1.41 million

Total performance fee

= Tier 1 performance fee of \$940,000
+ Tier 2 performance fee of \$1.41 million
= \$2.35 million

When calculating the total amount of the performance fee payable in respect of any financial year, irrespective of the level of outperformance for the period, the total performance fee is capped at 0.15% of the Trust Value as at the end of the financial year. Assuming that Trust Value were \$1,000 million then the fee cap would be \$1.5 million p.a. (subject to the fee carry forward provisions described in paragraph (B) above). Further if the performance of the Trust is negative in any period there is no performance fee payable to the Manager during that period.

These examples are indicative only and do not purport to represent the likely performance fees to be payable. The financial forecasts assume that no performance fee is payable during the forecast period. Section 7 deals with the allocation of the performance fee.

INDEMNITY OF COMPLIANCE COMMITTEE AND ADVISORY BOARD

If any member of a compliance committee or advisory board established by the Manager in connection with the Trust incurs a liability in that capacity in good faith, the Manager may indemnify the member out of the Trust Property, to the extent permitted by the Corporations Act.

INCURRING OF LIABILITY

The Manager is not required to do anything which involves it incurring any liability unless its liability is limited in a manner satisfactory to it.

AMENDMENT OF CONSTITUTION

Subject to the Corporations Act, the Manager may amend the Constitution.

DURATION OF TRUST

Unless terminated earlier under the Constitution or by law, the Trust continues until the day before the expiration of 80 years following the commencement of the Trust.

On termination of the Trust, the net proceeds from realisation of the Trust Property will be distributed among the Unitholders in proportion to the number of Units they hold. Any unpaid fees payable (or to be payable) to the Manager and any expenses of termination will be deducted from the net proceeds from realisation before they are distributed to Unitholders. The Manager may transfer assets to any Unitholder holding Units having a value in excess of an amount as determined by the Manager in satisfaction of that Unitholder's entitlement in the scheme property. The value of the assets transferred will be calculated at market value and the expenses incurred in transferring the assets will be borne by the Unitholder. The Manager may postpone the realisation of any asset for as long as it thinks it is desirable to do so in the interests of Unitholders and may also retain for as long as it thinks fit sufficient assets to meet any outgoing or liabilities in respect of the Trust. The Manager will not be responsible for any loss attributable to postponement of a sale.

CONVENING MEETINGS OF UNITHOLDERS

The Manager may at any time convene a meeting of Unitholders. A meeting must be held in accordance with the terms of the Constitution, the Listing Rules and the Corporations Act. A resolution validly passed at a meeting is binding on all Unitholders in the Trust (whether or not present). Except in circumstances where the Corporations Act requires a resolution to be passed at a meeting of Unitholders, a resolution in writing signed by Unitholders together holding the number of votes necessary for the resolution to be passed is a valid resolution of the Unitholders.

CHANGE OF RESPONSIBLE ENTITY

The Manager may retire as the responsible entity of the Trust as permitted by the Corporations Act and must retire as the responsible entity of the Trust when required by law. When the Manager retires or is removed, subject to the Corporations Act, the Manager is released from all obligations in relation to the Trust arising after the time it retires or is removed. Subject to the Listing Rules and the Corporations Act, the Manager is entitled to agree with the incoming responsible entity that it will be paid by or receive a benefit from the incoming responsible entity in connection with retiring as responsible entity and is not required to account to Unitholders for such payment or benefit.

COMPLAINTS

While the Trust is registered as a managed investment scheme with ASIC, if a Unitholder submits a complaint in relation to the Trust or its operation, the Manager must acknowledge in writing the receipt of that complaint within 14 days of receiving it.

In considering the complaint the Manager must take into account the alleged breach of the Corporations Act, the Constitution or breach of trust; the legal advice it has received in relation to the alleged breach; the supporting material provided by the Unitholder in relation to the alleged breach; any material held by the Manager in relation to the alleged breach; and any other relevant information. Within 90 days of receiving the complaint, the Manager must communicate in writing to the complainant the determination by either the compliance committee or the Manager, and the reasons for it.

If the complainant is dissatisfied with the determination, the Manager must refer the complainant to an independent external dispute resolution body of which the Manager is a member; and if the complainant requests, provide the complainant with the material the Manager considered in making its determination.

NOTICES

A notice or other communication from the Manager to a Unitholder sent by:

- post, is taken to be received on the Business Day after it is posted;
- fax, is taken to be received one hour after the transmitter receives confirmation of the transmission from the receiving fax machine; and
- other means, is taken to be received at the time the Manager determines.

The Manager may give a notice to joint Unitholders by giving it to the Unitholder first named in the Trust register for that holding.

MANAGER INDEMNIFIED FROM UNITHOLDERS FOR TAX LIABILITY

The Manager is entitled to be indemnified by a Unitholder or a former Unitholder to the extent that it incurs any liability for tax as a result of the Unitholder's action or inaction or as a result of an act or omission requested by the Unitholder or former Unitholder.

JOINT UNITHOLDERS

Joint Unitholders are jointly and severally liable in respect of all payments.

10.4 Compliance Plan

The compliance plan for the Trust describes the procedures that the Manager will apply in operating the Trust to ensure compliance with the Corporations Act 2001 and the Constitution.

The directors of the Manager will oversee the Manager's procedures for complying with the compliance plan, the Constitution and the Corporations Act 2001.

Copies of the compliance plan and Constitution are available free of charge until the Offer closes and can be obtained by contacting the Manager.

10.5 Distribution Reinvestment Plan

The Constitution provides for a DRP. Directors of the Manager may decide for which distributions, if any, the DRP will be available.

When the DRP applies to a distribution, Unitholders can reinvest cash distributions from all or part of their unitholding in new units at a discount to the Unit's market price.

The effect of the DRP is that at or about the distribution payment date, the cash distribution in relation to the Units under the DRP is automatically invested in the acquisition of new Units in the Trust.

No brokerage, commission or stamp duty is paid by Unitholders in relation to Units issued under the DRP.

Units issued under the DRP rank equally with existing issued Units.

After allotment, an application will be made to have the Units issued under the DRP, quoted on ASX.

Unitholders can join, vary or withdraw their participation from the DRP in accordance with the DRP.

Unitholders will be kept informed of their participation in the DRP through DRP statements, which will be sent to them when new Units are issued under the DRP.

The DRP rules may be amended by the Manager.

Further details about the DRP and the DRP Rules are available on the website www.galileofunds.com.au.

The DRP for the period ending 31 December 2005 is fully underwritten by Merrill Lynch.

10.6 ASX Waivers

The Manager has received the following waivers and confirmations from the ASX:

- a waiver from Listing Rule 7.1 to the extent necessary to permit the issue of Units to fund a buy-out of New Plan Australia's interest in the JV Company under the Limited Liability Company Agreement without Unitholder approval on certain conditions including that any Units issued in reliance on the waiver take place no later than 10 years after the closing of the Entitlement Offer;
- a confirmation that Listing Rule 11.1 will not apply to require the Trust to seek Unitholder approval for the acquisition of shopping centres from New Plan;
- a confirmation of appropriateness for the purpose of Listing Rule 12.5 and waiver from Listing Rules 10.1 and 11.2 to the extent necessary to permit the Trust to dispose of its interest in the assets of US REIT to New Plan Australia without Unitholder approval if New Plan Australia exercises its right to so purchase the Trust's assets due to a change of control of the US REIT on certain conditions including that any change in control of US

10.6 ASX Waivers (continued)

REIT is not instigated by an entity in the wider New Plan group and that the term of the Amended and Restated US REIT Advisory Agreement and the Amended and Restated Advisory Agreement remain exactly the same;

- a waiver from Listing Rule 10.1 to the extent necessary to permit the Trust to purchase both New Plan Australia's and ERP Australia's interest in the JV Company without Unitholder approval;
- a waiver from Listing Rules 3.20 and 7.40 to the extent necessary to allow the Manager to give the market less than seven Business Days' notice of the proposed Record Date for the Entitlement and to carry out the Entitlement Offer and the Public Offer in accordance with the timetable outlined in this PDS;
- a waiver from Listing Rules 3.20 and 7.40 to the extent necessary to allow the Manager to ignore changes in Unitholdings which occur after the announcement of the Offer (other than registrations of transactions which were effected through SEATS before the Existing Units began trading ex-entitlement) for the purposes of determining Unitholders' entitlements for New Units;
- a waiver from Listing Rule 7.1 so that the Entitlement Offer can proceed without Unitholder approval;
- a waiver from Listing Rules 3.20 and 7.40 in respect of Unitholdings registered in the name of a nominee so that the nominee shall be treated as a separate Unitholder in respect of Units held for each of one or more institutional investors and Units held for persons other than institutional investors; and
- a waiver from Listing Rule 10.11 so that the Entitlement Offer can proceed without Unitholder approval.

10.7 ASIC Class Order 05/26

The Manager relies on ASIC Class Order CO 05/26 (the Class Order) to make the Entitlement Offer, the Placement and the Public Offer. The Class Order amends section 601GA(1)(a) and section 601FC(1)(d) of the Corporations Act.

10.8 Interests Requiring Disclosure

Allens Arthur Robison is entitled to receive professional fees of \$500,000 (exclusive of GST) in connection with providing certain Australian legal advice.

CB Richard Ellis is entitled to receive professional fees of US\$131,750 in connection with providing its independent valuation.

Clifford Chance is entitled to receive professional fees of US\$1.5 million in connection with providing certain US legal advice.

Ernst & Young Transaction Advisory Services Limited is entitled to receive professional fees of approximately \$500,000 (excluding GST) in connection with providing its Independent Accountant's Report.

Merrill Lynch International (Australia) Limited will receive underwriting fees of approximately \$4.0 million.

UBS will receive underwriting fees of approximately \$4.0 million.

These fees, and all other fees in this PDS, are shown exclusive of GST.

10.9 Consents

Allens Arthur Robison has acted as Australian law advisor to the Manager in connection with this PDS. Allens Arthur Robison has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. Allens Arthur Robison does not make any statement in this PDS nor is there any statement said to be based on a statement by Allens Arthur Robison, other than this paragraph and the reference to it in the Directory.

ASX Perpetual Registrars Limited has given and not withdrawn its consent to be named as Registry in this PDS in the form and context in which it is named. ASX Perpetual Limited has not authorised or caused the issue of this PDS and takes no responsibility for any part of this PDS.

CB Richard Ellis has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. CB Richard Ellis has not authorised or caused the issue of this PDS and takes no responsibility for any part of this PDS other than in respect of the extracts from its valuation reports for the properties appearing in this PDS in the form and context in which they appear.

Clifford Chance has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. Clifford Chance has not authorised or caused the issue of this PDS and takes no responsibility for any part of this PDS.

Ernst & Young Transaction Advisory Services Limited has given and not withdrawn its consent to be named in the form and context in which it is named. Ernst & Young Transaction Advisory Services Limited has given and has not, before the lodgement of the PDS with the ASIC, withdrawn its consent to the issue of the PDS with its Independent Accountant's Report on Directors' Forecasts included in the form and context in which it is included in the PDS. Ernst & Young Transaction Advisory Services Limited has not been involved in the preparation of any other part of the PDS and expressly disclaims and takes no responsibility for any other part of the PDS.

Greenwoods & Freehills has given and not withdrawn its consent to be named in this PDS, in the form and context in which it is named and for references to Greenwoods & Freehills being included, in the form and context in which they are included in this PDS including, but not limited to, section 11. Greenwoods & Freehills has not made or purported to make any statement that is included in this PDS (other than section 11) or any statement on which a statement in this PDS is based. To the maximum extent permitted by law, Greenwoods & Freehills expressly disclaims, and takes no responsibility for, any part of this PDS, including any statement or omission from the PDS, other than the parts to which this consent expressly applies.

Merrill Lynch International (Australia) Limited has given and has not, before lodgement of this PDS with ASIC, withdrawn its written consent to be named in this PDS as in the form and context in which it is named. Merrill Lynch has not made any statement that is included in this PDS or any statement on which a statement made in this PDS is based, other than as specified above. Merrill Lynch has not authorised or caused the issue of this PDS and expressly disclaims and takes no responsibility for any statements in or omissions from this PDS.

Trust Company of Australia Limited is the custodian appointed by the Manager and has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. The Custodian takes no responsibility for any part of this PDS (except to the extent required by the Corporations Act). The Custodian does not make any statement in this PDS nor is there any statement said to be based on a statement by the Custodian, other than this paragraph and the reference to it in the Directory.

UBS AG, Australia Branch has given and has not, before lodgement of this PDS with ASIC, withdrawn its written consent to be named in this PDS as in the form and context in which it is named. UBS has not made any statement that is included in this PDS or any statement on which a statement made in this PDS is based, other than as specified above. UBS has not authorised or caused the issue of this PDS and expressly disclaims and takes no responsibility for any statements in or omissions from this PDS.

10.10 Directors' Interests

Units held either directly or indirectly by directors of the Manager as at 30 June 2005 are as follows:

TABLE 10.1 DIRECTORS' INTERESTS

	Units held
Mr Michael Braham	100,000
Mr Neil Werrett	2,579,455
Ms Susan MacDonald	250,000
Mr Barry Mills	-
Dr Peter Morris	200,000
Total	3,129,455

There are no options to buy units in the Trust held by the Directors of the Manager.

10.11 Related Dealings and Related Party Transactions

Subject to any statute or rule of law, nothing in this PDS prevents the Manager or its directors or an entity connected with it from entering into transactions with the Trust. The Manager and its directors shall, in connection with any such transaction, act in a fiduciary relationship of utmost good faith to all Unitholders.

10.11.1 Disclaimers

New Plan and its various direct and indirect subsidiaries ("New Plan Group") are not (whether directly or indirectly) issuing, distributing, giving or preparing this PDS and have not (either expressly or by implication) requested the Manager, the JV Company or any person to do so on New Plan Group's behalf. The New Plan Group has not consented to any statement being included in this PDS. No member of the New Plan Group takes responsibility for the preparation, giving or sending and / or contents of this PDS or makes any recommendation in relation to the offer under this PDS. Members of the New Plan Group acted as sellers and contributors of the New Properties under the Contribution and Sale Agreement and, following such sale and contribution, will hold a 5.0% per cent interest in the JV Company and act as manager of the Portfolio under the Property Management and Services Agreement and will be the tenant of portions of certain properties in the Portfolio under master leases.

10.12 Material Contracts

This section contains summaries of all material contracts in relation to the Transaction and the section where they can be found:

- * Redemption Agreement (10.12.1)
- * Contribution and Sale Agreement (10.12.2)
- * Purchase and Sale of Management Rights Agreement (10.12.3)
- * Property Management and Services Agreement (10.12.4)
- * Amended and Restated Limited Liability Company Agreement (10.12.5)
- * Underwriting Agreement (10.12.6)
- * Amended and Restated US REIT Advisory Agreement (10.12.7)
- * Amended and Restated Advisory Agreement (10.12.8)
- * Trust/New Plan/Galileo Advisory LLC Letter Agreement (10.12.9)
- * JV Company/New Plan Australia Letter Agreement (10.12.10)
- * The Manager/New Plan/Galileo Advisory LLC Letter Agreement (10.12.11)
- * JV Company/US REIT/New Plan/New Plan Australia Letter Agreement (10.12.12)
- * Trust/US REIT Letter Agreement (10.12.13)
- * Neil Werrett/New Plan Letter Agreement (10.12.14)
- * Shopping Centre Lease (also called the Master Lease) (10.12.15)
- * Custodian Agreement (10.12.16)
- * Fee Allocation Agreement (10.12.17)
- * Services Agreement (10.12.18)
- * Intercompany Loan Agreement (10.12.19)
- * Debt Commitment Letter (10.12.20)
- * Early Rate Lock Agreement (10.12.21)

10.12.1 Redemption Agreement

The JV Company, CBL & Associates Limited Partnership, the US REIT and New Plan are parties to the Redemption Agreement.

GENERAL

Pursuant to the Redemption Agreement, the JV Company redeems from CBL & Associates Limited Partnership and its affiliates (CBL Partnership) their entire interest in the JV Company.

REDEMPTION

The redemption by the JV Company of the CBL Partnership's entire interest in the JV Company is by means of a distribution to the CBL Partnership of the Redemption Properties (Springdale Center and Wilkes-Barre Marketplace). The JV Company also agrees to pay the CBL Partnership at the closing its proportionate share of fees or distributions accruing on or before closing (subject to certain 'true-up' payments by 31 December 2005) and the amount of US\$1.2 million representing the CBL Partnership's proportionate share of the JV Company's working capital as at 30 June 2005.

There are additional agreements provided for in the Redemption Agreement as outlined below.

REDEMPTION PROPERTIES PUT OPTION

The CBL Partnership has an option within one year of closing to require the JV Company to repurchase from the CBL Partnership the ownership interests in the Redemption Properties for US\$63 million, subject to certain adjustments. This option may be exercised by the CBL Partnership delivering a notice to the JV Company and New Plan.

If this option is exercised, the repurchase must be completed within 45 days of receipt of the notice by the JV Company and New Plan and if the JV Company fails to repurchase, then the CBL Partnership can require New Plan to purchase the Redemption Properties on the same terms.

Also, if this option is exercised then for one year after closing the CBL Partnership indemnifies the JV Company from certain liabilities related to the Redemption Properties subject generally to a limit of US\$10 million and certain other requirements.

The CBL Partnership's right to exercise this option is subject to certain conditions including that the interests in the Redemption Properties are under substantially the same ownership structure as at the date of the Redemption Agreement and are free of liens and other third-party ownership interests subject to the US\$10 million indemnity mentioned above. During the year after closing and prior to the exercise of the put, the CBL Partnership covenants to obtain the consent of the JV Company before entering into certain transactions, such as the termination or amendment of a material aspect of a lease, in respect of the Redemption Properties. The CBL Partnership must also, during this period, maintain certain insurance cover with respect to these properties.

ADDITIONAL PROPERTIES PUT OPTION

The CBL Partnership has an option within one year of closing to require the JV Company to purchase from the CBL Partnership the properties known as Fashion Square in Florida, Chicopee in Massachusetts, and Royal Palm Beach in Florida for a purchase price to be calculated in accordance with a formula specified in the Redemption Agreement, which is generally based on the net operating income of these properties. This option may be exercised by the CBL Partnership delivering a notice to the JV Company.

If this option is exercised, the purchase must be completed within 30 days after the conditions specified under this option have been satisfied.

Any such purchase is to be subject to an agreement containing conditions including: the delivery by CBL of certain plans and specifications; all relevant permits, licences and approvals having been obtained or issued; easement agreements being effective; and certain other specified conditions in respect of such a transaction.

ADDITIONAL PROPERTIES RIGHT OF FIRST OFFER

Until two years after closing, the JV Company has a right of first offer to acquire from the CBL Partnership the properties known as Fashion Square, Chicopee, and Royal Palm Beach.

If the CBL Partnership wishes to sell any of these properties during the two year period, the CBL Partnership must give notice to the JV Company indicating which of the properties it wishes to sell. Within 10 days of receipt of that notice, the JV Company must elect to either purchase the property(s) or decline to do so. The purchase price for the property(s) is to be calculated in accordance with a formula specified in the Redemption Agreement, which is generally based on the net operating income of these properties. If the JV Company has neither elected to purchase nor declined to purchase, then the JV Company will be deemed to have declined to purchase. If the JV Company elects to purchase the property(s) it must complete the acquisition within 30 days of its election otherwise there is deemed to be a default and the CBL Partnership is free to sell the property(s) without regard to the rights of the JV Company.

DEVONSHIRE AND KINGSTON GUARANTEES

The JV Company agrees to indemnify the CBL Partnership in respect of any liability, loss or the like arising under certain lease guarantees known as the Devonshire Guaranty and Kingston Guaranty after closing, except that which was caused by the CBL Partnership. These guarantees respectively are a guarantee of lease and ground lease in favour of third parties made in 1995 and 1996. The JV Company agrees from closing not to extend the obligations of the CBL Partnership or term of these guarantees (unless the CBL Partnership is fully released from the guaranty), subject to the right of the JV Company to exercise an existing renewal option to extend the term of the Kingston Guaranty, through 2016.

COASTAL LANDING

If within 30 days of closing the JV Company wishes to pursue the development of the property known as Coastal Landing it shall give notice to the CBL Partnership following which the JV Company and the CBL Partnership must enter into an agreement under which:

- the CBL Partnership assigns to the JV Company all of its right, title and interest in Coastal Landing and any materials relating to it;
- the JV Company will pay consideration of US\$500,000 plus some third-party costs to the CBL Partnership which may not exceed US\$200,000;
- the JV Company will assume all liability in relation to Coastal Landing from assignment; and
- when Coastal Landing is ready for occupancy or is sold by the JV Company, the JV Company will pay the CBL Partnership an additional US\$500,000.

If the JV Company fails to give the required notice within 30 days of closing to the CBL Partnership, the JV Company must within five days thereafter pay the CBL Partnership US\$250,000. That 'rejection' fee is repayable to the JV Company in certain circumstances. If the JV Company does not meet its obligations in relation to Coastal Landing then on default the CBL Partnership may sell any of the properties known as Fashion Square, Chicopee, or Royal Palm Beach without regard to rights granted to the JV Company under this Redemption Agreement.

EARN-OUT

On closing, the JV Company must pay the CBL Partnership US\$4 million in satisfaction of all "earn out" amounts payable by the JV Company to the CBL Partnership under the Contribution and Sale Agreement.

REDEMPTION PROPERTY MANAGEMENT AND LEASING SERVICES

The CBL Partnership retains New Plan or an affiliate to provide property management and leasing services with respect to the Redemption Properties for the period of one year from closing (or less if the JV Company or New Plan defaults in certain circumstances).

RELEASE

At closing the CBL Partnership and the JV Company generally release each other from claims arising under the CBL Partnership/JV Company Contribution and Sale Agreement.

WARRANTIES OF THE JV COMPANY, THE US REIT AND NEW PLAN

Under the Redemption Agreement, the JV Company, the US REIT, New Plan and the CBL Partnership provide certain representations and warranties regarding the transaction to each other.

The JV Company and the US REIT also provide specific representations and warranties in relation to the ownership of the Redemption Properties.

CONDITIONS PRECEDENT

The obligations of the parties under the Redemption Agreement are conditional on certain conditions precedent including obligations being met under other agreements: the Purchase and Sale of Management Rights Agreement; and the LLC Agreement, as well as the closing of the Contribution and Sale Agreement.

TERMINATION

The CBL Partnership may terminate the Redemption Agreement if:

- closing has not occurred by 30 September 2005; or
- if any of the CBL Partnership's closing conditions have not been met (if there is a material default or breach by the JV Company, New Plan or the US REIT or their representations, warranties or obligations, the CBL Partnership may terminate if the defaulting party fails to cure such default or breach in five days of notice from the CBL Partnership).

If the CBL Partnership terminates the Redemption Agreement due to a wilful default of the JV Company, New Plan or the US REIT under the Redemption Agreement, a wilful failure by the JV Company, New Plan or the US REIT to close the transaction contemplated by the Redemption Agreement, or due to a wilful default under the Underwriting Agreement or a default by the JV Company, New Plan or the US REIT under the Contribution and Sale Agreement, then the CBL Partnership's sole and exclusive remedy is to receive US\$10 million from the defaulting party or parties.

The JV Company, the US REIT or New Plan may terminate the Redemption Agreement if:

- closing has not occurred by 30 September 2005; or
- if any of the JV Company's, New Plan's or the US REIT's closing conditions have not been met (if there is a material default or breach by the CBL Partnership of its representations, warranties or obligations, the JV Company, the US REIT or New Plan may terminate if the CBL Partnership fails to cure such default or breach in five days of notice from the JV Company, the US REIT or New Plan).

If the JV Company, the US REIT or New Plan terminates the Redemption Agreement due to a wilful default of the CBL Partnership under the Redemption Agreement; or a wilful failure by the CBL Partnership to close the transaction contemplated by this Redemption Agreement; then the JV Company, the US REIT or New Plan's sole and exclusive remedy is to receive US\$10 million from the CBL Partnership.

Any termination of the Redemption Agreement by the CBL Partnership, the US REIT, the JV Company or New Plan shall be made in conjunction with the termination by such party of the Purchase and Sale of Management Rights Agreement.

10.12.2 Contribution and Sale Agreement

New Plan and various of its subsidiaries, the JV Company and US REIT are parties to the Contribution and Sale Agreement.

Under the Contribution and Sale Agreement, New Plan and various of its subsidiaries sell or contribute the 'contributed properties' and sell the 'sale properties' to the JV Company or to its wholly-owned entities.

The total base consideration for all the properties (contributed and sale properties) is US\$968.0 million. In exchange for the contribution and sale, the relevant sale price is paid to New Plan and its subsidiaries and the JV Company is to issue Shares in the JV Company to New Plan. Part of the sale price will be paid from the debt funding obtained by the JV Company in connection with the Transaction. In addition, a contingent deferred payment of up to US\$12 million will be payable by the JV Company to New Plan.

As a result, New Plan and its subsidiaries will hold a 5% interest in the JV Company.

The relevant contributions and sales are to close at the time that is within 48 hours after receipt by the Trust of the settlement proceeds from the institutional component of the Entitlement Offer. If, however, closing has not occurred by 30 September 2005, either New Plan or the JV Company may elect to terminate the Contribution and Sale Agreement.

If New Plan or its subsidiaries are unable to prepay or defease the existing indebtedness of one or more of the following properties – Tuckernuck Square, Northside Plaza, Merchant's Central (the "Lockout Properties") – before closing, closing for the Lockout Properties will generally be 8 September 2005.

Broadly, the JV Company's obligation to close the transactions contemplated by the Contribution and Sale Agreement is conditional on the JV Company receiving title insurance policies to the relevant properties, subject to certain permitted exceptions and subject to certain procedures should title issues arise.

New Plan provides certain specified representations and warranties under the Contribution and Sale Agreement, including in respect of relevant New Plan subsidiaries; corporate actions by New Plan and its subsidiaries; and commercial, legal and financial information regarding the properties to be contributed or sold and their management.

The JV Company provides certain specified representations and warranties under the Contribution and Sale Agreement, including in respect of corporate actions.

US REIT provides certain specified representations and warranties under the Contribution and Sale Agreement, including in respect of corporate actions and financial and legal information regarding the JV Company.

No claim for a breach or inaccuracy of representation or warranty of New Plan is actionable or payable unless they collectively aggregate more than US\$200,000 with respect to all properties.

New Plan's total aggregate liability for such breach or inaccuracy is capped at US\$3 million. Notwithstanding this, there will be no action or payment if such breach or inaccuracy results from matters disclosed in certain policies, surveys and reports.

No claim for a breach or inaccuracy of representation or warranty of US REIT or the JV Company is actionable or payable unless they collectively aggregate more than US\$200,000. US REIT's and the JV Company's aggregate liability for such breach or inaccuracy of the US REIT and/or the JV Company is capped at US\$1.5 million.

Certain procedures are set out in the Contribution and Sale Agreement:

- should certain breaches of representations or warranties occur which impact on the closing of the Agreement; and
- the JV Company elect to drop one or more of the properties under the Agreement.

Other covenants are included in the Agreement to ensure that until closing of the Agreement, New Plan and its subsidiaries operate the properties in their usual manner.

The conditions precedent to closing include New Plan and the JV Company delivering requisite information; other documents being executed (such as the Limited Liability Company Agreement, the Property Management and Services Agreement and certain letter agreements); other transactions closing simultaneously (such as the Redemption Agreement; the Purchase and Sale of Management Rights Agreement; and the Underwriting Agreement); the loan being made pursuant to the Merrill Lynch Debt Commitment Letter; and the like.

If the underwriting payment is terminated as a result of a wilful default on the part of the Manager and the JV Company materially defaults in the performance of its obligations, or materially breaches its representations, warranties and covenants under the Agreement, and it remains uncured for 10 days following written notice from New Plan, New Plan may commence an action for specific performance or terminate the Agreement.

If New Plan materially defaults in the performance of its obligations or materially breaches its representations, warranties and covenants, before closing of the Agreement, and it remains uncured for 10 days following written notice from the JV Company, the JV Company may commence an action for specific performance or terminate the Agreement in respect of a particular property or properties or terminate the Agreement in its entirety.

10.12.3 Purchase and Sale of Management Rights Agreement

GENERAL

CBL & Associates Management Inc., New Plan, ERT Australian Management, L.P. ("ERT AM", an affiliate of New Plan), the US REIT and the JV Company are parties to the Purchase and Sale of Management Rights Agreement.

PURCHASE AND SALE OF MANAGEMENT RIGHTS

Under the Agreement, CBL Associates and its affiliates "CBL Associates" agree to assign to ERT AM the "Management Rights" for a purchase price of US\$22 million less certain adjustments.

The Management Rights include CBL Associate's rights and obligations under various property management agreements except for certain asset management rights and fees with respect to the SEA Properties after a certain period.

New Plan agrees to be jointly and severally liable for ERT AM's obligations to CBL Associates arising out of the assignment and all other obligations under the Agreement.

At closing various adjustments to fees will be made under the various property management agreements and the JV Company will pay US\$8 million to CBL Associates representing accrued acquisition fees payable under the various property management agreements.

SEA MANAGEMENT RIGHTS OPTION

At any time after 22 November 2007, ERT AM has the right to acquire the SEA management rights from CBL Associates by delivery of a notice (the "SEA Option"). If ERT AM exercises the SEA Option:

- prior to the third anniversary of the closing, then ERT AM must pay CBL Associates US\$7 million on the third anniversary;
- after the third anniversary of the closing, then ERT AM must pay CBL Associates US\$7 million within five business days of CBL Associates receiving notice.

Upon payment, the SEA management rights will be automatically assigned to ERT AM.

If ERT AM does not exercise the SEA Option prior to the third anniversary of the closing, then ERT AM shall pay to CBL Associates US\$1 million on the third anniversary of the closing, and each anniversary thereafter until the earlier of the seventeenth anniversary of the closing or the exercise of the SEA Option.

MASTER LEASE OBLIGATIONS

At the closing, New Plan will assume the obligation of CBL Associates (including, without limitation, for any rent, tenant improvements or leasing commissions payable) under any master leases that were entered into by CBL Associates and by the US REIT, JV Company or the Trust except for any obligations under master leases in respect of the Redemption Properties. At the closing, the JV Company and the US REIT will agree to such assumption by New Plan and to release CBL Associates from such obligations.

In consideration of New Plan's assumption of obligations under the master leases, the purchase price under this Agreement is to be reduced by US\$1,925,000. In the event the closing does not occur prior to 1 September 2005, CBL Associates shall have no obligation to pay Master Lease rents for September 2005.

If CBL Associates requires the JV Company to repurchase the Redemption Properties under the Redemption Agreement, then New Plan is to assume CBL Associates' obligations under the master leases for such Redemption Properties in accordance with the Agreement. The JV Company and the US REIT are deemed to have consented to such assumption by New Plan as at closing of the repurchase.

CLOSING

Closing under the Agreement shall occur on 30 September 2005 at 10.00am (New York time) or such earlier date when closing occurs under the Contribution and Sale Agreement.

REPRESENTATIONS AND WARRANTIES

New Plan, ERT AM, the JV Company and CBL Associates each provide certain representations and warranties to each other under the Agreement.

COVENANTS

Various covenants are provided under the Agreement. In particular, CBL Associates covenants to reasonably cooperate to effectuate an orderly transition of CBL Associates management and leasing responsibilities to New Plan. CBL also covenants to reasonably assist the JV Company and New Plan in obtaining property management files and financial information from CBL Associates' CTI information management system for 30 days following closing. This time period can be extended by New Plan if required for up to 60 days following closing.

TERMINATION

CBL Associates has the right to terminate the Agreement in the following circumstances:

- if the closing does not occur by 30 September 2005; or
- if any of CBL Associates' closing conditions are not satisfied at closing (if there is a material breach or default by New Plan, the US REIT and JV Company of any of its representations, warranties or obligations and such default or breach is not cured within five business days of receipt of notice of such breach or default from CBL Associates, CBL Associates may also terminate).

If CBL Associates terminates the Agreement due to a wilful default of the JV Company, New Plan, the US REIT or ERT AM under the Agreement, the Underwriting Agreement or the Contribution and Sale Agreement resulting in a failure of CBL Associates closing conditions, then CBL Associates' sole remedy is to receive US\$10 million from the defaulting party or parties.

New Plan, ERT AM, US REIT or JV Company have the right to terminate the Agreement in the following circumstances:

- if the closing does not occur by 30 September 2005; or
- if any of New Plan, ERT AM, the US REIT or the JV Company's closing conditions are not satisfied at closing (if there is a material breach or default by CBL Associates of any of its

10.12.3 Purchase and Sale of Management Rights Agreement (continued)

representations, warranties or obligations and such default or breach is not cured within five business days of receipt of notice of such breach or default from New Plan, ERT AM, the US REIT or JV Company).

If New Plan, ERT AM, the US REIT or the JV Company terminate the Agreement due to a wilful default of CBL Associates under the Agreement, then New Plan's, ERT AM's, the US REIT's or the JV Company's sole remedy is to receive US\$10 million from CBL Associates.

Any termination of the Agreement by New Plan, ERT AM, the US REIT, JV Company or CBL Associates shall be made in conjunction with the termination by such party or their affiliate of the Redemption Agreement.

10.12.4 Property Management and Services Agreement

The JV Company and the Property Manager are parties to Property Management and Services Agreements for each property in the Portfolio (including the New Properties). The Property Manager may assign to a New Plan approved affiliate all or a portion of its obligations and rights under the Property Management and Services Agreement.

TERM

The term of the Property Management and Services Agreement is 20 years, subject to four additional periods of five years which may be exercised by written notice at the JV Company's option.

PROPERTY MANAGER'S DUTIES

The Property Manager is required to provide services in accordance with good industry standards for a professional property portfolio manager. The Property Manager shall provide, among other things, the following services:

- maintain and operate the properties;
- provide leasing, marketing and management services for the properties;
- timely prepare and deliver to the JV Company, operation and management reports for each property;
- perform or provide the services the JV Company is obligated to provide under the leases and agreements with such parties;
- timely prepare and deliver to the JV Company, financial records, budgets and reports;
- exercise all reasonable efforts to collect all rents and other sums and charges due from tenants, licensees and concessionaires of the property and billing of all rent, charges or other amounts due with respect to the property;
- at the JV Company's request, obtain financing on behalf of the JV Company in respect of the properties;
- provide development and construction management services for the properties as requested by the JV Company;

- prepare all forms, reports and returns, if any, required by all federal, state, or local laws;
- subject to the limitations of the applicable approved budget, pay prior to delinquency all real estate and other taxes levied against the property, all amounts of principal and interest due on any mortgage, insurance premiums, utilities and assessments;
- provide all documentation and other information reasonably necessary, and assist in the preparation and analysis of that information, relating to the determination of the market value of the properties, or the transfer or sale of the properties;
- supervise and inspect the performance under all contracts and agreements for services and supplies provided to any of its properties;
- promptly notify the JV Company and its liability insurance carrier promptly after the Property Manager receives notice or knowledge of any personal injury or property damage occurring at any of its properties;
- advise the JV Company whether the amount of any taxes, assessments and other impositions with respect to the property should be reduced, and may engage tax consultants or attorneys to assist with such tax, assessment or imposition matters;
- subject to the JV Company's prior written consent, acquire real property or sell or otherwise dispose of properties for the JV Company;
- perform the administrative functions necessary for the day-to-day management of the properties;
- perform such other acts as are reasonable, necessary and proper in the discharge of its duties; timely provision of such documentation and other information that the JV Company reasonably requests in connection with the management and leasing of the properties; and
- promptly notify the JV Company of any violation of law, rule or regulation affecting any property, to the extent the Property Manager has knowledge of such violation.

FEES

In the exchange of the performance of services under the Property Management and Services Agreement, the Property Manager is entitled to the fees and commissions described below. In addition to the fees and commissions described below, the Property Manager is generally reimbursed for all costs incurred in the management of the properties on behalf of the JV Company and permitted in the approved budget, subject to agreed limits on the recovery of Property Manager's regional overhead costs.

MANAGEMENT FEE

The Property Manager is entitled to receive a management fee for each property equal to an amount equal to the sum of 3.5% of all gross collectables. With respect to any property that is managed by a third party venturer or a seller-manager, the Property Manager will receive a fee equal to 0.5% of all gross collectables.

On the 20 year anniversary of the date of the Property Management and Services Agreement and annually thereafter (if the term of the Agreement is extended):

- the management fee shall be subject to market reviews by the JV Company and the Property Manager; and
- the scope of services to be provided by the Property Manager shall be reviewed; provided that if any such review of the fee or the scope of services results in a management fee or scope of services not acceptable to the Property Manager, the Property Manager may terminate.

LEASING COMMISSION

The Property Manager shall have the exclusive right to lease the properties and will be entitled (except with respect to certain leases to be entered into at properties under development) to receive a leasing commission from the JV Company equal to 5% of the annual fixed rent on each new tenant lease and 3% of the annual fixed rent of each renewed lease. The leasing commission shall be subject to market reviews by the JV Company and the Property Manager every three years. The Property Manager may terminate the Property Management and Services Agreement if any such review reduces the leasing commission to an amount less than the amount referred to in the previous paragraph.

DEVELOPMENT AND CONSTRUCTION MANAGEMENT FEES

The Property Manager will be entitled to receive a development and construction management fee for development and construction management services provided on behalf of the JV Company equal to 7% of all costs of improvements (excluding land and financing costs and the costs of any fees payable to the Property Manager), with a minimum fee of US\$25,000 per project. One third of any 7% fee payable shall be paid to the Property Manager at the commencement of the project, with the balance paid in monthly instalments over the duration of the project.

If the Manager performs any tenant improvement and buildout work that is not part of a larger redevelopment project, the Manager is entitled to a fee of 3% of all costs of improvements (excluding land and financing costs and the costs of any fees payable to the Property Manager). Such 3% fee is payable in full upon completion of the tenant improvement and buildout work.

The development and construction management fee shall be subject to market reviews by the JV Company and the Property Manager every five years. The Property Manager may terminate the Agreement if any such market review reduces the development and construction management fee to an amount less than the amount referred to in the previous paragraph.

ACQUISITION FEES

The Property Manager will be entitled to receive an acquisition fee with respect to the acquisition of additional properties equal to 0.8% of the gross consideration received by the seller for each additional property acquired by the JV Company during the term of the Property Management and Services Agreement. A fee of

0.2% of the gross consideration received by the seller will be retained by the JV Company for each additional property acquired by the JV Company. With respect to acquired additional properties that are identified and sourced by the JV Company, the JV Company and the Property Manager shall each receive a fee of 0.5% of the gross consideration received by the seller.

This fee will be reduced in transactions where the JV Company pays a brokerage commission or other finder's fee to an outside broker.

DISPOSITION FEES

The Property Manager will be entitled to receive a disposition fee from the JV Company for acting as agent for the sale of any property that is sold during the term of the Property Management and Services Agreement. The fee will be the greater of US\$45,000 and 0.25% of the gross sale price of the property (excluding out parcels with a gross sale price of less than US\$50,000).

FINANCE FEES

The Property Manager will be entitled to receive a finance fee from the JV Company for obtaining financing on the JV Company equal to 0.4% of the original principal amount borrowings obtained by the Property Manager. However, the Property Manager is not entitled to a fee in connection with the acquisition of the New Properties unless the JV Company requests the Property Manager's assistance with respect to any aspect of such financing.

TECHNOLOGY FEE

The Property Manager will be entitled to receive from the JV Company a fee of US\$160,000 per year towards expenses for technology equipment and improvements

DEFAULT AND TERMINATION

The JV Company may terminate the Property Management and Services Agreement upon notice to the Property Manager, under the following circumstances:

- the Property Manager or New Plan has committed fraud, gross negligence or wilful misconduct;
- upon 60 days' written notice, if the Property Manager materially breaches the terms of the Property Management and Services Agreement and such breach has not been cured within 30 days after notice from the JV Company (or such longer period if the Property Manager has commenced to cure such breach within 30 days and is diligently pursuing a cure);
- the Property Manager no longer retains directly or indirectly, at least 50% of its initially acquired interest in the JV Company;
- the Property Manager files a voluntary petition in bankruptcy and such petition is not stayed or dismissed within 60 days; or
- the sale of a property (termination on a property basis).

The Property Manager may, at its option, terminate the Property Management and Services Agreement under the following circumstances:

10.12.4 Property Management and Services Agreement (continued)

- JV Company has failed to pay the Property Manager fees and such non-payment of fees is not cured within 30 days; or
- the JV Company has materially defaulted under the terms of the Property Management and Services Agreement and such default is not cured within 30 days (or such longer period if the JV Company has commenced to cure such breach within 30 days and is diligently pursuing a cure).

10.12.5 Amended and Restated Limited Liability Company Agreement

The Limited Liability Company Agreement is between the US REIT, New Plan Australia and ERP Australia. It relates to the JV Company.

GENERAL

Each property described in this Product Disclosure Statement will be held directly by the JV Company or through subsidiaries formed for the purpose of owning the property.

CONTROL AND MANAGEMENT

Galileo Advisory LLC will be the advisor to the JV Company and shall report to the Management Committee. Galileo Advisory LLC shall be responsible for the day-to-day operation of the JV Company, subject to the approval and supervision of the Management Committee and subject to budget and operating plans. All major decisions must be approved by each of the representatives of the members of the JV Company, except that approval of the representatives appointed by New Plan Australia shall not be required if New Plan Australia and its affiliates no longer own in the aggregate at least 50% of the Shares (taking into account stock dividends, stock splits and the like) received by New Plan Australia on the date of the Limited Liability Company Agreement or upon termination of the Property Management Agreement in certain circumstances. Major decisions of the JV Company include:

- merging or consolidating the JV Company with another entity or reorganising the JV Company;
- selling all or substantially all of the JV Company's Assets;
- acquiring any real property that is not a retail shopping centre located in the US (other than an enclosed mall) (except for the acquisition of any portfolio of properties in which any such non-conforming real property comprises 20% or less of the aggregate value of such portfolio). A third party may be contracted with to manage a property if the property is not a retail shopping centre located in the US (other than an enclosed mall);
- amending any of the JV Company's constitutional documents;
- authorising the JV Company to engage in any activity other than investing in and acquiring retail shopping centres located in the US (other than an enclosed mall) and reasonably related activities;
- allowing the JV Company to make a distribution of less than 100% of distributable revenues;
- admission of a new member to the JV Company, subject to specified exceptions;
- dissolving, liquidating or filing a voluntary bankruptcy or insolvency petition on behalf of the JV Company;
- changing the fiscal year;
- making any election to change the US tax classification of the JV Company as a partnership;
- redeeming, retiring, purchasing or acquiring (directly or indirectly) any shares or other securities of the JV Company, subject to specified exceptions;
- initiating or settling litigation by the JV Company or any subsidiary involving amounts in excess of US\$500,000; and
- approving any amendment, modification or supplement to any agreement between the JV Company and any member or affiliate of any member.

PAYMENTS

The JV Company shall pay all fees to Galileo Advisory LLC as set out in the Amended and Restated Advisory Agreement (this agreement is discussed further at 10.12.8).

In addition, the JV Company shall subject to the budget and operating plan, reimburse Galileo Advisory LLC for direct out of pocket expenses incurred in relation to the JV Company and the US REIT, provided that expenses of the US REIT to be reimbursed do not exceed US\$1 million in any calendar year, without the consent of New Plan Australia.

Whilst New Plan Australia owns Shares in the JV Company, the JV Company will pay New Plan Australia a fee of 0.1% p.a. of the Trust Value in excess of US\$500 million.

MANAGEMENT COMMITTEE

The power to manage, direct and control the JV Company will be delegated to a Management Committee. The Management Committee shall consist of five representatives. The US REIT and New Plan Australia shall each appoint two representatives to the Management Committee and shall together appoint one independent representative.

A quorum necessary for any meeting of the Management Committee shall be three representatives and any approval or action shall require a majority of the votes of the representatives entitled to vote (and not merely a majority of the votes of the representatives at a particular meeting of the Management Committee).

In the event that:

- the Property Management and Services Agreement is terminated in its entirety (as opposed to termination with respect to only one or more particular JV Company assets); or
- if New Plan Australia and its affiliates no longer own in the aggregate at least 50% of the shares (taking into account stock dividends, stock splits and the like) received by New Plan Australia on the date of the Limited Liability Company Agreement, the Management Committee shall consist of one or

more representatives appointed by the US REIT and the quorum shall be one representative.

The Management Committee has the power to set, amend or modify the budget and operating plan including certain reserves, and to consider acquiring, selling, exchanging, financing or otherwise transferring all or any portion of any real estate or other investment or asset, provided that all activities of the JV Company are consistent with the REIT status of the US REIT and New Plan and do not incur income or excise taxes. In addition, the Management Committee shall have the power to pledge JV Company assets to mortgages and the like, effect any financing by the JV Company, take leading roles in causes of action and in specified circumstances admit new members.

LEVERAGE RATIO GOAL

The JV Company intends to operate with a long-term ratio of debt to total assets of between 45% and 60%.

PROPERTY MANAGER

The Management Committee acknowledges the appointment of the Property Manager on the terms of the Property Management and Services Agreement.

CAPITAL CONTRIBUTIONS

From completion of the Transaction, each member will have contributed initial capital contributions and received Shares in the JV Company. The percentage interest holdings expected are the US REIT 95% and 5% between New Plan Australia and ERP Australia.

The percentage interest shall be adjusted from time to time to reflect redemptions, additional capital contributions, the issuance of additional Shares or similar events. The members have no obligation to make additional capital contributions or loans, except that the US REIT shall contribute to the JV Company the net proceeds of any future issuance of Units by the Trust in exchange for a number of Shares of the JV Company equal to the gross proceeds of the sale of the Units issued in such transaction (converted into US dollars).

REDEMPTION

On or after the date which is with respect to New Plan Australia's Shares, five years after the completion of the Transaction (or, if earlier, the date the Property Management and Services Agreement is terminated in its entirety), New Plan Australia has the right to require the JV Company to redeem all or a portion of New Plan Australia's Shares (regardless of when they were acquired) at a redemption price equal to the cash amount, consisting of an amount of cash per Share equal to the value of a Unit as converted into US dollars, multiplied by the number of Shares to be redeemed.

New Plan Australia may not exercise its redemption right for less than US\$10 million worth of Shares or, if New Plan Australia holds less than US\$10 million worth of Shares, all of the Shares held by New Plan Australia. After the Shares are redeemed, New Plan Australia shall have no right to receive any distributions with respect to such Shares.

If New Plan Australia exercises its right to redeem its Shares, the US REIT may elect to acquire such Shares by delivering to New Plan Australia the relevant cash amount or a number of Units equal to the number of Shares to be redeemed. If the US REIT chooses to purchase the Shares the US REIT shall deliver Units in the Trust to New Plan Australia or shall pay cash. Particular tax treatments for these transactions are specified in the Limited Liability Company Agreement.

Any Units delivered to New Plan Australia pursuant to such a sale must be identical to the publicly traded Units in Australia. The number of Units to be received by New Plan Australia pursuant to such an exchange shall be adjusted equitably to reflect the relative value or timing of any distributions made by the Trust, and to reflect changes if the Trust:

- * makes a distribution generally to the holders of its outstanding Units;
- * subdivides its outstanding Units;
- * combines its outstanding Units into a smaller number of Units;
- * increases or decreases the number of Units outstanding by reclassification;
- * issues Units or other financial products convertible to Units at an issue price less than the then current market price;
- * merges or consolidates with another person.

If a takeover event occurs in respect of the Trust, New Plan Australia has the right to exercise its redemption right in which case:

- * if, upon delivery of Units by the US REIT to New Plan Australia, New Plan Australia would be entitled to participate in the takeover event, the US REIT may elect to pay the cash amount or provide Units as consideration for the Shares that are the subject of the redemption notice; and
- * if, upon delivery of the Units by the US REIT to New Plan Australia, New Plan Australia would not be entitled to participate in the takeover event, the US REIT must pay the cash amount due in respect of the Shares that are the subject of the redemption notice, and if the takeover event comprises an offer to Unitholders of cash only for their Units, the cash amount per Share is equal to the cash amount offered to Unitholders for each of their Units under the takeover event and, if the takeover event comprises an offer to Unitholders which includes shares or units in another entity for their Units, the cash amount per Share is equal to the cash amount of a Unit as of the day before the takeover event occurs.

A "takeover event" is defined as the occurrence of an off-market bid or scheme of arrangement, or offer or invitation is made to all Unitholders to purchase or otherwise acquire Units from them within a specified period and the bid, scheme or offer becomes unconditional, and:

- * the offeror has at least 50% of the voting power attaching to Units in the Trust; and

10.12.5 Amended and Restated Limited Liability Company Agreement (continued)

- the board of the responsible entity of the Trust issues a statement recommending that the bid, scheme of offer (as the case may be) be accepted or approved by the Unitholders.

CHANGE OF CONTROL

Change of Control is defined in the Limited Liability Company Agreement to mean such time as:

- a plan relating to the entity's liquidation or dissolution is adopted;
- the applicable entity consolidates or merges or disposes of substantially all of its assets to another person;
- any 'person' or 'group' is or becomes the beneficial owner, directly or indirectly, of more than 35% of the equity of the entity then outstanding normally entitled to vote in election of directors;
- during any consecutive 12 month period after the date of the Limited Liability Company Agreement, individuals who, at the beginning constituted the board of directors of the entity, cease to constitute a majority of the board of directors of the entity;
- with respect to the US REIT only, the Manager is no longer the 'responsible entity' of the Trust or the Trust makes a transfer, in whole or part, of its interest in the US REIT (other than for the purpose of protecting US REIT's US tax status as a REIT), or one of the Change of Control events described above occurs with respect to the Trust.

In the event of a Change of Control of New Plan Australia, New Plan or ERP Australia or termination of the Property Management and Services Agreement in its entirety (other than by non-renewal), the US REIT shall have the right to purchase for cash the Shares owned by New Plan Australia and ERP Australia and any person to which New Plan Australia and ERP Australia has transferred its Shares, provided that if the US REIT elects to purchase such Shares, the US REIT shall also purchase the interest of New Plan and its affiliates in the Property Management and Services Agreement.

In the event of a Change of Control of the US REIT, New Plan Australia shall have the right to purchase for cash the Shares owned by the US REIT and any person to which the US REIT has transferred its Shares. New Plan Australia's right to purchase the US REIT's shares shall terminate upon termination of the Property Management and Services Agreement in its entirety or if New Plan Australia and its affiliates no longer own in the aggregate at least 50% of the Shares (taking into account stock dividends, stock splits and the like) received by New Plan Australia on the date of the Limited Liability Company Agreement.

In any of the events in the preceding paragraphs occur:

- the member subject to the Change of Control (selling member) shall notify the other member (buying member) of a Change of Control or imminent Change of Control within five days of receiving notice; and
- the buying member shall have the right to elect to purchase all (but not less than all) of the interest of the selling member (and in the case of a purchase from New Plan Australia, the interest,

if any, of New Plan Australia and its affiliates in the Property Management and Services Agreement).

The sale price per Share is generally calculated by reference to the market value of Units (unless it involves equity interests in the US REIT, New Plan Australia or New Plan).

COMPETING BUSINESS

The members of the JV Company and their affiliates are not prohibited or restricted from investing in or conducting business of any nature, including the ownership and operation of businesses or properties similar to, competitive with, or in the same geographical area as those held by the JV Company.

The US REIT acknowledges that New Plan (and its affiliates) have interests in and manage and provide services to other retail shopping centres (but not enclosed malls) throughout the US, which may compete with the retail centres owned by the JV Company. The US REIT also agrees that New Plan (and its affiliates) have the right to own, acquire, develop, manage, lease and engage in other activities with respect to retail centres that are not owned by, or presented to, the JV Company (including retail shopping centres located in close proximity to, and compete for tenants and customers with, the retail shopping centres owned by the JV Company). Nothing precludes or restricts New Plan or its affiliates from engaging in such current or future competition on behalf of New Plan, its affiliates or third parties.

The US REIT is prohibited from directly or indirectly sourcing or acquiring any retail shopping centre (but not enclosed malls) in the US for any other Australian listed property trust, or other public or private investment fund or scheme, domiciled or operating primarily in Australia, or any other investor domiciled or operating primarily in Australia and from directly or indirectly conducting any business other than in connection with the ownership, acquisition and disposition of Shares, provided, however, that the US REIT may make an acquisition if such acquisition is made through the issuance of US REIT shares and the acquisition has been approved by the Management Committee and if such acquisition is in turn contributed to the JV Company in exchange for additional Shares.

Until New Plan Australia no longer holds Shares or until the Property Management and Services Agreement is terminated in its entirety, New Plan Australia has a right of first offer to acquire any JV Company assets over US\$5 million in value (except this shall not apply to the New Properties or any future properties sold or contributed to the JV Company by New Plan Australia).

TRANSFERS OF INTERESTS

None of the members of the JV Company are entitled to transfer all or any portion of their interests without the consent of the other members except: (i) to an affiliate in the case of New Plan Australia, or to a subsidiary of the Trust in the case of the US REIT, who agrees to be bound by the terms of the Limited Liability Company Agreement; (ii) where a member pledges its interest in the JV Company to a lender as part of a bona fide loan transaction; or (iii) to another member; (iv) after the fifth anniversary of completion of the Transaction, New Plan Australia may transfer its interest subject to the right of first offer procedures.

RIGHT OF FIRST OFFER PROCEDURES

If, at any time after the fifth anniversary of the Transaction completion (or, if earlier, the date the Property Management and Services Agreement is terminated), New Plan Australia or ERP Australia wishes to transfer its Shares:

- New Plan Australia must notify the US REIT and the US REIT may purchase such Shares at the price New Plan Australia specified;
- if an acceptance notice has not been delivered by the US REIT, New Plan Australia or ERP Australia is free to negotiate with any prospective third party purchasers (but cannot sell the Shares for less than 95% of the price New Plan Australia or ERP Australia specifies in the notice to the US REIT), subject to certain other specified conditions.

DISSOLUTION

The JV Company will be dissolved upon the first to occur of any of the following events:

- the determination by the Management Committee that the JV Company should be dissolved; or
- the reduction to cash of all or substantially all of the JV Company assets.

Upon dissolution and liquidation of the JV Company, the proceeds of the liquidation of the JV Company shall be paid (i) first, to the payment of all debts and liabilities of the JV Company (including debts and liabilities to members), (ii) second, to the setting up of any reserves for any contingent or unforeseen liabilities or obligations of the JV Company and (iii) thereafter, pro rata to members according to their positive capital account balances.

INDEMNITIES

The JV Company has agreed to indemnify and hold harmless each of the members and its affiliates and representatives from and against any loss, cost, expense or damage arising from any inaction or action on behalf of the JV Company. However, the JV Company is not required to indemnify any such person to the extent that any loss, expense or damage results from such person's fraud, wilful misconduct or gross negligence.

The JV Company has also agreed to certain restrictions regarding the transfer or disposal of the property known as Paradise Plaza for certain tax reasons, however, if those restrictions are breached, the US REIT indemnifies New Plan for certain tax liabilities.

10.12.6 Underwriting Agreement

The Manager and the Underwriters have entered into the Underwriting Agreement for the underwriting of the Offer.

Each Underwriter has agreed to severally underwrite subscription of Units for half of the Offer, with each Underwriter being obliged to underwrite 50% of the A\$395.9 million amount.

Pursuant to that agreement, the Manager must pay each Underwriter an underwriting fee of 1% of the aggregate of the

underwritten amount of A\$395.9 million which totals A\$7.9 million in underwriting fees.

No fees are payable if the Underwriting Agreement is terminated on or before the date of settlement of the Institutional Entitlement Offer or if the Offer does not proceed for any reason.

Further, the Manager agrees to indemnify the Underwriters and their related parties from all losses directly or indirectly suffered in connection with appointment of the Underwriters pursuant to the Underwriting Agreement.

The Underwriting Agreement contains various representations and warranties made by the Manager to the Underwriters. In addition, the Underwriting Agreement contains various obligations of the Manager, including that it must offer the Units in accordance with the Underwriting Agreement, this Product Disclosure Statement and Timetable, apply for the Units to be quoted on ASX and not lodge or issue a supplementary Product Disclosure Statement without the prior written consent of the Underwriters. The Manager must also dispatch new holding statements in respect of the subscribed Units and refund cheques (if any) in accordance with the Corporations Act and the Listing Rules.

An Underwriter may terminate its obligations under the Underwriting Agreement upon the occurrence of a number of events which are as follows:

- (a) A director of the Manager is charged with an indictable offence relating to any financial or corporate matter or a director is disqualified from managing a corporation under a provision of the Corporations Act.
- (b) ASIC gives notice of an intention to hold a hearing or issue a stop order in relation to the Product Disclosure Statement or the Manager.
- (c) ASX does not grant approval for the official quotation of the Units before the date of settlement of the Institutional Entitlement Offer or withdraws such approval on or before the Final Allotment Date.
- (d) The Manager fails to lodge this Product Disclosure Statement with ASIC by the date specified in the Underwriting Agreement.
- (e) Any person whose consent to the issue of the PDS is required by section 1013K of the Corporations Act who has previously consented to the issue of the PDS withdraws such consent.
- (f) There is a material adverse change in the financial position, results of operations, management or prospects of the Manager or the Trust.
- (g) There occurs any material adverse change or disruption to the political or economic conditions or financial markets in Australia, the United States of America or in any other major international financial market including, without limitation:
 - (i) there is an outbreak or major escalation in existing hostilities involving any of Australia, New Zealand, the

10.12.6 Underwriting Agreement (continued)

- United States, and any member of the European Union, Indonesia, Japan or the People's Republic of China, or there is a significant terrorist act perpetrated on anyone of those countries or any political or diplomatic establishments of one of those countries or any of those countries declared a national emergency;
- (ii) a general moratorium on commercial banking activities in Australia or the United States of America is declared by the relevant central banking authority in any of those countries or there is a material disruption in commercial banking or securities settlement or clearance services in any of those countries;
- (iii) trading in all securities quoted or listed on ASX is suspended or limited in a material respect for two days on which that exchange would otherwise be open for trading.
- (h) The Manager (or any of its subsidiaries) alters its share capital or constitution without the prior written consent of the Underwriter.
- (i) A Certificate required to be produced by the Manager under the Underwriting Agreement is not produced when required or a statement in that certificate is untrue or incorrect in a material respect.
- (j) The Manager fails to perform or observe any of its obligations under the Underwriting Agreement and does not remedy that breach to the reasonable satisfaction of the Underwriters; but where the breach occurs within 48 hours of the time at which settlement of the Institutional Entitlement Offer is to take place, the Manager only has a reasonable period to remedy the breach, and the Underwriters obligations are suspended until the expiry of that reasonable period.
- (k) There is a change or proposed change of law, regulations or policy in Australia or the United States.
- (l) A representation or warranty given by the Manager under the Underwriting Agreement proves to be or becomes untrue or incorrect in any material respect and this is not remedied to the reasonable satisfaction of the Underwriter.
- (m) ASX suspends quotation of the Units (this does not include a trading halt).
- (n) Any material contract summarised in this Product Disclosure Statement is terminated, altered in a material respect without the consent of the Underwriter or found to be void or voidable.
- (o) Any forecast which appears in this PDS is or becomes incapable of being met, or in the Underwriter's opinion, is unlikely to be met in the forecast time.
- (p) This Product Disclosure Statement omits any material required by the Corporations Act, contains a statement which is misleading or deceptive, or otherwise fails to comply with the Corporations Act.

- (q) A supplementary Product Disclosure Statement is, in the opinion of the Underwriter, required under the Corporations Act or the Manager lodges a supplementary or replacement PDS which has not been approved by the Underwriter.

With respect to the events set out in 1(f)–(q) (inclusive), each Underwriter may terminate its obligations only if it is of the reasonable opinion that the event:

- * has had, or is likely to have, a material adverse effect on the marketing or success of the Offer;
- * makes it impracticable to market the Offer or to enforce or settle contracts to issue and allot the subscribed Units; or
- * has given, or is likely to give rise to:
 - a contravention by that Underwriter of the Corporations Act or any other applicable law; or
 - a liability for that Underwriter under the Corporations Act or other applicable law.

The exercise by one Underwriter of its right to terminate does not automatically terminate the obligations of the other Underwriter. The remaining Underwriter must elect, by notice to the Manager, of whether it also wishes to terminate or if it wishes to assume the obligations of the terminating Underwriter within two business days of the terminating Underwriter terminating its obligations. If such notice is not given, the remaining Underwriter shall be treated as also having terminated its obligations under the Underwriting Agreement.

10.12.7 Amended and Restated US REIT Advisory Agreement

The parties to this agreement are the US REIT and Galileo Advisory LLC. Pursuant to the terms of the Amended and Restated US REIT Advisory Agreement, Galileo Advisory LLC will advise and consult with the board of directors of the US REIT in connection with the day-to-day operation of the US REIT.

Galileo Advisory LLC, on behalf of the US REIT and at the direction of the board of the US REIT will have the power and authority to enter into contracts on behalf of the US REIT, execute and deliver deeds, assignments, bills of sale, contracts, satisfactions of mortgages, releases and other instruments, to make expenditures, retain persons to provide services to the US REIT and to make decisions regarding the business of the US REIT.

Galileo Advisory LLC shall provide, at the direction of the board of the US REIT, among other things, the following advisory services:

- * preparation of budget and operating plans for the US REIT and implementation of such plans;
- * reporting on status of Australian capital markets and reporting on the potential acquisitions by the US REIT that could successfully be funded in the Australian capital markets;
- * daily management and administrative functions necessary for the US REIT;

- investigate, select and engage such third parties as is deemed necessary by Galileo Advisory LLC for the performance of the services;
- consult and provide recommendations to the board of directors of the US REIT in respect of the US REIT's financial policies and with respect to making or disposing of investments consistent with investment objectives of the US REIT;
- provide periodic reports regarding prospective investments in properties;
- negotiate on behalf of the US REIT with banks or lenders for loans to be made to the US REIT;
- obtain appraisals or reports, where appropriate or as requested, concerning the value of investments by the US REIT in properties;
- report to the board of directors of the US REIT regarding its performance of services (as requested by the board of directors of the US REIT);
- provide the US REIT with all necessary cash management services; and
- do all things necessary to assure its ability to render the services described in the Amended and Restated US REIT Advisory Agreement.

FEES

In exchange for the performance of services under the US REIT Advisory Agreement, Galileo Advisory LLC is entitled to base and performance fees from the US REIT. These fees are described below but calculated in the same manner as the base and performance fees payable to the Manager under the Constitution (refer to Sections 7 and 10.3). The base and performance fees are allocated between the Manager and Galileo Advisory LLC as described in the Fee Allocation Agreement referred to in Section 10.12.17.

BASE MANAGEMENT FEE

Galileo Advisory LLC is entitled to receive a base management fee from the US REIT. The total amount of these fees is:

- where the Trust Value is less than US\$500,000,000, an amount equal to 0.45% of the Value; and
- where the Trust Value is equal to or above US\$500,000,000, an amount equal to US\$2,250,000 plus 0.35% of the Trust Value which is in excess of US\$500,000,000,

calculated on the Trust Value as at 30 June and 31 December each year and payable from the Trust Property within five business days of the end of each quarter. Galileo Advisory LLC's base management fee shall be reduced by an amount equal to the US\$1,000,000 fee payable to New Plan pursuant to the JV Company/US REIT/New Plan/New Plan Australia Letter Agreement. Galileo Advisory LLC may pay part of its base management fee to another entity.

PERFORMANCE FEE

Galileo Advisory LLC is entitled to receive a performance fee in respect of each half year if the performance of the Trust exceeds a stated benchmark. The performance fee is calculated by reference to a formula which is based on the rate of trust return (refer to Section 10.3).

EXPENSES

In addition to the fees paid to Galileo Advisory LLC (as described above), the US REIT shall pay directly or reimburse Galileo Advisory LLC for all direct out of pocket expenses, disbursements and advances incurred or made by it in connection with the management and operation of the US REIT, provided that such expenses shall not exceed US\$1 million in any calendar year without the consent of New Plan.

TERM

The term of the Amended and Restated US REIT Advisory Agreement is 20 years from 21 September 2003, subject to two additional periods of five years which may be exercised by the US REIT at the US REIT's option. Galileo Advisory LLC has the right to terminate the Amended and Restated US REIT Advisory Agreement upon at least 60 days notice to the US REIT in the event of a change of control of the Trust.

10.12.8 Amended and Restated Advisory Agreement

The parties to this agreement are the JV Company and Galileo Advisory LLC. Pursuant to the terms of the Amended and Restated Advisory Agreement, Galileo Advisory LLC will be responsible for the day-to-day operation of the JV Company, subject to the supervision of the management committee.

Galileo Advisory LLC, on behalf of the JV Company, will have the power and authority to enter into contracts on behalf of the JV Company, execute and deliver deeds, assignments, bills of sale, contracts, satisfactions of mortgages, releases and other instruments, to make expenditures, retain persons to provide services to the JV Company and to make decisions regarding the business of the JV Company.

Galileo Advisory LLC shall provide, among other things, the following advisory services:

- preparation of budget and operating plans for the JV Company and implementation of such plans;
- daily management and administrative functions necessary for the JV Company;
- investigate, select and engage such third parties as is deemed necessary by Galileo Advisory LLC for the performance of the services and with respect to making or disposing of investments consistent with the objectives of the JV Company;
- consult and provide recommendations to the management committee in respect of the JV Company's financial policies;

10.12.8 Amended and Restated Advisory Agreement (continued)

- provide the management committee with periodic reports regarding prospective investments in properties;
- negotiate on behalf of the JV Company with banks or lenders for loans to be made to the JV Company;
- obtain appraisals or reports, where appropriate or as requested, concerning the value of investments by the JV Company in properties;
- report to the management committee regarding its performance of services (as requested by the management committee);
- supervise the Property Manager under the Property Management and Services Agreement;
- provide the JV Company with all necessary cash management services;
- coordinate the (re-) valuation of the properties; and
- do all things necessary to assure its ability to render the services described in the Amended and Restated Advisory Agreement.

FEES

In exchange for the performance of services under the Advisory Agreement, Galileo Advisory LLC is entitled to the fees described below from the JV Company on a gross basis. In addition to the fees described below, the JV Company shall pay, subject to the budget and operating plan, directly or reimburse Galileo Advisory LLC for all direct out of pocket expenses, disbursements and advances incurred or made by it in connection with the management and operation of the JV Company, and for any costs or fees incurred by Galileo Advisory LLC on behalf of the US REIT, provided that such expenses shall not exceed US\$1 million in any calendar year, without the consent of New Plan Australia.

ACQUISITION FEE

Galileo Advisory LLC is entitled to receive an acquisition fee of 1.0% of the contracted purchase price on all real estate acquisitions other than the New Properties and any properties that are subsequently sold or contributed to the JV Company by New Plan Australia or any of its affiliates. This fee will be reduced by:

- acquisition fees paid by the JV Company to the Property Manager under the Property Management and Services Agreement; and
- to the extent of any fees paid by the JV Company to a third party for performing any part of this function.

FINANCE FEE

Under the Property Management and Services Agreement the Property Manager is entitled to receive a debt arrangement fee of 0.40% of all borrowings of the JV Company, if the JV Company requires this service (but not in relation to financing in connection with the New Properties). Upon termination of the Property Management and Services Agreement, Galileo Advisory LLC will receive the finance fee paid to and received by the Property Manager from that date.

TERM

The term of the Amended and Restated Advisory Agreement is 20 years from 21 September 2003, subject to two additional periods of five years which may be exercised by the JV Company at the JV Company's option. Galileo Advisory LLC has the right to terminate the Amended and Restated Advisory Agreement upon at least 60 days notice to the JV Company in the event of a change of control of the Trust.

PROHIBITION ON COMPETING BUSINESS

The JV Company acknowledges that Galileo Advisory LLC is a third party beneficiary of a provision in the Limited Liability Company Agreement whereby US REIT agrees to conduct its business solely through the JV Company and US REIT shall not directly or indirectly source or acquire any retail shopping centres (but not enclosed malls) in the US for any other Australian listed property trust, or other public or private investment fund or scheme domiciled or operating primarily in Australia, or any other investor domiciled or operating primarily in Australia nor directly or indirectly conduct any business other than in connection with the ownership, acquisition and disposition of Shares; provided:

- US REIT may directly or indirectly acquire by way of issuing US REIT shares if approved by the Management Committee and the acquisition is contributed to the JV Company in exchange for additional Shares;
- US REIT is permitted to hold bank accounts and similar instruments in its own name and may acquire up to a 1% interest in any partnership or limited liability company where 99% is owned by the JV Company.

10.12.9 Trust/New Plan/Galileo Advisory LLC Letter Agreement

Under this letter agreement between the Trust, New Plan Australia and Galileo Advisory LLC, the parties agree as follows:

- the Trust's business shall be conducted solely through the US REIT and the JV Company, provided that:
 - if approved by the Management Committee, the Trust may make an acquisition if such acquisition is made through the issuance of Units and if such acquisition is contributed to the US REIT in exchange for additional shares of the US REIT; and
 - the Trust may raise capital or incur debt if the net proceeds are in turn contributed to the US REIT in exchange for additional shares or debt of the US REIT, provided that the Trust is permitted to:
 - ... hold bank accounts in its name;
 - ... acquire directly or through a subsidiary (including the US REIT) up to 1% interest in any partnership or limited liability company at least 99% of the equity of which is owned by the JV Company; and
 - ... conduct the activities associated with being a publicly traded trust in Australia.

- the Trust shall not directly or indirectly source or acquire any retail shopping centres located in the US (other than an enclosed mall) for any other Australian listed property trust, or other public or private investment fund or scheme domiciled or operating primarily in Australia, or any other investor domiciled or operating primarily in Australia;
- New Plan Australia may assign or transfer all or a portion of its rights under the side letter agreement to a permitted transferee of New Plan Australia's shares under the Limited Liability Company Agreement;
- the Trust will execute all documents, make all necessary regulatory and stock exchange filings and obtain all necessary approvals with regulatory authorities in Australia as may be required to quote the Units on ASX;
- the PDS will include certain statements to the effect that New Plan are not issuing, distributing or preparing the PDS and New Plan does not take responsibility for giving the PDS or its contents;
- the Trust indemnifies New Plan and its affiliates against loss New Plan or its affiliates suffer based on the PDS;
- any actions against New Plan and its affiliates which New Plan and its affiliates may then seek indemnification from the Trust, must be notified to the Trust. The Trust may appoint its own counsel at its expense to represent the indemnified New Plan party, however, the indemnified New Plan party may also employ its own separate counsel. In certain circumstances, the Trust will bear the costs of the New Plan party's counsel. New Plan will need to consent to any proposed settlement and settlement terms;
- the Trust's indemnification of New Plan will not apply to loss if it directly arises at or is directly referable to a false or misleading statement made in the verification materials by New Plan (but the Trust is not relieved from liability where statements in the PDS contradict the New Plan verification materials);
- the Trust represents and warrants to New Plan that the Trust is a registered scheme and trust; that the Manager is the responsible entity of the Trust and the like.

The letter agreement will terminate upon the earlier of:

- termination of the Property Management and Services Agreement; or
- such time that New Plan Australia and its affiliates do not own in aggregate at least 50% of the Shares (taking into account stock dividends, stock splits and the like) received by New Plan Australia on the date of the letter agreement.

The terms of the first bullet point above shall terminate when New Plan Australia and its affiliates cease to own any Shares.

This letter of agreement may be enforced in any state or federal court located in New York. The Manager's liability under the letter agreement is limited to its capacity as responsible entity of the Trust.

10.12.10 JV Company/New Plan Australia Letter Agreement

Under this letter agreement between the JV Company, the US REIT and New Plan Australia, the JV Company and the US REIT agree that, if New Plan acquires the Redemption Properties pursuant to the Redemption Agreement, New Plan representatives are authorised (without the prior authorisation or consent of the other representatives on the JV Company's management committee) to execute documents, draw money under lines of credit, and take any other actions reasonably necessary to cause the JV Company to acquire the Redemption Properties from New Plan at the earliest practicable date and on the same terms and conditions as the same were acquired by New Plan (provided that the purchase price paid by New Plan (and payable by the JV Company to New Plan) shall bear interest at a rate of LIBOR plus 5% from the date of the closing of the acquisition by New Plan).

The US REIT also agrees to take all actions required to give effect to the rights granted to the New Plan representatives on the JV Company's management committee, including but not limited to causing US REIT's representatives on the JV Company's management committee to promptly approve the execution by the JV Company of any agreements or the authorising of the taking of any actions by the JV Company reasonably required to give effect to such rights.

If the Redemption Agreement or the Purchase and Sale of Management Rights Agreement is terminated by CBL & Associates Limited Partnership, the parties agree that:

- if the default resulting in termination is caused by the wilful default by New Plan Australia or ERP Australia, as applicable, under the Redemption Agreement or the Purchase and Sale of Management Rights Agreement, as applicable; or by the wilful failure by New Plan Australia or ERP Australia, as applicable, to close the transactions under the Redemption Agreement or the Purchase and Sale of Management Rights Agreement, as applicable; or by the default by New Plan Australia under the Contribution and Sale Agreement resulting in a failure of certain closing conditions in the Redemption Agreement; then New Plan Australia shall pay the entire amount of US\$10 million as liquidated damages to CBL & Associates Limited Partnership or indemnify the party paying such liquidated damages in full;
- if the default resulting in termination is caused by the wilful default by the JV Company or the US REIT; or by the wilful failure by the JV Company or the US REIT to close the transactions under the Redemption Agreement or the Purchase and Sale of Management Rights Agreement, as applicable; or by the default by the JV Company or the US REIT under the Underwriting Agreement or Contribution and Sale Agreement resulting in a failure of certain closing conditions in the Redemption Agreement; then the US REIT shall pay the entire amount of US\$10 million as liquidated damages to CBL & Associates Limited Partnership or indemnify the party paying such liquidated damages in full.

10.12.10 JV Company/New Plan Australia Letter Agreement (continued)

The JV Company, the US REIT and New Plan Australia acknowledge that the terms and provisions of this letter supersede in all respects the terms and provisions of the Limited Liability Company Agreement.

US REIT shall bear the full cost of post-closing payments due by the JV Company to CBL as set forth on Exhibit to the Purchase and Sale of Management Rights Agreement and will arrange for such payments out of US REIT's assets (including distributions it receives from the JV Company) and will be entitled to claim 100% of any loss or deduction arising for tax purposes in respect of such payments.

10.12.11 The Manager/New Plan/Galileo Advisory LLC Letter Agreement

Under this letter agreement between the Manager, Galileo Advisory LLC, and New Plan Australia, the Manager agrees not to, other than for the Trust:

- directly or indirectly source or acquire any retail shopping centre located in the US (other than an enclosed mall) for any Australian listed property trust, or other public or private investment fund or scheme, domiciled or operating primarily in Australia or any other investor domiciled or operating primarily in Australia; and
- directly or indirectly become the responsible entity of any Australian listed property trust investing in whole or in part in retail shopping centres located in the US (other than an enclosed mall);

until the earlier of the date on which:

- New Plan Australia and its affiliates no longer holds any Shares; or
- the Property Management and Services Agreement expires or is terminated in its entirety.

10.12.12 JV Company/US REIT/New Plan/New Plan Australia Letter Agreement

Under this letter agreement between the JV Company, the US REIT, New Plan and New Plan Australia, the parties agree as follows:

- (i) New Plan shall not directly or indirectly sell, contribute, exchange or otherwise transfer (not including a sale or issuance of equity interests in New Plan) any retail shopping centre located in the US (other than an enclosed mall) owned by New Plan or any subsidiary or affiliate:
- (a) to any Australian listed property trust or other public or private investment fund or scheme, domiciled or operating primarily in Australia; or
 - (b) to any Australian investor not described in (a) above unless such a retail centre has been offered to the JV Company and the JV Company has determined not to acquire it;

provided that the above shall not apply following:

- a change of control of the US REIT;

- expiration or earlier termination of the Property Management and Services Agreement in its entirety; or
- a change of control of New Plan where the other party to the change of control transaction has an existing relationship at the time of the change of control with a person described in (a) or (b) above;

and provided further that any action by New Plan Australia that does not constitute a transfer under the Limited Liability Company Agreement shall be permitted;

- (ii) the JV Company shall have a right of first offer to acquire any retail shopping centres located in the US (other than an enclosed mall) owned by New Plan Australia or New Plan (other than the New Properties) except that right of first offer will not apply to:
- any such centres not 100% owned by New Plan Australia or New Plan;
 - any such centres less than US\$5 million in value;
 - any such centres acquired by New Plan Australia or New Plan and subsequently sold, contributed or otherwise transferred by New Plan Australia or New Plan within 60 days of the closing date of such acquisition;
 - Market Plaza Shopping Center in Plano, Texas;
 - Kietzke Center in Reno, Nevada;
 - any such centres following a change of control of the US REIT;
 - following expiration or earlier termination of the Property Management and Services Agreement in its entirety;
 - following a change of control transaction where the other party to the change of control transaction has an existing relationship at the time of the change of control transaction that precludes granting the Company the rights set forth in paragraph (ii) above;

- the US REIT will pay to New Plan Australia US\$1 million p.a. for consulting services being provided by New Plan Australia to the JV Company.

This letter agreement will terminate when New Plan Australia and its affiliates cease to own any Shares.

10.12.13 Trust/US REIT Letter Agreement

Under this letter agreement between the Trust and the US REIT, the Trust agrees as follows:

- in connection with New Plan Australia's (together with its successors and assigns) right of redemption under the Limited Liability Company Agreement, to reserve and keep available for issuance to the US REIT a sufficient number of the Units necessary to satisfy the right of redemption;
- to execute all documents, make all regulatory and stock exchange filings and otherwise do all things reasonably

necessary at the Trust's expense to ensure that upon issuance of the Units to the US REIT, the Units will be freely transferable through the US REIT to New Plan Australia and will be fully paid, non-assessable, freely tradeable provided that any brokerage commission and other costs of sale will be borne by New Plan Australia;

- in the event that the Trust makes an acquisition, raises capital or incurs debt and contributes such capital or proceeds to the US REIT, the US REIT will contribute such acquisition or proceeds to the JV Company, provided that the US REIT will be permitted to:
 - hold bank accounts in its name;
 - acquire up to 1% interest in any partnership or limited liability company, at least 99% of the equity of which is owned by the JV Company; and
 - conduct the activities associated with being a REIT.

The letter agreement will terminate when New Plan Australia and its affiliates cease to own any Shares.

10.12.14 Neil Werrett/New Plan Letter Agreement

Under this letter agreement between Neil Werrett and New Plan Australia, Neil Werrett agrees not to sell, assign, transfer or otherwise dispose of his controlling interest in the Manager (other than to a wholly-owned affiliate which agrees to be bound by the letter agreement) (which controlling interest will be held of record by Werrett Family Trust) for a specified period of five years, however some or all of his interest may be sold, assigned or the like if he dies.

If Neil Werrett or his heirs sell his controlling interest in the Manager, New Plan Australia will have a 60 day right of first offer to purchase that portion of his controlling interest relating to the US REIT, the JV Company and the Trust and Neil Werrett must identify the prospective buyer to New Plan and provide New Plan with an acquisition proposal. If New Plan accepts the offer, Neil Werrett will sell to New Plan Australia an interest representing majority voting to control over the Manager. If New Plan Australia declines the offer, Neil Werrett may sell that portion of his controlling interest to the identified buyer at not less than 95% of the price offered to New Plan Australia, within 180 days.

Neil Werrett also agrees not to cause or support any issuances by the Manager of additional equity that would dilute his interest below a controlling voting and economic interest.

The letter agreement will terminate upon the earlier of:

- termination of the Property Management and Services Agreement in its entirety; or
- when New Plan Australia and its affiliates do not own in aggregate at least 50% of the Shares (taking into account stock dividends, stock splits and the like) received by New Plan Australia on the date of the side letter agreement.

10.12.15 Shopping Centre Lease (also called the Master Lease)

From the time of the IPO, CBL & Associates Limited Partnership ("CBL Associates") had certain obligations under the various Master Leases. As at July 2005, CBL Associates' obligations such Master Leases only apply in respect of the properties known as Waterford Common, Springdale Mall, Wilkes-Barre, Charter Oak and Garden City.

Under an assignment and assumption of Master Lease agreement, and subject to one main change, New Plan will assume from 1 September 2005, CBL Associates' obligations under the remaining Master Lease for Waterford Common, Charter Oak and Garden City. In addition, upon exercise of the put option, New Plan will assume the Master Lease obligations for Springdale Mall and Wilkes-Barre.

In terms of the Waterford Common Master Lease, the term is to be shortened – that is, instead of operating for a five year period from September 2003 it will operate for 18 months from September 2005.

Except in relation to the term of the Master Lease obligations, at the time of the IPO the Master Lease terms were summarised as set out below.

'AS-IS' BASIS LEASED PREMISES

Under the terms of the Lease, the Tenant agrees to accept the leased premises in 'as is' condition and layout, without any representation and warranty as to the physical condition of the leased premises.

MINIMUM ANNUAL RENT

An annual fair market value rental payment is payable in advance in equal monthly instalments throughout the term.

TAXES

The Tenant must reimburse the Landlord for all taxes imposed by any taxing authority in connection with the Leased Premises or the rent payable under the Lease.

COMMON AREAS AND OPERATING COSTS

All common areas in the Shopping Centre will be subject to the exclusive control and management of the Landlord. The Tenant is granted a non-exclusive license to use the common areas of the Shopping Centre, provided that the Tenant will have no recourse to the Landlord in the event that the common areas are changed or diminished.

The Tenant is liable to pay a share of the real estate taxes and operating costs of the common areas and the shopping centre to the Landlord. The Tenant's share of the operating costs are computed by multiplying the total amount of such operating costs by a fraction, the numerator of which shall be the total number of square feet in the Leased Premises, and the denominator of which shall be the total leasable floor area in the shopping centre.

10.12.15 Shopping Centre Lease (also called the Master Lease) (continued)

USE OF PREMISES

The Tenant agrees to use the leased premises for any use permitted by law provided, however, that:

- all of the Tenant's rights under the Lease shall be subject to an exclusive use clause in leases of any space in the Shopping Centre existing as of the date of the Lease or after the date of the Lease as granted by the Landlord in favour of third parties unaffiliated with the Landlord; and
- use and occupancy of the Leased Premises by the Tenant shall be consistent with the use and operation of the Shopping Centre for its intended purpose.

DAMAGE OR DESTRUCTION OF THE LEASED PREMISES

Generally, in the event of damage or destruction, the Landlord is required to use insurance proceeds to repair and rebuild. However, the Landlord may terminate the Lease on 30 days notice to the Tenant given within 180 days after the occurrence of the following:

- the leased premises and/or a building in which the leased premises are located are damaged or destroyed as a result of an occurrence which is not covered by Landlord's insurance;
- the leased premises and/or a building in which the leased premises are located are damaged or destroyed and the cost to repair such damage amounts to 20% of the cost of replacement;
- the leased premises are damaged to the extent of 20% or more of the cost of replacement or destroyed during the last three years of the term of the lease or any extended term of the lease; or
- any or all of the buildings or common areas of the shopping centre are damaged to such an extent that, in the Landlord's sole judgement, the shopping centre cannot be operated as an economically viable unit.

Except as provided for in the Lease, none of the minimum annual rent and other sums payable by the Tenant, nor any of the Tenant's other obligations will be affected by any damage or destruction of the leased premises.

DEFAULT

The Tenant will default under the Lease if the Tenant:

- fails to pay when due (without any setoff or deduction) the minimum annual rent and any other sums due under the Lease and such failure continues for more than five days after the Landlord notifies the Tenant in writing;
- fails to observe and perform any of the other terms, covenants or conditions of the Lease and such failure continues for more than 10 days after the Landlord notifies the Tenant in writing; or
- fails to pay when due the minimum annual rent and any other sums due under the Lease three or more times in any consecutive 12 month period.

In the event of any default by the Tenant the Landlord may:

- cure the Tenant's default at the Tenant's cost and expense;
- without terminating the Lease, enter the leased premises and remove all persons and property, by any action or by force, without any liability for damages, and repossess the leased premises;
- at any time relet the leased premises; and/or
- terminate the Lease upon not less than three days notice to the Tenant.

The exercise of the Landlord's rights on default will not relieve the Tenant from the obligation to make all rental payments and to fulfil the covenants required by the Lease and, if the Landlord decides, all current and future rent and other monetary obligations due under the Lease shall become immediately due and payable.

LANDLORD'S LIABILITY

There shall be no personal liability of the Landlord (nor the Landlord's agent, if any) in respect to any of the covenants, conditions or provisions of the Lease. In the event that the Landlord breaches or defaults under the Lease the Tenant shall have recourse to the equity of the Landlord in the shopping centre.

LANDLORD'S TERMINATION

The Landlord has the right to terminate the Lease with respect to all or any portion of the Leased Premises by providing 30 days written notice to the Tenant before the effective date. Upon the effective date of each such termination:

- the Lease shall terminate with respect to the space as to which it has been terminated;
- the square footage of the Leased Premises shall be reduced by the number of square feet of the space with respect to which the Lease is terminated; and
- the minimum annual rent will be reduced dollar for dollar as such space is terminated.

10.12.16 Custodian Agreement

This agreement is between the Manager and the Custodian. The Custodian is appointed to hold the Trust's assets on behalf of the Manager.

The Custodian acts only on the instruction of the Manager.

The Custodian Agreement is generally in standard form and includes specific ASIC policy requirements relating to custodians.

10.12.17 Fee Allocation Agreement

This agreement is between the Manager in its personal capacity, the Manager as responsible entity of the Trust, the US REIT and Galileo Advisory LLC. It sets out the allocation of fees payable to Galileo Advisory LLC for management and advisory services provided under the Amended and Restated US REIT Advisory

Agreement and the fees payable to the Manager under the Constitution. Specifically, the Agreement provides that each year the US REIT shall pay to Galileo Advisory LLC an amount equal to 90% of the performance and base management fees payable under the Amended and Restated US REIT Advisory Agreement and the Manager shall receive from the Trust, in consideration of the performance of its services as responsible entity, an amount equal to 10% of the performance and base management fees. This allocation can be changed by mutual agreement and is intended to reflect the expected service levels required by the Trust and the US REIT.

10.12.18 Services Agreement

This agreement is between the Manager in its personal capacity and Galileo Advisory LLC. The Manager agrees to provide services to Galileo Advisory LLC to assist it to perform the duties required of Galileo Advisory LLC pursuant to the Amended and Restated US REIT Advisory Agreement and the Amended and Restated Advisory Agreement.

10.12.19 Intercompany Loan Agreement

Under the terms of this loan agreement, the Trust agrees to provide the US REIT with a loan on normal commercial terms to part fund the investment by the US REIT in the JV Company.

10.12.20 Debt Commitment Letter

Merrill Lynch Mortgage Lending, Inc. or an affiliate ("MLML") agrees to provide financing secured by all or a portion of 61 retail shopping centres located in the US. The key business terms of the financing are set out below.

Loans and term: Aggregate loan amount up to US\$629 million consisting of two fixed rate loans which are expected to be divided into (a) a 10 year loan for approximately US\$255 million; and (b) a 7 year loan for approximately US\$374 million. At MLML's discretion, each of the 10 year loan and the 7 year loan may be divided into two or three loans. Each loan will be secured on pools of approximately six to 14 properties, as selected by MLML.

Future advance: Loans on three properties (known as Merchant's Central, Northside Plaza and Tuckernuck Square) may be funded after closing but prior to 22 September 2005.

Borrowers: Borrowers to be acceptable to MLML and to be owned and controlled by the JV Company (post-Transaction).

Interest rate: Calculated by adding the applicable spread (spread for the 10 year loan is 50 basis points; spread for the 7 year loan is 59 basis points) to the sum of the 7 or 10 year mid-market Swap Spread (as applicable) and the bid side yield of the applicable on-the-run Treasury bond at the time the Borrower locks the coupon with MLML in accordance with the rate lock section below. Interest will be calculated on an actual/360 basis and will be due and payable on the 1st day of each month. The interest rate shall be subject to increase until the earlier of (a) the date the Borrower locks the interest rate with MLML; and (b) the funding of the applicable loan.

Rate lock: MLML will lock interest rate on loans upon receipt of a deposit equal to 2% of the loan amount and the execution by the JV Company of MLML's standard rate lock agreement. MLML will then hedge the loans.

Fees and expenses: The JV Company shall pay MLML (a) an initial deposit of US\$1.3 million; (b) reimbursement of MLML's out of pocket expenses, including fees and expenses of engineers, appraisers, counsel, other consultants whether or not the loans close (estimated to be approximately US\$400,000). The JV Company is also responsible for payment of additional fees incurred by the JV Company or the Borrower in connection with the origination of the loans (e.g. Borrower's counsel, title, survey fees and the like). MLML has received the initial deposit.

Security: Includes perfected first priority mortgages or deeds of trust on each property; perfected first priority security interest in any reserve accounts; and assignment of all leases and rents.

Management: MLML reserves right to remove the relevant New Plan group property manager (a) if there is a continuing event of default under the loan documents or the management agreement; (b) for fraud, gross negligence, wilful misconduct or misappropriation of funds.

Prepayment: Each loan will be locked out from prepayment, except during the 90 days prior to applicable maturity.

Guarantor for recourse carveouts: The JV Company.

Loan recourse: MLML's recourse in event of default will be limited to MLML's security interest in the properties and to the Borrower's interest therein. The Borrower and the JV Company will be personally liable for standard carveouts including damages for fraud or wilful misrepresentation; misapplication or misappropriation of insurance proceeds, tenant deposits, rents and the like; damage to property due to gross negligence or intentional acts and the like; failure to pay taxes; or other property related liens if sufficient cash flow exists. Full recourse to Borrower and the JV Company if Borrower interferes in MLML's pursuit of remedy; property becomes an asset in voluntary bankruptcy or insolvency proceedings; property ownership transferred in violation of loan documents; violation of single-purpose bankruptcy remote status of Borrower. The JV Company will also execute a hazardous waste indemnity.

Alterations: Certain alterations permitted to properties after securitisation, subject to certain specified conditions.

Insurance: Borrower to maintain "all-risks" perils insurance (including terrorism insurance), business interruption and liability insurance including flood, windstorm and earthquake insurance on properties located in such zones, acceptable to MLML.

Additional encumbrances: Borrower not permitted to further encumber any property while loan outstanding except in certain specified circumstances or if MLML approves.

No additional indebtedness: Borrower may not incur any indebtedness other than the loans.

10.12.20 Debt Commitment Letter (continued)

Other covenants: Loan documents to include standard covenants (e.g. regarding financial reporting, insurance, budget approvals and the like).

Cooperation: Borrower, JV Company and New Plan to cooperate with MLML if MLML intends to sell all or a portion of the loans.

Governing law: Laws of the State of New York.

Conditions precedent: (a) Satisfactory completion of remaining title, survey, zoning, lien search and litigation due diligence on the properties, the Trust, US REIT, New Plan and its affiliates and the Borrower; (b) no material adverse change in physical condition, financial results or fair market value of any property or financial condition of the Borrower, New Plan and the JV Company prior to closing and no material disruption or material adverse change in current financial, banking or capital market conditions that in the judgement of MLML could materially impair the securitisation or syndication of any loan; (c) completion and execution of acceptable loan document, organisational document and legal opinions; (d) satisfactory completion of the Contribution and Sale Agreement; (e) the JV Company obtaining net equity funding of approximately US\$292.3 million.

10.12.21 Early Rate Lock Agreement

The parties to this agreement are the JV Company (as Borrower), US REIT (as Guarantor) and Merrill Lynch Mortgage Lending, Inc. and its affiliates (MLML). The key business terms of the financing are set out below.

In consideration for MLML agreeing to the early interest rate lock (in respect of which MLML may or may not enter into certain hedging arrangements), the JV Company has agreed to deposit with MLML an initial rate lock deposit with respect to the 10 year and 7 year loans. The JV Company agrees, upon funding of the loan, to pay carrying costs until the date the loan is funded. The interest rate on the loan will be a fixed rate. The JV Company commits to depositing additional funds with MLML in certain specified circumstances set out in the Agreement. Any failure by the JV Company to make the additional deposits allows MLML to declare a default whereby (a) the interest rate for the loan will no longer be at the fixed rate; (b) MLML may unwind the hedging arrangements; (c) MLML may retain all rate lock deposits as liquidated damages; (d) JV Company to remit to MLML on demand the amount of any breakage costs. The JV Company pledges all rate lock deposits to MLML as security. The JV Company agrees to act and negotiate in good faith to consummate the closing of the loans during the fixed rate period.

If (a) MLML declines to issue a commitment; (b) the applicable loan amount is less than the applicable specified principal amount; (c) loan fails to close for any reason other than default by the JV Company; (d) transaction is terminated by MLML in its sole discretion; MLML is to return balance of all rate lock deposits less principal losses, carrying costs and breakage costs. The JV Company agrees it shall be liable for all breakage costs to MLML.

The JV Company agrees that if the loan does not close during the fixed rate period, MLML has the option to extend the terms of this Agreement and require the JV Company and US REIT to execute an acknowledgment of such extension and pay applicable extension fees. The JV Company agrees to pay MLML carrying costs in connection with any such extension.

If (a) JV Company wilfully fails or refuses to close the loan; (b) fails to act and negotiate in good faith to consummate the closing of the loan during this fixed rate period; (c) otherwise defaults under this Agreement or any loan commitment which may be issued; the entire rate lock deposit becomes non-refundable and is deemed immediately earned and will be retained by MLML. In such event, the JV Company remains liable for all breakage costs.

US REIT guarantees to MLML the prompt payment of all amounts to be paid by the JV Company pursuant to this Agreement. US REIT indemnifies MLML from and against all costs, fees and expenses incurred by MLML pursuant to this Agreement and/or the rate lock transaction.

If a default occurs under the Debt Commitment Letter or this Agreement or otherwise, MLML may at its option terminate the transaction on written notice to the JV Company. In such event, the JV Company remains liable for all breakage costs.

This Agreement is governed by the laws of the State of New York.

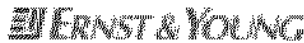
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11 Independent Reports



WESTMINSTER CITY CENTER CO.

11.1 Independent Accountant's Report



Ernst & Young Limited
 1111 Lonsdale Street
 Sydney, NSW 2000
 Australia

Tel: 61 2 9247 1511
 Fax: 61 2 9247 1111
 EMail: Sydney@ey.com
 Australia@ey.com

TRANSACTION ADVISORY SERVICES

CPA/Chartered Accountant
 Sydney, NSW 2000

INDEPENDENT ACCOUNTANT'S REPORT AND FINANCIAL SERVICES GUIDE

Part 1 – Independent Accountant's Report

20 July 2005

The Directors
 Galileo Funds Management Limited
 as Responsible Entity for Galileo Shopping America Trust
 Level 9
 1 Alfred Street
 SYDNEY NSW 2000

Dear Directors

Independent Accountant's Report on Forecast Financial Information

We have prepared this Independent Accountant's Report (the "Report") on the pro-forma consolidated balance sheets as at 30 June 2005 and forecast financial information for the financial year ending 30 June 2006 of Galileo Funds Management Limited as Responsible Entity for Galileo Shopping America Trust ("GSA") for inclusion in a PDS to be dated on or about 20 July 2005 relating to the Entitlement Offer and Public Offer of units in GSA.

Expressions defined in the PDS have the same meaning in this Report.

The nature of this Report is such that it can be given only by an entity, which holds an Australian Financial Services Licence under the Corporations Act. Ernst & Young Transaction Advisory Services Limited holds the appropriate Australian Financial Services Licence.

Scope

You have requested Ernst & Young Transaction Advisory Services Limited to prepare a report, for inclusion in the PDS covering the following information:

- the forecast consolidated income statement for the financial year ending 30 June 2006, prepared in accordance with Australian equivalents of International Financial Reporting Standards (AIFRS), as set out in Section 8.2 of the PDS;
- the pro-forma consolidated balance sheets of GSA as at 30 June 2005, prepared in accordance with both Australian Generally Accepted Accounting Principles applicable to GSA for the year ended 30 June 2005 and AIFRS, as set out in Section 8.1 of the PDS and which assume the completion of the contemplated transactions disclosed in Section 8.1 of the PDS.

(collectively referred to as the Directors' Forecast)



Responsibility

The Directors of the Responsible Entity are responsible for the preparation and presentation of the Directors' Forecast, including the best estimate assumptions, which include the pro-forma transactions, on which they are based. The Directors' Forecast has been prepared for inclusion in the PDS. We disclaim any assumption of responsibility for any reliance on this Report or on the Directors' Forecast to which it relates for any purposes other than for which it was prepared. This Report should be read in conjunction with the full PDS.

Ernst & Young Transaction Advisory Services Limited is liable for the content of this Report. The Responsible Entity is liable for the remainder of the PDS.

Review of Responsible Entity Directors' Best Estimate Assumptions

Our review of the best estimate assumptions underlying the Directors' Forecast was conducted in accordance with the Australian Auditing and Assurance Standard AUAS 902 "Review of Financial Reports". Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures we considered necessary. These procedures included discussion with the Directors and management of the Responsible Entity who reviewed the portfolio properties and have been undertaken to form an opinion whether anything has come to our attention which causes us to believe that:

- a) the best estimate assumptions do not provide a reasonable basis for the preparation of the Directors' Forecast;
- b) in all material respects, the Directors' Forecast is not properly compiled on the basis of the best estimate assumptions;
- c) the Directors' Forecast is not presented fairly in accordance with the recognition and measurement principles prescribed, as applicable, in Accounting Standards and other mandatory professional reporting requirements in Australia, AIFRS and the principal accounting policies of GSA disclosed in Section 8.3 of the PDS as applied in Australia for presenting pro-forma forecasts in PDS documents; and
- d) the pro-forma consolidated balance sheets have not been properly prepared on the basis of the pro-forma transactions as disclosed in Section 8.1 of the PDS.

The Directors' Forecast has been prepared by the Directors to provide investors with a guide to GSA's potential future financial performance based upon the achievement of certain economic, operating, developmental and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a considerable degree of subjective judgement involved in the preparation of the Directors' Forecast. Actual results may vary materially from those forecast and the variation may be materially positive or negative. Accordingly, investors should have regard to the Risk Factors set out in Section 9 of the PDS and Sensitivity Analysis set out in Section 8.6 of the PDS.

Our review of the Directors' Forecast, that is based on best estimate assumptions, is substantially less in scope than an audit examination conducted in accordance with Australian Auditing and Assurance Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the Directors' Forecast included in the PDS.

Statement

Based on our review of the Directors' Forecast as set out in Sections 8.1 and 8.2 of the PDS, which is not an audit, and based on an investigation of the reasonableness of the Directors' best estimate assumptions giving rise to the prospective financial information, nothing has come to our attention which causes us to believe that:

- a) the Directors' best estimate assumptions set out in Section 8.5 of the PDS do not provide a reasonable basis for the preparation of the Directors' Forecast;
- b) the Directors' Forecast is not properly compiled on the basis of the Directors' best estimate assumptions;
- c) the Directors' Forecast is not presented fairly in accordance with the recognition and measurement principles prescribed, as applicable, in Accounting Standards and other mandatory professional reporting requirements in Australia, AIFRS and the principal accounting policies of GSA disclosed in Section 8.3 of the PDS as applied in Australia for presenting pro-forma forecasts in PDS documents; and
- d) the pro-forma consolidated balance sheets have not been properly prepared on the basis of the pro-forma transactions as disclosed in Section 8.1 of the PDS.

The underlying assumptions are subject to significant uncertainties and contingencies often outside the control of GSA and the Directors' of the Responsible Entity. If events do not occur as assumed, actual results achieved and distributions provided by GSA may vary significantly from the forecast. Accordingly, we do not confirm or guarantee the achievement of the Directors' Forecast, as future events, by their very nature, are not capable of independent substantiation.

Subsequent Events

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief no material transaction or events outside of the ordinary business of GSA have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

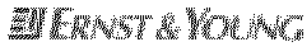
Independence or Disclosure of Interest

Ernst & Young Transaction Advisory Services Limited does not have any interest in the outcome of the proposed transaction other than in connection with the preparation of this Report. Ernst & Young Transaction Advisory Services Limited will receive a professional fee for the preparation of this Report.

Yours faithfully
Ernst & Young Transaction Advisory Services Limited



Paul Sivour
Director and Representative



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 Sydney NSW 2000
 Australia

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TRANSACTION ADVISORY SERVICES

THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE
 INDEPENDENT ACCOUNTANT'S REPORT

Part 2 – Financial Services Guide

Issue date: 15 February 2005 (version 2)

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Accountant's Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to

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Ernst & Young Transaction Advisory Services Limited
 180 Leverage Street Sydney NSW 2000
 Australian Financial Services Licence No. 540282

Liability limited by the Securities Scheme, governed
 under the Prudential Standards Act 1998 (NSW)

you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits referred to above, neither Ernst & Young Transaction Advisory Services, nor any of its directors, employees or associated entities receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the Compliance and Legal Manager and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Industry Complaints Service or the Insurance Brokers Disputes Limited for general insurance product advice.

Contacting Ernst & Young Transaction Advisory Services

Compliance and Legal Manager
Ernst & Young
680 George Street
Sydney NSW 2000

Telephone: (02) 9248 5555

Contacting the Independent Dispute Resolution Schemes:

Financial Industry Complaints Service Limited
PO Box 579 - Collins Street West
Melbourne VIC 3007 Telephone: 1800 335 405

Insurance Brokers Disputes Limited
Level 10
99 William Street
Melbourne VIC 3008 Telephone 1800 064 149

This Financial Services Guide has been issued in accordance with ASIC Class Order CO/04/373.

11.2 Australian Tax Advice to Unitholders

Greenwoods & Freehills

20 July 2005

Direct phone: +61 2 9225 5968
 Direct fax: +61 2 9221 6516
 Email: Mark.Perries@gf.com.au
 Matter no: 51289
 Doc no: Greenwood00172637

The Directors
 Galileo Funds Management Limited
 as responsible entity of Galileo Shopping America Trust
 Level 9
 1 Alfred Street
 Sydney NSW 2000

Dear Directors

**Galileo Shopping America Trust ("Trust")
 Entitlement Offer and Public Offer of New Units
 Australian income tax and GST implications for Unitholders**

We have been instructed by Galileo Funds Management Limited ("Galileo"), as responsible entity of Galileo Shopping America Trust (the "Trust"), to prepare a taxation summary for inclusion in the product disclosure statement ("PDS") dated 20 July 2005 in relation to the Entitlement Offer and the Public Offer to subscribe for New Units in the Trust.

This opinion contains general comments on the major Australian income tax and GST consequences for taxpayers who subscribe for New Units pursuant to an Entitlement Offer or the Public Offer (each a "Unitholder") and who hold their New Units on capital account for income tax purposes. This letter does not address the position of Unitholders who hold their New Units on revenue account or as trading stock.

As the tax consequences for Unitholders will depend on their own facts, Unitholders should seek independent advice in relation to their particular circumstances.

The analysis in this letter is based on Australian income tax law in force, and the practice of the Australian Taxation Office ("ATO"), applicable as at the date of this letter. Unless indicated otherwise, references to legislative provisions are to the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1997* (each the "Act") as applicable.

We are not licensed to provide financial product advice under the *Corporations Act*. Taxation is only one of the matters that must be considered when making a decision on a financial product. Any investor should, before acting on this

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 GPO Box 4982 Sydney NSW 2001 Australia www.gf.com.au DN 482 Sydney

Locally licensed by the Accountants' Scheme, approved under the Professional Standards Act 1994 (NSW)

Greenwoods & Freehills Pty Limited ABN 69 003 128 661

acquiring the relevant New Units. Under the discount CGT concession, any discount capital gain remaining after deducting current year and carried forward capital losses is reduced by one half for Unitholders who are individuals or trusts, or by one third for the Unitholders who are complying superannuation entities. The discount CGT concession is not available to Unitholders that are companies or that have held their New Units for less than 12 months.

(b) Non-resident Unitholders

Non-resident Unitholders who hold their New Units otherwise than through a permanent establishment in Australia will not be subject to Australian CGT on the disposal of those New Units if, at the time of the disposal, the Unitholder and its associates have not beneficially owned at least 10% of the issued Units at any time during the 5 years before the disposal.

Even if the non-resident Unitholder does not satisfy the above exception, it will not be subject to Australian capital gains tax on the disposal of those New Units if, at the time of disposal, the Trust is a "fixed trust" and at least 90% by market value of the Trust's assets do not have the necessary connection with Australia for income tax purposes. Further, the Australian government announced in the 2005 Federal Budget that disposals of CGT assets such as the New Units would not be subject to Australian CGT provided that they are not business assets of an Australian branch of a non-resident and that their value is not wholly or principally attributable to Australian real property. The proposal is to apply to CGT events occurring on or after the date of Royal Assent to the enabling legislation (which has not yet been introduced into Parliament). Unitholders potentially affected by this announcement should monitor developments that occur after the date of this PDS.

2.4 Tax File Number and Australian Business Number

Galileo will be required to deduct and remit to the Australian Tax Office ("ATO") withholding tax at the rate of 48.5% from any Trust distributions if a Unitholder does not either quote a tax file number ("TFN") or an Australian Business Number ("ABN") to Galileo, or notify Galileo of a relevant exemption.

2.5 GST

Holders should not be liable to GST in relation to the issue or disposal of New Units or the receipt of distributions.

Yours faithfully
GREENWOODS & FREEHILLS PTY LIMITED

per:



Mark Ferrier
Director

11.3 US REIT Opinion

**C L I F F O R D
C H A N C E**

CLIFFORD CHANCE LLP
37 WEST END STREET
NEW YORK NY 10020-2133
TEL: +1 212 875 8000
FAX: +1 212 875 8110
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This opinion is not intended or written to be used, and cannot be used by any person, for the purpose of avoiding United States Federal tax penalties, and was written to support the promotion or marketing of the transactions addressed in this opinion and offering described in the related Product Disclosure Statement dated on or about the date hereof. Each potential investor should seek advice based on such person's particular circumstances from an independent tax advisor.

July 20, 2005

GALILEO AMERICA, INC.
c/o Galileo Funds Management Limited
Level 58
MLC Centre
19-29 Martin Place
Sydney NSW 2000

Re: REIT Status of Galileo America, Inc.

Ladies and Gentlemen:

We have acted as counsel to Galileo America, Inc. (the "Company"), a Maryland corporation, in connection with the execution of a Contribution and Sale Agreement by and between New Plan Excel Realty Trust, Inc., a Maryland corporation and certain of its affiliates ("New Plan"), the Company and Galileo America LLC, a Delaware limited liability company (the "LLC"), dated as of July 20, 2005 (the "New Plan Contribution Agreement"). In connection therewith, you have requested our opinion regarding the Company's qualification as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code").

The opinions set forth in this letter are based on relevant provisions of the Code, Treasury Regulations promulgated thereunder, interpretations of the foregoing as expressed in court decisions, legislative history, and existing administrative rulings and practices of the Internal Revenue Service ("IRS") (including its practices and policies in issuing private letter rulings), all as of the date hereof. These provisions and interpretations are subject to change, which may or may not be retroactive in effect, and which may result in modifications of our opinion. Our opinion does not foreclose the possibility of a contrary determination by the IRS or a court of competent jurisdiction, or of a contrary determination by the IRS or the Treasury Department in regulations or rulings issued in the future. In this regard, an opinion of counsel with respect to an

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issue represents counsel's best professional judgment with respect to the outcome on the merits with respect to such issue, if such issue were to be litigated, but an opinion is not binding on the IRS or the courts and is not a guarantee that the IRS will not assert a contrary position with respect to such issue or that a court will not sustain such a position asserted by the IRS.

In rendering the opinions expressed herein, we have examined the following items:

1. the certificate of representations dated as of the date hereof, provided to us by the Company (the "Certificate of Representations"); and
2. such other documents, records and instruments as we have deemed necessary in order to enable us to render the opinion referred to in this letter.

In our examination of the foregoing documents, we have assumed, with your consent, that (i) all documents reviewed by us are original documents, or true and accurate copies of original documents and have not been subsequently amended, (ii) the signatures of each original document are genuine, (iii) each party who executed the document had proper authority and capacity, (iv) all representations and statements set forth in such documents are true and correct, (v) all obligations imposed by any such documents on the parties thereto have been performed or satisfied in accordance with their terms, and (vi) the Company at all times will operate in accordance with the method of operation described in its organizational documents and the Certificate of Representations.

For purposes of rendering the opinions stated below, we have also assumed, with your consent, (i) the accuracy of the factual representations contained in the Certificate of Representations, dated as of the date hereof, provided to us by the Company, the LLC and Galileo Advisory LLC, a Delaware limited liability company (the "Advisor") and that the representations contained in such Certificate of Representations, if any, to the best of the Company's, the LLC's or the Advisor's knowledge are accurate and complete without regard to such qualification as to the best of such entities' knowledge and (ii) no action will be taken following the date hereof that is inconsistent with the Company's qualification as a REIT.

Based upon, subject to, and limited by the assumptions and qualifications set forth herein, we are of the opinion that commencing with its taxable year ended December 31, 2003, the Company has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code and its proposed method of operation, as represented by the Company, the LLC and the Advisor in the Certificate of Representations, will enable it to continue to meet the requirements for qualification and taxation as a REIT under the Code.

The opinions set forth above represent our conclusion based upon the documents, facts, representations and assumptions referred to above. Any material amendments to such documents, changes in any significant facts or inaccuracy of such representations or assumptions could affect the opinions referred to herein. Moreover, the Company's qualification as a REIT depends upon the ability of the Company to meet for each taxable year, through actual annual operating results, requirements under the Code regarding gross income, assets, distributions and diversity of stock ownership. We have not undertaken, and will not undertake, to review the

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Company's compliance with these requirements. Accordingly, no assurance can be given that the actual results of the Company's operations for any single taxable year have satisfied or will satisfy the tests necessary to qualify as a REIT under the Code. Although we have made such inquiries and performed such investigations as we have deemed necessary to fulfill our professional responsibilities as counsel, we have not undertaken an independent investigation of all of the facts referred to in this letter or the Certificate of Representations.

The opinions set forth in this letter are (i) limited to those matters expressly covered and no opinion is expressed in respect of any other matter, (ii) as of the date hereof, and (iii) rendered by us at the request of the Company.

Very truly yours,

Clifford Chance US LLP

11.4 Summary Valuation Report

VALUATION & ADVISORY SERVICES

233 North Michigan Avenue, Suite 2350
Chicago, Illinois 60601

T 312-333-8661

F 312-333-8660

www.cbres.com

July 7, 2005

Directors of Galileo Funds Management Limited (GFML)
Members of the Project Apollo / Galaxy / Galaxy Due Diligence Committee
Galileo America, LLC
980 North Michigan Avenue, Suite 1400
Chicago, Illinois 60611

Re: Summary of Appraisal Reports
Project Apollo / Galaxy – 69 Property Retail Shopping Center Portfolio
Various locations within the United States of America

Dear Ladies and Gentlemen:

I. INSTRUCTIONS:

At Galileo Funds Management Limited's (GFML's) request, CB Richard Ellis, Inc. ("CBRE") has prepared this letter summarizing the valuation results from our complete, self contained appraisal reports ("Reports"). The purpose of our Reports was to render an opinion of market value of the leased fee or leasehold interest in each property as of March 23, 2005 through April 22, 2005, according to the terms outlined in the Reports. The Reports are intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the U.S. Standards of Professional Appraisal Practice. In each of the individual, self-contained appraisals, CBRE considers the standard customary approaches to value. The value conclusions are subject to the assumptions and limiting conditions contained in each report and reflect all information known by the appraisers of CBRE who worked on the Reports for the subject properties and their market conditions within the general area of each property.

CBRE has provided GFML with a summary of the valuation results from our complete, self contained appraisal reports ("Reports"). CBRE understands that the Summary of Appraisal Reports will be used by GFML and the Galileo Shopping America Trust (the Trust) in connection with an offer to subscribe for interests in the Trust to be made to certain current, and potential new, unitholders in the Trust to fund the acquisition of an indirect interest in the Properties.

CBRE agrees that GFML, its Directors, the Members of the Project Apollo / Galaxy Due Diligence Committee and their respective affiliates, rating agencies and investors involved in the offer, as well as any lenders, auditors or other advisers, may use and rely on the Summary of Appraisal Report as well as the individual Reports in connection with the loans or equity raised or to be raised involving the Properties. CBRE also agrees to cooperate in answering reasonable questions in connection with the Summary of Appraisal Report as well as the individual Reports and the use thereof in connection with the offer.

Galileo America, LLC
 July 7, 2005
 Page 2

CBRE confirms that, using the same assumptions as those set out in the individual appraisal reports, CBRE is not aware of anything that would lead CBRE to believe that the valuations contained in the Summary of Appraisal Reports and individual Reports would be materially different were they to be made as of the date of this letter.

The Reports were also prepared in conformance with our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title X) Regulations.

2. RELIANCE ON THIS LETTER:

We have prepared this letter summarizing our Reports and which outlines key factors that have been considered in arriving at our opinions of value. This letter alone does not contain all the data and support, which is included in our Reports. For further information, we recommend the reader to review the contents of each complete, self-contained appraisal.

CBRE has provided Galileo America, LLC with an appraisal of each property. The appraisals are not guarantees or predictions of the future performance of any particular property and must be read in light of the following:

- CBRE was provided "DYNA" cash flows for each property in lieu of detailed rent rolls, leases, and expense reimbursement information which was provided by New Plan. CBRE has relied on the accuracy of the provided information for the appraisals and assume it is correct. The Reports and the conclusions as to estimate of value are based upon factual information set forth within each Report. While CBRE has endeavored to assure the accuracy of the factual information, it has not independently verified all information provided by (a) New Plan or (b) the governments of the United States with respect to state, county and municipality in which each property is located (primarily statistical information relating to market conditions). CBRE, based upon the information it has received from the sources identified above, has not found any reason to doubt or discount the accuracy of the information it has been provided.
- The primary valuation methodologies used by CBRE in appraising each property, the Income Capitalization Approach (Discounted Cash Flow Analysis and the Direct Capitalization Methodology), are based upon an estimation of future results and are not predictions. These valuation methodologies are summarized later in this letter and also in depth within our Reports. Each methodology begins with a set of assumptions as to the projected income and expenses of the subject properties and future economic conditions in their local markets. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions and lease terms. The result is the best estimate of value CBRE can produce, but it is an estimate and not a prediction or guarantee and it is fully dependent upon the accuracy of the assumptions as to income, expense and market conditions. Basic assumptions for each property are set forth in a summary table later in this letter.

CBRE
 CB RICHARD ELLIS

Galileo America, LLC
 July 7, 2005
 Page 3

- The secondary valuation approaches utilized by CBRE in appraising each property were the Sales Comparison Approach and the Cost Approach, as applicable. The Sales Comparison Approach compares actual sales of similar properties to the subject, adjusting the comparables for differences that exist between them and the subject. The Cost Approach estimates the value of the land and adds to this the depreciated value of the improvements. These two approaches generally support to the value arrived at in the Income Capitalization Approach.
- Our Reports are based upon the most current information available at the time that each appraisal was prepared. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions. Any subsequent change in lease terms will also have a corresponding change to the value. We make no representation or warranties regarding the lease terms and advise the user of the Reports to perform their own due diligence.

3. BRIEF DESCRIPTION OF CURRENT RETAIL MARKET CONDITIONS:

The retail real estate sector has continued its strong performance in the first part of 2005, with many transactions setting records for sale price. According to Real Capital Analytics, sales volumes for retail transactions in the first five months of 2005 are 20% above the same time period in 2004. Average overall rates have decreased from 8.07% one year ago to 7.55% during the last three months. Sales of freestanding and urban retail properties have posted the biggest gains in volume. For strip centers, investor demand outweighs the supply of retail offerings in most markets. Retail properties are posting the greatest price appreciation and cap rate compression of the core property types.

Similar trends are reported in the Second Quarter 2005 Korpacz Real Estate Investor Survey. According to Korpacz, the National Regional Mall Market has seen overall rate decrease from 7.33% in First Quarter 2005 to 7.17% as of Second Quarter 2005. The National Power Center Market has seen a smaller decrease, from 8.04% to 8.0%, with the National Strip Shopping Center Market showing a decrease from 7.86% in the first quarter to 7.72% in the second quarter. Generally, discount rates have moved in concert with overall rates.

It must be noted that the trends reported by Real Capital Analytics and the Korpacz Real Estate Investor Survey are global in nature and describe the performance of the retail market as a whole. Individual property performance may or may not mimic market-wide performance. CB Richard Ellis has not re-inspected the properties in this portfolio, nor have property-specific income and expense statements been reviewed for changes. We make no representation or projection as to individual property values in this portfolio, other than those contained in the original appraisal reports.

4. BRIEF DESCRIPTION OF THE PROPERTIES:

The various subject properties represent retail shopping centers located within the United States and are summarized in the table on the following page.



Galileo America, LLC
 July 7, 2005
 Page 4

**PROJECT APOLLO / GALAXY - 69 PROPERTY RETAIL SHOPPING CENTER PORTFOLIO
 SUMMARY OF PROPERTY DESCRIPTION**

CODE	Name	Location	Year Built	% Disposition	Anchor Tenants(s)	
1	128001	Wilmington City Center	Wilmington, DE	1998	100.0%	Barrett & Noble, Comet Cmp, Bobbie W Co, Camp USA
2	128002	Wolf Beach Center	Wilmington, DE	1997/2000	91.8%	Stover Bros, Michael's, Stein Mart, Hilti And
3	128204	Cliffside Center	Wilmington, DE	1998	91.8%	Washington Court Furniture, Bobbie W Co, Camp USA
4	128301	Sea-Dance Plaza	Sea Delmar, CA	1988	100.0%	U Hauls, Polys Supply, Home Depot, Hilti And
5	128410	Windsor Plaza	Windsor Square, DC	1980	98.1%	Office Depot, Lerner Food Store
6	128501	Northwestside at Wyndale	Little Wende, FL	2000	100.0%	Winn-Dixie, Walgreens, Blockbuster
7	140301	The Crossing at Pop Road	Way, FL	1995	97.1%	Kroger, Hobby Lobby, Stein Mart, Pottery Barn
8	112401	Delta Center	Lynchburg, VA	1985	96.1%	Furniture City, T.J. Maxx, Best Buy & Buyard
9	128301	Shoreline Plaza	Winnfield, VA	1995	97.2%	Walgreens, Walgreens
10	110001	Shore Park	Springfield, VA	1988	96.2%	HH Gregg, Childs Store, Michaels Crafts, Pottery
11	124201	Spokane City Square	Spokane City, WA	1988	96.7%	Wal-Mart, Goodys, Michaels, T.J. Maxx, Sports
12	112301	Madison Square	Spokane, WA	1984/2004	92.7%	Best Buy, Borders Sports, Best Buy & Buyard
13	140301	Orange Grove	Stanton, VA	1995	95.7%	Home & Garden, Office Max, T.J. Maxx Pottery
14	128301	Carrollwood Valley Shops Center	Carrollton, VA	1993	100.0%	Walgreens, Walgreens
15	128301	Shaded Plaza	Warrenton, WA	1988	96.1%	Pottery Barn, Big Lots
16	110001	Carrollwood Valley Center	Carrollton, VA	1992	97.4%	J.C. Penney, Sears, Sears & Roebuck, Sears
17	110001	Springwood Square	Sea Haven, VA	1994/2001	93.5%	Best Buy, Home Depot, Big Lots, Pottery Barn, Office Depot
18	127201	Green Acres	Spokane, WA	1987	99.3%	Furniture City, Big Lots, Hilti Wright
19	128301	Shoreline Plaza	Winnfield, VA	1995	100.0%	Kroger, Home Depot
20	128301	Shoreline Plaza	Winnfield, VA	1997	100.0%	Wal-Mart, Michaels, Walgreens
21	128301	Woodside Center	Edenfield, VA	1990/99	97.4%	Furniture City, Home Depot, Hilti
22	140301	Orange Grove	Stanton, VA	1995	96.2%	Home & Garden, Pottery Barn
23	140301	Orange Grove	Stanton, VA	1997	94.2%	T.J. Maxx Pottery
24	140301	Orange Grove	Stanton, VA	1998	100.0%	Hobby Lobby, Big Lots, Walgreens
25	128301	Shoreline Center	Winnfield, VA	1995	96.8%	Wal-Mart, Pottery
26	140301	Orange Grove	Winnfield, VA	1997	97.9%	Home & Garden Co., Office Depot
27	128301	Shoreline Plaza	Winnfield, VA	1997	100.0%	Big Lots, Wal-Mart
28	110001	Shoreline Plaza	Winnfield, VA	1990/2004	98.8%	Kroger, Home Depot
29	110001	Shoreline Plaza	Winnfield, VA	1991	98.2%	T.J. Maxx, J.C. Penney
30	128301	Shoreline Plaza	Winnfield, VA	1998	96.2%	Kroger, Wal-Mart, J.C. Penney, Walgreens
31	140301	Orange Grove	Stanton, VA	1992	97.4%	Pottery, Big Lots, Home & Garden, Office Depot
32	110001	Shoreline Plaza	Winnfield, VA	1990	98.8%	Kroger
33	124401	Carrollwood Valley	Lynchburg, VA	1994	100.0%	Kroger, Home Depot
34	125401	Lockwood Square	Richmond, VA	1997	98.8%	Bobbie W Co, Chuck E Cheese
35	128301	Shoreline Plaza	Winnfield, VA	1994	96.8%	Home Depot, Walgreens, Walgreens
36	128401	Shaded Plaza	Warrenton, WA	1994	92.4%	Home Depot, Home & Garden, Office Depot
37	128301	Shoreline Plaza	Winnfield, VA	1995	100.0%	Office Max, Michaels
38	110001	Shoreline Plaza	Winnfield, VA	1988	100.0%	Wal-Mart
39	110001	Shoreline Plaza	Winnfield, VA	1995	96.8%	Big Lots, Comet Cmp, Hilti
40	128301	Shoreline Plaza	Winnfield, VA	1997	98.4%	Kroger/Wal-Mart, Big Lots
41	127201	Green Acres Plaza	Stanton, VA	1987	95.3%	HH Gregg, Pottery
42	128401	Carrollwood Valley Plaza	Carrollton, VA	1998	94.3%	Pottery Barn, Big Lots, Hobby Lobby
43	128301	Shoreline Plaza	Winnfield, VA	1997	93.3%	Kroger, Home Depot (Best), J.C. Penney, Pottery, Home & Garden, Big Lots
44	128301	Shoreline Plaza	Winnfield, VA	1998	99.2%	Kroger, Hobby Lobby
45	114701	Shoreline Plaza	Winnfield, VA	1973	96.2%	Kroger, Walgreens, Blockbuster
46	127201	Green Acres Plaza	Stanton, VA	1979	100.0%	Kroger, Michaels, Home Depot
47	128301	Shoreline Plaza	Winnfield, VA	1973	96.1%	Kroger, Pottery Barn
48	128301	Shoreline Plaza	Winnfield, VA	1973	96.1%	Home Depot
49	127201	Green Acres Plaza	Stanton, VA	1980/1997	98.3%	Home Depot
50	128301	Shoreline Plaza	Winnfield, VA	1998	100.0%	Kroger, Staples



Galileo America, LLC
July 7, 2005
Page 6

In general, the estimated growth rate for market rent, rental income and expenses ranges between 2.0% to 3.0% per annum, similar to our projection of inflation. Our selected terminal capitalization rate, used to estimate a reversionary sales price, takes into consideration perceived market conditions out in the future (10 years), the estimated quality of cash flow at the time (lease expiration, tenancy, stability of cash flow stream) and physical condition of the building 10 years into the future. Our terminal capitalization rates are generally 25 to 100 points higher than our going in overall rate, depending upon the particulars of each property in the portfolio.

In selecting yield rates at which cash flows are to be discounted, an emphasis is placed on the prospective or forecast yield rates anticipated by typical buyers and sellers. This rate is influenced by many factors, including the degree of apparent risk, market attitudes toward future inflation, the prospective rates of return for alternative investments, the rates of return earned by comparable properties in the past, the supply and demand of mortgage funds and the availability of tax shelters. We applied discount rates ranging from 7.50% to 11.00% depending upon the particulars of the respective properties in the portfolio.

(b) Direct Capitalization Method

Direct capitalization is the method used to convert a single year's estimate of stabilized net operating income into a value indication. In direct capitalization, a precise allocation between return on and return of capital is not made because investor assumptions or forecasts concerning the holding period, pattern of income or changes in value of the original investment are not simulated in the method. Direct capitalization is the most appropriate method to use when analyzing a stable income stream and in estimating the reversion at the end of a holding period. Using this method, the following sets forth the process:

- i. Estimate the Potential Gross Income (PGI) from all sources that a prudent owner should be able to generate from a property based on existing and/or market rents.
- ii. Deduct an estimate of Vacancy and Collection Loss (VCL) to arrive at an Effective Gross Income (EGI).
- iii. Deduct estimated operating expenses from the estimate of EGI. The result is an estimate of the stabilized Net Operating Income (NOI).
- iv. Estimate an Overall Capitalization Rate (OAR).
- v. Divide the NOI by OAR resulting in a value estimate of stabilized occupancy.

The overall rates are based on comparable sales as well as discussions with market participants and national investor surveys. The overall rates used for the subject properties range from 6.25% to 9.00% depending upon the particulars of the respective property in the portfolio.

6. SUMMARY OF VALUES

The individual assets were valued by CB Richard Ellis, Inc., with reference made to the individual appraisal report. Each individual report provides an 'As Is' value as of the specific date of value, which ranges from March 23 through April 22, 2005. The 'As Is' value is specific to the current property and market conditions of each individual asset as of the date of value. In some cases, the retail center was not at a stabilized occupancy and an 'As Stabilized' value was provided. Specifically, seven assets were identified as not being at a stabilized occupancy level and an estimate of lease up

CBRE
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Galileo America, LLC
July 7, 2005
Page 7

and associated costs was provided within the individual appraisal report. The estimate date of stabilization ranges from December 1, 2005 to April 1, 2006, which is the date of our concluded "As Stabilized" value.

The individual property values estimated by CB Richard Ellis, Inc. according to the terms outlined in the Reports, are shown in the following table. For all details of the valuations, please refer to the individual complete, self-contained appraisal reports, separately prepared for each property.



Galileo America, LLC
 July 7, 2005
 Page 9

In addition to providing the 'As Is' and 'As Stabilized' market value of the individual assets that comprise the subject portfolio, CBRE has also prepared an appraisal of the portfolio value of the Apollo / Galaxy Portfolio. The value was derived via two widely recognized valuation methods. The first is the application of a premium to the aggregate retail value of the portfolio. The second is a discounted cash flow analysis, whereby the individual assets are rolled into a single cash flow, with the investment rates adjusted to factor in the portfolio premium. The primary emphasis has been placed in the discounted cash flow analysis. The concluded portfolio value of the subject portfolio as of March 31, 2005 is \$985,000,000.

7. LIABILITY DISCLAIMER

CBRE has prepared this Valuation Summary Letter and understands that it will be used as part of a Product Disclosure Statement. CBRE specifically disclaims liability to any person in the event of any omission from or false/misleading statements included in the Product Disclosure Statement. CBRE does not make any warranty or representation as to the accuracy of the information in any part of the Product Disclosure Statement other than as expressly made or given by CBRE in this Summary Valuation Letter.

Further, Galileo America LLC has agreed to indemnify, defend and hold CBRE, its parent, subsidiaries and affiliates and their respective officers, directors, employees, agents and attorneys harmless from and against any and all claims, damages, liabilities, expenses, losses and costs, including reasonable attorneys' fees, arising from or in any way related to the use of our Reports, or description of CBRE and/or the Appraisals, except for any finally adjudicated liability of CBRE, as determined by a court of competent jurisdiction, resulting from CBRE's failure to render the opinion of value in a manner consistent with generally recognized appraisal practices.

CBRE has relied upon property data supplied by New Plan, which we assumed to be true and accurate. CBRE takes no responsibility any conclusions made in reliance upon the data.

B. CERTIFICATION OF THE APPRAISALS (AND VALUATION SUMMARY LETTER)

I certify that to the best of my knowledge and belief:

- a) The statements of value contained in this Valuation Summary Letter ("letter") are true and correct.
- b) The reported analyses, opinions and conclusions of each Report are limited only by the reported assumptions and limiting conditions, and are the CBRE appraisers' impartial and unbiased professional analyses, opinions and conclusions.
- c) I have no present or prospective interest in the properties that are the subject of this letter, and no personal interest with respect to the parties involved.
- d) I have no bias with respect to the properties that are the subject of this letter or to the parties involved with this assignment.

CBRE
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Galileo America, LLC
 July 7, 2005
 Page 10

- e) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- f) My compensation for completing this letter is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisals prepared.
- g) The individual CBRE appraiser's analyses, opinions and conclusions were developed, and the Reports have been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
- h) The respective Senior Managing Directors', who are MAAs', for the individual appraisers of CBRE's Valuation and Advisory Services Group have reviewed and approved the Reports, but have not personally inspect any of the properties, unless otherwise indicated. Thomas B. McDonnell, MAI, CCIM did not inspect any of the properties.
- i) No one provided significant professional assistance to the person signing this letter or the persons signing the Reports, unless otherwise indicated.
- j) The use of this letter is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- k) As of the date of this letter Thomas B. McDonnell, MAI, CCIM has completed the requirements of the continuing education program of the Appraisal Institute.

Respectfully submitted

CB Richard Ellis, Inc.
 Valuation & Advisory Services



Thomas B. McDonnell, MAI, CCIM
 Senior Managing Director

Phone: 312-233-8669
 Fax: 312-233-8660
 Email: thomas.mcdonnell@cbre.com

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 CB RICHARD ELLIS

Directors' Statement 12



PEPPER MARKET PLACE, CA

12.1 Directors' Statement

The directors of Galileo Funds Management Limited are:

- Mr Michael Braham, Non-Executive Chairman;
- Mr Neil Werrett, Managing Director;
- Ms Susan MacDonald, Executive Director;
- Mr Barry Mills, Non-Executive Director; and
- Dr Peter Morris, Non-Executive Director.

Each director of Galileo Funds Management Limited has consented to the lodgement of this PDS with ASIC.

This PDS has been duly signed on behalf of Galileo Funds Management Limited by

A handwritten signature in black ink, appearing to read 'Neil Werrett', with a stylized flourish at the end.

Mr Neil Werrett, Managing Director
Galileo Funds Management Limited



WESTMINSTER CITY CENTER, CO

A\$ or \$ or cents	Australian currency
AASB	Australian Accounting Standards Board
AEST	Australian Eastern Standard Time
AGAAP	Australian Generally Accepted Accounting Principles
AIFRS	Australian equivalents International Financial Reporting Standards
Anchor or Anchor Tenant	Tenant occupying space in excess of 10,000 square feet
Applicants	Persons who submit valid Application Forms pursuant to this PDS
Application	An application to subscribe for New Units under this PDS
Application Form	The Application Form accompanying this PDS
Application Monies	Monies received from Applicants in respect of their Applications
Application Price	\$1.12 per New Unit
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange Limited or the market operated by it as the context requires
Borrower	An entity that is acceptable to MLML and that is to be owned and controlled by the JV Company (post-Transaction)
Business Day	A day other than a Saturday or Sunday on which trading banks are open for general banking business in Sydney and Melbourne and ASX is conducting trading in Sydney and Melbourne
Cap Rate or Capitalisation Rate	Yield at valuation
CBL	CBL & Associates Properties, Inc. and its controlled entities
CBRE	CB Richard Ellis Inc., the independent valuer
CHESS	Clearing House Electronic Sub-register System
Closing Date	The last day on which Application Forms will be accepted, being 5.00pm (AEST) on 19 August 2005 (subject to variation)
CMBS	Commercial Mortgage Backed Securities
Community Shopping Centre	A centre designed to provide convenience shopping typically anchored by a supermarket, super chemist store and/or discount department store. Community shopping centres generally offer a wider range of apparel and other soft goods than Neighbourhood Shopping Centres, and are typically configured in a straight line, L or U shape
Constitution	The constitution dated 4 September 2003 of the Trust as amended
Corporations Act	Corporations Act 2001 (Cth) as amended from time to time
CPI	Consumer Price Index
Custodian	Trust Company of Australia Limited
DRP	Distribution Reinvestment Plan
Entitlement	The entitlement to 5 New Units for every 8 Units held at 7.00pm (AEST) on the Record Date by persons with registered addresses in Australia or New Zealand, subject to Section 3
Entitlement Offer	The offer of approximately 294.6 million New Units to Qualifying Unitholders pursuant to this PDS
ERP Australia	ERP Australian Member, LLC, a Delaware limited liability company (an affiliate of New Plan)
ERT AM	ERT Australian Management L.P., a Delaware limited partnership (an affiliate of New Plan)

EUR	Euro
Existing Properties	The properties already owned by the JV Company (and therefore indirectly by the Trust)
Existing Unitholders	The person for the time being registered under the provisions of the Constitution as the holder of an Existing Unit and includes persons jointly registered
Existing Units	Units currently on issue and does not include New Units issued pursuant to the Offer
Final Allocation	The allocation of New Units to Qualifying Unitholders and Public Investors who apply for New Units under the Offer later than the Initial Allocation Date but before the Closing Date
Final Allotment Date	26 August 2005 unless otherwise amended
Forecast Period	The period from 1 July 2005 to 30 June 2006
Galileo Advisory LLC	A subsidiary, organised under US law, of the Manager
Gearing Ratio	Debt as a percentage of gross assets
GLA	Gross Leasable Area
GST	Goods and services tax
Initial Allocation	The allocation of New Units to Qualifying Unitholders who apply by the Initial Allocation Date for New Units under the Entitlement Offer
Initial Allocation Date	4 August 2005 unless otherwise amended
Initial Allotment Date	10 August 2005 unless otherwise amended
Institutional Entitlement Offer	As described in Section 3.1
Institutional Entitlement Offer Period	20-21 July 2005
IPO	Initial Public Offering pursuant to the product disclosure statement dated 24 September 2003
Issue Costs	Costs of the Offer. See Section 7 for a description of fees and expenses of the Offer
Issuer	The Manager
Joint Lead Managers and Underwriters	Merrill Lynch and UBS
JV Company	Galileo America LLC, which will be owned as to 95.0% by the US REIT (and, indirectly, by the Trust)
LIBOR	London InterBank Offer Rate
Limited Liability Company Agreement	Amended and Restated Limited Liability Company Agreement of the JV Company
Listing Rules	The official listing rules of ASX
m	Million
Management Committee	The management committee managing the JV Company consisting of two representatives of the US REIT, two representatives of New Plan Australia and one independent representative
Manager	Galileo Funds Management Limited (ABN 46 105 750 758) (AFSL 233 762), as responsible entity of the Trust
Master Lease	Arrangement whereby a seller agrees to pay rent pursuant to a lease for otherwise uncommitted space for an agreed period
Merrill Lynch	Merrill Lynch International (Australia) Limited (ABN 31 002 892 846) (AFSL 235 147)
MLML	Merrill Lynch Mortgage Lending, Inc. or an affiliate
MSA	Metropolitan Statistical Area

Neighbourhood Shopping Centre	A centre designed to provide convenience shopping for consumers in the immediate area, typically anchored by a supermarket or drugstore and configured as a straight-line strip with no enclosed walkway or mall area, although a canopy may connect storefronts
New Plan	New Plan Excel Realty Trust, Inc. and its controlled entities
New Plan Australia	New Plan Australian Member, LLC, a Delaware limited liability company (an affiliate of New Plan)
New Properties	The properties being acquired using the proceeds of the Offer
New Units	The new Units to be issued pursuant to this PDS
NTA	Net tangible assets
NYSE	New York Stock Exchange
OAR	Overall Average (capitalisation) Rate
Offer	The Entitlement Offer and Placement
PDS	This Product Disclosure Statement dated 21 July 2005
Performance Fees	As detailed in Section 10.3
Placement	An offer of 58.9 million New Units initially to Qualifying Institutional Unitholders and Institutional investors
Portfolio	All properties owned by the JV Company
Power, Community and Neighbourhood Shopping Centres	Power Shopping Centres, Community Shopping Centres and Neighbourhood Shopping Centres
Power Shopping Centre	A centre characterised by several large anchor tenants including discount department stores, off-price stores and warehouse clubs or stores that offer a selection in a particular merchandise category at a low price. Power Shopping Centres typically consist of several freestanding anchors and only a minimum amount of small specialty tenants
Property Management and Services Agreement	The property management and services agreement between the Property Manager and the JV Company
Property Manager	ERT Australian Management, L.P., a Delaware limited partnership (an affiliate of New Plan)
Public Investor	Non-institutional, Australian resident investor who participates in the Public Offer
Public Offer	The offer of New Units which are not subscribed for by Qualifying Retail Unitholders under the Retail Entitlement Offer and the offer of New Units which have been allotted under the Placement
Qualifying Institutional Unitholder	A Qualifying Unitholder who is a professional investor or other wholesale client within the meaning of the Corporations Act and received (directly or through nominees) an institutional Entitlement Offer (whether or not they accepted that offer)
Qualifying Retail Unitholder	A Qualifying Unitholder who is not a Qualifying Institutional Unitholder
Qualifying Unitholder	Unitholder as at 7.00pm (AEST) on the Record Date with a registered address in Australia or New Zealand
Record Date	25 July 2005
Redemption Agreement	The redemption agreement between the JV Company, CBL & Associates Limited Partnership, the US REIT and New Plan
Redemption Properties	Springdale Center and Wilkes-Barre Marketplace (currently owned by the JV Company but to be redeemed by CBL as part of the Transaction)
Registry	ASX Perpetual Registrars Limited
REIT(s)	Real Estate Investment Trust(s) under applicable US legislation

Retail Entitlement Offer	As described in Section 3.1
SEA	Joint venture between Samuels and Associates and Edens and Avant
SEA Acquisition	The acquisition of 10 assets from SEA announced in November 2004
SEA Properties	The 10 assets acquired via the SEA Acquisition
Section	Refers to a section in this PDS
Seller	New Plan Excel Realty Trust, Inc.
Shadow Anchor	Tenant occupying space in excess of 10,000 square feet where the land and buildings are not owned by the JV Company
Shares	The shares in the JV Company
sq ft	Square feet (1 square foot = 0.092903 square metres)
Swap Spread	The basis point differential between an interest rate swap and the comparable yield on a Treasury bond with the same maturity
Transaction	The combined acquisition of the 69 New Properties, change of joint venture partner described and the Offer described in this PDS
Treasury	The United States Department of the Treasury
Trust	Galileo Shopping America Trust (ARSN 106 294 197)
Trust Property	The assets of the Trust
Trust Value	The gross asset value of the Trust
UBS	UBS AG, Australia Branch (ABN 47 088 129 613) (AFSL 231 087)
Underwriters	Merrill Lynch and UBS
Underwriting Agreement	The agreement to be entered into between the Manager and the Underwriters on or about 20 July 2005 under which the Underwriters will agree to underwrite the Offer
Unit	The interest in the Trust provided for in the Constitution
Unitholder	Person registered under the provisions of the Constitution as the holder of a Unit and includes persons jointly registered
US	United States of America
US\$	US dollars
US REIT	Galileo America, Inc.
US Securities Act	United States Securities Act of 1933, as amended
WALE	Weighted Average Lease Expiry

14 Application Forms



Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

- A** Insert the number of New Units you wish to apply for. Your Application must be for a minimum of 2,000 New Units and thereafter in multiples of 500. You may be issued all of the New Units applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of New Units applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque, money order or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of New Unitholders. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Please enter your postal address for all correspondence. All communications to you from the Manager and the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E** If you are already a CHES participant or sponsored by a CHES participant, write your HIN here.
- F** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- G** Please complete cheque, money order or bank draft details and make it payable to:
 - "TCAL ACF GSAT – Application Account 1" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian bank.
 - The amount should agree with the amount shown in section B;
 - Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected; and
 - Pin (do not staple) your cheque, money order or bank draft to the Application Form where indicated.

DECLARATION

- I/We by lodging this Application Form with my/our Application Monies hereby offer to subscribe for New Units on the terms set out in the PDS dated 21 July 2005 and represent and acknowledge that I/we have personally received the PDS accompanied by or attached to this Application Form and have read and understood the PDS to which this Application Form relates.
- I/We acknowledge that acceptance of my/our Application for New Units will be at the sole discretion of the Manager (the Issuer) and that the Issuer has the right to reject my/our Application or to allocate to me/us a lower number of New Units than applied for.
- I/We acknowledge that the number of New Units issued will depend on the receipt of sufficient funds for the number of New Units applied for. The Manager has absolute discretion to not accept the Application Form or to accept such fewer number of New Units for which the funds are sufficient.
- I/We authorise the Issuer to register me/us as the holder(s) of the New Units allotted to me/us to complete and execute all documents necessary to effect the allotment of the New Units.
- I/We acknowledge that the information contained in this PDS is not investment advice or a recommendation that New Units are suitable to me/us, given my/our investment objectives, financial situation or particular needs.
- By lodging this Application Form, I/we declare that this form is completed and lodged according to the PDS and that all statements made by me/us are complete and accurate. I/We represent that by lodging this Application Form, I am/we are in compliance with all laws of any jurisdiction outside the Commonwealth of Australia relevant to this Application.
- I/We agree to be bound by the provisions (as may be amended from time to time in the future) of the Constitution of the Galileo Shopping America Trust (including the terms and conditions of the Units).
- I/We represent and warrant that I am/we are not in the US and I am/we are not a US person and not acting for the account or benefit of a US person, and I/we will not offer or sell the New Units into the United States on to, or for the account or benefit of, any US person, except where in a transaction exempt from the registration requirements of the US Securities Act and applicable US state securities law.
- **I/We acknowledge and agree:**
 - if I am/we are an individual(s), that I am/we are over 18 years of age; and
 - income and all capital will be paid in Australian dollars.

PRIVACY STATEMENT

ASX Perpetual Registrars Limited and the Manager advise that once you become a unitholder in Galileo Shopping America Trust, Chapter 2C of the *Corporations Act 2001* requires information about you (including your name, address and details of the Units you hold) to be included in Galileo Shopping America Trust's public register. This information must continue to be included in Galileo Shopping America Trust's public register if you cease to be a Unitholder. These statutory obligations are not altered by the *Privacy Amendment (Private Sector) Act 2000*. Information is collected to administer your Unitholding and if some or all of the information is not collected then it might not be possible to administer your Unitholding. ASX Perpetual Registrars Limited's privacy policy is available on its website (www.asxperpetual.com.au).

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Units. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co
Joint holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Oriando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated bodies/Business names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application.

Pin
cheques here
(do not
staple)



GALILEO FUNDS MANAGEMENT LIMITED
ABN 46 105 750 758, AFSL 233 762
as responsible entity for
Galileo Shopping America Trust
ARSN 106 294 197

Broker code

Broker stamp

Adviser code

Application Form

This Application Form must not be handed to another person unless attached to or accompanied by the PDS dated 21 July 2005 and a person who gives another person access to this application form must at the same time and by the same means give the other person access to the PDS.

Capitalised words and certain terms used in this form have the meaning given to them in the PDS.

Number of New Units applied for

Price per New Unit

I/We lodge Application Monies

A at **A\$1.12** **B** A\$

(minimum 2,000, thereafter in multiples of 500)

+

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

Applicant

Surname/Company name

C

Title

First name

Middle name

Joint Applicant #2

Surname

Title

First name

Middle name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

PLEASE COMPLETE ADDRESS DETAILS

PO Box/RMB/Locked bag/Care of (c-)/Property name/Building name (if applicable)

D

Unit number/Level

Street number

Street name

Suburb/city or town

State

Postcode

Email address (only for purpose of electronic communication of Unitholder information)

CHESS Holder Identification Number (HIN) (if you want to add this holding to a specific CHESS HIN, write the number here)

E **X**

Please note: if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Units issued as a result of the Offer will be held on the issuer sponsored sub-register.

+

Telephone number where you can be contacted during business hours

Contact name (PRINT)

F

Cheques, money orders or bank drafts should be made payable to "TCAL ACF GSAT – Application Account 1" in Australian currency drawn on an Australian bank and crossed "Not Negotiable".

Cheque, money order or bank draft number

BSB

Account number

G

A\$

LODGEMENT INSTRUCTIONS You must return your Application so it is received before 5.00pm AEST on 19 August 2005 to: ASX Perpetual Registrars Limited, Locked Bag A14, Sydney South, NSW, 1235

NO SIGNATURE REQUIRED

GSA IPO001



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WESTMINSTER CITY CENTER, CO

Responsible Entity of the Trust

Galileo Funds Management Limited

Registered Office

Galileo Funds Management Limited

Level 9

1 Alfred Street

Sydney NSW 2000

Tel: +61 2 9240 0333

Fax: +61 2 9240 0300

GPO Box 4760

Sydney NSW 2001

www.galileofunds.com.au

Directors of the Manager

Mr Michael Braham, Non-Executive Chairman

Mr Neil Werrett, Managing Director

Ms Susan MacDonald, Executive Director

Mr Barry Mills, Non-Executive Director

Dr Peter Morris, Non-Executive Director

Registry

ASX Perpetual Registrars Limited

Level 8

580 George Street

Sydney NSW 2000

Investor Enquiry Line

Tel: 1800 115 044 or +61 2 8280 7058

Custodian

Trust Company of Australia Limited

35 Clarence Street

Sydney NSW 2000

Advisor to the US REIT and JV Company

Galileo Advisory LLC

980 North Michigan Avenue

Suite 1400

Chicago IL 60611

United States of America

Joint Lead Managers and Underwriters

Merrill Lynch International (Australia) Limited

Level 38, Governor Phillip Tower

1 Farrer Place

Sydney NSW 2000

UBS AG, Australia Branch

Level 25, Governor Phillip Tower

1 Farrer Place

Sydney NSW 2000

Solicitors to Galileo Funds Management Limited

Allens Arthur Robinson

The Chifley Tower

2 Chifley Square

Sydney NSW 2000

Clifford Chance US LLP

31 West 52nd Street

New York, NY 10019

United States of America

Independent Accountant

Ernst & Young Transaction Advisory Services Limited

Ernst & Young Centre

680 George Street

Sydney NSW 2000

Auditor of the Trust

Deloitte Touche Tohmatsu

Grosvenor Place

225 George Street

Sydney NSW 2000

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