



News Release

Announcement

For Immediate Release

Toronto, Ontario, February 18, 2003 - O&Y Properties Corporation (TSX:OYP, OYP.DB) and Bentall Capital Limited Partnership announced today that they have mutually agreed to discontinue discussions to merge their real estate services businesses. Both entities entered into discussions with the belief that their real estate services businesses were complementary in many areas, including a strong client service focus, and that a combination would be beneficial to both entities. While the due diligence process substantiated the similarities, the review showed that there were insufficient synergies available from such a merger to offset the considerable costs of integration.

"While a merger between O&Y Enterprise and Bentall seemed very compelling, our detailed review resulted in the conclusion that each company was independently strong and well-organized and that the costs of combining could not be justified. As a result, we will continue with our original strategy for our real estate services business that was put in place before the merger talks arose," said Philip Reichmann, Chief Executive Officer, O&Y Properties Corporation. "Our real estate services team will continue to focus on growth opportunities across our various business lines and provide the highest level of service to our clients across the country. As an organization, we remain committed to our real estate services business as it is a core part of our ongoing strategy."

From Bentall Capital's perspective, Gary Whitelaw, President stated, "Unswerving client focus and service remains our number one goal. We were very attracted to the benefits this merger could bring, but we became increasingly concerned that the scale of the integration could divert resources away from our primary objective. Despite the apparent similarities in our management organizations, the merger tasks would have been significant, demanding increased management attention, and resulting in larger integration costs than at first may have been thought."

O&Y Properties Corporation is a Canadian commercial real estate company that is focused on ownership, management and development of high-quality office buildings. Directly and indirectly through just over 50% ownership of O&Y REIT, O&Y Properties owns a portfolio of 20 office properties representing 8.0 million square feet in seven Canadian markets, including the 2.7 million square foot Class AAA First Canadian Place office complex in downtown Toronto. O&Y Properties is also completing construction of the Maritime Life Tower in downtown Toronto. O&Y Enterprise, its real estate services division is a leading third party commercial real estate manager, specializing in property management services to owners of real estate; and through O&Y CB Richard Ellis, facilities and corporate real estate services to users of real estate. O&Y Enterprise has offices in 7 major centres across Canada and employs approximately 1000 people, servicing its managed portfolio of more than 74 million square feet.

Bentall Capital is a fully integrated real estate services organization with industry-leading expertise in investment management, property services, development and merchant banking. With over 1000 employees and offices in Vancouver, Calgary, Toronto, Ottawa, Seattle and Los Angeles, Bentall delivers results across all four of its business lines anywhere in North America. Bentall Capital's fiduciary responsibility to more than 80 pension fund and institutional investor clients extends across a \$6 billion portfolio of real estate. This includes property management and leasing provided through Bentall Real Estate Services and Bentall Retail Services to over 350 buildings totaling more than 40 million square feet of office, industrial, and retail properties.

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Cautionary statement regarding forward-looking statements

This news release contains forward-looking statements relating to our operations and the environment in which we operate, which are based on our expectations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. We undertake no obligation to publicly update any such statement, to reflect new information or the occurrence of future events or circumstances.