2007 Annual Results

27 February 2008

- Strong full year result, with underlying earnings increasing 7.0% -
- Sound financial position, with gearing at 36.3% -
- Ongoing progress on strategy -

HIGHLIGHTS

- Underlying earnings per security increased 7.0% to 29.4 cents per security
- Distribution increased 5.1% to 28.9 cents per security
- Sound financial position, with headline gearing within target range, at 36.3% (46.8% look through)
- Significant balance sheet and financing capacity under existing facilities to meet current liquidity needs
- Core investment portfolio delivers strong comparable income growth
- Growth of the funds management platform to more than $8.5 billion assets under management
- Development profit realisation commenced with the sale of workplace[6] to the GPT Wholesale Office Fund
- Development business set to contribute a steady stream of future profits with $4.9 billion of future developments in the pipeline
- European funds management platform established and growing strongly
- Delivery of targeted return on equity from the Group's Joint Venture with Babcock & Brown

The GPT Group (GPT) today announced profit after tax of $1,182.5 million for 2007, with continued progress on the strategic objectives which have transitioned the Group's business model to a more diversified earnings mix. GPT's realised operating income was $605.1 million, an increase of 8.3% compared to the previous corresponding period, while underlying earnings per security increased by 7.0%, to 29.4 cps.

The increase in earnings was driven by solid performance from all of the Group's operations, including the investment portfolio and new business areas. These new businesses, including the Group's US Seniors Housing portfolio, funds management business and the Group's development business as well as the Joint Venture all performed strongly.

Securityholders will receive a distribution of 28.9 cents per security (cps) for 2007, an increase of 5.1% on the previous corresponding period. This growth was above the Group's original growth target of 4-5% and has been achieved off the significantly higher growth in distributions delivered in 2005 and 2006 of 10.9% and 12.7% respectively. The Group's policy to distribute large development profits across earnings periods resulted in $8.1 million being retained, delivering a payout ratio of 98.7%.

FINANCIAL HIGHLIGHTS

	2007	2006	Change
Realised operating income	$605.1m	$558.6m	8.3%
Underlying earnings per security (cps)[1]	29.4	27.5	7.0%
Distribution per security (cps)	28.9	27.5	5.1%
	31 Dec 07	31 Dec 06	Change
NTA	$3.86	$3.60	7.2%
1 Year Total Return	-23.4%	45.2%	

[1] Based on realised operating income.

Nic Lyons, GPT's Chief Executive Officer, said during the second half of 2007 the Group had continued building a more diverse business mix with a strong long-term growth profile.

"The challenging recent market conditions underscore the importance of the prudent business model we have built at GPT which includes a focus on appropriate risk management and oversight of the various components of the business. Our balance sheet is strong, our funding position is secure, and the business is well positioned for sustainable long-term growth.

"While remaining a major owner and manager of Australian real estate, GPT has expanded to a business with access to a broader range of income streams, capital sources and growth options both locally and in selected offshore markets. We have maintained solid financial metrics, with considerable unused financing capacity under existing facilities and minimal exposure to refinancing risk.

"Our Australian real estate portfolio, which represents over 70% of our total assets, is performing very well and has further expansion potential, while our Australian development pipeline and our funds management business have been rapidly expanded, giving us access to a broader range of capital partners, real estate exposures and income streams.

“Internationally, we have grown our investment in the US seniors housing market, and our European funds management platform is now well established. We recently completed the successful launch of two funds in Europe which attracted quality institutional investors.

“GPT's joint venture with Babcock and Brown again made a positive contribution to earnings meeting the Return on Equity targets set for GPT's joint venture interest during 2007. It has become clear over the last six months however, that capital and debt markets have changed dramatically. Recognising this fact, GPT and Babcock and Brown have agreed to respond proactively and collaboratively. Accordingly, the parties are exploring ways in which the redemption of GPT's capital will be accelerated and GPT's future participation in the JV will carry less risk. More detail on this process will be provided in the coming months as appropriate strategies are determined.”

In light of the changed market environment and a conservative stance by GPT management, our distribution guidance for CY08 does not assume profits on asset realisations from the JV. 45% of the JV portfolio has been externally valued in the second half of 2007 with the balance being reviewed internally, reaffirming carrying values for these assets.

OUTLOOK

Mr. Lyons said that the strength of the Group’s performance, and the extent to which GPT had expanded and diversified the Group’s earnings mix, positioned GPT to continue to deliver stable returns to Securityholders well into the future as the business consolidates initiatives taken over the last two and a half years. With compound distribution growth since 2004 of 9.4% per annum, returns to investors have been significantly enhanced since internalisation.

“As we move into a more challenging environment globally, GPT’s more diverse business mix, with a dominant base in Australia complemented by modest exposure to selected offshore markets, will leverage the Group’s skills and expertise.

“Given the more challenging environment for the Joint Venture and our conservative stance on the realisation of trading profits in 2008, we expect to maintain distributions in 2008 at 28.9 cents per security,” Mr Lyons said.

- ends -

- please see following additional information –

GPT's Full Year results Presentation will be web cast via the Group's website (www.gpt.com.au) on Wednesday 27 February 2008 at 11.00am (Sydney time).

Attached:

Additional Information

For further information contact:

Nic Lyons	**Michael O'Brien**	**Kieran Pryke**	**Donna Byrne**
Chief Executive Officer	Chief Operating Officer	Chief Financial Officer	Head of IR & Corporate Affairs
02 8239 3565	02 8239 3544	02 8239 3547	02 8239 3515
0401 719 899	0417 691 028	0413 882 524	0401 711 542

Neil Tobin

General Manager, Joint Venture

02 8239 3552

0408 630 357

ADDITIONAL INFORMATION: 2007 Result

Financial Summary

	2006	2007
Distributions		
Distribution (cents per security)	27.5	28.9
Earnings (cents per security)*	27.5	29.4
	At 31 Dec 2006	**At 31 Dec 2007**
Assets		
Total assets	$12,001.9m	$13,966.9m
Borrowings	$4,291.7m	$4,995.0m
Debt to total tangible assets	35.8%	36.3%
Securities on issue (‘000)	2,041,531	2,099,614
NTA	$3.60	$3.86
Security price	$5.60	$4.04

* Based on realised operating income.

Balance sheet

The Group’s access to a range of capital sources was enhanced by the growth of the funds management platform, both domestically and in Europe, and the expansion of GPT’s range of capital partners.

The Group’s balance sheet was strengthened and exposure to refinancing needs reduced with the successful completion of a €2 billion funding facility in October 2007. The Facility, which can be drawn in one, three and five year tranches, attracted a range of lenders and increased the weighted average term to expiry of GPT’s debt to 3.7 years. It was completed with an average margin of only 2.4 basis points above facilities already in place. These terms represented an excellent outcome in a more challenging global credit market and demonstrated the strength of GPT’s relationship with the broader banking community and strong financial standing of the Group.

The Group introduced a Distribution Reinvestment Plan (DRP) in the first half of 2007. The DRP raised $165.5 million in the twelve months to December 2007 through the issue of 35.8 million securities. A further $102.1 million was raised through the underwriting of this facility (for the September 2007 quarter).

At 31 December 2007 GPT's headline borrowings, of $4.995 billion, included Australian, US and Euro denominated debt. GPT's headline gearing of 36.3% is comfortably within the policy range of 30-40%. On a 'look through' basis gearing is 46.8% (within GPT's policy range of up to 50%).

The current weighted average interest rate across GPT's debt is 5.14% (after fees and margins) and the weighted average term is 3.7 years. Only 16% of current facilities require refinancing in 2008, with a similar amount maturing in 2009. On a 'look through' basis the weighted average term of debt is 4.8 years. GPT has significant current capacity, of $2,823.6 million, under facilities already in place to replace these facilities if necessary.

GPT is substantially protected from interest rate and currency volatility over the near term with 97% of headline debt hedged for an average of 4 years.

Total assets at 31 December 2007 of $13.967 billion included the benefit of valuation increases across the Group's asset base, recent acquisitions, and the benefit of further investment in the Group's Australian development pipeline, US Seniors Housing portfolio and Joint Venture with Babcock & Brown.

NTA increased by 7.2%, to $3.86 at December 2007, an increase of 26 cents on the 31 December 2006 figure. The allocation between the Trust Unit and GPT Management Holdings Limited Share is $3.77 and $0.09 respectively.

Investment Portfolio

GPT's Australian investment portfolio, which now has a value of $10.1 billion (including GPT's co-investment in the GPT Wholesale Office Fund and GPT Wholesale Shopping Centre Fund) provides the large majority of GPT's investment returns, providing stability to the Group's income.

The Portfolio has benefited from a focus on active management and prudent development as illustrated by an increase in comparable income. Growth in the Australian business was achieved through the growth of the funds management business and the completion of developments in the retail, office and industrial portfolios which will deliver returns during 2008 and in future years.

The Group's ambitions to build on the US Seniors Housing Portfolio (acquired in December 2006) were realised with the acquisition of a 95% interest in a further 15 assets in October 2007. GPT now has an investment of $795.7 million in the portfolio of 34 assets.

Australian Retail

- Comparable income growth 4.8% (GPT owned assets)
- Net revaluation $246.8 million (including interest in GWSCF)
- Highly productive portfolio with low vacancy
- Developments contribute to increased income

Through its own investments and an interest in the GPT Wholesale Shopping Centre Fund (GWSCF), GPT has an interest in a $6.6 billion Retail Portfolio with a development pipeline of close to $2.5 billion.

Consisting of interests in 18 quality Australian shopping centres and eight Homemaker City centres, the GPT managed portfolio provides diversity, scale and a range of development opportunities to both GPT and GWSCF investors.

Head of Retail for GPT, Mark Fookes, said the GPT managed portfolio continued to perform well, with expectations that consumer demand would remain underpinned by high employment and a robust economy providing a positive outlook.

Across the GPT managed assets, comparable total centre sales grew solidly at 4.5% (1.2% at December 2006) and comparable specialty sales growth was also strong at 4.0% (2.3% at December 2006). Specialty occupancy costs were at 16.2% across the GPT managed portfolio at 31 December 2007.

Total Portfolio (excluding development) (includes GST)

	Moving Annual Turnover				Occupancy Costs (%)	
Centre	Centre MAT $PSM	Comparable Centre MAT Growth (%)	Specialty MAT $PSM	Comparable Specialty MAT Growth (%)	Centre (%)	Specialty (%)
GPT OWNED						
Casuarina Square	6,873	4.1%	9,433	6.5%	9.2%	13.6%
Charlestown Square	7,423	2.4%	10,880	0.7%	9.7%	16.2%
Dandenong Plaza	3,769	2.4%	6,378	3.2%	10.5%	15.8%
Erina Fair	5,898	3.3%	6,943	2.3%	9.4%	18.4%
Floreat Forum	7,574	4.5%	5,909	5.3%	7.5%	13.9%
Melbourne Central	6,492	14.7%	8,838	14.3%	12.7%	14.3%
Sunshine Plaza	7,569	2.6%	10,284	3.0%	9.4%	16.0%
Westfield Penrith	6,720	5.1%	9,667	3.7%	10.9%	17.7%
Westfield Woden	6,971	3.5%	9,696	3.3%	8.9%	15.7%
GWSCF OWNED						
Carlingford Court	6,824	9.5%	8,642	5.2%	8.1%	14.9%
Chirnside Park	7,303	5.7%	8,682	(0.4%)	6.2%	13.6%
Forestway	11,644	5.7%	9,036	6.0%	6.8%	13.6%
Highpoint	6,405	3.5%	8,499	1.5%	10.7%	18.1%
Wollongong Central	5,807	0.7%	9,237	0.8%	11.5%	15.5%
Total Portfolio	**6,512**	**4.5%**	**8,779**	**4.0%**	**9.8%**	**16.2%**
Centres under development						
GWSCF OWNED						
Macarthur Square	5,710	9.8%	7,919	7.7%	10.5%	16.7%
Parkmore	5,491	1.6%	6,505	7.8%	7.9%	14.5%

GPT reports in accordance with the Shopping Centre Council of Australia (SCCA) guidelines.

GPT is focused on the growth of existing assets to meet trade area demand and identifying new projects. Developments completed in recent years have contributed strongly to Portfolio income and NTA, demonstrating the value of expansion and redevelopment activity.

The current development pipeline across the GPT and GWSCF owned assets has a potential cost of close to $2.5 billion, providing access to further exposure to the resilient Australian retail sector through opportunities in some of Australia's strongest retail markets.

"The GPT managed retail assets have benefited from intensive management and proactive ongoing development, and we are seeing the benefit of successful redevelopments in sales and income growth. These, combined with active asset management to drive returns and a positive retail environment, will deliver further income growth in the medium term," Mr Fookes said.

<u>Australian Office</u>

- Comparable income growth 6.3% (GPT owned assets)
- Net revaluation $460.8 million (including interest in GWOF)
- 124,500 sqm leased over 2007 (GPT and GWOF)
- Ability to benefit from strong market conditions

GPT's office investment totals $3.15 billion, including GPT's $1.06 billion investment in the GPT Wholesale Office Fund (GWOF).

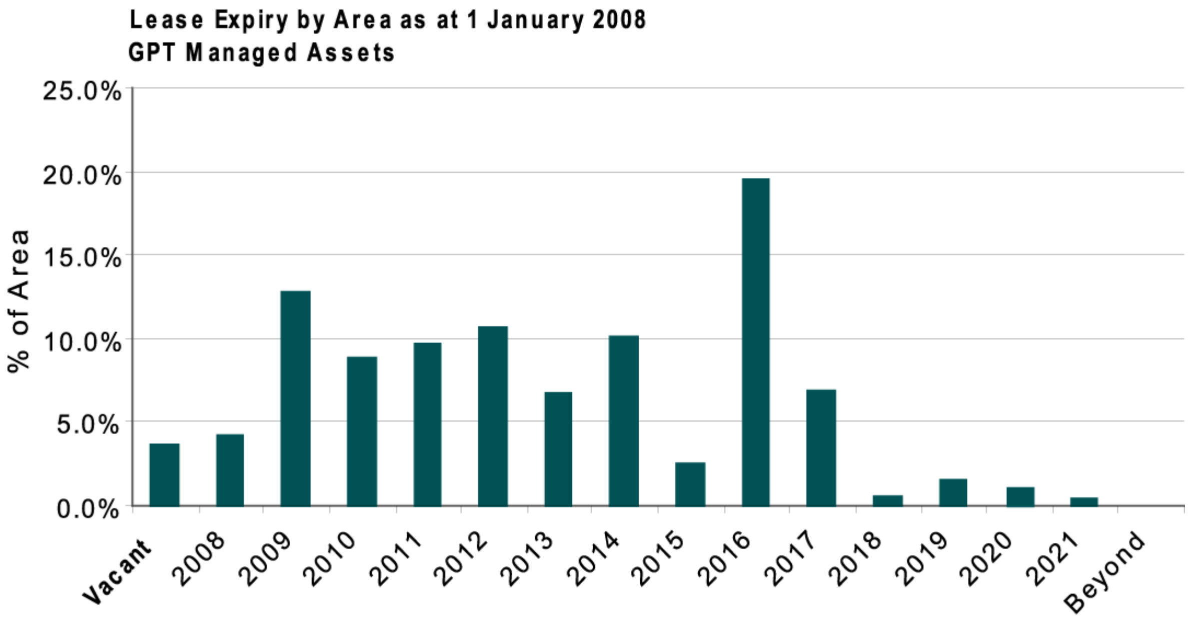
Across the $5 billion GPT managed Portfolio, 124,500 sqm was leased in 2007 and terms agreed over 22,750 sqm in the December quarter, resulting in 98.7% of space being committed, well above market occupancy of 95.1%.

Leasing activity included:

- Over 10,000 sqm leased at Australia Square, Sydney over the year, resulting in occupancy of 100%;
- Strong leasing at the MLC Centre in Sydney where 100% of space is now committed following close to 10,000 sqm of leasing;
- Over 11,000 sqm leased at the HSBC Centre in Sydney, bringing occupancy to over 99%;
- A lease of over 51,000 sqm to the Commonwealth Bank of Australia at Darling Park in Sydney for a term of 12 years, which removes expiry risk at this asset;

The recently completed 818 Bourke Street, Melbourne development achieved practical completion and is now also fully committed.

Across the GPT managed Portfolio, the average lease term is 6.0 years, with limited short-term expiry, providing long term secure income with growth through further leasing, fixed increases and market reviews.



Tony Cope, GPT's Head of Office, said GPT expected stronger income growth in the medium term from its office investments as a result of improved market conditions, particularly in Sydney where the majority of the portfolio is located.

"Following significant leasing in 2007 we are focusing on the limited upcoming vacancy to continually improve our expiry profile and extend the Portfolio's income security. We have market rent reviews across over 30% of the portfolio (by area) in 2008, providing us with the ability to benefit from the improved market conditions and positive rental reversions as a result of under-renting through the portfolio.

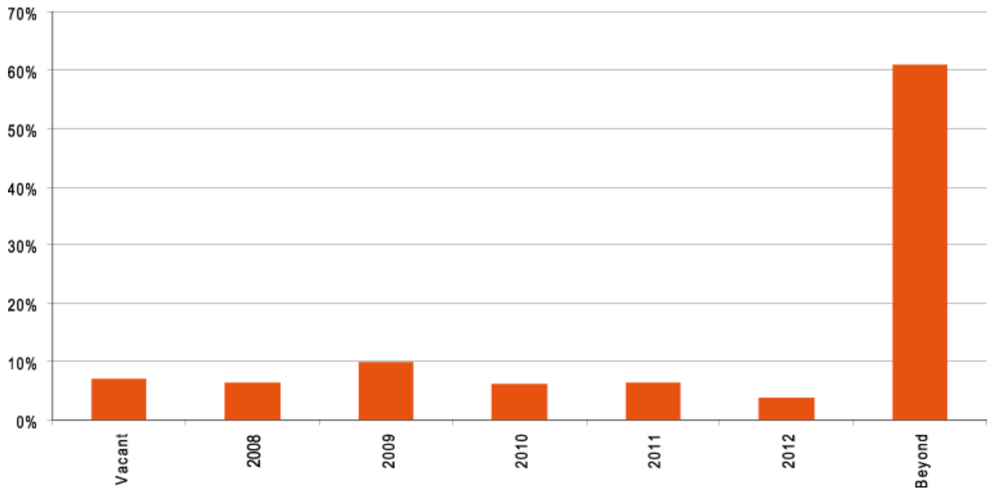
"Net absorption in the major CBD markets continues to be positive and with relatively constrained supply in most markets, we expect solid rental growth over the short to medium term," Mr Cope added.

Australian Industrial/Business Park

- Comparable income growth 3.7%
- Net revaluation $24.2 million
- Portfolio growth achieved as developments completed
- Long average lease term of 7.6 years (by income)

GPT's Industrial/Business Park Portfolio grew to $738 million at 31 December 2007. The Portfolio consists of high quality assets with strong diversification across a number of assets and between industrial and business parks.

During 2007, over 110,000 sqm of space was leased or renewed, contributing to occupancy of 93% by income (including land leases) and an average lease term of 7.6 years. The focus on large, high quality strategic development sites over the last 3-4 years has paid dividends with strong development returns and a large pipeline at Sydney Olympic Park, Somerton and connect@erskine park now in place.



The Portfolio's accommodation and tenant base was further enhanced over 2007 with the completion of Quad 4 at Sydney Olympic Park in June 2007 and the completion of a new facility at Austrak Business Park (Somerton, VIC). Extensions for Freedom Furniture (at Kings Park (NSW)) and Mitsubishi Motors (at 19 Berry Street, Granville) demonstrated the team's ability to meet tenants' needs and enhance income security through new long term leases to these tenants over the existing facilities in conjunction with the new space.

Victor Georos, Industrial/Business Park Portfolio Manager, said: "We now have considerable scale and diversity across our Portfolio, with assets in a range of industrial and business park markets and the ability to meet a wide range of tenant accommodation needs. With approximately 560,000 sqm of development land available, investors will benefit from income growth from recently completed developments and as new developments are brought on line in the short to medium term," Mr Georos said.

Australian Hotel/Tourism

- Comparable income down 1%
- Good performance from Four Points by Sheraton and Lodges assets
- Solid assets with good long term fundamentals

GPT's Hotel/Tourism Portfolio, with a value of close to $900 million, includes a unique collection of luxury based assets in some of Australia's most unique tourism locations and the Four Points by Sheraton Hotel, Sydney.

Bruce Morris, GPT's Hotel/Tourism Portfolio Manager, said Four Points and the Lodges delivered strong performance over 2007, however Ayers Rock Resort's performance declined, largely as a result of a reduction in Japanese visitation.

Four Points by Sheraton increased revenue by almost 10% as a result of continued improvements in room rates (up 2.7%) and occupancy (up 5.8%).

The Voyages Lodges portfolio demonstrated steady improvement, with occupancy and total revenue increasing marginally, despite difficult tourism conditions. At Ayers Rock Resort lower inbound guest demand, particularly from the Japanese market, was consistent with an overall fall in Japanese travel into Australian and resulted in reduced revenue despite stable occupancy.

"During 2007 the industry experienced lower growth in inbound tourism, particularly from the core markets of Japan, USA and UK. In addition, an increasingly strong Australian dollar has reduced the affordability of Australia as a destination while supporting higher levels of outbound tourism. Although these factors are anticipated to continue into 2008, we hold solid assets in fundamentally attractive tourist destinations which should support returns over the medium term. Ayers Rock Resort remains a dominant asset in a unique location and we are confident of its ability to perform," Mr Morris said.

US Seniors Housing

- Portfolio expanded October 2007 to include 34 assets
- Access to market with strong fundamentals
- Portfolio weighted to needs based market (assisted living)

In December 2006, GPT entered the US seniors housing market, with the acquisition of a 95% interest in a portfolio of seniors housing assets and an interest in the manager of the Portfolio, Benchmark Assisted Living (BAL). The Portfolio provides access to a sector focused on a growing demographic and a joint venture relationship with a dominant operator in this asset class. The Portfolio is located in one of the strongest markets for seniors housing with fundamentals supporting increasing demand for assisted living facilities.

The Group progressed its strategy to build a significant portfolio with a second acquisition completed in October 2007, giving GPT an interest in 34 assets ($795.7 million) located in the Northeast Corridor, and providing exposure to the strong Boston market.

Returns in the first year of ownership were in line with expectations and Portfolio metrics remain sound. A high percentage of the Portfolio is focused on the assisted living market which is considered more resilient throughout market cycles, given the needs based nature of the offer.

Martin Janes, Communities Portfolio Manager for GPT, said: "It is pleasing that we have been able to execute our strategy in this sector so quickly with two acquisitions which meet our investment targets and providing a reasonable scale. Despite a more challenging environment in the US, we anticipate solid returns from the Portfolio given the needs based nature of the assets and the strong long term fundamentals for seniors housing in what is an affluent market.

"Longer term we see this sector as one which is potentially attractive to our funds management platform."

Joint Venture

- Return on Equity target of 9.7% (GPT's capital) exceeded
- $7.1 billion portfolio secured
- Trading profits delivered
- Minimal near term debt maturities

Consistent with its performance since inception in June 2005 the Joint Venture made a solid contribution to the 2007 result, contributing $151 million (after provision for CFC taxes and the repayment of top up).

At 31 December 2007 GPT had a total of $2,010.2 million in capital committed to the Joint Venture, including $1,636.6 million of preferred capital.

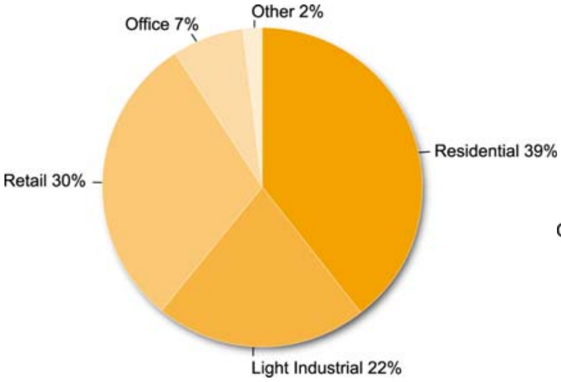
The 2007 result reflected a ROE on GPT's capital of 9.9%, above the target of 9.7%. The result included the repayment of the full top up and the benefit of trading profits from the sale of a portion of the German residential portfolio and Galerie Pomorska, a retail asset in Poland.

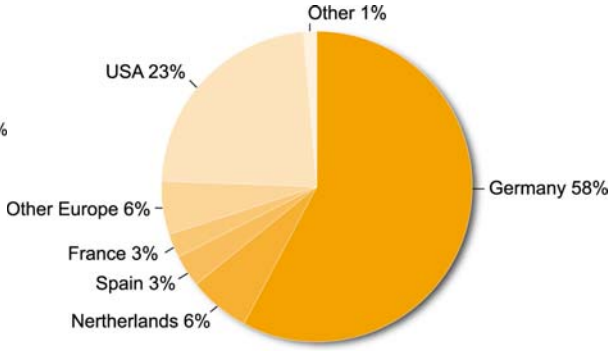
The Joint Venture Fund has now secured $7.1 billion (approximate AUD equivalent) in assets, predominantly in Europe where the vehicle's exposure is largely in Germany. The Joint Venture has virtually no exposure to the UK market.

Gearing, of 69.5%, is below the target of 75% and has an average term to maturity of 6.2 years. The weighted average cost of debt was 5.2%. The hedging profile of the JV is consistent with its policy to reduce funding risk, with 95.6% of debt hedged for an average duration of 5.4 years.

Consistent with the focus of both businesses on continually reviewing the JV's capital requirements, operating structures and objectives, the Joint Venture revised its operating structure in June 2007. Continuing this process, GPT is now in discussions with Babcock & Brown with regard to further changes with the objective of accelerating the return of capital and reducing risk within the Joint Venture.

Neil Tobin, General Manger, Joint Venture said: "GPT's joint venture with Babcock and Brown again made a positive contribution to earnings meeting the Return on Equity targets set for GPT's joint venture interest during 2007. It has become clear over the last six months however, that capital and debt markets have changed dramatically. Recognising this fact, GPT and Babcock and Brown have agreed to respond proactively and collaboratively. Accordingly, the parties are exploring ways in which the redemption of GPT's capital will be accelerated and GPT's future participation in the JV will carry less risk. More detail on this process will be provided in the coming months as appropriate strategies are determined."





Funds Management

- Rapid growth in assets under management achieved ($8.5 billion)
- Second Australian fund launched
- Creation of European platform

The Group made significant progress in building a funds management platform focused on the wholesale investor market, with scale now achieved in Australia and Europe. This platform provides GPT with access to real estate product in Australia and Europe and a range of global capital partners. Assets under management increased to $8.5 billion at 31 December 2007.

Despite a more challenging market, the platform attracted new equity to both new and existing funds and assets continue to be acquired on returns which meet investors' investment criteria.

In Australia, GPT has built assets under management to $5.1 billion through the growth of the GPT Wholesale Office Fund (GWOF), launched in July 2006, and the GPT Wholesale Shopping Centre Fund (GWSCF), launched in March 2007. Both Funds outperformed their benchmarks at December, resulting in the achievement of performance fees.

The GPT Wholesale Office Fund (GWOF) now consists of $3 billion in assets following acquisitions in Brisbane, Melbourne, Chatswood and Sydney. The Fund has gearing of 12% and an active distribution reinvestment plan.

The establishment of the GPT Wholesale Shopping Centre Fund in March 2007 raised $1.2 billion in equity and built on the success of GWOF. Following the acquisition of Norton Plaza and the nearby Berkelouw Complex in November 2007, the Fund's portfolio consists of interests in nine retail assets with a value of $2.1 billion. With gearing of 5%, GWSCF has capacity for further investment and the ability to fund the development potential identified across its existing assets.

GPT expanded the platform to Europe in July 2007 with the acquisition of Halverton Real Estate Investment Management, and an interest in Hamburg Trust. These platforms provide the Group with exposure to a broader range of investors and access to local expertise in these markets.

Since acquisition these business have continued to grow with assets under management of $3.4 billion (€2 billion) at December 2007, following the establishment of new funds for both groups.

GPT Halverton's assets under management grew to almost $3.4 billion at the end of December (€2 billion), excluding $300 million in assets held for future funds. In the second half of 2007, BIP, a partnership created for clients of CBRE Investors to invest primarily in multi-let industrial property in the Netherlands and Germany, raised €125 million of third party equity. The launch of the German Retail Property Fund in December 2007 (€126.5 million) and the first close for DAF (the Dutch Active Fund) in December, (€83 million). The business is currently focused on the marketing of a large industrial fund (the Northern European Light Industrial Fund), which consists of the majority of the assets held in the Joint Venture's pan European light industrial portfolio.

The GPT Halverton team consciously chose to avoid the UK market over the last 2-3 years, viewing this market as unsustainably priced and consequently concentrated on stabilising a strong platform in Europe where the Group has 10 offices and 160 people focused on sourcing acquisitions, asset and funds management. The team has deep experience in the UK light industrial and logistics markets, providing GPT with a strong capability and access to emerging opportunities in the UK.

Hamburg Trust, a start up business focussed on the German closed end fund market, successfully launched its first closed end fund - the €50.9 million Germany 1 Munich Fund (domicilium) - and is currently focused on the launch of its second fund, Finest Selection. The closed end fund market continued to demonstrate growth in fund inflows in 2007, providing solid prospects for growth from this business.

Michael O'Brien, Chief Operating Officer, said the European business had delivered steady growth in assets under management despite a more difficult market and is well placed to grow over time and to benefit from the potential opportunities provided by market changes.

"Our ability to build on our established relationships provide us with further avenues for growth and an excellent base in new markets, which positions us well to leverage capital, product and skills across markets while providing attractive investment options for our own capital.

"We have quickly established a large business in Australia and with quality product offerings, good performance and investment partners we are confident of continuing to build our business in Australia and Europe.

"While relatively small investments, GPT Halverton and Hamburg Trust provide GPT with a modest exposure to new markets and growth as the businesses launch further funds over 2008. Although GPT's business has not invested in the UK, changing conditions in this market provide potential opportunities which, combined with the businesses' existing activities and platform in Europe, stand the Group in good stead to access steady growth over time as these businesses mature," Mr O'Brien said.

Development

- Pipeline grown ($4.9 billion – GPT and funds)
- First development profits secured
- Expanded, experienced team

Since GPT internalised in June 2005, the Group has been focused on extending the development pipeline available to GPT and its managed funds and has successfully built resourcing and acquired further exposure to development opportunities.

GPT's pipeline, which represents a range of retail, office and industrial projects, provides the Group with the ability to continue to grow its exposure to the Australian market through ownership of quality real estate through its own assets and an interest in those owned by the Group's managed funds. With the addition of the funds management business, developments also have the potential to create additional income for GPT through the realisation of development profits, and fund, property management and development fees, while providing GPT with the opportunity to recycle capital and manage its balance sheet.

The Group continued to expand its in-house resources and development program, completing a number of best practice sustainable developments. The Group's first realised development profit was secured with the sale of workplace[6] in Sydney's Pyrmont to the GPT Wholesale Office Fund in December 2007 and the pipeline was expanded with an opportunity to create a $500 million major retail destination in the heart of Newcastle's CBD.

The development of One One One Eagle Street (Brisbane) will commence in 2008 and major retail developments at Rouse Hill Town Centre and Charlestown Square (both in NSW) are underway.

The agreement to sell workplace[6] (which is now fully leased) demonstrates the potential value of the development pipeline to investor returns and the Group's managed funds. GPT will receive a total of $188.7 million for the building, which will be paid in two instalments. GPT received a first instalment payment of $106.5 million in December 2007 for the value of the asset to date which results in a profit of $21.4 million after taking into account tax and GPT's interest in GWOF. The agreement to sell the asset to GWOF demonstrates the potential of future developments to deliver value to GPT and GWOF investors, through the provision of quality office space which meets the Fund's investment criteria. GPT will receive the second instalment and associated costs of approximately $82.2 million on practical completion.

GPT Owned Developments

Overall, current and potential GPT owned projects have an estimated cost of approximately $3.4 billion in the medium term.

Key projects underway or planned include:

- Construction of a new $470 million retail asset, Rouse Hill Town Centre, in Sydney's north-west which is progressing well. As one of the last major Greenfield regional retail opportunities within the Sydney metropolitan area this is a unique opportunity for the Group to develop a new retail precinct as part of a planned community.

  The first stage, representing two supermarkets and approximately 80 specialties opened on 25 September 2007, fully leased. Stage 2 will open in March 2008 and is also fully leased. A yield of 7% is anticipated on the development.

- At Charlestown Square, a major expansion which will increase the centre from 49,000 sqm to 89,000 sqm at a cost of approximately $450 million commenced in January 2008, following approval of the Development Application by Lake Macquarie City Council. This major expansion is anticipated to be complete in 2010.

- Further to the announcement in August 2007 of plans for a $500 million retail, entertainment and commercial development in the heart of Newcastle's city centre, GPT has commenced consultation with the community and relevant government and local authorities. This project is an excellent opportunity to create a major retail destination in the heart of Newcastle's CBD, strengthening and capitalising on the significant urban regeneration that is occurring in and around the CBD and waterfront areas. The development will provide the potential for strong development returns for GPT and may, over time, also provide quality product for the GPT Wholesale Shopping Centre Fund.

Recent and planned projects underway or planned across the GPT managed office assets include:

- The development of a new 21,700 sqm campus style office building on the waterfront at 818 Bourke Street, Melbourne, was completed in December 2007. The $110 million, six level office building has attracted Ericsson as the major tenant (leasing over 56% of the building) for a term of 10 years. Terms have also been agreed over the remaining space and the building is now fully committed. A yield of 7.8% is anticipated on the development.

- Construction at workplace[6] commenced in April 2007 and is due for completion in November 2008, ahead of schedule. The six-level office building of approximately 18,000 sqm located on the waterfront at Darling Island, Sydney, will be developed at a cost of approximately $140 million and has achieved a 6 star Green Star Rating (world's best practice for this measure).

  The building's office space has been fully leased to Google and Accenture, at rents above initial expectations, reflective of the current strength of the Sydney office market and the attractiveness of the building to quality tenants. Google has leased levels four to six and Accenture has leased levels two and three, leaving only the ground floor retail to be leased. Both tenants have long-term leases.

- At One One One Eagle Street (formerly Indigo House), Brisbane, a Development Application has been approved for a 60,000 sqm Premium Grade office tower in Brisbane's prime commercial "Golden Triangle" precinct. The development, to be named One One One Eagle Street, represents an opportunity to capitalise on the strength of the Brisbane market through the provision of a premium grade 44 level tower in an exceptional location. Demolition of the existing building, which is anticipated to take approximately six months, will commence early in 2008.

Key projects underway or planned across the GPT Industrial/Business Park assets include:

- At Austrak Business Park, Somerton VIC, a 43,300 sqm facility for Linfox was completed in October 2007. A first year yield of 8.2% has been achieved on the $19.9 million cost (GPT share). Linfox has leased the facility for 10 years from completion.

- The Quad Business Park was completed in June 2007 with the finalisation of Quad 4. Over 60% of the space has been leased to Samsung from October 2007. Additional leasing has increased occupancy to 98%. A fully leased yield of 8.4% is forecast on the $30.5 million cost (including land).

- Expansions for existing tenants were also progressed. A $12.7 million expansion for Freedom Furniture at Kings Park was completed in October 2007 and is expected to deliver a first year yield of 8.3%. In conjunction with the expansion, Freedom has taken a new 10 year lease over the expanded 40,300 sqm facility. An $8 million expansion for Mitsubishi (6,000 sqm), at 19 Berry Street, Granville, is due for completion in the first quarter of 2008 and is expected to deliver a first year yield of 8%. Mitsubishi will lease the newly expanded space (totalling 20,500 sqm) for 10 years.

Additional opportunities exist at Macquarie Park, Sydney Olympic Park and Austrak Business Park, Somerton, and GPT also anticipates settlement of a 376,000 sqm site at Erskine Park in April 2008. The site has the ability to be developed into a sizeable industrial estate with close to 190,000 sqm of gross building area.

Fund Owned Developments

Major developments within the Group's wholesale funds include a range of retail and office opportunities with a potential cost of over $1.1 billion. Current developments include:

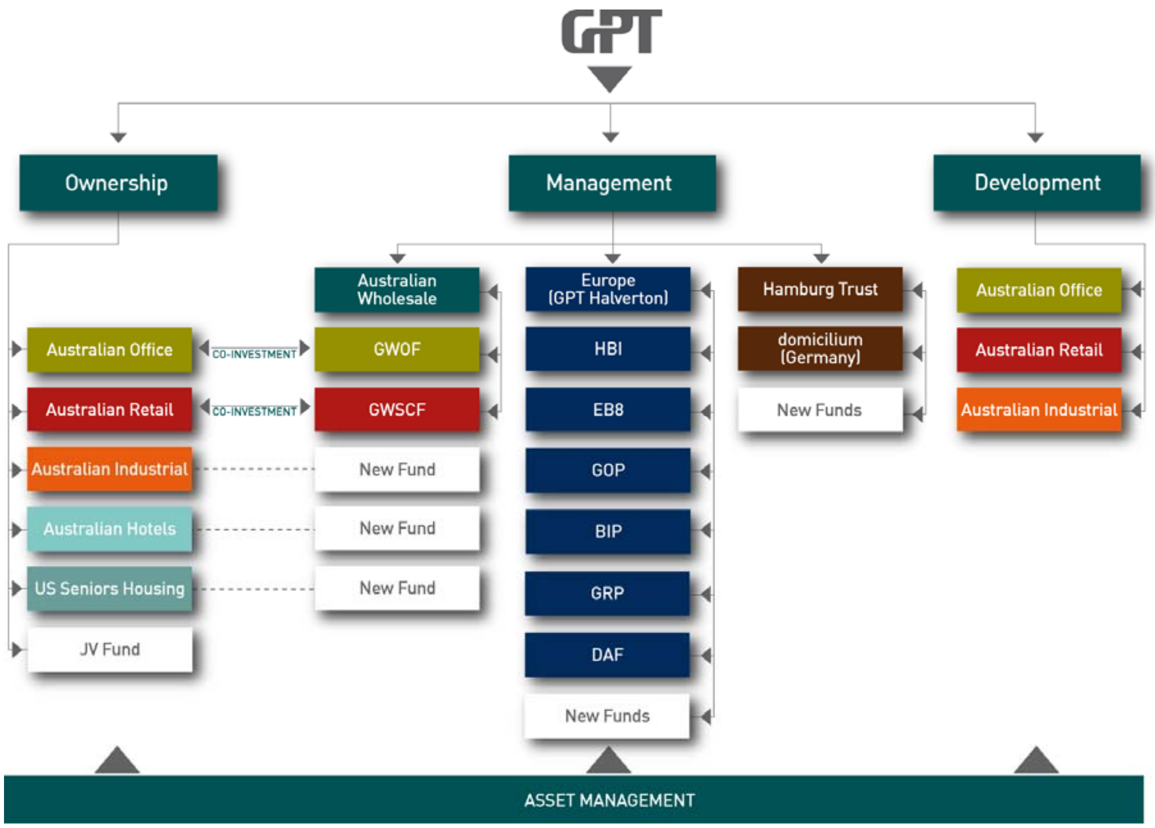
- Office developments underway in Brisbane (545 Queen Street) and Melbourne (28 Freshwater Place).

- At the GWSCF owned Wollongong Central, a full submission for a major expansion has been lodged with the NSW Department of Planning. Adjacent land has been acquired and works have commenced on the relocation of AHM, which will allow the Centre to be extended onto the existing AHM site. Subject to planning and GPT Funds Management Board approval, the development is anticipated to commence at the end of 2008.

Michael O'Brien, Chief Operating Officer for GPT, said the development pipeline provided a significant avenue for future growth.

"Asset creation is a critical part of GPT's business model. With the sale of workplace[6] we have demonstrated our ability to develop assets on GPT's balance sheet for sale to our funds. This has created quality product for our funds, enabling us to crystallise development profits upon sale while generating ongoing returns through co-investment and fee streams for managing the funds and assets.

"We see this pipeline as important in giving us access to quality product and ensuring we are in a position to continue to deliver growth from the portfolios we manage on behalf of GPT and fund investors. The current pipeline, of $4.9 billion continues to provide GPT investors with exposure to well capitalised Australian assets through direct ownership and co-investment and to secure growth in the highly sought and well positioned Australian market," Mr. O'Brien said.



THE GPT GROUP AT A GLANCE

- One of Australia's largest diversified listed property groups, with total assets of $14 billion
- Focused on property ownership, management and development
- A broad diversified business base with sustainable income streams
- Assets under management of over $8.5 billion*
- Business operations in Australia, the US and Europe
- Listed on an Australian Stock Exchange since April 1971
- GPT Securities are owned by over 48,000 investors

**Excludes assets to seed future funds.*