THE GPT GROUP

ANNUAL GENERAL MEETING

Wednesday 4 May 2016

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BOB JOHNSTON
CEO and Managing Director

The GPT Group

- Following my commencement in September 2015, my initial focus was to develop a deeper understanding of the business, including opportunities and risks, along with taking some time to assess our people and processes.
- In late November, we announced a restructure of the organisation along sector lines and also changes in key leadership positions. I believe that the structure and Leadership Team we have in place best positions the business to execute on our strategy.
- We have deep positions in the Retail and Office sectors across the balance sheet and the Funds platform and this clearly allows us to draw on the benefits of scale, invest in systems and processes, and attract talent. Whilst our Logistics and Business Parks division doesn’t have the same scale, it is meaningful and the Group has made good progress in growing our position over the last three years. We have approximately 50% of our balance sheet invested in Retail, 37% in Office and 13% in Logistics and Business Parks.
- Our strategy is focused on enhancing the positions we have in each of these three core sectors. Weightings to each sector are not likely to shift materially but this will be somewhat driven by the opportunities that present themselves including our emerging internal development pipeline.
- We have revisited our hurdles for new investments, taking into account our views on the macro economic outlook and will be targeting unlevered total returns in excess of 7% for new investments. These return hurdles, combined with the performance we expect from our existing portfolio, should deliver a Group Total Return in excess of 8.5%.
- A measured increase in development activity will assist with growth and ensure that our existing portfolio remains of a high quality and continues to deliver strong returns for the Group.

Group Strategy

Development pipeline

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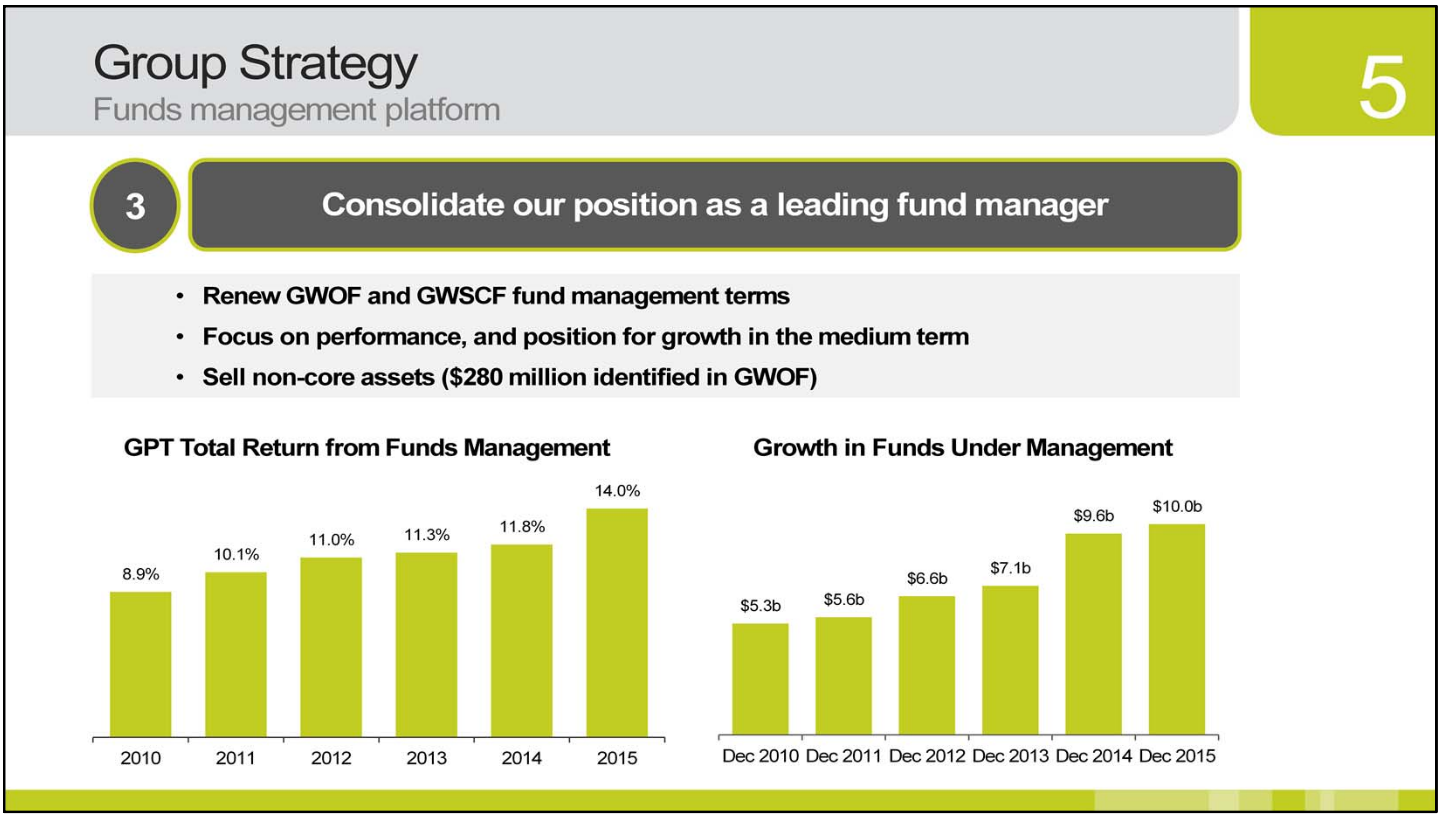
2 **Maximise value of development pipeline opportunities**

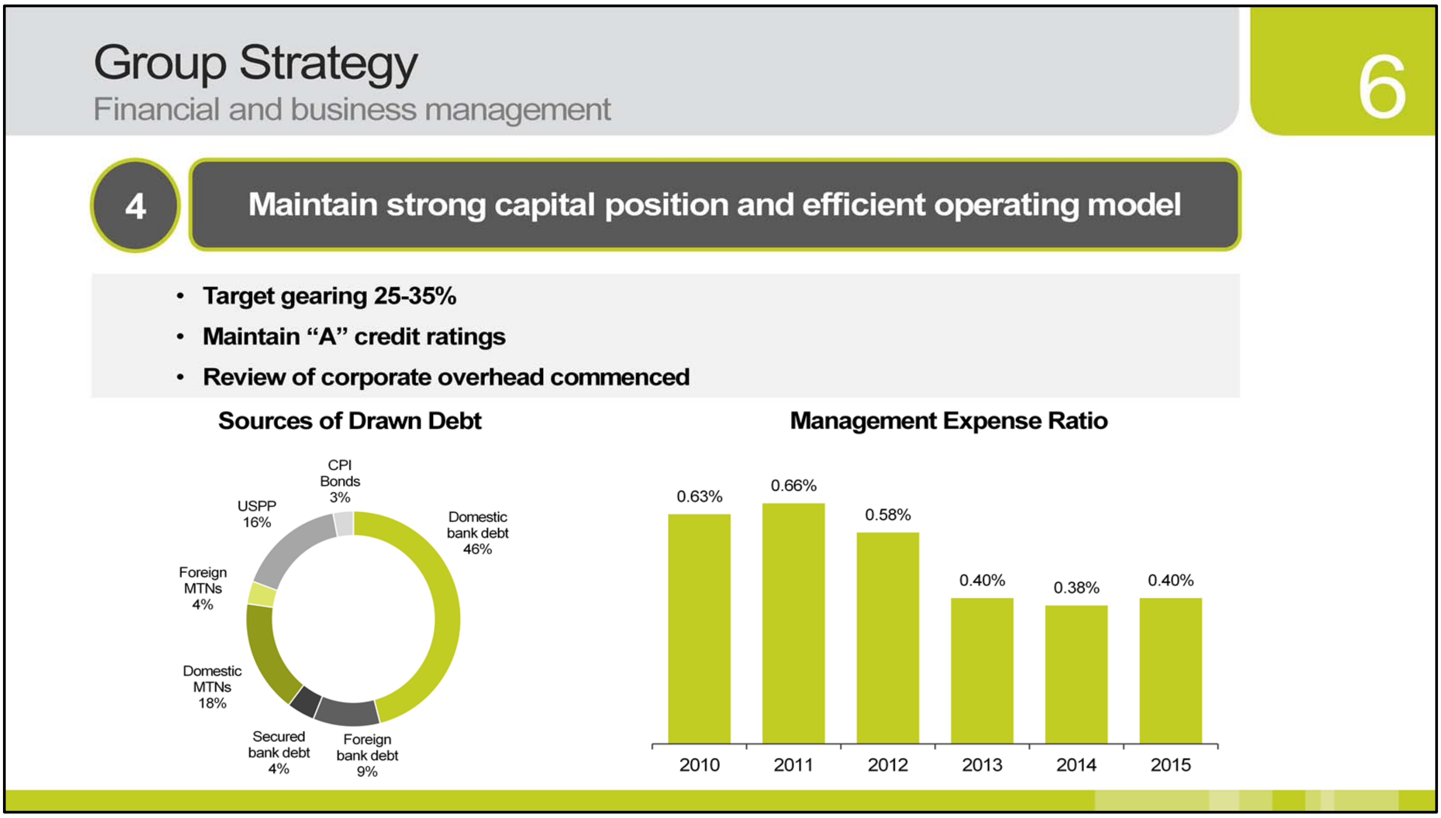
- **Development pipeline of $3 - 4 billion underpins growth of core portfolio**
- **Significant rezoning and mixed use outcomes inherent in the portfolio**
- **Continue to build the logistics platform through development and acquisitions**

Enhancement	Expansion	Redevelopment & Renewal
		
MLC Centre	**Rouse Hill**	**Sydney Olympic Park**

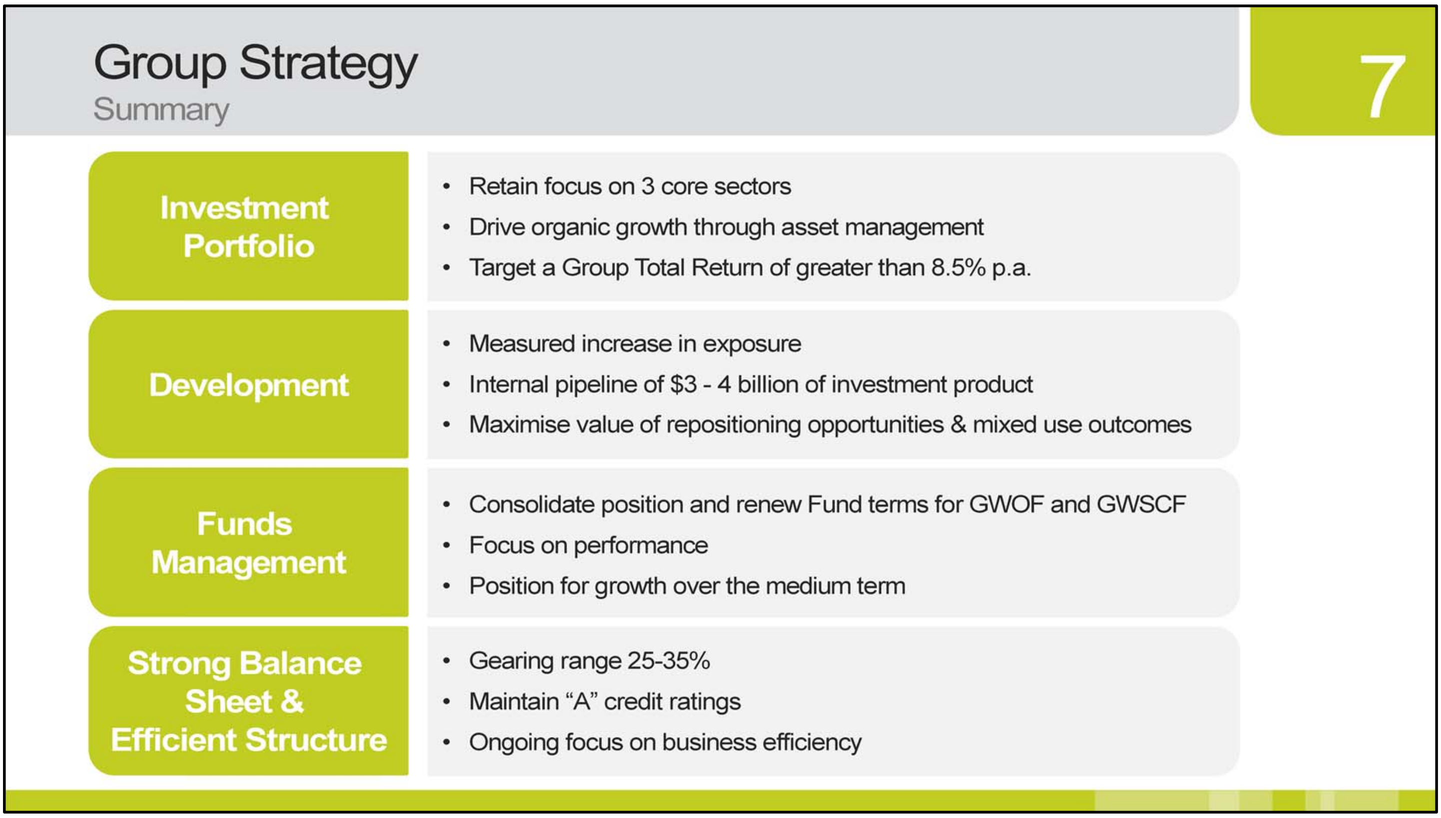
- Our development pipeline for investment product is currently estimated to have an end value of between $3 and $4 billion. Approximately 70% of this development pipeline is retail, with the balance being office and logistics.
- In addition to the development pipeline for investment product, we have three sites in particular which could deliver material upside for the Group: Camellia which is located close to Parramatta; Sydney Olympic Park; and the surplus land around our Rouse Hill shopping centre.
- At our Camellia estate, which currently accommodates logistics facilities, we are working through the rezoning process and expect that the site could yield up to 3,000 apartments. At Sydney Olympic Park, the authorities are currently reviewing the overall masterplan for the precinct. The outcome is likely to allow for mixed use opportunities at our Town Centre site.
- I note that both Sydney Olympic Park and Camellia are also likely to benefit from the proposed light rail recently announced by Government.
- At Rouse Hill, land that was acquired in 2015 will provide the opportunity to expand the existing retail centre. In addition, we expect that in excess of 1,000 apartments could be developed on surplus land along with potentially 50,000 sqm of commercial space. The completion of the Northwest rail link in 2019 and the expansion of our Retail centre will no doubt further enhance the appeal of the town centre in the future.
- Delivering mixed use outcomes across a number of our retail assets will be an ongoing thematic that we will be exploring over the coming 12 to 18 months.
- We will also continue to build our position in the logistics sector in a measured way through development and acquisitions. The team successfully completed nearly $300 million of development in 2015 and we have recently acquired additional land in Sydney to add to our existing development pipeline.
- Turning now to our Funds Management business.



- Our Funds Management business is an important part of the Group's platform and has enjoyed considerable growth over the last five years. As you can see from the chart on the bottom right of this slide, at the end of 2015, our funds under management reached $10 billion.
- Our Office and Shopping Centre wholesale funds were established nearly 10 years ago and accordingly, there is a review of the funds terms currently underway for the Office Fund. We expect to have successfully concluded the review by mid-year. A similar process for the Shopping Centre Fund is expected to commence in the second half of 2016.
- Our Office Fund has been the top performing office fund for the last seven years and now has approximately $6 billion of assets. The Office Fund is currently taking advantage of the strong market conditions and selling a number of assets that no longer fit with its longer term strategy.
- Our Shopping Centre Fund has approximately $4 billion of assets and while its performance has not been as stellar as the Office Fund it remains an important part of our plans for the future.
- As many of you may have read in recent ASX announcements and in the press, on April 5 the GPT Metro Office Fund received an indicative, non-binding, conditional proposal to acquire all units in GMF from ASX-listed Growthpoint Properties.
- In response to the proposal, the Responsible Entity for GMF has established an Independent Board Committee, comprising the GMF independent directors, to consider whether GMF will engage with Growthpoint in relation to the proposal. We expect that there will be an update from the independent directors on this proposal in the not too distant future.
- The Funds platform remains an important part of the Group Strategy, however funds under management is not likely to grow in the near term given the sales being executed and current asset pricing.



- Finally, we will be ensuring that we maintain a strong balance sheet.
- The Group credit rating was recently upgraded to A, which is a strong endorsement of the Group's high quality assets and strategy.
- Our target gearing range remains unchanged at 25 to 35% and we are currently operating at the lower end of this range.
- The recent restructure of the Group was primarily designed to drive greater accountability and a stronger sector focus. At the same time though we did review and make some adjustments to a number of the corporate functions resulting in a leaner overhead.
- We have made inroads into reducing the Group's Management Expense Ratio over the last three years. We will continue to review the business through the lens of making the Group as efficient as we can, but still providing capacity to invest for growth in the future.



- In summary, our strategy builds upon the current platform.
- We will focus on the three core sectors of Retail, Office and Logistics, and consolidating our position as a leading fund manager.
- We will drive organic growth from the portfolio through maintaining a strong focus on leasing and asset management; investing appropriately to preserve their high quality. Our realignment along sectors provides clear lines of accountability and best positions the business for growth.
- There will be an increased focus on creating investment product through development opportunities within the portfolio. I also believe mixed use outcomes will continue to be a thematic that is embraced at regional retail centres and we need to be positioned to capture this opportunity.
- There will be an ongoing focus on ensuring that we are efficient and that our balance sheet strength is maintained.
- I will now turn to the 2015 results highlights.

2015 Annual Result

All sectors contributing to a solid result

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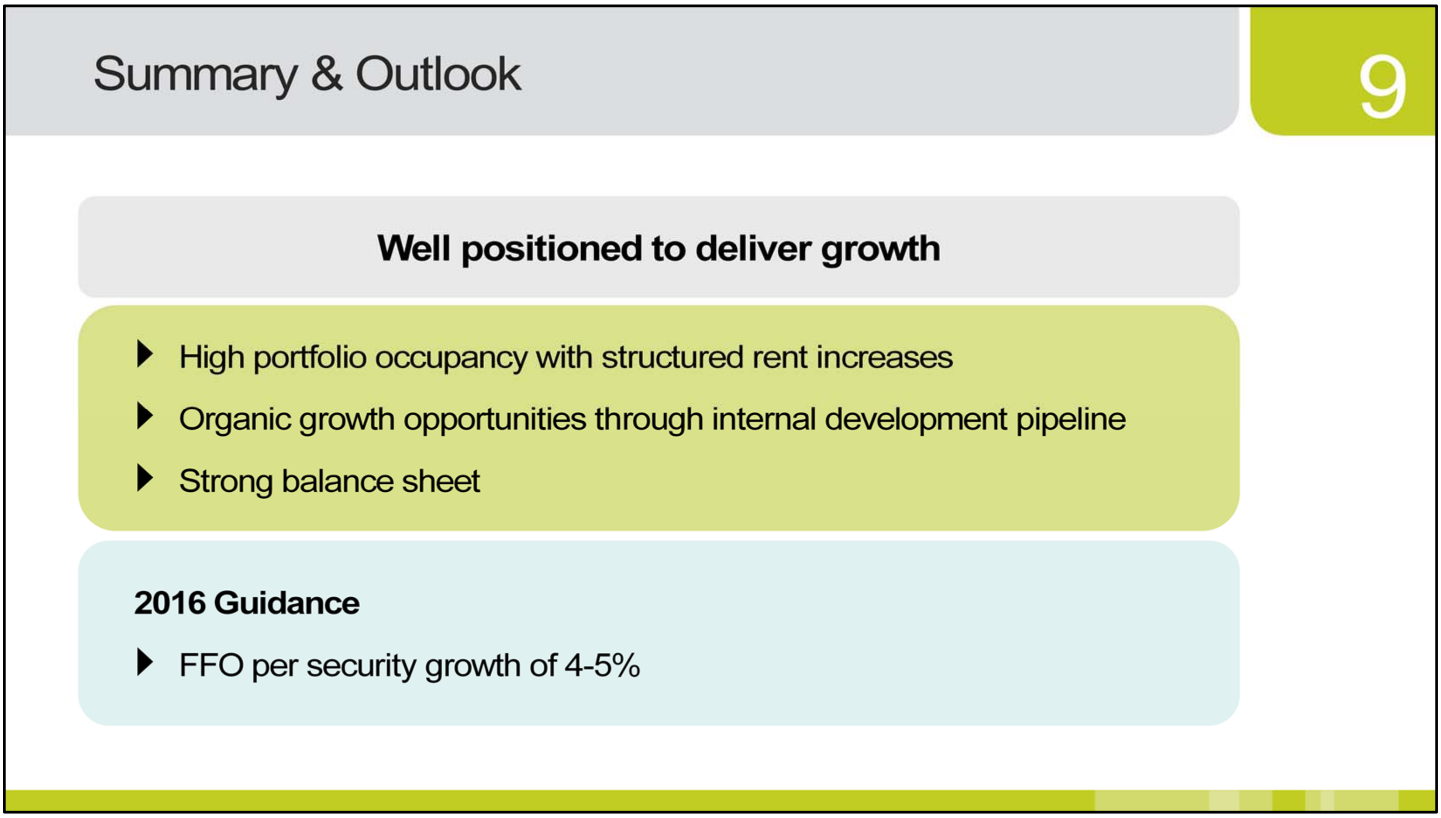
Sector	Income Growth (like for like)	Occupancy	Valuation Uplift	Comments
Retail	3.0%	99.2%	$133.7m	• 8.9% Total Portfolio Return for the 12 month period • Specialty sales MAT growth of 6.5% • 83% of the Retail portfolio located in strong markets of NSW and Victoria
Office	6.3%	96.0%	$212.7m	• 12.8% Total Portfolio Return for the 12 month period • Strong occupancy gains driven by leasing success • 88% of portfolio in strongest markets of Sydney and Melbourne
Logistics	0.7%	92.3%	$88.0m	• 13.7% Total Portfolio Return for the 12 month period • $112m of asset sales at an average premium of 44% • Improving tenant demand in key markets of Sydney and Melbourne
Funds Management	14.0% Total return to GPT			• FUM increased by 4.6% during the year to $10.0 billion • GPT Wholesale Office Fund performance fee earned • GMF distributions ahead of PDS forecast, and NTA increased by 13.2%

- As you have heard from our Chairman, GPT delivered a strong return in 2015 through a combination of core property earnings and unrealised property revaluation gains.
- The retail business delivered a Total Portfolio Return of 8.9% for 2015. Like for like income growth was 3%.
- Specialty retailer annual sales growth was 6.5%, supporting an occupancy level of 99.2%. We expected this sales growth to moderate and this has proven to be the case with growth in the first quarter of 2016 of 3%.
- Strong retail sales have been underpinned by a buoyant housing market, solid jobs growth and falling fuel prices, particularly in NSW and Victoria where most of our assets are located.
- These strong market fundamentals resulted in positive net revaluations for the portfolio, with a gain of $133.7 million being recorded. This uplift was driven by a combination of net income growth and cap rate compression.
- In late 2015, following the successful repositioning of Dandenong Plaza, we concluded the divestment of this asset given it no longer met our strategic objectives.
- Overall, the underlying economic fundamentals that drive the retail business remain positive, although competition is increasing in the supermarket segment, and department stores continue to evolve their retail offering as international mini-majors retailers expand their presence in the Australian market.
- The office portfolio delivered excellent results for the year with a 12.8% Total Portfolio Return. Comparable income growth was 6.3% and revaluation gains across the portfolio were $212.7 million.
- The office team has continued the leasing success of recent years, resulting in occupancy improving by over 4% during the course of 2016 to 96%. This has further improved to 97% at

the end of Q1 2016.

- Sydney and Melbourne continue to lead the national office markets with both recording strong net absorption and gross activity levels.
- The rise in demand from the Technology Sector has translated into strong results, with the sector representing 23% of total leasing volume in 2015. This includes leases with Amazon, Twitter and Salesforce to accommodate their rapidly expanding requirements.
- The smaller tenant market has also been particularly active.
- The office portfolio is well positioned with a very low level of expiry in 2016 . The largest single tenant expiry over the next three years represents only 1.7% of annual income for the GPT Office portfolio. Importantly the key future expiries in the portfolio are in quality assets that are attractive to a diverse group of tenants and are in the deep markets of Sydney and Melbourne.
- The logistics portfolio delivered a Total Portfolio Return of 13.7% for the year through a focus on leasing, reaching completion on the development of new assets and realising market opportunities through selective asset sales.
- Development completions have enhanced the logistics portfolio providing quality assets with strong lease covenants and long lease duration.
- Three assets were sold in the period, taking advantage of the strong residential development market. The sales achieved represented a 44% premium to book value.
- Over 165,000 sqm of leasing was completed in the investment portfolio during 2015 to finish the year at 92% leased, and we anticipate portfolio occupancy to improve during the course of 2016.
- Our Funds Management business delivered a return of 14% on our $1.6 billion of co-investments.
- As noted earlier, the Wholesale Office Fund has been the best performing office fund over the last seven years. Its strong performance resulted in a net performance fee of $6.9 million being earned by GPT in 2015.
- The Funds Platform remains an important part of our business model, providing access to alternate sources of capital and enhanced returns for the Group.



- As you have heard through the presentation, the Group is in a solid position, with an investment portfolio that has 95% occupancy and assets that are predominantly located in the strongest markets of NSW and Victoria.
- We have an experienced management team focused on driving performance, and a solid internal development pipeline that will provide organic growth opportunities over the medium term.
- As you would expect though we will be disciplined in our approach ensuring that sensible investment decisions are made.
- For 2016, the Group is expecting to deliver Earnings Per Security growth of between 4 to 5% provided market conditions do not change materially.