

## WELCOME

Welcome to the 2009 Half Year Update for Investors.

This newsletter provides an update on recent key activities across the Group, including the 2009 half year results, and information about GPT's assets.

For full details of the Group's recent announcements and activities, refer to the Group's website at [www.gpt.com.au](http://www.gpt.com.au).

530 COLLINS STREET, VIC

### Dates to Remember

#### June Quarter Distribution Paid

25 September 2009

#### September Quarter Distribution Paid

27 November 2009

#### September Quarter Update for Investors

27 November 2009

#### 2009 Annual Results

Late February 2010

#### December Quarter Distribution Paid

Late March 2010

### Results

On 27 August 2009, GPT announced the Group's half year financial result for the six months to 30 June 2009. The Group achieved realised operating income of \$183 million, and a cash distribution of 2.5 cents per security for the half.

The result puts GPT on track to deliver on current full year operating income and distribution guidance (\$365 million and 4.5 cents respectively) and reflects ongoing strong performance from the Group's Australian real estate assets. The result also highlights progress in relation to the Group's refined strategy, which focuses on the Group's high quality Australian real estate base, which now represents 89% of GPT's investments.

### Activities and Highlights

During the half year to 30 June 2009, GPT made progress on a number of key initiatives that have materially enhanced the Group's position and outlook, including:

- Strengthened balance sheet (with headline gearing now at 22.2%);
- Simplified business model with a reduced cost structure;
- Improvement in credit ratings (Standard & Poor's: BBB+ and Moodys: Baa2); and
- Non-core asset sales, with \$740 million of assets sold.

Since 30 June 2009, a number of initiatives were completed, including:

- European component of the Joint Venture exited via In Specie Dividend;
- Reinvigoration of GPT - presentation of a refined strategy to the market; and
- Highpoint acquisition - GPT acquired a 16.67% interest in one of Australia's top five retail assets.

MELBOURNE CENTRAL, VIC



# OPERATIONAL UPDATE

## Core Business

The Retail, Office and Industrial/Business Park Portfolios performed strongly at an operational level with comparable income growth of 4.4%. The core Portfolios represent 89% of GPT's investments.

	Proportion of Total Investments*	Portfolio (\$ b)	Comparable Income Growth (%)	Valuation Movement (\$ m)	Occupancy (%)
Retail	45%	4.4	4.9	(213.5)	99.4
Office	20%	1.8	3.0	(170.0)	99.1
Industrial	8%	0.7	7.0	(66.8)	98.8
GPT's interest in Wholesale Funds (GWOF/GWSCF)	16%	1.4	N/A	(113.3)	98.4 / 99.9
<b>Total</b>	<b>89%</b>	<b>8.3</b>	<b>4.4%</b>	<b>(563.6)</b>	

\*Retail excludes Homemaker Portfolio (non-core). Post announced asset sales.

WORKPLACE<sup>6</sup>, NSW



407 PEMBROKE ROAD, MINTO, NSW



MACARTHUR SQUARE, NSW



ROUSE HILL TOWN CENTRE, NSW



DANDENONG PLAZA, VIC

## Retail

GPT's retail investment totals \$5.0 billion through assets held on the Group's balance sheet (\$4.4 billion) and a 34% interest in the \$2.0 billion GPT Wholesale Shopping Centre Fund (GWSCF).

The Retail Portfolio has continued its strong performance over the period, with comparable income growth of 4.9% and solid sales performance.

Key Operating Metrics*	Dec 08	Jun 09
Comparable total centre sales growth	3.5%	3.1%
Comparable specialty sales growth	2.8%	3.6%
Specialty sales psm	\$8,838	\$8,978
Specialty occupancy costs	16.6%	16.6%
Occupancy**	99.2%	99.5%
Arrears^	0.2%	0.4%

\* GPT and GWSCF owned assets. Excluding Homemaker Portfolio and assets under development.

\*\* Excluding Homemaker Portfolio, Floreat Forum and assets under development.

^ GPT and GWSCF owned assets.

GPT's current retail development, Charlestown Square, is due for completion at the end of 2010. All major tenants have been secured and the leasing program is well progressed, with 100 of 240 specialty leases completed.



818 BOURKE STREET, VIC

## Office

GPT's Office investments of \$2.6 billion include a portfolio of assets held on the Group's balance sheet and a 34% investment in the \$3.0 billion GPT Wholesale Office Fund (GWOF).

The GPT owned Office Portfolio performed well in the first half of 2009, with comparable income growth of 3.0%.

Across the GPT managed Portfolio, the average lease term is 5.5 years (by area). The Portfolio continues to experience high occupancy levels, with 98.7% of space committed, and 96,000 sqm (15% of the Portfolio) of leases signed or terms agreed over the six months to 30 June 2009. Lease expiries over the next few years remain relatively low and 80% of the Portfolio is subject to fixed increases, providing secure income growth opportunities.

The One One One Eagle Street office development in Brisbane is also progressing well and is drawing strong enquiry from a range of prospective tenants. The Premium-Grade office development is on program for a late 2011 completion.



ERSKINE PARK (STAGE 1), NSW

## Industrial/Business Parks

GPT's Industrial/Business Park Portfolio, consisting of quality traditional industrial and business park assets located in Australia's major industrial and business park markets, had a value of \$748 million at 30 June 2009.

The Portfolio's high occupancy, of 99% by income, and long average lease term of 7.5 years (by income), are indicative of the quality of the assets and their attractiveness to tenants. The Portfolio achieved comparable income growth of 7.0% and is well positioned for future growth with stepped rental increases averaging 3.5% over 80% of the Portfolio.

GPT has made steady progress in the development of the 38 hectare site at Erskine Park in Sydney's west with a 13,100 sqm facility for Goodman Fielder completed in June 2009 and a 12,700 sqm warehouse for Target due to complete in February 2010.

A photograph of the Riverside Centre in Queensland, Australia. The image shows a modern architectural structure with a prominent curved, white, cantilevered walkway or balcony that curves around a central area. Below this structure, there is a large, multi-tiered water feature consisting of numerous rectangular basins, each with water cascading over its edge. In the background, several high-rise office buildings are visible against a clear blue sky. The overall scene is bright and sunny, suggesting a clear day.

## Funds Management

The Group's \$5.0 billion, high quality, Australian wholesale funds (GPT Wholesale Office Fund and GPT Wholesale Shopping Centre Fund) continued to attract investment through the operation of the Funds' Distribution Reinvestment Plans.

Both Funds retain strong portfolio metrics, with high occupancy. The GPT Wholesale Office Fund had ownership interests in 14 office assets with a value of \$3 billion located across Australia's CBD office markets at 30 June 2009. The GPT Wholesale Shopping Centre Fund had ownership interests in nine high quality retail assets with a value of \$2 billion at 30 June 2009.

GPT owns approximately one third of each Fund and is committed to the long term growth and performance of the Funds. The establishment of strong relationships with quality domestic and international institutional capital partners is a key component of GPT's strategy and business model.

## Other Investments

Investments outside GPT's core business now represent approximately 11% of the Group's real estate investments.

Asset sales of \$740 million have been announced since December 2008, and GPT completed its exit from the European component of the Joint Venture with Babcock & Brown by way of an In Specie Dividend in BGP Holdings to GPT Securityholders in August 2009.

Consistent with GPT's exit from its European investments, GPT Halverton is being downscaled. Restructuring of this business is continuing and a sale process is expected to formally commence in September 2009.

## Capital Management

With debt of \$2 billion at 30 June 2009, and gearing of 22.2%, the Group has significant headroom in relation to its gearing covenants. Progress on the non-core asset sale program will further reduce gearing.

GPT's corporate credit ratings were upgraded as a result of the Group's capital management initiatives; Moody's upgraded GPT from Baa3 to Baa2 (stable) in July 2009 and Standard & Poor's raised the Group's long term ratings to BBB+ from BBB in August 2009.

## Awards

GPT has received a great deal of industry recognition in 2009 for its commitment to innovation, sustainability, corporate responsibility and development excellence.

The Dow Jones Sustainability World Index (DJSI) named GPT as number one leader in the Real Estate sector, on a global and regional level, as part of their 2009 review. The DJSI is the world's top independent indicator of the performance of leading sustainability-driven companies.

In addition to the large number of awards received by the Group's recently completed Rouse Hill Town Centre, GPT is particularly proud to be recognised by the Banksia Foundation which named GPT as the winner of the Large Business Sustainability Award for the incorporation of social, financial and environmental responsibility initiatives undertaken by a large organisation.



2009 Banksia Foundation Large Business Sustainability Award  
The GPT Group  
**WINNER**



2009 Property Council of Australia Bluescope Buildings Award for Business Industrial Parks Quad Business Park  
**WINNER**



2009 NSW DECC Green Globe Business Award - Energy  
Rouse Hill Town Centre  
**WINNER**



2009 Australian Property Institute (NSW Division) - Dexus Property Group Environmental Development Award workplace<sup>6</sup>  
**HIGHLY COMMENDED**



2009 Property Council of Australia Rider Levett Bucknall Innovation and Excellence Awards  
Rouse Hill Town Centre  
**OVERALL WINNER**



2009 Premier's Large Business Sustainability Awards Victoria  
The GPT Group  
**FINALIST**



2009 Property Council of Australia Pitney Bowes Insight Award for Shopping Centre Developments  
Rouse Hill Town Centre  
**WINNER**

## Q&A WITH MICHAEL CAMERON



### 1. Why did GPT choose an In Specie Dividend to exit the European Joint Venture?

A: The In Specie Dividend of GPT's investment in the European component of the JV benefits GPT's Securityholders in two ways. Firstly, it separates GPT from BGP Holdings, allowing both GPT management and our Securityholders to once again focus on the core strengths of GPT, being our high quality and diversified Australian real estate portfolio. Secondly, it allows GPT's Securityholders to retain any future realised value in BGP Holdings, which we believe is a better option than selling BGP Holdings today for zero value in a depressed European real estate market.

BGP shares are fully paid and there are no circumstances where Securityholders could be required to contribute further capital or to suffer any costs, loss or other detriment from owning these securities.

### 2. Why did you sell Floreat Forum?

A: We identified Floreat Forum as an asset that we wanted to sell as it is unlikely to bring further value to GPT given all development potential has already been exercised and as a relatively small, stand alone asset in WA, we do not currently have scale in that region.

### 3. When will GPT Securityholders begin to earn more income?

GPT is on target to deliver realised operating income of \$365 million in 2009 and a distribution of 4.5 cents per security for the year. Achievement of this forecast would represent strong growth in GPT's Australian Portfolios – Retail, Office and Industrial/Business Parks. As you would have read in our Strategy Update, GPT's refined strategy is focused solely on our Australian platform.

### 4. Will GPT start to acquire more assets in the near future?

We were very pleased to have the opportunity to acquire a 16.67% interest in Highpoint Shopping Centre in Melbourne recently, one of Australia's top five retail assets. Highpoint is a fantastic asset and a great fit with GPT's existing high quality Retail Portfolio.

Whilst we are very pleased to have restored the balance sheet and to have reduced gearing significantly, GPT is focused on the execution of further asset sales before considering growth opportunities either from within the existing Portfolio or on the open market.

What is happening at your local

GPT shopping centre?

# SPRING IS IN THE AIR

## MELBOURNE CENTRAL, VIC

To ensure Melbourne Central shoppers are looking their best during the Spring Racing Carnival season, in late October customers can book in for an Express Styling Session with a Melbourne Central Stylist. Shoppers can have a racing outfit styled for them from head-to-toe in just 90 minutes.

Mixing art and fashion, the team at Melbourne Central will also be creating a couture Spring Racing Carnival dress that will be a collaboration of Fashion Incubator Designers and famous Melbourne Street Graffiti Artists. It will be a fusion of art and fashion and will be worn at each of the race days during the Carnival.

A video of the making of the dress will be available for viewing at [www.melbournecentral.com.au](http://www.melbournecentral.com.au) and the dress will be on show in Melbourne Central throughout November.

### The Quarter - Edition 2

After the huge success of the inaugural edition of The Quarter in July this year, Melbourne Central are excited to release their second issue in October. The Quarter will have a Spring Racing theme, celebrating the fabulous fashion and food offers available at Melbourne Central. Pick one up in-centre or visit [www.melbournecentral.com.au](http://www.melbournecentral.com.au) in October.

## HIGHPOINT SHOPPING CENTRE, VIC

### 'Spring Racing Guide'

Due for release at the end of September, the Guide will showcase all things racing at Highpoint from dresses to hats, shirts to heels. Accompanying the Guide will be Spring Racing in-centre activities as well as the **October VIP High Life** on Wednesday 14 October where shoppers can enjoy a glass of bubbles, one day sale items and advice from top stylists.

### 'Match your Style'

Throughout September, customers at Highpoint will have the chance to win thousands of dollars of instant prizes including a FIAT 500 car. Over 50,000 game cards will be distributed in-centre to shoppers who spend \$30 or more. Game cards will also be delivered to homes in the Centre's main trade area.



## INSPIRED LIVING CAMPAIGN 14 SEPTEMBER – 25 OCTOBER

A series of events and activities will celebrate Spring across our shopping centres this Spring.

### CARLINGFORD COURT

Awaken your spring senses with live spring BBQ cooking demonstrations and food sampling on Saturday 26 September and 3 October.

### CHIRNSIDE PARK

Chirnside Park will be offering food samples, food displays by the local TAFE and tips on how to theme an outdoor dinner party.

### PARKMORE SHOPPING CENTRE

7 Day Spring Food Theatre - two chef shows, featuring the latest fresh food product from Parkmore retailers, will demonstrate new season cooking ideas in the lead up to the Spring Racing Carnival.

### ROUSE HILL TOWN CENTRE

Throughout October on Saturdays and Sundays visit RHTC, where chefs are cooking up a storm with the new fresh food produce now in season.



# ASSETS

## A snapshot of some of GPT's high quality Australian Portfolio

### Retail



**Asset Name:**  
Dandenong Plaza, VIC  
**Owner(s):**  
GPT  
**GLA:**  
62,200 sqm



**Asset Name:**  
Charlestown Square, NSW  
**Owner(s):**  
GPT  
**GLA:**  
50,900 sqm



**Asset Name:**  
Wollongong Central, NSW  
**Owner(s):**  
(GPT Wholesale Shopping Centre Fund)  
**GLA:**  
38,800 sqm

### Office



**Asset Name:**  
10-12 Mort Street, Canberra, ACT  
**Owner(s):**  
(GPT Wholesale Office Fund)  
**GLA:**  
15,400 sqm



**Asset Name:**  
HSBC Centre, Sydney, NSW  
**Owner(s):**  
(GPT Wholesale Office Fund)  
**GLA:**  
37,500 sqm



**Asset Name:**  
818 Bourke Street, Melbourne, VIC  
**Owner(s):**  
GPT  
**GLA:**  
21,900 sqm

### Industrial/Business Park



**Asset Name:**  
134-140 Fairbairn Road,  
Sunshine VIC  
**Owner(s):**  
GPT  
**GLA:**  
16,800 sqm



**Asset Name:**  
92-116 Holt Street, Pinkenba, QLD  
**Owner(s):**  
GPT  
**GLA:**  
15,400 sqm



**Asset Name:**  
Austrak Business Park,  
Somerton, VIC  
**Owner(s):**  
GPT (50%), Austrak (50%)  
**GLA (GPT Share):**  
97,800 sqm