



> **GPT** INTERIM RESULT
12 August 2014

2014

2014 INTERIM RESULT HIGHLIGHTS

Delivering on strategy

DRIVEN BY TOTAL RETURN

4.5%
EPS growth⁽¹⁾

8.4%
Total Return⁽²⁾

16.0%
Total Securityholder
Return

FUNDS MANAGEMENT

\$1.1bn
asset acquisitions

18.3%
growth in FUM⁽³⁾

9.7%
Total Return to GPT
from FM Business⁽⁴⁾

FORTRESS BALANCE SHEET

5.0%
Forecast average
cost of debt

24.8%
gearing

US\$175m
15 year US Private
Placement

1. Earnings per security (continuing operations) 30 June 2014 compared to 30 June 2013.

2. Total Return is defined as the change in Net Tangible Assets (NTA) plus distributions declared over the year, divided by the NTA at the beginning of the year. Total Return is calculated on a rolling 12 month basis.

3. Defined as the assets under management for GWSCF and GWOF, growth since 1 January 2014.

4. Representing distributions and management fees received.

OUR OUTLOOK

Targeting Total Return > 9% in 2014

ECONOMY	<ul style="list-style-type: none">▪ Improved GDP growth outlook and stable economic conditions▪ Non-mining business sectors remain steady▪ Business confidence and job ads data showing signs of recovery
GROUP	<ul style="list-style-type: none">▪ Portfolio positioned for long term performance and value creation▪ Continued focus on active asset management to maximise returns▪ Growth opportunities from \$720 million under development and expansion of earnings from Funds Management▪ Maintain disciplined capital management and fortress balance sheet
2014 TARGET	<ul style="list-style-type: none">▪ EPS growth of at least 3%▪ Distribution payout ratio: 100% of AFFO▪ Total Return > 9%

2014 INTERIM RESULT SUMMARY

Financial summary

6 months to 30 June (\$m)	2014	2013	Change
Net Profit After Tax	240.6	257.0	
Valuation increases	(30.8)	(20.0)	
Financial instruments marked to market and FX movements	27.4	(8.3)	
Distribution on exchangeable securities	(12.4)	(12.4)	
Other ⁽¹⁾	(1.2)	7.3	
Funds From Operations (FFO)	223.6	223.6	
Maintenance capex and lease incentives	(40.3)	(46.1)	
Adjusted Funds From Operations (AFFO)	183.3	177.5	↑ 3.3%
Weighted average securities on issue	1,687.2	1,766.4	
Earnings per stapled security (cents)	13.3	12.7	↑ 4.5%
Distribution per stapled security (cents)	10.5	10.1	↑ 4.0%
Total Return (12 months to 30 June)	8.4%	8.4%	

1. Other includes amortisation expense, profit/(loss) on sale and the tax impact.

2014 INTERIM RESULT HIGHLIGHTS

Increasing profitability from Development and Funds Management

6 months to 30 June (\$m)	2014	2013	Change (\$)	
Retail NOI	123.6	139.6	↓ 16.0	Impact of 2013 asset sales
Office NOI	67.8	73.1	↓ 5.3	MLC Centre vacancy
Logistics NOI	43.1	37.1	↑ 6.0	Development completions
Fund distributions	38.7	35.8	↑ 2.9	
Investment management expenses	(2.3)	(3.0)	↓ 0.7	
Investment Management	270.9	282.6	↓ 11.7	
Asset Management	2.5	2.6	↓ 0.1	
Development – Retail & Major Projects	1.8	1.2	↑ 0.6	
Development – Logistics	2.0	(1.3)	↑ 3.3	Rollout of pipeline
Funds Management	15.5	10.1	↑ 5.4	FM fee growth
Net interest expense & exchangeable distribution	(59.8)	(62.2)	↓ 2.4	Lower cost of debt
Corporate overheads	(12.6)	(14.4)	↓ 1.8	
Tax expenses	(2.2)	(0.6)	↑ 1.6	
Non-core income	5.5	5.6	↓ 0.1	
Funds From Operations	223.6	223.6		

CAPITAL MANAGEMENT

Fortress balance sheet

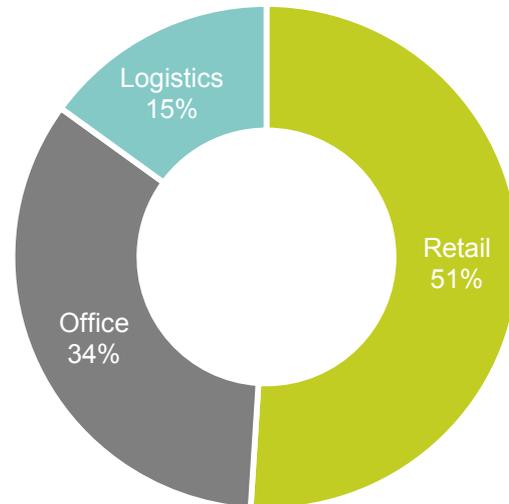
	30 Jun 2014	31 Dec 2013	Change	
Net tangible assets per security	\$3.82	\$3.79	↑	0.8%
Total borrowings	\$2,416m	\$2,310m	↑	4.6%
Gearing (net debt to total tangible assets)	24.8%	22.3%	↑	250 bps
Weighted average cost of debt	4.8%	5.1%	↓	30 bps
Weighted average term to maturity	6.0 years	5.5 years	↑	0.5 years
Look through gearing (net debt to total tangible assets)	27.3%	23.2%	↑	410 bps
Interest cover ratio	5.6 x	5.5 x	↑	0.1 x
Weighted average term of interest rate hedging	5.2 years	5.9 years	↓	0.7 years

PORTFOLIO PERFORMANCE

Solid operating fundamentals from a strong platform

- All sectors experiencing market recovery
- Stability in key portfolio metrics
 - Occupancy 95.6%
 - WALE 4.9 years
 - Structured reviews: 86% subject to fixed increases of 4.2%
 - Comparable income growth 0.3%
- Activation of land banks delivers \$330 million in logistics facilities
- Potential organic growth from \$3.2 billion development pipeline
- Total Portfolio Return of 8.0% for 12 months to June 2014

Portfolio Diversity



ASSET PORTFOLIO

Update on progress toward 2014 priorities

RETAIL

- Enhance portfolio composition ✓
- Maintain focus on dominant regionals ✓
- Progress the \$1.2 billion retail development pipeline ✓
- Reposition Dandenong for sale
On track for completion in 2H 2014
- Improve retention levels
Remains steady

OFFICE

- Enhance portfolio diversification
- Maintain focus on prime assets ✓
- Repositioning of MLC Centre
Investing for long term growth
- Leasing of existing vacancy ✓
44,320 sqm leases signed
- Completion of 150 Collins Street, Melbourne
2H 2014

LOGISTICS

- Continue to grow platform ✓
12% growth in 1H 2014
- Reinvestment in the development pipeline ✓
- Logistics fund opportunities
- Re-leasing of short term WALE
- Progress planning for town centre site at Sydney Olympic Park ✓
- Recycling of non-core assets

RETAIL PORTFOLIO

1H 2014 highlights – Retail conditions improving

2.6%

like for like income growth

99.5%

occupancy

2.7%

specialty sales MAT growth

\$10.2m

revaluation uplift

5.96%

weighted average cap rate

Retail Markets

- Retail sales growth above the long term average
- Retailer business sentiment improving
- Online sales growth moderating

Portfolio commentary

- Occupancy costs at 18% and productivity \$9,613 per sqm
- Achieved 4.8%⁽¹⁾ structured rental increases on new deals
- Occupancy at 99.5% (35 vacant shops)
- Specialty sales up 3.0% over the 1H 2014
- WACR of 5.96% reflects the high quality portfolio

Outlook

- Positive sales growth expected to continue
- Dominant assets in strong catchments expected to outperform

RETAIL DEVELOPMENT PIPELINE

Future Growth – Organically develop when the time and market conditions are right

\$1.1 billion retail development pipeline to enhance existing portfolio



Wollongong Central, NSW – completion 2H 2014



Casuarina Square, NT – completion 1H 2015



Sunshine Plaza, QLD – master planning underway



Rouse Hill, NSW – master planning underway

OFFICE PORTFOLIO PERFORMANCE

1H 2014 highlights – de-risking future lease expiries

(3.1%)

like for like income growth

91.7%

occupancy

44,320 sqm

leases signed

\$4.3m

revaluation uplift

6.56%

weighted average cap rate

Office Markets

- Lead indicators continue to improve
- Improved enquiry levels in Sydney and Melbourne
- Brisbane and Perth remain challenging

Portfolio commentary

- Significant leasing activity of 105,850 sqm (including HoA)
- WALE extended to 6.3 years from 5.8 years in Dec 2013
- Comparable income growth reflects MLC Centre vacancy
- Commenced retail works at MLC Centre

Outlook

- Reduced future lease expiry underpins solid growth
- Expect a mild recovery in Sydney and Melbourne markets to continue

OFFICE

Proactively repositioning the MLC Centre



Façade Remediation Underway

- 30% of north elevation now complete
- Remediation standard to a very high quality
- \$63 million forecast cost
- Additional costs incorporated into valuation
- 2017 completion

Foodcourt and Plaza Upgrade Works/EOT Facility Underway

- Refurbished foodcourt with basement food offering
- Largest End of Trip (EOT) facility in Sydney
- \$7.5 million forecast cost
- Works commenced mid July with completion by mid 2015

Tower Repositioning Underway

- Full refurbishment of levels 24-39 – three display floors complete
- Lift Upgrade commencing 2015
- Lobby works and café
- Existing building services to a Premium Grade standard
- \$20 million forecast cost

Retail Redevelopment In Planning

- New King and Castlereagh Street luxury retail
- Enhanced theatre offering
- Food & beverage over plaza
- Lobby refurb. and café
- DA to be lodged 2H14
- \$75 million forecast cost, target development margin of 10%

LOGISTICS PORTFOLIO PERFORMANCE

1H 2014 highlights – expansion of portfolio providing future growth

0.6%

like for like income growth

95.3%

occupancy

\$300m

development underway

\$20.0m

revaluation uplift

8.17%

weighted average cap rate

Industrial Markets

- Melbourne leasing market challenging
- Continued demand growth from transport and storage
- Increasing competition for on-market acquisitions

Portfolio commentary

- Investing for future growth – restocking land bank
- Improving portfolio metrics – future development completions will move WALE from 5.5 years to 8 years
- Like for like income impacted by vacancy at Somerton VIC
- Reviewing non-core asset sale opportunities

Outlook

- Developments underway increasing WALE and portfolio quality
- Expect investment demand to place further upward pressure on values

LOGISTICS DEVELOPMENT PIPELINE

\$650 million development pipeline of future product

Staged development over 46% of existing land bank



Sydney Olympic Park, NSW



Metroplex, Wacol, QLD



Erskine Park, NSW

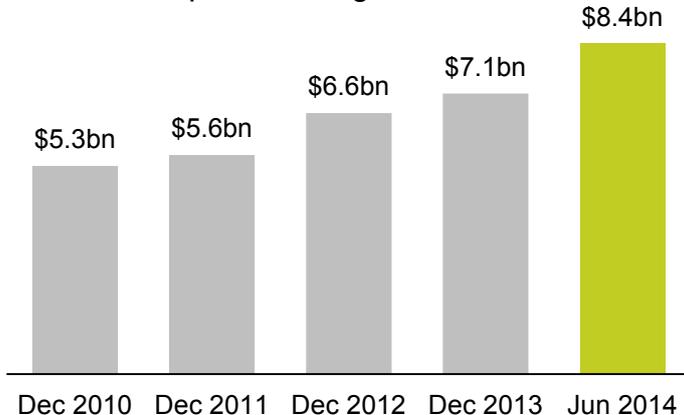
FUNDS MANAGEMENT

Successful acquisitions drive 18% growth in Funds under Management

- \$1.1 billion in acquisitions completed
 - GWSCF acquired 50% interest in Northland Shopping Centre, Melbourne for \$496 million
 - GWOFF acquired three office assets for \$548 million
 - Acquisition of Vantage in Hawthorn, VIC for \$63 million for the Metropolitan Office Fund
- Commenced capital raising process for Office and Retail funds for approximately \$650 million
- GWOFF remains top performing core wholesale office fund⁽¹⁾

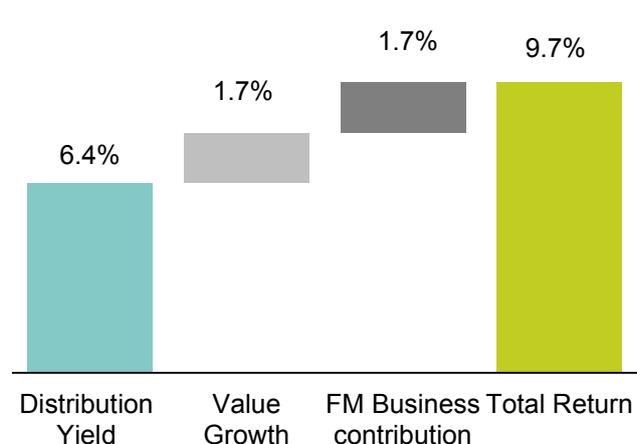
FUM Historical Growth

14.1% per annum growth since 2010



GPT Total Return from Funds Management

for 12 months ended 30 June 2014



PROPERTY TO PROSPERITY

- Solid returns from working the portfolio hard
- Logistics development delivering meaningful contribution
- Continuing growth in Funds Management business
- Fortress balance sheet provides capacity
- On track to deliver EPS growth of at least 3% for 2014

ANZ Tower



> **GPT** INTERIM RESULT
Appendices

2014



RETAIL

RETAIL

Key performance metrics have improved

- Strong specialty sales productivity
- 35 vacancies across the GPT and GWSCF portfolios
- Critical retailer count stable
- Leasing spreads of -4.6% representing \$0.7m p.a. of income
- Holdovers represent 120 shops, down from 3.0% at December
- Retention level of 65% on 2014 expiries

6 months to 30 June	2014	2013
Specialty MAT sales psm ⁽¹⁾	\$9,613	\$8,984
Specialty Occupancy Cost ⁽¹⁾	18.0%	18.2%
Vacancies ⁽²⁾	35	43
'Critical' retailers ⁽³⁾	39	38
Holdovers	2.9%	2.4%
Arrears: % annual billings	0.5%	0.6%
Annual centre traffic growth ⁽¹⁾	+0.4%	

1. Based on 100% interest in GPT and GWSCF assets. Excludes development impacted centres in each period and Northland.

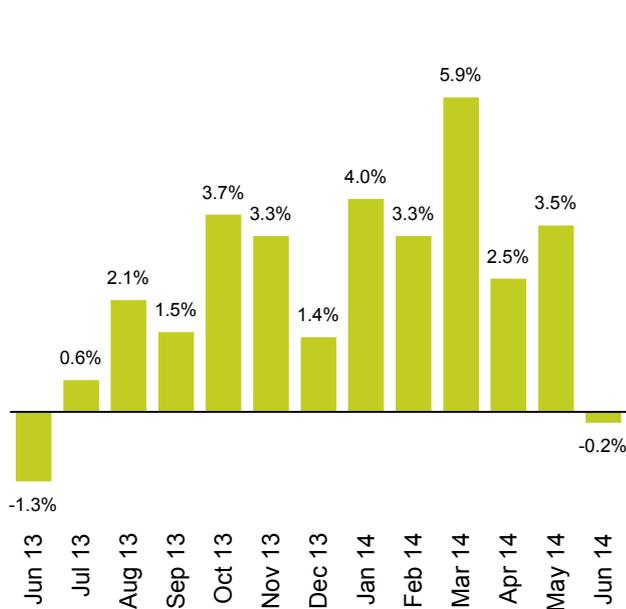
2. Excludes development impacted centres.

3. Defined as retailers classified as Category 5 in GPT's Critical Retailer Barometer.

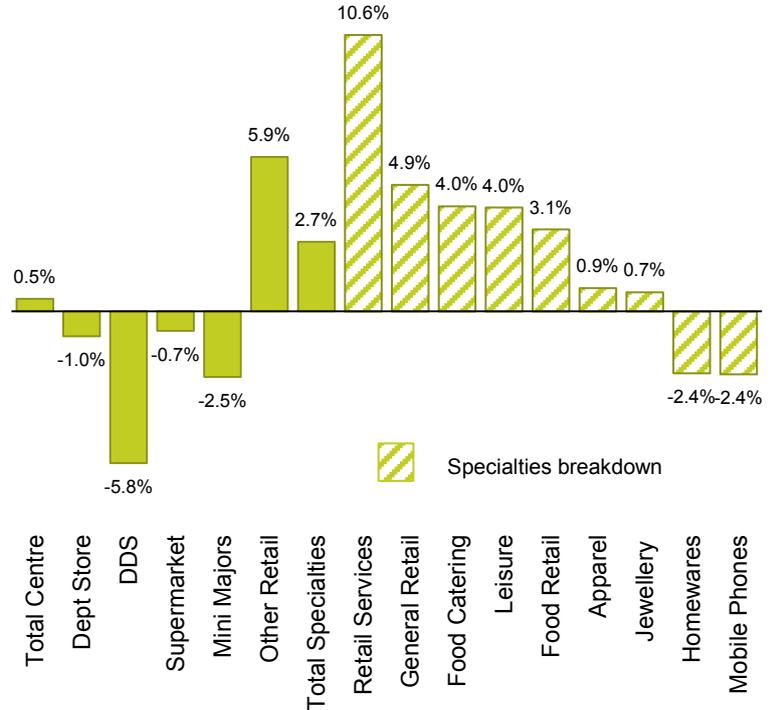
RETAIL

Specialty sales up 3.0% over the June half

Monthly Specialty Sales Growth



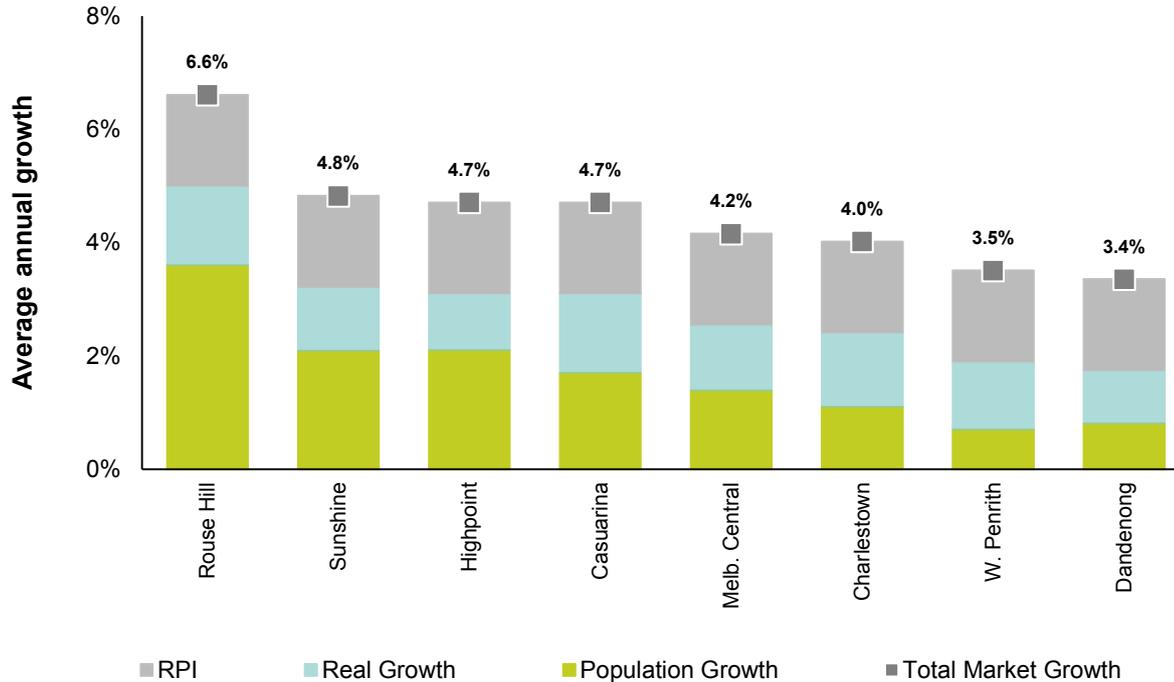
Moving Annual Change in Retail Sales by Category



RETAIL

GPT's regional centres are located in strong growth markets

10 Year Trade Area Sales Growth Forecast



Forecasts based on 2014 GPT Houseviews .

RETAIL

Development pipeline provides the opportunity to enhance returns

Property	Ownership		2014	2015	2016	2017	Beyond
	GPT	GWSCF					
Wollongong Central		100%	\$210m				
Casuarina Square ⁽¹⁾	50%	50%	\$70m				
Highpoint Shopping Centre ⁽²⁾	16.67%	50%	\$15m				
Macarthur Square		50%		\$85m			
Westfield Woden		50%		\$100m			
Chirnside Park		100%			\$65m		
Highpoint Shopping Centre ⁽³⁾	16.67%	50%				\$85m	
Casuarina Square ⁽⁴⁾	50%	50%					\$270m
Parkmore Shopping Centre		100%					\$125m
Rouse Hill Town Centre	100%						\$250m
Sunshine Plaza ⁽⁵⁾	50%						\$170m

 Development commenced
 Masterplanning

Note: Timing and costs are estimates only and are subject to change and at the discretion of the co-owners

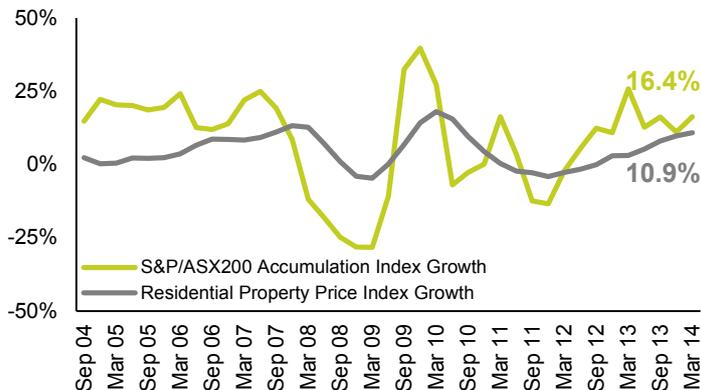
1. Student accommodation and proposed leisure and entertainment precinct.
2. Proposed entertainment precinct and reixing
3. Proposed second supermarket
4. Proposed Myer redevelopment
5. Proposed David Jones development

RETAIL

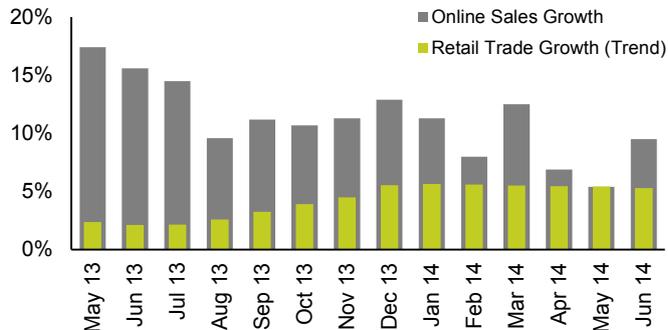
Retail trade indicators improving

- Growth in share market and housing market has supported consumers ability to spend
- Retail trade growth has returned to its long term average in recent months
- In contrast, online sales growth has softened

**Components of Consumer Wealth
(Annual Growth – quarter on prior year quarter)**

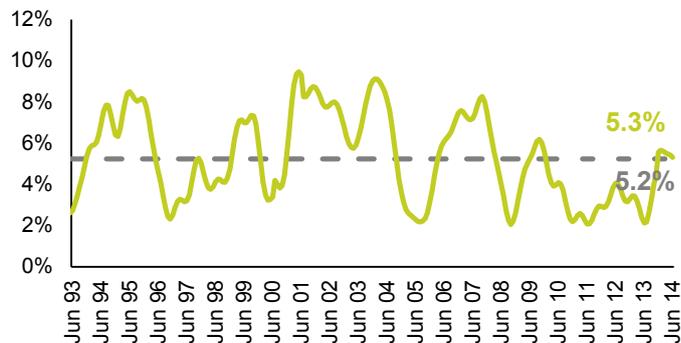


Online Retail Sales Growth vs Retail Trade Growth



Source: NAB/Quantium, ABS Retail Trade, May 2014.

Retail Trade Growth (Trend) vs 20 year Average





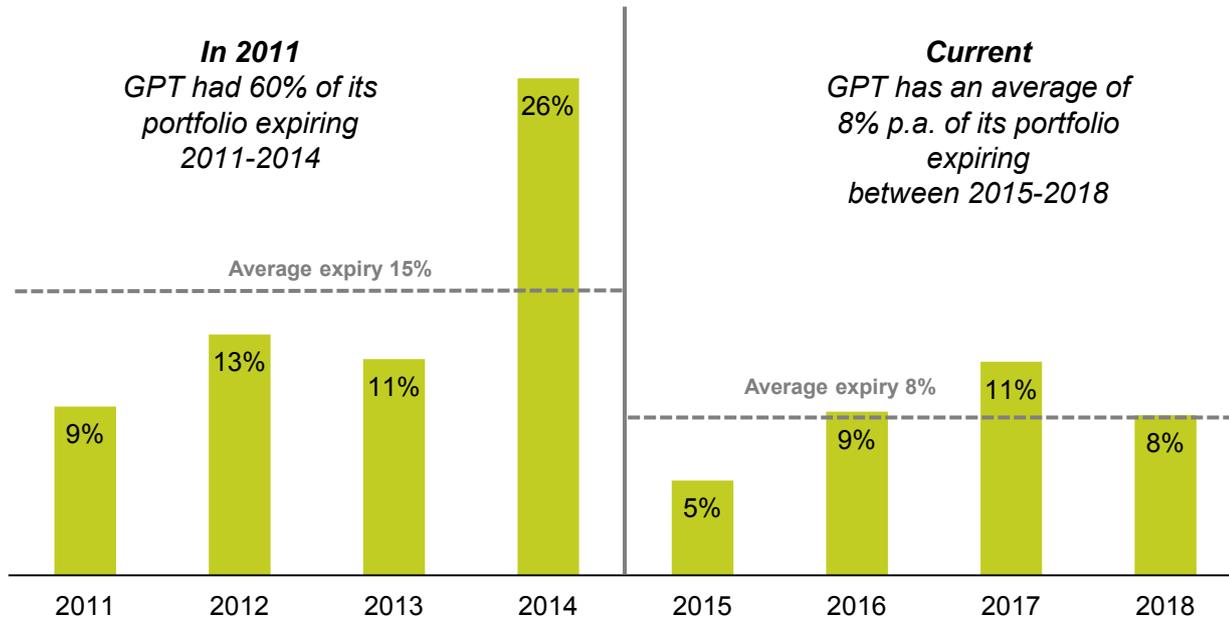
OFFICE

OFFICE

Portfolio has been stabilised – positioning for strong future returns

- Portfolio has undergone significant leasing activity over past four years
- Well positioned for future performance with low expiry profile

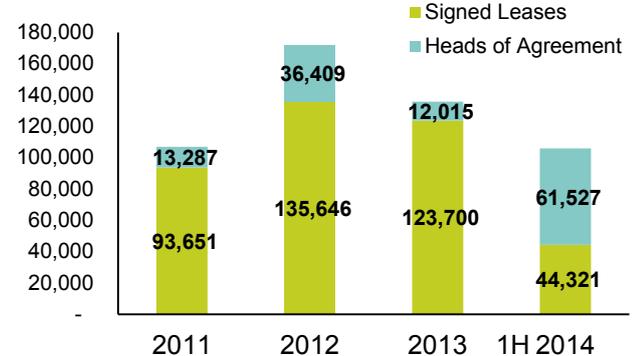
Expiry risk has halved



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Proven active asset management approach

- 460,000 sqm leased across platform since 2011
- Key assets repositioned and performing well – Eagle Street, Australia Square, Melbourne Central, 2 Park Street
- Well progressed on re-leasing of 1 Farrer Place, Sydney
- Focused on repositioning and re-leasing of MLC Centre



One One One Eagle Street

59,760 sqm leased since 2012
94% occupancy



Australia Square

67% leased since 2011
98% occupancy



Melbourne Central

68% leased since 2011
\$49 million valuation uplift since 2011



2 Park Street, Sydney

68,650 sqm leased since 2011
93% occupancy

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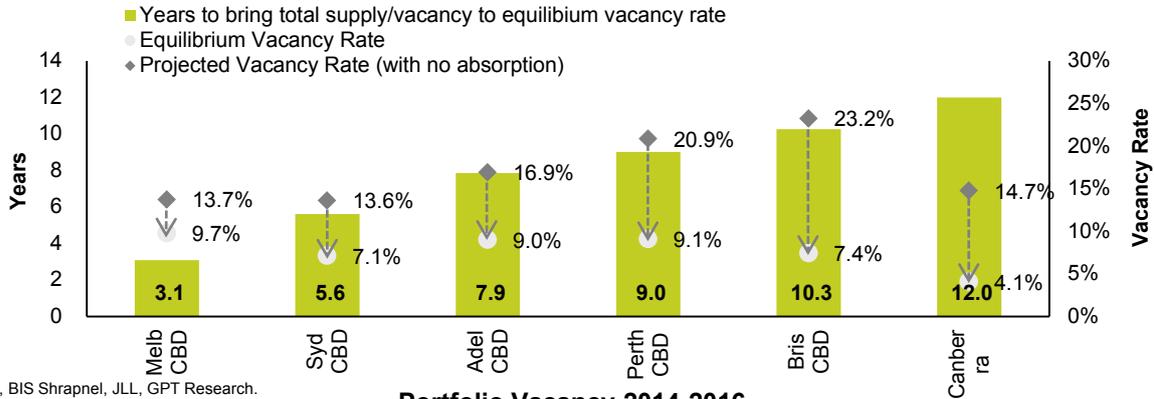
Proactively managing major lease expiries

Asset	Tenant	Area (sqm)	Expiry	Progress
Major 2014 expiries				
Melbourne Central	CSA	5,870	May 14	Lease extension to May 2016
2 Park Street	Citi	33,500	Jun 14	Renewed and re-leased
1 Farrer Place	State Govt	20,400	Dec 14	9,500 sqm leased to Minter Ellison
Major 2015 expiries				
1 Farrer Place	BAML	6,550	Aug 15	Renewed over 5,180 sqm
818 Bourke Street	Ericsson	3,590	Dec 15	Downsizing
Darling Park 2	PwC	39,370	Dec 15	In negotiations
Major 2016 expiries				
Melbourne Central	CSA	5,870	May 16	In negotiations
1 Farrer Place	Mallesons	15,690	Sep 16	Renewed for 10,390 sqm
Darling Park 3	Rabobank	9,060	Jun 16	In negotiations
Darling Park 3	Marsh	17,780	Nov 16	In negotiations
2 Park Street	G&T	9,280	Jun 16	Vacating, in discussions with potential tenants

OFFICE

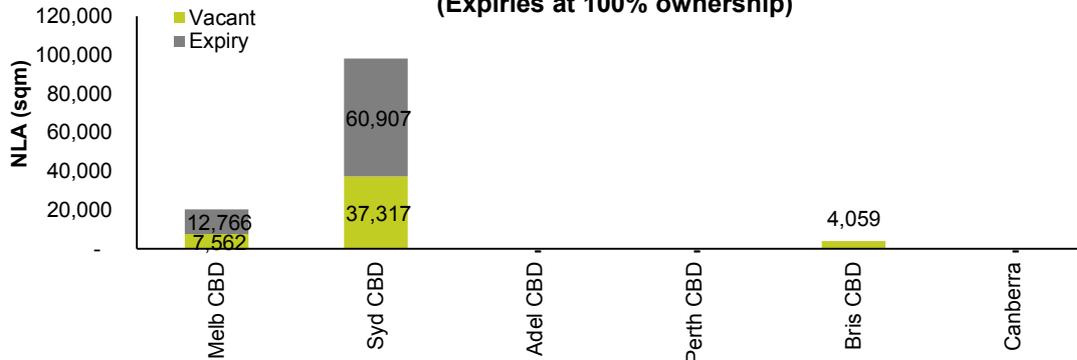
Leasing exposure in stronger markets of Sydney and Melbourne

Years Supply Assessment (Short to Medium Term Market Outlook)
[Total Vacancy + Stock Under Construction / Forecast Annual Demand]



Source: DAE, BIS Shrapnel, JLL, GPT Research.

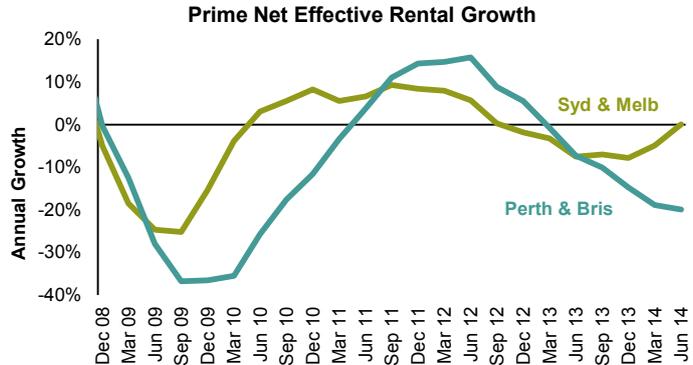
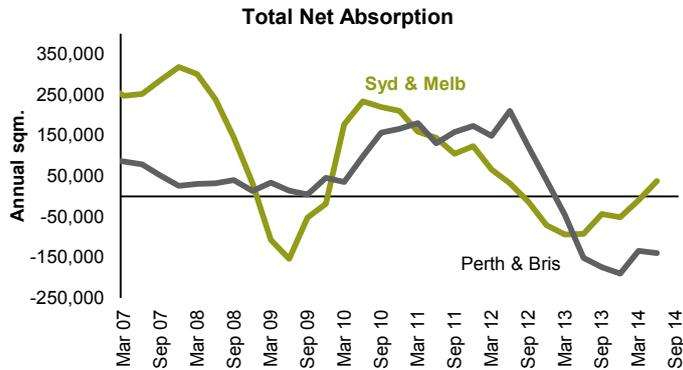
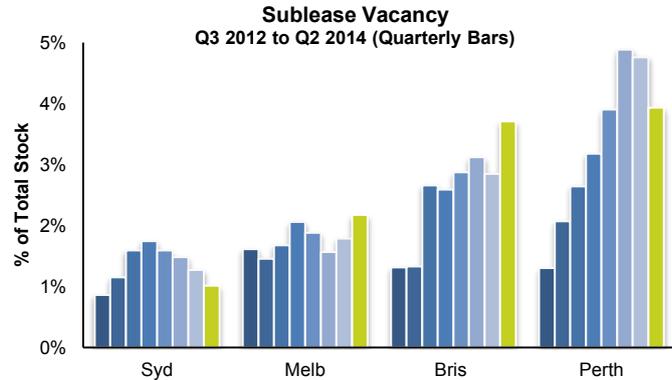
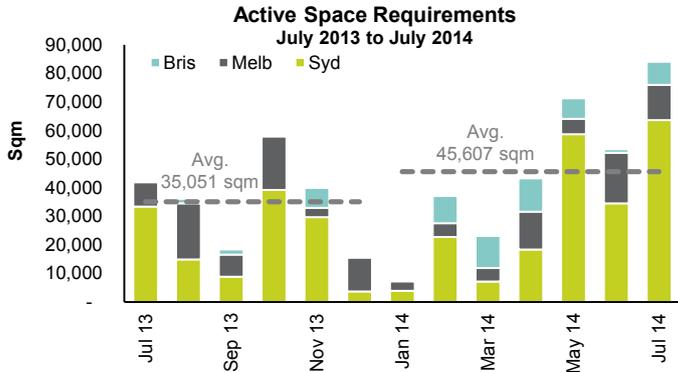
Portfolio Vacancy 2014-2016
(Expiries at 100% ownership)



Source: GPT

OFFICE

Demand improving in Sydney and Melbourne, Brisbane and Perth remain weak



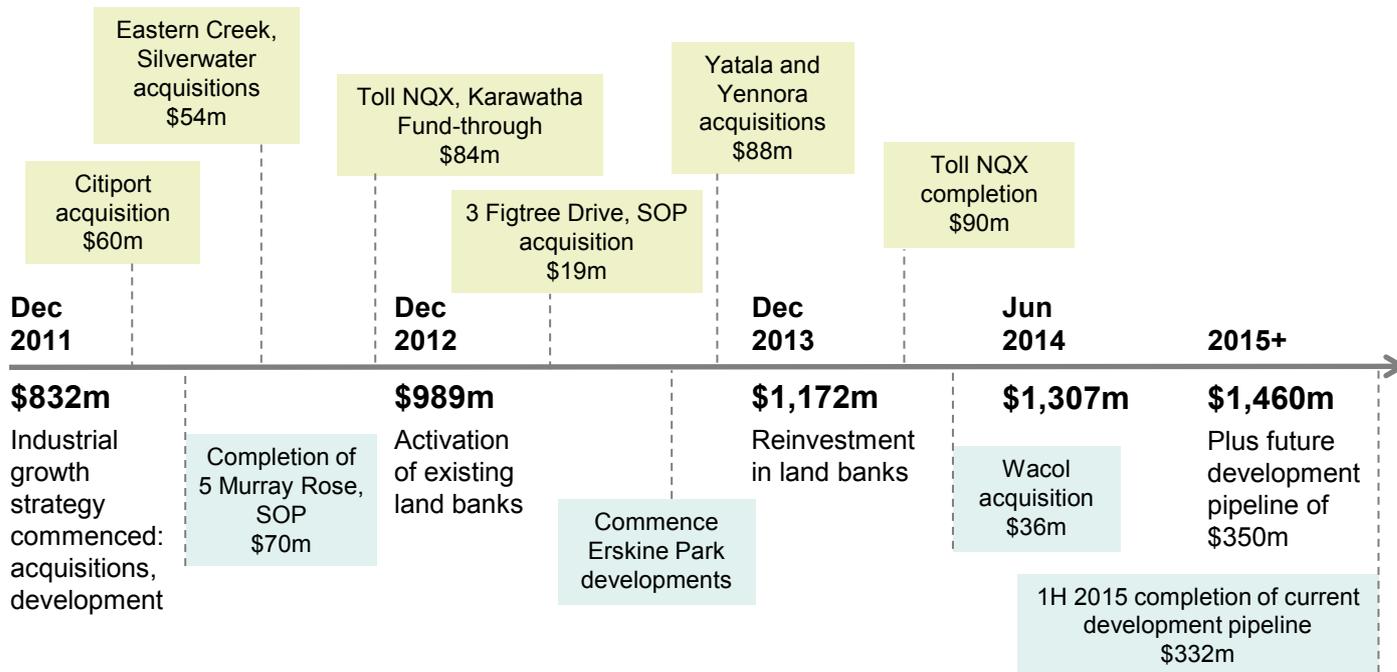


LOGISTICS

LOGISTICS

Continued success of growth strategy

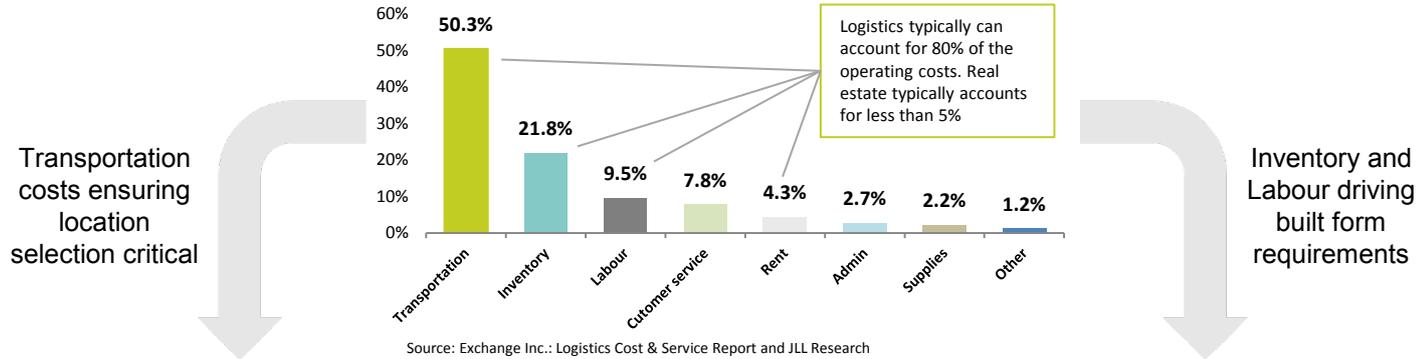
- \$306m of product acquired
- \$330m of activated development



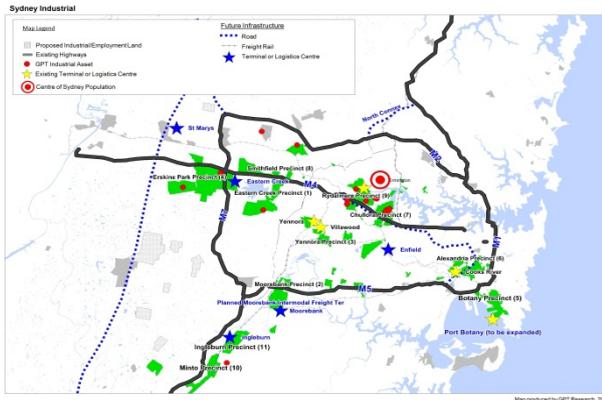
LOGISTICS

Ensure buying/developing right assets in the right locations

Supply Chain Costs



Location – Key Infrastructure Nodes



Built Form Requirements

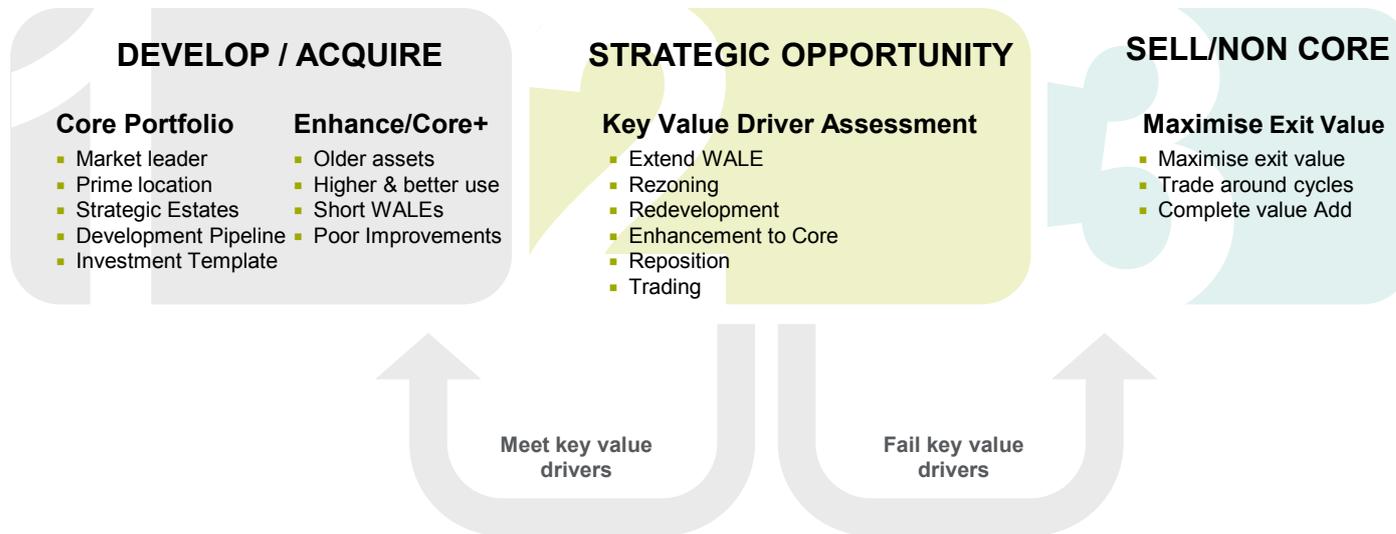
- Minimum clearance heights
- Clear span with minimal columns
- Vehicle Management
- Services
- Dock Faces
- Truck Marshalling
- Office component
- Age
- Functionality
- Automation

LOGISTICS

Actively managing the portfolio

- Logistics requires an active approach to management as assets move through their lifecycle
- GPT's portfolio allocated into 'buckets' in order to create and maximise value

Asset Lifecycle Value Assessment



LOGISTICS

Enhancing asset values with active management



**15-19 Berry Street,
Granville, NSW**
Redevelopment/potential rezoning



**18-24 Abbott Road,
Seven Hills, NSW**
Rezoning to bulky goods



**Citiwest Industrial Estate,
Altona North, VIC**
Upgrading prime located estate



Sydney Olympic Park, NSW
Mixed use redevelopment



**Rosehill Business Park,
Camellia, NSW**
Potential rezoning to mixed use



**4 Holker Street,
Newington, NSW**
Capital works programme

LOGISTICS

Successfully delivering development product

- \$272 million invested in logistics and business park developments in land and WIP
- \$178 million in developments underway to deliver \$332 million of completed product
- Future pipeline of \$350 million

\$85m COMPLETED

- Toll NQX
Commenced Dec 2012
Completed March 2014
Revalued to 7.13% cap rate
15 year WALE



\$332m UNDERWAY

- Erskine Park
- Sydney Olympic Park
- Somerton



\$350m PLANNED

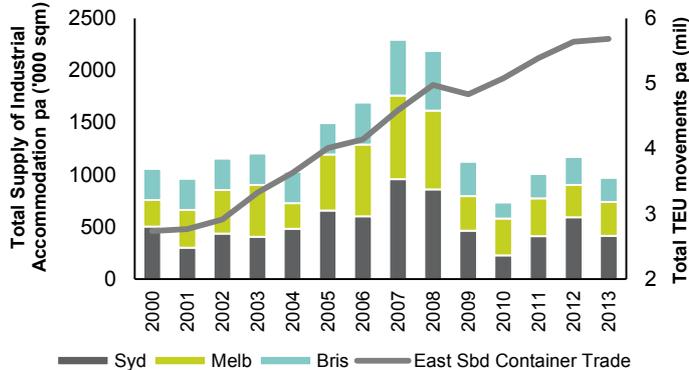
- Somerton
- Wacol
- Sydney Olympic Park
- Minto
- Granville



LOGISTICS

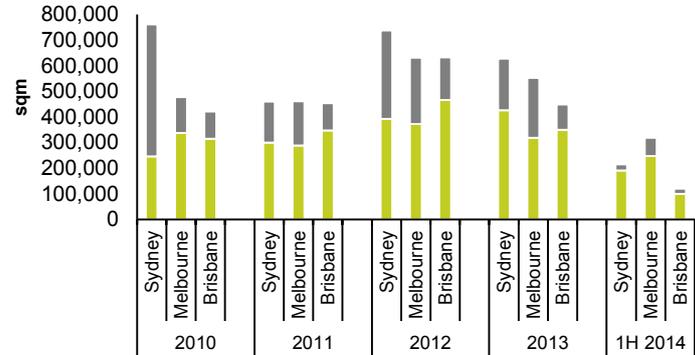
Sydney market more balanced fundamentals between demand and supply

Container Trade vs. Industrial Supply



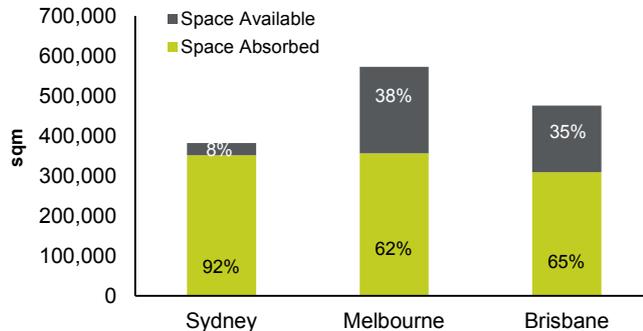
Source: GPT Research, JLL Q1 2014, Ports Australia

Industrial Take-Up Activity



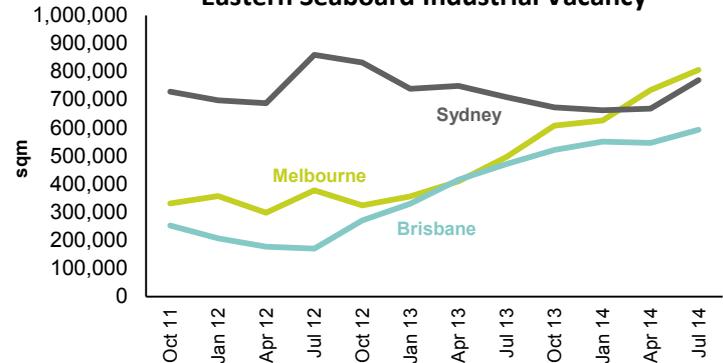
Source: GPT Research, JLL Q2 2014

Eastern Seaboard Industrial Supply 2014



Source: GPT Research, JLL Q2 2014

Eastern Seaboard Industrial Vacancy



Source: GPT Research, Knight Frank



FUNDS MANAGEMENT

FUNDS MANAGEMENT

A period of significant activity

- 9.7% total return from the Funds Management business
- Capital raisings for both Funds for approximately \$650 million underway
- **GPT Wholesale Office Fund highlights**
 - Completion of \$548 million of new acquisitions
 - 150 Collins Street development
- **GPT Wholesale Shopping Centre Fund highlights**
 - Completed the acquisition of a 50% share of Northland Shopping Centre for \$496 million
 - Wollongong Central progressing - due for completion in the second half of 2014
 - Highpoint was awarded Best Retail Development and Best Retail Architecture in Australia



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Information is stated as at 30 June 2014 unless otherwise indicated.

All values are expressed in Australian currency unless otherwise indicated.

FFO is reported in the Segment Note disclosures which are included in the financial report of The GPT Group for the six months ended 30 June 2014.

To provide information that reflects the Directors' assessment of the net profit attributable to stapled securityholders calculated in accordance with Australian Accounting Standards, certain significant items that are relevant to an understanding of GPT's result have been identified. The reconciliation FFO to Statutory Profit is useful as FFO is the measure of how GPT's profitability is assessed.

FFO is a financial measure that represents GPT's underlying and recurring earnings from its operations. This is determined by adjusting statutory net profit after tax under Australian Accounting Standards for certain items which are non-cash, unrealised or capital in nature. FFO has been determined based on guidelines established by the Property Council of Australia and is intended as a measure reflecting the underlying performance of the Group.