



**THE GPT GROUP
ANNUAL GENERAL
MEETING**

Wednesday 4 May 2016





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ROB FERGUSON
Chairman



- On behalf of GPT, I would like to acknowledge the Traditional Custodians of the Land of Sydney, the Gadigal People of the Eora Nation. I extend our respects to Elders, past, present and emerging, and also to any First Nation Australians here with us today.
- I would like to take this opportunity to mention that this AGM will be the last one for Anne McDonald as a non-executive director of GPT. Anne has been a member of the GPT Board for the past ten years, and on behalf of all investors and the GPT Board, I would like to take this opportunity to thank Anne for her dedicated service to the Group and strong contribution to the Board during her tenure.
- I would now like to provide some comments on the Group's performance for the 2015 year.

2015 Annual Result Highlights

Strong business platform delivers solid results

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NET PROFIT AFTER TAX OF

\$868.1m

INCLUDING \$432.1 MILLION IN
ASSET REVALUATION UPLIFT

FUNDS FROM OPERATIONS GROWTH OF

5.5%

PER SECURITY

CASH DISTRIBUTIONS UP

6.1%

TO 22.5 CENTS PER SECURITY

11.5%

TOTAL RETURN

26.3%

NET GEARING
WITHIN 25%–35% TARGET RANGE

4.6%

WEIGHTED AVERAGE COST OF DEBT

- The Group delivered a statutory net profit after tax of \$868.1 million, which was an increase of 34.5 per cent on the prior year. Unrealised property revaluation gains of \$432 million contributed to this profit result.
- Funds from Operations per security, which is the REIT sector's measure of earnings per security, was 28.28 cents per security. This is an increase of 5.5 per cent on the prior year. Distributions paid over the year were 22.5 cents per security, representing growth of 6.1 per cent to our investors.
- Total Return, which is calculated as the change in Net Tangible Assets plus distributions paid during the period, is our measure of the underlying performance of the business. In 2015 the business delivered a strong Total Return of 11.5 per cent. This was well in excess of our historical target of 9 per cent.
- GPT also delivered a total securityholder return, calculated as the change in share price plus distributions paid, of 15.4 per cent in 2015. This significantly exceeded the Australian equity market return of 2.6 per cent for the same period.
- The balance sheet remains in a strong position. Net gearing was 26.3 per cent at year end and is at the lower end of our target range.
- In summary the Group delivered a very strong result in 2015, which is a credit to the management team given the changes in the business during the year. In particular the departure of our former CEO, Michael Cameron, and the appointment of Bob Johnston as the new Chief Executive Officer of GPT. You will hear from Bob shortly.
- Other changes during the year included two new appointments to the Board, Lim Swe Guan

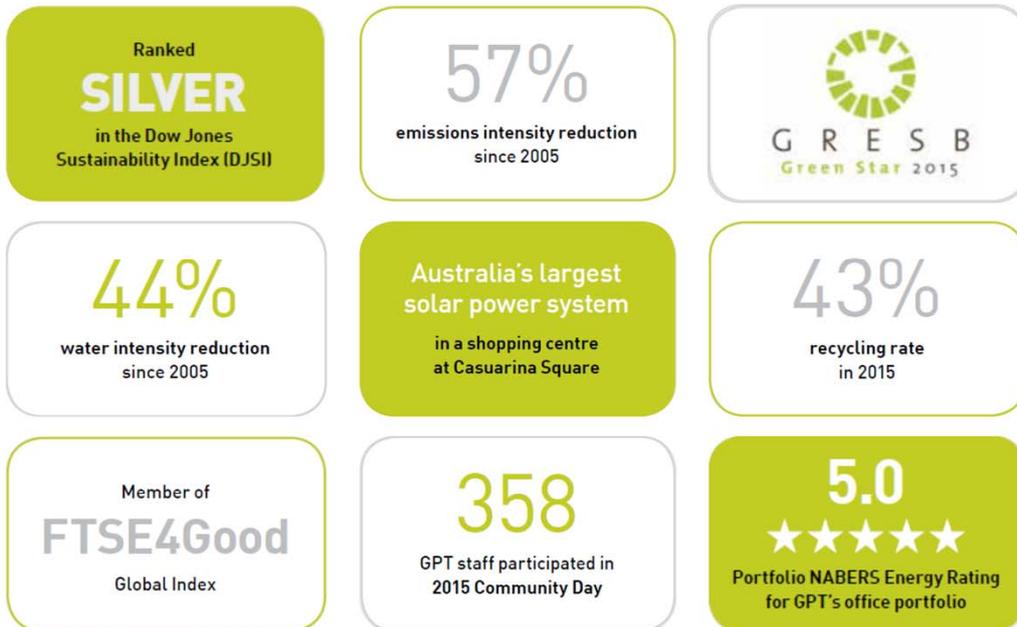
and Michelle Somerville, both as Non-Executive Directors.

- As you will recall, Lim Swe Guan stood for election as a Non-Executive Director at the 2015 Annual General Meeting following the retirement of Non-Executive Director, Eric Goodwin.
- Michelle was appointed as a Non-Executive Director in December 2015, and is standing for election at today's meeting. Michelle has extensive experience across business, finance, risk and governance areas. You will hear from Michelle when I introduce Resolution 4 later in the meeting.
- I am delighted with the new appointments and I am sure they will provide strong support to management.

2016 GPT Annual General Meeting

Chairman's Address

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- Sustainability continues to be a core principle of the Group's business operations, underpinning our organisation's culture and our approach to stakeholder engagement, governance and business processes.
- GPT continued to reduce its environmental footprint in 2015, while providing increased service to our customers and the communities that we operate in.
- Our success in these activities is evidenced in the awards and recognition GPT received during the year, including a silver ranking on the Dow Jones Sustainability Index. GPT also maintains top quartile Green Star status in the Global Real Estate Sustainability Benchmark, a position held since the inception of the benchmark.
- Continuing to reduce our environmental impacts and progress towards a point where resources are sustainably used remains a medium term goal of the Group.
- GPT is committed to promoting positive change for Aboriginal and Torres Strait Islander Australians.
- In recognition of this, GPT launched its Reconciliation Action Plan during the year. This plan documents what GPT commits to do to contribute to reconciliation in Australia.
- In 2015 GPT increased the representation of Aboriginal and Torres Strait Islander employees to 3 per cent.

GPT Remuneration Framework

Fixed Remuneration

- Base level of reward
- Set around median of the Australian market (with reference to the AREIT Sector and companies of a similar size to GPT)

Short-Term Incentive (STI)

- Financial and non-financial KPIs
- Funding tied to Group Financial performance in FFO per security growth
- 50% deferred into future vesting equity

Long-Term Incentive (LTI)

- Achievement of 3 year financial performance objectives
- Relative TSR vs ASX 200 AREIT Index (incl. GPT), and Total Return
- Delivered in equity and subject to restrictions

- The GPT Board continues to adopt a proactive approach to corporate governance practices. During the past few weeks, Gene Tilbrook and I have held numerous meetings with a variety of investors, governance advisory and shareholder advocacy groups. These discussions have been wide ranging, and something we look forward to each year.
- Executive remuneration clearly remains a topic of interest to our stakeholders.
- GPT's framework emphasises three key components. Fixed remuneration is the base level of reward for all employees.
- A proportion of employees can qualify for a short-term incentive. The short-term incentive pool size is linked to the performance of GPT, with individual payments based on an employee's individual performance, measured against a series of KPIs.
- A small group of key employees participates in the long-term incentive scheme. The long-term incentive component of our framework emphasises the achievement of longer term objectives and is paid in restricted equity.
- I encourage you to read the Remuneration Report contained in the 2015 Annual Financial Report for further information.
- In closing, the GPT Board remains focused on ensuring the Group delivers long-term value to securityholders. The Board and I believe that we have a strong and capable executive team in place to take full advantage of the opportunities that the business has in 2016 and beyond.
- I would like to thank all securityholders for their support in 2015.