

26 April 2018

March Quarter Operational Update

The GPT Group (“GPT” or “Group”) today announced its operational update for the March 2018 quarter.

Key Highlights

- Total Centre comparable MAT growth of 2.1 per cent (+1.7 per cent at 31 December 2017)
- Combined Specialty and Mini-Major comparable MAT growth of 3.9 per cent (+3.1 per cent at 31 December 2017)
- Retail specialty sales of \$11,307 per square metre (psqm) at 31 March (\$11,185 psqm at 31 December 2017)
- Total Office leasing of 47,000sqm signed or at Heads of Agreement (HoA) during the quarter, and occupancy of 96.0 per cent
- Total Logistics leasing of 34,100sqm signed or at Heads of Agreement (HoA) during the quarter, and occupancy of 96.5 per cent
- Acquisition of Sunshine Business Park, Melbourne, for \$74 million, representing an initial yield of 6.1 per cent
- Development consent granted for a proposed office development at 32 Smith Street, Parramatta

“The Group has made a strong start to the year across all areas of the business,” Mr Johnston said.

“The performance of the Retail portfolio continues to demonstrate both the quality of the portfolio and the successful outcomes achieved by the management team.”

“The Group has continued to build on the leasing success established in 2017 in both the Office and Logistics portfolios, and is making good progress on key development opportunities.”

The Group notes that the \$420 million expansion of Sunshine Plaza has been impacted by significant wet weather during the quarter. As a result, the project is now expected to open on a staged basis commencing in late 2018, with completion in the second quarter of 2019.

Building on the strong debt capital markets activity of 2017, GPT continued to diversify funding sources and extend tenor with the issue of a A\$90 million Hong Kong Dollar Medium Term Note (MTN). The MTN was issued for a term of 13 years at an all-in margin of 137 basis points over BBSW once swapped back into Australian dollars. At quarter-end, GPT’s weighted average debt term was 6.8 years.

2018 Guidance

GPT continues to expect to achieve FFO per security growth of approximately 3 per cent for the full year 2018, and distribution per security growth of approximately 3 per cent.

-ENDS-

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QUARTERLY MARKET UPDATE

31 March 2018

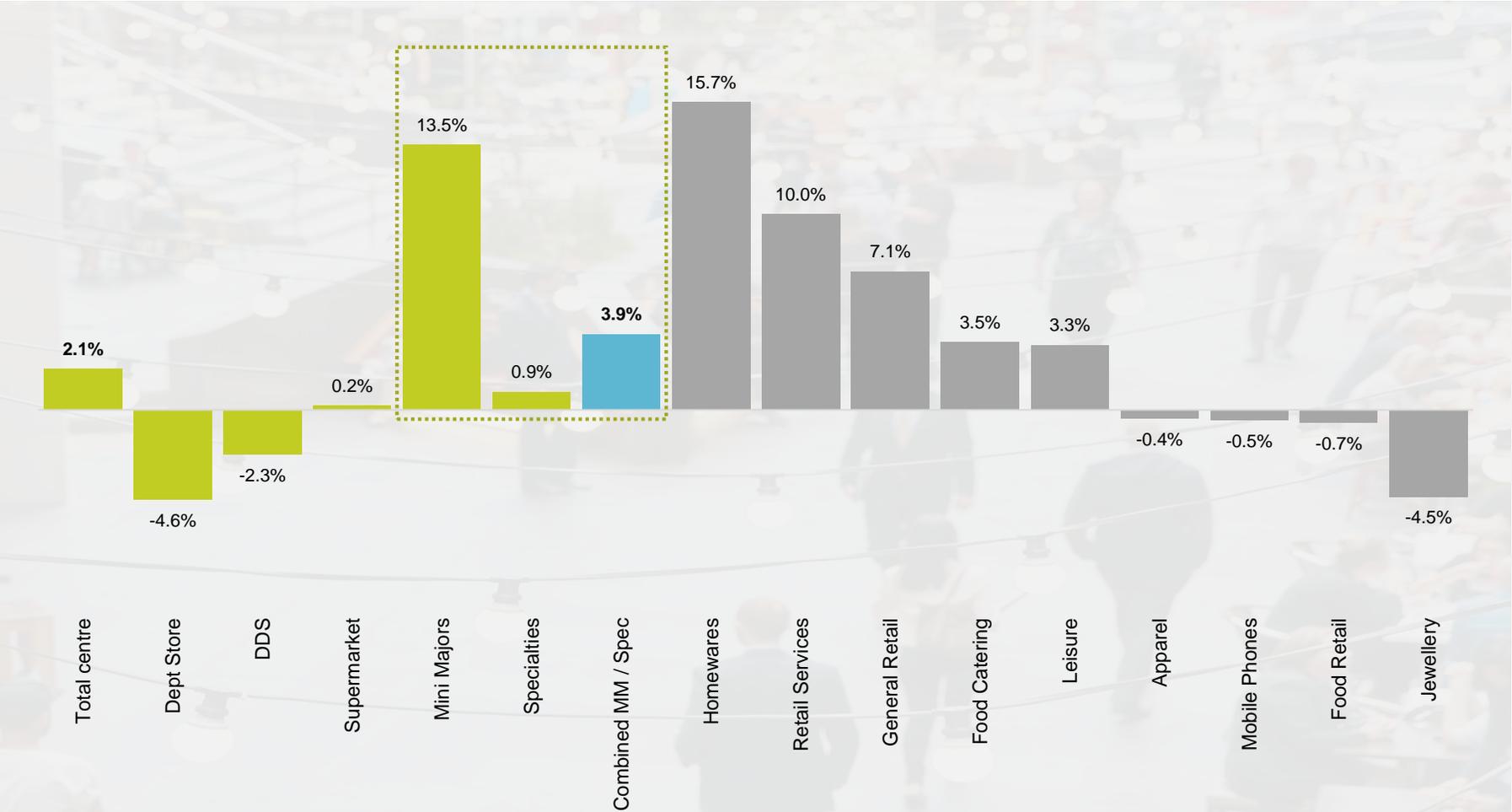
Comparable Annual Retail Sales Growth by Category

2.1%
Total Centre MAT Growth

3.9%
Combined MAT Growth
(Specialty + Mini-major)

\$11,307
Specialty Sales per sqm
(up 2.2%)

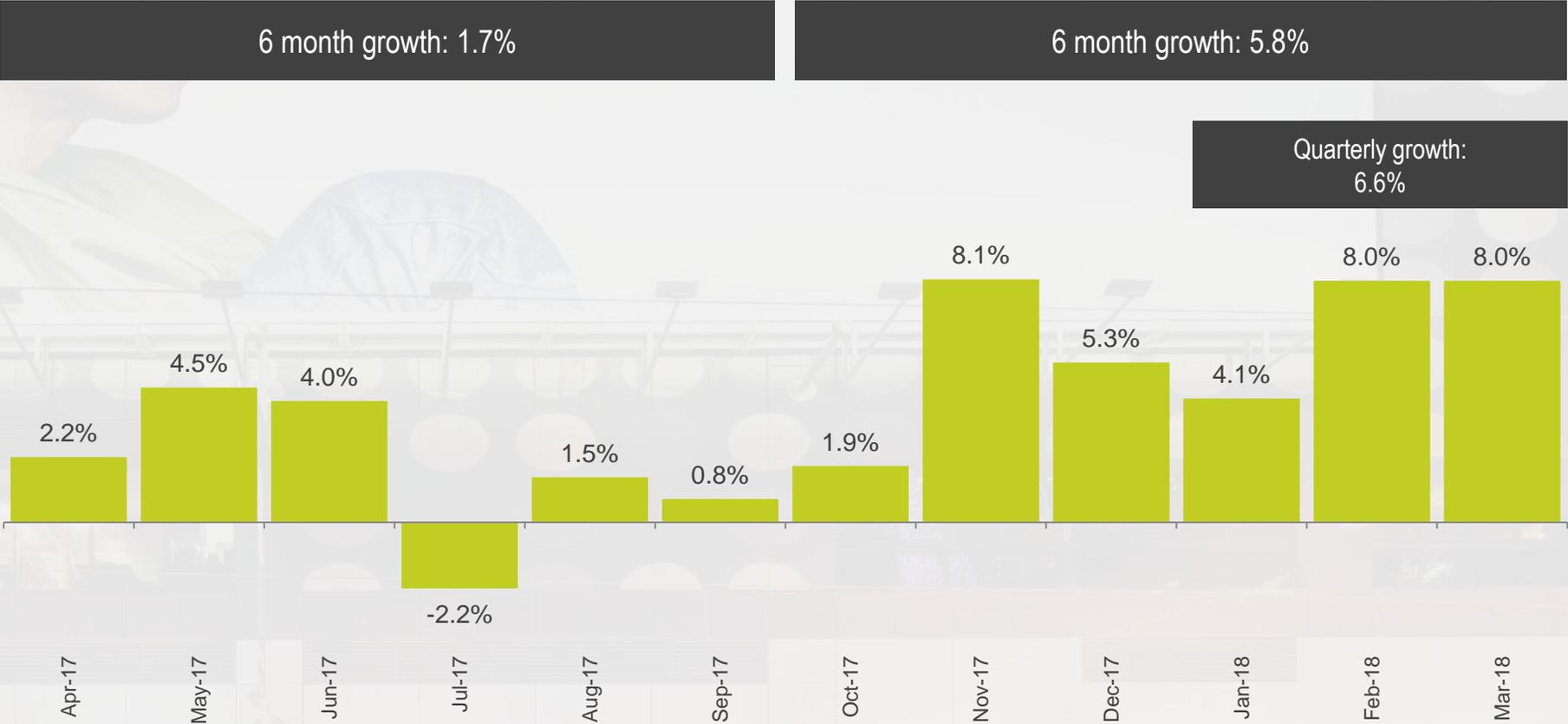
Portfolio MAT Growth by Category



Excludes development impacted centres - Sunshine Plaza, Macarthur Square, Casuarina Square ELP and Wollongong Central.

Monthly Retail Sales Growth

Combined Specialty + Mini-Major Sales



Excludes development impacted centres (Sunshine Plaza, Macarthur Square, Casuarina Square ELP and Wollongong Central) and assets sold in the period to calculate comparable quarterly and six month growth data to 31 March 2018

Retail Portfolio Sales Performance by Centre

	Ownership	Centre MAT (\$m)	Comparable Centre MAT Growth	Comparable Specialty MAT Growth	Comparable Combined MAT Growth ¹	Specialty MAT (\$psm)	Specialty Occupancy Cost
GPT PORTFOLIO							
Casuarina Square	50%	\$361.1	-7.1%	-9.1%	-6.0%	\$10,509	17.8%
Charlestown Square	100%	\$568.3	2.5%	1.3%	3.6%	\$12,688	14.2%
Highpoint Shopping Centre	16.7%	\$1,008.9	1.3%	0.6%	2.0%	\$11,106	19.2%
Melbourne Central Retail	100%	\$543.8	9.2%	3.6%	12.0%	\$12,717	18.7%
Rouse Hill Town Centre	100%	\$438.1	1.7%	4.2%	2.6%	\$8,911	14.6%
Westfield Penrith	50%	\$642.2	0.6%	-0.8%	1.7%	\$11,965	18.4%
GWSCF PORTFOLIO							
Casuarina Square	50%	\$361.1	-7.1%	-9.1%	-6.0%	\$10,509	17.8%
Chirnside Park	100%	\$278.1	2.4%	-1.0%	-1.6%	\$12,165	15.6%
Highpoint Shopping Centre	83.3%	\$1,008.9	1.3%	0.6%	2.0%	\$11,106	19.2%
Northland Shopping Centre	50%	\$532.4	0.6%	-2.6%	-1.6%	\$8,852	18.4%
Norton Plaza	100%	\$118.4	-6.4%	-3.8%	-3.9%	\$11,761	14.5%
Parkmore Shopping Centre	100%	\$259.3	0.9%	3.8%	4.1%	\$9,466	14.7%
GPT Weighted Total		\$2,778.4	2.1%	0.9%	3.9%	\$11,307	17.0%

Note: All data excludes development impacted centres - Sunshine Plaza, Macarthur Square, Casuarina Square ELP and Wollongong Central.

1. Includes Specialty and Mini-Majors tenants

Office & Logistics Leasing

- **Office:** 47,000sqm of new leases and renewals, including Heads of Agreement (HoA) agreed in the March quarter
 - At Melbourne Central Tower, 57 per cent of vacated ACCC space has been committed
- Development consent granted for 32 Smith Street, Parramatta
- **Logistics:** 34,100sqm of leases agreed, including HoA
- Acquisition of Sunshine Business Estate, Melbourne, for \$74 million (6.1% initial yield)
- Construction works underway on two new logistics projects
 - Lot 21, Eastern Creek – 31,000sqm, due for completion in Q4 2018
 - Huntingwood 1B - 11,000sqm, due for completion in Q3 2018

96.0%
Office Occupancy

96.5%
Logistics Occupancy

	Tenant	Status	Area	Term
OFFICE				
2 Southbank Blvd, Melbourne	CUB	Signed	6,389 sqm	10 years
Liberty Place, Sydney	Confidential	HoA	4,433 sqm	12 years
Melbourne Central Tower, Melbourne	Various	Various	4,308 sqm	Various
2 Southbank Blvd, Melbourne	Confidential	HoA	2,870 sqm	5 years
580 George Street, Sydney	ELMO Software	Signed	2,593 sqm	5 years
All other leasing		Various	26,448 sqm	6 years

Sunshine Plaza Development Update

- \$420m retail expansion (100% interest)
- Significant wet weather on Sunshine Coast has delayed construction
- Development is expected to open in two stages:
 - Stage 1: approximately 40 specialty stores opening pre-Christmas 2018
 - Stage 2: David Jones, Big W, mini-majors and approximately 65 specialty stores opening in Q2 2019
- Specialty leasing program 60 per cent complete including deals under offer
- Forecasting incremental stabilised yield greater than 6 per cent and an IRR of greater than 9 per cent



Funds Management

150 Collins Street



GPT Wholesale Office Fund

- GWOFF achieved a 13.0% total return for the 12 months to 31 March 2018
 - Revalued eight assets during the quarter delivering a \$113.5 million valuation gain
 - Outperforming its unlisted office fund peers over five, seven and ten years
- Achieved 5 star Green Star status for the 2017 Global Real Estate Sustainability Benchmark (GRESB)
- Strong portfolio fundamentals with occupancy of 97.6% and a WALE of 6.8 years



Highpoint

GPT Wholesale Shopping Centre Fund

- GWSCF achieved a 12.1% total return for the 12 months to 31 March 2018
- The Fund revalued six assets during the period, recording a total valuation gain of \$29.5 million
- In February GWSCF issued a A\$200 million 10 year MTN with an all-in fixed rate of 4.49 per cent
 - GWSCF's weighted average debt maturity was extended to 5.3 years
- Expression of Interest campaign for the sale of Wollongong Central commenced in March