

13 May 2020

The GPT Group 2020 Annual General Meeting

Please find attached the Chairman's address and the CEO and Managing Director's address for the GPT Group Annual General Meeting which is being held today at 10.00am (AEST).

The meeting will be webcast, and can be viewed by using the following link:

<https://agmlive.link/agm/GPT20/register>

- ENDS -

Authorised for release by the GPT Group Company Secretary.

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**Chairman's
and
CEO & Managing Director's
Addresses
to the
GPT Group 2020 Annual General Meeting**

Chairman's Address

[Introduction]

Good morning ladies and gentlemen. I wish to extend a warm welcome to all our securityholders participating in today's meeting.

My name is Vickki McFadden and I am the Chairman of the GPT Group. I am advised by the Company Secretary that we have a quorum present and therefore declare the meeting open.

I would like to commence by acknowledging the traditional owners of the land on which we are formally conducting this meeting, the Gadigal People of the Eora Nation. Recognising that you may be participating in this meeting on land with traditional custodians, I pay my respects to each of their Elders past, present and emerging. I would also like to extend that respect and welcome to any First Nations people who are participating in the meeting today.

The safety, health and well-being of our staff and all our stakeholders is paramount, particularly in light of the coronavirus pandemic. Accordingly, this year's AGM takes a somewhat different format. For the first time, GPT is using an online platform to participate in the meeting, which enables securityholders to view the meeting, vote and ask questions online. For those of you who have a question that you would like to put to the meeting today on a particular resolution, or of a general business nature, we suggest that you enter your questions now and we will address them at the appropriate time during the meeting.

On behalf of the Board, I express our appreciation of your understanding of the changes we have made to the meeting format. It is pleasing to see that Australia has made great progress in containing the spread of the virus, but we remain in uncharted territory and the health and wellbeing of stakeholders remains our first priority.

I am joined in the room at GPT's offices by the Group's CEO and Managing Director, Bob Johnston, our Chief Financial Officer, Anastasia Clarke, General Counsel and Company Secretary, James Coyne and Ms Sue Horlin, representing the Group's external auditors, PwC.

I would like to welcome our fellow Directors who are participating via the webcast: Gene Tilbrook, Tracey Horton, Michelle Somerville, Angus McNaughton and Mark Menhinnitt. Other members of the executive leadership team and staff of GPT are also participating by webcast.

[Formal Address]

As I am sure you will agree, these are extraordinary and challenging times for all Australians. In a matter of weeks following the release of the Group's 2019 full year results, we are confronting a very different operating environment brought on by the COVID-19 pandemic to that which we had envisaged at the time of our results announcement. Throughout March and April, the Government announced health and economic measures to both restrict the spread of the virus and to support business, particularly small to medium enterprises or SME's.

Clearly there is no precedent to the current situation, but I am pleased to advise that GPT acted quickly and decisively in response to the pandemic to ensure that the health and safety of our people, our tenants and the public was not compromised.

As a result of the rapid change in our operating environment, and given the uncertainty and unpredictability of events and the outlook, on 19 March we withdrew our earnings and distribution guidance for the year ending 31 December 2020.

In early April, the National Cabinet announced a mandatory Code of Conduct for commercial tenancies to help small to medium enterprises deal with the impact of COVID-19 restrictions. We are engaging with our tenants in a productive and considered way and balancing the needs of all stakeholders in this

process. There is much work ahead of us in this process given the number of tenants involved, and the complexities of the legislation.

There is no doubt that the pandemic and the measures introduced by the Government will have a significant impact on GPT's operations, particularly our retail assets. I want to emphasise, however, that GPT remains in a strong financial position, with approximately \$1.3 billion in cash and undrawn facilities and only \$5 million of debt needing to be re-paid before the end of 2021. The Group has also been increasing its exposure to the Office and Logistics sectors over recent years and this strategy has increased the resilience of the business.

Given the unprecedented nature of the current situation, the Group has also implemented a variety of initiatives to reduce costs and defer non-essential capital expenditure across the business. This has included a review of remuneration, and the decision has been taken to withdraw the 2020 Short-Term and Long-Term incentive schemes for executives across the business. This is a substantial reduction in salary packages for senior executives. Accordingly, we will not be seeking approval at this meeting for a grant of securities for the CEO in terms of the Long-Term Incentive Plan. The CEO remains well aligned with securityholders given the current plans in place and the minimum security holding requirement has been exceeded.

While the impacts of COVID-19 is a significant focus for the Board, Board succession and renewal is an important aspect of our governance focus and there has been a process of renewal underway over the past two years. We announced the appointment of Mark Menhinnitt as a Non-Executive Director in September 2019. Mark brings a wealth of investment management and real estate experience to GPT, drawn from his 30 year career at Lendlease. Mark stands for election at this meeting. Lim Swe Guan retired from the Board in December after serving for a total of seven and a half years. I would like to take this opportunity to thank Swe Guan for his contribution to the Group. Yesterday, we announced the appointment of Robert Whitfield as a Non-Executive Director. Rob has significant banking and finance experience in senior management roles across the public and private sectors and his appointment will take effect from 14 May. Rob will stand for election at next year's AGM. We are grateful Gene Tilbrook has agreed to stand for re-election today and Gene will step down from the Board before the end of this calendar year.

In my meetings with investors during February and March it was clear that climate change, and how GPT is responding to climate change, was of particular interest to our investors. This is a matter of importance to the Board and I am pleased to advise that GPT maintains a leadership position in the property industry for delivering sustainable business outcomes. The Group recently ranked third globally in the Dow Jones Sustainability Index and achieved a Global Real Estate Sustainability Benchmark survey outcome that places us in the top 20 per cent of respondents.

The Group has set a target of being carbon neutral by 2030, with our Wholesale Office Fund on track to achieve a certified carbon neutral position by the end of this calendar year.

We also released our inaugural Climate Disclosure Report earlier this year. The report outlines the steps we are taking to identify, assess and manage climate change risks and opportunities, and is aligned to the recommendations of the Taskforce on Climate-Related Financial Disclosures.

Before I hand over to Bob, I would like to extend my thanks for your ongoing support of The GPT Group. I would also like to extend my thanks to my Board colleagues and management team for their efforts in steering the business particularly through the challenges that face all businesses at this time.

I would now like to ask Bob to address the meeting.

CEO & Managing Director's Address

Thank you Vicki. Good morning everyone.

I would also like to thank our securityholders for joining our webcast meeting today. It is unfortunate that we are unable to conduct the meeting in our normal way but clearly these are unusual times and health and safety considerations obviously are a priority for GPT.

As an owner, developer and manager of assets in many locations across Australia, I would also like to acknowledge the traditional custodians of the lands on which our business, and our assets, operate.

We made excellent progress in executing on our strategy during 2019, and this reflected in the results we reported to the market in early February. We delivered strong portfolio income growth, sold our stake in the MLC building, successfully executed an equity raising for \$867 million, acquired a stake in the Darling Park assets and grew our logistics portfolio by approximately 30 per cent.

Growing our logistics portfolio through acquisitions and development remains a key focus for the Group. During 2019 we secured 36 hectares of land in Western Sydney and 48 hectares in Melbourne's west for future developments. Our logistics development pipeline has an expected end value in excess of \$1 billion when fully developed.

We are extremely pleased with the acquisition of the 25 per cent interest in Darling Park Towers 1 and 2, along with Cockle Bay Wharf. The office towers are modern, premium grade assets, and were acquired on an attractive yield of 5.3 per cent and have structured rental increases averaging 4 per cent per annum. The acquisition was particularly attractive given there is an opportunity to create a new office tower on the Cockle Bay Wharf site.

We have also continued to make good progress with the development of the new landmark office tower at 32 Smith Street in the Paramatta CBD with practical completion expected in early 2021. The development is currently 64 per cent leased and has attracted solid tenant interest for the balance of the space.

It has been a busy period for the Group, however these excellent outcomes have been somewhat overshadowed recently by the significant and far reaching effects of the coronavirus. The pandemic is having a profound impact on the Australian economy and is being felt by all businesses and industries.

Fortunately, GPT entered this period with high portfolio occupancy, low leverage, and a strong liquidity position.

Despite this enviable position, we have not been complacent, and we have moved quickly to respond to the current environment.

Firstly, the health, safety and wellbeing of our people, customers and the public has been our priority. We responded immediately to the physical distancing measures recommended by government across our assets and commenced work-from-home arrangements for the majority of our staff in mid-March. We have provided assistance to essential businesses that needed to continue to trade from our assets and increased cleaning and security measures to ensure they could do so safely. While all of our assets remain open, physical occupancy during March and April has understandably been low. Our teams have found innovative ways to support our tenants and customers. Drive through click-and-collect arrangements for restaurants is one example of this.

In April, the National Cabinet announced the mandatory Commercial Tenancy Code to provide relief for small to medium enterprises that are suffering financial stress or hardship. The Code requires building owners like GPT to provide cashflow relief to qualifying SMEs proportionate to their reduction in revenue for the COVID-19 period. The cashflow relief is to be provided via a combination of rent forgiveness and deferment unless otherwise mutually agreed. The Code has now been legislated in a number of states

and recently NSW and Victoria have implemented regulations to support the Code and defined a six month period for its application. SME tenants across our portfolio are estimated to account for 21 per cent of office net income, 14 per cent of logistics net income and 36 per cent of our retail net income.

We are engaging with our tenants in a proactive and considered way so that we, and our tenants, emerge from the pandemic in a position to grow our respective businesses. The process has commenced but it will take some time to conclude given the complexity of the application of the code, the nuances of the regulations in each state and the number of tenants involved.

In the coming weeks we expect we will see many businesses recommence operations as governments relax restrictions in a measured way. In particular, we expect to see more retail stores open, albeit physical distancing measures will still need to be adhered to. As of this week, we have more than 50 per cent of retail stores open across our shopping centre portfolio, up from 35 per cent at the end of April.

As a result of the change in the economic outlook we have taken the decision to defer the commencement of both the Rouse Hill Town Centre mixed use development and the Melbourne Central office and retail development until market conditions are more supportive.

We have also implemented measures to reduce discretionary spend across the Group, deferring all non-essential capital expenditure and suspending recruitment. In addition, as noted by Vickki, both the short-term incentive program and the long-term incentive program for 2020 have been removed, resulting in substantial savings. Despite these changes, management remains focused on delivering the best outcomes possible for securityholders.

We have a committed executive group across GPT who are delivering results in these challenging times. I am proud of their resilience, the values they continue to demonstrate and the respect they have with our customers in dealing in a fair and equitable way. I would like to thank all our staff for their commitment and hard work as they continue to juggle the challenges at work and at home during this period.

I would also like to acknowledge and thank our Board for their support and guidance to management. As you can imagine, the demands on their time, experience and expertise has intensified during this period.

As I noted earlier, GPT entered the pandemic period in a very strong position. The economic shock from COVID-19 has, however, created a great deal of uncertainty and accordingly we have withdrawn guidance for earnings and distributions for the calendar year 2020. We do believe that the significant government stimulus that is being applied, as well as the level of co-operation between all levels of government to reboot the economy, provides room for optimism for the recovery period. We will continue to manage the business prudently and take the necessary steps to safeguard the business while the uncertainty prevails.

Thank you and I will now hand back to our Chairman.