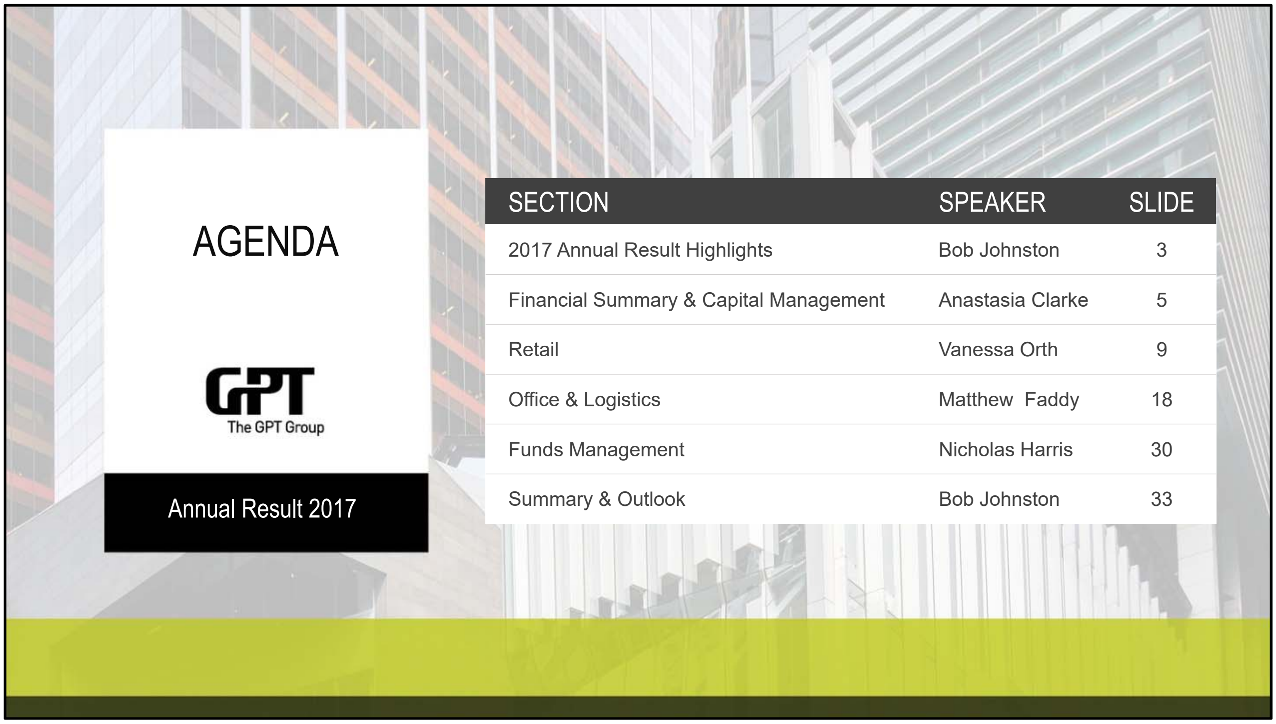

Good morning everyone, and welcome to GPT’s 2017 Full Year Results presentation.

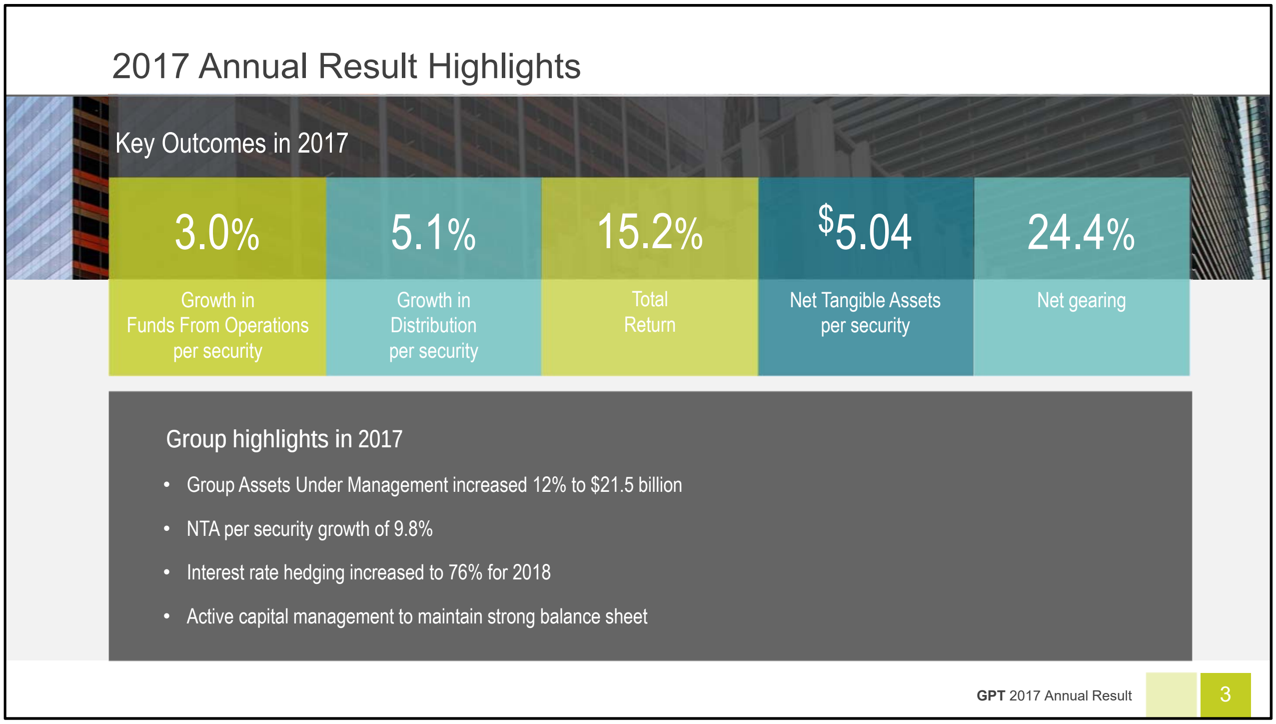
I would like to start the proceedings by acknowledging the Traditional Custodians of the Land of Sydney, the Gadigal People. I extend my respects to Elders, Past and Present and to any First Nations people who have joined us for the presentation.




| SECTION | SPEAKER | SLIDE |
|---|---|---|
| 2017 Annual Result Highlights | Bob Johnston | 3 |
| Financial Summary & Capital Management | Anastasia Clarke | 5 |
| Retail | Vanessa Orth | 9 |
| Office & Logistics | Matthew Faddy | 18 |
| Funds Management | Nicholas Harris | 30 |
| Summary & Outlook | Bob Johnston | 33 |

The format for today is that I will start with an overview of the Results and key highlights.

You will then hear from members of the management team on their areas of responsibility and I will then return to provide an update on the Group outlook, and the opportunity for you to ask questions.




I am pleased to report that the Group has delivered a strong set of results for the year.

As you can see from this slide, FFO per security increased 3.0 per cent and distributions increased by 5.1 per cent per security, which is in line with the upgraded guidance we provided in August last year. Our total return for the year was 15.2 per cent. Clearly this strong return has benefited from asset price appreciation across the portfolio.

The Group's NTA has increased by 9.8 per cent to $5.04 per security.

Our balance sheet remains in excellent shape with gearing at just under 25 per cent. Furthermore, during the period we were active in the debt capital markets which has increased our debt maturity profile and further diversified our funding sources. This came at a slight increase in margin but continues to make sure we are well placed for the future.

## Progressing strategic priorities

### Business Outcomes

| 4.4% | $718M | 96.8% | 5.2YRS | 5.27% | $12.0B |
|---|---|---|---|---|---|
| Portfolio like for like income growth | Valuation uplift | Total portfolio occupancy | Weighted Average Lease Expiry | Weighted Average Cap Rate | Funds Under Management |

**INVESTMENT PORTFOLIO & OPERATIONS**

- Office portfolio continues to deliver outperformance
- Resilient Retail portfolio delivered 3.8% income growth
- Completion of GWSCF terms renewal and liquidity review
  - Increased investment in GWSCF
- GWSCF acquired the remaining 25 per cent stake in Highpoint Shopping Centre for $680 million
- Record leasing volumes in Office and Logistics

**DEVELOPMENT**

- Development pipeline continues to be a focus and a source of new investment assets for the Group
- 32 Smith Street, Parramatta, office development expected to commence in 2H 2018
- 4 Murray Rose Ave, Sydney Olympic Park, on track for completion in Q4 2018
- Successful lease-up of logistics development assets
- Alternate options for Rouse Hill Town Centre expansion continue to be explored

**GPT** 2017 Annual Result 4

We saw strong income growth across each of the sectors with the average LFL growth being 4.4 per cent. While Office continues to outperform delivering 5 per cent, Retail delivered LFL growth of 3.8 per cent and Logistics achieved 4 per cent. Healthy numbers right across the portfolio.

Asset valuation gains totalled $718 million. This uplift was driven by both income growth and cap rate compression of approximately 30 basis points over the year. The weighted average capitalisation rate for the portfolio at year end was 5.27 per cent.

Our Funds Management Business continues to perform well with FUM growing to $12.0bn at year end. Both our Shopping Centre Fund and the Office Fund delivered strong returns for their investors with the Shopping Centre Fund outperforming its peers over the last 2 years. GPT increased its holding in the Shopping Centre Fund to 29 per cent during the year and we have a 25 per cent interest in the Office Fund.

Good progress is also being made with our development pipeline.

We are targeting to commence our Parramatta office development in the second half of this year. The DA has been lodged and the team is encouraged by the level of interest from prospective tenants.

Our logistics developments are also progressing well. All developments that we delivered last year have now been fully leased and we have commenced work on a further two developments in Sydney’s west. We are also starting to see demand emerging in Brisbane which is positive for our development sites in Brisbane’s south west.

The major expansion of Sunshine Plaza is progressing, and we expect this to be substantially complete by the end of this calendar year.

The planned development of the Rouse Hill Town Centre remains work in progress. Our original plans for the expansion included the introduction of a department store but over the last six months we have spent time exploring alternate options and testing these with retailers and consumers. We remain optimistic about the opportunity, given the ongoing growth being delivered by the asset. Accelerating our plans for the residential opportunities adjacent to the Town Centre will be a focus for 2018.

We understand that the gazettal of the Masterplan for Sydney Olympic Park is imminent. This will be an important milestone and allows us to proceed with assessing development opportunities for the site with more certainty.

And the draft rezoning of our logistics site at Camellia has just been released by Government for comment. Camellia is part of the Greater Parramatta area and is expected to be one of the fastest growing parts of Sydney over the next twenty years. The draft rezoning provides for an uplift in FSR and for mixed uses across the site. This will take some time to work through but provides the Group with greater clarity for the site.

So as you can see we are making solid progress across each of the business segments, and the business is delivering strong results.

To take you through the financial results in a little more detail I will now handover to Anastasia Clarke our Group CFO.


FINANCE &
TREASURY
The GPT Group
Annual Result 2017

## Financial Summary

| 12 MONTHS TO 31 DECEMBER ($ MILLION) | 2017 | 2016 | CHANGE |
|---|---|---|---|
| Funds From Operations (FFO) | 554.2 | 537.0 | ↑ 3.2% |
| Valuation increases | 717.7 | 611.6 | |
| Treasury items marked to market | (2.9) | (23.0) | |
| Other items | 0.1 | 27.1 | |
| Net Profit After Tax (NPAT) | 1,269.1 | 1,152.7 | ↑ 10.1% |
| Funds From Operations per stapled security (cps) | 30.77 | 29.88 | ↑ 3.0% |
| Funds From Operations (FFO) | 554.2 | 537.0 | |
| Maintenance capex | (54.4) | (45.4) | |
| Lease incentives | (53.5) | (70.1) | |
| Adjusted Funds From Operations (AFFO) | 446.3 | 421.5 | ↑ 5.9% |
| Distribution per stapled security (cps) | 24.6 | 23.4 | ↑ 5.1% |



Thank you Bob.

Good morning. Today I am pleased to present you with the annual financial results for the Group.

Commencing with underlying profit. The Funds From Operations of $554.2 million is an increase on the prior year of 3.2%. The growth has been driven by all three investment portfolios, delivering combined comparable income growth of 4.4%, with Office achieving a particularly strong like for like increase of 5.0%.

This is a great result given income dilution in 2017 compared to 2016 from the sale of GMF, the repayment of the Ayers Rock Resort loan and no further performance fees from GWOF.

Our statutory profit was $1,269.1 million for the 12 months, which included property revaluation increments of $717.7 million.

FFO per security increased 3% to 30.77 cents with distributions per security of 24.6 cents growing by 5.1%, representing a payout of 99.3% of Adjusted Funds From Operations.

Maintenance capital expenditure moderately increased year on year with additional investment in the portfolio. This was more than offset by a significant reduction in office and logistics lease incentives.

## Segment Result

| 12 MONTHS TO 31 DECEMBER ($ MILLION) | 2017 | 2016 | CHANGE |
|---|---|---|---|
| Retail | 318.4 | 294.1 | |
| Office | 248.9 | 225.0 | |
| Logistics | 94.0 | 95.4 | |
| Funds Management | 37.0 | 61.0 | |
| Net Income | 698.3 | 675.5 | 3.4% |
| Net interest expense | (102.4) | (100.0) | |
| Corporate overheads | (30.6) | (29.8) | |
| Tax expense | (11.1) | (14.0) | |
| Corporate | (144.1) | (143.8) | 0.2% |
| Non-core income | - | 5.3 | |
| Funds From Operations | 554.2 | 537.0 | 3.2% |



Turning to the segment result.

As you can see, we delivered strong rental income across all three sectors. Retail and Office benefitted from an increased investment in both the Shopping Centre and Office funds, while logistics was lower due to the sale of GMF and Kings Park.

Funds Management contributed $37 million, delivering an underlying profit increase of $5.4 million, excluding the impact of the GWOF performance fees earned in 2016.

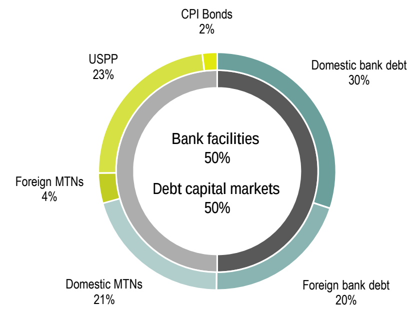
Corporate costs including net interest expense, tax and overheads are broadly flat year on year. Our weighted average cost of debt is also flat at 4.2%, slightly down from 4.25% in 2016.

## Capital Management

- Raised A$400 million in a US Private Placement (USPP) debt issue
- Moody's upgraded GPT's long term credit rating to A2
- Half of all financing now sourced from debt capital markets, enhancing term to maturity

| KEY STATISTICS | DEC 2017 | DEC 2016 |
|---|---|---|
| Net tangible assets per security | $5.04 | $4.59 |
| Net gearing | 24.4% | 23.7% |
| Weighted average cost of debt | 4.20% | 4.25% |
| Weighted average term to maturity | 7.1 years | 6.5 years |
| Interest cover ratio | 6.5x | 6.4x |
| Credit ratings (S&P / Moody's) | A / A2 | A / A3 |
| Weighted average term of hedging | 4.8 years | 4.4 years |
| Drawn debt hedging | 76% | 57% |

Sources of Financing Facilities






Now looking at the balance sheet and capital management.

NTA has increased to $5.04 per security up 45 cents from $4.59 at the end of 2016. This uplift was driven by asset revaluations across the three asset classes.

This has resulted in a modest increase in gearing to 24.4%, despite an increase in development investment.

The team have been very busy with capital management throughout 2017. This culminated in an upgrade to our Moody's credit rating to A2.

We issued two MTN's across each fund, followed by a USPP for both GPT and GWOF. This was GWOF's inaugural foreign private placement. The fund issued 12 year notes at an attractive low margin of 170 basis points.

We have been vigilant in continuing to, firstly, lengthen the Group's debt expiry profile, which is now greater than 7 years, and secondly, to further diversify our sources of funding. We are now sourcing half our debt from domestic and global debt capital markets.

Interest rate markets have been volatile. As a proxy to our hedge duration, the 5 year swap rate traded to a high of 2.6% early in 2017, only to drop to a low of just above 2.0% by mid-year. We are all only too familiar with the market impact of rising interest rates, with the new year seeing the 5 year swap rate rise again to 2.5%.

Our approach has been to lock in additional hedging when swap rates traded down. We increased hedging from 57% to 76%. This resulted in a lower fixed interest rate of 2.8%, representing a saving of 20 basis points.

Where to from here is difficult to call. What I will say is we expect further volatility throughout 2018 as the world navigates improving economic conditions and changes to central bank settings, albeit with elevated global debt levels.

For us at GPT this means we will continue our vigilance, add earnings protection in periods of lower rates, and keep the balance sheet in excellent shape.

Our cost of debt is forecast to remain low in 2018 at 4.25 per cent, albeit finance costs will increase in line with additional debt that funded completed developments, acquisitions and further investment in our assets.

The portfolio is well placed to deliver strong financial results and ongoing corporate cost control enhances profitability.

I will now pass you over to Vanessa for an update on Retail.


RETAIL
GPT
The GPT Group
Annual Result 2017

## Retail Highlights

### Key Portfolio Statistics

| 3.8% | 2.2% | $11,185 | 99.6% | $281.4M | 5.10% |
|---|---|---|---|---|---|
| Portfolio like for like income growth | Comparable specialty sales growth per sqm | Specialty sales productivity per sqm | Total portfolio occupancy | Valuation uplift | Weighted Average Cap Rate |

- Total Portfolio Return of 11.1%
- Property Net Income growth driven by fixed rental increases and the strong performance of the portfolio
- Valuation gains due to solid income growth and metric compression
- Increased investment in GWSCF, co-ownership stake at 28.8%

| RETAIL FINANCIAL HIGHLIGHTS ($M) | 2017 | 2016 | CHANGE |
|---|---|---|---|
| Operations Net Income | 313.1 | 288.3 | 8.6% |
| Development Net Income | 5.3 | 5.8 | (8.6%) |
| Segment Result | 318.4 | 294.1 | 8.3% |



Thankyou Anastasia

The Retail business has again delivered excellent results in 2017.

Portfolio like for like income growth of 3.8% remains strong, benefiting from underlying fixed specialty rental increases of 4.7%.

Specialty sales MAT has moderated to 0.3% for the full year.

We saw an improvement in monthly sales with November and December recording positive increases, whilst specialty sales productivity continues to grow, sitting at $11,185psm, up 2.2%.

The portfolio delivered valuation gains of $281 million and the portfolio's weighted cap rate is now 5.10%.

Operations Net Income was up 8.6%. This result includes the full year benefit from developments at Charlestown and Casuarina and the increased investment in the shopping centre fund in 2017.

The retail portfolio has generated a total return of 11.1% for the group

The healthy like for like income growth demonstrates the resilience and quality of our portfolio.

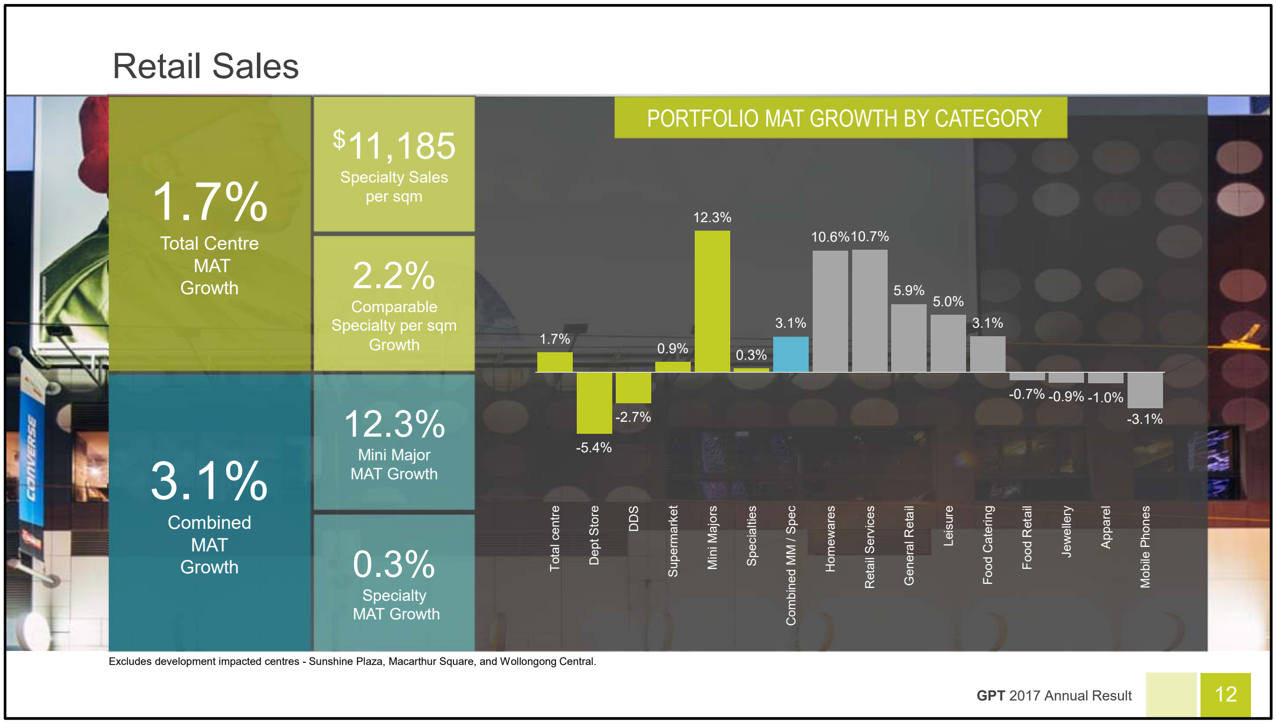

As you can see from this slide, the GPT portfolio has delivered consistent outperformance, averaging 3% annual net income growth over the 5 year period to December 2016, 20 basis points above our basket of listed peers.

Melbourne Central has delivered outstanding returns. Located in a high growth catchment in Melbourne's CBD, the asset is now trading above $12,400psm and currently at 100% occupancy, reflective of strong retailer demand. We are currently investing in this asset to ensure that Melbourne Central retains its unique position in the Melbourne retail hierarchy.

This year at Highpoint a milestone of $1 billion in MAT sales was achieved, with strong productive retailers added to the mix. The asset delivered a total return of 20.9%, reflective of both underlying performance of the asset and the valuation uplift.

Whilst at Charlestown Square, the centre is now trading above $12,600psm up 6.5%, benefiting from the significant leasing remix in 2016.

We continue to transform our assets, investing where appropriate to respond changing demands of the market.




Turning to the sales performance for the portfolio.

Total centre sales grew by 1.7% for the 12 months, with specialty sales productivity up 2.2%.

Department and Discount Department Stores were down 5.4% and 2.7% respectively.

The combined growth of mini majors and specialities was 3.1%.

The mini major category continues to outperform up 12.3%, this is due to the ongoing inclusion of international retailers into the mix such as Sephora and JD Sports and the expansion of domestic groups like Cotton On and Mecca.

We have seen outperformance in Homewares, with strong results across the portfolio by JB Hi Fi and Apple, whilst the Retail Services category has increased with the introduction of laser clinics and beauty service operators.

The growth in General Retail has benefitted from a full years trade of both Mecca and Sephora across Melbourne Central, Highpoint and Charlestown Square.

There has been mixed results across apparel, with improved performance across men's wear whilst performance in women's apparel remains varied across the individual brands.

Further productivity gains will be achieved by increasing our exposure to category leading retailers.

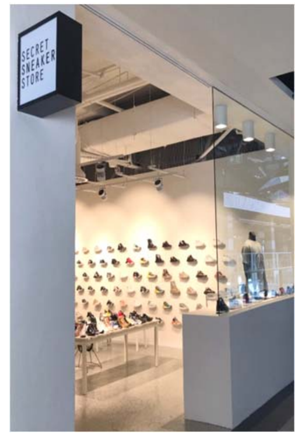
# Retail Leasing

- High quality portfolio proving to be resilient in a more challenging leasing market
- Portfolio occupancy remains high at 99.6% and holdovers have reduced to 6.6% of specialty expiry rent
- Continue to transition into retail growth categories, focussing on first to market, unique retail concepts and bringing online into physical stores

PORTFOLIO LEASING STATISTICS

| | 2017 | 2016 |
|---|---|---|
| Specialty Deal Count | 402 | 504 |
| – Avg. Annual Fixed Increase | 4.7% | 4.8% |
| – Avg. Lease Term | 4.7 years | 4.7 years |
| Leasing Spread | (1.2%) | 0.3% |
| Retention Rate | 74% | 75% |
| Portfolio Occupancy | 99.6% | 99.6% |
| Specialty Rent - % of Income Expiring | 19.3% | 19.6% |
| Specialty WALE | 2.9 years | 2.8 years |
| Specialty Occupancy Cost | 17.1% | 16.9% |

Statistics exclude development impacted centres; holdovers



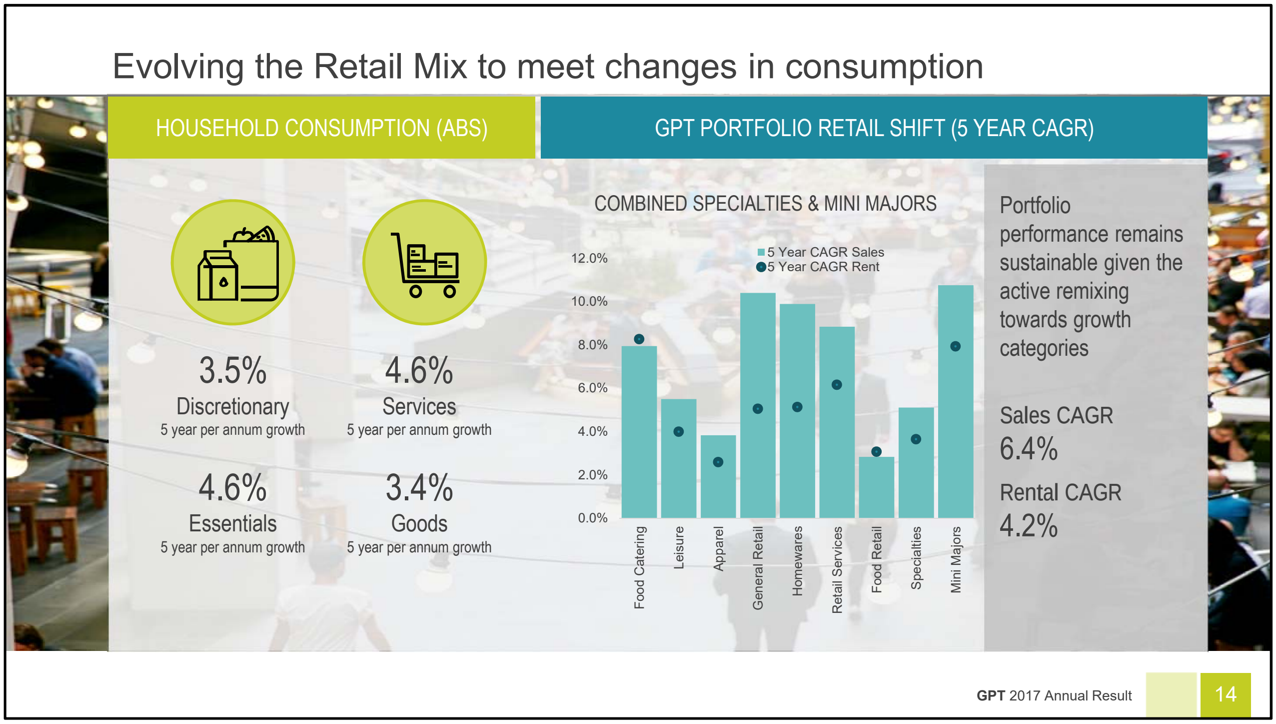

Across the portfolio, 402 deals were completed over the past 12 months, maintaining fixed increases of 4.7% and an average lease tenure of just under 5 years.

Specialty leasing spreads were negative 1.2%, however mini majors recorded growth of 7.5%, these results combined delivered spreads of 0.2%.

Specialty holdovers were down from 8.3% of base rent at the half to 6.6%.

Our portfolio has demonstrated resilience and outperformance, maintaining a high occupancy of 99.6%.

Our leasing team remain focused on ensuring that we have a sustainable retail mix and continue to secure retailers in both emerging and growth categories.




We have seen a shift in consumption patterns, with spending on essentials outpacing discretionary spend. Consumers share of wallet has shifted to items such as housing, finance and health. However, overall discretionary spend still represents over 40% of household consumption.

We are also seeing consumers increase their spend on services rather than goods. The growth in services over the last 5 years was 4.6% compared to goods at 3.4%.

Across our portfolio we are delivering a retail offer that meets the ongoing changes in consumer preferences, focused on categories such as food catering, retail services and general retail.

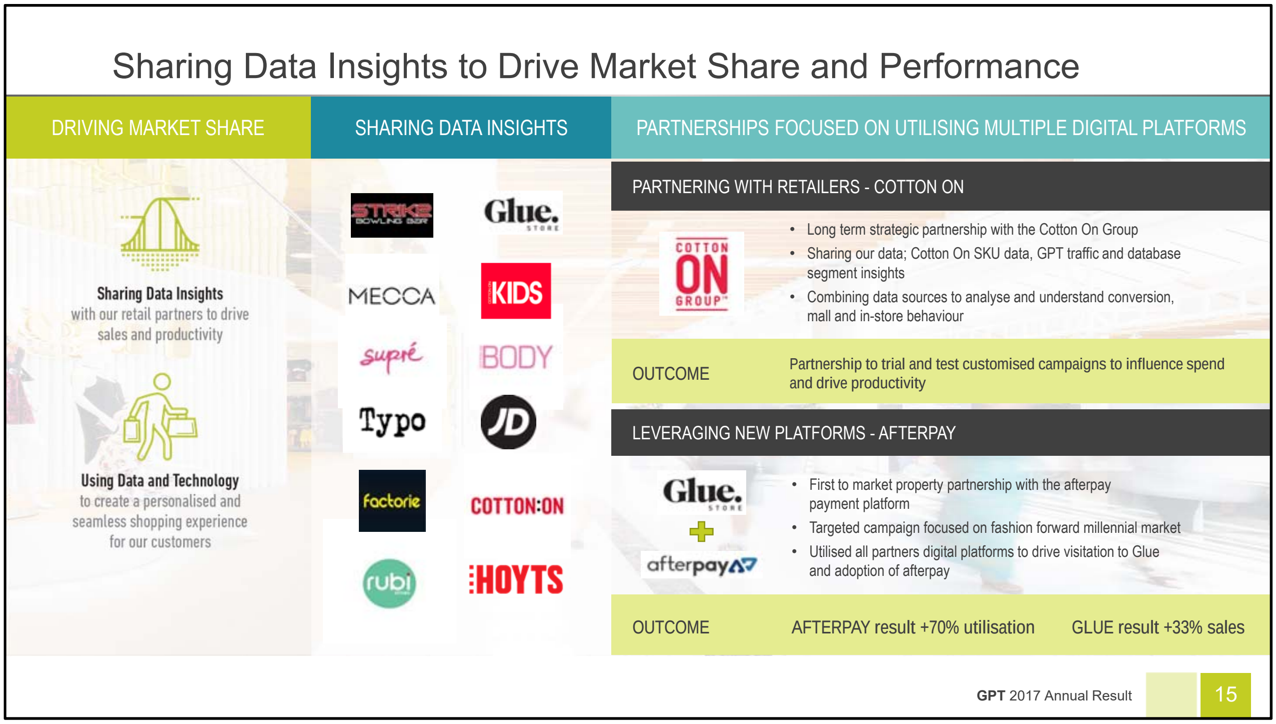
The graph on this slide demonstrates the combined sales and rental growth achieved over the past 5 years, across the specialties and mini majors.

As you can see, we have delivered a strong sales CAGR of 6.4% across all categories, translating to a healthy rental CAGR of 4.2%.

Importantly, with sales growth exceeding rental growth across most categories, our portfolio is positioned to deliver future sustainable returns.

This is further highlighted with the 80 basis point movement in occupancy cost down from 17.9% to 17.1% over the same 5 year period.

To capture sales and grow market share we need to ensure that we have a compelling retail offer that meets the needs of our diverse trade areas.




Throughout the year our Digital and Marketing team have been working closely with a number of our retail partners, sharing data insights to help drive visitation to their stores and improve sales productivity.

We have entered into a strategic partnership with the Cotton On Group, sharing and analysing combined data to understand instore conversion and behaviour.

We are also leveraging complimentary technology platforms in the retail sector, facilitating a campaign with Afterpay, an online payment platform, and Glue, to drive both instore sales and Afterpay adoption at Highpoint.

By combining our databases we expanded the breadth of our reach and by utilising multiple digital platforms our communication channels were more targeted.

This was a low cost campaign focused on the millennial segment. The return on investment for Afterpay was a 70% increase in their platform usage, whilst Glue benefitted from a 33% uplift in sales on the day.

In 2018, we continue to work with our retailers and other external partners to create a seamless shopping experience for our customers whilst driving sales productivity for our retail partners.

# Retail Development

## SUNSHINE PLAZA

- $420m retail expansion (100% interest)
- Q4 2018 completion
- Specialty leasing program 35% complete
- Flagship International and National brands secured
- Forecasting incremental stabilised yield greater than 6%


| DEVELOPMENT ACTIVITY | TOTAL COST |
|---|---|
| **Current Developments** | |
| Sunshine (100%) | $420m |
| **Future Developments** | |
| Rouse Hill | $200m |
| Melbourne Central | $50m |
| Casuarina (100%) | $80m |



We successfully opened the developments at both Macarthur Square and Wollongong Central.

We are making good progress on the Sunshine Plaza re-development, securing international mini majors and a number of leading domestic retailers.

Leasing demand remains strong given the asset's dominant position as the only Regional Centre on the Sunshine coast and we remain confident of a successful opening in the fourth quarter.

Across our portfolio we are active in assessing future re-development opportunities.

Planning work is progressing on a revised scheme for the expansion of Rouse Hill Town Centre.

We remain excited about the opportunity given its location in one of the strongest markets in Australia, the adjacencies of the North West Rail link due to open in 2019 and the potential growth associated with the increased density on the site and within the region.

We are also progressing development opportunities on Melbourne Central, centred around expanding onto the rooftop space. The current scheme proposes additional retail and the inclusion of an office building that Matt will discuss further in his presentation.

The portfolio continues to provide development potential, however we do remain disciplined around the timing and scope of these opportunities, to ensure they are enhancing value and delivering on strategic outcomes.

# Retail Market Outlook

| AUSTRALIAN RETAIL SALES | GPT PORTFOLIO |
|---|---|

MEDIUM TERM OUTLOOK

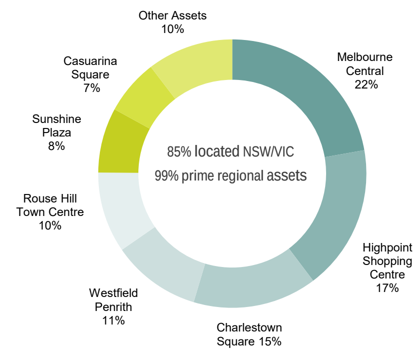
- ONLINE SALES GROWTH TO CONTINUE though physical stores forecast to represent ~90% of retail sales over the medium term
- EMPLOYMENT GROWTH forecast at +3.3% in 2017[1], reflecting a tightening labour market, and improving business and consumer confidence
- MODERATING HOUSE PRICE GROWTH coupled with increases in household costs may constrain consumer spending in the short term

LONGER TERM OUTLOOK

- DELOITTE ACCESS ECONOMICS forecast retail sales growth of +4.3% over the next 10 years
- POPULATION GROWTH forecast of +1.4% per annum over the next 10 years

1. Source: ABS

- PORTFOLIO IS WELL POSITIONED
- HIGHLY PRODUCTIVE PORTFOLIO
- CONTINUE TO REMIX CENTRES




GPT 2017 Annual Result 17

Turning to the market outlook.

Online now represent 7.8% of total retail sales, and we envisage further growth in online market share throughout 2018.

Bricks and mortar in the medium term will continue to command over 90% of retail sales.

One of the critical factors for retail sales will be whether the recent employment growth translates to an improvement in wage levels, which will assist to overcome some of the pressures facing households, including increases in electricity prices.

Longer term, Deloitte Access economics are forecasting retail sales to grow at 4.3% over the next 10 years, assuming strong population and real growth figures.

With 85% of our portfolio located in the buoyant markets of NSW and VIC and weighted towards the Prime Regional and City Centre categories, our assets have demonstrated the ability to withstand the headwinds facing retail with specialty occupancy maintained at 99.6% and strong sales productivity over $11,100psm.

In a more challenging market our leasing, asset management and development teams have successfully contributed to these strong results and the portfolio is well positioned as we head into 2018.

I will now hand over to Matt Faddy to talk through the Office and Logistic portfolios.


OFFICE
The GPT Group
Annual Result 2017

## Office Highlights

### Key Portfolio Statistics

| 5.0% | $374.1M | 95.2% | 189,500M² | 5.18% | 5.6YRS |
|---|---|---|---|---|---|
| Portfolio like for like income growth | Valuation uplift | Total portfolio occupancy | Leases signed | Weighted Average Cap Rate | Office WALE |

- Total Portfolio Return of 14.5%
- Like for like income growth of 5.0% driven by rental growth and increased occupancy for Sydney assets
- Valuation uplift due to rental growth and compression of investment metrics
- 225,700sqm of deals including leases signed and terms agreed
- Segment Result reflects strong leasing outcomes and the acquisition of additional GWOF units

| OFFICE FINANCIAL HIGHLIGHTS ($M) | 2017 | 2016 | CHANGE |
|---|---|---|---|
| Operations Net Income | 247.8 | 223.9 | 10.7% |
| Development Net Income | 1.1 | 1.1 | - |
| Segment Result | 248.9 | 225.0 | 10.6% |



Thank you Vanessa

The office portfolio has delivered outstanding results taking advantage of GPT's high quality portfolio and the strong Eastern seaboard markets. We continue to execute on the Group's office investment and development strategies.

The portfolio achieved strong comparable income growth of 5% and a valuation uplift of $374m. This has driven a total portfolio return of 14.5% for the 12 months to December 2017.

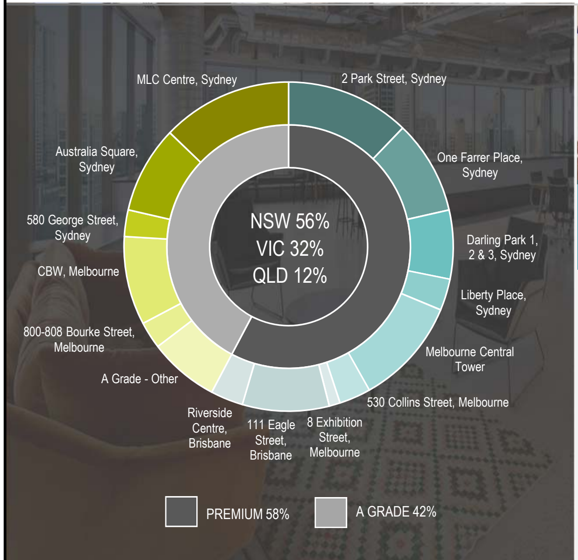
The valuation uplift has been driven by cap rate compression and market rental growth, taking the total value of the portfolio to $4.9 billion. The portfolio's weighted average cap rate has firmed 37 basis points over the 12 months to 5.18%.

Our team delivered excellent leasing outcomes with 189,000sqm of signed leases and an additional 36,000sqm with terms agreed. The portfolio WALE has increased to 5.6 years.

Operating Net Income increased 10.7%, as a result of leasing outcomes achieved, and the acquisition of additional units in GWOF over the last 18 months.

The positive market conditions and the continued execution of our strategy has seen the portfolio deliver outperformance in 2017 and be in an excellent position for 2018.

# Office Portfolio Performance




**MLC CENTRE**

- 2017 Total Return 25.3%
- 4.6 year WALE*
- Tower repositioning now complete
- Retail redevelopment opportunity

**2 PARK STREET**

- 2017 Total Return 18.1%
- 5.3 year WALE*
- Over 30,000sqm leased in last 3 years
- Diverse tenant base including Amazon, Citi, QBE & Unilever

**AUSTRALIA SQUARE**

- 2017 Total Return 14.5%
- 3.2 year WALE*
- Capitalise on strong Sydney leasing market with re-leasing opportunities in 2018/2019

* WALE by income



The strong returns achieved have been underpinned by the high quality of our assets.

With 88% of the portfolio weighted to the best performing Australian markets of Sydney and Melbourne we are poised to deliver further growth in the next 12 months as those markets experience continued low vacancy and limited near-term new supply

All assets were revalued during the year, resulting in a valuation uplift of 8.6%.

The total return for the portfolio was led by our Sydney assets which delivered 18% for the 12 months.

Complementing the positive market conditions, we continue to focus on driving additional value from our assets.

At the MLC Centre, the repositioning of the Tower is now complete following the capital upgrades and leasing undertaken over the last 4 years. We are now focused on further capitalising on the asset’s central Martin Place location through the redevelopment of the retail precinct.

2 Park Street and Australia Square have also performed strongly. Australia Square is set to further benefit from the tight vacancy in Sydney with the asset having a number of re-leasing opportunities in 2018 and 2019.

# Office Leasing

- 189,500sqm signed leases in 2017 with a further 36,200sqm terms agreed
- Continuing demand from technology sector, contributing over 20% of 2017 leasing volume
- Strategic leasing a key focus with 44% of 2017 signed leases across expiries 2019+
- Benefiting from strong Sydney and Melbourne market conditions

| MAJOR LEASES SIGNED | | | |
|---|---|---|---|
| | MONASH College | Google | HERBERT SMITH FREEHILLS |
| | 750 Collins Street 41,400sqm | Workplace6 16,300sqm | Liberty Place 14,100sqm |
| | Allianz | Deloitte. | dimension data |
| | Melbourne Central Tower 7,300sqm | Riverside Centre 6,100sqm | Darling Park 3 6,000sqm |

| | OFFICE PORTFOLIO | SYDNEY | MELBOURNE | BRISBANE |
|---|---|---|---|---|
| Leases Signed | 189,500sqm | 88,200sqm | 82,300sqm | 19,000sqm |
| % Forward Leasing (Expiries 2019+) | 44% | 38% | 52% | 33% |
| WALE by Income | 5.6 years | 5.4 years | 5.7 years | 5.8 years |



Our total leasing volume for 2017 was 226,000sqm, with 189,000sqm of signed leases.

We have seen continued demand from the Technology sector representing over 20% of leasing in 2017, including deals to Google, Dimension Data, Adobe and Amazon.

Our focus on pro-active customer service and engagement has resulted in renewals with major customers including Herbert Smith Freehills at Liberty Place in Sydney, Allianz at Melbourne Central Tower and Deloitte at Riverside Centre in Brisbane.

The significant volume of leasing activity has capitalised on the strong market conditions, through higher effective rents and the forward leasing of future expiry. Of the leasing completed, 44% is over space that was due to expire from 2019 onwards.

Our expiry profile through to 2021 is close to 90% weighted towards the well-performing Sydney and Melbourne markets, and we will continue to enhance the portfolio through pro-active leasing of upcoming expiries.

## Flexible Workspace Offering Space&Co.

SPACE &CO.

- Momentum for flexible space continues with significant growth over the past 5 years
- Space&Co. provides a variety of workspace and co-working environments for use on demand
- Powerful differentiator for assets, providing enhanced returns

83% occupancy at 31 December 2017

GPT customers represent 50% of Space&Co. members

Expanding Space&Co. venues in 2018

Co-working % of market*

| | |
|---|---|
| 0.6% | Australia |
| 1.2% | Manhattan |
| 4.0% | London |

* Knight Frank, August 2017. Based on % of Total Stock.



Our co-working offering, Space&Co., is continuing to grow and take advantage of increasing customer demand for flexible space.

This is a trend occurring globally, with co-working venues experiencing significant growth over the past 5 years.

During 2018, we plan to expand the number of Space&Co. venues across our portfolio. These venues provide a comprehensive offer to our customers and a differentiator for our assets.

Along with attracting new customers, take up by existing GPT tenants has been strong, comprising 50% of members. These large corporates are choosing to augment traditional leases with flexible space as business needs arise.

Space&Co. has also proved to be a facilitator of leasing deals by providing temporary space during fit-out and churn periods.

The operation is profitable and occupancy is currently 83%, with expansion to provide further benefits of scale.

This is an area that will continue to grow and we see it as a complementary offer that as an owner and manager we are well placed to deliver.

## Office Development

### 4 MURRAY ROSE, SYDNEY OLYMPIC PARK

- Construction well progressed with completion expected October 2018
- 60% pre-committed with active enquiry on remaining space
- Expected end value of over $100m with a yield on cost over 7%

### 32 SMITH STREET, PARRAMATTA

- Development approval expected in H1 following achievement of design excellence
- Strong engagement with blue-chip occupiers
- Targeting commencement in 2018 and completion 2020
- Expected end value over $230m, yield on cost over 7%

### COCKLE BAY PARK, SYDNEY

- Positive engagement with authorities on proposed scheme at Darling Park
- Office and retail precinct of approximately 70,000sqm
- Will reconnect the city to the harbour, provide re-energised retail offering, new public and outdoor cultural space

### MELBOURNE CENTRAL TOWER, MELBOURNE

- Comprehensive $35m lobby upgrade, realignment of entry, creation of new retail and 'third space'
- Works to commence 2018
- Early engagement to seek pre-commitment for a 20,000sqm office tower on Lonsdale Street



Moving to office development, our pipeline of projects are progressing well.

Construction of 4 Murray Rose at Sydney Olympic Park is on track for completion in October 2018. The development is 60% committed and we have active enquiry on the remaining space.

Following design excellence being awarded for our 26,000sqm Parramatta office tower at 32 Smith Street, we expect development approval to be granted in the first half of 2018. We are engaged with a number of prospective pre-commitment tenants and are targeting to commence in 2018.

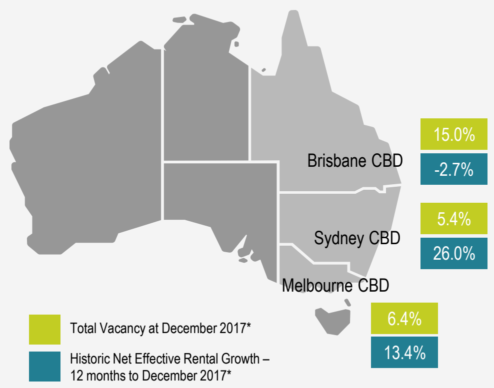
Following engagement with various NSW Government Departments, an amended DA for our Cockle Bay Park development was lodged in late 2017. This exciting project in the Darling Park precinct will deliver extensive open space for the Sydney CBD community combined with a commercial and retail development of up to 70,000sqm. The project continues to gain momentum with key stakeholders and is progressing well.

We also continue to invest in our existing assets to create value for the portfolio. At Melbourne Central Tower we will be commencing a comprehensive upgrade and reconfiguration of the lobby, incorporating new retail and flexible space.

In addition, we are in the early stages of engaging with the market for a proposed office development above Melbourne Central, fronting Lonsdale Street. An existing preliminary approval is in place for a 20,000sqm tower.

## Market Outlook

CURRENT MARKET




* JLL Research

GPT MARKET FORECAST

| | SYDNEY CBD | MELBOURNE CBD | BRISBANE CBD |
|---|---|---|---|
| Market Outlook | • Vacancy contraction and rent growth forecast for medium term<br>• Net supply to remain low with limited construction in short term | • Continued vacancy tightening and rent growth next two years<br>• Demand fuelled by strong Victorian economy and population growth | • Ongoing demand recovery has stabilised vacancy, with rental growth to turn positive<br>• No supply forecast for 2018 and to remain moderate over medium term |
| Forecast net effective rental growth (next 12 months) | 10% | 11% | 5% |
| Forecast average vacancy (next 3 years) | ~5% | ~6.5% | ~15% |



2017 saw strong rental and capital growth in the office markets of Sydney and Melbourne.

Market dynamics were favourable, with demand exceeding supply, vacancy rates tightening and rents increasing. As shown on the left, both recorded strong effective rent growth with Sydney at 26% and Melbourne at 13%.

Capital markets remained buoyant with demand from both domestic and offshore investors resulting in further yield compression.

We expect Sydney and Melbourne to continue to outperform the other national markets. As shown on the right, we are forecasting double digit effective rent growth in 2018, with Brisbane starting to show the early signs of recovery.

Demand in Melbourne is forecast to be the strongest of all markets nationally fuelled by a diverse economy, strong state economic and population growth combined with the continued business centralisation into the CBD. Our recent deal with Monash College at 750 Collins Street over 41,000sqm is an example of this positive absorption.

Of upcoming new supply in Melbourne, approximately 70% is pre-committed and the market will be coming out of a period of historically low vacancy.

We expect Sydney and Melbourne to experience continued robust performance in 2018, reflecting the positive outlook for employment growth and office demand, while in Brisbane we expect to see modest growth.

In summary, through the great work undertaken by the team, we are capitalising on the strong market conditions and our high quality assets to deliver outstanding results. We are well placed to continue to deliver growth in 2018.


LOGISTICS
The GPT Group
Annual Result 2017

## Logistics Highlights

### Key Portfolio Statistics

| 4.0% | $62.1M | 96.1% | 188,200M² | 6.31% | 7.6YRS |
|---|---|---|---|---|---|
| Portfolio like for like income growth | Valuation uplift | Total portfolio occupancy | Leases signed | Weighted average cap rate | Logistics WALE |

- Total Portfolio Return of 11.2%
- Like for like income growth up 4.0%
- Strong leasing results with 240,600sqm of deals signed and terms agreed
- Operations Net Income growth impacted by the divestment of Kings Park in 2016, offset by leasing activity and development completions
- Four development completions in 2017 totalling 70,200sqm
- $74 million acquisition in Melbourne completed in January 2018

| LOGISTICS FINANCIAL HIGHLIGHTS ($M) | 2017 | 2016 | CHANGE |
|---|---|---|---|
| Operations Net Income | 93.3 | 92.7 | 0.6% |
| Development Net Income | 0.7 | 2.7 | (74.1%) |
| Segment Result | 94.0 | 95.4 | (1.5%) |



Now focusing on Logistics,

It has been a successful year across both our investment portfolio and development projects. With record leasing results and focused control on capital we have seen positive income growth and total returns.

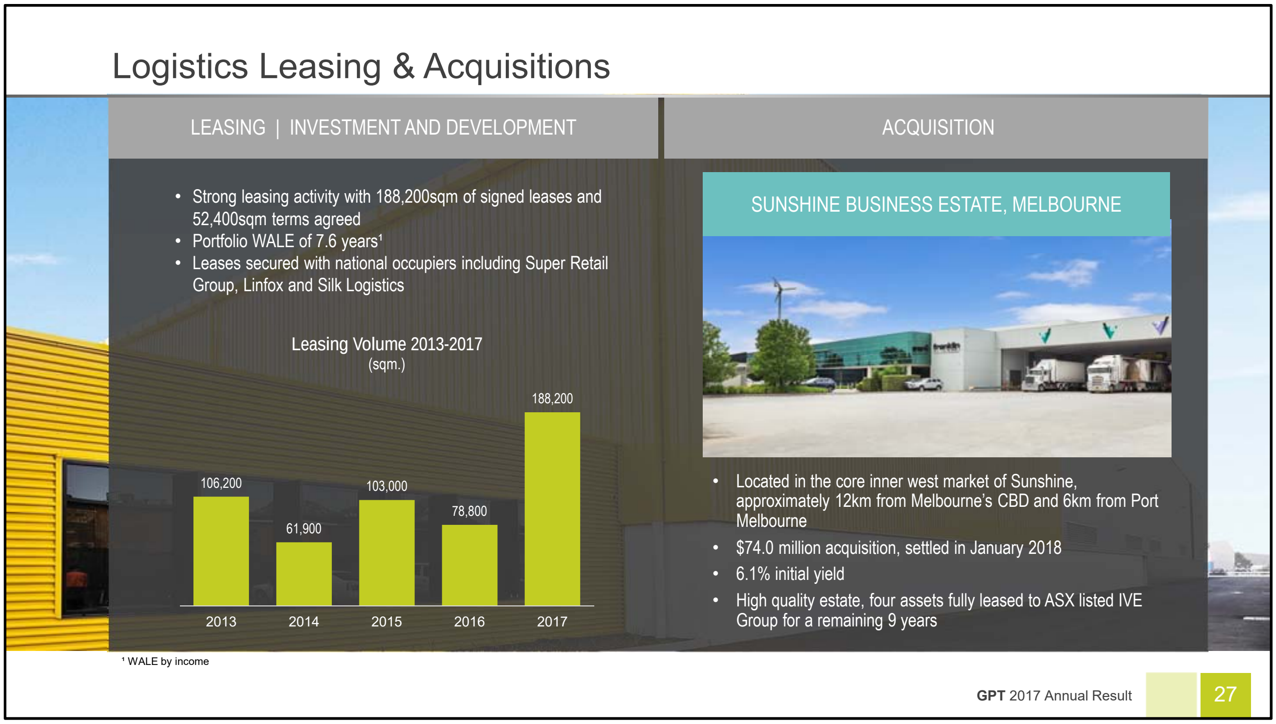
The portfolio has delivered comparable income growth of 4.0% and a valuation uplift of $62 million for the year. This has driven a total return of 11.2%.

Our portfolio has been enhanced with the completion of four development projects, with occupancy remaining high at 96% and a long WALE.

Due to strengthening market conditions as well as a number of significant leasing deals, the weighted average cap rate for the portfolio firmed by 23 basis points to 6.31%.

The valuation uplift is largely attributed to the long WALE facilities at Erskine Park in Sydney, the lease renewals at Citiwest Industrial Estate in Melbourne and the completed developments.

Operating Net Income growth of 0.6% was impacted by the divestment of Kings Park and GMF in 2016, offset by the leasing results for the year and the successful completion of the development projects.




Our leasing team continued on from the momentum achieved in the first half, with signed leases for the year totalling 188,000 sqm and an additional 52,000sqm of terms agreed across our investment and development assets. This is the highest level of leasing activity achieved for GPT's logistics portfolio.

During the year a number of deals were completed with national occupiers including Super Retail Group, Linfox and Silk Logistics. This has contributed to the diverse tenant mix and healthy portfolio WALE of 7.6 years.

In January 2018, the Group completed the acquisition of Sunshine Business Estate in Melbourne for $74 million.

Located in Melbourne's inner west, the asset is fully leased to the ASX listed IVE Group for 9 years. The purchase price reflects an initial yield of 6.1%.

The acquisition is complementary to the portfolio, providing greater exposure to the Melbourne market through high quality, long term leased assets.

## Logistics Development

- Strong leasing outcomes achieved with the four developments completed in the year 100% leased
- Yield on cost of 7% for completions in 2017
- Three projects under construction across Sydney and Brisbane
- Future development pipeline of 67 hectares

54 EASTERN CREEK DRIVE, EASTERN CREEK

**2017 COMPLETIONS**

- Huntingwood Stage 1, Sydney
- Metroplex Wacol (Loscam), Brisbane
- Seven Hills, Sydney
- 54 Eastern Creek Drive (Lot 2012), Sydney

70,200M² GLA

$133.6M Value

100% Leased

**UNDERWAY**

- Eastern Creek (Lot 21), Sydney
- Huntingwood Stage 2, Sydney
- Metroplex Wacol (Volvo), Brisbane*

53,000M² GLA

$94.4M End Value

* Divestment to complete in 2018, end value $17.5m (50% interest)



The development team has had an active year with $134 million of projects being successfully completed and a further $94 million of projects underway.

The four assets completed in 2017 were well received in the market, with all projects being 100% leased, and achieving a long WALE of 7.6 years. These projects delivered a yield on cost of 7%.

The 25,000sqm facility at 54 Eastern Creek Drive in Sydney was completed in October 2017. The asset has been leased to national operator, Silk Logistics, who have commenced operations.

At Metroplex in Brisbane, we continue to execute on land sales and pre-lease deals, with 5 land sales settled in 2017 and a further 3 contracts exchanged. Construction is well progressed on the new facility pre-leased to Volvo which is contracted to be sold on completion in 2018.

Two projects in Sydney are currently underway. At Huntingwood, following the successful leasing of the adjoining asset, construction has progressed on an 11,000sqm facility due for completion in September 2018. Earthworks have also been completed at Lot 21 at Eastern Creek to accommodate a 30,000sqm facility.

The successful completion of the projects in 2017 have further enhanced the investment portfolio and the team remains focused on delivering the existing development pipeline and sourcing further opportunities.

## Logistics Market Outlook

### SYDNEY

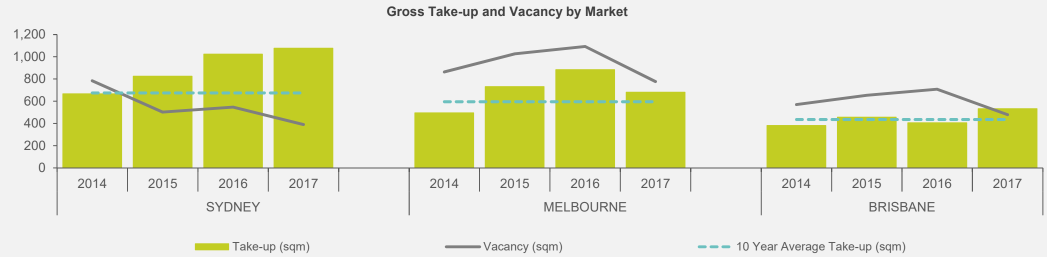
- Development completions and future opportunities capitalising on strong leasing environment
- Take up will continue to benefit from online retailing and state growth

### MELBOURNE

- Population growth and infrastructure projects supporting demand
- Cheaper land prices and lower rents will maintain Melbourne's competitiveness

### BRISBANE

- Strengthening state economy will underpin demand recovery
- Increasing enquiry for pre-lease and land sales




Source: JLL, Knight Frank, Colliers, GPT Research – Take-up >5,000 sqm



The Eastern Seaboard markets, led by Sydney, have continued to experience a period of solid performance.

Demand across Sydney has exceeded the historic highs of 2016 with another year of strong leasing activity. This has resulted in further reductions in vacancy and sharp increases in land values. The market has benefited from demand from the retail industry and third party logistics operators who continue to expand to capture growth in the online market.

The outlook for Sydney is positive, with the growth of the state economy driving demand.

In the Melbourne market, whilst lower than 2016, demand remains above the historic average. Vacancy declined as tenants absorbed existing space as a preference to pre-leases. As a result, new supply is anticipated to be limited in the near term.

The outlook for Melbourne remains positive, with the state economy supported by population growth and a pipeline of infrastructure projects.

Brisbane experienced a relatively strong year of demand in 2017. Leasing was concentrated on take-up of existing stock, reducing vacancy.

As a result, the level of enquiry for pre-lease deals in Brisbane has increased and this is likely to translate to a more active development market in 2018.

In summary, excellent results have been achieved in 2017 with significant leasing activity and the delivery of developments that enhance the quality and diversity of the portfolio.

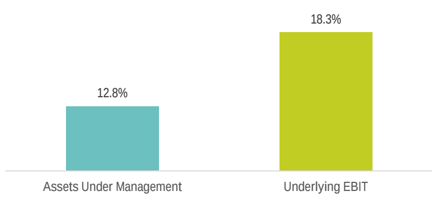
I will now hand over to Nick to present the Funds Management results.


FUNDS
MANAGEMENT
The GPT Group
Annual Result 2017

## Funds Management Highlights

- Total assets under management increased by 15.4% to $12.0 billion
- Funds Management business delivered a strong Total Return of 15.1% for the full year
- GPT Wholesale Shopping Centre Fund the top performing retail fund over one and two years
- Strong demand for units in both Funds from existing and new investors

Economies of scale driving EBIT Growth
(5 Year CAGR)




| FUND | TOTAL ASSETS | FUND RETURN (1YR) | GPT INVESTMENT |
|---|---|---|---|
| GWOF | $7.1bn | 13.4% | $1.4bn |
| GWSCF | $4.9bn | 12.5% | $1.0bn |
| Total | $12.0bn | | $2.4bn |

| FINANCIAL HIGHLIGHTS ($M) | 2017 | 2016 | CHANGE |
|---|---|---|---|
| Adjusted Earnings (excl. GWOF Performance Fee) | 37.0 | 32.9 | 12.5% |
| GWOF Performance Fee | - | 28.1 | |
| Segment Result | 37.0 | 61.0 | |



It is my pleasure to present the annual result for Funds Management.

It has been another active and productive year which reaffirms our position as a leading fund manager with a strong focus on performance.

Over the year, funds under management increased by 15.4% to $12.0 billion.

Both our wholesale funds produced excellent returns for investors with our $7 billion office fund generating a total return of 13.4% and our $5 billion shopping centre fund delivering 12.5%.

The recent performance of the shopping centre fund has been particularly pleasing with it being ranked first among its retail fund peers over both one and two years.

GPT is a significant unitholder in the funds, with these co-investments currently valued at $2.4 billion. This includes the additional investments GPT made in the funds during the period.

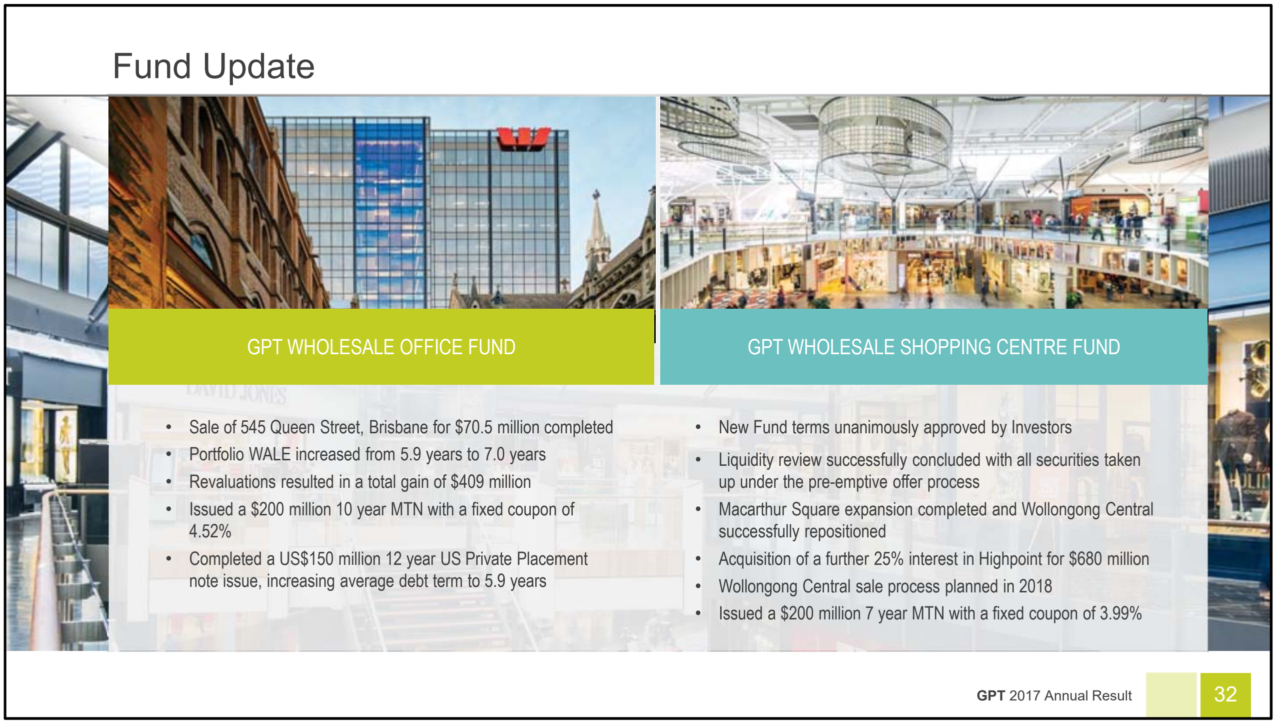
Over the full year, GPT generated a total return of 15.1% on these co-investments. This return includes the fee stream earned from managing the funds in addition to the income and capital growth from the co-investments.

The GPT Group benefits from economies of scale as the funds grow. This is illustrated in the chart on the left of this slide. Over the past 5 years, assets under management in the funds business have grown at 12.8% per annum. Over the same period, segment earnings have grown at a faster rate of 18.3% per annum.

As shown in the table on the bottom right of this slide, the underlying profit growth in Funds Management earnings was 12.5% after adjusting for the non recurring performance fee from our office fund which was received in 2016.

We have seen active secondary trading in both funds with $584 million transacting during the year. We have welcomed 8 new investors into our funds platform from Europe and the United Kingdom. These new investors accounted for approximately half of the secondary trades with existing investors taking up the other half.

Now turning to the activity in our two funds.




In line with the Office Fund's strategy, the quality of its portfolio has been strengthened by the finalisation of the sale of 545 Queen St in Brisbane.

The leasing that Matt mentioned earlier resulted in the portfolio's WALE increasing to 7 years.

This leasing success, coupled with strong investment demand, resulted in net revaluation gains of $409 million over the year.

We further diversified our debt funding sources with both funds tapping the MTN market and the Office Fund successfully completed its inaugural US Private Placement note issue.

In addition, both funds switched on their Distribution Reinvestment Plans with strong participation from fund investors.

During the period, the Shopping Centre Fund's terms were successfully renewed with the full support of our investor base.

There was no change to the base management fee of 45 basis points on Gross Asset Value, and the performance fee structure was removed. All other key terms remained unchanged.

At the 10 year liquidity review in March, the liquidity requested by investors was minimal, representing only 2.4% of securities on issue equating to $80 million.

The Fund has made great progress on its strategy to re-weight its portfolio towards super-regional shopping centres, taking it from 46% to 69% through several initiatives.

Firstly, the Fund divested its 50% interest in Westfield Woden in late 2016;

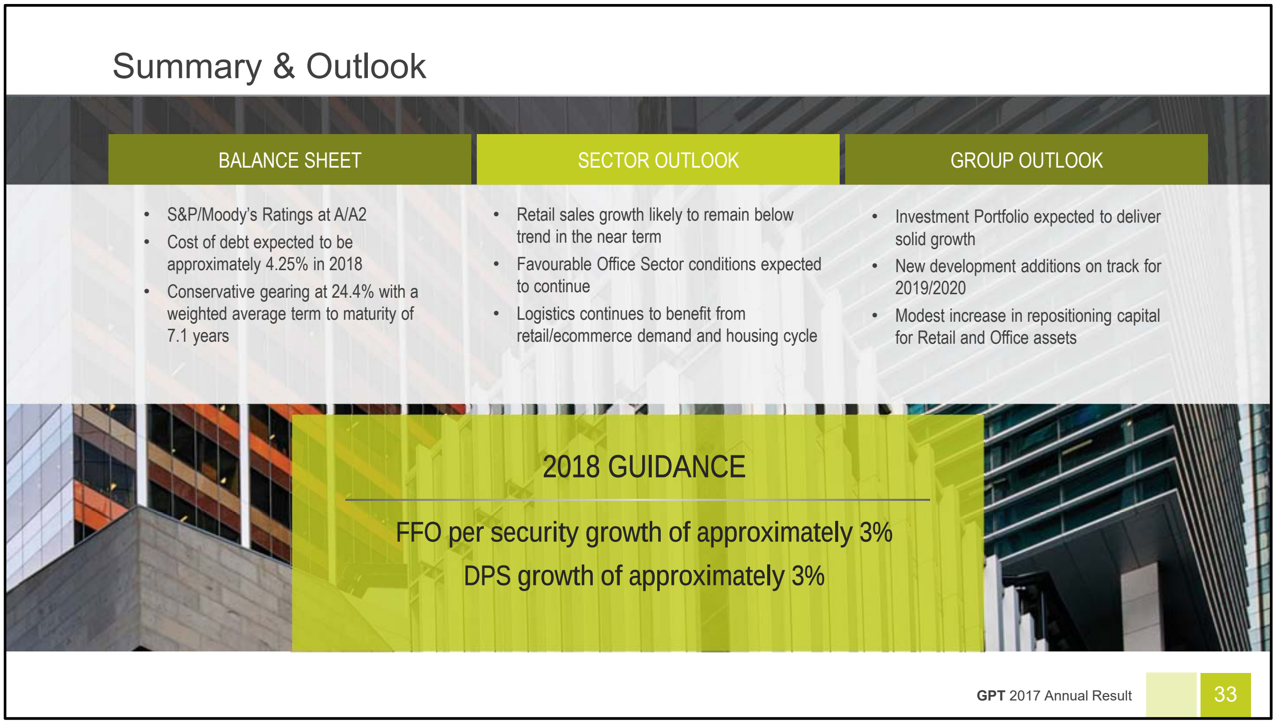
Secondly, the major expansion of Macarthur Square took this dominant shopping centre to super-regional status when it was completed in the first half; and

Thirdly, the fund acquired a further 25% interest in Highpoint Shopping Centre.

Wollongong Central was successfully repositioned in the second half. The centre now offers a latest generation David Jones, Mecca Maxima and H&M. It is planned to market this asset for sale which will increase the Fund's super-regional exposure to circa 77%.

The GPT funds platform is very well positioned for the future. We have strong ongoing support from our domestic and global investors given our demonstrated discipline, governance and performance over many years.

I will now hand back to Bob to provide his closing remarks.




Thank you Nick.

I would now like to provide you with our Outlook and Group Guidance for the full year.

GPT's Balance sheet is in excellent shape which is important given the volatility we are seeing in the market at the moment. Global growth is accelerating and we remain optimistic about the outlook for the Australian economy. There has been exceptionally strong growth in full time employment over the last 12 months. And the most recent consumer confidence survey printed its highest result since early 2014, which would indicate consumers have a greater level of confidence in the outlook. Slow growth in household incomes and relatively high household debt, though, are likely to constrain growth in consumer spending in the near term.

As you heard from Vanessa's presentation our retail team continue to focus on the customer, and support our retailers to drive visitations and of course sales. Occupancy levels of close to 100 per cent have been maintained and the remixing we have done to provide new retail offerings, increase food and services and leverage data, is delivering results.

For the Office sector, our view is that conditions will remain favourable for at least the next 3 years in both Sydney and Melbourne. Very low vacancy rates and solid tenant demand should provide an opportunity for strong income growth. The favourable supply and demand fundamentals also provide us with confidence in the development opportunities being pursued.

And Logistics continues to see some of the benefits of the changing retail environment with growing demand from online and traditional retail as well as 3PL's. As such we will continue to look for opportunities to both develop and acquire logistics assets for the portfolio.

In terms of assets valuations, we have seen our portfolio average cap rate compress by over 60 basis points over the last 2 years. Some of the very recent transactions in the market suggest that we may see further cap rate compression over the coming six months. This combined with the expected rental growth across the portfolio provides strong support for our portfolio and our NTA of $5.04.

Overall we remain optimistic about the outlook and believe we are well placed to continue to deliver growth. Our guidance for FFO per security growth is 3.0 per cent for the full year. This includes the impact of the expected sale of Wollongong Central by mid year. Distribution growth is expected to be in line with FFO growth.

That concludes the presentation, and I will now invite questions. We will initially take questions from those in the room and then from those of you who have joined via the phone lines. Please state your name and the company you are from before your question. Thank you and I will now ask the presenters to join me up front for your questions.

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Information is stated as at 31 December 2017 unless otherwise indicated.

All values are expressed in Australian currency unless otherwise indicated.

Funds from Operations (FFO) is reported in the Segment Note disclosures which are included in the financial report of The GPT Group for the 12 months ended 31 December 2017. FFO is a financial measure that represents The GPT Group'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. A reconciliation of FFO to Statutory Profit is included in this presentation.