

16 January 2019

GPT announces plans to sell 50 per cent share of MLC Centre

The GPT Group (“GPT” or “Group”) today announced plans to divest its 50 per cent share of the MLC Centre.

The landmark A Grade office tower and retail complex comprises 66,829 square metres of office space, 6,013 square metres of retail space, a theatre, and 308 car spaces. Over the past five years the building has undergone a significant upgrade to the food court, together with an extensive re-leasing program undertaken within the office tower which has enhanced the income profile of the asset.

In announcing the planned sale of the asset, GPT’s Chief Executive Officer Bob Johnston said: “The Sydney CBD office market has experienced significant rental growth and cap rate compression over the past five years, and the Group’s successful repositioning of the asset has generated exceptional returns for GPT.”

“The Group plans to reinvest the proceeds from the sale into its development pipeline, which includes the new office tower at 32 Smith Street, Parramatta, and a planned new office tower at Melbourne Central. The Group will also continue to seek new Logistics development opportunities following the completion of a number of successful developments over the past two years,” Mr Johnston said.

The divestment of the MLC Centre is expected to be broadly neutral to earnings for the Group in 2019 before any reinvestment of the sale proceeds.

The sale of the MLC Centre would see GPT’s Sydney office exposure initially reduce to 60 per cent (from 65 per cent), with its weighting to Melbourne increasing to 34 per cent (from 30 per cent).

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