

10 February 2020

2019 Annual Result Presentation (with speaker notes)

GPT provides its 2019 Annual Result Presentation (with speaker notes) which is authorised for release by the GPT Group Company Secretary.

-ENDS-

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2019 Annual Result

Market Briefing
10 February 2020

GPT
The GPT Group

Good morning everyone and thank you for joining us for our 2019 Full Year Results presentation.



The GPT Group acknowledges the Traditional Custodians of the lands on which our business and assets operate, and recognises their ongoing connection to land, waters and community.

We pay our respects to First Nations Elders past, present and emerging.



Artwork created by Molly Wallace



2018/2021
RECONCILIATION
ACTION PLAN

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

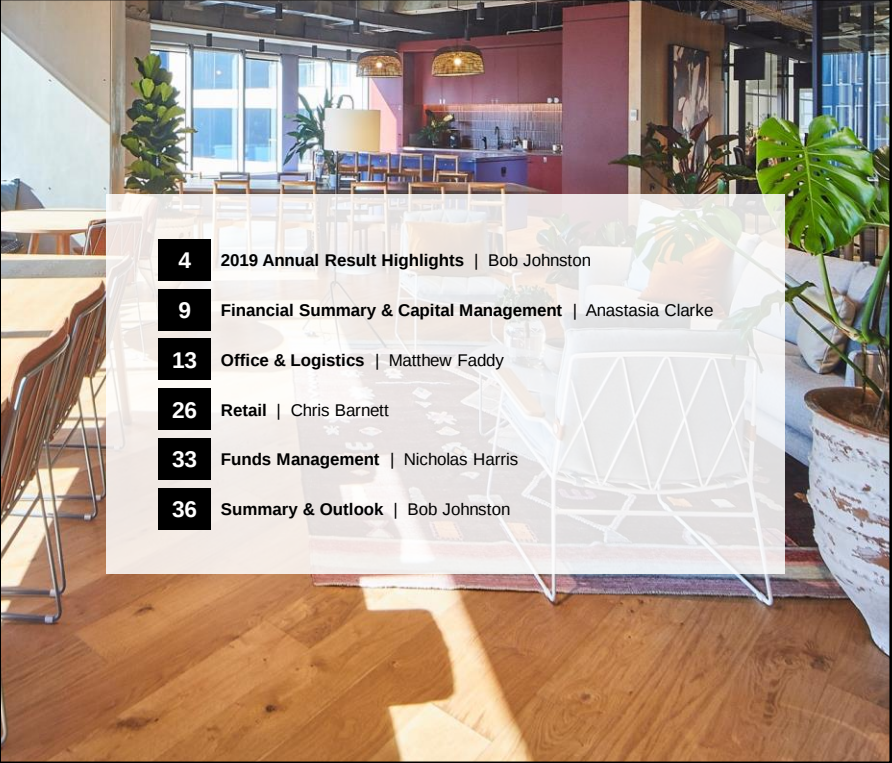
Today we are meeting on Gadigal land. I would like to acknowledge the Gadigal People of the Eora Nation, and pay respect to elders past, present and emerging and extend that respect to all First Nations people present.

The artwork featured on the screen was created by a member of the GPT team, Molly Wallace. Molly joined GPT as an intern through the CareerTrackers program, and works in our Sustainability team.

Agenda

Annual Result 2019



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- | | | |
|----|--|------------------|
| 4 | 2019 Annual Result Highlights | Bob Johnston |
| 9 | Financial Summary & Capital Management | Anastasia Clarke |
| 13 | Office & Logistics | Matthew Faddy |
| 26 | Retail | Chris Barnett |
| 33 | Funds Management | Nicholas Harris |
| 36 | Summary & Outlook | Bob Johnston |

The agenda for today's presentation is outlined here on the screen, and as usual, we will take questions at the conclusion of the meeting.

Our Strategic Focus

- ✦ Growing our Office & Logistics portfolio
- ✦ High weighting to NSW and VIC markets
- ✦ Increased the development pipeline to an expected end value of approximately \$5 billion¹
- ✦ Total Assets Under Management of \$25.3 billion

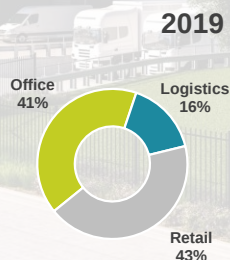
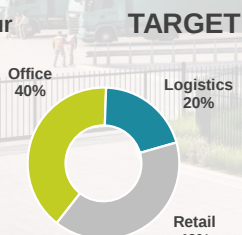
Delivering attractive returns

5yr avg. Total Return **13.3%**

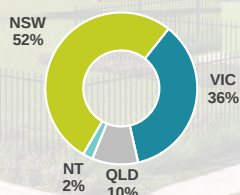
5yr avg. FFOps growth **4.0%**

5yr avg. DPS growth **4.5%**

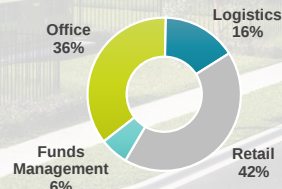
Shifting our strategic asset allocation



FOCUS SYDNEY & MELBOURNE



GROUP EARNINGS COMPOSITION



1. Includes both GPT direct interest and Fund opportunities

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During 2019 we made excellent progress in executing on our strategy through delivering strong portfolio performance, increasing our investment in the logistics sector and growing our development pipeline. Sydney and Melbourne remain our preferred investment markets given their scale and liquidity. Both cities continue to benefit from population growth, densification, infrastructure spend and investment demand.

As you can see from the table in the top right, we have delivered strong returns for investors and we believe that having a portfolio of high quality assets in growth markets coupled with our development pipeline, positions us well to continue to deliver attractive returns.

2019 Annual Result

FINANCIAL HIGHLIGHTS

Consistently delivering strong returns

2.6%

FFO GROWTH
PER SECURITY

4.0%

DISTRIBUTION
GROWTH PER
SECURITY

\$5.80

NTA PER
SECURITY
UP 3.9 PER CENT

8.7%

TOTAL
RETURN

Investment Portfolio

Portfolio
occupancy

96.5%

Revaluation
gains

\$342.2M

Like for like
income growth

3.5%

Weighted Average
Capitalisation Rate

4.95%

161 Castlereagh Street, Sydney

Turning now to an overview of the Group performance for 2019.

FFO growth per security was 2.6% and distribution growth was 4% for the year. These results are in line with the guidance we provided following the equity raising that was undertaken in June.

NTA increased 4.0% to \$5.80 per security and the Group's Total Return for the year was 8.7%.

Portfolio occupancy remains high at 96.5%.

Like for like income growth across the portfolio was a healthy 3.5%, driven by outperformance from our office assets as we continue to deliver strong leasing outcomes and capture positive rental reversions. Comparable growth for retail was lower in 2019 primarily due to lower contributions from turnover rent and store downtime.

Revaluation gains totalled \$342.2m. As predicted, valuation metrics for the office and logistics sectors continued to firm, underpinned by strong domestic and offshore investor demand. The gains for the office and logistics portfolios were partly offset by some modest softening of valuation metrics for the Retail portfolio.

The weighted average capitalisation rate for the portfolio is now 4.95%, reflecting the quality of our assets and our capital allocation to the Sydney and Melbourne markets.

Executing on strategy

Office & Retail Developments Expected end value of \$800 million

Current

- + 32 Smith Street, Parramatta, office development
 - Expected yield on cost of approximately 6.75% and an end value >\$320 million

Proposed 2020 commencements

- + 300 Lonsdale office development
 - Expected yield on cost of >6.5% and an end value of \$220 million
 - Subject to securing a pre-commitment and authority approvals
- + Melbourne Central retail expansion
 - \$70 million expansion and an expected yield on cost of >6.5%
- + Rouse Hill Town Centre, Sydney, retail expansion
 - \$200 million expenditure with an expected yield on cost of >6.0%

Darling Park Acquisition & Development Opportunity Expected end value, including Cockle Bay Park development, of >\$1 billion¹

- + Darling Park 1&2 and Cockle Bay Wharf
 - 25% interest in the premium Sydney CBD \$2.1 billion office and retail complex with an initial yield of 5.3% and average fixed rental growth profile of 4.0% per annum
- + Cockle Bay Park Development
 - 25% interest in a \$2 billion landmark Sydney CBD office development opportunity that will provide future growth with an expected IRR of >12%. Development cost of approximately \$400 million (GPT's share)

Growing GPT's Investment in Logistics Expected development end value of >\$1 billion

- | | |
|---|--|
| <ul style="list-style-type: none"> + Western Sydney logistics acquisitions <ul style="list-style-type: none"> - Acquired five assets for \$212 million with an initial yield of 5.4% + Truganina, Melbourne logistics development <ul style="list-style-type: none"> - Completed Stage 1 (26,500sqm) with five future stages planned + Wembley Business Park, Brisbane logistics development <ul style="list-style-type: none"> - Construction of first two assets underway with an expected yield on cost of >6% | <ul style="list-style-type: none"> + Andrews Road, Penrith, logistics acquisition <ul style="list-style-type: none"> - Construction has commenced on a 50,000sqm fund-through opportunity, leased for 10 years + Truganina, Melbourne logistics acquisition <ul style="list-style-type: none"> - Secured 23,000sqm pre-leased facility for \$42m due to settle on completion in 2020 + New land acquisitions <ul style="list-style-type: none"> - Western Sydney - 36 hectares² has been secured - Western Melbourne - 48 hectares has been secured |
|---|--|

1. GPT direct interest
2. Excludes 10 hectares attributable to Andrews Road, Penrith, fund-through development

As you will recall, in June last year we raised \$867m of new equity to fund acquisitions and the development pipeline. You can see from this slide that we are continuing to deploy the capital which will drive future growth for the Group.

Our Parramatta office development is on track for completion at the end of 2020, and we expect to have the Melbourne Central mixed use expansion underway mid-year, along with the Rouse Hill Town Centre expansion. These developments are forecast to deliver attractive returns for the Group.

We are extremely pleased with the acquisition of a 25% 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% and structured rental increases averaging 4% per annum. We are also excited about the opportunity to create a new landmark office tower on the Cockle Bay Wharf site. Matt will provide an update on our progress in his presentation.

Our logistics portfolio has grown substantially over the period, through the acquisition of \$212 million of investment product and development completions. We continue to successfully develop out our land banks and in the second half of 2019 we secured 36 hectares of land in Western Sydney and 48 hectares in Melbourne. In total, our logistics development pipeline has capacity to deliver over half a million square metres of prime space with an end value in excess of \$1 billion.

In addition, we have a substantial pipeline of development opportunities within the GPT Wholesale Office Fund that our teams are progressing. Nick Harris will speak to this in his presentation.

As you can see it has been a productive year for the Group.

Environmental Sustainability

2019



4.9
OFFICE PORTFOLIO
ENERGY RATING



GPT HAS BEEN
RECOGNISED AS A GRESB
GREEN STAR COMPANY
EVERY YEAR SINCE THE
BENCHMARK'S INCEPTION



GPT PLACED IN THE
top 1%



Feb 2020
GPT RELEASED ITS
INAUGURAL
TCFD-ALIGNED REPORT



OUR TARGET: CARBON NEUTRAL BY 2030

GPT has a target to be carbon neutral by 2030 for all GPT Group assets, and by the end of 2020 for all assets owned by the GPT Wholesale Office Fund.



WORKPLACE 6, SYDNEY & 8 EXHIBITION STREET, MELBOURNE became the first buildings in Australia to achieve carbon neutral certification by NABERS and the Climate Active Carbon Neutral Standard, and in alignment with the international Greenhouse Gas Protocol.

SOLPOD TECHNOLOGY

Installed the Solpod technology, a pre-fabricated mobile rooftop solar system, on five assets.



LED LIGHTING

LED lighting upgrade rollout continues across the portfolio.



We are also pleased with our progress in terms of Sustainability and Social Responsibility.

In 2017 we established a target to be carbon neutral by 2030.

A key milestone in our 2030 target is for the GPT Wholesale Office Fund to be carbon neutral by the end of this year. I am pleased to advise that two of our assets, Workplace 6 in Sydney and 8 Exhibition Street in Melbourne, have recently been certified as carbon neutral and these are the first two office buildings in Australia to achieve this certification. We are on-track to achieve our target for all the Fund assets to be certified during the course of this year.

GPT has also been recognised as a GRESB Green Star company every year since the benchmark's inception, and we are rated in the top 1% of property companies in the Dow Jones Sustainability Index.

We are investing in reducing our energy intensity at the assets, installing solar where practicable and piloting battery storage.

While we have a 2030 target of the Group to be carbon neutral, we are challenging ourselves as to whether we can bring this forward given the clear impacts we are seeing from recent climate related events.

Today we are also releasing our inaugural Climate Disclosure report which is aligned to the recommendations of the Taskforce on Climate Related Financial Disclosures. This can be found on our website.

Social Responsibility

Our People



**SAFETY FIRST –
EVERYONE,
ALWAYS**



**DELIVER TODAY,
CREATE
TOMORROW**



**VALUE
DIFFERENCES,
PLAY AS A TEAM**



RAISE THE BAR



SPEAK UP



80%

SUSTAINABLE ENGAGEMENT SCORE
4% higher than the
Australian National Norm

Diversity & Inclusion



**ANNOUNCED OUR
10 YEAR PARTNERSHIP**



**RECOGNISED AS AN
EMPLOYER OF CHOICE
(2018-19) for the second
year running**



NATIONAL SPONSOR



46%

**FEMALE REPRESENTATION
IN OUR TOP QUARTILE
(BY INCOME)**
Increased by 4%



55%

**OVERALL FEMALE
REPRESENTATION IN
THE GROUP**

Social Initiatives



GPT FOUNDATION IS WORKING WITH COMMUNITY PARTNERS TO FOSTER POSITIVE OUTCOMES FOR YOUTH AT RISK

We also continue to promote a positive culture for the Group, which is underpinned by our core values. Safety is a core value for us and our first priority. We have millions of people visiting our assets each year and the safety of our people, our customers and the community is front and centre for us, particularly as we execute on our growth plans which see the Group undertaking increased levels of development.

Our people engagement score is well above the Australian National Norm, and we have increased the representation of women in our top quartile from 42% to 46%. Diversity and Inclusion remains a focus, and is one of the highest ranking categories in our staff engagement scores.

Giving back is also important to our people, and our Foundation has a primary focus on supporting Youth at Risk. In 2019, we partnered with a number of charities to help them grow, providing not only financial support but also leveraging our people, our assets and our customer relationships where we can.

Overall it has been a very positive year for the Group and we are pleased with the progress we are making.

I would now like to invite Anastasia Clarke, our Group CFO, to take you through the financial results and this will then be followed by sector updates.

Finance & Treasury

Annual Result 2019



Artists impression - 550 Bourke Street and 181 Williams Street, Melbourne

Thank you Bob.

Good morning. Today I am pleased to present to you the 2019 financial results for the Group.

Financial Summary

12 Months to 31 December (\$ million)	2019	2018	Change
Funds From Operations (FFO)	613.7	574.6	6.8%
Valuation increases	342.2	910.7	
Treasury instruments marked to market	(82.7)	(39.6)	
Other items	6.8	6.0	
Net Profit After Tax (NPAT)	880.0	1,451.7	
Funds From Operations (cents per stapled security)	32.68	31.84	2.6%
Funds From Operations (FFO)	613.7	574.6	6.8%
Maintenance capex	(55.2)	(53.2)	
Lease incentives	(61.0)	(60.9)	
Adjusted Funds From Operations (AFFO)	497.5	460.5	
Distribution (cents per stapled security)	26.48	25.46	4.0%

\$880m

STATUTORY NET PROFIT
AFTER TAX

2.6%

FFO PER SECURITY
GROWTH

4.0%

DISTRIBUTION PER
SECURITY GROWTH

Commencing with underlying profit, our Funds From Operations are \$613.7 million, an increase on the prior year of 6.8%. After taking into account the mid-year equity raise, this resulted in FFO per security of 32.68 cents, translating to growth of 2.6%.

Our statutory net profit after tax was \$880 million for the 12 months, which includes property revaluations of \$342.2 million, primarily driven by the Office and Logistics portfolios.

Market interest rates reduced significantly during the period, resulting in mark to market losses of \$82.7 million despite the hedge restructure at the end of the first quarter, which ameliorated this impact.

Maintenance capital expenditure and lease incentives are largely flat year on year, helping drive stronger distribution per security growth of 4%, along with a slightly higher payout ratio this period of 103.4% of AFFO.

Turning to the segment result.

Segment Result

12 Months to 31 December (\$ million)	2019	2018	Change	Comments
Office	276.3	268.7	▲ 2.8%	Strong comparable income growth of 6.2% driven by strong leasing outcomes and higher rents. Segment result was offset by reduced income post the sale of MLC
Logistics	121.0	109.9	▲ 10.1%	Operations net income up 15.4% driven by acquisitions and development completions, offset by lower development profits
Retail	326.0	326.2	▼ 0.1%	Operations net income up 0.9% due to fixed rent increases offset by lower turnover rent, increased downtime and lower development profits
Funds Management	46.3	42.6	▲ 8.7%	Strong growth due to a 5.6% increase in assets under management
Net Income	769.6	747.4		
Net interest expense	(108.0)	(124.4)	▼ 13.2%	Lower average cost of debt by 60 basis points to 3.6%
Corporate overheads	(35.3)	(34.2)		
Tax expense	(12.6)	(14.2)		
Corporate	(155.9)	(172.8)		
Funds From Operations	613.7	574.6		

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Our earnings result is driven primarily by growth in our Office, Logistics and Funds Management divisions, combined with savings in interest expense.

Comparable income growth in Office of 6.2% was driven by positive rent reversion, higher occupancy and fixed rent increases. In addition, the result includes income from Darling Park for the five months' since the acquisition, which together with comparable income growth, more than offset nine months of reduced income post the sale of MLC.

Acquisitions and completed Logistics developments drove 10.1% growth in Logistics net income.

Retail is flat for the year, reflecting fixed rent increases being offset by increased downtime between re-letting of tenancies and a lower contribution from turnover rent.

Funds Management income grew due to an increase in assets under management growth of \$700 million to \$13.3 billion, predominantly from the GPT Wholesale Office Fund acquisitions, partly offset by the GPT Wholesale Shopping Centre Fund divestments.

Interest expense has reduced by 13%, with the average interest rate, including margins and fees, falling 60 basis points to 3.6%.

Now focusing on capital management.

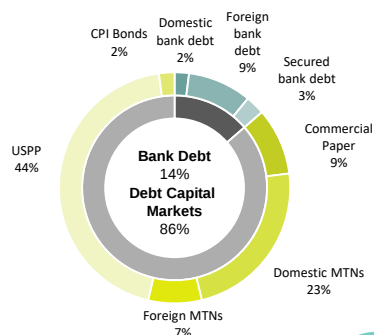
Capital Management

- + Modest gearing of 22.1%
- + Successfully completed \$867 million equity raising to fund acquisition and growth opportunities
- + Increased liquidity to \$1.4 billion
- + Issued US\$400 million of debt in US Private Placement market for an average term of 12.9 years and margin of 170 basis points
- + Hedging reduced following the sale of MLC, with hedging level subsequently increasing as a result of the equity raising
- + S&P A and Moody's A2 credit ratings

Key Statistics	Dec 2019	Dec 2018
Net tangible assets per security	\$5.80	\$5.58
Net gearing	22.1%	26.3%
Weighted average cost of debt	3.6%	4.2%
Weighted average term to maturity	7.7 years	6.3 years
Interest cover ratio	6.7x	5.7x
Drawn debt hedging	82%	83%
Credit ratings (S&P / Moody's)	A / A2	A / A2

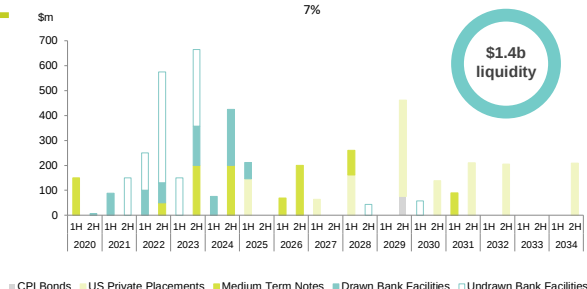
Sources of Drawn Debt

As at 31 December 2019



Debt Maturity Profile

As at 31 December 2019



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Gearing reduced to 22.1% during the year as a result of the mid-year equity raise of \$867 million offset by the net incremental investment in acquisitions and developments of circa \$500 million.

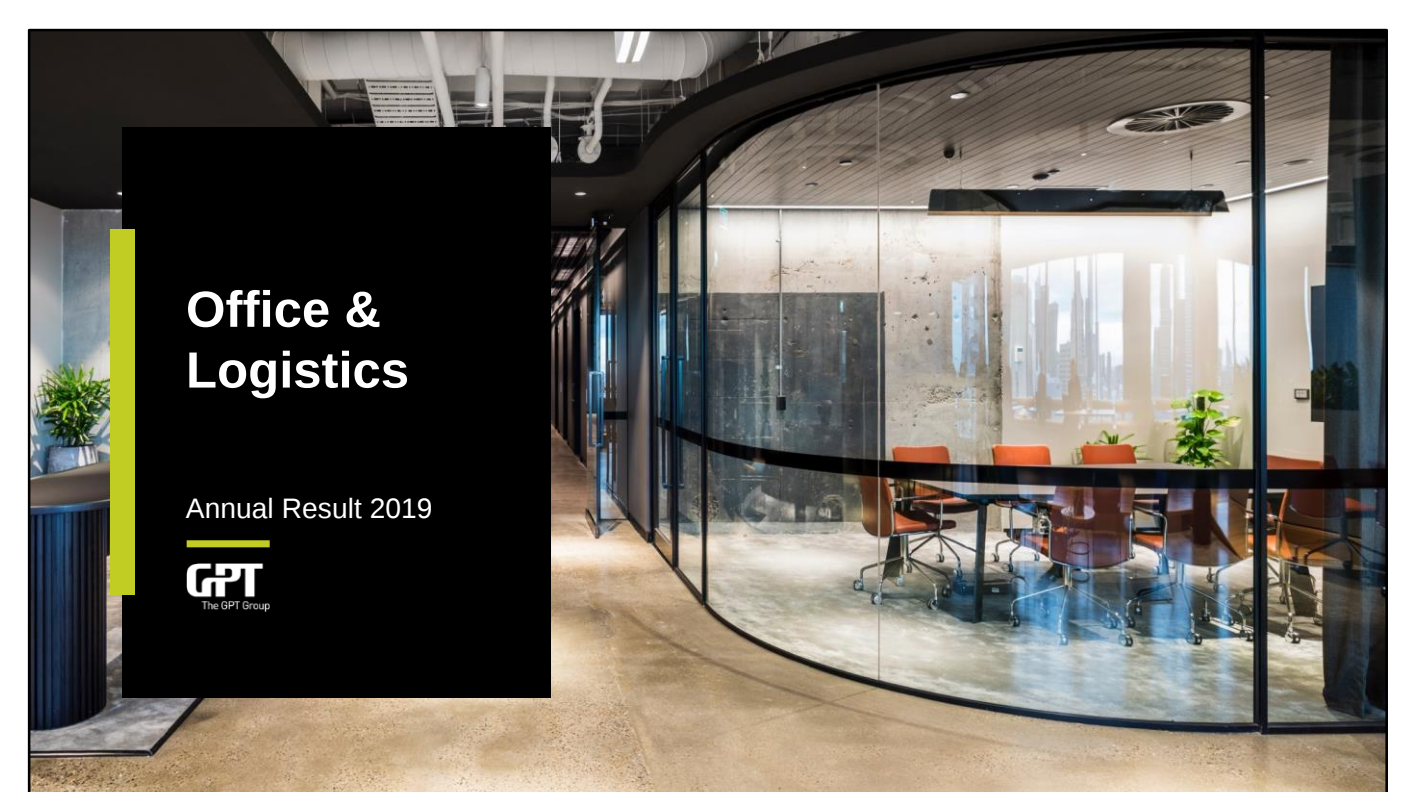
We are well placed with \$1.4 billion of available liquidity to fund our next stage of growth, with an estimated \$800 million of commitments, including developments underway, planned in the first half of 2020.

During the period we issued US\$400 million in the US Private Placement debt market across 11, 12 and 15 year terms at a low average margin of 170 basis points. This lengthened our average debt duration to 7.7 years.

Whilst our hedge level appears flat at 82%, we restructured our hedge book at the end of the first quarter coinciding with the sale of MLC and our view that market interest rates would fall further. This resulted in hedging reducing toward our minimum policy level of 60%. Post this our hedge level increased mid-year due to the equity raise. We are well protected and expect a lower cost of debt again in 2020.

In summary the balance sheet is strong, reflected in our credit ratings of A with S&P and A2 with Moody's, placing us well to continue executing on our growth strategy throughout 2020.

Matthew Faddy will now provide an update on the Office and Logistics results.

A photograph of a modern office interior. On the left, a black rectangular overlay contains white text and a logo. The background shows a curved glass wall that reflects the office space, which includes several orange chairs and a table. The floor is a light-colored, polished concrete.

Office & Logistics

Annual Result 2019



Thank you, Anastasia.

Office Highlights

6.2%

PORTFOLIO
LIKE FOR LIKE
INCOME GROWTH

10.0%

TOTAL PORTFOLIO
RETURN
(12 MONTHS)

147,600sqm

LEASES
SIGNED

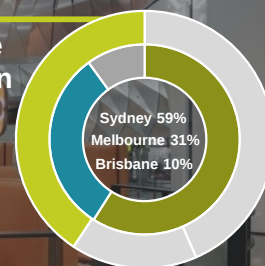
Key Highlights

- + Portfolio occupancy of 98.3%¹ up 1.2% in the 12 months
- + WALE extended to 5.3 years as a result of significant leasing progress
- + Assets Under Management of \$13.1 billion with 24 prime assets in deepest office markets
- + Office valuation gains of \$271.2 million, WACR firming to 4.85%
- + Operations Net Income up 2.8% to \$275.3 million as result of underlying portfolio growth and acquisitions / divestments
- + Low vacancy in Sydney and Melbourne, and improving conditions in Brisbane

Portfolio Size & Geographic Exposure

Office
\$6.1bn

Retail
\$6.3bn



Logistics
\$2.4bn

580 George Street, Sydney

1. Occupancy excludes Queen & Collins, Melbourne as under redevelopment

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The GPT office team have delivered strong results for the year, with comparable income growth of 6.2% and a total portfolio return of 10%.

Occupancy has increased to 98.3% with 148,000sqm of leasing completed and the portfolio WALE has extended to 5.3 years.

The portfolio is now valued at \$6.1 billion, with total Assets Under Management increasing to \$13.1 billion, made up of prime grade assets located in the deepest Australian office markets.

We have seen strong valuation uplift, with the weighted average capitalisation rate firming to 4.85%.

Operations Net Income is up 2.8% in the period, as a result of higher occupancy, positive reversions and structured rental reviews, together with asset acquisitions and divestments.

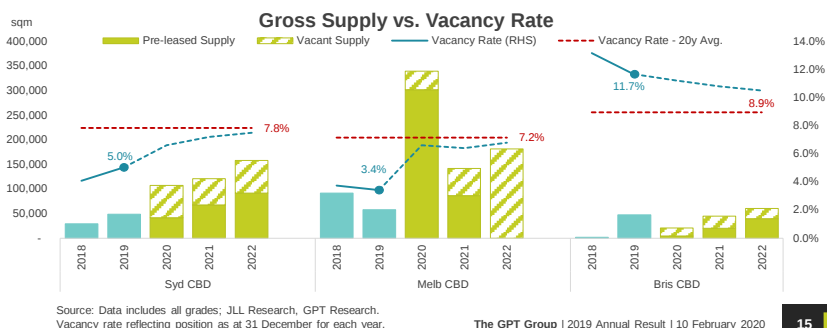
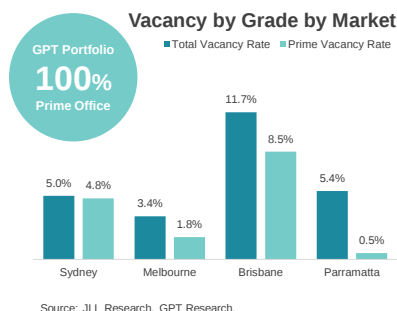
Vacancy in Sydney and Melbourne remains low, while we are seeing improving conditions in Brisbane.

Office Valuations & Market Fundamentals

\$271.2m
PORTFOLIO VALUATION UPLIFT

4.85%
PORTFOLIO WACR

- + Office valuation gains in 12 months of \$271.2 million, with market rental growth contributing over 50% of increase
- + Melbourne Central Tower together with Governor Phillip & Governor Macquarie Towers and 2 Park Street in Sydney achieved highest uplift
- + Low vacancy in Sydney and Melbourne, with high levels of pre-commitment for new supply



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Net valuation uplift of \$271.2 million has been recorded, with gains coming through increased market rents together with firming capitalisation rates.

Melbourne Central Tower has recorded the strongest uplift, with over 50% of the building re-leased including 3 major renewals. Targeted capital upgrades to enhance customer experience and drive asset performance contributed to our leasing success, and a total return of 15.2% has been delivered in the 12 months.

The Sydney and Melbourne office markets continue to experience very low vacancy, with prime grade vacancy sitting below the total market at 4.8% and 1.8% respectively.

These markets remain well positioned, coming from a period of low vacancy and with high levels of pre-commitment for new supply.

Office Leasing

147,600sqm

SIGNED LEASES

With an additional 29,400sqm of terms agreed

98.3%

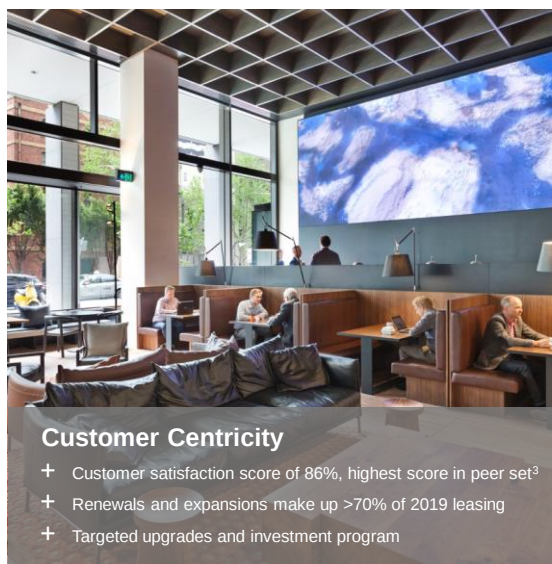
PORTFOLIO

OCCUPANCY¹

- + Strong leasing outcomes achieved with 2020 and 2021 expiry reduced from 29% to 17% in the 12 months²
- + WALE extended to 5.3 years and renewals secured with key customers:

Darling Park 1, Sydney	 Commonwealth Bank	17,200sqm
Workplace6, Sydney	 Google	18,200sqm
Melbourne Central Tower	 me	13,700sqm
111 Eagle Street, Brisbane	 arrow energy	7,500sqm
Melbourne Central Tower	 nbn	7,700sqm

1. Occupancy excludes Queen & Collins, Melbourne as under redevelopment
2. Includes leases signed post balance date
3. Survey conducted by Campbell Scholtens, number one position on a rolling three-year average basis



Customer Centricity

- + Customer satisfaction score of 86%, highest score in peer set³
- + Renewals and expansions make up >70% of 2019 leasing
- + Targeted upgrades and investment program

 Community & Amenity

 Sustainability

 Technology Enablement

 Flexible On-demand Space

Leases totalling 148,000sqm have been signed during the year, with an additional 29,000sqm at terms agreed.

We have made significant progress in forward leasing our 2020 and 2021 expiries, with this reducing from 29% at December 2018 to 17% including leases signed in January.

We have maintained our market leading customer satisfaction score. This focus on our customers has been demonstrated through our 2019 leasing, with over 70% made up of renewals and expansions, including transactions with Google and ME Bank.

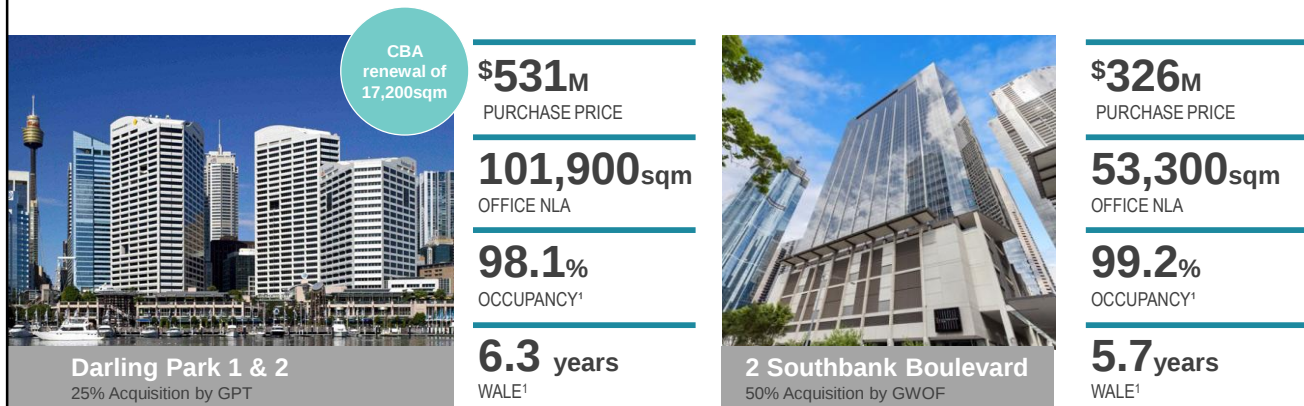
Targeted upgrades and investment in our assets are focused on creating modern, efficient workspaces and providing our customers market leading property solutions. In Melbourne, we have a number of lobby upgrades underway, including at Melbourne Central Tower and 550 Bourke Street– with a focus on creating spaces that enhance community and amenity.

GPT is a leader in sustainability and we continue to innovate and invest in technology and upgrades to minimise the energy, water and waste impact of our portfolio and to support the wellbeing of our customers.

We are also responding to our customers' desire for flexibility, through our Space&Co. offering that provides on demand flexible space. Our five venues are well utilised by existing GPT tenants, who make up approximately half of Space&Co. revenue.

Office Acquisitions & Divestments

- + Significant transaction activity in 2019, investing in high quality assets providing greater control for the Group
- + Acquired stake in Darling Park 1 & 2, Sydney, made up of two premium office assets and a harbourfront development opportunity
- + GPT Wholesale Office Fund acquired the remaining 50% share of 2 Southbank Boulevard, Melbourne for \$326 million
- + Divested MLC Centre for \$800 million, capitalising on leasing and asset upgrades completed over past 5 years



1. As at 31 December 2019

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During 2019, over \$1.6 billion has been transacted in the office portfolio.

In August, the Group acquired a 25% interest in Darling Park 1 & 2 for \$531 million. The complex, bordering Darling Harbour in the Sydney CBD, includes over 100,000sqm of premium grade office space, together with a compelling development opportunity which will deliver approximately 73,000sqm of office and entertainment space.

We have been engaging closely with CBA, who have renewed the first of their leases to 2026, and we are in discussions around their wider occupancy requirements at Darling Park 1.

The Wholesale Office Fund has also been active, acquiring the remaining 50% share in 2 Southbank Boulevard in Melbourne for \$326 million.

During the year the divestment of a 50% interest in the MLC Centre was completed, capitalising on significant returns achieved at the asset in the prior 5 years. This provided the Group with the opportunity to trade into the Darling Park complex with higher returns and a lower operational capex burden plus the development opportunity of Cockle Bay Park.

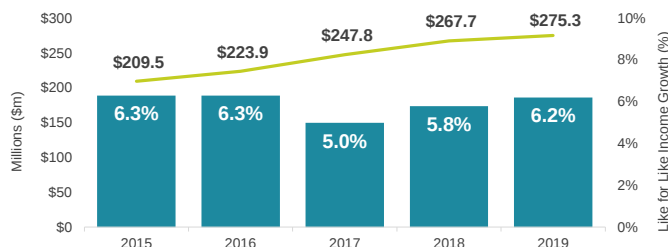
Office Portfolio Composition

6.2%

PORTFOLIO
LIKE FOR LIKE
INCOME GROWTH

- + Portfolio rebalancing towards newer, less capital intensive assets and securing development opportunities for value creation
- + Consistent high returns delivered over past 5 years, with average annual like for like growth of 5.9%
- + 85% of portfolio subject to structured rental increases, averaging 3.9%

Operations Net Income (\$) and Like for Like Growth (%)



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Our strong leasing results, combined with increased portfolio occupancy and in-built structured rent increases have delivered comparable income growth of 6.2% for the 12 months. We are capturing market rental upside from our high quality portfolio, particularly in Sydney and Melbourne assets.

This is the fifth consecutive year of income growth above 5% demonstrating the GPT office teams' ability to extract value from the assets and the strength and quality of our portfolio.

We continue to rebalance the portfolio with investments in newer less capital intensive assets, through acquisitions such as 60 Station Street in Parramatta. This will be further enhanced as we continue to deliver our development pipeline.

Office Development Pipeline



32 Smith Street, Parramatta

- + Construction progressing well, due for practical completion in late 2020
- + Asset 64% leased¹ with QBE anchoring the development
- + 32 Smith is designed to reduce energy and water consumption, with a 5 Star NABERS Energy rating and 6 Star Green Star rating targeted
- + Smart building attributes focused on customer experience and driving operational performance
- + Expected yield on cost of ~6.75% and an end value in excess of \$320 million

1. Including Heads of Agreement agreed post balance date



- + Parramatta prime vacancy of 0.5% with new space under construction substantially pre-committed
- + Positive net absorption of 46,900sqm in 2019 with tenant relocations into the Parramatta market
- + Significant infrastructure investment, including Sydney Metro West, that will double rail capacity between Sydney CBD and Parramatta, cutting travel time to ~20 minutes

At 32 Smith Street construction is well progressed with completion forecast for December. The office tower is 64% leased, with QBE anchoring the development, and we are seeing strong enquiry for the remaining space.

A 6 star Green Star rating is being targeted, with investments to minimise energy and water consumption. A broad range of technologies are also being deployed, providing an adaptable, integrated and future-proofed building.

The Parramatta market is performing strongly, with prime vacancy less than 1%. The market has recorded positive net absorption of 47,000sqm with an increase of space taken by the state government who continue to invest strongly in Western Sydney.

The announcement of the Sydney Metro West stations, including in Sydney Olympic Park and Parramatta, will double the rail capacity to the Sydney CBD and cut journey time to around 20 minutes. This further enhances Parramatta as a compelling office destination for major occupiers.

Office Development Pipeline



Cockle Bay Park, Sydney

- + International Design Competition for Cockle Bay Park is nearing completion
- + Project will deliver approximately 63,000sqm of office space together with a 10,000sqm retail and entertainment precinct
- + Targeting commencement in 2022
- + Expected end value of ~\$2 billion with a development IRR >12%



Frame, 300 Lonsdale Street, Melbourne

- + Further enhance Melbourne Central as a dominant mixed use precinct, incorporating an office building, connected to elevated garden spaces and a new rooftop retail, entertainment and dining precinct
- + Designed by the award-winning architecture and urban design practice ARM Architecture, featuring a hotel-inspired sky lobby and floor plates of approximately 2,000sqm
- + The building is targeted to deliver a minimum 5 Star NABERS Energy and Water rating, a 6 Star Green Star rating, and WELL Gold Standard
- + Expected yield on cost for office component >6.50% and end value in excess of \$220 million

Our development opportunity at Cockle Bay Park is progressing well, with the design competition finalised and the winning design to be announced in the coming weeks. We now move into the final planning phase, with commencement of the project targeted for 2022.

In Melbourne, we are targeting to commence the Frame at 300 Lonsdale Street, by mid this year. The mixed-use development is set to incorporate 20,000sqm of office accommodation, integrated into the retail centre below. The distinctive, timber framed structure is targeted to deliver a minimum 5 Star NABERS Energy and Water rating, and a 6 Star Green Star rating. In addition, the building is designed to achieve a WELL Gold Standard rating, a global measure of health and wellbeing in buildings.

We are also progressing the redevelopment at Queen & Collins in Melbourne with completion expected in 2021.

Our exciting pipeline of office development opportunities exceeds \$2.5 billion. This also includes new tower projects at 32 Flinders Street in Melbourne, 580 George Street in Sydney and Riverside Centre in Brisbane, which are in the initial planning phase. We expect that this pipeline combined with our proven track record of delivering strong performance from our office portfolio will lead to continued quality returns.

Logistics Highlights

15.4%

OPERATIONS
NET INCOME
GROWTH

12.1%

TOTAL PORTFOLIO
RETURN
(12 MONTHS)

231,600sqm

LEASES SIGNED

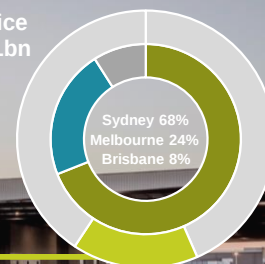
Key Highlights

- + Portfolio occupancy of 95.7%¹ with long WALE of 7.3 years
- + Like for Like income growth for 12 months of 3.3%
- + Logistics valuation gains in 12 months of \$117.1 million, WACR firming to 5.40%
- + Land acquired in Sydney and Melbourne, projects underway and pipeline has capacity to deliver over 550,000sqm of prime logistics facilities with an expected end value in excess of \$1 billion
- + Sector continues to benefit from sustained tenant and investor demand, with limited vacancy in prime markets

Portfolio Size & Geographic Exposure

Office
\$6.1bn

Retail
\$6.3bn



Logistics
\$2.4bn

1. Includes leases signed post balance date

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Now to the GPT Logistics Portfolio results, the team continue to execute on our growth strategy, through leasing, building out the development pipeline and investment acquisitions.

The portfolio has grown by \$545 million in the 12 months to \$2.4 billion and with our replenished pipeline we are well positioned for the portfolio to exceed \$3 billion.

Operations net income has grown 15.4% and a total return of 12.1% has been achieved.

A net revaluation uplift of \$117.1 million has been delivered, with a weighted average capitalisation rate of 5.40%, firming 38 basis points during the period.

During the year we have replenished the land bank, with 94 hectares secured in key growth corridors. We have also acquired five prime investment assets, with a further facility due to settle in the first half of 2020.

Two developments have been successfully completed, and we have a further four underway.

Our replenished development pipeline now has the capacity to deliver over 550,000sqm of prime facilities with an expected end value in excess of \$1 billion.

Logistics Leasing

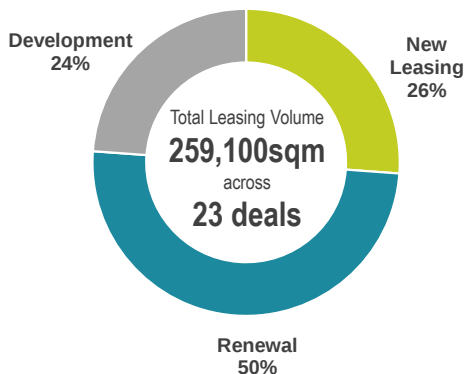
231,600sqm

SIGNED LEASES

With an additional 27,500sqm of terms agreed

95.7%

PORTFOLIO
OCCUPANCY¹



1. Includes leases signed post balance date

- + Demonstration of active leasing strategies to drive value and lease future expiries, with strong focus on customer relationships
- + New Truganina facility completed and fully leased¹
- + 2020 and 2021 expiry reduced from 21% to 8% in the 12 months
- + Retention rate for 2019 expiries of 74%

DB SCHENKER

Yennora, NSW
33,200sqm

api

Camellia, NSW
29,500sqm

Woolworths

Yatala, QLD
22,500sqm

InfraBuild

Wetherill Park, NSW
20,500sqm

DUTTON Garage

Altona North, VIC
18,800sqm

JALCO GROUP

Eastern Creek, NSW
15,200sqm

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Positive leasing outcomes have been achieved, with 232,000sqm of leases signed and an additional 27,000sqm at terms agreed.

Portfolio occupancy remains high at 95.7%.

Renewals have been secured with key customers including Schenker, API, Woolworths and Infrabuild, with a retention rate of 74% for 2019 expiries.

We have also secured leases with new incoming customers. In Melbourne, we have leased 19,000sqm in Citiwest, with this asset now at 100% occupancy, while in Sydney we have released our Interchange Drive asset to Jalco, prior to the previous lease expiring and with no downtime.

The strong leasing results have reduced our 2020 and 2021 expiries from 21% to 8% since December 2018.

Logistics Portfolio Growth

- + Portfolio growth of \$545 million during the year to \$2.4 billion
- + Acquired five prime logistics facilities totalling \$212 million in Sydney
- + Secured a 23,000sqm facility in Truganina, Melbourne for \$42 million settling in 2020, pre-leased to an international logistics company for a 10 year term
- + Two developments completed in Eastern Creek, Sydney and Truganina, Melbourne, with a further four facilities underway and due for completion in 2020

Composition of Portfolio Growth



2019 Developments 2 facilities totaling \$105m



2019 Acquisitions 5 facilities totaling \$212m
2020 Acquisitions 1 facility totaling \$42m



2020 Underway Developments 4 facilities totaling \$167m

We have been delivering our strategy to grow the logistics portfolio.

During 2019 our portfolio has grown by 29%, to \$2.4 billion.

Land totalling \$106 million has been added to the portfolio, with a further \$134 million secured on deferred settlement terms.

Investment acquisitions have totalled \$212 million, with five prime facilities purchased, and a further \$42 million asset in Melbourne's West due to settle on completion in the first half of 2020. This 23,000sqm warehouse in Truganina is leased to an international logistics company for a 10 year term.

Two facilities totalling \$105 million were developed in 2019. Located in Eastern Creek in Sydney and Truganina in Melbourne, both are fully leased with a WALE over 6 years. We have a further four projects underway and due to complete in 2020, with an expected end value of \$167 million.

Logistics Market Context



Population Growth

- + Australia population is projected to grow ~20% by 2030
- + Population is expected to be increasingly urbanised, with ~70% in capital cities



Infrastructure Investment

- + Over \$130 billion being invested in transport infrastructure investment by State and Federal Governments
- + Investment is concentrated in NSW & Victoria



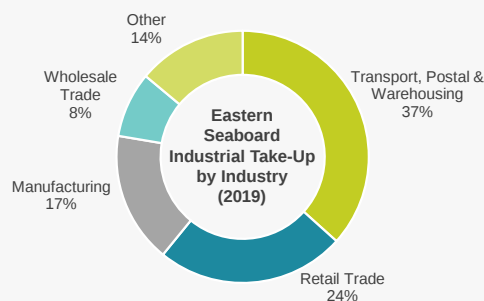
Trade Expansion

- + Trade through Australian ports is expected to increase by ~5% per annum over the long term
- + Anticipated to drive demand near ports, intermodal terminals and key road networks



E-commerce & Supply Chain Sophistication

- + Online sales reflect approximately 9% of total retail sales
- + With convenience, speed, and variety of offering driving increased need for inventory management



- + Eastern Seaboard take-up dominated by Transport, Postal and Warehousing and Retail Trade, collectively making up 61% of 2019 demand
- + Melbourne's West has been the most active market, making up 24% of national take-up
- + Investment demand for Logistics remains strong, with local and global capital seeking exposure to the sector

Source: JLL Research, GPT Research.

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The logistics sector is performing strongly, underpinned by global and local trends, with the Group's portfolio well placed to benefit with holdings in key growth corridors.

The Australian population is expected to grow by 20% over the next decade, with the population increasingly concentrated in urban locations, predominantly on the eastern seaboard.

Infrastructure spending is also set to increase, with over \$130 billion being invested by Federal and state governments over the next decade in transport infrastructure.

Trade is also expected to grow by approximately 5% per annum over the long term, with this expected to result in increased demand near ports, intermodal terminals and efficient road networks.

Supply chain sophistication, together with consumer demand for fast and convenient delivery has resulted in occupiers strategically assessing property requirements. Transport, Postal & Warehousing users accounted for 37% of take-up during 2019, with Retail Trade making up another 24%, reflecting a growing demand from these sectors.

The industrial sector has also experienced strong investor demand. With local and global capital seeking exposure to the Australian market, demand for quality product remains high and has resulted in firming of investment metrics.

Logistics Development Pipeline

>550,000sqm

PIPELINE CAPACITY

>\$1 billion

PIPELINE EXPECTED END VALUE

- + Land parcels secured in key growth corridors:
 - + **Truganina (Boundary Road), Melbourne:** 32.8 hectare site secured on deferred settlement terms
 - + **Truganina (Niton Drive), Melbourne:** 14.9 hectare site forming part of The Gateway Logistics Hub
 - + **Kemps Creek, Sydney:** 33.4 hectare site secured on deferred settlement terms
 - + **Penrith, Sydney:** 10.2 hectare site acquired with a fund-through development underway
 - + **Glendenning, Sydney:** 3.1 hectare site acquired, speculative facility to commence in 1H 2020
- + Targeting yield on cost in excess of 6%
- + Anticipate commencement of projects across three states in 2020

	State	Land (Hectares)	Expected GLA (sqm)	Completed (sqm)	Underway (sqm)	Estimated End Value	2020	2021	2022	2023	2024	2025+
Truganina (Gateway)	VIC	23.0	142,000	26,500	-	\$200m						
Truganina (Boundary Road)	VIC	32.8	128,200	-	-	\$205m						
Kemps Creek	NSW	33.4	162,300	-	-	\$445m						
Penrith (fund-through)	NSW	10.2	50,100	-	50,100	\$80m						
Glendenning	NSW	3.1	17,100	-	-	\$45m						
Yennora	NSW	1.1	4,800	-	4,800	\$12m						
Berrinba	QLD	16.1	74,300	-	34,900	\$150m						
Active Development Pipeline		119.7	578,800	26,500	89,800	~\$1,137m						

100%
Leased¹

1. Including Heads of Agreement post balance date

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Through our replenished land bank, we now have capacity to deliver over 550,000sqm with an expected end value on completion of over \$1 billion.

In Melbourne, 33 hectares has been secured at Boundary Road in Truganina on deferred settlement terms, adding to 15 hectares acquired earlier in the year. Boundary Road will be activated following the build-out of the Group's underway development, The Gateway Logistics Hub.

In Sydney, 33 hectares has been secured in Kemps Creek on deferred settlement terms, near the established Erskine Park industrial precinct. This parcel is expected to deliver an estate with an end value of approximately \$445 million. In Penrith, we have a fund-through development underway, and in Glendenning, a 3 hectare parcel has been acquired with a speculative facility anticipated to commence in the first half.

In Queensland, our Berrinba development is progressing well, with the first two facilities set for completion next month. One facility is pre-leased to an international logistics company for a 10 year term, while lease terms have been agreed for the speculative facility.

This takes our projects delivered in the second half and underway to 116,000sqm, with 100% of this leased.

During 2020 we will continue to execute on our strategy to deliver high quality investment product for long term ownership, with projects to commence in all three states.

To close, the GPT office and logistics teams have delivered excellent results in 2019. Through executing our active management and leasing strategies, together with the quality of the underlying assets, our team continues to deliver on our strategy. Our development pipeline has been replenished, and we start 2020 with the portfolio well positioned to deliver strong returns.

I will now hand over to Chris Barnett to present the Retail results.

Retail

Annual Result 2019

GPT
The GPT Group



Thank you, Matt and good morning, everyone, I am pleased to be able to take you through our full year retail results.

Retail Highlights

1.2%

PORTFOLIO
LIKE FOR LIKE
INCOME GROWTH

99.6%

PORTFOLIO
OCCUPANCY

\$11,667

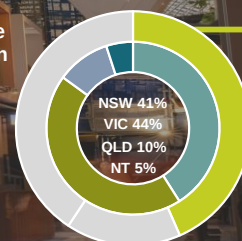
SPECIALTY SALES
PRODUCTIVITY
PER SQUARE METRE

Key Highlights

- + Retail segment FFO contribution of \$326.0 million for 12 months to Dec 2019, which is in line with 2018
- + Valuation decline of \$46 million (<1% of portfolio value) for 12 months to Dec 2019, and a WACR¹ of 4.89%
- + Successful launch of new dining precincts at Melbourne Central and Charlestown Square
- + Completion of Sunshine Plaza development on 28 March 2019
- + Strong progress with development proposals for Melbourne Central and Rouse Hill, scheduled to commence mid 2020.

Portfolio Size & Geographic Exposure

Office
\$6.1bn



Retail
\$6.3bn

Logistics
\$2.4bn

Melbourne Central, Melbourne

1. Weighted Average Capitalisation Rate

The GPT Group | 2019 Annual Result | 10 February 2020

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The portfolio finished the year delivering strong sales productivity, nearing \$11,700 per square metre, up almost 2% on 2018. This high productivity is reflective of our quality assets and our focus on ensuring our retail offer responds to the changing demands of our customers.

We have delivered solid leasing results, with the portfolio once again achieving high occupancy at 99.6%. Our new specialty leases are averaging 4.8% fixed annual increases across their average tenure of 4.7 years.

We were excited to open two new, dining precincts which were fully leased and brought together the best local restaurateurs to Charlestown and Melbourne Central. Both precincts are resonating with their local markets and trading strongly.

Earlier in the year, there was the successful launch of the Sunshine Plaza development. Introducing over 40 new brands to the market, including an upgraded dining and entertainment offer, the Centre is trading well with specialty productivity already at over \$10,000psm.

On our financial results, the retail portfolio delivered comparable net income growth of 1.2%. This result is reflective of the current retail environment which has led to reductions in turnover rent, particularly from Cinemas, and the general market trend where leasing deals are taking longer to conclude, increasing downtime.

On asset valuations, whilst there was a negative revaluation for the full 12 months, this sits well under 1% of the portfolio value. We had positive gains on 5 retail assets including Melbourne Central, Sunshine Plaza and Rouse Hill, offset by negative revaluations at both Casuarina and Highpoint. For the full year, our entire portfolio has been independently valued and with consideration to the recent evidential transactions, our weighted average cap rate is only 1 basis point higher compared to 2018, now averaging 4.89%.

There is no doubt, retail conditions are soft at the moment, and we anticipate this to remain as we progress through 2020, however we believe that our quality portfolio which are located in high growth markets positions us favourably to capture growth when conditions improve.

Now onto retail sales.

Retail Sales

SPECIALTY SALES PRODUCTIVITY (<400sqm)

\$11,667
per sqm (psm)

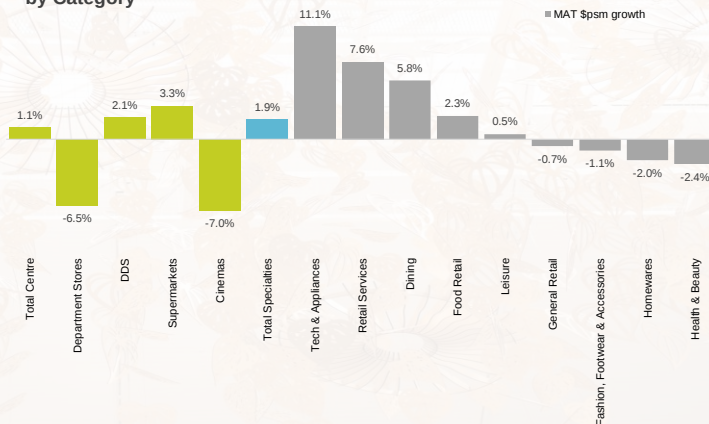
TOTAL SPECIALTY SALES PRODUCTIVITY GROWTH (PSM)

1.9%

AVERAGE TOTAL SPECIALTY TENANT SALES

>\$1.6 million pa
per store

Specialty Sales Productivity by Category



Statistics exclude development impacted centres (Sunshine Plaza, Macarthur Square, Wollongong)

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Specialty sales productivity has increased now trading at \$11,667psm. Total Specialty sales on a dollar psm basis up 1.9% continues to trend positively from where we reported at the half.

In terms of total Centre sales productivity delivering 1.1% growth, the discount department store category has improved on the back of growth from Big W stores and the ongoing strength of the Kmart business. Supermarkets were strong, at 3.3% growth, whilst Cinema faced a similar trend from the half, down 7%.

Our specialty retailers, on average, are generating over \$1.6 million in sales per annum per store, and if you look at productivity growth, there has been some strong results.

Technology and Appliances continues to benefit from category leaders, JB-HiFi and on trend products offered by Apple and Samsung whilst growth in Retail Services has been buoyed by outperformance in Optometry and Beauty Services.

Dining remains on an upward growth trend with productivity up by 5.8%. Benefiting from new entrants to this category following the launch of our two new dining precincts.

The reduced sales growth in Fashion is following the broader industry trends particularly in women's apparel.

Retail Leasing

- + 459 leasing deals completed introducing over 70 new retailers to the portfolio in 2019
- + Strong retail demand reflected in high portfolio occupancy
- + Holdovers down from the half, and in-line with 2018 at 5.7% of specialty rent
- + New specialty leases achieving fixed increases of 4.8%

Portfolio Leasing Statistics

	DEC 2019
Portfolio Occupancy	99.6%
Retention Rate	75%
Avg. Annual Fixed Increase ^{1,2}	4.8%
Avg. Lease Term ^{1,2}	4.7 years
Leasing Spread ^{1,2}	(2.2%)
% Debt of Annual Billings	0.5%
Specialty Occupancy Cost ²	17.0%

1. New leases
2. Specialties <400sqm
Statistics exclude development impacted centres (Sunshine Plaza, Macarthur Square, Wollongong) & holdovers



The Corner – Charlestown Square

- + Precinct opened fully leased (Dec 19)
- + Introduction of 10 new retailers including well-known local dining retailers
- + Tenancy mix reflecting the uniqueness of the Hunter Region
- + Trading performance exceeding expectations

New Dining precincts delivered



ELLA – Melbourne Central

- + Precinct opened fully leased (Oct 19)
- + Introduction of 13 unique and iconic Melbourne food retailers
- + Strong synergies with office tower and access to train station
- + Solid trading performance since opening

Now onto leasing, where there has been a number of excellent outcomes.

Retailer demand for our portfolio remains strong, reflected in our high occupancy and our ability to attract over 70 new retailers and launch dining precincts fully leased when introduced to our assets.

We are achieving annual fixed increases of 4.8% on new specialty leases and our retention rate remains high at 75%.

The number of shops that are vacant or on holdover as at 31 December, remain in line with 2018 and leasing spreads are at minus 2.2% across specialty deals completed over the 12 months.

Importantly, our retail debt as a percentage of annualised billings remains at historically low levels at only 0.5%.

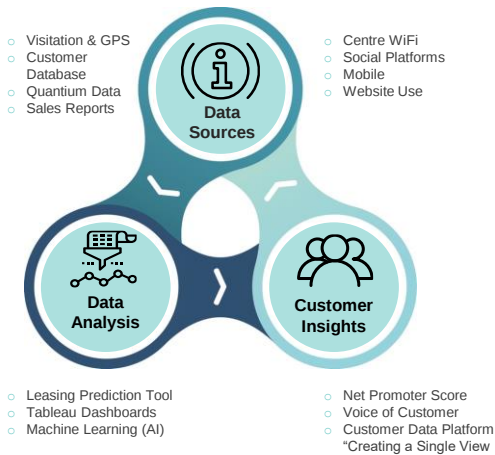
On the new dining precincts, “the Corner” at Charlestown opened in December, successfully converting an under-utilised section of the centre, into a vibrant dining precinct amalgamating a number of “local hero” retailers from the Hunter region.

Similarly, at Melbourne Central, an existing food precinct adjacent to our Commercial Tower, was transformed combining 13 famous Melbourne eateries into a collective space reflective of the iconic Melbourne laneways.

Retail Portfolio

Why Data?

Data driven culture – using digital technology and data to create value, drive market share....



Retail Offer that is responding to customer demand

Retail Shift – Total Specialties (5 Year CAGR 2014-2019)			
	GLA SQM	Sales PSM Growth	Total Rent Growth
Dining	↑	3.0%	5.3%
Health & Beauty	↑	5.3%	7.6%
Leisure	↑	2.1%	5.2%
Apparel	↓	1.1%	(0.7%)

Responding to customer feedback and creating reasons for visitation



Melbourne Central - Customer Solution for Online Returns

Parkmore Outdoor Cinema

Investment in physical spaces



On3 – Melbourne Central

Main St Dining Precinct – Rouse Hill

We have been using digital technology and data to understand in detail the behaviours of our customers. These analytics enables us to adapt our retail offer, share information with our retailers to drive their sales productivity and ensure that our marketing campaigns are efficiently targeted to maximise visitation to our assets.

As you can see on table on the right-hand side of the slide, we are focused on ensuring our retail offer is weighted toward growth categories making our assets more compelling in the face of dynamic consumer behaviour. Our retail mix is more relevant to our customer demand which is translating to both sales productivity and rental growth.

We are leveraging new technologies (such as Artificial Intelligence) to bring together multiple data sources and insights to convert our customer pain points into opportunities which is driving visitation to our assets.

An example of this is the work we are doing at Melbourne Central. As we know the centre sits on top of Melbourne's second busiest train station and with over 60 million visitors to the centre each year, converting more commuters into customers is an ongoing focus.

By using machine learning AI to assess campaign results over the past two years we have identified the most effective marketing tactics that will have the highest probability of converting commuters into shoppers.

Bringing together multiple data sources such as consumer spend and locational hot spot technology we've learned by targeting commuters with a call to action with a short expiry period of say 24 hours is 5 times more effective than delivering the same message via alternative media.

This model was able to predict the conversion of a commuter to a customer with 90% accuracy.

We also utilise our voice of customer platform to assists in guiding investment in our assets. This includes testing concepts regarding customer amenity, placemaking elements such as art, play and interaction with new technology. Examples of this have been integrated within a number of the upgraded precincts at Melbourne Central and Highpoint.

Now onto Retail Development.

Retail Development

Melbourne Central

#1

MOST PRODUCTIVE SHOPPING CENTRE IN AUSTRALIA¹

5.7% pa

MARKET GROWTH FORECAST
(2020-2029)²

- + **Approx. \$70 million** - 7,000sqm of retail, focused on entertainment, dining and leisure
- + Approval received for Development Application
- + Retail pre-leasing well progressed, currently at 40%
- + Forecast Return | ~ 6.5% stabilised yield
- + Target Commencement | mid 2020

1. Shopping Centre Big Guns Publication 2019
2. GPT Research – using Deloitte Access Economic Forecasts



We are very excited about the development proposal for Melbourne Central.

The Retail development is adjacent to the proposed new office building “The Frame”, and will introduce a new 7,000 square metre retail, dining and entertainment precinct. We are delighted with the retailer interest in the project, and we have already pre-leased over 40% of the precinct’s income.

We have received Development Application approval and we are targeting to commence mid-2020.

Retail Development



Rouse Hill

7.6% pa

SALES PRODUCTIVITY GROWTH
(2017-2019)

6.1% pa

MARKET GROWTH FORECAST
(2020-2029)¹



- + **Approx. \$200 million** - 20,000sqm of retail and commercial space
- + Residential integrated within retail scheme and adjacent to existing asset
- + Development Application lodged
- + Forecast Return | > 6% stabilised yield
- + Target Commencement | mid 2020

1. GPT Research – using Deloitte Access Economic Forecasts

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Similarly, we look forward to the development opportunity at Rouse Hill. The asset has been achieving strong sales productivity growth and sits in the high growth market of North West Sydney, which is now benefiting from significant infrastructure investment.

The launch of the North West Metro and the Rouse Hill station has brought instant benefits to the centre with noticeable increases in traffic to the adjoining precinct contributing to the centre strong specialty sales productivity growth which has averaged 7.6% over the last 3 years.

The focus of the coming months is to advance design, confirm authority approvals and finalise leasing deals with several key tenants that we will have pre-leased prior to commencing the project.

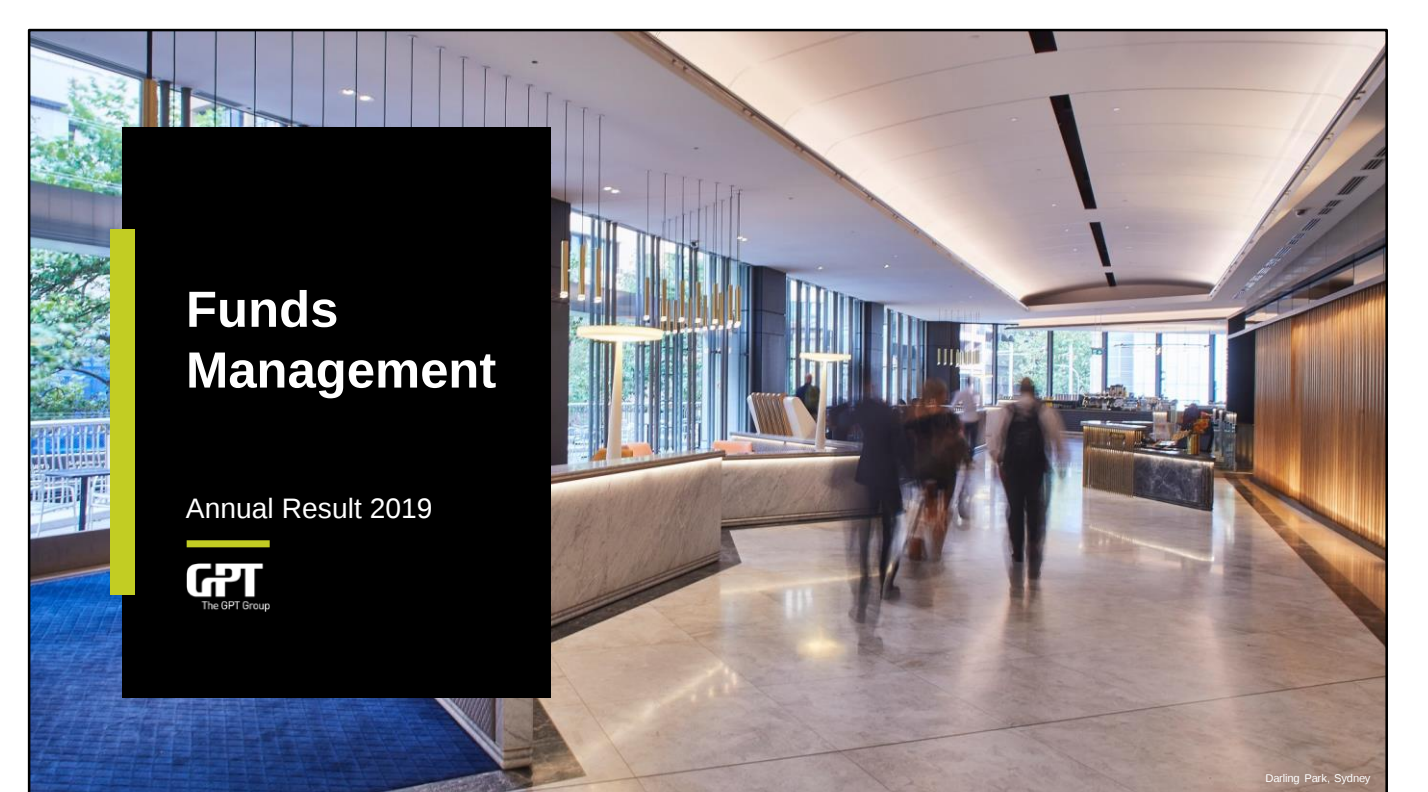
We are encouraged at the momentum and interest shown by our retailers and therefore confident with the current program which forecasts a commencement in the middle of this year.

In line with GPT's commitment to take a leadership role in carbon emission reduction, both Rouse Hill and Melbourne Central will achieve a minimum five-star, Green star rating for both design and as built.

In summary, whilst consumer sentiment continues to impact the growth in retail sales, GPT has a quality, highly productive portfolio.

We are well positioned to be resilient to headwinds and this year we look forward to progressing some excellent expansion opportunities on our strongest assets.

I will now hand over to Nick to provide an update on the Funds Management business.



Funds Management

Annual Result 2019



Darling Park, Sydney

Thank you Chris.

It is my pleasure to present the full year result for Funds Management which reaffirms our position as a leading fund manager.

Funds Management Highlights

\$13.3B

ASSETS UNDER
MANAGEMENT

5.6%

AUM GROWTH

8.7%

FFO
GROWTH

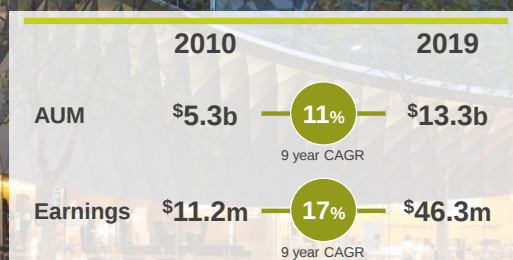
Funds Management Financial Summary (\$m)

Segment Result

2019	2018	CHANGE
46.3	42.6	8.7%

Key Highlights

- + GWSCF continued its asset recycling strategy with the sale of Norton Plaza for \$153 million
- + GWOF acquired a 50% interest in 2 Southbank Boulevard, Melbourne for \$326 million
- + GWOF raised \$260 million of new equity from a mix of existing and new investors in 2019
- + GWOF completed a 6.5 year \$200 million MTN issue at a cost of 2.5%



Over the year, assets under management increased by 5.6% to \$13.3 billion and operating profit from the business grew by 8.7% to \$46.3 million.

Since 2010, assets under management in our funds platform have grown by 2.5 times, equating to a compound annual growth rate of 11% per annum. Over the same period, operating profit has grown at a higher rate of 17% per annum demonstrating the economies of scale from the business as the platform grows.

Our Shopping Centre Fund continued its asset recycling program with the sale of Norton Plaza in Sydney reducing the net gearing in the Fund to 23.6%. Over the past four years, the Fund has increased its weighting to super-regional shopping centres from 46% to 71%.

The GPT Wholesale Office Fund grew by \$1 billion over the year as a result of acquiring 2 Southbank Boulevard in Melbourne coupled with strong valuation gains. The Fund has great scale with gross assets of \$8.8 billion which is approximately 30% larger than its closest wholesale office fund peer.

GWOF raised \$260 million of new equity during 2019 from a mix of existing and new investors with net gearing currently sitting at 16.4%. The Fund is presently undertaking a capital raising targeting \$300 million of new equity which will provide additional firepower to fund its high quality development pipeline.

GWOF - \$2 Billion Development Pipeline







Asset	GWOF Ownership share	GWOF Spend	Indicative Timing						
			2019	2020	2021	2022	2023	2024	2025
Queen & Collins, Melbourne	100%	\$238m	\$238m						
Cockle Bay Park, Sydney	50%	\$800m	\$40m			\$760m			
51 Flinders Lane, Melbourne (at 32 Flinders Street)	100%	\$400m				\$400m			
Skygarden, Brisbane (at Riverside Centre)	100%	\$400m						\$400m	
Cnr of George & Bathurst, Sydney (at 580 George Street)	100%	\$150m						\$150m	

Development approved
 Under consideration

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GWOF has five significant development opportunities on land it already owns in our three core markets of Sydney, Melbourne and Brisbane.

Queen & Collins is currently underway with the other four asset creation projects at various stages of pre-development planning.

This substantial \$2 billion development pipeline underpins the future growth in assets under management in our platform.

In summary, the GPT funds management business is 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.

Summary & Outlook

Market Outlook

- + Recovery in residential sector, low interest rates and on-going infrastructure spend expected to support economic growth
- + GPT's core markets of Sydney & Melbourne will continue to benefit from strong population growth, densification and low unemployment
- + Strong investor demand for real estate

Group Outlook

- + 2020 income growth underpinned by structured rental growth across the portfolio, high occupancy and lower interest rates
- + Development pipeline providing enhanced growth outlook
- + Capital allocation will continue strategic re-weight toward office and logistics

2020 Guidance

FFO per security growth of 3.5%

DPS growth of 3.5%

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Thank you Nick.

As you can see the business is well placed to deliver further growth in earnings and distributions.

Recent data supports our view that the underlying fundamentals of the domestic economy are starting to show signs of improvement. The residential sector is recovering, unemployment remains relatively low and infrastructure spend is continuing particularly in Sydney and Melbourne. The turn in household wealth with rising house prices and faster debt repayments is expected to assist in rebuilding consumer sentiment.

The fundamentals for the office markets in Sydney and Melbourne remain positive with near record low vacancy rates and manageable supply pipelines that are largely under-written by healthy levels of tenant pre-commitments. Investment Demand has remained very strong and despite the compression of cap rates over the last few years the relative spread to bonds is well above long term averages.

It is a similar story for the logistics sector with low vacancy rates and strong demand from occupiers and investors. Yields have compressed but we believe this reflects the structural demand stemming from retailers rationalizing supply chains, growth in e-commerce and the increasing maturity and liquidity of the asset class. We expect that rents will continue to grow for assets that are located close to population growth areas and within easy access to transport nodes.

We believe that the current retail headwinds are mainly cyclical driven by weak consumer sentiment, however structural change in consumer preference is also influencing the strategies we are deploying for our assets. Personalisation, experience and convenience continue to be themes that influence how we position our assets for the future. Shopper visitations remain strong and omni-channel retailers that understand their customers and are embracing both physical and online channels are growing sales and profitability.

Overall we are optimistic about the outlook for 2020.

We expect interest rates will continue to be accommodative for some time supporting investment demand and valuations for real estate. Our portfolio has high occupancy and structured rental growth, we have a development pipeline that has grown to in excess of \$4.0 bn and we have a very strong balance sheet to support our growth plans. I note our development pipeline is more than 85% weighted to Office and Logistics.

Our guidance for this year is 3.5% growth per security for both FFO and distributions.

That concludes the presentation, and I will now invite the presenters to join me up front for your questions.

Thank you.

Disclaimer

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Information is stated as at 31 December 2019 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 2019. 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. Key statistics for the Retail and Office divisions include GPT Group's weighted interest in the GPT Wholesale Shopping Centre Fund (GWSCF) and the GPT Wholesale Office Fund (GWOF) respectively.