

23 February 2015

GPT Metro Office Fund Operational Update

Key Highlights

- High quality diversified portfolio
- On track to meet Public Disclosure Statement (PDS) forecasts
- Metro office markets benefitting from increasing demand

The GPT Metro Office Fund (GMF) has provided its first operational update to the market following its successful listing in October 2014. GMF Fund Manager, Chris Blackmore said the Fund, which has been operating for almost four months, is on track to meet its financial forecasts as outlined in the PDS.

"The Fund's earnings are underpinned by a well-balanced, high quality portfolio of A grade metropolitan and business park office buildings, with a combined weighted average lease expiry (WALE) of 6.4 years. The portfolio is well positioned with the office space fully leased and high levels of income subject to fixed rental increases from Government, ASX listed and multi-national tenants," Mr Blackmore said.

"The construction of 3 Murray Rose at Sydney Olympic Park is slightly ahead of schedule with practical completion now anticipated in mid March 2015. The asset is fully leased to Samsung Australia for seven years on completion, with Samsung already commencing fit out of their space," Mr Blackmore said.

"Further, we have achieved leasing progress since listing. At our Quad 3 asset in Sydney Olympic Park, we have now leased the Fund's only office vacancy, ahead of forecast. At Vantage in Hawthorn, negotiations with Fusion Retail Brands continue and we have appointed a leasing agent."

"Importantly, we have a long and well spread lease expiry profile across the next decade, with no material expiries in 2015. The Fund's low level of nearer term expiries are in our assets in the better performing markets of Sydney and Melbourne, with our Brisbane asset underpinned by longer lease terms.

"At the national level for metro office markets, we have seen rising demand exceed the modest supply coming on line, which is a positive for vacancy levels. There has also been a recent strengthening in both face and effective rents, with this asset class well placed for capitalisation rate compression and an improvement in asset values, mirroring the movements seen in CBD markets."

"For GMF, these positive market indicators signal an opportunity for the Fund to capture this growth through potential positive rental reversions and capital appreciation."

"The Fund, with its diversified and quality asset portfolio, is well positioned for any improvements experienced in metro office markets, and we continue to remain on track to meet our PDS forecasts," Mr Blackmore said.

GMF will be providing a market briefing, in conjunction with the GPT Group's Annual Result market briefing from 9:30am (AEDT) today, 23 February 2015. The market briefing will be simultaneously webcast via the GPT website (www.gpt.com.au) and the Fund website (www.gptmetroofficefund.com.au).

– Ends –

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