

7 May 2012

GPT Meeting of Securityholders

7 May 2012 at 2.00pm

Chairman's Address

Good afternoon ladies and gentlemen.

The past three years has been a period of significant change for GPT. The company has been stabilised through a re-capitalisation, sale of non-core assets, renewal of the Board and Management team and a reversion back to a focus on building and managing high quality properties in the market we know best – Australia.

With this phase of the journey largely completed in 2010, the focus for the management team at GPT in 2011 was on optimising performance. This has been delivered through enhancing rental growth across the asset portfolio, expense discipline and a range of capital management initiatives. This is not just the next stage in our journey, but part of the basic never-ending task of any business.

The core business is now well positioned with structured rental increases and high levels of occupancy. This will underpin earnings growth going forward.

Active capital management has been a strong theme for the business over the past few years and this continued in 2011 with a resulting reduction in the cost of debt and sell-down of GPT's holding in its wholesale funds to generate higher returns on capital for investors.

In May last year GPT commenced a security buy-back, which was an important breakthrough, as it reflected a change in thinking from a typical AREIT that buys assets to hold and grow, to one that always questions whether such a strategy gives an adequate return in capital in the foreseeable future. So we no longer think of ourselves as just builders and owners of property, rather we are allocators of capital. With GPT still trading at a discount to NTA, buying our own securities, as opposed to buying assets at book value, makes good sense for investors. In light of this, the on-market buy-back program has recently been extended for a further year and an additional 5% of issued capital.

Actions taken by management have also demonstrated GPT's intention to actively manage its portfolio, with the divestment of assets and redeployment of capital into higher returning opportunities. As part of this strategy, GPT is looking to opportunistically increase its

exposure to the industrial sector over time, which is currently small relative to the other sectors.

GPT's strategy remains simple – GPT is focused on owning and managing quality Australian property assets and aims to deliver superior risk-adjusted returns to securityholders. But simple is not easy. It is actually quite easy to stray from a simple strategy to seek so called growth opportunities. To stay on a simple path you need lots of discipline and focus and I believe this exists in GPT today.

Within GPT, every employee has a set of objectives that are directly linked to the company's strategy, ensuring that the focus of the whole organisation is aligned around maximising returns for securityholders.

The success of GPT's strategy is reflected in its security price performance.

Since Michael was appointed CEO in April 2009, GPT's security price has outperformed other property stocks.

The security price has increased by 60% compared to 25% for the ASX AREIT index.

The security price has also done well in subsequent periods beginning well after Michael's appointment.

The Board continued to exercise restraint on remuneration in 2011:

- Base remuneration was capped at an average of 3%;
- The freeze on Non-Executive Directors fees was extended for the 4th successive year;
- The short term incentive level for below target performance in 2012 was reduced;
- Hurdles have been increased for the 2012 long term incentive scheme; and
- We continue to build alignment of employees through the General Employee Security Ownership Plan.

The Board continues to be extremely mindful that rewards to executives are fair, balanced, market competitive and aligned with performance.



To conclude, I would like to again thank our investors for their support over the past year. Whilst the business does face some headwinds in 2012 as a result of the ongoing global market uncertainty, the business remains well positioned for growth. We believe GPT is well structured with its simple, low leverage business model to deliver superior returns to you over the long term.

I would also like to personally thank Lim Swe Guan who will step off the board at the conclusion of this meeting. Swe Guan has been on the board since April 2009 and has been a valuable member of the Board and the Audit and Risk Management Committee and we greatly appreciate his contribution over the past three years.

With that overview, I would like to ask Michael Cameron to give an update on the Group's strategy and its performance in 2011.

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