

**5 May 2015**

**GPT 2015 Annual General Meeting – CEO's Address**

**Held on Tuesday, 5 May 2015 at 2.00pm (AEST)  
Sheraton on the Park, 161 Elizabeth Street, Sydney**

Good afternoon everyone and thank you for joining us today.

Our disciplined, consistent and transparent approach has again delivered great outcomes for securityholders.

The core business has driven EPS growth of 4.1% and a Total Return of 9.6%.

During the year we completed \$2.0 billion of asset transactions which has allowed us to re-mix the portfolio and further improve the quality.

The Funds Management business continues to strengthen, raising \$1.4 billion of new capital mostly from existing investors. The Office Fund again delivered leading performance, and the Metro Office Fund was successfully launched during the year.

Our development capability has created significant value with a total value uplift of \$75 million.

GPT has a simple and straight forward business, together with a strong capital position with gearing of 26.3%.

The statutory profit for the year was \$645 million, which was up 13% on 2013, largely driven by the uplift in the value of the investment portfolio.

Earnings per security was up 4.1%, driven by a solid contribution from the investment portfolio, strong growth in the Funds Management, and success in the Development Divisions. We also had the benefit of a lower average cost of debt and the impact of the buyback earlier in the year.

A second half distribution of 10.7 cents was declared in December, bringing the total distribution for the full year to 21.2 cents, up 3.9% on the prior year.

In early 2015 we announced the redemption of the outstanding Exchangeable Securities at an attractive value for GPT securityholders. This was funded by an equity raising of \$325 million and a Security Purchase Plan of \$50 million. Both were very well supported by investors.

The results demonstrate that our strategy of actively managing the portfolio is paying off.

Over the past three years, we have transacted more than \$4 billion in assets to ensure we have the right properties in the right markets.

We sold a number of non-core retail assets and we have remixed our office portfolio. In logistics, the focus has been on improving quality and scale through activating the land bank and acquisitions at the right time in the cycle.

An interesting feature of GPT's business is that 92% of earnings come from recurring rental income.

In 2014 the asset and investment management teams have worked hard to deliver results. We achieved specialty retail sales growth of 4.2%, the highest in our major peer group. A total of 188,000sqm of leasing was completed across the office platform, and the logistics development pipeline is being delivered ahead of budgeted margins.

Looking ahead for 2015, we continue to be focused on driving portfolio performance and on delivering our Total Return targets.

2014 was a year of success for the Funds Management team.

The strong response from investors to the capital raisings undertaken by the Office and Shopping Centre funds is an indication of the quality of the transactions completed by each fund, the quality of the portfolios, and the overall strength of the funds management platform.

The listing of the Metro Office Fund was the largest AREIT IPO in 2014 with \$255 million of equity raised.

The performance of GPT Wholesale Office Fund positions it again as the leading core office fund over 1, 3 and 5 years. The one year performance was 13.1% compared with the index of 10.5%.

We continue to explore new opportunities for the business that will deliver superior returns to the fund investors.

Economic fundamentals remain mixed.

Business confidence and consumer sentiment remain subdued though helped by low interest rates and fuel prices.

Despite this, NSW and Victoria have continued a positive growth trend reflecting a re-balancing of the economy into non-mining sectors.

For GPT, retail conditions have improved, and in our portfolio, occupancy costs have stabilised as sales growth is now more aligned with rent growth.

Our decision to focus exclusively on the eastern seaboard, with most of the office portfolio now in Sydney and Melbourne has paid off. We have benefitted from the increased demand from finance, service, and technology companies.

In Logistics, the high demand for yield is driving returns.

For the Group, we continue to target a Total Return of greater than 9% and EPS growth guidance of 5% for 2015.

In wrapping up, GPT is in great shape to continue to deliver consistent and reliable returns from the core portfolio.

The Funds Management business is going from strength to strength, and all parts of the Group are delivering profits.

Our development capability allows us to grow the portfolio, and add significant value to the Group.

We continue to demonstrate that disciplined capital allocation and capital management, and a simple, straight forward business will deliver consistent returns over the long term.

I'd like to thank Eric for his fantastic contribution over the years, and I'm pleased to see Swe Guan re-joining the Board.

Thankyou again for joining us this afternoon and for your support over the last six years.

– Ends –