

**5 May 2015**

**GPT 2015 Annual General Meeting – Chairman’s Address**

**Held on Tuesday, 5 May 2015 at 2.00pm (AEST)**

**Sheraton on the Park, 161 Elizabeth Street, Sydney**

As you will have read in our recent release to the ASX, Michael Cameron has advised the Board of his intention to step down as CEO and Managing Director of The GPT Group (GPT) after six very successful years.

Michael became CEO of GPT at a difficult time for the business.

During his tenure he has demonstrated outstanding leadership, worked to stabilise the business, optimise its performance and added great value for GPT securityholders.

Michael will leave the business well positioned for future growth. We thank him for his invaluable contribution to the business and we wish him every success.

A process is well underway to appoint a successor and we will update the market when a suitable replacement has been appointed.

Moving now to the past year for GPT.

The 2014 year was one of high activity for GPT across all areas of the business, with a significant number of asset transactions, development project completions and capital management initiatives successfully undertaken by the Group.

The GPT Board and management continued to take a focused and disciplined approach to financial and capital management. The balance sheet is strong, and management remains focused on ensuring that the capital position of the Group is appropriate for prevailing and future market conditions as well as being supportive of GPT’s strategic growth initiatives.

GPT is committed to operating a sustainable business and delivering long term investor value, in line with our focus on Total Return. This principle is embedded within the Group and underpins our culture, stakeholder engagement, governance and business processes.

In 2014, GPT continued to reduce its environmental footprint while providing increased service to our customers and communities. The success of these activities was reflected in the awards and recognition GPT received during the year, including being ranked the number one global real estate company in the Dow Jones Sustainability Index.

The Board has continued to take a proactive approach to engaging with key investor and adviser groups. Over the past year, members of the Board have spoken to various advisers and key investors in order to keep up-to-date with market views and best practices in areas such as corporate governance, remuneration and capital management.

The GPT Board continues to have a strong focus on Corporate Governance. With a prudent approach, the Board sets the Group’s appetite for risk and oversees GPT’s risk profile to ensure activities are consistent with the strategy and values of the business, and I am pleased to see the discipline with which investment decisions are being made within the Group. GPT has in place well-established Board Committees focused on Audit and Risk, Nomination and Remuneration, and Sustainability and I am proud of the commitment of all Board members to the interests of the Group.

In order to ensure continued strong performance, GPT must balance the ability to retain top talent with an appropriate focus on alignment of remuneration with industry peers. It is of course in our securityholder’s best interest to attract, retain, motivate and reward the best talent. We seek to encourage an achievement culture to deliver superior performance, whilst ensuring remuneration remains realistic and linked to GPT’s strategy and business objectives. The GPT Board continues to

maintain its focus on communicating remuneration outcomes with transparency, ensuring that the Group's remuneration platform is both market-competitive and fair to all stakeholders, with performance measures aligned to the achievement of GPT's strategic objectives. The Group's remuneration structure for high calibre executives aligns reward with performance by putting significant components of total remuneration at risk.

The Board believes in the benefits of fostering an equity ownership culture, both to create alignment with investors and as a driver of performance. With these principles in mind, the Board has initiated the 2014-2016 Long Term Incentive (LTI) compensation plan. The key performance measures, Total Return and Relative Total Securityholder Return, are calculated with regard to the performance of relevant peers from the Australian REIT sector. The plan is further bolstered by ensuring any benefits awarded are delivered in GPT securities, thereby aligning executive and securityholder interests.

In 2014, the Board approved the introduction of a minimum securityholding requirement for the CEO & Managing Director, Leadership Team and Board members. This minimum securityholding equates to at least 150 per cent of base pay for the CEO & Managing Director and at least 100 per cent of base pay for the Leadership Team and Board, which must be achieved by April 2017 at the latest. In addition, the Board introduced a Broad Based Employee Security Ownership Plan for eligible GPT employees to further increase alignment of staff performance to securityholder return.

The Group's strategy remains focused on delivering Total Returns at both a Group level and the individual property level. This is being achieved by:

- driving returns from the investment portfolio;
- increasing active earnings from business units such as Funds Management, Development and Asset Management; and
- maintaining a focus on costs and a strong balance sheet.

GPT is a business with a simple and straight-forward structure with clear links as to how the Group's income is earned and how the business units function to achieve operational excellence. It is this transparency that allows the Group to generate consistent and reliable returns from its core asset portfolio and create value for its securityholders.

I would like to take this opportunity to thank you for your support over the past year. With strong results achieved in the 2014 financial year, the GPT Board remains focused on ensuring that consistent and sustainable value is created for all securityholders.

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