

11 May 2017

Chairman's Address

GPT 2017 Annual General Meeting

Held at Swissotel, 68 Market Street, Sydney.

I am pleased to report that the Group delivered excellent results in 2016.

FFO per security, which is the REIT sector's measure of Earnings per Security, increased 5.6% on the previous year. In addition, unrealised property revaluation gains of \$612 million were recorded, taking total Statutory Net Profit to \$1.153 billion. Distributions paid were 23.4 cents per security, which was an increase of 4%. The payout ratio in 2016 was 99.8%.

Total Return is our measure of the underlying performance of the business. The Total Return, which is calculated as the change in Net Tangible Assets plus distributions paid, was 15.5% in 2016, which compares favourably to the Group's medium term target of 8.5%.

The Total Securityholder Return, which is calculated as the change in share price plus distributions received over the year, was 10.1%.

The Group's balance sheet remains in a strong position. Net gearing at the end of 2016 was 23.7%. This is below the lower end of the Group's target range. The Group's strong capital position leaves it well placed to take advantage of investment opportunities that may arise.

In summary, 2016 was a good year for GPT, as reflected in the results achieved by the Group.

Over the past two months, Gene Tilbrook and I have met with a range of GPT's larger investors and other key stakeholders. These meetings always cover a wide range of topics, with a particular focus on GPT's remuneration policies and overall approach.

The GPT Board is committed to transparency in communicating remuneration outcomes, ensuring that the Group's remuneration is competitive and fair to all stakeholders, and has performance measures that are aligned to the achievement of GPT's strategic objectives.

The Board believes GPT's remuneration framework, the key elements of which are on the screen, supports these outcomes. The framework is designed to ensure that rewards are aligned with securityholders, and also enable GPT to attract and retain high calibre talent.

I encourage you to read the Remuneration Report contained in the 2016 Annual Financial Report for further information.

The Board will continue to review the Group's remuneration structure and policies to ensure they continue to meet the expectations of all stakeholders.

Sustainability principles are integral to the Group's business operations. They are an important part of the organisation's culture, and help guide our approach to stakeholder engagement, governance and business processes.

GPT's performance against sustainability measures and benchmarks was a highlight of 2016. Our success was evidenced in the awards and recognition GPT received during the year, including our position on the Dow Jones Sustainability Index.

Our performance on a range of recycling and emissions measures affirms GPT's position as a leader in this area. Continuing to reduce our environmental impacts, and progressing toward a point where resources are sustainably used, remains an on-going goal of the Group.

GPT's commitment and support to Diversity and Community-related activities continued in 2016. During the year the Group sponsored the Property Council's 100 Women in Property, a program which promotes gender equality in the industry by pairing established leaders with emerging female talent.

Last year I spoke about the launch of our Reconciliation Action Plan. In 2016, we began executing on the objectives of this Plan. The Plan operates across all areas of the business and contains objectives to help the Group create sustainable change for First Nations Australians.

At today's meeting, Gene Tilbrook is standing for re-election as an independent Non-Executive Director. Gene joined the GPT Board in 2010, and has made a strong contribution to the Group during his tenure. You will hear from Gene a little later.

The GPT Board remains focused on ensuring the Group delivers long-term value to securityholders. The Board and I believe that we have a strong and capable executive team in place to take full advantage of the opportunities that the business has in 2017 and beyond.

In closing, I would like to thank all securityholders for their support in 2016.