

THE GPT GROUP ANNOUNCES

27 April 2017

March Quarter Operational Update

The GPT Group today announced its operational update for the March 2017 quarter.

Key Highlights

- Retail specialty sales growth of 2.4 per cent over the year
- Total office leasing of 39,400 sqm signed or at Heads of Agreement (HoA)
- GPT's investment portfolio 97.7 per cent occupied at 31 March
- Construction commenced at 4 Murray Rose Avenue, Sydney Olympic Park
- 18,000 sqm logistics facility completed in Seven Hills, Sydney
- GWSCF fund terms successfully renewed

CEO and Managing Director Bob Johnston said GPT continued to perform strongly over the March quarter.

"The Group continues to benefit from the strong conditions in the Sydney and Melbourne CBD office markets, while sales productivity in our Retail portfolio increased to \$11,072 per square metre. During the quarter, GPT has also made good progress advancing several developments across its Retail, Office and Logistics portfolios," Mr Johnston said.

"Overall, GPT remains well positioned to deliver its full year 2017 guidance."

Retail

GPT's comparable specialty moving annual turnover¹ (MAT) was up 2.4 per cent, with total centre MAT growth of 3.2 per cent. Specialty retail sales were \$11,072 per square metre at 31 March.

The GPT Wholesale Shopping Centre Fund (GWSCF) revalued eight assets during the quarter, resulting in an increase in the value of the portfolio by \$40.1 million. GWSCF's weighted average capitalisation rate firmed by 4 basis points to 5.42 per cent.

During the period the redevelopment of Macarthur Square, which is 50 per cent owned by GWSCF, was completed and has been welcomed with strong trade since opening. The \$240 million expansion increased the centre's gross lettable area (GLA) from 94,300 to 107,000 square metres and includes 40 new specialty stores, a new format David Jones, fresh food hall, new look Coles, alfresco dining precinct and H&M.

Following the end of the quarter, the Highpoint Property Group (HPG) announced it was reviewing its 25 per cent ownership interest in the GPT managed Highpoint Shopping Centre. GPT and GWSCF, which hold a combined 75 per cent ownership interest in the centre, have pre-emptive rights over HPG's interest in the asset which has yet to be formally offered to the co-owners. A decision on whether to exercise these pre-emptive rights will be made once the final price and terms are determined by HPG.

1. Excludes development impacted centres (Sunshine Plaza, Wollongong Central, Macarthur Square) and assets sold in the period (Woden, Dandenong).

Office

During the March quarter, a total of 39,400 square metres of new leases and renewals (including Heads of Agreement) were agreed across the portfolio. As a result, office occupancy was largely unchanged at 96.7 per cent as at 31 March (excluding HoA).

The key leasing deals completed during the quarter include:

Asset	Tenant	Status	Area	Term
Melbourne Central Tower, Melbourne	Allianz	Signed	7,260 sqm	5 years
Citigroup Centre, Sydney	Confidential	Signed	3,600 sqm	5.8 / 6.5 years
CBW, Melbourne	Deloitte	Signed	1,500 sqm	2.9 years
Melbourne Central Tower, Melbourne	Wilson Parking	Signed	1,470 sqm	5 years
Australia Square, Sydney	Confidential	HoA	1,060 sqm	5 years

Construction has commenced on GPT's 15,700 square metre A-Grade office building at 4 Murray Rose Avenue, Sydney Olympic Park. The building, which will have the NSW Rural Fire Service as its major tenant, is due for completion in October 2018.

GPT settled on its \$31.2 million purchase of a 2,439 square metre site on the corner of Smith and Phillip Streets in the Parramatta CBD during the quarter. A design competition has commenced for the proposed development and there has been good early enquiry from prospective tenants. The site will accommodate a 26,000 square metre prime office tower.

The GPT Wholesale Office Fund (GWOFF) revalued nine assets during the quarter, resulting in an increase in the value of the portfolio by \$123.1 million. GWOFF's weighted average capitalisation rate firmed by 13 basis points to 5.42 per cent.

Logistics

The Group made good progress on its logistics development pipeline during the period.

Construction of an 18,000 square metre logistics facility at Abbott Road, Seven Hills, has reached completion. A tenant has been secured over 9,000 square metres on a 7 year term.

During the quarter, a Heads of Agreement was signed over a 21,000 square metre facility at GPT's newly acquired Huntingwood Drive asset for a term of 10 years. The 7 hectare site also has the potential to accommodate an additional 10,000 square metres of logistics space and GPT is progressing plans for a future development on the site.

During the period, the Group commenced works at Eastern Creek Drive, Sydney, where it has received development approval for a 25,600 square metre logistics facility. Construction of the asset is expected to complete in the final quarter of 2017.

The Group has also commenced early site works for the construction of a proposed 30,000 square metre warehouse at Old Wallgrove Road, Eastern Creek. Completion of this project is targeted for the second half of 2018.

Funds Management

GWOF delivered a total return of 12.0 per cent for the 12 months to 31 March, with GWSCF delivering a total return of 10.2 per cent over same the period.

During the period, GWOF reached a binding contract for the sale of 545 Queen Street, Brisbane for \$70.5 million. Settlement is scheduled to occur in May.

In February, at GWSCF's Extraordinary General Meeting, 100 per cent of unitholders voted in favour of the new fund terms, which included the removal of the performance fee structure and retaining a management fee of 45 basis points on Gross Asset Value (GAV).

In March, the liquidity review period for GWSCF closed with liquidity requests representing 2.4 per cent of issued capital being received. These securities have been offered to existing investors under the Fund's pre-emptive trading provisions, with the offer closing in mid-May.

Capital Management

GPT remains in a strong capital position, with gearing of 24.9 per cent as at 31 March.

During the quarter, GWOF issued its second domestic medium term note, raising \$200 million of 10 year bonds. The bond issue received strong investor support, with final pricing at 160 basis points over the benchmark swap rate, and a fixed coupon of 4.52 per cent.

2017 Guidance

GPT is on track to achieve FFO per security growth of approximately 2 per cent for the full year 2017, and distribution per security growth of approximately 5 per cent.

-ENDS-

For more information, please contact:

Investors:

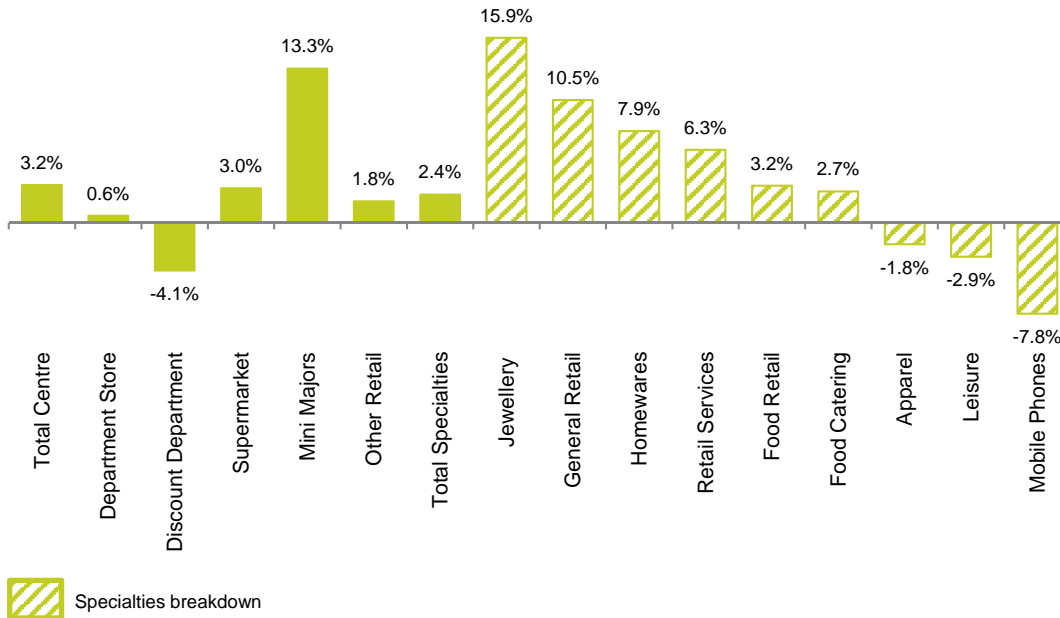
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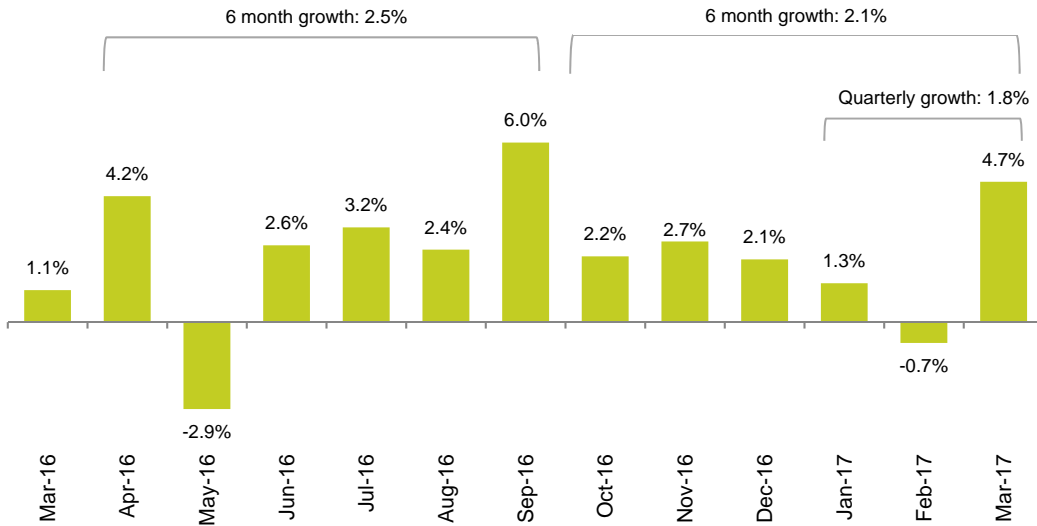
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APPENDIX 1 – RETAIL SALES

Comparable Annual Retail Sales Growth by Category



Specialty Monthly Sales Growth¹



1. Excludes development impacted centres (Sunshine Plaza, Wollongong Central, Macarthur Square) and assets sold in the period (Woden, Dandenong) to calculate comparable, quarterly and six month growth data to 31 March 2017.

Retail Portfolio Sales Performance by Centre

	Ownership	Moving Annual Turnover (MAT)				Specialty Occupancy Cost
		Centre MAT (\$m)	Comparable Centre MAT Growth	Comparable Specialty MAT Growth	Specialty MAT (\$psm)	
GPT Portfolio						
Casuarina Square	50%	\$389.6	0.4%	(0.6%)	\$11,496	16.3%
Charlestown Square	100%	\$553.9	3.7%	1.6%	\$12,161	13.9%
Highpoint Shopping Centre	16.67%	\$988.7	0.4%	0.5%	\$10,777	19.6%
Melbourne Central Retail	100%	\$494.3	9.6%	6.9%	\$12,170	18.8%
Rouse Hill Town Centre	100%	\$431.2	2.6%	3.6%	\$8,442	14.8%
Westfield Penrith ²	50%	\$638.3	1.2%	(1.7%)	\$12,455	17.7%
GWSCF Portfolio						
Casuarina Square	50%	\$389.6	0.4%	(0.6%)	\$11,496	16.3%
Chirnside Park	100%	\$272.1	(0.4%)	4.1%	\$11,762	15.4%
Highpoint Shopping Centre	58.33%	\$988.7	0.4%	0.5%	\$10,777	19.6%
Northland Shopping Centre ³	50%	\$529.5	2.5%	1.6%	\$8,639	19.2%
Norton Plaza	100%	\$126.4	2.1%	1.9%	\$11,851	14.0%
Parkmore Shopping Centre	100%	\$255.0	(0.2%)	(2.4%)	\$8,814	15.4%
GPT Weighted Total		\$2,585.4	3.2%	2.4%	\$11,072	16.8%

Centres Under Development

GPT Portfolio						
Sunshine Plaza ¹	50%	\$532.3	0.7%	1.9%	\$11,691	18.6%
GWSCF Portfolio						
Macarthur Square ¹	50%	\$539.1	(5.8%)	(4.2%)	\$10,584	16.1%
Wollongong Central	100%	\$274.0	3.5%	3.1%	\$8,494	16.1%

1. Analysis provided by Lend Lease.

2. Analysis provided by Scentre Group.

3. Analysis provided by Vicinity.

GPT reports in accordance with the Shopping Centre Council of Australia guidelines.

APPENDIX 2 – PORTFOLIO REVALUATIONS

	As at 31 March 2017			As at 31 December 2016	
	Ownership	Fair Value (\$m)	Cap Rate	Fair Value (\$m)	Cap Rate
GWSCF Portfolio					
Highpoint Shopping Centre ¹	58.33%	\$1,352.7	4.75%	\$1,341.1	4.75%
Macarthur Square	50%	\$554.4	5.50%	\$512.4	5.75%
Northland Shopping Centre	50%	\$484.3	5.625%	\$483.0	5.625%
Wollongong Central	100%	\$410.2	5.75%	\$403.3	5.75%
Casuarina Square	50%	\$314.2	5.75%	\$313.0	5.75%
Chirnside Park	100%	\$278.0	6.00%	\$274.0	6.00%
Parkmore Shopping Centre	100%	\$255.0	6.25%	\$254.3	6.25%
Norton Plaza	100%	\$140.2	5.75%	\$137.4	6.00%
GWOF Portfolio					
Darling Park 1, Sydney			5.13%		5.50%
Darling Park 2, Sydney	50%	\$856.3	5.13%	\$815.4	5.25%
Cockle Bay Wharf, Sydney			5.75%		6.00%
Darling Park 3, Sydney	100%	\$467.0	5.13%	\$413.7	5.50%
8 Exhibition Street, Melbourne	50%	\$222.5	5.00%	\$210.7	5.25%
150 Collins Street, Melbourne	100%	\$218.9	5.25%	\$214.6	5.38%
655 Collins Street, Melbourne	100%	\$142.0	5.13%	\$137.9	5.25%
750 Collins Street, Melbourne	100%	\$251.0	5.50%	\$250.2	6.75%
2 Southbank Boulevard, Melbourne	50%	\$240.0	5.50%	\$231.1	5.75%
Riverside Centre, Brisbane	100%	\$629.0	5.88%	\$628.8	5.88%

1. Fair value includes Homemaker City Maribyrnong.