



GPT

The GPT Group

2018
ANNUAL
REVIEW

About this report

GPT's Annual Review includes financial summaries derived from the 2018 Annual Financial Report and 2018 Annual Result announcement, which were released on Monday, 11 February 2019. The GPT 2018 Annual Financial Report is available on GPT's website, www.gpt.com.au or on request from the GPT Securityholder Centre on 1800 025 095 (freecall within Australia).

The Annual Review provides an integrated view of GPT's business and is guided by The International Integrated Reporting Framework.

GPT has engaged Ernst & Young to undertake limited assurance procedures over a number of non-financial key performance indicators that the company deems material to its operations. Ernst & Young's assurance statement is available on GPT's website at www.gpt.com.au.

AGM information

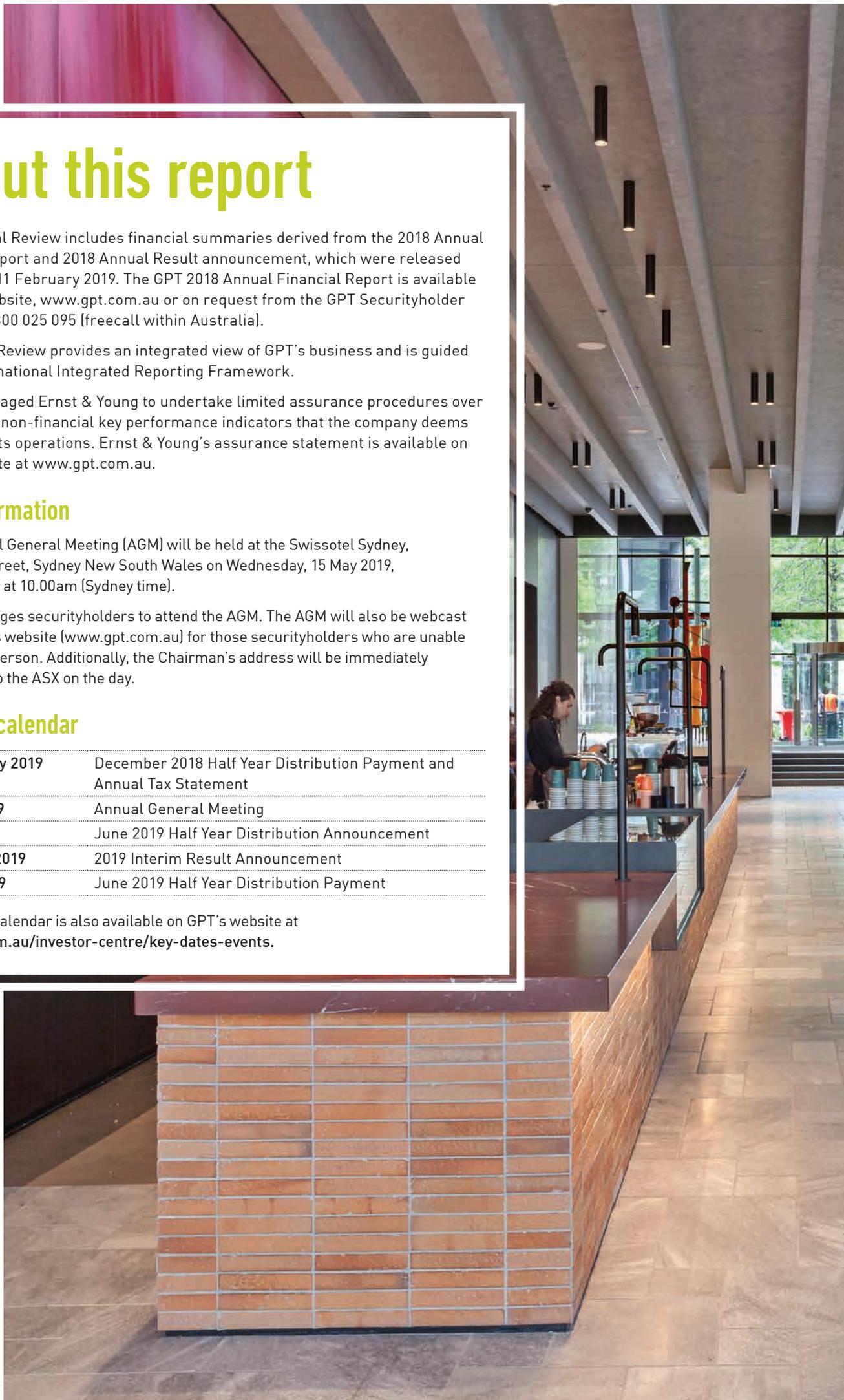
GPT's Annual General Meeting (AGM) will be held at the Swissotel Sydney, 68 Market Street, Sydney New South Wales on Wednesday, 15 May 2019, commencing at 10.00am (Sydney time).

GPT encourages securityholders to attend the AGM. The AGM will also be webcast live via GPT's website (www.gpt.com.au) for those securityholders who are unable to attend in person. Additionally, the Chairman's address will be immediately announced to the ASX on the day.

Investor calendar

28 February 2019	December 2018 Half Year Distribution Payment and Annual Tax Statement
15 May 2019	Annual General Meeting
June 2019	June 2019 Half Year Distribution Announcement
12 August 2019	2019 Interim Result Announcement
August 2019	June 2019 Half Year Distribution Payment

An investor calendar is also available on GPT's website at www.gpt.com.au/investor-centre/key-dates-events.



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Note: All information included in this report includes GPT owned assets and GPT's interest in the Wholesale Funds (GWOF and GWSCF) unless otherwise stated.

The GPT Group

GPT is an owner and manager of a \$14.0 billion diversified portfolio of high quality Australian retail, office and logistics property assets and together with GPT's funds management platform the Group has \$24.0 billion of property assets under management (AUM).

GPT owns some of Australia's most prominent real estate assets, including Melbourne Central and Highpoint Shopping Centre in Melbourne, Australia Square, 1 Farrer Place and Citigroup Centre in Sydney and One One One Eagle Street in Brisbane.

Listed on the Australian Securities Exchange (ASX) since 1971, GPT is today one of Australia's largest diversified listed property groups with a market capitalisation of approximately \$9.6 billion. GPT is one of the top 50 listed stocks on the ASX by market capitalisation as at 31 December 2018.

Our vision is to be the most respected property company in Australia, making astute capital allocation decisions, delivering best in class performance from our assets and capitalising on opportunities we create.



Retail Portfolio

- 13 shopping centres
- 940,000 sqm GLA
- 3,200+ tenants
- \$6.2b portfolio
- \$10.0b assets under management



Office Portfolio

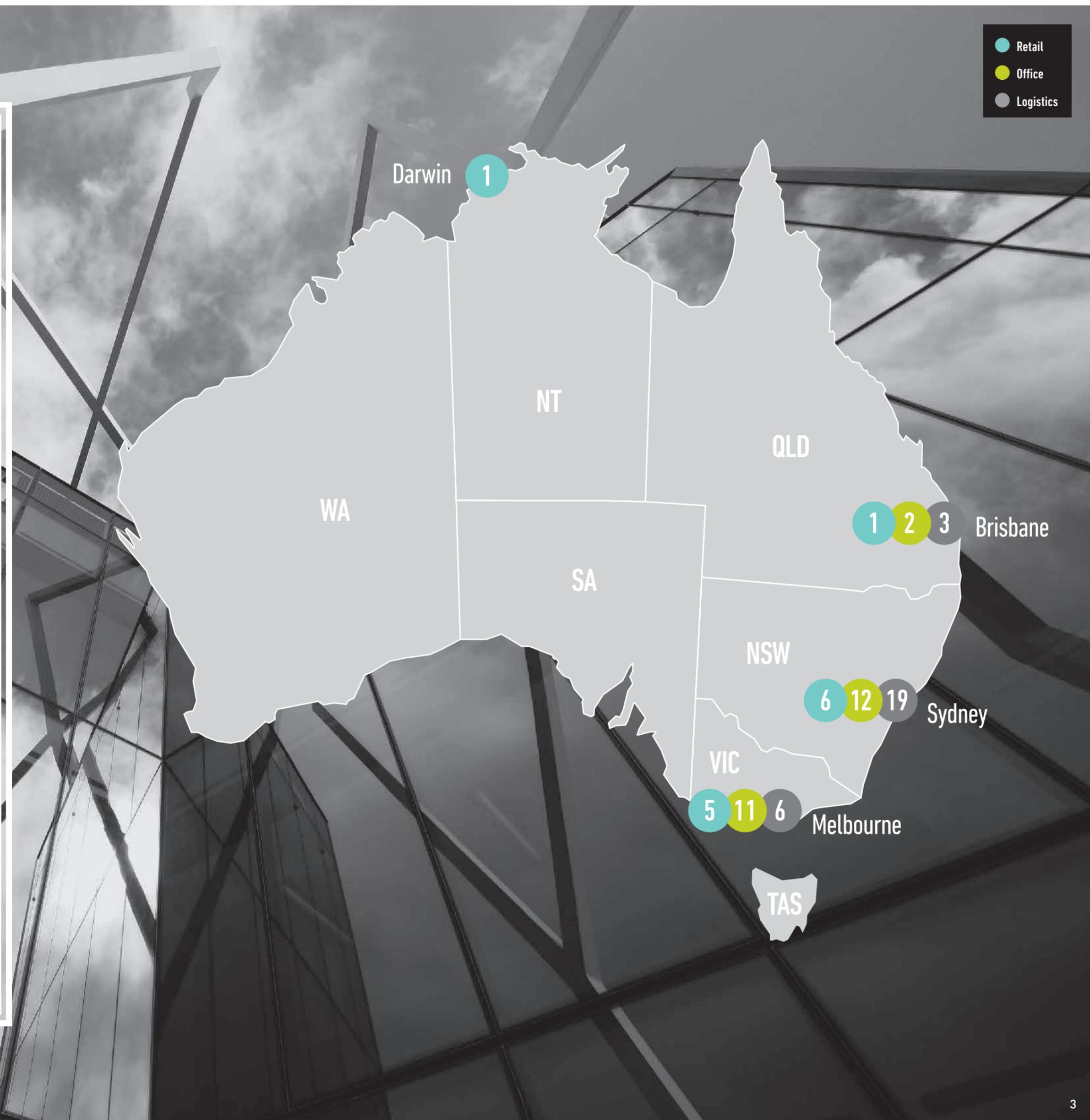
- 25 assets
- 1,150,000 sqm NLA
- 550+ tenants
- \$5.9b portfolio
- \$12.1b assets under management



Logistics Portfolio

- 28 assets
- 870,000 sqm GLA
- 80+ tenants
- \$1.9b portfolio
- \$1.9b assets under management

- Retail
- Office
- Logistics





Our Strategy

We own a portfolio of high quality assets across the three core sectors of Retail, Office and Logistics, with an emphasis on the gateway cities of Sydney and Melbourne.

The Group is focused on four key pillars of the business to drive performance:

1

Investment Portfolio

Build on strong market position and high quality portfolio

2

Development

Maximise value of development pipeline opportunities

3

Funds Management

Consolidate our position as a leading fund manager

4

Strong Balance Sheet and Efficient Structure

Maintain strong capital position and efficient operating model





Chairman's Report

Vickki McFadden
CHAIRMAN

I am pleased to present the 2018 Annual Review for The GPT Group.

The Group has had another strong year and delivered excellent results for securityholders. Net Profit After Tax was \$1,451.7 million for the 12 months to 31 December, an increase of 14.5 per cent on the prior year. The Group's Funds From Operations (FFO) was \$574.6 million, representing FFO growth per security of 3.5 per cent for the year, in line with our upgraded guidance in October 2018. Distributions per security also increased 3.5 per cent to 25.46 cents, representing a payout ratio of 99.8 per cent. The Group's Total Return of 15.8 per cent included \$910.7 million of valuation gains across our portfolio. These are pleasing results and reflect the Group's strategy to own and manage a high quality diversified real estate portfolio predominantly located in Australia's largest cities.

During the year the Board has taken the opportunity to review the Group's strategy and reflect on the changing environment. We will continue to have a diversified portfolio across the Retail, Office and Logistics sectors, but are targeting to increase our exposure to the Logistics sector over the coming years. We expect to achieve this through both development and acquisitions. As part of the review the Group made the decision to sell the MLC Centre and redeploy this capital into the Group's development pipeline and other opportunities that are consistent with this strategy. The Group's balance sheet is strong and prudent capital management remains a focus for the Board, particularly given the recent volatility in both global and domestic markets. Both the Board and Management will continue to ensure that there is an appropriate balance between risk and growth.

GPT seeks to ensure the Group maintains the very highest standards of governance. The recent Royal Commission into the financial services industry has been a timely reminder of the need for boards and management to ensure appropriate standards of ethical and honest behaviour are embedded from the top down. The Board, our Leadership Team and our employees recognise that GPT's vision to be the most respected property company in Australia in the eyes of our investors, people, customers and communities can only be achieved if we continue to uphold the highest ethical and moral standards.

The Board is also committed to a remuneration framework that promotes alignment with the Group's objectives and our securityholders, is competitive to attract and retain our employees, and encourages superior performance within our ethical and moral standards. The framework is designed to link the remuneration paid not only to the Group's performance, but importantly to the individual's performance and behaviours. Our framework also requires the GPT Board and Leadership Team to achieve and to maintain a minimum security holding, ensuring alignment with securityholders. I encourage you to read the Group's remuneration report on page 14 of our Annual Financial Report for further details.

GPT continues to progress its agenda to promote inclusiveness, gender equality and diversity. In 2018, GPT was awarded Employer of Choice for Gender Equality status by the Workplace Gender Equality Agency (WGEA). WGEA is an Australian Government statutory agency, and the citation recognises GPT's ongoing commitment to promoting gender equality in the



Casuarina Square, Darwin

workplace. We are also continuing our work toward improved LGBTI inclusion as part of our response to the Australian Workplace Equality Index. During the year, GPT increased the participation of First Nations employees in the permanent workforce, and we also signed a 10 year commitment to our First Nations internship program with CareerTrackers. While we are making good progress, there is more work to be done and I look forward to sharing our achievements with you.

With assets under management of \$24 billion, GPT is conscious of the impact that the built environment can have on the environment including carbon emissions. In 2018, GPT was again one of the world's top ranked property companies in both the Dow Jones Sustainability Index, as well as the Global Real Estate Sustainability Benchmark (GRESB). As a leader in sustainability among global property companies, we have established a target to be carbon neutral by 2030. GPT's ongoing focus on reducing its environmental footprint resulted in several milestones in 2018, including our 580 George Street office building in Sydney being awarded Australia's first rating with the renewed NABERS Waste benchmark. The GPT Wholesale Office Fund also advanced its commitment to reducing its environmental impact by establishing a new target to be carbon neutral by the end of 2020.

As an essential part of our governance framework, we are continuing our process of orderly Board renewal which began in 2018. In the past year, I was appointed as Chairman following the retirement of Rob Ferguson, and Angus McNaughton joined the Board as a Non-Executive Director, coinciding with the retirement of Brendan Crotty. Angus was

formerly the CEO and Managing Director of Vicinity Centres and brings extensive real estate and funds management experience to the Board.

I wish to acknowledge and express our gratitude for the valuable and extensive contribution of Rob and Brendan to The GPT Group. Rob's stewardship played a major role in steering GPT into the clear strategic direction it has today. Brendan served on the Board for 9 years and provided invaluable property expertise and judgment to the Group.

This year, Eileen Doyle will be retiring from the Board at the conclusion of the 2019 Annual General Meeting. I would like to thank Eileen for her contribution to GPT, and on behalf of all securityholders, the Board and Management at GPT, wish Eileen the very best in her future endeavours. We intend to appoint another non-executive director to the Board in the near future.

On behalf of the GPT Board, I would like to thank all securityholders for their continued support. The GPT Board and Leadership Team remain focused on ensuring that GPT continues to deliver long-term value for securityholders.

Vickki McFadden
Chairman

CEO Report



Bob Johnston

**CEO AND MANAGING
DIRECTOR**

GPT delivered another strong result in 2018, driven by the execution of our strategy to own and manage a diversified portfolio of high quality Retail, Office and Logistics assets in Australia's largest cities. The Group now has assets under management of \$24 billion, with more than 88 per cent located in the strongest markets of NSW and Victoria.

The Group's Retail portfolio continued to deliver high sales productivity and maintained occupancy above 99 per cent during the year. Melbourne Central, Charlestown Square and Rouse Hill Town Centre were our strongest performing assets in 2018. The value of the Retail portfolio grew by \$161.0 million during the year, primarily driven by an increase in the valuation of Melbourne Central, which in 2018 became the most productive retail centre in the country. The centre welcomes over 50 million visitors per year, and in 2020 we plan to commence a 7,000 square metre retail expansion and the construction of a new 20,000 square metre office complex which will further enhance this mixed-use asset.

In late 2018, the first stage of the \$432 million Sunshine Plaza expansion was opened which included more than 33 new specialty retailers and a refurbished Myer department store. The final stage will open on 28 March 2019, reinforcing the asset's position as the dominant retail destination on the Sunshine Coast.

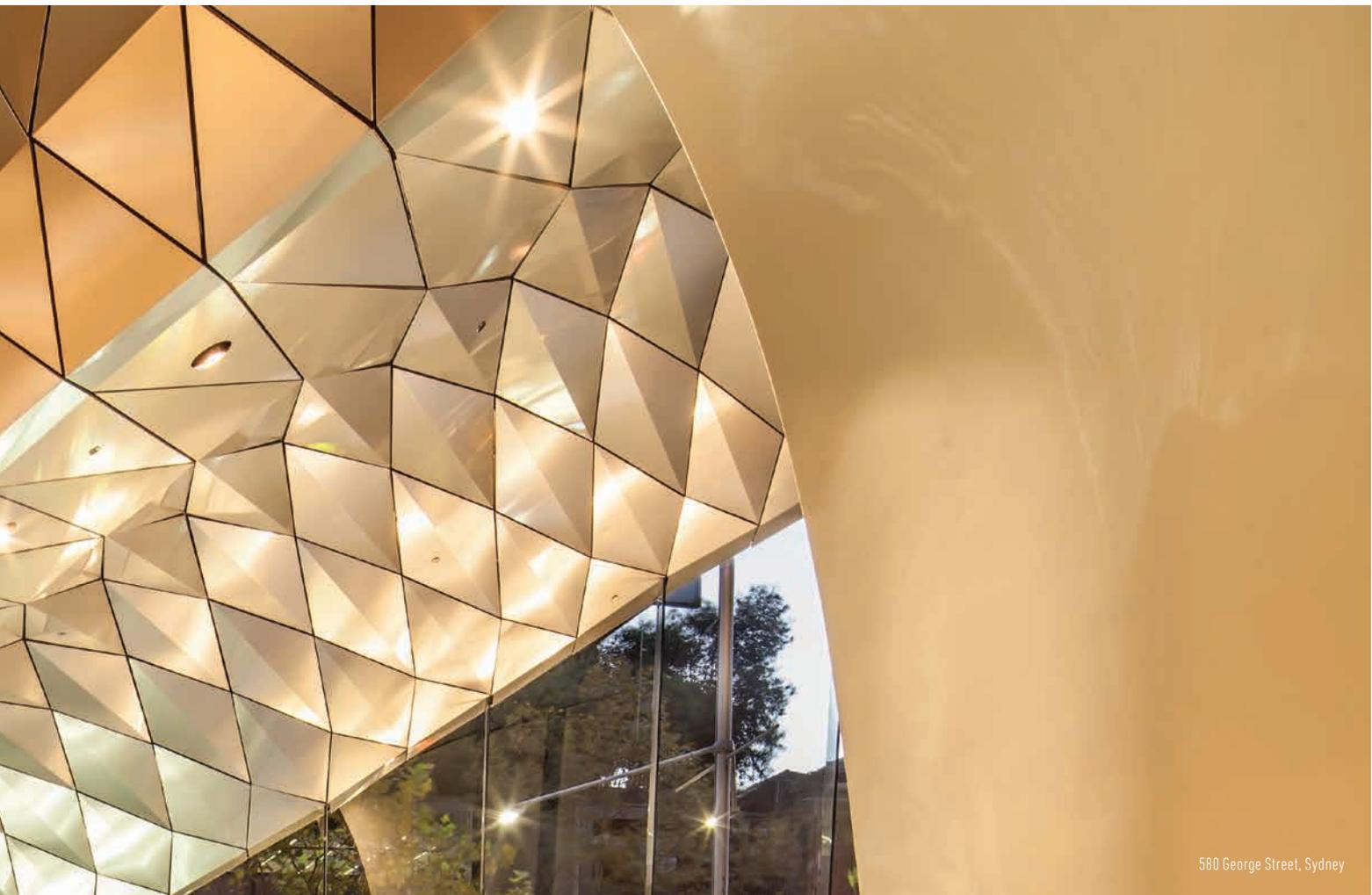
The Group is also progressing a proposed \$170 million expansion of Rouse Hill Town Centre in Sydney, which is targeted to commence in 2020. The redevelopment will include approximately 16,000 square metres of retail, residential and 4,500 square metres of commercial space. The asset is well placed to benefit from the significant Government infrastructure investment in the region, with the first stage of the new North-West Metro rail line due to commence operations in May 2019 and includes a station on the doorstep of Rouse Hill Town Centre.

Our Office portfolio delivered outstanding results for the year, achieving like-for-like income growth of 5.8 per cent. After a year of strong leasing activity, occupancy across the Office portfolio at year end was 97.1 per cent and revaluation gains totaled \$598.5 million. The portfolio continues to benefit from its 90 per cent weighting to Sydney and Melbourne office markets, which are expected to again deliver solid growth in 2019.

The Group has made good progress on several key office developments during the year. In October, the Group completed its 4 Murray Rose office building at Sydney Olympic Park. Construction also commenced on a new 26,400 square metre office tower in Parramatta following a pre-commitment from QBE Insurance to lease 51 per cent of the building. We further increased our exposure to Parramatta office market with the purchase of the 25,700 square metre Eclipse Tower for \$277.6 million.

In January 2019, the Group announced that it would divest its 50 per cent interest in Sydney's MLC Centre. The proceeds from the sale will be reinvested into the Groups development pipeline, which includes 32 Smith Street in Parramatta, the Melbourne Central office and retail complex, the Rouse Hill Town Centre expansion and additional logistics developments.

We have maintained our focus on growing the Logistics portfolio, principally in Sydney and Melbourne where demand for quality warehouse space remains strong. During the year, the Logistics portfolio delivered like-for-like income growth of 2.8 per cent and a valuation increase of \$151.2 million. The Logistics development team made good



580 George Street, Sydney

progress creating new investment assets for the portfolio, completing an 11,000 square metre facility at Huntingwood in Sydney and a 30,000 square metre warehouse at Sydney's Eastern Creek.

The Group expanded its presence in Melbourne's industrial market with the acquisition of three prime industrial assets in Sunshine, Truganina and Derrimut. These properties are all 100 per cent occupied. The Group has also acquired two parcels of land in Truganina with a combined site area of 23 hectares, providing the opportunity to build 140,000 square metres of new logistics space.

Our Funds Management platform continues to be an important part of the Group, providing access to both domestic and offshore institutional capital with a mandate to invest in unlisted real estate funds. Our Funds Management platform provides the Group with operational leverage for the management platform and an enhanced return on our equity investment in the Funds, which now totals more than \$2.5 billion. Assets Under Management increased to \$12.6 billion at year-end.

The balance sheet remains in a healthy position, and the successful sale of the MLC Centre will only reinforce this position. The Group enjoys strong support from its diverse lending sources, with the strength of the balance sheet reflected in the A/A2 credit ratings from S&P and Moodys.

An engaged team is of paramount importance for any business. Our staff engagement score is well above the Australian norm and significant emphasis is placed on the training and development of our people. The Group maintains

a strong focus on our core values and the risk culture of the organisation. An independent survey on risk culture was conducted in 2018, the results of which demonstrates the Group has a culture that is aligned to our values. The survey did highlight opportunities to further enhance our culture and this will be a focus for the Leadership Team in 2019.

Whilst both global and domestic markets are showing signs of slowing, we remain cautiously optimistic about the outlook for the year ahead. We expect our Office portfolio to continue to benefit from the strong market conditions in the Sydney and Melbourne office markets, our Retail assets to deliver further growth, and our Logistics portfolio to benefit from demand and limited supply. Our focus remains on investing in the gateway cities of Sydney and Melbourne, and we are targeting to increase our exposure to the Office and Logistics sectors in these cities over the medium term.

On behalf of the management team, I would like to thank the Board for their guidance and securityholders for your continued investment and support. I look forward to updating you on our activities throughout the course of 2019.

Bob Johnston
CEO and Managing Director

Financial Performance

NET PROFIT AFTER TAX OF

\$1.452 billion

EARNINGS GROWTH

3.5%

FUNDS FROM OPERATIONS
PER SECURITY

DISTRIBUTIONS UP

3.5%

TO 25.46 CENTS PER SECURITY

Year ended 31 December	2018 (\$m)	2017 (\$m)	Change
Funds From Operations (FFO)	574.6	554.2	▲ 3.7%
Valuation increases	910.7	717.7	
Financial Instruments marked to market and net foreign exchange loss	(39.6)	(2.9)	
Other items ²	6.0	(1.0)	
Net Profit after Tax¹	1,451.7	1,268.0	▲ 14.5%
FFO per ordinary security (cents)	31.84	30.77	▲ 3.5%
Distribution per ordinary security (cents)	25.46	24.60	▲ 3.5%

As at 31 December	2018	2017	Change
Total assets (\$m) ¹	14,778.0	12,957.3	▲ 14.1%
Total borrowings (\$m)	4,114.9	3,300.6	▲ 24.7%
Net tangible assets per security (\$)	5.58	5.04	▲ 10.7%
Net gearing	26.3%	24.4%	▲ 190 bps

1. The 31 December 2017 net profit after tax and total assets have been restated as a result of the adoption of new accounting standards.

2. Other items include impairment expenses, amortisation of intangibles, profit on disposal of assets and related tax impact.

15.8%

TOTAL RETURN

26.3%

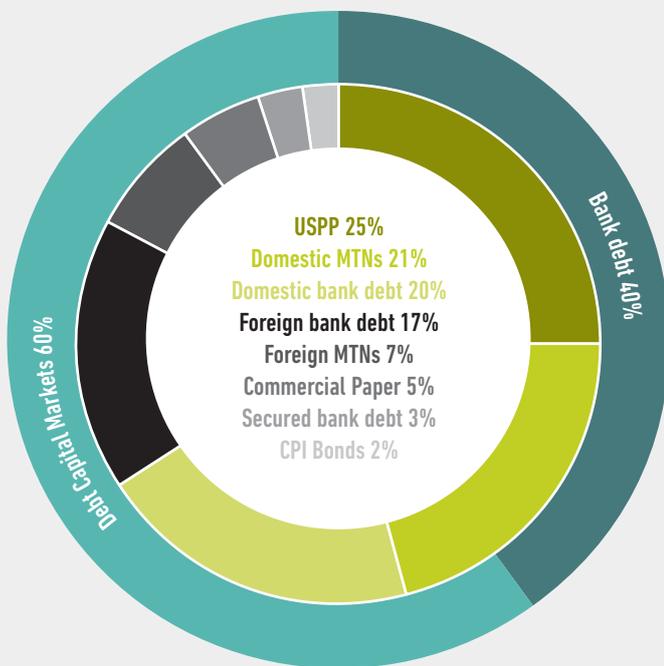
GEARING

60%

DEBT SOURCED FROM CAPITAL MARKETS

Well-Diversified Sources of Drawn Debt

AS AT 31 DECEMBER 2018



GPT has an A (stable) credit rating from Standard & Poors and an A2 (stable) credit rating from Moody's.

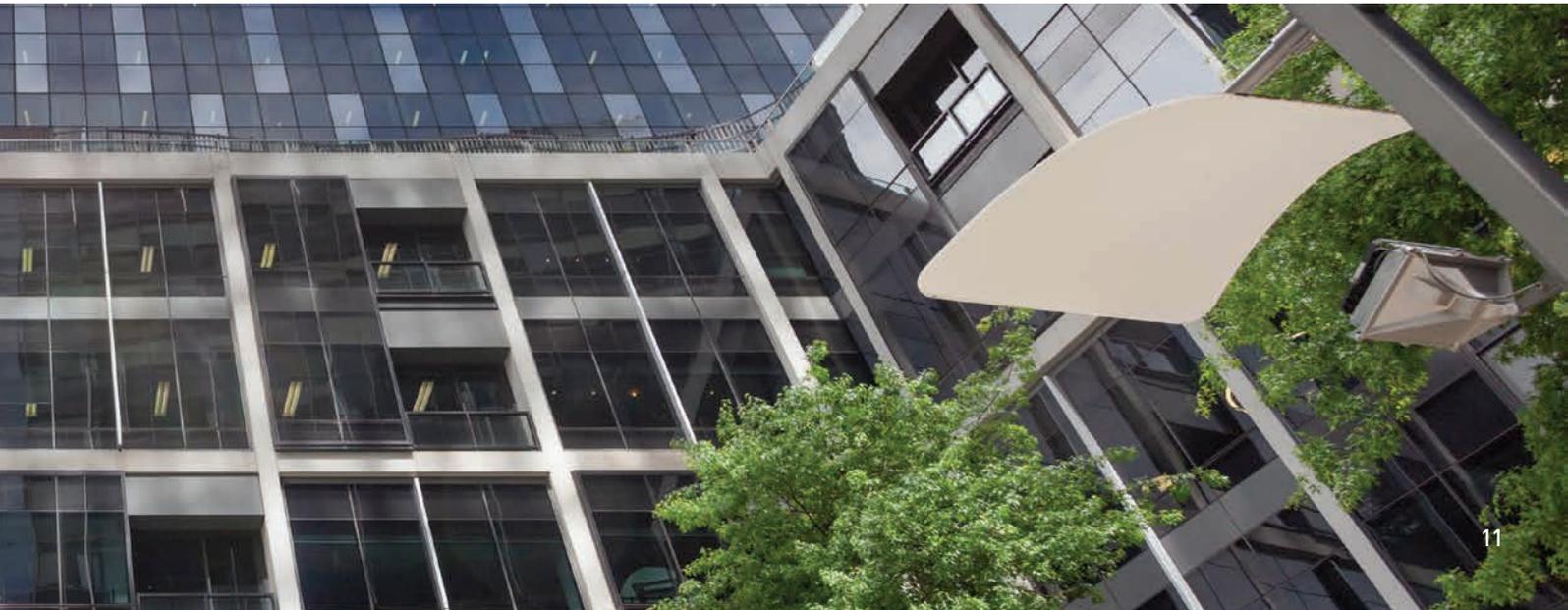
For the 2018 financial year, Statutory Net Profit After Tax was \$1,451.7 million, up 14.5 per cent on the prior corresponding period. Funds From Operations (FFO) were \$574.6 million, resulting in FFO per security growth of 3.5 per cent in the 12 months to 31 December 2018. On a per security basis, FFO was 31.84 cents.

The Group announced distributions per security of 25.46 cents for the full year, an increase of 3.5 per cent on distributions paid in 2017. GPT's overall payout ratio in 2018 was 99.8 per cent.

Net Tangible Assets (NTA) per security increased 54 cents or 10.7 per cent to \$5.58 over the 12 months to 31 December. This was largely a result of the \$910.7 million in revaluation gains across GPT's property portfolio.

The Group's weighted average cost of debt for the year was 4.2 per cent and the weighted average term to maturity was 6.3 years. GPT's balance sheet was in a strong position at the end of the reporting period, with net gearing at 26.3 per cent.

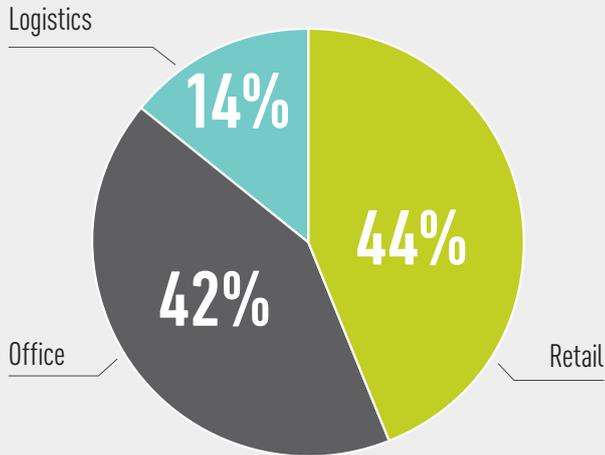
The Group's single A credit rating with S&P and A2 rating with Moody's reflects GPT's strong capital position.



Operational Performance

GPT Portfolio Diversity¹

AS AT 31 DECEMBER 2018



GPT's portfolio consists of high quality properties in the retail, office and logistics sectors.

1. Based on GPT-owned assets plus GPT's proportional interest in the Wholesale Funds (GWOF and GWSCF).



COMPARABLE INCOME
GROWTH OF

3.8%

FROM OUR PORTFOLIO
OF QUALITY ASSETS

ASSET PORTFOLIO

97.8%

OCCUPIED

WEIGHTED AVERAGE LEASE EXPIRY

4.9 years

FOR THE PORTFOLIO

DJSI INDUSTRY LEADER

top 5%

OF REAL ESTATE COMPANIES

	Portfolio Size	Comparable Income Growth ¹	Weighted Average Lease Expiry	Occupancy	Weighted Average Capitalisation Rate
Retail	\$6.20b	2.2%	4.0 years	99.6%	4.88%
Office	\$5.93b	5.8%	5.2 years	97.1%	4.95%
Logistics	\$1.89b	2.8%	7.1 years	97.2%	5.78%
Total/Average	\$14.02b	3.8%	4.9 years	97.8%	5.02%

1. Income for the 12 months to 31 December 2018 compared to the previous corresponding period.



Highpoint Shopping Centre, Melbourne

Retail Portfolio

GPT is a leading owner, manager and developer of Australian retail property.



The Group's retail investments of \$6.2 billion include a portfolio of high quality assets held on the Group's balance sheet and an investment in the GPT Wholesale Shopping Centre Fund (GWSCF). With a focus on assets that dominate their catchment areas, GPT has total retail assets under management of \$10.0 billion including Melbourne Central, Rouse Hill Town Centre and Highpoint Shopping Centre.

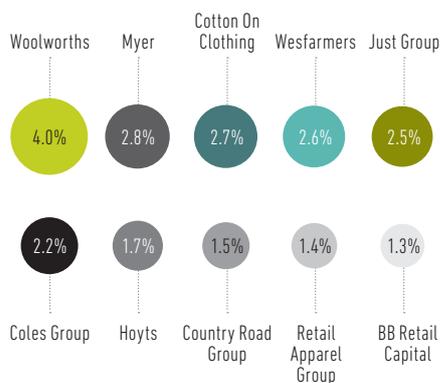
Year Ended 31 December	2018	2017
Number of Shopping Centres ¹	13	13
Portfolio value	\$6.2 billion	\$5.9 billion
Comparable income growth	2.2%	3.8%
Comparable total centre sales growth ²	2.4%	1.7%
Comparable total specialty sales growth ²	3.6%	3.1%
Specialty sales productivity ²	\$11,460 per sqm	\$11,185 per sqm
Occupancy	99.6%	99.6%
Weighted average capitalisation rate	4.88%	5.10%

1. GPT and GWSCF owned assets.

2. Based on GPT weighted interest and excludes assets under development. Growth is for the 12 months compared to the prior 12 months.

Top Ten Tenants³

AS AT 31 DECEMBER 2018



Geographic Weighting

AS AT 31 DECEMBER 2018

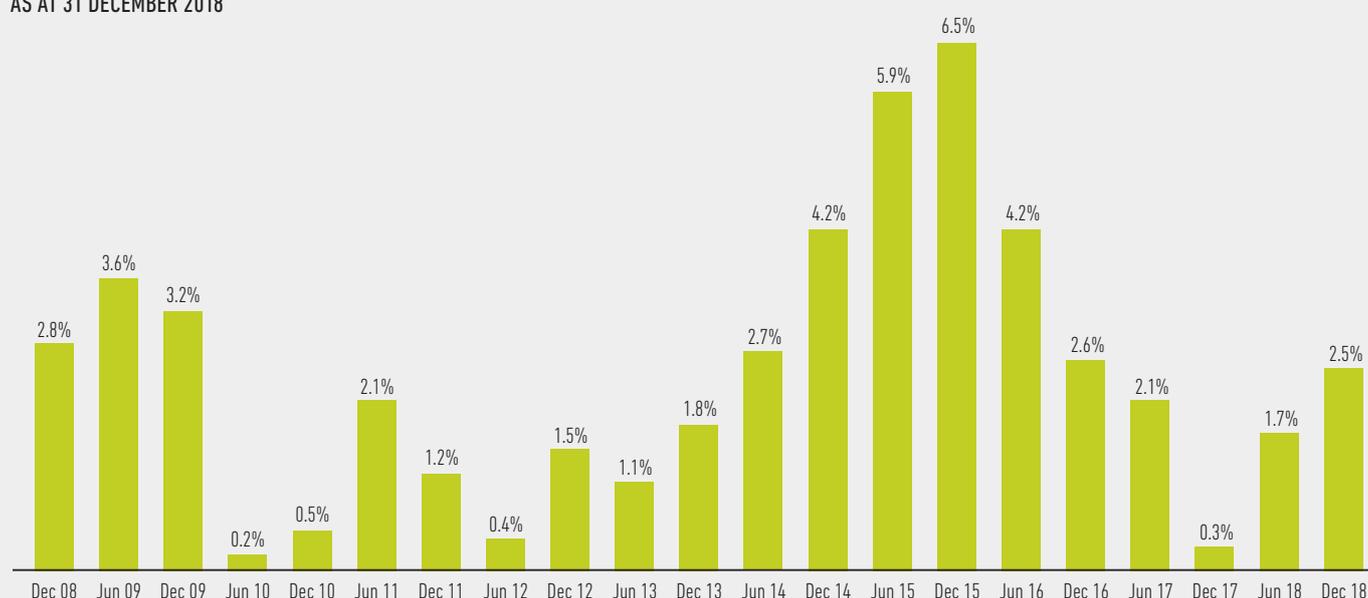


3. Based on gross rent (including turnover rent).



Specialty MAT Growth¹

AS AT 31 DECEMBER 2018



Note: From December 2014, based on GPT weighted interest.
Excludes development impacted centres (Sunshine Plaza, Macarthur Square and Wollongong Central).
1. Represents Specialty Tenancies less than 400 sqm.

GPT's Retail portfolio reported healthy income growth for the year, demonstrating the high quality and resilience of its shopping centre assets.

The retail portfolio delivered 2.2 per cent like-for-like income growth for the year, with Charlestown Square, Melbourne Central and Rouse Hill Town Centre making strong contributions.

Specialty retail sales productivity increased 2.5 per cent on the previous year to \$11,460 per square metre. Occupancy across the portfolio at 31 December was 99.6 per cent.

The portfolio recorded valuation gains during the year of \$161 million, driven by a significant uplift at Melbourne Central, with a portfolio weighted average capitalisation rate of 4.88 per cent at 31 December.

GPT continued to invest in its shopping centres during the year to enhance the customer experience, and to drive sales performance.

In November, Stage One of the Sunshine Plaza expansion opened introducing a refurbished Myer store and 33 new specialty retailers to the centre which is 50 per cent owned by GPT. Stage Two of the Sunshine Plaza expansion is on track for completion in March 2019, which will introduce a new David Jones department store, a Big W, H&M and 70 specialty brands.

The Group submitted Development Applications for a proposed \$170 million expansion of Rouse Hill Town Centre in late 2018. The proposed development is targeted to commence by early 2020 and will include 16,300 square metres of retail, 4,500 square metres of commercial and residential space.

GPT is progressing plans for a 7,000 square metre retail expansion and new 20,000 square metre office complex at Melbourne Central. The Group plans to commence works on the development subject to securing a pre-commitment tenant for the office building.

Office Portfolio

GPT's office portfolio comprises ownership in 25 high quality assets across the three major capital cities on the eastern seaboard of Australia.

158,400sqm

LEASES SIGNED
IN 2018

\$598.5m

INCREASE IN THE VALUE
OF OUR OFFICE BUILDINGS

97.1%

TOTAL PORTFOLIO
OCCUPANCY

The Group's office investments of \$5.9 billion includes assets held on the Group's balance sheet and an investment in the GPT Wholesale Office Fund (GWOFF). Making their mark on the Sydney, Melbourne and Brisbane skylines, GPT has total office assets under management of \$12.1 billion including Australia Square, Melbourne Central Tower and One One One Eagle Street.

Year Ended 31 December	2018	2017
Number of Assets ¹	25	22
Portfolio Value	\$5.9 billion	\$4.9 billion
Comparable Income Growth	5.8%	5.0%
Occupancy ²	97.1%	95.2%
Weighted Average Lease Expiry	5.2 years	5.6 years
Weighted Average Capitalisation Rate	4.95%	5.18%

1. GPT and GWOFF owned assets. 2. Includes signed leases.

Top Ten Tenants³

AS AT 31 DECEMBER 2018

Government 6.7%	NBN Co 3.0%
Deloitte 4.2%	Amazon Web Services 2.9%
IAG 3.2%	Members Equity Bank 2.7%
QBE 3.2%	NAB 2.5%
ANZ Banking Group 3.2%	Citibank 2.0%

Tenant Mix

AS AT 31 DECEMBER 2018

- Banking 17%
- Insurance 14%
- Other Business Services 14%
- Legal 13%
- Info and Comms Technology 12%
- Government 8%
- Accountants 8%
- Finance 6%
- Other 5%
- Mining & Energy 3%

Geographic Weighting

AS AT 31 DECEMBER 2018

SYDNEY
62%

MELBOURNE
28%

BRISBANE
10%

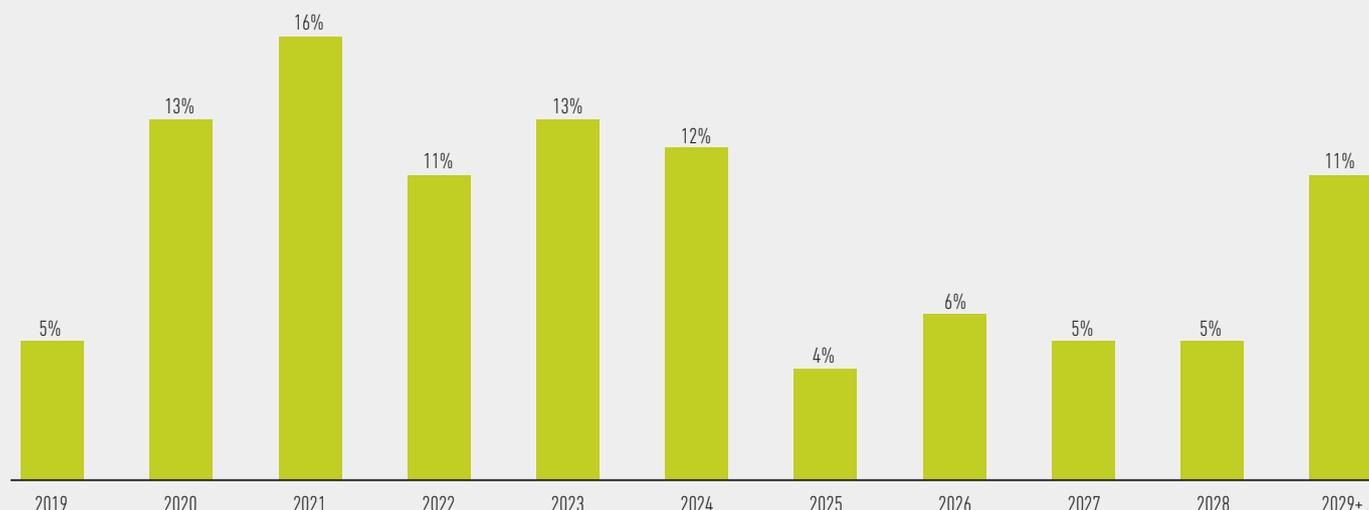
3. Based on gross rent. Includes future IAG lease at Darling Park.



8 Exhibition Street, Melbourne

Lease Expiry Profile

AS AT 31 DECEMBER 2018



Note: Includes signed leases.

The Office portfolio reported another year of excellent results, with the Sydney and Melbourne office markets continuing to outperform.

The portfolio achieved 5.8 per cent like-for-like income growth and valuation gains of \$598.5 million for the 12 months to 31 December, of which \$485 million were in Sydney.

The weighted average capitalisation rate across the portfolio firmed 23 basis points to 4.95 per cent.

The Office team signed 158,400 square metres of leases with terms agreed for another 19,400 square metres during the year. Occupancy was 97.1 per cent at 31 December.

In October, GPT completed its 15,800 square metre A-Grade office development at 4 Murray Rose Avenue Sydney Olympic Park, which achieved a 5 Star Green Star rating and is now 81 per cent leased and has the NSW Rural Fire Service as its major tenant.

Construction commenced on the Group's 26,400 square metre 32 Smith office tower in Parramatta at the end of the year, with QBE Insurance pre-committing to 51 per cent of the building. The development is expected to be completed in late 2020.

GPT also increased its exposure to the Parramatta office market during the year by acquiring the 25,700 A-Grade Eclipse Tower for \$277.6 million.

In January 2019, the Group announced its intention to divest its 50 per cent interest in the MLC Centre in Sydney, which was subsequently sold to co-owner Dexis in March for \$800 million.

GPT intends to reinvest proceeds from the sale into its Office and Logistics development pipeline.

Logistics Portfolio

GPT's logistics portfolio consists of ownership in 28 high quality logistics and business park assets.



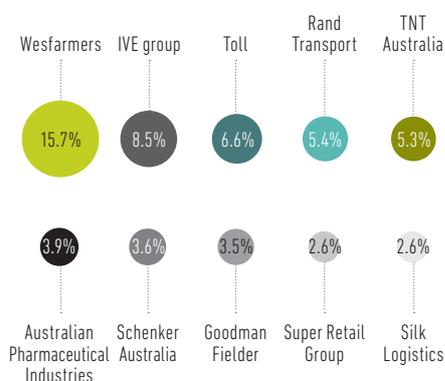
The Group's logistics portfolio of \$1.9 billion includes assets located in Australia's major industrial areas of central and western Sydney, west Melbourne and south Brisbane.

Year Ended December	2018	2017
Number of Assets ¹	28	28
Portfolio Value ²	\$1.9 billion	\$1.5 billion
Comparable Income Growth	2.8%	4.0%
Occupancy ³	97.2%	96.1%
Weighted Average Lease Expiry	7.1 years	7.6 years
Weighted Average Capitalisation Rate	5.78%	6.31%

1. Consolidated properties are counted individually. 2. Excludes land and development held in GPTMH. 3. Includes signed leases.

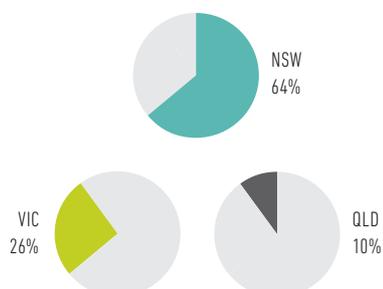
Top Ten Tenants⁴

AS AT 31 DECEMBER 2018



Geographic Weighting

AS AT 31 DECEMBER 2018

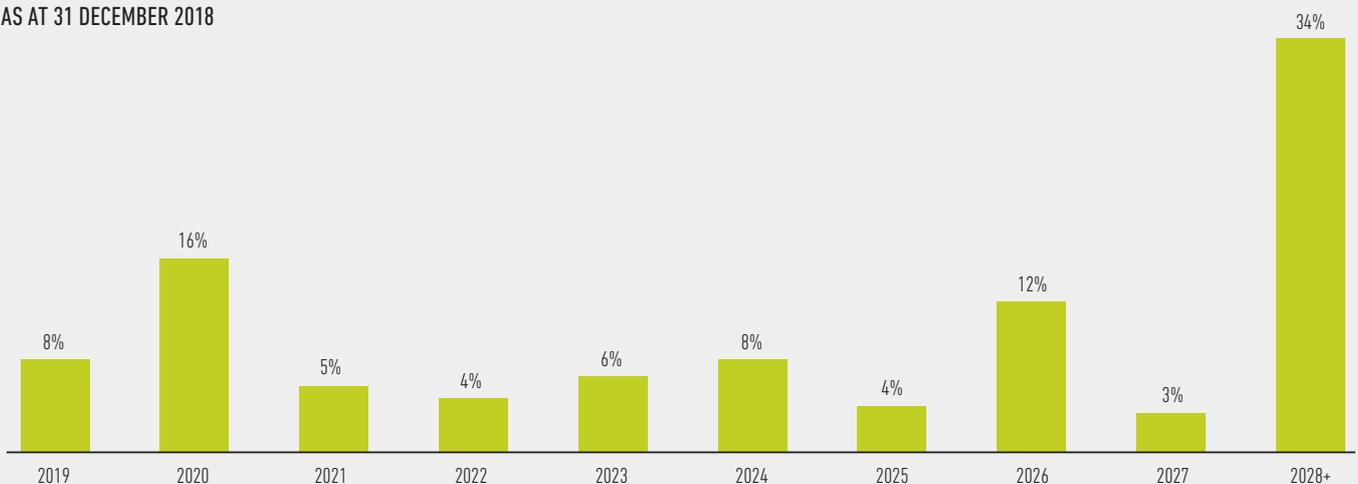


4. Based on gross rent.



Lease Expiry Profile¹

AS AT 31 DECEMBER 2018



1. By income. Includes signed leases.

The Logistics portfolio delivered like-for-like income growth of 2.8 per cent for the year to 31 December.

Occupancy was 97.2 per cent and the weighted average lease expiry (WALE) across the portfolio was 7.1 years at the end of the reporting period.

The portfolio recorded a \$151.2 million valuation gain over the year, with the weighted average capitalisation rate firming 53 basis points to 5.78 per cent during the period.

The Logistics team signed 164,300 square metres of leases in 2018 and agreed to terms for a further 39,700 square metres.

The Group continued to progress its development pipeline during the period with the completion of a 11,000 square

metre warehouse facility at Huntingwood in Sydney, which is fully leased. Following the end of the reporting period, GPT completed a 30,000 square metre facility in Eastern Creek in Sydney, which is also fully leased.

During the year, GPT acquired three prime logistics assets in the Western Melbourne industrial precincts of Sunshine, Truganina and Derrimut, which are all fully leased with a WALE of 7.7 years.

Towards the end of the period, the Group also purchased a 8.9 hectare site at Truganina, which has the potential to accommodate 48,000 square metres of logistics space once developed.

Funds Management

The GPT Funds Management platform comprises two wholesale funds in the retail and office sectors with a combined \$12.6 billion of funds under management. For the 12 months to 31 December 2018, the Funds delivered a total return of 11.3%.



Growth in Funds Under Management

12 MONTHS TO 31 DECEMBER 2018





The GPT Wholesale Office Fund (GWOFF)

GWOFF achieved a total return of 12.7 per cent for the 12 months to 31 December and continued to outperform its unlisted office fund peers over five, seven and ten year time horizons.

In October, the Fund raised US\$250 million through a US Private Placement (USPP), which extended the Fund's weighted average debt term to 8.4 years. In December, the Fund raised equity and received commitments for \$275 million of equity from existing and new investors. At 31 December 2018, the Fund's gearing was at 15.5 per cent.

During the year, the Fund purchased a 100 per cent interest in an eight storey carpark at 32 Flinders Street Melbourne for \$87.1 million. The property, which has development approval for two towers, is located next to GWOFF's 50 per cent owned 8 Exhibition Street office tower.

The GPT Wholesale Shopping Centre Fund (GWSCF)

GWSCF delivered a total return of 4.8 per cent for the 12 months to 31 December. The Fund outperformed its unlisted retail fund peers with a 9.6 per cent total return over three years.

In December, GWSCF divested its 83.3 per cent interest in the Maribyrnong Homemaker Centre for \$67.1 million, a 12 per cent premium to book value.

During the year, the Fund's development application for its proposed expansion of the entertainment precinct at its Chirnside Park shopping centre was approved.

Listed in the
top 5%

of the Dow Jones Sustainability
Index (DJSI) real estate companies

56%

emissions intensity reduction
since 2005



G R E S B
★ ★ ★ ★ ★ 2018

GRESB Green Star ranking in the
top quintile for 7th year in a row

44%

water intensity reduction
since 2005

100%

of GPT-managed
assets recognised
National Reconciliation Week

40%

recycling rate
in 2018



FTSE4Good

Member of FTSE4Good
Global Index

77%

of GPT staff participated in
2018 Community Day

5.1



Portfolio NABERS Energy Rating
for GPT's office portfolio

Sustainability

Sustainable operations

Being sustainable is fundamental to the way we do business and is an important contributor to long-term value creation. In practice this means considering the interests of our current and future stakeholders to inform a strategy that embeds delivery of sustainable practices in our day-to-day operations through good governance, business processes and aligned organisational culture.

We know that the financial success of the Group ultimately depends on the health and prosperity of the communities in which we operate. We remain focused on identifying and managing the risks and opportunities in environmental performance and our stakeholder communities, and providing the platforms for our people to perform at their best. Effective management of these aspects supports GPT in its aim to be the most respected property company in Australia in the eyes of our Investors, People, Customers and Communities.

Our success in managing these material issues is evidenced by the continued recognition GPT has received during the year, including being ranked in the Real Estate sector on the Dow Jones Sustainability Index in the top 5% of respondents.

With a focus on the present and the future, in 2018 the Group began a long term Energy Master Planning process to deliver on our Climate Change and Energy Policy objective to be carbon neutral by 2030. The GWOF portfolio of buildings will lead the way and achieve carbon neutrality by the end of 2020. This target date will encourage our operations and development teams to be innovative in the ways we source, store and use energy in the future.

Like most Australian businesses, GPT is impacted by the transformation of the Australian electricity market. Whilst unit costs for electricity increased in 2018, GPT's buildings are 42% more energy efficient than they were in 2005, delivering nearly \$30 million in energy savings in 2018 alone when compared to 2005 efficiency levels.

We have a mature and proven approach to sustainability highlighted by the record of achievement in this report. Our focus in the coming year will be to:

- leverage the strengths of our existing management systems and develop an integrated Environmental, Social and Governance strategy and management system;
- deliver the Energy Master Plan and develop a response to the Taskforce on Climate-related Financial Disclosure (TCFD);
- continue to drive building efficiency and improved recycling outcomes;
- continue to engage with our stakeholders and communities to review, validate and improve our performance on GPT's most material non-financial risks;
- prepare our response to the requirements of the Modern Slavery Act;
- build on the work of the GPT Foundation and our Reconciliation Action Plan;
- maintain our strong safety record; and
- empower and support our people to perform at the highest level and continuously improve.

Awards and Achievements



The Global Real Estate Sustainability Benchmark (GRESB) is an industry-driven organisation committed to assessing the sustainability performance of real estate portfolios around the globe. GPT maintains a Green Star (top quartile) status, a position held since the inception of the benchmark.



GPT is the national sponsor of the Property Council of Australia 500 Women in Property initiative.

500 WOMEN IN PROPERTY is an initiative of the Property Council's Diversity Committees throughout Australia. It involves a personal commitment from Property Council members to champion women in their organisation or business sphere, who they believe would benefit from further networking and professional development opportunities.



Cutting greenhouse emissions by 56% through:

- energy efficiency;
- on site renewable energy; and
- purchasing renewable energy.

2.1 GWh of solar energy generated on site.



GPT is listed as an index member of the Dow Jones Sustainability Index.



GPT is committed to carbon neutrality, with the GPT Wholesale Office Fund becoming a signatory to the Net Zero Carbon Buildings Commitment. GWOF targets to deliver carbon neutrality by the end of 2020.



GPT is committed to promoting workplace LGBTI inclusion, education and support and annually benchmarks itself with the Australian Workplace Equality Index.



GPT launched its Stretch Reconciliation Action Plan in 2018 to continue its contribution in creating an environment which provides equal life opportunities for all Australians.



The GPT Foundation has partnered with seven Australian charities that support at-risk young people. In 2018, the Foundation launched GPT's workplace giving platform: Give for Change.



GPT earned the Bronze Class distinction in the SAM Sustainability Yearbook 2019 for its leading performance in the DJSI Corporate Sustainability Assessment.

Further information:

GPT's reporting is fully integrated across all communications including comprehensive sustainability case studies and information provided throughout GPT's website. For expanded commentary on GPT's performance and priorities as well as the Group's comprehensive suite of policies covering its commitment to sustainability, visit GPT's website at www.gpt.com.au.

Our Environment

GPT is committed to reducing its environmental impact, aspiring to be an overall positive contributor to environmental sustainability.



Climate Change and Energy

GPT is committed to achieving operational carbon neutrality in areas within its control by 2030. The Group is also committed to supporting and encouraging its stakeholders to reduce greenhouse gas emissions and energy use in areas within its influence.

KEY ACHIEVEMENTS IN 2018 INCLUDED:

- 42% reduction in energy intensity since 2005
- 56% reduction in emissions intensity since 2005
- \$29 million of electricity and \$0.9 million of gas related avoided costs¹
- 159,758 tonnes CO₂e greenhouse gas emissions avoided
- 1.9 MW of solar power systems installed



Water

GPT aims to use, source, re-use and discharge water efficiently. It recognises water is a constrained but essential resource to the sustainability of its business and more broadly to society and the environment, especially within Australia.

KEY ACHIEVEMENTS IN 2018 INCLUDED:

- 44% reduction in water intensity since 2005
- \$5.5 million of avoided costs¹
- 1.4 million kilolitres of water saved in 2018 alone



Waste and Resource Management

GPT is committed to a 'closed loop' approach to resource use and minimising waste to landfill in all areas within its control. It is also committed to supporting and encouraging improvements in areas within its influence.

KEY ACHIEVEMENTS IN 2018 INCLUDED:

- Recycling rates improved from 29% to 40% since 2005
- All waste services contracts are now reporting on an outcomes basis identifying closed loop material streams
- 31% of total waste materials recovered to a closed loop recycling standard

1. Compared to 2005 baseline.

Sustainability in GPT's Portfolio

	Retail Portfolio	Office Portfolio
Emissions intensity	41% reduction since 2005	70% reduction since 2005
Energy intensity	37% reduction since 2005	46% reduction since 2005
Water intensity	27% reduction since 2005	58% reduction since 2005
Recycling rate	40%	41%

Our Community

Social Sustainability at GPT

GPT reaches millions of Australians every day across the country. Our assets are destinations attracting people for work, shopping and leisure activities. We are proud, active members of the communities within which our assets are situated and know that the provision of environments that foster our People to excel and our Customers and Communities to prosper also creates value for our Investors.

We are committed to three focus areas – health and wellbeing, social inclusion and employability and skilling – engaging and delivering programs at multiple levels. At the societal level, our activities are aligned to GPT’s corporate strategy and matched to the core capabilities of the business. At the local level we believe we create the most value by helping to build the capacity of the communities within which we operate.

Stakeholder engagement is a business priority and ensures that we understand, and can appropriately respond to, the unique and specific challenges of each of our communities as they change over time.

2018 Key Activities

In 2018, GPT invested over \$5 million in initiatives that delivered benefit to the community, both locally and nationally. Our activities included the development of programs at assets and collaboration with social service providers to support at-risk community members such as young people and homeless people, donating used laptops to community organisations, and working with community organisations to challenge broad societal issues such as mental health. Growing our understanding of the impact of our activities and programs has been critical to helping us ensure that we direct our resources in a way that creates the most value for our communities.

Our people are a key pillar in our community engagement strategy and 2018 has seen GPT increase the number of platforms through which our people can become involved. We have established the GPT Foundation, which oversees GPT’s corporate community engagement activities. Governed by an employee committee, the Foundation’s mission is to “support Youth at Risk to create thriving communities for a better future”. In 2018 the Foundation has:

- identified Youth at Risk as a key community issue, and undertaken in-depth research to understand the unique challenges and community organisations active in this space. As a result, the Foundation has formally partnered with seven key not-for-profit groups to provide support over the next three years;
- facilitated more than 80 per cent of GPT employees volunteering their time at community organisations through GPT’s annual Community Day and other volunteering opportunities;
- established a workplace giving program, “Give for Change”; and
- increased the support available to employees wanting to give their time and efforts to community organisations aligned to their personal passions, including providing access to a bank of additional volunteer leave days, and individual fundraising support.

We remain a Signatory of the UN Global Compact, complementing our focus on Human Rights more broadly, as well as our response to the Modern Slavery Act.

GPT also launched its Stretch Reconciliation Action Plan in 2018, a three year formal commitment to Australia’s reconciliation movement governed by Reconciliation Australia. This is the Group’s second Reconciliation Action Plan and provides a framework to embed reconciliation efforts into GPT’s business practices. We are proud to be progressing well against all objectives, which in 2018 focused on growing and building trusted relationships with First Nations stakeholders, acknowledging key dates in our asset marketing activities, and building on our First Nations People Strategy.





Our Suppliers

GPT aims to build long-term collaborative partnerships with suppliers who share its commitment to sustainability and are able to demonstrate how they fulfil this commitment, consistent with GPT's policies and Supplier Code of Conduct.

In 2018, GPT took steps to diversify the Group's supply chain. GPT updated the corporate Supplier Code of Conduct to reflect the Group's commitment to partnering with suppliers that reflect the our community focus. GPT now requires suppliers to disclose how many First Nation's people they employ and if their organisation has a Reconciliation Action Plan. This change was made to fulfil GPT's obligation to First Nations people and the Group's Reconciliation Action Plan (launched in 2015).

This shift in supplier diversity has enabled GPT to create three commercial partnerships with First Nations owned and operated businesses.

Our Customers

Throughout 2018, GPT continued to work closely with our retailers on a number of initiatives across digital, data and insights to drive performance and productivity. GPT continues to be committed to maintaining the highest standard of engagement with our partners through the sharing of research insights and hosting events on emerging trends. We continue to measure our performance through an annual industry survey which identifies retailers level of satisfaction with the Group and opportunities to improve our current relationships.

GPT's office team also remains focused on delivering outstanding service to our customers which underpins our retention strategy. Annually the Group undertakes an independent customer survey across the office portfolio, achieving an 85% customer satisfaction score in 2018 which was the highest of the sector participants. The insights from this survey allow us to anticipate future customer needs and demand for new services, including the desire for flexible space.

Customer Focus

Customer Satisfaction Survey

by independent consultant Campbell Scholtens



#1

GPT portfolio ranking to surveyed peers



85%

Customer satisfaction score



82%

Response rate

Our People

GPT is focused on creating the conditions in which its people can realise their potential and consistently deliver high performance. The Group does this through the unique combination of a diverse workforce and inclusive culture, a dynamic and flexible work environment, advanced systems, mobile technology, and a lean management structure to minimise costs and drive productivity.

GPT's shared sense of purpose – we create value by delivering superior returns to Investors, and by providing environments that enable our People to excel and Customers and Communities to prosper – is underpinned by a culture which emphasises the following core values:



WE DO WHAT WE SAY



**VALUE DIFFERENCES BUT
PLAY AS A TEAM**



**FOCUS ON THE PRESENT
& FUTURE**



RAISE THE BAR



**BE OPEN, HONEST & NOT
AFRAID TO SPEAK UP**

2018 HIGHLIGHTS

The following table sets out a brief summary of progress against the Group's key people related objectives for this year. These include:

Area

Outcome

Delivered on our diversity and inclusion targets and strategies

- Achieved WGEA Employer of Choice for Gender Equality citation in February 2018 recognising GPT's performance as among the best employers.
- Achieved gender balance on the GPT Management Holdings Board and 41.74% of females in senior roles.
- Extended our sponsorship of the Property Council of Australia's 500 Women in Property program.
- Signed a 10 year commitment to our First Nations internship program through CareerTrackers.
- Increased GPT's score in the Australian Workplace Equality Index survey from 42 to 79 (88% increase) and 16 points higher than the property sector average.

Improved employee experience through innovation and operational efficiencies

- Upgraded meeting room technology and connectivity between GPT offices.
- Improved engagement and discipline with the use of Sharepoint and document management protocols.
- Streamlined Limits of Authority to speed up decision making and empower individuals to get on with the job with clarity on their accountability.
- Refreshed the Victorian state office in Melbourne Central Tower with new meeting rooms and technology upgrades.

Actively invested in learning and talent development

- Increased average training hours per employee from 28 (2017) to 37.
- Held an executive offsite for 100 employees with external speakers focussed on exploring and anticipating future trends.
- Rolled out managing for team wellness training through the Black Dog Institute as part of the Group's wellness strategy.
- Achieved 100% participant satisfaction with learning and talent workshop.
- Maintained a leading result in Human Capital Development in the Dow Jones Sustainability Index.

Aligning remuneration to performance

- Achieved FFO growth per security of 3.5% which generated a maximum STIC pool of \$15.4 million.
- For the 2016–18 performance period:
 - achieved a compound Total Return of 15.5%, exceeding the 9.5% stretch target, and outperformed the ASX200 AREIT Accumulation Index (including GPT) by 6.16%;
 - as a result, the vesting outcome for the 2016–18 LTI plan was 82.71% of the performance rights for each participant.
- Met with investors to review current remuneration frameworks and areas of concern.
- Achieved 97.56% investor approval of the 2017 Remuneration Report.

Board of Directors

The Boards of GPT RE Limited and GPT Management Holdings Limited have the same Directors comprising six Non-Executive Directors and one Executive Director.

Members of the Board have significant experience in various fields, including funds management, property investment and development, financial markets, taxation, accounting and law.



Vickki McFadden

CHAIRMAN (APPOINTED AS NON-EXECUTIVE DIRECTOR 1 MARCH 2018 AND CHAIRMAN FROM 2 MAY 2018)

Vickki was appointed to the Board on 1 March 2018 and is also a member of the Nomination and Remuneration Committee. She brings a broad range of skills and experience to the Group gained during an 18 year career spanning investment banking, corporate finance and corporate law, and through her current and previous board-level positions.

Vickki currently holds Non-Executive directorships in the following listed entities and other entities:

- Tabcorp Holdings Limited (since 2017);
- Newcrest Mining Limited (since 2016); and
- Myer Family Investments Pty Limited (since 2011).

She is also a Member of Chief Executive Women and a Member of the Advisory Board and Executive Committee of the UNSW Business School.

Vickki was previously Chairman of Eftpos Payments Australia Limited, Chairman of Skilled Group Limited (prior to its acquisition by Programmed Maintenance Services Limited) (Director from 2005 to 2015 and Chairman from 2010 to 2015), President of the Takeovers Panel, a non-executive director of Leighton Holdings Limited, and a Managing Director of Investment Banking at Merrill Lynch Australia.



Rob Ferguson

CHAIRMAN (RETIRED 2 MAY 2018)

Rob joined the Board in May 2009 and was also a member of the Nomination and Remuneration Committee. He brings a wealth of knowledge and experience in finance, investment management and property as well as corporate governance.

Rob currently holds Non-Executive directorships in the following listed and other entities:

- Watermark Market Neutral Fund Limited (since 2013); and
- Smartward Limited (since 2012).

He was also a Non-Executive Chairman of IMF Bentham Limited from 2004 to January 2015, Chairman of Primary Health Care Limited from 2009 to July 2018, and a Director of Tyro Payments Limited from 2005 to July 2018.



Bob Johnston

CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

Bob was appointed to the Board as Chief Executive Officer and Managing Director in September 2015. He has 30 years' experience in the property sector including investment, development, project management and construction in Australia, Asia, the US and UK.

Prior to joining GPT, Bob was the Managing Director of listed Australand Property Group which became Frasers Australand in September 2014.



Brendan Crotty

NON-EXECUTIVE DIRECTOR (RETIRED 9 NOVEMBER 2018)

Brendan was appointed to the Board in December 2009 and was also a member of the Audit Committee and the Sustainability and Risk Committee. He brings extensive property industry experience to the Board, including 17 years as Managing Director of Australand until his retirement in 2007.

Brendan is currently the Chairman of the National Housing Finance and Investment Corporation (since 2018), a director of Brickworks Limited (since 2008) and Chairman of Cloud FX Pte Ltd. Brendan was previously Chairman of Western Sydney Parklands Trust.



Dr Eileen Doyle

NON-EXECUTIVE DIRECTOR

Eileen was appointed to the Board in March 2010. She is also the Chairman of the Sustainability and Risk Committee and a member of the Audit Committee and Nomination and Remuneration Committee (retired as a member in November 2018). She has diverse and substantial business experience having held senior executive roles and directorships in a wide range of industries, including research, financial services, building and construction, steel, mining, logistics and export. Eileen is also a Fellow of the Australian Academy of Technological Sciences and Engineering.

Eileen currently holds the position of Non-Executive Director in the following listed and other entities:

- Boral Limited (since 2010); and
- Oil Search Limited (since 2016).

Eileen was also previously a director of Bradken Limited from 2011 to November 2015.



Swe Guan Lim

NON-EXECUTIVE DIRECTOR

Swe Guan was appointed to the Board in March 2015 and is also a member of the Audit Committee and the Sustainability and Risk Committee. Swe Guan brings significant Australian real estate skills and experience and capital markets knowledge to the Board, having spent most of his executive career as a Managing Director in the Government Investment Corporation (GIC) in Singapore.

Swe Guan is currently Chairman of Cromwell European REIT in Singapore (since 2017) and a Director of Sunway Berhad in Malaysia (since 2011). Swe Guan is also a member of the Investment Committee of CIMB Trust Cap Advisors and was formerly a Director of Global Logistics Property in Singapore until January 2018.



Michelle Somerville

NON-EXECUTIVE DIRECTOR

Michelle was appointed to the Board in December 2015 and is also the Chairman of the Audit Committee and a member of the Sustainability and Risk Committee. She was previously a partner of KPMG for nearly 14 years specialising in external audit and advising Australian and international clients both listed and unlisted primarily in the financial services market in relation to business, finance risk and governance issues.

Michelle currently holds the position of Non-Executive Director in the following entities:

- Bank Australia Limited (since 2014);
- Challenger Retirement and Investment Services Ltd (since 2014);
- Save the Children (Australia) (since 2012); and
- Down Syndrome Australia (since 2011).

Michelle is also an independent consultant to the UniSuper Ltd Audit, Risk and Compliance Committee since 2015.



Gene Tilbrook

NON-EXECUTIVE DIRECTOR

Gene was appointed to the Board in May 2010 and is also the Chairman of the Nomination and Remuneration Committee. He brings extensive experience in finance, corporate strategy, investments and capital management.

Gene currently holds the position of Non-Executive Director in the following listed entities:

- Orica Limited (since 2013); and
- Woodside Petroleum Limited (since 2014).

Gene was also a Director of listed entities Transpacific Industries Group Limited from 2009 to 2013, Fletcher Building Limited from 2009 to April 2015, and Aurizon Holdings Limited from 2010 to February 2016.



Angus McNaughton

NON-EXECUTIVE DIRECTOR

Angus was appointed to the Board in November 2018 and is also a member of the Nomination and Remuneration Committee and the Audit Committee. He brings extensive experience in property investment.

Angus was previously the CEO and Managing Director of Vicinity Centres from August 2015 until December 2017. Prior to that time, Angus served as the Managing Director Property for Colonial First State Global Asset Management from 2011, before becoming the CEO and Managing Director of ASX-listed Novion Property Group in 2014. Angus led Novion through to the completion of the merger between Novion and Federation Centres, renamed as Vicinity Centres, in June 2015.

Angus does not currently hold any Non-Executive Director roles in other listed entities.

He was also previously Director, Real Estate of First State Investments in Singapore and Chief Executive Officer of Kiwi Income Property Trust in New Zealand.



Leadership Team

The Leadership Team is responsible for all aspects of the management of the Group, its properties and services.

This includes determining the strategic direction, managing assets, acquiring and selling properties, accessing funding and providing appropriate services to investors. The team has extensive experience in the A-REIT industry along with a diverse skill base and proven track record in delivering results.



Bob Johnston

CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

Bob was appointed to the Board as Chief Executive Officer and Managing Director in September 2015. He has 30 years' experience in the property sector including investment, development, project management and construction in Australia, Asia, the US and UK.

Prior to joining GPT, Bob was the Managing Director of listed Australand Property Group which became Frasers Australand in September 2014.



Mark Fookes

CHIEF OPERATING OFFICER

In his role as Chief Operating Officer Mark oversees the operations of the business and has responsibility for the Property Services, Retail and Mixed-Use Development, People and Performance, Risk, Capital Transactions, and Corporate Affairs functions.

Mark has more than 30 years of experience in the property industry. He most recently held the position of Chief Financial Officer for three years and before that was Head of Investment Management. Prior to working at GPT, Mark was Head of Retail (Asia Pacific) at Lend Lease and before that was General Manager of Retail Property Management and Leasing.



Anastasia Clarke

CHIEF FINANCIAL OFFICER

Anastasia joined The GPT Group in 2009 and as Chief Financial Officer is responsible for capital management, financial reporting, accounting, tax and technology. With over 25 years of experience in the real estate industry, Anastasia's past roles include Chief Financial Officer at New City Australia and Singapore, Treasurer and Head of Finance at Dexus Property Group and corporate treasury and project finance roles at Lendlease. Anastasia is on the Board of the Property Council of Australia and is President of the Property Council's Capital Markets Division.

Anastasia is a Fellow of the Australian Society of Certified Practising Accountants, a Fellow of Chartered Accountants ANZ and holds a Bachelor of Accounting from the University of Technology, Sydney.



396 Mount Derrimut Road, Derrimut



James Coyne

GENERAL COUNSEL AND COMPANY SECRETARY

James is responsible for the legal, compliance and company secretarial activities of GPT. James was appointed the General Counsel/Company Secretary of GPT in 2004. His previous experience includes company secretarial and legal roles in construction, infrastructure and the real estate funds management industry, both listed and wholesale.



Nicholas Harris

HEAD OF FUNDS MANAGEMENT, GROUP STRATEGY AND RESEARCH

Nicholas is responsible for GPT's funds management activities, including the development of the Group's funds management platform and the creation of new products. He plays a key role in the development of Group Strategy and is also responsible for the Group's Research function.

Nicholas has been involved in property and funds management for more than 30 years, including roles with BT Funds Management and Lendlease prior to joining GPT in 2006.



Matthew Faddy

HEAD OF OFFICE & LOGISTICS

Matthew has over 25 years' professional experience in leading successful teams in real estate, including finance management, funds management, asset management and portfolio management. As Head of Office & Logistics, Matthew is responsible for the investment, asset management, and development of the group's portfolio of office and logistics assets.

Matthew joined GPT in 2006 and has held leadership roles in both the Retail and Funds Management business units prior to his current role.

Matthew is a Fellow of Chartered Accountants ANZ and a Graduate of the Australian Institute of Company Directors.



Phil Taylor

HEAD OF PEOPLE AND PERFORMANCE

Phil is responsible for GPT's people management policies, processes and systems, as well as strategic support across all aspects of human resources activities and organisational development. Phil has 25 years experience in human resources within the banking and finance sector, including 18 years within the real estate funds management industry.

Phil holds a Bachelor of Economics from the University of Newcastle and a Masters of Commerce in Human Resources from the University of New South Wales.

Remuneration Report

The Nomination and Remuneration Committee (the Committee) of the Board presents the Remuneration Report (Report) for the GPT Group. This Report has been audited in accordance with section 308(3C) of the Corporations Act 2001.

The Board aims to ensure that the GPT Group's remuneration platform is both market competitive and fair to all stakeholders; aligns performance measures to the achievement of GPT's strategic objectives; and communicates the remuneration outcomes clearly and transparently.

Governance

Who are the members of the Committee?	<p>The Committee consists of the following three Non-Executive Directors:</p> <ul style="list-style-type: none">• Gene Tilbrook (Committee Chairman);• Vickki McFadden; and• Angus McNaughton. <p>2018 saw renewal and change on the Committee in line with changes to the Board:</p> <ul style="list-style-type: none">• Rob Ferguson retired at the GPT AGM on 2 May 2018;• Vickki McFadden joined GPT on 1 March 2018, and was appointed Chairman of GPT from 3 May 2018;• Angus McNaughton joined GPT on 1 November 2018; and• Eileen Doyle stepped down from the Committee on 8 November 2018.
What is the scope of work of the Committee?	<p>In 2018 the Committee undertook the following activities on behalf of the Board:</p> <ul style="list-style-type: none">• Oversee the management of culture;• Implement, monitor, evaluate and oversee GPT's remuneration framework;• Review and approve remuneration levels for the Board, Chief Executive Officer (CEO) and key management personnel;• Review and approve key performance indicators for the CEO and assess the CEO's performance against those key performance indicators;• Review compliance with legal and regulatory requirements associated with the activities of the Committee;• Oversee the succession planning process for the Board, CEO and Leadership Team;• Implement procedures for the evaluation of the performance of the Board and Board committees;• Approve and oversee the implementation of GPT's diversity & inclusion strategy, initiatives and policies;• Approve and oversee initiatives around talent development and employee engagement; and• Any other related matters regarding executives or the Board. <p>Effective 1 January 2019 a Human Resources and Remuneration Committee (HRRC) was formed with the same membership as noted above. In addition, a Nomination Committee was formed consisting of the full Board¹.</p>
Who is included in the Remuneration Report?	<p>GPT's Key Management Personnel (KMP) are the individuals responsible for planning, controlling and managing the GPT Group (being the Non-Executive Directors, CEO, Chief Financial Officer (CFO), and the Chief Operating Officer (COO)).</p>

1. Further information about the role and responsibility of both the HRRC and the Nomination Committees is set out in their respective Charters, which are available on GPT's website (www.gpt.com.au). No additional fees are paid for membership of the Nomination Committee.



Committee key decisions and remuneration outcomes in 2018

Platform component	Key decisions and outcomes
Base pay (Fixed)	<ul style="list-style-type: none"> Implemented the annual review of employee base pay effective 1 January 2018, with an average increase of 2.57%. Following benchmarking, implemented an annual review of Non-Executive Director base and committee fees effective 1 January 2018, with an average increase of 3.12% to bring the Non-Executive Directors' remuneration closer to market.
Short term incentive compensation (STIC)	<ul style="list-style-type: none"> Maintained Funds from Operations (FFO) growth per security as the primary measure of Group financial performance. The Group achieved an FFO growth per security outcome of 3.5% which generated a STIC pool maximum of \$15.4 million. Maintained a deferred equity component of STIC vesting in one tranche at the end of the year following the conclusion of the performance period.
Long term incentive (LTI) compensation	<ul style="list-style-type: none"> Achieved a compound annual Total Return¹ for the 2016-18 period of 15.50%, exceeding the benchmark of 9.5% for maximum award, and delivered a Total Securityholder Return (TSR²) of 32.76% which exceeded the ASX 200 AREIT Accumulation Index (the Index) performance of 26.60%. As a result, the vesting outcome for the 2016-18 LTI plan was 82.71% of the performance rights for each of the 24 participants in the LTI plan. Launched the 2018-2020 LTI with two performance measures, Total Return and Relative TSR. Maintained the same performance hurdles and ranges as the prior year's LTI plan. Aligned the vesting schedule for both performance measures such that 10% of the performance rights for each measure vest at Threshold performance, with straight line pro-rata vesting through to 100% at the maximum performance level.
Other employee ownership plans	<ul style="list-style-type: none"> Continued the General Employee Security Ownership Plan (GESOP) for 105 STIC eligible employees not in the LTI. Under GESOP each participant receives an amount equal to 10% of their STIC (less tax) delivered in GPT securities, which must be held for at least 1 year. Continued the Broad Based Employee Security Ownership Plan (BBESOP) for 264 employees ineligible for GESOP. Under BBESOP, subject to GPT achieving the annual FFO growth per security target, participants receive \$1,000 worth of GPT securities that cannot be transferred or sold until the earlier of 3 years from the allocation date or cessation of employment (or \$1,000 cash (less tax) at the election of the individual).
Policy & governance	Utilised external advice on market compensation benchmarks and practice, prevailing regulatory and governance standards, and drafting of incentive plan documentation from Ernst & Young and Conari Partners ³ .

1. Total Return is defined as the sum of the change in Net Tangible Assets (NTA) and distributions over the performance period, divided by the NTA at the beginning of the performance period.

2. TSR represents an investor's return, calculated as the percentage difference between an initial amount invested in stapled securities and the final value of those stapled securities at the end of the relevant period, assuming distributions were reinvested.

3. During 2018, no remuneration recommendations in relation to Key Management Personnel, as defined by Division 1 of Part 1.2 of Chapter 1 of the *Corporations Act 2001*, were made by these or any other consultants.



GPT's vision and financial goals linked to remuneration structures



TOTAL REMUNERATION COMPONENTS

<p>BASE PAY (FIXED)</p> <ul style="list-style-type: none"> • Base level of reward. • Set around Australian market median using external benchmark data (including ADN Hewitt and the Financial Institutions Remuneration Group (FIRG)). • Reviewed based on employee's responsibilities, experience, skill and performance. • External and internal relativities considered. 	<p>SHORT TERM INCENTIVE COMPENSATION (STIC) (VARIABLE)</p> <ul style="list-style-type: none"> • Discretionary, at risk, and with aggregate STIC funding aligned to overall Group financial outcomes. • Set around market median for target performance with potential to achieve top quartile for stretch outcomes. • Determined by GPT and individual performance against a mix of balanced scorecard measures which include financial and non-financial measures. • Financial measures include FFO growth per security, and earnings at portfolio, fund and/or property level as relevant. • Non-financial objectives focus on execution of strategy, delivery of key projects and developments, and people and culture objectives. • Delivered in cash, or (for senior executives), a combination of 50% cash and 50% equity with deferred vesting for 1 year. 	<p>LONG TERM INCENTIVE (LTI) (VARIABLE)</p> <ul style="list-style-type: none"> • Discretionary, at risk, and aligned to overall Group financial outcomes. • Set around market median for target performance with potential to achieve top quartile for stretch outcomes. • Vesting determined by GPT performance against Total Return and Relative TSR financial performance • Relative TSR is measured against ASX200 AREIT Accumulation Index (including GPT). • Assessed over a 3 year performance period, no retesting. • No value derived unless GPT meets or exceeds defined performance measures. • Delivered in GPT securities to align executive and securityholder interests. 	<p>OTHER EMPLOYEE OWNERSHIP PLANS (VARIABLE)</p> <p>GESOP</p> <ul style="list-style-type: none"> • For STIC eligible individuals who are ineligible for LTI. • Equal to 10% of their STIC (less tax) delivered in GPT securities, which must be held for at least 1 year. <p>BESOP</p> <ul style="list-style-type: none"> • For individuals ineligible for STIC or LTI. • GPT must achieve at least Target outcome on annual FFO growth per security. • A grant of \$1,000 worth of GPT securities which must be held until the earlier of 3 years from the allocation date or cessation of employment (or \$1,000 cash (less tax) at the election of the individual).
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<p>ATTRACT, RETAIN, MOTIVATE AND REWARD HIGH CALIBRE EXECUTIVES TO DELIVER SUPERIOR PERFORMANCE BY PROVIDING:</p> <ul style="list-style-type: none"> • Competitive rewards. • Opportunity to achieve incentives beyond base pay based on performance. 	<p>ALIGN EXECUTIVE REWARDS TO GPT'S PERFORMANCE AND SECURITY HOLDER INTERESTS BY:</p> <ul style="list-style-type: none"> • Assessing incentives against financial and non-financial business measures that are aligned with GPT strategy. • Delivering a meaningful component of executive remuneration in the form of equity subject to performance hurdles being achieved.
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Reported Remuneration for Executives of the Group at 31 December 2018¹

Executive KMP		Fixed Pay		Variable or "At Risk"			Total
		Base pay	Superannuation	Other ²	STIC	LTI	
Bob Johnston Chief Executive Officer and Managing Director	2018	\$1,520,636	\$20,290	\$8,354	\$1,210,570	\$1,168,869	\$3,928,719
	2017	\$1,376,680	\$19,832	\$3,299	\$1,219,543	\$1,166,796	\$3,786,150
Anastasia Clarke Chief Financial Officer	2018	\$794,923	\$20,290	\$5,275	\$548,232	\$414,417	\$1,783,137
	2017	\$775,348	\$19,832	\$2,480	\$569,961	\$382,324	\$1,749,945
Mark Fookes Chief Operating Officer	2018	\$825,109	\$20,290	\$10,585	\$559,068	\$467,160	\$1,882,212
	2017	\$840,325	\$19,832	\$4,326	\$669,971	\$515,208	\$2,049,662
Total	2018	\$3,140,668	\$60,870	\$24,214	\$2,317,870	\$2,050,446	\$7,594,068
	2017	\$2,992,353	\$59,496	\$10,105	\$2,459,475	\$2,064,328	\$7,585,757

Reported Remuneration for Non-Executive Directors

Non-Executive Director – Current		Fixed Pay			Total
		Salary & fees	Superannuation	Other ³	
Vickki McFadden ⁴ Chairman	2018	\$289,851	\$16,481	–	\$306,332
	2017	–	–	–	–
Eileen Doyle	2018	\$214,596	\$20,094	–	\$234,690
	2017	\$203,500	\$19,333	–	\$222,833
Swe Guan Lim	2018	\$186,000	\$17,670	\$908	\$204,578
	2017	\$181,000	\$17,195	\$287	\$198,482
Angus McNaughton ⁵	2018	\$27,917	\$2,652	–	\$30,569
	2017	–	–	–	–
Michelle Somerville	2018	\$204,500	\$19,428	–	\$223,928
	2017	\$192,750	\$18,311	–	\$211,061
Gene Tilbrook	2018	\$183,000	\$17,385	\$1,103	\$201,488
	2017	\$178,000	\$16,910	\$380	\$195,290
Non-Executive Director – Former					
Rob Ferguson ⁶	2018	\$137,949	\$8,617	–	\$146,566
	2017	\$380,000	\$19,832	–	\$399,832
Brendan Crotty ⁷	2018	\$159,292	\$15,133	–	\$174,425
	2017	\$181,000	\$17,195	–	\$198,195
Total	2018	\$1,403,105	\$117,460	\$2,011	\$1,522,576
	2017	\$1,316,250	\$108,776	\$667	\$1,425,693

This is an extract from the Remuneration Report contained in the 2018 Annual Financial Report which is available online at www.gpt.com.au.

1. This table provides a breakdown of remuneration for executive KMP in accordance with statutory requirements and Australian accounting standards.
2. Other may include death & total/permanent disability insurance premiums, service awards, GPT superannuation plan administration fees, and/or other benefits.
3. Other may include death & total/permanent disability insurance premiums and/or GPT superannuation plan administration fees.
4. Ms McFadden joined GPT on 1 March 2018, and was appointed Chairman of GPT from 3 May 2018.
5. Mr McNaughton joined GPT on 1 November 2018.
6. Mr Ferguson retired from the GPT Board on 2 May 2018.
7. Mr Crotty retired from the GPT Board on 8 November 2018.

Financial Summary

For the year ended	31 Dec 18 \$M	31 Dec 17 ¹ \$M	Change %
Retail			
– Operations net income	318.6	313.1	1.8%
– Development net income	7.6	5.3	43.4%
	326.2	318.4	2.4%
Office			
– Operations net income	267.7	247.8	8.0%
– Development net income	1.0	1.1	(9.1%)
	268.7	248.9	8.0%
Logistics			
– Operations net income	104.8	93.3	12.3%
– Development net income	5.1	0.7	628.6%
	109.9	94.0	16.9%
Funds management net income	42.6	37.0	15.1%
Corporate management expenses	(34.2)	(30.6)	(11.8%)
Net finance costs	(124.4)	(102.4)	(21.5%)
Income tax expense	(14.2)	(11.1)	(27.9%)
Funds from Operations (FFO)	574.6	554.2	3.7%
Other non-FFO items:			
Valuation increase	910.7	717.7	26.9%
Financial instruments mark to market and net foreign exchange loss	(39.6)	(2.9)	(1,265.5%)
Other items ²	6.0	(1.0)	700.0%
Net profit for the year after tax	1,451.7	1,268.0	14.5%
FFO per ordinary stapled security (cents)	31.84	30.77	3.5%
Funds from Operations (FFO)	574.6	554.2	3.7%
Maintenance capex	(53.2)	(54.4)	2.2%
Lease incentives	(60.9)	(53.5)	(13.8%)
Adjusted Funds from Operations (AFFO)	460.5	446.3	3.2%
Distribution paid and payable	459.5	443.2	3.7%
Distribution per ordinary stapled security (cents)	25.46	24.60	3.5%

1. The 31 December 2017 net profit for the year after tax has been restated as a result of the adoption of new accounting standards. Refer to note 24(a).

2. Other items include impairment expenses, amortisation of intangibles, profit on disposal of assets and related tax impact.

	As at 31 Dec 18	As at 31 Dec 17	Change
Total assets (\$m) ¹	14,778.0	12,957.3	▲ 14.1%
Total borrowings (\$m)	4,114.9	3,300.6	▲ 24.7%
NTA per security (\$)	5.58	5.04	▲ 10.7%
Net gearing	26.3%	24.4%	▲ 190 bps
Net look through gearing	29.0%	27.7%	▲ 130 bps
Weighted average term to maturity of debt	6.3 years	7.1 years	▼ 0.8 years
Credit ratings (S&P/Moody's)	A stable/A2 stable	A stable/A2 stable	Unchanged
Weighted average term of interest rate hedging	4.4 years	4.8 years	▼ 0.4 years

1. The 31 December 2017 net profit after tax and total assets have been restated as a result of the adoption of new accounting standards.



Australia Square, Sydney

Five Year Financial Performance Summary

	2018	2017	2016	2015	2014
Total Securityholder Return (TSR) (%)	7.0	6.6	10.1	15.4	34.5
Total Return (%)	15.8	15.2	15.5	11.5	9.6
NTA (per security) (\$)	5.58	5.04	4.59	4.17	3.94
FFO (per security) (cents)	31.8	30.8	29.9	28.3	26.8
Security price at end of calendar year (\$)	5.34	5.11	5.03	4.78	4.35

This is an extract from the Financial Results contained in the 2018 Annual Financial Report. The 2018 Annual Financial Report is available upon request or online at www.gpt.com.au.

Securityholder Information

For full details of GPT's recent announcements, activities and Annual Result information, visit the GPT website, www.gpt.com.au. To access information about your holding in GPT online, visit GPT's Registry website <https://investorcentre.linkmarketservices.com.au>.

Access Your Investment Online

You can access your investment online at www.linkmarketservices.com.au, signing in using your SRN/HIN, Surname and Postcode. Functions available include updating your address details, downloading a PDF of your Annual Tax Statement and collecting FATCA/CRS self certification.

Also online at www.linkmarketservices.com.au are regularly requested forms relating to payment instructions, name corrections and changes and deceased estate packs.

For assistance with altering any of your investment details, please phone the GPT Registry on 1800 025 095 (free call within Australia) or +61 1800 025 095 (outside Australia).

Receive Securityholder Updates Electronically

Sustainability is core to GPT's vision and values. As part of our sustainability initiatives we would like to offer you the opportunity to receive notification of GPT's investor communications electronically, including the 2018 Annual Financial Report and this Annual Review.

We encourage securityholders to visit www.gpt.com.au to view the online versions of these reports.

As an investor opting to receive your securityholder updates electronically, you will benefit by receiving prompt information and have the convenience and security associated with electronic delivery. There are also significant cost savings associated with this method of communication and above all this is a responsible and environmentally friendly option.

To receive your investor communications electronically, please go to www.linkmarketservices.com.au and register for online services.

396 Mount Derrimut Road, Derrimut



Distribution Policy and Payments

GPT has a distribution policy in place that effectively aligns the Group's capital management framework with its business strategy, which reflects a sustainable distribution level to ensure a prudent approach to managing the Group's gearing through market and economic cycles.

GPT makes distribution payments to securityholders two times a year, for the six months ended 30 June and the six months ended 31 December. GPT declares and pays its distribution in Australian dollars.

2018 Annual Financial Report

A copy of GPT's 2018 Annual Financial Report is available to all securityholders upon request. The report can also be viewed online at www.gpt.com.au.

Stock Exchange Listings

GPT is listed on Australian Securities Exchange (ASX) in Australia under listing code GPT.

For more information:

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+61 1800 025 095 (outside Australia)

Locked Bag A14

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Corporate Directory

The GPT Group

Comprising:
GPT Management Holdings Limited
ACN 113 510 188 and

GPT RE Limited
ACN 107 426 504
AFSL 286511

As Responsible Entity for
General Property Trust
ARSN 090 110 357

Registered Office

Level 51
MLC Centre
19 Martin Place
Sydney NSW 2000
Telephone: +61 2 8239 3555
Facsimile: +61 2 9225 9318

Board of Directors

Vickki McFadden (Chairman)
Bob Johnston
Eileen Doyle
Gene Tilbrook
Lim Swe Guan
Michelle Somerville
Angus McNaughton

Company Secretaries

James Coyne
Lisa Bau
Telephone: +61 2 8239 3555
Facsimile: +61 2 9225 9318

Audit Committee

Michelle Somerville (Chairman)
Lim Swe Guan
Eileen Doyle
Angus McNaughton

Nomination and Remuneration Committee¹

Gene Tilbrook (Chairman)
Vickki McFadden
Angus McNaughton

Sustainability and Risk Committee

Eileen Doyle (Chairman)
Lim Swe Guan
Michelle Somerville

Auditors

PricewaterhouseCoopers
One International Towers Sydney,
Watermans Quay, Barangaroo
Sydney NSW 2000

Principal Registry

Link Market Services
GPT Security Registrar
Locked Bag A14
Sydney South
NSW 1235
Within Australia: 1800 025 095 (free call)
Outside Australia: +61 1800 025 095
Fax: +61 2 9287 0303
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

Stock Exchange Quotation

GPT is listed on Australian Securities Exchange under ASX Listing Code GPT.

1. From 1 January 2019 a Human Resources and Remuneration Committee was formed with the same membership as noted above, and a Nomination Committee was formed consisting of the full Board.

