



GPT

The GPT Group

2017
ANNUAL
REVIEW

About this report

GPT's Annual Review includes financial summaries derived from the 2017 Annual Financial Report and 2017 Annual Result announcement, which was released on Tuesday, 13 February 2018. The GPT 2017 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 Amora Hotel Jamison Sydney, Whiteley Ballroom, Level 2, 11 Jamison Street, Sydney, New South Wales on Wednesday, 2 May 2018, 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 2018	December 2017 Half Year Distribution Payment
2 March 2018	Annual Tax Statement
2 May 2018	Annual General Meeting
June 2018	June 2018 Half Year Distribution Announcement
August 2018	2018 Interim Result Announcement (14 August) June 2018 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 \$12.3 billion diversified portfolio of high quality Australian retail, office and logistics property assets and together with GPT's funds management platform the Group has \$21.5 billion of property assets under management (AUM).

GPT owns some of Australia's most significant real estate assets, including the MLC Centre and Australia Square in Sydney, Melbourne Central and Highpoint Shopping Centre in Melbourne 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. At 31 December 2017, GPT was one of the top 50 listed stocks on the ASX by market capitalisation and had a market capitalisation of approximately \$9.2 billion.

GPT's strategy is focused on leveraging its extensive real estate experience to deliver strong returns through disciplined investment, asset management and development. The development capability has a focus on creating value for securityholders through the enhancement of the core investment portfolio and in the creation of new investment assets.



Retail Portfolio

- 13 shopping centres
- 940,000 sqm GLA
- 3,200+ tenants
- \$5.9b portfolio
- \$9.6b assets under management



Office Portfolio

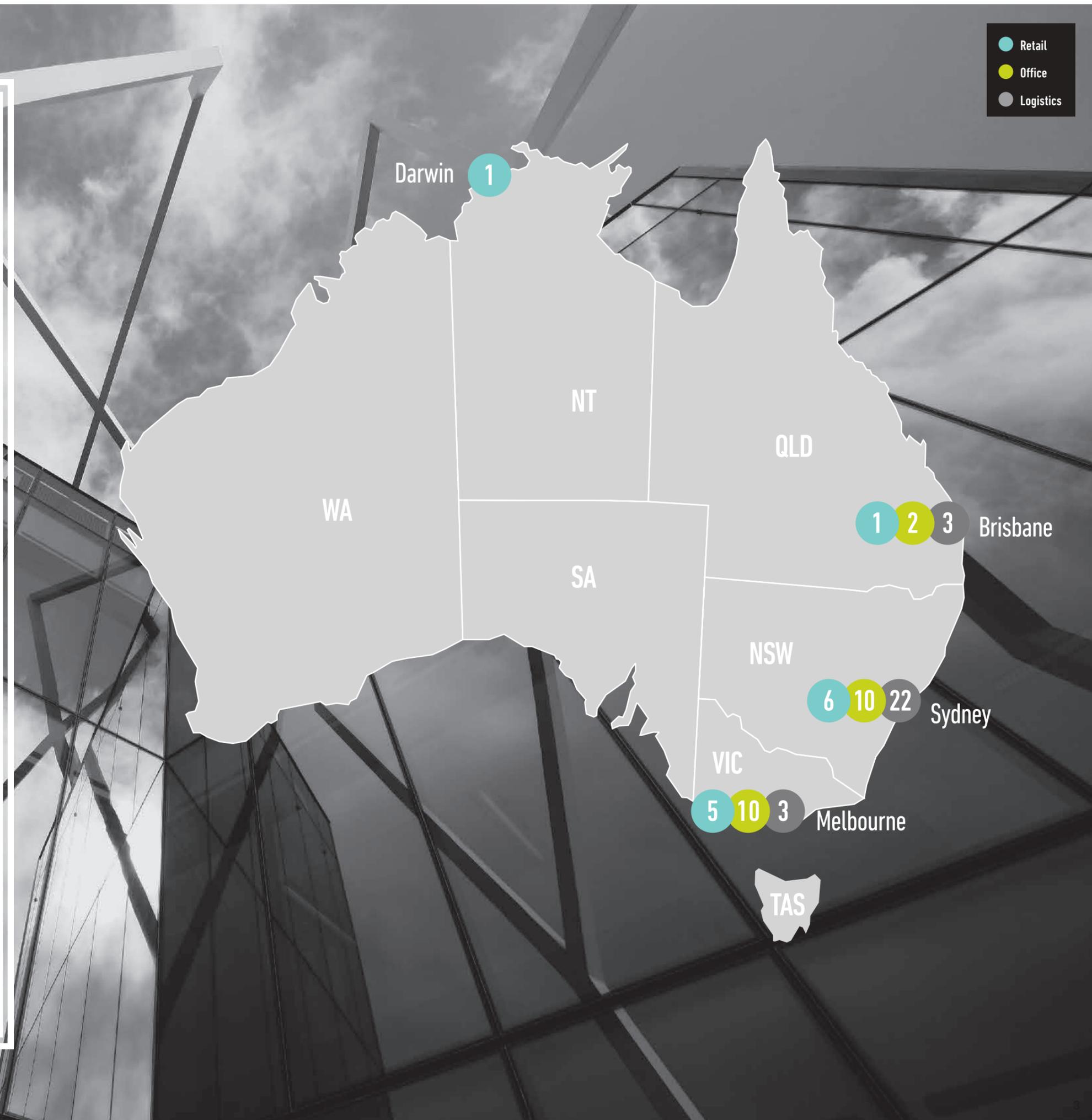
- 22 assets
- 1,110,000 sqm NLA
- 470+ tenants
- \$4.9b portfolio
- \$10.4b assets under management



Logistics Portfolio

- 28 assets
- 780,000 sqm GLA
- 70+ tenants
- \$1.5b portfolio
- \$1.5b assets under management

- Retail
- Office
- Logistics







Our Strategy

GPT's strategy is focused on enhancing the strong position the Group has in the three core real estate sectors of retail, office and logistics.

As a diversified Real Estate Investment Trust (REIT), GPT can be a leader across all three sectors. 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



Rob Ferguson
CHAIRMAN

Chairman's Report

I am pleased to report that The GPT Group delivered a statutory Net Profit After Tax of \$1.269 billion in 2017, an increase of 10.1 per cent on the previous year.

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GPT delivered a Total Securityholder Return (TSR) to investors of 6.6 per cent during 2017, above the Australian Real Estate Investment Trust sector return of 5.7 per cent.

Distributions paid to investors grew 5.1 per cent over the year to 24.6 cents per security. This reflects a payout ratio of 99.3 per cent.

The Group's Net Tangible Assets (NTA) backing rose 45 cents to \$5.04 per security, an increase of 9.8 per cent during the year.

The financial results reflect the quality of GPT's investment portfolio and the ongoing focus by management on the execution of the Group strategy.

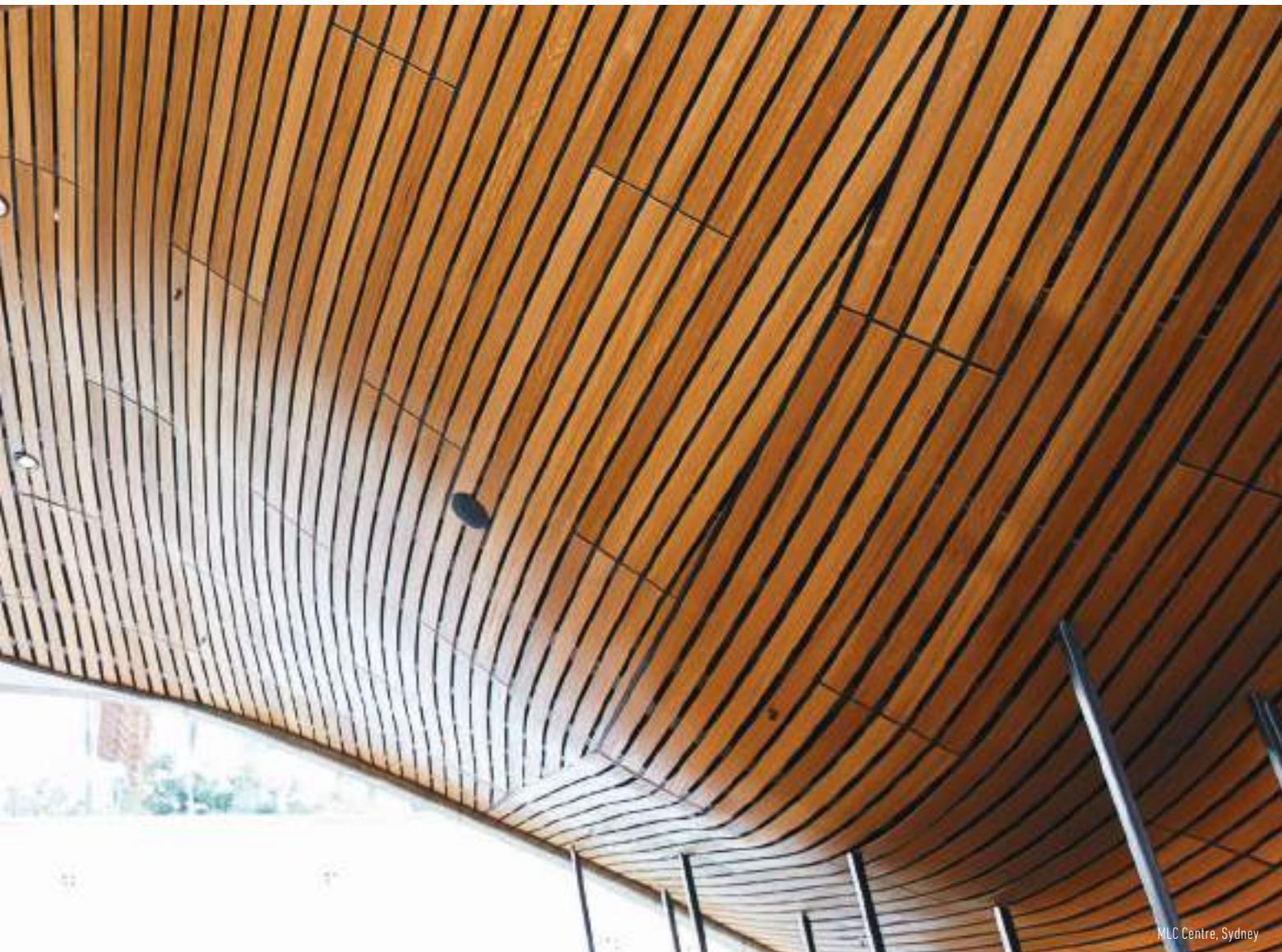
Corporate governance and executive remuneration are a key focus for the Group, and of interest to our stakeholders. The GPT Board aims to ensure remuneration levels remain appropriate and that performance measures are aligned to the achievement of the Group's strategic objectives, while also enabling the Group to attract, retain and reward high calibre talent. The GPT Board remains committed to ensuring transparency in communicating remuneration outcomes, ensuring that these outcomes are competitive and fair to all stakeholders.

The Board believes GPT's remuneration framework supports these outcomes and is designed to ensure that rewards are aligned with Group and individual performance. This framework puts a significant component of total remuneration at risk by delivering components of any incentive awards in deferred or restricted equity. The GPT Board and Leadership Team have minimum holding requirements, providing alignment with securityholders.

I encourage you to read the Remuneration Report contained in the 2017 Annual Financial Report for additional information on the Group's remuneration arrangements.

The Group continues to be one of the leading property companies worldwide in sustainability. GPT is ranked second in the Dow Jones Sustainability Index (DJSI), which tracks the performance of the world's leading companies in terms of corporate citizenship, economic, environmental, policy and social criteria. It is the ninth year in a row GPT has been ranked first or second in this global index. The Group remains committed to managing its environmental footprint. In 2017 GPT adopted a zero carbon target, to be achieved by 2030.

Diversity and inclusion are important aspects of the work environment at GPT, so as to achieve a balance of viewpoints, and reflect the characteristics of the communities that we operate in. During the year, the Group made further progress in gender diversity, with the proportion of women in the top



quartile of the business by income increasing from 36 per cent to over 41 per cent. In 2017, GPT launched its LGBTI Awareness and Diversity Network, and has also developed a strategy to support an aging workforce.

Following the end of the reporting period, the Group was pleased to announce the appointment of Vikki McFadden as a Non-Executive Director on the GPT Board with a commencement date of 1 March.

Ms McFadden is currently Chairman of Eftpos Payments Australia and a Director of Tabcorp Holdings, Newcrest Mining and Myer Family Investments. Ms McFadden is also the President of the Takeovers Panel, and brings a wealth of knowledge and experience to the GPT Board.

After nine years as a Director of GPT, with eight of those years as Chairman, I will be retiring from the GPT Board following the Group's Annual General Meeting in May this year. I joined the GPT Board in May 2009 at a challenging time for investment markets, and a period of transition for the Group, which had commenced the process of restructuring and repositioning the business.

During my time at GPT, the Group has achieved much that I am proud of. We have a high quality portfolio, backed by a strong balance sheet, and a clear and focused strategy. The Funds Management platform is highly regarded, with

assets under management increasing by over \$7 billion since 2009. The Group has also delivered attractive returns during my tenure. The Total Securityholder Return for the Group of 14.3 per cent per annum (for the period 25 May 2009 to 31 December 2017) is well in excess of the Australian equity market return of 10.6 per cent per annum over the same period.

It has been my great pleasure serving securityholders as a member of the GPT Board, and I am confident I am leaving the business in good shape, with a capable and skilled management team in place, and the business well positioned for future success. Subject to securityholder approval of Ms McFadden's election as a Non-Executive Director at the GPT Annual General Meeting on 2 May, following my retirement, it is intended Ms McFadden will be appointed Chairman of GPT.

I would like to thank all securityholders for their support, and wish you all the very best.

Rob Ferguson
Chairman



CEO Report

Bob Johnston

**CEO AND MANAGING
DIRECTOR**

I'm pleased to report that 2017 was another solid year for The GPT Group.

Our high quality, diversified real estate portfolio combined with the deep skills and capabilities of our management team has again delivered excellent results for the Group. Throughout the year, management's focus on the disciplined execution of our strategy has continued to build on our ambition to be the most respected property company in Australia in the eyes of our investors, our customers, our people and the community.

The strength of the GPT platform was evidenced by the significant leasing activity executed during the year and the strong comparable growth from each of the sector portfolios. In addition, our funds management platform continued to grow with Funds Under Management totaling \$12 billion at year end, taking total assets managed by the Group to \$21.5 billion.

Overall, the Group grew Funds from Operations to \$554.2 million, up 3.2% on 2016. Unrealised revaluation gains for the investment portfolio totaled \$717.7 million, resulting in Statutory Net Profit after Tax increasing to \$1.269 billion.

GPT's balance sheet remains in a very strong position with net gearing of 24.4 per cent and a low weighted average cost of debt of 4.2 per cent. In 2017, the Group further diversified its sources of debt and lengthened its debt maturity profile to 7.1 years.

The Retail portfolio delivered like-for-like income growth of 3.8 per cent for the year and maintained occupancy at 99.6 per cent. The value of GPT's retail assets increased by \$281.4 million during the year, with the portfolio's weighted average capitalisation rate firming to 5.1 per cent.

The performance of the Retail portfolio was enhanced by a strong contribution from Melbourne Central and Rouse Hill Town Centre, and the full year contribution from the

completed developments at Charlestown Square and Casuarina Square. Specialty retail sales per square metre increased by 2.2 per cent during the year to \$11,185.

The Retail team has continued to remix the portfolio to attract best in class retailers and enhance the experience at our shopping centres. In March 2017, the \$240 million expansion of Macarthur Square opened, which included the international fashion brand H&M, a new David Jones department store and new alfresco dining precinct, reinforcing the asset's status as south west Sydney's dominant retail destination. In October we launched the refurbished Gateway Building at Wollongong Central, which included a new generation David Jones department store and food offering, and retailers including T2 and Mecca Maxima.

The \$420 million redevelopment of Sunshine Plaza is expected to be substantially complete in late 2018.

The Office portfolio continued to outperform, delivering 5 per cent like-for-like income growth and a valuation uplift of \$374.1 million for the 12 months to 31 December.

The Group continued to benefit from the high exposure of the Office portfolio to the buoyant Sydney and Melbourne markets, which are experiencing solid demand, tight supply and strong rental growth. Approximately 88 per cent of the Office portfolio is located in these two markets.

Our Office team signed 189,500 square metres of leases during 2017, with occupancy at 95.2 per cent at the end of the year.

Construction of a new 15,700 square metre A-Grade office building at 4 Murray Rose Avenue, Sydney Olympic Park, is on track for completion at the end of 2018. We are also targeting to commence construction of our planned 26,000 square metre office tower at 32 Smith Street, Parramatta,

in the second half of 2018, following the submission of a Development Application for the project in late 2017.

In November 2017, GPT lodged a Development Application for the proposed Cockle Bay Park development in Sydney. This exciting project will see the creation of up to 70,000 square metres of office and retail space, and one hectare of new public space.

The Logistics portfolio delivered like-for-like income growth of 4 per cent and a valuation uplift of \$62.1 million for the year, with the capitalisation rate firming to 6.31 per cent. At the end of 2017, occupancy increased to 96.1 per cent with 188,200 square metres of leases signed during the period.

In 2017, we completed \$134 million of projects with a combined area of 70,200 square metres, which included new logistics facilities in Eastern Creek, Seven Hills, Metroplex Wacol and a refurbished facility Huntingwood, all of which have been fully leased. Work has also commenced on a 30,000 square metre facility at Eastern Creek and a second facility on our Huntingwood site.

The GPT Wholesale Office Fund (GWOFF) delivered a 13.4 per cent total return for the year, while the GPT Wholesale Shopping Centre Fund (GWSCF) delivered a 12.5 per cent total return, making it the best performing fund in the retail category of the Mercer/IPD Australia Wholesale Fund index over the past one and two years. During the year, GPT increased its investment in GWSCF to 28.8 per cent.

As a member of the Property Council of Australia's Male Champions of Change, which was formed in 2015 to drive greater gender equality in the property industry and increase the number of women in leadership roles, I am

committed to seeing GPT deliver on its diversity strategy. In 2017, we furthered our efforts to promote an inclusive workplace through the launch of the GPT LGBTI Awareness & Diversity Network. In 2018, the Group will also continue its sponsorship of the Property Council's 500 Women in Property mentoring program, which promotes gender equality across the industry by pairing emerging female talent with established leaders.

GPT heads into 2018 in good shape. We expect our portfolio to continue to benefit from its high exposure to the stronger performing NSW and Victorian economies. Conditions in the Sydney and Melbourne office markets remain favourable, and we continue to actively engage with the retailers in our shopping centres with a focus on maximising the performance of the Retail portfolio. The Group also has a number of exciting development opportunities, and we remain focused on progressing these in 2018.

The Group is in a strong position and we remain optimistic about the outlook for all areas of the business.

I would like to take this opportunity to thank securityholders for their support over the past year. I look forward to keeping you updated on our business activities over the next 12 months.



Bob Johnston
CEO and Managing Director

Financial Performance

NET PROFIT AFTER TAX OF

\$1.269 billion

INCLUDING \$717.7 MILLION
IN ASSET REVALUATION UPLIFT

EARNINGS GROWTH

3.0%

FUNDS FROM OPERATIONS
PER SECURITY

CASH DISTRIBUTIONS UP

5.1%

TO 24.6 CENTS PER SECURITY

Year ended 31 December	2017	2016	Change
Net Profit after Tax (\$m)	1,269.1	1,152.7	▲ 10.1 %
Valuation increases (\$m)	717.7	611.6	
Financial Instruments marked to market and net foreign exchange loss (\$m)	(2.9)	(23.0)	
Other ¹ (\$m)	0.1	27.1	
Funds From Operations (FFO) (\$m)	554.2	537.0	▲ 3.2%
FFO per ordinary security (cents)	30.77	29.88	▲ 3.0%
Distribution per security (cents)	24.6	23.4	▲ 5.1%
As at 31 December	2017	2016	Change
Total assets (\$m)	12,985.4	11,817.9	▲ 9.7%
Total borrowings (\$m)	3,300.6	2,996.6	▲ 10.1%
Net tangible assets per security (\$)	5.04	4.59	▲ 9.8%
Net gearing	24.4%	23.7%	▲ 70bps

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



15.2%

TOTAL RETURN

24.4%

GEARING

4.20%

WEIGHTED AVERAGE
COST OF DEBT

For the 2017 financial year, Statutory Net Profit After Tax was \$1.269 billion, up 10.1 per cent on the prior year. Funds from Operations (FFO) were \$554.2 million, representing a 3.2 per cent increase on the previous corresponding period. On a per security basis, FFO was 30.77 cents, an increase of 3 per cent on the prior 12 months.

The Group announced a full year distribution payment of 24.6 cents per security, an increase of 5.1 per cent on distributions paid in 2016. The Group's payout ratio in 2017 was 99.3 per cent.

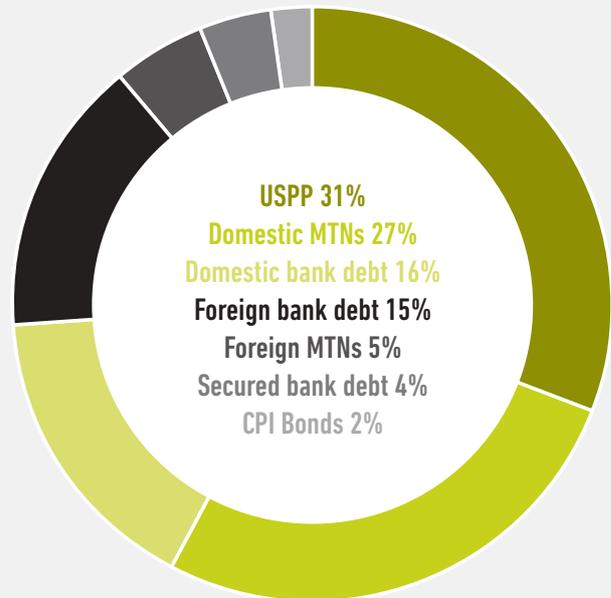
Net Tangible Assets (NTA) increased 9.8 per cent to \$5.04 per security over the 12 months to 31 December. This was largely driven by the \$717.7 million in valuation increases across the Group's property portfolio.

The Group's weighted average cost of debt declined marginally to 4.2 per cent, and the average weighted term to maturity was lengthened to 7.1 years. The Group has also further diversified its funding sources with a \$400 million US Private Placement (USPP) debt issue during the year.

GPT's balance sheet remains in a good position, with gearing of 24.4 per cent as at 31 December. During the year Moody's upgraded GPT's long-term credit rating to A2. The upgrade was based on the Group's demonstrated commitment to a moderate risk profile and its large diversified portfolio of quality assets.

Well-Diversified Sources of Debt

AS AT 31 DECEMBER 2017



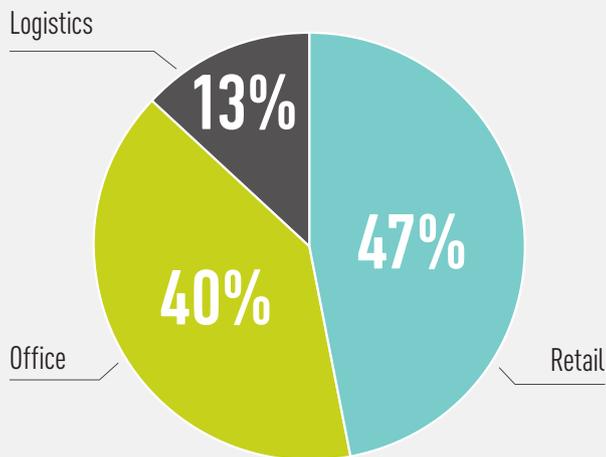
GPT has an A (stable) credit rating from Standard & Poors and an A2 (stable) credit rating from Moody's.



Operational Performance

GPT Portfolio Diversity

AS AT 31 DECEMBER 2017



The GPT Group has total property assets under management of \$21.5 billion.



COMPARABLE INCOME
GROWTH OF

4.4%

FROM OUR PORTFOLIO
OF QUALITY ASSETS

ASSET PORTFOLIO

96.8%

OCCUPIED

WEIGHTED AVERAGE LEASE EXPIRY

5.2 year

FOR THE PORTFOLIO

DJSI INDUSTRY LEADER

Silver Class

ON THE GLOBAL
SUSTAINABILITY INDEX

	Portfolio Size	Comparable Income Growth ¹	Weighted Average Lease Expiry	Occupancy	Weighted Average Capitalisation Rate
Retail	\$5.85b	3.8%	4.1 years	99.6%	5.10%
Office	\$4.90b	5.0%	5.6 years	95.2%	5.18%
Logistics	\$1.55b	4.0%	7.6 years	96.1%	6.31%
Total	\$12.30b	4.4%	5.2 years	96.8%	5.27%

1. Income for the 12 months to 31 December 2017 compared to the previous corresponding period.



Retail Portfolio

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



The Group's retail investments of \$5.9 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 \$9.6 billion.

Year Ended 31 December	2017	2016
Number of Shopping Centres ¹	13	13
Portfolio value	\$5.9 billion	\$5.3 billion
Comparable income growth	3.8%	3.8%
Comparable total centre sales growth ²	1.7%	3.2%
Combined MAT growth	3.1%	4.6%
Specialty sales ²	\$11,185psm	\$11,036psm
Occupancy ²	99.6%	99.6%
Weighted average capitalisation rate	5.10%	5.39%

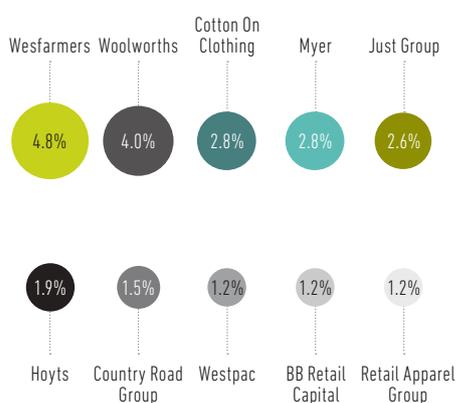
1. GPT and GWSCF owned assets.

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

GPT has most of Australia's leading retailers as its tenants, including the major supermarkets, department stores and large chain stores.

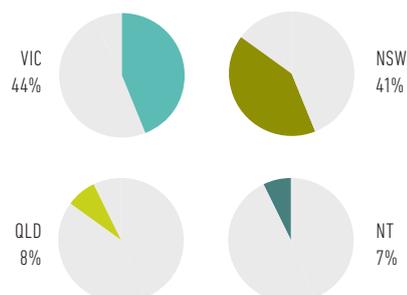
Top Ten Tenants³

AS AT 31 DECEMBER 2017



Geographic Weighting

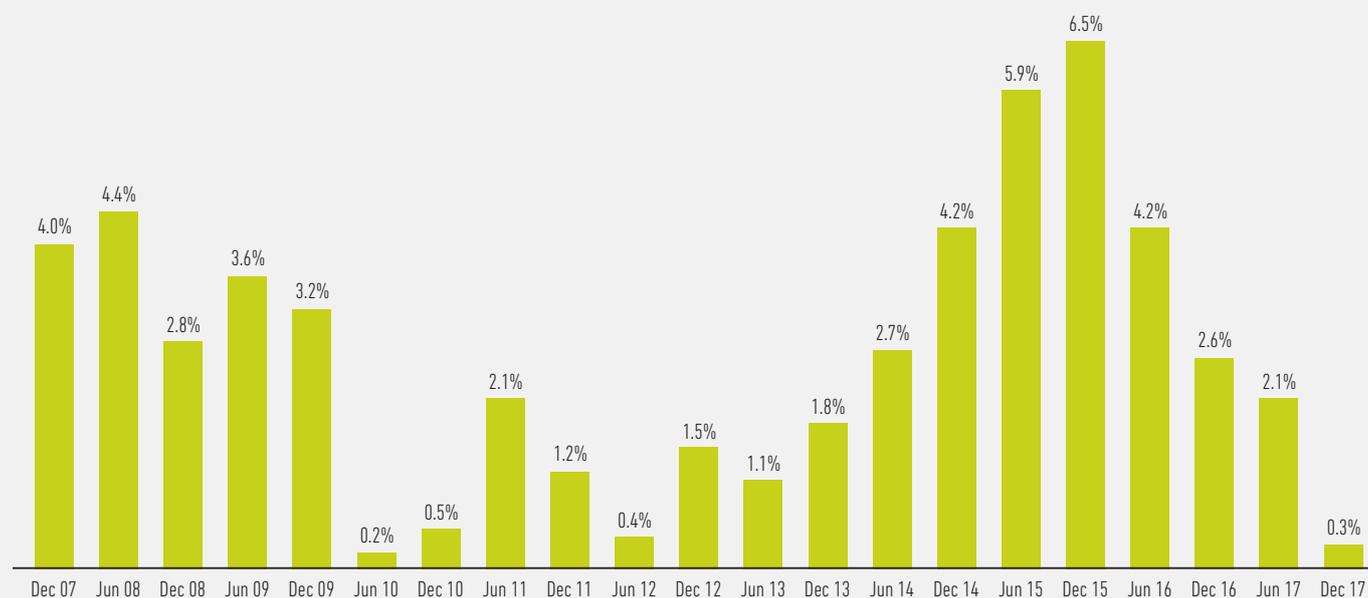
AS AT 31 DECEMBER 2017



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

Specialty MAT Growth

AS AT 31 DECEMBER 2017



Note: From December 2014, based on GPT weighted interest. Excludes development impacted centres (Sunshine Plaza, Macarthur Square and Wollongong Central).

GPT's Retail portfolio delivered solid results for 2017.

Property Net Income for the year rose 5.9 per cent to \$261.3 million, with the portfolio benefiting from a full year contribution from completed developments at Charlestown Square and Casuarina Square and the strong performance of Melbourne Central and Rouse Hill Town Centre. Like-for-like income growth for the Retail portfolio was 3.8 per cent.

Specialty retail sales on a per square metre basis increased 2.2 per cent to \$11,185, which demonstrates the success of the Group's ongoing active asset management and the quality of the portfolio. Occupancy of the Retail portfolio remains high at 99.6 per cent.

The Group remains focused on its strategy to increase the exposure of its Retail portfolio to more productive categories, introducing emerging and next generation retail offerings and working with existing retailers to drive productivity and sales.

The Retail portfolio at 31 December was valued at \$5.9 billion and recorded a valuation gain of \$281.4 million for the period. The portfolio's weighted average capitalisation rate firmed to 5.1 per cent during the year.

GPT continues to invest in its centres to enhance the experience of shoppers and the performance of our retailers.

The \$240 million expansion of Macarthur Square opened in March that included a new format David Jones department store, international retailer H&M, more than 40 specialty stores and casual dining precinct. In October, Wollongong Central launched its refurbished Gateway Building which included a new David Jones department store and food offering, Mecca Maxima and T2.

The \$420 million expansion of Sunshine Plaza (GPT's interest is 50%) is expected to be substantially complete in late 2018. Leasing is progressing well and the expanded offering will cement the centre's dominant position on the Sunshine Coast of Queensland.

The planning for the expansion of the Rouse Hill Town Centre is continuing. We remain optimistic about the opportunity given the ongoing growth being delivered by the asset and the growth outlook for the area. Progressing our plans for the development opportunities adjacent to the Town Centre is also a focus for 2018.

In May, GPT increased its investment in GWSCF, acquiring \$116.6 million of securities which lifted the Group's interest to 28.8 per cent. In 2017, GPT's investment in GWSCF delivered a total return of 12.8% for the Group.

Office Portfolio

GPT's office portfolio comprises ownership in 22 high quality assets across the three major capital cities on the eastern seaboard of Australia.



The Group's office investments of \$4.9 billion includes assets held on the Group's balance sheet and an investment in the GPT Wholesale Office Fund (GWOF). Making their mark on the Sydney, Melbourne and Brisbane skylines, GPT has total office assets under management of \$10.4 billion including the MLC Centre, Melbourne Central Tower and One One One Eagle Street.

Year Ended 31 December	2017	2016
Number of Assets ¹	22	23
Portfolio Value	\$4.9 billion	\$4.3 billion
Comparable Income Growth	5.0%	6.3%
Occupancy ²	95.2%	97.0
Weighted Average Lease Expiry	5.6 years	5.5 years
Weighted Average Capitalisation Rate	5.18%	5.55%

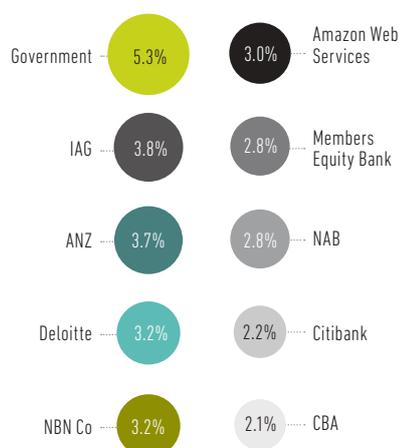
1. GPT and GWOF owned assets. 2. Includes signed leases.

GPT has a diverse tenant mix including the Government and blue chip companies such as the major banks, and some of Australian's largest law and financial services firms.

GPT has 88 per cent of its office portfolio in the strongest performing markets of Sydney and Melbourne.

Top Ten Tenants³

AS AT 31 DECEMBER 2017



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

Tenant Mix

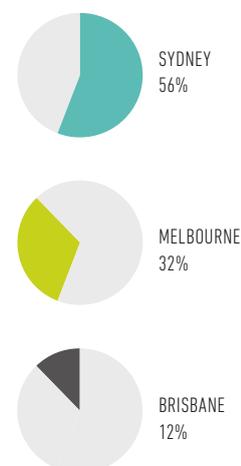
AS AT 31 DECEMBER 2017



- Banking 20%
- Other Business Services 15%
- Legal 15%
- Insurance 13%
- Info and Comms Technology 12%
- Accountants 7%
- Government 5%
- Finance 5%
- Other 4%
- Mining & Energy 4%

Geographic Weighting

AS AT 31 DECEMBER 2017

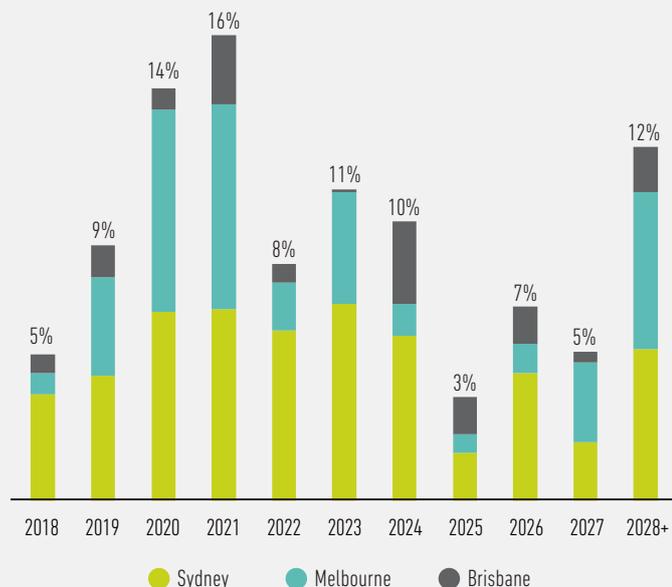




2 Southbank Boulevard, Melbourne

Lease Expiry Profile

AS AT 31 DECEMBER 2017



Note: Includes Signed Leases.

The GPT Office portfolio delivered another year of strong results in 2017, with Property Net Income increasing 8.2 per cent. The portfolio produced a total return of 14.5 per cent for the 12 months to 31 December and a valuation gain of \$374 million, driven by strong leasing outcomes and improved valuation metrics. The Office portfolio's weighted average capitalisation rate firmed to 5.18 per cent.

The Office team signed 189,500 square metres of leases during the year, with portfolio occupancy at 95.2 per cent at 31 December. The like-for-like income growth of 5 per cent was driven by fixed rental growth and increased occupancy in the Group's Sydney assets.

In 2017, the Group made good progress on several office developments. Construction of the 15,700 square metre A-Grade office building at 4 Murray Rose, Sydney Olympic Park, is on track for completion in late 2018. The building has a 60 per cent precommitment from the NSW Government for the Rural Fire Service and is targeting to have the balance of the space leased by the end of 2018.

In October 2017, GPT submitted a Development Application for its 26,000 square metre office tower at 32 Smith Street Parramatta. The Group is targeting to start construction on the building in the second half of 2018.

In November 2017, a Development Application was submitted for the proposed Cockle Bay Park project in Sydney, which will include a hectare of open public space and up to 70,000 square metres of premium office and retail space.

GPT's flexible workspace business Space&Co. continued to see strong growth in 2017, experiencing demand from new and existing GPT customers. With occupancy at 83 per cent at the end of the year, the Group plans to further expand the number of Space&Co. locations in 2018.

Logistics Portfolio

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



The Group's logistics portfolio of \$1.5 billion includes assets located in Australia's major industrial areas of central and western Sydney, west Melbourne and south Brisbane.

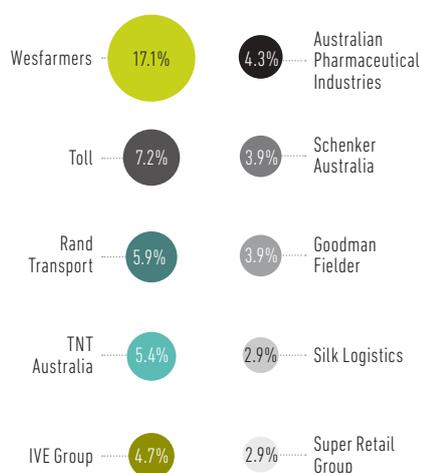
Year Ended December	2017	2016
Number of Assets ²	28	24
Portfolio Value ³	\$1.5 billion	\$1.4 billion
Comparable Income Growth	4.0%	1.4%
Occupancy ¹	96.1%	95.3%
Weighted Average Lease Expiry	7.6 years	7.9 years
Weighted Average Capitalisation Rate	6.31%	6.54%

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

Tenants in GPT's logistics portfolio include some of Australia's major retail and transportation groups covering the length of the commercial supply chain.

Top Ten Tenants⁴

AS AT 31 DECEMBER 2017



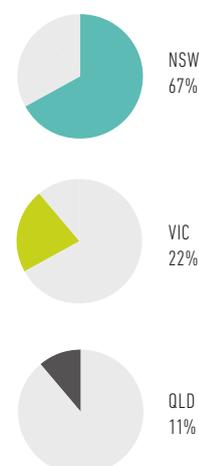
Key Operating Metrics

AS AT 31 DECEMBER 2017

	2017	2016
Number of Assets ⁵	28	24
Portfolio Value ⁶	\$1,547.6m	\$1,404.8m
Comparable Net Income Growth	4.0%	1.4%
Occupancy ⁴	96.1%	95.3%
Weighted Average Lease Expiry ⁷	7.6 years	7.9 years

Geographic Weighting

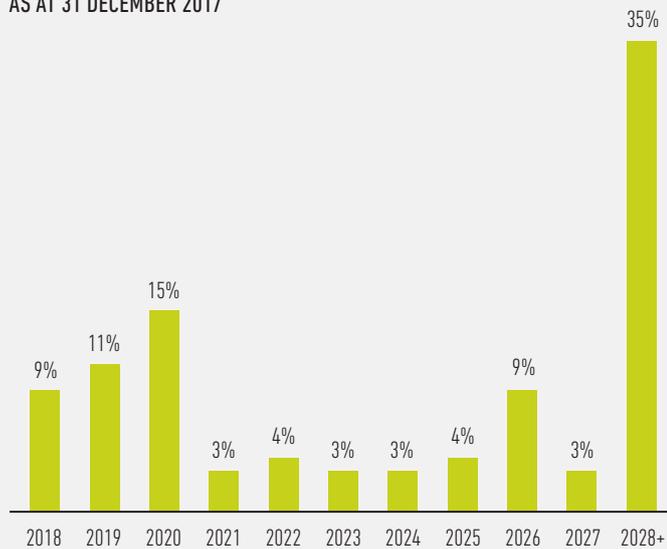
AS AT 31 DECEMBER 2017



4. Includes signed leases.
5. Consolidated properties are counted individually.
6. Excludes land and development held in GPTMH.
7. By income.

Lease Expiry Profile¹

AS AT 31 DECEMBER 2017



1. By income. Includes signed leases.

The Logistics portfolio delivered like-for-like income growth of 4 per cent for the 12 months to 31 December. Occupancy increased to 96.1 per cent and portfolio weighted average lease expiry (WALE) was 7.6 years at the end of the year.

The Logistics portfolio recorded a valuation increase of \$62.1 million, driven by strong contributions from the Group's facilities at Erskine Park in Sydney, lease renewals at Citiwest Industrial Estate in Melbourne and completed developments. The weighted average capitalisation rate across the portfolio firmed to 6.31 per cent.

The Logistics portfolio had a record year for leasing volume, with 188,200 square metres of leases signed over 2017 and terms agreed for a further 52,400 square metres.

During the year, the Group completed four logistics developments in Sydney and Brisbane, representing 70,200 square metres of gross lettable area. These developments, all of which are fully leased, included a 25,400 square metre facility at 54 Eastern Creek Drive in Sydney, which has been leased to the national third party logistics provider Silk Contract Logistics.

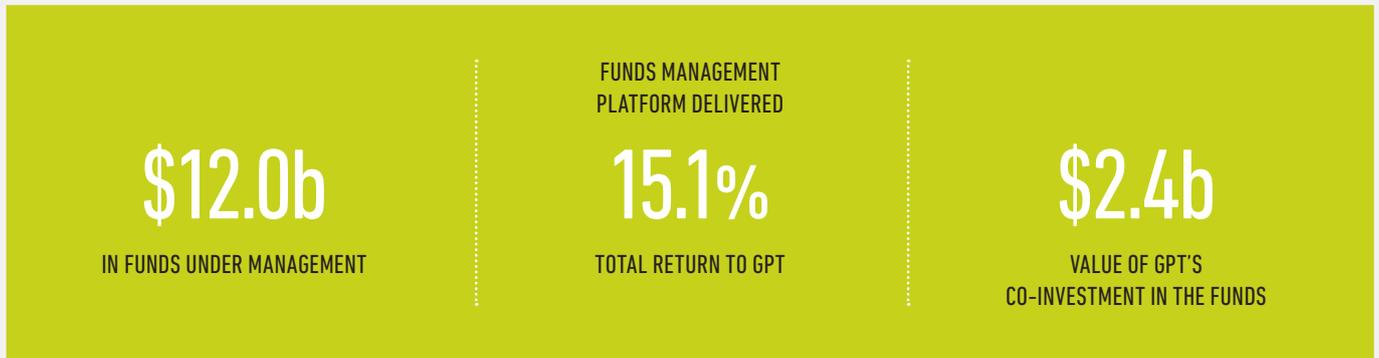
A further two development projects are currently underway in Sydney. These include the construction of a second logistics facility at the Group's site at Huntingwood, due for completion in September 2018, and a further facility at Eastern Creek.

The Group remains focused on driving leasing outcomes and looking for opportunities to grow our development pipeline, particularly in areas near key transport routes where tenant demand is strong.



Funds Management

The GPT Funds Management platform comprises two wholesale funds in the retail and office sectors, with funds under management (FUM) of \$12 billion.



The GPT Wholesale Office Fund (GWOF)

GWOF achieved a total return of 13.4 per cent for the 12 months to 31 December. The Fund reported improved portfolio fundamentals, with WALE increasing to 7 years and occupancy of 95.1 per cent.

The GWOF portfolio, which includes investments in 17 quality office assets in Sydney, Melbourne and Brisbane, reported a valuation gain of \$409 million for 2017.

During the year, the Fund divested 545 Queen Street Brisbane for \$70.5 million. The sale was part of the Fund's strategy to improve the quality of its portfolio.

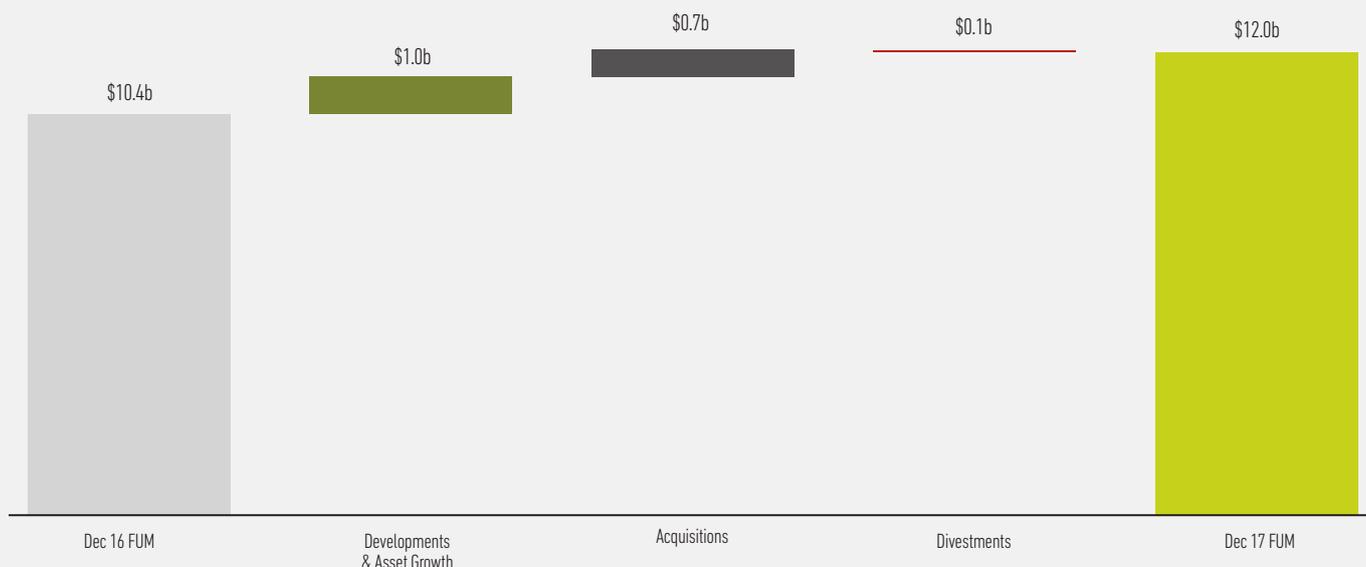
The Fund further diversified and lengthened its debt profile during the year through the issue of a \$200 million 10 year Medium Term Note issue and a US\$150 million 12 year US Private Placement note issue, which increased GWOF's average debt term to 5.9 years.

Highpoint Shopping Centre, VIC



Growth in Funds Under Management

12 MONTHS TO 31 DECEMBER 2017



The GPT Wholesale Shopping Centre Fund (GWSCF)

GWSCF delivered a total return of 12.5 per cent for the 12 months to 31 December, making it the best performing fund in the retail category of the Mercer/IPD Australia Wholesale Fund index for the past two years.

In February, the Fund's terms were successfully renewed with the full support of its investors.

During the year, GWSCF issued a \$200 million 7 year Medium Term Note issue which diversified the Fund's capital sources and extended the average tenor of the its debt facilities.

In July 2017, GWSCF exercised its pre-emptive right to purchase a further 25 per cent stake in Highpoint Shopping Centre for \$680 million. The acquisition increased the Fund's ownership in the asset to 83.3 per cent, with GPT retaining a 16.7 per cent interest. Highpoint is one of the top 5 shopping centres in Australia measured by annual sales turnover.



Sustainability

GPT is committed to operating a sustainable business.

Sustainability is integrated into GPT's strategy. We recognise the importance of underpinning our operations with an aligned organisational culture, effective stakeholder engagement, good governance and business processes that embed sustainable practices into our day-to-day operations.

We know that the value the Group delivers to investors and customers is deeply connected to our capacity to manage the risks and opportunities in environmental performance, the prosperity of our stakeholder communities and the abilities of our people. 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 that GPT has received during the year, including being ranked second globally in the Real Estate sector on the Dow Jones Sustainability Index, the eighth consecutive year that GPT has ranked in the top two.

During 2017 we updated our policy on Climate Change and Energy Policy by including 2030 as the period before which we expect to be operating carbon neutrally. The addition of this target date will encourage our operations and development teams to be innovative in the ways we use energy and where we source energy in the future. Like most Australian businesses GPT is impacted by the transformations underway in the Australian electricity market. We are forecasting significant unit cost increases for electricity in 2018 and beyond. Through a diligent focus on energy efficiency, our buildings use 40% less electricity than they did in 2005, a sizeable saving to us and our customers.

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 continue to emphasise how we:

- best engage with our customers;
- most effectively and efficiently manage our impact on the environment;
- maintain our strong safety record;
- empower and support our people to perform at the highest level; and
- mature our shared value approach to community engagement and development.

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

Ranked
Silver
in the global Dow Jones
Sustainability Index (DJSI)

61%
emissions intensity reduction
since 2005



42%
water intensity reduction
since 2005

Over 50%
of GPT staff participated in
First Nations cultural awareness
training in 2017

40%
recycling rate
in 2017

\$21.6 million
of avoided electricity costs
in 2017

295
GPT staff participated in
2017 Community Day

5.3
★ ★ ★ ★ ★
Portfolio NABERS Energy Rating
for GPT's office portfolio

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 100 Women in Property initiative. 100 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 61 per cent through:

- energy efficiency,
- on site renewable energy and
- purchasing renewable energy
- 2.1 GWh of solar energy generated on site.



GPT achieved silver status in the Dow Jones Sustainability Index in 2017. The ninth consecutive year that GPT has been ranked gold or silver.

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 INCLUDE:

- 61% reduction in emissions intensity since 2005
- \$21.6 million of electricity and \$0.9 million of gas related avoided costs¹ in 2017
- 172,106 tonnes CO₂e greenhouse gas emissions avoided
- 1.6 MW of solar power systems installed
- Average of 30% certified GreenPower included in electricity supply agreement.



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 INCLUDE:

- 45% reduction in water intensity since 2005
- \$5.7 million of avoided costs¹ in 2017
- 1.4 million kilolitres of water saved in 2017 on baseline consumption.



Waste and Resource Management

GPT is committed to a 'closed loop' approach to resource use and minimising waste to landfill in all areas within the control of the Group, and to supporting and encouraging improvements in areas within GPT's influence.

KEY ACHIEVEMENTS INCLUDE:

- 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
- 30% of total waste materials recovered and tracked to closed loop recycling (A-grade recovery).

1. Compared to 2005 baseline.

Sustainability in GPT's Portfolio

	Retail Portfolio	Office Portfolio
Emissions intensity	53% reduction since 2005	68% reduction since 2005
Energy intensity	35% reduction since 2005	46% reduction since 2005
Water intensity	32% reduction since 2005	56% reduction since 2005
Recycling rate	38%	49%

Our Community

Community engagement and development

Community engagement and development is an important part of GPT's vision to be the most respected property company in Australia. Delivering value to the communities that we operate in as well as our investors are complimentary outcomes; the resilience and health of the communities where we have assets is reflected in the performance of our assets and the success of our business.

We are committed to three focus areas where we can have most impact – health and wellbeing, social inclusion and employability and skilling, delivering programs that impact the local communities where we have assets whilst also responding to broader social challenges facing current and future generations. We seek shared value opportunities as we recognise that delivering social value at the same time as driving commercial value for customers and investors provides opportunity for more sustainable outcomes. We continue to enhance our understanding of the unique social challenges relevant to each of our assets, inclusively engaging with communities and responding to changing priorities as they evolve over time.

Measuring Business and Social Value

Understanding the impact of our programs and activities is critical to enable us to direct our resources and investment to where we can have the most impact and deliver the greatest value. GPT is improving the way we measure the business and social impacts and outcomes of our community engagement programs, to better inform our investment decisions, leveraging Theory of Change and Social Return on Investment frameworks.

Highlights for the year include:

- over \$8 million invested in business initiatives that also deliver a community benefit
- 66% of GPT employees volunteered their time at community organisations
- signatory and contributing member of the UN Global Compact

- ongoing support for the Property Industry Foundation, with GPT's Chief Executive Officer Bob Johnston as the National Chairman of the Property Industry Foundation and GPT's Head of Office and Logistics Matthew Faddy as a member of PIF's NSW Board of Advisors.

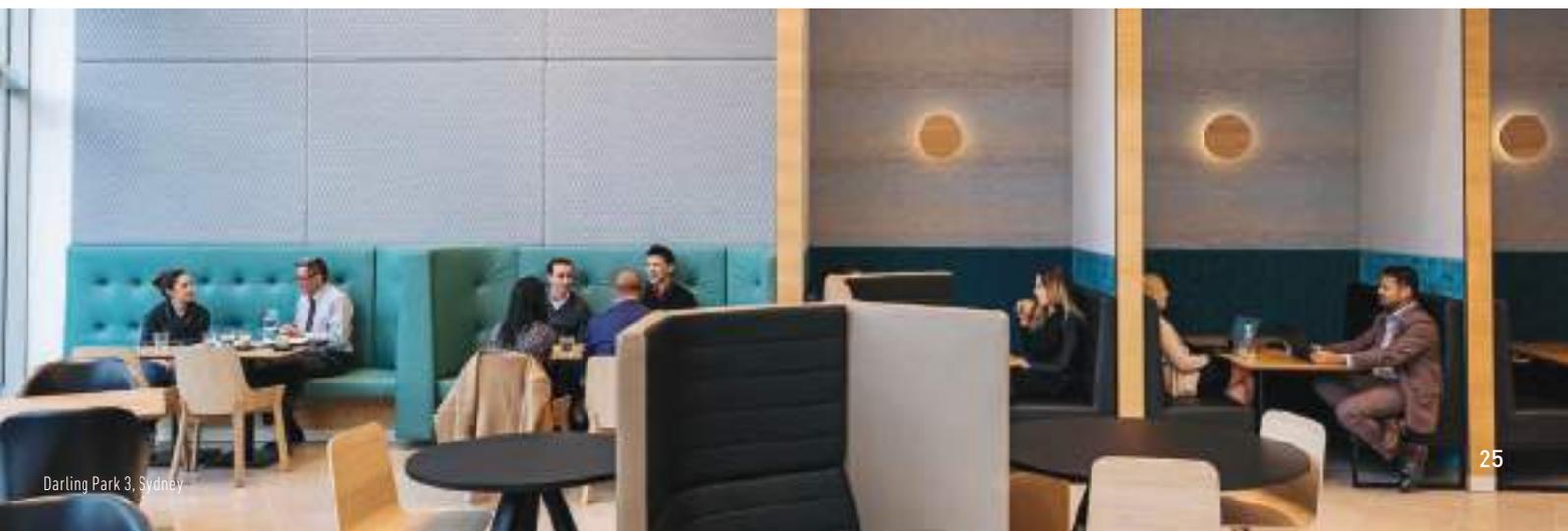
Reconciliation Action Plan

In 2017, we continued to deliver on the objectives of our inaugural 2016-17 Reconciliation Action Plan (RAP). Our RAP operates across all areas of the business and contains objectives that reflect the opportunities the Group has to make sustainable change for First Nations peoples.

Highlights from the initiatives delivered in 2017 include:

- hosting a Welcome to Country Speaker at significant formal events such as our GPT Conference;
- performing Acknowledgement of Countries at major meetings/presentations, such as The AGM and Results presentations;
- engaging over 250 employees in Cultural Awareness Training;
- establishing a First Nations External Advisory Group;
- recognising National Reconciliation Week across the Group;
- celebrating NAIDOC Week across the group, including at our assets such as Wollongong Central;
- installing Acknowledgment of Country signs/artwork at numerous retail and office assets, and information about the Traditional Custodians on our retail websites;
- establishing partnerships with First Nations organisations local to our assets, such as through our annual Community Day volunteering activities at Rouse Hill Town Centre and Charlestown Square;
- implementing a First Nations employment strategy, that includes partnering with the CareerTrackers Indigenous Internship Programme to support seven interns in 2017.

In 2018 we will launch our second RAP which will be a Stretch RAP. This will see the Group further embed reconciliation practices into our business and grow our collaborative relationships with First Nations enterprises, organisations and Land Councils.





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 fulfill this commitment, consistent with GPT's policies and Supplier Code of Conduct.

GPT has voluntarily adopted the Australian Supplier Payment Code issued by the Business Council of Australia. This code aims to encourage payments to small businesses to be made in a timely manner to ensure they remain viable and maintain healthy cashflows and working capital. Additional information can be found at www.gpt.com.au.

Our Customers

Throughout 2017, GPT continued to partner with a number of our retailers to share data and insights. This has seen a number of them implement strategies to drive operational efficiency and partner with us on a number of campaigns that drove productivity and profitability.

GPT continues to be committed to maintaining the highest standard of engagement with our retailers and has implemented a number of strategies to gain feedback from our retailers including an annual survey, to identify tenants' level of satisfaction with the Group and opportunities to improve current relationships.

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 characteristics:



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**

2017 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
DIVERSITY & INCLUSION	<ul style="list-style-type: none"> Completed an organisation wide gender pay equity audit and launched GPT's Gender Equality Policy. GPT's CEO Bob Johnston is a member of the Property Male Champions of Change. Increased the percentage of females in senior leadership roles from 36.7% at the end of 2016 to 41.4%. Maintained participation of First Nations employees in the permanent workforce at 1%. Launched GPT's LGBTI Strategy and established an ally network. Maintained sponsorship of the Property Council of Australia's 100 Women in Property program.
EMPLOYEE ENGAGEMENT	<ul style="list-style-type: none"> Employee engagement has been independently assessed and the Group's sustainable engagement score increased 3% to 82%. Engagement scores improved in 15 out of 16 categories. Group and Business Unit/Team level action plans were developed and implemented. The MLC Centre office space was refreshed with initial planning given to interstate office updates.
LEARNING & TALENT DEVELOPMENT	<ul style="list-style-type: none"> The Leadership Team and senior cohort completed Hogan Profiles as part of leadership development activities to help drive business performance. Held an executive offsite for 100 employees with external speakers focused on exploring and anticipating future trends. The Elevate talent development program was delivered with 100% participant satisfaction. Continued the Talent Action Planning (TAP) program and retained 96.3% of identified top talent. Achieved global leader in Human Capital Development in the Dow Jones Sustainability Index.
REMUNERATION & RECOGNITION	<ul style="list-style-type: none"> Achieved 98.5% investor approval of the 2016 Remuneration Report. Completed the annual review of employee base pay effective 1 January 2017, with an average increase of 3.6%. Undertook market based and like for like gender pay equity reviews and reduced the Gender Pay Gap. GPT's CEO Bob Johnston was appointed a Gender Pay Equity Ambassador by the Workplace Gender Equality Agency (WGEA). Developed a peer to peer recognition program Introduced greater choice in reward programs with cash and security options.

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.

530 Collins Street, Melbourne



Rob Ferguson

CHAIRMAN

Mr Ferguson joined the Board on 25 May 2009.

Mr Ferguson brings to the Board a wealth of knowledge and experience in finance, investment management and property as well as corporate governance.

Mr Ferguson is currently the Non-Executive Chairman of Primary Health Care Limited and Non-Executive Director of Tyro Payments Limited and Watermark Market Neutral Fund Limited.

Mr Ferguson was Managing Director and Chief Executive of Bankers Trust for 15 years and was an independent Non-Executive Director of Westfield for 10 years.

Mr Ferguson is a member of the Nomination and Remuneration Committee.



Bob Johnston

CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

Bob Johnston joined The GPT Group as CEO and Managing Director in September 2015.

Bob is an experienced property executive and business leader, with a career spanning 29 years. He has been involved in most facets of the property sector including investment, development, project management and construction in Australia, Asia, the US and UK. He has a wealth of experience in funds management, asset management, development and across most asset classes including office, retail and industrial. For the eight years prior to joining GPT, Mr Johnston was Managing Director of the ASX-listed Australand Property Group.

Prior to that Mr Johnston held a number of senior management positions with Lend Lease both in Australia and abroad, including that of Global CEO of Bovis Lend Lease, COO of Lend Lease Real Estate Investments in the USA and CEO of Bovis Lend Lease Asia Pacific. Mr Johnston is also a Chairman of the Property Industry Foundation, a director of the Property Council of Australia (PCA) and a member of the PCA's Property Male Champions of Change.



Brendan Crotty

NON-EXECUTIVE DIRECTOR

Mr Crotty was appointed to the Board on 22 December 2009.

Mr Crotty brings extensive property industry expertise to the Board, including 17 years as Managing Director of Australand until his retirement in 2007. Mr Crotty is currently a director of Brickworks Limited and a privately owned major Victorian land development and housing company, as well as being Chairman of the Western Sydney Parklands Trust and CloudFX Group Pte Limited (incorporated in Singapore).

Mr Crotty is a member of the Audit Committee and a member of the Sustainability and Risk Committee.



Dr Eileen Doyle

NON-EXECUTIVE DIRECTOR

Dr Doyle was appointed to the Board on 1 March 2010.

Dr Doyle has over two decades of diverse business experience. She has held senior executive roles and Non-Executive Director roles in a wide range of industries, including research, financial services, building and construction, steel, mining, logistics and export.

Currently, Eileen's directorships include Boral and Oil Search. She is also a 2016 Fellow of the Australian Academy of Technological Sciences and Engineering.

Eileen is Chair of the Sustainability and Risk Committee, a member of the Nomination and Remuneration Committee and a member of the Audit Committee.



Gene Tilbrook

NON-EXECUTIVE DIRECTOR

Mr Tilbrook was appointed to the Board on 11 May 2010. Mr Tilbrook brings extensive experience in finance, corporate strategy, investments and capital management.

Mr Tilbrook is a Non-Executive Director of Orica Limited and Woodside Petroleum Limited.

Mr Tilbrook is a councillor of the Australian Institute of Company Directors (WA Division) and Curtin University; and a member of the board of the Bell Shakespeare Company.

Mr Tilbrook is Chair of the Nomination and Remuneration Committee.



Swe Guan Lim

NON-EXECUTIVE DIRECTOR

Mr Lim was appointed to the Board on 23 March 2015. Mr Lim holds an honours degree in Estate Management, a Chartered Financial Analyst certification and an MBA from the Colgate Darden Graduate School of Business.

Mr Lim brings extensive property experience to the Board, having spent most of his executive career as a Managing Director in the Government Investment Corporation of Singapore (GIC). In that role he was Regional Head of Property Investment for Australia, Japan and South East Asia and the Global Head of the Corporate Investment Group. Mr Lim was previously a Portfolio Manager at Suncorp Bank and securities analyst for Kim Eng Securities and Alfa Securities Asia-Pacific.

Mr Lim is currently Chairman of Cromwell European REIT in Singapore and a Director of Sunway Berhad in Malaysia. He is also Chairman of the Asia Pacific Real Estate Association.

Mr Lim is a member of the Audit Committee and a member of the Sustainability and Risk Committee.



Michelle Somerville

NON-EXECUTIVE DIRECTOR

Ms Michelle Somerville was appointed to the Board on 1 December 2015. Ms Somerville holds a Master of Applied Finance from University of Melbourne, is a Fellow of the Institute of Chartered Accountants in Australia and a graduate of the Australian Institute of Company Directors.

Ms Somerville worked for KPMG for 26 years, with 14 of those as an audit partner of the firm. She has deep business, finance, risk and governance experience gained in Australia and overseas, working with top tier financial services and industrial clients.

Ms Somerville currently sits on the boards of Bank Australia and Challenger Retirement and Investment Services Ltd, she is an independent adviser to the Audit, Risk and Compliance Committee of Uni Super Ltd, as well as a board member of the not for profit organisations Save the Children (Australia) and Down Syndrome Australia.

Ms Somerville is Chair of the Audit Committee and a member of the Sustainability and Risk Committee.

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 Johnston joined The GPT Group as CEO and Managing Director in September 2015.

Bob is an experienced property executive and business leader, with a career spanning 28 years. He has been involved in most facets of the property sector including investment, development, project management and construction in Australia, Asia, the US and UK. He has a wealth of experience in funds management, asset management, development and across most asset classes including office, retail and industrial. For the eight years prior to joining GPT, Mr Johnston was Managing Director of the ASX-listed Australand Property Group.

Prior to that Mr Johnston held a number of senior management positions with Lend Lease both in Australia and abroad, including that of Global CEO of Bovis Lend Lease, COO of Lend Lease Real Estate Investments in the USA and CEO of Bovis Lend Lease Asia Pacific. Mr Johnston is also a Chairman of the Property Industry Foundation, a director of the Property Council of Australia (PCA) and a member of the PCA's Property Male Champions of Change.



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 25 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 is responsible for the Group's capital management, financial reporting, accounting, tax and IT. She has over 20 years of experience in accounting, finance and treasury roles in the real estate industry.

Anastasia joined The GPT Group in September 2009 as Group Treasurer. Her past roles include two years as Chief Financial Officer of New City Australia and Singapore, Treasurer and Head of Finance at Dexus Property Group and corporate treasury and project finance roles at Lend Lease. Anastasia is a Fellow of the Australian Society of Certified Practising Accountants and holds a Bachelor of Accounting from the University of Technology, Sydney.



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 25 years, including roles with BT Funds Management and Lend Lease prior to joining GPT in 2006.



Vanessa Orth

HEAD OF RETAIL

Vanessa has more than 15 years' experience in the property industry. As Head of Retail, Vanessa is responsible for setting and delivering the strategic direction for the GPT Retail portfolio. She also has accountability for the investment performance and operational management of the Group's shopping centre assets.

Most recently, Vanessa held the role of Head of Asset Management, Retail. In this role, Vanessa was responsible for the asset management of shopping centres across both The GPT Group and GPT Wholesale Shopping Centre Fund. Prior to GPT, Vanessa held roles with Lend Lease and Jones Lang LaSalle.



Matthew Faddy

HEAD OF OFFICE & LOGISTICS

Matthew has over 20 years' professional experience in leading successful teams in property, 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.

Upon joining GPT in 2006, Matthew was responsible for the launch of the \$1.9 billion GPT Wholesale Shopping Centre Fund. Prior to his role as Fund Manager, Matthew was the Head of Retail for Lend Lease's Retail Group, responsible for the asset management of a portfolio of assets for both GPT and the Australian Prime Property Fund.

Prior to his move into property, Matthew spent five years in the audit group of chartered accounting firm PWC.



Anthony McNulty

HEAD OF DEVELOPMENT – RETAIL AND MIXED USE

Anthony is responsible for the conversion and delivery of GPT's development pipeline for Retail and Mixed Use. Anthony has 30 years of experience in the property industry in both Australia and overseas. His past experience includes the major redevelopments of Penrith Plaza and Melbourne Central, Bluewater in the UK, Rouse Hill Town Centre and the expansion of Highpoint.



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 24 years experience in human resources within the banking and finance sector, including 17 years within the real estate funds management industry.

Remuneration Report

The Nomination & 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 communicate the remuneration outcomes with full transparency; demonstrate that the GPT Group's remuneration platform is both market competitive and fair to all stakeholders; and align performance measures to the achievement of GPT's strategic objectives.

Governance

Who are the members of the Committee?	<p>The Committee consists of 3 Non-Executive Directors:</p> <ul style="list-style-type: none"> • Gene Tilbrook (Committee Chairman) • Eileen Doyle • Rob Ferguson
What is the scope of work of the Committee?	<p>The Committee provides advice and recommendations to the Board on:</p> <ul style="list-style-type: none"> • Criteria for selection of Directors; • Nominations for appointment of Directors; • Criteria for reviewing the performance of Directors individually and the GPT Board collectively; • Remuneration policies for Directors and Committee members; • Remuneration amounts for Directors from within the overall Directors fee cap approved by securityholders; • Remuneration policy for the Chief Executive Officer (CEO) and employees; • Incentive plans for the CEO and employees, including exercising discretion where appropriate in determining short term incentive compensation (STIC) and long term incentive compensation (LTI) outcomes; and • Any other related matters regarding executives or the Board¹.
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 the Committee is set out in its Charter which is available on GPT's website (www.gpt.com.au).



Committee key decisions and remuneration outcomes in 2017

Platform component	Key decisions and outcomes
Base pay (Fixed)	<p>Implemented the annual review of employee base pay effective 1 January 2017, with an average increase of 3.6%.</p> <p>Implemented an average increase of 3.0% in Non-Executive Director base fees effective 1 January 2017. This was the first review of base fees since 1 January 2015.</p>
Short term incentive compensation (STIC)	<p>The Group achieved an EPS growth outcome of 3.0% which generated a STIC pool of \$13.8 million.</p>
Long term incentive (LTI) compensation	<p>The Group achieved a compound annual Total Return¹ for the 2015-17 period of 14.05%, exceeding the maximum target of 9.75%, and delivered a Total Securityholder Return (TSR)² of 44.34% which ranked 5th against the comparator group.</p> <p>As a result, the vesting outcome for the 2015-17 LTI plan was 83.29% of the performance rights for each of the 23 participants in the LTI plan.</p> <p>Launched the 2017-2019 LTI with two performance measures, Total Return and Relative TSR.</p> <p>Strengthened the performance hurdle for vesting under the Total Return measure to commence at 8.5% and reach maximum at 10%.</p>
Other employee ownership plans	<p>Continued the General Employee Security Ownership Plan (GESOP) for 137 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.</p> <p>Continued the Broad Based Employee Security Ownership Plan (BBESOP) for 281 employees ineligible for GESOP. Under BBESOP, 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).</p>
Policy & governance	<p>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 Partners³.</p>
Diversity	<p>Completed an organisation wide gender pay equity audit and launched GPT's Gender Equality Policy.</p> <p>GPT's CEO Bob Johnston is a member of the Property Male Champions of Change, and was also appointed a Gender Pay Equity Ambassador by the Workplace Gender Equality Agency (WGEA).</p> <p>Increased the percentage of females in senior leadership roles from 36.7% at the end of 2016 to 41.4%.</p> <p>Maintained participation of First Nations employees in the permanent workforce at 1%.</p> <p>Launched GPT's LGBTI Strategy and established an ally network.</p>

1. Total Return is defined as the sum of the change in Net Tangible Assets (NTA) plus 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 2017, 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 other consultants.

GPT's vision and financial goals linked to remuneration structures



TOTAL REMUNERATION COMPONENTS

BASE PAY (FIXED)	SHORT TERM INCENTIVE COMPENSATION (STIC) (VARIABLE)	LONG TERM INCENTIVE (LTI) (VARIABLE)	OTHER EMPLOYEE OWNERSHIP PLANS (VARIABLE)
<ul style="list-style-type: none"> Base level of reward. Set around Australian market median using external benchmark data (including AON Hewitt and the Financial Institutions Remuneration Group (FIRG)). Reviewed based on employee's responsibilities, experience, skill and performance. External & internal relativities considered. 	<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 & non-financial measures. Financial measures include EPS growth, portfolio, fund and/or property level metrics. 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 cash and equity with deferred vesting for 1 year. 	<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 re-testing. No value derived unless GPT meets or exceeds defined performance measures. Delivered in GPT securities to align executive and securityholder interests. 	<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>BBESOP</p> <ul style="list-style-type: none"> For individuals ineligible for STIC or LTI. GPT must achieve at least Target outcome on annual EPS growth. 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).



<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 high 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 2017

Executive KMP		Fixed Pay		Variable or "At Risk" ¹			Total
		Base pay	Superannuation	Other ²	STIC	LTI	
Bob Johnston Chief Executive Officer and Managing Director	2017	\$1,415,168	\$19,832	\$3,299	\$1,195,801	\$1,867,471	\$4,501,571
	2016	\$1,300,883	\$19,462	\$5,677	\$1,143,136	–	\$2,469,158
Anastasia Clarke Chief Financial Officer	2017	\$730,168	\$19,832	\$2,480	\$523,556	\$455,426	\$1,731,462
	2016	\$630,538	\$19,462	\$2,334	\$481,107	\$517,555	\$1,650,996
Mark Fookes Chief Operating Officer	2017	\$800,168	\$19,832	\$4,326	\$565,442	\$844,845	\$2,234,613
	2016	\$780,538	\$19,462	\$6,999	\$571,233	\$979,499	\$2,357,731
Total	2017	\$2,945,504	\$59,496	\$10,105	\$2,284,799	\$3,167,742	\$8,467,646
	2016	\$2,711,959	\$58,386	\$15,010	\$2,195,476	\$1,497,054	\$6,477,885

Reported Remuneration for Non-Executive Directors

Non-Executive Director – Current		Fixed Pay			Total
		Salary & fees	Superannuation	Other ³	
Rob Ferguson Chairman	2017	\$380,000	\$19,832	–	\$399,832
	2016	\$362,500	\$19,462	–	\$381,962
Brendan Crotty	2017	\$181,000	\$17,195	–	\$198,195
	2016	\$181,333	\$17,227	–	\$198,560
Eileen Doyle	2017	\$203,500	\$19,333	–	\$222,833
	2016	\$190,000	\$18,050	–	\$208,050
Swe Guan Lim	2017	\$181,000	\$17,195	\$287	\$198,482
	2016	\$178,000	\$16,910	\$615	\$195,525
Michelle Somerville	2017	\$192,750	\$18,311	–	\$211,061
	2016	\$174,723	\$16,599	–	\$191,322
Gene Tilbrook	2017	\$178,000	\$16,910	\$380	\$195,290
	2016	\$175,000	\$16,625	\$767	\$192,392
Non-Executive Director – Former					
Anne McDonald ⁴	2017	–	–	–	–
	2016	\$62,422	\$5,930	\$641	\$68,993
Total	2017	\$1,316,250	\$108,776	\$667	\$1,425,693
	2016	\$1,323,978	\$110,803	\$2,023	\$1,436,804

This is an extract from the Remuneration Report contained in the 2017 Annual Financial Report which is available online at www.gpt.com.au.

1. Gross dollar values for the equity components have been calculated by multiplying the number of securities by GPT's fourth quarter VWAP for the applicable year; 2017: \$5.2085 (2016: \$4.76).

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. McDonald retired from the GPT Board on 4 May 2016.

Financial Summary

	31 Dec 17 \$M	31 Dec 16 \$M	Change %
Retail			
– Operations net income	313.1	288.3	8.6%
– Development net income	5.3	5.8	(8.6%)
	318.4	294.1	8.3%
Office			
– Operations net income	247.8	223.9	10.7%
– Development net income	1.1	1.1	0.0%
	248.9	225.0	10.6%
Logistics			
– Operations net income	93.3	92.7	0.6%
– Development net income	0.7	2.7	(74.1%)
	94.0	95.4	(1.5%)
Funds management net income	37.0	61.0	(39.3%)
Corporate management expenses	(30.6)	(29.8)	(2.7%)
Net finance costs	(102.4)	(100.0)	(2.4%)
Income tax expense	(11.1)	(14.0)	20.7%
Non-core	–	5.3	(100.0%)
Funds from Operations (FFO)	554.2	537.0	3.2%
Other non-FFO items:			
Valuation increase	717.7	611.6	17.3%
Financial instruments mark to market and net foreign exchange loss	(2.9)	(23.0)	87.4%
Other items ¹	0.1	27.1	(99.6%)
Net profit after tax	1,269.1	1,152.7	10.1%
FFO per ordinary stapled security (cents)	30.77	29.88	3.0%
Funds from Operations (FFO)	554.2	537.0	3.2%
Maintenance capex	(54.4)	(45.4)	(19.8%)
Lease incentives	(53.5)	(70.1)	23.7%
Adjusted Funds from Operations (AFFO)	446.3	421.5	5.9%
Distribution paid and payable	443.2	420.7	5.3%
Distribution per ordinary stapled security (cents)	24.6	23.4	5.1%

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

	As at 31 Dec 17	As at 31 Dec 16
Total assets (\$m)	12,958.4	11,817.9
Total borrowings (\$m)	3,300.6	2,996.6
NTA per security (\$)	5.04	4.59
Net gearing	24.4%	23.7%
Net look through gearing	27.7%	25.7%
Weighted average term to maturity of debt	7.1 years	6.5 years
Credit ratings (S&P / Moody's)	A stable / A2 stable	A stable / A3 stable
Weighted average term of interest rate hedging	4.8 years	4.4 years

Five Year Financial Performance Summary

	2017	2016	2015	2014	2013
Total Securityholder Return (TSR) %	6.6	10.1	15.4	34.5	4.1
Total Return %	15.2	15.5	11.5	9.6	8.5
NTA (per security) \$	5.04	4.59	4.17	3.94	3.79
FFO (per security) ¹ cents	30.8	29.9	28.3	26.8	25.7
Security price at end of calendar year \$	5.11	5.03	4.78	4.35	3.40

1. Represents Realised Operating Income (ROI) until 2013.

This is an extract from the Financial Results contained in the 2017 Annual Financial Report. The 2017 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 2017 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.



Distribution Payments

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.

2017 Annual Financial Report

A copy of GPT's 2017 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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Corporate Directory

The GPT Group

Comprising:

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ACN 113 510 188

GPT RE LIMITED
ACN 107 426 504 AFSL 286511
As Responsible Entity for

GENERAL PROPERTY TRUST
ARSN 090 110 357

Registered Office

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Phone: +61 2 8239 3555

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Board of Directors

Rob Ferguson (Chair)

Bob Johnston

Brendan Crotty

Eileen Doyle

Gene Tilbrook

Swe Guan Lim

Michelle Somerville

Company Secretaries

James Coyne

Lisa Bau

Phone: +61 2 8239 3555

Fax: +61 2 9225 9318

Audit Committee

Michelle Somerville

Brendan Crotty

Eileen Doyle

Nomination and Remuneration Committee

Gene Tilbrook

Eileen Doyle

Rob Ferguson

Sustainability and Risk Management Committee

Eileen Doyle

Brendan Crotty

Michelle Somerville

Auditors

PricewaterhouseCoopers

One International Towers Sydney,

Watermans Quay, Barangaroo

Sydney NSW 2000

Principal Registry

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GPT Security Registrar

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Email: registrars@linkmarketservices.com.au

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Stock Exchange Quotation

GPT is listed on Australian Securities Exchange

under ASX Listing Code GPT.

