



GPT

The GPT Group

2016 INTERIM RESULT

15 August 2016

Agenda

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2016 Interim Result Highlights

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Delivering results from core business

6.1%

FFO¹ per security
growth

14.3%

Total Return

Investment Portfolio Performance

3.8%

Portfolio like for like
income growth

\$380_m

Portfolio valuation
uplift

Distribution

11.5¢

Distribution
per security
1H16

Capital Management

24.4%

Net gearing

Portfolio leasing and occupancy

95.8%

Total portfolio
occupancy

5.2 YRS

Weighted Average
Lease Expiry

1. Funds From Operations

Progress on Group Strategy

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Investment Portfolio

- Retail, Office & Logistics portfolios all delivering strong returns
- Full year Group Total Return expected to be greater than 11.5%
- 86% of the investment portfolio is in the Sydney and Melbourne markets

Funds Management

- GWOFF terms renewed, with an increase in the base fee and sharing of pipeline rights
- GWSCF consultation process commenced
- Office fund increased non-core asset sale program to approximately \$420m
- GMF units sold and agreement in place for the sale of management rights

Development

- Sunshine Plaza development commencing in 3Q16
- \$300 million expansion of Rouse Hill Town Centre expected to commence 1H17
- Mixed-use opportunities at Rouse Hill, Sydney Olympic Park and Camellia progressing
- Initial planning process commenced for Darling Park Stage 4
- New logistics land acquired in Sydney

Strong Balance Sheet & Efficient Structure

- Credit rating upgrade achieved
- Balance sheet capacity to fund acquisitions and developments
- Cost structure rationalised

Financial Summary

6 months to 30 June (\$ million)	2016	2015	Change
Net Profit After Tax	586.4	421.9	↑ 39.0%
Deduct: Valuation increases	379.9	146.0	
Deduct: Distribution on exchangeable securities	-	1.7	
Add back: Treasury items marked to market	65.7	(7.3)	
Deduct: Other items	2.4	17.9	
Funds From Operations (FFO)	269.8	249.0	↑ 8.4%
Deduct: Maintenance capex and lease incentives	61.7	51.8	
Adjusted Funds From Operations (AFFO)	208.1	197.1	↑ 5.6%
Weighted average securities on issue (million)	1,796.9	1,759.6	
Funds From Operations per stapled security (cents)	15.02	14.15	↑ 6.1%
Distribution per stapled security (cents)	11.5	11.0	↑ 4.5%

Segment Result

6 months to 30 June (\$m)	2016	2015	
Retail	148.6	149.7	◀ Comparable income growth of 3% offset by asset sales including Dandenong
Office	107.1	107.3	◀ Comparable income growth of 6% offset by lower GWOFF income due to 1H performance fee and Fund accrual for a final performance fee
Logistics	49.7	51.4	
Funds Management	29.2	15.6	◀ GWOFF 1H performance fee and higher base fee
Net Income	334.6	324.0	
Net interest expense	(50.1)	(59.0)	◀ Lower debt balance, lower fixed & floating rate partially offset by higher margin
Corporate overheads	(13.8)	(16.4)	
Tax expense	(5.9)	(5.7)	
Non-core income	5.0	6.1	◀ Ayers Rock Resort interest income. Loan fully repaid 1 July 2016
Funds From Operations	269.8	249.0	

GWOF Performance Fee

- GPT earned a performance fee from GWOF in 1H16
- GWOF terms renewal included a final performance fee to GPT for accrued outperformance
 - GWOF has accrued for the final performance fee expense
 - Payable to GPT in 2H16 and does not form part of GPT's 1H16 FFO

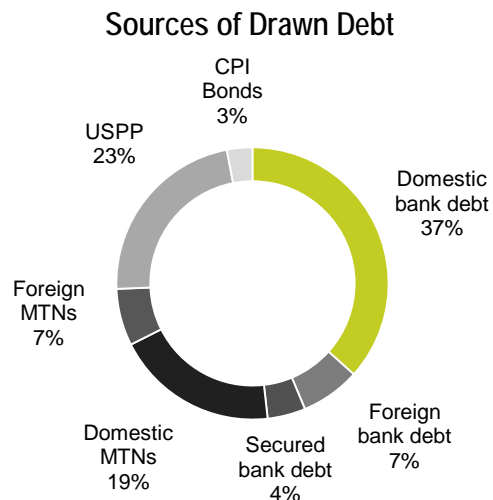
Reconciliation		GPT FFO 1H16
GWOF performance fee – 1H16		14.4
Less adjustments for:		
Tax @ 30% on 1H performance fee		(4.3)
Effect on GPT share of GWOF FFO for 1H performance fee	(2.9)	
Effect on GPT share of GWOF FFO for accrual of final performance fee	(2.8)	(5.7)
Net GWOF performance fee – 1H16¹		4.3

1. Difference in total due to rounding of individual components.

Capital Management

- Upgrade of GPT's long term rating with Standard and Poor's to A
- Reduced weighted average cost of debt by 30 basis points to 4.3%
- Further diversified the Group's funding sources and increased the weighted average debt term to 5.9 years
- Net gearing decreased to 24.4% at 30 June, reducing to 23.4% on a pro-forma basis as a result of asset sale proceeds received post 30 June

	Jun 2016	Dec 2015	Change
Net tangible assets per security	\$4.38	\$4.17	5.0%
Gearing	24.4%	26.3%	(190) bps
Weighted average cost of debt	4.3%	4.6%	(30) bps
Weighted average term to maturity	5.9 years	5.1 years	0.8 years
Interest cover ratio	6.3x	5.3x	1.0x
Credit ratings	A / A3	A- / A3	Upgrade
Weighted average term of hedging	5.3 years	5.6 years	(0.3) years
Average hedging over hedge term	63%	57%	600 bps



Retail | Highlights

Key Portfolio Statistics

3.0%

Portfolio like for like income growth

\$43.2_m

Valuation uplift

4.2%

Specialty sales MAT growth

99.4%

Total portfolio occupancy

5.52%

Weighted Average Cap Rate

2.7_{YRS}

Specialty WALE

Retail Financial Highlights

	2016	2015	Change
Property Net Income	120.9	127.8	(5.4%)
Income from GWSCF	17.8	18.2	(2.2%)

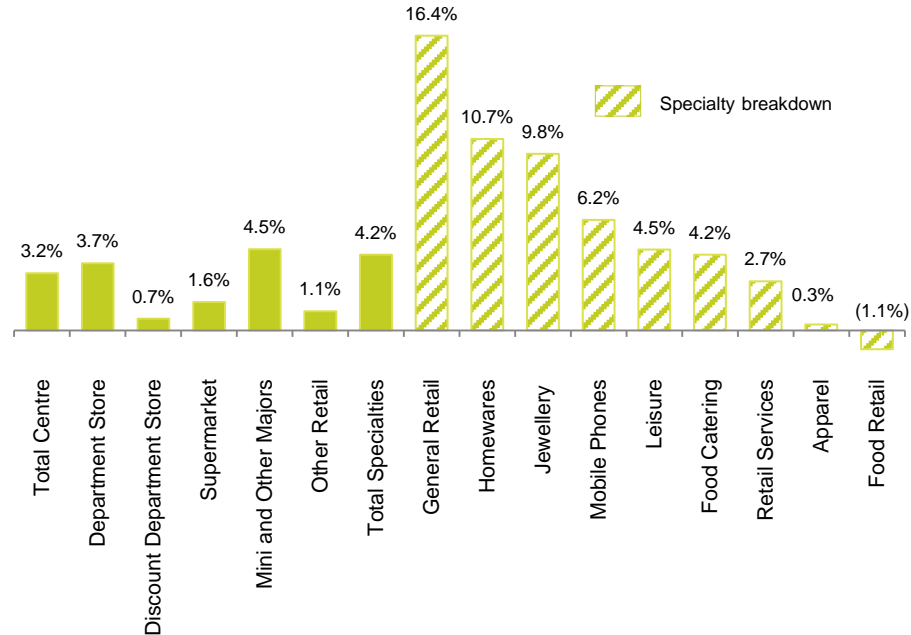
Portfolio commentary and market conditions

- Solid like for like growth driven by fixed rent escalations and improved leasing spreads
- Property Net Income reduced by the divestment of Dandenong Plaza and lost income associated with the Charlestown Square remix
- The sale of Forestway resulted in a lower contribution from GWSCF
- Retail sales have benefitted from a strong housing market, low interest rates and reduced household savings
- Portfolio is well positioned with highly productive assets exposed to markets with solid population growth

Portfolio Insights

- Specialty sales growth has moderated to 4.2% in June from 6.5% in Dec 15
- Improved performance in Department Stores and Mini Majors
- General Retail performing strongly with Cosmetics being a key growth category
- Apparel growing at 0.3%, or 6.6% per sqm
 - including Mini Majors growth is 1.4%, or 5.6% per sqm
- Food Retail down 1.1%, up 5.1% on a per sqm basis

Moving Annual Change in Retail Sales by Category¹



1. Based on GPT weighted interest. Excludes development impacted assets Wollongong Central and Macarthur Square.

Leasing Highlights

- Strong specialty sales growth and productivity is translating into an improvement in leasing spreads and low levels of vacancy
- Actively shifting the retail mix into growth categories such as food catering and down weighting in certain areas of apparel, translating into lower occupancy costs but stronger specialty rent and sales
- Strengthening our portfolio position, with the introduction of H&M into Charlestown and Wollongong

	Jun 2016	Dec 2015
Specialty MAT sales psm	\$10,766	\$10,460
Specialty Occupancy Cost	17.1%	17.4%
Leasing Spreads	0%	(1.6%)
Retention Rate	69%	70%
Portfolio Occupancy	99.4%	99.2%
2016 Specialty Base Rent Expiry	16%	28%
Specialty WALE	2.7 years	2.5 years



Casuarina Square

Entertainment & Lifestyle precinct – \$34m

- Creation of a new entertainment & lifestyle precinct, “The Quarter”, to enhance the assets dominant position in the market
- Focused on outdoor dining and family entertainment
- Introduced seven new food retailers to the Darwin market
- Strong trading performance since opening



Charlestown Square

International Mini-Major remix – \$44m

- Re-vitalised an existing precinct to strengthen asset performance
- Significant improvement in mix and quality of retailers, with H&M and Cotton On Mega
- Specialty sales above portfolio average at \$11,000 per sqm
- Positive leasing spreads being achieved
- Trading strongly with 60,000 visitations on opening day



Retail | Sunshine Plaza Development

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- Dominant asset in a growth market
- High productivity of \$11,800 per sqm
- Trade area will continue to benefit from population growth, new infrastructure and tourism
- \$400m expansion includes 105 new specialties, David Jones, Big W, International Mini-Majors and an upgraded Myer (GPT share \$200m)
- Commencement in Q3 2016 with forecast completion Q4 2018
- Stabilised yield on cost greater than 6%



Key Portfolio Statistics

6.0%

Portfolio like for like
income growth

\$287.3_m

Valuation uplift

97.3%

Total portfolio
occupancy

41,100_{m²}

Leases signed

5.58%

Weighted Average
Cap Rate

5.3 YRS

Office WALE

Office Financial Highlights

	2016	2015	Change
Property Net Income	83.2	76.6	8.6%
Income from GWOFF	25.1	31.1	(19.3%)

Portfolio commentary and market conditions

- Portfolio has delivered a strong result underpinned by continued leasing activity
- Net income has risen strongly for the period driven by increased occupancy and comparable income growth of 6%
- Valuation gains reflect continued investment demand for quality product, firming cap rates and being supported by income growth
- Market conditions remain favourable in Sydney and Melbourne
- Sydney market expected to see further tightening in vacancy given positive economy and near term withdrawals

- All assets independently valued at 30 June 2016
- Valuation gains a function of income growth and cap rate firming

Property	Valuation Uplift 1H16	
	\$m	%
Australia Square	\$50.9	14.9%
1 Farrer Place	\$42.7	11.3%
MLC Centre	\$46.3	10.1%
Citigroup Centre	\$46.0	9.4%
Melbourne Central	\$37.4	8.0%
CBW Melbourne	\$2.7	0.9%
111 Eagle Street	\$2.2	0.8%
GWOF Ownership ¹	\$59.1	6.0%
Total	\$287.3	7.7%

Weighted Average Valuation Uplift		
Sydney +10.8%	Melbourne +4.2%	Brisbane +0.3%

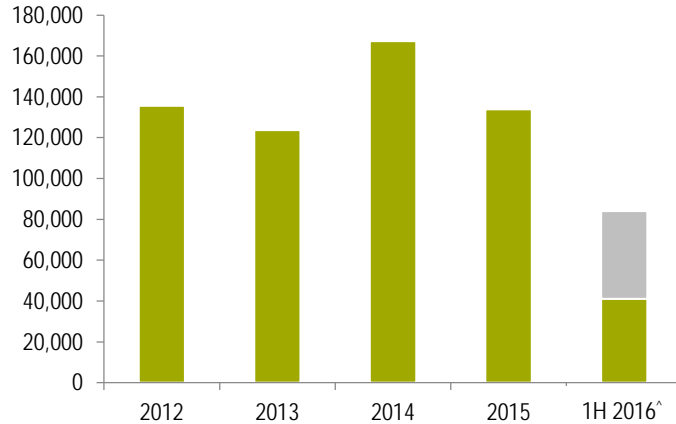
Composition of
Valuation Gains



1. Based on GPT's equity interest in GWOF

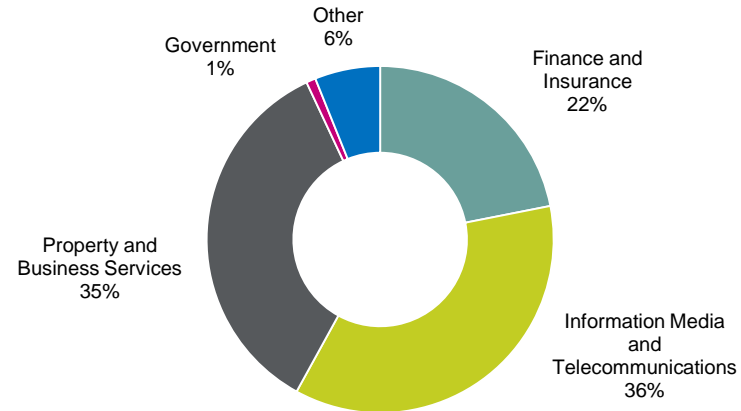
- Significant leasing achieved over the last four years, increasing occupancy to 97.3%
- Leasing results driven by the technology sector and continued demand from the smaller tenant market
- 41,100 sqm of signed leases and 43,000 sqm of deals at heads of agreement
- Average incentive of 21.9%

Signed Lease Volume
2012 to 1H 2016



^ Grey shaded area represents Heads of Agreement

Industry Sectors
1H 2016 Signed Leases and Heads of Agreement



Office | Sydney Leasing Activity

- Sydney market represents 57% of GPT’s portfolio weighting
- Strong leasing results achieved in 1H 2016
 - 25,500 sqm of signed leases and an additional 28,100 sqm of heads of agreement
- Portfolio of ten assets well positioned in the market

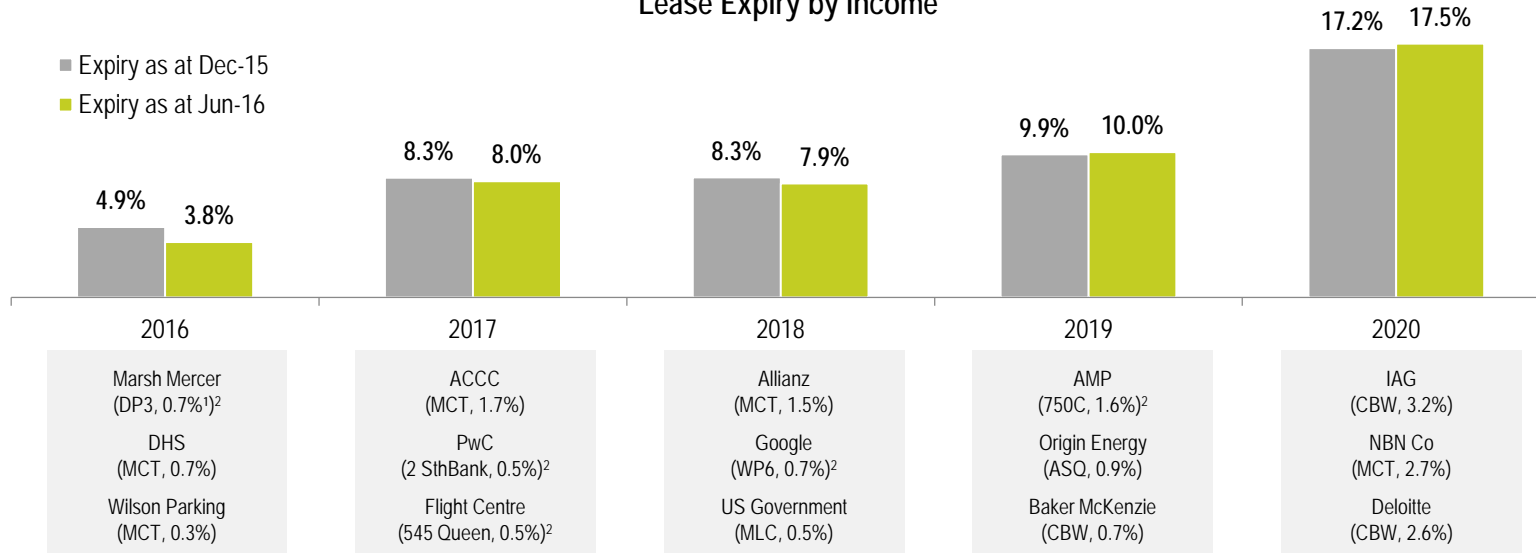


	Citigroup Centre	MLC CENTRE	One Farrer Place GOVERNOR PHILLIP TOWER GOVERNOR MACQUARIE TOWER
Total Return (12 months)	27.1%	20.3%	16.3%
NLA % Leased last 2 years	27%	44%	47%
Occupancy (incl. HoA) – Dec 2015	96.8%	96.1%	78.7%
Occupancy (incl. HoA) – Jun 2016	99.5%	97.8%	91.7%
Leasing 1H 2016	1,951 sqm signed leases 935 sqm terms agreed	3,100 sqm signed leases	5,499 sqm signed leases 13,538 sqm terms agreed

Office | Lease Expiry

- Low expiry profile with opportunities to capture stronger market conditions
- Portfolio weighted 89% to the strong markets of Sydney and Melbourne

Lease Expiry by Income



Portfolio adjusted to exclude Zenith (settled in July 2016). Data adjusted to reflect MCT leasing activity following the balance date.

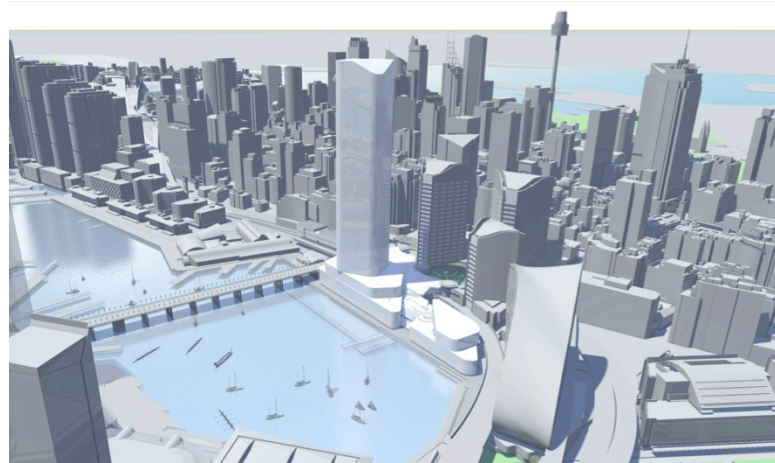
1. Uncommitted Marsh area

2. GWO asset



Asset Upgrades

- 580 George \$25m lobby and retail upgrade. Advancing stage 2 retail podium scheme
- Planning continues on MLC Centre stage 2 retail upgrade
- Value-add projects in planning to enhance assets including Melbourne Central Tower, Farrer Place, 8 Exhibition Street and 750 Collins Street



Darling Park – Development Opportunity

- 50% owned by GWO
- Development application anticipated to be lodged end 2016
- 70,000sqm office tower and 13,000sqm retail
- Opportunity to reconnect the city to Darling Harbour with 10,000sqm of public space

Key Portfolio Statistics

0.1%

Portfolio like for like
income growth

\$42.3_m

Valuation uplift

92.7%

Total portfolio
occupancy

16,800_{m²}

Leases signed

6.81%

Weighted Average
Cap Rate

7.9 YRS

Logistics WALE

Logistics Financial Highlights

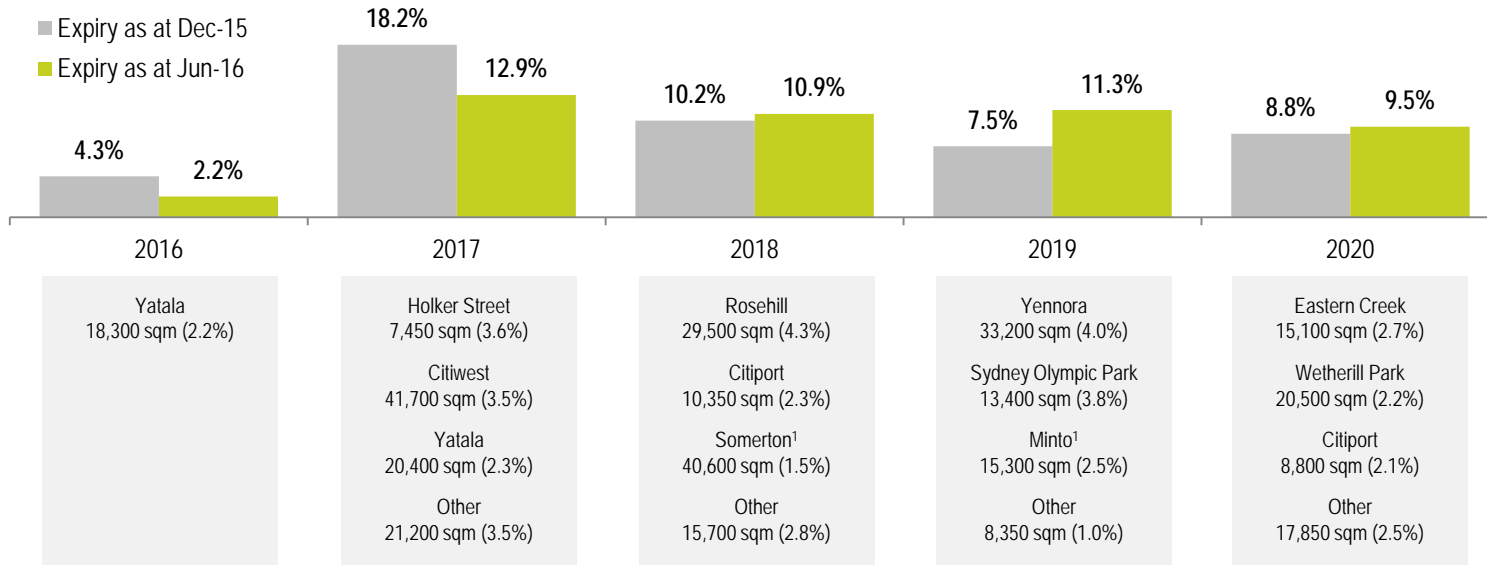
	2016	2015	Change
Property NOI	46.0	44.3	3.8%
Income from GMF	1.4	1.4	-

Portfolio commentary and market conditions

- Portfolio has delivered a strong Total Portfolio Return of 13.1% supported by valuation gains
- Net income growth has been driven by development completions in 2015, with comparable income growth flat
- Portfolio vacancy primarily relates to assets in Melbourne's West with supply exceeding demand
- 14.6 hectares of land acquired in Sydney's West
- Kings Park in Sydney sold at 8% premium to book value
- Market conditions continue to be positive in Sydney, but more challenging in Melbourne and Brisbane

- Active lease negotiations progressing for current vacancy and key 2017 expiries
- Following the sale of Kings Park in July 2016 the 2017 expiry has reduced to 12.9%

Lease Expiry Profile by Income



1. GLA quoted at 100% whereas percentage impact to lease expiry quoted at 50% interest.
Data adjusted to reflect the sale of Kings Park post 30 June.

Development

- Commenced two speculative developments (44,600sqm GLA) at Abbott Rd, Seven Hills and Eastern Creek Drive, Eastern Creek
- Secured three transactions at Metroplex, Wacol

Land bank providing potential for approximately \$450m of investment product

- Acquired 14.6 hectares across three sites in Western Sydney
- Exchanged contracts for the acquisition of 1 Huntingwood Drive, Huntingwood

Abbott Road, Seven Hills



Eastern Creek Drive, Eastern Creek



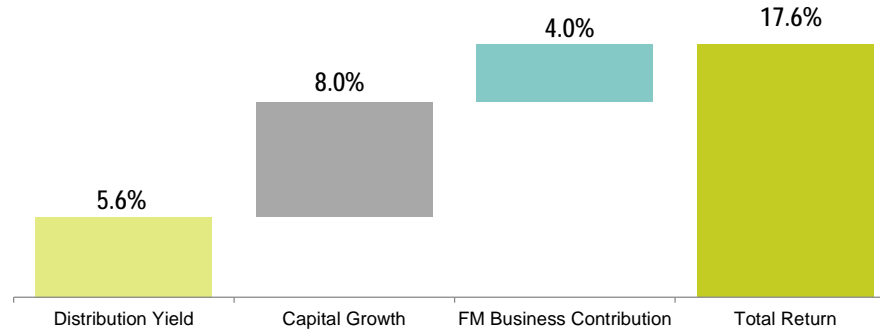
Funds Management | Highlights

- Funds Management division has generated a Total Return of 17.6%

- **GPT Metro Office Fund (GMF)**

- Takeover offer from Growthpoint recommended by the GMF Board
- Offer price delivers a Total Unitholder Return of 40.6% for GMF investors since IPO
- Facilitation agreement in place for the sale of management rights for \$9 million

GPT Total Return for 12 months ended 30 June 2016



Fund	Total Assets	GPT's Investment	Return (1Yr IRR)
GWOF	\$6.1b	\$1,042.0m	18.6%
GWSCF	\$3.9b	\$635.4m	5.3%
GMF	\$0.4b	\$39.0m	23.1% ¹
Total	\$10.4b	\$1,716.4m	

1. Total Unitholder Return

GPT Wholesale Shopping Centre Fund (GWSCF)

- \$240 million expansion of Macarthur Square progressing well
- Introducing H&M and new format David Jones to Wollongong Central
- Highpoint Shopping Centre continues to perform strongly, with expansion plans under consideration
- Consultation process with GWSCF investors for March 2017 liquidity review has commenced

GPT Wholesale Office Fund (GWOFF)

- Performance fee earned in 1H16 of \$14.4 million
- \$200 million of asset sales completed with a further \$220 million underway
- Successfully concluded the renewal of Fund terms
- Liquidity review closed with requests representing 2.4% of issued capital received



Item	New terms
Base management fee	<ul style="list-style-type: none">• 50 bps up to \$6 billion GAV (from 45 bps)• 45 bps thereafter• Effective 1 July 2016
Performance fee structure	<ul style="list-style-type: none">• Removal of performance fee structure• Effective 1 July 2016• Payment of a final performance fee in 2H16
Pipeline rights	<ul style="list-style-type: none">• GPT and GWOFF getting access to both established assets and developments• Pipeline rights will operate on a rotational basis
GPT minimum investment requirement	<ul style="list-style-type: none">• Amended to 15% (from 20%)• Effective 1 July 2017
Investor Representation Committee	<ul style="list-style-type: none">• To be established in 2H16

- Economic conditions in NSW and Victoria continue to be favourable for Retail, Office and Logistics sectors
- Good progress being made on development led investment opportunities
- Balance sheet is in a very strong position
- GWOFF terms and liquidity review concluded. No further performance fees beyond 2016

2016 Guidance

FFO per security growth of 5.0 to 5.5%¹

DPS growth of approximately 4.0%

1. Inclusive of the final GWOFF performance fee in 2H16



2016 INTERIM RESULT
15 August 2016

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Information is stated as at 30 June 2016 unless otherwise indicated.

All values are expressed in Australian currency unless otherwise indicated.

FFO is reported in the Segment Note disclosures which are included in the financial report of The GPT Group for the six months ended 30 June 2016.

To provide information that reflects the Directors' assessment of the net profit attributable to stapled securityholders calculated in accordance with Australian Accounting Standards, certain significant items that are relevant to an understanding of GPT's result have been identified. The reconciliation FFO to Statutory Profit is useful as FFO is the measure of how GPT's profitability is assessed.

FFO is a financial measure that represents GPT's underlying and recurring earnings from its operations. This is determined by adjusting statutory net profit after tax under Australian Accounting Standards for certain items which are non-cash, unrealised or capital in nature. FFO has been determined based on guidelines established by the Property Council of Australia and is intended as a measure reflecting the underlying performance of the Group.