Half Year Update

30 AUGUST 2020

The GPT Group

Dear investors,

I am pleased to provide an update to you on The GPT Group's performance in the first half of 2020.

12.55¢	**9.30¢**	**$5.52**	**$519.1m**
FUNDS FROM OPERATIONS (FFO) PER SECURITY	DISTRIBUTION PER SECURITY	NET TANGIBLE ASSETS (NTA) PER SECURITY	STATUTORY NET LOSS AFTER TAX

The Group commenced 2020 with solid momentum, however the period has been overshadowed by the unprecedented measures implemented by government in response to the COVID-19 pandemic. The effect of these measures on the operations of our assets was most pronounced in the retail sector, where physical distancing and mobility measures resulted in challenging trading conditions for many of our tenants.

In April, the National Cabinet announced the introduction of the commercial tenancy Code of Conduct (Code) requiring landlords to provide rental relief to qualifying tenants impacted by the government measures. The Group has also agreed to provide relief to some tenants who are not eligible for assistance under the Code but whose businesses have been significantly impacted by the pandemic. As a consequence of both the challenging environment and the Code, rent collection from our retail tenants fell sharply in the second quarter. Negotiations are continuing with our tenants on a case by case basis, although the Stage 4 restrictions implemented in Victoria during August have created additional uncertainty.

Funds From Operations (FFO) for the six month period was $244.5 million, resulting in FFO per security of 12.55 cents, a decline of 23.3 per cent on the prior corresponding period. An interim distribution of 9.30 cents per security was declared, representing a payout ratio of 99.6 per cent of free cashflow, which is in line with the Group's updated distribution policy.

6 months to 30 June	2020	2019	Change
Funds From Operations ($m)	244.5	295.9	▼ 17.4%
Net (loss)/profit after tax ($m)	(519.1)	352.6	▼ 247.2%
FFO per ordinary security (cents)	12.55	16.36	▼ 23.3%
FFO yield (based on period end price)	6.1%	5.4%	
Distribution per ordinary security (cents)[1]	9.30	13.11	▼ 29.1%
Distribution yield (based on period end price) [1]	4.5%	4.3%	
Net interest expense ($m)	(49.1)	(59.5)	▼ 17.5%
Interest capitalised ($m)	4.9	5.0	▼ 0.1m
Weighted average cost of debt	3.1%	3.8%	▼ 70 bps
Interest cover	6.0 times	6.0 times	Unchanged

1. Distribution has been declared on 10 August for 9.3 cents for the six months to June 2020.
The weighted average number of ordinary stapled securities was 1,947.9 million for 2020 and 1,808.5 million for 2019.
The period end price was $4.17 at 30 June 2020 and $6.15 at 30 June 2019.

The Group's property portfolio was independently revalued as at June 30 resulting in a $711 million reduction in the value of the portfolio and a statutory net loss after tax of $519.1 million. Net Tangible Asset backing declined 4.8 per cent to $5.52 per security.

Our Retail assets delivered positive sales growth in January and February, however the government restrictions implemented in March resulted in a decline in foot traffic and speciality sales in the second quarter. Despite the impact of the pandemic, portfolio occupancy remains high at 98 per cent. We were encouraged by the performance of our assets in June as government restrictions were eased, with customer visitations and activity trending back to 2019 levels. While the introduction of new restrictions in Victoria during July and August are a setback, we remain optimistic of a similar recovery when government measures are lifted.

The Group's Office portfolio has remained resilient through the period. Despite many organisations implementing work-from-home arrangements, portfolio occupancy at 30 June was 94.4 per cent. Leasing conditions were subdued in the second quarter due to the effects of the pandemic but we have seen encouraging enquiry levels for the unoccupied space in the portfolio in recent weeks.

Liberty Place, Sydney

DISTRIBUTION

The Group announced an interim distribution of 9.3 cents per security, representing a payout ratio of 99.6 per cent, with payment of the distribution due at the end of August.

Our office development at 32 Smith Street, Parramatta, is progressing well and remains on-track for completion in early 2021. The project is currently 64 per cent pre-leased. Planning for the Cockle Bay Park precinct in the Sydney CBD has now progressed to the final phase, with Henning Larsen selected as the winner of the international design competition. Commencement of this project remains subject to major tenant pre-commitments.

The Group continues to deliver on its strategy to grow the Logistics portfolio, with the value of the portfolio increasing to $2.64 billion as at 30 June.

Over the last 18 months we have secured a significant development pipeline and have been successfully developing high quality logistics assets for our portfolio. The Logistics development pipeline has an expected end value of $1 billion. Three development projects were completed during the period and the Group has a further two projects currently underway, both located in western Sydney. Also in western Sydney, the Group was pleased to receive rezoning approval for its land holding at Kemps Creek. This site is strategically located close to the M4 & M7 interchange, the future Western Sydney Airport and the proposed Western Sydney freight intermodal terminal.

Funds management earnings increased by 6.6 per cent over the previous corresponding period to $24.2 million, driven by the growth in the GPT Wholesale Office Fund (GWOF).

GWOF's development pipeline was enhanced during the period following the acquisition of three neighbouring sites along George Street, Parramatta, in a transaction worth approximately $75 million. This medium-term development opportunity increases GWOF's development pipeline to an estimated end value of approximately $3 billion.

The Group continues to hold a leadership position in sustainability. With an eye to the future, the Group is targeting for all GPT managed assets to operate on a carbon neutral basis by 2024. This represents a significant advance on the previous target of 2030 and reaffirms our leadership position.

Throughout the period, the health and safety of our people, our customers and public has been our first priority. We continue to focus on developing our safety leadership skills and our safety culture to ensure that our assets and workplaces remain safe places for our people, tenants and communities not only during the pandemic but also for the future.

Outlook

It is a very challenging time for Australia, in particular for Victorians, and we are doing what we can to support our people, customers, tenants and the community.

GPT is well placed to navigate through the pandemic period, with a strong balance sheet and a high level of liquidity that ensures that we are well positioned to continue to execute on our strategy.

We are focused not only on the current pandemic situation but also on positioning the business for the future. We have an experienced management team and continue to be prudent in the way we are managing the business.

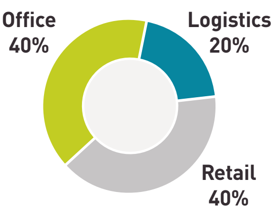
Given the evolving circumstances of the pandemic, including the introduction of Stage 4 restrictions in Melbourne during August, GPT is not providing FFO or distribution guidance for the full year 2020 at this time.

I thank our securityholders for their continued support of the Group and our people for their hard work and commitment during these challenging times.

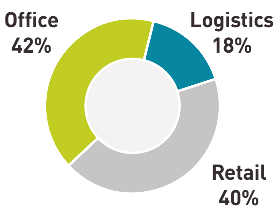
Bob Johnston
Chief Executive Officer

High Quality Diversified Portfolio

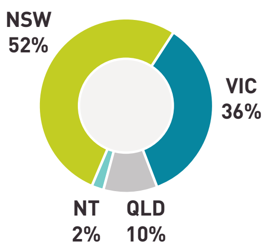
Target asset allocation

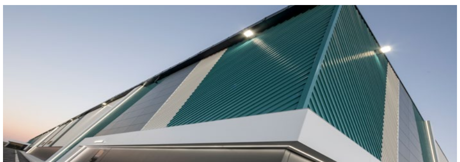


Current asset allocation



Geographic weighting





INTERIM RESULTS

GPT's Interim Results Presentation and Data Pack, Interim Financial Report, ASX announcement, and Property Compendium are available on our website:
gpt.com.au/investor-centre or **gpt.com.au/latest-financial-results**

Portfolio Performance

Office

Net Income from the Office portfolio increased 1.2 per cent on the prior corresponding period to $139.4 million, with fixed rent increases and the acquisition of Darling Park offsetting pandemic-related rent relief that was provided to qualifying tenants.

Melbourne Central, Melbourne

The portfolio valuation declined by 1.7 per cent, primarily related to adjustments for pandemic-related impacts. The Weighted Average Capitalisation Rate (WACR) at 30 June remained unchanged at 4.85 per cent while the average discount rate firmed by nine basis points to 6.32 per cent.

The portfolio remains well leased with an occupancy of 94.4 per cent and a Weighted Average Lease Expiry (WALE) of 5.2 years. During the half, 38,000 square metres of leases were signed with a further 19,600 square metres subject to Heads of Agreement. Management has engaged with tenants thoughout the period to maintain high occupancy through lease renewals and new leases.

Virtual marketing has helped facilitate transactions through the period where face to face meetings have been restricted.

The Group's office development at 32 Smith Street, Parramatta, is on track for completion in early 2021. Targeting a 6 star Green Star environmental rating, the 26,000 square metre office tower is currently 64 per cent leased, with QBE anchoring the development. Leasing enquiry for the balance of the space remains positive.

GPT remains focused on ensuring the health and safety of our tenants and visitors, implementing a range of measures to support our tenants in returning to the office as government restrictions are eased.

Logistics

In line with the Group's strategy, the Logistics portfolio grew by 8.4 per cent to $2.64 billion during the half through a combination of acquisitions and development completions.

The $32.4 million acquisition of a facility at Port Melbourne was completed and the Group settled on a new 23,800 square metre facility at Truganina in Melbourne, for $42.2 million. Both assets are fully leased with a long WALE of 7.6 years.

The Logistics portfolio recorded a 2.3 per cent valuation increase during the half, with the WACR firming 11 basis points to 5.29 per cent and the average discount rate firming by 22 basis points to 6.39 per cent.

Occupancy of the portfolio increased to 99.8 per cent, with 118,300 square metres of leases signed and terms agreed for a further 8,700 square metres. The portfolio has a WALE of 6.9 years at 30 June.

Three new developments were completed during the half, including a facility at Pine Road, Yennora in Western Sydney and two facilities at Wembley Business Park, Berrinba in Brisbane. All assets were fully leased on completion.

In Western Sydney, two development projects are underway with an expected end value of $129 million. A pre-leased 50,000 square metre facility in Penrith is due for completion in the second half of 2020. Works have also commenced on a speculative project at Glendenning which is due for completion in early 2021.

The Group's 33.4 hectare Kemps Creek site, located close to the future Western Sydney Airport and proposed intermodal freight terminal, was rezoned for industrial use in June.

The Logistics development pipeline has capacity to deliver over 500,000 square metres of prime facilities with an expected end value on completion of approximately $1 billion.

2 Ironbark Close, Berrinba

Retail

A key focus for our retail team over the period has been on creating the safest possible environments for customers who visit our centres and our retailers who continue to trade. In addition, the Code of Conduct has meant that we have engaged with nearly 2,000 tenants to discuss rent relief either through rent waivers or deferrals.

As a result of the pandemic-related restrictions on trading conditions and Code of Conduct negotiations, rent collection was impacted and revenue declined 37 per cent. With restrictions on store openings, specialty sales productivity declined to $9,910 per square metre at 30 June.

The portfolio remains well leased with an occupancy of 98.0 per cent, and the Group completing 173 leasing deals during the period.

Each asset was independently valued as at 30 June resulting in a valuation decline of 10.5 per cent. The WACR expanded by 15 basis points to 5.04 per cent, while discount rates firmed 27 basis points to 6.35 per cent.

In response to the changes in the operating environment brought on by the pandemic, the Group has deferred the commencement of the planned developments at Rouse Hill Town Centre and Melbourne Central. These two projects will remain on hold until market conditions are more favourable.

Concurrently, our team has been working with our retailers to develop convenience focused initiatives such as Retail Runner, a digital centre-based 'click and collect' service for customers seeking quick, contactless shopping options. Retail Runner is being implemented to assist customers and support tenants in the lead up to Christmas.

Encouragingly, as restrictions were relaxed, we saw customers return to their preferred shopping habits, with visitation levels at centres such as Rouse Hill Town Centre (NSW), Casuarina Square (NT) and Charlestown Square (NSW) trending toward 2019 levels. We remain optimistic that a similar recovery will occur at our Melbourne assets when measures are lifted.

Our high quality retail assets are well-positioned in some of Australia's highest growth markets, including Sydney's north west, Melbourne's inner west, and Queensland's Sunshine Coast. We remain confident that our productive portfolio will continue to attract shoppers when mobility restrictions are eased.

Casuarina Square, Darwin

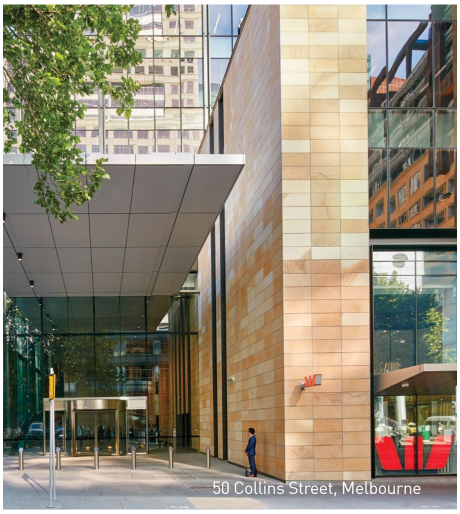
Funds Management

The GPT Funds Management platform comprises two wholesale funds, the GPT Wholesale Office Fund (GWOF) and the GPT Wholesale Shopping Centre Fund (GWSCF). The platform has $12.8 billion Assets Under Management with 70 institutional investors. Funds management earnings increased by 6.6 percent over the previous corresponding period to $24.2 million, driven by the continued growth in the GPT Wholesale Office Fund.

The **Office Fund** remains well positioned with a quality portfolio of office assets. GWOF successfully completed a $289 million equity raising during the half to fund future acquisitions and developments, and we welcomed five new investors to the Fund as part of the raising.

The Fund acquired a development site on George Street, Parramatta, during the period. The site has the potential for an office tower of up to 75,000 sqm and has increased the estimated end value of the Fund's development pipeline to approximately $3 billion. GWOF also remains on track to achieve its target of obtaining carbon neutral certification of the portfolio this year.

The performance of the **Shopping Centre Fund** was impacted by portfolio devaluations during the period. GWSCF retains a high quality portfolio of assets with potential mixed use opportunities over the longer term, with a near-term focus on navigating through the pandemic period and taking a prudent approach to capital management.


50 Collins Street, Melbourne

Sustainability

GPT Managed Assets

GPT continues to rank as a global leader in sustainability in the real estate sector, with consistently high ratings in the GRESB and Dow Jones Sustainability Index benchmarks.

The **GPT Sustainability Report**, released in May, sets out our performance and priorities across environmental, social, and governance matters to create value for all stakeholders. We also published our inaugural **Climate Disclosure Statement**, aligned to the recommendations of the Taskforce on Climate-related Financial Disclosures, during the half.

Recognising the importance of continued action to address climate change, in August GPT announced our new **Carbon Neutral 2024** target to achieve carbon neutral operations across all managed assets by 2024, six years ahead of our original 2030 target. The implementation of our Energy Master Plan in 2019 has enabled the Group to make substantial progress towards carbon neutral operations ahead of schedule by increasing renewable energy use including with solar arrays at our assets, optimising asset operations, reviewing storage options, and offsetting emissions that can't otherwise be eliminated.

In line with the United Nations Guiding Principles on Business and Human Rights, GPT recognises the responsibility of businesses to respect and uphold human rights. In June, we released our **Human Rights Statement**, which articulates our long-standing commitment to respecting human rights across our operations and in our engagement with third parties. Demonstrating this commitment, we will also release our first Modern Slavery Statement in the second half of 2020, further enhancing the transparency of our operations and supply chain in relation to human rights.

The Group has continued to make progress towards our **diversity and inclusion** targets.

During the half, we were named an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency (WGEA) for the third consecutive year. GPT was also recognised for the first time as a Bronze Employer for LGBTI inclusion in the Australian Workplace Equality Index (AWEI) small employer category.

Our ongoing work to promote **reconciliation** saw the Group launch a voluntary online learning program for our people during the period. Pleasingly, 60 per cent of employees completed the program during the half, which reflects their strong interest in reconciliation and its importance to our business and communities. GPT assets and offices also participated in National Reconciliation Week to encourage our people, tenants and communities to collectively advance Australia's journey to reconciliation.

KEY DATES

Interim distribution payment	28 August 2020
Annual Results announcement	15 February 2021
Final distribution announcement	15 February 2021
Final distribution payment	February 2021

SHARE REGISTRY

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