GPT

The GPT Group

ASX Announcement

GPT QUARTERLY UPDATE

26 October 2005

GPT provides a quarterly update for the March and September quarters to supplement the Mid-Year and Annual Results disclosures. The following information provides investors with an update on the activities of GPT for the September 2005 quarter.

SUMMARY

The performance of GPT's core portfolio remains solid and further progress in investing within the joint venture with Babcock & Brown has been made. GPT remains on track to deliver on the forecasts for distribution of 13.0 cps for the six months ending 31 December 2005, as outlined in the Notice of Meeting and Explanatory Memorandum dated 2 May 2005. The September quarter distribution is expected to be announced on 28 October 2005.

Highlights during the quarter included:

- Further progress on a range of developments across the Retail, Industrial, Office and Masterplanned Urban Communities Portfolios.
- Continued leasing activity within the Office Portfolio.
- Further progress in relation to the joint venture acquisition pipeline, with further acquisitions announced on 24 October.
- Completion of the transition of staff from Lend Lease with the remaining retail staff transferring to GPT on 15 August 2005 and the property management of the majority of GPT's retail assets also transferring to GPT on that date.

JOINT VENTURE

Additional resourcing for the joint venture has now been secured, with the recent appointment of an Investment Manager located in London and an analyst in Sydney. Both roles will work closely with Neil Tobin (General Manager, JV) on GPT's investment in the joint venture and in assessing acquisition opportunities.

Significant progress was made in securing additional investment opportunities for the joint venture with a net $1.2 billion in further acquisitions announced on 24 October 2005, including:

- Six retail assets located in the southeast US, acquired for $440 million – 90% ownership by JV.
- A portfolio of light industrial assets located in the Netherlands, Germany and France, at a cost of $328 million.
- German retail assets, in a range of retail formats, with a value of $460 million.
- The Galerie Pomorska shopping centre in Bydgoszcz, Poland, acquired for $89 million.
- Residential apartments in Berlin and western Germany, acquired for $141 million.

The JV has undertaken its first trading activity, remixing the German residential portfolio with the sale of a portion of the existing portfolio (consisting of portions of the Salzgitter and AMB Generali portfolios) and the realisation of an $8 million profit to the JV from the sale of 5,830 apartments for $246 million.

A strong pipeline in acquisitions continues to be under consideration for the joint venture which now has total assets of $2.38 billion, and is well progressed in reaching its target of being fully invested by December 2006.

RETAIL PORTFOLIO

Sales Performance

Despite a softening in specialty sales over the quarter, the Retail Portfolio's sales performance continues to be positive, with comparable centre MAT up 4.0% and comparable specialty MAT up 4.5% in the year to September 2005. Across GPT's shopping centres, occupancy costs remain at a level that provides a strong platform for growth and, importantly, vacancies and arrears remain very low.

- Total comparable MAT growth for the 12 months to 30 September 2005 was 4.0%.
- Total comparable specialty MAT growth for the 12 months to 30 September 2005 was 4.5%.
- The specialty occupancy cost for the regional Retail Portfolio was 14.4% at 30 September 2005. This compares favourably with the JHD regional retail average (2003/2004) of 14.8%.

Note: The above sales figures are exclusive of Macarthur Square, Erina Fair and Melbourne Central, which are currently impacted by development.

Specialty sales have softened marginally over the quarter as a result of a weaker housing market, high petrol prices and the impact on Consumer Sentiment. The outlook is for a continued moderation in sales in the short term. However, general economic conditions remain stable and we expect to see a return to stronger sales growth in the medium term.

Within the major retailers, the Discount Department Stores are showing the strongest performance (comparable MAT up 7%). Department Stores and Supermarkets comparable MAT were up 2% and 4% respectively.

The strongest performing specialty commodity groups include Discount Variety, Mobile Phones, Eating Establishments, Pharmacy, Assorted Giftware and Jewellery. Weaker commodity groups include Newsagency/Books and Clothing.

Retail Portfolio Moving Annual Turnover per square metre
(at 30 September 2005)

	Moving Annual Turnover				Occupancy Costs (%)	
CENTRE NAME	Centre MAT $PSM	Comparable Centre MAT Growth (%)	Specialty MAT $PSM	Comparable Specialty MAT Growth (%)	Centre (%)	Specialty (%)
Carlingford Court	6,333	4.2%	8,097	4.3%	8.1%	14.7%
Casuarina Square *	6,135	5.4%	8,420	7.1%	9.5%	13.7%
Charlestown Square*	7,277	7.3%	10,730	3.8%	9.0%	14.5%
Chirnside Park	6,686	1.7%	8,220	(2.2%)	6.1%	13.8%
Dandenong Plaza	3,705	1.2%	6,212	(1.1%)	10.4%	15.8%
Floreat Forum	7,026	9.6%	5,467	15.5%	7.7%	14.3%
Forestway	11,180	6.4%	8,343	4.5%	6.9%	13.3%
Parkmore	5,568	1.3%	6,364	3.6%	6.8%	13.9%
Westfield Penrith	6,899	3.6%	12,337	4.3%	9.2%#	14.1%#
Sunshine Plaza *	7,264	5.7%	9,729	7.1%	8.8%	14.7%
Westfield Woden	6,752	2.3%	9,501	4.6%	8.4%#	14.0%#
Wollongong Central	5,618	2.1%	8,592	4.0%	10.1%	14.1%
Total Portfolio	6,336	4.0%	8,911	4.5%	8.7%	14.3%

Centres under Development						
Macarthur Square	5,406	(2.4%)	9,938	(1.2%)	9.1%	13.9%
Melbourne Central Retail	5,270	179.9%	5,900	154.7%	17.7%	19.5%
Erina Fair	5,758	5.5%	7,065	4.5%	9.7%	18.3%

* Casuarina does not include Monterey House; Charlestown does not include Pacific Highway properties; Sunshine includes Plaza Parade but does not include Maroochydore Superstore or Horton Parade.

\# As a result of the transfer of information between GPT and Westfield systems it has been necessary to use passing rent for historical data to calculate occupancy costs for Penrith and Woden. Therefore occupancy costs for these centres will be estimates until one full year of rental data has been tracked by Westfield (June 2006).

NB: Centres under development are shown for information only. Until centres have traded for a full 24 month period post development these figures do not accurately reflect underlying performance.

NOTE: Change to sales reporting:

GPT is now reporting sales in accordance with new Shopping Centre Council of Australia (SCCA) guidelines as of 1 July 2005. These guidelines have been established to create consistency in reporting across the industry. As a result there have been some changes to sales reporting methodologies including:

- the incorporation of the commercial sales category (predominantly travel) into total centre sales;
- the classification of mobile phone retailers into the specialty store category;
- the inclusion of total comparable MAT growth as opposed to MAT $psm growth; and
- historical information has been adjusted to ensure like for like growth comparison.

These changes have had a minimal impact on GPT sales reporting.

Retail Development

Melbourne Central – The $260 million redevelopment of Melbourne Central is now complete and is almost fully committed, with only 1 shop remaining to be leased. Approximately 295 of the 303 shops are open and trading, with the remaining retailers, primarily on the new Level 3 leisure and entertainment precinct, now undertaking fit-out works and due to open progressively over the next 3 months.

A major milestone was reached with the opening of the new 11-screen Hoyts cinema in September. The completed centre represents a unique retail experience, tailored to the dynamic and diverse Melbourne retail market and early trading has been positive.

Macarthur Square – The $110 million (GPT's 50% share) major expansion of Macarthur Square is progressing well, with income now 84% committed. The first stage is due to open in November 2005, with the second stage of the development, which includes the Town Square precinct, expected to open in early 2006. Some of the key retailers secured include Borders Books, JB HiFi, Rebel Sports, Dick Smith Powerhouse, Bay Swiss, Esprit, and Cue.

Westfield Penrith – The $70 million (GPT's 50% share) major expansion of Westfield Penrith is progressing well and is on program for completion in November this year. The project is almost fully committed, with only 1 shop remaining to be leased. Key retailers secured include Harris Farm, JB HiFi, Rebel Sports, Kookai, Country Road, Cue, Esprit, Jag, Sportsgirl, General Pants, Colorado, ABC store, along with a number of eating establishments such as Hogs Breath, Starbucks and a teppanyaki restaurant. GPT anticipate completing the development for a 10 November launch of the newly completed centre. The project is now forecast to deliver a year 1 yield of 9% upon completion. GPT is development managing this project on behalf of the joint owners.

Rouse Hill – The precinct plan for the new Town Centre at the Rouse Hill Regional Centre was approved on 26 July 2005 and is progressing towards an anticipated commencement of construction in early 2006. The Town Centre is one of the last major greenfield regional retail opportunities within the Sydney metropolitan area. GPT will develop and own the Town Centre (shopping centre) and is in joint venture with Lend Lease to develop the remaining facilities and the residential component of this $1.0 billion project.

Charlestown Square – Masterplanning is advanced for a proposed expansion of the 47,000 sqm Centre to 80,000 sqm. Following an extensive community and authority engagement program, discussions with Lake Macquarie Council regarding land transactions required for the development to proceed are now underway, and GPT anticipate being in a position to provide further information on the plans for this development early in 2006.

Sunshine Plaza Update

During the quarter the NSW Supreme Court found that, contrary to assertions by Lend Lease Real Estate Investments Ltd ("Lend Lease"), GPT's conditional arrangements with Westfield in relation to Sunshine Plaza did not trigger any pre-emptive right under the Joint Ownership Agreement between GPT and Australian Prime Property Fund Retail ("APPF"). The decision, which confirmed GPT's view that there is no obligation for GPT to sell its interest in the property to APPF, is now subject to an appeal by Lend Lease. The timing for the hearing of this appeal is not yet known.

OFFICE PORTFOLIO

Despite the challenges associated with prolonged weakness in office market conditions in GPT's key markets of Sydney and Melbourne, GPT's Office Portfolio continues to maintain its position, with 28,600 sqm leased and terms agreed over a further 5,200 sqm across the Portfolio in the three months to 30 September 2005. As a result, Portfolio occupancy has increased slightly, to 94.2%.

While demand is beginning to show signs of improvement, the conditions across Australia's office markets are varied. In Sydney, where the majority of GPT's office assets are located, additional supply has resulted in the vacancy rate increasing from 10.6% to 11.3% (at 30 September 2005), keeping incentives high, and leasing of vacant space continues to be challenging. Positive net absorption and a decline in vacancy rates over the quarter were recorded in the remaining major markets, with Brisbane displaying strong performance. While conditions in the Melbourne market have improved, the risks associated with additional supply remain in this market.

Leasing Update

Leasing results in the third quarter have slightly improved the Portfolio's position. The remainder of 2005 and calendar year 2006 expiry is now only 7.3% of the Portfolio and the weighted average lease term to expiry is 6 years. Leasing of the remaining vacancy to reduce short and medium term expiry risk continues to be the major focus of the Office Portfolio team, particularly in Sydney.

- In Sydney at Australia Square, Abbott Tout have relocated from the MLC Centre, and have leased 5,100 sqm in the Tower Building for 10 years and 2 months, commencing January 2006. Also in the Tower: Workplace Law have leased 200 sqm for a 5 year term commencing September 2005; Provident Capital have leased 180 sqm for 2 years and 9 months commencing January 2006; and, Colonial First State Investments have leased 110 sqm for a 2 year term. In the Plaza Building, Quinton Investments have signed a lease over 1,200 sqm for a 7 year term commencing January 2006.
- At the MLC Centre, Cantor Fitzgerald have signed a lease over 830 sqm commencing August 2005 for a 5 year term and the National Australia Bank have leased 770 sqm for a 6 year term.
- At 2 Park Street, Citibank have signed a lease over 730 sqm for a 2 year term (from August 2005).
- At 179 Elizabeth Street, Talint have renewed their current lease and taken additional space totalling 400 sqm for a 3 year 11 month term, commencing July 2005. Duncan Cotterill have also renewed their lease over 380 sqm for 5 years from July 2005.
- At Farrer Place, Goldman Sachs JBWere have executed a lease for a further term of 3 years over 1,550 sqm and 6 years over 6,340 sqm, expiring in 2009 and 2012 respectively. Mallesons Stephen Jaques have taken a further 1,200 sqm for 15 years and Smarthealth have leased 330 sqm in the Phillip Street Terraces for a period of 3 years (commencing July 2005).
- At the Riverside Centre in Brisbane, the ATO have signed a lease over 3,120 sqm for 3 years 6 months from July 2005. DFS Financial Services have leased 200 sqm for a term of 10 years 2 months commencing January 2006.
- At Indigo House (formerly Black Ink House), Russell & Co have leased 560 sqm for 4 years 11 months commencing September 2005, EOS have leased 340 sqm for 5 years from July 2005 and Interwork Architects have leased 140 sqm for a 5 year term commencing July 2005. GPT have leased 180 sqm for 4 years 11 months from August 2005 – the space will be occupied by the Brisbane based retail team.

Development Update

The construction of Darling Park Stage 3 is now well progressed with practical completion expected in November 2005, six months ahead of the original completion date. Following the announcement in August 2005 that Rabobank Australia had committed to a lease over 9,000 sqm, only three floors in the high rise remain to be leased. The floors are being offered as both suites and whole floors, however, negotiations are underway to lease the three floors to one tenant.

Sales

120 King Street in Melbourne is being marketed for sale. The 3,700 sqm building, adjacent to 530 Collins Street, is a non-core asset which was originally acquired by GPT in 1996 in conjunction with the 68,000 sqm 530 Collins Street building.

HOTEL & TOURISM PORTFOLIO

Inbound tourism is experiencing steady growth, with overall inbound tourism up 10% in 2004 (rebounding from the impact of SARS in 2003) and 7.6% year to date at August 2005. Growth in 2005 is occurring across most markets, but with particularly strong growth from China, South East Asia, UK and New Zealand. Japan is one of the few markets to fall in 2005, down 3.2% to August.

Domestic leisure demand, however, has been weak. Contributors to this weakness include a stronger Australian dollar resulting in solid outbound Australian travel and softer domestic economic conditions resulting in reduced discretionary spending. Although it is unclear what impact the recent terrorist attacks in Bali will have on outbound and domestic Australian travel, it is expected travel to SE Asia will be reduced in the near term.

Generally positive inbound tourism conditions benefited GPT's Ayers Rock Resort and the Four Points by Sheraton, Sydney, however performance of the Voyages Lodges portfolio, which has a higher reliance on domestic guests, has continued to be impacted by weaker domestic leisure demand.

Ayers Rock Resort

Ayers Rock Resort has performed well this year with increased international tourism contributing to occupancy growth. Including the impact of the reopening of Longitude 131°, room nights sold and room rates were up 5.7% and 4.9% respectively on the previous year.

The key performance indicators to September 2005 are shown below.

Ayers Rock Resort (incl. Alice Springs)	YTD Sept 2004	YTD Sept 2005	Variance
Rooms Available	252,400	253,900	0.6%
Rooms Sold	154,500	163,300	5.7%
Occupancy	61%	64%	3.0%
Room Rate	$206	$216	4.9%
Total Revenue (000)	$80,800	$90,300	11.8%

Four Points by Sheraton Hotel, Sydney

In the third quarter, Four Points performed well with occupancy remaining high and room rates increasing by 10.9% year to date to September 2005. With Sydney's CBD hotel market fundamentals remaining strong, we expect this performance to continue through 2005, although the refurbished Sydney Hilton, which re-opened this June, has added to the competitive room supply and may inhibit market growth in the short term.

The key performance indicators to September 2005 are shown below.

Four Points Sydney	YTD Sept 2004	YTD Sept 2005	Variance
Rooms Available	172,700	172,000	-0.4%
Rooms Sold	145,100	137,000	-5.6%
Occupancy	84%	80%	-4.0%
Room Rate	$162	$180	10.9%
Total Revenue (000)	$32,700	$34,000	4.0%

Voyages Lodges

The performance of Voyages Lodges continues to be negatively impacted by weaker domestic demand in the Queensland resort market. Tactical marketing efforts have been implemented which we anticipate will mitigate this underperformance and assist to improve performance into 2006.

The key performance indicators to September 2005 are shown below.

Voyages Lodges	YTD Sept 2004	YTD Sept 2005	Variance
Rooms Available	185,680	186,300	0.3%
Rooms Sold	119,269	108,200	-9.3%
Occupancy	64%	58%	-6.0%
Room Rate	$249	$244	-2.0%
Total Revenue (000)	$65,500	$61,200	-6.6%

Note: Due to a lack of comparative data, the above trading information excludes El Questro (acquired July 2005) and Wrotham Park (opened March 2005).

Holiday Inn Brisbane

The Brisbane market remains strong with no new supply and steady demand growth. As a result, the Holiday Inn continues to maintain high occupancy and growth in room rates.

The key performance indicators to September 2005 are shown below.

Holiday Inn Brisbane	YTD Sept 2004	YTD Sept 2005	Variance
Rooms Available	52,600	52,400	-0.4%
Rooms Sold	46,600	47,600	2.1%
Occupancy	89%	91%	2.0%
Room Rate	$117	$132	13.3%
Total Revenue (000)	$8,900	$9,800	10.1%

INDUSTRIAL & BUSINESS PARK PORTFOLIO

GPT's Industrial & Business Park Portfolio continues to maintain strong fundamentals, with occupancy of 97.4% (including land leases) and an average lease term of 6.1 years by income across the Portfolio.

During the three months to September 2005, over 300,000 sqm was leased across the Portfolio's assets, including:

- P&O Ports leasing the Austrak Intermodal terminal (228,900 sqm) for 10 years commencing 1 July 2005.
- Coles Myer leasing 74,740 sqm at Austrak Business Park for 20 years from completion of the facility.

Acquisition & Development Update

Austrak Business Park, Somerton – Construction on the 22,200 sqm facility for Labelmakers is scheduled for completion in early 2006 and construction has commenced on the 74,700 sqm national distribution centre for Coles Myer (due for completion in early 2007). Both major facilities will benefit from the strategic location of the Park and the inter-modal rail terminal.

The initial yields for both projects will be in excess of 8% on total development costs, including land.

Sydney Olympic Park – A development application has been lodged to construct Quad 4 at Homebush Bay, with approval expected to be received before the end of 2005. This development will provide approximately 7,500 sqm of A grade office space, and will complete the Quad Business Park. Completion is currently expected to occur in late 2006.

During September GPT acquired 5 Figtree Drive from ACER Computer Ltd for $19 million on an initial yield of 7.5%. The site adjoins two other development sites owned by GPT in the Australia Centre precinct. The three sites combined provide the potential for a higher density campus style office precinct.

MASTERPLANNED URBAN COMMUNITIES PORTFOLIO

The Rouse Hill Regional Centre continues to make progress, with the approval of the Precinct Plan for the Town Centre in July 2005. It is currently expected that the Town Centre and first residential stages will commence works in the first half of 2006. Sales are continuing at Honeyeater Crescent (the first residential lots to be released) and settlements have commenced.

In August 2005, GPT and Lend Lease sought expressions of interest for the sale of the hotel component of the Twin Waters Resort. Whilst GPT and Lend Lease will develop the remainder of the site, regardless of the sale process (65 lots), there is strong interest in the Resort. It is anticipated that an outcome of the sale process will be announced shortly.

CAPITAL MANAGEMENT

At 30 September 2005, GPT had total debt of $3.1 billion, representing a gearing level of approximately 32.9% - below GPT's borrowing limit of 40% of total tangible assets – and the effective interest rate was 5.5% (after fees & margin). Close to 80% of GPT's debt is hedged against short-term movements in interest rates.

The weighted average length of debt was 3.1 years at 30 September 2005.

A detailed Debt Schedule is attached.

ENDS

For further information please call:

Nic Lyons	**Chief Executive**	02 8239 3565
Michael O'Brien	**Chief Operating Officer**	02 8239 3544
Donna Byrne	**Head of Investor Relations & Corporate Affairs**	02 8239 3515
Kieran Pryke	**Chief Financial Officer**	02 8239 3547
Neil Tobin	**General Manager, Joint Venture**	02 8239 3552
Mark Fookes	**Head of Retail**	02 8239 3518
Tony Cope	**Office Portfolio Manager**	02 8239 3535
Bruce Morris	**Hotel/Tourism Portfolio Manager**	02 8239 3541
Victor Georos	**Industrial/Business Park Portfolio Manager**	02 8239 3560
Martin Janes	**Masterplanned Urban Communities Portfolio Manager**	02 8239 3522

GPT Portfolio Swap & Debt Issuance Schedule
As at 30 September 2005

Overview

- Credit Rating BBB+ (long term)
- Drawn down ?300 from the Euro 600m Syndicated Facility for European investment
- Current gearing is 32.9%
- Weighted average cost of debt including fees and margins is 5.50% (including Euro drawdown facility debt)
- Weighted average length of debt is 3.1 years

GPT Debt (Face Value)		AUD $m
Short Term Notes, due within 3 months		$510
Commercial Bills, due in 7 months		$409
Medium Term Notes		
Floating Rate due in 1 year		$80
Fixed Rate, due in 1 year		$260
Floating rate, due in 2 years		$240
Fixed Rate, due in 2 years		$60
Floating rate, due in 3 years		$240
Fixed Rate, due in 3 years	(1)	$460
Floating rate, due in 8 years		$12
Fixed rate, due in 8 years	(2)	$200
CPI Bonds, due in 2029		$125
Euro Drawdown ?300 converted at AUD/ EUR rate at 30 Sept 2005		$473
Total Debt		**$3,069**

GPT Interest Rate Management

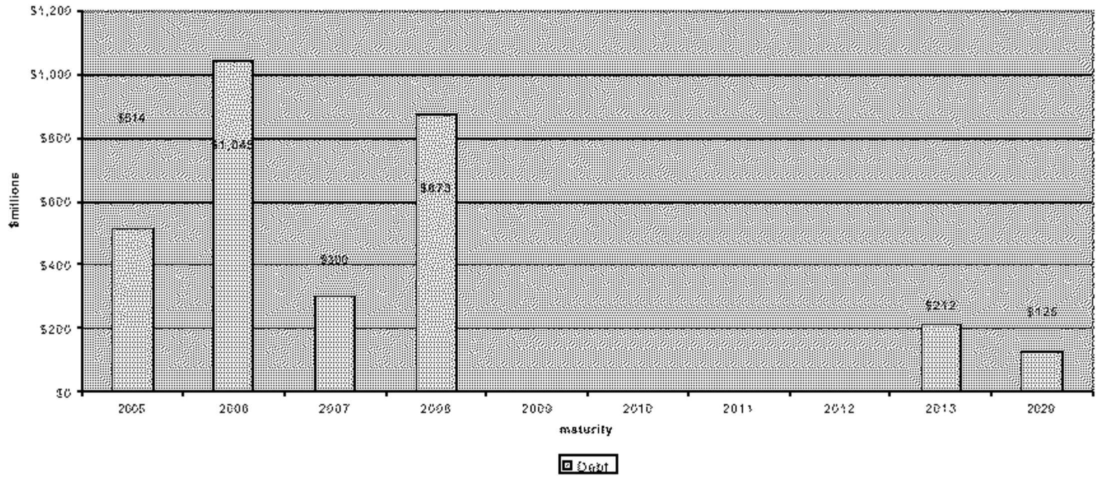
Floating	(3)	$654
Current Swaps		$1820
Fixed	(1)(2)	$470
CPI		$125
Total		**$3,069**

(1) $310m has been swapped to floating
(2) $200m has been swapped to floating
(3) Floating debt after taking into account current swaps

Current effective interest rate after fees & margins is 5.50%* on $3,069m of debt outstanding.

* includes the borrowing costs from Euro facility

Debt Maturity Profile (as at 30 September 2005)



Current Interest Rate Hedging

Hedging Position As at	Average Rate Incl Margins & Fees	Total Principal Amount $ millions	Principal amount of derivative financial instruments $ millions	Principal amount of fixed rate borrowings $ millions
30 September 2005*	6.10%	2,415	1,820	595
31 December 2005	6.09%	2,530	1,935	595
31 December 2006	6.02%	2,423	2,109	314
31 December 2007	6.06%	2,352	2,179	174
31 December 2008	6.06%	2,296	2,171	125
31 December 2009	6.08%	2,107	1,982	125
31 December 2010	6.11%	1,753	1,628	125

* Average Rate at 30 September 2005 is the current cost of total debt