

**16 February 2011**

## **Sale of US Seniors Housing Portfolio**

The GPT Group (GPT) announced binding contracts today for the sale of its US Seniors Housing Portfolio to Health Care REIT Inc (NYSE: HCN), a publicly traded US REIT, marking an important milestone in delivering on the Group's strategy of exiting non-core businesses and focussing on the active ownership of high-quality Australian Retail, Office and Industrial assets.

GPT's US Seniors Housing Portfolio, which consists of a 95% interest in 34 senior living communities, will be sold to HCN for US\$890 million, reflecting a passing yield of 6.2%.

The sale results in GPT completing the exit of all offshore non-core assets with the exception of small interests in two real estate funds in Europe.

The price achieved will result in GPT receiving A\$324 million for its equity interest in the portfolio (after sale costs, taxes and the release of asset level debt), realising a capital gain of A\$119 million against the June 2010 book value of A\$205 million.

The transaction will increase GPT's net tangible assets (NTA) by approximately six cents per share.

The divestment, which is expected to settle in the first half of 2011, is expected to be earnings neutral in 2011.

The proceeds will initially be used to reduce borrowings, resulting in reduced gearing for the GPT Group from around 25.0% to 22.5%, providing further capacity for growth and capital management initiatives.

The GPT Group's CEO and Managing Director, Michael Cameron said the divestment of the US Seniors Housing Portfolio represented a major milestone for GPT. Importantly, the exit has been achieved without diluting GPT's earnings.

"While we identified our US seniors housing assets as non-core in 2008, we have continued to hold the portfolio until we could complete a value-creating sale for our investors. With improvements in the US investment market now occurring and an increase in the level of interest by potential buyers, the timing is right for us to exit the sector. The sale delivers a substantial uplift against current book value and a lift in GPT's NTA, which is an important focus for us.

"The divestment delivers on our commitment to return to the active ownership, management and development of high quality Australian real estate. It also provides additional capacity to reinvest into compelling opportunities in Australia and undertake alternative capital management strategies," Mr Cameron said.

**- Ends -**

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