11 August 2011

Earnings Update

The GPT Group upgrades earnings guidance for 2011

The GPT Group (GPT) today announced an upgrade to its earnings guidance for the six months ended 30 June 2011 and for the full 2011 year, reflecting the core strength and stability of the Group. This guidance is provided to enable GPT to reactivate its on-market buy-back prior to release of the company's Interim Result on 26 August 2011.

2011 Interim Result Guidance

Subject to completion of the review of the accounts by GPT's auditors and Board approval, GPT expects:

- Realised Operating Income for the six months ending 30 June 2011 to be in the range of $220 million to $222 million, 7-8% higher than the first half of 2010;
- Realised Operating Income per ordinary security of 11.2 cents to 11.3 cents for the six months to 30 June 2011;
- An increase in net tangible assets (NTA) per security of approximately 1% compared to 31 December 2010;
- Gearing at the June balance date of approximately 21% (net debt basis) and an Interest Cover Ratio (ICR) between 3.5x to 4.0x; and
- Liquidity (available but undrawn lines plus cash) at 30 June 2011 of approximately $300 million, with GPT's next material refinancing being $485 million of the Group's syndicated bank facility, which matures in October 2012. The remainder of this $1.4 billion facility has been refinanced. GPT's weighted average term to maturity at June 2011 is expected to be 4.8 years.

2011 Annual Result Guidance

For the full year 2011, GPT expects operating earnings per security growth of approximately 7% on 2010, which is higher than its previous guidance of greater than CPI +1%[1].

Full details of GPT's 2011 Interim Result and 2011 full year guidance will be disclosed to the market on 26 August 2011.

Michael Cameron, the GPT Group's CEO and Managing Director, said "At current security price levels, a buy-back of GPT securities is accretive to operating earnings and NTA, and will enhance returns for our securityholders. In order to recommence the purchase of securities prior to our Interim Result announcement, we believe it is prudent to provide this updated guidance."

- Ends -

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[1] Assuming CPI growth of approximately 3%